

Marex Group Limited

Nasdaq: MRX · ISIN BMG5T40M1045 · Clearing, execution, market making and hedging in commodity and financial markets · Sector module E (broker / clearer), module I (serial acquirer)

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RATING

ACCUMULATE

TARGET PRICE (12-month)	USD 79.00
FAIR VALUE RANGE	USD 72 – 85 (residual income across three cost-of-equity views; base 77.90)
CURRENT PRICE	USD 69.76 (Nasdaq close 30 Sep 2026, Fiscal.ai)
UPSIDE TO TP	13.2 % (total return incl. USD 0.70 of dividends: 14.2 %)
CONVICTION	2 of 5 — the upside rests on two judgements (see below)

Market cap USD 5.05bn (72.35m shares outstanding; 76.04m diluted) · USD 505m of hybrid and AT1 capital ranks ahead of ordinary equity · Free float ≈ 76 % · ADTV 3m USD 51m · 52-week range USD 28.24–78.27 · P/B 3.68x · P/E 13.5x LTM, 11.0x 2027E (Adjusted) · S&P RAC 12.4 % · BBB- (S&P, Fitch) · Next catalyst: Q3-26 results, ≈ 5 Nov 2026 · Holder currency SEK (USD/SEK 9.979)

The variable that decides this case: how long Marex keeps earning ≈ 30 % on its ordinary equity (≈ 25 % if the hybrid is counted as equity). Our base case holds that level to 2035 and fades only in the terminal value; the price is consistent with a fade to 25 % by 2035 (USD 69.5), and a fade to 20 % — StoneX’s territory — is worth USD 58.6. The second judgement is the acquisition programme: without unsigned deals our base value is USD 69.6 and the probability-weighted value USD 65.3. The Fed path, the most-discussed variable, is worth USD 2.2–3.6 per 100 bp.

A real franchise, priced for most of what it has earned. Marex has turned a London metals broker into one of the two largest non-bank futures clearers in the US, with a prime broker bought from Cowen in late 2023 that management says now earns about a quarter of group profit [M]. Revenue grew 39 % a year from 2021 to 2025 and Adjusted PBT 51 %; the 2025 ROE on ordinary equity was 29 %, with goodwill under 30 % of equity. The shares trade at 3.68x book — above every year of StoneX’s history. Our residual-income model, which normalises market making in 2027, values the equity at USD 77.90; the probability-weighted value is USD 72.80. We rate the shares ACCUMULATE with conviction 2: accumulate gradually below USD 72, review for BUY below USD 65, trim above USD 85. If either judgement fails, the rating is HOLD.

Author: Billen Capital Research (Pär Magnus). Research for private investment purposes. Not investment advice. **Position disclosure:** Billen Capital holds Marex Group in its Core mandate (MND-001); this report is an initiation on an owned position. All figures in USD unless stated. [R] reported, [M] management statement or guidance, [K] consensus, [S] secondary source, [BCR est.] Billen Capital Research estimate. Valuation equity is equity attributable to ordinary shareholders (excluding the USD 500m hybrid, the AT1 residue and minorities). Adjusted PBT and Adjusted EPS are company APMs. Full disclaimer in Appendix A8.

Investment summary

Exhibit 1 — Investment summary scorecard

USD per share unless stated; valuation date 30 Sep 2026

Item	Value	Item	Value
Rating	ACCUMULATE	Conviction	2 of 5
12-month target price	USD 79	Upside / total return	13.2 % / 14.2 %
Base-case value (30 Sep)	USD 77.90	Probability-weighted value	USD 72.80
Fair-value range (Ke 9.22–10.46 %)	USD 72–85	All 15 end-point cells	USD 58–97 (median 79)
Without unsigned acquisitions: base / weighted	USD 69.62 / 65.25	12-month return without them	2.9 % (→ HOLD)
Base with ROE fading to 25 % / 20 % by 2035	USD 69.5 / 58.6	Cost of equity	9.84 %
Expected gain ÷ expected loss	1.34x (BUY needs 2.0x)	Monte Carlo: runs below price	30 %
Accumulate below / BUY review below / trim above	USD 72 / 65 / 85	Deciding variable	ROE durability to 2035

Source: Workbook tabs Broker model, Exit (equity), Scenarios, Required return, Sensitivities (E); engine_MRX dependency runs; Billen Capital Research estimates.

Takeaway: Our base value is 12 % above the price and the weighted value 4 %; the expected return clears the 10 % hurdle, but only with the acquisition programme and a base case that holds ROE near 30 % — remove either and the shares are fairly valued.

THESIS IN FIVE FALSIFIABLE CLAIMS

- 2026 is a volatility year; 2027 growth will be low — as consensus also expects.** H1-26 Adjusted PBT rose 57 % with oil implied volatility at 62 (long-run 41), Market Making revenue per trader at USD 1.95m against 1.41–1.45m in 2023–25 (part of the rise is the Winterflood acquisition), and daily VaR up 50 % [R; S, CBOE; BCR]. We normalise: 2027E Adjusted PBT USD 664m (+4 %), Adjusted EPS +4 %, in line with consensus (+4 %). Falsified if FY2027 Adjusted PBT is ≥ USD 730m (our bull case) with OVX averaging below 45.
- The clearing franchise compounds on balances, not price.** Balances doubled to USD 19.1bn (Q2-26) while the price per contract fell 22 % (2023–25); each USD 1bn of balances earns ≈ USD 16–18m of NII and the segment a 46–53 % margin [R; BCR]. About a fifth of clearing initial margin is crypto collateral [M, ID26], which makes balances sensitive to crypto prices. Falsified if average clearing balances fall below USD 16bn for two quarters (the red line).
- Rates matter less than our August update estimated — but the evidence is mixed.** The company discloses ±USD 34m of NII per 100 bp on 2025 balances [R, 20-F p.176]; our clearing-yield beta of 0.20 gives +USD 22m of Adjusted PBT and ±USD 2.2 per share; at the last twelve months' beta (0.33) a 100 bp cut costs ≈ USD 3.6; our 12 August update said 64–114m. Falsified if the clearing NII yield moves by more than 40 bp for a 100 bp change in Fed funds over a year.
- Returns are durable — this is the judgement that carries the value.** Our base case holds ROE on ordinary equity at 26–31 % to 2035 (24–28 % counting the hybrid as equity) — above StoneX's best year — and fades only in the terminal value (ROE 16.9 %). The price is consistent with a fade to 25 % by 2035, or persistence 0.26 after it; a fade to 20 % is worth USD 59 [BCR]. Confirmed if FY2027 ROE on ordinary equity is ≥ 32 % (our bull case) with OVX below 45; against us if it is below 26 % (the bear path).
- Capital, not demand, is the binding constraint — and it is now ample.** S&P RAC 12.4 % after the USD 500m hybrid; USD 436m of surplus capital is returned in 2027E in our model. The severe case assumes a USD 279m defensive raise after a downgrade; without it the RAC troughs at 10.9 % and recovers to 12.3 % by end-2027 [BCR]. Falsified if RAC falls below 10 % or Marex makes a large debt-funded acquisition.

TARGET PRICE AND METHOD

The 12-month target of USD 79 is the probability-weighted 12-month value across five scenarios (severe 8 %, bear 27 %, base 42 %, bull 19 %, blue-sky 4 %), each a full run of the residual-income engine: value today grown at the cost of equity for a year, less the next twelve months' dividends (USD 0.70), rounded to the nearest dollar. Module E replaces the FCFE DCF: ordinary equity at 30 Jun 2026 (USD 1,370.3m) plus the discounted profit above the cost of equity on opening equity, H2-26–2035, plus a terminal in which 40 % of the 2035 spread persists; distributions follow a binding S&P capital constraint (RAC target 11.5 %), and a dividend-discount model on the same path gives the same value. Cost of equity 9.84 %: US 10-year 5.29 % + β 1.10 × ERP 4.14 %. The weighted value sits 6.5 % below the base case because the distribution is skewed left (Section J).

Two judgements carry the upside, and we say so. (1) The unsigned acquisition programme (USD 200m a year at 20 % pre-tax at maturity, probability 0.8) adds USD 8.28 — 10.5 % of the target, below the house's 25 % flag, but without it the weighted value is USD 65.25 and the expected twelve-month return $\approx$ 3 %. We credit it because Marex is a programmatic acquirer whose recent deals have earned at least what we assume ($\approx$ 15–27 % after tax, depending on the measure, against our $\approx$ 15 %). (2) The base case holds ROE near 30 % to 2035; the base rates say that is generous, which is why the bear case (27 %) fades it and why our conviction is 2, not 3. ACCUMULATE means building gradually, not chasing.

Exhibit 2 — Expected return decomposition

%; book value per diluted share; last column to the 2030E exit (4.25 years)

Component	12 months, base	12 months, weighted	To the 2030E exit, a year
Book value per diluted share (after buybacks above book)	10.7 %	10.7 %	17.4 %
Multiple: 3.62x book today (est. Sep-26) $\rightarrow$ in 12 months $\rightarrow$ 10.5x 2030E EPS	$\rightarrow$ 3.98x (9.9 %)	$\rightarrow$ 3.70x (2.3 %)	exit at 10.5x (own median 10.2x)
Dividends	1.0 %	1.0 %	1.2 %
Total expected return	22.7 %	14.2 %	11.7 % (P/E exit); 8.6 % (P/B 2.5x exit)

Source: engine_MRX; Exit (equity) rows 49–53; Scenarios rows 12–23; BCR est.

Takeaway: Book value per share compounds at $\approx$ 11–17 % a year; the target needs only a small re-rating ($\approx$ 3.6x $\rightarrow$ 3.7x book in the weighted case). An exit at 10.5x 2030E earnings clears the hurdle; an exit at our own median P/B (2.5x) does not — the multiple is the risk.

THREE REASONS IT WORKS (THE BULL CASE WE RESPECT)

1. The bank retreat from mid-sized clients is structural: 77 clients now pay more than USD 5m a year (36 in 2024), none of them new; balances and Prime assets keep compounding at 20 %+. Confirmed by: clearing balances $\geq$ USD 24bn in 2027.
2. The platform has operating leverage that the 2027 normalisation hides: front-office costs fell from 55 % to 53 % of revenue and contracts per clearing employee rose 45 % in two and a half years. Confirmed by: margin $\geq$ 23.5 % in 2027 with OVX < 45.
3. The acquisition engine keeps buying well: the three largest 2025 deals ran at $\approx$ 27 % after tax on cash consideration in Q2-26 [R, P-Q2-26 slide 9] ($\approx$ 15 % on the whole USD 401.5m cohort). Confirmed by: the whole cohort above 20 % after tax in FY2027.

THREE REASONS IT FAILS (THE RISKS WE PRICE)

1. Returns fade the way the base rates say: ROE to 20 % by 2035 is worth USD 59. Metric: ROE on ordinary equity below 26 % in 2027 with normal volatility.
2. A large client default or a Prime blow-up in a market shock, followed by a downgrade (severe: USD 21). Metric: client-default loss above USD 30m in a quarter (red line); RAC below 10.5 %.
3. The acquisition programme stalls or overpays: without it the weighted value is USD 65. Metric: no deal in 2027, or goodwill above 35 % of equity.

KEY MONITORABLES (CURRENT LEVEL)

Adjusted PBT margin 23.8 % (Q2-26) · clearing balances USD 19.1bn · contracts LTM 1,320m · Prime revenue USD 120m in the quarter · MM revenue per trader USD 1.76m (annualised) · structured notes USD 4.9bn · S&P RAC 12.4 % · client-default losses nil in Q2 (USD 33.9m in Q1) · group NII USD 29.7m · 77 clients above USD 5m · Adjusted ROE 37.8 % (Q2, annualised) · two material weaknesses (FY2025). Thresholds in Section M.

Flag line. 10.5 % of the target price (USD 8.28 of 79) rests on acquisitions not yet signed — below the house's 25 % flag — but it is the whole difference between ACCUMULATE and HOLD: without it the base value is USD 69.62, at the price. The first-order risk statistic is Market Making revenue per front-office employee: USD 1.76m (Q2-26, annualised) against our 2027E norm of 1.50m and a red line of 1.10m.

What would make us wrong — in either direction

1. **Too cautious — the regime is structural:** FY2027 Adjusted PBT $\geq$ USD 730m (our bull case) with oil volatility back below 45; volatility at $\times$ 1.25 is worth +USD 5.9 per share.
2. **Too cautious — returns and growth outrun the fade:** FY2027 ROE on ordinary equity $\geq$ 32 % with clearing balances $\geq$ USD 24bn; persistence of 0.5 would add USD 5.6 and growth at 1.5x our path USD 11.8.
3. **Too optimistic — returns fade:** FY2027 ROE below 26 % with normal volatility (our bear path); a fade to 20 % by 2035 takes the value to USD 59.
4. **Too optimistic — the programme stops:** no acquisition in 2027, or the 2025 cohort below 15 % after tax; without the programme the weighted value is USD 65.
5. **Too optimistic — controls:** a second adverse ICFR opinion in the FY2026 20-F (March 2027) or a client loss above USD 30m in a quarter.

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A0 • Security, structure and the path from operating cash to the shareholder

The security is the ordinary share of Marex Group Limited, a Bermuda company that became the listed parent on 1 July 2026 through a one-for-one scheme of arrangement with the former English parent, Marex Group plc [R, 6-K 1 Jul 2026]. The shares trade only on Nasdaq under MRX with a new CUSIP; there is no ADR and no second listing. The company says the parent remains tax resident in the UK and that "rights and protections" are preserved [M, ID26 slide 18]. The bye-laws are partly shareholder-friendly — every director stands every year and can be removed by a simple majority, and there is no poison pill — but with four exceptions: mergers and bye-law changes need 75 % of votes cast, and a bye-law change also needs a board resolution (a board veto); the board may move the company to another jurisdiction without a shareholder vote (bye-laws 79–80); director nominations by shareholders have a 7–35-day window; and shareholders have waived their statutory right to a court appraisal of fair value in an approved merger (bye-law 82.2) [R]. None of this matters while the company performs; all of it matters in a contested situation.

Between operating cash and the ordinary shareholder sit three things. First, **USD 500m of perpetual hybrid notes** (7.70 %, issued 9 Jun 2026) and the USD 5.3m residue of a 13.25 % AT1 note: both are equity in the accounts but not ours, so the valuation base is equity attributable to ordinary shareholders, USD 1,370.3m at 30 Jun 2026, and the coupons (USD 39.2m a year) are deducted from earnings [R, H1-26 FS p.5, note 16]. Hybrid: a subordinated perpetual bond that rating agencies treat as equity; coupons are tax-deductible (H1-26 FS note 5). Second, **regulatory capital in the operating subsidiaries**: the US broker-dealer and futures commission merchant (FCM) can upstream only 10 % of its excess net capital without approval, and the UK entity is under the FCA's MIFIDPRU regime. Third — and binding — **the rating**: management's stated anchor for capital allocation is the S&P risk-adjusted capital ratio needed for BBB- [M, CFO, Q2-26 call]. Since the move to Bermuda there is no consolidated regulator at group level; capital is managed to an internal measure "consistent with" the old FCA method [R, Q2-26 release p.16]. FCM: a US firm registered with the CFTC to hold customer money for futures trading. RAC: S&P's ratio of adjusted capital to risk-weighted assets; 10 % is S&P's threshold for "strongly capitalised".

Exhibit 3 — Security and cash-path map

qualitative; USD m where stated

Item	Detail
Legal entity	Marex Group Limited, Bermuda exempted company (reg. 202505104), listed parent since 1 Jul 2026 via a 1:1 English scheme of arrangement; the former parent Marex Group plc (England & Wales) is now a subsidiary. The parent states it remains UK tax resident [M] (ID26 slide 18; 6-K 1 Jul 2026)
Listing and identifiers	Nasdaq Global Select, ticker MRX (IPO 25 Apr 2024 at \$19.00); new CUSIP G5T40M104 from 1 Jul 2026; ISIN BMG5T40M1045 derived from the CUSIP (conflict register K9). No ADR, no secondary line
Share classes	Ordinary shares, one vote each. 4,129,436 deferred shares with no dividend, vote or economic right (bye-laws 5.1–5.4). No dual class, golden share or loyalty voting
Share count used	72,348,205 outstanding excluding the Employee Benefit Trust (30 Jun 2026, Q2-26 release p.20) + 3,690,752 unvested awards (H1-26 FS note 17) = 76,038,957 diluted [BCR]. No options, warrants or convertibles outstanding
Claims ranking ahead of ordinary equity	USD 500m 7.70 % perpetual hybrid (equity; first call Jun 2032; 100 % S&P equity credit expected [M]); USD 5.3m residual 13.25 % AT1 (terms amended 1 Jul 2026); non-controlling interests –2.0. Valuation equity = equity to ordinary shareholders, USD 1,370.3m (K2)
Regulatory perimeter	Since 1 Jul 2026 the group is outside FCA consolidated capital and liquidity supervision; four regional pillars (UK, EMEA, US, Rest of World) "self-sufficient in capital and liquidity" [M]. Solo regimes remain: Marex Financial (FCA MIFIDPRU, total capital ratio 232 % at 31 Dec 2025), US FCM/broker-dealer (CFTC/SEC net capital)
Distribution constraints	Board-declared dividends subject to a Bermuda solvency test; in practice the binding constraint is the S&P risk-adjusted capital (RAC) ratio for the BBB- rating (12.4 % at 30 Jun 2026 vs S&P's 10 % "strongly capitalised" line). Only 10 % of US excess net capital (56.7 of 566.8) can be upstreamed without regulatory approval (20-F FY2025 note 35)
Withholding tax at source	Nil. UK rule for the plc era (20-F FY2025 p.164); Bermuda levies no withholding tax [S, PwC]; with UK tax residence the UK regime applies either way
Bye-laws that matter	Annual election of all directors; removal by ordinary resolution; no poison pill. But 75 % special resolution for mergers and bye-law changes (plus a board resolution for the latter); the board can redomicile without a shareholder vote (79–80); members waive Bermuda appraisal rights in an approved merger (82.2)
Structural leakage	None at the parent: no holding-company discount, no minorities of size, no capital controls. Cash is trapped in regulated subsidiaries only to the extent regulators require — captured by the capital constraint in the model

Source: Bye-laws of Marex Group Limited (1 Jul 2026); 6-K 1 Jul 2026; H1-26 FS p.5, notes 16–17; Q2-26 release pp.16, 20; 20-F FY2025 pp.98, 164, note 35; PwC Worldwide Tax Summaries (Bermuda) [S].

Takeaway: A plain single-class equity: the claims ahead of ordinary shareholders are USD 505m of perpetual capital and the rating-driven capital buffer, and there is no withholding-tax leakage.

Exhibit 4 — Ownership register and free float

shares; % of shares outstanding excluding the EBT

Holder	Shares	% of outstanding	Date / basis	Comment
Amphitryon Ltd (JRJ Group; Sir Jeremy Isaacs, Roger Nagioff)	7,160,826	9.98 %	3 Mar 2026 (13G, 24 Jul 2025)	Pre-IPO sponsor; 60.9 % before the IPO; nomination rights waived
MASP Investor LP (BXR Group Holdings)	5,024,604	7.00 %	same	Pre-IPO sponsor
Directors and executive officers (11)	5,217,543	7.27 %	3 Mar 2026	CEO Ian Lowitt 2,642,483 (3.68 %); CEO bought 32,465 at ~ \$30 on 10 Oct 2025
BlackRock / Capital International / FMR	4.39m / 3.49m / 3.48m	6.10 / 4.85 / 4.84 %	13F, 31 Mar 2026	FMR +2.15m shares in Q1-26
All 13F filers (205)	52.49m	72.97 %	13F, 31 Mar 2026	Q2-26 13F not yet available (CUSIP change)
Employee Benefit Trust	1,199,156	(excluded)	31 Dec 2025	Buys shares to satisfy awards; USD 97.3m spent 2022–H1-26
Free float [BCR]	54.9m	75.9 %	outstanding less sponsors and insiders	Short interest 2.55m = 3.52 % of outstanding, 2.8 days to cover (15 Sep 2026)

Source: 20-F FY2025 Item 7A p.158; Fiscal.ai 13F holdings (31 Mar 2026) [S]; Nasdaq short-interest data [S]; R6 \$6.

Takeaway: The pre-IPO sponsors are down from 84 % to 17 % and have waived board seats; management owns 7 % — the register is now institutional and long-only dominated, with modest short interest.

Exhibit 5 — Where the capital sits: regulated entities and group measures

USD m

Entity / measure	Regime	Latest	Headroom	Source
Marex Capital Markets Inc. (US FCM + broker-dealer)	CFTC 1.17 / SEC 15c3-1	Adjusted net capital 944.6 vs requirement 564.7 (31 Jul 2026)	+380.0 (0.67x the requirement)	CFTC FCM data [S]
US regulated entities, aggregated	CFTC/SEC	Net capital 1,187.3; excess 566.8 (31 Dec 2025)	Only 56.7 distributable without approval	20-F FY2025 note 35(a)
Marex Financial (UK)	FCA MIFIDPRU (solo)	Total capital ratio 232 %; resources 462.6 vs OFTR 199.0 (31 Dec 2025)	Paid \$40m dividend to parent in 2025	Marex Financial AR 2025 p.8–9
Group — S&P risk-adjusted capital	Rating agency	RAC 12.4 % (30 Jun 2026)	≈ 2.4 pp above S&P's 10 % line	Q2-26 presentation p.19
Group — internal capital ratio	Management measure (incl. hybrid)	287 %: resources 1,501.4 vs requirement 523.3	Not comparable to the 230 % IFPR ratio of Dec-25 (K10)	Q2-26 release p.16
Group liquidity	Internal 30-day stress	Liquid resources 4,324.5 incl. undrawn RCF 490.0	Headroom 1,814.1	Q2-26 release p.16

Source: As listed; CFTC Selected FCM Financial Data (Jul 2026) [S].

Takeaway: Capital is not the constraint today — every measure has headroom — but the rating is: at a RAC of 12.4 % there is ≈ USD 300m of capital above S&P's 10 % line and ≈ USD 115m above our 11.5 % working target, and less if the hybrid does not receive full equity credit.

Withholding tax for a SEK-based holder. Dividends from the plc were paid free of UK withholding tax, and Bermuda levies none; with the parent UK tax resident the result is the same under either regime [R, 20-F FY2025 p.164; S, PwC]. There is nothing to reclaim. The first dividend under the new parent (USD 0.16, paid 9 Sep 2026) confirms the mechanics. Swedish taxation of the holder is outside scope.

The absence of structural friction is the finding. One class, no holding-company layer, no controlling shareholder (the largest holder has 10 % and no board seat), management owning 7 % — with the CEO's USD 102m stake worth 77 times his salary at the end of 2025 [R, 20-F FY2025 p.148]. The two structural points worth tracking are the Bermuda appraisal waiver and the loss of a consolidated supervisor, which puts more weight on S&P and on the company's own discipline.

So what for the valuation. No structural discount is applied. Value per share = equity value to ordinary shareholders ÷ 76.04m diluted shares (outstanding plus all unvested awards, the company's own diluted-EPS method). The hybrid and AT1 are excluded from equity and their coupons from earnings; the RAC constraint is modelled explicitly (Section G2), so trapped capital is priced through the dividend and buyback path, not through a haircut.

A • Company and business model

Marex is a non-bank financial-services platform built around commodity and financial futures markets. It clears trades for clients on more than 60 exchanges, executes trades for them by voice and electronically, makes markets in metals, energy, agricultural and financial products, and structures hedges and notes that it issues to private banks

and asset managers [R, 20-F FY2025 pp.52–56]. It serves only professional clients and eligible counterparties — producers, consumers, trading houses, hedge funds, banks and asset managers — and does no business with retail clients directly [R, 20-F FY2025 p.64]. Its self-description is a "diversified global financial services platform providing essential liquidity, market access and infrastructure services" [M, Q2-26 release p.1].

Exhibit 6 — History: from commodity broker to multi-asset platform

events

Year	Event	Source
2005	Marex Group Limited and Marex Financial incorporated (England & Wales)	F-1/A PDF 226
2010–2011	Majority acquired by investors advised by JRJ; Spectron Group bought (→ Marex Spectron)	20-F FY2025 p.52
2017–2018	Marex Solutions (hedging) launched; structured-notes programme starts	F-1/A PDF 164; 20-F FY2025 p.56
2019–2021	Rosenthal Collins (Chicago FCM) — entry into US clearing; CSC oil team; Tangent; X-Change; Neon platform (2020)	F-1/A p.160
2022–2023	ED&F Man Capital Markets clearing and execution bought at 0.8x book (bargain gain \$71.6m; >1,000 clients); OTCex; Cowen prime brokerage (Dec 2023, \$25m premium)	F-1/A pp.160–161; 20-F FY2025 p.52
Apr 2024	Nasdaq IPO at \$19.00 (3.85m new shares, \$73m gross); secondary offerings at \$24.00 (Oct 2024) and \$35.50 (Apr 2025)	20-F FY2024 p.201; R4 \$2.2b
2025	Six bolt-ons for \$401.5m (Aarna, Darton, Hamilton Court, Agrinvest, Edgemere, Winterflood); short-seller report (5 Aug)	20-F FY2025 p.248; R4 \$7
2026	Hybrid \$500m (Jun); Bermuda redomiciliation (1 Jul); Levmet, Valcourt, Webb Traders completed; Bright Point and Brainchild agreed	H1-26 FS notes 7, 16, 22

Source: As listed.

Takeaway: Every step change — US clearing (2019, 2022), prime brokerage (2023), FX and equities market making (2025) — came through an acquisition; the IPO in 2024 funded none of them.

Four segments, one balance sheet. Clearing earns a commission per contract and interest on the balances clients leave with it. Agency & Execution (A&E) earns commissions and matched-principal spreads on energy and securities trades, plus financing spreads in Prime Services, the prime brokerage bought from Cowen. Market Making earns the bid-offer spread for its own account, "without taking significant proprietary risk" [M, 20-F FY2025 p.54]. Hedging & Investment Solutions (HIS) earns a margin built into bespoke hedges and structured notes. Corporate carries the control functions and the group's funding; it recharges interest to the segments. The segment note is the only complete view of the economics, and it shows two different businesses: Clearing makes a 49.5 % margin, the rest 22–30 %.

Exhibit 7 — Segment economics, FY2025

USD m; margins in %

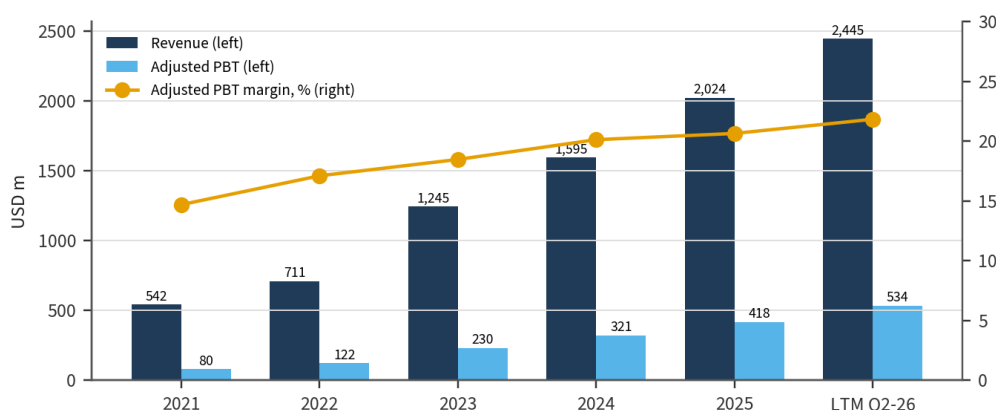
FY2025, USD m	Clearing	Agency & Execution	Market Making	Hedging & Inv. Solutions	Corporate	Group
Net commission income	275.4	700.9	1.2	—	—	977.5
Net trading income	25.2	333.0	220.9	272.8	—	851.9
Net interest income (after internal funding)	227.6	11.3	(24.7)	(76.0)	14.4	152.6
Net physical commodities income	—	4.0	38.1	—	—	42.1
Revenue	528.2	1,049.2	235.5	196.8	14.4	2,024.1
Front-office costs	(182.3)	(672.8)	(137.3)	(118.5)	—	(1,110.9)
Control & support costs	(83.6)	(96.3)	(28.5)	(35.8)	(229.9)	(474.1)
Other items, net (D&A, credit losses, other income) [BCR, derived]	(0.8)	0.8	(0.8)	1.0	(21.2)	(21.0)
Adjusted PBT	261.5	280.9	68.9	43.5	(236.7)	418.1
Adjusted PBT margin	49.5 %	26.8 %	29.3 %	22.1 %	—	20.7 %
Average front-office FTE	277	759	165	204	1,381 C&S	1,405
H1-2026 revenue / Adj. PBT	298.5 / 137.2	673.3 / 208.1	257.8 / 100.4	164.0 / 57.6	(5.5) / (184.7)	1,388.1 / 318.6

Source: 20-F FY2025 pp.89–90, 238 (segment note); Q4-25 release pp.4–11 (cost split, FTE); Q2-26 release pp.6–14.

Takeaway: Clearing is a quarter of revenue and 40 % of segment profit before Corporate; A&E is half of revenue at about half Clearing's margin (26.8 % vs 49.5 %) — which is why the group margin is set by mix, not by cost cutting.

Exhibit 8 — Revenue and Adjusted PBT, 2021–2025 and LTM, with Adjusted PBT margin

USD m; %

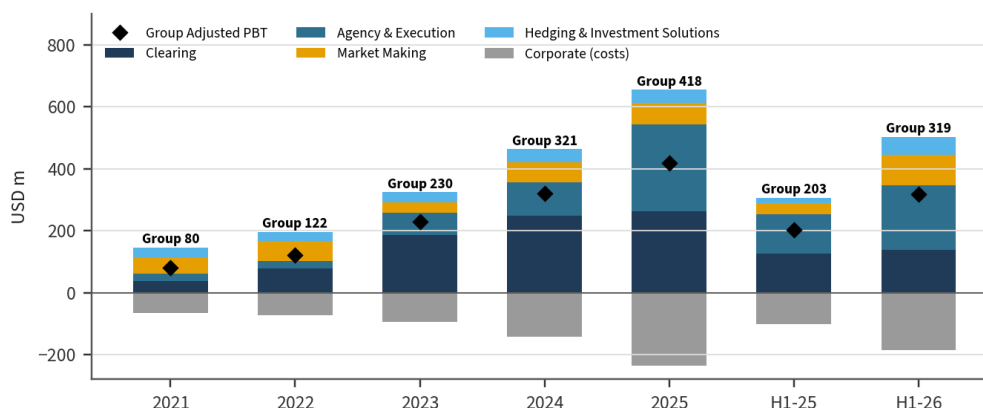


Source: F-1/A p.F-5 and p.112; 20-F FY2024 p.193; 20-F FY2025 p.201; Q4-25 release p.16; Q2-26 release pp.3, 20.

Takeaway: Revenue compounded at 39 % and Adjusted PBT at 51 % a year from 2021 to 2025, with the margin up six points — the scale story is real, but two of those years contain the ED&F Man acquisition.

Exhibit 9 — Adjusted PBT by segment including Corporate, 2021–H1 2026

USD m



Source: 20-F FY2025 pp.238–239; F-1/A p.F-39; Q2-26 release p.21.

Takeaway: The Corporate cost line has grown from 67 to 237 as the group added control functions, public-company costs and funding; segment margins overstate what reaches shareholders.

Geography and clients. The booking entity is split evenly between the UK and the US, with the rest of the world growing fastest (26 % of revenue in 2025 against 11 % in 2021) as acquisitions added the Middle East, Singapore and Brazil. Client concentration is rising: 49 clients generating more than USD 5m each produced 33 % of 2025 revenue, and on H1-26's annualised run-rate 77 clients produced 39 % [R, ID26 slide 9; Aug-26 presentation slide 9]. Management stresses that none of the 77 is a new client — all grew into the tier. No top-client or top-10 share is disclosed.

Exhibit 10 — Revenue by geography

USD m

USD m	2021	2022	2023	2024	2025	Share 2025
United Kingdom (booking entity)	361.5	414.4	607.2	710.8	741.0	36.6 %
United States	120.2	238.1	422.0	581.7	754.7	37.3 %
Rest of world	59.8	58.6	215.4	302.2	528.4	26.1 %
Total	541.5	711.1	1,244.6	1,594.7	2,024.1	100 %
Memo: by client region 2025 — EMEA / Americas / APAC					1,101 / 747 / 176	54 / 37 / 9 %

Source: 20-F FY2025 p.241; F-1/A p.F-40; UK Annual Report 2025 p.2 (client region).

Takeaway: Two geographic bases give different answers (booking entity vs client region); both show a group that is no longer UK-centred — which is what the Bermuda move formalised.

Management and incentives. The executive team has run the firm through the ED&F Man and Cowen integrations and the IPO; four of the six come from Lehman Brothers or Goldman Sachs. The CEO has led since 2016 and owns 3.7 %. Annual bonuses (75 % financial) pay on Adjusted PBT and Adjusted EPS against the board's budget; the 2026 long-term plan pays on three-year growth in Adjusted PBT and EPS, with maximum vesting at 10 % and 8 % a year — below what the company has delivered since the IPO [R, 20-F FY2025 pp.140–151]. There is no return-on-equity, book-value or total-return metric. We discuss the implications in Section G4.

