

A wide-angle photograph of a modern trading floor. The room is filled with rows of desks, each equipped with multiple computer monitors displaying various data feeds and charts. The desks are arranged in a curved, semi-circular pattern. In the background, there are large digital screens showing market indices like the CAC 40 and Euronext 100. The lighting is a mix of cool blues and warm oranges, with a prominent curved desk in the foreground illuminated with a warm orange glow. A person is visible in the background on the left, working at a desk.

Euronext Q4 & FY 2019 Results

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13 February 2020

AGENDA

- 1 **FY & Q4 2019 HIGHLIGHTS**
- 2 **Q4 2019 BUSINESS REVIEW**
- 3 **Q4 2019 FINANCIAL REVIEW**
- 4 **Q&A**

SPEAKERS



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer

1 FY & Q4 2019 HIGHLIGHTS

2019: ENTERING INTO THE NEW STRATEGIC CYCLE

1 New strategic plan, 'Let's grow together 2022'

- Building the leading pan-European market infrastructure, connecting local economies to global capital markets
- Innovation and sustainable finance at the heart of the strategy
- Pursuing a growth strategy through high value-added acquisitions aimed at diversifying and strengthening the business profile
- Growth ambition reflected in the 2022 financial targets and a rigorous capital allocation strategy¹⁾

2 Continued successful diversification

Oslo Børs VPS

Expansion of Euronext federal model
and post-trade franchise

Nord Pool²⁾

Expansion of Nordics footprint
and asset classes

Innovation solutions

Tokeny: tokenisation platform
OPCVM360: leading fund data provider

3 Completed deployment of Optiq® trading platform

- Migration of Euronext Dublin markets in February 2019 and of Euronext derivatives markets in November 2019
- Oslo Børs markets expected migration in 2020

STRONG PERFORMANCE THROUGHOUT 2019

Revenue

€679.1m

+10.4%
+€64.1m

- Strong revenue growth driven by successful diversification and solid core businesses dynamics
- Robust Listing and Advanced Data Services organic performance, partially offsetting lower trading revenue
- Continued diversification strategy with non-volume related revenue representing 50% of total revenue and covering 122% of costs excl. D&A
- *Q4 revenue of €185.7m (+18.1% vs. Q4 2018)*

EBITDA margin

58.8%

+1.2pts

- Group EBITDA up +12.8% to €399.4 million
- Organic EBITDA margin at 60.4%, up +2.8pts
- Continued cost control, outperforming 2019 cost guidance
- €7.8m run-rate synergies achieved in Euronext Dublin
- Integration costs expected throughout 2020
- *Q4 EBITDA of €104.1m (+19.8%), with a 56.0% margin (+0.8pts)*

Adjusted EPS¹⁾

€3.90

+10.9%

- Adjusted net income¹⁾ up +11.1%, to €271.4 million
- Reported net income up +2.8% to €222.0 million, impacted by exceptional items, restructuring costs, impairments and higher financing expenses
- Proposed dividend at €1.59/share²⁾
- *Q4 adjusted EPS of €1.11 (26.6% vs. Q4 2018)*

2020 COST GUIDANCE

2018

- 2019 cost guidance announced: low-single digit growth in operating expenses exc. D&A vs 2018

2019

- **Cost guidance outperformed, with low-single digit decrease in operating expenses exc. D&A**
- Expected non-recurring costs announced at the 2019 Investor Day
- First non-recurring costs booked

2020

Mid-single digit growth
of operating expenses exc. D&A

- One-off costs related to internal digitalisation projects
- One-off costs related to the integration of Oslo Børs VPS

Euronext provides a Group cost guidance for 2020

Euronext expects its operating costs excluding D&A to temporarily increase mid-single digit in 2020 compared to the annualised second half 2019 costs base

