



EURONEXT



Q3 2017 RESULTS PRESENTATION

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EURONEXT Q3 2017 RESULTS - MAIN SPEAKERS



Stéphane Boujnah

**CEO & Chairman of the
Managing Board**



Giorgio Modica

**Group Chief Financial
Officer**



HIGHLIGHTS OF Q3 2017

Improvement of volumes in a stabilised macro environment

- Cash average daily volume (ADV) up +19.5% compared to Q3 2016, to €6.9bn
- Strengthened cash equity market share at 65.2%, increased from 64.2% in Q2 2017 and compared to 59.9% in Q3 2016, with a robust yield
- Improved competitive landscape for Dutch derivatives

Deployment of Agility for Growth

- Agility for Growth initiatives generated €2.9m revenue and €2.8m costs in Q3 2017
- Development of Corporate Services franchise, through the acquisition in July 2017 of iBabs, an innovative board portal platform

Integration of FastMatch as of 14 August

- Acquisition of FastMatch completed on 14 August 2017 for \$160m (including cash), fully financed by debt
- Contribution of €2.9m of revenue (for 1.6 months) in Q3 2017
- Spot FX ADV up +49.5% to \$18.3bn in Q3 2017

Signing of 10-year agreement for clearing of derivatives

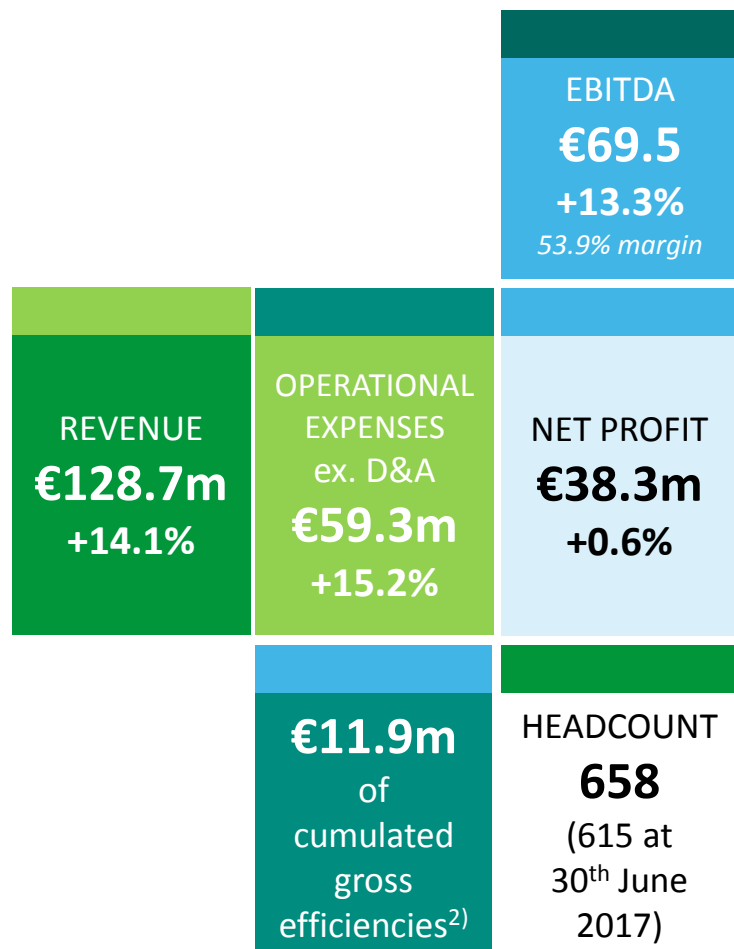
- Renewed 10-year agreement for the clearing of financial and commodities derivatives with LCH SA
- Swap¹⁾ of 2.3% of LCH Group for 11.1% of capital and a pre-emption right on LCH SA

Optiq® and MiFID II

- Go-live of Market Data Gateway for cash (10 July) and for derivatives (28 August)
- Continued preparation for MiFID II

