



RESULTS PRESENTATION

Half Year Ended 30th November 2016



DISCLAIMER



This presentation, prepared by IG Group Holdings plc (the “Company”), may contain forward-looking statements about the Company. Forward-looking statements involve known and unknown risks and uncertainties because they are beyond the Company’s control and are based on current beliefs and expectations about future events, including the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of the Company and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. Forward-looking statements speak only as of the date they are made and the Company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

Some numbers and period on period percentages in this presentation have been rounded or adjusted to ensure consistency with the financial statements.

Unless otherwise stated all results for FY15 are on underlying basis and the term ‘underlying’ reflects the results before the impact of the Swiss franc event (Jan 2015).

FY16 relates to the financial year ending 31st May 2016. FY17 H1 refers to half year ending 30th November 2016, FY16 H1 refers to half year ending 30th November 2015.

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, set against a clear blue sky. The buildings are arranged in a way that creates a sense of height and architectural grandeur. The perspective is from the ground looking up, making the buildings appear to converge towards the top of the frame.

FINANCIAL RESULTS AND POSITION

Paul Mainwaring
Chief Financial Officer

FY17 H1 SUMMARY



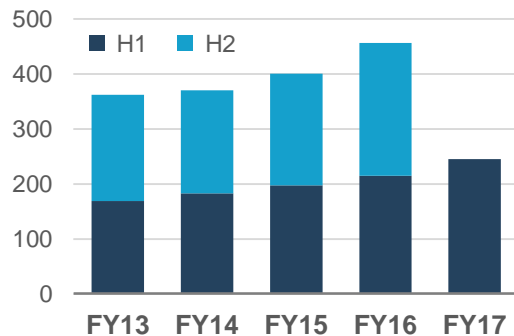
Solid revenue and profit growth

FY17 H1 RESULTS

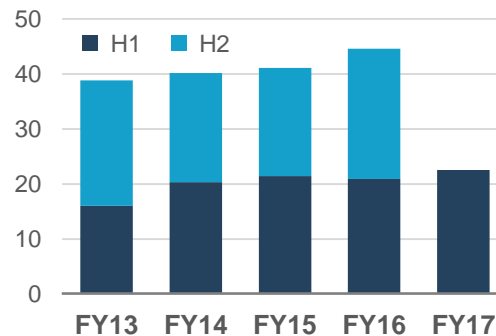
- Net trading revenue £244.9m, up 14% on FY16 H1
- PBT £105.2m, up 7%
- PAT £83.3m, up 9%
- Diluted EPS 22.55p, up 8%
- £93.9m own funds generated from operations, up 8%
- Interim dividend of 9.42p, in line with dividend policy

5 YR REVENUE, EPS AND DIVIDEND - Underlying¹

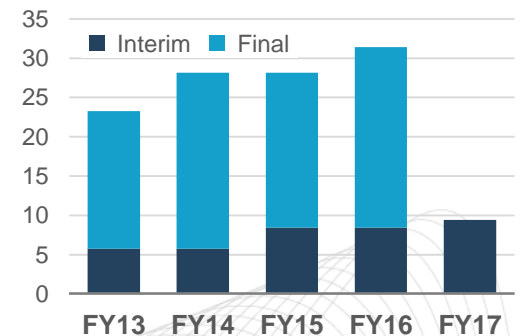
REVENUE (£m)



EARNINGS PER SHARE (p)



TOTAL DIVIDEND PER SHARE (p)



1. FY15 excludes impact of Swiss franc event

INCOME STATEMENT



Continued investment in growth

YEAR ON YEAR COMPARISON

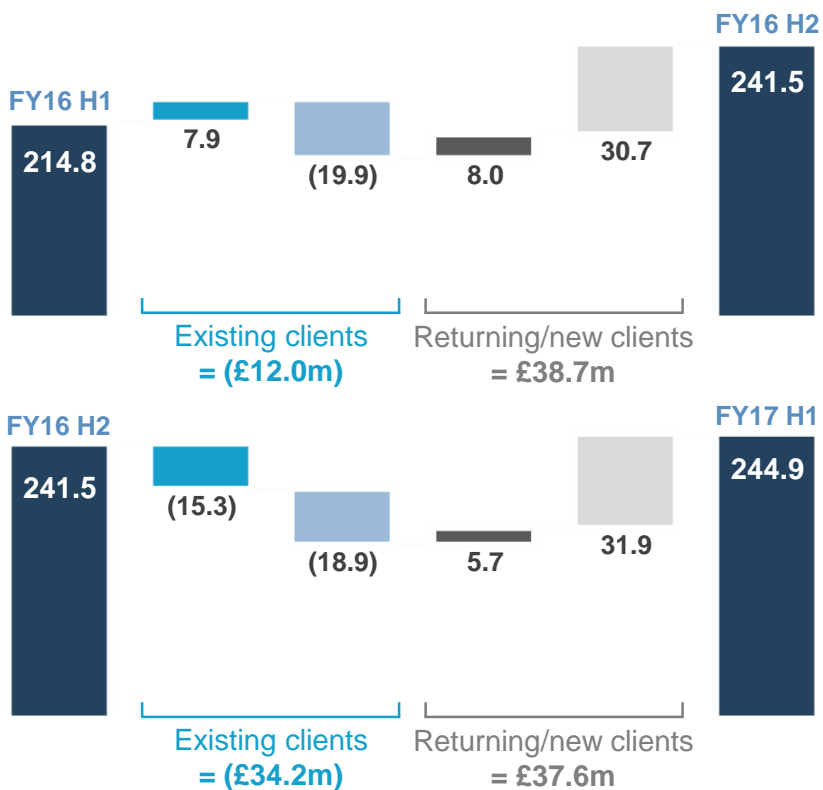
	FY17 H1 £m	FY16 H1 £m	Yr on Yr %
Net trading revenue	244.9	214.8	14%
Net interest on client funds	1.8	1.7	
Betting duty & FTT	(3.7)	(6.4)	
Other operating income	0.5	0.3	
Net operating income	243.5	210.4	16%
Operating expenses	(137.9)	(111.9)	
Net interest	(0.4)	0.1	
PBT	105.2	98.6	7%
Tax	(21.9)	(21.9)	
PAT	83.3	76.7	9%
Tax Rate	20.8%	22.2%	
Diluted EPS	22.55p	20.91p	8%
Dividend per share	9.42p	8.45p	11%

- Net trading revenue up by £30.1m (14%) on FY16 H1
 - Active clients up 22%
 - Revenue per client down 6%
 - Revenue per client (excluding stockbroking and Nadex) up c.1%
- Betting duty down by £2.7m
- Net operating income up by £33.1m (16%)
- Operating expenses up by £26.0m (23%) with £13.8m of this on marketing
- Tax rate slightly down on effective rate for full year FY16 of 21%

