

Business

Trading platform LMAX worth \$1bn after injection

By Morgan Meaker

CURRENCY trading platform LMAX Group has been valued at \$1bn (£720m) after New York-based private equity investor JC Flowers agreed to pay \$300m for a 30pc stake.

Foreign exchange is the main business of the little-known London-based company, which was valued at £100m in 2018. However interest in the group's cryptocurrency services has skyrocketed, with its crypto platform trading a record \$74bn in May this year.

Spun out of Betfair in 2012, the group's \$1bn valuation is 20 times its earnings before interest, taxes, depreciation and amortisation in the past 12 months.

David Mercer, former banker and LMAX chief executive, paid less than £22m for Betfair's remaining 31.5pc share three years ago. "The importance of today is that it vindicates our position, our business model, our approach to transparency and a better capital markets ecosystem," Mr Mercer said yesterday.

JC Flowers will help the trading platform expand into the US and Asia.

He added LMAX's sixth exchange will launch in Asia later this year.

The deal reflects the billions of dollars of investment being poured into the booming cryptocurrency sector, despite regulatory crackdowns.

While LMAX has expanded its crypto services in recent years, Mr Mercer has been keen to stress that cryptocurrency

\$300m

The amount New York-based JC Flowers paid for a 30pc stake in the currency trading platform

is a minority of the company's business. Crypto trading volumes accounted for 11pc of its total in the first half of the year, but as much as a third of revenues. In that period, it recorded a gross profit of \$60.5m.

The group, which operates currency trading venues globally, launched LMAX Digital in 2018 - a cryptocurrency marketplace for large institutional traders.