



Euronext 2019 Investor Day

WORKSHOP – OSLO BØRS VPS WITH EURONEXT

HÅVARD ABRAHAMSEN, CEO OF OSLO BØRS VPS

GIORGIO MODICA, GROUP CFO

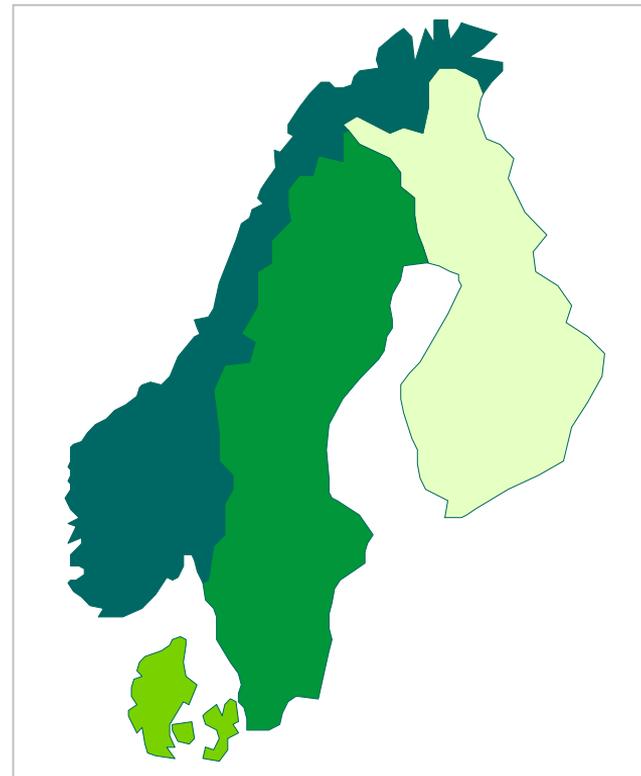


11 October 2019

PROFILE OF OSLO BØRS VPS

NORDICS: ONE OF THE MOST DYNAMIC REGION IN EUROPE GLOBALLY

Key macro indicators	NORWAY	Denmark	Finland	Sweden
Population <i>Million persons</i>	5.3	5.8	5.5	10.1
Gross domestic product <i>US dollars/capita, 2018</i>	65,515	55,138	47,946	52,766
Real GDP forecast 2020 <i>Annual growth rate (%)</i>	+2.1%	+1.7%	+1.4%	+1.6%
Inflation (CPI) <i>Annual growth rate (%), Aug 2019</i>	1.56%	0.39%	1.09%	1.44%
Unemployment rate <i>% of labour force, Q2 2019</i>	3.3%	5.1%	6.8%	6.5%
General government deficit <i>% of GDP 2018</i>	7.3%	0.6%	-0.8%	0.9%
Crude oil production <i>Thousand toe, 2017</i>	79,304	6,916	-	-
Atlantic salmon (seafarming) <i>Million tons</i>	1.3	-	-	-



OSLO BØRS VPS ACTIVITIES

A UNIQUE STRATEGIC AND COMPETITIVE POSITIONING, INCLUDING A LEADING CSD, A DEEP ROOTED EXPERTISE IN LISTING FOR SMES, A LARGE NUMBER OF INTERNATIONAL ISSUERS WITH A HIGHLY REGARDED VENUE IN ENERGY, SHIPPING AND SEAFOOD

1 OSLO BØRS EXCHANGE – c.51% of Oslo Børs VPS revenue

- Listing and trading of equities, equity certificates, ETPs, fixed income products and derivatives products and provider of market data and indices
- Extended Markets model including regulated market, MTF with Merkur Market, Bond market, Derivatives market including Fish Pool and NOTC for unlisted shares

2 VPS – c.47% of Oslo Børs VPS revenue

- Registration, custody and settlement services for investors, issuers and funds with easy-to-use online services
- Funds Services covering all aspects of the value chain from registration to distribution
- Portfolio management and reporting solutions for asset management companies, private banking and fund management companies

