



Q4 & FY 2023 Conference Call and Webcast

January 31, 2024

Strategic Update and Outlook

❖ Chris Concannon, CEO

4Q23 – Areas of Focus and How We Delivered¹

Innovate

Deliver New Data Tools,
Trading Protocols, and
Products

Unique Data Helping Traders Achieve Better Trading Outcomes From Pre-Trade Analytics to Portfolio Construction

- Strong growth in new entrants to credit (e.g. hedge funds) and increasing adoption of automated tools.
- Launch of MSCI MarketAxess Tradable Corporate Bond Indexes in investment grade and high-yield.

Automation Suite Provides Simplified Workflow Solutions for Trading “Low-Touch” and “No-Touch” Trades

- **13** total clients now live with Adaptive Auto-X (“ADX”).

New Protocols/Liquidity Are Tailored to Create the Best Trading Outcomes for Clients

- Additional portfolio trading (“PT”) functionality to be rolled-out in February 2024.
- Open Trading for emerging markets local currency off to strong start.

Integrate

Seamlessly
Integrating Our
Liquidity Pools

X-Pro, Unique Proprietary Data, and Automation Suite are Integrating our Trading Protocols

- **X-Pro is the “cockpit” for traders** that brings together our data and trading protocols.
- **Traders leverage our data and pre-trade analytics** to optimize their portfolios and protocol selection; **30%** of our portfolio trades on X-Pro in 4Q23, up from **18%** in 3Q23.
- **ADX provides a suite of sophisticated, AI driven trading algorithms** that leverage all our trading protocols.
- The integration of services through X-Pro and ADX allows traders to **fully leverage the power of our ecosystem (Open Trading), while operating more efficiently, and achieving better trading outcomes.**

Execute

How We Executed
in 4Q23

Continued Expansion of Client Network

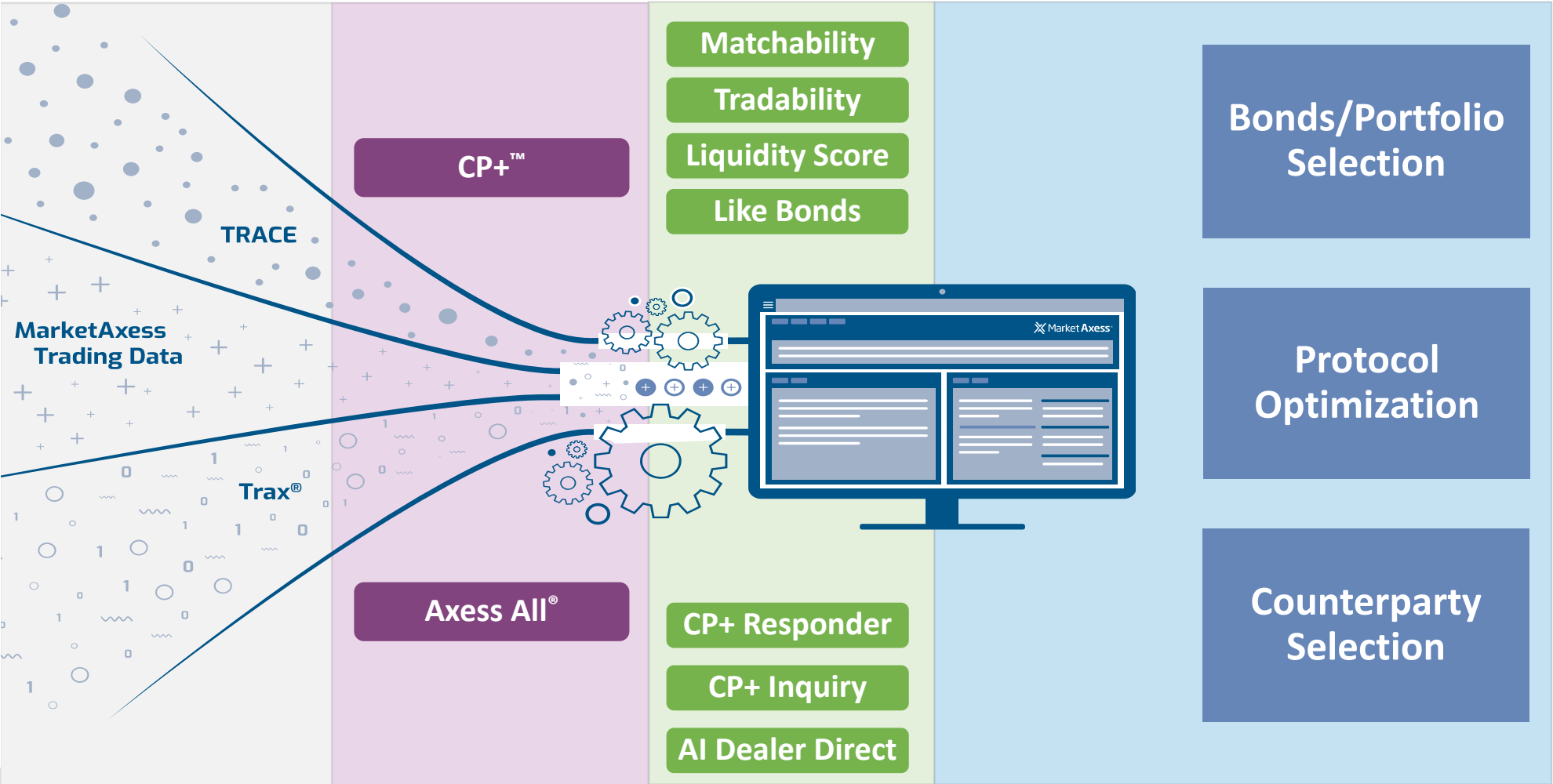
- **Record 2,108 (+2%)** active client firms; **record 1,638 (+4%)** active U.S. credit client firms; **record 1,053 (+2%)** international active client firms.
- **37%** growth in hedge fund and private bank client trading volume, reflecting growth in new client segments.

Strong Geographic and Product Expansion

- **17%** growth in international ADV and **record** trade count, up **19%**.
- **Record** PT volume of **\$41.8 billion**; **record** high-grade **(+55%)** and **record** Eurobonds **(+114%)**.
- **Record** municipal bond ADV and **record** transaction revenue; **record** tax-exempt trading volume.
- **Record** **Axess IQ** ADV, up **67%** - order and execution workflow for private banks.
- **Record** info. svcs. revenue, up **15% (+11% ex. FX)**; **record** post-trade revenue, up **24% (+16% ex. FX)**

1. All period comparisons are 4Q23 vs. 4Q22 unless otherwise noted.

Helping Traders Achieve Better Trading Outcomes



1. Not exhaustive of full capabilities, for illustrative purposes only.

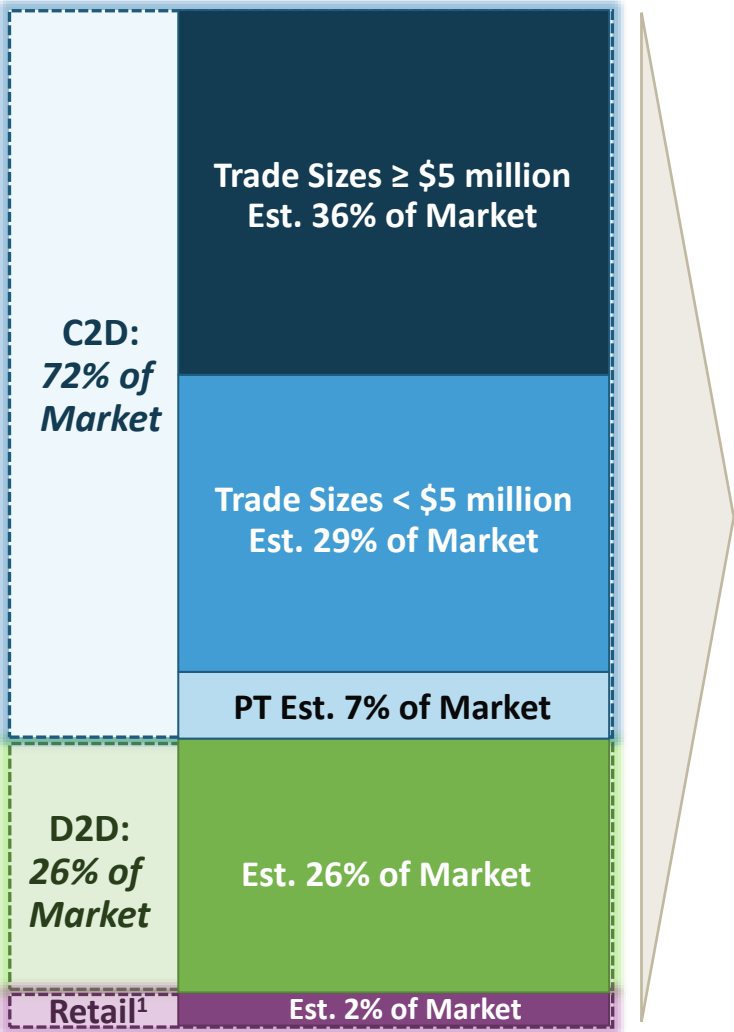
Grow Corporate Bond Market Share – Focus in 2024

