



Virtu Announces Second Quarter 2019 Results

NEW YORK, NY, August 8, 2019 – Virtu Financial, Inc. (NASDAQ: VIRT), a leading provider of financial services and products that leverages cutting edge technology to deliver liquidity to the global markets and provide execution services and data, analytics and connectivity products, today reported results for the second quarter ended June 30, 2019.

Second Quarter 2019 Selected Highlights

- Net loss of \$55.5 million, as a result of costs associated with the ITG acquisition and amortization of purchased intangibles; Normalized Adjusted Net Income* of \$30.1 million
- Basic and diluted loss per share of \$0.27; Normalized Adjusted EPS* of \$0.16
- Total revenues of \$378.5 million; Trading income, net of \$205.9 million; Adjusted Net Trading Income* of \$238.9 million
- Adjusted EBITDA* of \$89.2 million; Adjusted EBITDA Margin* of 37.3%
- Increasing synergy targets related to the ITG acquisition by 25% to \$167 million
- Quarterly cash dividend of \$0.24 per share payable on September 16, 2019

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

The Virtu Financial, Inc. Board of Directors declared a quarterly cash dividend of \$0.24 per share. This dividend is payable on September 16, 2019 to shareholders of record as of September 3, 2019.

"Against a challenging backdrop in the 2nd quarter, our business performed adequately. The market making segment was impacted to the greatest extent. However our execution services business, buoyed by the ITG acquisition, performed very well given the market conditions. While July market conditions were similar to the second quarter overall, we have seen a material increase in volatility in August and a commensurate increase in performance in all of our businesses," said Douglas A. Cifu, Chief Executive Officer. Mr Cifu continued, "We believe we are only beginning to implement and discover the multiple ways to serve our clients better through this acquisition. We are ahead of schedule in all aspects of the ITG integration and have raised our overall synergy targets."

Financial Results

Second Quarter 2019:

Total revenues increased 15.3% to \$378.5 million for this quarter, compared to \$328.1 million for the same period in 2018. Trading income, net, decreased 20.4% to \$205.9 million for this quarter, compared to \$258.6 million for the same period in 2018. Net income was a loss of \$55.5 million for this quarter, compared to net income of \$46.6 million for the same period in 2018.

Basic and diluted loss per share for this quarter were \$0.27 and \$0.27, respectively, compared to earnings per share of \$0.25 and \$0.24, respectively, for the same period in 2018.

Adjusted Net Trading Income increased 17.7% to \$238.9 million for this quarter, compared to \$202.9 million for the same period in 2018. Adjusted EBITDA decreased 20.6% to \$89.2 million for this quarter, compared to \$112.4 million for the same period in 2018. Normalized Adjusted Net Income decreased 49.4% to \$30.1 million for this quarter, compared to \$59.6 million for the same period in 2018.

Assuming all non-controlling interests had been exchanged for common stock, and the Company's Normalized Adjusted Net Income before income taxes was subject to corporation taxes, Normalized Adjusted EPS was \$0.16 for this quarter, compared to \$0.31 for the same period in 2018.

Operating Segment Information

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

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

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

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

The following tables show the trading income, net, total revenues and Adjusted Net Trading Income by segment for the three and six months ended June 30, 2019 and 2018.

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

Three Months Ended June 30, 2019				
	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 205,568	\$ 355	\$ —	\$ 205,923
Commissions, net and technology services	4,961	140,159	—	145,120
Interest and dividends income	23,284	878	—	24,162
Other, net	1,191	632	1,428	3,251
Total Revenues	\$ 235,004	\$ 142,024	\$ 1,428	\$ 378,456

Three Months Ended June 30, 2018				
	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 258,629	\$ (36)	\$ —	\$ 258,593
Commissions, net and technology services	6,798	39,767	—	46,565
Interest and dividends income	21,592	345	—	21,937
Other, net	676	698	(343)	1,031
Total Revenues	\$ 287,695	\$ 40,774	\$ (343)	\$ 328,126