2021

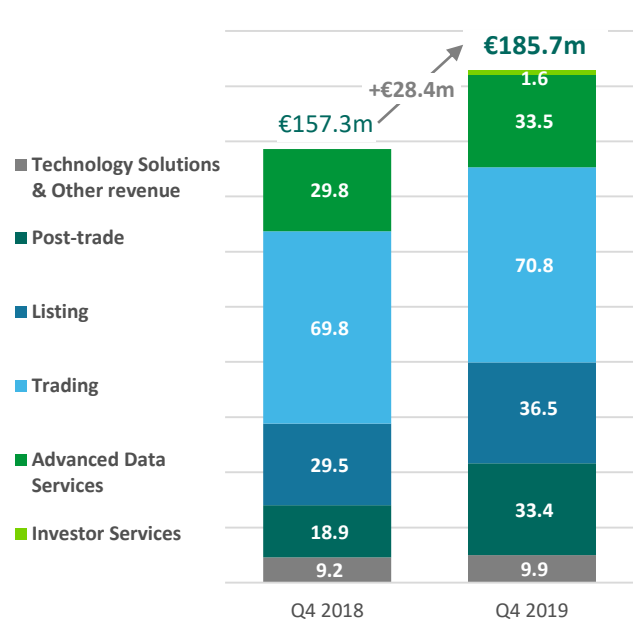
**Expected delivery
of the first synergies**



2 | Q4 2019 BUSINESS REVIEW



Q4 2019 REVENUE UP +18.1% DRIVEN BY DIVERSIFICATION, STRONG PERFORMANCE OF CORPORATE SERVICES AND A RESILIENT ACTIVITY FROM CORE BUSINESSES



■ Non-volume related revenue
■ Volume related revenue



- Listing revenue growth thanks to the strong performance of Euronext's Corporate Services and Oslo Børs VPS contributing €5.9m
- Cash trading revenue slightly up through the consolidation of Oslo Børs cash trading revenue
- Advanced Data Services revenue growth driven by the good performance of index activities, particularly on ESG products and structured products and the consolidation of Oslo Børs VPS
- Investor services revenue reflects the development of the offering and the consolidation of Oslo Børs VPS activities
- Strong growth in post-trade revenue thanks to an increased activity in both custody and settlement and the consolidation of Oslo Børs VPS activities

+18.1%

Q4 2019 consolidated revenue growth

€27.1m

Revenue contribution from Oslo Børs VPS

52%

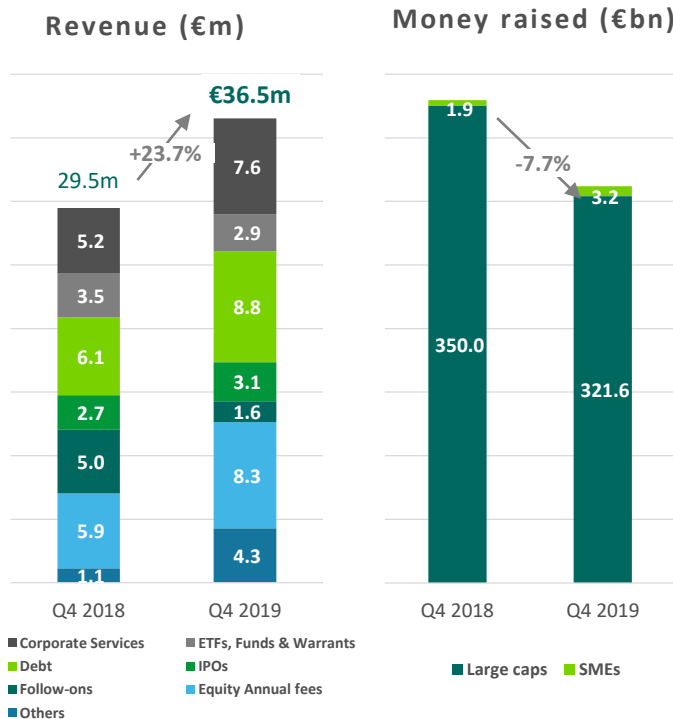
Non-volume related revenue

119%

Non-volume related revenue to operating cost coverage vs 101% in Q4 2018

LISTING REVENUE UP +23.7% TO €36.5M IN Q4 2019

Strong growth of Corporate Services and consolidation of Oslo Børs VPS



- **Strong performance from Euronext's Corporate Services revenue (+€2.4m, including Oslo Børs VPS), reflecting strong client traction for the offering**
- +3.9% organic growth
- **Contribution of Oslo Børs VPS: €5.9m¹**
- Continued momentum in primary equity issuances:
 - 3 domestic large cap listings
 - 12 SME listings
- Activity on the secondary market decreased compared to Q4 2018, despite improved market conditions and reflecting light M&A activity compared to record high in Q4 2018.



