



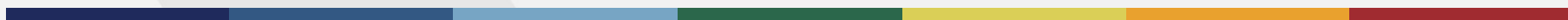
# StoneX<sup>TM</sup>



## EARNINGS CALL 3<sup>RD</sup> QUARTER 2020

**StoneX Group Inc.**

*August 7, 2020*



# DISCLAIMER



## **Forward-Looking Statements**

The following presentation should be taken in conjunction with the most recent financial statements and notes thereto as well as the most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and other reports filed with the SEC by StoneX Group Inc. (the "Company") and Gain Capital Holdings, Inc. ("Gain"). This presentation may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control, including adverse changes in economic, political and market conditions (including the uncertain impacts of COVID-19), losses from the Company's market-making and trading activities arising from counter-party failures and changes in market conditions, the possible loss of key personnel, the impact of increasing competition, the impact of changes in government regulation, the possibility of liabilities arising from violations of federal and state securities laws and the impact of changes in technology in the securities, foreign exchange and commodities dealing and trading industries. Although the Company believes that its forward-looking statements are based upon reasonable assumptions regarding its business, future market conditions, there can be no assurances that the Company's actual results will not differ materially from any results expressed or implied by the Company's forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned that any forward-looking statements are not guarantees of future performance.

## **Non-GAAP Financial Measures**

The following presentation includes financial information for Gain, including Adjusted EBITDA, a non-GAAP financial measure. Non-GAAP financial measures have certain limitations, including that they do not have a standardized meaning and, therefore, may be different from similar non-GAAP financial measures used by other companies and/or analysts. Gain believes its reporting of Adjusted EBITDA assists investors in evaluating its historical and expected operating performance. However, because these are not measures of financial performance calculated in accordance with GAAP, such measures should be considered in addition to, but not as a substitute for, other measures of Gain's financial performance reported in accordance with GAAP, such as net income. See the Appendix for a reconciliation of Gain's Adjusted EBITDA to the most directly comparable GAAP measure.

# **GAIN CAPITAL HOLDINGS, INC.**

Review of Quarterly Results  
Glenn Stevens



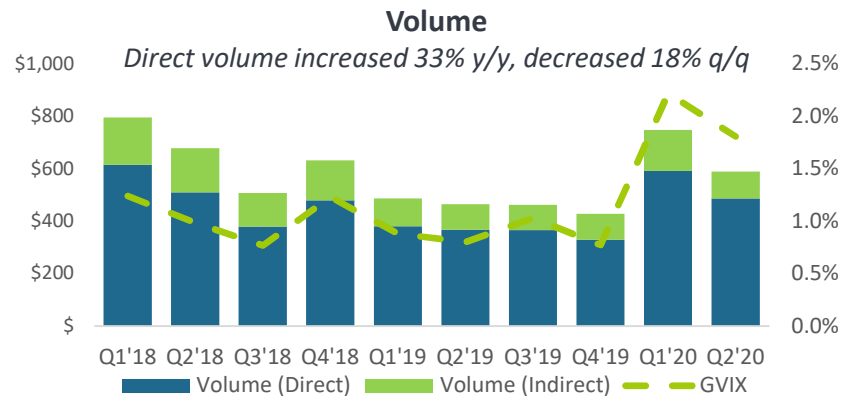
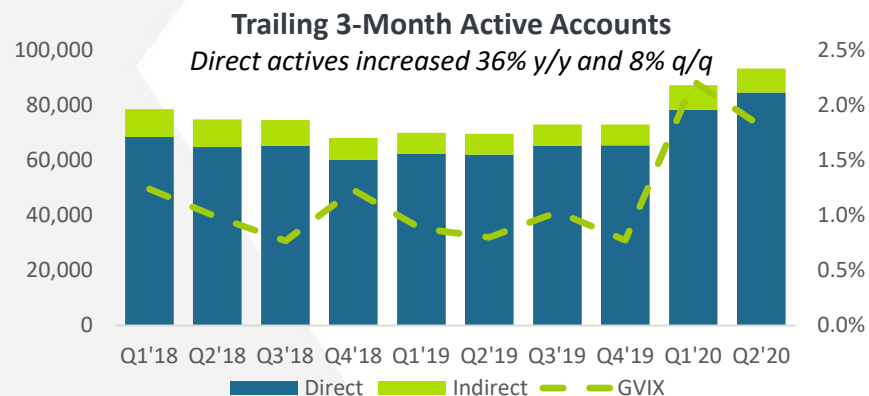
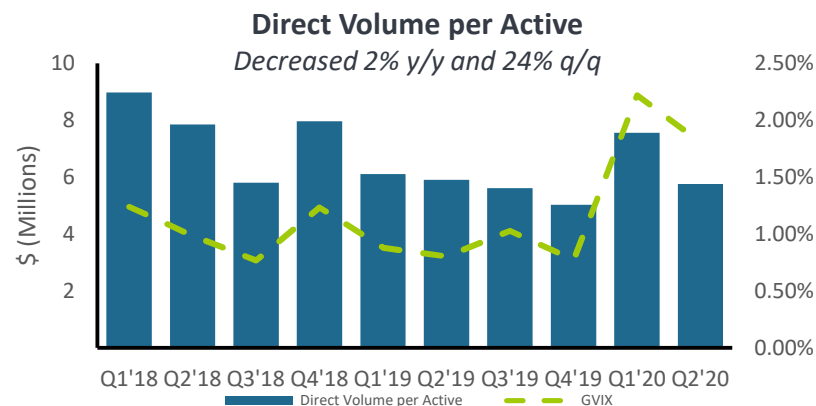
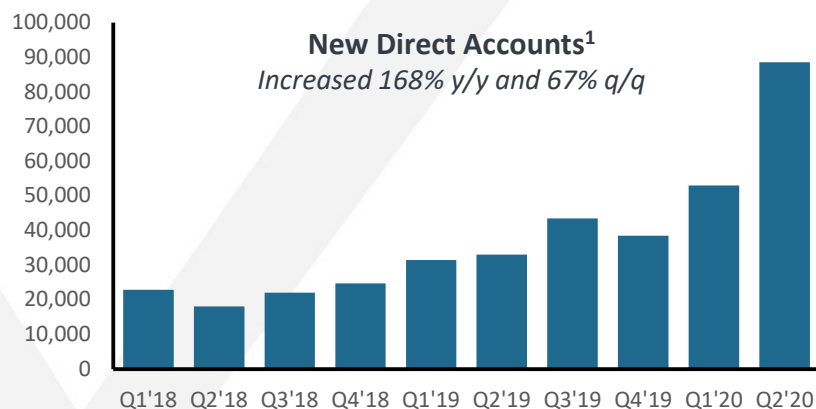
## SECOND QUARTER 2020<sup>1</sup> REVIEW<sup>2</sup>

