



# **BGC GROUP, INC.**

**NASDAQ: BGC**

**EARNINGS PRESENTATION Q3 2024**



# DISCLAIMER

## **DISCUSSION OF FORWARD-LOOKING STATEMENTS ABOUT BGC**

Statements in this document regarding BGC that are not historical facts are “forward-looking statements” that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. These include statements about the Company’s business, results, financial position, liquidity and outlook, which may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Except as required by law, BGC undertakes no obligation to update any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC’s Securities and Exchange Commission filings, including, but not limited to, the risk factors and Special Note on Forward-Looking Information set forth in these filings and any updates to such risk factors and Special Note on Forward-Looking Information contained in subsequent reports on Form 10-K, Form 10-Q or Form 8-K.

## **NOTE REGARDING FINANCIAL TABLES AND METRICS**

Excel versions of certain tables in this document are available for download online. The Excel tables may include other useful information that may not be contained herein, including certain of BGC’s financial results and metrics from the current period to as far back as the first quarter of 2022. These excel tables are accessible at <https://ir.bgcg.com/events-presentations/>.

## **OTHER ITEMS OF NOTE**

Unless otherwise stated, all results provided in this document compare the third quarter of 2024 with the year-earlier period. Certain reclassifications/recasts may have been made to previously reported amounts to conform to the current presentation and to show results on a consistent basis across periods.

## **NON-GAAP FINANCIAL MEASURES**

This presentation should be read in conjunction with BGC’s most recent financial results press releases and filings or reports on Form 10-K, Form 10-Q or Form 8-K. Throughout this presentation, BGC refers to certain non-GAAP financial measures, including Adjusted Earnings, Adjusted EBITDA, Liquidity, and Constant Currency. All non-GAAP results discussed herein are comparable to and reconciled with the most directly comparable GAAP figures. For an updated complete description of Adjusted Earnings, Adjusted EBITDA, Liquidity, and Constant Currency and how, when, and why management uses these and other non-GAAP measures, as well as reconciliations of these measures to the comparable GAAP measures, and more information regarding GAAP and non-GAAP results, see the “Non-GAAP Definitions and Reconciliation Tables” section of this presentation. Below under “Highlights of Consolidated Results” is a summary of certain GAAP and non-GAAP results for BGC. Results on a GAAP and non-GAAP basis are included towards the end of this presentation, with appropriate reconciliations provided in the “Non-GAAP Definitions and Reconciliation Tables” section noted above and in our most recent financial results press release and/or are available at <http://ir.bgcg.com>.

Note: Certain numbers may not add due to rounding.

# Q3 2024 PERFORMANCE

Highlights of Consolidated Results (USD millions)	Q3 2024	Q3 2023	Change
Revenues	\$561.1	\$482.7	16.2%
GAAP income from operations before income taxes	19.7	23.9	(17.4)%
GAAP net income for fully diluted shares	14.2	16.0	(11.2)%
Adjusted Earnings before noncontrolling interest in subsidiaries and taxes	126.7	101.9	24.4%
Post-tax Adjusted Earnings	126.6	94.1	34.5%
Adjusted EBITDA	151.4	135.9	11.4%
Per Share Results	Q3 2024	Q3 2023	Change
GAAP fully diluted earnings per share	\$0.03	\$0.03	–%
Post-tax Adjusted Earnings per share	\$0.26	\$0.19	36.8%

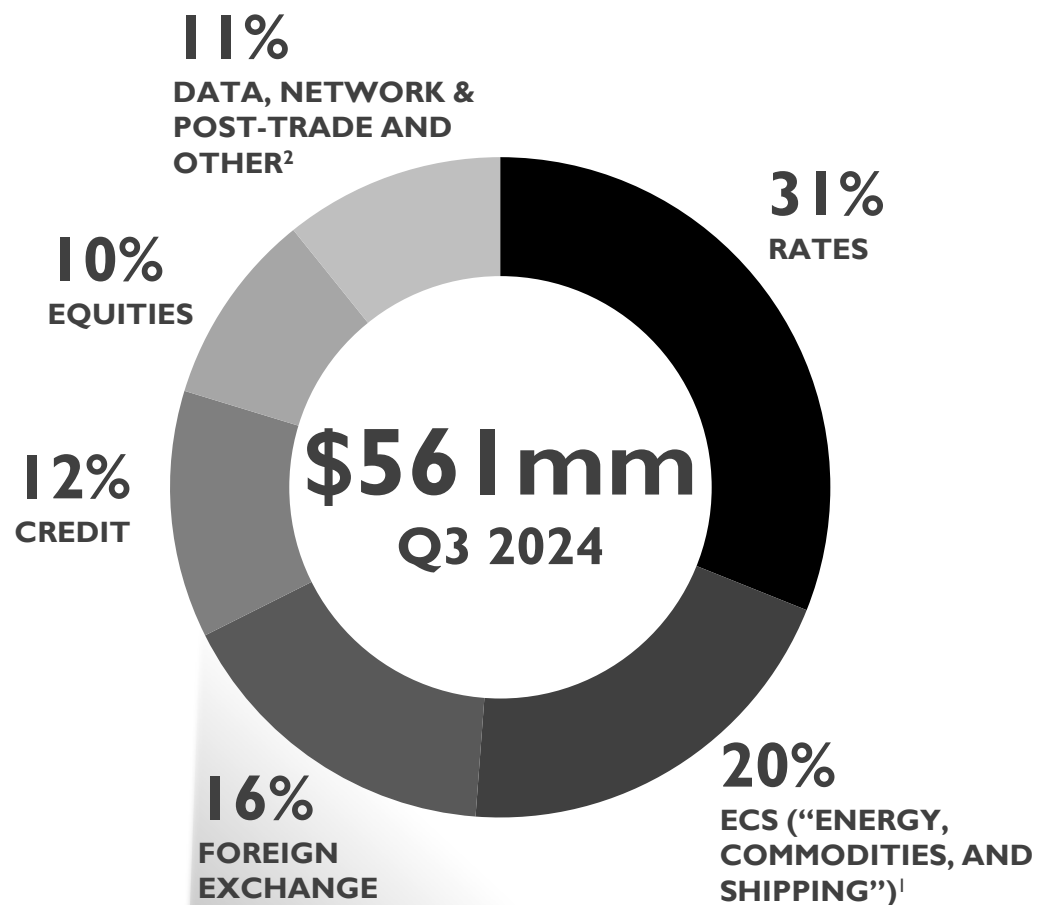
## BUSINESS HIGHLIGHTS

**\$561 mm**  
Q3 Record Revenue  
+16.2% yr/yr

**\$127 mm**  
Q3 Record Pre-Tax  
Adjusted Earnings  
+24.4% yr/yr

Revenue growth across  
all asset classes  
& geographies

# REVENUE BY ASSET CLASS



Asset Class

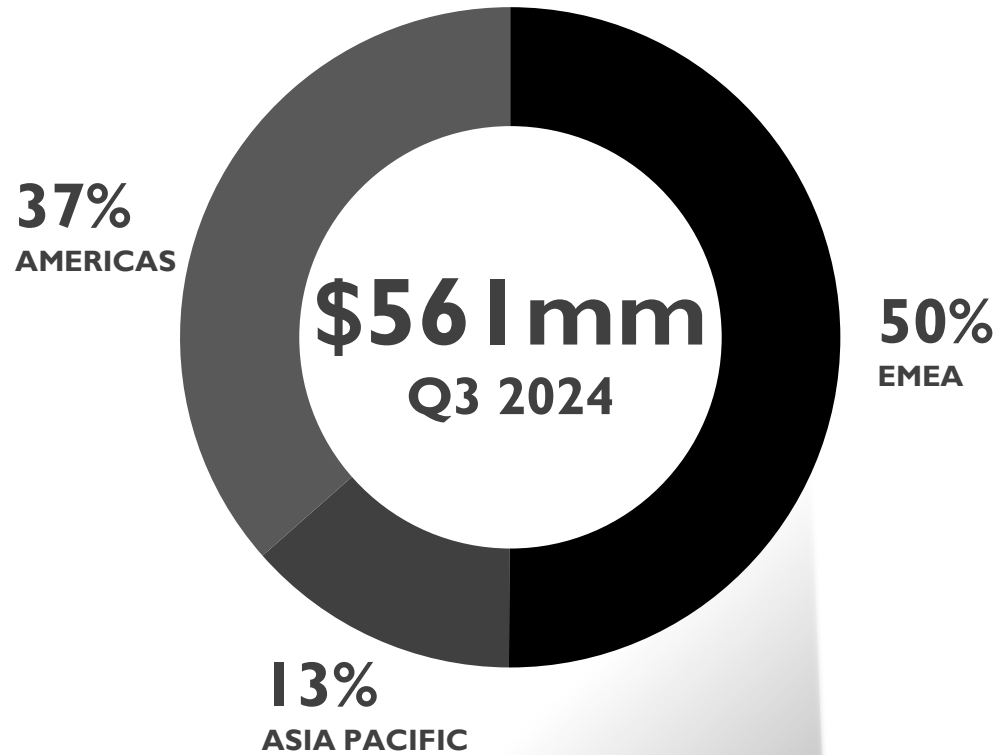
Geography

Revenue By Asset Class (USD millions)	Q3 2024	Q3 2023	Change
Rates	\$174.3	\$145.7	19.6%
ECS <sup>1</sup>	112.9	93.1	21.3%
Foreign Exchange	92.1	79.8	15.4%
Credit	68.0	63.7	6.7%
Equities	53.3	52.7	1.3%
<b>Total Brokerage Revenues</b>	<b>\$500.6</b>	<b>\$435.0</b>	<b>15.1%</b>
Data, Network & Post-trade	32.7	27.8	17.5%
Other <sup>2</sup>	27.8	19.9	40.0%
<b>Total Revenues</b>	<b>\$561.1</b>	<b>\$482.7</b>	<b>16.2%</b>

1. Beginning in the first quarter of 2024, "Energy and Commodities" was renamed to "ECS" (Energy, Commodities, and Shipping) to better reflect the integrated operations of these businesses.
2. Other includes interest and dividend income, fees from related parties, and other revenues.



# REVENUE BY GEOGRAPHY



Asset Class **Geography**

Revenue By Geography (USD millions)	Q3 2024	Q3 2023	Change
Americas	\$204.8	\$172.0	19.0%
EMEA	280.9	241.0	16.5%
Asia Pacific	75.4	69.6	8.3%
<b>Total Revenue</b>	<b>\$561.1</b>	<b>\$482.7</b>	<b>16.2%</b>

Revenue By Currency (USD millions equivalent) <sup>1</sup>	Q3 2024
USD	\$347.0
EUR	117.3
GBP	37.0
Other	59.8
<b>Total Revenue</b>	<b>\$561.1</b>

