TMX Group Limited

Q2 2024 Financial Results Conference Call

Event Date/Time: August 1, 2024 — 8:00 a.m. E.T.

Length: 64 minutes

"While Cision has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. Cision will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Cision ait fait des efforts commercialement raisonnables afin de produire cette transcription, la société ne peut affirmer ou garantir qu'elle ne contient aucune erreur. Cision ne peut être tenue responsable pour toute perte de profits ou autres dommage ou responsabilité causé par ou découlant directement, indirectement, accessoirement ou spécialement de toute erreur liée à l'utilisation de ce texte ou à toute erreur qu'il contiendrait. »

The information contained in this transcript is a textual representation of TMX Group's Q2 2024 Analyst Call, there may be material errors, omissions, or inaccuracies in the reporting of the substance of the webcast. TMX Group Limited does not assume any responsibility for any investment or other decisions made based upon the information provided in this transcript. Users are advised to review the webcast made available at investors.tmx.com, and TMX Group's regulatory filings, including the section entitled "Caution Regarding Forward-Looking Information" in our 2023 Annual MD&A, before making any investment or other decisions.

CORPORATE PARTICIPANTS

Amin Mousavian
TMX Group Limited — VP, Investor Relations, Treasury and Administration

John McKenzie
TMX Group Limited — Chief Executive Officer

David Arnold
TMX Group Limited — Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Étienne Ricard
BMO Capital Markets — Analyst

Benjamin Budish
Barclays — Analyst

Aravinda Galappatthige
Canaccord — Analyst

Nik Priebe
CIBC — Analyst

Jaeme Gloyn
National Bank Financial — Analyst

Graham Ryding
TD Securities — Analyst

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the TMX Group Limited Q2 2024 Financial Results Conference Call. At this time, all lines are in a listen-only mode.

Following the presentation, we will conduct a question-and-answer session. If at any time during this call you require immediate assistance, please press *, 0 for the Operator.

This call is being recorded on Thursday, August 1, 2024.

I would now like to turn the conference over to Amin Mousavian, Vice-President, Investor Relations and Treasury at TMX Group. Please go ahead.

Amin Mousavian — VP, Investor Relations, Treasury and Administration, TMX Group Limited

Thank you, and good morning, everyone. Live from New York, it's Thursday morning. We're hosting today's call from our TMX VettaFi office in New York.

Thanks for joining us to discuss the 2024 second quarter results for TMX Group. We announced our results for another strong quarter late yesterday, and copies of our press release and MD&A are available on tmx.com under Investor Relations.

This morning, we have with us John McKenzie, our Chief Executive Officer, and David Arnold, our Chief Financial Officer. Following the opening remarks, we will have a question-and-answer session.

Before we begin, let's cover our forward-looking legal disclosure. Certain statements made during this call may relate to future events and expectations and constitute forward-looking information within the meaning of the Canadian securities law. Actual results may differ materially from these expectations, and additional information is contained in our press release and periodic reports that we have filed with the regulatory authorities.

Now I will turn the call over to John.

John McKenzie — Chief Executive Officer, TMX Group Limited

Thanks, Amin, and good morning, everyone. Thank you all for joining us today to discuss TMX Group's financial results for the second quarter and the first half of 2024. And as Amin said, we are set up here for the very first time in the VettaFi office in Manhattan. It's certainly been great to be here and engage with all the team and as a clear indicator of our growing global presence.

Now before we turn to business, on behalf of all of us in TMX, and particularly with regards to our teams in both Calgary and Edmonton, I do want to send out a quick message of support from all of us to those that have been impacted by the devastating wildfires this summer in Alberta. We are so very grateful for the efforts of those on the front lines who are working to provide the essential relief needed and the resources to people affected. Our thoughts are with you.

Next, I'd also like to thank all of you, particularly, who took the time to attend either in person or virtually our 2024 Investor Day, Xccelerating Growth, last month at the TMX Market Centre in Toronto. Now based on the calibre of the conversations that we had in the room, our interactions with many of you, and the feedback received by the IR team, this was a big success. And particularly, the exceptionally strong level of engagement from all of you, our analysts and investors.

Candidly, we drive a tonne of value from your informed and thought-provoking questions, and I want to thank you again for bringing your A games to TMX's Investor Day. And for those that haven't, I would encourage all of you to watch the event. You can review the recorded webcast on investorday.tmx.com.

Now, in executing against that plan, TMX delivered excellent results for the second quarter and the first six months of 2024 highlighted by strong performances across the franchise. We will go deeper

into the year-over-year analysis in a few moments, but I want to start by emphasizing TMX's core winning traits that fuel our success.

One, a dynamic, high-performance business model made up of complementary assets built to perform and endure.

Two, a strong balance sheet to enable growth acceleration via acquisitions like the recent additions of ASD Canada and TMX VettaFi.

Three, a proven strategy and a track record of strategic execution.

Four, which is underpinned by leading-edge technology and our winningness trait.

And TMX's most powerful asset, number five, our people. Our people are driven by a unified purpose to make markets better and empower bold ideas.

And at Investor Day, we also introduced new concepts, an internal rallying cry in a lens which we see the landscape evolving in front of us, TM2X. And with a little bit of history here, it took us 14 years to build the business from generating $500 million in revenue to over $1 billion, and now we've set our objective on doubling that number, doubling to $2 billion but doing it twice as fast.

And any successful strategy is about making good choices. We have a powerful and resilient core business that is growing. And in pursuit of our TMX/TM2X objective, we are focused squarely on four key priority areas to leverage the strong foundation and accelerate our growth trajectory, listings and beyond, beyond traders, and beyond market data, and getting beyond our borders. And we're well on our way.

Our results for the first six months of 2024 stand as compelling evidence of the strategy in action. Overall revenue increased 18 percent from the first half of 2023 due to the inclusion of $69.9 million from TMX VettaFi following the close of the acquisition on January 2nd and increased revenues from TMX

Trayport, Derivatives Trading and Clearing, Equities and Fixed Income Trading, and Clearing. And these year-over-year revenue gains were only offset by a modest shortfall in Capital Formation.

Organic revenue, excluding TMX VettaFi, increased 6 percent year over year, and diluted earnings per share on an adjusted basis increased 8 percent from the first six months of last year.

And while total operating expenses increased from the first half of 2023 as well, this is largely due to the inclusion of TMX VettaFi. And David will take a closer look at these expenses in his remarks to follow.

