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

# FORM 10-Q

**(Mark One)**

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the quarterly period ended June 30, 2025**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from to**

**Commission File Number 001-34091**

# MARKETAXESS HOLDINGS INC.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware**<br>**(State or other jurisdiction of incorporation or organization)** | **52-2230784**<br>**(IRS Employer Identification No.)** |
| **55 Hudson Yards, 15th Floor New York, New York**<br>**(Address of principal executive offices)** | **10001**<br>**(Zip Code)** |

**Registrant's telephone number, including area code: (212) 813-6000**

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

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.003 par value | MKTX | NASDAQ Global Select Market |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of August 4, 2025, the number of shares of the Registrant's voting common stock outstanding was 37,363,773.

**MARKETAXESS HOLDINGS INC.**
**FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025**
**TABLE OF CONTENTS**

## PART I — Financial Information

### Item 1. Financial Statements

## MARKETAXESS HOLDINGS INC.
## CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
## (Unaudited)

| | As of | |
|---|---|---|
| | June 30, 2025 | December 31, 2024 |
| | (In thousands, except share and per share amounts) | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 462,837 | $ 544,478 |
| Cash segregated under federal regulations | 47,930 | 47,107 |
| Investments, at fair value | 169,349 | 165,260 |
| Accounts receivable, net of allowance of $522 and $982 as of June 30, 2025 and December 31, 2024, respectively | 113,242 | 91,845 |
| Receivables from broker-dealers, clearing organizations and customers | 559,120 | 357,728 |
| Goodwill | 286,020 | 236,706 |
| Intangible assets, net of accumulated amortization | 121,397 | 98,078 |
| Furniture, equipment, leasehold improvements and capitalized software, net of accumulated depreciation and amortization | 109,206 | 107,298 |
| Operating lease right-of-use assets | 55,382 | 58,132 |
| Prepaid expenses and other assets | 50,455 | 82,584 |
| **Total assets** | $ 1,974,938 | $ 1,789,216 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Liabilities** | | |
| Accrued employee compensation | 48,198 | 68,054 |
| Payables to broker-dealers, clearing organizations and customers | 329,785 | 218,845 |
| Income and other tax liabilities | 95,197 | 3,683 |
| Accounts payable, accrued expenses and other liabilities | 31,628 | 37,320 |
| Operating lease liabilities | 69,230 | 72,654 |
| **Total liabilities** | $ 574,038 | $ 400,556 |
| | | |
| Commitments and Contingencies (Note 13) | | |
| | | |
| **Redeemable noncontrolling interest** | 14,715 | — |
| | | |
| **Stockholders' equity** | | |
| Preferred stock, $0.001 par value, 4,855,000 shares authorized, no shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively | — | — |
| Series A Preferred Stock, $0.001 par value, 110,000 shares authorized, no shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively | — | — |
| Common stock voting, $0.003 par value, 110,000,000 shares authorized, 41,140,143 shares and 41,020,421 shares issued and 37,416,106 shares and 37,646,374 shares outstanding as of June 30, 2025 and December 31, 2024, respectively | 123 | 123 |
| Common stock non-voting, $0.003 par value, 10,000,000 shares authorized, no shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively | — | — |
| Additional paid-in capital | 356,817 | 350,701 |
| Treasury stock – Common stock voting, at cost, 3,724,037 shares and 3,374,047 shares as of June 30, 2025 and December 31, 2024, respectively | (407,029) | (333,369) |
| Retained earnings | 1,434,953 | 1,405,904 |
| Accumulated other comprehensive income/(loss) | 1,321 | (34,699) |
| **Total stockholders' equity** | 1,386,185 | 1,388,660 |
| **Total liabilities, redeemable noncontrolling interest and stockholders' equity** | $ 1,974,938 | $ 1,789,216 |

The accompanying notes are an integral part of these consolidated financial statements.

**MARKETAXESS HOLDINGS INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands, except per share amounts) | | | |
| **Revenues** | | | | |
| Commissions | $ 191,770 | $ 171,679 | $ 373,113 | $ 356,552 |
| Information services | 13,087 | 12,544 | 25,991 | 24,425 |
| Post-trade services | 11,076 | 10,400 | 22,164 | 21,130 |
| Technology services | 3,529 | 3,037 | 6,770 | 5,871 |
| **Total revenues** | 219,462 | 197,660 | 428,038 | 407,978 |
| | | | | |
| **Expenses** | | | | |
| Employee compensation and benefits | 65,237 | 56,790 | 127,153 | 118,054 |
| Depreciation and amortization | 19,195 | 18,356 | 37,431 | 36,556 |
| Technology and communications | 19,421 | 17,771 | 37,469 | 34,822 |
| Professional and consulting fees | 7,190 | 7,669 | 13,600 | 14,064 |
| Occupancy | 3,753 | 3,714 | 7,375 | 7,139 |
| Marketing and advertising | 2,952 | 3,010 | 5,013 | 4,843 |
| Clearing costs | 4,447 | 4,122 | 8,632 | 9,033 |
| General and administrative | 5,403 | 4,889 | 11,119 | 9,628 |
| **Total expenses** | 127,598 | 116,321 | 247,792 | 234,139 |
| **Operating income** | 91,864 | 81,339 | 180,246 | 173,839 |
| **Other income (expense)** | | | | |
| Interest income | 5,930 | 6,401 | 13,099 | 12,374 |
| Interest expense | (139) | (621) | (352) | (937) |
| Equity in earnings of unconsolidated affiliate | 168 | 354 | 457 | 724 |
| Other, net | (407) | (1,136) | 120 | (2,946) |
| **Total other income (expense)** | 5,552 | 4,998 | 13,324 | 9,215 |
| **Income before income taxes** | 97,416 | 86,337 | 193,570 | 183,054 |
| Provision for income taxes | 26,236 | 21,399 | 107,325 | 45,501 |
| **Net income** | $ 71,180 | $ 64,938 | $ 86,245 | $ 137,553 |
| Less: income attributable to redeemable noncontrolling interest | (31) | — | (31) | — |
| **Net income available for common stockholders** | $ 71,149 | $ 64,938 | $ 86,214 | $ 137,553 |
| | | | | |
| Net income per common share | | | | |
| Basic | $ 1.91 | $ 1.72 | $ 2.31 | $ 3.65 |
| Diluted | $ 1.91 | $ 1.72 | $ 2.31 | $ 3.64 |
| | | | | |
| Cash dividends declared per common share | $ 0.76 | $ 0.74 | $ 1.52 | $ 1.48 |
| | | | | |
| Weighted average shares outstanding | | | | |
| Basic | 37,210 | 37,655 | 37,299 | 37,698 |
| Diluted | 37,298 | 37,689 | 37,377 | 37,740 |

The accompanying notes are an integral part of these consolidated financial statements.

**MARKETAXESS HOLDINGS INC.**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | (In thousands) | | | |
| **Net income** | $ 71,180 | $ 64,938 | $ 86,245 | $ 137,553 |
| Cumulative translation adjustment | 24,628 | (563) | 35,638 | (4,804) |
| Net unrealized gain/(loss) on securities available-for-sale, net of tax of $47, ($5), 120 and ($38), respectively | 148 | (13) | 382 | (53) |
| **Comprehensive income** | $ 95,956 | $ 64,362 | $ 122,265 | $ 132,696 |
| Less: comprehensive income attributable to redeemable noncontrolling interest | (31) | — | (31) | — |
| **Comprehensive income available for common stockholders** | $ 95,925 | $ 64,362 | $ 122,234 | $ 132,696 |

The accompanying notes are an integral part of these consolidated financial statements.

**MARKETAXESS HOLDINGS INC.**
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**
**(Unaudited)**

| | Common Stock Voting | Additional Paid-In Capital | Treasury Stock - Common Stock Voting | Retained Earnings | Accumulated Other Comprehensive Income/(Loss) | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | | | (In thousands, except per share amounts) | | | |
| **Balance at January 1, 2025** | $ 123 | $ 350,701 | $ (333,369) | $ 1,405,904 | $ (34,699) | $ 1,388,660 |
| Net income | — | — | — | 15,065 | — | 15,065 |
| Cumulative translation adjustment | — | — | — | — | 11,010 | 11,010 |
| Unrealized net gain (loss) on securities available-for-sale, net of tax | — | — | — | — | 234 | 234 |
| Stock-based compensation | — | 7,696 | — | — | — | 7,696 |
| Withholding tax payments on Full Value Awards vesting and stock option exercises | — | (9,525) | — | — | — | (9,525) |
| Reissuance of treasury stock | — | (164) | 1,104 | — | — | 940 |
| Repurchases of common stock | — | — | (38,077) | — | — | (38,077) |
| Cash dividend on common stock ($0.76 per share) | — | — | — | (28,690) | — | (28,690) |
| **Balance at March 31, 2025** | 123 | 348,708 | (370,342) | 1,392,279 | (23,455) | 1,347,313 |
| Net income | — | — | — | 71,149 | — | 71,149 |
| Cumulative translation adjustment | — | — | — | — | 24,628 | 24,628 |
| Unrealized net gain (loss) on securities available-for-sale, net of tax | — | — | — | — | 148 | 148 |
| Stock-based compensation | — | 8,430 | — | — | — | 8,430 |
| Withholding tax payments on Full Value Awards vesting and stock option exercises | — | (321) | — | — | — | (321) |
| Repurchases of common stock | — | — | (36,687) | — | — | (36,687) |
| Cash dividend on common stock ($0.76 per share) | — | — | — | (28,475) | — | (28,475) |
| **Balance at June 30, 2025** | $ 123 | $ 356,817 | $ (407,029) | $ 1,434,953 | $ 1,321 | $ 1,386,185 |

The accompanying notes are an integral part of these consolidated financial statements.

**MARKETAXESS HOLDINGS INC.**
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)**
**(Unaudited)**

| | Common Stock Voting | Additional Paid-In Capital | Treasury Stock - Common Stock Voting | Retained Earnings | Accumulated Other Comprehensive Income/(Loss) | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | (In thousands, except per share amounts) | | | | | |
| **Balance at January 1, 2024** | $ 123 | $ 333,292 | $ (260,298) | $ 1,244,216 | $ (24,370) | $ 1,292,963 |
| Net income | — | — | — | 72,615 | — | 72,615 |
| Cumulative translation adjustment | — | — | — | — | (4,241) | (4,241) |
| Unrealized net gain (loss) on securities available-for-sale, net of tax | — | — | — | — | (40) | (40) |
| Stock-based compensation | — | 7,298 | — | — | — | 7,298 |
| Exercise of stock options | — | 1,977 | — | — | — | 1,977 |
| Withholding tax payments on Full Value Awards vesting and stock option exercises | — | (14,893) | — | — | — | (14,893) |
| Reissuance of treasury stock | — | (155) | 1,440 | (581) | — | 704 |
| Repurchases of common stock | — | — | (10,147) | — | — | (10,147) |
| Cash dividend on common stock ($0.74 per share) | — | — | — | (28,003) | — | (28,003) |
| **Balance at March 31, 2024** | 123 | 327,519 | (269,005) | 1,288,247 | (28,651) | 1,318,233 |
| Net income | — | — | — | 64,938 | — | 64,938 |
| Cumulative translation adjustment | — | — | — | — | (563) | (563) |
| Unrealized net gain (loss) on securities available-for-sale, net of tax | — | — | — | — | (13) | (13) |
| Stock-based compensation | — | 8,328 | — | — | — | 8,328 |
| Withholding tax payments on Full Value Awards vesting and stock option exercises | — | (206) | — | — | — | (206) |
| Repurchases of common stock | — | — | (33,450) | — | — | (33,450) |
| Cash dividend on common stock ($0.74 per share) | — | — | — | (28,046) | — | (28,046) |
| **Balance at June 30, 2024** | $ 123 | $ 335,641 | $ (302,455) | $ 1,325,139 | $ (29,227) | $ 1,329,221 |

The accompanying notes are an integral part of these consolidated financial statements.

**MARKETAXESS HOLDINGS INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**

| | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|
| | (In thousands) | |
| **Cash flows from operating activities** | | |
| Net income | $ 86,245 | $ 137,553 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 37,431 | 36,556 |
| Amortization of operating lease right-of-use assets | 3,626 | 3,238 |
| Stock-based compensation expense | 15,345 | 15,084 |
| Deferred taxes | (706) | (2,461) |
| Foreign currency transaction losses | 4,080 | 1,220 |
| Other | (2,826) | 509 |
| Changes in operating assets and liabilities: | | |
| (Increase) in accounts receivable | (13,146) | (2,882) |
| (Increase)/decrease in receivables from broker-dealers, clearing organizations and customers | (159,675) | 87,335 |
| Decrease/(increase) in prepaid expenses and other assets | 2,826 | (260) |
| (Increase)/decrease in trading investments | (66) | 155 |
| (Increase) in mutual funds held in rabbi trust | (183) | (698) |
| (Decrease) in accrued employee compensation | (19,696) | (17,843) |
| Increase/(decrease) in payables to broker-dealers, clearing organizations and customers | 99,968 | (144,404) |
| Increase in securities sold, not yet purchased | — | 9,167 |
| Increase/(decrease) in income and other tax liabilities | 91,406 | (5,197) |
| (Decrease)/increase in accounts payable, accrued expenses and other liabilities | (6,913) | 1,106 |
| (Decrease) in operating lease liabilities | (4,373) | (4,278) |
| **Net cash provided by operating activities** | 133,343 | 113,900 |
| **Cash flows from investing activities** | | |
| Available-for-sale investments | | |
| Proceeds from maturities and sales | 7,246 | 7,464 |
| Purchases | (9,231) | (7,866) |
| Acquisition, net of cash acquired | (36,515) | — |
| Purchases of furniture, equipment and leasehold improvements | (3,136) | (8,892) |
| Capitalization of software development costs | (26,541) | (24,459) |
| **Net cash (used in) investing activities** | (68,177) | (33,753) |
| **Cash flows from financing activities** | | |
| Cash dividends on common stock | (57,705) | (57,296) |
| Exercise of stock options | — | 1,977 |
| Withholding tax payments on Full Value Awards vesting and stock option exercises | (9,846) | (15,099) |
| Repurchases of common stock | (74,764) | (43,597) |
| Proceeds from short-term borrowings | — | 100,000 |
| Repayments of short-term borrowings | — | (100,000) |
| **Net cash (used in) financing activities** | (142,315) | (114,015) |
| **Effect of exchange rate changes on cash and cash equivalents** | 27,144 | (3,674) |
| **Cash and cash equivalents including restricted cash** | | |
| Net decrease for the period | (50,005) | (37,542) |
| Beginning of period | 700,459 | 611,672 |
| **End of period** | $ 650,454 | $ 574,130 |

The accompanying notes are an integral part of these consolidated financial statements.

**MARKETAXESS HOLDINGS INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**
**(Unaudited)**

| | Six Months Ended June 30, | |
|---|---|---|
| | 2025 | 2024 |
| | (In thousands) | |
| **Supplemental cash flow information** | | |
| Cash paid for income taxes | $ 9,852 | $ 47,207 |
| Cash paid for interest | 342 | 857 |
| **Non-cash investing and financing activity** | | |
| Operating lease right-of-use assets obtained in exchange for operating lease liabilities | 407 | 760 |
| Furniture, equipment, software and leasehold improvement additions included in accounts payable | 664 | 485 |
| Stock-based and accrued incentive compensation relating to capitalized software development costs | 3,633 | 2,431 |
| Exercise of stock options - cashless | — | 1,735 |
| Liabilities assumed in connection with acquisition of business: | | |
| Fair value of assets acquired | 86,413 | — |
| Cash paid for acquisition, net of cash and cash equivalents acquired | (36,515) | — |
| Non-cash consideration: | | — |
| Fair value of previously held interest on acquisition date | (34,321) | — |
| Fair value of remaining noncontrolling interests on acquisition date | (13,755) | — |
| Liabilities assumed | $ 1,822 | $ — |

The accompanying notes are an integral part of these consolidated financial statements.

## 1. Organization and Principal Business Activity

MarketAxess Holdings Inc. (the "Company" or "MarketAxess") was incorporated in the State of Delaware on April 11, 2000. Through its subsidiaries, MarketAxess operates leading electronic trading platforms delivering expanded liquidity opportunities, improved execution quality and significant cost savings across global fixed-income markets. Approximately 2,100 institutional investor and broker-dealer firms use MarketAxess' patented trading technology to access global liquidity on its platforms in U.S. high-grade bonds, U.S. high-yield bonds, emerging market debt, eurobonds, municipal bonds, U.S. government bonds and other fixed-income securities. MarketAxess offers a diverse set of trading protocols, automated and algorithmic trading solutions, intelligent data products and a range of post-trade and technology services to provide an end-to-end trading solution to its network of platform participants. Through its Open Trading® protocols, MarketAxess executes bond trades between and among institutional investor and broker-dealer clients in the leading all-to-all anonymous trading environment for corporate bonds.

## 2. Significant Accounting Policies

### *Basis of Presentation*

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated. These consolidated financial statements are unaudited and should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. The consolidated financial information as of December 31, 2024 has been derived from audited financial statements not included herein. These unaudited consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") with respect to Form 10-Q and reflect all adjustments that, in the opinion of management, are normal and recurring, and that are necessary for a fair statement of the results for the interim periods presented. In accordance with such rules and regulations, certain disclosures that are normally included in annual financial statements have been omitted. Interim period operating results may not be indicative of the operating results for a full year.

### *Cash and Cash Equivalents*

The Company defines cash equivalents as short-term interest-bearing investments with maturities at the time of purchase of three months or less.

### *Investments*

The Company determines the appropriate classification of securities at the time of purchase which are recorded in the Consolidated Statements of Financial Condition on the trade date. Securities are classified as available-for-sale or trading. Available-for-sale investments are carried at fair value with unrealized gains or losses reported in accumulated other comprehensive loss in the Consolidated Statements of Financial Condition and realized gains or losses reported in other, net in the Consolidated Statements of Operations. Trading investments include U.S. Treasuries and are carried at fair value, with realized and unrealized gains or losses included in other, net in the Consolidated Statements of Operations.

