
**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 March 31, 2024
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 000-23554

StoneX Group Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

59-2921318
(I.R.S. Employer
Identification No.)

230 Park Ave, 10th Floor
New York, NY 10169
(Address of principal executive offices) (Zip Code)
(212) 485-3500
(Registrant's telephone number, including area code)

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, \$0.01 par value	SNEX	The Nasdaq Stock Market LLC

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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

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 May 6, 2024, there were 31,716,068 shares of the registrant's common stock outstanding.

StoneX Group Inc.
Quarterly Report on Form 10-Q for the Quarterly Period Ended March 31, 2024
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

StoneX Group Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except par value and share amounts)	March 31, 2024	September 30, 2023
ASSETS		
Cash and cash equivalents	\$ 1,305.1	\$ 1,108.3
Restricted cash	363.0	—
Cash, securities and other assets segregated under federal and other regulations (including \$4.1 million and \$5.8 million at fair value at March 31, 2024 and September 30, 2023, respectively)	2,838.4	2,426.3
Collateralized transactions:		
Securities purchased under agreements to resell	3,744.6	2,979.5
Securities borrowed	1,430.6	1,129.1
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net (including \$4,157.3 million and \$4,248.3 million at fair value at March 31, 2024 and September 30, 2023, respectively)	7,706.5	7,443.8
Receivable from clients, net (including \$(3.4) million and \$(7.9) million at fair value at March 31, 2024 and September 30, 2023, respectively)	1,293.4	683.1
Notes receivable, net	—	5.2
Income taxes receivable	32.9	25.1
Financial instruments owned, at fair value (includes securities pledged as collateral that can be sold or repledged of \$1,860.8 million and \$1,466.4 million at March 31, 2024 and September 30, 2023, respectively)	5,666.5	5,044.8
Physical commodities inventory, net (including \$355.2 million and \$386.5 million at fair value at March 31, 2024 and September 30, 2023, respectively)	616.9	537.3
Deferred tax asset	42.3	45.4
Property and equipment, net	134.2	123.5
Operating right of use assets	146.4	122.1
Goodwill and intangible assets, net	79.5	82.4
Other assets	250.7	182.8
Total assets	\$ 25,651.0	\$ 21,938.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and other accrued liabilities (including \$1.7 million and \$1.5 million at fair value at March 31, 2024 and September 30, 2023, respectively)	\$ 491.8	\$ 533.0
Operating lease liabilities	181.9	149.3
Payables to:		
Clients (including \$585.6 million and \$79.8 million at fair value at March 31, 2024 and September 30, 2023, respectively)	11,165.4	9,976.0
Broker-dealers, clearing organizations and counterparties (including \$(21.3) million and \$10.2 million at fair value at March 31, 2024 and September 30, 2023, respectively)	391.7	442.4
Lenders under loans	253.6	341.0
Senior secured borrowings, net	885.9	342.1
Income taxes payable	36.6	38.2
Deferred tax liability	8.2	8.1
Collateralized transactions:		
Securities sold under agreements to repurchase	6,011.7	4,526.6
Securities loaned	1,458.6	1,117.3
Financial instruments sold, not yet purchased, at fair value	3,223.0	3,085.6
Total liabilities	24,108.4	20,559.6
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, \$0.01 par value. Authorized 1,000,000 shares; no shares issued or outstanding	—	—
Common stock, \$0.01 par value. Authorized 200,000,000 shares; 35,561,232 issued and 31,650,247 outstanding at March 31, 2024 and 35,105,852 issued and 31,194,867 outstanding at September 30, 2023	0.4	0.4
Common stock in treasury, at cost. 3,910,985 shares at March 31, 2024 and September 30, 2023	(69.3)	(69.3)
Additional paid-in-capital	390.8	371.7
Retained earnings	1,250.3	1,128.1
Accumulated other comprehensive loss, net	(29.6)	(51.8)
Total equity	1,542.6	1,379.1
Total liabilities and stockholders' equity	\$ 25,651.0	\$ 21,938.7

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Income Statements
(Unaudited)

(in millions, except share and per share amounts)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Revenues:				
Sales of physical commodities	\$ 21,321.9	\$ 15,506.2	\$ 40,142.8	\$ 27,909.6
Principal gains, net	281.8	256.6	575.6	510.8
Commission and clearing fees	136.2	130.7	265.9	248.7
Consulting, management, and account fees	40.2	40.7	78.7	80.5
Interest income	326.0	226.8	616.1	423.0
Total revenues	22,106.1	16,161.0	41,679.1	29,172.6
Cost of sales of physical commodities	21,287.9	15,456.6	40,076.7	27,813.4
Operating revenues	818.2	704.4	1,602.4	1,359.2
Transaction-based clearing expenses	78.5	69.2	152.8	136.5
Introducing broker commissions	42.0	42.2	81.1	79.0
Interest expense	259.2	178.7	495.2	333.0
Interest expense on corporate funding	16.2	14.9	29.4	29.3
Net operating revenues	422.3	399.4	843.9	781.4
Compensation and other expenses:				
Compensation and benefits	234.4	232.5	452.5	431.5
Trading systems and market information	19.4	17.8	38.1	35.5
Professional fees	19.3	11.3	35.0	27.2
Non-trading technology and support	18.0	16.2	34.9	31.0
Occupancy and equipment rental	13.6	10.6	21.3	19.5
Selling and marketing	15.6	14.2	27.3	27.1
Travel and business development	7.1	5.8	14.2	11.5
Communications	2.3	2.1	4.5	4.3
Depreciation and amortization	12.3	13.1	23.5	25.8
Bad debts (recoveries), net	(0.4)	3.0	(0.7)	3.7
Other	15.3	15.3	32.2	34.7
Total compensation and other expenses	356.9	341.9	682.8	651.8
Gain on acquisition and other gains	6.9	—	6.9	23.5
Income before tax	72.3	57.5	168.0	153.1
Income tax expense	19.2	15.8	45.8	34.8
Net income	\$ 53.1	\$ 41.7	\$ 122.2	\$ 118.3
Earnings per share:				
Basic	\$ 1.68	\$ 1.35	\$ 3.88	\$ 3.85
Diluted	\$ 1.63	\$ 1.30	\$ 3.76	\$ 3.71
Weighted-average number of common shares outstanding:				
Basic	30,473,856	29,895,041	30,352,824	29,775,078
Diluted	31,498,943	30,931,792	31,373,739	30,830,870

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Net income	\$ 53.1	\$ 41.7	\$ 122.2	\$ 118.3
Other comprehensive (loss)/gain, net of tax:				
Foreign currency translation adjustment	(4.6)	3.2	2.3	11.4
Cash flow hedges	(0.8)	14.3	19.9	29.0
Total other comprehensive (loss)/gain, net of tax	(5.4)	17.5	22.2	40.4
Comprehensive income	\$ 47.7	\$ 59.2	\$ 144.4	\$ 158.7

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Six Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 122.2	\$ 118.3
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	23.5	25.8
Amortization of right of use assets	9.1	5.7
Bad debts (recoveries), net	(0.7)	3.7
Deferred income taxes	(3.3)	1.8
Amortization of debt issuance costs	2.6	2.8
Amortization of share-based compensation	16.8	14.9
Gain on acquisition	—	(23.5)
Changes in operating assets and liabilities, net:		
Securities and other assets segregated under federal and other regulations	1.7	579.6
Securities purchased under agreements to resell	(765.1)	(951.2)
Securities borrowed	(301.5)	456.1
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net	133.2	(1,314.1)
Receivables from clients, net	(609.6)	(363.3)
Income taxes receivable	(7.7)	3.7
Financial instruments owned, at fair value	(616.3)	(859.3)
Physical commodities inventory, net	(79.6)	(36.1)
Other assets	(68.7)	(45.2)
Accounts payable and other accrued liabilities	(41.7)	60.1
Operating lease liabilities	(0.8)	(0.5)
Payables to clients	1,189.4	274.1
Payables to broker-dealers, clearing organizations, and counterparties	(50.7)	(101.8)
Income taxes payable	(1.5)	9.2
Securities sold under agreements to repurchase	1,485.1	1,827.5
Securities loaned	341.3	(425.0)
Financial instruments sold, not yet purchased, at fair value	158.7	134.0
Net cash provided by/(used in) operating activities	936.4	(602.7)
Cash flows from investing activities:		
Proceeds from notes receivable	5.0	—
Acquisition of businesses and assets, net of cash received	(1.1)	(6.1)
Sale of exchange memberships and common stock	0.1	—
Purchases of property and equipment	(30.1)	(22.5)
Net cash used in investing activities	(26.1)	(28.6)
Cash flows from financing activities:		
Net change in payables to lenders under loans with maturities 90 days or less	(87.4)	67.0
Proceeds from payables to lenders under loans with maturities greater than 90 days	—	150.0
Repayments of payables to lenders under loans with maturities greater than 90 days	—	(151.0)
Proceeds from issuance of senior secured notes	550.0	—
Deferred payments on acquisitions	—	(17.2)
Debt issuance costs	(7.9)	—
Shares withheld to cover taxes on vesting of equity awards	(1.2)	—
Exercise of stock options	3.5	3.6
Net cash provided by financing activities	457.0	52.4
Effect of exchange rates on cash, restricted cash, segregated cash, cash equivalents, and segregated cash equivalents	2.2	11.1
Net increase/(decrease) in cash, restricted cash, segregated cash, cash equivalents, and segregated cash equivalents	1,369.5	(567.8)
Cash, restricted cash, segregated cash, cash equivalents, and segregated cash equivalents at beginning of period	6,041.7	6,285.1
Cash, restricted cash, segregated cash, cash equivalents, and segregated cash equivalents at end of period	\$ 7,411.2	\$ 5,717.3
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 548.6	\$ 337.5
Income taxes paid, net of cash refunds	\$ 56.0	\$ 19.5
Supplemental disclosure of non-cash investing and financing activities:		
Additional consideration payable related to acquisition of customer list	\$ 0.8	\$ —
Identified intangible assets and goodwill on acquisitions	\$ —	\$ 10.3
Additional consideration payable related to acquisitions, net	\$ —	\$ 28.7
Acquisition of business:		
Assets acquired	\$ —	\$ 143.0
Liabilities assumed	—	84.1
Total net assets acquired	\$ —	\$ 58.9

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Cash Flows - Continued
(Unaudited)

The following table provides a reconciliation of cash, segregated cash, cash equivalents, and segregated cash equivalents reported within the Condensed Consolidated Balance Sheets.

(in millions)	March 31,	
	2024	2023
Cash and cash equivalents	\$ 1,305.1	\$ 1,263.9
Restricted cash ⁽³⁾	363.0	—
Cash segregated under federal and other regulations ⁽¹⁾	2,834.3	2,486.4
Securities segregated under federal and other regulations ⁽¹⁾	—	0.2
Cash segregated and deposited with or pledged to exchange-clearing organizations and other futures commission merchants (“FCMs”) ⁽²⁾	1,362.9	1,032.5
Securities segregated and pledged to exchange-clearing organizations ⁽²⁾	1,545.9	934.3
Total cash, restricted cash, segregated cash, cash equivalents, and segregated cash equivalents shown in the condensed consolidated statements of cash flows	\$ 7,411.2	\$ 5,717.3

⁽¹⁾ Represents segregated client cash held at third-party banks. Excludes segregated commodity warehouse receipts, segregated U.S. Treasury obligations with original or acquired maturities of greater than 90 days, and other assets of \$4.1 million and \$25.7 million as of March 31, 2024 and 2023, respectively, included within *Cash, securities and other assets segregated under federal and other regulations* on the Condensed Consolidated Balance Sheets.

⁽²⁾ Represents segregated client cash and U.S. Treasury obligations on deposit with, or pledged to, exchange clearing organizations and other FCMs. Excludes non-segregated cash, segregated U.S. Treasury obligations pledged to exchange-clearing organizations with original or acquired maturities greater than 90 days, and other assets of \$4,797.7 million and \$5,649.5 million as of March 31, 2024 and 2023, respectively, included within *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net* on the Condensed Consolidated Balance Sheets.

⁽³⁾ Represents restricted cash held in an escrow account, as further described in Note 1 and Note 9.

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

Three Months Ended March 31, 2023						
(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total
Balances as of December 31, 2022	\$ 0.4	\$ (69.3)	\$ 347.0	\$ 966.2	\$ (67.7)	\$ 1,176.6
Net income	—	—	—	41.7	—	41.7
Other comprehensive gain, net of tax	—	—	—	—	17.5	17.5
Exercise of stock options	—	—	2.1	—	—	2.1
Share-based compensation	—	—	9.4	—	—	9.4
Balances as of March 31, 2023	\$ 0.4	\$ (69.3)	\$ 358.5	\$ 1,007.9	\$ (50.2)	\$ 1,247.3

Three Months Ended March 31, 2024						
(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total
Balances as of December 31, 2023	\$ 0.4	\$ (69.3)	\$ 378.7	\$ 1,197.2	\$ (24.2)	\$ 1,482.8
Net income	—	—	—	53.1	—	53.1
Other comprehensive loss, net of tax	—	—	—	—	(5.4)	(5.4)
Exercise of stock options	—	—	3.0	—	—	3.0
Shares withheld to cover taxes on vesting of equity awards	—	—	(0.1)	—	—	(0.1)
Share-based compensation	—	—	9.2	—	—	9.2
Balances as of March 31, 2024	\$ 0.4	\$ (69.3)	\$ 390.8	\$ 1,250.3	\$ (29.6)	\$ 1,542.6

Six Months Ended March 31, 2023						
(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total
Balances as of September 30, 2022	\$ 0.4	\$ (69.3)	\$ 340.0	\$ 889.6	\$ (90.6)	\$ 1,070.1
Net income	—	—	—	118.3	—	118.3
Other comprehensive gain, net of tax	—	—	—	—	40.4	40.4
Exercise of stock options	—	—	3.6	—	—	3.6
Share-based compensation	—	—	14.9	—	—	14.9
Balances as of March 31, 2023	\$ 0.4	\$ (69.3)	\$ 358.5	\$ 1,007.9	\$ (50.2)	\$ 1,247.3

Six Months Ended March 31, 2024						
(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total
Balances as of September 30, 2023	\$ 0.4	\$ (69.3)	\$ 371.7	\$ 1,128.1	\$ (51.8)	\$ 1,379.1
Net income	—	—	—	122.2	—	122.2
Other comprehensive gain, net of tax	—	—	—	—	22.2	22.2
Exercise of stock options	—	—	3.5	—	—	3.5
Shares withheld to cover taxes on vesting of equity awards	—	—	(1.2)	—	—	(1.2)
Share-based compensation	—	—	16.8	—	—	16.8
Balances as of March 31, 2024	\$ 0.4	\$ (69.3)	\$ 390.8	\$ 1,250.3	\$ (29.6)	\$ 1,542.6

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Consolidation and Accounting Standards Adopted

StoneX Group Inc., a Delaware corporation, and its consolidated subsidiaries (collectively “StoneX” or “the Company”), is a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service, and deep expertise. The Company strives to be the one trusted partner to its clients, providing its network, products and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their business performance. The Company offers a vertically integrated product suite, beginning with high-touch and electronic access to nearly all major financial markets worldwide, as well as numerous liquidity venues. The Company delivers access and services through the entire lifecycle of a trade, by delivering deep market expertise and on-the-ground intelligence, best execution, and finally post-trade clearing, custody, as well as settlement services. The Company has created revenue streams, diversified by asset class, client type and geography, that earn commissions, spreads, and principal revenue as clients execute transactions across its financial network, while monetizing non-trading client activity including interest and fee earnings on client balances as well as earning consulting fees for market intelligence and risk management services.

The Company provides its services to a diverse group of clients in more than 180 countries. These clients include more than 54,000 commercial, institutional, and payments clients and over 400,000 retail clients. The Company’s clients include commercial entities, asset managers, regional, national and introducing broker-dealers, insurance companies, brokers, institutional investors and professional traders, commercial and investment banks and government and non-governmental organizations (“NGOs”).

The Company’s common stock trades on The NASDAQ Global Select Market under the symbol “SNEX”.

Basis of Presentation and Consolidation

The accompanying unaudited Condensed Consolidated Balance Sheet as of September 30, 2023, which has been derived from the audited consolidated balance sheet of September 30, 2023, and the unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) have been condensed or omitted pursuant to those rules and regulations. The Company believes that the included disclosures clearly and fairly present the information within. In management’s opinion, all adjustments, generally consisting of normal accruals, considered necessary to fairly present the condensed consolidated financial statements for the interim periods presented have been reflected as required by Rule 10-01 of Regulation S-X.

Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. These condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes contained in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2023, as filed with the SEC.

These condensed consolidated financial statements include the accounts of StoneX Group Inc. and all entities in which the Company has a controlling financial interest. All material intercompany transactions and balances have been eliminated in consolidation.

The Company’s fiscal year end is September 30, and its fiscal quarters end on December 31, March 31, June 30 and September 30. Unless otherwise stated, all dates refer to fiscal years and fiscal interim periods.

Preparing condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as of the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant of these estimates and assumptions relate to fair value measurement for financial instruments, revenue recognition, valuation of inventories, and income taxes. These estimates are based on management’s best knowledge of current events and actions the Company may undertake in the future. The Company reviews all significant estimates affecting the financial statements on a recurring basis and records the effect of any necessary adjustments prior to financial statement issuance. Although these and other estimates and assumptions are based on the best available information, actual results could be materially different from these estimates. Estimates and assumptions were considered and made in context with the information reasonably available to the Company as of March 31, 2024 and through the date of this Form 10-Q.

In the Condensed Consolidated Income Statements, the total revenues reported combine gross revenues for the physical commodities business and net revenues for all other businesses. The subtotal *Operating revenues* in the Condensed

Consolidated Income Statements is calculated by deducting *Cost of sales of physical commodities* from *Total revenues*. The subtotal *Net operating revenues* in the Condensed Consolidated Income Statements is calculated as *Operating revenues* less *Transaction-based clearing expenses*, *Introducing broker commissions*, *Interest expense*, and *Interest expense on corporate funding*. *Transaction-based clearing expenses* represent variable expenses paid to executing brokers, exchanges, clearing organizations and banks in relation to transactional volumes. *Introducing broker commissions* include commission paid to certain non-employee third parties that have introduced clients to the Company. *Net operating revenues* represent revenues available to pay variable compensation to risk management consultants and traders, direct non-variable expenses, as well as variable and non-variable expenses to operational and administrative employees.

Common Stock Split

On November 7, 2023, the Company's Board of Directors approved a three-for-two split of its common stock, to be effected as a stock dividend. The stock split was effective on November 24, 2023, and entitled each shareholder of record as of November 17, 2023 to receive one additional share of common stock for every two shares owned and cash in lieu of fractional shares.

The stock split increased the number of shares of common stock outstanding. All share and per share amounts contained herein have been retroactively adjusted for the stock split.

The shares of common stock retain a par value of \$0.01 per share. Accordingly, an amount equal to the par value of the increased shares resulting from the stock split was reclassified from *Additional paid-in-capital* to *Common stock*.

Restricted Cash

During the three months ended March 31, 2024, the Company established an escrow account designated to hold immediately available funds deposited by the Company and distribute the same amount on June 15, 2024, the intended redemption date, for the settlement of its 8.625% Senior Secured Notes due 2025. The Company has classified these funds as restricted because the funding is irrevocable, and the Company does not have the ability to withdraw the funds. See Note 9.

Gain on Acquisition

In October 2022, the Company's wholly owned subsidiary, StoneX Netherlands B.V., acquired CDI-Societe Cotonniere De Distribution S.A. The fair value of identifiable net assets acquired was approximately \$66.2 million and the purchase price was approximately \$42.7 million. The value that the Company acquired in excess of consideration paid resulted in a gain on acquisition of \$23.5 million for the six months ended March 31, 2023.

Accounting Standards

The Company did not adopt any new accounting standards during the three and six months ended March 31, 2024.

Note 2 – Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") using the two-class method, which requires all outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends and therefore participate in undistributed earnings with common stockholders be included in computing earnings per share. Under the two-class method, net income is reduced by the amount of dividends declared in the period for each class of common stock and participating security. The remaining undistributed earnings are then allocated to common stock and participating securities, based on their respective rights to receive dividends. Restricted stock awards granted to certain employees and directors contain non-forfeitable rights to dividends at the same rate as common stock and are considered participating securities. Basic EPS has been computed by dividing net income by the weighted-average number of common shares outstanding.

The following is a reconciliation of the numerator and denominator of the diluted earnings per share computations for the periods presented below.

(in millions, except share amounts)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Numerator:				
Net income	\$ 53.1	\$ 41.7	\$ 122.2	\$ 118.3
Less: Allocation to participating securities	(1.9)	(1.5)	(4.3)	(4.0)
Net income allocated to common stockholders	\$ 51.2	\$ 40.2	\$ 117.9	\$ 114.3
Denominator:				
Weighted average number of:				
Common shares outstanding	30,473,856	29,895,041	30,352,824	29,775,078
Dilutive potential common shares outstanding:				
Share-based awards	1,025,087	1,036,751	1,020,915	1,055,792
Diluted weighted-average common shares	31,498,943	30,931,792	31,373,739	30,830,870

The dilutive effect of share-based awards is reflected in diluted net income per share by applying the treasury stock method, which includes consideration of unamortized share-based compensation expense.

Options to purchase 1,849,986 and 185,058 shares of common stock for the three months ended March 31, 2024 and 2023, respectively, were excluded from the calculation of diluted earnings per share as they would have been anti-dilutive. Options to purchase 1,321,535 and 272,094 shares of common stock for the six months ended March 31, 2024 and 2023, respectively, were excluded from the calculation of diluted earnings per share as they would have been anti-dilutive.

Note 3 – Assets and Liabilities, at Fair Value

Fair value is defined by U.S. GAAP as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants on the measurement date.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Even when market assumptions are not readily available, the Company is required to develop a set of assumptions that reflect those that market participants would use in pricing an asset or liability at the measurement date. The Company uses prices and inputs that are current as of measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Company has designed independent price verification controls to mitigate risks related to the reasonableness of such prices.

Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A market is active if there are sufficient transactions on an ongoing basis to provide current pricing information for the asset or liability, pricing information is released publicly, and price quotations do not vary substantially either over time or among market participants. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Relevant guidance requires the Company to consider counterparty credit risk of all parties to outstanding derivative instruments that would be considered by a market participant in the transfer or settlement of such contracts (exit price). The Company's exposure to credit risk on derivative financial instruments principally relates to the portfolio of Over-the-counter ("OTC") derivative contracts as all exchange-traded contracts held can be settled on an active market with a credit guarantee from the respective exchange. The Company requires each counterparty to deposit margin collateral for all OTC instruments and is also required to deposit margin collateral with counterparties. The Company has assessed the nature of these deposits and used its discretion to adjust each based on the underlying credit considerations for the counterparty and determined that the collateral deposits minimize the exposure to counterparty credit risk in the evaluation of the fair value of OTC instruments as determined by a market participant.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, the Company groups its assets and liabilities measured at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Valuation is based upon unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Level 1 consists of financial assets and liabilities whose fair values are estimated using quoted market prices.

Level 2 - Valuation is based upon quoted prices for identical or similar assets or liabilities in markets that are less active, that is, markets in which there are few transactions for the asset or liability that are observable for substantially the full term. Included in Level 2 are those financial assets and liabilities for which fair values are estimated using models or other valuation methodologies. These models are primarily industry-standard models that consider various observable inputs, including time value, yield curve, volatility factors, observable current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures.

Level 3 - Valuation is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). Level 3 comprises financial assets and liabilities whose fair value is estimated based on internally developed models or methodologies utilizing significant inputs that are not readily observable from objective sources. Level 3 includes contingent liabilities that have been valued using an income approach based upon management developed discounted cash flow projections, which are an unobservable input.

Fair value of financial and nonfinancial assets and liabilities that are carried on the Condensed Consolidated Balance Sheets at fair value on a recurring basis

Cash and cash equivalents reported at fair value on a recurring basis includes certificates of deposit and money market mutual funds, which are stated at cost plus accrued interest, which approximates fair value.

Cash, securities and other assets segregated under federal and other regulations reported at fair value on a recurring basis include the value of pledged investments, primarily U.S. Treasury obligations and commodities warehouse receipts.

Deposits with and receivables from broker-dealers, clearing organizations and counterparties and payable to clients and broker-dealers, clearing organizations and counterparties includes the fair value of pledged investments, primarily U.S. Treasury obligations and foreign government obligations. These balances also include the fair value of exchange-traded options on futures and OTC forwards, swaps and options.

Financial instruments owned and sold, not yet purchased include the fair value of equity securities, which includes common, preferred, and foreign ordinary shares, American Depository Receipts (“ADRs”), Global Depository Receipts (“GDRs”), and exchange-traded funds (“ETFs”), corporate and municipal bonds, U.S. Treasury obligations, U.S. government agency obligations, foreign government obligations, agency mortgage-backed obligations, asset-backed obligations, derivative financial instruments, commodities warehouse receipts, exchange firm common stock, and investments in managed funds. The fair value of exchange firm common stock is determined by quoted market prices.

Cash equivalents, debt and equity securities, commodities warehouse receipts, physical commodities inventory, derivative financial instruments and contingent liabilities are carried at fair value, on a recurring basis, and are classified and disclosed into three levels in the fair value hierarchy.

The following section describes the valuation methodologies used by the Company to measure classes of financial instruments at fair value and specifies the level within the fair value hierarchy where various financial instruments are classified.

The Company uses quoted prices in active markets, where available, and classifies instruments with such quotes within Level 1 of the fair value hierarchy. Examples include U.S. Treasury obligations, foreign government obligations, commodities warehouse receipts, certain equity securities traded in active markets, physical precious metals inventory held by a regulated broker-dealer subsidiary, exchange firm common stock, investments in managed funds, as well as options on futures contracts traded on national exchanges. The fair value of exchange firm common stock is determined by recent sale transactions and is included within Level 1.

When instruments are traded in secondary markets and observable prices are not available for substantially the full term, the Company generally relies on internal valuation techniques based upon observable inputs for comparable financial instruments, or prices obtained from third-party pricing services or brokers or a combination thereof, and accordingly, classified these instruments as Level 2. Examples include corporate and municipal bonds, U.S. government agency obligations, agency-mortgage backed obligations, asset-backed obligations, certain equity securities traded in less active markets, and OTC derivative contracts, which include purchase and sale commitments related to the Company’s foreign exchange, agricultural, and energy commodities.

Certain derivatives without a quoted price in an active market and derivatives executed OTC are valued using internal valuation techniques, including pricing models which utilize significant inputs observable to market participants. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. The key inputs depend upon the type of derivative and the nature of the underlying instrument and include interest yield curves, foreign exchange rates, commodity prices, volatilities and correlation. These derivative instruments are included within Level 2 of the fair value hierarchy.

Physical commodities inventory includes precious metals that are a part of the trading activities of a regulated broker-dealer subsidiary and is recorded at fair value using exchange-quoted prices. Physical commodities inventory also includes agricultural commodities that are a part of the trading activities of a non-broker dealer subsidiary and are recorded at net realizable value using exchange-quoted prices. The fair value of precious metals physical commodities inventory is based upon unadjusted exchange-quoted prices and is, therefore, classified within Level 1 of the fair value hierarchy. The fair value of agricultural physical commodities inventory and the related OTC firm sale and purchase commitments are generally based upon exchange-quoted prices, adjusted for basis or differences in local markets, broker or dealer quotations or market transactions in either listed or OTC markets. Exchange-quoted prices are adjusted for location and quality because the exchange-quoted prices for agricultural and energy related products represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The basis or local market adjustments are observable inputs or have an insignificant impact on the measurement of fair value and, therefore, the agricultural physical commodities inventory, as well as the related OTC forward firm sale and purchase commitments have been included within Level 2 of the fair value hierarchy.

