



## Q1 2019 RESULTS

16 May 2019



## MAIN SPEAKERS

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**Stéphane Boujnah**

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CEO & Chairman of the Managing Board



**Giorgio Modica**

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CFO

# AGENDA

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**I** Q1 2019 Highlights

**II** Q1 2019 Financials

**III** Oslo Børs VPS acquisition – next steps



## I. Q1 2019 HIGHLIGHTS



# Q1 2019 RESULTS BOLSTERED BY ACQUISITIONS AND STRONG OPERATING PERFORMANCE

<b>Revenue</b>	<ul style="list-style-type: none"> <li>Improved Group revenue diversification in an environment of subdued volumes</li> <li>Non-volume related revenue: 47% of total revenue</li> <li><i>Euronext Dublin contributing €7.9m and Commcise €1.1m</i></li> </ul>	<b>€152.6m</b>	<b>+1.4%</b> <b>+€2.1m</b>
<b>EBITDA</b>	<ul style="list-style-type: none"> <li>Group operating costs (excluding D&amp;A) up (+8.2%) impacted by the integration of Euronext Dublin (€5.4m) and the consolidation of Commcise (€0.6m)</li> </ul>	<b>€89.3m</b>	<b>-3.0%</b> <b>-€2.7m</b>
<b>EBITDA margin</b>	<ul style="list-style-type: none"> <li>EBITDA margin impacted by acquisitions and subdued volumes</li> <li>€6.7 million run-rate cost synergies delivered from Euronext Dublin following the migration to the Optiq® trading platform on 4 February 2019</li> </ul>	<b>58.5%</b>	<b>-2.6 pts</b>
<b>Adjusted EPS<sup>1)</sup></b>	<ul style="list-style-type: none"> <li>Net income, reported, down -6.6% to €56.1m with higher exceptional items partially offset by improved net financing income, results from equity investments and lower tax rate</li> </ul>	<b>€0.87</b>	<b>-1.7%</b>

# HIGHLIGHTS OF THE FIRST QUARTER OF 2019

## Optiq®

- Migration of Euronext Dublin to Optiq® trading platform executed in February 2019 and €6.7m costs synergies delivered
- Irish capital markets participants now having access to the largest single liquidity pool in Europe
- Ongoing integration of Euronext Dublin markets to Euronext harmonized rulebook

## EURONEXT FX

- New matching engine in Singapore, expected to be fully operational in Q4 2019, to be closer to clients worldwide and create a strong development base in the region
- Customers in various Asia-Pacific markets including Singapore, Australia and Hong Kong to benefit from an improved trading experience and connectivity

## EURONEXT CORPORATE SERVICES

- Continued high level of commercial intensity with both listed and non-listed users
- Revenue at €5.1m, up+39.6% vs last year

## COMMCISE A EURONEXT COMPANY

- Broadening of Euronext offering towards Investor services through a Software as a Service provider of research evaluation and commission management for financial services firms
- More value for Euronext clients, asset managers and broker-dealers by addressing a strong need generated by MiFID II regulation
- Diversification of Euronext revenue profile, €1.1m revenue contribution in Q1 2019

