



INVESTOR PRESENTATION

2nd Quarter 2018

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. 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.

Investment highlights

- **Large fixed income market undergoing major structural shift** due to regulatory and market trends.
- **We are 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 penetration of existing and new markets.**
 - **Promoting Open Trading protocols.**
 - **Continuing to invest in and grow our international business.**
- **Superior financial model** with strong cash flow and significant operating leverage

GROWTH FROM 2012 - 2017¹

REVENUE GROWTH
13% CAGR

OPERATING INCOME
GROWTH
18% CAGR

EBITDA GROWTH
18% CAGR

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

Our global electronic platform provides credit trading services to the largest network of Institutional participants

PRE-TRADE PRICE DISCOVERY

- MarketAxess BondTicker™
- AxessAll
- Multi-dealer streaming prices
- Multi-dealer product inventories
- Composite Price
- Bond Liquidity Scores

TRADE EXECUTION

- Open Trading™
- Patented multi-dealer request-for-quote (RFQ)
- Streaming price and live market execution

1,300 active institutional investor and dealer firms

POST-TRADE SERVICES: TRAX®

- European regulatory transaction reporting and trade matching

STRAIGHT THROUGH PROCESSING (STP)

- Electronic audit trails and trade blotters
- Post Trade APIs for trade capture and TRACE reporting
- Transaction Cost Analysis (TCA)

CORE PRODUCTS

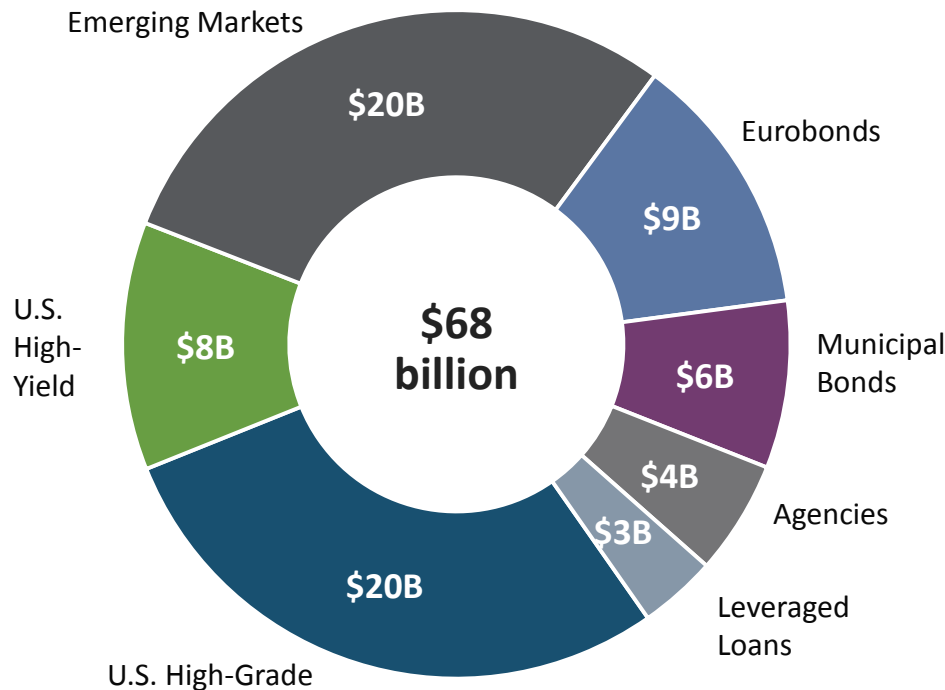
Agency	Municipals	Emerging Markets	U.S. High Grade	U.S. High Yield	Eurobond	Leveraged Loans	CDS
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Our focused growth strategy

- ❖ 1. Increase penetration of existing and new markets
- ❖ 2. Leverage our client network to promote Open Trading protocols
- ❖ 3. Continue to invest in and grow our international business