Now, moving on to our business areas. I want to start with a crucial core element, not only of TMX's global franchise, but of Canada's economy, and that is Capital Formation featuring our listing businesses on the Toronto Stock Exchange and TSX Venture Exchange.

Revenue was $138.4 million, a 4 percent decrease from the first six months of 2023, reflecting lower revenue from additional listing fees due to a decrease in the number of financing transactions and dollars raised on the TSX Venture Exchange but partially offset by an increase in the transactions and dollars raised on Toronto Stock Exchange.

And now, while global macroeconomic factors have created challenging capital market conditions over the last two-and-a-half years, we are seeing important signs of recovery and upward momentum within our ecosystem, particularly in the second quarter of the year. In fact, June was the strongest financing month yet with just under $4 billion raised on TSX and TSX Venture.

And we have seen really encouraging signs from the mining sector, which is rebounding from financing lows last year to over 50 percent of the financing dollars raised on both exchanges this year were raised by mining issuers. And while new mining listings, particularly larger IPOs, have yet to return to

average levels, the industry consensus is that the continued reduction of interest rates may just be the catalyst that we've needed.

And sometimes, one big deal can also act as a spark. In June, Paladin Energy, a Western Australia-based uranium producer, announced the $1.14 billion acquisition of Fission Uranium Corp. and announced its intention to list on the TSX. This deal is expected to close in September of this year.

The first half of the year also featured positive signs in the technology sector. Overall financings were $417 million, which is a 228 percent increase from the first half of last year.

Some of the new listing highlights include a diverse range of senior and junior companies. Sprott Physical Copper Trust, a $151 million IPO by Sprott Asset Management, joined the Toronto Stock Exchange in June. And Nations Royalty Corporation listed on TSX Venture in June. This is the largest majority Indigenous-owned public company in the world specializing in Indigenous-owned royalties and revenue streams in precious metals and critical minerals, oil and gas, and renewable energy.

And we continue to make important progress in expanding our listing franchise beyond Canada with now over 230 international companies calling TSX or TSX Venture home. Our team is promoting the benefits of our unique two-tier ecosystem around the world, and we've built a well-defined pipeline of private companies that we are nurturing and preparing for our markets. It's part of our global growth plan. And 55 percent of the companies in our pipeline are international, and roughly 60 percent are technology companies.

Recent new international entrants to our market include AuMEGA Metals, an ASX-listed mining company, which recently added a TSX Venture listing to raise its profile in North America and expand its access to capital; and Chicane Capital II, a CPC or capital pool company, that completed an IPO on the TSX

Venture Exchange. Chicane is a unique partnership between a Chicago dealmaker and Forefront Capital, an established Canadian CPC group.

And looking beyond the corporates, it was a very strong first half of the year for exchange-traded funds with 67 new ETFs from 18 different providers listing on the TSX from thematics to factors and commodities to income-oriented funds. And with the addition of TMX VettaFi, we have bolstered our ability to service the needs of the industry with a new suite of solutions including digital distribution and profile services. TMX is more embedded and invested in the enduring success of the ETF industry than ever.

Now revenue from our GSIA segment in the first half of 2024 increased 44 percent from 2023, or 10 percent if you exclude TMX VettaFi. TMX VettaFi's revenue was 24 percent higher in US dollars compared to the same period last year, prior to acquisition. And year-over-year growth was primarily driven by higher indexing revenue reflecting organic growth in assets under management and revenue from ROBO Global and EQM Indexes, which were acquired in 2023. TMX VettaFi revenue also reported higher revenues related to events, which included their flagship annual exchange conference in February.

From the announcement of the deal late last year, we've been clear in framing how the addition of TMX VettaFi accelerates TMX's strategic financial and transformational objectives, increasing the proportion of revenue derived from recurring sources, which totalled 55 percent in the first half compared to 53 percent last year, adding to our fastest-growing business area, and increasing our global footprint with 49 percent of TMX's total first-half revenue derived from outside of Canada, up from 41 percent in 2023.

But the most exciting prospect of all is what it means for our clients. TMX VettaFi strengthens our ability to serve the needs of the indexing and the ETF community, an important and growing plan base

here in Canada and around the world. And TMX VettaFi supports clients throughout the entire ETF product life cycle using digital properties and tools to gather user behaviour, intelligence to inform ETF issuer and client needs, applying the expertise of our index team in various sectors and thematics to assist with index design and prototyping, then supporting the ETF launch with data analytics and campaigns through our various web properties, webcasts, and symposia.

And from the launch, TMX VettaFi helps support product growth, providing sales lead lists for asset managers using our digital distribution tools, digital marketing, and continued product awareness and education at the Exchange conference.

Now turning to another important part of GSIA and a key driver of enterprise growth, TMX Trayport continued to deliver strong results through the first half of the year. Revenue grew 19 percent compared to the first half of last year, or 16 percent in pounds sterling, driven by a 24 percent increase in total licences, annual price adjustments, and higher revenue from data analytics and other traded products.

TMX Trayport's powerful core Joule network continues to grow, augmenting tools, insights, and analytic capabilities to enhance the overall experience for the energy market client participants. We have over 9,000 licensees, the end-user applications that utilize their technology, and over 26,000 connections to venues.

Now getting beyond that core, TMX Trayport is pursuing opportunities to leverage its proven expertise in modernizing markets to new asset classes and new geographies, aligning our strategy to capitalize on emerging trends, including new markets. TMX Trayport's hybrid solution is ideal for markets looking to evolve from paper and telephone, including the Japanese power market. We estimate this

market to be the size of the German and French markets combined where over 30 percent of Trayport licensees are active.

In data and analytics, clients are increasingly seeking out data analytics to support their businesses. The acquisitions of Tradesignal and VisoTech advanced the strategy for us, and today, our data and analytics segment represents over 11 percent of Trayport revenue and fast growing.

And on technology, TMX Trayport continues to invest in the core technology, including a major architecture project over the next two years that will support the long-term growth of our subscriber base in both core and new markets.

Now, turning to derivatives. Derivatives Trading and Clearing revenue, excluding BOX, increased 8 percent year over year. This increase was driven by 1 percent higher revenue from MX due to an 8 percent increase in overall volume in the first half of 2024, somewhat offset, though, by a product mix in introductory incentives.

Revenue from CDCC increased 22 percent due to the positive impact of pricing changes, which came into effect on January 2024, and higher clearing and repo volumes.

