BGC Group, Inc.

Q4 2025 EARNINGS CALL TRANSCRIPT

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Company Participants

John Abularrage, Co-Chief Executive Officer

JP Aubin, Co-Chief Executive Officer

Sean Windeatt, Co-Chief Executive Officer

Jason Hauf, Chief Financial Officer

Jason Chryssicas, Head of Investor Relations

Other Participants

Patrick Moley, Analyst, Piper Sandler

Eli Abboud, Analyst, Bank of America

Operator

Greetings, and welcome to the BGC Group Fourth Quarter and Full-Year 2025 Earnings Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Jason Chryssicas, Head of Investor Relations. Thank you. You may begin.

Jason Chryssicas

Hello, everyone.

This morning, we issued BGC's fourth quarter and full-year 2025 financial results, which can be found at ir.bgcg.com.

Any historical results provided on today's call compare only the fourth quarter of 2025 with the prior-year period, unless otherwise stated.

All references to record and/or strongest results are compared to BGC's standalone financial results, excluding Newmark prior to the spin-off in November 2018.

We will be referring to our results on a non-GAAP basis, which include the terms Adjusted Earnings and Adjusted EBITDA. Please refer to today's investor materials on our website for additional details on our financial results and for complete and updated definitions of any non- GAAP terms, reconciliations of these items to the corresponding GAAP results and how, when, and why management uses them, as well as relevant industry and economic statistics.

The outlook discussed today assumes no material acquisitions or dispositions. Our expectations are subject to change based on various macroeconomic, social, political and/or other factors.

Information on this call contains forward-looking statements, including without limitation, statements about our economic outlook and business. These statements are subject to risks and uncertainties which could cause our actual results to differ from expectations. Except as required by law, we undertake no obligation to update any forward-looking statements.

For information on factors that could cause actual results to differ from forward-looking statements, and a complete discussion of risks and other factors that may impact these forward-looking statements, see our SEC filings, including but not limited to the risk factors and disclosures within these SEC documents.

With that, I am now happy to turn the call over to Sean Windeatt, Co-Chief Executive Officer of BGC Group.

Sean Windeatt

Thank you, Jason.

Good morning, and welcome to our fourth quarter and full-year 2025 conference call.

With me today are my fellow Co-Chief Executive Officers, John Abularrage and JP Aubin, along with our Chief Financial Officer, Jason Hauf.

BGC delivered record-breaking revenues in both fourth quarter and full-year 2025, with increases of 32% and 30%, respectively. This strong growth extended across all asset classes and geographies, driven by double-digit organic growth and our acquisition of OTC.

We achieved the strongest annual result in our history, with revenues approaching $3 billion, and EPS growing by 24% under GAAP and 19% for Adjusted Earnings. We significantly expanded our market share, completed our second-largest acquisition and became the world's largest energy broker. We completed the first phase of our cost-reduction program that will realize $25 million of annualized savings in 2026, with further cost savings targeted throughout the year.

FMX produced another record year, with our FMX UST business ending 2025 with a 40% market share. Our FMX Futures Exchange continued its rapid growth with SOFR Futures average daily volumes and open interest increasing 82% and 97%, respectively, from the previous quarter. This strong momentum has continued into 2026 with volumes, open interest and market share all setting new daily highs.

Three years ago on our fourth quarter 2022 earnings call, we declared BGC a growth company once again. Since then, we produced 13% revenue growth in 2023, 12% in 2024, 30% in 2025, and have now guided 34% growth for the first quarter of 2026, at the midpoint of guidance. Our revenues have increased from $1.8 billion in 2022 to nearly $3 billion this year. Over the same period, our Adjusted EPS has risen by 71% to $1.18 per share. We have become the largest ECS broker globally, diversified our customer base and introduced competition to the U.S. interest rate futures market.

We believe our company is stronger than ever and perfectly positioned for continued success as we move into 2026, with the year already off to a record-breaking start.

