

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 and charts. The desks are arranged in a curved, semi-circular pattern. In the background, there are large digital screens showing market information, including a digital clock displaying '10:57:14'. The lighting is a mix of overhead recessed lights and ambient lighting from the desks and a tall, cylindrical, illuminated pillar on the right. A semi-transparent teal banner is overlaid across the middle of the image, containing the main title and release information.

# Euronext Q1 2020 Results

RELEASED ON 13 MAY 2020 – 5.45 PM CEST



14 May 2020

## AGENDA

- 1 Q1 2020 HIGHLIGHTS
- 2 Q1 2020 BUSINESS REVIEW
- 3 Q1 2020 FINANCIAL REVIEW
- 4 Q&A

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## SPEAKERS



**Stéphane Boujnah**

CEO and Chairman of the  
Managing Board



**Giorgio Modica**

Chief Financial Officer



# 1 Q1 2020 HIGHLIGHTS



## Q1 2020 RESULTS BOOSTED BY A STRONG OPERATING PERFORMANCE

### Revenue

€236.8m

+55.2%  
+€84.2m

- Strong revenue growth reflecting strong trading volumes in all asset classes and continued diversification with the consolidation of Oslo Børs VPS and Nord Pool
- Non-volume related revenue representing 44% of total revenue and covering 119% of costs excl. D&A in a high volume environment

### EBITDA margin

63.4%

+4.9pts

- Group EBITDA up +68.1% to €150.0 million for the quarter
- Targeted €8.0 million run-rate cost synergies achieved from Euronext Dublin
- Consolidation of costs from acquired businesses and higher derivative clearing expenses

### Adjusted EPS<sup>1)</sup>

1.44€

+65.3%

- Adjusted net income up +65.6% to €100.7 million
- Reported net income, share of the group up +71.2% to €96.1 million
- Income tax rate at 28.1%

# ACQUISITION OF VP SECURITIES

Strengthening Euronext post-trade business

## 1 Introduction to VP Securities

- Established in 1980 and headquartered in Copenhagen, VP provides national issuers with core CSD services as well as value-added services to the ecosystem such as investor relations tools and sub-custody services
- First Nordic CSD to be granted a CSDR license and T2S settlement system

## 2 Strategic rationale

- Significant expansion of Euronext's footprint in the Nordic region, following acquisitions of Oslo Børs VPS and Nord Pool
- Doubling of Euronext's CSD business size, further improving Euronext's revenue mix and increasing the share of non-volume related revenue

## 3 Terms of the transaction

- DKK1.12bn (c. €150m) offered for 100% of the shares. Euronext has opened an offer to all remaining shareholders, at the same terms and conditions
- The transaction will be funded with existing resources and is in line with Euronext's disciplined capital deployment policy
- Closing expected in early Q3 2020, following regulatory approvals



| EUR/DKK FX rate of 0.134 as of 23 April 2020 applied for all conversions

c.€57.1m  
revenue in  
2019

c.€15.8m  
EBITDA in  
2019

€1.2tn  
assets under  
custody in  
2019

16.6m  
Securities  
settled in  
2019



# CONTINUED SUCCESSFUL EXPANSION IN THE NORDIC REGION

€850m+

Capital deployed or committed<sup>1)</sup>  
in the Nordic region since 2019

+2 CSDs

Strengthening the post-trade  
business

+1 asset class

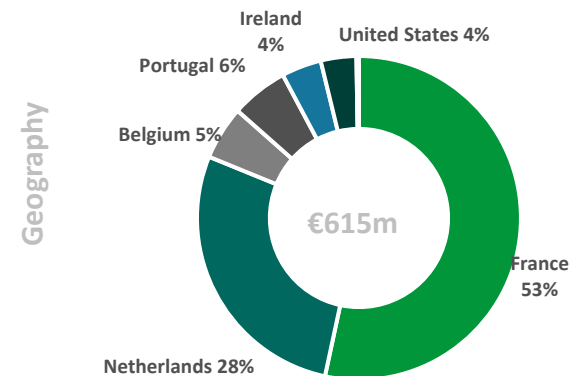
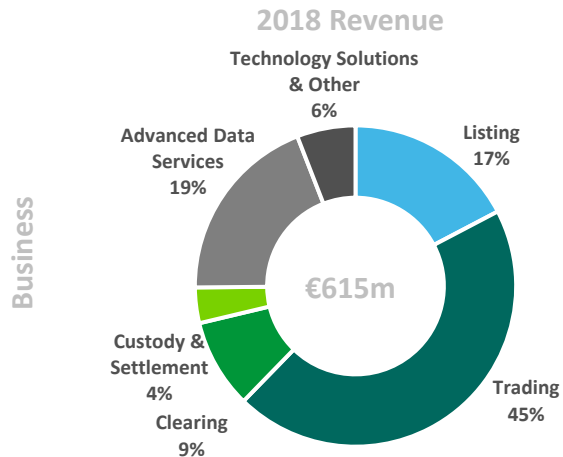
with the expansion into power  
trading



