

TMX Group Limited Reports Record Results for First Quarter Q1/18

- Quarterly diluted earnings per share of \$1.13 in Q1/18 up 33%, or 47% before discontinued operations, from Q1/17
- Record quarterly adjusted diluted earnings per share of \$1.33 in Q1/18 up 20%, or 30% before discontinued operations, from Q1/17
- Record quarterly revenue of \$207.2 million in Q1/18, up 21% compared with Q1/17
- Increased quarterly dividend by 8 cents per common share, up 16% to 58 cents per common share

May 9, 2018 (TORONTO) – TMX Group Limited [TSX:X] (“TMX Group”) today announced results for the first quarter ended March 31, 2018.

Commenting on the first quarter of 2018 and looking towards the future, Lou Eccleston, Chief Executive Officer of TMX Group, said:

"TMX's record results for the first quarter of 2018, highlighted by strong performance in capital formation, derivatives, and data and analytics, represent another chapter in our global growth story. Having effected an elemental shift to client-first solution provider, TMX looks to the future with a sharp strategic focus on seizing opportunities to accelerate our organic growth in domestic and international markets as well as providing industry-leading solutions and service to our clients."

Commenting on operating performance in the first quarter of 2018, John McKenzie, Chief Financial Officer of TMX Group, said:

"We were very pleased to report record quarterly revenue and adjusted diluted earnings per share this past quarter. Our organic revenue, which excludes the impacts of Trayport and divestitures, was up 9% in Q1/18 compared with Q1/17. The strength in our diversified business reflected solid revenue growth across all segments. This revenue growth translated into a 27% increase in income from operations over the first quarter of last year once again demonstrating the leverage in our business model. "

"In keeping with our commitment to target a payout ratio consistent with our domestic and international peers, we have increased our quarterly dividend by 16%."

RESULTS OF OPERATIONS

Non-IFRS Financial Measures

Adjusted earnings per share, adjusted diluted earnings per share, adjusted earnings per share before discontinued operations, and adjusted diluted earnings per share before discontinued operations are non-IFRS measures and do not have standardized meanings prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other companies. We present adjusted earnings per share, adjusted diluted earnings per share, adjusted earnings per share before discontinued operations, and adjusted diluted earnings per share before discontinued operations to indicate ongoing financial performance from period to period, exclusive of a number of adjustments. These adjustments include amortization of intangibles related to acquisitions, non-cash impairment charges, write-off of deferred income tax assets, additional income tax expense on gain on sale of Natural Gas Exchange Inc. (NGX) and Shorcan Energy Brokers Inc. (Shorcan Energy), and transaction costs. Management uses these measures, and excludes certain items, because it believes doing so results in a more effective analysis of underlying operating and financial performance, including, in some cases, our ability to generate cash. Excluding these items also enables comparability across periods. The exclusion of certain items does not imply that they are non-recurring or not useful to investors.

Additional IFRS Measure

Income from operations is an important indicator of TMX Group's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debts and fund future capital expenditures. The intent of this performance measure is to provide additional useful information to investors and analysts; however, this measure should not be considered in isolation.

Sale of NGX and Shorcan Energy - discontinued operations

On December 14, 2017, we completed the sale of NGX and Shorcan Energy. TMX Group has classified the sale of NGX and Shorcan Energy as discontinued operations. Prior to the sale, the operations of NGX and Shorcan Energy entirely comprised of the Energy Trading and Clearing operating segment and a small portion of the Global Solutions, Insights and Analytics operating segment.

The classification of discontinued operations occurred at December 14, 2017 which is the date of disposal of the operations. Accordingly, TMX Group has re-presented the comparative consolidated income statements to show the discontinued operations separately from continuing operations.

Three Months Ended March 31, 2018 Compared with Three Months Ended March 31, 2017

The information below reflects the financial statements of TMX Group for the quarter ended March 31, 2018 (Q1/18) compared with the quarter ended March 31, 2017 (Q1/17).

