The background of the slide features a complex, abstract graphic composed of numerous thin, curved lines. The lines are primarily blue and orange, with a single prominent red line that stands out. The lines originate from the top and bottom edges and curve across the page, creating a sense of movement and depth.

ITG 2Q 2018 Earnings Call

August 8, 2018

Frank Troise
CEO and President

Steve Vigliotti
CFO and CAO

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Safe Harbor Statement

In addition to historical information, this presentation may contain "forward-looking" statements that reflect management's expectations for the future. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "could", "should," "would," "expect," "plan," "anticipate," "believe," "estimate," "predict," "trend," "potential" or "continue" and the negative of these terms and other comparable terminology. A variety of important factors could cause results to differ materially from such statements.

Certain of these factors are noted throughout ITG's 2017 Annual Report on Form 10-K, and its Form 10-Qs (as amended, if applicable) and include, but are not limited to, general economic, business, credit, political and financial market conditions, both internationally and domestically, 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 outcome of contingencies such as legal proceedings or governmental or regulatory investigations and customer or shareholder reaction to, or further proceedings or sanctions based on, such matters, the volatility of our stock price, changes in tax policy or accounting rules, the ability of the Company to utilize its loss and tax credit carryforwards, 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 the capital and liquidity requirements of our securities business and the related 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 protect our intellectual property, our ability to execute on strategic initiatives or transactions, our ability to attract and retain talented employees, and our ability to pay dividends or repurchase our common stock in the future.

The forward-looking statements included in this presentation 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.

This presentation refers to certain non-GAAP financial measures. These non-GAAP financial measures should be considered in addition to, and not in lieu of, results reported under GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the supplemental tables accompanying the earnings release and the Investor Relations section of the Company's website at <http://investor.itg.com>.



Agenda

Introduction

- Potential Settlement
- Regional Results
- Recent Awards

Strategic Operating Plan (SOP) Update

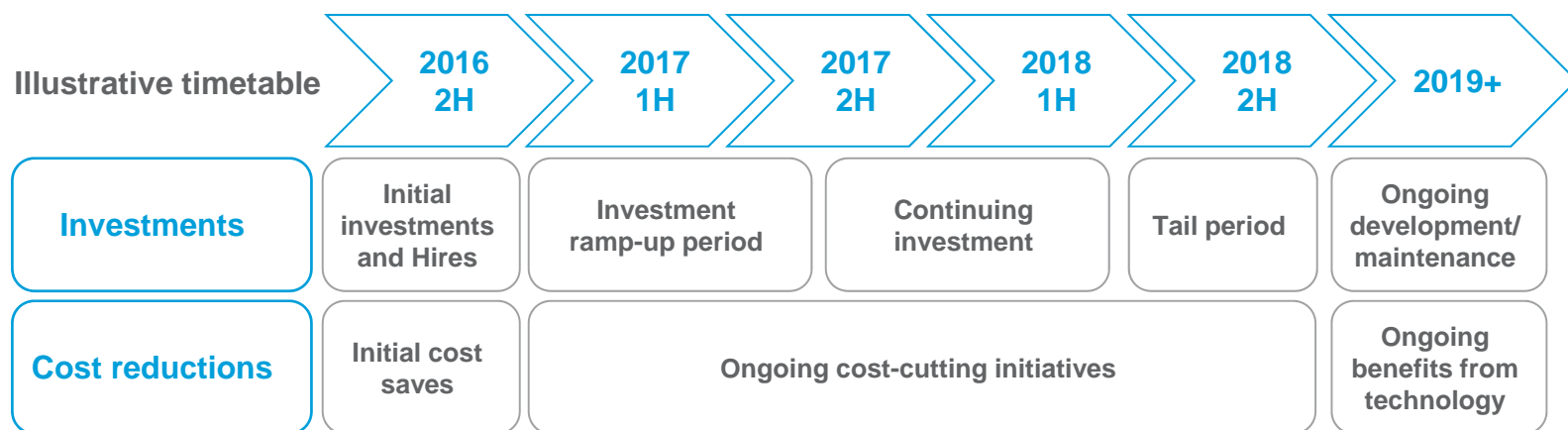
- Investments and Hiring
- New Capabilities

2Q18 Financial Review



Strategic Operating Plan: Investments

- \$32 million invested, balance of total \$40 million to be invested through end of 2018
- >\$30 million in expense saves identified over 8 quarters to fund SOP investment
- Global headcount 880, down from 963 at end of 2Q16 even with ~50 SOP additions