The Company assesses whether an impairment loss on its available-for-sale debt securities has occurred due to declines in fair value or other market conditions. When the amortized cost basis of an available-for-sale debt security exceeds its fair value, the security is deemed to be impaired. The portion of an impairment related to credit losses is determined by comparing the present value of cash flows expected to be collected from the security with the amortized cost basis of the security and is recorded as a charge in the Consolidated Statements of Operations. The remainder of an impairment is recognized in accumulated other comprehensive loss if the Company does not intend to sell the security and it is more likely than not that the Company will not be required to sell the security prior to recovery.

***Fair Value Financial Instruments***

Fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” A three-tiered hierarchy for determining fair value has been established that prioritizes inputs to valuation techniques used in fair value calculations. The three levels of inputs are defined as Level 1 (unadjusted quoted prices for identical assets or liabilities in active markets), Level 2 (inputs that are observable in the marketplace other than those inputs classified in Level 1) and Level 3 (inputs that are unobservable in the marketplace). The Company’s financial assets and liabilities measured at fair value on a recurring basis consist of its money market funds, trading securities, available-for-sale securities and foreign currency forward contracts. All other financial instruments are short-term in nature and the carrying amounts reported on the Consolidated Statements of Financial Condition approximate fair value.

***Receivables from and Payables to Broker-dealers, Clearing Organizations and Customers***

Receivables from broker-dealers, clearing organizations and customers include amounts receivable for securities not delivered by the Company to the purchaser by the settlement date (“securities failed-to-deliver”) and cash deposits held at clearing organizations and clearing brokers to facilitate the settlement and clearance of matched principal transactions. Payables to broker-dealers, clearing organizations and customers include amounts payable for securities not received by the Company from a seller by the settlement date (“securities failed-to-receive”). Securities failed-to-deliver and securities failed-to-receive for transactions executed on a matched principal basis where the Company serves as a counterparty to both the buyer and the seller are recorded on a settlement date basis. The Company presents its securities failed-to-deliver and securities failed-to-receive balances on a net-by-counterparty basis within receivables from and payables to broker-dealers, clearing organizations and customers. The difference between the Company’s trade-date receivables and payables for unsettled matched principal transactions reflects commissions earned and is recorded within accounts receivable, net on a trade date basis.

***Allowance for Credit Losses***

All accounts receivable have contractual maturities of less than one year and are derived from trading-related fees and commissions and revenues from products and services. The Company continually monitors collections and payments from its customers and maintains an allowance for doubtful accounts. The allowance for credit losses is based on the estimated expected credit losses in accounts receivable, as determined from a review of aging schedules, past due balances, historical collection experience and other specific collection issues that have been identified. Account balances are grouped for evaluation based on various risk characteristics, including billing type, legal entity, and geographic region. Additions to the allowance for credit losses are charged to bad debt expense, which is included in general and administrative expense in the Company’s Consolidated Statements of Operations. Balances that are determined to be uncollectable are written off against the allowance for credit losses.

The allowance for credit losses was $0.5 million and $1.0 million as of June 30, 2025 and December 31, 2024, respectively. The provision for bad debts and write-offs and other charges against the allowance for credit losses were immaterial for the three and six months ended June 30, 2025 and 2024, respectively.

***Depreciation and Amortization***

Fixed assets are carried at cost less accumulated depreciation. The Company uses the straight-line method of depreciation over three to seven years. The Company amortizes leasehold improvements on a straight-line basis over the lesser of the life of the improvement or the remaining term of the lease.

***Software Development Costs***

The Company capitalizes certain costs associated with the development of internal use software, including, among other items, employee compensation and related benefits and third-party consulting costs at the point at which the conceptual formulation, design and testing of possible software project alternatives have been completed. Once the product is ready for its intended use, such costs are amortized on a straight-line basis over three to five years. The Company reviews the amounts capitalized for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable.

***Foreign Currency Translation and Forward Contracts***

Assets and liabilities denominated in foreign currencies are translated using exchange rates at the end of the period; revenues and expenses are translated at average monthly rates. Gains and losses on foreign currency translation are a component of accumulated other comprehensive loss in the Consolidated Statements of Financial Condition. Transaction gains and losses are recorded in other, net in the Consolidated Statements of Operations.

The Company enters into foreign currency forward contracts to economically hedge its foreign currency transaction gains and losses. Realized and unrealized gains and losses on these forward contracts are included in other, net in the Consolidated Statements of Operations. The Company records the fair value of the forward contract asset in prepaid expenses and other assets or the fair value of the forward contract liability in accounts payable, accrued expenses and other liabilities in the Consolidated Statements of Financial Condition.

***Revenue Recognition***

The Company's classification of revenues in the Consolidated Statements of Operations represents revenues from contracts with customers disaggregated by type of revenue. The Company has four revenue streams as described below.

*Commission Revenue* — The Company charges its broker-dealer clients variable transaction fees for trades executed on its platforms and, under certain plans, distribution fees or monthly minimum fees to use the platforms for a particular product area. Variable transaction fees are recognized on a trade date basis, are generally calculated as a percentage of the notional dollar volume of bonds traded on the platforms and vary based on the type, size, yield and maturity of the bond traded, as well as individual client incentives. Bonds that are more actively traded or that have shorter maturities generally generate lower commissions, while bonds that are less actively traded or that have longer maturities generally command higher commissions. Under the Company's disclosed trading transaction fee plans, variable transaction fees, distribution fees and unused monthly fee commitments are invoiced and recorded on a monthly basis.

For Open Trading trades that the Company executes between and among institutional investor and broker-dealer clients on a matched principal basis by serving as counterparty to both the buyer and the seller, the Company earns its commission through the difference in price between the two trades. The commission is collected upon settlement of the trade, which typically occurs within one to two trading days after the trade date. For the majority of the Company's U.S. Treasury matched principal trades, commissions are invoiced and recorded on a monthly basis.

The Company also earns other commissions on equities and foreign exchange products for algorithmic trading services. These fees incorporate variable transaction fees, which are calculated as a percentage of the notional dollar volume traded and are billed on a monthly basis.

The following table presents commission revenue by fee type:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| **Commission revenue by fee type** | | | | |
| Variable transaction fees | | | | |
| Disclosed trading | $ 98,088 | $ 86,778 | $ 193,543 | $ 181,556 |
| Open Trading – matched principal trading | 47,319 | 42,439 | 90,371 | 90,619 |
| U.S. government bonds - matched principal trading | 5,329 | 4,147 | 9,858 | 7,859 |
| Other | 7,337 | 5,076 | 12,292 | 9,925 |
| Total variable transaction fees | 158,073 | 138,440 | 306,064 | 289,959 |
| Distribution fees and unused minimum fees | 33,697 | 33,239 | 67,049 | 66,593 |
| Total commissions | $ 191,770 | $ 171,679 | $ 373,113 | $ 356,552 |

*Information services* – Information services includes data licensed to the Company's broker-dealer clients, institutional investor clients and data-only subscribers; professional and consulting services; technology software licenses; and maintenance and support services. The nature and timing of each performance obligation may vary as these contracts are either subscription-based services transferred over time, and may be net of volume-based discounts, or one-time services that are transferred at a point in time. Revenues for services transferred over time are recognized ratably over the contract period as the Company's performance obligation is met, whereas revenues for services transferred at a point in time are recognized in the period the services are provided. Customers are generally billed monthly, quarterly, or annually; revenues billed in advance are deferred and recognized ratably over the contract period. The following table presents information services revenue by timing of recognition:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| **Information services revenue by timing of recognition** | | | | |
| Services transferred over time | $ 12,856 | $ 12,103 | $ 25,554 | $ 23,977 |
| Services transferred at a point in time | 231 | 441 | 437 | 448 |
| Total information services revenues | $ 13,087 | $ 12,544 | $ 25,991 | $ 24,425 |

*Post-trade services* – Post-trade services revenue is generated from regulatory transaction reporting, trade publication and post-trade matching services. Customers are generally billed monthly in arrears, and revenue is recognized in the period transactions are processed. Revenues billed in advance are deferred and recognized ratably over the contract period. The Company also generates one-time implementation fees for onboarding clients, which are invoiced and recognized in the period the implementation is completed. The following table presents post-trade services revenue by timing of recognition:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| **Post-trade services revenue by timing of recognition** | | | | |
| Services transferred over time | $ 11,039 | $ 10,358 | $ 22,089 | $ 20,898 |
| Services transferred at a point in time | 37 | 42 | 75 | 232 |
| Total post-trade services revenues | $ 11,076 | $ 10,400 | $ 22,164 | $ 21,130 |

*Technology services* – Technology services revenue primarily includes technology-related license fees, connectivity fees and revenue generated from telecommunications line charges to broker-dealer clients. Customers may be billed monthly or quarterly in arrears or in advance, and revenue is recognized in the period transactions are processed. Revenues billed in advance are deferred and recognized ratably over the contract period.

The following table presents technology services revenue by timing of recognition:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| **Technology services revenue by timing of recognition** | | | | |
| Services transferred over time | $ 3,289 | $ 3,024 | $ 6,351 | $ 5,853 |
| Services transferred at a point in time | 240 | 13 | 419 | 18 |
| Total technology services revenues | $ 3,529 | $ 3,037 | $ 6,770 | $ 5,871 |

Contract liabilities consist of deferred revenues that the Company records when cash payments are received or due in advance of services to be performed. Deferred revenues are included in accounts payable, accrued expenses and other liabilities on the Consolidated Statements of Financial Condition. The revenue recognized from contract liabilities and the remaining balance is shown below:

| | December 31, 2024 | Payments received in advance of services to be performed | Revenue recognized for services performed during the period | Foreign Currency Translation | June 30, 2025 |
|---|---|---|---|---|---|
| | | | (In thousands) | | |
| Information services | $ 3,302 | $ 7,045 | $ (7,343) | $ — | $ 3,004 |
| Post-trade services | 1,286 | 13,349 | (14,753) | 118 | — |
| Technology services | 415 | 3,937 | (4,034) | — | 318 |
| Total deferred revenue | $ 5,003 | $ 24,331 | $ (26,130) | $ 118 | $ 3,322 |

The majority of the Company's information services and post-trade services contracts are short-term in nature with durations of one year or less. For contracts with original durations extending beyond one year, the aggregate amount of the transaction price allocated to remaining performance obligations was $40.4 million as of June 30, 2025. The Company expects to recognize revenue associated with the remaining performance obligations over the next 40 months.

***Stock-Based Compensation***

The Company measures and recognizes compensation expense for all share-based payment awards based on their estimated fair values measured as of the grant date. These costs are recognized as an expense in the Consolidated Statements of Operations over the requisite service period, which is typically the vesting period, with an offsetting increase to additional paid-in capital. Forfeitures are recognized as they occur.

***Income Taxes***

Income taxes are accounted for using the asset and liability method. Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when such differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized against deferred tax assets if it is more likely than not that such assets will not be realized in future years. Tax benefits for uncertain tax positions are recognized when it is more likely than not that the positions will be sustained upon examination based on their technical merits. The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes in the Consolidated Statements of Operations. All tax effects related to share-based payments are recorded in the provision for income taxes in the periods during which the awards are exercised or vest.

***Business Combinations, Goodwill and Intangible Assets***

Business combinations are accounted for under the purchase method of accounting. The total cost of an acquisition is allocated to the underlying net assets based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of certain assets acquired and liabilities assumed requires judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash flows, discount rates, revenue growth rates, customer attrition rates, royalty rates, obsolescence and asset lives. Intangible assets are valued using various methodologies, including the relief-from-royalty method and multi-period excess earnings method.

The Company operates as a single reporting unit. Following an acquisition, goodwill no longer retains its identification with a particular acquisition, but instead becomes identifiable with the entire reporting unit. As a result, all of the fair value of the Company is available to support the value of goodwill. An impairment review of goodwill is performed on an annual basis, at year-end, or more frequently if circumstances change. Intangible assets with definite lives, including purchased technologies, customer relationships and other intangible assets, are amortized over their estimated useful lives which range from one to 15 years using either a straight-line or accelerated amortization method based on the pattern of economic benefit the Company expects to realize from such assets. Intangible assets are assessed for impairment when events or circumstances indicate the existence of a possible impairment.

***Equity Investments and Consolidation***

The Company evaluates equity investments for potential consolidation under the voting-interest or variable-interest models. The Company consolidates investees over which the Company determines it has control under the voting interest model, generally greater than 50% ownership, or for which the Company is the primary beneficiary under the variable-interest model. The Company uses the equity method of accounting when it exercises significant influence over the investee, but does not have operating control, generally between 20% and 50% ownership. Under the equity method of accounting, original investments are recorded at cost in prepaid expenses and other assets on the Consolidated Statements of Financial Condition and adjusted by the Company's proportionate share of the investees' undistributed earnings or losses. Equity investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable.

***Earnings Per Share***

Basic earnings per share is computed by dividing the net income attributable to common stock by the weighted-average number of shares of common stock outstanding during the period. For purposes of computing diluted earnings per share, the weighted-average shares outstanding of common stock reflects the dilutive effect that could occur if convertible securities or other contracts to issue common stock were converted into or exercised for common stock.

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Recent Accounting Pronouncements***

In December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*. The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation and income taxes paid. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025. The guidance may be applied on a prospective or retrospective basis and early adoption is permitted. Adoption of this ASU will result in additional disclosures, but will not have an impact on the Company's consolidated statements of financial condition, operations and cash flows.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*. The ASU primarily will require enhanced disclosures about certain types of expenses. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, and may be applied either on a prospective or retrospective basis. The Company is currently evaluating the impact of the standard on its disclosures.

**3. Regulatory Capital Requirements**

Certain of the Company's U.S. subsidiaries are registered as broker-dealers and are subject to the applicable rules and regulations of the SEC, the Financial Industry Regulatory Authority ("FINRA") and the Commodity Futures Trading Commission ("CFTC"). These rules contain minimum net capital requirements, as defined in the applicable regulations. Certain of the Company's foreign subsidiaries are regulated by the Financial Conduct Authority ("FCA") in the United Kingdom ("U.K.") or other foreign regulators and must maintain financial resources, as defined in the applicable regulations, in excess of the applicable financial resources requirement. As of June 30, 2025, each of the Company's subsidiaries that are subject to these regulations had net capital or financial resources in excess of their minimum requirements. As of June 30, 2025, the Company's subsidiaries maintained aggregate net capital and financial resources that were $603.8 million in excess of the required levels of $42.4 million.

One of the Company's U.S. broker-dealer subsidiaries is required to segregate funds in a special reserve bank account for the benefit of customers pursuant to Rule 15c3-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As of June 30, 2025, this U.S. broker-dealer subsidiary had a balance of $47.9 million in its special reserve bank account. This U.S. broker-dealer subsidiary also maintained net capital that was $322.7 million in excess of the required level of $3.0 million.

Each of the Company's U.S. and foreign regulated subsidiaries are subject to local regulations which generally limit, or require the prior notification to or approval from such regulated entity's principal regulator before, the repayment of borrowings from the Company or affiliates, paying cash dividends, making loans to the Company or affiliates or otherwise entering into transactions that result in a significant reduction in regulatory net capital or financial resources.

**4. Fair Value Measurements**

The following table summarizes the valuation of the Company's assets and liabilities measured at fair value as categorized based on the hierarchy described in Note 2:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In thousands) | | |
| **As of June 30, 2025** | | | | |
| Assets | | | | |
| Money market funds | $ 24,724 | $ — | $ — | $ 24,724 |
| Securities available-for-sale | | | | |
| Corporate debt | — | 57,735 | — | 57,735 |
| Trading securities | | | | |
| U.S. Treasuries | — | 100,325 | — | 100,325 |
| Mutual funds held in rabbi trust | — | 11,289 | — | 11,289 |
| Foreign currency forward position | — | 1,704 | — | 1,704 |
| Total assets | $ 24,724 | $ 171,053 | $ — | $ 195,777 |
| | | | | |
| **As of December 31, 2024** | | | | |
| Assets | | | | |
| Money market funds | $ 55,473 | $ — | $ — | $ 55,473 |
| Securities available-for-sale | | | | |
| Corporate debt | — | 55,108 | — | 55,108 |
| Trading securities | | | | |
| U.S. Treasuries | — | 99,045 | — | 99,045 |
| Mutual funds held in rabbi trust | — | 11,107 | — | 11,107 |
| Total assets | $ 55,473 | $ 165,260 | $ — | $ 220,733 |
| | | | | |
| Liabilities | | | | |
| Foreign currency forward position | — | 936 | — | 936 |
| Total liabilities | $ — | $ 936 | $ — | $ 936 |

Money market funds are included in cash and cash equivalents on the Consolidated Statements of Financial Condition. Securities available-for-sale and trading securities are included in investments, at fair value on the Consolidated Statements of Financial Condition. Securities classified within Level 2 were valued using a market approach utilizing prices and other relevant information generated by market transactions involving comparable assets. The foreign currency forward contracts are included in either other assets or accounts payable, accrued expenses and other liabilities on the Consolidated Statements of Financial Condition, and are classified within Level 2 as the valuation inputs are based on quoted market prices. The mutual funds held in a rabbi trust represent investments associated with the Company's deferred cash incentive plan.

During each of the six months ended June 30, 2025 and 2024, there were no transfers of securities between Level 1, Level 2 and Level 3.

