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+++ presentation

Operator^ Good morning, and welcome to the Investor and Analyst Call for IG Group's 2025 Results. (Operator Instructions) I would like to remind all participants that this call is being recorded.

I will now hand over to Breon Corcoran, CEO, to begin the presentation. Please go ahead.

Breon Corcoran^ Thank you, and good morning, everyone. I'm joined by Clifford Abrahams, our CFO, and we'll be presenting together this morning. I'll start with highlights from the year and hand over to Clifford to walk you through our financial performance. I'll return to discuss our strategic progress before we open the line for questions. The business delivered strong revenue and earnings reflecting supportive market conditions and good progress implementing our strategy, particularly in the second half, which was great to see.

Let me begin with a reminder of the priorities I outlined when I joined last year. My focus was improving our product offering, embedding a high-performance culture across the business and enhancing efficiency. We operate in a fast-paced, rapidly changing industry where we must continuously strengthen our propositions to win.

We need a high-performance culture to achieve best-in-class product velocity, and we must enhance efficiency to fund investment. All of this is necessary to achieve our goal of increasing growth and driving scale advantage. Embedding these changes will take

time, but momentum is building, and I'm pleased that the pace of change is accelerating.

Turning now to delivery in 2025. Starting with product. We've improved existing products, filled critical gaps in key markets, and we've started to broaden customer appeal. Turning to culture. I'm pleased to say that the decentralized organizational structure we implemented last year is getting us closer to our customers and accelerating product velocity. During the year, we strengthened our executive committee, and our new hires are already starting to enhance commercial performance.

And finally, on efficiency, we're lowering our fixed cost to serve through digital servicing, enhancing retention of our OTC customer income, and we've exited legacy and sandbox initiatives delivering poor returns. We have more to do, but it's encouraging that the actions we've taken are beginning to translate into stronger customer growth.

I'll return to strategic process but let me hand over to Clifford to take you through our financial performance.

Clifford Abrahams^ Thanks, Breon, and good morning, everyone. Now to start with highlights of the year.

We delivered strong top line growth and good operating leverage in full year '25. While total revenue increased 9% with our strong cost discipline, profit before tax increased 17% and with share buybacks, EPS was up 26%. These results highlight the strength of our business model and the size of the opportunity as we return IG to revenue growth, enhance efficiency while returning capital to shareholders and investing in accretive M&A.

We're particularly pleased that top line growth was supported by higher organic growth in active customers and new customer acquisition, namely first trades, up 5% and 19% on the prior year, respectively. This is the first time that both metrics have grown in four years and gives us confidence that our strategy is working, and we've turned the corner, but we're not satisfied with this. We have much greater ambition, and we're working hard to deliver.

Alongside our strong financial results at my first year-end as CFO, I wanted to update you now on our refreshed approach to metrics going forward, reflecting your feedback. Today, we're introducing funded accounts as a new key performance measure with a total of 1.3 million at the end of May 2025. Funded accounts represent customers with a positive cash balance or open position.

From full year '26, we'll be reporting funded accounts and first trades alongside actives every reporting period to help you better track our progress. We're also changing our definition of an active customer to enable improved comparison of performance between periods. From the first quarter of 2026, we'll report unique monthly average active customers. Monthly active customers are those placing a trade or holding a position each month. We'll provide historical disclosure on our Investor Relations website in coming weeks.

Also from 2026, we'll no longer adjust performance measures in the group P&L for exceptional and non-cash items. In future, we'll report unadjusted IFRS measures alongside EPS before amortization of acquisition-related intangible assets or cash EPS. This will simplify our disclosure whilst enabling reconciliation of our performance with prior years. So altogether, a simpler, more transparent approach to metrics aligned to peers and reflecting our developing business model.

Turning now to the P&L for full year '25. Our strong operating leverage is again evident here. Within total revenue, trading revenue increased 12% on the prior year and 11% organically, offsetting lower interest income reflecting lower policy rates and higher payments to customers on stable organic cash balances.

Looking ahead, we expect trading revenue to continue to grow over the medium term supported by stronger customer acquisition and customer income retention initiatives. We expect interest income to come down again this year, driven by lower interest rates and higher pass-through to customers. This will result in more moderate growth in total revenue short term as reflected in consensus forecasts.

