



Q3 2018 RESULTS PRESENTATION

12 November 2018



MAIN SPEAKERS



Stéphane Boujnah

CEO & Chairman of the Managing Board



Giorgio Modica

CFO

AGENDA

I Q3 2018 Highlights

II Q3 2018 Financials



I. Q3 2018 HIGHLIGHTS



STRONG Q3 2018 FINANCIALS

Revenue	<p>Growth in all business lines Strong market share in cash trading business at 65.7% and yield at 0.52 bps <i>9-month 2018 revenue of €457.7m, up +16.6% vs 9-month 2017</i></p>	<p>€150.9m</p>	<p>+17.2% +€22m <i>Excl. IFRS 15 +13.9% +€18m</i></p>
EBITDA	<p>Core business costs down (-8.2%) while Group costs up (+6.5%) mainly due to change of perimeter (Euronext Dublin, FastMatch and InsiderLog) <i>9-month 2018 Group EBITDA of €267.3m, up +22.0% vs 9-month 2017</i></p>	<p>€87.8m</p>	<p>+26.4% +€18m <i>Excl. IFRS 15 +20.2% +€14m</i></p>
EBITDA Margin	<p>Improved EBITDA margin despite the ongoing integration of acquisitions and new projects, thanks to improved operating efficiency <i>9-month 2018 Group EBITDA Margin at 58.4%, up +2.6 pts vs 9-month 2017</i></p>	<p>58.2%</p>	<p>+4.2 pts <i>Excl. IFRS 15 +3.0 pts</i></p>
Net income (reported)	<p>Strong increase in net income while impacted by exceptional items Adjusted EPS²⁾ of €0.85, up +31% <i>9-month 2018 adjusted EPS²⁾ of €2.63, up +25.0% vs 9-month 2017</i></p>	<p>€50.5m</p>	<p>+31.6% +€12m <i>Excl. IFRS 15 +23.5% +€9m</i></p>



In 2018, Euronext has adopted IFRS 15. Unless stated otherwise, percentages compare Q3 2018 data including IFRS 15 to reported Q3 2017 data (excluding IFRS 15). For further details, please refer to the appendix

1) Scope used for the 61-63% EBITDA margin 2019 target of Agility for Growth strategic plan (see press release published on 19 February 2018 available on www.euronext.com)

2) Definition in Appendix

FIRST ACHIEVEMENTS OF THE 2019 AGILITY FOR GROWTH TARGETS

Q3 2018 update

2019 announced targets¹⁾

Deliver value to shareholders

61.3% EBITDA margin
For core business and selected growth initiatives for the last 12 months¹⁾

61-63% EBITDA margin

Strengthen resilience of the core business

>65%
Average market share on cash trading since 2017

>60%
Average market share on cash trading

Enhance Agility

€24.2m
Gross cost savings

€13.9m
of restructuring costs incurred

€22m cost savings
€33m restructuring costs

Grow in selected segments

Corporate Services in line Tech SME initiative ongoing
€17m revenue generated over the last 12 months

Synapse MTF and European Family of indices no longer expected to contribute for €20m of incremental revenue

7 organic growth initiatives generating €55m of incremental revenue at 50% margin

