TMX Group Limited Reports Results for Second Quarter of 2024

- Revenue of $367.1 million, up 20% from $306.2 million in Q2/23
- Diluted earnings per share of $0.36, up 3% from $0.35 in Q2/23
- Adjusted diluted earnings per share[1] of $0.43, up 13% from $0.38 in Q2/23

July 31, 2024 (TORONTO) – TMX Group Limited [TSX:X] (“TMX Group”) announced results for the quarter ended June 30, 2024.

Commenting on the first six months of 2024 and the company's outlook, John McKenzie, Chief Executive Officer of TMX Group, said:

“TMX delivered excellent results for the first half of the year, reflecting strong performances across our franchise. First half revenue increased 18% compared to 2023, driven by recent areas of expansion, including TMX VettaFi and TMX Trayport as well as foundational business areas, partially offset by lower revenue from Capital Formation due to the impact of challenging capital raising conditions on TSX Venture Exchange. As outlined in our recent Investor Day, our people are firmly committed to serving our stakeholders, executing a long-term strategy to diversify, innovate and globalize, and accelerating the growth of our great company into the future."

Commenting on the company's performance in the second quarter of 2024, David Arnold, Chief Financial Officer of TMX Group, said:

“TMX’s high-performance business model continued to deliver in the second quarter, with a 9% year-over-year increase in organic revenue excluding TMX VettaFi, highlighted by double-digit revenue growth from TMX Trayport, Derivatives Trading and Clearing, and Equities and Fixed Income Trading and Clearing, partially offset by lower revenue from Capital Formation. Strong results included 12% growth in income from operations, and 13% growth in adjusted diluted earnings per share, compared with Q2/23. The second quarter also featured important signs of recovery in equity trading and financing activity, with year-over-year and sequential growth. TMX continued to make progress in our deleveraging plan and the integration of TMX VettaFi. Looking ahead, we remain well positioned to seize on both organic and inorganic opportunities to accelerate enterprise growth.”

[1] Adjusted diluted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Key Highlights for the Second Quarter of 2024

- Organic revenue excluding TMX VettaFi grew by 9% in the second quarter driven by an 18% increase in equity trading volumes, a 21% increase in derivatives trading volumes, 20% increase in BOX volumes, and a 24% increase in Trayport's total licencees partially offset by lower capital raising activity on TSX Venture Exchange.

- Comparable operating expense (operating expenses excluding TMX VettaFi, integration costs, costs related to the U.S. expansion initiative, and estimate of increased expenses for services provided by BOX Exchange LLC which were not included in Q2/23) increased 7% and included higher employee performance incentive plan costs largely driven by the increase in our share price. There were also higher headcount and payroll costs reflecting investment in various growth areas of our business, higher revenue related expenses, and increased IT operating costs.

- In the second quarter, we issued $300.0 million of Series J Debentures due in May 2026, and repaid the Term B and C facilities. Total debt including debentures and commercial paper was $2,242.5 million with a weighted average cost of debt of 4.17% as at June 30, 2024.

RESULTS OF OPERATIONS

Non-GAAP Measures

Adjusted net income is a non-GAAP measure[2], and adjusted earnings per share, adjusted diluted earnings per share, and adjusted earnings per share CAGR are non-GAAP ratios[3], and do not have standardized meanings prescribed by GAAP and are, therefore, unlikely to be comparable to similar measures presented by other companies.

Management uses these measures, and excludes certain items, because it believes doing so provides investors a more effective analysis of underlying operating and financial performance, including, in some cases, our ability to generate cash. Management also uses these measures to more effectively measure performance over time, and excluding these items increases comparability across periods. The exclusion of certain items does not imply that they are non-recurring or not useful to investors.

We present adjusted earnings per share, adjusted diluted earnings per share, and adjusted net income to indicate ongoing financial performance from period to period, exclusive of a number of adjustments as outlined under the headings "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for Q2/24 and Q2/23" and "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for 1H/24 and 1H/23".

We have also presented long term adjusted EPS CAGR as a financial objective which is the growth rate in adjusted diluted earnings per share over time, exclusive of adjustments that impact the comparability of adjusted EPS from period to period, including those outlined under the headings "Adjusted Earnings Per Share Reconciliation for Q2/24 and Q2/23" and "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for 1H/24 and 1H/23". The adjusted EPS CAGR is based on the assumptions outlined under the heading "Caution Regarding Forward Looking Information - Assumptions related to long term financial objectives".

Similarly, we present the dividend payout ratio based on dividends paid divided by adjusted earnings per share as a measure of TMX Group's ability to make dividend payments, exclusive of a number of adjustments as outlined under the heading "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for Q2/24 and Q2/23" and "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for 1H/24 and 1H/23".

Debt to adjusted EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by adjusted EBITDA. Adjusted EBITDA is calculated as net income excluding interest expense, income tax expense, depreciation and amortization, transaction related costs, integration costs, one-time income (loss), and other significant items that are not reflective of TMX Group's underlying business operations.

[2] As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

[3] As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

Quarter ended June 30, 2024 (Q2/24) Compared with Quarter ended June 30, 2023 (Q2/23)[4]

The information below is derived from the financial statements of TMX Group for Q2/24 compared with Q2/23.

