



Euronext Q3 2019 Results

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SPEAKERS



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer

1 Q3 2019 HIGHLIGHTS

Q3 2019 NET INCOME UP 25.8% TO €63.5M DRIVEN BY ORGANIC GROWTH, COST MANAGEMENT AND OSLO BØRS VPS CONSOLIDATION

Revenue

€181.7m

+20.4%
+€30.8m

- Revenue growth (+€30.8m) driven by Oslo Børs VPS consolidation (+€25.5m), new services (+€1.5m) and organic revenue growth (+€3.7m)
- Organic performance drive by strong trading business and services activity, and a dynamic trend on IPOs
- Continued diversification strategy with non-volume related revenue represented 52% of total revenue and covering 129% of costs excl. D&A

EBITDA margin

59.4%

+1.2pts

- Group EBITDA up 23.0% to €108.0 million
- Organic EBITDA margin at 61.6%, up +3.5pts
- Continued organic costs control, and confirmed 2019 costs guidance
- €7.6 million run-rate cost synergies extracted from Euronext Dublin

Adjusted EPS¹⁾

€0.98

+15.1%

- Adjusted net income¹⁾ up +15.1%, to €68.3m thanks to strong operating performance and despite increase in tax rate related to adjustments in deferred tax assets and liabilities
- Reported net income up 25.8% to €63.5m

