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

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported): **November 6, 2020**

**VIRTU FINANCIAL, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-37352**  
(Commission File No.)

**32-0420206**  
(IRS Employer  
Identification No.)

**One Liberty Plaza**  
**New York, NY 10006**  
(Address of principal executive offices)

**(212) 418-0100**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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

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

Emerging growth company

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

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Class A common stock, par value \$0.00001 per share	VIRT	The NASDAQ Stock Market LLC

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**ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On November 6, 2020, Virtu Financial, Inc. (the “Company”) issued a press release setting forth its financial results for its quarter ended September 30, 2020. A copy of the Company’s press release is attached as Exhibit 99.1 to this report. The Company does not intend for this Item 2.02 or Exhibit 99.1 to be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or to be incorporated by reference into filings under the Securities Act of 1933, as amended.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Press release of Virtu Financial, Inc., dated November 6, 2020 and furnished pursuant to Item 2.02, “Results of Operations and Financial Condition.”</a>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u><a href="#">Press release of Virtu Financial, Inc., dated November 6, 2020 and furnished pursuant to Item 2.02, "Results of Operations and Financial Condition."</a></u>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

**SIGNATURES**

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

**VIRTU FINANCIAL, INC.**

By: /s/ JUSTIN WALDIE

Name: Justin Waldie

Title: *Senior Vice President, Secretary and General Counsel*

Dated: November 6, 2020



### Virtu Announces Third Quarter 2020 Results

NEW YORK, NY, November 6, 2020 - Virtu Financial, Inc. (NASDAQ: VIRT), a leading provider of financial services and products that leverages cutting edge technology to deliver innovative, transparent trading solutions to its clients and liquidity to the global markets, today reported results for the third quarter ended September 30, 2020.

#### Third Quarter 2020 Selected Highlights

- Net income of \$199.7 million; Normalized Adjusted Net Income<sup>1</sup> of \$160.9 million
- Basic and diluted earnings per share of \$0.92; Normalized Adjusted EPS<sup>1</sup> of \$0.81
- Total revenues of \$656.1 million; Trading income, net of \$441.3 million; Adjusted Net Trading Income<sup>1</sup> of \$362.3 million
- Adjusted EBITDA<sup>1</sup> of \$248.7 million; Adjusted EBITDA Margin<sup>1</sup> of 68.7%
- Results include \$56.2 million net gain on sale of MATCHNow transaction closed on August 4, 2020

The Virtu Financial, Inc. Board of Directors declared a quarterly cash dividend of \$0.24 per share. This dividend is payable on December 15, 2020 to shareholders of record as of December 1, 2020.

“Client partnership, providing liquidity to the global capital markets and implementing our strategic initiatives will help Virtu deliver our strongest year on record. Our third quarter results confirm the resilience and scalability of Virtu’s business model; generating meaningful profits consistently.” said Douglas Cifu, Chief Executive Officer.

“Virtu enters the final quarter of an eventful 2020 and looks forward to 2021 well positioned to continue to generate shareholder value. With our revised expense guidance for 2021 and the material reduction in total debt as a result of the strong performance in 2020, we are poised to meaningfully enhance shareholder returns, beginning with up to a \$100 million buyback of shares, which our Board of Directors has approved.”

Note 1: Non-GAAP financial measures. Please see "Non-GAAP Financial Measures and Other Items" for more information.



## Financial Results

### *Third Quarter 2020:*

Total revenues increased 71.6% to \$656.1 million for this quarter, driven by the gain on the sale of MATCHNow as well as heightened levels of volatility, bid-ask spreads and trading volumes across global markets and asset classes due to the COVID-19 pandemic, compared to \$382.3 million for the same period in 2019. Trading income, net, increased 100.5% to \$441.3 million for this quarter, compared to \$220.1 million for the same period in 2019. Net income totaled \$199.7 million for this quarter, compared to a net loss of \$5.2 million in the prior year quarter, which included costs related to the ITG acquisition.

Basic and diluted earnings per share for this quarter was \$0.92, compared to a basic and diluted loss per share of \$0.04 for the same period in 2019.

