Investor Day 2021

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Stéphane Boujnah: Good morning, everyone, and thank you for joining us today for our 2021 Investor Day. I'm Stéphane Boujnah, the CEO and Chairman of the Managing Board of Euronext. And today with my colleagues, we – from the extended managing board, who are in the room, we will present you our '24 ambitions, our '24 business roadmap, our '24 targets.

Before entering into these detailed discussions, I would like to share with you a very simple video to offer you a visual presentations of the key concepts and the key messages, the key takeaway of day.

[VIDEO]

So this morning will be dedicated to the Group ambitions, the Group business roadmap and the targets followed by the Q&A. And this afternoon, we will have dedicated sessions on specific projects and specific businesses.

I'm very pleased to welcome you today both physically within the premises of Euronext in Milan and Borsa Italiana and virtually, thanks to our best-in-class webcast provider, Company Webcast. I would like to thank all the shareholders represented in this room, our investors, our preference shareholders for their continued support in making things happen and in making the success of Euronext.

The Palazzo Mezzanotte is a place full of history. Some of you may know the Roman ruins downstairs. But this place marks also a historical turning point for Euronext in many respects. Because what we are going to share with you is really a set of commitments, a set of ambitions that express the turning point that has been created by the acquisition of Borsa Italiana and its impact on the Group.

Before the introduction of our new strategic plan, allow me to remind you of the recent developments that have shaped the Euronext of today, because these recent developments are actually the seeds that we have planted over the past few years for the growth of the years to come.

And with this fantastic team that is developing the project since 2016, we have been able to go through the voyage that has been presented to you in this short video. By that we have created the bedrock of assets that is going to allow us to make the coming years possible.

So moving to the next page, you can see that since the IPO in 2014, Euronext has transformed itself deep and fast. We significantly increased both our revenues and/or we have diversified our revenue mix and we have increased our market capitalisation. So this transformation has accelerated in the course of our previous strategic plan, Let's Grow Together 2022, that we launched in 2019 because we have grown fast and we have diversified.

So we achieved two years in advance and in excess of our initial 2019 commitments, the targets of the 'Let's Grow Together' strategic plan. Within the scope of the financial perimeter of this plan, we delivered an average revenue growth per year above 6% and an EBITDA margin of 60.5%, which demonstrates our ability to capture value and to control costs. And in the meantime, we continue to return value and capital to shareholders by distributing 50% of a reported net income.

Let me focus on the transformation journey Euronext underwent, because as I said, this journey contains the components of the transformation journey ahead of us. So between 2018 and 2020, we doubled the market capitalisation and the annual revenue of the Group. And this was not made at the expense of profitability because revenue growth combined with a strong cost discipline resulting in a Group EBITDA margin that reached 58% for 2020 pro forma, including Borsa Italiana.

So this significant increase in revenue reflects both organic growth and successful diversification through acquisitions and expansion of all our federal model. And this scale up also translated into our operations. We now operate a bond trading platform, a fully owned clearinghouse and four CSDs.

And in addition our federal model continued to demonstrate its attractiveness and its effectiveness. So from operating four regulated markets in 2014, we are now operating seven regulated markets and regulated exchanges in Europe.

So clearly, this journey would not have been possible without the commitment and the dedication of amazing talents we have in this Group, the energy of this talent, this human capital, the skills, the expertise of our team members. And we are now more than twice the number of people or team members that we had in 2018 and more than three times the size of the workforce in the time of the IPO in 2014.

And as we grew, we significantly diversified our business mix. I mean, we expanded in power trading. We expanded in fixed income trading. We expanded and we strengthened our presence in post-trade activities. And we doubled the revenue. And as we double our revenue, we continue to improve the mix with – and that's quite important, an increasing share of the non-volume related revenue. As you know, this is a metrics we monitor very closely and this share of non-volume related revenue is increasing. It’s increasing slowly but it’s increasing and it’s increasing despite the fact that 2020 was especially a very good year for any volume-related business, volatility was there. And anyone who was in the equity trading business or in the bond trading business was in a sweet spot in 2020.

Despite that, the share of non-volume related business has significant increased. And we expanded across new geographies. The most recent development is obviously the acquisition of the Borsa Italiana Group. But we strengthened significantly before the acquisition of Borsa Italiana in the Nordic region, which is a very important region for the development of Euronext as we settle in Denmark with the acquisition of VP Securities in Copenhagen in 2020 and we reinforced our presence in Norway with the acquisition Nord Pool in 2020 and also in Finland with a significant part of the technology teams of Nord Pool.

So new geographies today represent more than one third of our revenue compared to 2018 and more than half the revenue of the Group at the time of the IPO in 2014, with a much more balanced revenue mix across the various European geographies than it has been the case historically.

And as a major result of this geographical expansion, this consolidation of our liquidity pool, Euronext is now the first exchange in Europe, both in terms of domestic and aggregate market capitalisation. And this slide is very telling in this respect. And this leading position is illustrated or is confirmed in ‘21 as we have reported a record year with 167 new equity listings so far.

So clearly, we changed scale. And this change in the scale of Euronext is a major source of growth opportunities for the future as we will discuss it later on.

Through this journey, we delivered our ambition to build the leading pan-European market infrastructure. And the reality is as simple as that, and I know that sometimes it's surprising for people who remember the years where Euronext was small and fragile and vulnerable. And the world has totally changed. We are today the first cash equity trading venue in Europe with 25% of the total European equities flows traded through Euronext markets. And that represents approximately €11.7 billion, €12 billion traded every day on Euronext markets.

We are today the first equity listing venue in Europe with €6.5 trillion of aggregated market capitalisations on Euronext markets. We are today the first bond listing venue, not only in Europe but worldwide with more than 52,000 bonds listed on Euronext markets, mainly on Euronext Dublin. We now operate MTS, the leading platform in Europe for dealer-to-dealer trading of government bonds. We now operate a fully owned multi-asset clearing house, CC&G. And we are the third CSD operator in Europe with a total asset under custody above €6 trillion across the Group when you consolidate our CSD in Porto, our CSD in Oslo, our CSD in Copenhagen and our CSD in Milan.

And as you can see, today, Euronext is the leading diversified pan-European market infrastructure. And again, this change of scale, this change of perimeter does create new levels of opportunities.

Let me highlight briefly how we managed to finance the transformation, in particular, the most recent expansion phase since 2019. Between the third quarter of 2019 and the third quarter of ’21, Euronext generated around €1.3 billion of cumulated EBITDA. Thanks to our strong cash generation capabilities, we transformed around 65% of our EBITDA into net operating cash flow.

And over this period, we added €1.6 billion of new net debt to our balance sheet. And we successfully executed a capital increase. We raised €2.4 billion to support our value accretive acquisitions, notably the acquisition of Borsa Italiana in April this year. All in all, it is €4.8 billion that we have deployed over the course of our previous strategic plan since 2019. And the strong support we received from our existing shareholders but also from new shareholders, the strong support we received from existing bondholders and also from new bondholders in May ‘21 illustrates, in my view, the strong support for this strategy.

And here's a snapshot of this expansion, because over the course of our last two previous plans, we continuously deployed capital all across the value chain to strengthen, to diversify our profile. And as I indicated several times but it’s a key theme of this day, this diversifications unlocked new opportunities for our existing business.

And this diversification is also going to be key for the next few years because when you buy a company, you don't only buy revenue generation, EBITDA generation; you buy a granular connectivity with clients, you buy accumulated expertise within the team that has gone through a process of working together, you buy memories of wars fought together within the management of those organisations, you buy ideas, creativity. The value of any asset is bigger than what can be captured by financial metrics and is a source of synergies – the surface contact of any assets you buy is not just a multiple of EBITDA and net income. And that diversification has been absolutely critical and is a definitive enabler for the growth to come.

Now, as I said, nothing in our expansion was made at the expense of our profitability. Cost discipline is part of the DNA of Euronext and will always be. This is a fundamental feature of who we are because of our fundamental history. We were born and we had to develop under pressure. We – everything we manage today was not given to us. We had to fight for it. And performance has been the condition of independence and of growth.

So the fundamental DNA of Euronext remains cost discipline. So when we acquire companies, we expect to increase their profitability to a level comparable to the one of the Group. And the Euronext expertise in integration, in cost control is a result of what we have first imposed to ourselves since the IPO with close to €110 million saved between 2014 at the IPO and four years later in 2018. But since then, we have successfully integrated new businesses and we have also managed to deliver on the announced synergies well ahead of schedule and in excess, as you can see in this slide.

In total, we have achieved €138 million of efficiency across the Group since the IPO. But in the meantime, we have also invested into the business. We have strengthen the infrastructure. We have developed the Optiq platform. We have done several migrations. And we have leveraged the local best practices precisely to create value from a stronger talent pool across the organisation. And this journey resulted in a superior value creation for the benefit of our shareholders, supporting the long-term performance of our benchmarks with a total return for our shareholders since IPO well above 500%. Anyone who invested money in June 2014 and keeps its initial – his or her initial shares in Euronext has made more money than in any investment in another company in the sector, including the collective dividends.

So let's move to the beef. Let's move to the plan itself. Before moving to the plan, I'd like to address some of the key trends that would shape the environment in which we will operate and which will impact the years to come. Clearly, each of these items will deserve more than an hour of discussion. So I will just highlight how we are approaching them in a very superficial manner for – just to remind you what we believe is going to create constraints that we need to manage to mitigate the impact of such constraints and what are the elements of the environments that are creating the opportunities that we must capture to grow the company, because our job is precisely to capture opportunities from the environment and to mitigate the consequence of adverse threats.

So with regards to competition on the listing side, clearly private equity importance is here to stay in fundraising and is probably expected to continue to grow. So what we have to do is to continue to develop with private equity players, partnership relationships as we do today to make sure that access to public markets becomes the natural ultimate liquidity solution for them. And private equity guys have to become our partners.

In trading, despite the initial intentions of MiFID II to migrate more volumes to lit markets, what we observe is that in reality the volumes still trading on the dark liquidity pools remain significant. And clearly the European Commission is trying to address it, but the share of the trading that is done on lit venues and on the dark liquidity pools remains initial. Under regulatory environment, one of the key topics is going to be the post-Brexit adjustment. In the next few years, what the European Commission will do would be absolutely critical for the future of the industry. And what the London regulators, supervisors and policymakers will do will be as important. And we will have now a moment of testing the EU global competitiveness, and we expect the regulatory agenda to focus on delivering the Capital Markets Union, on entrenching the sustainability imperative, I'll spend a few minutes on it. And we expect the regulatory agenda also to focus on digitalisation with the new digital finance package.

But digitalisation and ESG are not only regulatory topics. They will fundamentally transform the market structure and drive forward innovation in our industry. Obviously, digitalisation is here to stay. It was vastly accelerated with COVID. I was impressed by some numbers indicating that pre-COVID less than 20% of client interactions were digital with the EU corporates, whereas post-COVID, 50% of interactions with the new corporates are digital.

But beyond a lever for more efficient operations, digitalisation is a fundamental driver for the reinvention of our models. And Georges Lauchard, our Group Chief Operating Officer will present you our approach of this trend.

The other big trend which is not only regulatory is the environment social and governance performance imperative, which will play a pivotal role in financial markets. I do believe that this ESG transformation is the most massive change in capitalism for centuries. I mean, investors were expecting for centuries, performance, yield, liquidity, capital gains and now they want performance, yield, liquidity, capital gains and a contribution to the fight against climate change and a contribution to society and a diverse and transparent governance.

This is a reality. In the old good days, in the past, ESG performance was a tool to diversify your investor base. Now, it's a prerequisite to keep your investors. And that's a reality which in my view is not going to slowdown or to pause in the years to come but is going to be a fundamental acceleration – to go through a fundamental acceleration in the months to come.

The markets will also continue to be driven by electronification. Beyond equities, electronic trading now accounts for 75% of global forex trading, but only 50% of the EU bond trading, which is an opportunity for electronic platforms like MTS. With end clients that are now increasingly seeking more direct market access, looking for trading models that should become increasingly bespoke and combine added value of electronic markets with the customisability of voice trading. And this will not be the only transformation in the value chain because sell-side and buy-side are going to continue consolidation and they are going to continue their expansion, their concentration within the full value chain.

Lastly, three key trends will be increasingly present. First, blockchain and distributed ledger development. Second, crypto assets. And third, the rise of retail trading. So investments in blockchain and distributed ledger, deployment in core financial markets is obviously expected to continue, albeit differently than initially expected because the real tangible user cases still remain less numerous and concrete than anticipated a few years ago.

Cryptos are reaching all-time highs in market valuations and slowly further institutional adoption is coming. And we are also observing a slow onboarding of appropriate regulatory framing of those assets.

And third, retail investors are expected to continue to grow their participation in markets just because – what we observed today is that the number of retail investors in the Euronext market has doubled by the combination of pandemic, remote working, a new generation of people used to interacting with the world with the screen. The fact that is very underestimated is that in this device, you have no more information available to analyse the stock than what was available to an equity analyst – the equity research analyst 20 years ago is creating a situation where retail investors are going to form new generations of investors in the market.

So what we want to achieve with our – with these assets in this environment that I've just covered very quickly is pretty straightforward. We want to build the leading market infrastructure in Europe to shape capital markets for future generations. And for the coming years, our mission will be to connect European economies to global markets to accelerate innovation and sustainable growth. And this is why we introduced today our new strategic plan, Growth for Impact 2024, because we are conscious of our role. We are conscious of our critical size, our central position in capital markets.

And we acknowledge it, our leadership position creates openness, obligations to shape the future of capital markets for the next generations. So our strategy is based on five strategic priorities. First, leverage on our integrated value chain. With the acquisition of the Borsa Italiana Group, Euronext has transformed, as I said, and has changed its scale.

For the first time since the IPO in 2014, we are now directly involved in the management of the full value chain of capital markets. And we have seized all the opportunities offered by this acquisition and we have significant projects ahead of us.

First, and we will spend a few more minutes on that one, but I just want to highlight it. We have decided to manage directly the Euronext clearing flows. Therefore, we will grow the Italian clearing house, CC&G, into Euronext Clearing, making it the Euronext CCP of choice for its cash equity, listed derivatives and commodities markets.

Second, we will expand geographically MTS, the leading European fixed income trading platform. Third, Borsa Italiana will join the Euronext single order book powered by Optiq, a Euronext state-of-the-art technology platform. And fourth, our core data centre will migrate from Basildon near London to Ponte San Pietro near Bergamo, to operate from there the data centre that will handle 25% of the European trading volumes which will be back to the European Union.

So Fabrizio Testa, who will take office on 28th November as CEO of Borsa Italiana will present you the key projects that I've just highlighted. And I will develop some of the strategic decisions.

Our second strategic priority is to pan-Europeanise our CSDs. Euronext operates a leading CSD network, representing €6.3 trillion of assets under custody. And Euronext is now the third CSD operator in Europe. We are combining our four CSDs in Porto, in Copenhagen, in Oslo, and in Milan into Euronext Securities, which is more than a new brand for our CSDs business. It's a new ambition beyond the initial one of Euronext of CSDs. Euronext Securities is an ambition to create convergence of technology platforms and to keep strong local presence but in a very coordinated manner. Under the new brand, Euronext Securities, we also believe that we can diversify significantly our activity in Europe. And Anthony Attia, who runs this endeavour for years now, will tell you more about this development.

Our third strategic priority is to build upon our leadership in Europe. And again, Euronext is the largest cash equities and ETF liquidity pool in Europe and the leading listing venue. So our strategy aims at becoming the global champion. We want to serve even better the financing needs of issuers, to help them cover their own funds requirements, especially post-pandemic.

So with the combination of our seven regulated markets, Euronext aims to be the main gateway for listing of equities and debt in Europe. We will maximise the competitiveness of our exchanges, to facilitate new listing, because our goal is to attract more and more international issuers on Euronext markets to make sure that Euronext markets are the venue of choice for international listing on the European continent, with more tech companies and also a focus on facilitating the financing and the listing of European SMEs.

On the ESG front, when it comes to listing, I'm proud to announce the launch of the Climate Leaders Market segment to provide more visibility to sustainable issuers that are more advanced than their peers in terms of climate change and climate transition. Today, as I said, we represent 25% of the Euronext trading activity in seven European markets. But once the strategic projects related to, first, the core data centre migration; second, the Optiq migration to – of the Borsa Italiana capital markets; and third, the expansion of our clearing facilities are achieved, we will be in a perfect slot, in a perfect position to build an integrated European capital market.

On crypto assets, we will offer our clients optionality to manage exposure through ETPs, crypto indices and derivatives. And Simon Gallagher will present you our ambitions in this field. We also want to scale up our advanced data services by becoming the number one ESG indices provider in order to drive investment to sustainable assets. So we'll also use our innovation and commercial capabilities to expand our advanced data services. And Chris Topple will further detail our ambitions in this domain.

