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FULL YEAR 2025 IG GROUP HOLDINGS PLC EARNINGS
PRESENTATION

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CORPORATE PARTICIPANTS

- **Breon Corcoran** *IG Group Holdings PLC - Chief Executive Officer, Executive Director*
- **Clifford Abrahams** *IG Group Holdings PLC - Chief Financial Officer, Executive Director*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Ian White** *Autonomous Research - Analyst*
- **Haley Tam** *UBS AG - Analyst*
- **Hal Potter** *Bofa Merrill Lynch Asset Holdings Inc - Analyst*
- **Ben Bathurst** *RBC Capital Markets Inc - Equity Analyst*
- **Zach Wurz** *Autonomous Research - Analyst*

PRESENTATION

Operator

Good morning, and welcome to the investor and analyst call for IG Group 2025 results presentation. (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 *IG Group Holdings PLC - Chief Executive Officer, Executive Director*

Good morning, and thank you for joining us. I'm joined by Clifford Abrahams, our CFO. I'll begin with the highlights and update on our strategic delivery. Clifford will then take you through the financials. I'll return later to cover our 2026 priorities and the strategic review we're announcing today before we open it up to questions.

Here you can see that 2025 was a year of strong execution. I'm pleased that our strategy is gaining traction. New customer acquisition was up 54% on an organic basis. Active customers were up 6%, and that growth is accelerating into double digits in 2026.

We delivered organic revenue growth in line with our medium-term guidance ahead of schedule and did so while continuing to invest for growth and maintaining strong margins, that accelerating commercial momentum gives us the confidence to upgrade our guidance to the top end of the mid- to high-single-digit target range.

We returned £321 million to shareholders in the year and are today announcing a further £125 million buyback. Cash generation is strong, and we entered 2026 with a healthy surplus capital position. The markets we operate in are large, fast-growing, and being reshaped by structural drivers and IG is well positioned to capitalize. Our progress gives us confidence to set bolder ambitions, and today, we're launching a strategic review to ensure IG maximizes shareholder value. More on this later.

Let me now take you through how we're delivering against the priorities I set out in July 2024. This slide shows the journey. On the left are the foundations we've built over the past 19 months, investing in our product to close gaps in our offerings and user

experience, embedding a high-performance culture and increasing efficiency. Execution against these priorities is now translating into the record results you've just seen.

On the right, our next phase. The Board's objective is to maximize long-term shareholder value. We'll explore all routes to achieve this through the strategic review this summer. This will look beyond the current plan to identify the best routes to maximize long-term shareholder value. I look forward to sharing the outcomes of this in the autumn. In the meantime, we're focused on maintaining the strong commercial momentum we've built.

This slide puts the detail behind the headline numbers I shared earlier. The standout is the trajectory in customer acquisition. First trades, our lead indicator for future growth went up 54% organically. That's a step change from the flat or declining trend we started with and as a result of closing product gaps, broadening IG's appeal and deploying marketing investment at strong returns.

Net trading revenue crossed £1 billion for the first time, funded accounts increased to over 1.3 million. These are respectable milestones, but what matters more is the momentum behind them and the scale of the opportunity still ahead.

Let me now take you through how we're building on this, starting with product. This chart tells an important story. Between 2022 and 2024, IG shipped fewer than 20 new products or features across three years, and we were losing market share. In 2025, we delivered 37 with fewer people. That's a reflection of the cultural transformation underway, stronger talent, clear ownership, and fewer barriers to getting things done.

Product velocity is critical in this fast-moving industry. I'm pleased that our offering has come a long way in under two years, and there's more to do. When I joined, I saw missed potential in the business. IG stock trading was limited and uncompetitively priced. Spot crypto was absent outside the US. We needed to broaden our offering, make it more accessible and move quickly. It's imperative that we keep doing this.

In stock trading, our zero commission offering is now live in the UK, in Ireland, in Singapore, and in France. We acquired Freetrade, and we're investing to take it to the next level, launching zero commission mutual funds and SIPPs and capturing strong transfer demand as we disrupt the UK self-directed investment market.

In crypto, we became the first UK listed company to receive a full FCA crypto asset license, and we also secured a European license under MiCA. In January, we completed the acquisition of Independent Reserve. We launched spot crypto trading in Australia earlier this month, powered by Independent Reserve, and we'll expand to Singapore and the UAE in the second half of 2026.

