

The Euronext logo is displayed vertically on a large screen in the background of the event. The logo consists of the word "EURONEXT" in a stylized, blue, sans-serif font. The background of the entire slide is a blurred photograph of a large crowd of people in business attire, with the Euronext logo visible on a screen in the upper portion.

Euronext 2019 Investor Day WORKSHOP – CASH EQUITY TRADING

SIMON GALLAGHER, HEAD OF CASH AND DERIVATIVES



11 October 2019

AGENDA

1 Background

2 Volumes

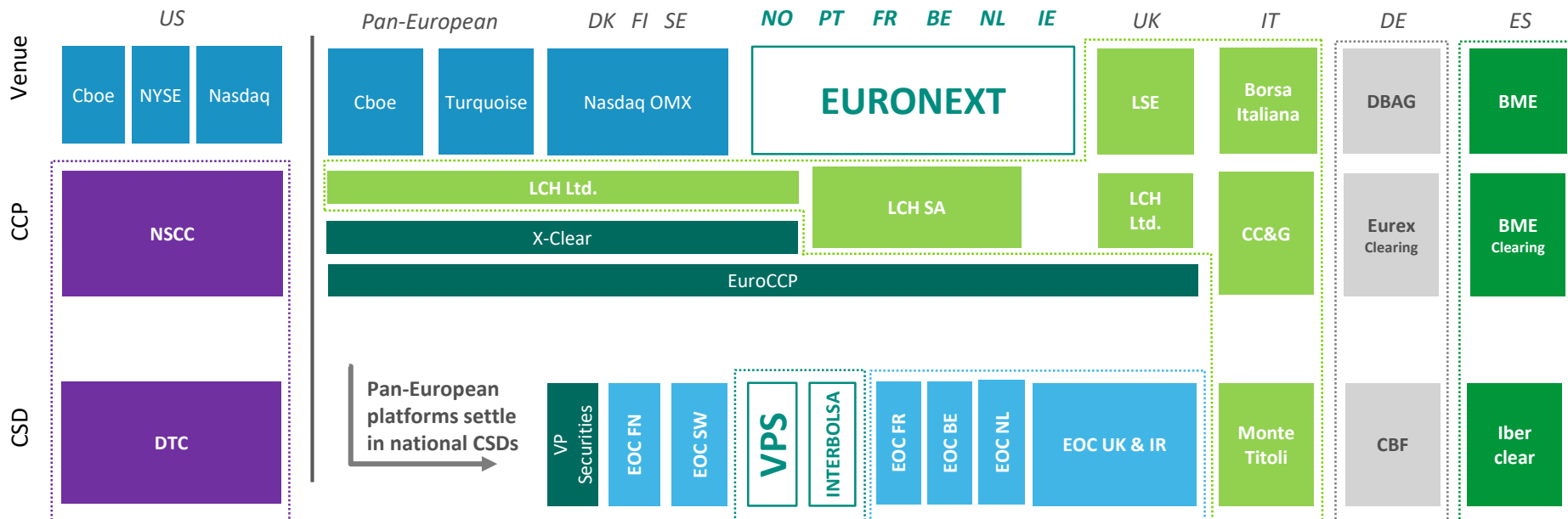
3 Yield

4 Market share

5 Questions

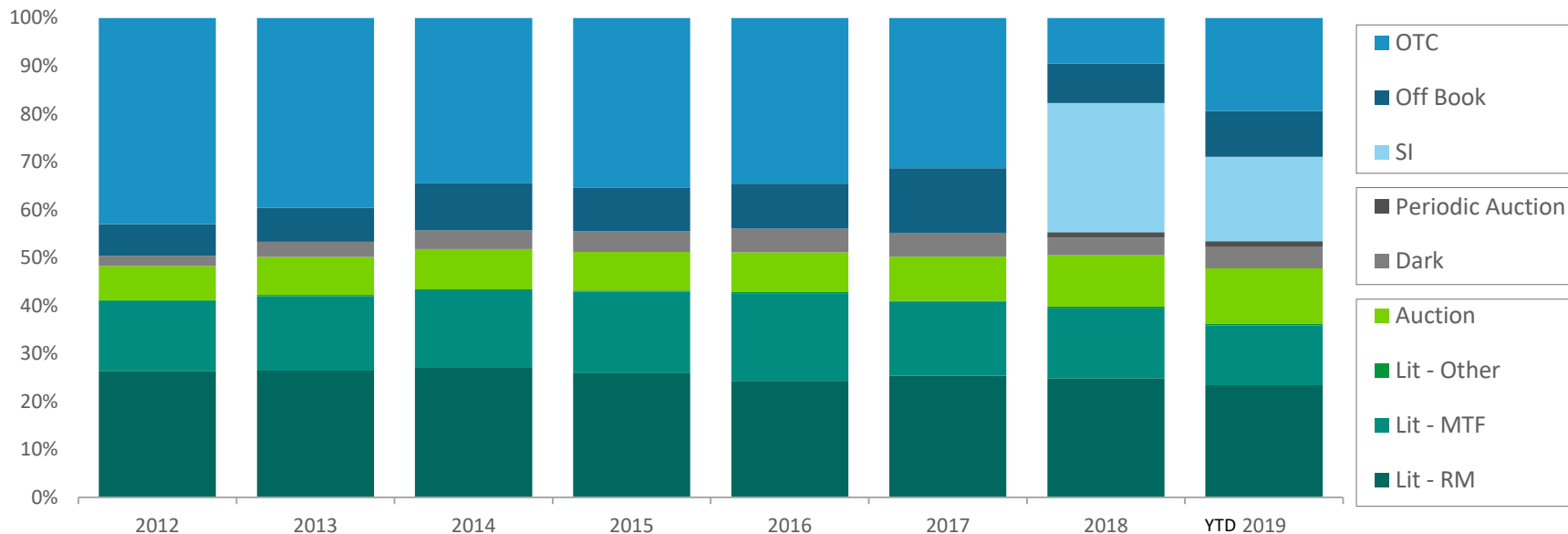
EUROPEAN CASH EQUITIES MARKET STRUCTURE REMAINS FRAGMENTED BY COUNTRY

Simplified representation of European and US cash equities markets