So this ambitious strategy relies on our ability to leverage scale in technology. Euronext is fundamentally a technology company because this change in scale is both enabled by a strong technology leadership, but is also an opportunity to take this technology leadership into new territories. And to improve, in particular, customer experience with digitalised tools.

So Georges Lauchard, our Group COO will present you our technology capabilities and strategy going forward later today.

Our fourth strategic priority is to empower sustainable finance. Euronext is resolved to grow to make an impact and we want to build on our ESG strategy. We want to move from what we have done so far to a bolder impact-focused approach. That's why we will launch the Fit for 1.5 degree climate commitment. So we commit to aligning our own emissions to a 1.5 degree trajectory, which, let's make no mistake, is the most demanding ambition under the Science-Based Targets initiative and we will disclose our detailed target KPIs in terms of 1.5 degree trajectory in the course of the first semester 2022.

In addition, we will develop products and services to drive investment to decarbonise assets with initiatives like, as I mentioned earlier, the Climate Leaders listing segment and an ESG version of our blue-chip national indices, we have started with the CAC 40 ESG, we have just launched in Italy the MIB ESG. And that will continue to be developed across the Euronext Group; because we want to support our clients on their ESG journey and we want to offer a full suite of products that can contribute for us but also for our clients and our partners to achieving this 1.5-degree trajectory.

Isabel Ucha, the CEO of Euronext Lisbon, will present our ESG strategy and I will develop our people and diversity strategy.

Our last strategic priority is to continue deploying and to execute value creative M&A. Euronext will pursue its growth strategy to have value accretive acquisitions aimed at diversifying and strengthening the business profile of the Group. As a key market infrastructure, we expect to maintain Euronext investment-grade status and to leverage our financial flexibility to capture market opportunities as they may arise.

But within that – those set of constraints, Euronext will continue to monitor very closely and to get ready to act decisively on opportunities to transform further the organisations, because our priority is to grow a company which serves tomorrow. We want Euronext to make an impact to be more relevant to the lives of our customer, of our team members, of our shareholders, of our stakeholders, of our society. We want growth for impact and we cannot see the impact without growth.

So I now let the floor to Giorgio Modica, the Euronext CFO, to discuss with you the 2024 guidance. Giorgio joined in March 2016 at the time of the first Euronext Investor Day and he has been a key pillar, a key partner in the team in building the company since 2016 and make it what it is today. Over to you, Giorgio.

Giorgio Modica: Thank you very much. I am Giorgio Modica, the CFO of Euronext. And for the third time, I have the privilege to present an Investor Day at Euronext. And for the first time, it is in Italy, which makes it even more special for me.

But today, it's a very special day as well for Euronext. In this room, we have gathered all our ecosystem. We have our clients. We have our investors. We have our regulators. And we have our colleagues. And everything you hear, it's important because this plans speaks to you all more than any other plan we have released. Our ambition to shape capital markets for future generation deserves and needs your contribution.

Without further ado, I would now, if you agree, move and review together the financial targets for the new strategic plan of Euronext, Growth for Impact 2024.

For this new plan, we have designed a simple and easy-to-track set of targets. Actually we have four: revenue growth, EBITDA growth, CapEx level and dividend payout. The starting point of this plan are revenues and EBITDA pro forma 2020 excluding transitional revenues and costs from and to the London Stock Exchange as those revenues and costs will not be there in 2024.

Revenues are expected to grow in that period 2020-2024 with a CAGR between 3% and 4%. EBITDA in the same period is expected to grow between 5% and 6%. No changes with respect to the previous plan, no surprises as far as CapEx and dividend policy are concerned. CapEx will remain between 3% and 5% of revenues in the next three years, while the dividend payout is set at 50% of reported earnings.

Now, those targets do include the synergies coming from Borsa Italiana that we will cover in a moment, but do not cover the potential positive impact coming from M&A. Now if I had to qualify those targets, I would call them bold, strategically relevant and transformational. And let me explain you why.

This plan is bold because with this plan we absorbed the historical high of 2020 and we are ready to go from there. Too often, Euronext is remembered to be the company targeting a growth rate between 2% and 3% and not enough to have delivered between 2018 and 2020 a growth rate organic of 6.4%. You know as well that in the first nine months of 2021, we are already ahead with respect to the first nine months of 2020 with an organic growth rate at 3%.

The other element that I would like to highlight is that the growth targets do include a normalisation on the environment, so are not based on the extremely high volatility that we have experienced in 2020. This is important to highlight. This plan is strategically relevant. When you make a plan, you need to take a number of decisions.

Now, every time we've been confronted with a choice, we have systematically decided to take the more ambitious, the more strategically relevant option. We have spent countless hours in discussion with clients, with the regulators. And at the end of this journey, we came out more ambitious. And what has emerged is a very clear case to have Euronext providing more core services to clients and relying less on third parties.

We can do it now and we couldn't do it before because of two elements. First, because we have the legitimacy to do that now. And second, we have the critical mass to achieve those objectives. This will have very material consequences. It will bring more revenues and less costs on the P&L of Euronext. This will improve client proximity. This will reduce third-party dependencies and this will bring to the next level our capability to innovate.

To achieve those objective, we have a very clear plan and we are ready to work together with regulators and you all to make it happen.

This plan is transformational. This is not a plan which is set for a short-term performance. This plan is aimed at maximising long-term growth potential and competitive advantage. In Euronext in the management team, we always ask ourselves, will it make Euronext stronger? This is the logic that shaped this plan. We have a unique window of opportunities in the next three years to make it happen. We have all of the ingredients available. We have companies covering part of the value chain we never had before. We have the right teams. We have the full commitment and a strong motivation to do that.

I like to think of Euronext as an athlete preparing for a competition. The next three years are about training and building mass to be as competitive as possible at the end of the journey. And at the end of this journey, Euronext is going to be a stronger group, better able to compete across the value chain, enable as well to capture growth opportunities that today are not possible.

But this is not the only dimension that we've explored to be ambitious. We have been ambitious as well in setting the targets of the integration of Borsa Italiana. The new target is set at €100 million. This is €40 million more than the previous target or 67% more. This €100 million is made of increased revenues or reduced cost or additional margin.

Now, this target is a major improvement with respect to the previous target for a number of reasons. Those new targets are geared towards business opportunity. If you look at the ratio between cost optimisation and business opportunity, these new targets are completely different with respect to the previous one. In the previous target, we were targeting 25% of the €60 million as an upside from business opportunity. In this new plan, it is 55% of the new target of €100 million. To say it differently, in absolute terms, the synergies coming from business opportunities are increasing threefold with respect to the previous plan.

The second element I wanted to highlight is close to 50% of those synergies are coming from Euronext becoming more relevant to its own clients. This entails to have Euronext for the first time providing directly cleaning services to its customers through CC&G and having CC&G expanding its range of activity to serve Euronext clients across the different markets. This entails as well to provide directly collocation services and data centre services after the migration to Ponte San Pietro.

The third element I wanted to highlight is that we have a high visibility on those targets. We are not targeting revenues coming from thin air. We are targeting existing revenues that existing clients of Euronext are paying to third parties in dealing with the Euronext flows. Now the implementation of this plan will cost €160 million. This is one-off. So for one-time we'll spend €160 million, divided in 50% is going to impact out P&L in OpEx and 50% in exceptional items.

There is a third dimension that we have explored to be ambitious, which is the one of M&A. As we have discussed, organic growth has been a key pillar for value creation in Euronext since the IPO. M&A is certainly another one. M&A has contributed to shape Euronext in what it is today from a federation of local exchanges into a leading pan-European market infrastructure. And the very fact that we are here in this building in Palazzo Mezzanotte is a testament to that.

We are collectively proud of what we've achieved. We have demonstrated that consolidation of financial markets in Europe is possible where it was deemed impossible. Many told us larger competitors have tried and failed. We have demonstrated that we can grow regulated markets at the time where many were assuming the continuous erosion of the activity of the regulated markets. Many told us the trend in the US is this, so Europe will need to follow the same trend.

We were able to build a superior track record in execution, while many told us you've reached the bottom, you cannot push it any further. We have always pushed the limit and we always have overdelivered. We have succeeded where others have failed. We have demonstrated that joining forces creates value for all the parties involved, that sharing a more relevant market is more meaningful than the full control of a less relevant one.

To make it short, we have demonstrated that our model works, that it gives us a competitive advantage and makes us a legitimate owner of the other market structures in Europe. And let me share with you a secret, consolidation is not over. We like it or not, the consolidation trend is not over. And for a very simple reason, there is a law we all need to obey and this is the law of liquidity. Liquidity attracts liquidity and no one can ignore that law. We can't, our competitors can't and the regulators can't. Liquidity will always find its way to the deepest liquidity pool within or outside the regulated markets.

Now, the good news is that through meaningful M&A, Euronext has built the deepest liquidity pool in Europe for equity trading and listing and we are starting to see the benefit of that. But we cannot sit and wait. We need to look forward at ways to make our market always more relevant and M&A is a key tool for that.

In doing that, we will apply the same approach we applied in the past. We will invest always in companies that provide the return on invested capital higher than the cost of capital in a period between three and five years based on the reasonable business plan. We will invest to bring our recent successes to the next level, mostly in services, investor services, corporate services and post-trade services. And we will consider as well transformational deals if it makes sense and if it will allow us to strengthen our current business or it will help us to further diversify our revenue mix improving the growth profile of the Group or reducing reliance on volume.

In doing that, we will impose ourself limitations, three limitations. The first one is that we will continue to be as disciplined as we have been in the past. The second one is the full commitment to reach the objective of this plan on which we will not compromise. And the third one is our approach and appetite to leverage. Our approach and appetite to leverage will not change. Euronext has set a rating floor at investment-grade and we have no willingness to go any lower. And we will take that into consideration in any potential acquisition going forward. The good news is that capital generation remains strong. At the end of the third quarter, we had €3.1 billion of outstanding debt with an average maturity of 9.1 years and a cost below 1%. So this – and the element that I wanted to highlight is that our net leverage is below the three times that we were targeting for the end of 2022, which means we are achieving the target five quarters in advance and we are then ready to start this new plan with a great financial flexibility.

Now, this concludes my four slides. And before giving the floor to Fabrizio, I wanted to conclude saying that Euronext was, is, and will remain an ambitious growth story. Fabrizio?

Fabrizio Testa: Thank you. Ladies and gentlemen, good morning, and thank you for joining us today. I am Fabrizio Testa. I'm the CEO of MTS and I've been appointed CEO of Borsa Italiana. I will take my function at the end of the month and I'll join the Managing Board of Euronext and be responsible also for the fixed income division of MTS.

As you heard from my colleagues, Stéphane and Giorgio, this is a very powerful and strong project. This is a European project. And I really look forward to make the most of Borsa Italiana and Euronext's combined strength.

But let me introduce you how we are going to leverage our integrated value chain. The acquisition of Borsa Italiana, you've heard that already a few times, is transformational for Euronext. Italy is third largest economy in Europe and a G7 country. So entering the Euronext federation transforms the dynamics.

First, as we've seen before, with Borsa, Euronext becomes the leading venue for equity listing and financing in Europe with in excess of 1,900 companies, which represent a market cap of €6.5 trillion.

Furthermore, with Borsa, Euronext becomes the number one venue for cash equity and ETF trading in Europe. You heard from Stéphane, with a daily average of €11.7 billion. And with Monte Titoli, which is part of Borsa, Euronext Securities becomes a reality. And combined the CSD of Euronext will now handle €6.3 trillion of assets under custody.

There is also a diversification angle in the acquisition of Borsa Italiana, because there are two additional businesses; fixed income, thanks to MTS and a retail platform and regulated platform of Borsa, and also multi-asset clearing capabilities through CC&G. Stéphane will tell you more about that later on, but he's already announced what we're going to do with cash and this is going to be, again, another powerful move from us.

Ultimately, we're going to increase our fine power of existing businesses in diversifying with the new ones. And our stakeholders and clients will significantly benefit of it, including all the local economies that are part of the federation and Europe at large. As an example, the Italian issuers will be now exposed to a 6,500 strong network of global and local investors. So 6,500 investors available to the Italian community.

With Italy, the scale of the platform is bigger and this will allow, as we heard from Giorgio, not only further organic growth but also new consolidation opportunities. I had the privilege to work with the team since day one, because I joined the extended management board, and I've been impressed by the energy, the transparency, the teamwork. And I've seen also my colleagues, the Italian team contributing at all levels and committing to grow together. So this is a great sign and I look forward to continue to do that.

So we have a great project. In fact, we have a great project in front of us. Euronext will leverage Borsa and Borsa will leverage Euronext for the benefit of clients and stakeholders.

Let me focus now on the first of the four projects that you see on the slide. And that's increasing the franchise or creating a leading franchise of fixed income in Europe. So if you move to the next slide.

So we start from a very solid position. MTS, as we have been reminded before, is the number one interdealer market for European government bonds. It's also the number one repo market for Italian collateral and a strong player in the faster growing dealer-to-client market.

Next slide, please. So together, we will further expand this franchise. How? We now can leverage our colleagues from around Europe and we have been working with all of them on various streams. So I'm looking at the Netherlands, at France, at Ireland, Denmark, Belgium, Portugal, Norway, where we have people on the ground, like we have had in Italy and in London for several years. And this would be transformational for us, because our markets, our business is still about network and contacts. So to have people on the ground who can talk to our sovereign issuers, to our authorities, but most importantly, to our clients will benefit our business, especially the dealer-to-dealer when we want to strengthen our position.

We want to, let's say, Italianise the other countries when it comes to the relationship between sovereign issuers and primary dealers. Also, we want to make sure we have a direct and closer relationship with the buy-side clients, with the central banks, with the pension funds, with the asset managers. And these are the clients who are making the D2C market a fast-growing market.

We will also look at announcing our data offering. MTS at the moment is very much focused on raw data, historical or real-time. But the strong team of Euronext will allow us to move to the next level, with more analytics and more enhanced products. And we will keep on deploying these new products in order to enhance our value chain across all our products.

Ultimately, our strategy is going to be driven by clients, and of course we'll continue to collaborate with other relevant fixed income stakeholders, including sovereign issuers, central banks and authorities. I see a very strong future in front of us. And as a Stéphane showed before, there are a few trends that are driving and helping us.

First, the strong response we received from the authorities on the pandemic, the acceleration of electrification of fixed income markets and the ESG momentum, which will make our business more sustainable and solid. We're ready to become the leading access point to European fixed income for all global players, including dealers and clients.

And I now leave the floor back to Stéphane. I thank you for your attention, and I look forward to seeing you this afternoon at 14.30 for the MTS workshop. Thank you very much.

Stéphane Boujnah: Thank you, Fabrizio. I mean, we are very happy and proud to welcome Fabrizio Testa in the team. He has been with us in the operating committee since April. We are – we can't wait working with you as CEO of Borsa Italiana. Can't wait working with you as a full-fledged member of the Euronext NV Managing Board to be part of the Group level decisions and also to be in your full job as Group Head of Fixed Income Trading for the full Euronext organisation.

Let me spend a few minutes now on the second key project that we have ahead of us, which is the migration of the core data centre of Euronext from Basildon near London to Ponte San Pietro near Bergamo. And in order for all of you to understand exactly what we are talking about, we have this short video.

[VIDEO]

So as you can see on this, we are extremely proud of making this move because it's a natural move. It’s a strategic move, which makes all of us as citizen of Europe extremely proud of what we are achieving.

First, we are seizing the opportunity to fully control, then directly manage a core IT infrastructure, which is the data centre. And as I was saying to Giovanni Gorno Tempini earlier today is that we are talking about what remains from the grida, from the corebeille, the physical part of the exchange business. We were previously reliant on a third-party provider and we are now going to be able to expand our presence in the connectivity and collocation activities.

And in a post-Brexit world, it was critical for us to relocate our core data centre, which historically was in Paris, which was moved to Basildon near London in 2011 at the time when London was the largest financial centre within the European Union, to bringing it back within the European Union to keep it within the European Union and to put it in a country, where we have a very large part of Euronext operations now, Italy.

And as you have seen in this video, we are making a significant step to move into greener operations by migrating the core data centre to a green energy data centre. And this move will support both our own ESG objectives but as the one of our clients to the Scope 3 ESG objectives. So for our clients, this migration of the core data centre will unlock value, because the Aruba data centre is, first, a rating four data centre, which is the best standard available in the industry and it has really the highest available performance features, but it already provides connections with several international network peers.

So we’ll be able to provide our clients with state-of-the-art directly managed collocation services but we will be also offering several connectivity options for non-collocated clients. So this project is definitely a win-win solution for Euronext, for clients, but also for our shareholders and clearly for stakeholders, because we’ll be able to generate added value but we will unlock immediate revenue opportunities, cost synergies and we will be able to develop in the future new services within this amazing Aruba facility in Ponte San Pietro.

