

MARKETAXESS

1Q16

CONFERENCE CALL & WEBCAST

April 27, 2016

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.

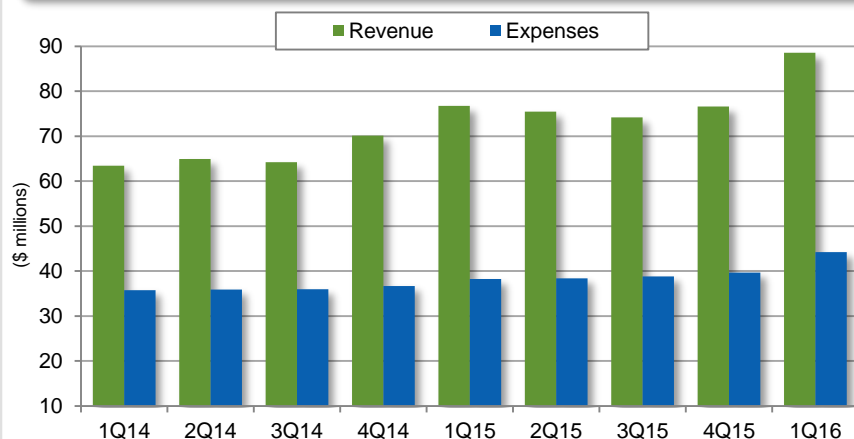
Earnings

- Record revenues of \$88.6 million, up 15.4%
- Expenses of \$44.2 million, up 15.5%
- Record pre-tax income of \$44.4 million, up 15.2%
- Record diluted EPS of \$0.77, up 18.5%

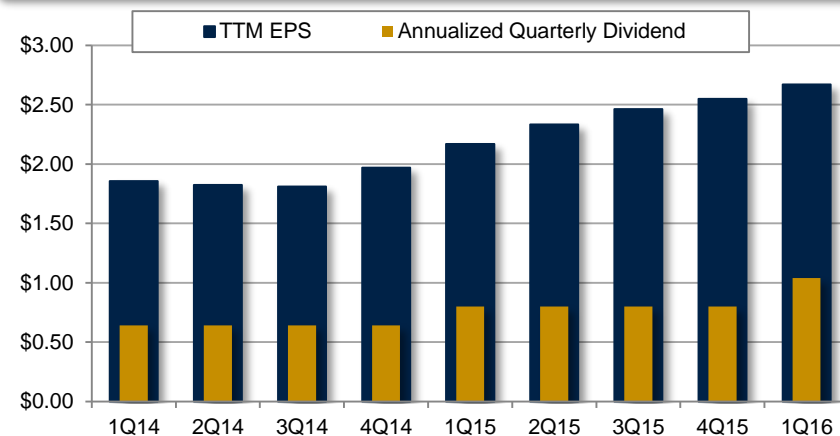
Business Highlights

- Record total trading volume up 27.2%
- Estimated U.S. high-grade market share² of 14.9%, up from 13.7%
- Record quarter for U.S. high-grade, U.S. high-yield, emerging market and eurobond volumes
- Record Open Trading™ volume and participation

Quarterly Revenue & Expense Trend



EPS & Dividend Trend



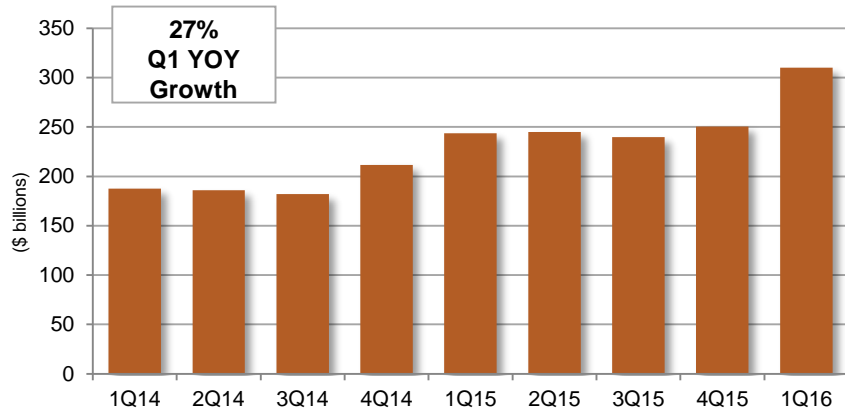
¹ All period comparisons versus 1Q15 unless otherwise stated.

