

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 23, 2024

BGC Group, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35591
(Commission
File Number)

86-3748217
(I.R.S. Employer
Identification No.)

499 Park Avenue
New York, NY
(Address of principal executive offices)

10022
(Zip Code)

(212) 610-2200
Registrant's telephone number, including area code
(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Class A Common Stock, \$0.01 per share | BGC | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On April 25, 2024, BGC Group, Inc., a Delaware corporation (“[BGC](#)” or the “[Company](#)”), issued a press release announcing the investment in FMX (the “[Investment](#)”). A copy of the press release related to this announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

A copy of the investor presentation relating to the Investment is attached as Exhibit 99.2 to this Current Report on Form 8-K.

The information furnished in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “[Exchange Act](#)”), or otherwise subject to the liabilities of that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Exchange Act or the Securities Act of 1933, as amended, except to the extent that the registrant specifically incorporates any such information by reference.

Item 9.01. Financial Statements and Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|---|
| 99.1 | BGC Group, Inc. press release, dated April 25, 2024 |
| 99.2 | Investor presentation, dated April 25, 2024 |
| 104 | Cover page interactive data file, submitted using inline XBRL |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 25, 2024

BGC GROUP, INC.

By: /s/ Howard W. Lutnick
Name: Howard W. Lutnick
Title: Chairman of the Board and Chief Executive Officer

[Signature Page to Form 8-K, dated April 25, 2024, regarding FMX Investment]



Ten global investment banks and market making firms join BGC in the creation of FMX to launch premier U.S. Treasury and U.S. Interest Rate Futures trading marketplace

FMX closes transaction with strategic investors at a \$667 million post-money equity valuation

NEW YORK – April 25, 2024 – BGC Group, Inc. (Nasdaq: BGC) today announced that Bank of America, Barclays, Citadel Securities, Citi, Goldman Sachs, J.P. Morgan, Jump Trading Group, Morgan Stanley, Tower Research Capital, and Wells Fargo have become minority equity owners of FMX, with a post-money equity valuation of \$667 million. FMX combines BGC's U.S. cash treasuries platform with its spot foreign exchange platform and U.S. interest rate futures exchange, and will leverage BGC's proven low latency trading infrastructure and global distribution to further support liquidity in the interest rate futures market.

"We have brought together ten of the most important global investment banks and market making firms to create a premier trading venue for the interest rate markets," said **Howard W. Lutnick, Chairman and CEO of BGC Group and Chairman of FMX**. "We offered ownership to this incredible investment group knowing the enormous value they bring to FMX, which will benefit all market participants."

FMX Futures, which received CFTC approval in January, is expected to launch in September 2024. FMX's cash U.S. Treasury platform, FMX UST (formerly known as Fenics UST), has grown its Central Limit Order Book market share each sequential quarter. FMX UST ended the first quarter 2024 at 28%, up from 26% in the fourth quarter of 2023.¹

"With support from these leading financial firms, we believe FMX will become a rapidly growing futures platform and create important efficiencies for our shared clients," said **Lou Scotto, CEO of FMX**. "With our clearing partner, LCH, the largest clearer of interest rate swaps in the world, clients will receive significant portfolio-margining capabilities, creating competitive advantages across U.S. interest rate markets."²

"LCH is excited to partner with FMX to deliver product innovation and margin savings, which will enhance the competitiveness of U.S. derivatives markets for its members," said **Isabelle Girolami, CEO of LCH Ltd.**

"FMX's unique protocols provide a fresh competitive edge across rates, FX, and futures markets," said **Geoff Weber, Head of G10 Rates Flow Trading at Citi**. "The impressive growth in market share that FMX has experienced recently enhances market liquidity and positions FMX as a potential catalyst for increased competition, particularly within the futures market. This innovation not only promises to elevate market dynamics but also aims to lower costs for all market participants, signaling a forward-looking shift."

¹ Central Limit Order Book (CLOB) is a mechanism financial exchanges use to facilitate trading between buyers and sellers in financial markets. Source: Coalition Greenwich.

² Source: Clarus.

"FMX is going to drive innovation and competition across the rates, FX and futures markets," said **Kristen Macleod, Head of Americas Macro Distribution and Co-Head of Global FX Distribution at Barclays**. "As a key investor, Barclays looks forward to delivering the benefits of our investment to our clients through improved execution and competitive fees."

Please find additional details about the FMX transaction at www.ir.bgeg.com. BGC will also provide additional information about the FMX transaction on its first quarter 2024 earnings call, scheduled for 10:00 a.m. ET on Tuesday, April 30, 2024.

