Cboe Global Markets, Inc.
Second Quarter 2026 Earnings Call
July 31, 2026

Ken
Good morning and thank you for joining us for our second quarter earnings conference call. On the call today, Craig Donohue, our CEO, will discuss our performance for the quarter and provide an update on our strategic outlook. Jill Griebenow, our Chief Financial Officer, will provide an overview of our financial results for the quarter as well as discuss updates to our 2026 financial guidance. Following their comments, we will open the call to Q&A. Also joining us for Q&A will be:

- Prashant Bhatia, our Head of Enterprise Strategy & Corporate Development,
- Heidi Fischer, our Global Head of Equities and Spot Markets;
- Rob Hocking, our Global Head of Derivatives, and
- Scott Johnston, 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: Disclosures
During our remarks, we will make certain forward-looking statements, which represent our current judgment on what the future may hold. 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 Craig.

CRAIG
Opening Remarks
Good morning and thank you for joining us to review our second quarter results. Cboe delivered another quarter of record net revenue and strong adjusted earnings, with all of our core businesses continuing to deliver exceptional performance. From this position of strength, we're turning our attention to the many opportunities for growth ahead. I'll share some high-level comments before handing the call over to Jill for a financial update.

Slide 5: Record Net Revenue in the Second Quarter

During the second quarter, Cboe grew net revenue 25% year-over-year to a record $732 million, and adjusted diluted EPS increased a robust 45% to $3.56. The strong execution during the second quarter was again broad-based, driven by double-digit net revenue growth in every major category at Cboe and year-over-year net revenue growth in all five of our company segments.

Slide 6: Derivatives: Aligned with Cyclical and Secular Trends
Beginning with our Derivatives business, we delivered another record quarter with net revenue increasing to $413mn, up 30% year-over-year. Index options drove the upside, setting another quarterly record with average daily volume increasing 32% year-over-year to 6.2 million contracts. The quarter marked several product-specific ADV records with 5.1mn SPX options, 3.1mn SPX 0DTE options, 195k mini-SPX options, and 189k contracts traded during Global Trading Hours.

Slide 7: Derivatives: SPX Volume Growth Across Environments and Customers
During the quarter, SPX option volumes increased 40% year-over-year on the back of elevated economic uncertainty and stronger retail engagement. As geopolitical tensions eased in April and May, investors gravitated to longer-dated options to reposition their portfolios, particularly through the use of upside calls to participate in the market rally. In June, we saw a notable increase in retail volume following the repeal of the Pattern Day Trader rule, which had limited how often smaller accounts could trade without triggering additional restrictions. Its removal has eliminated a friction point, making it easier for smaller retail accounts to trade products like 0DTE more frequently. The impact of the repeal was immediate with SPX 0DTE ADV increasing 11% month-over-month in June, with the estimated retail share of that volume rising to 57% vs. 53% in April and May. Stronger retail engagement is also evident in the outsized growth in our mini-SPX contract, with ADV surging 37% from May to June and more than 80% year-over-year in Q2. We anticipate the continued adoption of the Pattern Day Trader rules across our broker dealer partners in the months ahead will be a tailwind for volumes and retail investors alike.

Slide 8 and 9: Derivatives: Options Remain the Preferred Tool for Investors

Options continue to play a critical role in today's markets, offering a distinct risk and return profile compared to linear derivative products like single stock futures and perpetual futures. Futures give investors direct exposure to the underlying, along with leverage, but introduce unbounded downside risk, differing liquidation mechanics, and potential funding rate uncertainty, depending on the product. We do not view options as a substitute for linear derivatives, but as a different tool entirely. Investors can define their maximum loss upfront while still participating in outsized upside. That combination of convexity and defined risk is among the reasons why the vast majority of 0DTE options trading today happens in capped-risk structures. Beyond expressing directional views, options can also be used for income generation, portfolio hedging, and volatility management, making them among the most versatile tools available to investors. We believe these distinctions help explain why SPX 0DTE trading has sustained strong growth across different market cycles and volatility regimes.

Slide 10: Derivatives: Expanding Access to Outcomes Through Event Contracts

As we look to extend our traditional options business, we're building something we believe will define the next chapter of growth at Cboe - a suite of solutions in the event and prediction market space. In June, we launched Cboe Predicts, our binary options on the Mini-S&P 500 Index. The feedback reinforces something we've long believed: there is demand for simple, outcome-based ways to engage with markets that have traditionally felt out of reach for many investors. To meet that demand, we're drawing on the trusted market infrastructure and deep liquidity that have defined our options franchise for decades to develop simple, intuitive products that appeal to a broader set of investors. Over time, we expect many of these traders to build familiarity and confidence in basic risk management concepts and progress into more sophisticated strategies like options spread trading.

