



Q3 2018 Conference Call and Webcast

October 24, 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.

3Q18 Summary¹

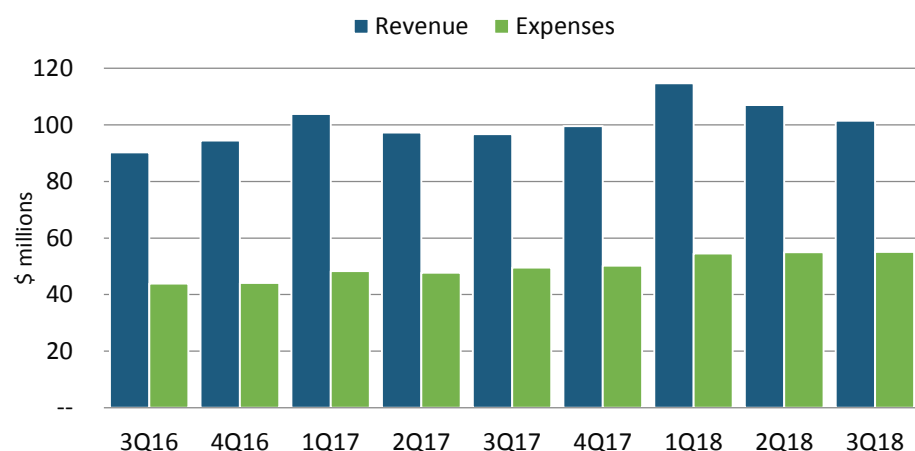
EARNINGS

- Revenues of \$101.4 million, up 6.1%.
- Expenses of \$55.0 million, up 12.4%; excluding \$1.9 million of duplicate occupancy expense, up 8.6%.
- Operating income of \$46.4 million.
- Diluted EPS of \$1.02, up 13.3%.

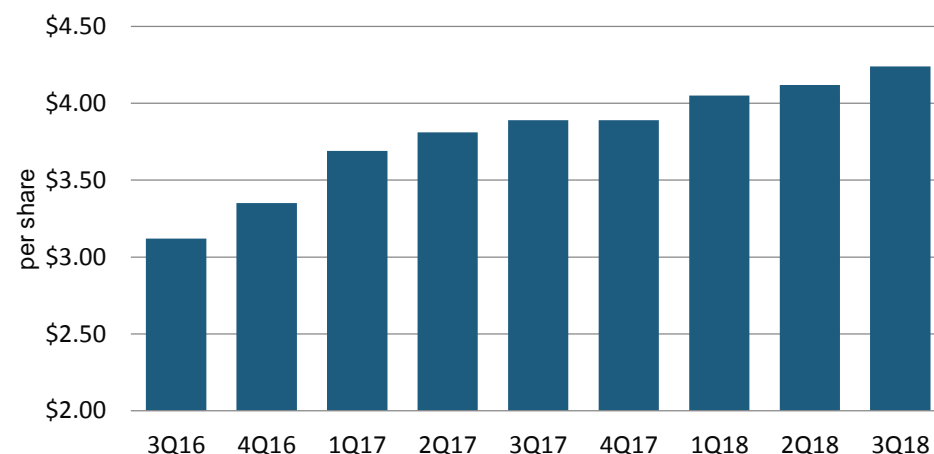
BUSINESS HIGHLIGHTS

- Total trading volume of \$385.5 billion, up 11.2%.
- Estimated U.S. high-grade market share of 17.5%, up from 17.2%.
- Record estimated U.S. high-yield market share of 9.2%, up from 6.9%.
- Emerging market volume of \$87.3 billion, up 22.0%, and Eurobond volume of \$38.1 billion, up 28.4%.
- Open Trading™ volume of \$88.3 billion, up 58.3%.