About BGC Group, Inc.

BGC Group, Inc. (Nasdaq: BGC) is a leading global marketplace, data, and financial technology services company for a broad range of products, including fixed income, foreign exchange, energy, commodities, shipping, equities, and now includes the FMX Futures Exchange. BGC's clients are many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, and investment firms.

BGC and leading global investment banks and market making firms have partnered to create FMX, part of the BGC Group of companies, which includes a U.S. interest rate futures exchange, spot foreign exchange platform and the world's fastest growing U.S. cash treasuries platform.

For more information about BGC, please visit www.bgeg.com.

Discussion of Forward-Looking Statements about BGC

Statements in this document regarding BGC that are not historical facts are "forward-looking statements" that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. These include statements about the Company's business, results, financial position, liquidity and outlook, which may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Except as required by law, BGC undertakes no obligation to update any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC's Securities and Exchange Commission ("SEC") filings, including, but not limited to, the risk factors and Special Note on Forward-Looking Information set forth in these filings and any updates to such risk factors and Special Note on Forward-Looking Information contained in subsequent reports on Form 10-K, Form 10-Q or Form 8-K.

MEDIA CONTACTS:

BGC Group

Erica Chase
erica.chase@cantor.com
+1 212-610-2419

Barclays

Sofia Rehman
sofia.rehman@barclays.com

Citi

Rekha Jogia-Soni
Rekha.JogiaSoni@citi.com

INVESTOR CONTACT:

Jason Chryssicas
+1 212-610-2426

FMX

A BGC COMPANY

April 2024

The BGC logo consists of a white stylized plus sign or cross symbol positioned to the left of the lowercase letters "bgc" in a white sans-serif font. The logo is set against a red rectangular background that is part of a larger graphic element on the right side of the page.

+bgc

PARTNERS JOIN BGC IN THE CREATION OF FMX

REPRESENTING 10 OF THE MOST IMPORTANT INVESTMENT BANKS AND MARKET MAKERS

INVESTMENT BANKS

BANK OF AMERICA 

 BARCLAYS



**Goldman
Sachs**

J.P.Morgan

Morgan Stanley



MARKET MAKERS

 CITADEL | Securities

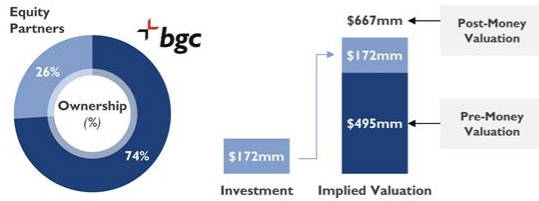
 Jump Trading

 TOWER
RESEARCH CAPITAL



TRANSACTION DETAILS

OWNERSHIP AND VALUATION



- Equity Partners invested **\$172mm** into FMX for **25.75%** ownership
- **Pre-Money Valuation** of **\$495mm**
- **Post-Money Valuation** of **\$667mm**
- Equity Partners received an additional 10.3% of equity ownership subject to driving trading volumes and meeting certain volume targets across the FMX ecosystem

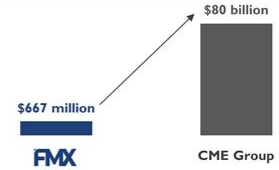
CASH INVESTMENT FROM PARTNERS

- \$172mm of cash proceeds to FMX
- Provide significant growth capital for FMX
- Free up tens of millions of dollars in working capital for BGC to use toward repurchasing its shares and investing in its growth

SIGNIFICANT OPPORTUNITY¹

Investor Opportunity

- Higher Revenue growth
- Higher EBITDA growth
- Higher potential valuation multiple expansion



¹ Source: Bloomberg, Data as of 4/23/2024.



FMX IS BUILT FOR SUCCESS

1 POWERFUL TECHNOLOGY

Leveraging market leading front-end FMX UST technology that powers the fastest growing cash U.S. Treasury platform

2 GLOBAL DISTRIBUTION

BGC has strong global connectivity and deep, long-standing relationships with the largest banks and market makers

3 HIGHLY EFFICIENT CLEARING CAPABILITIES

FMX's clearing partner, LCH, the largest clearer of interest rate swaps collateral globally, will provide significant portfolio-margining efficiencies equal to, or better, than the CME

4 STRATEGIC PARTNERS

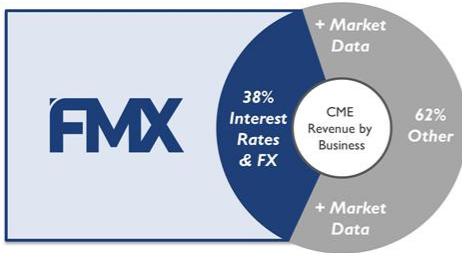
Partnering with the world's most important investment banks, market makers and futures commissions merchants ("FCMs") to compete with CME's U.S. interest rates complex.