- Q2 2020 net revenue of \$101.0 million, compared to \$75.5 million in Q2 2019
- Q2 2020 net income of \$14.3 million, compared to net income of \$0.9 million in Q2 2019
- Q2 2020 adjusted EBITDA of \$28.9 million, compared to \$13.0 million in Q2 2019
- Another quarter of high volatility due to the ongoing economic concerns over the COVID-19 virus affecting Retail performance, in particular impacting the price of Oil early in the quarter:
  - ADV of \$9.1bn, up 28% compared to Q2 2019
  - RPM of \$150, taking the trailing 12-month average to \$159
  - Trailing 3-month active accounts increased 34% over prior year to 93,433, a quarterly record since reporting of this metric commenced

<sup>1</sup> Gain Capital Holdings, Inc.'s second quarter represents the three months ended June 30<sup>th</sup>, 2020

<sup>2</sup> The acquisition of Gain Capital Holdings, Inc. was completed July 31, 2020. As such, the operating results of Gain Capital Holdings, Inc. are not included in the condensed consolidated financial statement of StoneX Group Inc. as of or for the three and nine months ended June 30, 2020.

# Gain Capital Holdings, Inc.



- Strong growth in New Accounts driven by increased market demand and continued optimization of marketing spend.
- Steady increase in Actives. Clients acquired in low volatility periods in 2019 have reactivated during this period of high volatility.
- Direct volumes decreased 18% q/q due to decrease in volatility compared to March.

<sup>1</sup>New direct accounts are defined as organically acquired clients that opened an account during the corresponding period. All quarters represented above are based upon calendar quarters.

<sup>2</sup>GVIX, GAIN's volatility indicator, is a metric calculated daily by volume weighting the 5-Day % average true ranges (ATR) of 6 of our major products (Dax, EUR/USD, GBP/USD, USD/JPY, Dow and Gold). The volume weights are based on the relative monthly volumes across these 6 markets.

