



# **Euronext Q4 and Full Year 2022 Results**

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## Euronext Q4 and Full Year 2022 Results

**Operator:** Hello, and welcome to the Euronext Fourth Quarter and Full Year 2022 Results. My name is Caroline, and I'll be your coordinator for today's event. Please note, this call is being recorded, and for the duration of the call, your lines will be on listen-only mode. However, you will have the opportunity to ask questions at the end of the call. This can be done by pressing star one on your telephone keypad to register your questions. If you require assistance at any point, please press star zero and you'll be connected to an operator.

I will now hand over to your host, Stéphane Boujnah, Euronext's CEO and Chairman of the Managing Board, joined by Giorgio Modica, Euronext's CFO to begin today's conference. Thank you.

**Stéphane Boujnah:** Good morning, everybody, and thank you for joining us this morning for the Euronext fourth quarter and full year 2022 results conference call and webcast. I am Stéphane Boujnah, CEO and Chairman of the Managing Board of Euronext. And I will start with the highlights of the full year and the fourth quarter. Giorgio Modica, the Euronext CFO will then further develop the main business and the financial highlights of the fourth quarter.

As an introduction, I would like to highlight three points. First, Euronext is stronger than ever. Euronext is now present on the full value chain, and Euronext confirmed its leadership position in listing and in trading in Europe. In addition, our revenue demonstrated strong resilience, thanks to our diversified business model.

Second, we beat our 2022 cost guidance, thanks to cost discipline in an inflationary environment. Third, we are well advanced in the integration of the Borsa Italiana Group, and by the end of 2023, we will reach €70 million of cumulative run rate synergies. We are now in a position to upgrade our 2024 synergy target by €15 million to €115 million of annual run rate synergies.

Let me give you some more detail on each of those points. First, as I said, Euronext is today the leading listing venue in Europe for equity, and for debt globally. And we are also the largest venue for equity trading in Europe representing two times the volume traded on the London Stock Exchange and Deutsche Börse. We are now a top-ranking post trade infrastructure operator through Euronext Clearing and Euronext Securities.

This is all the result of our diversification strategy. And this major transformation is reflected in our 2022 performance, where 58% of our underlying revenue is now non-volume-related.

2022 was also a strong year in terms of financial performance. In 2022, Euronext reached record underlying revenues, an income above €1.4 billion. This is up plus 13% compared to 2021. We generated plus €120.2 million additional revenue in 2022, compared to '21, which was a very strong reference year as you may remember.

This strong 2022 performance was driven by the strong performance of non-volume-related businesses and enhanced revenue capture. And in trading, we recorded a very strong year for power and for forex trading. The softer volume environment for cash equity trading in the second half of 2022 was clearly offset by significant and efficient management of yield and a real uptick in market share from October 2022.

Our post trade franchise significantly benefited from the consolidation of Euronext Clearing and Euronext Securities Milan, which were acquired as part of the Borsa Italiana Group acquisition

in April '21. The diversified business of the Euronext Securities allowed us to capture value as settlement activity stabilised in H2 2022.

I would like especially to highlight the performance of our listing business, which grew by plus 15.1% and reported solid listing activities with 83 new listings in 2022. In particular, we welcomed 20 international companies, which, in my view, is the recognition that Euronext markets in Europe are now the venue of choice for listing in Europe.

Furthermore, our Advanced Data Services business increased by plus 15.5%, reflecting growth across the real-time and non-real-time data business, as well as index growth.

Lastly, following the successful migration of our Core Data Centre to Bergamo in June 2022, we significantly scaled up our Technology Solutions business reaching over €100 million in revenue now. That's why, as mentioned earlier, the share of non-volume-related revenue represented 58% of our top line in 2022 and accounted for 141% of operating costs, excluding D&A.

And that brings me to our ongoing focus on cost discipline on slide five with a bigger picture on financials. Thanks to our strong cost discipline and several positive one-off impacts over the year, we overachieved our revised cost guidance of €612 million, down from an initial cost guidance, as you may remember it, of €622 million, because we reported €606.1 million of underlying expenses excluding D&A.

And this was achieved despite inflationary pressures, despite pressure on supply chains that everyone experiences. Consequently, our 2022 adjusted EBITDA grew double-digit to €861.6 million. This translated into an adjusted EBITDA margin at 58.7%. Overall, this performance resulted in a plus 5.7% increase of adjusted net income to €555.3 million.

Adjusted EPS was down minus 4.8% to €5.21 per share. And this reflects the higher number of outstanding shares 2022 compared to 2021. On a reported basis, net income is up plus 6% to €437.8 million.

Consequently, a dividend of €2.22 per share will be proposed at our upcoming Annual General Meeting in May. This dividend represents a pay-out ratio of 50% of reported net income adjusted for the €49 million pre-tax, or €35 million post-tax, one-off loss related to the partial disposal of the Euronext Clearing portfolio announced in Q2 2022. And this dividend is €0.29 more than the 2021 dividend per share. It is an increase of plus 15%.

Moving now to the Q4 performance on slide six. Euronext reported a solid fourth quarter for 2022. The quarter was marked by strong performance of Advanced Data Services, strong performance of listing activities, offset by lower revenues from business correlated with cash equity volumes.

Underlying revenues were down minus 6.2% compared to Q4 2021 at €347 million, reflecting the resilience of our diversified revenue streams in a low volatility environment. Despite softer cash equity, derivatives and MTS cash trading activity, the strength of our non-volume-related businesses enabled us to report only a slight decline in total revenue.

First, non-volume-related revenue posted a strong performance overall. Notably, as I said earlier, in Listing, in Advanced Data Services, and in Technology. Second, our trading businesses that are not related to equity markets strongly performed. We notably recorded strong growth year-on-year in power trading and a solid quarter in forex trading.

Last, we efficiently managed our revenue capture and regained market share from October 2022 in cash trading operations. This translated into non-volume-related revenue accounting for 60% of the total Q4 revenue, and covering 130% of underlying operating expenses, excluding D&A. So Q4 2022 underlying operational expenses, excluding D&A, increased slightly to €159.2 million, up plus 1.6% compared to Q4 2021. And this reflects our cost discipline approach to cost control and higher capitalised project costs offsetting inflationary pressures.

Overall, we reported an EBITDA – an adjusted EBITDA - of €187.9 million and an adjusted EBITDA margin of 54.1%. This led to an adjusted EPS at €1.11 per share and an adjusted net income of €118.2 million. On a reported basis, the EPS for this fourth quarter reached €0.93.