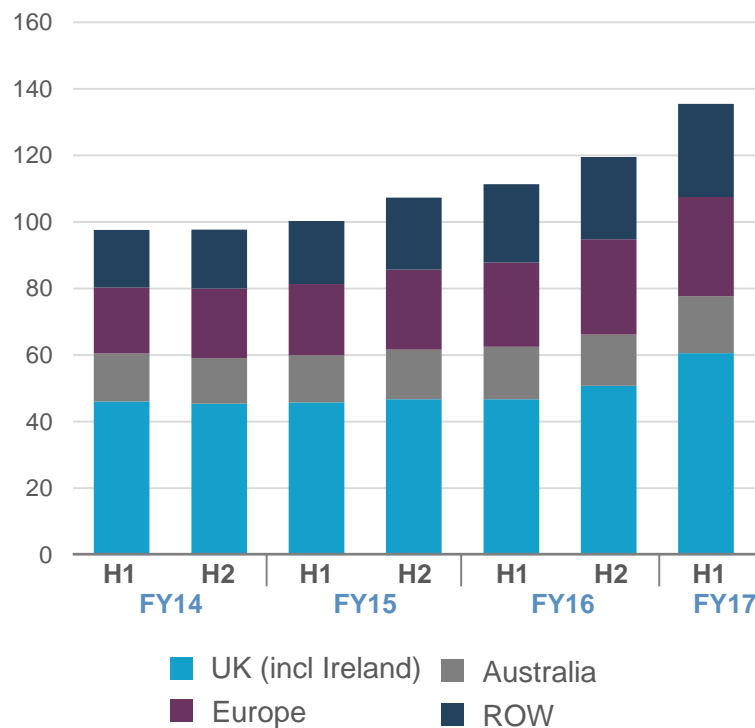
REVENUE AND ACTIVE CLIENTS

Growth in active clients drives growth in revenues

HALF YEAR REVENUE BRIDGES (£m)



ACTIVE CLIENTS¹ (000's)



- Existing clients trading more/(less)
- Existing clients not trading
- Returning clients
- New clients

1. Unique clients trading in each period

DRIVERS OF REVENUE

Revenue and active clients up in all regions

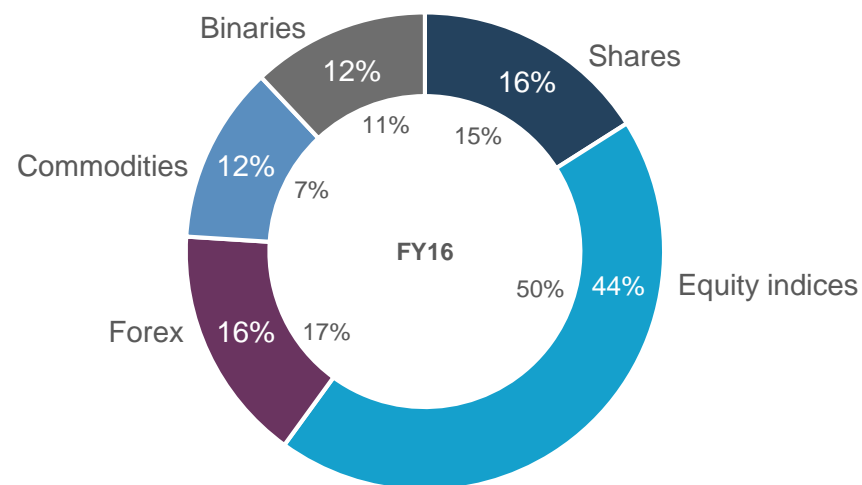
REVENUE AND CLIENT TRENDS

Revenue (£m)	FY17 H1	FY16 H1	Yr on Yr %
UK (incl Ireland)	120.0	110.3	9%
Europe	53.3	45.6	17%
Australia	35.1	30.4	16%
ROW	36.5	28.5	28%
TOTAL	244.9	214.8	14%

Clients ¹ (000's)	FY17 H1	FY16 H1	Yr on Yr %
UK (incl Ireland)	60.6	46.8	30%
Europe	29.8	25.3	18%
Australia	17.1	15.8	9%
ROW	28.0	23.5	19%
TOTAL	135.4	111.3	22%

Revenue per client (£)	FY17 H1	FY16 H1	Yr on Yr %
UK (incl Ireland)	1,979	2,361	(16%)
Europe	1,791	1,802	(1%)
Australia	2,053	1,927	7%
ROW	1,305	1,212	8%
TOTAL	1,808	1,930	(6%)

FY17 H1 REVENUE COMPOSITION



- Revenue per client (excluding stockbroking and Nadex) up c.1%

1. Unique clients trading in each period

Continued investment in online marketing

YEAR ON YEAR COMPARISON

	FY17 H1 £m	FY16 H1 £m
Salaries	(46.2)	(42.4)
Bonus	(7.5)	(8.7)
Share based payment schemes	(4.4)	(4.1)
Total Remuneration	(58.1)	(55.2)
Advertising and marketing	(35.2)	(21.4)
Premises related costs	(6.3)	(5.9)
IT, market data and communications	(11.9)	(9.0)
Legal and professional fees	(3.6)	(2.7)
Regulatory fees	(0.2)	(0.1)
Bad and doubtful debt	(1.7)	(1.8)
Irrecoverable VAT	(7.8)	(5.4)
Other costs	(5.6)	(5.4)
Depreciation and amortisation	(7.5)	(5.0)
Operating expenses	(137.9)	(111.9)
% change FY17 H1 on FY16 H1	23%	

- Operating expenses up 23% on FY16 H1
- Continued investment in online marketing driving client recruitment
- Operating expenses excluding marketing increased in line with revenue
 - FY17 H1 up 13% on FY16 H1
 - FY16 up 14% on FY15
- Higher remuneration reflects increased headcount
- IT and market data increase due to investment in information security and increased client activity
- FSCS full year charge will be incurred in H2, in line with prior year
- Depreciation and amortisation up by £2.5m due to write off of leasehold assets and office modernisation