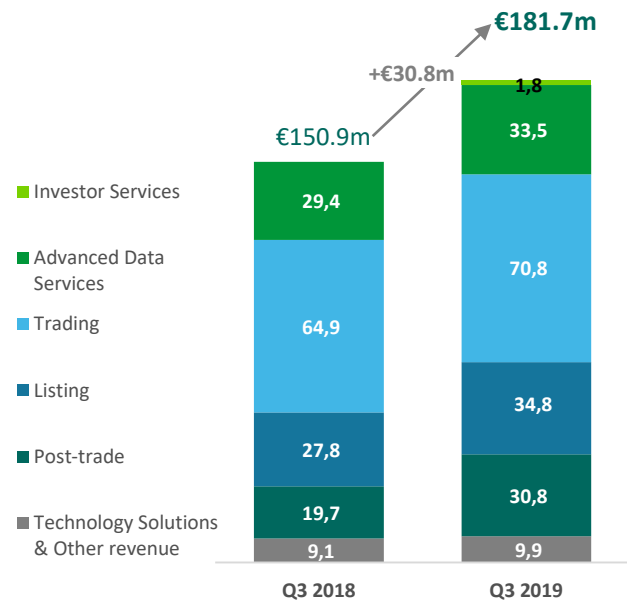


2 | Q3 2019 BUSINESS REVIEW



Q3 2019 REVENUE UP +20.4% DRIVEN BY ORGANIC REVENUE GROWTH AND OSLO BØRS VPS CONSOLIDATION

Q3 2019 revenue up +20.4% to €181.7m



■ Non-volume related revenue
■ Volume related revenue

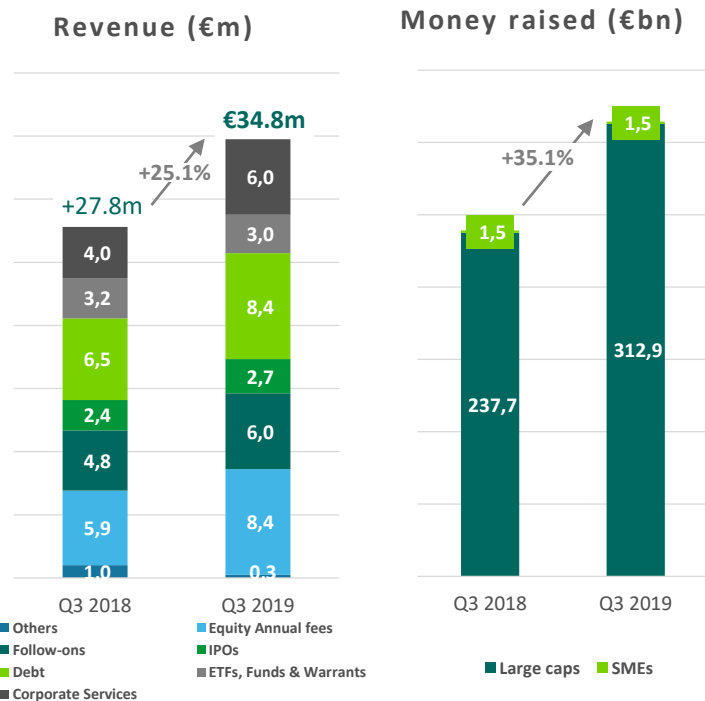


- Oslo Børs VPS revenue contribution: €25.5m
- Listing revenue growth thanks to the strong performance of corporate services, the consolidation of Oslo Børs VPS and a dynamic trend in IPOs
- Cash trading revenue up through strong organic yield, market share and increased volumes
- Advanced Data Services revenue driven by good performance of indices
- Incremental contribution from investor services
- Strong growth in post-trade revenue thanks to the consolidation of Oslo Børs VPS, despite clearing revenue impacted by unfavourable product mix

+20.4%	Consolidated revenue growth
+2.5%	Organic revenue growth
52%	Non-volume related revenue
129%	Non-volume related revenue to operating cost coverage vs 110% in Q3 2018

LISTING REVENUE UP +25.1% TO €34.8M IN Q3 2019

Strong growth of corporate services and consolidation of Oslo Børs VPS



- Strong performance from Euronext's Corporate Services revenue (+€1.7m), thanks to increased commercial intensity
- +3.9% organic growth
- Contribution of Oslo Børs VPS: €5.9m¹⁾
- Return of a dynamic trend in IPOs:
 - 2 international large cap listings: Prosus and Titan
 - 10 SME listings, including 6 from European Tech SMEs initiatives countries
- Stable activity on secondary equity market reflecting uncertainty around economic growth and light M&A activity
- Launch of a new green bond offering across all Euronext markets, with more than 50 participating issuers at launch



12
New listings

€221m
raised on
Primary Markets

+48.2%
revenue growth of
corporate services

TRADING REVENUE UP +9.0% TO €70.8M IN Q3 2019

Strong yield and market share on cash and good performance of spot FX trading

1 Cash trading

€53.4m

revenue
+10.0%

€7.9bn

ADV
+9.6%

0.51bps

combined
yield

69.4%

market share
+3.7pts

- **Strong combined market share at 69.4%** in a volatile environment (organic: 69.7%)
- **Strong organic yield at 0.53bps** (vs 0.52bps in Q3 2018)
- *Contribution of Oslo Børs VPS +€2.7m (for €0.7bn of ADV)*
- +4.4% organic growth

2 Derivatives trading

€11.5m

revenue
+4.0%

523k lots

Financial derivatives
ADV
+3.9%

54k lots

Commodities
ADV
-25.1%

€0.30

Rev. per lot
-3.6%

- **Less favourable product mix** impacting revenue
- Financial derivatives volumes supported by higher volatility
- Weaker agricultural physical market driving commodities volume down
- *Contribution of Oslo Børs VPS +€0.4m*
- +0.1% organic growth

3 FX trading

€6.0m

revenue
+10.8%

\$19.4bn

ADV
-0.1%

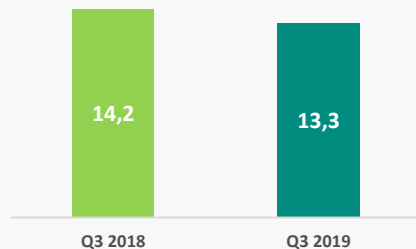
- **Positive impact from foreign exchange rate and yield management**
- Go-live of Singapore matching engine

POST-TRADE REVENUE UP +56.5% TO €30.8M

Consolidation of Oslo Børs VPS, good settlement activity and lower clearing revenue

1 Clearing

in €m

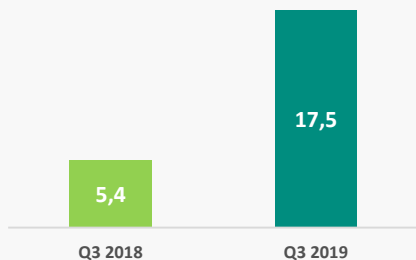


€13.3m
revenue
-6.5%

- **Unfavourable derivatives product mix**, with lower commodities negatively impacting clearing revenue and offsetting increased derivatives volumes

