

# Piper Sandler Market Structure Conference



June 2021

Virtu Financial Update

# Multiple Growth Levers



Virtu  
Through-  
the-Cycle  
Earnings



Organic  
Business  
Growth



Excess Cash  
Flow Share  
Repurchases

Normalized Historical Results			
	Pro Forma ANTI per Day <sup>1</sup>	Adj. EPS <sup>1</sup>	Adj. EBITDA <sup>1</sup>
Median	\$5.5	\$2.69	\$831

Impact of Growth Initiatives		
	Incremental ANTI per Day <sup>2</sup>	Adj. EPS <sup>3</sup>
High	\$1,500k	\$1.02
Low	\$500k	\$0.34



Combined Earnings Power			
	Pro Forma ANTI per Day <sup>4</sup>	Adj. EPS <sup>4</sup>	Median Implied Growth <sup>4</sup>
Median	\$6.5	\$3.46	ANTI: 18% EPS: 29%

Illustrative Range of Outcomes based on 2021 Expense Guidance				
ANTI per Day <sup>5</sup>	Full-Year Adj. NTI <sup>5</sup>	Target Range Available for Share Repurchases	Shares (mm) Repurchased at Current Share Price <sup>5</sup>	% Reduction in Current Share Count <sup>5</sup>
\$6.00	\$1,512	\$120 - \$140	4.1	2.1%
\$7.00	\$1,764	\$200 - \$250	7.2	3.6%
\$8.00	\$2,016	\$300 - \$400	11.1	5.6%
\$9.00	\$2,268	\$400 - \$500	14.3	7.3%
\$10.00	\$2,520	\$500 - \$600	17.5	8.9%
\$11.00	\$2,772	\$600 - \$700	20.7	10.5%

Pro forma results for Virtu + KCG + ITG result in through-the-cycle Adj. NTI per day of ~\$5.50 million -- **before** the benefits of growth initiatives and integration

Organic growth initiatives, together with our stable cost structure, result in an estimated \$0.34 to \$1.02 of incremental Adj. EPS annually, or ~29% **growth from median EPS** (based on midpoint of ranges)

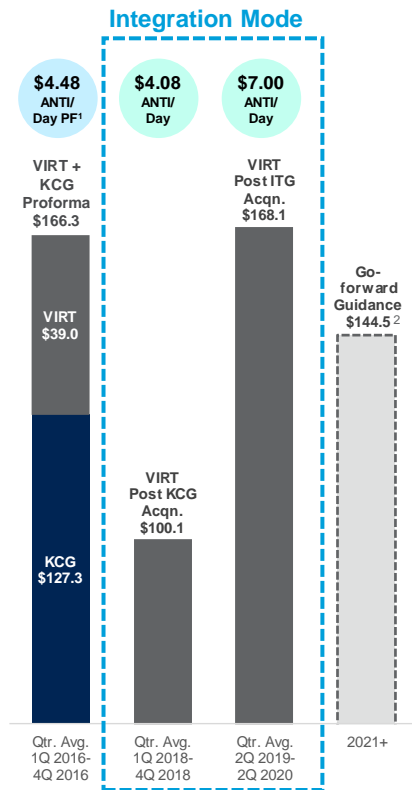
**Incremental EPS growth from annual reduction in share count**

