

ITG Q2 2015 Earnings Call

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Maureen O'Hara
Chair

Jarrett Lilien
Interim CEO

Steve Vigliotti
CFO

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This document may contain "forward-looking" statements that reflect management's expectations for the future. A variety of important factors could cause results to differ materially from such statements. Certain of these factors are noted throughout ITG's 2014 Annual Report, on its Form 10-K and include, but are not limited to, general economic, business, credit and financial market conditions, both internationally and nationally, financial market volatility, fluctuations in market trading volumes, effects of inflation, adverse changes or volatility in interest rates, fluctuations in foreign exchange rates, evolving industry regulations and increased regulatory scrutiny, the ultimate resolution of the SEC's AlterNet investigation and any customer or shareholder actions resulting from the matter or the underlying circumstances, the volatility of our stock price, changes in tax policy or accounting rules, the actions of both current and potential new competitors, changes in commission pricing, rapid changes in technology, errors or malfunctions in our systems or technology, cash flows into or redemptions from equity mutual funds, ability to meet liquidity requirements related to the clearing of our customers' trades, customer trading patterns, the success of our products and service offerings, our ability to continue to innovate and meet the demands of our customers for new or enhanced products, our ability to successfully integrate acquired companies and our ability to attract and retain talented employees. The forward-looking statements included herein represent ITG's views as of the date of this release. ITG undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.



Agenda

Introduction

- Maureen O'Hara
- Jarrett Lilien

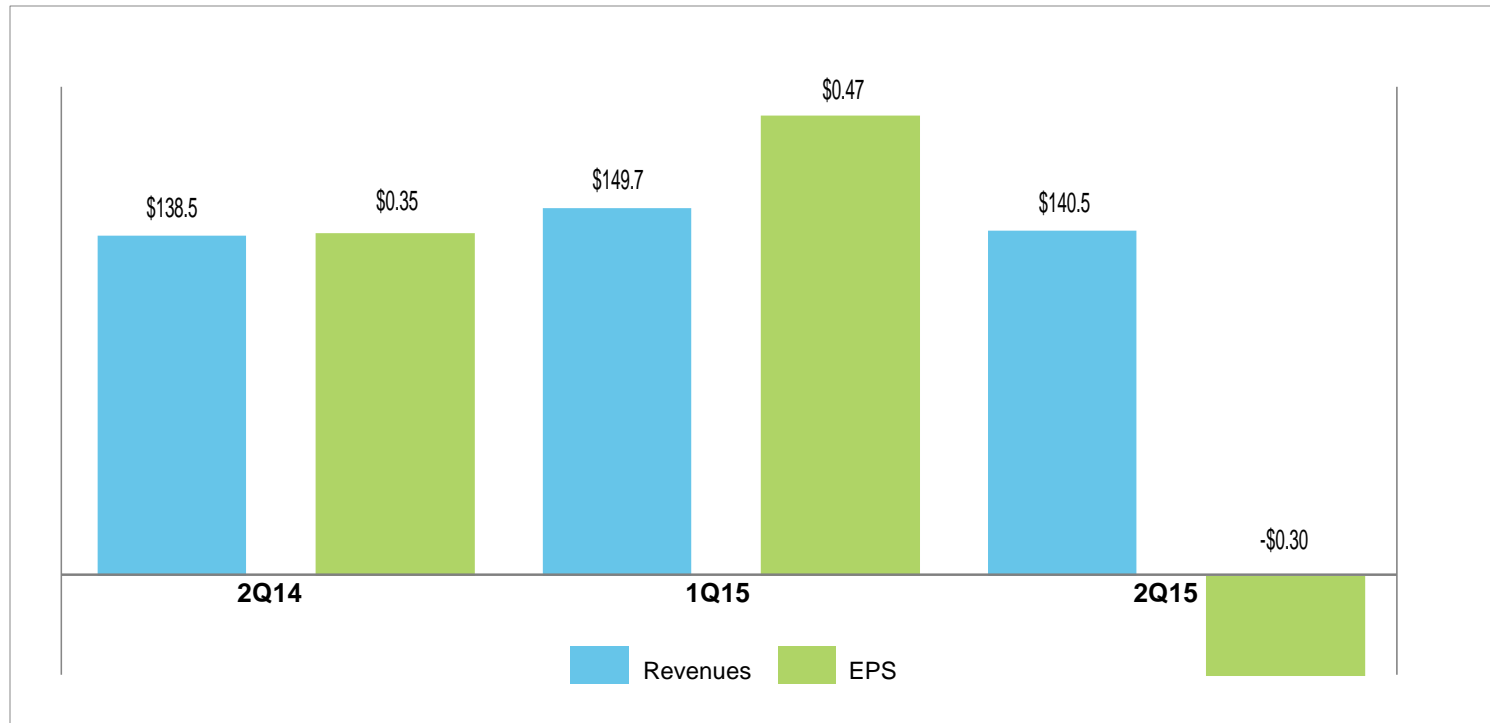
Operational & Financial Update

Trading Activity Levels



Second Quarter 2015 GAAP Results

(\$ in millions except EPS)



	vs. 1Q15	vs. 2Q14
2Q15 Revenues	-6.2%	1.5%
2Q15 Revenues/day	-9.1%	1.5%



Reconciliation of GAAP to Adjusted Results

2Q15

(\$ in millions except EPS)	2Q15		
	Pre-Tax	Post-Tax	EPS
GAAP Loss	\$(8.9)	\$(10.2)	\$(0.30)
Non-Operating Expenses:			
Reserve for SEC Settlement & Related Costs	22.6	21.6	0.62
Adjusted Income	\$13.7	\$11.4	\$0.32



Note: All subsequent slides show adjusted results, excluding non-operating items. There were no non-operating items in 1Q15 or 2Q14.