MIFID II HAS PRIMARILY DRIVEN SHIFTS IN OTC AND GREY MARKETS

Breakdown of European equities trading volumes by venue type¹



Revenue = Volumes x Yield x Market Share

AGENDA

- 1 Background
- 2 Volumes**
- 3 Yield
- 4 Market share
- 5 Questions

DRIVERS OF EQUITY VOLUMES ARE COMPLEX, BUT ECONOMIC GROWTH PLAYS AN IMPORTANT ROLE



Short term GDP outlook²

% growth	2017	2018	Summer 2019 forecast		Spring 2019 forecast	
			2019	2020	2019	2020
Germany	2.2	1.4	0.5	1.4	0.5	1.5
Spain	3	2.6	2.3	1.9	2.1	1.9
France	2.3	1.7	1.3	1.4	1.3	1.5
Italy	1.7	0.9	0.1	0.7	0.1	0.7
UK	1.8	1.4	1.3	1.3	1.3	1.3
EU 28	2.5	2	1.4	1.6	1.4	1.6

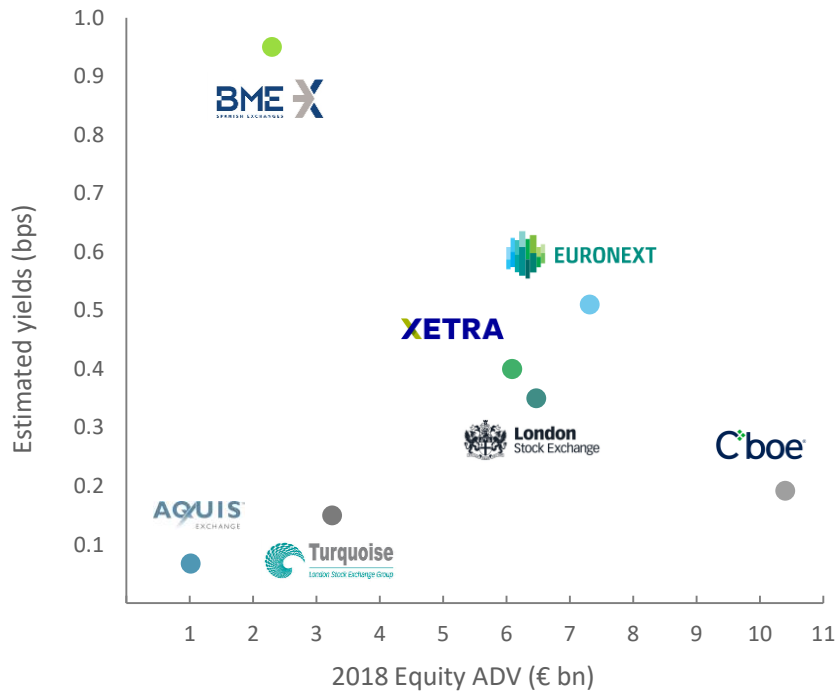
- Economic growth is slowing but expected to be positive, boosted by lower interest rates and QE
- Volatility outlook remains uncertain

