



# **Q1 2025 Results**

Thursday, 15<sup>th</sup> May 2025

## Q1 2025 Results

**Operator:** Hello and welcome to the Euronext Q1 2025 Results Call. Please note, this conference 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 at the end of the call. 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.

I will now hand you over to your host, Stéphane Boujnah, CEO and Chairman of the Managing Board, to begin today's conference. Please go ahead, sir.

**Stéphane Boujnah:** Good morning, everybody, and thank you for joining us this morning for the Euronext Q1 2025 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 first quarter of the year, and Giorgio Modica, the Euronext CFO, will then develop the main business and financial highlights of the first quarter of 2025.

As an introduction, I would like to highlight two key points.

First, we continue to deliver double-digit top-line growth in Q1 2025, and this is the fourth quarter in a row of double-digit growth of the top line. Our Q1 2025 revenue grew by 14.1% compared to Q1 2024 to €458.5 million. This remarkable performance reflects strong growth in non-volume-related activities, and it also reflects exceptional volatility across trading and clearing activities, especially in cash equity, in fixed income, in forex, in power, and in commodities.

Second, we have accomplished very significant steps with the delivery of our 2027 strategic priorities. In the first quarter of 2025, we have announced a series of measures to support the integration and the competitiveness of European Capital Markets. First, we have announced the consolidation of settlement in Euronext securities for equities trading in Amsterdam, Paris, and Brussels from September 2026.

This move represents a significant optimisation of the European post-trade landscape, with Euronext securities as the CSD of choice for Europe now. Also, we have announced last month that Euronext is committed to facilitate access to European Capital Markets with the launch of a simplified English-language European common prospectus. We are creating a sort of European S-1 to facilitate the integration of Capital Markets when it comes to literacy.

Last week, we have announced a full suite of initiatives to support investments in companies that contribute to European strategic autonomy. This includes a series of new indices to capture exposure to critical investment teams in energy, in security, and in geostrategy, and also a set of tailored private market equity type of instruments and initiatives and debt financing solutions for aerospace and defence projects.

Earlier this week, we have successfully completed the acquisition of Admincontrol. This acquisition that completed yesterday, in fact, this acquisition doubles the size of our governance solutions and further expands our footprint in the Nordics with the high-growth business. We are looking forward to boost the development of Admincontrol across our unique corporate solutions network in Europe. Since the beginning of the year, we demonstrated our capacity to innovate ahead of the curve to lead the way to a more innovative and a more competitive European capital market.

Let me now give you a quick overview in a slightly more deep level of detail of Q1 2025 highlights on slide four. As a reminder, this is the first quarter in which we are using our new and simplified reporting framework. It will help you to clearly distinguish our non-volume-related revenues and to track the progress of our strategic priorities.

Our non-volume-related revenues and income streams comprise three distinct segments. First, Securities Services, which includes Custody and Settlement, as well as non-volume-related clearing revenue. Second, Capital Markets and Data Solutions, which encompasses Primary Markets, Data Services, and the Solutions Business. And Net Treasury Income, which reflects the treasury income generated through our CCP initiatives at Euronext Clearing.

Then, our volume-related revenue stream is divided into two segments. FICC markets, which includes the trading and clearing revenue from fixed income, commodities, and foreign exchange; Equity Markets, which includes revenue from trading and clearing of cash equity and financial derivatives. Giorgio will provide you with the details of each of the new lines of this new reporting framework in a few moments. But first, I would like to take a few minutes to look at the big picture.

And the big picture is that Euronext delivered a double-digit revenue group in Q1 2025, as I said earlier, for the fourth quarter in a row. In Q1 2025, revenue grew by +14.1% year-on-year, up to €458.5 million. Let's start with non-volume-related revenue because as mentioned in previous conversations, we are implementing a double diversification strategy, and in the context of this double diversification strategy, we are growing our non-volume-related revenue.

Non-volume-related revenue amounted to 57% of total revenue and income and posted a strong performance overall. Securities Services reported solid growth. Custody and Settlement revenue grew by +11.6% year-on-year, to €75.8 million, driven by higher assets under custody, driven by dynamic settlement activity, and also strong growth of value-added services.

Capital Markets and Data Solutions were also a strong contributor to a record performance in 2025. Advanced Data Solutions revenue grew by +8.1%, to €65.1 million, driven by growing demand for diversified data sets and also dynamic retail usage. Data Solutions were also supported by the diversification of our offering, with the acquisition of GRSS, a leading service provider to benchmark administrators. Corporate and Investor Solutions and Technology Services grew by +9.8%, to €45.9 million. The strong growth in this fragment is driven by the commercial expansion of our SaaS business, a growing client base in our co-location services, and also a double-digit growth in Investor Solutions supported by the acquisition of Substantive Research.

Let's move now to our volume-related business. When I referred earlier to double diversification, I want to underline also the very wide and powerful diversification of the various segments traded within the Euronext volume-related business. And clearly, this volume-related business was fuelled by exceptional volatility, especially in cash equity, in fixed income, in forex, and in power and agricultural commodities trading and clearing.

FICC Markets revenue was up +25.1%, compared to Q1 2024, at €90.7 million. Equity Markets was up +18%, compared to Q1 2024, at €108.4 million. When it comes to cost, our underlying expenses, excluding D&A, were at €164.5 million, up +9.1%, compared to Q1 2024. This increase on our cost base, compared to Q1 2024, will correct, first, growth on investment and the impact of three acquisitions performed in 2024. This growth of our cost base is totally in

line with the ramp-up of growth investments we have announced as part of the underlying cost guidance of €670 million for the full 2025 year. In parallel, we continue to deploy a very strong cost discipline across all our operations.