Clearly, '22 was a year of transformation for Euronext and we made good progress in our integration process and synergy delivery. The migration of our Core Data Centre from Basildon in the UK to Bergamo in Italy was the first key milestone of our Growth for Impact strategic plan.

This migration, combined with continued cost discipline, enabled us to deliver €34.1 million cumulated run rate annual synergies at the end of 2022 in relation to the acquisition of the Borsa Italiana Group. Looking forward, we expect to achieve around €70 million of our targeted synergies by the end of '23 alone with the delivery of several key projects.

First, next month we will significantly change the dimension of our unique European liquidity pool, because the migration of the Italian cash market to Euronext state-of-the-art proprietary trading platform, Optiq, will benefit local and global trading members and will allow an alignment of fees.

Second, the other Italian markets will migrate to the Optiq European liquidity pool starting in Q4 2023, unlocking further cost synergies with the termination of the Millennium LSEG technology contract.

Third, Euronext Clearing would become the CCP of choice for equity clearing by the end of this year, generating revenue synergies. And the following year by Q3 2024, Euronext Clearing will also clear Euronext listed derivatives. Those good progress on integration mean that we are able to upgrade our synergy target. We expect total run rate synergies in relation to the acquisition of the Borsa Italiana Group to reach €115 million by the end of '24. This is €15 million more than the amount targeted until now. And this is almost 2 times the initial amount announced at the moment of the Borsa Italiana Group acquisition.

You may remember that in April '21, we committed to deliver €60 million of synergies in relation to the acquisition of the Borsa Italiana Group. Today, we are confident that we will deliver almost the double, €115 million of synergies, in relation to the acquisition of the Borsa Italiana Group. So that demonstrates once again the strong track record of the Euronext teams in delivering operating performance and operating leverage.

On the next slide, I'd like to take a moment to tell you in more detail about one of our key strategic objectives related to clearing. It's a key strategic project. Last month, we confirmed the planned European expansion of Euronext Clearing to all Euronext listed derivatives for Q3 2024. As a result, Euronext served LCH SA a notice of termination for the existing derivative clearing agreement on 16<sup>th</sup> January 2023.

As we already announced, the related termination fee of approximately €36 million to be paid to LCH SA is part of the €150 million envelope of implementation costs related to the Growth for Impact 2024 strategic plan. Therefore, this amount will be provisioned in our income statement as a non-underlying expense in Q1 2023 and will be payable in 2024.

When we embarked on our ambitions Post Trade strategy, our aim was clear. To offer our clients the benefit of scale and harmonisations across European markets, while still maintaining a robust local footprint in each Euronext market. For all clients, this will bring margin efficiencies with the implementation of a new value-add risk model and a single default fund.

It will also bring efficiencies across all asset classes with transparency on data, particularly on settlement, leveraging Euronext Securities Target-2 securities settlement platform. So the expansion of Euronext Clearing is really critical as it will allow us to manage the entire trading value chain of our markets by the end of '24, and it will generate significant revenue and cost synergies.

Moving to slide nine, we continued to deploy capital efficiently in 2022 through a number of initiatives allowing us to better control our technology and develop new services.

First, in March, Euronext Securities acquired the General Meetings, Designated Representative and Shareholder's Registers activities of Spafid. This strategic partnership has contributed to the high growth of added services offered through Euronext Securities franchise.

Secondly, we have internalised the technology powering MTS and Euronext Securities in Milan as part of our plan to integrate our full value chain and our technology. In addition, following the completion of the strategic review undertaken as part of the integration of the Borsa Italiana Group and our decision to divest from non-core asset, Euronext has disposed the US subsidiary of MTS, MTS Markets International Inc.

Importantly, during this time, we have pursued very actively our deleveraging path, reaching 2.6 times net debt to EBITDA at the end of December 2022. And this compares to 3.2 times net debt to EBITDA at the closing of the acquisition of the Borsa Italiana Group.

Together with our strong cash generation capability, this brings us to around €1.5 billion of available capital at the end of December 2022. And our progress has been recognized by S&P, that upgraded their outlook to positive in 2022. And as you have seen it yesterday evening, we have been upgraded to BBB+.

So we are very well advanced on our integration. We are confident in our ability to deliver upgraded synergies, because, once again, this demonstrates the post-merger integration track record of Euronext teams. And this confidence, combined with our favourable liquidity position, enables us to continue exploring external growth.

We would be looking for assets able to contribute to higher organic revenue growth, to provide scalability and to improve exposure to non-volume-related businesses, obviously, always in line with our rigorous capital allocation policy.

Finally, I'd like to take a moment to highlight the great progress we have made with our Fit for 1.5 degree ESG commitment. We have upgraded already ambitious emission reduction targets. These upgraded targets have been validated by the Science-Based Target initiative. Some key actions or achievements of this SBTi targets have already been implemented, such as the

migration of the Euronext Core Data Centre to Bergamo, which is powered 100% by renewable energy sources.

We are also pleased to announce that Euronext has been included in the Euronext Equileap Eurozone 100 and the Euronext Equileap Gender Equality France 40, two indices showcasing European companies that demonstrate a strong role in improving gender equality. And we have continued to push for a broader transition in our markets. We have launched the CAC SBTi Index, an index for grouping companies within the SBF 120 that have set emission reduction target approved as being in line with the Paris Agreement 1.5 degree goal.

So I now hand over to Giorgio Modica for the review of our fourth quarter performance.

**Giorgio Modica:** Thank you very much, Stéphane, and good morning, everyone. Let's have now a look at the performance of Euronext in the fourth quarter of 2022. I'm now on slide 12.

In the fourth quarter of 2022, Euronext demonstrated solid results, reflecting the strong performance of Advanced Data Services and Listing combined with an efficient management of market share and revenue capture in a challenging trading environment for especially cash trading volumes. As a result, and as already mentioned by Stéphane, Euronext underlying revenue income was only down 6.2% compared to the fourth quarter of 2021 despite the relevant reduction of volumes, notably reflecting the strength of our diversified business mix.

Briefly, Listing revenue grew 3.1% resulting from a resilient equity and debt listing activity despite the tougher environment. We capture the majority of listings in Europe. Remarkable this quarter were the high share of company from outside of the Euronext market among our listings, accounting for around 40% of equity listing and demonstrating the international appeal of Euronext.

Trading revenue was down 12.1% resulting from lower cash equity and MTS cash volume, partially offset by a record quarter for power trading and a good performance of FX trading. Post trade revenue including – excluding NTI was down 2.5% as a result of weaker equity clearing activity and a stabilised settlement activity.

Advanced Data Services revenue increased 7.3%. This was due to good performance across the offering, both on real-time and non-real-time data, as well as on indices. Technology Solutions grew 1.8%, driven by the good performance of colocation activity after the migration to the Bergamo Data Centre in June this year.