Costs remained well controlled, up 2% and 1% organically, well below the rate of inflation in all the countries in which we operate. Revenue and costs from full year '26 will reflect the full year's contribution from Freetrade, which is delivering strong growth in line with our expectations. Costs will include approximately GBP10 million amortization of intangible assets relating to the transaction this year.

As a reminder, finance costs in full year '26 will reflect interest payable on the GBP250 million senior bond issued in May, which has a fixed annual coupon of 6.125%. Altogether in full year '25, adjusted profit before tax increased 17% to GBP536 million, delivering a PBT margin of 50%. The Group tax rate was 24%, modestly lower than our January guidance of 25% and adjusted earnings per share increased 26%, highlighting the impact of share buybacks. Current trading is in line with our expectations and remain confident of meeting 2026 market expectations for total revenue and cash EPS.

Let's now look at top line performance in more detail. Breaking down our performance by product, we're pleased to deliver strong growth in trading revenue, active customers and first trades right across the business. Our OTC derivatives business grew net trading revenue 10%, benefiting from supportive market conditions, particularly in Q4 and the strategic progress we've made to strengthen new customer acquisition. We've seen continuing strong growth in the United States with tastytrade trading revenue up 21% in US dollars, active customers up 13% and first trades up 40%.

The performance of our stock trading business was supported by Freetrade, but the performance of the IG platform was also much improved under our new UK leadership team and following the launch of IG Invest in January. It was great to see that it delivered 17% organic trading revenue growth in the year. It's pleasing that we've grown Group active customers for the past couple of quarters although market conditions have provided support, particularly in Q4 2025. What we're targeting is consistently stronger sequential growth across market conditions.

Now let's look at our divisional performance. Again, it's really pleasing to see strong growth in net trading revenue, active customers and first trades across the business. As Breon mentioned, our decentralized operating model is bedding in well, and we're really encouraged by the positive impact it's beginning to have in our performance.

Moving down the P&L, let's look at costs in more detail. Total operating costs were well controlled, up 1% organically as headcount came down and largely offset inflationary pressures. Marketing costs were up 13% as we increased spending to match stronger demand and support the delivery of new products and features. We expect to spend more on marketing in future, and we'll fund this by lowering our fixed cost to serve enabled by digital servicing.

Turning now to our capital position. As I said in January, we've refined our capital allocation framework, reflecting your feedback, and I'm pleased to announce the details today. We've introduced a management buffer on our minimum regulatory capital requirements and expect to maintain capital resources in a range of 160% to 200% of requirements over the medium term. Alongside this, we're committed to a progressive dividend per share. We'll continue to assess M&A opportunities and will return capital not required for other purposes.

In line with this approach, we proposed a total dividend for full year '25 of 47.2p, up 1p on full year '24 and expect to launch a buyback of GBP125 million in H1 full year '26. We set out here our inorganic investment criteria. I have a lot of M&A experience. And over the years, I've learned it's critical to maintain discipline, and that's exactly what we've been doing. First, we'll look at the fit with strategy that Breon has set out. Alongside that,

it's important that any transaction shows financial returns and is deliverable.

We're satisfied that Freetrade has met each of these criteria, and I'm pleased to say that the integration progress has gone seamlessly, and we're accelerating investment in the business this year to drive growth, as we said when we announced the deal. We've looked at a lot of crypto assets and our assessment to date has been that larger opportunities don't fit our criteria.

Now let me turn to our capital position. Here, you can see how well placed we are relative to our target range, and I'm pleased to announce today that we expect a new GBP125 million share buyback. This will start shortly and should complete in the first half of the year, subject to share price performance and other demands on capital. We'll assess whether it's appropriate to extend this program in the second half of the year.

Turning now to liquidity. Our liquidity position at the end of the year was very strong exceeding GBP1 billion and up materially on the prior year, reflecting the GBP250 senior bond we issued in May and lower broker margin requirements at period end. Here, we show our available liquidity position prior to drawing on our revolving credit facility, which was unutilized at year-end and remains undrawn. In May, I was pleased to upsize this facility from GBP400 million to GBP600 million and term it out to 2030. Our strong liquidity position gives us ample headroom to deliver on our growth strategy.

Turning now to the outlook for 2026. As I've mentioned, we'll no longer adjust performance measures in the Group P&L for exceptional and noncash items. In the future, we'll report unadjusted IFRS measures alongside EPS before amortization of acquisition-related intangible assets or cash EPS.

