LEI No: 2138003A5Q1M7ANOUD76

Interim results for the six months ended 30 November 2023

25 January 2024

IG Group Holdings plc ("IG", "the Group", "the Company"), a global fintech, today announces its results for the six months ended 30 November 2023 ("H1 FY24").

"Continued execution of the strategy, with a sharp focus on clients, costs and capital has served the Group well in soft market conditions to deliver attractive margins and returns to shareholders."

Highlights

- Performance in H1 FY24[1] reflected softer market conditions and against a strong comparative:
    - Total revenue of £472.6 million (H1 FY23: £519.1 million), down 9%.
    - Net trading revenue of £402.4 million (H1 FY23: £494.9 million), down 19%, reflecting market volatility across a range of asset classes materially lower than in H1 FY23.
    - Net interest income of £70.2 million (H1 FY23: £24.2 million) increased significantly, driven by higher interest rates across all markets.
    - tastytrade achieved another consecutive record half of total revenue, increasing by 29% to $117.8 million (H1 FY23: $91.4 million).
    - Active clients of 296,300 (H1 FY23: 312,000) underlined IG's sophisticated and loyal client base, while new clients acquired of 33,800 (H1 FY23: 37,500) reflected the continued demand for IG's products and services despite soft market conditions in the period.
    - Adjusted total operating costs of £281.1 million (H1 FY23: £256.8 million), were up 9% on H1 FY23, but down 1% against H2 FY23. Statutory total operating costs of £310.4 million (H1 FY23: £279.9 million) increased 11%.
    - Adjusted profit before tax of £205.7 million (H1 FY23: £260.7 million) was down 21%. Statutory profit before tax of £176.4 million (H1 FY23: £240.5 million). Adjusted profit before tax margin remains attractive at 43.5% (H1 FY23: 50.2%).
    - Adjusted basic EPS was 38.9p (H1 FY23: 49.7 pence). Statutory basic EPS was 33.4 pence (H1 FY23: 45.8 pence).
- Operational highlights:
    - Launched company-wide operational improvement programme in October 2023, which will result in structural cost savings of £50 million per year by FY26.
    - High quality and strength of our risk management framework and controls evidenced by a 40% reduction in the regulatory capital requirement, to £290 million.
    - Increased capital returns in line with the Capital Allocation Framework:
        - Repurchased £149.2 million of shares in the period, of which £124.5 million was part of the £250 million share buyback scheme announced in July 2023. Value of shares repurchased under the current scheme as at 22 January 2024 was £139.5 million.

---

[1] Performance from continuing operations. Discontinued operations in FY23 consist of operations relating to Nadex

  - Increased the interim cash dividend to 13.56 pence per share (H1 FY23: 13.26 pence per share).
  - Approved £4 million in donations, in line with our commitment to contribute 1% of adjusted profit after tax to charitable causes annually.
- Announced the appointment of Breon Corcoran as Chief Executive Officer from 29 January 2024.

Financial Summary[1]

	H1 FY24	H1 FY24 adjusted	H1 FY23	H1 FY23 adjusted	Change %	Adjusted change %
Total revenue (£m)	472.6	472.6	519.1	519.1	(9%)	(9%)
Net trading revenue (£m)	402.4	402.4	494.9	494.9	(19%)	(19%)
Total operating costs[2] (£m)	310.4	281.1	279.9	256.8	11%	9%
Profit before tax[3] (£m)	176.4	205.7	240.5	260.7	(27%)	(21%)
Profit after tax (£m)	132.7	154.8	194.9	211.3	(32%)	(27%)
Basic earnings per share (p)	33.4	38.9	45.8	49.7	(27%)	(22%)
Interim dividend per share (p)	13.56	-	13.26	-	2%	-

[1] From continuing operations in FY23.
[2] H1 FY24 adjusted operating costs exclude £29.3 million of one-off items and recurring non-cash items (H1 FY23: £23.1 million).
[3] Adjusted profit before tax in H1 FY23 includes £2.9 million income for the reimbursement of costs relating to the sale of Nadex.

Charlie Rozes, Acting Chief Executive Officer, commented:

"It's encouraging to see the benefits of our diversification strategy paying off, despite a mixed trading backdrop for our clients, driven by persistently low levels of market volatility in Q1 and Q2. While some of our businesses saw revenue weakness, others achieved strong results in the period. Our exposure to a wider range of revenue drivers will underpin further growth in the Group as we deliver on our strategy. At the same time, we've taken action to control growth in the cost base, significantly reducing the rate of cost growth from FY23, yet still making selective investments in the business. As a result, we've maintained attractive profit margins in the period.

"In addition to closely managing the cost base, our discipline around capital allocation saw us make further progress with our ongoing share buyback programme and also declare an increased interim dividend per share in line with our Capital Allocation Framework. We remain confident and optimistic about the outlook for IG and continue to be well positioned to benefit from the structural growth of self-directed trading and investing. We are the home of active traders worldwide, bringing exciting and innovative new products to market, backed by the best technology and trade execution."

Further information

IG Group Investor Relations	IG Group Press	FTI Consulting
Martin Price / Simon Wright	Angela Warburton	Edward Berry / Katherine Bell
020 7573 0020 / 0099	020 7633 5382	07703 330 199 / 079 7687 0961
investors@iggroup.com	press@ig.com	edward.berry@fticonsulting.com / katherine.bell@fticonsulting.com

Analyst presentation

There will be an analyst and investor presentation at 9:30am (UK Time) on Thursday 25 January 2024.

The presentation will also be accessible live via audio webcast at: Webcast. If you wish to listen via conference call, please use the following link: Conference Call. The audio webcast of the presentation and a transcript will be archived at: IG Group - Financial Results.

Financial reporting calendar

IG regularly updates the market on financial performance and delivery against strategy. The next financial update will be the Third Quarter Revenue Update in March 2024.

Alternative performance measures

The Group's management believe that the alternative performance measures included in this document provide valuable information to readers of the financial statements as they provide a more consistent basis for comparing business performance between financial periods. They also provide more detail on performance which the managers of the business are most directly able to influence, or which is most relevant for an assessment of the Group's results. Furthermore, they reflect how operating targets are defined and performance is monitored by the Group's management. However, any alternative performance measures in this document are not a substitute for statutory measures and readers should consider the statutory measures as well. Refer to the appendix for further information and calculations of alternative performance measures included throughout this document, and the most directly comparable statutory measures.

Forward-looking statements

This interim statement, prepared by the Company, may contain forward-looking statements about the Group. Such forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", “projects”, "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which are beyond the Company's control and are based on the Company's beliefs and expectations about future events as of the date the statements are made. If the assumptions on which the Group bases its forward-looking statements change, actual results may differ from those expressed in such statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including those set out under “Principal Risks” in the Group Annual Report for the financial year ended 31 May 2023. The Annual Report can be found on the Company's website (www.iggroup.com).

Forward-looking statements speak only as of the date they are made. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements.

Some numbers and period on period percentages in this statement have been rounded or adjusted to ensure consistency with the financial statements. This may lead to differences between subtotals and the sum of individual numbers as presented.

No offer or solicitation

This announcement is not intended to, and does not constitute or form any part of, an offer to sell, or an invitation to purchase or subscribe for any securities, or a solicitation of any vote or approval in any jurisdiction.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period.

About IG

IG Group (LSEG:IGG) is a global fintech company that provides online trading platforms and educational resources to empower ambitious clients around the globe. Established in 1974 and headquartered in the UK, IG Group is a FTSE 250 company that offers clients access to ~19,000 financial markets worldwide.

For 50 years, the Company has grown and evolved its technology, product offering, and educational tools and content to meet the needs of its retail and institutional clients. IG Group continues to innovate its offering for the next generation of traders and investors through its market-leading brands: IG, tastytrade, IG Prime, Spectrum, and DailyFX.

Acting Chief Executive Officer’s Statement

The first half results highlight the success of our diversification strategy which positioned us well to deliver attractive profit margins and return capital to shareholders despite subdued market conditions in the period. The business remains strongly cash generative which has allowed us to invest in existing and new products to better serve our clients and achieve long-term growth and sustainable distributions for shareholders. The results demonstrate the strength and breadth of our business and I remain very confident in the outlook.

On 8 December 2023, we announced the appointment of Breon Corcoran as Chief Executive Officer from 29 January 2024. Breon has an exceptional track record of delivering strong results for all stakeholders and I look forward to welcoming him to IG.

Strategic progress in H1

In FY19, we launched a strategy to expand and diversify the Group by product and geography, building on our strengths in trading and trading products, technology and risk management. We continue to make great progress executing this strategy as strong growth in our exchange traded derivatives business has increased the proportion of total revenue from these products from 3% in FY19 to 21% in H1 FY24, while US revenue has risen from 4% to 22% over the same period. The benefit of diversification was clear in this period, as weaker revenues in OTC were offset by strength in exchange traded products.

tastytrade delivered another consecutive half year period of record revenue reflecting growth in both trading revenue and interest income, despite materially lower equity market volatility compared to the prior year. Market share increased through H1 FY24 reflecting the success of our first national brand campaign which launched in late FY23, and our ability to attract clients from competitors.

Total client equity on the tastytrade platform reached record levels with average balances in H1 up 18% on FY23, as we continued to attract large balance accounts. We are laying the foundations for future growth with the implementation of an industry leading CRM platform in H1 FY24 and enhancements to the client onboarding journey this month.

In Europe, Spectrum – our pan-European exchange for securitised derivatives – added Directa as its latest independent member. Directa is a pioneering online broker in Italy, servicing over 61,000 active accounts representing combined customer assets of £3bn, and as a member of Spectrum, will offer its Italian retail customers the ability to trade securitised derivatives 24 hours a day, five days a week.

IG has a long and proven track record of growth and innovation. Innovation remains at the heart of our culture and we continue to develop new products and services though our incubator programme. This includes: tastycrypto, our self-custody digital wallet; Bad Trader a network designed for Millennial and Gen Z traders; and The Small Exchange, an innovative new US market infrastructure provider which is currently in development phase.

In the summer, starting in Singapore and the UK, we will be launching our next generation stock trading platform which will provide comprehensive coverage of ETFs, mutual funds, bonds, thousands of stocks and a cash management offering. Our existing stock trading and investments platform has over 90,000 customers, despite a more limited product range. Our next generation platform will be highly differentiated by providing unique products and features, risk management tools, flexible and competitive pricing and a highly tailored user experience.

Operational improvement programme

In October we announced the operational improvement programme that will simplify and streamline the business, better positioning it for further growth. These actions will create a leaner, more agile business and further enhance the Group’s flexibility to innovate and deliver world class customer experience.

We expect to reduce headcount by approximately 300, which represents around 10% of the total workforce at the end of FY23. Alongside other efficiency measures, including expanding the use of our global centres of excellence, we expect to deliver full run rate cost savings of £50 million per year. These initiatives are expected to drive operating margin expansion over the medium term.