In the fourth quarter of 2022, non-volume-related revenue accounted, as Stéphane said, for 60% of total Group revenue versus 58% the same quarter last year, reflecting high Advanced Data Services and Corporate Service revenue and revenues from services in general.

Lastly, those non-volume-related revenues cover 130% of our underlying operating expenses excluding D&A, compared to 136% last year.

Now I would like to move to the next slide, slide 13, for listing. Listing revenue was €53.5 million this quarter with an increase of 3.1% compared to the same quarter last year. This growth is driven by higher annual fees, the strong performance of Corporate Services and the positive impact of primary and secondary listing revenue recognition over time. We have discussed already the impact on IFRS on listing revenues.

In detail, during the fourth quarter of 2022, Euronext maintained its leading position in Europe for primary equity listing accounting 24 new listing, of which, as I said, approximately 40% were international companies.

In the fourth quarter of 2022 €310 million were raised on Euronext primary markets compared to a very strong Q4 2021 with €6.6 billion raised on our markets. As far as secondary issue are concerned €10.1 billion was raised in the fourth quarter of 2022, well above the same quarter last year.

Euronext also reinforced its position as the leading venue for bond listing worldwide this quarter with over 53,000 bond listed across all Euronext market at the end of the year. And this despite a slowdown of the global bond listing activity due to the macroeconomic environment. This translated into €226.9 billion in debt raised on Euronext market during this quarter. Overall, this brings us to a total of €237.3 billion raised in equity and debt of Euronext market this quarter.

Lastly, Corporate Services continued its growth trajectory across businesses despite slightly lower webcast activity in a post-pandemic environment.

Let's have a look at our trading business on slide 14. I'm starting with cash trading. In the fourth quarter of 2022, we observed lower cash trading volumes, which were partially offset by efficient revenue capture and market share management, in particular we saw an uptick in market share from October 2022 not at detriment of revenue capture.

Cash trading revenue was €65.1 million this quarter, a decrease of 17.9% compared to the same quarter last year, as a result of average daily volumes of €10.1 billion, a volume decrease of 17.2% and 3% fewer trading days this quarter.

Average revenue capture over the quarter was at 0.50 basis points versus 0.49 basis points in the fourth quarter of 2021, reflecting the dilutive impact of Borsa Italiana markets and larger average order size in line with pre-pandemic levels. As a reminder, we charge per value and per order explaining the dilutive impact of larger order size on our revenue capture.

As I said, we reported an uptick in market share from October 2022. And Euronext market share on cash trading averaged 65.3% in the fourth quarter of 2022. In the past, we were often asked about the sustainability of those metrics. This is why I would like to confirm to you that in 2023, we expect to maintain, on our market, the market share greater or equal to 63% and our revenue capture to be around 0.52 basis points following the integration of Borsa Italiana cash markets to Optiq, considering current market condition and order size.

Euronext has once again confirmed its position as the largest, the deepest and the most stable liquidity pool in Europe offering the highest quality of executions with market participants. We are excited that our cash trading business will significantly change dimension with the migration of Italian cash market to Euronext state-of-the-art proprietary trading platform, Optiq, in the first quarter of 2023.

Now I would like to move to Derivatives trading. Derivatives trading revenues decreased 5.4% to €13.4 million this quarter as a result of a softer volume environment, partially offset by a positive impact of volume mix on revenue capture and fee changes.

Average daily volumes on financial derivatives in the fourth quarter of 2022 were down 12.7% from the same quarter last year, suffering from a strong comparison basis with high volatility

in the fourth quarter of 2021. Commodities average daily volumes were down 17.2% in the fourth quarter of 2022 compared to the fourth quarter of 2021, reflecting a normalised trading environment.

Over the quarter, the average revenue capture increased for derivatives to €0.34 per lot, up 12.5% from the fourth quarter of 2021, thanks to volume mix impact and fee changes.

Lastly on Fixed Income trading. Fixed Income trading reported revenue at €22.1 million this quarter compared to €24.2 million in the fourth quarter of 2021. This reflects an economic environment in Europe favouring money markets and therefore, repo volumes. MTS reported an overall robust performance in markets dominated by increasing interest rates, with continued strong traction for repo trading offset by lower cash trading volumes.

In the fourth quarter of 2022, MTS cash reported €12.8 million of revenue with ADV down 32.7% to €15.4 billion, and MTS Repo reported €5.6 million of revenue with term-adjusted ADV up 36% to €397 billion.

Continuing on trading on slide 15. The fourth quarter of 2022 saw a solid performance of Euronext FX in terms of both revenues and average daily volume, benefiting from the continued positive momentum with a high volatility and good traction of our matching engine in Singapore. Euronext reported average spot FX trading daily volumes of \$20.1 billion in the fourth quarter of 2022, up 4% compared to the fourth quarter of 2021.

Spot FX trading revenue increased 9.5%, compared to the fourth quarter of 2021 at €6.7 million. Power trading reported €8.9 million in revenue in the fourth quarter of 2022, a growth of 4.7% year-on-year, driven by dynamic volumes, increased footprint of Nord Pool in Central Europe, UK, and Ireland and a continued robust performance in the Nordics.

In the fourth quarter of 2022, average daily volume day-ahead power traded was 2.98TWh, up 7.9% with respect to the same quarter last year and average daily intraday power traded was at 0.13TWh. This is an increase of 9% year-on-year. I would like to highlight that intraday trading volumes in Central and Western Europe reached a record level this quarter.

Moving to slide 16. Revenues from our Post Trade activities, excluding net treasury income decreased 2.5% to €88.6 million. Clearing revenue was down 3.9% this quarter to €29 million as a result of dynamic bond clearing activity, partially offsetting weaker cash and derivative clearing activity.

As announced with the Q2 2022 results, Euronext Clearing engaged in a partial disposal of its investment portfolio. We disposed the portfolio maturing after 1<sup>st</sup> May 2023 and kept the rest until maturity. The run-off for this portfolio is currently ongoing and almost completed. As a consequence, our net treasury income is not yet at cruising speed, and this quarter amounted to €4.3 million.

In this respect, I would like to confirm our target for NTI 2023. In the first quarter of 2023, we expect to reach 10 basis point margin similarly from the margin we have reached in the fourth quarter of 2022. And from the second quarter this year and onwards, we will reach our cruising speed at 20 basis points.

I wanted to make a brief comment as well on the upgrade of S&P. What I wanted to highlight is that the upgrade of rating is not only linked to an improvement of leverage, but as well a reduction of clearing risk and our rank anchor rating moved from BBB to BBB+ as S&P has



removed the notch downgrade for clearing and settlement risk. This gives us a significantly more upside as far as rating is concerned.

