



Cboe Global Markets, Inc. (CBOE)

Updated May 18th, 2025, by Patrick Neuwirth

Metrics

Current Price:	\$221	5 Year CAGR Estimate:	10.6%	Market Cap:	\$23.2 B
Fair Value Price:	\$238	5 Year Growth Estimate:	8.0%	Ex-Dividend Date:	05/30/25
% Fair Value:	93%	5 Year Valuation Multiple Estimate:	1.5%	Dividend Payment Dat:	06/13/25
Dividend Yield:	1.1%	5 Year Price Target	\$349	Years Of Dividend Growth:	14
Dividend Risk Score:	A	Sector:	Financials	Rating:	Buy

Overview & Current Events

Cboe Global Markets, Inc. is a large exchange holding company. It offers a diverse range of products in multiple asset classes, and operates in five primary business segments: Options, U.S. equities, futures, European equities, and global FX. Transaction & clearing fees (from contracts or shares traded on exchanges) composed 75% of 2024 revenues, and regulatory fees, market data, and connectivity fees are other revenue sources. After operating for most of its history as a non-profit, member-owned exchange company, the company became a for-profit corporation in 2006 and went public in 2010. Cboe Global Markets is a \$23.2 billion company and has about 1,650 employees.

On May 2nd, 2025, Cboe Global Markets released its first quarter results for the period ending March 31st, 2025. For the quarter, the company reported net revenue of \$565.2 million, which represents a 13% increase compared with net revenue of \$502.1 million in the same quarter last year. Earnings-per-share (EPS) for the quarter were \$2.37, up from \$1.96 per share in the previous year's quarter. Adjusted EPS was \$2.50, up 16% year-over-year.

First quarter growth was driven by broad-based strength across all business segments, including Derivatives, Cash and Spot Markets, and Data Vantage (formerly Data and Access Solutions). Derivatives Markets revenue grew 16% year-over-year, reflecting record options trading volumes, while Data Vantage revenue increased 8%, and Cash and Spot Markets revenue rose 10%. Adjusted operating income rose to \$372.8 million, a 21% increase year-over-year, and the adjusted operating margin was 66.0%, reflecting an increase from 61.6% in the prior year. Adjusted operating expenses were \$192.4 million, slightly down from \$192.9 million year-over-year, driven by reductions in other expenses and professional fees, partially offset by higher technology and compensation costs.

Cboe Global Markets' strategy remains focused on expanding its addressable market through its three growth pillars: organic growth, M&A growth, and recurring revenue growth. The company has updated its 2025 outlook, now anticipating organic total net revenue growth in the mid-to-high single-digit range (approximately 5% to 9%), up from previous guidance of mid-single digits. Data Vantage organic net revenue growth is reaffirmed at the mid-to-high single-digit range in 2025. Adjusted operating expenses for 2025 are reaffirmed at a range of \$837 to \$852 million.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS¹	\$2.46	\$2.27	\$3.69	\$3.76	\$3.34	\$4.27	\$4.92	\$2.19	\$7.13	\$8.61	\$9.50	\$13.96
DPS	\$0.88	\$0.96	\$1.04	\$1.16	\$1.34	\$1.56	\$1.80	\$1.96	\$2.20	\$2.36	\$2.52	\$3.70
Shares²	82	81	113	112	111	107	107	107	107	107	105	104

Cboe Global Markets has grown earnings by 14.9% per year over the past decade and 17.3% over the past five years. We expect earnings to increase by 8% per year for the next five years as this is in-line with Cboe's medium-term growth rate target of 7% to 9% annually.

The company has been able to increase its yearly dividend payout for 14 consecutive years. Over the last five years, the average annual dividend growth rate is 10.1%. In August 2024, the quarterly dividend increased by 14.5% from \$0.55 to

¹ Diluted earnings per share

² In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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\$0.63 per share. During the report quarter, Cboe repurchased approximately 145,000 shares of its common stock for a total of \$30.0 million at an average price of \$207.04 per share. As of March 31st, 2025, the company had approximately \$649.8 million of availability remaining under its existing share repurchase authorizations.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	25.5	29.2	25.6	28.7	32.4	22.8	23.3	18.9	23.3	26.6	23.3	25.0
Avg. Yld.	1.9%	1.4%	1.1%	1.1%	1.2%	1.6%	1.6%	1.6%	1.3%	1.2%	1.1%	1.1%

During the past decade shares of Cboe Global Markets have traded with an average price-to-earnings ratio of 25.6 times earnings and today, it stands at 23.3. We are using 25 times earnings as a fair value baseline, implying the potential for a valuation tailwind. The company’s dividend yield is currently 1.1%, which is nearly in-line with the average yield over the past decade of 1.4%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	36%	42%	28%	31%	40%	37%	37%	89%	31%	27%	27%	27%