Strategic Operating Plan: New Capabilities

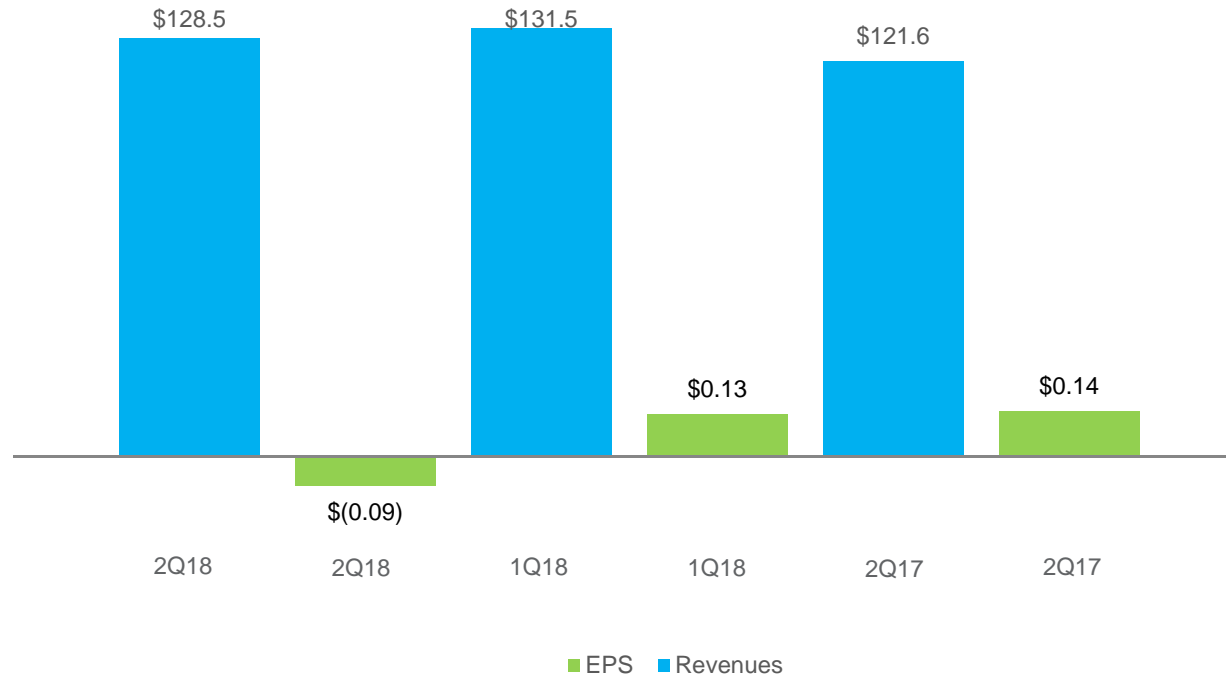
- POSIT Alert ticket: 100+ clients live
- IS algo with AI rolled out to >50% of U.S. clients
- Futures TCA expansion, new Analytics portal
- Multi-Asset Triton client wins
- Algo Wheel: ~40 regional installs, strong pipeline

Financial Review



Second Quarter 2018 GAAP Results

(\$ in millions except EPS)



	vs. 1Q18	vs. 2Q17
2Q18 Revenues	(2)%	6%
2Q18 Revenues/day	(7)%	4%



Reconciliation of GAAP to Adjusted Results 2Q18 and 1Q18

(\$ in millions except EPS)	2Q18			1Q18		
	Pre-Tax	Post-Tax	EPS	Pre-Tax	Post-Tax	EPS
GAAP Income	\$(0.2)	\$(3.0)	\$(0.09)	\$5.9	\$4.4	\$0.13
Non-Operating Items:						
SEC Settlement Accrual and Related Fees	12.2	12.2	0.36			
Restructuring				7.2	7.2	0.21
Tax Reserve Adjustment					(1.9)	(0.06)
Adjusted Income	\$12.0	\$9.2	\$0.27	\$13.1	\$9.7	\$0.28



