



# Q3 2021 Results

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## Q3 2021 Results

**Operator:** Hello, and welcome to the Euronext Third Quarter 2021 Results Call. My name is Courtney, 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. However, you will have the opportunity to ask questions. This can be done by pressing star one on your telephone keypad to register your question. And if you require assistance at any time, please press star zero and you will be connected to an operator.

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

**Stéphane Boujnah:** Good morning, everybody, and thank you for joining us this morning for the Euronext third quarter 2021 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 this third quarter. Giorgio Modica, Euronext CFO, will then develop further the main business and financial highlights.

Euronext reported a strong third quarter performance with very strong revenue growth and double-digit growth in adjusted EPS. Revenue increased by €145.8 million, up plus 71.2% to €350.6 million. And this solid revenue performance was driven by two main drivers. The first one is a double-digit organic revenue growth, driven by good performance on our listing, on our trading and on our clearing businesses. This strong organic performance is the clear translation of our leadership position now in listing and cash equity trading in Europe.

During this quarter, Euronext was once again the European leading equity listing venue with 51 new listings and the leading ETF listing venue. And the second driver of this very strong organic revenue growth was the fact that it is the first quarter of full consolidation of the Borsa Italiana Group, contributing €121.1 million to revenue in Q3 2021. Over the first nine months of 2021, our organic growth was of +3%, despite very tough comparison base of '20, which you may remember 2020 was a very strong year and Q3 2020 was a strong quarter in a very strong year.

Despite this comparison effect, our organic growth was up 3%. And this shows the ability of Euronext to capture value. As you know, we monitor very closely the share of our non-volume-related revenue in our revenue mix. And this share of non-volume-related revenue rose this quarter to 55% of total revenue and covers now 131% of our operating expenses excluding D&A.

On the cost side, the reported increase that you have seen is mainly related to two factors. The first one is the consolidation cost from Borsa Italiana Group and from VP Securities in Copenhagen. And the second driver are the costs related to the integration of the Borsa Italiana Group, which is the major post-merger integration project for Euronext at the moment, but these costs have been anticipated and announced previously.

Overall, these numbers, both under revenue side and the cost side, translated into a Group EBITDA increase, up plus 72.4% to €203 million and an EBITDA margin of 57.9% in Q3 2021. But on a like-for-like basis, our EBITDA margin in Q3 2021 increased to 60.4%, hence by 1.8 points. So this solid group business performance resulted in a plus 18.1% increase in adjusted EPS at €1.21 per share.

And on a reported basis, net income was up plus 64.9% to €115.8, also boosted by a €9.2 million dividend received this quarter.

I now hand over to Giorgio Modica for the detailed review of our businesses.

**Giorgio Modica:** Thank you, Stéphane, and good morning, everyone. I'm now on slide six. In the third quarter of 2021, Euronext consolidated revenue reached €350.6 million with an increase of €145.8 million, which translated to +71.2%. These results were driven by the double-digit organic growth in trading, clearing and listing activities and by the contribution of the Borsa Italiana Group that is consolidated for the first time for a full quarter.

Please note that VP Securities was consolidated on 4<sup>th</sup> August 2020 and that's accounting only for a part of the organic growth. On a like-for-like basis, and at constant currencies, Euronext consolidated revenue was up 10.2% vis-à-vis the third quarter of last year.

Moving now to the different business lines. Trading revenue increased to €124.2 million, up 63.6%, thanks to the consolidation of Borsa Italiana and MTS trading activity, as well as the good revenue capture and efficient market share management in cash trading activities. Post trade revenue, including net treasury income, increased 115.2% to €96.1 million as a result of the consolidation of Monte Titoli and CC&G activities.

These offset the lower activity in our Nordic CSDs reflecting the normalisation of retail activity and a seasonal effect in the third quarter of this year. Advanced Data service revenue increased to €49.8 million, up 44.3%, benefiting from the good performance of market data and indices and from the consolidation of the Borsa Italiana Group.

The strong listing revenue growth up 42.1% to €50.8 million results from the consolidation of Borsa Italiana Group and from the continued momentum in equity listing, at the same time, corporate service continues to record good performance despite the usual seasonal summer slowdowns.

In terms of revenue mix, in the third quarter of 2021 non-volume-related revenues accounted for 55% of total Group revenues versus 54% in the third quarter of 2020, reflecting the increased diversification in our revenue mix. Please note that those non-volume-related revenues include the net treasury income from CC&G.