FMX TO CHALLENGE CME'S DOMINANT MARKET POSITION

FMX IS THE ONLY REAL CHALLENGER TO THE CME

FMX is now a powerful player in the largest financial markets in the world, competing with CME's highly valuable U.S. interest rate and foreign exchange businesses



CME, with a market capitalization of **\$80 billion¹**, generates approximately **38%** of its total revenues from its U.S. interest rate and foreign exchange businesses

FOLLOWING THE BLUEPRINT OF GREAT CONSORTIA MODELS

Proven success of consortia models driving significant value

TRADEWEB

\$22.9bn MARKET CAPITALIZATION¹

MARKETAXESS

\$7.3bn MARKET CAPITALIZATION¹

¹ Source: Bloomberg. Data as of 4/23/2024.



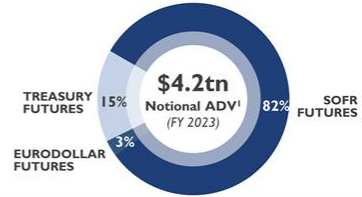
FMX FUTURES

FMX FUTURES EXCHANGE WILL OFFER TRADING IN SOFR AND U.S. TREASURY FUTURES, THE LARGEST AND MOST WIDELY TRADED CONTRACTS IN THE WORLD

WHY FMX FUTURES WILL SUCCEED

- Narrowest spreads & better pricing
- World-class, proven front-end trading system
- Global distribution and existing client connectivity
- Superior portfolio margin benefits through its clearing agreement with LCH

With over \$4 trillion traded daily...



...the futures market opportunity is enormous







¹ Source: CME Monthly Volumes multiplied by respective reported contract sizes; For Eurodollar and SOFR futures estimated contract size of \$1mm
² Source: Bloomberg & FINRA Treasury Statistics



FMX UST

WORLD'S FASTEST GROWING U.S. TREASURY PLATFORM WITH 28% MARKET SHARE¹

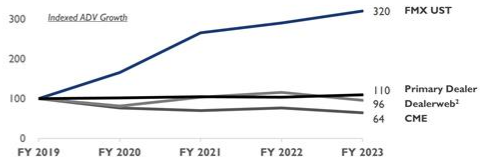
FMX UST SUCCESS

-  Fastest matching engine for cash U.S. treasuries
-  Narrowest spreads in the market
-  Existing global connectivity to its 140+ active client base, which represent the largest trading firms in the world
-  Over 50% of trades on FMX UST executed at prices exclusive to the platform

FMX strong market share and volume growth...



...outpacing the market and peers since 2019



Sources: Coalition Greenwich; Bloomberg; SIFMA

1. Central limit order book ("CLOB") market share.

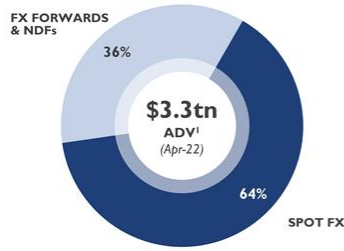
2. Tradeweb acquired Nasdaq's U.S. Fixed Income platform on 6/25/2021. Dealerweb prior period includes Nasdaq U.S. Fixed Income platform volumes



FMX FOREIGN EXCHANGE

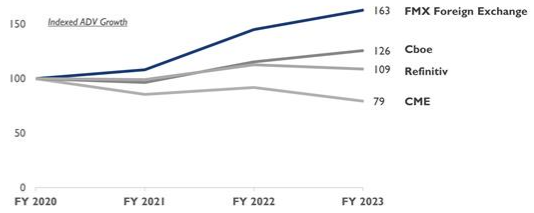
FULLY-CONNECTED, STATE-OF-THE-ART FX PLATFORM NOW SUPERCHARGED FOR GROWTH WITH THE SUPPORT OF OUR PARTNERS

FX is one of the largest, most fragmented markets globally



With over \$3 trillion traded daily

While FMX Foreign Exchange has delivered market leading growth, it competes with significantly larger FX trading platforms.



