MarketAxess Holdings Inc (MKTX)

Updated February 10th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$173	**5 Year CAGR Estimate:**	14.8%	**Market Cap:**	$6.4 B
Fair Value Price:	$212	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	02/18/2026
% Fair Value:	82%	**5 Year Valuation Multiple Estimate:**	4.2%	**Payment Date:**	03/04/2026
Dividend Yield:	1.8%	**5 Year Price Target**	$327	**Years of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

MarketAxess Holdings is a fintech company operating an electronic trading platform for fixed income, such as corporate bonds, using patented trading technology. MarketAxess' platform promotes price transparency, more competition, and greater choice which has led to over 2,100 institutional participants utilizing the service. These participants are broker-dealer clients, investment advisers, mutual funds, insurance companies, pension funds, banks, and hedge funds. The products traded on the platform are U.S. high-grade corporate bonds, emerging market bonds, U.S. crossover and high-yield bonds, Eurobonds, U.S. agency bonds, municipal bonds, and others. MarketAxess trades on the NASDAQ under the ticker symbol MKTX and has a market capitalization of $6.4 billion. MKTX is headquartered in New York and has offices in London, Amsterdam, Boston, Miami, Hong Kong, and other U.S. states.

MarketAxess completed the acquisition of Pragma, a quantitative trading technology provider specializing in algorithmic and analytics services for equities, forex, and fixed income, on October 2nd, 2023. In 2022, Pragma processed more than $2 trillion of algorithmic order flow across multiple asset classes.

On January 22nd, 2026, MarketAxess announced a 3% increase to the quarterly dividend to $0.78 per share.

MarketAxess reported fourth quarter results on February 6th, 2026. Revenues for the quarter increased 3.5% year-over-year to $209 million. Operating income declined 5% to $76.0 million, and diluted EPS of $2.51 soared 45% from the same prior year period. Adjusted EPS of $1.68 was 3% lower than $1.73 a year ago.

The company's estimated market share in U.S. credit (both High-Grade and High-Yield) was 17.7%, a decrease of 40 basis points compared to last year.

As of the end of 4Q25, total assets were $1.809 billion, including $520 million in cash and cash equivalents.

Leadership initiated 2026 guidance, expecting services revenue to grow by a mid-single-digit percentage. Furthermore, it reiterated its 3-year target for annual revenue growth of 8% to 9%. The company also increased its stock repurchase authorization to $505 million.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.34	$4.19	$4.57	$5.40	$7.85	$6.77	$6.65	$6.85	$7.28	$7.39	***$8.17***	***$12.57***
DPS	$1.04	$1.32	$1.68	$2.04	$2.40	$2.64	$2.80	$2.88	$2.96	$3.04	***$3.12***	***$4.38***
Shares[1]	37.5	37.6	37.9	38.0	38.0	38.0	37.6	37.8	37.6	36.7	***36.5***	***36.0***

MarketAxess experienced steady growth, achieving a 9.2% compound annual EPS increase over nine years, but saw a -1.2% decrease over the past five years. The company has succeeded in growing its trading volume and market share at a strong pace over the last decade, and it is showing no signs of stopping, as it hit a record level again in 2025. The dividend has also grown by nearly 13% annually in the last nine years, and we forecast 7% growth as being fair going forward.

[1] In millions

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MKTX's growth strategy focuses on increasing its penetration of existing and new markets, promoting Open Trading protocols, and continuing to invest in and grow its international business. The electronic trading market share is growing but it's still in its early stages of market penetration, so there is plenty of room to expand. International client volume will continue to increase, and the company will grow its list of active international client firms (firms outside of the USA and Canada) above the current 1,110+ active firms. Municipal bonds volume is also growing, hitting records in the last five years, bolstered by its acquisition of MuniBrokers. Municipal bond ADV grew by 15% in 2025.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	42.5	44.7	44.5	57.7	59.0	59.9	44.2	42.3	31.9	26.9	***21.2***	***26.0***
Avg. Yld.	0.7%	0.7%	0.8%	0.7%	0.5%	0.6%	0.9%	1.0%	1.3%	1.5%	***1.8%***	***1.3%***

MarketAxess has traded at a lofty PE ratio, in line with fast growing technology stocks. Shares currently trade at 21.2 times 2026 forecast earnings, which is below our fair value estimate, implying a potential valuation tailwind. Historically, MKTX has traded at an average valuation of 45.4 and 41.0 times earnings over the last ten and five years.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	31%	32%	37%	38%	31%	39%	42%	42%	41%	41%	***38%***	***35%***