We also see a compelling opportunity in contracts tied to company-specific performance metrics. We've taken the first step by filing with the SEC in July to list these products, with an initial focus on twenty-three of the most actively traded U.S. companies. That filing remains subject to regulatory approval, but we see a variety of use cases that span both our institutional and retail customer bases for these products. What sets this product apart from competitors is the structure; we firmly believe these are securities, products that should be overseen by the SEC and built within a framework of transparency and investor protection, one that Cboe has helped shape for more than fifty years. That regulatory foundation is exactly why we believe we're the right operator to bring this to market.

A key enabler for the expansion of our global derivatives franchise, including our event and prediction market buildout, is our continued investment in global clearing. We've filed an application for temporary registration with the SEC as a Covered Clearing Agency, with full registration targeted at the end of an 18-month period, subject to regulatory approval. On the CFTC side, we became subject to Subpart C of CFTC Regulations effective June 16, which means we will be held to the same enhanced prudential standards, consistent with global regulatory standards that apply to systemically important clearinghouses. Together, our SEC temporary registration application and Subpart C compliance support our treatment as a qualifying central counterparty (QCCP) under the U.S. bank capital rules, which reduces capital requirements for clearing members. Our SEC filing, if approved, will help us better innovate in options and expand our futures offering, backed by a vertically integrated stack of trading and clearing. Our clearing efforts are designed to be complementary to our long-standing partnership with OCC. We remain fully committed to the existing market structure and the OCC clearing model for existing equity options.

Slide 11: Cash and Spot: Solid Performance Across Products and Platforms

Moving to cash and spot markets, net revenue grew 22% year-over-year, with steady growth across Europe & Asia Pacific and Global FX and record revenues in our North American Equities segment.

- Global FX net revenue increased 17% year-over-year in the second quarter, driven by continued gains in average daily notional value and net capture.
- In Europe and Asia Pacific, net revenues increased 20% year-over-year, or 18% on a constant currency basis. This was driven by 31% year-over-year growth in net

transaction and clearing fees, reflecting stronger industry volumes and improved net capture, even as market share eased slightly versus the prior-year quarter.

- Cboe's North American Equities business made a strong contribution as well, delivering record net revenue for the segment, with net transaction and clearing fees up 37% on the back of stronger industry volumes and improved net capture rates.

As we look ahead, the cash equities business is one of the most dynamic asset classes in the world today, and Cboe is at the forefront as the industry embraces innovations that are reshaping how, and when, markets operate. We're excited to expand cash equities trading to a 23x5 basis, planned for this December - pending industry readiness - with an eye toward 24x7 over time. That shift will give investors greater flexibility to manage risk and access liquidity whenever they need it. Against that backdrop, we're supportive of the Commission taking a fresh look at market structure that has evolved significantly over the past two decades, through its proposed rescission of Rule 611. Cboe is the only exchange group that operates both registered lit exchanges and an ATS. We believe this uniquely positions Cboe to be a leader in combining the best elements of the various market models that equity market participants demand.

Slide 12: Cboe Data Vantage: Driving Durable Growth
Turning now to Data Vantage, net revenue increased 15% year-over-year. Growth was again broad-based, with Market Data and Access Services, Cboe Global Indices, and Risk and Market Analytics all posting double-digit gains on strong new unit and new subscription trends.

Slide 13: Alignment With Key Positive Secular Trends
Over the past year we've repositioned Cboe to better allocate our time, effort, and resources toward our core businesses and the areas with the greatest potential for growth. That repositioning has aligned us more directly with the most powerful secular trends in our industry: the continued dominance of the U.S. equity marketplace, the growing role of retail investors globally, and the secular rise in options trading.

1. The U.S. equity market remains the bedrock of global capital, with market cap surging past $75 trillion in June of this year, roughly half of all global equity value, up from just 27% two decades ago. The S&P 500 sits at the heart of that dominance. The latest figures show more than $20 trillion indexed or benchmarked to it globally, more than the equity market cap of any country outside the U.S. Our proprietary index business has captured that momentum directly with Cboe's SPX options ADV growing roughly 30% annually since 2021.

2. With U.S. household financial assets growing by ~6% annually for more than the last three decades, retail is playing a bigger role than ever in the markets. At Cboe, we remain focused on giving investors the access, tools, and educational resources they need to participate confidently. Cboe pioneered options education, and our Options Institute continues to see strong demand, with class registrations up 173% quarter-over-quarter in Q2. We believe that demand for education, greater access, and the utility options provide, has fueled robust growth.

3. That growth shows up clearly in the numbers: U.S. options stand out as one of the fastest-growing asset classes, on pace for a seventh straight record year in 2026. Daily volume through the second quarter averaged nearly 71 million contracts, with a single-day high above 110 million contracts recorded in the past year. Overall options growth has accelerated to over 20% annually since 2019, more than tripling volume in seven years.

