CME Group Inc. (CME)

Updated July 22nd, 2026, by Kody Kester

Key Metrics

Current Price:	$251	**5 Year CAGR Estimate:**	12.5%	**Market Cap:**	$90.5B
Fair Value Price:	$293	**5 Year Growth Estimate:**	7.5%	**Ex-Dividend Date:**	09/09/26[1]
% Fair Value:	86%	**5 Year Valuation Multiple Estimate:**	3.1%	**Dividend Payment Date:**	09/25/26[1]
Dividend Yield:	2.1%	**5 Year Price Target**	$420	**Years Of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

CME Group (CME) 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, the company serves producers, consumers, financial institutions, and speculators globally, generating over $6.5 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 Jul. 22, the company released its earnings report for the second quarter ended Jun. 30, 2026. CME's revenue edged 0.8% higher year-over-year to $1.71 billion during the quarter. That was fueled by an average daily volume of 29.8 million contracts, which was the third-highest quarterly ADV figure recorded by the company. This was made possible by double-digit percentage growth in equity index volumes and cryptocurrency (+13% to 8.6 million and +32% to 250,000, respectively), as well as a record quarterly level for agricultural volume (2.1 million contracts, which was up about 6% YOY) in the quarter. The company also ended the quarter with considerable momentum, with an all-time monthly record ADV of 30.6 million contracts (+19% YOY) in June. CME's adjusted diluted EPS increased by 1% over the year-ago period to $2.99 for the quarter. That came in $0.08 ahead of the analyst consensus during the quarter.

Growth On A Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.53	$4.77	$6.82	$6.80	$6.72	$6.67	$7.97	$9.34	$10.26	$11.20	***$12.20***	***$17.51***
DPS	$2.40	$2.64	$2.80	$3.00	$3.40	$3.60	$4.00	$4.40	$4.60	$5.00	***$5.20***	***$7.47***
Shares[2]	338.2	339.2	356.8	357.5	358.1	358.6	358.9	359.2	359.6	359.0	***360.2***	***365.0***

Looking ahead, we believe that CME can generate 7.5% annual adjusted diluted EPS growth through 2031, off an anticipated 2026 base of $12.20. The primary tailwind for the company is volatility in the public markets for the foreseeable future. This is because there is tremendous uncertainty about 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. What's more, we see the company's extensive network and large volume enabling it to drive growth through ancillary services and exchange products, as well as licensing proprietary market data feeds to third parties.

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[1] Estimated dates based on past dividend dates.

[2] Share count is 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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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	25.5	30.6	27.4	30.1	27.1	34.3	21.1	22.6	22.6	24.1	***20.6***	***24.0***
Avg. Yld.	2.1%	1.8%	1.5%	1.5%	1.9%	1.6%	2.4%	2.1%	2.0%	1.9%	***2.1%***	***1.8%***

Since 2016, CME has been valued at a P/E ratio as cheap as the low-20s to as expensive as the mid-30s. Over that time, the average P/E ratio was above 26. Moving forward, we continue to believe that a fair value P/E ratio of 24 is reasonable. That's because CME's adjusted diluted EPS growth profile remains largely intact. Relative to the current-year P/E ratio of 20.6, this signals that shares are moderately discounted.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	53%	55%	41%	44%	51%	54%	50%	47%	45%	45%	***43%***	***43%***

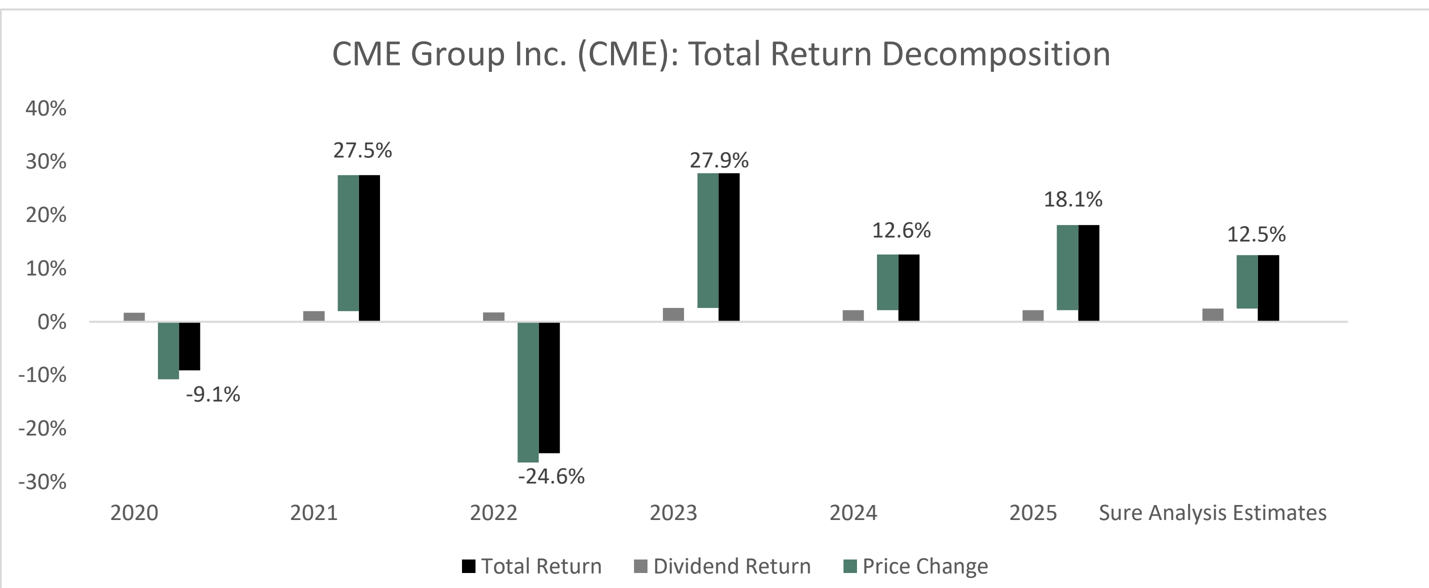
CME's most notable competitive advantage is its network effect as a consolidator in the financial exchange space. Thanks to its large volume, it offers customers considerable liquidity, which is an extremely attractive feature for this industry. The company's large volume also gives it economies of scale, enabling it to offer competitive pricing without meaningfully 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, the company has established a dominant network effect in its core business.

CME is a financial fortress as well, with an AA- S&P credit rating on a stable outlook. The company's regular dividend is also very secure, with the payout ratio set to be in the low-40% range in 2026. That provides CME with the runway to extend its 16-year dividend growth streak in the coming years.

Final Thoughts & Recommendation

CME's 2.1% dividend yield, 7.5% annual adjusted diluted EPS growth prospects, and 3.1% annual valuation multiple upside potential could deliver 12.5% annual total returns through 2031. As a result, we're maintaining our Buy rating.

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.