We'll disclose funded accounts and first trades each reporting period and we're changing our definition of an active customer to enable better comparison of performance between periods. Our current trading is in line with our expectations as volatility has moderated sequentially, and two months into 2026, we're confident of meeting market revenue and cash EPS expectations.

With that, back to Breon for more detail on our strategic progress.

Breon Corcoran^ Thank you, Clifford. I'm pleased that our strategy is translating into stronger commercial performance. I'm convinced that we can transform IG into a larger and faster-growing business. We operate in large and attractive markets with significant growth potential. The global opportunity for over-the-counter derivatives, stock trading, futures, options, crypto and adjacencies represents hundreds of billions of dollars. Our penetration of these markets remains low.

Growth of these markets is underpinned by structural drivers, which will last for decades. These include the democratization of financial markets, increasing individual responsibility for investment decisions and innovation and customer demand driving convergence of financial markets with entertainment platforms.

Turning now to our product assessment. In OTC derivatives, we are the global market leader, and our focus remains on simplifying our proposition to take market share and drive growth. In exchange-traded products, tastytrade has a relevant footprint in the United States and we're working hard to increase appeal to less experienced traders to increase market share.

In stock trading, we're a challenger. Freetrade enhances our position in the fast-growing UK direct-to-consumer market, and we have advanced plans to lock our stock trading offerings in targeted other markets around the world.

In crypto, we've rolled out our cash offering in the UK, becoming the first UK listed company to do so, and enhanced our cash proposition in the United States. We're actively assessing opportunities to enter fast-growing and uncorrelated product adjacencies. As we close product and capability gaps, we're aiming to build a fast-growing consumer engagement platform with diverse revenue streams and a scaled presence in the United States.

Now let me detail our progress in the year, starting with product development. Our focus has been on strengthening our existing propositions and closing priority gaps in key markets. We've made good initial progress, and I'm pleased with that momentum accelerated throughout the year. In OTC derivatives, we've implemented initiatives designed to enhance customer income retention, and it's great to see that these have contributed to stronger top line performance. We've also rolled out products and features, which close gaps to peers and enhanced user experience and with more to do.

At tastytrade, we've taken initial steps to simplify our proposition and we'll be shortly launching a new web interface. This week, we enabled stable coin funding, allowing tastytraders to fund their brokerage accounts with multiple stable coins, eliminating friction points associated with traditional funding.

In July 2024, we highlighted that our stock trading offering needed to work to meet customer demand. I'm pleased we've made progress enhancing our propositions this year with the launch of IG Invest in January and the acquisition of Freetrade in April.

Freetrade performed strongly in the year with assets under administration up 38% and

trading revenue increasing 32%, all meeting our expectations. Freetrade launched mutual funds in May, and Victor and his team have extensive product road map for later this year. We've got plans to roll out stock trading and investment propositions in targeted other markets around the world.

Turning to crypto. As I said in January, this was a priority. And again, we've made good initial progress. We became the first UK listed company to provide cash crypto to retail investors in May. We're now live with over 35 coins with the product fully integrated into the IG Trading Platform and IG investment app in the UK. We've designed, developed and delivered this offering in under three months.

In the United States, tastytrade expanded its range of tradable coins to 23 and enable cryptocurrency deposits and withdrawals. We expect to launch cash crypto in targeted other markets around the world later this year. We've shown that we can deliver organically, and we'll be disciplined when assessing M&A opportunities.

Now let me turn to culture. We're working hard to change our ways of working, foster high-performance culture. We've made good initial progress here, too, particularly in the second half. We've appointed new managing directors to lead three of our five commercial decisions, and I'm pleased to say they've already had a significant impact.

We've cascaded new target behaviors across the business and changed our performance evaluation processes to significantly greater differentiation in pay and reward. We've also implemented best-in-class engagement survey software to monitor enhance engagement at all levels. In summary, cultural change is underway and starting to move the needle on commercial performance.

And staying with culture on the next slide. One of my key priorities has been the strategic hiring, and I'm particularly pleased with the progress we've made in H2. With the executive committee change is now largely complete, we're focusing on attracting talent to fill other levels -- at other levels to build capability gaps and strengthen our high-performance culture.