We are on track to deliver structural savings of £10 million in FY24, £40 million in FY25 and £50 million in FY26. We anticipate non-recurring costs to achieve these savings of approximately £18 million with the majority incurred in FY24 and the remainder in FY25. £10 million of execution costs were incurred in H1 FY24.

In addition to the structural savings, in FY24 specifically, variable costs will be reduced by an additional £10 million reflecting the softer market conditions in the first half of the year.

Capital allocation

On 1 January 2022, the Group transitioned to the Investment Firm Prudential Regime ("IFPR"). As announced in September, following our first Supervisory Review and Evaluation Process ("SREP") under the new regime, the Group's regulatory capital requirement reduced from £497.4 million at 31 May 2023 to £289.8 million as at 31 August 2023, evidencing the high quality and strength of our risk management frameworks and controls, following years of steady investment and development.

During the period we repurchased £149.2 million of shares, of which £124.5 million was part of the £250 million share buyback scheme announced in July 2023.

We have increased the interim cash dividend to 13.56 pence per share (H1 FY23: 13.26 pence per share) and approved £4 million in donations, in line with our commitment to contribute 1% of adjusted profit after tax to charitable causes annually.

As of 30 November 2023, headroom over the Group's minimum regulatory capital requirements was £541.8 million. Regulatory capital resources reduced during the period from £996.3 million reported as at 31 May 2023 to £831.6 million, reflecting the timing of dividend payments and share buybacks amounting to £276.4 million in the period. We expect headroom to increase in the second half.

The Board will continue to allocate capital in a disciplined manner, in line with our Capital Allocation Framework.

Outlook

The market conditions we experienced during H1 have continued into the beginning of our Q3. Despite this, the business continues to perform well reflecting our increasingly diversified revenue mix.

Higher interest rates have continued to drive growth in our interest income and finance income. Given the geographic mix and balances of client and corporate cash, we expect to generate a similar amount of interest income in H2 as in H1, and higher finance income in H2 than in H1.

Given our active approach to cost management in softer market conditions and operational improvement programme, we continue to expect an adjusted PBT margin in the mid-to-high 40s in FY24, in line with our medium-term guidance.

In summary, we've delivered robust results in H1 FY24 despite the soft market backdrop. Profit margins remain strong and we have a strong balance sheet which puts us in an excellent position to invest in the business, execute our strategy, and provide attractive returns to our shareholders.

Charlie Rozes

Acting CEO

Business Performance Review

Summary Group Income Statement

£m	H1 FY24	H1 FY24 adjusted	H1 FY23	H1 FY23 adjusted	Change %	Adjusted change %
Net trading revenue	402.4	402.4	494.9	494.9	(19%)	(19%)
Net interest income	70.2	70.2	24.2	24.2	190%	190%
Total revenue	**472.6**	**472.6**	**519.1**	**519.1**	**(9%)**	**(9%)**
Betting duty and other operating income[1]	0.3	0.3	-	(2.9)		
Net operating income	**472.9**	**472.9**	**519.1**	**516.2**	**(9%)**	**(8%)**
Total operating costs[2,3]	(310.4)	(281.1)	(279.9)	(256.8)	11%	9%
Operating profit	**162.5**	**191.8**	**239.2**	**259.4**	**(32%)**	**(26%)**
Other net losses	(1.5)	(1.5)	(1.1)	(1.1)		
Net finance income	15.4	15.4	2.4	2.4		
Profit before tax from continuing operations	**176.4**	**205.7**	**240.5**	**260.7**	**(27%)**	**(21%)**

[1] H1 FY23 adjusted betting duty and other operating income excludes £2.9 million of income for the reimbursement of costs relating to the sale of Nadex.
[2] Operating costs include net credit losses on financial assets.
[3] H1 FY24 adjusted operating costs exclude £29.3 million of one-off items and recurring non-cash items (H1 FY23: £23.1 million).

All results are presented on a continuing operations basis which excludes items related to the sale of Nadex operations which completed in FY22 and was classified as a discontinued operation. In FY23, the Group subsequently disposed of assets related to Nadex.

Statutory and adjusted results

In addition to statutory results, we have also presented results on an adjusted basis, which excludes certain one-off items and recurring non-cash items. A reconciliation of alternative performance measures used in this report is contained in the appendix.

In H1 FY24, adjusted operating costs excludes £19.3 million of one-off costs and recurring non-cash costs associated with the tastytrade acquisition and integration and £10.0 million of costs relating to the operational improvement programme.

In H1 FY23, adjusted other operating income excludes £2.9 million of income for the reimbursement of costs relating to the sale of Nadex. Adjusted operating costs excludes £20.2 million of costs and recurring non-cash costs associated with the tastytrade acquisition and integration and £2.9 million of costs relating to the sale of Nadex.

The following analysis is presented on an adjusted basis to present a more accurate view of underlying performance.

Total revenue by product

	Total revenue (£m)		
	H1 FY24	**H1 FY23**	**Change %**
OTC derivatives	352.6	422.9	(17%)
Exchange traded derivatives	99.7	83.8	19%
Stock trading and investments	20.3	12.4	63%
Total revenue	**472.6**	**519.1**	**(9%)**

Total revenue consists of net trading revenue and net interest income. Total revenue was £472.6 million in H1 FY24, down 9% on H1 FY23. OTC derivatives total revenue was £352.6 million, down 17% reflecting softer market conditions in the period, and lower levels of client activity. Exchange traded derivatives total revenue was £99.7 million, up 19% on the prior period. This includes tastytrade total revenue of £94.3 million, up 21%, benefitting from both increased interest rates and higher cash balances, offset by a reduction in net trading revenues, down 5%. Stock trading and investments total revenue was £20.3 million, up 63% on H1 FY23, benefitting from increased interest rates, while net trading revenue remained flat.

Non-OTC revenue made up 25% of total revenue in H1 FY24, up from 19% in H1 FY23 reflecting the continued focus and successful delivery of revenue diversification.

Net trading revenue

Net trading revenue was £402.4 million, 19% lower than H1 FY23 primarily due to lower levels of client activity as clients found fewer opportunities to trade in subdued market conditions.

Net trading revenue performance by product

	Net trading revenue (£m)		
	H1 FY24	**H1 FY23**	**Change %**
OTC derivatives	327.7	416.5	(21%)
Exchange traded derivatives	63.6	67.1	(5%)
Stock trading and investments	11.1	11.3	(1%)
Net trading revenue	**402.4**	**494.9**	**(19%)**
Net interest income	70.2	24.2	190%
Total revenue	**472.6**	**519.1**	**(9%)**

	Active clients (000)			Net trading revenue per client (£)		
	H1 FY24	**H1 FY23**	**Change %**	**H1 FY24**	**H1 FY23**	**Change%**
OTC derivatives	147.3	159.1	(7%)	2,225	2,618	(15%)
Exchange traded derivatives[1]	70.1	72.2	(3%)	907	922	(2%)
Stock trading and investments	89.1	92.2	(3%)	125	122	2%
Total[2]	**296.3**	**312.0**	**(5%)**			

[1] Exchange traded derivatives revenue per client calculation excludes revenue generated from the Group's US market maker in H1 FY23.
[2] Total Group active clients have been adjusted to remove the clients who are active in more than one product category (multi-product clients) to give a unique client count. In H1 FY24 there were 10,200 multi-product clients, compared with 11,500 in H1 FY23.

	First trades (000)		
	H1 FY24	**H1 FY23**	**Change %**
OTC derivatives	20.7	24.3	(15%)
Exchange traded derivatives	10.7	10.5	2%
Stock trading and investments	4.2	5.1	(17%)
Total[1]	**33.8**	**37.5**	**(10%)**

[1] Total Group first trades have been adjusted to remove the clients who traded in more than one product category to give a unique first trade count.

OTC derivatives

OTC derivatives net trading revenue of £327.7 million was down 21%, reflecting a reduction in client activity with active clients down 7% on H1 FY23 and average revenue per client falling by 15%. Lower demand in the market resulted in first trades reducing by 15% on H1 FY23, however H1 FY24 first trades were in line with H2 FY23 (H2 FY23: 21,200).

UK and EU OTC derivatives net trading revenue was £162.5 million, down 22%. Within this, active clients were down 7% year-on-year and revenue per client was down 16%. The drop in clients was observed in Q1, with Q2 clients in line with the previous quarter.

Australia OTC derivatives net trading revenue of £41.6 million decreased 16%, with similar decreases in active clients and revenue per client, down 8% and 9% respectively.

Japan OTC derivatives net trading revenue was £38.9 million, down 30% on a record H1 FY23 performance. Active clients were down 7%, while revenue per client was down 25% as some of our higher value clients reduced their trading having not seen opportunities in the market.

Singapore OTC derivatives net trading revenue was £35.1 million, down 4% on H1 FY23 but up 11% on H2 FY23. Active clients were down 17% on H1 FY23 while revenue per client was up 16% year on year. This reflects a change in client mix, as our largest clients continued to trade in the period, while lower value clients reduced trading.

US OTC derivatives net trading revenue decreased 32% as net trading revenue per client decreased 32% year on year while active client numbers remained in line with the prior year period.

Exchange traded derivatives

Net trading revenue from exchange traded derivatives was £63.6 million, down 5%.

In US Dollars, tastytrade's net trading revenue was up 2% year on year to $72.9 million (H1 FY23: $71.8 million). In reporting currency, tastytrade's net trading revenue in H1 FY24 was £58.2 million, decreasing 5% on the prior year. Active clients reduced slightly in the half, down 3% on the prior period, while revenue per client reduced by 2% driven by foreign exchange movements. First trades in the period increased by 4% on H1 FY23.

Spectrum's net trading revenue was £5.4 million, in line with the prior year with a 7% reduction in active clients, and a 12% reduction in first trades, offset by a higher average revenue per client, up 6%. This half saw the onboarding of the external broker, Directa who are trading at increasing volumes.

Stock trading and investments

Net trading revenue from stock trading and investments was £11.1 million, in line with H1 FY23. Active clients reduced by 3% on the prior period while the average revenue per client increased by 2%. Despite the drop in active clients, the assets under administration increased to £3.4 billion, an increase against the £3.3 billion at the end of FY23 and £3.2 billion at H1 FY23. First trades in the period were down 17% on H1 FY23, and down 9% on H2 FY24.

Net interest income

Net interest income on client balances in H1 FY24 was £70.2 million, a significant increase on the prior year reported interest of £24.2 million, up 190%. Interest income made up 15% of total revenue, a large increase from the 5% in H1 FY23 and 11% in H2 FY23. The increase reflects higher interest rates and significant client balances.

In our US businesses, client cash balances at the end of the period were $1.9 billion (30 Nov 2022: $1.9 billion). This contributed £37.3 million of interest income (H1 FY23: £16.9 million).

Outside of the US, client balances of £2.5 billion were down 12% (30 Nov 2022: £2.9 billion). This included £410.2 million of client funds on the balance sheet (30 Nov 2022: £452.2 million) for which the interest is recognised within the net finance income line. Interest income earned on the remaining segregated client money balance was £32.9 million compared with £7.3 million in H1 FY23.