(in millions of dollars, except per share amounts)	Q1/18	Q1/17	\$ increase/ (decrease)	% increase/ (decrease)
Revenue	\$207.2	\$171.2	\$36.0	21%
Operating expenses	111.5	95.8	15.7	16%
Income from operations ¹	95.7	75.4	20.3	27%
Net income	63.1	47.3	15.8	33%
Earnings per share before discontinued operations ²				
Basic	1.14	0.77	0.37	48%
Diluted	1.13	0.77	0.36	47%
Earnings per share ³				
Basic	1.14	0.86	0.28	33%
Diluted	1.13	0.85	0.28	33%
Adjusted Earnings per share before discontinued operations				
Basic	1.34	1.02	0.32	31%
Diluted	1.33	1.02	0.31	30%
Adjusted Earnings per share ⁴				
Basic	1.34	1.12	0.22	20%
Diluted	1.33	1.11	0.22	20%
Cash flows from operating activities	58.6	67.0	(8.4)	(13%)

Net income

Net income in Q1/18 was \$63.1 million, or \$1.14 per common share on a basic and \$1.13 on a diluted basis, compared with a net income of \$47.3 million, or \$0.86 per common share on a basic and \$0.85 diluted basis, for Q1/17. The increase in net income in Q1/18 reflected higher revenue across each segment of our business including \$27.3 million related to Trayport Holdings Limited and Trayport Inc. (collectively Trayport) (acquired December 14, 2017). The increase was partially offset by higher operating expenses, which included \$17.5 million related to Trayport. In Q1/17, we recorded \$4.8 million of impairment charges related to TMX Atrium, which was sold on April 30, 2017, as well as a non-cash income tax adjustment of \$2.9 million relating to the write-off of deferred income tax assets. The increase in diluted earnings per share was partially offset by the impact from an increase in the number of weighted-average common shares outstanding in Q1/18 compared with Q1/17 and higher net finance costs. In addition, the basic and diluted earnings per share in Q1/17 includes net income related to NGX and Shorcan Energy (sold December 14, 2017).

¹ See discussion under the heading Additional IFRS Financial Measure.

² Earnings per share before discontinued operations is based on income before income from discontinued operations, net of tax.

³ Earnings per share information is based on net income.

⁴ See discussion under the heading Non-IFRS Financial Measures.

Adjusted Earnings per Share and Adjusted Earnings per Share before discontinued operations⁵ Reconciliation for Q1/18 and Q1/17

The following is a reconciliation of earnings per share before discontinued operations⁶ to adjusted earnings per share⁷:

(unaudited)	Q1/18		Q1/17	
	Basic	Diluted	Basic	Diluted
Earnings per share before discontinued operations ⁸	\$1.14	\$1.13	\$0.77	\$0.77
Adjustments related to:				
Amortization of intangibles related to acquisitions	0.17	0.17	0.11	0.11
Non-cash impairment charges ⁹	—	—	0.09	0.09
Transaction costs ¹⁰	0.00	0.00	—	—
Write-off of deferred income tax assets ¹¹	—	—	0.05	0.05
Additional income tax expense on gain on sale of NGX and Shorcan Energy	0.02	0.02	—	—
Adjusted earnings per share before discontinued operations ¹²	\$1.34	\$1.33	\$1.02	\$1.02
Earnings per share from discontinued operations	—	—	0.09	0.08
Adjustment related to amortization of intangibles related to acquisitions	—	—	0.01	0.01
Adjusted earnings per share	\$1.34	\$1.33	\$1.12	\$1.11
Weighted average number of common shares outstanding	55,444,523	55,903,336	55,121,250	55,617,983

Adjusted diluted earnings per share before discontinued operations increased by 30% from \$1.02 in Q1/17 to \$1.33 in Q1/18. The increase in adjusted diluted earnings per share before discontinued operations reflected higher revenue across each segment of our business including \$27.3 million related to Trayport (acquired December 14, 2017). The increase was partially offset by higher operating expenses, which included \$17.5 million related to Trayport. The increase in adjusted diluted earnings per share before discontinued operations was partially offset by the impact from an increase

⁵ See discussion under the heading *Non-IFRS Financial Measures*.

⁶ Earnings per share before discontinued operations is based on income before income from discontinued operations, net of tax.

⁷ See discussion under the heading *Non-IFRS Financial Measures*.

⁸ Earnings per share before discontinued operations is based on income before income from discontinued operations, net of tax.

⁹ Related to TMX Atrium.

¹⁰ Includes costs related to the integration of Trayport. See *Operating Expenses*.

¹¹ Related to TMX Atrium Wireless.

¹² Total adjustments to net income of \$11.0 million in Q1/18 or 20 cents per basic and diluted share. See discussion under the heading *Non-IFRS Financial Measures*.

in the number of weighted-average common shares outstanding in Q1/18 compared with Q1/17 and higher net finance costs associated with the increased debt to finance the Trayport acquisition.