These trends aren't independent tailwinds. They compound, and we believe Cboe is well positioned at the center of all three, positioned to turn them into long-term shareholder growth. With that, I'll turn the call over to Jill to walk through our financial highlights for the second quarter and updates to our 2026 guidance.

Slide 15: 2Q26 Financial Summary

Thanks, Craig. Cboe delivered record net revenue in the second quarter, while adjusted diluted earnings per share rose 45% year-over-year to $3.56. Before turning to the segment results, I'll walk through a few high-level takeaways from the quarter.

Net revenue increased 25% versus the second quarter of 2025, finishing at a record $732 million. We again saw strong double-digit growth in all categories, led by our Derivatives business. Specifically:

- Derivatives net revenue increased 30%, with strength across our proprietary index options and multi-list products powering the category's performance,
- Cash and Spot Markets net revenue rose 22%, fueled by strong industry volumes, and
- Data Vantage net revenue was up 15% on a year-over-year basis.

Adjusted operating expenses came in at $217 million, up 2% year-over-year, while adjusted operating EBITDA grew 37% to $528 million. Adjusted operating EBITDA margin expanded 6.4 percentage points to 72.2% in the second quarter, reflecting both our strong revenue performance and continued expense discipline.

Slide 16: 2Q26 Net Revenue by Segment and Key Drivers

Turning to the key drivers of the quarter 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:

- Options delivered yet another record quarter, with net revenue up 30% year-over-year, driven by a 33% increase in net transaction and clearing fees.
  - Total options ADV climbed 26%, including a 32% increase in index options volume and a 24% increase in multi-listed options volume.
  - The revenue per contract for our options business rose 6% year-over-year, a result of continued mix shift toward index options, coupled with a 3% increase in the index options rate per contract.
- North American Equities net revenue was up 17% versus the second quarter of 2025 as strong industry volumes drove a 37% increase in net transaction and clearing fees, with market data fees and access and capacity fees also contributing to the gain.
- Europe and APAC net revenue was up 20% year-over-year, or 18% on a constant currency basis, with net transaction and clearing fees up 31% and non-transaction revenues up a combined 9%.
- Futures net revenue was up 2% from the second quarter of 2025, primarily on higher market data fees, while net transaction and clearing fees held steady.

- Global FX rounded out the segment results with net revenue up 17% year-over-year, driven by an 8% increase in average daily notional value and a 6% increase in net capture.

Slide 17: Data Vantage Grew Net Revenue 15% in 2Q26
Looking at our Cboe Data Vantage business, net revenues increased by 15% compared to the second quarter of 2025.

New subscription and unit sales continued to drive revenue growth, representing approximately 84% of the quarter's growth, with the remainder coming from pricing changes. Sales trends also reflected strong international demand, with 50% of the quarter's sales coming from customers outside the U.S. Overall, we're very pleased with the composition of growth and trends within our Data Vantage business.

Slide 18: 2Q26 Adjusted Operating Expenses
On the expense side, total adjusted operating expenses came in at $217 million, up 2% year-over-year, primarily reflecting disciplined expense management against a higher bonus accrual as a result of our strong operating performance, along with increased travel and promotional expenditure.

Slide 19: 2026 Guidance
Turning now to our 2026 guidance: As we discussed on our first quarter call, in April we signed a definitive agreement to sell Cboe Canada and Cboe Australia. We'll continue operating both entities until close, each subject to its own closing conditions and regulatory approval. Today we're updating our assumptions to reflect an expected third-quarter close for the sale of Cboe Australia.

For consistency, we'll provide organic net revenue growth metrics that exclude the impact of the Cboe Australia sale, and we'll also break out the absolute dollar impact separately for modeling purposes. Cboe Canada will remain part of our ongoing 2026 guidance until we have more clarity as to the exact timeline for closing.

We now expect Cboe total **organic** net revenue growth in 2026 to be in the 'mid to high teens' range, up from last quarter's 'low double-digit to mid-teens' guidance. We estimate Cboe Australia contributed approximately $20 million in net revenue through July. Factoring in the loss of future revenue assuming a third-quarter sale, we still expect total net revenue growth to finish in the 'mid to high teens' range for 2026.

On Data Vantage, we now expect 2026 **organic** net revenue growth in the 'low teens' range, up from last quarter's 'low double-digit' guidance. We estimate Cboe Australia contributed approximately $17 million in Data Vantage net revenue through July. Factoring in the loss of future revenue assuming a third-quarter sale, we expect Data Vantage net revenue growth to finish in the 'low double-digit' range for 2026.

Turning to expenses, our adjusted operating expense guidance holds at $838 to $853 million for 2026 despite several moving pieces.

- Our estimate reflects higher incentive compensation expenses given our strong year-to-date operating performance, increased return-to-office costs, and incremental investment in high growth potential areas, as outlined in Craig's prepared remarks.