BALANCE SHEET



	Unaudited 30 Nov 16 £m	31 May 16 £m	Unaudited 30 Nov 15 £m
Goodwill	108.2	107.1	107.0
Intangible assets	50.0	18.0	16.9
Property, plant and equipment	13.4	13.0	12.7
Fixed Assets	171.6	138.1	136.6
Liquid asset buffer	82.6	82.6	82.9
Amounts at brokers	338.6	298.9	254.6
Cash in IG bank accounts	201.8	218.8	162.4
Own funds in client money	28.3	26.4	33.5
Liquid assets	651.3	626.7	533.4
Short term bank borrowing	(50.0)	-	-
Client funds on balance sheet	(48.3)	(39.0)	(26.7)
Own Funds	553.0	587.7	506.7
Working capital	(39.1)	(56.2)	(38.7)
Tax payable	(12.2)	(13.8)	(15.5)
Deferred tax assets	7.4	7.2	7.0
Preference shares	-	-	-
Net assets / Shareholders' Funds	680.7	663.0	596.1

REGULATORY CAPITAL



		Unaudited 30 Nov 16 £m	31 May 16 £m
Shareholders' Funds		680.7	663.0
less declared dividends		(34.6)	(84.0)
less goodwill		(108.2)	(107.1)
less intangible assets		(50.0)	(18.0)
less deferred tax assets		(7.4)	(7.2)
Capital resources	A	480.5	446.7
Total Pillar 1 Risk Exposure Amounts	B	1,647.6	1,568.4
Capital Ratio	A/B=C	29.2%	28.5%
Required Capital Ratio			
Pillar 1 minimum	D	8.0%	8.0%
Individual Capital Guidance (ICG)	E	9.4%	5.0%
ICG Requirement	D+E=F	17.4%	13.0%
Combined Buffer Requirement	G	0.6%	0.6%
Total Requirement (%)	F+G=H	18.0%	13.6%
Total Requirement	HxB=I	296.6	213.3
Capital Headroom - £m	A-I	183.9	233.4

MOVEMENT IN OWN FUNDS

	FY17 H1 £m	FY16 H1 £m	FY16 £m
Own funds generated from operations	93.9	87.2	197.9
Movement in working capital	(15.9)	(7.3)	(0.6)
Capital expenditure:			
Purchase of Daily FX ¹	(29.8)	-	-
Other capital expenditure	(7.1)	(4.4)	(13.7)
Other	(0.8)	(1.4)	(1.2)
Pre dividend increase in own funds	40.3	74.1	182.4
Dividends	(84.1)	(72.1)	(103.1)
Own funds cash flow	(43.8)	2.0	79.3
Own funds at start of period	587.7	507.1	507.1
Impact of movements in exchange rates	9.1	(2.4)	1.3
Own funds at end of period	553.0	506.7	587.7

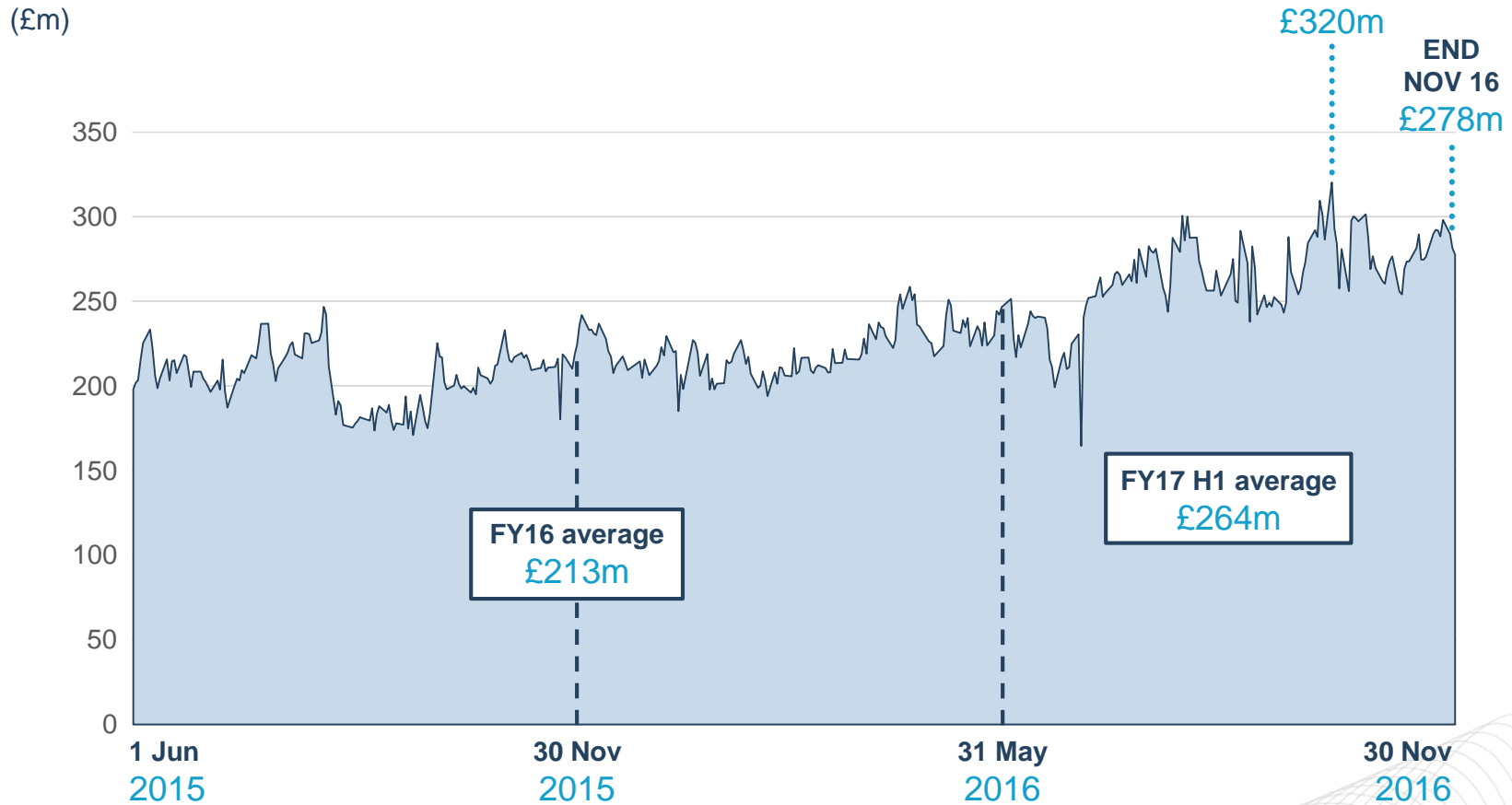
AVAILABLE LIQUIDITY

	FY17 H1 £m
Liquid assets	651.3
Broker margin requirement	(277.6)
Non-UK liquid assets	(96.6)
Own funds in client money	(28.3)
Total available liquidity at end of period	248.8
<i>of which is:</i>	
Held as liquid assets buffer	82.6
Dividend due	34.6
Drawings on RCF	50.0
Additional sources of liquidity	£m
Undrawn committed RCF	110.0

1. Daily FX purchased for £32.7m of which £29.8m was paid in H1, remaining £2.9m will be paid in H2

BROKER MARGIN

MARGIN REQUIREMENT



A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, set against a clear blue sky. The buildings are arranged in a way that creates a sense of height and architectural grandeur. The text is overlaid on the left side of the image.