² 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.

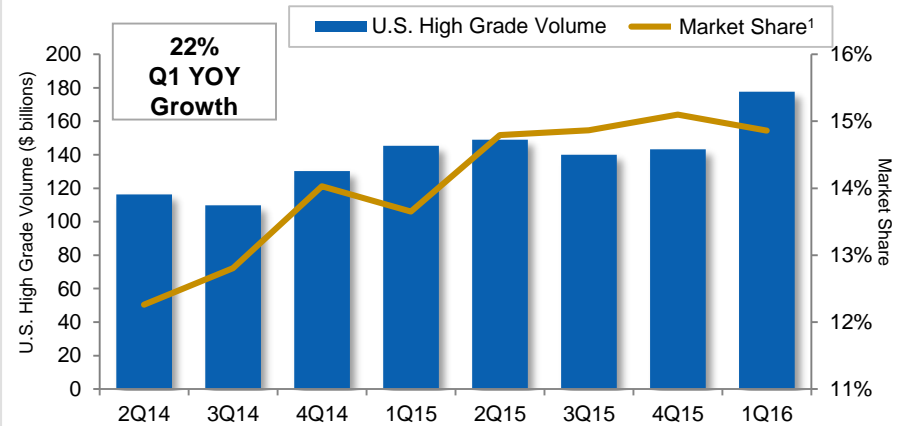
Quarterly Volume



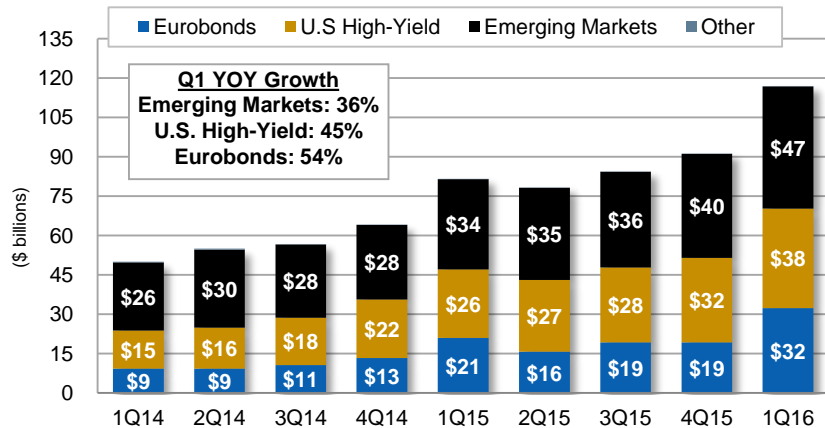
Global



U.S. High Grade



Other Credit



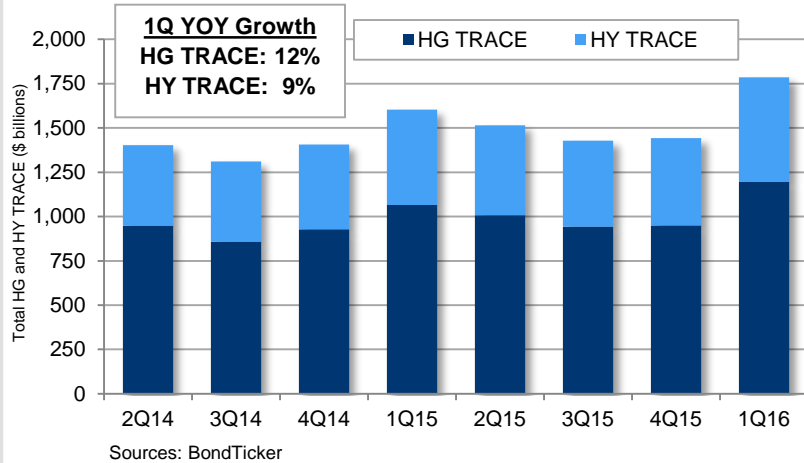
Note: includes high yield, emerging markets, eurobonds and structured products