AGENDA

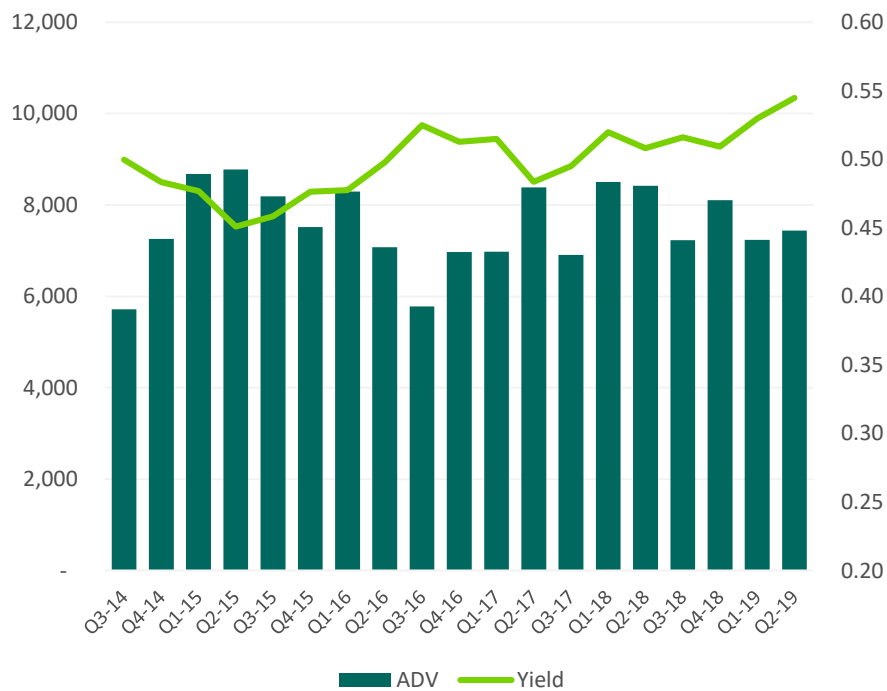
- 1 Background
- 2 Volumes
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EURONEXT HAS DELIVERED STRONG YIELDS ON CASH EQUITY

