



Q4 FY24 Results

Friday, 14th February 2025

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Operator: Good morning and welcome to the Euronext Q4 and Full Year 2024 results. My name is George. I'll be your coordinator for today's event.

Please note, this call is being recorded and for the duration of the conference your lines will be in listen-only mode. However, you have the opportunity to ask questions towards the end of the presentation, and this can be done by pressing star one on your telephone keypad to register your question. If you require assistance at any point, please press star zero and you will be connected to an operator.

And I'll hand you over to your host today, Mr Stéphane Boujnah, CEO and Chairman of the Managing Board of Euronext. Please go ahead, sir.

Stéphane Boujnah: Good morning. Good morning, everybody, and thank you for joining us this morning for the Euronext fourth-quarter and full-year 2024 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 2024 and the fourth quarter. Giorgio Modica, the Euronext CFO, will then develop the main business and financial highlights for the fourth-quarter of 2024.

As an introduction, I would like to highlight three points. First, we deliver double-digit top-line growth in Q4 and full-year 2024 and this is the results of the diversification of our business model and the successful expansion of our clearinghouse across Europe. Over the previous plan, we have created a very strong Group, present all over the value chain, and we are now more than ever well-positioned to capture growth opportunities in the future.

The second message is that for the first time ever, we have exceeded the significant threshold of €1 billion in adjusted EBITDA, which is another testament of our operational excellence and cost discipline. Our full-year 2024 adjusted EPS grew close to 20% year-on-year to €6.59 per share.

Third, in 2025, we are building the foundations, and we are investing to achieve our 2027 targets. 2025 will be an investment year. We have already made some major progress in the delivery of our strategic priorities, and we announced the contemplated acquisition of Nasdaq's Nordic power futures business, subject to applicable regulatory approval. This announcement is a major accelerator for our Nordic and Baltic power futures market, which is expected to go live in June 2025 and clients will be able to test our offering as soon as March 2025 in a few weeks' time.

Today, we are also very pleased to announce to our clients one of the most significant innovations in financial derivatives in recent years. The launch of cash-settled mini futures on European government bonds. The mini futures will be available for trading from September 2025.

Finally, we have made a major step in the expansion of our repo-clearing franchise through strategic collaboration with Euroclear to enhance Euronext Clearing's collateral management offering.

Let me now give you a quick overview of the full-year 2024 highlights on slide four.

Euronext delivered double-digit revenue growth in 2024, thanks to its diversified revenue profile. Full-year 2024 revenue grew by +10.3% year-on-year, up to €1,626.9 million. This growth was supported by three main drivers.

First, non-volume related, the revenue amounted to 58% of the total revenue and posted a very strong overall performance. Custody and Settlement revenue grew by +8.7% year-on-year to €270.5 million, driven by higher assets under custody, dynamic settlement activity, and very strong growth of value-added services. Advanced data services revenue grew by +7.5% to €241.7 million, driven by growing demand for diversified data sets and a very dynamic retail usage. It was also supported by the diversification of our offering with the acquisition of GRSS, a leading service provider to benchmark administrators. Listing revenue grew by +5.1% to €231.9 million, despite headwinds from the Norwegian krona depreciation. The growth was driven by the strong performance of our corporate solution business and very resilient listing revenue.

We remain the first listing venue in Europe with 53 new equity listings and 14,700 new bond listings in 2024.

Second, our trading revenue grew by +14.2%, and this was driven by record results in fixed income trading, in forex trading, in power trading, in agricultural commodities trading, and very positive dynamic in cash trading, which we continue to see in the beginning of 2025, as you may have seen with our January numbers and the numbers we release every day.

Third, we clearly see the benefits of the European expansion of our clearinghouse. Clearing revenue grew by plus 19% year-on-year to €144.3 million. This strong performance also reflects the dynamic fixed income and commodities clearing activity. Net treasury income grew by +21.8% to €56.8 million. Our underlying expenses, excluding D&A, were at €620.5 million, totally in line with our revised cost guidance of €620 million of underlying expenses, excluding D&A, and less than the €625 million originally targeted at the beginning of the last year. This is the result of our continued cost discipline. This is the result of synergies which offset growth investment, and acquisition impact.

Consequently, our full-year 2024 adjusted EBITDA grew by +16.4% compared to 2023 to exceed €1 billion. Euronext adjusted EBITDA margin increased by +3.3 points to 61.9%. This strong performance led to a 19.7% increase in adjusted net income to €682.5 million. Adjusted EPS was at €6.59 per share, up +19.6% year-on-year. We are pleased to propose a dividend of €292.8 million for 2024 at our AGM in May 2025, and this represents an increase of +14% year-on-year. This represents 50% of our reported net income, totally in line with our capital allocations policy.

As you know, we have launched a €300 million share repurchase programme in November 2024, of which 65.3% have already been completed. The shares bought back as part of the programme will be cancelled and excluded from the dividend payment. So, the proposed dividend per share will be communicated closer to the AGM in accordance with the final number of shares following the completion of the share buyback.

Reported net income increased by +14% in 2024 to €485.6 million, despite the negative comparison base related to the €41.6 million capital gain that we received in 2023 for the disposal of the 11.1% stake in LCH SA. And reported EPS for 2024 increased by +16.7% to

€5.65. This also reflects our lower share count due to the share repurchase programme performed in the second semester of 2023.

