

Business Model

A model for building momentum

Our resources



Technology

We continue to invest in product development, technology resilience and platform quality, and provide our clients with cutting-edge resources to support their trading.



Brand and reputation

We are a global leader in online trading, with a strong reputation which has been built over nearly 50 years. We are known for our excellent platforms, risk management and client service.



People and culture

Our values define a culture of support and innovation. We have some of the best talent in the industry and foster an environment which allows our people to excel, resulting in the best service for our clients.



Financial capacity

Our business model is highly cash generative. This gives us the capacity to invest in the business to support future growth, return capital to shareholders and evaluate other uses of capital, including acquisitions.

Our products

Our resources and strengths as a business come together to provide four products for our clients:



OTC

- Contracts For Difference (CFDs)
- OTC FX
- OTC options



ETD

- On-exchange leveraged securities (EU)
- Options and futures (US)



Stock trading and investments

- Share trading
- IG Smart Portfolios (in association with BlackRock)
- ISA and SIPP's (via share trading)



Content and education

- 10hrs daily live programming
- News and original content
- Webinars and tutorials

Our market-leading brands

OTC derivatives	Exchange traded derivatives	Stock trading and investments	Content
IG		IG	IG
IG Prime			
			DAILYFX provided by IG

Creating value for our stakeholders



Investors

Delivering attractive returns across an increasingly diversified business from a strong financial position.



Clients

Providing a high-quality global platform, excellent client service and a range of distinctive educational content to support our ambitious clients.



Communities

Playing our part to support our communities, with a focus on empowerment through education.



Colleagues

Recruiting, engaging and inspiring our people through an inclusive environment that enables them to develop as professionals with best-in-class resources, training and support.

Business Model continued

A stronger business, with broader options

Spotlight on

Interest income

Interest income has become more significant for the business over the past 12 months. Although this has always been a revenue stream, it has been immaterial for many years due to persistently low interest rates. Higher interest rates have restored this source of income across the business.

Interest income is not dependent on trading activity, and therefore has different drivers to our trading revenue, bringing a meaningful stream of diversification. Interest income is also more predictable in nature on a short-term basis.

We benefit from interest income in two areas: the balances that clients hold on account, and our own corporate cash. Uninvested client balances are typically held to cover margin requirements on open trades, or for on-demand liquidity, so clients can place trades quickly as opportunities arise.

FY23 net interest income

£80.8m

(FY22 £0.8m)

Spotlight on

OTC business model

Our OTC business model sets us apart within our industry and is fundamental to our long-term success.

IG is the counterparty to every trade executed on our platform which creates market risk. Exposure from all trades placed globally is brought together into a central Exposure Monitor where offsetting positions are netted. Due to our scale and the volume of trading, the vast majority of trades are naturally offset as clients take opposing positions. Any residual market exposure above pre-agreed risk limits is hedged.

This model aligns us with our clients. Our revenue is driven by spread, commission and overnight funding charges, it is not driven by client losses. We want our clients to trade profitably.

As our revenue is independent of client trading performance, it is less volatile than competitors with higher market risk appetite.

4-year revenue CAGR

15%

Spotlight on

Content and education

We know how valuable content and education is to our ambitious clients, and we continue to invest heavily to provide best-in-class resources to empower them in their pursuit of financial freedom.

Our content is available in a range of formats and across different brands. tastylive's popular daily live show focuses on trading strategies, DailyFX is our in-depth market news and analysis portal, and IG Academy hosts comprehensive learning resources across many markets and products. We believe in the power of content and are excited to drive expansion and innovation in our offering.

As well as empowering our clients, the quality of our content differentiates our business and creates sustainable growth. Clients who interact with our content tend to make better trading decisions and we are more likely to retain them, and educational resources are key in attracting new clients to our platforms.

Content reach in FY23

20 million+