Adjusted operating costs

Adjusted operating costs excludes £29.3 million of one-off items and recurring non-cash items in order to present a more accurate view of underlying performance. A reconciliation of alternative performance measures used in this report is contained in the appendix.

Adjusted operating costs for H1 FY24 were £281.1 million, 9% higher than H1 FY23. The increase reflected higher average headcount, inflationary increases, higher net credit losses, costs for ongoing litigation, and continued investment in technology.

Adjusted operating costs from continuing operations

£m	H1 FY24	H1 FY23	Change %
Fixed remuneration	100.2	93.1	8%
Advertising and marketing	43.8	43.7	0%
Revenue related costs	30.6	26.6	15%
IT, structural market data and communications	23.8	20.9	14%
Depreciation and amortisation	17.7	14.8	20%
Legal and professional	14.2	11.5	23%
Other costs	25.7	21.9	17%
Variable remuneration	25.1	24.3	3%
Total operating costs	**281.1**	**256.8**	**9%**
Headcount – average	**2,754**	**2,604**	**6%**

H1 FY24 fixed remuneration was £100.2 million, up 8%, reflecting inflationary salary increases and headcount increase as we continued to invest in the Group's strategic and incubator projects.

Revenue related costs include market data charges, client payment charges, provisions for client and counterparty credit losses and brokerage trading fees. Revenue related costs increased by 15% to £30.6 million. With the exception of client and counterparty credit losses, all revenue related costs decreased year on year reflecting the lower levels of client activity. Client and counterparty credit losses increased to £10.5 million in the period (H1 FY23: £1.1 million), which included an isolated provision for bad debts arising against a small number of professional clients.

IT maintenance, structural market data charges, and communications costs were £23.8 million, an increase of 14% reflecting increased investments in technology to upgrade existing systems, support future growth and deliver new product offerings. Inflationary pressures on contract renewal for market data further driving increases.

Depreciation and amortisation costs increased 20% to £17.7 million reflecting investments made in new software, amortisation of assets relating to the acquisition of Small Exchange and accelerated amortisation on internally developed assets.

Legal and professional fees were £14.2 million, an increase of 23%, reflecting higher costs in relation to strategic and operational projects and costs for ongoing litigation.

Other costs which include staff related costs such as travel and entertainment, regulatory fees and irrecoverable VAT, increased by 17% to £25.7 million.

Variable remuneration of £25.1 million includes the general bonus accrual, share schemes and sales bonuses. The charge for the general bonus pool was £11.2 million, down 9%. The lower charge reflects the Group's performance against internal targets relative to the comparative period, offset by increases due to headcount growth and salary inflation. Share schemes costs, which relate to long-term incentive plans for senior management, increased by 16% to £10.9 million (H1 FY23: £9.4 million) including a one-off acceleration of charges for the outgoing CEO's share awards. Sales bonuses increased by 17% to £3.0 million.

Net finance income

Net finance income in the period was £15.4 million, up from £2.4 million in H1 FY23. Within this, finance income was £26.1 million (H1 FY23: £10.5 million), offset by finance costs of £10.7 million (H1 FY23: £8.1 million). Group finance costs are fixed, however finance income, which reflects the interest earned on corporate balances including client funds on balance sheet, benefitted from higher interest rates.

Taxation

The forecast full year effective tax rate (ETR) applied to the Group's H1 FY24 profit was 24.8% (H1 FY23: 18.9%). The ETR is higher due to the increase in UK corporation tax rate from 19% to 25% in April 2023. The ETR is dependent on a mix of factors including taxable profit by geography, tax rates levied in those geographies and the availability and use of tax incentives and tax losses.

Earnings Per Share

Adjusted basic EPS was 22% lower than H1 FY23. This reduction in EPS is due to lower profit after tax, offset by a reduction in the number of shares following the ongoing share buyback.

£m (unless stated)	H1 FY24	H1 FY24 adjusted	H1 FY23	H1 FY23 adjusted	Change %	Adjusted change %
Profit before tax from continuing operations	176.4	205.7	240.5	260.7	(27%)	(21%)
Tax expense	(43.7)	(50.9)	(45.6)	(49.4)	(4%)	3%
Profit after tax from continuing operations	132.7	154.8	194.9	211.3	(32%)	(27%)
Loss after tax from discontinued operations	-	-	(0.2)	(0.2)	(100%)	(100%)
Profit after tax for the period	132.7	154.8	194.7	211.1	(32%)	(27%)
Weighted average number of shares for the calculation of EPS (millions)	397.6	397.6	425.0	425.0	(6%)	(6%)
Basic earnings per share (pence per share)	**33.4**	**38.9**	**45.8**	**49.7**	**(27%)**	**(22%)**

Dividend

The proposed interim dividend for FY24 of 13.56 pence per share, totalling approximately £52.1 million, was approved by the Board on 24 January 2024. This dividend will be paid on 1 March 2024 to those members on the register at the close of business on 2 February 2024.

Summary Group Balance Sheet

The balance sheet is presented on a management basis which reflects the Group's use of alternative performance measures to monitor its financial position, with particular focus on own funds and liquid assets which provide a broader and more stable view of the Group's balance sheet than cash. These alternative performance measures are reconciled to the corresponding statutory measures in the appendix.

£m	30 Nov 2023	31 May 2023	Change %
Goodwill	603.7	611.0	(1%)
Intangible assets	252.2	276.5	(9%)
Property, plant and equipment[1]	19.7	17.6	12%
Operating lease net liabilities	(2.7)	(2.2)	23%
Other investments	1.2	1.2	-
Investments in associates	10.9	12.5	(13%)
Fixed assets	**885.0**	**916.6**	**(3%)**
Own cash	530.9	730.2	(27%)
Issued debt	(299.4)	(299.3)	-
Client funds held on balance sheet	(410.2)	(420.4)	(2%)
Turbo warrants	(4.3)	(2.7)	59%
Net amounts due from brokers	903.9	825.3	10%
Own funds in client money	45.9	75.1	(39%)
Financial investments	223.2	234.1	(5%)
Liquid asset threshold requirement	46.2	65.0	(29%)
Own funds	**1,036.2**	**1,207.3**	**(14%)**
Working capital	(46.4)	(74.4)	(38%)
Net tax receivable	18.2	2.7	574%
Net deferred income tax liability	(31.5)	(37.6)	(16%)
Net assets	**1,861.5**	**2,014.6**	**(8%)**

[1] Excludes right-of-use assets

The majority of the Group's fixed assets are held in US dollars, including goodwill of £501.9 million attributed to the tastytrade business. As a result, the Group has recognised a £31.6 million decrease in fixed assets during the period, predominantly driven by amortisation and foreign exchange movements.

Liquidity

The Group maintains a strong liquidity position, ensuring that it has sufficient liquidity under both normal circumstances and stressed conditions to meet its liquidity requirements, which include broker margin requirements, the regulatory and working capital needs of its subsidiaries, and funding of adequate buffers in segregated client money accounts.

The Group's available liquidity comprises assets available at short notice to meet additional liquidity requirements, which are typically increases in broker margin.

£m	30 Nov 2023	31 May 2023	Change %
Own cash	530.9	730.2	(27%)
Net amounts due from brokers	903.9	825.3	10%
Own funds in client money	45.9	75.1	(39%)
Financial investments	223.2	234.1	(5%)
Liquid asset threshold requirement	46.2	65.0	(29%)
Liquid assets	**1,750.1**	**1,929.7**	**(9%)**
Broker margin requirement	(722.1)	(678.2)	6%
Cash balances in non-UK subsidiaries	(390.9)	(383.5)	2%
Own funds in client money	(45.9)	(75.1)	(39%)
Available liquidity	**591.2**	**792.9**	**(25%)**
Of which:			
Held to meet regulatory liquidity requirements	46.2	65.0	(29%)
Dividend due	52.1	130.6	(60%)

The Group's liquid assets have reduced since 31 May 2023, driven by a reduction in cash following dividends paid and the ongoing share buyback. Dividend payments of £126.7 million and payments in relation to the share buyback of £149.7 million, exceeded net cash flows generated from operating activities of £72.9 million.

Net amounts due from brokers increased by £78.6 million. The balance comprises open derivative positions, cash, UK Government securities and cryptocurrency assets held on account by the Group's hedging and execution counterparties. The maximum margin requirement during the period was £756.6 million in November 2023, marginally lower than the Group's peak broker margin requirement of £757.5 million in FY23.

The Group's available liquidity reduced by £201.7 million during the period, which is greater than the overall fall in liquid assets of £179.6 million. This was predominantly driven by an increase in broker margin requirements and additional funds being held in non-UK subsidiaries.

The Group regularly repatriates cash from its overseas subsidiaries, and for liquidity management and planning purposes the Group excludes cash held by non-UK subsidiaries from available liquidity. The amount of cash held in entities outside the UK was £390.9 million as at 30 November 2023 (31 May 2023: £383.5 million).

The Group's available liquidity is subject to meeting regulatory liquidity requirements. These requirements can be met with both cash and certain financial investments. As at 30 November 2023, the requirement was £46.2 million, 29% lower than 31 May 2023.

In addition to the cash recognised on the balance sheet, as at 30 November 2023, the Group held £2,131.9 million (31 May 2023: £2,303.9 million) of client money in segregated bank accounts, which is not recognised on the Group's balance sheet. These client funds are held separately from the Group's own cash balances and are excluded from the Group's liquid assets.

Own Funds

The Group measures the strength of its liquidity position using an 'own funds' measure, as it is a broader and more stable measure than cash. Own funds include liquid assets, less issued debt, turbo warrants and client funds on balance sheet. As at 30 November 2023, the Group had own cash of £530.9 million (31 May 2023: £730.2 million) compared with an own funds balance of £1,036.2 million (31 May 2023: £1,207.3 million). Own funds reduced in the period due to the fall in liquid assets.

£m	30 Nov 2023	31 May 2023	Change %
Liquid assets	1,750.1	1,929.7	(9%)
Client funds on balance sheet	(410.2)	(420.4)	(2%)
Turbo warrants	(4.3)	(2.7)	59%
Issued debt	(299.4)	(299.3)	-
Own funds	**1,036.2**	**1,207.3**	**(14%)**

Client funds on balance sheet are funds on deposit with the Group's Swiss banking subsidiary, IG Bank SA, and client funds held by other subsidiaries which are not subject to the same legal or regulatory protections as client money held off balance sheet, including funds under title transfer arrangements.

The Group has a £375.0 million revolving credit facility, which increased following an accordion to the existing revolving credit facility signed during H1 FY24. The credit facility matures in October 2026. The Group has the option to request an increase in the revolving credit facility size to £400.0 million, subject to borrower request and lender consent.