1. Increase penetration of existing and new markets

ESTIMATED AVERAGE DAILY VOLUME FOR ADDRESSABLE MARKETS¹

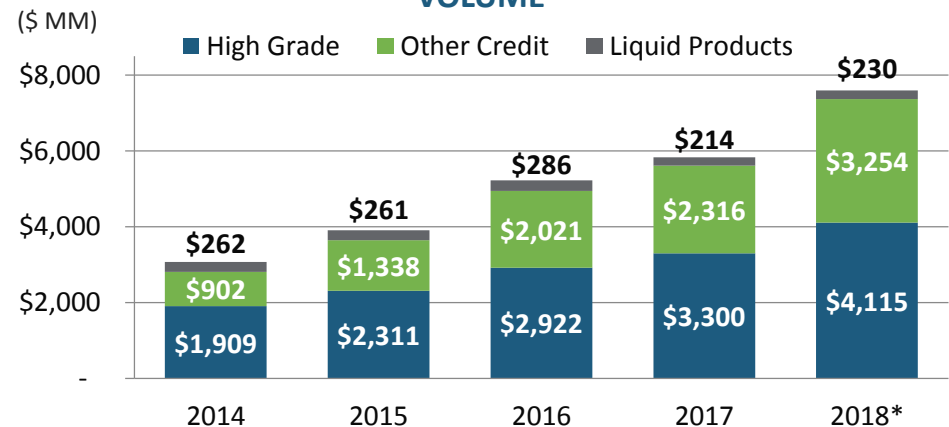


1% Change in Estimated Market Share Results in \$33-\$39 million in Additional Revenue

EXPANDING GLOBAL CLIENT NETWORK

- Over 1,300 active firms, up 8% from 1Q17
- Approximately 800 active firms trading 3 or more products, up 6% from 1Q17
- Approximately 940 active firms trading emerging markets, up 14% from 1Q17
- Over 500 fully on-boarded clients and over 110 live dealers trading municipal bonds

GLOBAL ELECTRONIC AVERAGE DAILY TRADING VOLUME



* 2018 volume year to date through March 2018

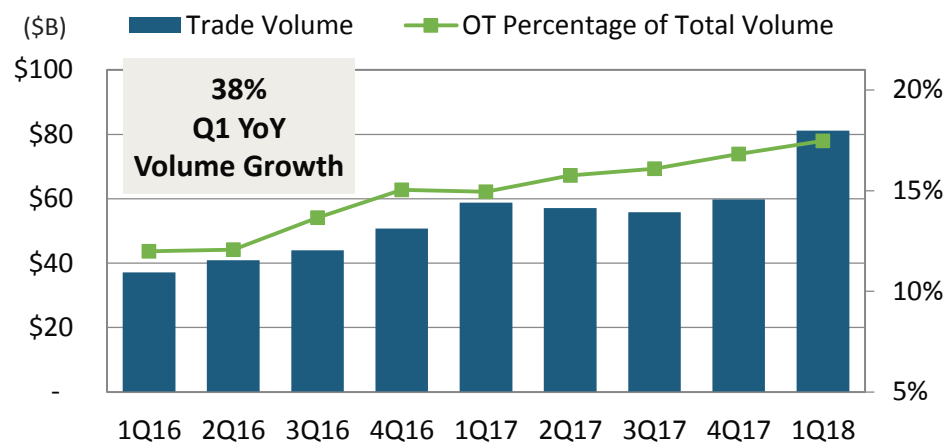
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2. Leverage our client network to promote Open Trading™ protocols

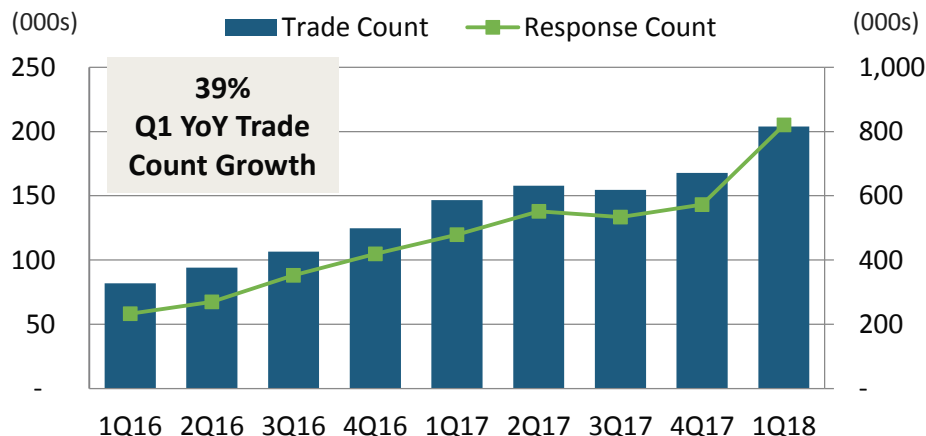
HIGHLIGHTS

- \$1.3 billion average daily volume, up 40% from 1Q17
- Approximately 204,000 total Open Trading transactions completed in 1Q18, up from 147,000 in 1Q17
- Approximately 820,000 price responses in 1Q18, up 71% from 1Q17
- Estimated system-wide liquidity taker total cost savings of \$32.1 million in 1Q18, up 28% from 1Q17¹