In 2025, where 25% of direct reports into the ExCo were hired this year as we continue on our objective of bringing strongly motivated and high-performing people to IG. This process will continue as we focus on getting the right people in the right roles and giving them what they need to drive growth. It's notable that we delivered strong financial results this year with organic headcount down 11%. It's great to see that we're doing more with less, and this gives me confidence that the cultural change is progressing well.

Now let me turn to efficiency. This year, we initiated digital servicing work streams to enhance efficiency, initially focusing on customer onboarding and servicing journeys. Supported by these initiatives, our organic fixed cost to serve customers declined 7%, although it remains much higher than peers. This gives us a significant opportunity to drive incremental savings and free up resources for investment in growth while defending margins.

Our focus on digital servicing is delivering good initial results, including faster KYC and better automated account activation. While we've made progress, we have much more work to do to achieve best-in-class, and we continue to invest in automation.

Shortly after joining, I made it clear that we would take decisive action to close initiatives, not delivering acceptable returns. We've done that over the past 12 months. In 2025, we've exited Spectrum, Brightpool, Radius, Bad Trader and The Small Exchange. We've also closed our commercial business in South Africa to prioritize investment in larger, faster-growing markets.

As I mentioned earlier, we've implemented measures to enhance conversion of customer fee and commission income into net trading revenue with good initial results. At the end of the first half, we've introduced measures to enhance alignment of our OTC spreads with underlying market liquidity. This has further differentiated customer experience, particularly for those trading in size, and enhance the percentage of customer income that we convert into net trading revenue.

We've also widened intraday market risk limits on most liquid instruments and deployed new algorithms allowing us to hedge more passively to lower hedging costs. We expect these enhancements to increase customer income retention over the medium to long term, albeit with some increase in short-term variability. In 2025, these measures helped increase customer income retention by 4 percentage points to 79%, which added approximately 5% or GBP40 million net trading revenue.

Let me summarize our guidance and our outlook. Clifford summarized our guidance for the current financial year, and we presented it again here for completeness. Looking beyond FY26, we expect our total revenue to compound in the mid- to high single-digit percentage range per annum on an organic basis, accelerating in outer years.

Alongside this, we'll maintain cost discipline. We'll continue to allocate capital with rigor. We look at partnerships to deliver product more quickly and efficiently, and we're prepared to fail fast and cheaply when we see lack of acceptable progress. We continue to assess M&A opportunities ranging for bolt-on deals to larger transactions to catalyze growth. And Clifford has previously outlined our investment criteria.



To conclude, our full year results reflect supportive market conditions and good strategic progress. I'm pleased that we're getting closer to our customers and beginning to fill key product gaps. We're fostering a high-performance culture and starting to enhance efficiency. We're allocating capital in a more disciplined manner, balancing buybacks with investment in growth. And we're on track to meet market expectations for total revenue and cash EPS for the current financial year.

We enter FY26 with strategic momentum, and we're working hard to deliver a step change in growth and scale. The market opportunity is huge, and I'm confident we have the right strategy to capitalize on it. I'll leave it there and move on to Q&A.

+++ q-and-a

Operator^ (Operator Instructions)

Ian White, Autonomous Research.

Ian White^ Hello. I hope that you can hear me okay. Thanks for taking my questions. Three from my side, please. First of all, on the retention rate on leveraged OTC business in the second half of the year, I think it's somewhere around 83%. Is that an extraordinary performance based on market conditions? Or is that a level that you can hit consistently following the changes you've made on the risk management side, please? That's question one.

Secondly, on the Group's headcount, was all of the reduction in the period, basically the result of the sort of previously announced structural cost saving program. Or have you seen further opportunities to reduce headcount over the course of this year? And do you have a target level of headcount over the next couple of years or perhaps even sort of a broad outline of where that number might go over the next couple of years, please?

And finally, on capital. As you highlighted in the statement, there's still a GBP131 million buffer to the top of your guided headroom after deducting the foreseeable buyback. How should we interpret that? I guess, put bluntly, when do you intend to operate within the 160% to 200% of required capital range, please? Thank you.

Breon Corcoran^ Ian, good morning. I'll take the second one, Clifford, do you want to do the --

Clifford Abrahams^ Thanks, Ian. Thanks for those questions. I'll refer you to slide 24 in the pack. As you guided our retention was strong during the second half of the year, but

it moves around. You can see in the little bar charts that we provided.