Continuing on settlement and other Post Trade revenue, including the activity of Euronext Security, the revenues were €59.6 million this quarter, down 1.9% year-on-year. This reflects the resilient top line of Euronext Securities, thanks to its diversified geographical footprint in a stabilised environment for settlement. Over the fourth quarter of 2022, the value of assets under custody at Euronext Securities increased to €6.3 trillion.

I'm now moving to the next slide, slide 17. Advanced Data Services reached record revenues of €54.5 million this quarter, up 7.3% year-on-year, driven by strong traction of our core data businesses and good momentum of Advanced Data Solutions franchise including quant research and indices. Investor service revenues were at €2.6 million this quarter, up 13.2% reflecting continued commercial expansion of the business.

Lastly, Technology Solutions revenue was up 1.8% compared to the same quarter last year to €26.9 million, reflecting the good performance of colocation activity following the migration of Euronext Core Data Centre. And this more than offset the lower revenues from hosting services.

Moving to the next slide, I'm now on slide 19. I wanted to give some highlights on our 2023 cost guidance. In 2023, Euronext expects its underlying expenses excluding D&A to be around €630 million, compared to the annualised second half 2022 underlying expenses excluding D&A of around €620 million. The slight increase solely relates to growth initiatives to develop our non-volume-related business. In other words, we expect the cost base of Euronext to remain stable as cost savings and synergies will entirely compensate inflation and business development costs.

I would like also to add that on the revenue side, we have performed a deep review of our pricing strategy across products to reflect inflation. And we will have the effect of this activity in 2023.

I would like as well to do a few comments on integration costs. Stéphane has already partially covered that. Following the termination of our derivative clearing agreement, we will post the provision this quarter of around €36 million covering termination and migration costs. For the sake of clarity, this does not change our target of integration cost, which is set at €150 million. In addition, I would like to confirm our previous guideline in terms of integration costs per quarter that for 2023 will range in between €10 million and €15 million depending on the quarter.

Moving now to the next slide. This brings us to the EBITDA bridge. Euronext adjusted EBITDA for the quarter was down 12% to €187.9 million, mainly from lower volume environment, partially as we discussed offset by non-volume related revenue growth and maintained cost discipline in an inflationary environment.

Indeed, despite the pressures of inflation and despite the deployment of our strategic plan, costs remain contained this quarter, as Stéphane mentioned earlier, we beat our revised 2022 cost target of €612 million, initially set at the beginning of the year at €622 million. Adjusted EBITDA margin decreased as a consequence by 3.5 points compared to the fourth quarter of 2021 to 54.1%.

Moving to slide 21 for the bridge on net income. Adjusted net income this quarter was down 18.2% to €118.2 million, resulting from lower EBITDA, partially offset by the following elements. First, lower D&A, as in the first quarter of 2021 we had some write-offs as the one of the brand name of VP Securities, with as well lower net financing expenses mainly linked to the positive impact of higher interest rates.

There are many moving parts in this number, but in summary, the positive impact of the interest rate on our interest income reported in the fourth quarter of 2022 is higher than the benefit from the interest rate swap we had in the fourth quarter of 2021, and it was terminated in 2022.

And then I would like to highlight as well higher results from equity investment, representing the contribution of LCH SA and the dividend received from Euroclear. As a reminder, last year, Euroclear paid its dividend in Q1 and Q3. I would like to highlight that the non-underlying cost in this bridge are mainly represented by D&A and more specifically related to the PPA amortisation of our acquisition.

Lastly, tax for the fourth quarter of 2022 was €38.5 million. This translated into an effective tax rate of 27.3% for the quarter. Reported net income was €99.3 million, and adjusted EPS basic was down 18% this quarter, at €1.11 per share, compared to an adjusted EPS basic as well of €1.35 per share in the fourth quarter of 2021. This reflects a higher number of outstanding shares of the quarter compared to last year.

Moving to slide 22 for the cash flow generation and leverage. The net operating cash flow post-tax amounted for a negative €147.1 million compared to a positive €145.6 million in the fourth quarter of 2021. This negative flow was impacted by a change in working capital related to Nord Pool CCP activities for €276 million. As we will see in the next slide, the balancing item of this negative cash flow is a reduction of the cash in transit for €297 million. Excluding the impact of – on working capital from Nord Pool and Euronext Clearing, CCP activities net operating cash flow post tax accounted for 55.3% of EBITDA.

Our net debt to EBITDA, as reminded by Stéphane, was at 2.6 times in the fourth quarter of 2022 compared to 2.3 times in the third quarter of 2022, that was positively impacted by higher cash in transit, as we just discussed, included in the cash and cash equivalents.

Excluding the €49 million non-underlying one-off loss on NTI, the net debt to last 12 months reported EBITDA was at 2.4 times in the fourth quarter of 2022.

Moving on to slide 23 for the evolution of our liquidity position over the quarter. As described on previous slide, you can see the impact of the short movement in working capital related to Nord Pool CCP activities in the net operating cash flow. As an illustration, our liquidity position remains strong above €1.5 billion, including the undrawn revolving credit facility for €600 million, and excluding the cash currently in transit.

As Stéphane highlighted, while the integration of Borsa Italiana is on track, we can look for external growth opportunities, thanks to this strong liquidity position and improvement in our rating profile.

And this is – this completes my presentation. And now I give the floor back to Stéphane.

**Stéphane Boujnah:** Thank you, Giorgio. As you have seen, 2022 was a real pivotal year. We took advantage of our diversified business model, our business model which is much more

diversified than many people think. We strengthened our core business with continuous leadership not only on listing and on trading but also a very strong development in other businesses.

We maintained our trademark cost discipline in an inflationary environment, which has affected everyone. And we have put the key projects of the Borsa Italiana Group integration on a very good track, hence our commitments in terms of synergy delivery for the years to come. So 2022 has demonstrated that Euronext has the recipe for success, for cash flow generation even in tough environments.

Also 2022 paved the way for future growth in Euronext. Now 2023 will be a real transformational year. First, our cash trading market share is expected to remain greater or equal to 63%, and our revenue capture for the cash equity trading business to remain around 0.52 bps in 2023 after the Borsa Italiana markets migration to Optiq.

Second, our continued cost discipline and achieved synergies will enable us to offset inflation. The slight increase in costs only results from costs related to non-volume-related revenue growth initiatives, and savings and synergies entirely compensate inflation and business development costs. So the superior track record of Euronext in post-merger integration will translate – will continue to translate in a strong cost discipline.