QUARTERLY REVENUE & EXPENSE TREND



TRAILING TWELVE MONTHS EPS

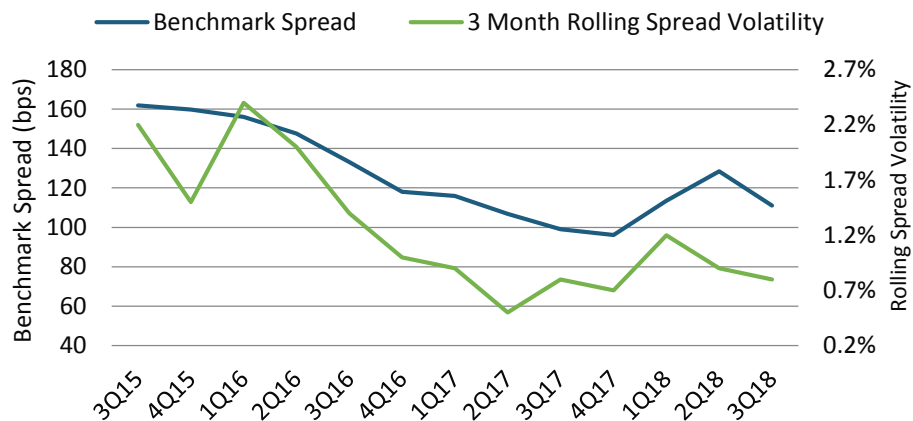


1. All period comparisons versus 3Q17 unless otherwise stated.

MarketAxess.com | ©2018 MarketAxess Holdings Inc. (the “Company”). MarketAxess, the MarketAxess logo, Open Trading, Trax, and “Now you’re in the market” are trademarks of the Company. MarketAxess Corporation is a member of FINRA and SIPC. MarketAxess Europe Limited and MarketAxess Capital Limited are authorised and regulated by the UK Financial Conduct Authority. MarketAxess Singapore Pte. Limited is recognised by the Monetary Authority of Singapore. This information is not intended to represent an offer or solicitation of any financial instrument. Proprietary and confidential information of the Company—all forms of copying prohibited.

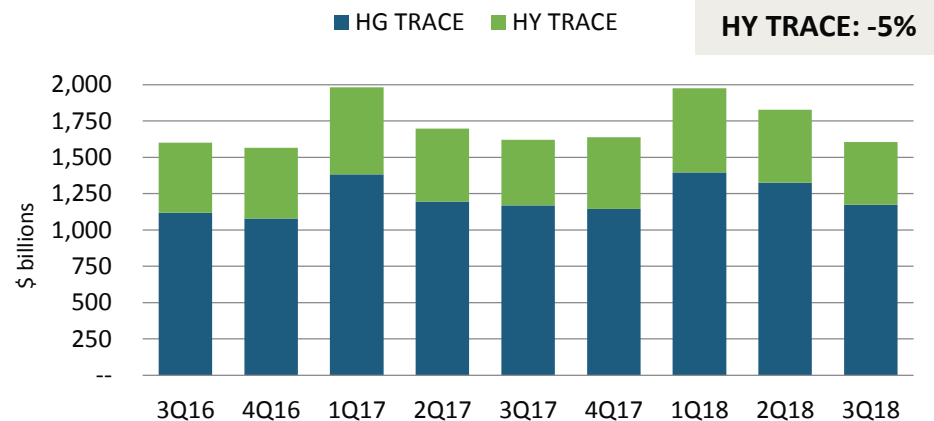
Market Conditions

LIQUID U.S. CORPORATE INDEX (LUCI)



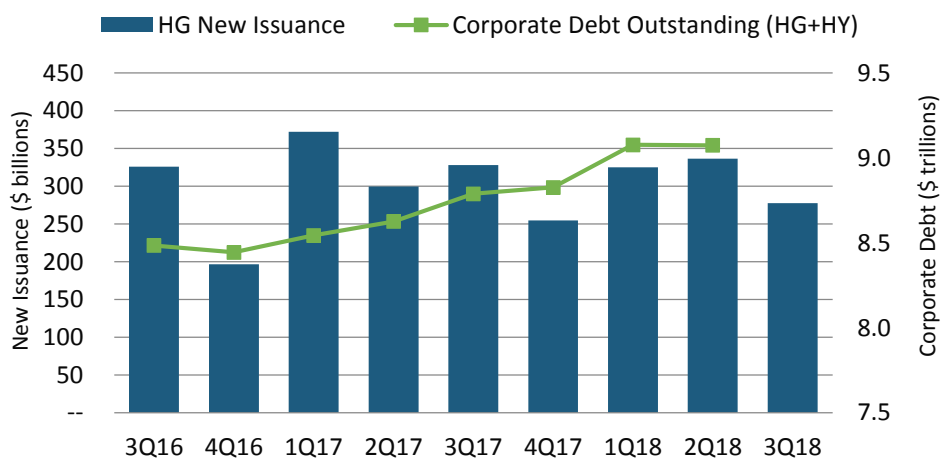
Source: Credit Suisse Global Credit Strategy