Exhibit 11 — Management team and tenure

shares held at 3 Mar 2026

Name	Role	Since	Shares (3 Mar 2026)	Background
Ian Lowitt	Group CEO	2016 (CFO from 2012)	2,642,483 (3.68 %)	Lehman Brothers 1994–2008 (Global Treasurer, CFO), Barclays 2008–12
Rob Irvin	CFO	Mar 2023	7,326	HSBC 2011–22 (CFO Private Bank and IB); chartered accountant
Simon van den Born	President	2019 (joined 2010)	1,171,570 (1.63 %)	Global head of metals; Goldman Sachs commodities
Paolo Tonucci	Chief Strategist, CEO Capital Markets	2023 (joined 2018)	1,125,908 (1.57 %)	Group Treasurer CBA; Lehman Global Treasurer
Thomas Texier	Group Head of Clearing	Jul 2020	76,000	COO R.J. O'Brien London
Nilesh Jethwa	CEO Marex Solutions	2017 (founder)	99,747	Leonteq; Lehman single-stock exotics
Robert Pickering	Chair (independent)	Chair since Oct 2023	26,909	Former CEO Cazenove

Source: 20-F FY2025 pp.103–105, 158.

Takeaway: A trading-floor team with real ownership: the six executives hold ≈ 5.1m shares (≈ 7 % of outstanding), worth ≈ USD 357m at \$69.76.

So what for the valuation. The segment split drives the model: each segment is forecast as volume × price in the Broker model tab (Clearing: contracts × commission and balances × yield; A&E: lots, client assets and securities units; Market Making: front-office FTE × revenue per FTE; HIS: notes × spread). Corporate costs are a ratio of organic revenue that falls 0.2 pp a year to 11.5 % (Section H).

A2 • Revenue mechanics and cash timing

Almost everything Marex earns is recognised on the trade date or accrued daily; there are no multi-year contracts, no deferred revenue and no contract assets. "The substantial majority of the Group's performance obligations ... are satisfied at a point in time. Revenue recognized over time is not material" [R, 20-F FY2025 p.237]. Cash follows within a day for clearing and market making, because clients post margin daily; the exceptions are energy brokerage, where commissions are invoiced and carry collection risk, and introducing-broker payments, settled quarterly.

Exhibit 12 — Order-to-cash map by revenue line

qualitative

Revenue line	Event that triggers revenue	Recognition	Cash	Typical lag	Policy
Clearing commissions	Contract cleared	Point in time, trade date	Debited from client margin account	Same day	IFRS 15; gross of exchange fees (principal)
Interest on client balances	Balances held overnight	Effective interest, daily	Earned daily on exchange/bank deposits	Daily	IFRS 9
Energy brokerage (agency)	Trade arranged	Point in time, trade date	Invoiced monthly; collection risk on the commission only	≈ 30–60 days (DSO not disclosed)	IFRS 15
Securities (matched principal)	Trade executed	Trade date; net proceeds in commission income	Settlement T+1/T+2	1–2 days	Outside IFRS 15
Prime Services	Financing and trades	Daily accrual / trade date	Margin debits and credits daily	Daily	IFRS 9 / IFRS 15

Revenue line	Event that triggers revenue	Recognition	Cash	Typical lag	Policy
Market Making	Positions marked to market	Fair value, daily	Realised on close-out	Intraday to weeks (physical ≈ 90 days)	IFRS 9
Hedging & Investment Solutions	Note issued / hedge written	Fair value; day-one gain only with observable inputs	Issue proceeds at settlement; margin built into price	Notes average 15 months	IFRS 9
Introducing-broker costs	Monthly calculation	Expense on trade date	Settled quarterly	Quarter	IFRS 15

Source: 20-F FY2025 pp.9, 53, 84–85, 215–216, 237, 240.

Takeaway: There is no backlog to lean on: next year is decided by next year's client activity, volatility and interest rates — which is why the visibility question in this report is answered with scenarios, not with a contracted book.

Recurring, repeat and one-off. The company presents 70 % of 2025 Adjusted PBT as coming from "high infrastructure reliance" businesses — clearing, prime and financing — which it calls "high margin, stable and highly recurring" [M, ID26 slide 10; ID26 transcript]. On revenue, and on our stricter definition, the balance-embedded share is 39 % (2025) and 36 % (H1-26); the rest is repeat client flow that depends on activity. Nothing is contracted in the software sense. Balance-embedded revenue is not the same as stable revenue either: 43 % of Clearing revenue in 2025 was interest, which moves with the Fed funds rate.

Exhibit 13 — Revenue by class: balance-embedded, repeat-transactional, other

USD m; % of revenue

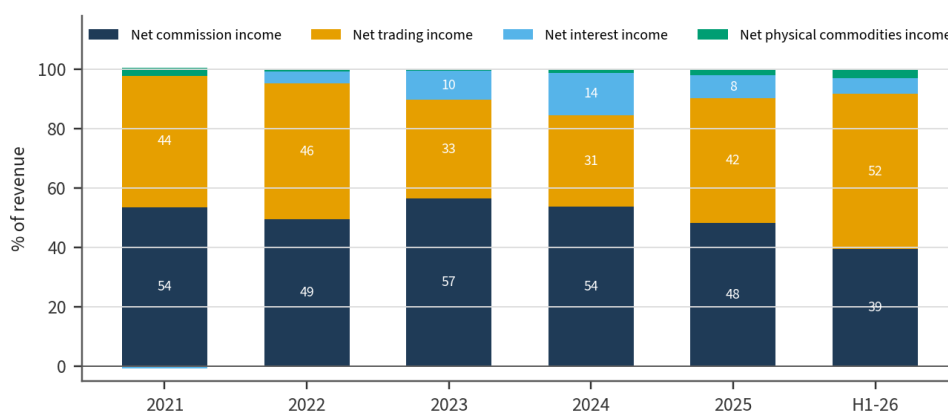
Class (our construction)	Components	FY2025, USD		H1-2026, USD	
		m	Share	m	Share
A. Balance- or relationship-embedded	Clearing (commissions on standing mandates + interest on balances) + Prime Services	786.4	38.9 %	492.9	35.5 %
B. Repeat client flow, transactional	A&E ex Prime + Market Making + HIS	1,223.3	60.4 %	900.7	64.9 %
C. Corporate / treasury	Corporate revenue	14.4	0.7 %	(5.5)	(0.4 %)
D. Contracted (subscription, backlog)	None disclosed; minimum clearing commissions and index fees exist but are not quantified	n/a	—	n/a	—
Memo: company view by Adjusted PBT	"High infrastructure reliance" (Clearing, Prime, financing) / medium / low	294 / 69 / 55	70 / 17 / 13 %		

Source: Segment data (20-F FY2025 p.238; Q2-26 release pp.6–13); ID26 slide 10; BCR classification.

Takeaway: Roughly 40 % of revenue is tied to balances and standing mandates, 60 % to activity; in H1-26 the activity share rose to 65 % with the volatility spike.

Exhibit 14 — Revenue by type: commission, trading, interest and physical, 2021–H1 2026

% of revenue



Source: F-1/A p.F-5; 20-F FY2025 p.201; H1-26 FS p.2.

Takeaway: Net trading income rose from 33 % of revenue in 2023 to 52 % in H1-26 while net interest income fell from 14 % (2024) to 5 % — the mix is moving towards principal activity, the more volatile source.

Seasonality. There is no stable seasonal pattern; activity and volatility dominate. Q2 2024 was lifted by the LME Russian-metals episode, Q4 2025 by Prime and metals, and Q1 2026 by the March energy spike. Management describes Q4 as "typically a slower quarter" [M, Q4-24 release p.1] and yet Q4 was the strongest quarter of 2025. We phase the forecast almost evenly (24.5 / 25.0 / 24.5 / 26.0 % of revenue) and judge each quarter against the year-on-year trend, not the prior quarter.

Exhibit 15 — Seasonality index

quarter ÷ annual average × 100

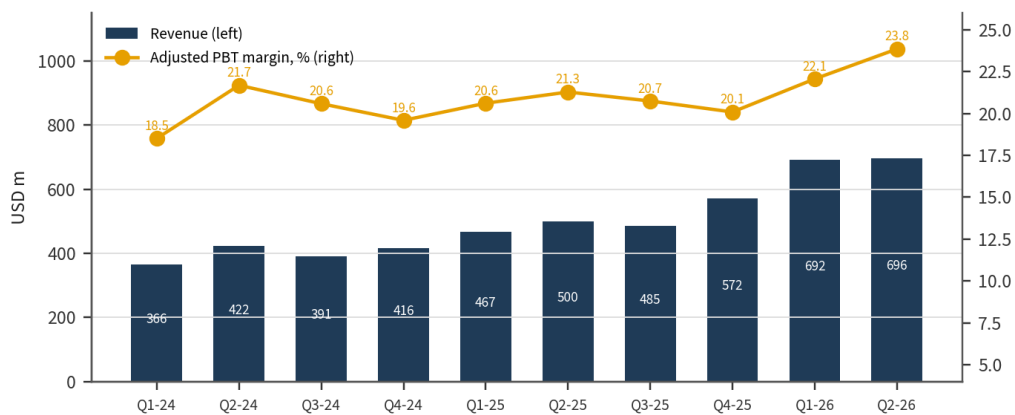
Index (quarter ÷ annual average × 100)	Q1	Q2	Q3	Q4
Revenue 2024	91.8	105.9	98.1	104.2
Revenue 2025	92.3	98.8	95.8	113.1
Adjusted PBT 2024	84.3	114.0	100.3	101.4
Adjusted PBT 2025	92.1	101.8	96.1	109.9
Model phasing, revenue (2027E+)	98.0	100.0	98.0	104.0
Model phasing, Adjusted PBT (2027E+)	96.0	102.0	98.0	104.0

Source: R2 §7 [BCR from quarterly releases]; Monitoring dashboard tab (model phasing).

Takeaway: Quarter-to-quarter swings of ±10 % are noise; the red flag is a year-on-year decline, which has not happened in any of the eight quarters where it can be measured (Q3-24 to Q2-26: +18 % to +48 %).

Exhibit 16 — Quarterly revenue and Adjusted PBT margin, Q1 2024–Q2 2026

USD m; %

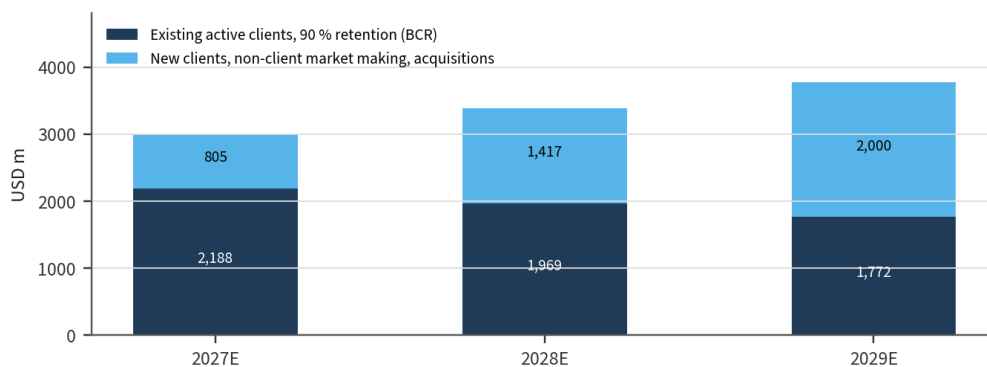


Source: Quarterly releases (R2 §1.5–1.7).

Takeaway: Revenue has nearly doubled in nine quarters (×1.9) and the margin has moved in an 18.5–23.8 % band — the operating leverage shows up only when volatility is high.

Exhibit 17 — Revenue certainty layers, 2027E–2029E

USD m



Source: Assumptions tab rows 50–52; ID26 slide 9 (88 % of revenue from active clients); BCR retention assumption.

Takeaway: With nothing contracted, the best proxy is revenue from today's active clients at 90 % retention (built on our 2026E, a volatility year): it covers 73 % of 2027E and 47 % of 2029E revenue — the rest has to be won or acquired.

So what for the valuation. Because there is no backlog, the valuation rests on activity drivers and on the durability of the client franchise. We therefore test value against volatility, rates and growth (Section J) rather than against a contracted revenue base; the dependency on unsigned acquisitions is measured separately (Section C5).

B • Industry structure and value chain

Marex sits in the middle of the listed-derivatives value chain: between the exchanges and clearing houses that own the contracts and the clients who need access, margin financing and execution. The rent in that chain is split three ways. Exchanges keep most of the fee — 73 % of Marex's gross commission and fee income in 2025 was paid out again as exchange, clearing-house and introducing-broker fees [BCR, 20-F FY2025 p.238]. Clients keep part of the interest on their balances: Marex shared interest with clients on about 60 % of balances and kept all of it on the other 40 % (2024 data) [M, ID25 slide 25]. What Marex keeps is a quarter of the fee, roughly two-thirds of gross interest on balances, and the spread on what it executes, finances and makes markets in.

Exhibit 18 — Value chain and where the rent sits

USD m, FY2025 unless stated

Link	Role vs Marex	Money flow (FY2025)	Where the rent sits
Exchanges and CCPs (CME, ICE, LME, Eurex, SGX ...)	Marex is a clearing member at 60+ exchanges; posts margin and default-fund contributions	Default funds 625.0 (Dec-25, revised) → 738.5 (Jun-26); commission and fee expense 761.3	With the exchange: 73 % of gross fees are paid out as exchange, clearing-house and introducing-broker fees
Clearing clients	Post margin; pay commission per contract; share interest	Gross clearing fees 1,036.7; client interest paid 251.3	Marex keeps 26.6 % of fees and ≈ 65 % of gross interest on balances
Banks	Hold client money; lend; counterparties to note hedges	Interest income from financial institutions 290.3; largest bank 56 % of cash	Banks earn deposit spreads; they are also the main clearing competitors
Introducing brokers	Introduce clients; Marex clears and margins	Inside commission expense; amount n/a	Share of commission (not disclosed)
Structured-note distributors (private banks, IAMs)	Sell Marex notes to end clients	Notes outstanding 4.2bn (Dec-25); FP revenue 117.5	Split between distributor fee and Marex margin (not disclosed)
Commercial clients (producers, consumers, traders)	Hedge price risk; use execution and market making	Hedging Solutions 79.3; Energy 331.3	Marex earns spread and commission; price competition from banks and IDBs
Financial clients (hedge funds, asset managers)	Prime, clearing, execution	Prime 258.2; securities ex Prime 452.1	Financing spread on ≈ \$6bn debit balances; commissions

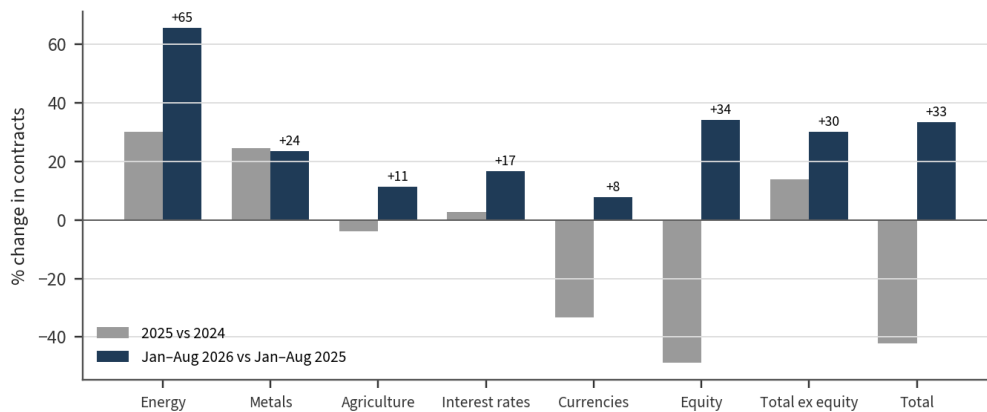
Source: 20-F FY2025 pp.177, 215, 233, 238, 242, 278, 284; Q4-25 release p.5; ID25 slide 25; H1-26 FS p.4.

Takeaway: The exchange is the landlord; Marex's rent is the retained quarter of fees plus interest on client money — both scale with balances and volumes, neither with price.

Volumes and volatility. In Marex's markets exchange-traded volumes grew strongly in 2025 and faster in 2026: energy +30.0 % in 2025 and +65.4 % in January–August 2026, metals +24.5 % and +23.5 % [S, FIA]. The global headline fell 42 % in 2025, almost entirely because of equity options in Asia (equity –49 %, Asia-Pacific –56 %). The driver is volatility: oil implied volatility (OVX) averaged 62 in 2026 to date, against 41 in 2015–23; gold volatility (GVZ) 29 against 16 [S, CBOE]. Marex's own statement is blunt — Market Making is "positively levered to market volatility" [M, 20-F FY2025 p.55].

Exhibit 19 — Exchange-traded derivatives volume growth by asset class

% change in contracts

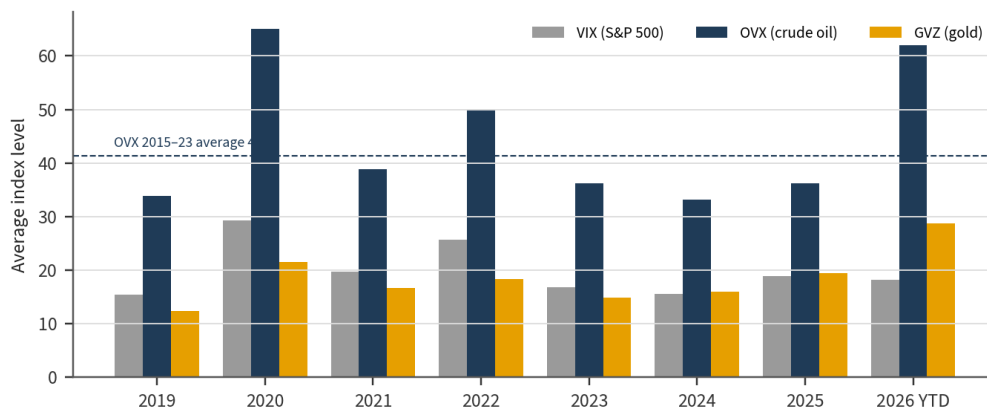


Source: FIA ETD Volume December 2025 and August 2026 [S].

Takeaway: Energy and metals — the categories Marex lives on — grew 24–65 % a year in 2025–26, rates 3–17 %; that is the tailwind behind 2026 and the thing most likely to reverse.

Exhibit 20 — Volatility regime: VIX, OVX and GVZ annual averages, 2019–2026 YTD

index level



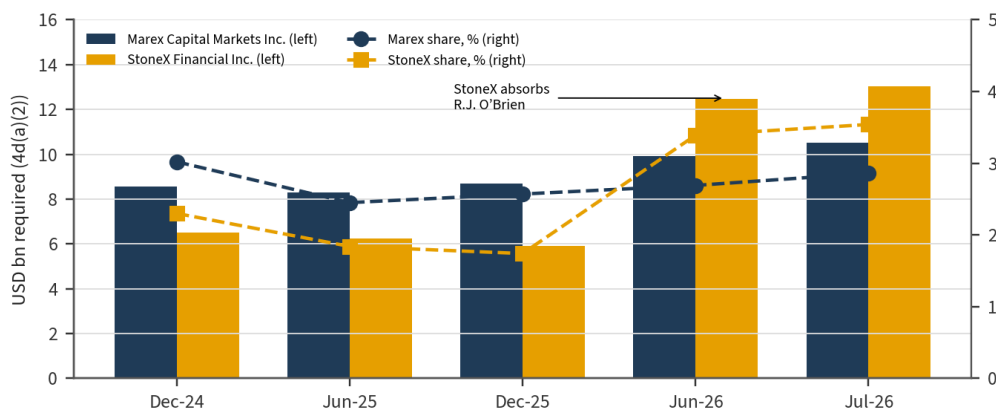
Source: CBOE daily index files (VIX, OVX, GVZ), to 29 Sep 2026 [S].

Takeaway: 2026 is the most energy-volatile year since 2020 while equity volatility is normal — Marex's record H1 was earned in a commodity-specific storm.

Market structure in clearing. US customer funds are concentrated: the ten largest FCMs held 76 % of the customer-segregation requirement in July 2026 and bank-owned FCMs 86 % [BCR from CFTC data]. The long-run trend is consolidation — the number of FCMs holding customer funds fell 58 % between 2003 and 2023 [S, CFTC MRAC letter, 9 Apr 2024] — as banks found carrying futures accounts "insufficiently profitable" under Basel leverage rules. But the bank retreat is not visible in the aggregate data for 2024–26: the bank share rose slightly. What moved was among the non-banks: StoneX absorbed R.J. O'Brien in H1 2026 and became the largest non-bank FCM (USD 13.0bn vs Marex's 10.5bn in July 2026); Interactive Brokers was larger than Marex in June and December 2025, and Marex now leads it narrowly. Marex's US share was flat to slightly down over the period while its balances grew 23 %.

Exhibit 21 — US FCM customer segregation requirement: Marex vs StoneX

USD bn; % share

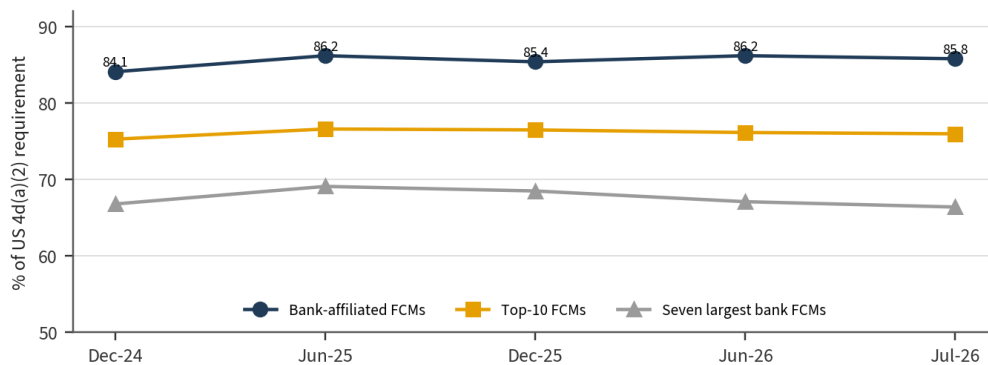


Source: CFTC Selected FCM Financial Data, Dec 2024–Jul 2026 [S]; BCR ranks.

Takeaway: Marex grew, but StoneX doubled overnight by buying R.J. O'Brien — consolidation among non-banks is now the competitive dynamic, not bank exits.

Exhibit 22 — US FCM concentration: bank-affiliated share and top-10 share

% of US 4d(a)(2) requirement



Source: CFTC [S]; BCR classification of FCM parents.

Takeaway: Banks still hold 86 % of US customer funds; the "banks are leaving" thesis is about which clients they serve, not about aggregate share.

Market size and share. Marex puts its serviceable addressable market at about USD 82bn of revenue and its share at about 2 % [M, UK Annual Report 2025 p.9]; the methodology grosses up Marex's revenue by its volume share and cannot be verified. The observable proxy is contracts: Marex cleared 10.2 % of volumes on its key exchanges in the twelve months to June 2026, up from 8.4 % in 2023. The decomposition of clearing growth is the clearest evidence of what drives the business: share gains explained 57 % of contract growth in 2024 and 58 % in 2025 (log basis); in the twelve months to June 2026 the share proxy was flat at 10.2 % and contracts grew about 6 %, in line with market volumes (+5.7 %). Price per contract fell 22 % between 2023 and 2025 as larger clients were won, then stabilised.

Exhibit 23 — Clearing growth decomposed: market volume, share and price

m contracts; %

	2023	2024	2025	LTM Jun-26
Market volumes on Marex's key exchanges (m contracts)	10,220	11,471	12,147	12,945
Marex contracts cleared (m)	856	1,116	1,280	1,320
Share proxy [BCR]	8.4 %	9.7 %	10.5 %	10.2 %
Contracts growth from market volume	—	+12.2 %	+5.9 %	+5.7 % (12,945 vs LTM Jun-25 12,247)
— from share	—	+16.2 %	+8.3 %	≈ +0.1 %
Net commission per contract (USD)	0.276	0.236	0.215	0.226 (H1-26)
US customer-segregation share, Marex Capital Markets (CFTC)	—	3.02 % (#8)	2.57 % (#10)	2.86 % (#10, Jul-26)

Source: Q2-26 release p.7; Q4-25 release p.6; F-1/A p.97; CFTC [S]; BCR calculations.

Takeaway: Share gains, not market growth, carried clearing in 2024–25; with share flat in 2026, growth now depends on volumes and on the balances clients leave behind.

Regulatory architecture. Five regimes shape the economics: CFTC/NFA rules for US customer money; SEC and FINRA for the broker-dealer and the new US Treasury clearing mandate; the FCA's MIFIDPRU regime for Marex Financial; bank capital rules (SA-CCR, leverage) that make client clearing expensive for Marex's bank competitors; and the Asian and Middle Eastern regulators that come with each acquisition. The only recent structural change at Marex itself is the exit from FCA consolidated supervision on 1 July 2026.

Exhibit 24 — Regulatory architecture and pending changes

qualitative

Regime	What it governs	Recent or pending change	Effect on Marex
CFTC / NFA / CME (US)	FCM net capital, customer segregation (2013 customer-protection rule after MF Global and PFG)	Stablecoin collateral pilot; 24/7 digital-asset trading; prediction-market FCMs added to the list	New products (USDC margin, Kalshi); low-capital entrants in retail niches
SEC / FINRA (US)	Broker-dealer net capital; US Treasury clearing mandate	Treasury cash and repo clearing through FICC (phased 2026–27)	Marex is a day-one CME/FICC cross-margining participant — a new clearing pool
FCA (UK) — MIFIDPRU	Solo capital and liquidity of Marex Financial	Group left FCA consolidated supervision on 1 Jul 2026	Group capital now set by S&P and internal policy
Basel III endgame / SA-CCR (banks)	Bank capital charges on client clearing	Leverage rules tied to client funds; SA-CCR raised the cost of clearing for banks	The structural reason banks ration mid-sized clearing clients
MAS, DFSA/FSRA, ASIC, AMF/ACPR, CBI	Local licences for Singapore, UAE, Australia, France, Ireland	Bright Point (Singapore) awaiting approval	Each acquisition adds a regulator

Source: CFTC MRAC letter 9 Apr 2024 [S]; CFTC FCM data [S]; Q2-26 release p.16; Q2-26 call (cross-margining, USDC, Kalshi); 20-F FY2025 pp.61–71.

Takeaway: Regulation is a moat for incumbents with capital and licences and a cost for banks — the balance currently favours well-capitalised non-bank FCMs like Marex.

So what for the valuation. Volumes, volatility and rates are the three external drivers of the model. We tie contract growth to market growth plus share (5–10 % a year organic), normalise market-making productivity to the 2023–25 average, and run explicit volatility and rate grids (Section J). The rent split with exchanges caps what share gains can do for margin.

C • Segment deep dives

The four segments differ in what drives them, how much capital they bind and how volatile they are. We forecast each as volume × price in the Broker model tab of the workbook (rows 101–172), with each driver labelled as reported, guided or our ASSUMPTION; the engine that runs the scenarios replicates the tab to the cent (calibration rows 244–249).

C1 • Clearing — the franchise

Exhibit 25 — Clearing: volumes, price, balances and yield

USD m unless stated; H1-2026 not annualised unless marked

Clearing	2023	2024	2025	H1-2026	2026E	2027E	2030E
Contracts cleared (m)	856	1,116	1,280	709	1,380	1,477	1,759
Net commission per contract (USD)	0.276	0.236	0.215	0.226	0.23	0.22	0.22
Net commission income	236.2	263.0	275.4	160.5	311	329	380
Average client balances (USD bn)	n/a	11.0	13.0	17.6	18.8	21.0	25.6
Clearing NII ÷ average balances	n/a	1.80 %	1.75 %	1.65 %	1.67 %	1.75 %	1.65 %
Average Fed funds	5.0 %	5.2 %	4.2 %	3.6 %	3.85 % (H2)	4.25 %	3.75 %
Clearing net interest income	136.2	198.1	227.6	145.0	312	368	422
Revenue	373.6	466.3	528.2	298.5	629	729	841
Adjusted PBT	185.0	247.3	261.5	137.2	311	384	448
Adjusted PBT margin	49.5 %	53.0 %	49.5 %	46.0 %	49.5 %	52.6 %	53.3 %
Contracts per front-office FTE (m)	3.38	4.23	4.62	4.91 (ann.)	—	—	—

Source: Q4-24 release p.7; Q4-25 release p.6; Q2-26 release pp.6–7, 21; R2 §2; Broker model rows 101–118 (forecast).

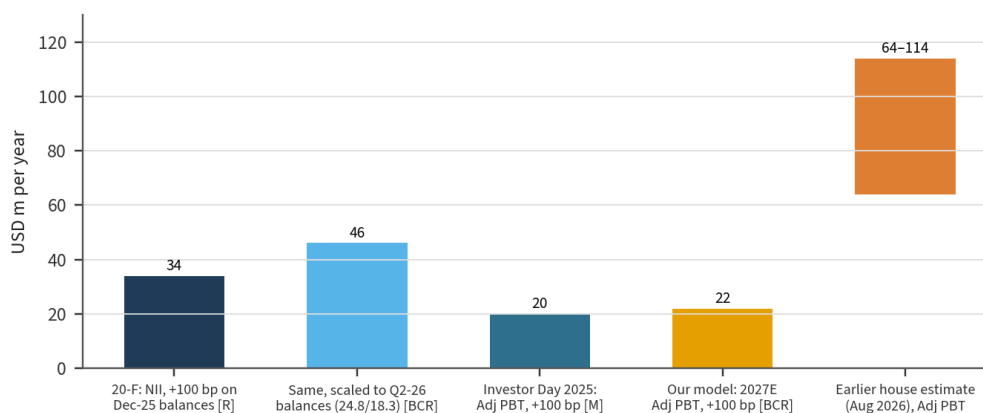
Takeaway: Clearing profit grows with balances more than with price: our 2027E segment profit of USD 384m assumes balances of USD 21bn (Q2-26: 19.1bn) and a price per contract that keeps falling 1 % a year.

Clearing has two engines. **Commissions** are contracts cleared $\times$ the net commission per contract: volumes rose from 856m in 2023 to 1,280m in 2025 (+22 % a year), while the net price fell 22 % (USD 0.276 $\rightarrow$ 0.215) as larger clients were won, before stabilising at USD 0.226 in H1-26 [R, Q4-25 release p.6; Q2-26 release p.7]. **Interest** is average client balances $\times$ the yield Marex keeps: balances rose from USD 11.0bn in 2024 to 17.6bn in H1-26 (19.1bn in Q2-26), and the segment's NII yield has been remarkably stable — 1.80 % in 2024, 1.75 % in 2025, 1.65 % in H1-26 — while Fed funds fell from 5.2 % to 3.6 %. That stability is consistent with the pricing model Marex described in 2024: it shared interest with clients on $\approx$ 60 % of balances, keeping a spread of 100–120 bp, and kept all of it on the other 40 % [M, ID25 slide 25]. About a fifth of clearing initial margin is now crypto collateral [M, ID26 transcript], so balances also move with crypto prices. The segment earns a 46–53 % Adjusted PBT margin, and each front-office employee now handles 4.9m contracts a year against 3.4m in 2023 — the scale economy management describes as the low "cost of marginal clearing volume" [M, ID26 slide 37].

How rate-sensitive is it? This is where our August update and this initiation differ most, and the evidence is mixed. The company discloses $\pm$ USD 34m of NII for $\pm$ 100 bp — the annual effect on its 2025 balances, after hedges and debt funding, for a move it considers plausible over three months, before compensation and client behaviour [R, 20-F FY2025 p.176] — and at its 2025 investor day illustrated $\pm$ USD 20m of Adjusted PBT [M, ID25 slide 84]. Our model applies a yield beta of 0.20 to clearing balances only (house balances and floating-rate funding sit in Corporate, which we hold fixed): +100 bp adds USD 22m to 2027E Adjusted PBT and $\pm$ USD 2.2 per share. The beta is the uncertain part: the clearing segment's own NII yield moved 0.09 bp per bp of Fed funds between 2024 and H1-26 (1.80 % $\rightarrow$ 1.65 % against -160 bp) but 0.33 between Q2-25 and Q2-26 (1.85 % $\rightarrow$ 1.62 % against -70 bp); at 0.33 a 100 bp cut costs $\approx$ USD 69m of NII, 36m of Adjusted PBT and USD 3.6 per share. Our 12 August update measured the group's net yield on all balances (2.5 % $\rightarrow$ 2.0 % over the same 70 bp cut) and derived 64–114m of Adjusted PBT per 100 bp; that measure includes house balances and mix, and we do not adopt it, but if it were right rates would be worth $\approx$ USD 6–11 per share per 100 bp [BCR est., scaled]. With a Fed hike priced for October, the near-term direction of this risk is up, not down.