With the exception of certain derivative instruments where the valuation approach is disclosed above, financial instruments owned and sold are primarily valued using third-party pricing sources. Third-party pricing vendors compile prices from various sources and often apply matrix pricing for similar securities when market-observable transactions for the instruments are not

observable for substantially the full term. The Company reviews the pricing methodologies used by third-party pricing vendors in order to evaluate the fair value hierarchy classification of vendor-priced financial instruments and the accuracy of vendor pricing, which typically involves comparing of primary vendor prices to internal trader prices or secondary vendor prices. When evaluating the propriety of vendor-priced financial instruments using secondary prices, considerations include the range and quality of vendor prices, level of observable transactions for identical and similar instruments, and judgments based upon knowledge of a particular market and asset class. If the primary vendor price does not represent fair value, justification for using a secondary price, including source data used to make the determination, is subject to review and approval by authorized personnel prior to using a secondary price. Financial instruments owned and sold that are valued using third party pricing sources are included within either Level 1 or Level 2 of the fair value hierarchy based upon the observability of the inputs used and the level of activity in the market.

The fair value estimates presented herein are based on pertinent information available to management as of March 31, 2024 and September 30, 2023. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these condensed consolidated financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

The following tables set forth the Company's financial and nonfinancial assets and liabilities accounted for at fair value, on a recurring basis, as of March 31, 2024 and September 30, 2023 by level in the fair value hierarchy. All fair value measurements were performed on a recurring basis as of March 31, 2024 and September 30, 2023.

(in millions)	March 31, 2024				
	Level 1	Level 2	Level 3	Netting (1)	Total
Assets:					
Certificates of deposit	\$ 18.1	\$ —	\$ —	\$ —	\$ 18.1
Money market mutual funds	99.9	—	—	—	99.9
Cash and cash equivalents	118.0	—	—	—	118.0
Commodities warehouse receipts	4.1	—	—	—	4.1
Securities and other assets segregated under federal and other regulations	4.1	—	—	—	4.1
U.S. Treasury obligations	3,405.5	—	—	—	3,405.5
To be announced and forward settling securities	—	25.3	—	(22.4)	2.9
Foreign government obligations	19.0	—	—	—	19.0
Derivatives	4,489.9	1,592.6	—	(5,352.6)	729.9
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net	7,914.4	1,617.9	—	(5,375.0)	4,157.3
Receivables from clients, net - Derivatives	167.0	533.9	—	(704.3)	(3.4)
Equity securities	466.7	14.5	—	—	481.2
Corporate and municipal bonds	—	339.9	—	—	339.9
U.S. Treasury obligations	517.7	—	—	—	517.7
U.S. government agency obligations	—	466.2	—	—	466.2
Foreign government obligations	41.3	—	—	—	41.3
Agency mortgage-backed obligations	—	3,186.0	—	—	3,186.0
Asset-backed obligations	—	136.9	—	—	136.9
Derivatives	0.5	960.5	—	(600.5)	360.5
Commodities leases	—	15.3	—	—	15.3
Commodities warehouse receipts	74.9	—	—	—	74.9
Exchange firm common stock	12.9	—	—	—	12.9
Cash flow hedges	—	7.1	—	—	7.1
Mutual funds and other	23.8	—	2.8	—	26.6
Financial instruments owned	1,137.8	5,126.4	2.8	(600.5)	5,666.5
Physical commodities inventory	166.8	188.4	—	—	355.2
Total assets at fair value	\$ 9,508.1	\$ 7,466.6	\$ 2.8	\$ (6,679.8)	\$ 10,297.7
Liabilities:					
Accounts payable and other accrued liabilities	\$ —	\$ —	\$ 1.7	\$ —	\$ 1.7
Payables to clients - Derivatives	4,483.9	225.7	—	(4,124.0)	585.6
TBA and forward settling securities	—	22.9	—	(21.9)	1.0
Derivatives	166.8	1,747.0	—	(1,936.1)	(22.3)
Payable to broker-dealers, clearing organizations and counterparties	166.8	1,769.9	—	(1,958.0)	(21.3)
Equity securities	275.8	4.8	—	—	280.6
Foreign government obligations	45.0	—	—	—	45.0
Corporate and municipal bonds	—	174.4	—	—	174.4
U.S. Treasury obligations	2,239.4	—	—	—	2,239.4
U.S. government agency obligations	—	27.2	—	—	27.2
Agency mortgage-backed obligations	—	7.6	—	—	7.6
Asset-backed obligations	—	5.3	—	—	5.3
Derivatives	9.3	974.1	—	(546.7)	436.7
Cash flow hedges	—	5.7	—	—	5.7
Other	—	—	1.1	—	1.1
Financial instruments sold, not yet purchased	2,569.5	1,199.1	1.1	(546.7)	3,223.0
Total liabilities at fair value	\$ 7,220.2	\$ 3,194.7	\$ 2.8	\$ (6,628.7)	\$ 3,789.0

(1) Represents cash collateral and the impact of netting across at each level of the fair value hierarchy.

(in millions)	September 30, 2023				
	Level 1	Level 2	Level 3	Netting (1)	Total
Assets:					
Certificates of deposit	\$ 8.7	\$ —	\$ —	\$ —	\$ 8.7
Money market mutual funds	57.8	—	—	—	57.8
Cash and cash equivalents	66.5	—	—	—	66.5
Commodities warehouse receipts	5.8	—	—	—	5.8
Securities and other assets segregated under federal and other regulations	5.8	—	—	—	5.8
U.S. Treasury obligations	4,023.8	—	—	—	4,023.8
TBA and forward settling securities	—	73.5	—	(31.7)	41.8
Foreign government obligations	17.8	—	—	—	17.8
Derivatives	5,497.5	1,135.9	—	(6,468.5)	164.9
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net	9,539.1	1,209.4	—	(6,500.2)	4,248.3
Receivables from clients, net - Derivatives	61.7	561.3	—	(630.9)	(7.9)
Equity securities	324.0	10.3	—	—	334.3
Corporate and municipal bonds	—	284.2	—	—	284.2
U.S. Treasury obligations	531.7	—	—	—	531.7
U.S. government agency obligations	—	451.7	—	—	451.7
Foreign government obligations	43.3	—	—	—	43.3
Agency mortgage-backed obligations	—	2,865.8	—	—	2,865.8
Asset-backed obligations	—	138.8	—	—	138.8
Derivatives	0.6	868.1	—	(600.2)	268.5
Commodities leases	—	16.0	—	—	16.0
Commodities warehouse receipts	54.7	—	—	—	54.7
Exchange firm common stock	12.0	—	—	—	12.0
Cash flow hedges	—	1.7	—	—	1.7
Mutual funds and other	39.3	—	2.8	—	42.1
Financial instruments owned	1,005.6	4,636.6	2.8	(600.2)	5,044.8
Physical commodities inventory	240.3	146.2	—	—	386.5
Total assets at fair value	\$ 10,919.0	\$ 6,553.5	\$ 2.8	\$ (7,731.3)	\$ 9,744.0
Liabilities:					
Accounts payable and other accrued liabilities - contingent liabilities	\$ —	\$ —	\$ 1.5	\$ —	\$ 1.5
Payables to clients - Derivatives	5,430.7	226.2	—	(5,577.1)	79.8
TBA and forward settling securities	—	47.5	—	(31.4)	16.1
Derivatives	112.2	1,402.0	—	(1,520.1)	(5.9)
Payable to broker-dealers, clearing organizations and counterparties	112.2	1,449.5	—	(1,551.5)	10.2
Equity securities	230.6	5.5	—	—	236.1
Foreign government obligations	21.5	—	—	—	21.5
Corporate and municipal bonds	—	81.6	—	—	81.6
U.S. Treasury obligations	2,409.3	—	—	—	2,409.3
U.S. government agency obligations	—	5.1	—	—	5.1
Agency mortgage-backed obligations	—	31.7	—	—	31.7
Derivatives	2.4	769.2	—	(510.4)	261.2
Cash flow hedges	—	27.1	—	—	27.1
Other	—	10.9	1.1	—	12.0
Financial instruments sold, not yet purchased	2,663.8	931.1	1.1	(510.4)	3,085.6
Total liabilities at fair value	\$ 8,206.7	\$ 2,606.8	\$ 2.6	\$ (7,639.0)	\$ 3,177.1

(1) Represents cash collateral and the impact of netting across at each level of the fair value hierarchy.

Realized and unrealized gains and losses are included in *Principal gains, net*, *Interest income*, and *Cost of sales of physical commodities* in the Condensed Consolidated Income Statements.

Additional disclosures about the fair value of financial instruments that are not carried on the Condensed Consolidated Balance Sheets at fair value

Many, but not all, of the financial instruments that the Company holds are recorded at fair value in the Condensed Consolidated Balance Sheets. The following represents financial instruments for which the ending balance at March 31, 2024 and September 30, 2023 was not carried at fair value on the Condensed Consolidated Balance Sheets in accordance with U.S. GAAP:

Short-term financial instruments: The carrying value of short-term financial instruments, including cash and cash equivalents, cash segregated under federal and other regulations, securities purchased under agreements to resell and securities sold under agreements to repurchase, and securities borrowed and loaned are recorded at amounts that approximate the fair value of these instruments due to their short-term nature and level of collateralization. These financial instruments generally expose the Company to limited credit risk and have no stated maturities or have short-term maturities and carry interest rates that approximate market rates. Under the fair value hierarchy, cash and cash equivalents and cash segregated under federal and other regulations are classified as Level 1. Securities purchased under agreements to resell and securities sold under agreements to repurchase, and securities borrowed and loaned are classified as Level 2 under the fair value hierarchy as they are generally overnight or short-term in nature and are collateralized by equity securities, U.S. Treasury obligations, U.S. government agency obligations, agency mortgage-backed obligations, and asset-backed obligations.

Receivables and other assets: Receivables from broker-dealers, clearing organizations, and counterparties, receivables from clients, net, notes receivables, and certain other assets are recorded at amounts that approximate fair value due to their short-term nature and are classified as Level 2 under the fair value hierarchy.

Payables: Payables to clients and payables to broker-dealers, clearing organizations, and counterparties are recorded at amounts that approximate fair value due to their short-term nature and are classified as Level 2 under the fair value hierarchy.

Lenders under loans: Payables to lenders under loans carry variable rates of interest and thus approximate fair value and are classified as Level 2 under the fair value hierarchy.

Senior secured borrowings, net: Senior secured borrowings, net includes the Company's 8.625% Senior Secured Notes due 2025 (the "Senior Secured Notes 2025") and the Company's 7.875% Senior Secured Notes due 2031 (the "Senior Secured Notes 2031"), as further described in Note 9, with a carrying value of \$343.7 million and \$542.2 million, respectively, as of March 31, 2024. The carrying value of the Senior Secured Notes 2025 and Senior Secured Notes 2031 represent their principal amount net of unamortized deferred financing costs and original issue discount. As of March 31, 2024, the Senior Secured Notes 2025 had a fair value of \$349.4 million and the Senior Secured Notes 2031 had a fair value of \$557.8 million, with both being classified as Level 2 under the fair value hierarchy.

Note 4 – Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk

The Company is party to certain financial instruments with off-balance sheet risk in the normal course of its business. The Company has sold financial instruments that it does not currently own and will therefore be obliged to purchase such financial instruments at a future date. The Company has recorded these obligations in the condensed consolidated financial statements as of March 31, 2024 and September 30, 2023 at the fair values of the related financial instruments. The Company will incur losses if the fair value of the underlying financial instruments increases subsequent to March 31, 2024. The total financial instruments sold, not yet purchased of \$3,223.0 million and \$3,085.6 million as of March 31, 2024 and September 30, 2023, respectively, includes \$436.7 million and \$261.2 million for derivative contracts not designated as hedges, respectively, which represented a liability to the Company based on their fair values as of March 31, 2024 and September 30, 2023.

Derivatives

The Company utilizes derivative products in its trading capacity as a dealer in order to satisfy client needs and mitigate risk. The Company manages risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with the Company's other trading activities. The Company's derivative positions are included in the Condensed Consolidated Balance Sheets in *Deposits with and receivables from broker-dealers, clearing organizations and counterparties, Receivables from clients, net, Financial instruments owned and sold, not yet purchased, at fair value, Payable to clients and Payables to broker-dealers, clearing organizations and counterparties.*

Listed below are the fair values of the Company's derivative assets and liabilities as of March 31, 2024 and September 30, 2023. Assets represent net unrealized gains and liabilities represent net unrealized losses.

(in millions)	March 31, 2024		September 30, 2023	
	Assets ⁽¹⁾	Liabilities ⁽¹⁾	Assets ⁽¹⁾	Liabilities ⁽¹⁾
Derivative contracts not accounted for as hedges:				
Exchange-traded commodity derivatives	\$ 1,732.5	\$ 1,725.8	\$ 1,907.0	\$ 1,890.3
OTC commodity derivatives	2,319.0	2,269.6	1,523.3	1,456.0
Exchange-traded foreign exchange derivatives	1.4	1.4	4.3	4.3
OTC foreign exchange derivatives	326.1	280.4	497.1	455.3
Exchange-traded interest rate derivatives	782.2	791.5	1,507.6	1,509.8
OTC interest rate derivatives	270.2	270.2	417.6	417.6
Exchange-traded equity index derivatives	2,141.3	2,141.3	2,140.9	2,140.9
OTC equity and indices derivatives	171.7	126.6	127.3	68.5
TBA and forward settling securities	25.3	22.9	73.5	47.5
Subtotal	7,769.7	7,629.7	8,198.6	7,990.2
Derivative contracts designated as hedging instruments:				
Interest rate contracts	—	5.7	—	24.6
Foreign currency forward contracts	7.1	—	1.7	2.5
Subtotal	7.1	5.7	1.7	27.1
Gross fair value of derivative contracts	\$ 7,776.8	\$ 7,635.4	\$ 8,200.3	\$ 8,017.3
Impact of netting and collateral	(6,679.8)	(6,628.7)	(7,731.3)	(7,639.0)
Total fair value included in <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ 732.8		\$ 206.7	
Total fair value included in <i>Receivable from clients, net</i>	\$ (3.4)		\$ (7.9)	
Total fair value included in <i>Financial instruments owned, at fair value</i>	\$ 367.6		\$ 270.2	
Total fair value included in <i>Payables to clients</i>		\$ 585.6		\$ 79.8
Total fair value included in <i>Payables to broker-dealers, clearing organizations and counterparties</i>		\$ (21.3)		\$ 10.2
Total fair value included in <i>Financial instruments sold, not yet purchased, at fair value</i>		\$ 442.4		\$ 288.3

(1) As of March 31, 2024 and September 30, 2023, the Company's derivative contract volume for open positions was approximately 11.8 million and 13.4 million contracts, respectively.

The Company's derivative contracts are principally held in its Institutional, Commercial, and Retail segments. The Company provides its Institutional segment clients access to exchanges at which they can carry out their trading strategies. The Company assists its Commercial segment clients in protecting the value of their future production by entering into option or forward agreements with them on an OTC basis. The Company also provides its Commercial segment clients with exchange products, including combinations of buying and selling puts and calls. In its Retail segment, the Company provides its retail clients with access to spot foreign exchange, precious metals trading, as well as contracts for difference ("CFD") and spread bets, where permitted. The Company mitigates its risk by generally offsetting the client's transaction simultaneously with one of the Company's trading counterparties or will offset that transaction with a similar but not identical position on the exchange. The risk mitigation of these offsetting trades is not within the documented hedging designation requirements of the Derivatives and Hedging Topic of the ASC. These derivative contracts are traded along with cash transactions because of the integrated nature of the markets for these products. The Company manages the risks associated with derivatives on an aggregate basis along with the risks associated with its proprietary trading and market-making activities in cash instruments as part of its firm-wide risk management policies. In particular, the risks related to derivative positions may be partially offset by inventory, other derivatives, or cash collateral paid or received.

Hedging Activities

The Company uses interest rate derivatives, in the form of swaps, to hedge risk related to variability in overnight rates. These hedges are designated cash flow hedges, through which the Company mitigates uncertainty in its interest income by converting floating-rate interest income to fixed-rate interest income. While the swaps mitigate interest rate risk, they do introduce credit risk, which is the possibility that the Company's trading counterparty fails to meet its obligation. The Company minimizes this risk by entering into its swaps with highly-rated, multi-national institutions. In addition to credit risk, there is market risk

associated with the swap positions. The Company's market risk is limited, because any amounts the Company must pay from having exchanged variable interest will be funded by the variable interest the Company receives on its deposits. As of March 31, 2024, the Company's hedges will all have matured in less than 1 year from the end of the current period.

The Company also uses foreign currency derivatives, in the form of forward contracts, to hedge risk related to the variability in exchange rates relative to certain of the Company's non-USD expenditures. These hedges are designated cash flow hedges, through which the Company mitigates variability in exchange rates by exchanging foreign currency for USD at fixed exchange rates at a pre-determined future date, or several cash flows at several pre-determined future dates. While the forward contracts mitigate exchange rate variability risk, they do introduce credit risk, which is the possibility that the Company's trading counterparty fails to meet its obligation. The Company minimizes this risk by entering into its forward contracts with highly-rated, multi-national institutions. These hedges will all mature within 2 years from the end of the current period.

The Company assesses the effectiveness of its hedges at each reporting period to identify any required reclassifications into current earnings. During the three months ended March 31, 2024 and 2023, the Company did not designate any portion of its hedges as ineffective and thus did not have any values in current earnings related to ineffective hedges. The fair values of derivative instruments designated for hedging held as of March 31, 2024 and September 30, 2023 are as follow:

(in millions)	Balance Sheet Location	March 31, 2024 Fair Value	September 30, 2023 Fair Value
Asset Derivatives			
Derivatives designated as hedging instruments:			
Foreign currency forward contracts	Financial instruments owned, net	\$ 7.1	\$ 1.7
Total derivatives designated as hedging instruments		\$ 7.1	\$ 1.7
Derivative assets expected to be released from <i>Other comprehensive income</i> into current earnings:			
Foreign currency forward contracts		\$ 5.6	\$ 1.4
Total expected to be released from <i>Other comprehensive income</i> into earnings		\$ 5.6	\$ 1.4
Liability Derivatives			
Derivatives designated as hedging instruments:			
Interest rate contracts	Financial instruments sold, not yet purchased	\$ 5.7	\$ 24.6
Foreign currency forward contracts	Financial instruments sold, not yet purchased	—	2.5
Total derivatives designated as hedging instruments		\$ 5.7	\$ 27.1
Derivative liabilities expected to be released from <i>Other comprehensive income</i> into current earnings:			
Interest rate contracts		\$ 5.7	\$ 20.3
Foreign currency forward contracts		—	1.0
Total expected to be released from <i>Other comprehensive income</i> into earnings		\$ 5.7	\$ 21.3

The notional values of derivative instruments designated for hedging held as of March 31, 2024 and September 30, 2023 are as follows:

(in millions)		March 31, 2024 Notional Value		September 30, 2023 Notional Value
Derivatives designated as hedging instruments:				
Interest rate contracts		\$ 1,000.0		\$ 2,000.0
Foreign currency forward contracts:				
Foreign currency forward contracts to purchase Polish Zloty:				
Local currency	zł	156.1	zł	156.1
USD	\$	35.8	\$	34.0
Foreign currency forward contracts to purchase British Pound Sterling:				
Local currency	£	120.0	£	168.0
USD	\$	147.6	\$	206.9

The Condensed Consolidated Income Statement effects of derivative instruments designated for hedging held for the three and six months ended March 31, 2024 and 2023 are as follows:

(in millions)	Income Statement Location	Three Months Ended March 31, 2024	Six Months Ended March 31, 2024
Total amounts reclassified from Accumulated Other Comprehensive Income into Income:			
Interest rate contracts	Interest income	\$ (4.6)	\$ (20.5)
Foreign currency forward contracts	Compensation and benefits	1.8	3.7
Total derivatives designated as hedging instruments		<u>\$ (2.8)</u>	<u>\$ (16.8)</u>
Amount of gain reclassified from accumulated other comprehensive income into income as a result of a forecasted transaction that is no longer probable of occurring			
		\$ —	\$ —

(in millions)	Income Statement Location	Three Months Ended March 31, 2023	Six Months Ended March 31, 2023
Total amounts reclassified from Accumulated Other Comprehensive Income into Income:			
Interest rate contracts	Interest Income	\$ (11.6)	\$ (17.0)
Foreign currency forward contracts	Compensation and benefits	0.7	0.5
Total derivatives designated as hedging instruments		<u>\$ (10.9)</u>	<u>\$ (16.5)</u>
Amount of gain reclassified from accumulated other comprehensive income into income as a result of a forecasted transaction that is no longer probable of occurring			
		\$ —	\$ —

The accumulated other comprehensive income effects of derivative instruments designated for hedging held for three and six months ended March 31, 2024 and 2023 are as follow:

(in millions)	Amount of Gain/(Loss) Recognized in Other Comprehensive Income on Derivatives, net of tax	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Derivatives in Cash Flow Hedging Relationships:		
Interest rate contracts	\$ 1.7	\$ 10.6
Foreign currency forward contracts	(2.5)	3.7
Total	<u>\$ (0.8)</u>	<u>\$ 14.3</u>

(in millions)	Amount of Gain Recognized in Other Comprehensive Income on Derivatives, net of tax	
	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023
Derivatives in Cash Flow Hedging Relationships:		
Interest rate contracts	\$ 14.3	\$ 9.2
Foreign currency forward contracts	5.6	19.8
Total	<u>\$ 19.9</u>	<u>\$ 29.0</u>

The following table sets forth the Company's net gains/(losses) related to derivative financial instruments for the three and six months ended March 31, 2024 and 2023 in accordance with the Derivatives and Hedging Topic of the ASC. The net gains/(losses) set forth below are included in *Principal gains, net* and *Cost of sales of physical commodities* in the Condensed Consolidated Income Statements.

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Commodities	\$ 30.4	\$ 147.8	\$ 117.5	\$ 202.0
Foreign exchange	32.6	(72.8)	57.8	(24.0)
Interest rate, equities, and indices	15.5	25.6	42.9	33.9
TBA and forward settling securities	25.5	(14.1)	(67.7)	(37.1)
Net gains from derivative contracts	<u>\$ 104.0</u>	<u>\$ 86.5</u>	<u>\$ 150.5</u>	<u>\$ 174.8</u>

Credit Risk

In the normal course of business, the Company purchases and sells financial instruments, commodities and foreign currencies as either a principal or agent on behalf of its clients. If either the client or counterparty fails to perform, the Company may be required to discharge the obligations of the nonperforming party. In such circumstances, the Company may sustain a loss if the fair value of the financial instrument, commodity, or foreign currency is different from the contract value of the transaction.

The majority of the Company's transactions and, consequently, the concentration of its credit exposure are with commodity exchanges, clients, broker-dealers and other financial institutions. These activities primarily involve collateralized and uncollateralized arrangements and may result in credit exposure in the event that a counterparty fails to meet its contractual obligations. The Company's exposure to credit risk can be directly impacted by volatile financial markets, which may impair counterparties' ability to satisfy contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit and/or position limits based upon a review of the counterparties' financial condition and credit ratings. The Company monitors collateral levels on a daily basis for compliance with regulatory and internal guidelines and requests changes in collateral levels as appropriate.

The Company is a party to financial instruments in the normal course of its business through client and proprietary trading accounts in exchange-traded and OTC derivative instruments. These instruments are primarily the result of the execution of orders for commodity futures, options on futures, OTC swaps and options and spot and forward foreign currency contracts on behalf of its clients, substantially all of which are transacted on a margin basis. Such transactions may expose the Company to significant credit risk in the event that margin requirements are not sufficient to fully cover losses which clients may incur. The Company controls the risks associated with these transactions by requiring clients to maintain margin deposits in compliance with individual exchange regulations and internal guidelines. The Company monitors required margin levels daily, and therefore, may require clients to deposit additional collateral or reduce positions when necessary. The Company also establishes credit limits for clients, which are monitored daily. The Company evaluates each client's creditworthiness on a case by case basis. Clearing, financing, and settlement activities may require the Company to maintain funds with or pledge securities as collateral with other financial institutions. Generally, these exposures to both clients and exchanges are subject to master netting, or client agreements, which reduce the exposure to the Company by permitting receivables and payables with such clients to be offset in the event of a client default. Management believes that the margin deposits held as of March 31, 2024 and September 30, 2023 were adequate to minimize the risk of material loss that could be created by positions held at that time. Additionally, the Company monitors collateral fair value on a daily basis and adjusts collateral levels in the event of excess market exposure.

Derivative financial instruments involve varying degrees of off-balance sheet market risk whereby changes in the fair values of underlying financial instruments may result in changes in the fair value of the financial instruments in excess of the amounts reflected in the consolidated balance sheets. Exposure to market risk is influenced by a number of factors, including the relationships between the financial instruments and the Company's positions, as well as the volatility and liquidity in the markets in which the financial instruments are traded. The principal risk components of financial instruments include, among other things, interest rate volatility, the duration of the underlying instruments and changes in commodity pricing and foreign exchange rates. The Company attempts to manage its exposure to market risk through various techniques. Aggregate market limits have been established and market risk measures are routinely monitored against these limits.

Note 5 – Allowance for Doubtful Accounts

The allowance for doubtful accounts related to deposits with and receivables from broker-dealers, clearing organizations, and counterparties was \$0.0 million as of March 31, 2024 and \$0.1 million as of September 30, 2023. The allowance for doubtful accounts related to receivables from clients was \$57.0 million and \$59.8 million as of March 31, 2024 and September 30, 2023, respectively. The Company had no allowance for doubtful accounts related to notes receivable as of March 31, 2024 and September 30, 2023.

Activity in the allowance for doubtful accounts for the six months ended March 31, 2024 was as follows:

(in millions)	
Balance as of September 30, 2023	\$ 59.9
Recovery of bad debts ⁽¹⁾	(2.1)
Allowance charge-offs	(1.2)
Other	0.4
Balance as of March 31, 2024	<u>\$ 57.0</u>

⁽¹⁾ An additional \$1.4 million is included in bad debt expense for the six months ended March 31, 2024 on the consolidated income statement, which is not included in the allowance at the period then ended.

Note 6 – Physical Commodities Inventory

The Company's inventories consist of finished physical commodities as shown below.

(in millions)	March 31, 2024	September 30, 2023
Physical Ag & Energy ⁽¹⁾	\$ 188.4	\$ 146.2
Precious metals - held by broker-dealer subsidiary	166.8	240.3
Precious metals - held by non-broker-dealer subsidiaries	261.7	150.8
Physical commodities inventory, net	<u>\$ 616.9</u>	<u>\$ 537.3</u>

⁽¹⁾ Physical Ag & Energy consists of agricultural commodity inventories, including corn, soybeans, wheat, dried distillers grain, canola, sorghum, coffee, cocoa, cotton, and various energy commodity inventories. Agricultural inventories have reliable, readily determinable and realizable market prices, have relatively insignificant costs of disposal and are available for immediate delivery. The Company records changes to these values in *Cost of sales of physical commodities* on the Condensed Consolidated Income Statements.

Note 7 – Goodwill

Goodwill allocated to the Company's operating segments is as follows:

(in millions)	March 31, 2024	September 30, 2023
Commercial	\$ 33.5	\$ 33.7
Institutional	9.8	9.8
Retail	5.8	5.8
Payments	10.0	10.0
Total Goodwill	<u>\$ 59.1</u>	<u>\$ 59.3</u>

The Company had \$0.2 million of foreign exchange translation decline during the current year related to Goodwill.

Note 8 – Intangible Assets

The gross and net carrying values of intangible assets as of the balance sheet dates, by major intangible asset class are as follows (in millions):

	March 31, 2024			September 30, 2023		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Intangible assets subject to amortization						
Trade/domain names	\$ 4.1	\$ (2.8)	\$ 1.3	\$ 4.1	\$ (2.4)	\$ 1.7
Software programs/platforms	4.9	(3.7)	1.2	28.5	(26.9)	1.6
Client and supplier base	35.2	(23.0)	12.2	38.3	(24.1)	14.2
Total intangible assets subject to amortization	<u>44.2</u>	<u>(29.5)</u>	<u>14.7</u>	<u>70.9</u>	<u>(53.4)</u>	<u>17.5</u>
Intangible assets not subject to amortization						
Website domains	2.0	—	2.0	1.9	—	1.9
Business licenses	3.7	—	3.7	3.7	—	3.7
Total intangible assets not subject to amortization	<u>5.7</u>	<u>—</u>	<u>5.7</u>	<u>5.6</u>	<u>—</u>	<u>5.6</u>
Total intangible assets	<u>\$ 49.9</u>	<u>\$ (29.5)</u>	<u>\$ 20.4</u>	<u>\$ 76.5</u>	<u>\$ (53.4)</u>	<u>\$ 23.1</u>

Amortization expense related to intangible assets was \$2.1 million and \$4.1 million for the three months ended March 31, 2024 and 2023, respectively. Amortization expense related to intangible assets was \$4.1 million and \$8.0 million for the six months ended March 31, 2024 and 2023, respectively.