Consequently, our Q1 2025 adjusted EBITDA grew by +17%, compared to Q1 2024, to €294.1 million. Euronext adjusted EBITDA margin increased by +1.6 points to 64.1%, reflecting the strong top-line growth of the Group. So, we reported net financing expenses of €1.5 million into Q1 2025, impacted mainly by short-term price movements. This compares to a net financing income of €4.7 million in Q1 2024. Minority interests were also increased compared to last year, driven by the strong performance of MTS and Nord Pool, where we are minority partners.

Consequently, adjusted net income was at €183.5 million, up +11.8%. We reached recorded adjusted earnings per share at €1.80 per share. Q1 2025 reported net income was €164.8 million, up +17.9%. Reported EPS grew by +20%, compared to Q1 2024, to €1.62 per share. This also reflects our lower share count, due to the share repurchase programme performed in '23 and '24. As you know, on 10 March 2025, we completed the 300 million share repurchase programme announced on the Investor Day at the launch of our strategic plan in November 2024.

Net debt for the last 12 months EBITDA was at 1.4x at the end of March 2025, which is totally in line with our target leverage ratio between 1x and 2x, announced as part of "Innovate for Growth 2027".

So now, let me give the floor to Giorgio for the business and financial review of Q1 2025.

**Giorgio Modica:** Thank you, Stéphane, and good morning, everyone. Let's now have a look at the strong performance of this first quarter of 2025. I'm now on slide six.

As you can see, the slide shows the new reporting format. We are convinced that this will sharpen and simplify our communication and better represent our business. Non-volume-related revenue and income comprise Securities Services, Capital Markets and Data Solutions, and Net Treasury Income. The volume-related revenue consists of the FICC Markets and Equity Markets. I will deep dive into the different segments on the following slides. On our investor relation website, you can find a reconciliation table detailing line by line all changes between the old and the new reporting format.

This quarter, we reported a remarkable growth, driven by exceptional market conditions and the progression of our strategic plan initiatives in our non-volume-related businesses. Total revenue and income is up 14.1% compared to last year, reaching €458.5 million of which 57% is non-volume-related, covering 158% of our underlying operating expenses excluding D&A.

Let me dive into the drivers of this strong performance, starting with non-volume-related revenue and income on slide seven.

Let's begin with the asset-driven revenue business. Securities Services revenue was at €83.4 million, making a 6.8% increase. This segment comprises Custody and Settlement as well as Other Post Trade revenue, accounting for all non-volume-related clearing revenue. Custody and Settlement revenue reached €75.8 million, an 11.6% increase compared to the first quarter of 2024. This growth was driven by record assets under custody, above €7.1 trillion, alongside dynamic settlement instruction driven by market volatility.

Value-added services continue to grow organically double-digit and are further supported by the acquisition of Acupay. Other Post Trade revenue declined 25.3% to €7.6 million, primarily due to the reclassification of treasury income related to Euronext derivative flows from revenues to Net Treasury Income in September 2024 following the expansion of Euronext Clearing activities to derivatives. Net Treasury Income was up 55.8% compared to the first quarter of 2024 and this represents the flip side of the reduction we just discussed in Other Post Trade revenues. As discussed, NTI benefits from the expansion of Euronext Clearing and the internalisation of treasury income from LCH SA following the derivative clearing migration in September 2024. It also reflects higher cash collateral posted to the CCP due to the elevated market volatility.

Turning to Capital Markets and Data Solutions on slide eight, revenue reached €157.3 million, with a 6.6% increase compared to the first quarter of 2024. Primary Markets generated €46.3 million of revenue, up 1.8% compared to the same quarter last year. This is an illustration of the resilience of our leading business despite extreme market volatility. Advanced Data Solutions revenue grew to €65.1 million, up 8.1% driven by the acquisition of GRSS, the strong demand from retail and growing monetization of our diversified data sets. Corporate and Investor Solutions and Technology Services reported €45.9 million in revenue for the first quarter of 2025. This reflects continued commercial expansion of the governance such offering and the acquisition of Substantive Research which supports Investor Solutions revenue. It's also supported by the growing client base of our co-location and microwave connectivity services.

Following the completion of the acquisition of Admincontrol on 13 May 2025, Admincontrol revenue will be reported within the Euronext Corporate and Investor Solutions and Technology Services revenue starting from the second quarter of 2025.

Moving to our volume-related activity now, I am now on slide nine. Revenue from our FICC Markets reached €90.6 million, making a 25.1% increase compared to the first quarter of 2024. Fixed income trading and clearing revenue grew by an impressive 32.4% to €51.8 million, driven by the continued favourable market conditions. MTS Cash average daily volume was up 64% year-on-year at €56.8 billion. MTS Repo term-adjusted average daily trading volume reached €508.9 billion, up 3%. Commodity trading and clearing revenue increased 12.8% to €29.6 million in the first quarter of 2025, supported by record intraday volumes at Nord Pool and dynamic agricultural trading and clearing volumes. Lastly, FX trading revenue reached a new record of €9.2 million this quarter, up 30.4% compared to the first quarter of 2024. This reflects favourable market volatility and a positive volume mix effect with more anonymous trading.