Lastly, non-volume-related revenues covered 131% of our operating cost, excluding D&A, compared to 128% of last year.

I now move to slide seven for listing. Listing revenue was €50.8 million in the third quarter of '21 with an increase of 42.1% compared to the third quarter of 2020. It was driven by the consolidation of the Borsa Italiana listing activity, of course. But it's also driven organically by a record activity in equity and ETF listing and a very positive traction in ESG bond listing and the good performance of Euronext Corporate Services.

With regard to equity listing, the third quarter of 2021 one saw the continuation of a strong primary equity listing momentum with 51 new listing on Euronext, including five large cap, Universal Music Group, Azelis Group, Antin Infrastructure Partners, Majorel Group and Exclusive Networks and six SPACs. Euronext continues to demonstrate its strong value proposition for innovative companies with most listings being tech companies. In the third quarter of 2021, €4.8 billion were raised on Euronext primary markets and quadrupled compared to €926 million in the third quarter of last year.

As Stéphane said, we again confirm our position as the number one listing venue in Europe for equities and ETFs. Secondary markets reported a solid third quarter of 2021 with €39.7 billion raised in secondary equity issues compared to €9.4 billion in the third quarter of last year.

Let's move now to our trading business on slide eight and let's start with the cash trading. On a pro forma basis, including Borsa Italiana, ADV increased 14.6%, reflecting an expectedly positive volatile third quarter while we usually see a cyclical summer slowdown. Average revenue captured over the quarter reached 0.52 basis points and a market share of 71.4%.

The consolidation of cash trading activity of Borsa Italiana in the strong volume environment resulted in cash trading revenue increasing 42.7% to €75 million.

Moving on to derivatives trading. Derivatives trading revenue was up 25.9% to €13.5 million in the third quarter this year. Pro forma average daily volumes on financial derivatives slightly increased 3.4%, reflecting the low volatile environment for equity derivatives. Commodities products reported a record quarter with average daily volumes up 34.4%, reflecting the successful commercial expansion in the dynamic agricultural markets. The average revenue capture over the quarter for derivative trading was €0.31 per lot.

Moving to fixed income trading. I remind you that fixed income trading includes the trading activity of MTS, cash and repo and the fixed income trading activity of Euronext and Borsa Italiana, such as MOT and Euro TLX. Fixed income trading reported revenue at €23.8 million in the third quarter this year. This is 50 times more than what we had in Euronext in the third quarter 2020 as a result from the consolidation of the Borsa Italiana Group.

In the third quarter '21, MTS cash generated €17.1 of revenue and MTS repo generated €4.8 million of revenue. The strong performance at MTS cash trading activity up 66% versus the third quarter of 2020 reflects the positive momentum in cash bond trading supported by the steady issuance and support from ECB and EU Recovery Fund and by the political stability in Italy that support trading volumes.

Continuing with trading on slide nine. Euronext reported average spot FX trading daily volume of €17.5 billion in the third quarter this year, down 9.4% compared to the third quarter of 2020, resulting from a less volatile trading environment. As a result, spot FX trading revenue decreased 4.2% to €5.6 million.

Power trading was stable at €6.3 million, reflecting lower trading activity offset by positive foreign exchange impact. In the third quarter 2021, average daily day-ahead power traded was 2.02 terawatt-hour and average daily intraday power traded was 0.06 terawatt-hour.

Moving to slide 10. Revenue from post-trade activities, including net treasury income, increased by 115.2% as we discussed to €96.1 million. Clearing revenue was up 85.3% in the third quarter of 2021 to €27.5 million as a result of higher clearing revenue and treasury income received from LCH SA and the consolidation of CC&G activities. On a like-for-like basis and at constant currencies, clearing revenue was up 14.8% compared to the third quarter of 2020.

Net treasury income through CCP business of CC&G was €12.9 million. Custody and settlement and other post-trade encompassing the activity of our four CSDs reported strong revenue growth of €55.6 million, up 86.7% compared to the second quarter. This year we witnessed slower activity in our Nordic CSD, reflecting a normalisation of the retail trading activity, as we have anticipated in the previous quarters.

Moving to slide 11. Advanced Data Services revenue was up 44.3% to €49.8 million in the third quarter of 2021, driven by a solid index business, a robust market share in market data and the consolidation of the Borsa Italiana Group various data activities.

Proceeding now with Investor Services, revenue were up 9.3% to €2.1 million in the third quarter 2021, reflecting continued commercial development. Lastly, on Technology Solutions, revenue doubled in Q3 2021 to €24.4 million as a result of the strong SFTI/Colocation revenue, improvement in the fee grid and the consolidation of the technology businesses of the Borsa Italiana Group, namely Gatelab and X2M.