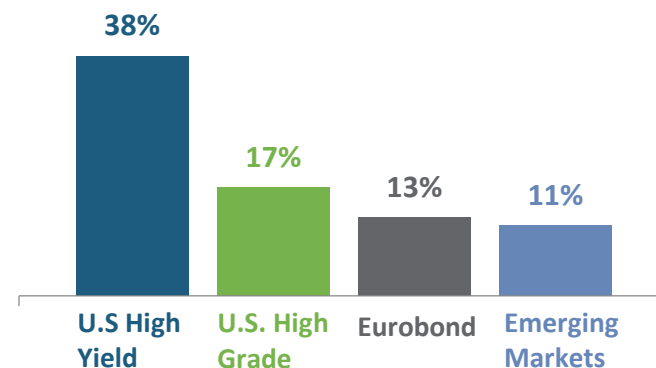
OPEN TRADING GROWTH



OPEN TRADING TRADE & RESPONSE COUNTS



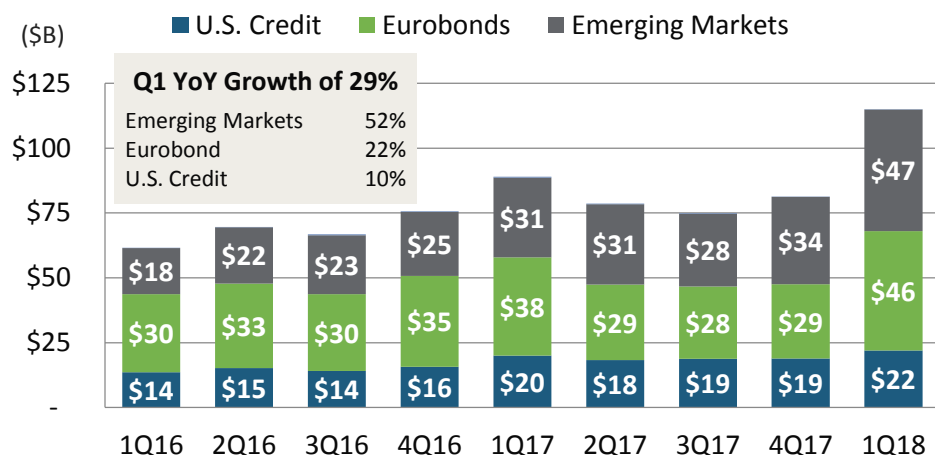
1Q18 OT VOLUME AS PERCENT OF TOTAL PRODUCT VOLUME



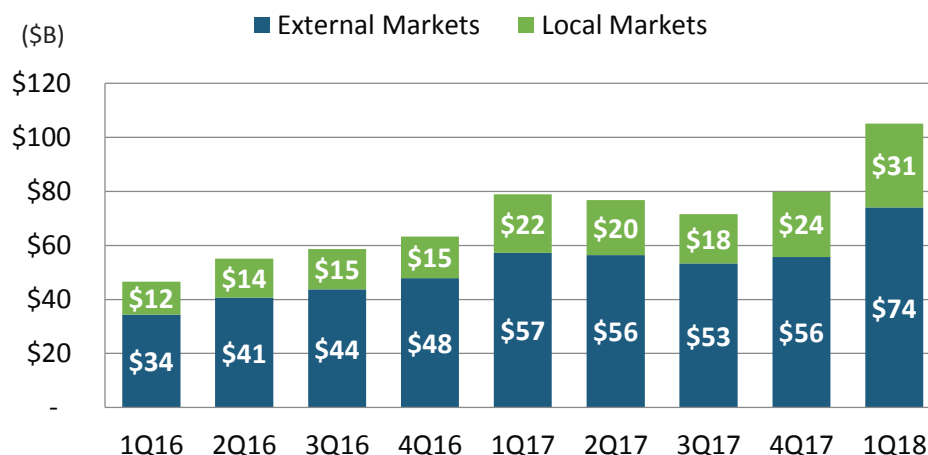
Activity is for Market List-winning trades only. Cost Savings is defined as the difference between the best cover (non-winning) level from a disclosed dealer and the winning level times the quantity across all anonymous trades. Products include U.S. high-grade, high-yield, emerging markets, Eurobonds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