Let me now give you a very quick overview of the fourth quarter of 2024 on slide five.

Q4 2024 continues Euronext's trend of success over the first three quarters of last year. Euronext's revenue grew by +11.1% in Q4 2024 compared to Q4 2023 to €415.8 million. Giorgio will deep dive into the details of the strong performance across our businesses in a minute, but I want to highlight that non-volume related revenues accounted for 59% of revenue and covered 151% of underlying expenses, excluding D&A.

Q4 2024 underlying expenses, excluding D&A, were at €163.2 million. This 3.4% increase year-on-year reflects investments in strategic growth that we have started to deploy in Q4 and the impact of acquisitions performed over the year. Our adjusted EBITDA grew by +16.7% compared to Q4 2023 to €252.6 million. Euronext adjusted EBITDA margin increased by 2.9 points to 60.7%. Adjusted EPS was at €1.66 per share, up +16.9% year-on-year, which also reflects the lower share count due to the share repurchase programme performed over 2023. Reported EPS increased by 12% to €1.4 per share.

Net debt to last month adjusted EBITDA reached 1.4x at the end of 2024, which is in line with the target leverage between 1-2x that we shared as part of our updated capital allocation policy at our Investor Day on the 8 November last year. So, we are very pleased that our continued deleveraging path has been fully recognised by S&P that upgraded Euronext from a BBB+ positive outlook rating to A- stable outlook rating in February 2025.

Finally, thanks to our strong Q4 2024 performance, we confirm that we exceeded our 2024 financial target. You may remember that we closed in November 2024 the previous plan, one quarter in advance.

So, the final results at the end of 2024 are even better than anticipated. On average, our revenue grew every year between 2020 and 2024 by +4.7% per year compared to the initial target which was 3-4% growth CAGR. Also, we reached an EBITDA average growth per year of +6.4% over the same period, which is significantly above the targeted 5-6% CAGR EBITDA growth that we had anticipated when we launched the previous plan in 2021. This is yet another example of our outstanding track record to deliver what we promised and to overdeliver what we promised.

I now give the floor to Giorgio for the review of our fourth-quarter 2024.

Giorgio Modica: Thank you, Stéphane, and good morning, everyone.

Let's now have a look at the strong performance of this fourth quarter of 2024. I'm now on slide eight.

Total revenue are up 11.1% compared to last year and reached €415.8 million, of which 59% is non-volume related. We report solid growth in both our non-volume related businesses and trading activities across all asset classes. Fixed income continued to be a key contributor to Euronext's top-line growth.

Let me deep dive into the drivers of this strong performance, starting with listing on slide nine.

Listing revenue was €59.4 million, up 5.8%, driven by the strong performance of corporate solutions and the resilient listing activity, partially offset by the depreciation of NOK.

Euronext confirmed its leadership in equity listing in Europe with 16 new listings.

On the debt side, in 2024, Euronext listed over 14,700 new bonds. This is an all-time record. With this performance, Euronext reinforced its number one position worldwide, with over a total of 55,000 bonds listed on its platform.

Euronext corporate solutions continues to deliver a solid growth with revenues of €14 million in the fourth quarter of 2024, up 13.6% compared to the fourth quarter of 2023. This is the best quarter ever for our corporate solutions franchise, supported by the strong performance of our SaaS products and events-related activities.

I am now on slide ten.

Data Investor Services activity continues to drive growth this quarter. Advanced data services reached €61.1 million of revenues, up 8.9%, driven by the demand of diversified data, analytic products, and dynamic retail usage. Revenue was supported by the acquisition in June of 2024 of GRSS, a leading provider of services to index benchmark administrators.

Technology Solutions reported €28.4 million of revenues, up 3.1%, supported by the activity of Nord Pool and the launch of Euronext Wireless Network in July 2024, which offset the termination of Borsa Italiana legacy services following the migration of Italian markets to Optiq.

Investor Services reported €4.2 million revenues in the fourth quarter of 2024, representing a 39.8% increase compared to the same quarter last year, resulting from the commercial expansion and the full quarter contribution of substantive research acquired in September 2024.

Moving on to trading on slide 11.

Euronext trading revenue reached €141.4 million this quarter, up 13.5%. This strong growth was driven by the double-digit performance of fixed income, FX, and cash trading and the overall good trading performance across all asset classes.

Cash trading revenue grew 10.6% to €70.9 million, driven by a more positively geared volume environment. Over the fourth quarter of 2024, Euronext cash trading revenue capture was at 0.52 basis points, reflecting more dynamic volumes and higher average order size. Cash equity trading market share averaged 64.4%.

Derivative trading reached revenues of €12.9 million in the fourth quarter of 2024, up 0.3%. A strong performance of Euronext's commodity derivatives, supported by new product launches, offset the continued low volatility environment for equity derivatives. Euronext revenue capture on derivatives trading was €0.35 per lot, reflecting a positive impact of the volume mix.

Lastly, FX trading revenue was €8.5 million in the fourth quarter of 2024, up 27.7% compared to the fourth quarter of 2023, thanks to the favourable market volatility, commercial developments, and pricing optimisation.