The Company wrote off \$27.8 million of fully amortized intangible assets during the six months ended March 31, 2024.

As of March 31, 2024, estimated future amortization expense was as follows:

(in millions)	
Fiscal 2024 (remaining months)	\$ 3.0
Fiscal 2025	3.7
Fiscal 2026	2.9
Fiscal 2027	2.3
Fiscal 2028 and thereafter	2.8
Total intangible assets subject to amortization	<u>\$ 14.7</u>

Note 9 – Credit Facilities

Committed Credit Facilities

The Company and its subsidiaries have committed credit facilities under which they may borrow up to \$1,200.0 million, subject to the terms and conditions of these facilities. The amounts outstanding under these credit facilities carry variable rates of interest, thus approximating fair value. The committed credit facilities generally have covenant requirements that relate to various leverage, debt to net worth, fixed charge, tangible net worth, excess net capital, or profitability measures. The Company and its subsidiaries were in compliance with all relevant covenants as of March 31, 2024.

Uncommitted Credit Facilities

The Company has access to certain uncommitted financing agreements that support its ordinary course securities and commodities inventories. The agreements are subject to certain borrowing terms and conditions.

Note Payable to Bank

The Company has notes payable to a commercial bank related to the financing of certain equipment which secures the notes.

Senior Secured Notes

On March 1, 2024, the Company issued \$550 million in aggregate principal amount of the Company's 7.875% Senior Secured Notes due 2031 (the "Notes due 2031") at the offering price of 100% of the aggregate principal amount. The Notes due 2031 are fully and unconditionally guaranteed, jointly and severally, on a senior secured second lien basis by each of the Company's existing and future subsidiaries that guarantees indebtedness under the Company's senior secured revolving credit facility and certain other senior indebtedness. Interest related to these notes is payable twice annually, in arrears. The Company incurred debt issuance costs of \$7.9 million, which are being amortized over the term of the Notes due 2031 under the effective interest method.

The Company used a portion of the proceeds from the issuance of the Notes due 2031 to irrevocably fund an account holding funds to satisfy its 8.625% Senior Secured Notes due 2025 (the "Notes due 2025") via an in-substance defeasance. The defeasance included placing \$363.0 million of immediately available funds, representing the aggregate principal amount outstanding and all unpaid interest (accrued and yet to be accrued) through, but not including, June 15, 2024, into an escrow account designated to hold and distribute the same amount on the intended redemption date of June 15, 2024. These funds are reported within *Restricted Cash* on the Condensed Consolidated Balance Sheets.

The Notes due 2025 are scheduled to mature on June 15, 2025. Interest on the Notes due 2025 accrues at a rate of 8.625% per annum and is payable semiannually in arrears. The Company incurred debt issuance costs of \$9.5 million in connection with the issuance of the Notes due 2025 in June 2020, which are being amortized over the term of the Notes due 2025 under the effective interest method. The Company has had the right, since June 15, 2022, to redeem the Notes due 2025, in whole or in part, at the redemption prices set forth in the indenture governing the Notes due 2025.

The following table sets forth a listing of credit facilities, the current committed amounts as of the report date on the facilities, and outstanding (in millions, except for percentages):

(in millions)				Amounts Outstanding	
Borrower	Security	Renewal/Expiration Date	Total Commitment	March 31, 2024	September 30, 2023
Committed Credit Facilities					
Senior StoneX Group Inc. Committed Credit Facility - Revolving Line of Credit	(1)	April 21, 2026	\$ 500.0	\$ 25.0 (5)	\$ 150.0
StoneX Financial Inc.	None	October 29, 2024	190.0	— (5)	—
StoneX Commodity Solutions LLC	Certain assets	July 28, 2024	400.0	71.0 (5)	103.0
StoneX Financial Ltd.	None	October 12, 2024	100.0	50.0 (5)	25.0
StoneX Financial Pte. Ltd.	None	September 6, 2024	10.0	— (5)	—
			<u>\$ 1,200.0</u>	<u>\$ 146.0</u>	<u>\$ 278.0</u>
Uncommitted Credit Facilities					
Note Payable to Bank	Various			100.4 (5)	55.5
Senior Secured Notes due 2031	Certain equipment			7.2 (5)	7.5
Senior Secured Notes due 2025	(2)			542.2 (4)	—
Senior Secured Notes due 2025	(2)			343.7 (3)	342.1
Total outstanding borrowings				<u>\$ 1,139.5</u>	<u>\$ 683.1</u>

(1) The StoneX Group Inc. senior committed credit facility is a revolving facility secured by substantially all of the assets of StoneX Group Inc. and certain subsidiaries identified in the credit facility agreement as obligors, and pledged equity of certain subsidiaries identified in the credit facility as limited guarantors. The maturity date remains April 21, 2025 for one lender representing \$17.5 million of the facility commitment.

(2) The Notes and the related guarantees are secured by liens on substantially all of the Company's and the guarantors' assets, subject to certain customary and other exceptions and permitted liens. The liens on the assets that secure the Notes and the related guarantees are contractually subordinated to the liens on the assets that secure the Company's and the guarantors' existing and future first lien secured indebtedness, including indebtedness under the Company's senior committed credit facility.

(3) Included in *Senior secured borrowings, net* on the Condensed Consolidated Balance Sheets. Amounts outstanding under the Notes due 2025 are reported net of unamortized original issue discount and unamortized deferred financing costs of \$4.2 million and \$5.8 million, in the respective periods presented. The amounts payable under Notes due 2025 have been defeased as the Company has placed the necessary funds in escrow, reported in *Restricted cash* on the Condensed Consolidated Balance Sheets.

(4) Included in *Senior secured borrowings, net* on the Condensed Consolidated Balance Sheets. Amounts outstanding under the Notes due 2031 are reported net of unamortized deferred financing costs of \$7.8 million.

(5) Included in *Lenders under loans* on the Condensed Consolidated Balance Sheets.

As reflected above, certain of the Company's committed credit facilities are scheduled to expire during the next twelve months following the quarterly period ended March 31, 2024. The Company intends to renew or replace the facilities as they expire, and based on the Company's liquidity position and capital structure, the Company believes it will be able to do so.

Note 10 – Securities and Commodity Financing Transactions

The Company's repurchase agreements and securities borrowing and lending arrangements are generally recorded at cost in the Condensed Consolidated Balance Sheets, which is a reasonable approximation of their fair values due to their short-term nature. Secured borrowing and lending arrangements are entered into to obtain collateral necessary to effect settlement, finance inventory positions, meet customer needs or re-lend as part of our dealer operations. The fair value of securities loaned and borrowed is monitored daily compared with the related payable or receivable, and additional collateral or returning excess collateral is requested, as appropriate. These arrangements may serve to limit credit risk resulting from our transactions with our counterparties. Financial instruments are pledged as collateral under repurchase agreements, securities lending agreements and other secured arrangements, including clearing arrangements. Agreements with counterparties generally contain contractual provisions allowing counterparties the right to sell or repledge collateral. Either the Company or its counterparties may require additional collateral. All collateral is held by the Company or a custodian.

The following tables set forth the carrying value of repurchase agreements, and securities lending agreements by remaining contractual maturity (in millions):

	March 31, 2024				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 10,183.8	\$ 1,183.1	\$ 610.6	\$ 97.5	\$ 12,075.0
Securities loaned	1,458.6	—	—	—	1,458.6
Gross amount of secured financing	\$ 11,642.4	\$ 1,183.1	\$ 610.6	\$ 97.5	\$ 13,533.6

	September 30, 2023				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 8,300.0	\$ 786.8	\$ 107.0	\$ 2.6	\$ 9,196.4
Securities loaned	1,117.3	—	—	—	1,117.3
Gross amount of secured financing	\$ 9,417.3	\$ 786.8	\$ 107.0	\$ 2.6	\$ 10,313.7

Offsetting of Collateralized Transactions

The following table sets forth the carrying value of repurchase agreements and securities lending agreements by class of collateral pledged (in millions):

Securities sold under agreements to repurchase	March 31, 2024	September 30, 2023
U.S. Treasury obligations	\$ 9,017.4	\$ 3,696.1
U.S. government agency obligations	99.1	542.2
Asset-backed obligations	40.9	102.9
Agency mortgage-backed obligations	2,302.5	4,371.6
Foreign government obligations	318.2	148.1
Corporate bonds	296.9	335.5
Total securities sold under agreement to repurchase	\$ 12,075.0	\$ 9,196.4

Securities loaned	March 31, 2024	September 30, 2023
Equity securities	\$ 1,458.6	\$ 1,117.3
Total securities loaned	1,458.6	1,117.3
Gross amount of secured financing	\$ 13,533.6	\$ 10,313.7

The following tables provide the netting of securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed and securities loaned as of the periods indicated (in millions):

Offsetting of collateralized transactions:	March 31, 2024		
	Gross Amounts Recognized	Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts Presented in the Condensed Consolidated Balance Sheet
Securities purchased under agreements to resell	\$ 9,807.9	\$ (6,063.3)	\$ 3,744.6
Securities borrowed	\$ 1,430.6	\$ —	\$ 1,430.6
Securities sold under agreements to repurchase	\$ 12,075.0	\$ (6,063.3)	\$ 6,011.7
Securities loaned	\$ 1,458.6	\$ —	\$ 1,458.6

Offsetting of collateralized transactions:	September 30, 2023		
	Gross Amounts Recognized	Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts Presented in the Condensed Consolidated Balance Sheet
Securities purchased under agreements to resell	\$ 7,649.3	\$ (4,669.8)	\$ 2,979.5
Securities borrowed	\$ 1,129.1	\$ —	\$ 1,129.1
Securities sold under agreements to repurchase	\$ 9,196.4	\$ (4,669.8)	\$ 4,526.6
Securities loaned	\$ 1,117.3	\$ —	\$ 1,117.3

The Company pledges securities owned as collateral in both tri-party and bilateral arrangements. Pledged securities under tri-party arrangements may not be repledged or sold by the Company's counterparties, whereas bilaterally pledged securities may be. The approximate fair value of pledged securities that can be sold or repledged by the Company's counterparties has been parenthetically disclosed on the Condensed Consolidated Balance Sheets.

The Company receives securities as collateral under reverse repurchase agreements, securities borrowed agreements, and margin securities held on behalf of counterparties. This collateral is used by the Company to cover financial instruments sold, not yet purchased; to obtain financing in the form of repurchase agreements; and to meet counterparties' needs under lending arrangement and matched-booked trading strategies. Additional securities collateral is obtained as necessary to ensure such transactions are adequately collateralized. In many instances, the Company is permitted by contract to repledge the securities received as collateral, which may include pledges to cover collateral requirements for tri-party repurchase agreements.

The following table sets forth the carrying value, which approximates fair value because of its short term nature, of collateral pledged, received and repledged (in millions):

	March 31, 2024	September 30, 2023
Securities pledged or repledged to cover collateral requirements for tri-party arrangements	\$ 5,827.0	\$ 4,726.6
Securities received as collateral that may be repledged	\$ 14,131.4	\$ 9,180.1
Securities received as collateral that may be repledged covering securities sold short	\$ 2,563.7	\$ 2,461.1
Repledged securities borrowed and client securities held under custodial clearing arrangements to collateralize securities loaned agreements	\$ 1,298.5	\$ 1,097.3

Note 11 – Commitments and Contingencies

Contingencies

The Company had receivables, net of collections and other allowable deductions, of \$11.1 million as of March 31, 2024, due from account holders in connection with the OptionSellers matter previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2023. The allowance against these uncollected balances was \$3.5 million as of March 31, 2024. The Company is pursuing collection of the outstanding balances through arbitration proceedings against the account holders. The Company will consider developments in these proceedings, and any other relevant matters, in determining whether any changes in the allowance against the uncollected balances are required.

In these and other arbitration proceedings, clients are seeking damages from StoneX Financial Inc. related to the trading losses in their accounts.

During the six months ended March 31, 2024, the Company favorably resolved several of these arbitration claims through arbitration decisions and privately negotiated settlements. All of the arbitration panels that issued decisions during the period awarded StoneX Financial Inc. the full amount of the uncollected balances. As noted, several of the arbitrations were resolved through privately negotiated settlement, pursuant to which the account holders agreed to pay some or all of their outstanding deficit balances. The Company intends to continue vigorously pursuing claims through arbitration and settling cases in what the Company determines to be appropriate circumstances. The ultimate outcome of remaining arbitrations cannot presently be determined.

Depending on future collections and the outcomes of arbitration proceedings, any provisions for bad debts and actual losses may be material to the Company's financial results. However, the Company believes that the likelihood of a material adverse outcome is remote, and does not currently believe that any potential losses related to this matter would impact its ability to comply with its ongoing liquidity, capital, and regulatory requirements.

Legal Proceedings

From time to time and in the ordinary course of business, the Company is involved in various legal actions and proceedings, including tort claims, contractual disputes, employment matters, workers' compensation claims and collections. The Company carries insurance that provides protection against certain types of claims, up to the relevant policy's limits.

On November 13, 2023, BTIG filed a civil complaint (the "BTIG complaint") against the Company and StoneX Financial Inc. in San Francisco Superior Court (CGC-23-610525) seeking monetary damages and injunctive relief for, among other things, alleged theft of purported trade secrets by former BTIG employees later employed at StoneX. The Company intends to vigorously defend itself. In addition, the Company subsequently received from the U.S. Department of Justice (the "DOJ") and the SEC subpoenas that the Company believes are related to conduct alleged in the BTIG complaint, and the Company is cooperating with these agencies. The ultimate outcomes of the BTIG complaint and the DOJ and SEC subpoenas cannot presently be determined.

As of March 31, 2024 and September 30, 2023, the Condensed Consolidated Balance Sheets include loss contingency accruals which are not material, individually or in the aggregate, to the Company's financial position or liquidity. In the opinion of

management, possible exposure from loss contingencies in excess of the amounts accrued, is not likely to be material to the Company's earnings, financial position or liquidity.

Contractual Commitments

Self-Insurance

The Company self-insures its costs related to medical and dental claims. The Company is self-insured, up to a stop loss amount, for eligible participating employees and retirees, and for qualified dependent medical and dental claims, subject to deductibles and limitations. As of March 31, 2024, the Company had \$1.7 million accrued for self-insured medical and dental claims included in *Accounts payable and other accrued liabilities* in the Condensed Consolidated Balance Sheet.

Note 12 – Accumulated Other Comprehensive Loss, Net

Accumulated other comprehensive loss, net consists of net income and other gains and losses affecting stockholders' equity that, under U.S. GAAP, are excluded from net income. Other comprehensive income includes net actuarial losses from defined benefit pension plans, foreign currency translation adjustments, and cash flow hedge gains or losses. See note 4 for additional information on cash flow hedges.

The following table summarizes the changes in accumulated other comprehensive loss, net for the six months ended March 31, 2024.

(in millions)	Foreign Currency Translation Adjustment	Pension Benefits Adjustment	Cash Flow Hedge	Accumulated Other Comprehensive Loss, net
Balances as of September 30, 2023	\$ (31.2)	\$ (2.2)	\$ (18.4)	\$ (51.8)
Other comprehensive income, net of tax	2.3	—	19.9	22.2
Balances as of March 31, 2024	<u>\$ (28.9)</u>	<u>\$ (2.2)</u>	<u>\$ 1.5</u>	<u>\$ (29.6)</u>

Note 13 – Revenue from Contracts with Clients

The Company accounts for revenue earned from contracts with clients for services such as the execution, clearing, brokering, and custody of futures and options on futures contracts, OTC derivatives, and securities, investment management, and underwriting services in accordance with FASB ASC 606, Revenues from Contracts with Customers (Topic 606). Revenues for these services are recognized when the performance obligations related to the underlying transaction are completed.

Revenues are recognized when control of the promised goods or services are transferred to clients, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenues are analyzed to determine whether the Company is the principal (i.e. reports revenue on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the good or service before control is transferred to a client. The indicators of which party exercises control include primary responsibility over performance obligations, inventory risk before the good or service is transferred, and discretion in establishing the price.

Topic 606 does not apply to revenues associated with dealing, or market-making, activities in financial instruments or contracts in the capacity of a principal, including derivative sales contracts which result in physical settlement and interest income.

Revenues within the scope of Topic 606 are presented within *Commission and clearing fees; Consulting, management, and account fees; and Sales of physical commodities* on the Condensed Consolidated Income Statements. Revenues that are not within the scope of Topic 606 are presented within *Sales of physical commodities, Principal gains, net, and Interest income* on the Condensed Consolidated Income Statements.

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Revenues from contracts with clients as a percentage of total revenues	2.3 %	5.7 %	2.7 %	6.4 %

The following table represents a disaggregation of the Company's total revenues separated between revenues from contracts with clients and other sources of revenue for the periods indicated.

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Revenues from contracts with clients:				
Commission and clearing fees:				
Sales-based:				
Exchange-traded futures and options	\$ 55.8	\$ 55.3	\$ 107.2	\$ 104.0
OTC derivative brokerage	3.0	4.5	5.8	8.1
Equities and fixed income	14.5	15.6	31.0	31.0
Mutual funds	0.9	0.9	1.6	1.5
Insurance and annuity products	3.7	2.7	5.7	4.5
Other	0.2	1.1	0.1	2.2
Total sales-based commission	78.1	80.1	151.4	151.3
Trailing:				
Mutual funds	3.2	3.1	6.2	6.1
Insurance and annuity products	3.7	3.5	7.4	7.0
Total trailing commission	6.9	6.6	13.6	13.1
Clearing fees	45.4	40.0	88.7	76.0
Trade conversion fees	3.5	2.0	7.5	4.4
Other	2.3	2.0	4.7	3.9
Total commission and clearing fees	136.2	130.7	265.9	248.7
Consulting, management, and account fees:				
Underwriting fees	0.1	0.1	0.1	0.3
Asset management fees	12.3	11.1	23.7	21.8
Advisory and consulting fees	9.0	9.0	17.2	17.7
Sweep program fees	11.3	12.9	22.7	24.3
Client account fees	4.3	3.7	8.5	7.5
Other	3.2	3.9	6.5	8.9
Total consulting, management, and account fees	40.2	40.7	78.7	80.5
Sales of physical commodities:				
Precious metals sales under ASC Topic 606	332.8	746.4	792.0	1,535.0
Total revenues from contracts with clients	\$ 509.2	\$ 917.8	\$ 1,136.6	\$ 1,864.2
Method of revenue recognition:				
Point-in-time	\$ 469.7	\$ 878.2	\$ 1,059.4	\$ 1,787.3
Time elapsed	39.5	39.6	77.2	76.9
Total revenues from contracts with clients	509.2	917.8	1,136.6	1,864.2
Other sources of revenues				
Physical precious metals under ASC Topic 815	20,067.0	13,703.1	37,229.5	24,182.1
Physical agricultural and energy products	922.1	1,056.7	2,121.3	2,192.5
Principal gains, net	281.8	256.6	575.6	510.8
Interest income	326.0	226.8	616.1	423.0
Total revenues	\$ 22,106.1	\$ 16,161.0	\$ 41,679.1	\$ 29,172.6
Total revenues by primary geographic region:				
United States	\$ 1,407.7	\$ 1,471.1	\$ 3,011.2	\$ 3,034.7
Europe	560.2	912.0	1,218.6	1,827.0
South America	105.0	56.5	233.0	118.7
Middle East and Asia	20,025.1	13,720.0	37,200.7	24,186.3
Other	8.1	1.4	15.6	5.9
Total revenues	\$ 22,106.1	\$ 16,161.0	\$ 41,679.1	\$ 29,172.6
Operating revenues by primary geographic region:				
United States	\$ 590.0	\$ 538.5	\$ 1,158.0	\$ 1,028.4
Europe	161.1	105.5	296.7	207.0
South America	25.2	32.0	66.4	63.5
Middle East and Asia	33.7	27.1	65.7	54.5
Other	8.2	1.3	15.6	5.8
Total operating revenues	\$ 818.2	\$ 704.4	\$ 1,602.4	\$ 1,359.2

The substantial majority of the Company's performance obligations for revenues from contracts with clients are satisfied at a point in time and are typically collected from clients by debiting their accounts with the Company.

Commission and clearing fees revenue and *Consulting, management, and account fees* revenue are primarily related to the Commercial, Institutional and Retail reportable segments. *Sales of physical commodities* under topic 606 are primarily related to the Company's Commercial and Retail segments. *Principal gains, net* are contributed by all of the Company's reportable segments. *Interest income* is primarily related to the Commercial and Institutional reportable segments. Precious metals trading and agricultural and energy product trading revenues are primarily related to the Commercial reportable segment. Precious metals sales that are recognized on a point-in-time basis are included in the Retail and the Commercial reportable segments

Principal gains, net also includes dividend income on long equity positions and dividend expense on short equity positions, which are recognized on the ex-dividend date. The following table indicates the relevant income and expense:

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Dividend income on long equity positions	\$ 65.8	\$ 3.2	\$ 86.0	\$ 17.4
Dividend expense on short equity positions	64.7	4.1	83.5	17.3
Dividend (loss)/income, net reported within Principal Gains, net	\$ 1.1	\$ (0.9)	\$ 2.5	\$ 0.1

Remaining Performance Obligations

Remaining performance obligations are services that the Company has committed to perform in the future in connection with its contracts with clients. The Company's remaining performance obligations are generally related to its risk management consulting and asset management contracts with clients. Revenues associated with remaining performance obligations related to these contracts with clients are not material to the overall consolidated results of the Company. For the Company's asset management activities, where fees are calculated based on a percentage of the fair value of eligible assets in client's accounts, future revenue associated with remaining performance obligations cannot be determined as such fees are subject to fluctuations in the fair value of eligible assets in clients' accounts.

Note 14 – Other Expenses

Other expenses consisted of the following, for the periods indicated.

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Non-income taxes	\$ 2.8	\$ 2.2	\$ 5.3	\$ 6.9
Insurance	3.2	3.0	6.1	5.7
Employee related expenses	1.7	2.3	3.6	5.9
Other direct business expenses	3.5	4.1	7.9	8.1
Membership fees	1.0	1.1	1.9	1.9
Director and public company expenses	0.7	0.5	1.2	1.0
Office expenses	0.5	0.5	1.1	0.9
Other expenses	1.9	1.6	5.1	4.3
Total other expenses	\$ 15.3	\$ 15.3	\$ 32.2	\$ 34.7

Note 15 – Income Taxes

The income tax provision for interim periods comprises income tax on ordinary income (loss) at the most recent estimated annual effective income tax rate, adjusted for the income tax effect of discrete items. Management uses an estimated annual effective income tax rate based on the forecasted pretax income/(loss) and statutory tax rates in the various jurisdictions in which the Company operates. The Company's effective income tax rate differs from the U.S. statutory income tax rate primarily due to state and local taxes, global intangible low taxed income ("GILTI"), and differing statutory tax rates applied to the income of non-U.S. subsidiaries. The Company records the tax effect of certain discrete items, including the effects of changes in tax laws, tax rates and adjustments with respect to valuation allowances or other unusual or nonrecurring tax adjustments, in the interim period in which they occur, as an addition to, or reduction from, the income tax provision, rather than being included in the estimated effective annual income tax rate. In addition, jurisdictions with a projected loss for the year or a year-to-date loss where no income tax benefit can be recognized are excluded from the estimated annual effective income tax rate.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered. The Company is required to assess its deferred tax assets and the need for a valuation allowance at each reporting period. This

assessment requires judgment on the part of management with respect to benefits that may be realized. The Company will record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of the deferred tax assets will not be realized.

Current and Prior Period Tax Expense

Income tax expense, as shown on the Condensed Consolidated Income Statements, reflects estimated federal, foreign, state and local income taxes.

The Company's effective tax rate was 26% and 27% for the three months ended March 31, 2024 and 2023, respectively. The effective tax rate was higher than the U.S. federal statutory rate of 21% for the three months ended March 31, 2024 due to U.S. state and local taxes, GILTI, U.S. and foreign permanent differences, and the amount of foreign earnings taxed at higher rates.

Note 16 – Regulatory Capital Requirements

The Company's activities are subject to significant governmental regulation, both in the U.S. and in the international jurisdictions in which it operates. Subsidiaries of the Company were in compliance with all of their regulatory requirements as of March 31, 2024. The following table details those subsidiaries with minimum regulatory requirements in excess of \$10.0 million along with the actual balance maintained as of that date.

(in millions)	Subsidiary	Regulatory Authority	As of March 31, 2024	
			Actual	Minimum Requirement
	StoneX Financial Inc.	SEC and CFTC	\$ 351.2	\$ 257.2
	StoneX Financial Ltd.	FCA	\$ 455.5	\$ 358.0
	Gain Capital Group, LLC	CFTC and NFA	\$ 50.6	\$ 29.9
	StoneX Financial Pte. Ltd.	MAS	\$ 91.3	\$ 25.8
	StoneX Markets LLC	CFTC and NFA	\$ 219.2	\$ 125.9

Certain other subsidiaries of the Company, typically with a minimum requirement less than \$10.0 million, are also subject to net capital requirements promulgated by authorities in the countries in which they operate. As of March 31, 2024, all of the Company's subsidiaries were in compliance with their local regulatory requirements.

Note 17 – Segment Analysis

The Company's operating segments are principally based on the nature of the clients it serves (commercial, institutional, and retail), and a fourth operating segment, its payments business. The Company manages its business in this manner due to its large global footprint, in which it has approximately 4,300 employees allowing it to serve clients in more than 180 countries.

The Company's business activities are managed as operating segments, which are our reportable segments for financial statement purposes as shown below.

- *Commercial*
- *Institutional*
- *Retail*
- *Payments (previously disclosed as Global Payments)*

Commercial

The Company offers commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing of exchange-traded and OTC products, voice brokerage, market intelligence and physical trading, as well as commodity financing and logistics services. The ability to provide these high-value-added products and services differentiates the Company from its competitors and maximizes the opportunity to retain clients.

Institutional

The Company provides institutional clients with a complete suite of equity trading services to help them find liquidity with best execution, consistent liquidity across a robust array of fixed income products, competitive and efficient clearing and execution in all major futures and securities exchanges globally, as well as prime brokerage in equities and major foreign currency pairs and swap transactions. In addition, the Company originates, structures and places debt instruments in the international and domestic capital markets. These instruments include asset-backed securities (primarily in Argentina) and domestic municipal securities.

Retail

The Company provides retail clients around the world access to over 18,000 global financial markets, including spot foreign exchange ("forex"), both financial trading and physical investment in precious metals, as well as contracts for difference ("CFDs"), which are investment products with returns linked to the performance of underlying assets. In addition, its independent wealth management business offers a comprehensive product suite to retail investors in the U.S.

Payments

The Company provides customized foreign exchange and treasury services to banks and commercial businesses, as well as charities and non-governmental organizations and government organizations. The Company provides transparent pricing and offers payments services in more than 180 countries and 140 currencies, which it believes is more than any other payments solution provider.

The total revenues reported combine gross revenues from physical contracts for subsidiaries that are not broker-dealers and net revenues for all other businesses. In order to reflect the way that the Company's management views the results, the table below also reflects the segment contribution to 'operating revenues', which is shown on the face of the consolidated income statements and which is calculated by deducting physical commodities cost of sales from total revenues.

Segment data includes the profitability measure of net contribution by segment. Net contribution is one of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of the Company's resources. Net contribution is calculated as revenue less direct cost of sales, transaction-based clearing expenses, variable compensation, introducing broker commissions, and interest expense. Variable compensation paid to risk management consultants/traders generally represents a fixed percentage of revenues generated, and in some cases, revenues generated less transaction-based clearing expenses, base salaries and an overhead allocation.

Segment data also includes segment income which is calculated as net contribution less non-variable direct expenses of the segment. These non-variable direct expenses include trader base compensation and benefits, operational employee compensation and benefits, communication and data services, business development, professional fees, bad debt expense and other direct expenses.

Inter-segment revenues, expenses, receivables and payables are eliminated upon consolidation.

