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. The Company’s actual results in future periods may differ materially from those currently expected or desired because of a number of risks and uncertainties, including: risks relating to the COVID-19 pandemic, including the possible effects of the economic conditions worldwide resulting from the COVID-19 pandemic; global economic, political and market factors; 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 matched principal trades; risks related to self-clearing; 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 and existing 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 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 2015 - 2020

- **Revenue Growth**
  - 18% CAGR

- **Operating Income Growth**
  - 21% CAGR

- **EBITDA Growth**
  - 20% CAGR
Strong Track Record of Innovation and Expansion

Primary Dealer Liquidity Pool
- 2000: MarketAxess launches first web-based credit trading platform
- 2001: Launches European Credit Trading Platform
- 2003: Surpasses $100 billion in annual volume
- 2004: MarketAxess completes IPO on Nasdaq
- 2008: Expands liquidity pool with non-primary and specialist dealers
- 2011: Surpasses $500 billion in annual volume
- 2013: Launches Open Trading in US Credit
- 2013: Acquires Trax, a post-trade solution provider
- 2015: Surpasses $1 trillion in annual volume
- 2015: Opens office in Hong Kong
- 2016: Launches Open Trading with Asian Clients
- 2017: Launches Open Trading in EU Credit
- 2018: Launches Open Trading in US Credit
- 2019: Launches Munis and Lev. Loans
- 2020: Acquires LiquidityEdge to expand into UST
- 2020: Announces acquisition of Regulatory Reporting Hub

Liquidity Pool Expanded to Regional and Alternative Market Makers
- 2008: Surpasses $100 billion in annual volume
- 2011: Surpasses $500 billion in annual volume
- 2013: Launches Open Trading in US Credit
- 2015: Surpasses $1 trillion in annual volume
- 2016: Launches Open Trading with Asian Clients
- 2017: Launches Open Trading in EU Credit
- 2018: Launches Open Trading in US Credit
- 2019: Launches Munis and Lev. Loans
- 2020: Announces acquisition of Regulatory Reporting Hub

All to All Liquidity Pool
- 2008: Surpasses $500 billion in annual volume
- 2011: Surpasses $1 trillion in annual volume
- 2016: Launches Regulatory Reporting Hub
- 2019: Acquires LiquidityEdge to expand into UST
- 2020: Acquires Regulatory Reporting Hub

Graph showing operating revenue and GAAP EBITDA from 2000 to 2020 with milestones marked.

- 2001: $9MM
- 2002: $150MM
- 2003: $300MM
- 2004: $450MM
- 2005: $600MM
- 2006: $750MM
- 2007: $900MM
- 2008: $1050MM
- 2009: $1200MM
- 2010: $1350MM
- 2011: $1500MM
- 2012: $1650MM
- 2013: $1800MM
- 2014: $1950MM
- 2015: $2100MM
- 2016: $2250MM
- 2017: $2400MM
- 2018: $2550MM
- 2019: $2700MM
- 2020: $2850MM

2000 - 2007
2008 - 2012
2013 - 2020
Our global electronic platform provides 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+™
- Liquidity Scores

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

**POST-TRADE SERVICES**
- 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)

**NEW PRODUCTS**
- Leveraged Loans
- Municipals
- Emerging Markets
- U.S. High Grade
- U.S. High Yield
- Eurobond
- Rates
- CDS

**CORE PRODUCTS**
- Municipal Bonds
- Emerging Markets
- U.S. High Grade
- U.S. High Yield
- Eurobonds
- Rates
- CDS
Significant Investments in New Trading Protocols

RFQ

Portfolio Trading

OPEN TRADING Liquidity Pool

Streaming Dealer Direct & Public Axes

Matching Sessions Mid-X

CLOB Live Markets Credit & US treasuries

Powering all protocols

Global Client & Dealer Network

Market Data

Automation Services
Our powerful network offers a greater source of diverse global liquidity

**Pre-2000**
One to few
One investor (center blue) can trade with a few dealers over the phone.

**Pre-Crisis**
One to more
One investor can trade with up to 30 dealers on MarketAxess.

**Crisis**
One to many
MarketAxess expanded the liquidity pool to include over 90 major and regional dealers.

**Today**
All-to-all
Open Trading allows global market participants to trade with over 1,700 investor and dealer firms.

**OPEN TRADING PERCENT OF TOTAL CREDIT VOLUME**

**OPEN TRADING VOLUME BY PRODUCT**

- **U.S. High-Grade**: $220 billion in 1H20, $216 billion in 1H21 (↓2% YoY)
- **U.S. High-Yield**: $95 billion in 1H20, $99 billion in 1H21 (↑4% YoY)
- **Emerging Markets**: $82 billion in 1H20, $96 billion in 1H21 (↑16% YoY)
- **Eurobonds**: $45 billion in 1H20, $46 billion in 1H21 (↑4% YoY)
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 business through product and geographic diversification
1. Increase penetration of existing and new markets