Continuing with the review of our diversified trading activity on slide 12, fixed income trading revenue grew by 23.7% and reached another record at €37.8 million. This increase reflects record quarter volumes in MTS cash and repo, driven by an economic environment favouring money markets and supportive volatility. Power trading revenue grew to €11.3 million in the fourth quarter of 2024, up 8.8% compared to the same quarter last year. This strong performance was mainly driven by continuing strong growth in intraday volumes, up 27.1%,

but lower day-ahead volumes due to milder weather. On a like-for-like basis and at constant currency, power trading revenue increased by 10.1%.

I conclude this business review with the strong performance of our post-trade activity. I'm now on slide 13.

Clearing revenue was up 1.8% to €32.9 million this quarter, reflecting the increase in equity clearing volume following the expansion of Euronext Clearing in November 2023, as well the dynamic commodity and retail bond clearing volumes offset by the muted volumes on equity derivatives. Euronext has internalised the clearing and net treasury income related to derivative flows in September 2024. Euronext therefore no longer receives treasury income from LCH SA, previously recorded under non-volume related clearing revenue. Non-volume related clearing revenue mostly are related to membership fee and accounted for €8.4 million of the total clearing revenue in the fourth quarter of 2024.

Net treasury income amounted to €17.9 million. The 53.3% increase compared to the fourth quarter of 2023 reflects the increased level of cash collateral posted to the CCP following the migration of all Euronext market derivatives clearing to Euronext Clearing and improved margins.

Revenue from Custody, Settlement and Other post-trade activity was €69.9 million this quarter, up 12.2% compared to the fourth quarter of 2023, reflecting higher asset under custody, a growing number of settlement instructions and continued growth of service offering supported by the acquisition of Acupay on the 3 October 2024.

Moving on with the financial review, I will start with the cost outlook for 2025 on slide 15.

In 2024, Euronext reported underlying expenses, excluding D&A, in line with the revised guidance of €620 million. This compares to an initial guidance of €625 million, which did not consider the impact of any acquisition executed over the course of 2024. The 2024 normalised underlying expenses, excluding D&A, were approximately €640 million, reflecting approximately €8 million of positive one-off items and the full-year impact of bolt-on acquisition executed in 2024.

In 2025, we expect the total underlying expenses, excluding D&A, to be around €670 million. We expect 2025 underlying expenses, excluding D&A, to be stable at around €640 million compared to 2024 normalised underlying expenses, excluding D&A, as savings and synergies are expecting to entirely offset any inflationary impact.

In addition, we plan to invest around 5% of our normalised underlying expenses, excluding D&A, to deliver strategic growth projects as highlighted during the Investor Day on 8 November 2024.

Moving on with EBITDA bridge, I am now on slide 16.

Euronext EBITDA for the quarter was up 20.2% to €241.4 million, mainly thanks to €37.2 million of additional revenues at constant perimeter, the reduction of non-underlying costs for €4.4 million offset only by €1.8 million of additional costs at constant perimeter.

Non-underlying costs for the quarter were €11.2 million, mainly related to the last steps of the Borsa Italiana Group integration and integration of other assets.

As a result, Euronext adjusted EBITDA for the quarter was up 16.7% to €252.6 million with an adjusted EBITDA margin of 60.7% this quarter, up 2.9 points compared to the fourth quarter of 2023.

The underlying operational expenses excluding depreciation and amortisation increased by 3.4% compared to the fourth quarter of 2023, reflecting the early investment in growth for the new strategic plan and the impact of acquisition.

Moving to net income on slide 17.

Adjusted net income this quarter is strongly up at €172.3 million, which represent an increase of 16.3% compared to the same quarter last year. This reflects mainly the strong EBITDA growth of the last quarter of 2024.

Results from equity investments decreased €6.9 million. As a reminder, in the fourth quarter of 2023 Euronext reported €17 million of results from equity investment due to the capital gain related to the disposal of the stake in Tokeny and the dividend received from Sicovam, while in the fourth quarter of 2024 Euronext received only the dividend from Sicovam at €10.1 million.

Depreciation and amortisation increased 8.7% versus the fourth quarter of 2023 to €49.6 million due to the impact of migration project and acquisition. PPA related to the acquired businesses accounted for €20.7 million and is included in D&A.

Income tax for the quarter was €55.5 million with an effective tax rate of 26.6%. As a reminder, in the fourth quarter of 2023 the effective tax rate was as low as 22.6%, reflecting the positive impact of tax exempted items in that quarter.

Reported net income reached €144.6 million with an increase of 10.8% compared to the fourth quarter of 2023.

Adjusted EPS basic was up 16.9% at €1.66 per share compared to €1.42 per share in the fourth quarter of 2023. This increase reflects the higher profit and lower number of ascending shares over the quarter with respect to the number of shares we had in the fourth quarter of 2023.

To conclude, I will conclude with cash flow generation and leverage.

In the fourth quarter of 2024 Euronext reported a net cash flow from operation activity of €175 million compared to €194.5 million in the fourth quarter of 2023, reflecting negative changes in working capital from short-term movement in outstanding power sales customer and supply invoices related to Nord Pool and CCP activities and higher income tax.