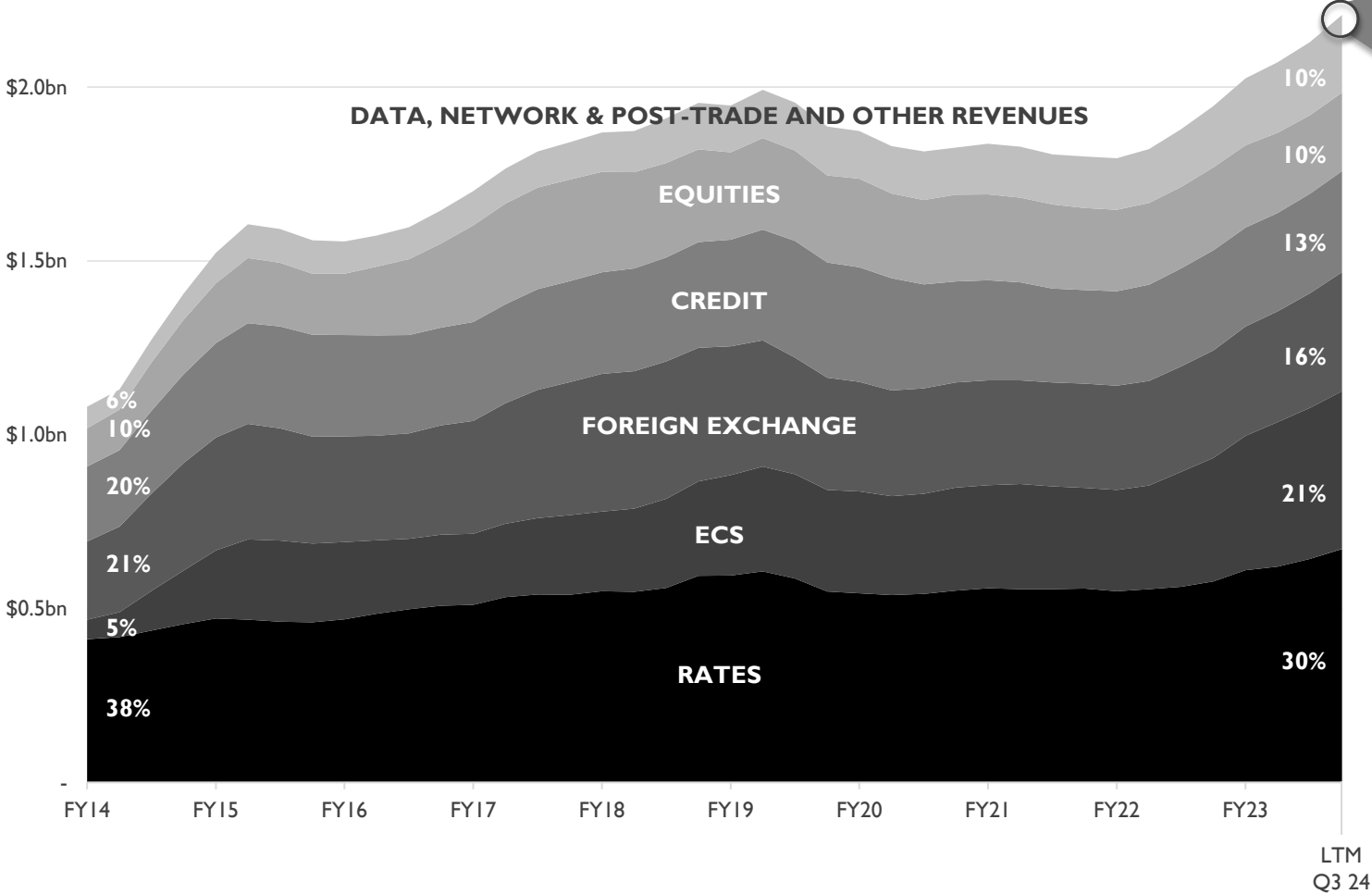
1. GBP to USD average exchange rate of 1.31 for Q3 2024, and EUR to USD average exchange rate of 1.10 for Q3 2024.



# GLOBAL & DIVERSIFIED BUSINESS MODEL

## HISTORIC REVENUE BY ASSET CLASS

(Percentage of Total Revenues)



**\$2.2bn**  
Record BGC LTM revenues

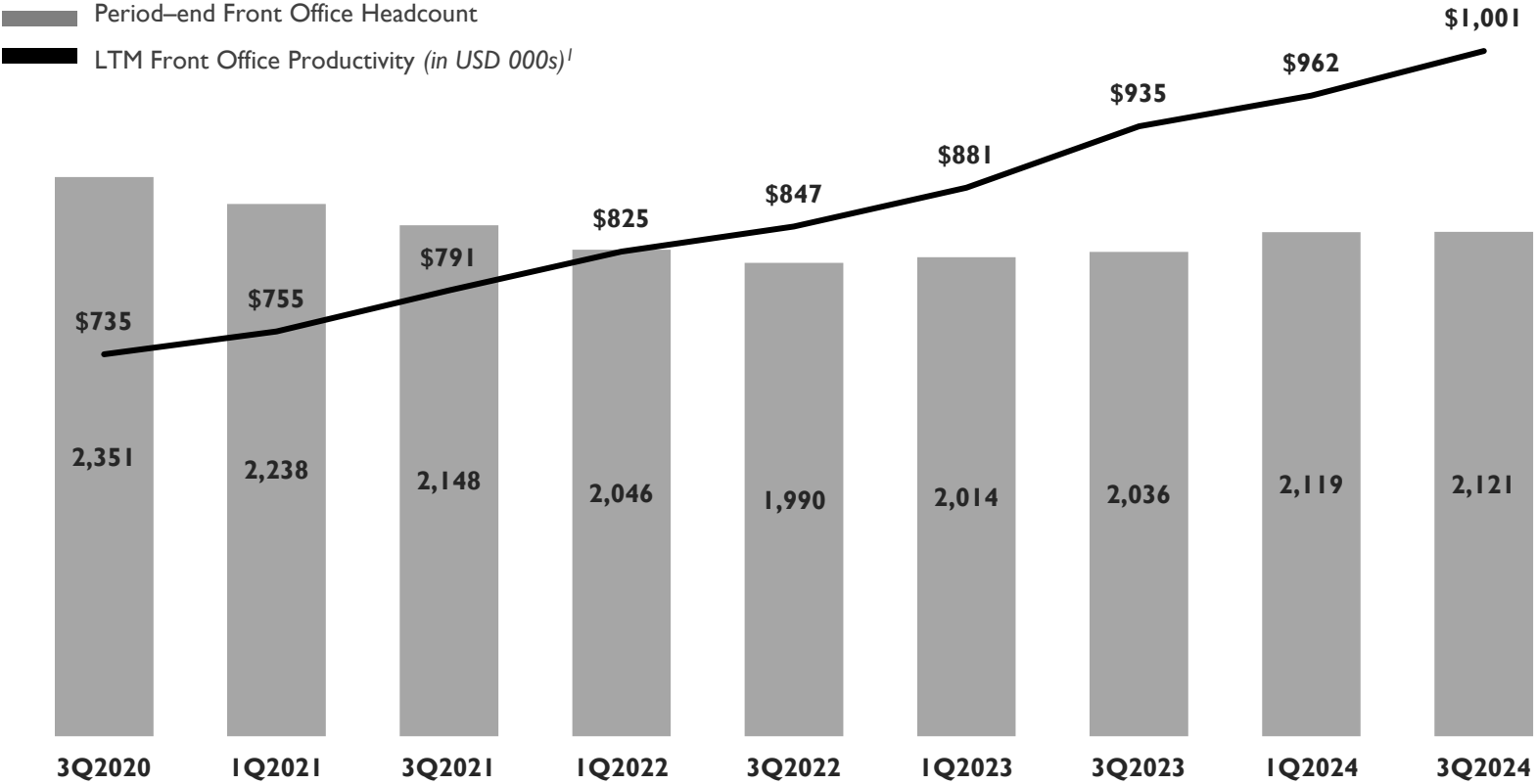
**STRONG GROWTH & DIVERSIFICATION**

**21%**  
ECS has grown from BGC's smallest asset class to its **second largest**



# FRONT OFFICE PRODUCTIVITY

## FRONT OFFICE HEADCOUNT AND PRODUCTIVITY



**>\$1 million**  
**Record LTM front office productivity,**  
**7% growth yr/yr**



Increased use of technology and automation expected to continue to drive productivity higher

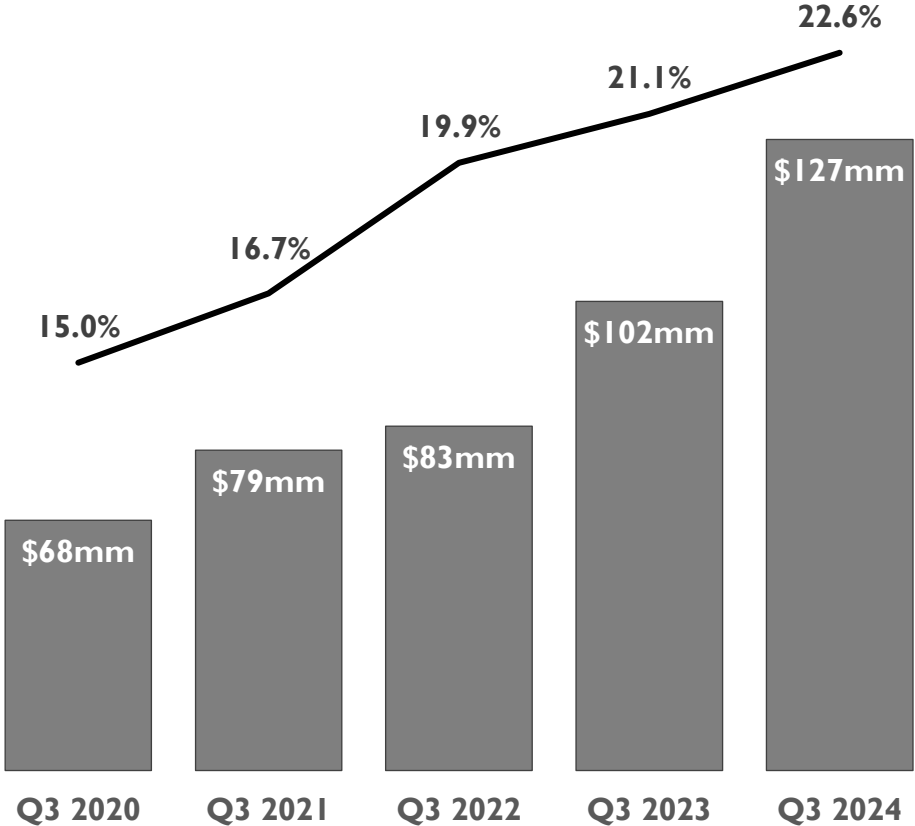
1. The figures in the above table include brokerage revenues (excluding Insurance) & revenues from data, network and post-trade. The average revenues for all producers ("productivity") are approximate & based on relevant revenues divided by average number of producers for the period.  
 2. Fenics revenue excludes intercompany revenue for all periods. BGC total revenue excludes Insurance revenue for all periods, including prior to the completion of the sale in Q4 2021.