Our third main project is another migration, and this is with the migration of our core trading activities through the Optiq technology platform, the Optiq trading engine with the migration of Italian cash equities and listed derivatives to the Euronext platform. As you might know, the

Optiq platform was fully developed internally and is a best-in-class or the best-in-class latency platform with unlimited scalability trading. And Optiq has demonstrated its unique resilience in 2020 during the extreme volatility peaks, where the platform was able to handle while 97% of the staff was working from home, volumes of €21 billion some days at the peak of the crisis.

So Euronext, as you know, has already an extensive experience of migrating markets to the Optiq trading platform because we did it first to ourselves in the four core Euronext markets, then we migrated the Irish markets to Optiq, then we migrated the Norwegian market to Optiq, moving from the LSE millennium IT technology and we are embarking to preparing in coordination with clients and regulators the migration of the Italian markets to Optiq. And this migration demonstrated in the past significant benefits for our clients, while retaining a strong local footprint.

So I'd like to move now to the third migration which is the migration of clearing and the strategy for clearing. We plan to transform our Italian clearing house, CC&G, into Euronext Clearing, offering clearing services to all Euronext markets. And this is a strategic decision for our company. This is strategic decision for exchange. And the rationale one following the transformational nature of the acquisition of the Borsa Italiana Group.

Please allow me to share with you the background of the decision because it's a critical move for Euronext. As you know, Euronext is, until now, the only market infrastructure that has not directly managed its clearing activities for its cash and listed derivatives, because 20 years ago, Euronext sold the control of its clearing house, Clearnet. And today, Clearnet operates under the name of LCH SA, and is a company controlled by the London Stock Exchange Group, which has then diversified into repo, clearing and CDS clearing. And overtime, the Euronext cash equity and derivatives business has become a small part of the overall business of LCH SA.

Since 2003, Euronext has been relying on the third-party clearing house. We are in a client-supplier relationship for clearing, and we just have a revenue sharing agreement for the clearing of derivatives. Euronext has tried on various occasions to buyback the control of LCH SA. You may remember that in January 2017, Euronext signed an agreement with the London Stock Exchange Group to acquire LCH SA, subject to the completion of the merger between Deutsche Börse and London Stock Exchange Group.

This merger did not complete. Therefore, the acquisition of LCH SA by Euronext did not complete either. In 2017, we renewed a partnership with the London Stock Exchange Group and with LCH SA for 10 years. And I want to highlight here that the quality of the relationship with the London Stock Exchange Group, with the LCH Group, with LCH SA, has been excellent for the benefit of all our clients.

Now, the situation has changed in April '21, because since April '21 with the acquisition of the Borsa Italiana Group, the perimeter of which includes a clearing house, CC&G, Euronext now owns 100% of a multi-asset clearing house. So Euronext is now, for the first time, in a position to directly manage the clearing activities and to complete its value chain. And Euronext is resolved to directly manage the clearing of cash and clearing derivatives.

So as of today, the only available concrete and tangible option to achieve this objective to directly manage clearing is the European expansion of CC&G clearing activities. Accordingly, Euronext will grow CC&G into Euronext Clearing, making it the Euronext CCP of choice for its cash equity, listed derivatives and commodities business, but of course Euronext will continue offering an open access CCP model for cash equity clearing.

So this new integrated solution will allow Euronext to ensure the strategic alignment between Euronext markets and the clearing house, which will be critical for our markets, for our clients and for Euronext, especially for the development of new derivatives offerings for which we have great ambitions.

So again, this decision is just the normal, the natural consequences, the normal consequence of the acquisition of the Borsa Italiana Group to leverage on the opportunities it creates for the benefit of the entire Group and for our clients. And I would like to highlight several benefits of our strategic decision to turn CC&G into Euronext Clearing, to make it the CCP of choice for all Euronext markets.

First, this project will enhance significantly CC&G and we will deploy significant investment to develop cutting-edge technology and to turn CC&G, which is today a focused multi-asset clearing house for the Italian market into a diversified clearing house to address the needs of all Euronext flows coming from the rest of Europe.

We have also started the dialogue with the relevant supervisors and regulators to make CC&G more competitive at the European level and to move the CC&G risk model to a new value-at-risk model. The reinforcement of CC&G will clearly strengthen the CC&G position in Italy and it will support the expansion of Euronext clearing across all Euronext markets.

A single default fund will be set up for all cash equity and listed derivatives markets. And this single default fund will provide significant benefits for our clients compared to the currently fragmented clearing landscape. And also, Euronext Clearing would rely on a new organisation. Additional teams will be created for Euronext Clearing in Italy, mainly in Rome, but also in Milan. And new teams would be created in Paris, mainly but not only to cover the specific needs of commodities clearing.

As I mentioned earlier, managing directly clearing activities has been, for years, one of the main strategic priorities of Euronext. And this integration will maximise the value extraction of Euronext trading flows, but it will create mainly, as I said, strategic alignment between Euronext trading priorities and Euronext clearing needs and clearing priorities. And the direct management of Euronext clearing of the Euronext flows will allow Euronext to develop new innovations, especially on derivative products which is not possible in client-supplier relationship, no matter how successful, efficient and cooperative it is.

And the development of Euronext Clearing would significantly enhance our CSD strategy by delivering a fully integrated set of solutions to our clients from trading to clearing and from clearing to settlement and post-trade. As always, like in the case of any migration, this project is subject to all relevant supervisory and regulatory approvals.

As you can see, the Euronext Clearing framework would be transformed by 2024 after the completion of this integration process. After the migration of the core data centre to Bergamo, after the migration of Borsa Italiana's markets to the Optiq trading platform, the migration of the clearing of Euronext flows on Euronext Clearing will provide the Euronext Group with a very simplified and strengthened operating model.

We are entering into a new beginning, a new phase, and this is the end of the phase where we were recovering from the IPO of 2014, which was an IPO ad hoc collection of assets without any consistent shape. Now, we are in a position for the first time since the IPO to cover the full integrated value chain. And this will bring additional revenue and EBITDA to the Group because these migrations, the migration of the core data centre, the migration of our clearing business and the operation of Euronext Clearing are a fundamental part of the revised guidance of €100 million of incremental EBITDA, €100 million of synergies.

And this is just one more illustration of how the acquisition of the Borsa Italiana Group has brought a new dimension and a lot of possibilities to leverage the new integrated value chain for Euronext. So once all those projects are achieved, Euronext will be a much stronger company with a real impact.

So after the break, because we are going to take a 15-minute short break, I'll leave the floor to Anthony Attia. Anthony has been a key driver of some major transformations of the Group. He was the leader of the migration of the core Euronext market to the Optiq trading platform. He runs the development of our primary markets, in particular, the growth of our corporate services business, which is an amazing success with double-digit growth, and he is responsible for the development of a post-trade ambition with the transformation of the Euronext CSDs towards what is the new ambition of Euronext Securities.

So I suggest that we take a 15 minutes break and that we will convene in this room in 15 minutes.

[BREAK]

Anthony Attia: Good morning all, and welcome back after the short break. I'm Anthony Attia, the Global Head of Primary Markets and Post-Trade. And I'm very happy and excited to be with you today. I heard we have a lot of people connected on our online streaming platform processed by Company Webcast, a corporate services company.

The last time I talked to you about post-trade and CSDs was two years ago during our previous Investor Day in Paris. I was announcing the launch of Euronext of CSDs. And since then, we have delivered on it. Now we're ready to take it to the next level.

You will hear a lot today about how we integrate, we Europeanise and we develop our different businesses. And as you know, our Optiq platform captures these realisations on the trading side. And Stéphane just walked you through the same ambition for our clearing business. I will now present our next strategic priority, which is the pan-Europeanisation of our CSD business.

CSDs are a critical element of our value chain. They enable insurance, settlement and custody of shares of all asset classes. They also deliver post-trade solutions to our local and global clients and all this creates a sticky digital business. Over the past two years, Euronext has built a large-scale CSD business with the successive acquisitions of Euronext VPS in Oslo, VP Securities in Copenhagen and of course Monte Titoli here in Milan. And our four CSDs, together with InterBolsa in Portugal, represent €6.3 trillion of assets under custody across all asset classes, equities, bonds, funds, warrants, certificates, etc. And every year, we process around 120 million settlement instructions.

This represents 10% of the total assets under custody in the European Union and makes us the third-largest CSD network in Europe. What this means is that we now have a critical mass to be successful in that space for the long-term.

Let me highlight a few specific strength of our CSD business. Firstly, our well-developed and long-standing relationship with local ecosystems. This makes us different from sometimes larger but more remote competitors such as international CSDs.

Secondly, our experience and highly skilled local organisation. And at a time where local players are looking for economies of scale in the custody chain and where global players use large-scale offshore operation centres, we are one of the very remaining places where teams maintain and develop a deep understanding of local specificities.

Thirdly, we are turning this unique expertise into the ability to build new services for our clients, specifically in the Nordics, we have a strong track record where VP and VPS successfully launched tax reporting or data services that met customer demand.

And last but not least, we run a specific business model again in the Nordics, where we're maintaining on own records more than five million retail accounts. CSDs usually only maintain large omnibus accounts for banks who in turn manage directly the account for their retail customers, but Norwegian and Danish retail investors have their account directly with us.

And given the positive trend of retail investment in our stock markets, of course, this is an important source of revenues. What we have done over the past two years is building a large-scale CSD network. This is, of course, only the beginning of the journey. And I will elaborate in a minute on how we will leverage that newly acquired scale and our local anchoring to further grow the business.

But first, I'm very pleased to reveal that today we launched a new brand for our CSD business, Euronext Securities.

[VIDEO]

This new brand reflects our commitment and long-term ambition for that business. Euronext Securities is the CSD network connecting European economies to global markets. And of course the local CSDs and the local supervision would be maintained. It is not about creating a unique CSD but about combining our CSDs into a more powerful brand, which will make our business more visible across Europe and for each CSD we will give a local colour to that brand with a reference to the city where the CSD was established. A single European brand is one of the many steps that we are taking in order to accelerate our post-trade strategy.

Let's now move to the 2024 strategy for growing our CSDs over the next three years. And I'm talking about pan-Europeanising and scaling up Euronext Securities. Three key trends are visible on the market. The first is a shortening of the value chain. This is no news, the custody industry, including issuing agencies, sub-custodians, global custodian, is shifted by economies of scale. And we need to continuously invest to follow and anticipate new regulatory requirements.

What we see, especially in the Nordics, is that some local or even regional players may struggle to remain in the business leaving more room to either large players or to a shortened value chain where global custodians connect more directly to CSDs.

The second trend is increased demand for added value and digital services. Again, added value services are a direct consequences of the first trend and our value chain is under fee pressure. So there is an appetite from banks to outsource some of the non-competitive functions such as tax reporting to neutral and trusted parties such as our CSDs.

The demand for digital post-trade services is extremely high and quite intense. But let me make a couple of comments there. 100% of our €6 trillion of securities issued with our CSDs are fully digital. This means that they only exist as digital records. And we believe that the demand for digital in general and the demand for digital assets are very closely connected. Fundamentally, customers do not care so much about having a back-end on blockchain technology. But first and foremost, they want to trade, hold and manage their securities in the cheapest and most efficient way.

And for us, this means that leveraging the already digital infrastructure we run to meet that fundamental requirements for enhanced customer experience and of course thanks to the past investment made on blockchain, we stand ready to introduce DLT in our CSDs when there is a client demand.

The third trend again is not new. We talk about the fragmentation of the European CSD market. You've heard about TARGET2-Securities managed by the European Central Bank in order to manage a common settlement platform. You also heard about the famous CSD regulation, CSDR, which aims at opening a competition between CSDs in Europe, and of course we have multiple standardisation initiatives and some of them are quite technical, but every year they imply that all the post-trade actors need to invest, need to adapt, need to release their systems. And yet we still have more than 30 CSDs in Europe and as many local specificities.

Our industry as a whole is looking for solutions to reduce the corresponding costs. So against that background, what we plan to do is pretty simple. First of all, we want to expand our added value services to meet client demands across our different markets. This is already happening for instance in the space of general meetings, where we support the industry in organising virtual or hybrid meetings with live voting.

Secondly, of course, we will converge our infrastructure. We have a track record there that led to the many generations of our trading systems and the federal model we have in our exchanges. This is where we have Optiq. Well, we are taking the same type of journey for our CSDs. So we are sharing technology investments and building common applications to rationalise our cost and deliver the benefits of harmonisation to the market.

And for instance, we are rolling out a new common corporate action platform across all our CSDs that would replace the legacy applications.

Thirdly, we will scale European activities positioning Euronext Securities as a CSD of choice in targeted segments for market participants who list and trade on Euronext and want also to issue and settle securities with us. And last but not least, we will focus on continuously improving our customer experience. We have two types of clients. We have global players who are looking for as much harmonisation as possible and ideally one single access to Euronext Securities and local players, typically retail banks, who connect to one CSD but are looking for local support in local language. So we will roll-out a differentiated client service.

To conclude, this strategic ambition is part of a larger post-trade vision beyond 2024. Combining our clearing ambition that Stéphane described, the pan-Europeanisation of CSDs and the development of post-trade services, we will become a leading European post-trade provider.

Let me now take you through the next key strategic priority, how we are building upon our leadership position in Europe. And starting with our primary markets and corporate services business. This is the beginning of our exchange value chain. Starting with where we are today.

There is a unique momentum today for Euronext, thanks to the combination of our European expansion with the acquisition of Oslo Børs and Borsa Italiana, the opportunities created by Brexit, our deep liquidity pool, of course, and the long-term commitment meant to support small, medium and large companies on our financing journey.

And one of the key features of Euronext if you're looking through the different strategic plans over the past few years has been the constant investment and the constant commitment that we have made to our listing business, and in particular, towards helping issuers and potential issuers to raise money. So it's about SMEs. It's about large caps and it's about making sure that we develop this strong DNA that makes us so different compared to other exchanges who have been focusing on derivatives or on data. We are extremely proud and extremely committed to the primary market and the listing business.

As Stéphane explained earlier, we are the number one European equity listing venue with 1,900 issuers. We are the number one debt listing venue worldwide with over 52,000 bonds listed. In 2016, we decided to go one step further in capturing to our clients need by launching corporate services, providing efficient retail and advisory solutions. Corporate services has been delivering a 40% revenue CAGR serving 4,000 clients across 25 countries. It started as a small initiative, like a start-up initiative, and now we are scaling up big-time.

This leading position is a result of the strategy we've implemented over the past few years, choosing to focus on financing the real economy and to support our clients at each stage of their development, across equity and debt and from pre- to post-IPO. And concretely, this means that as an issuer, when you come to Euronext, you benefit from a true one-stop shop experience. And the acquisition of Borsa Italiana also brings us a new asset which is ELITE, which allows us to start a step before on the value chain and be more present in private markets.

So before diving into our roadmap for 2024, I'd like to spend a few minutes highlighting the key strengths of the different businesses we are talking about here. And first looking at equity listing. You've heard this number often. We represent €6.5 trillion of aggregated market cap. This means that Euronext equity markets are twice the size of the London Stock Exchange and three times the size of Deutsche Börse. I'm talking about equity markets here.

Why is this metric important? Because it tells you how liquid and deep our markets are. The larger the market, the more liquid it is. And the more efficient the price formation mechanism will be as well as a capacity to raise large amounts of money. It's our unique federal model and single trading platform that unlocks this liquidity pool and it makes our market depths possible and scalable. This is also a competitive advantage, extremely difficult, if not impossible to replicate, and this is why companies looking to finance their growth choose Euronext.

Optiq has become more and more part of the pitch to convince issuers to come and do their IPOs on Euronext. It's about liquidity. It's about visibility, and it's about making sure that we support them in the different stages of their capital raising after the IPO.

I can't avoid mentioning the fact that 2021 has been an amazing year from a number of listings point of view. So far we have managed to list 167 new companies on Euronext this year from all sizes, with 13 large caps. And we also welcomed the largest IPO of the year in Europe. On international listings, more and more we pitch and win against our peers in the UK and in the US with 20% of non-domestic listings.

SMEs of course continue to be at the heart of our DNA and represent over 90% of the new listings this year. Our flagship sector remains a tech franchise with over 700 issuers on the cleantech, life science, TMT, biotech and med-tech space. We continue to heavily invest in the European tech leaders of tomorrow with our pre-IPO programme, TechShare, which now accounts over 500 alumni with 76 partners in 10 countries. If you want to know who will be the next unicorn or Decacorn, look at TechShare programmes and alumni in Europe.

Moving on to debt and funds listing. Euronext is the undisputed number one bond listing venue worldwide, representing €1.4 trillion of issuance amount year-to-date. We serve issuers from 100 countries from large corporates to governments. Why do issuers from all over the world choose to list with us? Because we provide best-in-class bond listing execution at competitive rates. We are also the only pan-European exchange offering domestic and global listing solutions, thanks to Euronext Dublin.