Third, as a result, we upgrade our 2024 run rate synergy target to reach almost twice the level of the first announced synergies back to the time of the Borsa Italiana Group acquisition announcement to what will be €115 million of run rate synergies by the end of 2024. 2023 will be pivotal, as I said, with the delivery of the key strategic projects that have been highlighted by Giorgio and I early on. And the continued cost optimisation that will lead to €70 million of cumulative run rate synergies at the end of 2023.

And fourth, combined with our fast deleveraging, since the acquisition of the Borsa Italiana Group and as demonstrated by the BBB+ upgrade by S&P announced yesterday evening, we are now in the right position to look for possible external growth in the respect obviously of our strong investment criteria of return on capital employed above WACC after three to five years.

So thanks for your attention. We are now ready to take your questions together with Giorgio Modica, Anthony Attia, the Global Head of Primary Markets and Post Trade, and Simon Gallagher, Head of Cash and Derivatives trading.

## Questions and Answers

**Operator:** Thank you. As a reminder, if you would like to ask a question or make a contribution on today's call, please press star one on your telephone keypad. We will take the first question from line Kyle Voigt from KBW. The line is open now. Please go ahead.

**Kyle Voigt (KBW):** Hi. Good morning. Maybe a couple of questions from me. First question is just on pricing. Some of your peers globally have spoken about taking larger pricing adjustment in 2023, given the inflationary backdrop. And I believe you mentioned that in your prepared remarks that you also took some inflationary adjustments. Just wondering how you viewed pricing in 2023 versus prior years, and in which lines we should really expect the most material pricing adjustments to come through.

And then also just a question on the synergy realisation slide in the deck and the timeline there. Obviously, some of the key dates are for the fourth quarter of 2023, so quite late in the year. So when we think about your 2023 underlying cost guidance, I'm just trying to get a sense of what level of actual realised cost synergies are embedded within that as that may help us think about the expense trajectory into 2024. And given those timing of synergies, is it possible that underlying costs may actually be down in 2024 versus 2023? Thank you.

**Stéphane Boujnah:** Thank you. So Giorgio will answer your two questions, the first on pricing and the second one on the phasing of synergy delivery.

**Giorgio Modica:** So thank you very much for your questions. So with respect to pricing, I guess that the best way to describe what we were going to do is that mostly prices are going to be increased in the non-trading activities. And the increases that we will have are around, I would say, mid-single-digit than some slightly more, some slightly less, but this gives you a sense of how much our non-volume-related business will grow in terms of pricing.

And if you consider that 60% of our business is non-volume-related, this gives you a bit of an idea of what would be the price increase impact on our top line next year, excluding any other variables. So it's around mid-single-digit time 60%.

Then on the line, I believe I indirectly answered saying that it's not really going to be the trading lines but the other lines. So this is for the first question.

When it comes to the synergies, the way I can answer your question is the following. Let's start from the synergies that we have delivered run rate this quarter. So at the end of December 2022, we have reached €34 million of run rate synergies. What this means is that part of the synergies will hit the P&L in 2023. And this is going as well to contribute to making sure, as I described, that the key costs of the organisation will remain flat from a P&L perspective.

Then coming to the delivery of synergies next year, a few elements. There is going to be an important moment with the migration of Optiq in the first quarter, and this will impact our P&L right after the migration. But then you are correct, there are other costs and savings that are going to be delivered in the fourth quarter this year with the impact on the P&L of next year.

So then my last comment is that this year we will deliver a combination of revenues and cost synergies. And as far as the revenue synergies are concerned, again, I already mentioned the Optiq integration but we will have as well the launch of our clearing activities on equities.

**Kyle Voigt:** Thank you.

**Operator:** Thank you. We will take the next question from line Mike Werner from UBS. The line is open now. Please go ahead.

**Mike Werner (UBS):** Thank you very much for the presentation and the explanations. All very, very helpful. Two questions from me, please. In terms of the market share in cash equity trading, and we know you've adjusted your pricing schedule, I think, it was in November. We saw an uptick in market shares into the year end. The data that I collect, which certainly is not perfect, implies that market shares have trended lower in January and ultimately in the first couple of days of February. So I was wondering if you can confirm if that's what you're seeing? And then B, just wondering, is this – is that price adjustment in November kind of your final

take? Is this something where we could see further adjustments ultimately to protect the market share as we look at over the next couple of months?

And then on the second question, just thinking about deleveraging. I think the debt to EBITDA was 2.6 times at the end of this year, very similar level at the end of 2021. I know there was a bunch of restructuring costs throughout the year. But as we look out to 2023, kind of given your guidance on restructuring costs, how should we think about the pace of deleveraging throughout 2023, assuming no M&A or no other factors involved? Thank you.

**Stéphane Boujnah:** So Simon Gallagher will answer your first question on market share and yield and prices. And Giorgio Modica will answer your question on deleveraging pace and phasing.

**Simon Gallagher:** Thank you, Stéphane. So to answer the first question on market share, so you're right, we implemented a first batch of measures on pricing and liquidity programmes in November last year, which was successful, which resulted in a 3-point uplift in market share over the quarter.

And certainly since the start of the year, what we're seeing is that volumes are soft. There is a lack of real economy liquidity in the market, which has had a slightly downward influence on market share because regulated markets tend to have a higher proportion of real economy flow than the alternative trading venues. And so that's what we see as the primary explanation for the first quarter.

To answer your second question, the answer is resolutely no. This is obviously not the end of the pricing measures we are taking and the changes in liquidity we are making. There will be further adjustments to the flagship liquidity schemes in March, alongside as Stéphane and Giorgio mentioned the pricing adjustments to the Italian market post migrations.

These price changes and liquidity schemes will not be yield dilutive. They will be pushing our liquidity providers a bit more and adjusting the intricacies of the SLP schemes. So this is not the end of the story. Obviously, this is a very dynamic and ongoing process.

**Mike Werner:** Thank you very much.

**Giorgio Modica:** Yeah, when it comes to the deleveraging profile, I can confirm a few elements. The target for dividends is €236 million. And then the other element is that we confirm two-thirds cash flow conversion post-tax from EBITDA. So with these two elements, I believe that now we have – I mean, we have guided with respect to the non-underlying costs related to the termination of the agreement. Those are the key elements of the equation. So again, to summarise, around 66% cash flow conversion post-tax, and €236 million of dividends to be expected in 2023.

**Mike Werner:** Thank you.

**Operator:** Thank you. We will take the next question from line Haley Tam from Credit Suisse. The line is open now. Please go ahead.