15
New listings

€3.3bn
raised on
Primary Markets

+46%
revenue growth of
corporate services

TRADING REVENUE UP +1.4% TO €70.8 M IN Q4 2019

Strong market share and enhanced yield of trading businesses

1 Cash trading

€53.2m

revenue
+0.7%

€8.4 bn

ADV
+3.6%

0.49 bps

combined
yield

70.9 %

market share
+4.8 pts

- Strong combined market share at **70.9%** (organic: 71.2%), in a low volatility environment
- Strong organic yield at **0.53bps** (vs 0.51bps in Q4 2018)
- Contribution of Oslo Børs VPS +€2.7m (for €0.9bn of ADV)
- Like-for-like, revenue decreased -4.5%

2 Derivatives trading

€11.9m

revenue
+3.8%

535k lots

Financial derivatives
ADV
-10.3%

54.2 k lots

Commodities
ADV
+19.6%

€0.30

Rev. per lot
+6.1%

- Enhanced yield management offset by less favourable product mix impacting revenue
- Improved agricultural physical market environment supporting commodities volume
- Like-for-like, revenue decreased -2.3%

3 FX trading

€5.8m

revenue
+4.0%

\$16.5 bn

ADV
-15.3%

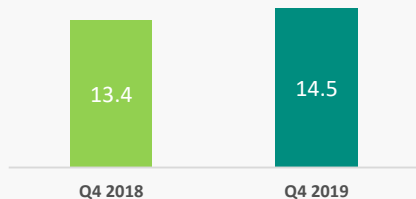
- Low volatility environment
- Improved yield management

POST-TRADE REVENUE UP +76.1% TO €33.4 M

Consolidation of Oslo Børs VPS, strong settlement activity and higher clearing revenue

1 Clearing

in €m

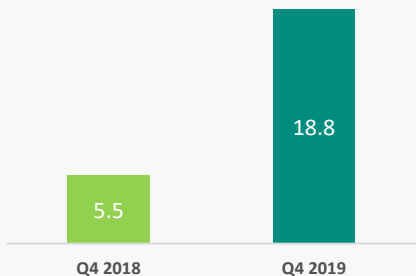


€14.5m
revenue
+8.0%
(organic)

- Increased commodities derivatives volumes
- Higher treasury income offsetting lower overall derivatives volumes

2 Custody, Settlement and other post-trade

in €m



€18.8m
revenue
+242.2%

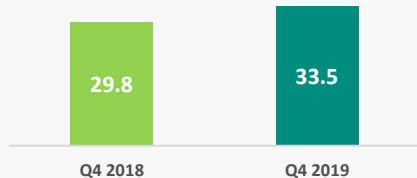
- **Interbolsa**
 - Increased settlement activity, stable custody business
- **VPS**
 - High market activity in both custody and settlement businesses
- *Contribution of Oslo Børs VPS +€13.2m*
- +2.3% organic growth

ADVANCED DATA SERVICES, INVESTOR SERVICES AND TECHNOLOGY SOLUTIONS

Strong performance of indices, contribution from Commcise and Oslo Børs VPS

1 Advanced Data Services

in €m

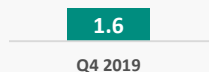


€33.5 m
revenue
+12.5%

- Good performance from indices business, particularly on ESG products
- Slight decrease in market data revenue
- Like-for-like, revenue decreased -0.3%
- *Contribution of Oslo Børs VPS +€3.8m*