Continuing with our volume-related revenue on slide ten, Equity Markets revenue saw an 18% increase compared to the first quarter of 2024 and reached €108.4 million. Cash equity trading and clearing revenue grew by 22.5%, reaching €94 million. This growth reflects a 31.8% increase in average daily volumes, driven by market volatility and an average revenue capture of 0.5 basis points due to the increase in volume, stronger intraday volatility and larger average order size. This reflects the usual inverse correlation between the level of volume and the average fee. Financial derivatives trading and clearing revenue was €14.4 million in the first quarter of 2025, a 4.8% decline compared to the same quarter last year. This decrease is mostly linked to the decrease of the average clearing fee as following the clearing migration

certain clearing fees are now reported in the line Other Post Trade revenues, and as such, are not fully comparable with the first quarter of 2024.

Moving on with the EBITDA bridge, I'm now on slide 12. Euronext reported EBITDA for the quarter was up 21.3% to €294.2 million, mainly thanks to €51.9 million of additional revenue at constant perimeter. The reduction of our non-underlying cost of €8.8 million linked to the termination of the derivative clearing arrangement with LCH SA was offset by €10.8 million of additional cost at constant perimeter and €3.2 million of additional cost from change of scope. Euronext adjusted EBITDA for the quarter was up 17% to €294.1 million with an adjusted margin of 64.1% this quarter, up 1.6 points compared to the first quarter of 2024. The underlying operating expenses, excluding depreciation and amortisation, increased 9.1% compared to the first quarter of 2024, reflecting the investment in our strategic growth project and the impact of the acquisition performed in 2024 for €3.2 million as already discussed. On a like-for-like basis, underlying operating expenses, excluding D&A, increased 7.2%.

Moving to net income on slide 13, adjusted net income in the first quarter of 2025 reached €183.5 million, which represents an increase of 11.8% compared to the first quarter of 2024. This reflects mainly the strong EBITDA growth in the first quarter of 2025. Depreciation and amortisation accounted for €48.3 million, +9.8% compared to the first quarter of 2024. PPA related to acquired business accounted this quarter €20.4 million. Euronext reported a net financing expense of €1.5 million this quarter, compared to an income of €4.7 million in the first quarter of 2024. This variation mainly reflects short-term FX movements and the decreasing interest rate. In the next few quarters, we expect net financing expenses to be around €6 million, excluding any impact from effects and capital gain or losses on financial instruments.

As of today, our cash position was impacted by €500 million bond redemption and the acquisition for €400 million of Admincontrol. And we will be impacted in the next weeks and months by a €290 million dividend payment and acquisition of the power derivatives business from Nasdaq.

In addition, going forward, raising debt for Euronext will have a cost which is higher than the cost of the debt today. Depending on the maturity and on the instrument, the cost is going to be between 3-4%. And the return on our cash that, as you know, is invested in the very short term, max three months maturity, will be impacted by the fluctuation of the interest rate, and today is yielding around 2%. Income tax for the first quarter of 2025 was €67.8 million. This translated into an effective tax rate of 27.7% for the quarter, compared to 26.9% in the first quarter of 2024. I want to highlight that the higher tax rate this quarter is mostly related to prior year adjustments. In the full-year 2025, we expect the tax rate to remain at around 27%.

The share of non-controlling interest increased to €11.9 million, and as Stéphane said, this reflects the strong performance of MTS and Nord Pool. As a result, the quarter net income share of parent companies showed an increase by 17.9% compared to the first quarter of 2024 and reached €164.8 million. Adjusted EPS was up 13.9% this quarter at €1.80 per share, compared to €1.58 per share in the first quarter of 2024. This increase reflects higher profits and lower number of outstanding shares of the first quarter of 2025, compared to the same quarter last year. Reported EPS increased by an impressive 20% year-on-year to €1.62 per share.

To conclude, I am now on slide 14 for the cash flow generation level and leverage.

In the first quarter 2025, Euronext reported a net cash flow from operating activities of €190.6 million, compared to 184.6 million in the first quarter of 2024. This reflects higher cash flow from operating activity offset by negative changes in working capital from shorter movement in outstanding power state customers and supplier invoices related to Nord Pool CCP activity and higher income tax. Excluding the impact on working capital from Euronext Clearing and Nord Pool CCP activities, net cash flow from operating activities accounted for 88.1% of EBITDA in the first quarter of 2025. Net debt-to-EBITDA ratio was 1.4x at the end of the quarter. On 22 April 2025, Euronext successfully redeemed the €500 million bond issue in connection with the acquisition of Euronext Dublin in April 2018. As a reminder, subject to the approval today of the dividend, we will pay a total dividend of €292.8 million or €2.90 per share. This represents an increase of 16.9% compared to the dividend per share of €2.48 paid in 2024.

And this concludes my presentation. Now I give back the floor to Stéphane.

**Stéphane Boujnah:** Thank you, Giorgio. As you have seen, we have started 2025 on a totally exceptionally strong note. We have seen a very strong volatility in the first quarter of the year. And April 2025 was yet another record month for volume-related activities. So, this puts us in an ideal position for the delivery of our ambitious "Innovate for Growth 2027" strategic plan. Since the beginning of the year, you have seen that we have demonstrated that we are able to innovate at an unprecedented speed to capture evolving market trends.

So, thank you for your attention. We are now ready to take your questions, together with Giorgio and also with Anthony Attia, the Global Head of Derivatives and Post Trade, and Nicolas Rivard, the Global Head of Cash Equity and Data Services.

## Questions and Answers

**Operator:** Thank you, sir. If you would like to ask a question, please press star one on your telephone keypad. To withdraw your question, please press star two.

We'll take our first questions from Benjamin Goy from Deutsche Bank. Your line is open. Please go ahead.