Six Months Ended June 30, 2019				
	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 460,689	\$ 2,774	\$ —	\$ 463,463
Commissions, net and technology services	9,961	210,306	—	220,267
Interest and dividends income	41,787	11,506	—	53,293
Other, net	1,788	956	1,681	4,425
Total Revenues	\$ 514,225	\$ 225,542	\$ 1,681	\$ 741,448

Six Months Ended June 30, 2018				
	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 664,338	\$ 417	\$ —	\$ 664,755
Commissions, net and technology services	15,299	85,110	—	100,409
Interest and dividends income	39,361	490	35	39,886
Other, net	1,233	338,536	(1,640)	338,129
Total Revenues	\$ 720,231	\$ 424,553	\$ (1,605)	\$ 1,143,179



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

Three Months Ended June 30, 2019

	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 205,568	\$ 355	\$ —	\$ 205,923
Commissions, net and technology services	4,961	140,159	—	145,120
Interest and dividends income	23,284	878	—	24,162
Brokerage, exchange and clearance fees, net	(40,013)	(35,838)	—	(75,851)
Payments for order flow	(23,617)	(19)	—	(23,636)
Interest and dividends expense	(36,395)	(429)	—	(36,824)
Adjusted Net Trading Income	\$ 133,788	\$ 105,106	\$ —	\$ 238,894

Three Months Ended June 30, 2018

	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 258,629	\$ (36)	\$ —	\$ 258,593
Commissions, net and technology services	6,798	39,767	—	46,565
Interest and dividends income	21,592	345	—	21,937
Brokerage, exchange and clearance fees, net	(59,794)	(13,524)	—	(73,318)
Payments for order flow	(15,827)	(15)	—	(15,842)
Interest and dividends expense	(34,747)	(262)	—	(35,009)
Adjusted Net Trading Income	\$ 176,651	\$ 26,275	\$ —	\$ 202,926

Six Months Ended June 30, 2019

	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 460,689	\$ 2,774	\$ —	\$ 463,463
Commissions, net and technology services	9,961	210,306	—	220,267
Interest and dividends income	41,787	11,506	—	53,293
Brokerage, exchange and clearance fees, net	(83,040)	(56,864)	—	(139,904)
Payments for order flow	(47,157)	(40)	—	(47,197)
Interest and dividends expense	(70,655)	(11,538)	—	(82,193)
Adjusted Net Trading Income	\$ 311,585	\$ 156,144	\$ —	\$ 467,729

Six Months Ended June 30, 2018

	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 664,338	\$ 417	\$ —	\$ 664,755
Commissions, net and technology services	15,299	85,110	—	100,409
Interest and dividends income	39,361	490	35	39,886
Brokerage, exchange and clearance fees, net	(128,866)	(32,275)	—	(161,141)
Payments for order flow	(32,023)	(75)	—	(32,098)
Interest and dividends expense	(67,954)	(679)	—	(68,633)
Adjusted Net Trading Income	\$ 490,155	\$ 52,988	\$ 35	\$ 543,178

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

Three Months Ended June 30, 2019

	Global Equities	Global FICC, Options and Other	Unallocated	Total Market Making
Trading income, net	\$ 163,044	\$ 41,126	\$ 1,398	\$ 205,568
Commissions, net and technology services	4,961	—	—	4,961
Brokerage, exchange and clearance fees, net	(26,453)	(10,024)	(3,536)	(40,013)
Payments for order flow	(23,617)	—	—	(23,617)
Interest and dividends, net	(10,395)	(2,754)	38	(13,111)
Adjusted Net Trading Income	\$ 107,540	\$ 28,348	\$ (2,100)	\$ 133,788

