

Cboe Global Markets Reports Results for First Quarter 2021

First Quarter 2021 Highlights*

- **Diluted EPS of \$1.27, Down 11 percent**
- **Adjusted Diluted EPS¹ of \$1.53, Down 7 percent**
- **Net revenue of \$366 million, Up 2 percent**
- **Returned \$93 million to shareholders through share repurchases and dividends**
- **The company increases its 2021 organic growth target for recurring non-transaction revenue to 10 to 11 percent, from its previous guidance range of 6 to 7 percent²**

CHICAGO, IL – April 30, 2021 - Cboe Global Markets, Inc. (Cboe: CBOE) today reported financial results for the first quarter of 2021.

“We are off to a strong start this year with continued momentum across the company, achieving quarter-over-quarter increases in net revenue and trading activity for each business segment, as well as meaningful progress executing on multiple growth opportunities. We were excited to announce plans to acquire Chi-X Asia Pacific, enabling us to broaden our geographic and asset class presence, while helping us to further extend the distribution of our product offerings to our global network of customers,” said Edward T. Tilly, Cboe Global Markets Chairman, President and Chief Executive Officer. “We remain confident in our ability to achieve our targeted mid-term organic net revenue growth of 4 to 6 percentage points and to drive additional organic net revenue growth longer-term through our ongoing investment in attractive market opportunities, as demonstrated by the increase in our organic growth target for recurring non-transaction revenue. Cboe has a strong foundation and I am confident that we have the team and capabilities to drive value-enhancing growth as we remain focused on our commitment to create long-term value for our customers and our shareholders.”

“We reported a quarter of strong results, although earnings declined year-over-year against difficult comparisons to last year’s record results. Our robust cash flow generation allowed us to return nearly \$93 million to shareholders through share repurchases and dividends in the first quarter,” said Brian N. Schell, Cboe Global Markets Executive Vice President, Chief Financial Officer and Treasurer. “We continue to balance our long-standing disciplined capital allocation priorities to responsibly grow our business while maintaining a healthy balance sheet and preserving financial flexibility to further enhance shareholder value. Our priorities remain focused on prudent organic capital investment, value-enhancing acquisitions, and the return of capital to shareholders.”

**All comparisons are first quarter 2021 compared to the same period in 2020.*

⁽¹⁾A full reconciliation of our non-GAAP results to our GAAP results is included in the attached tables. See “Non-GAAP Information” in the accompanying financial tables.

⁽²⁾ Specific quantifications of the amounts that would be required to reconcile the company’s organic growth guidance, adjusted operating expenses guidance and the effective tax rate on adjusted earnings guidance are not available. The company believes that there is uncertainty and unpredictability with respect to certain of its GAAP measures, primarily related to acquisition-related revenues and expenses that would be required to reconcile to GAAP revenues less costs of revenues, GAAP operating expenses and GAAP effective tax rate, which preclude the company from providing accurate guidance on certain forward-looking GAAP to non-GAAP reconciliations. The company believes that providing estimates of the amounts that would be required to reconcile the range of the company’s organic growth, adjusted operating expenses and the effective tax rate on adjusted earnings would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

- More -

Consolidated First Quarter Results -Table 1

Table 1 below presents summary selected unaudited condensed consolidated financial information for the company as reported and on an adjusted basis for the three months ended March 31, 2021 and 2020.

Table 1						
Consolidated First Quarter Results (\$ in millions except per share)	1Q21	1Q20	Change	1Q21 Adjusted¹	1Q20 Adjusted¹	Change
Total Revenues Less Cost of Revenues	\$ 365.5	\$ 358.3	2 %	\$ 365.5	\$ 358.3	2 %
Total Operating Expenses	\$ 160.9	\$ 131.9	22 %	\$ 124.6	\$ 98.6	26 %
Operating Income	\$ 204.6	\$ 226.4	(10)%	\$ 240.9	\$ 259.7	(7)%
Operating Margin %	56.0 %	63.2 %	(7.2)pp	65.9 %	72.5 %	(6.6)pp
Net Income Allocated to Common Stockholders	\$ 136.8	\$ 157.0	(13)%	\$ 164.8	\$ 182.3	(10)%
Diluted EPS	\$ 1.27	\$ 1.42	(11)%	\$ 1.53	\$ 1.65	(7)%
EBITDA ¹	\$ 246.8	\$ 264.9	(7)%	\$ 250.2	\$ 265.7	(6)%
EBITDA Margin % ¹	67.5 %	73.9 %	(6.4)pp	68.5 %	74.2 %	(5.7)pp