With that, I'd like to turn the call over to John to go over the quarterly results of the business in more detail.

John Abularrage

Thank you, Sean.

We delivered record fourth quarter revenues of $756.4 million, a 32.2% increase versus last year. Excluding our acquisition of OTC, revenues were $641.9 million, up 12.2%, which also would have been a fourth quarter record.

Our total brokerage revenues grew by 34.6% to $694.6 million, driven by growth across all asset classes.

Our ECS revenues grew by 92% to $257.5 million, driven by OTC and strong organic growth across the broader energy complex and our shipping business. Excluding OTC, ECS revenues grew by 10% versus last year.

Rates revenues increased 16.4% to $197.4 million, reflecting strong double-digit growth in G10 interest rate products, emerging market and repo products.

Foreign Exchange revenues were up 9.8% to $102.8 million, primarily due to strong growth in emerging market currencies and G10 FX forward volumes.

Credit revenues increased by 3% to $64.3 million, driven by higher emerging market and European credit volumes.

Equities grew by 29% to $72.7 million, reflecting global equity volatility and strong market share gains.

Data, Network, and Post-trade revenues grew by 14.2% to $36.7 million, excluding Capitalab, which we sold in the fourth quarter of 2024. This growth was driven by Lucera and Fenics Market Data. Including Capitalab, Data, Network, and Post-trade revenues grew by 12.5%.

Now, turning to Fenics.

In the fourth quarter, Fenics revenues increased by 15.4% to a fourth quarter record of $163.9 million.

Fenics Markets generated revenues of $136.7 million, an increase of 15.1%. This growth was primarily driven by higher electronic volumes across rates products and increased Fenics Market Data revenues. On December 31st, 2025, we sold our kACE business for up to $119 million or 28 times post-tax profits.

Fenics Growth Platforms revenues grew $27.2 million, an 18.9% increase, excluding Capitalab, driven by strong revenue growth in FMX and Lucera. Including Capitalab, which we sold in the fourth quarter last year, Fenics Growth Platforms revenues increased by 16.5%.

FMX UST generated record fourth quarter average daily volume of $58.7 billion, more than 12% higher compared to last year and outpacing all electronic U.S. Treasury platforms. This strong growth drove market share to a record 39% for the fourth quarter, up from 37% last quarter and 30% a year ago. FMX UST market share has increased sequentially in 12 of the last 13 quarters, more than doubling over the same period.

FMX Futures Exchange saw record volumes in open interest in the fourth quarter, with ADV and open interest increasing 82% and 97%, respectively, versus the third quarter. This momentum has carried into 2026, where ADV was approximately 40,000 contracts in January, exceeding 1% market share for the first time, and open interest ended with approximately 200,000 contracts, an all-time record.

We remain ahead of where we were with our FMX UST platform, which today has approximately 40% market share. In our experience, achieving the first 1% market share is the hardest. We are increasingly excited about the progress we are seeing with our FMX Futures Exchange.

FMX FX ADV increased by 40% to a fourth quarter record $15.5 billion, driven by strong growth across spot FX and non-deliverable forward volumes. The benefits of having 10 world-class partners in FMX is demonstrated by ADV more than doubling since the completion of the FMX transaction.

PortfolioMatch ADV grew by 68%, driven by stronger U.S. and European credit activity, greater adoption of algorithmic trading and larger average trade size. Our PortfolioMatch business has seen tremendous growth since its launch, and today we estimate it represents nearly 20% of the Credit Sweep market in the United States.

Lucera, Fenics' network business, providing critical real-time trading infrastructure to the capital markets, grew its revenues by 24.1%. This strong growth was driven by increased demand for Lucera's FX and Rates solutions, continued international expansion and onboarding of new clients. Lucera's client pipeline continues to expand, and we plan to launch additional fixed income products in 2026.

And with that, I would now like to turn the call over to Jason.

Jason Hauf

Thank you, John, and hello, everyone.