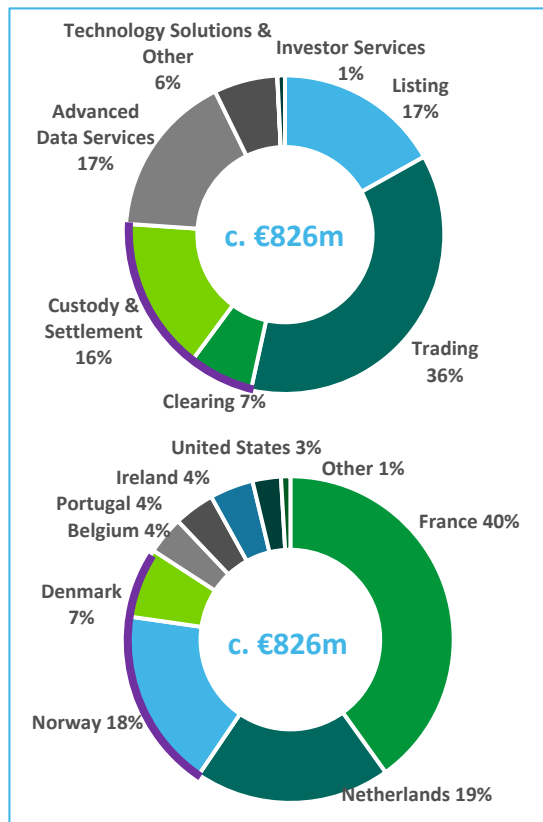
- Euronext regulated markets
- Euronext sales office / presence
- VP Securities<sup>2)</sup>



# CONTINUED SUCCESSFUL REVENUE DIVERSIFICATION



## 2019 Pro forma Revenue<sup>1)</sup>



c. 23%  
Revenue from  
post-trade  
activities<sup>1)</sup>

c. 25%  
Revenue from  
the Nordic  
region<sup>1)</sup>

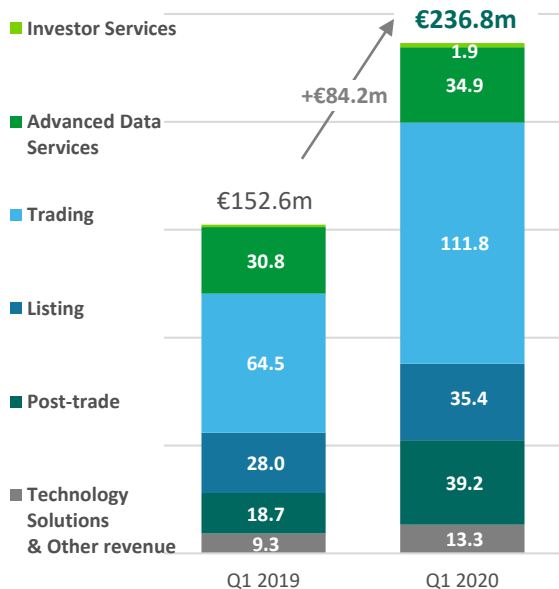


# 2 | Q1 2020 BUSINESS REVIEW

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# Q1 2020 REVENUE UP +55.2% DRIVEN BY STRONG TRADING VOLUMES IN ALL ASSET CLASSES AND THE CONSOLIDATION OF ACQUIRED BUSINESSES



- Double digit growth in trading volumes and revenue across all asset classes and Nord Pool power trading activities contributing €7.2 million
- Doubled post-trade revenue thanks the consolidation of the Norwegian VPS CSD revenue and higher clearing revenue
- Listing revenue growth driven by the consolidation of Oslo Børs VPS and the solid performance of Corporate Services
- Advanced Data Services revenue benefiting from the consolidation of Oslo Børs VPS and Nord Pool, and of a resilient core business
- Investor services revenue reflecting the commercial development and the consolidation of Oslo Børs VPS activities

