

# 2Q 2022 Earnings Commentary

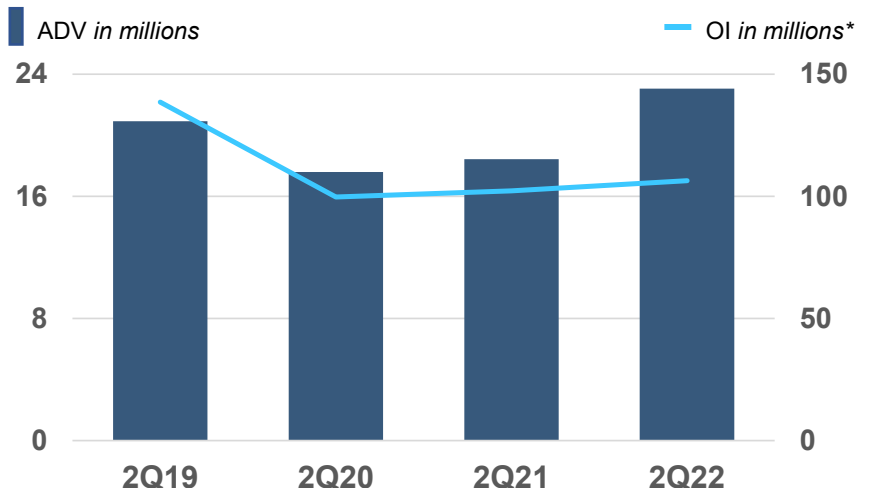


## 2Q 2022 Summary

- During a period of geopolitical and economic uncertainty, CME Group continued to help clients manage their risk. 2Q22 average daily volume (ADV) of 23.1 million contracts was up 25% compared with 2Q21, primarily driven by double-digit year-over-year (YoY) ADV growth in Interest Rates, Equity Index and Foreign Exchange (FX) asset classes
  - Highest ever Q2 ADV with every month in the quarter representing all time volume records for that respective month
- 2Q22 Options ADV increased 23% to 3.9 million contracts, with YoY growth across 5 of 6 asset classes, including 92% growth in Equity Index and 27% growth in FX
  - SOFR Options ADV increased nearly 6 times versus 1Q22
  - Non-U.S. Options ADV saw double-digit YoY growth across Metals (+60%), Equity Index (+44%), and Energy (+28%)
- 2Q22 non-U.S. ADV increased 21% to 6.3 million contracts, with double-digit growth across all Financials asset classes
  - Equity Index +43%, Interest Rates +28%, FX +24%
  - Europe, Middle East and Africa (EMEA) region up 15%
  - Asia Pacific (APAC) up 36%
  - Greater Latin America (LatAm) region up 40%
- Continued to launch/advance innovative new products, tools and services to support customer needs
- Customer focus and strategic execution led to adjusted net income attributable to CME Group of \$717 million and adjusted diluted earnings per common share of \$1.97

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\* Represents quarterly adjusted operating expense excluding licensing and other fee agreements which is the basis for expense guidance

• A reconciliation of the non-GAAP financial results mentioned to the respective GAAP figures can be found within the Reconciliation of GAAP to Non-GAAP Measures chart at the end of the financial statements

• All growth rates included in this document refer to 2Q22 vs. 2Q21, unless otherwise noted, and any 3Q 2022 to date references are through July 25. Additionally, all global data/statistics exclude the open outcry venue

• OI within the chart, and throughout this document, includes only benchmark product within Energy (Crude Oil, Natural Gas and Refined Products)

## 2Q Highlights

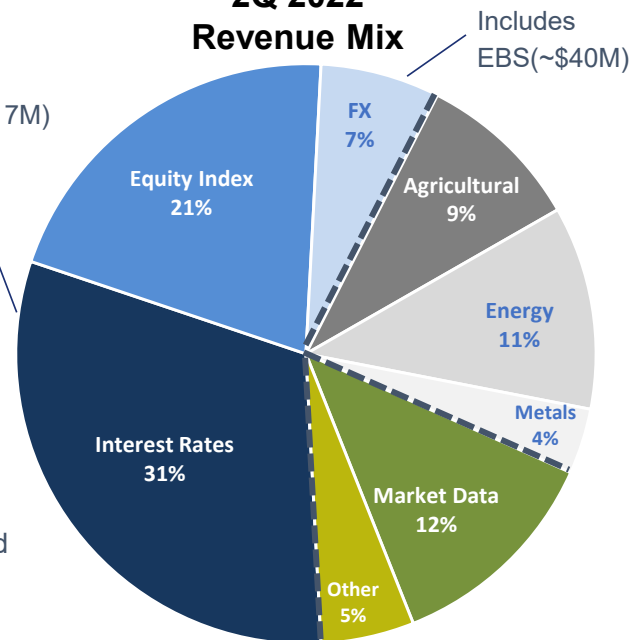
(ADV and OI stated in contracts, except for cash markets)