- Total revenues less cost of revenues (referred to as “net revenue”) of \$365.5 million increased 2 percent, compared to \$358.3 million in the prior-year period, primarily reflecting increases in access and capacity fees and market data fees and a decrease in royalty fees, offset somewhat by lower net transaction and clearing fees¹. Incremental net revenue in the first quarter of 2021 from acquisitions closed in 2020 was \$26.8 million.
- Total operating expenses were \$160.9 million versus \$131.9 million in the first quarter of 2020. Adjusted operating expenses¹ of \$124.6 million increased 26 percent compared with \$98.6 million in the first quarter of 2020, primarily due to acquisitions closed in 2020, resulting in higher compensation and benefits and technology support services.
- Operating income decreased by 10 percent to \$204.6 million and adjusted operating income¹ decreased by 7 percent to \$240.9 million. The operating margin for the first quarter was 56.0 percent versus 63.2 percent in the first quarter of 2020. The adjusted operating margin was 65.9 percent compared to 72.5 percent in the first quarter of 2020.
- The effective tax rate for the first quarter of 2021 was 28.9 percent compared with 27.6 percent in the first quarter of 2020 and the effective tax rate on adjusted earnings¹ was 27.9 percent compared with 27.0 percent in last year’s first quarter. The higher effective tax rate in the first quarter of 2021 was primarily due to decreased benefits from foreign derived intangible income as a result of final Section 250 Treasury regulations.
- Diluted EPS for the first quarter of 2021 decreased 11 percent to \$1.27. Adjusted diluted EPS¹ of \$1.53 decreased 7 percent compared to 2020’s first quarter results.
- The EBITDA margin for the first quarter was 67.5 percent compared to 73.9 percent in the first quarter of 2020. The adjusted EBITDA margin was 68.5 percent compared to 74.2 percent for the same period last year.

Business Segment Information:

Table 2			
Total Revenues Less Cost of Revenues by Business Segment (in millions)	1Q21	1Q20	Change
Options	\$ 181.7	\$ 188.5	(4)%
North American Equities	96.1	86.6	11 %
Futures	30.6	40.1	(24)%
Europe	42.1	26.2	61 %
Global FX	14.7	16.9	(13)%
Corporate	0.3	-	100 %
Total	\$ 365.5	\$ 358.3	2 %

⁽¹⁾ A full reconciliation of our non-GAAP results to our GAAP results is included in the attached tables. See “Non-GAAP Information” in the accompanying financial tables.

Discussion of Results by Business Segment:

Options:

- Options net revenue of \$181.7 million was down \$6.8 million, or 4 percent, from the first quarter of 2020, primarily due to a decrease in net transaction and clearing fees¹, as a result of lower trading volume in index options. This decrease was offset somewhat by an increase in access and capacity fees, higher market data fees and lower royalty fees.
- Net transaction and clearing fees¹ decreased \$18.2 million, or 12 percent, reflecting a 19 percent increase in total options average daily volume (“ADV”), offset by a 24 percent decrease in total options revenue per contract (“RPC”) compared to the first quarter 2020. The decrease in total options RPC was due to a mix shift, with multi-listed options representing a higher percentage of total options volume. The RPC for multi-listed options increased 26 percent, primarily due to pricing changes and a shift in customer concentration. The RPC for index options increased 3 percent, primarily reflecting a shift in mix by order type.
- Cboe’s Options business had total market share of 30.2 percent for the first quarter of 2021 compared to 38.3 percent in the first quarter of 2020, primarily reflecting a mix shift resulting from a lower percentage of ADV from index options. In addition, Cboe’s multi-listed options market share for the quarter decreased to 26.9 percent compared to 31.9 percent in the first quarter of 2020.

North American (N.A.) Equities:

- N.A. Equities net revenue of \$96.1 million was up \$9.5 million, or 11 percent, due to the additions of BIDS Trading and MATCHNow, which contributed \$12.4 million in net revenue and was the driver of a 9 percent increase in net transaction and clearing fees¹ for the quarter.
- Cboe U.S. Equities exchanges had market share of 15.0 percent for the first quarter of 2021 compared to 16.7 percent in the first quarter of 2020. The decrease was primarily due to new highs set in off-exchange trading volume in the first quarter of 2021, averaging 45.2 percent of total market volume compared to 37.6 percent in the first quarter of 2020.