1) Without cash settlement and subject to regulatory approvals

Q3 2017 RESULTS DRIVEN BY VOLUME GROWTH AND NEW ACQUISITIONS

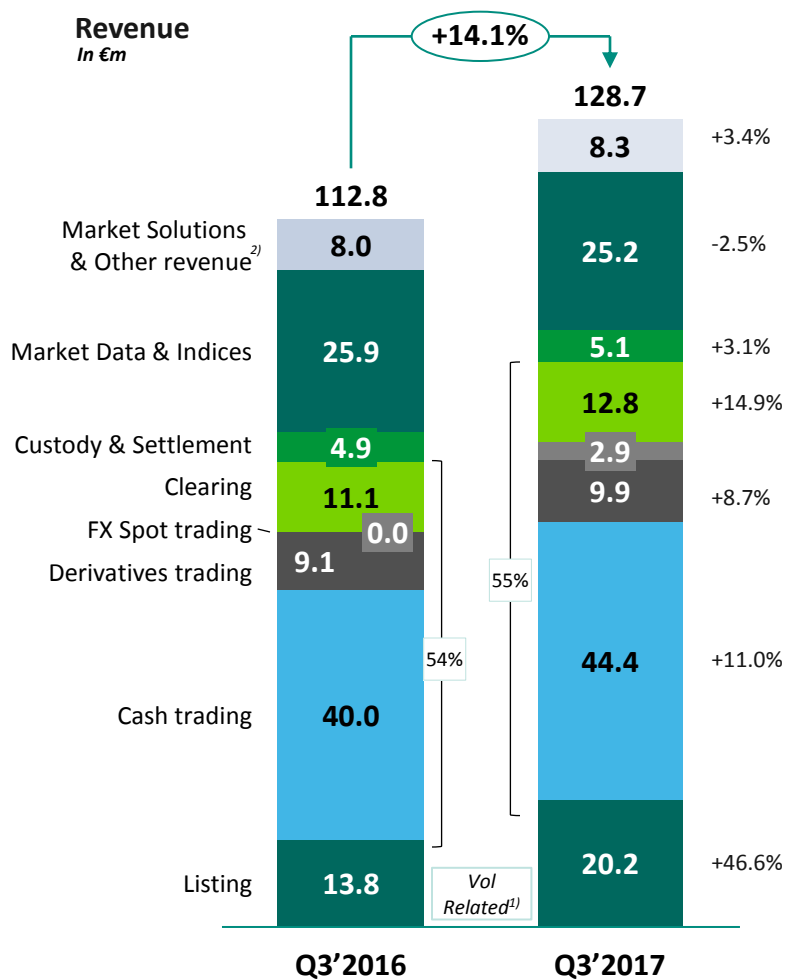


- **Strong growth of Q3 2017 revenue** driven by improvement in volumes and the impact of initiatives and acquisitions
- Increase in operational expenses excl. D&A driven by IT projects and new initiatives
- Moderate increase in headcount as of 30 Sept. 2017 compared to 30 June 2017, while incorporating iBabs and FastMatch headcount
- €11.9m of cumulated cost savings achieved since 1 April 2016, slightly down compared to Q2 2017 due to costs related to Optiq® and MiFID II projects
- €9.7m of exceptional costs, primarily due to the termination of the clearing agreement with ICE¹

1) Please refer to press release published on 8 August 2017, available on www.euronext.com

2) Since 1 April 2016

Q3 2017 REVENUE UP THANKS TO LISTING AND CASH PERFORMANCE AND THE IMPACT OF NEW ACQUISITIONS



Q3 2017 revenue up 14.1% to €128.7m (+€15.9m)

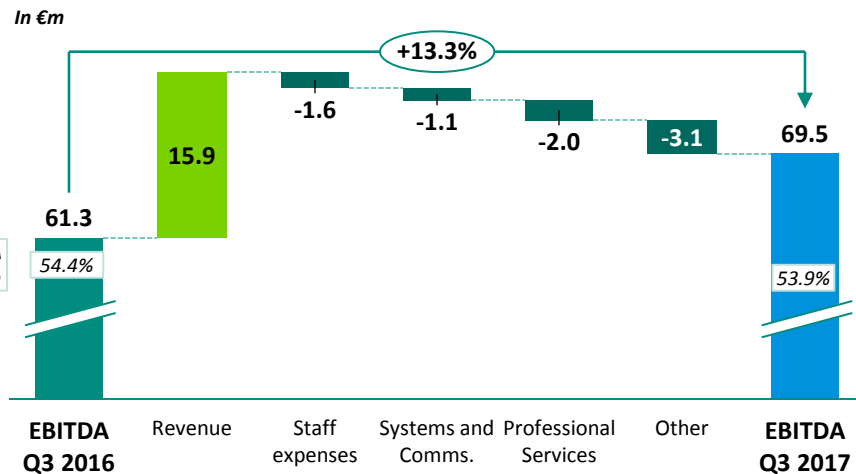
- IPO revenue (+€0.4m) and follow-on revenue (+€1.4m) increases show the growing use of equity financing on capital markets
- Positive impact from Corporate Services (+€2.6m) due to the acquisition of iBabs in July 2017 and Company Webcast in February 2017
- Improved trading volumes in cash and derivatives markets translated into revenue growth of +€4.4m and +€0.8m respectively
- First spot FX trading revenue (+€2.9m) with FastMatch acquisition in August 2017
- Slight decrease in Market Data revenue (-€0.7m) due to lower contractual audit findings compared to last year

Agility for Growth revenue for Q3 2017: €2.9m

1) Volume-related businesses include IPO revenue, cash, derivatives and Spot FX trading and clearing revenues. Follow-ons, bonds and other listing revenues are considered as non-volume related due to their lower volatility

