



BGC Group, Inc.
Q1 2026
EARNINGS CALL
TRANSCRIPT





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 First Quarter 2026 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.

I would now like to turn the call over to your host, Jason Chryssicas, Head of Investor Relations. Thank you. You may begin.

Jason Chryssicas

Hello everyone.

This morning, we issued BGC's first quarter 2026 financial results, which can be found at ir.bgcg.com.

Any historical results provided on today's call compare only the first quarter of 2026 with the prior year period, unless otherwise specified.

All references on today's call to "historic", "record" and "strongest" results are to BGC standalone financial results excluding Newmark prior to the spinoff 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 the 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 John Abularrage, Chief Executive Officer of BGC Group.

John Abularrage

Thank you, Jason.

Good morning, and welcome to our first quarter 2026 conference call.

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

BGC delivered another record quarter. Revenues increased 44% to \$955 million, with growth across every asset class and geography. Excluding OTC, revenues grew 23% to \$817 million, which was also a record. Pre-tax earnings hit an all-time high, up more than 44%.

Our ECS revenues more than doubled to \$330 million, reinforcing our position as the world's largest energy broker. FMX posted its best-ever quarter, setting ADV records for U.S. Treasuries, FX, and Futures. FMX UST ADV grew 51% in the first quarter to a record \$90 billion, representing 41% market share.

We built on last year's \$25 million cost reduction program, which is now expected to result in \$35 million of annualized cost savings. We will continue to identify and execute cost savings throughout 2026 to drive further margin expansion.

A final point on the macro backdrop. The Iran conflict, which began on February the 28th, drove elevated volatility across energy, rates, and FX through the final month of the quarter. Through February the 27th, before the conflict began, revenues were tracking up 41%. Finishing the full quarter up 44% reinforces that our record results this quarter were driven primarily by our underlying business – with the conflict serving only as an incremental contributor.

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



Sean Windeatt

Thank you, John.

We delivered record revenues of \$955.5 million, a 43.8% increase versus last year.

Our total brokerage revenues grew by 46.7% to \$895.8 million, driven by growth across all asset classes.

ECS revenues grew by 120.1% to \$330 million, driven by the acquisition of OTC and strong organic growth across our broader energy complex and shipping businesses.

Rates revenues increased 27.5% to \$256.2 million, reflecting strong growth across listed futures and options, interest rate swaps, and government bonds, supported by continued FMX UST market share gains.

Foreign Exchange revenues were up 19.1% to \$131 million, primarily due to strong volume growth in emerging market and G10 products.

Credit revenues increased by 8.2% to \$94.1 million, driven by higher emerging market credit, PortfolioMatch and structured credit volumes.

Equities grew by 34.3% to \$84.5 million, reflecting strong market share gains across all major geographies and global equity volatility.

Data, Network and Post-trade revenues grew by 23.2% to \$34.5 million, excluding kACE, which we sold in the fourth quarter of 2025. This growth was driven by Lucera and Fenics Market Data. Including kACE, Data, Network and Post-trade revenues grew by 6.1%.

Now turning to Fenics.

Fenics revenues increased by 19.8% to a first quarter record of \$206.9 million.

Fenics Markets generated revenues of \$176.7 million, an increase of 20.3%. This growth was driven by higher electronic trading volumes across Rates, Credit, Foreign Exchange and increased Fenics Market Data revenues. On December 31, 2025, we completed the sale of our kACE financial business, for up to \$119 million. Excluding kACE, Fenics markets grew by 24.1%.

Fenics Growth Platforms revenues grew to \$30.2 million, a 17.4% increase, primarily driven by FMX, PortfolioMatch and Lucera.

FMX UST generated record quarterly ADV of \$89.7 billion, 51% higher compared to last year. FMX UST grew its first quarter market share to 41%, up from 39% last quarter and 33% a year ago. In March, ADV reached \$107 billion, the single highest month in the platform's history.

FMX Futures Exchange delivered another quarter of significant growth. SOFR ADV climbed to more than 39,000 contracts in the first quarter of 2026, up from 2,200 contracts a year ago, while quarter-end open interest reached approximately 143,000 contracts, compared to 8,000 in the prior year



period. FMX's U.S. Treasury futures developed momentum in April, with volume building throughout the month to a new high of approximately 30,000 contracts on April 29, 2026.