**ESTIMATED AVERAGE DAILY VOLUME FOR ADDRESSABLE CREDIT MARKETS**

- $79 billion
- $20B
- $10B
- $11B
- $5B
- $5B
- Leveraged Loans
- Municipal Bonds
- Eurobonds
- Emerging Markets
- U.S. High-Yield
- U.S. High-Grade

**EXPANDING GLOBAL CLIENT NETWORK**

- Over 1,840 active firms
- Increase in active clients across all geographies and products
- Over 1,270 active firms trading emerging markets, up 4% from 2Q20
- Over 930 active international client firms, up 6% from 2Q20

**ESTIMATED AVERAGE DAILY VOLUME FOR ADDRESSABLE U.S. TREASURY MARKET**

- $589 billion
- $406B
- $184B
- 1% Change in Estimated UST Share Results in $4-$5 million in Additional Revenue

1% Change in Estimated Credit Market Share Results in $38-$42 million in Additional Revenue
Expanding the Addressable E-Trading Market

Current Estimated Revenue Opportunity

- **$5 Billion**
  - **RATES** ($800 MM)
  - **CREDIT** ($4.2 BN)

2030 Estimated Revenue Opportunity

- **$8.5 Billion**
  - **NEW PRODUCTS** ($1.5 BN)
  - **RATES** ($1 BN)
  - **CREDIT** ($6 BN)

Long-term revenue opportunity does not include:
- An increase in trading velocity
- Expanded data and post-trade opportunity

Sources: MarketAxess estimates; TRACE, TRAX, MSRB, SIFMA, LSTA, NYFRB, ISDA, BondConnect, SSGA
2. Leverage our client network to promote Open Trading® protocols

HIGHLIGHTS

• Over 29,000 orders and $15 billion notional value available through Open Trading central marketplace on average per day in 2Q21

• 97% of total platform orders available in the Open Trading all-to-all liquidity pool

• $3.4 billion average daily volume, down 10% from 2Q20

• Open Trading credit revenue of $39.7 million

• Estimated system-wide cost savings of $71.1 million for liquidity takers and $56.0 million for liquidity providers¹

• Dealer initiated Open Trading volume of $70.9 billion, up 28% from 2Q20

DIVERSITY DEALER INITIATIVE

• Launched a series of technology enhancements that will enable leading buy-side institutions and minority-, women- and veteran-owned broker dealers to increase trading interaction and revenue with the broad base of the MarketAxess client network

• Supports trading in investment grade bonds, high yield bonds and municipal securities available through the Open Trading marketplace

• Currently 12 dealers on-boarded

• Almost 1,000 trades and volume of $2.2 billion traded during the quarter, up 90% from 1Q21

1. Estimated liquidity taker cost savings is defined as the difference between the winning price and the best disclosed dealer cover price. Estimated liquidity provider cost savings is defined as the difference between the winning price and then current Composite+ bid or offer level (offer if the provider if buying, bid if provider is selling) at the time of the inquiry.
3. Continue to invest in and grow our business through product and geographic diversification

**TOTAL ACTIVE CLIENT FIRMS BY PRODUCT**

<table>
<thead>
<tr>
<th>Product</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. High-Grade</td>
<td>786</td>
<td>1,268</td>
</tr>
<tr>
<td>U.S. High-Yield</td>
<td>727</td>
<td>1,173</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>681</td>
<td>1,228</td>
</tr>
<tr>
<td>Eurobonds</td>
<td>314</td>
<td>645</td>
</tr>
<tr>
<td>Total</td>
<td>1,823</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ACTIVE INTERNATIONAL CLIENT FIRMS AND % OF VOLUMES**