2) Include other income of €0.1m in Q3 2017 and €0.1m in Q3 2016

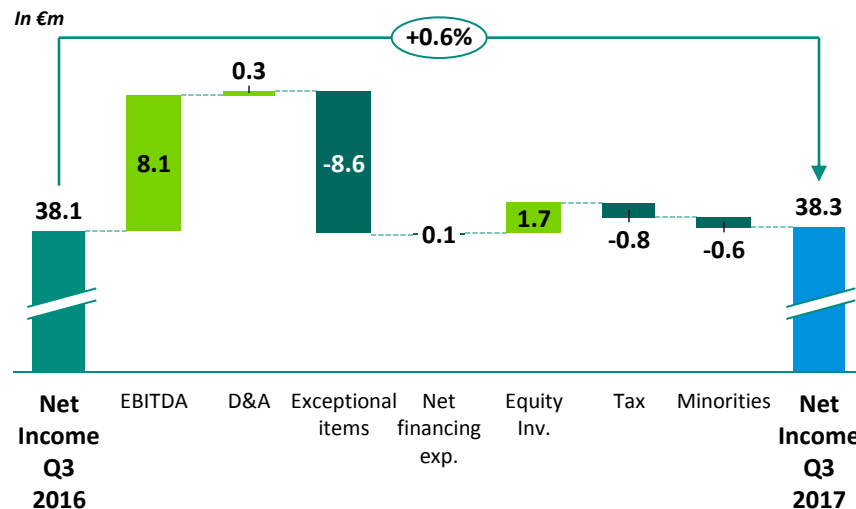
Q3 2017 EBITDA UP +13.3% THANKS TO GOOD OPERATING PERFORMANCE



EBITDA up +13.3%, driven by good operating performance

- Staff expenses growth despite seasonal decrease in costs, and due to incorporation of new acquisitions in Q3 2017: iBabs and FastMatch
- Systems and Communications and Professional services costs up: increase of expenses for Optiq® & MiFID II IT projects

Agility for Growth costs: €-2.8m



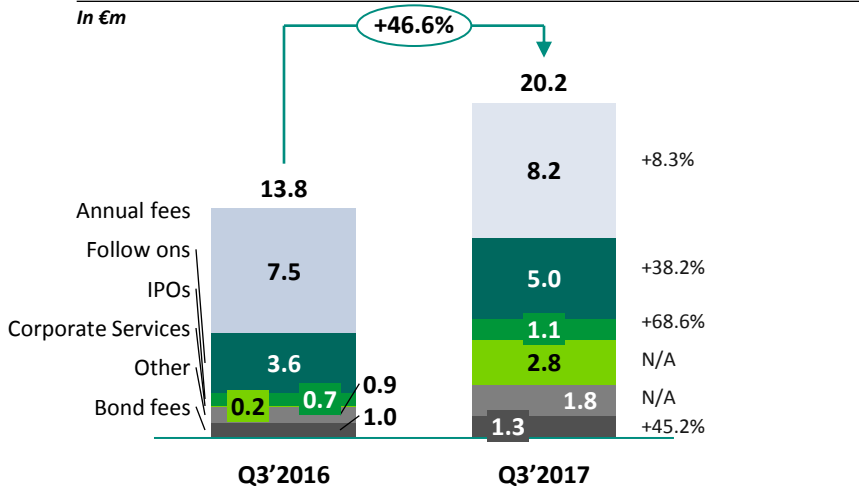
Net income stable (+0.6%)

- -€9.7m of exceptional costs, primarily related to the terminated agreement for clearing with ICE, one-off pension costs and advisory costs
- **Strong EBITDA to operating cash flow conversion rate at 83% in Q3**
- Cash position of €140.6m and €164.7m of outstanding debt at 30 Sept. 17

DYNAMIC LISTING ACTIVITY SUPPORTED BY LARGE SECONDARY MARKET OPERATIONS IN Q3 2017

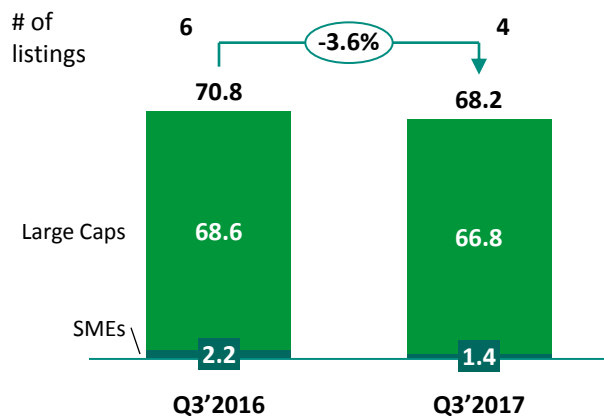
Listing revenue¹⁾

In €m



Money raised²⁾

In €bn



■ Growing primary market activity

- IPO revenue up +68.6%
- Favourable market conditions
- Continued trend of large capitalisations returning to Euronext's markets such as Nepi Rockcastle PLC listing in Amsterdam