# **STONEX GROUP INC.**

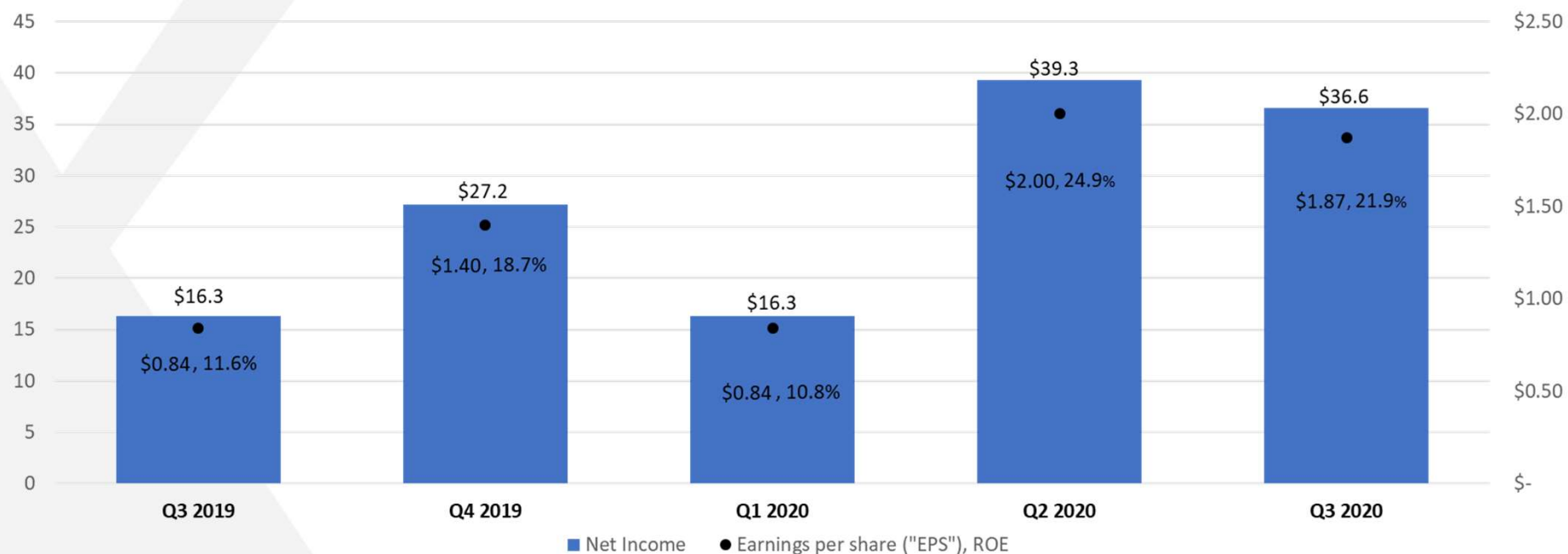
Review of Q3 2020 Financial Results

Bill Dunaway

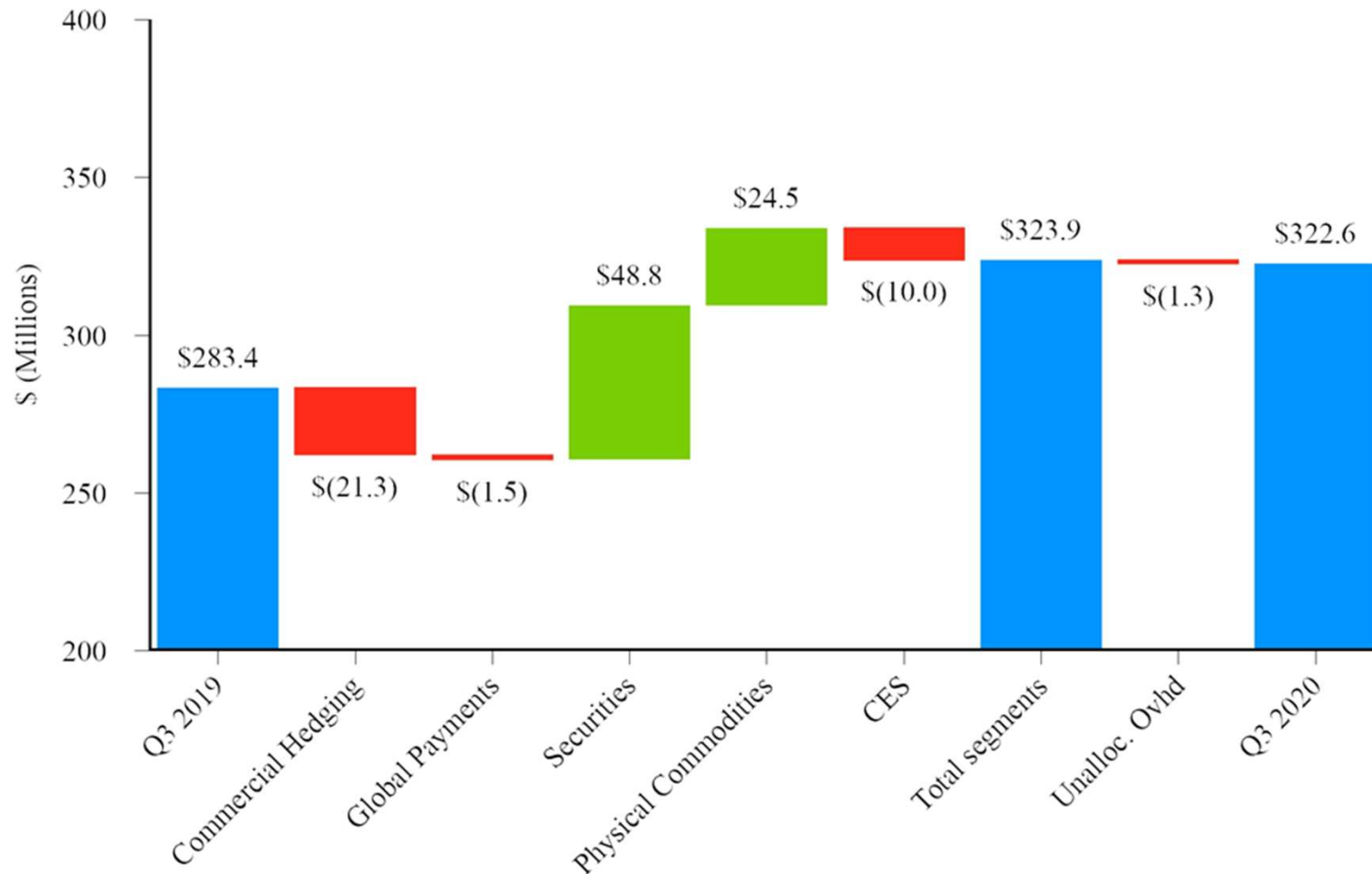


# Quarterly Performance Trend

## Financial Results

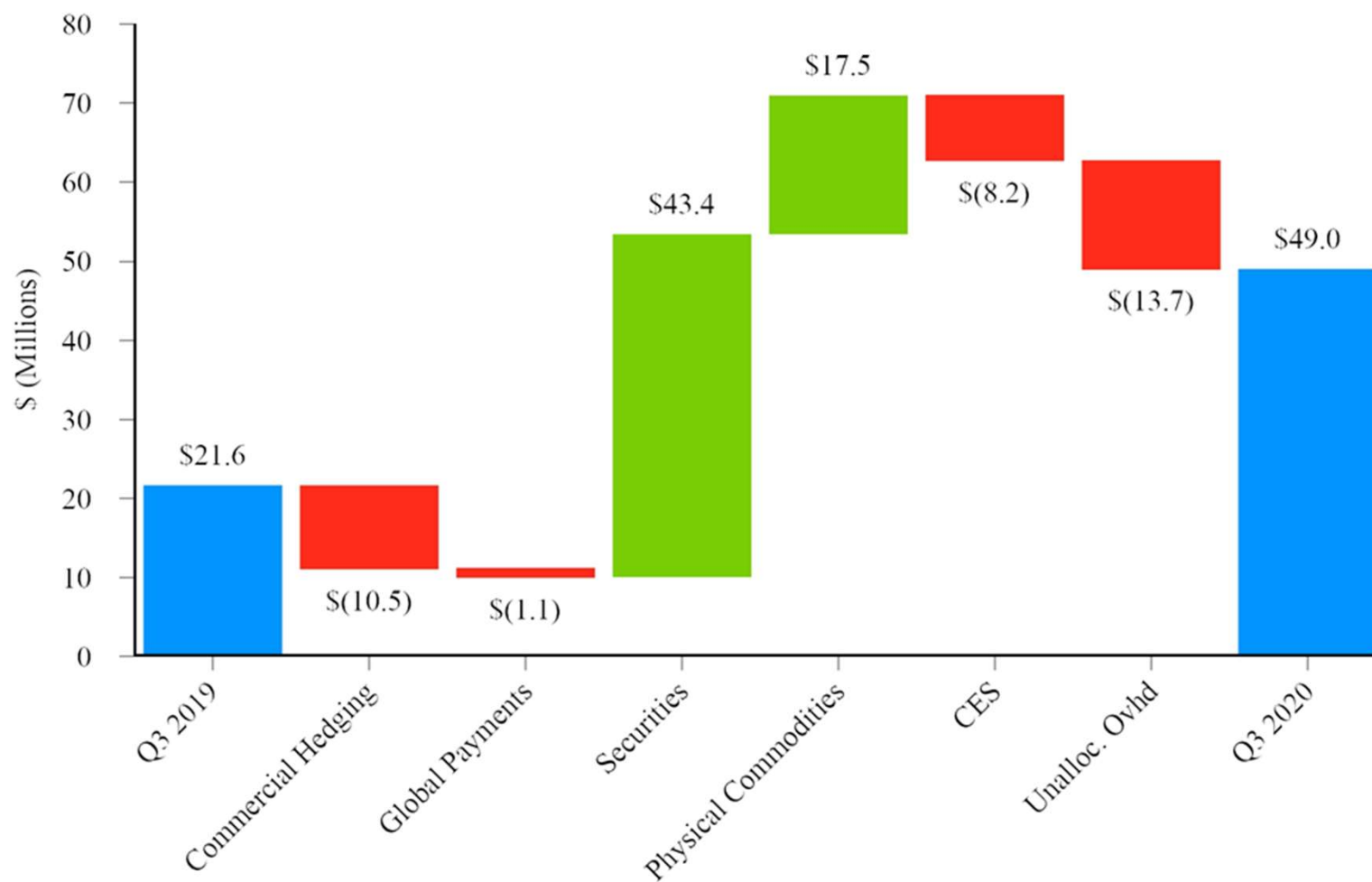


## Changes in Operating Revenues by Segment Q3 2020 Compared to Q3 2019

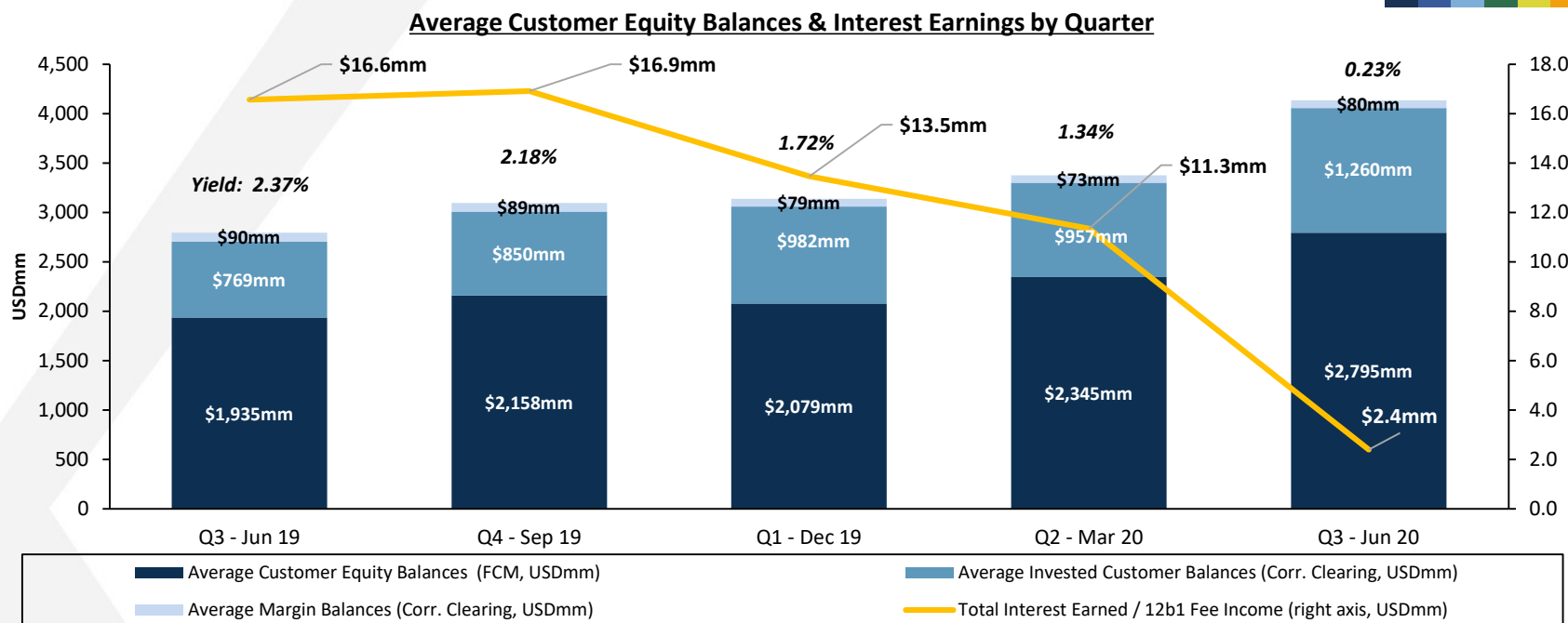




## Changes in Pre-tax Income by Segment Q3 2020 Compared to Q3 2019



# Interest Rate Sensitivity



Source: Average customer equity balances of the FCM division of StoneX Financial Inc., includes average Correspondent Clearing customer balances

## Interest Rate Sensitivity

Potential Incremental Change in Net Interest & 12b1 Fees Earned (USDmm) <sup>(2)</sup>		
Annual Rate Change (bps) <sup>(1)</sup>	Post-tax Effect on Net Income Up or Down <sup>(3)</sup>	Incremental Effect on Post-tax EPS <sup>(3)</sup>
25	4.7	\$0.25
50	9.5	\$0.49
75	14.3	\$0.74
100	19.1	\$0.99

(1) Assumes upward/downward shift in short term rates.