With the support of its partners, FMX Foreign Exchange is strongly positioned to further accelerate growth, capture market share and succeed against the incumbent FX platforms

¹ Source: BIS Triennial Survey. Volumes reported as of April in each year.



FMX MARKET DATA

FMX WILL PROVIDE UNIQUE, HIGHLY VALUABLE MARKET DATA ACROSS THE WORLD'S MOST IMPORTANT INTEREST RATES AND FOREIGN EXCHANGE MARKETS

FMX offers the narrowest trading spreads which provides **unique and highly valuable market data**

The market data opportunity for SOFR and U.S. treasury futures, cash U.S. treasuries and foreign exchange is enormous

FMX will compete for a significant portion of CME's market data revenue, which totaled \$644 million in 2023

Global Market Data Spend

Exchanges, like FMX Futures Exchange, generated **>\$6.5 billion** of market data revenue in 2023



Source: Burton Taylor



LCH PARTNERSHIP PROVIDING SIGNIFICANT PORTFOLIO-MARGINING EFFICIENCIES

OVERVIEW

- Clearing Partnership with LCH, the largest clearer of interest rate swaps globally
- Unique opportunity to cross margin U.S. Interest Rate Futures against the world's deepest OTC liquidity pool within a single clearing house
- Market participants receive the most efficient portfolio-margining and capital efficiencies through LCH clearing partnership

PORTFOLIO-MARGINING EFFICIENCIES AT LCH

| Contract | Portfolio-Margining Efficiency |
|-----------------------|--------------------------------|
| SOFR Futures | BEST / MAXIMUM |
| U.S. Treasury Futures | EQUAL or SUPERIOR |

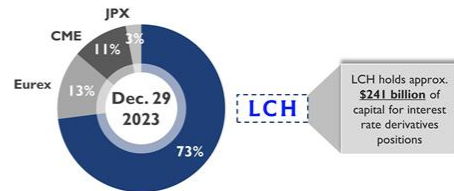
2023 INTEREST RATE DERIVATIVES CLEARED VOLUMES¹

LCH CLEARED 43X MORE INTEREST RATE DERIVATIVES THAN THE CME IN 2023



LARGEST IRS INITIAL MARGIN MARKET SHARE

IRS Initial Margin at Major CCPs²



1. Sources: LCH and CME
2. Source: Citius



WHY THE MARKET NEEDS A SECOND U.S. RATES EXCHANGE

LIQUIDITY, COMPETITION AND RESILIENCY SUPPORTS FINANCIAL STABILITY AND REDUCES SYSTEMIC RISK



ENHANCED LIQUIDITY

- Ultra-low latency execution
- Reduced transaction costs and tighter bid/ask spreads and lower exchange fees
- As market volumes grow, total market capacity will continue to increase in lockstep, including basis trading between FMX and the CME



COMPETITION

- Market participants want more competition across U.S. interest rate marketplaces
- One firm dominates all U.S. interest rate futures trading and is a market leader in cash U.S. Treasuries, resulting in annual price increases, and growing market data costs
- Lack of competition stifles innovation



MARKET RESILIENCY

- FMX will promote competition and encourage broad technological advancement
- Settlement risk dispersed among multiple institutions reduces systemic risk
- Multiple trading venues are critical in the event of business disruption to the sole incumbent



LEADERSHIP

MULTI-DECADE EXPERIENCE IN BUILDING AND MONETIZING INNOVATIVE PLATFORMS, TECHNOLOGIES AND SOLUTIONS



Howard W. Lutnick
Chairman

40+ years experience in
financial services

Chairman of FMX

Chairman and CEO of BGC
Group



Louis Scotto
CEO

40+ years experience in
financial services

CEO of FMX

Former Head of Americas of
BGC Group



DISCLAIMER

DISCUSSION OF FORWARD-LOOKING STATEMENTS ABOUT BGC

Statements in this document regarding BGC that are not historical facts are "forward-looking statements" that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. These include statements about the Company's business, results, financial position, liquidity and outlook, which may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Except as required by law, BGC undertakes no obligation to update any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC's Securities and Exchange Commission filings, including, but not limited to, the risk factors and Special Note on Forward-Looking Information set forth in these filings and any updates to such risk factors and Special Note on Forward-Looking Information contained in subsequent reports on Form 10-K, Form 10-Q or Form 8-K.





Media Contact:

Erica Chase
+1 212-610-2419

Investor Contact:

Jason Chryssicas
+1 212-610-2426

ir.bgcg.com
twitter.com/bgcgroupinc
linkedin.com/company/bgc_group