Own Funds Flow

£m	H1 FY24	H1 FY23
Own funds generated from operations	**183.8**	**232.2**
As a percentage of operating profit	113%	97%
Income taxes paid	(66.4)	(65.6)
Net own funds generated from operations	**117.4**	**166.6**
Net interest and fees received/(paid)	13.1	(3.6)
Capital expenditure and capitalised development costs	(10.8)	(10.5)
Purchase of own shares held in employee benefit trust	(13.3)	(14.6)
Net cash flow on acquisition of subsidiaries	-	3.2
Net proceeds from disposal of subsidiaries	-	1.0
Pre-dividend and share buyback increase in own funds	**106.4**	**142.1**
Payments made for share buyback	(149.7)	(113.9)
Equity dividends paid to owners of the parent	(126.7)	(133.2)
Decrease in own funds	**(170.0)**	**(105.0)**
Own funds at the start of the period	**1,207.3**	**1,253.8**
Decrease in own funds	(170.0)	(105.0)
Impact of movement in foreign exchange rates	(1.1)	1.5
Own funds at the end of the period	**1,036.2**	**1,150.3**

Own funds in the period decreased by £171.1 million. This was predominantly a result of shares bought back during H1 FY24 of £149.7 million and dividends paid of £126.7 million exceeding net own funds generated from operations of £117.4 million.

The Group's own funds generated from operations of £183.8 million was £48.4 million lower than own funds generated from operations in H1 FY23. The primary driver of this decrease is operating profit falling by £76.5 million, which is offset by changes in fair value movement of UK Government securities of £16.5 million, a higher share-based payment charge by £4.0 million, and differences in adjustments for working capital movements of £3.5 million.

Net own funds generated from operations in H1 FY24 was further reduced by £66.4 million of income taxes paid, of which £1.4 million related to FY23 profits and the remaining £65.0 million was advance tax payments for FY24.

Regulatory Capital

The Group is supervised on a consolidated basis by the UK's Financial Conduct Authority (FCA), which requires it to hold sufficient regulatory capital at both Group and individual entity levels to cover risk exposures, valued according to applicable rules and our internal assessment of risks.

The Group's regulatory capital resources, which totalled £831.6 million at 30 November 2023 (31 May 2023: £996.3 million) are an adjusted measure of shareholders' funds. Shareholders' funds comprise share capital, share premium, retained earnings and other reserves.

The Group's regulatory capital requirement as at 30 November 2023 was £289.8 million (31 May 2023: £497.4 million). The Group's capital headroom, once interim profits have been approved for use by the FCA, will be £541.8 million (31 May 2023: £498.9 million), demonstrating the Group's solid capital base. The drop in regulatory capital requirement from May 2023 was due to the completion of the Supervisory Review and Evaluation Process.

£m	30 Nov 2023	31 May 2023
Shareholders' funds	**1,861.5**	**2,014.6**
Less foreseeable / declared dividends	(66.4)	(127.6)
Less remaining share buyback	(122.4)	(22.5)
Less goodwill and intangible assets	(805.2)	(829.9)
Less deferred tax assets	(22.4)	(23.2)
Less significant investments in financial sector entities	(12.1)	(13.7)
Less value adjustment for prudent valuation	(1.4)	(1.4)
Regulatory capital resources	**831.6**	**996.3**
Total requirement	**289.8**	**497.4**
Capital headroom	**541.8**	**498.9**

Principal risks and uncertainties

IG's Risk Taxonomy categorises the principal risks faced by the Group into four areas: the risks inherent in the regulatory environment, commercial risk, business model risk, and conduct and operational risk.

The principal risks and uncertainties which could impact the Group for the remainder of the current financial year remain consistent with those detailed on pages 48 to 53 of the FY23 Group Annual Report, which is available on the Group's website. There have been no significant changes in the Group's risk management framework in H1 FY24 and up to the date of this announcement.

Consolidated Interim Income Statement
for the six months ended 30 November 2023 (unaudited)

	Note	Unaudited six months ended 30 November 2023 £m	Unaudited six months ended 30 November 2022 £m
Continuing operations			
Trading revenue		406.4	498.9
Introducing partner commissions		(4.0)	(4.0)
Net trading revenue	3	**402.4**	**494.9**
Betting duty and financial transaction taxes		(3.2)	(6.7)
Interest income on client funds		71.2	24.9
Interest expense on client funds		(1.0)	(0.7)
Other operating income		3.5	6.7
Net operating income		**472.9**	**519.1**
Operating costs	4	(299.9)	(278.8)
Net credit losses on financial assets	20	(10.5)	(1.1)
Operating profit		**162.5**	**239.2**
Finance income		26.1	10.5
Finance costs		(10.7)	(8.1)
Share of loss after tax from associates		(1.5)	(1.1)
Profit before tax		**176.4**	**240.5**
Tax expense	5	(43.7)	(45.6)
Profit for the period from continuing operations		**132.7**	**194.9**
Loss for the period from discontinued operations		-	(0.2)
Profit for the period attributable to owners of the parent		**132.7**	**194.7**

Earnings per ordinary share			
Basic	6	33.4p	45.8p
Diluted	6	33.1p	45.5p

Consolidated Interim Statement of Comprehensive Income
for the six months ended 30 November 2023 (unaudited)

	Unaudited six months ended 30 November 2023		Unaudited six months ended 30 November 2022	
	£m	£m	£m	£m
Profit for the period		132.7		194.7
Other comprehensive income: Items that may be subsequently reclassified to the Consolidated Interim Income Statement:				
Changes in the fair value of financial assets held at fair value through other comprehensive income, net of tax	5.3		(5.5)	
Foreign currency translation (loss)/gain	(10.9)		30.1	
Other comprehensive (loss)/income for the period, net of tax		(5.6)		24.6
Total comprehensive income for the period		**127.1**		**219.3**
Total comprehensive income/(loss) attributable to owners of the parent arising from:				
Continuing operations		127.1		219.5
Discontinued operations		-		(0.2)
		127.1		**219.3**

Consolidated Interim Statement of Financial Position
at 30 November 2023 (unaudited)

	Note	Unaudited 30 November 2023 £m	31 May 2023 £m	Unaudited 30 November 2022 £m
Assets				
Non-current assets				
Goodwill	8	603.7	611.0	627.2
Intangible assets	9	252.2	276.5	288.0
Property, plant and equipment		38.9	36.1	34.0
Financial investments	10	477.1	379.6	474.6
Investment in associates		10.9	12.5	14.4
Other investments		1.2	1.2	1.2
Prepayments		-	0.3	0.7
Deferred income tax assets		22.4	23.2	19.7
		1,406.4	**1,340.4**	**1,459.8**
Current assets				
Cash and cash equivalents	11	586.7	798.5	858.9
Trade receivables	12	556.6	570.4	448.5
Financial investments	10	138.4	226.8	145.4
Other assets	13	24.9	15.0	11.3
Prepayments		24.8	25.3	19.8
Other receivables		11.6	10.0	8.3
Income tax receivable		27.6	8.8	-
		1,370.6	**1,654.8**	**1,492.2**
TOTAL ASSETS		**2,777.0**	**2,995.2**	**2,952.0**
Liabilities				
Non-current liabilities				
Debt securities in issue	14	297.9	297.6	297.4
Other payables		1.2	1.2	1.2
Lease liabilities		13.9	13.3	10.9
Deferred income tax liabilities		53.9	60.8	66.4
		366.9	**372.9**	**375.9**
Current liabilities				
Trade payables	15	431.2	478.0	487.2
Other payables		100.0	116.2	91.0
Lease liabilities		8.0	7.4	7.4
Income tax payable		9.4	6.1	3.1
		548.6	**607.7**	**588.7**
TOTAL LIABILITIES		**915.5**	**980.6**	**964.6**
Equity				
Share capital and share premium	16	125.8	125.8	125.8
Translation reserve		109.9	120.8	147.7
Merger reserve		590.0	590.0	590.0
Other reserves		(26.6)	(16.9)	(16.4)
Retained earnings		1,062.4	1,194.9	1,140.3
TOTAL EQUITY		**1,861.5**	**2,014.6**	**1,987.4**
TOTAL EQUITY AND LIABILITIES		**2,777.0**	**2,995.2**	**2,952.0**

The Consolidated Interim Condensed Financial Statements were approved by the Board of Directors on 24 January 2024 and signed on its behalf by:

Charles A. Rozes
Chief Financial Officer

Registered Company number: 04677092

Consolidated Interim Statement of Changes in Equity
for the six months ended 30 November 2023 (unaudited)

	Share capital	Share premium	Translation reserve	Merger reserve	Other reserves	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 June 2022	-	125.8	117.6	590.0	8.4	1,186.0	2,027.8
Profit for the period and attributable to owners of the parent	-	-	-	-	-	194.7	194.7
Other comprehensive income/(loss) for the period	-	-	30.1	-	(5.5)	-	24.6
Total comprehensive income/(loss) for the period	-	-	30.1	-	(5.5)	194.7	219.3
Equity dividends paid to owners of the parent	-	-	-	-	-	(133.2)	(133.2)
Share buyback	-	-	-	-	(1.6)	(114.6)	(116.2)
Purchase of own shares held in employee benefit trusts	-	-	-	-	(14.6)	-	(14.6)
Transfer of vested awards from the share-based payment reserve	-	-	-	-	(7.4)	7.4	-
Equity-settled employee share-based payments	-	-	-	-	6.7	-	6.7
Share-based payments converted to cash settled liabilities	-	-	-	-	(2.4)	-	(2.4)
At 30 November 2022 (unaudited)	-	125.8	147.7	590.0	(16.4)	1,140.3	1,987.4
At 1 June 2023	-	125.8	120.8	590.0	(16.9)	1,194.9	2,014.6
Profit for the period and attributable to owners of the parent	-	-	-	-	-	132.7	132.7
Other comprehensive income/(loss) for the period	-	-	(10.9)	-	5.3	-	(5.6)
Total comprehensive income/(loss) for the period	-	-	(10.9)	-	5.3	132.7	127.1
Equity dividends paid to owners of the parent	-	-	-	-	-	(126.7)	(126.7)
Share buyback	-	-	-	-	(1.0)	(149.9)	(150.9)
Purchase of own shares held in employee benefit trusts	-	-	-	-	(13.3)	-	(13.3)
Transfer of vested awards from the share-based payment reserve	-	-	-	-	(11.4)	11.4	-
Equity-settled employee share-based payments	-	-	-	-	10.7	-	10.7
At 30 November 2023 (unaudited)	-	125.8	109.9	590.0	(26.6)	1,062.4	1,861.5

Consolidated Interim Statement of Cash Flows

for the six months ended 30 November 2023 (unaudited)