Three Months Ended June 30, 2018

	Global Equities	Global FICC, Options and Other	Unallocated	Total Market Making
Trading income, net	\$ 198,404	\$ 55,755	\$ 4,470	\$ 258,629
Commissions, net and technology services	6,709	89	—	6,798
Brokerage, exchange and clearance fees, net	(40,687)	(16,311)	(2,796)	(59,794)
Payments for order flow	(15,827)	—	—	(15,827)
Interest and dividends, net	(9,190)	(3,246)	(719)	(13,155)
Adjusted Net Trading Income	\$ 139,409	\$ 36,287	\$ 955	\$ 176,651

Six Months Ended June 30, 2019

	Global Equities	Global FICC, Options and Other	Unallocated	Total Market Making
Trading income, net	\$ 371,677	\$ 90,916	\$ (1,904)	\$ 460,689
Commissions, net and technology services	9,989	(28)	—	9,961
Brokerage, exchange and clearance fees, net	(64,434)	(20,712)	2,106	(83,040)
Payments for order flow	(47,157)	—	—	(47,157)
Interest and dividends, net	(22,927)	(5,743)	(198)	(28,868)
Adjusted Net Trading Income	\$ 247,148	\$ 64,433	\$ 4	\$ 311,585

	Six Months Ended June 30, 2018			
	Global Equities	Global FICC, Options and Other	Unallocated	Total Market Making
Trading income, net	\$ 523,286	\$ 137,825	\$ 3,227	\$ 664,338
Commissions, net and technology services	15,231	68	—	15,299
Brokerage, exchange and clearance fees, net	(97,721)	(28,850)	(2,295)	(128,866)
Payments for order flow	(32,023)	—	—	(32,023)
Interest and dividends, net	(20,317)	(6,497)	(1,779)	(28,593)
Adjusted Net Trading Income	\$ 388,456	\$ 102,546	\$ (847)	\$ 490,155

The following tables show our Adjusted Net Trading Income and average daily Adjusted Net Trading Income by category for the three and six months ended June 30, 2019 and 2018:

(In thousands except percentages, unaudited)

Adjusted Net Trading Income by Category:	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Market Making:						
Global Equities	\$ 107,540	\$ 139,409	(22.9)%	\$ 247,148	\$ 388,456	(36.4)%
Global FICC, Options and Other	28,348	36,287	(21.9)%	64,433	102,546	(37.2)%
Unallocated (1)	(2,100)	955	NM	4	(847)	NM
Total Market Making	\$ 133,788	\$ 176,651	(24.3)%	\$ 311,585	\$ 490,155	(36.4)%
Execution Services	105,106	26,275	300.0 %	156,144	52,988	194.7 %
Corporate	—	—	NM	—	35	NM
Adjusted Net Trading Income	\$ 238,894	\$ 202,926	17.7 %	\$ 467,729	\$ 543,178	(13.9)%



Average Daily Adjusted Net Trading Income by Category:	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Market Making:						
Global Equities	\$ 1,707	\$ 2,178	(21.6)%	\$ 1,977	\$ 3,108	(36.4)%
Global FICC, Options and Other	450	567	(20.6)%	515	820	(37.2)%
Unallocated (1)	(33)	15	NM	—	(7)	NM
Total Market Making	\$ 2,124	\$ 2,760	(23.1)%	\$ 2,493	\$ 3,921	(36.4)%
Execution Services	1,668	411	306.4 %	1,249	424	194.7 %
Corporate	—	—	NM	—	—	NM
Adjusted Net Trading Income	\$ 3,792	\$ 3,171	19.6 %	\$ 3,742	\$ 4,345	(13.9)%

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

Financial Condition

As of June 30, 2019, Virtu had \$497.6 million in cash, cash equivalents and restricted cash, and total long-term debt outstanding in an aggregate principal amount of \$1,982.5 million.

Share Repurchase Program

The Virtu Financial, Inc. Board of Directors approved the share repurchase program for \$50 million Class A common stock and common units of Virtu Financial LLC in February 2018 and subsequently expanded the program to \$100 million in July 2018. Since the inception of the program, the Company has repurchased approximately 2.56 million shares and units for approximately \$65.9 million. The Company now has approximately \$34.1 million remaining capacity for future purchases of common stock and common units under the plan.