BGC generated record fourth quarter revenues of $756.4 million, reflecting growth across all of our geographies. EMEA revenue increased by 39.2%, Americas revenues increased by 25.7%, and Asia-Pacific revenues increased by 24.2%.

Turning to expenses.

Compensation and employee benefits under GAAP and for Adjusted Earnings increased by 71.8% and 40.1%, respectively. The increase in compensation and employee benefits under GAAP was related to charges due to the cost-reduction program, the acquisition of OTC, higher commissionable revenues, loan forgiveness and the weaker US dollar. The increase in compensation and employee benefits for Adjusted Earnings was driven by OTC, higher commissionable revenues and the weaker US dollar. Charges related to the cost-reduction program and loan forgiveness are excluded from Adjusted Earnings.

Non-compensation expenses under GAAP and for Adjusted Earnings increased by 25.5% and 27.1%, respectively, primarily driven by the acquisition of OTC. Excluding OTC, non-compensation expenses under GAAP and for Adjusted Earnings increased by 13.5% and 14.7%, respectively.

We completed the first phase of our cost-reduction program during the fourth quarter, which will realize $25 million of annualized cost savings in 2026. Further cost efficiencies are expected to be realized throughout the year.

Moving on to our record fourth quarter Adjusted Earnings.

Our pre-tax Adjusted Earnings grew by 24.5% to $161.3 million, representing a pre-tax margin of 21.3%. Excluding the impact of OTC, our pre-tax margin would have been 23.2%. And excluding both OTC and the weaker US dollar, our pre-tax Adjusted Earnings margin would have been approximately 23.7%.

Post-tax Adjusted Earnings increased by 21.1% to $149.6 million, resulting in a post-tax Adjusted Earnings per share of $0.31.

Our Adjusted EBITDA decreased by 0.8% to $190.6 million due to charges related to the execution of the cost-reduction program.

GAAP income from operations before income taxes decreased 8% to $25 million. This included $54.8 million of charges from the cost-reduction program, the cash impact of which was $28.1 million.

Turning to share count.

BGC's fully diluted weighted-average share count for Adjusted Earnings was 490.4 million shares during the period, a 0.8% decrease compared to the third quarter of 2025 and a 1% decrease compared to a year ago.

As of December 31, our liquidity was $979.1 million compared with $897.8 million as of year-end 2024.

With that, I'd like to turn the call back over to Sean to go over our first quarter outlook.

Sean Windeatt

Thank you, Jason. I'm pleased to provide the following guidance for the first quarter of 2026.

We expect to generate revenues of between $860 million and $920 million, as compared to $664.2 million in the first quarter of 2025, which at the midpoint of our guidance would represent approximately 34% revenue growth.

Excluding OTC, we expect our first quarter revenues to grow around 15% at the midpoint.

We anticipate pre-tax Adjusted Earnings to be in the range of $202 million to $222 million versus $160.2 million last year, which at the midpoint of guidance would represent over 32% earnings growth.

We expect our Adjusted Earnings tax rate to be between 11% and 14% for the full year 2026.

With that, operator, we'd like to open the call for questions.

Question & Answer

Operator

(Operator Instructions) Our first question comes from the line of Patrick Moley with Piper Sandler. Please proceed with your question.

Patrick Moley

Yes, good morning, and thanks for taking the question.

Wanted to ask about the first quarter guide, it came in much better than we were expecting, and it appears like, you know, the organic revenue growth is stepping up there.

So, I was hoping you could dissect that a little more for us. How much of the step-up in growth is driven by just a strong trading environment year-to-date versus maybe some more sustainable fundamental growth drivers across the business?

Thanks.

Sean Windeatt

Thanks, Patrick. Sean here.

Look, I think, as I said in the prepared remarks, we've grown our core revenue, if you like, our same-store revenue 13%, 12%, 15% each year. And in the implied guidance, it's 15% again.

You'll remember that we said, with the introduction of interest rates, the market itself was regrowing again, and you've seen that for the past three years and now you're seeing it in our guidance this time.

