

Press release - For the first time, the FESE De la Vega Prize is awarded to two winners

Brussels, 4th June 2025c

The Federation of European Securities Exchanges (FESE) is delighted to announce the winners of the FESE De la Vega Prize 2025. For the first time in the prize's history, two academic papers have been selected, reflecting the quality of current research in the field. The winners are: Niels Joachim Gormsen, Kilian Huber, and Sangmin S. Oh for **"Climate Capitalists"** and Byungwook Kim for **"Do Share Repurchases Increase the Value of Non-repurchasing Firms?"**.

According to the independent jury of the FESE De la Vega Prize, both papers were selected for their innovative and impactful contributions to financial research.

"Climate Capitalists" investigates how climate-related concerns influence the cost of capital and, in turn, the incentives for firms to pursue green investments. In theory, a cost of capital channel can raise green investments similarly to a carbon tax, even if the returns to green investments remain low. This channel requires that firms perceive the cost of green capital as lower than that of brown capital. Using hand-collected data, the authors show that green and brown firms perceived their cost of capital to be the same before 2016. Once climate concerns by financial investors and governments surged after 2016, green firms perceived their cost of capital to be on average 1 percentage point lower. The findings suggest that the cost of capital channel can incentivise the reallocation of capital toward greener investments across firms and within firms.

"Do Share Repurchases Increase the Value of Non-repurchasing Firms?" shows how share repurchases have increasingly surpassed dividends as the primary means of distributing cash to investors. The author shows that most cash distributed through share repurchases ultimately flows back into the stock market, particularly into non-repurchasing firms. He provides evidence that these flows increase the value of non-repurchasing firms without subsequent reversals. The impact of share repurchase flows is most pronounced among non-repurchasing firms that share similar characteristics with repurchasing firms (e.g., size, market-to-book ratios). The author finds that the recent disproportionate increase in share repurchases by growth firms, relative to value firms, has contributed to the decline of the value premium.

Celebrating 25 years of the FESE De la Vega Prize

This year marks the 25th anniversary of the FESE De la Vega Prize. The awards were presented by FESE President Niels Brab on 4th June 2025 during the FESE Convention, titled *"Empowering Europe's Financial Future: The Savings and Investments Union"*.

Niels Brab FESE President commented: "After 25 years, the De la Vega Prize continues to recognise outstanding young academic research, enhancing our understanding of how financial markets function. This year's winners exemplify the relevance that defines the Prize, offering valuable insights into topics ranging from sustainable finance to corporate decision-making."

About the FESE De la Vega Prize

Each year since 2000, the FESE De la Vega Prize has been awarded to a young scholar for an outstanding research paper on financial markets. The Prize particularly values papers about current developments in European financial markets which promote public markets. More information is available [here](#).

FESE De la Vega Prize Jury 2025

Söhnke M. Bartram, Ph.D., Professor of Finance, University of Warwick and Centre for Economic Policy Research (CEPR)

Marlene D. Haas, Ph.D., Principal, Cornerstone Research

Thomas Johann, Assistant Professor, University of Mannheim

Arman Khachatryan, Ph.D., Government Affairs Advisor

Thorsten Martin, Associate Professor of Finance, Frankfurt School of Finance & Management

Ángel Pardo Tornero, Professor, Department of Financial Economics, University of Valencia

Talis Putnins, Professor, Finance Discipline Group, University of Technology Sydney

Roger Silvers, Assistant Professor, School of Accounting, David Eccles School of Business, The University of Utah

Apostolos Thomadakis, Ph.D., Head of Research, European Capital Markets Institute (ECMI); Research Fellow, Centre for European Policy Studies (CEPS)

Christian Westheide, Senior Lecturer in Finance, University of Edinburgh

Note to editors

The Federation of European Securities Exchanges (FESE) is the unique voice of European exchanges, advocating for fair, transparent and efficient capital markets to support growth and prosperity in Europe. We are committed to financing the economy, ensuring financial stability, and fostering sustainable development.

FESE represents 17 full Members and 1 affiliate Member from 32 countries. Exchanges operate both transparent regulated markets for securities and exchange-traded derivatives, and specialised SME growth markets that allow small and medium-sized companies to access public capital markets.

FESE is registered in the EU Transparency Register with number 71488206456-23.

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