

ITG 3Q 2014
Earnings Call
11/03/14

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Safe Harbor Statement

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 2013 Annual Report, on its Form 10-K (as amended), and on its Form 10-Qs 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, 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

Summary

Investment Outlook

US Performance

- Industry Volumes
- Revenue Capture

International Performance

- Europe
- Canada
- Asia Pacific

New Product Development

- POSIT FI
- FX Connect Integration

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Agenda

US Performance

- Industry Volumes
- Revenue Capture



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International Performance

- Europe
- Canada
- Asia Pacific



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New Product Development

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ITG Investment Research

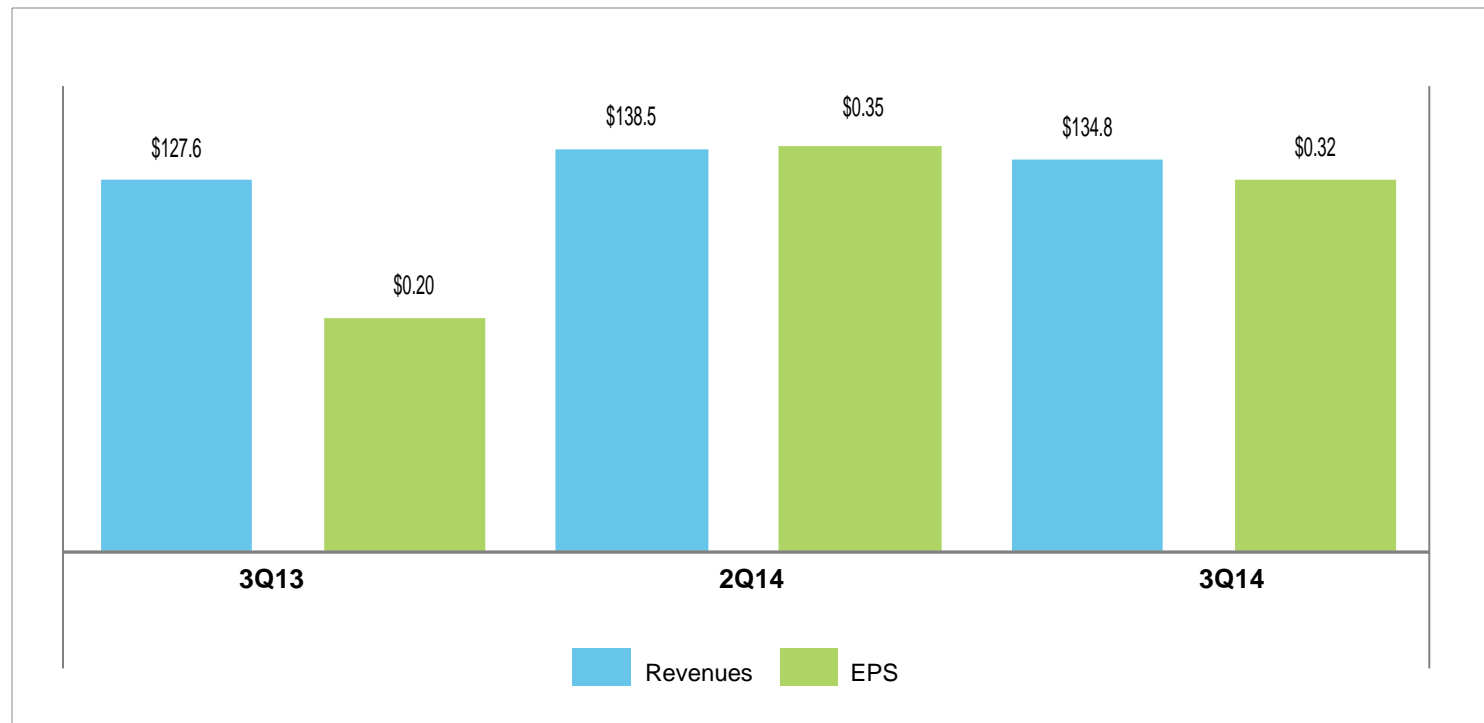
Balance Sheet

Strategic Initiatives



Third Quarter 2014 GAAP Results

(\$ in millions except EPS)