In over the counter, we added 24/5 trading, a much broader range of weekend pre-IPO markets and an enhanced offering for professional customers. Early traction in newer markets is encouraging. In Singapore, stock trading has attracted well over 2,000 active customers in a few months, growing at double-digit percentage week on week and with significant multiproduct take-up. In France, our stock trading offering has exceeded 2,400 active customers with the base doubling every three weeks.

Underpinning all of this is our unified platform launching in the coming months. One app, bringing together all our products for the first time, a step change in our proposition that will significantly broaden our addressable market, good progress and more to do.

Let me now turn to culture. You've seen the impact of our cultural transformation in the product and customer numbers. This slide provides further evidence. Net Promoter Scores are much improved. Customer satisfaction is up. We're generating more revenue and profit per colleague than before. This all gives us confidence that our decentralized operating model is working.

Divisional leaders have the autonomy to compete and win locally, and this is now being evidenced in our results. Since June, we've hired over 300 people from leading organizations and sharpened how we link pay to performance. As momentum builds, we create more opportunities for our people and continue to reward high performance.

Now to efficiency. The savings we're generating are funding our investment in growth, they don't show up as margin expansion in the P&L. We've reinvested them in marketing, product, and technology while maintaining strong margins. Organic cost to serve for customers down 13% since 2023. Good progress, but still significantly above industry norms, so more to come here.

Automated account opening and KYC times are much improved, and this matters commercially. Customers who are automatically activated are roughly 3 times more likely to trade. IG had virtually no digital servicing capability when I joined. Today our self-service rate is over 70%. We've broken the link between customer growth and headcount. That provides scope for operating leverage as we scale.

AI is also contributing beyond cost reduction, helping customers identify trading opportunities, pre-screening marketing assets for compliance, and clearing PEP and sanction screening in seconds rather than in days.

We've also focused on converting more OTC customer income into net trading revenue using better data and analytics to take more market risk where appropriate with the Board-approved limits. This means net trading revenue will be more volatile from quarter to quarter, but structurally higher over time. We're pleased with our progress here and convinced that there's more upside ahead.

Let me hand over to Clifford for the financials.

Clifford Abrahams IG Group Holdings PLC - Chief Financial Officer, Executive Director

Thank you, Breon. Good morning. You've seen the results, record revenue, organic growth hitting our medium-term guidance ahead of schedule, and strong margins. Adjusted EPS is up supported by buybacks, which has reduced our share count by over 16% since May 2022. Looking ahead, we're investing more because the returns justify it.

Payback periods are short, and will increase investment this year while sustaining EBITDA margins in a mid-40s percentage range. Before the P&L, I want to start with how our revenue model is evolving. Assets under administration on the IG platform reached £18.2 billion at year end and hit just under £20 billion at the end of last month.

AUA generates recurring revenue, subscriptions, interest, and the trading activity from engaged customers with assets on our platform. As our stock trading and investments business scales, AUA becomes an increasingly important driver.

Turning to our revenue mix on the right-hand side of this slide. All our products are growing. We've returned OTC derivatives to faster growth. It's 74% of net trading revenue today, and we expect growth momentum to continue. The bigger long-term opportunity lies in futures and options, stock trading investments currently 7%, and crypto up 4% pro forma, all addressing larger, faster-growing markets.

In the UK, our combined OTC and spot crypto revenue is growing 30% to 40% year on year, and we estimate around 5% share of UK direct-to-consumer crypto trading revenue. As we scale these propositions globally, their share of revenue will increase, making IG's earnings more diversified. We're confident that our investments will structurally improve the quality of the business.

Turning to the P&L. Record total revenue of over £1.1 billion, with net trading revenue passing £1 billion, up 10% organically, more than offsetting lower net interest income. Costs up 13% reported reflecting increased investment in technology, propositions, and marketing. We plan to invest further in 2026 to support product launches and further accelerate customer growth. EBITDA margins of over 47% reflect that choice.

As we've said consistently, we launched our strategy, we're prioritizing revenue growth, and we're confident of sustaining margins in a mid-40s percentage range. Below EBITDA, the small exchange disposal contributed a £76 million gain. Stripping that out, profit after tax was broadly stable, reflecting the benefit of revenue growth offset by lower finance income due to lower rates on our own cash and title transfer balances and the interest cost on the £250 million bond issued last May.