The table below presents the carrying value, fair value and fair value hierarchy category of the Company's financial assets and liabilities that are not measured at fair value on the Consolidated Statements of Financial Condition. The carrying values of the Company's financial assets and liabilities not measured at fair value categorized in the fair value hierarchy as Level 1 and Level 2 approximate fair value due to the short-term nature of the underlying assets and liabilities.

| | Carrying Value | Fair Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| | | | (In thousands) | | | |
| **As of June 30, 2025** | | | | | | |
| Financial assets not measured at fair value: | | | | | | |
| Cash | $ 438,113 | $ 438,113 | $ 438,113 | $ — | $ — | $ 438,113 |
| Cash segregated under federal regulations | 47,930 | 47,930 | 47,930 | — | — | 47,930 |
| Accounts receivable, net of allowance | 113,242 | 113,242 | — | 113,242 | — | 113,242 |
| Receivables from broker-dealers, clearing organizations and customers | 559,120 | 559,120 | 139,515 | 419,605 | — | 559,120 |
| Total | $ 1,158,405 | $ 1,158,405 | $ 625,558 | $ 532,847 | $ — | $ 1,158,405 |
| Financial liabilities not measured at fair value: | | | | | | |
| Payables to broker-dealers, clearing organizations and customers | $ 329,785 | $ 329,785 | $ — | $ 329,785 | $ — | $ 329,785 |
| **As of December 31, 2024** | | | | | | |
| Financial assets not measured at fair value: | | | | | | |
| Cash | $ 489,005 | $ 489,005 | $ 489,005 | $ — | $ — | $ 489,005 |
| Cash segregated under federal regulations | 47,107 | 47,107 | 47,107 | — | — | 47,107 |
| Accounts receivable, net of allowance | 91,845 | 91,845 | — | 91,845 | — | 91,845 |
| Receivables from broker-dealers, clearing organizations and customers | 357,728 | 357,728 | 107,652 | 250,076 | — | 357,728 |
| Total | $ 985,685 | $ 985,685 | $ 643,764 | $ 341,921 | $ — | $ 985,685 |
| Financial liabilities not measured at fair value: | | | | | | |
| Payables to broker-dealers, clearing organizations and customers | $ 218,845 | $ 218,845 | $ — | $ 218,845 | $ — | $ 218,845 |

The Company enters into foreign currency forward contracts as an economic hedge against certain foreign currency transaction gains and losses in the Consolidated Statements of Operations. These forward contracts are for three-month periods and are used to limit exposure to foreign currency exchange rate fluctuations. The Company records the fair value of the asset in prepaid expenses and other assets or the fair value of the liability in accounts payable, accrued expenses and other liabilities in the Consolidated Statements of Financial Condition. The following table summarizes the Company's foreign currency forward position:

Realized and unrealized gains and losses on foreign currency forward contracts are included in other, net in the Consolidated Statements of Operations. The following table summarizes the realized and unrealized gains and losses on foreign currency forward contracts:

| | As of | |
|---|---|---|
| | June 30, 2025 | December 31, 2024 |
| | (In thousands) | |
| Notional value | $ 66,925 | $ 64,454 |
| Fair value of notional | 68,629 | 63,518 |
| Fair value of the asset/(liability) | $ 1,704 | $ (936) |

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| Unrealized gain/(loss) | $ (916) | $ 695 | $ 2,640 | $ (1,402) |
| Realized gain/(loss) | 4,783 | (710) | 3,090 | 613 |
| Total gain/(loss) | $ 3,867 | $ (15) | $ 5,730 | $ (789) |

The Company records cash collateral deposits with its counterparty bank in prepaid expenses and other assets on the Consolidated Statements of Financial Condition. As of June 30, 2025, the Company did not maintain a cash collateral deposit with its counterparty bank.

The following table summarizes the Company's investments:

| | Amortized cost | Gross unrealized gains | Gross unrealized losses | Fair value |
|---|---|---|---|---|
| | (In thousands) | | | |
| **As of June 30, 2025** | | | | |
| Securities available-for-sale | | | | |
| Corporate debt | $ 57,572 | $ 236 | $ (73) | $ 57,735 |
| Trading securities | | | | |
| U.S. Treasuries | 100,503 | 11 | (189) | 100,325 |
| Mutual funds held in rabbi trust | 9,817 | 1,476 | (4) | 11,289 |
| Total investments | $ 167,892 | $ 1,723 | $ (266) | $ 169,349 |
| | | | | |
| **As of December 31, 2024** | | | | |
| Securities available-for-sale | | | | |
| Corporate debt | $ 55,447 | $ 88 | $ (427) | $ 55,108 |
| Trading securities | | | | |
| U.S. Treasuries | 100,484 | 86 | (1,525) | 99,045 |
| Mutual funds held in rabbi trust | 10,212 | 900 | (5) | 11,107 |
| Total investments | $ 166,143 | $ 1,074 | $ (1,957) | $ 165,260 |

Purchases of investments during the six months ended June 30, 2025 and 2024 were $34.3 million and $7.9 million, respectively. Proceeds from the sales and maturities of investments during the six months ended June 30, 2025 and 2024 were $32.2 million and $7.5 million, respectively.

The following table summarizes the Company's unrealized and realized gains and losses on investments:

| | Three Months Ended June 30, 2025 | Three Months Ended June 30, 2024 | Six Months Ended June 30, 2025 | Six Months Ended June 30, 2024 |
|---|---|---|---|---|
| | (In thousands) | | | |
| **Unrealized gains/(losses)** | | | | |
| Securities available-for-sale | | | | |
| Corporate debt | $ 195 | $ (18) | $ 502 | $ (91) |
| Trading securities | | | | |
| U.S. Treasuries | 213 | 262 | 1,279 | 7 |
| Mutual funds held in rabbi trust | 1,070 | 671 | 577 | 1,345 |
| Total investments | $ 1,478 | $ 915 | $ 2,358 | $ 1,261 |
| | | | | |
| Liabilities: | | | | |
| Securities sold, not yet purchased | $ — | $ 44 | $ — | $ 44 |
| **Realized gains/(losses)** | | | | |
| Securities available-for-sale | | | | |
| Corporate debt | $ — | $ — | $ — | $ 2 |
| Trading securities | | | | |
| Mutual funds held in rabbi trust | 47 | (412) | 94 | (377) |
| Total investments | $ 47 | $ (412) | $ 94 | $ (375) |

Unrealized gains and losses on securities available-for-sale are included in accumulated other comprehensive loss on the Consolidated Statements of Financial Condition. Realized gains and losses on securities available-for-sale and realized and unrealized gains and losses on trading securities are included in other, net on the Consolidated Statements of Operations.

The following table summarizes the fair value of the Company's corporate debt and U.S. Treasury investments based upon the contractual maturities:

| | Less than one year | Due in 1 - 5 years | Total |
|---|---|---|---|
| | | (In thousands) | |
| **As of June 30, 2025** | | | |
| Securities available-for-sale | | | |
| Corporate debt | $ 8,842 | $ 48,893 | $ 57,735 |
| Trading securities | | | |
| U.S. Treasuries | 24,939 | 75,386 | 100,325 |
| Total | $ 33,781 | $ 124,279 | $ 158,060 |
| | | | |
| **As of December 31, 2024** | | | |
| Securities available-for-sale | | | |
| Corporate debt | $ 9,346 | $ 45,762 | $ 55,108 |
| Trading securities | | | |
| U.S. Treasuries | 49,978 | 49,067 | 99,045 |
| Total | $ 59,324 | $ 94,829 | $ 154,153 |

The following table provides fair values and unrealized losses on the Company's available-for-sale investments and the aging of securities' continuous unrealized loss positions:

| | Less than Twelve Months | | Twelve Months or More | | Total | |
|---|---|---|---|---|---|---|
| | Fair value | Gross unrealized losses | Fair value | Gross unrealized losses | Fair value | Gross unrealized losses |
| | (In thousands) | | | | | |
| **As of June 30, 2025** | | | | | | |
| Corporate debt | $ 24,476 | $ (73) | $ — | $ — | $ 24,476 | $ (73) |
| **As of December 31, 2024** | | | | | | |
| Corporate debt | $ 38,041 | $ (426) | $ 1,226 | $ (1) | $ 39,267 | $ (427) |

During each of the three and six months ended June 30, 2025 and 2024, the Company did not recognize any credit losses on its available-for-sale securities. The unrealized losses on securities are due to changes in interest rates and market liquidity.

## 5. Receivables from and Payables to Broker-dealers, Clearing Organizations and Customers

Receivables from and payables to broker-dealers, clearing organizations and customers consisted of the following:

| | As of | |
|---|---|---|
| | June 30, 2025 | December 31, 2024 |
| Receivables from broker-dealers, clearing organizations and customers: | (In thousands) | |
| Securities failed-to-deliver – broker-dealers and clearing organizations | $ 231,955 | $ 109,307 |
| Securities failed-to-deliver – customers | 181,769 | 136,424 |
| Cash deposits with clearing organizations and broker-dealers | 139,515 | 107,652 |
| Other | 5,881 | 4,345 |
| Total | $ 559,120 | $ 357,728 |
| Payables to broker-dealers, clearing organizations and customers: | | |
| Securities failed-to-receive – broker-dealers and clearing organizations | $ 242,148 | $ 158,694 |
| Securities failed-to-receive – customers | 80,003 | 51,916 |
| Other | 7,634 | 8,235 |
| Total | $ 329,785 | $ 218,845 |

## 6. Acquisitions and Equity Investments

*RFQ Hub Holdings LLC Acquisition*

In May 2022, the Company acquired a minority ownership stake in RFQ–hub Holdings LLC ("RFQ-hub"), an entity formed with a consortium of market participants to support the growth of a multi-asset request for quote platform. In April 2024, the Company entered into a Unit Purchase Agreement with Virtu Financial Operating LLC and RFQ-hub to purchase a controlling stake of RFQ–hub (the "2025 RFQ-hub Acquisition"). The 2025 RFQ-hub Acquisition was completed on May 9, 2025 (the "Acquisition Date").

Between May 2022 and the Acquisition Date, the Company possessed significant influence over RFQ–hub and accounted for its investment under the equity method of accounting. The Company's investment was recorded at carrying value within prepaid expenses and other assets on the Consolidated Statements of Financial Condition and the Company's proportionate share of RFQ–hub's net earnings was recorded within equity in earnings of unconsolidated affiliate on the Consolidated Statements of Operations.

Following the Acquisition Date, the Company holds a 90.3% controlling stake in RFQ-hub, subject to the call and put rights and incentive agreements described below under "−*Redeemable Noncontrolling Interest*." The 2025 RFQ-hub Acquisition is being accounted for as a business combination under ASC 805, *Business Combinations*. The 2025 RFQ-hub Acquisition cash consideration totaled $38.1 million.

The Company has performed a preliminary valuation analysis of the fair market values of its previously-held interests in RFQ-hub and of the assets and liabilities of RFQ-hub and its wholly-owned subsidiaries. The final purchase price allocation will be determined when the Company has completed its evaluation of the valuation analysis. The final allocation could differ materially from the preliminary allocation and may include changes in (i) allocations to acquired intangible assets; (ii) goodwill; (iii) redeemable noncontrolling interest; and (iv) other assets and liabilities. The Company expects to finalize the valuation and complete the accounting for the business combination as soon as practicable, but no later than one year from the Acquisition Date. Measurement period adjustments, if any, will be recognized in the reporting period in which the adjustment amounts are determined.

The following table sets forth the components and the allocation of the purchase price for the business combination and summarizes the preliminary fair values of the assets acquired and liabilities assumed at the Acquisition Date:

| | | |
|---|---|---|
| **Previously held interests in RFQ-hub:** | | |
| Carrying value of previously held interest | $ | 34,878 |
| Fair value of previously held interest on Acquisition Date | | 34,321 |
| Loss on remeasurement of previously held interest | | (557) |
| | | |
| **Purchase price allocation:** | | |
| Cash consideration at closing | $ | 38,069 |
| Fair value of previously held interest on Acquisition Date | | 34,321 |
| Fair value of remaining noncontrolling interests on Acquisition Date | | 13,755 |
| Total purchase price | | 86,145 |
| Acquired cash | | (1,554) |
| Purchase price, net of acquired cash | | 84,591 |
| Intangible assets | | (30,300) |
| Accounts receivable | | (4,333) |
| Prepaid expenses and other assets | | (2,466) |
| Accounts payable, accrued expenses and other liabilities | | 1,822 |
| Goodwill | $ | 49,314 |

RFQ-hub's assets and liabilities were measured at estimated fair values on the Acquisition Date. Estimates of fair value represent management's best estimate and require significant judgment about future events and uncertainties. Third-party valuation specialists were engaged to assist in the valuation of these assets and liabilities. The redeemable noncontrolling interests were valued using an option pricing model. The acquired developed technology and customer relationships intangible assets were valued using the relief-from-royalty method and multi-period excess earnings method, respectively. The fair values of the intangible assets acquired are as follows:

| | Costs (in thousands) | | Useful Lives |
|---|---|---|---|
| Developed technology | $ | 16,900 | 5 years |
| Customer relationships | | 12,700 | 15 years |
| Tradename - finite life | | 700 | 10 years |
| **Total** | $ | 30,300 | |

The goodwill recognized in connection with the 2025 RFQ-hub Acquisition is primarily attributable to the acquisition of an assembled workforce and expected future technology and synergies from the integration of the operations of RFQ-hub into the Company's operations. Approximately $19.5 million of the goodwill recognized in connection with the 2025 RFQ-hub Acquisition is expected to be deductible for income tax purposes.

Pro forma financial information and current period results for the 2025 RFQ-hub Acquisition were not material to the Company's consolidated financial statements and therefore have not been presented.

*Redeemable Noncontrolling Interest*

The Second Amended and Restated Limited Liability Company Agreement of RFQ-Hub Holdings LLC (the “RFQ-hub LLC Agreement”) contains a call right under which the Company may, during certain pre-set periods, require the noncontrolling equity holders of RFQ-hub to sell their interest to the Company at the fair market value of RFQ-hub as determined at the time this right is exercised (the “Call Right”). The RFQ-hub LLC Agreement also contains a put right under which the noncontrolling equity holders may, during certain periods after expiration of the availability of the Call Right, require the Company to purchase their interests at the fair market value of RFQ-hub as determined at the time this right is exercised. The redeemable noncontrolling interest is classified as temporary equity on the Consolidated Statements of Financial Condition and is recorded at fair value.

In addition, pursuant to certain incentive agreements, the Company and the noncontrolling equity holders of RFQ-hub may earn additional equity interests in RFQ-hub based on certain performance metrics. The Company records expense for the additional equity interests earned by the noncontrolling equity holders based on the fair market value of these equity units as of the Acquisition Date. The expense recorded by the Company for the three months ended June 30, 2025 was $0.9 million and is included within other, net on the Consolidated Statements of Operations, with a corresponding increase to redeemable noncontrolling interest.

The following table is a summary of the changes in redeemable noncontrolling interest for the six months ended June 30, 2025:

| | (In thousands) |
|---|---|
| Balance at December 31, 2024 | $ — |
| Redeemable noncontrolling interests assumed through the 2025 RFQ-hub Acquisition | 13,755 |
| Net income attributable to noncontrolling interests | 31 |
| Issuance of noncontrolling interests | 929 |
| Balance at June 30, 2025 | $ 14,715 |

## 7. Goodwill and Intangible Assets

Goodwill and intangible assets with indefinite lives were $286.0 million and $236.7 million as of June 30, 2025 and December 31, 2024, respectively. The following is a summary of changes in goodwill and intangible assets with indefinite lives for the six months ended June 30, 2025:

| | (In thousands) |
|---|---|
| Balance at December 31, 2024 | $ 236,706 |
| Goodwill from the 2025 RFQ-hub Acquisition | 49,314 |
| Balance at June 30, 2025 | $ 286,020 |

Intangible assets that are subject to amortization, including the related accumulated amortization, are comprised of the following:

| | June 30, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated amortization | Net carrying amount | Cost | Accumulated amortization | Net carrying amount |
| | (In thousands) | | | | | |
| Customer relationships | $ 155,525 | $ (73,688) | $ 81,836 | $ 138,089 | $ (64,698) | $ 73,391 |
| Developed technology and other intangibles | 58,730 | (19,170) | $ 39,560 | 41,130 | (16,443) | $ 24,687 |
| Total | $ 214,255 | $ (92,858) | $ 121,397 | $ 179,219 | $ (81,141) | $ 98,078 |

Amortization expense associated with identifiable intangible assets was $4.9 million and $5.0 million for the three months ended June 30, 2025 and 2024, respectively, and $9.2 million and $10.0 million for the six months ended June 30, 2025 and 2024, respectively. Annual estimated total amortization expense is $20.0 million, $19.7 million, $18.3 million, $16.8 million and $15.8 million for the years ended December 31, 2025 through 2029, respectively.

## 8. Income Taxes

The Company's provision for income taxes includes U.S. federal, state and local, and foreign taxes. The provision for income taxes was $26.2 million and $21.4 million for the three months ended June 30, 2025 and 2024, respectively, and $107.3 million and $45.5 million for the six months ended June 30, 2025 and 2024, respectively. The Company's effective tax rate was 26.9% and 24.8% for the three months ended June 30, 2025 and 2024, respectively, and 55.4% and 24.9% for the six months ended June 30, 2025 and 2024, respectively. The Company's effective tax rate can vary from period to period depending on the geographic mix of our earnings, changes in tax legislation and tax rates, changes in unrecognized tax benefits and the amount and timing of excess tax benefits related to stock-based payments, among other factors. The provision for income taxes includes provisions for unrecognized tax benefits of $2.5 million and $58.8 million for the three and six months ended June 30, 2025, respectively. As of June 30, 2025, the Company's liability for unrecognized tax benefits was $58.8 million.

The Company or one of its subsidiaries files U.S. federal, state and foreign income tax returns. The Company is currently under a New York State income tax examination for tax years 2015 through 2020 and a New York City income tax examination for the tax years 2016 through 2018. At this time, the Company cannot estimate when the examinations will conclude or the impact such examinations will have on the Company's Consolidated Financial Statements, if any. Generally, other than the New York City and New York State audits, the Company is no longer subject to tax examinations by tax authorities for years prior to 2020.

## 9. Stock-Based Compensation Plans

*Equity Incentive Plan*

The Company maintains the MarketAxess Holdings Inc. 2020 Equity Incentive Plan (the "2020 Plan"), which provides for the grant of restricted stock, restricted stock units, performance shares, performance stock units (collectively, "Full Value Awards"), stock options and other stock-based awards as incentives to encourage employees, consultants and non-employee directors to participate in the long-term success of the Company. As of June 30, 2025, there were 2,415,784 shares available for grant under the 2020 Plan.

Total stock-based compensation expense was as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| Employees | $ 7,302 | $ 7,929 | $ 14,124 | $ 14,822 |
| Non-employee directors and consultants | 1,128 | 399 | 2,002 | 804 |
| Total stock-based compensation | $ 8,430 | $ 8,328 | $ 16,126 | $ 15,626 |

The Company records stock-based compensation expense for employees in employee compensation and benefits and for non-employee directors and consultants in general and administrative expenses in the Consolidated Statements of Operations. Total stock-based compensation for employees includes $0.4 million and $0.3 million of capitalized software development costs for the three months ended June 30, 2025 and 2024, respectively, and $0.8 million and $0.5 million of capitalized software development costs for the six months ended June 30, 2025 and 2024, respectively.