3. Continue to invest in and grow our international business

EUROPEAN CLIENT VOLUMES



EMERGING MARKET VOLUME BY PRODUCT



MIFID II IMPLEMENTATION

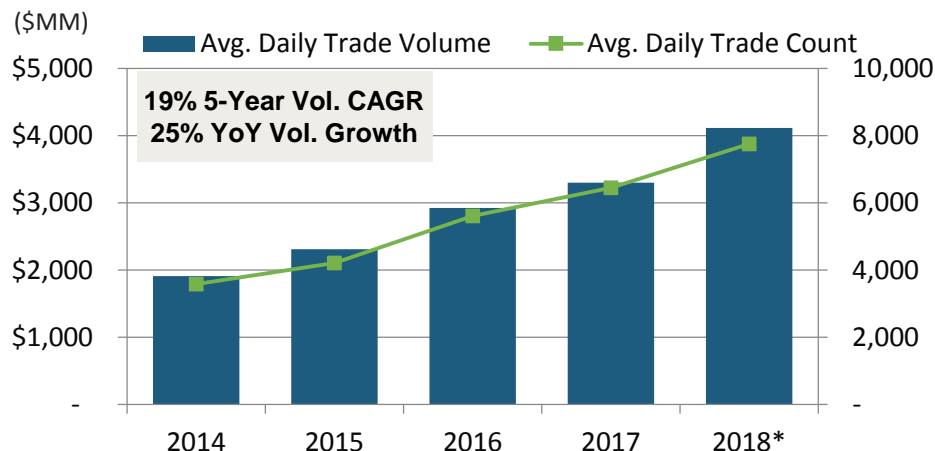
- European client volume up 29% in 1Q18
- Successful implementation of MiFID II drove an increase of ~100 clients for post-trade transaction reporting
- Post trade services revenue increased by \$2.1 million in 1Q18, primarily due to new MIFID II services

EMERGING MARKETS PROGRESS

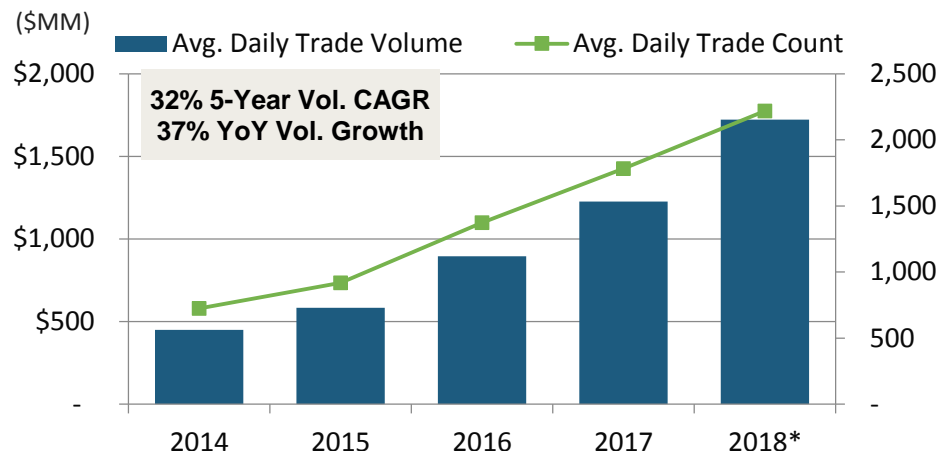
- Total emerging market volume up 33% to a record \$105 billion in 1Q18
- 941 active client firms trading EM, up 14%
- EM local markets trading volume up 43%; Bonds in 25 EM local markets currency bonds available for trading
- Request-for-market solution encouraging more block trading

Our growth in overall trading activity has been driven by share gains with new and existing clients