3 MARKET SOLUTIONS – c.2% of Oslo Børs VPS revenue

- Investor solutions for web, with and without trading, with delayed and real time data and streaming
- Solution for companies wanting to publish updated information on their website



| Source: Oslo Børs VPS 2018 figures unaudited. 2017 annual report
| 2018A figures, including intercompany revenue
| Average EUR/NOK FX rate over 2018 of 9.5975

83%
NON-VOLUME
RELATED
REVENUE

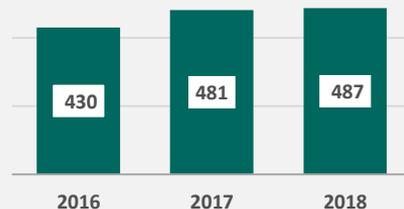
c.€109m
REVENUE IN
2018

+7.8%
CAGR₂₀₁₆₋₁₈
REVENUE
GROWTH

Revenue (NOKm)



EBITDA (NOKm)

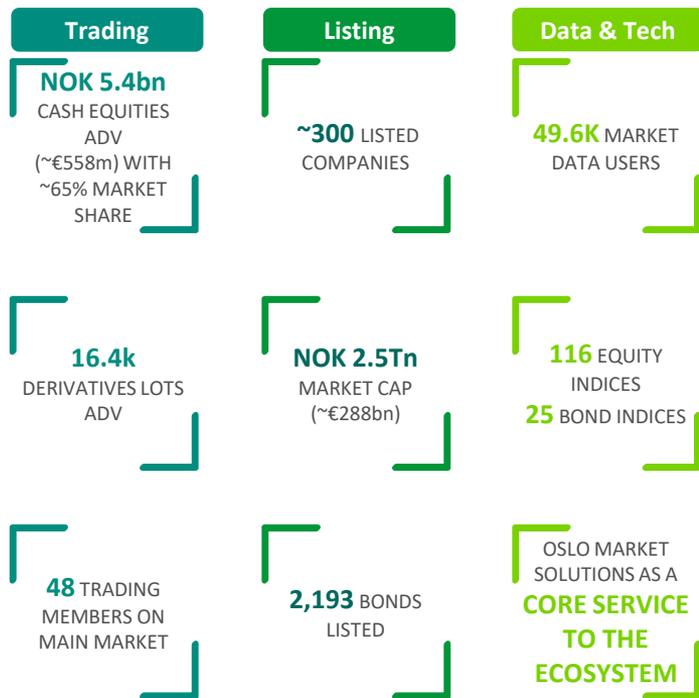


Net income (NOKm)



OSLO BØRS: THE CENTRAL MARKETPLACE FOR LISTING AND TRADING OF FINANCIAL INSTRUMENTS IN NORWAY

A client-centric exchange offering a full range of solutions



- Trading markets successful in attracting liquidity with market shares broadly similar to Euronext's
- During the year 2018, c.35% of the volume traded on the Oslo Børs markets were handled via 19 local members which are currently not members on the Euronext markets
- Dynamic SME market with a wide range of listing options for Norwegian growth companies
- Highly successful bond listing franchise tailored to the needs of the local economy
- Full suite of investor portals and IR web modules through Oslo Market Solutions, used by more than 150 companies



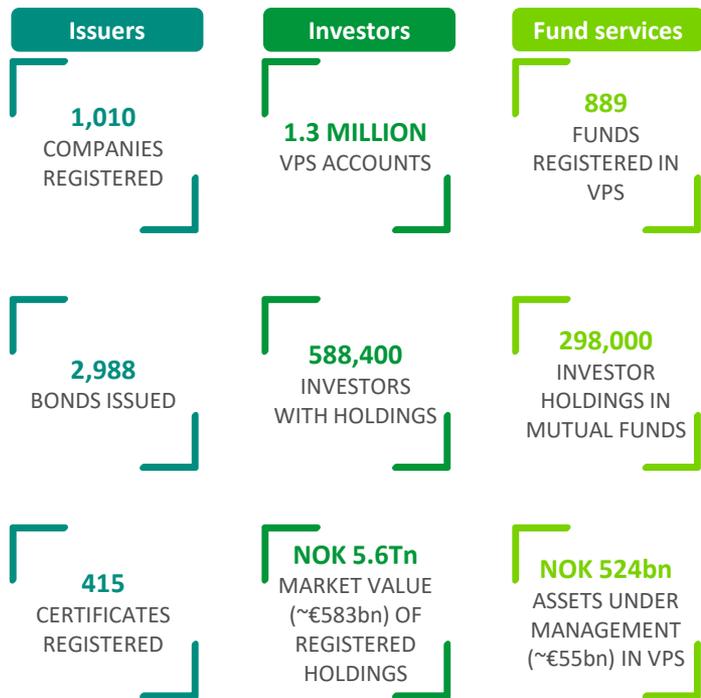
Oslo Børs 2018 revenue breakdown (in NOKm)