	vs. 2Q14	vs. 3Q13
3Q14 Revenues	(3)%	6%
3Q14 Revenues/day	(4)%	6%



Results

3Q14 vs. 2Q14 vs. 3Q13

	US Operations			International Operations			Total		
(\$ in millions except EPS)	3Q14	2Q14	3Q13	3Q14	2Q14	3Q13	3Q14	2Q14	3Q13
Revenues									
Commissions	\$50.4	\$54.3	\$56.1	\$52.5	\$52.2	\$42.3	\$102.9	\$106.5	\$98.4
Recurring	18.7	17.9	19.0	7.8	7.1	6.8	26.5	25.0	25.8
Other	3.4	5.1	1.8	2.0	1.9	1.6	5.4	7.0	3.4
Total Revenues	72.5	77.3	76.9	62.3	61.2	50.7	134.8	138.5	127.6
Expenses	71.5	72.7	72.4	51.2	49.1	44.5	122.7	121.8	116.9
Pre-tax Income	1.0	4.6	4.5	11.1	12.1	6.2	12.1	16.7	10.7
<i>Pre-tax Margin</i>	<i>1.4%</i>	<i>6.0%</i>	<i>5.8%</i>	<i>17.7%</i>	<i>19.7%</i>	<i>12.2%</i>	<i>9.0%</i>	<i>12.1%</i>	<i>8.4%</i>
Tax Expense	(1.8)	2.0	1.7	2.5	1.8	1.3	0.7	3.8	3.0
Net Income	\$2.8	\$2.6	\$2.8	8.6	\$10.3	\$4.9	11.4	\$12.9	\$7.7
EPS	\$0.08	\$0.07	\$0.07	\$0.24	\$0.28	\$0.13	\$0.32	\$0.35	\$0.20



Summary of US Expenses

3Q14, 2Q14 and 3Q13

(\$ in millions)	3Q14	2Q14	3Q13
Comp & Benefits	\$32.4	\$34.0	\$31.3
<i>% of Revenue</i>	<i>44.7%</i>	<i>44.0%</i>	<i>40.7%</i>
Transaction Processing	9.8	9.2	10.1
<i>% of Revenue</i>	<i>13.6%</i>	<i>11.9%</i>	<i>13.2%</i>
Occupancy & Equipment	10.6	10.6	11.2
Telecom & Data Processing	7.5	7.3	7.4
Other G&A	10.6	11.0	11.8
Interest Expense	0.6	0.6	0.6
Total	\$71.5	\$72.7	\$72.4