Exhibit 26 — Rate sensitivity: +100 bp in Fed funds — disclosures, our model and the earlier house estimate

USD m per year

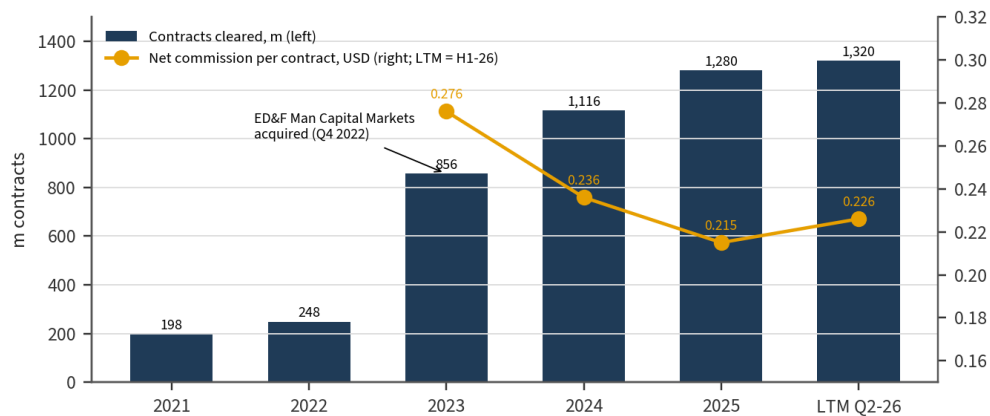


Source: 20-F FY2025 p.176; ID25 slide 84; WORK Q2-26 reconciliation (12 Aug 2026) \$6; engine_MRX.

Takeaway: The company's disclosures and our model put +100 bp at USD 20–46m (NII or Adjusted PBT); our August figure of 64–114m used a broader measure. We anchor on the disclosure (beta 0.20) and carry beta 0.33 (USD 3.6 a share per 100 bp) as the risk case.

Exhibit 27 — Clearing: contracts cleared and net commission per contract

m contracts; USD per contract

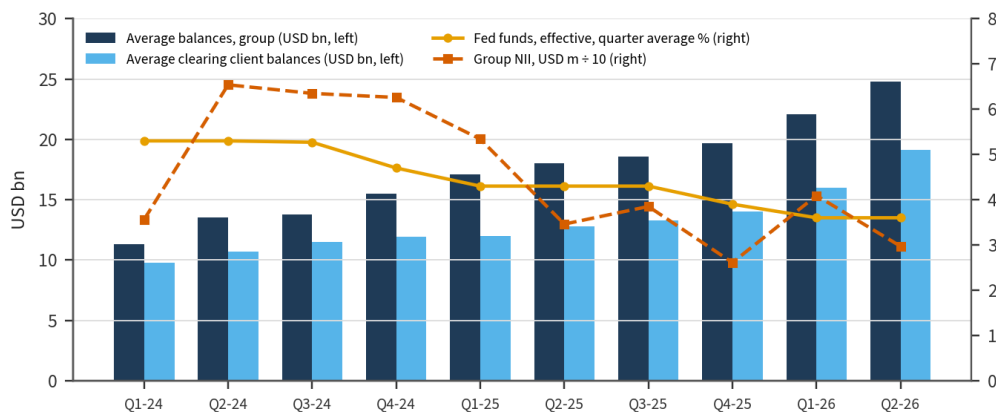


Source: F-1/A p.97; Q4-25 release p.6; Q2-26 release p.6.

Takeaway: Volume has more than quintupled since 2021 (ED&F Man in 2022-23); the price per contract fell as clients got bigger and has been flat since 2025.

Exhibit 28 — Average client balances, Fed funds and group net interest income by quarter

USD bn; %; USD m



Source: Quarterly releases Q1-24–Q2-26 (NII bridge); FRED (Fed funds).

Takeaway: Since Q2-24 average balances rose 84 % while Fed funds fell 170 bp and group NII fell 55 %: the net yield on all balances fell from 3.5 % to 2.0 % and interest on senior debt and notes rose from USD 54m to 95m a quarter.

C2 • Agency & Execution — scale in brokerage, plus Prime

A&E is half of group revenue and has changed most: Prime Services, bought from Cowen for a USD 25m premium in December 2023, grew from USD 84m of revenue in 2024 to 258m in 2025 and 194m in H1-26, and the CEO says it now accounts for about a quarter of group profit [M, ID26 transcript]. Prime finances and clears hedge funds with USD 25m–2bn of assets; client assets were ≈ USD 28bn and debit balances ≈ USD 6bn at the end of 2025, with client leverage "below 50 %" and a maximum of "around 6x" [M, ID26 slides 49–51]. Energy (voice and electronic brokerage in gas, power, oil and environmental products) is the steadiest line; securities (equities, rates, credit, FX) doubled with the 2025 acquisitions, FX rising from USD 14m to 66m after Hamilton Court. Revenue per front-office employee rose from USD 1.04m to 1.51m (annualised) between 2024 and H1-26 and the margin from 15.5 % to 30.9 % — mix and scale, but also a very active H1-26.

Exhibit 29 — Agency & Execution: sub-lines and drivers

USD m unless stated

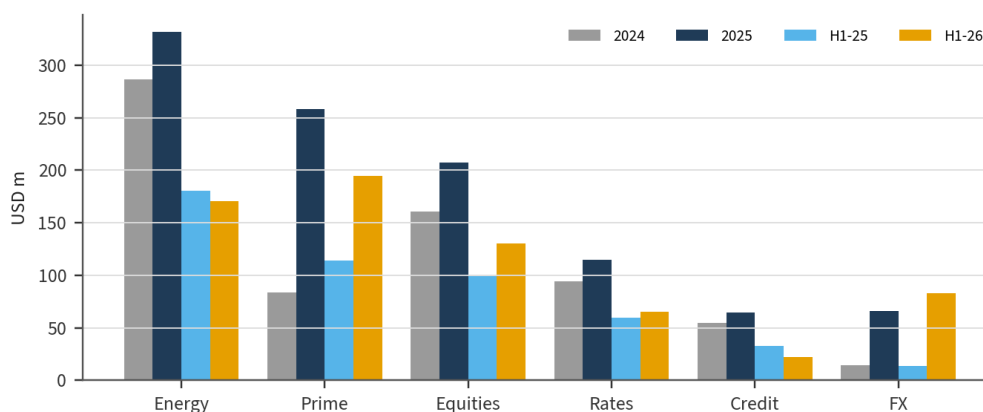
Agency & Execution	2024	2025	H1-2025	H1-2026	2026E	2027E	2030E
Energy	286.3	331.3	180.2	170.3	325	345	394
— energy volumes (m, refined) × revenue per unit (USD)	19 × 15.1	22 × 15.1	—	LTM 23 × 14.0	23.5 × 13.8	24.7 × 14.0	28.2 × 14.0
Prime Services	83.6	258.2	113.9	194.4	396	448	634
— average client assets (USD bn) × revenue yield	—	≈ 24 × 1.08 %	—	≈ 32 × 1.2 % (ann.)	33 × 1.20 %	39 × 1.15 %	55 × 1.15 %
Securities ex Prime (equities, rates, credit, FX)	323.6	452.1	205.7	301.8	602	633	754
— securities volumes (m) × revenue per unit (USD)	295 × 1.10	304 × 1.49	—	LTM 352 × 1.56	370 × 1.63	396 × 1.60	472 × 1.60
Revenue	695.2	1,049.2	500.3	673.3	1,335	1,437	1,794
Adjusted PBT	107.9	280.9	125.7	208.1	408	421	548
Adjusted PBT margin	15.5 %	26.8 %	25.1 %	30.9 %	30.6 %	29.3 %	30.6 %
Front-office FTE (average) / revenue per FTE (USD m)	666 / 1.04	759 / 1.38	—	891 / 1.51 (ann.)	—	—	—

Source: Q4-25 release pp.8–9; Q2-26 release pp.8–9, 21; ID26 slides 49–51; R2 §1.8, §3.1; Broker model rows 119–146.

Takeaway: Prime is the growth engine and the risk: we credit USD 448m of Prime revenue in 2027E on client assets of USD 39bn — +18 % a year against management's "20–30 %", with a 40 % margin.

Exhibit 30 — Agency & Execution sub-lines: Energy, Prime and Securities

USD m



Source: Q4-25 release p.8; Q2-26 release p.9.

Takeaway: Prime, bought as a going concern in December 2023, became Marex's largest single revenue line within two years — a balance-sheet business inside a brokerage segment.

C3 • Market Making and Hedging & Investment Solutions — the volatile half

Market Making earns bid-offer spreads in metals, energy, agriculture and financial products for Marex's own account. It is the most volatile line and the one most exposed to the 2026 regime: revenue per front-office employee ran at USD 1.95m (annualised) in H1-26 against 1.41–1.45m in each of 2023–2025 (part of the rise is the Winterflood acquisition, consolidated from December 2025), and average daily VaR was USD 5.8m against 3.8m in 2025 on the same model [R, Q2-26 release pp.10–11; Q2-26 presentation p.20; BCR calc.]. The group had 58 days with more than USD 3m of Adjusted PBT in the twelve months to June 2026, against 2 in 2023 — and 11 loss days against 6 in 2025 [M, P-Q2-26 slide 7]. We normalise productivity to USD 1.50m in 2027E (the 2023–25 average plus a little scale), which takes segment revenue down 12 % from our 2026E. This is the single largest reason our 2027E profit barely grows.

Exhibit 31 — Market Making: productivity, risk and profit

USD m unless stated

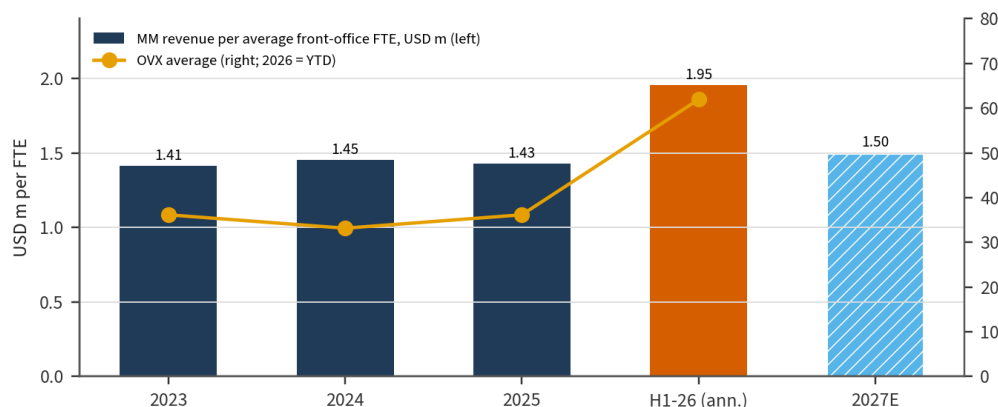
Market Making	2023	2024	2025	H1-2026	2026E	2027E	2030E
Metals / Agriculture / Energy / Securities	69.3 / 27.5 / 31.6 / 25.5	105.9 / 33.8 / 32.5 / 35.6	137.6 / 11.6 / 33.9 / 52.4	130.2 / 18.1 / 47.0 / 62.5	—	—	—
Revenue	153.9	207.8	235.5	257.8	504	442	513
Front-office FTE (average)	109	143	165	264	277	295	322
Revenue per front-office FTE (USD m)	1.41	1.45	1.43	1.95 (ann.)	1.82	1.50	1.59
Adjusted PBT / margin	33.3 / 21.6 %	65.6 / 31.6 %	68.9 / 29.3 %	100.4 / 38.9 %	187 / 37.0 %	137 / 31.0 %	159 / 31.0 %
Group: days with a loss / days above USD 3m Adj PBT	12 / 2	6 / 7	6 / 24	TTM Jun-26: 11 / 58	—	—	—
Group adjusted Sharpe ratio (monthly Adj PBT ÷ st. dev.)	4.3	5.2	6.2	TTM Jun-26: 3.2	—	—	—
Average daily VaR, USD m (99.75 % Monte Carlo to 2024; 99 % historical from 2025)	2.5	3.2	3.8	5.8	—	—	—

Source: Q4-24 release p.9; Q4-25 release p.9; Q2-26 release pp.10–11; P-Q2-26 slide 7; R2 \$3.2; Broker model rows 147–154.

Takeaway: H1-26 productivity was a third above the three-year norm while VaR rose 50 % — we treat the difference as cyclical and take USD 62m out of 2027E revenue.

Exhibit 32 — Market Making revenue per front-office FTE vs oil volatility (OVX)

USD m per FTE, annualised; index



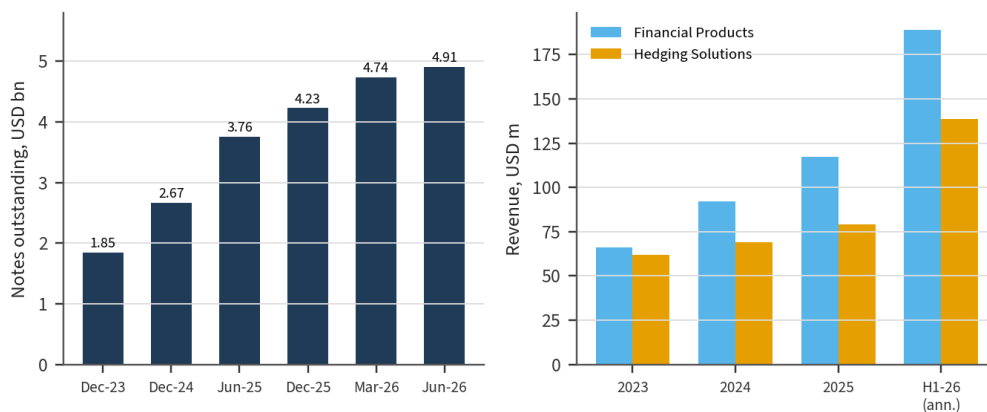
Source: Quarterly releases (MM revenue, FTE); CBOE OVX.

Takeaway: Productivity rose with commodity volatility (metals and energy) and with the Winterflood acquisition (securities); we cannot yet split the regime from the new desks — an open question for management (Section P).

Hedging & Investment Solutions has two parts. Hedging Solutions writes bespoke OTC hedges for commercial clients. Financial Products issues structured notes — 10,075 of them, USD 4.9bn outstanding at June 2026, average maturity 15 months — sold through private banks and wealth managers; Marex hedges the embedded risk and keeps a margin built into the price [R, Q2-26 release p.13]. Notes outstanding have grown 2.6x in thirty months and the business was re-platformed in 2025; the SEC-registered US programme launched in Q4-25. The notes are also a funding source: the segment carried USD 76m of interest on them in 2025, which is why group NII and Clearing NII diverge.

Exhibit 33 — Structured notes outstanding and Financial Products revenue

USD bn; USD m



Source: Q4-25 release p.10; Q2-26 release p.13.

Takeaway: Revenue tracks issuance, which has grown with the note book (Q2-26 revenue fell 35 % on Q1 while the book grew 4 %): it is flow, not an annuity, and would stop with issuance — the severe case cuts notes by 45 %.

Exhibit 34 — Hedging & Investment Solutions: notes, spread and profit

USD m unless stated

Hedging & Investment Solutions	2023	2024	2025	H1-2026	2026E	2027E	2030E
Hedging Solutions	62.0	69.2	79.3	69.4	119	105	125
Financial Products (structured notes)	66.1	92.3	117.5	94.6	186	201	267
Notes outstanding, period end (USD bn) / number of notes	1.85 / n/a	2.67 / 4,029	4.23 / 7,328	4.91 / 10,075	4.9 (avg)	5.9	7.9
Financial Products revenue ÷ average notes	n/a	4.1 %	3.4 %	4.1 % (ann.)	3.5 % (H2)	3.4 %	3.4 %
Segment funding cost inside revenue (interest on notes)	(37.6)	(48.8)	(76.0)	(47.6)	—	—	—
Revenue	128.1	161.5	196.8	164.0	305	306	392
Adjusted PBT / margin	33.8 / 26.4 %	42.0 / 26.0 %	43.5 / 22.1 %	57.6 / 35.1 %	100 / 32.8 %	83 / 27.0 %	106 / 27.0 %

Source: Q4-24 release p.10; Q4-25 release p.10; Q2-26 release p.13, 21; 20-F FY2025 pp.238–239; Broker model rows 155–162.

Takeaway: Notes outstanding compound at 30 % a year; the revenue spread on them (3.4–4.1 %) is the variable to watch, because issuance volume alone does not pay if the margin is competed away.

C4a • The growth algorithm

Summing the segments gives revenue of USD 2,762m in 2026E and 2,993m in 2027E and Adjusted PBT of 638m and 664m. From 2025 to 2030E Adjusted PBT compounds at 18.1 % a year including the unsigned acquisition programme and 14.5 % without it — inside management's "10–20 %" corridor [M, ID26 slide 19], with a flat 2027 as the price of normalising H1-26.

Exhibit 35 — Growth algorithm: volume × price by segment

USD m unless stated; BCR est.

Driver (volume × price)	2025A	2026E	2027E	2030E	2035E	CAGR 2027–35E	Label
Contracts cleared (m) × net commission (USD)	1,280 × 0.215	1,380 × 0.225	1,477 × 0.223	1,759 × 0.216	2,160 × 0.206	3.8 %	ASSUMPTION: +7 % → +3.5 % volumes; –1 % price a year
Client balances (USD bn) × retained yield	13.0 × 1.75 %	18.8 × 1.67 %	21.0 × 1.75 %	25.6 × 1.65 %	32.7 × 1.65 %	4.9 %	ASSUMPTION: +7 % a year — above the guided USD 0.5–1bn of net new balances [M]; includes growth from existing clients
Energy lots (m) × revenue per lot	22 × 15.1	23.5 × 13.8	24.7 × 14.0	28.2 × 14.0	33.1 × 14.0	3.7 %	ASSUMPTION
Prime client assets (USD bn) × yield	≈ 24 × 1.08 %	33 × 1.20 %	39 × 1.15 %	55 × 1.15 %	74 × 1.15 %	8.4 %	Mgmt: +20–30 % "for some period" [M]; we fade 18 % → 4.5 %
Securities units (m) × revenue per unit	304 × 1.49	370 × 1.63	396 × 1.60	472 × 1.60	579 × 1.60	4.9 %	ASSUMPTION
Market Making FTE × revenue per FTE (USD m)	165 × 1.43	277 × 1.82	295 × 1.50	322 × 1.59	374 × 1.76	5.1 %	Normalised to the 2023–25 average (1.41–1.45)

Driver (volume × price)	2025A	2026E	2027E	2030E	2035E	CAGR 2027–35E	Label
Structured notes (USD bn) × spread; Hedging Solutions	3.4 avg × 3.4 %; 79	4.9 × 3.5 %; 119	5.9 × 3.4 %; 105	7.9 × 3.4 %; 125	10.5 × 3.4 %; 167	7.0 %	ASSUMPTION
Organic revenue (incl. Corporate)	2,024	2,762	2,902	3,528	4,453	5.5 %	BCR est.
Revenue from the unsigned M&A programme	—	—	91	636	1,545	—	USD 200m a year × 22 % margin (Section C5)
Group revenue	2,024	2,762	2,993	4,164	5,998	9.1 %	
Adjusted PBT / margin	418 / 20.7 %	638 / 23.1 %	664 / 22.2 %	963 / 23.1 %	1,421 / 23.7 %	10.0 %	Mgmt: towards mid-20s in 3–5 years [M]

Source: Broker model rows 101–175; engine_MRX; guidance as marked.

Takeaway: Organic revenue grows 5.5 % a year from 2027E; the unsigned programme adds 26 % of 2035E revenue — the one component we credit without a signed contract (probability 0.8, Section C5).

So what for the valuation. The segment build drives every number in the valuation. The three drivers that matter most are the normalisation of Market Making productivity (USD 62m of revenue out of 2027E), Prime client-asset growth and clearing balances. Fed funds matter less than they appear ($\pm$ \$2.2 per share per 100 bp in our model), but that conclusion rests on the company's own interest-sharing split — which we list as an open question for management (Section P).

C4 • Unit economics

The unit that best explains Marex is not the client but the **dollar of client balance** and the **cleared contract**: together they generate Clearing's $\approx$ 40 % of segment profit and the float that Prime and the notes business are built on. Two facts stand out. First, Marex keeps only about a quarter of the fee on each contract — 73 % is passed straight to exchanges and clearing houses — so its commission economics are a thin toll on a large flow. Second, clearing is very profitable: each USD 1bn of balances produced $\approx$ USD 20m of segment profit in 2025; allocating S&P capital pro rata to revenue ($\approx$ USD 20m per USD 1bn) gives an after-tax return of $\approx$ 74 % before group costs — a margin measure more than a capital measure. That is why Marex's strategy is balance-sheet growth in Clearing and Prime, and why the value of the franchise depends on who keeps the interest.

Exhibit 36 — Per-contract economics

USD per contract

	FY2023	FY2024	FY2025	H1-2026 (ann.)
Contracts cleared (m)	856	1,116	1,280	1,418
Gross commission and fee income per contract (USD)	n/a	0.85	0.81	n/a
— exchange and clearing fees passed through (USD)	n/a	0.62	0.59	n/a
= Net commission per contract (USD)	0.276	0.236	0.215	0.226
Pass-through share of gross fees	n/a	72.3 %	73.4 %	n/a

Source: Unit economics tab rows 6–11; 20-F FY2025 p.238 (gross fees and fee expense); Q4-25 and Q2-26 releases.

Takeaway: The exchange keeps three dollars of every four; Marex's net take per contract fell 22 % in two years, so volume growth — not price — has to carry clearing commissions.

Exhibit 37 — Clearing per USD 1bn of client balances

USD m per USD 1bn of average balances

Clearing, per USD 1bn of average client balances	FY2024	FY2025	H1-2026 (ann.)	2027E
Average clearing client balances (USD bn)	11.0	13.0	17.6	21.0
Clearing revenue per USD 1bn (USD m)	42.4	40.6	33.9	34.7
— of which net interest income	18.0	17.5	16.5	17.5
Front-office cost per USD 1bn	13.6	14.0	12.0	—
Clearing Adjusted PBT per USD 1bn	22.5	20.1	15.6	18.3
S&P capital tied up per USD 1bn (RWA/revenue × 11.5 % × revenue)	20.2	20.5	17.4	17.8
After-tax return on capital tied up (before group costs)	83.5 %	73.7 %	67.4 %	77.1 %

Source: Unit economics tab rows 31–39 [BCR calc. from segment note and releases].

Takeaway: Returns are 74–84 % after tax before group costs except in H1-26, which carries the USD 34m Q1 client default ($\approx$ 77 % without it). Capital is allocated pro rata to revenue, so this measures margin rather than capital efficiency.

Clients. The top tier drives the growth: 49 clients paid more than USD 5m each in 2025 (USD 674m, 33 % of revenue) and, on H1-26's run-rate, 77 clients paid USD 1,072m (39 %). Management says none of them was a new client — all grew into the tier [M, Q2-26 call]. 32 of 2024's 36 top clients stayed above USD 5m in 2025 (89 %), implying an average relationship of about nine years at that level; at a 20.7 % margin, after tax and the cost of the capital the relationship binds, a top-tier client is worth $\approx$ USD 7.6m [BCR est.]. The acquisition cost of a client is not disclosed, so LTV/CAC cannot be tested; what we can say is that the organic growth of the last two years came from deepening existing relationships, not from winning new ones.

Exhibit 38 — Client economics by tier

FY2025 unless stated

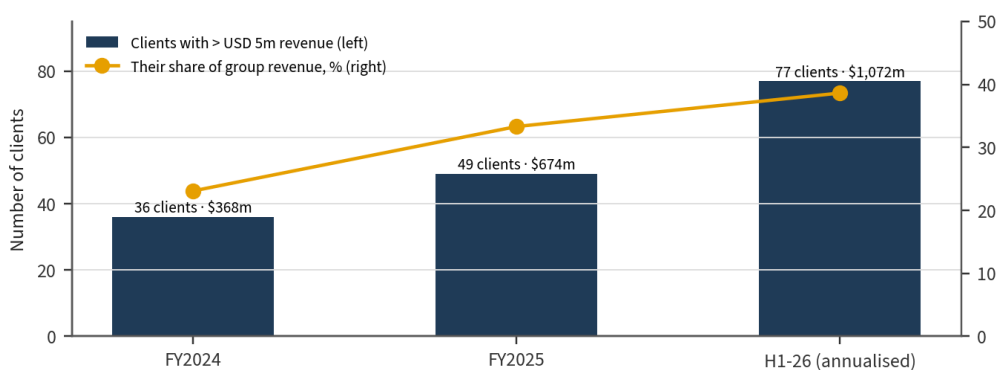
Client tier (FY2025)	Clients	Revenue per client (USD m)	Contribution per client at 20.7 % (USD m)	Retention	Lifetime value (USD m)	Acquisition cost
Above USD 5m of revenue	49	13.8	2.86	89 % (32 of 36 stayed in the tier)	7.6	n/a (not disclosed)
USD 25k–5m	3,416	0.33	0.07	n/a	n/a	n/a
Structured-note clients (Financial Products)	967	0.12	0.03	n/a	n/a	n/a
Memo: H1-2026 annualised, above USD 5m	77	13.9	—	"none ... new clients" [M]	—	—

Source: ID26 slide 9; P-Q2-26 slide 8; 20-F FY2025 pp.56, 238; Unit economics tab rows 14–23.

Takeaway: A franchise of deepening relationships: the top tier pays 40 times the average of the next tier, retention in the top tier is $\approx$ 90 %, and concentration is rising (top tier 23 % of revenue in 2024 $\rightarrow$ 39 % in H1-26, annualised).

Exhibit 39 — Client tiers: clients above USD 5m of revenue and their share of group revenue

number of clients; % of revenue



Source: Investor Day 2026 slide 9; Aug-2026 presentation slide 9; P-Q2-26 slide 8.

Takeaway: Top-tier revenue rose 83 % in 2025; that is both the evidence for the franchise and the concentration risk — no top-10 client share is disclosed.

So what for the valuation. Unit economics support a high return on the capital employed in Clearing and Prime and justify modelling growth as balance-sheet growth. They also set the risk: a 10 bp change in the yield Marex keeps on balances moves Clearing NII by $\approx$ USD 21m a year at 2027E balances ($\approx$ USD 14m of profit at our 65 % flow-through), and the growing weight of the top tier makes the client base more concentrated than the headline 3,500 active clients suggests.

C5 • Growth initiative register

Nothing enters our forecast from a pipeline, a letter of intent or an ambition without an explicit probability. Most initiatives are already in the segment volume growth; two are modelled separately — Prime, which is live, and the unsigned acquisition programme, which is not. The programme is the only uncontracted revenue we credit: USD 200m of consideration a year from 2027 ($\approx$ 250m run-rate $\times$ 0.8 probability), earning 10 % pre-tax in the first year and 20 % at maturity, with half the price paid as goodwill and intangibles. It is worth **\$8.28 per share, 10.5 % of our target price** — below the 25 % threshold at which the dependency would have to lead the investment summary, but not small.

Exhibit 40 — Growth initiative register

stage: live / contracted / building / pipeline / ambition

Initiative	Segment	Stage	Commercial evidence	Probability	In the model
Prime Services (Cowen, Dec-2023)	A&E	Live	84 (2024) → 258 (2025) → 194 (H1-26); ~ USD 28bn client assets	1.0	Modelled: 515 in 2028E
Clearing — new client balances	Clearing	Live	~ USD 1bn of net new balances Jan–Aug 2026; target 0.5–1bn a year [M]	1.0	In balance growth
Bright Point International (Singapore)	Clearing	Contracted	~ USD 800m client balances; signed 9 Jul 2026; regulatory approval pending	0.9	Balances 2027E (0.8bn × 0.9)
Brainchild Capital Investments (Netherlands)	Clearing / A&E	Contracted	Power, gas and environmental clearing incl. physical; signed 10 Aug 2026	0.9	In segment growth
Webb Traders + Levmet + Valcourt (2026)	Market Making	Live	Completed Jun–Aug 2026 (EUR 69.9m + USD 95.9m + 12.5m); Levmet lost USD 3.5m in its first month	1.0	In MM FTE
FX and payments (Hamilton Court)	A&E	Live / building	FX 14 (2024) → 66 (2025) → 83 (H1-26); CEO: "a USD 200m business in a couple of years"	0.7	In securities volumes
Structured notes, US programme	HIS	Live	F-3 filed Aug 2025; launched Q4-25; total note book 2.7bn → 4.9bn (Dec-24 → Jun-26)	0.8	In note growth
Marex One (electronic platform)	A&E	Building	Unified electronic platform, credit first; hire from MarketAxess	0.4	Not credited
Digital assets and prediction markets (Kalshi)	Clearing	Live / building	~ USD 150m revenue in 2025 [M] (in the base); ~ 20 % of clearing initial margin is crypto [M]; USDC margin under CFTC pilot	0.5	Existing revenue in base; growth not credited
New geographies (APAC, Brazil, Canada, Hong Kong, Japan)	Clearing	Pipeline	APAC clearing revenue 21 → 68 (2023–25); "exploring"	0.4	Not credited
Unsigned acquisition programme	All	Pipeline	"Five transactions in advanced stages ... another 15 or so" (Mar-26); 2025: six deals, USD 401.5m	0.8	USD 200m a year; revenue 273 in 2028E, 818 in 2031E
Margin towards the "mid-to-high 20s"	Group	Ambition	Adjusted PBT margin 20.1 % (2024) → 20.7 % (2025) → 23.0 % (H1-26)	0.5	Margin 22.2 % (2027E) → 23.7 % (2035E)

Source: Growth initiatives tab rows 5–26; R7 §6; H1-26 FS note 22; ID26 slides and transcript; Q2-26 call.

Takeaway: Only one uncontracted item is in the value — the acquisition programme, at 10.5 % of the target price; strip it out and our base value falls from \$77.90 to \$69.62.

Organic versus acquired. Management's definition counts an acquired business as inorganic only until the end of the twelve months after completion [R, F-1/A p.113]; after that its growth is "organic". On that basis organic growth carried 85 % of the 2024 profit increase and 75 % of 2025's, and 80 % of Q2-26's. The run-rate profit from acquisitions is larger than planned at the IPO — "more like USD 50m" in 2025 against 15–25m expected [M, ID26 transcript] — and the three largest 2025 deals ran at ~ USD 59m of profit after tax in Q2-26 (annualised) against a premium of ~ 60m and USD 215m of cash consideration — ~ 27 % after tax in a peak quarter, ~ 15 % on the whole 2025 cohort's USD 401.5m [R, P-Q2-26 slide 9; BCR]. The flattering side of the definition: businesses bought in 2022–23, including ED&F Man's clearing book at 0.8x book value, now count as organic.

Exhibit 41 — Organic and acquired growth, as disclosed

USD m

Period	Measure	Total growth	Organic	Acquired	Source
FY2022	Revenue	+169.6	+115.1 (68 %)	+54.5 (32 %)	F-1/A pp.113, 114
FY2023	Revenue	+533.5	+170.2 (32 %)	+363.0 (68 %)	same (ED&F Man)
FY2023	Adjusted operating profit	+108.3	+59.1 (55 %)	+49.2 (45 %)	same
FY2024	Adjusted PBT	+91.1	~ 85 %	~ 15 %	Q4-24 call; AUG26 slide 32
FY2025	Adjusted PBT	+97.0	~ 75 % (~ +73)	~ 25 % (~ +24)	AR25 p.14
Q2-2026 vs Q2-2025	Adjusted PBT	+59.5	~ 80 % (~ +48)	~ 20 % (~ +12)	Q2-26 call
Policy	Growth mix "over time"	10–20 % a year	~ 60 % ("over 10 %")	~ 40 %	ID25 slide 16; AR25 p.14; ID26 slide 19

Source: As listed; R2 §5.

Takeaway: Acquisitions supplied two-thirds of 2023's revenue growth but only a fifth to a quarter of profit growth since — the platform now grows mostly from what it already owns, which is what makes the 10 % organic target credible.

So what for the valuation. The target price depends on unsigned acquisitions for 10.5 % (\$8.28). The M&A return assumption is the fifth-largest item in the tornado (Section J: 25 % vs 13 % mature pre-tax return on consideration = \$ +3.0 / -4.2 per share). A year without deals would not break the thesis; a large debt-funded deal at a high multiple would (pillar 4, Section M).

D • Competitive landscape

Marex competes with two very different kinds of firm. In clearing, its rivals are the bank FCMs, which hold 86 % of US customer funds, and a shrinking group of large non-banks — now led by StoneX. In execution and market making it faces inter-dealer brokers, banks and the large proprietary trading firms, several of which are an order of magnitude bigger. The 20-F contains no named-competitor section; the names below come from the IPO prospectus and the August 2026 investor presentation [R, F-1/A p.164; M, AUG26 slide 34].