2024 Key Objectives

- Increase Share of Larger Sized Trades**
≥ \$5 million
- Continued Focus on Smaller Sized Trades Via C2D RFQ, All-to-All & Automation**
< \$5 million
- Increase Share of Portfolio Trading Via X-Pro**
- Increase Share of Dealer-to-Dealer Segment of Market**

Market Opportunity

\$29 Billion in U.S. High-Grade TRACE ADV



FY 2023 U.S. High-Grade TRACE ADV

■ Retail ■ D2D ■ Portfolio Trading ("PT") ■ C2D < \$5M ■ C2D ≥ \$5M

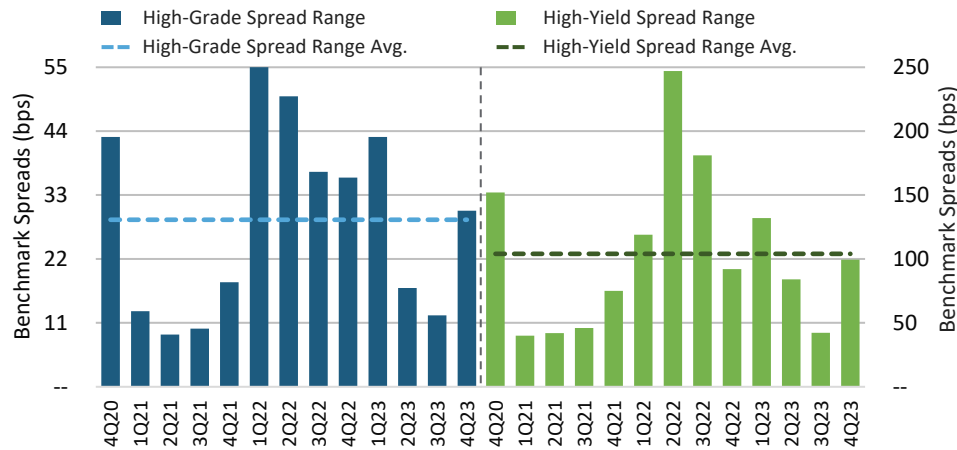
Action Plan

- Expand Roll-Out of MarketAxess X-Pro
- Create New Proprietary Data Sets to Enhance Pre-Trade Analytics
- Focus on Larger Sized Trades
 - AI Dealer Select
 - Adaptive Auto-X
- Enhance Portfolio Trading Functionality Through X-Pro
- Expand Automated / Algorithmic Trading Tools
- Integration of Dealer-Centric Protocols (e.g. Dealer RFQ)

Note: "C2D" is client-to-dealer; "D2D" is dealer-to-dealer.
1. Retail segment defined as trade sizes <\$100K notional.

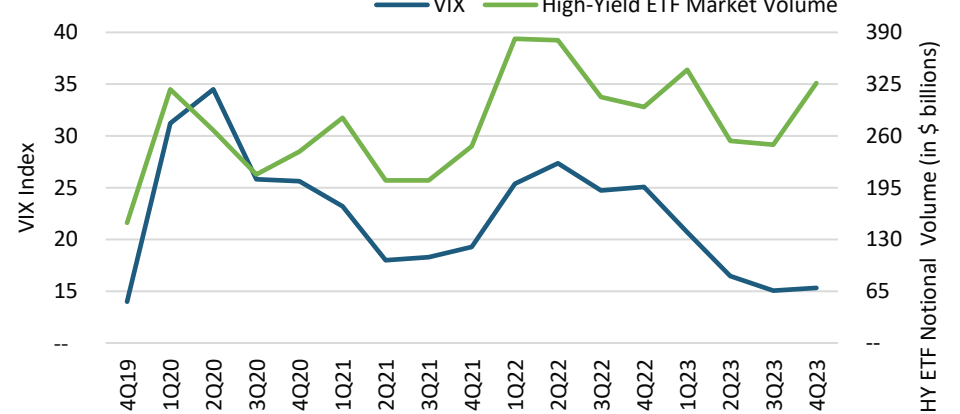
Market Conditions & Outlook

HIGH-GRADE AND HIGH-YIELD SPREAD RANGES



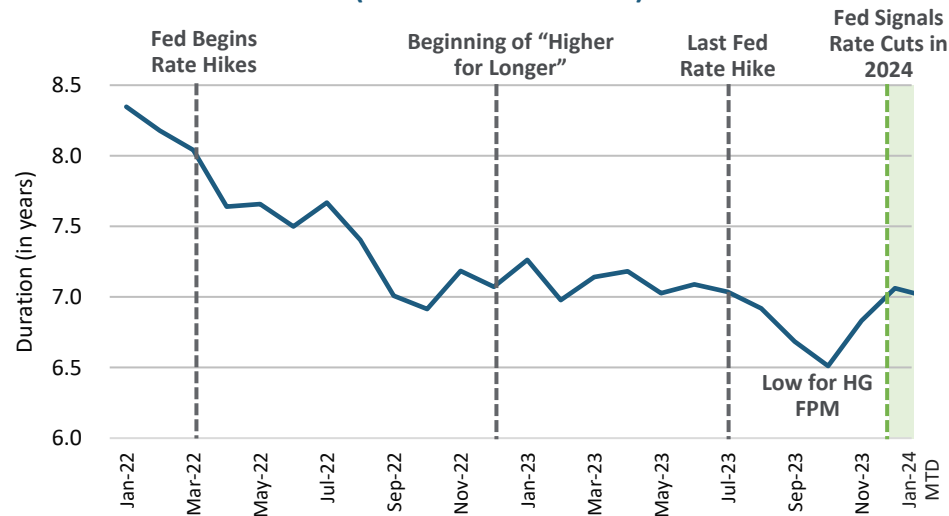
Source: Credit Suisse Global Credit Strategy
*Data based on quarterly average

VOLATILITY INDEX (VIX) AND HIGH-YIELD ETF NOTIONAL MKT. VOLUME



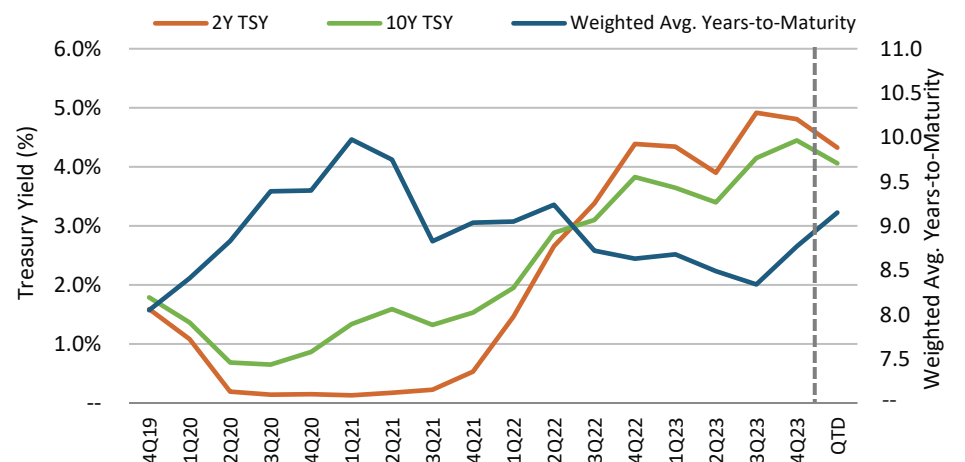
Source: FactSet

CORPORATE BOND INDEX (DURATION IN YEARS)



