

MARKETAXESS

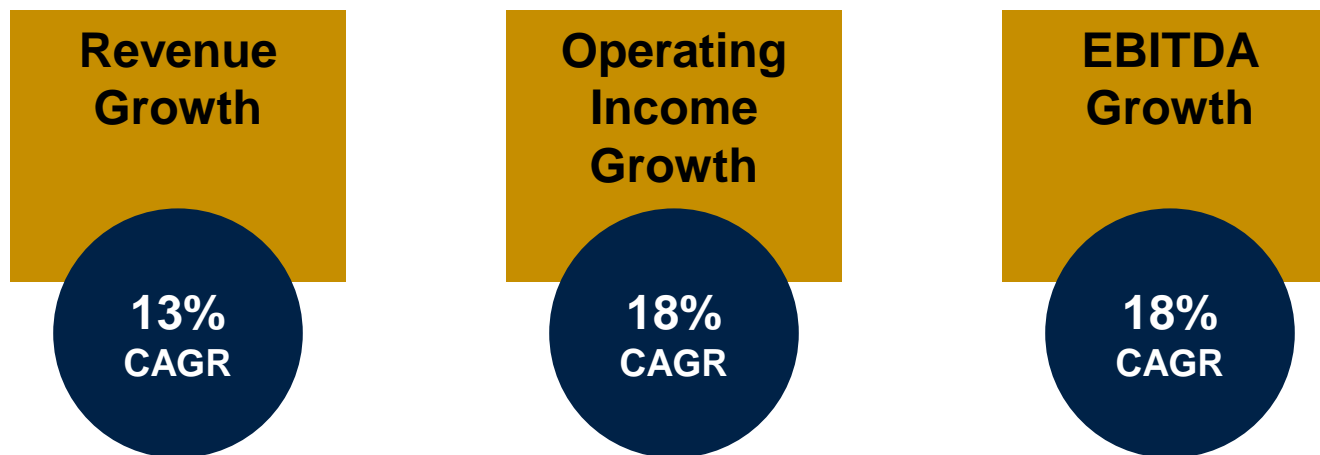
1Q18

Investor Presentation

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. Actual results in future periods may differ materially from those currently expected or desired because of a number of risks and uncertainties, including: the volatility of financial services markets generally; the level of trading volume transacted on the MarketAxess platform; the absolute level and direction of interest rates and the corresponding volatility in the corporate fixed-income market; the level and intensity of competition in the fixed-income electronic trading industry and the pricing pressures that may result; the variability of our growth rate; the rapidly evolving nature of the electronic financial services industry; our ability to introduce new fee plans and our clients' response; our exposure to risks resulting from non-performance by counterparties to transactions executed between our clients in which we act as an intermediary in matching back-to-back trades; our dependence on our broker-dealer clients; the loss of any of our significant institutional investor clients; our ability to develop new products and offerings and the market's acceptance of those products; the effect of rapid market or technological changes on us and the users of our technology; our ability to successfully maintain the integrity of our trading platform and our response to system failures, capacity constraints and business interruptions; our vulnerability to cyber security risks; 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 ability to comply with new laws, rules and regulations both domestically and internationally; our ability to maintain effective compliance and risk management methods; the strain of growth initiatives on management and other resources; 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's actual results and financial condition may differ, perhaps materially, from the anticipated results and financial condition in any such forward-looking statements. 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.

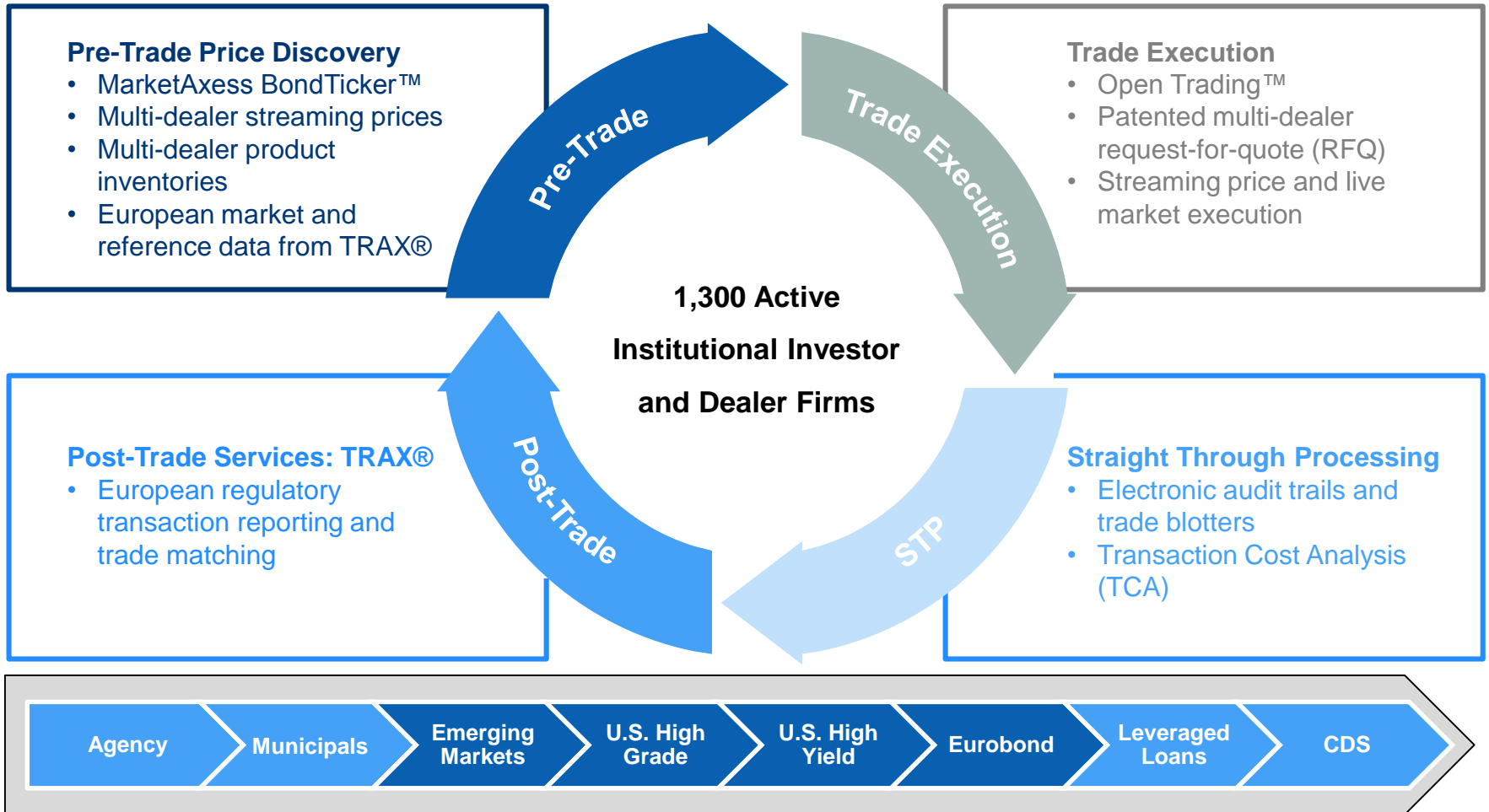
- **Large fixed income market undergoing major structural shift due to regulatory and market trends.**
- **MarketAxess is the leading electronic trading network for the institutional market in U.S. credit products.**
- **Electronic trading market share is growing but still in early stages of market penetration.**
- **Growth strategy focuses on increasing share in existing credit products, promoting open trading protocols and growing the European trading, data and post trade business**
- **Superior financial model with strong cash flow and significant operating leverage**