	Note	Unaudited six months ended 30 November 2023 £m	Unaudited six months ended 30 November 2022 £m
Operating activities			
Operating profit / (loss):			
From continuing operations		162.5	239.2
From discontinued operations		-	(0.2)
Depreciation and amortisation		32.9	30.2
Loss on disposal of assets		1.0	0.2
Interest income on client funds		(71.2)	(24.9)
Interest expense on client funds		1.0	0.7
Equity settled share-based payments charge		10.7	6.7
Decrease in trade receivables, other receivables and other assets		5.1	29.6
(Decrease) in trade and other payables		(71.1)	(124.6)
Cash generated from operations		**70.9**	**156.9**
Interest received on client funds		69.2	24.9
Interest paid on client funds		(0.8)	(0.7)
Income taxes paid		(66.4)	(65.6)
Net cash flows generated from operating activities		**72.9**	**115.5**
Investing activities			
Interest received		23.0	4.7
Purchase of property, plant and equipment		(7.4)	(6.3)
Payments to acquire and develop intangible assets		(3.4)	(4.2)
Net cash flow from financial investments		1.0	(230.3)
Net cash flow on acquisition of subsidiaries		-	3.2
Net proceeds from disposal of subsidiaries		-	1.0
Net cash flows generated from/(used in) investing activities		**13.2**	**(231.9)**
Financing activities			
Interest paid		(8.0)	(6.3)
Financing fees paid		(1.9)	(2.0)
Interest paid on lease liabilities		(0.4)	(0.3)
Repayment of principal element of lease liabilities		(3.3)	(3.8)
Payments made for share buyback		(149.7)	(113.9)
Equity dividends paid to owners of the parent	7	(126.7)	(133.2)
Purchase of own shares held in employee benefit trust		(13.3)	(14.6)
Net cash flows (used in) financing activities		**(303.3)**	**(274.1)**
Net (decrease) in cash and cash equivalents		(217.2)	(390.5)
Cash and cash equivalents at the beginning of the period	11	795.2	1,246.4
Impact of movement in foreign exchange rates		(0.9)	3.0
Cash and cash equivalents at the end of the period	11	**577.1**	**858.9**

Notes to the Consolidated Interim Condensed Financial Statements

for the six months ended 30 November 2023 (unaudited)

1. General Information and basis of preparation

General Information

The Consolidated Interim Condensed Financial Statements of IG Group Holdings plc and its subsidiaries (together 'the Group') for the six months ended 30 November 2023 were authorised for issue by the Board on 24 January 2024. IG Group Holdings plc is a public company limited by shares, which is listed on the London Stock Exchange and incorporated and domiciled in England and Wales. The address of the registered office is Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA.

The interim financial information for the six months ended 30 November 2023, together with the comparative information contained in this report, does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim financial information is unaudited but has been reviewed by the Group's auditors, PricewaterhouseCoopers LLP, and their report is included at the end of these Consolidated Interim Condensed Financial Statements. The Financial Statements for the year ended 31 May 2023 (FY23 Financial Statements) have been audited and reported on by the Group's auditors and delivered to the Registrar of Companies. The auditors' report on the FY23 Financial Statements was unqualified, did not include a reference to any matters to which they drew attention by way of emphasis without qualifying its report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Basis of preparation

The Consolidated Interim Condensed Financial Statements for the six months ended 30 November 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules (DTR) sourcebook of the UK's Financial Conduct Authority and in accordance with UK-adopted International Accounting Standard 34 - Interim Financial Reporting. The Consolidated Interim Condensed Financial Statements are presented in Sterling.

The Consolidated Interim Condensed Financial Statements do not include all the information and disclosures required in the FY23 Financial Statements and should be read in conjunction with the Group's Annual Report for the year ended 31 May 2023 (FY23 Annual Report) which has been prepared in accordance with the UK-adopted International Accounting Standards in conformity with applicable legal requirements of the Companies Act 2006.

Throughout this report, FY24, FY23 and FY22 refer to the financial years ending 31 May 2024, 31 May 2023, and 31 May 2022 respectively. H1 FY24, H1 FY23 and H1 FY22 refer to the six months ended 30 November 2023, 30 November 2022, and 30 November 2021 respectively.

Reclassification of comparatives

Interest income on client funds of £71.2 million (H1 FY23: £24.9 million) and interest expense on client funds of £1.0 million (H1 FY23: £0.7 million) have been presented as separate line items in the Consolidated Interim Statement of Cash Flows.

2. Material accounting policies

The accounting policies adopted in the preparation of the Consolidated Interim Condensed Financial Statements are consistent with those followed in the preparation of the FY23 Financial Statements.

New accounting standards and interpretations

There were no new standards, amendments or interpretations issued during the period which have had a material impact on the Group, other than those outlined in the paragraph below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The IASB has published a number of minor amendments to IFRSs that are effective for periods beginning on or after 1 January 2024. These include amendments published to IAS 7 – Statement of Cash Flows, IFRS 7 – Financial Instrument Disclosures, IFRS 16 – Leases and IAS 1 – Presentation of Financial Statements. The Group has assessed the impact of these amendments and has determined there to be insignificant impact on the Consolidated Interim Condensed Financial Statements of the Group.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group has applied the exemption, under the amendment to IAS 12, to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts reported for assets and liabilities as at the reporting date, and the amounts reported for revenue and expenses during the period. The nature of judgements and estimates means that actual outcomes could differ from those estimates.

In the Directors' opinion, there are no accounting estimates or judgments that have a material impact on the presentation or measurement of items recorded in the Consolidated Interim Condensed Financial Statements, except for the judgement below.

Assessment of impairment indicators of the US Cash Generating Unit (CGU) – A review has been performed to consider whether indicators of impairment are present as at 30 November 2023 for the US CGU, taking into account both internal and external factors which are outlined in note 8. The Group disclosed a critical accounting estimate relating to the recoverable amount of the US CGU and concluded that the recoverable amount is sensitive to reasonably possible change to assumptions in the FY23 Financial Statements. The judgement that there were no impairment indicators present means that no formal impairment test has been performed.

2. Material accounting policies (continued)

Going concern basis of accounting

The Directors have prepared the Consolidated Interim Condensed Financial Statements on a going concern basis which requires the Directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Consolidated Interim Condensed Financial Statements.

The Group meets its day-to-day working capital requirements through its available liquid assets and debt facilities. The Group's liquid assets exclude all monies held in segregated client money accounts. In assessing whether it is appropriate to adopt the going concern basis in preparing the Consolidated Interim Condensed Financial Statements, the Directors have considered the resilience of the Group, taking account of its liquidity position and cash generation, the adequacy of capital resources, the availability of external credit facilities and the associated financial covenants, and stress-testing of liquidity and capital adequacy that considers the principal risks faced by the business. The principal risks and uncertainties which may affect the Group in the second half of the financial year remain consistent with those disclosed in the FY23 Annual Report.

The Directors' assessment has considered future performance, solvency, and liquidity over a period of at least 12 months from the date of approval of the Consolidated Interim Condensed Financial Statements. The Board, following the review by the Audit Committee, has a reasonable expectation that the Group has adequate resources for that period, and confirms that they consider it appropriate to adopt the going concern basis in preparing the Consolidated Interim Condensed Financial Statements.

Seasonality of operations

The Directors consider that there is no predictable seasonality to the Group's operations.

Other matters

Sponsorship agreement

In H1 FY24, the Group entered into a sponsorship agreement which awards it with the naming rights of a public events space. A portion of the costs related to this agreement meets the criteria for recognition as a lease under IFRS 16 – Leases. The right of use asset and the corresponding lease liability will be recognised on commencement of the lease, which is expected in 2025.

3. Segmental analysis

The Executive Directors are the Group's Chief Operating Decision Maker (CODM). Management has determined the reportable segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The Group manages market risk and a number of other activities on a Group-wide portfolio basis and accordingly a large proportion of costs are incurred centrally. These central costs are not allocated to individual segments for decision-making purposes for the CODM, and, accordingly, these costs have not been allocated to segments. Additionally, the Group's assets and liabilities are not allocated to individual segments and are not reported as such for decision making purposes to the CODM. Therefore, the segmental analysis does not include a measure of profitability, nor a complete segmented balance sheet, as this would not reflect the information which is received by the CODM on a regular basis.

The CODM are presented a view of total revenue split by product. Total revenue is an alternative performance measure which comprises net trading revenue and net interest on client funds. In the prior period, the CODM were presented with a view of net trading revenue split by product. This change is due to net interest on client funds being a more material source of revenue for the period ended 30 November 2023. The presentation for prior period comparatives has been updated to reflect this.

Net trading revenue represents trading revenue that the Group generates from client trading activity after deducting introducing partner commissions. Net interest on client funds represents interest earned on segregated client money balances after deducting interest paid in relation to the same balances. These two balances collectively make up total revenue earned for the Group. The CODM uses total revenue as the primary measure of performance of the various segments of the Group. The CODM considers business performance from a product perspective, split into OTC derivatives, exchange traded derivatives, stock trading and investments and net interest on client funds. The products shown in the segmental analysis are aggregated where these products are economically similar in nature.

3. Segmental analysis (continued)

The segmental breakdown of total revenue is as follows:

Total revenue by product:

	Unaudited six months ended 30 November 2023 £m	Unaudited six months ended 30 November 2022 £m
OTC derivatives	327.7	416.5
Exchange traded derivatives	63.6	67.1
Stock trading and investments	11.1	11.3
Net trading revenue	**402.4**	**494.9**
Net interest on client funds	70.2	24.2
Total revenue	**472.6**	**519.1**

The CODM also considers business performance from a geographical location. This geographical split reflects the location of the office that manages the underlying client relationship.

	Unaudited six months ended 30 November 2023 £m	Unaudited six months ended 30 November 2022 £m
Segmental revenue by geography		
UK	132.7	169.3
Japan	38.9	55.8
Australia	43.6	51.9
Singapore	35.1	37.0
EMEA Non-EU	21.3	28.9
Emerging markets	17.9	21.9
UK, APAC & Emerging markets	**289.5**	**364.8**
US	65.7	72.6
EU	47.2	57.5
Net trading revenue	**402.4**	**494.9**
Net interest on client funds – US	37.3	16.9
Net interest on client funds – Other	32.9	7.3
Total revenue	**472.6**	**519.1**

The Group does not derive more than 10% of revenue from any one single client.

The segmental breakdown of non-current assets excluding financial investments, other investments and deferred income tax assets, based on geographical location is as follows:

	Unaudited six months ended 30 November 2023 £m	Unaudited six months ended 30 November 2022 £m
US	740.6	815.5
UK	147.7	133.8
EU	6.8	5.5
EMEA Non-EU	5.6	6.5
Australia	2.5	0.6
Japan	1.3	2.9
Singapore	1.1	0.6
Emerging markets	0.1	0.1
Total non-current assets	**905.7**	**965.5**

Notes to the Consolidated Interim Condensed Financial Statements

for the six months ended 30 November 2023 (unaudited)

4. Operating costs

	Unaudited six months ended 30 November 2023 £m	Unaudited six months ended 30 November 2022 £m
Fixed remuneration	109.1	96.3
Variable remuneration	27.7	27.3
Employee related expenses	**136.8**	**123.6**
Advertising and marketing	43.8	43.6
Premises-related costs	6.0	5.2
IT, market data and communications	27.2	26.2
Trading related costs	17.0	20.3
Legal and professional costs	15.4	11.6
Regulatory fees	(0.7)	0.4
Depreciation and amortisation	32.9	30.2
Other costs	21.5	17.7
Total operating costs from continuing operations	**299.9**	**278.8**
Total operating costs from discontinued operations	**-**	**0.2**

The Group announced measures to simplify and streamline operations on 31 October 2023, which included operational improvements and a reduction in headcount. At 30 November 2023, the Group has recognised a provision for redundancy compensation of £6.8 million on the balance sheet, with £7.9 million recognised as part of fixed remuneration costs.