Investors continued to turn to our derivatives markets in the first six months of the year, resulting in higher activity and increased liquidity across many of MX's key products. Some of the key MX year-over-year highlights include a 23 percent higher volume in interest rate products compared to last year; 5 percent growth in ETF options; 5 percent higher volumes in single-share futures; and a record period for our Government of Canada bond future products, specifically volumes in our two-, our five-, and our ten-year contracts grew by 65 percent, 31 percent, and 13 percent, respectively, compared to the first half of last year. And in addition to all this, we had a 17 percent increase in overall open interest at June 30th compared to the same time last year.

The first half of the year also marked the end of the CDOR era and the industry transitioned to the Canadian Overnight Repo Rate Average or CORRA. The BAX contract was retired in June, and the new three-month CORRA futures contract, or CRA, is now established as the product of reference for short-term interest-rate derivatives management. Trading in the CRA continued to gain momentum, reaching nearly 1 million contracts in open interest midyear and with growing trading activity in extended hours.

2024 has been a tremendous year also for TMX's post-trade business, CDS and CDCC. And this has been marked by a significant progress in several key initiatives in partnership with our stakeholders across Canada's capital markets and exciting new products launched in the service to service the evolving needs of our clients.

On April 30, we launched the Canadian Collateral Management Service, or CCMS, a collaboration with Clearstream that is modernizing Canada's funding markets and providing the first tri-party repo capability in the country. Our teams continue to work to innovate and push the evolution of markets to create efficiencies and competitive advantage for our clients.

On June 10th, the CDCC announced the launch of SGC Notes, an innovative money market instrument designed to meet the institutional investor demand for bankers' acceptances following the CDOR cessation on June 24th. SGC Notes are linked to the same highly rated Canadian bank credit exposures as BAs but are secured with a basket of high-quality debt securities. The program is in its early days but unique in the world, an asset-backed service offered through our regulated central counterparty clearinghouse, and we are excited about the prospects of the future expansion into other marketplaces.

Now I'd like to take a moment to thank our client participants for the collaboration, particularly closely with us in our post-trade team to ensure that we hit a critical milestone in May. And this was the successful transition of Canada's market to T+1 Settlement, the reduction of standard settlement from

two days to one day. As with so many of TMX's efforts to make markets better, transformational steps of this magnitude cannot be taken alone, and we are grateful for the continued partnership of our entire stakeholder community.

Similarly, as we move forward, our post-trade modernization program is on track for implementation, pending industry readiness, and we began the initial participants testing phase in mid July and will look to go live in the first quarter of 2025.

Now in closing, TMX's first half of the year was marked by strong performances across the business, important milestone achievements, and continued momentum in our key growth initiatives. It is a testament to the intrinsic power of the enterprise and the benefits of staying true to our long-term strategy. And over time, TMX has sustained growth through dramatic shifts in market dynamics, and we've risen to every challenge. And now we are poised and determined to pick up the pace to accelerate that growth. We do have the right model. We've got the right strategy, the financial capacity, the right technology, and, most importantly, the right people to get it done.

And with that, I'll pass the call over to David. Thank you.

David Arnold — Chief Financial Officer, TMX Group Limited

Thank you, John, and good morning, everyone.

We are pleased to report another strong quarter, setting a record for revenue, both when we include and exclude TMX VettaFi. This is truly a remarkable achievement for our team, which continues to punch well above our weight delivering strong and repeatable results.

The strong results in the second quarter reflected robust trading volumes in equity and derivatives. And, as John mentioned, towards the end of Q2, we saw important signs of recovery in capital-raising activity.

Now, while we are not yet back to our peak levels, these signs are both positive and reassuring that capital-raising may be on the way back. Our team is really hard at work on our Q3 opportunities and pipeline. But today's all about speaking to the second quarter that we closed a month ago. So let me turn to that.

Our revenue of $367.1 million increased 20 percent compared with Q2 last year, and organic revenue grew 9 percent over the same period. Both of these figures are at the higher end of our long-term financial objectives, and we're incredibly proud of what we have achieved this quarter.

Turning to our earnings per share. While we reported an increase of 3 percent in our diluted earnings per share, our adjusted diluted earnings per share grew by 13 percent, driven by $17.1 million in higher income from operations compared to Q2 of last year, partially offset by higher net finance costs related to the acquisition of TMX VettaFi.

Now while our net finance costs are higher year over year, that is simply due to our higher-than-normal debt levels as we funded the TMX VettaFi acquisition at the beginning of the year. While I will touch on it later, I thought it important to set this up front that, despite higher debt levels, we have secured market-competitive rates on our long-term funding, which are well ahead of our internal forecast to fund our acquisition of TMX VettaFi.

Turning now to our businesses, I will start with the segments that saw the largest year-over-year increase.

Revenue in our Global Solutions, Insights and Analytics segment grew by 40 percent this quarter, reflecting $32 million for the inclusion of TMX VettaFi. Excluding TMX VettaFi, revenue grew by 9 percent over the same period, driven mostly by growth from TMX Trayport.

Revenue in TMX VettaFi was up 18 percent in Canadian dollars, or 15 percent higher in US dollars, in the second quarter compared to the same period last year prior to the acquisition. The 15 percent increase in US dollars was driven by higher indexing revenue, reflecting organic growth in assets under management and revenue contribution from the 2023 acquisition of EQM Indexes as well as higher analytics revenue somewhat offset by lower revenue from digital distribution.

TMX VettaFi's assets under management continued to show robust growth, ending the second quarter at US$35.9 billion.

Revenue from TMX Trayport was up 18 percent in Canadian dollars, or 16 percent in pounds sterling, this quarter, primarily driven by a 24 percent increase in total licensees, which represent the count of unique, chargeable licensees of core TMX Trayport products across our customer segments, including traders, brokers, and exchanges. The revenue increase in Q2 also reflected our annual price adjustments, incremental revenue from our premium product offerings, and, most notably, data analytics and other trader products and a favourable FX impact of $1.3 million compared to last year.

TMX Trayport ended the quarter with an annual recurring revenue of C$220.1 million, or 127.2 in pounds sterling, which represents the average recurring revenue for the quarter on an annualized basis.