(in millions of dollars, except per share amounts)	**Q2/24**	Q2/23	**$ increase**	**% increase**
Revenue	**$367.1**	$306.2	$60.9	20%
Operating expenses	**203.2**	159.4	43.8	27%
Income from operations	**163.9**	146.8	17.1	12%
Net income attributable to equity holders of TMX Group	**100.0**	97.3	2.7	3%
Adjusted net income attributable to equity holders of TMX Group[5]	**120.5**	107.1	13.4	13%
Earnings per share attributable to equity holders of TMX Group				
Basic	**0.36**	0.35	0.01	3%
Diluted	**0.36**	0.35	0.01	3%
Adjusted Earnings per share attributable to equity holders of TMX Group[6]				
Basic	**0.43**	0.38	0.05	13%
Diluted	**0.43**	0.38	0.05	13%
Cash flows from operating activities	**209.6**	172.7	36.9	21%

Net Income attributable to equity holders of TMX Group and Earnings per Share

Net income attributable to equity holders of TMX Group in Q2/24 was $100.0 million, or $0.36 per common share on a basic and diluted basis, compared with a net income attributable to equity holders of TMX Group of $97.3 million, or $0.35 per common share on a basic and diluted basis for Q2/23. The increase in net income attributable to equity holders of TMX Group reflects an increase in Income from operations of $17.1 million from Q2/23 to Q2/24 driven by an increase in revenue of $60.9 million, partially offset by an increase in operating expenses of $43.8 million. The increase in revenue from Q2/23 to Q2/24 is largely attributable to increases in revenue from Global Solutions, Insights and Analytic, of which $32.0 million reflects the inclusion of revenue from TMX VettaFi (fully acquired January 2, 2024), as well as higher revenue from Derivatives Trading and Clearing, and Equities and Fixed Income Trading and Clearing, somewhat offset by lower Capital Formation revenue. The higher expenses reflected approximately $12.8 million of operating expenses related to TMX VettaFi, $11.9 million related to amortization of acquired VettaFi intangibles, $4.0 million in integration costs, approximately $1.7 million related to our U.S. expansion initiative, and $2.3 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC. There were also higher expenses reflecting higher headcount and payroll costs, employee performance incentive plan costs, higher revenue related expenses, and increased IT operating costs.

[4] TMX Group completed a five-for-one split of its common shares outstanding (the Stock Split) effective at the close of business on June 13, 2023.

[5] Adjusted net income attributable to equity holders of TMX Group

[6] Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from Q2/23 to Q2/24, somewhat offset by higher net finance costs.

Adjusted Net Income attributable to equity holders of TMX Group[7] and Adjusted Earnings per Share[8] Reconciliation for Q2/24 and Q2/23[9]

The following tables present reconciliations of net income attributable to equity holders of TMX Group to adjusted net income attributable to equity holders of TMX Group and earnings per share to adjusted earnings per share. The financial results have been adjusted for the following:

1. The amortization expenses of intangible assets in Q2/23 and Q2/24 related to the 2012 Maple transaction (TSX, TSXV, MX, Alpha, Shorcan), TSX Trust, TMX Trayport (including VisoTech and Tradesignal), AST Canada, BOX, and WSH, and the amortization of intangibles related to TMX VettaFi in Q2/24. These costs are a component of *Depreciation and amortization*.

2. Integration costs related to integrating the VettaFi acquisition in Q2/24. These costs are included in *Compensation and benefits, Information and trading systems,* and *Selling, general and administration*.

3. Acquisition and related costs in Q2/24 related to VettaFi (equity-accounted on January 9, 2023 prior to the acquisition of control on January 2, 2024). Q2/23 also includes acquisition related costs for SigmaLogic (equity-accounted prior to the acquisition of control on February 16, 2023 and divested on April 21, 2023). These costs are included in *Selling, general and administration*.

4. Change in fair value related to contingent considerations, reflecting a reduction in the earn-out liability in Q2/23 assumed as part of the WSH acquisition, and an increase to a prior earn-out liability assumed as part of the VettaFi acquisition in Q1/24. These changes are included in *Net Finance Costs*.

5. Net gain on foreign exchange (FX) forwards and translation of monetary assets and liabilities denominated in foreign currencies, including USD-denominated debt raised to facilitate the VettaFi acquisition. These changes are included in Net Finance Costs in Q2/24.

6. Gain resulting from the sale of 100% of our interest in SigmaLogic to VettaFi (effective April 21, 2023), net of divestiture costs. This gain is included in *Other Income* while the costs are included in *Selling, general and administration*.

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[7] Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

[8] Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

[9] TMX Group completed a five-for-one split of its common shares outstanding (the Stock Split) effective at the close of business on June 13, 2023. All common share numbers and per share amounts in this release, including comparative figures, have been adjusted to reflect the Stock Split.