During the six months ended June 30, 2025, the Company granted (i) 173,365 restricted stock units, (ii) 20,606 stock options and (iii) performance stock units with an expected pay-out at target of 35,549 shares of common stock. The fair values of the restricted stock units and performance stock units were based on a weighted-average fair value per unit at the grant date of $197.31 and $193.49, respectively. The weighted-average fair value for stock options of $67.20 per share was based on the Black-Scholes option pricing model.

As of June 30, 2025, the total unrecognized compensation cost related to all non-vested awards was $60.9 million. That cost is expected to be recognized over a weighted-average period of 2.1 years.

*Employee Stock Purchase Plan*

The Company maintains the MarketAxess Holdings Inc. 2022 Employee Stock Purchase Plan (the “ESPP”). During the six months ended six months ended June 30, 2025, the Company issued 5,698 shares of common stock under the ESPP. As of June 30, 2025, there were 102,357 shares available for purchase under the ESPP.

**10. Earnings Per Share**

The following table sets forth basic and diluted weighted average shares outstanding used to compute earnings per share:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands, except per share amounts) | | | |
| Basic weighted average shares outstanding | 37,210 | 37,655 | 37,299 | 37,698 |
| Dilutive effect of stock options and full value awards | 88 | 34 | 78 | 42 |
| Diluted weighted average shares outstanding | 37,298 | 37,689 | 37,377 | 37,740 |
| Basic earnings per share | $ 1.91 | $ 1.72 | $ 2.31 | $ 3.65 |
| Diluted earnings per share | 1.91 | 1.72 | 2.31 | 3.64 |

Stock options and Full Value Awards totaling 152,256 shares and 445,089 shares for the three months ended June 30, 2025 and 2024, respectively, and 232,361 and 508,117 shares for the six months ended June 30, 2025 and 2024, respectively, were excluded from the computation of diluted earnings per share because their effect would have been antidilutive. The computation of diluted shares can vary among periods due, in part, to the change in the average price of the Company’s common stock.

**11. Credit Agreements and Short-term Financing**

*Credit Agreement*

On August 9, 2023, the Company entered into a three-year revolving credit facility (the “Credit Agreement”) provided by a syndicate of lenders and JPMorgan Chase Bank, N.A., as administrative agent, which provides aggregate commitments totaling $750.0 million, including a revolving credit facility, a $5.0 million letter of credit sub-limit for standby letters of credit and a $380.0 million sub-limit for swingline loans. The Credit Agreement will mature on August 9, 2026, with the Company’s option to request up to two additional 364-day extensions at the discretion of each lender and subject to customary conditions. Subject to satisfaction of certain specified conditions, the Company is permitted to upsize the Credit Agreement by up to $375.0 million in total. As of June 30, 2025, the Company had $0.1 million in letters of credit outstanding and $749.9 million in available borrowing capacity under the Credit Agreement.

Borrowings under the Credit Agreement will bear interest at a rate per annum equal to an alternate base rate or the adjusted term Secured Overnight Financing Rate (“SOFR”) rate, plus an applicable margin that varies with the Company’s consolidated total leverage ratio. The Credit Agreement requires that the Company satisfy certain covenants, including a requirement not to exceed a maximum consolidated total leverage ratio. The Company incurred no interest expense under the Credit Agreement for the three and six months ended June 30, 2025. The Company incurred $0.2 million of interest expense under the Credit Agreement for the three and six months ended June 30, 2024.

*Uncommitted Collateralized Agreements*

In connection with their self-clearing operations, certain of the Company’s U.S. and U.K. operating subsidiaries maintain agreements with a settlement bank to allow the subsidiaries to borrow in the aggregate of up to $500.0 million on an uncommitted basis, collateralized by eligible securities pledged by the subsidiaries to the settlement bank, subject to certain haircuts. Borrowings under these agreements will bear interest at a base rate per annum equal to the higher of the upper range of the Federal Funds Rate, 0.25% or one-month SOFR, plus 1.00%.

The Company incurred no interest expense on borrowings under such agreements during each of the three and six months ended June 30, 2025 and 2024. As of June 30, 2025, the Company had no borrowings outstanding and up to $500.0 million in available uncommitted borrowing capacity under such agreements.

*Short-term Financing*

Under arrangements with their settlement banks, certain of the Company’s U.S. and U.K. operating subsidiaries may receive overnight financing in the form of bank overdrafts. The Company incurred interest expense on such overnight financing of $0.1 million and $0.5 million during the three months ended June 30, 2025 and 2024, respectively, and $0.3 million and $0.8 million during the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, the Company had no overdrafts payable outstanding.

## 12. Leases

The Company has operating leases for corporate offices with initial lease terms ranging from one year to 15 years. Certain leases contain options to extend the initial term at the Company’s discretion. The Company accounts for the option to extend when it is reasonably certain of being exercised. The Company’s lease agreements do not contain any material residual value guarantees, restrictions or covenants. The Company also has operating and finance leases for equipment with initial lease terms ranging from one-year to 5 years**.**

The following table presents the components of operating lease expense for the three and six months ended June 30, 2025 and 2024:

| | | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|---|
| **Lease cost:** | **Classification** | **2025** | **2024** | **2025** | **2024** |
| | | **(In thousands)** | | | |
| Operating lease cost - office space | Occupancy | $ 2,826 | $ 2,750 | $ 5,577 | $ 5,504 |
| Operating lease cost - equipment | Technology and communications | 98 | 98 | 195 | 195 |
| Variable lease costs | Occupancy | 847 | 882 | 1,632 | 1,469 |
| Total operating lease cost | | $ 3,771 | $ 3,730 | $ 7,404 | $ 7,168 |

Finance lease expense was $0.1 million for each of the three and six months ended June 30, 2025 and 2024.

The Company determines whether an arrangement is, or includes, a lease at contract inception. Operating lease right-of-use assets and liabilities are recognized at commencement date and are initially measured based on the present value of lease payments over the defined lease term. As the Company’s leases do not provide an implicit rate, the Company used its incremental borrowing rate based on the information available at the adoption date in determining the present value of lease payments.

The weighted average remaining lease term and weighted average discount rate are as follows:

| | As of | |
|---|---|---|
| **Lease Term and Discount Rate** | **June 30, 2025** | **December 31, 2024** |
| Weighted average remaining lease term (in years) - operating leases | 8.4 | 8.8 |
| Weighted average discount rate - operating leases | 6.1% | 6.1% |
| Weighted average remaining lease term (in years) - finance leases | 0.3 | 0.8 |
| Weighted average discount rate - finance leases | 7.2% | 7.2% |

The following table presents the maturity of lease liabilities as of June 30, 2025:

| | Operating Leases | Finance Leases |
|---|---|---|
| | (In thousands) | |
| Remainder of 2025 | $ 6,551 | $ 29 |
| 2026 | 12,518 | — |
| 2027 | 9,430 | — |
| 2028 | 8,727 | — |
| 2029 | 9,007 | — |
| 2030 and thereafter | 42,238 | — |
| Total lease payments | 88,471 | 29 |
| Less: imputed interest | 19,241 | 1 |
| Present value of lease liabilities | $ 69,230 | $ 28 |

## 13. Commitments and Contingencies

*Legal*

In the normal course of business, the Company and its subsidiaries included in the consolidated financial statements may be involved in various lawsuits, proceedings and regulatory examinations. The Company assesses its liabilities and contingencies in connection with outstanding legal proceedings, if any, utilizing the latest information available. For matters where it is probable that the Company will incur a material loss and the amount can be reasonably estimated, the Company will establish an accrual for the loss. Once established, the accrual will be adjusted to reflect any relevant developments. When a loss contingency is not both probable and estimable, the Company does not establish an accrual.

Based on currently available information, the outcome of the Company's outstanding matters is not expected to have a material adverse impact on the Company's financial position. It is not presently possible to determine the ultimate exposure to these matters, and there is no assurance that the resolution of the outstanding matters will not significantly exceed any reserves accrued by the Company.

*Other*

The Company, through certain of its subsidiaries, executes securities transactions between its institutional investor and broker-dealer clients on a matched principal basis by serving as counterparty to both the buyer and the seller in trades. The Company's operating subsidiaries settle such transactions pursuant to their self-clearing operations or through the use of third-party clearing brokers or settlement agents. Settlement typically occurs within one to two trading days after the trade date. Cash settlement of the transaction occurs upon receipt or delivery of the underlying instrument that was traded. Under both the self-clearing and the third-party clearing models, the Company may be exposed to credit risk in the event a counterparty does not fulfill its obligation to complete a transaction or if there is an error in executing a matched principal transaction. Pursuant to the terms of the securities clearing agreements, each third-party clearing broker has the right to charge the Company for any losses they suffer resulting from a counterparty's failure on any of the Company's trades. The Company did not record any liabilities or losses with regard to counterparty failures for the six months ended June 30, 2025 and 2024.

In the normal course of business, the Company enters into contracts that contain a variety of representations, warranties and indemnification provisions. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

## 14. Share Repurchase Programs

In January 2022, the Board of Directors authorized a share repurchase program  for up to $150.0 million (the "2022 Repurchase Program"). In August 2024, the Board of Directors authorized a share repurchase program for up to an additional $200.0 million (the "2024 Repurchase Program" and, together with the 2022 Repurchase Program, the "Repurchase Programs"). The Repurchase Programs do not have an expiration date. During the six months ended June 30, 2025, the Company repurchased 355,688 shares of common stock under the Repurchase Programs at a cost of $74.8 million. The 2022 Repurchase Plan was exhausted during the first quarter of 2025 and, as of June 30, 2025, the Company had $150.3 million of remaining capacity under the 2024 Repurchase Program. Shares repurchased under the Repurchase Programs will be held in treasury for future use.

## 15. Segment and Geographic Information

The Company's end-to-end trading solutions comprise one reportable segment. The Company's end-to-end trading solutions segment includes the operation of electronic platforms for the trading of fixed-income and other securities and related data, analytics, compliance tools, post-trade services and technology services. The Company derives revenue primarily in North America and Europe and manages its business activities on a consolidated basis. The Company considers its operations to constitute a single business segment due to the highly integrated nature of these products and services within the trading lifecycle, the use of a single inter-connected suite of technology solutions underlying all services, the financial markets in which the Company competes and the Company's worldwide business activities.

The accounting policies of the Company's reportable segment are the same as those described in the summary of significant accounting policies. The Company's chief operating decision maker ("CODM") assesses performance of the Company overall and decides how to allocate resources based on net income that is reported on the consolidated statement of operations as net income. The measure of segment assets is reported on the consolidated statement of financial condition as total assets. The Company's CODM is its Chief Executive Officer. The CODM uses net income to evaluate income generated from segment assets in deciding whether to reinvest profits into the Company's end-to-end trading solutions or into other areas, such as for acquisitions or to pay dividends. Net income is used to monitor budget versus actual results. The significant segment expenses and net income reviewed by the CODM conform to the presentation of such items in the consolidated statements of operations.

For the three and six months ended June 30, 2025 and 2024, the U.K. was the only individual foreign country in which the Company had operations that accounted for 10.0% or more of total revenues or total long-lived assets. Revenues and long-lived assets are attributed to a geographic area based on the location of the client trading activity and receipt of services. Long-lived assets are defined as furniture, equipment, leasehold improvements and capitalized software. Revenues for the three and six months ended June 30, 2025 and 2024, and long-lived assets as of June 30, 2025 and December 31, 2024 were as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (In thousands) | | | |
| Revenues | | | | |
| United States | $ 148,628 | $ 137,391 | $ 291,288 | $ 282,666 |
| United Kingdom | 44,570 | 37,891 | 87,299 | 79,111 |
| Other | 26,264 | 22,378 | 49,451 | 46,201 |
| Total | $ 219,462 | $ 197,660 | $ 428,038 | $ 407,978 |

| | As of | |
|---|---|---|
| | June 30, 2025 | December 31, 2024 |
| | (In thousands) | |
| Long-lived assets, as defined | | |
| United States | $ 95,994 | $ 92,983 |
| United Kingdom | 11,582 | 12,683 |
| Other | 1,630 | 1,632 |
| Total | $ 109,206 | $ 107,298 |

### 16. Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents together with restricted or segregated cash as reported within the Consolidated Statements of Financial Condition to the sum of the same such amounts shown in the Consolidated Statements of Cash Flows:

| | Statement of Financial Condition Location | As of June 30, 2025 | As of December 31, 2024 |
|---|---|---|---|
| | | (In thousands) | |
| Cash and cash equivalents | Cash and cash equivalents | $ 462,837 | $ 544,478 |
| Cash segregated for regulatory purposes | Cash segregated under federal regulations | 47,930 | 47,107 |
| Restricted cash deposits with clearing organizations and broker-dealers | Receivables from broker-dealers, clearing organizations and customers | 139,515 | 107,652 |
| Other cash deposits | Prepaid expenses and other assets | 172 | 1,222 |
| Total | | $ 650,454 | $ 700,459 |

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Forward-Looking Statements

*This report contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expects," "intends," "anticipates," "plans," "believes," "seeks," "estimates," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for our future business and financial performance. Forward-looking statements are based on management's current expectations and assumptions, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. It is routine for our internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections and beliefs upon which we base our expectations may change prior to the end of each quarter or the year. Although these expectations may change, we undertake no obligation to revise or update any forward-looking statements contained in this report, except to the extent required by applicable law. Our Company's policy is generally to provide our expectations only once per quarter, and not to update that information until the next quarter. Actual future events or results may differ, perhaps materially from those contained in the projections or forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this report, particularly in the section captioned Part II, Item 1A, "Risk Factors," and in our Form 10-K for the year ended December 31, 2024, including in Part I, Item 1A, "Risk Factors" and Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations."*

### Executive Overview

MarketAxess operates leading electronic trading platforms delivering greater trading efficiency, a diversified pool of liquidity and significant cost savings to our clients across the global fixed-income markets. Approximately 2,100 institutional investor and broker-dealer firms use our patented trading technology to efficiently trade U.S. high-grade bonds, U.S. high-yield bonds, emerging market debt, eurobonds, municipal bonds, U.S. government bonds and other fixed-income securities. We leverage our diverse set of trading protocols, automated and algorithmic trading solutions, intelligent data and index products and a range of post-trade services to provide an end-to-end trading solution to our robust network of platform participants. Our award-winning Open Trading marketplace is widely regarded as the preferred all-to-all trading solution in the global credit markets, creating a unique liquidity pool for a broad range of credit market participants.

We provide automated and algorithmic trading solutions that we believe help our clients make faster, better-informed decisions on when and how to trade on our platforms. We also provide a number of integrated and actionable data offerings to assist clients with real-time pricing and trading decisions and transaction cost analysis. Our AI-driven technology, such as CP+, our real-time pricing engine, is a critical data input and pricing source for multiple MarketAxess trading protocols and solutions, including Auto-X™ and portfolio trading. Further, through our acquisition of Pragma, we are increasing our capabilities and efficiency across our technology stack. We also offer a range of post-trade services, including post-trade matching, trade publication, regulatory transaction reporting and market and reference data, across fixed-income and other products.

We operate in a large and growing market that provides us with a significant opportunity for future growth, due, in part, to the relatively low levels of electronic trading in many of our largest current product areas. We offer Open Trading for most of our products in order to capitalize on this addressable market by increasing the number of potential trading counterparties and providing our clients with a menu of solutions at each step in the trading process. We believe that Open Trading drives meaningful price improvement for our clients and reduces risk in fixed-income markets by creating a global, diversified pool of liquidity whereby our institutional investor, dealer and alternative liquidity provider clients can all interact on an anonymous basis. Institutional investors can also send trading inquiries directly to their traditional broker-dealer counterparties on a disclosed basis, while simultaneously accessing additional counterparties through our anonymous Open Trading solutions.

We derive revenue from commissions for transactions executed on our platforms, information services, post-trade services and technology services. Our expenses consist of employee compensation and benefits, depreciation and amortization, technology and communication expenses, professional and consulting fees, occupancy, marketing and advertising, clearing costs and general and administrative expenses.

Our objective is to create the leading global network for the trading of fixed-income securities for our broker-dealer and institutional investor clients to help them connect, be more efficient and achieve better trading outcomes. We seek to achieve this goal by offering our clients full end-to-end electronic trading solutions and workflow tools, powered by a broad array of proprietary data and analytical tools. The key elements of our strategy are discussed in Part I, Item 1. "Business – Our Strategy" of our Form 10-K for the year ended December 31, 2024.

## Critical Factors Affecting Our Industry and Our Company

### *Economic, Political and Market Factors*

The global fixed-income securities industry is risky and volatile and is directly affected by a number of economic, political and market factors that may impact trading volume. These factors could have a material adverse or positive effect on our business, financial condition and results of operations. These factors include, among others, fixed-income market conditions, the current interest rate environment, including the volatility of interest rates and investors' forecasts of future interest rates, the duration of bonds traded, economic and political conditions in the United States, Europe and elsewhere, including recent and potential future changes in tariffs, international trade agreements or trade policies, and the consolidation or contraction of our broker-dealer and institutional investor clients.

In the first half of 2025, the market backdrop for the Company showed strong increases in estimated U.S. credit market volumes, with U.S. high-grade and U.S. high-yield market average daily volume up 12.3% and 23.9%, respectively, compared to the prior year. However, despite an increase in volatility during March and April, credit spreads and credit spread volatility remained at relatively low levels throughout much of the first half of 2025. With regard to the international products traded on our platforms, estimated market volumes of emerging markets and eurobonds increased significantly compared to the prior year.

Because the majority of our assets are short-term in nature, they are not significantly affected by inflation. However, the rate of inflation impacts our expenses, such as employee compensation, technology and communications expenses, which may not be readily recoverable in the prices of our services. Interest rates have remained higher since 2023 due to a period of increased inflation. To the extent interest rates remain high or inflation has other adverse effects on the securities markets or the economy, our financial position and results of operations may be adversely affected.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted into law in the United States. The OBBBA made significant changes to existing U.S. federal and international tax provisions. The most impactful provisions to our business include the immediate expensing of domestic U.S. research. The OBBBA may have various impacts which are complicated by their different effective dates and many elections available in the OBBBA, as well as uncertainties around U.S. states' reactions to these federal tax law changes. We are currently evaluating the impact of these provisions on our overall tax positions, including their effect on our current and deferred tax assets and liabilities, effective tax rate and cash tax obligations. The OBBBA does not impact our financial statements for the three and six month periods ended June 30, 2025.