2 Custody, Settlement and other post-trade

in €m



€17.5m
revenue
+221.4%

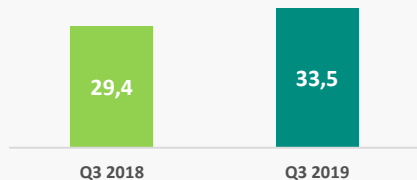
- **Interbolsa**
 - Stable custody business and increased settlement activity
- **VPS**
 - Higher market volatility and activity generating higher settlement transactions
- *Contribution of Oslo Børs VPS +€12.0m*
- +1.0% organic growth

ADVANCED DATA SERVICES, INVESTOR SERVICES AND TECHNOLOGY SOLUTIONS

Good performance of indices, incremental contribution from Commcise and Oslo Børs VPS

1 Advanced Data Services

in €m

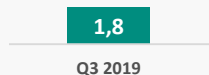


€33.5m
revenue
+13.9%

- Good performance from indices business, particularly on ESG products
- Slight decrease in market data revenue
- +1.1% organic growth revenue
- *Contribution of Oslo Børs VPS +€3.7m*

2 Investor Services

in €m

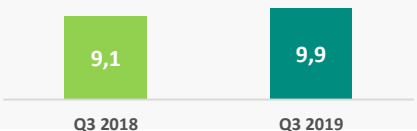


€1.8m
revenue

- Continued revenue growth benefiting from Euronext's financial standing, reach and expertise with asset managers and broker dealers
- *Contribution of Oslo Børs VPS +€0.3m*

