CME Group Inc. (CME)

Updated March 2nd, 2026 by Samuel Smith

Key Metrics

Current Price:	$320	**5 Year CAGR Estimate:**	5.5%	**Market Cap:**	$115.3 B
Fair Value Price:	$298	**5 Year Growth Estimate:**	3.9%	**Ex-Dividend Date:**	3/10/26[1]
% Fair Value:	107%	**5 Year Valuation Multiple Estimate:**	-1.4%	**Dividend Payment Date:**	3/26/26[2]
Dividend Yield:	3.5%	**5 Year Price Target**	$360	**Years Of Dividend Growth:**	20
Dividend Risk Score:	F	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

CME Group is the world's leading derivatives exchange operator, providing price discovery and risk management for major asset classes including interest rates, equity indices, foreign exchange, commodities, and cryptocurrencies. Founded in 1898, CME went public in 2002 and became the largest futures exchange by volume through strategic acquisitions including NYMEX and COMEX. Trading on the CME Globex electronic platform and through open-outcry venues, the company serves producers, consumers, financial institutions, and speculators globally, generating almost $7 billion in annual revenue. CME's business model benefits from increased institutional derivatives participation and expanding global markets, while the company maintains disciplined capital allocation through its variable dividend policy.

On February 4, 2026, CME Group reported fourth-quarter 2025 earnings that concluded an exceptional year marked by record performance across nearly all key metrics. Quarterly revenue of $1.65 billion grew about 8 percent versus the prior year and modestly exceeded guidance and forecasts, while diluted EPS of $2.77 slightly beat expectations, reflecting strong operating leverage. The standout driver was trading activity, with fourth-quarter average daily volume reaching a record 27.4 million contracts, up 7 percent year over year, underscoring robust demand across its interest rate, equity index, and commodity derivatives complex. Market data revenue also hit a historic milestone by surpassing $800 million for the year, growing 13 percent and highlighting the increasing value of CME's data and analytics offerings. Full-year 2025 revenue of $6.5 billion was up 6 percent from 2024 and accompanied by record adjusted net income of $4.1 billion and 9 percent growth in adjusted EPS, marking the company's fourth consecutive year of record annual revenue and adjusted operating income and its fifth straight year of record total volume. Looking forward, CME guided to adjusted operating expenses of $1.695 billion and capital expenditures of $85 million, indicating disciplined cost control alongside continued technology investment. While the outlook remains favorable, some investors may note that growth rates, while strong, are moderating off an exceptionally high base and remain sensitive to macro volatility and hedging demand cycles across global markets.

Growth On A Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.53	$11.94	$5.71	$6.85	$6.72	$6.67	$7.97	$9.34	$10.26	$11.20	***$11.92***	***$14.40***
DPS	$5.65	$6.14	$2.80	$5.50	$5.90	$6.85	$8.50	$9.65	$10.40	$11.33	***$11.35***	***$12.00***
Shares[3]	339.7	340.4	357.8	358.4	359.0	358.6	359.7	360.0	360.4	360.0	***359.7***	***365.0***

Looking ahead, we anticipate 3.9% average annual earnings per share growth over the next half decade. The main tailwind for the company is volatility in the public markets for the foreseeable future, as there remains enormous uncertainty on how various trade, geopolitical, global growth, and interest rate scenarios will play out to direct the near-term future of the American and global economies. Finally, we see the company's extensive network and large volume enabling it to drive growth through starting ancillary services and exchange products, as well as selling order flow data

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[1] Estimate
[2] Estimate
[3] 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.

to third parties. As a result, we expect CME Group to continue growing earnings-per-share at a strong clip for the foreseeable future.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	24.2	19.6	9.7	25.6	24.7	32.8	21.8	23.1	25.0	24.3	***26.8***	***25.0***
Avg. Yld.	5.2%	2.6%	5.1%	3.1%	3.6%	3.1%	4.9%	4.5%	4.1%	4.2%	***3.5%***	***3.3%***

The stock currently trades at 26.8 times this year's expected earnings. Given that the company has strong, but not exceptional, earnings per share growth potential, we assign a fair value multiple estimate of 25x earnings, making CME slightly overvalued at present.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	125%	51%	49%	80%	88%	103%	107%	103%	101%	101%	***95%***	***83%***