Growth from 2012-2017¹



¹ Pro forma to include historical Xtrakter results prior to acquisition in February 2013

Diverse Product Offering Across a Broad Network of Institutional Market Participants



1

Increase Penetration Of Existing and New Markets

2

Leverage Client Network To Promote Open Trading Protocols

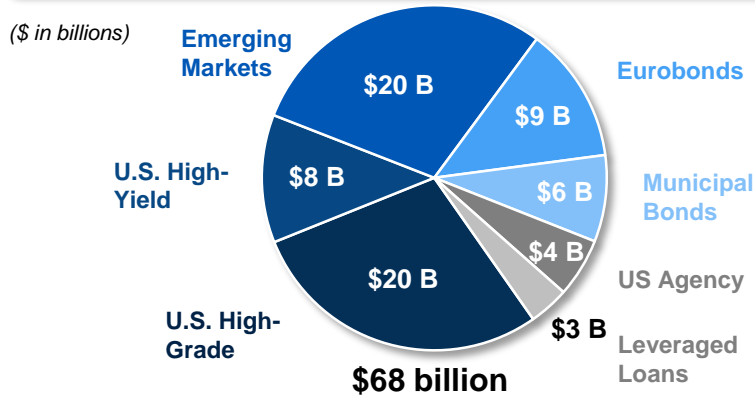
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Grow International Business

1. Increase Penetration of Existing and New Markets



Estimated ADV for Addressable Markets¹

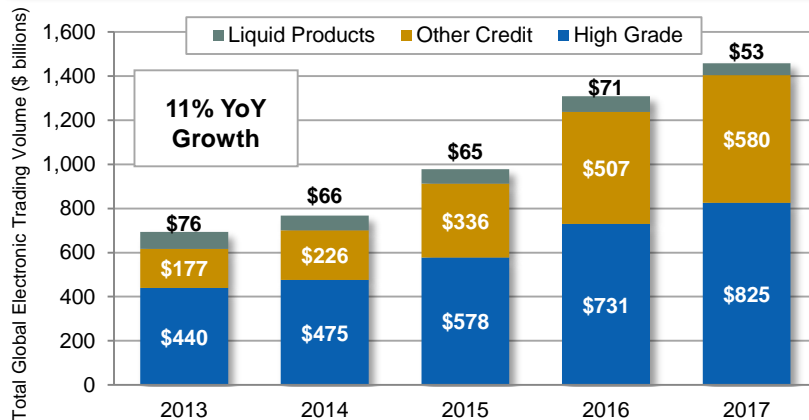


1% Change in Estimated Market Share Results in \$36 - \$40 million of Additional Revenue

Expanded Markets Opportunity

- **Local Emerging Markets**
 - 22 different currencies active across the platform
 - Local markets trading volume up 41% in 4Q17
- **Municipal Bonds**
 - Live product launch in April 2016
 - Over 500 fully on-boarded clients and over 110 live dealers
 - Over \$1.1 billion traded in 4Q17, up over 220% from 4Q16
- **Leveraged Loans**
 - Live product launch in October 2016
 - Natural extension of our high-yield trading capabilities

Total Global Electronic Trading Volume



Expanding Global Client Network

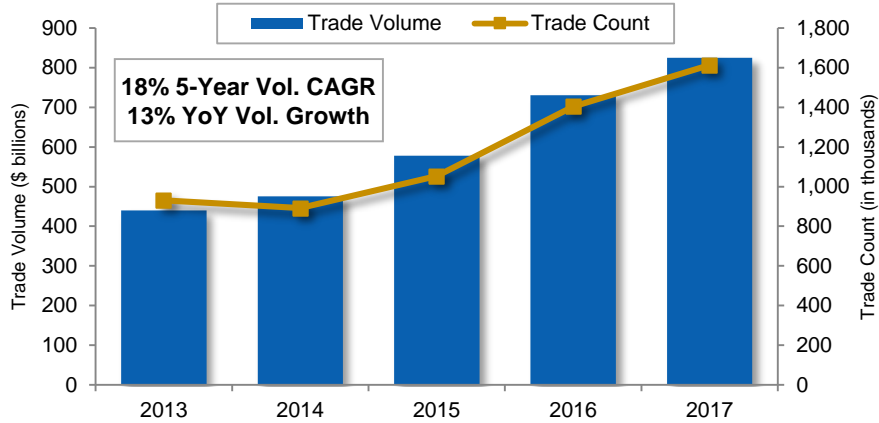
- Over 1,300 active firms, up 12% from 2016
- Approximately 800 active firms trading 3 or more products, up 9% from 2016
- 1,100 active firms trading U.S. Credit, up 17% from over 930 in 2016
- Approximately 920 active firms trading emerging market, up 16% from 2016

¹ Market volumes calculated using the most recently available market data for TRACE, Trax, Emerging Markets Trade Association, Municipal Securities Rulemaking Board, and Loan Syndications and Trading Association for the trailing twelve month period