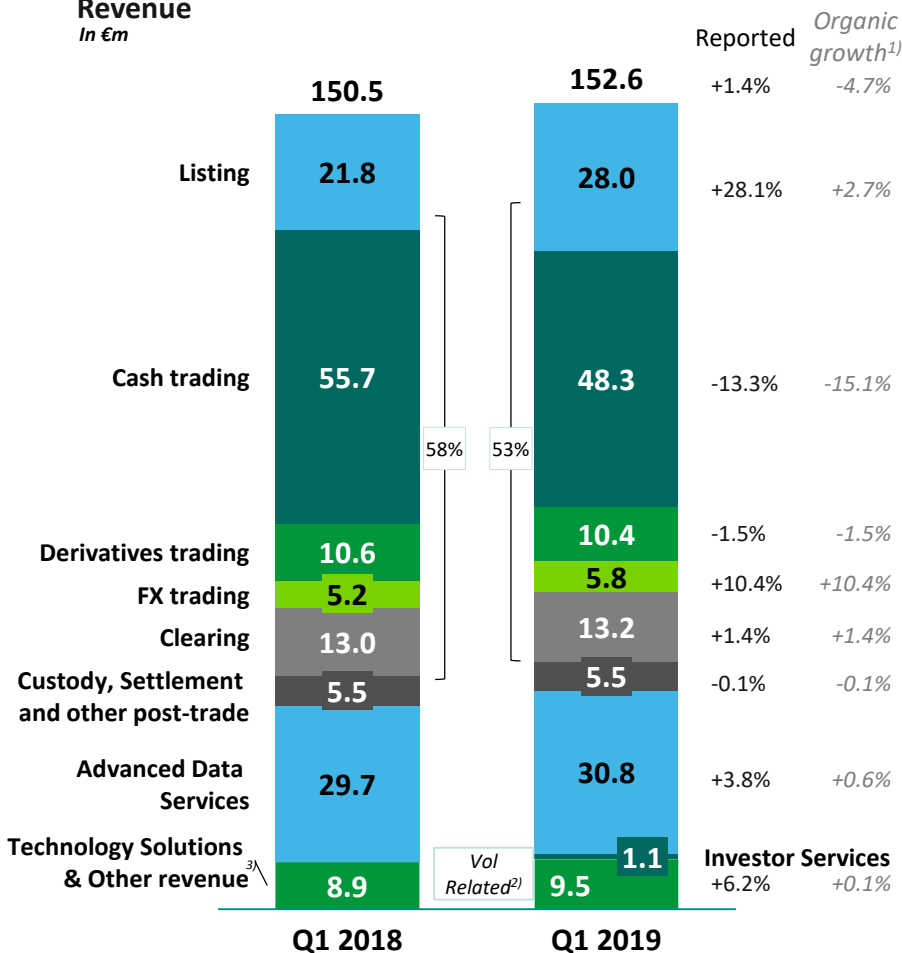


## II. Q1 2019 FINANCIALS



# Q1 2019 REVENUE UP +1.4%

Revenue  
In €m



## Q1 2019 revenue up +1.4% to €152.6m (+€2.1m)

- Strong increase in listing revenue thanks to the consolidation of Euronext Dublin and the good performance of Corporate Services
- Cash trading revenue decreasing less than volumes due to improved yield and solid market share
- Spot FX revenue driven by improved market share, revenue capture and positive forex impact
- Good performance of advanced data services thanks to indices and to consolidation of Euronext Dublin
- First contribution of Investor Services (Commcise)
- Increased Group non-volume related revenue at **47%** thanks to business diversification
- Non-volume related revenue to operating cost coverage ratio<sup>4)</sup> at **114%** in Q1 2019



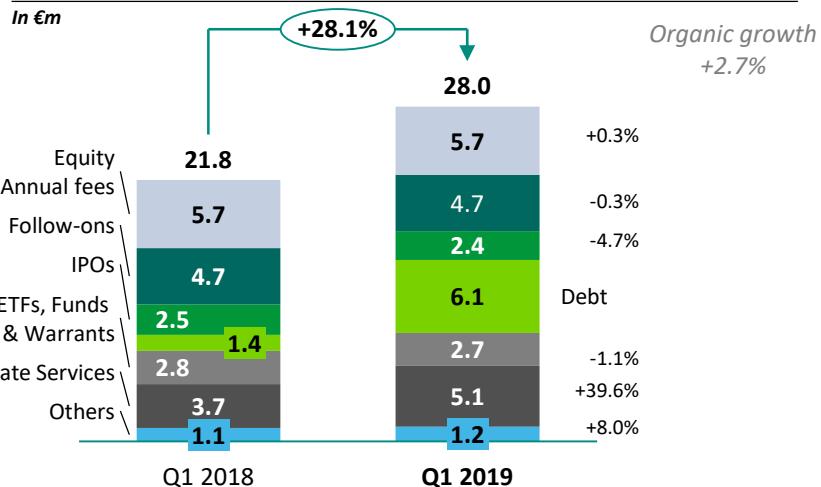
1) "Like-for-like", "organic" and "I-f-I" refer to Euronext Group perimeter excluding Commcise and Euronext Dublin as well as any project cost supported by Euronext for the integration of these companies  
 2) Volume-related businesses include IPO revenue, cash, derivatives and Spot FX trading and clearing revenues. Follow-ons, bonds and other listing revenues are considered as non-volume related due to their lower volatility  
 3) Include other income of €0.1m in Q1 2018 and €0.2m in Q1 2019  
 4) Non-volume related businesses revenue divided by operating costs (excluding D&A)



# LISTING REVENUE UP 28.1% TO €28.0M IN Q1 2019

## CONTRIBUTION OF EURONEXT DUBLIN AND EXPANSION OF CORPORATE SERVICES

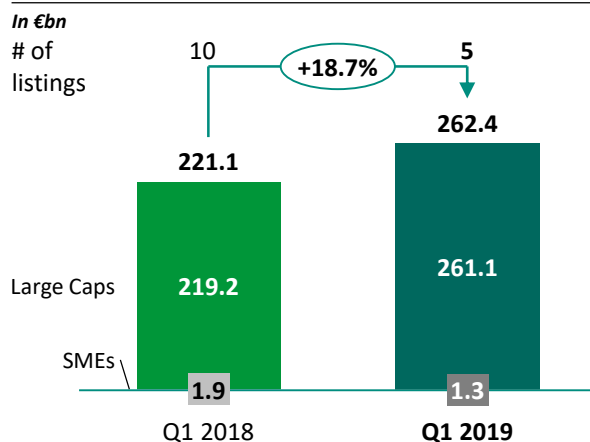
### Listing revenue



- **Contribution of Euronext Dublin +€5.5m**
- Strong performance from **Corporate Services** recording €5.1m of revenue (+39.6%), with increased client base and launch of new services
- **Slow primary market activity marked by macro uncertainties**
  - 5 new listings (vs. 10 in Q1 2018)
  - Strong traction from SME deals and Tech SME initiative



### Money raised



- **Modest secondary market activity**
  - Q1 2019 activity driven by technical deals