**+55.2%**

**Q1 2020 consolidated revenue growth**

**€38.9m**

**Revenue contribution from Oslo Børs VPS and Nord Pool**

**44%**

**Non-volume related revenue, reflecting strong trading volumes**

**119%**

**Non-volume related revenue to operating cost coverage vs 114% in Q1 2019**

■ Non-volume related revenue  
■ Volume related revenue

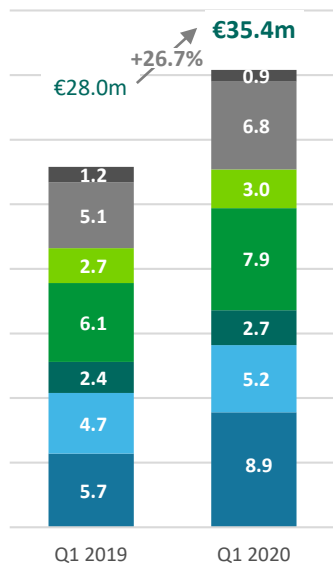


| \*Organic\* and \*Like-for-like\* referring to Euronext Group perimeter, at constant FX rate, excluding OPCVM360, Nord Pool and Oslo Børs VPS as well as any project cost supported by Euronext for the integration of these companies  
 | Volume related revenue accounting for trading and clearing activities and IPOs revenue  
 | Operating cost coverage equal to non-volume related revenue divided by operating expenses excluding D&A  
 | Total revenue also include €0.3m of other income

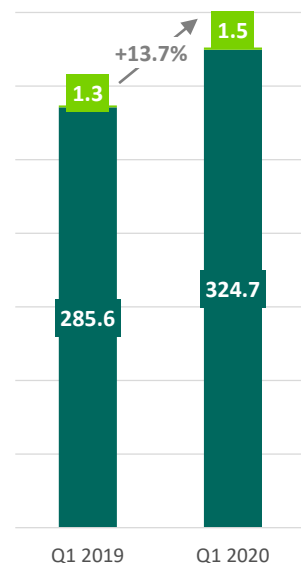
# LISTING REVENUE UP +26.7% TO €35.4 M IN Q1 2020

Strong performance of Euronext Corporate Services and consolidation of Oslo Børs VPS

Revenue (€m)



Money raised (€bn)



- **Corporate Services reported a strong performance**, generating €6.8 million in revenue in Q1 2020, including €0.2 million of contribution from Oslo Børs VPS, reflecting strong client traction across all the services offered
- **Contribution of Oslo Børs VPS: €6.0m<sup>1</sup>**
- Unfavorable market conditions due to the Covid-19 crisis impacted a promising start of the year for primary equity issuances
  - 1 large cap listing of Spanish company Merlin Properties
  - 8 SME listings
- Activity on the secondary market saw a strong first half of the quarter, before the negative impact of higher market uncertainties



- Equity Annual fees
- IPOs
- ETFs, Funds & Warrants
- Others
- Follow-ons
- Debt
- Corporate Services

9  
New listings

€257 million  
raised on  
Primary Markets

+33.5%  
revenue growth of  
corporate services



Unless stated otherwise, percentages compare Q1 2020 to Q1 2019 data  
 Historical money raised figures have been restated to include data from Oslo Børs VPS  
 1) Including €0.2m in Corporate Services

## TRADING REVENUE UP +73.3% TO €111.8 IN Q1 2020 (1/2)

High volatility supporting cash and derivatives trading volumes and revenue

### 1 Cash trading

€80.8m  
revenue  
+67.3%

€12.6 bn  
ADV  
+53.2%

0.50 bps  
combined  
yield

69.9 %  
market share  
+3.9 pts

- **Strong combined market share at 69.9%**, in a highly volatile environment
- **Strong organic yield at 0.53bps** (vs 0.53bps in Q1 2019)
- *Contribution of Oslo Børs VPS +€3.7m (for €1.2bn of ADV)*
- Like-for-like, revenue increased +59.6%

### 2 Derivatives trading

€15.7 m  
revenue  
+51.0%

777k lots  
Financial derivatives  
ADV  
+36.8%

77k lots  
Commodities  
ADV  
+50.2%

€0.29  
Rev. per lot  
+2.1%

- **Strong trading volumes (+37.9%)** supported by a spike of volatility
- Significant traction on Single Stock Futures and Single Dividend Futures
- Commodities volumes benefiting from strong export activities in France prior to the Covid-19 pandemic
- Like-for-like, revenue increased +44.5%

## TRADING REVENUE UP +73.3% TO €111.8 IN Q1 2020 (2/2)

FX driven by higher volatility and first contribution of Nord Pool trading activities

### 3 FX trading

€8.0m

revenue  
+39.5%

\$25.9 bn

ADV  
+30.8%

- Solid results thanks to a **strong volatility environment** through the quarter and **improved fee scheme** offsetting less favourable volume mix
- Like-for-like, revenue increased +35.5%