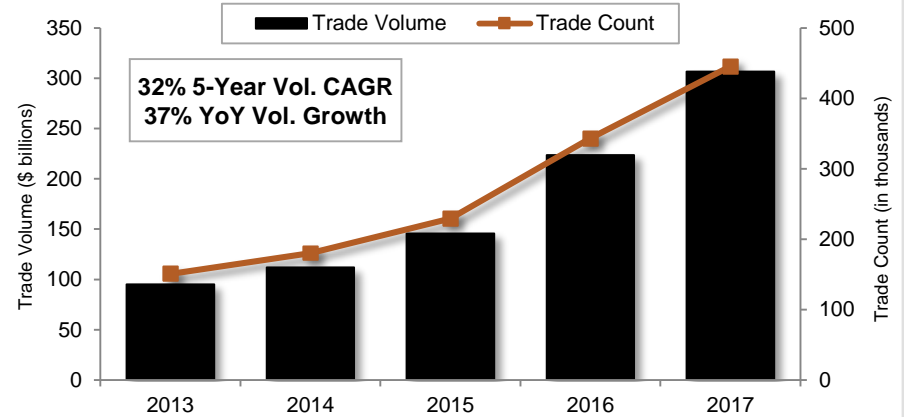
Annual Volume and Trade Count by Product



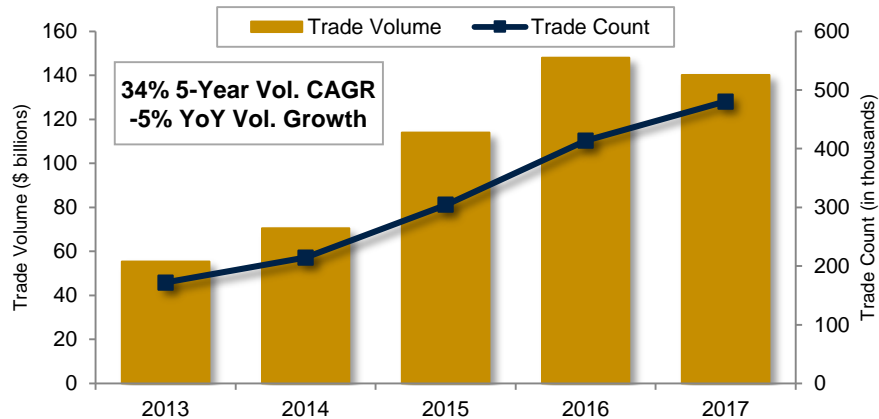
U.S. High-Grade



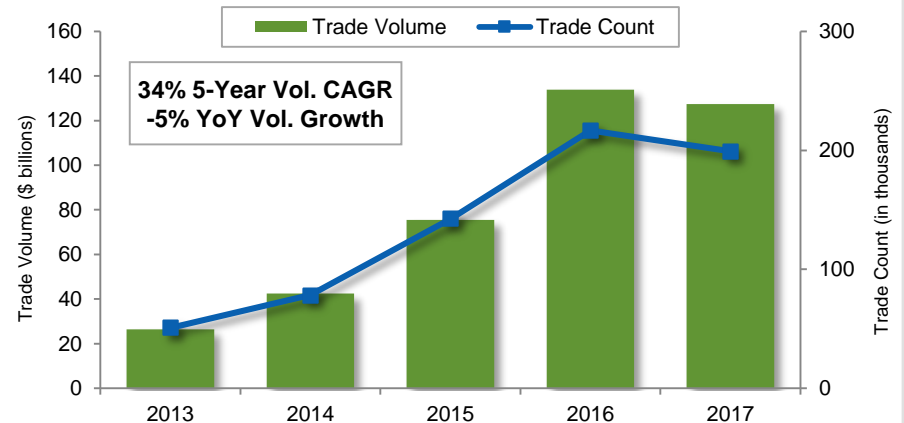
Emerging Markets



U.S. High-Yield



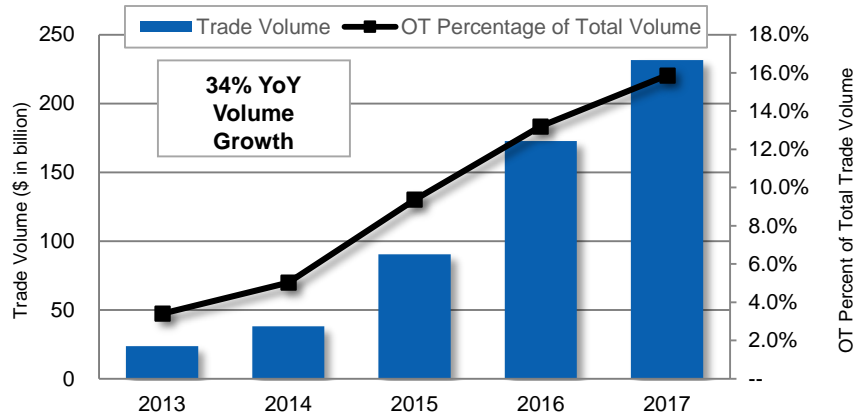
Eurobond



2. Leverage Client Network To Promote Open Trading™ Protocols



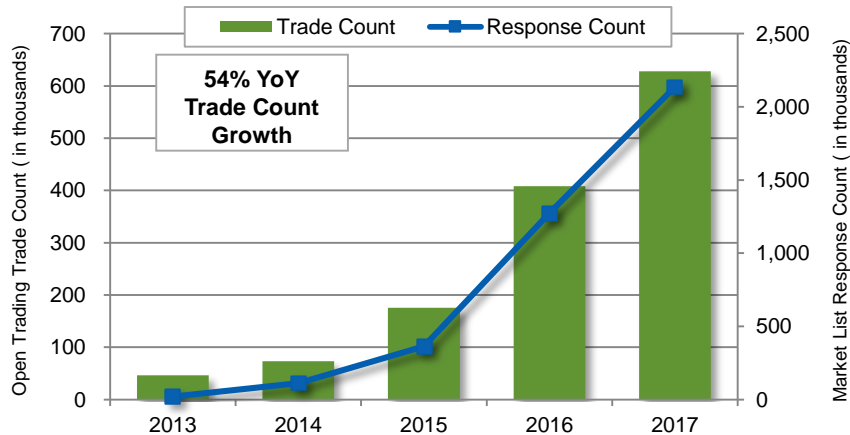
Open Trading Growth



Highlights

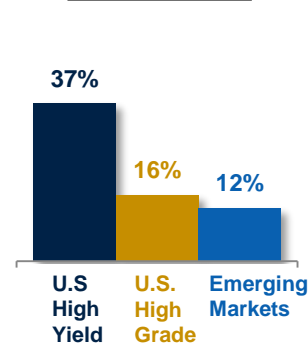
- \$926 million average daily volume, up 34% from 2016
- Approximately 627,000 total Open Trading transactions completed in 2017, up 54% from 407,000 in 2016
- Approximately 2.1 million price responses in 2017, up 68% from 2016
- Estimated liquidity taker total cost savings of \$89.6 million in 2017¹
- Dealer initiated trades now represent 24% of all Open Trading trade volume, up from 17% in 2016