Adjusted Net Trading Income increased 45.0% to \$362.3 million for this quarter, compared to \$249.8 million for the same period in 2019. Adjusted EBITDA increased 139.5% to \$248.7 million for this quarter, compared to \$103.9 million for the same period in 2019.

Normalized Adjusted Net Income, removing one-time integration costs and non-cash items, increased 306.5% to \$160.9 million for this quarter, compared to \$39.6 million for the same period in 2019.

Assuming all non-controlling interests had been exchanged for common stock, and the Company's Normalized Adjusted Net Income before income taxes was subject to corporation taxes, Normalized Adjusted EPS was \$0.81 for this quarter, compared to \$0.21 for the same period in 2019.

## Operating Segment Information

The Company has two operating segments: Market Making and Execution Services; and one non-operating segment: Corporate.

Market Making principally consists of market making in the cash, futures and options markets across global equities, options, fixed income, currencies and commodities. As a market maker, the Company commits capital on a principal basis by offering to buy securities from, or sell securities to, broker dealers, banks and institutions.

Execution Services comprises agency-based trading and trading venues, offering execution services in global equities, options, futures and fixed income on behalf of institutions, banks and broker dealers. The Company also provides proprietary technology and infrastructure, workflow technology, and trading analytics services to select third parties. Legacy ITG's operations are included within the Execution Services segment.

Corporate contains the Company's investments, principally in strategic trading-related opportunities, and maintains corporate overhead expenses.



The following tables show the trading income, net, total revenues and Adjusted Net Trading Income by segment for the three and nine months ended September 30, 2020 and 2019.

*Total revenues by segment  
(in thousands, unaudited)*

	Three Months Ended September 30, 2020				Three Months Ended September 30, 2019			
	Market Making	Execution Services	Corporate	Total	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 441,829	\$ (534)	\$ —	\$ 441,295	\$ 219,535	\$ 613	\$ —	\$ 220,148
Commissions, net and technology services	9,391	124,462	—	133,853	7,252	132,375	—	139,627
Interest and dividends income	10,763	169	—	10,932	22,617	735	—	23,352
Other, net	12,615	58,583	(1,166)	70,032	398	82	(1,267)	(787)
<b>Total Revenues</b>	<b>\$ 474,598</b>	<b>\$ 182,680</b>	<b>\$ (1,166)</b>	<b>\$ 656,112</b>	<b>\$ 249,802</b>	<b>\$ 133,805</b>	<b>\$ (1,267)</b>	<b>\$ 382,340</b>

  

	Nine Months Ended September 30, 2020				Nine Months Ended September 30, 2019			
	Market Making	Execution Services	Corporate	Total	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 1,989,176	\$ (1,420)	\$ —	\$ 1,987,756	\$ 680,224	\$ 3,387	\$ —	\$ 683,611
Commissions, net and technology services	9,526	442,807	—	452,333	17,213	342,681	—	359,894
Interest and dividends income	46,216	572	—	46,788	64,404	12,241	—	76,645
Other, net	19,382	58,662	(2,286)	75,758	235	16	(2,528)	(2,277)
<b>Total Revenues</b>	<b>\$ 2,064,300</b>	<b>\$ 500,621</b>	<b>\$ (2,286)</b>	<b>\$ 2,562,635</b>	<b>\$ 762,076</b>	<b>\$ 358,325</b>	<b>\$ (2,528)</b>	<b>\$ 1,117,873</b>

*Reconciliation of trading income, net to Adjusted Net Trading Income by operating segment  
(in thousands, unaudited)*

	Three Months Ended September 30, 2020				Three Months Ended September 30, 2019			
	Market Making	Execution Services	Corporate	Total	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 441,829	\$ (534)	\$ —	\$ 441,295	\$ 219,535	\$ 613	\$ —	\$ 220,148
Commissions, net and technology services	9,391	124,462	—	133,853	7,252	132,375	—	139,627
Interest and dividends income	10,763	169	—	10,932	22,617	735	—	23,352
Brokerage, exchange, clearance fees and payments for order flow, net	(177,758)	(18,690)	—	(196,448)	(73,463)	(25,326)	—	(98,789)
Interest and dividends expense	(26,990)	(384)	—	(27,374)	(34,222)	(324)	—	(34,546)
<b>Adjusted Net Trading Income</b>	<b>\$ 257,235</b>	<b>\$ 105,023</b>	<b>\$ —</b>	<b>\$ 362,258</b>	<b>\$ 141,719</b>	<b>\$ 108,073</b>	<b>\$ —</b>	<b>\$ 249,792</b>