Source: Bloomberg

10YR & 2YR TREASURY YIELDS & MKTX U.S. HIGH-GRADE WEIGHTED AVG. YEARS TO MATURITY



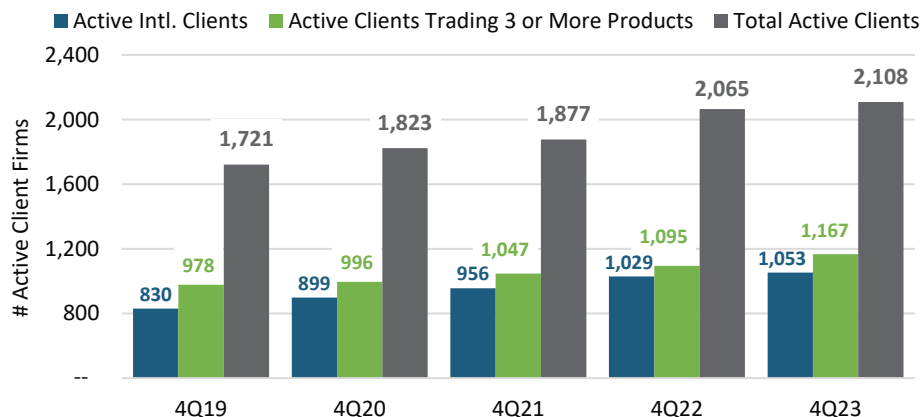
Note: Data based on quarterly average
Source: Federal Reserve

Update on Our Market

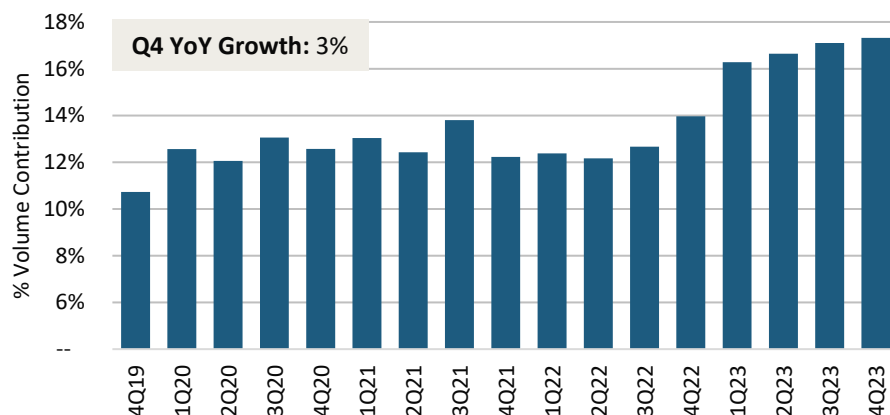
◆ Rich Schiffman, Global Head of Trading Solutions

Continued Strong Expansion of the Client Network

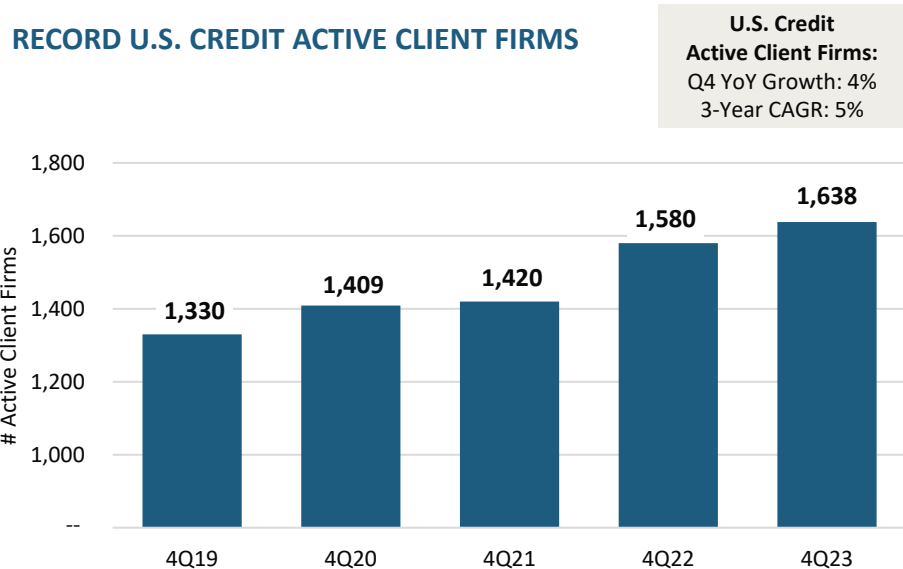
RECORD ACTIVE, INTERNATIONAL AND CLIENT FIRMS TRADING 3 OR MORE PRODUCTS



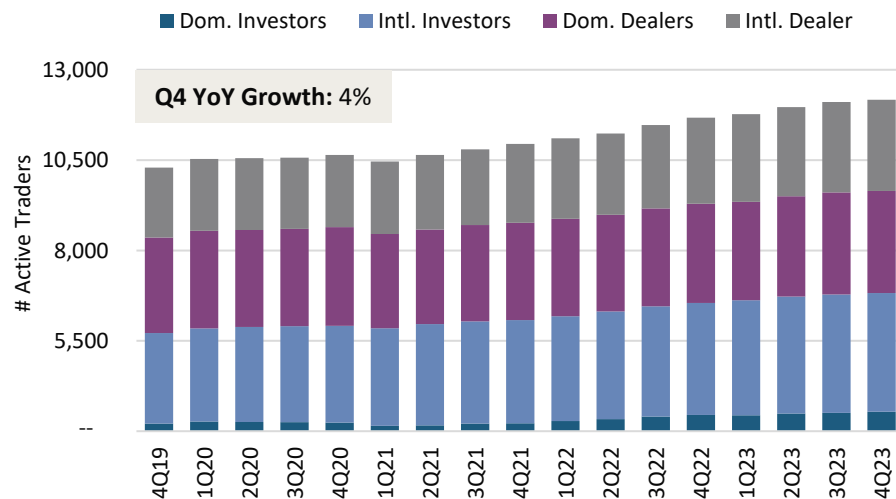
RECORD PERCENT CONTRIBUTION FROM HEDGE FUND AND PRIVATE BANK CLIENTS TO TOTAL CREDIT TRADING VOLUME