Open Trading Trade Count & Response Count

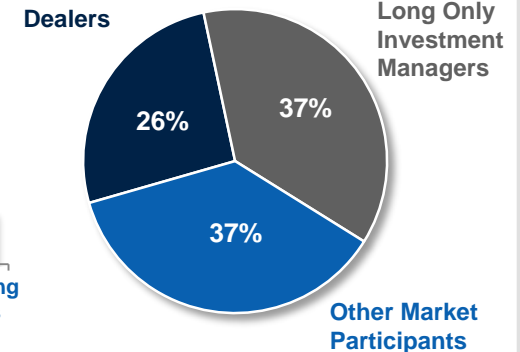


2017 Open Trading Breakdown

OT Volume as Percent of Product Volume



OT Liquidity Providers

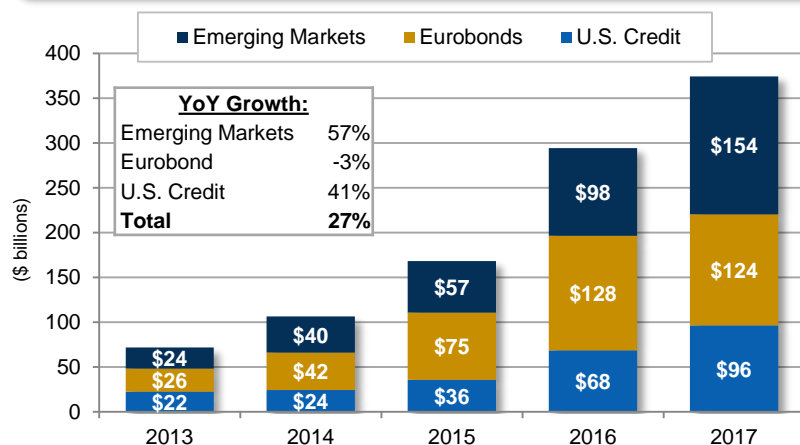


Note: Client segment based on 2017 trade volume of firms winning Market List trades

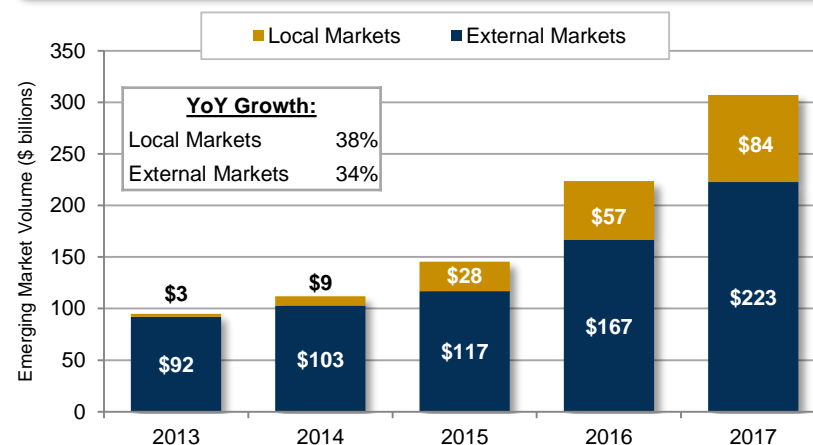
¹ Activity is for Market List-winning trades only. Cost Savings is defined as the difference between the best cover (non-winning) level from a disclosed dealer and the winning level times the quantity across all anonymous trades. Products include U.S. high-grade, high-yield, emerging markets, eurobonds and municipal bonds.

3. Grow International Business

International Client Volumes



Emerging Market Volume



International Growth

- Increased investment in global sales presence and unique product offering
- Recently launched new protocols to enhance EM local market block trading
- Record emerging market trading volume of \$306.7 billion in 2017, up 37.2%
- The percentage of total volume from international clients grew to 26% versus 22% in 2016

Data & Post Trade Highlights

- Successful implementation of MiFID II in January 2018
- Information services revenue was up 20% in 4Q17, principally due to new recurring data contracts
- Post-trade services revenue increased 36% in 4Q17, primarily due to MiFID II implementation fees

Strong Cash Flow Generation With Focus on Investing in Business and Returning Capital to Shareholders

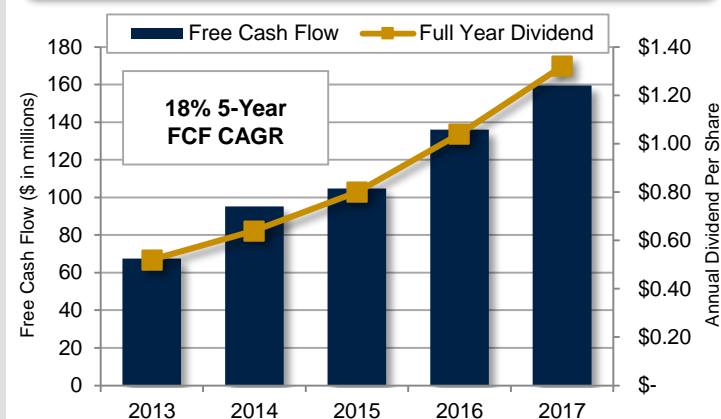


(In thousands)

	12/31/2017	12/31/2016
Assets		
Cash and Cash Equivalents	\$ 167,014	\$ 168,243
Investments	239,521	194,404
Accounts Receivable, net	52,636	50,668
All Other Assets	122,061	114,727
Total Assets	\$ 581,232	\$ 528,042
Liabilities and Stockholders' Equity		
Total Liabilities	\$ 66,464	\$ 60,029
Total Stockholders' Equity	514,768	468,013
Total Liabilities and Stockholders' Equity	\$ 581,232	\$ 528,042

- Cash, Cash Equivalents & Investments represented \$10.71 per share on a diluted basis as of December 31, 2017
- Total Shareholders' Equity was \$13.57 per share on a diluted basis as of December 31, 2017

Free Cash Flow and Dividends



Comments

- Free cash flow of \$160 million in 2017
- Continued investment in our employees, trading platform, new products, geographic expansion and infrastructure
- \$94 million of share repurchase capacity under existing share repurchase program