### 4 Power trading

€7.2m

revenue

2.90 TWH

day-ahead ADV

0.08 TWH

intraday ADV

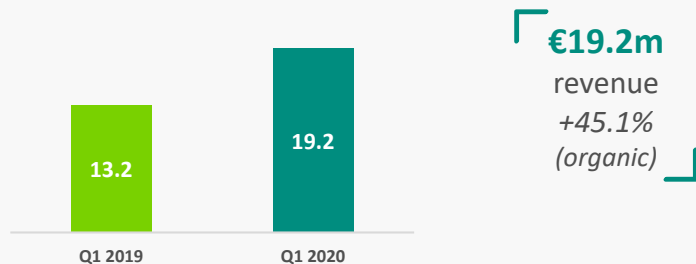
- **Good performance on the UK and Central Western Europe** markets
- **Reduced volumes in the Nordics** impacted by a mild winter

## POST-TRADE REVENUE UP +109.3% TO €39.2 M

Consolidation of the Norwegian VPS CSD revenue and higher clearing revenue.

### 1 Clearing

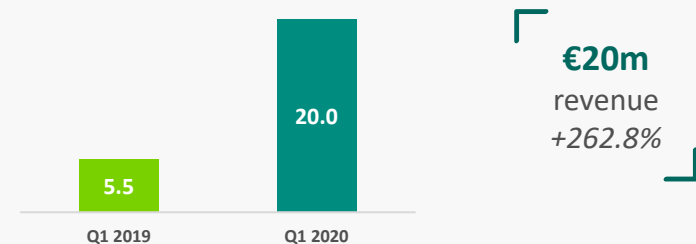
in €m



- Higher derivatives trading volumes over the quarter supported by high volatility
- Higher treasury income

### 2 Custody, Settlement and other post-trade

in €m



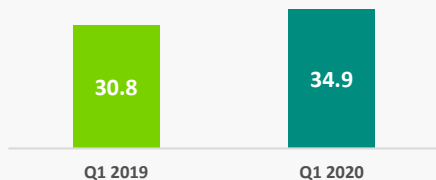
- Consolidation of Norwegian CSD VPS
- Increased settlement activities both at Interbolsa and VPS
- Like-for-like, revenue increased +3.7%

# ADVANCED DATA SERVICES, INVESTOR SERVICES AND TECHNOLOGY SOLUTIONS

Consolidation of Oslo Børs VPS and Nord Pool, and resilient performance of the core business.

## 1 Advanced Data Services

in €m

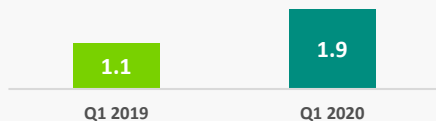


**€34.9 m**  
revenue  
+13.2%

- Contribution of recent acquisitions
- *Contribution of Nord Pool for +€0.2m*
- Resilient core business
- Like-for-like, revenue increased +0.9%

## 2 Investor Services

in €m

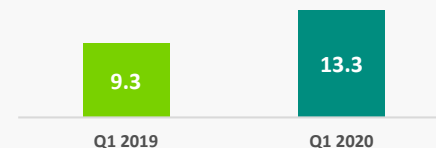


**€1.9 m**  
Revenue  
+74.5%

- Continued revenue growth thanks to the commercial development and the consolidation of Oslo Børs VPS activities.
- Like-for-like, revenue increased +48.6%