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



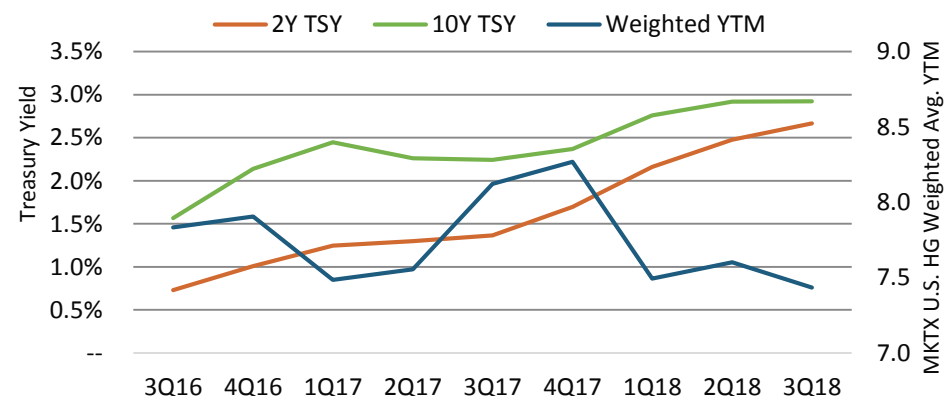
Source: BondTicker

NEW ISSUANCE & CORPORATE DEBT OUTSTANDING



Source: JPMorgan; Federal Reserve

10 YEAR & 2 YEAR TREASURY YIELD & MKTX U.S. HIGH GRADE WEIGHTED AVG YTM



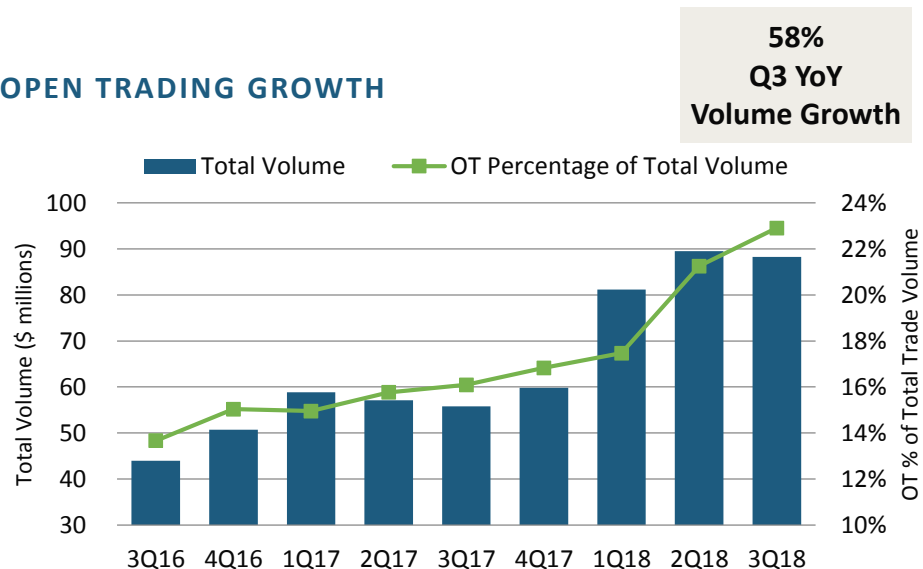
Source: Federal Reserve

Open Trading™

HIGHLIGHTS

- \$1.4 billion average daily volume, up 58.2% from 3Q17.
- Over 282,000 total Open Trading transactions completed in 3Q18, up from 155,000 in 3Q17.
- Approximately 1,473,000 price responses in 3Q18, up 107% from 3Q17.
- Estimated system-wide liquidity taker total cost savings of \$35.6 million in 3Q18, up 67.8% from 3Q17¹.

