

■ TMX Group Limited

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TMX Group Participants

John McKenzie Chief Executive Officer

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TMX Group

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Alex Kramm: All right. Thanks for coming back. Hello again. I'm Alex Kramm, senior research analyst at UBS covering the U.S. exchanges and business services companies. Next up, we have TMX Group, John McKenzie, CEO. Thanks for coming again. We don't formally cover you guys, but we are certainly happy to get an update on what you guys are doing up in Canada and in other places, growing U.S. business. So look, as I said, we don't formally cover you guys, but we certainly follow you and some of the predecessor businesses I've looked at for probably 20 years or so. So, a lot of transition over the last few years that continues. So for those of us who are not too familiar, maybe a good way to start is just a quick overview where the company is, key growth targets and objectives that you've laid out over the last few years.

John McKenzie: Yes, I'm happy to. And I'd be remiss if I didn't thank you also for inviting us to Miami again in the middle of a Canadian winter. So we are happy to be here. So TMX Group very much encompasses all parts of the Canadian capital markets ecosystem. So we operate the largest exchanges, the blue-chip equity exchange, but also the junior exchange. We have the derivatives markets through the Montreal Exchange, but we also have the clearing and settlement infrastructure as well as other components of the value chain, like transfer agency, trustees, support of issuer companies, et cetera, et cetera.

But in addition to that, we also have some international business as well to really fill out some of our global insights or data spaces. So we operate Trayport in the U.K., which is our energy data platform. We have VettaFi in the U.S., which is our index operations and a number of other things. So despite the fact that we are a Canadian-based market company, about half the business is actually outside of Canada and more than half is actually in that recurring revenue data type revenues going forward.

Alex Kramm: Great segue. You know what you're doing, because one of the objectives is increasing those recurring revenues. I think that's still an objective. I think you used to target 2/3 longer term. I don't know if that's still an active target. But when we sat here last year was at 55%. So what's the progress, and how are you going to get to those long-term targets?

John McKenzie: So the long-term target is still the target, 2/3. Sometimes on a road forward, you take a step backwards along the way. So we actually were closer to, I think, 52% for last year. And not because we didn't deliver on the recurring revenue side, we actually had really good growth in our recurring revenues and double-digit growth in Trayport, double-digit growth in other parts of insights like VettaFi, very strong growth in Datalinx, but we also had outstanding performance in some of the trade business. And that's actually why the percentage went the other way. So in our derivatives business was very strong double-digit growth; so was equity trading. So it's actually

more of a temporary piece where we've always said along the way, we want to get there by growing the franchise and growing the data businesses faster, but not sacrificing that core market capability, and so that's where we are on that piece.

We've got two additional measures that we care about in that as well. So the international measures I talked about, we are 51% outside of Canada now, so getting more global by the day. And then we also do target just purely how much of the business comes from Global Insights, which is the collection of all of our information businesses. And we have a target of 50% for that, and we are currently at about 44%. So we're very- we're moving along the right track on that one as well.

Alex Kramm: Well, let's start right there. Global Insights, the biggest business in there, and you mentioned it already, is Trayport. And as you said, Global Insights, over 40%. Now speaking specifically on Trayport, and we'll get to some of the other businesses in there, continues to put up strong growth. I think last year, 12%, constant currency. However, that was down from 17% growth in 2024. So look, on the 4Q call, David, who's sitting right there, talked about at least it sounded like maturing of the business. So maybe you can talk about what you're seeing specifically in that business that made you or made him make the comment. And then maybe some of the opportunities to perhaps accelerate that business again.

John McKenzie: Well, I'm going to change the word there. It's not a maturing; it's that there's part of the business that is more mature. So when we think about the Trayport energy business as a global business, the core part of that business is the European energy market, which we've been building out for 30 years. So that is much better developed than some of the other regions that we're in, but it's actually still one of the biggest sources of long-term growth, because even in that marketplace we're already in, you've got tailwinds in terms of increasing energy demand that brings new traders to the marketplace. You have new products that come on as the market fragments in different ways; that brings new traders onto the marketplace. But what we haven't had in the last year is that volatility that we had a couple of years ago that also would have brought more traders in the marketplace. And that will change in time.