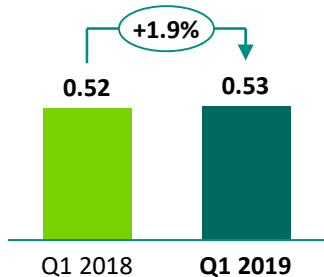
# CASH TRADING REVENUE DOWN 13.3% TO €48.3M IN Q1 2019

## STRENGTHENED REVENUE CAPTURE IN SUBDUED VOLUMES

### Cash trading

#### Revenue per trade<sup>1)</sup>

In bps, single counted



#### Market share for Q1 2019

**66.1%**

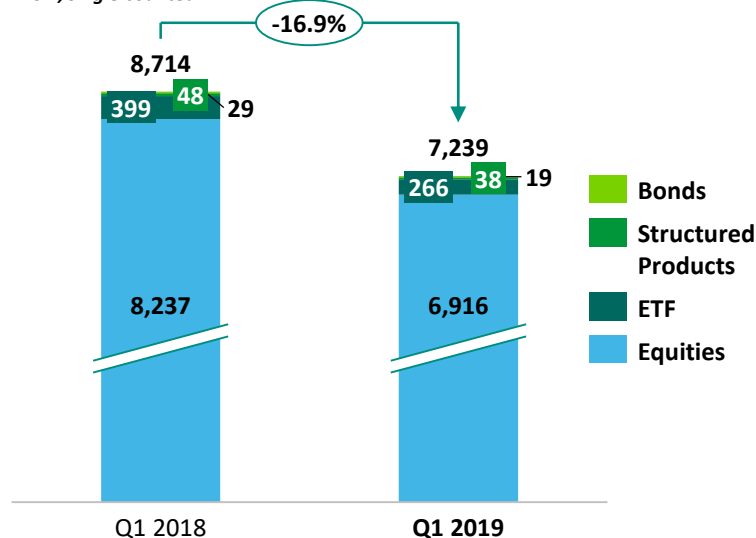
Vs. 66.2% in Q1 2018<sup>2)</sup>

**Cash trading: revenue was down -13.3% to €48.3m** (-15.1% like-for-like) while volumes decreased by -16.9% in Q1 2019

- **Cash equity market share at 66.1%**, stable compared to last year
- Strengthened yield at **0.53bps**, up +1.9% compared to Q1 2018, thanks to effective yield management
- 1,185 ETFs listed at end of March 2019
- ETFs on-exchange volumes down -36.8% to €212m in Q1 2019, in a low volatility environment

#### Average daily turnover<sup>3)</sup>

In €m, single counted



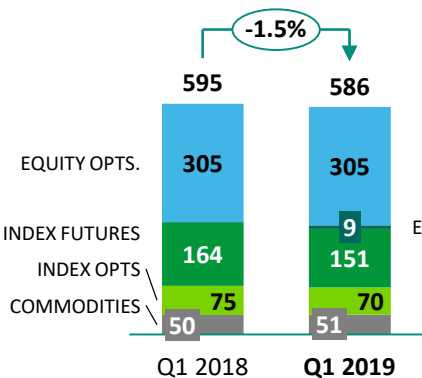
1) Q1 2018 revenue per trade excluding Euronext Dublin  
 2) Differs to the market share disclosed in Q1 2018 following a change of provider  
 3) On and off book transactions, Q1 2018 restated to include Euronext Dublin ADV

# RESILIENCE OF DERIVATIVES BUSINESS AND GOOD PERFORMANCE OF SPOT FX

## Derivatives trading

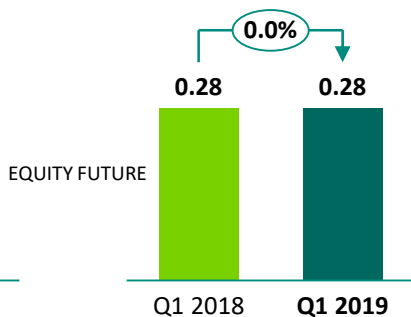
### Average daily volume

In '000 lots, single counted



### Revenue per lot

In €, double counted



## Derivatives trading: revenue down -1.5% to €10.4m

### Financial derivatives

- Low level of volatility over Q1 2019
- Stable revenue capture
- Launch of CAC 40 Total Return Future

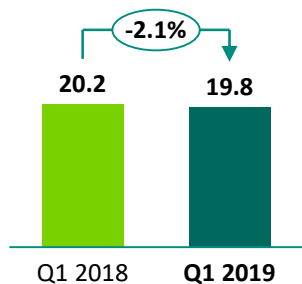
### Commodities

- Success of New Member programme attracting new flows to Euronext commodity markets