■ Dynamic secondary market activity

- Follow-on revenue up +38.2% as strong M&A activity sustained the continuous need for equity financing over the quarter

■ Upward trend in centralization activity, driven by the Portuguese market and large transactions

- Increased commercial intensity of the Corporate Services offering and refining of the value proposition following the integration of iBabs



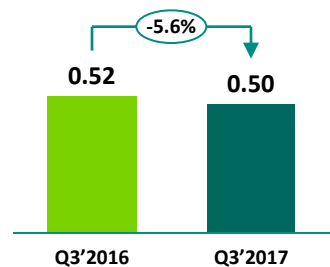
1) 'Corporate Services' revenue previously reported as part of 'Other'
 2) Total money raised figures revised as from January 2017. Corporate bonds figures revised as from January 2017 to exclude Euronext listed financials issuers and to regroup them in a broader newly created financial bonds category. Total money raised also now includes Public/Semi-Public bonds category not reported before, created as from January 2017

STRENGTHENED MARKET SHARE AND CASH TRADING VOLUMES IN Q3 2017

Cash trading

Revenue per trade

In bps, single counted



Market share for Q3'2017

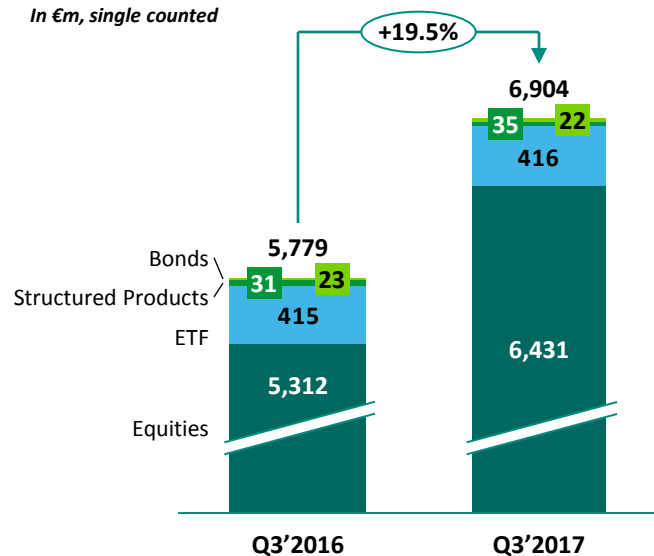
65.2%

Vs. 64.2% in Q2'2017

Vs. 59.9% in Q3'2016

Average daily turnover

In €m, single counted



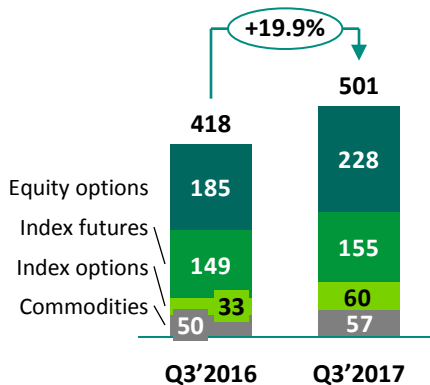
- Improved cash market share at 65.2%, to its strongest quarterly level since IPO, supported by the continued optimisation of the SLP programme and the innovative Omega pack for non members
- Robust yield at 0.50bps:
 - slightly up compared to Q2 2017
 - down yoy due to new pricing programmes
- 90% present at EBBO, with deepest market depth
- Significant achievements in key projects:
 - Successful ramp up of Euronext Fund services with 6 asset managers onboarded
 - Launch of Euronext Block, the new block trading service for equities, and connection of the first wave of brokers
 - FCA approval of Euronext Synapse
- Continued growth in ETF listings with 17 new products, bringing the total numbers of ETFs to 830, and stable ETF trading