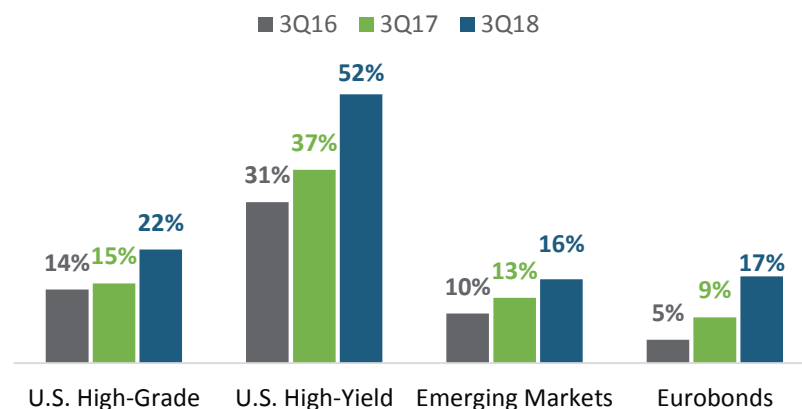
OPEN TRADING GROWTH



OPEN TRADING TRADE & RESPONSE COUNTS



OPEN TRADING VOLUME AS PERCENT OF TOTAL PRODUCT VOLUME

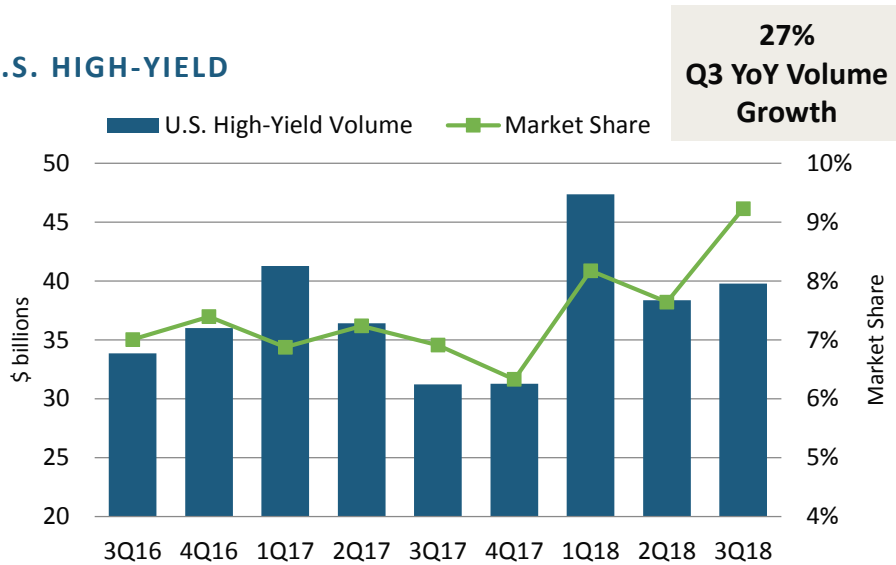


1. Activity is for Market List-winning trades only. Cost Savings is defined as the difference between the best cover (non-winning) level from a disclosed dealer and the winning level times the quantity across all anonymous trades. Products include U.S. high-grade, high-yield, emerging markets, Eurobonds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

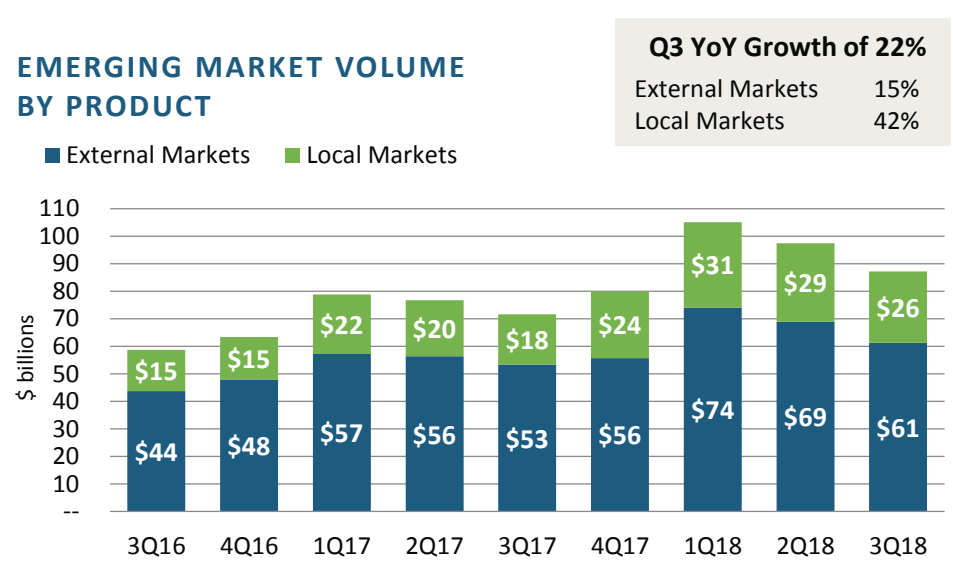
MarketAxess.com | ©2018 MarketAxess Holdings Inc. (the "Company"). MarketAxess, the MarketAxess logo, Open Trading, Trax, and "Now you're in the market" are trademarks of the Company. MarketAxess Corporation is a member of FINRA and SIPC. MarketAxess Europe Limited and MarketAxess Capital Limited are authorised and regulated by the UK Financial Conduct Authority. MarketAxess Singapore Pte. Limited is recognised by the Monetary Authority of Singapore. This information is not intended to represent an offer or solicitation of any financial instrument. Proprietary and confidential information of the Company—all forms of copying prohibited.