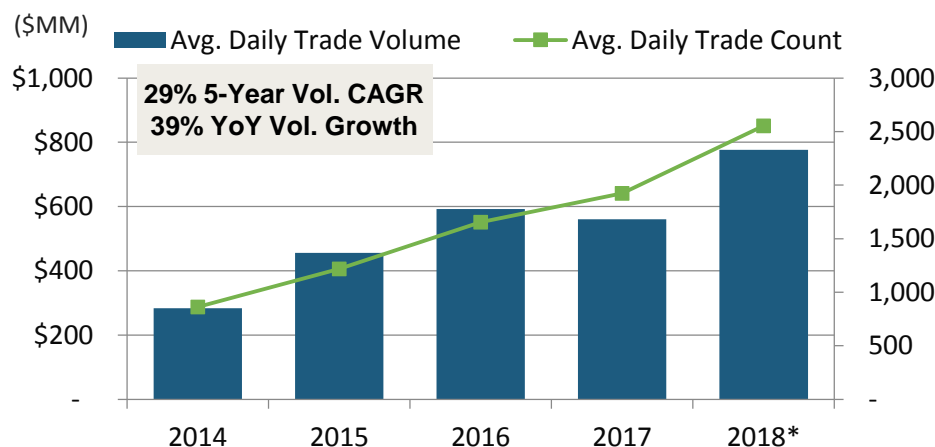
U.S. HIGH-GRADE



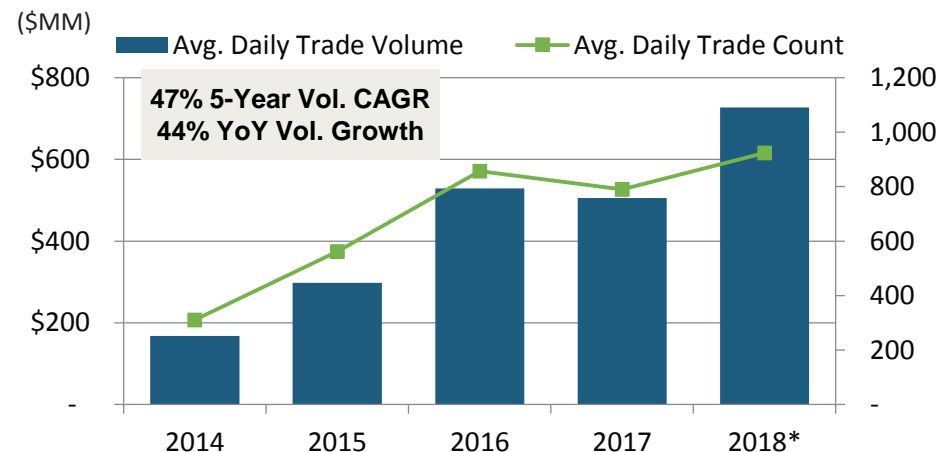
EMERGING MARKETS



U.S. HIGH-YIELD



EUROBOND



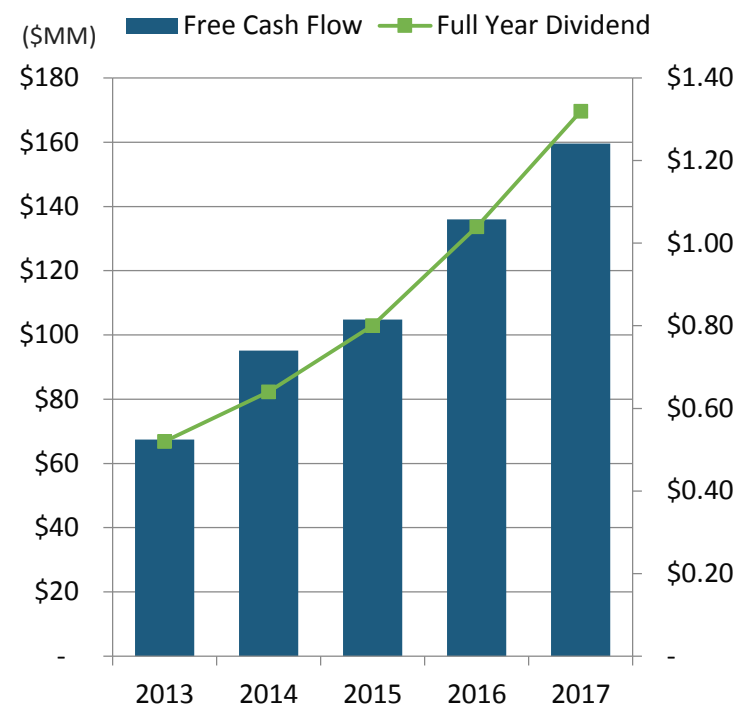
* 2018 volume year to date through March 2018

Strong cash flow generation with focus on investing in business and returning capital to shareholders

(\$ in thousands)