IMPROVED COMPETITIVE LANDSCAPE IN DERIVATIVES TRADING AND FIRST REVENUE FROM SPOT FX TRADING

Derivatives trading

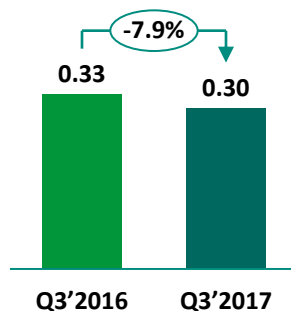
Average daily volume

In '000 lots, single counted



Revenue per lot

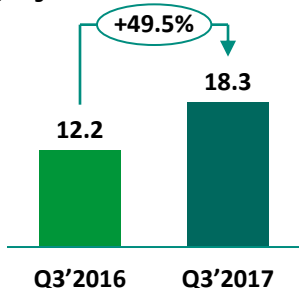
In €, double counted



Spot FX trading

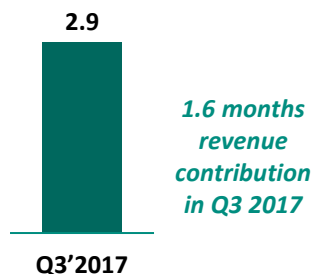
Average daily volume

In \$bn, single counted



Revenue contribution

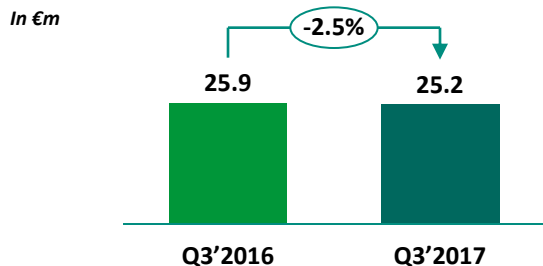
In €m



- Increasing trading activity in financial derivatives, despite less volatile market conditions
- Improvement of Dutch options volumes:
 - Stabilization at the top level of the Dutch option market share following TOM migration in late Q2 2017
- Recovery in commodities in an improved competitive landscape:
 - Continuing traction from the New Market Participant programme with 18 firms trading commodities, 70% of them for the first time on Euronext
- Q3 2017 derivatives yield down yoy but improved compared to Q2 2017 following TOM migration completion
- **First revenue from spot FX trading (for 1.6 months)**

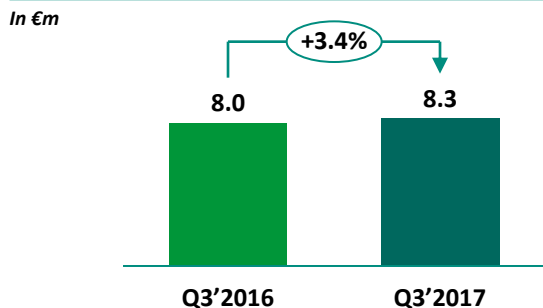
GOOD PERFORMANCE OF CLEARING AND MARKET SOLUTIONS

Market Data and Indices



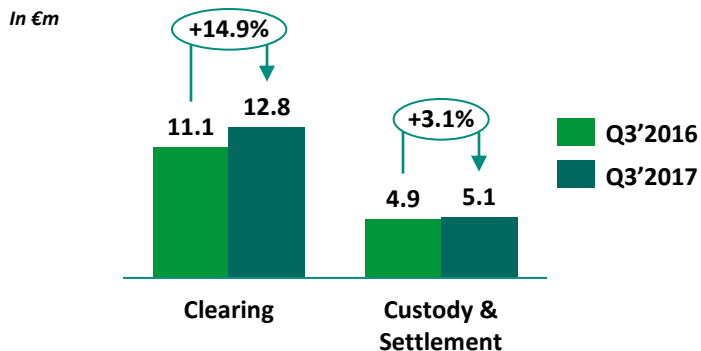
- Decrease in revenue due to negative base effect (large contractual audit findings in Q3 2016)
- New market data agreements for members and vendors to comply with MiFID II data disaggregation requirements announced

Market solutions and others



- Continued benefits from MiFID II projects and related work for commercial technology clients
- Launch of Optiq® delivery projects for clients in the Americas and the Middle East, with five signed agreements for the deployment of Optiq® technology

Post trade



- Clearing revenues benefited from stronger derivatives trading activity and higher treasury
- First clients signed for Euronext's APA/ARM services under MiFID II
- Revenue growth in Interbolsa driven by an increase of settlement, public debt and equities under custody

LATEST DEVELOPMENTS

October 2017 volumes

- Cash ADV up +13.3% compared Oct. 2016, to €7.2bn
- Derivatives ADV up +8.6%
- Spot FX ADV up +33.0%

Integration of newly acquired businesses

- First cross-selling actions (new markets, new clients)
- Build up of FX Tape initiative for real-time post-trade information on spot FX by FastMatch

Increased shareholding in LCH SA

- Swap¹ of 2.3% of LCH for a 11.1% stake and a pre-emption right on LCH SA
- Exceptional net capital gain of €24m to be expected at deal completion

Optiq® project milestones and MIFID II progress

- MIFID II deadline to be met on 3 January 2018 as planned
- First client testing for Optiq® Cash
- Optiq® conformance tests to be scheduled after MiFID II
- Overall costs under control despite IT projects