Listing	217
Trading	145
Market Data & Indices	150
Technology & other	28
Total	539



VPS: SOLE NATIONAL CSD AND A CRITICAL INFRASTRUCTURE FOR NORWEGIAN MARKETS

The only CSD of Norway and a critical infrastructure to Norwegian markets operating independently from Oslo Børs



- Offering registration for major types of financial instruments traded in Norway, including equities, bonds and funds
- Significant market position in the Norwegian fund market
- Providing an infrastructure for the settlement of transactions in securities and the registration of the end investor accounts directly at the CSD level

Investor products

registration services allowing investors to manage their holdings of securities

Issuer products

registration services for issuers and solutions aimed at account operators, issuers and investors

Fund products

Services for distributors of mutual fund products including solutions for asset managers through its subsidiary Centevo

Settlement products

settlement services for trading in securities

VPS 2018 revenue breakdown (in NOKm)

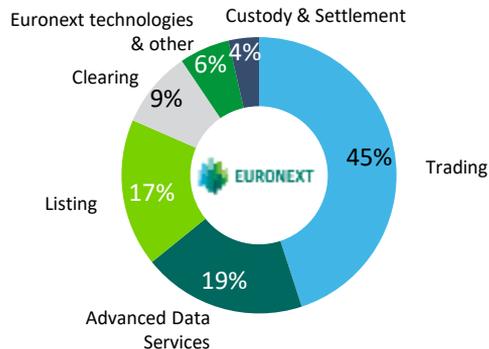
Investor products	172
Issuer products	151
Settlement products	117
Fund products/Centev	56
Other revenues	6
Total	501