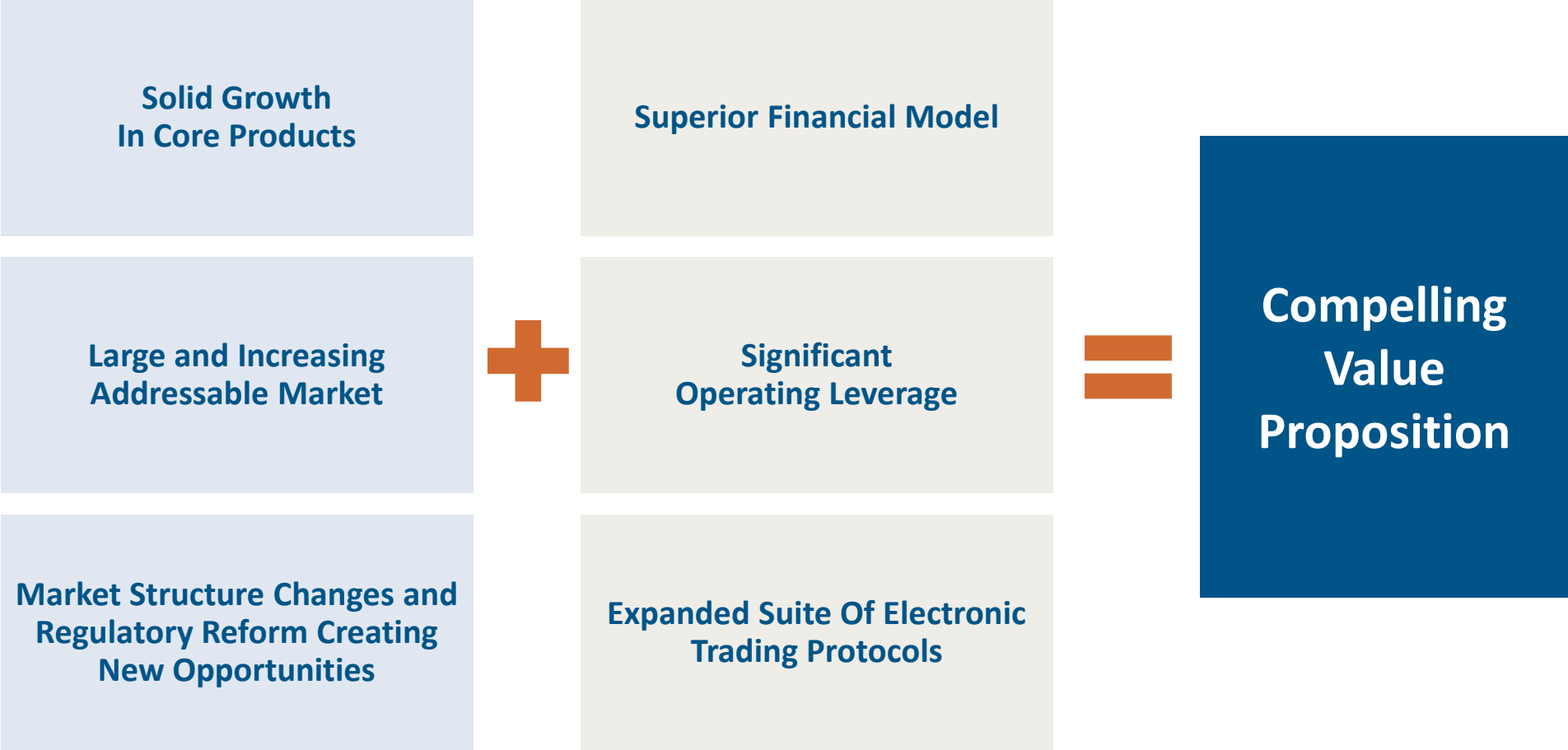
	<u>3/31/2018</u>	<u>12/31/2017</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 156,169	\$ 167,014
Investments	244,271	239,521
Accounts Receivable, net	67,529	52,636
All Other Assets	121,304	122,061
Total Assets	<u>\$ 589,273</u>	<u>\$ 581,232</u>
<u>Liabilities and Stockholders' Equity</u>		
Total Liabilities	\$ 52,109	\$ 66,464
Total Stockholders' Equity	537,164	514,768
Total Liabilities and Stockholders' Equity	<u>\$ 589,273</u>	<u>\$ 581,232</u>