	Pre-tax		Tax		After-tax			
(in millions of dollars) (unaudited)	**Q2/24**	Q2/23	**Q2/24**	Q2/23	**Q2/24**	Q2/23	**$ increase / (decrease)**	**% increase / (decrease)**
Net income attributable to equity holders of TMX Group					**$100.0**	$97.3	$2.7	3%
Adjustments related to:								
Amortization of intangibles related to acquisitions[10]	**26.9**	15.0	**6.8**	3.2	**20.1**	11.8	8.3	70%
Integration costs	**3.9**	—	**1.0**	—	**2.9**	—	2.9	n/a
Acquisition and related costs[11]	**0.1**	0.1	**—**	—	**0.1**	0.1	—	—%
Fair value loss (gain) on contingent considerations[12]	**0.5**	(1.1)	**—**	—	**0.5**	(1.1)	1.6	(145)%
Net gain from FX forwards and translation of monetary assets and liabilities denominated in foreign currencies	**(3.4)**	—	**0.4**	—	**(3.0)**	—	(3.0)	n/a
Gain on sale of SigmaLogic, net of divestiture costs[13]	**—**	(1.2)	**—**	0.2	**—**	(1.0)	1.0	(100)%
Adjusted net income attributable to equity holders of TMX Group[14]					**$120.5**	$107.1	$13.4	13%

Adjusted net income attributable to equity holders of TMX Group increased by 13% from $107.1 million in Q2/23 to $120.5 million in Q2/24 driven by an increase in income from operations, partially offset by higher net finance costs.

[10] Includes amortization expense of acquired intangibles including TMX VettaFi in Q2/24 .

[11] For additional information, see discussion under the heading "Initiatives and Accomplishments" for more details.

[12] For additional information, see discussion under the heading "Additional Information - Net Finance Costs".

[13] Gain resulting from the sale of SigmaLogic (effective April 21, 2023) in Q2/23.

[14] Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures". The reconciliation for Adjusted Net Income in Q2/24 is presented without rounding adjustments for better accuracy.

(unaudited)	**Q2/24** Basic	**Q2/24** Diluted	Q2/23 Basic	Q2/23 Diluted
Earnings per share attributable to equity holders of TMX Group	**$0.36**	**$0.36**	$0.35	$0.35
Adjustments related to:				
Amortization of intangibles related to acquisitions[15]	**0.07**	**0.07**	0.04	0.04
Integration costs	**0.01**	**0.01**	—	—
Fair value loss (gain) on contingent considerations[16]	**—**	**—**	(0.01)	(0.01)
Net gain from FX forwards and translation of monetary assets and liabilities denominated in foreign currencies	**(0.01)**	**(0.01)**	—	—
Adjusted earnings per share attributable to equity holders of TMX Group[17][18]	**$0.43**	**$0.43**	$0.38	$0.38
Weighted average number of common shares outstanding	**277,368,531**	**278,550,470**	278,562,112	279,435,541

Adjusted diluted earnings per share increased by 5 cents from $0.38 in Q2/23 to $0.43 in Q2/24 reflecting an increase in income from operations and a decrease in the number of weighted average common shares outstanding from Q2/23 to Q2/24, partially offset by higher net finance costs.

[15] Includes amortization expense of acquired intangibles including TMX VettaFi in Q2/24

[16] For additional information, see discussion under the heading "Additional Information - Net Finance Costs".

[17] Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures". "*Acquisition and Related Costs*", and "*Gain on sale of SigmaLogic, net of divestiture costs*" are not presented in the reconciliation due to the size of the adjustment being less than a penny.

[18] The reconciliation for Basic adjusted earnings per share in Q2/24 is presented without rounding adjustments for better accuracy.

Revenue

(in millions of dollars)	**Q2/24**	Q2/23	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$77.8**	$81.1	$(3.3)	(4)%
Equities and Fixed Income Trading and Clearing	**64.4**	56.6	7.8	14%
Derivatives Trading and Clearing	**78.8**	63.8	15.0	24%
Global Solutions, Insights and Analytics	**146.1**	104.7	41.4	40%
	$367.1	$306.2	$60.9	20%

Revenue was $367.1 million in Q2/24, up $60.9 million or 20% from $306.2 million in Q2/23 largely attributable to increases in revenue from *Global Solutions, Insights and Analytics*, of which $32.0 million reflects the inclusion of revenue from TMX VettaFi (fully acquired January 2, 2024), *Derivatives Trading and Clearing,* and *Equities and Fixed Income Trading and Clearing,* partially offset by a decrease in *Capital Formation*. Excluding revenue from TMX VettaFi, revenue was up 9% in Q2/24 compared to Q2/23.

Operating expenses

(in millions of dollars)	**Q2/24**	Q2/23	**$ increase**	**% increase**
Compensation and benefits	**$96.7**	$80.5	$16.2	20%
Information and trading systems	**28.0**	21.4	6.6	31%
Selling, general and administration	**37.3**	29.6	7.7	26%
Depreciation and amortization	**41.2**	27.9	13.3	48%
	$203.2	$159.4	$43.8	27%

Operating expenses in Q2/24 were $203.2 million, up $43.8 million or 27%, from $159.4 million in Q2/23. The increase reflected $12.8 million of operating expenses related to TMX VettaFi (equity accounted since January 9, 2023, prior to acquisition of control on January 2, 2024), and $11.9 million higher amortization of expenses related to acquired VettaFi intangibles. There was also $4.0 million in integration costs, approximately $1.7 million related to our U.S. expansion initiative, as well as $2.3 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC.