Turning to TMX Datalinx. Revenue in the business grew by 2 percent, reflecting higher revenue from benchmark and indices, driven by the new term CORRA benchmark, as well as higher revenue from data feeds and co-location. In addition, there was a positive impact from the price adjustments that took place earlier this year and a favourable FX impact of $400,000 due to a stronger US dollar. Somewhat offsetting the growth was lower subscriber and usage-based revenue due to a client-specific reduction in an enterprise agreement renewal.

Derivatives Trading and Clearing revenue, excluding BOX, had very strong results in the quarter, which was up 20 percent, primarily driven by a 21 percent increase in Montreal Exchange and CDCC volumes. The revenue increase also benefitted from the impact of pricing changes, which came into effect in January of this year, somewhat offset by a favourable product mix partially due to lower volumes from BAX, which was sunset in June following the transition to CORRA. We are very pleased with the adoption of the CORRA futures product, which have an average daily volume of over 108,000 contracts this year and continue to grow.

Looking ahead, we anticipate an increase in the rate per contract, all else being equal, as we conclude the market-making incentives related to the five-year Government of Canada bond futures at the end of June.

Revenue from BOX increased 29 percent this quarter, driven by higher volumes, which increased 20 percent from Q2 of last year as well as a higher rate per contract, reflecting a favourable product mix. In addition, BOX's equity options market share was 7 percent this quarter, a 1 percent increase from Q2 of last year.

In our Equities and Fixed Income Trading and Clearing segment, revenue was up 14 percent in the quarter driven by an increase of 18 percent from Equities and Fixed Income Trading and 10 percent from our CDS business. The revenue increase in our Equities and Fixed Income Trading business reflected an 18 percent increase in the overall volumes of securities traded on our equities marketplaces.

Trading volumes were up across all of our marketplaces, namely 15 percent on TSX, 28 percent on TSX Venture Exchange, and 10 percent on Alpha Exchange. Our combined equities trading market share for TSX- and TSXV-listed issues was approximately 64 percent this quarter, down 2 percent from Q2 of last year, but notably, up 1 percent sequentially versus Q1 of this year. The equity trading activity showed

important signs of recovery this quarter with trading volume and value growing in double digits compared to last year.

On the Fixed Income Trading side, revenue increased versus Q2 a year ago, primarily reflecting increased activity in Government of Canada bonds. The CDS double-digit revenue increase was driven by higher issuer event management fees, higher interest income on short-term deposits, increased eligibility assessment services, and higher exchange-traded volumes. This was somewhat offset by higher rebates.

Turning to Capital Formation. Revenue in the segment declined 4 percent in the quarter, primarily due to lower revenue from TSX Trust. Now, as you'll recall, in the second quarter of last year, we had a record TSX Trust revenue, driven by significantly higher net interest income reflecting above-average corporate actions activity in that quarter. And despite a strong quarter this year, there was a decline year over year compared to that high watermark.

The sustaining fees and initial listing fees decreased slightly compared to last year due to lower activity on TSX Venture Exchange partially offset by increases on TSX. Despite additional listing fees remaining flat year over year due to lower average fees, we had strong financing activity this quarter with over $7.7 billion raised on our exchanges and 9 percent higher number of transactions compared to last year.

Turning now to our expenses. Operating expenses, or operating costs, in the second quarter increased by 27 percent compared to Q2 of last year on a reported basis driven by the following items.

First, an additional $28.7 million relating to the inclusion of TMX VettaFi, which is now part of the group results, namely $12.8 million of operating expenses relating to TMX VettaFi; $11.9 million relating to the amortization of acquired TMX VettaFi intangibles; and finally, $4 million of integration costs. So after adjusting for these, our quarter-over-quarter increase would be approximately 10 percent.

Second, we incurred $1.7 million of expenses in the second quarter related to our US expansion initiative.

And lastly, there was $2.3 million increase in BOX's market regulatory-related expenses.

So excluding these items, our operating expenses increased by approximately 7 percent on a comparable basis, reflecting increased employee performance incentive plan costs, largely driven by the increase in our share price, and higher revenue-related expenses. So excluding these items, second quarter operating expenses increased approximately 4 percent compared to last year. Somewhat offsetting the increases, Q2 of last year included $700,000 of higher severance and $300,000 related to SigmaLogic.

Now, looking at our results sequentially, revenue increased $21.2 million from the first to the second quarter reflecting higher revenue across all of our key operating segments with the exception of Global Solutions, Insights and Analytics, which included revenue from TMX VettaFi's annual Exchange Conference in Q1 of '24. And as I noted last quarter, this will be an annual variance when comparing Q2 to Q1, and Q1 to Q4.

Capital Formation revenue increased sequentially, primarily reflecting higher additional listings revenue to more transactions and more dollars raised on our exchanges and higher transfer agency and net interest income revenue in TSX Trust.

Equities and Derivatives trading volume grew by 10 percent and 11 percent, respectively, which drove revenue increases in equity trading, CDS, as well as derivatives trading and clearing.

Revenue from BOX increased 7 percent, driven by a 4 percent increase in volumes as well as a higher rate per contract, reflecting a favourable product mix.

Operating expenses in Q2 were down approximately $1 million from the first quarter, primarily reflecting decreases of $7.2 million related to TMX VettaFi, largely due to the annual exchange conference in Q1 as well as lower acquisition and related expenses of $6 million. These decreases were partially offset by higher BOX-related expenses of $2.5 million, higher integration costs of $2.1 million, and increases in Q2 related to employee-performance, incentive-plan costs, IT operating costs, and revenue-related expenses.

Turning now to our balance sheet. You may recall from my Q1 remarks that we repaid the Term A credit facility relating to the TMX VettaFi transaction in full with the proceeds of our Series G, H, and I debentures back in February. Now on May 24th, we completed a Canadian private placement offering of $300 million in our Series J debenture. The proceeds from this debenture were mainly used for the full repayment of our Term B and C facilities.

So since we have now termed out all three credit facilities at lower rates, all things being equal, the net financing costs incurred in the second half of the year should be lower than the first half. The weighted average interest rate of our total outstanding debt of $2.25 billion was approximately 4.17 percent as at June 30th.

Now on June 30th, our pro forma debt to adjusted EBITDA ratio was 3.2 times. We also held over $490 million in cash and marketable securities, which was $286 million in excess of the $205 million we target to retain for regulatory and related purposes. Net of excess cash, our leverage was 2.8 times. We remain well on track to deliver our deleveraging plan to return to our target range of 1.5 to 2.5 times by the end of 2025.