- 2Q22 ADV increased 25% to 23.1 million
  - Interest Rates ADV up 24% to 10.6 million
  - Equity Index ADV up 57% to 7.8 million
  - Options ADV up 23% to 3.9 million
  - FX ADV up 24% to 950,048
- Record quarterly ADV for SOFR futures, Micro E-mini S&P 500 futures, SOFR options, E-mini Nasdaq 100 options, Micro Ether futures, Brazilian Real futures, Ether futures, and Canadian Dollar options
- Record Large Open Interest Holders (LOIH) reached across Financials during the quarter

**CME Group's highly diverse product set positions the company well for varying macroeconomic backdrops**

Includes  
BrokerTec (~\$42M)  
Interest Rate  
Swaps Clearing (~\$17M)

### 2Q 2022 Revenue Mix



### Interest Rate Highlights:

- Treasury futures ADV up 17% to 5 million and Treasury options ADV up 7% to 971,873
- The front 8 Eurodollar futures contracts ADV up 22% to 1.6 million
- Record SOFR futures ADV of 1.6 million, with daily record high volume of 4 million on June 13, and record SOFR options ADV increased by nearly 6 times from 1Q 2022 to 222,777
  - SOFR futures ADV represented 99% of Eurodollar futures
  - SOFR options ADV represented 26% of Eurodollar options
- 5-Year U.S. Treasury Note futures/options ADV up 34% to 1.6 million
- 2-Year U.S. Treasury Note futures/options ADV up 76% to 749,806
- Fed Fund futures ADV up 228% to 299,790
- Record EU Repo €345.7B, +15%
- US Treasuries and US Repo ADV up 25% and 28% YoY respectively

### FX Highlights:

- Double-digit YoY ADV growth across Euro FX futures (+15%), Japanese Yen futures (+49%), Australian Dollar futures (+10%), British Pound futures (+22%), and Record Brazilian Real futures (+38%)

### Equity Index Highlights:

- Overall Equity Index ADV and overall Micro E-Mini futures ADV both posted the second highest quarterly ADV on record
- Micro E-mini Equity Index futures/options ADV up 75% to 3.3 million
- Record Micro E-mini S&P 500 futures ADV of 1.4 million (+78%)
- E-mini S&P 500 futures/options ADV up 51% to 3.1 million including 96% growth in options to 1.1 million
- E-mini Nasdaq 100 futures/options ADV up 46% to 770,992
- E-mini Russell 2000 futures ADV up 36% to a record 254,352

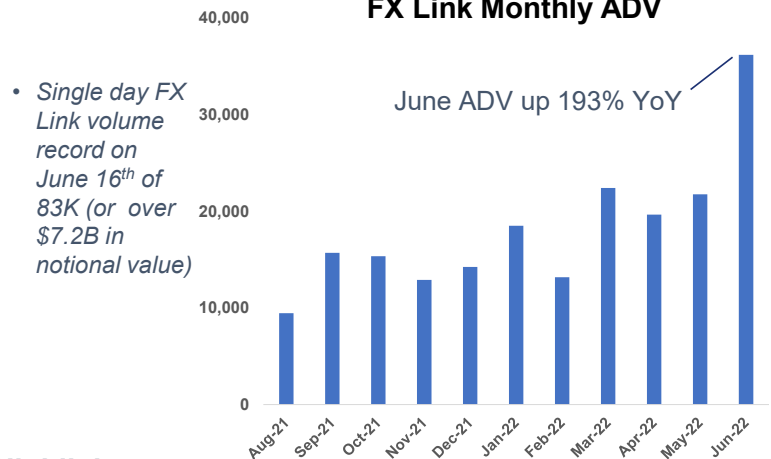
### Options Highlights:

- YoY ADV growth across 5 of 6 asset classes:
  - Interest Rates up 9% to 2 million
  - Equity Index up 92% to 1.2 million
  - Energy up 12% to 236,994
  - Metals up 11% to 57,714
- E-mini S&P 500 Monday/Wednesday Weekly options of 294,160 (+77%)
- Weekly Treasury options ADV of 206,432 (+6%)
- Henry Hub Natural Gas options of 119,074 (+36%)
- Precious Metals options of 53,417 (+12%)

### Energy Highlights:

- Henry Hub Natural Gas futures/options ADV increased 20% to 554,160, with futures up 16% and options up 36%
- Heating Oil futures/options ADV grew 8% to 138,850
- Emission Offset futures combined OI reached a single day record of 22,669 on June 9