During the COVID-19 pandemic, when companies and public entities needed to refinance themselves, often as a matter of real urgency, speed and operational excellence were key. In this context, we've grown our market share processing over 11,000 new bond admissions in 2021. Another key strength is our growing position as a leading exchange in ESG bond listing as we currently account over 870 green bonds, social bonds and sustainability-linked bonds. We welcome the largest and most diverse pool of ESG issuers in the world with over 300 entities choosing to list with us.

Now, talking about corporate services. This is truly a high-growth suite of digital and corporate solutions. It was launched, as I said, in 2016 after an in-depth survey of our issuers' needs - and they all wanted the same thing. They wanted a neutral party, a trusted partner to provide digital services to help them with their life as an issuer and help them navigating the changes of reporting, of regulation, of financial communication and new technologies. And this is exactly what we offer today. It's a portfolio of services for issuers in the capital market journey and is built around four key pillars; Governance, Compliance, Communication and Investor Relations, supported by different business models, software-as-a-service, event-driven, and advisory based.

This value proposition was expanded since 2019, especially in the context of COVID, which has accelerated digitalisation. And the spectrum of clients has also considerably diversified beyond issuers with 75% of our clients that are now public sector entities and private companies. Now where will we be in 2024? And I want to share with you a roadmap paving the way for this business to become a global leader.

The following market trends are the ones that are driving our developments. The Capital Markets Union is necessary, particular after Brexit and after COVID, we need this to strengthen our European public markets. Obviously, the ESG transition triggers long-term and diverse support needs from issuers. SMEs will increasingly use capital markets for their financing needs. And last, digitalisation continues to drive strong demand for tech-enabled services.

The scale and track record we've built over the past few years gives us the grounding to now embark on a journey to become a global leader. We want to attract more international companies. We want to continue attracting SMEs, large caps, tech companies, innovative vehicle, SPACs, etc.

And to get there, our roadmap is centred around five strategic priorities. The first one, we call it maximises the competitiveness of our listing venues. It's about working with our ecosystems everywhere and strengthening and harmonising our offering. We are working on simplifying the listing process in Europe and combining the benefits of a single platform with a strength of our domestic centres of excellence.

The second strategic priority is to increase our international and sectorial reach. We have a gateway to Europe today. When issuers are looking to raise money in Europe, we are becoming the natural choice for that. Also our sectorial attractiveness is growing. Borsa Italiana is a leader in luxury and consumer goods sectors. Oslo Børs has been the leader for oil and gas, shipping and seafood for years. And more recently, clean energy and clean technology have demonstrated the attractiveness of our Oslo markets. And I can also mention Brussels for biotechs and Amsterdam for SPACs and others.

The third initiative is about, of course, ESG. And so Stéphane mentioned that and Isabel will develop the full scale ambition. What I want to say is that it is our ambition to accelerate sustainable growth. And it is also our ambition to support our issuer in their ESG journey and facilitate the flow of capital towards sustainable investment project. And we are very, very proud to announce today two initiatives. One is the creation of a new climate transition market segment dedicated to issuers committed to Science Based Targets under the SBTi initiative, providing a measurable framework for companies to commit to a 1.5 degree compliant trajectory.

The second initiative is a flagging of all EU taxonomy eligible issuers to increase their visibility to investors, thereby, increasing data transparency in the market and making ESG investing easier.

The fourth initiative is a continuous reinforcement of the fact that we are investing in SMEs. We are a leader in SME IPOs in Europe and we want this to continue. This is about financing the real economy. And again, here we have two flagship initiatives. One is on the equity side. We want to expand Borsa Italiana's successful Star segment in Europe. Star is a segment for the Italian regulated market dedicated to SMEs, which commits to best practices in terms of liquidity, transparency and corporate governance.

We will also expand Borsa Italiana's ELITE, the network dedicated to fast-growing private companies to access diverse sources of capital to drive their growth and strengthen our suite of pan-European pre-IPO programmes. This will enable us to deepen our pre-listing relationship with SMEs and continue to position ourselves as a key long-term growth and financing partner.

Last but not least, we are growing corporate services further. This is the growth engine of this business. And we're growing the product side and on the geographical side. On the product side, we are strengthening our portfolio by developing adjacent and synergistic solutions in particular on the compliance and the regulatory areas, one example is the whistleblowing service that is being currently rolled out.

The geographical expansion is definitely in Europe but we are expanding in non-domestic countries from a Euronext point of view in Germany, UK, Spain and Sweden. And a concrete example of that is our ambition to create a largest network of webcast studios in Europe with Company Webcast that is powering our webcast today.

As a conclusion, we believe that investing in this strategic direction will make us one of the world's champions for primary markets on the long-term.

I will now hand over to Simon Gallagher, which has been with us since the beginning of Euronext. And I'm very happy to leave him the floor for the next part of our integrated value chain, our trading business. Thank you.

Simon Gallagher: Thank you, Anthony. Good morning, everyone. My name is Simon Gallagher, and I'm Head of the Cash and Derivatives Trading business here at Euronext. And so over the next few minutes, we'll talk through three main areas. First of all, we'll go through our core cash equities trading business and we'll talk about our equity derivatives trading business, and finally we'll end with talking through our approach to the emerging crypto asset class.

And so before doing so, we'd just like to take a step back and look at the set of trading assets we're assembling by bringing Borsa Italiana and Euronext together. Giorgio and Stéphane spoke earlier about the bedrock of assets we're building here. And really here, if you look at the trading assets we're bringing together, we believe we have something unique in Europe, both in terms of scale and in terms of quality.

And so in terms of scale, I'm sorry to repeat it, it's the fifth time you've heard this today, but we are by some margin the number one cash equities trading venue in Europe. And so over one quarter of European lit equities trading activities today transits through platforms and technology operated by the Euronext Group.

But it's more than that. In our equity derivatives business, the combination of these two very strong franchises, firmly, firmly cements our positions as the number two equity derivatives exchange in Europe and this is important for reasons I'll come to in the next strategic cycle.

And finally on our ETF business. And so for the last three quarters in a row, we have been the number one ETF listing venue in Europe and the addition of Borsa Italiana's very vibrant trading business here with a very, very strong retail participation really brings a scale to the Euronext trading business, as Stéphane and Giorgio alluded to earlier.

But it's more than this. It's more than scale. It's to do with the quality of these assets as well. And what do I mean by quality? By quality, I mean that in all of these asset classes, we are the point of price formation. What creates price formation is the diversity of flow in our order books. And this is the magic of the Euronext federal model and the Euronext markets. There is no other place in Europe, or in the world for that matter, where there is a such a diversity of flow brought to one single central order book, where retail flow from all of the seven countries we operate in can interact with electronic liquidity providers in the city and in Paris with institutional business coming from Oslo, and with institutional businesses from France and obviously with the smart order routes of our big sell-side gateways to our market.

And so this is important, this scale and this quality for two reasons. The scale is important for the very simple law Giorgio outlined earlier in our business, which is very simply that with liquidity we get liquidity. The more liquidity you concentrate in one platform, the lower the search costs for investors and the lower the implicit costs of transacting on our markets.

And the quality is important and that diversity of flow on our markets is important, because if you layer on top of the operation of our markets, intelligence, commercial policies and pricing strategies, it enables you to operate a very segmented pricing and fee policy, which enables us to extract yield from this market. And hopefully those of you who have followed our track record in this area since the IPO, realise how close to our heart revenue extraction, segmentation and yield management are to the operation of this business.

So now if we can go to the core cash equities trading business. And so, if we look at the next strategic cycle going forward, the obvious statement here is that equities are going nowhere as an asset class: equities will remain core to portfolio allocations.

Secondly, in broad terms, the regulatory environment we believe will remain unchanged. And so this barrier between lit trading and dark trading and the OTC business, not a lot is going to change there in terms of regulation over the next strategic cycle. So we have a stable environment there.

And thirdly, and most importantly, the value chain for trading is changing. And Anthony spoke earlier about how the value chain, the value chain for CSDs is contracting. And this is happening across our industry. And it's happening in the way orders arrived from end retail investors, from buy side investors to the exchange. And we believe this will create many opportunities for us in terms of commercial relationships, and business opportunities. And Chris will talk about those later on.

So in terms of our roadmap for this business. One thing will not change, so that number one priority of Euronext in managing this equity business will be on yield extraction and on segmentation. So hopefully, as I said, you've seen our track record in this area since the IPO. But really this understanding of end client flows, the ability to segment, will be greatly enhanced, we believe, over the next strategic cycle by a whole new set of data analytics, and quantitative expertise which we're bringing on board. The more we can understand end client flows, the more we can understand price volume elasticities, and the more we can segment and extract yield from this market. And Chris will talk about that later also in his presentation.

Secondly, we will do absolutely everything it takes in the operation of our markets to preserve the diversity of flows on Euronext. Retail flow is absolutely key to our markets and as we integrate the Italian market, we will take great, great care to preserve the very delicate and – liquidity dynamics of the of the Italian market where the retail business is particularly vibrant.

And finally, put very simply, we will maximise touch points with end buying centres wherever they are. This means going, commercially, beyond the simple notion of membership, which today sounds like a very 19th Century term; we have customers, and we have pricing points, and we will maximise our touch points with end customers wherever we can, working in partnership with our big sell side gateways to our markets.

And so if we project ourselves forward now to 2024, we believe this business will be a very, very exciting place to be in. So in 2024, we will have done the technical migration, the functional migration; we will have one data centre, one rule book, one set of functional expertise. And crucially, as we said this morning, we will have a single pool of clearing open interest behind the trading business. And so we believe this positions us very, very firmly in a real pole position for the next cycle of European integration from 2024.

So now if we move to the equity derivatives business. So as you know, this is a very strong and stable set of businesses with very strong options businesses in each of the countries we operate with extremely vibrant retail markets in especially the Oslo market and the Dutch market and the Italian market.

And so the key trends here we see going forward over the next three years are as follows. So first of all, this inexorable trend and push from regulators and clients for more on exchange cleared business is going nowhere. And so we expect strong tailwinds from that. Secondly, as we spoke about earlier, the emerging ESG asset classes and indices, we will create new derivatives families around these products, both in terms of our own ESG indices, the CAC and the MIB, as you know, but also around our ESG 80 index where we just launched an options contract earlier – a few weeks ago.

And finally, what we hear time and time again from customers in the industry is that there is room for more competition in this space. So here again, if we project ourselves forward to 2024, we will have a single trading system, single technology, functionality and so on. But what is really game changing here in the derivatives business is the integration of clearing and control over the clearing economics. And this is important for two reasons.

First, as Stéphane alluded to earlier, having a coordinated approach between a clearing house and the trading venue is absolutely fundamental for efficient products, product development and innovation. Secondly, control over the clearing house will enable the business to expand because we'll have one single pool of open interest. If you can just imagine the margining efficiencies between the underlying on the cash business, where we have 25% of trading, and this emerging and growing derivatives asset class, we firmly believe that in 2024, this will be a real space to watch.

So finally, I'll end up with our approach on the emerging crypto asset class. And so, like ourselves, you will have observed the huge amount of innovation going on this space, we've seen new players, emerging at breakneck speed, forming relationships with end retail customers. And so what is our take here? And so, really going forward over the next cycle, we see three things characterising this area.

First of all, as Stéphane alluded to earlier, this space is becoming institutionalised. And so the diversification benefit of owning crypto assets is by now clearly demonstrated to the market. So we believe this asset class is going to be here to stay. Second, this is going to be a space which is going to undergo more and more regulation. And so, by 2024, crypto assets will have their own regulatory framework in Europe, just like MiFID does for the cash and derivatives business. MICA will provide a regulatory framework for this for this asset class. And thirdly, we believe that really the market is looking for more stable and regulated market structures to serve this new asset class.

And so our approach here for the next strategic cycle really is threefold. First of all, to continue working with the issuers of exchange traded products, and exchange traded funds to provide access to these to crypto assets. And two weeks ago, we were very proud to issue the first ETF. And by ETF – this is important because it's fully cleared and it provides exposure to companies who in turn have exposure to crypto assets.

Second, the Indices team, which has a very strong track record in providing indices for the issuers of structured products and ETFs, will be developing a suite of crypto indices. And thirdly, obviously, on top of this, we will be launching a derivative product universe around these crypto assets. And so, to summarise our approach here to this very innovative area, we will do what we do for other asset classes: we will provide a stable regulated home for our customers to trade these assets in a regulated manner.

And so that was it for me. And now I'll hand over to my colleague, Chris Topple, who will talk you through some of the data analytics, the use of data, the buy side, and how important this is for the success of the trading businesses we've just discussed. So over to you, Chris.

Chris Topple: Hi, good morning. Thank you. My name is Chris Topple. I look after a number of businesses across Euronext. Firstly, I look after the global sales organisation. I'll also look after our Foreign Exchange and Commodities businesses, and our Advanced Data Services and investor services. I'm going to be speaking to you about those last two businesses today.

So after this presentation, I'd like you to remember there are really three key points around our advanced data services. And one – I think you've heard this consistently throughout this presentation – is that we have the most comprehensive cash equity data set in Europe. You know, the second one is that we have a vastly expanded set of data sets through the acquisitions that we've completed over the last three years. And the third point is that we have a fast-growing European ESG index business.

So on the first point, this most comprehensive cash equities data set in Europe, I mean, the numbers speak for themselves. I know that you've heard those now for the sixth time. So 25% of the European equity trading data, you know, the – the reference price for over 1,900 listing companies in Europe.

But why does this matter? I mean, this matters because we are, again, the reference price for investors, for research analysts who are looking at the European equities market. 2.2 million retail investors, those are up 70% over the last two years, and 230,000 professional investors across more than 110 countries. Again, 110 countries, why does that matter? Because those are global investors across all these various different countries that are looking to us for the core reference price in these European equity markets.

The second point I mentioned around expanded data sets, we now have datasets, thanks to the acquisitions that we completed over the past three years across fixed income, foreign exchange, and post trade. On fixed income Fabrizio alluded to real time quotes on over 1,600 European government bonds; we have the FX data from Euronext FastMatch, which is now published on our market data gateways. And in the terms of the post trade, Anthony alluded to 120 million settlements a year. So a vast amount of data that we can mine and deliver value for our clients.

So in terms of our European index business, we already have a fast growing and robust index business. And again, the numbers speak for themselves. The number one European index provider for bank ESG structural products; you know, we've been in that position for the past three years. The Euronext Low Carbon 100, this was the first and largest Paris aligned ETF in Europe.

Simon also mentioned the recent launches of our ESG versions of our core national indices, so the ESG versions of the blue-chip indices that are really in response to the core investor demand that we've heard for further ESG products. And most importantly, for our index business, we run an open-source architecture; when you're running a business like this, I think for the data sources, you really have three options, you know, to build, buy or partner, and we've created the flexibility to integrate those data sources in all three manners.

To build, we have the core referential data ourselves; to buy, we have bought different assets, not necessarily the data assets, but the underlying businesses, be they FX, be they fixed income, to be able to extract that. And also to be able to partner; with the evolving demands in ESG, we need specific partners, whether or not that's on biodiversity, on climate, on temperature to be able to create the relative indices.

So over the next strategic cycle, what will be the key drivers of growth? You know, firstly, the increased demand for advanced data. Yes, everybody wants the latest traded price of the core market. But increasingly, when I'm speaking to clients, they want to know how the order book is structured, what is the impact of their orders when they hit our order book? How do the closing auctions function? All of that is proprietary data that we have thanks to the integration through Optiq and that we can provide back to our clients.

The return of retail, again, has been said many times during the presentation, but this is a key driver in terms of the increased visibility, and also for our index businesses. For retail, the launch of structured products is a key driver of growth for us. The inexorable continued growth of passive investors. And again, the key part here is our relevance. You know, these core large tracker funds must be benchmarked to the principal price forming markets in Europe. And those are the ones that we operate. And clearly over the last two weeks COP 26, it's on everybody's minds at the moment; the acceleration of ESG and climate considerations in investments.

So in terms of our roadmap, how will we do this? I mean, we really do believe that we want to become the number one European ESG index provider. We'll do this building on the national blue chip index brands and the pan-European presence we have and further expand our leading position with banks, and with the success that Simon also alluded to, with ETF issuers and asset owners.

And then to satisfy the increased demand for advanced data is really to further enhance the quant team that we built. We created a team over 18 months ago with leading quant and AI capabilities to really look at the advanced data that we have within the organisation, and how we can deliver that to clients. And it's this monetising of non-public proprietary data that will be a key driver. Also looking at the additional business that we've acquired, fixed income being, a very, very good example of that.