Adjusted EPS excludes the small exchange gain and grew 5%, driven by buybacks. In summary, record revenue and maintaining strong margins while investing in stronger future growth. Next, performance by product in 2025. Growth across every category. OTC Derivatives net trading revenue was up 8%.

For context, this business was declining at a 3% compound annual rate between 2021 and 2024. We've returned it to growth and intend to build on that. Exchange-traded derivative revenue up 3% reported. That reflects our exit from Spectrum at the end of 2024, which contributed approximately £15 million of revenue at broadly breakeven margins.

Stripping that out, organic growth from continuing operations was 15%, driven by tastytrade, where US active customers grew 12%. Stock trading and investments nearly doubled to over £68 million, including 41% organic growth. These growth rates give us confidence to invest more this year. It's clear that our proposition is resonating with customers who want better product and better value for money. We'll continue to compete hard and take share.

Crypto revenue remains early stage. We launched our UK proposition midway through last year. On a pro forma basis, including Independent Reserve, crypto trading revenue represented around 4% of group net trading revenue in 2025. We now have the licenses and capability to scale this meaningfully. First trades were the strongest in many years, giving us a strong base as we deliver our multi-asset unified platform and ramp up marketing.

Turning now to divisional performance. It was good to see growth everywhere. UK first trades more than doubled organically and multi-product adoption is outpacing acquisition, which highlights that we are deepening engagement on our platform.

US net trading revenue grew 18%. tastytrade has significant runway in a large, fast-growing market. APAC was steady on revenue, but first trades grew 54%, a strong indicator as we launched crypto and expand stock trading across the region this year. Europe delivered 23% organic OTC growth and further upside as we roll out new propositions. Every division has room to grow, and we intend to back them with investment this year.

Next, I want to recap on tastytrade's recent performance because it highlights the quality of the assets within our portfolio. Trading revenue last year grew 23% with second-half growth accelerating to 32% in local currency. Customer assets reached over \$7 billion, up 23%, active customers grew 13%. This is a business with distinctive competitive position, a recognized brand, proprietary technology, a differentiated content-led acquisition model that delivers high retention customers at low costs, and a growing asset base generating increasingly diversified revenue.

The US retail trading market is one of the largest and fastest evolving in the world and tastytrade is well positioned to capture a larger share of it. We're pleased to have new divisional leadership in place and the priority is clear: simplify the proposition, broaden the appeal, and accelerate growth.

Next, our recent acquisitions, a proof point for how we allocate capital. Freetrade is scaling rapidly with total revenue compounding at 25% and AUA up over 34% on the prior year on a pro forma basis. The commission-free mutual fund proposition is gaining real traction since we launched it in October. We now offer over 760 funds across 40 managers, including strong coverage of the best-buy lists that drive flows in the UK market.

Fund assets are compounding at a strong double-digit rate month on month. The launch of SIPPs in January triggered a significant acceleration in pension transfers with over a quarter of a billion pounds in the pipeline and net funding on track for a record month in March. Independent Reserve delivered revenue growth of over 45% in 2025 and is on track against our acquisition case.

Digital asset markets have softened entering 2026 and we structured the deal accordingly. Cyclicalities are reflected in the purchase price and deferred consideration. Our conviction in the long-term opportunity is unchanged and the acquisition brings crypto-native expertise and license capability across Asia Pacific that would have taken years to build organically. These are well executed transactions at sensible prices directed at our most promising growth markets.

Both closed priority product and geographic gaps, both are on track to deliver returns above cost of capital within three to five years, and both are integrating well. We're putting our M&A framework into practice, and we'll maintain this discipline in the future. Costs are up 13% reported, reflecting three key drivers. First and most significantly, marketing, up 31% across the group contributing to 54% growth in first trade on an organic continuing operations basis. Returns are strong, payback is short, and we plan to spend more this year.

Second, Freetrade. We're scaling a disruptive proposition into a UK market where incumbents are cutting fees to defend their positions. This is exactly the right time to be investing and the growth confirms it. Third, legal and professional costs up to £62 million. Roughly half of this is ongoing. The rest covers M&A-related costs, technology consulting, and early work on evaluating the group's domicile and legal entity structure.

We think that work can free up capital and give us more capital flexibility for the future. No decisions yet, but we see enough potential to justify it. We've maintained strong margins while delivering an extensive product pipeline and investing behind the momentum we've built all while continuing to return capital to shareholders.