**Benjamin Goy (Deutsche Bank):** Yes. Hi, good morning. Two questions, please.

First, on the savings and investment union, there seems to be more progress. Maybe, Stéphane, you can share a bit of your view, what are you most excited about, and near-term catalysts that should support Euronext business, and also maybe why this time is different because the Capital Markets Union has been around for quite some time.

And the second question is, Giorgio, when you mentioned net financing and income to €6 million, maybe you can just clarify whether that is for the rest of the year, whether it's income or expense, or whether it's per quarter. Thank you.

**Stéphane Boujnah:** Well, on the savings and investment union, we are definitely proceeding at a different pace. The commissioner in charge, Maria Luís Albuquerque, the former Minister of Finance of Portugal during the great financial crisis, she has an ambitious roadmap that she wants to roll out.

Clearly, the commitment is unprecedented. The willingness to proceed on some critical issues like delivering a single supervision for capital markets is there, and so it's very likely that we will proceed towards a single supervision. Clearly, there is a willingness among the member states to capture the catalyst of the savings and investment union process to accelerate transformation of local incentives in order to drive and to channel more household savings towards long-term equity investment. The debate on pension savings is everywhere in Europe.

It's probably extremely advanced in Germany, with the agreement that is reflected by the coalition contract on this very ambitious project on this front, but it's true also with discussions in France and in other countries about how to channel massive household savings in Europe. As you know, we have an average savings between 13-18% of disposable income, available income of households in savings. So, this is there.

So, it will happen because there is a commitment because there is a local national discussion on driving more flows to long-term investment, and that will contribute to a totally new reset, reboot of equity markets in Europe in the coming years.

**Giorgio Modica:** Yeah, so with respect to the leverage, a few clarifications. So, at the end of last quarter, leverage ratio was at 1.4x and now following the acquisition of Admincontrol and the payment of the dividend, this number should go closer to the upper side of our leverage band between 0-2%. We should be around 1.8x, 1.9x, and then progressively that should quickly reduce in the next quarter as we will find our cash from our operating activities. And as a result of that, what we will have is a higher financing cost, and the number I mentioned of around €6 million is what we expect to have on average in the next couple of quarters, and this does not include, again, any positive or negative FX impact, which actually last quarter made no difference. So, the reduction from the €4.7 million positive to -€1.5 million, there is a portion of that which is linked to changes of interest but mostly is linked to some positive effect that we had in the first quarter of 2024, which doesn't have any more this quarter. So, the €6 million can in actual terms change depending on FX movement, but we cannot predict that happening.

So, to answer your question, again, the increase is linked to increase of leverage, and the €6 million is a ballpark number that should be valid for the next couple of quarters, assuming that the level of interest rate will not change massively.

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

**Operator:** Thank you. We will take our next questions from Mike Werner from UBS. Your line is open. Please go ahead.

**Michael Werner (UBS):** Thank you, guys, for the presentation. We saw another really good quarter from Custody and Settlement, and you made the announcement this quarter that you're going to bring settlement in-house in 2026 in September, I believe. Can you just provide a little bit of colour about how confident you're going to be able to bring in that settlement activity within those three markets, I believe it's France, Brussels, and Amsterdam, and whether you see any opportunities outside of your core exchange markets, again, as part of this consolidation of the European infrastructure? Thank you.

**Stéphane Boujnah:** Well, we are focused on delivering these movements of integration, consolidation, of settlement and custody from Paris, Brussels, and Amsterdam because these



are two of the top markets in terms of equities and in terms of issuers that are listed on Euronext, traded on Euronext, cleared on Euronext, and will benefit from an integrated and consolidated value chain for settlement and custody. We are deploying the programme. It's a very large project.

The rollout is for September '26. It is being deployed with all the relevant developments to scale up what needs to be scaled up and to build a consistent and cohesive programme with the issuers, with the relevant intermediaries to make it happen in a smooth way, but in a very impressive way. So, this is a work-in-progress.

We've just announced the deployment, but we have a very strong and intimate level of dialogue with all the relevant parties to make it happen by September '26.

**Michael Werner:** Thank you.

**Operator:** Thank you. We will take our next questions from Enrico Bolzoni from JP Morgan. Your line is open. Please go ahead.

**Enrico Bolzoni (JP Morgan):** Yes. Thank you. Good morning. Thanks for taking my questions. Going back for one second on the migration of settlement and the opportunity there, I was wondering whether you could help us quantify the revenue opportunity.

If I look at the number of trades across these three venues that you want to migrate, I think they represent actually more than 50% of the trades. I'm talking about equities for now at the Group level. So, would it be fair for us to assume that specific to the settlement line, we could see, in a blue-sky scenario, doubling of those revenues when the migration is completed.

And alongside that, I guess there is an opportunity also for custody. Will the migration increase the chances of attracting more custody? Do you have any projection there and what sort of impact on revenue we can expect? So that's my first question.

And the second question, I wanted to ask you again about the Saving and Investment Union. I have to say that all the measures that can incentivise retail participation are going to be positive. There is also a part of the proposal that has to do with the removal of friction between exchanges, between post-trade solutions within the European Union.

Now, you clearly are a big entity, and you can do a lot within the Group, but can you elaborate a bit on what sort of proposal you would like to see that can actually remove friction not just within, clearly, Euronext as a Group, but also between Euronext and, for example, other market infrastructure at play in Europe? Thank you.

**Stéphane Boujnah:** So, let me answer your two questions. We are not providing any specific guidance for this segment. The CSD European Expansion Programme is a significant contributor to the objectives we have set at the Investor Day, November 2024. I remind everyone that our target or guidance is to deliver above 5% CAGR growth by 2027 in terms of top-line and above 5% CAGR growth in terms of EBITDA. We have a large number of projects that are going to contribute to that ambition. The CSD expansion is one of them. So, we do not provide specific guidance.