Excluding the above mentioned expenses for TMX VettaFi, integration costs, the U.S. expansion initiative, and BOX, comparable operating expenses increased by approximately 7% in Q2/24 compared with Q2/23.

The comparable operating expense increase of 7% reflects higher expenses due to higher headcount and payroll costs, higher employee performance incentive plan costs driven by the increase in our share price, higher revenue-related expenses, and increased IT operating costs. Partially offsetting these increases was $0.7 million lower severance and $0.3 million in expenses incurred in Q2/23 related to SigmaLogic.

Additional Information

Share of loss from equity-accounted investments

(in millions of dollars)	Q2/24	Q2/23	$ decrease	% decrease
	$(0.3)	$(0.4)	$0.1	25%

- In Q2/24, our share of loss from equity-accounted investments decreased by $0.1 million. For Q2/24, our share of (loss) income from equity-accounted investments includes Ventriks and other equity accounted investments, compared with Q2/23, which included VettaFi, SigmaLogic[19] and Ventriks.

Other income

(in millions of dollars)	Q2/24	Q2/23	$ (decrease)	% (decrease)
	$0.0	1.3	$(1.3)	(100)%

- In Q2/23, we recognized a non-cash gain of $1.3 million resulting from the sale of 100% of our interest in SigmaLogic to VettaFi in exchange for additional common shares in VettaFi.

Net finance costs

(in millions of dollars)	Q2/24	Q2/23	$ increase	% increase
	$17.9	$6.9	$11.0	159%

- The increase in net finance costs from Q2/23 to Q2/24 reflected higher interest expense of $15.8 million driven by increased debt levels following the VettaFi acquisition. This increase was somewhat offset by a net foreign exchange gain of $1.7 million (reflects FX gains on USD-denominated intercompany loans, partially offset by FX losses for USD-denominated external debt) in Q2/24 compared with a net foreign exchange loss of $1.5 million in Q2/23. In addition, there was a $1.7 million fair value gain on foreign exchange forwards[20], and higher interest income on funds invested of $0.9 million as a result of higher interest rates in Q2/24.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)[21]	
Q2/24	Q2/23	**Q2/24**	Q2/23
$36.0	$35.1	**26%**	27%

[19] Consolidated February 16, 2023 and divested April 21, 2023. For additional information, see discussion under the heading " Initiatives and Accomplishments - VettaFi Acquisition" in the 2023 Annual MD&A.

[20] For additional information, see discussion under the heading "Financial Instruments".

[21] Effective Tax Rate is based on Income tax expense divided by Income before income tax expense less Non-controlling interests. Effective tax rate, including NCI, calculated from total Income before Income Tax Expense was 25% in Q2/24 and Q2/23.

The effective tax rate excluding below adjustments would have been approximately 27% for Q2/24 and Q2/23.

Q2/24

- In Q2/24, there was a net capital gain from FX revaluations, which decreased our effective tax rate by approximately 1%.

Net income attributable to non-controlling interests

(in millions of dollars)	**Q2/24**	Q2/23	**$ increase**
	$9.7	$8.4	$1.3

- The increase in net income attributable to non-controlling interests (NCI) for Q2/24 compared to Q2/23 is primarily due to higher net income in BOX driven by higher revenue partially offset by higher operating expenses.

Six months ended June 30, 2024 (1H/24) Compared with the six months ended June 30, 2023 (1H/23)[22]

The information below reflects the financial statements of TMX Group for 1H/24 compared with 1H/23.

(in millions of dollars, except per share amounts)	**1H/24**	1H/23	**$ increase**	**% increase**
Revenue	**$713.0**	$605.3	$107.7	18%
Operating expenses	**407.4**	318.8	88.6	28%
Income from operations	**305.6**	286.5	19.1	7%
Net income attributable to equity holders of TMX Group	**239.5**	186.3	53.2	29%
Adjusted net income attributable to equity holders of TMX Group[23]	**224.2**	210.7	13.5	6%
Earnings per share attributable to equity holders of TMX Group				
Basic	**0.86**	0.67	0.19	28%
Diluted	**0.86**	0.67	0.19	28%
Adjusted Earnings per share attributable to equity holders of TMX Group[24]				
Basic	**0.81**	0.76	0.05	7%
Diluted	**0.81**	0.75	0.06	8%
Cash flows from operating activities	**274.2**	269.3	4.9	2%

Net Income attributable to equity holders of TMX Group and Earnings per Share

Net income attributable to equity holders of TMX Group in 1H/24 was $239.5 million, or $0.86 per common share on a basic and diluted basis, compared with $186.3 million, or $0.67 per common share on a basic and diluted basis for 1H/23. The increase in net income attributable to equity holders of TMX Group reflected a non-cash gain of $57.1 million being recognized in 1H/24 resulting from the fair value remeasurement of our previously held minority interest in VettaFi (equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024), a decrease in income tax expense of $4.5 million, and an increase in income from operations of $19.1 million. The increase in income from operations from 1H/23 to 1H/24 was driven by an increase in revenue of $107.7 million, largely attributable to increases in revenue from

[22] TMX Group completed a five-for-one split of its common shares outstanding (the Stock Split) effective at the close of business on June 13, 2023. All common share numbers and per share amounts in this release, including comparative figures, have been adjusted to reflect the Stock Split.