## 3 Technology Solutions

in €m



**€13.3 m**  
revenue  
+44.0%

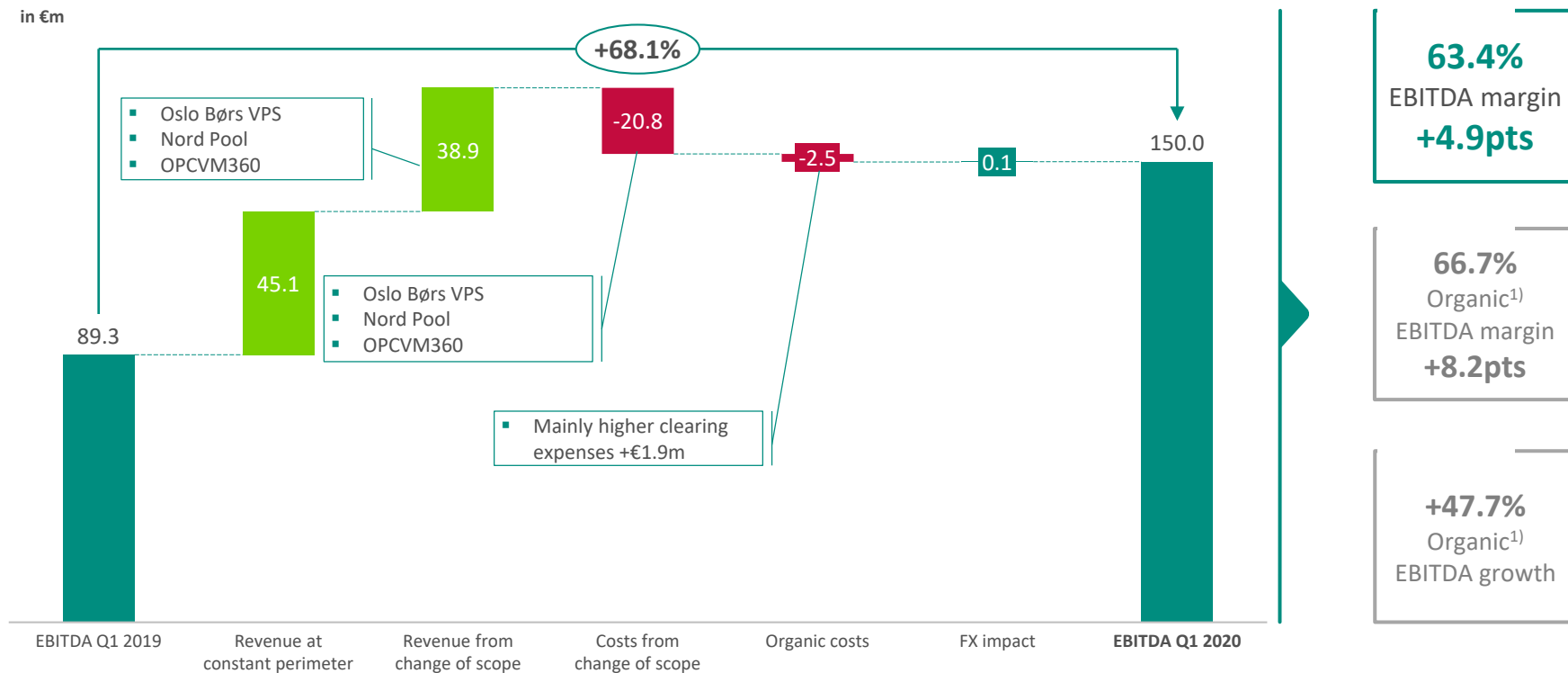
- Contribution of recent acquisitions
- *Contribution of Nord Pool for +€2.5m*
- Solid core business
- Like-for-like, revenue increased +10.9%

## Q1 2020 FINANCIAL REVIEW

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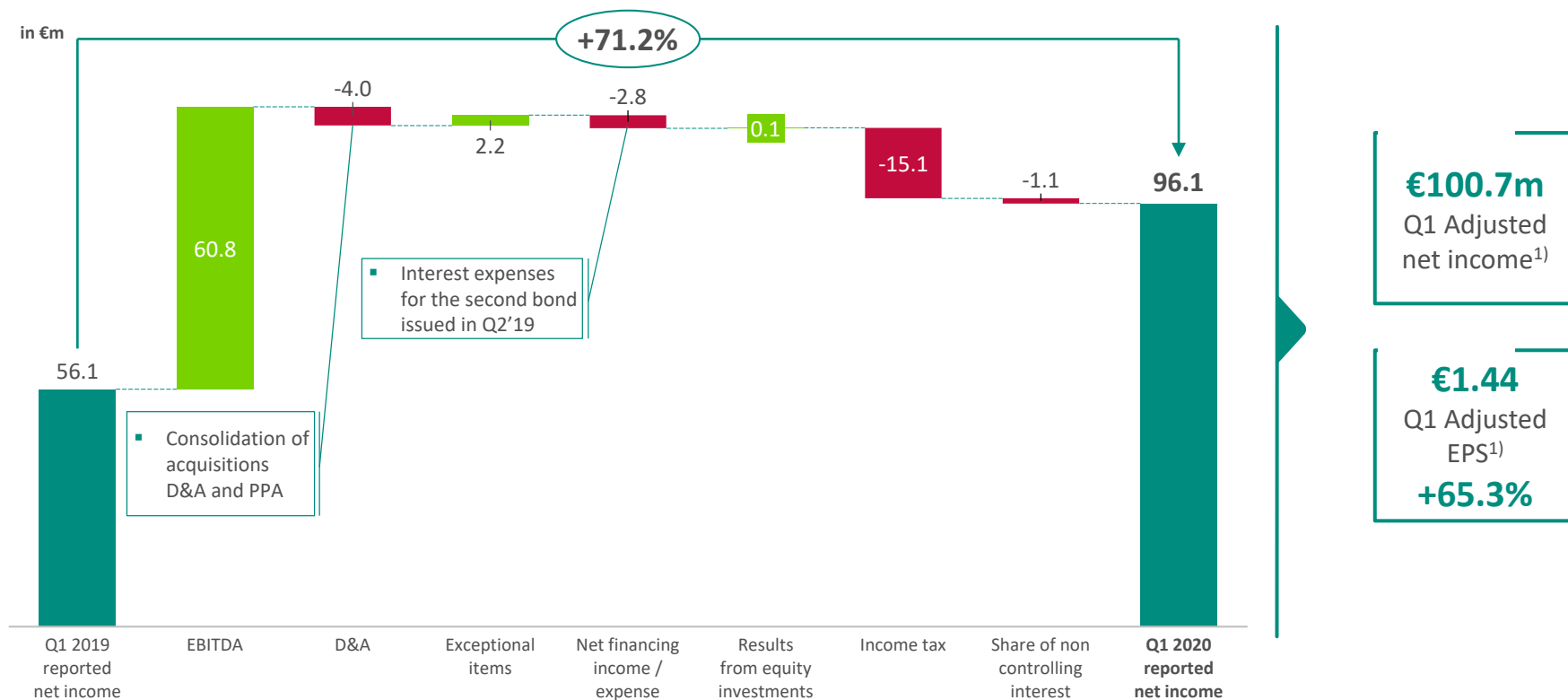
# Q1 2020 EBITDA UP +68.1% TO €150 M