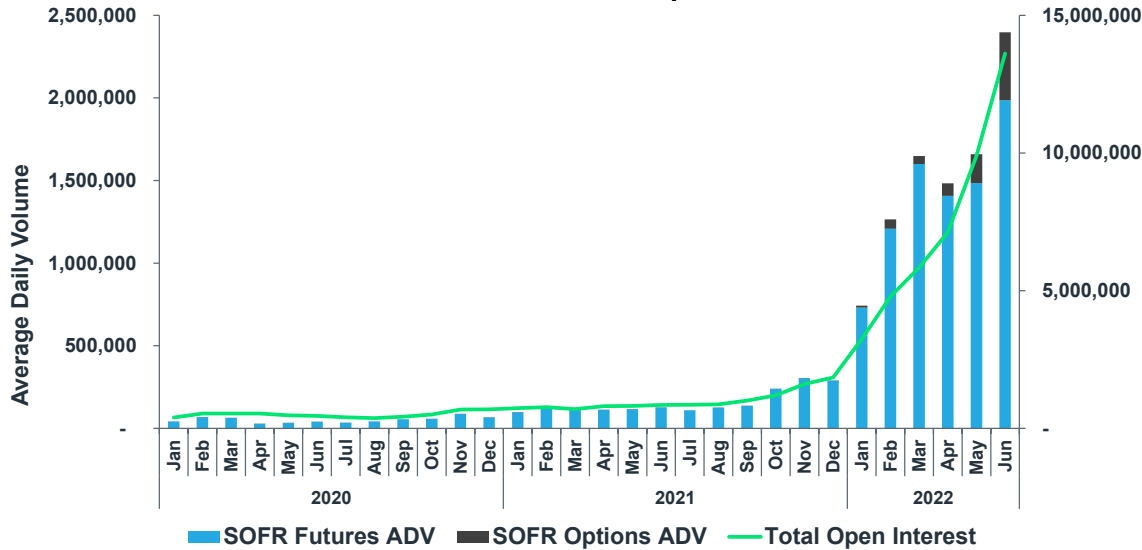
### FX Link Monthly ADV



### SOFR First for Options – Very Successful Early Results

CME Group launched 'SOFR First for Options', a market-wide initiative geared toward accelerating adoption and liquidity in SOFR options during the months of June, July and August. Investing in deepening the provision of liquidity to meet growing end-user demand to trade, SOFR options garnered significant results that could be seen immediately in June and have continued to date

#### SOFR Futures & Options



- In June, SOFR options averaged 412K contracts per day and represented 46% of Eurodollar options
- SOFR options daily volume surpassed daily Eurodollar options volume for the first time on June 23
- To date in July 2022, SOFR options are averaging 376K contracts per day and represent 74% of Eurodollar options

### 2Q22 non-U.S. ADV was 6.3 million contracts, up 21% from 1Q21

#### 2Q22 non-U.S. ADV highlights:

- Equity Index ADV up 43%
- Interest Rates ADV up 28%
- FX ADV up 24%
- Options ADV up 11%

#### EMEA region ADV highlights:

- EMEA ADV increased 15% to 4.3 million contracts and included double-digit growth across Equity Index (+31%), Interest Rates (+24%), and FX (+23%)
- Quarterly ADV records included SOFR futures, E-mini Nasdaq 100 options, Micro Ether futures, and Bitcoin futures

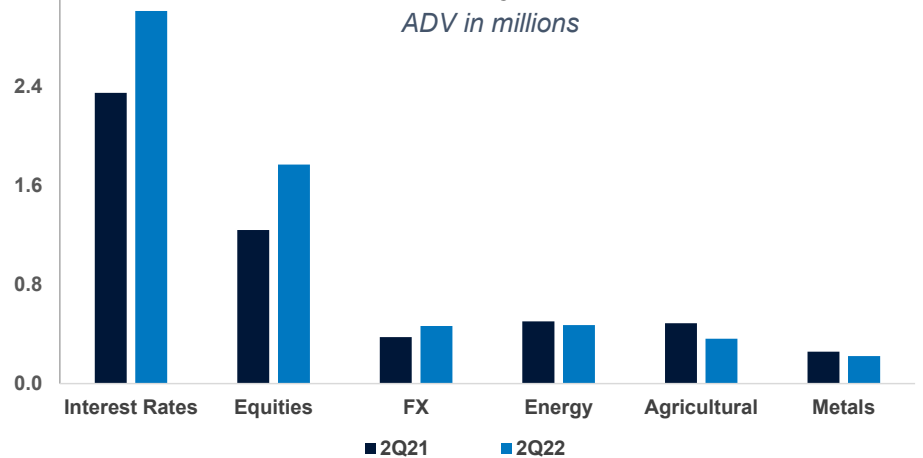
#### APAC region ADV highlights:

- APAC ADV increased 36% to 1.7 million contracts, representing the second-highest quarterly ADV from the region, and included double-digit growth across Equity Index (+70%), Interest Rates (+38%), Energy (+37%), and FX (+31%)
- Quarterly ADV records included FX products, SOFR futures, E-mini Nasdaq 100 options, and Japanese Yen futures