Futures:

- Futures net revenue of \$30.6 million decreased \$9.5 million, or 24 percent, primarily due to a decline in net transaction and clearing fees¹.
- Net transaction and clearing fees¹ decreased \$10.3 million, or 29 percent, reflecting a 23 percent decrease in ADV and a 6 percent decline in RPC. The RPC decline was primarily due to the addition of Mini-VIX futures, which are one-tenth the size of the standard VIX futures and have a lower fee per contract. The RPC variance also reflects higher volume from corporate bond index futures and associated lead market maker incentives.

Europe:

- Europe net revenue of \$42.1 million increased by 61 percent, primarily reflecting the addition of EuroCCP, which contributed \$12.1 million in net revenue. Average daily notional value (“ADNV”) for the overall market was down 13 percent during the quarter and ADNV traded on Cboe European Equities was €7.5 billion, down 18 percent from last year’s first quarter, while net capture increased 16 percent, reflecting a shift in the mix of volume by order book type.
- For the first quarter of 2021, Cboe European Equities had 16.8 percent market share, down from 17.7 percent in the first quarter of 2020, primarily as a result of temporary market profile shifts immediately following the Brexit liquidity transition at the start of the quarter and as activity was re-established in Swiss securities following their re-introduction on Cboe UK order books in February, which increased the aggregate pan-European market volume used to measure market share.

Global FX:

- Global FX net revenue of \$14.7 million decreased 13 percent, primarily as a result of lower net transaction and clearing fees¹. ADNV traded on the Cboe FX platform was \$37.1 billion for the quarter, down 14 percent from last year’s first quarter and net capture per one million dollars traded was \$2.65 for the quarter, down 1 percent compared to \$2.69 in the first quarter of 2020.
- Cboe FX had market share of 16.5 percent for the quarter compared to 15.7 percent in last year’s first quarter.

⁽¹⁾A full reconciliation of our non-GAAP results to our GAAP results is included in the attached tables. See “Non-GAAP Information” in the accompanying financial tables.

2021 Fiscal Year Financial Guidance

The company updated or reaffirmed its guidance for the 2021 fiscal year as noted below. This guidance does not take into account the company's planned acquisition of Chi-X Asia Pacific, which is subject to regulatory review and other customary closing conditions. The company plans to further update its guidance for 2021 after the acquisition closes, which is expected in the second or third quarter of this year.

- Recurring non-transaction revenue, defined as access and capacity fees plus proprietary market data, is now expected to increase by 11 to 12 percent, from a base of \$342 million in 2020, up from previous guidance of 7 to 8 percent, with organic growth targeted in a range of 10 to 11 percent versus previous guidance of 6 to 7 percent.
- Reaffirmed that it expects acquisitions closed in 2020 to contribute net revenue growth in a range of 4 to 6 percentage points in 2021.
- Reaffirmed that adjusted operating expenses are expected to be in the range of \$531 to \$539 million. The guidance excludes the expected amortization of acquired intangible assets of \$122 million, the company plans to reflect the exclusion of this amount in its non-GAAP reconciliation.¹
- Reaffirmed that depreciation and amortization expense, which is included in adjusted operating expenses above, is expected to be in the range of \$38 to \$42 million, excluding the expected amortization of acquired intangible assets of \$122 million.
- Reaffirmed that the effective tax rate² on adjusted earnings for the full year is expected to be in the range of 27.5 to 29.5 percent. Significant changes in trading volume, expenses, federal, state and local tax laws or rates and other items could materially impact this expectation.
- Reaffirmed that capital expenditures are expected to be in the range of \$60 to \$65 million, which includes expenditures associated with the company's trading floor relocation planned for the first half of 2022.

Capital Management

At March 31, 2021, the company had adjusted cash² of \$263.9 million. Total debt as of March 31, 2021 was \$1,187.8 million.

The company paid cash dividends of \$45.3 million, or \$0.42 per share, during the first quarter of 2021 and utilized \$47.6 million to repurchase 0.5 million shares of its common stock under its share repurchase program at an average price of \$96.97 per share. As of March 31, 2021, the company had approximately \$352.5 million of availability remaining under its existing share repurchase authorizations.

Earnings Conference Call

Executives of Cboe Global Markets will host a conference call to review its first-quarter financial results today, April 30, 2021, at 8:30 a.m. ET/7:30 a.m. CT. The conference call and any accompanying slides will be publicly available via live webcast from the Investor Relations section of the company's website at www.cboe.com under Events & Presentations. Participants may also listen via telephone by dialing (877) 255-4313 from the United States, (866) 450-4696 from Canada or (412) 317-5466 for international callers. Telephone participants should place calls 10 minutes prior to the start of the call. The webcast will be archived on the company's website for replay. A telephone replay of the earnings call also will be available from approximately 11:00 a.m. CT, April 30, 2021, through 11:00 p.m. CT, May 7, 2021, by calling (877) 344-7529 from the U.S., (855) 669-9658 from Canada or (412) 317-0088 for international callers, using replay code 10153209.