Second, it's a work-in-progress. It's a progress, where we have a clear deadline, which is September '26. It's a progress, and that's the link between this question and the other question, that is being deployed in the context of a convergence programme to make the CSD

platforms across Europe that are operated by Euronext closer and closer with the same mindset as the one that did drive the consolidation of the trading platforms. It will never be as integrated as a single matching engine, but it will be much more integrated than any other set of CSD platforms in Europe.

So, we are positioning Euronext as the most consolidating, integrating, converging platform for settlement and custody and as you are rightly pointing out, we believe that the cutting-edge platform we are building for settlement and custody can be a home sweet home for custody of other assets from other origins.

When it comes to the way we believe consolidation should go forward, we are doing consolidation in a bottom-up way through consolidation of platforms. We believe that this is the most straightforward way to make things happen for real. We believe that there are all sorts of existing tools that make possible for the clients the selection of whatever they want in terms of clearing and in terms of settlement and custody platforms, but we believe that our duty is to develop an offering which from a technological point of view, from a business model point of view, from a client service point of view is compelling and attractive than any other platforms that are available to the market and that's what we are working hard on, to focus on making the European integrated platforms for settlement and custody much, much more competitive and innovative than they may have been in the past when they were just local, pure, quasi back office platforms of exchanges.

There is a European integrated ambition behind our conversion project that is all about providing clients with consolidated options. I don't know whether, Anthony, you want to add anything on that front.

**Anthony Attia:** Thank you, Stéphane. Very quickly in complementing, the removing frictions in Europe will be obtained through different approaches depending on the asset class. But if you look at what we are doing on the Euronext security side by offering through European services on our CSDs, and by leveraging heavily on target to security, we in effect contribute to the lowering of the overall cost and by removing friction. On other asset classes, such as listed derivatives, removing friction depends on our ability to compete from end-to-end, so from trading and clearing in a healthy way.

So, again, integrating trading, clearing and providing a European offering creates healthy competition, reduces cost, and contributes to the building of the capital market in Europe.

**Enrico Bolzoni:** Thank you.

**Operator:** Thank you. We will take our next questions from Hubert Lam from Bank of America. Please go ahead.

**Hubert Lam (Bank of America Merrill Lynch):** Hi. Good morning. I've got three questions. Firstly, on the cost guidance, I think, Giorgio, you're confirming the €670 million for this year. I just want to know how confident you are to achieve this given that you have the additional cost coming from the Admincontrol deal as well as strong revenues. So, just confidence around €670 million for this year.

Second question, again, sorry, I just wanted to ask, again, on the finance income or cost line. I just wanted to confirm, is it -€6 million or €6 million expenses per quarter you're expecting over the next three quarters? And also, what is your outlook for this line into next year?

And lastly, just wondering, Stéphane, your thoughts around M&A opportunities now just given possibly more pressure from private equity firms that need to exit. So, should we raise some opportunities for acquisitions and also now with your higher share price, does it mean there's more potential to do deals? Thank you.

**Giorgio Modica:** Yeah, so, first question, the €670 million is clearly at constant perimeter, so that does not include the new acquisition, it includes the one which we had performed at the time in which we set the target of €670 million, so for example, Admincontrol is not part of that.

And then with respect to your second question, just to be clear, what I make reference to is the sum of the following elements, is the interest income from investing our cash minus the cost of our funding plus or minus the impact of FX and capital gain and losses on financial instruments. So, assuming that the latter two effects and gain and losses are zero, we expect €6 million as a net impact of the cash that we will get from investing our cash and the cost of our financing. The €6 million is valid for the next couple of quarters, and then we will keep updating. Because, as you can understand, there are a number of moving factors, including leverage investment and many other elements. So, until the end of the year, we expect around €12 million, and you could break it down in €6 million and €6 million, more or less, and then once we will have more updates and coming into next year, we will provide you with further details.

**Stéphane Boujnah:** On the M&A side, let me be clear. M&A is a tool. It is not an objective.

The objectives are, first, accelerate growth, second, secure profitability and third, diversifying revenue streams to secure resilience of our top line. So, whenever we can achieve accelerated growth, increase profitability and diversification through organic growth, we do it. Whenever we can achieve accelerated growth, secure profitability, diversification of revenue streams to secure the resilience of the Group through M&A, we do it. As long as M&A opportunities can deliver return on capital employed above the WACC of the company between Euronext 3-5% plus synergies. So, with the very strong capital deployment discipline as we have evidenced over the past eight years or so.

So yes, the fact that more players might be eager or more eager than in the past to dispose some assets is changing the environment. It's not happening as massively as many people are commenting it because many large PE players have plenty of time and resources to own for a number of years until the cycle recovers. But it's true that to a certain extent what you are saying is reflected in the attitude of a certain number of PEs. Let's see, I can tell you that we are more welcome, and we are more invited to contribute in processes by sell-side advisors in the past few months than we have been in the past few years and that we are perceived as being more legitimate owners or more legitimate buyers of assets in an environment where the cost of debt was low and the PEs were rich and valuations were rocketing.

We are in an environment where interest rates are higher than they have been in the past. We are in an environment where PEs are more struggling on average to raise money, and we are in an environment where the length and maturity of many funds is getting close to a moment of where returning some form of capital gains to investors becomes a priority. So that's true that the environment has changed.

