Cboe Global Markets, Inc.
Fourth Quarter 2023 Earnings Call
February 2, 2024

Good morning and thank you for joining us for our fourth quarter earnings conference call. On the call today, Fred Tomczyk, our CEO, and Dave Howson, our Global President, will discuss our performance for the quarter and provide an update on our strategic initiatives. Then, Jill Griebenow, our Executive Vice President, Chief Financial Officer and Chief Accounting Officer, will provide an overview of our financial results for the quarter as well as discuss our 2024 financial outlook. Following their comments, we will open the call to Q&A. Also joining us for Q&A will be Chris Isaacson, our Chief Operating Officer.

I would like to point out that this presentation will include the use of slides. We will be showing the slides and providing commentary on each. A downloadable copy of the slide presentation is available on the Investor Relations portion of our website.

Slide 3: Forward-Looking Statements

During our remarks, we will make some forward-looking statements, which represent our current judgment on what the future may hold, and while we believe these judgments are reasonable, these forward-looking statements are not guarantees of future performance and involve certain assumptions, risks and uncertainties. Actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. Please refer to our filings with the SEC for a full discussion of the factors that may affect any forward-looking statements.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, after this conference call.

During the call this morning, we will be referring to non-GAAP measures as defined and reconciled in our earnings materials. Now, I'd like to turn the call over to Fred.

Slide 4: Fredric Tomczyk, CEO

Good morning and thanks for joining us today. I hope 2024 is off to a great start for everyone.

Slide 5: Strong Adjusted Earnings and Record Net Revenue in Fourth Quarter Cap a Record Year [Fred]

I'm pleased to report on strong fourth quarter and full-year results for Cboe Global Markets. During the quarter, we grew net revenue 9% year-over-year to a record $499 million and adjusted diluted EPS by 14% to $2.06. These results capped another record year, which saw us grow net revenue 10% to a record $1.9 billion and adjusted EPS 13% to a record $7.80. Our outstanding results were driven by record trading volumes across our Derivatives business, continued durability and growth of our Data and Access Solutions business, and disciplined expense management.

Our Derivatives business delivered another record quarter as total organic net revenue increased 18%. As more investors embraced the utility of options to help navigate any market environment, we saw total options average daily volume increase to a record 14.9 million contracts, driven by a 24% increase in index options. We saw record volume across our suite of S&P 500 index options products, with fourth quarter ADV in the SPX contract increasing 22% year-over-year to 3.3 million contracts. We also saw solid performance in our volatility product suite with VIX Options up 33% year over year.

Our Data and Access Solutions business continued to perform well, and we continue to have strong conviction in this business going forward as we look to unlock value and revenue opportunities across the globe. During the quarter, organic net revenue in our Data and Access Solutions business increased 7%. Net revenue in our Cash and Spot

Market business decreased during the quarter finishing a year of more muted volume activity across global equity markets.

Overall, it was a strong quarter of both transaction and non-transaction growth that capped an excellent year for Cboe.

Slide 6: CEO's Three Key Priorities [Fred]

Over the last few years Cboe has built out a unique global derivatives and securities network. With the network largely built, nearly all acquisitions integrated, we are now turning our attention to unlocking the value of this network through strategic organic growth initiatives.

As I highlighted last quarter, I am focused on three key priorities that I believe will further strengthen Cboe and enhance shareholder value over the longer term:

1.) Sharpening our strategic focus,
2.) Effective allocation of our capital, and
3.) Developing talent and management succession.

We are working through our strategic review now, but I wanted to provide some framework for how we're approaching this process. First, we're analyzing the secular trends driving market activity today and assessing how we can continue to maximize our core competencies leveraging our global platform and superior technology.

We continue to see several key secular trends reshaping trading and capital markets. As I sit here today, those trends continue to gather strong momentum and propel our business forward:

- First, the globalization of markets and, subsequently, our customer base. Our global customer base wants access to all of our trading capabilities. They are looking for efficiencies and a consistent experience trading across asset classes and geographies, which we can deliver.

- Second, the unprecedented rise of the retail customer has transformed the U.S. market in recent years. As with many global trends, we believe what has transpired in the U.S. market will evolve to other global jurisdictions as those markets typically follow a similar evolution. We believe this new generation of retail investors is here to stay and becoming more sophisticated as they increase their use of options to help execute their trading and investing strategies. We see continued opportunity to service this key market segment as the retail wave expands globally.