<table>
<thead>
<tr>
<th>Year</th>
<th>International Clients</th>
<th>Total</th>
<th>U.S. Credit</th>
<th>Emerging Markets</th>
<th>Eurobonds</th>
<th>YoY Growth of 19%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>22%</td>
<td></td>
<td>$75</td>
<td>$127</td>
<td>$123</td>
<td>$245</td>
</tr>
<tr>
<td>2016</td>
<td>25%</td>
<td></td>
<td>$75</td>
<td>$127</td>
<td>$123</td>
<td>$245</td>
</tr>
<tr>
<td>2017</td>
<td>30%</td>
<td></td>
<td>$76</td>
<td>$123</td>
<td>$166</td>
<td>$293</td>
</tr>
<tr>
<td>2018</td>
<td>30%</td>
<td></td>
<td>$76</td>
<td>$123</td>
<td>$166</td>
<td>$293</td>
</tr>
<tr>
<td>2019</td>
<td>30%</td>
<td></td>
<td>$76</td>
<td>$123</td>
<td>$166</td>
<td>$293</td>
</tr>
<tr>
<td>2020</td>
<td>30%</td>
<td></td>
<td>$98</td>
<td>$218</td>
<td>$127</td>
<td>$245</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- European client volume of $668 billion, up 19%
- Emerging market volume of $562 billion, up 15%
- Over 1,800 active firms globally and over 880 active international client firms
- Significant increase in client count across products

---

1. International firms include all firms outside of the United States and Canada
Trading Automation Continues to Grow

HIGHLIGHTS

- Record of over 218,000 trades completed using automated execution, up from 145,000 trades in 2Q20
- Over 356,000 algo trades in 2Q21, up 18% from 2Q20
- Auto-X represents 17% of total trade count and 6% of trade volume in 2Q21
- Record $41 billion in Auto-X volume in 2Q21, up 29% from 2Q20
- 98 firms using Auto-X, up from 86 in 2Q20

TOTAL ALGO TRADES & RESPONSES

Q2 YoY Growth

Response Count: 30%
Trade Count: 18%

TOTAL INQUIRY AND AVERAGE NUMBER OF RESPONSES PER INQUIRY

1. Algorithmic trades for U.S. high-grade and U.S. high-yield spread based trades only.
2. Total Inquiry and responses for U.S. high-grade, U.S. high-yield price based, emerging markets, and Eurobonds only.
Our growth in overall trading activity has been driven by share gains with new and existing clients.

**U.S. HIGH-GRADE**

![Graph showing trade volume and count from 2015 to 2020.](#)

- **19% 5-Year Vol. CAGR**
- **29% YoY Vol. Growth**

**U.S. HIGH-YIELD**

![Graph showing trade volume and count from 2015 to 2020.](#)

- **28% 5-Year Vol. CAGR**
- **68% YoY Vol. Growth**

**EMERGING MARKETS**

![Graph showing trade volume and count from 2015 to 2020.](#)

- **31% 5-Year Vol. CAGR**
- **15% YoY Vol. Growth**

**EUROBOND**

![Graph showing trade volume and count from 2015 to 2020.](#)

- **32% 5-Year Vol. CAGR**
- **21% YoY Vol. Growth**
Cash Flow and Capital Management

QUARTERLY OVERVIEW

• Total cash and investments of $440 million
  – Excludes $132 million of cash deposits supporting self-clearing obligations

• Trailing 12-month free cash flow of $320 million, up $40 million from June 30, 2020

• Continued investment in trading system enhancements
  – Maintaining full year Capex guidance of $50 million to $55 million

• Returned $100 million in capital during 1H 2021 through dividends and share repurchases
  – Board approved $0.66 dividend to be paid in August 2021

• No outstanding debt on borrowing facilities
  – $500 million 365-day credit agreement
  – $200 million secured facility

1. TTM capital expenditures exclude office buildout costs.
Redefining Our Technology Future

Our Enhanced Technology Delivery Process
- Implemented SAFe Agile Delivery
- Software releases now bi-weekly
- Automated delivery process

New Technology Foundation & Skill Set
- Deployed new technology based on AWS
- Rolled out AI and machine learning foundation in AWS
- Substantial talent recruitment with modern technical skills

Redefining the Trading Experience
- Launch of new protocols like Mid-X / Live Markets / Portfolio Trading
- Launch of CP+, built on modern machine learning technology in AWS
- Redesigned of the MKTX trading tools and user interface

KEY BENEFITS:

• Data on AWS allows end users to access vast amounts of data quicker without having to build specific solutions for each set

• Faster delivery cycles for software releases with ability to pivot to handle any new business priorities

• More efficient use of human capital in delivering business goals

• New technology and working protocols help to attract and leverage talent any where across the globe
MarketAxess opportunity set is growing