So if you look at our history with Trayport since we brought it into the firm in about 2017, you will have periods where we got growth that levels out for a bit and then starts growing again. And we had a bit of that, not leveling out, but just slowing the acceleration a little bit in the last quarter where we were getting more subscribers, but not to that same degree. But still very much to the long-term guidance we've given that this is going to be one of our high-growth businesses, which we defined as high single, low doubles. And candidly, this one has been doubles every year we've had it.

So we still have that confidence in the business. You're going to continue to get more product, more client add, new logos. We're bringing new clients on in the European space. But we've also got a couple of areas of really outsized growth potential that we're working on. They just take longer to do, and so that's what gives us some of the long-term confidence.

So we're building out in the U.S. The U.S. is a good market for gas and power. We keep adding new players into the U.S. market. So our run rate there is growing faster than the rest of the firm. We are active in the Asian market now in Japan. That's still a very early-stage market, so there are not a lot of players yet. And until you get more players, the Trayport screen doesn't get as useful until you've got more fragmentation, but that market is building. And we see traction and roads into the oil market as well. Oil market is very much old school, telephone-based brokered market. We can transition that one on screen as well. So all these areas give us a lot of confidence that we've got levers for long-term future growth as well.

Alex Kramm: Okay. We'll stay tuned. And then on the other growth engine, clearly, Global Insights, there are more businesses in there, but let's focus on the most exciting ones, VettaFi, you mentioned yourself. I think you owned it for two years now. I think asset growth has been impressive. But I

think you've also been expanding the product set, some of that actually inorganically through M&A. So how do we think about this business, I guess, into 2026?

John McKenzie:

If you look at '25 as a proxy for '26, I think it's a really good example of what we're doing. In '25, we had essentially 25% growth year-over-year on the business, of which 13% came from our organic work and 12% from inorganic adds to the platform. We've got a really solid team that's built a great platform that allows us to add more index to it. More asset classes, more different products, and work in different geographies. So that's what we've been executing that strategy on. And so while we've been building new indices in there and actually selling globally into different asset managers, we did 3 new adds that we added into the platform this year. One was to bring in a fixed income suite from Credit Suisse. You guys might have heard of those guys. We brought that in the early years. That gives us now capability to commercialize that because it's the challenge now when banks actually own some of these index products inside, they really can't commercialize them into products, because their clients expect it to be given to them. So now we can take these indexes that have great history and build them into products that can go into ETFs going forward.

Same thing with the suite of nuclear indices we acquired at the end of the year. And then we also acquired a distribution capability in Europe called ETF Stream, so we can market ETFs on behalf of our clients out to an investment audience. So it's the same playbook we've been doing for a couple of years now, driving that top line growth.

And in the two years that we've had the business, we've gone from having about- I think it was about \$32 billion-ish in terms of assets under management when we first came in as the majority owner to now over \$80 billion. And that's a combination of both new product, assets under management growth with existing product, both from net inflows and market returns, and new pieces we've acquired. So we've got a really good playbook now to continue to drive this with new product development and sales- sorry, organic product creation and inorganic opportunities if they make sense.

And there's three things that will make them make sense. One, it's got to be assets going to be interesting in terms of having a growth profile for the client base. The economics from a valuation have to make sense, but it's also got to be integratable. We have to be able to take it and put it on our platform and scale it up.

Alex Kramm:

Okay. So before I switch to the trading side, since we just talked about Global Insights, we need to talk about AI. So I'm going to go ask about the opportunities in a minute, but let's first actually talk about what everybody has been focused on here in the market. You've seen this, which is the potential disruption from AI. So I think there's two main concerns. One is disruption of software-type businesses by new entrants or in-house solutions that can replace third-party solutions. And then also the potential decline in headcount, as automation comes into the marketplace. And for you, I guess, there would be financial services, which a lot of my companies care on, but also the energy markets, of course. So how do you think on those two lines, or those two scopes, how you're positioned? So how do you feel about disruption? We'll talk about the opportunity in a minute.