- Offsetting the higher expense piece is an $11 million reduction in our expectations for 2026 tied to the expected third-quarter close of the Cboe Australia sale. I would note that while a majority of expenses associated with Cboe Australia will end at the time of the sale, we will continue providing transition support, and incurring some related expense, for up to 12 months following the close of the transaction, subject to operational readiness. These incremental costs are reflected in our updated guidance.
- Lastly, we continue to expect $40 to $50 million in annualized savings from the strategic realignment actions outlined last quarter, with $20 to $25 million still expected to hit in 2026.

Rounding out our 2026 guidance:

- Our CapEx guidance increases to $98 to $108 million, from $73 to $83 million, as we made incremental investment in our clearing infrastructure and opportunistically pulled forward hardware purchases for future service to lock in lower costs ahead of rising inflationary pressure in the space.
- Depreciation and amortization decreases to $54 to $58 million, from $56 to $60 million, reflecting the later in-service timing of certain accelerated purchases.
- We continue to expect a full-year effective tax rate on adjusted earnings of 27.5% to 29.5% under current tax laws.
- While we don't formally guide to interest income or expense, we expect net interest income (income net of expense) to contribute $8 to $9 million positively in the third quarter, given higher cash balances.

Slide 20: Efficient Allocation of Capital to Create Long-Term Shareholder Value

Turning to capital allocation, we continued our opportunistic share repurchase activity during the quarter, buying back $33 million of Cboe shares. Combined with a $76 million dividend payment of $0.72 per share, we returned a total of $108 million to shareholders in the second quarter.

While we recognize there was meaningful volatility in our share price during the quarter, the most notable declines occurred in the final weeks of June, a period during which, consistent with standard practice around quarter-end reporting, our ability to transact in the open market is more limited outside of our 10b5-1. Had we had greater flexibility in the open market, we would have welcomed the opportunity to be more aggressive, particularly given what we viewed as a notable discount in the stock, supported by our strong cash position and continued confidence in the long-term value of the business.

Thinking about capital allocation more holistically, we are mindful of upcoming capital needs, including the $650 million debt tranche maturing in the first quarter of 2027, which we currently expect to repay with cash on hand. We will continue to evaluate opportunities to repurchase shares pursuant to our share repurchase program based on our share price, our trading window, and other capital deployment priorities, including this upcoming debt repayment.

We continue to maintain significant balance sheet flexibility, with adjusted cash of $2.3 billion and a leverage ratio of 0.7 times. That strong financial position gives us the capacity to pursue organic or inorganic growth opportunities, while continuing to return capital to shareholders through dividends and opportunistic share repurchases.

With that, I'd like to hand it back to Craig for closing comments.

CRAIG
Slide 22: Advancing Our Strategy Through Continuous Execution

Thank you, Jill.

Last quarter, I laid out the decisive steps we were taking to reposition Cboe for greater success. More recently, we've rounded out our executive leadership team, adding Heidi Fischer as Global Head of Equities and Spot Markets - she joined us in June and is with us today on the call.

The 2Q results show that we're delivering on that strategy - continuing to sharpen our portfolio, simplify our structure, and build a stronger foundation for our core businesses. As an organization we must now take the next step and shift our focus to the growth opportunities ahead.

With some of the most powerful secular trends in the industry at our back, my comments today give you a preview of some of the tangible initiatives we have underway to help drive new potential sources of revenue growth at Cboe.

- Our derivatives franchise remains incredibly strong, setting multiple records to start 2026, a foundation we'll leverage as we push into the related category of event contracts. With the launch of Cboe Predicts and our filing to bring company-KPI products to market, backed by clearing capabilities we're building out at Cboe Clear U.S., we believe Cboe is best positioned to capture this opportunity set.
- In cash equities, we're moving toward 23x5, pending industry readiness, and eventually 24x7 trading as market structure evolves.
- And in Data Vantage, we look to keep bringing new products to market to meet our customers' data and access needs.

We're moving into this next phase with speed, conviction, and a clear sense of where we can win. I remain genuinely excited about Cboe's future, and I look forward to delivering on that opportunity in the quarters ahead.

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 and new products and services 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; increasing competition by foreign and domestic entities; our business and operational dependence on and exposure to risk from third parties; factors that impact the quality and integrity of our and other applicable indices; our ability to manage our global operations, growth, and strategic acquisitions, wind-downs, divestitures or alliances effectively; increases in the cost of the products and services we use; 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, liquidity, market, investment, counterparty, and default risks, associated with operating our clearinghouses; 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 our business interests and our regulatory responsibilities; the loss of key customers or a significant reduction in trading or clearing volumes by key customers; 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 accuracy of our estimates and expectations; and litigation risks and other liabilities. 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, 2025 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.*