Municipal Bonds

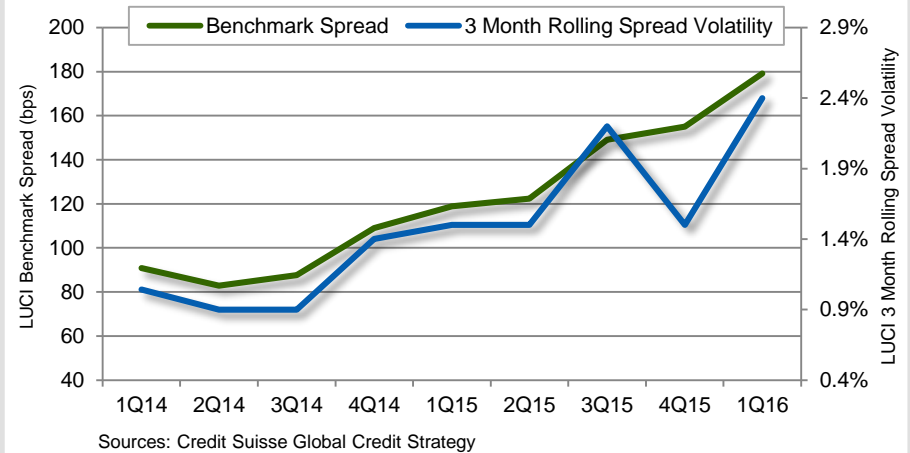
- Estimated MSRB average daily volume of \$6 billion
- Estimated fees per million ranging from \$350 to \$400 per million
- Approximately 200 investor and 65 dealer firms currently onboarded
- Estimated annual revenue from a 1% market share of approximately \$5-\$7 million

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.

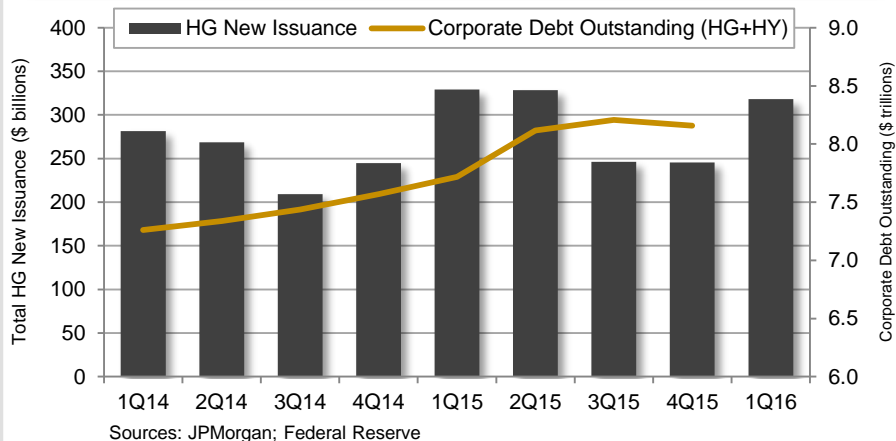
U.S. High-Grade & High-Yield TRACE¹



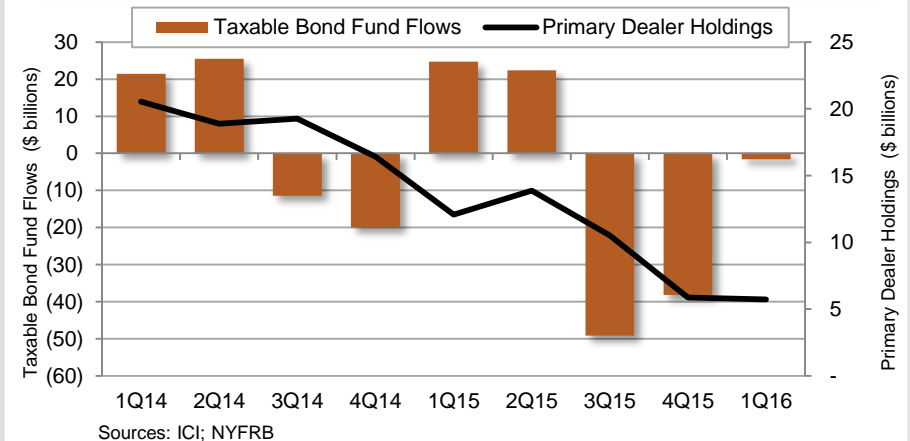
Liquid U.S. Corporate Index (LUCI)