FMX FX average daily volumes increased by 42% to a record \$20.5 billion, driven by strong growth across spot FX and NDF volumes, resulting in continued market share gains.

PortfolioMatch ADV grew by 42% in the first quarter, setting a new all-time high. Growth was driven by higher client activity across U.S. and EMEA corporate credit, reflecting new and deepening customer relationships, and broad-based adoption of recently launched trading functionalities. Average trade size grew to record levels, supported by an increase in the platform's global maximum trade size. PortfolioMatch continues to capture market share in this critically important part of the credit market.

Lucera, Fenics' Network business providing critical real-time trading infrastructure to the capital markets, grew revenues by 22.8% in the first quarter. Growth was led by continued momentum in its FX offering and increasing client adoption across Fixed Income solutions, including U.S. Treasuries and Futures. Looking ahead, a pipeline of new products across both FX and Fixed Income is set to come online, which is expected to provide meaningful sources of new incremental growth.

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

Jason Hauf

Thank you, Sean, and hello, everyone.

BGC generated record revenues of \$955.5 million during the quarter, reflecting growth across all of our geographies. EMEA revenues increased by 56.7%, America's revenues increased by 29.9%, and Asia Pacific revenues increased by 31.1%.

Turning to expenses.

Compensation and employee benefits under GAAP and for Adjusted Earnings increased by 57.3% and 51.5% respectively. The increase in compensation and employee benefits under GAAP was related to the acquisition of OTC, higher commissionable revenues, charges incurred as part of the cost reduction program, and the weaker U.S. Dollar. The increase in compensation and employee benefits for Adjusted Earnings was driven by OTC, higher commissionable revenues, and the weaker U.S. Dollar.

Non-compensation expenses under GAAP and for Adjusted Earnings increased by 33.4 and 27.4%, respectively, primarily driven by the acquisition of OTC. Excluding OTC, non-compensation expenses under GAAP and for Adjusted Earnings increased by 19.3% and 12.7%, respectively.

During the quarter, we realized an additional \$10 million of savings and now expect our cost reduction plan to result in \$35 million of annualized savings. We remain committed to continuing our cost reduction initiative throughout 2026 with the goal of achieving further margin expansion.

Moving on to our record Adjusted Earnings.

Our pre-tax Adjusted Earnings grew by 44.9% to \$232.1 million, representing a pre-tax margin of 24.3%.



Post-tax Adjusted Earnings increased by 40.6% to \$201.1 million, resulting in a post-tax Adjusted earnings per share of \$0.41, 41.4% higher versus last year.

Our Adjusted EBITDA increased by 26.7% to \$253.2 million.

Turning to share count.

BGC's fully diluted weighted average share count for Adjusted Earnings was \$495.2 million shares during the period, a 1% increase compared to the last quarter and a 1.3% decrease compared to last year.

As of March 31st, our liquidity was \$878.4 million compared with \$979.1 million as of year-end 2025.

The change in our liquidity reflects payments for year-end bonuses, tax payments, and timing differences between commissions earned in the seasonally busier first quarter and commissions collected from the seasonally slower fourth quarter.

As cash uses are generally the greatest in the first quarter, we typically repurchase fewer shares during this period, and we expect share repurchases to increase throughout the remainder of the year.

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

John Abularrage

Thank you, Jason.

I'm pleased to provide the following guidance for the second quarter of 2026.

We expect to generate revenues of between \$785 million and \$845 million, compared to \$784 million in the second quarter of 2025, which at the midpoint of our guidance would represent 4% revenue growth increase for the second quarter and 22% revenue growth for the first half of the year or 13% organically.

We anticipate pre-tax Adjusted Earnings to be in the range of \$178 to \$196 million, versus \$173.6 million last year, which at the midpoint of guidance would represent 8% earnings growth for the second quarter and 26% earnings growth for the first half of the year.

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

With that, operator, we would 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. Thanks for taking the question and congrats on the record quarter.

So, I wanted to ask about Energy, Commodity and Shipping revenues. They're very strong, this quarter. In the release, you noted that total revenues were already tracking up 41% year-over-year before the Iran conflict broke out – finished at 44% increase in the quarter, year-over-year. So, how much of that growth do you view as structural versus cyclical?