Excluding the impact of working capital from Euronext Clearing and Nord Pool CCP activity, net cash flow from operating activities accounted for 64.3% of EBITDA in the fourth quarter of 2024.

Net debt to EBITDA ratio was at 1.4x at the end of the quarter despite our €300 million ongoing share buyback programme. On 3 February 2025, Euronext welcomed the decision of S&P to upgrade Euronext's rating from BBB+ positive outlook to A- stable outlook. S&P's decision reflects the completion of the integration of the Borsa Italiana Group, the successful expansion of Euronext Clearing and the continued deleveraging, thanks to the Group's strong cash flow generation.

Before giving the floor back to Stéphane, I take this moment to remind you that our new simplified reporting will come into effect as soon as the first quarter of 2025. In the next weeks

we will make available a reconciliation table between the old and the new reporting. This table will be available on our Investor Relations website and will help you to prepare for the upcoming quarter. Our investor relations team, Aurélie, Judith and Margaux, of course will remain available for any questions you might have.

And with this, now I would like to give the floor back to Stéphane.

Stéphane Boujnah: Thank you, Giorgio.

As you have seen, we are finishing 2024 on a very strong note, and I'm pleased to observe that we are starting 2025 with this same very positive dynamic. The targets of our 'Innovate for Growth 2027' strategic plan are clear. We aim to accelerate revenue, and we aim to accelerate EBITDA growth. So we will create a much more diversified, much larger Group, and we will serve as a market leader across our businesses.

In 2025, we are investing for the future growth of the company, and we are looking forward to deliver the first major milestones of our growth plan in the coming months to come as we have started to do on power derivatives, on repo clearing, on the fixed income derivatives over the past few weeks and days.

So, thank you for your attention. We are now ready to take your questions together with Giorgio Modica, with Anthony Attia, the Global Head of Derivatives and Post-Trade, with Nicolas Rivard, the Global Head of Cash Equity and Data Services and of course, with our second-to-none Investor Relations team under the leadership of Aurélie Cohen and Judith Stein.

Questions and Answers

Operator: Thank you very much, Mr. Boujnah. Ladies and gentlemen, as a reminder, if you wish to ask a question, please press star one on your telephone keypad. Just make sure that your line is not muted to allow your signal to reach our equipment.

Today's first question is coming from Mr. Hubert Lam of Bank of America. Please go ahead.

Hubert Lam (Bank of America Merrill Lynch): Hi, good morning. Thank you for taking my questions. I've got three of them.

Firstly, on costs, you're guiding for additional 5% cost growth this year. Is it to be expected to be repeated again in 2026, or is this more of a one-off investment just for this period?

Second question is also on costs. For the investments, where are the investments going to? You announced many initiatives at the CMD in November, so just wondering where the investment focus is going to?

And lastly, on MTS cash, you've had a strong start in January. Can you reflect the drivers for this to continue, and how much is BondVision contributing to this growth? Thank you.

Stéphane Boujnah: Giorgio is going to answer your three questions.

Giorgio Modica: So, starting with orders. So, the cost that we are expecting, the 5% is to be considered recurring cost because as we explained during the capital market day, we are building new teams and new technology to support the expansion of Euronext and deliver our

ambition for 2027. And the goal is to maximise EBITDA growth, absolute EBITDA growth in 2027.

On your second question what are the lines that are going to be impacted the most. You can start seeing some early signs of that already in the Q4 P&L. And so, the line that you should look at are system and communication and professional services as well as salary and employee benefits because this is exactly what we are going to do. We are going to hire new teams and get support to deploy a new platform to meet our ambitions.

With respect to your final question, there are a number of elements which are contributing to the stellar performance of MTS. Let me list a few of them.

First, we are seeing an increase in the number of co-located clients, which clearly triggers a higher level of activity. What we are seeing as well is a reduction of the spread between the Bund and the BTP, which is supporting the activity. What we see as well is an increase of the primary dealers on the platform, which again contributes to the development of new volumes.

And then, as you correctly pointed out, we see as well an increased traction of our D2C platform, BondVision, which is now posting stronger performance than the one we used to have. And the partnership with dealers is starting to bear the first fruit. I cannot give you the split because the growth is, I would say, equally growth in the usual business to a certain extent and in the BondVision business. But what I can share with you is, I mean, all the businesses are really going in the right direction, at least in these first 45 days of 2025.

Hubert Lam: Great. Thank you.

Operator: Thank you very much for your question, sir. We will now move to Enrico Bolzoni of JP Morgan. Please, go ahead.

Enrico Bolzoni (JP Morgan): Thank you. Good morning. Thanks for the questions. One is a follow-up on the colleague's question, actually on cost. But I just wanted to understand, I appreciate these are recurring, so they are not going to disappear.

But if we think about 2026, for example, should we expect another similar additional cost growth relative to the €30 million you are going to book this year, or going forward, we should expect that most of these investments have been done in 2025 and for more of a normalised cost growth path? So, that's my first question.

And then another question, I wanted to get some additional colour on the partnership with Euroclear if possible. At the Capital Market Day, your CSD capability was an important part of the strategy. So, this one seems partially outsourcing some of these functionalities.

So, I just wanted to understand if you could give some colour in terms of the economics of this, and what do you expect it will bring to the business near term? Thanks.