New Issuance & Corporate Debt Outstanding



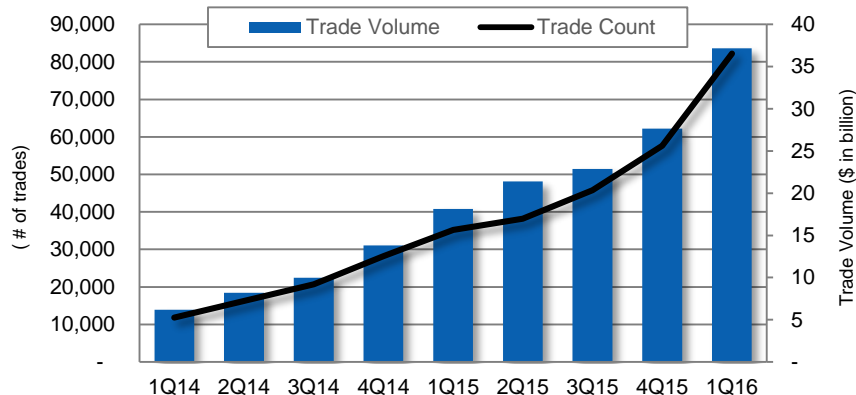
Taxable Bond Fund Flows & Primary Dealer Holdings²



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.

² Primary dealer holdings includes U.S. High-Grade and U.S. High-Yield positions greater than 13 months.

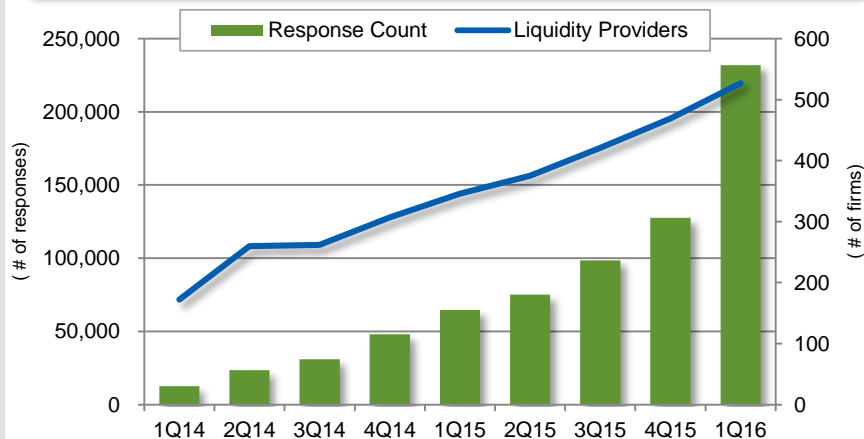
Open Trading Growth



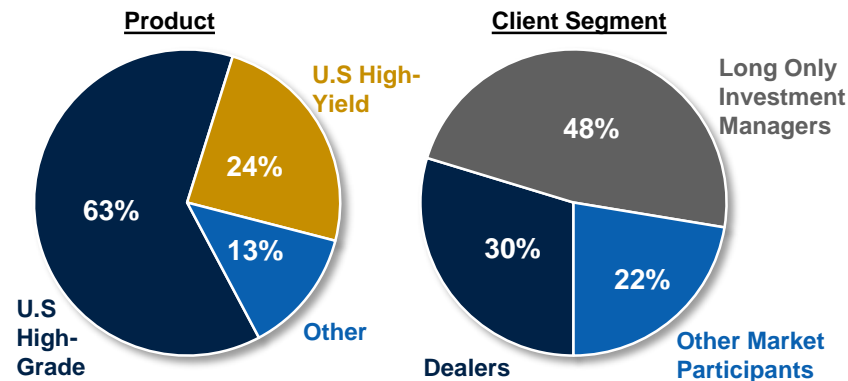
Highlights

- \$608 million average daily volume, up 106% from 1Q15 and up 36% from 4Q15
- Over 82,000 total Open Trading transactions completed in 1Q16, up from 35,000 in 1Q15
- Over 230,000 price responses in 1Q16, up 259% from 1Q15
- Average transaction cost savings of more than 5bp in yield through U.S. high-grade Open Trading in 1Q16