Exhibit 42 — Competitor map by segment

named competitors and evidence

Segment	Named competitors (Marex's own lists)	Class and evidence	Where Marex stands
Clearing	Non-bank FCMs (ADM Investor Services, R.J. O'Brien — now in StoneX) and banks (Citi, J.P. Morgan, Macquarie, Mizuho, Société Générale, ABN Amro)	Seven largest bank FCMs hold 66 % of US customer funds; J.P. Morgan alone 16.5 % (Jul-26) [S, CFTC]	#10 US FCM (2.86 %); Part 30 (non-US exchanges) share 0.37 % → 0.81 % in 19 months
Agency & Execution	Banks (BNP, Citi, Goldman, JPM, Morgan Stanley, SocGen, StanChart); inter-dealer brokers (BGC, TP ICAP, Tradition, Clarksons, OTC Global); StoneX	IDBs are listed peers at 1.2–4.9x book; execution is the most substitutable activity [R, 20-F p.20]	Leading positions in "key gas and power" markets [M]; #5 US non-bank prime broker [M, unverified]
Market Making	Citadel, DRW, DV Trading, J.P. Morgan, Koch, SocGen, StoneX, Sucden, Virtu	Citadel Securities (≈ USD 12bn) and Jane Street (USD 39.6bn) trading revenue in 2025 — 6–20x Marex's group revenue [S, Bloomberg]	LME Category 1 ring dealer (one of nine) [R]; niche in physical metals and agricultural liquidity
Hedging & Investment Solutions	StoneX, Macquarie, Cargill (in-house); notes: J.P. Morgan, Leonteq, SocGen	Bank issuers dominate structured notes; Leonteq is the listed specialist	USD 4.9bn of notes; growth of 30 % + a year from a small base
Across all four	StoneX — the only rival Marex names in every segment	Absorbed R.J. O'Brien in H1-26; now the largest non-bank FCM (USD 13.0bn vs 10.5bn)	The comparison investors will make — see Section I2 for StoneX's return and valuation history

Source: F-1/A p.164; AUG26 slide 34; ID26 slide 31; CFTC Selected FCM Financial Data (Jul-26) [S]; Bloomberg (24 Mar and 24 Apr 2026) [S].

Takeaway: StoneX is the one rival in every segment and the only one that has consolidated faster than Marex; in market making Marex is a niche player next to firms 6–20 times its size.

Exhibit 43 — Listed peers: growth, returns and leverage

local currency m; LTM to 30 Jun 2026; prices 29–30 Sep 2026

LTM to Jun-2026 (local currency)	Revenue FY2025	Revenue CAGR 2021–25	ROE FY2025	ROE LTM	Assets ÷ equity	P/B	P/E (LTM, IFRS)
Marex (ordinary equity)	2,024	39.1 %	28.7 %	31.5 %	30.7x	3.68x	13.4x
StoneX (FY Sep)	2,053	15.6 %	15.0 %	21.9 %	19.0x	2.75x	14.9x
BGC Group	2,942	9.9 %	16.6 %	19.5 %	5.2x	4.90x	27.4x
Virtu (Class A)	3,632	6.6 %	33.0 %	33.6 %	14.7x	2.54x	8.6x
Interactive Brokers (Class A)	6,205	23.0 %	20.4 %	21.0 %	41.9x	6.58x	34.7x
TP ICAP (GBP)	2,353	6.0 %	9.1 %	9.7 %	4.5x	1.18x	12.3x
Flow Traders (EUR)	481	5.8 %	16.3 %	15.3 %	21.9x	1.20x	8.5x

Source: R5 §1.1–1.2: company filings (SEC XBRL), TP ICAP results, Fiscal.ai [S]; Marex at USD 69.76 and ordinary equity (K2).

Takeaway: Marex combines the fastest growth, the second-highest ROE and one of the most leveraged balance sheets in the group; only IBKR and BGC trade at a higher multiple of book.

Exhibit 44 — Five forces

threat to Marex's returns, 1 (low) – 5 (high)

Force	Threat (1 low – 5 high)	Evidence	Direction
Rivalry	4	Top-10 US FCMs hold 76 % of customer funds and consolidate (StoneX + RJO); in broking, banks, IDBs and exchanges compete on price; competitors "may offer their services at a loss" [R, 20-F p.21]	Rising among non-banks
Threat of entry	2 (institutional) / 4 (retail niches)	FCM capital (MCMI requirement USD 565m), 60+ exchange memberships, LME Category 1 status, an investment-grade rating; but the CFTC list grew from 63 to 74 firms in 19 months — retail, crypto and prediction-market FCMs	Stable for Marex's clients
Buyer power	3	Clearing prices "determined on a client-by-client basis" [R]; the choice of clearer is made at senior level and relationships are long [M]; large clients multi-clear	Rising with client size (price per contract –22 % 2023–25)
Supplier power	4	Exchanges set fees and margins and also compete (CME and ICE ticked in Clearing and A&E [M]); front-office talent — "competition is intense" [R, 20-F p.19]	Stable; compensation ratio ≈ 60–61 %
Substitutes	3	Electronic for voice execution [R, 20-F p.20]; banks re-entering commodities; bilateral vs cleared	Rising in execution, low in clearing

Source: R5 \$5.4; 20-F FY2025 pp.19–21, 53; F-1/A p.2; CFTC [S].

Takeaway: Average threat ≈ 3.2 of 5: a structurally attractive clearing niche inside a competitive, price-driven brokerage industry — the returns come from scale and balances, not from pricing power.

Share shift. The claim that banks are leaving clearing and handing share to non-banks is only half visible in the data. Banks' share of US customer funds rose from 84.1 % to 85.8 % between December 2024 and July 2026; what moved was among the non-banks, where StoneX absorbed R.J. O'Brien's customers in H1-26 and doubled overnight [BCR from CFTC]. Marex's US balances grew 23 % against the market's 30 %, so its US share slipped from 3.02 % to 2.86 %; its share of non-US-exchange funds (Part 30) doubled and its share of cleared contracts on its key exchanges rose from 9.7 % to 10.5 % before flattening. The retreat of banks is a client-selection story — mid-sized commercial and hedge-fund clients pushed towards non-banks — which aggregates cannot measure and management's client data (77 top-tier clients) supports.

Exhibit 45 — Share shift in US clearing

USD m; % of total 4d(a)(2) requirement

US FCM customer-segregation requirement, 4d(a)(2)	Dec-2024	Jun-2025	Dec-2025	Jun-2026	Jul-2026
Marex Capital Markets — USD m (share, rank)	8,548 (3.02 %, #8)	8,304 (2.45 %, #10)	8,702 (2.57 %, #10)	9,909 (2.69 %, #12)	10,524 (2.86 %, #10)
StoneX Financial — USD m (rank)	n/a	—	5,901 (#17)	12,476 (3.39 %, #8)	13,026 (3.54 %, #8)
R.J. O'Brien — USD m (rank)	—	—	5,974 (#16)	148 (#36)	—
Bank-affiliated FCMs, share of total	84.1 %	—	—	—	85.8 %
Top-10 FCMs, share of total	75.3 %	—	—	—	76.0 %
Memo: Marex share of cleared contracts on its key exchanges	9.7 % (FY24)	—	10.5 % (FY25)	10.2 % (LTM)	—

Source: CFTC Selected FCM Financial Data, Dec-2024 to Jul-2026 [S]; R5 \$2; Q4-25 and Q2-26 releases.

Takeaway: Marex is growing but not taking aggregate US share; the consolidation that matters happened at StoneX — which raises the bar for Marex's next clearing acquisition.

Moat verdict: narrow. Marex has real advantages — exchange connectivity that takes years to build, a clearing platform with a low marginal cost, an investment-grade balance sheet and an acquisition engine that has delivered. None of them gives it pricing power: the net price per contract fell 22 % in two years, and the best rival (StoneX) has the same toolkit. The high returns rest on scale economies, on balance growth and — in 2025–26 — on unusual volatility. The base rates (Section I2) are sobering, though thin: the one long-lived listed analogue, StoneX, never held an ROE above 25 %. Our base case nevertheless holds Marex's ROE near 30 % to 2035 and fades it only in the terminal value — the most generous judgement in this report, tested explicitly in Section I (a fade to 20 % by 2035 is worth USD 59).

Exhibit 46 — Moat assessment

source, evidence and durability

Source of advantage	Evidence	Replicable by	Durability
Exchange connectivity and memberships	60+ exchanges; LME Category 1; "years to establish" approvals [M]	Banks, StoneX; not by new entrants quickly	High
Scale in processing and a low marginal cost of clearing	Contracts per clearing FTE 3.4m → 4.9m (2023 → H1-26); Clearing margin ≈ 50 %	Any large FCM	Medium
Balance sheet and investment-grade rating	BBB- (S&P, Fitch); S&P RAC 12.4 %; USD 4.3bn liquidity	Anyone with capital	Medium — capital-dependent
Relationships and switching costs	Top-tier retention ≈ 89 %; clearer chosen at senior level [M]	Partly — clients multi-clear	Medium
Acquisition engine	11 deals 2019–Feb-23: revenue +38 % in year one [R]; "multiple unsolicited approaches each week" [M]	StoneX runs the same model	Medium — depends on price discipline
Talent and culture	Voluntary turnover ≈ 9 % vs 17 % industry [M]	Banks, trading firms	Medium
Pricing power	Net price per contract –22 % in 2023–25	—	Absent

Source: R7 \$8a; R5 \$5; Unit economics tab; F-1/A p.13; AR25 pp.9, 18.

Takeaway: A narrow moat built on connectivity and scale: durable enough to earn above the cost of equity for years; whether it holds today's ≈ 30 % ROE through a normal cycle is the judgement our base case makes in Marex's favour.

So what for the valuation. Our base case lets ROE on ordinary equity drift from 29.5 % (2027E) to 26.3 % (2035E) and keeps 40 % of the remaining spread in the terminal value — generous against the base rates. Persistence is the largest item in the tornado (0.75 → \$98; 0.25 → \$69); an explicit fade to 20 % by 2035 gives \$59; the price implies persistence ≈ 0.26 (Section I).

E • Technology, AI and disruption

Marex is a technology user more than a technology company: it relies on third parties for "the majority of our IT systems" [R, 20-F FY2025 p.12] and spent USD 156m on non-trading technology, trading systems and market data in 2025 (7.7 % of revenue, before technology staff costs, which are not disclosed) [R, 20-F p.243; BCR calc.]. Its proprietary layers are the Neon client portal (≈ 24,000 users in 2025, from 2,000 in 2020), the Agile hedging platform, the re-platformed notes business and Marex One, an electronic execution platform in build. The material weaknesses reported at the end of 2025 include IT general controls over user and privileged access (Section F2). Four channels could change the economics.

Exhibit 47 — Four technology channels

qualitative; effects as modelled

Channel	What is changing	Marex's position	Who wins	Effect in our model
1. Electronification of execution	Voice broking migrates to electronic and algorithmic venues; margins compress where information is generic	Hybrid voice + electronic; Neon (24,000 users in 2025); Marex One in build, credit first; CEO: growth "more and more ... electronic" [M]	Scale platforms and exchanges; voice brokers in liquid products lose	A&E margin fades 30.9 % (H1-26) → ≈ 29 % (2027E); price per unit flat
2. Market structure: 24/7, tokenised collateral, prediction markets	Round-the-clock digital-asset clearing; stablecoin margin; tokenised Treasury repo; retail prediction-market FCMs	USDC accepted as margin (CFTC pilot); CME–FICC cross-margining "first and only"; Kalshi clearing planned; ≈ 25m of ≈ 135m crypto contracts cleared in 2025 [M]	Regulated incumbents with 24/7 operations — or low-capital specialists in retail niches	Not credited separately (probability 0.5); upside
3. Artificial intelligence	Automation of build, onboarding and surveillance; client agents that structure products	System build that "would have taken 50 people two years" done by 20 in six months [M]; three client agents in build [M]	"Amplifies advantages built on infrastructure" [M] — but also cuts the cost of entry for tech-native rivals	Corporate cost ratio falls 0.2 pp a year to 11.5 %
4. Platform competitors	Tech-native FCMs (Interactive Brokers, Clear Street) and exchanges offering client services	IBKR has ≈ 11x MCI's net capital, mainly retail; Clear Street a "singular platform" [M]	Contested at the retail and small-professional end; Marex's clients are commercial and institutional	Bear case: organic growth ×0.6 and group margin –1 pp

Source: R7 \$5, \$8a; 20-F FY2025 pp.12–14, 20–21, 57–58, 243; ID26 slides 31, 35, 39, 55, 64 and transcript; Q2-26 call; CFTC [S].

Takeaway: Technology is a moderate tailwind for a regulated, well-capitalised clearer and a headwind for voice execution — we model the second, not the first.

Head to head. Against banks Marex claims agility ("burdened by legacy technology"); against the mid-tier FCMs, scale. Against the tech-native brokers it has neither the cost base nor the retail reach, and it does not try — its clients are producers, traders, hedge funds and asset managers, where connectivity to 60+ exchanges, physical delivery and credit matter more than an app. **Standards and regulation** are the swing factor: the CFTC's stablecoin-collateral

pilot, 24/7 trading and the US Treasury clearing mandate (phased 2026–27) all create new clearing pools where early, regulated movers win — Marex was the first participant in CME-FICC cross-margining [M, Q2-26 call]. The CEO's thesis — AI "compresses advantages built on generic information but amplifies advantages built on infrastructure, connectivity, and expertise" [M, ID26 transcript] — is plausible for Clearing and self-serving for A&E, where much of the value is information and relationships.

Exhibit 48 — Disruption scenario tree to 2030

probabilities are BCR judgements

Scenario to 2030	Probability	Description	Marker we would see first	Maps to
Incumbents adapt	55 %	Electronification proceeds; Marex keeps share through Neon and Marex One; AI lowers costs	A&E revenue per FTE $\geq$ USD 1.4m with a stable margin	Base
Margin squeeze in execution	25 %	Electronic venues and exchanges take commission; voice revenue per trader falls 15–20 %	Energy revenue per lot $<$ USD 12	Bear (growth $\times 0.6$, margin -1 pp)
Disintermediation of clearing	8 %	Exchanges or tech-native FCMs offer direct clearing to Marex's mid-sized clients	US 4d(a)(2) share $<$ 2.3 %; price per contract -5 % a year	Severe/bear
Marex wins on technology	12 %	Digital assets, prediction markets and 24/7 clearing become a second clearing engine	Digital and new-market clearing $>$ 10 % of Clearing revenue	Bull

Source: BCR est.; markers in the Monitoring dashboard.

Takeaway: The most likely path is adaptation; the one that would hurt is disintermediation of clearing, which we give 8 % and which would show up first in US share and price per contract.

Falsifiable statement. We think technology is neutral to mildly positive for Marex's value. We are wrong if, by FY2028, A&E revenue per front-office employee has fallen below USD 1.2m (H1-26: 1.51m annualised) while market volumes grew — that would mean electronic venues are taking the commission — or if Marex's US clearing share falls below 2.3 % while the non-bank tier keeps growing.

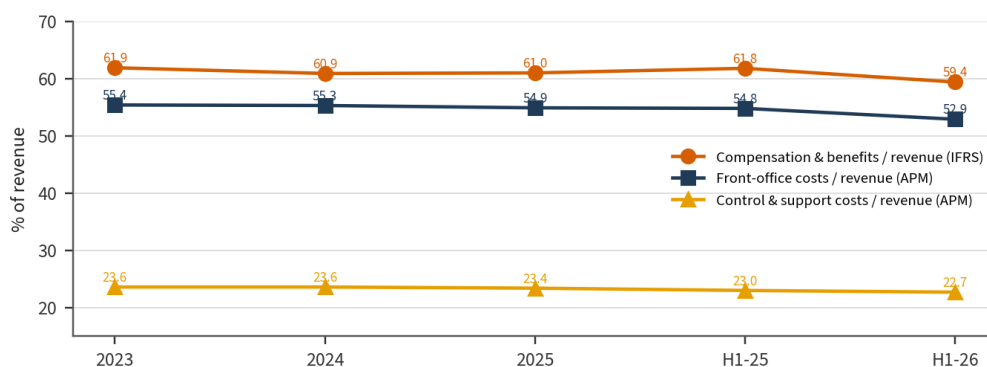
So what for the valuation. Technology enters the model through the A&E margin (faded, not expanded), the Corporate cost ratio (-0.2 pp a year to 11.5 %) and the bear case (organic volume growth $\times 0.6$ and a group margin 1 pp lower). The $\approx$ USD 150m of 2025 digital-asset revenue is already in the base; further growth from digital assets and prediction markets is not credited — and the crypto share of initial margin (≈ 20 %) is a risk to balances in a crypto drawdown.

F • Financial analysis

Revenue nearly quadrupled between 2021 and 2025 (+39 % a year) and Adjusted PBT rose more than five-fold (+51 % a year), with the margin up from 14.7 % to 20.7 % and 23.0 % in H1-26 [R, 20-F FY2025 p.201; Q4-25 release p.16; Q2-26 release p.20]. Three things explain it: the ED&F Man and Cowen acquisitions (2022–23), the rate cycle (net interest income went from -3 to 227 between 2021 and 2024) and, in 2025–26, volatility and principal trading. The cost base is two-thirds variable: compensation has taken 59–62 % of revenue in every year since 2023, so profits move with revenue at an incremental margin of 20–28 %. IFRS and Adjusted PBT are close — the adjusting items were 1.6 % of Adjusted PBT in 2025 (Section F2).

Exhibit 49 — Cost ratios: front office, control & support and compensation

% of revenue



Source: Q4-24 release p.4; Q4-25 release p.4; Q2-26 release p.3; 20-F FY2025 p.242.

Takeaway: Front-office costs have fallen from 55 % to 53 % of revenue and control costs from 24 % to 23 % — slow, real operating leverage, most of it in H1-26.

Exhibit 50 — Income statement and returns, 2021–LTM

USD m; IFRS unless marked APM

USD m	2021	2022	2023	2024	2025	LTM Jun-26	H1-2026
Revenue	541.5	711.1	1,244.6	1,594.7	2,024.1	2,444.8	1,388.1
— growth	—	31.3 %	75.0 %	28.1 %	26.9 %	37.8 %	43.5 % y/y
Compensation and benefits	–359.2	–438.6	–770.3	–971.1	–1,234.2	–1,461.5	–824.9
Other expenses incl. D&A	–103.5	–147.8	–237.4	–306.3	–353.9	–425.9	–229.5
Profit before tax, IFRS (continuing)	69.9	121.6	196.5	295.8	411.6	518.0	308.0
Adjusted PBT (APM)	79.6	121.7	230.0	321.1	418.1	534.0	318.6
— Adjusted PBT margin	14.7 %	17.1 %	18.5 %	20.1 %	20.7 %	21.8 %	23.0 %
Compensation ratio	66.3 %	61.7 %	61.9 %	60.9 %	61.0 %	59.8 %	59.4 %
Profit to ordinary shareholders (incl. discontinued)	56.5	91.6	128.0	204.7	293.9	411.1	259.8
Adjusted EPS, diluted (USD)	—	—	2.31	3.07	3.99	5.17	3.13
ROE on ordinary equity (K5)	12.2 %	17.3 %	20.3 %	26.3 %	28.7 %	31.5 % (cont.)	35.4 % (ann., cont.)
Return on tangible ordinary equity	—	28.0 %	29.7 %	37.0 %	39.8 %	43.0 %	—
Ordinary equity, year end	477.7	580.1	678.3	879.3	1,166.2	1,370.3	1,370.3

Source: F-1/A pp.F-5, 112; 20-F FY2024 p.193; 20-F FY2025 pp.201, 204–206; Q4-25 release p.16; H1-26 FS pp.2, 5, 16; Q2-26 release p.20; Historic P&L tab rows 6–57; R1 \$7.1.

Takeaway: The step changes in returns — ROE 12 % → 29 % — came with the rate cycle and the US clearing acquisition; the LTM figures add a volatility year on top. What matters is how much survives normal conditions.

Returns: ROE versus ROTE (module I). For a serial acquirer the gap between return on equity and return on tangible equity measures how much of the capital base is purchased goodwill. At Marex it is modest because most deals were priced off net assets: goodwill and intangibles are 26 % of ordinary equity (June 2026), and ROTE (40 % in 2025) is 11 points above ROE (29 %). Incremental returns are higher still — each dollar of equity added in 2023–25 earned 36–51 cents of additional profit — but they include the rate tailwind of 2023–24, which reversed in 2025.

Exhibit 51 — Incremental economics

USD m; %

	2022	2023	2024	2025	H1-26 vs H1-25
Δ revenue	169.6	533.5	350.1	429.4	420.7
Δ Adjusted PBT	42.1	108.3	91.1	97.0	115.9
Incremental Adjusted PBT margin	24.8 %	20.3 %	26.0 %	22.6 %	27.5 %
Δ profit to ordinary ÷ Δ average ordinary equity	51.5 %	36.3 %	51.3 %	36.6 %	—
Goodwill + intangibles ÷ ordinary equity, year end	30.5 %	32.4 %	26.5 %	28.8 %	25.9 % (Jun)

Source: Historic P&L tab; R1 \$7.1; R3 \$6.1 [BCR calc.].

Takeaway: Incremental margins of 20–28 % and incremental returns on equity above 35 % show a platform that scales; the goodwill share has risen with the 2025 deals but is still only a quarter of equity.

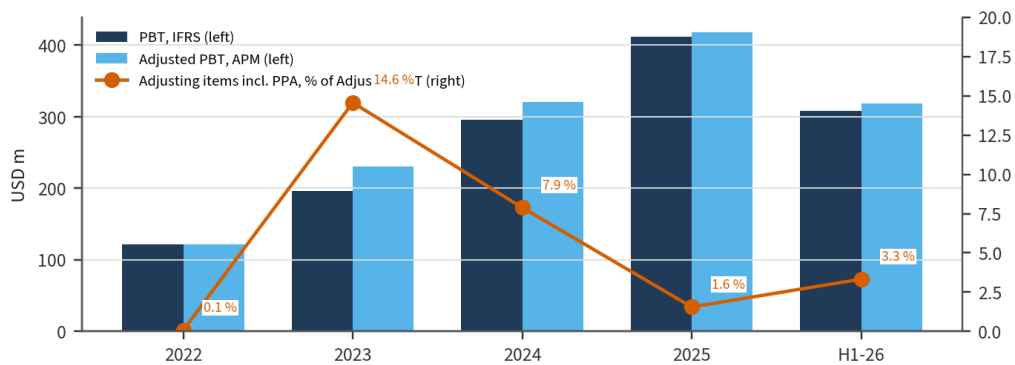
So what for the valuation. History supports a platform that earns well above its cost of equity, but the best years coincide with peak rates (2024) and peak volatility (H1-26). We start the forecast from 2025's mix, normalise H1-26's market making and let the margin drift from 22.2 % (2027E) to 23.7 % (2035E) — below the "mid-to-high 20s" management has floated.

F2 • Forensic accounting and quality of earnings

Three reconciliations frame the quality of Marex's earnings. **IFRS to Adjusted:** the gap has shrunk from 15 % of Adjusted PBT in 2023 (IPO costs, a fund write-off) to 1.6 % in 2025 and 3.3 % in H1-26; Adjusted PBT does not exclude client-default losses or share-based pay. **Segments to group:** the four segments plus Corporate sum to group revenue and Adjusted PBT in every period we checked. **Profit to cash:** this is the one that does not work for a broker — operating cash flow (USD 667.5m in 2025) is dominated by client money, margin and structured-note issuance, so it cannot corroborate profit; we use the capital generated on the S&P basis (USD 253m after dividends and coupons in 2025) instead [M, ID26 slide 26].

Exhibit 52 — IFRS PBT vs Adjusted PBT and adjusting items

USD m; % of Adjusted PBT



Source: F-1/A p.112; Q4-24 and Q4-25 releases p.16; Q2-26 release p.20.

Takeaway: The adjusted and reported numbers have converged; this is not a company that lives on add-backs.**Exhibit 53 — Adjusted-to-reported bridge**

USD m

USD m	FY2022	FY2023	FY2024	FY2025	H1-2026
Profit before tax (IFRS, continuing)	121.6	196.5	295.8	411.6	308.0
+ amortisation of acquired intangibles (PPA)	1.7	2.1	5.5	6.9	5.3
+ other adjusting items (derived)	-1.6	31.4	19.8	-0.4	5.3
= Adjusted PBT (APM)	121.7	230.0	321.1	418.1	318.6
Adjusting items as % of Adjusted PBT	0.1 %	14.6 %	7.9 %	1.6 %	3.3 %
What the items were	Goodwill impairment 53.9 (OTC Energy) vs bargain gain -71.6 (ED&F Man); acquisition 11.5; owner fees 3.4 IPO costs 10.1; VPF goodwill 10.7; owner fees 6.0; shareholder costs 3.1 IPO 8.6; shareholder 2.4; growth-share items 4.5; owner fees 2.4; secondary 1.9 Bargain gain -3.6 (Darton); acquisition 1.5; secondary 1.3 M&A 1.5; redomiciliation 3.8				

Source: Quality of earnings tab rows 41-47; F-1/A p.112; Q1-24 release p.7; Q4-24 and Q4-25 releases p.16; Q2-26 release p.20.

Takeaway: The largest net adjustments were 2023 (15 % of Adjusted PBT: IPO costs, a fund write-off) and 2024 (8 %); 2022's USD 53.9m goodwill impairment and USD 71.6m bargain gain netted out; since 2025 the items are small.**Exhibit 54 — Screens: what they say and where they fail**

as marked

Screen	FY2023	FY2024	FY2025	H1-2026	Reading
Net trading income ÷ revenue (principal risk)	33.1 %	30.9 %	42.1 %	52.4 %	Rising — more of the profit is principal
Net interest income ÷ revenue	9.8 %	14.2 %	7.5 %	5.1 %	Falling — funding costs and rates
Credit losses (-) ÷ revenue	-0.6 %	0.1 %	0.0 %	-0.6 %	Plus a USD 28.2m trading loss on a client default in Q1-26, inside Adjusted PBT
Days with an Adjusted loss (H1-26 = TTM)	12	6	6	11	Rising with volatility
Adjusted Sharpe ratio (H1-26 = TTM)	4.3	5.2	6.2	3.2	Falling; more profit, less steady
Altman Z'' (non-manufacturer)	0.22	0.22	0.21	0.22 (LTM)	Meaningless for a broker (assets 31x equity by construction)
Beneish M-score	n/a	n/a	n/a	n/a	Receivables, gross margin and asset terms have no broker equivalent
(Net income - CFO) ÷ total assets	-3.4 %	-3.9 %	-1.1 %	-0.1 % (LTM)	CFO is dominated by client money and note issuance — no test of earnings

Source: Quality of earnings tab rows 4-31, 51-61; P-Q2-26 slide 7; Q1-26 release p.7.

Takeaway: The generic screens have no power here; the broker-specific ones show earnings quality deteriorating in 2026 — more principal trading, more loss days, a lower Sharpe ratio — exactly the part our base case normalises.

Exhibit 55 — Forensic findings

ranked by weight

Area	Finding	Weight
Internal control	Two material weaknesses remain at 31 Dec 2025 — IT general controls over user and privileged access, and balance-sheet substantiation including reconciliations; Deloitte's first ICFR attestation was adverse; disclosure controls not effective in 2024 and 2025; Hamilton Court and Winterflood excluded from scope [R, 20-F FY2025 pp.179–182]	High — test in the FY2026 20-F (Mar 2027)
Restatement	31 Dec 2025 balance sheet restated to settlement-date accounting in the H1-26 statements: total assets 34,675 → 32,704; no effect on equity or profit (K1)	Low
Goodwill headroom	Thin at four CGUs: Agriculture (pre-tax discount rate 12.8 % vs break-even 13.4 %), Arfinco (12.9 vs 13.1), Agrinvest (17.0 vs 17.4), X-Change (12.3 vs 15.9) [R, 20-F p.259]; total goodwill + intangibles 354.3 = 26 % of equity	Medium — small amounts
Short-seller report (NINGI, 5 Aug 2025)	Central allegation (a USD 27m loss hidden in a Luxembourg fund) contradicted by the filings: VPF cost ≈ USD 12.6m, fully written off by 2023; class actions narrowed and a USD 0.95m settlement proposed (Aug 2026) [R; S, Bloomberg Law]	Low — but one allegation (revenue presentation of securities market making) survived to settlement
Targets were clients first	Aarna (broker balance 114.2), Hamilton Court (ISDA + RCF 87.4), Darton (margin loan 8.7), Levmet (7.5): Marex was lender or broker before buying [R]	Medium — conflicts in pricing and in credit exposure
Presentation changes	Net/gross presentation (2024), segment definitions (2023, 2025), internal funding charge in Clearing NII (K7)	Medium — comparability

Source: R4 \$6–\$9; R3 \$6.2; conflict register K1, K7; 20-F FY2025.

Takeaway: Nothing we found suggests the profits are not real; the control environment is the weak point, and a second adverse ICFR opinion in March 2027 would be a governance red flag.

Score: 6 of 10. Points in favour: ten clean audit opinions from Deloitte, adjusted close to reported, a normal tax rate, segments that sum, and a short-seller claim that the primary documents contradict. Points against: two unremediated material weaknesses and an adverse ICFR opinion, rising dependence on principal trading, repeated presentation changes, and acquisitions of businesses that were already Marex's borrowers.

So what for the valuation. We make no accounting adjustment to the valuation: the earnings are real. Quality enters through the risk side — a 0.5 pp specific premium in the severe case's cost of equity, a control pillar in the monitoring dashboard (Section M) and the normalisation of principal trading in the base case.

F3 • Reported-to-economic earnings**Exhibit 56 — Nine-item checklist: from reported to economic earnings**

treatment in our model

Item	In Adjusted PBT?	Our treatment	USD m
1. Amortisation of acquired intangibles (PPA)	Excluded	Excluded: non-cash; the premium is charged to capital instead (S&P deducts goodwill)	6.9 (FY25); 11.5 (2027E)
2. Bargain-purchase gains	Excluded	Excluded: one-off (ED&F Man 71.6 in 2022; Darton 3.6 in 2025)	3.6 (FY25)
3. Gain on the WBS custody sale (discontinued)	Excluded	Excluded from earnings; the USD 76.4m cash is capital	35.5 (H1-26)
4. Client-default losses	Included	Included: a cost of clearing; we do not add back Q1-26's USD 33.9m	33.9 (Q1-26)
5. Volatility windfall in Market Making	Included	Normalised: productivity 1.95 → 1.50 USD m per trader in 2027E	≈ 62 of revenue, ≈ 50 of profit (2027E vs 2026E)
6. Share-based compensation	Included	Included as a cost; dilution also in the share count	43.5 (FY25)
7. Hybrid and AT1 coupons	Below PBT	Deducted from earnings to ordinary shareholders	39.2 a year from 2027E
8. Tax	n/a	25 % (UK statutory; FY25 25.2 %, H1-26 24.6 %); Pillar Two neutral	—
9. Capitalised software and capex	In D&A	Maintenance capex = actual capex + lease payments (Owner earnings)	37.8 (FY25)

Source: Quality of earnings tab; R1 \$2; H1-26 FS note 9; Q1-26 release p.7; Broker model.

Takeaway: Only one item moves our numbers materially: the volatility windfall, which we take out of 2027E. Everything else follows the company's own adjusted definition, which is conservative on client losses and share-based pay.

Owner earnings. For a clearer the "maintenance capex" that matters is not software but the capital tied up when the business grows: every dollar of revenue needs ≈ USD 0.51 of S&P capital at an 11.5 % ratio. Deducting that at 3 % nominal growth, plus capex, leases and share-based pay, gives owner earnings of USD 258m in 2025 and 343m on an LTM basis. Capitalised at our cost of equity with 3 % growth, the LTM figure is worth \$68.18 per share — 12.5 %

below our residual-income value (\$77.90), just outside the $\pm 10\%$ tolerance. The difference is explained: the residual-income value includes growth above 3 % to 2035 and the acquisition programme, and fades the ROE spread; the owner-earnings capitalisation holds today's ROE forever but grows only 3 %. On FY2025 earnings (before the 2026 volatility) the same capitalisation gives \$50.91.

Exhibit 57 — Owner earnings

USD m

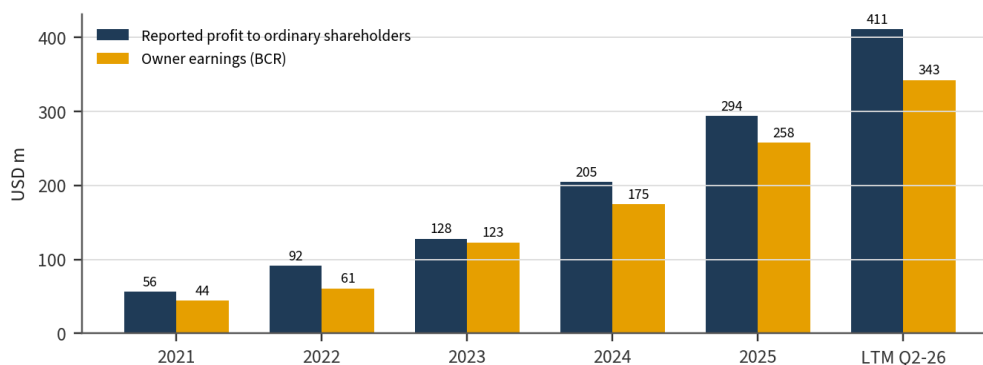
USD m	FY2021	FY2022	FY2023	FY2024	FY2025	LTM Jun-26
Reported profit to ordinary shareholders	56.5	91.6	128.0	204.7	293.9	411.1
+ non-cash items (D&A ex PPA, SBC, impairment, – bargain gains, – disposal gain)	9.3	11.1	55.7	53.6	69.1	42.8
+ PPA amortisation	1.0	1.7	2.1	5.5	6.9	9.2
– maintenance capex (capex + leases)	–14.5	–16.0	–23.5	–34.9	–37.8	–38.1
– capital tied up by 3 % nominal growth ($11.5\% \times \text{RWA}$)	–8.3	–10.9	–19.1	–24.5	–31.1	–37.5
– share-based compensation	0.0	–16.7	–20.3	–29.6	–43.5	–44.8
= Owner earnings	44.0	60.8	122.9	174.8	257.5	342.7
Owner earnings per diluted share (USD)	—	0.90	1.75	2.32	3.38	4.53

Source: Owner earnings tab rows 5–28; 20-F FY2025; H1-26 FS.