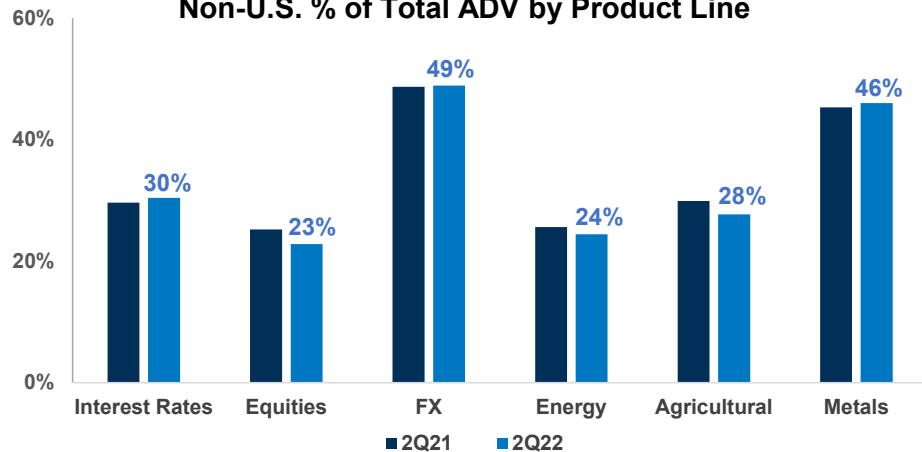
#### LatAm region up 40% YoY

- Double-digit growth across Interest Rates (+65%), Equity Index (+59%), and Energy (+48%), and FX grew 3% YoY

#### Non-U.S. ADV by Product Line



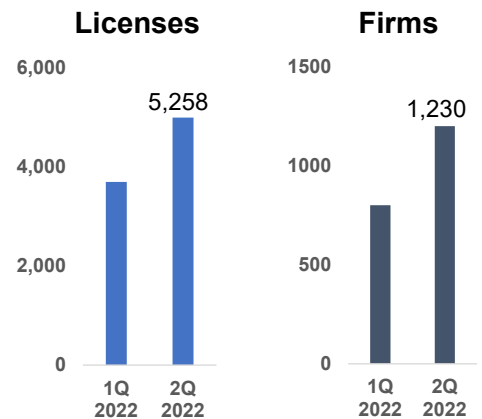
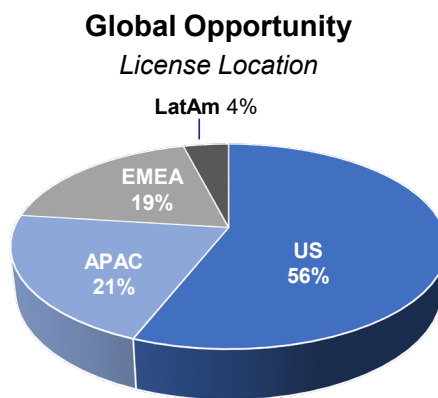
#### Non-U.S. % of Total ADV by Product Line



**2Q22 saw solid levels of sales productivity and strong revenue conversion**

- In line with strong 2Q22 ADV, we saw record sales activity this quarter. Sales wins during the quarter were up 117% versus first quarter last year, and up 41% versus 1Q22
- We are encouraged by the increase in client engagement, with in-person meetings up 377% in 2Q22 versus the same period last year, and up 121% versus 1Q22
- Following the successful migrations of BrokerTec last year, and EBS in 2Q22, our sales teams are ramping up our cross-selling efforts from listed to cash and vice versa, and 2Q cross-sell wins were up more than 280% from the same period last year and up 58% from 1Q22. In addition to strong conversion, we continued to add to the pipeline by completing more than 150 cross-introductions across our respective business lines during the quarter
- In 2Q22, we ran three larger scale campaigns during the quarter focused on Base Metals, SOFR Options and FX Blocks, and total sales campaigns and outreach efforts in 2Q22 reached nearly 1,300 clients and prospects, resulting in 350+ sales opportunities and generating more than 165 wins
- During the quarter, momentum on [CME’s Term SOFR offering](#) continued to increase as the transition from USD LIBOR accelerated

- CME Term SOFR has gained tremendous ground globally because it meets client needs by design being robust, transparent, operationally straightforward and ARRC-endorsed
- CME Term SOFR has been referenced in over \$1.5 trillion in loans and \$268 billion in OTC derivatives
- The CME Term SOFR customer set is broad and diverse and gives CME Group increased opportunity for cross-selling



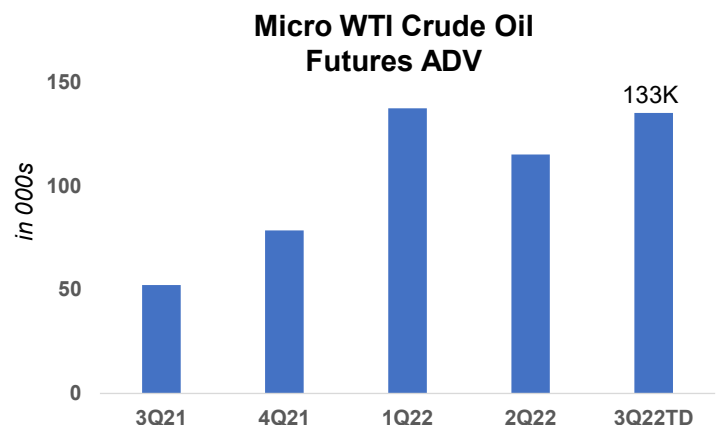
- Since June 30, 2022, the number of CME Term SOFR licenses we have closed has increased to 5,503 with over 1,303 firms for use in cash markets and permissible OTC derivatives products