5. Tax expense

The tax expense of £43.7 million (H1 FY23: £45.6 million) is recognised based on management's estimate of the effective tax rate for the full year of 24.8% (H1 FY23: 18.9%), applied to profits generated from continuing operations. The actual effective tax rate for FY23 was 20.0%. The factors affecting the tax charge in future periods are detailed on page 152 of the FY23 Annual Report.

6. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding shares held as own shares in the Group's employee benefit trusts. Diluted earnings per ordinary share is calculated using the same profit figure as that used in basic earnings per ordinary share and by adjusting the weighted average number of ordinary shares assuming the vesting of all outstanding share scheme awards.

Weighted average number of ordinary shares	Unaudited 30 November 2023	Unaudited 30 November 2022
Basic	397,611,659	425,002,160
Dilutive effect of share-based payments	3,740,573	3,109,996
Diluted	401,352,232	428,112,156

	Unaudited six months ended 30 November 2023	Unaudited six months ended 30 November 2022
Basic earnings per ordinary share		
Attributable to continuing operations	33.4p	45.8p
Attributable to discontinued operations	0.0p	0.0p

6. Earnings per ordinary share (continued)

	Unaudited six months ended 30 November 2023	Unaudited six months ended 30 November 2022
Diluted earnings per ordinary share		
Attributable to continuing operations	33.1p	45.5p
Attributable to discontinued operations	0.0p	0.0p

7. Dividends paid and proposed

	Unaudited six months ended 30 November 2023	Unaudited six months ended 30 November 2022
	£m	£m
Final dividend for FY23 of 31.94 pence per share (FY22: 31.24 pence per share)	126.7	133.2

The proposed interim dividend for FY24 of 13.56 pence per share, totalling approximately £52.1 million, was approved by the Board on 24 January 2024 and has not been included as a liability as at 30 November 2023. This dividend will be paid on 1 March 2024 to those members on the register at the close of business on 2 February 2024.

8. Goodwill

Goodwill has been allocated to CGUs as follows:

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
US	501.9	509.2	525.4
UK	100.9	100.9	100.9
South Africa	0.8	0.8	0.8
Australia	0.1	0.1	0.1
	603.7	611.0	627.2

The movement in the goodwill balance is attributable to foreign exchange movements. For the allocated goodwill, there are no accumulated impairment losses recognised as at 30 November 2023.

Goodwill arose as follows:

- US – from the acquisition of tastytrade on 28 June 2021.
- UK – from the reorganisation of the UK business on 5 September 2003.
- South Africa – from the acquisition of Ideal CFDs on 1 September 2010.
- Australia – from the acquisition of the non-controlling interest in IG Australia Pty Limited in the year ended 31 May 2006.

The Group performs a full goodwill impairment assessment for its annual financial statements and when circumstances indicate that the carrying values may be impaired. The Group's full impairment assessment carried out for the FY23 Financial Statements was based on value-in-use calculations. The key assumptions used to determine the value-in-use for the different cash generating units (CGUs) are disclosed in the FY23 Financial Statements.

An assessment of both qualitative and quantitative factors has been performed to identify whether any indicators of impairment are present as at 30 November 2023. Having performed this assessment, management has concluded that there is no indication that the goodwill may be impaired for any of the Group's CGUs, as the factors considered do not currently indicate a long-term deterioration of the businesses and profitability. Management will perform an annual impairment test, incorporating cash flow projections based on the annual budgets approved by the Board, for the FY24 Financial Statements.

US CGU:
The Group's largest goodwill balance is associated with the US CGU. Given the judgement involved (refer to note 2) in determining whether there are any indicators of impairment, further details on the assessment of qualitative and quantitative factors are provided below.

Performance of the US CGU:
During the period, the US CGU demonstrated continued growth with H1 FY24 performance in relation to new client acquisition, net trading revenue and client interest income being higher than H1 FY23. The CGU also increased market share in the period from 1 June 2023 to 30 November 2023. CGU performance was behind budget, although not by a significant amount. This was due to reduced market volatility, which impacted client acquisition and net trading revenue. Management do not consider the performance against budget to be an indicator of impairment considering the growth in performance against the prior comparative period and the increase in market share during the period.

8. Goodwill (continued)

Interest rate movement:
Interest rate movements impact both the discount rate and future cash flows. The discount rate used to calculate the recoverable amount of the US CGU in FY23 is a post-tax weighted average cost of capital (WACC) which is specific to the US geographical region. The discount rate depends on the current market assessment of the time value of money, determined by external market information such as interest rates. Future cashflows include interest from client funds, which can increase as a result of higher interest rates. Management have determined that the higher interest rate as at 30 November 2023 does not represent an indicator of impairment, having considered the impact of increased interest rates on both the future cash flows and the discount rate.

Other factors:
Management have considered other factors including changes to the regulatory environment and observable decline in assets such as technology as part of the assessment. No indicator of impairment has been identified.

9. Intangible assets

	Customer relationships	Trade names	Non-compete arrangements	Internally developed software	Domain names	Software and licences	Total
	£m	£m	£m	£m	£m	£m	£m
Net book values							
30 November 2022 - (unaudited)	161.0	59.2	23.7	27.6	13.2	3.3	288.0
31 May 2023	147.1	55.2	19.7	34.8	11.0	8.7	276.5
30 November 2023 - (unaudited)	135.8	52.3	16.3	31.1	9.4	7.3	252.2

The Group has performed a review of intangible assets as at 30 November 2023 and concluded that there are no indicators of impairment. The movements in the carrying values of customer relationships, trade names, non-compete arrangements and domain names in the period are attributable to accumulated amortisation and foreign exchange movements. The movements in carrying value of the remaining assets in the period are attributable to additions, disposals, accumulated amortisation and foreign exchange movements.

10. Financial investments

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
Split as:			
Non-current portion	477.1	379.6	474.6
Current portion	138.4	226.8	145.4
	615.5	606.4	620.0

The Group's financial investments are UK Government securities. The Group held £392.3 million UK Government securities as at 30 November 2023 (31 May 2023: £372.3 million and 30 November 2022: £361.9 million) to satisfy margin requirements.

As at 30 November 2023, the Group held £36.3 million (31 May 2023: £35.0 million and 30 November 2022: £32.7 million) of financial assets as collateral to meet the initial margin requirements of certain brokers. These assets are held to satisfy the requirements of Uncleared Margin Rules ("UMR") and they are not recognised on balance sheet.

11. Cash and cash equivalents

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
Cash at bank	472.0	627.4	631.8
Money market funds	114.7	171.1	227.1
	586.7	798.5	858.9

Segregated client funds are held in segregated client money accounts which restrict the Group's ability to control the monies and are therefore held off-balance sheet. The amount of segregated client funds held at 30 November 2023 was £2,131.9 million (31 May 2023: £2,303.9 million; 30 November 2022: £2,449.9 million). The return received on managing segregated client funds is included within net operating income.

The above balances reconcile to the amount of cash and cash equivalents shown in the Consolidated Interim Statement of Cash Flows as at the end of the period as follows:

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
Cash and cash equivalents as per Consolidated Interim Statement of Financial Position	586.7	798.5	858.9
Amounts due to pooling arrangement	(9.6)	(3.3)	-
Balance as per Consolidated Interim Statement of Cash Flows	577.1	795.2	858.9

12. Trade receivables

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
Amounts due from brokers	500.1	486.6	390.4
Own funds in client money	48.1	79.4	55.1
Amounts due from clients	8.4	4.4	3.0
	556.6	570.4	448.5

Amounts due from brokers represent balances with brokers and execution partners where the combination of cash held on account and the valuation of financial derivative open positions, or unsettled trade receivables, results in an amount due to the Group.

Own funds in client money represent the Group's own cash held in segregated client funds, in accordance with the FCA CASS rules and similar rules of other regulators in whose jurisdiction the Group operates and includes £11.3 million (31 May 2023: £24.7 million and 30 November 2022: £5.6 million) to be transferred to the Group on the following business day.

Amounts due from clients arise when a client's total funds held with the Group are insufficient to cover any trading losses incurred by the client or when a client utilises a trading credit limit. Amounts due from clients are stated net of an allowance for impairment.

13. Other assets

Other assets are cryptocurrency assets and rights to cryptocurrency assets, which are owned and controlled by the Group for the purpose of hedging the Group's exposure to clients' cryptocurrency trading positions. The Group holds rights to cryptocurrency assets on exchange and in vaults as follows:

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
Exchange	1.2	1.5	0.8
Vaults	23.7	13.5	10.5
	24.9	15.0	11.3

Other assets are measured at fair value less costs to sell. Other assets are level 2 assets in accordance with the fair value hierarchy set out in note 28 of the FY23 Annual report.

14. Debt securities in issue

The Group has issued £300.0 million 3.125% senior unsecured bonds due in 2028. The issued debt has been initially recognised at fair value less transaction fees. As at 30 November 2023, £1.5 million unamortised arrangement fees are recognised on the balance sheet (31 May 2023: £1.7 million and 30 November 2022: £1.8 million).

The Group also has access to a £375.0 million revolving credit facility, which has increased by £25.0 million as a result of an accordion to the existing revolving credit facility being signed in H1 FY24. The Group has the option to request an increase in the revolving credit facility size to £400.0 million, subject to borrower request and lender consent. The revolving credit facility will now mature in October 2026, after the Group exercised its option in H1 FY24 to extend the maturity for a further year.

Under the terms of the revolving credit facility agreement, the Group is required to comply with financial covenants covering maximum levels of leverage and debt to equity. The Group has complied with all covenants throughout the reporting period.

15. Trade payables

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
UK	262.1	253.9	305.5
US	44.9	56.1	36.9
EU	48.7	55.4	50.3
EMEA Non-EU	44.0	49.0	53.1
Singapore	0.6	1.1	0.8
Japan	9.9	4.9	5.6
Total client funds	**410.2**	**420.4**	**452.2**
Issued turbo warrants	4.3	2.7	1.8
Amounts due to brokers	13.4	48.6	14.3
Amounts due to clients	3.3	6.3	18.9
	431.2	**478.0**	**487.2**

Client funds reflects the Group's liability for client monies which are recognised on balance sheet in cash and cash equivalents.