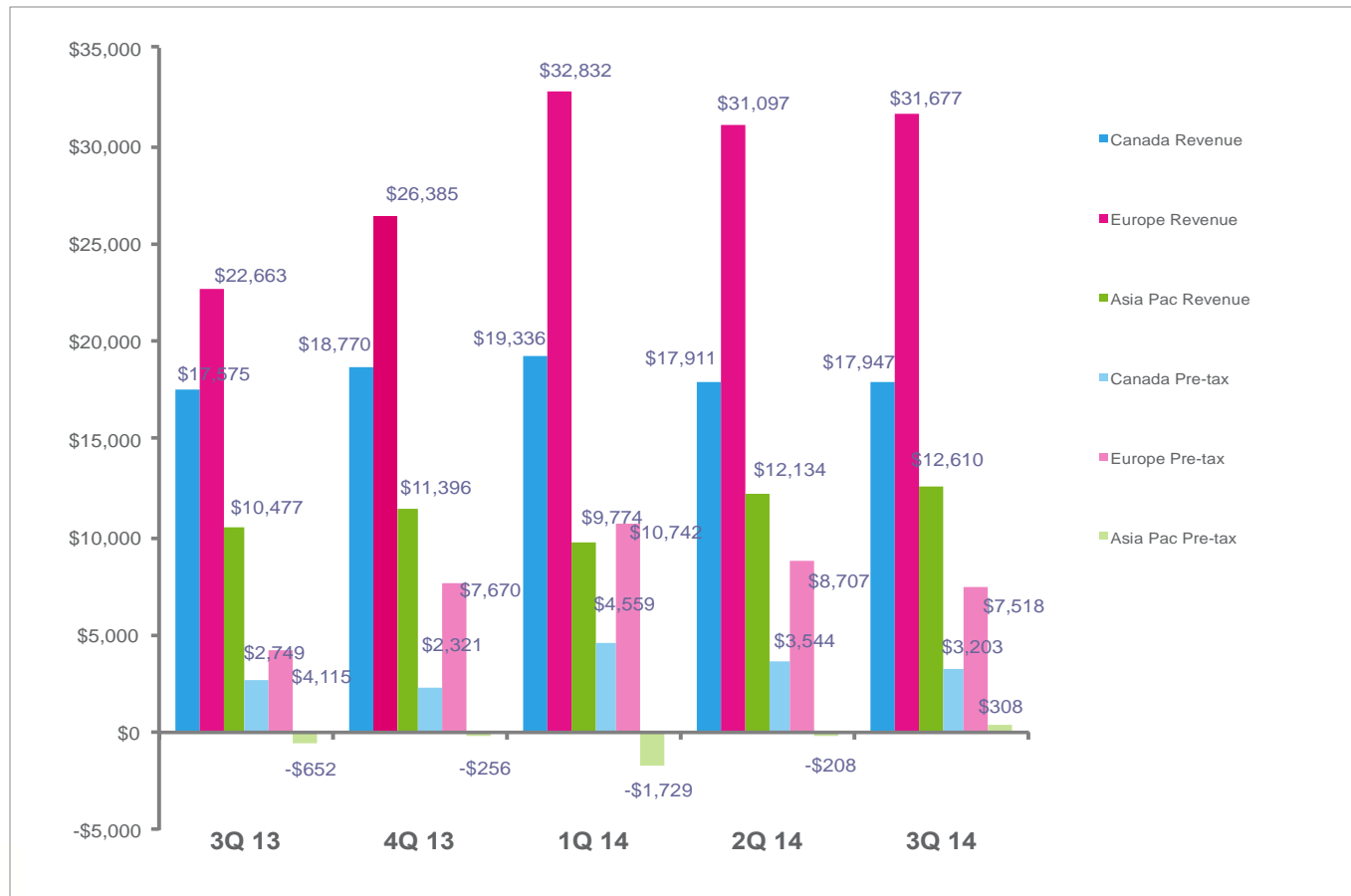
International Financial Summary

Results

(\$ in millions)	3Q14	2Q14	1Q14	4Q13	3Q13
Revenues					
Asia Pacific	\$12.6	\$12.2	\$9.8	\$11.4	\$10.5
Canada	18.0	17.9	19.4	18.8	17.6
Europe	31.7	31.1	32.8	26.4	22.6
Total Revenues	62.3	61.2	62.0	56.6	50.7
Expenses					
Compensation and Benefits	20.0	18.7	18.7	19.2	18.4
<i>% of Revenue</i>	<i>32.1%</i>	<i>30.6%</i>	<i>30.2%</i>	<i>33.9%</i>	<i>36.2%</i>
Transaction Processing	11.7	10.9	11.6	10.9	9.7
<i>% of Revenue</i>	<i>18.8%</i>	<i>17.8%</i>	<i>18.7%</i>	<i>19.3%</i>	<i>19.1%</i>
Occupancy & Equipment	4.4	4.4	4.4	4.1	4.6
Telecom & Data Processing	5.4	5.4	5.4	5.2	5.2
Other G&A	9.7	9.7	8.3	7.5	6.6
Total Expenses	51.2	49.1	48.4	46.9	44.5
Pre-Tax Income	11.1	\$12.1	\$13.6	\$9.7	\$6.2



International: Results Summary



Revenues by Product Group

(\$ in millions)	3Q14	2Q14	1Q14	4Q13	3Q13
Electronic Brokerage	\$68.6	\$73.2	\$72.9	\$69.2	\$66.2
Research, Sales and Trading	30.5	30.3	29.2	27.1	26.7
Platforms	23.6	23.3	23.7	23.3	23.2
Analytics	11.6	11.4	11.5	11.6	11.2
Corporate (non-product)	0.5	0.3	0.3	0.7	0.3
Total	\$134.8	\$138.5	\$137.6	\$131.9	\$127.6



Product Group Margins

Third Quarter 2014 Results

(\$ in millions)	Electronic Brokerage	Platforms	Analytics	Research Sales & Trading	Corp	Total
Revenues	\$68.6	\$23.6	\$11.6	\$30.5	\$0.5	\$134.8
Depreciation & Amortization	5.5	3.2	1.7	0.7	0.9	12.0
Interest	-	-	-	-	0.6	0.6
All Other Expenses	52.8	17.3	8.8	26.8	4.4	110.1
Total Expenses	58.3	20.5	10.5	27.5	5.9	122.7
Pre-Tax Income (Loss)	\$10.3	\$3.1	\$1.1	\$3.0	\$(5.4)	\$12.1
Pre-Tax Margin 3Q 2014	15.1%	13.0%	9.6%	9.9%	NA	9.0%
Pre-Tax Margin Sept YTD 2014	19.0%	15.4%	9.7%	9.6%	NA	11.5%
Pre-Tax Margin Full Year 2013	17.1%	14.9%	12.6%	0.8%	NA	9.3%