Product and Geographic Diversification

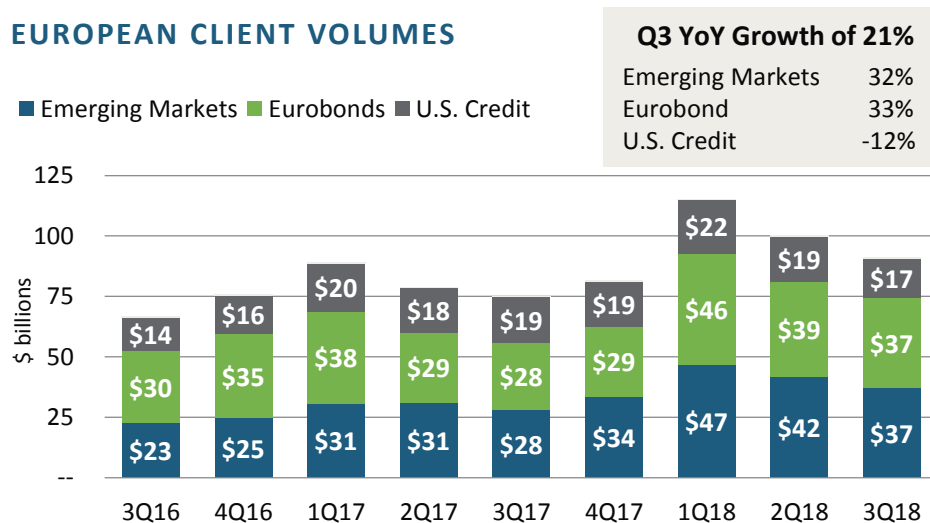
U.S. HIGH-YIELD



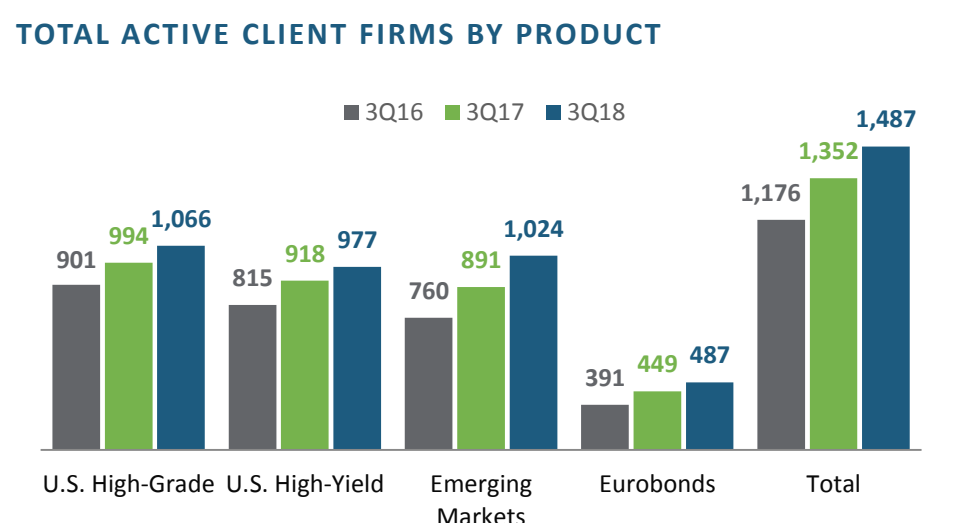
EMERGING MARKET VOLUME BY PRODUCT



EUROPEAN CLIENT VOLUMES

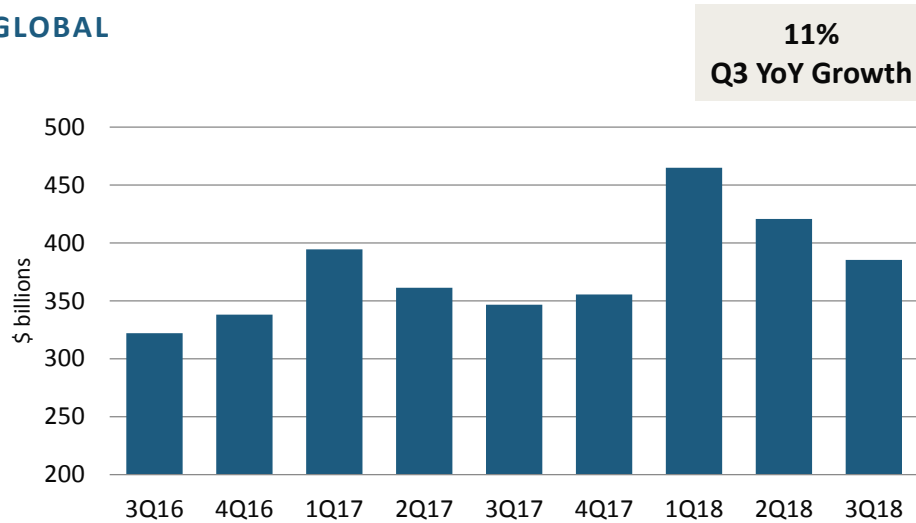


TOTAL ACTIVE CLIENT FIRMS BY PRODUCT

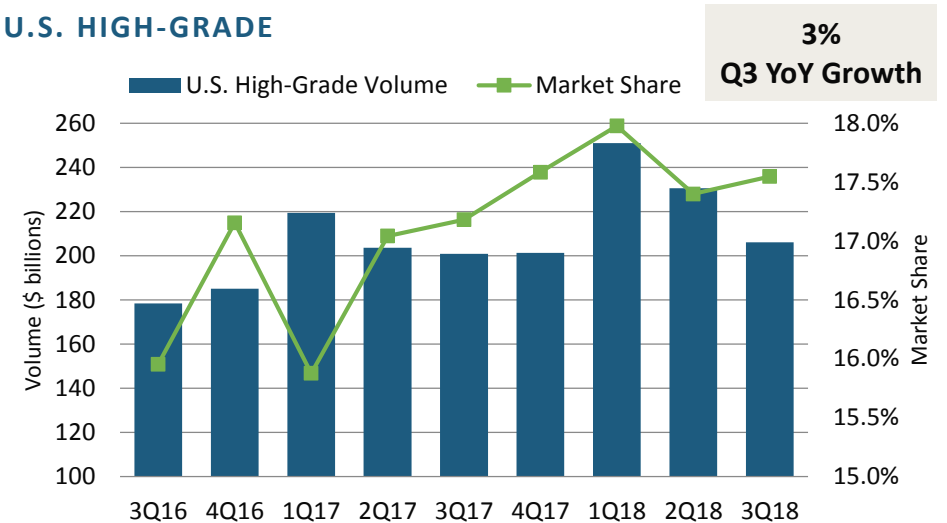


Quarterly Volume

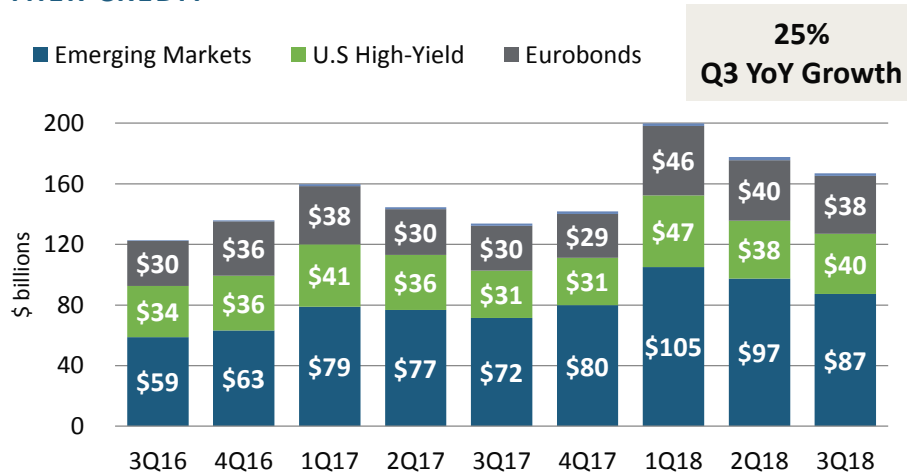
GLOBAL



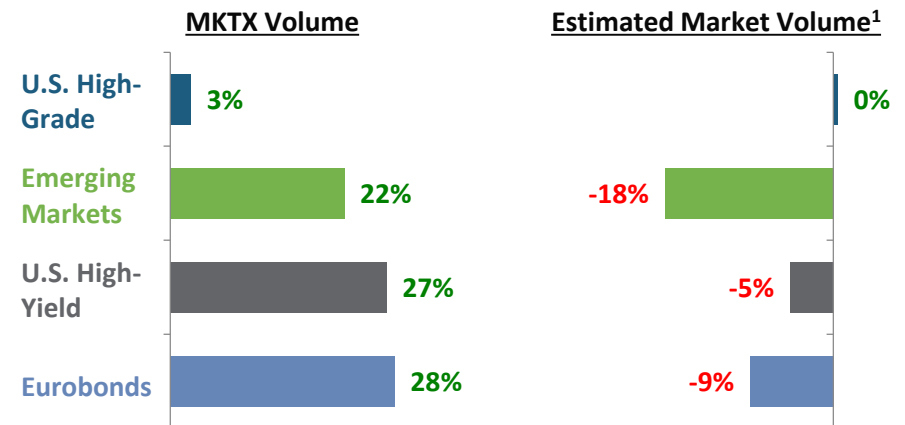
U.S. HIGH-GRADE



OTHER CREDIT



3Q18 YOY CHANGE IN MKTX AND ESTIMATED MARKET VOLUMES



1. Estimated market volumes based on FINRA TRACE and TRAX reported volumes reported in US dollars.

Earnings Performance

(In thousands, except per share data)

	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	Δ 3Q18 vs. 3Q17
Revenues				
Commissions	\$ 90,513	\$ 96,113	\$ 86,270	4.9%
Information Services	7,174	6,930	6,331	13.3%
Post-trade Services	3,475	3,620	2,678	29.8%
Other Income	281	301	305	(7.9%)
Total Revenues	<u>101,443</u>	<u>106,964</u>	<u>95,584</u>	6.1%
Expenses	<u>55,031</u>	<u>54,930</u>	<u>48,949</u>	12.4%
Operating Income	<u>46,412</u>	<u>52,034</u>	<u>46,635</u>	(0.5%)
Investment Income and Other, net	<u>1,385</u>	<u>1,176</u>	<u>582</u>	138.0%
