

MARKETAXESS

1Q15

CONFERENCE CALL & WEBCAST

April 22, 2015

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.

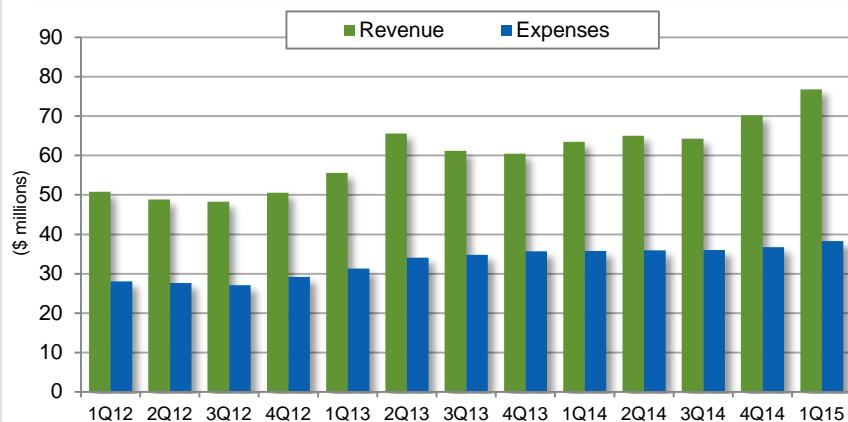
Earnings

- Record revenues of \$76.8 million, up 21.1%
- Expenses of \$38.3 million, up 7.2%
- Record pre-tax income of \$38.5 million, up 39.0%
- Record diluted EPS of \$0.65, up from \$0.46

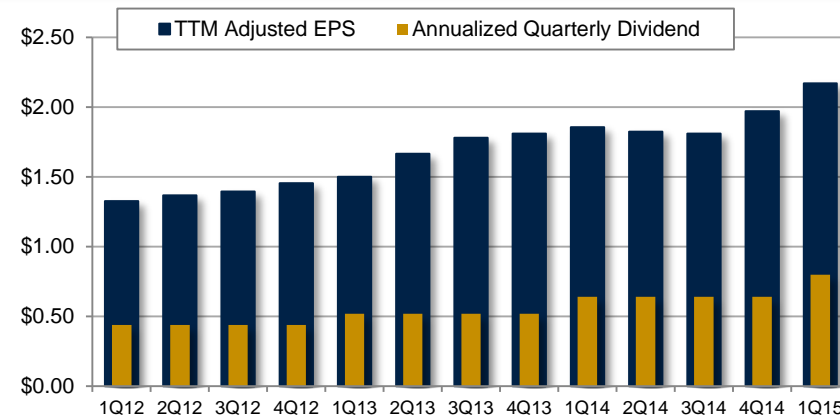
Business Highlights

- Record quarter for High Grade, High Yield, EM and Open Trading volume and commission revenue
- Adjusted estimated High Grade² market share of 15.6%, up from 13.4%
- Adjusted High Grade TRACE² volume up 5%; High Yield TRACE volume up 25%
- Total trading volume up 30%; European client volumes up 75%

Quarterly Revenue and Expense Trend



Adjusted EPS³ and Dividend Trend

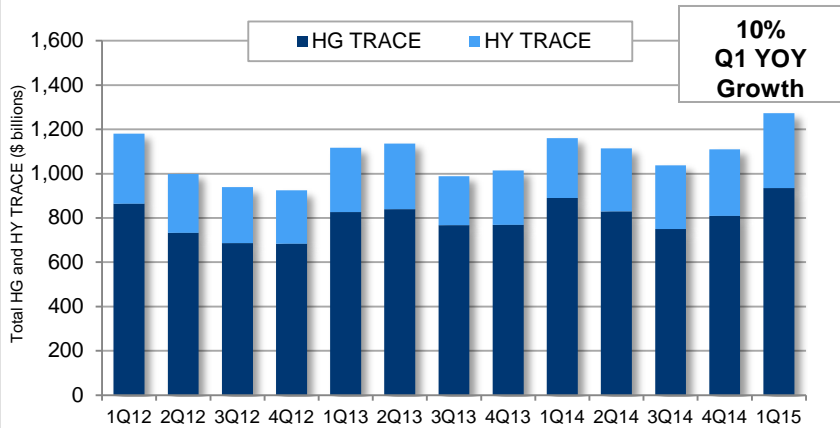


¹ All period comparisons versus 1Q14 unless otherwise stated.