Consolidated Adjusted Results

2Q15 vs. 1Q15 vs. 2Q14

	North America			Europe and Asia Pacific			Corporate			Total		
(\$ in millions except EPS)	2Q15	1Q15	2Q14	2Q15	1Q15	2Q14	2Q15	1Q15	2Q14	2Q15	1Q15	2Q14
Revenues												
Commissions	\$68.2	\$74.1	\$67.9	\$42.7	\$44.8	\$38.6	\$ -	\$ -	\$ -	\$110.9	\$118.9	\$106.5
Recurring	21.0	21.3	20.3	5.4	5.6	4.7	-	-	-	26.4	26.9	25.0
Other	3.0	4.0	6.9	-	(0.3)	(0.2)	0.2	0.2	0.3	3.2	3.9	7.0
Total Revenues	92.2	99.4	95.1	48.1	50.1	43.1	0.2	0.2	0.3	140.5	149.7	138.5
Expenses	82.8	84.6	81.1	38.7	37.8	34.6	5.3	5.0	6.1	126.8	127.4	121.8
Pre-tax Income (Loss)	9.4	14.8	14.0	9.4	12.3	8.5	(5.1)	(4.8)	(5.8)	13.7	22.3	16.7
<i>Pre-tax Margin</i>	<i>10.1%</i>	<i>14.9%</i>	<i>14.6%</i>	<i>19.5%</i>	<i>24.4%</i>	<i>19.7%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>9.7%</i>	<i>14.9%</i>	<i>12.1%</i>
Tax Expense (Benefit)	3.0	5.9	5.7	1.4	1.8	0.5	(2.1)	(2.1)	(2.4)	2.3	5.6	3.8
Net Income (Loss)	\$6.4	8.9	\$8.3	\$8.0	10.5	\$8.0	\$(3.0)	(2.7)	\$(3.4)	\$11.4	16.7	\$12.9
EPS	\$0.18	\$0.25	\$0.22	\$0.22	\$0.29	\$0.22	\$(0.08)	\$(0.07)	\$(0.9)	\$0.32	\$0.47	\$0.35



Impact of Currency Translation

2Q15 vs. 2Q14

VS. 2Q14 Exchange Rates

(\$ in millions except EPS)	Canada	Europe & Asia Pacific	Total
Revenues	\$(2.0)	\$(4.7)	\$(6.7)
Expenses	(1.5)	(3.5)	(5.0)
Pre-tax Income	(0.5)	(1.2)	(1.7)
Tax Expense	(0.1)	(0.0)	(0.1)
Net Income (Loss)	\$(0.4)	\$(1.2)	\$(1.6)
EPS	\$(0.01)	\$(0.04)	\$(0.05)



North American Adjusted Results

2Q15 vs. 1Q15 vs. 2Q14

	U.S. Operations			Canada Operations			North America		
(\$ in millions)	2Q15	1Q15	2Q14	2Q15	1Q15	2Q14	2Q15	1Q15	2Q14
Revenues									
Commissions	\$54.8	\$58.5	\$54.3	\$13.4	\$15.6	\$13.6	\$68.2	\$74.1	\$67.9
Recurring	19.5	20.0	17.9	1.5	1.3	2.4	21.0	21.3	20.3
Other	1.2	2.0	5.1	1.8	2.0	1.8	3.0	4.0	6.9
Total Revenues	75.5	80.5	77.3	16.7	18.9	17.8	92.2	99.4	95.1
Expenses									
Compensation and Benefits	32.9	33.8	32.6	4.7	7.0	4.8	37.6	40.8	37.4
<i>% of Revenue</i>	<i>43.6%</i>	<i>42.0%</i>	<i>42.2%</i>	<i>27.8%</i>	<i>37.0%</i>	<i>26.9%</i>	<i>40.7%</i>	<i>41.0%</i>	<i>39.3%</i>
Transaction Processing	11.8	11.4	9.2	2.3	2.4	2.1	14.1	13.8	11.3
<i>% of Revenue</i>	<i>15.7%</i>	<i>14.3%</i>	<i>11.9%</i>	<i>13.7%</i>	<i>12.6%</i>	<i>11.6%</i>	<i>15.3%</i>	<i>13.9%</i>	<i>11.9%</i>
Occupancy and Equipment	10.5	10.3	10.5	1.1	1.2	1.5	11.6	11.5	12.0
Telecom and Data Processing	7.5	7.4	7.3	1.4	1.4	1.2	8.9	8.8	8.5
Other G&A	7.1	6.5	7.8	3.5	3.2	4.1	10.6	9.7	11.9
Total Expenses	69.8	69.4	67.4	13.0	15.2	13.7	82.8	84.6	81.1
Pre-tax Income	\$5.7	\$11.1	\$9.9	\$3.7	\$3.7	\$4.1	\$9.4	\$14.8	\$14.0
<i>Pre-tax Margin</i>	<i>7.6%</i>	<i>13.7%</i>	<i>12.8%</i>	<i>21.6%</i>	<i>19.9%</i>	<i>22.8%</i>	<i>10.1%</i>	<i>14.9%</i>	<i>14.6%</i>