John McKenzie:

Why didn't feel very good last week- we believe that we are a net beneficiary here, and I'll explain why. And I think a lot of the sell-off in the last week or so is a misunderstanding of the proprietary nature of a lot of the business that we do and how we can actually deploy it to the market, and I'll explain what I mean by that.

In Trayport - Trayport is a data platform, but it is a proprietary data platform. There is no access to that data unless you are part of that ecosystem. So it's very difficult for AI to disrupt it the way an AI agent can disrupt a data delivery platform that's delivering public data. Same thing with our Datalinx business; proprietary data sets that they are our IP. We've got the deep data lake underneath it. So in a lot of these cases, the AI tools are ones that we can actually use to take that

data set and create net new product. In some cases, it's been hard to access the data in the past. We've got some estimates that even in our market data, our trade data, we've got 80% of the data that never gets commercialized because it's hard to access. It's hard to clean up. It's hard to standardize. So the tools we're looking at now are going to allow us to commercialize this in a way we couldn't in the past and bring better product to market.

Where we think about data delivery into businesses that historically have been more seat count-based, that model will transition over time. And it's already been transitioning. And that's the interesting piece that I think people have missed. We've already been through- going through generational changes where we've gone from shops that have been really people-based to algorithmic trading was a transition that already had. So we already had to figure out how do you reprice the data into a fee-base to be using for multiple use cases that's not seat-driven. Trayport, we already have transitioned a lot of the business to site license, where we will originally price it based on the usage in there, but then we- then it's all you can eat, use it everywhere in your shop, and then we will reassess the usage on renewal. And that's why you see in our history on Trayport that kind of really strong net revenue retention because we step up on renewals as we go.

So the area I think that's going to have to transition the most has been the traditional market data, like the equities and fixed income and derivatives data because most of that is for proprietary real-time market traders is seat-based. And that over time is going to transition to enterprise. And in some cases, I expect that enterprises are going to use more data in the future because they're going to consume it in more places to drive their models, to drive the tools they're using. So we don't see it as much as a risk as it's something that's going to transform the way we deliver the business.

Alex Kramm: You couldn't help yourself but already kind of touched on some of the positives you're seeing, but I'm going to ask a separate question anyways because quite frankly, prior to August last year, when I think a lot of this negative attention started with some of the companies I cover, prior to that, it was actually- people were looking for revenue opportunities or cost opportunities through AI. So maybe as you think about- and you touched upon it a little bit already, but where do you see actually the biggest revenue opportunity coming out of that? Where you're deploying it?

John McKenzie: Two places. So I want to talk even efficiency with the revenue opportunity as well because we do believe that where we're deploying AI, right, because we were very much a development company. All of our products are technology-driven, so the ability for us to develop at speed to bring new features and functionality and products to the market matter. And we've already got places in the firm where we're deploying AI from a development standpoint. Trayport is a really good example where we're using products like Copilot to accelerate our development curve and also allow us to get more out of the resources we have. So this was in the eight years that we've managed Trayport, we've had stepped up our employment base in that organization every single year as we've been driving that growth.

2026, we did not need to add a single developer because we can do more with the capacity we have, with the tools that we have there. We also run really complex platforms. Like when you think about trade platforms and clearing platforms, these are really complicated. When you bring new iterations to the market, it is almost impossible to test every use case on there. But the AI test tools we can bring to bear now actually allow us to test way down the curve, which you couldn't do before and therefore, deliver better product. And candidly, most exchanges, when you have a technology challenge, it's usually because of something that's in the code base that you didn't know from before that interacts with something else you didn't know was in there before. So this is going to bring better product faster to market.