(2) Based off of total investable balances of \$3.9bn as of 6/30/20 (\$2.6bn from FCM and \$1.3bn from Correspondent Clearing funds). Net of Incremental Interest Expense on Variable Rate Debt, average balance of \$407.2mm at 6/30/2020

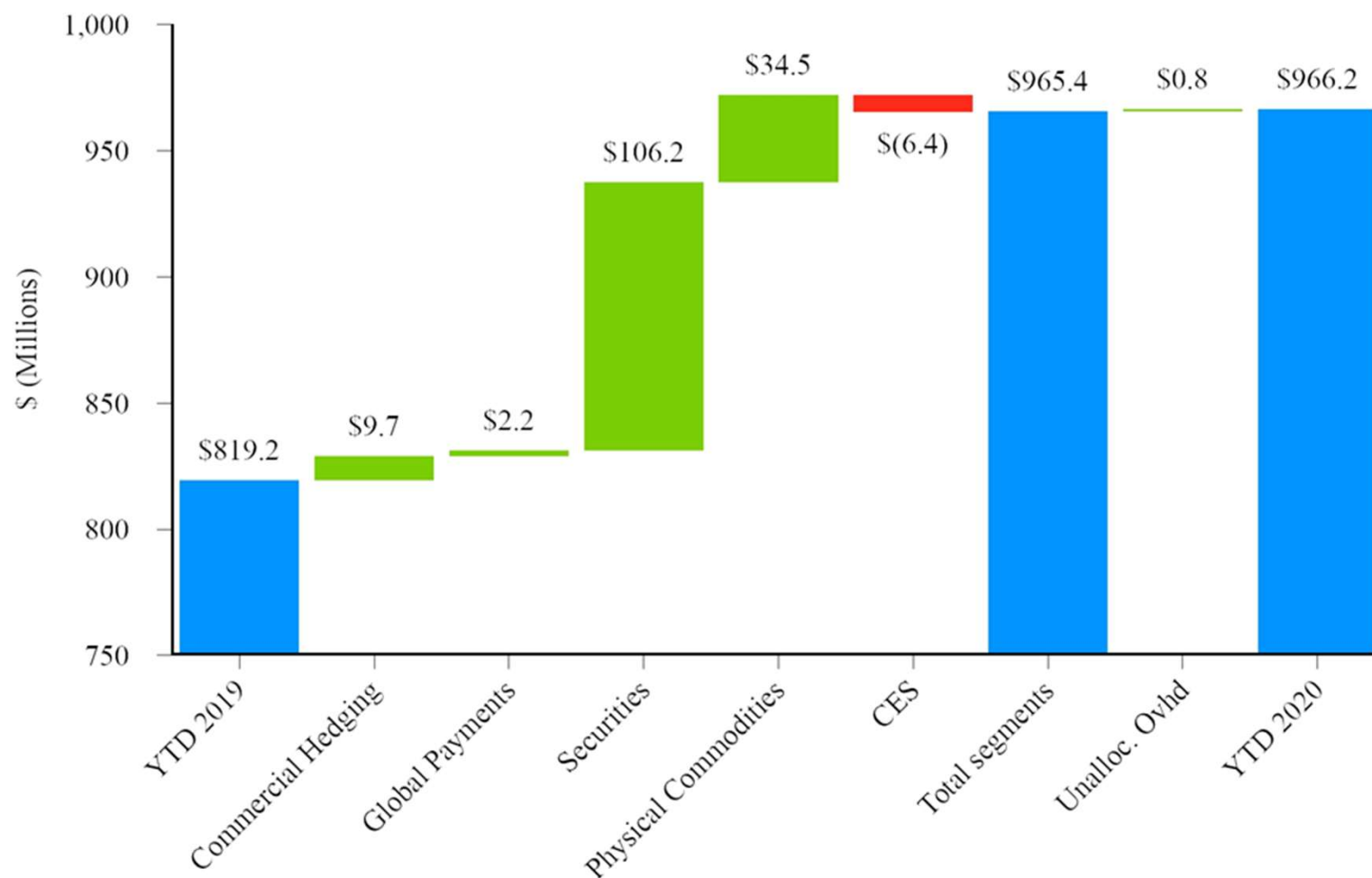
(3) Based on a 26.0% effective federal plus state blended effective income tax rates for the Company's U.S. subsidiaries following the enactment of H.R. 1, the Tax Cuts and Jobs Act.