BUSINESS REVIEW

Peter Hetherington
Chief Executive

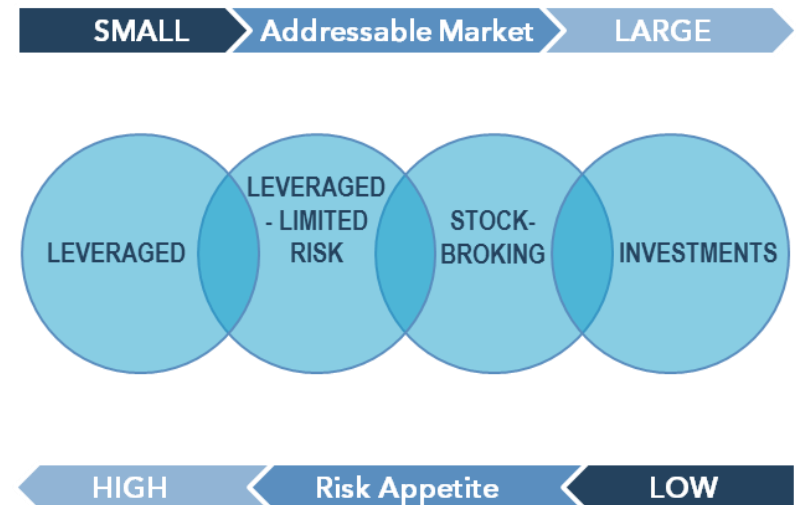
A changing landscape

MACRO DEVELOPMENTS

- Major political change happened and more possible
- Regulatory transition in progress - particularly FCA and Europe
- MiFID II and EMIR implementation

IG STRATEGIC TRANSITION

- Move towards sophisticated trading and investing
- Investment licence issued in the UK
- Ceased offering Up / Down Binaries (Sprints) to new clients globally



REVENUE (£m)

FY17 H1	120.0	+9%
FY16 H1	110.3	

CLIENTS

FY17 H1	60,589	+30%
FY16 H1	46,760	

REVENUE PER CLIENT (£)

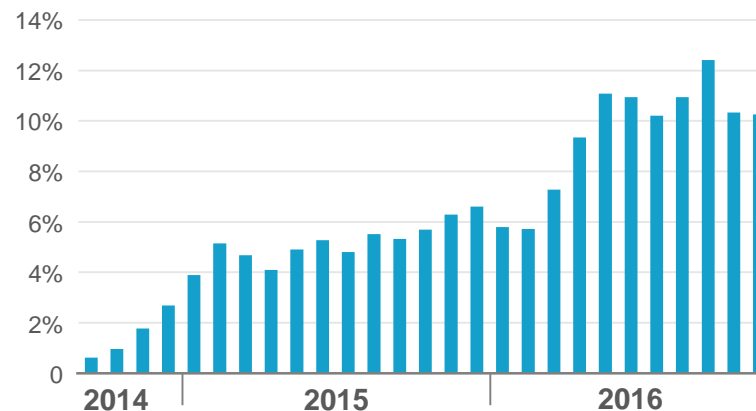
FY17 H1	1,979	-16%
FY16 H1	2,361	

The UK segment comprised our offices in London and Dublin and constituted 49% of Group revenue in the period

- First trades up 114% on FY16 H1
- Revenue in Q2 17% ahead of Q1
- Improvements in lead optimisation and investment in sales headcount driving improved conversion
- Received FCA approval for Passive Investments product, partnering with BlackRock

UK MULTI ASSET REVENUE %

Sept 2014 - Nov 2016



- 11% of UK revenue was generated from clients who have traded on both a leveraged and a non-leveraged account

IG agrees that the FCA should act to improve outcomes for UK consumers

MAIN ELEMENTS OF THE FCA PROPOSALS

- Ban on bonus offers
- Enhanced risk warnings, including win/loss ratios
- Split of retail traders into Experienced and Inexperienced
- Leverage restrictions – differentiation by Experienced and Inexperienced
- Control overseas providers through advertising restrictions

IMPLICATIONS FOR IG

- IG is working constructively with the FCA to improve client outcomes
- IG has concerns that the current proposal may not fully achieve the FCA's aims
 - at this stage we are sharing relevant analysis with the FCA in confidence
- Ultimate impact is unclear due to uncertainties in final structure and timing

REVENUE (£m)

FY17 H1	53.3	+17%
FY16 H1	45.6	

CLIENTS

FY17 H1	29,770	+18%
FY16 H1	25,289	

REVENUE PER CLIENT (£)

FY17 H1	1,791	-1%
FY16 H1	1,802	

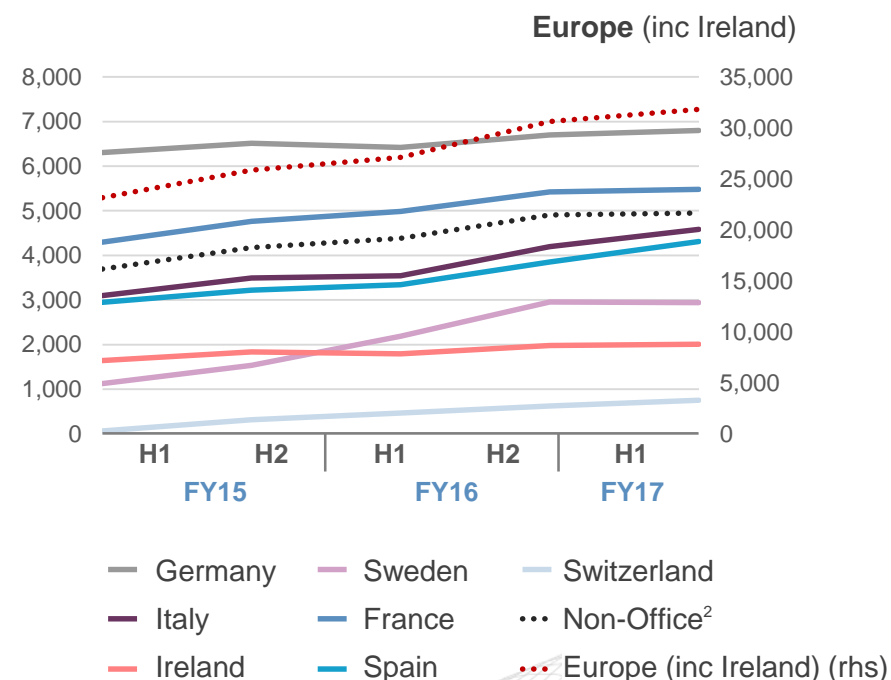
The Europe segment comprised the German, French, Italian, Spanish, Swedish, Luxembourg and Swiss offices and accounted for 22% of Group revenue in H1, 1% higher than prior year