- **Solid Growth In Core Products**
- **Large and Increasing Addressable Market**
- **Market Structure Changes and Regulatory Reform Creating New Opportunities**



- **Superior Financial Model**
- **Significant Operating Leverage**
- **Expanded Suite Of Electronic Trading Protocols**



**Compelling
Value
Proposition**

APPENDIX

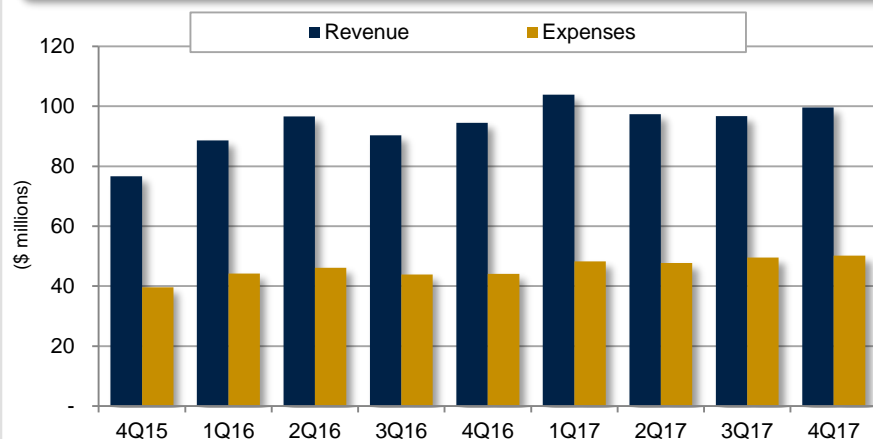
Earnings

- Revenues of \$99.6 million, up 5.4%
- Expenses of \$50.2 million, up 13.8%
- Pre-tax income of \$49.4 million, down 1.9%
- One-time tax charge of \$11.7 million related to the Tax Cuts and Jobs Act
- Diluted EPS of \$0.88, consistent with prior year

Business Highlights

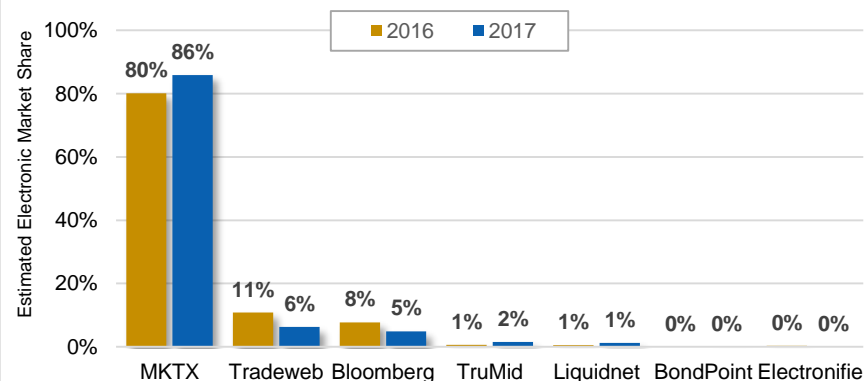
- Total trading volume of \$355.6 billion, up 5.1%
- Record estimated U.S. high-grade market share of 17.6%, up from 17.2%
- Record emerging market trading volume of \$79.8 billion, up 26.1%
- Record Open Trading™ volume

Quarterly Revenue and Expense



Competitive Landscape – Greenwich Associates Survey

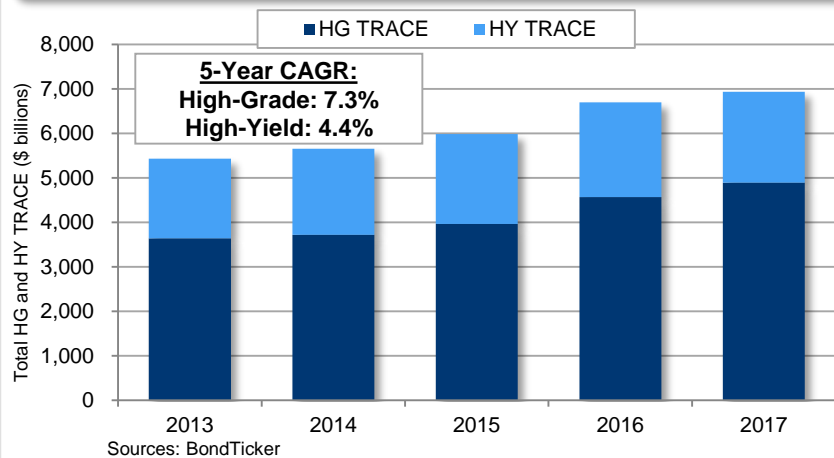
Estimated U.S. High-Grade and High-Yield Electronic Market Share²



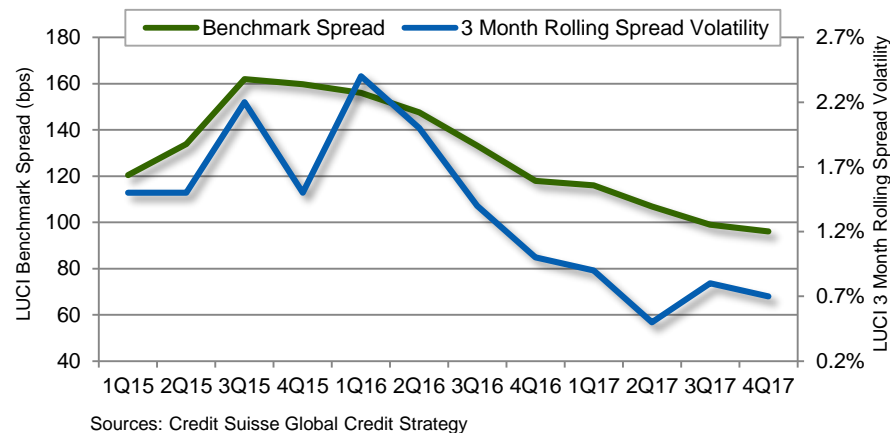
¹ All period comparisons versus 4Q16 unless otherwise stated.