[23] Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

[24] Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Global Solutions, Insights and Analytics, of which $69.9 million reflects the inclusion of revenue from TMX VettaFi, as well as higher revenue from Derivatives Trading and Clearing, and Equities and Fixed Income Trading and Clearing, somewhat offset by a decrease in Capital Formation revenue and an increase in operating expenses of $88.6 million. The higher expenses reflected approximately $32.8 million of operating expenses related to TMX VettaFi, $23.7 million related to amortization of acquired VettaFi intangibles, $5.4 million in acquisition and related expenses, $5.5 million in integration costs, approximately $3.0 million related to our U.S. expansion initiative, as well as $3.9 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC. There were also higher expenses reflecting higher headcount and payroll costs, employee performance incentive plan costs, higher revenue related expenses, and increased IT operating costs.

Partially offsetting these increases in operating expenses was a one-time write off of receivables in 1H/23. The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from 1H/23 to 1H/24, somewhat offset by higher net finance costs.

Adjusted Net Income[25] attributable to equity holders of TMX Group and Adjusted Earnings per Share[26] Reconciliation for 1H/24 and 1H/23

The following tables present reconciliations of net income attributable to equity holders of TMX Group to adjusted net income attributable to equity holders of TMX Group and earnings per share to adjusted earnings per share. The financial results have been adjusted for the following:

1. The amortization expenses of intangible assets in 1H/23 and 1H/24 related to the 2012 Maple transaction (TSX, TSXV, MX, Alpha, Shorcan), TSX Trust, TMX Trayport (including VisoTech and Tradesignal), AST Canada, BOX, and WSH, and the amortization of intangibles related to TMX VettaFi in 1H/24. These costs are a component of *Depreciation and amortization*.

2. Acquisition and related costs in 1H/23 and 1H/24 related to VettaFi (equity-accounted on January 9, 2023 prior to the acquisition of control on January 2, 2024). Q2/23 also includes acquisition related costs for SigmaLogic (equity-accounted prior to the acquisition of control on February 16, 2023 and divested on April 21, 2023) and WSH (acquired November 9, 2022). These costs are included in *Selling, general and administration* and *Net Finance Costs.*

3. Integration costs related to integrating the VettaFi acquisition in 1H/24. These costs are included in *Compensation and benefits, Selling, general and administration, and Depreciation and amortization.*

4. Gain resulting from the sale of 100% of our interest in SigmaLogic to VettaFi (effective April 21, 2023), net of divestiture costs. This gain is included in *Other Income* while the costs are included in *Selling, general and administration*.

5. Gain on fair value revaluation of VettaFi resulting from the remeasurement of our previously held minority interest in VettaFi (fully acquired January 2, 2024), included in *Other income in* 1H/24.

[25] Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

[26] Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

6. Change in fair value related to contingent considerations, reflecting a reduction in the earn-out liability assumed as part of the WSH acquisition in 1H/23, and an increase to a prior earn-out liability assumed as part of the VettaFi acquisition in 1H/24. These changes are included in *Net Finance Costs*.

7. Net gain on foreign exchange (FX) forwards and translation of monetary assets and liabilities denominated in foreign currencies, including USD-denominated debt raised to facilitate the VettaFi acquisition in 1H/24. These changes are included in *Net Finance Costs*.

	Pre-tax		**Tax**		**After-tax**			
(in millions of dollars) (unaudited)	**1H/24**	1H/23	**1H/24**	1H/23	**1H/24**	1H/23	**$ increase / (decrease)**	**% increase / (decrease)**
Net income attributable to equity holders of TMX Group					**$239.5**	$186.3	$53.2	29%
Adjustments related to:								
Amortization of intangibles related to acquisitions[27]	**53.7**	30.2	**15.6**	7.6	**38.1**	22.6	15.5	69%
Acquisition and related costs[28]	**7.2**	0.7	**1.5**	—	**5.7**	0.7	5.0	714%
Integration costs	**5.5**	—	**1.5**	—	**4.0**	0.0	4.0	n/a
Gain on sale of SigmaLogic, net of divestiture costs[29]	**—**	(1.2)	**—**	(0.2)	**—**	(1.0)	1.0	(100%)
Gain on fair value revaluation of VettaFi[30]	**(57.1)**	—	**—**	—	**(57.1)**	—	(57.1)	n/a
Fair value loss (gain) on contingent considerations[31]	**0.9**	(1.1)	**—**	—	**0.9**	(1.1)	2.0	(182)%
Net gain from FX forwards and translation of monetary assets and liabilities denominated in foreign currencies	**(8.0)**	3.2	**1.1**	—	**(6.9)**	3.2	(10.1)	(316)%
Adjusted net income attributable to equity holders of TMX Group[32][33]					**$224.2**	$210.7	13.5	6%

[27] Includes amortization expense of acquired intangibles including TMX VettaFi in 1H/24.

[28] For additional information, see discussion under the heading "Initiatives and Accomplishments" for more details.

[29] Gain resulting from the sale of SigmaLogic (effective April 21, 2023).

[30] For additional information, see discussion under the heading "Additional Information - Other Income".