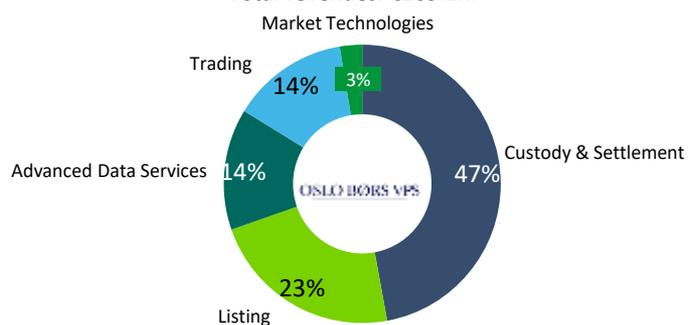
OSLO BØRS VPS ACQUISITION TO FURTHER DIVERSIFY EURONEXT'S REVENUE MIX

Standalone FY 2018 Revenue

Total revenues: €615.0m



Total revenues: €109.1m¹⁾

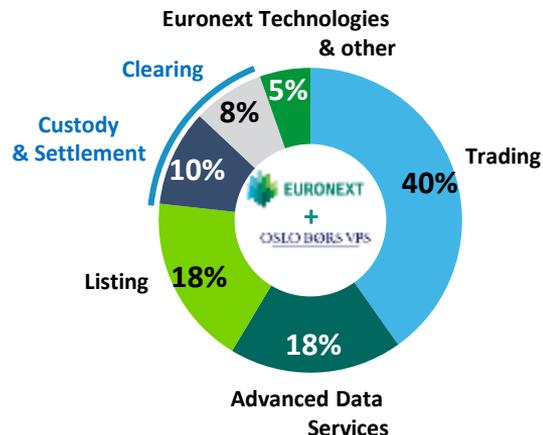


Increased weight of post-trade

Combined group FY 2018 Revenue

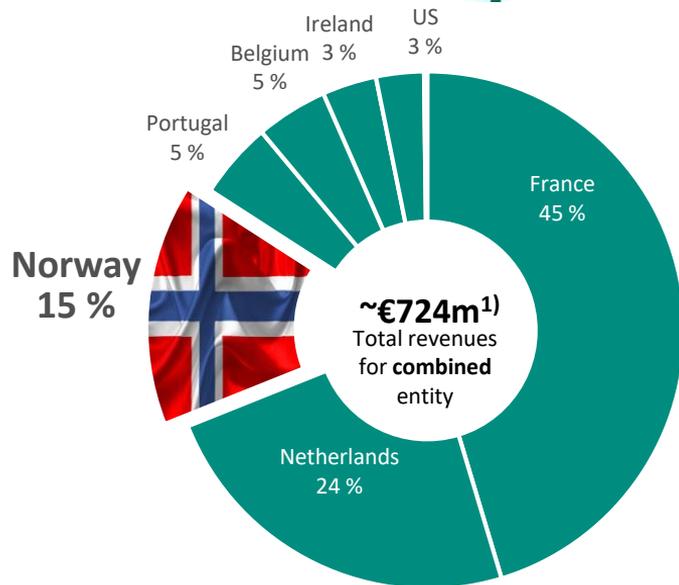
Euronext to lower the share of volume-driven businesses within its revenue mix

Total revenues for combined entity: €724m¹⁾



OSLO BØRS VPS TO BECOME THE 3RD LARGEST REVENUE CONTRIBUTOR AND A PILLAR OF THE GROUP FOR FURTHER EXPANSION

OSLO BØRS VPS +  EURONEXT



Oslo Børs VPS as Euronext's **development hub and launchpad for expansion in the Nordics**

DELIVERING VALUE THROUGH THE EXPANSION OF EURONEXT FEDERAL MODEL

COMPETITIVE LANDSCAPE IN THE NORDICS

Through the integration with Euronext, Oslo Børs VPS is better positioned to improve competitiveness, profitability, and pursue new strategic opportunities and initiatives

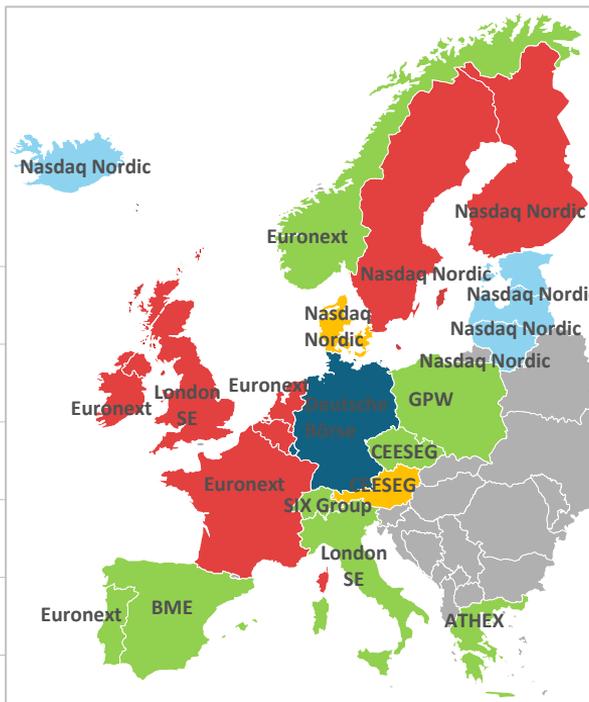
CSD



THE NORWEGIAN CSD



	VPS	VO	SE	DK
Number of accounts	1.3m	3.0m	3.2m ¹⁾	1.4m ¹⁾
Asset under custody	€583bn	€1,022bn	€1,400bn	€300m
Number of Settlement	13.2m	17.7m	14.4m	9.2m
Number of Employees	138	188	86	103
Revenue	€51.6m	€54.7m	€56.7m ¹⁾	€5.7m ¹⁾
EBITDA	€19.9m	€20.4m	€19.1m ¹⁾	€1.5m ¹⁾
EBITDA margin	39%	37%	34%	27%