Stéphane Boujnah: So, Anthony is going to answer your question about the Euroclear partnership. But we are not going to share any number, any guidance on this initiative. But we want you to be fully aware of what it is all about. And then, Giorgio will address your question on the profile of the cost base for the years to come.

So, over to you, Anthony, first.

Anthony Attia: Thank you, Stéphane, and good morning all. Thank you for your question. So, we have announced a partnership with Euroclear Bank to transform our collateral management capabilities in Euronext Clearing.

This partnership is non-exclusive, and it has become the market standard for CCPs who want to grow into OTC Clearing, Repo Clearing, or IRS Clearing, for instance. It's very, very different from our CSD business, which is about the traditional CSD activity in Europe. Euronext Securities is composed of four CSDs and does not provide tri-party collateral management.

Now, as for the benefits to our businesses, working with Euroclear on collateral management, we allow our clearing members to optimise the way they deposit margins into the CCP, and it will be also supported by an extension of the collateral accepted in the CCP. So, we will, for example, accept non-Euro collateral in the future. And this is a service that is expected from our clearing members, in particular, to work with us in developing our repo clearing activity across Europe.

Giorgio Modica: Enrico, with respect to the cost, as we discussed during the meeting at the Investor Day, for sure, like any project, there is a front-loading of costs. So, you should not expect the trend to remain even across every year in terms of cost increase. And the same is true for revenues.

So, 2025, clearly, we will have a slightly upfront of cost, but then progressively those initiatives should bear the fruits in 2026 and 2027. And then, again, the objective is EBITDA maximisation in 2027.

Operator: Enrico, does that answer your question, sir?

Enrico Bolzoni: Yes, thank you.

Operator: Thank you very much. We will now move to Ian White of Autonomous Research. Please go ahead.

Ian White (Autonomous Research): Hi there. Thanks for taking my questions. Also, just, sorry, a couple of follow-ups on costs and then another on fixed income, please.

In terms of the investment expenditure of €30 million, can you possibly just call out what's the total investment expenditure envelope that you think you need to deploy to meet your revenue growth targets over the course of the plan that you set out at the Investor Day? I'm trying to understand how much of that you're actually deploying in 2025.

And just secondly, how might the cost base flex with incremental revenue? Should we think of the investment portion as basically fixed and so the incremental revenue drops to the EBITDA line, or is there a different dynamic we should think about, please?

And just on the fixed income side, I wonder if you could just say a little bit more about the decision to launch the mini fixed income contracts. Is the use case for that primarily retail or institutional? And just what has kind of stoked your interest in this? What makes you confident that there's demand for that on the client side, please? Thank you.

Stéphane Boujnah: So, Anthony Attia is going to answer your question on the fixed income derivatives development that we announced yesterday night. And Giorgio will provide some clarifications on the cost question.

Anthony Attia: So, to cover your question on the mini bond futures and more generally on the investment that we are doing to offer listed fixed income derivatives on our Optiq platform and our clearinghouse, I want to say that this is a demand that has been systematically put on our product pipeline by our client as a consequence of two things. One is the expansion of Euronext Clearing into all of Euronext markets and into listed derivatives outside Italy. And the second is linked to our very, very strong fixed income footprint in Europe.

I'm talking about MTS, I'm talking about MOT, I'm talking about the assets under custody within Euronext securities. And so, that combined with the retail, the very strong retail and institutional network makes us the natural partner for our clients who want to diversify into this kind of asset class.

So, to be very precise, it's about retail, and it's also about institutional demand. And this is the first step for Euronext to diversify into fixed income derivatives, and there will be other steps.

Giorgio Modica: So, when it comes to costs, we are not really reasoning in terms of – I cannot answer in terms of what is the full envelope, but what I can share with you is that as the plan will end in 2027, the objective that we have included in 2025 is to ramp up as much as possible, so to be able to deliver most of what we need to deliver in terms of run-rate for 2027. So, the ramp up is clearly not linear, and we are with this effort trying to equip ourselves as much as possible in 2025.

Unfortunately, I cannot give you more detail than that.

Ian White: Okay. Thanks very much.

Operator: Thank you. We will now move to Mr Benjamin Goy of Deutsche Bank. Please go ahead, sir.

Benjamin Goy (Deutsche Bank): Yes. Hi. Good morning.

Two questions, please, from my side. Maybe you can give a bit more colour on the Nasdaq Nordic deal in terms of revenues expect and the structure. I assume you acquire 100% rather than including with a partnership with the Nord Pool minorities, maybe a couple of words on that and the decision to set up your own technology rather than taking it over.

And then secondly, maybe on the fixed income side, you could give an update on your initiatives around OAT and the development in next-generation EU bonds, how Euronext is standing there. Thank you.

Stéphane Boujnah: Can you please repeat your second question? I will address the first one on the transaction that we have entered into with Nasdaq in the Nordics, and Anthony will address the second one, but could you please repeat it? It was not very clear.

Benjamin Goy: Sorry. On fixed income, whether you can be a bit more precise on your OAT initiatives potentially as well as the next-generation EU trading market share, pricing structure or any updates you can give. Thank you.

Stéphane Boujnah: Okay. So, Giorgio is going to address the next-generation EU fixed income question, and Anthony is going to address the question on the fixed income derivatives.