² FINRA TRACE volumes have been adjusted to eliminate the increased reporting of affiliate back-to-back trade and exclude 144A securities. See Investor Relations-Volume section of Company website.

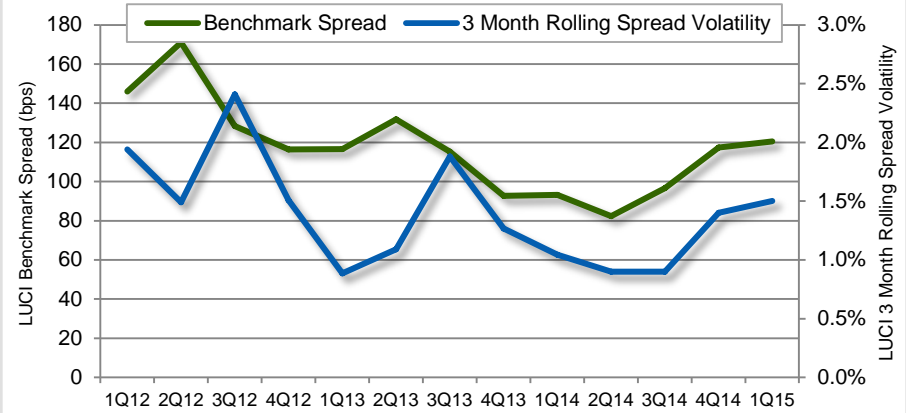
³ Adjusted for a one-time favorable tax adjustment in the fourth quarter of 2012.

U.S. High-Grade and High-Yield TRACE¹



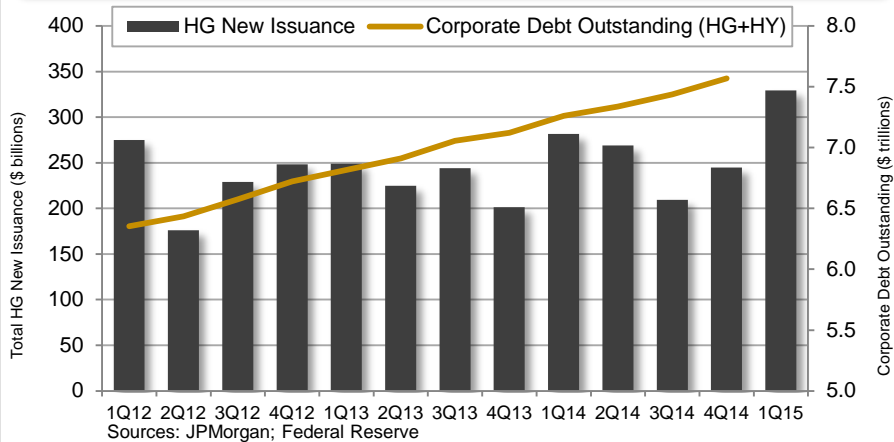
Sources: BondTicker

Liquid U.S. Corporate Index (LUCI)



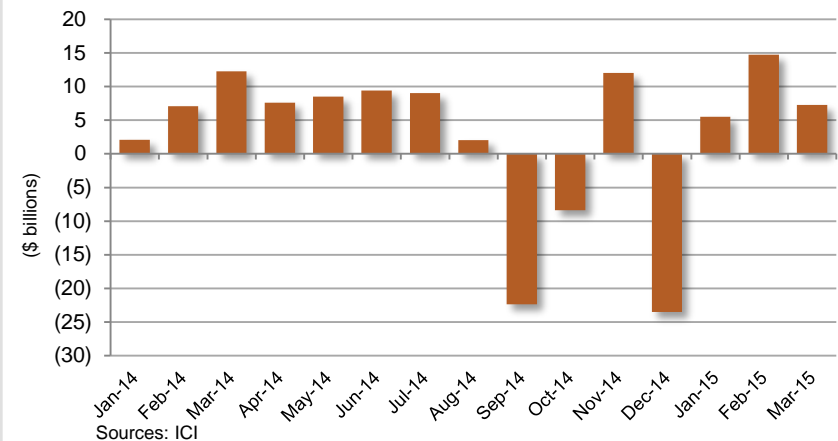
Sources: Credit Suisse Global Credit Strategy