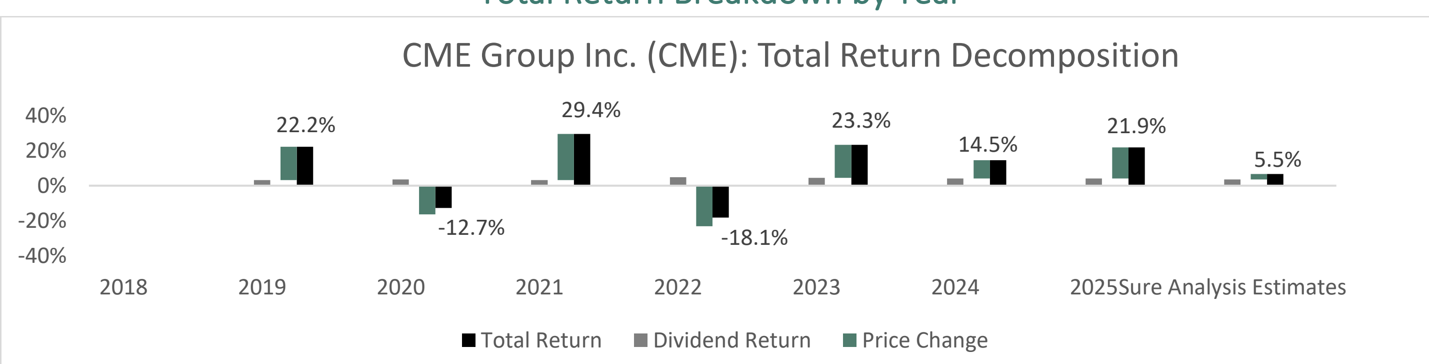
CME Group's biggest competitive advantage is its network effect as a consolidator in the financial exchange space. Thanks to its large volume, it offers customers considerable liquidity, which is an extremely attractive feature for this industry. The company's large volume also gives it economies of scale, enabling it to offer competitive pricing without considerably hurting profitability. This not only enables the company to retain customers but also attracts new ones. As its customer count grows, its network effect only grows stronger, which in turn drives further liquidity and cost advantages, resulting in a virtuous cycle. Given that more than half of all interest rate-related futures in the world and nearly all North American interest rate-related futures are traded on the company's exchanges, it is clear that the company has established a dominant network effect in its core business.

While the company is not directly impacted by changes in stock market valuations, it did suffer during the last recession due to depressed market sentiment and customer bankruptcies, dramatically reducing activity on the exchanges. From peak to trough, CME Group's trailing twelve-month earnings per share fell from ~$3.45 in mid-2008 to $2.40 in mid-2009. The biggest long-term risk to the company is the potential for new regulations to disrupt the company's business model, which could break up its exchange and clearing operations or even limit the volatility on the exchanges or its pricing power. However, we do not see any threat developing in the near future, making the business fairly low-risk from a long-term perspective.

Final Thoughts & Recommendation

CME Group benefits from increased volatility. Given the increasing geopolitical and macroeconomic uncertainties in the world today, this could bode well for the business. With a 5.5% expected annualized return over the next half decade, we rate shares as a Hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,596	3,643	4,408	4,880	4,884	4,690	5,019	5,579	6,130	6,521
Gross Profit	2,906	3,069	3,705	3,859	3,785	3,723	4,011	4,540	5,049	5,385
Gross Margin	80.8%	84.2%	84.1%	79.1%	77.5%	79.4%	79.9%	81.4%	82.4%	82.6%
D&A Exp.	225	209	249	473	464	385	363	353	337	331
Operating Profit	2,106	2,309	2,644	2,600	2,637	2,645	3,016	3,436	3,932	4,230
Operating Margin	58.6%	63.4%	60.0%	53.3%	54.0%	56.4%	60.1%	61.6%	64.1%	64.9%
Net Profit	1,534	4,063	1,964	2,116	2,106	2,637	2,696	3,230	3,529	4,044
Net Margin	42.7%	111.5%	44.5%	43.4%	43.1%	56.2%	53.7%	57.9%	57.6%	62.0%
Free Cash Flow	1,624	1,669	2,324	2,427	2,518	2,275	2,966	3,377	3,597	4,194
Income Tax	754	(1,537)	814	574	616	737	799	927	1,016	1,258

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	69.52	75.84	77.54	75.29	124.74	196.96	174.31	129.84	137.59	198.55
Cash & Equivalents	1,982	1,994	1,449	1,639	1,739	2,955	2,821	3,029	3,012	4,548
Goodwill & Int. Ass.	27,186	27,091	33,481	33,036	32,839	31,235	30,928	30,721	30,484	30,301
Total Liabilities ($B)	49.18	53.42	51.57	49.13	98.39	169.56	147.44	103.10	111.10	169.82
Long-Term Debt	2,231	2,233	3,827	4,357	4,028	3,229	3,882	3,837	3,027	3,710
Shareholder's Equity	20,341	22,412	25,919	26,129	26,320	27,399	26,879	26,738	26,487	28,728
LTD/E Ratio	0.11	0.10	0.17	0.17	0.15	0.15	0.15	0.15	0.14	0.13

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	2.2%	5.6%	2.6%	2.8%	2.1%	1.6%	1.5%	2.1%	2.6%	2.4%
Return on Equity	7.5%	19.0%	8.1%	8.1%	8.0%	9.8%	9.9%	12.0%	13.3%	14.6%
ROIC	6.8%	17.2%	7.1%	6.9%	6.9%	8.5%	8.7%	10.5%	11.6%	12.9%
Shares Out.	339.7	340.4	357.8	358.4	359.0	358.6	359.7	360.0	360.4	360.0
Revenue/Share	10.61	10.71	12.82	13.62	13.62	13.07	13.97	15.52	17.03	18.10
FCF/Share	4.79	4.91	6.76	6.78	7.02	6.34	8.26	9.39	9.99	11.64

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