# CONSISTENT EARNINGS GROWTH

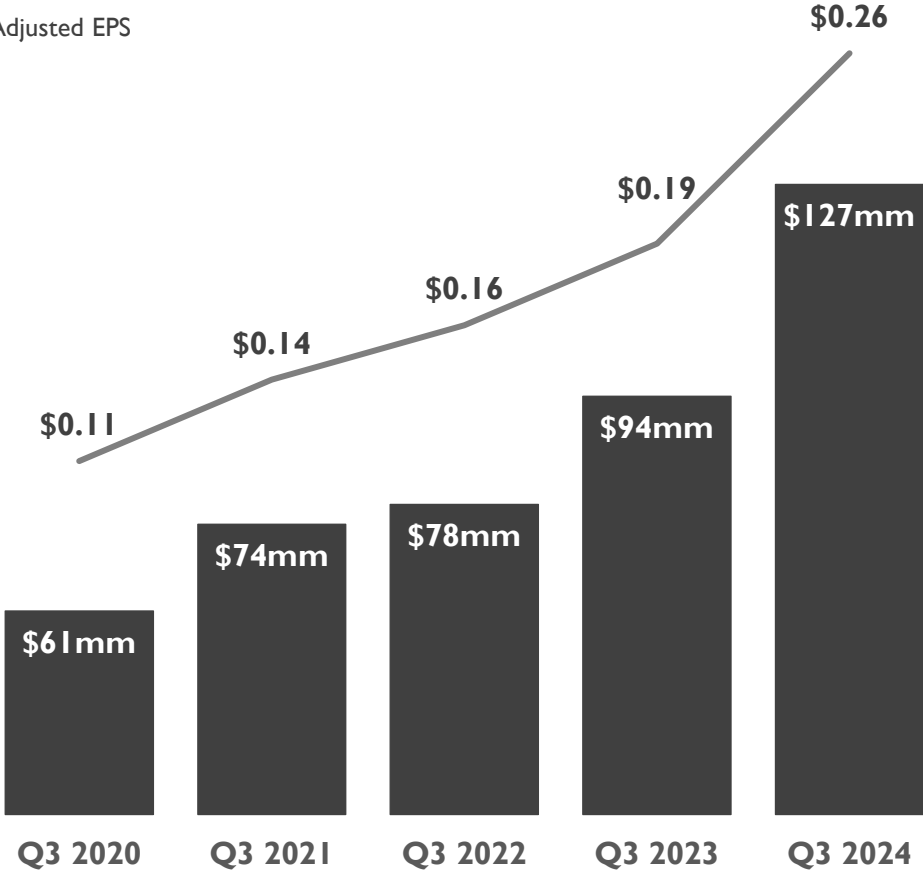
## PRE-TAX ADJUSTED EARNINGS

- Pre-tax Adjusted Earnings
- Pre-tax Adjusted Earnings Margin



## POST-TAX ADJUSTED EARNINGS & ADJUSTED EPS

- Post-tax Adjusted Earnings
- Adjusted EPS





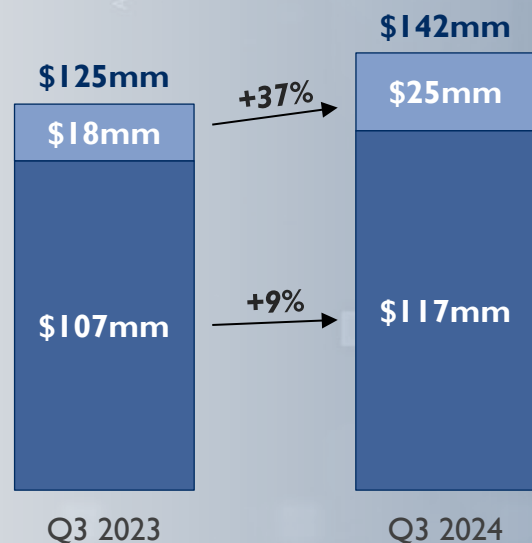
## OVERVIEW

# \$142mm

Q3 2024 Revenue

# +13%

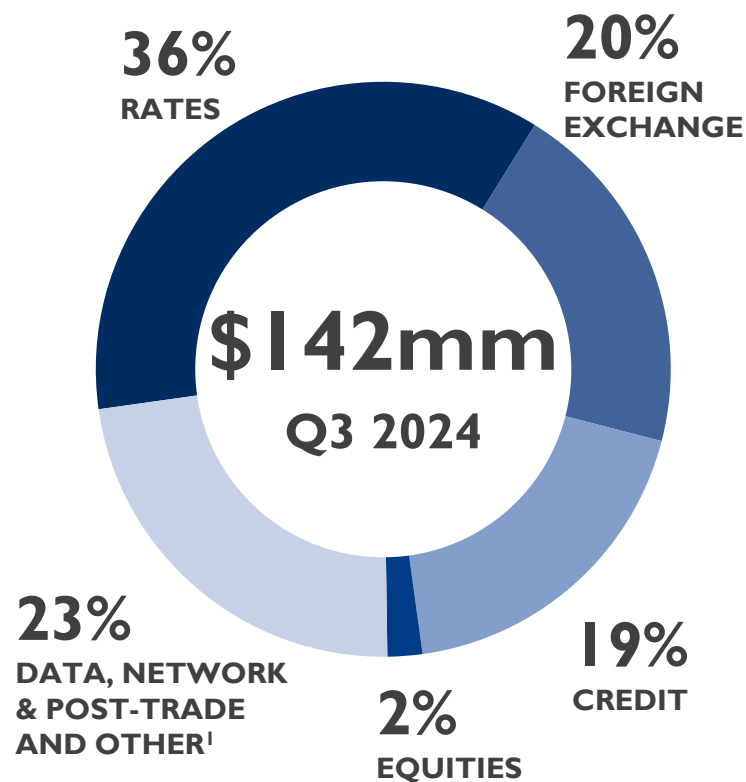
Growth yr/yr



■ Fenics Markets

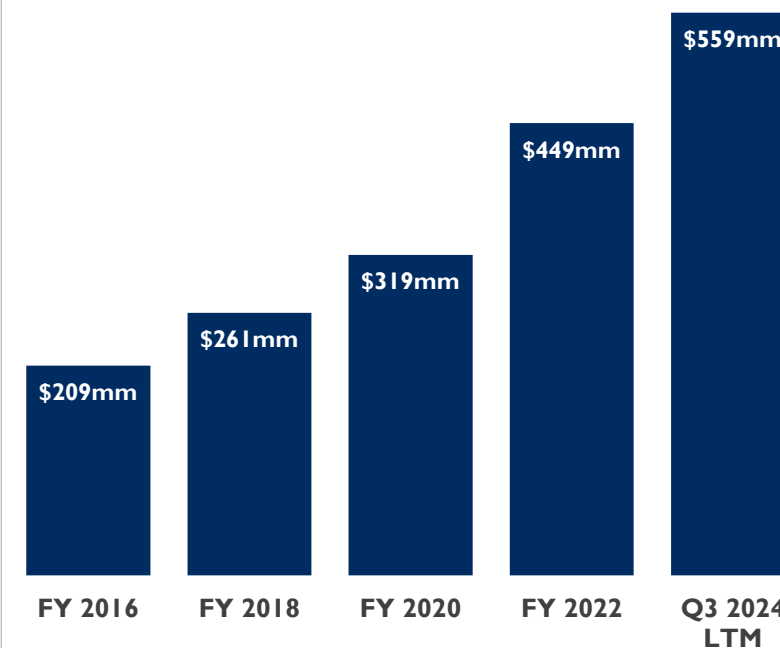
■ Fenics Growth Platforms

## FENICS REVENUE BY ASSET CLASS



## REVENUE GROWTH

### Fenics Revenue



1. Other includes Other revenues.

# FMX

## FMX | UST

*World's Fastest Growing Wholesale  
Cash US Treasury Platform*

### \$52.9bn

**Record Volume<sup>1</sup>**  
*(Q3 2024 ADV)*

### +40%

**ADV Growth**  
*(Q3 2024 yr/yr)*

## FMX | FX

*State-Of-The-Art Spot FX & NDF  
Platform*

### \$9.1bn

**Record Volume**  
*(Q3 2024 ADV)*

### +38%

**ADV Growth**  
*(Q3 2024 yr/yr)*

## FMX | Futures Exchange

*Exchange for US Interest Rate  
Futures – The Most Widely Traded  
Futures Contract In The World*

*Launched SOFR futures in  
September 2024.  
U.S. Treasury Futures launch in Q1 2025*

**5 FCMs & 10 Liquidity Providers  
connected to the exchange**

*Expect to connect an additional 5 to 10 of the  
largest FCMs prior to U.S. Treasury Futures  
launch in Q1 2025*

# LCH CLEARING PARTNERSHIP

LCH IS A **FULLY APPROVED CFTC DERIVATIVES CLEARING ORGANIZATION (“DCO”)** AND THE **WORLD'S LARGEST CLEARER OF INTEREST RATE SWAPS**

## CLEARED U.S. DOLLAR INTEREST RATE SWAP MARKET SHARE

**98.1%**  
Market Share

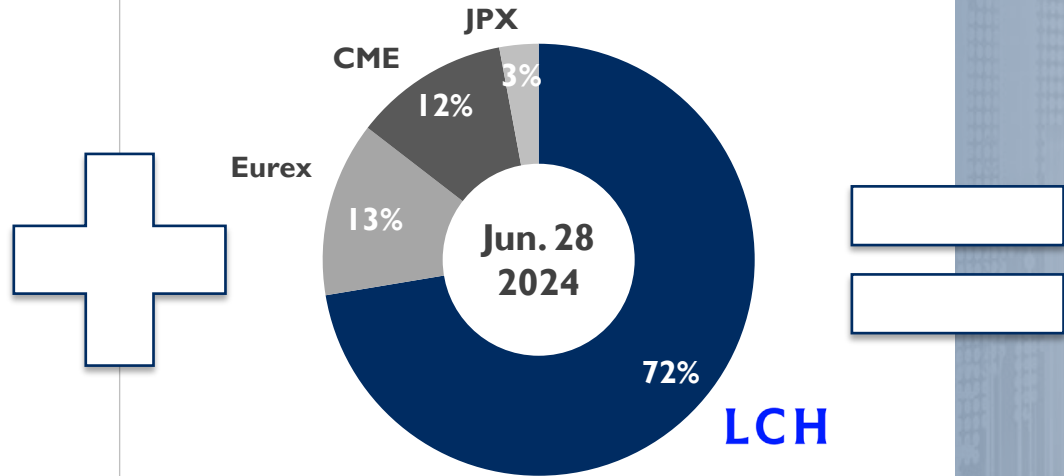


**LCH**

Q3 2024 Cleared U.S. Dollar Interest Rate Swap Volume<sup>1</sup>

LCH HAS **98.1% MARKET SHARE OF CLEARED U.S. DOLLAR IRS<sup>1</sup>**

## WORLD'S LARGEST HOLDER OF INTEREST RATE SWAP COLLATERAL



IRS Initial Margin at Major CCPs<sup>1</sup>

LCH HOLDS **\$220BN OF PROPRIETARY IRS COLLATERAL AVAILABLE FOR CROSS-MARGINING WITH FMX FUTURES VS. THE CME'S \$35BN OF IRS COLLATERAL**

## CROSS-MARGIN CAPITAL SAVINGS UP TO:<sup>2</sup>

**~80%** savings

SOFR Swaps vs. SOFR Futures

**50% - 65%**

SOFR Swaps vs. U.S. Treasury Futures

**40% - 50%**

EUR/GBP/CAD/AUD Swaps vs. U.S Interest Rate Futures

1. Source: Clarus  
2. Source: Coalition Greenwich: "The Portfolio Margining Imperative for Interest-Rate Derivatives"



# FMX: PARTNERED WITH THE LARGEST BANKS & LIQUIDITY PROVIDERS

## INVESTMENT BANKS

BANK OF AMERICA 

 BARCLAYS

 Citi

Goldman Sachs

J.P.Morgan

Morgan Stanley

 WELLS FARGO

## MARKET-MAKING FIRMS




 CITADEL | Securities

 Jump Trading

 TOWER RESEARCH CAPITAL

## UNMATCHED CAPITAL SAVINGS FOR ALL CLIENTS (INCL. FCM CUSTOMER ACCOUNTS)

*FMX Partners represent 7 of the 8 largest FCMs & 7 of the 7 largest FCMs holding cleared swaps funds, that equals 94% of ALL customer cleared swap funds*

FCM RANKINGS – August 2024 <sup>1</sup>	Total Customer Funds			Cleared Swaps Funds		
	\$USD	Rank	% of Total	\$USD	Rank	% of Total
J.P.Morgan	\$76.3bn	#1	14.6%	\$23.8bn	#3	14.0%
Morgan Stanley	68.1bn	2	13.0%	30.2bn	2	17.8%
Goldman Sachs	67.5bn	3	12.9%	22.5bn	4	13.3%
 Citi	54.0bn	4	10.3%	31.2bn	1	18.3%
BANK OF AMERICA 	52.4bn	5	10.0%	17.9bn	5	10.6%
 BARCLAYS	40.1bn	6	7.7%	17.4bn	7	10.0%
<b>WELLS FARGO</b>	25.0bn	8	4.8%	17.1bn	6	10.3%
<b>FMX PARTNERS</b>	<b>\$383.4bn</b>	<b>-</b>	<b>73.4%</b>	<b>\$160.2bn</b>	<b>-</b>	<b>94.2%</b>
Other FCMs	\$139.1bn	-	26.6%	\$9.8bn	-	5.8%
<b>Total</b>	<b>\$522.5bn</b>	<b>-</b>	<b>100%</b>	<b>\$170.0bn</b>	<b>-</b>	<b>100%</b>

<sup>1</sup> Source: CFTC; Total Funds represents the total amount of money, securities, and property held in segregated accounts for futures and options customers in compliance with Section 4d of the Commodity Exchange Act, the total amount of money, securities, and property held in secured accounts for futures and options customers who trade on commodity exchanges located outside the United States in compliance with Part 30 of the Commodity Exchange Act and the total amount of money, securities, and property held in cleared swap customer accounts for cleared swap customers in compliance with Section 4d(f) of the Commodity Exchange Act. Cleared Swaps Funds represents the total amount of money, securities, and property held in cleared swap customer accounts for cleared swap customers in compliance with Section 4d(f) of the Commodity Exchange Act.