Now to capital. The key message here is that we have the firepower to invest in growth, pursue M&A and return capital to shareholders. Our pro forma solvency ratio of 197% is comfortably at the upper end of our 160% to 200% target range, which is stated after our new £125 million share buyback announced today. We proposed a seven-month dividend of 28p, equivalent to 7/12 of the dividend that would have been paid for the 12 months ending May 31, 2026.

But capital returns are only part of the story. Our strong balance sheet gives us optionality to invest organically behind our fast-growing propositions and to act on M&A where we see the right opportunities.

Turning to trading for the three months to the end of February. Conditions varied across the quarter with elevated volatility in oil and bullion markets, gold and silver, making conditions harder to monetize relative to prior quarters. Despite that, momentum continued to build.

Net trading revenue was up 5% on the prior year or 4% organically. Customer growth accelerated further with organic first trades up 57%, building on the strong second half of 2025 and active customers up 10%. March has been stronger still. Recent geopolitical developments, particularly in the Middle East, have contributed to elevated volatility across a range of markets driving strong engagement on IG's platforms.

Our platforms have performed strongly throughout, available 100% of the time, and giving customers deep liquidity when they need it most to access markets and manage their portfolios. To give you a sense of momentum, we expect total reported revenue for the first quarter of the 2026 calendar year to be approximately £300 million, close to a record for the group with organic active customer growth accelerating beyond 10%, a strong start to the year and clear evidence that our strategy is working.

Turning to the outlook. We entered 2026 with strong momentum. Organic revenue in 2025 was approximately £1.1 billion ahead of prior guidance, reflecting stronger trading at the second half of December. From that higher base, we now expect 2026 organic growth towards the top end of our mid-to-high single-digit range. On a reported basis, revenue will also reflect a full year of Freetrade and 11 months of Independent Reserve.

We expect net interest income to be approximately £110 million in 2026 based on current interest rate expectations and anticipate EBITDA and adjusted EPS to be in line with current market expectations, which are available on our Investor Relations website.

Beyond 2026, strong commercial momentum give us confidence to upgrade our medium-term total revenue guidance forward towards the top end of our range. We expect EBITDA margins to be sustained in mid-40% range, with investment in growth offset by structurally declining cost to serve, enabled by AI, digital servicing, and automation.

With that, back to Breon.

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

Thank you, Clifford. Let me address what comes next, our priorities for 2026 and the strategic review we're announcing today. You've seen this slide before. Our addressable markets are large, growing rapidly, and our penetration remains low across every category. What's changed is the pace of convergence and the rate of change in adjacencies, including prediction markets.

The structural tailwinds are strengthening and the opportunity is getting bigger. This slide shows the journey from the gaps we identified in July 2024 to where we expect to be by year end. The progress has been significant. And by December, the core gaps will be largely closed. The biggest unlock this year is our unified multi-asset platform launching first in the UK.

Next, I'll cover our 2026 priorities and then the strategic review. Our focus remains on the three pillars we presented 19 months ago: product, culture, and efficiency. On product, as I mentioned, we're launching our unified platform in the UK in the middle of this year. This follows our rebrand, which positions IG as the investors champion. We'll continue scaling stock trading and crypto into new markets spending on marketing to drive growth where the returns justify that.

On culture, we're moving faster and we're closer to what customers want. The priority now is product engineering capability, we've established dedicated AI squads across onboarding, servicing, compliance, and trading to accelerate delivery. We'll continue targeted hiring and building on our high-performance culture. On efficiency, we've made good progress on our cost to serve, but it's still above best in-class there's more to do. In 2026, we'll go further on AI and digital servicing to narrow that gap.

Initiatives designed to further enhance revenue retention continue, and we remain focused on directing capital towards our highest returning opportunities. Let me spend a moment on our unified platform because it's an important product launch coming later this year.

From a customer perspective, this means one app to trade leverage products, invest in stocks and ETFs and access crypto with a single wallet and seamless movement between products. New features and asset classes roll out in the same app, meaning faster uptake and better marketing payback.

Multiproduct adoption in the UK is already up 138% ahead of new customer growth. We're confident that our unified platform will accelerate that further deepening engagement and extending customer lifetime value. We've been clear that we're spending more on marketing, and I want to explain why we're confident in that decision.

Marketing payback is around six months. Lifetime value to acquisition cost is about 4:1. As a percentage of revenue, marketing rose from 8% to 10% in 2025, and we expect it to increase again this year. Our peer group average is around 16%, not our target, but it demonstrates that we have plenty of scope to do more. We've also transformed our marketing capability.