- Finally, technology and data, including emerging areas like cloud computing and artificial intelligence continue to transform the world we live in and is the fuel that helps drives trading in our markets and products. As our customers engage with markets around the world, high-quality technology and easily accessible, relevant data is paramount.

What differentiates Cboe and enables us to leverage these trends is our core strengths – 1) the global footprint we have now assembled, 2) our renewed focus on superior technology and 3) our emphasis on greater product innovation. Our recent acquisitions have helped us to hone these core strengths and we now have a solid foundation for continued organic initiatives that we expect to drive revenue growth and earnings growth in 2024 and beyond.

Today we are the only truly global derivatives and securities exchange. Our global equities footprint spans 7 of the top 10 global equity markets, creating an unrivaled, consistent trading experience for our global customer base.

These equity markets have provided strong and consistent cashflow generation for our business, but importantly, we see securities markets as the foundational element, table stakes, in creating products and services that span the equities and derivatives landscape.

Another strength is our technology, which has enabled us to be a nimble and efficient operator of securities markets around the globe. With two major technology migrations completed last year – Australia and Japan – we now have all but one of our equities and equity derivatives markets running on our common technology platform. Our final technology integration is planned to take place in early 2025 with the migration of our Canadian market to Cboe technology.

With nearly all of our acquisitions fully integrated, we are well-positioned to unlock the incremental value from our global network by investing in organic growth initiatives in all of businesses while enhancing and leveraging our global technology platform.

Over the last two years, our product innovation has driven an incredible evolution in the options market that makes us even more confident about the durability of our business. We have seen an increasingly diverse set of market participants turning to shorter duration options across our SPX complex, continuously hedging and repositioning on a day-in and day-out basis, not just during times of market volatility. Prior to the launch of Tuesday / Thursday options in the Spring of 2022, 0DTE as a percentage of SPX activity was in the low 20 percent range. In 2023 that reached 45% for the year and moved to 50% in January.

While some product innovations like 0DTE drive immediate volumes, we know that other innovations like standing up a new derivatives market in Europe take time. The remarkable thing about our business is that the core engine can continue to churn and produce revenue in the short term, while we continue to incubate new markets for long-term growth.

In summary, we remain focused on creating a healthy ecosystem of products and services that create short, medium and long-term opportunities, helping to enable a cadence of consistent growth.

Additionally, we remain well-positioned due to our disciplined capital allocation strategy. During the fourth quarter, we paid off all outstanding variable rate debt and we are in a very good place with our leverage ratio as we begin 2024. We remain committed to maintaining a flexible balance sheet while investing in organic growth initiatives, our technology capabilities, and operating efficiencies to drive durable revenue growth, optimize our margins and thereby drive earnings growth.

Finally, talent development and succession planning remains a priority for me. We continue to develop leadership in all functions across the company and optimize our organizational structure to support our global strategy.

I'll now turn over to Dave...

Slide 7: Unlocking Growth Up the Value Ladder [Dave]
Thanks, Fred.
As we enter 2024, we are well positioned to capitalize on those trends and build on our record 2023 results. You have heard me speak in the past about the foundational elements that make up our ecosystem and the process we follow for moving up our cash, data, and derivatives value ladder. I want to start by outlining the ways we have strengthened the Cboe foundation before looking at how we plan to unlock organic value across the ecosystem in 2024.

Starting first with the cash and spot markets, in 2023 we enhanced our presence in every major market open to competition around the globe, making the biggest advancements in the Asia Pacific region. In March 2023, we completed our technology migration and BIDS rollout for Cboe Australia, and in the fourth quarter we completed our technology migration and launch of the BIDS network in Japan. This migration not only provided a uniform infrastructure to enhance our performance and trading capabilities in the region, but it unlocked opportunities across our value ladder for incremental data product offerings and the ability to add adjacent asset classes over time.

With the Australia migration complete nearly a year ago, it serves as the most recent example of this expansion strategy in action. Since the migration, Cboe Australia has seen a solid increase in its market share, with Cboe's continuous cash market share finishing December at 21.2%, up three and a half percentage points as compared to December of 2022.

The benefits of our regional expansion are not isolated to cash equities though. As we move up the value ladder, we have seen data and access solutions in the region grow, with Australian market data and access services growing by 11% in 2023.

The gains in Australia are illustrative of the broader globalization trend benefiting the Data and Access Solutions business. In fact, the fourth quarter represented the highest quarter ever for data sales to customers outside the US. Cboe Global Cloud, our real-time data streaming service, allows customers efficient access to Cboe's robust suite of market data products. Today, nearly 80% of our cloud customers are located outside of the United States, with the demand for 24x7 access to markets and market data only growing.