**BUSINESS HIGHLIGHTS**

**\$52.9bn**

**Record Volume**  
(Q3 2024 ADV)

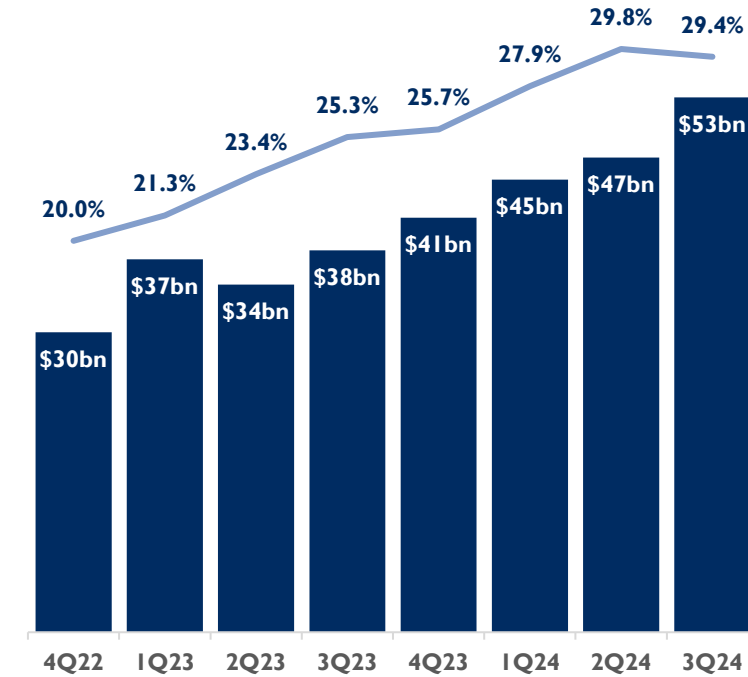
**+40%**

**FMX UST ADV Growth**  
(Q3 2024 yrlyr)

**29.4%**

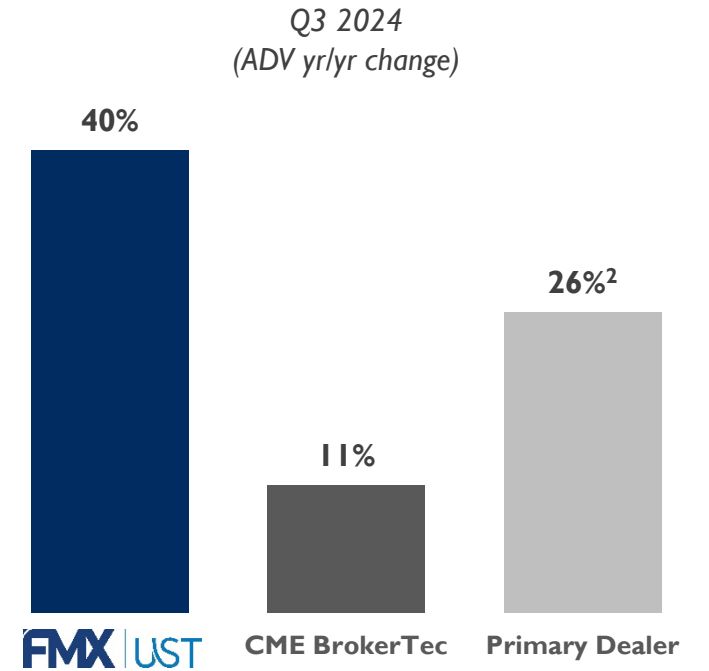
**FMX UST Market Share<sup>1</sup>**  
(Q3 2024)

**FMX UST VOLUME & MARKET SHARE**



■ Average Daily Volume ("ADV")  
— CLOB Market Share<sup>1</sup>

**UST TRADING VOLUME**



1. Central limit order book ("CLOB") market share. Source: Coalition Greenwich.  
 2. Source: Bloomberg BI – Primary Dealer Trading Volumes in US Government Securities  
 3. BGC internal estimates based on savings per tick (1/16 of 1/32 = \$19.53125) adjusted for tenor multiplied by the quantity of the trade (single counted)

# DATA, NETWORK & POST-TRADE

## BUSINESS HIGHLIGHTS

**\$32.7mm**

Record Q3 Revenue  
(Q3 2024 Revenue)

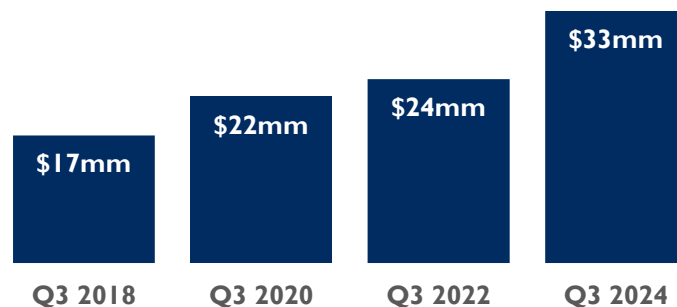
**+17%**

Revenue Growth  
(Q3 2024 yr/yr)

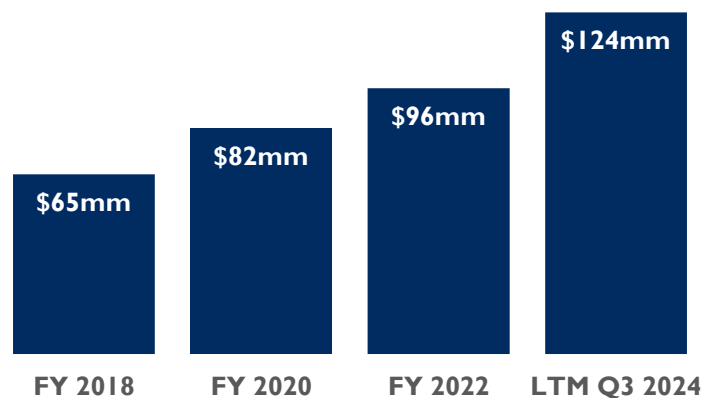
**Strong subscription-based  
recurring revenue business**

## REVENUE GROWTH

Quarterly



Annual



## BUSINESSES

**Fenics | Market Data**

Provider and generator of data across global financial and commodity markets, supported by BGC's deep wholesale liquidity pools

**LUCERA™**  
FINANCIAL INFRASTRUCTURES

Infrastructure software that connects financial market participants and trading venues, utilizing BGC's global network

 **CAPITALAB**

Post-trade service provider that offers initial margin & capital optimization, multilateral portfolio compression of OTC products and NDF risk mitigation

# ECS (“ENERGY, COMMODITIES, & SHIPPING”)

## BUSINESS HIGHLIGHTS

**\$112.9mm**

Record Q3 Revenue  
(Q3 2024 Revenue)

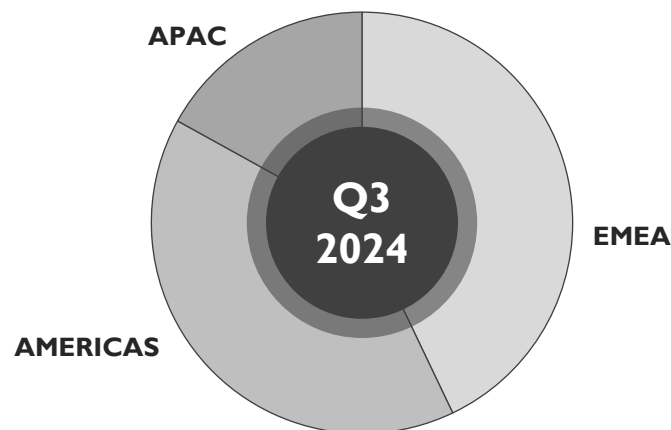
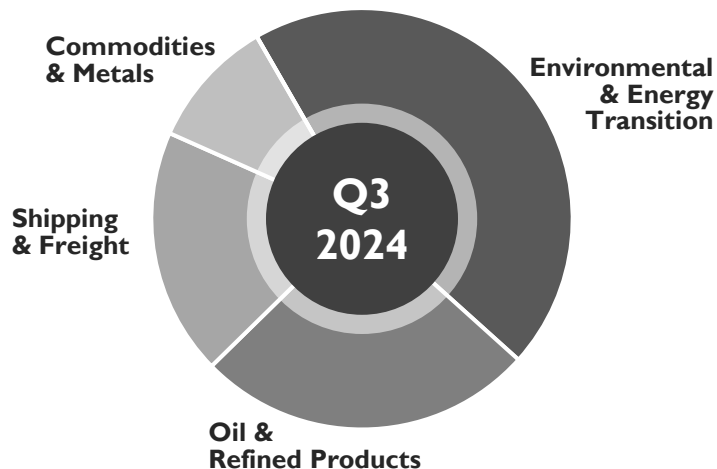
**+21%**

Revenue Growth  
(Q3 2024 yr/yr)

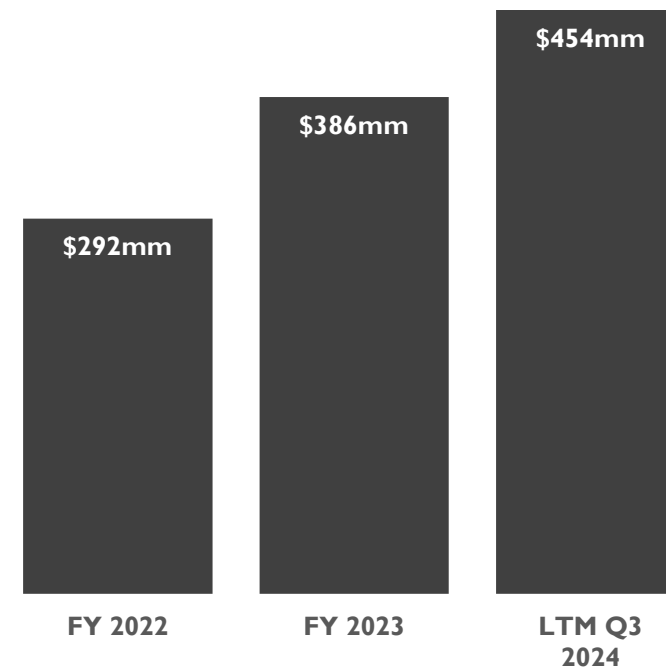
**20%**

ECS has grown from BGC’s smallest asset class to its **second largest**  
(% of Q3 2024 BGC Total Revenues)

## REVENUE BREAKDOWN



## REVENUE GROWTH





# RECENT ECS ACQUISITIONS & ANNOUNCED AGREEMENTS

## SAGE ENERGY PARTNERS (“SAGE”) ACQUISITION



**Acquired Sage, an energy and environmental brokerage, in October 2024**

BGC becomes the **world’s first “one-stop-shop”** for environmental brokerage

Products Offered: Oil & Refined Products, Biofuels, Ethanol, Carbon Emissions, Renewables, NGLs, and Petrochemicals

## OTC GLOBAL HOLDINGS (“OTC”) AGREEMENT



**Entered an agreement to acquire OTC in October 2024, which is expected to close by end of Q1 2025**

The largest independent institutional energy and commodities broker

One of the fastest growing ECS brokerage firms with global operations across North America, Europe and Asia

Products Offered: Oil & Refined Products, Biofuels, Petrochemicals, Natural Gas, and Ship Brokerage

**>\$450mm**

Combined annual revenue expected from both acquisitions

**Acquisitions expected to be immediately accretive**

**Further diversifies BGC’s client base and macro performance drivers**



# OUTLOOK

## Q4 2024 OUTLOOK

Metric (USD million)	Guidance	Actual	Yr/Yr % Change		
	Q4 2024	Q4 2023	Low	Mid	High
Revenues	\$545 – \$595	\$516.8	+5%	+10%	+15%
Pre-tax Adjusted Earnings	\$122 – \$138	\$110.8	+10%	+17%	+25%

BGC expects to update its quarterly outlook towards the end of December 2024.