Takeaway: Owner earnings have been 83–96 % of reported profit since 2023 once growth capital is charged; the LTM figure capitalises to \$68 per share and FY2025 to \$51 — the value hinges on how much of 2026 is repeatable.

Exhibit 58 — Owner earnings vs reported earnings, FY2021–LTM

USD m



Source: Owner earnings tab [BCR est. from 20-F and H1-26 FS].

Takeaway: Owner earnings track reported profit with a stable gap — there is no hidden capital drain, but also no cash cushion beyond the earnings.

So what for the valuation. Our valuation earnings are the company's Adjusted profit less hybrid coupons, with the volatility windfall normalised. Owner earnings capitalise to USD 51 (FY2025) – 68 (LTM), 12–35 % below our value and outside the $\pm 10\%$ tolerance; the gap is growth above 3 % to 2035 and the acquisition programme, which the capitalisation omits.

G • Capital allocation

Marex allocates capital in a stated order: capital and liquidity to hold BBB- ratings at S&P and Fitch, then organic growth, then a quarterly dividend and buyback authority, then acquisitions with what is left [M, ID26 slide 26]. In practice acquisitions have taken most of the surplus: about USD 1.1bn of consideration across ≈ 35 deals since 2019, against USD 173m of dividends paid since 2023 (half of it to the sponsors before the IPO) and no share buyback. In 2025 the company generated USD 253m of S&P capital after dividends and coupons and deployed " $\sim 50\%$ " organically and " $\sim 50\%$ " in acquisitions [M].

Exhibit 59 — Acquisition record, 2019–H1 2026

USD m

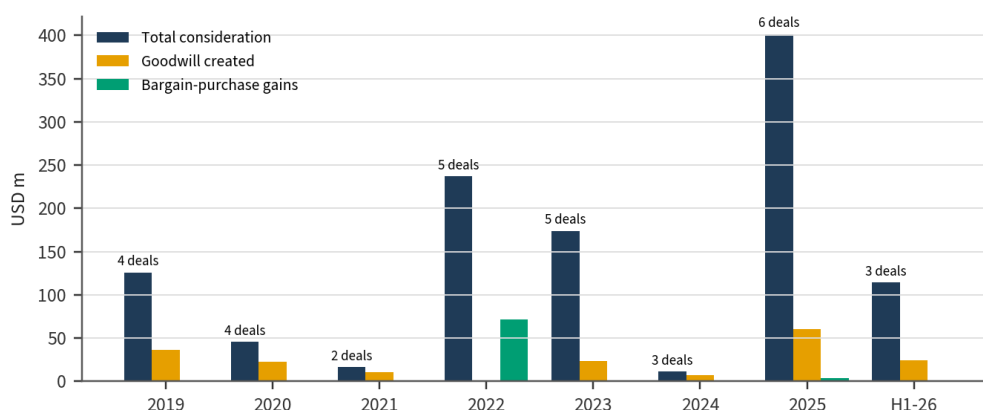
Year	Deals	Consideration	Goodwill created	Bargain gains	Notable
2019	4	125.8	36.5	—	Rosenthal Collins (US FCM, 84.1)
2020	4	45.9	22.8	0.25	VPF (fully written off by 2023); X-Change; Tangent
2021	2	16.4	10.5	—	Volcap; Starsupply
2022	5	236.9	0.5	71.6	ED&F Man Capital Markets at a discount to net assets; OTC Energy goodwill impaired 53.9
2023	5	174.0	23.7	0.3	OTCex; Cowen prime services (94.7; Prime revenue 84 → 258 by 2025)
2024	3	11.3	7.4	—	IPO year; Pinnacle (now in a USD 22.5m claim)
2025	6	401.5	60.6	3.6	Aarna, Hamilton Court, Winterflood, Agrinvest, Darton, Edgemere
H1-2026	3 + buy-ins	114.5	24.6	—	Levmet, Valcourt, Leonteq Japan; Webb Traders (EUR 69.9m, Aug)
Total 2019–H1-26	≈ 35	≈ 1,126	≈ 187	≈ 75.8	Impairments since 2020: 66.5

Source: R4 \$9 (annual reports 2019–2025, F-1/A, 20-F FY2025 pp.248–256, H1-26 FS note 7) [BCR aggregation].

Takeaway: A programmatic acquirer (module I): every year, mostly small, priced off net assets. The bargain gains (≈ 76) roughly offset the impairments (≈ 67); the value came from ED&F Man and Cowen.

Exhibit 60 — Acquisitions: consideration, goodwill created and bargain-purchase gains, 2019–H1 2026

USD m



Source: Annual reports 2019–2025; H1-26 FS [BCR aggregation].

Takeaway: 2025 was a step change — 1.7 times the previous record (2022) in consideration; whether it earns the same returns as 2022–23 is the test for 2026–27.

Do the deals earn their keep? Management's own scorecard for the three largest 2025 deals (Aarna, Hamilton Court, Winterflood) shows USD 215m of cash consideration and USD 60m of premium buying USD 16m of profit after tax at acquisition, rising to a USD 59m run-rate in Q2-26 [R, P-Q2-26 slide 9] — 27 % after tax on the consideration in a peak quarter; on the whole 2025 cohort (six deals, USD 401.5m) the same profit is ≈ 15 %. Our model is more cautious: 20 % pre-tax at maturity (≈ 15 % after tax) and 10 % in the first year. The criteria — PBT margin above 20 %, ROE above 20 %, payback within three years — are sensible; the risks are the ones every serial acquirer faces: larger deals, higher prices, and targets that were already Marex's borrowers.

Dividends and buybacks. The dividend has risen from USD 0.14 a quarter (2024) to 0.15 (2025) and 0.16 (2026), 10–15 % of Adjusted EPS [R; BCR calc.]. The 2026 AGM was asked for authority to buy back up to ≈ 10 % of the shares; none has been used, and the CEO has said acquisitions "represent better value for shareholders than buying back stock" unless there is a big dislocation [M, ID26 transcript]. The Employee Benefit Trust bought USD 97.3m of shares in 2022–H1-26 to cover awards. Our model returns capital above an 11.5 % RAC through buybacks from 2027 — an assumption, not a policy.

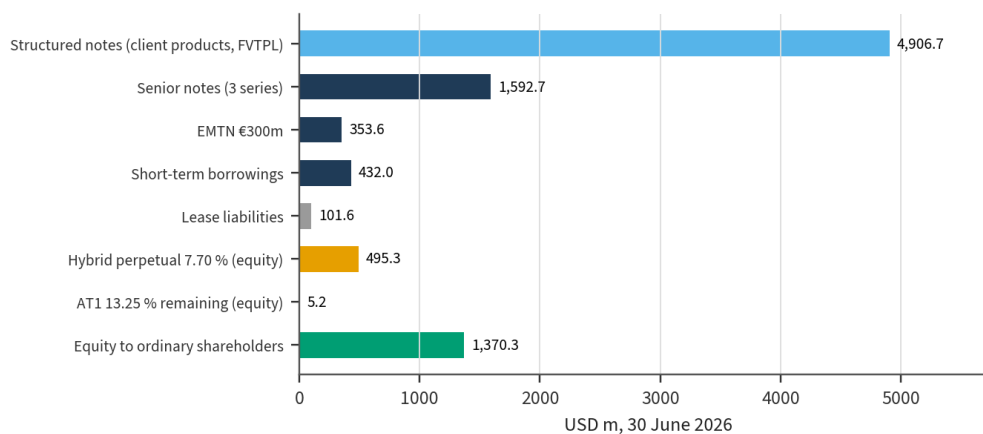
So what for the valuation. Capital allocation enters the valuation twice: the acquisition programme (10.5 % of the target) and the buybacks that turn surplus capital into per-share growth. If surplus capital were instead retained as a buffer, the value would be lower — the RAC target of 12.0 % instead of 11.5 % is worth \$-1.1 per share (tornado).

G2 • Financing, solvency limits and stress

A clearer's balance sheet is mostly client money: USD 42.1bn of total assets at June 2026 against USD 1.4bn of ordinary equity. What limits Marex is not debt service but capital and liquidity. Four facts define the position: (1) the S&P risk-adjusted capital ratio, which management treats as the binding constraint for its BBB- rating, was 12.4 % in June 2026, up from 10.7 % at the end of 2025 thanks to the USD 500m hybrid; (2) liquid assets of USD 3.8bn (4.3bn including the undrawn USD 490m facility) exceed the internal 30-day stress requirement of $\approx$ USD 2.0bn by USD 1.8bn; (3) USD 1.6bn of senior notes and EUR 300m of EMTN mature in 2028–31 with no financial covenants; (4) the US FCM holds USD 380m of net capital above its requirement, of which only 10 % could be upstreamed without approval.

Exhibit 61 — Funding and capital structure at 30 June 2026

USD m



Source: H1-26 FS p.5, notes 11, 16.

Takeaway: Structured notes are the largest funding line after client money; the hybrid turned the capital position from tight to comfortable.

Exhibit 62 — Instruments and constraints

USD m; 30 Jun 2026 unless stated

Instrument	Amount (USD m)	Coupon	Maturity / call	Notes
Senior notes (three series)	1,592.7	6.404 % / 5.829 % / 5.680 %	2029 / 2028 / 2031	BBB-; swapped to SOFR + 2.05–2.58 %; no financial covenants
EMTN EUR 300m	353.6	8.375 %	2 Feb 2028	BBB-; fair-value hedged
Short-term borrowings (drawn facilities)	432.0	floating	< 1 year	New USD 490m RCF (30 Jun 2026) undrawn
Structured notes (client product, FVTPL)	4,906.7	mixed	avg 15 months	4,075 due < 1 year; funding for HIS and the balance sheet
Lease liabilities	101.6	—	1–10 years	—
Hybrid perpetual (equity)	495.3	7.70 %	call Jun 2032	100 % S&P equity credit "expected"; tax-deductible coupon
AT1 residue (equity)	5.2	13.25 %	call Jun 2027	USD 94.7m of 100m bought back in June 2026

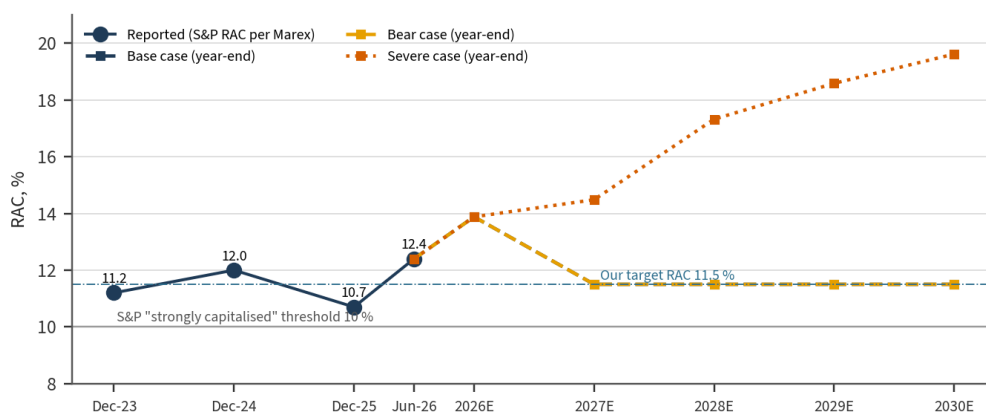
Constraint	Requirement	Latest	Headroom
S&P risk-adjusted capital (RAC)	> 10 % "strongly capitalised"; our target 11.5 %	12.4 % (30 Jun 2026)	$\approx$ USD 300m over 10 %; $\approx$ 115m over 11.5 %
Group RCF: tangible net worth	> USD 250m	USD 1,514.5m (proxy, 30 Jun 2026)	6.1x the floor
Group RCF: net debt $\div$ EBITDA; interest cover	< 3.0x; $\geq$ 3.0x	definitions not published	no breaches [R, 20-F note 35]
Marex Capital Markets (US FCM): net capital	$\geq$ USD 350m (RCF); regulatory requirement 564.7	USD 944.6m (31 Jul 2026)	+380 over the regulatory requirement
Group liquidity (30-day stress)	internal requirement $\approx$ USD 2.0bn	USD 4,324.5m incl. 490 undrawn RCF	USD 1,814.1m

Source: Debt & leases tab rows 5–35; H1-26 FS notes 11, 12, 16; 20-F FY2025 pp.98–99, 270–271, note 35; Q2-26 release p.16; CFTC [S]; R3 §1–3.

Takeaway: The debt is long, fixed and covenant-light; the constraint that bites is S&P capital — and the equity credit on the hybrid is "expected", not confirmed.

Exhibit 63 — S&P risk-adjusted capital ratio: history and forecast by scenario

%

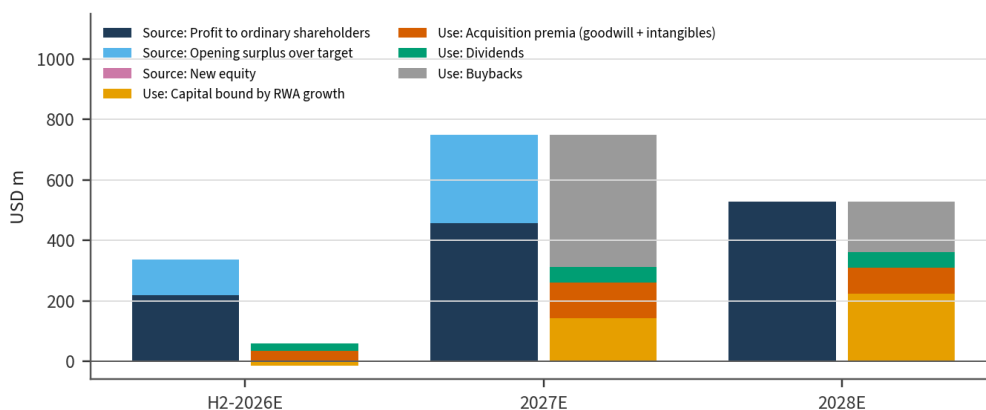


Source: 20-F FY2025 p.98; Q2-26 presentation p.19; BCR est.

Takeaway: In the base case the ratio is held at 11.5 % from 2027 and the surplus bought back; in the bear case buybacks shrink to the surplus; the severe case dips to ≈ 10.9 % in Q1-27 — above S&P's 10 % line — and assumes a USD 279m defensive raise.

Exhibit 64 — S&P capital: sources and uses, H2 2026E–2028E

USD m



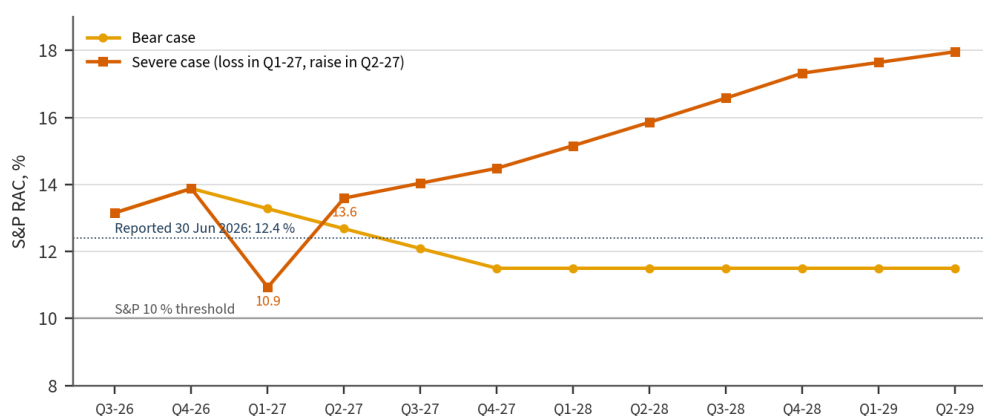
Source: Sources & uses tab rows 7–27 [BCR est.].

Takeaway: Earnings of $\approx$ USD 987m in 2027–28E cover capital for growth, acquisition premiums and dividends and leave $\approx$ USD 313m, which with the USD 291m surplus built in H2-26 funds $\approx$ USD 604m of buybacks — no new equity in the base case.

Stress by quarter. We run the bear and severe cases quarter by quarter to find the trough. In the bear case — volatility 15 % below the base, Fed funds 100 bp lower, growth at 0.6x — the RAC ratio stays at 11.5 % because buybacks are sized to the surplus (still $\approx$ USD 480m in 2027, less thereafter). In the severe case a 1-in-50 commodity move in Q1-27 defaults several clearing clients (a pre-tax loss of USD 500m, fifteen times the Q1-26 default), S&P moves the rating towards BB+, structured notes shrink 45 % and client balances 30 %: the ratio falls to ≈ 10.9 % in Q1-27 — above S&P's line — and we assume the dividend stops for two years and USD 279m of equity is raised at book value (+20 % shares) to defend the rating; without the raise the ratio recovers to ≈ 12.3 % by the end of 2027.

Exhibit 65 — Quarterly S&P RAC path in the bear and severe cases

%



Source: Sources & uses tab rows 29–42 [BCR est.].

Takeaway: Capital stays above S&P's 10 % line even without new equity; the raise is our assumption of a rating defence. The binding risk is the rating, not solvency — a downgrade to sub-investment grade would cost the notes franchise and part of the clearing book.

So what for the valuation. The capital constraint is modelled explicitly: RWA of 4.45x revenue (rising 0.05 a year), a RAC target of 11.5 % and buybacks only above it. The two variables that matter for value are the RWA intensity (3.9x / 4.9x = \$ +2.9 / -2.4 per share) and the RAC target; the severe case's low value (\$21) comes from a 4 pp lower margin, an 11.4 % cost of equity and 0.10 persistence; the USD 279m raise costs only ≈ USD 1 a share. RWA intensity rose 0.24x in 2025 alone; our +0.05x a year is optimistic if Prime keeps growing fastest — the 4.9x case is closer to trend by 2030.

G3 • Per-share progression

The question for an owner is whether the company grows per share, not just in total. It has: Adjusted EPS compounded at 31.4 % a year from 2023 to 2025 and book value per share plus dividends at 26.5 % from 2022 to 2025, while the diluted share count rose 12.7 % over the period, mostly with the IPO; net dilution since the IPO is ≈ 1 % a year [M, ID26 slide 16]; our model uses 0.5 % a year on top of the unvested awards already in the diluted count (which also carry a share-based-pay charge — a small double count, ≈ USD 1 a share, on the conservative side). In our forecast Adjusted EPS grows 21.3 % a year from 2025 to 2030E — faster than profit — because surplus capital buys back shares from 2027. That is a modelling choice with a large effect: the share count falls 40 % by 2035E (shares outstanding). If management keeps using the surplus for acquisitions instead, per-share growth depends on those deals earning more than the ≈ 9 % earnings yield on today's shares.

Exhibit 66 — Per-share progression

USD per share; historical EPS on weighted diluted shares, forecasts on average diluted shares

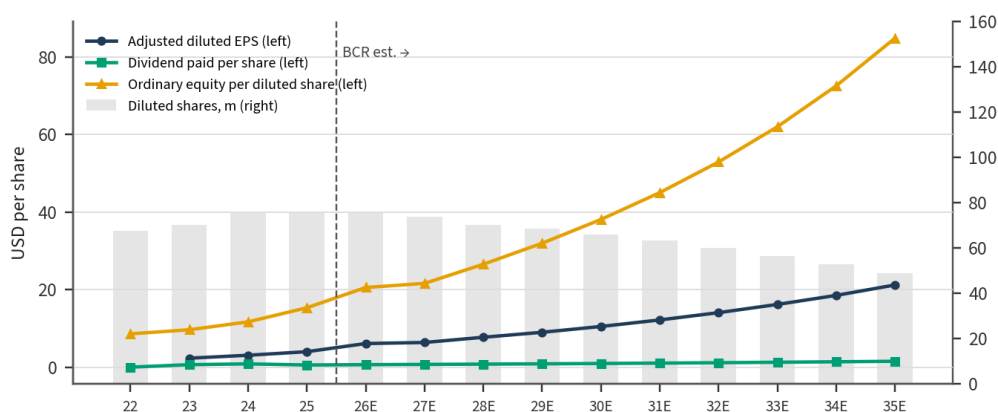
USD per share	2022	2023	2024	2025	2026E	2027E	2028E	2030E	2035E
Revenue per share	10.52	17.70	21.18	26.59	36.40	40.63	48.16	63.07	122.66
Adjusted EPS	—	2.31	3.07	3.99	6.09	6.36	7.71	10.49	21.19
Reported EPS	1.36	1.82	2.72	3.86	6.32	6.21	7.53	10.24	20.66
Dividend paid per share	0.00	0.64	0.85	0.55	0.64	0.71	0.78	0.95	1.52
Ordinary equity per share	8.59	9.65	11.68	15.32	20.54	21.60	26.54	38.08	84.83
Diluted shares (m)	67.6	70.3	75.3	76.1	75.9	73.7	70.3	66.0	48.9

Source: Per-share & dilution tab rows 4–31; Historic P&L; engine_MRX.

Takeaway: Growth per share has matched growth in total so far; from 2027 buybacks do a third of the per-share work in our forecast — which is why we show value per share before and after them in the scenarios.

Exhibit 67 — Per-share progression: Adjusted EPS, DPS, book value per share and share count

USD; m shares



Source: 20-F FY2025; BCR est.

Takeaway: Book value per share doubles by 2029E in our base case; the dividend stays below 12 % of EPS.

G4 • Management scorecard

Since the IPO management has delivered on almost every quantified commitment and has a record of guiding conservatively: every preliminary range (Q1-24, Q1-25, Q3-25, Q1-26) was met — inside or above, never below — and the FY2024 outlook was raised once (to USD 300–305m) and still beaten (321m). The IPO framework — Adjusted PBT growing 12–15 % a year from 2023's USD 230m to ≈ 350m in 2026 — was passed a year early (2025: 418m). The two partial results are both governance: the control weaknesses the IPO prospectus promised to fix and the shareholder protections reduced in the redomiciliation.

Exhibit 68 — Said versus delivered: ten commitments since the IPO

as stated by the company; outcome from filings

Commitment	When	Outcome	Score
Quarterly progressive dividend from Q3-24	F-1/A, Apr 2024	0.14 → 0.15 → 0.16 a quarter	Delivered
Remediate the four material weaknesses; "SOX compliant by end-2025"	F-1/A; 2025 bonus	Two remain; adverse ICFR opinion	Partial
Increase the free float	Q2-25 call	Sponsors 64 % at IPO → 17 %	Delivered
Bolt-on M&A funded from earnings; payback ≤ 3 years	F-1/A; ID26	2025 cohort PAT 16 → 59 run-rate [M]	Delivered (so far)
Margin towards the mid-20s in 3–5 years	ID26, Mar 2026	20.7 % (2025) → 23.8 % (Q2-26)	On track
Q3-25 range after the short report	8 Oct 2025	Top of range	Delivered
Q1-26 range	26 Mar 2026	Above range despite a USD 34m default	Beat
Redomiciliation "preserves shareholder rights"	ID26	Appraisal rights waived; FCA consolidated supervision ended	Partial
WBS sale: "≈ USD 40m of capital benefit"	Q1-26 call	Pre-tax gain 35.1; cash 76.4	Delivered
Class actions "without merit"; move to dismiss	20-F FY2025	USD 0.95m settlement proposed	Settled (immaterial)

Source: R4 §10; F-1/A pp.19, 74, 85; ID25–ID26; releases; 20-F FY2025 pp.141, 161, 179–182; H1-26 FS note 9; Bloomberg Law (21 Aug 2026) [S].

Takeaway: Six delivered or beaten, one on track, one settled; the two partial ones — internal control and shareholder rights — are both governance, and internal control matters most for a firm that holds client money.

Exhibit 69 — Incentives and insider behaviour

as disclosed

Element	Metric	Comment
Annual bonus (75 % financial)	Adjusted PBT and Adjusted EPS vs budget	No ROE, book value or TSR metric
2026 LTIP	Growth in Adjusted PBT (50 %) and Adjusted EPS (50 %); maximum at 10 % and 8 % a year	Below what has been delivered since the IPO — easy to max out in a volatile year
Key management compensation	USD 77.6m (2025), of which incentive plans 30.5m	3.8 % of revenue [BCR calc.]
Insider buying after the short report	CEO 32,465 (≈ USD 30.07); Tonucci 30,000 (≈ 31.10); Chair 2,700; a NED 7,100; two former directors 35,000 each (Aug–Oct 2025)	≈ USD 1m each at the low; the CEO's holding had fallen from 2.78m (Mar-24) to 2.58m before the purchase despite vestings; no Form 4 (foreign private issuer)
CEO ownership	2,642,483 shares (3.7 %) — ≈ 77x salary at end-2025	Strong alignment on the share price, not on capital efficiency

Source: 20-F FY2025 pp.140–151, 158; GOV filings 13 and 15 Oct 2025; note 36.

Takeaway: Pay rewards adjusted profit growth, half of it per share, but never returns on capital — so growth bought with retained earnings or hybrid capital is rewarded in full. The insider buying in October 2025 was a useful signal at the low, though small against the CEO's earlier net reductions.

So what for the valuation. Management credibility is high on operations and guidance, which is why we put 42 % on the base case and only 8 % on the severe case. The incentive gap — no return-on-capital metric — is why we charge acquisitions a premium (half of the price as goodwill) and fade the ROE spread instead of extrapolating it.

H0 • Q2 2026 read-through

Marex reported on 12 August 2026 its best quarter to date: revenue up 39 %, Adjusted PBT up 56 % and Adjusted EPS of USD 1.64 against a consensus of 1.36 [R, Q2-26 release pp.1–5, 20; K]. The shares rose 18.7 % on the day. The quarter confirmed the franchise (balances +49 %) and the regime (market making and Prime), and showed the one soft line — net interest income, down 14 % despite the balance growth, because Fed funds were 70 bp lower and interest on the senior notes issued in May 2025 and April 2026 rose. Contracts cleared fell 13 % against an exceptional Q2-25.

Exhibit 70 — Q2 2026 against last year and consensus

USD m unless stated

USD m unless stated	Q2-2026	Q2-2025	y/y	Consensus before results [K]	vs consensus
Revenue	695.8	500.1	39.1 %	625.3	11.3 %
Adjusted PBT	165.9	106.4	55.9 %	n/a	—
Adjusted PBT margin	23.8 %	21.3 %	+2.5 pp	—	—
Adjusted EPS, diluted (USD)	1.64	1.02	60.8 %	1.36	20.4 %
Average clearing client balances (USD bn)	19.1	12.8	49.2 %	—	—
Contracts cleared (m)	312	357	−12.6 %	—	—
Group net interest income	29.7	34.6	−14.2 %	—	—
Share price on the day	+18.7 %			S&P 500 +0.3 %	+18.4 pp

Source: Q2-26 release pp.1–7, 20; Alpha Vantage consensus (pre-results) [K]; R6 §2 (price reaction).

Takeaway: A beat of 11 % on revenue and 20 % on EPS; the question the quarter did not answer is how much of it repeats when volatility normalises.

Exhibit 71 — Three new facts and what they are worth

USD per share, engine sensitivities

New fact	Evidence	What we assume	Value at stake per share
1. Balances stepped up	Clearing balances USD 19.1bn in Q2 (+49 % y/y); "around USD 1bn of net new balances through to the start of August" [M, Q2-26 call]	USD 20bn in H2-26 and 21bn in 2027E (+ Bright Point), +7 % a year after	±\$0.86 per ±USD 1bn in 2027E [BCR, engine]
2. The volatility regime is still on	Q2 margin 23.8 %; Market Making revenue per trader USD 1.76m annualised; July–mid-August "a continuation of what we saw in the H1" [M]	Normalised in 2027E (1.50m per trader); H2-26 at 1.70m	2026 regime persists: +\$5.9; back to 2021–23 levels: −3.1
3. Capital was rebuilt and the redomiciliation completed	USD 500m hybrid (9 Jun), AT1 bought back, S&P RAC 12.4 %; Bermuda parent from 1 Jul; "at least ... the top end of our 10–20 % growth target range" [M]	Surplus above 11.5 % returned from 2027E (USD 436m buyback); acquisitions USD 200m a year	Acquisition programme \$8.3; RAC target 12 % instead of 11.5 %: −1.1

Source: Q2-26 release and call; H1-26 FS notes 16, 22; engine_MRX; Expectations tab rows 21–23; tornado (Section J).

Takeaway: The quarter moved value most through the volatility question — worth +6 / −3 dollars depending on whether 2026 lasts — and least through balances, where each billion is worth less than a dollar.

So what for the valuation. We start H2-26 close to the run-rate (revenue USD 1.37bn, Adjusted PBT USD 320m) and normalise from 2027. The next test is Q3-26 ($\approx$ 5 November): our path is revenue USD 673m and Adjusted PBT USD 157m; consensus EPS is USD 1.50.

H1 • Market expectations and variant perception

The market likes Marex: seven of eight analysts rate it a buy, estimates for 2026 and 2027 have risen 15–18 % in ninety days, and the price has more than doubled from the October 2025 low of USD 28.24 [K; S]. Short interest is modest (3.5 % of shares, 2.8 days to cover) and falling; the register is 73 % institutional, with FMR, BlackRock and T. Rowe Price adding in Q1-26 [S, Nasdaq; 13F]. The shares trade at 13.5x trailing Adjusted EPS, 11.5x our 2026E and 11.0x 2027E, and 3.68x book — above the peer median on book (2.65x) and below it on earnings (13.6x).

Exhibit 72 — Consensus against our estimates

USD; consensus as of 29–30 Sep 2026

	Consensus [K]	Our estimate	Difference	Why
Revenue 2026E (USD m)	2,761 (Alpha Vantage) / 2,542 (Fiscal.ai, Aug)	2,762	0.0 %	In line with the post-Q2 consensus
Revenue 2027E (USD m)	2,849	2,993	5.1 %	Our acquisition programme adds USD 91m
Adjusted EPS 2026E (USD)	6.13	6.09	–0.7 %	—
Adjusted EPS 2027E (USD)	6.39 (range 3.85–7.08)	6.36	–0.5 %	Both $\approx$ +4 % on 2026E
Adjusted PBT 2027E (USD m)	$\approx$ 667–688 (implied; with / without buybacks)	664	–0.4 % to –3.5 %	No PBT consensus exists; implied from EPS
EPS revisions, 90 days (2026E / 2027E)	+18 % / +15 %	—	—	6 of 6 (2026E) and 7 of 8 (2027E) estimates revised up in 30 days
Price target: average / median / high (n = 8)	79.88 / 84 / 100	79	–1.1 % vs avg	7 of 8 Buy or Strong Buy

Source: Alpha Vantage EARNINGS_ESTIMATES (30 Sep 2026) [K]; Fiscal.ai tearsheet (12 Aug 2026) [K]; stockanalysis.com and Nasdaq.com (29–30 Sep 2026) [S]; engine_MRX.

Takeaway: On 2026–27 we agree with the market — EPS within 1 %, growth $\approx$ 4 % in 2027 on both counts; our revenue is higher (acquisitions) at a lower margin. Our target is 1 % below the average and 6 % below the median target.

Exhibit 73 — Share price since the IPO with dated events

USD per share (close)

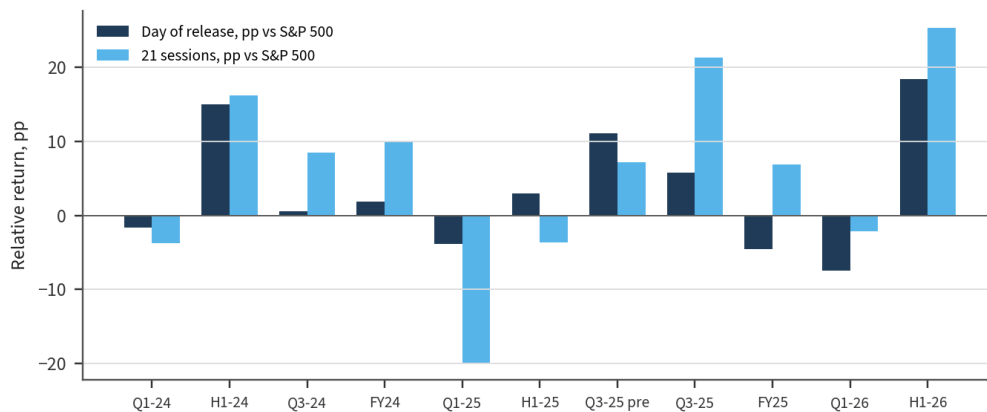


Source: Fiscal.ai; company releases; Investing.com (short report) [S].

Takeaway: From USD 19 at the IPO to 78 at the September 2026 high, with a 42 % drawdown from May to October 2025 — about half of it after the August short report; the stock has been re-rated on delivery, twice.