New Issuance and Corporate Debt Outstanding



Sources: JPMorgan; Federal Reserve

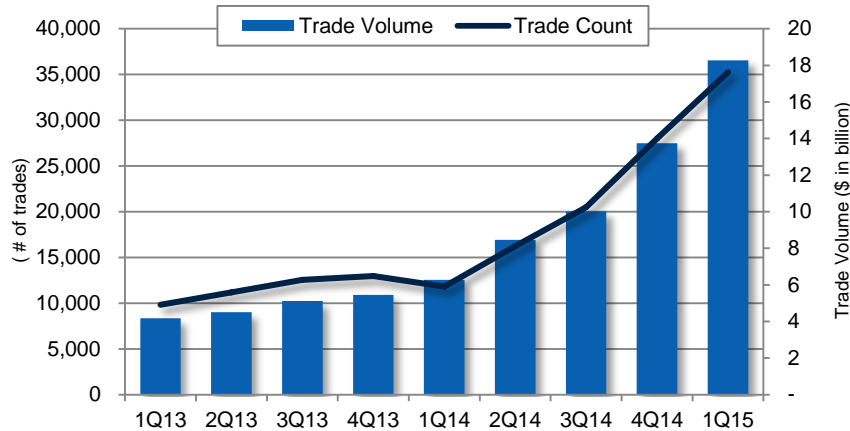
Monthly Taxable Bond Fund Flows



Sources: ICI

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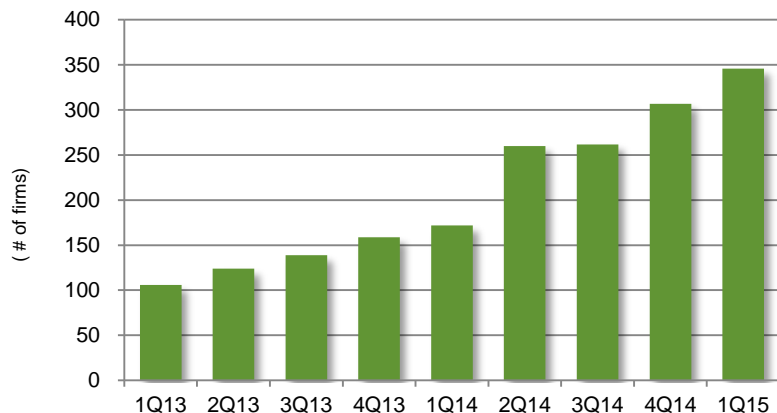
Open Trading Growth



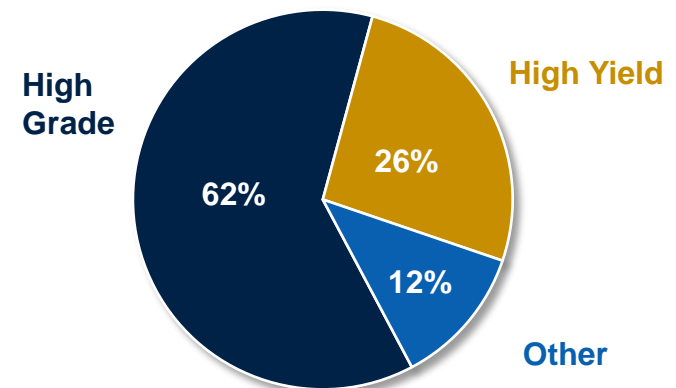
Highlights

- \$300 million average daily volume, up 187% from 1Q14
- Over 35,000 total Open Trading transactions completed in 1Q15, up from 11,800 in 1Q14
- 346 different firms provided Open Trading liquidity during the quarter, up from 172 in 1Q14
- Average transaction cost savings of approx. 3bp in yield through U.S. High Grade Open Trading
- Over 9% of U.S. trades on MarketAxess now take place via Open Trading protocols