A few words on the Nasdaq Nordic transaction. We are acquiring the open interest of power derivatives from Nasdaq, which is exiting this business. The transaction is subject to regulatory approval, which are ongoing, and we are going to absorb 100% of this open interest and these

derivatives contracts will be traded in Amsterdam and will be cleared in Rome with Euronext Clearing. So, that's a fully integrated business that will be fully merged with the initiatives that we were planning to launch anyway as a standalone venture and that will be open for testing in a few weeks' time in the course of March.

Anthony, and then Giorgio?

Anthony Attia: Yes. And just to complement what Stéphane said, we do not need to acquire technologies on these derivative contracts because we already have our Optiq technology, and so, 100% of our derivative contracts are offered on the same platform, which is distributed to all European sell and buy-side.

Now, moving on to the announcement of fixed income derivatives. So, we are launching mini bond futures that will be traded on Optiq, and the underlying product of these mini bond futures are some of the European national debt, including OAT, BTP in Italy and others. And these futures will be traded on Optiq and will be cleared by Euronext Clearing.

Giorgio Modica: Yes. So, when it comes to the contribution of MTS EU, what I would say is that given the growth of all the other asset classes, which has been more meaningful, it remains a low-single-digit percentage of the MTS cash volumes. But what is relevant to highlight is that depending on what the future will be of the EU as an issuer, then clearly these represent an edge for us.

So, the volumes are rather stable on MTS EU, but the fact that all the liquidity is on Euronext market is clearly a positive because it represents an edge in case the EU issuance activity will increase significantly in the next years and decades.

Benjamin Goy: Thanks a lot. Just one small follow-up. Should we think about €15-€20 million a full-year contribution from Nasdaq Nordic, roughly?

Stéphane Boujnah: We don't comment on the specific targets for specific revenue lines.

Benjamin Goy: Thank you.

Operator: Thank you. We'll now move to Bruce Hamilton of Morgan Stanley. Please go ahead.

Bruce Hamilton (Morgan Stanley): Hi. Good morning, guys. Thanks for all the colour.

A couple of follow-ups. So, firstly, on the – sorry, on Nasdaq Nordic, just to check, are you giving us any materiality in terms of accretive impact? If so, it would be great, but I'm not sure if that last answer meant no.

And then secondly, sorry to go back to costs, but – so, if I've understood, obviously, there's an upfronting of investment in costs, which is what you indicated at the CMD. So, we get 5% cost growth in 2025, but thereafter, I'm assuming the percentage growth might be a bit lower, or are there sort of cost synergies that are coming through in 2025 that help? Because I think, Giorgio, one of your comments sounded like 5% cost growth level load is the way to think about it, but then you're saying upfront investment. So, I'm just trying to square those two comments. Thank you.

Stéphane Boujnah: So, we do not provide any guidance on the Nasdaq Nordic's revenue generation, as we don't provide any guidance on any of our specific businesses.

We confirm that this is a material development to accelerate the delivery of one of our initiatives, our strategic initiatives that we shared on the 8 November, which was the launch of a power derivatives business in Europe to create an alternative offering to the incumbent provider. And in this respect, the standalone project that was ready to be tested in March is going to be significantly accelerated with the acquisition of the open interest from Nasdaq Nordic.

But in terms of contribution, it will – it is part of the overall guidance for December 2027, and it will be part of the performance of 2025.

Giorgio Modica: I will try to give to you as much as I can. So, what I wanted to highlight is that in the end, a three-year plan is not that long. What it means, if you want to maximise EBITDA in 2027, you need to make sure that you have all the revenues in place before it starts because it's not a run-right basis, it's a full-year objective. And then you need to make sure that all the cost-saving initiatives will kick as early as possible and before the 2027 starts.

So, we are equipping ourselves to do exactly that, to maximise revenues and as well to put in place initiatives to minimise costs in 2027. I mean, then I cannot comment on the year-after-year evolution of the cost, but the idea that the ramp-up is going to be significant in 2025, and then the objective would be to deliver most of the cost synergies for the full-year 2027, should give you an idea, a logic of how to project costs for the next three years. Or at least I hope what I'm saying helps you.

Bruce Hamilton: That's helpful. Yes, thank you.

Operator: Thanks for your question, sir. We'll now move to Mike Werner of UBS. Please go ahead, sir.

Michael Werner (UBS): Thanks, guys. I appreciate the opportunity to ask some questions. One follow-up on Nasdaq Nordic, please.

I was just wondering, I don't need any guidance going forward, but any insight as to what this open interest has generated in trading and clearing fees in the past? Alternatively, if there's any change or material change that you're going to be making in terms of the pricing of these products from when it was owned by Nasdaq to you guys.

And then moving on to another topic, the Custody and Settlement line. We saw really strong growth in this line item in Q4. I think Anthony and some of the management team highlighted the opportunities in this business, both from a Custody and Settlement side, in terms of winning domestic CFD share. I was just wondering if you could offer just a little bit more colour, if there's any updates in the past four months or so with regards to any wins on the custody side or what you're seeing in terms of settlement that may have traditionally gone to competitors. Thank you.

Stéphane Boujnah: I will answer your question on the Nasdaq business, and Giorgio and Anthony can take your questions on the CSD world.