Amounts due to brokers represents balances where the value of unsettled positions, or the value of open derivatives positions held in accounts which are not covered by an enforceable netting agreement, results in an amount payable by the Group.

Amounts due to clients represent balances that will be transferred from cash and cash equivalents into segregated client funds on the following business day in accordance with the UK's Financial Conduct Authority CASS rules and similar rules of other regulators in whose jurisdiction the Group operates.

16. Share capital and share premium

	Number of shares	Share capital	Share premium account
		£m	£m
Allotted and fully paid:			
(i) Ordinary shares (0.005p)			
At 31 May 2022	431,574,455	-	125.8
Shares bought back and immediately cancelled	(14,455,050)	-	-
At 30 November 2022 (unaudited)	417,119,405	-	125.8
At 31 May 2023	408,947,842	-	125.8
Shares bought back and immediately cancelled	(22,547,134)	-	-
At 30 November 2023 (unaudited)	386,400,708	-	125.8

On 25 January 2023, the Board approved a buyback of up to £50.0 million. This commenced on 1 April 2023 and completed on 26 July 2023, with the purchase and cancellation of 3,644,714 shares made during H1 FY24.

16. Share capital and share premium (continued)

On 19 July 2023, the Board approved a £250.0 million buyback programme. This commenced on 2 August 2023 with a £100.0 million tranche which was completed on 30 October 2023, with the purchase and cancellation of 15,307,818 shares. A second £150.0 million tranche began on 7 November 2023 and as at 30 November 2023, 3,656,015 shares had been bought back under this tranche for a total consideration of £24.5 million.

As at 30 November 2023, for the period of H1 FY24, the Group has repurchased 22,608,547 shares, with an aggregate nominal value of £1,130, for total consideration of £150.0 million (including related costs of £0.8 million). As at 30 November 2023 the Group had 254,506 shares repurchased but not cancelled.

No shares were issued to satisfy the exercise of share awards in H1 FY24.

During H1 FY24, there have been no changes to the Group's deferred redeemable shares and redeemable preference shares (H1 FY23: none).

17. Related party transactions

The basis of remuneration of key management personnel remains consistent with that disclosed in the FY23 Annual Report. During the period there has been a change in the composition of key management personnel. As a result, the group has incurred one-off costs amounting to £3.4 million in the period which are recognised as part of operating costs in note 4.

The Group has a 9.81% shareholding and 33% voting rights in Zero Hash Holdings Limited which is accounted for as an investment in associate on the Group's balance sheet. Zero Hash facilitates cryptocurrency trading for clients of tastytrade, Inc. (tastytrade). tastytrade recognised £0.1 million revenue from Zero Hash during the period (H1 FY23: £0.1 million). In addition to this, the Group has subleased part of its US office to Zero Hash. The rental income generated in H1 FY24 from this sublease is £0.1 million (H1 FY23: £0.1 million).

There were no other related party transactions which had a material impact on the Consolidated Interim Condensed Financial Statements.

18. Contingent liabilities and provisions

The Group is subject to legal and regulatory risks in a number of jurisdictions which may result in legal claims or regulatory action against the Group. Through the Group's ordinary course of business there are ongoing legal proceedings and engagements with regulatory authorities. Where possible, an estimate of the potential financial impact of these legal proceedings is made using management's best estimate, but where the most likely outcome cannot be determined no provision is recognised.

The largest group of related claims that the Group is subject to could have a financial impact of approximately £19.9 million as at H1 FY24 (H1 FY23: £21.1 million). There have been no significant developments during the period and it is still not possible to determine whether any amounts will be payable to the clients. As a result, no provision has been recognised.

The Group received notice of a class action served against one of its operating entities during the financial year ended 31 May 2023. There has been no significant development since the claim was served and it is not possible to determine amounts that could be payable to the clients. As a result, no provision has been recognised.

Under the terms of the agreement with the Group's clearing broker for its operations in the US, Apex Clearing Corporation, the Group guarantees the performance of its customers in meeting contracted obligations. In conjunction with the clearing broker, the Group seeks to control the risks associated with its customer activities by requiring customers to maintain collateral in compliance with various regulatory and internal guidelines. Compliance with the various guidelines is monitored daily and, pursuant to such guidelines, the customers may be required to deposit additional collateral, or reduce positions where necessary.

Other than the matters outlined above, the Group does not expect there to be other contingent liabilities that would have material adverse impact on the Group Consolidated Interim Condensed Financial Statements. The Group had no material provisions as at H1 FY24 and H1 FY23.

19. Financial risk management

Financial risks arising from financial instruments are analysed into market, credit and liquidity risks. Details of how these risks are managed are in note 29 of the FY23 Annual Report. There has not been a material change in the Group's financial risk management policies during the period.

20. Net credit losses on financial assets

The Group recognised net credit losses of £10.5 million during the period (H1 FY23: £1.1 million). The principal sources of credit risk to the Group's business are from financial institutions and individual clients.

Amounts due from financial institutions, which are stated net of an expected credit loss of £1.2 million (31 May 2023: £1.0 million and 30 November 2022: £1.3 million), are all less than 30 days due. Amounts due from clients, which are stated net of an expected credit loss of £26.3 million (31 May 2023: £17.1 million and 30 November 2022: £17.6 million), include both amounts less than and greater than 30 days past due.

20. Net credit losses on financial assets (continued)

Below is the reconciliation of the Group's loss allowance:

	Unaudited 30 November 2023	31 May 2023	Unaudited 30 November 2022
	£m	£m	£m
At the beginning of the period	18.1	18.6	18.6
Loss allowance for the period:			
– gross charge for the period	12.7	5.7	3.8
– recoveries	(2.2)	(4.6)	(2.7)
– debts written off	(1.1)	(1.4)	(1.0)
Foreign exchange	-	(0.2)	0.2
At the end of the period	27.5	18.1	18.9

21. Financial instruments

Fair value hierarchy

Details of the financial instruments valuation hierarchy is provided in note 28 and the Significant Accounting Policies section in the FY23 Annual Report. The definitions, details of the inputs and the valuation techniques in determining the fair values of the Group's financial instruments are shown in note 28 of the FY23 Annual Report.

There have been no changes to the fair value hierarchy, the valuation techniques and accounting estimates for any of the Group's financial instruments in the period. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The hierarchy of the Group's financial instruments carried at fair value is as follows:

	Level 1	Level 2	Level 3	Total fair value
At 30 November 2023 (unaudited)	£m	£m	£m	£m
Financial assets:				
Cash and cash equivalents	114.7	-	-	114.7
Trade receivables – amounts due from brokers	(23.5)	(1.9)	-	(25.4)
Financial investments	615.5	-	-	615.5
Other investments	-	-	1.2	1.2
Financial liabilities:				
Trade payables – amounts due to brokers	-	(17.9)	-	(17.9)
Trade payables – client funds	17.4	79.6	-	97.0
Trade payables – issued turbo warrants	-	(4.3)	-	(4.3)

	Level 1	Level 2	Level 3	Total fair value
At 31 May 2023	£m	£m	£m	£m
Financial assets:				
Cash and cash equivalents	171.1	-	-	171.1
Trade receivables – amounts due from brokers	(3.2)	(92.4)	-	(95.6)
Financial investments	606.4	-	-	606.4
Other investments	-	-	1.2	1.2
Financial liabilities:				
Trade payables – amounts due to brokers	(10.4)	(29.1)	-	(39.5)
Trade payables – client funds	17.3	99.4	-	116.7
Trade payables – issued turbo warrants	-	(2.7)	-	(2.7)

21. Financial instruments (continued)

Amounts due to clients of £22.2 million (31 May 2023: £28.0 million) have been reclassified from amortised cost to fair value through profit and loss, and the fair value levelling of these assets has been disclosed in the table above. Accordingly, the prior period comparative balances for 31 May 2023 only have been restated to reflect this classification.

	Level 1	Level 2	Level 3	Total fair value
At 30 November 2022 (unaudited)	£m	£m	£m	£m
Financial assets:				
Cash and cash equivalents	227.1	-	-	227.1
Trade receivables – amounts due from brokers	(20.5)	(101.4)	-	(121.9)
Financial investments	620.0	-	-	620.0
Other investments	-	-	1.2	1.2
Financial liabilities:				
Trade payables – amounts due to brokers	0.5	1.1	-	1.6
Trade payables – client funds	26.2	99.2	-	125.4
Trade payables – issued turbo warrants	-	(1.8)	-	(1.8)

Fair value of financial assets and liabilities measured at amortised cost
The fair value of the Group's financial assets and liabilities measured at amortised cost approximates their carrying amount, with the exception of debt securities in issue.

The carrying value of the Group's debt securities in issue as at 30 November 2023 was £297.9 million and the fair value of the debt securities in issue was £250.2 million (31 May 2023: £228.8 million; 30 November 2022: £230.3 million).

22. Subsequent events

During the period from 1 December 2023 to 22 January 2024, the Group repurchased 2,012,752 Ordinary Shares with a nominal value of 0.005p for an aggregate purchase amount of £16.3 million (including related costs of £1.3 million).

In December 2023 the Group disposed of £161.0 million UK Government securities and the proceeds were immediately invested in Money Market Funds. This sale does not impact the Group's business model for the classification of these UK Government Securities under IFRS 9 – Financial Instruments.

There have been no other subsequent events that have a material impact on the Consolidated Interim Condensed Financial Statements.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that these Consolidated Interim Condensed Financial Statements have been prepared in accordance with UK-adopted International Accounting Standard IAS 34, Interim Financial Reporting, and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 30 November 2023 and their impact on the Consolidated Interim Condensed Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- related-party transactions that have taken place during the six months ended 30 November 2023 that have had a material effect on financial position/performance; and changes in the related-party transactions described in the last annual report that could have a material effect on the financial position/performance in the six months ended 30 November 2023.

A list of current Directors is maintained on the IG Group Holdings plc website: www.iggroup.com

On behalf of the Board

Charles A. Rozes
Chief Financial Officer

Independent review report to IG Group Holdings plc
Report on the Consolidated Interim Condensed Financial Statements

Our conclusion

We have reviewed IG Group Holdings plc's consolidated interim condensed financial statements (the "interim financial statements") in the interim results of IG Group Holdings plc for the 6 month period ended 30 November 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated Interim Statement of Financial Position as at 30 November 2023;
- the Consolidated Interim Income Statement and Consolidated Interim Statement of Comprehensive Income for the period then ended;
- the Consolidated Interim Statement of Cash Flows for the period then ended;
- the Consolidated Interim Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results of IG Group Holdings plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
24 January 2024

Appendix

Property, plant and equipment excluding right-of-use asset

£m	30 Nov 2023	31 May 2023
Property, plant and equipment	38.9	36.1
Right-of-use assets[2]	(19.2)	(18.5)
Property, plant and equipment[1]	**19.7**	**17.6**

[1] Excludes right-of-use assets.

[2] Amounts identified as right-of-use assets from property, plant and equipment.