- Euroclear CSDs
- Exchange-owned CSDs
- Clearstream CSDs
- Independent CSDs
- Nasdaq Nordic CSDs

Exchange



EURONEXT

Nasdaq
OMX

Issuers	1,534	619
Total market cap.	€4tn	€1.2tn
ADV (EOB, excluding reported deals)	8.0bn	3.0bn
Members	229	179

DELIVERING VALUE TO ALL STAKEHOLDERS THROUGH THE EXPANSION OF EURONEXT DECENTRALISED MODEL

1

FOCUS ON DYNAMIC GEOGRAPHIES WITH STRONG GLOBAL POSITIONS

- Proactive assessment of integration complexity vs value added
- Preference for large markets with local / global excellences and expansion opportunities

2

UNIQUE GOVERNANCE STRUCTURE TO SPEED-UP AND DE-RISK EXECUTION

- Proven integration methodology
- Unique governance structure designed for international growth

3

LEVERAGE EURONEXT INFRASTRUCTURE

- Highly scalable trading platform and IT infrastructure
- Access to Euronext technical and financial resources

4

ACCESS TO THE LARGEST LIQUIDITY POOL

- Connect to the largest equity liquidity pool in Europe with advantages for issuers, market members and investors

5

COMBINE RESPECTIVE EXCELLENCES IN POST-TRADE

- Rebalance revenue mix towards post-trade and share resources and knowledge to develop Euronext CSD strategy for the future

6

WIDEN SERVICE OFFERING AND CLIENTS REACH

- Opportunity to sell new products to existing clients and existing products to new clients
- Commercial access to a new and attractive region

TAKING ADVANTAGE OF EURONEXT'S UNIQUE GOVERNANCE STRUCTURE: INTRINSICALLY MULTICULTURAL AND INTERNATIONAL

Multi-layer decentralised model

1 PARTICIPATIVE GOVERNANCE

- Managing Board** → Håvard Abrahamsen appointed as member of the Managing Board of Euronext as CEO of Oslo Børs VPS
- Supervisory Board** → Morten Thorsrud appointed to the Supervisory Board of Euronext
- College of Regulators** → NFSA invited by the Regulators to join the College of Regulators

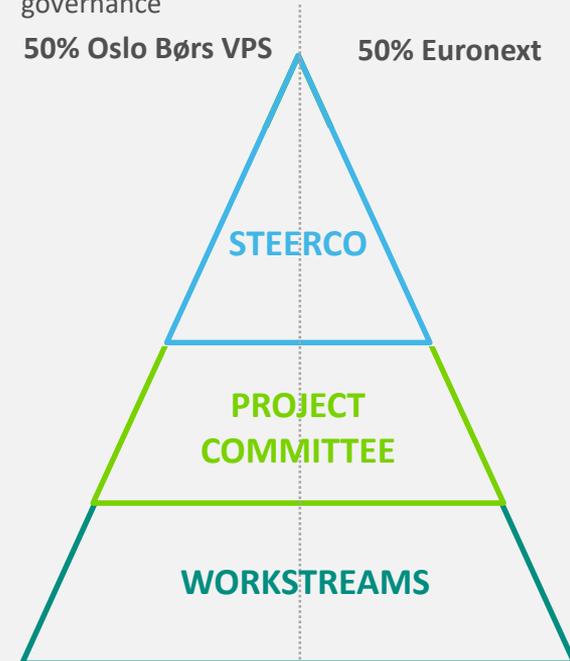
2 INCENTIVES TO COLLABORATION

- Financial KPI**
 - Country profitability not measured
 - Profit equalisation mechanism across geographies
- Management**
 - Responsibility centralized by product / function
 - Group's key responsibilities spread across countries

Participative integration methodology

Equal representation of Oslo Børs VPS and Euronext at all level of the integration process governance

50% Oslo Børs VPS 50% Euronext



LEVERAGING EURONEXT'S INFRASTRUCTURE

EXCHANGE ACTIVITY

CORE IT

Migration from existing to new and proprietary technology, Optiq®

IT INFRASTRUCTURE & SURROUNDING

Possibility to leverage Euronext IT infrastructure (security, data centres, ...)