It's driven not just in ECS, where we've gained market share, you know, and I think we also have the benefit of becoming the number one player within that business. And then we've also had strong growth and strong market share gains, you know, due to the various hirings that we've done over the past year or so in both Rates and in Foreign Exchange. And you've also seen that across the board in FX and equities as well.

Patrick Moley

Okay, great. Thanks for that.

And then a follow-up. You sold kACE. Just wondering how you're thinking about the portfolio of businesses today within Fenics. What drove the decision to sell that business? Was it just opportunistic, or should we maybe expect future divestitures?

Thanks.

Sean Windeatt

Look, I think, we've sold two businesses that were sitting within Fenics now in the last year, you know. Had revenues of round about $27 million, and we sold those for just under $165 million. And our view has always been the same, which is it's all about shareholder value. And if someone is prepared to pay something that's an appropriate value for our shareholders, then that's great.

Both of those businesses were lower-growth businesses for us. I think they'll do fantastically well in the hands of their new owners. And what it allows us to do is to focus on those higher-growth things that you mentioned within the Fenics portfolio. I mean, you know, you saw, I think, in John's prepared remarks, he said that Lucera grew 24% again this quarter. Our PortfolioMatch business growing again at strong double-digits.

So, the answer is, we always remain open if it's not getting the value within our company, but it's all about shareholder value.

Patrick Moley

Okay. Thanks, Sean.

Operator

Our next question comes from the line of Eli Abboud with Bank of America. Please proceed with your question.

Eli Abboud

Good morning. Thanks for taking the question.

I wanted to follow up on Patrick's energy segment question, and still trying to unpack, I guess, what's structural from what's cyclical growth here.

And to that end, can you maybe talk about the extent to which you're seeing new logo growth in the energy space? Are there firms who maybe two years ago didn't think it was necessary to hedge their energy exposure, but now with all of this volatility are revisiting that decision and maybe becoming clients of BGC's ECS segment for the first time?

John Abularrage

Hey, morning, Eli. It's John.

So yeah, the answer is that in the ECS business, there is a proliferation of new players in that asset class, both, when you talk about hedging, you know, what is real risk in the market and new players who are entering on the traditional buy-side. So, we're definitely seeing the benefit of that.

Of course, there is some cyclical growth, but I think if you look at, you know, our market share and where, I would say, we're outperforming the market, those are based mainly on areas where we chose to invest and to enter into those markets over the last couple of years. So, we are seeing, across the board, good performance in our ECS business.

At the moment, you're seeing really great performance from the biggest asset classes that we've invested in, so oil, refined products, power, natural gas, and of course, our shipping business.

So yeah, the market environment is good, but I would say we continue to expand our client base and continue to gain market share.

Eli Abboud

Got it.

And has your ECS market share yet exceeded the combined market share of BGC and OTC Global as standalone entities? I know in the past couple of calls, you had said there would be situations where maybe one plus one equals three as you go to integrate those businesses. Are there any proof points, any evidence yet of that that you can share with us?

John Abularrage

I don't think we're breaking it out, but what I will say is without question, the answer to that is yes.

So, the benefits of acquiring OTC have become evident in the products that I just mentioned. So, our number one positioning in oil, in gas, in refined products has been augmented, certainly, in a greater way than just one plus one. And so, we are seeing the benefits of that.

And we are also seeing strong benefits where we have combined parts of the traditional BGC business with the existing OTC business to create, Eli, as you and I have discussed historically, very, very strong global brands under the BGC umbrella.

Eli Abboud

Got it.

And I think to some extent, the pushback that we hear from investors is, does your over-the-counter, your block, like bread-and-butter, does that grow structurally slower than listed energy volumes?

So, I think maybe it would be helpful like if we kind of take as a given that listed energy volumes grow, let's just say 15% per year over the next five years, does BGC's volumes grow more, the same, less? How should we think about the delta?