Income Before Taxes	<u>47,797</u>	<u>53,210</u>	<u>47,217</u>	1.2%
Provision for Income Taxes	<u>9,203</u>	<u>12,723</u>	<u>13,087</u>	(29.7%)
Net Income	<u>\$ 38,594</u>	<u>\$ 40,487</u>	<u>\$ 34,130</u>	13.1%
Operating Margin	45.8%	48.6%	48.8%	-3.0 pts
EBITDA ¹	\$ 53,970	\$ 59,000	\$ 51,800	4.2%
Diluted EPS	\$ 1.02	\$ 1.07	\$ 0.90	13.3%
Diluted Shares ²	37,828	37,862	38,019	(0.5%)

1. See third quarter 2018 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 shares of common stock, including the dilutive effect of outstanding securities.

Commission Revenue Detail

(\$ in thousands)

	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>% Δ 3Q18 vs. 3Q17</u>
<u>Commissions</u>				
Transaction Fees				
U.S. High-Grade	\$ 32,385	\$ 36,401	\$ 34,020	(4.8%)
Other Credit ¹	33,088	34,765	31,381	5.4%
Liquid Products ²	482	488	546	(11.7%)
Total Transaction Fees	<u>65,955</u>	<u>71,654</u>	<u>65,947</u>	0.0%
Distribution Fees				
U.S. High-Grade	18,032	18,261	16,305	10.6%
Other Credit ¹	6,385	6,042	3,842	66.2%
Liquid Products ^{2,3}	141	156	176	(19.9%)
Total Distribution Fees	<u>24,558</u>	<u>24,459</u>	<u>20,323</u>	20.8%
Total Commissions	<u>\$ 90,513</u>	<u>\$ 96,113</u>	<u>\$ 86,270</u>	4.9%