**Haley Tam (Credit Suisse):** Morning. Thank you very much for taking my questions. Could I ask a couple about the revenue capture, please, in the equity market. So first of all, the Q4 revenue yield of 0.5 basis points was a step down from 0.53 in Q3 2022. And if I've heard you correctly, you're saying that the supplemental liquidity provider scheme adjustments you've

made are not yield-dilutive. So I wonder if you could help us walk through that step down from 0.53 to 0.5, please, just to understand the dynamics there?

And then the second question, just to understand your assumptions for 2023, market share of more than 63% to revenue capture 0.52 basis points. Are both of those numbers for after the Borsa Italiana migration, or are they numbers that I should assume for the average through the year? And I do know that 63% is less than the 65% market share you had in Q4. So I just wondered if you could comment on that? Thank you.

**Stéphane Boujnah:** Okay, so Simon Gallagher will answer your two questions on the revenue capture and on the phasing of the market share evolutions.

**Simon Gallagher:** Thank you, Stéphane. So I'll break down very precisely the variance in yield from 0.53 to 0.5. In the numbers are included a small number of non-equity items, so it's the warrants and certificates and ETFs notably. So if we break down the 0.03, 0.01 of that was due to non-equity items this variance in volumes in non-equity businesses, which are ETFs and the warrants and certificates.

So that leaves 0.02 basis points imputable to cash equity yield. Two-thirds of this 0.02 was due to changes in the order sizes. And so how does this impact the 0.02? When there's less volatility in the markets, order sizes as we've seen recently – order sizes tend to go up a little bit, which means there is less arbitrage opportunities from the electronic liquidity providers, which means order sizes go up in the market.

And this interacts with certain features of our fee grid, where we have fixed euro fees per executed order. And so this is – two-thirds of that 0.02 is imputable to order sizes. One-third of the 0.02 can be imputable to other features of the fee grid, including partially to the SLP changes we made in the supplemental liquidity scheme.

So if you break down – if you break it down that way, the changes we make to the SLP scheme are largely immaterial in terms of impacts on yield. And there will be further yield accretive changes to the SLP scheme from the second quarter onwards.

With respect to the second question, the market share number I think can be seen as an average over the year as a base. And the market share is obviously a floor we see and is the minimum we are targeting. And the yield extraction number is the run rate post the Italy migration.

**Haley Tam:** Thank you.

**Operator:** Thank you. We will take the next question from line Bruce Hamilton from Morgan Stanley. The line is open now. Please go ahead.

**Bruce Hamilton (Morgan Stanley):** Hi. Good morning. And thanks very much for the presentation and Q&A. I guess firstly just going back to the synergies, obviously encouraging that you've increased those. But could you break out the €115 million between revenues and costs?

And just going back to the earlier question, given the consensus assumes, I think a reduction in absolute costs in 2024, is that kind of consistent with the way you're thinking about the cost synergies?

And then secondly on M&A and balance sheet flexibility. In terms of your sort of €1.5 billion of capacity, I can see on slide 23 you've laid out how you get there. But what's the sort of net debt EBITDA that you would be comfortable going up to temporarily to do a deal? And then just an update on what the – what you'd view your current WACC as well would be helpful. Thank you.

**Stéphane Boujnah:** So Giorgio will answer your question on the synergies delivery on cost and on the balance sheet and debt capabilities.

**Giorgio Modica:** So let's start with the first one. I would like to highlight that the increase from €100 million to €115 million is mainly related to a better visibility on the opportunities on clearing. So this is the first element.

Then when it comes to the breakdown between cost and revenue, I will try to do my best, but there is a complexity is that, as we said from the beginning, the €115 million is an improvement of EBITDA, that includes sometimes projects involving more revenues and more costs. So the best breakdown I can provide you with is the following.

Let's start from the original target, the €60 million. The €60 million were broken down as follows: €45 million of cost savings and €15 million of revenue uplift. Now the significant portion of the €15 million is linked to the migration of Optiq, and the most relevant part we're going to execute in 45 days. And this is clearly pure revenue synergies.

Then the other bucket are around €10 million EBITDA coming from the migration to the data centre. And this is already embedded in our number but involves more revenues, but as well more cost. And then the remainder that was originally assessed to be €30 million and now it's increased to €45 million is the clearing opportunity. And there are many moving parts because we'll clearly have more revenues, but as well we will need to upgrade costs as we are doing the platform of Euronext Clearing.

But on the other side, we will not have any more the costs that today we are paying to LCH SA, which are currently captured in our P&L. So this is the breakdown. Unfortunately, I cannot further break down the different project in between cost and revenues. So this is – this I believe covers your first question.

When it comes to the underlying cost of capital, I believe that Euronext is in line with what we see as an average of analyst, and again, as I always stress, those are a point in time. So what I can say is that, I don't see a major deviation from what you, analysts, are taking as an average as our own cost of capital.

And when it comes to the max leverage, what I would say is the following. And again, this is very tricky question, because it depends very much on the target you acquire that would give us additional leverage. But as we commented in the past, we believe that in terms of pure debt capacity, we would have a capacity in the range between €1.5 billion and €2 billion. This is roughly speaking the standalone capabilities we would have to finance and that acquisition.

And again, I would like to highlight that as you very well know, rating and leverage consideration are very much target specific.

**Bruce Hamilton:** Great, very helpful. Thank you.

**Operator:** Thank you. We will take the next question from line Enrico Bolzoni from JP Morgan. The line is open now. Please go ahead.

**Enrico Bolzoni (JP Morgan):** Hi. Thank you. Good morning. Sorry to go back once again to market share. Just a clarification. I would like to understand the market share you are guiding is something that in case you should not be on track to achieve, you would implement some changes in pricing or something else to make sure that you hit it? Or it's rather you simply saying that in light of your proposition your pricing in your relationship with customer you will naturally achieve? So this is my first question.

And then a more general one, possibly related to that. Can you just give any comment in terms of what you're seeing in terms of volume migrating to dark pools? Because it seems like these are increasing. And also, interestingly, the average order size are going down, while historically they have been higher in dark pools. So I was just curious to hear from you on this subject.

And then finally, I mean, a number of your peers in Europe and also outside of Europe are increasingly doing partnership with technology providers. So I was just curious to hear your thoughts here. Is this something that you consider as well? Or you have more – you think you have internal capabilities to develop all the technology infrastructure that you need to support your growth? Thank you.

**Stéphane Boujnah:** So I will answer your third question on the relationship with the providers of data services and data storage. And Simon Gallagher will answer your question about the market share dynamics and the dark pool development.