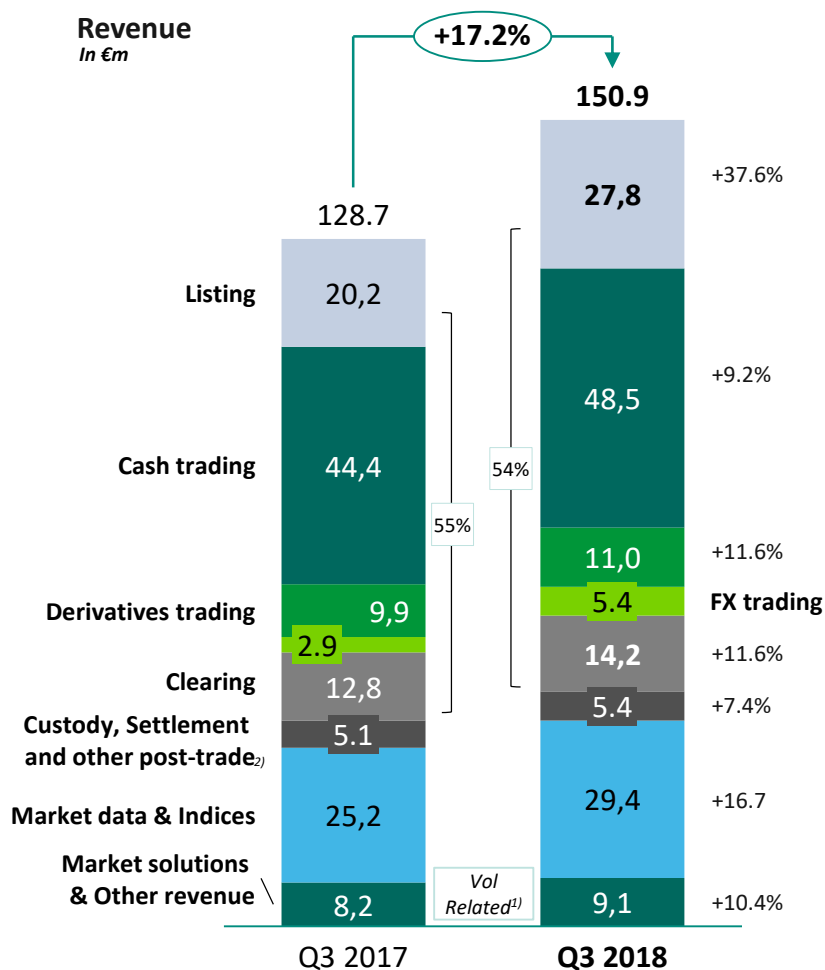


II. Q3 2018 FINANCIALS



Q3 2018 REVENUE UP 17.2%

KEY DRIVERS: ACQUISITIONS, TRADING AND MARKET DATA PERFORMANCE



Q3 2018 listing revenue up 17.2% to €150.9m (+€22.2m)

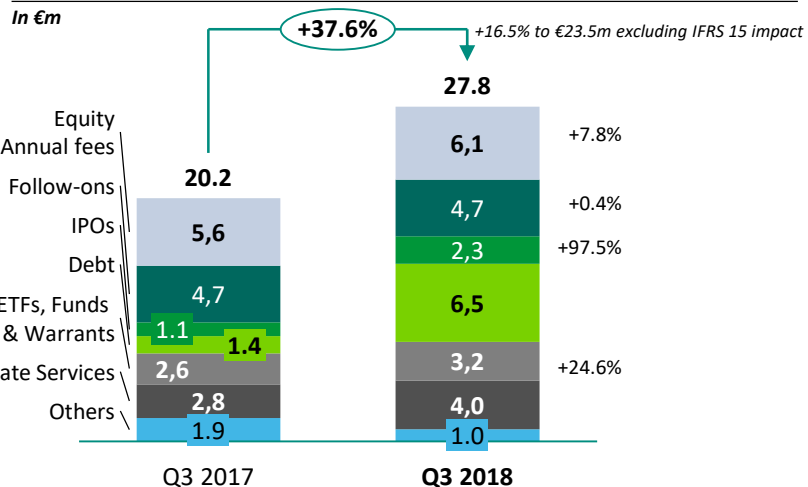
+13.9% to €146.7m excluding IFRS 15 impact

- Strong increase in listing revenue thanks to the consolidation of Euronext Dublin and Corporate services
- Good trading performance across asset classes:
 - Cash trading revenue +€4.1m
 - Derivatives trading revenue +€1.2m
 - Spot FX trading revenue +€2.5m
- Post trade revenue up +€1.9m thanks to the strong performance of the clearing business and increased settlement and custody activity
- Good performance of Market data and Indices with revenue up +€4.2m
- Operating cost coverage ratio³⁾ at 110% in Q3 2018