Consolidated Adjusted Results

2Q18 vs. 1Q18 vs. 2Q17

	North America			Europe and Asia Pacific			Corporate			Total		
(\$ in millions except EPS)	2Q18	1Q18	2Q17	2Q18	1Q18	2Q17	2Q18	1Q18	2Q17	2Q18	1Q18	2Q17
Revenues												
Commissions	\$50.5	\$51.4	\$53.7	\$56.0	\$58.2	\$46.9	\$ -	\$ -	\$ -	\$106.5	\$109.6	\$100.6
Recurring	13.4	13.3	13.1	6.7	6.3	5.8	-	-	-	20.1	19.6	18.9
Other	1.9	1.9	1.9	(0.4)	(0.1)	(0.2)	0.4	0.5	0.4	1.9	2.3	2.1
Total Revenues	65.8	66.6	68.7	62.3	64.4	52.5	0.4	0.5	0.4	128.5	131.5	121.6
Expenses	63.7	64.1	68.6	47.9	47.8	42.1	4.9	6.5	5.8	116.5	118.4	116.5
Pre-tax Income (Loss)	2.1	2.5	0.1	14.4	16.6	10.4	(4.5)	(6.0)	(5.4)	12.0	13.1	5.1
<i>Pre-tax Margin</i>	3.1%	3.7%	0.1%	23.2%	25.7%	19.8%	N/A	N/A	N/A	9.3%	9.9%	4.2%
Tax Expense (Benefit)	1.2	1.4	(0.0)	1.7	2.1	2.3	(0.1)	(0.1)	(1.8)	2.8	3.4	0.5
Net Income (Loss)	\$0.9	\$1.1	0.1	\$12.7	\$14.5	\$8.1	\$(4.4)	\$(5.9)	\$(3.6)	\$9.2	\$9.7	\$4.6
EPS	\$0.03	\$0.03	\$0.01	\$0.37	\$0.43	\$0.23	\$(0.13)	\$(0.18)	\$(0.10)	\$0.27	\$0.28	\$0.14



Impact of Currency Translation 2Q18

vs. 1Q18 and 2Q17 Exchange Rates

(\$ in millions except EPS)	Vs. 1Q18			Vs. 2Q17		
	Canada	Europe & Asia Pacific	Total	Canada	Europe & Asia Pacific	Total
Revenues	\$(0.3)	\$ (1.3)	\$(1.6)	\$0.6	\$2.4	\$3.0
Expenses	(0.2)	(0.8)	(1.0)	0.4	1.6	2.0
Pre-tax Income	(0.1)	(0.5)	(0.6)	0.2	0.8	1.0
Tax Expense	(0.0)	(0.1)	(0.1)	0.0	0.1	0.1
Net Income	\$(0.1)	\$(0.4)	\$(0.5)	\$0.2	\$0.7	\$0.9
Income Per Share	\$(0.00)	\$(0.01)	\$(0.01)	\$0.01	\$0.02	\$0.03



North American Results

2Q18 vs. 1Q18 vs. 2Q17

	U.S. Operations			Canada Operations			North America		
(\$ in millions)	2Q18	1Q18	2Q17	2Q18	1Q18	2Q17	2Q18	1Q18	2Q17
Revenues									
Commissions	\$35.0	\$35.6	\$40.1	\$15.5	\$15.8	\$13.6	\$50.5	\$51.4	\$53.7
Recurring	12.2	11.9	11.9	1.2	1.4	1.2	13.4	13.3	13.1
Other	0.8	1.0	0.8	1.1	0.9	1.1	1.9	1.9	1.9
Total Revenues	48.0	48.5	52.8	17.8	18.1	15.9	65.8	66.6	68.7
Expenses									
Compensation and Benefits	21.5	22.4	24.2	5.1	5.4	4.9	26.6	27.8	29.1
<i>% of Revenue</i>	<i>44.7%</i>	<i>46.2%</i>	<i>45.9%</i>	<i>28.8%</i>	<i>29.9%</i>	<i>30.7%</i>	<i>40.4%</i>	<i>41.8%</i>	<i>42.4%</i>
Transaction Processing	7.9	8.3	10.0	3.2	3.0	2.8	11.1	11.3	12.8
<i>% of Revenue</i>	<i>16.4%</i>	<i>17.1%</i>	<i>19.0%</i>	<i>18.1%</i>	<i>16.3%</i>	<i>17.4%</i>	<i>16.9%</i>	<i>16.9%</i>	<i>18.6%</i>
Occupancy and Equipment	8.7	8.4	9.3	1.7	1.7	1.6	10.4	10.1	10.9
Telecom and Data Processing	5.9	5.9	6.3	1.6	1.7	1.5	7.5	7.6	7.8
Other G&A	5.0	4.9	5.3	3.1	2.4	2.7	8.1	7.3	8.0
Total Expenses	49.0	49.9	55.1	14.7	14.2	13.5	63.7	64.1	68.6
Pre-tax Income (Loss)	\$(1.0)	\$(1.4)	\$(2.3)	\$3.1	\$3.9	\$2.4	\$2.1	\$2.5	\$0.1
<i>Pre-tax Margin</i>	<i>(2.1)%</i>	<i>(2.8)%</i>	<i>(4.5)%</i>	<i>17.2%</i>	<i>21.2%</i>	<i>15.4%</i>	<i>3.1%</i>	<i>3.7%</i>	<i>0.1%</i>