So we're comfortable that we'd expect to see some pickup over time in retention, and you see that in financial year '25, and we expect to deliver more of that going forward, but we also expect to see some volatility around that metric. That's what the little chart below that to indicate. So over time, we expect to see a pickup in retention, and that's behind our guidance in terms of mid to high total revenue growth, but you'd expect to see some volatility around that.

I'll just answer the third question around capital. Look, we've indicated our buyback for the first half of the year. We'll look at where we are in the second half as we've done in previous years. We've also guided the capital allocation framework, our appetite for M&A and would return surplus capital for example, through buybacks. So we'll look at it regularly depending on where we are in the range and where the opportunities we see.

In terms of where we expect to be in the range, it's over time. We don't want to be locked in to a particular range at any point in time or expect to see buybacks taking us down to the bottom of that range, but we're comfortable operating in the range we guided, and we expect to do so over time.

Breon Corcoran^ Great. And Ian, on the headcount issue, there isn't guidance, there isn't even an internal target for what that should look like. There was a rift, there was a reduction in force process initiated at the end of calendar '23. That had played out by the summer of '24. So that may be what you're referring to, but there has been ongoing focus on efficiency, which has led to some redundancies and has led to some people choosing to leave the firm.

So I'm not targeting a particular end state, but we have committed over time, and I think are evidencing a commitment to efficiency. If anything, I'd like to hire more product and engineers right now running a little bit behind where I think we should be. So we're mindful of the value of efficiency, but we're not solving for a particular target.

Ian White^ Got it. Thanks for that.

Operator^ Haley Tam, UBS.

Haley Tam^ Morning. Thank you very much for taking my questions and congratulations on the ongoing progress. A couple for me, please. Firstly, just in terms of operational leverage. I think you've given us a very clear message that you've got strong cost discipline and you're funding your increased marketing spend with a lower fixed cost to serve. Could you help us think about maybe as we return to mid to high single digit

revenue growth and acceleration from the medium term, how we should think about your operating margin from there?

Second question on OTC revenue per customer, sorry, it's going to get a bit techy. You flagged a 4% revenue retention benefit from capturing more spread income and lower hedging costs. I just wondered if I think about this, your revenue per customer grew by 7% in OTC derivatives, should we therefore assume that maybe 3% was due to more supportive market conditions? And then finally, just on the crypto launch, both in the UK and flagged for elsewhere later this year. Could you give us any color on the revenue impact so far and what your expectations might be? Thank you.

Breon Corcoran^ Do it in reverse order. The -- no guidance on the crypto thing. It was a gaping hole in our product offer. It has been addressed in the UK and the product offer in the US is incrementally better than it was six months ago. And we are seeing evidence of consumer demand, but we're very, very late to the party. And although it's pleasing to be the first UK public company to offer crypto to its customers, if we're honest with ourselves, we're several years off the pace there. On the retention -- sorry, I'll let you go.

Clifford Abrahams^ Yeah. So I think in terms of operating leverage and margins, we're really pleased with margins for financial year '25 at 50%. We're bringing Freetrade in, which will dilute margins going forward a couple of percent. If I look at consensus margins, they're around mid-40s. I think we're comfortable with that. That's consistent with the guidance we've given. We will look to bring down those fixed costs to serve that we've talked about and look for efficiencies there and expect to spend more on marketing over time, but within that broadly mid-40s PBT margins that we're comfortable with.

In terms of kind of composition of revenue per customer, I think we -- if you kind of look at the words we said carefully, those retention initiative have supported that 4%, I wouldn't exactly mechanically calculate it in that way, so we do expect some volatility. But client market conditions were favorable last year. We had two periods of really strong volatility in Q4 in April and last year in August.

And customers tend to trade more, see more opportunity in those volatile market conditions. And we've also taken advantage of that in terms of implementing a more refined approach to hedging. So I think factor that into your forecast going forward, and that's all consistent with the guidance we've given around mid- to high single-digit revenue.

Breon Corcoran^ Yeah. And just to build on that, I think active customer growth is a much more -- is the metric we're focused much more on the value per customer even

within the OTC category. It's just too many things outside of our control, volatility being an important one, to give us great predictability about customer value over time.

Haley Tam^ That's clear. Thank you.

Operator^ Richard Taylor, Barclays.