## FY 2024 OUTLOOK

Metric (USD million)	Guidance	Actual	Yr/Yr % Change		
	FY 2024	FY 2023	Low	Mid	High
Revenues	\$2,235 – \$2,285	\$2,025.4	+10%	+12%	+13%
Pre-tax Adjusted Earnings	\$510 – \$526	\$442.9	+15%	+17%	+19%

# GAAP FINANCIAL RESULTS



# BALANCE SHEET

## BGC GROUP, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (UNDER GAAP)

	September 30, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 563,467	\$ 655,641
Cash segregated under regulatory requirements	20,033	17,255
Financial instruments owned, at fair value	211,026	45,792
Receivables from broker-dealers, clearing organizations, customers and related broker-dealer	1,172,822	350,036
Accrued commissions and other receivables, net	362,036	305,793
Loans, forgivable loans and other receivables from employees and partners, net	398,223	367,805
Loan receivable from related parties	150,000	-
Fixed assets, net	188,193	178,300
Investments	43,208	38,314
Goodwill	505,555	506,344
Other intangible assets, net	197,400	211,285
Receivables from related parties	5,458	2,717
Other assets	564,306	496,655
Total assets	<u>\$ 4,381,727</u>	<u>\$ 3,175,937</u>

	September 30, 2024	December 31, 2023
<b>Liabilities, Redeemable Partnership Interest, and Equity</b>		
Repurchase agreements	\$ 1,962	\$ -
Accrued compensation	187,378	206,364
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	998,528	202,266
Payables to related parties	15,359	17,456
Accounts payable, accrued and other liabilities	694,736	668,189
Notes payable and other borrowings, net	1,440,706	1,183,506
Total liabilities	<u>3,338,669</u>	<u>2,277,781</u>
Equity		
Stockholders' equity:		
Class A common stock, par value \$0.01 per share; 1,500,000,000 shares authorized; 418,891,099 and 403,574,835 shares issued at September 30, 2024 and December 31, 2023, respectively; and 375,431,964 and 390,094,988 shares outstanding at September 30, 2024 and December 31, 2023, respectively	4,189	4,036
Class B common stock, par value \$0.01 per share; 300,000,000 shares authorized; 109,452,953 and 109,452,953 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively, convertible into Class A common stock	1,095	1,095
Additional paid-in capital	2,223,773	2,105,130
Treasury stock, at cost: 43,459,123 and 13,479,847 shares of Class A common stock at September 30, 2024 and December 31, 2023, respectively	(281,476)	(67,414)
Retained deficit	(1,041,840)	(1,119,182)
Accumulated other comprehensive income (loss)	(45,634)	(38,582)
Total stockholders' equity	<u>860,107</u>	<u>885,083</u>
Noncontrolling interest in subsidiaries	182,951	13,073
Total equity	<u>1,043,058</u>	<u>898,156</u>
Total liabilities, redeemable partnership interest and equity	<u>\$ 4,381,727</u>	<u>\$ 3,175,937</u>

# INCOME STATEMENT

## BGC GROUP, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED) (UNDER GAAP)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
<b>Revenues:</b>				
Commissions	\$ 407,095	\$ 350,305	\$ 1,217,348	\$ 1,076,313
Principal transactions	93,551	84,725	304,839	294,537
Total brokerage revenues	\$ 500,646	\$ 435,030	\$ 1,522,187	\$ 1,370,850
Fees from related parties	5,106	3,723	14,170	11,742
Data, network and post-trade	32,661	27,797	94,376	81,919
Interest and dividend income	16,944	10,150	43,853	28,836
Other revenues	5,754	5,994	15,900	15,294
Total revenues	\$ 561,111	\$ 482,694	\$ 1,690,486	\$ 1,508,641
<b>Expenses:</b>				
Compensation and employee benefits	\$ 271,307	\$ 233,087	\$ 834,139	\$ 743,688
Equity-based compensation and allocations of net income to limited partnership units and FPU's	85,690	69,268	247,978	277,285
Total compensation and employee benefits	\$ 356,997	\$ 302,355	\$ 1,082,117	\$ 1,020,973
Occupancy and equipment	45,195	40,028	126,960	121,681
Fees to related parties	8,251	7,046	23,475	23,477
Professional and consulting fees	20,184	13,734	47,248	44,254
Communications	30,416	29,222	90,596	84,974
Selling and promotion	17,376	14,939	51,861	44,875
Commissions and floor brokerage	17,539	14,755	52,345	46,181
Interest expense	25,125	20,780	66,812	56,436
Other expenses	26,955	22,030	54,847	47,759
Total non-compensation expenses	\$ 191,041	\$ 162,534	\$ 514,144	\$ 469,637
Total expenses	\$ 548,038	\$ 464,889	\$ 1,596,261	\$ 1,490,610

### Other income (losses), net:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Gains (losses) on equity method investments	\$ 2,360	\$ 2,094	\$ 6,894	\$ 6,568
Other income (loss)	4,276	3,967	44,852	1,221
Total other income (losses), net	\$ 6,636	\$ 6,061	\$ 51,746	\$ 7,789
Income (loss) from operations before income taxes	19,709	23,866	145,971	25,820
Provision (benefit) for income taxes	5,996	5,314	46,042	8,308
Consolidated net income (loss)	\$ 13,713	\$ 18,552	\$ 99,929	\$ 17,512
Less: Net income (loss) attributable to noncontrolling	(1,034)	1,506	(1,856)	1,192
Net income (loss) available to common stockholders	\$ 14,747	\$ 17,046	\$ 101,785	\$ 16,320

### Per share data:

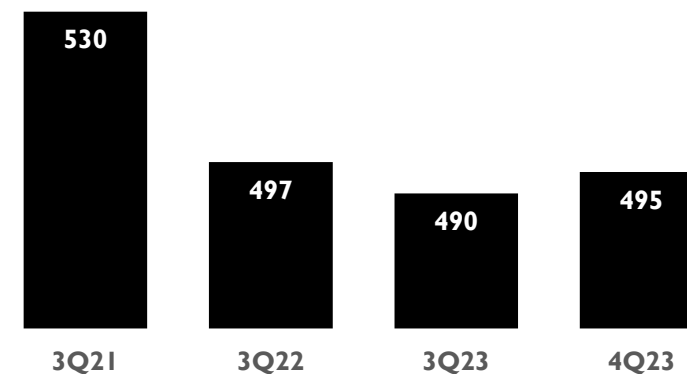
<i>Basic earnings (loss) per share</i>				
Net income (loss) attributable to common stockholders	\$ 14,192	\$ 15,974	\$ 96,866	\$ 15,248
Basic earnings (loss) per share	\$ 0.03	\$ 0.03	\$ 0.20	\$ 0.04
Basic weighted-average shares of common stock	473,435	468,544	473,076	412,178
<i>Fully diluted earnings (loss) per share</i>				
Net income (loss) for fully diluted shares	\$ 14,194	\$ 15,989	\$ 96,915	\$ 15,107
Fully diluted earnings (loss) per share	\$ 0.03	\$ 0.03	\$ 0.20	\$ 0.03
Fully diluted weighted-average shares of common stock	478,652	477,545	479,161	494,545

# APPENDIX

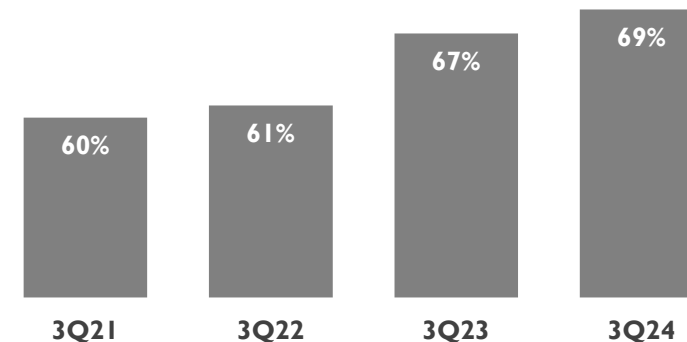
# BGC'S FULLY DILUTED WEIGHTED-AVERAGE SHARE COUNT SUMMARY

Q3 2024 Fully Diluted Weighted-Average Share Count Summary For Adjusted Earnings	Fully Diluted Weighted-Average Shares (millions)	Ownership (%)
<b>PUBLIC</b>	<b>340.4</b>	<b>69%</b>
Class A owned by Public	340.4	69%
<b>EMPLOYEES</b>	<b>58.2</b>	<b>12%</b>
Class A owned by executives, board members and employees <sup>1</sup>	23.7	5%
Class B owned by executives	13.1	3%
RSUs & RSAs owned by employees, executives and directors (Treasury stock method)	16.2	3%
Other owned by employees <sup>2</sup>	5.2	1%
<b>CANTOR</b>	<b>96.3</b>	<b>19%</b>
Class B owned by Cantor	96.3	19%
<b>TOTAL</b>	<b>494.8</b>	<b>100%</b>

## FULLY DILUTED WEIGHTED-AVERAGE SHARE COUNT FOR ADJUSTED EARNINGS (MILLIONS)



## PUBLIC OWNERSHIP (% OF FULLY-DILUTED SHARE COUNT)



1. Class A shares owned by board members or executives and restricted shares owned by other employees of BGC and Newmark. Any Class A share owned by an employee without restriction is included in the "Class A owned by Public".  
 2. These primarily represent contingent shares.

# STRONGLY CAPITALIZED & INVESTMENT GRADE CREDIT PROFILE

BGC Group, Inc. (in \$'000s)	As of 9/30/2024
Cash and cash equivalents	\$563,467
Financial instruments owned, at fair value	211,026
Repurchase agreements	(1,962)
<b>Total Liquidity</b>	<b>\$772,531</b>
BGC Group, Inc. 3.750% Senior Notes due October 1, 2024	\$255,526
BGC Partners, Inc. 3.750% Senior Notes due October 1, 2024	44,474
BGC Group, Inc. 4.375% Senior Notes due December 15, 2025	287,279
BGC Partners, Inc. 4.375% Senior Notes due December 15, 2025	11,818
BGC Group, Inc. 8.000% Senior Notes due May 25, 2028	344,427
BGC Partners, Inc. 8.000% Senior Notes due May 25, 2028	2,256
BGC Group, Inc. 6.600% Senior Notes due June 10, 2029	494,926
<b>Total Notes Payable, Other and Short-Term Borrowings</b>	<b>\$1,440,706</b>
<b>Net Notes Payable, Other and Short-Term Borrowings (after adjusting for Total Liquidity)</b>	<b>\$668,175</b>
<b>Total Equity</b>	<b>\$1,043,058</b>
<b>Credit Ratios (Adj. EBITDA and Ratios as of LTM Q3 2024)</b>	
Adjusted EBITDA	\$673,849
Leverage Ratio: Total Notes Payable, Other and Short-Term Borrowings / Adjusted EBITDA	2.1x
Net Leverage Ratio: Net Notes Payable, Other and Short-Term Borrowings (after adjusting for Total Liquidity) / Adjusted EBITDA	1.0x
Interest Coverage Ratio: Adjusted EBITDA / Interest Expense	7.7x
Total Notes Payable, Other and Short-Term Borrowings/ Total Equity	1.4x
Net Notes Payable, Other and Short-Term Borrowings (after adjusting for Liquidity) / Total Equity	0.6x

## INVESTMENT GRADE CREDIT RATING

- Investment Grade Credit Rated:
  - Fitch: BBB- (Outlook: Stable)
  - S&P: BBB- (Outlook: Stable)
  - Kroll Bond Rating Agency: BBB (Outlook: Stable)
  - Japanese Credit Rating Agency (JCR): BBB+ (Outlook: Stable)
- Strong balance sheet and liquidity provide financial flexibility
- BGC continues to manage its business to maintain its Investment Grade rating