RECORD U.S. CREDIT ACTIVE CLIENT FIRMS

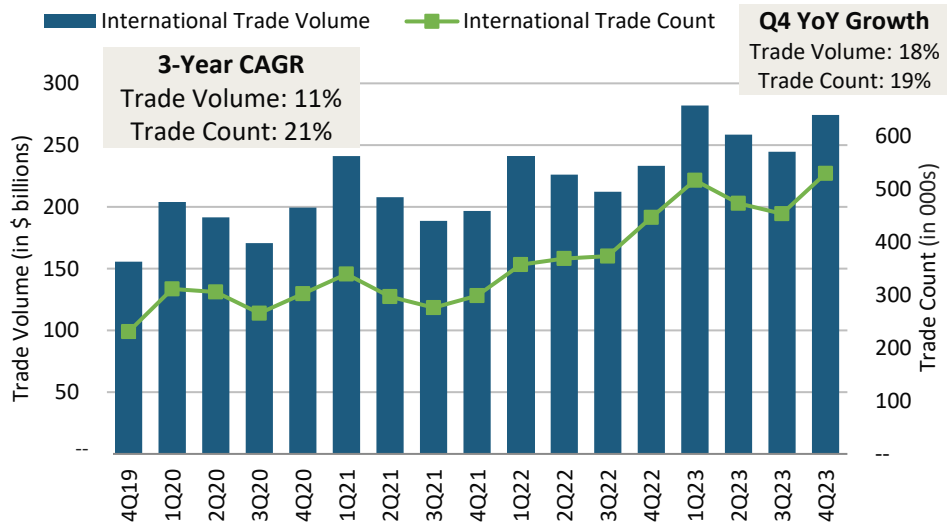


RECORD ACTIVE INVESTOR AND RECORD ACTIVE DEALER TRADERS

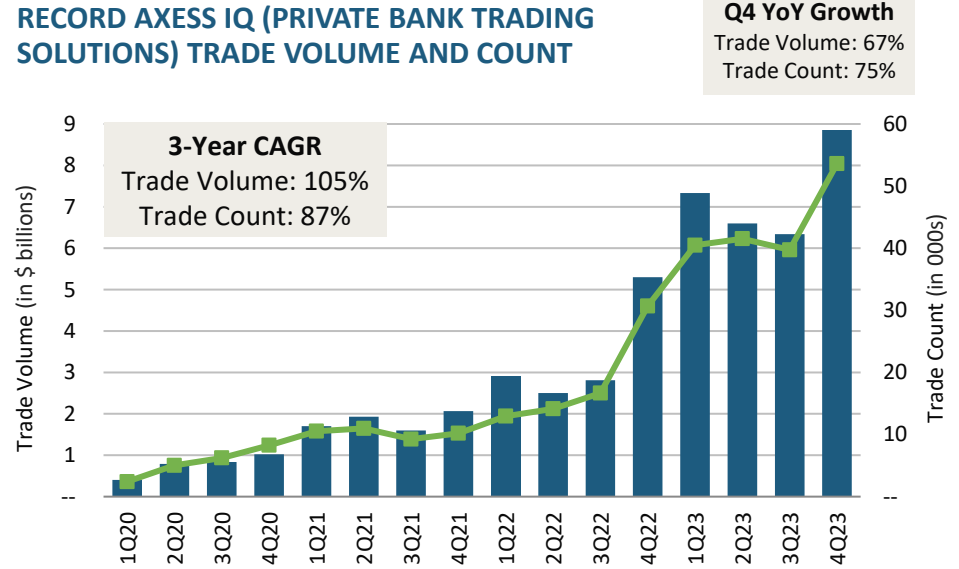


Strong Geographic and Product Expansion

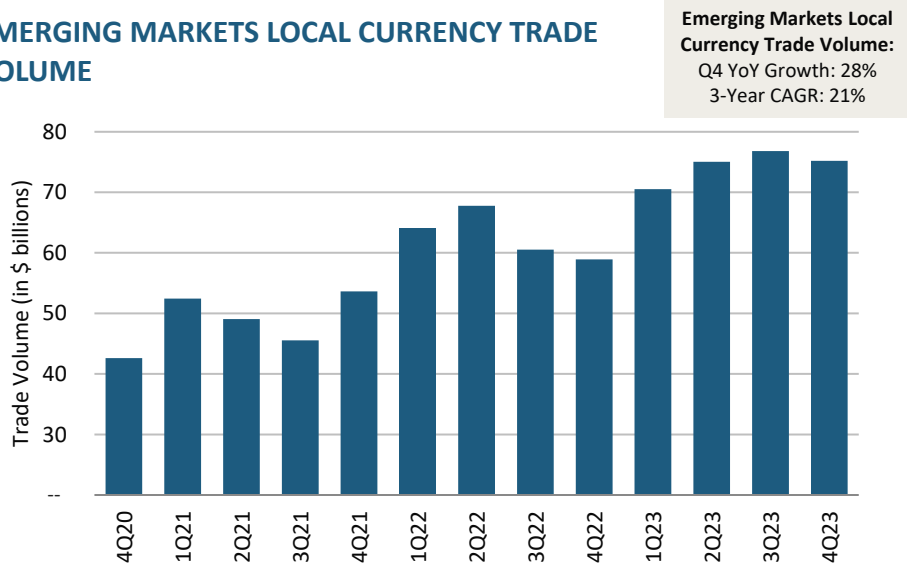
INTERNATIONAL CLIENT TRADE VOLUME AND RECORD TRADE COUNT



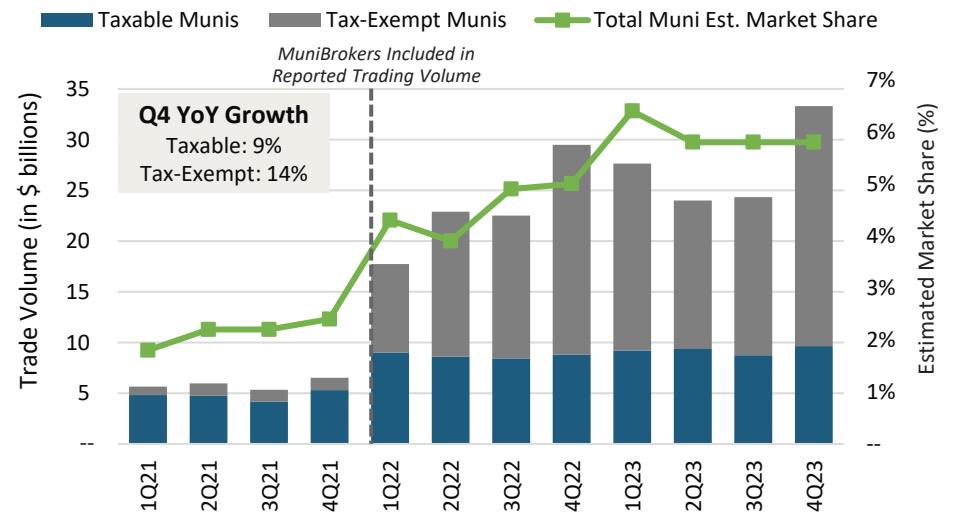
RECORD AXESS IQ (PRIVATE BANK TRADING SOLUTIONS) TRADE VOLUME AND COUNT



EMERGING MARKETS LOCAL CURRENCY TRADE VOLUME



RECORD MUNICIPAL BOND TRADE VOLUME

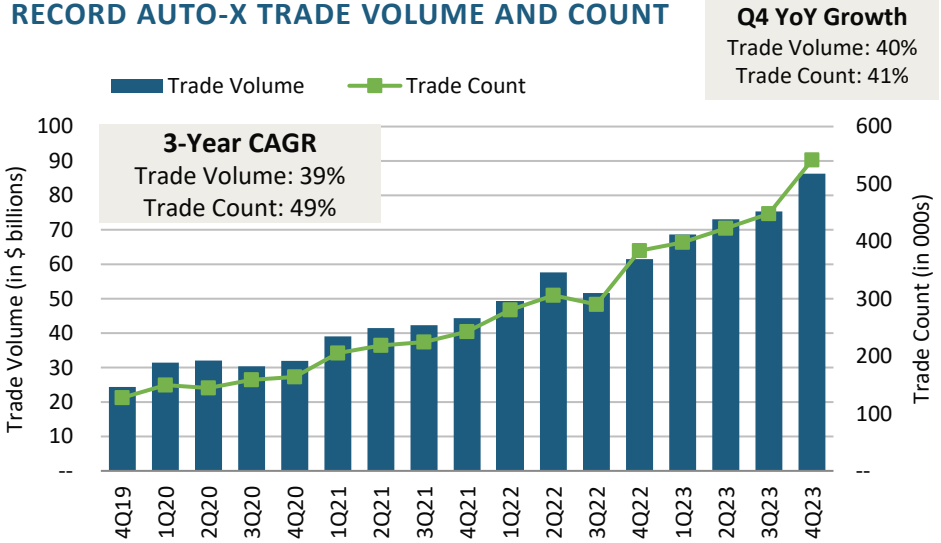


Integrating Our Full Ecosystem Through Automation

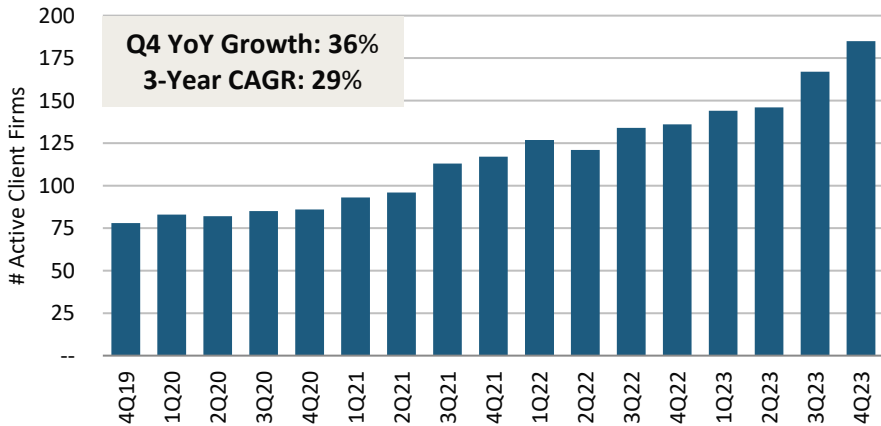