Operating lease net liabilities

£m	30 Nov 2023	31 May 2023
Right-of-use assets[1]	19.2	18.5
Lease liabilities (current)	(8.0)	(7.4)
Lease liabilities (non-current)	(13.9)	(13.3)
Operating lease net liabilities	**(2.7)**	**(2.2)**

[1]Amounts identified as right-of-use assets from property, plant and equipment.

Own cash

£m	30 Nov 2023	31 May 2023
Cash and cash equivalents	586.7	798.5
Less: Cash held to meet regulatory liquidity requirements	(46.2)	(65.0)
Less: Amounts due to pooling arrangement (note 11)	(9.6)	(3.3)
Own cash	**530.9**	**730.2**

Issued debt

£m	30 Nov 2023	31 May 2023
Debt securities in issue	(297.9)	(297.6)
Unamortised fees capitalised (note 14)	(1.5)	(1.7)
Issued debt	**(299.4)**	**(299.3)**

Net amounts due from brokers

£m	30 Nov 2023	31 May 2023
Financial investments – UK Government securities held at brokers (note 10)	392.3	372.3
Trade receivables - amounts due from brokers (note 12)	500.1	486.6
Trade payables - amounts due to brokers (note 15)	(13.4)	(48.6)
Other assets (note 13)	24.9	15.0
Net amounts due from brokers	**903.9**	**825.3**

Financial investments

£m	30 Nov 2023	31 May 2023
Financial investments (note 10)	615.5	606.4
Less: Financial investments – UK Government securities held at brokers (note 10)	(392.3)	(372.3)
Financial investments	**223.2**	**234.1**

Net deferred tax liability

£m	30 Nov 2023	31 May 2023
Deferred income tax assets	22.4	23.2
Deferred income tax liabilities	(53.9)	(60.8)
Net deferred income tax liability	**(31.5)**	**(37.6)**

Net tax receivable

£m	30 Nov 2023	31 May 2023
Income tax receivable	27.6	8.8
Income tax payable	(9.4)	(6.1)
Net tax receivable	**18.2**	**2.7**

Own funds in client money

£m	30 Nov 2023	31 May 2023
Trade receivables - own funds in client money (note 12)	48.1	79.4
Less: Trade payables - amounts due to clients[1]	(2.2)	(4.3)
Own funds in client money	**45.9**	**75.1**

[1]Amounts considered as part of own funds.

Working capital

£m	30 Nov 2023	31 May 2023
Prepayments (non-current)	-	0.3
Prepayments (current)	24.8	25.3
Amounts due from clients (note 12)	8.4	4.4
Unamortised fees capitalised (note 14)	1.5	1.7
Other receivables	11.6	10.0
Other payables (current)	(100.0)	(116.2)
Other payables (non-current)	(1.2)	(1.2)
Trade payables - amounts due to clients[1]	(1.1)	(2.0)
Less: Amount due to pooling arrangement (note 11)	9.6	3.3
Working capital	**(46.4)**	**(74.4)**

[1]Amounts considered part of working capital.

Net own funds generated from operations

£m	H1 FY24	H1 FY23
Cash generated from operations	70.9	156.9
Interest received on client funds	69.2	24.9
Interest paid on client funds	(0.8)	(0.7)
Cash generated from operations net of client interest	139.3	181.1
- (Increase) in other assets	(9.9)	(2.9)
- Decrease in trade payables	45.9	90.6
- Decrease/(increase) in trade receivables	5.2	(23.0)
- Repayment of principal element of lease liabilities	(3.3)	(3.8)
- Interest paid on lease liabilities	(0.4)	(0.3)
- Fair value movement in financial investments	7.0	(9.5)
Own funds generated from operations (A)	**183.8**	**232.2**
Profit before tax (B)	**176.4**	**240.5**
Conversion rate from profit to cash (A/B) %	**104%**	**97%**

Adjusted operating costs

£m	H1 FY24	H1 FY23
Operating costs (note 4)	299.9	278.8
- Net credit losses on financial assets	10.5	1.1
Operating costs inc. net credit losses on financial assets	**310.4**	**279.9**
- Operating costs relating to operational improvement programme	(10.0)	-
- Operating costs relating to the tastytrade acquisition and integration	(0.5)	(1.7)
- Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	(18.8)	(18.5)
- Operating costs relating to the Nadex sale	-	(2.9)
Adjusted operating costs	**281.1**	**256.8**

Adjusted profit before tax and earnings per share

£m (unless stated)		H1 FY24	H1 FY23
Earnings per share (p)		33.4	45.8
Weighted average number of shares for the calculation of EPS (millions) (note 6)		397.6	425.0
Profit after tax		132.7	194.7
Loss for the period from discontinued operations		-	0.2
Tax expense		43.7	45.6
Profit before tax		**176.4**	**240.5**
-	Operating costs related to operational improvement programme	10.0	-
-	Operating costs relating to the tastytrade acquisition and integration	0.5	1.7
-	Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	18.8	18.5
-	Operating income relating to the Nadex sale	-	(2.9)
-	Operating costs relating to the Nadex sale	-	2.9
Adjusted profit before tax (A)		**205.7**	**260.7**
Adjusted tax expense		(50.9)	(49.4)
Adjusted profit after tax		**154.8**	**211.3**
Adjusted earnings per share (pence per share)		**38.9**	**49.7**
Adjusted revenue (B)		**472.6**	**519.1**
Adjusted profit before tax margin (A/B) %		**44%**	**50%**

Total revenue - Portfolios and tastytrade

£m	H1 FY24	H1 FY23	Change %
Core Markets+	364.2	424.3	(14%)
High Potential Markets	108.4	94.8	14%
tastytrade (GBP)	*94.3*	*77.9*	*21%*
tastytrade (USD)	*117.8*	*91.4*	*29%*

Core Markets+

Net trading revenue (£m)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
UK	120.7	140.2	157.3	170.9	157.2	167.4	150.0	148.0	92.7
EU	41.8	48.4	51.9	52.2	51.2	53.6	49.0	54.7	33.1
EMEA non-EU	20.3	23.6	25.6	24.5	25.9	28.2	28.4	32.5	21.3
Australia	41.6	46.0	49.3	43.1	45.2	58.1	61.6	51.4	36.9
Singapore	35.1	31.7	36.6	36.8	36.7	38.4	36.1	35.2	21.5
Japan	38.9	43.4	55.8	54.0	44.6	34.1	34.6	30.6	15.9
Emerging Markets	17.8	17.5	21.7	22.6	20.2	16.3	18.4	17.2	11.2
Institutional	4.0	6.1	7.3	5.7	4.2	6.5	5.8	5.8	3.4
Total OTC derivatives	**320.2**	**356.9**	**405.6**	**409.8**	**385.1**	**402.6**	**383.9**	**375.4**	**236.0**
Stock trading and investments	11.1	11.5	11.3	17.8	15.9	23.2	15.4	9.3	4.4
Total Core Markets+	**331.3**	**368.4**	**416.8**	**427.6**	**401.0**	**425.8**	**399.3**	**384.7**	**240.4**

Clients (000)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
UK	44.8	46.8	49.6	52.1	51.8	61.2	57.5	57.4	38.9
EU	30.2	30.7	31.3	32.7	31.3	35.4	33.8	32.5	23.6
EMEA non-EU	5.5	5.7	6.0	6.3	6.4	7.3	7.4	7.3	5.6
Australia	13.5	13.7	14.6	16.0	16.6	21.5	22.4	21.8	15.9
Singapore	7.9	8.5	9.6	10.8	10.0	10.7	10.4	10.2	8.1
Japan	31.3	30.0	33.6	31.3	26.3	19.8	16.5	14.3	10.4
Emerging Markets	6.2	6.2	6.5	6.7	6.8	7.5	6.6	5.9	4.5
Institutional	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Total OTC derivatives	**139.6**	**141.8**	**151.5**	**156.2**	**149.5**	**163.7**	**154.8**	**149.6**	**107.3**
Stock trading and investments	89.1	90.8	92.2	93.2	92.5	89.5	71.2	54.9	37.9
Total Core Markets+	**220.0**	**223.3**	**234.0**	**238.6**	**230.9**	**239.4**	**214.7**	**195.3**	**139.9**

Revenue per client (£)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
UK	2,695	2,995	3,170	3,278	3,031	2,733	2,611	2,577	2,381
EU	1,384	1,578	1,659	1,598	1,634	1,517	1,452	1,684	1,403
EMEA non-EU	3,705	4,127	4,287	3,881	4,060	3,847	3,807	4,433	3,804
Australia	3,075	3,358	3,368	2,698	2,713	2,701	2,752	2,355	2,313
Singapore	4,429	3,724	3,824	3,393	3,687	3,597	3,473	3,453	2,665
Japan	1,242	1,449	1,662	1,726	1,695	1,724	2,095	2,140	1,528
Emerging Markets	2,895	2,840	3,337	3,364	2,961	2,179	2,795	2,946	2,477
Institutional	15,395	23,403	27,752	22,279	16,362	24,229	23,303	26,297	19,443
Total OTC derivatives	**2,293**	**2,517**	**2,678**	**2,624**	**2,575**	**2,460**	**2,480**	**2,509**	**2,200**
Stock trading and investments	125	126	122	191	172	260	217	169	115

High Potential Markets

Net trading revenue (£m)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
US options and futures	58.2	59.7	61.2	57.3	52.8	-	-	-	-
US FX	7.5	8.6	11.0	9.1	7.5	6.4	5.2	4.2	1.6
US market making	-	0.1	0.5	0.8	1.0	1.6	1.9	1.8	1.3
Total US	**65.7**	**68.3**	**72.7**	**67.2**	**61.3**	**8.0**	**7.1**	**6.0**	**2.9**
European ETDs	5.4	10.2	5.4	5.5	3.8	2.8	2.1	0.7	-
Total High Potential Markets	**71.1**	**78.6**	**78.1**	**72.7**	**65.1**	**10.8**	**9.2**	**6.7**	**2.9**

Clients (000)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
US options and futures	65.6	66.9	67.4	79.2	78.1	-	-	-	-
US FX	7.7	7.8	7.6	7.8	9.3	10.6	9.2	6.4	2.8
Total US	**73.2**	**74.7**	**75.0**	**87.0**	**87.4**	**10.6**	**9.2**	**6.4**	**2.8**
European ETDs	4.5	4.9	4.9	5.1	4.5	4.3	3.0	2.4	0.7
Total High Potential Markets	**73.2**	**79.6**	**79.9**	**92.1**	**91.9**	**14.9**	**12.2**	**8.8**	**3.5**

Revenue per client (£)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
US options and futures	888	892	908	723	676	-	-	-	-
US FX	980	1,103	1,437	1,168	808	600	572	651	578
Total US	**897**	**914**	**962**	**763**	**690**	**600**	**572**	**651**	**578**
European ETDs	1,183	2,086	1,117	1,082	845	652	709	285	-
Total High Potential Markets	**914**	**986**	**972**	**780**	**698**	**614**	**606**	**552**	**457**