  

	Nine Months Ended September 30, 2020				Nine Months Ended September 30, 2019			
	Market Making	Execution Services	Corporate	Total	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 1,989,176	\$ (1,420)	\$ —	\$ 1,987,756	\$ 680,224	\$ 3,387	\$ —	\$ 683,611
Commissions, net and technology services	9,526	442,807	—	452,333	17,213	342,681	—	359,894
Interest and dividends income	46,216	572	—	46,788	64,404	12,241	—	76,645
Brokerage, exchange, clearance fees and payments for order flow, net	(487,234)	(86,535)	—	(573,769)	(203,660)	(82,230)	—	(285,890)
Interest and dividends expense	(96,062)	(1,594)	—	(97,656)	(104,877)	(11,862)	—	(116,739)
<b>Adjusted Net Trading Income</b>	<b>\$ 1,461,622</b>	<b>\$ 353,830</b>	<b>\$ —</b>	<b>\$ 1,815,452</b>	<b>\$ 453,304</b>	<b>\$ 264,217</b>	<b>\$ —</b>	<b>\$ 717,521</b>



Reconciliation of trading income, net to Adjusted Net Trading Income by category – Market Making segment  
(in thousands, unaudited)

	Three Months Ended September 30, 2020				Three Months Ended September 30, 2019			
	Global Equities	Global FICC, Options and Other	Unallocated (1)	Total Market Making	Global Equities	Global FICC, Options and Other	Unallocated (1)	Total Market Making
Trading income, net	\$ 385,594	\$ 56,235	\$ —	\$ 441,829	\$ 166,031	\$ 52,126	\$ 1,378	\$ 219,535
Commissions, net and technology services	9,391	—	—	9,391	7,252	—	—	7,252
Brokerage, exchange, clearance fees and payments for order flow, net	(169,279)	(8,479)	—	(177,758)	(61,903)	(10,024)	(1,536)	(73,463)
Interest and dividends, net	(14,114)	(2,113)	—	(16,227)	(8,889)	(2,754)	38	(11,605)
<b>Adjusted Net Trading Income</b>	<b>\$ 211,592</b>	<b>\$ 45,643</b>	<b>\$ —</b>	<b>\$ 257,235</b>	<b>\$ 102,491</b>	<b>\$ 39,348</b>	<b>\$ (120)</b>	<b>\$ 141,719</b>

	Nine Months Ended September 30, 2020				Nine Months Ended September 30, 2019			
	Global Equities	Global FICC, Options and Other	Unallocated (1)	Total Market Making	Global Equities	Global FICC, Options and Other	Unallocated (1)	Total Market Making
Trading income, net	\$ 1,754,309	\$ 234,867	\$ —	\$ 1,989,176	\$ 537,708	\$ 143,042	\$ (526)	\$ 680,224
Commissions, net and technology services	9,526	—	—	9,526	17,241	(28)	—	17,213
Brokerage, exchange, clearance fees and payments for order flow, net	(462,201)	(25,033)	—	(487,234)	(173,494)	(30,736)	570	(203,660)
Interest and dividends, net	(44,264)	(5,582)	—	(49,846)	(31,816)	(8,497)	(160)	(40,473)
<b>Adjusted Net Trading Income</b>	<b>\$ 1,257,370</b>	<b>\$ 204,252</b>	<b>\$ —</b>	<b>\$ 1,461,622</b>	<b>\$ 349,639</b>	<b>\$ 103,781</b>	<b>\$ (116)</b>	<b>\$ 453,304</b>