We have made the deliberate decision to internalise within Euronext and to locate within Europe the businesses that are the most critical ones to our strategy and the operations that are the most sensitive ones to our operational leverage and operational performance.

That has led to migrate our Core Data Centre that used to be in Basildon to the brand new data centre, 100% powered by green energy in Bergamo near Milan. We do believe that core data processing, core software, core systems, core data storage, core applications must be located within the European Union and must be managed by Europeans. We do use for historical data storage one of those technology providers that has facilities located in the Republic of Ireland.

We do not intend to have critical applications, critical software, critical matching engine related platforms located outside the European Union, nor being managed outside the Group. So this is a deliberate choice we have done, which is consistent with our strategy. Others have done different choices in a different environment with different sharing of value with partners, with different profile of future dependency on third party providers.

We have not taken the choice. We have taken the choice to internalise that and that was not done at the compromise of anything in terms of financial performance as you have seen it over the past few years.

Over to you, Simon, on the market share and volumes.

**Simon Gallagher:** Thank you, Stephane. So to answer the first question on the two numbers of 63% and 0.52. So this is obviously an equilibrium between these two numbers. And the aim of this equilibrium is to maximize euro revenue extraction from the franchise.



We believe that these two numbers represent the optimal trade-off for this year. Obviously, there's some room – wiggle room around these numbers. But the primary aim here is to maintain our role and our ability to price full value within the franchise across the various pricing segments.

I just want to make one point. So beyond the explicit fees of 0.52, what is behind a lot of this is the management of implicit costs for investors, which is the quality of execution on our market. And this has to do with the mark outs, the liquidity of our markets, which is by all published papers vastly superior to the alternative market. So this explicit yield number is only a part of the story. And I'd even say sort of a minority part of the story.

The bigger picture behind here is the design of our liquidity schemes and the partnerships we form with our partners in the electronic trading community.

The second point about dark pools. There's been some small increase in these pools. I'd say two things; dark pools, if you look at the numbers, remained very small features still of the European execution landscape. These are low-single-digit – sorry, below 10% in terms of volumes and is constrained by regulation, right? So we have the 8% cap and the 4% cap on reference price trading venues.

And the second thing, if you look at the revenue models of these pools, they actually charge less than that we do in the lead markets.

Third point with respect to dark pools, we are observing with great interest the movements in the regulatory landscape, and we will be very active in this space. And depending what happens there, there will be potential business opportunities for Euronext as well in the stock trading space. So I think that's what we can say there.

**Enrico Bolzoni:** Thank you very much.

**Operator:** Thank you. We will take the next question from line Ian White from Autonomous Research. The line is open now. Please go ahead.

**Ian White (Autonomous Research):** Hi. Thanks for taking my questions. Just a few follow-ups from my side, please. Can you just clarify a little bit your appetite for M&A at this stage. From the discussion so far, I'm sort of taking away that you'd be happy to consider a transformational deal at this stage, even while the Borsa Italiana integration is still ongoing. Is that a fair reflection of your appetite for M&A, please?

Second question, just any revised thoughts at all around the medium-term financial guidance that you've given for out to FY '24?

And finally, just maybe a clarification please on the outlook for NII. I think you talked about getting to cruising speed 20 bps yield, but how have collateral balances trended there over the last sort of few months and what's the outlook there, please? Thank you.

**Stephane Boujnah:** So I will answer your first question on the M&A framework and Giorgio will answer the two other questions on financial guidance. The M&A objectives or the M&A framework remains the same. We want to continue the growth of the Euronext project in two directions. The first one is to remain open to single country or several country exchanges in Europe, who consider being part of a scalable project and who might be interested in joining the largest single liquidity pool in Europe and the largest single order book and the most

powerful technology platform. So anything that would make Euronext more relevant for some European market infrastructure is clearly something that we will consider.

The other avenue is always to pursue the diversification of our top line, the diversification of our revenue mix, because this call is very interesting. There are many questions on market share and yield of the business that represents 20% of our top line today. It's important. I appreciate that. But you may have noticed that over the past few years, we have done a significant effort to diversify in post trade, to diversify in other asset classes like energy, like forex, like in other services like corporate services, in technology, etc.

So the objective pursued by any M&A move will be diversification of our top line. And the other objective would be to accelerate growth to capture businesses that have a growth profile that can accelerate the growth profile of the combined entity.

So we explore and we analyse all sort of situations. And clearly the fact that our deleveraging has increased, and that our rating has been improved yesterday evening to BBB+, the fact that the synergies in Italy are in the very good track, hence the upgrade targeted – that target that we have shared with you, it gives us more confidence that we need to explore these opportunities again.

But nothing very new or fundamental, just an improvement of the surrounding consensus around the same strategy. We have always the same very rigorous framework that we want to deploy the capital of our shareholders in acquisitions that generate a return on capital employed above the WACC of the company between year three and five after acquisition.

So that's the M&A framework. Over to you, Giorgio, on the mid-term financial profile and end of '24 guidance.

**Giorgio Modica:** Absolutely. Let me start with the net treasury income. I will give you a few more details so that you can have a better view.

So the first element I wanted to highlight is that with respect to when we discussed the last time around the average collateral has actually increased. What we have seen are levels at around the €22 billion. And in the fourth quarter of last year, these €4.3 million that we have posted as NTI represent around 7 basis points. So slightly below the 10 we guided. And this is the result of the fact that interest rates increase more than anticipated.

And as you know, during the fourth quarter, we still had an important point of fixed income portfolio in run off, but then in terms of euro million, this is very, very marginal.

If we now move to the first quarter this year, what we will have in terms of P&L is going to be a revenue capture, which is going to be closer to the 10 bps I guided. And we might have in euro million a result, which is in between €5 million and €6 million. Then after that we will see, collateral should remain in the €20 billion type of range, slightly more, slightly less. And the cruising speed in terms of NTI should be 20 basis points. Then this is as granular as I can be. If you have follow up question, happy to take them.

When it comes to the target of 2024, the only nuance I can put, we will not change the target, is that within our current target of EBITDA growth, given the environment we see room for having slightly more revenues for an environment where we will have slightly more cost. So this is more or less the trend, so 5-6% EBITDA CAGR remains unchanged, maybe depending

on how the next two years will evolve, we might be in a situation where revenue growth is going to be higher and cost marginally higher.

**Ian White:** Got it. That's helpful. Thank you.

**Operator:** Thank you. We will take the next question from line Johannes Thormann from HSBC. The line is open now. Please go ahead.