Market List Response Count & Liquidity Providers

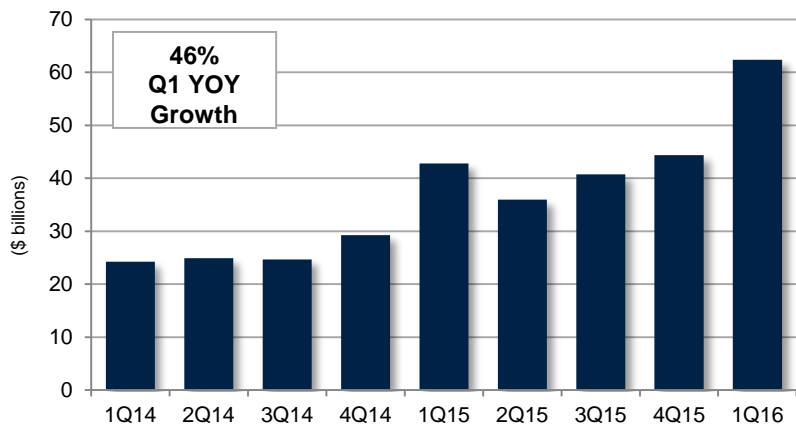


1Q16 Market List Liquidity Provider Trade Volume Breakdown



Note: Based on 1Q16 trade volume of firms winning Market List trades

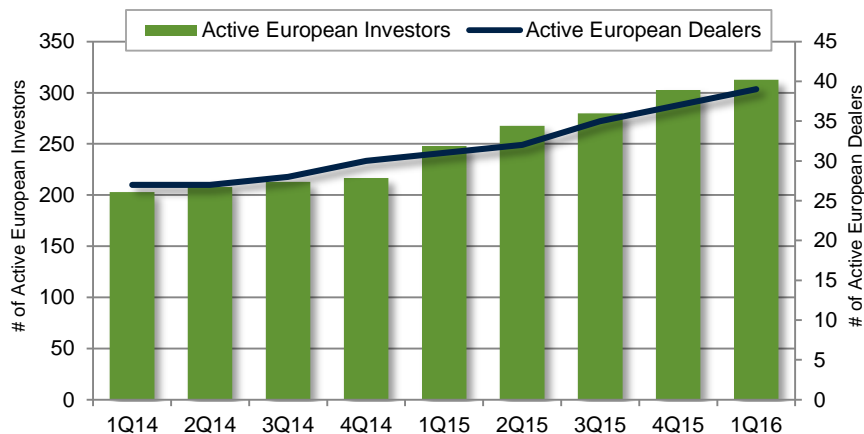
European Client Volumes



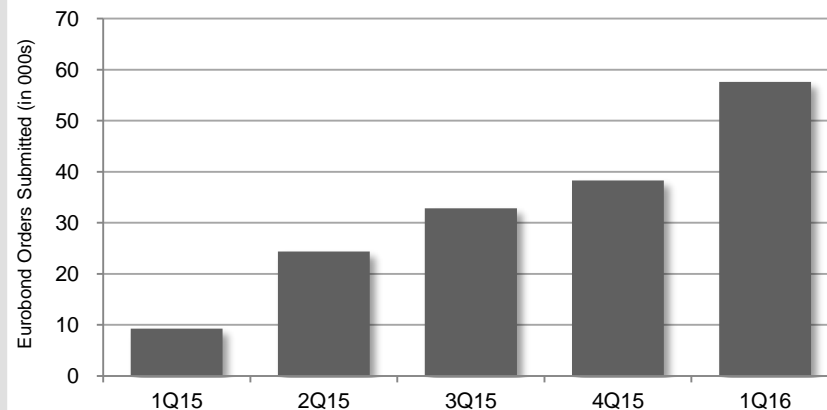
Highlights

- European client volume up 46%; Eurobond volume up 56%
- European dealers who joined since 2015 now represent 9% of Eurobond volume
- Open Trading Progress - 65% of Eurobond orders submitted to Market Lists
- Data revenue up 17% from 1Q15 in local currency

Active European Investor and Dealer Firms



Eurobond Orders Submitted to Market Lists



Earnings Performance



(In thousands, except per share data)

	<u>1Q16</u>	<u>4Q15</u>	<u>1Q15</u>	Δ <u>1Q16 vs.</u> <u>1Q15</u>
Revenues				
Commissions	\$ 79,093	\$ 67,613	\$ 67,018	18.0%
Information and Post-trade Services	7,779	7,678	7,679	1.3%
Investment and Other Income	1,701	1,353	2,074	(18.0%)
Total Revenues	<u>88,573</u>	<u>76,644</u>	<u>76,771</u>	15.4%
Expenses	<u>44,203</u>	<u>39,658</u>	<u>38,269</u>	15.5%
Income Before Taxes	<u>44,370</u>	<u>36,986</u>	<u>38,502</u>	15.2%
Provision for Income Taxes	15,407	12,495	13,909	10.8%
Net Income	<u>\$ 28,963</u>	<u>\$ 24,491</u>	<u>\$ 24,593</u>	17.8%
Operating Margin	50.1%	48.3%	50.2%	-0.1 pts
EBITDA¹	\$ 49,051	\$ 41,671	\$ 43,114	13.8%
Diluted EPS	\$ 0.77	\$ 0.65	\$ 0.65	\$ 0.12
Diluted Shares²	37,671	37,638	37,626	0.1%

¹ See first quarter 2016 earnings release and the Investor Relations section of the Company's website for reconciliation of net income to EBITDA

² Represents the weighted average number of share of common stock including the dilutive effect of outstanding securities.