Exhibit 74 — Share-price reaction to results, relative to the S&P 500

pp; day of release and 21 trading days

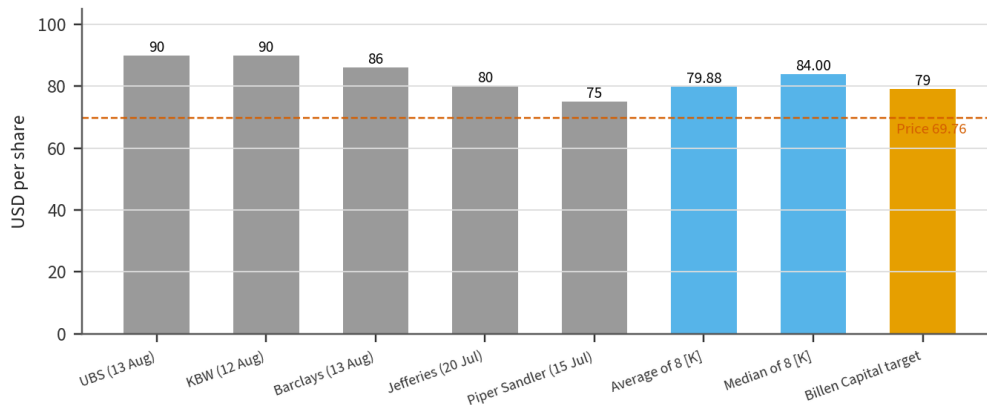


Source: Fiscal.ai prices; FRED S&P 500; R6 \$2 [BCR calc.].

Takeaway: The market has rewarded the half-year prints (+15, +18 pp) and the post-short-report pre-release (+11 pp) and punished the Q1 releases and the FY2025 release — a stock that trades on the growth narrative.

Exhibit 75 — Broker price targets vs our target and the price

USD per share



Source: stockanalysis.com; Nasdaq.com [S]; BCR est.

Takeaway: Our target is just below the average broker target (USD 79.88) and 6 % below the median (84); the sell side has chased the price up since July.

What the price implies. We translate the price into six drivers, each solved with the same engine that produces our value (workbook tab Expectations). The price needs no heroics on growth — organic volume growth at 0.58x our path, or a margin two points lower, would do — but it does need the ROE spread to last: the market's implied period of excess returns is 14 years against our 17, and its implied terminal persistence 0.26 against our 0.40.

Exhibit 76 — Expectations infrastructure: six drivers, implied vs ours

solved one at a time with engine_MRX

Driver	Implied by the price	Our base case	Value sensitivity (per share)	Rank
1. Revenue growth (CAGR 2025–35; organic volume multiplier)	9.9 %	11.5 %	+11.8 / -9.5 \$	2
2. Adjusted PBT margin 2030E	21.1 %	23.1 %	+4.0 / -4.0 \$	4
3. Capital per \$ of revenue (RWA ÷ revenue × target RAC)	69.2 %	51.2 %	+2.9 / -2.4 \$	5
4. Effective tax rate	31.8 %	25.0 %	+2.4 / -2.4 \$	6
5. Cost of equity	10.8 %	9.8 %	+5.3 / -4.7 \$	3
6. Implied period of excess returns	14.1 years	17.4 years	+19.8 / -8.5 \$	1

Source: Expectations tab rows 5–13; Reverse (E) tab.

Takeaway: The price embeds a sensible but not generous view; the gap to our value sits in persistence and growth, not in the near-term numbers.

Our variant perception — narrower than it looks. On the next two years we agree with the market: consensus already has 2027 EPS growth of $\approx 4\%$, as do we. We differ on three points. (1) **Durability:** the price is consistent with ROE fading to $\approx 25\%$ by 2035 or persistence 0.26 after it; our base case holds ROE near 30% to 2035 with persistence 0.40 — 0.1 of persistence is worth USD 5.6 per share and organic growth at half our path USD 9.5. That is our main variant, and it is the one the base rates argue against. (2) **The acquisition programme:** we credit USD 8.3 for deals not yet signed; the market may not. (3) **Rates:** we think the rate risk is smaller than our own August update estimated, but the evidence is mixed (beta 0.09–0.33; Section C1). Test: FY2027 ROE on ordinary equity (base 29.5% , bull 32% , bear 25.8%) and whether Marex keeps buying at $\approx 20\%$ pre-tax returns. Hence ACCUMULATE with conviction 2, not BUY.

So what for the valuation. Consensus and we agree on 2026–27; we disagree on how long $\approx 30\%$ returns last and we credit the acquisition programme. The target (\$79) is 1 % below the broker average; our probability-weighted value (\$72.8) is 6.5 % below our base case because the severe and bear cases carry 35 % of the weight.

H • Forecasts

Our forecast is built bottom-up by segment (Section C) with the capital constraint closing the loop: profit less dividends and hybrid coupons builds S&P capital; growth in revenue raises risk-weighted assets; capital above an 11.5 % RAC is bought back from 2027. Four choices define it. (1) H2-26 runs close to the H1 run-rate. (2) 2027 normalises market making and flattens profit. (3) Organic volume growth fades from $\approx 7\%$ to 3.5% by 2035. (4) USD 200m a year of unsigned acquisitions earn 20% pre-tax at maturity. Labels (guided / ASSUMPTION) are in the Broker model tab's note column and in Appendix A5.

Exhibit 77 — Base-case forecast

USD m unless stated; BCR est.

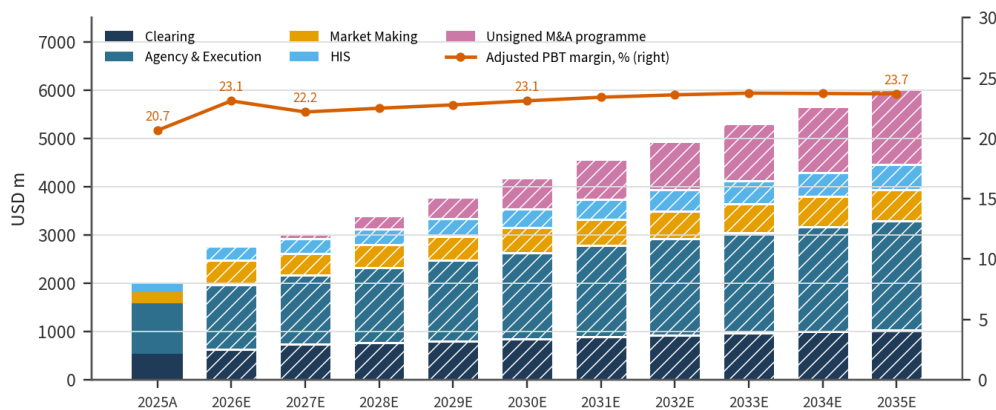
USD m	2025A	2026E	2027E	2028E	2029E	2030E	2035E
Clearing	528.2	629	729	763	797	841	1,028
Agency & Execution	1,049.2	1,335	1,437	1,563	1,682	1,794	2,256
Market Making	235.5	504	442	465	488	513	657
Hedging & Investment Solutions	196.8	305	306	334	363	392	524
Unsigned acquisition programme	—	0	91	273	455	636	1,545
Revenue	2,024.1	2,762	2,993	3,386	3,772	4,164	5,998
Adjusted PBT	418.1	638	664	762	859	963	1,421
— margin	20.7 %	23.1 %	22.2 %	22.5 %	22.8 %	23.1 %	23.7 %
Profit to ordinary shareholders	293.9	479	458	529	600	676	1,010
Adjusted EPS (USD)	3.99	6.09	6.36	7.71	8.99	10.49	21.19
DPS declared (USD)	0.60	0.64	0.71	0.78	0.86	0.95	1.52
Book value per diluted share (USD)	15.32	20.54	21.60	26.54	31.96	38.08	84.83
ROE on ordinary equity	28.7 %	35.1 %	29.5 %	31.3 %	30.0 %	29.3 %	26.3 %
S&P RAC	10.7 %	13.9 %	11.5 %	11.5 %	11.5 %	11.5 %	11.5 %
Buybacks	—	0	436	168	236	304	640
Shares outstanding, year end (m)	71.7	72.5	67.4	65.8	63.6	61.0	43.3

Source: engine_MRX; Broker model tab rows 101–211; 2025A from the 20-F FY2025.

Takeaway: Adjusted PBT grows from USD 418m (2025) to 963m (2030E), a 18.1 % CAGR with acquisitions; ROE fades from 35 % to 26 % as equity builds; buybacks carry EPS growth above profit growth.

Exhibit 78 — Forecast revenue by segment and Adjusted PBT margin, 2025A–2035E

USD m; %

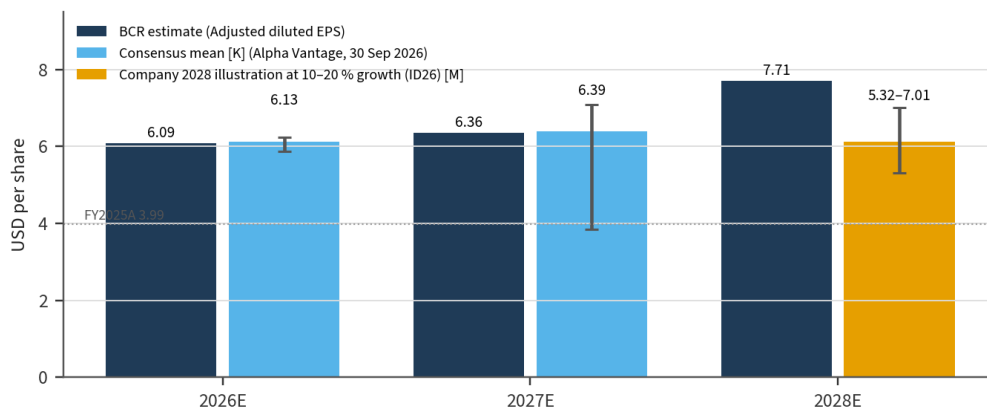


Source: engine_MRX.

Takeaway: The mix shifts towards Agency & Execution (Prime) and acquisitions; Market Making falls as a share after the 2026 peak.

Exhibit 79 — Adjusted EPS: our forecast vs consensus and the company's 2028 illustration

USD per share



Source: Alpha Vantage [K]; Investor Day 2026 slide 16 (illustration, not a forecast); BCR est.

Takeaway: Our 2028E EPS (USD 7.71) sits between the company's 20 % (7.01) and 30 % (9.01) illustrations — higher than profit growth alone would give, because of buybacks.

Reconciliation to consensus. Revenue is within 0–5 % of consensus in 2026–27 (ours is higher in 2027 because of acquisitions); Adjusted EPS is within 1 %. No consensus for Adjusted PBT exists in our sources; consensus EPS implies USD 667–688m for 2027 depending on whether it assumes buybacks, against our 664m. Our USD 436m of 2027E buybacks reduce the average share count by $\approx 3\%$; if Marex keeps the surplus for acquisitions — as the CEO prefers — our 2027E EPS would be $\approx$ USD 6.16 unless the deals earn more than the buyback yield.

So what for the valuation. The forecast drives value through two paths: excess return (ROE above the 9.84 % cost of equity on a growing equity base) and the timing of distributions. Because we fade the ROE spread, the forecast after 2030 matters less than the persistence assumption applied to 2035.

I • Valuation

Under sector module E a free-cash-flow DCF is not defined: client money, notes and repo are the raw material of the business, not its financing. We value the equity attributable to ordinary shareholders by **residual income** — book value plus the present value of profit above the cost of equity — checked by a dividend-discount model on the same path, by five equity end-points and by the P/B–ROE relationship across peers and through StoneX's history. The template's FCFF tabs (FCF build, WACC, DCF, EV bridge) are marked not applicable in the workbook.

Exhibit 80 — Cost of equity

US-dollar terms

Component	Value	Source / reasoning
Risk-free rate	5.29 %	US 10-year Treasury par yield, 30 Sep 2026 [S, US Treasury]
Equity risk premium	4.14 %	Damodaran implied ERP, 1 Sep 2026 (T12m, adjusted payout) [S]; measured against a 4.75 % bond — the combination with today's 5.29 % is conservative by ≈ 0.2 –0.5 pp
Beta (low / base / high)	0.95 / 1.10 / 1.25	Regression: daily since IPO 0.93 (Blume 0.96), weekly 0.43 (R^2 0.03 — unusable); Damodaran brokerage & IB 1.17; peers (2-year weekly, Blume) StoneX 1.01, BGC 0.98, Virtu 0.75, IBKR 1.48 [S; BCR]
Cost of equity (low / base / high)	9.22 % / 9.84 % / 10.46 %	$K_e = 5.29\% + \beta \times 4.14\%$
Terminal growth; persistence	3.0 %; 0.40	Nominal GDP-like; 40 % of the 2035 ROE spread over K_e persists (base rates, Section I2)

Source: R6 §3–4; Required return and Exit (equity) tabs.

Takeaway: A 9.84 % cost of equity is high for a BBB- financial because the risk-free rate is high (5.29 %); beta is the uncertain input — 0.95 to 1.25 moves value by $\pm \$6$.

Exhibit 81 — Residual income, year by year

USD m; base case

Period	Opening ordinary equity	Profit to ordinary	ROE	Excess return (profit – $K_e \times$ equity)	Discount factor	PV
H2-26	1,370	219	n/m (half year)	154	0.954	147
2027	1,566	458	29.5 %	304	0.869	264
2028	1,536	529	31.3 %	378	0.791	299
2029	1,844	600	30.0 %	419	0.720	302
2030	2,152	676	29.3 %	464	0.655	304
2031	2,464	751	28.7 %	508	0.597	303
2032	2,774	822	28.1 %	549	0.543	298
2033	3,081	890	27.5 %	587	0.495	290
2034	3,384	951	26.9 %	618	0.450	278
2035	3,686	1,010	26.3 %	648	0.410	265

Source: engine_MRX.value(); Broker model rows 214–241 (identical by calibration).

Takeaway: Excess return grows from $\approx$ USD 304m (2027E) to 648m (2035E) because equity compounds faster than ROE fades; book is 24 % of value, excess returns to 2035 47 % and the terminal value 29 %.

Exhibit 82 — From book value to value per share

USD m

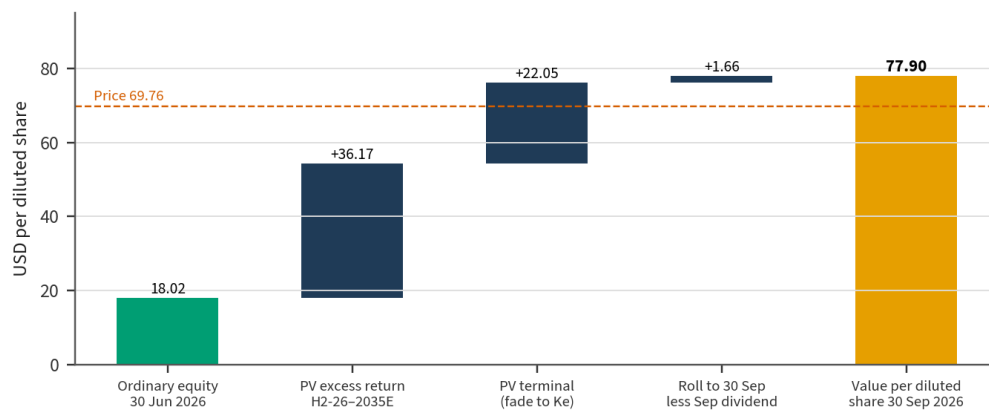
USD m	Value
Ordinary equity, 30 Jun 2026 (K2)	1,370.3
+ PV of excess returns H2-26–2035E	2,750
+ PV of terminal value (ROE_T 16.9 %; P/B_T 2.03x)	1,677
= Equity value at 30 Jun 2026	5,797
Check: dividend-discount on the same path	5,797
Rolled to 30 Sep 2026 at K_e , less the USD 0.16 dividend paid 9 Sep	5,923
÷ diluted shares (76.04m) = value per share (USD)	77.90
Terminal value share of total	28.9 %

Source: engine_MRX.value(); Broker model B221–B241.

Takeaway: Value per share \$77.90 = book \$18.02 + excess return \$58.22 (both at 30 Jun) + \$1.66 roll-forward to 30 Sep; the market pays \$51.74 above book.

Exhibit 83 — Excess-return valuation bridge to value per share

USD per share

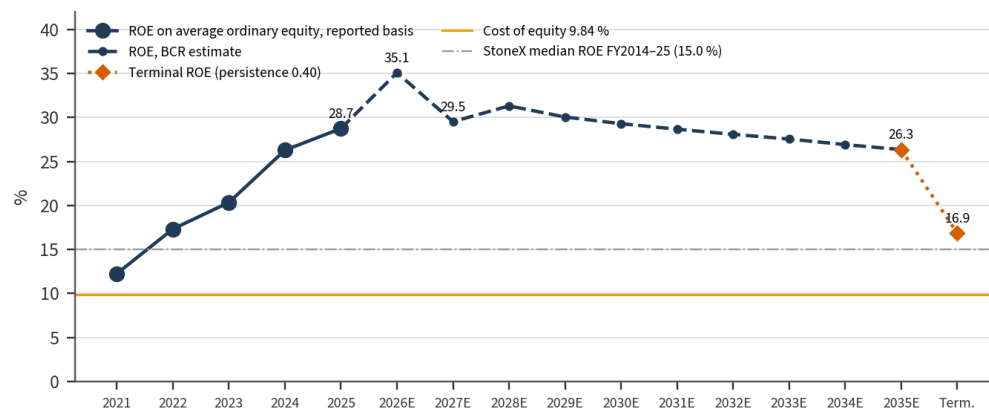


Source: engine_MRX.

Takeaway: Book value is only a quarter of the value; the rest depends on how long returns stay above 9.84 %.

Exhibit 84 — Return on equity vs cost of equity and the terminal fade

%



Source: engine_MRX; history 20-F FY2025.

Takeaway: ROE fades from 35 % (2026E) to 27 % (2035E); the terminal ROE of 16.9 % keeps 40 % of the remaining spread — above StoneX's median 15 %, below its best year.

Exhibit 85 — Five equity end-points

USD per share at 30 Sep 2026; all discounted at Ke

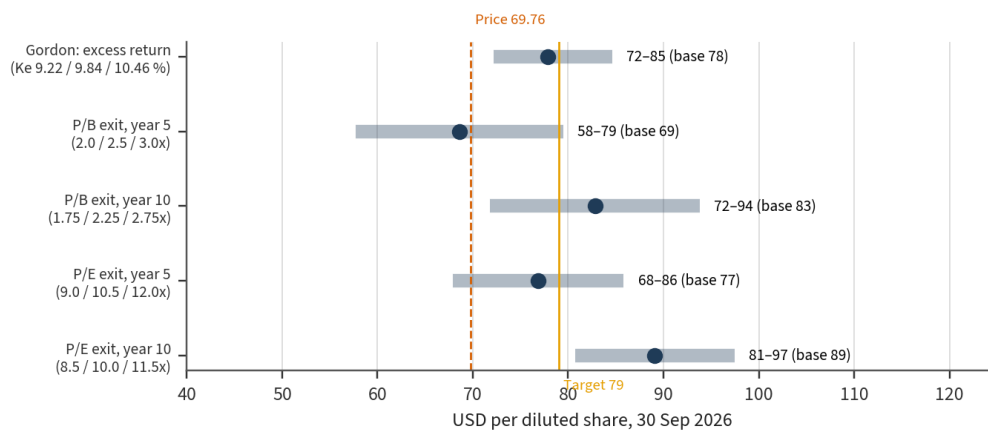
End-point (USD per share)	Low	Base	High	Anchor
Gordon on excess return (Ke 10.46 / 9.84 / 9.22 %)	72.19	77.90	84.61	ROE fade; persistence 0.40
Exit P/B, year 5 (2030E): 2.0 / 2.5 / 3.0x	57.74	68.62	79.49	Own median at year ends 2.49x; peers 2.65x
Exit P/B, year 10 (2035E): 1.75 / 2.25 / 2.75x	71.81	82.81	93.80	Between Gordon-implied 2.03x and own median
Exit P/E, year 5: 9 / 10.5 / 12x	67.94	76.89	85.83	Own median 10.2x; StoneX ≈ 10x
Exit P/E, year 10: 8.5 / 10 / 11.5x	80.72	89.09	97.45	StoneX 12-year median
Lowest / median / highest of the 15 cells	57.74	79.49	97.45	

Source: Exit (equity) tab rows 4-47; engine_MRX.exits().

Takeaway: The fifteen cells span \$58-97 with a median of \$79; the choice of end-point moves value by ±25 %, about as much as persistence does.

Exhibit 86 — Five equity end-points: value per share, low / base / high

USD per share



Source: Exit (equity) tab.

Takeaway: Four of five base cells are above the price; only the year-5 P/B exit (USD 68.6) is below it.**Exhibit 87 — Cross-checks**

as marked

Cross-check	Result	Test
Gordon-implied P/B in 2035 vs exit P/B year 10 (2.25x)	2.03x; gap 11 %	Within 30 % — OK
Gordon-implied P/E on 2035E earnings vs exit P/E year 10 (10x)	8.0x; gap 25 %	Within 30 % — OK
Growth implied by the exit P/E year 10 at the 2035E ROE	-0.2 %	Below the 0-3 % range — flagged: the exit is stricter than Gordon
Terminal value share of value	28.9 %	Below 70 % — OK
Dividend-discount = residual income	77.90 = 77.90	Identical by construction — OK
Owner earnings capitalised (Section F3): FY2025 / LTM	50.91 / 68.18	-35 % / -12.5 % — outside ± 10 %; explained (growth and M&A)
Five-year holding return from today (P/E exit / P/B exit)	11.7 % / 8.6 %	P/E exit clears 10 %; P/B exit does not

Source: Exit (equity) tab rows 36-54; Owner earnings tab; engine_MRX.

Takeaway: The model checks pass (DDM = RI, terminal share, Gordon vs exits within 30 %); three economic checks warn — owner earnings sit 12-35 % below our value, the year-10 P/E exit implies slightly negative growth, and a P/B exit at our own median earns less than 10 % over five years.**Exhibit 88 — What the value assumes about returns and acquisitions**

USD per share at 30 Sep 2026; base case unless stated

Variant (all else base)	ROE on ordinary equity 2027E → 2035E	Value per share	vs price
Base case	29.5 % → 26.3 %	77.90	11.7 %
ROE fades linearly to 25 % by 2035	29.5 % → 25.0 %	69.48	-0.4 %
ROE capped at 25 % from 2027 ($\approx$ StoneX best year)	≤ 25.0 %	65.96	-5.4 %
ROE fades linearly to 22 % by 2035	29.5 % → 22.0 %	62.93	-9.8 %
ROE fades linearly to 20 % by 2035	29.5 % → 20.0 %	58.56	-16.1 %
No unsigned acquisitions (base)	—	69.62	-0.2 %
No unsigned acquisitions (probability-weighted)	—	65.25	-6.5 %

Source: engine_MRX; fades applied to ROE on opening equity on the base equity path, terminal persistence 0.40 [BCR est.].

Takeaway: The price is consistent with ROE fading to 25 % by 2035 or with no further acquisitions; our upside needs both durable returns and the programme — which is why the rating is ACCUMULATE with conviction 2, not BUY.

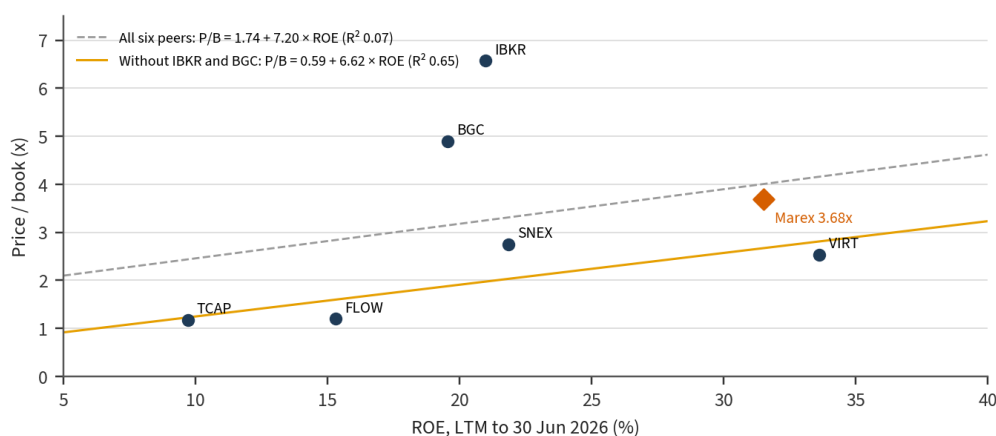
So what for the valuation. Base value \$77.90 (fair-value range \$72-85 across the cost-of-equity views); probability-weighted value \$72.80; 12-month target \$79 = $\sum p \times (\text{value} \times (1 + Ke) - \text{next-twelve-month dividends of } \$0.70)$, rounded.

P/B versus ROE: the market cross-check

Six listed peers are too few and too different to give a statistical answer — R^2 ranges from 0.07 to 0.65 depending on the sample — but they size the question. On the cleanest sample (StoneX, Virtu, TP ICAP, Flow Traders) the peer line values a 29.5 % ROE at $\approx 2.5x$ book; the full sample, pulled up by Interactive Brokers (6.6x) and BGC (4.9x), gives $\approx 3.9x$. The price (3.68x) sits between them, and the justified multiple on 2027E ROE without any fade is 3.9x. The market is paying for today's return with little haircut; our residual income pays for less of it (terminal P/B 2.0x).

Exhibit 89 — P/B vs ROE: six listed peers and Marex

x; %



Source: Fiscal.ai; SEC XBRL; BCR regression (R5 \$1.3).

Takeaway: Marex sits above the four-peer line and below the six-peer line; the regression cannot settle the value — StoneX's history is the better anchor (Section I2).

Exhibit 90 — P/B–ROE implied values

USD per share; equity per outstanding share USD 18.94

Sample (LTM to Jun-26; prices 29 Sep 2026)	Fit	R ²	P/B at Marex 2027E ROE 29.5 %	Value per share
All six peers	$P/B = 1.74 + 7.20 \times ROE$	0.07	3.86x	73.17
Excluding IBKR (organic growth platform)	$P/B = 1.28 + 6.17 \times ROE$	0.13	3.10x	58.72
Excluding IBKR and BGC (tangible book ≈ 0)	$P/B = 0.59 + 6.62 \times ROE$	0.65	2.54x	48.09
Justified P/B with no fade: $(ROE - g) \div (K_e - g)$	—	—	3.87x	73.39
Gordon-implied terminal P/B (with fade)	—	—	2.03x	—
Price today	—	—	3.68x	69.76

Source: P-B vs ROE tab rows 4–25; R5 \$1.3.

Takeaway: The six-peer line (USD 73) and the no-fade justified multiple (USD 73) support today's price; the cleaner four-peer line (USD 48) and the ex-IBKR line (USD 59) do not — the answer depends on which peers one believes.

Reverse valuation: what the price requires

Solving the engine for today's price, one variable at a time, shows what the market is buying. At USD 69.76 it needs organic growth at only 0.58x our path, or a margin two points lower, or ROE persistence of 0.26 (a terminal ROE of 14 %, StoneX-like), or a cost of equity of 10.8 %. At the 52-week high (USD 78.27, 4 Sep 2026) it needed our base case almost exactly. Solved with today's balance sheet and forecasts, the October 2025 low (USD 28.24, two months after the short report) is unreachable by any growth assumption — a margin 13 points lower or a 23 % cost of equity would be needed; that says how far that price was from today's information, not what the market believed with the information it had then.

Exhibit 91 — Reverse valuation at the price, the high and the low

one variable at a time; all others at base

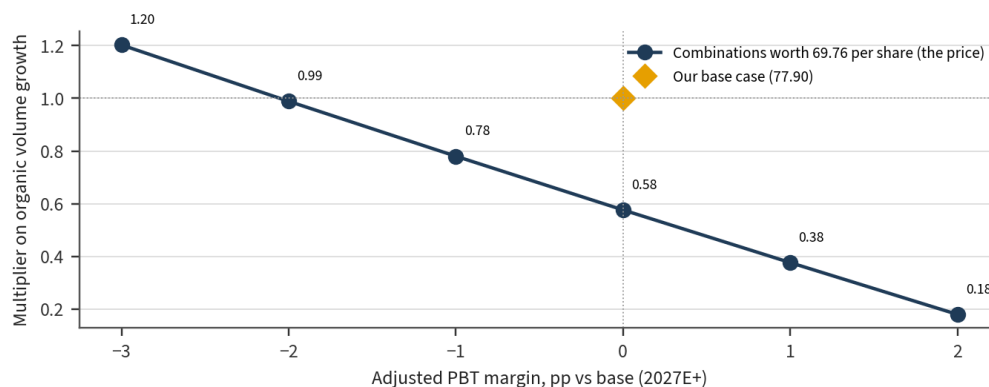
Required to justify ...	Price \$69.76 (30 Sep 2026)	52-week high \$78.27	52-week low \$28.24
Multiplier on organic volume growth 2027E+ (base 1.00)	0.58	1.02	not reachable
Adjusted PBT margin shift 2027E+ (→ 2030E margin)	–2.1 pp (→ 21.1 %)	+0.1 pp (→ 23.2 %)	–12.7 pp (→ 10.4 %)
ROE persistence (base 0.40) → terminal ROE	0.26 → 14.3 %	0.41 → 17.0 %	negative → 1.4 %
Cost of equity (base 9.84 %)	10.76 %	9.81 %	22.7 %
Competitive-advantage period (years of base excess return, then zero)	14.1	17.6	2.6

Source: Reverse (E) tab rows 4–13; engine_MRX.reverse().

Takeaway: Today's price embeds a sensible but less durable franchise; at the 52-week high the market paid for our base case.

Exhibit 92 — Iso-value curve: margin vs growth combinations that justify today's price

pp margin shift; growth multiplier



Source: Reverse (E) tab rows 19–26; engine_MRX.

Takeaway: What the reverse table does not flex: if the market believes in both lower growth and a lower margin, it needs less of each — the curve shows the trade-off (–1 pp of margin with 0.78x our growth, or –2 pp with 0.99x).

I2 • Base rates and analogues

Two kinds of history matter for Marex: how clearing firms fail, and how long a serial acquirer in this industry has sustained high returns. On failure, the record is kinder to clients than to shareholders: client accounts were transferred or repaid — in full at Refco and MF Global, 44 % at PFG Best, where the fraud reached segregated funds — while the equity was destroyed in every case, and the cause was fraud, the firm's own positions or, at Archegos, one concentrated prime-brokerage client — the risk Marex's Prime business now carries. On returns, StoneX is the only listed analogue with a long record: it compounded book value at 17 % a year from 2015 to 2025 on a median ROE of 15 % (best year 24.9 %), while the market paid a median 1.5x book.

Exhibit 93 — Analogue register

events and outcomes

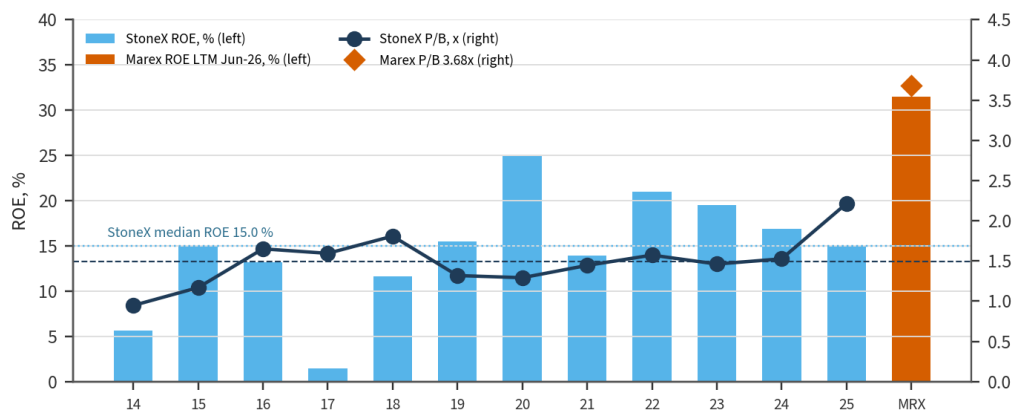
Analogue	What happened	Valuation at the worst	Outcome
Refco (2005)	Hidden bad debts of ≈ USD 430m at the CEO's company, revealed two months after the IPO	Share > USD 28 → 0.80	Destroyed (Chapter 11); the regulated FCM was sold to Man Financial
MF Global (2011)	USD 6.3bn own position in euro sovereign bonds; downgraded to junk	Equity wiped out	Destroyed; client shortfall USD 0.9–1.6bn, clients made whole by 2013
PFG Best (2012)	Twenty years of fraud by the CEO	Private	Destroyed; clients recovered 44 % → CFTC customer-protection rule 2013
LME nickel (Mar 2022)	Nickel from USD 29,100 to > 101,000/t in three days; LME halts trading and cancels trades	n/a (Marex private)	Marex: higher revenue in H1-22; two clients could not pay — fully provided
Archegos (Mar 2021)	A family office's concentrated swap book collapses at several prime brokers	Credit Suisse lost its equity by 2023	Bank losses > USD 10bn (CS 5.5, Nomura 2.85); fast sellers lost least
INTL FCStone → StoneX (2009–26)	Serial acquirer of clearing and brokerage (GAIN 2020, RJO 2025)	P/B median 1.49x (0.95–2.22x), FY14–25	Intact and growing: ROE median 15 %; re-rated to 2.2–2.8x only in FY25–26
Knight Capital (2012)	Software error: USD 440m lost in 45 minutes	Share –75 % in two days	Rescued with a dilutive USD 400m; sold to Virtu (2017)
ED&F Man Capital Markets → Marex (2022)	Distressed seller exits clearing and brokerage	Bought at 0.8x book (bargain gain 71.6)	Franchise transferred intact; the UK entity's FCA fine stayed behind

Source: Base rates tab rows 4–21; R5 \$1.4, \$6; press and regulatory records as cited there [S].