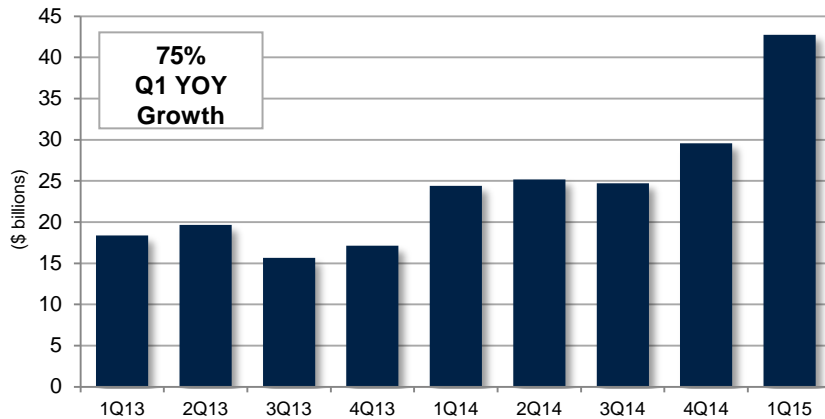
Firms Responding To Market List Orders



1Q15 Open Trading Trade Count By Product



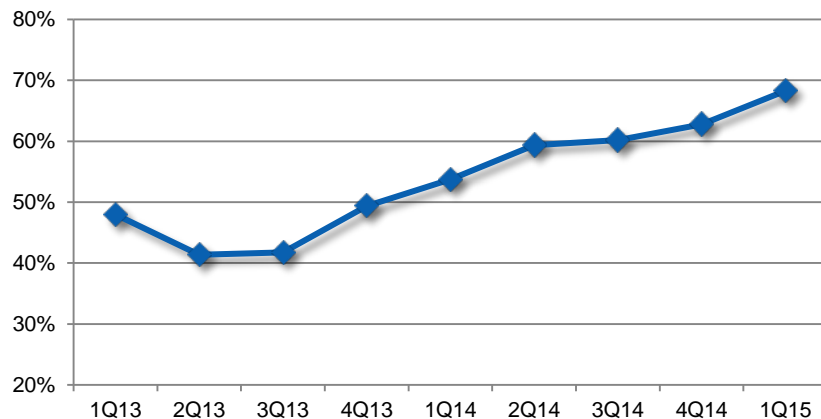
European Client Volumes



European Trading, Post-Trade and Data

- Record quarterly trading volume from European clients
- Expanded liquidity pool with the addition of 4 dealers
- Open Trading launched for European Credit; BlackRock partnership expanded into Europe
- 24% of Eurobond inquiry submitted to Market Lists
- Axess All™ intra-day trade tape launched in February
- Trax technology build-out complete
- Growing revenue and earnings contribution from European region