Commission Revenue Detail



(\$ in thousands)		1Q16	4Q15	1Q15	% Δ 1Q16 vs. 1Q15
Commissions					
Transaction Fees					
U.S. High-Grade		\$ 31,568	\$ 24,686	\$ 26,887	17.4%
Other Credit ¹		30,921	26,002	23,753	30.2%
Liquid Products ²		620	606	701	(11.6%)
Total Transaction Fees		63,109	51,294	51,341	22.9%
Distribution Fees					
U.S. High-Grade		14,224	14,665	13,950	2.0%
Other Credit ¹		1,500	1,439	1,446	3.7%
Liquid Products ^{2,3}		260	215	281	(7.5%)
Total Distribution Fees		15,984	16,319	15,677	2.0%
Total Commissions		\$ 79,093	\$ 67,613	\$ 67,018	18.0%
(\$ in millions)					
Trading Volume					
U.S. High-Grade		\$ 177,726	\$ 143,249	\$ 145,382	22.2%
Other Credit ¹		116,974	91,257	81,619	43.3%
Liquid Products ²		15,320	15,864	16,675	(8.1%)
Total Trading Volume		\$ 310,020	\$ 250,370	\$ 243,676	27.2%
Transaction Fees per Million					
U.S. High-Grade		\$ 178	\$ 172	\$ 185	(4.0%)
Other Credit ¹		264	285	291	(9.2%)
Liquid Products ²		40	38	42	(4.9%)
Total		\$ 204	\$ 205	\$ 211	(3.4%)

¹ Other Credit includes high-yield, emerging markets, Eurobonds and structured products 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>1Q16</u>	<u>4Q15</u>	<u>1Q15</u>	<u>% Δ</u> <u>1Q16 vs.</u> <u>1Q15</u>
Employee Comp. and Benefits	\$ 24,527	\$ 21,087	\$ 21,174	15.8%
Depreciation and Amortization	4,681	4,685	4,612	1.5%
Technology and Communications	4,304	3,720	4,338	(0.8%)
Professional and Consulting	3,862	3,540	3,282	17.7%
Occupancy	1,161	1,215	992	17.0%
Marketing and Advertising	1,778	1,888	1,192	49.2%
General and Administrative ¹	<u>3,890</u>	<u>3,523</u>	<u>2,679</u>	45.2%
Total Expenses	<u>\$ 44,203</u>	<u>\$ 39,658</u>	<u>\$ 38,269</u>	15.5%

¹ Includes clearing costs of \$1.8 million, \$1.1 million and \$0.7 million for the three months end March 31, 2016, December 31, 2015, and March 31, 2015, respectively.

Balance Sheet Data



(\$ in thousands)

	<u>3/31/2016</u>	<u>12/31/2015</u>	<u>% Δ vs. 12/31/2015</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 137,995	\$ 199,728	(30.9%)
Investments	147,226	84,706	73.8%
Accounts Receivable, net	52,755	40,459	30.4%
All Other Assets	<u>113,866</u>	<u>114,148</u>	(0.2%)
Total Assets	<u>\$ 451,842</u>	<u>\$ 439,041</u>	2.9%
<u>Liabilities and Stockholders' Equity</u>			
Total Liabilities	\$ 41,426	\$ 48,328	(14.3%)
Total Stockholders' Equity	<u>410,416</u>	<u>390,713</u>	5.0%
Total Liabilities and Stockholders' Equity	<u>\$ 451,842</u>	<u>\$ 439,041</u>	2.9%

- **Cash, Cash Equivalents & Investments represented \$7.57 per share on a diluted basis as of 3/31/16**
- **Total Shareholders' Equity was \$10.89 per share on a diluted basis as of 3/31/16**

- **Record revenue, pre-tax income and EPS**
- **Record trading volume and strong market share gains across each of our core products**
- **Open Trading momentum accelerates**
- **Expanding global product footprint**