Agility for Growth status report in February 18

- Status report of Agility for Growth strategic plan

1) Without cash settlement and subject to regulatory approvals

Q&A SESSION



Stephane Boujnah

**CEO & Chairman of
the Managing Board**



Giorgio Modica

**Group Chief Financial
Officer**



Lee Hodgkinson

**Head of Markets &
Global Sales**



Anthony Attia

Global Head of Listing



APPENDICES



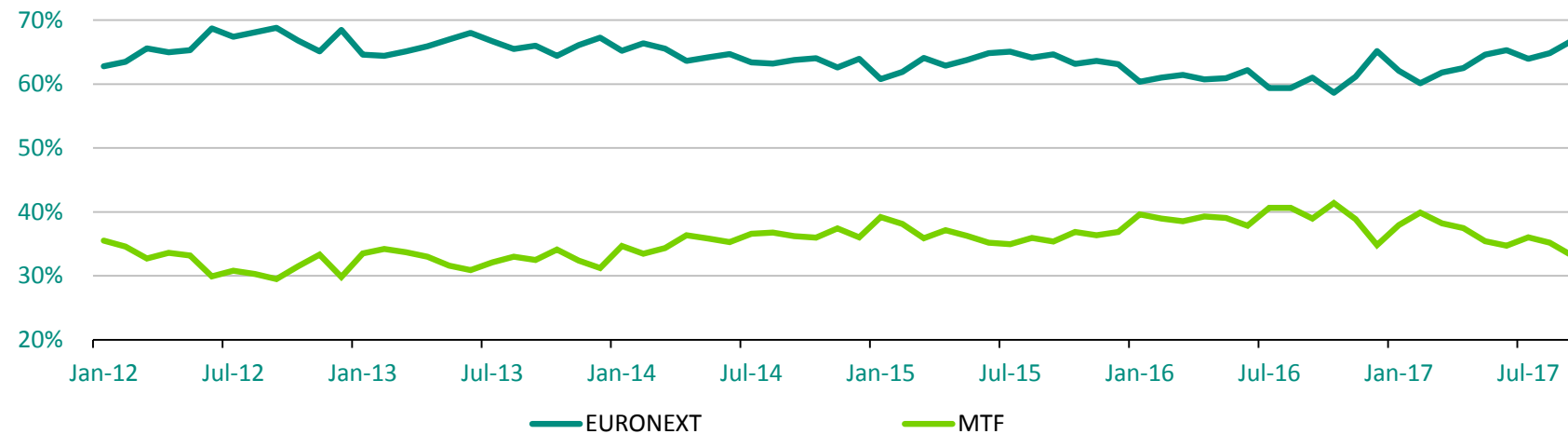
CASH – MARKET QUALITY AND SHARE

Market quality

Blue Chips (30 Sep 2017)	Presence time at EBBO (%)	EBBO with greatest size (%)	EBBO setter (%)	Relative spread (bps)	Displayed market depth (€)	Euronext displayed market depth vs MTFs
Euronext	90%	56%	74%	3.82	78,736	
BATS Europe	43%	0%	3%	7.55	20,149	x 3.9
Chi-X	70%	3%	13%	5.8	24,226	x 3.3
Equiduct	5%	0%	0%	39.27	19,568	x 4.0
Turquoise	56%	1%	7%	6.54	22,961	x 3.4