⁽¹⁾ Specific quantifications of the amounts that would be required to reconcile the company's organic growth guidance, adjusted operating expenses guidance and the effective tax rate on adjusted earnings guidance are not available. The company believes that there is uncertainty and unpredictability with respect to certain of its GAAP measures, primarily related to acquisition-related revenues and expenses that would be required to reconcile to GAAP revenues less costs of revenues, GAAP operating expenses and GAAP effective tax rate, which preclude the company from providing accurate guidance on certain forward-looking GAAP to non-GAAP reconciliations. The company believes that providing estimates of the amounts that would be required to reconcile the range of the company's organic growth, adjusted operating expenses and the effective tax rate on adjusted earnings would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

⁽²⁾ A full reconciliation of our non-GAAP results to our GAAP results is included in the attached tables. See "Non-GAAP Information" in the accompanying financial tables.

About Cboe Global Markets

Cboe Global Markets (Cboe: CBOE) provides cutting-edge trading and investment solutions to investors around the world. The company is committed to defining markets through product innovation, leading edge technology and seamless trading solutions.

Cboe offers trading across a diverse range of products in multiple asset classes and geographies, including options, futures, U.S., Canadian and European equities, exchange-traded products (“ETPs”), global foreign exchange (“FX”) and volatility products based on the VIX Index, recognized as the world’s premier gauge of U.S. equity market volatility.

Cboe’s subsidiaries include the largest options exchange and the third largest stock exchange operator in the U.S. In addition, the company operates one of the largest stock exchanges by value traded in Europe, and owns EuroCCP, a leading pan-European equities clearinghouse, BIDS Trading, a leading block-trading alternative trading system (“ATS”) by volume in the U.S., and MATCHNow, a leading equities ATS in Canada. Cboe also is a leading market globally for ETP listings and trading.

The company is headquartered in Chicago with a network of domestic and global offices across the Americas, Europe and Asia, including main hubs in New York, London, Kansas City and Amsterdam. For more information, visit www.cboe.com.

Cautionary Statements Regarding Forward-Looking Information

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as “may,” “might,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the impact of the novel coronavirus (“COVID-19”) pandemic, including changes to trading behavior broadly in the market; the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading and clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes; our ability to protect our systems and communication networks from security risks, cybersecurity risks, insider threats and unauthorized disclosure of confidential information; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; fluctuations to currency exchange rates; our index providers’ ability to maintain the quality and integrity of their indexes and to perform under our agreements; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to attract and retain skilled management and other personnel; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; and the accuracy of our estimates and expectations. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2020 and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The condensed consolidated statements of income and balance sheets are unaudited and subject to reclassification.

Cboe Media Contacts:

Angela Tu
(646) 856-8734
atu@cboe.com

Tim Cave
+44 (0) 7593 506 719
tcave@cboe.com

Analyst Contact:

Debbie Koopman
(312) 786-7136
dkoopman@cboe.com

CBOE-F

Trademarks:

Cboe®, Cboe Global Markets®, Cboe Volatility Index®, Bats®, BIDS Trading®, BZX®, BYX®, EDGX®, EDGA®, EuroCCP®, MATCHNow®, and VIX® are registered trademarks of Cboe Global Markets, Inc. and its subsidiaries. All other trademarks and service marks are the property of their respective owners.