- H1 revenue ahead of prior year in all countries
- Stockbroking offering launched in France in November
- Switzerland continues to grow well

REGULATION

- Encouraging moves from Cyprus to deal with worst provider behaviours
- Germany and France proposals recognise value of Limited Risk
- ESMA continuously updating guidance on approach to MiFID II
- Developing contingency plan following UK Referendum result

EUROPEAN CLIENTS BY COUNTRY¹



1. Unique clients contracted to our European entities by country of residence

2. Unique clients contracted to our European entities residing in countries where IG does not have an office

REVENUE (£m)

FY17 H1	35.1	+16%
FY16 H1	30.4	

CLIENTS

FY17 H1	17,112	+9%
FY16 H1	15,761	

REVENUE PER CLIENT (£)

FY17 H1	2,053	+7%
FY16 H1	1,927	

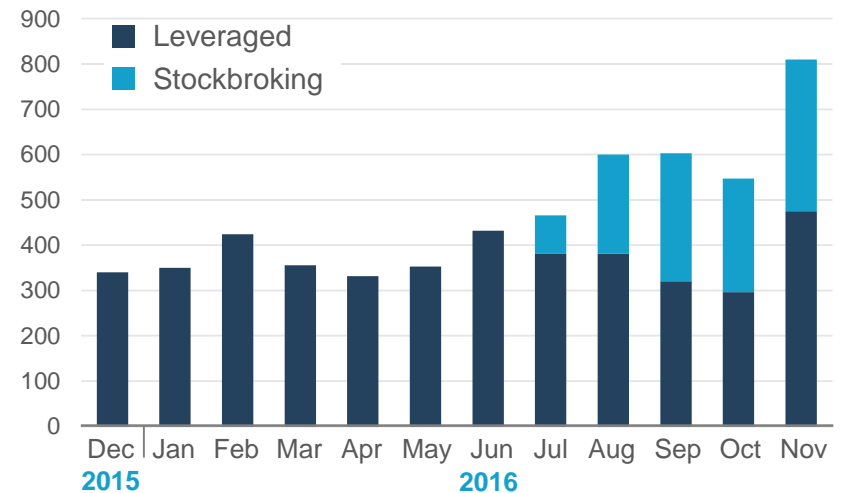
The Australia segment comprised the Melbourne office and the revenue from New Zealand and other countries in the Asia Pacific region where IG has no physical presence. Segment contributed 14% of Group revenue in the period

- Revenue in Q2 16% ahead of Q1
- Stockbroking launched in Australia in July
 - progress to date encouraging

REGULATION

- Welcome tightening of client money rules
- Financial product intervention powers consultation
 - in line with other global regulators

CLIENT RECRUITMENT Dec 2015 - Nov 2016



REST OF THE WORLD



REVENUE (£m)

FY17 H1	36.5	+28%
FY16 H1	28.5	

CLIENTS

FY17 H1	27,974	+19%
FY16 H1	23,504	

REVENUE PER CLIENT (£)

FY17 H1	1,305	+8%
FY16 H1	1,212	

The Rest of World segment comprised the offices in Singapore, Japan, South Africa, Dubai and the retail exchange Nadex (in the US). Segment accounted for 15% of Group revenue against 13% in the prior year.

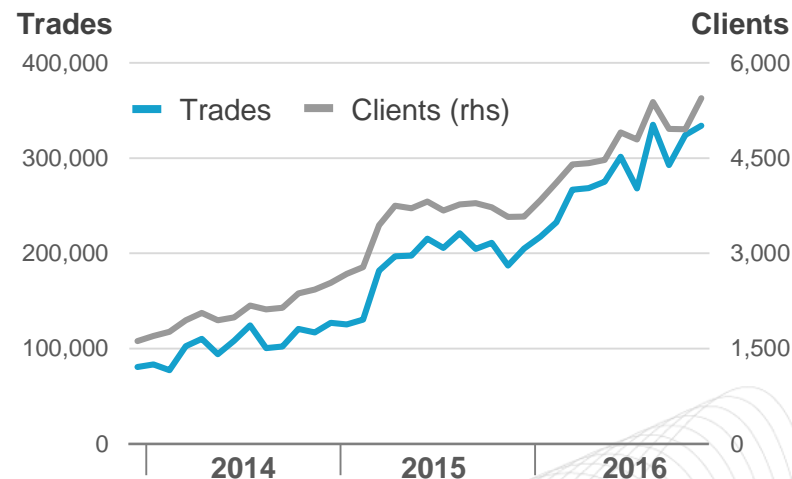
- Revenue was ahead year-on-year in all offices in the region, with the exception of Singapore which was flat for the period
- Dubai office continues to perform well at this early stage of its development

REGULATION

- Singapore 2012 FX leverage reductions still to be implemented
- IOSCO survey released in December 2016
- Anticipate regulatory change in Dubai

NADEX

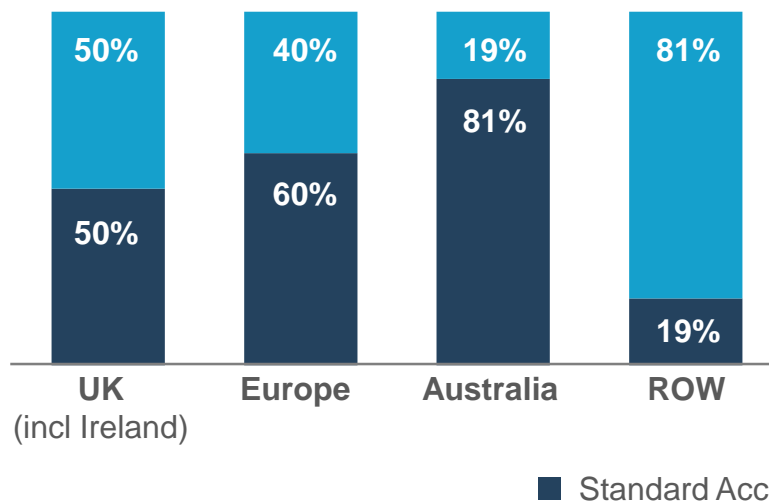
- Continues to grow strongly
 - revenue up by 31%
 - clients up by 44%