Now last night, our board approved a quarterly dividend of $0.19 per common share, payable on August 30th to shareholders of record as of August 16th. In the second quarter, we will pay out 44

percent of our adjusted earnings per share, while our last 12 months payout ratio is around 48 percent, which remains at the higher end of our target payout ratio of 40 percent to 50 percent.

That now concludes my formal remarks. I would like to turn the call back to Amin for our Q&A period.

Amin Mousavian

Thank you, David. Operator, would you please outline the process for the Q&A session.

Q&A

Operator

Sure. And, ladies and gentlemen, we will now begin the question-and-answer session. To ask a question, simply press the *, followed by the number 1 on your telephone keypad. If you're using a speakerphone, please pick up your handset before pressing any keys. And to withdraw your question, please press the *, followed by the number 2. One moment please for your first question.

And your first question comes from the line of Étienne Ricard with BMO Capital Markets. Please go ahead.

Étienne Ricard — BMO Capital Markets

Thank you, and good morning. On VettaFi, it's great to see new disclosure on AUM this quarter.

If we put aside changes in market values, can you please share details on your long-term expectations for net flow growth as well as the potential for market share gains from other index providers?

John McKenzie

Yeah. Unfortunately, we're not going to be able to break it down into that kind of detail for you, Étienne. I appreciate the question. We're going to continue to guide you on the overall long-term growth for the franchise, which is in the high-growth category, the high-single, low-double-digit growth rates.

We're completely delivering on that right now. So what you're seeing in terms of the VettaFi results for the first quarter, first six months of the year are exactly in line with what we were hoping to when we acquired it and in line with the guidance that we provided.

Now, as you said, in terms of the AUM, we are trying to provide more guidance. That growth is a combination of both market value and inflows into those funds as well as an expansion of the number of funds that we provide.

So we are constantly adding new funds as well. And we'll think about how we provide more insights into that in terms of new funds that are underpinned by VettaFi indices, but that's what you should expect, going forward. That'll be a component of that long-term growth in terms of that high-single, low-double.

Étienne Ricard

In your discussions with asset managers that have transitioned to VettaFi, what's the key reason they've made this change?

John McKenzie

Yeah. The amazing thing is there's so many key reasons. There's a lot of different reasons, and because we have the ability to bring that kind of full suite of services that I talked about earlier, what we're able to do with asset managers with the team here at VettaFi is actually work on not just areas where we can convert. So some of the new assets under management are areas where we've actually

converted an index they were previously using to one is a VettaFi index where we can actually do one that's actually more efficient, lower cost, better tracking, and those types of things.

But we can also work on ideation with the firms. With the strength of our index factory capability, we can bring a new idea to an ETF manager, or build on an idea they have, and then ideate it with them and look at how it compares to other benchmarks. And so that's quite powerful.

And then, when you combine that with the intelligence we can do through our network and the distribution tools, we can bring them a range of solutions that helps to bring them over. Sorry, I just had a cough, so I had to go mute for a second.

Étienne Ricard

Okay. All good?

David Arnold

Yep. Just John's just having a sip of water. So, Étienne, did that give you enough? Or would you like to follow?

Étienne Ricard

No. That's great. And on the topic of digital distribution, how's the integration between VettaFi and Datalinx going? In other words, what's the roadmap over the next year in terms of monetizing the VettaFi data?

John McKenzie

Yeah. I mean that integration is well underway. Most of that integration is actually around the sales and distribution side so that we can move to common sales capability with clients. And it's not just with Datalinx. We're actually trying to do some of that same capability with the folks on the Capital Formation side that are interacting with ETF and other fund managers as well because if we can also

provide then the listing activity later on for a new fund, we actually then have an even more complete solution. So that's all well underway.

The utilization of data sets is underway as well. The creativity of the team here is looking at data sets, not just within the Datalinx franchise, but also within our Trayport franchise as well in terms of data we can potentially utilize to build new funds there as well. And as we bring in new data sets and new geographies and funds as well, that's going to add to the things that we can do.

Étienne Ricard

Great. Appreciate the answers.

John McKenzie

No. Thank you.

Operator

And your next question comes from the line of Benjamin Budish with Barclays. Please go ahead.

And, Benjamin, you might be on mute.

Benjamin Budish — Barclays

Sorry about that. I certainly was. Good morning, and thank you for taking the question.

I wanted to come back to VettaFi for a moment. It's helpful to have the enhanced disclosure, but I was wondering if you could kind of go back and remind us about the revenue mix between fees and AUM and the other pieces. It just looks like the AUM sort of more than doubled since the beginning of '23, but the revenues are up quite a bit less than that. So just trying to understand how that all works.

John McKenzie

Yeah. I'm happy to. So on the overall pie, first of all, the majority, more than half the revenue, comes from the indexing side, so fees that would be tied to AUM. But not all products are the same. And

so, depending on the product, depending on the contract that could be arranged in terms of the kind of the fee per AUM that are in that, so some of the longer-held products that are really, really well established, like the ones that are midstream pipeline products, things like that, have higher rates per AUM built in them.

When we're adding some new products, sometimes, you're building at lower rates until they grow in, and then you can expand them over time. So there is a mixture there. And then, over time, as a product gets more strong, more dominant, more utilized in a broader base, you can have pricing changes associated with it.

So that's the way to think about it, just more than half of the revenue that's indexed in AUM base, but within there you've got a broad mix of things that are very kind of unique IP versus products that are kind of more kind of market benchmarks that would be much lower cost. And you've got a whole range in there.

Benjamin Budish

Got it. And just on the same topic, I think your constant currency growth was 15 percent in the quarter. What was the contribution from ROBO Global and EQM? I guess ROBO Global was acquired in April, so maybe that would be similar on a like-for-like, but can you quantify how much EQM would have added? Or how additive that would have been to that number?

David Arnold

A couple of points. Couple of points. One percent to two percent.

Benjamin Budish

Okay. And then maybe one final one for me. Just on Datalinx, so you called out a client's specific reduction renewals, but it looks like the growth rate there has been sort of slowing since the beginning of

‘23. I’m just curious is there anything else to call out. Anything else sort of going on? It looks like the number of market data subs has been kind of flattish. I know that’s one expected higher-growth targets. So anything else to be aware of there in terms of the recent revenue growth deceleration?