Total revenues, operating revenues and net operating revenues shown in the table below as "Corporate" primarily consist of interest income from the Company's centralized corporate treasury function. In the normal course of operations, the Company operates a centralized corporate treasury function in which it may sweep excess cash from certain subsidiaries, where permitted within regulatory limitations, in exchange for a short-term interest bearing intercompany payable, or provide excess cash to subsidiaries in exchange for a short-term interest bearing intercompany receivable in lieu of the subsidiary borrowing on external credit facilities. The intercompany receivables and payables are eliminated during consolidation.

"Overhead costs and expenses" include costs and expenses of certain shared services such as information technology, accounting and treasury, credit and risk, legal and compliance, and human resources and other activities. These amount represent the gross overhead costs and expenses, before any allocation of overhead costs to operating segments.

Information for the reportable segments is shown in accordance with the Segment Reporting Topic of the ASC as follows:

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Total revenues:				
Commercial	\$ 21,479.1	\$ 15,450.7	\$ 40,457.1	\$ 27,744.2
Institutional	463.4	362.5	899.1	706.0
Retail	111.3	304.6	213.0	620.8
Payments	49.3	49.8	109.9	105.2
Corporate	14.4	2.5	23.6	15.3
Eliminations	(11.4)	(9.1)	(23.6)	(18.9)
Total	\$ 22,106.1	\$ 16,161.0	\$ 41,679.1	\$ 29,172.6
Operating revenues:				
Commercial	\$ 200.5	\$ 220.1	\$ 398.9	\$ 402.5
Institutional	463.4	362.5	899.1	706.0
Retail	102.0	78.6	194.5	149.1
Payments	49.3	49.8	109.9	105.2
Corporate	14.4	2.5	23.6	15.3
Eliminations	(11.4)	(9.1)	(23.6)	(18.9)
Total	\$ 818.2	\$ 704.4	\$ 1,602.4	\$ 1,359.2
Net operating revenues (loss):				
Commercial	\$ 164.2	\$ 185.1	\$ 327.6	\$ 337.8
Institutional	149.8	137.9	298.4	281.1
Retail	74.3	50.8	141.3	94.7
Payments	46.8	47.4	105.0	100.7
Corporate	(12.8)	(21.8)	(28.4)	(32.9)
Total	\$ 422.3	\$ 399.4	\$ 843.9	\$ 781.4
Net contribution:				
(Revenues less cost of sales of physical commodities, transaction-based clearing expenses, variable compensation, introducing broker commissions and interest expense)				
Commercial	\$ 119.3	\$ 140.9	\$ 245.7	\$ 256.6
Institutional	102.5	89.3	202.7	183.9
Retail	69.9	48.4	132.5	87.6
Payments	37.3	38.1	84.9	80.2
Total	\$ 329.0	\$ 316.7	\$ 665.8	\$ 608.3
Segment income:				
(Net contribution less non-variable direct segment costs)				
Commercial	\$ 85.6	\$ 102.9	\$ 172.8	\$ 185.7
Institutional	61.3	55.8	126.5	117.8
Retail	33.2	4.8	61.9	0.6
Payments	24.6	15.9	59.6	48.2
Total	\$ 204.7	\$ 179.4	\$ 420.8	\$ 352.3
Reconciliation of segment income to income before tax:				
Segment income	\$ 204.7	\$ 179.4	\$ 420.8	\$ 352.3
Net operating revenue (loss) with Corporate	(12.8)	(21.8)	(28.4)	(32.9)
Overhead costs and expenses	(119.6)	(100.1)	(224.4)	(189.8)
Gain on acquisition	—	—	—	23.5
Income before tax	\$ 72.3	\$ 57.5	\$ 168.0	\$ 153.1
(in millions)				
	As of March 31, 2024	As of September 30, 2023		
Total assets:				
Commercial	\$ 5,154.8	\$ 4,676.3		
Institutional	17,684.1	15,059.3		
Retail	1,111.8	1,014.2		
Payments	433.1	376.6		
Corporate	1,267.2	812.3		
Total	\$ 25,651.0	\$ 21,938.7		

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

Throughout this document, unless the context otherwise requires, the terms "Company", "we", "us" and "our" refer to StoneX Group Inc. and its consolidated subsidiaries.

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this report. This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company, including adverse changes in economic, political and market conditions, losses from our market-making and trading activities arising from counterparty failures and changes in market conditions, the loss of key personnel, the impact of increasing competition, the impact of changes in government regulation, the possibility of liabilities arising from violations of foreign, United States ("U.S.") federal and U.S. state securities laws, the impact of changes in technology in the securities and commodities trading industries, and other risks discussed in our filings with the SEC, including Part I, Item 1A of our Annual Report on Form 10-K for the year ended September 30, 2023. Although we believe that our forward-looking statements are based upon reasonable assumptions regarding our business and future market conditions, there can be no assurances that our actual results will not differ materially from any results expressed or implied by our forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. We caution readers that any forward-looking statements are not guarantees of future performance.

Overview

We operate a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service and deep expertise. We strive to be the one trusted partner to our clients, providing our network, product and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their business performance. Our businesses are supported by our global infrastructure of regulated operating subsidiaries, our advanced technology platform and our team of approximately 4,300 employees as of March 31, 2024. We believe our client-first approach differentiates us from large banking institutions, engenders trust and has enabled us to establish leadership positions in a number of complex fields in financial markets around the world. For additional information, see *Overview of Business and Strategy* within "Item 1. Business" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023.

We report our operating segments based primarily on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, our payments business. See Segment Information below for a listing of business activities performed within our reportable segments.

Common Stock Split

On November 7, 2023, our Board of Directors approved a three-for-two split of its common stock, to be effected as a stock dividend. The stock split was effective on November 24, 2023, and entitled each shareholder of record as of November 17, 2023 to receive one additional share of common stock for every two shares owned and cash in lieu of fractional shares.

The stock split increased the number of shares of common stock outstanding. All share and per share amounts contained herein have been retroactively adjusted for the stock split.

Executive Summary

In the second quarter of fiscal 2024, the diversification of our product offering and client segments led to improved performance as compared to the prior year. The significant increase in operating revenues in our Retail segment, continued growth in Institutional client volumes and continued growth in interest and fee income earned on client balances, more than offset declines in Commercial segment operating revenues, which were negatively impacted by generally lower agricultural market volatility and unrealized losses on precious metals derivative positions entered into against inventories carried at the lower of cost or net realizable value, which will be offset by realized gains in subsequent quarters when these inventories are sold.

Operating revenues increased \$113.8 million, or 16%, to \$818.2 million in the three months ended March 31, 2024 compared to \$704.4 million in the three months ended March 31, 2023, led by our Institutional and Retail segments which added \$100.9 million and \$23.4 million, respectively, compared to the three months ended March 31, 2023. Operating revenues in our Commercial and Payments segments declined \$19.6 million and \$0.5 million, respectively, compared to the three months ended March 31, 2023.

Overall segment income increased \$25.3 million, or 14%, compared to the three months ended March 31, 2023, with all of our segments experiencing growth versus the prior year, with the exception of our Commercial segment. The growth was led by our Retail segment which added \$28.4 million compared to the three months ended March 31, 2023. In addition, our Institutional and Payments segments increased \$5.5 million and \$8.7 million, respectively, compared to the three months ended March 31, 2023, while our Commercial segment income declined \$17.3 million compared to the three months ended March 31, 2023.

Interest expense related to corporate funding purposes increased \$1.3 million to \$16.2 million in the three months ended March 31, 2024 compared to \$14.9 million in the three months ended March 31, 2023, principally due to incremental interest from our March 1, 2024 issuance of senior secured notes due 2031, partially offset by lower average borrowings on our revolving credit facility.

On the expense side, we continue to focus on maintaining our variable cost model and limiting the growth of our non-variable expenses. Variable expenses were 51% of total expenses in the three months ended March 31, 2024 as compared to 51% in the three months ended March 31, 2023. Non-variable expenses, excluding bad debts, increased \$16.5 million compared to the three months ended March 31, 2023, principally due to higher professional fees, occupancy and equipment rental, non-trading technology and support, travel and business development and trading system and market information.

Net income increased \$11.4 million to \$53.1 million in the three months ended March 31, 2024 compared to \$41.7 million in the three months ended March 31, 2023. Net income in the three months ended March 31, 2024 was negatively impacted by the aforementioned unrealized losses on precious metals derivative positions entered into against inventories carried at the lower of cost or net realizable value. Net income in the three months ended March 31, 2024 includes a nonrecurring gain related to proceeds of \$6.9 million resulting from a settlement in the Commodity Exchange Gold Futures and Options Trading matter, which is included in *Gain on acquisition and other gain* in the Condensed Consolidated Income Statement. Diluted earnings per share were \$1.63 for the three months ended March 31, 2024 compared to \$1.30 in the three months ended March 31, 2023.

Selected Summary Financial Information

Results of Operations

Our total revenues, as reported, combine gross revenues for the physical commodities business and net revenues for all other businesses. Management believes that operating revenues, which deduct the cost of sales of physical commodities from total revenues, is a more useful financial measure with which to assess our results of operations. The table below sets forth our operating revenues, as well as other key financial measures, for the periods indicated.

(in millions)	Financial Information (Unaudited)					
	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Revenues:						
Sales of physical commodities	\$ 21,321.9	\$ 15,506.2	38%	\$ 40,142.8	\$ 27,909.6	44%
Principal gains, net	281.8	256.6	10%	575.6	510.8	13%
Commission and clearing fees	136.2	130.7	4%	265.9	248.7	7%
Consulting, management, and account fees	40.2	40.7	(1)%	78.7	80.5	(2)%
Interest income	326.0	226.8	44%	616.1	423.0	46%
Total revenues	22,106.1	16,161.0	37%	41,679.1	29,172.6	43%
Cost of sales of physical commodities	21,287.9	15,456.6	38%	40,076.7	27,813.4	44%
Operating revenues	818.2	704.4	16%	1,602.4	1,359.2	18%
Transaction-based clearing expenses	78.5	69.2	13%	152.8	136.5	12%
Introducing broker commissions	42.0	42.2	—%	81.1	79.0	3%
Interest expense	259.2	178.7	45%	495.2	333.0	49%
Interest expense on corporate funding	16.2	14.9	9%	29.4	29.3	—%
Net operating revenues	422.3	399.4	6%	843.9	781.4	8%
Compensation and benefits	234.4	232.5	1%	452.5	431.5	5%
Bad debts (recoveries), net	(0.4)	3.0	n/m	(0.7)	3.7	n/m
Other expenses	122.9	106.4	16%	231.0	216.6	7%
Total compensation and other expenses	356.9	341.9	4%	682.8	651.8	5%
Gain on acquisition and other gains	6.9	—	n/m	6.9	23.5	(71)%
Income before tax	72.3	57.5	26%	168.0	153.1	10%
Income tax expense	19.2	15.8	22%	45.8	34.8	32%
Net income	\$ 53.1	\$ 41.7	27%	\$ 122.2	\$ 118.3	3%
Return on average stockholders' equity	14.0 %	13.8 %		16.7 %	20.4 %	
Balance Sheet information:						
				March 31, 2024	March 31, 2023	% Change
Total assets				\$ 25,651.0	\$ 21,918.9	17%
Payables to lenders under loans				\$ 253.6	\$ 561.3	(55)%
Senior secured borrowings, net				\$ 885.9	\$ 340.6	160%
Stockholders' equity				\$ 1,542.6	\$ 1,247.3	24%
n/m = not meaningful to present as a percentage						

The tables below present operating revenues disaggregated across the key products we provide to our clients and select operating data and metrics used by management in evaluating our performance, for the periods indicated.

	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Operating Revenues (in millions):						
Listed derivatives	\$ 111.7	\$ 110.5	1%	\$ 220.9	\$ 210.3	5%
Over-the-counter (“OTC”) derivatives	53.0	57.9	(8)%	97.5	100.4	(3)%
Securities	340.7	249.2	37%	656.9	483.3	36%
FX / Contracts For Difference (“CFD”) contracts	80.3	61.8	30%	154.9	110.6	40%
Payments	48.4	48.5	—%	107.8	102.7	5%
Physical contracts	45.9	54.1	(15)%	97.3	113.8	(14)%
Interest / fees earned on client balances	104.2	103.4	1%	202.6	189.6	7%
Other	31.0	25.6	21%	64.5	52.1	24%
Corporate	14.4	2.5	476%	23.6	15.3	54%
Eliminations	(11.4)	(9.1)	25%	(23.6)	(18.9)	25%
	<u>\$ 818.2</u>	<u>\$ 704.4</u>	<u>16%</u>	<u>\$ 1,602.4</u>	<u>\$ 1,359.2</u>	<u>18%</u>
Volumes and Other Select Data:						
Listed derivatives (contracts, 000’s)	53,805	41,588	29%	104,563	81,787	28%
Listed derivatives, average rate per contract ⁽¹⁾	\$ 1.98	\$ 2.54	(22)%	\$ 2.01	\$ 2.42	(17)%
Average client equity - listed derivatives (millions)	\$ 6,064	\$ 7,222	(16)%	\$ 6,117	\$ 7,722	(21)%
OTC derivatives (contracts, 000’s)	810	858	(6)%	1,625	1,576	3%
OTC derivatives, average rate per contract	\$ 65.66	\$ 67.94	(3)%	\$ 60.28	\$ 64.37	(6)%
Securities average daily volume (“ADV”) (millions)	\$ 7,473	\$ 5,759	30%	\$ 6,838	\$ 4,995	37%
Securities rate per million (“RPM”) ⁽²⁾	\$ 239	\$ 282	(15)%	\$ 265	\$ 341	(22)%
Average money market / FDIC sweep client balances (millions)	\$ 1,047	\$ 1,374	(24)%	\$ 1,054	\$ 1,455	(28)%
FX / CFD contracts ADV (millions)	\$ 10,453	\$ 13,490	(23)%	\$ 10,685	\$ 13,160	(19)%
FX / CFD contracts RPM	\$ 120	\$ 72	67%	\$ 114	\$ 67	70%
Payments ADV (millions)	\$ 64	\$ 65	(2)%	\$ 69	\$ 70	(1)%
Payments RPM	\$ 12,327	\$ 11,916	3%	\$ 12,453	\$ 11,655	7%

⁽¹⁾ Give-up fee revenues, related to contract execution for clients of other FCMs, as well as cash and voice brokerage revenues are excluded from the calculation of listed derivatives, average rate per contract.

⁽²⁾ Interest expense associated with our fixed income activities is deducted from operating revenues in the calculation of Securities RPM, while interest income related to securities lending is excluded.

Operating Revenues

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Operating revenues increased \$113.8 million, or 16%, to \$818.2 million in the three months ended March 31, 2024 compared to \$704.4 million in the three months ended March 31, 2023. The table above displays operating revenues disaggregated across the key products we provide to our clients.

Operating revenues derived from listed derivatives increased \$1.2 million, or 1%, to \$111.7 million in the three months ended March 31, 2024 compared to \$110.5 million in the three months ended March 31, 2023, with a \$3.1 million increase in our Institutional segment more than offsetting a \$1.9 million decline in Commercial segment listed derivative operating revenues as compared to the three months ended March 31, 2023.

Operating revenues derived from OTC derivatives declined \$4.9 million, or 8%, to \$53.0 million in the three months ended March 31, 2024 compared to \$57.9 million in the three months ended March 31, 2023, principally driven by lower client activity in Brazilian agricultural markets.

Operating revenues derived from securities transactions increased \$91.5 million, or 37%, to \$340.7 million in the three months ended March 31, 2024 compared to \$249.2 million in the three months ended March 31, 2023. This increase was principally due to a 30% increase in ADV, as well as an increase in short-term interest rates. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. Our calculation of the securities RPM, in the table above, presents the RPM after deducting from operating revenues the interest expense associated with our fixed income activities. Net operating revenues derived from securities transactions increased \$4.4 million, or 5%, to \$88.6 million in the three months ended March 31, 2024 compared to \$84.2 million in the three months ended March 31, 2023. This increase was principally driven by the increase in ADV noted above, which more than offset the 15% decline in the RPM resulting from a tightening of spreads and a change in product mix.

Operating revenues derived from FX/CFD contracts increased \$18.5 million, or 30%, to \$80.3 million in the three months ended March 31, 2024 compared to \$61.8 million in the three months ended March 31, 2023, with a \$20.2 million increase in our Retail segment more than offsetting a \$1.7 million decline in Institutional segment FX/CFD contracts operating revenues as compared to the three months ended March 31, 2023.

Operating revenues from payments declined \$0.1 million, to \$48.4 million in the three months ended March 31, 2024 compared to \$48.5 million in the three months ended March 31, 2023, principally driven by a 2% decrease in the ADV, which was partially offset by a 3% increase in the RPM as compared to the three months ended March 31, 2023.

Operating revenues derived from physical contracts declined \$8.2 million, or 15%, to \$45.9 million in the three months ended March 31, 2024 compared to \$54.1 million in the three months ended March 31, 2023. Precious metals related operating revenues during the three months ended March 31, 2024 were unfavorably impacted by unrealized losses on derivative positions of \$9.1 million, related to physical inventories held at the lower of cost or net realizable value. Precious metals related operating revenues during the three months ended March 31, 2023 were favorably impacted by realized gains of \$1.8 million on the sale of physical inventories carried at the lower of cost or net realizable value, for which losses on related derivative positions were recognized in prior periods.

Interest and fee income earned on client balances, which is associated with our listed and OTC derivatives, correspondent clearing, and independent wealth management product offerings, increased \$0.8 million, or 1%, to \$104.2 million in the three months ended March 31, 2024 compared to \$103.4 million in the three months ended March 31, 2023. This was principally driven by an increase in short-term interest rates, which was partially offset by declines in average client equity and average money-market/FDIC sweep client balances of 16% and 24%, respectively, as compared to the three months ended March 31, 2023.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Operating revenues increased \$243.2 million, or 18%, to \$1,602.4 million in the six months ended March 31, 2024 compared to \$1,359.2 million in the six months ended March 31, 2023. The table above displays operating revenues disaggregated across the key products we provide to our clients.

Operating revenues from listed derivatives increased \$10.6 million, or 5%, to \$220.9 million in the six months ended March 31, 2024 compared to \$210.3 million in the six months ended March 31, 2023, with Institutional and Commercial segment listed derivative operating revenues increasing \$6.9 million and \$3.7 million, respectively, as compared to the six months ended March 31, 2023.

Operating revenues in OTC derivatives declined \$2.9 million, or 3%, to \$97.5 million in the six months ended March 31, 2024 compared to \$100.4 million in the six months ended March 31, 2023. This decline was principally driven by declines in OTC contract volumes and average rate per contract of 6% and 3%, respectively, as compared to the six months ended March 31, 2023.

Operating revenue from securities transactions increased \$173.6 million, or 36%, to \$656.9 million in the six months ended March 31, 2024 compared to \$483.3 million in the six months ended March 31, 2023. This increase was principally due to a 37% increase in securities ADV, as well as a significant increase in interest rates. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. Our calculation of securities RPM, in the table above, presents the RPM after deducting from operating revenues the interest expense associated with our fixed income activities. Net operating revenues derived from securities transactions increased \$6.9 million, or 4%, to \$184.5 million in the six months ended March 31, 2024 compared to \$177.6 million in the three months ended March 31, 2023. This increase was principally driven by the increase in ADV noted above, which more than offset the 22% decline in RPM resulting from a tightening of spreads and a change in product mix.

Operating revenues from FX/CFD contracts increased \$44.3 million, or 40%, to \$154.9 million in the six months ended March 31, 2024 compared to \$110.6 million in the six months ended March 31, 2023, with a \$47.2 million increase in our Retail segment more than offsetting a \$2.9 million decline in Institutional segment FX/CFD contracts operating revenues as compared to the six months ended March 31, 2023.

Operating revenues from payments increased by \$5.1 million, or 5%, to \$107.8 million in the six months ended March 31, 2024 compared to \$102.7 million in the six months ended March 31, 2023, principally as a result of a 7% increase in payments RPM, which was partially offset by a 1% decline in ADV, as compared to the six months ended March 31, 2023.

Operating revenues from physical contracts declined \$16.5 million, or 14%, to \$97.3 million in the six months ended March 31, 2024 compared to \$113.8 million in the six months ended March 31, 2023, Precious metals related operating revenues were unfavorably impacted during the six months ended March 31, 2024, by unrealized losses on derivative positions of \$10.8 million, related to physical inventories held at the lower of cost or net realizable value. Precious metals related operating revenues during the six months ended March 31, 2023 were unfavorably impacted by unrealized losses on derivative positions of \$2.1 million, related to physical inventories held at the lower of cost or net realizable value.

Interest and fee income earned on client balances, which is associated with our listed and OTC derivative businesses, as well as our correspondent clearing and independent wealth management businesses, increased \$13.0 million, or 7%, to \$202.6 million in the six months ended March 31, 2024 compared to \$189.6 million in the six months ended March 31, 2023, principally as a result of the impact of the increase in short-term interest rates, which was partially offset by declines in average client equity and average money-market/FDIC sweep client balances of 21% and 28%, respectively, as compared to the six months ended March 31, 2023.

Interest and Transactional Expenses

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Transaction-based clearing expenses

	Three Months Ended March 31,			
	2024	2023	\$ Change	% Change
Transaction-based clearing expenses	\$ 78.5	\$ 69.2	\$ 9.3	13%
<i>Percentage of operating revenues</i>	10%	10%		

Expenses were higher in our Equity Capital Markets business, principally related to an increase in ADV, and in our Exchange-Traded Futures & Options, Financial Ag and Energy and LME businesses, principally related to the increase in contracts traded. Partially offsetting these increases were lower expenses in the Retail Forex business, principally related to reducing costs through successful renegotiation of certain vendor contracts.

Introducing broker commissions

	Three Months Ended March 31,			
	2024	2023	\$ Change	% Change
Introducing broker commissions	\$ 42.0	\$ 42.2	\$ (0.2)	—%
<i>Percentage of operating revenues</i>	5%	6%		

Expenses were relatively unchanged with lower payouts within our Retail Forex, Correspondent Clearing, and Exchange-Traded Futures & Options businesses nearly offset by higher expenses in our Independent Wealth Management business, principally due to increased revenues, and in our Financial Ag and Energy business, principally due to increased volume and client mix traded.

Interest expense

	Three Months Ended March 31,			
	2024	2023	\$ Change	% Change
Interest expense attributable to:				
Trading activities:				
Institutional dealer in fixed income securities	\$ 198.0	\$ 119.4	\$ 78.6	66 %
Securities borrowing	14.0	8.3	5.7	69 %
Client balances on deposit	31.4	37.2	(5.8)	(16) %
Short-term financing facilities of subsidiaries and other direct interest of operating segments	15.8	13.8	2.0	14 %
	259.2	178.7	80.5	45 %
Corporate funding	16.2	14.9	1.3	9 %
Total interest expense	\$ 275.4	\$ 193.6	\$ 81.8	42 %

Increased interest expense attributable to trading activities principally resulted from an increase in our fixed income and securities borrowing activities, as well as the effect of the increase in short-term interest rates, partially offset by a decrease in interest expense attributable to client balances, principally resulting from the decline in average client equity. The increase in interest expense attributable to corporate funding was principally due to incremental interest from our March 1, 2024 issuance of senior secured notes due 2031, partially offset by lower average borrowings on our revolving credit facility.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Transaction-based clearing expenses

	Six Months Ended March 31,			
	2024	2023	\$ Change	% Change
Transaction-based clearing expenses	\$ 152.8	\$ 136.5	\$ 16.3	12 %
<i>Percentage of operating revenues</i>	10 %	10 %		

Expenses were higher in our Exchange-Traded Futures & Options, Financial Ag and Energy and LME businesses, principally related to the increase in contracts traded. Expenses were also higher in our Equity Capital Markets business, principally related to an increase in ADV. Partially offsetting these increases were lower expenses in the Retail Forex business, principally related to reducing costs through successful renegotiation of certain vendor contracts.

Introducing broker commissions

	Six Months Ended March 31,			
	2024	2023	\$ Change	% Change
Introducing broker commissions	\$ 81.1	\$ 79.0	\$ 2.1	3 %
<i>Percentage of operating revenues</i>	5 %	6 %		

Expenses were higher in our Financial Ag and Energy business, principally due to increased volume and client mix traded, and in our Independent Wealth Management business, principally due to increased revenues. Expenses were also higher in our Physical Ag and Energy business, principally due to the growth in the physical cotton business following the acquisition of CDI, effective October 31, 2022. These increases were partially offset by lower payouts within our Retail Forex, Exchange-Traded Futures & Options, and Correspondent Clearing businesses.

Interest expense

	Six Months Ended March 31,			
	2024	2023	\$ Change	% Change
Interest expense attributable to:				
Trading activities:				
Institutional dealer in fixed income securities	\$ 370.1	\$ 215.7	\$ 154.4	72 %
Securities borrowing	28.6	16.2	12.4	77 %
Client balances on deposit	67.7	73.7	(6.0)	(8) %
Short-term financing facilities of subsidiaries and other direct interest of operating segments	28.8	27.4	1.4	5 %
	495.2	333.0	162.2	49 %
Corporate funding	29.4	29.3	0.1	— %
Total interest expense	\$ 524.6	\$ 362.3	\$ 162.3	45 %

Increased interest expense attributable to trading activities principally resulted from an increase in our fixed income and securities borrowing activities, as well as the effect of the increase in short-term interest rates. Interest expense attributable to corporate funding was relatively unchanged, as the incremental interest from our March 1, 2024 issuance of senior secured notes due 2031, was nearly offset by lower average borrowings on our revolving credit facility.

Net Operating Revenues

Net operating revenues is one of the key measures used by management to assess operating segment performance. Net operating revenue is calculated as operating revenue less transaction-based clearing expenses, introducing broker commissions and interest expense. Transaction-based clearing expenses represent variable expenses paid to executing brokers, exchanges, clearing organizations and banks in relation to our transactional volumes. Introducing broker commissions include commission paid to non-employee third parties that have introduced clients to us. Net operating revenues represent revenues available to pay variable compensation to risk management consultants and traders and direct non-variable expenses, as well as variable and non-variable expenses of operational and administrative employees, including our executive management team.

The table below presents a disaggregation of consolidated net operating revenues used by management in evaluating our performance, for the periods indicated:

	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Net Operating Revenues (in millions):						
Listed derivatives	\$ 48.2	\$ 53.6	(10)%	\$ 98.6	\$ 102.2	(4)%
OTC derivatives	53.0	57.8	(8)%	97.4	100.3	(3)%
Securities	88.6	84.2	5%	184.5	177.6	4%
FX / CFD contracts	71.8	50.8	41%	138.0	88.9	55%
Payments	45.9	46.1	—%	102.9	98.2	5%
Physical contracts	36.8	43.7	(16)%	78.8	94.7	(17)%
Interest, net / fees earned on client balances	74.0	68.1	9%	137.0	117.7	16%
Other	16.8	16.9	(1)%	35.1	34.7	1%
Corporate	(12.8)	(21.8)	(41)%	(28.4)	(32.9)	(14)%
	<u>\$ 422.3</u>	<u>\$ 399.4</u>	<u>6%</u>	<u>\$ 843.9</u>	<u>\$ 781.4</u>	<u>8%</u>

Compensation and Other Expenses

The following table presents a summary of expenses, other than interest and transactional expenses.

(in millions)	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Compensation and benefits:						
Variable compensation and benefits	\$ 123.7	\$ 121.8	2%	\$ 245.6	\$ 240.3	2%
Fixed compensation and benefits	110.7	110.7	—%	206.9	191.2	8%
	<u>234.4</u>	<u>232.5</u>	<u>1%</u>	<u>452.5</u>	<u>431.5</u>	<u>5%</u>
Other expenses:						
Trading systems and market information	19.4	17.8	9%	38.1	35.5	7%
Professional fees	19.3	11.3	71%	35.0	27.2	29%
Non-trading technology and support	18.0	16.2	11%	34.9	31.0	13%
Occupancy and equipment rental	13.6	10.6	28%	21.3	19.5	9%
Selling and marketing	15.6	14.2	10%	27.3	27.1	1%
Travel and business development	7.1	5.8	22%	14.2	11.5	23%
Communications	2.3	2.1	10%	4.5	4.3	5%
Depreciation and amortization	12.3	13.1	(6)%	23.5	25.8	(9)%
Bad debts, net of recoveries	(0.4)	3.0	n/m	(0.7)	3.7	(119)%
Other	15.3	15.3	—%	32.2	34.7	(7)%
	<u>122.5</u>	<u>109.4</u>	<u>12%</u>	<u>230.3</u>	<u>220.3</u>	<u>5%</u>
Total compensation and other expenses	<u>\$ 356.9</u>	<u>\$ 341.9</u>	<u>4%</u>	<u>\$ 682.8</u>	<u>\$ 651.8</u>	<u>5%</u>

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Compensation and Other Expenses: Compensation and other expenses increased \$15.0 million, or 4%, to \$356.9 million in the three months ended March 31, 2024 compared to \$341.9 million in the three months ended March 31, 2023.