Last on our value ladder, but certainly not least, as we think about expanding our derivatives capabilities, we remain steadfast in our efforts to bring a US-market experience to global participants. Shifting market behavior takes time and we are still in the early stages of this journey, but we are well aligned with the global ambitions of our broker dealer partners.

We see Europe as a market ripe for this evolution, with the value of volume traded for equity and index options running at just six percent of the size of the value traded in the US, despite comparable GDPs. In the fourth quarter, our European derivatives exchange, CEDX, posted its best quarter since launch with volumes up 85% year-over-year. More importantly, complementing our index trading capabilities in the region, we successfully launched our single-stock options offering in November. We currently have options on 127 companies in production today with plans for over 300 names later this quarter, subject to regulatory approvals, and expect to commence a Liquidity Provider Program in the months ahead.

The movement up the value ladder from cash, to data, to derivatives provides the framework for establishing a flywheel of revenue generation.

Slide 8: Reflecting on 2023 Trends [Dave]
Turning to slide 8, it was another record quarter for SPX and a record year for the overall index business as investors turned to our S&P 500 volatility toolkit to help navigate markets.

SPX options volumes grew a robust 31% to a record ADV of 2.9mn contracts in 2023. Activity in the fourth quarter was a record 3.3mn contacts – notably, while volumes grew across the board, we saw a more pronounced jump in call volume as investors turned to options to quickly adjust their portfolios in the face of changing market conditions.

Meanwhile, we continue to see sustained traction in our zero-day-to-expiry options. 0DTE activity grew a remarkable 60% year-over-year to comprise 45% of overall SPX activity. These ultra-short-dated options have given investors the ability to hedge risk, generate income, and express directional views more precisely and frequently.

In our VIX complex, as markets rallied last year, volatility levels fell, with the VIX falling from an average of 26 in 2022 to 17 in 2023. The lower VIX levels drove call buying as investors looked to the convexity of VIX options to help protect against potential black swan events. Overall, VIX ADV jumped 40% to a record 743k contacts last year.

As volumes continue to grow, so does the demand for new data sets, indices, and tradable products.

We had many noteworthy developments over 2023, in partnership with S&P Dow Jones Indices we launched the Cboe 1-day Volatility Index in April, options on futures for our Cboe iBoxx Bond Index futures in July, the Cboe S&P 500 Dispersion Index in September - and in October we further expanded our benchmark VIX methodology by launching a new suite of four credit volatility indices.

Slide 9: 2024 Derivative Drivers [Dave]
Turning to slide 9, as we start 2024, we see a supportive backdrop unfolding for our index products, aided by both strong secular forces and cyclical tailwinds.

The increased utilization of options as a trading tool has been underway for decades, but we are still just scratching the surface on widespread adoption. Investors have become increasingly sophisticated over the years, an interest we have looked to foster through our leading investor education platform, The Options Institute. With additional online platforms planning to offer cash settled products in the year ahead, we see a runway to higher levels of accessibility and activity across our suite of derivatives products.

As you heard me mention earlier, the opportunity to bring a US-market experience to global participants is increasingly compelling. While our current efforts are aimed at providing a single access point to trade pan-European products, over time we expect to leverage our access into other regions like Asia Pacific. Today, this shows up most directly through the continued growth in global trading hours activity. In 2023, SPX GTH expanded by a robust 85% and VIX GTH activity was up a solid 45%. Despite the growth across the complex, GTH for SPX options still represents under 3% of overall activity and GTH for VIX options made up less than 1% of all VIX volumes, leaving meaningful potential for expansion.

As we have seen in other markets, traders continue to demand greater flexibility in managing their risk profile. The growth in 0DTE activity speaks to the burgeoning need to manage intraday risk at a greater level. Importantly, this trend remains firmly in place across market cycles and vol regimes.

Magnifying the impact from the structural tailwinds I just covered, there are a number of cyclical factors working in our favor today. A common misconception that we often hear is that we need higher volatility – or a market selloff – to drive options volume growth. As you can see from the chart on the slide, this is far from the truth. Investors have turned to options to help manage risk when the outlook is uncertain. However, it's important to note that risk runs both ways, and as we saw in Q4, investors turned to options to help manage the upside potential in the market, buying calls to quickly increase their equity exposure in the face of falling 10-year rates. In fact, our 4Q23 record volume days all occurred on market "up" days, and last quarter was a record period for our SPX complex despite the index moving 11% higher and volatility levels falling dramatically.