We're using AI for creative testing and life cycle management. We're spending more, we're spending smarter, and the results we're showing in first trades and active customer growth.

Let me now focus on where AI takes us next. In 2025, we built the infrastructure, agentic screening in onboarding, AI-powered servicing across digital channels, compliance automation. In 2026, the focus shifts to extracting commercial value, churn prediction, next-best action models, and ultimately, a fully agentic onboarding and servicing platform.

The goal is a customer experience function that generates revenue, not just savings. In Australia, we've launched DiscoverAI, a large language model power tool that lets traders search for opportunities across stocks, ForEx, and commodities using natural language, scanning global news in real time. Every improvement here frees up capacity for marketing, supporting customer acquisition while protecting margins.

This slide shows how our revenue growth is accelerating. Our organic revenue CAGR has moved from 3% to 6%, and industry tailwinds continue to strengthen. A generational wealth transfer is driving a shift to self-directed investing. Trading, investing, and gaming adjacent experiences are converging. AI is lowering barriers and reshaping how people engage with financial markets, and a more supportive regulatory backdrop is emerging in some jurisdictions.

There are structural trends, which will endure for decades and benefit businesses with the right products, technology, scale, and regulatory credentials. The question is how we capture more of it, and that's the purpose of the strategic review.

We operate in large and fast-growing markets, shaped by the structural trends I've just described. And as I said at the outset, we're well positioned to capture this opportunity. We delivered against the priorities we set out in July 2024, stronger customer acquisition, a growing active customer base, organic revenue growth in line with our medium-term guidance, strong cash generation and surplus capital. That track record gives us the confidence and the platform to set bolder ambitions.

So today, we're launching a strategic review to ensure IG captures the full long-term opportunity ahead of us. This review will evaluate routes to maximize shareholder value. That includes acquisitions to accelerate growth. It covers our domicile legal entity structure and listing venues to unlock capital and enhance strategic flexibility, and it will consider whether combining parts of the group with other industry participants could create additional value.

Our execution path through 2026 is clear. The strategic review looks beyond that horizon. Strong near-term delivery gives us the platform from which to pursue greater long-term ambition. The foundations are in place, and we have strong momentum behind us. This review will ensure we find the best path to realize IG's full potential. I look forward to updating you on the outcomes in the autumn.

Finally, to summarize, we've delivered record financial results. We've moved faster on product. We're reshaping our culture. We're driving efficiency gains. We've delivered a step change in customer growth.

The new year has started strongly. Active customer growth has accelerated further into double-digit territory this month, giving the confidence to upgrade our revenue guidance. Our strategic review will ensure we maximize long-term value for our shareholders.

Thank you. We'll now take your questions.

QUESTIONS AND ANSWERS

Operator

Ian White, Autonomous Research.

Ian White *Autonomous Research - Analyst*

Thanks for the presentation and taking my questions. Maybe I can start with three, please. First of all, can you maybe just say a little bit about the indicators you have of the quality of the new clients that have come in and the conviction that you have and that those are similar to those you onboarded previously with respect to lifetime value. That's question one, please.

On the strategic review, can you just set out for us what is it here that really marks a departure from your previous thinking? I'd understood openness to inorganic opportunities. You had the acquisition of Independent Reserve. That was already part of your thinking. And should we anticipate any new targets being announced as part of that review?

And just finally, could I ask for maybe a few more details or thoughts on AI-related opportunities and maybe specific cost saving opportunities there. Is it right, for example, IG should serve significantly fewer clients per employee than some of your other peers, for example, or other opportunities to really close that gap?

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

Ian, good morning, and thank you for the questions. Clifford, I'm going to ask you to take the second one. I'll take the first and the third. And perhaps we might just ask other analysts to -- maybe let's do the questions around the numbers first or current trading first, and then we can do the strategic review ones at the end. It might just flow better for everybody.

On the specific issue of customer value, we have high confidence and improving confidence that marketing spend is being properly used. We have very good visibility internally, obviously, on expected lifetime customer value for the retail cohort and the professional cohort, and we can track from early indicators of behaviour we could forecast with some uncertainty as to the future value of customers.

We are quite disciplined and somewhat self-critical when we see pops in customer -- new customer activity. And sometimes, we do trigger customers that are less value to us. So sometimes we do some marketing stuff that is quite effective, but the customer value is not what we would hope. So all of that in the round, that is an increasingly well-oiled machine, both through the marketing functions and with the feedback loop through finance.