## Spot FX trading

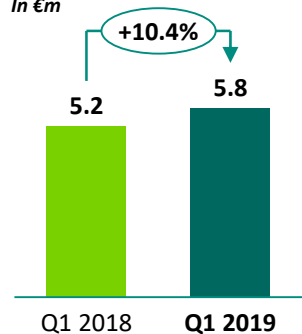
### Average daily volume

In \$bn, single counted



### Revenue contribution

In €m



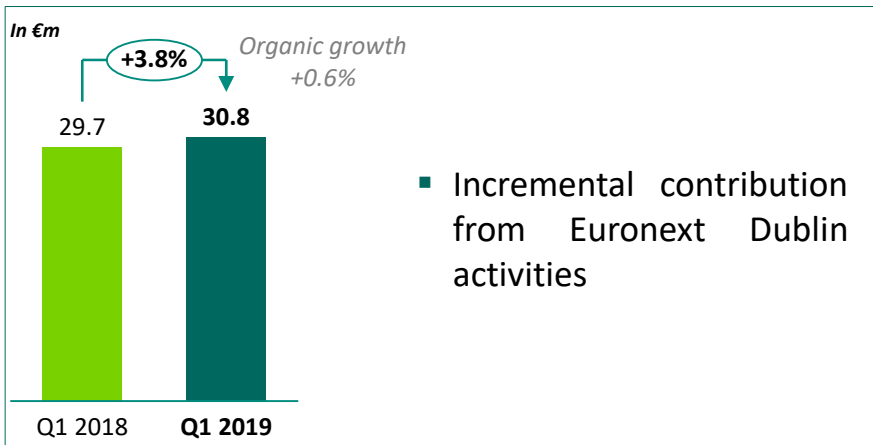
## Euronext FX<sup>1</sup>: spot FX revenue up +10.4% to €5.8m

- Spot FX ADV down -2.1% to \$19.8bn in challenging market conditions
- Efficient yield management and improved market share
- Positive foreign exchange rate impact