## BALANCE SHEET STRENGTH

- Liquidity of \$772.5 million as of September 30, 2024

## SUBSEQUENT EVENTS

- On October 1, 2024, BGC repaid in full its \$300mm of 3.750% Senior Notes, plus accrued interest



# FENICS ECOSYSTEM

	RATES	CREDIT	FOREIGN EXCHANGE	EQUITIES	DATA, NETWORK & POST-TRADE
<b>Fenics MARKETS</b> LTM Q3 2024 Revenue: <b>\$469mm</b> (+9% yrlyr)	<b>KEY PRODUCTS:</b> <ul style="list-style-type: none"> <li>Interest Rate Derivatives</li> <li>EGBs</li> <li>GILTs</li> <li>Inflation Products</li> <li>EM Government Bonds</li> </ul>	<b>KEY PRODUCTS:</b> <ul style="list-style-type: none"> <li>Investment Grade Bonds (IG)</li> <li>High Yield Bonds (HY)</li> <li>Sovereign Credit</li> <li>Financial Credit</li> <li>Emerging Market Credit</li> <li>Index &amp; Single Name CDS</li> </ul>	<b>KEY PRODUCTS:</b> <ul style="list-style-type: none"> <li>FX Spot</li> <li>FX Options</li> <li>Asian / LatAm NDFs</li> <li>FX Forwards</li> </ul> <b>FENICS PLATFORMS:</b> <ul style="list-style-type: none"> <li>Fenics MIDFX</li> <li>Fenics Direct</li> </ul>		<b>FENICS MARKET DATA</b> <i>(Fenics Markets associated Market Data)</i>  <b>KACE</b>  <b>CAPITALAB</b> <i>(NDF Matching)</i>
<b>Fenics GROWTH PLATFORMS</b> LTM Q3 2024 Revenue: <b>\$91mm</b> (+32% yrlyr)	<b>FMX UST PRODUCTS:</b> <ul style="list-style-type: none"> <li>U.S. Government Securities</li> <li>U.S. Repos</li> </ul> <b>FMX FUTURES PRODUCTS:</b> <ul style="list-style-type: none"> <li>SOFR Futures</li> <li>U.S. Treasury Futures <i>(Launching early 2025)</i></li> </ul>	<b>PORTFOLIO MATCH</b>  <b>PRODUCTS:</b> <ul style="list-style-type: none"> <li>U.S. Credit (IG &amp; HY)</li> <li>European Credit (IG &amp; HY)</li> </ul>	<b>FMX FX</b>  <b>PRODUCTS:</b> <ul style="list-style-type: none"> <li>FX Spot</li> <li>Asian NDFs</li> </ul>	<b>FENICS GO</b>  <b>PRODUCTS:</b> <ul style="list-style-type: none"> <li>European Index Options</li> <li>Asian Index Options</li> <li>Equity Total Return Swaps</li> </ul>	<b>FENICS MARKET DATA</b> <i>(Fenics Growth Platforms associated Market Data)</i>  <b>LUCERA</b>  <b>CAPITALAB</b> <i>(Compression &amp; IMO)</i>
<b>PROTOCOLS</b>	<ul style="list-style-type: none"> <li>CLOB</li> <li>Matching <i>(continuous &amp; session-based)</i></li> <li>Streaming</li> <li>Volume Clearing</li> </ul>	<ul style="list-style-type: none"> <li>CLOB</li> <li>Matching <i>(continuous &amp; session-based)</i></li> <li>Volume Clearing</li> </ul>	<ul style="list-style-type: none"> <li>CLOB</li> <li>Matching <i>(continuous &amp; session-based)</i></li> <li>Streaming</li> <li>RFQ</li> </ul>	<ul style="list-style-type: none"> <li>Matching</li> <li>RFQ</li> </ul>	



# BGC REVENUE CORRELATION & INDUSTRY VOLUMES

**BGC'S ASSET CLASS REVENUES ARE GENERALLY CORRELATED TO RELEVANT INDUSTRY SECONDARY MARKET TRADING VOLUMES**

ASSET CLASS REVENUE TO INDUSTRY VOLUME CORRELATION	CORRELATION <sup>1</sup>	Q3 2024 VS Q3 2023	
		INDUSTRY METRIC VOLUME CHANGE	BGC REVENUE CHANGE
<b>RATES</b>			
Primary Dealer U.S. Govt Coupon Securities (ADV)	0.86	28%	20%
CME Interest Rate Futures & Options (Total)	0.84	38%	
<b>FX</b>			
CME EBS Spot FX (Total)	0.77	25%	15%
<b>CREDIT</b>			
Primary Dealer U.S. Investment Grade & High Yield Corporate Securities (ADV)	0.68	33%	7%
<b>ECS</b>			
ICE Energy & Commodities Futures & Options (Total)	0.89	22%	21%
EEX Global Power Spot & Derivatives (Total)	0.93	46%	
<b>EQUITIES</b>			
Eurex Equity & Index Derivatives (Total)	0.75	7%	1%



Brokerage revenues are driven by secondary market trading volumes in the markets in which BGC transacts



Historically, industry volumes have been seasonally strongest in the first half of the year and slower in the second half



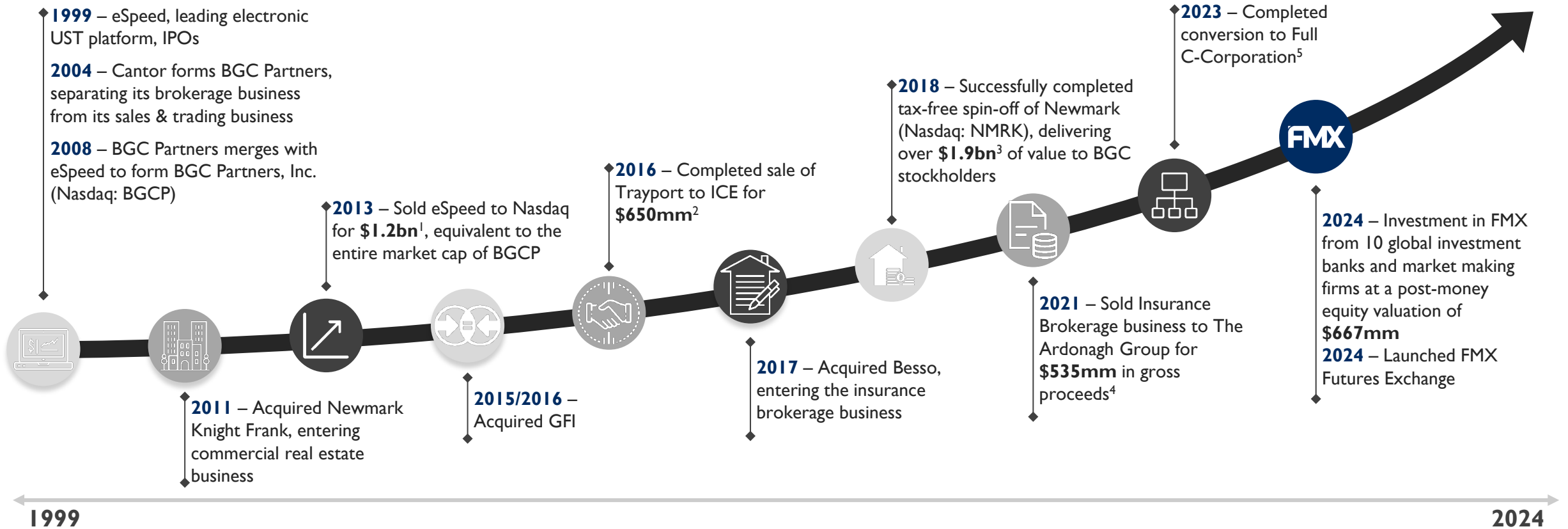
BGC's revenues, which are driven by secondary market trading volumes, tend to have low correlation in the short/medium term with global bank and broker-dealer sales & trading revenues, which are driven by bid-ask spreads, mark-to-market movements, and industry volumes in the primary & secondary markets



<sup>1</sup> Correlations are calculated using quarterly values for BGC asset class revenues and the relevant industry metrics starting Q1 2018.

# SHAREHOLDER VALUE CREATION

**BGC HAS A STRONG HISTORY OF CREATING VALUE FOR SHAREHOLDERS THROUGH ORGANIC GROWTH, ACQUISITIONS & INVESTMENTS IN TECHNOLOGY**



1. Included \$750 million of cash consideration plus an expected earnout of up to \$484 million of Nasdaq common stock as of July 1, 2013. For additional information, see press release titled "BGC Announces Close of Sale of its Platform for the Fully Electronic Trading of Benchmark, on-the-Run U.S. Treasuries to NASDAQ OMX" dated July 1, 2013, and the related filing on Form 8-K filed on the same day.

2. See press released "BGC and GFI Complete Sale of Trayport to Intercontinental Exchange" dated December 11, 2015, and the related filing on Form 8-K filed on December 14, 2015, for further information.

3. Value represents total return to BGC stockholders, including dividends, and assumes investors held Newmark's share since 2018 spin-off until 6/30/2020. Newmark's share price as of 6/30/2020 was \$12.01 and 131,886,409 shares of Newmark Class A common stock and 21,285,537 shares of Newmark Class B common stock were distributed to BGC's stockholders in the Spin-Off. For further information on the Spin-Off, see section titled "Spin-Off of Newmark" under Note 1—"Organization and Basis of Presentation" in BGC's 2019 Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

4. BGC received approximately \$535 million in gross proceeds, subject to limited post-closing adjustments; for additional information, please see press release titled "BGC Completes Sale of Insurance Brokerage Business to The Ardonagh Group" dated November 1, 2021.

5. For additional information, please see press release titled "BGC Partners Completes Corporate Conversion to Full C-Corporation, Name Change to BGC Group, Inc., and Ticker Symbol Change to "BGC"" dated July 3, 2023.





# NON-GAAP DEFINITIONS AND RECONCILIATION TABLES

# RECONCILIATION OF GAAP TO ADJUSTED EARNINGS

## RECONCILIATION OF GAAP INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES TO ADJUSTED EARNINGS & GAAP FULLY DILUTED EPS TO POST-TAX ADJUSTED EPS

(IN THOUSANDS, EXCEPT PER SHARE DATA) (UNAUDITED)

	Three Months Ended	
	September 30,	
	2024	2023
<b>GAAP income (loss) from operations before income taxes</b>	\$ 19,709	\$ 23,866
Pre-tax adjustments:		
Compensation adjustments:		
Equity-based compensation and allocations of net income to limited partnership units and FPU's (1)	85,690	69,268
Other Compensation charges (2)	-	(116)
Total Compensation adjustments	\$ 85,690	\$ 69,152
Non-Compensation adjustments:		
Amortization of intangibles (3)	4,595	4,077
Impairment charges	173	246
Other (4)	21,429	10,324
Total Non-Compensation adjustments	\$ 26,197	\$ 14,647
Other income (losses), net adjustments:		
Fair value adjustment of investments (5)	-	2
Other net (gains) losses (6)	(4,860)	(5,759)
Total other income (losses), net adjustments	\$ (4,860)	\$ (5,757)
Total pre-tax adjustments	107,027	78,042
<b>Adjusted Earnings before noncontrolling interest in subsidiaries and taxes</b>	<b>\$ 126,736</b>	<b>\$ 101,908</b>
GAAP net income (loss) available to common stockholders	\$ 14,747	\$ 17,046
Total pre-tax adjustments (from above)	107,027	78,042
Income tax adjustment to reflect adjusted earnings taxes (7)	4,809	(1,005)
<b>Post-tax adjusted earnings</b>	<b>\$ 126,583</b>	<b>\$ 94,083</b>

### Per Share Data

#### GAAP fully diluted earnings (loss) per share

Total pre-tax adjustments (from above)	0.22	0.16
Income tax adjustment to reflect adjusted earnings taxes	0.01	(0.00)

#### Post-tax adjusted earnings per share

Fully diluted weighted-average shares of common stock outstanding	\$ 494,837	\$ 490,117
Dividends declared per share of common stock	\$ 0.02	\$ 0.01
Dividends declared and paid per share of common stock	\$ 0.02	\$ 0.01

	Three Months Ended	
	September 30,	
	2024	2023
<b>GAAP fully diluted earnings (loss) per share</b>	\$ 0.03	\$ 0.03
Total pre-tax adjustments (from above)	0.22	0.16
Income tax adjustment to reflect adjusted earnings taxes	0.01	(0.00)
<b>Post-tax adjusted earnings per share</b>	<b>\$ 0.26</b>	<b>\$ 0.19</b>
Fully diluted weighted-average shares of common stock outstanding	\$ 494,837	\$ 490,117
Dividends declared per share of common stock	\$ 0.02	\$ 0.01
Dividends declared and paid per share of common stock	\$ 0.02	\$ 0.01

Please see footnotes to this table on the next page.