(\$ in millions)

<u>Trading Volume</u>				
U.S. High-Grade	\$ 206,016	\$ 230,519	\$ 200,826	2.6%
Other Credit ¹	166,990	177,681	133,757	24.8%
Liquid Products ²	12,505	12,550	12,189	2.6%
Total Trading Volume	<u>\$ 385,511</u>	<u>\$ 420,750</u>	<u>\$ 346,772</u>	11.2%
<u>Transaction Fees per Million</u>				
U.S. High-Grade	\$ 157	\$ 158	\$ 169	(7.1%)
Other Credit ¹	198	196	235	(15.7%)
Liquid Products ²	39	39	45	(13.3%)
Total	<u>\$ 171</u>	<u>\$ 170</u>	<u>\$ 190</u>	(10.0%)

1. Other Credit includes U.S. 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.

MarketAxess.com | ©2018 MarketAxess Holdings Inc. (the "Company"). MarketAxess, the MarketAxess logo, Open Trading, Trax, and "Now you're in the market" are trademarks of the Company. MarketAxess Corporation is a member of FINRA and SIPC. MarketAxess Europe Limited and MarketAxess Capital Limited are authorised and regulated by the UK Financial Conduct Authority. MarketAxess Singapore Pte. Limited is recognised by the Monetary Authority of Singapore. This information is not intended to represent an offer or solicitation of any financial instrument. Proprietary and confidential information of the Company—all forms of copying prohibited.

