

ITG Q3 2015 Earnings Call

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Jarrett Lilien, Interim CEO

Steve Vigliotti, CFO

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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 2014 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 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, customers' reactions to the settlement in August 2015 with the Securities and Exchange Commission, the outcome of contingencies such as legal proceedings or governmental or regulatory investigations, 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

Business Highlights

- U.S.
- Asia Pacific
- Europe
- Canada

Product Updates

- Awards

Financial Overview

Q&A



Agenda

U.S. Performance

Asia Pacific Performance

Europe Performance

Canada Performance



Agenda

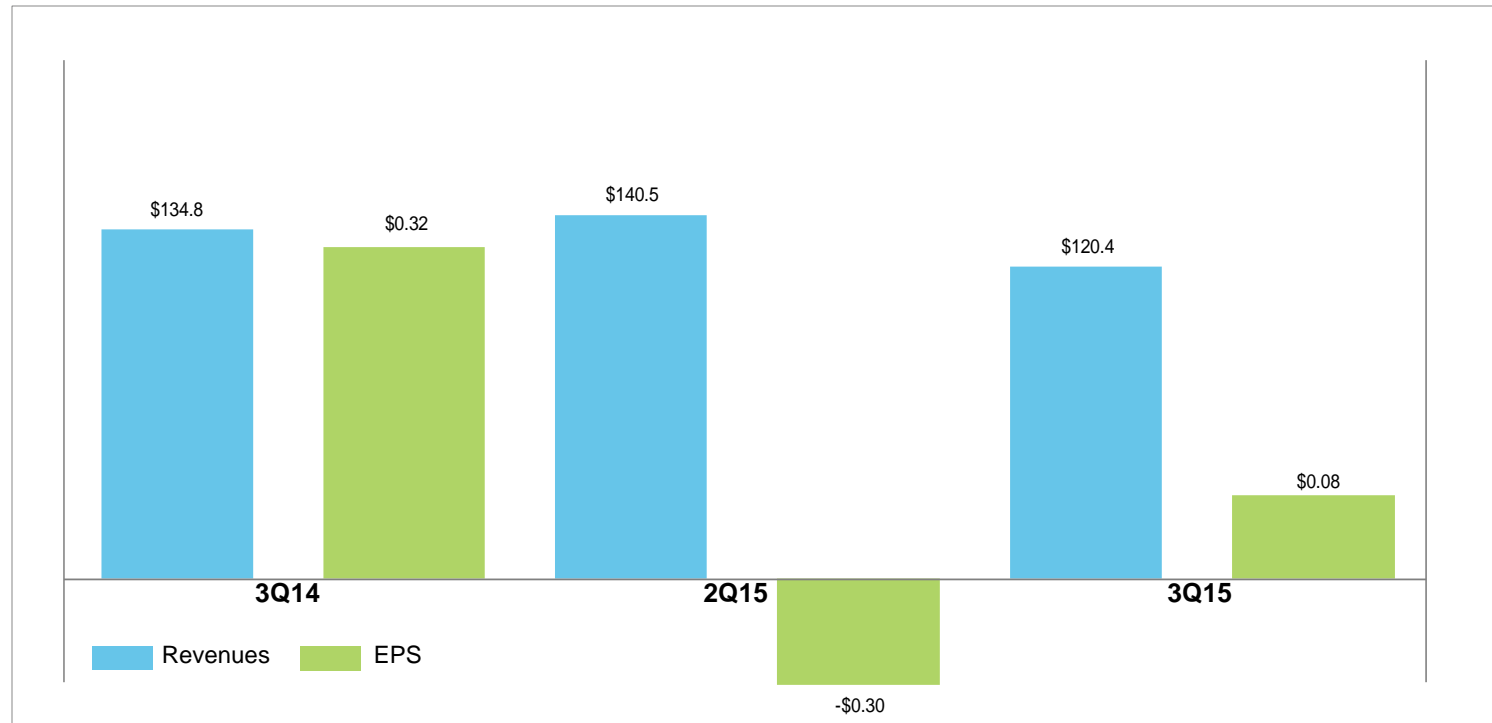
Product Updates

- Awards



Third Quarter 2015 GAAP Results

(\$ in millions except EPS)



	vs. 2Q15	vs. 3Q14
3Q15 Revenues	-14.3%	-10.7%
3Q15 Revenues/day	-15.6%	-10.7%



Reconciliation of GAAP to Adjusted Results

3Q15 and 2Q15

(\$ in millions except EPS)	3Q15			2Q15		
	Pre-Tax	Post-Tax	EPS	Pre-Tax	Post-Tax	EPS
GAAP Income / (Loss)	\$3.2	\$2.7	\$0.08	\$(8.9)	\$(10.2)	\$(0.30)
Non-Operating Expenses:						
SEC Settlement & Related Costs	2.5	1.5	0.04	22.6	21.6	0.62
Adjusted Income	\$5.7	\$4.2	\$0.12	\$13.7	\$11.4	\$0.32



Note: All subsequent slides show adjusted results, excluding non-operating items. There were no non-operating items in 3Q14.