² Source: Greenwich Associates 2017 U.S. Fixed-Income Study

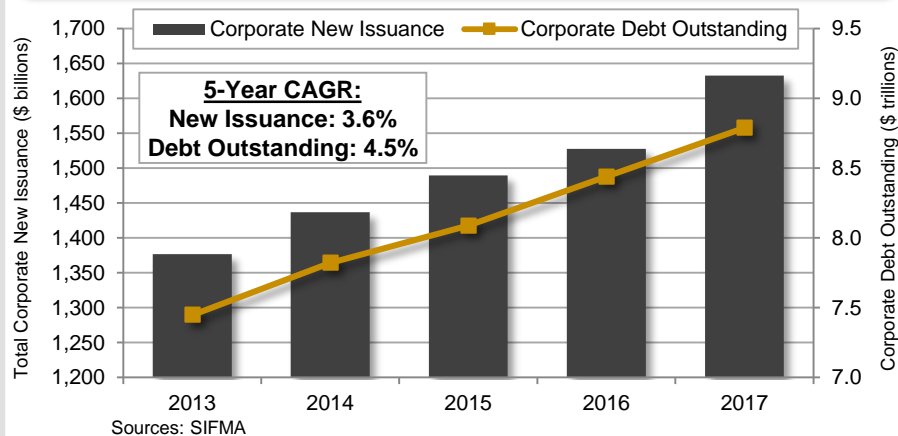
U.S. High-Grade & High-Yield TRACE¹



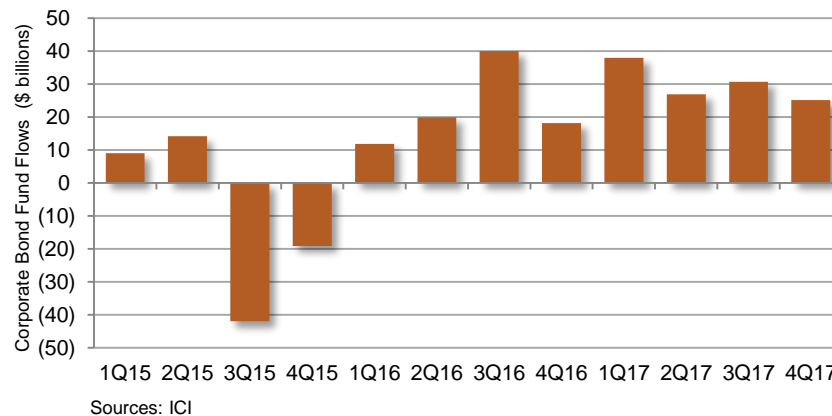
Liquid U.S. Corporate Index (LUCI)