John McKenzie

No. Not really. I mean, we were looking to do this in terms of the mid-singles in terms of that piece over the long term. And you remember that we also had a period before that we were up over double digit. And so there is some pluses and minuses of that. When you look at the subscriptions, we’re actually continuing to grow on the derivative side. So we’re getting new derivative pickup and subscriptions, and we did have a shortfall on more of the equity side. And that is related to a client issue. So we’ve got a client with an expense challenge that curtailed their usage, but it is not indicative of the broad business.

And so it does put a bit of a headwind on that business in 2024, but it’s not indicative of the long term.

Benjamin Budish

Got it. Great. Well, thank you for taking my questions.

John McKenzie

My pleasure.

Operator

And your next question comes from the line of Aravinda Galappatthige with Canaccord. Please go ahead.

Aravinda Galappatthige — Canaccord

Good morning. Thanks for taking my questions. A couple for me.

Firstly, on Shreveport, obviously continue to see sort of great numbers there. With respect to sort of your grow initiatives on the geographic side, obviously, Japan and the US, and then on the product side, sort of what you developed on Investor Day with respect to oil. How should we see that pacing? I mean, when we think about time line, when should we expect to see those initiatives sort of impact the numbers like over the next year or two? Just wanted to get a sense of that.

And secondly, on the derivatives side, as you pointed out, they grew a bit of gap between sort of the volume growth at MX and the revenue growth, obviously because of the transition from BAX. That gap, I know, David, you mentioned, it would start to ease.

Is that something that will be sort of be sequential? Or should we sort of expect that gap to be largely closed by the second half? I wanted to get a sense of the pacing there as well. Thank you.

John McKenzie

I always joke, this is always the challenge of having chats every quarters and then actually having an Investor Day in between them is, I apologize, we haven't moved those Trayport initiatives as much in the six weeks since we saw you last.

To be candid, though, I mean, those are multiyear initiatives. So your kind of time frame you talked about made a lot of sense in terms of kind of that period. They are different in terms of the ones that are product-related versus the ones that are new geography. So the new geography, like in Japan, is a little different because as that market deregulates, that is actually part of the key piece in terms of the expansion of the usage.

And so we've actually been there and tested with that market earlier on before anybody else. So we're kind of ready to go, and as that market opens up, Trayport is already engaged. We've already got

product connectivity. We're already connected to some of the clients. So it's really just about the opening up of the market, and we're ready to go.

The US market is already an open market. So that's when we're actually trying to change behaviours and transition clients over. And you're seeing it in the results. It's still early stage, but we've gone from kind of 1 million pound a year out of the US to closer to 6 million pound, only in the last couple of years, as we bring it on both a combination of exchanges, new traders, new market makers, new brokers, and we've got a sales team here that is working on a pipeline of other clients to move across. So you're going to keep seeing that step-up in building critical mass in the US.

And the other area is around kind of asset classes themselves. So we didn't talk about it as much in this call. We talked about it more in the session at the Investor Day, but we are looking at other parts along the spectrum in terms of building out more on the renewable side, on the carbon credit side, but really also looking at how we tackle the oil market. So we're in active discussions with number of participants that would work towards converting the oil market from a phone-based market to a Trayport-based market.

And so that's another one we're going to potentially open up a large market. But these are programs that do take time. They take a lot of heavy lifting and handholding because we are changing, you know, very much like the US, changing how the business has been done. So that kind of time frame kind of the one to two years in terms of getting to kind of steady, safe progress makes a lot of sense. And we'll keep updating as we go, but it is hard to show it quarter by quarter.

I'm going to let David talk to the derivatives piece.

David Arnold

MX. Yeah. So on the MX one, Aravinda, so all else being equal, we should see a positive revenue per contract in Q3 as the five-year rolls off. So unlike our long-term initiatives in Trayport that John was touching on, which will take longer to show like noticeable financial benefits, this one should be as early as Q3, all things being equal.

John McKenzie

Yeah. And I want to know with that, I'm going to add to it, we put incentives on the two-year as well when we brought that to market. Those incentives, we can't give you the time on it, but they will run off as well, and they have been very successful. So if you actually look at the volume on the two-year through the first six months of this year, it's actually exceeding the five-year now. And so it's that kind of level, 60,000-plus contracts a day. It's been an extremely successful product launch. So that's another one that will eventually wind down.

And we did put incentives on the CORRA product. And that was very deliberate choice because the importance of having BAX to CORRA transition seamlessly and not having that activity then flip into the over-the-counter market where it would be hard to bring it back on exchange was so important, we made sure those incentives were in there. So that is part of that mixed impact in this year. But, over time, that's going to wear off as well.

So think about it as a step-down, as David said. We've got the five-year coming up, but in the future we will also have the two-year coming off and the CORRA coming off as well.

Aravinda Galappatthige

Thank you.

Operator

And your next question comes from the line of Nik Priebe with CIBC. Please go ahead.

Nik Priebe — CIBC

Thanks. Wanted to bring the conversation back to VettaFi and continue to drill into that in a bit greater depth. The marketplace of index providers seems dominated by a select few competitors where brand equity actually matters a lot to the commercial viability of financial products that are tracking the index. For fund sponsors that have created products based on VettaFi indices, what has drawn them to VettaFi rather than a larger competitor like an S&P or an MSCI? I just wanted your view on what differentiates VettaFi in that context from some of the larger incumbents.

John McKenzie

Yeah. There's a number of pieces there. One is like I think S&P is a great provider. They're a partner with us, as you know, in terms of the large equity indices, the composite, the TSX/S&P 60. But they're less designed to do bespoke custom indices for unique providers.

So we can work with a provider and do something custom for them at scale that meets the specific needs of what they're trying to target for their funds. And that's very difficult for a large player to do in terms of both the scale, compliance, the challenges around that or even the technology. So that's one of the big advantages.

And then what I mentioned earlier on, in our capabilities that we have that are unique to us, we can ideate kind of with them and show them how a product will benchmark against a number of those other global benchmarks and show historical outperformance, those types of things.

When you compare that also and add it into the capabilities we've built with the data sets, the ETF analytics, the distribution tools, the network we've got of advisors, it actually really is a unique advantage that some of those even larger firms don't have. So we actually do network out to 200,000-

plus advisors. So we can actually give a fund company really early analysis of when you put a new fund out there, who's looking at it, what's the interest level, who do you market it to, those types of things.

So it is an end-to-end solution we're providing, and I think you've got to be able to do that to create that compelling value proposition when you are competing with those larger players.