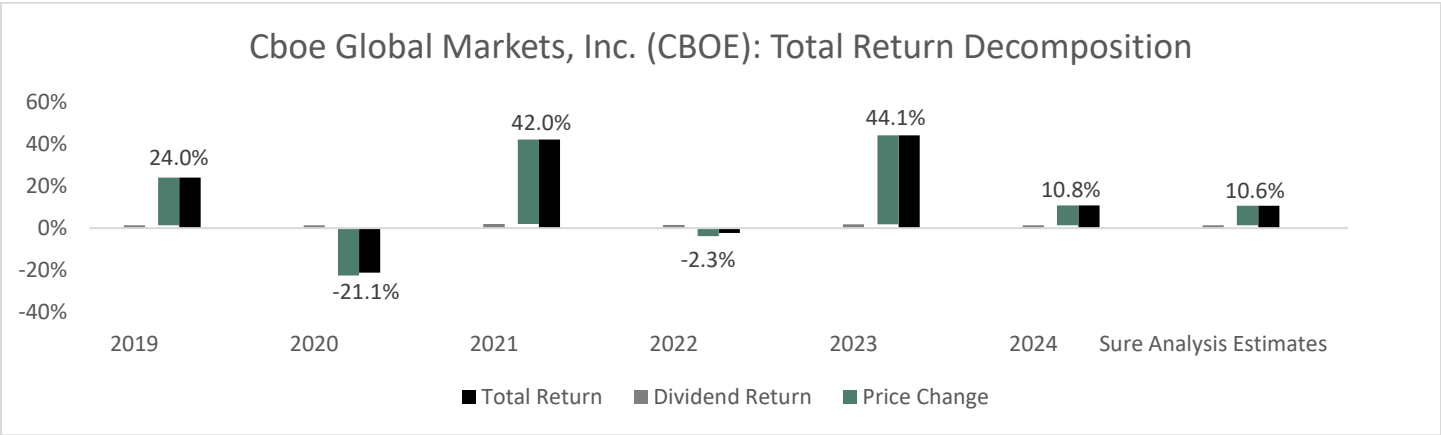
During the past five years, the company’s dividend payout ratio has averaged around 40%. Cboe Global Markets’ dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at the same pace and keep the payout ratio around the same levels which is safe.

Cboe Global Markets’ ambition remains to build one of the world’s largest and most comprehensive global derivatives and securities networks. The company is well-positioned to advance this goal, as evidenced by its record Q1 2025 results and continued momentum across derivatives, equities, and data services. Cboe’s customer-led product and market innovation, paired with a strong foundation in scalable, high-performance technology, continues to drive its growth. Furthermore, structural industry trends—such as globalization, the increasing sophistication of market participants, and the rise of retail investor engagement—are supporting this ambition. Cboe also reaffirmed its commitment to strategic investment in technology and innovation, underscoring its focus on delivering robust, flexible platforms and data-driven services across asset classes and geographies.

Final Thoughts & Recommendation

Cboe Global Markets is one of the largest stock exchange operators in the United States and a global market leader for exchange-traded products trading. Cboe is a quality stock with an average dividend yield, but has a sound dividend payout ratio and a solid earnings-per-share growth forecast for the next several years. We estimate total return potential of 10.6% per year for the next five years based on an 8.0% earnings-per-share growth, a 1.1% yield, and a valuation tailwind. Shares earn a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	664	703	2,229	2,769	2,496	3,427	3,495	3,958	3,774	4,094
Gross Profit	456	453	794	988	938	1,029	1,188	1,742	1,492	2,072
Gross Margin	68.7%	64.5%	35.6%	35.7%	37.6%	30.0%	34.0%	44.0%	39.5%	50.6%
SG&A Exp.	80	87	125	129	126	122	160	476	130	603
D&A Exp.	46	44	192	204	177	159	167	167	158	133
Operating Profit	320	312	456	629	586	707	822	970	1,065	1,181
Op. Margin	48.2%	44.3%	20.5%	22.7%	23.5%	20.6%	23.5%	24.5%	28.2%	28.8%
Net Profit	205	187	402	427	375	468	529	235	761	765
Net Margin	30.9%	26.6%	18.0%	15.4%	15.0%	13.7%	15.1%	5.9%	20.2%	18.7%
Free Cash Flow	206	185	337	498	598	1,411	546	591	1,031	1,040
Income Tax	119	121	(66)	146	131	192	227	198	286	319

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	385	477	5,266	5,321	5,114	6,517	6,815	6,999	7,488	7,789
Cash & Equivalents	102	97	144	275	229	245	342	433	543	920
Acc. Receivable	63	77	217	287	235	337	327	370	337	445
Goodwill & Int.	67	98	4,651	4,446	4,302	4,662	4,733	4,840	4,745	4,548
Total Liabilities	125	159	2,155	2,080	1,758	3,168	3,210	3,534	3,502	3,510
Accounts Payable	2	7	43	13	21	29	20	28	25	18
Long-Term Debt	---	---	1,238	1,215	868	1,204	1,299	1,742	1,439	1,441
Total Equity	260	318	3,111	3,241	3,356	3,349	3,605	3,465	3,985	4,280
LTD/E Ratio	---	---	0.40	0.38	0.26	0.36	0.36	0.50	0.36	0.34

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	53.3%	43.4%	14.0%	8.1%	7.2%	8.1%	7.9%	3.4%	10.5%	10.0%
Return on Equity	80.4%	64.7%	23.4%	13.4%	11.4%	14.0%	15.2%	6.7%	20.4%	18.5%
ROIC	80.4%	64.7%	17.2%	9.7%	8.6%	10.7%	11.2%	4.7%	14.3%	13.7%
Shares Out.	82	81	113	112	111	107	107	107	106	105.5
Revenue/Share	7.99	8.64	20.74	24.68	22.33	31.36	32.60	37.10	35.53	38.81
FCF/Share	2.48	2.28	3.13	4.44	5.35	12.91	5.09	5.54	9.70	9.86

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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