New Issuance & Corporate Debt Outstanding

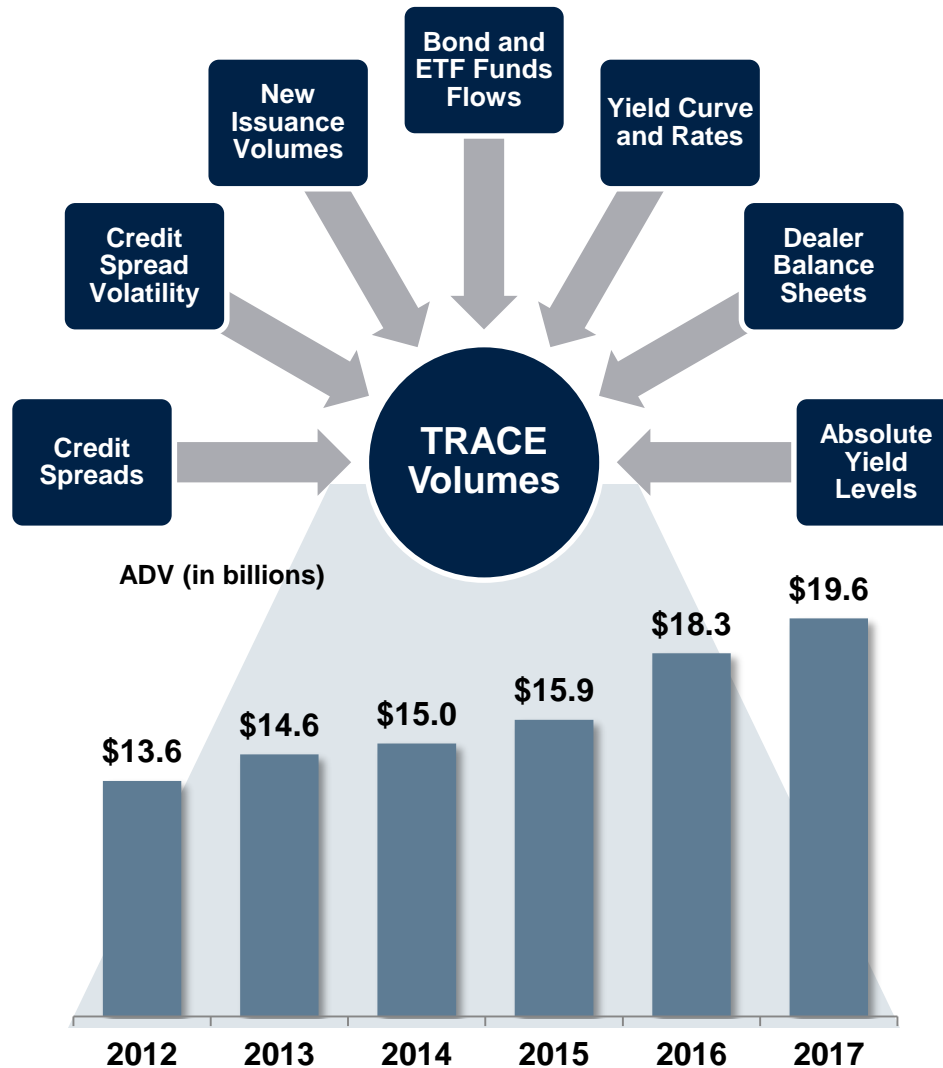


Corporate Bond Fund Flows

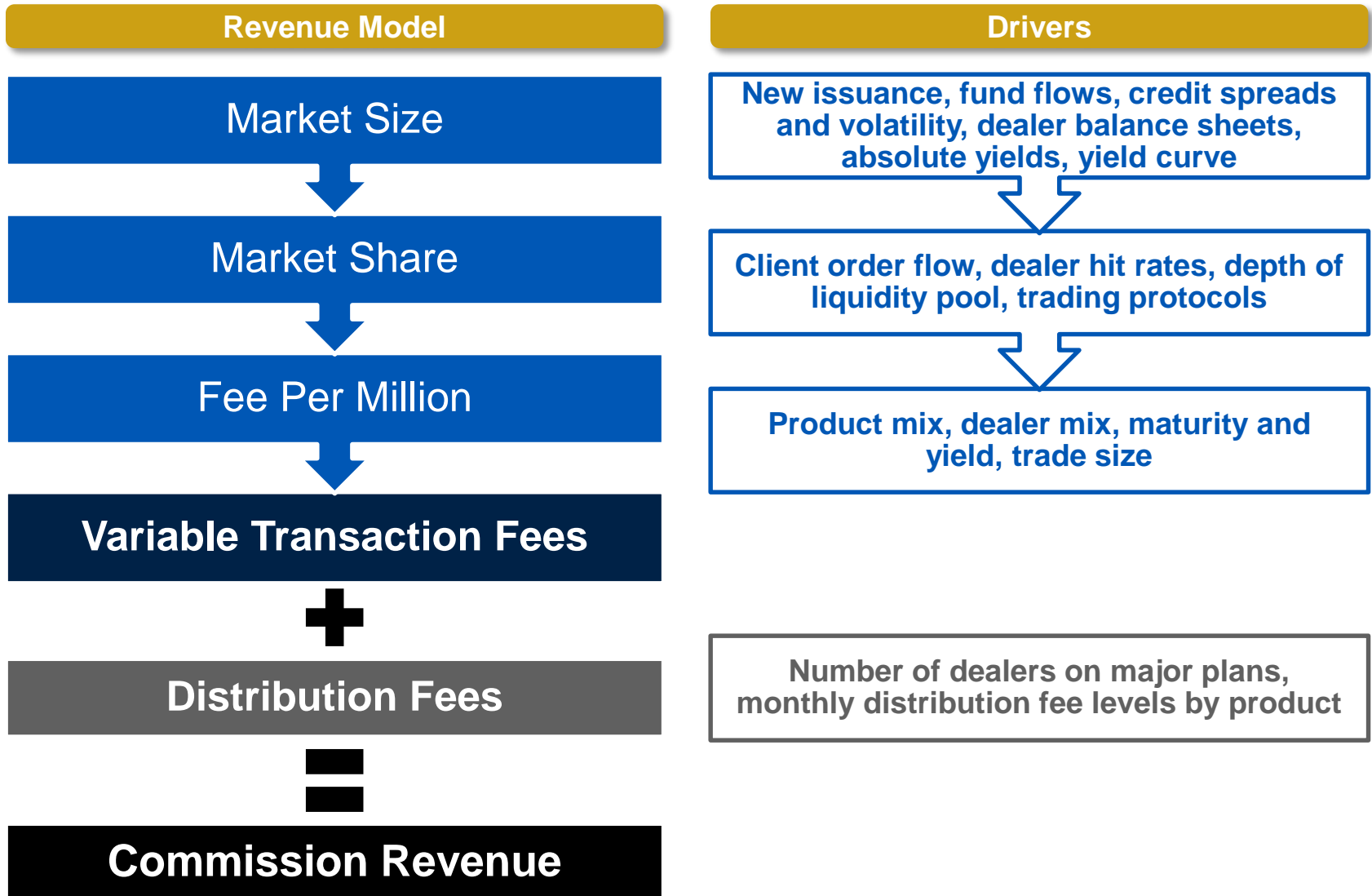


¹ FINRA TRACE volumes have been adjusted to eliminate the increased reporting of affiliate back-to-back trades from April 2014 to October 2015. See Investor Relations-Volume section of Company website.

Multiple Factors Influence Market Volumes



Simple Revenue Model



Earnings Performance



(In thousands, except per share data)

	<u>4Q17</u>	<u>3Q17</u>	<u>4Q16</u>	<u>4Q17 vs.</u> <u>4Q16</u>
Revenues				
Commissions	\$ 87,975	\$ 86,270	\$ 85,519	2.9%
Information Services ¹	6,793	6,331	5,667	19.9%
Post-trade Services ¹	3,467	2,678	2,544	36.3%
Investment Income	1,068	964	668	59.9%
Other Income ¹	262	458	38	589.5%
Total Revenues	<u>99,565</u>	<u>96,701</u>	<u>94,436</u>	5.4%
Expenses	<u>50,194</u>	<u>49,484</u>	<u>44,109</u>	13.8%
Income Before Taxes	<u>49,371</u>	<u>47,217</u>	<u>50,327</u>	(1.9%)
Provision for Income Taxes	15,898	13,087	17,162	(7.4%)
Net Income	<u>\$ 33,473</u>	<u>\$ 34,130</u>	<u>\$ 33,165</u>	0.9%
Operating Margin	49.6%	48.8%	53.3%	-3.7 pts
EBITDA²	\$ 54,579	\$ 51,800	\$ 54,619	(0.1%)
Diluted EPS	\$ 0.88	\$ 0.90	\$ 0.88	0.0%
Diluted Shares³	37,943	38,019	37,742	0.5%

¹ The Company reclassified "Information and post-trade services" revenues on the consolidated statements of operations to separately reflect "Information services" revenues and "Post-trade services" revenues. "Information services" revenues includes technology product and service revenue of \$0.8 million, \$0.6 million and \$0.7 million for the three months ended December 31, 2017, September 30, 2017 and December 31, 2016, respectively, that was previously reported within "Other" revenue.

² See fourth quarter 2017 earnings release and the Investor Relations section of the Company's website for reconciliation of net income to EBITDA

³ Represents the weighted average number of share of common stock including the dilutive effect of outstanding securities.

Commission Revenue Detail



	<u>4Q17</u>	<u>3Q17</u>	<u>4Q16</u>	<u>% Δ</u> <u>4Q17 vs.</u> <u>4Q16</u>
(\$ in thousands)				
<u>Commissions</u>				
Transaction Fees				
U.S. High-Grade	\$ 34,623	\$ 34,020	\$ 34,191	1.3%
Other Credit ¹	30,271	31,381	35,048	(13.6%)
Liquid Products ²	531	545	699	(24.0%)
Total Transaction Fees	<u>65,425</u>	<u>65,946</u>	<u>69,938</u>	(6.5%)
Distribution Fees				
U.S. High-Grade	16,724	16,305	15,107	10.7%
Other Credit ¹	5,648	3,844	346	1532.4%
Liquid Products ^{2,3}	178	175	128	39.1%
Total Distribution Fees	<u>22,550</u>	<u>20,324</u>	<u>15,581</u>	44.7%
Total Commissions	<u>\$ 87,975</u>	<u>\$ 86,270</u>	<u>\$ 85,519</u>	2.9%
(\$ in millions)				
<u>Trading Volume</u>				
U.S. High-Grade	\$ 201,226	\$ 200,826	\$ 185,066	8.7%
Other Credit ¹	141,857	133,757	135,799	4.5%
Liquid Products ²	12,543	12,189	17,393	(27.9%)
Total Trading Volume	<u>\$ 355,626</u>	<u>\$ 346,772</u>	<u>\$ 338,258</u>	5.1%
<u>Transaction Fees per Million</u>				
U.S. High-Grade	\$ 172	\$ 169	\$ 185	(6.9%)
Other Credit ¹	213	235	258	(17.3%)
Liquid Products ²	42	45	40	5.3%
Total	\$ 184	\$ 190	\$ 207	(11.0%)

¹ Other Credit includes high-yield, emerging markets, Eurobonds and municipal bonds.