Strong performance of core trading business and consolidation of acquisitions

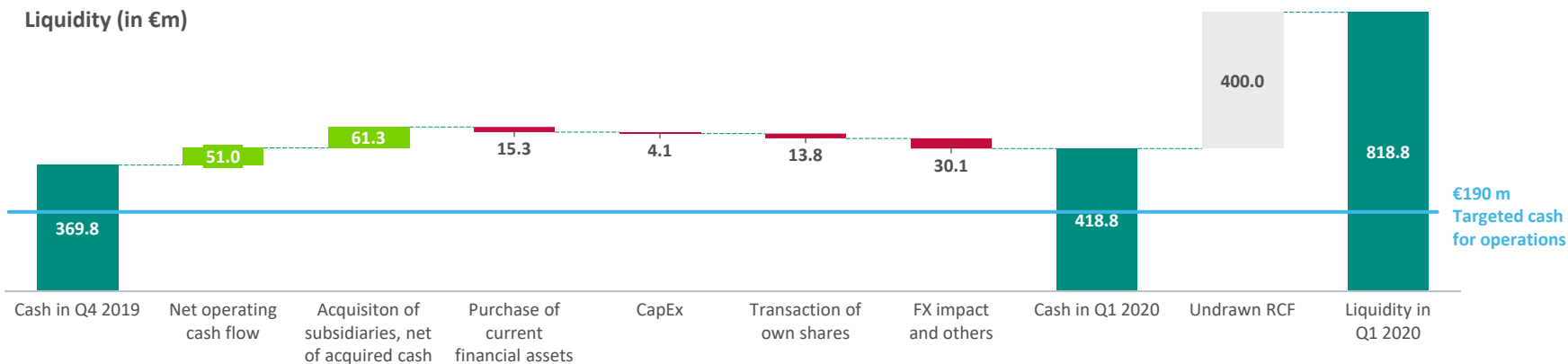
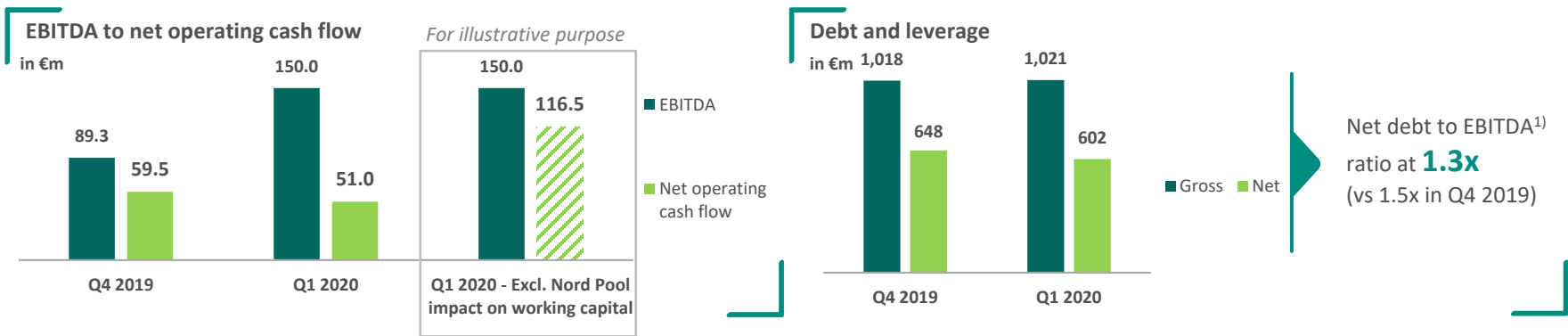