# RECONCILIATION OF GAAP TO ADJUSTED EARNINGS FOOTNOTES

## FOOTNOTES

(1) The components of equity-based compensation and allocations of net income to limited partnership units and FPU are as follows (in thousands):

	Three Months Ended	
	September 30,	
	2024	2023
Issuance of common stock and grants of exchangeability	\$ 37,928	\$ 242
Allocations of net income and dividend equivalents	1,286	1,137
RSU, RSU Tax Account, and restricted stock amortization	46,476	67,889
Equity-based compensation and allocations of net income to limited partnership units and FPUs	\$ 85,690	\$ 69,268

(2) GAAP Expenses in the third quarter of 2023 included (\$0.1) million other compensation related adjustments.

(3) Includes non-cash GAAP charges related to the amortization of intangibles with respect to acquisitions.

(4) GAAP expenses in the third quarter of 2024 and 2023 included Charity Day Contributions of \$9.5 million and \$6.7 million, respectively, and resolutions of litigation and other matters, including their related professional fees, as well as certain other professional fees, of \$8.6 million and \$1.8 million, respectively, as well as various other GAAP items. GAAP expenses in the third quarter of 2024 included \$3.2 million of non-cash charges incurred by the Company for exiting a lease. GAAP expenses in the third quarter of 2023 included \$2.0 million of reserves in connection with unsettled trades and receivables with sanctioned Russian entities. The above-referenced items are consistent with BGC's normal practice of excluding certain GAAP gains and charges from Adjusted Earnings that management believes do not best reflect the ordinary results of the Company, including with respect to certain non-recurring or unusual gains or losses, as well as resolutions of litigation.

(5) The third quarter of 2023 includes a non-cash loss related to fair value adjustments of investments held by BGC.

(6) The third quarter of 2024 and 2023 includes non-cash gains of \$2.4 million and \$2.1 million, respectively, related to BGC's investments accounted for under the equity method. The third quarter of 2024 and 2023 also included net gains of \$2.5 million and \$3.6 million, respectively, related to other recoveries and various other GAAP items.

(7) BGC's GAAP provision (benefit) for income taxes is calculated based on an annualized methodology. The Company's GAAP provision (benefit) for income taxes was \$6.0 million and \$5.3 million for the third quarters of 2024 and 2023, respectively. The Company includes additional tax-deductible items when calculating the provision for taxes with respect to Adjusted Earnings using an annualized methodology. These include tax-deductions related to equity-based compensation, employee loan amortization, and certain net-operating loss carryforwards. The non-GAAP provision for income taxes was adjusted by \$4.8 million and (\$1.0) million for the third quarters of 2024 and 2023, respectively. As a result, the provision (benefit) for income taxes with respect to Adjusted Earnings was \$1.2 million and \$6.3 million for the third quarters of 2024 and 2023, respectively.

Note: Certain numbers may not add due to rounding.

# OTHER SELECT FINANCIAL DATA

## RECONCILIATION OF GAAP NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS TO ADJUSTED EBITDA

(IN THOUSANDS) (UNAUDITED)

	Three Months Ended	
	September 30,	
	2024	2023
<b>GAAP net income (loss) available to common stockholders</b>	<b>\$ 14,747</b>	<b>\$ 17,046</b>
<b>Add back:</b>		
Provision (benefit) for income taxes	5,996	5,314
Net income (loss) attributable to noncontrolling interest in subsidiaries	(1,034)	1,506
Interest expense	25,125	20,780
Fixed asset depreciation and intangible asset amortization	19,895	21,864
Impairment of long-lived assets	173	246
Equity-based compensation and allocations of net income to limited partnership units and FPU's (1)	85,690	69,268
(Gains) losses on equity method investments (2)	(2,360)	(2,094)
Other non-cash GAAP expenses (3)	3,162	2,000
<b>Adjusted EBITDA</b>	<b>\$ 151,394</b>	<b>\$ 135,930</b>

- (1) Represents BGC employees' pro-rata portion of net income and non-cash and non-dilutive charges relating to equity-based compensation. See Footnote 1 to the table titled "Reconciliation of GAAP Income (Loss) from Operations before Income Taxes to Adjusted Earnings and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS" for more information.
- (2) The third quarters of 2024 and 2023 includes non-cash gains of \$2.4 million and \$2.1 million, respectively, related to BGC's investments accounted for under the equity method.
- (3) The third quarter of 2024 includes \$3.2 million of non-cash charges incurred by the Company for exiting a lease. The third quarter of 2023 includes \$2.0 million of non-cash reserves in connection with unsettled trades and receivables with sanctioned Russian entities.

## FULLY DILUTED WEIGHTED-AVERAGE SHARE COUNT

(IN THOUSANDS) (UNAUDITED)

	Three Months Ended	
	September 30,	
	2024	2023
Common stock outstanding	473,435	468,544
Other	5,217	9,001
<b>Fully diluted weighted-average share count under GAAP</b>	<b>478,652</b>	<b>477,545</b>
Non-GAAP Adjustments:		
RSUs	15,800	9,611
Restricted Stock	385	2,961
<b>Fully diluted weighted-average share count for Adjusted Earnings</b>	<b>494,837</b>	<b>490,117</b>

## LIQUIDITY ANALYSIS

(IN THOUSANDS) (UNAUDITED)

	September 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 563,467	\$ 655,641
Financial instruments owned, at fair value	211,026	45,792
Repurchase agreements	(1,962)	-
<b>Total Liquidity</b>	<b>\$ 772,531</b>	<b>\$ 701,433</b>

# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

## NON-GAAP FINANCIAL MEASURES

The non-GAAP definitions below include references to certain equity-based compensation instruments, such as restricted stock awards and/or restricted stock units (“RSUs”), that the Company has issued and outstanding following its corporate conversion on July 1, 2023. Although BGC is retaining certain defined terms and references, including references to partnerships or partnership units, for purposes of comparability before and after the corporate conversion, such references may not be applicable following the period ended June 30, 2023.

This document contains non-GAAP financial measures that differ from the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”). Non-GAAP financial measures used by the Company include “Adjusted Earnings before noncontrolling interests and taxes”, which is used interchangeably with “pre-tax Adjusted Earnings”; “Post-tax Adjusted Earnings to fully diluted shareholders”, which is used interchangeably with “post-tax Adjusted Earnings”; “Adjusted EBITDA”; “Liquidity”; and “Constant Currency”. The definitions of these terms are below.

## ADJUSTED EARNINGS DEFINED

BGC uses non-GAAP financial measures, including “Adjusted Earnings before noncontrolling interests and taxes” and “Post-tax Adjusted Earnings to fully diluted shareholders”, which are supplemental measures of operating results used by management to evaluate the financial performance of the Company and its consolidated subsidiaries. BGC believes that Adjusted Earnings best reflect the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers when managing its business.

As compared with “Income (loss) from operations before income taxes” and “Net income (loss) for fully diluted shares”, both prepared in accordance with GAAP, Adjusted Earnings calculations primarily exclude certain non-cash items and other expenses that generally do not involve the receipt or outlay of cash by the Company and/or which do not dilute existing stockholders. In addition, Adjusted Earnings calculations exclude certain gains and charges that management believes do not best reflect the underlying operating performance of BGC. Adjusted Earnings is calculated by taking the most comparable GAAP measures and adjusting for certain items with respect to compensation expenses, non-compensation expenses, and other income, as discussed below.

## CALCULATIONS OF COMPENSATION ADJUSTMENTS FOR ADJUSTED EARNINGS AND ADJUSTED EBITDA

### *Treatment of Equity-Based Compensation Line Item for Adjusted Earnings and Adjusted EBITDA*

The Company’s Adjusted Earnings and Adjusted EBITDA measures exclude all GAAP charges included in the line item “Equity-based compensation and allocations of net income to limited partnership units and FPU’s” (or “equity-based compensation” for purposes of defining the Company’s non-GAAP results) as recorded on the Company’s GAAP Consolidated Statements of Operations and GAAP Consolidated Statements of Cash Flows. These GAAP equity-based compensation charges reflect the following items:

- Charges related to amortization of RSUs, restricted stock awards, other equity-based awards, and limited partnership units;
- Charges with respect to grants of exchangeability, which reflect the right of holders of limited partnership units with no capital accounts, such as LPUs and PSUs, to exchange these units into shares of common stock, or into partnership units with capital accounts, such as HDUs, as well as cash paid with respect to taxes withheld or expected to be owed by the unit holder upon such exchange. The withholding taxes related to the exchange of certain non-exchangeable units without a capital account into either common shares or units with a capital account may be funded by the redemption of preferred units such as PPSUs;
- Charges with respect to preferred units and RSU tax accounts. Any preferred units and RSU tax accounts would not be included in the Company’s fully diluted share count because they cannot be made exchangeable into shares of common stock and are entitled only to a fixed distribution or dividend. Preferred units are granted in connection with the grant of certain limited partnership units that may be granted exchangeability or redeemed in connection with the grant of shares of common stock, and RSU tax accounts are granted in connection with the grant of RSUs. The preferred units and RSU tax accounts are granted at ratios designed to cover any withholding taxes expected to be paid. This is an alternative to the common practice among public companies of issuing the gross amount of shares to employees, subject to cashless withholding of shares, to pay applicable withholding taxes;
- GAAP equity-based compensation charges with respect to the grant of an offsetting amount of common stock or partnership units with capital accounts in connection with the redemption of non-exchangeable units, including PSUs and LPUs;
- Charges related to grants of equity awards, including common stock, RSUs, restricted stock awards or partnership units with capital accounts;
- Allocations of net income to limited partnership units and FPU’s. Such allocations represent the pro-rata portion of post-tax GAAP earnings available to such unit holders; and
- Charges related to dividend equivalents earned on RSUs and any preferred returns on RSU tax accounts.

# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

(CONTINUED)

The amounts of certain quarterly equity-based compensation charges are based upon the Company's estimate of such expected charges during the annual period, as described further below under "Methodology for Calculating Adjusted Earnings Taxes."

Virtually all of BGC's key executives and producers have equity stakes in the Company and its subsidiaries and generally receive deferred equity as part of their compensation. A significant percentage of BGC's fully diluted shares are owned by its executives, partners and employees. The Company issues RSUs, restricted stock, limited partnership units (prior to July 1, 2023) as well as other forms of equity-based compensation, including grants of exchangeability into shares of common stock (prior to July 1, 2023), to provide liquidity to its employees, to align the interests of its employees and management with those of common stockholders, to help motivate and retain key employees, and to encourage a collaborative culture that drives cross-selling and revenue growth.

All share equivalents that are part of the Company's equity-based compensation program, including REUs, PSUs, LPU, HDUs, and other units that may be made exchangeable into common stock, as well as RSUs (which are recorded using the treasury stock method), are included in the fully diluted share count when issued or at the beginning of the subsequent quarter after the date of grant.

Compensation charges are also adjusted for certain other cash and non-cash items.

## **CERTAIN OTHER COMPENSATION-RELATED ADJUSTMENTS FOR ADJUSTED EARNINGS**

BGC also excludes various other GAAP items that management views as not reflective of the Company's underlying performance in a given period from its calculation of Adjusted Earnings. These may include compensation-related items with respect to cost-saving initiatives, such as severance charges incurred in connection with headcount reductions as part of broad restructuring and/or cost savings plans.