LISTING REVENUE UP 37.6% TO €27.8M

CONTRIBUTION OF EURONEXT DUBLIN AND CORPORATE SERVICES TO THE LISTING ACTIVITY

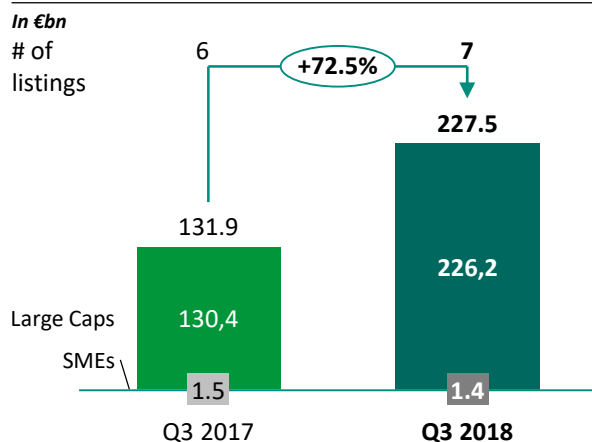
Listing revenue



- **Contribution of Euronext Dublin +€5.4m**
- Continued clients traction from **Corporate services** recording €4.0m of revenue
- **Soft primary market activity in a mixed environment**
 - 7 new listings (6 in Q3 2017)
 - Strong traction from SME deals



Money raised



- **Moderate secondary market activity**
 - Follow-on activity stable suffering from low activity levels and unfavorable comparison base in Q3 2017

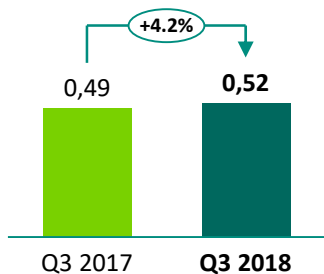
CASH TRADING REVENUE UP 9.2% TO €48.5M

IMPROVED REVENUE CAPTURE AND MARKET SHARE

Cash trading

Revenue per trade¹⁾

In bps, single counted



Market share for Q3 2018

65.7%

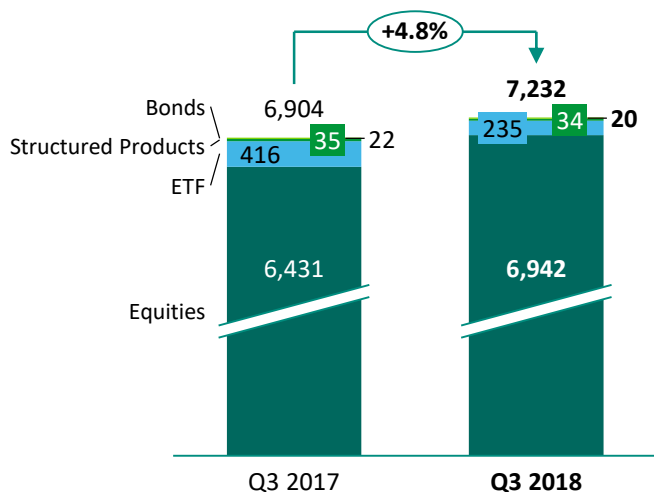
Vs. 65.2% in Q3 2017

Cash trading: revenue up +9.2% to €48.5m

- Improved cash market share at **65.7%**, thanks to superior liquidity supported by:
 - continued optimisation of the SLP programme
 - innovative Omega pack for non-members
 - Best of Book service for retail flows
- Strengthened yield at **0.52bps**, up +4.2% compared to Q3 2017, in an improved volumes environment, thanks to effective yield management
- 1,125 ETFs listed at end of September 2018.
- On-exchange volumes down -4.9% to €201m in Q3 2018, due to persisting low volatility

Average daily turnover²⁾

In €m, single counted

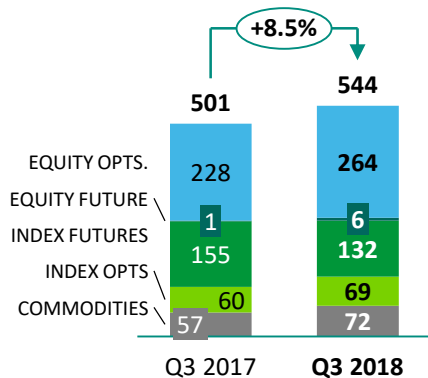


ROBUST DERIVATIVES TRADING AND SPOT FX TRADING REVENUE

Derivatives trading

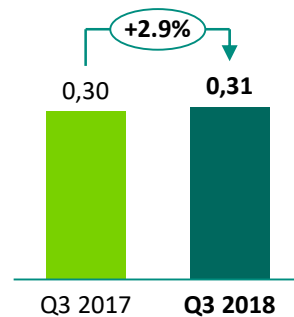
Average daily volume

In '000 lots, single counted



Revenue per lot

In €, double counted



Derivatives trading: revenue up +11.6% to €11.0m

Financial derivatives

- Volumes supported by increased volatility

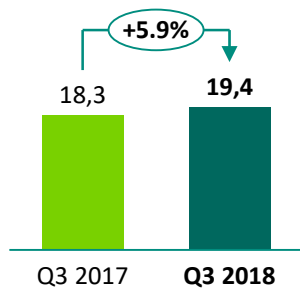
Commodities

- Increase in milling wheat contract volumes, ADV up +27.1%
- New Market Participant programme continuing to attract new flows