3 Technology Solutions

in €m



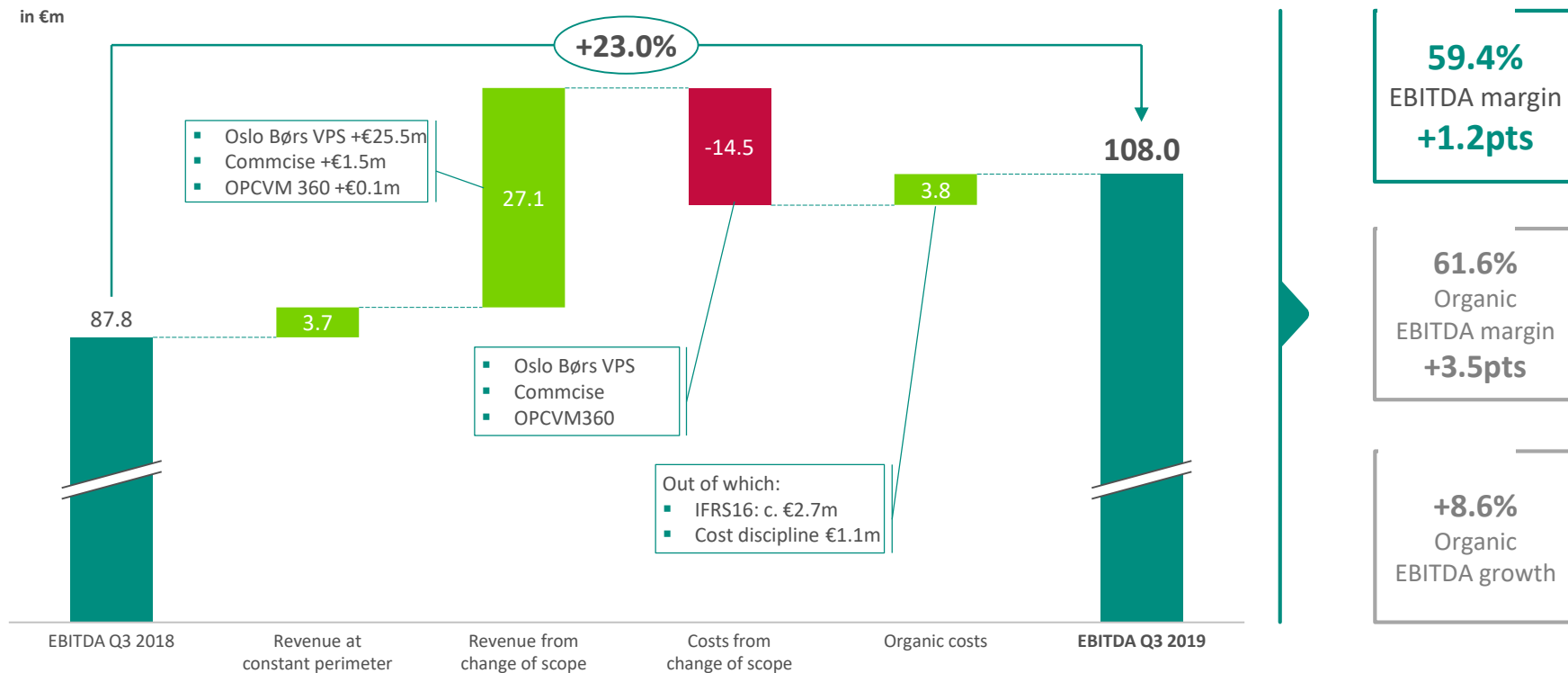
€9.9m
revenue
+9.5%

- Good performance of hosted services
- Continued work on Optiq® commercial project delivery
- +3.9% organic growth revenue
- *Contribution of Oslo Børs VPS +€0.5m*

Q3 2019 FINANCIAL REVIEW

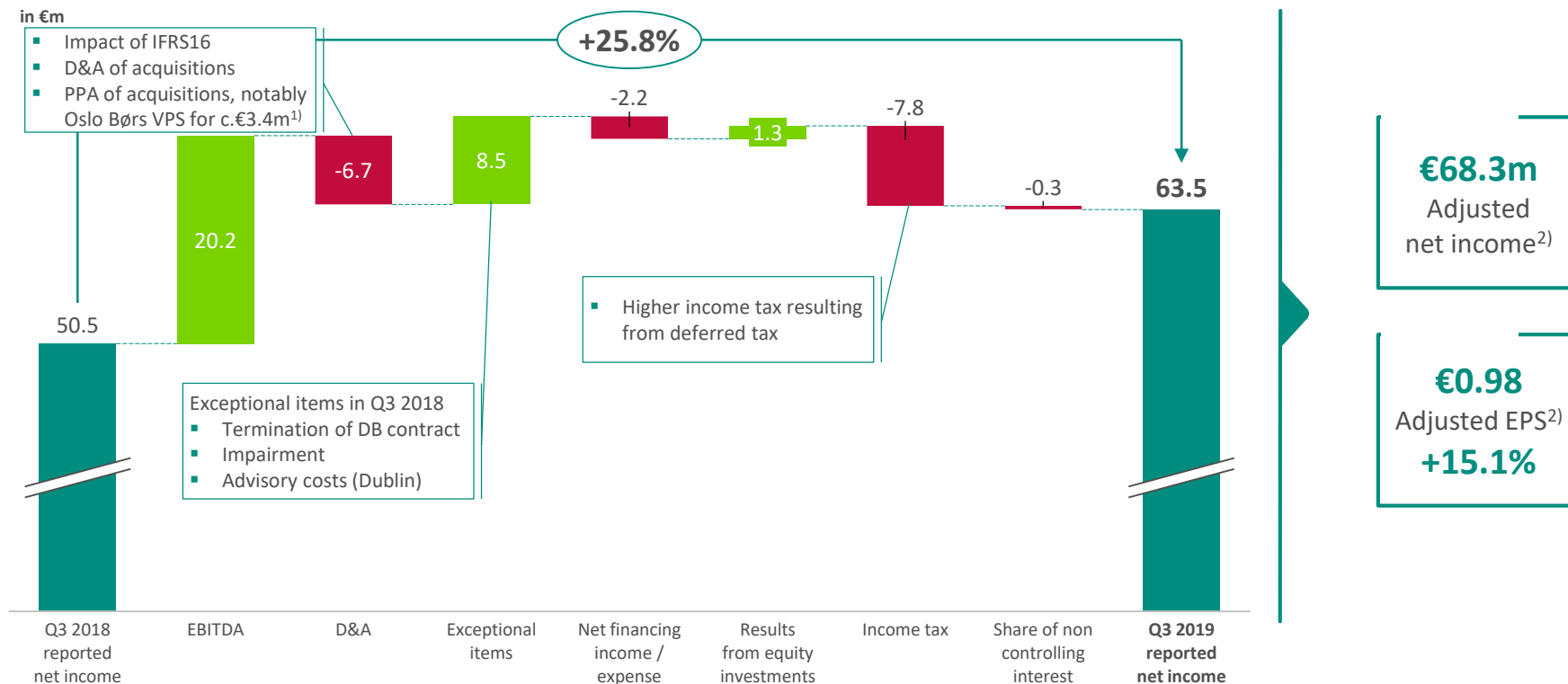
Q3 2019 EBITDA UP +23.0% TO €108.0M

Organic revenue growth, continued cost discipline and consolidation of Oslo Børs VPS