Compensation and Benefits:

(in millions)	Three Months Ended March 31,			
	2024	2023	\$ Change	% Change
Compensation and benefits:				
Variable compensation and benefits				
Front office	\$ 105.0	\$ 103.6	\$ 1.4	1%
Administrative, executive, and centralized and local operations	18.7	18.2	0.5	3%
Total variable compensation and benefits	123.7	121.8	1.9	2%
<i>Variable compensation and benefits as a percentage of net operating revenues</i>	<i>29%</i>	<i>30%</i>		
Fixed compensation and benefits:				
Non-variable salaries	74.6	66.5	8.1	12%
Employee benefits and other compensation, excluding share-based compensation	26.7	34.9	(8.2)	(23)%
Share-based compensation	9.4	9.3	0.1	1%
Total fixed compensation and benefits	110.7	110.7	—	—%
Total compensation and benefits	234.4	232.5	1.9	1%
<i>Total compensation and benefits as a percentage of operating revenues</i>	<i>29%</i>	<i>33%</i>		
Number of employees, end of period	4,324	3,839	485	13%

Non-variable salaries increased principally due to the increase in headcount, as well as the impact of annual merit increases.

Employee benefits and other compensation, excluding share-based compensation, decreased principally due to lower severance costs, partially offset by higher payroll taxes, benefits, and retirement costs principally related to the increase in headcount. During the three months ended March 31, 2024, severance costs were \$1.1 million compared to \$12.1 million during the three months ended March 31, 2023, which were principally related to a reorganization within the Payments business.

Other Expenses: Other non-compensation expenses increased \$13.1 million, or 12%, to \$122.5 million in the three months ended March 31, 2024 compared to \$109.4 million in the three months ended March 31, 2023.

Trading systems and market information costs increased \$1.6 million, principally due to higher costs related to certain operations systems and higher market information costs in the Debt Capital Markets business.

Professional fees increased \$8.0 million, principally due to higher legal fees related to matters in which we are defendants, as well as related to advisory matters in the normal course of business. To a lesser extent, consulting fees were higher, principally within our Physical Ag & Energy business and IT Development.

Non-trading technology and support increased \$1.8 million, principally due to higher non-trading software maintenance and support costs related to various IT systems.

Occupancy and equipment rental increased \$3.0 million, principally due to additional office space acquired in London and India, as well as certain accelerated charges incurred as we consolidate office space in London to support our current and anticipated future growth.

Selling and marketing costs increased \$1.4 million, principally due to costs related to our global sales summit, held in February 2024, which occurs on a once-every-two years rotation, partially offset by a \$1.8 million decrease in direct marketing costs in the Retail Forex business.

Travel and business development increased \$1.3 million, principally due to higher transportation and lodging costs also related to the previously mentioned global sales summit.

During the three months ended March 31, 2024, we recorded net recoveries of bad debts of \$0.4 million, principally related to recoveries within our Institutional segment of \$1.4 million, which were partially offset by bad debt expense of \$0.9 million of client receivables in our Payments segment. During the three months ended March 31, 2023, bad debts, net of recoveries were \$3.0 million, principally related to a client receivable in the Physical Ag & Energy business.

Other Gains: The results of the three months ended March 31, 2024 include a nonrecurring gain related to proceeds of \$6.9 million resulting from settlement of the Commodity Exchange Gold Futures and Options Trading matter, reported within our Commercial segment.

Provision for Taxes: The effective income tax rate was 26% and 27% in the three months ended March 31, 2024 and 2023, respectively. The effective tax rate was higher than the U.S. federal statutory rate of 21% due to U.S. state and local taxes, GILTI, U.S. and foreign permanent differences, and the amount of foreign earnings taxed at higher rates.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Compensation and Other Expenses: Compensation and other expenses increased \$31.0 million, or 5%, to \$682.8 million in the six months ended March 31, 2024 compared to \$651.8 million in the six months ended March 31, 2023.

Compensation and Benefits:

(in millions)	Six Months Ended March 31,			
	2024	2023	\$ Change	% Change
Compensation and benefits:				
Variable compensation and benefits				
Front office	\$ 204.3	\$ 204.4	\$ (0.1)	— %
Administrative, executive, and centralized and local operations	41.3	35.9	5.4	15 %
Total variable compensation and benefits	245.6	240.3	5.3	2 %
<i>Variable compensation and benefits as a percentage of net operating revenues</i>	29 %	31 %		
Fixed compensation and benefits:				
Non-variable salaries	146.6	127.9	18.7	15 %
Employee benefits and other compensation, excluding share-based compensation	43.3	48.4	(5.1)	(11)%
Share-based compensation	17.0	14.9	2.1	14 %
Total fixed compensation and benefits	206.9	191.2	15.7	8 %
Total compensation and benefits	\$ 452.5	\$ 431.5	\$ 21.0	5 %
<i>Total compensation and benefits as a percentage of operating revenues</i>	28 %	32 %		
Number of employees, end of period	4,324	3,839	485	13 %

Non-variable salaries increased principally due to the increase in headcount resulting from expanding capabilities among our business lines, as well as the growth in our operational and overhead departments supporting our business growth, as well as the impact of annual merit increases.

Employee benefits and other compensation, excluding share-based compensation, decreased principally due to lower severance costs, partially offset by higher payroll taxes, benefits, and retirement costs principally related to the increase in headcount. During the six months ended March 31, 2024, severance costs were \$2.4 million compared to \$12.7 million during the six months ended March 31, 2023, which were principally related to a reorganization within the Payments business. Also partially offsetting the decrease, was a decrease in employee-elected deferred incentive, which is exchanged for restricted stock that will be amortized over a thirty-six month period following the grant date. Share-based compensation, which comprises stock option and restricted stock expense, increased principally due to the issuance of additional stock option awards during the six months ended March 31, 2024.

Other Expenses: Other non-compensation expenses increased \$10.0 million, or 5%, to \$230.3 million in the six months ended March 31, 2024 compared to \$220.3 million in the six months ended March 31, 2023.

Trading systems and market information costs increased \$2.6 million, principally due to higher costs related to certain operations systems and higher market information costs in the Financial Ag & Energy and Debt Capital Markets businesses.

Professional fees increased \$7.8 million, principally due to higher legal fees related to matters in which we are defendants, as well as related to advisory matters in the normal course of business. To a lesser extent, consulting fees were higher, principally within our Physical Ag & Energy business, as well as overhead, primarily within IT Development.

Non-trading technology and support increased \$3.9 million, principally due to higher non-trading software maintenance and support costs related to various IT systems.

Occupancy and equipment rental increased \$1.8 million, principally due to additional office space acquired in London and India, as well as certain accelerated charges incurred as we consolidate office space in London to support our current and anticipated future growth, partially offset by a partial refund of property tax and related expenses covering prior years in London.

Selling and marketing costs increased \$0.2 million, principally due to costs related to our global sales summit, held in February 2024, which occurs on a once-every-two years rotation, partially offset by a \$4.1 million decrease in direct marketing costs in the Retail Forex business.

Travel and business development increased \$2.7 million, principally due to higher transportation and lodging costs across all business lines and support departments, as well as transportation and lodging costs related to the previously mentioned global sales summit.

Depreciation and amortization decreased \$2.3 million, principally due to lower amortization, as certain intangibles, recognized as part the acquisition of Gain Capital Holdings, Inc. in fiscal 2020, became fully amortized during fiscal 2023, partially offset by incremental depreciation expense from internally developed software placed into service.

During the six months ended March 31, 2024, we recorded net recoveries of bad debts of \$0.7 million, principally related to recoveries within our Institutional segment of \$1.8 million, which were partially offset by bad debt expense of \$1.0 million of client receivables in our Payments segment and \$0.1 million within our Retail segment. During the six months ended March 31, 2023, bad debt expense, net of recovery was \$3.7 million, principally related to client receivables in the Physical Ag & Energy business and client trading account deficits in our Retail segment of \$2.9 million and \$0.8 million, respectively.

Gain on Acquisition and Other Gains: The results of the six months ended March 31, 2024 include a nonrecurring gain of \$6.9 million resulting from settlement of the Commodity Exchange Gold Futures and Options Trading matter. The results of the six months ended March 31, 2023 included a nonrecurring gain of \$23.5 million related to the acquisition of CDI.

Provision for Taxes: Our effective income tax rate was 27% and 23% for six months ended March 31, 2024 and 2023, respectively. The gain on acquisition of \$23.5 million in the six months ended March 31, 2023 was not taxable and reduced the effective income tax rate 3.2%.

The effective income tax rate for the six months ended March 31, 2024 and 2023 was higher than the U.S. federal statutory rate of 21% due to U.S. state and local taxes, changes in valuation allowances, U.K. bank tax, U.S. permanent differences, and the amount of foreign earnings taxed at higher tax rates.

Variable vs. Fixed Expenses

The table below presents our variable expenses and non-variable expenses as a percentage of total non-interest expenses for the periods indicated.

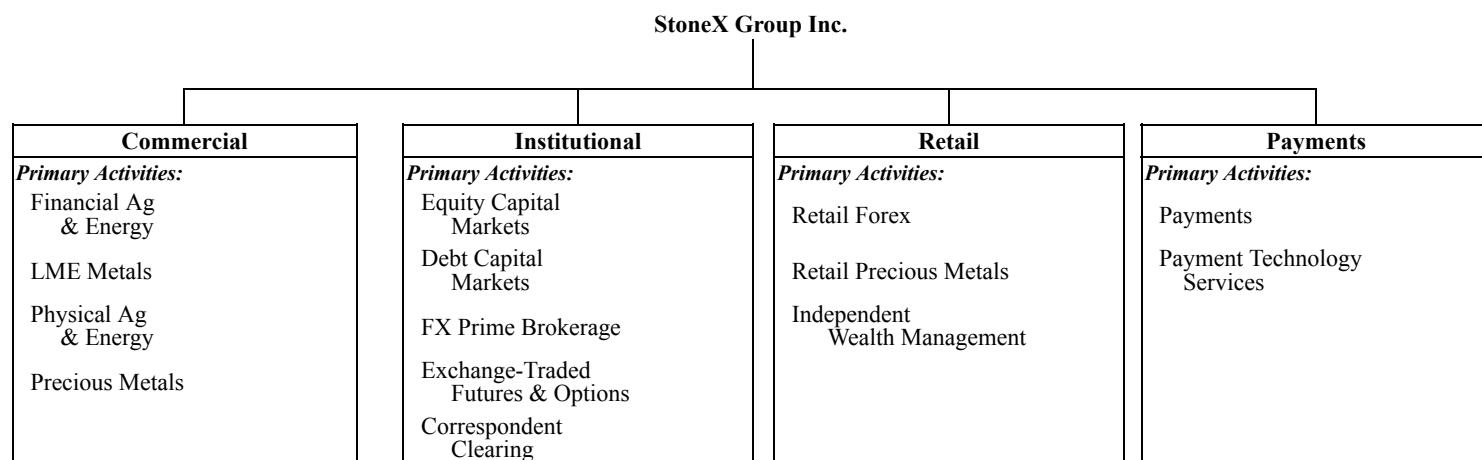
(in millions)	Three Months Ended March 31,				Six Months Ended March 31,			
	2024	% of Total	2023	% of Total	2024	% of Total	2023	% of Total
Variable compensation and benefits	\$ 123.7	26%	\$ 121.8	27%	\$ 245.6	27%	\$ 240.3	28%
Transaction-based clearing expenses	78.5	16%	69.2	15%	152.8	16%	136.5	16%
Introducing broker commissions	42.0	9%	42.2	9%	81.1	9%	79.0	9%
Total variable expenses	244.2	51%	233.2	51%	479.5	52%	455.8	53%
Fixed compensation and benefits	110.7	23%	110.7	24%	206.9	23%	191.2	22%
Other fixed expenses	122.9	26%	106.4	24%	231.0	25%	216.6	25%
Bad debts (recoveries), net	(0.4)	—%	3.0	1%	(0.7)	—%	3.7	—%
Total non-variable expenses	233.2	49%	220.1	49%	437.2	48%	411.5	47%
Total non-interest expenses	\$ 477.4	100%	\$ 453.3	100%	\$ 916.7	100%	\$ 867.3	100%

Our variable expenses include variable compensation paid to traders and risk management consultants, bonuses paid to operational, administrative, and executive employees, transaction-based clearing expenses and introducing broker commissions. We seek to make our non-interest expenses variable to the greatest extent possible, and to keep our fixed costs as low as possible.

Segment Information

Our operating segments are based principally on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, our payments business. We manage our business in this manner due to our large global footprint, in which we have more than 4,300 employees allowing us to serve clients in more than 180 countries.

Our business activities are managed as operating segments, which are our reportable segments for financial reporting purposes, as shown below.



Operating revenues, net operating revenues, net contribution and segment income are some of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of our resources. Operating revenues are calculated as total revenues less cost of sales of physical commodities.

Net operating revenues are calculated as operating revenues less transaction-based clearing expenses, introducing broker commissions and interest expense.

Net contribution is calculated as net operating revenues less variable compensation. Variable compensation paid to risk management consultants and traders generally represents a fixed percentage that can vary by revenue type. This fixed percentage is applied to revenues generated, and in some cases, revenues generated less transaction-based clearing expenses, base salaries and other expenses/allocations.

Segment income is calculated as net contribution less non-variable direct segment costs. These non-variable direct expenses include trader base compensation and benefits, operational charges, trading systems and market information, professional fees, travel and business development, communications, bad debts, trade errors and direct marketing expenses.

Segment income is used by our chief operating decision maker (“CODM”) as the primary measure of segment profit or loss in the evaluation for each of our operating segments. During the three months ended December 31, 2023, we revised our method of allocating certain overhead costs to our operating segments, and, beginning in the three months ended December 31, 2023, the CODM also uses ‘Segment income, less allocation of overhead costs’ as an additional segment measure of our segments’ financial performance. The allocation of overhead costs to operating segments includes costs associated with compliance, technology, and credit and risk costs. The share of allocated costs is based on resources consumed by the relevant businesses. In addition, the allocation of human resources and occupancy costs is principally based on employee costs within the relevant businesses. The measure of segment profit or loss most consistent with the corresponding amounts in the consolidated financial statements is segment income.

In the accompanying segment tables, ‘Allocation of overhead costs’ has been added beneath ‘Segment income’, which reconciles the segment income measure to the segment income, less allocation of overhead costs measure for the three and six months ended March 31, 2024.

Total Segment Results

The following table shows summary information concerning all of our business segments combined.

(in millions)	Three Months Ended March 31,				Six Months Ended March 31,			
	2024	% of Operating Revenues	2023	% of Operating Revenues	2024	% of Operating Revenues	2023	% of Operating Revenues
Revenues:								
Sales of physical commodities	\$ 21,321.9		\$ 15,506.2		\$ 40,142.8		\$ 27,909.6	
Principal gains, net	279.6		254.0		573.0		509.3	
Commission and clearing fees	136.9		131.1		267.2		249.7	
Consulting, management, and account fees	39.5		38.7		77.6		77.9	
Interest income	325.2		237.6		618.5		429.7	
Total revenues	22,103.1		16,167.6		41,679.1		29,176.2	
Cost of sales of physical commodities	21,287.9		15,456.6		40,076.7		27,813.4	
Operating revenues	815.2	100%	711.0	100%	1,602.4	100%	1,362.8	100%
Transaction-based clearing expenses	78.1	10%	69.4	10%	152.1	9%	136.5	10%
Introducing broker commissions	42.0	5%	42.2	6%	81.1	5%	79.0	6%
Interest expense	260.0	32%	178.2	25%	496.9	31%	333.0	24%
Net operating revenues	435.1		421.2		872.3		814.3	
Variable direct compensation and benefits	106.1	13%	104.5	15%	206.5	13%	206.0	15%
Net contribution	329.0		316.7		665.8		608.3	
Fixed compensation and benefits	55.5		61.0		105.0		106.1	
Other fixed expenses	76.1		73.3		147.6		146.2	
Bad debts (recoveries), net	(0.4)		3.0		(0.7)		3.7	
Total non-variable direct expenses	131.2	16%	137.3	19%	251.9	16%	256.0	19%
Other gains	6.9		—		6.9		—	
Segment income	204.7		179.4		420.8		352.3	
Allocation of overhead costs ⁽¹⁾	39.4		—		77.6		—	
Segment income, less allocation of overhead costs	\$ 165.3		\$ 179.4		\$ 343.2		\$ 352.3	

⁽¹⁾ Includes an allocation of certain overhead costs to our operating segments as noted above for the three months ended March 31, 2024 and six months ended March 31, 2024. These allocations will be provided on an ongoing basis but have not been calculated for comparable periods.

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Net contribution for all of our business segments increased \$12.3 million, or 4%, to \$329.0 million in the three months ended March 31, 2024 compared to \$316.7 million in the three months ended March 31, 2023. Segment income increased \$25.3 million, or 14%, to \$204.7 million in the three months ended March 31, 2024 compared to \$179.4 million in the three months ended March 31, 2023.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Net contribution for all of our business segments increased \$57.5 million, or 9%, to \$665.8 million in the six months ended March 31, 2024 compared to \$608.3 million in the six months ended March 31, 2023. Segment income increased \$68.5 million, or 19%, to \$420.8 million in the six months ended March 31, 2024 compared to \$352.3 million in the six months ended March 31, 2023.

Commercial

We offer our commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing exchange-traded and OTC products, voice brokerage, market intelligence and physical trading, as well as commodity financing and logistics services. We believe providing these high-value-added products and services differentiates us from our competitors and maximizes our opportunity to retain our clients.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Commercial segment, for the periods indicated.

(in millions)	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Revenues:						
Sales of physical commodities	\$ 21,310.0	\$ 15,279.3	39%	\$ 40,119.5	\$ 27,428.7	46%
Principal gains, net	73.7	74.9	(2)%	150.8	144.6	4%
Commission and clearing fees	47.0	44.5	6%	91.3	83.3	10%
Consulting, management and account fees	7.1	6.4	11%	12.9	12.9	—%
Interest income	41.3	45.6	(9)%	82.6	74.7	11%
Total revenues	21,479.1	15,450.7	39%	40,457.1	27,744.2	46%
Cost of sales of physical commodities	21,278.6	15,230.6	40%	40,058.2	27,341.7	47%
Operating revenues	200.5	220.1	(9)%	398.9	402.5	(1)%
Transaction-based clearing expenses	16.9	14.6	16%	32.7	27.8	18%
Introducing broker commissions	10.9	9.9	10%	21.3	17.4	22%
Interest expense	8.5	10.5	(19)%	17.3	19.5	(11)%
Net operating revenues	164.2	185.1	(11)%	327.6	337.8	(3)%
Variable direct compensation and benefits	44.9	44.2	2%	81.9	81.2	1%
Net contribution	119.3	140.9	(15)%	245.7	256.6	(4)%
Fixed compensation and benefits	16.5	16.3	1%	32.0	30.0	7%
Other fixed expenses	24.0	19.3	24%	47.8	38.0	26%
Bad debts (recoveries), net	0.1	2.4	(96)%	—	2.9	(100)%
Non-variable direct expenses	40.6	38.0	7%	79.8	70.9	13%
Other gains	6.9	—	n/m	6.9	—	n/m
Segment income	85.6	102.9	(17)%	172.8	185.7	(7)%
Allocation of overhead costs ⁽¹⁾	8.9	—	n/m	17.7	—	n/m
Segment income, less allocation of overhead costs	\$ 76.7	\$ 102.9	n/m	\$ 155.1	\$ 185.7	n/m

⁽¹⁾ Includes an allocation of certain overhead costs to our operating segments as noted above for the three and six months ended March 31, 2024. These allocations will be provided on an ongoing basis but have not been calculated for comparable periods.

Operating Revenues (in millions):	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Listed derivatives	\$ 59.1	\$ 61.0	(3)%	\$ 118.5	\$ 114.8	3%
OTC derivatives	53.0	57.9	(8)%	97.5	100.4	(3)%
Physical contracts	43.9	51.9	(15)%	94.5	105.6	(11)%
Interest / fees earned on client balances	38.1	43.4	(12)%	75.3	69.5	8%
Other	6.4	5.9	8%	13.1	12.2	7%
	\$ 200.5	\$ 220.1	(9)%	\$ 398.9	\$ 402.5	(1)%

Volumes and Other Select Data:	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Listed derivatives (contracts, 000's)	9,635	8,625	12%	19,157	16,511	16%
Listed derivatives, average rate per contract ⁽¹⁾	\$ 5.91	\$ 6.97	(15)%	\$ 5.94	\$ 6.75	(12)%
Average client equity - listed derivatives (millions)	\$ 1,684	\$ 1,971	(15)%	\$ 1,692	\$ 2,053	(18)%
OTC derivatives (contracts, 000's)	810	858	(6)%	1,625	1,576	3%
OTC derivatives, average rate per contract	\$ 65.66	\$ 67.94	(3)%	\$ 60.28	\$ 64.37	(6)%

⁽¹⁾ Give-up fee revenues, related to contract execution for clients of other FCMs, as well as cash and voice brokerage revenues are excluded from the calculation of listed derivatives, average rate per contract.

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Operating revenues decreased \$19.6 million, or 9%, to \$200.5 million in the three months ended March 31, 2024 compared to \$220.1 million in the three months ended March 31, 2023. Net operating revenues decreased \$20.9 million, or 11%, to \$164.2 million in the three months ended March 31, 2024 compared to \$185.1 million in the three months ended March 31, 2023.

Operating revenues derived from listed derivatives declined \$1.9 million, or 3%, to \$59.1 million in the three months ended March 31, 2024 compared to \$61.0 million in the three months ended March 31, 2023. This decline was principally due to a 15% decline in the average rate per contract, primarily as a result of a narrowing of spreads in LME base metals markets. This decline was partially offset by a 12% increase in overall listed derivatives contract volumes, primarily in agricultural and LME base metal commodity markets, compared to the three months ended March 31, 2023.

Operating revenues derived from OTC derivatives declined \$4.9 million, or 8%, to \$53.0 million in the three months ended March 31, 2024 compared to \$57.9 million in the three months ended March 31, 2023. This decline was principally due to a 6% decrease in OTC derivative volumes, most notably in Brazilian markets, as well as a 3% decline in the average rate per contract as compared to the three months ended March 31, 2023.

Operating revenues derived from physical contracts declined \$8.0 million, or 15%, to \$43.9 million in the three months ended March 31, 2024 compared to \$51.9 million in the three months ended March 31, 2023. This was principally driven by declines of \$1.5 million and \$6.4 million in operating revenues in our physical agricultural and energy and precious metals businesses, respectively, as compared to the three months ended March 31, 2023. Precious metals operating revenues were unfavorably impacted during the three months ended March 31, 2024, by unrealized losses on derivative positions of \$8.5 million, related to physical inventories held at the lower of cost or net realizable value. Precious metals operating revenues during the three months ended March 31, 2023 were favorably impacted by realized gains of \$1.8 million on the sale of physical inventories carried at the lower of cost or net realizable value, for which losses on related derivative positions were recognized in prior periods.

Interest and fee income earned on client balances decreased \$5.3 million, or 12%, to \$38.1 million in the three months ended March 31, 2024 compared to \$43.4 million in the three months ended March 31, 2023, primarily as a result of a 15% decline in average client equity to \$1,684 million in the three months ended March 31, 2024.

Variable expenses, excluding interest, expressed as a percentage of operating revenues increased to 36% in the three months ended March 31, 2024 compared to 31% in the three months ended March 31, 2023, primarily as a result of the impact of the unrealized losses on precious metals derivative positions, discussed above, which are not correlated to variable expenses.

Segment income decreased \$17.3 million, or 17%, to \$85.6 million in the three months ended March 31, 2024 compared to \$102.9 million in the three months ended March 31, 2023, principally due to the decline in operating revenues and to a lesser extent a \$2.6 million increase in non-variable direct expenses. These declines were partially offset by a nonrecurring gain of \$6.9 million related to proceeds from a settlement in the Commodity Exchange Gold Futures and Options Trading matter.

For the three months ended March 31, 2024, we have calculated an allocation for overhead costs of \$8.9 million for the Commercial segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Operating revenues decreased \$3.6 million, or 1%, to \$398.9 million in the six months ended March 31, 2024 compared to \$402.5 million in the six months ended March 31, 2023. Net operating revenues decreased \$10.2 million, or 3%, to \$327.6 million in the six months ended March 31, 2024 compared to \$337.8 million in the six months ended March 31, 2023.

Operating revenues derived from listed derivatives increased \$3.7 million, or 3%, to \$118.5 million in the six months ended March 31, 2024 compared to \$114.8 million in the six months ended March 31, 2023. This was principally driven by a 16% increase in listed derivative contract volumes, primarily in agricultural and LME base metal commodity markets. This was partially offset by a 12% decline in the average rate per contract, primarily as a result of a narrowing of spreads in LME base metals commodity markets.

Operating revenues derived from OTC transactions declined \$2.9 million, or 3%, to \$97.5 million in the six months ended March 31, 2024 compared to \$100.4 million in the six months ended March 31, 2023. This decrease principally resulted from a 6% decline in the average rate per contract, which was partially offset by a 3% increase in OTC volumes.

Operating revenues derived from physical transactions declined \$11.1 million, or 11%, to \$94.5 million in the six months ended March 31, 2024 compared to \$105.6 million in the six months ended March 31, 2023. Operating revenues derived from physical transactions during the six months ended March 31, 2024 were unfavorably impacted by unrealized losses on precious metals related derivative positions of \$10.0 million, related to physical inventories held at the lower of cost or net realizable value. Operating revenues during the six months ended March 31, 2023 were unfavorably impacted by unrealized losses on derivative positions of \$1.8 million, related to physical inventories held at the lower of cost or net realizable value.

Interest and fee income earned on client balances increased \$5.8 million, or 8%, to \$75.3 million in the six months ended March 31, 2024 compared to \$69.5 million in the six months ended March 31, 2023, as a result of the increase in short-term interest

rates, which was partially offset by an 18% decrease in average client equity to \$1,692 million in the six months ended March 31, 2024.

Variable expenses, excluding interest, expressed as a percentage of operating revenues declined to 34% in the six months ended March 31, 2024 compared to 31% in the six months ended March 31, 2023, primarily as a result of the impact of the unrealized losses on precious metals derivative positions, discussed above, which are not correlated to variable expenses.

Segment income decreased \$12.9 million, or 7%, to \$172.8 million in the six months ended March 31, 2024 compared to \$185.7 million in the six months ended March 31, 2023, partially due to the decline in operating revenues, as well as an \$8.9 million increase in non-variable direct expenses. The increase in non-variable direct expenses was primarily due to a \$2.0 million increase in fixed compensation and benefits, a \$1.9 million increase in professional fees, a \$1.0 million increase in travel and business development and a \$1.2 million increase in depreciation and amortization. The increase in non-variable direct expenses were partially offset by a \$2.9 million decline in bad debts, net of recoveries. Also, the decline in segment income was partially offset by a nonrecurring gain of \$6.9 million related to proceeds from a settlement in the Commodity Exchange Gold Futures and Options Trading matter.

For the six months ended March 31, 2024, we have calculated an allocation for overhead costs of \$17.7 million for the Commercial segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Institutional

We provide institutional clients with a complete suite of equity trading services to help them find liquidity with best execution, consistent liquidity across a robust array of fixed income products, competitive and efficient clearing and execution in all major futures and securities exchanges globally as well as prime brokerage in equities and major foreign currency pairs and swap transactions. In addition, we originate, structure and place debt instruments in the international and domestic capital markets. These instruments include asset-backed securities (primarily in Argentina) and domestic municipal securities.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Institutional segment, for the periods indicated.