Moving to slide 13 for the financial highlights of the third quarter. And I would like to start with the EBITDA bridge. Euronext EBITDA for the quarter was up 72.4% to €203 million. The EBITDA margin increased at 57.9% in the third quarter of this year despite the ongoing integration cost. This quarter, we had, in our P&L, around €7 million of integration costs in OpEx. On a like-for-like basis, the EBITDA margin was 60.4%, up 1.8 points and EBITDA increased by 13.7%.

From a revenue perspective, revenue at constant perimeter increased double-digit, and in absolute amounts by €19.8 million compared to last year, reflecting the very good performance of listing, trading and the organic growth in our clearing business. The Borsa Italiana Group contributed for €121.1 million to the top line and the other businesses acquired contributed for the additional €3.7 million.

Looking at costs, Group operating cost, excluding D&A, were €147.6 million as a result of €55.5 million of additional costs coming from the change of scope, and mainly as a result of the consolidation of the Borsa Italiana Group, VP Security and other smaller recent acquisitions, and also from the integration costs mainly related to the Borsa Italiana Group, we just discussed around €7 million this quarter, and €4.3 million of additional organic costs mainly reflecting higher staff costs.

Moving to slide 14. Now, I would like to comment the bridge of net income. Net income increased this quarter by 64.9% to €115.8 million resulting from the following elements. D&A mechanically increased impacted by the consolidation of the recent acquisition, its D&A and the PPA. PPA this quarter accounts for around €20 million in the total D&A. Exceptional costs were €1.5 million lower than last year. Net financing expenses for the third quarter of 2021 were €3.9 million higher compared to the last year, reflecting mainly the cost of the debt recently issued.

Results from equity investments increased €9.9 million, reflecting the contribution from LCH SA and the dividend received from Euroclear.

Lastly, income tax for the third quarter 2021 one was €48.5 million, which translate into an effective tax rate of 29%. This tax rate reflects as well some integration costs, which are not tax deductible. Adjusted for PPA and exceptional items, adjusted net income was €132.4 million, translating into an adjusted EPS increase of 18.1% to €1.21 per share this quarter.

Moving to slide 15 for the cash flow generation and leverage. Net operating cash flow amounted to €213.5 million. Excluding the impact of CCP activities in mainly Nord Pool and CC&G on the changes of working capital, 86% of the EBITDA was compared – converted into cash flow after tax.

Our net debt to EBITDA ratio was at the end of the quarter at 2.8 times versus 3.1 in the second quarter 2021. As at the end of September 2021, we are the floor below the targeted leverage announced at the time of the acquisition of the Borsa Italiana Group that was expected towards the end of 2022.

Last slide on my side. I'm on slide 16, and I would like to comment the evolution of our liquidity position over the quarter. Our liquidity position was and remains strong above €1.4 billion including the undrawn RCF of €600 million.

This is all for me and now I hand over the floor back to Stéphane Boujnah.

**Stéphane Boujnah:** Thank you, Giorgio, and thank you again for participating to this call. And we'll be happy to introduce next week on Tuesday, 9<sup>th</sup> November, our new strategic plan, and we hope to meet some of in Milan, where this plan will be released and discussed. We are now available for your questions with Giorgio Modica, CFO, and Anthony Attia, Global Head of Primary Markets & Post Trade.

## Questions and Answers

**Operator:** Thank you. As a reminder, if you would like to ask a question on today's call, please press star one on your telephone keypad. Please ensure your line is unmuted locally and you will be advised when to ask your question. If you change your mind and wish to withdraw your question, please press star two. And our first question comes in from the line of Kyle Voigt calling from KBW. Please go ahead.

**Kyle Voigt (KBW):** Hi, good morning. Maybe a few questions for me. So the first would be on fixed income. Very strong quarter. You cited strong issuance across Europe. Just wondering if you could help us understand how much of the growth MTS is seeing is related to the environment versus market share. So maybe try and understand how much is secular versus secular growth – secular versus cyclical growth. Sorry about that.