² Liquid Products includes U.S. agencies and European government bonds.

³ Includes CDS SEF-related revenue

Expense Detail



(\$ in thousands)

<u>Expenses</u>	<u>4Q17</u>	<u>3Q17</u>	<u>4Q16</u>	<u>% Δ</u> <u>4Q17 vs.</u> <u>4Q16</u>
Employee Comp. and Benefits	\$ 24,334	\$ 25,595	\$ 22,529	8.0%
Depreciation and Amortization	5,208	4,583	4,292	21.3%
Technology and Communications	5,606	5,035	4,449	26.0%
Professional and Consulting	5,455	5,547	4,726	15.4%
Occupancy	1,504	1,795	1,075	39.9%
Marketing and Advertising	3,005	2,089	3,192	(5.9%)
Clearing Costs	1,477	1,476	1,306	13.1%
General and Administrative	<u>3,605</u>	<u>3,364</u>	<u>2,540</u>	41.9%
Total Expenses	<u>\$ 50,194</u>	<u>\$ 49,484</u>	<u>\$ 44,109</u>	13.8%

Recast Historical Revenue Details

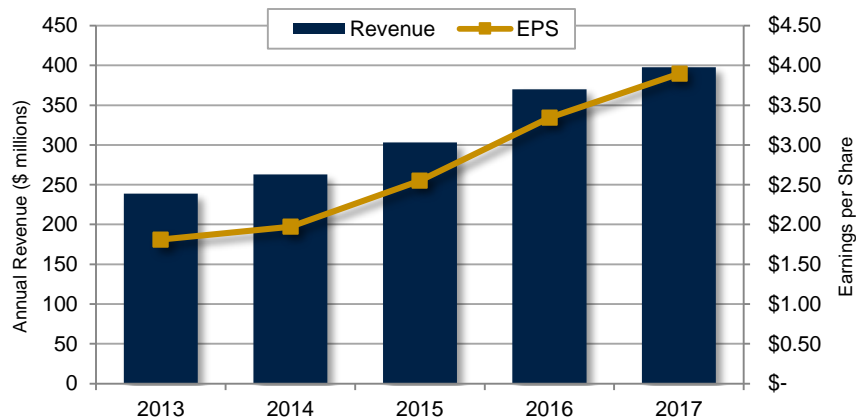


	<u>1Q16</u>	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>
<u>Revenue</u>								
Commissions	\$ 79,093	\$ 86,239	\$ 81,456	\$ 85,519	\$ 94,022	\$ 87,015	\$ 86,270	\$ 87,975
Information services	5,624	6,402	5,576	5,667	6,185	6,497	6,331	6,793
Post-trade services	2,887	2,998	2,383	2,544	2,456	2,489	2,678	3,467
Investment income	418	517	534	668	747	840	964	1,068
Other	<u>551</u>	<u>483</u>	<u>322</u>	<u>38</u>	<u>481</u>	<u>473</u>	<u>458</u>	<u>262</u>
Total revenue	<u>\$ 88,573</u>	<u>\$ 96,639</u>	<u>\$ 90,271</u>	<u>\$ 94,436</u>	<u>\$103,891</u>	<u>\$ 97,314</u>	<u>\$ 96,701</u>	<u>\$ 99,565</u>

Full Year 2017 Results Reflects Continued Strong Growth



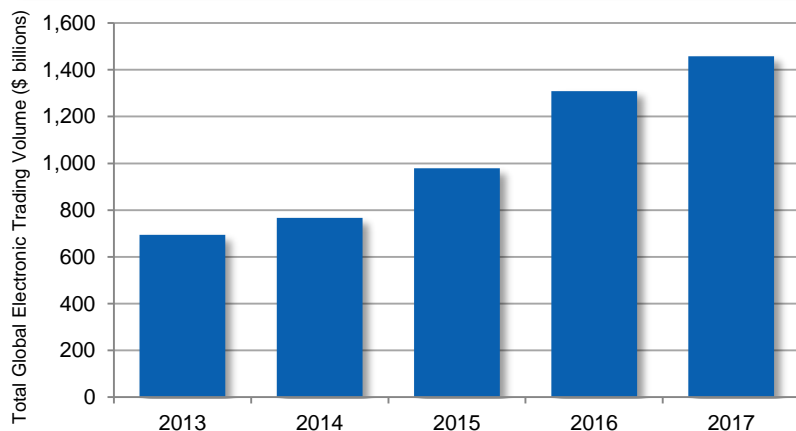
Annual Revenue & EPS Trend



Full Year 2017 Compound Annual Growth Rate

	1-Year	3-Year	5-Year ¹
Total Revenue	7.4%	14.8%	13.1%
Total Expenses	9.8%	10.7%	9.2%
EPS	16.4%	25.4%	21.9%
Total Volume	11.4%	23.9%	19.9%
Total Shareholder Return²	39.6%	186.0%	505.0%

Total Global Electronic Trading Volume



Comments

- 9th consecutive year of record full year trading volume, revenue and operating income
- Record estimated U.S. high-grade market share and record emerging markets volume
- Free cash flow of \$160 million in 2017
- Board of Directors approved a 27% increase to the regular quarterly dividend to \$0.42 per share

¹ Pro forma to include historical Xtrakter results prior to acquisition in February 2013

² Total Shareholder Return provided by NASDAQ, calculated using Factset's Total Shareholder Return metrics

Expenses

- Expected range of \$220.0 million to \$232.0 million
 - Includes duplicate occupancy costs of approximately \$8 million for new corporate offices during the build-out phase

Capital Expenditures

- Expected range of \$43.0 million to \$50.0 million
 - Includes approximately \$25 million of build-out costs for the new corporate offices

Effective Tax Rate

- Expected to be between 23.0% to 25.0%
 - Includes the estimated impact of tax reform and excess tax benefits on share awards expected to vest in 2018