Europe & Asia Pacific Results

2Q18 vs. 1Q18 vs. 2Q17

	Europe Operations			Asia Pacific Operations			Total		
(\$ in millions)	2Q18	1Q18	2Q17	2Q18	1Q18	2Q17	2Q18	1Q18	2Q17
Revenues									
Commissions	\$38.4	\$40.5	\$34.9	\$17.6	\$17.7	\$12.0	\$56.0	\$58.2	\$46.9
Recurring	4.7	4.4	4.1	2.0	1.9	1.7	6.7	6.3	5.8
Other	(0.2)	(0.1)	(0.2)	(0.2)	(0.0)	0.0	(0.4)	(0.1)	(0.2)
Total Revenues	42.9	44.8	38.8	19.4	19.6	13.7	62.3	64.4	52.5
Expenses									
Compensation and Benefits	11.4	11.0	10.0	5.4	5.2	5.2	16.8	16.2	15.2
<i>% of Revenue</i>	<i>26.5%</i>	<i>24.5%</i>	<i>25.9%</i>	<i>27.8%</i>	<i>26.8%</i>	<i>37.6%</i>	<i>26.9%</i>	<i>25.2%</i>	<i>29.0%</i>
Transaction Processing	10.4	11.5	9.9	4.5	4.3	2.8	14.9	15.8	12.7
<i>% of Revenue</i>	<i>24.2%</i>	<i>25.7%</i>	<i>25.4%</i>	<i>23.1%</i>	<i>22.0%</i>	<i>20.7%</i>	<i>23.8%</i>	<i>24.6%</i>	<i>24.1%</i>
Occupancy and Equipment	2.6	2.8	2.1	1.9	1.8	1.5	4.5	4.6	3.6
Telecom and Data Processing	3.4	3.0	2.6	2.0	2.0	1.7	5.4	5.0	4.3
Other G&A	4.7	4.6	4.6	1.6	1.6	1.7	6.3	6.2	6.3
Total Expenses	32.5	32.9	29.2	15.4	14.9	12.9	47.9	47.8	42.1
Pre-tax Income	\$10.4	\$11.9	\$9.6	\$4.0	\$4.7	\$0.8	\$14.4	\$16.6	\$10.4
<i>Pre-tax Margin</i>	<i>24.3%</i>	<i>26.6%</i>	<i>24.7%</i>	<i>20.6%</i>	<i>23.9%</i>	<i>5.8%</i>	<i>23.2%</i>	<i>25.7%</i>	<i>19.8%</i>



Revenues by Product Group

(\$ in millions)	2Q18	1Q18	4Q17	3Q17	2Q17
Execution Services	\$90.0	\$94.4	\$91.0	\$80.1	\$86.8
Workflow Technology	27.1	26.6	23.5	22.6	23.4
Analytics	11.0	10.0	11.7	11.3	11.0
Corporate	0.4	0.5	0.5	0.5	0.4
Total	\$128.5	\$131.5	\$126.7	\$114.5	\$121.6



Product Group Margins Second Quarter 2018

(\$ in millions)	Execution Services	Workflow Technology	Analytics	Corp	Total
Revenues	\$90.0	\$27.1	\$11.0	\$0.4	\$128.5
Depreciation & Amortization	5.6	3.3	1.8	0.3	11.0
Interest	-	-	-	0.5	0.5
All Other Expenses	75.0	17.4	8.5	4.1	105.0
Total Expenses	80.6	20.7	10.3	4.9	116.5
Pre-Tax Income (Loss)	\$9.4	\$6.4	\$0.7	\$(4.5)	\$12.0
Pre-Tax Margin 2Q 2018	10.4%	23.7%	6.5%	N/A	9.3%
Pre-Tax Margin 1Q 2018	14.1%	22.3%	(1.7)%	N/A	9.9%
Pre-Tax Margin 2Q 2017	9.3%	11.8%	(3.4)%	N/A	4.2%



U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	2Q18	1Q18	4Q17	3Q17	2Q17
Trading Volumes	8,488	8,383	8,308	7,877	9,304
Trading Days	64	61	63	63	63
Trading Volumes Per Day	132.6	137.4	131.9	125.0	147.7
Revenue Per Share (Includes commissions and net executions)	\$0.0035	\$0.0037	\$0.0039	\$0.0036	\$0.0036
Trading Commissions and Fees	\$30.0	\$30.7	\$32.3	\$28.5	\$33.7
Other Commissions and Fees (Includes commission sharing, LatAm, ITG Derivatives through Feb. 16, 2018 and deferral changes)	5.0	4.9	6.6	6.1	6.4
Total Commissions and Fees	\$35.0	\$35.6	\$38.9	\$34.6	\$40.1



Closing Observations

Capital Update

Share Repurchase Guidance

SOP Investment Outlook

July 2018 Trading Activity

Closing Thoughts



Q&A