But our approach remains extremely disciplined, and we are monitoring all the situations around, but you should not expect that because of some buzz around the private equity being quote-unquote under pressure to sell, we will become all of a sudden, an overexcited buyer. We remain as disciplined today as we have been in the past.

**Hubert Lam:** Thank you.

**Operator:** Thank you. We are now taking our next questions from Bruce Hamilton from Morgan Stanley. Please go ahead.

**Bruce Hamilton (Morgan Stanley):** Hi, morning guys, and thank you for taking my questions. Maybe just to start, you spoke a little bit about the CSD plans, which sound pretty encouraging. Could I just get an update on where you are in terms of your kind of fixed income plans, in terms of plans to sort of internationalise there, in terms of perhaps broadening out BondVision, just how excited we should be about that part of the business?

And then sorry to belabour the point on the net financing income or cost, that €12 million over the remainder of the year, is that an income number or is that a negative number just to be completely clear? Thank you.

**Stéphane Boujnah:** So, because I deliver as always, a long reply to the M&A question, we forgot to cover the question on the – oh, you did cover it, okay. So, I'll give the floor to Giorgio to clarify the financing cost, and maybe you can comment on the fixed income ambition.

**Giorgio Modica:** Yes, sure. Let me start. So, to clarify, €6 million is a negative number. So, as leverage will increase and as the average cost of debt will increase, and as we will invest more of our cash into business having acquired Admincontrol, there is going to be to effect, the net financing cost is going to increase, and €6 million is the cost. But really the flip side of that is that we will have acquired a business that will generate revenue, EBITDA and margin, etc. So, this is with respect to your first question.

With respect to your second question, the development in fixed income is proceeding well. The volumes of BondVision that you see as a part of the overall volumes are increasing, and the activity on the platform is getting nice traction. It's fair to say that given the overall very substantial growth of volume on the MTS platform, these more strategic developments are less visible in our P&L.

But having said that, from a business standpoint, we are where we wanted to be. It's a bit that from your perspective, it's a bit that you can – from a 60% increase of volume year-on-year. But we are where we wanted to be on the different fronts, which is getting more activity on BondVision, on the different asset classes, not only government bonds, but as well credit and other products and the efforts to expand the MTS model across Europe is still continuing strong. So, all positive signals from our fixed income franchise.

**Bruce Hamilton:** Got it. Very helpful. Thank you.

**Operator:** Thank you. We are now taking our next questions from Julian Dobrovolschi from ABN AMRO.

**Julian Dobrovolschi (ABN AMRO - Oddo):** Good morning, gentlemen, and thanks for taking my questions. I have two. First one is on the NTI.

This one came a touch better than expected. I'm just wondering if you could comment how do you think this will develop over the next quarter in 2025. And it kind of relates to what Giorgio said, so I think Giorgio said that Q1 high cash collateral was mainly due to elevated market volatility, which we understand.

But I was just wondering how stable normally is the pool of cash collateral from your clearing members throughout the cycle, i.e., if the vol declines a couple of points quarter-over-quarter, how might you track the collateral level that that has for you?

And the other one is on the Nord Pool and MTS high minority line and will explain why that happened because of strong performance at these two trading platforms. But I was just wondering if you actually consider acquiring perhaps the rest of minorities and, you know, obviously keeping all the future profits to yourself.

So, I would appreciate if you could comment on the strategic view that you have on these two platforms. Thank you.

**Stéphane Boujnah:** So, I let Giorgio answer the NTI question on the minority interest. These minority interests are not yet there by chance or by legacy of the past. They are there because critical partners to the development of Nord Pool, the former owners and critical partners in the development of MTS, large users, are supporting very actively initiatives to co-design new offerings, to create critical mass to launch of new services.

And we have no intention to proactively buy back those minority interests.

**Giorgio Modica:** Now. On your second question, a few clarifications. The first one is that the net – it's clear that volatility brings more collateral on our platform, but the overall level of NTI is pretty much where we expect it to be. Maybe a little bit better, but not massively better. This is the level that we more or less anticipate for the next quarter.

Having said that, making a longer-term projection is complicated because, as you know, we have a very intense pipeline of developments within Euronext Clearing and this will affect the collateral, the pricing and many other elements and new products that we will bring on the platform. So once those developments are going to be actually executed, we will guide you, but for the time being, the level of NTI that you see on our P&L, this is what we expect to maintain in the next quarter. Maybe it's a little bit more elevated, but it's difficult to predict when the current level of volatility will change direction.

**Julian Dobrovolschi:** Understood. Thank you.

**Operator:** Thank you. We will take our next questions from Tobias Lukesch from Kepler Cheuvreux. Your line is open. Please go ahead.

**Tobias Lukesch (Kepler Cheuvreux):** Good morning. Also, three questions from my side, please. First, on cost, how should we think about the underlying cost versus the total cost reported? These were basically quite similar in Q1. Do you expect a big difference in the coming quarters here?

Secondly, on the MTS performance, how would you describe the year-to-date performance in terms of secular growth versus cyclical growth? Do you think that the secular growth has further accelerated basically in '25?

And thirdly, sorry for that, maybe touching back on the net financing expenses. So, I understand you had €1.5 million of expenses in Q1. So, is the €6 million the year-end number for '25, so meaning a kind of €1.5 million negative quarterly run-rate number? Thank you.

**Stéphane Boujnah:** Giorgio.

**Giorgio Modica:** Yes. So, let's start with your first question with respect to cost. As you know, non-underlying costs are costs that are linked to specific projects or are linked to double run of platform or are linked to exceptional expenses. And as such, they are going to be zero as long as we will not have those items in our P&L.