- More -

**Cboe Global Markets, Inc.
Key Performance Statistics by Business Segment**

	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020
Options					
Total industry ADV (in thousands)	41,974	32,197	29,535	28,243	28,014
Total company Options ADV (in thousands)	12,681	10,299	9,569	9,944	10,731
Multi-listed options	10,779	8,705	8,136	8,354	8,069
Index options	1,902	1,595	1,433	1,590	2,663
Total Options Market Share	30.2 %	32.0 %	32.4 %	35.2 %	38.3 %
Multi-listed options	26.9 %	28.5 %	29.0 %	31.4 %	31.9 %
Index options	99.0 %	99.3 %	98.9 %	99.4 %	99.2 %
Total Options RPC:	\$ 0.177	\$ 0.182	\$ 0.173	\$ 0.182	\$ 0.234
Multi-listed options	\$ 0.067	\$ 0.068	\$ 0.056	\$ 0.051	\$ 0.053
Index options	\$ 0.803	\$ 0.809	\$ 0.842	\$ 0.870	\$ 0.781
North American Equities					
U.S. Equities - Exchange:					
Total industry ADV (shares in billions)	14.7	10.5	9.9	12.4	11.0
Market share %	15.0 %	15.1 %	15.1 %	16.1 %	16.7 %
Net capture (per 100 touched shares)	\$ 0.015	\$ 0.015	\$ 0.017	\$ 0.025	\$ 0.026
U.S. Equities - Off-Exchange:					
ADV (touched shares, in millions)	99.5	N/A	N/A	N/A	N/A
Net capture (per 100 touched shares)	\$ 0.121	N/A	N/A	N/A	N/A
Canadian Equities:					
ADV (matched shares, in millions)	71.4	45.2	40.0	N/A	N/A
Total market share %	3.1 %	3.3 %	3.3 %	N/A	N/A
Market share % - TSX listed volume	4.6 %	4.7 %	4.7 %	N/A	N/A
Net capture (per 10,000 shares, in Canadian Dollars)	\$ 7.184	\$ 8.300	\$ 8.200	N/A	N/A
Futures					
ADV (in thousands)	256	159	172	144	331
RPC	\$ 1.639	\$ 1.575	\$ 1.527	\$ 1.743	\$ 1.750
Europe					
Equities:					
Total industry ADVN (Euros - in billions)	€ 44.8	€ 37.5	€ 31.5	€ 40.1	€ 51.5
Market share %	16.8 %	17.5 %	17.7 %	15.8 %	17.7 %
Net capture (bps)	€ 0.284	€ 0.259	€ 0.245	€ 0.248	€ 0.244
EuroCCP:					
Traded cleared (in thousands)	298,223.5	290,181.9	255,293.1	N/A	N/A
Fee per trade cleared	€ 0.011	€ 0.011	€ 0.011	N/A	N/A
Net settlement volume (shares in thousands)	2,423.2	2,132.7	1,952.3	N/A	N/A
Net fee per settlement	€ 0.865	€ 0.803	€ 0.785	N/A	N/A
Global FX					
Market share %	16.5 %	16.7 %	15.9 %	16.4 %	15.7 %
ADNV (\$ in billions)	\$ 37.1	\$ 33.7	\$ 30.2	\$ 31.8	\$ 43.3
Net capture (per one million dollars traded)	\$ 2.65	\$ 2.64	\$ 2.70	\$ 2.77	\$ 2.69

ADV = average daily volume; ADVN = average daily notional value.

RPC, average revenue per contract, for options and futures represents total net transaction fees recognized for the period divided by total contracts traded during the period.

U.S. Equities - Exchange, "net capture per 100 touched shares" refers to transaction fees less liquidity payments and routing and clearing costs divided by the product of one-hundredth ADV of touched shares on BZX, BYX, EDGX and EDGA and the number of trading days. U.S. Equities - Off-Exchange data reflects Cboe's acquisition of BIDS Trading, effective December 31, 2020. For U.S. Equities - Off-Exchange, "net capture per 100 touched shares" refers to transaction fees less order and execution management system (OMS/EMS) fees and clearing costs divided by the product of one-hundredth ADV of touched shares on BIDS Trading and the number of trading days for the period.

Canadian Equities data reflects the acquisition of MATCHNow effective August 4, 2020. Canadian Equities, "net capture per 10,000 shares" refers to transaction fees divided by the product of one-ten thousandth ADV of shares for MATCHNow and the number of trading days. Total market share represents MATCHNow volume divided by the total volume of the Canadian Equities market. TSX listed volume market share represents MATCHNow volume divided by the total volume in TSX listed equities.

European Equities, "net capture per matched notional value" refers to transaction fees less liquidity payments in British pounds divided by the product of matched ADVN in British pounds and the number of trading days. EuroCCP data reflects the acquisition of EuroCCP effective July 1, 2020. "Trades cleared" refers to the total number of non-interoperable trades cleared. "Net settlement volume" refers to the total number of settlements executed after netting.

Global FX, "net capture per one million dollars traded" refers to net transaction fees divided by the product of one-millionth of ADVN traded on the Cboe FX market, the number of trading days, and two, which represents the buyer and seller that are both charged on the transaction. Market Share represents Cboe FX volume divided by the total volume of publicly reporting spot FX venues (Cboe FX, EBS, Refinitiv, and Euronext FX).