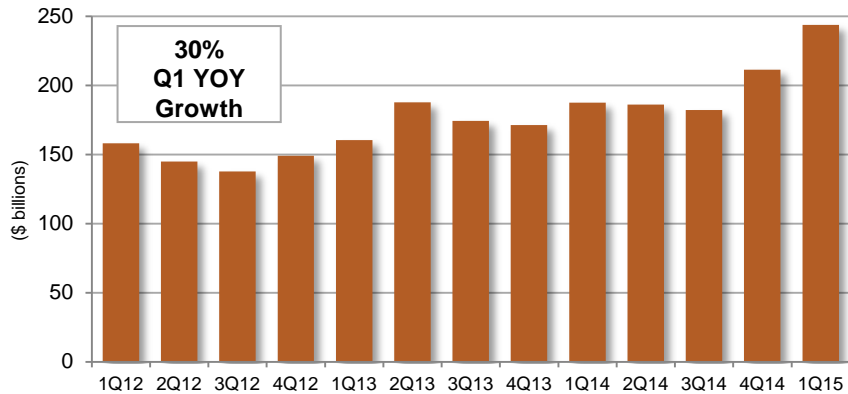
Eurobond C2D Hit Rates



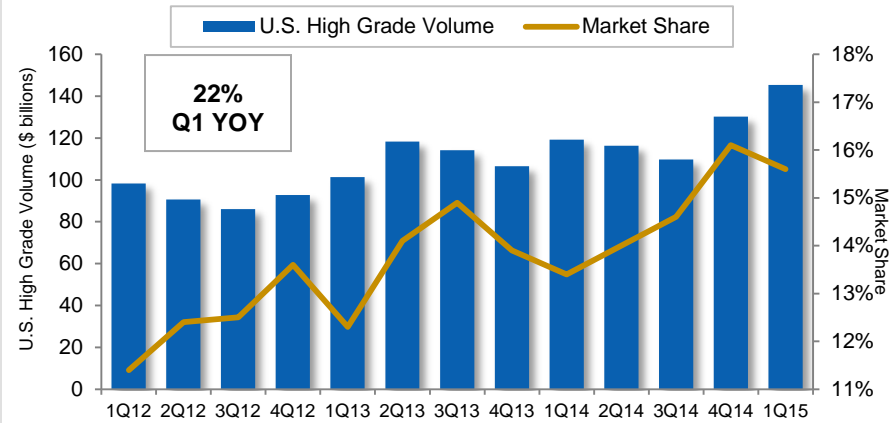
Quarterly Volume



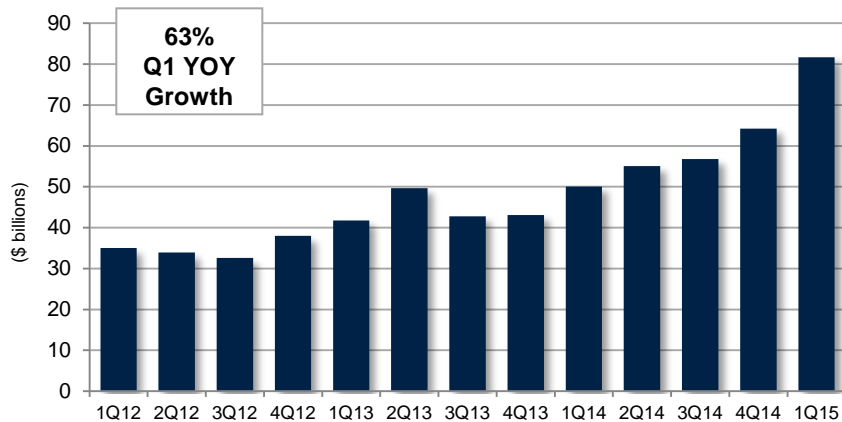
Global



U.S. High Grade

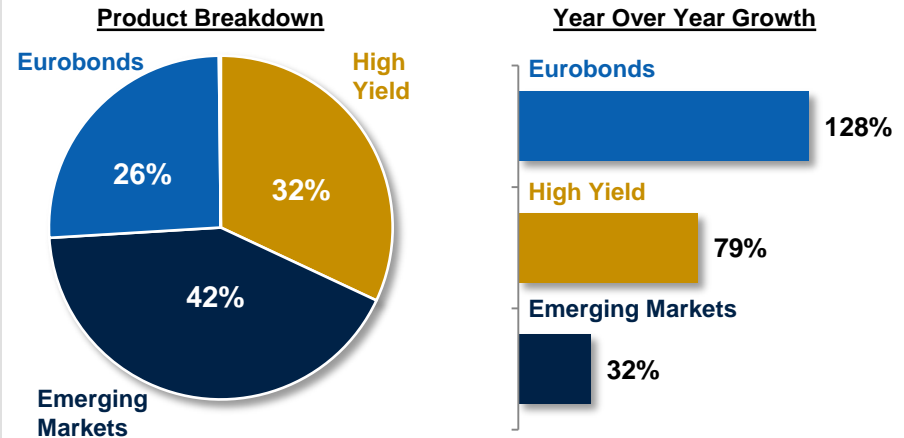


Other Credit



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

1Q15 Other Credit Volume Breakdown and Growth



Earnings Performance



(In thousands, except per share data)

	<u>1Q15</u>	<u>4Q14</u>	<u>1Q14</u>	Δ <u>1Q15 vs.</u> <u>1Q14</u>
Revenues				
Commissions	\$67,018	\$60,372	\$51,989	28.9%
Information and Post-trade Services	7,679	7,869	8,079	(5.0%)
Technology Products & Services	1,420	1,289	2,036	(30.3%)
Investment and Other Income	654	637	1,294	(49.5%)
Total Revenues	<u>76,771</u>	<u>70,167</u>	<u>63,398</u>	21.1%
Expenses	<u>38,269</u>	<u>36,678</u>	<u>35,690</u>	7.2%
Income Before Taxes	<u>38,502</u>	<u>33,489</u>	<u>27,708</u>	39.0%
Provision for Income Taxes	<u>13,909</u>	<u>11,853</u>	<u>10,233</u>	35.9%
Net Income	<u>\$24,593</u>	<u>\$21,636</u>	<u>\$17,475</u>	40.7%
Operating Margin	50.2%	47.7%	43.7%	6.4 pts
EBITDA¹	\$43,114	\$37,914	\$31,829	35.5%
Diluted EPS	\$ 0.65	\$ 0.57	\$ 0.46	\$ 0.19
Diluted Shares²	37,626	37,711	38,096	(1.2%)