So, as a category, non-underlying costs will remain. Then it depends how much exceptional costs we will have going forward. I believe that the good news is that you can see that following the delivery of the Borsa Italiana integration, those exceptional costs now have become zero. But we have plenty of projects going on, so that line item might increase in the next quarters.

Then, with respect to your other question, just again another clarification. So, this quarter, in the first quarter of 2025, we have a net financing expense of €1.5 million, which is a negative number in the P&L. What is happening as we speak is that already €500 million of our cash is not there anymore because we have repaid the bond. Then, what is going to happen in the next days, to be specific on the 28th, is that we will pay €293 million of dividends. And this will further reduce the cash we have. And then we will strengthen the acquisition of Admincontrol.

So, two things will happen. We will have less cash to invest. This cash is today invested at a rate which is lower than the one at which we used to invest in the previous quarter. Because, as I said, cash and cash equivalents can have a maturity not exceeding three months. And therefore, the interest we get is very much related to the interest that evolves in the market.

So, the combination of having less cash at a lower rate and having the same level of debt at a higher interest triggers the fact that we expect excluding one-off movement in effects and gain and losses, a cost for the next couple of quarters, a cost of €6 million per quarter.

**Tobias Lukesch:** Very clear. Thank you.

**Giorgio Modica:** The €6 million is equal to the average cash on our balance sheet multiplied by the rate that we will be able to extract. At the moment, we have around or a little bit less than 2%. And the cost of debt, so the outstanding debt times the average cost of debt.

For the new debt, raising debt in this very moment, as I said, depending on the instrument and the maturity, is a cost which is in between 3-4% for Euronext. So, now you have really all the elements of the equation.

**Operator:** Thank you. We are taking our next question.

**Giorgio Modica:** Sorry, I missed a part. With respect to the secular growth of MTS, this is something that we have highlighted during the investment plan. So, one element or one KPI that you could track, and we have highlighted, is the fact that the net refinancing needs of government bonds are structurally geared upwards.

And therefore, we were expecting, and we are expecting an increase, structural increase of volumes as European states will need to refinance more and more. I remind to you that that

number was close to zero pre-pandemic and when ECB was buying European government bonds. And now it's become a number which is closer to €800 billion per year.

Now, having said that, there is a secular trend of growth in that market. But on top of the secular growth, there is as well an element of volatility and change of interest rate in the different maturities of the curve. Now, to split exactly how much comes from what is very complex.

However, what I can say is that in the volumes you see today of MTS, there is for sure a part of growth which is secular. But on top of that, there is as well a very exceptional market condition that triggers a very high level of volumes. Unfortunately, it is very difficult. It's impossible to split how much comes from what.

**Tobias Lukesch:** Thank you.

**Operator:** Thank you. We are now taking our next questions from Hervé Drouet from CIC Market Solutions. Your line is open. Please go ahead.

**Hervé Drouet (CIC Market Solutions):** Yes, good morning. Thank you for taking my questions, a couple of them. The first one is in the – I mean, do you expect to have some integration cost coming from the recent acquisition of Admincontrol to be booked in the second quarter? Will it be significant or not in your view? And will those costs be rather front-loaded if they exist or will be along the way? So that will be my first question.

My second question will be on the change of working capital, which has reduced the growth of your net operating cash flow growth. I understand a lot of that was related to the change of working capital of your Euronext Clearing, but also in Nord Pool activities. I was wondering, can you give us a bit of what you expect the trend to be in change of working capital looking forward?

And if you include the change of working capital for clearing and Nord Pool, what ratio do you expect on average for the year to be the cash conversion on EBITDA? So, I guess on T+1 it was close to 64%. So, I was wondering if you can give us a bit of an idea where we could stand.

And finally, just on the financing, the financial derivatives trading and clearing, it looks like as you mentioned, despite a growth of 4% of the volume, the revenue was a bit in decline, a bit under pressure. I was wondering, is it a structural pressure from competition that has an impact on those fees? Or do you believe it's just a blip and there will be some recovery on those fees later on? Thank you.

**Giorgio Modica:** Okay, so with respect to your question, yes, we will have integration costs. No, they are not going to be massive. And we are going to book them relatively in a front-loaded fashion, but that is going to take quarters. So, it's not something that we will book in a quarter, and then it's going to be done.

With respect to your second question, just to clarify, the overall change in working capital is zero throughout the cycle. So, what it means is that you will find a quarter where it contributes, I don't know, €30 million in a quarter where it absorbs €30 million.

The issue is not an issue, but the point, as you know, the energy market is always open. So, depending on the day on which the quarter closes, we might have a negative or a positive

element. Having said that, that does not really neither absorb nor generate cash in working capital.

So, you should really consider a more normalised level with the working capital equal to zero. And as we have guided, more or less, the cash conversion that you should expect in a year is around, post-tax, is around two-thirds. So, two-thirds of EBITDA we generate translates into operating cash flow post-tax.

With respect to your final question on financial derivatives, so this is what I've tried to explain during the call. So, you need to understand that there are certain clearing revenues that after the migration, we booked in different lines.

When they were part of the retrocession we got from LCH SA, we were accounting them as clearing revenues, and now not anymore. So, the decrease of 4.8% that you see in our P&L for derivatives is mainly linked to the fact that certain clearing fees are now booked in the line Other Post Trade revenues and not any more in the line which is derivatives trading and clearing. So, if you combine these two elements, actually the line is quite flattish.

Those are, you know, the impact for changing the P&L structure, but from a business standpoint, this is not a real decrease.