Spot FX trading

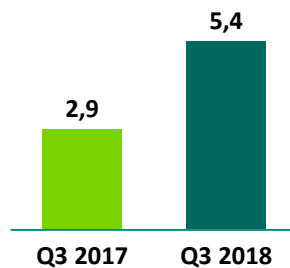
Average daily volume

In \$bn, single counted



Revenue contribution¹⁾

In €m



FastMatch: €5.4m revenue from spot FX trading

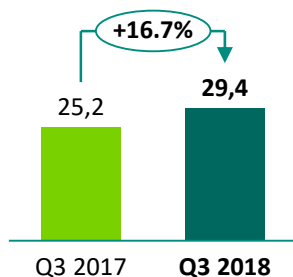
- Spot FX ADV up +5.9% to \$19.4bn supported by emerging markets volatility

OTHER BUSINESSES

GOOD PERFORMANCE OF CLEARING ACTIVITY AND NON TRANSACTIONAL BUSINESSES

Market data and Indices

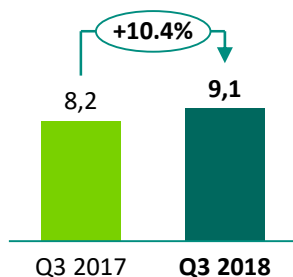
In €m



- Positive impact of new market data agreements in 2018
- Incremental contribution from Euronext Dublin activities

Market solutions & Other revenue

In €m



- Continued delivery of the first commercial releases of Optiq® for international clients
- Increased activity from SFTI/Colocation services

Post trade

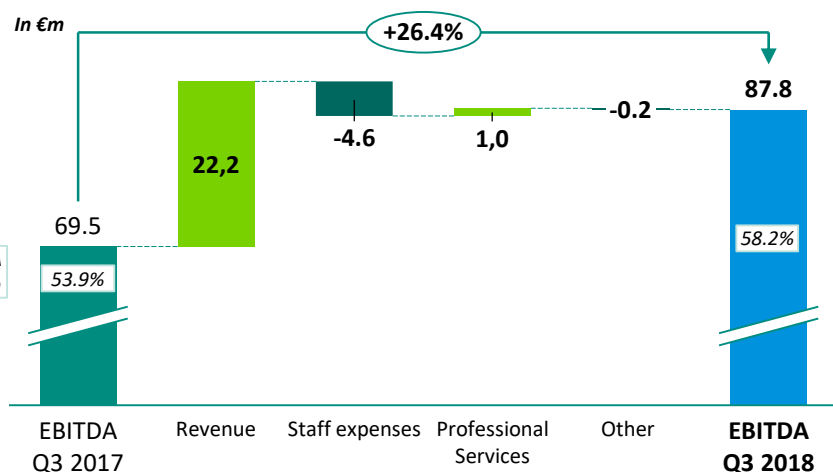
In €m



- Clearing revenues benefited from dynamic commodities activity and higher treasury income
- Interbolsa benefiting from increased public debt and equities under custody