(in millions)	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Revenues:						
Sales of physical commodities	\$ —	\$ —	—%	\$ —	\$ —	—%
Principal gains, net	97.6	89.1	10%	200.8	190.3	6%
Commission and clearing fees	74.8	72.9	3%	148.1	140.4	5%
Consulting, management and account fees	17.7	18.8	(6)%	35.0	35.6	(2)%
Interest income	273.3	181.7	50%	515.2	339.7	52%
Total revenues	463.4	362.5	28%	899.1	706.0	27%
Cost of sales of physical commodities	—	—	—%	—	—	—%
Operating revenues	463.4	362.5	28%	899.1	706.0	27%
Transaction-based clearing expenses	56.0	48.3	16%	108.9	95.3	14%
Introducing broker commissions	8.0	10.1	(21)%	15.7	18.7	(16)%
Interest expense	249.6	166.2	50%	476.1	310.9	53%
Net operating revenues	149.8	137.9	9%	298.4	281.1	6%
Variable direct compensation and benefits	47.3	48.6	(3)%	95.7	97.2	(2)%
Net contribution	102.5	89.3	15%	202.7	183.9	10%
Fixed compensation and benefits	20.4	16.1	27%	36.8	28.8	28%
Other fixed expenses	22.2	17.3	28%	41.2	37.3	10%
Bad debts (recoveries), net	(1.4)	0.1	n/m	(1.8)	—	n/m
Non-variable direct expenses	41.2	33.5	23%	76.2	66.1	15%
Segment income	61.3	55.8	10%	126.5	117.8	7%
Allocation of overhead costs ⁽¹⁾	13.3	—	n/m	26.1	—	n/m
Segment income, less allocation of overhead costs	\$ 48.0	\$ 55.8	n/m	\$ 100.4	\$ 117.8	n/m

⁽¹⁾ Includes an allocation of certain overhead costs to our operating segments as noted above for the three and six months ended March 31, 2024. These allocations will be provided on an ongoing basis but have not been calculated for comparable periods.

Operating Revenues (in millions):	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Listed derivatives	\$ 52.6	\$ 49.5	6%	\$ 102.4	\$ 95.5	7%
Securities	314.9	226.8	39%	608.5	439.8	38%
FX contracts	7.6	9.3	(18)%	15.6	18.5	(16)%
Interest / fees earned on client balances	65.4	59.2	10%	125.9	118.5	6%
Other	22.9	17.7	29%	46.7	33.7	39%
	\$ 463.4	\$ 362.5	28%	\$ 899.1	\$ 706.0	27%
Volumes and Other Select Data:						
Listed derivatives (contracts, 000's)	44,170	32,964	34%	85,406	65,276	31%
Listed derivatives, average rate per contract ⁽¹⁾	\$ 1.12	\$ 1.38	(19)%	\$ 1.12	\$ 1.33	(16)%
Average client equity - listed derivatives (millions)	\$ 4,380	\$ 5,251	(17)%	\$ 4,425	\$ 5,669	(22)%
Securities ADV (millions)	\$ 7,473	\$ 5,759	30%	\$ 6,838	\$ 4,995	37%
Securities RPM ⁽²⁾	\$ 239	\$ 282	(15)%	\$ 265	\$ 341	(22)%
Average money market / FDIC sweep client balances (millions)	\$ 1,047	\$ 1,374	(24)%	\$ 1,054	\$ 1,455	(28)%
FX contracts ADV (millions)	\$ 4,065	\$ 5,080	(20)%	\$ 4,017	\$ 4,974	(19)%
FX contracts RPM	\$ 30	\$ 29	3%	\$ 32	\$ 30	7%

- (1) Give-up fee revenues, related to contract execution for clients of other FCMs, are excluded from the calculation of listed derivatives, average rate per contract.
- (2) Interest expense associated with our fixed income activities is deducted from operating revenues in the calculation of Securities RPM, while interest income related to securities lending is excluded.

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Operating revenues increased \$100.9 million, or 28%, to \$463.4 million in the three months ended March 31, 2024 compared to \$362.5 million in the three months ended March 31, 2023. Net operating revenues increased \$11.9 million, or 9%, to \$149.8 million in the three months ended March 31, 2024 compared to \$137.9 million in the three months ended March 31, 2023.

Operating revenues derived from listed derivatives increased \$3.1 million, or 6%, to \$52.6 million in the three months ended March 31, 2024 compared to \$49.5 million in the three months ended March 31, 2023, principally due to an 34% increase in listed derivative contract volumes, which was partially offset by a 19% decline in the average rate per contract.

Operating revenues derived from securities transactions increased \$88.1 million, or 39%, to \$314.9 million in the three months ended March 31, 2024 compared to \$226.8 million in the three months ended March 31, 2023. The ADV of securities traded increased 30%, principally driven by increased client activity in both equity and fixed income markets. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. Our calculation of Securities RPM, in the table above, presents the RPM after deducting from operating revenues the interest expense associated with our fixed income activities. The securities RPM decreased 15% in the three months ended March 31, 2024 compared to the three months ended March 31, 2023, principally due to a tightening of spreads and a change in product mix.

Operating revenues derived from FX contracts declined \$1.7 million, or 18%, to \$7.6 million in the three months ended March 31, 2024 compared to \$9.3 million in the three months ended March 31, 2023, principally driven by a 20% decline in the ADV of FX contracts.

Interest and fee income earned on client balances, which is associated with our listed derivative and correspondent clearing businesses increased \$6.2 million, to \$65.4 million in the three months ended March 31, 2024, principally driven by an increase in short-term interest rates, which was partially offset by declines of 17% and 24% in average client equity and average money market/FDIC sweep client balances, respectively, as compared to the three months ended March 31, 2023.

As a result of the increase in short-term interest rates and the increase in ADV, interest expense increased \$83.4 million, to \$249.6 million in the three months ended March 31, 2024 compared to \$166.2 million in the three months ended March 31, 2023, with interest expense directly associated with serving as an institutional dealer in fixed income securities increasing \$78.6 million and interest expense directly attributable to securities lending activities increasing \$5.7 million as compared to the three months ended March 31, 2023. Partially offsetting these increases, interest paid to clients declined \$6.0 million as compared to the three months ended March 31, 2023.

Variable expenses, excluding interest, expressed as a percentage of operating revenues declined to 24% in the three months ended March 31, 2024 compared to 30% in the three months ended March 31, 2023, primarily as the result of the increase in interest/fees earned on client balances, which is generally not a component of variable compensation.

Segment income increased \$5.5 million, or 10%, to \$61.3 million in the three months ended March 31, 2024 compared to \$55.8 million in the three months ended March 31, 2023, as a result of the increase in net operating revenues noted above, which was partially offset by a \$7.7 million increase in non-variable direct expenses, including a \$4.3 million increase in fixed compensation and a \$4.1 million increase in professional fees as compared to the three months ended March 31, 2023. These negative variances were partially offset by a \$1.5 million favorable variance in bad debt expense as compared to the three months ended March 31, 2023.

For the three months ended March 31, 2024, we have calculated an allocation for overhead costs of \$13.3 million for the Institutional segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Operating revenues increased \$193.1 million, or 27%, to \$899.1 million in the six months ended March 31, 2024 compared to \$706.0 million in the six months ended March 31, 2023. Net operating revenues increased \$17.3 million, or 6%, to \$298.4 million in the six months ended March 31, 2024 compared to \$281.1 million in the six months ended March 31, 2023.

Operating revenues derived from listed derivatives increased \$6.9 million, or 7%, to \$102.4 million in the six months ended March 31, 2024 compared to \$95.5 million in the six months ended March 31, 2023, principally driven by a 31% increase in

listed derivative contract volumes, which was partially offset by a 16% decline in the average rate per contract compared to the six months ended March 31, 2023.

Operating revenues derived from securities transactions increased \$168.7 million, or 38%, to \$608.5 million in the six months ended March 31, 2024 compared to \$439.8 million in the six months ended March 31, 2023. The ADV of securities traded increased 37%, principally driven by increased client activity in both equity and fixed income markets. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. Our calculation of the securities RPM, in the table above, presents the RPM after deducting from operating revenues the interest expense associated with our fixed income activities. The securities RPM decreased 22% in the six months ended March 31, 2024 compared to the six months ended March 31, 2023, principally due to a tightening of spreads and a change in product mix.

Operating revenues derived from FX contracts declined \$2.9 million, or 16%, to \$15.6 million in the six months ended March 31, 2024 compared to \$18.5 million in the six months ended March 31, 2023, principally driven by a 19% decline in the ADV of FX contracts traded, which was partially offset by a 7% increase in the average rate per contract.

Finally, interest and fee income earned on client balances, which is associated with our listed derivative business, as well as our correspondent clearing businesses, increased \$7.4 million, to \$125.9 million in the six months ended March 31, 2024 compared to \$118.5 million in the six months ended March 31, 2023, principally driven by an increase in short-term interest rates, which was partially offset by declines of 22% and 28% in average client equity and average money market/FDIC sweep client balances, respectively, as compared to the six months ended March 31, 2023.

As a result of the increase in short-term interest rates and the increase in the ADV, interest expense increased \$165.2 million, to \$476.1 million in the six months ended March 31, 2024 compared to \$310.9 million the six months ended March 31, 2023, with interest expense directly associated with serving as an institutional dealer in fixed income securities increasing \$154.4 million and interest expense directly attributable to securities lending activities increasing \$12.4 million compared to the six months ended March 31, 2023. Partially offsetting these increases, interest paid to clients decreased \$7.2 million as compared to the six months ended March 31, 2023.

Variable expenses, excluding interest, expressed as a percentage of operating revenues declined to 25% in the six months ended March 31, 2024 compared to 30% in the six months ended March 31, 2023, principally as the result of the increase in interest/fees earned on client balances, which is generally not a component of variable compensation.

Segment income increased \$8.7 million, or 7%, to \$126.5 million in the six months ended March 31, 2024 compared to \$117.8 million in the six months ended March 31, 2023, primarily as a result of the increase in net operating revenues noted above, which was partially offset by a \$10.1 million, or 15% increase in non-variable direct expenses versus the six months ended March 31, 2023. The increase in non-variable direct expenses was primarily related to an \$8.0 million increase in fixed compensation and benefits, a \$1.0 million increase in trade systems and market information, a \$3.0 million increase in professional fees and a \$1.0 million increase in travel and business development. These increases were partially offset by a \$1.8 million positive variance in bad debts, net of recoveries and a \$1.6 million decline in non-trading technology and support as compared to the six months ended March 31, 2023.

For the six months ended March 31, 2024, we have calculated an allocation for overhead costs of \$26.1 million for the Institutional segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Retail

We provide our retail clients around the world access to over 18,000 global financial markets, including spot foreign exchange ("forex"), both financial trading and physical investment in precious metals, as well as contracts for difference ("CFDs"), which are investment products with returns linked to the performance of underlying assets. In addition, our independent wealth management business offers a comprehensive product suite to retail investors in the U.S.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Retail segment, for the periods indicated.

(in millions)	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Revenues:						
Sales of physical commodities	\$ 11.9	\$ 226.9	(95)%	\$ 23.3	\$ 480.9	(95)%
Principal gains, net	61.8	43.3	43%	117.4	75.1	56%
Commission and clearing fees	13.7	11.9	15%	24.9	22.6	10%
Consulting, management and account fees	13.9	12.7	9%	28.0	27.6	1%
Interest income	10.0	9.8	2%	19.4	14.6	33%
Total revenues	111.3	304.6	(63)%	213.0	620.8	(66)%
Cost of sales of physical commodities	9.3	226.0	(96)%	18.5	471.7	(96)%
Operating revenues	102.0	78.6	30%	194.5	149.1	30%
Transaction-based clearing expenses	3.5	4.7	(26)%	7.0	10.0	(30)%
Introducing broker commissions	22.4	21.7	3%	42.8	41.9	2%
Interest expense	1.8	1.4	29%	3.4	2.5	36%
Net operating revenues	74.3	50.8	46%	141.3	94.7	49%
Variable direct compensation and benefits	4.4	2.4	83%	8.8	7.1	24%
Net contribution	69.9	48.4	44%	132.5	87.6	51%
Fixed compensation and benefits	11.3	11.0	3%	21.6	24.2	(11)%
Other fixed expenses	25.4	32.1	(21)%	48.9	62.0	(21)%
Bad debts, net of recoveries	—	0.5	(100)%	0.1	0.8	(88)%
Non-variable direct expenses	36.7	43.6	(16)%	70.6	87.0	(19)%
Segment income	33.2	4.8	592%	61.9	0.6	n/m
Allocation of overhead costs ⁽¹⁾	12.0	—	n/m	23.5	—	n/m
Segment income, less allocation of overhead costs	\$ 21.2	\$ 4.8	n/m	\$ 38.4	\$ 0.6	n/m

(1)

Includes an allocation of certain overhead costs to our operating segments as noted above for the three and six months ended March 31, 2024. These allocations will be provided on an ongoing basis, but they have not been calculated for previously reported periods.

Operating Revenues (in millions):	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Securities	\$ 25.8	\$ 22.4	15%	\$ 48.4	\$ 43.5	11%
FX / CFD contracts	72.7	52.5	38%	139.3	92.1	51%
Physical contracts	2.0	2.2	(9)%	2.8	8.2	(66)%
Interest / fees earned on client balances	0.7	0.8	(13)%	1.4	1.6	(13)%
Other	0.8	0.7	14%	2.6	3.7	(30)%
	\$ 102.0	\$ 78.6	30%	\$ 194.5	\$ 149.1	30%
Volumes and Other Select Data:						
FX / CFD contracts ADV (millions)	\$ 6,388	\$ 8,411	(24)%	\$ 6,668	\$ 8,186	(19)%
FX / CFD contracts RPM	\$ 177	\$ 97	82%	\$ 164	\$ 90	82%

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Operating revenues increased \$23.4 million, or 30%, to \$102.0 million in the three months ended March 31, 2024 compared to \$78.6 million in the three months ended March 31, 2023. Net operating revenues increased \$23.5 million, or 46%, to \$74.3 million in the three months ended March 31, 2024 compared to \$50.8 million in the three months ended March 31, 2023.

Operating revenues derived from FX/CFD contracts increased \$20.2 million, or 38%, to \$72.7 million in the three months ended March 31, 2024 compared to \$52.5 million in the three months ended March 31, 2023 principally driven by an 82%

increase in FX/CFD contracts RPM, which was principally driven by increased client activity in gold, oil and index contracts, which typically have a higher RPM than do FX contracts. This increase partially offset by a 24% decline in FX/CFD contracts ADV, primarily related to a decline in client activity in FX markets, compared to the three months ended March 31, 2023.

Operating revenues derived from securities transactions, which relate to our independent wealth management activities, increased \$3.4 million to \$25.8 million in the three months ended March 31, 2024 compared to \$22.4 million in the three months ended March 31, 2023.

Operating revenues derived from physical contracts declined \$0.2 million, or 9% to \$2.0 million in the three months ended March 31, 2024 compared to \$2.2 million in the three months ended March 31, 2023. Operating revenues derived from physical contracts were unfavorably impacted during the three months ended March 31, 2024, by losses on derivative positions of \$0.6 million, related to physical inventories held at the lower of cost or net realizable value.

Interest and fee income earned on client balances was \$0.7 million in the three months ended March 31, 2024 as compared to \$0.8 million in the three months ended March 31, 2023.

Variable expenses, excluding interest, as a percentage of operating revenues were 30% in the three months ended March 31, 2024 compared to 37% in the three months ended March 31, 2023, principally due to the increase in operating revenues derived from FX / CFD contracts which typically incur a lower relative percentage of variable expenses than do our other business lines.

Segment income increased \$28.4 million to \$33.2 million in the three months ended March 31, 2024 compared to \$4.8 million in the three months ended March 31, 2023, principally due to the increase in net operating revenues noted above, as well as a \$6.9 million decline in non-variable direct expenses compared to the three months ended March 31, 2023. The decline in non-variable direct expenses was primarily a result of a \$2.6 million decrease in amortization, as certain intangibles, recognized as part the acquisition of Gain Capital Holdings, Inc. in fiscal 2020, became fully amortized during fiscal 2023, a \$1.8 million decline in selling and marketing, and a \$0.5 million decrease in bad debts as compared to the three months ended March 31, 2023.

For the three months ended March 31, 2024, we have calculated an allocation for overhead costs of \$12.0 million for the Retail segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Operating revenues increased \$45.4 million, or 30%, to \$194.5 million in the six months ended March 31, 2024 compared to \$149.1 million in the six months ended March 31, 2023. Net operating revenues increased \$46.6 million, or 49%, to \$141.3 million in the six months ended March 31, 2024 compared to \$94.7 million in the six months ended March 31, 2023.

Operating revenues derived from FX/CFD contracts increased \$47.2 million, or 51%, to \$139.3 million, primarily as a result of an 82% increase in FX/CFD contracts RPM, which was partially offset by a 19% decline in FX/CFD contracts ADV compared to the six months ended March 31, 2023.

Operating revenues derived from securities transactions, which are related to our independent wealth management activities, increased \$4.9 million, or 11%, to \$48.4 million in the six months ended March 31, 2024 compared to \$43.5 million in the six months ended March 31, 2023.

Operating revenues derived from physical contracts declined \$5.4 million, or 66%, to \$2.8 million in the six months ended March 31, 2024 compared to \$8.2 million in the six months ended March 31, 2023. Operating revenues derived from physical transactions during the six months ended March 31, 2024 were unfavorably impacted by losses on precious metals related derivative positions of \$0.8 million, related to physical inventories held at the lower of cost or net realizable value. Operating revenues during the six months ended March 31, 2023 were unfavorably impacted by losses on derivative positions of \$0.3 million, related to physical inventories held at the lower of cost or net realizable value.

Interest and fee income earned on client balances was \$1.4 million in the six months ended March 31, 2024 as compared to \$1.6 million in the six months ended March 31, 2023.

Variable expenses, excluding interest, as a percentage of operating revenues were 30% in the six months ended March 31, 2024 compared to 40% in the six months ended March 31, 2023, principally due to the increase in operating revenues derived from FX / CFD contracts which typically incur a lower relative percentage of variable expenses than do our other business lines.

Segment income increased \$61.3 million, to \$61.9 million in the six months ended March 31, 2024 compared to \$0.6 million in the six months ended March 31, 2023, principally due to the increase in net operating revenues noted above as well as a \$16.4 million, or 19%, decline in non-variable direct expenses, compared to the six months ended March 31, 2023. The decline in non-variable direct expenses was principally the result of a \$5.3 million decline in depreciation and amortization, as certain

intangibles, recognized as part the acquisition of Gain Capital Holdings, Inc. in fiscal 2020, became fully amortized during fiscal 2023, a \$4.1 million decline in direct selling and marketing costs, a \$2.6 million decline in fixed compensation and benefits, a \$2.7 million decrease in allocated costs from our centralized marketing department, and a \$0.7 million decrease in bad debts as compared to the six months ended March 31, 2023.

For the six months ended March 31, 2024, we have calculated an allocation for overhead costs of \$23.5 million for the Retail segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Payments

We provide customized foreign exchange and treasury services to banks and commercial businesses, charities, non-governmental organizations, as well as government organizations. We provide transparent pricing and offer payments services in more than 180 countries and 140 currencies, which we believe is more than any other payments solutions provider.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Payments segment for the periods indicated.

(in millions)	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Revenues:						
Sales of physical commodities	\$ —	\$ —	—%	\$ —	\$ —	—%
Principal gains, net	46.5	46.7	—%	104.0	99.3	5%
Commission and clearing fees	1.4	1.8	(22)%	2.9	3.4	(15)%
Consulting, management, account fees	0.8	0.8	—%	1.7	1.8	(6)%
Interest income	0.6	0.5	20%	1.3	0.7	86%
Total revenues	49.3	49.8	(1)%	109.9	105.2	4%
Cost of sales of physical commodities	—	—	—%	—	—	—%
Operating revenues	49.3	49.8	(1)%	109.9	105.2	4%
Transaction-based clearing expenses	1.7	1.8	(6)%	3.5	3.4	3%
Introducing broker commissions	0.7	0.5	40%	1.3	1.0	30%
Interest expense	0.1	0.1	—%	0.1	0.1	—%
Net operating revenues	46.8	47.4	(1)%	105.0	100.7	4%
Variable compensation and benefits	9.5	9.3	2%	20.1	20.5	(2)%
Net contribution	37.3	38.1	(2)%	84.9	80.2	6%
Fixed compensation and benefits	7.3	17.6	(59)%	14.6	23.1	(37)%
Other fixed expenses	4.5	4.6	(2)%	9.7	8.9	9%
Bad debts	0.9	—	n/m	1.0	—	n/m
Total non-variable direct expenses	12.7	22.2	(43)%	25.3	32.0	(21)%
Segment income	24.6	15.9	55%	59.6	48.2	24%
Allocation of overhead costs ⁽¹⁾	5.2	—	n/m	10.3	—	n/m
Segment income, less allocation of overhead costs	\$ 19.4	\$ 15.9	n/m	\$ 49.3	\$ 48.2	n/m

(1)

Includes an allocation of certain overhead costs to our operating segments as noted above for the three and six months ended March 31, 2024. These allocations will be provided on an ongoing basis but have not been calculated for comparable periods.

Operating Revenues (in millions):	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Payments	\$ 48.4	\$ 48.5	—%	\$ 107.8	\$ 102.7	5%
Other	0.9	1.3	(31)%	2.1	2.5	(16)%
	\$ 49.3	\$ 49.8	(1)%	\$ 109.9	\$ 105.2	4%
Volumes and Other Select Data:						
Payments ADV (millions)	\$ 64	\$ 65	(2)%	\$ 69	\$ 70	(1)%
Payments RPM	\$ 12,327	\$ 11,916	3%	\$ 12,453	\$ 11,655	7%

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Operating revenues decreased \$0.5 million, or 1%, to \$49.3 million in the three months ended March 31, 2024 compared to \$49.8 million in the three months ended March 31, 2023. Net operating revenues decreased \$0.6 million, or 1%, to \$46.8 million in the three months ended March 31, 2024 compared to \$47.4 million in the three months ended March 31, 2023.

The decline in operating revenues was principally due to a 2% decrease in the average daily notional payment volume, which was partially offset by a 3% increase in the RPM traded as compared to the three months ended March 31, 2023.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 24% in the three months ended March 31, 2024 compared to 23% in the three months ended March 31, 2023.

Segment income increased \$8.7 million, or 55%, to \$24.6 million in the three months ended March 31, 2024 compared to \$15.9 million in the three months ended March 31, 2023. This was principally driven by a \$9.5 million decline in non-variable direct expenses, primarily as a result of a \$10.3 million decline in fixed compensation and benefits, as the three months ended March 31, 2023 included a \$10.0 million severance charge related to a reorganization of the business.

For the three months ended March 31, 2024, we have calculated an allocation for overhead costs of \$5.2 million for the Payments segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

Operating revenues increased \$4.7 million, or 4%, to \$109.9 million in the six months ended March 31, 2024 compared to \$105.2 million in the six months ended March 31, 2023. Net operating revenues increased \$4.3 million, or 4%, to \$105.0 million in the six months ended March 31, 2024 compared to \$100.7 million in the six months ended March 31, 2023.

The increase in operating revenues was primarily driven by a 7% increase in the RPM traded compared to the six months ended March 31, 2023, which was partially offset by a 1% decline in the average daily volume.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 23% in the six months ended March 31, 2024 as compared to 24% in the six months ended March 31, 2023.

Segment income increased \$11.4 million, or 24%, to \$59.6 million in the six months ended March 31, 2024 compared to \$48.2 million in the six months ended March 31, 2023. This was driven by the increase in net operating revenues noted above as well as a \$6.7 million decline in non-variable direct expenses. The decline in non-variable direct expenses was primarily driven by a \$8.5 million decrease in fixed compensation and benefits as the six months ended March 31, 2023 included \$10.0 million in severance related to a reorganization of the business.

For the six months ended March 31, 2024, we have calculated an allocation for overhead costs of \$10.3 million for the Payments segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Overhead Costs and Expenses

We incur overhead costs and expenses, including certain shared services such as information technology, accounting and treasury, credit and risk, legal and compliance, and human resources and other activities. The following table provides information regarding our overhead costs and expenses.

In addition, for the three and six months ended March 31, 2024, the table provides information regarding the allocation of a portion of these costs to the aforementioned operating segments. The allocation of overhead costs to operating segments includes costs associated with compliance, technology, and credit and risk costs. The share of allocated costs is based on resources consumed by the relevant businesses. In addition, the allocation of human resources and occupancy costs is principally based on employee costs within the relevant businesses.

(in millions)	Three Months Ended March 31,			Six Months Ended March 31,		
	2024	2023	% Change	2024	2023	% Change
Compensation and benefits:						
Variable compensation and benefits	\$ 16.4	\$ 16.0	2%	\$ 35.8	\$ 31.5	14%
Fixed compensation and benefits	48.7	43.7	11%	89.3	73.6	21%
	65.1	59.7	9%	125.1	105.1	19%
Other expenses:						
Occupancy and equipment rental	13.1	10.4	26%	20.4	19.2	6%
Non-trading technology and support	13.6	11.3	20%	26.6	20.9	27%
Professional fees	8.3	4.7	77%	15.8	12.5	26%
Depreciation and amortization	6.1	5.7	7%	11.6	11.4	2%
Communications	1.6	1.5	7%	3.2	3.1	3%
Selling and marketing	4.3	1.1	291%	5.6	2.0	180%
Trading systems and market information	1.5	1.6	(6)%	3.2	3.7	(14)%
Travel and business development	2.1	1.0	110%	3.8	2.6	46%
Other	3.9	3.1	26%	9.1	9.3	(2)%
	54.5	40.4	35%	99.3	84.7	17%
Overhead costs and expenses	119.6	100.1	19%	224.4	189.8	18%
Allocation of overhead costs ⁽¹⁾	(39.4)	—	n/m	(77.6)	—	n/m
Overhead costs and expense, net of allocation to operating segments	\$ 80.2	\$ 100.1	n/m	\$ 146.8	\$ 189.8	n/m

(1)

Includes an allocation of certain overhead costs to our operating segments as noted above for the three and six months ended March 31, 2024. The allocations will be provided on an ongoing basis but have not been calculated for comparable periods.

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

Overhead costs and expenses increased \$19.5 million, or 19%, to \$119.6 million in the three months ended March 31, 2024 compared to \$100.1 million in the three months ended March 31, 2023. Compensation and benefits increased \$5.4 million, or 9%, to \$65.1 million in the three months ended March 31, 2024 compared to \$59.7 million in the three months ended March 31, 2023.

The increase in fixed compensation and benefits was principally a result of hiring among our IT, compliance, and human resource departments, principally due to company growth. Average administrative headcount increased 16% in the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Fixed compensation and benefits for the three months ended March 31, 2023 included \$3.1 million in accelerated share-based compensation for employee departures that were related to retirements and certain business reorganizations.

Other non-compensation expenses increased \$14.1 million, to \$54.5 million, in the three months ended March 31, 2024. Occupancy and equipment rental costs increased \$2.7 million, principally due to additional office space acquired in London and India, as well as certain accelerated charges incurred as we consolidate office space in London to support our current and anticipated future growth.

Non-trading technology and support increased \$2.3 million, principally due to higher non-trading software maintenance and support costs related to various IT systems.

Professional fees increased \$3.6 million, principally due to higher legal and consulting fees in our IT Development department.

Selling and marketing costs increased \$3.2 million, principally due to costs related to our global sales summit, held in February 2024, which occurs on a once-every-two years rotation.

Travel and business development increased \$1.1 million, principally due to higher transportation and lodging costs also related to the previously mentioned global sales summit.

Six Months Ended March 31, 2024 Compared to Six Months Ended March 31, 2023

On a gross basis, overhead costs and other expenses increased \$34.6 million, or 18%, to \$224.4 million in the six months ended March 31, 2024 compared to \$189.8 million in the six months ended March 31, 2023. Compensation and benefits increased \$20.0 million, or 19%, to \$125.1 million in the six months ended March 31, 2024 compared to \$105.1 million in the six months ended March 31, 2023.