Richard Taylor^ Yeah. Morning, guys. Hopefully, you can hear me. I've got two questions, please. First is some context please on the first trade and actives and the year just ended but also the year just started. The growth in first trade was very strong in the second half, but you're obviously trying the elevated volatility. And I can imagine that was quite helpful for increasing clients as well and also not marketing so strongly.

So looks like it hasn't just been market driven, but very keen to hear your thoughts on how you go about recruiting customers and on the sort of the quality of customers you've added thinking about cost of acquiring versus expected lifetime value sort of last year, but also like how that's gone into the new financial year where perhaps conditions are a bit less supportive?

Second question was just building on the crypto question, and you onto built a crypto offering in the UK fairly rapidly and develop the US one. Given your experience today, does this make you think differently in terms of M&A in the space? Or could that still be an option in other markets to develop your presence? Thank you.

Breon Corcoran^ Do you want to take the M&A one?

The -- on marketing, Richard, so thanks for the questions. It's really hard to extrapolate just from a short period of time. And as you say, market conditions also changed the dynamic. To be trying to be helpful about this, we would have spent more money on marketing late last year if we felt we had the capabilities to do so efficiently. I think today, we've built better capability over the last few months.

We're probably more confidence in spending marketing money sensibly than even we had even four or five months ago. Power values were fine. I think we expect them to trend down over time. But as per the previous question, volatility is the determinant of that and mix is also determined in some geographies where you may have more kind of well like behavior than others. But the marketing capability is maturing well.

There's been quite an infusion of talent in that team. They're gelling and we're building confidence in spending more. But I wouldn't extrapolate with any great certainty -- I couldn't extrapolate with great certainty in terms of -- based on customer values right

now. I think CPA has probably come down a bit over time. So I think we can continue to spend more efficiently.

But things like the Japanese arena which is a sponsorship deal. You know we agreed a number of years ago, but only went live in the last few months. That's now becoming a cost in the business. So the mix changes over time. And materially -- I mean there are material mix changes over time as well, which drives CPA in the short term.

Do you want to --

Clifford Abrahams^ Yeah. On M&A, we're actively looking at M&A opportunities. And Breon talked about the range of addressable markets that we're looking at both organically and inorganically. I think Richard, you asked particularly about crypto. The crypto market has changed considerably, actually, since November last year.

We've seen really good opportunities to partner with crypto companies to better serve our customers. You've seen what we've done here in the UK in partnership with Uphold, and we're looking at partnerships around the world. We have a partnership with Zero Hash already in the US for some time.

So we can serve our customers with crypto with partnerships, and that's working out well for us. We do look at opportunities, including in crypto. I made some comments really looking back at very large ones they didn't fit the criteria that we set out. That doesn't mean something won't come up in the future. But we're confident about our ability to deliver organically, as you've seen the early signs of progress today.

Richard Taylor^ Okay. Thanks very much.

Operator^ (Operator Instructions)

Ben Bathurst, RBC.

Ben Bathurst^ I hope you can hear me okay. I've got questions in three areas, if I may. Starting with the addressable market. I wondered could you offer some color on the most relevant product adjacencies that you referenced on slide 18. And to what extent does the new guidance given today for beyond FY26 reflect an expectation of a movement into some of those adjacencies?

And then also on the outer year guidance, can you just explain what that assumes in terms of net interest income? Should we be thinking that, that's going to be flat beyond FY26? Or could that still be acting as a drag then? And then on cost investment, I

wondered could you provide an updated view on the Group's tech stack, and do you see any need to make material incremental investments there over the short to medium term to achieve those growth objectives? Thank you.

Breon Corcoran^ Let's do the easy one first, the tech stack. We're doing more work on the tech stack today. We have evidenced product velocity in a way that's actually been quite encouraging and to some surprise internally. So we're shipping more product than we have in many, many years with a smaller team. There is remediation work and there's tech debt to address.

But I think that's kind of -- that's in our guidance, and that's kind of business as usual -- as part of the business-as-usual strategy. So I don't think we need to highlight that as a - I think that's an ongoing cost for the next number of years rather than a one-off or a step change kind of thing. On the guidance, do you want to do the --

Clifford Abrahams^ Yeah. There are a couple of points there.

Breon Corcoran^ In terms of adjacencies.

Clifford Abrahams^ Yeah. In terms of adjacencies, we see opportunity in our core propositions, including now crypto. So that guidance does not include, call it, very new propositions that might come in, in a few years' time. So it's very much sort of within our current propositions.