So increasingly, that gives us confidence that marketing money has been better deployed and that these customers will be valuable to the business in the medium to long term. All of that feeds into the guidance. And I don't really think we should go to much more detail than that now.

Do you want to take the strategy question and then -- sorry, let me talk about AI for a second. So I think it's fair to say. I think it's fair to say that the last couple of years have kind of been a cultural journey as much as a commercial journey. And we needed to reimpose kind of commercial discipline in the business and a customer centricity, which was a slight change from maybe where the business had been before that.

Two years ago, 12 months ago, we were still very disciplined about customer centricity and not getting distracted by bright shiny objects. So therefore, we weren't solving for -- two years ago, there was much talk about R&D and projects and AI trials, and we basically shut a lot of that down to get back to doing the basics properly, and we're quite disciplined about mentality of first you must crawl, then you can walk, and then you can run.

As we're evidencing more momentum and as the team is coalescing around kind of commercial targets, we're now using AI across the whole pitch. We're using it in marketing, we're using it in compliance. And increasingly, we're using it in product and engineering. So it's too early to say what that might lead to in terms of efficiency gain or productivity gain.

But in the round, the guidance we give today and the confidence we have in upgrading the guidance today is the sum of where we see the momentum in the business and where we see the opportunities for future deployment of resources, either into product or into marketing or indeed into talent.

So the guidance -- I don't want to get more specific on the guidance, I think that would be unwise and unnecessary. But in the round, we're happy with the marketing spend. We think we can get better. We're beginning to use AI across the business, and we think we can get better.

Do you want to take the strategy?

Clifford Abrahams IG Group Holdings PLC - Chief Financial Officer, Executive Director

Yeah. Ian's question was what's different about the strategy review relative to what we've said in the past. But we set out our strategy in July 2024, and we're delivering well against that. And you're seeing the results come through in the numbers and also in our product velocity and our propositions. So that really gives us the confidence to be more ambitious, so expect greater ambition and materiality.

In our RNS, we talk about some of the things we're considering. It's really quite broad. We've got an open mind about some of those things that we've set out. But the North Star very much is maximizing shareholder value.

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

Operator?

Ian White Autonomous Research - Analyst

(inaudible) Thank you.

Operator

Haley Tam, UBS.

Haley Tam UBS AG - Analyst

Thank you very much for the results and the question opportunity. Can I ask a couple, please. Firstly, just in terms of the convergence of the trading, investing, and gaming industries now that you've mentioned the new part, if you like, of the backdrop. Are there particular key opportunities you'd highlight for us here? And any thoughts on how we should think about your timing or regions this might apply to? That was the first question.

And then the second question, if I can, just from the strategic review. We understand the outcomes won't come until the autumn. But I think could you maybe just give me some colour on the reason why capital flexibility perhaps from a change in domicile or legal entity structure is important now, perhaps it wasn't two years ago?

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

I'll let Clifford take the second question. But to be fair, Clifford's only been on the team 15 months. So it's kind of unfair to ask him or indeed me to opine on capital structure from a number of years ago. On the conversions thing, this is most clearly evidenced in the United States, where with the new -- with the still relatively new administration and the kind of shift to being more a crypto and the very -- the way that prediction markets in particular seems to have captured or seemed to have been perfect -- perfectly aligned with some kind of zeitgeist, we see this convergence.

We see similar trends in other geographies, but not as pronounced. The business -- the IG business is a healthy, growing, very profitable business. I think we have the right -- I think increasingly, we have the right, the necessity and indeed the right to try and be more ambitious. And to go back to Ian's question, by being a little bit more overt about this, we will be able to get access to opportunities that we haven't previously seen.

We're still below the radar in conversations and there are still things happening in the world that we don't know about as early as we would like. So I can't really say what the end state is yet. We will do -- we have been working on this. We will do considerable more work over the next few months. And hopefully, we will have a more coherent view of the end state to share with you by the autumn.

Clifford Abrahams IG Group Holdings PLC - Chief Financial Officer, Executive Director

So I'll pick up the capital side. Haley, thanks for the question. We refreshed our capital allocation framework last year. We think it's working well. And you can see we've now announced a buyback that brings us into our announced range.