We expect that current cash and investment balances, in combination with cash flows that are generated from operations and the ability to borrow under our Credit Agreement, will be sufficient to meet our liquidity needs and planned capital expenditure requirements for at least the next twelve months. We ended the quarter with $749.9 million in available borrowing capacity under the Credit Agreement and capital significantly in excess of our regulatory requirements.

### *Competitive Landscape*

The global fixed-income securities industry generally, and the electronic financial services markets in which we engage, in particular, are highly competitive, and we expect competition to intensify in the future. Sources of competition for us will continue to include, among others, bond trading conducted directly between broker-dealers and their institutional investor clients over the telephone or electronically and other multi-dealer or all-to-all trading platforms. Competitors, including companies in which some of our broker-dealer clients have invested, have developed or acquired electronic trading platforms or have announced their intention to explore the development of electronic platforms or information networks that may compete with us.

We primarily compete on the basis of our client network, the liquidity provided by our dealer, and, to a lesser extent, institutional investor clients, the total transaction costs and fees associated with our services, the breadth of products, protocols and services offered, as well as the quality, reliability, security and ease of use of our platforms. We believe that our ability to grow volumes and revenues will largely depend on our performance with respect to these factors.

There has been increased demand for portfolio trading workflows over the last few years, which has resulted in heightened competition among trading platforms to enhance their portfolio trading offerings and expand them across different geographies and products. Clients have been using portfolio trading workflows in lieu of more established trading protocols designed to generate price competition on individual bonds. Our dealer clients have also increased their usage of matching sessions offered by competing platforms in recent periods. To the extent that our clients increase their use of portfolio trading and matching session protocols offered by other platforms, our market share in those products could decrease. Due to the large size of the trades and the concentration of activity at the end of the month, portfolio trading can drive significant swings in trading volumes and estimated market share.

Our competitive position is enhanced by the unique liquidity provided by our Open Trading functionalities and the integration of our broker-dealer and institutional investor clients with our electronic trading platforms and other systems. We have focused on the unique aspects of the fixed-income markets we serve in the development of our platforms, working closely with our clients to provide a system that is suited to their needs.

### *Regulatory Environment*

Our business is subject to extensive regulations in the United States and internationally, which may expose us to significant regulatory risk and cause us to incur additional expense. The existing legal framework that governs the financial markets is periodically reviewed and amended, resulting in the enactment and enforcement of new laws and regulations that apply to our business. The SEC recently adopted final rules regarding the central clearing of certain secondary market transactions involving U.S. Treasury securities, which are currently set to become effective for certain cash market transactions on December 31, 2026. Once effective, this central clearing mandate will impact certain of our participants who do not centrally clear such trades today, and some of our investor clients have expressed concerns about using platforms that will require the clearing of any resultant trades executed on such platforms. While we expect this change will increase our own platform efficiency, it is still unknown at this time the full impact of this change, and what effect it will have, whether positive or negative, on our industry, our clients or us. In addition, following the change in U.S. presidential administrations in January 2025, the SEC withdrew multiple rule proposals, including those relating to the expansion of Regulation ATS and Regulation SCI. It remains unknown to what extent new legislation will be passed into law or whether other pending or new regulatory proposals will be adopted, abandoned or modified, or what effect such passage, adoption, abandonment or modification will have, whether positive or negative, on our industry, our clients or us.

We provide regulated services to our clients within the E.U. in reliance upon the authorizations our subsidiaries have received from the AFM in the Netherlands. Brexit has led to an ongoing divergence between the U.K. and E.U. financial regulations, which has made it more difficult and costly to comply with the extensive government regulation to which we are subject. The cost and complexity of operating across increasingly divergent regulatory regimes has increased and is likely to continue to increase in the future.

Compliance with new regulations may require us to dedicate additional financial and operational resources, which may adversely affect our profitability. For example, the E.U.'s Digital Operational Resilience Act ("DORA"), which focuses on the security of network and information systems of financial services entities, as well as third parties which provide certain information communication technology services ("ICTs") to them, became applicable to portions of our business in January 2025. DORA has, among other things, introduced significant additional ICT-related governance, risk management, resilience testing and sub-contracting and notification requirements. However, we also believe new regulations may increase demand for our platforms and we believe we are well positioned to benefit from those regulatory changes that cause market participants to seek electronic trading platforms that meet the various regulatory requirements.

For further description of the regulations which govern our business, see Part I, Item 1. "Business—Government Regulation" of our Form 10-K for the year ended December 31, 2024.

### *Technology Environment*

We must continue to enhance and improve our electronic trading platforms. The markets in which we compete are characterized by increasingly complex protocols, systems, technology and infrastructure requirements that require us to devote substantial resources to modify and adapt our services. Our future success will depend on our ability to enhance our existing products and services, develop and/or license new products and technologies that address the increasingly sophisticated and varied needs of our existing and prospective broker-dealer and institutional investor clients and respond to technological advances and emerging industry and regulatory standards and practices, including cloud and AI technologies, on a cost-effective and timely basis. For example, in the first half of 2025, we continued our roll-out of Targeted RFQ, which highlights our AI-driven dealer selection tool, a machine learning model that predicts which counterparties are most likely to provide competitive pricing for high-touch workflows. We have also recently expanded our global Mid-X offering, a sessions-based mid-point matching tool for broker-dealers, to emerging market bonds. In addition, as the overall share of electronic trading grows in global credit products, we are experiencing continued demand for, and growth in, our automated and algorithmic trading solutions. We also support a large and growing base of dealer market making algorithms. We plan to continue to focus on technology infrastructure and automation initiatives to support more efficient trade execution by our clients.

We experience cybersecurity threats and incidents from time to time. However, as of the date of this report, MarketAxess has not experienced a cybersecurity threat or incident that has materially affected the Company in at least the past three years. Cybersecurity incidents could impact revenue and operating income and increase costs. We therefore continue to make investments in our cybersecurity infrastructure and training of employees, which may result in increased costs, to strengthen our cybersecurity measures.

See also Part I, Item 1A. – "Risk Factors, Technology, IT Systems and Cybersecurity Risks" and Part I, Item 1C – "Cybersecurity" of our Form 10-K for the year ended December 31, 2024.

**Trends in Our Business**

The majority of our revenue is derived from commissions for transactions executed on our platforms between and among our institutional investor and broker-dealer clients. We believe that the following are the key variables that impact the notional value of such transactions on our platforms, the amount of commissions earned by us and our variable transaction fees per million:

- the number of participants on our platforms and their willingness to use our platforms instead of competitors' platforms or other execution methods;
- the particular trading protocol that our participants use to trade bonds on our platforms;
- the frequency and competitiveness of the price responses by participants on our platforms;
- the number of markets that are available for our clients to trade on our platforms and the mix of products that participants trade on our platforms;
- the overall level of activity in these markets;
- the duration of the bonds trading on our platforms, which may be affected by inflation, among other macroeconomic factors; and
- the particular fee plan under which we earn commissions.

We believe that overall corporate bond market trading volume is affected by various factors including the absolute levels of interest rates, the direction of interest rate movements, the level of new issues of corporate bonds and the volatility of corporate bond spreads versus U.S. Treasury securities. Because a significant percentage of our revenue is tied directly to the volume of securities traded on our platforms, it is likely that a general decline in trading volumes, regardless of the cause of such decline, would reduce our revenues and have a significant negative impact on profitability.

As further described under "— Critical Factors Affecting our Industry and our Company — Economic, Political and Market Factors," "— Results of Operations — Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024," and "— Results of Operations — Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024," our trading volumes increased and our average variable transaction fee per million decreased compared to the three and six months ended June 30, 2024.

**Components of Our Results of Operations**

***Commission Revenue***

Commissions are recognized on a trade date basis, are generally calculated as a percentage of the notional dollar volume of bonds traded on our platforms and vary based on the type, size, yield and maturity of the bond traded, as well as individual client incentives. Bonds that are more actively traded or that have shorter maturities are generally charged lower commissions, while bonds that are less actively traded or that have longer maturities generally command higher commissions.

For Open Trading trades that we execute between and among institutional investor and broker-dealer clients on a matched principal basis by serving as counterparty to both the buyer and the seller, we earn our commission through the difference in price between the two trades. For the majority of U.S. Treasury matched principal trades, commissions are invoiced and recorded on a monthly basis.

*Credit Commissions.* Credit includes U.S. high-grade corporate bonds, high-yield bonds, emerging markets bonds, eurobonds, municipal bonds and leveraged loans. Our U.S. high-grade corporate bond fee plans generally incorporate variable transaction fees and fixed distribution fees billed to our broker-dealer clients on a monthly basis. Certain broker-dealers participate in fee programs that do not contain monthly distribution fees and instead incorporate additional per transaction execution fees and minimum monthly fee commitments. Under these fee plans, we electronically add the transaction fee to the spread quoted by the broker-dealer client. The U.S. high-grade transaction fee is generally designated in basis points in yield and, as a result, is subject to fluctuation depending on the duration of the bond traded.

Commissions for high-yield bonds, emerging markets bonds, eurobonds, municipal bonds and leveraged loans generally vary based on the type of the instrument traded using standard fee schedules. Our high-yield fee plan structure is similar to our U.S. high-grade fee plans. Certain dealers participate in a high-yield fee plan that incorporates a variable transaction fee and a fixed distribution fee, while other dealers participate in a plan that does not contain monthly distribution fees and instead incorporates additional per transaction execution fees and minimum monthly fee commitments.

The average credit fees per million may vary in the future due to changes in yield, years-to-maturity and nominal size of high-grade bonds traded on our platforms and changes in product mix or trading protocols.

Credit distribution fees include any unused monthly fee commitments under our variable fee plans.

*Rates Commissions.* Rates includes U.S. Treasury, U.S. agency and European government bonds. Commissions for rates products generally vary based on the type of the instrument traded. U.S. Treasury fee plans are typically volume tiered and can vary based on the trading protocol. The average rates fee per million may vary in the future due to changes in product mix or trading protocols.

We anticipate that average fees per million may change in the future. Consequently, past trends in commissions are not necessarily indicative of future commissions.

*Other Commissions.* Other commissions include equities and foreign exchange commissions for algorithmic trading services and derivative and exchange-traded-fund ("ETF") commissions earned by RFQ-hub. Commissions for equities, foreign exchange, derivatives and ETFs are volume-tiered and consist of variable transaction fees that are billed monthly.

***Information Services***

We generate revenue from data licensed to our broker-dealer clients, institutional investor clients and data-only subscribers; professional and consulting services; technology software licenses; and maintenance and support services. These revenues are either for subscription-based services transferred over time, and may be net of volume-based discounts, or one-time services. Revenues for services transferred over time are recognized ratably over the contract period while revenues for services transferred at a point in time are recognized in the period the services are provided. Customers are generally billed monthly, quarterly, or annually; revenues billed in advance are deferred and recognized ratably over the contract period.

***Post-trade Services***

We generate revenue from regulatory transaction reporting, trade publication and post-trade matching services. Customers are generally billed in the current month or monthly in arrears and revenue is recognized in the period that the transactions are processed. Revenues billed in advance are deferred and recognized ratably over the contract period. We also generate one-time implementation fees for onboarding clients, which are invoiced and recognized in the period the implementation is complete.

***Technology Services***

Technology services include technology-related license fees, connectivity fees and revenue generated from telecommunications line charges to broker-dealer clients.

***Expenses***

In the normal course of business, we incur the following expenses:

*Employee Compensation and Benefits.* Employee compensation and benefits is our most significant expense and includes employee salaries, stock-based compensation costs, other incentive compensation, employee benefits and payroll taxes.

*Depreciation and Amortization.* We depreciate our computer hardware and related software, office hardware and furniture and fixtures and amortize our capitalized software development costs on a straight-line basis over three to five years. We amortize leasehold improvements on a straight-line basis over the lesser of the life of the improvement or the remaining term of the lease. Intangible assets with definite lives, including purchased technologies, customer relationships and other intangible assets, are amortized over their estimated useful lives, which range from one to 15 years, using either a straight-line or accelerated amortization method based on the pattern of economic benefit that we expect to realize from such assets. Intangible assets are assessed for impairment when events or circumstances indicate a possible impairment.

*Technology and Communications.* Technology and communications expense consists primarily of costs relating to software and licenses, maintenance on software and hardware, cloud hosting costs, data feeds provided by outside vendors, U.S. government bonds technology platform licensing fees, data center hosting costs and our internal network connections. The majority of our broker-dealer clients have dedicated high-speed communication lines to our network in order to provide fast data transfer. We charge our broker-dealer clients a monthly fee for these connections, which is recovered against the relevant expenses we incur.

*Professional and Consulting Fees.* Professional and consulting fees consist primarily of accounting fees, legal fees and fees paid to information technology and other consultants for services provided for the maintenance of our trading platforms, information and post-trade services products and other services.

*Occupancy.* Occupancy costs consist primarily of office and equipment rent, utilities and commercial rent tax.

*Marketing and Advertising.* Marketing and advertising expense consists primarily of branding and other advertising expenses we incur to promote our products and services. This expense also includes costs associated with attending or exhibiting at industry-sponsored seminars, conferences and conventions, and travel and entertainment expenses incurred by our sales force to promote our trading platforms, information services and post-trade services.

*Clearing Costs.* Clearing costs consist of fees that we are charged by third-party clearing brokers and depositories for the clearing and settlement of matched principal trades, regulatory reporting fees and variable transaction fees assessed by the provider of our third-party middle office system.

*General and Administrative.* General and administrative expense consists primarily of general travel and entertainment, board of directors' expenses, regulatory fees, subscription costs, charitable contributions, provision for doubtful accounts, various state franchise and U.K. value-added taxes and other miscellaneous expenses.

Expenses may continue to grow in the future, notably in employee compensation and benefits as we increase headcount to support investment in new products, operational support and geographic expansion, depreciation and amortization due to increased investment in new products and enhancements to our trading platforms, and technology and communication costs. Expenses may also grow due to increased regulatory complexity, acquisitions or the continued effects of inflation.

***Other Income (Expense)***

*Interest Income*. Interest income consists of interest income earned on our cash and cash equivalents, restricted cash, deposits and investments.

*Interest Expense.* Interest expense consists of financing charges incurred on short-term borrowings.

*Equity in Earnings of Unconsolidated Affiliate.* Equity in earnings of unconsolidated affiliate represents the proportionate share of our equity method investee's net income.

*Other, Net.* Other, net consists of realized and unrealized gains and losses on trading security investments and foreign currency forward contracts, foreign currency transaction gains or losses, investment advisory fees, credit facility administrative fees, gains or losses on revaluations of contingent consideration payable and other miscellaneous revenues and expenses.

**Critical Accounting Estimates**

This Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting periods. We base our estimates and judgments on historical experience and on various other factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates under varying assumptions or conditions. Critical accounting estimates for us include stock-based compensation.

*Stock-based compensation*

We maintain the 2020 Plan which provides for the grant of Full Value Awards, stock options and other stock-based awards to encourage employees, consultants and non-employee directors to participate in our long-term success. We make critical accounting estimates related to performance stock units granted under the 2020 Plan (the "PSUs").

In 2023, 2024 and 2025, the PSUs were granted to the executive officers and certain senior managers. Each PSU is earned or forfeited based on our level of achievement of certain predetermined metrics, including pre-tax adjusted operating margin, U.S. credit market share and revenue growth excluding U.S. credit. The vested share payout ranges from zero to 200% of the PSU target. The number of PSUs that vest, if any, is determined by the level of achievement of the performance metrics during the three-year performance periods, as certified by the Compensation and Talent Committee following the conclusion of the performance period. In addition, participants must provide continued service through the vesting date, subject to death, disability and qualified retirement exceptions, as applicable. Compensation expense for the PSUs is measured using the fair value of our stock at the grant date and estimates of future performance and actual share payouts. Each period, we make estimates of the current expected share payouts and adjust the life-to-date compensation expense recognized since the grant date. As of June 30, 2025, a 10.0% change in the expected final share payouts would increase or decrease the life-to-date compensation expense by $1.4 million. The estimated final share payouts for the 2022 and 2023 awards as of June 30, 2025 decreased 23.2% compared to December 31, 2024. See Note 9 for a discussion of the Company's stock-based compensation expense.

*Uncertain tax positions*

Our interpretations of tax laws around the world are subject to review and examination by the various taxing authorities in the jurisdictions where we operate, and disputes may occur regarding our view on a tax position. These disputes over interpretations with the various taxing authorities may be settled by audit, administrative appeals or adjudication in the court systems of the tax jurisdictions in which we operate.

In accounting for income taxes, we recognize tax positions in the financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority or the court of last resort based on the technical merits of the position. We reassess our unrecognized tax benefits as necessary when new information becomes available, including changes in tax law and regulations, relevant tax court rulings and interactions with taxing authorities. Uncertain tax positions that meet the more-likely-than-not recognition threshold are measured to determine the amount of benefit to recognize. An uncertain tax position is measured based on the largest amount of benefit that we believe is more-likely-than-not to be realized upon settlement. It is possible that the reassessment of our unrecognized tax benefits may have a material impact on our effective income tax rate in the period in which the reassessment occurs. See Note 8 for a discussion of our provisions for unrecognized tax benefits related to current and prior periods.

## Recent Accounting Pronouncements

See Note 2 for a discussion of any recent accounting pronouncements relevant to our Consolidated Financial Statements.

## Segment Results

We provide end-to-end trading solutions, including the operation of electronic platforms for the trading of fixed-income and other securities and related data, analytics, compliance tools, post-trade services, automated trading services and technology services. We consider our operations to constitute a single business segment because of the highly integrated nature of these products and services within the trading lifecycle, the use of a single inter-connected suite of technology solutions underlying all services, the financial markets in which we compete and our worldwide business activities. See Note 15 to the Consolidated Financial Statements for certain geographic information about our business required by GAAP.