Now that being said, the other additional piece is because of our kind of nimbleness-sized scale, we can also be more cost effective. So when we're creating new benchmarks, even broad-based benchmarks, we can be more cost effective than a large player can because if they made a change, they would have to do it for substantial funds that already have assets under management.

And so that's kind of one of the benefits of being a strong, nimble, growing player as opposed to an incumbent.

Nik Priebe

Okay. That's great colour. And can you also tell us a bit more about how the non-indexing component of that business grows over time. Like it's easier to understand the indexing business and some of the key drivers there, but what about like digital distribution as an example? Is that all about driving more traffic to your digital properties? And can you talk a little bit about how you get paid in that business? Like is it mostly sponsored content? Just anything you could share on the non-indexing pieces would be helpful as well.

John McKenzie

Yeah. There's two components. So, I mean, those are all largely subscription based. So subscription-based services, we build out the network with the advisors that can use the content for free, but both we produce and we do sponsored content with issuers with fund creators. And that's all through subscription model. So both on the distribution side, on the webcast side, the learning side, but also on

the ETF and the analytics side, the data analysis are all subscription-based pieces. So in some cases, we may have a client that takes one of those products. They may take multiple products. So we've got an opportunity to actually sell deeper into them.

We had a question earlier on about some of the kind of integration with our sales team. We are actually now selling those products into multiple Canadian dealers now for use in their fund programs. And so we've got multiple new sales that we've actually either closed or are in the process of closing, again, in subscription models for distribution and analytic tools.

Nik Priebe

I'll pass the line. Thank you.

John McKenzie

Thank you.

Operator

And your next question comes from the line of Jaeme Gloyn with National Bank Financial. Please go ahead.

Jaeme Gloyn — National Bank Financial

Yeah. Thanks. Just wanted to touch on OpEx for a second. In terms of this quarter, I'm thinking about upcoming quarters, some of the, let's say, nonrecurring items like integration of VettaFi, the incentive compensation this quarter with the share price, how much should we be thinking about in terms of those costs while one-timey in nature still recurring in the next quarter?

David Arnold

Hi, Jaeme. It's David. As you know, like we don't really provide the kind of long-term, or at least outlook, expense guidance, but where we are right now, and that's why I kind of showed you the core is

if you look through some of these anomalous items, you know, the US expansion, adding VettaFi when it's not in the prior period, the share price movement was very, very positive this quarter, so, obviously, it has a knock-on effect to our share-based compensation programs. When we look through all of that, it's around 4 percent. Right? And that's a pretty good number in my mind for kind of where we are through these anomalous items, if you will.

Obviously, the place of the most pressure continues to be in the technology sector, contract renewals and supplier agreement renewals. There's a lot of pricing pressure in that space, but besides that, it's pretty much business as usual.

We continue to expand, though, and invest in growth. Right? So we do have more team members at TMX this quarter than we had a year ago, and that'll continue to provide some upward pressure on some of the cost numbers.

The other thing that we did, and we touched on it prior in some of our annual disclosure and stuff is we're really trying to motivate and incentivize our employees with more long-term incentive compensation versus, let's say, pure short-term incentive compensation. And, obviously, when we have the share price run up like we've seen in the last six months, that does obviously have a knock-on effect to the compensation of benefits.

So it's both an absolute number, but also the breadth and depth of the long-term incentive through the organization.

John McKenzie

Yeah. Let's be fair. Let's call that a high-class problem for this quarter. I always want to guide, and we'll have to figure out if we can do better disclosure for this, but if you go back to our circular where we actually show our programs, one of the particular changes that Dave was just talking to is we've moved

essentially all of our executives to what I'll call a 60/40 mix of incentives where 60 percent of the mix is in long-term incentives. And in our long-term incentive program, our LTIP program, about 60 percent of that is in performance-share units.

And so to be a bit specific, those performance share units, while we hedge all our RSUs, we hedge our underlying share price impacts and our units, they have multipliers in terms of how does the TMX perform compared to the underlying index? And with our share prices being up kind of actually 30-ish percent this year and the index up 8%, we're way outperforming the market. So it's a big mark-to-market adjustment in the quarter.

And if you're going to see that again in the back half, we need to go up another 30 percent. And I'm happy for you and to encourage that to happen, but obviously we wouldn't predict that. And so it isn't indicative of the future where those incentive plans are tracking high now, and they're mark to market in there. And it doesn't mean there won't be a little bit more, but I think you've largely got it in now.

Jaeme Gloyn

Okay. Understood. On the TSX Trust, just wanted to go back and just verify the sensitivity to interest rates that we're thinking about, the two Bank of Canada rate cuts that have come through and we compare Q3 this year versus Q3 next year, we would expect to see some pullback activity and otherwise all-else-equal.

Can you just refresh us on that impact? And then, also, maybe a quick look and see how volumes and other factors in TSX Trust might be trending relative to last year's Q3.

David Arnold

Let me handle the first part quickly, Jaeme, and then John and I can kind of flip between the two of us for the second part.

So for every 25 basis points, it's approximately $2 million right now. And as you've seen, we've updated our disclosure every once in a while because there is a mix component that really does cause that to kind of fluctuate. But right now, as a really good benchmark is 25 basis points is roughly $2 million on an annualized basis.

The key point with the Trust business, this year versus last year, is, as you recall, last year in Q2 we had some large corporate action activity where we were actually the named person on record, and there was some large balances, and we were able to earn outsized net interest income relative to this quarter where we did also participate in some larger corporate actions but not quite the size of a year ago. So that's really resulted in the year-over-year delta. But the sensitivity piece, for sure, is every 25 basis points, roughly $2 million.

John, you can talk a little bit about the pipeline.

David Arnold

Yeah. And that's actually the exciting piece. As David said, even though it's the delta versus last year, it actually exceeded expectations for us in Q2 because, like you said, that net interest income is not just the rates. It's the amount of activity there, the cash on balance, which gets impacted by transactions.

And we had some really good transactions in Q2. Not like the large single one we had last year, but some really good transactions. So as that continues, when you see M&A activity, corporate action continuing, more action in the pipeline, so as those interest rates come down, yes. You have the NII impact, but we do expect to see more transaction activity coming out of that. And we will get some of these NII bumps from transaction activity that are unrelated to what's going on with interest rates. So that's why we're in the business is one of our kind of hypothesis is when we were in is the bigger we build

the client base out, and we've got almost 1,400 transfer agency clients in there and a growing number of trust clients, the more we can do trust activity for them.