And then I'm just curious, how do you think investors should think about the ECS revenue run-rate from here, as you lap the OTC Global Holdings acquisition in April of last year, and as we think about maybe some of the geopolitical driven volatility normalizing from here?

Thanks.

Sean Windeatt

Good morning, Patrick.

So, I think in terms of structural, as John said in his prepared remarks, we pointed out that the business was up 41% pre- the start of the conflict and ended up 44%. If you do the math's on that, you'll see our opinion is that around about, call it \$20 million of incremental revenue, one could ascribe to the conflict. But most of the growth in Q1 was part of our normal business. So, that's incredibly positive.

I think with ECS in particular, I don't think anything has changed between Q1 and Q2, and therefore the rest of the year. We've now owned OTC for one year and the integration of that business is virtually complete and therefore, I think what you'll now see is, you'll see growth across the ECS spectrum for our multi-brands. And we won't be breaking it out between OTC and our core business.

Patrick Moley

Okay, that's helpful.

And then as a follow-up, you expanded the cost reduction program this quarter.

In the press release, I think you said that you were going to continue to identify and execute cost savings throughout 2026 to drive further margin expansion.

So, could you walk us through what's driving that incremental \$10 million? How much additional runway you see beyond the \$35 million now? And, how should we just think about the pace of margin expansion flowing through the P&L over the remainder of the year?

Sean Windeatt

Yeah, I like that.

You see, we increase our cost reduction program in Q1 by 40% and you asked for what we're going to do next after that. I like that. Yeah. So look, I think as you know having covered us for a while, as a result of the OTC acquisition we identified that we should be able to save \$25 million in cost reduction.



Once we started on that journey, of course, we wanted to exceed that, and we found an additional \$10 million. So, we're now up at \$35 million. The bulk of that is within the compensation lines. There are some infrastructure lines as well.

And for example, we closed one of the non-profit making businesses that OTC had in its logistics business, which resulted in decreases in compensation and a small amount of non-comp as well.

I think, once you do these exercises, we will continue to do that across the business. Will we expect to get more than the \$35 million? Of course. That's why we said it in our prepared remarks. But I think having just done that incremental 40%, we'll perhaps update you on what we think and an updated thing, in the next quarter.

Patrick Moley

Okay, that's helpful. I'm looking forward to that. I got another question, but I'm going to hop back into the queue.

Thanks.

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.

You pointed out a moment ago to Patrick the revenues were tracking 41% higher year-on-year before the Iran war even began. So, my question is if the Iran war was not a major tailwind for you guys in 1Q26, how do I bridge the 31% organic revenue growth in 1Q26, with the 4% revenue growth implied by the guide for 2Q26?

Sean Windeatt

Thanks Eli.

So why don't I take that one. It was interesting actually when John, JP and I were doing guidance. I'd probably say it was one of the more challenging times to give you guidance. And that's really for two reasons.

Firstly, as we pointed out in Q1 this year, around \$20 million of incremental revenue was there in Q1, in our estimate as a result of the Iran conflict.

And last year, you of course remember that April was an interesting month in the U.S. because April '25 was, I think it was called Liberation Day, and therefore, it was the introduction of the tariffs, which had significant increases in volumes and trading in the month of April. So, if you put the \$20 million of Q1 this year and circa \$20 million of Q2 last year, that will help you bridge.



And I think also, we didn't mention it in our prepared remarks, but we did sell the kACE business. And, we did also close down the logistics business. Now, that's \$10 million of quarterly revenue.

But if you add those three things together, that's a \$50 million difference. And that's why also, we gave you the six monthly in John's prepared remarks that said organically we're growing at 12.7%, assuming mid-guidance.

Given our guidance, April of course therefore was challenged by comparison to last year. But what we've seen, and of course today is May 7. What we've seen is we've started to see trading levels return back to what I would call normality, and try to reflect that in our guidance.

Eli Abboud

Got it.

And then in the deck, you gave us some new data that shows your listed revenues are actually outpacing exchange volumes.

I think conventional wisdom is that electronification is a one-way trend and that your business, which is primarily voice, should be actually slower growth than that of the exchanges. These numbers, obviously, suggest that maybe that isn't true.