Non-GAAP Financial Measures and Other Items

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

- "Adjusted Net Trading Income", which is the amount of revenue we generate from our market making activities, or trading income, net, plus commissions, net and technology services, plus interest and dividends income and expense, net, less direct costs associated with those revenues, including brokerage, exchange and clearance fees, net and payments for order flow. Management believes that this measurement is useful for comparing general operating performance from period to period. Although we use Adjusted Net Trading Income as a financial measure to assess the performance of our business, the use of Adjusted Net Trading Income is limited because it does not include certain material costs that are necessary to operate our business. Our presentation of Adjusted Net Trading Income should not be construed as an indication that our

future results will be unaffected by revenues or expenses that are not directly associated with our market making activities.

- "EBITDA", which measures our operating performance by adjusting Net Income to exclude financing interest expense on our long-term borrowings, debt issue cost related to debt refinancing, depreciation and amortization, amortization of purchased intangibles and acquired capitalized software, and income tax expense, and "Adjusted EBITDA", which measures our operating performance by further adjusting EBITDA to exclude severance, reserves for legal matters, transaction advisory fees and expenses, termination of office leases, acquisition related retention bonuses, trading related settlement income, gain on sale of business, connectivity early termination, other, net, write-down of assets, share based compensation, charges related to share based compensation at IPO, Amended and Restated 2015 Management Incentive Plan, and charges related to share based compensation at IPO, and "Adjusted EBITDA Margin", which compares Adjusted EBITDA to Adjusted Net Trading Income.
- "Normalized Adjusted Net Income", "Normalized Adjusted Net Income before income taxes", "Normalized provision for income taxes", and "Normalized Adjusted EPS", which we calculate by adjusting Net Income to exclude certain items and other non-cash items, assuming that all vested and unvested Virtu Financial LLC units have been exchanged for Class A Common Stock, and applying an effective tax rate, which was between approximately 23% and 24%.
- "Adjusted Operating Expenses", which we calculate by adjusting total operating expenses to exclude severance, share based compensation, reserves for legal matters, termination of office leases, connectivity early termination and write-down of assets.

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

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

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

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



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

(in thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues:				
Trading income, net	\$ 205,923	\$ 258,593	\$ 463,463	\$ 664,755
Commissions, net and technology services	145,120	46,565	220,267	100,409
Interest and dividends income	24,162	21,937	53,293	39,886
Other, net	3,251	1,031	4,425	338,129
Total revenues	378,456	328,126	741,448	1,143,179
Operating Expenses:				
Brokerage, exchange and clearance fees, net	75,851	73,318	139,904	161,141
Payments for order flow	23,636	15,842	47,197	32,098
Communication and data processing	54,423	48,791	96,237	98,277
Employee compensation and payroll taxes	83,702	41,226	191,540	105,896
Interest and dividends expense	36,824	35,009	82,193	68,633
Operations and administrative	34,808	16,610	56,885	36,416
Depreciation and amortization	14,810	16,194	31,260	31,546
Amortization of purchased intangibles and acquired capitalized software	20,606	6,838	31,528	13,675
Termination of office leases	65,207	1,777	65,208	21,860
Debt issue cost related to debt refinancing	(1,319)	2,359	7,894	8,380
Transaction advisory fees and expenses	1,798	1,750	16,907	9,246
Charges related to share based compensation at IPO	—	10	—	24
Financing interest expense on long-term borrowings	34,689	18,780	57,478	37,827
Total operating expenses	445,035	278,504	824,231	625,019
Income (loss) before income taxes and noncontrolling interest	(66,579)	49,622	(82,783)	518,160
Provision for (benefit from) income taxes	(11,094)	3,000	(13,679)	61,515
Net income (loss)	\$ (55,485)	\$ 46,622	\$ (69,104)	\$ 456,645
Noncontrolling interest	25,594	(21,413)	32,540	(256,684)
Net income (loss) available for common stockholders	\$ (29,891)	\$ 25,209	\$ (36,564)	\$ 199,961
Earnings (loss) per share:				
Basic	\$ (0.27)	\$ 0.25	\$ (0.34)	\$ 2.06
Diluted	\$ (0.27)	\$ 0.24	\$ (0.34)	\$ 2.02
Weighted average common shares outstanding				
Basic	112,828,240	99,542,659	110,076,375	95,124,675
Diluted	112,828,240	101,619,651	110,076,375	97,155,104
Comprehensive income:				
Net income (loss)	\$ (55,485)	\$ 46,622	\$ (69,104)	\$ 456,645
Other comprehensive income (loss)				
Foreign exchange translation adjustment, net of taxes	884	(5,576)	(2,860)	(3,047)
Comprehensive income (loss)	\$ (54,601)	\$ 41,046	\$ (71,964)	\$ 453,598
Less: Comprehensive income (loss) attributable to noncontrolling interest	25,258	(18,972)	33,812	(255,531)
Comprehensive income (loss) available for common stockholders	\$ (29,343)	\$ 22,074	\$ (38,152)	\$ 198,067