Relative performance on yield and volumes¹

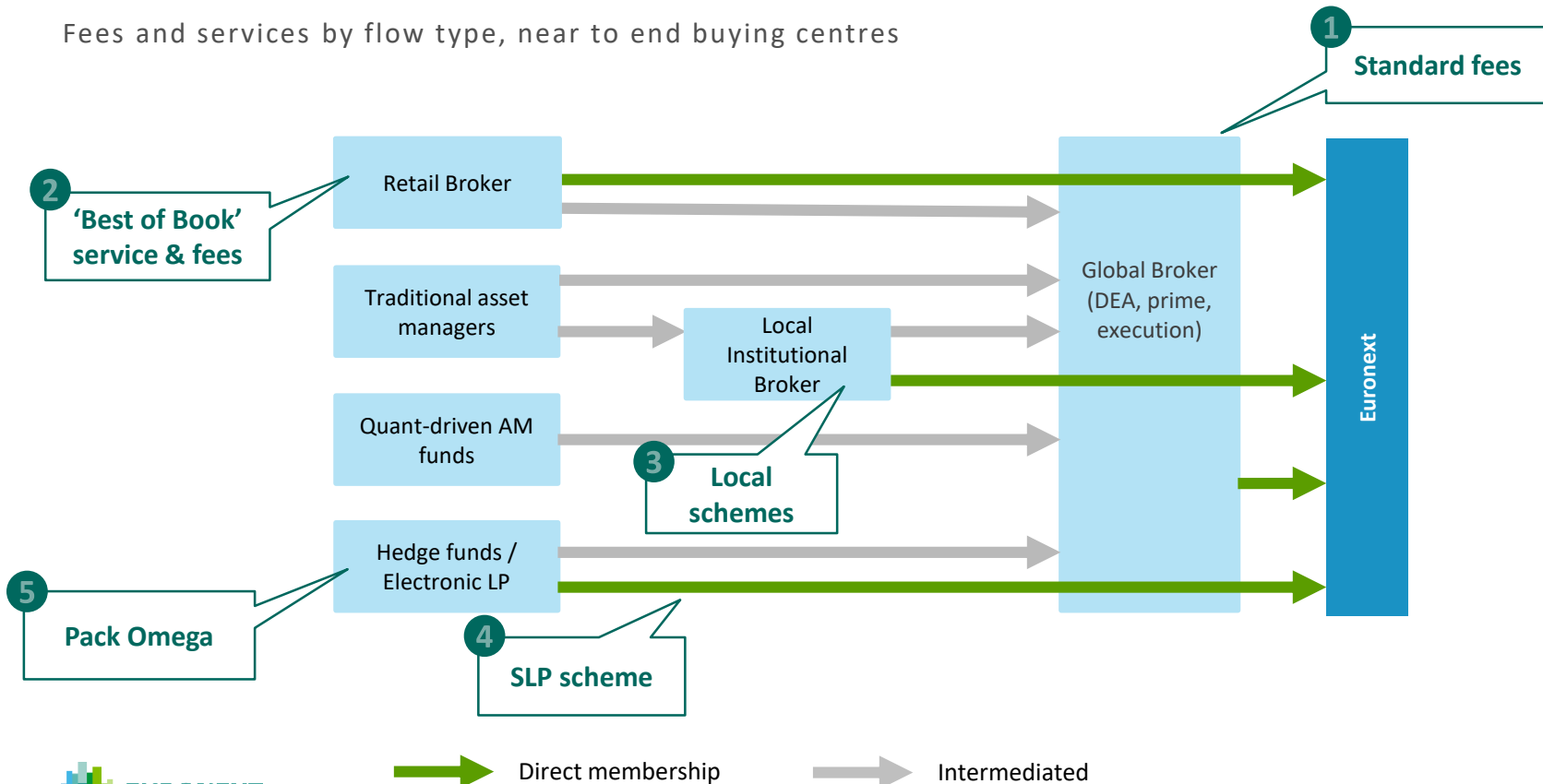


Euronext yield and equity volumes²



SEGMENTATION IS KEY TO YIELD MANAGEMENT

Fees and services by flow type, near to end buying centres

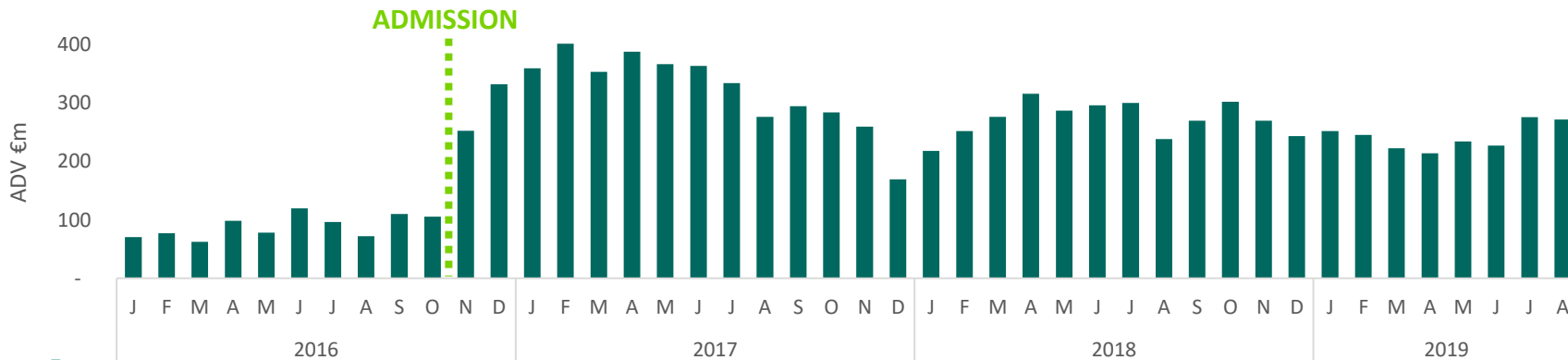


CASE STUDY: PACK OMEGA IS FORGING RELATIONSHIPS WITH HEDGE FUNDS

The scheme creates a win-win relationship with end clients and their intermediaries