## Results of Operations

***Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024***

The following table summarizes our financial results for the three months ended June 30, 2025 and 2024:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| | ($ in thousands, except per share amounts) | | | |
| Revenues | $ 219,462 | $ 197,660 | $ 21,802 | 11.0 % |
| Expenses | 127,598 | 116,321 | 11,277 | 9.7 |
| Operating income | 91,864 | 81,339 | 10,525 | 12.9 |
| Other income (expense) | 5,552 | 4,998 | 554 | 11.1 |
| Income before income taxes | 97,416 | 86,337 | 11,079 | 12.8 |
| Provision for income taxes | 26,236 | 21,399 | 4,837 | 22.6 |
| Net income | $ 71,180 | $ 64,938 | $ 6,242 | 9.6 % |
| Less: income attributable to redeemable noncontrolling interest | (31) | — | (31) | NM |
| Net income available for common stockholders | $ 71,149 | $ 64,938 | $ 6,211 | 9.6 |
| | | | | |
| Net income per common share – Diluted | $ 1.91 | $ 1.72 | $ 0.19 | 11.0 % |

*NM - not meaningful*

Changes in average foreign currency exchange rates compared to the U.S. dollar had the effect of increasing revenues and expenses by $2.1 million and $1.7 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

*Revenues*

Our revenues for the three months ended June 30, 2025 and 2024, and the resulting dollar and percentage changes, were as follows:

| | Three Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | | |
| | ($ in thousands) | | | | | |
| | | % of Revenues | | % of Revenues | $ Change | % Change |
| Commissions | $ 191,770 | 87.4 % | $ 171,679 | 86.9 % | $ 20,091 | 11.7 % |
| Information services | 13,087 | 6.0 | 12,544 | 6.3 | 543 | 4.3 |
| Post-trade services | 11,076 | 5.0 | 10,400 | 5.3 | 676 | 6.5 |
| Technology services | 3,529 | 1.6 | 3,037 | 1.5 | 492 | 16.2 |
| Total revenues | $ 219,462 | 100.0 % | $ 197,660 | 100.0 % | $ 21,802 | 11.0 % |

*Commissions.* Our commission revenues for the three months ended June 30, 2025 and 2024, and the resulting dollar and percentage changes, were as follows:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| | ($ in thousands) | | | |
| Variable transaction fees | | | | |
| Credit | $ 142,977 | $ 127,645 | $ 15,332 | 12.0 % |
| Rates | 8,035 | 5,719 | 2,316 | 40.5 |
| Other | 7,061 | 5,076 | 1,985 | 39.1 |
| Total variable transaction fees | 158,073 | 138,440 | 19,633 | 14.2 |
| Fixed distribution fees | | | | |
| Credit | 33,616 | 33,177 | 439 | 1.3 |
| Rates | 81 | 62 | 19 | 30.6 |
| Total fixed distribution fees | 33,697 | 33,239 | 458 | 1.4 |
| Total commissions | $ 191,770 | $ 171,679 | $ 20,091 | 11.7 % |

Credit variable transaction fees increased by $15.3 million, driven by a 20.2% increase in trading volume offset by a 6.8% decrease in total credit average variable transaction fee per million. Rates variable transaction fees increased by $2.3 million, driven principally by a 55.2% increase in trading volumes, partially offset by a 9.4% decrease in average variable transaction fee per million. Other variable transaction fees include equities and foreign exchange commissions and, beginning in May 2025, derivative and ETF commissions earned by RFQ-hub.

Our trading volumes for the three months ended June 30, 2025 and 2024 were as follows:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| | ($ in millions) | | | |
| Trading volume data | | | | |
| Credit | | | | |
| High-grade | $ 481,090 | $ 405,440 | $ 75,650 | 18.7 % |
| High-yield | 104,897 | 84,248 | 20,649 | 24.5 |
| Emerging markets | 249,091 | 210,205 | 38,886 | 18.5 |
| Eurobonds | 160,873 | 128,266 | 32,607 | 25.4 |
| Other credit | 39,965 | 33,376 | 6,589 | 19.7 |
| Total credit | 1,035,916 | 861,535 | 174,381 | 20.2 |
| Rates | | | | |
| U.S. government bonds | 1,906,892 | 1,236,917 | 669,975 | 54.2 |
| Agency and other government bonds | 87,625 | 48,506 | 39,119 | 80.6 |
| Total rates | 1,994,517 | 1,285,423 | 709,094 | 55.2 |
| Total trading volume | $ 3,030,433 | $ 2,146,958 | $ 883,475 | 41.2 % |
| Number of U.S. Trading Days | 62 | 63 | | |
| Number of U.K. Trading Days | 60 | 61 | | |

For volume reporting purposes, transactions in foreign currencies are converted to U.S. dollars at average monthly rates.

The 18.7% increase in our U.S. high-grade volume was principally due to an increase in estimated market volumes and an increase in our estimated market share. Estimated U.S. high-grade market volume as reported by the FINRA Trade Reporting and Compliance Engine (“TRACE”) increased by 14.7% to $2.5 trillion for the three months ended June 30, 2025 compared to the three months ended June 30, 2024. Our estimated market share of total U.S. high-grade corporate bond volume increased to 19.4% for the three months ended June 30, 2025 from 18.7% for the three months ended June 30, 2024. U.S. high-yield volume increased by 24.5% primarily due to an increase in estimated market volumes offset by a decrease in our estimated market share. Our estimated market share of total U.S. high-yield corporate bond volume decreased to 12.7% for the three months ended June 30, 2025 from 13.5% for the three months ended June 30, 2024.

Emerging markets and Eurobond volumes increased by 18.5% and 25.4%, respectively. Other credit volumes increased 19.7%, mainly due to an increase in estimated municipal bond market volumes. Rates trading volume increased 55.2%, primarily due to an increase in estimated market volumes, offset by a decrease in our estimated market share.

Our average variable transaction fee per million for the three months ended June 30, 2025 and 2024 was as follows:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| Average variable transaction fee per million | | | | |
| Credit | $ 138.02 | $ 148.16 | $ (10.14) | (6.8) % |
| Rates | 4.03 | 4.45 | (0.42) | (9.4) |

Credit average variable transaction fee per million decreased by 6.8% to $138.02 per million for the three months ended June 30, 2025, mainly due to protocol mix-shift reflecting increased portfolio trading.

*Information Services.* Information services revenue increased by $0.5 million for the three months ended June 30, 2025 due to positive impact of foreign currency fluctuations of $0.4 million and net new contract revenue of $0.1 million

*Post-Trade Services.* Post-trade services revenue increased by $0.7 million for the three months ended June 30, 2025 due to positive impact of foreign currency fluctuations of $0.6 million and net new contract revenue of $0.1 million.

*Technology Services*. Technology services revenue increased by $0.5 million for the three months ended June 30, 2025 due to higher license and connectivity fees.

*Expenses*

The following table summarizes our expenses for the three months ended June 30, 2025 and 2024:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| | **($ in thousands)** | | | |
| **Expenses** | | | | |
| Employee compensation and benefits | $ 65,237 | $ 56,790 | $ 8,447 | 14.9 % |
| Depreciation and amortization | 19,195 | 18,356 | 839 | 4.6 |
| Technology and communications | 19,421 | 17,771 | 1,650 | 9.3 |
| Professional and consulting fees | 7,190 | 7,669 | (479) | (6.2) |
| Occupancy | 3,753 | 3,714 | 39 | 1.1 |
| Marketing and advertising | 2,952 | 3,010 | (58) | (1.9) |
| Clearing costs | 4,447 | 4,122 | 325 | 7.9 |
| General and administrative | 5,403 | 4,889 | 514 | 10.5 |
| Total expenses | $ 127,598 | $ 116,321 | $ 11,277 | 9.7 % |

Employee compensation and benefits increased by $8.4 million primarily due to higher severance costs of $4.0 million related to changes in the Company’s management structure.

Technology and communications expenses increased by $1.7 million primarily due to higher software service costs.

General and administrative expenses increased by $0.5 million, primarily due to higher subscription costs.

*Other Income (Expense)*

Our other income (expense) for the three months ended June 30, 2025 and 2024, and the resulting dollar and percentage changes, were as follows:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| | **($ in thousands)** | | | |
| Interest income | $ 5,930 | $ 6,401 | $ (471) | (7.4) % |
| Interest expense | (139) | (621) | 482 | (77.6) |
| Equity in earnings of unconsolidated affiliate | 168 | 354 | (186) | (52.5) |
| Other, net | (407) | (1,136) | 729 | NM |
| Total other income (expense) | $ 5,552 | $ 4,998 | $ 554 | 11.1 % |

*NM - not meaningful*

Interest income decreased by $0.5 million, driven by lower cash balances.

Interest expense decreased by $0.5 million due to lower financing charges incurred under our short-term borrowing arrangements.

Other, net increased by $0.7 million primarily driven by the impact of net foreign currency transaction gains in the current period compared to losses in the prior period of $2.2 million offset by expense reflecting an increase to redeemable noncontrolling interest related to the 2025 RFQ-hub Acquisition of $0.9 million and a charge associated with the 2025 RFQ-hub Acquisition of $0.6 million.

*Provision for Income Taxes*

The provision for income taxes and effective tax rate for the three months ended June 30, 2025 and 2024 were as follows:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| | **($ in thousands)** | | | |
| Provision for income taxes | $ 26,236 | $ 21,399 | $ 4,837 | 22.6 % |
| Effective tax rate | 26.9% | 24.8% | | |

Our consolidated effective tax rate can vary from period to period depending on the geographic mix of our earnings, provisions for unrecognized tax benefits, changes in tax legislation and tax rates and the amount and timing of excess tax benefits or detriments related to share-based payments, among other factors. The increase in the effective tax rate for the three months ended June 30, 2025 is due to current period accruals related to the reserve for unrecognized tax benefits established in the first quarter of 2025.

***Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024***

The following table summarizes our financial results for the Six Months Ended June 30, 2025 and 2024:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| | ($ in thousands, except per share amounts) | | | |
| Revenues | $ 428,038 | $ 407,978 | $ 20,060 | 4.9 % |
| Expenses | 247,792 | 234,139 | 13,653 | 5.8 |
| Operating income | 180,246 | 173,839 | 6,407 | 3.7 |
| Other income (expense) | 13,324 | 9,215 | 4,109 | 44.6 |
| Income before income taxes | 193,570 | 183,054 | 10,516 | 5.7 |
| Provision for income taxes | 107,325 | 45,501 | 61,824 | 135.9 |
| Net income | $ 86,245 | $ 137,553 | $ (51,308) | (37.3) % |
| Less: income attributable to redeemable noncontrolling interest | (31) | — | (31) | NM |
| Net income available for common stockholders | $ 86,214 | $ 137,553 | $ (51,339) | (37.3) |
| Net income per common share – Diluted | $ 2.31 | $ 3.64 | $ (1.33) | (36.5) % |

Changes in average foreign currency exchange rates compared to the U.S. dollar had the effect of increasing revenues and expenses by $1.8 million and $1.4 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

*Revenues*

Our revenues for the six months ended June 30, 2025 and 2024, and the resulting dollar and percentage changes, were as follows:

| | Six Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | | |
| | ($ in thousands) | | | | | |
| | | % of Revenues | | % of Revenues | $ Change | % Change |
| Commissions | $ 373,113 | 87.2 % | $ 356,552 | 87.4 % | $ 16,561 | 4.6 % |
| Information services | 25,991 | 6.1 | 24,425 | 6.0 | 1,566 | 6.4 |
| Post-trade services | 22,164 | 5.2 | 21,130 | 5.2 | 1,034 | 4.9 |
| Technology services | 6,770 | 1.5 | 5,871 | 1.4 | 899 | 15.3 |
| Total revenues | $ 428,038 | 100.0 % | $ 407,978 | 100.0 % | 20,060 | 4.9 % |

*Commissions.* Our commission revenues for the six months ended June 30, 2025 and 2024, and the resulting dollar and percentage changes, were as follows:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| | ($ in thousands) | | | |
| Variable transaction fees | | | | |
| Credit | $ 278,817 | $ 269,149 | $ 9,668 | 3.6 % |
| Rates | 14,954 | 10,885 | 4,069 | 37.4 |
| Other | 12,293 | 9,925 | 2,368 | 23.9 |
| Total variable transaction fees | 306,064 | 289,959 | 16,105 | 5.6 |
| | | | | |
| Fixed distribution fees | | | | |
| Credit | 66,881 | 66,465 | 416 | 0.6 |
| Rates | 168 | 128 | 40 | 31.3 |
| Total fixed distribution fees | 67,049 | 66,593 | 456 | 0.7 |
| Total commissions | $ 373,113 | $ 356,552 | $ 16,561 | 4.6 % |

Credit variable transaction fees increased by $9.7 million, driven by a 13.1% increase in trading volume offset by a decrease of 8.4% in total credit average variable transaction fee per million. Rates variable transaction fees increased by $4.1 million, driven principally by a 54.2% increase in trading volumes, partially offset by a 10.8% decrease in average variable transaction fee per million. Other variable transaction fees include equities and foreign exchange commissions and, beginning in May 2025, derivative and ETF commissions earned by RFQ-hub.

Our trading volumes for the six months ended June 30, 2025 and 2024 were as follows:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| | ($ in millions) | | | |
| Trading volume data | | | | |
| Credit | | | | |
| High-grade | $ 942,398 | $ 861,438 | $ 80,960 | 9.4 % |
| High-yield | 194,894 | 169,627 | 25,267 | 14.9 |
| Emerging markets | 489,376 | 431,632 | 57,744 | 13.4 |
| Eurobonds | 308,790 | 257,115 | 51,675 | 20.1 |
| Other credit | 76,447 | 59,705 | 16,742 | 28.0 |
| Total credit | 2,011,905 | 1,779,517 | 232,388 | 13.1 |
| | | | | |
| Rates | | | | |
| U.S. government bonds | 3,488,973 | 2,282,713 | 1,206,260 | 52.8 |
| Agency and other government bonds | 153,450 | 80,132 | 73,318 | 91.5 |
| Total rates | 3,642,423 | 2,362,845 | 1,279,578 | 54.2 |
| | | | | |
| Total trading volume | $ 5,654,328 | $ 4,142,362 | $ 1,511,966 | 36.5 % |
| | | | | |
| Number of U.S. Trading Days | 123 | 124 | | |
| Number of U.K. Trading Days | 123 | 124 | | |

For volume reporting purposes, transactions in foreign currencies are converted to U.S. dollars at average monthly rates.

The 9.4% increase in our U.S. high-grade volume was principally due to an increase in estimated market volumes offset by a decrease in our estimated market share. Estimated U.S. high-grade market volume as reported by TRACE increased by 11.4% to $5.0 trillion for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. Our estimated market share of total U.S. high-grade corporate bond volume decreased to 18.7% for the six months ended June 30, 2025 from 19.1% for the six months ended June 30, 2024. U.S. high-yield volume increased by 14.9% primarily due to an increase in estimated market volumes offset by a decrease in our estimated market share. Our estimated market share of total U.S. high-yield corporate bond volume decreased to 12.3% for the six months ended June 30, 2025 from 13.2% for the six months ended June 30, 2024.

Emerging markets and Eurobond volumes increased by 13.4% and 20.1%, respectively. Other credit volumes increased 28.0%, mainly due to an increase in estimated municipal bond market volumes. Rates trading volume increased 54.2%, primarily due to an increase in estimated market volumes.

Our average variable transaction fee per million for the six months ended June 30, 2025 and 2024 was as follows:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| Average variable transaction fee per million | | | | |
| Credit | $ 138.58 | $ 151.25 | $ (12.67) | (8.4) % |
| Rates | 4.11 | 4.61 | (0.50) | (10.8) |

Credit average variable transaction fee per million decreased by 8.4% to 138.58 per million for the six months ended June 30, 2025, mainly due to protocol mix-shift reflecting increased portfolio trading.

*Information Services.* Information services revenue increased by $1.6 million for the six months ended June 30, 2025 due to net new contract revenue of $1.1 million and the positive impact of foreign currency fluctuations of $0.4 million.

*Post-Trade Services.* Post-trade services revenue increased by $1.0 million for the six months ended June 30, 2025 due to net new contract revenue of $0.6 million and the positive impact of foreign currency fluctuations of $0.4 million.

*Technology Services*. Technology services revenue increased by $0.9 million for the six months ended June 30, 2025 due to higher license and connectivity fees.

*Expenses*

The following table summarizes our expenses for the six months ended June 30, 2025 and 2024:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| | ($ in thousands) | | | |
| **Expenses** | | | | |
| Employee compensation and benefits | $ 127,153 | $ 118,054 | $ 9,099 | 7.7 % |
| Depreciation and amortization | 37,431 | 36,556 | 875 | 2.4 |
| Technology and communications | 37,469 | 34,822 | 2,647 | 7.6 |
| Professional and consulting fees | 13,600 | 14,064 | (464) | (3.3) |
| Occupancy | 7,375 | 7,139 | 236 | 3.3 |
| Marketing and advertising | 5,013 | 4,843 | 170 | 3.5 |
| Clearing costs | 8,632 | 9,033 | (401) | (4.4) |
| General and administrative | 11,119 | 9,628 | 1,491 | 15.5 |
| Total expenses | $ 247,792 | $ 234,139 | $ 13,653 | 5.8 % |

Employee compensation and benefits increased by $9.1 million primarily due to higher severance costs of $4.0 million related to changes in the Company’s management structure.

Technology and communications expenses increased by $2.6 million primarily due to higher cloud hosting and software service costs.

General and administrative expenses increased by $1.4 million, primarily due to higher subscription costs.

*Other Income (Expense)*

Our other income (expense) for the six months ended June 30, 2025 and 2024, and the resulting dollar and percentage changes, were as follows:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| | ($ in thousands) | | | |
| Interest income | $ 13,099 | $ 12,374 | $ 725 | 5.9 % |
| Interest expense | (352) | (937) | 585 | (62.4) |
| Equity in earnings of unconsolidated affiliate | 457 | 724 | (267) | (36.9) |
| Other, net | 120 | (2,946) | 3,066 | NM |
| Total other income (expense) | $ 13,324 | $ 9,215 | $ 4,109 | 44.6 % |

*NM - not meaningful*

Interest income increased by $0.7 million, driven by higher investment balances compared to the prior period.

Interest expense decreased by $0.6 million due to lower financing charges incurred under our short-term borrowing arrangements.

Other, net increased by $3.1 million primarily driven by the impact of net foreign currency transaction gains in the current period compared to losses in the prior period of $3.0 million and higher unrealized gains of $1.3 million on our U.S. Treasury investments in the current period, offset by expense reflecting an increase to redeemable noncontrolling interest related to the 2025 RFQ-hub Acquisition of $0.9 million and a charge associated with the 2025 RFQ-hub acquisition of $0.6 million.