- 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
2Q21 Summary

FINANCIAL HIGHLIGHTS

• Revenues of $176.3 million, down 5%; 2-year CAGR of 19%
• Operating income of $87.2 million, down 16%; 2-year CAGR of 20%
• Operating margin of 49.4%
• EBITDA of $99.3 million, down 12%; 2-year CAGR of 20%
• Diluted EPS of $1.77, down 20%; 2-year CAGR of 18%

BUSINESS HIGHLIGHTS

• Estimated U.S. high-grade market share of 21.1%, down from 21.5% and estimated U.S. high-yield market share of 14.3%, up from 14.0%
• Open Trading® credit volume of $216 billion and estimated total system-wide cost savings of $127 million²
• Emerging Markets volume $157.2 billion, up 11%; estimated market volumes down 17%
• Record municipal bond volume of $6.1 billion, up 89%; closed on the MuniBrokers acquisition on April 9th
• Record active total client firms of 1,842 and international client firms of 930
• Charles Li, the former Chief Executive of Hong Kong Exchanges and Clearing Ltd (HKEX), joins the Board of Directors

TRAILING TWELVE MONTHS EPS

<table>
<thead>
<tr>
<th>Per share</th>
<th>1Q19</th>
<th>2Q19</th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>1Q21</th>
<th>2Q21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 TTM Growth YoY</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 TTM Growth 2YR CAGR</td>
<td>24%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TRAILING TWELVE MONTHS REVENUE

<table>
<thead>
<tr>
<th>$ millions</th>
<th>1Q19</th>
<th>2Q19</th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>1Q21</th>
<th>2Q21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 TTM Growth YoY</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 TTM Growth 2YR CAGR</td>
<td>23%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1. All period comparisons versus 2Q20 unless otherwise stated. 2-year compound annual growth rate “CAGR” compared to 2Q19.
2. Estimated total system-wide cost savings represents the combination of liquidity taker and liquidity provider estimated cost savings. Please see footnote 1 on slide 5 for the definition of liquidity taker cost savings and liquidity provider cost savings.
3. International firms include all firms outside of the United States and Canada.
Market Conditions

LIQUID U.S. CORPORATE INDEX (LUCI)

U.S. HIGH-GRADE & HIGH-YIELD TRACE VOLUME AND ESTIMATED MARKET SHARE

Q2 YoY Change
HG TRACE: -20%
HY TRACE: -14%

COMBINED ESTIMATED U.S. HIGH-GRADE AND U.S. HIGH-YIELD MARKET SHARE

10 YEAR & 2 YEAR TREASURY YIELD & MKTX U.S HIGH GRADE WEIGHTED AVG. YEARS TO MATURITY

Source: Credit Suisse Global Credit Strategy

Source: BondTicker

Source: Federal Reserve
### New Products and Protocols

#### PORTFOLIO TRADING
- Enriched portfolio trading solution delivered in late-May to add new functionality and workflow enhancements
- Support for multi-directional lists and multi-currency lists added, designed to sit seamlessly alongside existing list RFQ functionality
- 27 unique investor firms and 10 dealers traded during the quarter
- Estimated total portfolio trading volume comprises approximately 4% of U.S corporate bond TRACE

#### MID-X SESSIONS
- Launched Mid-X sessions protocol for Eurobonds in October 2020
- Over 100 buy-side and sell-side firms have participated in Mid-X sessions since go-live, with over 260,000 interests submitted
- Record volumes of $2.5 billion traded, up 79% from 1Q21
- Expect to launch trading in U.S. corporates in 2H21

#### LIVE MARKETS ORDER BOOK
- Barclays joins Goldman Sachs and another systematic dedicated market maker as a streaming liquidity provider
- Over 1,300 unique CUSIPs quoted during the quarter with an average trade size of $2.8 million
- 60 Liquidity takers and 13 liquidity providers active during the quarter

### MUNICIPAL BONDS
- Record municipal bond volume of $6.1 billion, up 89% from 2Q20\(^1\)
- MuniBrokers transaction closed on April 9\(^{th}\); approximately $330 million average daily volume transacted through the system

#### MUNICIPAL BOND VOLUME\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>1Q19</th>
<th>2Q19</th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>1Q21</th>
<th>2Q21</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ billions</td>
<td>$1.4</td>
<td>$1.7</td>
<td>$2.3</td>
<td>$2.2</td>
<td>$3.3</td>
<td>$3.2</td>
<td>$2.8</td>
<td>$4.7</td>
<td>$5.8</td>
<td>$6.1</td>
</tr>
</tbody>
</table>