Case study: effect on volumes of admission of an Omega participant

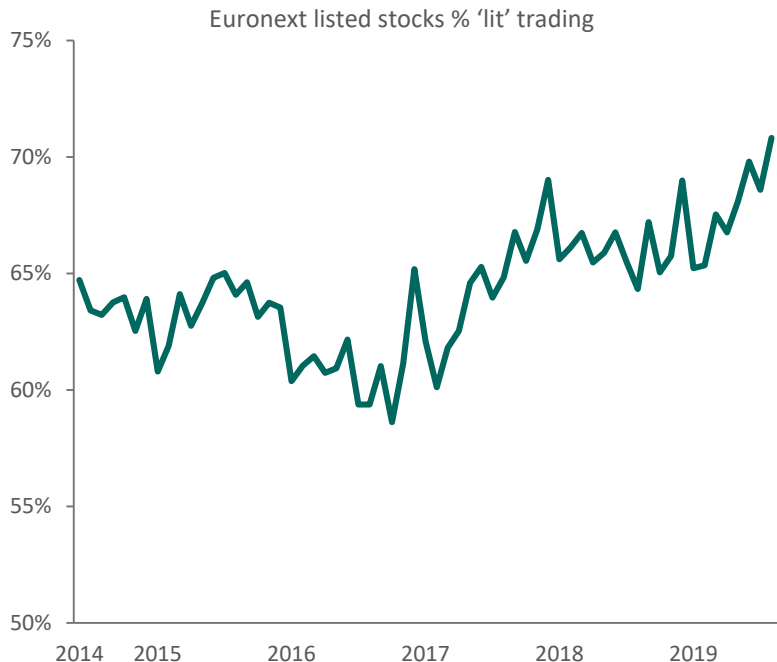


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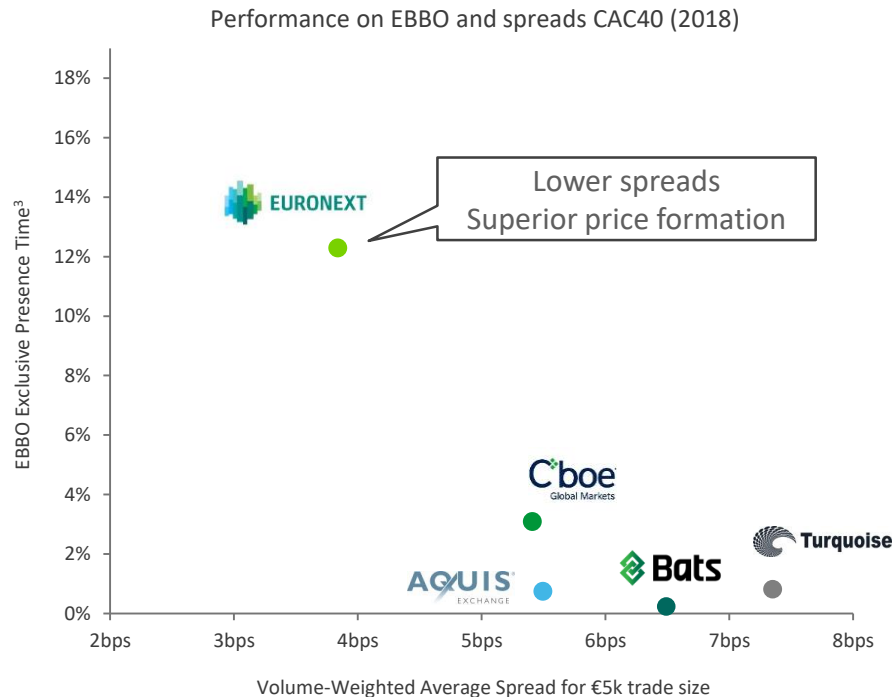
- 1 Background
- 2 Volumes
- 3 Yield
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EURONEXT OFFERS SUPERIOR QUALITY OF EXECUTION