[31] For additional information, see discussion under the heading "Additional Information - Net Finance Costs".

[32] Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

[33] The reconciliation for adjusted net income in 1H/24 is presented without a rounding adjustment for better accuracy.

Adjusted net income attributable to equity holders of TMX Group increased by 6% from $210.7 million in 1H/23 to $224.2 million in 1H/24 driven by lower income tax expense and an increase in income from operations, partially offset by higher net finance costs.

	1H/24		1H/23	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share attributable to equity holders of TMX Group	**$0.86**	**$0.86**	$0.67	$0.67
Adjustments related to:				
Amortization of intangibles related to acquisitions[34]	**0.14**	**0.14**	0.09	0.08
Acquisition and related costs[35]	**0.02**	**0.02**	0.01	0.01
Integration costs	**0.01**	**0.01**	—	—
Gain on fair value revaluation of VettaFi	**(0.21)**	**(0.21)**	—	—
Fair value loss (gain) on contingent consideration[36]	**—**	**—**	(0.01)	(0.01)
Net gain from FX forwards and translation of monetary assets and liabilities denominated in foreign currencies	**(0.03)**	**(0.02)**	—	—
Adjusted earnings per share attributable to equity holders of TMX Group[37][38]	**0.81**	**0.81**	$0.76	$0.75
Weighted average number of common shares outstanding	**277,106,764**	**278,311,259**	278,614,000	279,480,950

Adjusted diluted earnings per share increased by 6 cents from $0.75 in 1H/23 to $0.81 in 1H/24 reflecting an increase in income from operations, lower income tax expense, and a decrease in the number of weighted average common shares outstanding from 1H/23 to 1H/24, partially offset by higher net finance costs.

34 Includes amortization expense of acquired intangibles including TMX VettaFi in 1H/24.

35 For additional information, see discussion under the heading " Initiatives and Accomplishments" for more details.

36 For additional information, see discussion under the heading "Additional Information - Net Finance Costs".

37 Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures". "Gain on sale of SigmaLogic, net of divestiture costs" is not presented in the reconciliation due to the size of the adjustment being less than a penny.

38 The reconciliations for Diluted adjusted earnings per share in 1H/24 is presented without a rounding adjustment for better accuracy.

Revenue

(in millions of dollars)	**1H/24**	1H/23	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$138.4**	$144.6	$(6.2)	(4)%
Equities and Fixed Income Trading and Clearing	**125.0**	118.1	6.9	6%
Derivatives Trading and Clearing	**151.4**	135.3	16.1	12%
Global Solutions, Insights and Analytics	**298.2**	207.3	90.9	44%
	713.0	$605.3	$107.7	18%

Revenue was $713.0 million in 1H/24, up $107.7 million or 18% compared with $605.3 million in 1H/23 largely attributable to increases in revenue from *Global Solutions, Insights and Analytics,* of which $69.9 million reflects the inclusion of revenue from TMX VettaFi (fully acquired January 2, 2024), as well as increases from D*erivatives Trading and Clearing*, and *Equities and Fixed Income Trading and Clearing*, partially offset by a decrease in *Capital Formation*. Excluding revenue from TMX VettaFi, revenue was up 6% in 1H/24 compared with 1H/23.

Operating expenses

(in millions of dollars)	**1H/24**	1H/23	**$ increase**	**% increase**
Compensation and benefits	**190.5**	$157.6	$32.9	21%
Information and trading systems	**53.7**	44.6	9.1	20%
Selling, general and administration	**81.6**	60.7	20.9	34%
Depreciation and amortization	**81.6**	55.9	25.7	46%
	$407.4	$318.8	$88.6	28%

Operating expenses in 1H/24 were $407.4 million, up $88.6 million or 28%, from $318.8 million in 1H/23. The increase from 1H/23 to 1H/24 reflected approximately $32.8 million of operating expenses related to TMX VettaFi (equity accounted since January 9, 2023, prior to acquisition of control on January 2, 2024), $23.7 million related to amortization of acquired VettaFi intangibles. There was also a $5.4 million increase in acquisition and related expenses mainly related to TMX VettaFi, $5.5 million in integration costs mainly related to TMX VettaFi, approximately $3.0 million related to our U.S. expansion initiative, as well as $3.9 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC.

Somewhat offsetting these increases was a one-time write off of receivables in 1H/23 of approximately $2.2 million, and $0.8 million related to SigmaLogic (control acquired February 16, 2023 and divested April 21, 2023) in 1H/23. Excluding the above mentioned expenses for TMX VettaFi, acquisition expenses, integration costs, the U.S. expansion initiative, BOX, SigmaLogic and the one-time receivable write off, comparable operating expenses increased by approximately 6% in 1H/24 compared with 1H/23.

The comparable operating expense increase of 6% reflects higher headcount and payroll costs, employee performance incentive plan costs largely driven by the increase in our share price, and increased IT operating costs somewhat offset by lower severance, marketing, facility fees, and consulting and director fees.