Revenue

(in millions of dollars)	Q1/18	Q1/17	\$ increase/ (decrease)	% increase/ (decrease)
Capital Formation	\$50.4	\$44.8	\$5.6	13%
Equities and Fixed Income Trading and Clearing	51.1	48.2	2.9	6%
Derivatives Trading and Clearing	31.3	28.1	3.2	11%
Global Solutions, Insights and Analytics (formerly Market Insights)	72.7	50.3	22.4	45%
Other	1.7	(0.2)	1.9	950%
	\$207.2	\$171.2	\$36.0	21%

Revenue was \$207.2 million in Q1/18, up \$36.0 million or 21% compared with \$171.2 million in Q1/17 largely attributable to an increase in *Global Solutions, Insights and Analytics* revenue reflecting the inclusion of revenue from Trayport (acquired December 14, 2017) of \$27.3 million, partially offset by a decline of \$6.5 million in revenue from TMX Atrium (sold on April 30, 2017). There were also increases in *Capital Formation, Fixed Income trading, CDS, and Derivatives trading and clearing* revenue. *Other* revenue increased largely due to the impact from recognizing net foreign exchange gains mainly on U.S. dollar net monetary liabilities in Q1/18 compared with net foreign exchange losses in Q1/17.

Operating expenses

(in millions of dollars)	Q1/18	Q1/17	\$ increase/ (decrease)	% increase/ (decrease)
Compensation and benefits	\$57.7	\$47.2	\$10.5	22%
Information and trading systems	12.6	16.0	(3.4)	(21)%
Selling, general and administration	23.9	18.9	5.0	26%
Depreciation and amortization	17.3	13.7	3.6	26%
	\$111.5	\$95.8	\$15.7	16%

Operating expenses in Q1/18 were \$111.5 million, up \$15.7 million or 16%, from \$95.8 million in Q1/17. There were increased costs related to Trayport (acquired December 14, 2017) of \$17.5 million, as well as an increase in severance costs of \$3.0 million related to organizational changes and the shutdown of AgriClear. As part of the active management of our investments in innovation initiatives, we decided to discontinue AgriClear's business operations and focus on other opportunities. The increases were offset partially by reduced costs related to TMX Atrium (sold on April 30, 2017) of approximately \$7.5 million. In Q1/18, there were \$0.2 million of transaction related costs related to Trayport (<1 cent per basic and diluted share).

Additional Information

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		Effective Tax Rate (%)	
Q1/18	Q1/17	Q1/18	Q1/17
\$23.6	\$22.4	27%	34%

- Excluding adjustments, primarily relating to the items noted below, the effective tax rate would have been approximately 26% for Q1/18 and 27% for Q1/17.
- In Q1/18, we recorded an additional \$1.2 million in income tax expense (2 cents per basic and diluted share) related to the sale of NGX and Shorcan Energy which increased our effective tax rate and income tax expenses for Q1/18.
- In Q1/17, we incurred non-cash impairment charges of \$4.8 million related to TMX Atrium. We also wrote-down \$2.9 million of deferred tax assets relating to TMX Atrium Wireless. These items increased our effective tax rate and income tax expense for Q1/17.

FINANCIAL STATEMENTS GOVERNANCE PRACTICE

The Finance & Audit Committee of the Board of Directors of TMX Group (Board) reviewed this press release as well as the Q1/18 unaudited condensed consolidated interim financial statements and related Management's Discussion and Analysis (MD&A) and recommended they be approved by the Board of Directors. Following review by the full Board, the Q1/18 unaudited condensed consolidated interim financial statements, MD&A and the contents of this press release were approved.

CONSOLIDATED FINANCIAL STATEMENTS

Our Q1/18 unaudited condensed consolidated interim financial statements are prepared in accordance with IFRS and are reported in Canadian dollars unless otherwise indicated. Financial measures contained in the MD&A and this press release are based on financial statements prepared in accordance with IFRS, unless otherwise specified and are in Canadian dollars unless otherwise indicated.

ACCESS TO QUARTERLY MATERIALS

TMX Group has filed its Q1/18 unaudited condensed consolidated interim financial statements and MD&A with Canadian securities regulators. These documents may be accessed through www.sedar.com, or on the TMX Group website at www.tmx.com. We are not incorporating information contained on the website in this press release. In addition, copies

of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at (416) 947-4277 or by e-mail at TMXshareholder@tmx.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This press release of TMX Group contains “forward-looking information” (as defined in applicable Canadian securities legislation) that is based on expectations, assumptions, estimates, projections and other factors that management believes to be relevant as of the date of this press release. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as “plans,” “expects,” “is expected,” “budget,” “scheduled,” “targeted,” “estimates,” “forecasts,” “intends,” “anticipates,” “believes,” or variations or the negatives of such words and phrases or statements that certain actions, events or results “may,” “could,” “would,” “might,” or “will” be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information, by its nature, requires us to make assumptions and is subject to significant risks and uncertainties which may give rise to the possibility that our expectations or conclusions will not prove to be accurate and that our assumptions may not be correct.