**CME Group continues to launch analytical tools to enhance clients’ experience, along with new products and services, as well as enhancements to existing offerings**

**2Q 2022 Product & Service Innovation**

**Micro-sized Contracts**

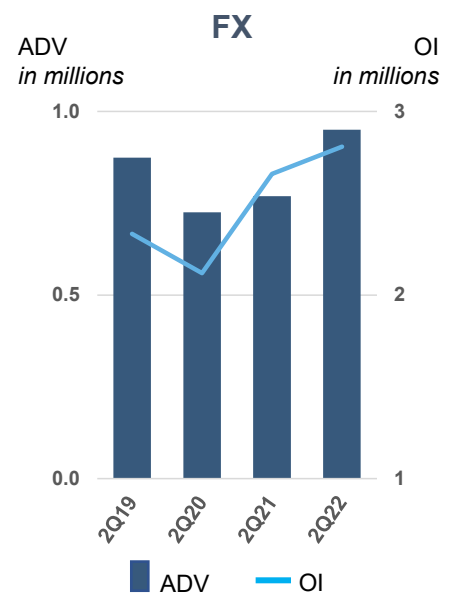
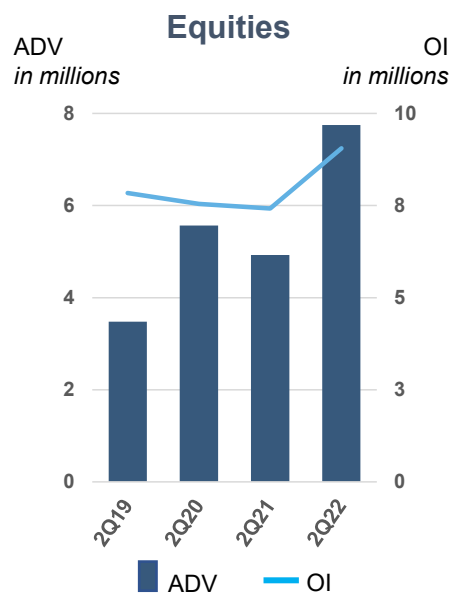
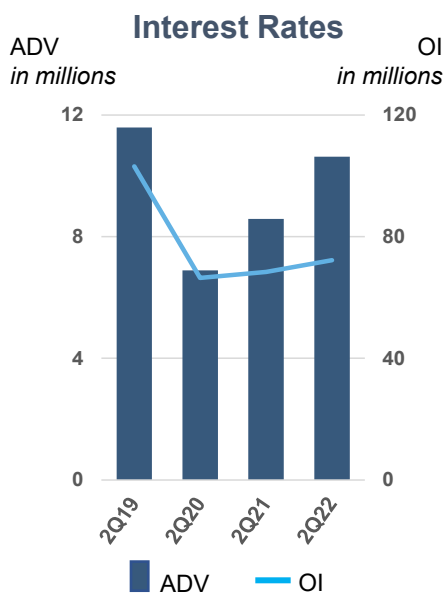
- More than 1.7 billion contracts have traded across 20+ micro-sized products since their introduction in 2009, with ADV in the second quarter of 2022 over 3.5 million contracts
- **Micro Copper** – At this time of heightened economic uncertainty, rising copper options volume is attracting more traders to CME Group’s benchmark metals business. The Micro Copper futures contract, launched May 2, 2022 and 1/10<sup>th</sup> the size of the standard contract, provides a variety of market participants with greater access to the transparency and liquidity of CME Group’s Copper markets and had a nice start with ADV more than doubling from May to June
- **Options on Micro WTI Crude Oil futures** – Micro WTI Crude Oil futures are one of the fastest growing energy products today, with just over 27 million contracts having traded since launch and nearly 40% of volume coming from outside the U.S. Options on these popular futures contracts were launched on June 6, 2022 and provide even more flexibility for investors to navigate crude oil volatility with precision. In addition, market participants can utilize CME Group’s OPEC Watch Tool to view market-based probabilities of upcoming OPEC meeting outcomes