Takeaway: Five of eight analogues destroyed equity; none failed because of exchange-traded client clearing, and Archegos cost its prime brokers billions. The one surviving compounder never earned Marex's current ROE.

Exhibit 94 — StoneX ROE and P/B, FY2014–LTM, against Marex today

%; x



Source: StoneX SEC filings; Fiscal.ai prices; BCR calculation (R5 \$1.4).

Takeaway: Marex today (31 % ROE, 3.7x book) sits outside StoneX's entire history on both axes — either Marex is a better business, or both numbers mean-revert.

How the base rates set our probabilities. The crude frequency of a non-bank FCM failure is $\approx 0.17\%$ a year ($\approx 1.7\%$ a decade); our severe case (8 %) does not require failure — a large client default, a downgrade and a dilutive raise are enough, and Marex had a USD 34m default in Q1-26. Bear and severe together carry 35 %, bull and blue-sky 23 %: only Interactive Brokers, an organic platform, has sustained more than 6x book, and StoneX traded at $\approx 1.5x$ for a decade. Where we depart from the base rate: our base case holds ROE near 30 % to 2035 and allows a terminal ROE (16.9 %) above StoneX's median, because its clearing and Prime franchises earn more on capital — that is the most generous assumption in the report, and the reason the bear case fades it and conviction is 2; our exit multiples (2.25–2.5x book) do sit well below today's 3.7x.

So what for the valuation. The base rates cap the persistence assumption (0.40, terminal ROE 16.9 %) and justify the left skew in the scenario weights: the probability-weighted value (USD 72.80) is 7 % below the base case (USD 77.90).

J • Scenarios and sensitivities

Each scenario is a full run of the engine — drivers, capital, cost of equity and persistence change together — not a haircut to the base case. The weights are set by the base rates (Section I2) and then checked for left skew: the probability-weighted value must sit below the base case, and it does (USD 72.80 vs 77.90). The severe case is a structural break, not a bad year: it needs a client default fifteen times the size of Q1-26's, a downgrade and an equity raise in the same year.

Exhibit 95 — Five scenarios

USD per share unless stated

	Severe	Bear	Base	Bull	Blue-sky
What happens	A 1-in-50 commodity move defaults clients (USD 500m pre-tax loss), downgrade to BB+, notes -45 %, balances -30 %, Fed $\approx 2\%$, equity raise at 1.0x book, persistence 0.10	Volatility back to 2021–23 ($\times 0.85$), Fed -100 bp, organic growth $\times 0.6$, acquisitions earn 13 %, margin -1 pp, persistence 0.25	Volatility normalises in 2027, Fed 4.25 % $\rightarrow$ 3.75 %, balances USD 21bn (2027E) +7 % a year, acquisitions 200/yr at 20 %, persistence 0.40	Volatility near 2025 ($\times 1.10$), Fed +50 bp, growth $\times 1.25$, acquisitions 24 %, margin +0.75 pp, persistence 0.50	The 2026 regime lasts ($\times 1.25$), growth $\times 1.5$, acquisitions 250/yr at 27 %, margin +2 pp, persistence 0.65
Probability	8 %	27 %	42 %	19 %	4 %
Revenue CAGR 2025–35	2.9 %	8.3 %	11.5 %	13.2 %	15.6 %
Adjusted PBT margin 2035E	17.2 %	22.0 %	23.7 %	24.8 %	26.3 %
Cost of equity	11.4 %	10.3 %	9.8 %	9.8 %	9.8 %
Value per share today (USD)	21.18	50.87	77.90	100.15	140.57
vs price	-69.6 %	-27.1 %	11.7 %	43.6 %	101.5 %

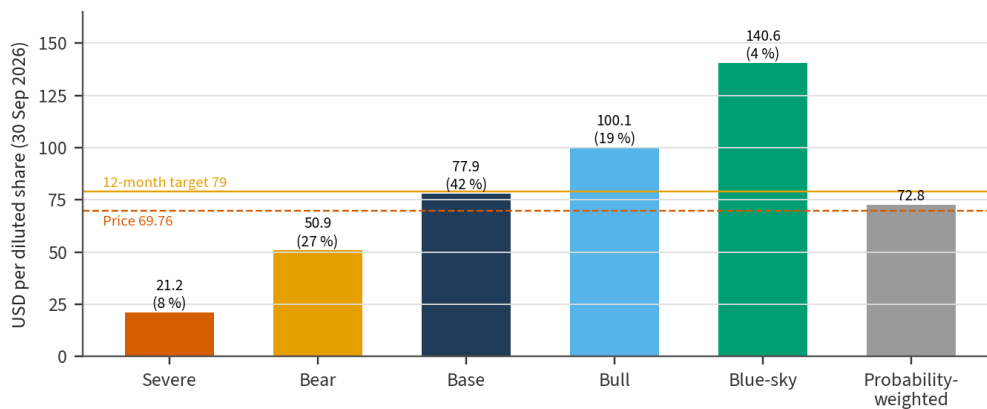
	Severe	Bear	Base	Bull	Blue-sky
12-month target (USD)	23.26	55.39	84.87	109.31	153.71
Capital raise (USD m) / dilution	279 / +20 %	No	No	No	No
TSR 1 year, USD	-66.2 %	-19.6 %	22.7 %	57.7 %	121.3 %
TSR 3 years, USD (a year)	-25.1 %	-0.8 %	14.0 %	23.9 %	38.7 %
TSR 5 years, USD (a year)	-12.2 %	3.5 %	12.3 %	18.1 %	26.4 %
TSR 1 / 3 / 5 years, SEK (flat USD/SEK 9.98)	-66 % / -25 % / -12 %	-20 % / -1 % / 4 %	23 % / 14 % / 12 %	58 % / 24 % / 18 %	121 % / 39 % / 26 %

Source: Scenarios tab rows 4–39; engine_MRX.scenarios(); Severe downside tab; Riksbank (USD/SEK 9.979, 30 Sep 2026).

Takeaway: The distribution is wide — USD 21 to 141 — and left-skewed; in SEK the returns equal the USD returns because we hold the currency flat (no FX view).

Exhibit 96 — Scenario values vs price and target

USD per share



Source: engine_MRX.

Takeaway: The price sits between bear and base: the market is paying for most, but not all, of the base case.

Exhibit 97 — Expected value and the house tests

USD per share; as of 30 Sep 2026

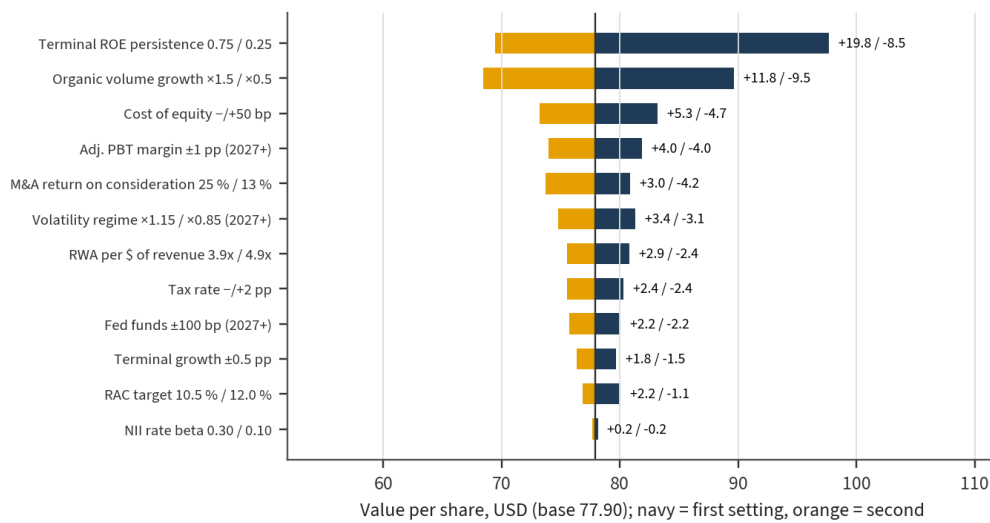
Measure	Value	Test
Probability-weighted value (USD)	72.80	6.5 % below the base case — left skew, as required
12-month target (weighted, rounded) / total return incl. USD 0.70 of dividends	79 / 14.2 %	Clears the 10 % hurdle
Expected gain ÷ expected loss vs today's price	12.02 ÷ 8.99 = 1.34x	Below the house's 2.0x for BUY → ACCUMULATE
Price at which the payoff ratio reaches 2.0x (BUY review)	65.36	House BUY test
Probability of a 12-month loss (scenarios with TSR < 0)	35 %	Severe + bear
Monte Carlo (10,000 runs): P10 / P50 / P90	60.7 / 77.1 / 101.0	P(value < price) = 30 %
Price at which the base case earns 8 / 10 / 12 % a year for five years	84.78 / 77.35 / 70.68	Required return tab
Price at which the weighted case earns 8 / 10 / 12 %	79.23 / 72.28 / 66.06	Today 69.76: clears 10 %, not 12 %

Source: Scenarios and Required return tabs; Sensitivities (E) rows 48–84.

Takeaway: The expected return clears the hurdle but the payoff is not asymmetric enough for a BUY: USD 12 of expected upside against 9 of expected downside.

Exhibit 98 — Tornado: twelve assumptions ranked by value impact

USD per share vs base 77.90

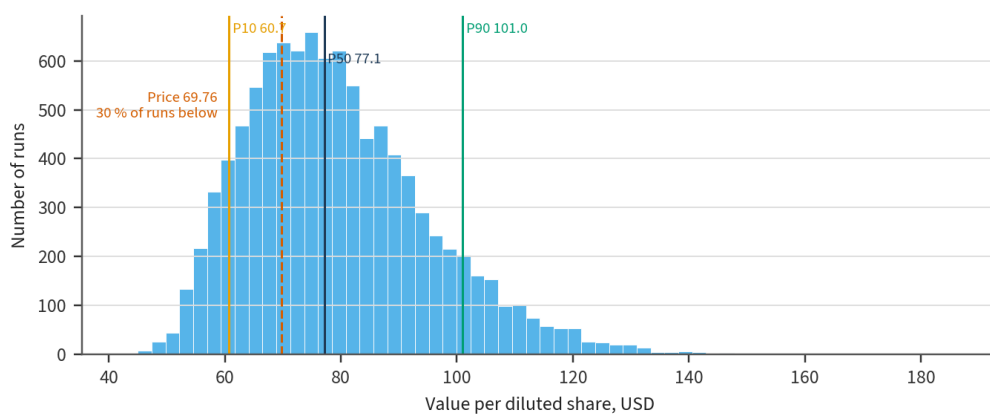


Source: Sensitivities (E) rows 32–45; engine_MRX.

Takeaway: Persistence and organic growth dominate; Fed funds rank ninth. The NII-beta line understates rate risk because it is measured on the base Fed path — under a 100 bp cut, beta 0.33 instead of 0.20 costs a further USD 1.4.

Exhibit 99 — Monte Carlo: distribution of value per share (10,000 runs)

USD per share



Source: Sensitivities (E) rows 48–84; five drivers with correlations (volatility, growth, Fed funds, persistence, beta).

Takeaway: Median USD 77, P10–P90 USD 61–101; 30 % of runs fall below the price — the MC does not include the severe structural break, so it understates the left tail.

Exhibit 100 — Grid: margin shift × organic growth multiplier

USD per share (engine_MRX; all else base)

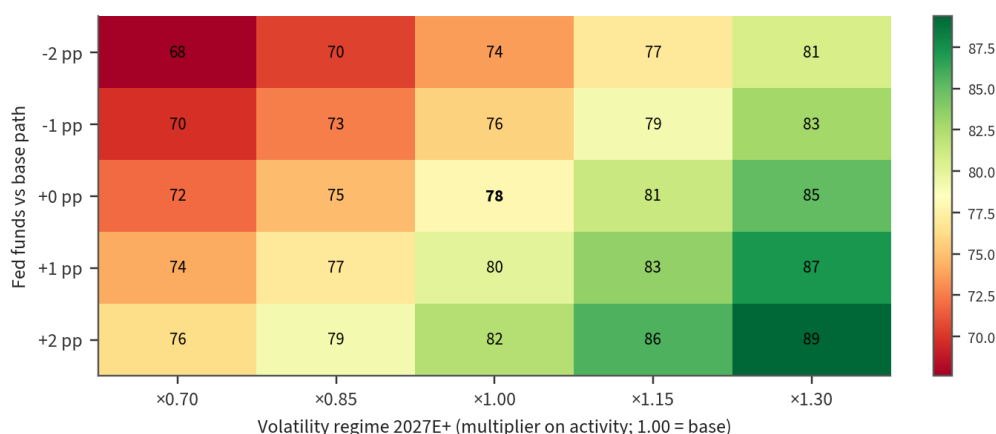
Margin shift ↓ / growth multiplier →	0.25x	0.50x	0.75x	1.00x	1.25x	1.50x	2.00x
-3 pp	54.7	58.0	61.8	66.0	70.7	75.9	88.3
-2 pp	57.9	61.5	65.5	70.0	74.9	80.5	93.6
-1 pp	61.2	65.0	69.2	73.9	79.2	85.1	99.0
+0 pp	64.4	68.4	72.9	77.9	83.5	89.7	104.3
+1 pp	67.7	71.9	76.6	81.9	87.7	94.2	109.6
+2 pp	70.9	75.4	80.3	85.8	92.0	98.8	115.0
+3 pp	74.2	78.8	84.0	89.8	96.2	103.4	120.3

Source: Sensitivities (E) rows 14–22.

Takeaway: A one-point lower margin costs ≈ USD 4 per share at any growth rate; halving growth costs ≈ USD 9 — growth matters more than margin at the levels in debate.

Exhibit 101 — Fed funds × volatility regime: value per share

USD per share



Source: Sensitivities (E) rows 24–30; engine_MRX.

Takeaway: The two external drivers together span USD 68–89 — the macro range is narrower than the range from persistence alone.

So what for the valuation. We set the target on the weighted case (USD 79) and the fair value on the base case's cost-of-equity range (USD 72–85). Accumulate below USD 72 (the weighted case earns 10 %); BUY review below USD 65, where the payoff ratio reaches 2x; trim above USD 85 (the base case earns only 8 %). The TSR rows assume value compounds at each scenario's cost of equity; the five-year holding return in Section I is an exit IRR at 10.5x 2030E EPS — two different measures.

K • Risk register, bear case and pre-mortems**Exhibit 102 — Risk register**

ranked by expected value impact; probabilities are BCR judgements

#	Risk	Probability (3 years)	Value impact per share	First indicator	In the model
1	Volatility normalises further than we assume	High (40 %)	−3.1 (×0.85) to −27 (bear)	MM revenue per trader < USD 1.3m for two quarters	Base normalises to 1.50m; bear ×0.85
2	Large client default; CCP default-fund mutualisation (738.5 = 54 % of equity)	Medium (10–15 % for a loss > USD 50m; with a downgrade — the severe case — 8 %)	−57 (severe, with downgrade)	Loss on client defaults > USD 30m in a quarter (red line)	Severe case
3	Rating downgrade (sub-investment grade)	Low–medium (5–8 %)	Notes −45 %, balances −30 % (in severe)	S&P outlook; RAC < 11 %	Severe case
4	Prime-brokerage client blow-up (Archegos-type)	Low–medium	USD 25–100m loss; reputational	Single Prime loss > USD 25m	Pillar 3 (Section M)
5	Organic growth stalls — share loss, fee compression	Medium (25 %)	−9.5 (growth ×0.5)	Contracts LTM < 1,250m; price per contract < USD 0.20	Bear (×0.6)
6	Acquisitions overpaid or failing	Medium (25 %)	−4.2 (13 % return) to −8.3 (no programme)	Goodwill > 35 % of equity; PAT/consideration < 15 % after two years	Bear (13 %)
7	Fed cuts — rate sensitivity higher than the disclosure	Medium	−2.2 (beta 0.20) to −3.6 (beta 0.33) per 100 bp; ≈ −6 to −11 on the August measure	Clearing NII yield < 1.5 %	Bear (−100 bp)
7b	Crypto drawdown; ≈ 20 % of clearing initial margin is crypto collateral [M]	Medium	≈ −2 per 10 % fall in balances [BCR est.]	Balances < USD 17.5bn (amber)	Not modelled separately
8	Control failure, regulatory action, second adverse ICFR opinion	Medium (30 %)	0.5 pp on Ke ≈ −4.7	20-F FY2026 (Mar 2027)	Severe specific premium
9	Hybrid gets less than 100 % equity credit	Low–medium	RAC −2 pp; buybacks delayed (≈ −1)	S&P publication after the redomiciliation	RAC target sensitivity

#	Risk	Probability (3 years)	Value impact per share	First indicator	In the model
10	Liquidity: USD 4.1bn of notes due within a year	Low	Forced asset sales in a downgrade	Notes outstanding falling > 20 % q/q	Severe
11	Legal: DKTS (USD 22.5m) and Ocean Freight (USD 28.9m) claims	Low	< 0.5	Rulings	Not modelled
12	Key people and talent (compensation ≈ 60 % of revenue)	Low-medium	Margin -1 pp ≈ -4.0	Voluntary turnover > 15 %	Margin sensitivity

Source: Tornado and scenarios (engine_MRX); R3 \$9; R4 \$6-8; Monitoring dashboard.

Takeaway: The largest risks are cyclical (volatility, growth) and are in the base and bear cases; the tail risks (client default, downgrade, controls) are in the severe case and the monitoring pillars.

The bear case, argued as its proponents would

1. The 2026 numbers are a volatility windfall priced as a franchise. Marex earned 57 % more Adjusted PBT in H1-26 than a year earlier in the most energy-volatile market since 2020: oil implied volatility averaged 62 against a long-run 41, gold's 29 against 16. Market Making revenue per trader jumped from USD 1.4m to 1.95m, daily VaR from 3.8m to 5.8m, loss days nearly doubled and the Sharpe ratio of monthly profits halved. Net trading income is now 52 % of revenue against 33 % in 2023. The market capitalises this at 13.5x trailing earnings and 3.7x book as if it were recurring. Strip the regime out — as our own base case does — and 2027 profit barely grows; strip it out and apply the 2021-23 level, and the bear case is worth USD 51.

2. The multiple has no precedent. The only listed firm with the same model, StoneX, compounded book at 17 % a year for a decade and was never valued above 2.2x book until 2025; its best ROE in twelve years was 24.9 %. Marex is priced at 3.7x on a 31 % ROE that is two years old, earned in the best rate and volatility environment the industry has seen since 2008. Mean reversion does not need a crisis: a de-rating to StoneX's long-run 1.5x on our 2027E book (USD 21.6) is USD 32 a share, a 54 % loss with the business intact.

3. Growth is bought and the definition flatters it. Marex has done about 35 acquisitions since 2019, spent USD 401.5m in 2025 alone — 1.7x the previous record — and counts a business as "organic" twelve months after completion. Several targets were Marex's own borrowers or brokerage clients before it bought them (Aarna, Hamilton Court, Darton, Levmet); the CEO receives "multiple unsolicited approaches each week". A serial acquirer paying up in a hot market, with pay tied to adjusted profit growth and no return-on-capital metric, is the classic setup for value destruction that shows up only years later in impairments — as it did with the OTC Energy goodwill (USD 53.9m, 2022).

4. The capital is thin and partly borrowed. The RAC ratio was 10.7 % at the end of 2025 — 0.7 points above S&P's threshold — and was repaired with a USD 500m perpetual at 7.70 %, whose full equity credit is "expected" but not confirmed. Marex's default-fund contributions at clearing houses (USD 738.5m) equal 54 % of its ordinary equity. A one-in-35-year gas move in January 2026 cost USD 34m through a single client; a one-in-fifty move in a larger market, or an Archegos-type failure in the fast-growing Prime book, would cost multiples of that. The last three failures of non-bank FCMs (Refco, MF Global, PFG) took the equity to zero within days.

5. The controls are not good enough for a firm that holds USD 20bn of client money. Two material weaknesses remain, including IT access controls; Deloitte's first attestation of internal control was adverse; disclosure controls were ineffective in both years as a public company. A short seller alleged hidden losses; the class action it spawned was settled. The redomiciliation removed consolidated FCA supervision and waived shareholders' appraisal rights. None of this is proof of wrongdoing; all of it raises the probability that the next surprise is negative.

6. Rates cut both ways, and the cut is coming. Group NII fell 14 % in Q2-26 while client balances rose 49 %; the Fed's own projections have rates falling from 2028 to a long-run 3.2 %. On the fall in the net yield on balances observed in 2025-26, each 100 bp costs USD 64-114m of profit, not the USD 20m the company illustrates.

7. The per-share growth in every model depends on buybacks management does not want to do. Consensus and our own EPS need surplus capital returned; the CEO says acquisitions "represent better value ... than buying back stock". Without buybacks 2027E EPS is ≈ 3 % lower and compounding is slower, while the acquisitions that replace them carry the risks in point 3. Put together: a cyclical peak, a record multiple, bought growth and a thin capital cushion. Fair value on this view is the bear case (USD 51), with a one-in-twelve chance of the severe case (USD 21).

Our rebuttal. (1) We agree on the windfall and remove it — and so does consensus, which has 2027 EPS growth of $\approx 4\%$; at 11x 2027E earnings the price does not capitalise 2026 as recurring. (2) The multiple is high against StoneX, but Marex's ROE is higher on capital that is only a quarter goodwill, and our value uses exit multiples of 2.25–2.5x, not today's 3.7x. (3) The acquisition record is better than the bear allows — ED&F Man at 0.8x book, Cowen's Prime revenue tripled, the three largest 2025 deals at a 27 % after-tax run-rate in Q2-26 ($\approx 15\%$ on the whole cohort) — and we credit unsigned deals at 20 % pre-tax with a 0.8 probability; without them the shares are fairly valued, which we state openly. (4) The capital position today is 2.4 points above S&P's line, liquidity headroom is USD 1.8bn and the business survived the Q1-26 default with a record quarter. (5) The control findings are real and are in our severe-case premium and in a monitoring pillar. (6) On rates the evidence is mixed: the August measure includes house balances and mix; on the clearing segment's own yield the beta is 0.09–0.33, worth USD 2.2–3.6 per 100 bp (Section C1). (7) Buybacks are an assumption we flag; the tornado shows the RAC target is worth $\approx$ USD 1–2. The bear case is a coherent 27 % scenario, not the central one.

Exhibit 103 — Two pre-mortems

written as if looking back from October 2028

Pre-mortem	The most likely story	What we would have missed	Early warning
October 2028: the shares are at USD 35	Volatility and rates normalised together in 2027; market-making revenue fell a third; a USD 150m client loss in Prime; S&P put the rating on watch; the 2025–26 deals disappointed and goodwill was impaired; the multiple fell to 1.8x book	That the 2024–26 returns were mostly cyclical, and that the market would pay StoneX multiples once growth slowed	Q1-27 MM revenue per trader < 1.3m; RAC < 11 %; a second adverse ICFR opinion
October 2028: the shares are at USD 140	Volatility stayed elevated; Prime and clearing balances compounded at 25 %; margin reached the high 20s; acquisitions earned 25 %+; buybacks began in 2027	That the bank retreat from mid-sized clients is structural and that Marex's platform has operating leverage we did not model	Clearing balances $\geq$ 24bn in 2027; margin $\geq$ 25 % with normal volatility; organic growth $\geq$ 15 %

Source: BCR.

Takeaway: The downside story needs two cyclical reversals plus one idiosyncratic loss; the upside story needs the 2026 regime to persist — both are visible early in the quarterly panel.

So what for the valuation. The bear (27 %) and severe (8 %) cases take USD 11.8 off the base value; bull and blue-sky add USD 6.7 back; net USD 5.1. We would move to HOLD if two pillars break (Section M), if the acquisition programme stops, or if FY2027 ROE falls below 26 % with normal volatility; BUY needs a price below USD 65 or bull-case delivery.

K2 • Permanent impairment

A permanent loss of capital in Marex does not need the business to fail. The most likely route is the second path below: the franchise keeps growing, returns fade towards those of the best analogue, and the market stops paying 3.7x book. That loss is permanent for a buyer at today's price even though the company is fine — which is why our fair value uses exit multiples well below today's and why the house's 2x payoff test fails.

Exhibit 104 — Paths to a permanent loss

probabilities are BCR judgements

Path	Mechanism	Probability (5 years)	Loss from USD 69.76	Recoverable?
1. Default, downgrade, dilution (severe case)	Client default > USD 500m, BB+, notes and balances shrink, equity raised at 1.0x book	8 %	–70 %	The business recovers; the buyer at 3.7x book does not ($\sim 12\%$ a year over five years)
2. De-rating with the business intact	Returns fade and the market pays less for book: the bear case (USD 51 $\approx$ 2.4x 2027E book) is the central version; a full de-rating to StoneX's 1.5–2.0x (USD 32–43) is its tail	Inside the bear case (27 %); tail $\approx$ 5 %	–27 % (bear); –38 to –54 % (tail)	Permanent for a buyer at today's multiple — the most likely route to a permanent loss
3. Fraud or rogue-trading event	Refco / PFG / Knight-type; control weaknesses raise the prior	$\approx$ 1–2 %	up to –100 %	No
4. Acquisition value destruction	Large debt- or hybrid-funded deal at a high multiple; impairments	10 %	–15 to –30 %	Partly, over years

Source: Scenarios and Severe downside tabs; Base rates tab; R5 \$1.4.

Takeaway: The fatal path (fraud) is unlikely but not negligible given the control findings; the probable one is a de-rating — a price risk, not a business risk.

L • ESG and governance

Exhibit 105 — Governance and ESG summary

as disclosed

Area	Facts	Assessment
Board	Eight directors (from Jun 2026), five independent at the 20-F; independent Chair (Robert Pickering, ex-Cazenove); a former CME CFO chairs the M&A committee; annual election; no term limits	Good composition; thin for a firm of this complexity
Shareholder rights	One share one vote; no poison pill; but 75 % for mergers and bye-law changes and appraisal rights waived (bye-law 82.2); FPI exemptions from four Nasdaq rules	Mixed — weaker than under English law
Controls and audit	Two material weaknesses; adverse ICFR opinion (FY2025); Deloitte since 2015, fees USD 15.6m; materiality USD 20.6m	The main governance weakness
Pay	Bonus and LTIP on Adjusted PBT and EPS; no ROE or TSR metric; key management pay USD 77.6m (2025)	Rewards growth, not returns
Related parties	Owner fees to the sponsor ended at the IPO; sponsors now below 10 %; several targets were clients or borrowers before acquisition	Acceptable; watch deal conflicts
Environment	Scope 1+2 1,327 tCO2e (market-based, 2025); net zero "by 2050 or earlier" with no interim or validated target; environmental-markets revenue USD 80m (4 %)	Low direct footprint; commodity exposure is facilitation
Social	Professional clients only; voluntary staff turnover ≈ 9 % vs 17 % industry [M]; historic AML deficiencies remediated (2020); ION cyber incident (2023) not material	Adequate
Legal	Class action (USD 0.95m proposed settlement); DKTS arbitration (USD 22.5m claim, parental guarantee of Pinnacle); Ocean Freight (USD 28.9m)	Immaterial individually

Source: 20-F FY2025 pp.104–105, 140–161, 179–187; bye-laws (1 Jul 2026); UK AR 2025 pp.84–87; R4 §3–§11.

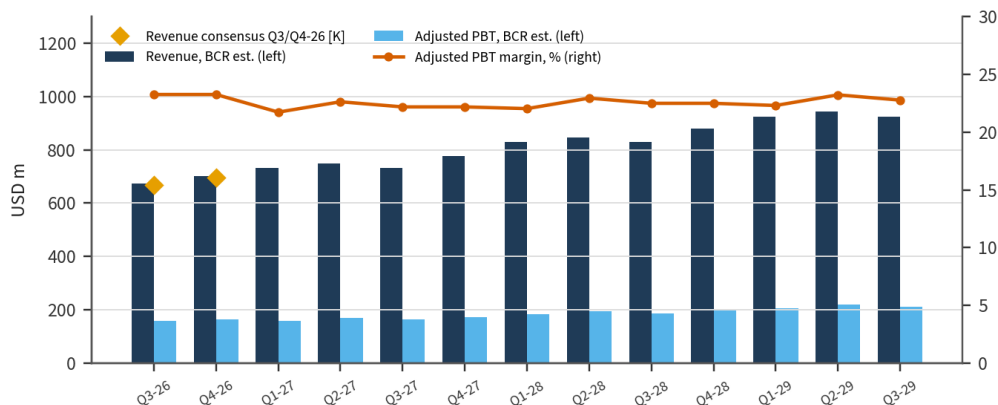
Takeaway: Governance, not environment, is the material ESG factor: the control weaknesses and the weaker shareholder protections after the move to Bermuda are the two items we monitor; neither is priced into the multiple.

M • Three-year monitoring dashboard

The dashboard is live in the workbook (tab Monitoring dashboard): enter the reported value and the status and thesis score update. The quarterly path phases our annual forecast with an almost flat seasonal pattern (Section A2); consensus exists only for Q3 and Q4 2026.

Exhibit 106 — Quarterly monitoring path: revenue and Adjusted PBT, Q3-26–Q3-29

USD m; %



Source: engine_MRX; Monitoring dashboard; Alpha Vantage consensus Q3/Q4-26 [K].

Takeaway: Our path dips in Q1-27 as market making normalises; a Q1-27 margin above 23 % with normal volatility would argue against our base case.

Exhibit 107 — Quarterly watch table

USD m unless stated; BCR forecast

Quarter	Report date	Revenue	Adjusted PBT	Adjusted EPS (USD)	Margin	Consensus revenue [K]
Q3-26	2026-11-05 (est.)	673	157	1.45	23.3 %	669
Q4-26	2027-03-03 (est.)	701	163	1.51	23.3 %	695
Q1-27	2027-05-06 (est.)	733	159	1.52	21.7 %	—
Q2-27	2027-08-12 (est.)	748	169	1.62	22.6 %	—
Q3-27	2027-11-04 (est.)	733	163	1.56	22.2 %	—
Q4-27	2028-03 (est.)	778	173	1.66	22.2 %	—

Quarter	Report date	Revenue	Adjusted PBT	Adjusted EPS (USD)	Margin	Consensus revenue [K]
Q1-28	2028-05 (est.)	829	183	1.85	22.0 %	—
Q2-28	2028-08 (est.)	846	194	1.97	22.9 %	—
Q3-28	2028-11 (est.)	829	187	1.89	22.5 %	—
Q4-28	2029-03 (est.)	880	198	2.01	22.5 %	—
Q1-29	2029-05 (est.)	924	206	2.15	22.3 %	—
Q2-29	2029-08 (est.)	943	219	2.29	23.2 %	—
Q3-29	2029-11 (est.)	924	211	2.20	22.8 %	—

Source: Monitoring dashboard rows 4–18 (engine_MRX.quarters); Alpha Vantage [K].

Takeaway: The first two prints (Q3-26 and Q4-26) should still show the 2026 regime; the test of our normalisation is Q1–Q2 2027, where our path has the margin at 21.7–22.6 %.

Exhibit 108 — Core indicators with thresholds

latest print; status by the workbook rule

Indicator	Now	As at	Green	Amber	Red	Status	Note
Adjusted PBT margin (quarter)	23.8 %	Q2-26	22.0 %	20.0 %	19.0 %	GREEN	Q2-26 release p.2; "mid-20s" [M]
Average clearing client balances (USD bn)	19.1	Q2-26	19.0	17.5	16.0	GREEN	Q2-26 release p.6
Contracts cleared, LTM (m)	1,320	LTM jun-26	1,350	1,250	1,200	AMBER	Q2-26 release p.7
Prime revenue (quarter, USD m)	120	Q2-26	100	85	70	GREEN	Q2-26 release p.9
Market Making revenue per FO FTE (annualised, USD m)	1.76	Q2-26	1.50	1.30	1.10	GREEN	118.2 × 4 ÷ 269 [BCR]
Structured notes outstanding (USD bn)	4.9	2026-06-30	5.0	4.5	4.0	AMBER	Q2-26 release p.13
S&P RAC (company-calculated)	12.4 %	2026-06-30	11.5 %	10.5 %	10.0 %	GREEN	Q2-26 presentation p.19; S&P line 10 %
Loss on client defaults, quarter (USD m; lower is better)	0	Q2-26	5	15	30	GREEN	Q1-26: 33.9 (28.2 + 5.7) [R]
Group net interest income (quarter, USD m)	29.7	Q2-26	35.0	25.0	20.0	AMBER	Q2-26 release p.5
Clients above USD 5m (annualised)	77	H1-26	77	65	55	GREEN	P-Q2-26 slide 8
Adjusted ROE (quarter, annualised)	37.8 %	Q2-26	28.0 %	24.0 %	20.0 %	GREEN	Q2-26 release p.20
Material weaknesses in ICFR (year end; lower is better)	2	2025-12-31	0	1	1	RED	20-F FY2025 p.180; red = more than 1

Source: Monitoring dashboard rows 20–33; Q2-26 release and presentation; 20-F FY2025.