Consolidated Adjusted Results

3Q15 vs. 2Q15 vs. 3Q14

	North America			Europe and Asia Pacific			Corporate			Total		
(\$ in millions except EPS)	3Q15	2Q15	3Q14	3Q15	2Q15	3Q14	3Q15	2Q15	3Q14	3Q15	2Q15	3Q14
Revenues												
Commissions	\$56.3	\$68.2	\$63.9	\$33.6	\$42.7	\$39.0	\$ -	\$ -	\$ -	\$89.9	\$110.9	\$102.9
Recurring	20.9	21.0	21.0	5.8	5.4	5.5	-	-	-	26.7	26.4	26.5
Other	3.7	3.0	5.2	(0.1)	-	(0.2)	0.2	0.2	0.4	3.8	3.2	5.4
Total Revenues	80.9	92.2	90.1	39.3	48.1	44.3	0.2	0.2	0.4	120.4	140.5	134.8
Expenses	76.6	82.8	80.7	34.8	38.7	36.1	3.3	5.3	5.9	114.7	126.8	122.7
Pre-tax Income (Loss)	4.3	9.4	9.4	4.5	9.4	8.2	(3.1)	(5.1)	(5.5)	5.7	13.7	12.1
<i>Pre-tax Margin</i>	<i>5.4%</i>	<i>10.1%</i>	<i>10.4%</i>	<i>11.3%</i>	<i>19.5%</i>	<i>18.4%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>4.8%</i>	<i>9.7%</i>	<i>9.0%</i>
Tax Expense (Benefit)	1.9	3.0	1.6	0.9	1.3	1.3	(1.3)	(2.0)	(2.2)	1.5	2.3	0.7
Net Income (Loss)	\$2.4	\$6.4	\$7.8	\$3.6	\$8.1	\$6.9	\$(1.8)	\$(3.1)	\$(3.3)	\$4.2	\$11.4	\$11.4
EPS	\$0.07	\$0.18	\$0.22	\$0.11	\$0.23	\$0.19	\$(0.06)	\$(0.09)	\$(0.09)	\$0.12	\$0.32	\$0.32



Impact of Currency Translation

3Q15 vs. 3Q14

VS. 3Q14 Exchange Rates			
(\$ in millions except EPS)	North America *	Europe & Asia Pacific	Total
Revenues	\$(3.0)	\$(3.7)	\$(6.7)
Expenses	(2.5)	(2.6)	(5.1)
Pre-tax Income	(0.5)	(1.1)	(1.6)
Tax Expense	(0.3)	(0.0)	(0.3)
Net Income (Loss)	\$(0.2)	\$(1.1)	\$(1.3)
EPS	\$(0.01)	\$(0.03)	\$(0.04)

* Includes impact of Calgary operations, which are included in the U.S. region for reporting purposes.



North American Adjusted Results

3Q15 vs. 2Q15 vs. 3Q14

	U.S. Operations			Canada Operations			North America		
(\$ in millions)	3Q15	2Q15	3Q14	3Q15	2Q15	3Q14	3Q15	2Q15	3Q14
Revenues									
Commissions	\$45.1	\$54.8	\$50.4	\$11.2	\$13.4	\$13.5	\$56.3	\$68.2	\$63.9
Recurring	19.5	19.5	18.7	1.4	1.5	2.3	20.9	21.0	21.0
Other	1.4	1.2	3.2	2.3	1.8	2.0	3.7	3.0	5.2
Total Revenues	66.0	75.5	72.3	14.9	16.7	17.8	80.9	92.2	90.1
Expenses									
Compensation and Benefits	30.9	32.9	31.2	3.3	4.7	5.4	34.2	37.6	36.6
<i>% of Revenue</i>	46.8%	43.6%	43.1%	22.3%	27.8%	30.1%	42.3%	40.7%	40.6%
Transaction Processing	10.5	11.8	9.8	2.1	2.3	2.6	12.6	14.1	12.4
<i>% of Revenue</i>	15.9%	15.7%	13.6%	14.3%	13.7%	14.2%	15.6%	15.3%	13.7%
Occupancy and Equipment	10.3	10.5	10.4	1.1	1.1	1.4	11.4	11.6	11.8
Telecom and Data Processing	7.0	7.4	7.5	1.6	1.5	1.4	8.6	8.9	8.9
Other G&A	6.6	7.1	7.2	3.2	3.5	3.8	9.8	10.6	11.0
Total Expenses	65.3	69.7	66.1	11.3	13.1	14.6	76.6	82.8	80.7
Pre-tax Income	\$0.7	\$5.8	\$6.2	\$3.6	\$3.6	\$3.2	\$4.3	\$9.4	\$9.4
<i>Pre-tax Margin</i>	1.1%	7.6%	8.5%	24.1%	21.6%	18.2%	5.4%	10.1%	10.4%