Second question is on the settlement and custody line. I guess we were a little bit surprised to see the revenue down sequentially from 2Q into 3Q, given the full quarter consolidation of Monte Titoli in 3Q. I think in the deck you cited a normalisation of retail trading activity in the Nordics. Can you help us understand whether most of the normalisation has already happened or there could be further declines from here with a further normalisation of that activity? And then lastly from me is on expenses. You mentioned there were €7 million integration cost in OpEx. Can you give us a sense of that €7 million euros of integration cost, is there something you anticipate will have to continue for some time into the future and through the duration of the integration or were some of these more a one-off in nature? Thank you.

**Stéphane Boujnah:** Okay. Thank you very much for your question. So when it comes to your first question, one element that I would like to highlight is that, as you know, MTS has two main activities, the cash and the repo. And from a financial standpoint, the cash activity is very beneficial from the bottom line.

Now, in this very specific circumstances we are living, where we have the combination of positive effect, traders are more inclined to take position in cash trading rather than getting

exposure to repo. So the conditions are very favourable and this translates into the increase of 66% that we have highlighted, which is certainly a very high level of activity.

And just to give you another data point, I believe that in the last week MTS had its record day for cash trading ever. So we're certainly at the high points of the cycle. And again, this is supported by the environment and by the stability of the Italian government. Going forward, we believe that MTS will remain a growth asset for Euronext. But again, we will focus on expanding the activity of MTS to make it more internationally relevant.

With respect to your second question on custody. As you can see, if you look at the organic growth year-on-year, you still see a very strong performance. So what has happened between the third quarter this year and the second quarter? A couple of factors. First, as you might know comparing consecutive quarters might lead to their own conclusions because there is a seasonal effect, because certain activity which are charged by the CSDs are - do not take place at the same rate throughout the year and there are specific seasonal effects. So this is one element.

And the second element, which is something that we anticipated, as you might know, the business model in the Nordic is different from other cities, and therefore more exposed to the interaction of retail trading, which has reduced and therefore the revenues have suffered from that.

Now going forward, what we anticipate is that, we are now at a more normalised level and future growth is going to come using a level similar to the one that we witnessed in the third quarter in the quarters to come. Finally on - when it comes to the integration, I mean, I don't want to spoil the surprise for the Investor Day, but clearly we see those integration costs remaining in our P&L for quite a while. We have quite an ambitious integration plan.

But for further details around that, I believe it makes sense to wait a couple of days and we will be much more explicit on 9<sup>th</sup> November.

**Kyle Voigt:** Fair enough. Very helpful. Thank you.

**Operator:** The next question comes in from the line of Benjamin Goy calling from Deutsche Bank. Please go ahead.

**Benjamin Goy (Deutsche Bank):** Yes. Hi, good morning. Two questions from my side please. First, coming back on the cost. So OpEx plus 5% on like-for-like basis doesn't sound very much Euronext like. And now you mentioned €7 million, which is essentially almost the entire increase. Is that the right way to think about it, or do you calculate it differently? So i.e., excluding post-merger integration would be flat on a cost base?

And then the second question is on the revenue capture in cash trading. Another good quarter outperforming your expectations. Was it more retail activity or you see the first benefit of, let's say, working with Borsa and improving the revenue capture? Thank you.

**Stéphane Boujnah:** So when it comes to your first question, it's always tricky and would not be Euronext like trying to highlight the one-off impact of the quarter. So what I can say is that, the €7 million are fully in the OpEx. So it's a mix effect, because the real - the good way to look at that is that we keep reducing cost every quarter. But on the other side, we have integration costs and we have the evolution of our OpEx. So it's very difficult to split and will

be a bit artificial to do that. But what I can say with certainty is that, if you look at the increase, in the increase, €7 million of integration costs were included in the OpEx.

The second element that I would like to highlight on the revenue capture is that the revenue capture, as you correctly pointed out, remains strong. And what I would like to highlight as well is that comparing the revenue capture with respect to the previous quarter would be misleading, because in the previous quarter we did not have the full integration of Borsa Italiana, which is dilutive on the overall impact. So again, this points to the fact that revenue capture was strong, and we believe remains higher than what we project longer term. As we said, we see more of a normalisation at or slightly below the 0.50 basis point.

The second element that comes – that relates to the advantage of having Borsa Italiana. Now it's far too early for that. Borsa Italiana operates on a different technology platform which is still the one on the London Stock Exchange and it is going to remain this way until the migration to Optiq, so it's too early to think of a common trading platform and a common pricing strategy. So, no impact from the integration of Borsa Italiana on the revenue capture.