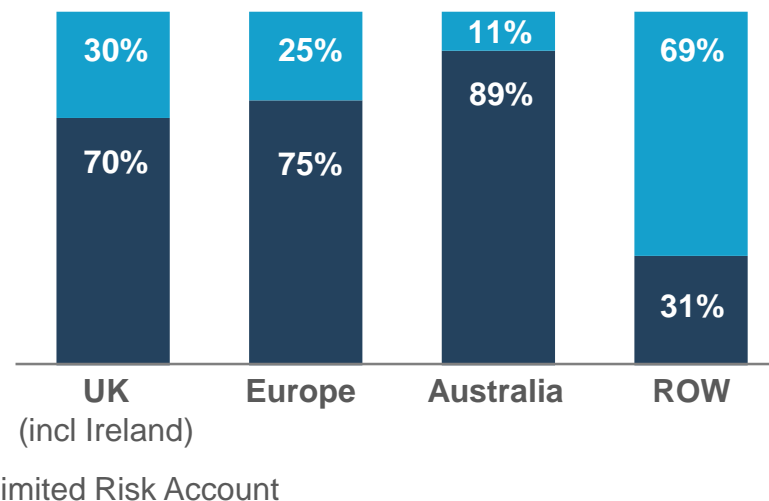
LIMITED RISK ACCOUNTS

Successful launch of new limited risk accounts¹ in Q1

ACCOUNTS OPENED Q2 FY17²



FIRST TRADES Q2 FY17²



- Limited Risk Accounts offered only to less experienced clients, therefore conversion ratio is lower
- Early indications are that Standard and Limited Risk Accounts are of equal value for equivalent clients

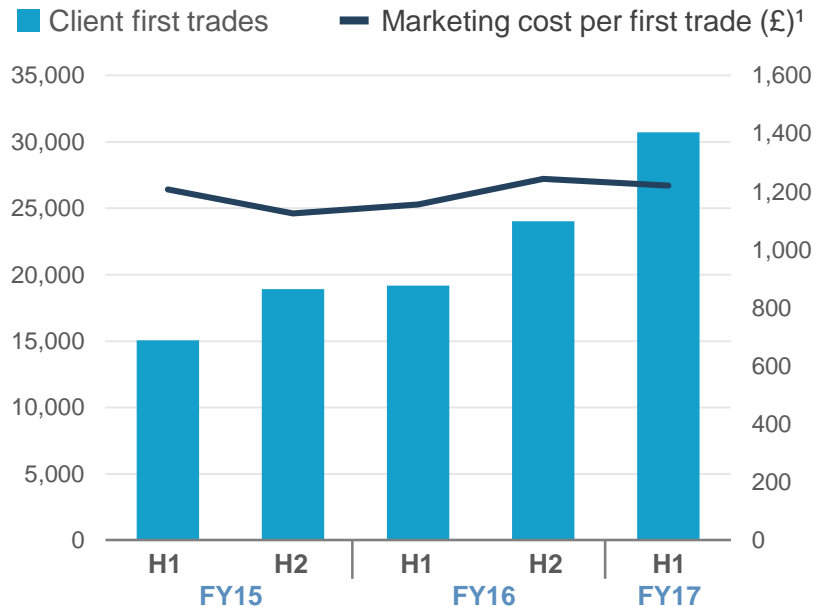
1. Limited Risk Accounts - limit the downside risk per trade and guarantee no negative balance on the account

2. Based on leveraged clients including Nadex

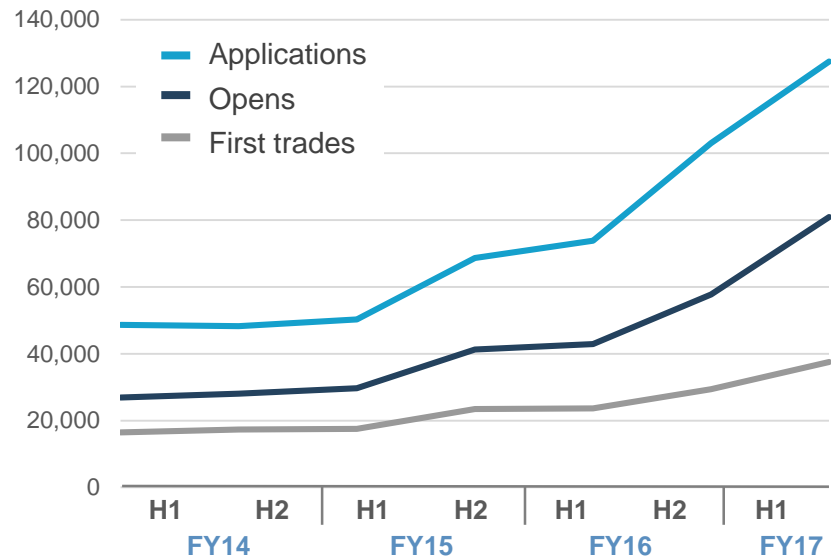
CLIENT RECRUITMENT

Investment in online marketing transforming client recruitment

CLIENT RECRUITMENT (excl Nadex)



CLIENT ACQUISITION (incl Nadex)



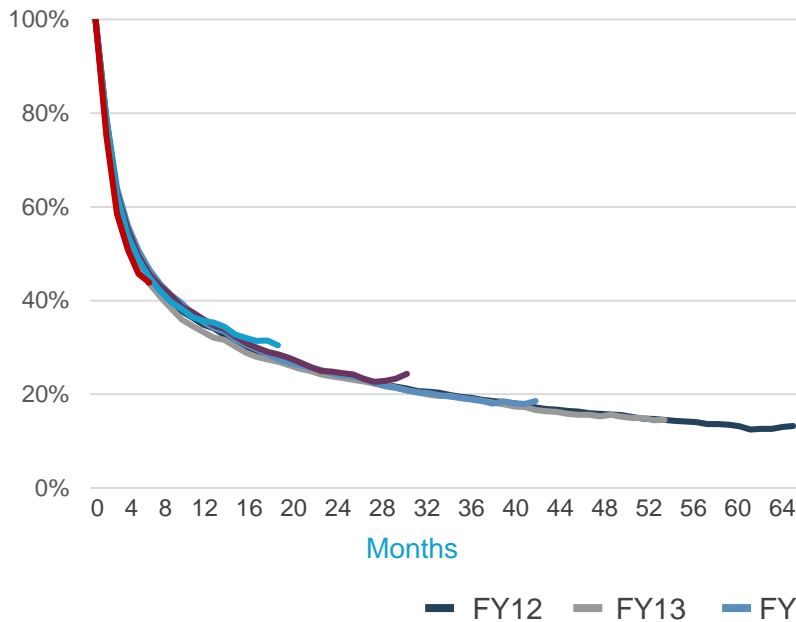
- First trades (incl Nadex) up 59% on FY16 H1
- Investment in client facing headcount in period to improve client experience and conversion
 - promising progress in the UK