If you want to know what is the past performance of the Nasdaq power derivatives business, you should ask Nasdaq. They are better equipped to share with you what has been the performance of this business. We will not share any number. What I can tell you, as I said earlier, is that it is a significant accelerator. The clients in the Nordic and Baltic regions have welcomed significantly, positively, this transaction.

They like the concept of a pan-European market infrastructure like Euronext, which was an established player in the spot electricity market for Nord Pool to handle the new needs of power derivatives and to offer a stable, strong and competitive alternative to the other player. So, I'm not going to answer your question about pricing, but I can tell you that so far, the support of the relevant clients is just amazingly positive.

Michael Werner: Thanks.

Stéphane Boujnah: Giorgio?

Giorgio Modica: Yeah. Then, what I wanted to share with you is that the good performance, the very strong performance you see from our Custody and Settlement activity does not yet reflect the – meaningfully, the European expansion ambition. So what you see is that of a few elements.

First, the fact that we win more and more clients. Second, the fact that we offer more and more services to existing clients. And the third one is that the asset under custody and the settlement instruction are trending positively, and we have crossed the €7 trillion assets under custody this quarter. So, all those logics to a certain extent are logic of the – between brackets, all the value propositions. The new growth coming from European expansion is not yet fully geared into the numbers of the fourth quarter of 2024.

Michael Werner: Thanks, Giorgio.

Operator: Thank you very much, Mr Werner. Our next question will be coming from Julian Dobrovolschi of ABN AMRO. Please go ahead.

Julian Dobrovolschi (ABN AMRO – ODDO): Hi. Good morning, gentlemen. Thanks for taking my question. I have two on a different topic, both of them on the T+1 settlement discussion.

I think we have seen an official communication from the European Commission that there is a set date for migrating the European cash markets to the T+1 settlement cycle by 2027. I appreciate it's probably still kind of early stage for you to quantify the impact, but do you think this might trigger a bit of unplanned, let's say, upfront investments on the cost side, kind of OPEX-related that you have to make in order to enable the transition possible? Then also the follow-up on this one in general, which kind of line items from the P&L do you think this might get impacted?

Stéphane Boujnah: Anthony is going to answer your question on the T+1, and clearly the overall umbrella perception for us is that it's something we welcome, and we will accommodate to meet the needs of clients and in a very positive manner.

Anthony?

Anthony Attia: Yes. Thank you, Stéphane.

So, indeed, we welcome the positioning of the authorities for migration in Europe in 2027. As I had the opportunity to comment in previous calls, Euronext as a whole, so from trading to clearing to settlement and custody, is ready for this migration. Some of our markets, some of our products already settled in T+1, but we have been working diligently with our clients and with the market to plan for this migration. And indeed, it's a migration for the market, but you should not expect any additional cost on our side linked to that.

Sorry, your second question was about any impact on our businesses and at that stage, from a technical point of view, we do not expect P&L impact from this migration.

Julian Dobrovolschi: Understood. Thank you.

Operator: Thank you very much, sir. We will now go to Hervé Drouet of CIC Market Solutions. Please go ahead.

Hervé Drouet (CIC Market Solutions): Yes, good afternoon. Thanks for taking my questions. First one, sorry to come back to cost.

I was wondering this additional €30 million cost, is it purely for your internal project, or could it include things like integration cost, like what may happen, for example, with Nasdaq future electricity integration if that goes through?

And the second question is on the pricing dynamic in terms of your pricing power, especially for the non-volume-related revenues. Do you believe you have sufficient pricing power to start to increase your tariff there, at least in line with inflation, or do you think it's still too soon to do so? Thank you.

Giorgio Modica: So, when it comes to your first question, so the €30 million are additional costs to ramp up internal resources to deliver the objective of the strategic plan. So, it does not include any cost for any new potential acquisition or integration cost. This is organic.

Having said that, just one comment on Nasdaq Nordic. As we have an independent ambition to – and we will launch this product, some of, I mean, the additional cost related to the migration should the transaction conclude would be very minimal or the overlap between the two projects would be significant.

Then, when it comes to pricing, what I can share with you is that this is something that we look very thoroughly every year, and we assess across all of our businesses and each business owner makes his own assessment of what is the right level of price increase that can be passed to the clients. But above that, I cannot really share with you more detailed information.

Hervé Drouet: Okay, thank you.

Operator: Thank you, Mr Drouet. The next question will be coming from Johannes Thormann of HSBC. Please go ahead, sir.

Johannes Thormann (HSBC): Good morning, everybody. Two questions left from my side. First of all, if we look at your clearing business, there was at least a relative weakness in revenues compared to the trading volumes in Q4. Have you made any changes to the pricing recently, or what would you attribute this weakness to?

And secondly, just on a technical level, what should we expect the next years from net financing income as well as result from equity investments?

Stéphane Boujnah: Giorgio?

Giorgio Modica: So, when it comes to your first question, what you see as a relative weakness in reality is a slightly non-comparability between the revenues in the fourth quarter and the one of the previous quarter. So, in here, let me explain a few things. The first one is that as we were not managing the collateral of LCH SA, the part of the retrocession we received for NTIs were accounted as clearing revenue and not as NTI.