2 Investor Services

in €m

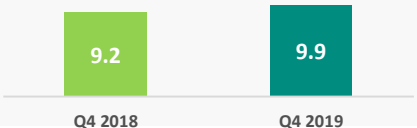


€1.6 m
revenue

- Continued revenue growth supported by the development of the franchise with Commcise offering
- *Contribution of Oslo Børs VPS +€0.3m*

3 Technology Solutions

in €m



€9.9 m
revenue
+8.4%

- Good performance of SFTI/Colocation services and hosted services
- Like-for-like, revenue increased +2.6%
- *Contribution of Oslo Børs VPS +€0.5m*

Q4 2019 FINANCIAL REVIEW

ONE-OFF ITEMS IN Q4 2019

Operating expenses

€3.2m

- M&A success fees
- Performance based payments

Exceptional items

€2.4m

- Advisory costs
- Other restructuring costs

Financing expenses

€13.3m

Revaluation of buy-option and deferred payments for Corporate Services businesses reflecting stronger than expected performance

€1.2m

Integration costs

€5.8m

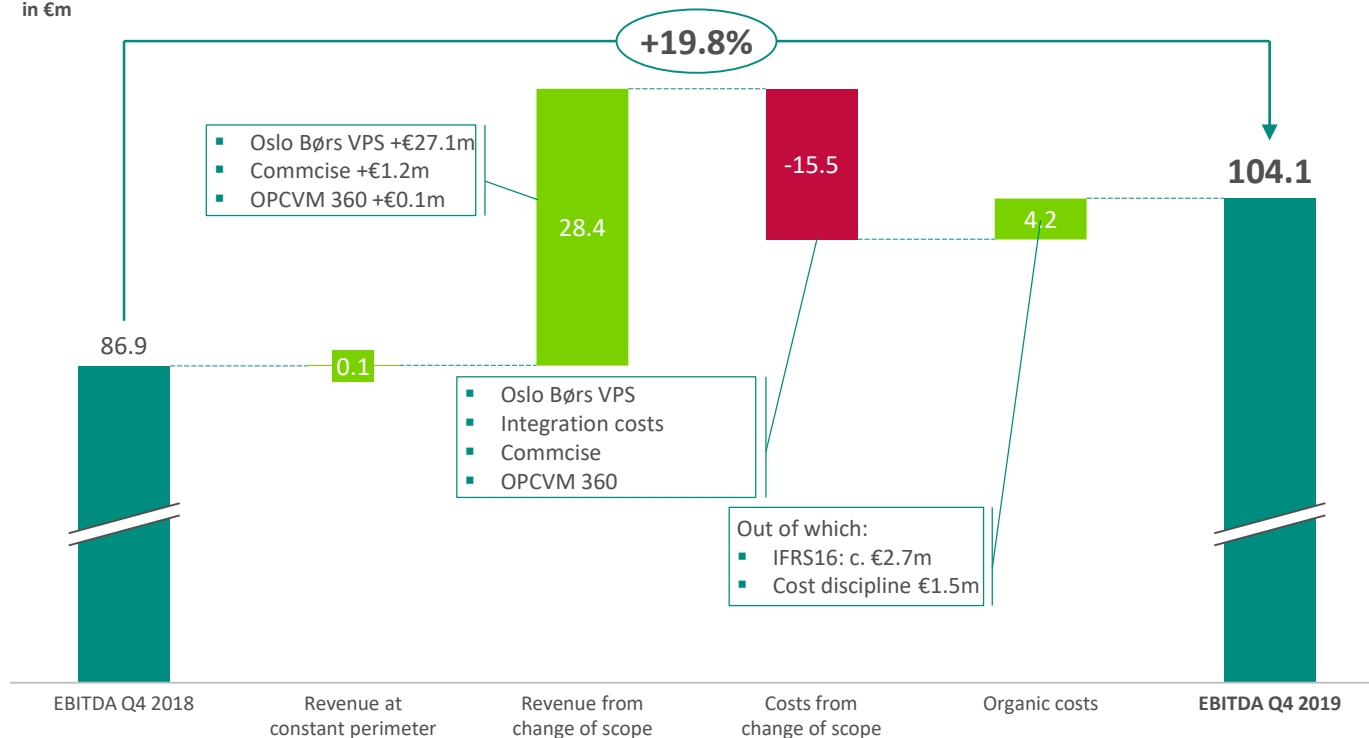
- Provision for early termination of contracts
- Restructuring costs