Average transaction fees per contract can be affected by various factors, including exchange fee rates, volume-based discounts and transaction mix by contract type and product type.

- More -

Cboe Global Markets, Inc. and Subsidiaries
Condensed Consolidated Statements of Income (Unaudited)
Three Months Ended March 31, 2021 and 2020

(in millions, except per share amounts)	Three Months Ended March 31,	
	2021	2020
Revenue:		
Transaction and clearing fees	\$ 763.2	\$ 661.5
Access and capacity fees	66.4	57.7
Market data fees	63.8	56.2
Regulatory fees	101.5	136.8
Other revenue	15.9	9.3
Total Revenues	1,010.8	921.5
Cost of Revenues:		
Liquidity payments	501.8	392.4
Routing and clearing	27.1	16.0
Section 31 fees	91.9	127.4
Royalty fees	20.3	27.4
Other	4.2	—
Total Cost of Revenues	645.3	563.2
Revenues Less Cost of Revenues	365.5	358.3
Operating Expenses:		
Compensation and benefits	72.3	53.3
Depreciation and amortization	42.0	40.5
Technology support services	17.2	11.9
Professional fees and outside services	15.6	14.9
Travel and promotional expenses	1.6	2.1
Facilities costs	5.3	4.1
Acquisition-related costs	3.4	0.8
Other expenses	3.5	4.3
Total Operating Expenses	160.9	131.9
Operating Income	204.6	226.4
Non-operating Income (Expenses):		
Interest expense, net	(12.3)	(7.3)
Other income (expense), net	0.6	(1.6)
Total Non-operating Income (Expenses)	(11.7)	(8.9)
Income Before Income Tax Provision	192.9	217.5
Income tax provision	55.7	60.1
Net Income	137.2	157.4
Net income allocated to participating securities	(0.4)	(0.4)
Net Income Allocated to Common Stockholders	\$ 136.8	\$ 157.0
Net Income Per Share Allocated to Common Stockholders:		
Basic earnings per share	\$ 1.27	\$ 1.42
Diluted earnings per share	1.27	1.42
Weighted average shares used in computing income per share:		
Basic	107.3	110.4
Diluted	107.4	110.6

- More -

Cboe Global Markets, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)
March 31, 2021 and 2020

(in millions)	March 31, 2021	December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 263.3	\$ 245.4
Financial investments	95.5	92.4
Accounts receivable, net	374.8	337.3
Margin deposits and clearing funds	1,260.0	812.1
Income taxes receivable	—	53.1
Other current assets	39.5	26.5
Total Current Assets	2,033.1	1,566.8
Investments	40.7	42.7
Property and equipment, net	83.4	82.6
Property held for sale	13.0	13.0
Operating lease right of use assets	108.5	111.0
Goodwill	2,898.0	2,895.1
Intangible assets, net	1,698.1	1,729.0
Other assets, net	83.3	76.3
Total Assets	\$ 6,958.1	\$ 6,516.5
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 247.5	\$ 250.0
Section 31 fees payable	92.2	152.9
Deferred revenue	21.2	10.2
Margin deposits and clearing funds	1,260.0	812.1
Income taxes payable	7.2	4.2
Current portion of long-term debt	49.0	68.7
Current portion of contingent consideration liabilities	17.0	15.2
Total Current Liabilities	1,694.1	1,313.3
Long-term debt	1,138.8	1,135.2
Unrecognized tax benefits	174.2	164.7
Deferred income taxes	372.0	377.6
Non-current operating lease liabilities	129.1	132.1
Contingent consideration liabilities	15.1	17.5
Other non-current liabilities	30.6	27.2
Total Liabilities	3,553.9	3,167.6
Stockholders' Equity:		
Preferred stock	—	—
Common stock	1.3	1.2
Treasury stock at cost	(1,303.7)	(1,250.4)
Additional paid-in capital	2,725.1	2,713.3
Retained earnings	1,901.7	1,809.8
Accumulated other comprehensive income, net	79.8	75.0
Total Stockholders' Equity	3,404.2	3,348.9
Total Liabilities and Stockholders' Equity	\$ 6,958.1	\$ 6,516.5

- More -

Non-GAAP Information

In addition to disclosing results determined in accordance with GAAP, Cboe Global Markets has disclosed certain non-GAAP measures of operating performance. These measures are not in accordance with, or a substitute for, GAAP, and may be different from or inconsistent with non-GAAP financial measures used by other companies. The non-GAAP measures provided in this press release include net transaction and clearing fees, adjusted operating expenses, adjusted operating income, organic net revenue, adjusted operating margin, adjusted net income allocated to common stockholders and adjusted diluted earnings per share, effective tax rate on adjusted earnings, adjusted cash, EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin.