With that, we're also looking at other areas where we're enhancing the product for the clients themselves and allowing us to do more for them, which is the revenue opportunity. We brought in the Newsfile business just over a year ago. This is our news dissemination business. We're already looking at how we embed those tools in there to improve that product for clients and make it even more self-serve, which is going to allow us to bring more clients on to the product. We actually

have the kind of the next-gen disclosure product versus the other peers in the marketplace that we're competing against.

So we see both the efficiency opportunities, and candidly, we've deployed the Gen AI tools all through the firm. I think we have over 90% adoption throughout the company at this point. And then the product side in terms of where we're enhancing as well. There will be- let's be candid, there's a lot of experimentation here still in terms of what's going to create value and what's not. And this year is also going to be about figuring, okay, now we've deployed these productivity tools, can we actually measure the impact and seeing if we're getting value creation from it. That's going to be part of our test this year.

Alex Kramm: Okay. Very good. We'll keep on following it. Switching gears to the trading side. And you mentioned yourself a very strong year, and that's why kind of that mix maybe went the other way a little bit in terms of recurring, nonrecurring, but it was good, right? So I think derivatives was up 30% or over 30% actually last year. So look, we all know it's impossible to predict volumes. But clearly, the business is facing some tough comps this year. So any indicators you're looking at or any structural growth drivers you would highlight to still give us a little bit of comfort that, that business actually can continue to grow or have growth on growth?

John McKenzie: Yes. I mean, start just with the underlying. This is a business that's got long-term growth adoption in it and a lot of still runway in terms of maturing the products. So over the long term, we will continue to have straight- great underlying growth. Now whether or not it's linear is a different question. And I agree with you. We've got some really strong comps when we compare to last year.

Now if I look at -- not to make a trend out of a month, but January total volume in our derivatives market, we were down about five, six points year-over-year. But the open interest, the indicator of future trading is up 20% in terms of the adoption of the products that are already there. So that's in really good shape, and we expect to see that health continue.

One of the big pieces that helped drive growth in 2025 was also continued adoption of options on ETFs. This has been a great engine for future growth, and we are now working on the regulatory side to open up even more capacity there. So that growth could have been higher, but for -- there are actually some regulatory limits on what people can do in terms of market making, capital deployed, things like that. We're looking to raise these up, which will allow more activity on these products, which are phenomenal products for both hedging exposure, trading exposure and working with the underlying.

We also recently brought a whole number of additional products onto the listed venue that are now going to be option eligible. And what I'm talking about is Canadian depository receipts. So we've got one of our clients has built a suite of Canadian depository receipts, mostly on U.S. names, so that retail traders can trade these products in local currency. They're now going to be option-eligible as well, which is like another suite of new product adoption we can have into the option market going forward.

Then in addition to all that, we're continuing to build out things on the fixed income side because we are both fixed income and equities. On the fixed income side, we've got really good adoption now in our yield curve product, but there are things we can do around that, around total return, other products as well that we will bring to market with clients that act as market makers to build liquidity early on, exactly like we've done with the other products.

The last thing I'll add, because all that was about volume, is we've got revenue on opportunity on top of the volume as well. So just like we've had in the last couple of years, we've got market-making agreements that are rolling off because the products are now quite mature and liquid. So we will have revenue upside in addition in terms of the revenue per contract.

And the last thing I'll add is what people don't see a lot of is we actually have an OTC clearing business as part of that Montreal vertical as well. We don't report a lot on it, but we do OTC clearing of repo through our clearinghouse, and there are two things that we're working on going forward in there, which is, one, we are working on an expansion of repo, so we can actually provide bringing more clients on and do more with it. And that's going to allow us to scale up what we do there. And we're looking at other products we can do. So we are planning to replatform the risk system over the next year. That's actually going to allow us to bring more over-the-counter clear product into the clearinghouse as well. So we've got a lot of irons in the fire to keep driving that growth rate going forward.