Market share¹



Market quality²



THE SLP¹⁾ MARKET MAKING SCHEME SUPPORTS BLUE CHIP LIQUIDITY ON EURONEXT MARKET

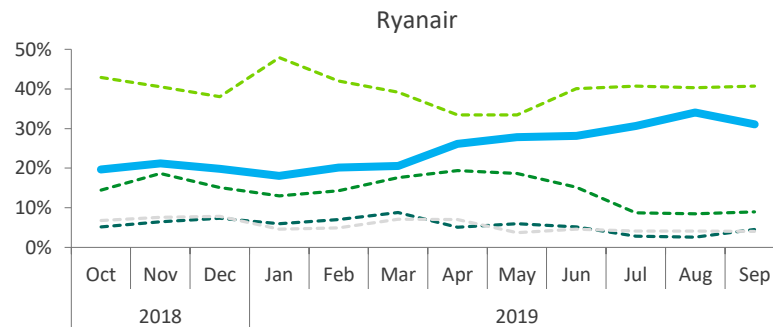
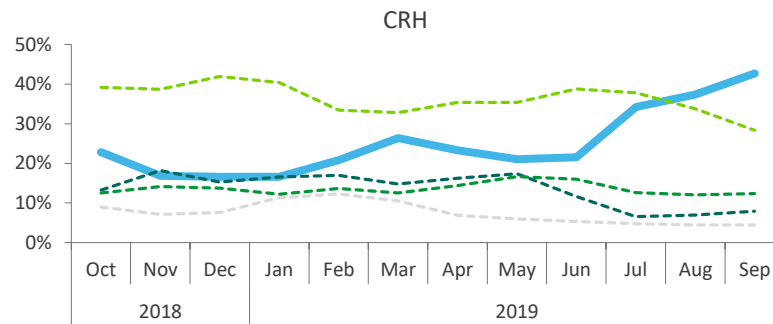
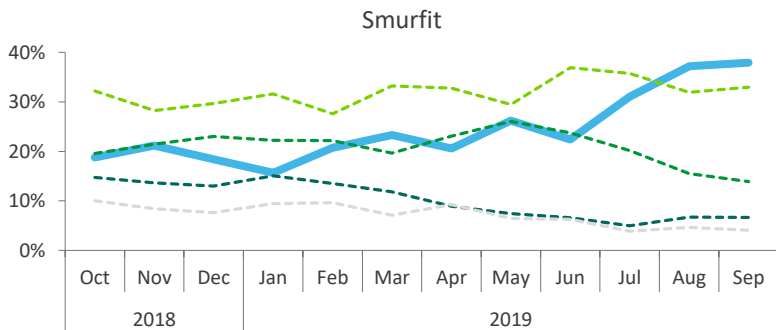
- The SLP scheme contains 8 market maker firms with different trading strategies
- Firms are rewarded for improving order book quality (tighter spreads, depth at best limit, ...)
- The scheme is the most demanding of its type in Europe

Tier	Presence Time	Avg Size	BBO Pres.	Quality of liquidity		Presence translates into volumes		Taker Fee	Maker Fee
				BBO Setting	BBO Setting Lifetime	Maker Market Share	Total Market Share		
1	≥ 95%	≥ €5000	≥ 20%	≥ 10%	≥ 20s	≥ 1.5%	≥ 5.0%	0.25bps	-0.10bps
2				≥ 5%		≥ 1.2%	≥ 3.5%	0.30bps	-0.05bps
3				≥ 0%		≥ 1.0%	≥ 2.0%	0.35bps	0.00bps
Requirements not met								0.55bps	

CASE STUDY: SLP BOOSTED MARKET SHARE ON IRISH BLUE CHIPS

In February 2019 three fragmented Irish stocks were admitted to the SLP programme

- Market share and market quality increased significantly on these multi-listed stocks
- In addition, Irish membership base doubled as the Euronext broker base began to connect directly



— Euronext

- - - CBOE - BXE

- - - CBOE - CXE

- - - LSE

- - - Turquoise

Q&A





THANK YOU

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INVESTOR RELATIONS

[Aur lie Cohen, Head of Investor Relations](#)

[Cl ment Kubiak, Investor Relations officer](#)

ir@euronext.com

+33 1 70 48 24 27

www.euronext.com/en/investor-relations



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