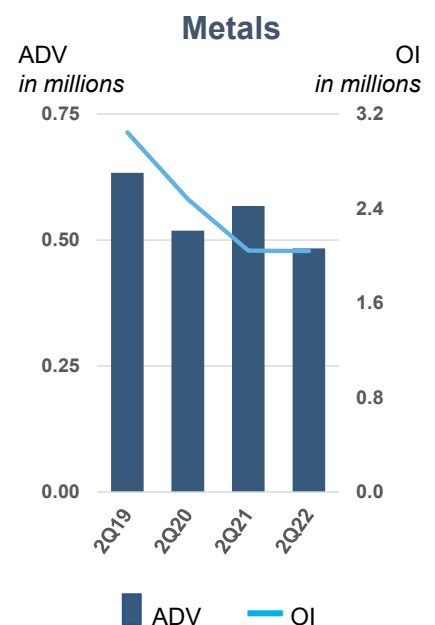
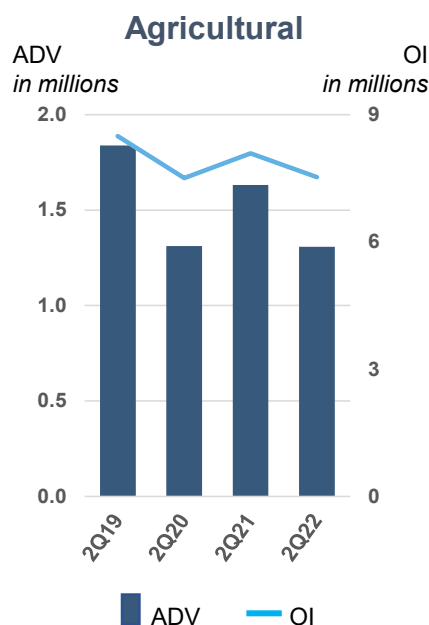
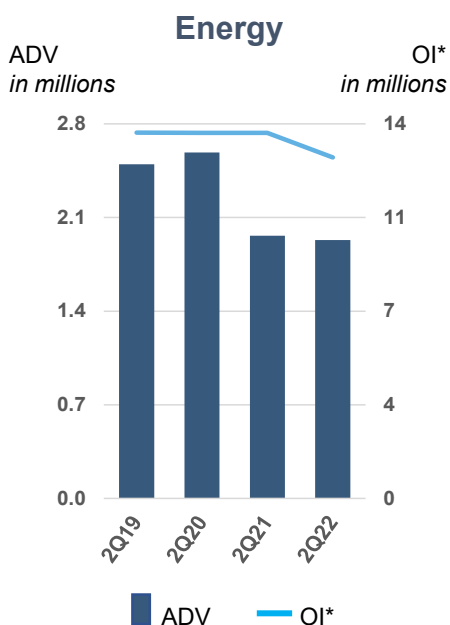
### 2Q 2022 Product & Service Innovation - continued

- During the quarter, other new contracts launched included [options on physically-delivered Aluminum futures](#) in May and [Canadian Wheat \(Platts\) futures](#) in mid-June. Clients are increasingly turning to our Aluminum markets, illustrated by a quarterly 2Q22 record for Aluminum futures as well as a recent daily record, and the options contract provides even more flexibility to manage adverse price movements and transparent price discovery, benefitting the entire base metals industry at this critical time. Canada is the world’s second largest producer of spring wheat and is one of the world’s top wheat exporters, making it an increasingly important region for our global clients. The Canadian (Platts) Wheat futures contract allows for our clients to more effectively manage their exposure across the entire global wheat trade
- Also, we announced the planned launches for [two additional voluntary carbon emissions offset contracts](#) in August, [Event contracts](#) aimed toward the U.S. retail market in September, and the first-ever [TBA futures for the mortgage-backed securities market](#) in October

### 2Q 2022 Product Detail - Financials



### 2Q 2022 Product Detail - Commodities



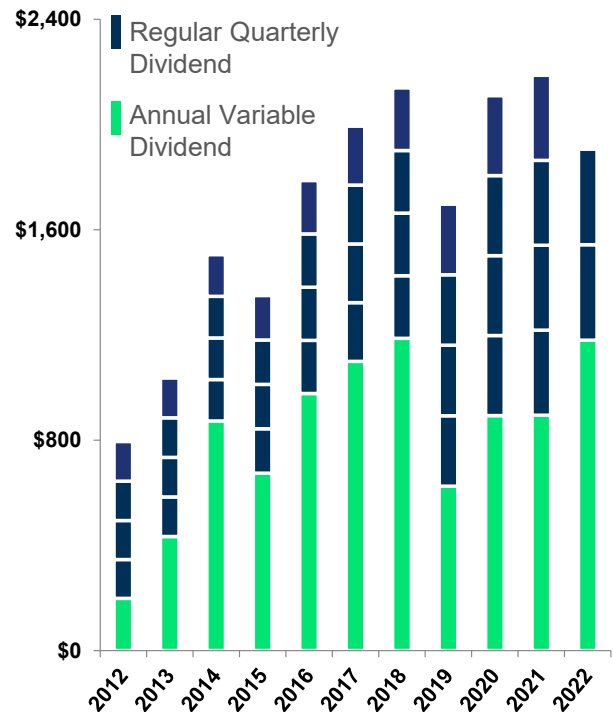
\*OI includes benchmark product areas only – Crude Oil, Natural Gas and Refined