Alex Kramm: Okay, that's a lot going on. Staying on the trading side, I need to, of course, ask about the Canadian equities business. It's clearly more mature, and there continues to be competition. And then obviously, I cover CBOE, and they recently announced that they're getting out of- or they're going to sell the Canadian business, so do you think that's going to change the landscape? Maybe update us on the landscape in general? And then speaking of CBOE specifically, is that something that you could even look at for you to own? Or I know there's been some reports of some others already. But yes, just curious how you view that changing hands and what it would mean for you?

John McKenzie: I mean, I start with- I think it's a bit of a reflection on how well we serve the Canadian market. We've had- they're not the first international player to come in, but it's clear that it's difficult for them to scale up. We've got really good competitive moats around pieces of the franchise like the index relationships we have on the senior market make it hard for other people to build competing listing platforms. Our options, our futures market, operates as a vertical, so you'd have to build that from scratch to be able to do it. And so I do believe that, that's sometimes what people see because also Nasdaq is also in the Canadian market. They've got a lean trading platform, but they haven't expanded it beyond that because the return on investment to do that would be challenging when you've got the incumbent.

So I think it demonstrates the kind of the strength of the competitive position that we have. Regardless of where this transitions, I think there's positive pieces to us. We've actually been able to move a lot of product off that market on to ours over the last couple of years, and we've been gaining share, particularly in our dark trading facilities as well. Whether or not we can own it, I mean, I can't really comment on that because unless you were doing it, you wouldn't really know. But I will let you know that about like when we did the Maple initiative, which now is actually part of history, I think it's 13, 14 years ago now, at that time, we actually did roll in a competing exchange into our platform. That was the Alpha Exchange. We went through the competition and regulatory process for that, and we were able to roll it in. And now we actually use that to provide unique benefits to the market that we don't provide in our other venues. And like a lot of U.S. platforms here that will have different books to meet different needs. So it's certainly an ability that we have to do, either through investing outside or building ourselves like we did with our Alpha Dark and our AlphaX platform about 1.5 years ago.

Alex Kramm: Okay. Last one on the trading side. Tokenization of assets and securities has been a big topic lately. I think I asked about it twice already on stage here today with a couple of other companies, maybe even more, it all blends. But look, a lot of people are focused on tokenizing equities, some of the U.S. exchanges have some things going on there already. But like there's more to that, right? There's other types of securities, fixed income and there's also collateral management. So just a lot going on. And I know it's still very early, but you see obviously some things already happening. So how is TMX fitting into all of this?

John McKenzie: I think that we're in a really good place to be a leader in this despite the fact that we're not all collectively sure where we're leading to. I think that's to the point of even what you're saying, we're not sure what the use cases here that are actually going to be the ones that materialize that create real value for the marketplace. And the two things that we have that are kind of strengths for us is, one, unlike a lot of marketplaces, we have the entire ecosystem within the TMX. Right from the listing venue, we also operate our own transfer agency and trustees. So we have the

recordkeeping piece. We have the clearinghouse, the depository, the collateral management system. We have that full value chain to work from. So we can think about tokenization or digitization solutions throughout the ecosystem because sometimes you need the different pieces to work together to actually make them effective.

And we've long been an innovator in the marketplace. And you don't want to rest on your record, but we were the first marketplace to go full electronic. We built the ETF, the launch all most of the ETF innovation that's happened in the Canadian market. So it has been an innovation hot bed.

When we look at these pieces and what our team is working on, and we're working on -- we're working with some of the same people that are working with the U.S. platforms as well. We're looking, okay, what is the real use cases that are going to create value? But also, how do you think about how do you adopt tokenization in a way that can interact with the core market? So I'm not a believer that it's replacing the core market. It has to interact with it, because from a user standpoint, if there's going to be a token on an equity, you'd want it to be fungible and standardized to interact with the underlying equity. You'd like it to be the same security because that's going to create the best centralization of price discovery, capital formation, and investor experience. And so I do -- I applaud the work that Nasdaq, NYSE and DTC are doing that because they're looking at how do you create that ecosystem to do it well.