We're developing propositions all the time, but we wanted to give guidance and visible guidance overall as well as a guide to perhaps where we're thinking from an M&A point of view. From a net interest income perspective, I think we've guided down today a different mix of income for financial year '26. So I think consensus was a little bit high in terms of net interest income. So we expected less there and perhaps more from a consensus point of view in trading income once we fully reflected free trade.

That move down reflects a couple of things interest rates coming down and also more pass-through, particularly here in the UK. So I would expect that to set a new level for financial year '26 and grow modestly with the franchise after that. And so I think consensus is about right for longer term, net interest income. Now clearly, things can change, interest rates can change or there could be big changes in approach to customers in different markets. But hopefully, I've been clear on the assumptions and how we look at guidance in respect to that.

Breon Corcoran^ Yeah. And Ben, just to go back to the adjacencies point, we have been mono product for a long time. So specifically, CFDs over-the-counter, we did have a

cash equities product in the UK and Australia and a couple of other markets. Freetrade has moved us forward there.

One could argue crypto is an adjacency or one could argue crypto should be business as usual and it's just an underlying asset class. When we think about these things, we also think about products that will help us broaden our customer base and be relevant to a broader customer base because both the CFD product and indeed the options products in the United States, kind of a complex option retail product or strategy. They're quite niche, and I think we need products that resonate with a broader customer base.

And then over time, we can think about optimal product mix per customer, cross-sell journeys and so on and so forth. So I don't want to go to specifics in terms of what those adjacencies might be, but there'll be transactional businesses that look very much like this but aren't quite as close or are maybe slightly further away from the traditional CFD space.

Ben Bathurst^ Okay, great. Thank you very much for that.

Operator^ Vivek Raja, Shore Capital.

Vivek Raja^ Morning, chaps. Thank you for taking my questions. Two areas I wanted to ask you about it. So the first one is cost to serve. So Breon, you mentioned in your sort of prepared remarks earlier on that. Your cost to serve, you still feel is below your competitors. I wanted to ask who are you referencing as your competitors there? Where are the friction points you think where you've still got room to improve. If you could just sort of give us some more details on where you think you can improve specifically, and what the hurdles to achieving that might be?

And then the other thing I wanted to ask you about was in terms of capital return, how to think about dividends versus buybacks. So when we model dividends, how should we think about this? You look to be doing something like GBP250 million a year of share buybacks based on what your sort of guidance is for the first half of this year. How should we think about dividend growth alongside that? Thanks.

Breon Corcoran^ I'll let you take the second question. So there's obviously -- there's a number of UK-listed companies that look like us and we look at their cost base. We look at their metrics to educate ourselves of where we are. But I think more prosaically, but perhaps more hopefully, when you think about the lack of automation in our onboarding journeys and how we are still dependent on some very hardworking and very skilled customer service people, whereas other companies in the industry have automated

away some of those workflows.

That can help us drive down the cost to serve. I'm as excited about the better customer experience that comes from slicker journeys and better automation or faster response times as I am about the cost to serve. But we have, for a long time, made a virtue of the value of our customer base and had a tolerance therefore of a very -- people internally have talked about a white glove service model, where we did that for a number of years with good intent. But we need to get away from that as we think about broadening the customer base and as we expect ARPU to fall as customers engage with more products.

So I think technology will enable us better serving customers and allow us to drive down the cost to serve. It's a bunch of small things rather than one-step change. The work is underway, and we're making some progress.

Clifford Abrahams^ I'll pick up Vivek, buybacks and dividends and refer to page 12 in the presentation. So we've refined the framework that we set out, but a few nuances. So in terms of the dividend, we've indicated we're maintaining a progressive ordinary dividend per share, and we've listed dividend 1p, and that's been our track record in recent years. So progressive means sort of modest increases in that context. So we're comfortable with that and comfortable to see the payout ratio come down in a year as strong as financial year '25.

I think in terms of prioritization beyond that, we've listed the third one beyond regular distributions of our dividend as inorganic investment. We've talked about M&A today. So expect to see that as a persistent feature of how we're looking to grow the business. We'll be disciplined, and we've set out how we're looking at M&A. And then beyond that, we will return capital currently through buybacks, including today.