(1) Under our methodology for recording ‘Trading Income, Net’ in our condensed consolidated statements of comprehensive income, we recognize revenues based on the exit price of assets in accordance with applicable U.S. GAAP rules, and when we calculate Adjusted Net Trading Income for corresponding reporting periods, we start with trading income, net. By contrast, when we calculate Adjusted Net Trading Income by category, we recognize revenues on a daily basis, and as a result prices used in recognizing revenues may differ. Because we provide liquidity on a global basis, across asset classes and time zones, the timing of any particular Adjusted Net Trading Income calculation can defer or accelerate the amount in a particular asset class from one day to another, and, at the end of a reporting period, from one reporting period to another. The purpose of the Unallocated category is to ensure that Adjusted Net Trading Income by category sums to total Adjusted Net Trading Income, which can be reconciled to Trading Income, Net, calculated in accordance with GAAP. We do not allocate any resulting differences based on the timing of revenue recognition.

#### Sale of MATCHNow

On August 4, 2020, the Company completed the sale of MATCHNow to Cboe Global Markets, Inc. for total gross proceeds of \$60.6 million in cash. The Company recorded a gain on the sale of \$58.6 million, which is recorded in Other, net on the Condensed Consolidated Statements of Comprehensive Income for the three months ended September 30, 2020. The net gain on the sale of MATCHNow was \$56.2 million including one-time transaction related professional fees of \$2.5 million directly related to the sale.

#### Financial Condition

As of September 30, 2020, Virtu had \$666.0 million in cash, cash equivalents and restricted cash, and total long-term debt outstanding in an aggregate principal amount of \$1,669.7 million.

#### Earnings Conference Call Information

Virtu Financial will host a conference call to review its third quarter 2020 financial performance today, November 6th, at 8:30 a.m. ET. Members of the public may listen to the conference call through an audio webcast through the Investor Relations section of the firm’s website [ir.virtu.com/investor-relations](http://ir.virtu.com/investor-relations).

#### Website Information

We routinely post important information for investors on the Investor Relations section of our website, [ir.virtu.com/investor-relations](http://ir.virtu.com/investor-relations) and also from time to time may use social media channels, including our Twitter account ([twitter.com/virtufinancial](https://twitter.com/virtufinancial)) and our LinkedIn account ([linkedin.com/company/virtu-financial](https://linkedin.com/company/virtu-financial)), as an additional means of disclosing public information to investors, the media and others interested in us. It is possible that certain information we post on our website and on social media could be deemed to be material information, and we encourage investors, the media and others interested in us to review the business and financial information we post on our website and on the social media channels identified above, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website and our social media channels is not incorporated by reference into, and is not a part of, this document.





### Non-GAAP Financial Measures and Other Items

To supplement our unaudited condensed consolidated financial statements presented in accordance with generally accepted accounting principles ("GAAP"), we use the following non-GAAP measures of financial performance:

- "Adjusted Net Trading Income", which is the amount of revenue we generate from our market making activities, or trading income, net, plus commissions, net and technology services, plus interest and dividends income and expense, net, less direct costs associated with those revenues, including brokerage, exchange, clearance fees and payments for order flow, net. Management believes that this measurement is useful for comparing general operating performance from period to period. Although we use Adjusted Net Trading Income as a financial measure to assess the performance of our business, the use of Adjusted Net Trading Income is limited because it does not include certain material costs that are necessary to operate our business. Our presentation of Adjusted Net Trading Income should not be construed as an indication that our future results will be unaffected by revenues or expenses that are not directly associated with our market making activities.
- "EBITDA", which measures our operating performance by adjusting Net Income to exclude financing interest expense on our long-term borrowings, debt issue cost related to debt refinancing, prepayment, and commitment fees, depreciation and amortization, amortization of purchased intangibles and acquired capitalized software, and income tax expense, and "Adjusted EBITDA", which measures our operating performance by further adjusting EBITDA to exclude severance, transaction advisory fees and expenses, termination of office leases, charges related to share based compensation and other expenses, which includes reserves for legal matters, COVID-19 one-time costs and donations and Other net, and "Adjusted EBITDA Margin", which compares Adjusted EBITDA to Adjusted Net Trading Income.
- "Normalized Adjusted Net Income", "Normalized Adjusted Net Income before income taxes", "Normalized provision for income taxes", and "Normalized Adjusted EPS", which we calculate by adjusting Net Income to exclude certain items and other non-cash items, assuming that all vested and unvested non-voting common interest units in Virtu Financial LLC have been exchanged for shares of our Class A common stock, and applying an effective tax rate, which was approximately 24%.
- "Adjusted Operating Expenses", which we calculate by adjusting total operating expenses to exclude severance, share based compensation, reserves for legal matters, termination of office leases, connectivity early termination and write-down of assets.

Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, and Normalized Adjusted EPS and Adjusted Operating Expenses are non-GAAP financial measures used by management in evaluating operating performance and in making strategic decisions. Additional information provided regarding the breakdown of Total Adjusted Net Trading Income by category is also a non-GAAP financial measure but is not used by the Company in evaluating operating performance and in making strategic decisions. In addition, these non-GAAP financial measures or similar non-GAAP measures are used by research analysts, investment bankers and lenders to assess our operating performance. Management believes that the presentation of Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes and Normalized Adjusted EPS provide useful information to investors regarding our results of operations because they assist both investors and management in analyzing and benchmarking the performance and value of our business. Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes and Normalized Adjusted EPS provide indicators of general economic performance that are not affected by fluctuations in certain costs or other items. Accordingly, management believes that these measurements are useful for comparing general operating performance from period to period. Furthermore, our credit agreement contains tests based on metrics similar to Adjusted EBITDA. Other companies may define Adjusted Net Trading Income, Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes and Normalized Adjusted EPS differently, and as a result our measures of Adjusted Net Trading Income, Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes and Normalized Adjusted EPS may not be directly comparable to those of other companies. Although we use these non-GAAP financial measures as financial measures to assess the performance of our business, such use is limited because they do not include certain material costs necessary to operate our business.



Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted Net Income and Normalized Adjusted EPS should be considered in addition to, and not as a substitute for, Net Income in accordance with U.S. GAAP as a measure of performance. Our presentation of Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes and Normalized Adjusted EPS should not be construed as an indication that our future results will be unaffected by unusual or nonrecurring items. Adjusted Net Trading Income, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted EPS and our EBITDA-based measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- they do not reflect every cash expenditure, future requirements for capital expenditures or contractual commitments;
- our EBITDA-based measures do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payment on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced or require improvements in the future, and our EBITDA-based measures do not reflect any cash requirement for such replacements or improvements;
- they are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations; and
- they do not reflect limitations on our costs related to transferring earnings from our subsidiaries to us.

Because of these limitations, Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted Net Income and Normalized Adjusted EPS are not intended as alternatives to Net Income as indicators of our operating performance and should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. We compensate for these limitations by using Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted Net Income and Normalized Adjusted EPS along with other comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of operating performance. These U.S. GAAP measurements include Net Income, cash flows from operations and cash flow data. See below a reconciliation of each non-GAAP measure to the most directly comparable GAAP measure.