FULL-YEAR 2023 COMMENTARY

- **Record ~\$303 billion** automation volume, up **38%**; **record ~2 million** trade count, up **44%**.
- Automation represented a **record 10%** and **23%** of total credit trade volume and trade count, respectively.
- **Record 707** automation active traders, up **31%**.

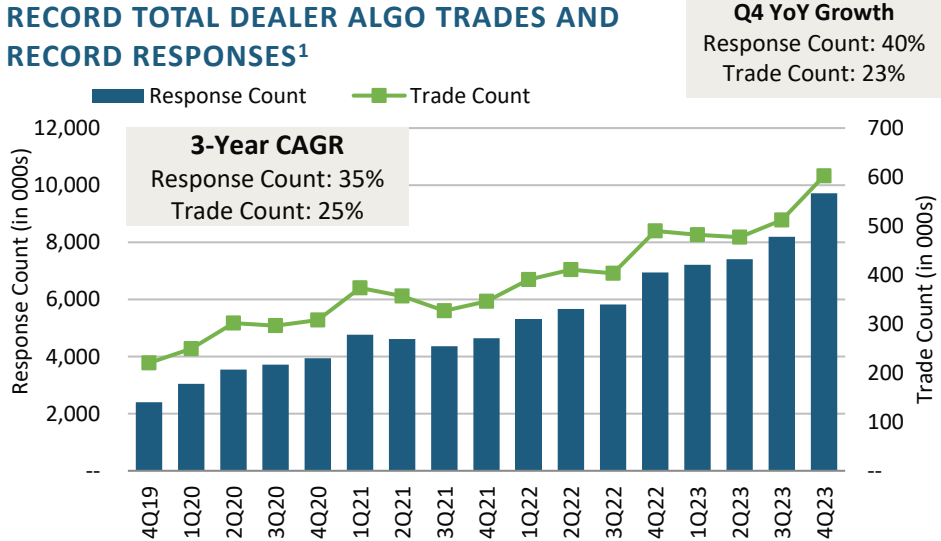
RECORD AUTO-X TRADE VOLUME AND COUNT



RECORD AUTO-X ACTIVE CLIENT FIRMS



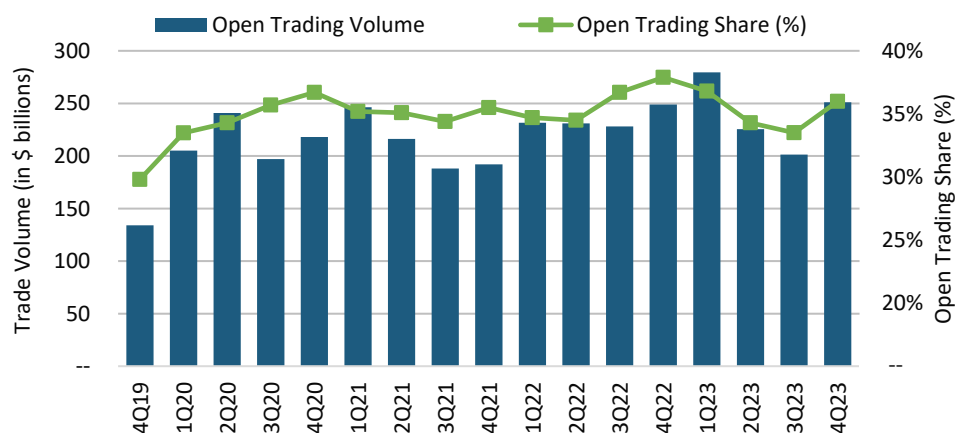
RECORD TOTAL DEALER ALGO TRADES AND RECORD RESPONSES¹



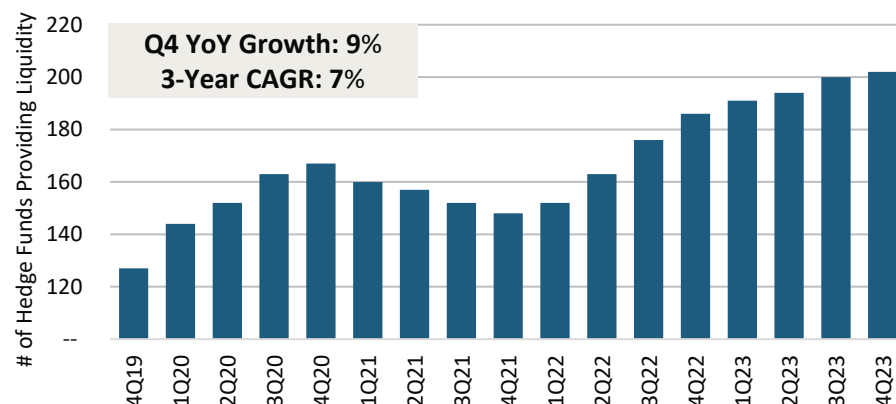
1. Algorithmic responses for U.S. high-grade and U.S. high-yield spread-based trades only.