So we're looking -- really, we're doing more work to explore our thinking what can we do now to further strengthen our capital flexibility. We've seen what some of our peers have done, some of the financials have done here in the UK, and we think it's something we should look at.

Now no decisions have been taken. So no commitments there. But we gave it as an example of the things we're looking at. So we're looking at matters affecting the business and the portfolio but we're also looking at ways of how we can drive the balance sheet harder to deliver on our goal to maximize shareholder value.

Haley Tam UBS AG - Analyst

Thank you.

Operator

Hal Potter, Bank of America.

Hal Potter Bank of America - Analyst

Thank you for taking my questions. Just two for me. So first of all, you mentioned strong performance so far this quarter. Could you just give us a sense on which divisions products and assets you're seeing particular strength in?

And then as well, a little bit strategic review related. You've mentioned prediction markets as an interesting adjacency before, and you've again reiterated it today, how are you progressing on your ambitions? Is it going to form part of the strategic review or could something happen sooner there?

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

Thank you for the questions. The business is in about 15 geographies. And within each of those geographies, we're increasingly multiproduct. I really don't think it's hugely helpful to go into too much detail on that. But across divisions, we're growing.

I said there's a slide in there somewhere that talks about this. And largely across products are growing. Obviously, crypto has been a bit soft since the start of the calendar year. But the upgrade is off the back of growing confidence in the underlying momentum of the business evidenced by the leading indicator of new customers, evidenced by the growth in active customers and increasingly the confidence we have and the monetization of that customer flow as well.

So it really is a -- I can go to the individual products in the equities product launch in France, the equities product launch in Singapore, where admittedly from small bases, we're seeing very positive trends. So in the round, we're very happy with the growth, and that is more broadly evidenced rather than just in one or two places.

On prediction markets, we have talked about that in the past. We have done work on that. By most estimates, there's now about 20 operators offering some kind of prediction markets in the US in particular. Many of you will know that prediction markets are just a different title for what used to be binaries in Europe or indeed what used to be products on betting exchanges in Europe as well.

So we have capability in the space. We have some capability with some IP. We have not yet launched a product. We continue to work on that, as and when we have more to say about that, we will share that with customers first in the market second.

Operator

Ben Bathurst, RBC Capital Markets.

Ben Bathurst RBC Capital Markets Inc - Equity Analyst

Two questions from me, if I may, starting on the financials. Looking at the customer income retention. I just wondered to what extent does the guidance for growth that you've given prospectively for FY26, incorporate an assumption of further improvements in that metric, I think it was 83%, the calendar year '25, or is that a good rate to expect moving forward?

And then the strategic review, you've obviously given some colour of the types of routes that, that review might take. You haven't referenced disposals or separate listings parts of the group. Are those actions off the table or will all possible actions be considered?

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

Would you take the first question?

Clifford Abrahams IG Group Holdings PLC - Chief Financial Officer, Executive Director

Yeah.

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

On the -- all is a very small but enormously powerful words. So I don't want to say all actions are on the table. But we want to be comprehensive in how we think about this business. We continue to believe that this business has very encouraging underlying momentum, as in fast-growing and very dynamic markets. But we're not seen as -- we're not as -- we want -- we have ambition to play a bigger role here.

And the reason for breaking cover and saying this that we want to have this strategic review over the next number of months, is to focus minds, competitors, shareholders, regulators, employees, even customers to focus minds on the fact that we have ambition for this business and we believe it can deliver more than incremental growth.

And accordingly, there are conversations that we will expect to have over the next few months of the type you mentioned and others. And there are other conversations that we hope to have that we don't yet that we're not yet party to over the next few months. And we will announce back, we will come back to the market and talk about progress as is appropriate. Do you want to take the first question?

Clifford Abrahams IG Group Holdings PLC - Chief Financial Officer, Executive Director

Yeah. So that guidance does reflect a modest further pickup in we call RTV. And the teams have been doing a lot of work in that area. We have a pipeline of ideas and initiatives that are well underway. We talked about it last July, which is why we reconfirm that now.

I think it's important though to see the group as one that can deliver growth in all market conditions and across propositions. So beyond that RTV retention benefit, we do see further growth from a client income perspective. We talk about some of the customer proposition initiatives. I think in market conditions such as we're seeing now, our platforms are really engaging well.

So we give our customers and traders lots of opportunity to trade, including over the weekend. So there's some top-line benefit there.

