



**IG Group plc Q1 Trading Update**  
**8.30 am - 21 September 2017**

**Kieran McKinney, Head of Investor Relations**

Thank you very much and Kieran here. Obviously, I've got Paul Mainwaring CFO here with me and Liz Scorer on our side. We're going to keep the introductory comments very short and then we will just move onto Q and A. It's very short statement. We wanted to give you an update on revenue at this stage. It was a record quarter, £135.2 million so a record quarter in ever for IG and also it's very well ahead of last year. I would caveat the very well ahead of last year by reminding you that last year was a very strange quarter where we constrained trading in June around Brexit and then July and August were particularly dull, so I would just be cautious about that 21% increase over last year. Last year was also marked by very strong client inflow during the Brexit period and as we said in July, a number of those clients didn't stay around for that long so the client numbers year on year are skewed by those very strong numbers in Q1 which also of course impacts revenue per client, which was weak in the prior year and much more normal this year. I will finish my short spiel again by reminding you how we finish the statement and no impact today from regulatory change, but we are all aware that it looms and we're unsure exactly how that will play out in the second half of the year and beyond. So again I would just remind you of something which I guess you are very aware of anyway. With that Paul and I will throw it open to questions and hand the call back the operator.

**Peter Lenardos, RBC**

Hi good morning. It's Peter from RBC just a question on your EMEA revenue. I guess I was hoping you could quantify please. How much of that comes from just Europe alone, and thus is exposed to potential negative regulatory changes. Thanks.

**Kieran**

So the £39 million Peter?

**Peter**

Correct

**Kieran**

And your point being what of that sits outside the EU? So we talked about this didn't we in July where we have a few countries, so for those others on the call, we're talking about Switzerland, Dubai and Africa; And in total that's about 9 million of that revenue Peter is sitting in those countries outside what you described as the sort of the regulatory impact in the EU region.

**Peter**

Okay, great thank you.

**Richard Taylor, Barclays**

Yeah, morning, it's just a quick question on the active clients and they're down in the

year partly due to the Brexit sign up surge that you had but you did raise the wealth bar during the quarter as well so can you just give us some idea perhaps on a sequential basis rather than year-on-year what the effect has been of raising the wealth bar, has it had a material impact on your first trades?

**Kieran**

It's very difficult to say Richard it's in such an early stage, but yet look. Yes, the first trade numbers will inevitably be down and one, because it was a reasonably quiet backdrop and two, you're right not only wealth bars, but we also changed our appropriateness workings as well, which means that we are dropping out clients earlier in the process, who we believe would have been very low value later in the process. So yes, the absolute number of first trades will be down for that reason and there will be a small impact on the client numbers but very, very early, but our thesis as you know is the is that the clients who get through to the end are the appropriate clients and that's where the value lies in this somewhat concentrated environment. Nothing in Q1 suggests that this thesis isn't correct.

**Richard**

So the clients that you are signing up relative, it's very early days but they are sort of what you would expect having changed the appropriateness and wealth bars

**Kieran**

Yes absolutely

**Richard**

Great thanks very much.

**Ben Williams, Leste**

Good morning, gentlemen. Hey, obviously your platform permits the trading of an enormous range of instruments in all sorts of ways, but one of the big changes certainly at the lower end has been the massive volume coming through on various crypto-currency trading tools. Has that been of any significance to your business?

**Kieran**

Not in the group context I accept the point that crypto is very current, is very newsworthy and certainly we are seeing an increasing level of trade on there. But no it's not at this stage material in a group context, no.

**Ben**

Thank you very much can I just quickly take the opportunity in public to state that you are a phenomenal IR and good luck with whatever follows.

**Kieran**

Thank you very much Ben I really appreciate it. Thank you.

Folks thank you very much indeed, short call and hopefully you know, reassuring start to the year in what is a reasonably difficult backdrop and really appreciate your time and I appreciate your good thoughts as well.

**Paul Mainwaring, Chief Financial Officer**

Going before, it's Paul Mainwaring and before we close I would just like to echo Ben's sentiment there on behalf of the company. Thank Kieran very much for the huge effort he's made the last 5 and a half years to improve our investor relations and our communications with the market we're all very grateful for that and we're looking forward to building on that and we wish Kieran all the very best of luck.

**Kieran**

Thanks all we'll be around through the day for any further questions. Good bye.