\(^1\) Volume does not include MuniBrokers trading activity

### U.S. TREASURIES
- 200 institutional clients approved for U.S. Treasury Click-to-Trade Offering
- Launch of U.S. Treasury RFQ in July 2021, supplements the streaming liquidity and support unique client workflows
- Launch of All-to-All market for U.S. Treasuries in 2H21, opportunity in Rates to leverage Open Trading to improve access to liquidity
Quarterly Volume Growth

TOTAL CREDIT

U.S. HIGH-GRADE

OTHER CREDIT

5% Q2 YoY Growth

GLOBAL ACTIVE CLIENT FIRMS BY PRODUCT

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

<table>
<thead>
<tr>
<th></th>
<th>2Q21</th>
<th>1Q21</th>
<th>2Q20</th>
<th>$\Delta$ 2Q21 vs. 2Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissions</td>
<td>$156,431</td>
<td>$175,838</td>
<td>$172,092</td>
<td>(9.1%)</td>
</tr>
<tr>
<td>Information Services</td>
<td>9,844</td>
<td>9,162</td>
<td>8,427</td>
<td>16.8%</td>
</tr>
<tr>
<td>Post-trade Services</td>
<td>9,848</td>
<td>10,261</td>
<td>4,054</td>
<td>142.9%</td>
</tr>
<tr>
<td>Other Income</td>
<td>211</td>
<td>203</td>
<td>222</td>
<td>(5.0%)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>176,334</td>
<td>195,464</td>
<td>184,795</td>
<td>(4.6%)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>87,177</td>
<td>103,474</td>
<td>104,135</td>
<td>(16.3%)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>107</td>
<td>107</td>
<td>714</td>
<td>(85.0%)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(171)</td>
<td>(191)</td>
<td>-</td>
<td>NM</td>
</tr>
<tr>
<td>Other, net</td>
<td>(1,060)</td>
<td>(1,589)</td>
<td>(446)</td>
<td>137.7%</td>
</tr>
<tr>
<td><strong>Income Before Taxes</strong></td>
<td>86,053</td>
<td>101,801</td>
<td>104,403</td>
<td>(17.6%)</td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>18,765</td>
<td>21,344</td>
<td>20,549</td>
<td>(8.7%)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$67,288</td>
<td>$80,457</td>
<td>$83,854</td>
<td>(19.8%)</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>49.4%</td>
<td>52.9%</td>
<td>56.4%</td>
<td>-7.0 pts</td>
</tr>
<tr>
<td><strong>EBITDA</strong>¹</td>
<td>$99,321</td>
<td>$113,771</td>
<td>$112,708</td>
<td>(11.9%)</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>$1.77</td>
<td>$2.11</td>
<td>$2.20</td>
<td>(19.5%)</td>
</tr>
<tr>
<td><strong>Diluted Shares</strong>²</td>
<td>38,104</td>
<td>38,155</td>
<td>38,153</td>
<td>(0.1%)</td>
</tr>
</tbody>
</table>

1. See second quarter 2021 earnings release and the Investor Relations section of the Company’s website for a 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