FREE CASH FLOW AND DIVIDENDS



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

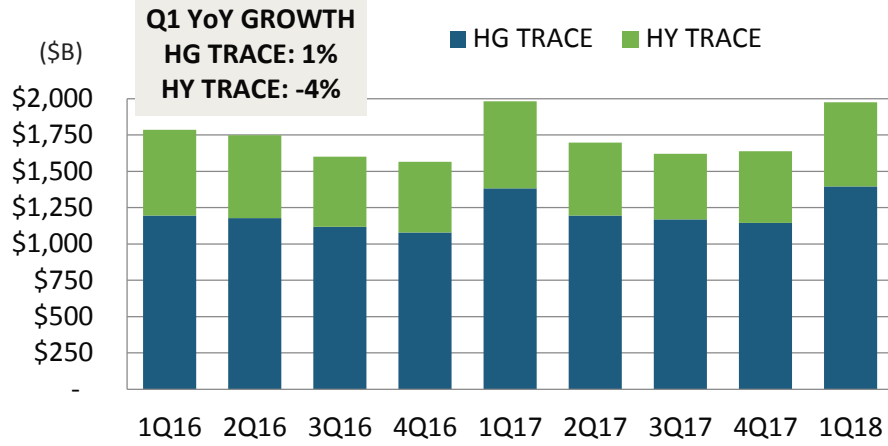
MarketAxess opportunity set is growing



APPENDIX

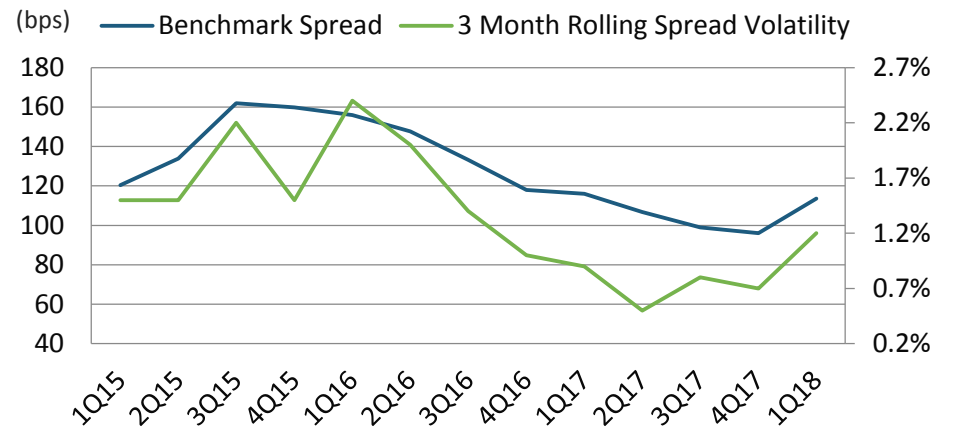
Market Conditions

U.S. HIGH-GRADE & HIGH-YIELD TRACE



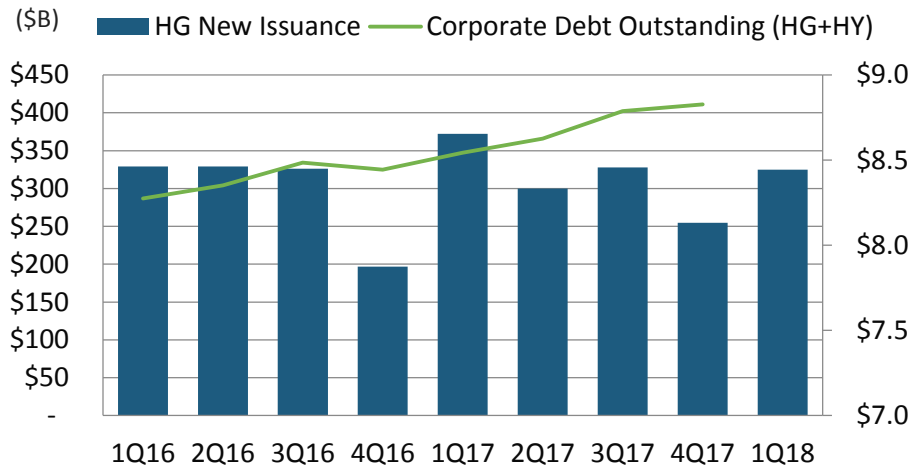
Source: BondTicker

LIQUID U.S. CORPORATE INDEX (LUCI)



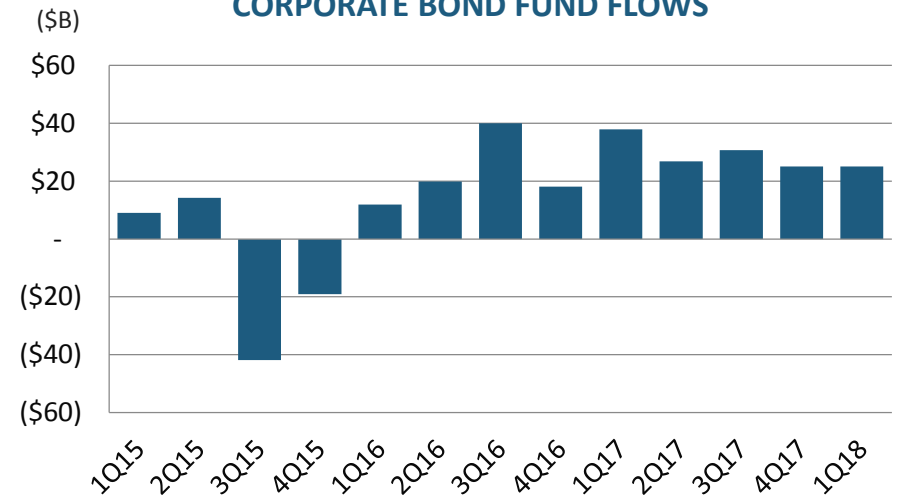
Source: Credit Suisse Global Credit Strategy