SUPPORT FUNCTIONS

Optimisation of support functions

CSD ACTIVITY

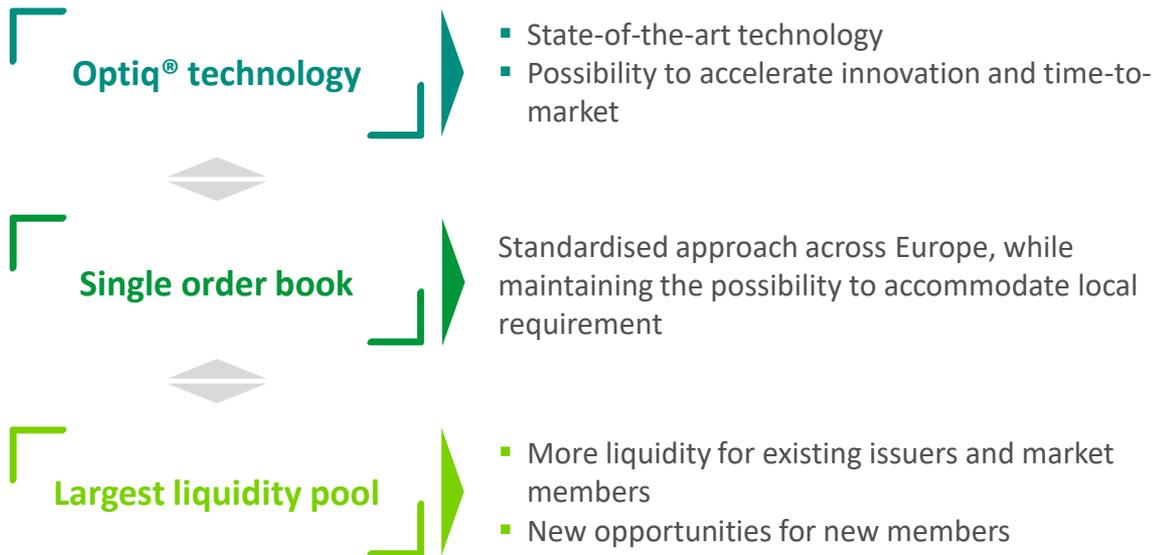
- No migration to a central platform
- Possibility to access Euronext resources (financial / technical)

Possibility to leverage Euronext IT infrastructure (security, data centres, ...) according to the specificities of the business and regulatory approvals and requirements

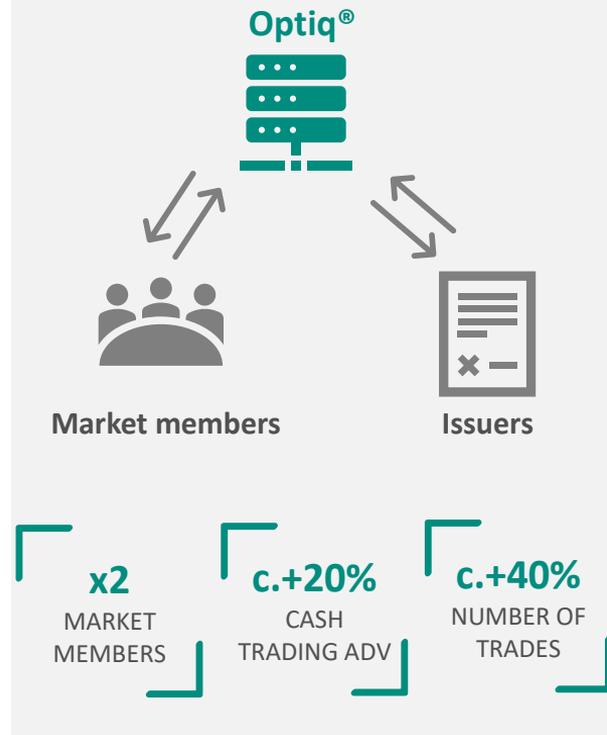
Optimisation of support functions according to the specificities of the business and regulatory approvals and requirements