**Virtu Financial, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income (Unaudited)**

(in thousands, except share and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Revenues:</b>				
Trading income, net	\$ 441,295	\$ 220,148	\$ 1,987,756	\$ 683,611
Interest and dividends income	10,932	23,352	46,788	76,645
Commissions, net and technology services	133,853	139,627	452,333	359,894
Other, net	70,032	(787)	75,758	(2,277)
Total revenues	656,112	382,340	2,562,635	1,117,873
<b>Operating Expenses:</b>				
Brokerage, exchange, clearance fees and payments for order flow, net	196,448	98,789	573,769	285,890
Communication and data processing	51,647	59,767	162,336	156,004
Employee compensation and payroll taxes	35,798	90,595	327,091	282,135
Interest and dividends expense	27,374	34,546	97,656	116,739
Operations and administrative	24,612	25,333	73,480	76,293
Depreciation and amortization	16,656	17,598	50,728	48,859
Amortization of purchased intangibles and acquired capitalized software	18,265	18,908	56,177	50,436
Termination of office leases	60	1,278	343	66,490
Debt issue cost related to debt refinancing, prepayment and commitment fees	9,916	—	27,282	7,894
Transaction advisory fees and expenses	2,463	7,163	2,737	24,074
Financing interest expense on long-term borrowings	20,358	34,191	67,764	91,669
Total operating expenses	403,597	388,168	1,439,363	1,206,483
Income (loss) before income taxes and noncontrolling interest	252,515	(5,828)	1,123,272	(88,610)
Provision for (benefit from) income taxes	52,807	(644)	200,044	(14,322)
Net income (loss)	\$ 199,708	\$ (5,184)	\$ 923,228	\$ (74,288)
Noncontrolling interest	(82,999)	872	(386,311)	33,412
Net income (loss) available for common stockholders	\$ 116,709	\$ (4,312)	\$ 536,917	\$ (40,876)
<b>Earnings (loss) per share:</b>				
Basic	\$ 0.92	\$ (0.04)	\$ 4.31	\$ (0.38)
Diluted	\$ 0.92	\$ (0.04)	\$ 4.29	\$ (0.38)
<b>Weighted average common shares outstanding</b>				
Basic	122,686,931	117,548,769	121,328,895	112,602,934
Diluted	123,772,005	117,548,769	121,939,839	112,602,934
<b>Comprehensive income:</b>				
Net income (loss)	\$ 199,708	\$ (5,184)	\$ 923,228	\$ (74,288)
<b>Other comprehensive income (loss)</b>				
Foreign exchange translation adjustment, net of taxes	7,812	(7,197)	3,860	(10,057)
Net change in unrealized cash flow hedges gains (losses), net of taxes	314	—	(64,425)	—
Comprehensive income (loss)	\$ 207,834	\$ (12,381)	\$ 862,663	\$ (84,345)
Less: Comprehensive income (loss) attributable to noncontrolling interest	(86,761)	3,598	(360,302)	37,221
Comprehensive income (loss) available for common stockholders	\$ 121,073	\$ (8,783)	\$ 502,361	\$ (47,124)



**Virtu Financial, Inc. and Subsidiaries**  
**Reconciliation to Non-GAAP Operating Data (Unaudited)**

The following tables reconcile Condensed Consolidated Statements of Comprehensive Income to arrive at Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, and selected Operating Margins.

Three Months Ended September 30,	Nine Months Ended September 30,			
(in thousands, except percentages)	2020	2019	2020	2019
<b>Reconciliation of Trading income, net to Adjusted Net Trading Income</b>				
Trading income, net	\$ 441,295	\$ 220,148	\$ 1,987,756	\$ 683,611
Commissions, net and technology services	133,853	139,627	452,333	359,894
Interest and dividends income	10,932	23,352	46,788	76,645
Brokerage, exchange, clearance fees and payments for order flow, net	(196,448)	(98,789)	(573,769)	(285,890)
Interest and dividends expense	(27,374)	(34,546)	(97,656)	(116,739)
<b>Adjusted Net Trading Income</b>	<b>\$ 362,258</b>	<b>\$ 249,792</b>	<b>\$ 1,815,452</b>	<b>\$ 717,521</b>
<b>Reconciliation of Net Income to EBITDA and Adjusted EBITDA</b>				
Net income (loss)	199,708	(5,184)	923,228	(74,288)
Financing interest expense on long-term borrowings	20,358	34,191	67,764	91,669
Debt issue cost related to debt refinancing, prepayment and commitment fees	9,916	—	27,282	7,894
Depreciation and amortization	16,656	17,598	50,728	48,859
Amortization of purchased intangibles and acquired capitalized software	18,265	18,908	56,177	50,436
Provision for income taxes	52,807	(644)	200,044	(14,322)
<b>EBITDA</b>	<b>\$ 317,710</b>	<b>\$ 64,869</b>	<b>\$ 1,325,223</b>	<b>\$ 110,248</b>
Severance	3,030	13,403	7,192	74,627
Transaction advisory fees and expenses	2,463	7,163	2,737	24,074
Termination of office leases	60	1,278	343	66,490
Gain on sale of MATCHNow	(58,652)	—	(58,652)	—
Other	(11,138)	787	(10,157)	2,278
Share based compensation	(4,740)	16,374	37,510	39,564
<b>Adjusted EBITDA</b>	<b>\$ 248,733</b>	<b>\$ 103,874</b>	<b>\$ 1,304,196</b>	<b>\$ 317,281</b>
<b>Selected Operating Margins</b>				
Net Income Margin (1)	55.1%	(2.1)%	50.9%	(10.4)%
EBITDA Margin (2)	87.7%	26.0%	73.0%	15.4%
Adjusted EBITDA Margin (3)	68.7%	41.6%	71.8%	44.2%