**Hervé Drouet:** Thanks.

**Anthony Attia:** I just want to complement from a volume standpoint on equity derivatives, so options and index futures. Just to piggyback on what Giorgio said, we are developing the product range and extending our franchise. And so, the competition is strong, but we are in a growing path.

**Hervé Drouet:** Okay, thank you.

**Operator:** Thank you. We are now taking our next questions from Oliver Carruthers from Goldman Sachs. Your line is open. Please go ahead.

**Oliver Carruthers (Goldman Sachs):** Hi, there. Oliver Carruthers from Goldman Sachs. Thanks for taking my questions. I've just got one left.

On the savings and investment union, we had the market structure consultation document published a few weeks ago by the European Commission. And as you were saying, this touches your business in a number of different ways with a number of possible tailwinds and changes.

One area the Commission is looking into is the difference in fees charged to market participants in the closing auction relative to continuous trading. So, just to understand how material this is or how material this could be, of your cash equity revenues, how much of this comes from the closing auction and how much of this is continuous trading, and how much does the revenue catch or differ between the two? Thank you.

**Stéphane Boujnah:** This consultation has just been launched. We don't comment on this process, which is extremely early stage, extremely diversified in terms of topics to be covered. And I think the best recipe to be precisely wrong rather than perfectly correct is to embark into a microanalysis of a very preliminary broad document.

**Oliver Carruthers:** Okay, thank you.



**Operator:** Thank you. We are now taking our next questions from Johannes Thormann from HSBC. Your line is open. Please go ahead.

**Johannes Thormann (HSBC):** Morning, everybody. Just some follow-up questions from me.

First of all, on the cash trading, historically we had a run-rate of 50, 0.53 bps in the previous quarters. Now it's 0.5 bps according to your presentation. Is this the new run-rate according to the changes in reporting, or have there been other elements as well?

Secondly, on the net financial result, just to clarify the outlook. It was positive in the last years. Should we now model a negative amount in the next years?

And last but not least, on your fixed income retail derivatives initiative, there is a lot of talk about Capital Markets Union, but the biggest headwind for retail investors in Europe is currently different taxation rules with double taxation treatments. Do you plan to offer incentives to your partners that they lower their own fees, so those double taxation impact can be lowered, or is there no plan? Thank you.

**Stéphane Boujnah:** First, Giorgio, then Nicolas, and then Anthony.

**Giorgio Modica:** So, with respect, yes, again to be clear, we had an income because with an average cost of debt slightly higher than 1%, and there were moments where the interest rates on our cash were in excess of 3% and 3.5%. So, with €1 billion of cash, we made more money than with €3 billion of debt. But now, as the interest rate on cash is reducing, and we are deploying our cash in investments, then that number changes. So, to answer your question, yes, in the next quarters, we will move from an income to a cost.

And the cost for the next couple of quarters is estimated at around €6 million, excluding fluctuation, again I repeat, excluding fluctuation of FX or capital gain and losses on financial instruments.

**Nicolas Rivard:** And with regard to the yield for cash equity, the yield distribution Q1 '25 is mechanical. Our fee structure encourages higher trading volumes and Q1 '25 volumes were up 22% versus Q1 '24, which means that a number of clients reach lower marginal trading fees, which on average decreases the yield. So, it's a mechanical impact of the increasing volume and the setup of the fee structure.

**Anthony Attia:** And very quickly on the retail trend on financial derivatives, as you know, Euronext is very well-positioned to capture that trend in Europe, thanks to our very strong retail market in the Netherlands and in Italy. We just launched some mini options on European names and as you know, we will launch mini bond futures on European Govies. This is, again, to respond to market needs and so what we're doing is working with the market intermediaries, the market participants, the retail brokers in particular, to promote retail education and to make sure that the retail population has the possibility to access without friction to our offering on our platform.

**Giorgio Modica:** Maybe one comment to clarify. So, what is happening? I mean, as there are a lot of questions on net financing, income or expense. What is happening is that we have less cash because we are buying companies. Power Nordics, we are buying Admincontrol, and so we will have more costs, but then the flip side of that is that we are going to have more revenues, more EBITDA and more other elements. So, you should not factor one without factoring the other.

So, the two things are two sides of the same coin. We have less cash invested at the bank, but we have more business that we run, and it's consolidated in our P&L just to make sure we don't get misunderstandings.

**Operator:** Thank you. We are now taking our final questions from Bruce Hamilton from Morgan Stanley. Your line is open. Please go ahead.

**Bruce Hamilton (Morgan Stanley):** Hi there. Yeah, so just on the Admincontrol deal, I guess that at the time of acquisition I think you indicated that was about for last year about a €40 million revenue and €20 million or just below EBITDA euro business. Can I get an update on whether, you know, is there a lot of growth in that business as we think about the '25 impacts just as an offset to the financing cost point you made earlier?

**Giorgio Modica:** No, absolutely. We are expecting synergies of cost and revenues. This is a growing business, and we expect double-digit growth for the next three years as the rest of the service activity of Euronext.

**Bruce Hamilton:** Brilliant. Very helpful. Thank you.

**Operator:** Thank you. It appears there are no further questions, so I will hand over back to Stéphane for any additional or closing remarks. Please go ahead, sir.

**Stéphane Boujnah:** Thank you very much, all of you. As always, the Investor Relations team here, Judith, Aurélie, everyone in the team is available to support you and to help you and to provide you with any additional data, facts or perspective that you may need to produce your own analysis. Thanks a lot and have a good day.

**Operator:** This concludes today's call. Thank you for your participation. You may now disconnect.

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