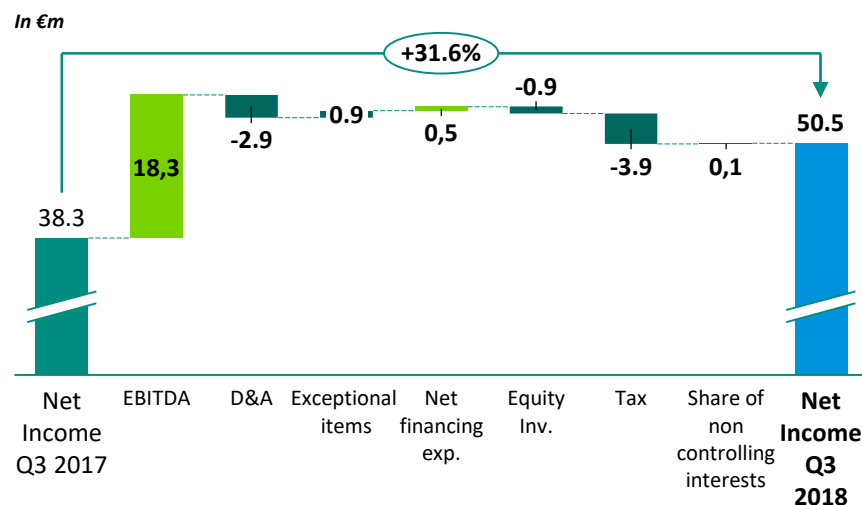
Q3 2018 EBITDA UP 26.4% TO €87.8M

INCREMENTAL REVENUE FROM ACQUISITIONS COMBINED WITH CONTINUED COST DISCIPLINE



EBITDA up +26.4% to €87.8m (58.2% margin), driven by strong operating performance and cost discipline

- Impact of consolidation of Euronext Dublin and FastMatch, coupled with the development of selected growth initiatives offsetting savings in the core business
- Cumulated Core costs savings: €24.2 (+€5.4m from Q2 2018)**
- EBITDA margin of core business and selected growth initiatives¹⁾, excl. Clearing and new perimeter, of 62.0% (+6.8pts)**



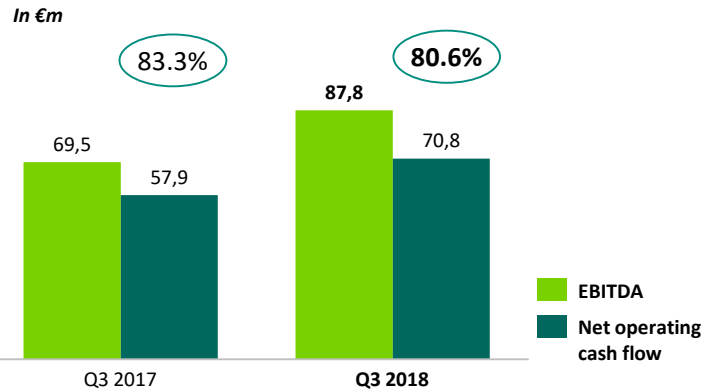
Net income up +31.6% to €50.5m

- Higher D&A, due to integration of acquisitions and PPA
- Exceptional items for €8.8m, mainly due to the termination agreement between Deutsche Börse and Euronext Dublin, advisory costs and impairments
- Equity investments down due to a deferred capital gain in Q3 2017 offsetting the contribution of LCH SA
- Income tax rate down -1.7 pts at 30.7%
- Ajusted EPS at €0.85