# Virtu is emerging from 'Integration-Mode' since mid-2017 (4+ years) to a steady state



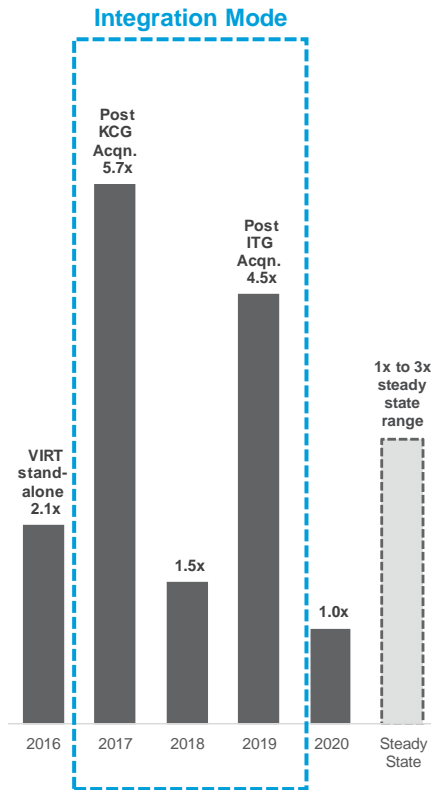
## Operating Expenses

**Quarterly Cash Expense Base**  
(Quarterly Average, \$mm)<sup>1</sup>



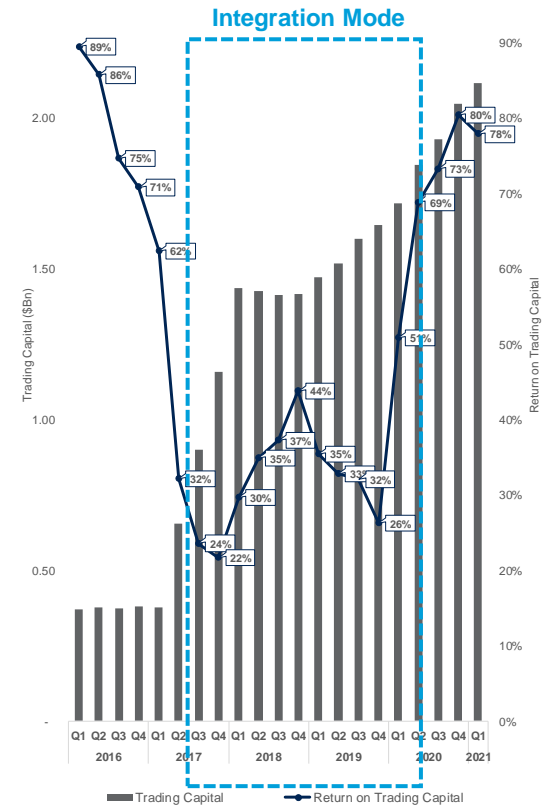
## Capitalization

**Leverage Multiple**  
(End of Period Debt to LTM Adj. EBITDA)<sup>1</sup>



## Capital Return

**Return on Capital**  
(LTM Adj. EBITDA divided by LTM Trading Capital, %)<sup>1</sup>

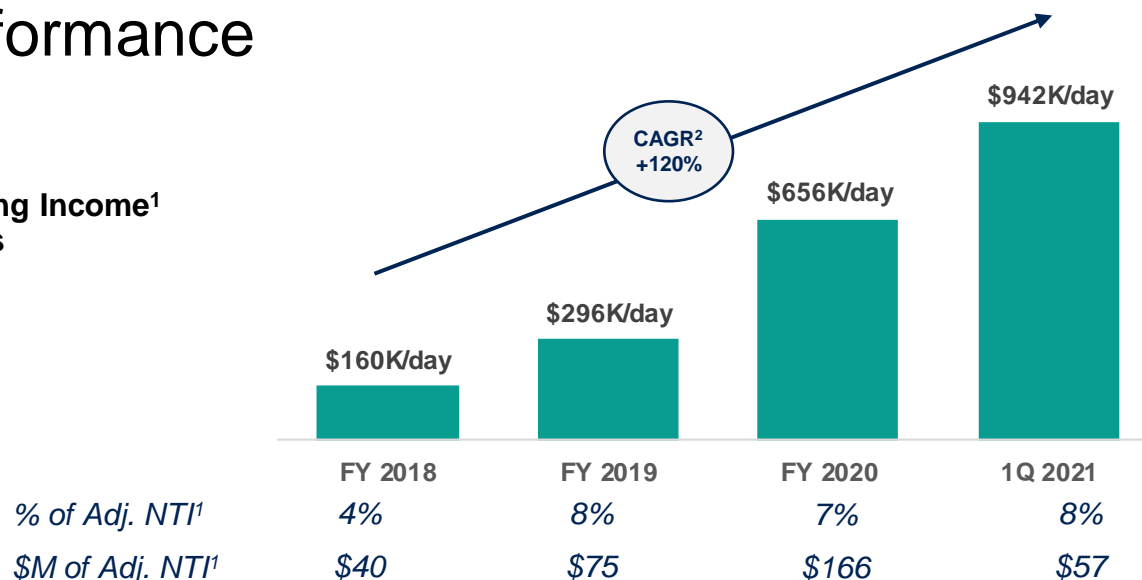


More predictable and stable cost base yields high level of certainty and significant buyback opportunity