NEW ISSUANCE & DEBT OUTSTANDING



Source: JPMorgan; Federal Reserve

CORPORATE BOND FUND FLOWS



Source: ICI

Earnings Performance

(In thousands, except per share data)

	1Q18	4Q17	1Q17	Δ 1Q18 vs. 1Q17
Revenues				
Commissions	\$ 102,772	\$ 87,975	\$ 94,022	9.3%
Information Services	7,066	6,793	6,185	14.2%
Post-trade Services	4,576	3,467	2,456	86.3%
Other Income ¹	300	325	301	(0.3%)
Total Revenues	114,714	98,560	102,964	11.4%
Expenses ¹	54,541	49,723	47,806	14.1%
Operating Income	60,173	48,837	55,158	9.1%
Investment Income and Other, net ¹	840	534	449	87.1%
Income Before Taxes	61,013	49,371	55,607	9.7%
Provision for Income Taxes	13,073	15,898	13,144	(0.5%)
Net Income	\$ 47,940	\$ 33,473	\$ 42,463	12.9%

Operating Margin	52.5%	49.6%	53.6%	-1.1 pts
EBITDA ²	\$ 66,282	\$ 54,579	\$ 60,300	9.9%
Diluted EPS	\$ 1.27	\$ 0.88	\$ 1.11	14.4%
Diluted Shares ³	37,886	37,943	38,112	(0.6%)

1. The Company has revised the format of the consolidated statement of operations to separately present non-operating activities. See first quarter 2018 earnings release and the Investor Relations section of the Company's website for further information.

2. See first quarter 2018 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 shares of common stock, including the dilutive effect of outstanding securities.

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Commission Revenue Detail

(\$ in thousands)

	<u>1Q18</u>	<u>4Q17</u>	<u>1Q17</u>	% Δ 1Q18 vs. 1Q17
<u>Commissions</u>				
Transaction Fees				
U.S. High-Grade	\$ 38,767	\$ 34,623	\$ 35,523	9.1%
Other Credit ¹	40,427	30,271	41,695	(3.0%)
Liquid Products ²	583	531	630	(7.5%)
Total Transaction Fees	<u>79,777</u>	<u>65,425</u>	<u>77,848</u>	2.5%
Distribution Fees				
U.S. High-Grade	17,227	16,724	15,750	9.4%
Other Credit ¹	5,540	5,648	280	1878.6%
Liquid Products ^{2,3}	228	178	144	58.3%
Total Distribution Fees	<u>22,995</u>	<u>22,550</u>	<u>16,174</u>	42.2%
Total Commissions	<u>\$ 102,772</u>	<u>\$ 87,975</u>	<u>\$ 94,022</u>	9.3%

(\$ in millions)

<u>Trading Volume</u>				
U.S. High-Grade	\$ 250,985	\$ 201,226	\$ 219,394	14.4%
Other Credit ¹	199,943	141,857	159,724	25.2%
Liquid Products ²	14,079	12,543	15,306	(8.0%)
Total Trading Volume	<u>\$ 465,007</u>	<u>\$ 355,626</u>	<u>\$ 394,424</u>	17.9%

Transaction Fees per Million

U.S. High-Grade	\$ 154	\$ 172	\$ 162	(4.6%)
Other Credit ¹	202	213	261	(22.5%)
Liquid Products ²	41	42	41	0.6%
Total	<u>\$ 172</u>	<u>\$ 184</u>	<u>\$ 197</u>	(13.1%)

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.

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Expense Detail

(\$ in thousands)

<u>Expenses</u>	<u>1Q18</u>	<u>4Q17</u>	<u>1Q17</u>	<u>% Δ</u> <u>1Q18 vs.</u> <u>1Q17</u>
Employee Comp. and Benefits	\$ 28,834	\$ 24,225	\$ 27,284	5.7%
Depreciation and Amortization	5,269	5,208	4,693	12.3%
Technology and Communications	5,779	5,606	4,585	26.0%
Professional and Consulting	5,057	5,455	4,279	18.2%
Occupancy ¹	3,337	1,504	1,404	137.7%
Marketing and Advertising	2,065	3,005	1,886	9.5%
Clearing Costs	1,725	1,477	1,327	30.0%
General and Administrative	2,475	3,243	2,348	5.4%
Total Expenses	\$ 54,541	\$ 49,723	\$ 47,806	14.1%

1. Occupancy costs in the first quarter of 2018 includes \$1.7 million in duplicate expense recognized during the build-out phase of the Company's new corporate offices in New York.

2018 Guidance

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