Leveraging Open Trading as a Liquidity Destination

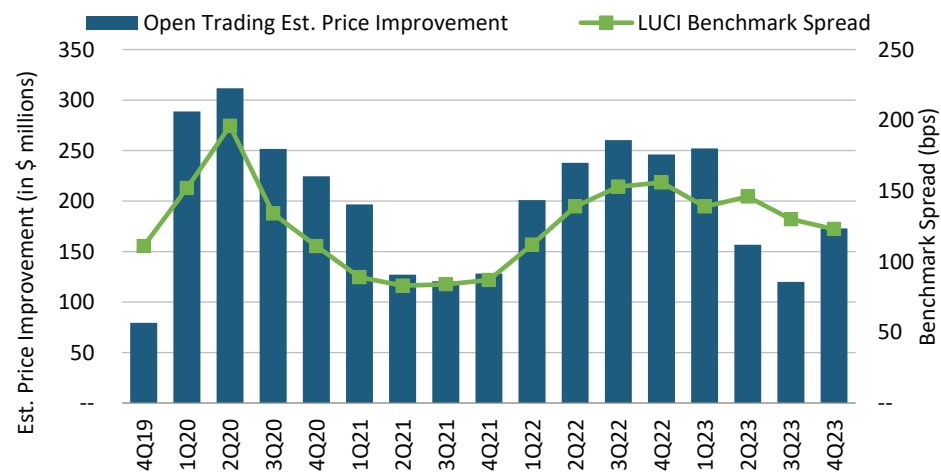
TOTAL CREDIT OPEN TRADING VOLUME AND TOTAL CREDIT OPEN TRADING SHARE¹



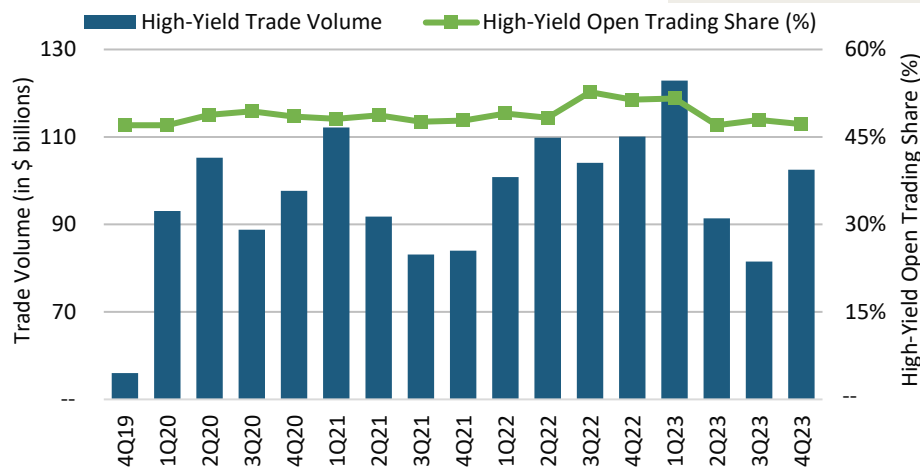
RECORD NUMBER OF HEDGE FUND CLIENTS PROVIDING LIQUIDITY ON OPEN TRADING



OPEN TRADING PRICE IMPROVEMENT² DRIVING SIGNIFICANT BENEFIT FOR CLIENTS



HIGH-YIELD TRADING VOLUME AND OPEN TRADING SHARE¹



Notes:

- Total credit Open Trading share is derived by taking total Open Trading volume across all credit products where Open Trading is offered and dividing by total credit trading volume across all credit products where Open Trading is offered. Open Trading share at the product level is derived by taking Open Trading volume in the product divided by the total trading volume in the product.
- Estimated price improvement consists of estimated liquidity taker price improvement (defined as the difference between the winning price and the best disclosed dealer cover price) and estimated liquidity provider price improvement (defined as the difference between the winning price and then current CP+ bid or offer level, offer if the provider is buying, bid if provider is selling) at the time of the inquiry.

Financial Review

❖ Stephen Davidson, Head of Investor Relations

4Q23 Financial Summary

(in \$ thousands, except EPS data)

Financial Results	4Q23	3Q23	4Q22	4Q23 vs. 4Q22
Commissions	\$ 171,891	\$ 150,496	\$ 158,443	8.5 %
Information Services	11,917	11,801	10,398	14.6 %
Post-trade Services	10,950	9,833	8,821	24.1 %
Technology Services	2,490	154	240	NM
Total Revenues	197,248	172,284	177,902	10.9 %
Expenses	120,221	105,375	100,229	19.9 %
Operating Income	77,027	66,909	77,673	(0.8)%
Other income (expense)	6,785	4,834	1,755	NM
Income Before Taxes	83,812	71,743	79,428	5.5 %
Provision for Income Taxes	14,185	16,802	20,202	(29.8)%
Net Income	\$ 69,627	\$ 54,941	\$ 59,226	17.6 %
Operating Margin	39.1%	38.8%	43.7%	(4.6) pts
Net Income Margin ¹	35.3%	31.9%	33.3%	2.0 pts
EBITDA ²	98,704	82,878	91,916	7.4 %
EBITDA Margin ²	50.0%	48.1%	51.7%	(1.7) pts
Effective Tax Rate	16.9%	23.4%	25.4%	(8.5) pts
Diluted EPS	\$ 1.84	\$ 1.46	\$ 1.58	\$ 0.26
Diluted Shares	37,809	37,574	37,573	0.6 %

Notes: "NM" = not meaningful

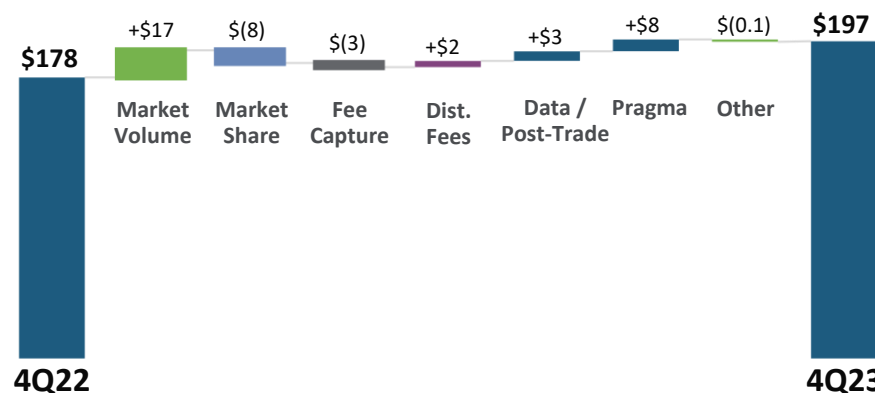
1. Net income margin derived by dividing net income by total revenues.
2. See "Disclosures – Non-GAAP Financial Measures and Other Items" for a discussion of changes made to the calculation of EBITDA and EBITDA margin beginning in the first quarter of 2023.
3. All period comparisons are 4Q23 vs. 4Q22 unless otherwise noted.

COMMENTARY³

- Commission revenue benefited from higher market volume across most product areas, the acquisition of Pragma (\$5.2 million) and higher fixed distribution fees, partially offset by lower estimated U.S. credit market share and lower total credit fee capture
- **Record** information services revenue was mainly driven by new data contracts and the impact of foreign currency fluctuations.
- **Record** post-trade services revenue principally driven by fee increases, higher non-recurring fees and the impact of currency fluctuations.
- Technology services now includes non-commission related revenue from Pragma of \$2.3 million
- Other income net gain of \$6.8 million, compared to prior year net gain of \$1.8 million
 - The current quarter included interest income of \$6.3 million, compared to \$3.3 million in the prior year
- The current quarter includes a benefit to earnings in the provision for income taxes from return-to-provision adjustments and the purchase of transferable tax credits by the Company

REVENUE MIX ANALYSIS (4Q22 to 4Q23)

(in \$ millions)



4Q23 Commission Revenue Detail

(in \$ thousands, except transaction fees per million data)

Commissions	4Q23	3Q23	4Q22	4Q23 vs. 4Q22
Variable Transaction Fees				
Credit	\$ 127,283	\$ 109,065	\$ 120,887	5.3 %
Rates	4,735	5,209	4,667	1.5 %
Other ¹	4,979	-	-	NM
Total Variable Transaction Fees	136,997	114,274	125,554	9.1 %
Fixed Distribution Fees				
Credit	34,581	36,167	32,817	5.4 %
Rates	57	55	72	(20.8)%
Other ¹	256	-	-	NM
Total Fixed Distribution Fees	34,894	36,222	32,889	6.1 %
Total Commissions	\$ 171,891	\$ 150,496	\$ 158,443	8.5 %
Average Variable Transaction Fees per Million				
Credit	\$ 156.28	\$ 154.85	\$ 163.87	(4.6)%
Rates	\$ 4.62	\$ 4.56	\$ 4.16	11.1 %

COMMENTARY²

Credit

- Increase in total credit variable transaction fees principally due stronger market volume across most products, partially offset by lower U.S. credit estimated market share and lower total credit fee capture on product and protocol mix
- Increase in distribution fees principally due to new dealers and dealer upgrades for existing fixed fee plans, partially offset by plan terminations and lower unused minimums on seasonally stronger trading activity

Rates

- Transaction fees in line with prior year; lower trading volumes, offset by higher average fees per million

Other

- Includes commission revenue of \$5.2 million from Pragma

Notes: "NM" = not meaningful

1. "Other" includes revenue from the Pragma acquisition.