# Organic Initiatives Contribute to Growth and Strong Performance



## Daily Average Adj. Net Trading Income<sup>1</sup> of Organic Growth Initiatives



*% of Adj. NTI<sup>1</sup>*

FY 2018

4%

FY 2019

8%

FY 2020

7%

1Q 2021

8%

*\$M of Adj. NTI<sup>1</sup>*

\$40

\$75

\$166

\$57

## Growth in Existing Markets

- Quant-style KCG strategies in new markets and asset classes improved over 70% per day (vs. 2020 average)
- Continued growth of our customer-facing ETF block franchise desk
- Launched big data analytics products, Open Intell and Open Python, for workflow and analytics clients
- Overhauled global client execution algos, enhancing transparency and alignment with trader intentions

## Enter New Markets and Long-Term Drivers of Growth

- Options market making improved average daily ANTI by over 50% in 1Q21 (vs. 2020 average)
- Virtu Capital Markets raised nearly \$900M of capital in 1Q21 by leveraging our existing electronic execution capabilities for ATM offerings
- Designated Broker / Lead Market Maker in Bitcoin and Ether ETFs in Canada

# Virtu's Execution Ecosystem



## Our Global Client Network

### Our reach

- 50+ countries
- 250 + venues
- 25K + securities

### Liquidity venues

- US, CAN, EMEA, APAC
- We handle ~30% US retail market share<sup>1</sup>



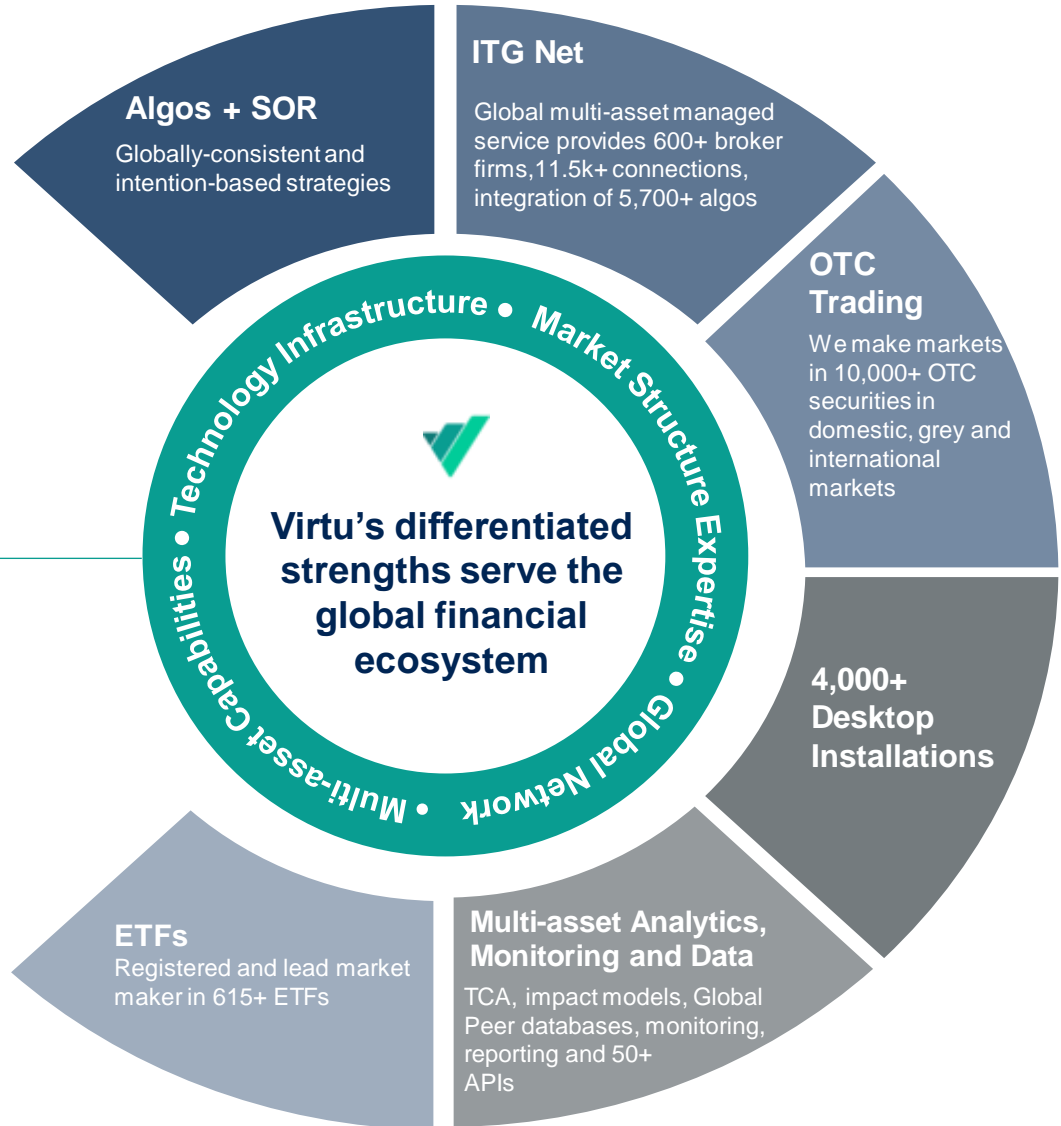
### Global presence, local market expertise