1 Calculated by dividing net income by Adjusted Net Trading Income.

2 Calculated by dividing EBITDA by Adjusted Net Trading Income.

3 Calculated by dividing Adjusted EBITDA by Adjusted Net Trading Income.



**Virtu Financial, Inc. and Subsidiaries**  
**Reconciliation to Non-GAAP Operating Data (Unaudited)**  
**(Continued)**

The following tables reconcile Condensed Consolidated Statements of Comprehensive Income to arrive at Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted Net Income and Normalized Adjusted EPS.

(in thousands, except share and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
<b>Reconciliation of Net Income to Normalized Adjusted Net Income</b>				
Net income (loss)	\$ 199,708	\$ (5,184)	\$ 923,228	\$ (74,288)
Provision for (benefit from) income taxes	52,807	(644)	200,044	(14,322)
Income (loss) before income taxes and noncontrolling interest	\$ 252,515	\$ (5,828)	\$ 1,123,272	\$ (88,610)
Amortization of purchased intangibles and acquired capitalized software	18,265	18,908	56,177	50,436
Debt issue cost related to debt refinancing, prepayment and commitment fees	9,916	—	27,282	7,894
Severance	3,030	13,403	7,192	74,627
Transaction advisory fees and expenses	2,463	7,163	2,737	24,074
Termination of office leases	60	1,278	343	66,490
Gain on sale of MATCHNow	(58,652)	—	(58,652)	—
Other	(11,138)	787	(10,157)	2,278
Share based compensation	(4,740)	16,374	37,510	39,564
Normalized Adjusted Net Income before income taxes	\$ 211,719	\$ 52,085	\$ 1,185,704	\$ 176,753
Normalized provision for income taxes (1)	50,813	12,500	284,569	42,421
<b>Normalized Adjusted Net Income</b>	<b>\$ 160,906</b>	<b>\$ 39,585</b>	<b>\$ 901,135</b>	<b>\$ 134,332</b>
Weighted Average Adjusted shares outstanding (2)	198,097,715	192,618,019	196,736,969	192,959,477
<b>Normalized Adjusted EPS</b>	<b>\$ 0.81</b>	<b>\$ 0.21</b>	<b>\$ 4.58</b>	<b>\$ 0.70</b>

(1) Reflects U.S. federal, state, and local income tax rate applicable to corporations of approximately 24% for 2020 and 24% for 2019.

(2) Assumes that (1) holders of all vested and unvested Virtu Financial LLC Units (together with corresponding shares of Class C common stock), have exercised their right to exchange such Virtu Financial LLC Units for shares of Class A common stock on a one-for-one basis, and (2) holders of all Virtu Financial LLC Units (together with corresponding shares of Class D common stock), have exercised their right to exchange such Virtu Financial LLC Units for shares of Class B common stock on a one-for-one basis, and subsequently exercised their right to convert the shares of Class B common stock into shares of Class A common stock on a one-for-one basis.