2. All period comparisons are 4Q23 vs. 4Q22 unless otherwise noted.

4Q23 Expense Detail

(in \$ thousands)

Expense Summary	4Q23	3Q23	4Q22	4Q23 vs. 4Q22
Employee Compensation and Benefits	\$ 57,356	\$ 48,872	\$ 44,108	30.0%
Depreciation and Amortization	19,530	17,561	15,730	24.2%
Technology and Communications	17,228	15,339	14,113	22.1%
Professional and Consulting	7,604	9,181	7,848	(3.1%)
Occupancy	3,903	3,503	3,653	6.8%
Marketing and Advertising	2,646	2,100	3,442	(23.1%)
Clearing Costs	4,610	3,665	4,614	(0.1%)
General and Administrative	7,344	5,154	6,721	9.3%
Total Expenses	\$ 120,221	\$ 105,375	\$ 100,229	19.9%

COMMENTARY¹

- Total expenses of \$120.2 million, including \$8.7 million impact of Pragma and \$2.4 million in acquisition-related expenses and costs associated with efficiency initiatives and \$1.7 million negative impact from currency fluctuations
- Increase of \$13.2 million in employee compensation and benefits driven by 18% increase in headcount, including 59 FTEs from Pragma
- Depreciation and amortization expense increased \$3.8 million mainly due to \$1.4 million from Pragma
- Technology and communications expenses increased \$3.1 million due to \$1.7 million from Pragma

1. All period comparisons are 4Q23 vs. 4Q22 unless otherwise noted.

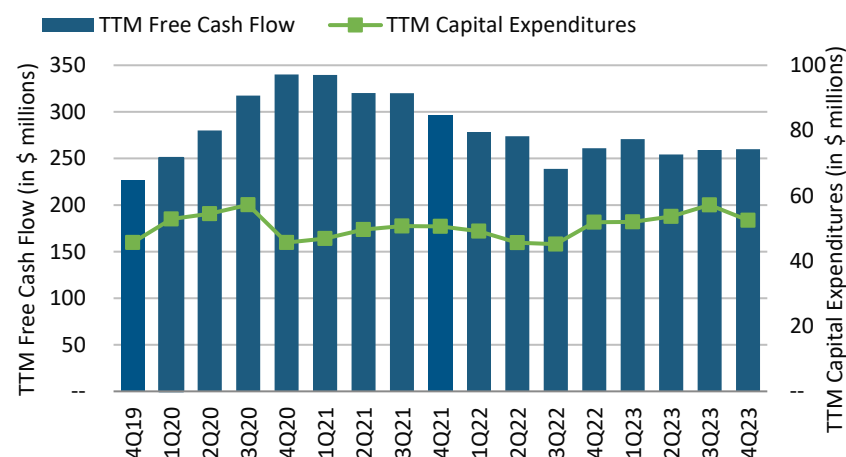
Cash Flow and Capital Management

QUARTERLY OVERVIEW

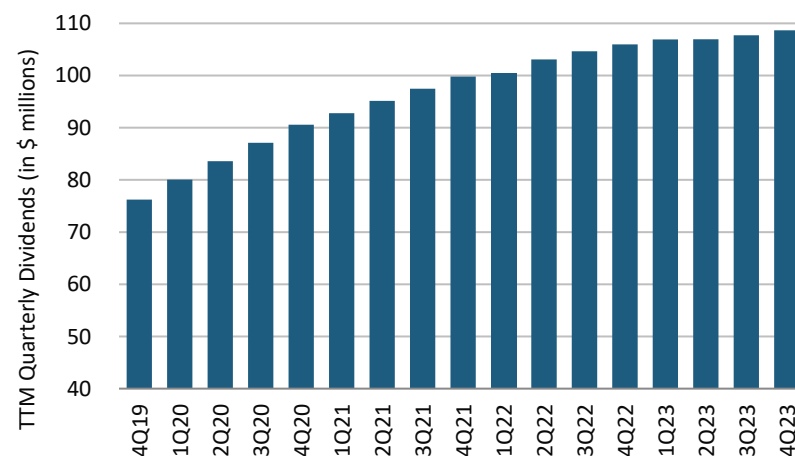
- Total cash and investments of \$586 million as of December 31, 2023
- Full-year capital expenditures of \$53 million to support investment in trading system enhancements
- Full-year 2023 free cash flow of \$260 million
- \$100 million remaining on outstanding repurchase authorization
- \$109 million in capital returned to investors through dividends for full-year 2023
- No outstanding debt on credit facility
- Board of directors declared a regular quarterly cash dividend of \$0.74 per share, an increase from \$0.72 per share.

TTM FREE CASH FLOW¹ AND CAPITAL EXPENDITURES

Q4 TTM FCF²
5-Year CAGR: 8%



TTM QUARTERLY DIVIDENDS



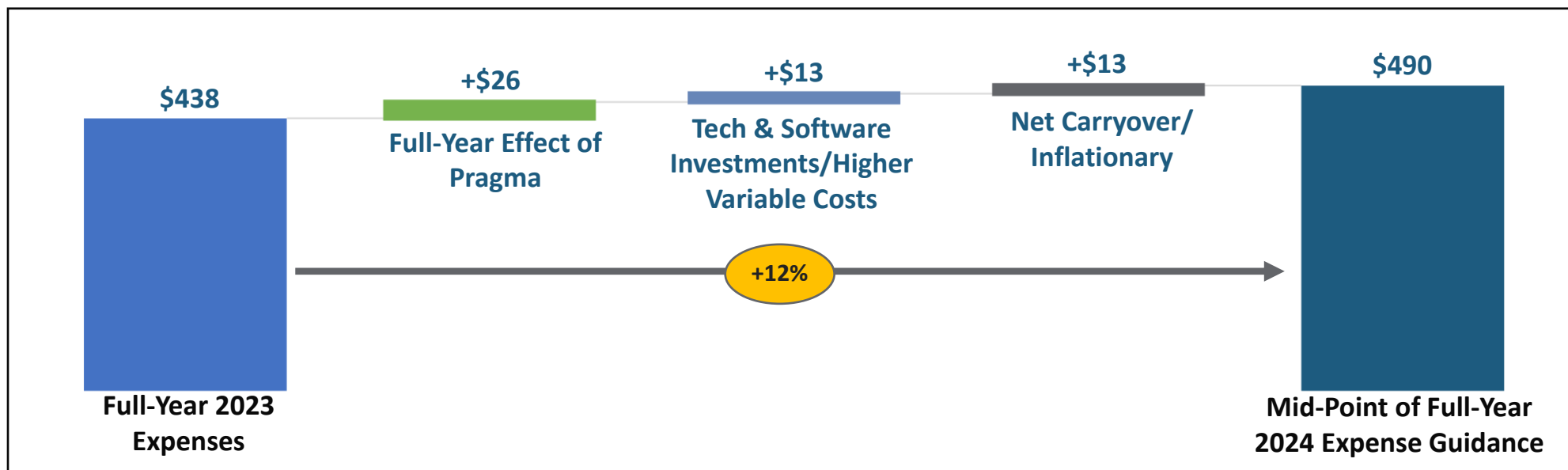
Notes:

1. See fourth quarter 2023 earnings release and the Investor Relations section of the Company's website for a reconciliation of net cash provided by operating activities to free cash flow.
2. 5-year compound annual growth rate "CAGR" calculated on a trailing twelve months basis.

FY 2024 Guidance¹

Metric	Full-Year 2024 Guidance ¹
Pragma Revenue	Revenue from Pragma is expected to grow in the mid-single digits (%) . Pragma’s revenue in 4Q23 was \$7.6 million .
Total Expenses/Pragma Expenses	\$480 million to \$500 million/\$33 million to \$35 million (incl. amortization expense on acquired intangible assets of \$4.8 million)
Effective Tax Rate	24.0% to 25.0%
Capital Expenditures	\$60 million to \$65 million

FY 2023 to FY 2024 Expense Guidance Bridge



1. Full-year 2024 guidance is based on foreign exchange rates as of December 31, 2023. MarketAxess’s guidance for the year ending December 31, 2024 is based on assumptions about a number of factors, in particular related to macroeconomic factors and the capital markets. These assumptions are subject to uncertainty, and actual results for the year could differ materially from our current guidance, including as a result of the uncertainties, risks and assumptions discussed in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our Annual Report on Form 10-K, as updated in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC.

Key Takeaways

- We executed well in the fourth quarter and significantly enhanced the franchise.
- The expected Fed “pivot” in 2024 and an improved market backdrop is supportive of our model, with investors trading higher duration bonds benefiting high-grade fee capture.
- Our focus in 2024 is on growing our corporate bond market share by leveraging the roll-out of X-Pro to retool the delivery of our full suite of products and services: increase share of larger sized trades, small sized trades (C2D RFQ, All-to-All & Automation), portfolio trading and dealer-to-dealer (RFQ).
- The client network continues to expand with strong growth across client segments, regions and products.
- We believe we are well positioned to deliver stronger levels of growth in the quarters ahead.