1. Marketing spend (including irrecoverable VAT) in the period divided by number of first trades in the period

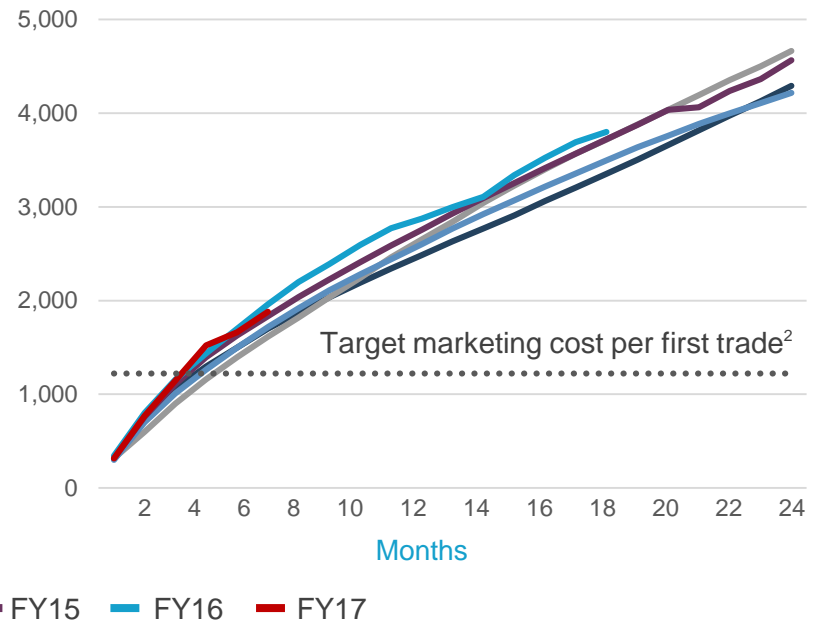
CLIENT VALUE AND ATTRITION



CLIENT ATTRITION¹



CUMULATIVE AVERAGE CLIENT VALUE¹

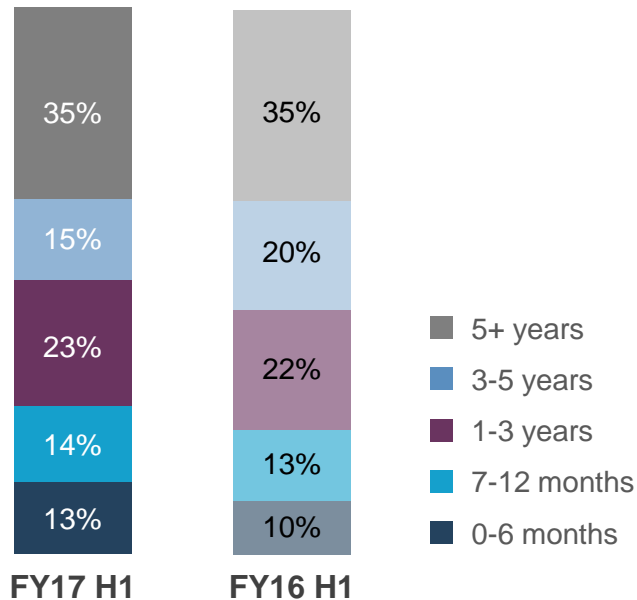


- Continuing to recruit clients of the same value, with the same longevity

1. Based on net trading revenue of leveraged clients excluding Nadex

2. Marketing spend (including irrecoverable VAT) in the period divided by number of first trades in the period

REVENUE BY CLIENT TENURE



- 50% of revenue generated by clients who have been trading with IG for three years or more

NEW WEB TRADING PLATFORM

- Rolled out to new spread betting clients in early January 2017
- Now available to all existing spreadbetting clients
- Positive feedback received to date
- Roll out to continue through 2017, including CFD clients

MY IG

- Rolled out to all users, making trading and account navigation easier

DAILY FX

- Purchased end of October 2016 from FXCM for \$40m (£32.7m)
- Technical migration progressing well
- Encouraged by number of leads being generated
- Putting in place systems, processes and people to improve conversion rates

Summary

- A strong set of results in the first half
 - business showing a clear pattern of growth
- Increased marketing spend continuing to be very effective
- Other costs growing in line with revenue
- Business maintains an appropriately robust balance sheet
- Important progress made in the strategic transition of the business
- FCA consultation provides an uncertain backdrop
 - IG working with regulators to help improve client outcomes
- IG will retain its best practice approach to regulatory compliance globally

APPENDICES



APPENDIX 1: Net trading revenue per client



Half year analysis¹

Revenue (£m)	FY13			FY14			FY15			FY16			FY17
	H1	H2	FY	H1	H2	FY	H1	H2	FY	H1	H2	FY	H1
UK (incl Ireland)	86.9	99.5	186.5	93.4	99.3	192.7	106.8	105.1	211.9	110.3	120.8	231.1	120.0
Europe	32.1	39.0	71.0	40.2	41.9	82.1	40.5	40.4	80.9	45.6	53.0	98.6	53.3
Australia	28.2	28.1	56.3	27.0	25.2	52.2	28.7	30.5	59.2	30.4	33.6	64.0	35.1
ROW	21.8	26.3	48.1	22.1	21.3	43.4	21.4	26.8	48.2	28.5	34.1	62.6	36.5
TOTAL	169.0	192.9	361.9	182.7	187.7	370.4	197.4	202.8	400.2	214.8	241.5	456.3	244.9

Clients (000's)	FY13			FY14			FY15			FY16			FY17
	H1	H2	FY	H1	H2	FY	H1	H2	FY	H1	H2	FY	H1
UK (incl Ireland)	50.8	52.1	68.3	46.2	45.4	59.3	45.8	46.7	60.4	46.8	50.8	64.5	60.6
Europe	18.7	19.8	24.7	19.7	20.9	26.0	21.5	24.0	29.7	25.3	28.6	35.0	29.8
Australia	14.8	15.0	19.0	14.4	13.8	18.0	14.1	15.0	18.7	15.8	15.4	19.8	17.1
ROW	17.9	19.1	24.2	17.3	17.6	22.8	18.9	21.6	27.3	23.5	24.7	33.3	28.0
TOTAL	102.2	106.0	136.1	97.7	97.7	126.1	100.3	107.3	136.1	111.3	119.5	152.6	135.4