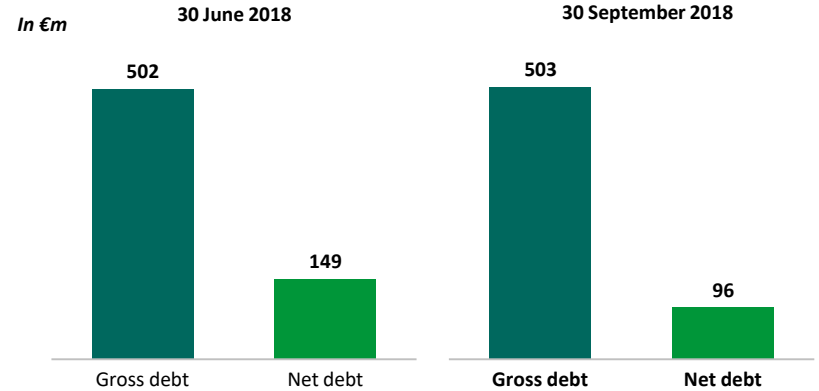
HEALTHY CASH FLOW GENERATION AND LIQUIDITY POSITION

EURONEXT RATED "A" (OUTLOOK STABLE) BY STANDARD & POOR'S

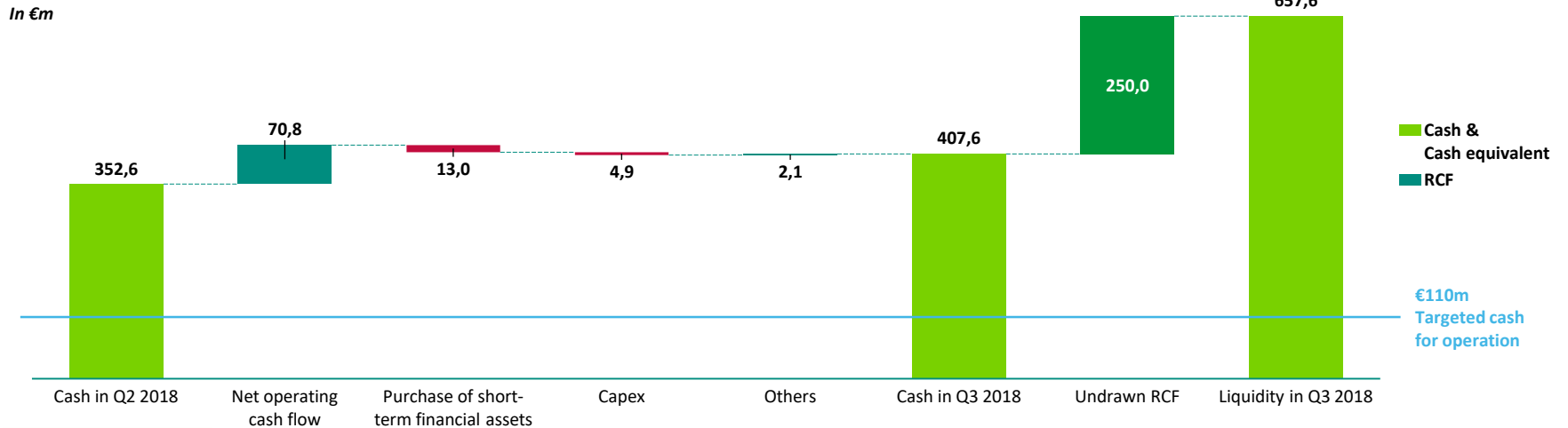
EBITDA / operating cash flow conversion rate



Debt



Liquidity



Q&A



Stéphane Boujnah

CEO &
Chairman of the Managing Board



Anthony Attia

Managing Board Member



Giorgio Modica

CFO

APPENDICES



IFRS15 DEFERRAL ADJUSTMENTS IMPACTS

P&L adjustments – for informative purpose only

Unaudited, In €m	Reported (incl. IFRS 15)	Adjusted for IFRS 15		IFRS 15 deferral adjustments			Excl. IFRS 15 impact	Reported (excl. IFRS 15 impact)	
	Q3 2018	Q2 2018	Q1 2018	Q3 2018	Q2 2018	Q1 2018	Q3 2018	Q2 2018	Q1 2018
Revenue	150.9	156.3	150.5	+4.3	-1.0	+3.8	146.7	157.3	146.7
o/w Listing	27.8	27.4	21.8	+4.3	-1.0	+3.8	23.5	28.4	18.0
EBITDA	87.8	87.6	92.0	+4.3	-1.0	+3.8	83.5	88.6	88.2
<i>EBITDA margin</i>	<i>58.2%</i>	<i>56.0%</i>	<i>61.1%</i>				<i>56.9%</i>	<i>56.3%</i>	<i>60.1%</i>
Profit before income tax	73.5	80.3	86.8	+4.3	-1.0	+3.8	69.3	81.3	83.0
Income tax expense	-22.6	-24.0	-26.3	-1.2	+0.2	-1.1	-21.4	-24.3	-25.2
Share of non-controlling interests	-0.5	-0.4	-0.4	-	-	-	-0.5	-0.4	-0.4
Profit for the period	50.5	55.8	60.0	+3.1	-0.8	+2.7	47.4	56.6	57.3
Reported EPS (in €)	0.73	0.80	0.86	+0.04	-0.01	+0.04	0.68	0.81	0.82
Adjusted EPS (in €)	0.85	0.89	0.89	+0.04	-0.01	+0.04	0.81	0.90	0.85

Balance sheet adjustments – for informative purpose only

Unaudited, In €m	As at 30 Sep 2018 Reported (Inc. IFRS 15 impact)	As at 30 Jun 2018 Reported (Exc. IFRS 15 impact)	IFRS 15 deferral adjustments As at 30 Sep 2018
Total non-current assets	964.1	937.0	+20.4
Total current assets	530.9	476.9	-
Total assets	1,495.1	1,413.9	+ 20.4
Total Equity	725.8	720.5	-56.8
Other Non-current liabilities	580.6	551.0	+35.9
Total Current liabilities	188.7	142.4	+41.3
Total Equity and Liabilities	1,495.1	1,413.9	+20.4