Always going to be harder to predict and going to be a bit lumpier, but as we get more experience in there, we're going to be able to give better long-term guidance as to what a typical year will look like. But the positive piece, as you indicated, is we are seeing higher levels of activity.

Jaeme Gloyn

Okay. Great. And last one, just the CDS equity trading, equity affects Sigma trading CDS, actually. Surprising in terms of its growth. Like this has, last several quarters, has been running high-single digits. I think your guys would be more around like low to mid for that business. What, I guess, is in the numbers in the last several quarters that that is driving that higher growth rate? And is it something that we should think as being sustainable? Or is it some new initiatives that are hitting the run rate already?

David Arnold

Yeah. So I'll start on this one and then I'll hand to John. So one of the things we covered at the Investor Day is post-trade is really a growth engine for us at TMX. Obviously, CDS is part of our Equities, Trading and Fixed Income Clearing kind of segments. So when we show that in our long-term financial objectives, as you've seen, Jaeme, we basically say that that's going to grow as the market grows.

But our CDS business, as you have rightfully pointed out, has outperformed the market. And that's because of, A) a lot of these initiatives that we have underway that are really not our dreamt-up kind of hypothesis. They're really in response to client needs where clients are very interested in additional post-trade services. And so we're building solutions that are actually meeting their needs.

So stay tuned because at some point, John and I discussed there might be a need for us to kind of break out CDS and CDCC from the kind of long-term financial objectives because they might actually be

vectoring slightly more than the other parts that they're included with, for example, Equities and Fixed Income Trading. John?

John McKenzie

Yeah. And the other piece we'll add on that, the growth that you've seen in the first half the year with both CDS and CDCC really are not yet impacted by the two major programs we just launched. So the fact we launched the CCMS service on CDS and the SGC Notes service on CDCC, both have upside potential for both those businesses. And interesting on both of them, they have upside potential across different parts of the franchise as well. And let me explain that for a second.

The more we can do collateral management services for the clients, we free up also collateral in their system that can then be deployed in more trading activity. Now, you think about it as the fuel for trading, what we're doing is giving more of that fuel back. So there's the revenue for buying the service and then there's the extra liquidity that can come into the market.

On the other side, the SGC Notes, those collateral notes, and again, this has just been launched, so it's not actually driving revenue at all at this point, it has multiple points of revenue drivers as that gets successful. The issuance side. The clearing activity, which would run through CDCC, and also the backdrop in term of the securitization of the produce, the trustees, TSX Trust.

So this is another example of using king of the enterprise power of TMX, and multiple parts of the franchise, to deliver a solution for the clients, and you'll see that revenue across multiple parts.

Operator

Thank you. And your next question comes from the line of Graham Ryding with TD Securities. Please go ahead.

John McKenzie

Graham, are you there?

Operator

Graham, you might be on mute.

Graham Ryding — TD Securities

Yeah, I was on mute. Apologies. I just wanted to touch on the post-trade modernization initiative. I think CapEx spend was increased there again. So maybe just what's your visibility or confidence level that this revised budget should capture the sort of timing and the investment required?

And then secondly, coming out of this, what are the benefits and the payback that you're looking to generate.

John McKenzie

Yeah. Both are excellent questions. So candidly, first of all, the change in the estimates is really just a factor of time. It's the fact that we've now set the actual go-live date in Q1 of next year. So the time in terms of development work over that period continues to accrue there and the time before we can sunset the existing system at the same time. This was our expectation. So our intention was to be ready to go live at the end of this year. We will be.

The really important milestone was that two weeks ago we launched the industry-wide testing. That couldn't start until T+1 was done and settled and the industry was ready to do. So we have the participants connected to the system. We've got a long-term test program in it to test all of it because this is core to everyone's systems. And so that'll run for a number of months. And then you've got, as you would expect for a major program, kind of shake-down, dress rehearsal, testing like that.

The challenge is that because of the timing of T+1 and when we could restart, that would push into what could be a go-live at near the end of 2024. That's a high-risk factor to try to push a go-live of a

major system at the end of the year when you're hitting code freezes for major participants, banks, things like that. So we made the decision that we would do this at the beginning of 2025. And so it just does mean we run the program a little longer, and that's what's reflected in the estimates.

Now, in terms of the payback and the benefits, I mean, obviously you're going to see the amortization of the program that will come into our economics when we go live, but we are going to sunset the older system, which is a higher-cost system to run. So that, in terms of main frame and all the pieces around it, if that system costs more to run we're going to be able to shut that down. We're going to be able to shut down the expense side of the program or redeploy that expense into other development program from the company.

And we are going to be refiling our pricing program for the removal of the rebates. Now, that's already on the public record, and so we will be pushing that forward once we demonstrate to the Street that we've got a working product here that's going to meet their needs, so.

All those pieces are part of the program. The additional piece is that the new system, once live, is going to be a better system for the industry: better reporting, better useability, should help them manage their positions better as well. And in addition, it sets us up to do more things like things like CCMS, SGC Notes, and kind of the next stage of where we can take those to.

So that's the way to think about it in terms of enabling our future growth but also some direct benefits as well.

Graham Ryding

Okay. Understood. On VettaFi, the revenue that you get from the digital distribution side of your business, like how consistent or recurring is that? Should we think about it's being more lumpier and

episodic? Or is that their regular run rate? Because I think you flagged it as being down year over year this quarter.

John McKenzie

Yeah. I mean, it can have some lumpiness to it because while it is subscription based, this is often the marketing departments of funds that are actually using some of those services. And so you can get some—like anything else, you can have areas where a company, they don't have budget left, so they're going to do it the next year. Or they've got excess budget, and they want to get something done for a certain time period that works with their year-end, or their budget.

So you do have some client budget pieces that will drive some lumpiness there. And as we get more experience with it, we'll be able to give more guidance as to what the long-term run rates look like.

Operator

And that is all the time we have for questions. I would like to turn it back to Amin Mousavian for closing remarks.

Amin Mousavian

Thank you, everyone, for joining our call today. If you have any further questions, contact information for Investor Relations as well as Media is in our press release, and be more than happy to get back to you. Until next time, goodbye.

Operator

Thank you, presenters. And ladies and gentlemen, this concludes today's conference call. Thank you all for participating. You may now disconnect.