Additional Information

Share of loss from equity-accounted investments

(in millions of dollars)	1H/24	1H/23	$ decrease	% decrease
	$(0.5)	$(0.9)	$0.4	44%

- In 1H/24, our share of loss from equity-accounted investments increased by $0.4 million. For 1H/24, our share of loss from equity-accounted investments includes Ventriks and other equity accounted investments compared with 1H/23, which included VettaFi[39], SigmaLogic[40] and Ventriks.

Other income

(in millions of dollars)	1H/24	1H/23	$ increase	% increase
	$57.1	1.3	$55.8	4,292%

- In 1H/24, we recognized a non-cash gain of $57.1 million from the fair value revaluation resulting from the remeasurement of our previously held minority interest in TMX VettaFi (equity-accounted from January 9, 2023 to the acquisition of control on January 2, 2024).
- In 1H/23, we recognized a non-cash gain of $1.3 million resulting from the sale of 100% of our interest in SigmaLogic to VettaFi in exchange for additional common units in VettaFi.

Net finance costs

(in millions of dollars)	1H/24	1H/23	$ increase	% increase
	$39.6	$16.5	$23.1	140%

- The increase in net finance costs for 1H/24 compared to 1H/23 primarily reflected higher interest expense of $35.2 million mainly due to increased debt levels following the VettaFi acquisition. This increase was somewhat offset by lower net foreign exchange loss of $1.2 million (1H/24 net foreign exchange loss of $2.8 million reflects FX losses for USD-denominated external debt, partially offset by FX gains on USD-denominated intercompany loans). In addition,

[39] Equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024.

[40] Consolidated February 16, 2023 and divested April 21, 2023. For additional information, see discussion under the heading "Initiatives and Accomplishments* VettaFi Acquisition" in the 2023 Annual MD&A.

there was $10.8 million fair value gain on foreign exchange forwards[41], and higher interest income on funds invested of $2.1 million as a result of higher interest rates in 1H/24.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)[42]	
1H/24	1H/23	**1H/24**	1H/23
$63.5	$68.0	**21%**	27%

The effective tax rate excluding below adjustments would have been approximately 27% for 1H/24, unchanged from 1H/23.

1H/24

- In 1H/24, there was a fair value revaluation from the remeasurement of our previously held minority interest in VettaFi (Equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024) that resulted in a non-taxable gain of $57.1 million which decreased our effective tax rate by approximately 5%.
- In 1H/24, there was a net decrease in deferred income tax liabilities and a corresponding decrease in income tax expense on intangibles related to acquisitions mainly due to the acquisition of VettaFi, as well as a net capital gain from FX revaluations. These items collectively decreased our effective tax rate by approximately 1%.

Net income attributable to non-controlling interests

(in millions of dollars)	**1H/24**	1H/23	**$ increase**
	$19.6	$16.1	$3.5

- The increase in net income attributable to non-controlling interests for 1H/24 compared to 1H/23 is primarily due to higher net income in BOX driven by higher revenue and lower operating expenses.

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41 For additional information, see discussion under the heading "Financial Instruments".

42 Effective Tax Rate is based on *Income tax expense* divided by *Income before income tax expense* less *Non-controlling interests*. Effective tax rate, including NCI, calculated from total *Income before Income Tax Expense* was 20% in 1H/24 and 25% in 1H/23.

FINANCIAL STATEMENTS GOVERNANCE PRACTICE

The Finance & Audit Committee of the Board of Directors of TMX Group (Board) reviewed this press release as well as the Q2/24 unaudited condensed consolidated interim financial statements and related Management's Discussion and Analysis (MD&A) and recommended they be approved by the Board of Directors. Following review by the full Board, the Q2/24 unaudited condensed consolidated interim financial statements, MD&A and the contents of this press release were approved.

CONSOLIDATED FINANCIAL STATEMENTS

Our Q2/24 unaudited condensed consolidated interim financial statements are prepared in accordance with IFRS and are reported in Canadian dollars unless otherwise indicated. Financial measures contained in the MD&A and this press release are based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board (IASB) for the preparation of interim financial statements, in compliance with IAS 34, Interim Financial Reporting, unless otherwise specified. All amounts are in Canadian dollars unless otherwise indicated.

ACCESS TO MATERIALS

TMX Group has filed its Q2/24 unaudited condensed consolidated interim financial statements and MD&A with Canadian securities regulators. This press release should be read together with our Q2/24 unaudited condensed consolidated interim financial statements and MD&A. These documents may be accessed through www.sedarplus.ca, or on the TMX Group website at www.tmx.com. We are not incorporating information contained on the website in this press release. In addition, copies of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at +1 888 873-8392 or by e-mail at TMXshareholder@tmx.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This press release of TMX Group contains "forward-looking information" (as defined in applicable Canadian securities legislation) that is based on expectations, assumptions, estimates, projections and other factors that management believes to be relevant as of the date of this press release. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as "plans," "expects," "is expected," "budget," "scheduled," "targeted," "estimates," "forecasts," "intends," "anticipates," "believes," or variations or the negatives of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will" be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information, by its nature, requires us to make assumptions and is subject to significant risks and uncertainties which may give rise to the possibility that our expectations or conclusions will not prove to be accurate and that our assumptions may not be correct.