Q3 2018 P&L

Unaudited, In €m	Q3 2018	Q3 2017	% var
Revenue	150.9	128.7	+17.2%
Listing	27.8	20.2	+37.6%
Trading revenue	64.9	57.2	+13.5%
Cash Trading	48.5	44.4	+9.2%
Derivatives Trading	11.0	9.9	+11.6%
Spot FX Trading	5.4	2.9	N/A
Market Data & indices	29.4	25.2	+16.7%
Post-trade	19.7	17.8	+10.4%
Clearing	14.2	12.8	+11.6%
Custody, Settlement and other post-trade	5.4	5.1	+7.4%
Market Solutions & other revenue	9.1	8.2	+10.4%
Other income	0.0	0.1	-93.2%
Operational expenses excluding D&A	-63.2	-59.3	+6.5%
Salaries and employee benefits	-30.3	-25.6	+18.2%
Other Operational Expenses	-32.9	-33.7	-2.3%
System & Communication	-5.7	-5.8	-0.5%
Professional Services	-10.5	-11.5	-9.0%
Clearing expense	-7.7	-7.1	+7.5%
Accommodation	-2.6	-2.4	+9.4%
Other Operational Expenses	-6.4	-6.9	-6.9%
EBITDA	87.8	69.5	+26.4%
<i>EBITDA margin</i>	<i>58.2%</i>	<i>53.9%</i>	<i>+4.2 pts</i>
Depreciation & Amortisation	-6.4	-3.6	+81.3%
Operating Profit before Exceptional items	81.3	65.9	+23.4%
Exceptional items	-8.8	-9.7	-8.9%
Operating Profit	72.5	56.2	+29.0%
Net financing income / (expense)	0.1	-0.4	N/A
Results from equity investments	0.9	1.8	-50.4%
Profit before income tax	73.5	57.6	+27.7%
Income tax expense	-22.6	-18.7	+21.0%
Share of non-controlling interests	-0.5	-0.6	-14.8%
Profit for the period	50.5	38.3	+31.6%
EPS Reported (in € per share)	€ 0.73	€ 0.55	+31.6%
EPS Diluted (in € per share)	€ 0.72	€ 0.55	+31.8%

Q3 2018 SUMMARISED P&L BY PERIMETER

<i>in M€, including IFRS 15</i>		2018				
		9M	Q3	H1	Q2	Q1
Revenue	Core business excluding clearing	371.0	118.9	252.1	123.7	128.4
	AfG	12.2	4.3	7.9	4.0	3.9
	Core business + AfG, excl. Clearing and new perimeter	383.2	123.2	259.9	127.7	132.3
	New Perimeter (FastMatch and Euronext Dublin (from Q2 2018))	32.7	13.5	19.2	14.0	5.2
	Total Group revenue	457.7	150.9	306.8	156.3	150.5
Costs (exc. D&A)	Core business excluding clearing	-133.7	-43.2	-90.5	-47.4	-43.1
	AfG	-11.3	-3.6	-7.7	-3.9	-3.7
	Core business + AfG, excl. Clearing and new perimeter	-145.0	-46.9	-98.2	-51.3	-46.9
	New Perimeter (FastMatch and Euronext Dublin (from Q2 2018))	-24.1	-9.0	-15.1	-10.2	-4.9
	Total Group Costs (exc. D&A)	-190.4	-63.2	-127.2	-68.7	-58.5
EBITDA margin	Core business excluding clearing	64.0%	63.7%	64.1%	61.7%	66.4%
	AfG	7.2%	15.4%	2.7%	1.2%	4.3%
	Core business + AfG, excl. Clearing and new perimeter	62.2%	62.0%	62.2%	59.8%	64.6%
	New Perimeter (FastMatch and Euronext Dublin (from Q2 2018))	26.4%	33.2%	21.6%	27.3%	6.2%
	Group EBITDA margin	58.4%	58.2%	58.5%	56.0%	61.1%
Savings	Core business	24.2	24.2	18.8	18.8	16.2
	New Perimeter (Euronext Dublin from Q2 2018)	0.8	0.2	0.6	0.6	