Revenue per Client (£)	FY13			FY14			FY15			FY16			FY17
	H1	H2	FY	H1	H2	FY	H1	H2	FY	H1	H2	FY	H1
UK (incl Ireland)	1,711	1,911	2,731	2,024	2,188	3,251	2,333	2,252	3,510	2,361	2,377	3,585	1,979
Europe	1,712	1,969	2,882	2,039	2,007	3,156	1,882	1,686	2,730	1,802	1,853	2,812	1,791
Australia	1,900	1,868	2,965	1,872	1,826	2,899	2,035	2,038	3,167	1,927	2,186	3,227	2,053
ROW	1,222	1,375	1,991	1,273	1,209	1,903	1,136	1,235	1,764	1,212	1,383	1,882	1,305
TOTAL	1,653	1,819	2,660	1,871	1,921	2,937	1,969	1,891	2,941	1,930	2,021	2,990	1,808

1. Unique clients trading in each period with revenue stated as Net Trading Revenue

APPENDIX 2: Client trading activity



Client retention rate trend

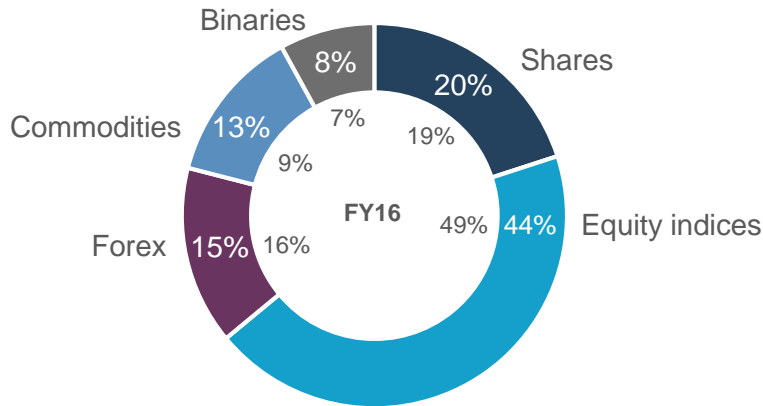
	FY14	FY15	FY16
New clients (000's)	55.0	71.0	100.7
First trades (000's)	33.7	40.9	53.0
Implied conversion rate (%)	61%	58%	53%
Total active clients (000's)	126.1	136.1	152.6
Clients trading from prior period (000's)	92.4	95.2	99.7
Clients trading from prior period (%)	68%	75%	73%

	FY13		FY14		FY15		FY16		FY17
	H1	H2	H1	H2	H1	H2	H1	H2	H1
New clients (000's)	27.0	28.8	26.9	28.1	29.7	41.3	42.9	57.8	81.0
First trades (000's)	18.7	19.2	16.4	17.3	17.5	23.4	23.6	29.4	37.5
Implied conversion rate (%)	69%	67%	61%	62%	59%	57%	55%	51%	46%
Total active clients (in period)	102.2	106.0	97.7	97.7	100.3	107.3	111.3	119.5	135.4
Clients trading from prior period (000's)	83.5	86.8	81.3	80.4	82.8	83.8	87.7	90.1	97.9
Clients trading from prior period (%)	80%	85%	77%	82%	85%	84%	82%	81%	82%

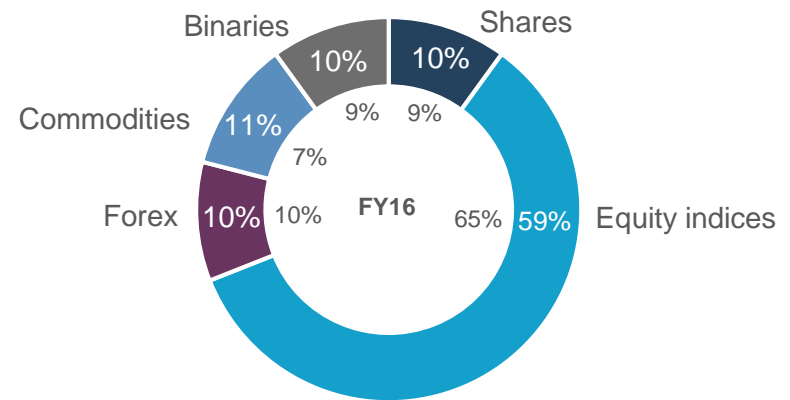
APPENDIX 4: FY17 H1 regional revenue composition



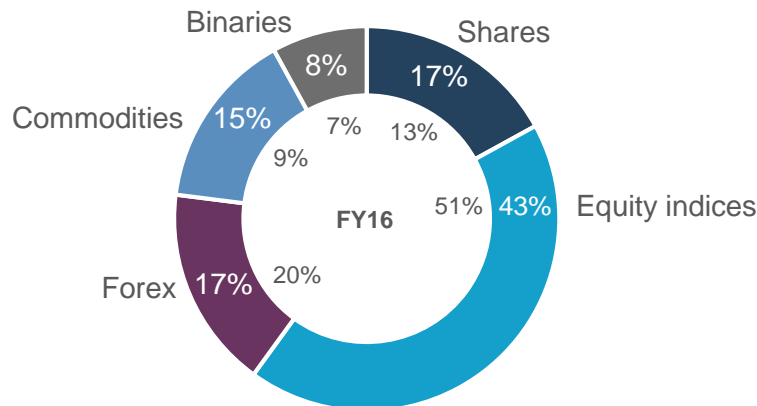
UK (incl Ireland)



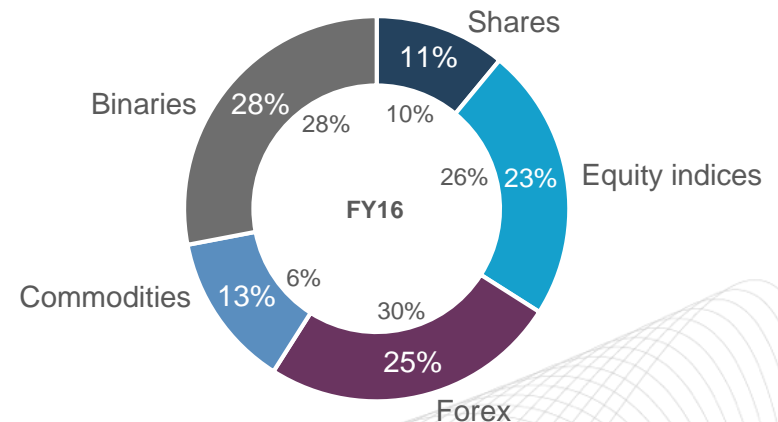
EUROPE



AUSTRALIA



REST OF THE WORLD





END