And then also lastly, to really support the evolving you know, market data usage. Clients want to receive data in a variety of different formats now, and across the different asset classes that we offer. So we have created an industrial platform through which we can deliver data to our clients. So really going forward, it's to be the most advanced exchange data provider and global reference provider for European ESG indices.

A key target for our index business is clearly the buy side. So I'd like to now walk you through Investor Services and our buy side franchise. Euronext has been building its buy side franchise over the past three years. We now have a dedicated sales team that looks specifically at the buy side through the acquisition of Borsa Italiana. And Fabrizio, again, explained this in detail. If you take the platform of BondVision, a D2C platform, the connectivity with that underlined buy side has been greatly enhanced through some of these acquisitions. The enhanced datasets that I alluded to earlier, these are being demanded by the buy side. So our interaction, that direct interaction, and that contraction of the value chain that Simon alluded to is very, very important. We have bespoke trading solutions.

And lastly, we also have Commcise. That's a company we bought three years ago, cloud-based, fully integrated commission management and research valuation tool. So this business has over 2,500 firms contributing, consuming research, you know, interactions, and the companies that use it represent over 15 trillion of the world's AUM. So a very, very strong core franchise.

Aligning in a similar vein to what you had on corporate services, this is a high growth business; over 25% CAGR over the past three years, and we expect that to continue over the next strategic cycle. And importantly, again, referring back to data, we have over a million annual research interactions, normalised and priced on this platform. So again, a key source of data for us to leverage going forward.

You know, the business itself is a fully integrated business of Euronext and is well positioned for the next strategic cycle to benefit from a number of factors. Firstly, a stable regulatory environment. This is important. This was set out in MiFID, many years ago, now, the importance of recognising what research is taken by what investor and what they're paying for.

There's a continued drive for transparency; the asset managers themselves, they want to know, what do they pay for, what research do I receive, how do I value that and justify that to their underlying investors. Clients themselves, the underlying by sides, they're looking for flexible technology and service modules. They want to focus on what they're good at in terms of managing their core funds, and they want to outsource the non-critical functions. So we're seeing increased demand coming in for that.

And data is central for decision making; again, for the asset manager themselves, essentially know what data they're consuming, how they're using it, and how they're evaluating that. And within the team itself of Commcise is that ability to recruit and retain key talent for their business.

So going forward, I think we want to solidify our position as the as a real leader for, you know, transparency and innovation in these markets. You know, we are recognised as that and we want to continue that. And we want to continue that by again focusing on reinventing the software as a service model.

In the US, we have a US broker dealer. So we're now aggressively going after the US market that operates in a very, very traditional format. And we believe we can be a disruptor there. The rich data sets that I alluded to earlier, we have a huge amount of data within this business that we have now the tools and the leverage the Euronext expertise of extracting value from data to take that forward.

And finally, really to further leverage the newly extended group. The touchpoints that we have across buy side, across Europe and even globally, is now dramatically extended through the acquisitions that we've completed. So really ambition here is to be the leading provider of research transparency solutions to the global buy side, the sell side and research providers.

So as you've heard from myself, Simon and Anthony, I think integration, harmonisation, and normalisation of data and processes is key to the success of our roadmap. And to present that to you next, I'll hand over to Georges Lauchard, the Group COO.

Georges Lauchard: Good afternoon, everyone. My name is Georges Lauchard, I'm the Chief Operating Officer of Euronext. You just heard of all of my colleagues talking about the business initiative that we'll be delivering over the next three to four years. Now, underpinning that are very significant technology investments and Giorgio mentioned some of the cost around that. And that's really majority technology investment.

The question that we ask ourselves is considering those investments, what has changed in our environment? And how can we maximise the investment that we're making to deliver those initiatives? Well, the first change is that we own the end-to-end value chain for the first time. So we have pre-trade, trade, clearing, CSD, ancillary businesses that we deliver.

The second thing is that our scale has changed significantly. If I was to give you one data point – so let's assume that you have the largest EU library, which is, for argument's sake, the French National Library; it's about 14 million books. If you were to digitalise the whole library, that's roughly the same amount of data that we produce every week. And that's a lot of data. And that's across all of our businesses.

The second part, and I don't want to bore you, but it is an important part, but yes, we are 25% of the European equity trading. Now there are some clear benefits of such scale for our clients in terms of liquidity pool. And you've heard Anthony and Simon talk about the benefits for investors and trading members. But there are clearly also some expectations. And so therefore, you know, our industry has faced some issues in terms of stability. And resiliency is a very significant part of our offering.

And so therefore, our investment in resilience is extremely important. And there are really two major areas. The first one is around our own infrastructure. Whether we talk about our data centre or hardware, we deliver full redundancy in terms of capabilities. So meaning that even if we have hardware failures, we are able to deliver the service on a continuous basis. And that is the primary reason why we chose Aruba as a rating for the data centre, because it is fully redundant.

The second part is that we deliver change on an ongoing basis. And our capability of delivering change, and ensuring that this change doesn't introduce software defects in our platform, is a key part. Now to do that, we've invested significantly in daily regression testing of all of our features. And we're now at the stage where we are able to deliver on a daily basis in our internal platform and fully understand and be sure that is not introducing regression testing.

The second part and particularly around the end-to-end value chain. Here our core process is obviously digitalised. Whether we talk about the trading at the clearing and the CSD, we are processing millions of transactions on a daily basis. But the way that our clients utilise those services is evolving. And so whilst we are maximising the processing of our systems, the way that clients are consuming our data is resembling more and more to a software as a service. And therefore, we adapt to this framework to deliver those services in this way.

And what does that mean? Software as a service is successful when clients are able to very easily consume the services by being self-service, meaning that the client should be able to come to us, create their accounts, manage data, buy data and services on an automated fashion.

Obviously, to deliver that requires a significant amount of modernisation. We've done a significant investment in Optiq over the past four years and we are about to embark into the same modernisation across our entire value chain. So what is modern architecture? Well, it serves really four purposes; it provides scale, it provides agility, it provides data friendly architecture, and it provides client friendly architecture.

We talked about the client friendliness. In terms of the scalability and agility this is really around the fact that we are going to upgrade our platform to be cloud-first. And, for instance, when we talk about our clearing house and us delivering the new platform, this will be an entirely cloud-based platform, leveraging latest design in scalability and agility.

The second part is around data friendliness. We acquired a number of companies over the years and obviously ensuring that we are able to have harmonised common data that is simple to use is a key part of this journey. It starts with as simple as saying a client ABC is called the same thing on trading, on clearing, and on the CSD. But it's also evolved in terms of the transactional data that we have and how we're utilising it.

Now on top of that, we want to make sure that we are enabling machine learning across all of our platforms, and machine learning and the use case around machine learning is typically around understanding patterns around our data. And this is helping us internally imagine our platform, but it's also helping us manage our client behaviour. And it's also enabling us to be more predictive in some of the behaviours of some of our clients. And I'll give some examples.

The last part is that all of those deliverables are changing the dynamics as to how we are able to innovate. And now that we are able to have, or we will have at some point an easily acquisitive client platform, the next part of that is how we are able to deliver more agile product on a faster basis. And this is where the fail-fast concept comes. Fail fast is not that we like to fail a lot but that is the cost of learning from the experience of delivering a product is the shortest as possible from the design phase and conversation with our client to the time that we say this is working and we can scale it up, or it doesn't work and we abandon it.

If we go into then some of our major programmes, we've already started this journey. So we've partnered with a FinTech in terms of machine learning for our Optiq platform and understanding how we're managing our processing. We also have just gone live with our liquidity dashboard in our post trade businesses. And we've been working with our clients over the past two years in understanding how we can help treasurers better manage liquidity.

But obviously, and I would say that the largest part of the delivery are going to be the programmes that were discussed before by my colleagues. So the first one is the migration of Optiq for Borsa Italiana. Here, this is the first time that we are onboarding a G7 country. And that enables us on one part to onboard a very strong technology team in Italy, but it also enables us to onboard a number of features, and particularly on the derivative business, and you've heard from us about our push in terms of product innovation in the derivative business, that is where we're going to be significantly supplementing that capability in Optiq.

The second one is the data centre. And clearly this is both an efficiency play in terms of internalising capabilities that we were previously outsourcing. And it's also making sure that we have the value chain and information around that. But it's also delivering on our ESG credentials and strategy. We mentioned CC&G and the fact that we will be onboarding CC&G onto a cloud-first technology platform. And that will take us for the next year to deliver that. But that will then completely change the credibility for CC&G to deliver changes for our clients.

And then obviously, Anthony mentioned on Euronext securities, what we are doing and particularly on our ECMS programme and the corporate actions programme, where we are starting to harmonise the capabilities around the securities business. Now, if I drill down on innovation, innovation is not new for Euronext. As Stéphane said, we are ultimately a technology company and innovation is just part of our way of life. Here, I just want to emphasise a couple of points.

Anthony mentioned the Corporate Services Business: the Corporate Services Business is on many respects a SAS business, and is utilising b2c capabilities to acquire new clients. We are onboarding something like 400 clients per year in that business. You don't do that by simply calling members and saying, 'Hey, you want this business?'; it is a systematic approach to client acquisition.

The second part is, again, on the derivative business, we've done a number of different products, particularly on some of our dividend business. And that was very useful, particularly during the COVID crisis. And then lastly we talked a little bit about DLT. DLT is has many interesting features and we obviously want to participate in that. But at the same time, the use cases that we see that are credible are around the payment of benefits and stable coin. When we start to look at other use cases, I would say that beyond the exercise of doing an initial minimum viable product, we don't see scalable products coming in after that.

So lastly, what I would say is that I joined Euronext about 18 months ago; I joined from a very large company, a company that invests a lot of money in technology, and I spent 20 years there. Euronext is a great company with a great culture. The people are passionate, they are delivery-focused, and this is how this company has been able to grow over the past four, five years. What we are now doing is that we are capturing this passion and this capacity to deliver to enable and leverage the scale that we have to further accelerate our ambitions and further accelerate our innovation.

I will probably leave you with one quote – normally it’s my boss would like to say quotes – it's really around a Darwin, to say that it is not the strongest, it is not the smartest, but it is the one who will adapt to change the fastest that will succeed. And with this, I would like to introduce you to Isabel Ucha, who will talk to you about how we are adapting to the changes in the world through our ESG ambition. Thank you very much.

Isabel Ucha: Good morning. My name is Isabel Ucha, and I am the CEO of Euronext in Portugal, and it's a real pleasure to be here with you today. I will now walk you through our strategic pillar dedicated to sustainability and ESG, focused on empowering sustainable finance. This is the cornerstone to achieve growth for impact, the motto of this plan.

We are transforming this company also from a sustainability and ESG perspective. We will be bolder, we will commit more as a company, and we will be the preferred partner of our clients in their ESG transformation journey. Since 2018, Euronext has come a long way in further embedding sustainability strategy and practice in our organisation, covering evermore the three dimensions of ESG: environment, social and governance. We have now a solid strategy and practice based on the input of our stakeholders after a thorough impact analysis that we have carried. And we have defined our strategy around five impact areas; our environment, our markets, our people, our partners, and our society.

We have set a clear governance to develop ESG. And we went through a learning and discovery process about how we could contribute more, not only by embedding ESG practices in our own company but also by developing a suite of products and services for our clients. Huge amounts of capital are and will be needed to transition our economies to a more sustainable world. Euronext's mission is also to make finance work for the good. We have been creating internal and external awareness by improved communication, dedicated communication to ESG and by organising some landmark events, such as the Italian sustainability week, or the ESG European summit that we organised in June from Portugal.

We have achieved great engagement from our employees and we have significantly enhanced our communication and our transparency by introducing integrated ESG reporting under the Global Reporting Initiative framework. Over the three years, we have launched an impressive set of ESG products and services across our businesses. And just let me give you some examples. Some were already mentioned here today. We have launched various aligned benchmark indices such as the Low Carbon Paris Aligned index, we have launched local and European ESG benchmarks such as the CAC 40 ESG, the MIB ESG, or the ESG Large 80. We have launched a green bond segment which we then enlarged to an ESG bond segment with sections for green bonds, social bonds, sustainable bonds, and sustainability bonds. We have launched an ESG segment for our ETFs, we have launched an ESG advisory service for our clients. Just to give some examples, as I said.

And our products and services have grown significantly over this period, showing our clear ability to deliver value added solutions, and to anticipate trends and market developments. We are now clear leaders in the listing of ESG bonds with a strong franchise of green bonds and we have been the number one index provider for structured products in Europe over these three years. More than 80% of all the indices we have launched have been ESG indices. The Euronext Low Carbon 100 is the largest Paris-aligned ETF in Europe and our ESG ETFs have grown significantly now reaching almost €190 billion of assets under management. We have been the preferred exchange for listing of clean techs in Europe with which has been a very active financing market with numerous IPOs and follow-on transactions.

This new strategic cycle is designated growth for impact, because we want to take Euronext's ESG efforts to the next level. As such, we are launching a Climate Commitment for us and for our partners which is designated fit for 1.5. And we are committing to the most demanding climate ambition in line with the Paris agreement. And we will align all our environment initiatives with this 1.5-degree scenario. And as such, we will become more relevant for our clients, for our stakeholders, and we will further commit as a company. We want to evolve from an efficient proactive enabler to a strong purpose-led player and we will achieve this by both improving the measurement of our own performance but as well as setting clear forward looking targets.

We have progressed significantly on our ESG ratings. But we feel we are not sufficiently visible. We need to be bolder and we need to step up to close the gap with our ratings and scores with our ESG rating agencies. Euronext wants to lead by example and proactively engage. So we are committing to this 1.5-degree scenario under the science-based target initiative framework. And as Stéphane said, for Euronext, this will be a bold step forward. We are working hard to announce our quantitative commitments in the first semester of 2022 and these commitments will be certified by a leading standard setter, this science-based target initiative.

And what does this mean for ourselves? This will have significant implications on the way we operate, because we will have to reduce in absolute terms our carbon footprint, year by year, until we reach significant savings in 2030 and until we will be able to reach zero emissions or near zero emissions by mid-2040s. That means that we will need to change the way we source energy in our data centres, we source energy in our offices. This means that we will have to adapt our travel policy. This means that we will engage with our suppliers, asking them to set climate targets themselves as well.

And this also implies that we will be cascading down all these targets and practices to all our employees which are a critical part for us to be successful in this ambition. For consistency, we will also embed climate objectives in our financial literacy initiatives, such as the blue challenge.

As you know, we will be migrating our core data centre to Bergamo in Italy. This new data centre will allow us to take the first step as a company to substantially reduce our carbon footprint. The Aruba data centre self produces energy from renewable sources only that come from other electric plants and solar panels. And when this energy is not enough, the Aruba data centre sources energy from certified external providers of renewable energy as well only. So as a result of this sourcing of renewable energy and the whole conception of the building, Aruba is already a carbon green data centre. And this improvement is also very important for our clients in colocation because this will help them to achieve their own climate objectives and engagements.

Euronext is positioned to lead the offering of ESG investment solutions through a wide suite of innovative and trusted products. We are developing the number one global ESG financing venue, and we will become the number one European ESG index provider. Again, huge amounts of investment will be needed in the coming decades to limit climate change, and to address the social challenges attached to it. So through our products and services, Euronext wants to lead the market solutions that will enable these investments. The strategy will be supported by a portfolio of business initiatives that will be delivered at a steady pace between 2022 and 2024. And let me just give you a few examples of the initiatives that are on our roadmap.

For issuers, we will launch a new Climate Leader segment and a taxonomy aligned flag which will provide visibility or additional visibility to the companies that have the most demanding and the most robust climate ambitions and targets, while we will be incentivising the others to follow through. We will continue to grow our ESG bonds franchise and we will track the 1.5-degree aligned bonds in will we will be leveraging this leadership position on this segment to shape or help shaping the standards in this fast-growing financing and investment instrument.

For our investors, we will further develop climate and ESG versions of our national blue-chip indices, European indices and global benchmarks with the full suite of derivatives attached as Simon already mentioned. And this will help to drive more capital to assets that are decarbonising while also helping to better manage ESG risks. On the commodity space, we will explore the energy transformation that is coming ahead and we will also explore more sustainable agriculture products.

With clients at the heart of our ESG strategy, we will further develop a suite of solutions that will help them in their road to sustainability. We know that this transition will be demanding: will be demanding for our issuers, will be demanding for our market members, will be demanding for our investors. And Euronext wants to provide the best solutions to help them in their ESG journeys. So just let me give you some more examples.

We will service our issuer with the further developed ESG advisory service, which will be complemented by our sustainability reporting guide, which will have a special focus on the 1.5 alignment trajectory. We include an ESG angle in all our pre-IPO programmes. We will transform our Italian sustainability week into a European sustainable sustainability week by onboarding more partners, more companies throughout Europe.

Just as a final remark, Euronext will deliver growth for impact. And as I started by saying, we are transforming this company also from a sustainability perspective. We will be bolder, we will commit more, and we will be the preferred partner of our clients in their ESG transformation journey.