# Quarterly Financial Dashboard

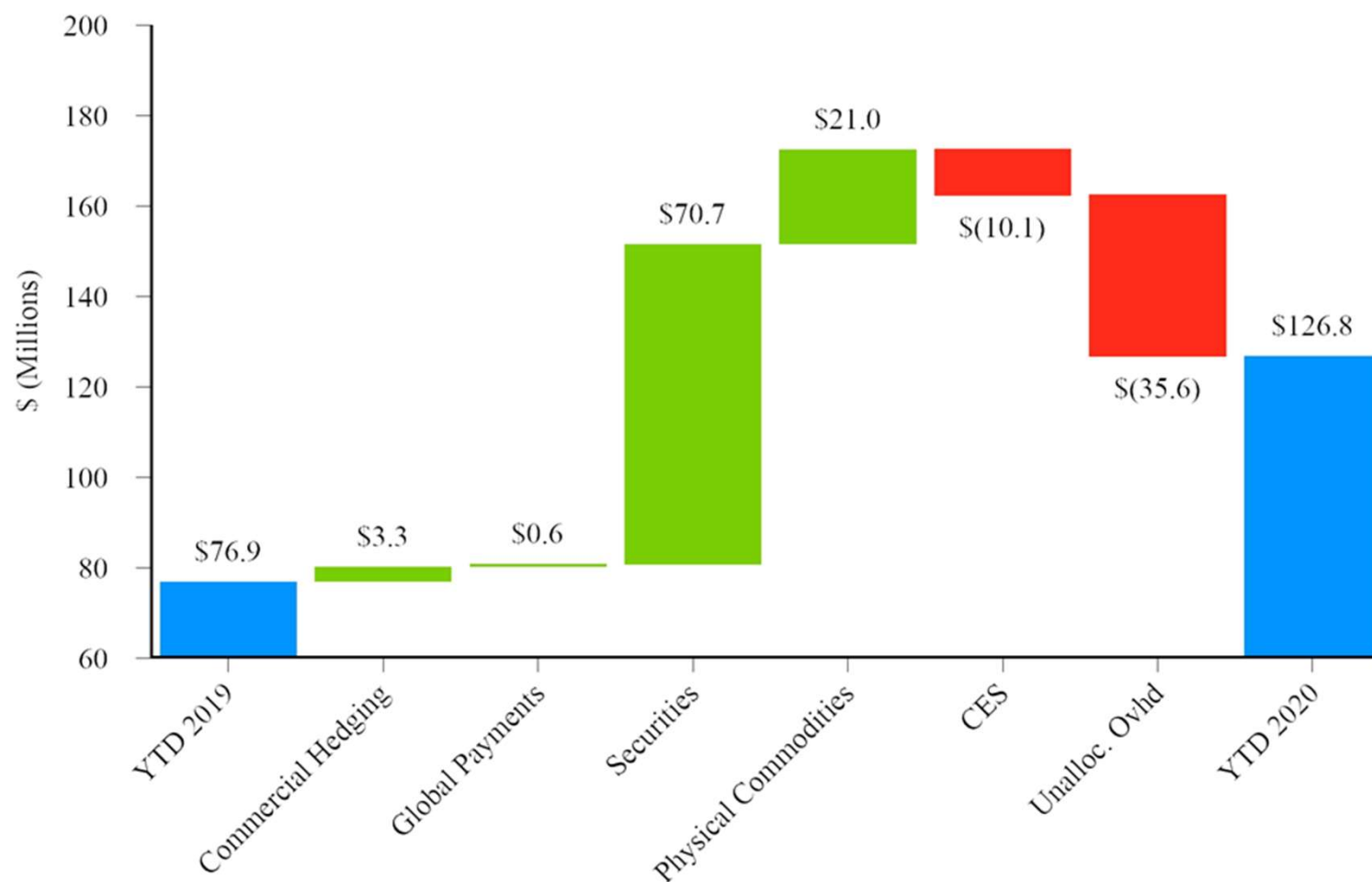


CONSOLIDATED	QUARTERLY			
<i>In millions, except per share and employee data</i>	Q3 2020	Q3 2019	Variance	TARGET
Operating Revenues	\$ 322.6	\$ 283.4	14%	
Total Non-Interest Expenses	\$ 258.2	\$ 219.3	18%	
Variable Expenses % of Total Expenses	61.1%	59.0%	2%	> 50%
Non-variable Expenses	\$ 100.4	\$ 90.0	12%	
Total Compensation % of Operating Revenues	41.1%	35.6%	5%	< 40%
Net Income	\$ 36.6	\$ 16.3	125%	
Net Income TTM	\$ 119.4	\$ 73.6	62%	
Return on Equity	21.9%	11.6%	10%	> 15%
Total Assets	\$ 12,389.5	\$ 10,054.9	23%	
StoneX Stockholders' Equity	\$ 688.8	\$ 570.5	21%	
Average Investable Client Funds	\$ 3,026.5	\$ 1,927.3	57%	
Rev. per Employee (Annualized)	\$ 583,690	\$ 604,534	-3%	> \$500k p.a
Average # of Employees	2,211	1,875	18%	
Book Value per Share	\$ 35.66	\$ 29.82	20%	