And we have delivered and are delivering further growth in the US exchange data derivatives, and it's really pleasing to see really meaningful millions of pound growth coming through stock trading now. So really quite a breadth of growth drivers. Obviously, interest income is not an area where we're looking for further growth.

While we're seeing cash balances come through, we're passing more of that on to our customers. So you can see our guide there for no growth coming through that line item.

Ben Bathurst RBC Capital Markets Inc - Equity Analyst

Thanks for that.

Operator

(Operator Instructions) [Zach Wurz], Autonomous Research.

Zach Wurz Autonomous Research - Analyst

Thanks for taking my questions. Just two more from my side, please. The first is on the zero commission stock trading offering. You've obviously seen very good traction in the UK and Ireland post launch.

Can you give us any similar detail around what you've seen in Singapore and France? And are the rollouts planned in any other markets at this stage? And finally, just if so, is there any reason you wouldn't expect to see a similar uptick in activity in those markets?

The second question is on potential M&A. Can you just give us your current thoughts on what sort of capabilities or geographies you might be interested in adding inorganically?

Breon Corcoran IG Group Holdings PLC - Chief Executive Officer, Executive Director

Let me try the first one. I think you might get us both chip in on the second. I don't want to go to -- Zach, thank you for the questions, and I understand they're legitimate. The problem I have is that our market position in France and our market position in Singapore are both very different from each other and indeed very, very different from the UK.

And in the old days, maybe two years ago, we used to break out customer numbers by geography, and you'll know from that the actual -- the underlying customer base in some of those geographies, France and Singapore, in particular, are not very high numbers.

So while the traction is very encouraging, there was a question about the long-term materiality of that. I think we've shown a few things. I think we've shown this company can actually ship product. There's a slide in there that's a tiny bit self-congratulatory, but really is a credit to the team, the engineers and the product and the commercial teams that are actually shipping product at a velocity that we haven't in years.

I think we've shown that the brand stretches away from the very sophisticated customers that we were associated with in the past. And I think slide 27 is the slide which talks about. We don't normally talk about what we will do next. We don't normally casually give hostages to fortune. But slide 27 is about the growth we've shown so far is basically off the back of a somewhat data technology stack where for the purpose of speed to market, we built new stuff out on top of that.

We're now getting to the stage where we can start to integrate technologies with greater ease than in the past and get to a unified proposition. I think that will lead to future growth as well. So all of those things in the round give us confidence in the guidance and the upgrade that we've given this morning.

But I think in the context of a strategic review, I think it would be -- I think we have to look at this as a group rather than on an individual or geography-by-geography basis, which kind of get to the second question, I don't want to be drawn on product. We're attracted to product capability that kind of -- product and capability where we can get that through acquisition, that was behind the Freetrade acquisition, which has traded well in the IR acquisition, where they brought crypto and geographical now to us in a way that was helpful.

But I think our primary two geographies are the United States and the United Kingdom and M&A that will allow us to either go faster there or have more scale there. It's hard to pass by opportunities there to pursue ambitions further afield.

Clifford Abrahams IG Group Holdings PLC - Chief Financial Officer, Executive Director

Yeah. On M&A, I'd highlight page 40, actually in the back of the presentation. We've repeated our M&A criteria. So whatever the commercial case we're very focused on a consistency regarding M&A criteria. It needs to have a good -- any acquisition, we need to have a good strategic fit, which Breon has talked about, but also the return profile and the delivery criteria that we've set out.

We're pleased with the progress of Freetrade and Independent Reserve. You've seen the figures in the pack growth coming through. So that won't change in terms of our criteria and our discipline regarding any M&A.

Zach Wurz Autonomous Research - Analyst

That's great. Thanks very much.

Operator

There are no further questions. I will now hand back to management for closing remarks.

Breon Corcoran *IG Group Holdings PLC - Chief Executive Officer, Executive Director*

Well, firstly, thank you for the questions and your presence on the call this morning. In summary, we're very happy with the momentum of the business. We're very -- appreciate the efforts are -- appreciate for our customers, we're also appreciate the efforts our colleagues are making to turn this business around. But we think this is a unique time in a large, fast-growing and very dynamic market, and we want to be more ambitious than kind of incremental year-on-year growth would suggest.

So we look forward to having those conversations with you over the coming weeks. And if there's any particular technical questions you have, please send an e-mail to Martin or Clifford to myself this morning. Thank you, all.

Operator

Thank you for joining today's call. We are no longer live. Have a nice day.

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