As I said before, the engagement of our employees is critical, and a fundamental dimension of the social pillar of ESG. So I will now hand over to Stéphane to address how we will empower our people to grow for impact. Over to you, Stéphane.

Stéphane Boujnah: Thank you, Isabel. And before concluding this investor day, I would like to spend a few minutes on the people side, the talent side, the human capital side of the organisation. But just to underline what Isabel mentioned, what we are presenting today on the ESG front, on the 1.5-degree trajectory, is not an ESG tick-the-box initiative. It's a profound transformation of the organisation and I want to pay tribute today to the people who are running this effort with Isabell in particular, our General Counsel, Sylvia Andriessen who is responsible for this overall ESG ambition across the Group and also the Head of ESG for the group, Sara Lovisolo, who is based in Milan.

But this is just an illustration of how important people are within the Group: empowering our people is key to the success of Euronext because it has been the main driver of the transformation of the company for the past for the past few years. This is because we have fast track talents, because we have been very demanding with talents who are not as motivated as they used to be, because we have been very demanding for sales that we have been able to transform the organisation, and because we have been very transparent, and very diverse.

We have today 2,100 excellent capital market experts in 18 countries and from 55 nationalities. And as you can see, the level of trust in the future is high within the Group. We have done various surveys within the teams. And one of the most striking numbers here is that 85% of our team members are convinced that we have the right capabilities and the right knowledge within the company to embark into an even more ambitious transformation.

So I'm very proud of the team we have built over the past five years because without that team, nothing that you have seen today would have been possible. And it's true for the management. It's true for the integration of the teams who are involved. It's true for the excellent teams that have joined us within the Borsa Italiana Group, because that's how you deliver those challenges.

The big difference between PowerPoints and real life is real life. And real life is about people waking up early and going to bed late to make things happen through conference calls, meetings, technology, innovation, fixing problems, and that's the most critical asset for the Group. And we are a very multicultural organisation. I don't know whether you can feel it. I hope when you get closer to the company, you can feel it, but let me insist on this point. When I joined Euronext, everyone was sceptical about, 'Aha you have just IPOed the company, and how come your supervisory board with so many nationalities, your managing board with so many nationalities, your fragmented locations' – and by the way, this has not been simplified; it has become more complicated over the years because we are in more countries, we have more nationalities in the supervisory board, we have more nationalities at the managing board, and the scepticism was all about those famous jokes about European paradise and European hell. How can you manage such a fragmented group of people?

And the reality is that multicultural organisations are just much more efficient than single culture organisations. And what we are trying to build within Euronext is an efficient multicultural organisation. Because in a multicultural organisation, nobody cares about whether you went to school, or what school you went to, nobody cares about the name of your school, because it doesn't ring any bell to anyone. Nobody cares about your family name because if your father is the king in his village, who cares?

And that's the fundamental power of multicultural organisations: it unleashes a lot of energy, where the only thing that matters when people are meeting around a table is, are you raising your hand to fix a problem or are you hiding when there is a problem? Are you contributing with the solution? Are we trying to shift the blame? Are you trying to be creative and open minded? Are you trying to do just more of the same? Do you have a track record of delivering solutions? Or do you have a track record of commenting issues? Do you have a track record of having people following you? Or are you alone because you are nice with the upstairs and obnoxious with downstairs?

And that's the reality of a multicultural management in a transparent manner. And that's what we're trying to build, and to strengthen. And this is a fundamental part of the assets of the company, because without that, we would not have transformed a strong SME into the leading market infrastructure in Europe.

And we have an attractive value proposition to young talents to join us, because when you join Euronext after school, or after your first job, or your second job, or your third job, whatever, you join a company with strong ambitions. You don't join a boring infrastructure, you join a company that wants to shape the future, the capital markets for future generations. You join a company where everyone can have a strong impact, but without being diluted in huge bureaucracy, where the human size allows people to make a difference.

By the way, one of the very important human resources or talent challenges is that as we grow further, as we need to strengthen, to enhance all the hidden parts, which is less sexy than what you have seen today, which is compliance, risk, supervision, etc., we want to make sure that we don't transform ourselves in a bureaucracy, and making sure that we can be a reliable, structured, scalable organisation, without losing the DNA that we have developed when we were an agile SME is very, very important. And moving the needle at the right point is critical.

And it's a company where new joiners learn a lot with the European professional communities. It's a unique organisation to be part of the European dream, of the European ambition, to make the European vision that was developed in the 50s after the Second World War concrete. We are just an adventure, a venture, an endeavour that is a commercial company, very profitable, a commercial company with a real growth, but a commercial company that has a purpose within the European construct.

If you look at Euronext from planet Mars, we are just next to Schengen, to the euro currency, to Erasmus, to the single market, to Airbus; we are something that Europeans do together to be more relevant in the planet. And that's a very exciting proposition. And it's a company where people can evolve and move fast. I mean, one thing we have done several times which has proven to be successful is to promote people not in the job of their boss but sometimes to the job of the boss of their boss.

We have taken this type of risk and in the vast majority – in almost all cases, it has proven to be successful. Guess what, because this concept of gerontocracy was developed very recently. The reality is that there were phases in the history of Europe, where young people, young talents are to take over because there was no other alternative and no other choice. So people whether they went to school or not, no matter which school they went, no matter who is their father, no matter where they come from, can make a difference and can pass the people who are less motivated.

So this athletic approach, or demanding approach of talent management is one of the key drivers of the organisation. And of course, we have challenges like any other company. One of the challenges I've mentioned is how you put the needle between growing scale and unleashing energy, because you want people to be energetic, and freelancers, but you don't want their freelancer energy to disturb the rest of the organisation because we have a matrix of organisations, we are united in a diversity matrix. And we want to invest more in our federal model to make sure that people understand that they have a lot of space to grow, as long as it is within a proper federal organisation.

And we want to go further in terms of diversity. So we successfully delivered the integration of the teams in Dublin, the teams in in Oslo, the teams in Copenhagen, and they are increasingly taking more roles within the organisations. We want to achieve the same in Milan and Rome and we are happy that some talents have started to take Group roles.

And this is just the beginning. I've heard in some Italian media, when we appointed eight talents in June, some sceptical comments. And I just want to reiterate here; the more we know people and the more we trust them, the more they have unlimited opportunities within the Group, no matter whether they are Italians, French, Dutch, Norwegian, Irish, Portuguese, Belgium, etc., or from any other countries on the planet, that's totally irrelevant. We just need to get to know each other, and to be comfortable. And that will be a natural move above and beyond the eight or ten – I don't even remember – names that we appointed for group level positions, on 18th June.

So as we have done in the past, we will deliver the integration with respect for local culture. And that's the way and the reason why it has been successful. We do respect local culture. And we have also a strong focus on the united in diversity model. And that balance between the fact that each group, each team comes with its specificity, but to be part of a project that requires scale. And that when some things need scale, like a single liquidity pool, enabled by a single order book, and powered by a single technology platform, this is just the raison d'etre of Euronext. And that's not negotiable, because scale is the condition of strength.

When scale is not at the centre of the issue, we can be flexible and pragmatic; when we believe that local identity is critical, but we need to manage that. And that's – you know what, it's not easy. But what I'm hearing sometimes in Italy is that it's complicated. But guess what, these problems have been the same, in France, in Belgium, in the Netherlands, since 2000 – and in Portugal since 2002. The same in Dublin since 2018. The same in Oslo since 2019. The same in Copenhagen since 2020.

So, this is something which is very common. So we are going to launch more initiatives in terms of engagement because we need to make sure that the time we spend in growing, in making progress is matched with time to make sure that we are not running too far and too fast without embarking and engaging the rest of the teams. So making sure that the vast majority of the team members are not watching the management, are not even following the management, but are part of the movement is critical.

We have to continue to be very demanding in terms of performance management with transparency. The best way to be very relaxed about performance expectation is to be totally transparent. I think we have achieved a lot with our culture of permanent 360 reviews of performance. We need to spend more time and probably more money in developing talents, but because as the group is diversifying, and as we have more and more talents who are capital market experts, they need to move from one job to the other. And we are doing it okay for top management, for senior management, but probably we need to do more for middle management people to move away from their little market infrastructure silo, and capture the opportunities to diversify their own professional life, across the vast opportunities created within Euronext.

And as I said earlier, scalability is a big challenge. But scalability is all about the fight for deciding where you put the needle between well-structured scalable bureaucracy, and a very agile, complicated, uncontrolled but energetic start-up culture. And that's the recipe of success. And the reason why this management works so hard, is to make these types of decisions on a daily basis.

A few comments before concluding on diversity. I mentioned that we are a unique melting pot of cultures, which is at the heart of our success story. And clearly, if you join Euronext, as I said, no one will ask you for your school, your social background, your sexual preference; you will feel welcome, whatever your age or your culture. And this is, I believe, the strength that explains why we have been so successful.

In terms of diversity per se, in terms of gender diversity, which is the most objectivised diversity aspect, I'm very proud that we are doing well. I mean, within the Managing Board, we are now reaching the 30% gender diversity objective. Within the Supervisory Board, we have reached a 40% diversity objective, it's very easy to compute - four ladies out of ten. And clearly, we are going to go further. The objective is now to pull the 30% diversity objective within the life of the strategic plan, not only at the level of the Group, but also in the board of each, and in the governance team of each company within the Group and at the level of the full senior leadership team.

So we will continue to involve all our employees, thanks to our diversity innovation contest or diversity days, and plenty of initiatives that are being developed in a very efficient manner by Amaury Houdart, the Chief Talent Officer of the Group, who joined us more or less the same week or the same month as Giorgio joined us in 2016, and who has been really the maker of this structure of transparency of performance that has been so critical for the success of the company.

So just a few final words in terms of conclusion before proceeding to the Q&A. And just the five takeaways I would like all of you to take with you when you leave this meeting.

The first message is that Euronext's change of scale has created new opportunities that are unprecedented for Euronext today, and you have seen plenty of illustrations of the impact of the change of scale. Second – which is different from the change of scale –Euronext has for the first time the control of the full value chain. So it will be done in an open way. We don't intend to create a baby silo in any way whatsoever. But for the first time, we are in a position to create synergies to innovate, to be less dependent on third parties, when it comes to trading, supporting trading with the relevant technical infrastructure, like data centre, when it comes to clearing with moving from clients supplier relationship to direct management of our clearing; when it comes to CSDs, where our CSD business has reached a critical size to be relevant in terms of settlement and custody business. And this is the second takeaway.

The third takeaway is that Euronext is committing to take its share in the fight against climate change, in the fight for reducing the carbon footprint of the economy. And you know what? To take a little bit more than its share; to do the best and the most demanding objective, for us; I mean, I've read some analyst feedback after the press release we issued yesterday and it's now the third time so we are familiar with that. 'It's a bit too shy.' 'They are not really bold, etc.' And when we deliver, we over-deliver on promises that have appeared as being too shy. So we're used to that.

Because equity research analysts aren't necessarily familiar with ESG standards and KPIs, I'm not sure they did get the magnitude and how bold the commitment to the 1.5-degree trajectory is. Hopefully after they focus on that, they will understand that it is probably the boldest commitment of today. And what we believe is that because of our central position, we can influence, we can disseminate the same level of ambitions to the rest of the ecosystems where we operate, just to make the efforts done by the vast majority of the corporates, at least in Europe, more visible to investors.

Because if there is a place where visibility between the efforts done by companies to change, to transform their way of operations, to reduce their carbon footprint, can be more visible to investors who look for assets that combine with ambition, this is in this type of buildings in Milan, in Amsterdam, in Paris and Brussels, in Lisbon, in Dublin, in Oslo, and future locations of Euronext.

And the final comment I want to make is that Euronext will continue to grow. Today, what we have shown you is just the end of the beginning. There is a new phase that becomes possible, there is a new journey, you have seen the financial metrics, you have seen the technology assets, you have seen the business assets, you have seen the people and we are not going to pause now and just manage day to day transformation, deliver three migrations, the data centre, the Optiq migration, declaring migration, and go to the spa.

No, we will not do that, we are going to continue growing, because that's what we do to feed our families. And that's also what we do to be relevant. Because we believe that there is a space in Europe for a relevant market infrastructure which is multicultural. It's not easy, it's bumpy. You have sometimes misunderstandings with local medias, with local press. But guess what, these are peripheral, these are the fringe of what we are trying to achieve, because we build something which is much stronger than our professional life. We build an integrated market infrastructure in Europe to make sure that Europeans are remaining – or will remain relevant in the in the years to come.

Questions and Answers

So thank you very much for your time, due to COVID restrictions, we can only be five on stage. I hope one day all these things will be over. But this is what it is for the Q&A. So I will invite Isabel, Giorgio, Fabrizio and Anthony to join me on stage.

Chris, Simon, and Georges will also be available on questions; they will be sitting on the front row. And the teams have organised something very sophisticated to take questions from the from the room first. And also many questions from the people who are attending in the digital format. So we are very pleased to hear questions from the room and from the webcast. Thank you.

So to make it effective, I will allocate questions, not to be over-directive, but just because it's easier for managing the discussion. So don't be surprised when we listen to questions, I will allocate them to my colleagues. So there's a gentlemen here, can you – I think you have a microphone, if you can just introduce yourself, because we have a very diverse audience. We have investors, journalists, stakeholders, so happy to take your question.

Ian White (Autonomous Research): Thank you. It's Ian White from Autonomous Research. And three questions from my side please. First up just on fixed income clearing. I'm taking from the presentations today that internalisation of MTS flows on the fixed income clearing side is not a near term priority. I wondered if you thought the status quo with LCH SA was likely to be maintained over the long term there, or if that was something might revisit at a later date maybe after 2024? So that's question one please.

Just secondly, wondered if you could provide any detail regarding additional technology investment that might be needed to improve the D2C proposition within MTS. I'm really interested in understanding how you see MTS offering from a tech perspective relative to the primary competitors in D2C trading in Europe. That's question two.

And just finally, within your guidance, I wondered if you could just share a little bit of information about the assumptions you're taking regarding capital market development in Italy, specifically. So on market cap to GDP, for example, Italy is among the least developed equity markets in Europe. Do you anticipate some sort of near-term improvement there over the next few years? Or might that be more of an aspiration over the medium term? Thank you.

Stéphane Boujnah: Okay, so what I suggest is that Anthony will take the first questions on the clearing of MTS. On digital technology, and on the capital markets development, we have both Fabrizio and – on the digital technology, we'll have Fabrizio and Georges Lauchard commenting; and on the capital markets development in Italy we have Anthony who is also Head of Primary Markets, and Fabrizio. So over to you Anthony on MTS.

Anthony Attia: Thank you, Stéphane. And thank you for your question. There were two parts in your question about clearing of fixed income. The first one concerned MTS. So today MTS is CCP neutral and this is part of the strong value proposition and MTS is connected to two different CCPs in Europe. This is not going to change, it's part of the very strong value proposition and we need to remain open on this aspect.

Concerning the clearing of fixed income and repos within Euronext clearing within CC&G, today CC&G is very strong at clearing Italian repos, in particular thanks to a link that exists with LCH SA and this link has been created I think something like 20 years ago, and Marco Polito, the CEO of CC&G, is here with us. And this thing is very important for us. And same thing we intend to keep it and to foster it and to continue developing it on Italian repos with LCH SA.

Now, you have heard a lot about our ambition and there's a lot of projects, there's a lot of things that we are doing and we intend to accelerate in the next three years. And we also need to be very realistic. So we have no intention today to extend the clearing of repo in CC&G to non-Italian repos in the next three years; this is not part of our plan. Thank you.

Stéphane Boujnah: Fabrizio on digitalisation and technology of MTS?

Fabrizio Testa: Yes. And specifically, the D2C where we see most value. So, we've been investing regularly and will continue to invest in order to become more attractive to buy side clients. Buy side clients, different from market makers, still make a huge use of the front-end solution, so called GUI. And we recently launched new solutions, which are, quote-unquote, 'state of the art' and by far more user friendly than our competitors. That's why we have been able to grow our market share in the recent years, and specifically in the last in the last few months.

So the ambition is to continue. And you heard the commitment of my colleagues to continue to invest not only on the existing goviesbusiness but to go beyond. So we already had module for creditor, and we are now looking also down the line to add OTC derivatives, namely, IRS and OAS. So ultimately, we will have more loyal buy side clients with a combination of multi-asset and the state of the art and knowledge.

Georges Lauchard: Okay, thank you very much. And probably from a technology perspective. I mean, you heard me in terms of the changes that we are delivering across all of our platform. The same applies to MTS provision. And that's part of our ecosystem of changes that we'll be delivering over the next three years in terms of making our platform as easy as possible and obviously in partnership with our customers. And so, a large part of that development will be a client codesign. We'll be working with our customers to evolve the features that we're delivering there.