# Changes in Operating Revenues by Segment YTD 2020 Compared to YTD 2019



## Changes in Pre-tax Income by Segment YTD 2020 Compared to YTD 2019

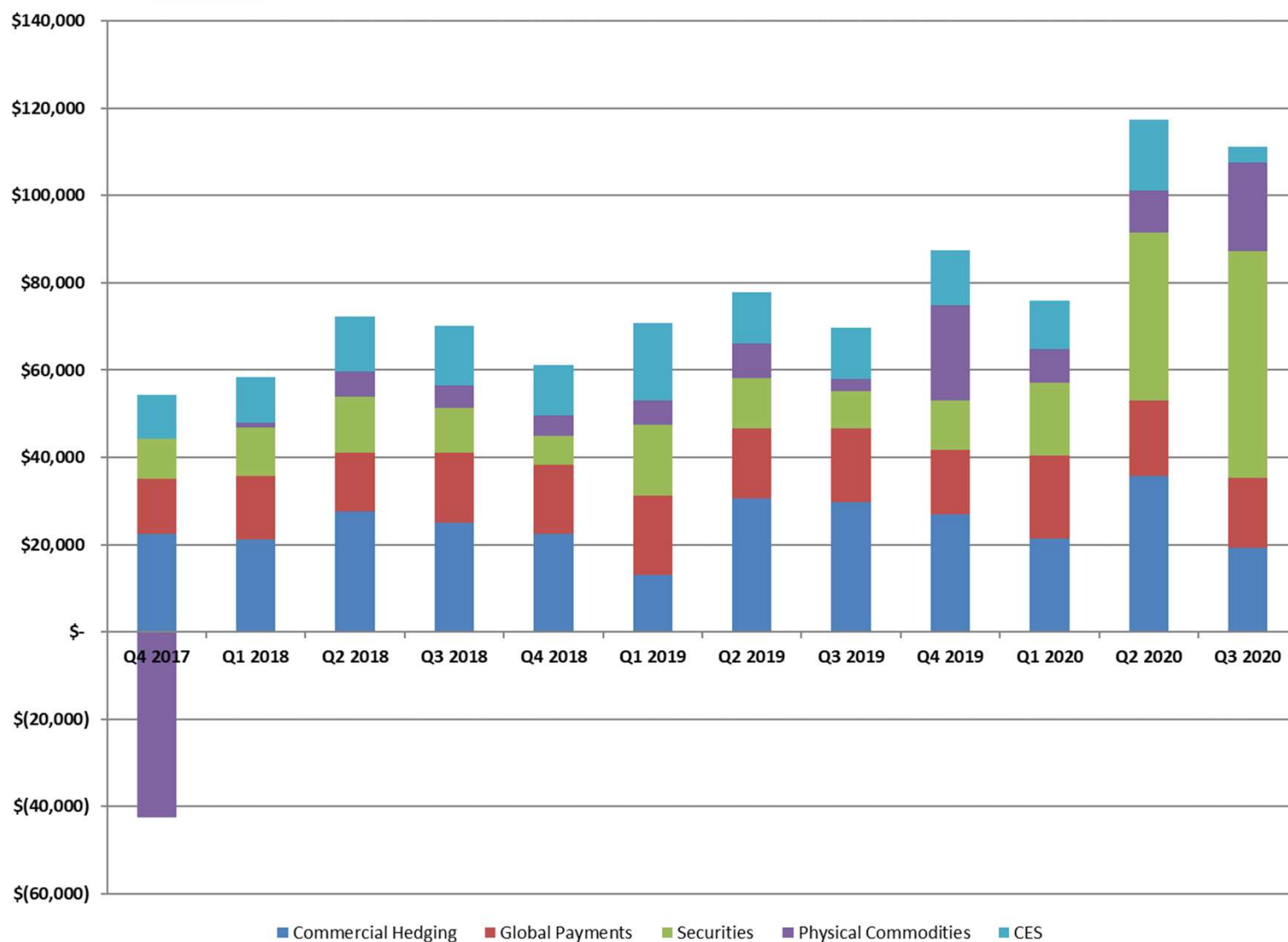


# Year to Date Financial Dashboard



CONSOLIDATED	YEAR TO DATE			
<i>In millions, except per share and employee data</i>	Q3 2020	Q3 2019	Variance	TARGET
Operating Revenues	\$ 966.2	\$ 819.2	18%	
Total Non-Interest Expenses	\$ 760.3	\$ 633.8	20%	
Variable Expenses % of Total Expenses	60.6%	59.7%	1%	> 50%
Non-variable Expenses	\$ 299.4	\$ 255.2	17%	
Total Compensation % of Operating Revenues	38.6%	35.1%	3%	< 40%
Net Income	\$ 92.2	\$ 57.9	59%	
Return on Equity	19.2%	14.4%	5%	> 15%
Average Investable Client Funds	\$ 2,576.2	\$ 2,065.5	25%	
Rev. per Employee (Annualized)	\$ 604,560	\$ 605,110	0%	> \$500k p.a
Average # of Employees	2,131	1,805	18%	

# Quarterly Segment Income



# APPENDIX





# Gain Capital Holdings, Inc.



## Adjusted EBITDA Reconciliation

	Three Months Ended June 30,	
	2020	2019
Net Income	\$ 14.3	\$ 0.9
Depreciation and amortization	3.9	4.4
Purchase intangible amortization	1.7	1.9
Interest expense on long term borrowings	2.3	3.4
Income tax expense	4.2	2.2
Contingent provision	-	0.2
Transaction costs	2.6	-
Adjusted EBITDA	\$ 28.9	\$ 13.0

Note: Dollars in millions. Columns may not add due to rounding.



**THANK YOU**