So, I was hoping you could help us understand why. Why does it make sense for the high-touch flow that BGC does to be higher growth, than the fully electronic low-touch flow that comprises the majority of listed volume?

Sean Windeatt

Okay, so I think two things.

As my Co-CEO JP pointed out in the last quarter.

What we were trying to explain is we are an exchange. We act like an exchange, except not just for electronic marketplaces, but for voice, for hybrid and for electronic.

And the interesting point was, when there's volatility in the marketplace, we couldn't understand why the exchange share prices would do well and ours not so much. And we're pointing out that we act like an exchange. The difference is the clients can come to us and execute their business in one of three ways.

So, it shouldn't be surprising, therefore, that when electronic volumes, at for example, CME and ICE are up, the trading that's going to be happening in both voice, voice/hybrid and electronic with intermediaries like BGC, that's going to be positive as well. So that's why there is a correlation between the two. Again, you've seen that very much in April, where the exchange volumes were lower, we still grew.



And why are we outperforming them? I think we're outperforming them for two reasons. Number one is because of, from a strategy of what's led to our market share gains in multiple asset classes – obviously our acquisitions, and secondly, just overall increased volume.

So, I think that's why we continue to outperform the market.

Eli Abboud

Got it, and I'll squeeze one more in here before I hand it back to Patrick.

Could you help us understand the decline in FMX Futures, open interest, quarter-to-date versus 1Q? What can be done to course correct there?

John Abularrage

Hey, it's John.

So, the drop in OI on the futures is just simply a reflection of a risk-off mentality in terms of what's going on in the market. And OI, as you know is just standing orders. So that is something that we would expect to happen as the conflict starts, and something that we are seeing now start to, in the same way that you're seeing those volumes start to recover.

I guess the way that we think of it is, in kind of in general for any nascent exchange is that it, of course you never want to see volumes go down for any reason, but this is exactly what we saw in the UST cash platform when that was the nascent exchange, and obviously now it's not, and so you saw our cash platform perform beautifully when the conflict started.

And I think that this is what we would have expected. And clearly, if there was ever an opportunity to climb back to the market share that we had before, and we're virtually there now, and you'll see that the next time we speak – we believe we'll be there and above – proves what the participants in the market and the partners have been telling us, which is you need a second player in this market.

And we are that second player, and that's why we believe that we're seeing our market share and volumes climb back to where they were, and it'll be higher than that – we're quite confident the next time we speak. So, the risk parameters in the market are changing, but our place in the market has only been reinforced by the recovery in our volumes and our OI that you're starting to see.

Eli Abboud

Got it. Thanks, guys.

Operator

Thank you. Our next question is a follow-up from the line of Patrick Moley with Piper Sandler. Please proceed with your question.



Patrick Moley

Thanks for taking the follow-up. Just a quick one.

I don't have the live transcript in front of me, but in your prepared remarks, you said something about new products that you were looking forward to launching. I think you might have said FX.

Could you just elaborate on what those are and then any way to quantify, maybe from a revenue or top-line perspective, what sort of impact that could have and the timing of those launches?

Thanks.

John Abularrage

Yeah. You know, as you and I have discussed, Lucera is a gem within the BGC portfolio. I think in terms of quantifying that, you'll continue to see it grow around the rates that it has grown historically, despite the larger revenue size. So, it grows at 20% plus.

In terms of new products, the single thing that is most important in the Lucera world and growing importance in our world is connectivity. And so, Lucera is constantly rolling out other products within asset classes.

So, the way to think about it is, yes, Lucera is dominant in FX and to a slightly lesser extent, but growing, in Rates. But there are other parts of a Rates complex where Lucera is growing in and getting more buy-in from existing and from new customers.

And as Lucera's connectivity within big clients continues to grow, it continues to expand in other asset classes. And the trust factor and white-glove service that come along with Lucera is really genuinely taking hold. And we're pleased to see that they're doing a great job.

Patrick Moley

Okay. Great. That's it for me.

Operator

Thank you. Ladies and gentlemen, that concludes our question-and-answer session. I'll turn the floor back to Mr. Abularrage for final comments.

John Abularrage

Thanks very much, everyone. As always, we appreciate your time and look forward to speaking to you next quarter.



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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