Appendix

Reconciliation of Net Income to EBITDA and Net Income Margin to EBITDA Margin

Reconciliation of Net Income to EBITDA and Net Income Margin to EBITDA Margin	4Q23	3Q23	4Q22	FY 2023	FY 2022
Net income	\$ 69,627	\$ 54,941	\$ 59,226	\$ 258,055	\$ 250,224
Add back:					
Interest income	(6,274)	(6,590)	(3,294)	(22,425)	(5,040)
Interest expense	1,636	164	52	1,983	700
Provision for income taxes	14,185	16,802	20,202	74,645	88,064
Depreciation and amortization	19,530	17,561	15,730	70,557	61,446
EBITDA	\$ 98,704	\$ 82,878	\$ 91,916	\$ 382,815	\$ 395,394
Net income margin¹	35.3%	31.9%	33.3%	34.3%	34.8%
Add back:					
Interest income	(3.2)	(3.8)	(1.8)	(3.0)	(0.8)
Interest expense	0.8	0.1	-	0.3	0.1
Provision for income taxes	7.2	9.7	11.4	9.9	12.3
Depreciation and amortization	9.9	10.2	8.8	9.4	8.6
EBITDA margin²	50.0%	48.1%	51.7%	50.9%	55.0%

Notes:

1. Net income margin is derived by dividing net income by total revenues for the applicable period.
2. EBITDA margin is derived by dividing EBITDA by total revenues for the applicable period.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow	4Q23	3Q23	4Q22	FY 2023	FY 2022
Net cash provided by operating activities	\$ 141,685	\$ 79,161	\$ 134,226	\$ 333,767	\$ 289,231
Exclude: Net change in trading investments	948	24,771	49,972	25,248	49,527
Exclude: Net change in fail-to-deliver/receive from broker-dealers, clearing organizations and customers	(34,354)	(13,099)	(71,933)	(46,696)	(25,994)
Less: Purchases of furniture, equipment and leasehold improvements	(2,071)	(5,983)	(6,500)	(9,326)	(13,142)
Less: Capitalization of software development costs	(11,320)	(10,087)	(11,621)	(43,122)	(38,730)
Free cash flow	\$ 94,888	\$ 74,763	\$ 94,144	\$ 259,871	\$ 260,892

Disclosures

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General Notes Regarding the Data Presented

Reported MarketAxess volume in all product categories includes only fully electronic trading volume. MarketAxess trading volumes, TRACE reported volumes and MarketAxess Post-Trade processed volumes are available on the Company's website at investor.marketaxess.com/volume.

For periods beginning with January 2024, the Company will be making changes to the market volume data used to calculate estimated market share for Municipal and U.S. Government Bonds. For Municipal Bonds, the Company previously used estimates, derived from data issued by the Municipal Securities Rule Making Board ("MSRB"), including estimates for new issuance, commercial paper and variable-rate trading activity, and excluded these volumes from the estimated market volume data. While the Company still uses estimates, the new methodology for identifying and excluding these volumes from the market volume data is now based on MSRB "flags" to identify new issuance, commercial paper, and variable-rate volumes. For U.S. Government Bonds, the previous data source for estimated market volumes was the Federal Reserve Bank's Reported Primary Dealer U.S. Treasury Bond Trading Volumes, which was reported on a one-week lag. The new source for U.S. Government Bond trading volumes is FINRA's U.S. Treasury TRACE data. The Company believes that the refined methodology used for Municipal Bonds, and the new data source for U.S. Government Bonds, will provide more accurate measures of estimated market volumes and estimated market share. Prior comparable periods will be recast retrospectively for both Municipal and U.S. Government Bonds to conform to the updated presentation of the data. Beginning in January 2024, the new estimated market volume data will also be available on the Company's website at investor.marketaxess.com/volume.

In addition, beginning with January 2024, the Company will no longer include Eurobonds or Emerging Markets market ADV or estimated market share. The Company is currently reviewing its methodology for calculating such statistics, which historically have been derived from MarketAxess Trax data, to ensure that the statistics presented provide a complete and accurate view of the market.

Cautionary Note Regarding Forward-Looking Statements

This presentation may contain forward-looking statements, including statements about the outlook and prospects for Company and industry growth, as well as statements about the Company's future financial and operating performance. These and other statements that relate to future results and events are based on MarketAxess' current expectations. The Company's actual results in future periods may differ materially from those currently expected or desired because of a number of risks and uncertainties, including: global economic, political and market factors; risks relating to the COVID-19 pandemic, including the possible effects of the economic conditions worldwide resulting from the COVID-19 pandemic; adverse effects as a result of climate change or other ESG risks that could affect our reputation; the level of trading volume transacted on the MarketAxess platform; the rapidly evolving nature of the electronic financial services industry; the level and intensity of competition in the fixed-income electronic trading industry and the pricing pressures that may result; reputational or credibility risks related to our data products and index business; the variability of our growth rate; our ability to introduce new fee plans and our clients' response; our ability to attract clients or adapt our technology and marketing strategy to new markets; risks related to our growing international operations; our dependence on our broker-dealer clients; the loss of any of our significant institutional investor clients; our exposure to risks resulting from non-performance by counterparties to transactions executed between our clients in which we act as an intermediary in matched principal trades; risks related to self-clearing; risks related to sanctions levied against states or individuals that could expose us to operational or regulatory risks; the effect of rapid market or technological changes on us and the users of our technology; our dependence on third-party suppliers for key products and services; our ability to successfully maintain the integrity of our trading platform and our response to system failures, capacity constraints and business interruptions; the occurrence of design defects, errors, failures or delays with our platforms; our vulnerability to malicious cyber-attacks and attempted data security breaches; our actual or perceived failure to comply with privacy and data protection laws; our ability to protect our intellectual property rights or technology and defend against intellectual property infringement or other claims; our ability to enter into strategic alliances and to acquire other businesses and successfully integrate them with our business; our dependence on our management team and our ability to attract and retain talent; limitations on our flexibility because we operate in a highly regulated industry; the increasing government regulation of us and our clients; risks related to the divergence of U.K. and European Union legal and regulatory requirements following the U.K.'s exit from the European Union; our exposure to costs and penalties related to our extensive regulation; our risks of litigation and securities laws liability; our future capital needs and our ability to obtain capital when needed; limitations on our operating flexibility contained in our credit agreement; and other factors. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. More information about these and other factors affecting MarketAxess' business and prospects is contained in MarketAxess' periodic filings with the Securities and Exchange Commission and can be accessed at www.marketaxess.com.

Non-GAAP Financial Measures and Other Items

To supplement the Company's unaudited financial statements presented in accordance with generally accepted accounting principles ("GAAP"), the Company uses certain non-GAAP measures of financial performance, including earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin and free cash flow. Starting with the first quarter of 2023, our calculation of EBITDA has been revised to adjust for interest income in addition to interest expense. In prior periods, we only adjusted for interest expense because interest income amounts were insignificant. Prior comparable periods have now been recast to conform to the current presentation. Likewise, starting with the first quarter of 2023, EBITDA margin is calculated by adjusting for interest income in addition to interest expense and prior comparable periods have been recast to conform to the current presentation. We define EBITDA margin as EBITDA divided by revenues. We define free cash flow as cash flow from operating activities excluding the net change in trading investments and net change in securities failed-to-deliver and securities failed-to-receive from broker-dealers, clearing organizations and customers, less expenditures for furniture, equipment and leasehold improvements and capitalized software development costs. The Company believes that these non-GAAP financial measures, when taken into consideration with the corresponding GAAP financial measures, provide additional information regarding the Company's operating results because they assist both investors and management in analyzing and evaluating the performance of our business. See the "Appendix" for a reconciliation of GAAP net income to EBITDA and GAAP net income margin to EBITDA margin and GAAP cash flow from operating activities to free cash flow.



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