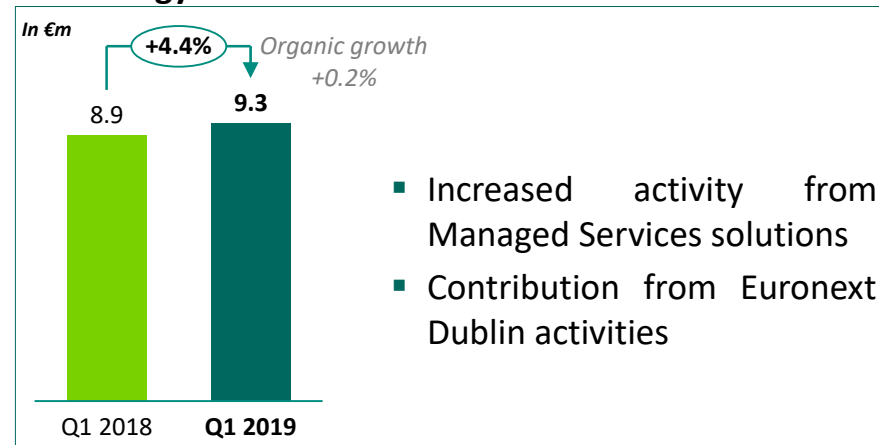
# OTHER BUSINESSES

## GOOD PERFORMANCE OF NON TRANSACTIONAL BUSINESSES

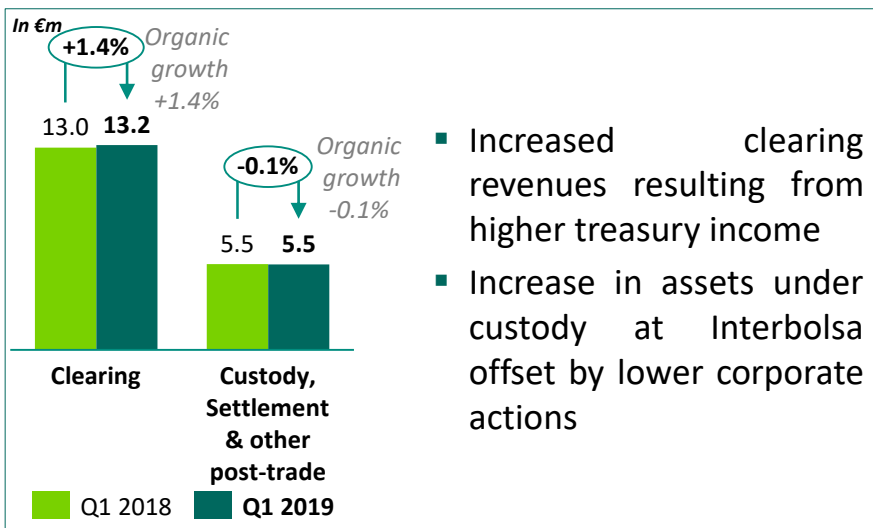
### Advanced data services



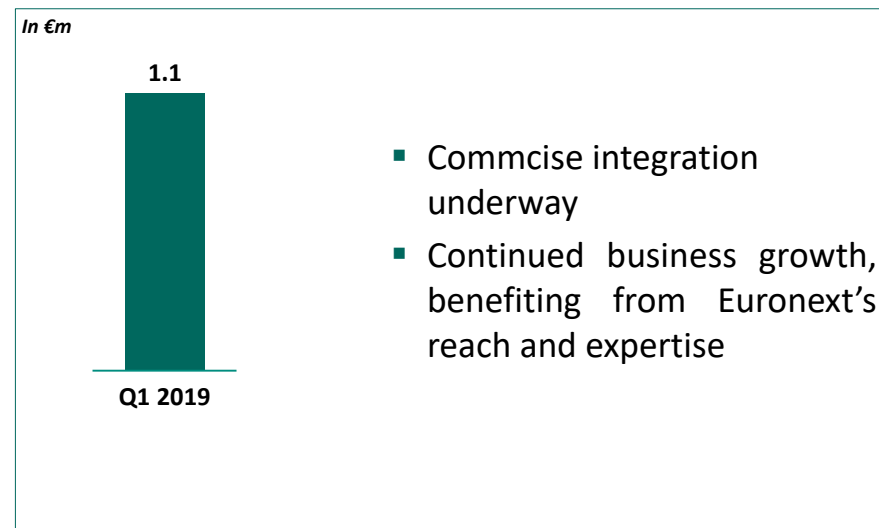
### Technology Solutions & other revenue