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

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

(in thousands, except percentages)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Reconciliation of Trading income, net to Adjusted Net Trading Income				
Trading income, net	\$ 205,923	\$ 258,593	\$ 463,463	\$ 664,755
Commissions, net and technology services	145,120	46,565	220,267	100,409
Interest and dividends income	24,162	21,937	53,293	39,886
Brokerage, exchange and clearance fees, net	(75,851)	(73,318)	(139,904)	(161,141)
Payments for order flow	(23,636)	(15,842)	(47,197)	(32,098)
Interest and dividends expense	(36,824)	(35,009)	(82,193)	(68,633)
Adjusted Net Trading Income	\$ 238,894	\$ 202,926	\$ 467,729	\$ 543,178
Reconciliation of Net Income to EBITDA and Adjusted EBITDA				
Net income (loss)	(55,485)	46,622	(69,104)	456,645
Financing interest expense on long-term borrowings	34,689	18,780	57,478	37,827
Debt issue cost related to debt refinancing	(1,319)	2,359	7,894	8,380
Depreciation and amortization	14,810	16,194	31,260	31,546
Amortization of purchased intangibles and acquired capitalized software	20,606	6,838	31,528	13,675
Provision for income taxes	(11,094)	3,000	(13,679)	61,515
EBITDA	\$ 2,207	\$ 93,793	\$ 45,377	\$ 609,588
Severance	7,873	2,590	61,224	6,334
Reserve for legal matter	—	400	—	400
Transaction advisory fees and expenses	1,798	1,750	16,907	9,246
Termination of office leases	65,208	1,777	65,208	21,860
Connectivity early termination	—	4,562	—	7,062
Gain on sale of business	—	—	—	(337,549)
Other, net	104	(1,031)	1,491	(580)
Write-down of assets	—	1,761	—	2,697
Share based compensation	11,983	5,204	21,796	13,121
Charges related to share based compensation at IPO, Amended and Restated 2015 Management Incentive Plan	(9)	1,534	1,385	2,931
Charges related to share based compensation awards at IPO	—	10	—	24
Adjusted EBITDA	\$ 89,164	\$ 112,350	\$ 213,388	\$ 335,134
Selected Operating Margins				
Net Income Margin ⁽¹⁾	(23.2)%	23.0%	(14.8)%	84.1%
EBITDA Margin ⁽²⁾	0.9 %	46.2%	9.7 %	112.2%
Adjusted EBITDA Margin ⁽³⁾	37.3 %	55.4%	45.6 %	61.7%