Europe & Asia Pacific Adjusted Results

2Q15 vs. 1Q15 vs. 2Q14

	Europe Operations			Asia Pacific Operations			Total		
(\$ in millions)	2Q15	1Q15	2Q14	2Q15	1Q15	2Q14	2Q15	1Q15	2Q14
Revenues									
Commissions	\$29.4	\$32.5	\$28.1	\$13.3	\$12.3	\$10.5	\$42.7	\$44.8	\$38.6
Recurring	4.0	4.2	3.2	1.4	1.4	1.5	5.4	5.6	4.7
Other	0.2	(0.1)	(0.2)	(0.2)	(0.2)	0.0	-	(0.3)	(0.2)
Total Revenues	33.6	36.6	31.1	14.5	13.5	12.0	48.1	50.1	43.1
Expenses									
Compensation and Benefits	9.8	10.1	8.7	5.1	5.0	5.2	14.9	15.1	13.9
<i>% of Revenue</i>	29.2%	27.5%	28.0%	35.3%	37.5%	43.5%	31.1%	30.2%	32.3%
Transaction Processing	7.9	7.8	6.1	3.2	2.9	2.7	11.1	10.7	8.8
<i>% of Revenue</i>	23.4%	21.3%	19.6%	22.2%	21.6%	22.5%	23.0%	21.4%	20.4%
Occupancy and Equipment	1.6	1.7	1.7	1.1	1.1	1.2	2.7	2.8	2.9
Telecom and Data Processing	2.5	2.3	2.3	1.6	1.6	1.7	4.1	3.9	4.0
Other G&A	4.0	3.6	3.5	1.9	1.7	1.5	5.9	5.3	5.0
Total Expenses	25.8	25.5	22.3	12.9	12.3	12.3	38.7	37.8	34.6
Pre-tax Income (Loss)	\$7.8	\$11.1	\$8.8	\$1.6	\$1.2	\$(0.3)	\$9.4	\$12.3	\$8.5
<i>Pre-tax Margin</i>	23.1%	30.4%	28.3%	11.0%	8.2%	-2.6%	19.5%	24.4%	19.7%



Revenues by Product Group

(\$ in millions)	2Q15	1Q15	4Q14	3Q14	2Q14
Electronic Brokerage	\$75.0	\$80.5	\$79.8	\$68.6	\$73.2
Research, Sales and Trading	30.4	32.5	32.0	30.5	30.3
Platforms	23.6	25.1	25.3	23.6	23.3
Analytics	11.3	11.4	11.6	11.6	11.4
Corporate	0.2	0.2	0.3	0.5	0.3
Total	\$140.5	\$149.7	\$149.0	\$134.8	\$138.5



Product Group Margins

Second Quarter 2015 Adjusted Results

(\$ in millions)	Electronic Brokerage	Platforms	Analytics	Research Sales & Trading	Corp	Total
Revenues	\$75.0	\$23.6	\$11.3	\$30.4	\$0.2	\$140.5
Depreciation & Amortization	5.1	3.0	1.6	0.6	0.8	11.1
Interest	-	-	-	-	0.5	0.5
All Other Expenses	56.4	17.5	8.8	28.6	3.9	115.2
Total Expenses	61.5	20.5	10.4	29.2	5.2	126.8
Pre-Tax Income (Loss)	\$13.5	\$3.1	\$0.9	\$1.2	\$(5.0)	\$13.7
Pre-Tax Margin June QTD 2015	18.0%	13.2%	8.3%	3.7%	N/A	9.7%
Pre-Tax Margin Mar QTD 2015	23.5%	18.6%	8.1%	7.7%	N/A	14.9%
Pre-Tax Margin June QTD 2014	19.9%	16.3%	8.8%	9.9%	N/A	12.1%



U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	2Q15	1Q15	4Q14	3Q14	2Q14
Trading Volumes	11,505	11,665	12,147	9,391	9,385
Trading Days	63	61	64	64	63
Trading Volumes Per Day	182.6	191.2	189.8	146.7	149.0
Revenue Per Share (Includes commissions and net executions)	\$0.0042	\$0.0045	\$0.0044	\$0.0046	\$0.0050
Trading Commissions and Fees	\$48.3	\$52.0	\$53.7	\$43.4	\$46.9
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives)	6.5	6.5	7.6	7.0	7.4
Total Commissions and Fees	\$54.8	\$58.5	\$61.3	\$50.4	\$54.3



Trading Activity Levels

- July 2015
- Recent Trading



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