### Post-trade

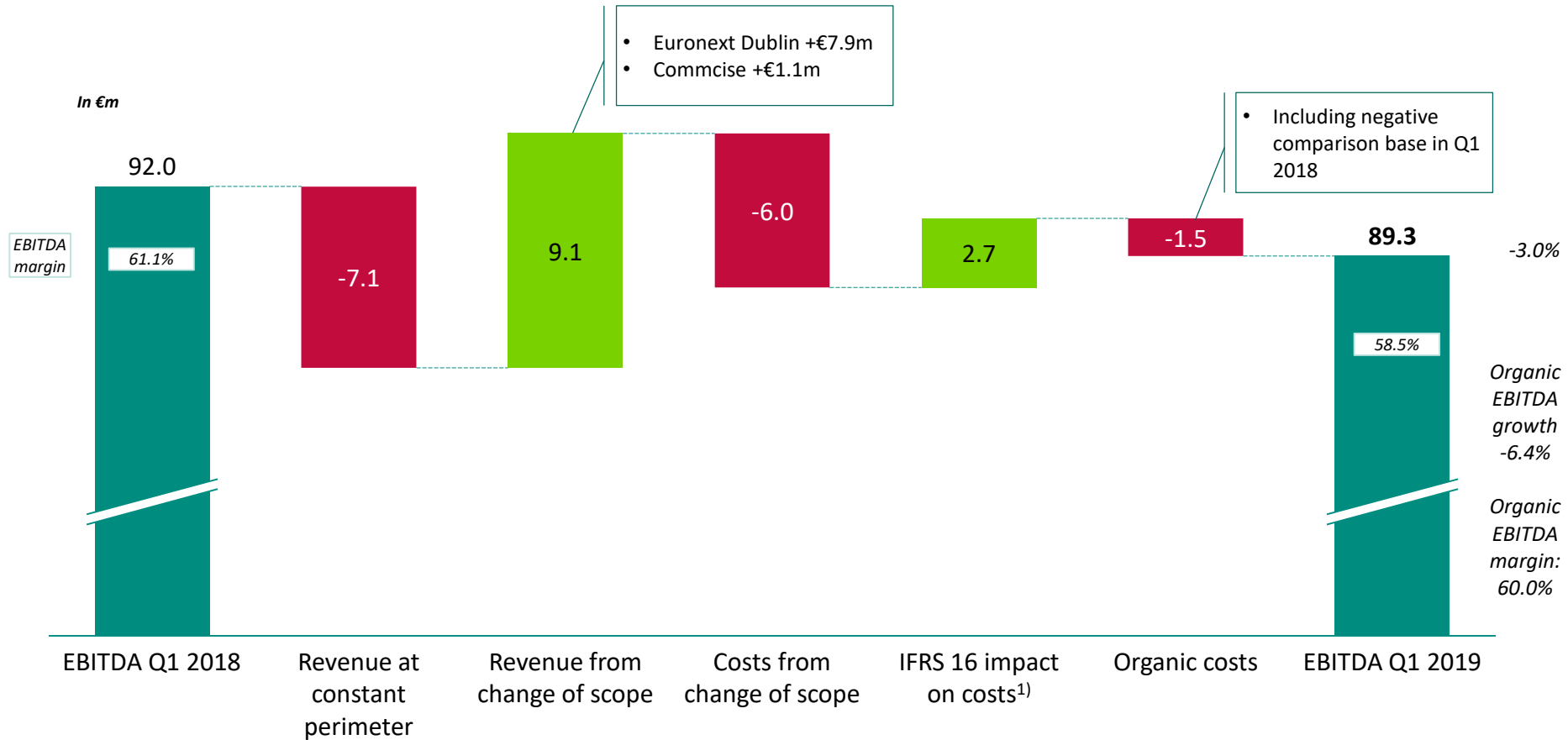


### Investor Services



# Q1 2019 EBITDA DOWN -3.0% TO €89.3M

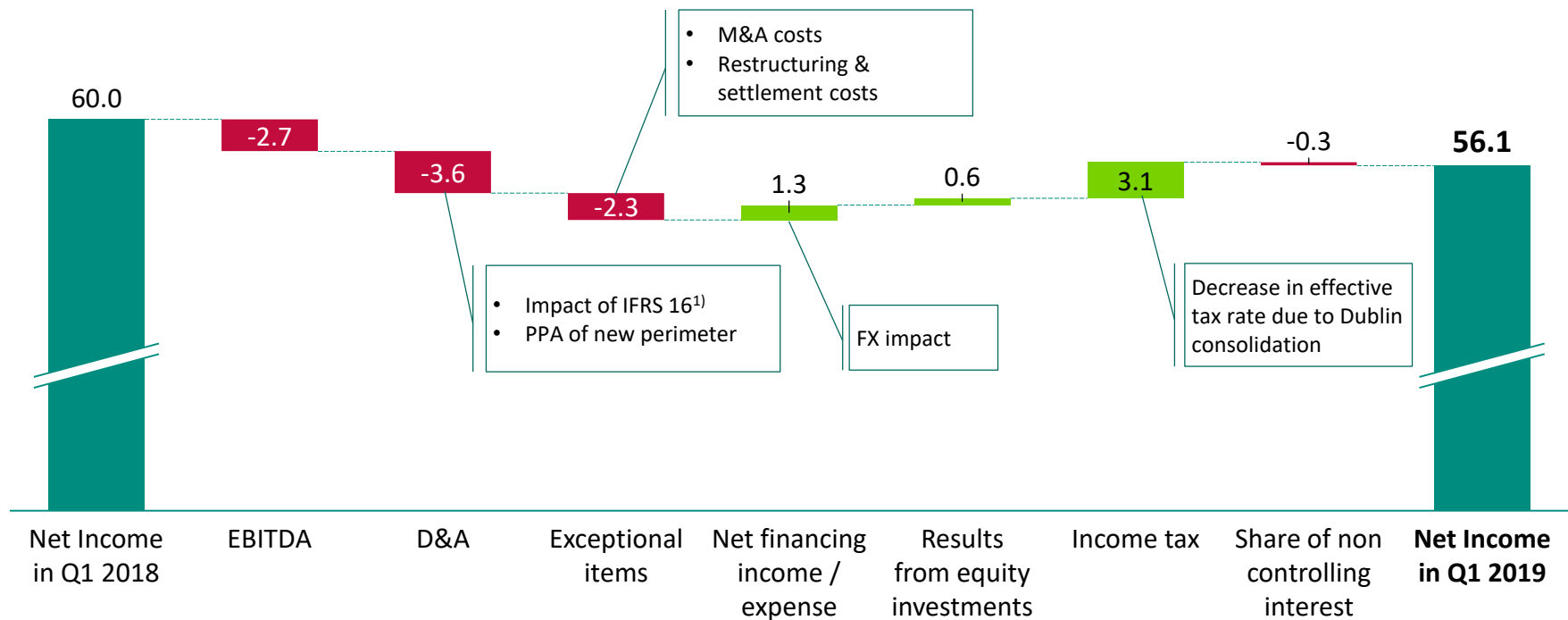
IMPACTED BY RECENT ACQUISITIONS AND SUBDUED VOLUMES



# Q1 2019 NET INCOME DOWN -6.6% TO €56.1M

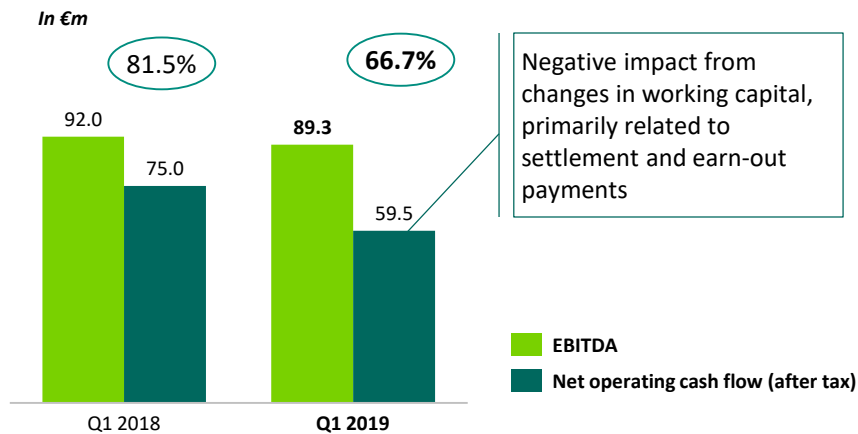
HIGHER RESULTS FROM EQUITY INVESTMENTS AND LOWER TAX RATE

In €m

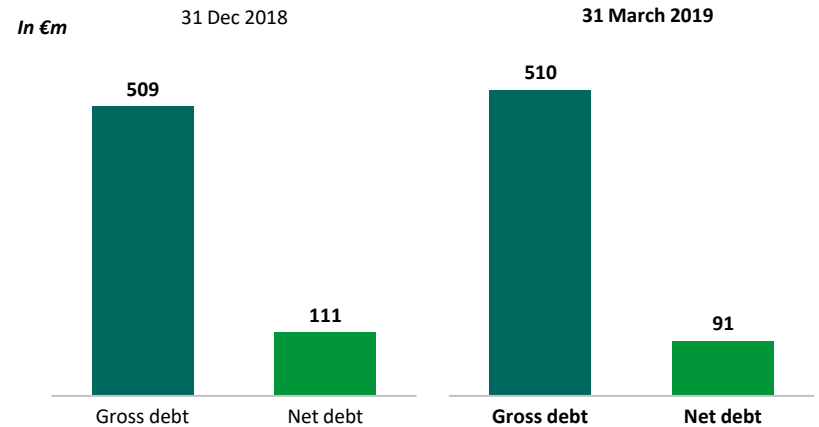


# SOLID CASH FLOW GENERATION AND LIQUIDITY POSITION

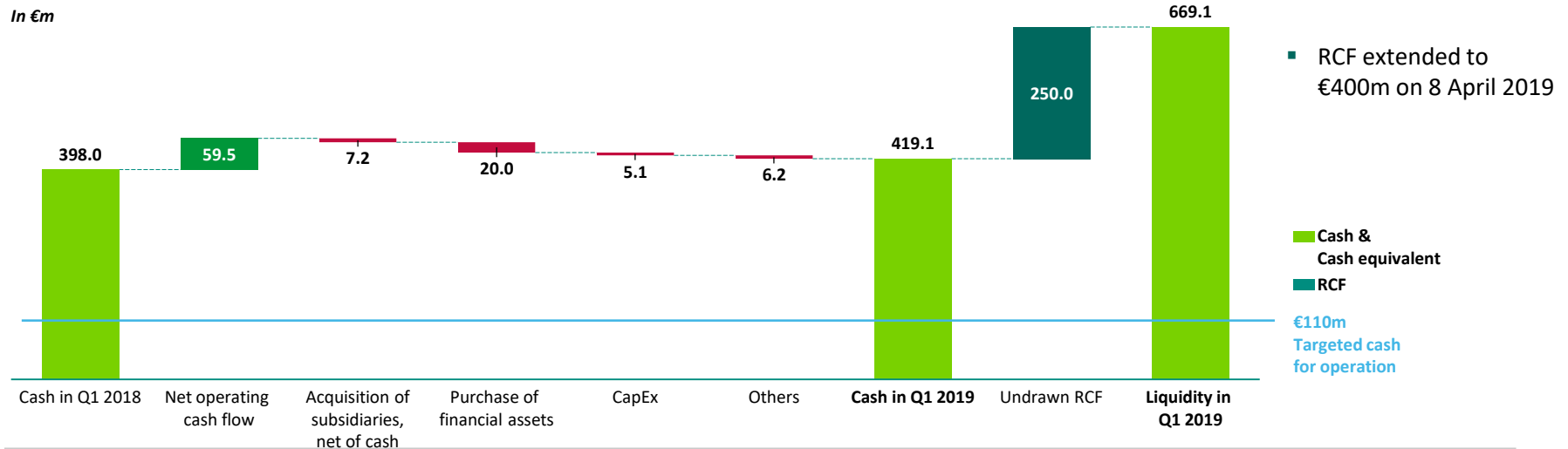
## EBITDA to Net operating cash flow conversion rate



## Debt



## Liquidity





### III.Oslo Børs VPS acquisition – next steps





# EURONEXT AIMS TO ACQUIRE UP TO 100% OF OSLO BØRS VPS

**Euronext as a suitable owner of 100% of Oslo Børs VPS with 53.4% of capital already secured**

- On 14 January 2019, Euronext launched its Offer to acquire up to 100% of Oslo Børs VPS
- The Managing Board and the Supervisory Board of Euronext have unanimously approved the transaction and unanimously recommend that Euronext shareholders vote in favour of the transaction at the Annual General Meeting
- The Reference Shareholders of Euronext N.V., who jointly hold 23.86% of the issued share capital of Euronext, have confirmed their joint support to Euronext for this transaction
- Euronext has received on 28 March 2019 the Declaration of Non-Objection from its College of Regulators
- On 8 April 2019, the Norwegian Financial Supervisory Authority (Finanstilsynet) has recommended the Norwegian Ministry of Finance that Euronext should be approved as a suitable owner of up to 100% of the capital of Oslo Børs VPS
- On 13 May 2019, Euronext received clearance from the Norwegian Ministry of Finance to acquire up to 100% of Oslo Børs VPS's capital
- **Euronext confirms that it will ensure that all remaining shareholders will get an opportunity to tender their shares to Euronext at the same terms in connection following final regulatory approval and fulfilment of all offer conditions, through an extended, new or re-opened offer**

**Tender offer to acquire 100% of Oslo Børs VPS capital**

**Offer price:**  
**NOK 158 / share**

(44% premium vs. spot and 46% vs. 3-month VWAP as of 17 December 2018)