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

2 Calculated by dividing EBITDA by Adjusted Net Trading Income.

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



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

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

(in thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Reconciliation of Net Income to Normalized Adjusted Net Income				
Net income (loss)	\$ (55,485)	\$ 46,622	\$ (69,104)	\$ 456,645
Provision (benefit) for (from) income taxes	(11,094)	3,000	(13,679)	61,515
Income (loss) before income taxes and noncontrolling interest	\$ (66,579)	\$ 49,622	\$ (82,783)	\$ 518,160
Amortization of purchased intangibles and acquired capitalized software	20,606	6,838	31,528	13,675
Debt issue cost related to debt refinancing	(1,319)	2,359	7,894	8,380
Severance	7,873	2,590	61,224	6,334
Reserve for legal matter	—	400	—	400
Transaction advisory fees and expenses	1,798	1,750	16,907	9,246
Termination of office leases	65,208	1,777	65,208	21,860
Connectivity early termination	—	4,562	—	7,062
Write-down of assets	—	1,761	—	2,697
Gain on sale of business	—	—	—	(337,549)
Other, net	104	(1,031)	1,491	(580)
Share based compensation	11,983	5,204	21,796	13,121
Charges related to share based compensation at IPO, Amended and Restated 2015 Management Incentive Plan	(9)	1,534	1,385	2,931
Charges related to share based compensation awards at IPO	—	10	—	24
Normalized Adjusted Net Income before income taxes	\$ 39,665	\$ 77,376	\$ 124,650	\$ 265,761
Normalized provision for income taxes ⁽¹⁾	9,520	17,796	29,916	61,125
Normalized Adjusted Net Income	\$ 30,145	\$ 59,580	\$ 94,734	\$ 204,636
Weighted Average Adjusted shares outstanding ⁽²⁾	194,217,318	191,142,871	192,959,477	190,320,527
Normalized Adjusted EPS	\$ 0.16	\$ 0.31	\$ 0.49	\$ 1.08

(1) Reflects U.S. federal, state, and local income tax rate applicable to corporations of approximately 24% for 2019 and 23% for 2018.

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



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

(in thousands, except share data)	June 30, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 458,064	\$ 729,547
Cash and securities segregated under regulations and other	39,497	6,500
Securities borrowed	1,201,327	1,399,684
Securities purchased under agreements to resell	22,974	15,475
Receivables from broker-dealers and clearing organizations	1,287,091	1,101,449
Receivables from customers	254,650	—
Trading assets, at fair value	3,105,002	2,639,921
Property, equipment and capitalized software, net	117,899	113,322
Operating lease right-of-use assets	318,269	—
Goodwill	1,196,548	836,583
Intangibles (net of accumulated amortization)	532,061	83,989
Deferred taxes	252,229	200,359
Other assets	295,786	254,149
Total assets	9,081,397	7,380,978
Liabilities and equity		
Liabilities		
Short-term borrowings, net	146,847	15,128
Securities loaned	778,351	1,130,039
Securities sold under agreements to repurchase	295,803	281,861
Payables to broker-dealers and clearing organizations	668,545	567,441
Payables to customers	131,303	—
Trading liabilities, at fair value	2,716,418	2,475,395
Tax receivable agreement obligations	256,700	214,403
Accounts payable and accrued expenses and other liabilities	349,832	294,975
Deferred tax liabilities	65,848	—
Operating lease liabilities	388,070	—
Long-term borrowings, net	1,931,811	907,037
Total liabilities	7,729,528	5,886,279
Total equity	1,351,869	1,494,699
Total liabilities and equity	\$ 9,081,397	\$ 7,380,978

	As of June 30, 2019	
	Interests	%
Ownership of Virtu Financial LLC Interests:		
Virtu Financial, Inc. - Class A Common Stock and Restricted Stock Units	120,987,176	62.3%
Non-controlling Interests (Virtu Financial LLC)	73,230,142	37.7%
Total Virtu Financial LLC Interests	194,217,318	100.0%



About Virtu Financial, Inc.

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

Cautionary Note Regarding Forward-Looking Statements

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

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