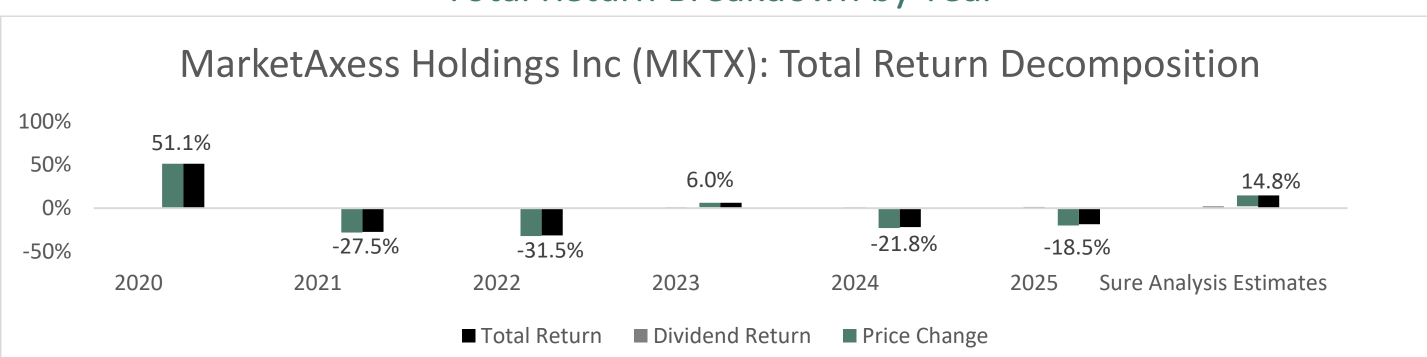
MKTX has had a very stable payout ratio below 40% over the last decade, supported by strong cash flows and operating leverage due to its financial model. We see continued double digit earnings growth which will fuel significant dividend increases without gravely affecting the payout ratio in the future.

MarketAxess made it through the Great Financial Crisis fairly unscathed. While earnings did fall by nearly 30% in 2008, the company remained profitable, and had no dividends to pay at the time (the dividend was initiated in 2009). By 2009, the company had already recovered, and earnings rose 40% above their peak earnings pre-crisis, and since then have grown every single year up until 2021. MKTX's competitive advantage is its position as the leading electronic trading network for the institutional market in U.S. credit products, which is made up of roughly two thousand active institutional investor and dealer firms.

Final Thoughts & Recommendation

MarketAxess has managed to grow its earnings-per-share at a strong rate, and even more, it has managed to increase EPS every year from 2009 to 2021. It has since resumed growth, and is achieving record average daily volumes and revenues. This performance has enabled consistent dividend growth over the past sixteen consecutive years. MKTX trades below our fair value estimate, implying a valuation tailwind. We see the potential for 9% growth in earnings. Overall, we forecast MKTX could produce 14.8% annual total returns, and thus reiterate our buy rating.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	368	393	436	511	689	699	718	753	817	846
Gross Profit	271	291	326	380	532	528	536	546	563	675
Gross Profit %	73.7%	74.0%	74.9%	74.4%	77.2%	75.5%	74.6%	72.5%	68.9%	79.7%
SG&A Exp.	57	66	83	91	100	121	130	143	148	0
D&A Exp.	18	19	23	33	43				NA	0
Operating Profit	190	200	213	251	375	337	327	315	340	342
Op. Margin	51.7%	50.7%	48.8%	49.1%	54.4%	48.2%	45.5%	41.8%	41.0%	40.4%
Net Profit	126	148	173	205	299	258	250	258	274	247
Net Margin	34.3%	37.6%	39.7%	40.1%	43.4%	36.9%	34.8%	34.3%	33.0%	29.2%
Free Cash Flow	71	142	176	231	359				NA	0
Income Tax	65	54	45	53	75	76	88	75	86	120

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	528	581	696	955	1,331	1,530	1608	2015	1789	1,809
Cash & Equivalents	168	167	246	270	461	507	431	451	544	568
Acc. Receivable	51	53	58	62	80	64	78	778	449	449
Goodwill & Int.	63	63	63	208	243	271	253	356	334	394
Total Liabilities	60	66	88	185	376	489	527	722	400	650
Accounts Payable	15	14	29	23	44	71	55	574	256	
Total Equity	468	515	608	770	955	1,041	1081	1293	1389	

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	26.1%	26.7%	27.1%	24.8%	26.2%	18.0%	15.9%	14.3%	14.4%	13.7%
Return on Equity	29.4%	30.1%	30.8%	29.7%	34.7%	25.8%	23.6%	21.7%	20.4%	19.4%
ROIC	29.4%	30.1%	30.8%	29.7%	34.7%	25.8%	23.6%	21.7%	20.4%	17.0%
Shares Out.	37.5	37.6	37.9	38.0	38.0	38.0	37.6	37.7	37.7	37.14
Revenue/Share	9.74	10.34	11.51	13.47	18.07	18.35	19.08	19.99	21.7	22.79
FCF/Share	1.89	3.75	4.66	6.09	9.41				NA	0

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