Part of the announced restructuring costs for the integration of Oslo Børs VPS

Q4 2019 EBITDA UP +19.8% TO €104.1M

Continued cost discipline and consolidation of Oslo Børs VPS

in €m



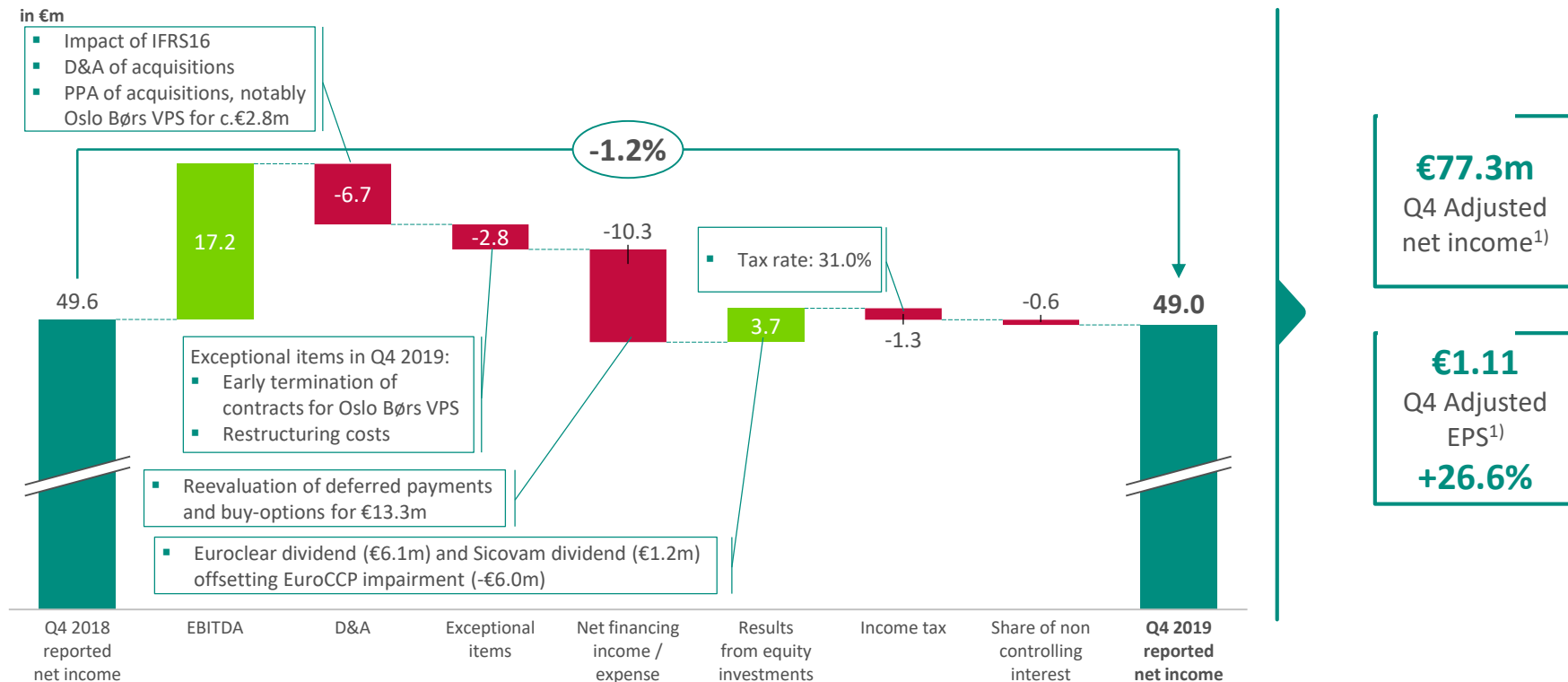
56.0%
EBITDA margin
+0.8pts

57.9%
Organic
EBITDA margin
+2.7pts

+4.9%
Organic
EBITDA growth

Q4 2019 NET INCOME DOWN -1.2% TO €49.0, ADJUSTED EPS UP +26.6% TO €1.11 PER SHARE

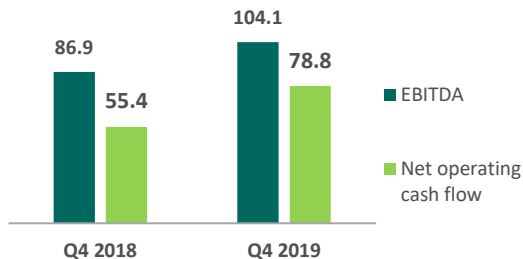
Higher exceptional costs, net financing expenses and impairments



SOLID CASH FLOW GENERATION AND LIQUIDITY POSITION

EBITDA to net operating cash flow

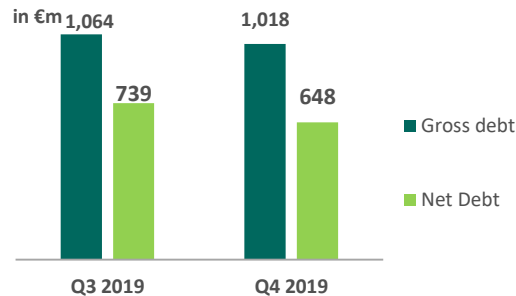
in €m



Q4 2019 EBITDA to net operating cash flow conversion rate at **75.7%** (vs 63.7% last year)

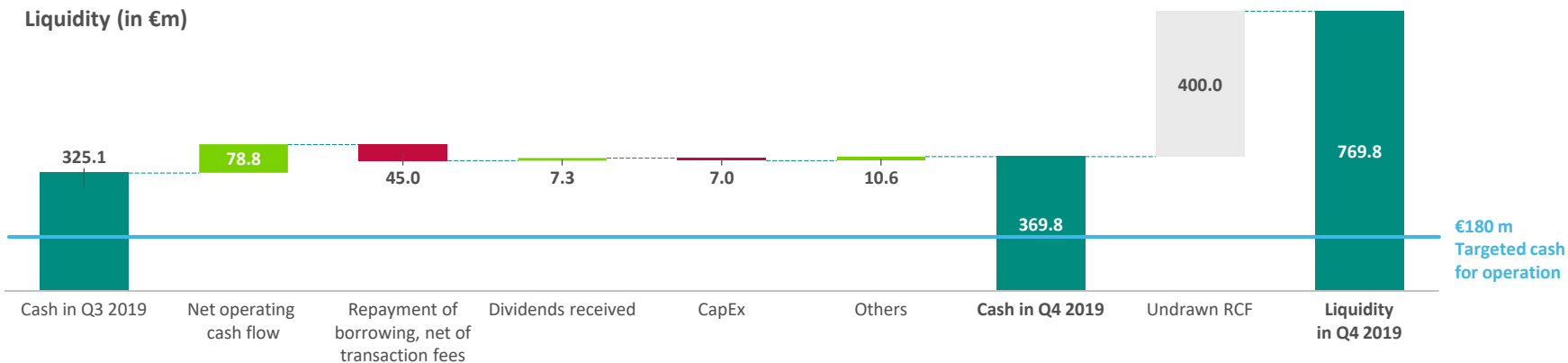
Debt and leverage

in €m



Net debt to EBITDA¹⁾ ratio at **1.5x** (vs 1.8x in Q3 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

In 2018, some exceptional items such as impairments and revaluations of buy-options were not considered as a part of the net income adjustments due to their low materiality (7 cents per share or 1.9%). In 2019, due to their significance such items were considered part of the adjustment (28 cents per share or 7.1%). As a consequence, 2018 adjusted net income was restated for consistency purposes.

<i>In €m unless stated otherwise</i>	Q4 2019	Q4 2018	FY 2019	FY 2018
Net Income Reported	49.0	49.6	222.0	216.0
EPS Reported (€ per share)	0.70	0.71	3.19	3.10
Intangible assets adj. related to acquisitions (PPA)	- 3.8	- 2.0	- 13.8	- 7.4
Exceptional items	- 8.2	- 5.5	- 21.9	- 21.5
Impairments	- 6.0	- 1.5	- 6.0	- 1.5
Revaluation of buy-options and deferred payments	- 13.3	- 3.2	- 13.3	- 3.2
Tax related to those items	3.0	0.8	5.5	5.2
Adjusted for intangible assets related to acquisitions, capital gains or losses and exceptional items, incl. tax				
Adj. Net Income	77.3	61.0	271.4	244.4
Adj. EPS (€ per share)	1.11	0.88	3.90	3.51

Q4 2019 INCOME STATEMENT

Unaudited, In €m

	Q4 2019	Q4 2018	% var	Organic % var (like-for-like)
Revenue	185.7	157.3	+18.1%	+0.0%
Listing	36.5	29.5	+23.7%	+3.9%
Trading revenue	70.8	69.8	+1.4%	-3.5%
Cash Trading	53.2	52.8	+0.7%	-4.5%
Derivatives Trading	11.9	11.4	+3.8%	-2.3%
Spot FX Trading	5.8	5.5	+4.0%	+4.0%
Investor Services	1.6	0.0	N/A	n/a
Advanced Data Services	33.5	29.8	+12.5%	-0.3%
Post-trade	33.4	18.9	+76.1%	+6.3%
Clearing	14.5	13.4	+8.0%	+8.0%
Custody, Settlement and other post-trade	18.8	5.5	+242.2%	+2.1%
Technology Solutions & other revenue	9.9	9.2	+8.4%	+2.6%
Other income	0.0	0.1	-56.4%	-56.4%
Operational expenses excluding D&A	-81.6	-70.4	+16.0%	-6.0%
Salaries and employee benefits	-45.9	-33.4	+37.4%	+6.7%
Other Operational Expenses	-35.8	-37.0	-3.3%	-17.4%
System & Communication	-6.7	-7.9	-15.2%	-34.1%
Professional Services	-12.0	-12.0	+0.2%	-19.9%
Clearing expense	-7.6	-7.3	+3.6%	+3.1%
Accommodation	-1.5	-2.7	-44.9%	-48.8%
Other Operational Expenses	-8.0	-7.1	+12.5%	-3.9%
EBITDA	104.1	86.9	+19.8%	+4.9%
<i>EBITDA margin</i>	<i>56.0%</i>	<i>55.3%</i>	<i>+0.8 pts</i>	<i>+2.7 pts</i>
Depreciation & Amortisation	-12.8	-6.1	+108.8%	+30.0%
Operating Profit before Exceptional items	91.3	80.8	+13.0%	+3.0%
Exceptional items	-8.2	-5.5	+50.6%	
Operating Profit	83.1	75.3	+10.3%	
Net financing income / (expense)	-14.2	-4.0	N/A	
Results from equity investments	3.5	-0.2	-1710.8%	
Profit before income tax	72.4	71.1	+1.7%	
Income tax expense	-22.4	-21.1	+6.0%	
Share of non-controlling interests	-0.9	-0.4	+146.6%	
Profit for the period	49.0	49.6	-1.2%	
EPS Reported (in € per share)	€ 0.70	€ 0.71	-1.4%	
EPS Adjusted (in € per share)	€ 1.11	€ 0.88	+26.6%	

BALANCE SHEET AS AT 31 DECEMBER 2019

Unaudited, In €m	As at 30 Dec 2019	As at 30 Dec 2018
Non-current assets		
Property, plant and equipment	58.9	38.9
Right-of-use assets	51.8	0.0
Goodwill and other intangible assets	1,458.8	705.6
Deferred income tax assets	21.0	20.9
Investments in associates and JV	67.0	72.7
Financial assets at fair value through OCI	197.8	220.1
Other non current assets	3.1	7.8
Total non-current assets	1,858.3	1,066.1
Current assets		
Trade and other receivables	137.4	110.3
Income tax receivable	1.4	2.5
Derivative financial instruments	19.4	7.4
Other short-term financial assets	12.1	14.2
Cash & cash equivalents	369.8	398.0
Total current assets	540.1	532.4
Assets held for sale	8.8	0.0
Total assets	2,407.2	1,598.5
Shareholders' equity		
Shareholders' equity	918.1	791.1
Non-controlling interests	15.7	11.2
Total Equity	933.8	802.3

Unaudited, In €m	As at 30 Dec 2019	As at 30 Dec 2018
Non-current liabilities		
Borrowings	1,011.5	504.9
Lease liabilities	41.2	0.0
Other non-current financial liabilities	0.0	17.4
Deferred income tax liabilities	78.8	21.4
Post employment benefits	26.0	10.7
Contract liabilities	45.8	41.5
Other provisions	15.1	6.0
Total Non-current liabilities	1,218.3	601.9
Current liabilities		
Borrowings	6.8	3.7
Lease liabilities	14.0	0.0
Other current financial liabilities	30.7	7.0
Derivative financial instruments	0.1	0.1
Income tax payable	23.3	11.2
Trade and other payables	117.3	115.3
Contract liabilities	62.8	55.5
Other provisions	0.1	1.4
Total Current liabilities	255.1	194.2
Total equity and liabilities	2,407.2	1,598.5

Q4 2019 CASH FLOW AND LIQUIDITY POSITION

Unaudited, In €m	Q4 2019	Q4 2018
Profit before tax	72.4	71.1
Adjustments for:		
- Depreciation and amortization	12.8	6.1
- Share based payments	2.6	1.0
- Change in fair value of financial instruments	13.3	3.2
- Share of profit from associates and joint ventures	3.7	1.9
- Changes in working capital	-0.2	-5.0
Cash flow from operating activities	104.7	78.4
Income tax paid	-25.8	-22.9
Net cash flows from operating activities	78.8	55.4
Cash flow from investing activities		
Acquisition of associates and joint ventures	-1.0	0.0
Acquisition of subsidiaries, net of cash acquired	0.0	-27.5
Purchase of financial assets at FVOCI	0.0	-31.7
Purchase of current financial assets	1.4	-1.3
Redemption of current financial assets	16.0	2.9
Purchase of property, plant and equipment	-3.8	-3.6
Purchase of intangible assets	-3.2	-3.7
Proceeds from sale of Property, plant, equipment and intangible assets	0.0	0.2
Dividends received from equity investments	7.3	1.6
Net cash flow from investing activities	16.6	-63.0
Cash flow from financing activities		
Proceeds from borrowings, net of transaction fees	0.0	-0.1
Repayment of borrowings, net of transaction fees	-45.0	0.0
Interest paid	-0.6	-0.1
Interest received	0.1	0.0
Payment of lease liabilities	-2.8	0.0
Transaction of own shares	-0.3	-0.8
Employee Share transactions	-0.5	-1.2
Net cash flow from financing activities	-49.0	-2.1
Total cash flow over the period	46.4	-9.7
Cash and cash equivalents - Beginning of period	325.1	407.6
Non Cash exchange gains/(losses) on cash and cash equivalents	-1.7	0.1
Cash and cash equivalents - End of period	369.8	398.0

Unaudited, In €m	Q4 2019	Q4 2018
Cash beginning of period	325.1	407.6
Debt repayment	45.0	-
Debt subscribed	-	0.1
Investments (incl. subsidiaries net of cash acquired & associates)	1.1	59.2
Cash accumulation, net of others	90.8	49.7
Cash end of period	369.8	398.0
RCF	400.0	250.0
Available Liquidity	769.8	648.0

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