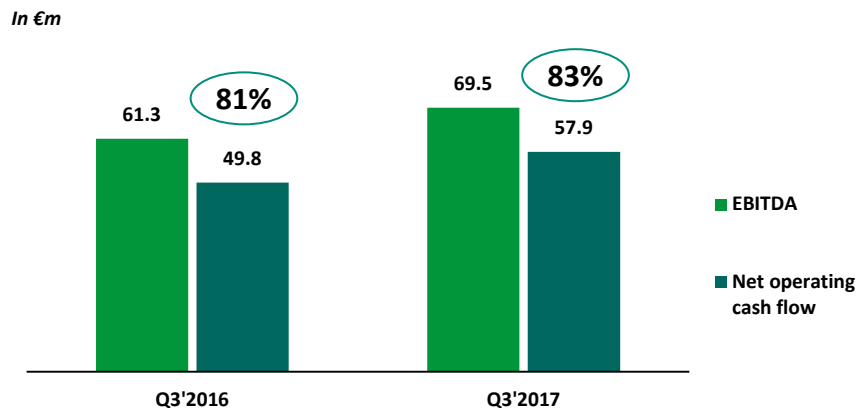
Market share

Q3'2017 market share: 65.2%

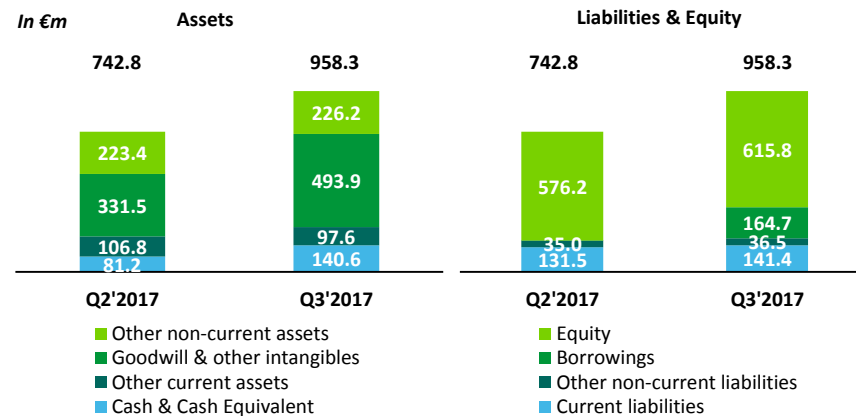


STRONG CASH FLOW GENERATION AND LIQUIDITY POSITION

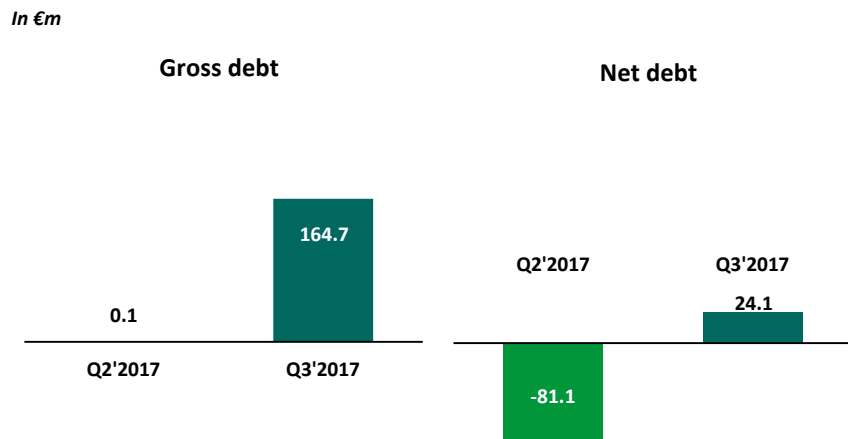
EBITDA / operating cash flow conversion rate



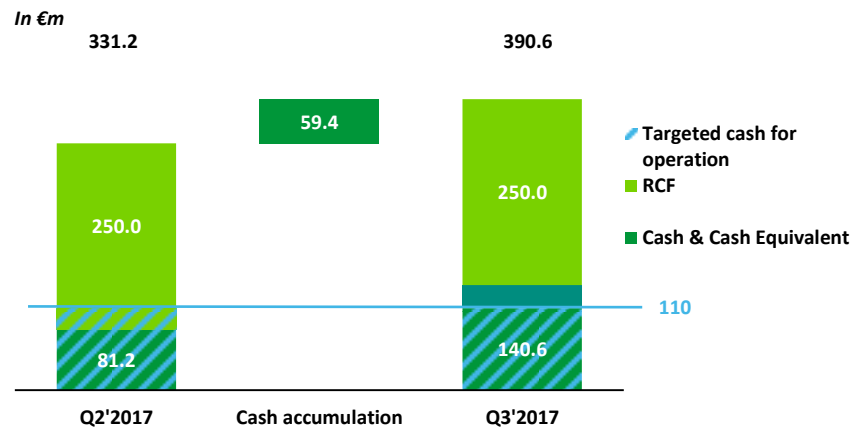
Balance sheet



Debt



Liquidity



Q3 2017 P&L

Unaudited

In €m	Q3'17	Q3'16	% change	9M'17	9M'16	% change
Revenue	128.7	112.8	+14.1%	392.6	371.6	+5.7%
Listing	20.2	13.8	+46.6%	62.6	51.3	+22.0%
Trading revenue	57.2	49.1	+16.4%	174.7	165.2	+5.8%
Cash Trading	44.4	40.0	+11.0%	141.4	135.0	+4.8%
Derivatives Trading	9.9	9.1	+8.7%	30.4	30.3	+0.5%
FX Trading	2.9	-	N/A	2.9	-	N/A
Market Data & indices	25.2	25.9	-2.5%	77.0	79.3	-3.0%
Post-trade	17.8	16.0	+11.3%	53.1	51.1	+3.9%
Clearing	12.8	11.1	+14.9%	37.8	36.4	+4.0%
Custody and Settlement	5.1	4.9	+3.1%	15.2	14.7	+3.6%
Market Solutions & other revenue	8.2	7.9	+4.1%	25.0	24.2	+3.2%
Other income	0.1	0.1	-38.6%	0.3	0.4	-34.8%
Operational expenses excluding D&A	-59.3	-51.5	+15.2%	-173.5	-160.8	+7.9%
Salaries and employee benefits	-25.6	-24.1	+6.5%	-75.6	-74.1	+2.0%
Other Operational Expenses	-33.7	-27.4	+22.7%	-97.9	-86.7	+12.9%
System & Communication	-5.8	-4.6	+24.2%	-16.2	-13.8	+17.6%
Professional Services	-11.5	-9.5	+20.8%	-33.8	-29.4	+15.0%
Clearing expense	-7.1	-6.6	+8.5%	-20.5	-19.7	+4.2%
Accommodation	-2.4	-2.1	+10.0%	-7.4	-7.5	-1.6%
Other Operational Expenses	-6.9	-4.6	+52.0%	-20.0	-16.3	+22.4%
EBITDA	69.5	61.3	+13.3%	219.1	210.8	+4.0%
<i>EBITDA margin</i>	<i>53.9%</i>	<i>54.4%</i>	<i>-0.5 pts</i>	<i>55.8%</i>	<i>56.7%</i>	<i>-0.6pts</i>
Depreciation & Amortisation	-3.6	-3.8	-7.7%	-10.6	-11.4	-6.5%
Operating Profit before Exceptional items	65.9	57.5	+14.7%	208.5	199.4	+4.6%
Exceptional items	-9.7	-1.1	N/A	-14.2	-5.6	N/A
Operating Profit	56.2	56.4	-0.4%	194.3	193.8	+0.3%
Net financing income / (expense)	-0.4	-0.5	-21.2%	-2.0	-0.5	N/A
Results from equity investments	1.8	0.0	N/A	6.5	4.5	+43.3%
Profit before income tax	57.6	55.9	+2.9%	198.8	197.9	+0.5%
Income tax expense	-18.7	-17.8	+4.6%	-61.9	-62.5	-0.8%
Share of non-controlling interests	-0.6	-	N/A	-0.7	-	N/A
Profit for the period	38.3	38.1	+0.6%	136.2	135.4	+0.5%