## **CALCULATION OF NON-COMPENSATION ADJUSTMENTS FOR ADJUSTED EARNINGS**

Adjusted Earnings calculations may also exclude items such as:

- Non-cash GAAP charges related to the amortization of intangibles with respect to acquisitions;
- Acquisition related costs;
- Non-cash GAAP asset impairment charges;
- Resolutions of litigation, disputes, investigations, or enforcement matters that are generally non-recurring, exceptional, or unusual, or similar items that management believes do not best reflect BGC's underlying operating performance, including related unaffiliated third-party professional fees and expenses; and
- Various other GAAP items that management views as not reflective of the Company's underlying performance in a given period, including non-compensation-related charges incurred as part of broad restructuring and/or cost savings plans. Such GAAP items may include charges for professional fees and expenses, exiting leases and/or other long-term contracts as part of cost-saving initiatives, as well as non-cash impairment charges related to assets, goodwill and/or intangible assets created from acquisitions.

## **CALCULATION OF ADJUSTMENTS FOR OTHER (INCOME) LOSSES FOR ADJUSTED EARNINGS**

Adjusted Earnings calculations also exclude gains from litigation resolution and certain other non-cash, non-dilutive, and/or non-economic items, which may, in some periods, include:

- Gains or losses on divestitures;
- Fair value adjustment of investments;
- Certain other GAAP items, including gains or losses related to BGC's investments accounted for under the equity method; and
- Any unusual, non-ordinary, or non-recurring gains or losses.



# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

(CONTINUED)

## METHODOLOGY FOR CALCULATING ADJUSTED EARNINGS TAXES

Although Adjusted Earnings are calculated on a pre-tax basis, BGC also reports post-tax Adjusted Earnings to fully diluted shareholders. The Company defines post-tax Adjusted Earnings to fully diluted shareholders as pre-tax Adjusted Earnings reduced by the non-GAAP tax provision described below and net income (loss) attributable to noncontrolling interest for Adjusted Earnings.

The Company calculates its tax provision for post-tax Adjusted Earnings using an annual estimate similar to how it accounts for its income tax provision under GAAP. To calculate the quarterly tax provision under GAAP, BGC estimates its full fiscal year GAAP income (loss) from operations before income taxes and noncontrolling interests in subsidiaries and the expected inclusions and deductions for income tax purposes, including expected equity-based compensation during the annual period. The resulting annualized tax rate is applied to BGC's quarterly GAAP income (loss) from operations before income taxes and noncontrolling interests in subsidiaries. At the end of the annual period, the Company updates its estimate to reflect the actual tax amounts owed for the period.

To determine the non-GAAP tax provision, BGC first adjusts pre-tax Adjusted Earnings by recognizing any, and only, amounts for which a tax deduction applies under applicable law. The amounts include charges with respect to equity-based compensation; certain charges related to employee loan forgiveness; certain net operating loss carryforwards when taken for statutory purposes; and certain charges related to tax goodwill amortization. These adjustments may also reflect timing and measurement differences, including treatment of employee loans; changes in the value of units between the dates of grants of exchangeability and the date of actual unit exchange; changes in the value of RSUs and/or restricted stock awards between the date of grant and the date the award vests; variations in the value of certain deferred tax assets; and liabilities and the different timing of permitted deductions for tax under GAAP and statutory tax requirements.

After application of these adjustments, the result is the Company's taxable income for its pre-tax Adjusted Earnings, to which BGC then applies the statutory tax rates to determine its non-GAAP tax provision. BGC views the effective tax rate on pre-tax Adjusted Earnings as equal to the amount of its non-GAAP tax provision divided by the amount of pre-tax Adjusted Earnings.

Generally, the most significant factor affecting this non-GAAP tax provision is the amount of charges relating to equity-based compensation. Because the charges relating to equity-based compensation are deductible in accordance with applicable tax laws, increases in such charges have the effect of lowering the Company's non-GAAP effective tax rate and thereby increasing its post-tax Adjusted Earnings.

BGC incurs income tax expenses based on the location, legal structure and jurisdictional taxing authorities of each of its subsidiaries. Certain of the Company's entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax ("UBT") in New York City. Any U.S. federal and state income tax liability or benefit related to the partnership income or loss, with the exception of UBT, rests with the unit holders rather than with the partnership entity. The Company's consolidated financial statements include U.S. federal, state, and local income taxes on the Company's allocable share of the U.S. results of operations. Outside of the U.S., BGC operates principally through subsidiary corporations subject to local income taxes. For these reasons, taxes for Adjusted Earnings are expected to be presented to show the tax provision the consolidated Company would expect to pay if 100% of earnings were taxed at global corporate rates.

## CALCULATIONS OF PRE- AND POST-TAX ADJUSTED EARNINGS PER SHARE

BGC's pre- and post-tax Adjusted Earnings per share calculations assume either that:

- The fully diluted share count includes the shares related to any dilutive instruments, but excludes the associated expense, net of tax, when the impact would be dilutive; or
- The fully diluted share count excludes the shares related to these instruments, but includes the associated expense, net of tax, when the impact would be anti-dilutive.

The share count for Adjusted Earnings excludes certain shares and share equivalents expected to be issued in future periods but not yet eligible to receive dividends and/or distributions. Each quarter, the dividend payable to BGC's stockholders, if any, is expected to be determined by the Company's Board of Directors with reference to a number of factors. The declaration, payment, timing, and amount of any future dividends payable by the Company will be at the discretion of its Board of Directors using the fully diluted share count. For more information on any share count adjustments, see the table titled "Fully Diluted Weighted-Average Share Count under GAAP and for Adjusted Earnings" in the Company's most recent financial results press release.

# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

(CONTINUED)

## MANAGEMENT RATIONALE FOR USING ADJUSTED EARNINGS

BGC's calculation of Adjusted Earnings excludes the items discussed above because they are either non-cash in nature, because the anticipated benefits from the expenditures are not expected to be fully realized until future periods, or because the Company views results excluding these items as a better reflection of the underlying performance of BGC's ongoing operations. Management uses Adjusted Earnings in part to help it evaluate, among other things, the overall performance of the Company's business and to make decisions with respect to the Company's operations.

The term "Adjusted Earnings" should not be considered in isolation or as an alternative to GAAP net income (loss). The Company views Adjusted Earnings as a metric that is not indicative of liquidity, or the cash available to fund its operations, but rather as a performance measure. Pre- and post-tax Adjusted Earnings, as well as related measures, are not intended to replace the Company's presentation of its GAAP financial results. However, management believes that these measures help provide investors with a clearer understanding of BGC's financial performance and offer useful information to both management and investors regarding certain financial and business trends related to the Company's financial condition and results of operations. Management believes that the GAAP and Adjusted Earnings measures of financial performance should be considered together.

For more information regarding Adjusted Earnings, see the sections of this document and/or in the Company's most recent financial results press release titled "Reconciliation of GAAP Income (Loss) from Operations before Income Taxes to Adjusted Earnings and GAAP Fully Diluted EPS to Post-Tax Adjusted EPS", including the related footnotes, for details about how BGC's non-GAAP results are reconciled to those under GAAP.

## ADJUSTED EBITDA DEFINED

BGC also provides an additional non-GAAP financial performance measure, "Adjusted EBITDA", which it defines as GAAP "Net income (loss) available to common stockholders", adjusted to add back the following items:

- Provision (benefit) for income taxes;
- Net income (loss) attributable to noncontrolling interest in subsidiaries;
- Interest expense;
- Fixed asset depreciation and intangible asset amortization;
- Equity-based compensation, dividend equivalents and allocations of net income to limited partnership units and FPU's;
- Impairment of long-lived assets;(Gains) losses on equity method investments; and
- Certain other non-cash GAAP items, such as non-cash charges of amortized rents.

The Company's management believes that its Adjusted EBITDA measure is useful in evaluating BGC's operating performance, because the calculation of this measure generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, the Company's management uses this measure to evaluate operating performance and for other discretionary purposes. BGC believes that Adjusted EBITDA is useful to investors to assist them in getting a more complete picture of the Company's financial results and operations.

Since BGC's Adjusted EBITDA is not a recognized measurement under GAAP, investors should use this measure in addition to GAAP measures of net income when analyzing BGC's operating performance. Because not all companies use identical EBITDA calculations, the Company's presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, Adjusted EBITDA is not intended to be a measure of free cash flow or GAAP cash flow from operations because the Company's Adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

For more information regarding Adjusted EBITDA, see the section of this document and/or in the Company's most recent financial results press release titled "Reconciliation of GAAP Net Income (Loss) Available to Common Stockholders to Adjusted EBITDA", including the footnotes to the same, for details about how BGC's non-GAAP results are reconciled to those under GAAP.

# DIFFERENCES BETWEEN NON-GAAP AND GAAP CONSOLIDATED RESULTS

(CONTINUED)

## **TIMING OF OUTLOOK FOR CERTAIN GAAP AND NON-GAAP ITEMS**

BGC anticipates providing forward-looking guidance for GAAP revenues and for certain non-GAAP measures from time to time. However, the Company does not anticipate providing an outlook for other GAAP results. This is because certain GAAP items, which are excluded from Adjusted Earnings and/or Adjusted EBITDA, are difficult to forecast with precision before the end of each period. The Company therefore believes that it is not possible for it to have the required information necessary to forecast GAAP results or to quantitatively reconcile GAAP forecasts to non-GAAP forecasts with sufficient precision without unreasonable efforts. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The relevant items that are difficult to predict on a quarterly and/or annual basis with precision and may materially impact the Company's GAAP results include, but are not limited, to the following:

- Certain equity-based compensation charges that may be determined at the discretion of management throughout and up to the period-end;
- Unusual, non-ordinary, or non-recurring items;
- The impact of gains or losses on certain marketable securities, as well as any gains or losses related to associated mark-to-market movements and/or hedging. These items are calculated using period-end closing prices;
- Non-cash asset impairment charges, which are calculated and analyzed based on the period-end values of the underlying assets. These amounts may not be known until after period-end; and
- Acquisitions, dispositions, and/or resolutions of litigation, disputes, investigations, or enforcement matters, or similar items, which are fluid and unpredictable in nature.

## **LIQUIDITY DEFINED**

BGC may also use a non-GAAP measure called "liquidity". The Company considers liquidity to be comprised of the sum of cash and cash equivalents, reverse repurchase agreements (if any), financial instruments owned, at fair value, less securities lent out in securities loaned transactions and repurchase agreements (if any). The Company considers liquidity to be an important metric for determining the amount of cash that is available or that could be readily available to the Company on short notice.

For more information regarding Liquidity, see the section of this document and/or in the Company's most recent financial results press release titled "Liquidity Analysis", including any footnotes to the same, for details about how BGC's non-GAAP results are reconciled to those under GAAP.

## **CONSTANT CURRENCY DEFINED**

BGC generates a significant amount of its revenues in non-U.S. dollar denominated currencies, particularly in the euro and pound sterling. In order to present a better comparison of the Company's revenues during the period, which exhibited highly volatile foreign exchange movements, BGC provides revenues year-over-year comparisons on a "Constant Currency" basis. BGC uses a Constant Currency financial metric to provide a better comparison of the Company's underlying operating performance by eliminating the impacts of foreign currency fluctuations between comparative periods. Since BGC's consolidated financial statements are presented in U.S. dollars, fluctuations in non-U.S. dollar denominated currencies have an impact on the Company's GAAP results. The Company's Constant Currency metric, which is a non-GAAP financial measure, assumes the foreign exchange rates used to determine the Company's comparative prior period revenues, apply to the current period revenues. Constant Currency revenue percentage change is calculated by determining the change in current quarter non-GAAP Constant Currency revenues over prior period revenues. Non-GAAP Constant Currency revenues are total revenues excluding the effect of foreign exchange rate movements and are calculated by remeasuring and/or translating current quarter revenues using prior period exchange rates. BGC presents certain non-GAAP Constant Currency percentage changes in Constant Currency revenues as a supplementary measure because it facilitates the comparison of the Company's core operating results. This information should be considered in addition to, and not as a substitute for, results reported in accordance with GAAP.



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