Stéphane Boujnah: Thank you. On a third point on the development of capital markets in Italy, maybe Anthony and Fabrizio.

Anthony Attia: Thank you, Stéphane. Obviously, we have a very large ambition for the capital market in Italy; we believe that it's a very rich ecosystem; very, very close to what Euronext has been fighting for, in – for many years with SMEs, with mid-caps, with family businesses, tech companies, large caps, etc. So, we feel that there is a lot of acceleration that can be brought by the optic platform, and by the value proposition and our primary market altogether.

Nevertheless, there are a few barriers to lift. And our colleagues in Borsa Italiana are working very hard on that. We need to make sure that there's no gold plating in terms of regulation, no gold plating in terms of complexity of IPO process. When we talk about harmonising the listing process across Euronext market, this is one of the areas where we intend to work on. Fabrizio?

Fabrizio Testa: Yeah, I think we have a window of opportunity right now because Italy is really striving to take it to the next step. And as Anthony said, our colleagues, my colleagues are at the centre of these discussions and are coming up with proposals that will drive the next trend and the next opportunity when it comes to companies coming to the market. So I'm very positive on one side, the awareness that something has to be done, and the window of opportunity, we now have the possibility to take so watch the space– something will happen pretty soon.

Stéphane Boujnah: Yeah. If I may make a final comment. You're absolutely right. What is absolutely fascinating in Italy, is that you have all the ingredients for a very dynamic equity market and a very dynamic IPO market. You have a reservoir of mature companies either in the tech sector or in the family business that are legitimate candidates to go public. There was at the beginning of this year, I think a survey from Banca d'Italia indicating that 2,800 companies were in theory meeting the standard for being listed on AIM, which has been transformed in Euronext Growth.

So it's not like there is no Mittelstand in Italy; there is one of the largest or the nose to nose competing Mittelstand with the German one is in Italy. The second one is that you have a unique reservoir of savings. So that is looking for assets to invest in in a world worth of negative yield on fixed income, everyone is looking for equity, assets and equity support on investment. You have also tax incentives of households that invest in IPOs and you have a very vibrant community of financial intermediaries, big intermediaries, small intermediaries, brokers, sponsors, etc. That – by the way, that do not exist at the same size with the same critical mass in other European cities, you know, not all other European cities.

So you have everything, but you have an admission process which is not necessarily the most competitive admission process when you bench mark it compared to the other European jurisdictions. The good news that Fabrizio was referring to is that there is a profound awareness of the situation by the current administration, the current government, and that there is intensive consultation run by the Ministry of Finance to try and design in a consensual manner what could be the right steps to make the Italian capital markets and environment more competitive. Borsa Italiana and the Borsa Italiana teams are legitimate contributors to those discussions in particular with Barbara Lunghi and Paola Fico and others. And as Euronext we contribute when we are asked to do so. But it's more a debate among Italian stakeholders. And I'm confident that this process will generate a set of adjustments or reforms, but the ball is in the camp of a consultation process, as it should be, driven by the idea teams of the Ministry of Economy, because like in any democracy, Italian citizens elect people to make these type of decisions. And it's a very intense consultation. So we will welcome those changes when they come. I think they will come for the better and they will unlock probably the most relevant bottleneck. So there's a gentleman here…

Gurjit Kambo (JP Morgan): Good afternoon, it's some Gurjit Kambo from JP Morgan. So thank you, firstly, for the presentations this morning. So three questions. Firstly, on the post-Brexit adjustments, in your views, what you see are the main post-Brexit adjustments and how Euronext can capitalise on those adjustments? That's the first question.

Secondly, in terms of M&A capacity, you know, you sort of indicated this potential for more M&A. What are the constraints from a rating agency? Like is it net debt of EBITDA or any other metrics we should be thinking about?

And then finally, on the cost of €160 million restructuring, 50% is exceptional, 50% is sort of recurring, possibly, but, yeah, how do we think about what's the phasing of that 160? And how much of that sort of disappears over the next few years? Thank you.

Stéphane Boujnah: So, I will take the first question, the post-Brexit management opportunities, and then Giorgio Modica will take the questions on M&A constraints and on the fine tuning of the analysis of the restructuring cost.

Post-Brexit opportunities are – how do I characterise that? – are just simple facts. Simple fact, London used to be the largest financial centre of the European Union. And now London is the largest financial centre of the United Kingdom. So it's not going to remain that way. The London regulatory environment, policymakers is in the process of designing what will be the new positioning of this great and unique concentration of talents, expertise, resources – in the finance sector in London. But one thing is clear; when you want to address the needs of the few hundred blue chip companies in the European continent, when you want to address the needs of 450 million citizens and their savings, when you want to address the needs of the financing of sustainable development, CapEx, etc., you have to operate in the EU to be regulated in the EU. And it is a fundamental change.

So that creates opportunities for Euronext. But what is really interesting, since you're asking the question, because I didn't make the point earlier, is that the reason why we are where we are on listing and trading is that in parallel to the Brexit process that started in June 2016 with the referendum which has created more and more divergence, which is not, by the way, going to stop or to pause but is going to accelerate further and there will be always bumpy moments, but there was a parallel process of Euronext consolidation. And today we are in a situation where we are the largest listing venue, we are the largest trading venue in Europe. And we are in a position to address the needs of anyone who wants to be listed in Europe, but in a very liquid market. And now that we are the largest liquidity pool in Europe, anyone who wants to be listed in Europe, coming from the Euronext market but also from outside Euronext markets, doesn't have the debate forever as in the past as to whether it's Euronext versus LSE.

Now if you want to be listed in Europe, you have unlimited reasons to be listed on Euronext rather than on LSE. And LSE is going to – or London in general is in the process of designing something which would be probably creative, smart, challenging, impactful, which will be different from the focus than it used to be, i.e., the largest financial centre of the European Union.

So this opens immense opportunities for also designing a set of financial centres that are distributed, that don't need to be in the same place. I mean, COVID for example, has demonstrated that the world has changed in terms of the old concept. There was this whole idea that there is something that cannot be replicated anywhere, which is the fact that after trading, lawyers, bankers, traders, meet at the pub and then build a common culture which is so efficient.

Guess what, when you don't go to the pub for 20 months, the planet continues turning around. So and what Europe has demonstrated is the capability to integrate in a distributed manner interconnected exchanges with their own specificities. Amsterdam has become a leading city for international listing, Universal Music Group, Majorel, InPost from Poland and others. Oslo is a very attractive location now that it is connected to the single liquidity pool of Euronext for international listings, in seafood, in shipping, in oil and gas and renewables. So, I believe that there are opportunities that are a combination of what Brexit is creating, for will, and the divergence will increase and also in parallel what Euronext has built in this environment. Giorgio, M&A and restructuring cost.

Giorgio Modica: Absolutely. So looking at the S&P framework, this is a proprietary framework of S&P. So what I'm saying is qualitative: you have to key parameters to make the assessment of what is your rating. So one is the net debt to EBITDA. And the second is the free cash flow to net debt. Now, today, we are a BBB. And the rating band to which we belong is a net debt to EBITDA between 3, 5 and 4 times, and the FFO to debt between 15% and 23%. The next category is a net debt to EBITDA between 3, 5 – sorry, between 2.5 and 3.5. And FFO to debt between 23% and 35%.

Now, if I look at our own assessment of where we are today, we are on the verge of moving from one to the other. But that doesn't mean that this is what is going to happen. We will have a review with S&P at the end of the month. But the message that I want to give is that the leverage is going well. And we are at that point. So we will have discussion with S&P to see where we are. But I guess that these answer the question and then I mentioned that we don't want any lower than investment grade. So depending how big the transaction, you can do your computation on how much we can raise further.

Maybe another element to add to that, this is something I already said during the analyst call for the results, is that the financing mix for the Borsa Italiana transaction was set in August last year. In the last more than 13 months now, 14 months, things have gone much better than expected, which has built this flexibility we are discussing.

The second element, and maybe I will give a larger answer to cover as well potential other questions, because I'm sure that there are a lot of questions around the €160 million of costs. So the first element is that the €160 million are one-off. So they will produce themselves only one impact in our P&L. Then those are going to be of two different natures. One part is going to be OpEx. It means that for the next quarters, we will have a certain portion of our costs, which are related to the integration of Borsa Italiana. We have already quantified that in around €7 million in the last quarter, we have spent until today around €12 million. And we believe that these costs will impact for around 6, 8 million every quarter until the bucket of €80 million is going to be consumed. So this is going to be one-off in the sense that it is not going to remain when the projects are going to be over but is going to be recurring for a number of quarters.

Then there is a second category which are the exceptional items. The exceptional items are going to be linked to specific events. So you should assume that on average we will have €15 million – around €15 million per year, but then we will have bubbles when a specific event will happen. And those events might be related to negotiation. For example, one of the negotiations that is included in our assessment, but clearly I cannot give you the detail, is the one related to clearing and other exceptional costs are going to be related to cost to improve the team and redundancy packages.

So this is the overall framework. Then the question is, how is it possible that your OPEX will increase 1% if you will deliver €45 million of savings? Then the answer is that it's threefold. First, the costs include inflation. So, there is going to be an increase in cost related to inflation. The second one is that Euronext, as we explained, will provide more services, which today are not provided. So, the costs include the cost of the data centre and the costs include the additional OPEX we will need to have to put CC&G at the level it needs to be to serve all the Euronext market. And finally, we will invest as well as we said in the growth of other services like corporate services and investor services.

Johannes Thormann (HSBC): Thank you. Johannes Thormann. HSBC. Three questions also from my side. First of all, you talked a lot about being the European player. And I was a bit puzzled that the CSD initiative is just focusing on brands. Why don't you merge those platforms, and create one leading CSD? Because it's basically a domestic CSD and not an international CSD for all the markets. What is the rationale behind it?

Secondly, on the clearing, which is surely some interesting aspect of the new strategy. But customers so far can decide where they want to clear. How much incentives are you offering them to move the clearing business to your platform? What will it cost you? And if you ultimately succeed how much do you need to impair your LCH stake? This is in your extra costs. And last but not least on the synergies again, now on the on the revenue side, could you a bit more break down the 55% of revenue synergies into the different buckets? How much you for example, expect from the data centre? And how much will be from the clearing? Thank you.

Stéphane Boujnah: So on the first question, CSD, Anthony Attia will reply; on the incentive to clients Anthony can make the point as well. And then the synergy numbers, Giorgio will address your question.

Anthony Attia: Thank you, Stéphane. Thank you for your question. So we had three slides on the CSDs this morning. The first one was the – you know the, where we are. A second one was the announcement of the change of name where we thought it was a good moment, a good audience to announce it. But obviously the last one was deep diving into the set of initiatives behind our ambition to pan-Europeanise our CSDs. So I talked about technology and technology convergence, and also, the fact that one of the first steps is to have a common core production platform.

I talked about new services that will be launched and also talked about the fact that we will expand some of the reach of our CSDs to grab more issuances, more settlements beyond our borders. And I would like to invite all of you to come this afternoon in the deep dive workshop on the CSDs where Pierre Davoust and myself will be able to go into all the details and deep dive on the on the question.

On the clearing front, so Brexit has created a shift in in the way general clearing member funds look at the way they want to direct their clearing flows. And so we have – I think it's at the end of a chapter where a lot of these clearing member firms were advocating for true interoperability and open access on cash equity, creating a de facto race to the bottom in terms of value proposition and clearing platforms, initial margin calculation, clearing fees, etc.

Today what they want is different: in Europe they want larger CCPs that are covering several asset classes and are able through the efficient management of default fund to create efficiencies for them. And so the best way to resolve the equation of how to create efficiencies for their clients in terms of collateral, how to make sure this is a very robust piece of infrastructure, how to make sure that we are successfully passing the ESMA stress test is to enlarge the base of asset classes, members and markets that you clear in one CCP.

So the expectation of our clients is, well, for us to do exactly what we announced this morning; is to have all our cash equity and all our derivatives and the commodity futures managed into one single default fund. Obviously, on cash equity, we will implement open access provisions. Like it is today for CC&G, like it is today for our LCH SA, where other CCPs will also be able to capture some of the flow.

Stéphane Boujnah: Incentives?

Anthony Attia: Yeah, so – absolutely sorry for that. So, the fact that we will have a single default fund and a competitive risk framework creates an incentive for clearing member firms to use our Euronext clearing CCP by scale effects. So it's about efficient margin. And it's about competitive clearing fees. And so, in effect, the larger you grow CC&G the more incentive it creates in terms of deployment of collateral, deployment of margins for our clients to come to us. So, we have an engagement process with the clearing member firms and we demonstrate client by client how much they can save by working with us.

Stéphane Boujnah: And for the sake of completeness, the decision, we are showing, we have announced this morning is the outcome of a very thorough analysis on various fronts, incremental technology CapEx to make the CC&G a European platform, discussion with regulators in terms of incremental capital requirements, legal discussions about the contractual framework, transition discussions with the London stock exchange Group and LCH SA. But intensive discussions also with clients to secure their support of such a move. And these discussions with the vast majority of the relevant clearing members have been extremely successful and encouraging. Because they support this move.

Anthony Attia: If I may add, you have to see the incentive into two dimensions; one is the horizontal one that I mentioned is through asset classes and through a larger CCP, the other one is on the derivative front whereby integrating or trading and clearing we become, again, the true derivative exchange. And that's what Simon Gallagher explained earlier: he creates a very strong drive to develop new products and to be able to attract flows. And so, it's efficiencies and it's additional product as well.

Stéphane Boujnah: Giorgio?

Giorgio Modica: On the synergies, we do not provide breakdowns, the targets are embedded in the growth rates that you have received. And the reason for that is simple; because certain – as I said – the 100 million is not revenues and costs, sometimes is the net margin of an initiative. And this applies to the data centre and this applies to the clearing. What I can tell you is on a qualitative basis that what I said is that close to 50% of the €100 million will come from Euronext engaging in new services to clients which means data centre and clearing. And what I can tell you is that if we compare the two, clearing is by far the largest revenue pool and margin pool with respect to the data centre that remains in relative terms marginal.

Martin Price (Jefferies): Good afternoon, it's Martin Price from Jefferies. Two questions if I may. The first was just on the revenue growth target of three to 4% per annum. Could you help us understand what the sort of volume versus pricing dynamic is within that for the core cash equities and derivatives franchises? So I guess, just backing out the revenue synergies would suggest you're not expecting a huge amount in terms of underlying growth from those franchises over the planning period.

And secondly, we're expecting a proposal from the EU soon on a consolidated tape. I was just wondering if you could share some thoughts on your views on that project and potential impact on revenues if implemented either pre trade or post trade? Thank you.

Stéphane Boujnah: Okay, so I think Giorgio will comment on the first questions about revenue growth assumptions. And I don't know whether Nicolas Rivard or Chris wants to take it or Chris and Nicolas. You can take it to provide an answer on the consolidation tape. So Chris first and it may be too complex then Nicolas.

Giorgio Modica: So I start. So, yeah. So, then, at the beginning, I will explain you why it's difficult for me to answer your question, and then I will answer it. So the reason why it's difficult is that, especially when you look at the cash business, we're in the business of maximising revenues and therefore the mix between volumes and pricing is something that we adopt in a very regular fashion to make sure that we extract the most value. But then I appreciate that, for you, you need to understand how it works. So I will not give you all the breakdowns of everything because this is not really possible and this is not the way the business plan was built. But what I can confirm is something that I've been confirming, is that we are not assuming that the prices will remain as high as they are today.

So what we're assuming in the plan is a contraction of the margin, on the revenue capture, for cash. And what we're assuming as well is a level of volumes, which is lower with respect to the one that we have seen in 2020(for Euronext excluding Borsa Italia). So what I'm trying to say is, again, as I said, that this plan does not assume the continuation of a peak in the market as we've seen; if that comes that is going to be on top of what you've seen and what we presented today. And this is just to give you a general sense, because, again, we committed on an absolute level of revenues that we believe we will be able to commit by 2024.

Stéphane Boujnah: Chris, on the consolidated tape?

Chris Topple: Yeah, just on the consolidated tape, obviously, we're anticipating the EMEA proposals sometime in November or December of this year. At this stage, it looks as though the proposal will be a close to real time post trade tape. That seems to be the closest guidance we have at this point. And overall, in terms of the impact of revenue for that is relatively marginal. When we've looked at the possible, all the scenarios or assessments or the goals that are trying to be attained by a consolidated tape, the vast majority of those can be attained by the post trade tape scenario. So that's I think very much the direction of travel that we believe that dialogue is going.