**Virtu Financial, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Financial Condition (Unaudited)**

(in thousands, except share data)	September 30, 2020	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 567,677	\$ 732,164
Cash and securities segregated under regulations and other	98,285	41,116
Securities borrowed	1,325,843	1,928,763
Securities purchased under agreements to resell	17,413	143,032
Receivables from broker-dealers and clearing organizations	1,881,881	1,318,584
Receivables from customers	176,939	103,531
Trading assets, at fair value	2,817,197	2,765,690
Property, equipment and capitalized software, net	116,550	116,089
Operating lease right-of-use assets	287,069	314,526
Goodwill	1,148,926	1,148,926
Intangibles (net of accumulated amortization)	473,317	529,638
Deferred taxes	192,467	214,671
Other assets	339,161	252,640
<b>Total assets</b>	<b>9,442,725</b>	<b>9,609,370</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Short-term borrowings, net	123,993	73,486
Securities loaned	705,789	1,600,099
Securities sold under agreements to repurchase	466,995	340,742
Payables to broker-dealers and clearing organizations	675,032	826,750
Payables to customers	141,980	89,719
Trading liabilities, at fair value	2,790,135	2,497,958
Tax receivable agreement obligations	255,996	269,282
Accounts payable and accrued expenses and other liabilities	508,543	399,168
Operating lease liabilities	330,626	365,364
Long-term borrowings, net	1,636,829	1,917,866
<b>Total liabilities</b>	<b>7,635,918</b>	<b>8,380,434</b>
<b>Total equity</b>	<b>1,806,807</b>	<b>1,228,936</b>
<b>Total liabilities and equity</b>	<b>\$ 9,442,725</b>	<b>\$ 9,609,370</b>

<b>Ownership of Virtu Financial LLC Interests:</b>	<b>As of September 30, 2020</b>	
	<b>Interests</b>	<b>%</b>
Virtu Financial, Inc. - Class A Common Stock and Restricted Stock Units	126,538,811	64.2%
Non-controlling Interests (Virtu Financial LLC)	70,558,679	35.8%
<b>Total Virtu Financial LLC Interests</b>	<b>197,097,490</b>	<b>100.0%</b>



## **About Virtu Financial, Inc.**

Virtu is a leading financial services firm that leverages cutting-edge technology to provide execution services and data, analytics and connectivity products to its clients and deliver liquidity to the global markets. Leveraging its global market making expertise and infrastructure, Virtu provides a robust product suite including offerings in execution, liquidity sourcing, analytics and broker-neutral, multi-dealer platforms in workflow technology. Virtu's product offerings allow clients to trade on hundreds of venues across 50+ countries and in multiple asset classes, including global equities, ETFs, foreign exchange, futures, fixed income and myriad other commodities. In addition, Virtu's integrated, multi-asset analytics platform provides a range of pre and post-trade services, data products and compliance tools that clients rely upon to invest, trade and manage risk across global markets.

## **Cautionary Note Regarding Forward-Looking Statements**

This press release may contain "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements regarding Virtu Financial, Inc.'s ("Virtu's", the "Company's" or "our") business that are not historical facts are forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. The Company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, and if the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties, some or all of which are not predictable or within Virtu's control, that could cause actual performance or results to differ materially from those expressed in the statements. Those risks and uncertainties include, without limitation: risks relating to the COVID-19 pandemic, including the possible effects of the economic conditions worldwide resulting from the COVID-19 pandemic and governmental and other responses thereto; fluctuations in trading volume and volatilities in the markets in which we operate; the ability of our trading counterparties and various clearing houses to perform their obligations to us; the performance and reliability of our customized trading platform; the risk of material trading losses from our market making activities; swings in valuations in securities or other instruments in which we hold positions; increasing competition and consolidation in our industry; the effect of the acquisition of Investment Technology Group, Inc. ("ITG") on existing business relationships, operating results, and ongoing business operations generally; the significant costs and significant indebtedness that we have incurred in connection with the acquisition of ITG; the risk that we may encounter significant difficulties or delays in integrating the two businesses and the anticipated benefits, cost savings and synergies or capital release may not be achieved; the assumption of potential liabilities relating to ITG's business; the risk that cash flow from our operations and other available sources of liquidity will not be sufficient to fund our various ongoing obligations, including operating expenses, capital expenditures, debt service and dividend payments; regulatory and legal uncertainties and potential changes associated with our industry, particularly in light of increased attention from media, regulators and lawmakers to market structure and related issues; potential adverse results from legal or regulatory proceedings; our ability to remain technologically competitive and to ensure that the technology we utilize is not vulnerable to security risks, hacking and cyber-attacks; risks associated with third party software and technology infrastructure. For a discussion of the risks and uncertainties which could cause actual results to differ from those contained in forward-looking statements, see Virtu's Securities and Exchange Commission filings, including but not limited to Virtu's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

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