The increase in fixed compensation and benefits was principally a result of annual merit increases along with increased headcount among our IT, compliance, and human resource departments. Also, there was a decrease in employee-elected deferred incentive, which is exchanged for restricted stock that will be amortized over a thirty-six month period following the grant date. Share-based compensation related to stock option expense increased principally due to the issuance of additional stock option awards during the six months ended March 31, 2024. Also, the six months ended March 31, 2023 included accelerated share-based compensation for employee departures that were related to retirements and certain business reorganizations. The increase in variable compensation is principally driven by the increased headcount.

Gross other non-compensation expenses increased \$14.6 million, or 17%, to \$99.3 million in the six months ended March 31, 2024 compared to \$84.7 million in the six months ended March 31, 2023.

Non-trading technology and support increased \$5.7 million, principally due to higher non-trading software maintenance and support costs related to various IT systems.

Professional fees increased \$3.3 million, principally due to higher legal and consulting fees within our technology departments.

Selling and marketing costs increased \$3.6 million, principally due to costs related to our global sales summit, held in February 2024, which occurs on a once-every-two years rotation.

Travel and business development increased \$1.2 million, principally due to higher transportation and lodging costs related to the previously mentioned global sales summit.

Liquidity, Financial Condition and Capital Resources

Overview

Liquidity is our ability to generate sufficient funding to meet all of our cash needs. Liquidity is of critical importance to us and imperative to maintaining our operations on a daily basis. Senior management establishes liquidity and capital policies, which we monitor and review for funding from both internal and external sources. We continuously evaluate how effectively our policies support our business operations, issuing debt and equity securities, and accessing committed credit facilities. We plan to finance our future operating liquidity and regulatory capital needs in a manner consistent with our past practice. Liquidity and capital matters are reported regularly to our Board of Directors.

Regulatory

StoneX Financial Inc. is registered as a broker-dealer with the Securities and Exchange Commission (“SEC”) and is a member of both the Financial Industry Regulatory Authority (“FINRA”) and the Municipal Securities Rulemaking Board (“MSRB”). In addition, StoneX Financial Inc. is registered as a futures commission merchant with the CFTC and NFA, and a member of various commodities and futures exchanges in the U.S. and abroad. StoneX Financial Inc. has a responsibility to meet margin calls at all exchanges on a daily basis, and even on an intra-day basis, if deemed necessary by relevant regulators or exchanges. We require our clients to make margin deposits the next business day, and we require our largest clients to make intra-day margin payments during periods of significant price movement. Margin required to be posted to the exchanges is a function of our clients’ net open positions and required margin per contract. StoneX Financial Inc. is subject to minimum capital requirements under Section 4(f)(b) of the Commodity Exchange Act, Part 1.17 of the rules and regulations of the CFTC and the SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934. StoneX Financial Inc. is also subject to the Rule 15c3-3 of the Securities Exchange Act of 1934, as amended (“Customer Protection Rule”).

Gain Capital Group, LLC is registered as both a futures commission merchant and registered foreign exchange dealer, subject to minimum capital requirements under Section 4(f)(b) of the Commodity Exchange Act, Part 1.17 of the rules and regulations of the CFTC and NFA Financial Requirements, Sections 1 and 11.

StoneX Markets LLC is a CFTC registered swap dealer, whose business is overseen by the NFA. The CFTC imposes rules over net capital requirements, as well as the exchange of initial margin between registered swap dealers and certain counterparties.

These rules specify the minimum amount of capital that must be available to support our clients’ account balances and open trading positions, including the amount of assets that StoneX Financial Inc., Gain Capital Group, LLC and StoneX Markets LLC must maintain in relatively liquid form. Further, the rules are designed to maintain general financial integrity and liquidity.

StoneX Financial Ltd is regulated by the Financial Conduct Authority (“FCA”), the regulator of investor firms in the U.K. as a MiFID investment firm under U.K. law, and is subject to regulations which impose regulatory capital requirements. In Europe, our regulated subsidiaries are subject to E.U. regulation. Across the U.K. and E.U., the respective transpositions of the Market Abuse Regulation, and the General Data Protection Regulation, also apply. StoneX Financial Ltd is a member of various commodities and futures exchanges in the U.K. and Europe and has the responsibility to meet margin calls at all exchanges on a daily basis and intra-day basis, as necessary. StoneX Financial Ltd is required to be compliant with the U.K.’s ‘MIFIDPRU’ regulation. To comply with these standards, we have implemented daily liquidity procedures, conduct periodic reviews of liquidity by stressed scenarios, and are required to maintain enough liquidity for the firm to survive for one year under the appropriate stressed conditions.

The regulations discussed above limit funds available for dividends to us. As a result, we may be unable to access our operating subsidiaries’ funds when we need them.

StoneX Financial Pte. Ltd. is regulated by the Monetary Authority of Singapore (“MAS”) and operates as an approved holder of a Capital Market Services and a Payments Service License. StoneX Financial Pte. Ltd. is subject to the requirements of MAS pursuant to the Securities and Futures Act and the Payments Services Act 2019. The regulations include those that govern the treatment of client money and other assets which under certain circumstances must be segregated from the firm’s own assets.

In our physical commodities trading, commercial hedging OTC, securities and foreign exchange trading activities, we may be required upon to meet margin calls with our various trading counterparties based upon the underlying open transactions we have in place with those counterparties.

We continuously review our overall credit and capital needs to determine whether our capital base, both stockholders’ equity and debt, as well as available credit facilities can appropriately support the anticipated financing needs of our operating subsidiaries.

As of March 31, 2024, we had total equity of \$1,542.6 million, outstanding loans under revolving credit facilities and other payables to lenders of \$253.6 million, and \$885.9 million outstanding on our senior secured notes, net of deferred financing costs.

A substantial portion of our assets are liquid. As of March 31, 2024, approximately 97% of our assets consisted of cash; securities purchased under agreements to resell; securities borrowed; deposits with and receivables from exchange-clearing organizations, broker-dealers, clearing organizations and counterparties; client receivables; marketable financial instruments and investments; and physical commodities inventory. All assets that are not client and counterparty deposit financed are financed by our equity capital, bank loans, short-term borrowings from financial instruments sold, not yet purchased and under repurchase agreements, securities loaned and other payables.

Client and Counterparty Credit and Liquidity Risk

Our operations expose us to credit risk of default of our clients and counterparties. The risk includes liquidity risk to the extent our clients or counterparties are unable to make timely payment of margin or other credit support. We are indirectly exposed to the financing and liquidity risks of our clients and counterparties, including the risks that our clients and counterparties may not be able to finance their operations.

As a clearing broker, we act on behalf of our clients for all trades consummated on exchanges. We must pay initial and variation margin to the exchanges, on a net basis, before we receive the required payments from our clients. Accordingly, we are responsible for our clients’ obligations with respect to these transactions, which exposes us to significant credit risk. Our clients are required to make any margin deposits the next business day, and we require our largest clients to make intra-day margin payments during periods of significant price movement. Our clients are obligated to maintain initial margin requirements at the level set by the respective exchanges, but we have the ability to increase margin requirements for clients based on their open positions, trading activity, or market conditions.

As it relates to OTC derivative transactions, we act as a principal, which exposes us to the credit risk of both our clients and the counterparties with which we offset our client positions. As with exchange-traded transactions, our OTC transactions require that we meet initial and variation margin payments on behalf of our clients before we receive related required payments from our clients. OTC clients are required to post sufficient collateral to meet margin requirements based on value-at-risk models, as well as variation margin requirements based on the price movement of the commodity or security in which they transact. Our clients are required to make any margin deposits the next business day, and we may require our largest clients to make intra-day margin payments during periods of significant price movement. In this business as well, we have the ability to increase the margin requirements for clients based on their open positions, trading activity, or market conditions. On a limited basis, we provide credit thresholds to certain clients, based on internal evaluations and monitoring of client creditworthiness.

In addition, with OTC transactions, we are at risk that a counterparty will fail to meet its obligations to us when due. We would then be exposed to the risk that the settlement of a transaction which is due a client will not be collected from the respective

counterparty with which the transaction was offset. We continuously monitor the credit quality of our respective counterparties and mark our positions held with each counterparty to market on a daily basis.

We enter into securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed and securities loaned transactions to, among other things, finance financial instruments, acquire securities to cover short positions, acquire securities for settlement, and to accommodate counterparties' needs. In connection with these agreements and transactions, it is our policy to receive or pledge cash or securities to adequately collateralize such agreements and transactions in accordance with general industry guidelines and practices. The collateral is valued daily and we may require counterparties to deposit additional collateral or return collateral pledged, when appropriate.

Primary Sources and Uses of Cash

Our cash and cash equivalents and client cash and securities held for clients are held at banks, deposits at liquidity providers, investments in money market funds that invest in highly liquid investment grade securities including U.S. treasury bills, as well as investments in U.S. treasury bills. In general, we believe all of our investments and deposits are of high credit quality and we have more than adequate liquidity to conduct our businesses.

Our assets and liabilities may vary significantly from period to period due to changing client requirements, economic and market conditions, and our growth. Our total assets as of March 31, 2024 and September 30, 2023, were \$25.7 billion and \$21.9 billion, respectively. Our operating activities generate or utilize cash as a result of net income or loss earned or incurred during each period and fluctuations in our assets and liabilities. The most significant fluctuations arise from changes in the level of client activity, commodities prices, and changes in the balances of financial instruments and commodities inventory. StoneX Financial Inc. and StoneX Financial Ltd occasionally utilize their margin line credit facilities, on a short-term basis, to meet intraday settlements with the commodity exchanges prior to collecting margin funds from their clients.

The majority of the assets of StoneX Financial Inc., StoneX Financial Ltd, StoneX Financial Pte. Ltd, StoneX Markets LLC, and Gain Capital Group, LLC are restricted from being transferred to us or other affiliates due to specific regulatory requirements. This restriction has no current impact on our ability to meet our cash obligations, and no such impact is expected in the future.

We have liquidity and funding policies and processes in place that are intended to maintain sufficient flexibility to address both company-specific and industry liquidity needs. The majority of our excess funds is held with high-quality institutions, under highly-liquid reverse repurchase agreements, U.S. government obligations, interest earning cash deposits and AA-rated money market investments.

We do not intend to distribute earnings of our foreign subsidiaries in a taxable manner, and therefore intend to limit distributions to earnings previously taxed in the U.S., or earnings that would qualify for the 100 percent dividends received deduction, and earnings that would not result in any significant foreign taxes. We repatriated \$80.0 million and \$8.6 million for the six months ended March 31, 2024 and 2023, respectively, of earnings previously taxed in the U.S., resulting in no significant incremental taxes. Therefore, the Company has not recognized a deferred tax liability on its investment in foreign subsidiaries.

Senior Secured Notes

On March 1, 2024, we issued \$550 million in aggregate principal amount of our 7.875% Senior Secured Notes due 2031 (the "Notes due 2031"). The Notes due 2031 are fully and unconditionally guaranteed, jointly and severally, on a senior secured second lien basis, by certain subsidiaries of the Company that guarantee the Company's senior committed credit facility and certain of its domestic subsidiaries.

The Notes due 2031 will mature on March 1, 2031. Interest on the Notes accrues at a rate of 7.875% per annum and is payable semiannually in arrears on September 1 and March 1 of each year. We incurred debt issuance costs of \$7.9 million in connection with the issuance of the Notes due 2031, which are being amortized over the term of the notes.

In June 2020, we issued \$350 million in aggregate principal amount of our 8.625% Senior Secured Notes due 2025 (the "Notes due 2025") at the offering price of 98.5% of the aggregate principal amount. The Notes due 2025 are fully and unconditionally guaranteed, jointly and severally, on a senior secured second lien basis, by certain subsidiaries of the Company that guarantee the Company's senior committed credit facility and certain of its domestic subsidiaries.

The Notes due 2025 are scheduled to mature on June 15, 2025. Interest on the Notes accrues at a rate of 8.625% per annum and is payable semiannually in arrears on June 15 and December 15 of each year. We incurred debt issuance costs of \$9.5 million in connection with the issuance of the Notes due 2025, which are being amortized over the term of the Notes under the effective interest method. We have had the right, since June 15, 2022, to redeem the Notes due 2025, in whole or in part, at the redemption prices set forth in the indenture governing the Notes due 2025.

In conjunction with the March 1, 2024 issuance of the Notes due 2031, discussed above, we entered into an in-substance defeasance of the Notes due 2025, which included placing \$363.0 million of immediately available funds, representing the aggregate principal amount outstanding and all unpaid interest (accrued and yet to be accrued) through, but not including, June 15, 2024, into an escrow account designated to hold and distribute the same amount on the intended redemption date of June 15, 2024. We have classified these funds in escrow as restricted cash as of March 31, 2024 because the funding is irrevocable and we do not have the ability to withdraw the funds.

Committed Credit Facilities

As of March 31, 2024, we had five committed bank credit facilities, totaling \$1,200.0 million, of which \$146.0 million was outstanding. Additional information regarding the committed bank credit facilities can be found in Note 9 of the Condensed Consolidated Financial Statements. The credit facilities include:

- A first-lien senior secured syndicated loan facility principally committed until April 21, 2026, under which \$500.0 million is available to us for general working capital requirements and capital expenditures. The maturity date is April 21, 2025 for one lender representing \$17.5 million of the facility commitment.
- An unsecured line of credit committed until October 29, 2024, under which \$190.0 million is available to our wholly owned subsidiary, StoneX Financial Inc. to provide short-term funding of margin to commodity exchanges as necessary.
- A syndicated borrowing facility committed until July 28, 2024, under which \$400.0 million is available to our wholly owned subsidiary, StoneX Commodity Solutions LLC, to finance commodity financing arrangements and commodity repurchase agreements.
- An unsecured syndicated loan facility committed until October 12, 2024, under which our subsidiary, StoneX Financial Ltd is entitled to borrow up to \$100.0 million, subject to certain terms and conditions of the credit agreement. This facility is intended to provide short-term funding of margin to commodity exchanges as necessary.
- An unsecured revolving credit facility committed until September 6, 2024, under which \$10.0 million is available to our wholly owned subsidiary, StoneX Financial Pte. Ltd. for general working capital requirements.

Our facility agreements contain certain financial covenants relating to financial measures on a consolidated basis, as well as on a stand-alone basis for certain subsidiaries, including minimum tangible net worth, minimum regulatory capital, minimum net unencumbered liquid assets, maximum net loss, minimum fixed charge coverage ratio and maximum funded debt to net worth ratio. Failure to comply with any such covenants could result in the debt becoming payable on demand. As of March 31, 2024, we and our subsidiaries were in compliance with all of our financial covenants under the outstanding facilities.

In accordance with required disclosure as part of our first-lien senior secured syndicated loan facility, during the trailing twelve months ended March 31, 2024, interest expense directly attributable to trading activities includes \$711.1 million in connection with trading activities conducted as an institutional dealer in fixed income securities, and \$51.8 million in connection with securities lending activities.

As reflected above, certain of our committed credit facilities are scheduled to expire during the next twelve months following the quarterly period ended March 31, 2024. We intend to renew or replace these facilities as they expire, and based on our liquidity position and capital structure, we believe we will be able to do so.

Uncommitted Credit Facilities

We have access to certain uncommitted financing agreements that support our ordinary course securities and commodities inventories. The agreements are subject to certain borrowing terms and conditions. As of March 31, 2024 and September 30, 2023, the Company had \$100.4 million and \$55.5 million total borrowings outstanding under these uncommitted credit facilities, respectively.

Other Capital Considerations

Our activities are subject to various significant governmental regulations and capital adequacy requirements, both in the U.S. and in the international jurisdictions in which we operate. Our subsidiaries are in compliance with all of their capital regulatory

requirements as of March 31, 2024. Additional information on our subsidiaries subject to significant net capital and minimum net capital requirements can be found in Note 16 of the Condensed Consolidated Financial Statements.

Our subsidiary, StoneX Markets LLC, is a CFTC registered swap dealer, and under these capital rules is subject to a minimum regulatory capital requirement. StoneX Markets LLC has elected to utilize the “bank-based” approach, as reflected in CFTC Rule 23.101(a)(1)(i) to calculate its capital requirements. Under the “bank-based” approach StoneX Markets LLC must satisfy the following capital requirements: Common Equity Tier 1 (“CET1”) capital of at least \$20 million; (ii) CET1 equal to at least 6.5% of its risk weighted assets (“RWA”); (iii) CET1, Additional Tier 1, and Tier 2 (collectively, total aggregate Bank Holding Company (“BHC”) capital) equal to at least 8% of its RWA; (iv) total aggregate BHC capital equal to 8% of its uncleared swap margin; and (v) the minimum capital required by NFA. Aggregate BHC capital and the related net capital requirement may fluctuate on a daily basis.

Compliance with this or other swap-related regulatory capital requirements may require us to devote more capital to these businesses or otherwise restructure our operations, such as by combining these businesses with other regulated subsidiaries that must also satisfy regulatory capital requirements. StoneX Markets LLC has faced, and may continue to face, increased costs due to the registration and regulatory requirements listed above, as may any other of our subsidiaries that may be required to register, or may register voluntarily, as a swap dealer and/or swap execution facility.

Cash Flows

We include restricted cash as well as client cash and securities that meet the short-term requirement for cash classification to be segregated for regulatory purposes in our Condensed Consolidated Statements of Cash Flows. We hold a significant amount of U.S. Treasury obligations, which represent investments of client funds or client-owned investments pledged in lieu of cash margin. U.S. Treasury securities held with third-party banks or pledged with exchange-clearing organizations representing investments of client funds or which are held for particular clients in lieu of cash margin are included in the beginning and ending cash balances reconciled on our Condensed Consolidated Statements of Cash Flows to the extent that they have an original or acquired maturity of 90 days or less and, therefore, meet the definition of a segregated cash equivalent. Purchases and sales of U.S. Treasury securities representing investment of clients’ funds and U.S. Treasury securities pledged or redeemed by particular clients in lieu of cash margin are presented as operating uses and sources of cash, respectively, within the operating section of the consolidated statements of cash flows if they have an original or acquired maturity of greater than 90 days. Typically, there is an offsetting use or source of cash related to the change in the payables to clients. However, we will report a use of cash in periods where segregated U.S. Treasury securities that meet the aforementioned definition of a segregated cash equivalent mature and are replaced with U.S. Treasury securities that have original or acquired maturities that are greater than 90 days.

Our cash, restricted cash, segregated cash, cash equivalents, and segregated cash equivalents increased by \$1,369.5 million from \$6,041.7 million as of September 30, 2023 to \$7,411.2 million as of March 31, 2024. During the six months ended March 31, 2024, net cash of \$936.4 million was provided by operating activities, \$26.1 million was used in investing activities and net cash of \$457.0 million was provided by financing activities.

Net cash provided by financing activities during the six months ended March 31, 2024 included significant inflows related to the Notes due 2031, which resulted in an inflow of \$542.1 million, as well as outflows from payables to lenders under 90 days of \$87.4 million.

In the broker-dealer and related trading industries, companies report trading activities in the operating section of the statement of cash flows. Due to the daily price volatility in the commodities market, as well as changes in margin requirements, fluctuations in the balances of deposits held at various exchanges, marketable securities and client commodity accounts may occur from day-to-day. A use of cash, as calculated on the consolidated statement of cash flows, includes unrestricted cash transferred and pledged to the exchanges or guaranty funds. These funds are held in interest-bearing deposit accounts at the exchanges, and based on daily exchange requirements, may be withdrawn and returned to unrestricted cash. Additionally, within our unregulated OTC and foreign exchange operations, cash deposits received from clients are reflected as cash provided from operations. Subsequent transfer of these cash deposits to counterparties or exchanges to margin their open positions will be reflected as an operating use of cash to the extent the transfer occurs in a different period than the cash deposit was received.

Unrealized gains and losses on open positions revalued at prevailing foreign currency exchange rates are included in trading revenue but have no direct impact on cash flow from operations. Similarly, gains and losses become realized when client transactions are liquidated, though they do not affect cash flow. To some extent, the amount of net deposits made by our clients in any given period is influenced by the impact of gains and losses on our client balances, such that clients may be required to post additional funds to maintain open positions or may choose to withdraw excess funds on open positions.

We continuously evaluate opportunities to expand our business. Investing activities included \$30.1 million in capital expenditures for property and equipment during the six months ended March 31, 2024 compared to \$22.5 million during the prior year. Additionally, we expended \$1.1 million of net cash on the Company's acquisitions.

Fluctuations in exchange rates increased our cash, segregated cash, cash equivalents and segregated cash equivalents by \$2.2 million.

Apart from what has been disclosed above, there are no known trends, events or uncertainties that have had or are likely to have a material impact on our liquidity, financial condition and capital resources. Based upon our current operations, we believe that cash flows from operations, available cash and available borrowings under our credit facilities will be adequate to meet our future liquidity needs for the following year.

Commitments

Information about our commitments and contingent liabilities is contained in Note 11 of the Condensed Consolidated Financial Statements.

Off Balance Sheet Arrangements

We are party to certain financial instruments with off-balance sheet risk in the normal course of business as a registered securities broker-dealer, futures commission merchant, U.K. based financial services firm, provisionally registered swap dealer and from our market-making and proprietary trading in the foreign exchange and commodities and debt securities markets. These financial instruments include futures, forward and foreign exchange contracts, exchange-traded and OTC options, To Be Announced ("TBA") securities and interest rate swaps. Derivative financial instruments involve varying degrees of off-balance sheet market risk whereby changes in the fair values of underlying financial instruments may result in changes in the fair value of the financial instruments in excess of the amounts reflected in the Condensed Consolidated Balance Sheets. Exposure to market risk is influenced by a number of factors, including the relationships between the financial instruments and our positions, as well as the volatility and liquidity in the markets in which the financial instruments are traded. The principal risk components of financial instruments include, among other things, interest rate volatility, the duration of the underlying instruments and changes in commodity pricing and foreign exchange rates. We attempt to manage our exposure to market risk through various techniques. Aggregate market limits have been established and market risk measures are routinely monitored against these limits. Derivative contracts are traded along with cash transactions because of the integrated nature of the markets for such products. We manage the risks associated with derivatives on an aggregate basis along with the risks associated with our proprietary trading and market-making activities in cash instruments as part of our firm-wide risk management policies.

A significant portion of these instruments are primarily the execution of orders for commodity futures and options on futures contracts on behalf of our clients, substantially all of which are transacted on a margin basis. Such transactions may expose us to significant credit risk in the event margin requirements are not sufficient to fully cover losses which clients may incur. We control the risks associated with these transactions by requiring clients to maintain margin deposits in compliance with both clearing organization requirements and internal guidelines. We monitor required margin levels daily and, therefore, may require clients to deposit additional collateral or reduce positions when necessary. We also establish contract limits for clients, which are monitored daily. We evaluate each client's creditworthiness on a case-by-case basis. Clearing, financing, and settlement activities may require us to maintain funds with or pledge securities as collateral with other financial institutions. Generally, these exposures to exchanges are subject to netting of open positions and collateral, while exposures to clients are subject to netting, per the terms of the client agreements, which reduce the exposure to us by permitting receivables and payables with such clients to be offset in the event of a client default. Management believes that the margin deposits held as of March 31, 2024 are adequate to minimize the risk of material loss that could be created by positions held at that time. Additionally, we monitor collateral fair value on a daily basis and adjust collateral levels in the event of excess market exposure. Generally, these exposures to both counterparties and clients are subject to master netting agreements and the terms of the client agreements, which reduce our exposure.

As a broker-dealer in U.S. Treasury obligations, U.S. government agency obligations, agency mortgage-backed obligations, and asset-backed obligations, we are engaged in various securities trading, borrowing and lending activities serving solely institutional counterparties. Our exposure to credit risk associated with the nonperformance of counterparties in fulfilling their contractual obligations pursuant to these securities transactions and market risk associated with the sale of securities not yet purchased can be directly impacted by volatile trading markets which may impair their ability to satisfy outstanding obligations to us. In the event of non-performance and unfavorable market price movements, we may be required to purchase or sell financial instruments, which may result in a loss to us.

We transact OTC and foreign exchange contracts with our clients, and our OTC and foreign exchange trade desks will generally offset the client's transaction simultaneously with one of our trading counterparties or will offset that transaction with a similar, but not identical, position on the exchange. These unmatched transactions are intended to be short-term in nature and are conducted to facilitate the most effective transaction for our client.

Additionally, we hold options and futures on options contracts resulting from market-making and proprietary trading activities in these product lines. We assist clients in our commodities trading business to protect the value of their future production (precious or base metals) by selling them put options on an OTC basis. We also provide our physical commodities trading business clients with sophisticated option products, including combinations of buying and selling puts and calls. We mitigate our risk by effecting offsetting options with market counterparties or through the purchase or sale of exchange-traded commodities futures. The risk mitigation of offsetting options is not within the documented hedging designation requirements of the Derivatives and Hedging Topic of the ASC.

As part of the activities discussed above, we carry short positions. We sell financial instruments that we do not own, borrow the financial instruments to make good delivery, and therefore are obliged to purchase such financial instruments at a future date in order to return the borrowed financial instruments. We record these obligations in the condensed consolidated financial statements as of March 31, 2024 and September 30, 2023, at fair value of the related financial instruments, totaling \$3,223.0 million and \$3,085.6 million, respectively. These positions are held to offset the risks related to financial assets owned, and reported in our Condensed Consolidated Balance Sheets in *Financial instruments owned, at fair value* and *Physical commodities inventory, net*. We will incur losses if the fair value of the financial instruments sold, not yet purchased, increases subsequent to March 31, 2024, which might be partially or wholly offset by gains in the value of assets held as of March 31, 2024. The totals of \$3,223.0 million and \$3,085.6 million include a net liability of \$442.4 million and \$288.3 million for derivative contracts, including those designated as hedges, based on their fair value as of March 31, 2024 and September 30, 2023, respectively.

We do not anticipate non-performance by counterparties in the above situations. We have a policy of reviewing the credit standing of each counterparty with which we conduct business. We have credit guidelines that limit our current and potential credit exposure to any one counterparty. We administer limits, monitor credit exposure, and periodically review the financial soundness of counterparties. We manage the credit exposure relating to our trading activities in various ways, including entering into collateral arrangements and limiting the duration of exposure. Risk is mitigated in certain cases by closing out transactions and entering into risk reducing transactions.

We are a member of various exchanges that trade and clear futures and option contracts. We are also a member of and provide guaranties to securities clearinghouses and exchanges in connection with client trading activities. Associated with our memberships, we may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchanges. While the rules governing different exchange memberships vary, in general our guaranty obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guaranty obligation would be apportioned among the other non-defaulting members of the exchange. Our liability under these arrangements is not quantifiable and could exceed the cash and securities we have posted as collateral at the exchanges. However, management believes that the potential for us to be required to make payments under these arrangements is remote. Accordingly, no contingent liability for these arrangements has been recorded in the Condensed Consolidated Balance Sheets as of March 31, 2024 and September 30, 2023.

Effects of Inflation

Increases in our expenses, such as compensation and benefits, transaction-based clearing expenses, occupancy and equipment rental, may result from inflation, and may not be readily recoverable from increasing the prices of our services. While rising interest rates are generally favorable for us, to the extent that inflation has other adverse effects on the financial markets and on the value of the financial instruments held in inventory, it may adversely affect our financial position and results of operations.

Critical Accounting Policies

See our critical accounting policies discussed in the Management's Discussion and Analysis of the most recent Annual Report filed on Form 10-K. There have been no material changes to these policies.

Other Accounting Policies

Note 1 to the Consolidated Financial Statements included within the most recent Annual Report filed on Form 10-K includes our significant accounting policies. There have been no material changes to these policies.

