

## Institutional client demand drives record growth for LMAX Exchange in 2017

**London, 8 May 2018** – LMAX Exchange Group (“LMAX Exchange”), one of the UK’s fastest growing technology companies, reports record breaking financial performance.

Strong growth in trading volumes and earnings cement LMAX Exchange’s position as a leading institutional exchange for global FX trading. Annual volumes from institutional clients increased 58% year-on-year, reflecting the company’s expanding client base of institutions around the world, following robust and rapid growth on its international exchanges.

2017 financial highlights include:

- EBITDA of £8.8m, up 58% year-on-year
- Gross profit of £25.4m, up 22% year-on-year
- Institutional annual volumes up 58% year-on-year
- Strong growth of international exchanges:
  - Trading volumes on New York (NY4) up fivefold year on year
  - Trading volumes on Tokyo (TY3) increased threefold year on year

Two-year (2015-2017) annually compounded growth results demonstrate:

- EBITDA: 151% annual growth
- Gross profit: 28% annual growth
- Notional volumes: 20% annual growth

David Mercer, CEO of LMAX Exchange said:

“We bring a fundamentally different and positive vision to the FX industry – giving clients transparent, fair execution and lower trading costs. Our results demonstrate the increasing appeal of order-driven firm liquidity for trading institutions and the growing focus on precision and certainty of execution. LMAX Exchange has built a leading institutional exchange for FX trading and we are proud to count over 300 large funds and brokers in our global institutional client base, and all major global banks and non-banks among our 25 liquidity providers.

“As an established, independent business, gaining significant traction year on year, we are in an exceptionally good position to drive further growth in client funds and trading volumes. We will continue to fulfil our ambition of capturing a larger share of the institutional market as we propagate the exchange model globally.”

### ***Achievements in 2017***

- **Global momentum:** To expedite global growth in the institutional segment, LMAX Exchange opened an institutional sales hub in Singapore and strengthened its sales coverage with multiple senior appointments in Asia Pacific and North America. LMAX Exchange now has offices in London, New York, Chicago, Hong Kong, Singapore, Tokyo and Auckland, matching engines in all major FX centres, and clients in over 100 countries.
- **Active contribution to the reformation of the FX industry:** Committed to improving transparency in FX trading and ensuring a level playing field for all market participants, LMAX Exchange continued to contribute to the industry’s understanding of execution factors and trading costs across different liquidity pools. In 2017 LMAX Exchange published a white paper on Transaction Cost Analysis (TCA): “TCA and fair execution. The metrics that the FX industry must use”, which resulted in the development of industry-leading FX TCA methodology and analytical tools that market participants can use to compare total trading costs for both quote-driven and order-driven liquidity pools.

In addition, LMAX Exchange proactively engaged with global industry groups and regulatory bodies during the drafting and consultation periods of the FX Global Code of Conduct, published

in May 2017. As the first market participant to commit to the code, LMAX Exchange has welcomed its intention to restore trust in the FX industry, but continued to campaign for the next iterations of the code to take a stricter stance regarding the practice of 'last look' and pre-hedging during the 'last look' window.

- **Regulatory compliance:** A significant project for LMAX Exchange in 2017 was the separation of its brokerage business into a newly FCA regulated entity, LMAX Global, to comply with MiFID II. This was completed successfully in December 2017.

David Mercer commented: "The Company expects strong revenue growth to continue and its market share to increase further in 2018. We are witnessing continued focus on governance and regulatory changes driving more FX trading onto regulated exchanges like LMAX Exchange. These developments are commensurate with the Company's vision of transforming global FX trading into a fairer and more transparent market place."

– ENDS –

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**About the LMAX Exchange Group:**

LMAX Exchange Group is a global, high-growth financial technology company that is leading the transformation of the global FX industry to transparent, fair, precise and consistent execution. Operating one global marketplace for trading FX, metals, indices and commodities, LMAX Exchange Group delivers open access, transparency and level playing field to all market participants.

LMAX Exchange Group offers all clients the ability to trade on LMAX Exchange central limit order book, driven by streaming order-driven liquidity from top tier banks and non-bank financial institutions. Servicing funds, banks, brokerages, asset managers and proprietary trading firms, LMAX Exchange Group offers an anonymous, regulated, rules-based trading environment, order execution in strict price/time priority, and access to real-time streaming market and trade data, enabling all market participants to control execution quality and total trading costs.

Offering a comprehensive range of instruments and ultra-low latency execution, LMAX Exchange Group operates a global FX exchange infrastructure with matching engines in London, New York and Tokyo.

LMAX Exchange Group - a unique vision for global FX. [www.lmax.com](http://www.lmax.com)

**Financial technology awards:**

2017 Best FX Trading Venue – (ECN/MTF) – Fund Technology and WSL Awards

2016 Best Trading & Execution Technology – HFM US Technology Awards

2013 Best Overall Testing Project – The European Software Testing Awards

2011 Best Trading System – Financial Sector Technology Awards

2011 Innovative Programming Framework – Oracle Duke's Choice Awards

**FX industry awards:**

2017, 2016, 2015, 2014, 2013 Best FX Trading Venue – ECN/MTF – Fund Technology & WSL Awards

2017, 2016, 2015, 2014, 2013 Best Margin Sector Platform – Profit & Loss Readers' Choice Awards

2014 Best Infrastructure/Technology Initiative – WSL Institutional Trading Awards

2017, 2013 Best Execution Venue – Forex Magnates Awards

**Business growth awards:**

2016, 2015 Winner – Deloitte UK Technology Fast 50

2016, 2015 Winner – Deloitte EMEA 500

2015, 2014, 2013 Fastest Growing Tech Company in the UK – Sunday Times Tech Track 100



2015 Recognised as a Tech City Future Fifty company

*LMAX Exchange Group is a holding company of LMAX Limited and LMAX Broker Limited.*

*LMAX Exchange is a trading name of LMAX Limited, which operates a multilateral trading facility, authorised and regulated by the Financial Conduct Authority (firm registration number 509778) and is a company registered in England and Wales (number 6505809).*

*LMAX Global is a trading name of LMAX Broker Limited which is authorised and regulated by the Financial Conduct Authority (Firm Reference Number 783200) and is a company registered in England and Wales (number 10819525).*

*Registered address for LMAX Exchange and LMAX Global is Yellow Building, 1A Nicholas Road, London, W11 4AN.*