*Provision for Income Taxes*

The provision for income taxes and effective tax rate for the six months ended June 30, 2025 and 2024 were as follows:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2025 | 2024 | $ Change | % Change |
| | ($ in thousands) | | | |
| Provision for income taxes | $ 107,325 | $ 45,501 | $ 61,824 | 135.9 % |
| | | | | |
| Effective tax rate | 55.4% | 24.9% | | |

Our consolidated effective tax rate can vary from period to period depending on the geographic mix of our earnings, provisions for unrecognized tax benefits, changes in tax legislation and tax rates and the amount and timing of excess tax benefits or detriments related to share-based payments, among other factors. The increase in the effective tax rate for the six months ended June 30, 2025 is due to the reserve for unrecognized tax benefits established during the first quarter of 2025.

**Liquidity and Capital Resources**

During the six months ended June 30, 2025, we have met our funding requirements through cash on hand, internally generated funds and short-term borrowings. Cash and cash equivalents and corporate bond and U.S. Treasury investments totaled $620.9 million as of June 30, 2025. Our investments generally consist of investment-grade corporate bonds and U.S. Treasury securities. We limit the amounts that can be invested in any single issuer and invest in short- to intermediate-term instruments whose fair values are less sensitive to interest rate changes.

In August 2023, we entered into the Credit Agreement, which provides aggregate commitments totaling $750.0 million, including a revolving credit facility, a $5.0 million letter of credit sub-limit for standby letters of credit and a $380.0 million sub-limit for swingline loans. The Credit Agreement will mature on August 9, 2026, with our option to request up to two additional 364-day extensions at the discretion of each lender and subject to customary conditions. As of June 30, 2025, we had $0.1 million in letters of credit outstanding and $749.9 million in available borrowing capacity under the Credit Agreement. Borrowings under the Credit Agreement will bear interest at a rate per annum equal to an alternate base rate or the adjusted term SOFR rate, plus an applicable margin that varies with our consolidated total leverage ratio. The Credit Agreement requires that we satisfy certain covenants, including a requirement to not exceed a maximum consolidated total leverage ratio. We were in compliance with all applicable covenants at June 30, 2025. See Note 11 to the Consolidated Financial Statements for a discussion of the Credit Agreement.

In connection with their self-clearing operations, certain of our operating subsidiaries maintain agreements with a settlement bank to allow the subsidiaries to borrow an aggregate of up to $500.0 million on an uncommitted basis, collateralized by eligible securities pledged by the subsidiaries to the settlement bank, subject to certain haircuts. Borrowings under these agreements will bear interest at a base rate per annum equal to the higher of the upper range of the Federal Funds Rate, 0.25% or one-month SOFR, plus 1.00%. As of June 30, 2025, the subsidiaries had no borrowings outstanding and up to $500.0 million in available uncommitted borrowing capacity under such agreements. See Note 11 to the Consolidated Financial Statements for a discussion of these agreements.

Under arrangements with their settlement banks, certain of our operating subsidiaries may receive overnight financing in the form of bank overdrafts. As of June 30, 2025, we had no overdrafts payable outstanding.

As a result of our self-clearing and settlement activities, we are required to finance certain transactions, maintain deposits with various clearing organizations and clearing broker-dealers and maintain a special reserve bank account for the benefit of customers pursuant to Rule 15c3-3 of the Exchange Act. As of June 30, 2025, the aggregate amount of the positions financed, restricted cash deposits and customer reserve balances associated with our self-clearing and settlement activities was $278.8 million. These requirements can fluctuate based on trading activity, market volatility or other factors which may impact our liquidity or require us to use our capital resources.

***Cash Flows for the Six Months Ended June 30, 2025 Compared to the Six Months Ended June 30, 2024***

Our cash flows were as follows:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | **2024** | **$ Change** | **% Change** |
| | ($ in thousands) | | | |
| Net cash provided by operating activities | $ 133,343 | $ 113,900 | $ 19,443 | 17.1 % |
| Net cash (used in) investing activities | (68,177) | (33,753) | (34,424) | 102.0 |
| Net cash (used in) financing activities | (142,315) | (114,015) | (28,300) | 24.8 |
| Effect of exchange rate changes on cash and cash equivalents | 27,144 | (3,674) | 30,818 | NM |
| Net decrease for the period | $ (50,005) | $ (37,542) | $ (12,463) | 33.2 % |

*NM - not meaningful*

Cash flows from operating activities consist primarily of net income adjusted for non-cash items that primarily include depreciation and amortization, stock-based compensation expense, deferred tax expense and changes in receivables and payables on the consolidated statement of financial condition. The $19.4 million increase in net cash provided by operating activities was primarily due to favorable changes in income and other tax liabilities, offset by lower net income and unfavorable changes in accounts receivable and accounts payable, accrued expenses and other liabilities.

The $34.4 million increase in net cash used in investing activities was primarily due to net cash outflows for the 2025 RFQ-hub Acquisition.

The $28.3 million increase in net cash used in financing activities was principally due to higher repurchases of common stock and lower exercises of stock options, offset by lower withholding tax payments on the vesting of Full Value Awards.

The $30.8 million change in the effect of exchange rate changes on cash and cash equivalents was due to changes in the cumulative translation adjustment, principally driven by the strengthening of the British Pound and Euro versus the U.S. Dollar in the current period.

Past trends of cash flows are not necessarily indicative of future cash flow levels. A decrease in cash flows may have a material adverse effect on our liquidity, business and financial condition.

***Other Factors Influencing Liquidity and Capital Resources***

We believe that our current resources are adequate to meet our liquidity needs and requirements, including commitments for capital expenditures, in the short-term (during the next 12 months). However, our future liquidity and capital requirements will depend on a number of factors, including liquidity requirements associated with our self-clearing operations and expenses associated with product development and expansion and new business opportunities that are intended to further diversify our revenue streams. We may also acquire or invest in technologies, business ventures or products that are complementary to our business. In the event we require any additional financing, it will take the form of equity or debt financing. Any additional equity offerings may result in dilution to our stockholders. Any debt financings, if available at all, may involve restrictive covenants with respect to dividends, issuances of additional capital and other financial and operational matters related to our business. In addition, in the long-term (beyond 12 months), we believe our liquidity needs and requirements will be affected by the factors discussed above.

Certain of our U.S. subsidiaries are registered as broker-dealers and are subject to the applicable rules and regulations of the SEC, FINRA and the CFTC. These rules contain minimum net capital requirements, as defined in the applicable regulations. Certain of our foreign subsidiaries are regulated by the FCA in the U.K. or other foreign regulators and must maintain financial resources, as defined in the applicable regulations, in excess of the applicable financial resources requirement. As of June 30, 2025, each of our subsidiaries that are subject to these regulations had net capital or financial resources in excess of their minimum requirements. As of June 30, 2025, our subsidiaries maintained aggregate net capital and financial resources that were $603.8 million in excess of the required levels of $42.4 million.

Each of our U.S. and foreign regulated subsidiaries are subject to local regulations which generally limit, or require the prior notification to or approval from such regulated entity's principal regulator before, the repayment of borrowings from our affiliates, paying cash dividends, making loans to our affiliates or otherwise entering into transactions that result in a significant reduction in regulatory net capital or financial resources.

We execute securities transactions between our institutional investor and broker-dealer clients on a matched principal basis by serving as counterparty to both the buyer and the seller in trades. Our operating subsidiaries settle such transactions using their self-clearing operations or through the use of third-party clearing brokers or settlement agents. Settlement typically occurs within one to two trading days after the trade date. Cash settlement of the transaction occurs upon receipt or delivery of the underlying instrument that was traded. Under both the self-clearing and the third-party clearing models, we may be exposed to credit risk in the event a counterparty does not fulfill its obligation to complete a transaction or if there is an error in executing a matched principal transaction. Pursuant to the terms of the securities clearing agreements, each third-party clearing broker has the right to charge us for any losses they suffer resulting from a counterparty's failure on any of our trades. We did not record any liabilities or losses with regard to counterparty failures for the six months ended June 30, 2025 and 2024. Substantially all of our open securities failed-to-deliver and securities failed-to-receive transactions as of June 30, 2025 have subsequently settled at the contractual amounts.

In the normal course of business, we enter into contracts that contain a variety of representations, warranties and indemnification provisions. Our maximum exposure from any claims under these arrangements is unknown, as this would involve claims that have not yet occurred.

We have leases for corporate offices and equipment with initial lease terms ranging from one year to 15 years. We have total future contractual rent payments on these leases of $88.5 million, with $12.9 million due within the next 12 months and $75.6 million due beyond 12 months.

We enter into foreign currency forward contracts to economically hedge our exposure to variability in certain foreign currency transaction gains and losses. As of June 30, 2025, the notional value of our foreign currency forward contract outstanding was $66.9 million and the fair value of the asset was $1.7 million.

In January 2022, our Board of Directors authorized the 2022 Repurchase Program for up to $150.0 million. In August 2024, our Board of Directors authorized the 2024 Repurchase Program for up to an additional $200.0 million. The 2022 Repurchase Plan was exhausted during the first quarter of 2025 and, as of June 30, 2025, we had $150.3 million of remaining capacity under the 2024 Repurchase Program. As of July 31, 2025, we had $145.0 million of remaining capacity under the 2024 Repurchase Program. Shares repurchased under the Repurchase Programs will be held in treasury for future use.

In July 2025, our Board of Directors approved a quarterly cash dividend of $0.76 per share payable on September 3, 2025 to stockholders of record as of the close of business on August 20, 2025. Any future declaration and payment of dividends will be at the sole discretion of our Board of Directors.

### *Non-GAAP Financial Measures*

In addition to reporting financial results in accordance with GAAP, we use certain non-GAAP financial measures: earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin and free cash flow. From time to time, we present selected GAAP-basis financial results, excluding notable items. Notable items are revenues, expenses, other income (expense) and tax related items that are non-recurring and outside of the Company's normal course of business or other notables, such as acquisition and restructuring charges or gains/losses on sales (collectively, "notable items"). We define EBITDA margin as EBITDA divided by revenues. We define free cash flow as net cash provided by/(used in) operating activities excluding the net change in trading investments and net change in securities failed-to-deliver and securities failed-to-receive from broker-dealers, clearing organizations and customers, less expenditures for furniture, equipment and leasehold improvements and capitalized software development costs. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in conformity with GAAP. We believe that these non-GAAP financial measures, when taken into consideration with the corresponding GAAP financial measures, provide additional information regarding our operating results because they assist both investors and management in analyzing and evaluating the performance of our business.

The table set forth below presents a reconciliation of our total expenses to total expenses, excluding notable items, other income (expense) to other income (expense) excluding notable items, net income to net income, excluding notable items, diluted EPS to diluted EPS, excluding notable items, and the effective tax rate to effective tax rate, excluding notable items for the three and six months ended June 30, 2025 and 2024:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | ($ in thousands) | | ($ in thousands) | |
| Total Expenses, GAAP-basis | $ 127,598 | $ 116,321 | $ 247,792 | $ 234,139 |
| Exclude: Notable items | | | | |
| Repositioning charges[1] | (3,970) | — | (3,970) | — |
| Total Expenses, excluding notable items | $ 123,628 | $ 116,321 | $ 243,822 | $ 234,139 |
| Other income (expense), GAAP-basis | $ 5,552 | $ 4,998 | $ 13,324 | $ 9,215 |
| Exclude: Notable items | | | | |
| Acquisition-related charge/(credit)[2] | 557 | — | 557 | — |
| Other income (expense), excluding notable items | $ 6,109 | $ 4,998 | $ 13,881 | $ 9,215 |
| Net income, GAAP-basis | $ 71,180 | $ 64,938 | $ 86,245 | $ 137,553 |
| Exclude: Notable items | | | | |
| Repositioning charges[1] | 3,970 | — | 3,970 | — |
| Acquisition-related charge/(credit)[2] | 557 | — | 557 | — |
| Income tax impact from notable items | (1,218) | — | (1,218) | — |
| Reserve for uncertain tax positions related to prior periods | — | — | 54,939 | — |
| Net income, excluding notable items | $ 74,489 | $ 64,938 | $ 144,493 | $ 137,553 |
| Diluted EPS, GAAP-basis | $ 1.91 | $ 1.72 | $ 2.31 | $ 3.64 |
| Notable items as reconciled above | 0.09 | — | 1.56 | — |
| Diluted EPS, excluding notable items | $ 2.00 | $ 1.72 | $ 3.87 | $ 3.64 |
| Effective tax rate, GAAP-basis | 26.9% | 24.8% | 55.4% | 24.9% |
| Notable items as reconciled above | — | — | (28.3) | — |
| Effective tax rate, excluding notable items | 26.9% | 24.8% | 27.1% | 24.9% |

[1] Repositioning charges consist of severance included in employee compensation and benefits
[2] Consists of loss on remeasurement of previous equity interest in RFQ-hub to fair value

The table set forth below presents a reconciliation of our net income to EBITDA and net income margin to EBITDA margin, as defined above, for the three and six months ended June 30, 2025 and 2024:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | ($ in thousands) | | | |
| Net income | $ 71,180 | $ 64,938 | $ 86,245 | $ 137,553 |
| Interest income | (5,930) | (6,401) | (13,099) | (12,374) |
| Interest expense | 139 | 621 | 352 | 937 |
| Provision for income taxes | 26,236 | 21,399 | 107,325 | 45,501 |
| Depreciation and amortization | 19,195 | 18,356 | 37,431 | 36,556 |
| EBITDA | $ 110,820 | $ 98,913 | $ 218,254 | $ 208,173 |
| | | | | |
| Net income margin | 32.4% | 32.9% | 20.1% | 33.7% |
| Interest income | (2.7) | (3.2) | (3.1) | (3.0) |
| Interest expense | 0.1 | 0.3 | 0.1 | 0.2 |
| Provision for income taxes | 12.0 | 10.7 | 25.1 | 11.1 |
| Depreciation and amortization | 8.7 | 9.3 | 8.7 | 9.0 |
| EBITDA margin | 50.5% | 50.0% | 51.0% | 51.0% |

The table set forth below presents a reconciliation of our net cash provided by operating activities to free cash flow, as defined above, for the three and six months ended June 30, 2025 and 2024:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | ($ in thousands) | | | |
| Net cash provided by operating activities | $ 103,714 | $ 118,849 | $ 133,343 | $ 113,900 |
| Exclude: Net change in trading investments | (66) | 100 | (66) | (155) |
| Exclude: Net change in fail-to-deliver/receive from broker-dealers, clearing organizations and customers | 22,053 | (3,151) | 56,452 | 48,137 |
| Less: Purchases of furniture, equipment and leasehold improvements | (1,206) | (7,695) | (3,136) | (8,892) |
| Less: Capitalization of software development costs | (11,510) | (10,496) | (26,541) | (24,459) |
| Free Cash Flow | $ 112,985 | $ 97,607 | $ 160,052 | $ 128,531 |

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of the loss resulting from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates.

### *Market Risk*

The global financial services business is, by its nature, risky and volatile and is directly affected by many national and international factors that are beyond our control. Any one of these factors may cause a substantial decline in the U.S. and global financial services markets, resulting in reduced trading volume and revenues. These events could have a material adverse effect on our business, financial condition and results of operations.

As of June 30, 2025, we had $100.3 million of investments in U.S. Treasuries that were classified as trading securities and $57.7 million of investments in corporate bonds that were classified as available-for-sale. Adverse movements, such as a decrease in the value of these securities or a downturn or disruption in the markets for these securities, could result in a substantial loss. A 10.0% decrease in the market value of our U.S Treasuries or available-for-sale investments would result in losses of approximately $10.0 million and $5.8 million, respectively. In addition, principal gains and losses resulting from these securities could on occasion have a disproportionate effect, positive or negative, on our financial condition and results of operations for any particular reporting period.

### *Interest Rate Risk*

Interest rate risk represents our exposure to interest rate changes with respect to our cash and cash equivalents, restricted cash and cash deposits. As of June 30, 2025, our cash and cash equivalents, restricted cash and cash deposits amounted to $650.5 million. A hypothetical 100 basis point change in interest rates would increase or decrease our annual interest income by approximately $6.5 million, assuming no change in the amount or composition of our cash and cash equivalents, restricted cash and cash deposits.

As of June 30, 2025, a hypothetical 100 basis point increase or decrease in interest rates would decrease or increase the fair value of the available-for-sale investment portfolio by approximately $0.9 million, assuming no change in the amount or composition of the investments. The hypothetical unrealized gain or loss of $0.9 million would be recognized in accumulated other comprehensive loss on the Consolidated Statements of Financial Condition.

A similar hypothetical 100 basis point increase or decrease in interest rates would decrease or increase the fair value of the trading securities portfolio by approximately $1.9 million. The hypothetical unrealized gain or loss of $1.9 million would be recognized in other, net in the Consolidated Statements of Operations.

We do not maintain an inventory of bonds that are traded on our platform.

### *Foreign Currency Exchange Rate Risk*

We conduct operations in several different countries outside of the U.S., most notably the U.K., and substantial portions of our revenues, expenses, assets and liabilities are generated and denominated in non-U.S. dollar currencies. Since our consolidated financial statements are presented in U.S. dollars, we must translate revenues, income and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Accordingly, increases or decreases in the value of the U.S. dollar against the other currencies will affect our net operating revenues, operating expenses, operating income and the value of balance sheet items denominated in foreign currencies.

During the twelve months ended June 30, 2025, approximately 16.4% of our revenues and 27.3% of our expenses were denominated in currencies other than the U.S. dollar, most notably the British Pound Sterling. Based on actual results over the past year, a hypothetical 10.0% increase or decrease in the U.S. dollar against all other currencies would have increased or decreased revenue by approximately $13.8 million and operating expenses by approximately $13.4 million.

***Credit Risk***

Through certain of our subsidiaries, we execute securities transactions between our institutional investor and broker-dealer clients on a matched principal basis by serving as counterparty to both the buyer and the seller in trades. Our operating subsidiaries settle such transactions using their self-clearing operations or through the use of third-party clearing brokers or settlement agents. Settlement typically occurs within one to two trading days after the trade date. Cash settlement of the transaction occurs upon receipt or delivery of the underlying instrument that was traded.