We believe that options provide an increasingly durable stream of revenue. Unlike cash equities products, options expire on an increasingly frequent basis, particularly as investors embrace shorter duration trading strategies. This means that traders must continuously reassess the market, putting on and adjusting positions to manage risk, hedge exposure, or generate income.

Slide 10: Derivatives Product Innovation Builds on Strong Foundation [Dave]
Turning to slide 10, I want to reinforce some of our more recent product innovations. In January 2024, we increased access to shorter duration products with the launch of Tuesday and Thursday-expiring Russell 2000 and Mini-Russell 2000 Index weekly options, providing small cap investors with some of the same tools available to SPX traders.

For XSP, despite the roughly 80% ADV growth produced during 2023, we are even more excited about the potential for the XSP contract in 2024. We believe potential margin relief from the SEC will allow additional customers to benefit from XSP's many advantages. Overall, the potential for regulatory approval, coupled with the likelihood for our cash settled products to be offered on additional online platforms, should help catalyze incremental XSP uptake.

On the data side, our partners play an important role in our growth. In 2024 we are excited to expand our collaboration with MSCI to include the launch of two new volatility indices and three new tradable products, subject to regulatory approval. This is a great example of our continued relationship with MSCI and the growing demand for both more volatility indicators and tradable products to better manage market risk.

Slide 11: Data and Access Solutions – Driving Durable Growth [Dave]
Touching more broadly on our Data and Access Solutions business on slide 11, we posted another quarter of record results with revenues increasing 7% on a year-over-year basis. For the full year, DnA grew 9% with organic growth making up seven and half percentage points of the nine percent growth. The year-over-year growth was again driven by client expansion and additional unit sales of our expanding portfolio of access and data solutions. Outside of our Cloud capabilities that I mentioned earlier, we see the opportunity to grow our business by strengthening our distribution capabilities, expanding our index capabilities, and providing greater access to our markets around the world.

Slide 12: Executing on Growth Priorities
I started my prepared remarks outlining the process we follow when building out our ecosystem of capabilities.

As we think about the key trends across our businesses – we believe we are well aligned in each of our major categories. This not only helps drive more durable revenue generation for more established products like our SPX suite, but also allows for the buildout of newer initiatives that can leverage a robust infrastructure already in place.

Digital assets is one such product that touches each segment of our ecosystem. As we see markets increasingly move digital, we believe there will be greater demand for trusted and transparent markets. We were honored to have been chosen as the listing venue for six of the eleven bitcoin ETFs made available for trading in January. . Looking beyond the listing, cash trading, and data benefits, a more vibrant crypto ecosystem is advantageous to our recently-launched margin futures product. In January, Cboe Digital became the only U.S. regulated exchange to offer spot, leveraged derivatives, and clearing on a single platform.

2024 is off to strong start, and we look forward to capitalizing on the numerous opportunities across our business to drive long-term shareholder value. With that, I will turn the call over to Jill.

Slide 14: 4Q23 Financial Summary
Thanks Dave. As Fred and Dave highlighted, Cboe posted a strong fourth quarter with adjusted diluted earnings per share up 14% on a year-over-year basis to $2.06, equaling our previous quarterly record. On a full year basis, adjusted diluted earnings per share were up 13% to a record $7.80 as Cboe generated strong net revenue growth of 10%, hitting a record $1.9 billion for 2023. I am incredibly pleased with the 2023 results and will provide some high-level takeaways from the quarter before delving into an assessment of the segment results and our 2024 guidance.

Our fourth quarter net revenue increased 9% to finish at a record $499 million. The growth was again driven by the strength in our Derivatives Markets category and the solid results from our Data and Access Solutions business. Specifically:

  - Derivatives Markets produced 18% year-over-year organic net revenue growth in the fourth quarter as we set numerous records across our propriety product franchise for the fourth quarter and full year.
  - Data and Access Solutions net revenues increased 7% on an organic basis during the quarter. We are pleased with the revenue trends and are confident in our ability to deliver durable growth in 2024.
  - Cash and Spot Markets net revenues decreased 11% during the quarter on an organic basis, given headwinds in our NA equities business.
- Adjusted operating expenses increased 9% to $192 million, with the y/y growth driven by higher compensation and benefits during the quarter;
- and Adjusted EBITDA of $321 million grew a solid 10% versus the fourth quarter of 2022.