- Americas
- EMEA
- APAC



### Diverse client base

- Institutional
- Retail
- RIAs
- Asset Managers
- ETF Issuers





## Appendix and End Notes



# Pro Forma Adjusted Normalized Historical Results



(\$mn)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Median
<b>Standalone Adj. NTI</b>							
Virtu Adj. NTI <sup>1</sup>	501	414	551	1,020	975	2,271	
KCG Adj. NTI <sup>1</sup>	835	700	287	-	-	-	
ITG Adj. NTI <sup>1</sup>	435	376	383	407	60	-	
(-) Discontinued Operations <sup>1</sup>	(149)	(86)	(65)	(8)	(7)	(4)	
(-) Impact of Growth Initiatives <sup>1</sup>	-	-	-	(40)	(75)	(166)	
<b>Pro Forma Adj. NTI</b>	<b>\$ 1,621</b>	<b>\$ 1,404</b>	<b>\$ 1,156</b>	<b>\$ 1,380</b>	<b>\$ 953</b>	<b>\$ 2,101</b>	<b>\$ 1,392</b>
<i>Per Day</i>	\$6.4	\$5.6	\$4.6	\$5.5	\$3.8	\$8.3	\$5.5
(-) Adjusted Cash Compensation <sup>2</sup>	275	275	275	275	238	323	
(-) Adjusted Comms & Data + Overhead <sup>2</sup>	286	286	286	286	286	286	
<b>Adjusted EBITDA</b>	<b>\$ 1,061</b>	<b>\$ 843</b>	<b>\$ 595</b>	<b>\$ 819</b>	<b>\$ 429</b>	<b>\$ 1,493</b>	<b>\$ 831</b>
<b>Pro Forma Adj. EPS<sup>2</sup></b>	<b>\$3.58</b>	<b>\$2.73</b>	<b>\$1.77</b>	<b>\$2.64</b>	<b>\$1.13</b>	<b>\$5.24</b>	<b>\$2.69</b>

# Disclaimer



## Cautionary Statement Regarding Forward Looking Statements

This presentation may contain “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements regarding Virtu Financial, Inc.’s (“Virtu’s”, the “Company’s” or “our”) business that are not historical facts are forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. The Company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, and if the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. Forward-looking statements are based on information available at the time and/or management’s good faith belief with respect to future events, and is subject to risks and uncertainties, some or all of which are not predictable or within Virtu’s control, that could cause actual performance or results to differ materially from those expressed in the statements. Those risks and uncertainties include, without limitation: risks relating to the COVID-19 pandemic, including the possible effects of the economic conditions worldwide resulting from the COVID-19 pandemic and governmental and other responses thereto; fluctuations in trading volume and volatilities in the markets in which we operate; the ability of our trading counterparties and various clearing houses to perform their obligations to us; the performance and reliability of our customized trading platform; the risk of material trading losses from our market making activities; swings in valuations in securities or other instruments in which we hold positions; increasing competition and consolidation in our industry; the risk that cash flow from our operations and other available sources of liquidity will not be sufficient to fund our various ongoing obligations, including operating expenses, short term funding requirements, margin requirements, capital expenditures, debt service and dividend payments; regulatory and legal uncertainties and potential changes associated with our industry, particularly in light of increased attention from media, regulators and lawmakers to market structure and related issues; potential adverse results from legal or regulatory proceedings; our ability to remain technologically competitive and to ensure that the technology we utilize is not vulnerable to security risks, hacking and cyber-attacks; risks associated with third party software and technology infrastructure. For a discussion of the risks and uncertainties which could cause actual results to differ from those contained in forward-looking statements, see Virtu’s Securities and Exchange Commission filings, including but not limited to Virtu’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

## GAAP and Non-GAAP Results

This presentation includes certain non-GAAP financial measures, including Adjusted EPS, Normalized Adjusted EPS, Adjusted Net Trading Income, Normalized Adjusted Net Income, Normalized Adjusted Pre-Tax Income, EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Trading Capital, Adjusted Operating Expense and Adjusted Compensation Expense. Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar measures used by other companies. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measure. Non-GAAP financial measures have limitations as analytical tools, and should not be considered in isolation, or as a substitute for our results as reported under GAAP. A reconciliation of non-GAAP measures to the most directly comparable financial measure prepared in accordance with GAAP is included at the end of this presentation.