We are exposed to credit and performance risks in our role as matched principal trading counterparty to our clients executing bond trades on our platform, including the risk that counterparties that owe us money or securities will not perform their obligations. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure or other reasons. Adverse movements in the prices of securities that are the subject of these transactions can increase our risk. In connection with Open Trading or other anonymous protocols, we expect that the number of transactions in which we act as a matched principal will increase.

We have policies, procedures and automated controls in place to identify and manage our credit risk. There can be no assurance that these policies, procedures and automated controls will effectively mitigate our credit risk exposure. Some of our risk management procedures are reliant upon the evaluation of information regarding the fixed-income markets, our clients or other relevant matters that are publicly available or otherwise acquired from third-party sources. Such information may not be accurate, complete, up-to-date or properly assessed and interpreted by us. If our risk management procedures fail, our business, financial condition and results of operations may be adversely affected. Furthermore, our insurance policies are unlikely to provide coverage for such risks.

Cash and cash equivalents include cash and money market instruments that are primarily maintained at three major global banks. Given this concentration, we are exposed to certain credit risk in relation to our deposits at these banks.

***Derivative Risk***

Our limited derivative risk stems from our activities in the foreign currency forward contract market. We use this market to economically hedge our foreign exchange gains and losses on the Consolidated Statements of Operations that arise from our U.S. dollar versus British Pound Sterling exposure from the activities of our U.K. subsidiaries. As of June 30, 2025, the notional amount of our foreign currency forward contract was $66.9 million. We do not hold derivative instruments for purposes other than economically hedging foreign currency risk.

**Item 4. Controls and Procedures**

(a) *Evaluation of Disclosure Controls and Procedures.* Our management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of our “disclosure controls and procedures,” as that term is defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Exchange Act, as of June 30, 2025. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures are effective to ensure that information required to be disclosed by MarketAxess in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and to ensure that information is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in Internal Control over Financial Reporting.* There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2025 identified in connection with the evaluation thereof by our management, including the Chief Executive Officer and the Chief Financial Officer, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — Other Information

### Item 1. Legal Proceedings

In the normal course of business, we and our subsidiaries included in the consolidated financial statements may be involved in various lawsuits, proceedings and regulatory examinations. We assess liabilities and contingencies in connection with outstanding legal proceedings, if any, utilizing the latest information available. Based on currently available information, the outcome of our outstanding matters is not expected to have a material adverse impact on our financial position. It is not presently possible to determine our ultimate exposure to these matters and there is no assurance that the resolution of the outstanding matters will not significantly exceed any reserves accrued by us. See Note 13 to the Consolidated Financial Statements for a discussion of our commitments and contingencies.

### Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in our most recent Form 10-K for the year ended December 31, 2024. For a discussion of the risk factors affecting the Company, see "Risk Factors" in Part I, Item 1A of our 2024 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

***Recent Sales of Unregistered Securities***

None.

***Issuer Purchases of Equity Securities***

During the quarter ended June 30, 2025, we repurchased the following shares of common stock:

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| | | | | (In thousands) |
| April 1, 2025 - April 31, 2025 | 63,593 | $ 216.14 | 62,887 | $ 173,362 |
| May 1, 2025 - May 31, 2025 | 56,032 | 219.31 | 55,884 | 161,107 |
| June 1, 2025 - June 30, 2025 | 49,570 | 221.12 | 49,012 | 150,267 |
| Total | 169,195 | $ 218.65 | 167,783 | |

During the three months ended June 30, 2025, we repurchased 169,195 shares of common stock. The repurchases included 167,783 shares repurchased in connection with our Repurchase Programs and 1,412 shares surrendered by employees to satisfy the withholding tax obligations upon the vesting of Full Value Awards and upon the exercise of stock options.

In January 2022, our Board of Directors authorized the 2022 Repurchase Program for up to $150.0 million. In August 2024, our Board of Directors authorized the 2024 Repurchase Program for up to an additional $200.0 million. The Repurchase Programs do not have an expiration date. The 2022 Repurchase Program was exhausted during the first quarter of 2025 and, as of June 30, 2025, we had $150.3 million of remaining capacity under the 2024 Repurchase Program. Shares repurchased under the Repurchase Programs will be held in treasury for future use.

### Item 3. Defaults upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

(c) Trading Plans

In the second quarter of 2025, no director or officer (as defined in Exchange Act Rule 16a-1(f)) of the Company adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement for the purchase or sale of securities of the Company, within the meaning of Item 408 of Regulation S-K, except as follows:

Naineshkumar Panchal, the Company's Chief Information Officer, adopted a trading arrangement intended to satisfy Rule 10b5-1(c) on May 15, 2025, for the sale of up to 600 shares of the Company's common stock, subject to certain conditions. The arrangement's expiration date is May 29, 2026.

**Item 6. Exhibits**

Exhibit Index:

| Number | Description |
|---|---|
| 10.1* | Form of 2025 Restricted Stock Unit Agreement (Non-Deferred) for directors pursuant to the MarketAxess Holdings Inc. 2020 Equity Incentive Plan |
| 10.2* | Form of 2025 Restricted Stock Unit Agreement (Deferred) for directors pursuant to the MarketAxess Holdings Inc. 2020 Equity Incentive Plan |
| 10.3 | Contract of Employment dated as of May 16, 2025, by and between MarketAxess Europe Limited and Dean Berry (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated May 16, 2025)†+# |
| 31.1* | Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2* | Certification by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1* | Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2* | Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS* | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| 104 | The cover page from the Company's Quarterly report on Form 10-Q for the quarter ended June 30, 2025 has been formatted in Inline XBRL and is included in Exhibits 101. |

* Filed herewith.

† Certain confidential information, identified by bracketed asterisks "[*****]" has been omitted from this exhibit pursuant to Item 601(b)(10) of Regulation S-K because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

\+ Certain schedules and other similar attachments to this exhibit have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. The registrant will provide a copy of such omitted documents to the Securities and Exchange Commission upon request.

\# Management contract or compensatory plan or arrangement.

## 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, thereunto duly authorized.

MARKETAXESS HOLDINGS INC.

Date: August 6, 2025

By: /s/ CHRISTOPHER R. CONCANNON
Christopher R. Concannon
Chief Executive Officer
(principal executive officer)

Date: August 6, 2025

By: /s/ ILENE FISZEL BIELER
Ilene Fiszel Bieler
Chief Financial Officer
(principal financial officer)

**Exhibit 10.1**

**Form of 2025 Restricted Stock Unit Agreement (Non-Deferred) for Directors**

**RESTRICTED STOCK UNIT AGREEMENT**
**PURSUANT TO THE**
**MARKETAXESS HOLDINGS INC. 2020 EQUITY**
**INCENTIVE PLAN**

---

**THIS RESTRICTED STOCK UNIT AGREEMENT** (this "Agreement"), is made as of [Award Date] (the "Grant Date") by and between MarketAxess Holdings Inc. (the "Company") and [xxx] (the "Participant").

**WHEREAS,** the Board of Directors of the Company (the "Board") adopted The MarketAxess Holdings Inc. 2020 Equity Incentive Plan (as may be amended and/or restated from time to time) (the "Plan") which is administered by a Committee appointed by the Company's Board of Directors (the "Committee");

**WHEREAS,** pursuant to Section 3.2 of the Plan, the Committee has adopted guidelines (the "Guidelines") for the grant of restricted stock units ("RSUs") under the Plan; and

**WHEREAS,** the Company, through the Committee, wishes to grant to the Participant RSUs as set forth below.

**NOW, THEREFORE,** the Company and the Participant agree as follows:

1. **Grant of RSUs.** Subject to the terms and conditions of the Plan, the Guidelines and this Agreement, on the Grant Date the Company awarded to the Participant [xxx] RSUs. The RSUs hereunder are not Deferrable RSUs and are not eligible for deferral under Section 4 of the Guidelines.

2. **Vesting.** The RSUs shall become vested pursuant to the terms of this Agreement and the Plan on the earlier of (i) the date of the next annual meeting of shareholders (provided that such meeting is at least 50 weeks after the immediately preceding year's annual meeting); and (ii) one year from the Grant Date, provided that the Participant has been continuously providing service to the Company until such date.

   Notwithstanding anything herein or in the Plan or Guidelines to the contrary, if the Participant incurs a termination of service for any reason at any time prior to the date such RSUs become fully vested, the Participant shall forfeit any unvested RSUs as of the date of termination of service. There shall be no proportionate or partial vesting in the periods prior to the applicable vesting dates and all vesting shall occur only on the appropriate vesting date.

3. **Securities Representations**. The grant of the RSUs and any issuance of shares of Common Stock pursuant to this Agreement are being made by the Company in reliance upon the following express representations and warranties of the Participant.

   The Participant acknowledges, represents and warrants that:

(a) he or she has been advised that he or she may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on his or her representations set forth in this section;

(b) if he or she is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Common Stock must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such Common Stock and the Company is under no obligation to register the Common Stock (or to file a "re-offer prospectus");

(c) if he or she is deemed an affiliate within the meaning of Rule 144 of the Securities Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Common Stock may be made only in limited amounts in accordance with such terms and conditions.

4. **Not an Employment or Service Agreement**. Neither the execution of this Agreement nor the grant of RSUs hereunder constitute an agreement by the Company to employ or retain or to continue to employ or retain the Participant during the entire, or any portion of, the term of this Agreement.

5. **Miscellaneous**.

(a) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators, distributees, devisees and legatees. The Company may assign to, and require, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or any affiliate by which the Participant is employed to expressly assume and agree in writing to perform this Agreement. Notwithstanding the foregoing, the Participant may not assign this Agreement.

(b) This award of RSUs shall not affect in any way the right or power of the Board or stockholders of the Company to make or authorize an adjustment, recapitalization or other change in the capital structure or the business of the Company, any merger or consolidation of the Company or subsidiaries, any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock, the dissolution or liquidation of the Company, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

(c) The Participant agrees that the award of the RSUs hereunder is special incentive compensation and that it, any dividends paid thereon (even if treated as compensation for tax purposes) will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement or profit-sharing plan of the Company or any life insurance, disability or other benefit plan of the Company.

(d) No modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

(e) This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(f) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(g) The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

(h) All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at the addresses set forth at the heading of this Agreement or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to the Compensation Committee of the Board with a copy to General Counsel, MarketAxess Holdings Inc., 55 Hudson Yards, 15th Floor, New York, NY 10001.

(i) This Agreement shall be construed, interpreted and governed and the legal relationships of the parties determined in accordance with the internal laws of the State of Delaware without reference to rules relating to conflicts of law.

6. **Provisions of Plan and Guidelines Control**. This Agreement is subject to all the terms, conditions and provisions of the Plan and the Guidelines, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan and the Guidelines as may be adopted by the Committee and as may be in effect from time to time. The Plan and the Guidelines are incorporated herein by reference. A copy of the Plan and the Guidelines have been delivered to the Participant. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan and the Guidelines, the Plan and the Guidelines shall control, and this Agreement shall be deemed to be modified accordingly. Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan or the Guidelines. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof (other than any other documents

expressly contemplated herein or in the Plan or the Guidelines) and supersedes any prior agreements between the Company and the Participant.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**MARKETAXESS HOLDINGS INC.**

[Name]
[Title]

**PARTICIPANT**

[xxx]

**Exhibit 10.2**

**Form of 2025 Restricted Stock Unit Agreement (Deferred) for Directors**

**RESTRICTED STOCK UNIT AGREEMENT**
**PURSUANT TO THE**
**MARKETAXESS HOLDINGS INC. 2020 EQUITY**
**INCENTIVE PLAN**

---

**THIS RESTRICTED STOCK UNIT AGREEMENT** (this "Agreement"), is made as of [Award Date] (the "Grant Date") by and between MarketAxess Holdings Inc. (the "Company") and [xxx] (the "Participant").

**WHEREAS,** the Board of Directors of the Company (the "Board") adopted The MarketAxess Holdings Inc. 2020 Equity Incentive Plan (as may be amended and/or restated from time to time) (the "Plan") which is administered by a Committee appointed by the Company's Board of Directors (the "Committee");

**WHEREAS,** pursuant to Section 3.2 of the Plan, the Committee has adopted guidelines (the "Guidelines") for the grant of restricted stock units ("RSUs") under the Plan; and

**WHEREAS,** the Company, through the Committee, wishes to grant to the Participant RSUs as set forth below.

**NOW, THEREFORE,** the Company and the Participant agree as follows:

1. **Grant of RSUs.** Subject to the terms and conditions of the Plan, the Guidelines and this Agreement, on the Grant Date the Company awarded to the Participant [xxx] RSUs. The RSUs are Deferrable RSUs and the payment of shares of Common Stock upon vesting in accordance with Section 2 has been deferred by the Participant in accordance with Section 4 of the Guidelines.

2. **Vesting.** The RSUs shall become vested pursuant to the terms of this Agreement and the Plan on the earlier of (i) the date of the next annual meeting of shareholders (provided that such meeting is at least 50 weeks after the immediately preceding year's annual meeting); and (ii) one year from the Grant Date, provided that the Participant has been continuously providing service to the Company until such date.

   Notwithstanding anything herein or in the Plan or Guidelines to the contrary, if the Participant incurs a termination of service for any reason at any time prior to the date such RSUs become fully vested, the Participant shall forfeit any unvested RSUs as of the date of termination of service. There shall be no proportionate or partial vesting in the periods prior to the applicable vesting dates and all vesting shall occur only on the appropriate vesting date.

3. **Securities Representations**. The grant of the RSUs and any issuance of shares of Common Stock pursuant to this Agreement are being made by the Company in reliance upon the following express representations and warranties of the Participant.

The Participant acknowledges, represents and warrants that:

(a) he or she has been advised that he or she may be an “affiliate” within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on his or her representations set forth in this section;

(b) if he or she is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Common Stock must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a “re-offer prospectus”) with regard to such Common Stock and the Company is under no obligation to register the Common Stock (or to file a “re-offer prospectus”);

(c) if he or she is deemed an affiliate within the meaning of Rule 144 of the Securities Act, he or she understands that the exemption from registration under Rule 144 will not be available unless (i) a public trading market then exists for the Common Stock, (ii) adequate information concerning the Company is then available to the public, and (iii) other terms and conditions of Rule 144 or any exemption therefrom are complied with; and that any sale of the Common Stock may be made only in limited amounts in accordance with such terms and conditions.

4. **Not an Employment or Service Agreement**. Neither the execution of this Agreement nor the grant of RSUs hereunder constitute an agreement by the Company to employ or retain or to continue to employ or retain the Participant during the entire, or any portion of, the term of this Agreement.

5. **Miscellaneous**.

(a) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal legal representatives, successors, trustees, administrators, distributees, devisees and legatees. The Company may assign to, and require, any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or any affiliate by which the Participant is employed to expressly assume and agree in writing to perform this Agreement. Notwithstanding the foregoing, the Participant may not assign this Agreement.

(b) This award of RSUs shall not affect in any way the right or power of the Board or stockholders of the Company to make or authorize an adjustment, recapitalization or other change in the capital structure or the business of the Company, any merger or consolidation of the Company or subsidiaries, any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock, the dissolution or liquidation of the Company, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

(c) The Participant agrees that the award of the RSUs hereunder is special incentive compensation and that it, any dividends paid thereon (even if treated as compensation for tax purposes) will not be taken into account as “salary” or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement or profit-sharing plan of the Company or any life insurance, disability or other benefit plan of the Company.

(d) No modification or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

(e) This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

(f) The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

(g) The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

(h) All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at the addresses set forth at the heading of this Agreement or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to the Compensation Committee of the Board with a copy to General Counsel, MarketAxess Holdings Inc., 55 Hudson Yards, 15th Floor, New York, NY 10001.

(i) This Agreement shall be construed, interpreted and governed and the legal relationships of the parties determined in accordance with the internal laws of the State of Delaware without reference to rules relating to conflicts of law.

6. **Provisions of Plan and Guidelines Control**. This Agreement is subject to all the terms, conditions and provisions of the Plan and the Guidelines, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan and the Guidelines as may be adopted by the Committee and as may be in effect from time to time. The Plan and the Guidelines are incorporated herein by reference. A copy of the Plan and the Guidelines have been delivered to the Participant. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan and the Guidelines, the Plan and the Guidelines shall control, and this Agreement shall be deemed to be modified accordingly. Unless otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan or the Guidelines. This Agreement contains the entire understanding of

the parties with respect to the subject matter hereof (other than any other documents expressly contemplated herein or in the Plan or the Guidelines) and supersedes any prior agreements between the Company and the Participant.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**MARKETAXESS HOLDINGS INC.**

[Name]
[Title]

**PARTICIPANT**

[xxx]

**Exhibit 31.1**

**CERTIFICATIONS**

I, Christopher R. Concannon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MarketAxess Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHRISTOPHER R. CONCANNON
Christopher R. Concannon
Chief Executive Officer
(principal executive officer)

Dated: August 6, 2025

**Exhibit 31.2**

# CERTIFICATIONS

I, Ilene Fiszel Bieler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MarketAxess Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ILENE FISZEL BIELER
Ilene Fiszel Bieler
Chief Financial Officer
(principal financial officer)

Dated: August 6, 2025

**Exhibit 32.1**

**Certification Under Section 906 of the Sarbanes-Oxley Act of 2002**
**(United States Code, Title 18, Chapter 63, Section 1350)**
**Accompanying Quarterly Report on Form 10-Q of**
**MarketAxess Holdings Inc. for the Quarter Ended June 30, 2025**

In connection with the Quarterly Report on Form 10-Q of MarketAxess Holdings Inc. (the “Company”) for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Christopher R. Concannon, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ CHRISTOPHER R. CONCANNON
Christopher R. Concannon
Chief Executive Officer

August 6, 2025

*This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates it by reference.*

**Exhibit 32.2**

**Certification Under Section 906 of the Sarbanes-Oxley Act of 2002**
**(United States Code, Title 18, Chapter 63, Section 1350)**
**Accompanying Quarterly Report on Form 10-Q of**
**MarketAxess Holdings Inc. for the Quarter Ended June 30, 2025**

In connection with the Quarterly Report on Form 10-Q of MarketAxess Holdings Inc. (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ilene Fiszel Bieler, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ILENE FISZEL BIELER
Ilene Fiszel Bieler
Chief Financial Officer

August 6, 2025

*This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates it by reference.*