That amount was into the mid-single-digit type of million per quarter, and this is the part that you don't see anymore, and you see shifted to our NTI. So, you have a mid-single-digit million impact or shift from one line to another line, and this might explain why you feel that the revenues are not where they should be.

The other element that I wanted to share with you is another changes is that you might have seen that our clearing cost has pretty much reduced to nearly zero. It is not zero because we have a few clearing costs for other business activities like FX, but pretty much that very low number reflects the fact that we are not paying any more anything to LCH SA. So, no change in prices, just a shift between clearing revenues and NTI.

Then with respect to the net financing, I mean the result from equity is pretty easy, except one-off transaction because we pretty much have two dividends. We have the dividend from Sicovam and the one from Euroclear, which might change from time to time, but you know what are the levels. So, those are our participation. We don't have any other meaningful participation.

When it comes then to the net interest income, now our investments are short-term, which means that any material reduction of the interest rate will impact our positive interest on the cash that we accumulate with a delay of 3-6 months.

Johannes Thormann: Okay, thank you, but has there been any one-off in Q4 driving to €6.5 million?

Giorgio Modica: Yeah, let me explain that one. Yes, if you want, there are a few items that explain the delta. The first item is that we have some realised gain on our short-term portfolio; and the second element are some FX adjustments, which explain why Q4 is materially stronger than the previous quarter, but apart from those elements that usually can be a positive or negative, then the rest is quite stable.

Johannes Thormann: Thank you.

Operator: Thank you for your questions, Mr Thormann. Our next question is from Arnaud Gibrat of BNP Paribas Exane. Please go ahead.

Arnaud Gibrat (BNP Paribas Exane): Good morning. I have got two questions, please. I appreciate it's only been three months since your CMD, but I was wondering if you could update us on the progress you are making at MTS in terms of addressing the repo opportunity in France.

And my second question is with regards to the integration of Nasdaq. I appreciate you have answered quite a few questions here, but if you could talk a bit more about what you are going to do to the offering and how this is going to bed in with your spot market in order to achieve some growth here? The open interest was one link. So, is it the integration with the spot market that is going to really turn this business around? Thank you.

Stéphane Boujnah: So, on the CMD progress, we are releasing in a timely manner all the developments that are related to the objectives set at the Capital Markets Day. As indicated earlier, the main developments over the past few weeks that we are in a position to share are this initiative on fixed income derivatives, this initiative to accelerate the repo clearing initiative with the transaction we have entered into with Euroclear and the transaction with Nasdaq for the acquisition of the open interest of the derivatives business. So, when it comes to MTS, we

have a continuous dialogue with all the debt management offices that are facing challenges in maximising the efficiency and the liquidity of their debt.

Clearly, in the current environment where the cost of French debt is increasing, is for ten years above the one of Spain, the same as the one of Greece and getting close to the cost of debt of Italy for ten years. We have a very constructive dialogue with the debt management office in France, but as of now, there has not been any formal decision to change the approach and the first larger issuance that were made since the beginning of the year in France have been done through the ordinary primary dealer framework, but the dialogue is continuing.

Do you want to cover the other point?

Giorgio Modica: Yes. I mean, with respect to Nasdaq, what I would like to highlight is that I believe that the largest synergies we have is the client proximity. So, what Nord Pool gives us is really a Nordic presence and the client proximity, and it is something that clients welcome.

So, we have as Euronext, and we had before the acquisition of Nasdaq, the willingness to provide the Nordic client with the specific future power product. Now, on top of that, that was our original commitment, we have as well the opportunity to acquire the entirety of the open interest from Nasdaq, which means that we have a very strong framework to fulfil that value proposition. So, again, what makes us to a certain extent unique is the Nordic client proximity and the opportunity to support clients that could join us before the migration if they so do want or at the moment of the migration when the transaction is going to be approved and when we will be technically ready.

Operator: Thank you for your questions, Mr Gibrat. Ladies and gentlemen, we have time for only one more question, and that last question today will be coming from Enrico Bolzoni of JP Morgan. Please go ahead, sir.

Enrico Bolzoni (JP Morgan): Thanks. Sorry, a very quick follow-up. In light of the investments you're doing this year, can you give us an indication of what sort of depreciation and amortisation we should expect for 2025 and perhaps for 2026? Thanks.

Giorgio Modica: Yeah. So, if you look at our guidance in terms of CAPEX and the fact that we have nearly – we have completed the integration of Borsa Italiana, so most of the intangibles are now depreciated, you should anticipate an increase, but it should be limited with respect to where we are today. What I am trying to say with around, you know, a level of €100 million of CAPEX per year, which is pretty much what we have invested and what is implied in the target, we should have a level of D&A that should fluctuate around the level which is marginally higher than the one we have today.

Enrico Bolzoni: Thank you.

Operator: Thank you, Mr Bolzoni.

Stéphane Boujnah: Thank you very much. As always, the IR team here, Aurélie, Judith, Margaux, are available within the coming hours, days, months to answer your questions and provide you with all the details you may need. Have a good day.

Operator: Thank you, sir. Ladies and gentlemen, that will conclude today's conference. Thank you very much for your attendance. You may disconnect. Have a good day and goodbye.

[END OF TRANSCRIPT]