Management believes that the non-GAAP financial measures presented in this press release, including adjusted operating income, organic net revenue and adjusted operating expenses, provide additional and comparative information to assess trends in our core operations and a means to evaluate period-to-period comparisons. Non-GAAP financial measures disclosed by management are provided as additional information to investors in order to provide them with an alternative method for assessing our financial condition and operating results.

Organic net revenue, organic non-transaction revenue and organic net revenue guidance: These are non-GAAP financial measures that exclude or have otherwise been adjusted for the impact of our acquisitions for the period or guidance, as applicable. Management believes the organic net revenue growth and guidance measures provide users with supplemental information regarding the company’s ongoing and future potential revenue performances and trends by presenting revenue growth and guidance excluding the impact of the acquisitions. Revenues from acquisitions that have been owned for at least one year are considered organic and are no longer excluded from organic net revenue from either period for comparative purposes.

Amortization expense of acquired intangible assets: We amortize intangible assets acquired in connection with various acquisitions. Amortization of intangible assets is inconsistent in amount and frequency and is significantly affected by the timing and size of our acquisitions. As such, if intangible asset amortization is included in performance measures, it is more difficult to assess the day-to-day operating performance of the businesses, the relative operating performance of the businesses between periods and the earnings power of the company. Therefore, we believe performance measures excluding intangible asset amortization expense provide investors with an additional basis for comparison across accounting periods.

Acquisition-related expenses: From time to time, we have pursued acquisitions, which have resulted in expenses which would not otherwise have been incurred in the normal course of the company’s business operations. These expenses include integration costs, as well as legal, due diligence and other third-party transaction costs. The frequency and the amount of such expenses vary significantly based on the size, timing and complexity of the transaction. Accordingly, we exclude these costs for purposes of calculating non-GAAP measures which provide an additional analysis of Cboe’s ongoing operating performance or comparisons in Cboe’s performance between periods.

The tables below show the reconciliation of each financial measure from GAAP to non-GAAP. The non-GAAP financial measures exclude the impact of those items detailed below and are referred to as adjusted financial measures.

Organic Net Revenue Reconciliation

Table 3
(in millions)

	Three Months Ended	
	March 31,	
	2021	2020
Reconciliation of Revenue Less Cost of Revenue to Organic Net Revenue		
Revenues less cost of revenues (net revenue)	\$ 365.5	\$ 358.3
Less acquisitions:		
Acquisition revenue less cost of revenues	\$ (26.8)	\$ —
Organic net revenue	\$ 338.7	\$ 358.3

Reconciliation of GAAP and non-GAAP Information

Table 4
(in millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2021	2020
Reconciliation of Net Income Allocated to Common Stockholders to Non-GAAP (As shown on Table 1)		
Net income allocated to common stockholders	\$ 136.8	\$ 157.0
Non-GAAP adjustments		
Acquisition-related expenses (1)	3.4	0.8
Amortization of acquired intangible assets (2)	32.9	32.5
Total Non-GAAP adjustments	36.3	33.3
Income tax expense related to the items above	(8.2)	(7.6)
Net income allocated to participating securities - effect on reconciling items	(0.1)	(0.4)
Adjusted net income allocated to common stockholders	\$ 164.8	\$ 182.3
Reconciliation of Diluted EPS to Non-GAAP		
Diluted earnings per common share	\$ 1.27	\$ 1.42
Per share impact of non-GAAP adjustments noted above	0.26	0.23
Adjusted diluted earnings per common share	\$ 1.53	\$ 1.65
Reconciliation of Operating Margin to Non-GAAP		
Revenue less cost of revenue	\$ 365.5	\$ 358.3
Non-GAAP adjustments noted above	—	—
Adjusted revenue less cost of revenue	\$ 365.5	\$ 358.3
Operating expenses (3)	\$ 160.9	\$ 131.9
Non-GAAP adjustments noted above	36.3	33.3
Adjusted operating expenses	\$ 124.6	\$ 98.6
Operating income	\$ 204.6	\$ 226.4
Non-GAAP adjustments noted above	36.3	33.3
Adjusted operating income	\$ 240.9	\$ 259.7
Adjusted operating margin (4)	65.9 %	72.5 %
Reconciliation of Income Tax Rate to Non-GAAP		
Income before income taxes	192.9	217.5
Non-GAAP adjustments noted above	36.3	33.3
Adjusted income before income taxes	\$ 229.2	\$ 250.8
Income tax expense	55.7	60.1
Non-GAAP adjustments noted above	8.2	7.6
Adjusted income tax expense	\$ 63.9	\$ 67.7
Adjusted income tax rate	27.9 %	27.0 %

(1) This amount includes professional fees and outside services, severance, facilities expenses, impairment charges and other costs related to the company's acquisitions.