Europe & Asia Pacific Adjusted Results

3Q15 vs. 2Q15 vs. 3Q14

	Europe Operations			Asia Pacific Operations			Total		
(\$ in millions)	3Q15	2Q15	3Q14	3Q15	2Q15	3Q14	3Q15	2Q15	3Q14
Revenues									
Commissions	\$24.9	\$29.4	\$28.0	\$8.7	\$13.3	\$11.0	\$33.6	\$42.7	\$39.0
Recurring	4.2	4.0	3.8	1.6	1.4	1.7	5.8	5.4	5.5
Other	(0.1)	0.2	(0.2)	-	(0.2)	-	(0.1)	-	(0.2)
Total Revenues	29.0	33.6	31.6	10.3	14.5	12.7	39.3	48.1	44.3
Expenses									
Compensation and Benefits	8.6	9.8	9.5	4.2	5.1	5.2	12.8	14.9	14.7
<i>% of Revenue</i>	29.8%	29.2%	29.9%	40.6%	35.3%	41.2%	32.7%	31.1%	33.1%
Transaction Processing	7.0	7.9	6.4	2.0	3.2	2.8	9.0	11.1	9.2
<i>% of Revenue</i>	24.0%	23.4%	20.2%	19.7%	22.2%	22.3%	22.9%	23.0%	20.8%
Occupancy and Equipment	1.7	1.6	1.7	1.0	1.1	1.2	2.7	2.7	2.9
Telecom and Data Processing	2.6	2.5	2.4	1.6	1.6	1.6	4.2	4.1	4.0
Other G&A	4.2	4.0	3.8	1.9	1.9	1.5	6.1	5.9	5.3
Total Expenses	24.1	25.8	23.8	10.7	12.9	12.3	34.8	38.7	36.1
Pre-tax Income (Loss)	\$4.9	\$7.8	\$7.8	\$(0.4)	\$1.6	\$0.4	\$4.5	\$9.4	\$8.2
<i>Pre-tax Margin</i>	16.7%	23.1%	24.8%	-4.0%	11.0%	2.2%	11.3%	19.5%	18.4%



Revenues by Product Group

(\$ in millions)	3Q15	2Q15	1Q15	4Q14	3Q14
Electronic Brokerage	\$59.4	\$75.0	\$80.5	\$79.8	\$68.6
Research, Sales and Trading	26.3	30.4	32.5	32.0	30.5
Platforms	22.9	23.6	25.1	25.3	23.6
Analytics	11.6	11.3	11.4	11.6	11.6
Corporate	0.2	0.2	0.2	0.3	0.5
Total	\$120.4	\$140.5	\$149.7	\$149.0	\$134.8



Product Group Margins

Third Quarter 2015 Adjusted Results

(\$ in millions)	Electronic Brokerage	Platforms	Analytics	Research Sales & Trading	Corp	Total
Revenues	\$59.4	\$22.9	\$11.6	\$26.3	\$0.2	\$120.4
Depreciation & Amortization	5.0	3.1	1.6	0.6	0.8	11.1
Interest	-	-	-	-	0.4	0.4
All Other Expenses	51.3	16.8	8.3	24.8	2.0	103.2
Total Expenses	56.3	19.9	9.9	25.4	3.2	114.7
Pre-Tax Income (Loss)	\$3.1	\$3.0	\$1.7	\$0.9	\$(3.0)	\$5.7
Pre-Tax Margin Sept QTD 2015	5.2%	13.3%	14.7%	3.5%	N/A	4.8%
Pre-Tax Margin June QTD 2015	18.0%	13.2%	8.3%	3.7%	N/A	9.7%
Pre-Tax Margin Sept QTD 2014	15.1%	13.0%	9.6%	9.9%	N/A	9.0%



U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	3Q15	2Q15	1Q15	4Q14	3Q14
Trading Volumes	9,720	11,505	11,665	12,147	9,391
Trading Days	64	63	61	64	64
Trading Volumes Per Day	151.9	182.6	191.2	189.8	146.7
Revenue Per Share (Includes commissions and net executions)	\$0.0040	\$0.0042	\$0.0045	\$0.0044	\$0.0046
Trading Commissions and Fees	\$38.5	\$48.3	\$52.0	\$53.7	\$43.4
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives)	6.6	6.5	6.5	7.6	7.0
Total Commissions and Fees	\$45.1	\$54.8	\$58.5	\$61.3	\$50.4



Financial Overview

Balance Sheet

- Share Repurchases
- Capital Return Guidance

October Trading Activity

Legal Matters

Q&A



Q&A

TAK
IN
GST
OCK