**Johannes Thormann:** Good morning, everybody. Johannes Thormann. Some follow-up questions, please. First of all on the clearing business again. First of all, why have you the delay in the margin improvement from 10 bps to 20 bps? I'm still lagging to understand. And will it be really fixed end of this quarter, or will we probably get next call the message again, or we have another quarter running in 10 bps. What is driving this? Because investors here – this is probably, anyway so it's just the worst time of the market?

And secondly, on your clearing initiative in general, especially for the cash clearing, what incentives are you giving to the customers to move your business to Euronext Clearing away from LCH, because as I understand in cash clearing the customer has major part of the choice?

And last but not least on the cash trading market share, historically you were about 70%, now you seem to be satisfied with 63%, which is also the revenue opportunity for the clearing business. So you're reducing your own revenue opportunity. What is driving your assumption to be satisfied with 63%? Thank you.

**Stéphane Boujnah:** Okay. So Giorgio will answer the first part of your questions. And Anthony Attia, who is the Head of our Post Trade Operations, will answer your questions on the incentives, the pricing of our clearing operations and our market share in equity – cash equity clearing.

**Giorgio Modica:** So I would like to clarify one element. You seem to highlight the level of surprise, but in July 2022, we expressed a very clear guideline saying that we would have had 20 basis points in the third quarter, then 10 basis points in the fourth and in the first quarter and then back again 20 basis points. And we guided for around €20 billion level of collateral, which means implicitly that we guided for €10 million in the third quarter and €5 million in the fourth quarter.

The actual result were €11 million in the third quarter and €4 million in the fourth quarter, which is, I would say, exactly identical to what we have guided in July 2022. So what is happening? And why did we get 7 basis points and not 10 basis points? Simply that, when you have a small portion of your portfolio, which is fixed income, it means that the rate on the asset side will not change, whereas on the liability side, where 100% of our ability are benchmarked to ECB rates, then you pay more. And this has a slightly dilutive impact on the level of NTI.

Finally, on your question, is it really true that we are going to have 20 basis point in the second quarter? And then, my answer is, yes. As a simple fact that, – as I said, from 1<sup>st</sup> May 2023, we'll no longer hold any fixed income portfolio, and for all of our assets and all our liabilities are going to be at variable rate. And therefore, we will make the spread between the interest we collect and the interest we give back to clients. I hope this clarifies.

**Anthony Attia:** Good morning. This is Anthony Attia. Thank you for your question. Let me detail for you the value proposition of our clearing internalisation initiatives. There are five main points that I want to share with you.

So first of all, we will offer the clearing services for cash equity for all our Euronext markets excluding Oslo but including Italy. So in the same default fund, on the same risk framework and the value-add risk model, we will be able to clear all our cash equity trade. This generate efficiencies on margin and default contribution to the client compared to the current fragmented situation.

Second, we will be operating from a state-of-the-art clearing platform that we are currently developing with one connection for all the market, and the use of the extremely efficient set of technologies.

Third part, we are working on offering competing clearing fees. There's no need to get into the rest of the volumes from a clearing fee point of view. But it's the combination of these different factors that create this attractive value proposition.

And last, thanks to our post trade investment on Euronext Securities, our CSDs, in particular in Milan, we will be able to offer extremely competitive settlement fees. And so the engagement we have with the clearing members presently show that we are in a very, very good position to succeed in the migration at the end of 2023. Thank you.

**Johannes Thormann:** Thank you.

**Operator:** Thank you. We will take the last question from line Greg Simpson from BNP Paribas. The line is open now. Please go ahead.

**Greg Simpson (Exane BNP Paribas):** Hi. Good morning. Thank you for squeezing me in at the end. Maybe a follow-up on clearing. Can you just talk about what the current market share that LCH SA has in your cash markets? What are your expectations for when Euronext clearing goes live in Q4? And then you have a few CCP in the background. So just interested in any thoughts on competition.

And then a second question would be on the mid-single-digit price increases in the non-volume areas, can you share if there's any user feedback on this? Do customers generally just accept the price increases as they're essential or is there any signs that you just might try to say optimise the subscriptions, our market data for example. Thank you.

**Stéphane Boujnah:** So Giorgio on pricing, and Anthony on the competition on clearing.

**Anthony Attia:** So on clearing, so we do not comment market share element of LCH SA or Cboe Clear Europe. You can direct your questions to them. Nevertheless, the setup that will be ours at the end of the year is called preferred CCP setup, which means that by default the trades done on Euronext's Optiq platform will be routed towards Euronext Clearing. And if the buyer and the seller select another CCP, then the trade will be relative to these other CCP.

So far, this preferred CCP model creates an incentive for the CCP of choice to clear the bulk of the trade, because it provides efficiencies the way I commented before.

**Giorgio Modica:** Yeah. Then when it comes to your question with respect to price increase, it's actually a complicated question, but let me try to answer. So in general terms, clients are not necessarily happy of price increases. However, it is important to highlight that in this general environment, price increases are very common. Everyone is increasing prices, and therefore as well clients are accustomed to increase their own prices to their clients and receive

a request for price increase in an inflationary environment. So this is the first element. And we have not received any sign where our price increases were considered to be excessive.

And clearly, we have deeply assessed that, making sure that price increases were commensurate to the quality of the service we provide. So this is the first element. Then you seem to refer more specifically to market data. And on that specific angle, what I can tell you is that if you look, for example, at our results in the fourth quarter, you see that a part of that 7% increase in revenues is related to an increase of users.

It's related to an increase of streams, which is quite surprisingly in an industry where usually there is attrition in terms of clients and number of terminals. And this reflects the new way of a mixed way of working, partly from home and partly in the office, where sharing screen and terminal becomes more complicated. So to make a long story short, we did pass the price increase that was generally well accepted by clients.

**Stéphane Boujnah:** So thank you everyone. As a few words of conclusion, I want to highlight really what in my view are the key takeaways of where we are today.

We deliver diversification. Our revenues are more diversified than they have ever been, and we will continue to deliver diversification. We deliver cost discipline in an environment which is quite complicated with inflationary cost pressure and we will continue to deliver cost discipline.

We deliver post-merger integration for real with major projects already delivered in relation to the acquisition of Borsa Italiana, and new ones to be delivered including within a few weeks' time with the Optiq migration in Italy. And we will therefore continue to deliver revenue synergies and other post-merger integration projects.

We have delivered deleveraging and we will continue to deliver deleveraging as demonstrated by the BBB+ upgrade announced yesterday by S&P. So we are extremely confident that this strong diversified cost discipline operating leverage focused company with great assets to expand the top line through the extraction of revenue synergies will continue to be extremely well positioned to capture opportunities in '23.

Thank you very much. Have a good day.

**Operator:** Thank you for joining. You may now disconnect.

[END OF TRANSCRIPT]