## Financial Results

- 2Q22 revenue was \$1.2 billion. 2Q22 clearing and transaction fees revenue totaled \$1 billion including approximately \$82 million of transaction revenue generated from cash markets businesses (~\$40 million from EBS / ~\$42 million from BrokerTec)
- Overall 2Q22 futures and options RPC was 64.7 cents, up slightly from 64.4 cents in 1Q22, primarily due to lower volume discounts as a result of an 11% sequential volume decrease partially offset by a higher proportion of financial products. (See *summary of micro-sized product ADV and RPC in the appendix chart on the following page*)
- Market Data revenue in 2Q22 was a record \$152 million, up 4% compared with 2Q21, due primarily to a pricing adjustment that went into effect at the start of the year, as well as continued increased demand for derived data licenses
- 2Q22 adjusted other revenue was \$61 million, down from \$101 million in 2Q21 primarily driven by the deconsolidation of the Optimization businesses with the formation of OSTTRA
- 2Q22 adjusted expense, excluding license fees, was \$359.3 million, down 4% from \$372.6 million in 2Q21. The expenses include approximately \$8 million toward our cloud migration
- 2Q22 adjusted non-operating income was \$139 million, up from \$26 million in 2Q21, driven by earnings from cash held at our clearing house, OSTTRA, our post-trade joint venture formed in 4Q21, and higher performance from our S&P Dow Jones Indices joint venture which includes a one-time gain of \$9 million this quarter
- The adjusted 2Q22 effective tax rate was 23.3%
- Adjusted net income attributable to CME Group was \$717 million, up 22% from \$589 million in 2Q21, and adjusted diluted earnings per common share were \$1.97
- Capital expenditures for 2Q22 totaled \$21 million
- During the quarter, we invested approximately \$410 million in our S&P Dow Jones Indices joint venture. This funded our portion of the acquisition of the IHS Markit indices business, which includes leading fixed income and credit indices such as iBoxx, iTraxx and CDX, and maintained our ownership stake in the venture at 27%
  - The shift from active investing to indexing was growing in 2012 when we launched the joint venture, and that momentum has only continued to strengthen since that time. Our portion of the earnings from the index joint venture have more than tripled from the \$75 million earned for the full year 2013, which was the first full year post formation
  - Looking ahead, with the addition of the IHS Markit fixed income and credit indices, the joint venture is well-positioned to continue to innovate and grow across an even wider set of products and services that will serve investors all over the world

Dividends Declared\* \$ in millions



- As of June 30, the company had approximately \$2 billion in cash (including \$100 million deposited with Fixed Income Clearing Corporation (FICC) and included in other current assets) and \$3.4 billion of debt. The company paid approximately \$1.9 billion of dividends during 1H22. The company has returned approximately \$18.5 billion to shareholders in the form of dividends since implementing the variable dividend policy in early 2012

## Notes & Guidance

- Adjusted operating expense excluding license fees is expected to be approximately \$1.450 billion *unchanged*
- Capital expenditures, net of leasehold improvement allowances, expected to be approximately \$150 million *unchanged*
- Adjusted effective tax rate expected to be between 22.5% and 23.5% *unchanged*
- In addition to our expense guidance, we expect cash costs associated with the Google Cloud partnership within 2022 to be in the range of \$25M to \$30M. A portion of these costs may be capitalized *unchanged*
- The migration of EBS to CME Globex technology was completed in 2Q22. Beginning in 3Q22, we anticipate a shift of approximately \$4-5 million of quarterly EBS revenues out of Clearing and transaction fees revenue into 'Other' revenue, based on the nature of certain charges post migration
- In addition to fee waivers in support of the SOFR First for Options initiative, we expect an additional \$3 - \$3.5 million per month of Licensing and other fee agreements expense, for the duration of the SOFR First for Options initiative, which has been extended through August 2022

# Financial Results

## Appendix

### Micro Product Quarterly Details

ADV in thousands / RPC in cents except for Micro Crypto

Micro Equity Index Products (including Micro Crypto)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
ADV	1,446	1,885	1,961	2,004	2,499	1,891	1,858	2,286	3,437	3,319
RPC	11.2	12.5	13.2	14	15.4	17.6	17.9	17.6	19.7	21.7
% of total Micro Equity Index ADV	22.3%	33.9%	36.2%	38.9%	40.9%	38.4%	36.4%	38.5%	43.2%	42.8%
Micro FX Products	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
ADV	33	42	50	45	49	38	38	49	55	58
RPC	14.8	16	15	14.6	15.3	15	15.2	11.1	16.2	19.6
% of total FX ADV	3.0%	5.8%	6.0%	5.5%	5.8%	4.9%	4.9%	6.2%	6.1%	6.1%
Micro Interest Rates Products	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
ADV							7	7	6	6
RPC							NA	NA	NA	NA
% of total Interest Rates ADV							0.1%	0.1%	0.0%	0.1%
Micro Energy Products	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
ADV							52	79	137	115
RPC							20.2	48.4	52.5	53.9
% of total Energy ADV							2.4%	3.5%	5.5%	6.0%
Micro Metals Products	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
ADV	59	75	159	89	87	61	55	53	73	56
RPC	33.9	33.4	35	35.3	44.5	48.9	48.1	47.1	45.1	47.0
% of total Metals ADV	6.6%	14.5%	19.3%	15.6%	12.9%	10.8%	11.5%	11.1%	12.3%	11.7%
Micro Crypto Products	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
ADV							17	17	28	39
RPC							\$ 1.60	\$ 1.70	\$ 1.60	\$ 1.01
% of total Micro Equity Index ADV							0.3%	0.3%	0.5%	0.5%