<table>
<thead>
<tr>
<th></th>
<th>2Q21</th>
<th>1Q21</th>
<th>2Q20</th>
<th>% Δ 2Q21 vs. 2Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commissions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. High-Grade</td>
<td>$56,413</td>
<td>$65,356</td>
<td>$75,208</td>
<td>(25.0%)</td>
</tr>
<tr>
<td>Other Credit</td>
<td>$67,074</td>
<td>78,899</td>
<td>66,977</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total Credit</td>
<td>123,487</td>
<td>144,255</td>
<td>142,185</td>
<td>(13.2%)</td>
</tr>
<tr>
<td>Rates</td>
<td>3,612</td>
<td>4,143</td>
<td>3,846</td>
<td>(6.1%)</td>
</tr>
<tr>
<td>Total Transaction Fees</td>
<td>127,099</td>
<td>148,398</td>
<td>146,031</td>
<td>(13.0%)</td>
</tr>
<tr>
<td><strong>Distribution Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. High-Grade</td>
<td>21,373</td>
<td>20,970</td>
<td>19,635</td>
<td>8.8%</td>
</tr>
<tr>
<td>Other Credit</td>
<td>7,895</td>
<td>6,404</td>
<td>6,329</td>
<td>24.7%</td>
</tr>
<tr>
<td>Total Credit</td>
<td>29,268</td>
<td>27,374</td>
<td>25,964</td>
<td>12.7%</td>
</tr>
<tr>
<td>Rates</td>
<td>64</td>
<td>66</td>
<td>97</td>
<td>(33.6%)</td>
</tr>
<tr>
<td>Total Distribution Fees</td>
<td>29,332</td>
<td>27,440</td>
<td>26,061</td>
<td>12.6%</td>
</tr>
<tr>
<td><strong>Total Commissions</strong></td>
<td>$156,431</td>
<td>$175,838</td>
<td>$172,092</td>
<td>(9.1%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Trading Volume</strong></th>
<th>($ in millions)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. High-Grade</td>
<td>$324,011</td>
<td>$363,441</td>
<td>$414,580</td>
<td>(21.8%)</td>
</tr>
<tr>
<td>Other Credit</td>
<td>344,865</td>
<td>391,020</td>
<td>327,266</td>
<td>5.4%</td>
</tr>
<tr>
<td>Total Credit</td>
<td>668,876</td>
<td>754,461</td>
<td>741,846</td>
<td>(9.8%)</td>
</tr>
<tr>
<td>Rates</td>
<td>888,267</td>
<td>1,120,868</td>
<td>955,594</td>
<td>(7.0%)</td>
</tr>
</tbody>
</table>

| **Transaction Fees per Million** |            |            |            |                   |
| U.S. High-Grade        | $174.11     | $179.83    | $181.41    | (4.0%)            |
| Other Credit           | 194.49      | 201.78     | 204.66     | (5.0%)            |
| Total Credit           | 184.62      | 191.20     | 191.66     | (3.7%)            |
| Rates                  | 4.07         | 3.70        | 4.02        | 1.0%              |

1. Other Credit includes U.S. high-yield, emerging markets, Eurobonds and municipal bonds.
2. Rates includes U.S. Treasury bonds, U.S. agencies and European government bonds.
Expense Detail

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2Q21(^1) ($ in thousands)</th>
<th>1Q21(^2) ($ in thousands)</th>
<th>2Q20 ($ in thousands)</th>
<th>% (\Delta) 2Q21 vs. 2Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compensation and Benefits</td>
<td>40,732</td>
<td>48,088</td>
<td>41,636</td>
<td>(2.2%)</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>13,097</td>
<td>11,779</td>
<td>8,305</td>
<td>57.7%</td>
</tr>
<tr>
<td>Technology and Communications</td>
<td>10,544</td>
<td>10,036</td>
<td>8,592</td>
<td>22.7%</td>
</tr>
<tr>
<td>Professional and Consulting</td>
<td>10,704</td>
<td>9,640</td>
<td>8,065</td>
<td>32.7%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>3,300</td>
<td>3,317</td>
<td>3,286</td>
<td>0.4%</td>
</tr>
<tr>
<td>Marketing and Advertising</td>
<td>3,128</td>
<td>1,204</td>
<td>1,810</td>
<td>72.8%</td>
</tr>
<tr>
<td>Clearing Costs</td>
<td>4,372</td>
<td>4,694</td>
<td>5,713</td>
<td>(23.5%)</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>3,280</td>
<td>3,232</td>
<td>3,253</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>89,157</td>
<td>91,990</td>
<td>80,660</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

Expense Details

1. 2Q21 MuniBrokers and Regulatory Reporting Hub expenses totaled $5.1 million, including non-recurring integration costs of $1.3 million and amortization of acquired intangibles expense of $2.1 million. Excluding the MuniBrokers and Regulatory Reporting Hub expenses, total expenses for the quarter were up 4.2%.

2. 1Q21 Regulatory Reporting Hub expenses totaled $3.6 million, including non-recurring integration costs of $1.3 million and amortization of acquired intangibles expense of $1.4 million.
2021 Guidance

EXPENSES

• Expected range of $370.0 million to $386.0 million
  – Reflects Regulatory Reporting Hub expenses estimated to range between $15.0 million to $18.0 million, including amortization expense on acquired intangible assets of approximately $5.0 million and non-recurring integration costs of approximately $5.0 million

CAPITAL EXPENDITURES

• Expected range of $50.0 million to $55.0 million
  – Includes an expected increase in capitalized software development

EFFECTIVE TAX RATE

• Expected to be between 22.0% to 24.0%
  – Increase in tax rate principally due to lower estimated excess tax benefits on share awards
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