(2) This amount represents the amortization of acquired intangible assets related to the company's acquisitions.

(3) The company sponsors deferred compensation plans held in a trust. The expenses or income related to the deferred compensation plans are included in "Compensation and benefits" (\$0.4 million and \$2.1 million in expense for the three months ended March 31, 2021 and 2020, respectively), and are directly offset by deferred compensation income, expenses and dividends included within "Other expense, net" (\$0.4 million and \$2.1 million in income, expense and dividends in the three months ended March 31, 2021 and 2020, respectively), on the consolidated statements of income. The deferred compensation plans' expenses are not excluded from "adjusted operating expenses" and do not have an impact on "Income before income taxes."

(4) Adjusted operating margin represents adjusted operating income divided by adjusted revenue less cost of revenue.

- More -

EBITDA Reconciliations

EBITDA (earnings before interest, income taxes, depreciation and amortization) and Adjusted EBITDA are widely used non-GAAP financial measures of operating performance. EBITDA margin represents EBITDA divided by revenues less cost of revenues (net revenue). It is presented as supplemental information that the company believes is useful to investors to evaluate its results because it excludes certain items that are not directly related to the company's core operating performance. EBITDA is calculated by adding back to net income interest expense, income tax expense, depreciation and amortization. Adjusted EBITDA is calculated by adding back to EBITDA acquisition-related expenses. EBITDA and Adjusted EBITDA should not be considered as substitutes either for net income, as an indicator of the company's operating performance, or for cash flow, as a measure of the company's liquidity. In addition, because EBITDA and Adjusted EBITDA may not be calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. Adjusted EBITDA margin represents Adjusted EBITDA divided by net revenue.

Table 5

(in millions)

Reconciliation of Net Income Allocated to Common Stockholders to EBITDA and Adjusted EBITDA (Per Table 1)

Net income allocated to common stockholders

Interest expense, net
Income tax provision
Depreciation and amortization

EBITDA

EBITDA Margin

Non-GAAP adjustments not included in above line items

Acquisition-related expenses

Adjusted EBITDA

Adjusted EBITDA Margin

	Three Months Ended	
	March 31,	
	2021	2020
\$	136.8	\$ 157.0
	12.3	7.3
	55.7	60.1
	42.0	40.5
\$	246.8	\$ 264.9
	67.5 %	73.9 %
	3.4	0.8
\$	250.2	\$ 265.7
	68.5 %	74.2 %

Table 6

(in millions)

Reconciliation of Cash and cash equivalents to Adjusted Cash

Cash and cash equivalents
Financial investments
Less deferred compensation plan assets
Less cash collected for Section 31 Fees

Adjusted Cash

	March 31,	December 31,
	2021	2020
	\$	263.3
	95.5	92.4
	(24.0)	(24.5)
	(70.9)	(103.0)
\$	263.9	\$ 210.3

Table 7

(in millions)

Reconciliation of Net Transaction and Clearing Fees – Three Months Ended March 31, 2021 and 2020

	Consolidated		Options Segment		N.A. Equities Segment		Futures Segment		Europe Segment		Global FX Segment	
	Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended		Three Months Ended	
	March 31,		March 31,		March 31,		March 31,		March 31,		March 31,	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Transaction and clearing fees	\$ 763.2	\$ 661.5	\$ 308.7	\$ 284.2	\$ 381.8	\$ 304.0	\$ 25.6	\$ 35.9	\$ 34.7	\$ 22.3	\$ 12.4	\$ 15.1
Liquidity payments	(501.8)	(392.4)	(166.0)	(124.3)	(330.5)	(261.4)	—	—	(5.3)	(6.7)	—	—
Routing and clearing	(27.1)	(16.0)	(5.5)	(4.5)	(17.3)	(11.5)	—	—	(4.3)	—	—	—
Net transaction and clearing fees	\$ 234.3	\$ 253.1	\$ 137.2	\$ 155.4	\$ 34.0	\$ 31.1	\$ 25.6	\$ 35.9	\$ 25.1	\$ 15.6	\$ 12.4	\$ 15.1

###