# End Notes



## Slide 2

1. This reflects a non-GAAP measure. Please see a reconciliation to the corresponding GAAP measure in the Virtu filed presentations, found here: <https://ir.virtu.com/events-and-presentations/default.aspx>. Please see the Appendix for the pro forma build.
2. This reflects a non-GAAP measure. Please see a reconciliation to the corresponding GAAP measure in the Virtu filed presentations, found here: <https://ir.virtu.com/events-and-presentations/default.aspx>. The range of Incremental ANTI per day due to growth initiatives reflects a Virtu management estimate of long term steady state ANTI from growth initiatives.
3. Incremental EPS uses a trading day count of 252 to calculate full-year ANTI, 80% pre-tax margin and a 24% tax rate.
4. Compares the results from the median Incremental ANTI to the median historical results. Share count used is the 1Q 2021 weighted average share count of 197mn shares. See Notes 1-4 on Slide 1 for a description of the historical and incremental results.
5. This reflects a non-GAAP measure. Figures are shown for illustrative purposes only. Current share price used is \$31.46. Current share count uses the 1Q 2021 weighted average share count of 197mn shares.

## Slide 3

1. This reflects a non-GAAP measure. Please reference VIRT filed presentations for a reconciliation to the corresponding GAAP measure found here: <https://ir.virtu.com/events-and-presentations/default.aspx>.
2. Reflects the top of the range for 2021 operating expense guidance.

## Slide 4

1. This reflects a non-GAAP measure. Please reference VIRT filed presentations for a reconciliation to the corresponding GAAP measure found here: <https://ir.virtu.com/events-and-presentations/default.aspx>.
2. Organic Growth Initiatives CAGR measures the annually-compounded rate of return of Organic Growth Initiatives Daily Average ANTI over the 2.25-year period from 1Q 2018 to 1Q 2021

## Slide 5

1. Retail Order flow is based upon SEC Rule 605 data, Virtu Financial, April 2021. Source Virtu Financial

## Slide 7

1. This reflects a non-GAAP measure. Please see a reconciliation to the corresponding GAAP measure in the Virtu filed presentations, found here: <https://ir.virtu.com/events-and-presentations/default.aspx>. Pro forma ANTI reflects the actual ANTI values of Virtu, as well as of KCG pre-acquisition for the years 2015-2016 and Jan-Aug 2017, and of ITG pre-acquisition for the years 2015-2018 and Jan-Feb 2019. Pro forma ANTI excludes asset sales BondPoint and MATCHNow, as well as the wind-down of the KCG strategy GQS. Pro forma ANTI excludes the actual impact to Virtu of the Growth Initiatives. The trading day count used to derive ANTI per Day from total ANTI is 252, 252, 251, 251, 252, and 253 for the periods 2015, 2016, 2017, 2018, 2019, and 2020, respectively.
2. This reflects a non-GAAP measure. Please see a reconciliation to the corresponding GAAP measure in the Virtu filed presentations, found here: <https://ir.virtu.com/events-and-presentations/default.aspx>. EBITDA for each period reflects the actual proforma ANTI reduced by the 2021 guidance cash expenses. Please reference Notes 1 of Slide 1 for a description of PF ANTI. Cash Compensation uses the 2021 midpoint guidance in each of the years 2015, 2016, 2017, and 2018. In 2019, cash compensation is 15% of ANTI due to lower performance in that period. Actual cash compensation of \$323mn is used in 2020, to reflect higher compensation due to higher performance in that period. EPS for each period takes into account the 2021 midpoint guidance D&A in each period of \$65mn, the financing interest reflecting the 1Q 2021 beginning debt amount of \$1670mn at a 4.30% annual interest rate, and a 24% tax rate for VF LLC. The share count used to calculate EPS is the 1Q 2021 weighted average share count of 197mn shares.