Slide 15: 4Q23 Net Revenue by Segment and Key Drivers
Turning to the key drivers by segment. Our press release and the appendix of our slide deck include information detailing the key metrics for our business segments, so I'll provide some highlights for each:

- The options segment provided robust growth to cap an outstanding year. Net revenues grew 15%, led by a strong contribution from our index business and favorable revenue per contract trends given the mix shift to index options,
  - Total options ADV was up 2% as our higher-priced index options ADV increased 24% over 4Q22 levels,
  - Revenue per contract moved 20% higher given a continued positive contribution of higher-capture index products,
  - And access and capacity fees were up 6%, as compared to 4Q22.

- North American equities net revenue was down 10% on a year-over-year basis in the fourth quarter, driven by lower net transaction fees. The decrease was driven by a decline in our U.S. equities on-exchange net capture as unfavorable mix shift and higher client volumes pushed more clients into higher tiers, resulting in a negative impact on our overall net capture rate. With our recent fee filings, we have already taken steps to enhance our capture dynamics while maintaining market share as we look to maximize revenue potential for the segment. Partially offsetting some of the headwinds in the U.S. on-exchange business, Canadian equities and our BIDS businesses were solid for the quarter, and, on the non-transaction side, access and capacity fees increased 7% and proprietary market data was up 6%.

- The Europe and APAC segment reported a 9% year-over-year increase in net revenue as stronger non-transaction revenues and favorable foreign exchange trends again outpaced volume headwinds in European equities. Market data, access and capacity and other – which includes the positive impact of interest income during the quarter - were up a combined 14% on a year-over-year basis. Transaction revenue in Japan and Australia benefited from solid market share gains.
- The Futures segment reported the strongest year-over-year growth of all our segments for the quarter, with net revenue up a robust 21%. Activity in the segment accelerated as volumes increased 21% on a year-over-year basis and rate per contract improved by 2%. On the non-transaction side, access and capacity fees continued to perform well, up 6% versus the fourth quarter of last year, and market data revenues increased by 15%.
- And finally, net revenue in the FX segment notched another quarterly gain, growing by 12%, making it the eleventh consecutive quarter of year-over-year net revenue gains for the segment. Net transaction fees revenue was up 8% as average daily notional value increased by 15% and market share hit another record at 21.3% for the quarter.

Slide 16: Grew Data and Access Solutions
Turning now to Cboe's Data and Access Solutions business, net revenues were up a solid 7% on an organic basis in the fourth quarter, bringing the full year total net revenue growth to 9% and organic net revenue growth to seven-and-a-half precent in 2023. Net revenue growth continued to be driven by additional subscriptions and units, accounting for 84% of the organic market data growth and just over half of the organic access and capacity fee growth in the fourth quarter.

We are pleased with the organic net revenue trends for the segment, and believe the momentum positions us well to hit our 2024 and medium-term guidance range of 7-10%. More specifically, we expect to see continued strength from:

- Increasing demand for access across our global markets, particularly given our leverage to growing asset classes and expansion into new regions
- Proprietary data sales and options analytics, benefiting from the sustained growth across our derivatives complex
- And finally, we anticipate a continued focus on our sales effort to distribute our content globally – from market data to indices - adding to the enhanced distribution capabilities that Cboe Global Cloud presents.

Slide 17: 4Q23 Adjusted Operating Expenses
Turning to expenses, total adjusted operating expenses were approximately $192 million for the quarter, up 9% compared to last year. The increase was a product of compensation and benefits given higher headcount, as well as higher technology support services to support investment in our key growth initiatives during the quarter.

Slide 18: 2024 Guidance
As we look ahead on slide 18 to our 2024 guidance, we are introducing our full year 2024 adjusted expense guidance range of $798 to $808 million. After two years of relatively elevated expense growth as we integrated numerous acquisitions and invested heavily in growth initiatives, we are slowing the pace of expense growth to help provide greater margin stability moving forward. Our 2024 expense guidance of $798 to $808 million represents roughly 6% growth on the bottom end and 8% growth on the top end, or just under a 5% increase at the midpoint if using the fourth quarter of 2023 as a baseline.

Importantly, this lower growth rate should not be viewed a lack of desire or ability to invest in attractive long-term growth opportunities across our businesses, but rather highlights a more refined effort to manage expense growth to better align with revenue generation and stabilize the margins of our business.