Now the demand side is a different question. Like a lot of the demand for this is on the narrow part of the marketplace. So it's a question about whether or not there's a widespread demand for an adoption, and we'll work with that going forward. In the meantime, we're also working, as you talked about, okay, what are the collateralization options? Because we've got the clearinghouse and a lot of the capital with us, we are looking at things like how do you potentially tokenize those pieces to allow for more collateral mobility, different efficiency, pledge mobility, things like that.

Similar to the U.S., there is a stablecoin regime legislation for Canada, which I think creates a lot of clarity on what it would take to create a stable coin, the kind of -- which you kind of need that to be able to have that clearing capacity. But it's also clear for coin to be stable, it's got to have the assets behind it, high-quality liquid assets that are separately custodied and available, that's what makes it stable, which is a place where market structure players like us can provide a real value because we can create that custody opportunity to back those stable coins.

So we're looking at all of these pieces. We're looking at it in real time. And like you said, the landscape keeps changing. And the other one along with it is we're thinking about, okay, what does this mean for how often -- how do we operate the marketplace, 24-hour trading. Is that something we need to move to sooner versus later? So that's the same time, the same thing we're working on.

Alex Kramm: Okay. I guess finishing from a business perspective on capital formation then. So here in the U.S., we're all expecting another pretty active IPO year. And I can certainly say I'm seeing that myself right now. But I'm not so close to all the dynamics in Canada. So maybe you can just talk about what you're seeing in terms of IPO pipeline and general expectation to 2026 here.

John McKenzie: Well, we're coming off of the end of last year, which was very strong from not just an IPO standpoint, but financing activity. And I always look at existing companies raising money on the market is the kind of the forebearer to be in a healthy market for doing IPO activity. And with the strength of the back half of the year, I think we were up 60% year-over-year in financing, 44% on the senior market, over 100% in the junior market. So a really healthy market for raising capital.

And from our team, who's engaged with private companies all the time, our pipeline of go-ready companies is the deepest it's been in a decade. And so companies- and these are multi-sector companies that can raise public money. So we're seeing financials, we're seeing resources, we're seeing technology companies. Now I don't know if we're still seeing the technology companies after last week. I hope we'll let that settle out from a price discovery standpoint. But we're seeing

depth in all those. And when we engage with the investment banking community, they also- it's the same deep books.

That's the potential. This can always get dislodged by something that creates market confidence issues, and that's what happened last year. We had a deep pipeline going into the new year and then all the noise in North America on tariffs and other things created a lot of uncertainty and people pulled back for a little while. But what I see now in my engagement with companies is that they are looking through that more and more, that this is kind of just the new normal is that there's a different level of volatility and people can see that deals can get priced and get done really well. And that's- that was the important piece of seeing all this great additional financing activity is that good deals can get executed. So we- despite the disruption last week, still very positive on what the pipeline is going forward.

Alex Kramm: Good. As we wrap up here, just quickly, I want to make sure I hit the expense side. Again, I'm looking to the rest of your team there, but I'm sure you have something to say about it as well, because look, every exchange in the U.S. gives expense guidance. I don't think you guys do, unless that's changed. You do talk about operating leverage. So maybe you can just help us in terms of philosophy, expense growth algorithm, near term, long term. And then we spent a little bit of time talking about volume impacting the business and tough comps. So, how is that impacting the way you kind of budget and grow expenses and invest?

