

# Executing on our growth strategy

I have now been with IG for just over six months and it is clear to me that strategic momentum has accelerated, as investments in our product, culture and efficiency are beginning to deliver good initial results. We remain focused on executing on our strategic priorities and, as we do so, I am confident that we will compete more effectively, broaden our addressable market and deliver a step change in growth.

## **Strong top-line growth supported by good initial strategic progress**

I am pleased to report that we delivered strong financial results in FY25 reflecting supportive market conditions and good initial progress implementing our strategy.

Total revenue increased 9% year-on-year to £1,075.9 million.

Net trading revenue of £942.8 million increased 12% on the prior year, and 11% organically. Our definition of organic growth excludes the impact of the Freetrade acquisition. Net trading revenue increased across all products reflecting a combination of higher revenue per customer and growth in active customers.

Group active customers increased from 346,200 to 820,000 including a significant contribution from Freetrade. Organically, our active customer base grew 5%. Group first trades increased 26% to 88,400, including organic growth of 19%, as our strategy begins to translate into stronger new customer acquisition.

Net interest income of £133.1 million declined 6%, or 7% organically, as lower interest rates offset stable organic customer cash balances held off balance sheet. At the end of FY25, customer cash balances held off balance sheet were £4.0 billion of which £189 million was in relation to the acquisition of Freetrade (FY24: £3.8 billion).

## **Costs well controlled driving strong operating leverage**

Adjusted operating costs increased 2% on the prior year to £574.2 million, with organic growth limited to 1%, as inflationary pressures and strategic investments were largely offset by lower fixed remuneration due to reduced headcount and normalisation of both bad debt and depreciation and amortisation. On a statutory basis, costs declined 1% on the prior year to £610.8 million.

Marketing costs increased 12% as we adjusted spend to reflect stronger demand and delivered new products and features.

Adjusted profit before tax increased 17% to £535.8 million and adjusted EPS increased 26% to 114.1 pence supported by a lower share count as a result of buybacks.

On a statutory basis, profit before tax increased to 25% to £499.2 million and EPS increased 34% to 106.3 pence.

## **Deploying our strong cash generation for shareholder returns and growth**

During the year, we returned £397.5 million of capital to shareholders via ordinary dividends and share buybacks and deployed £160.0 million into the acquisition of Freetrade, supported by strong cash conversion and a robust balance sheet.

Since the end of FY22, we have returned £1.2 billion to shareholders via ordinary dividends and share buybacks and reduced our share count by over 19%.

## **Refining our capital allocation framework**

On 24 July 2025, we announced that we are refining our capital allocation framework to enhance transparency to all stakeholders and align with our growth strategy.

Our framework comprises of four components:

**Clifford Abrahams**  
Chief Financial Officer

## Capital allocation framework

01.

### Regulatory capital requirements

Maintain regulatory capital resources in a range of 160-200% of requirements

02.

### Regular distribution

Deliver a progressive ordinary dividend per share

03.

### Inorganic investment

Disciplined assessment of mergers and acquisitions to accelerate growth

04.

### Additional distributions

Return surplus capital not required for other priorities

**1. Regulatory capital requirements.** We will maintain capital resources in a range of 160% to 200% of minimum Group regulatory capital requirements over the medium term.

**2. Regular distributions.** The Board recognises the importance that shareholders place on regular distributions and has committed to a progressive dividend per share policy, with an interim dividend maintained at 30% of the prior year full year dividend.

**3. Inorganic investment.** We will continue to assess accretive mergers and acquisitions to accelerate growth.

**4. Additional distributions.** Capital not required to fund business investment or acquisitions will be returned as additional distributions over and above regular distributions. The Board will consider a number of factors to determine the mechanism which is most accretive to shareholder value and its current preference is share buybacks.

In December 2021, the Group committed to pledging the equivalent of 1% of adjusted profit after tax to charitable causes from 2022 to 2025, subject to ongoing Board approval. The final payment to the Brighter Future Fund under this commitment will be made in September 2025, leaving it well-resourced to support our charity partners for several years. The Group will continue to appropriately fund the Brighter Future Fund as part of the normal course of business.

For the financial year ending 31 May 2025, the Board has proposed a final dividend of 33.34 pence per share which equates to a full year total dividend of 47.20 pence per share, an increase of one penny per share over FY24.

The Board has also approved a new share buyback programme of £125 million, which is expected to be launched in the first half of FY26, subject to share price performance and other demands on capital.

### Balance sheet management

During the year, we took steps to further strengthen the Group's capital and liquidity positions to ensure that we have appropriate resources to deliver on our growth objectives.

On 13 March 2025, we announced plans to increase the Group's distributable reserves by reducing the share premium account and merger reserve, with a corresponding increase in retained earnings. Following shareholder approval at an Extraordinary General Meeting on 29 May 2025 and Court approval on 24 June 2025, the capital reduction became effective on 26 June 2025.

We further increased the Group's liquidity position in May 2025 by refinancing a £400 million revolving credit facility, which was due to expire in October 2026, with a new £600 million facility termed out to May 2030. This larger facility reflects the increased scale of our business and will support our growth objectives.

We were also pleased to supplement our existing long-term debt facilities by issuing a £250 million five-year senior unsecured bond which attracted strong demand. These actions provide us with enhanced flexibility to continue investing in accretive growth opportunities and to evaluate returning excess capital to shareholders through buybacks, all while safeguarding the Group's strong financial position.

### Delivering on our strategy

It was pleasing to see that our focus on enhancing our product, culture and efficiency is delivering good initial results, as evidenced by stronger new customer acquisition.

Looking ahead, we are well-positioned to build on the strong foundations we put in place this year. I am confident that our strategy and focus on disciplined capital allocation will deliver a step change in growth and scale.



**Clifford Abrahams**  
Chief Financial Officer  
23 July 2025