ADJUSTED EPS DEFINITION

<i>In €m unless stated otherwise</i>	Q3 2018	Q3 2017
Net Income Reported	50.5	38.3
<i>EPS Reported (€ per share)</i>	0.73	0.55
Intangible assets adj. related to acquisitions (PPA)	- 2.1	-
Exceptional items	- 8.8	9.7
Tax related to those items	2.1	2.8
Adjusted for intangible assets related to acquisitions, capital gains or losses and exceptional items, incl. tax		
Adj. Net Income	59.3	45.2
Adj. EPS (€ per share)	0.85	0.65

BALANCE SHEET AS AT 30 SEPTEMBER 2018

Unaudited, In €m	As at 30 Sep 2018	As at 30 Jun 2018
Non-current assets		
Property, plant and equipment	37.1	35.6
Goodwill and other intangible assets	671.6	661.8
Deferred income tax assets	20.6	5.6
Investments in associates and JV	74.5	73.6
Financial assets at fair value through OCI	152.5	152.5
Financial assets at amortised cost	7.0	7.0
Other non current assets	0.8	0.9
Total non-current assets	964.1	937.0
Current assets		
Trade and other receivables	89.5	101.3
Other current assets	11.4	13.0
Income tax receivable	3.3	2.3
Derivative financial instruments	3.3	3.3
Other short-term financial assets	15.8	4.3
Cash & cash equivalents	407.6	352.6
Total current assets	530.9	476.9
Total assets	1,495.1	1,413.9
Shareholders' equity		
Shareholders' equity	715.4	706.9
Non-controlling interests	10.4	13.6
Total Equity	725.8	720.5
Non-current liabilities		
Borrowings	500.8	500.6
Other long-term financial liabilities	10.0	10.0
Deferred income tax liabilities	16.1	23.0
Post employment benefits	12.6	12.4
Other provisions	5.2	5.1
Contract liabilities	35.9	0.0
Other Non-current liabilities	580.6	551.0
Current liabilities		
Borrowings	2.6	1.2
Other short-term financial liabilities	6.9	6.9
Income tax payable	12.9	12.2
Trade and other payables	100.9	89.3
Contract liabilities	63.5	30.8
Other provisions	1.9	2.1
Total Current liabilities	188.7	142.4
Total Equity and Liabilities	1,495.1	1,413.9

Q3 2018 CASH FLOW & LIQUIDITY

Cash Flow Statement for Q3 2018

Unaudited, In €m	Q3 2018	Q3 2017
Profit before tax	73.5	57.6
<i>Adjustments for:</i>		
- Depreciation and amortization	6.4	3.6
- Share based payments	1.5	1.1
- Share of profit from associates and joint ventures	-0.9	-0.1
- Changes in working capital	13.2	8.7
Cash flow from operating activities	93.8	70.8
Income tax paid	-23.0	-12.9
Net cash flows from operating activities	70.8	57.9
Cash flow from investing activities		
Acquisitions of associates and joint ventures	0.0	-0.7
Acquisition of subsidiary, net of cash acquired	0.0	-154.4
Purchase of available-for-sale financial assets	0.0	-0.1
Purchase of short-term financial assets	-13.0	0.0
Repayment of short-term investments	1.5	0.0
Purchase of property, plant and equipment	-3.4	-1.0
Purchase of intangible assets	-1.5	-3.6
Net cash flow from investing activities	-16.4	-159.7
Cash flow from financing activities		
Proceeds from borrowings, net of transaction fees	0.1	197.0
Repayment of borrowings, net of transaction fees	0.0	-32.0
Interest paid	-0.1	0.0
Interest received	0.1	0.1
Transaction of own shares	1.0	-1.7
Employee Share transactions	0.0	-2.1
Net cash flow from financing activities	1.2	161.3
Total cash flow over the period	55.5	59.4
Cash and cash equivalents - Beginning of period	352.6	81.2
Non Cash exchange gains/(losses) on cash and cash equivalents	-0.6	0.1
Cash and cash equivalents - End of period	407.6	140.6

Liquidity for Q3 2018

Unaudited, In €m	Q3 2018	Q2 2018
Cash beginning of period	352.6	288.3
Debt repayment		-338
Dividend		-120.4
Bond		500
Purchase of short-term financial assets	-13.0	
Cash accumulation, net of others	68.0	22.7
Cash end of period	407.6	352.6
RCF	250	250
Available Liquidity	657.6	602.6

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