BALANCE SHEET AS AT 30 SEPT. 2017

Unaudited, in €m

Category	As at 30 September 2017	As at 30 June 2017
Non-current assets		
Property, plant and equipment	27.9	27.9
Goodwill and other intangible assets	493.9	331.5
Deferred income tax assets	6.4	4.0
Investments in associates and JV	16.8	16.0
Available-for-sale financial assets	167.0	166.9
Other receivables	8.2	8.5
Total non-current assets	720.1	554.9
Current assets		
Trade and other receivables	95.7	100.8
Income tax receivable	1.9	6.0
Cash & cash equivalents	140.6	81.2
Total current assets	238.2	187.9
Total assets	958.3	742.8
Shareholders' equity		
Shareholders' equity	612.9	575.6
Non-controlling interests	2.9	0.5
Total equity	615.8	576.2
Non-current liabilities		
Borrowings	164.7	0.1
Other long-term financial liabilities	10.0	10.0
Deferred income tax liabilities	7.1	7.1
Post employment benefits	12.6	11.2
Other provisions	6.8	6.7
Total Non-current liabilities	201.2	35.1
Current liabilities		
Borrowings	0.2	0.1
Income tax payable	35.3	33.2
Trade and other payables	104.3	96.7
Other provisions	1.6	1.5
Total Current liabilities	141.4	131.5
Total Shareholders' equity and liabilities	958.3	742.8



CASH FLOW & LIQUIDITY

Cash Flow Statement for Q3 2017

Unaudited, in €m

	Q3'17	Q3'16
Profit before tax	57.6	55.9
Adjustments for:		
- Depreciation and amortization	3.6	3.8
- Share based payments	1.1	0.8
- Other non-cash items	(0.2)	(0.0)
- Changes in working capital	8.8	15.0
Cash flow from operating activities	70.8	75.6
Income tax paid	(12.9)	(25.8)
Net cash flows from operating activities	57.9	49.8
Cash flow from investing activities		
Acquisitions of associates	(0.7)	(1.4)
Acquisition of subsidiary, net of cash acquired	(154.4)	-
Purchase of available-for-sale financial assets	(0.1)	-
Purchase of property, plant and equipment	(1.0)	(1.4)
Purchase of intangible assets	(3.6)	(2.3)
Net cash flow from investing activities	(159.7)	(5.1)
Cash flow from financing activities		
Proceeds from borrowings, net of transaction fees	197.0	-
Repayment of borrowings, net of transaction fees	(32.0)	(40.0)
Interest paid	(0.0)	(0.3)
Interest received	0.1	0.1
Transaction of own shares	(1.7)	0.7
Employee Share transactions	(2.1)	-
Net cash flow from financing activities	161.3	(39.5)
Total cash flow over the period	59.4	5.2
Cash and cash equivalents - Beginning of period	81.2	152.8
Non Cash exchange gains/(losses) on cash and cash equivalents	0.1	(1.3)
Cash and cash equivalents - End of period	140.6	156.7

Liquidity for Q3 2017

Unaudited, in €m

	Q3'17	Q2'17
Cash beginning of period	81.2	141.2
Debt repayment	-	-
Dividend	-	(98.8)
Cash accumulation	59.4	38.8
Cash end of period	140.6	81.2
RCF	250.0	250.0
Available Liquidity	390.6	331.2



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