Expense Detail

(\$ in thousands)

	<u>3Q18</u>	<u>2Q18</u>	<u>3Q17</u>	<u>% Δ 3Q18 vs. 3Q17</u>
<u>Expenses</u>				
Employee Comp. and Benefits	\$ 26,282	\$ 26,199	\$ 25,485	3.1%
Depreciation and Amortization	6,173	5,790	4,583	34.7%
Technology and Communications	5,879	5,793	5,035	16.8%
Professional and Consulting	5,685	5,426	5,547	2.5%
Occupancy ¹	3,528	3,467	1,795	96.5%
Marketing and Advertising	2,980	3,535	2,089	42.7%
Clearing Costs	1,760	2,012	1,476	19.2%
General and Administrative	2,744	2,708	2,939	(6.6%)
Total Expenses	\$ 55,031	\$ 54,930	\$ 48,949	12.4%

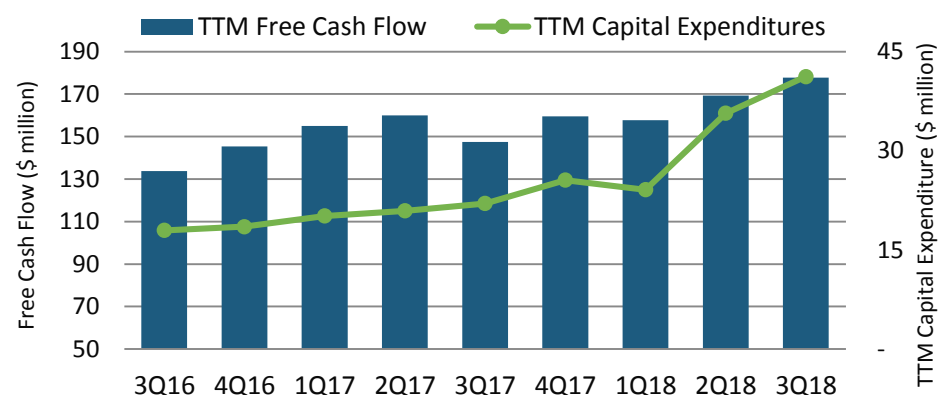
1. Occupancy costs in the first, second and third quarters of 2018 includes \$1.7 million, \$1.8 million and \$1.9 million, respectively, in duplicate expense recognized during the build-out phase of the Company's new corporate offices in New York.

Balance Sheet Data

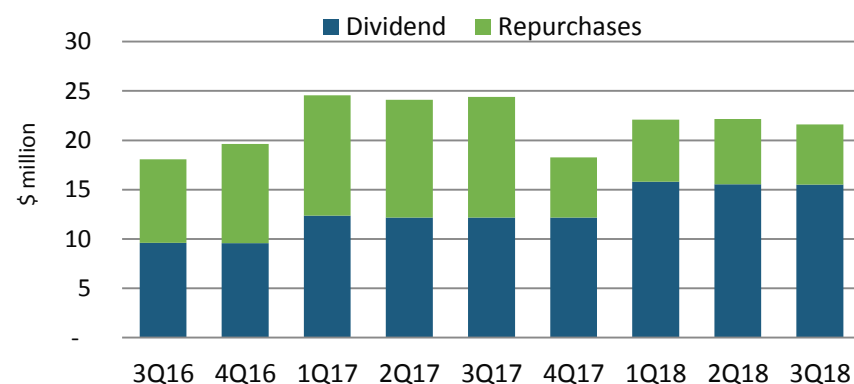
(\$ in thousands)

	<u>9/30/2018</u>	<u>12/31/2017</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 210,085	\$ 167,014
Investments	236,101	239,521
Accounts Receivable, net	62,004	52,636
All Other Assets	137,941	122,061
Total Assets	\$ 646,131	\$ 581,232
<u>Liabilities and Stockholders' Equity</u>		
Total Liabilities	\$ 67,513	\$ 66,464
Total Stockholders' Equity	578,618	514,768
Total Liabilities and Stockholders' Equity	\$ 646,131	\$ 581,232

TTM FREE CASH FLOW AND CAPITAL EXPENDITURES



QUARTERLY DIVIDENDS AND SHARE REPURCHASES



Summary

- Strong third quarter results driven by increased market share across all of our core products.
- High yield market share showing significant momentum.
- Accelerated adoption of Open Trading by dealer and investor clients.
- Fourth quarter market trading conditions improving.



Now you're in the market™