We're very well placed above our target range. So we've got headroom, reasonable headroom really for both inorganic and additional distributions via buybacks. What we stepped back from is a guidance around 50%. We've been distributing well in excess of 50% in recent years. And we don't think that's a helpful guidance. We've set out the clear sequencing. We're pleased to do buybacks during the first half of the year, and we'll look at it again in the second half.

Vivek Raja^ Thank you.

Operator^ James Allen, Panmure Liberum.

James Allen^ Morning, guys. Hopefully, you can hear me okay. Two questions, please. What was the revenue contribution in total from Spectrum for the year? And what is the



expected revenue drag in FY26 from Spectrum? And any other exited initiatives that may have contributed to revenues in FY25? Secondly, what have you learned from Freetrade in terms of how they go about customer acquisition, which you may have adopted across the rest of the business following that acquisition. Thanks.

Breon Corcoran^ Do you want to take the [Spectrum]

Clifford Abrahams^ I think it's low 10s in terms of discontinued operations. So there is some drag going into this year, financial year '26, and we factored that into our guidance. So in many cases, for example, in Spectrum, whilst the revenue is gone, we've maintained relationships with clients, so we've managed to effectively sustain that relationship through other, albeit similar products.

Breon Corcoran^ I mean -- but just to be clear, there has been some revenue loss. And it's a small number in total, but there has been -- it's not a net win. It's more of a cost saving and a focus thing.

Freetrade has been really interesting. Their level of focus is admirable. Their product roadmap is ambitious. They shipped -- they're shipping material product quickly, just launched a mutual funds product with another material kind of product upgrade in October, I think. The customer acquisition stuff, we're comparing notes. The teams are comparing notes frequently. Victor and his colleagues are learning what they can from us, and we are from them.

But I think also the capability, as per an earlier question, I think the consumer marketing capabilities in the UK business -- in our own UK business are improving as well. So it would be unfair to credit the Freetrade team, nor would they take all the credit for the improvements in IG. I think we're getting better. They're helping us. We're helping them. But there's no massive unlock.

I think there's no massive unlock that they did something that we didn't understand or didn't know that we can apply across the core business. But culturally, they're quite progressive. They're quite agile. They learn quickly. They fail fast. There's a lot to like about the culture of the business.

James Allen^ Thanks very much.

Operator^ Fangfei Li, Jefferies.

Fangfei Li^ Hi, good morning and thank you for taking my question. Two questions, please. Firstly, it's great to see increase in the [client] numbers and first trade, [now

being] partly is driven by the marketing campaign you launched in the summer that offers [8%] saving rate to new joiners. Could you please give some colors on the quality of the client who take that offer? Do they trade as many as the other client group? And then secondly, how did you expect your fixed remuneration cost to develop? Are there further cost savings to be realized in FY26? Thank you.

Clifford Abrahams^ Yeah, we're continually looking at cost savings in line with the remarks of Breon. So I'm not going to call out specific numbers, and we've reflected it in our overall guidance. So we're seeing a pickup in costs in financial year '26. Around half of that is consolidating Freetrade for a full year, and around half of that is the net impact of working hard on costs -- in terms of cost discipline and reinvesting in growing the business, whether it's technology or marketing.

Breon Corcoran^ On the marketing question, on that particular campaign, we're not solving for all customers -- new customers being worth the same or more necessarily than previous ones. We're solving for getting a return on marketing investment. That campaign evidence that we can get cut through with price-led campaigns. And that sounds very obvious, but that's not a muscle we've used in recent years. And deploying - - giving value back to customers who noticed that they're getting value is a pretty standard marketing technique, but not one that we had used.

So I was delighted. I heard about it from competitors who normally don't take much consideration of our marketing campaigns. So I think you can expect us to try things like that in other geographies. Our commitment isn't that every marketing campaign will work or indeed, that all customers acquired will be of the same value as the existing cohorts. But the commitment is that we will learn quickly and run the business efficiently and thoughtfully. And I hope we're beginning to evidence that we're doing that.

Fangfei Li^ Thank you very much.

Operator^ There are no further questions. I will now hand back to Breon for closing remarks.

Breon Corcoran^ Thank you all for joining us today. I'm very excited about the opportunity ahead. We have more work to do, but I do believe we're making good progress. We look forward to chatting with some of you one-on-one over the next week or so. Thank you for your ongoing support.