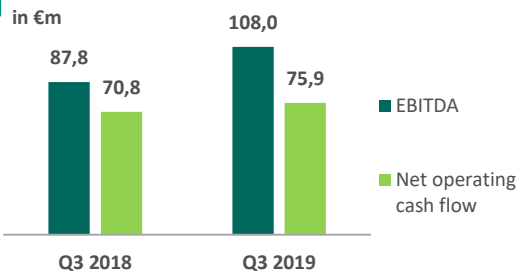
NET INCOME UP 25.8% TO €63.5 AND ADJUSTED EPS UP +15.1% TO €0.98 PER SHARE

Higher results from equity investments, partially offset by interest expenses and income tax



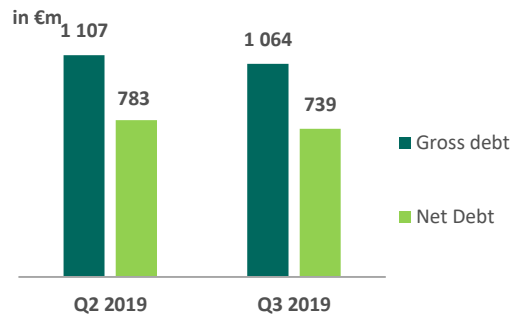
SOLID CASH FLOW GENERATION AND LIQUIDITY POSITION

EBITDA to net operating cash flow



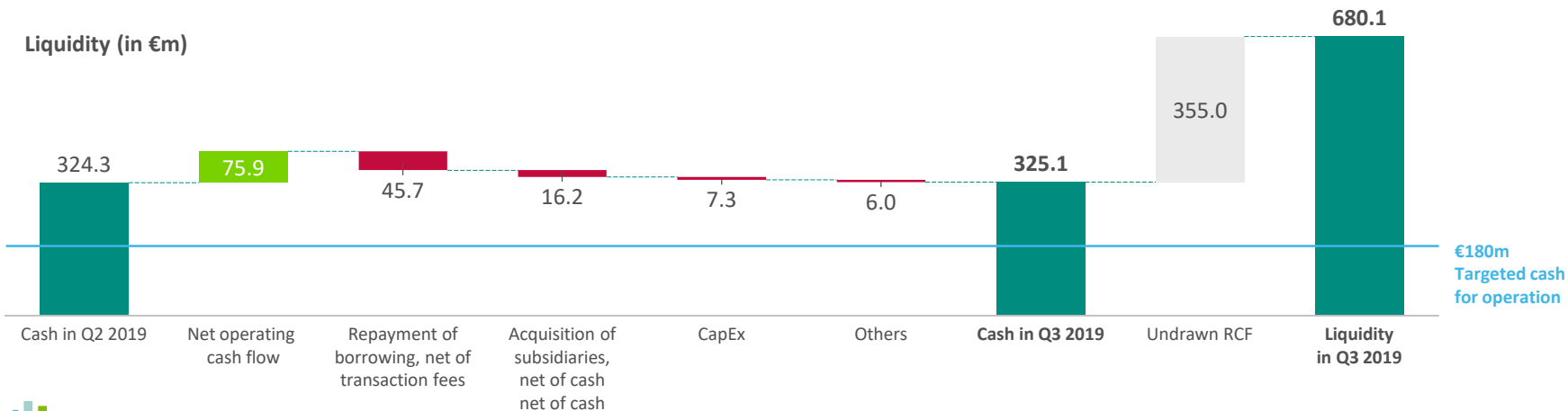
Q3 2019 EBITDA to net operating cash flow conversion rate at **70.3%** (vs 80.6% last year), mainly impacted by one-off in changes in working capital

Debt and leverage



Net debt to EBITDA¹⁾ ratio at **1.8x** (vs 1.9x in Q2 2019)

Liquidity (in €m)



4 Q&A

Q&A - SPEAKERS



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer



Anthony Attia

Managing Board
Member

APPENDIX

ADOPTION OF IFRS16 AND ADJUSTED EPS RECONCILIATION

1 Adoption of IFRS16

Due to the adoption of IFRS 16 on 1 January 2019, Euronext reported in Q1 2019 a €2.7m positive impact on its EBITDA, a slightly positive impact on its operating profit (€0.1m) and an insignificant impact on its net income. This impact in Q1 2019 is expected to be similar for the four quarters of 2019.