Examples of forward-looking information in this press release include, but are not limited to, the ability of TMX Group to de-leverage and the timing thereof; TMX Group's business integration initiative including the integration of clearing platforms, including the expected cash expenditures related to the integration of our clearing platforms and the anticipated cost savings resulting from this initiative and the timing of the integration and the anticipated savings; costs associated with the consolidation of office premises, and anticipated cost savings related to consolidation of office premises statements; other statements related to cost reductions and strategic realignment expenses; the impact of changes to each of our equity trading fees, market data fees, additional listing fees on TMX Group's revenue; the impact of the increase of market capitalization of TSX and TSXV issuers overall (from 2016 to 2017) net of changes to sustaining fees on TMX Group's revenue; the expected annual cost savings resulting from organizational changes made in early 2018, and the timing thereof; TMX Group's anticipated statutory income tax rate for 2018; factors relating to stock, and derivatives exchanges and clearing houses and the business, strategic goals and priorities, market conditions, pricing, proposed technology and other initiatives, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

These risks include: competition from other exchanges or marketplaces, including alternative trading systems and new technologies, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic conditions or uncertainties including changes in business cycles that impact our sector; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption; dependence on information technology; vulnerability of our networks and third party service providers to security risks, including cyber-attacks; failure to properly identify or implement our strategies; regulatory constraints; constraints imposed by our level of indebtedness, risks of litigation or other proceedings; dependence on adequate numbers of customers; failure to develop, market or gain acceptance of new products; failure to effectively integrate acquisitions, including the Trayport acquisition, to achieve planned economics, or divest under-performing businesses; currency risk; adverse effect of new business activities; adverse effects from business divestitures; not being able to meet cash requirements because of our holding company structure and restrictions on paying dividends; dependence on third-party suppliers and service providers; dependence of trading operations on a small number of clients; risks associated with our clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group common shares; inability to protect our intellectual property; adverse effect of a systemic market event on certain of our businesses; risks associated with the credit of customers; cost structures being largely fixed; the failure to realize cost reductions in the amount or the time frame anticipated; dependence on market activity that cannot be controlled; the regulatory constraints that apply to the business of TMX Group and its regulated subsidiaries, costs of on exchange

clearing and depository services, trading volumes (which could be higher or lower than estimated) and revenues; future levels of revenues being lower than expected or costs being higher than expected.

Forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces; business and economic conditions generally; exchange rates (including estimates of exchange rates from Canadian dollars to the U.S. dollar or British pound sterling), commodities prices, the level of trading and activity on markets, and particularly the level of trading in TMX Group's key products; business development and marketing and sales activity; the continued availability of financing on appropriate terms for future projects; productivity at TMX Group, as well as that of TMX Group's competitors; market competition; research and development activities; the successful introduction and client acceptance of new products; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group's ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained under the heading **RISKS AND UNCERTAINTIES** in the 2017 Annual MD&A.

About TMX Group (TSX:X)

TMX Group's key subsidiaries operate cash and derivative markets and clearinghouses for multiple asset classes including equities, and fixed income. Toronto Stock Exchange, TSX Venture Exchange, TSX Alpha Exchange, The Canadian Depository for Securities, Montréal Exchange, Canadian Derivatives Clearing Corporation, Trayport, and other TMX Group companies provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver, and New York), as well as in key international markets including London, Beijing and Singapore. For more information about TMX Group, visit our website at <http://www.tmx.com>. Follow TMX Group on Twitter: @TMXGroup.

Teleconference / Audio Webcast

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q1/18.

Time: 8:00 a.m. - 9:00 a.m. ET on Thursday, May 10, 2018.

To teleconference participants: Please call the following number at least 15 minutes prior to the start of the event.

The audio webcast of the conference call will also be available on TMX Group's website at www.tmx.com, under Investor Relations.

Teleconference Number: 647-427-7450 or 1-888-231-8191

Audio Replay: 416-849-0833 or 1-855-859-2056

The passcode for the replay is 7595533.

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