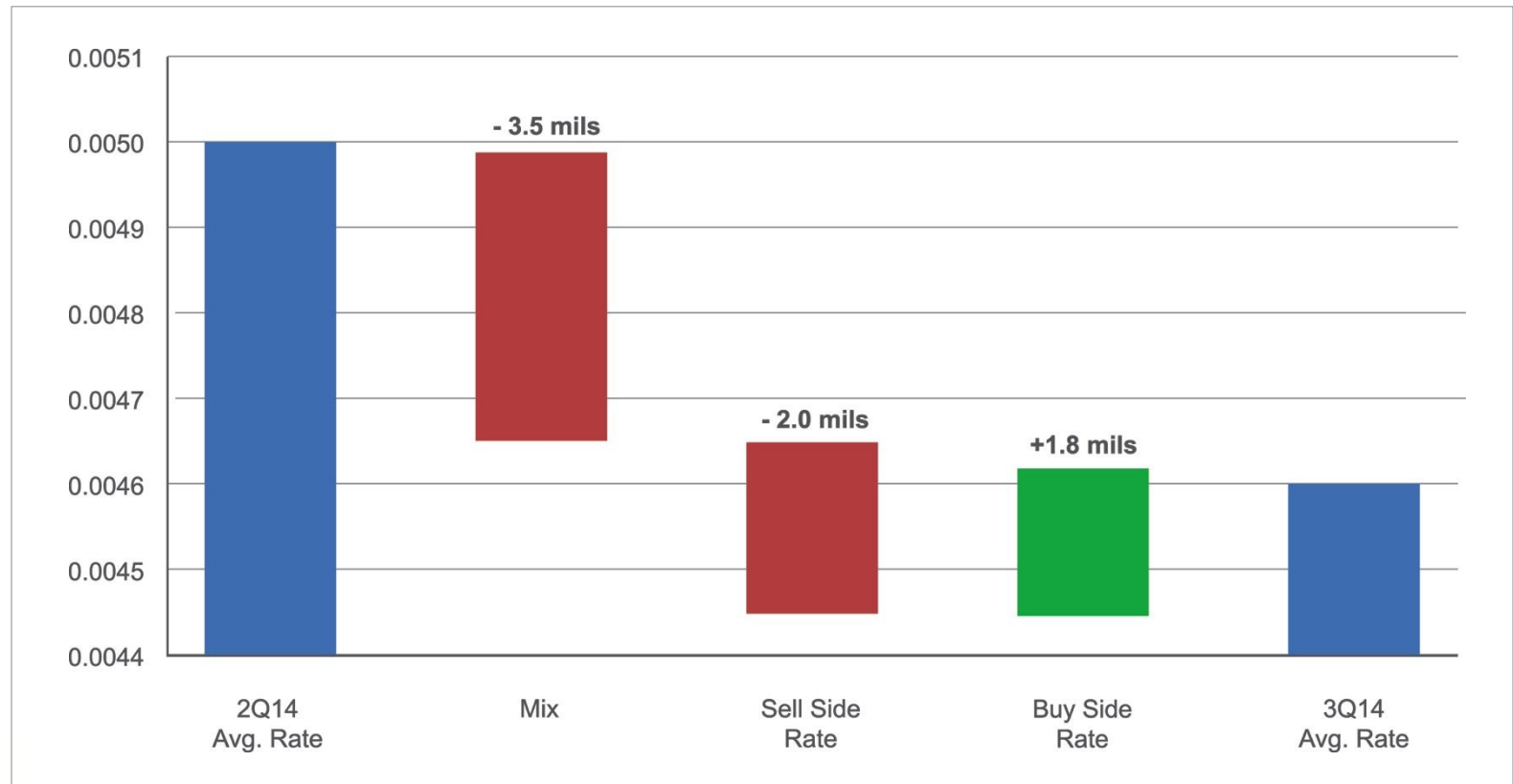
US Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	3Q14	2Q14	1Q14	4Q13	3Q13
Trading Volumes	9,391	9,385	10,021	9,450	9,895
Trading Days	64	63	61	64	64
Trading Volumes Per Day	146.7	149.0	164.3	147.7	154.6
Revenue Per Share (Includes commissions and net executions)	\$0.0046	\$0.0050	\$0.0047	\$0.0047	\$0.0049
Trading Commissions and Fees	\$43.4	\$46.9	\$47.4	\$44.6	\$48.3
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives)	7.0	7.4	7.1	6.7	7.8
Total Commissions and Fees	\$50.4	\$54.3	\$54.5	\$51.3	\$56.1



Average US Rate Per Share

Components of 3Q14 Sequential Change



Q&A

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