<i>Unaudited, In €m</i>	Quarterly expected impact in 2019 (based on Q1 2019 impact)
Revenue	-
Operational expenses excluding D&A	-2.7
Salaries and employee benefits	-
Other Operational Expenses	-2.7
<i>System & Communication</i>	-0.3
<i>Professional Services</i>	-1.2
<i>Clearing expense</i>	-
<i>Accommodation</i>	-1.2
<i>Other Operational Expenses</i>	-
EBITDA	+2.7
Depreciation & Amortisation	+2.7
Operating Profit before Exceptional items	+0.1
Exceptional items	-
Operating Profit	+0.1
Net financing income / (expense)	-0.1
Results from equity investments	-
Profit before income tax	-0.1
Income tax expense	-0.0
Share of non-controlling interests	-
Net income	-0.0

2 Adjusted EPS reconciliation table

<i>In €m unless stated otherwise</i>	Q3 2019	Q3 2018
Net Income Reported	63.5	50.5
<i>EPS Reported (€ per share)</i>	0.91	0.72
Assets adj. related to acquisitions (PPA)	- 5.5 -	2.1
Exceptional items	- 0.3 -	8.8
Tax related to those items	1.0	2.1
Adjusted for assets related to acquisitions, capital gains or losses and exceptional items, incl. tax		
Adj. Net Income	68.3	59.3
Adj. EPS (€ per share)	0.98	0.85

Q3 2019 INCOME STATEMENT

Unaudited, In €m	Q3 2019	Q3 2018	% var	Organic % var (like for like)
Revenue	181.7	150.9	+20.4%	+2.5%
Listing	34.8	27.8	+25.1%	+3.9%
Trading revenue	70.8	64.9	+9.0%	+4.2%
Cash Trading	53.4	48.5	+10.0%	+4.4%
Derivatives Trading	11.5	11.0	+4.0%	+0.1%
Spot FX Trading	6.0	5.4	+10.8%	+10.8%
Investor Services	1.8	-	N/A	n/a
Advanced Data Services	33.5	29.4	+13.9%	+1.1%
Post-trade	30.8	19.7	+56.5%	-4.4%
Clearing	13.3	14.2	-6.5%	-6.5%
Custody, Settlement and other post-trade	17.5	5.4	+221.4%	+1.0%
Technology Solutions & other revenue	9.9	9.1	+9.5%	+3.9%
Other income	0.1	0.0	N/A	N/A
Operational expenses excluding D&A	-73.8	-63.2	+16.8%	-6.1%
Salaries and employee benefits	-40.7	-30.3	+34.3%	+3.7%
Other Operational Expenses	-33.1	-32.9	+0.8%	-15.1%
System & Communication	-7.6	-5.7	+33.5%	-5.8%
Professional Services	-9.3	-10.5	-11.5%	-26.7%
Clearing expense	-7.2	-7.7	-6.4%	-6.4%
Accommodation	-1.7	-2.6	-34.8%	-46.9%
Other Operational Expenses	-7.4	-6.4	+14.3%	-1.9%
EBITDA	108.0	87.8	+23.0%	+8.6%
<i>EBITDA margin</i>	<i>59.4%</i>	<i>58.2%</i>	<i>+1.2 pts</i>	<i>+3.5 pts</i>
Depreciation & Amortisation	-13.1	-6.4	+103.3%	+28.5%
Operating Profit before Exceptional items	94.9	81.3	+16.6%	+7.0%
Exceptional items	-0.3	-8.8	-96.5%	
Operating Profit	94.6	72.5	+30.4%	
Net financing income / (expense)	-2.0	0.1	N/A	
Results from equity investments	2.1	0.9	+142.6%	
Profit before income tax	94.7	73.5	+28.8%	
Income tax expense	-30.4	-22.6	+34.4%	
Share of non-controlling interests	-0.8	-0.5	+70.2%	
Profit for the period	63.5	50.5	+25.8%	
EPS Reported (in € per share)	€ 0.91	€ 0.73	+25.7%	
EPS Diluted (in € per share)	€ 0.91	€ 0.72	+25.7%	