PROVIDING ACCESS TO EUROPE'S LARGEST LIQUIDITY POOL

ACCESS TO EURONEXT'S ECOSYSTEM: MUCH MORE THAN A TECHNOLOGY UPGRADE



Euronext Dublin case study: KPIs post integration



TAKE ADVANTAGE OF GROUP'S BEST PRACTICES AND ASSESS OPPORTUNITIES IN EUROPE TO BUILD AN EFFICIENT NETWORK OF CSDS IN EUROPE



REVENUE	€22m	€50m
ASSETS UNDER CUSTODY €BN	€391bn	€600bn
TYPE OF ACCOUNTS	OMNIBUS	INDIVIDUAL AND OMNIBUS ACCOUNTS
MULTICURRENCY	YES	NO
CSDR	APPROVED SINCE JULY 2018	APPLICATION PROCESS UNDERWAY
T2S	CONNECTED SINCE 2016	NO



| Subject to CSDR requirements and regulatory approval



LEVERAGE ON LOCAL STRENGTHS TO SUPPORT CROSS-SELLING

CORPORATE
SERVICES

Cross-selling and expansion of the offering to the Nordics

FUNDS
SERVICES

Leverage on Centevo offering and expertise

MEMBERS
ACCESS

Oslo Børs VPS members to access Euronext markets and its single liquidity pool

MARKET DATA
& CORPORATE
SERVICES

Leverage on OMS offering and expertise



OSLO BØRS VPS AND EURONEXT, A PROFITABLE COMBINATION

1 A PROFITABLE COMBINATION

- Expected return on capital employed above cost of capital in year 3, in line with the Group's M&A discipline
- Recurring earnings accretion in 1st year

2 EXPECTED COSTS SYNERGIES

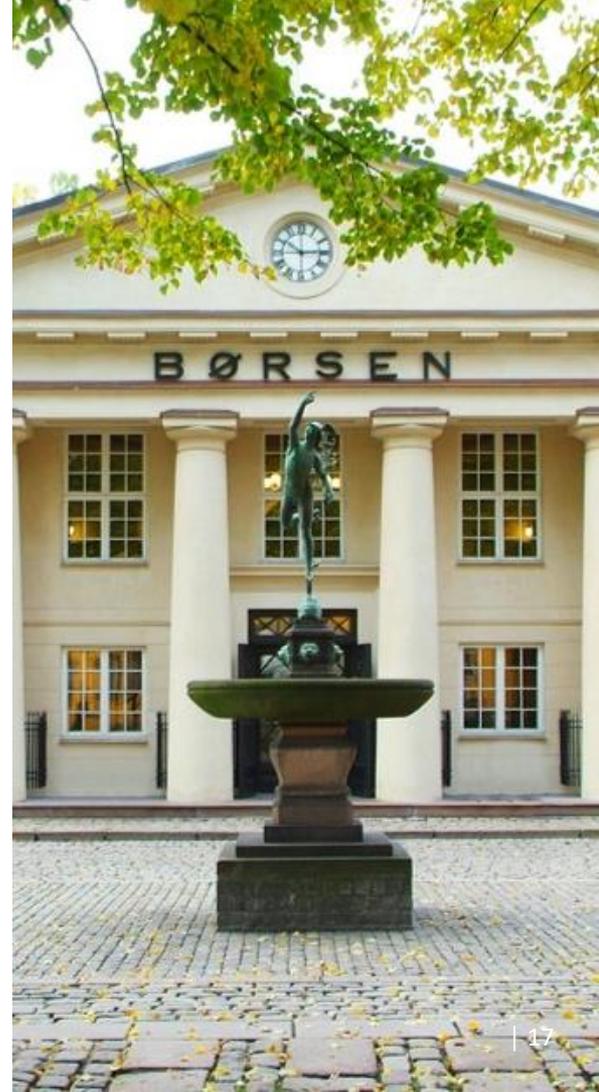
- Migration of the current trading system to Optiq®, Euronext's cutting edge trading technology
- Operating model optimization
- Local IT footprint rationalisation and outsourcing to Euronext group-wide components
- Real-Estate optimization
- Review of other material contracts

€12m

EXPECTED
RUN-RATE COSTS
SYNERGIES BY 2022

€18m

EXPECTED
RESTRUCTURING COSTS



Q&A





THANK YOU

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