John McKenzie: Yes, it's a great question. So we- I mean we have really good expense visibility inside. And you're right, we don't give guidance the way you do in the U.S. market that wouldn't be typical for a company like ours in the Canadian market. But we do try to give a lot of really good direction and insight into it. And it's been more important in the last couple of years because we've had so much new product and new acquisitions. It's hard to cut through that noise in terms of getting real apples-to-apples comparatives. And when you do, when you cut through that, you'll see kind of our expenses kind of growing kind of five-ish percentage year-over-year and very much in line with what we're trying to drive to kind of inflationary base expense because we're continuing to reinvest in the franchise. But with the objective to, as you said, positive operating leverage, that we will grow the top line of the company faster than the expense line so that the margins can accelerate over time. That's been our objective. That's what we execute year after year. That's what we build our plan going into the year. And what we challenge our teams on is identifying savings opportunities, both within their teams and across the board so that we can use that as essentially the fuel to fund the things that we want to do to build faster. And so every year, we're identifying \$10 million, \$20 million of new opportunities to recycle into investment going forward. And this year will be no different. So that kind of guidance, if you look at kind of where did we end last year because that's fairly clean, when you take out some of the onetime stuff that's in there. And there are some one-times in terms of write-offs and litigation pieces, things like that. But when you look at the clean numbers for the quarter, it's a good jumping off point for 2026. Then just adjust for kind of normal year-on-year things like wages, health benefits at the beginning of the year, things like that. And that's how we guide. We're going to continue to manage in that kind of discipline and drive for positive leverage going forward.

Alex Kramm: Maybe finishing up then, on M&A and capital allocation more broadly. You've been pretty active in M&A, did things last year even or a few months ago even. So maybe just talk about M&A strategy just going forward. What types of business are you looking for? What's complementary financial metrics that you're focusing on, as you think about executing deals? Yes, what- how do you -- how should we think about it?

John McKenzie: So M&A is not a strategy for us. It is a strategy accelerator, and that's always the number one way that we think about it. We're not doing acquisitions to build the firm bigger, but to accelerate the growth plan across the three core pillars that we've talked about. So Global Insights, Capital Formation, Global Trading and Clearing.

So we are continuing to look at things that we can essentially, whether they are small or large, tuck into that framework to accelerate those businesses and drive top line growth and also synergies in terms of owning them. If you look at some of just the core examples that make sense in there, we talked about index opportunities to continue to build on the platform. We're absolutely going to keep doing that. Data opportunities that enhance the data sets, but also the reach to different global clients. The Verity transaction that we did at the end of last year did two really important things to our data business. It gave us a new channel, because Verity has got a research platform that goes into buy side that gave us a channel, not just to manage that side, but also to bring more TMX data into it. And it gave us some enhanced product capability, because they've got an AI enhanced product capability for taking insider data and creating trade signals. We're going to be able to bring more TMX data in that as well.

So when we look at an asset like that, I'm using it as an example, we see an asset where we can accelerate the growth of it and it can accelerate the growth of us integrated into the franchise. So it's a really good example of the type of things that we're trying to do.

Similarly, on our Corporate Solutions part of capital formation, when we can bring new pieces in that help us solve more problems for the issuers at scale like we did with the Newsfile business, we'll continue to do those kind of things. So we're going to remain active on things that drive the strategy.

On the metrics side, they should help us accelerate growth of the asset growth of ourselves and deliver what you would expect from an investor return. So we're going to look at return on capital employed. We're looking at accretion to shareholders on a time frame that makes sense. And with that, candidly, we're looking on the ability to integrate. And this is – you know, given that we've been busy and we have a lot in the pipe from a company standpoint, integration capability is really important, that we've got to know from the day we do the deal, how it's going to fit in the organization, how it's going to get integrated in, how are we going to get the synergy benefits from doing it before we sign the paper. And so we will not do a whole lot more things than we will do because we'll filter them out on that basis.

Alex Kramm:

Okay. We're technically at the end of my questions. I'm looking at this room. We do have mics, if there's anybody who has anything on their mind. This is a constant occurrence. People are very, very quiet. I will ask a couple of more because we- since we ended on M&A, and you mentioned the Verity deal, you gave us a little bit of a flavor of why you did it already. So you don't have to rehash that. But maybe talk about how it's going so far because it's been a few months. And then also, as you were going through this deal and we were talking about AI earlier, was that a consideration, because when I looked at the business, it was like, yes, it's kind of a business where I'm sure some people that think about AI would wonder like, “hey, how did you get comfortable that, that business continues to be in the position that it is as markets are changing?”