Takeaway: 8 green, 3 amber (contracts, notes, NII) and 1 red (internal control): the operating indicators are strong — some flattered by the regime — and the governance indicator is the outlier.

Exhibit 109 — Thesis pillars and falsification rules

one rule per pillar

Pillar	Claim	Metric	Required path	Broken if	Status
Pillar 1	Earnings hold when volatility normalises	Adjusted PBT, rolling four quarters	≥ USD 630m during 2027 (base 664)	< USD 560m two quarters running (≈ bear path)	Holds
Pillar 2	Clearing balances and NII grow	Average client balances; group NII	≥ USD 21bn average in 2027; NII ≥ 30 a quarter	< USD 16bn two quarters running (the red line)	Holds
Pillar 3	Prime grows without credit losses	Prime revenue; losses on Prime clients	≥ USD 400m in FY2027	< USD 320m LTM, or a single loss > USD 30m (the red line)	Holds
Pillar 4	Capital is sized to the rating and surplus earns more than Ke	S&P RAC; acquisitions' PAT ÷ consideration after two years	RAC 11–13 %; ≥ 15 % PAT on consideration	RAC < 10 %, or a large debt-funded "synergy" deal	Holds
Pillar 5	Controls and governance normalise	Material weaknesses in the FY2026 20-F; restatements	Zero material weaknesses in March 2027	Weaknesses remain in FY2026, or a profit restatement	Holds

Source: Monitoring dashboard rows 35–48.

Takeaway: Cumulative rule: one broken pillar → review; two → rating one notch lower (HOLD); three → thesis broken (REDUCE review). Base-case delivery confirms the thesis; a BUY review needs bull-case delivery (FY2027 Adjusted PBT ≥ USD 730m, margin ≥ 23.5 % with OVX < 45) or a price below USD 65.

Exhibit 110 — Catalyst calendar

dated where published; (est.) where inferred from past patterns

Date	Event	Type	Why it matters	What would surprise
28 Oct 2026	FOMC (a hike ≈ 70 % priced)	Macro	+100 bp ≈ +USD 42m of clearing NII before variable pay (our beta)	No hike and a signal of cuts
≈ 5 Nov 2026 (est.)	Q3 2026 results	Results	First quarter after the September hike; MM productivity; RAC	Adjusted PBT < USD 145m or margin < 21 %
9 Dec 2026	FOMC	Macro	The rate path for 2027	—
Q4-26 / Q1-27	Bright Point (Singapore) and Brainchild (NL) completions	M&A	≈ USD 0.8bn of client balances; consideration	A regulatory block

Date	Event	Type	Why it matters	What would surprise
Mar 2027 (est.)	Q4 / FY2026 results and the 20-F (ICFR, Deloitte)	Results / controls	Are the material weaknesses remediated?	Weaknesses remain, or a new one
Mar–Apr 2027 (est.)	Investor Day 2027	Strategy	Margin ambition, capital plan, buybacks	Targets cut, or a large acquisition
May 2027 (est.)	AGM (buyback authority)	Capital	First buyback?	—
30 Jun 2027	AT1 residue (USD 5.3m) call window opens	Capital	The 13.25 % coupon goes	—
2027 (ongoing)	S&P and Fitch after the redomiciliation; equity credit on the hybrid	Rating	100 % equity credit confirmed?	Lower credit → RAC –2 pp
2027 (monthly)	FIA volumes, CFTC FCM data, OVX and LME	Industry	Market volumes; share of US customer funds	Volumes –15 % y/y
2 Feb 2028	EMTN EUR 300m 8.375 % matures	Funding	Refinancing cost	Spread > +250 bp
8 May 2028	Senior USD 500m 5.829 % matures	Funding	Refinancing cost	—

Source: Federal Reserve calendar; company releases and filings; H1-26 FS note 22; Debt & leases tab.

Takeaway: Q3-26 (≈ 5 November) is the next test; the 20-F in March 2027 is the governance test.

N • Conclusion, rating and decision rule

Rating: ACCUMULATE. Target price USD 79 (13.2 %; total return 14.2 % including USD 0.70 of dividends). Fair value USD 72–85; base USD 77.90; probability-weighted USD 72.80. Conviction 2 of 5. Marex has built a real franchise — one of the two largest non-bank futures clearers in the US, a prime broker bought from Cowen that management says now earns a quarter of group profit [M], and an acquisition engine that has so far bought well. Its returns are high on capital that is mostly tangible. The price, at 3.7x book, pays for most of that: it is consistent with ROE fading to ≈ 25 % by 2035 (or persistence 0.26 after it), while our base case holds ≈ 30 % to 2035 and credits USD 8.3 for acquisitions not yet signed.

Why ACCUMULATE, and not BUY or HOLD. Not BUY, because the payoff is not asymmetric enough: the probability-weighted gain is USD 12 against an expected loss of USD 9 (1.34x, below the house's 2.0x), and the severe case is permanent for a buyer at today's multiple. Not HOLD, because on our scenarios the expected twelve-month return (14.2 %) clears the 10 % hurdle and the weighted case earns ≈ 10.8 % a year over five years at today's price. But the margin over HOLD is two judgements wide: without the acquisition programme the expected return is ≈ 3 %, and with ROE fading to 25 % by 2035 the base value equals the price. Conviction is therefore 2.

DECISION RULE

- **Accumulate below USD 72:** the probability-weighted case then earns ≥ 10 % a year over five years. Today's price (USD 69.76) is 3 % below that level — hence ACCUMULATE: build gradually rather than all at once.
- **BUY review below USD 65:** the probability-weighted gain then reaches twice the expected loss (the house test); the weighted case earns ≥ 12 % a year below USD 66.
- **Hold between USD 72 and 79 (the target); between USD 79 and 85 the expected twelve-month return is below zero — do not add; trim above USD 85,** where even the base case earns < 8 % a year. The levels rise with value — by ≈ 10 % over twelve months.
- **Rating changes irrespective of price:** two broken pillars (Section M), no acquisition in 2027, or FY2027 ROE below 26 % with normal volatility → HOLD; three broken pillars → REDUCE review; bull-case delivery (FY2027 Adjusted PBT ≥ USD 730m, margin ≥ 23.5 % with OVX < 45) → BUY review.

These are framework prices for the CIO. Marex is held in the Core mandate (MND-001); the mandate, the position size and any transaction remain CIO decisions. Nothing in this report is an order or an instruction.

Exhibit 111 — Dual-horizon summary

USD per share; BCR est.

	12-month view	3–5-year owner's view
What drives it	Whether H2-26 holds the H1 run-rate; Fed path; Q1-27 normalisation	ROE persistence; Prime and clearing balance growth; acquisition returns
Value output	Target USD 79 (weighted); base case 12-month value USD 85	Base value USD 77.90; five-year holding return 11.7 % (P/E exit) / 8.6 % (P/B exit)
Return decomposition	Value growth at K_e + USD 0.70 of dividends – the weighted-case discount $\approx$ 14.2 %	Book value per share $\approx$ +17 % a year (2026–30E, buybacks included) + dividends $\approx$ 1 % – de-rating from 3.7x to 2.5x book
Main risk to our view	Volatility collapses faster than we assume	The spread over K_e fades to StoneX levels
What would change it	Q3-26 Adjusted PBT < USD 145m; RAC < 11 %	Two broken pillars; ROE < 20 % in 2027 with normal volatility
Conviction	2 of 5	2 of 5

Source: engine_MRX; Scenarios and Exit (equity) tabs.

Takeaway: Both horizons point to a modest positive expected return; the owner's view governs the rating because the 12-month view depends on the timing of normalisation, which cannot be called to the quarter.

So what for the valuation. The variable that decides the case is ROE durability: a fade to 25 % by 2035 takes the base value to the price, 0.1 of terminal persistence is worth USD 5.6 per share and organic growth at half our path USD 9.5. The next readings are Q3-26 ($\approx$ 5 November 2026) for the regime and the FY2026 20-F (March 2027) for the controls.

O • Owner's manual

What am I buying? Marex is the middleman for professional traders in commodity and financial futures. When a farmer's co-operative, an oil trader or a hedge fund wants to trade on an exchange, it needs a member firm to stand behind its trades and hold its collateral; that is clearing, and Marex does it on more than 60 exchanges. It also arranges trades for clients (brokerage), lends to and clears for hedge funds (prime brokerage), buys and sells for its own account to keep markets liquid (market making), and writes bespoke hedges and structured notes. It earns a small fee on each contract, interest on the cash clients leave with it, and spreads on what it trades.

Why might it be mispriced? Marex has grown fast and earns about 30 cents a year on each dollar of shareholders' money — far more than most financial firms. Investors now pay about 3.7 dollars for each dollar of book value, as if those returns will last. We think part of the recent profit came from an unusual year: oil and gold prices were extremely volatile in 2026, which is good for Marex's trading. When markets calm down, profits should flatten for a year. The business is good; the price already assumes most of it.

What could go wrong for the owner? Ranked by likelihood: (1) markets calm down and investors pay less for each dollar of book value — the most likely way to lose money; (2) a large client cannot pay its losses in a market shock, Marex absorbs them, its credit rating is cut and it has to raise new shares; (3) acquisitions — Marex buys several firms a year — turn out to be overpaid; (4) weaknesses in its internal controls, flagged by its auditor, lead to a costly mistake.

What would prove us wrong? Our base case already assumes that Marex keeps earning about 30 cents on each dollar of equity for years. If in 2027, with calm markets, profit still reaches USD 730m or more with a margin of 23.5 % or higher, the business is stronger than we assume and we would consider upgrading. If returns fall below 26 cents on the dollar in a normal year, if Marex stops buying businesses, or if profits fall below USD 560m a year for two quarters, we would downgrade to HOLD.

What must happen for today's price to be fair? For USD 69.76 to be worth paying at our 9.8 % cost of equity, at least one of these must be true: high returns last somewhat less long than we assume (the price implies $\approx$ 14 years against our 17); or growth runs at about 60 % of our forecast; or the margin is two points lower. Each is plausible, which is why the shares are not cheap — but none needs a disaster.

What does the owner get while waiting? A small quarterly dividend (USD 0.16 a quarter, about 1 % a year) and, if management follows our assumption, share buybacks from 2027 funded by surplus capital. Most of the return has to come from the business compounding its book value.

Exhibit 112 — Three prices and the kill criteria

USD per share

Price	Level (USD)	Meaning
Hurdle price	72.28	Below this the probability-weighted case earns our 10 % a year over five years
BUY review	below 65	The probability-weighted gain reaches twice the expected loss (house test)
Trim	above 85	Even the base case earns < 8 % a year
Kill criteria	—	Two broken pillars (earnings, balances, Prime, capital, controls), no acquisitions in 2027, or ROE below 26 % in a normal year → HOLD; three broken pillars break the thesis (Section M)

Source: Required return tab; this report.

Takeaway: Today's price (USD 69.76) is just below the hurdle price (USD 72.28): accumulate gradually, review for BUY below USD 65, trim above USD 85.

P • Unresolved questions and management Q&A**Exhibit 113 — What we could not resolve**

grouped by knowability

Question	Knowable from	Matters?	Value at stake
Interest sharing: how much of the balance growth in 2026 shares interest, and what is the true yield beta?	Management only	Yes	±USD 2.2 (model) to ±6–11 (August estimate) per 100 bp
Market Making: how much of H1-26 is the regime and how much the new desks (Levmet, Webb)?	Partly (segment data by desk)	Yes	Volatility ×1.25 vs ×0.85: +5.9 / -3.1
S&P's equity credit on the hybrid after the redomiciliation	S&P publication	Yes	RAC ±2 pp; buyback timing
Largest single-client and top-10 client exposures	Management only	Yes	Severe-case probability
Prime: leverage, concentration and the largest client	Management only	Yes	Pillar 3
Use of surplus capital: buybacks or acquisitions?	Management (AGM, Investor Day)	Yes	EPS path; ≈ 3 % of 2027E EPS
Remediation of the two material weaknesses	20-F FY2026	Yes	Specific premium; pillar 5
Q2-26 13F holdings (not yet published for the new CUSIP)	Public, later	Low	—
Paywalled: Koyfin consensus, broker notes, hybrid reset margin	CIO (paywalled)	Medium	Consensus reconciliation; capital cost

Source: This report; R1–R7 gap lists.

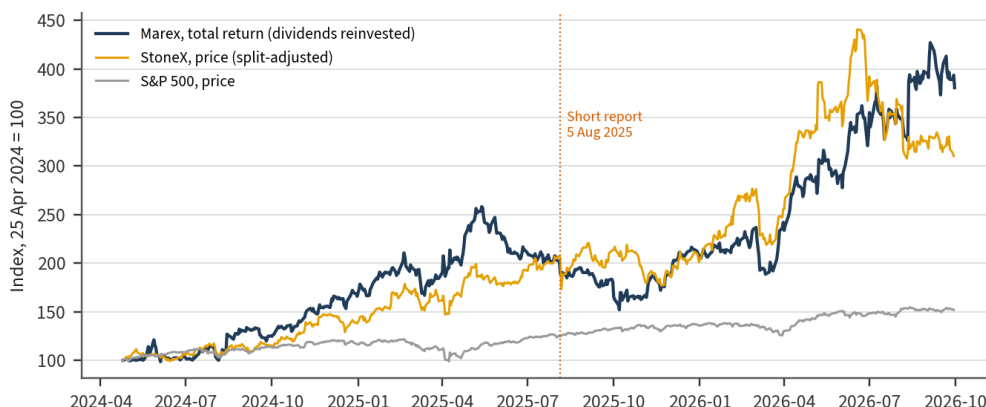
Takeaway: The two questions that matter most — the true rate beta and how much of 2026 is the regime — are answerable only by management; both are on the list below.

1. What share of the USD 5bn increase in clearing balances since Q4-25 earns shared interest, and what yield do you keep on the new balances? (*rate sensitivity*)
2. Over a full year, what is the NII effect of a sustained 100 bp change in Fed funds, after interest sharing and hedges? (*rate sensitivity*)
3. How much of H1-26 Market Making revenue came from desks acquired in 2025–26, and what is the run-rate in a normal-volatility month? (*normalisation*)
4. What was the loss-given-default on the January natural-gas client, and what has changed in margining since? (*client risk*)
5. What is your largest single-client exposure in Clearing and in Prime, as a share of equity? (*tail risk*)
6. What is the maximum leverage and the largest client in Prime, and how fast can you reduce it in a stress? (*Prime*)
7. Has S&P confirmed 100 % equity credit for the hybrid, and what RAC do you run the business at? (*capital*)
8. Above what RAC would you buy back shares rather than retain capital for acquisitions? (*capital allocation*)
9. What return on consideration have the 2025 acquisitions earned after two years, by deal? (*M&A*)
10. How do you price acquisitions of firms that were your clients or borrowers? (*governance*)
11. When do you expect to report no material weaknesses, and what remains to be done on IT access controls? (*controls*)
12. How is net commission per contract developing on new large clients versus the book? (*pricing*)
13. What is the revenue and margin from digital-asset and prediction-market clearing, and the capital it consumes? (*growth*)
14. Which Asian and Latin American clearing memberships are planned, and with what capital? (*growth*)
15. What does "mid-to-high 20s" margin assume about volatility and rates? (*margin*)
16. What share of clearing initial margin is crypto collateral today, and what would a 50 % crypto drawdown do to balances and NII? (*balances*)
17. How does the end of FCA consolidated supervision change your capital and liquidity management? (*regulation*)
18. What would a one-notch downgrade do to note issuance and client balances? (*funding*)
19. How will the US Treasury clearing mandate and CME–FICC cross-margining contribute in 2027? (*growth*)

Q • Portfolio fit for a SEK-reporting investor

Exhibit 114 — Total return since the IPO: Marex vs S&P 500 and StoneX (USD, rebased)

index, 25 Apr 2024 = 100; dividends reinvested

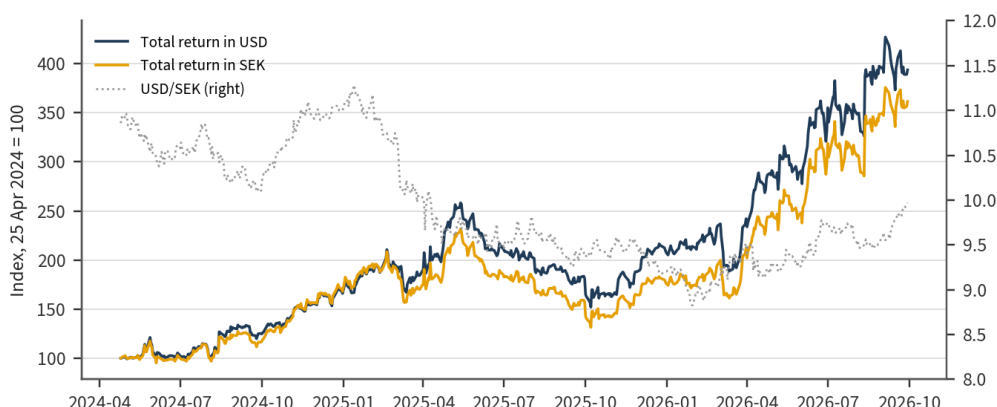


Source: Fiscal.ai (MRX, SNEX); FRED SP500; BCR.

Takeaway: Marex has returned 281 % since its first day of trading against 52 % for the S&P 500 (price index) and 210 % for StoneX — including a 42 % drawdown from May to October 2025, about half of it after the August short report.

Exhibit 115 — Total return since the IPO in USD and SEK, and USD/SEK

index, 25 Apr 2024 = 100; SEK per USD (right)



Source: Fiscal.ai; Riksbank; BCR.

Takeaway: For a SEK holder the weaker dollar (USD/SEK 10.86 → 9.98) cost about 30 points of the return: +250 % in SEK against +280 % in USD.

Currency. Marex reports in US dollars and earns most of its revenue in dollars, sterling and euros; for a SEK holder the exposure is USD/SEK on the share price (9.979 on 30 Sep 2026). We show scenario returns in SEK at a flat rate — no currency view. **Tax.** No withholding tax at source: none under the UK regime of the former parent, none in Bermuda, and the parent remains UK tax resident [R; S, PwC]. **Line.** Nasdaq only, in USD; average daily volume 739,057 shares ($\approx$ USD 51m) over three months [S]. **Liquidity.** 1 % of the company (0.72m shares) is $\approx$ 1.0 days of average volume, $\approx$ 5 days at 20 % participation. **Correlation.** Beta to the S&P 500 is low and unstable (0.43 weekly, 0.93 daily since the IPO); the shares behave like a volatility and rates instrument with company-specific news on top — a diversifier for an equity book, but correlated with commodity-market stress. **Sizing framework (not a recommendation).** The workbook's framework — conviction 2, a 35 % probability of a twelve-month loss, an expected gain/loss ratio of 1.34x against the house's 2x, and a severe case that is recoverable for the business but permanent for a buyer at 3.7x book — points to the lower half of a 1–3 % range of equity. Marex is held in the Core mandate; the mandate and the size are CIO decisions.

Appendices

A1 • Summary financials

Exhibit 116 — Summary financials, historic and forecast

USD m unless stated

USD m	2023	2024	2025	LTM Jun-26	2026E	2027E	2028E
Revenue	1,244.6	1,594.7	2,024.1	2,444.8	2,762	2,993	3,386
Adjusted PBT (APM)	230.0	321.1	418.1	534.0	638	664	762
Profit before tax (IFRS)	196.5	295.8	411.6	518.0	620	650	745
Profit to ordinary shareholders	128.0	204.7	293.9	411.1	479	458	529
Adjusted EPS, diluted (USD)	2.31	3.07	3.99	5.17	6.09	6.36	7.71
Ordinary equity (period end)	678.3	879.3	1,166.2	1,370.3	1,566	1,536	1,844
ROE on ordinary equity	20.3 %	26.3 %	28.7 %	31.5 % (cont.)	35.1 %	29.5 %	31.3 %
S&P RAC	11.2 %	12.0 %	10.7 %	12.4 %	13.9 %	11.5 %	11.5 %
Total assets	17,750	24,313	32,704 (restated)	42,126	—	—	—

Source: 20-F FY2024–25; Q4-25 release; H1-26 FS; Q2-26 release; engine_MRX. Full statements in the workbook (Historic P&L, BS, CF; Broker model).

Takeaway: History is reported (IFRS unless marked); forecasts are our base case. The LTM column adds H1-26 and removes H1-25.

A2–A3 • Valuation detail. Section I and workbook tabs Broker model (rows 214–249, including the calibration of the engine to the cent), Exit (equity), P-B vs ROE, Reverse (E), Expectations and Required return. The value is struck at 30 Jun 2026 on ordinary equity of USD 1,370.3m and rolled to 30 Sep 2026 at the cost of equity less the USD 0.16 dividend paid on 9 Sep. The template's FCFF tabs (FCF build, WACC, DCF, Exit multiples, Reverse DCF) are marked NOT APPLICABLE under sector module E. **A4 • Peers.** Prices 29 Sep 2026 (Fiscal.ai); financials from SEC XBRL where they differ from the database; StoneX's fiscal year ends in September; Virtu and Interactive Brokers on a Class A basis (Up-C); TP ICAP from its own results.

Exhibit 117 — A5 • Assumption register (base case)

driver, value, source, status

Driver	Value	Source	Status
Contracts cleared	1,380m (2026E), +7 % → +3.5 % a year	H1-26 709m [R]	ASSUMPTION
Net commission per contract	USD 0.225 (2026E), –1 % a year	H1-26 0.226 [R/BCR]	ASSUMPTION
Average clearing balances	USD 20bn (H2-26), 21bn (2027E), +7 % → +4 %	Q2-26 19.1bn [R]; net new 0.5–1bn a year [M]	ASSUMPTION (above the guided net-new range)
Clearing NII yield	1.62 % at Fed funds 3.6 %, beta 0.20	Q2-26 [BCR]; 20-F ±34m [R]	Derived
Fed funds	3.85 % (H2-26), 4.25 % (2027E), 4.00 %, then 3.75 %	Above the FOMC SEP median (4.1 % 2027, 3.2 % long run), between SEP and bills [S]; a SEP-consistent path ≈ –USD 1	ASSUMPTION
Energy volumes × revenue per lot	23.5m × USD 13.8 (2026E); +5 % → +3 %; USD 14.0	LTM 23m [R]	ASSUMPTION
Prime client assets × yield	USD 33bn (2026E), +18 % → +4.5 %; 1.15 %	≈ 28bn Dec-25 [M]; "20–30 %" [M]	ASSUMPTION
Securities units × revenue per unit	370m × USD 1.63 (2026E); +7 % → +3.5 %; USD 1.60	LTM 352m × 1.56 [R/BCR]	ASSUMPTION
Market Making FTE × productivity	295 × USD 1.50m (2027E); +3 % and +2 % a year	2023–25 average 1.41–1.45 [BCR]	ASSUMPTION
Structured notes × spread	USD 5.9bn (2027E), +11 % → +4 %; 3.4 %	Jun-26 4.9bn; FY25 3.4 % [R/BCR]	ASSUMPTION
Corporate costs ÷ revenue	12.7 % (2027E) → 11.5 % floor	FY25 12.4 %, H1-26 12.9 % [BCR]	ASSUMPTION
Acquisition programme	USD 200m a year; 10 % → 20 % pre-tax; 50 % goodwill	2025 cohort [M]	ASSUMPTION (p = 0.8)
Tax; hybrid coupons	25 %; USD 39.2m a year	UK statutory; H1-26 FS note 16	Guided / contractual
RWA ÷ revenue; RAC target	4.45x (+0.05 a year); 11.5 %	FY25 4.38x [BCR]; S&P line 10 % [M]	ASSUMPTION
Cost of equity; g; persistence	9.84 %; 3 %; 0.40	Section I	Sourced / ASSUMPTION

Source: engine_MRX class P; Broker model rows 7–99.

Takeaway: Every forecast driver is labelled; the tornado (Section J) ranks them — persistence, growth and the cost of equity first.

A6 • Glossary. **FCM** futures commission merchant (US clearing broker). **CCP** central counterparty (clearing house). **Clearing client balances** client money held as margin. **NII** net interest income. **Prime services** financing, clearing and custody for hedge funds. **Market making** quoting prices for own account. **Structured notes** notes whose return is linked to an underlying, issued by Marex. **Adjusted PBT** IFRS profit before tax excluding acquired-intangible amortisation and one-off items (company APM). **S&P RAC** S&P risk-adjusted capital ratio; 10 % = "strongly capitalised". **RWA** risk-weighted assets. **Ordinary equity** equity excluding the hybrid, AT1 and minorities. **Persistence** share of the 2035 ROE spread over Ke that lasts for ever. **4d(a)(2)** US customer-segregation requirement for futures. **ICFR** internal control over financial reporting.

A7 • Sources. Marex 20-F FY2024 and FY2025; UK annual reports 2018–2025 and Marex Financial AR 2025; F-1/A (Apr 2024); quarterly releases and presentations Q1-24–Q2-26; H1-25 and H1-26 interim statements; Investor Days 2025 and 2026 (slides and transcript); August 2026 investor presentation; earnings-call transcripts Q4-24–Q2-26 and the Piper Sandler conference (Jun 2026); bye-laws, AGM notices, 6-Ks (redomiciliation, hybrid, insider purchases, consent solicitation). Fiscal.ai (prices, peers, 13F; first source per UIP-037 for a non-Nordic company); Alpha Vantage (consensus, transcripts — reserve source, logged); CFTC Selected FCM Financial Data; FIA ETD volume; CBOE volatility indices; US Treasury; Damodaran; FRED; Riksbank; Nasdaq short interest; stockanalysis.com; Bloomberg and Bloomberg Law [S]; CIO material (Q2-26 reconciliation, Fiscal.ai tearsheet). Accessed by 30 Sep 2026; full list in the workbook tab Sources. Börsdata (second source) could not be reached — the user's computer was offline.

A8 • Disclaimer. Prepared by Billen Capital Research for the private investment purposes of Billen Capital. Not investment advice or an offer or solicitation. [BCR est.] marks the author's estimates, [S] secondary sources, [K] consensus, [M] company guidance or statements, [R] reported figures. Billen Capital holds Marex Group in its Core mandate. All portfolio decisions rest with the CIO.

A9 • Verification log and gates

Exhibit 118 — Gate A — chain output against the primary source

five figures

Item	Chain	Primary	Result
Revenue, latest year	2,024.1	2,024.1	OK
Reported EBIT (PBT), same year	411.6	411.6	OK
Cash at period end	3,851.0	3,851.0	OK
Diluted shares	76.0	76.0	OK
Period label and unit	H1-2026 / FY2025, USD m	H1-2026 / FY2025, USD m	OK

Source: Verification log rows 4–13.

Takeaway: Gate A: PASS (0 errors). No Börsdata export exists for Marex in the corpus; the chain's statement transcript is the spine.

Exhibit 119 — Gate B — the finished model against the printed page

ten figures

Figure	Model cell	Model	Source	Document / page	Result
Latest-year revenue	Broker model! B173	2,024.1	2,024.1	20-F FY2025 p.201: Revenue FY2025	OK
Adjusted PBT (module E's "adjusted EBIT")	Broker model! B174	418.1	418.1	Q4-25 release p.16: Adjusted PBT FY2025 (APM)	OK
Cash at period end	Historic BS!H13	3,851.0	3,851.0	H1-26 FS p.4: cash and cash equivalents, 30 Jun 2026	OK
Gross interest-bearing debt	Debt & leases! D16	7,285.9	7,285.9	H1-26 FS p.5: debt securities 4,092.5 + 2,761.4 + short-term borrowings 432.0 (derived)	OK
Valuation base in place of net debt (module E)	Broker model! B83	1,370.3	1,370.3	H1-26 FS p.5: equity attributable to ordinary shareholders	OK
Lease liability	Debt & leases! D14	101.6	101.6	H1-26 FS p.5: 12.9 + 88.7 (derived)	OK
Non-controlling interests	Historic BS!H24	–2.0	–2.0	H1-26 FS p.5	OK
Diluted shares (m)	Broker model! B91	76.038957	76.038957	Q2-26 release p.20: 72,348,205 + H1-26 FS note 17: 3,690,752 (derived)	OK
Largest segment revenue (A&E)	Broker model! B146	1,049.2	1,049.2	20-F FY2025 p.238	OK
Cash flow from operations	Historic CF!G6	667.5	667.5	20-F FY2025 p.208	OK

Source: Verification log rows 15–29; re-read against the primary PDFs with pdftotext on 1 Oct 2026.

Takeaway: Ten of ten OK — seven printed lines, three derived from printed components (debt, leases, diluted shares). Gate B: PASSED (GODKÄND).

Running log (workbook rows 31–54): 22 figures that drive more than 5 % of value, each with a second source (revenue, Adjusted PBT, ordinary equity, hybrid, shares and awards, S&P RAC and capital, balances, clearing NII, NII sensitivity, Prime and MM revenue, risk-free rate, ERP, beta — a range, 0.43–1.17 — price, consensus EPS, hybrid coupon, goodwill). **A10:** Section F2 and the Quality of earnings tab. **A11:** Section I2. **A12:** Sections H1 and H (EPS within 1 % of consensus; 2027E Adjusted PBT –3.5 %). **A13 • Evidence-pack audit:** no NotebookLM pack; the chain's statement transcript (MRX_STATEMENTS.md) and ten question packs served navigation and quotations only; every reported figure was read from the printed page, and conflict-register items K1–K12 were resolved before the model was built (K8, the share count, closed with the Q2-26 release).

Self-audit

Exhibit 120 — Final self-check (§21)

yes / no with pointer

Check	Result
Security structure and cash path; order-to-cash timing	Yes — A0, A2
Contracted vs repeat vs new revenue quantified	Yes — A2 (no backlog; certainty layers c44)
Unit economics and LTV/CAC	Yes — C4 (CAC not disclosed: stated)
Growth initiatives by bucket; TP dependency	Yes — C5 (10.5 %, below 25 %)
Three reconciliations; forensic screens with caveats	Yes — F2 (IFRS→Adjusted, segments→group, profit→cash/capital)
Owner earnings reconciled to the valuation	Yes — -12.5 %, outside ±10 %: explained (F3)
Covenant / capital headroom stressed by quarter	Yes — G2 (S&P RAC, bear and severe)
Per-share progression; management said vs delivered	Yes — G3, G4
Latest quarter (three new facts); expectations and variant perception	Yes — H0, H1
Sector module applied (no FCFF DCF)	Yes — module E (residual income, DDM, P/B-ROE); module I (ROE vs ROTE, M&A record)
Base rates applied to probabilities	Yes — I2
Five scenarios incl. severe; capital needs; TSR in USD and SEK	Yes — J
Probability-weighted value below base (left skew)	Yes — 72.80 vs 77.90
Permanent-impairment paths	Yes — K2
Bear case ≥ 700 words with rebuttal; pre-mortems	Yes — K
Required-return prices at 8 / 10 / 12 %	Yes — J, O
Fair value as a range; five end-points with anchors	Yes — 72-85; I
Perpetuity vs multiple cross-check	Yes — within 30 % (P/B 11 %, P/E 25 %)
Reverse valuation incl. what it does not flex	Yes — REV (iso-value curve)
Five-year holding return vs hurdle	Yes — 11.7 % (P/E exit) / 8.6 % (P/B exit, flagged)
8-12 core indicators with three thresholds	Yes — 12
Dated catalyst calendar	Yes — 12 events
Owner's manual in plain language (< 900 words)	Yes
Unresolved questions and 15-20 management questions; SEK portfolio fit	Yes — 19; Q
Evidence-pack audit	Yes — A13
Gate B zero failures	Yes — 10/10, re-read against the primary PDFs
Independent red-team review	Yes — 6 high, 13 medium, 25 low findings; all high and medium addressed in this version
Page-break check on the rendered PDF	Yes
PDF and workbook agree	Yes — every table reads the recalculated workbook or the calibrated engine

Source: This report.

Takeaway: 120 exhibits including this one. Reported and guided figures are sourced to the page; estimates are labelled [BCR est.].

Three weakest links. (1) ROE durability: the base case holds ROE on ordinary equity near 30 % to 2035 (24-28 % counting the hybrid) and fades only in the terminal value; a fade to 25 % by 2035 takes the value to the price and a fade to 20 % to USD 59. (2) The unsigned acquisition programme (USD 8.3 a share): without it the probability-weighted value is USD 65.3. (3) The 2027 normalisation of market making and the rate beta on clearing balances (0.09-0.33 on the evidence; we use 0.20). **What we could not obtain:** a Börsdata export (computer offline); paywalled Koyfin consensus and broker notes; PBT consensus; the hybrid's reset margin and S&P's equity-credit decision; largest client exposures; Q2-26 13F holdings; the 2026 AGM voting results; client retention outside the top tier.