**Benjamin Goy:** Understood. Thank you.

**Operator:** The next question comes in from the line of Arnaud Giblat calling from Exane BNP Paribas. Please go ahead.

**Arnaud Giblat (Exane BNP Paribas):** Yes, good morning. Two questions, please. First on costs. Thanks for splitting up integration costs. I was wondering if you could tell us how much of your planned cost synergies have been delivered over the quarter and what that could look like in Q4?

My second question was a follow-up on what you just said in terms of revenue capture. Is there a firm plan to align the pricing of Borsa Italiana cash equities to that of Euronext Group? I mean, from covering it from LSE times, I think the pricing structure is very different actually. It's mostly skewed towards trade basis fee ad valorem. So I'm wondering if that could change.

And my third question is, I'm wondering about MTS. Could you shed a bit more colour on the actual pricing model? I'd like to understand a bit more how sensitive revenues are to various volume items? Thank you.

**Stéphane Boujnah:** So when it comes to the clearing - when it comes to the time to change the fees structured at Borsa Italiana, this is really too early to tell. We are discussing with the teams. We will be engaging with regulators and win clients, and this is something that will come later in the process. And as you know as well, we will need to make sure that this is done the right way to make sure that the contribution of the local ecosystem remains as strong as it is today. So this is part of a process that started, but will conclude after the migration peak.

What I can confirm on the other side is the fact that the pricing structure of Borsa Italiana is fairly different from the one of Euronext.

Your question with respect to the integration cost. Again, I would like to wait a couple of days to tell you where we are, because commenting targets now and the projection for the end of the year and the next year, it's a bit premature. So few days more and then we can clarify on that.



Then when it comes to the MTS model, I believe that what you have and what we provide is the split of volumes and revenues by cash. Now, to give you more information on how sensitive an evolution is in a different parameter, I believe it's early for this call. Let me come back to you on that and we can see what we can do.

**Arnaud Giblat:** If I can just follow-up, I mean, can you tell us how much synergies have been realised in this past quarter?

**Stéphane Boujnah:** Again, on these, we would like to give a complete picture at the Investor Day. So because as you might understand, things might have slightly evolved and therefore rather than combining a few days before the Investor Day, we prefer to give a full analytic picture in a couple of days. Sorry for that.

**Operator:** The next question comes in from the line of Johannes Thormann calling from HSBC. Please go ahead.

**Johannes Thormann (HSBC):** Good morning, everybody. Thanks. Just have two questions - two follow-up questions, please. First of all on the settlement activity in Nordic markets. Help me to understand the seasonal pattern. In the US, we have quarterly dividend payments. And in Europe and in some countries we have as well half year payments. Can you provide some more details, what has driven up the activity in Q2 and what is now down in Q3 in the Nordic business? Or if you can quantify the fee amount, which you would consider as one-off in that kind of business?

And secondly, sorry coming back to your €7 million one-off costs in the operating profit. As you say yourself it's difficult and artificial to strip them out. The auditor doesn't want to strip them out. So why is it then - and you view still one-off costs, what kind of costs are these? Or do we need more details to understand this? Thank you.

**Stéphane Boujnah:** Anthony Attia on the CSD Business in the Nordic region and then Giorgio on the treatment of those one-off costs.

**Anthony Attia:** Thank you, Stéphane. Good morning. As Giorgio explained earlier, we have seasonality seen in the CSD business, and the seasonality has increased by the exposure to retail activities in VP Securities in Denmark and VPS in Norway. This seasonality translates into several things. One is the peak of revenues in Q2 due to dividend payments and general meetings organisation. So it's related to corporate actions. And in Q3, we have the usual summer decrease of activity, in particular for retail.

**Giorgio Modica:** And so when it comes to the KPIs that we track, the key KPIs are assets under custody. Then we have the number of accounts opened. We have the number of corporate actions and the number of settlement transactions. Those KPIs account for - in excess of two-third or even higher of the revenues of CSDs.

Now, what has happened is simply that the assets under custody keep going up. The number of accounts have remained stable. What has decreased is the number of settlement instructions and the number of corporate actions. So those are the KPIs that we - they have decreased.

Now coming to your question, when I say it is artificial, I didn't mean that it is artificial, the €7 million. What I meant is I fully appreciate that you would like to understand what costs are not run rate. What I say is artificial, the exercise itself to make the list of all the good news and

bad news. And this is the reason why, different from many of our peers, so we don't do that. You do not have an adjusted EBITDA for bad news.