Nicolas Rivard: I thank you for the for the question. So I'm Nicolas Rivard, I'm heading the advanced data service business. Just to complement and build on Chris. So indeed, by the end of the month, we are waiting for the proposal from the EU Commission; there is still a long way to go. And, you know, it's been a very, very long debate, and it will continue to be a debate over 2022 with the member states and the MEPs. We've been very vocal from the beginning that there is no problem of consolidation on the lit market for equities, the problem relies on OTC and SIs and particularly the qualities of those markets. So therefore, it's a problem also potentially for fixed income in ETF.

We have been very vocal also that not all coming from the US should be implemented in Europe. And we should not look at it as a golden source of ideas and we have been very vocal that including pre-trade quote data in the real time consolidate tape is a dangerous path for Europe, because it will transform the market structure. And we have published very specific research with the Quant team on this front and we have been very vocal on this.

So yes, we are continuing to be involved in this debate. We believe that now as Chris mentioned, there is a question around the post trade real time tape. Now, what does it mean concretely what would be in this tape in details? And more importantly, how do we solve the data quality issue from OTC and SI? There are still a lot of questions around the governance, around the revenue share model and so on. So it's still open in the air, it will be a long debate. Very interesting one. And as Chris alluded as the impact on Euronext is manageable, we have we have lots of path followers in terms of discussion and negotiation. So still, maybe – I'm not sure in three years we'll have the same question in this room. It may be, but it will be a still a still running discussion.

Stéphane Boujnah: Thank you. Okay. There was a question.

Dirk Becker (Allianz): Yeah, good afternoon, it's Dirk Becker from Allianz Global Investors. I have a question on your data business please.

Stéphane Boujnah: Can you speak closer to microphone please? No, it's okay.

Dirk Becker: Here?

Stéphane Boujnah: Better.

Dirk Becker: Yeah. It's Dirk Becker from Allianz Global Investors, I have a question on your data business. Data business is normally the fastest growing and the most valuable part of any market operator. And with all the acquisitions you've done over the past years, your wealth of data, I mean, have really enabled you to grow this business. And yet, when I look at the relative share of revenue, it has constantly been declining. So I was wondering did you not really focus on this part of the business, maybe you can't really monetize it? Or is this a focus for the future? Because I haven't seen much in the in the plan at the moment. And so, I was just wondering whether you have any comment on this, because that would probably be a very good, you know, driver to re-rate the stock even further, not that you've done badly over the past years, but…

Stéphane Boujnah: Thank you, Giorgio, maybe you can take that one?

Giorgio Modica: I mean, I can take the financial part of that one. So as we explained a few things. First, when we said 'assess acquisition opportunities', as I said, we assess them based on the fundamental valuation, and so far, maybe it will change, we did not find a correlation between the price for which those assets are traded, and the possibility to comply to one of our commitments, which is deliver a return line with the cost of capital, we might come to that.

So for that reason, we've been doing things internally, then Euronext has a lot of data. But the vast majority of the trade – the data we have and we monetise are real time data. Those real time data are linked in terms of usage to the to the use of terminal, at least for a significant portion, and those terminals are decreasing over time. Now we adjust the way non-display data are consumed and charged. And we make it a business which grows in line I would say with inflation today.

And this is to a certain extent the reason why you don't see our business growing 20-30%. We have as well business which grows with that pace, double digit, but which is our index franchise, but unfortunately today it represents a small portion of our total franchise. And between brackets, an issue we have is that when we buy other exchanges, we more often find real time data as a part of their offering rather than additional indices. So to a certain extent, every acquisition we do is a little bit dilute. The efforts we're doing are in this franchise, but the objective is to grow that part to be more and more meaningful in our portfolio, having in mind that we remain open to acquisition opportunities.

Stéphane Boujnah: Any other question in the room before we move to the questions from the virtual attendance? Oh, there's a gentleman over there.

Alberto Nigro (Mediobanca): I'm Alberto Nigro, from Mediobanca. Just one question on the next generation EU plan. Can you give us an update on the ongoing discussion with the European Commission on the potential use of Euronext platforms to issue European bonds? And if this is captured by the business plan?

Stéphane Boujnah: Okay, so I suggest that Fabrizio takes this one?

Fabrizio Testa: Yep. So discussions are ongoing. And the good news is that there is an awareness of the fact that sovereign issuers need a transparent platform in order to run their business. And the MTS model has proven among 20+ issuers how price formation is critical pre-auction, during the auction and after the auction. Now, is it a decision that will be taken in weeks? Probably not.

Now that next gen has reached a good level of understanding and diversification of point of the of the curve, we are getting closer to, if not a commitment, definitely the commission seriously looking at giving incentives to their primary dealers, and that's the starting point. I got here Maria Cannata in front of us who is always with me at this type of interaction with the Commission. And when she presents how she's been running this business during her career, of course, they stop, listen, and I'm sure they're doing their homework.

So, again, fairly positive on them taking a decision in this sense. This will be for us not totally transformational; it will be an addition to the business of D2D government bonds, it could potentially become an equivalent of a French or Spanish market; the Italian market remains by large our biggest revenue driver for dealer to dealer, so they could become a good contributor to the mix. Of course, when you talk about bonds it’s all about relative value. So sometimes you buy one in order to sell the others or you buy one to hedge – you know, overall, we expect and we have already seen them trading regularly both on the interdealer and dealer to – regardless of the fact that Commission has given an incentive or not.

Stéphane Boujnah: Thank you. Any other questions in the room before Aurélie is going to read the questions from the virtual attendants? Okay, so if there is no other question in the room, then Aurélie, over to you for the first question.

Aurélie Cohen: Yes, sure. So our first question is from comes from Michael Werner from UBS. And it's a question for Fabrizio. So can you please describe the difference you have seen with regards to the different owners of Borsa Italiana, LSE versus Euronext? What are the advantages of being owned by Euronext versus LSE? Thank you.

Fabrizio Testa: I will not focus on my old bosses; I had a great time, but I look forward. So I look at what Euronext is offering. And as you have seen that during my brief presentation, but later in the afternoon in the workshop, I'll be more specific: We share the European strategy which will enable us to knock at the right doors in order to bring our services to European stakeholders and clients. The next gen is an example for instance. So we have been writing to Commissioners, we have been knocking at the door of the European Commission, and we are now we now engaged with them. The other aspect which for us is gold is the local presence of Europe.

So why we've been so successful in Italy, of course, we thought because it all started from Italy, because we have a team, the MTS and the Borsa team based here and as I said before, ultimately business is all about networking and reaching out to stakeholders and clients. Now, as Stéphane, my colleague said, we now have Isabel's team in Lisbon, in Portugal. We have a Simone in the Netherlands; Delphine and the rest of the team in France; Øivind in Norway; Daryl in Ireland, and Vincent in Belgium.

Their teams are already starting, you know, building those relationships with the product specialists of MTS and this will result in more clients that we onboard and more services that we can deliver to the sovereign issuers. So that's, in a nutshell, why I see a bright future here.

Stéphane Boujnah: I don't want to answer the question, which was to Fabrizio but, you know, what Fabrizio is telling, which we have seen this morning, is very simple. Over the years Borsa Italiana became more and more a periphery asset in the portfolio of the London Stock Exchange; for obvious reasons. London Stock Exchange is focused on post trade and focused on data. And the proof of this position of being becoming a periphery asset is that when what was at stake was delivering the Refinitiv deal at the cost of selling Borsa Italiana, or keeping Borsa Italiana and not delivering the Refinitiv deal, the choice when it became binary because of interest pressure, was very clear.

We entered a different mindset. For us, the acquisition of the Borsa Italiana group is one of the key pillars of the transformation of the group. And today Borsa Italiana revenues represent more than 1/3 of the total revenues of the group. So, when you change the status from one owner who treats you for legitimate business reasons, probably corporate strategy reasons as a periphery asset towards an owner that treats you as a core asset with this type of decisions that you have seen today, the migration of the centre, the migration of the flows of clearing, the focus on the development of some assets, that just means a lot. You are a periphery asset under the one owner and you are core, the largest asset under the other owner, and that has plenty of consequences. Any other quick follow up question?

Aurélie Cohen: Yes, sure. So we have a question from Andreas Thomae, from Deka Investments. How much growth do you see from M&A which is not in your organic guidance? What is your EBITDA margin target going forward?

Stéphane Boujnah: So that's for Giorgio.

Giorgio Modica: Yes. So, as we often said, because it's true, we cannot predict when the next deal comes. So we will remain vigilant. And so, it's very difficult to answer the question. So, I will not do that. In terms of targets, there is a target which is organic, which is easily extractable from the guidance we told. And then for the rest, we will seek all the investments that give a return higher than the cost of capital regardless of the margin. So we don't have a specific target as long as the activity of the acquisition is value accretive.

Stéphane Boujnah: Let's be clear, M&A is an attitude; a behaviour. What you have to do to be successful in external growth is to be ready to be absolutely decisive when the situation becomes actionable, and to spend as much energy as possible to transform locked situations into actionable situations. And that's what we are doing.

So, by nature, M&A is a game of consenting adults; by nature, you need a willing seller and a willing buyer. So, we can be a willing buyer and we are a willing buyer of several assets, but there is no willing seller for the moment. And what we have to do is to be – when these assets become available – more prepared, more accustomed to what it means, more bullish in terms of valuing the synergies, because we have done our homework before, than the competition. Because we will never be alone, but we can be better prepared than the others.

And that's what we have done in the past for the acquisition of Oslo Bors VPS, which was a case studies of being agile and a determined. That's what we've done in the case of Borsa Italiana, where on paper we are not necessarily the best buyer because there were other deeper pockets, people around us, but that's what we have to do. So that's why we continue to have a four hour Investment Committee every four weeks, irrespective of the fact that our flexibility to the transformational deal is not as strong as it was two years ago, because of the current leverage of the Group, even if you're deleveraging very quickly, and even if a major deal comes by, we will find ways to finance it if we believe it's the right thing to do.

But if you want to be ready to do deals, and not doing deals – because the M&A strategy is not only the deals you do, it's also about the deals you don't do. I mean, you may remember for the ones who were around that, when at the beginning of '20 there was this debate about the acquisition of BME, we discussed, deliberated for weeks about whether or not we would try to counterbid the bid of SIX on BME. And we decided not to do it, which was a difficult decision but which we believe was the right decision. So M&A is not about being ready to move, to strike, to engage. It's also about being absolutely calm about not doing certain deals.

Aurélie Cohen: So our next question comes from Philip Middleton. When Giorgio says the targets assume a normalisation of cyclical factors, does he mean they assume that cyclical factors actually reduce growth? That is, revenue is not 3-4% organic, but 3-4% net of some headwinds?

And there is a question that has been asked by many analysts, including Philip Middleton, Andrew Coombs, and Bruce Hamilton, which is about the phasing of the revenue synergies. So just linking the phasing of the projects that we've shown with the phasing of revenues; thank you.

Giorgio Modica: Yes. So, I believe I cannot say much more than I already said. It means that the 3-4% growth includes reduction of some of the volumes related to the year 2020. So, if the volumes will be as good or the market will remain as volatile as it is today, this is going to be an upside with respect to the 3-4%. I cannot be more specific than that. The other element, which is the phasing of synergies, so, what I can say is that in terms of revenue growth, the landing point is 2024, then what I can say is that '22, we look at it to be similar to 2021. And then the bulk of the synergies will be generated in 2023 and the remainder in 2024. If I had to do a split, but this is a rough estimate; I would say that 60-70% is going to be delivered in 23. And the remainder 30% is going to remain for 2024.

Aurélie Cohen: And costs?

Giorgio Modica: And on cost. What I said is costs are easy to model, because you should assume from the starting point, 1% CAGR, for which I explained the rationale, so it's a progressive reduction of costs, thanks to synergies, replaced by investment to provide new services of bringing existing services to the next level. Then on top of this 1% growth rate, you will need to add around €6-8 million per quarter that will fade away after we will have reached the bucket of €80 million, which is the OPEX part of the one-off cost I mentioned. And then below EBITDA, we will have €80 million of exceptional costs. It's difficult to be super precise, but again, as I said, €15 million per year and then we will have some bubbles that I cannot predict because they are subject to discussions and negotiations which have not started yet. So I cannot be more precise because I don't know and because to be any more specific than that could be detrimental for the outcome of those negotiations.

Aurélie Cohen: Thank you. We have one question from Bruce Hamilton. Any changing regulatory approach or rating agency approach given more to have a more full-fledged post trade clearing business with a systemic importance that this carries?

Giorgio Modica: So what I can say is that I did not discuss with S&P, my next meeting is going to be in the next weeks. But what I can say is that when we did the analysis with S&P, they did run the full stress test on Euronext that was assuming the full impairment of the Borsa Italiana group. So I guess that this is quite a severe test to be done. I don't think that they will do any more serious stress test but again, we did not have discussions with S&P. In this respect we have regular catch up in the next one is going to be in the next weeks.

Aurélie Cohen: And now we have five questions from Arnaud Giblat from Exane. The first question is M&A. What is your WACC? And what is your net debt EBITDA ratio to remain investment grade?

Giorgio Modica: So the first question, it's a question I don't like. But I appreciate that I need to answer. So there is not a WACC that applies to everything. What I can say is that when we run the PPA or similar exercise with the auditors we have a range, which is in the range from 6% to 7%. But this is an order of magnitude. So this is the first question; the second element, I believe that I have been more than precise in the previous question, I highlighted exactly what are the parameters and where is our perception in between BBB and BBB+.

Aurélie Cohen: Thank you. With regards to retail and the Q3 updates, your guidance was for revenue yields to normalise in cash equity trading and in post trade. Today you talk about increasing in retail activity over the longer term. So are you implying that revenue yields can expand?

Stéphane Boujnah: So well take it and maybe Simon, you can take it as well.

Giorgio Modica: Two points. As far as the target are concerned, as I said, we are not assuming that the current level of yield will remain. So what we're assuming is that excluding the Borsa Italiana part there is going to be a slight dilution but then now on the rationale, Simon?

Simon Gallagher: Can you hear me? Okay, sorry. Yeah, you can hear me. Yeah. So there has been what we think is a sustainable uptick in retail trading activity on our markets. And this has had a small accretive effect on yield because of the size of those orders. I wouldn't go so far as to make the jump to say this increase in retail will be yield accretive over the longer term. The management of the yield is far more complex picture where we manage the interaction of SLP flows, so the market maker flow with yield and so on. So, I'd be reluctant to be frank to go that far.

Aurélie Cohen: And since you're here, pricing at Borsa Italiana – is any pricing adjustment at Borsa Italiana as a result of Optiq migration being factored in in your plan? How much will this contribute?

Giorgio Modica: Okay, so maybe I take that one. So clearly today, Borsa Italiana clients are charged and operate under the millennium technology. There is going to be a migration of technology and pricing. But it's far too early to comment exactly how much because as Simon often explains, we have a very segmented pricing scheme. So the impact on the different client segments might be difficult and comment with an overall envelope might not be correct at this stage. So there is going to be a change. The change is going to apply after the migration to Optiq, but it's too early to comment.

Aurélie Cohen: Thank you, on derivatives, what products are you planning to launch once you control the clearing?

Simon Gallagher: Yeah. So again, this is a question a bit longer term, but we believe there's clearly space for more competition in this in this market. So a natural extension of our current offer will be to pan-Europeanise our derivatives offer today. And so, we've started this programme, by admitting far more underlying to our options business, and so on.

Also, what we've been doing is launching more value-added products. So we spoke earlier about the push from EMEA and the regulators and customers to have more OTC kind of products delivered, transferred to and cleared on market venues. And again, you've seen the beginnings of this with the TRF contract universe we've launched on the market. And these are extremely, extremely yield-accretive contracts. So this type of area will continue.

Thirdly, the ESG. Again, it's early days, but this will be an area of clear expansion in the derivatives market. And then once we're in 2024, we'll be doing a fundamental reassessment of our derivative strategy more broadly, once we have the clearing capability behind us. So I think it's a bit early to talk about that at this stage.

Aurélie Cohen: And last, because I mean, and the sixth one is about clearing and we have answered extensively to this. About data, how much of the advanced data services revenue relates to indices, it used to be 5%, can you confirm that this is still the order of magnitude?

Giorgio Modica: I mean, we do not provide breakdown of growth and we manage the business as one so will not provide the breakdown.

Stéphane Boujnah: So if there is no further question, and I don't see any other question, we are going to have a break for a proper Italian lunch, which will be served upstairs. And then we will have a session at 2.30 in three groups. One on MTS, the other one on the data centre migration, the Optiq migration and the other one on the CSD ambition. So I hope you have registered; or if you have not, don't worry, join whenever you see some lights and whoever is the more inspiring presenter and the market will decide which topic will be the most inspiring. But I think if you want to learn more about what is behind the MTS opportunity, what is behind the opportunity driven by the data centre migration and the Optiq migration in the context of the Italian market and what is behind the Euronext securities ambition. This is the right time to deep dive. Have a good lunch. Bon appetit.

[END OF TRANSCRIPT]