## Use of Non-GAAP Measures

A reconciliation of the non-GAAP financial results mentioned to the respective GAAP figures can be found within the Reconciliation of GAAP to non-GAAP Measures chart at the end of the financial statements and earnings presentation materials posted in the same area of the Investor Relations page on CME Group's Web site at [www.cmegroup.com](http://www.cmegroup.com).

## Forward-Looking Statements

Statements in this document that are not historical facts are forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. We want to caution you not to place undue reliance on any forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the factors that might affect our performance are increasing competition by foreign and domestic entities, including increased competition from new entrants into our markets and consolidation of existing entities; our ability to keep pace with rapid technological developments, including our ability to complete the development, implementation and maintenance of the enhanced functionality required by our customers while maintaining reliability and ensuring that such technology is not vulnerable to security risks; our ability to continue introducing competitive new products and services on a timely, cost-effective basis, including through our electronic trading capabilities, and our ability to maintain the competitiveness of our existing products and services, including our ability to provide effective services to the swaps market; our ability to adjust our fixed costs and expenses if our revenues decline; our ability to maintain existing customers at substantially similar trading levels, develop strategic relationships and attract new customers; our ability to expand and globally offer our products and services; changes in regulations, including the impact of any changes in laws or government policies with respect to our products or services or our industry, such as any changes to regulations and policies that require increased financial and operational resources from us or our customers; the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others; decreases in revenue from our market data as a result of decreased demand or changes to regulations in various jurisdictions; changes in our rate per contract due to shifts in the mix of the products traded, the trading venue and the mix of customers (whether the customer receives member or non-member fees or participates in one of our various incentive programs) and the impact of our tiered pricing structure; the ability of our credit and liquidity risk management practices to adequately protect us from the credit risks of clearing members and other counterparties, and to satisfy the margin and liquidity requirements associated with the BrokerTec matched principal business; the ability of our compliance and risk management methods to effectively monitor and manage our risks, including our ability to prevent errors and misconduct and protect our infrastructure against security breaches and misappropriation of our intellectual property assets; our dependence on third-party providers and exposure to risk through third parties, including risks related to the performance, reliability and security of technology used by our third-party providers; volatility in commodity, equity and fixed income prices, and price volatility of financial benchmarks and instruments such as interest rates, credit spreads, equity indices, fixed income instruments and foreign exchange rates; economic, social, political and market conditions, including the volatility of the capital and credit markets and the impact of economic conditions on the trading activity of our current and potential customers; the impact of the COVID-19 pandemic and response by governments and other third parties; our ability to accommodate increases in contract volume and order transaction traffic and to implement enhancements without failure or degradation of the performance of our trading and clearing systems; our ability to execute our growth strategy and maintain our growth effectively; our ability to manage the risks, control the costs and achieve the synergies associated with our strategy for acquisitions, investments and alliances, including those associated with our joint venture with IHS Markit (now a part of S&P Global) and our partnership with Google Cloud; uncertainty related to the transition from LIBOR; our ability to continue to generate funds and/or manage our indebtedness to allow us to continue to invest in our business; industry and customer consolidation; decreases in trading and clearing activity; the imposition of a transaction tax or user fee on futures and options transactions and/or repeal of the 60/40 tax treatment of such transactions; our ability to maintain our brand and reputation; and the unfavorable resolution of material legal proceedings. For a detailed discussion and additional information concerning these and other factors that might affect our performance, see our other recent periodic filings, including our Annual Report on Form 10-K for the year ended December 31, 2021 as filed with the Securities and Exchange Commission ("SEC") on February 25, 2022, under the caption "Risk Factors".

### Q&A Conference Call Details:

CME Group will hold a live Q&A teleconference to take questions related to second-quarter 2022 results at 8:30 a.m. Eastern Time today. A live audio Webcast of the Q&A teleconference will be available on the Investor Relations section of CME Group's Web site, [www.cmegroup.com](http://www.cmegroup.com). Following the conference call, an archived recording will be available at the same site. Those wishing to listen to the live Q&A teleconference via telephone should dial 1-888-394-8218 if calling from within the United States or +1-773-377-9070 if calling from outside the United States, at least 10 minutes before the call begins.

Analysts and investors are encouraged to review the Company's recent filings with the U.S. Securities and Exchange Commission, as well as the quarterly earnings reference documents posted to the Investor Relations page of CME Group's Web site.