BALANCE SHEET AS AT 30 SEPTEMBER 2019

Unaudited, In €m	As at 30 Sep 2019	As at 30 Jun 2019
Non-current assets		
Property, plant and equipment	58.2	46.9
Right-of-use assets	52.9	54.9
Goodwill and other intangible assets	1,456.5	1,413.2
Deferred income tax assets	18.2	28.2
Investments in associates and JV	78.5	76.4
Financial assets at fair value through OCI	196.6	196.3
Other non current assets	3.2	8.9
Total non-current assets	1,864.1	1,825.0
Current assets		
Trade and other receivables	128.6	132.4
Income tax receivable	2.8	4.9
Derivative financial instruments	22.8	23.0
Other short-term financial assets	31.1	24.8
Cash & cash equivalents	325.1	324.3
Total current assets	510.3	509.3
Total assets	2,374.4	2,334.3

Unaudited, In €m	As at 30 Sep 2019	As at 30 Jun 2019
Shareholders' equity		
Shareholders' equity	865.6	811.5
Non-controlling interests	14.7	28.9
Total Equity	880.2	840.4
Non-current liabilities		
Borrowings	1,014.6	1,053.6
Lease liabilities	42.8	45.1
Deferred income tax liabilities	79.3	24.5
Post employment benefits	31.9	30.5
Contract liabilities	43.9	43.7
Other provisions	8.8	8.7
Total Non-current liabilities	1,221.3	1,206.2
Current liabilities		
Borrowings	49.4	53.7
Lease liabilities	13.5	13.3
Other current financial liabilities	17.4	17.4
Derivative financial instruments	0.1	0.0
Income tax payable	22.1	16.5
Trade and other payables	96.2	97.9
Contract liabilities	74.0	88.8
Other provisions	0.1	0.1
Total Current liabilities	272.9	287.7
Total equity and liabilities	2,374.4	2,334.3

Q3 2019 CASH FLOW AND LIQUIDITY POSITION

Unaudited, In €m	Q3 2019	Q3 2018
Profit before tax	94.7	73.5
Adjustments for:		
- Depreciation and amortization	13.1	6.4
- Share based payments	1.8	1.5
- Share of profit from associates and joint ventures	-2.1	-0.9
- Changes in working capital	-9.0	13.2
Cash flow from operating activities	98.5	93.8
Income tax paid	-22.6	-23.0
Net cash flows from operating activities	75.9	70.8
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	-16.2	0.0
Purchase of current financial assets	-0.8	-13.0
Redemption of current financial assets	0.0	1.5
Purchase of property, plant and equipment	-4.1	-3.4
Purchase of intangible assets	-3.2	-1.5
Dividends received from associates	0.1	0.0
Net cash flow from investing activities	-24.2	-16.4
Cash flow from financing activities		
Proceeds from borrowings, net of transaction fees	0.0	0.1
Repayment of borrowings, net of transaction fees	-45.7	0.0
Interest paid	-0.1	-0.1
Interest received	0.2	0.1
Payment of lease liabilities	-2.8	0.0
Transaction of own shares	0.4	1.0
Employee Share transactions	-1.4	0.0
Dividends paid to the company's shareholders	0.0	0.0
Dividends paid to non-controlling interests	-0.2	0.0
Net cash flow from financing activities	-49.6	1.2
Total cash flow over the period	2.1	55.5
Cash and cash equivalents - Beginning of period	324.3	352.6
Non Cash exchange gains/(losses) on cash and cash equivalents	-1.3	-0.6
Cash and cash equivalents - End of period	325.1	407.6

Unaudited, In €m	Q3 2019	Q3 2018
Cash beginning of period	324.3	352.6
Debt repayment	-45.7	-
Debt subscribed	-	0.1
Investments (incl. subsidiaries net of cash acquired & associates)	-16.2	- 0.0
Cash accumulation, net of others	62.6	54.9
Cash end of period	325.1	407.6
RCF	355.0	250.0
Available Liquidity	680.1	657.6

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