John McKenzie:

It's such a good question. So again, the business is -- I mean -- and it's not -- this is not a massive business that we brought in, but it's- I think we -- it contributed top line in the quarter. We disclosed about, what, CAD 7 million to CAD 8 million CAD 5-ish and change U.S. Yes, it's good to have- So it's a nice size in terms of there's a base there that's meaningful, it helps us build out, but it was also actually quite concentrated in terms of the client base and the product. And so when we looked at the two core products within Verity, research management solution that's deployed to buy side to help them aggregate their research capabilities when they are looking at investee companies like us and otherwise. And it was nice actually when we met with an Investor Day that said we use Verity, we really like it. I wouldn't want to meet to investors that said the other thing. So that's one piece.

The other piece is the data product that they create. The data product is this is where they're actually using AI capabilities to create enhanced data sets out of things like insider holding and insider transactions. And we spent a lot of time thinking about that, okay, is that ripe for disruption with other AI tools? And at the end of the day, you still want to have- do you want every firm -- do

they all want to do it themselves with their own AI tools, or do you want to rely on someone who actually does it consistently using those tools that creates the expertise and creates essentially a source of truth. And that's the thing that's getting lost in some of the AI discussion is not everyone wants to take on that responsibility themselves. They want to be able to have a third party that brings that expertise to do it really well, and that's what this does. When we complement it into our business, our Datalinx business, it actually gets stronger because when we're going to be able to populate it with now our own data sets, which are proprietary, that value add gets even stickier. And then from a business standpoint, we can help bring this platform to a broader client base because essentially, we have a much larger global client base that we can bring it to. We've got upside on both the product and on the reach. And so that's the work we did. And we spent a lot of time thinking about exactly this, what I'll call AI disruption risk, as we looked at it, and saw there was more value in what we were going to be able to do with those tools across our platform than there was risk to what we were acquiring.

Alex Kramm: I'm going to ask more -- sneak one more in here because I see I have a couple of minutes, but it's got to be a quick one, and it's on Alpha X U.S. because I remember when we were sitting here last year, I probably asked you, why do we need another U.S. liquidity pool or whatever I said back then. Any quick update with one year in? Are you happy with what you've seen? What's the trajectory since you're here?

John McKenzie: I don't know why I thought of it, but when you said that I was thinking all the way back to my early days when I worked on Old Spice and why do we need another scent of Old Spice on the shelf? And because there's a different use case, and there was a different buyer. There are a lot of marketplaces in the U.S., you're absolutely right. What we built with AlphaX U.S., to take you back a year, is we use capabilities we had built in Canada to create better execution quality for investors, building it right into the functionality of the marketplace. And so we launched AlphaX U.S. based on capabilities that we've already proven out in the Canadian market to improve execution quality in a way that wasn't getting done here. And the results have been what we had hoped for. So we believe this would have a lot of potential. We'd be able to build volume very quickly, and that's now been proven out. So we're- we just had our one-year anniversary. We continue to hit new records on the platform, both from an engagement standpoint, size of the fills and the participants. We're continuing to add participants to the platform on a regular basis. So we couldn't be happier with what the team has delivered on it. We're looking to the next year now in terms of getting to that next leg of growth and all the indicators that we're going in the right direction.

When we benchmark ourselves against- and what we've done is we've -- you can't benchmark it against a full exchange offering because it is a unique ATS, it's purpose-specific. When we look at other ATS launches that have been in the U.S. over the last number of years, and we look at how fast we've been able to accelerate the growth, this is one of the fastest-growing platform to actually get client adoption of any launch in the U.S. market. So thrilled with what the team has done, thrilled with what we're going to do in the next year on it.

Alex Kramm: Perfect. I think we're out of time. So thank you very much for coming again and excited to get the update. Thank you.

John McKenzie: Alex, thank you. Appreciate it.