Examples of forward-looking information in this Press Release include, but are not limited to, our long-term revenue growth CAGR and adjusted EPS CAGR objectives; our target dividend payout ratio; our target debt to adjusted EBITDA ratio; our objectives regarding growing recurring revenue, revenue outside Canada and the percentage of GSIA revenue as a percentage of total TMX Group revenue; our objectives related to the acquisition of VettaFi; the modernization of clearing platforms, including the expected cash expenditures related to the modernization of our clearing platforms and the timing of the implementation of the modernization project; the timing of and the total cash expenditures related to the U.S. Expansion, other statements related to cost reductions; the ability to and the timing of achieving our targeted leverage range; the impact of the market capitalization of TSX and TSXV issuers overall (from 2022 to 2023); future changes to TMX Group's anticipated statutory income tax rate for 2024; factors relating to stock, and derivatives exchanges and clearing houses and the business, strategic goals and priorities, market conditions, pricing, proposed technology and other business initiatives and the timing and implementation thereof, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

These risks include, but are not limited to: competition from other exchanges or marketplaces, including alternative trading systems and new technologies and alternative sources of financing, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic conditions (including geopolitical events, interest rate movements, threat of recession) or uncertainties including changes in business cycles that impact our sector; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption; dependence on information technology; significant delays in the post trade modernization project resulting from the industry implementation of T+1 settlement or for other reasons, which could lead to increased implementation costs and could negatively impact our operating results; vulnerability of our networks and third party service providers to security risks, including cyber-attacks; failure to properly identify or implement our strategies; regulatory constraints; constraints imposed by our level of indebtedness, risks of litigation or other proceedings; dependence on adequate numbers of customers; failure to develop, market or gain acceptance of new products; failure to close and effectively integrate acquisitions to achieve planned economics, including TMX VettaFi, or divest underperforming businesses; currency risk; adverse effect of new business activities; adverse effects from business divestitures; not being able to meet cash requirements because of our holding company structure and restrictions on paying inter-corporate dividends; dependence on third-party suppliers and service providers; dependence of trading operations on a small number of clients; risks associated with our clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group common shares; inability to protect our intellectual property; adverse effect of a systemic market event on certain of our businesses; risks associated with the credit of customers; cost structures being largely fixed; the failure to realize cost reductions in the amount or the time frame anticipated;

dependence on market activity that cannot be controlled; the regulatory constraints that apply to the business of TMX Group and its regulated subsidiaries, costs of on exchange clearing and depository services, trading volumes (which could be higher or lower than estimated) and the resulting impact on revenues; future levels of revenues being lower than expected or costs being higher than expected.

Forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces and other venues; business and economic conditions generally; exchange rates (including estimates of exchange rates from Canadian dollars to the U.S. dollar or GBP), commodities prices, the level of trading and activity on markets, and particularly the level of trading in TMX Group's key products; business development and marketing and sales activity; the continued availability of financing on appropriate terms for future projects; changes to interest rates and the timing thereof; the amount and timing of: revenue and technology cost synergies resulting from the AST Canada acquisition; productivity at TMX Group, as well as that of TMX Group's competitors; market competition; research and development activities; the successful introduction and client acceptance of new products and services; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group's ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

Assumptions related to long term financial objectives

In addition to the assumptions outlined above, forward looking information related to long term revenue cumulative average annual growth rate (CAGR) objectives, and long term adjusted earnings per share CAGR objectives are based on assumptions that include, but not limited to:

- TMX Group's success in achieving growth initiatives and business objectives;
- continued investment in growth businesses and in transformation initiatives including next generation technology and systems;
- no significant changes to our effective tax rate, and number of shares outstanding;
- organic and inorganic growth in recurring revenue;
- moderate levels of market volatility over the long term;
- level of listings, trading, and clearing consistent with historical activity;
- economic growth consistent with historical activity;
- no significant changes in regulations;
- continued disciplined expense management across our business;
- continued re-prioritization of investment towards enterprise solutions and new capabilities;
- free cash flow generation consistent with historical run rate; and

- a limited impact from inflation, rising interest rates and supply chain constraints on our plans to grow our business over the long term including on the ability of our listed issuers to raise capital.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained in the section "***Enterprise Risk Management***" of our 2023 annual MD&A.

About TMX Group (TSX:X)

TMX Group operates global markets, and builds digital communities and analytic solutions that facilitate the funding, growth and success of businesses, traders and investors. TMX Group's key operations include Toronto Stock Exchange, TSX Venture Exchange, TSX Alpha Exchange, The Canadian Depository for Securities, Montréal Exchange, Canadian Derivatives Clearing Corporation, TMX Trayport and TMX VettaFi which provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver and New York), as well as in key international markets including London, Singapore, and Vienna. For more information about TMX Group, visit www.tmx.com. Follow TMX Group on X: @TMXGroup.

Teleconference / Audio Webcast

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q2/24.

Time: 8:00 a.m. - 9:00 a.m. ET on Thursday August 1, 2024

To teleconference participants: Please call the following number at least 15 minutes prior to the start of the event.

The audio webcast of the conference call will also be available on TMX Group's website at www.tmx.com, under Investor Relations.

Teleconference Number: 416-764-8659 or 1-888-664-6392

Audio Replay: 416-764-8677 or 1-888-390-0541

The pass code for the replay is 739559.

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