# Q1 2020 NET INCOME UP +71.2% TO €96.1M, ADJUSTED EPS UP +65.3% TO €1.44 PER SHARE



# SOLID CASH FLOW GENERATION AND LIQUIDITY POSITION





## 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

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# ADJUSTED EPS RECONCILIATION

## 1 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>	Q1 2020	Q1 2019
Net Income Reported	96.1	56.1
<i>EPS Reported (€ per share)</i>	<i>1.38</i>	<i>0.81</i>
Intangible assets adj. related to acquisitions (PPA)	- 4.8	- 2.2
Exceptional items	- 1.1	- 3.3
Tax related to those items	1.3	0.8
<b>Adjusted for intangible assets related to acquisitions, capital gains or losses and exceptional items, incl. tax</b>		
Adj. Net Income	100.7	60.8
<b>Adj. EPS (€ per share)</b>	<b>1.44</b>	<b>0.87</b>

# Q1 2020 INCOME STATEMENT

Unaudited, In €m	Q1 2020	Q1 2019	% var	Organic (like for like at constant currency)
<b>Revenue</b>	<b>236.8</b>	<b>152.6</b>	<b>+55.2%</b>	<b>+29.5%</b>
Listing	35.4	28.0	+26.7%	+5.4%
Trading revenue	111.8	64.5	+73.3%	+54.9%
Cash trading	80.8	48.3	+67.3%	+59.6%
Derivatives trading	15.7	10.4	+51.0%	+44.5%
Spot FX trading	8.0	5.8	+39.5%	+35.5%
Power trading	7.2	0.0	n/a	n/a
Investor Services	1.9	1.1	+74.5%	+48.6%
Advanced Data Services	34.9	30.8	+13.2%	+0.9%
Post-trade	39.2	18.7	+109.3%	+33.0%
Clearing	19.2	13.2	+45.1%	+45.1%
Custody, Settlement and other post-trade	20.0	5.5	+262.8%	+3.7%
Euronext Technologies & Other revenue	13.3	9.3	+44.0%	+10.9%
Other income	0.3	0.2	+22.7%	+23.0%
<b>Operational expenses excluding D&amp;A</b>	<b>-86.7</b>	<b>-63.3</b>	<b>+37.0%</b>	<b>+4.0%</b>
Salaries and employee benefits	-43.8	-33.1	+32.5%	-4.1%
Other operational expenses	-42.9	-30.3	+41.8%	+12.7%
System & communication	-9.2	-6.3	+44.8%	-6.2%
Professional services	-12.7	-9.2	+37.6%	-2.9%
Clearing expense	-9.1	-7.2	+26.2%	+24.4%
Accommodation	-1.9	-1.0	+92.8%	+41.5%
Other operational expenses	-10.0	-6.5	+54.4%	+36.2%
<b>EBITDA</b>	<b>150.0</b>	<b>89.3</b>	<b>+68.1%</b>	<b>+47.7%</b>
<i>EBITDA margin</i>	<i>63.4%</i>	<i>58.5%</i>	<i>+4.9 pts</i>	<i>+8.2 pts</i>
Depreciation & amortisation	-12.9	-8.8	+45.6%	-6.7%
<b>Operating profit before exceptional items</b>	<b>137.2</b>	<b>80.4</b>	<b>+70.6%</b>	<b>+53.7%</b>
Exceptional items	-1.1	-3.3	-66.5%	
<b>Operating profit</b>	<b>136.1</b>	<b>77.1</b>	<b>+76.5%</b>	
Net financing income / (expense)	-2.0	0.8	-335.4%	
Results from equity investments	2.1	2.0	+3.7%	
<b>Profit before income tax</b>	<b>136.2</b>	<b>80.0</b>	<b>+70.3%</b>	
Income tax expense	-38.3	-23.2	+65.2%	
Share of non-controlling interests	-1.8	-0.7	+167.4%	
<b>Net income, share of the Group</b>	<b>96.1</b>	<b>56.1</b>	<b>+71.2%</b>	