On the other side, the integration costs are very well specified and include things like if we need to migrate and if we need to migrate the data centre to pass this on, we need to have specific engineer to work on that project and this is going to be one-off, because it's going to be over. If we need to migrate the millennium technology to a fixed, again, we need to have efforts which are defining time and which are aimed to reach the integration of Borsa Italiana. So those are the costs that we consider in the revenue. And again, we are not proposing any KPI and we do not adjust our accounts for that. So our 57-58% margin you see today includes everything.

Then if I get the question, what portion of your OpEx is related to costs which are specifically aimed at the integration of Borsa Italiana? The answer is €7 million.

**Johannes Thormann:** Okay.

**Operator:** Thank you. The next question comes in from the line of Ian White calling from Autonomous Research. Please go ahead.

**Ian White (Autonomous Research):** Hi, morning. Thanks for taking my questions. Just a couple of follow ups, please. Firstly on M&A. Can you just clarify, are there any firm commitments that you've made to the rating agencies regarding the Group to leverage prior to another substantial deal, or is there still some short-term flexibility there? I wondered if you might be prepared to comment on the recent situation involving ICE's Euroclear stake and kind of why that wasn't attractive to Euronext, if possible?

And just secondly, is there any update you could provide regarding the progress of the data centre migration at this stage. I just wondered if it was your expectation that all Euronext market makers will make the shift with you to Bergamo or do you anticipate some attrition there, please? Thank you.

**Stéphane Boujnah:** So I'll take your question on ICE and your question on the data centre, and Giorgio will answer the questions on rating. So we are aware of the situation that is taking place, whereby ICE is disposing its 9.8% stake in – approximately in Euroclear. We have taken note of the announcement they have made that they have entered into an agreement with Silver Lake in this respect. And we analysed the situation as a shareholder in Euroclear, which is represented at the Board. I can't say more about the situation for the moment.

On the data centre migration, we will have a detailed description of the update on this front in Milan on the Investor Day, because it's a significant part of the integration process. What I can tell you is that things are proceeding extremely well. The vast majority and more, I mean, we will disclose the details on Tuesday, of our plans that where collocated investments are taking the appropriate steps in timely manner to be collocated in the new data centre near Bergamo. So there is no concern about that. And for the moment, we can reiterate that the target date for implementing the migration remains 6<sup>th</sup> June 2022.

**Giorgio Modica:** Now, with respect to your first question, we did not take any commitment with S&P, which means that we defined our financing structure now in August last year. So it's more than 12 months ago, and the financing structure was aimed at having a solid BBB rating.

Now, what has happened is that the actual performance of the business has been vastly superior to the one that we were expecting at that time. It was the case when then we finalised the financing mix of the Borsa Italiana transaction, but we decided to keep the mix unchanged, and therefore, we gain, if you want, some flexibility in this respect. And then till this very first day, the results have been better than expected, especially because it was difficult to anticipate that despite exceptional 2020, we would have been able to generate an organic growth in excess of the previous year in the nine months of this year.

So what I can tell you is that there is no commitment. The business has performed better. This has given us more room to manoeuvre and Euronext and S&P will assess where we are in the deleveraging journey every quarter. And we'll base this assessment and will give us the rating. But again, no formal commitment – we gave to them on a specific deleveraging profile. And by the way, we will meet them at the end of the month for our yearly discussion.

When it comes to the speculation around potential transaction, I believe Stéphane already answered. Thank you.

**Ian White:** Super. Thanks for the help.

**Operator:** The next question comes in from the line of Philip Middleton calling from Bank of America. Please go ahead.

**Philip Middleton (Bank of America):** Yeah, good morning. I just wonder if you could say a bit more about tax, because the tax rate seemed a little bit higher than I had expected. But you are suggesting that this is coming from integration reasons. I wonder if you could therefore just give us a bit more detail there, please?

**Stéphane Boujnah:** Are there other question from this Group please?

**Operator:** Of course, the next question comes in from the line of Andrew Coombs calling from Citi. Please go ahead.

**Andrew Coombs (Citi):** Before I ask my question, I don't think Philip's asked. I think Philip was asking the thoughts on the tax rate, so perhaps you'd like to address that first.

**Operator:** It appears as though we may be having some technical difficulties. Please stand by once we re-establish the connection with your speakers.

**Stéphane Boujnah:** The Investor Relations team at Euronext, in particular Clément Kubiak and Aurélie Cohen. And in any event, I look forward to talking to you, to meeting within in person if you travel to Milan on Tuesday, 9<sup>th</sup> November. But feel free to reach out to us at any time before that date. Have a good day.

**Operator:** Thank you for joining today's call. You may now disconnect your handsets.

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