Looking at our full-year guidance more broadly,

- we are introducing an organic total net revenue growth range of 5 to 7 percent for 2024. This is in line with our medium-term guidance of 5 to 7 percent introduced over two years ago, as we continue to execute on our vision for the company.

- We are also introducing a DnA organic net revenue growth rate range of 7 to 10 percent for 2024, also in line with our medium-term expectations. The DnA category has been a durable growth driver over the years, and we remain comfortable in our ability to hit our objectives in 2024.

- In the other income line, we anticipate a $37 to 43 million benefit in 2024 from positive marks on our investment in the 7Ridge Fund - which owns Trading Technologies.

- Our full year guidance on CAPEX calls for an expected range of $51 to $57 million in 2024, and depreciation and amortization is expected to be in the range of $43-$47 million for the year.

- We expect the effective tax rate on adjusted earnings (under the current tax laws) to come in at 28.5% to 30.5% for 2024.

- And finally, outside of our annual guidance, we expect net interest expense to be in the range of $10 to 11 million for the first quarter of 2024.

Slide 19: Medium-Term Organic Revenue Guidance vs. Performance
Before moving on from our guidance section, I want to spend a minute on Slide 19 to highlight how Cboe has performed against our medium-term expectations historically.

Looking back over the last six years, we have performed well against our targets as we have executed on our strategic ambitions. Our goal for the last few years has been to grow total organic net revenues by 5-7% and organic DnA revenues by 7-10% each year, something we have consistently achieved. Given the durable nature of both our non-transaction and transaction businesses, particularly given the increasingly recurring nature of our derivatives franchise, we believe we are well positioned to build on our historical performance and look forward to innovating and leveraging our global platform.

2024 is off to another strong start, and as we have done in the past, we will fine-tune our annual guidance expectations to reflect the current environment throughout the year.

Slide 20: Efficient Allocation of Capital to Create Long-Term Shareholder Value
On the capital front, our focus remains maximizing long-term shareholder value through effective capital management. In the fourth quarter, we returned a total of $58.5 million to shareholders in the form of a $0.55 per share quarterly dividend. In addition, we repurchased $5.8 million in shares at the end of the fourth quarter. Moving forward, we will look to opportunistically repurchase shares given our continued strong free cash flow generation.

Turning to our balance sheet, we paid down the remaining $75 million on our term loan facility during the fourth quarter. Our 4Q leverage ratio declined to 1.2x from 1.3x in the prior quarter as a result of the debt pay down. Overall, we remain comfortable with our debt profile and the balance sheet flexibility it affords, having locked in low medium-to-longer term fixed rates, averaging below 3%, on our outstanding debt.

Embedded in our expense, revenue and capital expectations, we are always looking to strike the right balance between investing in future growth and optimizing our margins. We look forward to executing on our growth drivers in the year ahead and delivering solid shareholder returns in 2024.

Now I’d like to turn it back over to Fred for some closing comments before we open it up to Q&A.

Closing Remarks [Fred]

We are excited about both the near and long-term opportunities to grow and expand our business and believe we have strong momentum as we head into 2024. We are well-positioned to leverage our global footprint, leading-edge technology and continued product innovation to unlock the value of the global network Cboe has built, and I am excited about the opportunities we see to drive revenue and earnings growth across our platforms.

Cautionary Statements Regarding Forward-Looking Information
This presentation 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 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 or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes or changes in tax regimes; our ability to protect our systems and communication networks from security vulnerabilities and breaches; our ability to attract and retain skilled management and other personnel, including compensation inflation; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; global expansion of operations; factors that impact the quality and integrity of our indices; our ability to manage our growth and strategic acquisitions or alliances effectively; 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 minimize the risks, including our credit, counterparty, investment 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; 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; the impacts of pandemics; the accuracy of our estimates and expectations; litigation risks and other liabilities; and operating a digital asset business and clearinghouse, including the expected benefits of our Cboe Digital acquisition, cybercrime, changes in digital asset regulation, losses due to digital asset custody, and fluctuations in digital asset prices. 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, 2022 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.

This presentation includes market share, financials and industry data that we obtained from industry publications and surveys, reports of governmental agencies, third-parties and internal company surveys. Industry publications and surveys generally state that the information they contain has been obtained from sources believed to be reliable, but we cannot assure you that this information is accurate or complete. We have not independently verified any of the data and financials from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position are based on the most currently available market data. While we are not aware of any misstatements regarding industry data and financials presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors.