

# Growth for Impact 2024

## Strategic plan

Press Conference  
8 November 2021



# Euronext's development since 2000

## Major milestones of Euronext history

### 2000

- Merger of Amsterdam, Brussels and Paris exchanges

### 2001

- IPO

### 2002

- Acquisition of Liffe, acquisition of Lisbon exchange

### 2003

- Creation of LCH.Clearnet

### 2007

- Merger with NYSE Group

### 2013

- Acquisition by ICE

### 2014

Carve-out creation of "New Euronext"

**IPO**

### 2016

Launch of "Agility for Growth"

### 2017

Acquisition of **FastMatch**

Renewal of **clearing agreement** and **11.1%** of **LCH SA**

### 2018

Acquisition of the **Irish Stock Exchange**

### 2019

Acquisition of **Oslo Børs VPS**

### 2020





Acquisition of 66% of **Nord Pool**

Launch of "Let's Grow Together 2022"

### 2021

Acquisition of the **Borsa Italiana Group**<sup>1</sup>

# Euronext's transformation journey since 2018

	2014	2018 PF <sup>1)</sup>		2020 PF <sup>2)</sup>	
<b>Financial profile</b>	Market capitalisation	€1.4bn	€4.9bn <sup>3)</sup>	x2.2	€10.8bn <sup>4)</sup>
	Revenue	€458m	€734m	x1.9	€1,364m
	EBITDA margin	42%	57%	+1.0 pt	58%
	Non volume related revenue	44%	51%	+2.0 pts	53%
<b>Business diversification</b>	Bond trading platform	-	-	+1 MTS	1
	Proprietary CCP	-	-	+1 CC&G	1
	CSD	1	2	+2 VP Securities, Monte Titoli	4
<b>Operations</b>	Local exchanges	4 	6 	+1 Borsa Italiana 	7 
	Employees	760	>~1,000	x2.2	>~2,200

2014 revenue and EBITDA margin based on third party revenue

1) Pro forma combined full year revenue including Oslo Børs VPS, Euronext Dublin and Commcise

2) Pro forma total revenue and income including the Borsa Italiana Group, including transitional revenue and cost

3) As of 31/12/2018

4) As of 04/11/2021

# Overperformance on committed targets thanks to organic growth

Revenue organic growth
EBITDA margin
Dividend policy

## 2022e TARGETS

<b>+2% to +3% CAGR</b> 2018PF-2022E
<b>≥ 60%</b>
<b>50%</b> of reported net income

## 2020 ACHIEVEMENTS

<b>+6.4% CAGR</b> 2018PF-2020
<b>60.5%</b>
<b>50%</b> of reported net income

# Our transformation into the leading diversified pan-European market infrastructure

**#1**  
cash trading venue in Europe

>

**25%**  
of European equities flows traded

**#1**  
equity listing venue in Europe

>

**€6.5tn**  
aggregated market capitalisation<sup>1</sup>

**Leading**  
bond trading venue in Europe

>

**#1**  
in Europe for D2D EGB<sup>2</sup>

**#1**  
debt listing venue globally

>

**52,000+**  
bonds listed

**Multi-asset class**  
clearing capabilities

>

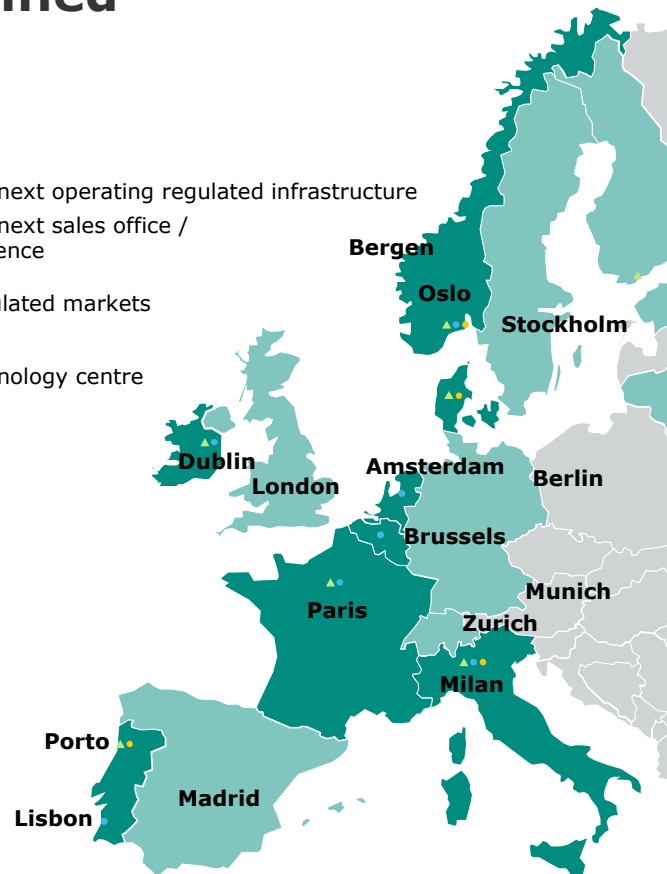
**90+m**  
contracts cleared<sup>3</sup>

**3rd**  
CSDs operator in Europe

>

**€6.3tn**  
assets under custody<sup>1</sup>

- Euronext operating regulated infrastructure
- Euronext sales office / presence
- Regulated markets
- CSD
- ▲ Technology centre

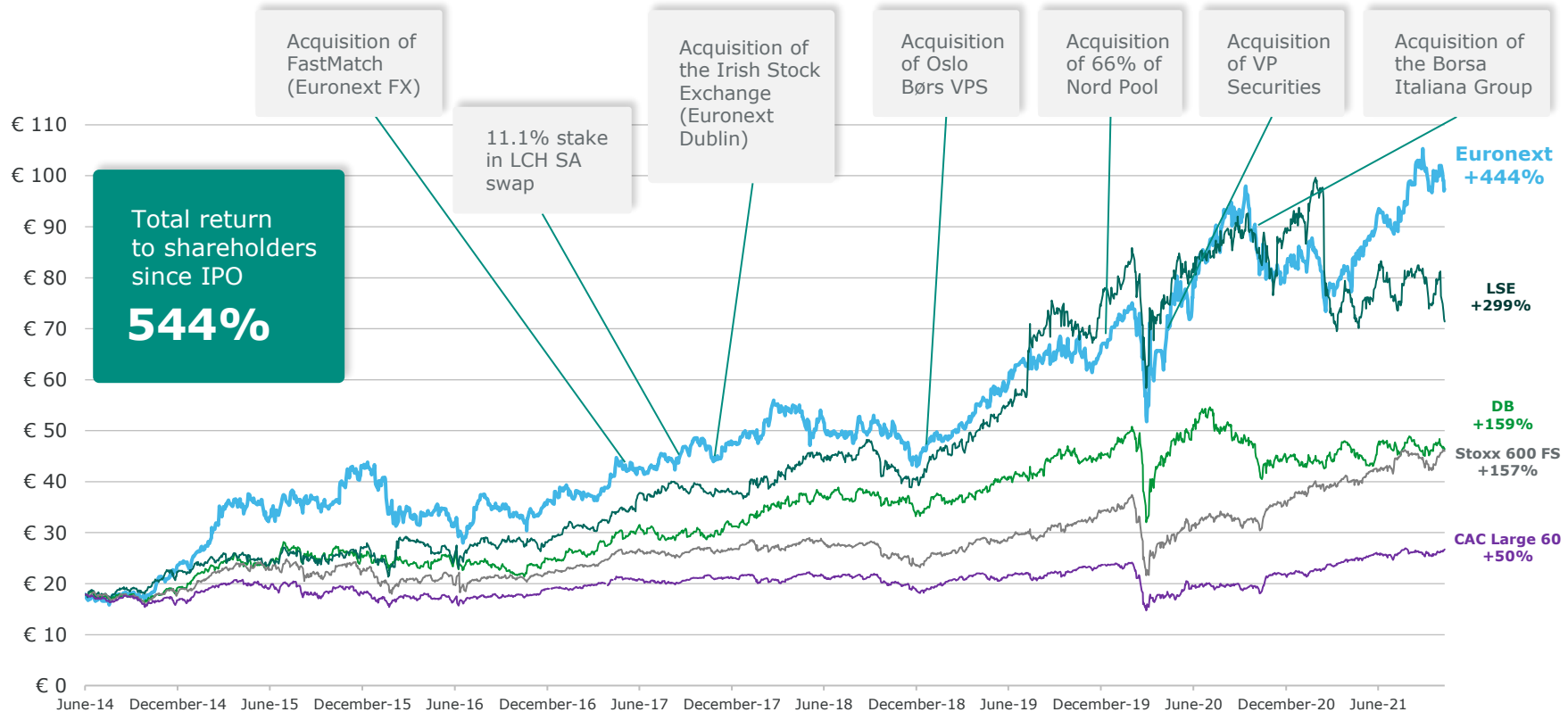


1)As of 30 September 2021

2)Dealer to dealer European government bonds

3)Year to date, as of 30 September 2021, including shares, derivatives and bond-retail contracts

# Superior business delivery supporting long-term share price overperformance

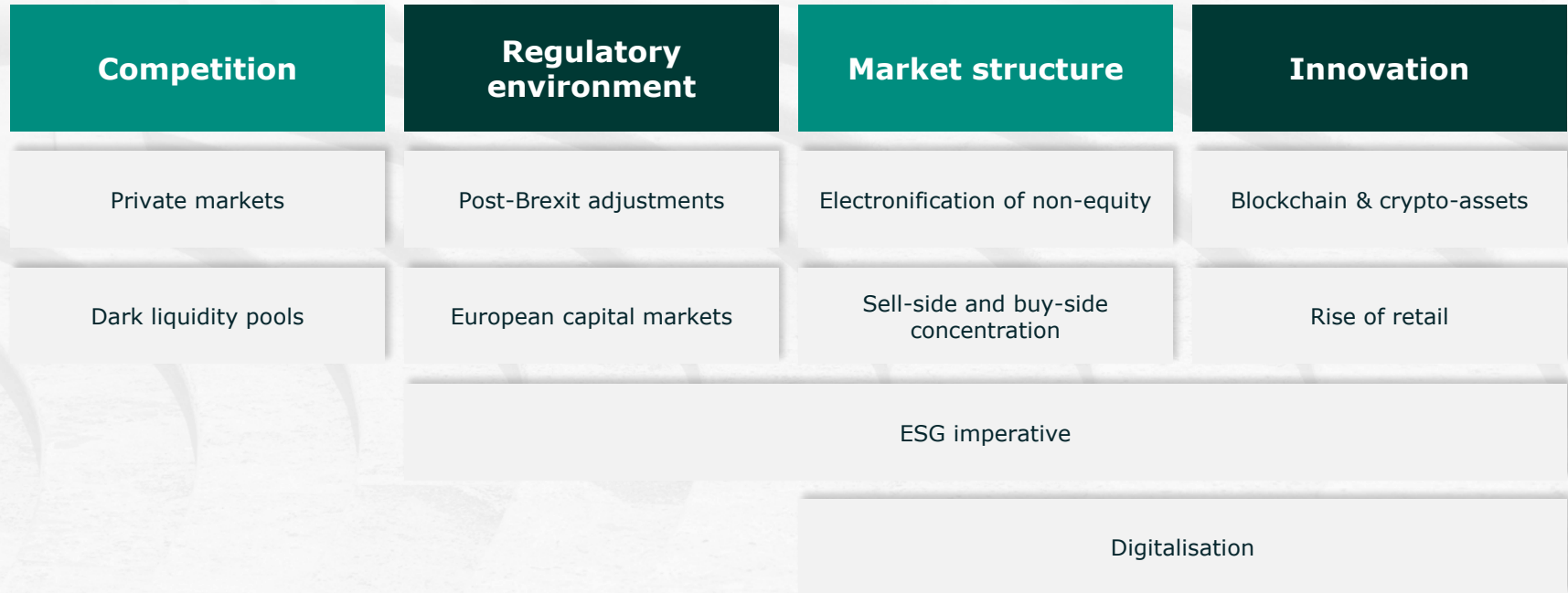


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## Growth for Impact 2024



# Trends shaping Euronext's environment







## OUR AMBITION

**Build the leading European market infrastructure**

## OUR PURPOSE

**Shape capital markets for future generations**

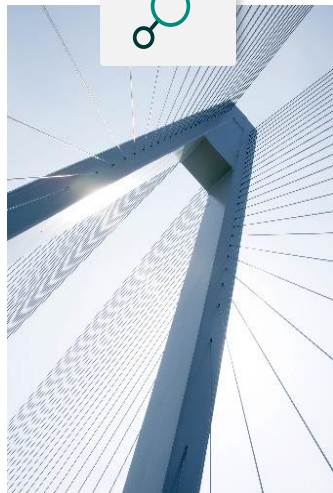
## OUR MISSION

**Connect European economies to global capital markets, to accelerate innovation and sustainable growth**

# Euronext's key strategic priorities



Leverage Euronext's **integrated value chain**



Pan-Europeanise Euronext **CSDs**



Build upon Euronext's **leadership** in Europe



Empower **sustainable finance**



Execute **value-creative** M&A



## 02 Leverage Euronext's integrated value chain



# The Borsa Italiana Group acquisition transforms Euronext

## Reinforces

- Leverages **the largest cash equities and ETFs liquidity pool in Europe** with €11.7bn ADV
- Extracts value from **the largest single pool of 1,900+ equity issuers in Europe** combining €6.5tn market capitalisation
- Establishes Euronext as **the 3<sup>rd</sup> largest CSD operator in Europe** with €6.3tn AuC



Year-to-date data at end of September 2021

## Diversifies

- Deploys the **leading European fixed income trading platform** across Europe
- Adds a **leading multi-asset clearing house** and completes Euronext's post-trade value chain

## Increases and enables scale

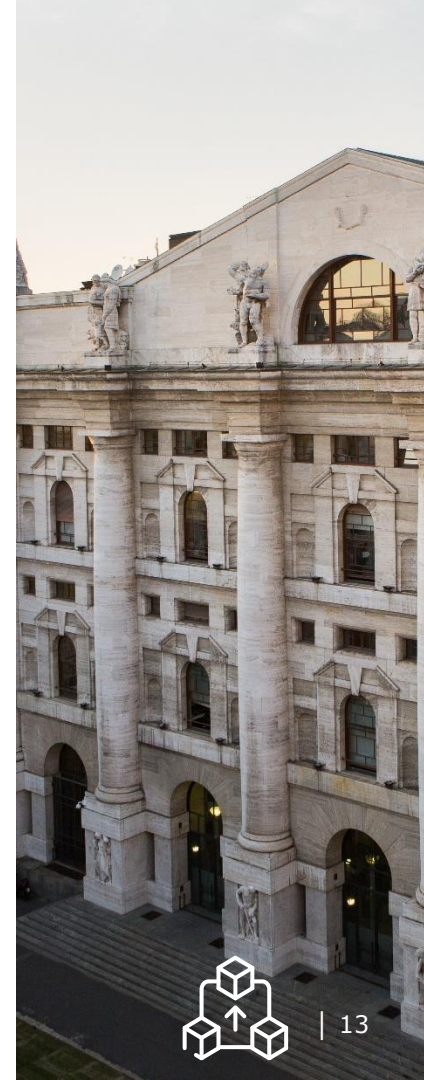
- Enables **cross-selling of complementary services** across the value chain
- Provides a **scaled platform for further consolidation**
- Enables **product innovation**
- Adds access to **enhanced data sets**



# Significant projects ahead to further develop the enlarged Group

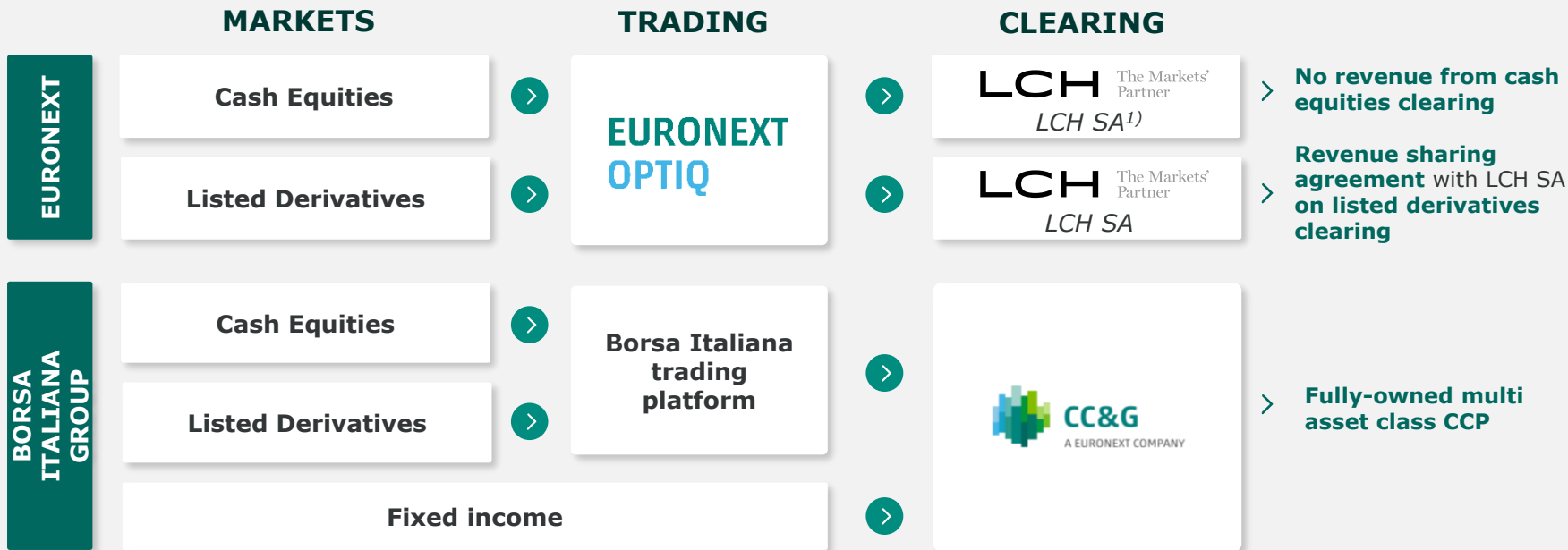


- Euronext to leverage Borsa Italiana Group post-trade capabilities for full presence on the value chain
- Borsa Italiana Group to leverage Euronext front-end value chain for cross-selling and international development



# Euronext has decided to directly manage its clearing activities to complete its value chain

## Current situation (simplified)



As of today, the only available concrete option is the European expansion of CC&G clearing activities<sup>2)</sup>



1) Including Open Access with other CCPs on cash equities markets, excluding Oslo Børs cash equities

2) Subject to regulatory approvals



# CC&G to offer clearing services to all Euronext markets, becoming Euronext Clearing

- Position CC&G as a European clearing house and as the CCP of choice for Euronext cash equities and listed derivatives markets, for harmonised and simplified client access
- Enhance CC&G with a new Value at Risk model, in an ongoing dialogue with regulators
- Reinforce CC&G with cutting-edge technology
- Expand to a European clearing organisation with teams based in Italy and France, in particular for commodities futures



- Maximise value extraction through a harmonised clearing framework across Euronext venues
- Set up efficient management of risk through a single default fund for all cash equities and listed derivatives markets for Euronext



- Align Euronext's trading and clearing strategic priorities while increasing footprint in the post-trade space
- Leverage agile innovation capabilities, notably on derivatives products



# Euronext new clearing framework by 2024

2024 situation<sup>1)</sup> (simplified)







**03**

**Build upon  
Euronext's  
leadership in  
Europe**



**EURONEXT**

# Euronext is the leading equity listing and trading venue in Europe

**1,900+** companies listed on Euronext markets

**7 listing venues** fully integrated into one single liquidity pool\* that represents **25%** of Europe's trading volumes

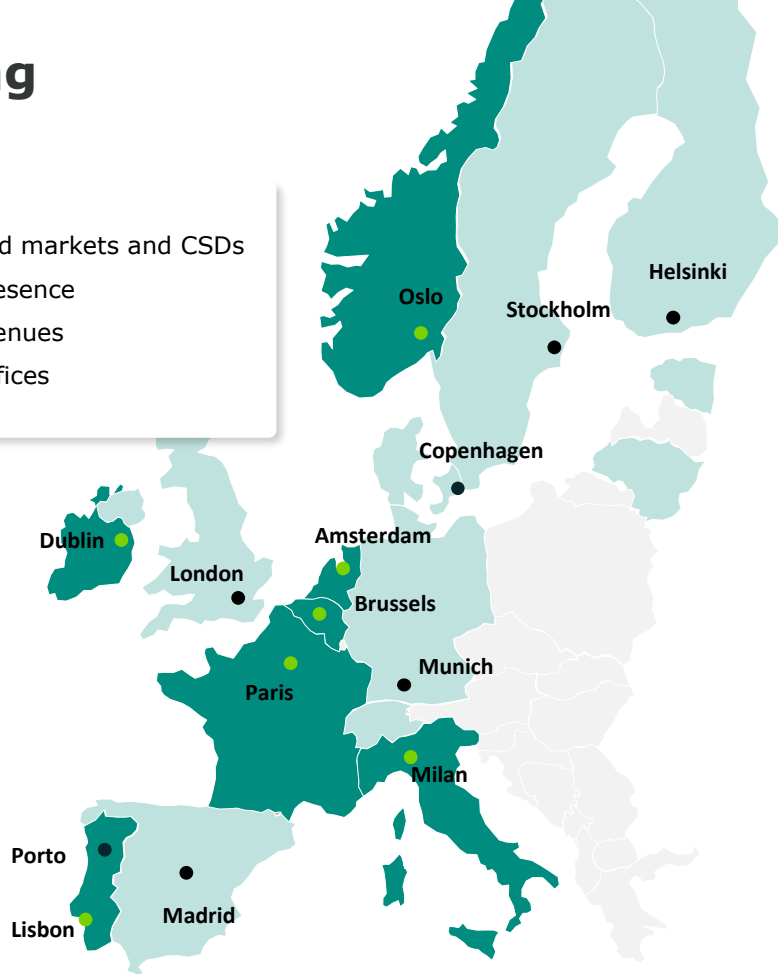
**6,200+** active institutional investors

Home of the largest and best-known European companies: **29 components of the EuroStoxx 50**

#1 stock exchange in Europe for Tech companies with **700+ Tech companies listed**

#1 Stock Exchange in Europe for SMEs with **1,400+ listed SMES**

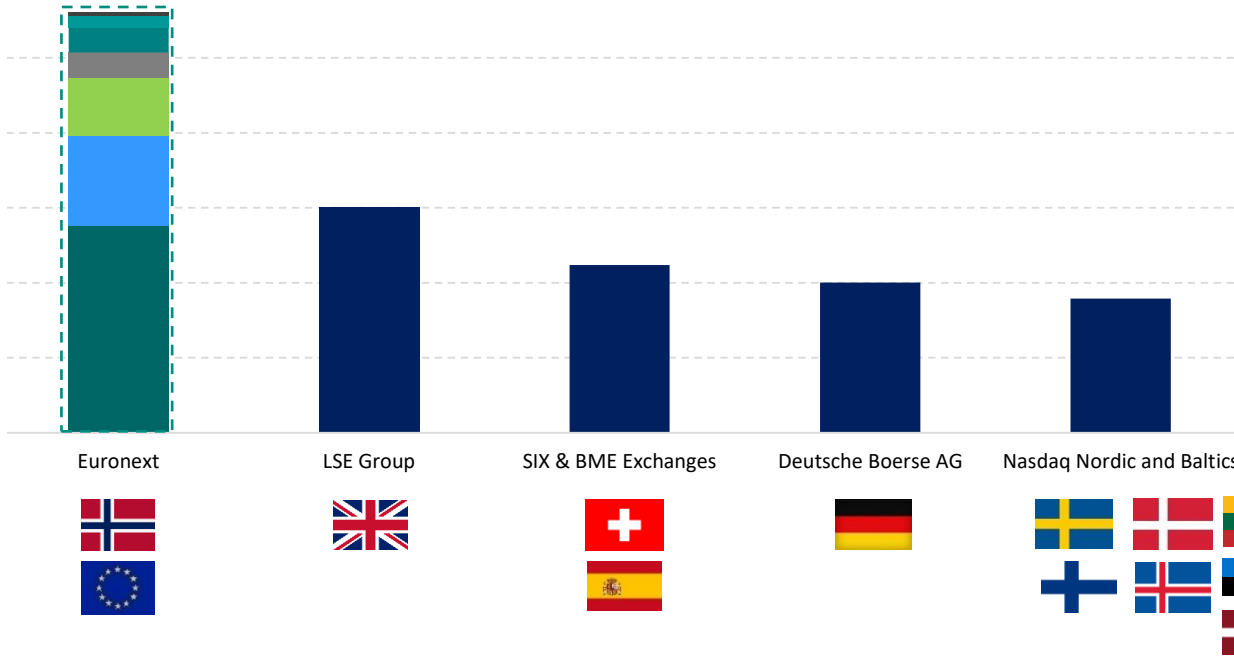
- Euronext regulated markets and CSDs
- Euronext sales presence
- Euronext listing venues
- European sales offices



# Euronext is the #1 European exchange in aggregated market capitalisation

Domestic Market Capitalisation (€trillions)

ONE SINGLE LIQUIDITY POOL



**Record year in 2021** with 167 listings at end of October 2021

**Ranked by market capitalisation**

-  Lisbon
-  Dublin
-  Oslo
-  Brussels
-  Milan (Borsa Italiana)
-  Amsterdam
-  Paris

# Paving the way to become a global champion in Primary Markets

## 2024 ROADMAP

- **Maximise the competitiveness of our listing venues** – Strengthen our harmonised and efficient offering, lead change and innovation in primary markets
- **Increase international reach** – Continue expanding our pan-European footprint, welcome top international issuers leveraging our liquidity and unique strengths
- **Develop the #1 global ESG financing venue** – Create a Climate Transition Segment, expand ESG bonds, increase extra-financial data transparency, support issuers in their transition
- **Leverage our leadership in SMEs** – Simplify access to equity and bond financing, expand Borsa Italiana's STAR segment and ELITE network, strengthen pre-IPO programmes
- **Grow corporate services further** – Develop new products and services, with a focus on developing the fast-growing compliance solutions offering, and continue geographic expansion

**...AND BEYOND: from European leader to global champion**

Subject to regulatory approvals

# Consolidate our European scale in cash trading

## #1

Cash Equities trading venue in Europe in ADV

## #1

ETFs listing venue in Europe

## #2

Derivatives trading venue in Europe

## Benchmark

Milling wheat contract

## +6,200

Active institutional investors

## +50% retail

Participation

### 2024 ROADMAP

- **Enhance value capture** – Next generation of pricing strategies and liquidity management to support yields and market quality
- **Enhance diversity of flows** – Offer trading models to match orders from local and global players and grow flows from retail and institutional investors
- **Move upstream in the value chain** – Develop solutions to service end buying centres more directly

...AND BEYOND: Building the launchpad for an integrated European market

# Offering optionality for crypto-asset exposure

## 2024 ROADMAP

- **Crypto-tracking exchange traded products** – Continue to expand crypto-tracking ETPs offering
- **Crypto-index** – Propose new family of Euronext branded crypto-indices for product issuance purposes
- **Derivatives** – Offer diversified exposure & hedging vehicles

**...AND BEYOND: Provide our clients with the ability to get exposure to crypto-assets with the same level of regulatory security and operational efficiency as on core markets, through a diversified product set**

# Scale up data offering and become the reference ESG index provider in Europe

**#1**

European index provider for bank ESG structured products, for 3 consecutive years

**Euronext  
Low Carbon  
100**

Largest Paris-aligned ETF in Europe

**CAC ESG &  
MIB ESG**

ESG version of national blue-chip indices in response to investor demand

**230k**

Professional investor terminals from 110 countries

## 2024 ROADMAP

- **Become the #1 European ESG index provider** – Build on national blue-chip index brands and strong pan-European presence. Expand leading position with banks and success with ETF issuers and asset owners
- **Further enhance analytic offering** – Build on leading quant & AI capabilities and successful industry-first advanced data products tailored to end user client segments. Monetise non-public proprietary data and extend expertise to new datasets from acquired businesses (Fixed Income)
- **Support evolving market data usage** – Adapt product suite and commercial policies to new usage demands. Leverage technology, cloud and digital, to transform data servicing and data distribution

**...AND BEYOND:** Become the most advanced exchange data provider and the global reference provider for ESG European indices

# Pan-Europeanise and scale up Euronext Securities

**3<sup>rd</sup>**

largest CSD  
operator in Europe

**€6.3tn+**

asset under Custody

**120m+**

settlement  
instructions  
processed yearly

**7,700+**

issuers



## 2024 ROADMAP

- **Expand services** - Further develop local and Nordic added-value services for financial institutions and issuers
- **Converge** - Mutualise and harmonise infrastructure to facilitate access to local markets served by Euronext Securities
- **Scale European activities** - Support Euronext's primary and secondary markets across Europe and leverage Euronext Securities' digital securities issuance capabilities
- **Improve local & international customers experience** - Roll out targeted new client interfaces and client service model

**...AND BEYOND:** Becoming a leading European post trade provider





# 04 Empower sustainable finance



# Launching the “Fit for 1.5°” climate commitment



## “FIT FOR 1.5°”

- 01 For Euronext:**  
Commit to the alignment of our own emissions with a **1.5-degree trajectory**, the most-demanding climate ambition, under the **Science-Based Targets** initiative
- 02 For our clients:**  
Deploy a full suite of **climate-focused products and services**
- 03** Improve our **ESG performance on “S” and “G” also, through renewed policies and targets**, ultimately leading to greater impact on climate and better overall ESG scoring versus peers

OUR ENVIRONMENT

OUR MARKETS

OUR PARTNERS

OUR PEOPLE

OUR SOCIETY

# Fit for 1.5° for Euronext

## We commit to 1.5-degree climate trajectory

### OUR ENVIRONMENT

#### Business ambition for 1.5°

Commitment to align with **1.5-degree trajectory**, the highest climate ambition, under the **Science-Based Targets** initiative (SBTi)



#### Quantitative commitment to be disclosed in H1 2022

- Significantly reduce in absolute terms by 2030 the emissions we directly control
- Engage our top-tier suppliers to set targets on their direct emissions by 2025

*Euronext has committed to*

**BUSINESS AMBITION FOR 1.5° C**



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**EMPOWERING SUSTAINABLE GROWTH**



1.5-DEGREE CLIMATE  
TRAJECTORY

# Fit for 1.5° for Euronext

## The first step: the new green Core Data Centre

### Powered by nature and clean energy

- Self-produced energy with owned hydroelectric plants and solar panels
- Additional energy from 100% renewable resources, certified through the Guarantee of Origin (GO) scheme
- Reduced power consumption thanks to:
  - Efficient cooling systems with geothermal plant and dynamic free cooling
  - Cloud computing to reduce servers
- Efficient building conception certified ISO 50001



**Green Data Centre,  
operated by Aruba  
S.p.A**



**Reduces Euronext's  
carbon footprint**

**Helps our colocation clients lower  
their environmental impact**



# Fit for 1.5° for our clients

## Offer a full suite of products and services

### Drive investment

#### OUR MARKETS

#### OUR PARTNERS

- New Climate Transition Segment on our equity markets for SBTi-committed issuers
- Extension of climate and ESG versions of Euronext blue-chip indices in all our regulated markets
- Development of low-carbon energy and agricultural commodity products

### Help our clients in their ESG journey

#### For listed companies

- Publication of ESG guidelines for issuers on Net Zero
- European Sustainability Week with focus on Net Zero
- SME pre-IPO programmes focused on ESG

#### For colocation clients

- Green colocation services through our green Data Centre

# Enhance diversity

## Diverse and inclusive by nature and by commitment

Euronext sees all forms of diversity, including disability, gender, sexual orientation, age, cultural background, as a key success factor of its federal model, and is committed to improve further its practices in the next 3 years.

**600+**

participants in 2021  
diversity day

**30% and 40%**

gender diversity target reached in  
2 years for Managing Board and  
Supervisory Board

**175**

students from 7 countries  
involved in ESG innovation  
contest

## Action plan

- **Recruit** diverse talents - Schools partnerships, diversity charter for recruitment providers, inclusive job descriptions
- **Promote** equal opportunities - Equal pay, mentoring & leadership programmes, cross-cultural and unconscious bias trainings
- **Improve** continuously in a culture of open dialogue – diversity day, diversity contest, employee forum and social dialogue
- **Include** our community - Signature of key charters such as UN principles, financial literacy in each location, JA Europe partnership

## Impact measurement

- 30% gender diversity extended to local Management Boards and Senior Management team
- Employee survey diversity assessment
- Local partnerships





# 05 Financial guidances and M&A policy



# 2024 financial targets to support our ambition

	2020 pro forma <sup>1)</sup>	2024e Targets
<b>Revenue</b>	€1,352 million	<b>+3% to +4% CAGR<sub>2020PF-2024e</sub></b>
<b>EBITDA</b>	€789 million	<b>+5% to +6% CAGR<sub>2020PF-2024e</sub></b>

- Financial targets solely based on organic growth, excluding any new M&A contributions and driven by higher growth expected in non-volume related activities
- Expected uplift in profitability from the integration of the Borsa Italiana Group combined with continued best-in-class cost discipline
- Including €100 million of run-rate pre-tax synergies from the integration of the Borsa Italiana Group (67% increase, mainly related to the extension of CC&G clearing activities and Core Data Centre migration<sup>2)</sup> and €160 million of restructuring costs (of which c. 50% expected in operating expenses exc. D&A and c. 50% expected as exceptional items)**

## Unchanged capital allocation policy

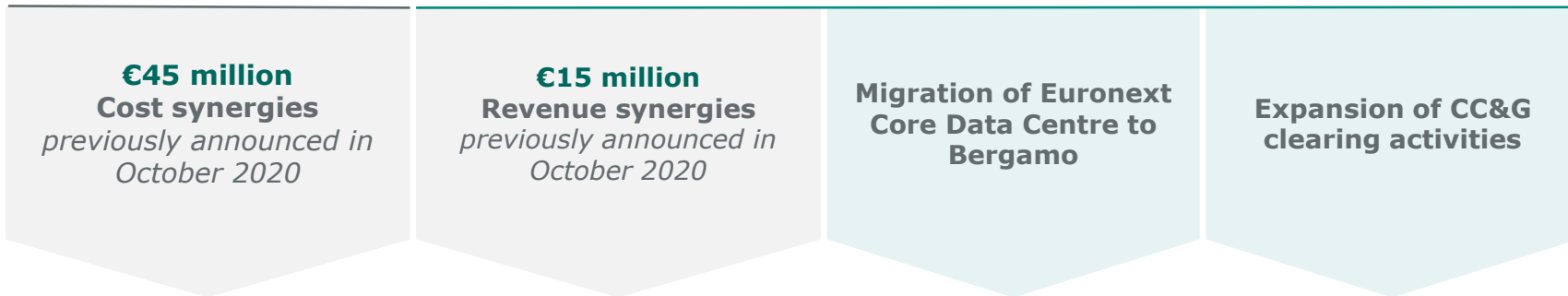
<b>Capex</b>	3% to 5% of revenue	<b>3% to 5% of revenue</b>
<b>Dividend policy</b>	50% of reported net income	<b>50% of reported net income</b>



# 67% increase in the Borsa Italiana Group transaction-related synergies to deliver additional value creation

## COST SYNERGIES

## REVENUE SYNERGIES



**Total targeted synergies increased to**  
**€100 million** (+67% from €60 million announced in October 2020)  
**By 2024, run-rate pre-tax**

c. 45% from efficiencies

c. 55% from growth and business development

**Total expected restructuring costs of €160 million**

50% to be accounted as **operating expenses**

50% to be accounted as **exceptional items**

# Continue to execute disciplined and value accretive M&A

## Maintain current rigorous capital allocation policy

- Investment criteria: **ROCE > WACC in year 3 to 5**
- Acquisitions expected to contribute to **higher organic revenue growth**, provide **scalability** and/or improve **exposure to non-volume** related businesses

### Take recent successes to the next level

- Corporate Services
- Post Trade Solutions
- Investor Services

### Continue to review transformational deals

- Strengthen the pan-European infrastructure model
- Diversify the revenue mix

Target rating 2021-2024  $\geq$  Investment grade



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## **PRESS OFFICE**

**Aurélie Cohen, Chief Communications and  
Investor Relations Officer**

**Sarah Mound, Press Office Manager**

**[mediateam@euronext.com](mailto:mediateam@euronext.com)**

**+33 1 70 48 24 45**

**[www.euronext.com](http://www.euronext.com)**