JP Aubin

Hey, Eli. JP here.

So, the block business is a growing part, right? As you know, 2025 the markets were very volatile. The beginning of 2026 is no different.

So, one, volatility remains the best friend of BGC business.

Second, we are the largest listed broker in the world, and the block part, the OTC part of that business is growing and BGC is benefiting largely.

I would like to mention something. You know, we are a client of multiple exchange. As an example, we are one of the CME's biggest clients. So, we noticed exchanges' share price are always up in very volatile days. We shouldn't be different, you know, the benefit from that extra business. And we are the client of the exchanges, so we feed them, in a way, every day.

So, we consider, we definitely benefit from volatility and the extra blocking business.

Eli Abboud

Got it. And maybe for my last one here.

I know we actually haven't hit on FMX Futures yet. So, now that market share is picking up and you guys have some momentum, what's the timetable for recognizing some revenue related to FMX Futures? I think there were some fee holidays, maybe in the past couple of quarters. Is there any timeline for those rolling off?

And then just a follow-up, any update on treasury futures? I think open interest there is still de minimis, and maybe that's been on the back-burner. When is that going to move to the front- burner for you guys?

John Abularrage

Yeah. So, the changes in the fee structure happen two years after the deal was signed. So, that's kind of the beginning of this summer when you'll see the change -- for the early adopters, change the fee structures.

I think we've said before for the futures businesses and in general comment, we will continue to consider where that stands to make sure that it is more than competitive in the marketplace. So that was the first part of your question.

And the second part of your question was on treasury futures, and treasury futures will come on the back of success of SOFR. Meaning that we are at 1% and we don't take the 1% lightly, but we're still on that journey, and we believe very strongly that focusing on SOFR at the moment is the right thing to do both for building that marketplace, but also in conjunction with daily conversations with our partners is how we make those decisions.

So, the launch of treasury futures will follow shortly behind where we get to the end of our journey in onboarding and getting SOFR to where we need it to be.

Eli Abboud

Got it. Thanks, guys. That's it for me.

Operator

Thank you. Our next question comes from the line of Patrick Moley with Piper Sandler. Please proceed with your question.

Patrick Moley

Yes. Thanks for taking the follow-up.

I wanted to hit on something you said in your prepared remarks about launching additional fixed income products in 2026 within Lucera. Could you maybe just help us get a better sense for what those could be and how additive it could be to overall growth within Fenics?

John Abularrage

Yeah, sure.

So, Lucera has got a dominant position in the FX market, as you would imagine, because that's where it started.

They then rolled into Rates, and you're seeing the benefits of Lucera's fantastic position in that market and the services they provide for clients both in connectivity and the robustness of what they do on the electronic side.

And now they're moving into Credit markets to bring that connectivity into an increasingly electronic world in Credit.

So hard to define in terms of a number because it's nascent, it's just sort of starting, but one would guess that if they are as successful in Credit as they've been in the first two asset classes, that over a period of time, hopefully, that will represent a third of their revenue.

Patrick Moley

Okay, great. Thanks again, guys.

Operator

Thank you. And we have reached the end of the question-and-answer session. I would like to turn the floor back to Mr. Sean Windeatt for closing remarks.

Sean Windeatt

Thank you very much. Just to say thanks for joining us today on our fourth quarter and full-year '25 conference call. Look forward to speaking to you soon and have a great day.

About BGC Group, Inc.

BGC Group, Inc. (Nasdaq: BGC) is a leading global marketplace, data, and financial technology services company for a broad range of products, including fixed income, foreign exchange, energy, commodities, shipping, equities, and now includes the FMX Futures Exchange. BGC's clients are many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, and investment firms.

BGC and leading global investment banks and market making firms have partnered to create FMX, part of the BGC Group of companies, which includes a U.S. interest rate futures exchange, spot foreign exchange platform and the world's fastest growing U.S. cash treasuries platform.

For more information about BGC, please visit www.bgcg.com.

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