# BALANCE SHEET AS AT 31 MARCH 2020

Unaudited, In €m	As at 31 Mar 2020	As at 31 Dec 2019
<b>Non-current assets</b>		
Property, plant and equipment	56.7	58.9
Right-of-use assets	48.9	51.8
Goodwill and other intangible assets	1,404.1	1,458.8
Deferred income tax assets	18.5	21.0
Investments in associates and JV	69.1	67.0
Financial assets at fair value through OCI	197.8	197.8
Other non-current assets	2.9	3.1
<b>Total non-current assets</b>	<b>1,798.0</b>	<b>1,858.3</b>
<b>Current assets</b>		
Trade and other receivables	220.4	137.4
Income tax receivable	0.9	1.4
Derivative financial instruments	20.6	19.4
Other current financial assets	24.7	12.1
Cash & cash equivalents	418.8	369.8
<b>Total current assets</b>	<b>685.4</b>	<b>540.1</b>
Assets held for sale	8.8	8.8
<b>Total assets</b>	<b>2,492.1</b>	<b>2,407.2</b>

Unaudited, In €m	As at 31 Mar 2020	As at 31 Dec 2019
<b>Shareholders' equity</b>		
Shareholders' equity	898.1	918.1
Non-controlling interests	31.8	15.7
<b>Total equity</b>	<b>929.9</b>	<b>933.8</b>
<b>Non-current liabilities</b>		
Borrowings	1,011.8	1,011.5
Lease liabilities	37.9	41.2
Deferred income tax liabilities	66.7	78.8
Post-employment benefits	24.2	26.0
Contract liabilities	43.5	45.8
Other provisions	14.2	15.1
<b>Total non-current liabilities</b>	<b>1,198.3</b>	<b>1,218.3</b>
<b>Current liabilities</b>		
Borrowings	9.4	6.8
Lease liabilities	14.3	14.0
Other current financial liabilities	0.0	30.7
Derivative financial instruments	0.1	0.1
Income tax payable	23.2	23.3
Trade and other payables	214.8	117.3
Contract liabilities	102.0	62.8
Other provisions	0.0	0.1
<b>Total current liabilities</b>	<b>363.9</b>	<b>255.1</b>
<b>Total equity and liabilities</b>	<b>2,492.1</b>	<b>2,407.2</b>



# Q1 2020 CASH FLOW AND LIQUIDITY POSITION

Unaudited, In €m	Q1 2020	Q1 2019
<b>Profit before tax</b>	<b>136.2</b>	<b>80.0</b>
<i>Adjustments for:</i>		
- Depreciation and amortisation	12.9	8.8
- Share based payments	1.4	1.3
- Share of profit from associates and joint ventures	-2.1	-2.0
- Changes in working capital	-65.3	-9.3
<b>Cash flow from operating activities</b>	<b>83.0</b>	<b>78.7</b>
Income tax paid	-32.0	-19.2
<b>Net cash flows from operating activities</b>	<b>51.0</b>	<b>59.5</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	61.3	-7.2
Purchase of financial assets at FVOCI	0.0	-20.0
Purchase of current financial assets	-15.3	-8.8
Redemption of current financial assets	0.0	4.3
Purchase of property, plant and equipment	-1.7	-2.4
Purchase of intangible assets	-2.4	-2.7
Proceeds from sale of property, plant, equipment and intangible assets	0.1	0.0
<b>Net cash flow from investing activities</b>	<b>41.9</b>	<b>-36.8</b>
<b>Cash flow from financing activities</b>		
Interest paid	-0.1	-0.1
Interest received	0.0	0.1
Payment of lease liabilities	-1.7	-2.9
Transaction of own shares	-13.8	1.1
<b>Net cash flow from financing activities</b>	<b>-15.6</b>	<b>-1.7</b>
<b>Total cash flow over the period</b>	<b>77.3</b>	<b>21.0</b>
Cash and cash equivalents - Beginning of period	369.8	398.0
Non cash exchange gains/(losses) on cash and cash equivalents	-28.3	0.1
<b>Cash and cash equivalents - End of period</b>	<b>418.8</b>	<b>419.1</b>

Unaudited, In €m	Q1 2020	Q1 2019
<b>Cash beginning of period</b>	<b>369.8</b>	<b>398.0</b>
Investments (incl. subsidiaries net of cash acquired & associates)	61.3	-27.1
Cash accumulation, net of others	-12.4	48.2
<b>Cash end of period</b>	<b>418.8</b>	<b>419.1</b>
RCF	400.0	250.0
<b>Available Liquidity</b>	<b>818.8</b>	<b>669.1</b>

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