Accounting Development Updates

Recently Issued Accounting Pronouncements

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" ("ASU 2021-08"). ASU 2021-08 requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities from acquired contracts using the revenue recognition guidance under Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, in order to recognize contract liabilities in alignment with the definition of performance obligations. The standard is effective for fiscal years beginning after December 15, 2022, including

interim periods within those fiscal years, which means that it will be effective for our fiscal year beginning October 1, 2023. Early adoption is permitted. Adopting ASU 2021-08 will not have a significant impact on our financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. ASU 2023-09 is effective for the Company’s fiscal year ending September 30, 2026. Early adoption is permitted. The guidance allows for adoption using either a prospective or retrospective transition method. We are currently evaluating the impact that adopting this guidance will have on our disclosures.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”), which will require the Company to disclose segment expenses that are significant and regularly provided to the Company’s chief operating decision maker (“CODM”). In addition, ASU 2023-07 will require the Company to disclose the title and position of its CODM and how the CODM uses segment profit or loss information in assessing segment performance and deciding how to allocate resources. ASU 2023-09 is effective for the Company’s fiscal year ending September 30, 2026. Early adoption is permitted. The guidance should be applied retrospectively unless impracticable. We are currently evaluating the impact that adopting this guidance will have on our disclosures.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

See also Note 4 to the condensed consolidated financial statements, “Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk”.

Market Risk

We conduct our market-making and trading activities predominantly as a principal, which subjects our capital to significant risks. These risks include, but are not limited to, absolute and relative price movements, price volatility and changes in liquidity, over which we have virtually no control. Our exposure to market risk varies in accordance with the volume of client-driven market-making transactions, the size of the proprietary positions and the volatility of the financial instruments traded.

We seek to mitigate exposure to market risk by utilizing a variety of qualitative and quantitative techniques:

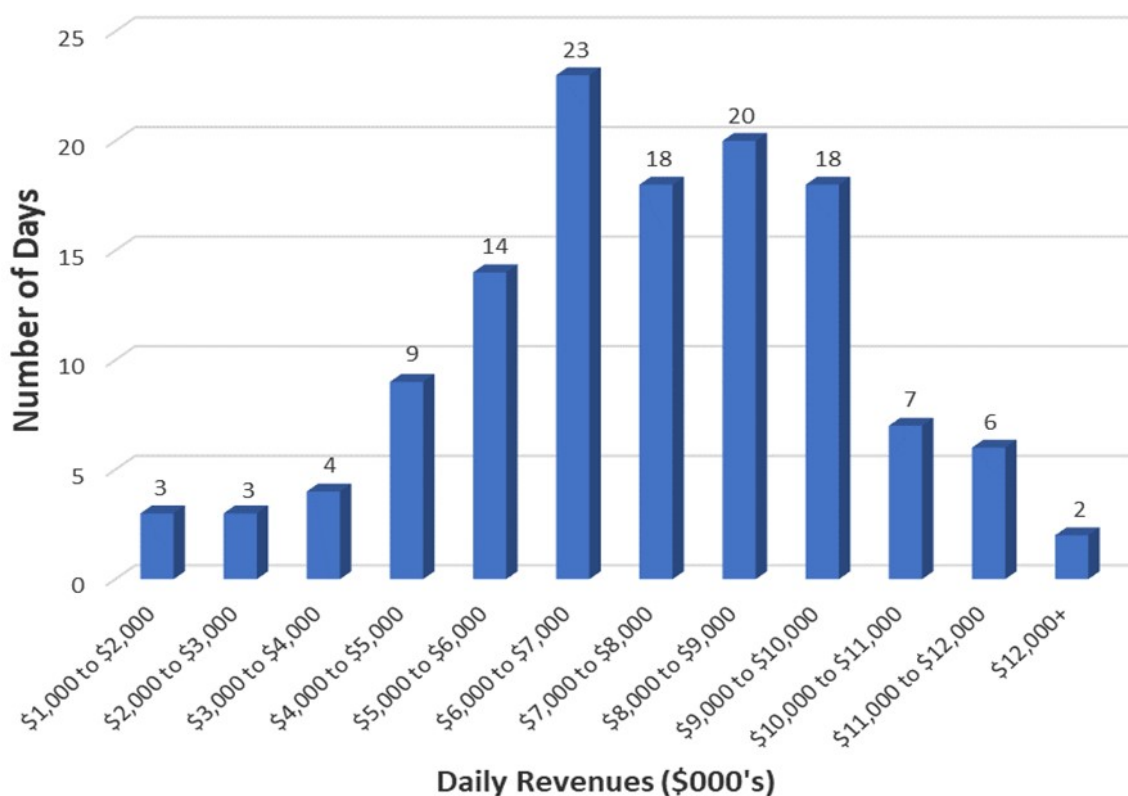
- Diversification of business activities and instruments;
- Limitations on positions;
- Allocation of capital and limits based on estimated weighted risks; and
- Daily monitoring of positions and mark-to-market profitability.

We utilize derivative products in a trading capacity as a dealer to satisfy client needs and mitigate risk. We manage risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with our other trading activities.

We are exposed to market risk in connection with our retail trading activities. Because we act as counterparty to our retail clients’ transactions, we are exposed to risk on each trade that the value of our position will decline. Accordingly, accurate and efficient management of our net exposure is a high priority, and we have developed policies addressing both our automated and manual procedures to manage our exposure. These risk-management policies and procedures are established and reviewed regularly by the Risk Committee of our Board of Directors. Our risk-management policies require quantitative analyses by instrument, as well as assessment of a range of market inputs, including trade size, dealing rate, client margin and market liquidity. Our risk-management procedures require our team of senior traders to monitor risk exposure on a continuous basis and update senior management both informally over the course of the trading day and formally through intraday and end of day reporting. A key component of our approach to managing market risk is that we do not initiate market positions for our own account in anticipation of future movements in the relative prices of products we offer.

Management believes that the volatility of revenues is a key indicator of the effectiveness of our risk management techniques. The graph below summarizes volatility of our daily revenue, determined on a marked-to-market basis, during the six months ended March 31, 2024.

Marked-to-Market Revenues



In our Securities market-making and trading activities, we maintain inventories of equity and debt securities. In our Commercial segment, our positions include physical commodities inventories, precious metals on lease, forwards, futures and options on futures, and OTC derivatives. Our commodity trading activities are managed as one consolidated book for each commodity encompassing both cash positions and derivative instruments. We monitor the aggregate position for each commodity in equivalent physical ounces, metric tons, or other relevant unit.

Interest Rate Risk

In the ordinary course of our operations, we have interest rate risk from the possibility that changes in interest rates will affect the values of financial instruments and impact interest income earned. Within our domestic institutional dealer in fixed income securities business, we maintain a significant amount of trading assets and liabilities which are sensitive to changes in interest rates. These trading activities primarily consist of securities trading in connection with U.S. Treasury, U.S. government agency, agency mortgage-backed and agency asset-backed obligations, as well as investment grade, high-yield, convertible and emerging markets debt securities. Derivative instruments, which consist of futures, TBA securities and forward settling transactions, are used to manage risk exposures in the trading inventory. We enter into TBA securities transactions for the sole purpose of managing risk associated with mortgage-backed securities.

In addition, we generate interest income from the positive spread earned on client deposits. We typically invest in U.S. Treasury bills, notes, and obligations issued by government sponsored entities, reverse repurchase agreements involving U.S. Treasury bills and government obligations or AA-rated money market funds. In some instances, we maintain interest earning cash deposits with banks, clearing organizations and counterparties. We have an investment policy which establishes acceptable standards of credit quality and limits the amount of funds that can be invested within a particular fund, institution, clearing organization or counterparty. We estimate that as of March 31, 2024, an immediate 25 basis point decrease in short-term interest rates would result in approximately \$4.8 million less in annual net income.

We manage interest expense using a combination of variable and fixed rate debt. The debt instruments are carried at their unpaid principal balance which approximates fair value. As of March 31, 2024, \$253.6 million of outstanding principal debt was variable-rate debt. We are subject to earnings and liquidity risks for changes in the interest rate on this debt. As of March 31, 2024, \$897.9 million of outstanding principal debt was fixed-rate long-term debt.

Foreign Currency Risk

Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact the value of our earnings and assets. Entities that have assets and liabilities denominated in currencies other than the primary economic environment in which the entity operates are subject to remeasurement. Virtually all sales and related operating costs are denominated in the currency of the local country and translated into USD for consolidated reporting purposes. Although the majority of the assets and liabilities of these subsidiaries are denominated in the functional currency of the subsidiary, they may also hold assets or liabilities denominated in other currencies. As a result, our results of operations and financial position are exposed to changing currency rates. We may consider entering into hedging transactions to mitigate our exposure to foreign currency exchange rates. These hedging transactions may not be successful.

Item 4. Controls and Procedures

In connection with the filing of this Form 10-Q, our management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of March 31, 2024. Our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to provide reasonable assurance that their objectives were met as of March 31, 2024.

There are limitations inherent in any internal control, such as the possibility of human error and the circumvention or overriding of controls. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met, and may not prevent or detect misstatements. As conditions change over time, so too may the effectiveness of internal controls. As a result, there can be no assurance that a control system will succeed in preventing all possible instances of error and fraud. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the conclusions our Chief Executive Officer and Chief Financial Officer are made at the “reasonable assurance” level.

There were no changes in our internal controls over financial reporting during the quarter ended March 31, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

For information regarding certain legal proceedings to which we are currently a party, see Note 11, “Commitments and Contingencies” in the notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this report, information regarding risks affecting us appears in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023. These are not the only risks we face. Additional risks and uncertainties not currently known to us or that management currently considers to be non-material may in the future adversely affect our business, financial condition and operating results.

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

On August 30, 2023, our Board of Directors authorized the repurchase of up to 1.5 million shares of our outstanding common stock from time to time in open market purchases and private transactions, commencing on October 1, 2023 and ending on September 30, 2024. The repurchases are subject to the discretion of the senior management team to implement our stock repurchase plan, and subject to market conditions and as permitted by securities laws and other legal, regulatory and contractual requirements and covenants. Our common stock repurchase program activity for the three months ended March 31, 2024 was as follows:

<u>Period</u>	<u>Total Number of Shares Purchased⁽¹⁾</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program</u>	<u>Maximum Number of Shares Remaining to be Purchased Under the Program</u>
January 1, 2024 to January 31, 2024	1,561	\$ 68.66	—	1,500,000
February 1, 2024 to February 29, 2024	20	66.70	—	1,500,000
March 1, 2024 to March 31, 2024	543	70.26	—	1,500,000
Total	2,124	\$ 69.05	—	

⁽¹⁾The 2022 Omnibus Incentive Compensation Plan allows for “withhold to cover” as a tax payment method for vesting of restricted stock awards. Pursuant to the “withhold to cover” method, we withheld from certain employees shares noted in the table above to cover tax withholding related to the vesting of their awards. For the three months ended March 31, 2024, a total of 2,124 shares were withheld at an average price of \$69.05.

Item 5. Other Information

During the three months ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

- 10.1 [Eighth Amendment dated April 29, 2024, to the Amended and Restated Credit Agreement, dated as of February 22, 2019 \(as amended or modified from time to time\) by and between StoneX Group Inc. \(f/k/a INTL FCStone Inc.\) as Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent.*](#)
- 10.2 [Assignment and Assumption dated May 8, 2024, entered into by and between Flagstar Bank, N.A. and BOKF, NA dba BOK Financial pertaining to the Amended and Restated Credit Agreement, dated as of February 22, 2019 \(as amended or modified from time to time\) by and between StoneX Group Inc. \(f/k/a INTL FCStone Inc.\) as Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent.*](#)
- 31.1 [Certification of Chief Executive Officer, pursuant to Rule 13a—14\(a\).*](#)
- 31.2 [Certification of Chief Financial Officer, pursuant to Rule 13a—14\(a\).*](#)
- 32.1 [Certification of 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 of 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
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
 - * Filed as part of this report.
 - ** Furnished as part of this report.

Exhibit 10.1

EIGHTH AMENDMENT TO CREDIT AGREEMENT

THIS EIGHTH AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of April 29, 2024 (the “Eighth Amendment Effective Date”), is entered into among STONEX GROUP INC. (f/k/a INTL FCSTONE INC.), a Delaware corporation (the “Borrower”), the Guarantors party hereto, the Lenders party hereto, and BANK OF AMERICA, N.A., as the Administrative Agent (in such capacity, the “Administrative Agent”), the Swing Line Lender and the L/C Issuer. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as the Administrative Agent, the Swing Line Lender and the L/C Issuer, are parties to that certain Amended and Restated Credit Agreement, dated as of February 22, 2019 (as amended or modified from time to time, the “Credit Agreement”);

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders amend the Credit Agreement subject to the terms and conditions specified in this Amendment; and

WHEREAS, the Administrative Agent and the Lenders party hereto are willing to amend the Credit Agreement subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AMENDMENT1. Amendments to Credit Agreement.

(a) The definition of “Non-Extending Lender” in Section 1.01 of the Credit Agreement is hereby amended to read as follows:

“Non-Extending Lender” means Flagstar Bank, N.A. and its permitted successors and assigns; provided, that, any permitted assignee of any Non-Extending Lender may extend its Revolving Maturity Date to the Revolving Maturity Date applicable to the Revolving Lenders (other than any Non-Extending Lender(s)) with the prior written consent of the Administrative Agent and the Borrower (which consents shall not be unreasonably withheld, conditioned or delayed), and, upon receipt of such consents, such permitted assignee shall cease to be a “Non-Extending Lender” and the Revolving Maturity Date of the Revolving Lenders (other than any Non-Extending Lender(s)) shall apply to the Revolving Commitment of such permitted assignee. For avoidance of doubt, the consent of the Required Lenders and any Non-Extending Lender(s) shall not be required for the extension of the Revolving Maturity Date of any such permitted assignee.

(b) Section 1.01 of the Credit Agreement is hereby amended to add the following defined terms in the appropriate alphabetical order:

“AUD” means Australian Dollars.

“StoneX Financial Pty” means StoneX Financial Pty Ltd, a company organized under the laws of Australia.

“StoneX Financial Pty Subordinated Loan Debt” means subordinated loans in the aggregate maximum principal amount of AUD \$20,000,000 (it being understood the Borrower may make such loans in AUD or US Dollars, in the USD equivalent as calculated on the date such loans are funded), to be made from time to time by the Borrower to StoneX Financial Pty pursuant to the terms of the StoneX Financial Pty Subordinated Loan Deed, in order to permit StoneX Financial Pty to comply with the financial requirements set forth in the Operating Rules of ASX Clear (Futures) Pty Limited.

“StoneX Financial Pty Subordinated Loan Deed” means a subordinated loan deed, in customary form and substance required by the ASX Clear (Futures) Pty Limited, among the Borrower, StoneX Financial Pty and ASX Clear (Futures) Pty Limited, in respect to the StoneX Financial Pty Subordinated Loan Debt.

(c) A new clause (aa) is hereby added to the Section 8.01 of the Credit Agreement in proper alpha-numeric order to read as follows:

(aa) Liens arising under the StoneX Financial Pty Subordinated Loan Deed on payments to be made by or on behalf of StoneX Financial Pty to the Borrower on account of the StoneX Financial Pty Subordinated Loan Debt.

(d) A new clause (o) is hereby added to the Section 8.02 of the Credit Agreement in proper alpha-numeric order to read as follows:

(o) Investments in the form of subordinated loans made by the Borrower in StoneX Financial Pty that constitute StoneX Financial Pty Subordinated Loan Debt;

(e) A new clause (r) is hereby added to the Section 8.03 of the Credit Agreement in proper alpha-numeric order to read as follows:

(r) StoneX Financial Pty Subordinated Loan Debt.

(f) Section 8.09 of the Credit Agreement is amended and restated in its entirety as follows:

Other than those in existence as of the Seventh Amendment Effective Date and set forth on Schedule 8.09, enter into, or permit to exist, any Contractual Obligation that: (a) encumbers or restricts the ability of any such Person to (i) make Restricted Payments to any Loan Party, (ii) pay any Indebtedness or other obligation owed to any Loan Party, (iii) make loans or advances to any Loan Party, (iv) transfer any of its property to any Loan Party, (v) pledge its property pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (vi) act as a Loan Party pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i) through (v) above) for (A) this

Agreement and the other Loan Documents, (B) any document or instrument governing Indebtedness incurred pursuant to Section 8.03(e) (provided, that, any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith), (C) any Permitted Lien or any document or instrument governing any Permitted Lien (provided, that, any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien), (D) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05 pending the consummation of such sale, (E) restrictions related to Indebtedness of any Person that becomes a Subsidiary after the Closing Date as a result of a Permitted Acquisition or the GCAP Acquisition, or otherwise assumed in connection with a Permitted Acquisition or the GCAP Acquisition (provided, that, such Indebtedness (and any Guarantees thereof) exists at the time of such Permitted Acquisition or the GCAP Acquisition, as applicable, is not created in contemplation of or in connection with such Permitted Acquisition or the GCAP Acquisition, as applicable, and applies only to the property acquired in such Permitted Acquisition or the GCAP Acquisition, as applicable, and refinancings in respect thereof), (F) the StoneX Commodity Facility, (G) the Second Lien Debt Documents or Indebtedness permitted by Section 8.03(g); or (H) the StoneX Financial Pty Subordinated Loan Deed or Indebtedness permitted by Section 8.03(r) or (b) requires the grant of any security (other than Permitted Liens) for any obligation if such property is given as security for the Obligations.

2. Effectiveness; Condition Precedent. This Amendment shall be effective upon satisfaction of the following conditions precedent:

(a) receipt by the Administrative Agent of copies of this Amendment duly executed by the Borrower, the Guarantors, Required Lenders, the L/C Issuer, and the Swing Line Lender;

(b) the Borrower shall have paid all fees required to be paid to the Administrative Agent and BofA Securities on or before the Eighth Amendment Effective Date.

3. Expenses. The Loan Parties agree to reimburse the Administrative Agent for all reasonable documented out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including the reasonable documented fees and expenses of Moore & Van Allen PLLC.

4. Ratification of Loan Documents; References to the Credit Agreement; No Novation; No Impairment; Collateral Documents.

(a) Each Loan Party acknowledges and consents to the terms set forth herein and agrees that this Amendment does not impair, reduce or limit any of its obligations under the Loan Documents, as amended hereby. This Amendment is a Loan Document.

(b) Except as expressly modified and amended in this Amendment, all of the terms, provisions and conditions of the Loan Documents shall remain unchanged and in full force and effect. The Loan Documents and any and all other documents heretofore, now or hereafter executed and delivered pursuant to the terms of the Credit Agreement are hereby amended so that any reference to the Credit Agreement shall mean a reference to the Credit Agreement as amended by this Amendment.

(c) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the

Administrative Agent, any Lender, the L/C Issuer or the Swing Line Lender under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which, as amended, supplemented or otherwise modified hereby, are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to any further consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

(d) Each Loan Party (i) agrees that the Collateral Documents continue to be in full force and effect and are not impaired or adversely affected in any manner whatsoever as a result of execution and delivery of this Amendment, (ii) confirms its grant of security interests pursuant to the Collateral Documents to which it is a party as Collateral for the Obligations, and (iii) acknowledges that all Liens granted pursuant to the Collateral Documents remain and continue in full force and effect in respect of, and to secure, the Obligations.

5. Authority/Enforceability. Each Loan Party represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution and delivery of this Amendment and the performance of its obligations under this Amendment and the Credit Agreement.

(b) This Amendment has been duly executed and delivered by such Loan Party. Each of this Amendment and the Credit Agreement constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (i) applicable Debtor Relief Laws and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No material consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution and delivery by such Loan Party of this Amendment, or the performance by such Loan Party of its obligations under this Amendment or the Credit Agreement.

(d) The execution and delivery of this Amendment does not (i) violate, contravene or conflict with any provision of its Organization Documents or (ii) materially violate, contravene or conflict with any Laws applicable to it.

6. Representations and Warranties of the Loan Parties. Each Loan Party represents and warrants to the Lenders that, after giving effect to this Amendment, (a) the representations and warranties contained in Article VI of the Credit Agreement, this Amendment or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (or in all respects, if such representation and warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the Eighth Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or in all respects, if such representation or and warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, and (b) no event has occurred and is continuing which constitutes a Default.

7. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by fax transmission or e-mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amendment. Subject to Section 11.17 of the Credit Agreement, this Amendment may be in the form of an Electronic Record and may be executed using Electronic Signatures, including facsimile and .pdf, and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record.

8. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

9. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Amendment.

11. Severability. If any provision of this Amendment is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

[remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER: STONEX GROUP INC., (f/k/a INTL FCSTONE INC.),
a Delaware corporation

By: /s/ Sean M. O'Connor
Name: Sean M. O'Connor
Title: President/Chief Executive Officer

By: /s/ Kevin Murphy
Name: Kevin Murphy
Title: Group Treasurer

GUARANTORS: STONEX PAYMENTS INC. (f/k/a STONEX BULLION INC., f/k/a
INTL FCSTONE ASSETS, INC.),
a Florida corporation

By: /s/ Sean M. O'Connor
Name: Sean M. O'Connor
Title: Chief Executive Officer

STONEX COMMODITY SOLUTIONS LLC (f/k/a FCSTONE MERCHANT SERVICES, LLC),
a Delaware limited liability company

By: /s/ William J. Dunaway
Name: William J. Dunaway
Title: Treasurer

FCSTONE GROUP, INC.,
a Delaware corporation

By: /s/ William J. Dunaway
Name: William J. Dunaway
Title: Chief Financial Officer

STONEX TECHNOLOGY SERVICES LLC (f/k/a INTL TECHNOLOGY SERVICES, LLC),
a Delaware limited liability company

By: /s/ William J. Dunaway
Name: William J. Dunaway
Title: Chief Financial Officer

STONEX (NETHERLANDS) B.V. (f/k/a INTL FCSTONE (NETHERLANDS) BV),
a private company with limited liability incorporated under the laws of the Netherlands

By: /s/ William J. Dunaway
Name: William J. Dunaway
Title: Director

GAIN CAPITAL HOLDINGS, INC.,
a Delaware corporation

By: /s/ Glenn Stevens
Name: Glenn Stevens
Title: President & CEO

GAIN HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ Glenn Stevens
Name: Glenn Stevens
Title: Manager

GLOBAL FUTURES & FOREX, LTD.,
a Michigan corporation

By: /s/ Alexander Bobinski
Name: Alexander Bobinski
Title: Manager

S.L. BRUCE FINANCIAL CORPORATION,
an Ohio Corporation

By: /s/ Alexander Bobinski
Name: Alexander Bobinski
Title: Manager

GCAM, LLC,
a Delaware limited liability company

By: /s/ Glenn Stevens
Name: Glenn Stevens
Title: Manager

GAIN CAPITAL HOLDINGS INTERNATIONAL, LLC,
a Delaware limited liability company

By: /s/ Glenn Stevens
Name: Glenn Stevens
Title: Manager

STONEX PAYMENT SERVICES LTD,
a Washington profit corporation

By: /s/ William J. Dunaway
Name: William J. Dunaway
Title: Chief Financial Officer

STONEX GROUP INC.
EIGHTH AMENDMENT TO CREDIT AGREEMENT

ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A.,
as the Administrative Agent

By: /s/ Kyle D. Harding
Name: Kyle D. Harding
Title: Vice President

STONEX GROUP INC.
EIGHTH AMENDMENT TO CREDIT AGREEMENT

LENDERS: BANK OF AMERICA, N.A.,
as a Lender, the L/C Issuer and the Swing Line Lender

By: /s/ Maryanne Fitzmaurice
Name: Maryanne Fitzmaurice
Title: Director

STONEX GROUP INC.
EIGHTH AMENDMENT TO CREDIT AGREEMENT

BANK OF MONTREAL, CHICAGO BRANCH,
as a Lender

By: /s/ Matthew Witt
Name: Matthew Witt
Title: Vice President

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

CAPITAL ONE, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Kelly Fournier
Name: Kelly Fournier
Title: Duly Authorized Signatory

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

CIBC BANK USA,
as a Lender

By: /s/ Morgan Donovan
Name: Morgan Donovan
Title: Managing Director

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STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

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STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

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STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

BANK OF HOPE,
as a Lender

By: /s/ Manjula Jayasinghe
Name: Manjula Jayasinghe
Title: SVP - Corporate and Institutional Banking Group

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

BARCLAYS BANK PLC,
as a Lender

By: /s/ Jurgens Human
Name: Jurgens Human
Title: Director

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

CADENCE BANK,
as a Lender

By: /s/ James Nation
Name: James Nation
Title: Managing Director

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

WEBSTER BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ George G. Sims
Name: George G. Sims
Title: Managing Director

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

PEAPACK GLADSTONE BANK,
as a Lender

By: /s/ Frank H. D'Alto
Name: Frank H. D'Alto
Title: Senior Managing Director

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

CITIZENS BANK, N.A.,
as a Lender

By: /s/ Angela Reilly
Name: Angela Reilly
Title: Senior Vice President

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Martin H. McGinty
Name: Martin H. McGinty
Title: Director

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

13558510v4

STONEX GROUP INC.
SIXTH AMENDMENT TO CREDIT AGREEMENT

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between Flagstar Bank, N.A. (the “Assignor”) and BOKF, NA dba BOK Financial (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, amended and restated, extended, replaced, supplemented or otherwise modified from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and equal to the percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including Letters of Credit, Guarantees and Swing Line Loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: Flagstar Bank, N.A.
Assignor is not a Defaulting Lender.
2. Assignee: BOKF, NA dba BOK Financial
3. Borrower: StoneX Group Inc. (f/k/a INTL FCStone Inc.), a Delaware corporation
4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement: Amended and Restated Credit Agreement dated as of February 22, 2019 among the Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as the Administrative Agent, the Swing Line Lender, and the L/C Issuer

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitments/Loans for all Lenders	Amount of Commitment/Loans Assigned ¹	Percentage Assigned of Commitments/Loans
Revolving Commitment	\$500,000,000.00	\$25,000,000.00	5.000000000%

7. The Administrative Agent, the Borrower and the Assignee hereby agree that the Revolving Maturity Date applicable to the Assigned Interest shall be the Revolving Maturity Date applicable to the Revolving Lenders (other than the Non-Extending Lender).

Effective Date: May 8, 2024.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

FLAGSTAR BANK, N.A.

By: /s/ Stephen Kully

Name: Stephen Kully

Title: Sr. Vice President

ASSIGNEE

BOKF, NA DBA BOK FINANCIAL

By: /s/ Sara E. Lancaster

Name: Sara E. Lancaster

Title: Senior Vice President

[Signature Page to Assignment and Assumption – BOKF, NA]

Consented to and Accepted:

BANK OF AMERICA, N.A.,
as the Administrative Agent

By: /s/ Kyle D. Harding

Name: Kyle D. Harding

Title: Vice President

[Signature Page to Assignment and Assumption – BOKF, NA]

Consented to:

BANK OF AMERICA, N.A.,
as the L/C Issuer and the Swing Line Lender

By: /s/ Maryanne Fitzmaurice

Name: Maryanne Fitzmaurice

Title: Director

STONEX GROUP INC. (f/k/a INTL FCSTONE INC.),
a Delaware corporation

By: /s/ William J. Dunaway

Name: William J. Dunaway

Title: Chief Financial Officer

[Signature Page to Assignment and Assumption – BOKF, NA]

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1. Assignor. The Assignor: (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; (iv) it has reviewed Schedule 1.01(b) to the Credit Agreement and (v) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee: (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.06(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vii) it has reviewed Schedule 1.01(b) to the Credit Agreement and it is not a Disqualified Institution and (viii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the

Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax transmission or e-mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. Subject to Section 11.17 of the Credit Agreement, this Assignment and Assumption may be in the form of an Electronic Record and may be executed using Electronic Signatures, including facsimile and .pdf, and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

SECTION 302 CERTIFICATION

I, Sean M. O'Connor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of StoneX Group 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 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.

Date: May 8, 2024

/s/ SEAN M. O'CONNOR

Sean M. O'Connor
Chief Executive Officer

SECTION 302 CERTIFICATION

I, William J. Dunaway certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of StoneX Group 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 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.

Date: May 8, 2024

/s/ WILLIAM J. DUNAWAY

William J. Dunaway
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of StoneX Group Inc. (the Company) on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Sean M. O'Connor, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) 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.

Dated: May 8, 2024

/s/ SEAN M. O'CONNOR

Sean M. O'Connor
Chief Executive Officer

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to StoneX Group Inc. and will be retained by StoneX Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of StoneX Group Inc. (the Company) on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, William J. Dunaway, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) 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.

Dated: May 8, 2024

/s/ WILLIAM J. DUNAWAY

William J. Dunaway
Chief Financial Officer

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to StoneX Group Inc. and will be retained by StoneX Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.