¹ See first quarter 2015 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)		1Q15	4Q14	1Q14	% Δ 1Q15 vs. 1Q14
Commissions					
Transaction Fees					
U.S. High-Grade		\$ 26,887	\$ 23,146	\$ 19,948	34.8%
Other Credit ¹		23,753	20,245	15,054	57.8%
Liquid Products ²		701	725	816	(14.1%)
Total Transaction Fees		<u>51,341</u>	<u>44,116</u>	<u>35,818</u>	43.3%
Distribution Fees					
U.S. High-Grade		13,950	14,441	13,972	(0.2%)
Other Credit ¹		1,446	1,609	2,152	(32.8%)
Liquid Products ³		281	206	47	497.9%
Total Distribution Fees		<u>15,677</u>	<u>16,256</u>	<u>16,171</u>	(3.1%)
Total Commissions		<u>\$ 67,018</u>	<u>\$ 60,372</u>	<u>\$ 51,989</u>	28.9%
(\$ in millions)					
Trading Volume					
U.S. High-Grade		\$ 145,382	\$ 130,194	\$ 119,164	22.0%
Other Credit ¹		81,619	64,211	50,050	63.1%
Liquid Products ²		16,675	16,964	18,203	(8.4%)
Total Trading Volume		<u>\$ 243,676</u>	<u>\$ 211,369</u>	<u>\$ 187,417</u>	30.0%
Transaction Fees per Million					
U.S. High-Grade		\$ 185	\$ 178	\$ 167	10.5%
Other Credit ¹		291	315	301	(3.2%)
Liquid Products ²		42	42	45	(6.2%)
Total		<u>\$ 211</u>	<u>\$ 209</u>	<u>\$ 191</u>	10.2%

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>1Q15</u>	<u>4Q14</u>	<u>1Q14</u>	<u>% Δ</u> <u>1Q15 vs.</u> <u>1Q14</u>
Employee Comp. and Benefits	\$ 21,174	\$ 19,376	\$ 18,609	13.8%
Depreciation and Amortization	4,612	4,425	4,121	11.9%
Technology and Communications	4,338	4,385	4,492	(3.4%)
Professional and Consulting	3,282	3,463	3,972	(17.4%)
All Other Expenses ¹	<u>4,863</u>	<u>5,029</u>	<u>4,496</u>	8.2%
Total Expenses	<u>\$ 38,269</u>	<u>\$ 36,678</u>	<u>\$ 35,690</u>	7.2%

¹ All other expenses include occupancy, marketing and advertising and general and administrative expenses.

Balance Sheet Data



(\$ in thousands)

	<u>3/31/2015</u>	<u>12/31/2014</u>	<u>% Δ vs. 12/31/2014</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 161,048	\$ 168,924	(4.7%)
Securities Available-For-Sale	62,195	64,863	(4.1%)
Accounts Receivable, net	46,062	33,836	36.1%
All Other Assets	<u>109,389</u>	<u>112,261</u>	(2.6%)
Total Assets	<u>\$ 378,694</u>	<u>\$ 379,884</u>	(0.3%)
<u>Liabilities and Stockholders' Equity</u>			
Total Liabilities	\$ 34,024	\$ 45,676	(25.5%)
Total Stockholders' Equity	<u>344,670</u>	<u>334,208</u>	3.1%
Total Liabilities and Stockholders' Equity	<u>\$ 378,694</u>	<u>\$ 379,884</u>	(0.3%)

- **Cash, Cash Equivalents & Securities Available-For-Sale represented \$5.93 per share on a diluted basis as of 3/31/15**
- **Total Shareholders' Equity was \$9.16 per share on a diluted basis as of 3/31/15**

- **Strong growth in trading volume and market share across all major product categories**
- **Open Trading delivering unique liquidity**
- **Continued growth in European region**