**+6% per annum interest payment<sup>2)</sup>**

**Total consideration for 100% of the capital:**

**NOK 6.79bn**

**~ €692m<sup>3)</sup>**

**Financed through existing cash and debt facilities**

**Acceptance period of the offer:**

**From 14 January 2019 to 31 May 2019 at 18:00 CET**

**Key financial highlights**

**Combined revenue ~724m€<sup>4)</sup>**

*With increased share of post-trade in the revenue mix (~18%)*

**Indicative leverage for the combined group c. ~2x<sup>5)</sup>**

*Leaving room for further acquisitions*

**Double digit EPS accretion in Year 1, before synergies**



1) These pre-commitments are irrevocable, binding and may not be withdrawn, neither in the event of a higher offer or otherwise

2) Accepting shareholders will receive an interest payment on the offer price of 6% per annum, from 14 January 2019 and up to fulfilment of the offer conditions

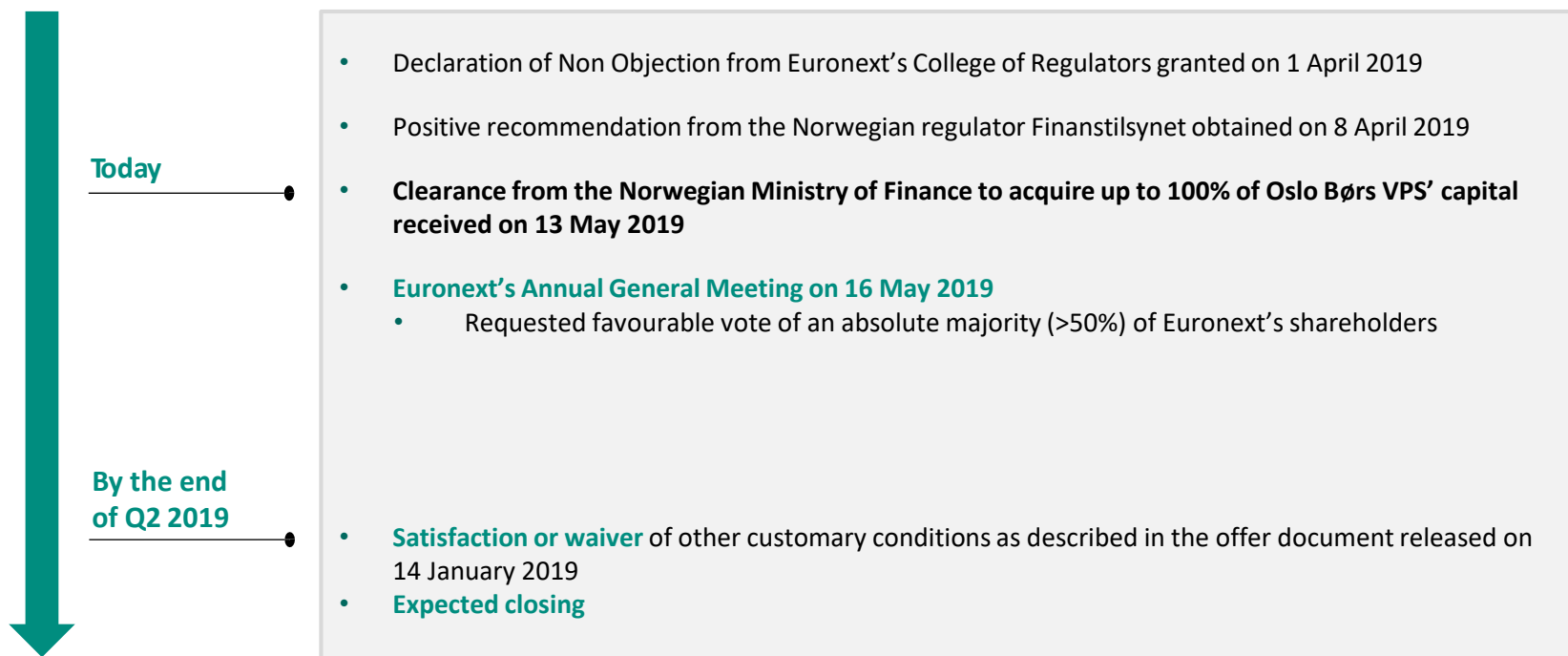
3) 9.8193EUR/NOK FX rate as of 10 May 2019, before additional interest payment

4) 2018 FY figures for Euronext and Oslo Børs VPS, average EUR/NOK FX rate over the period of 9.5975

5) In case of a 100% acquisition. Based on "combined" FY 2018 accounts and owned shares of OBVPS by Euronext as of 31/12/2018

# TRANSACTION TIMETABLE

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# Q&A

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**Stéphane Boujnah**

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CEO &  
Chairman of the Managing Board



**Anthony Attia**

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Managing Board Member



**Giorgio Modica**

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CFO

# APPENDIX



# P&L IMPACT IN 2019 OF THE ADOPTION OF IFRS16

Due to the adoption of IFRS 16 on 1 January 2019, Euronext reported in Q1 2019 a €2.7m positive impact on its EBITDA, a slightly positive impact on its operating profit (€0.1m) and an insignificant impact on its net income. This impact in Q1 2019 is expected to be similar for the four quarters of 2019.

## For informative purpose only

Unaudited, In €m	QUARTERLY expected impact of IFRS 16 in 2019 (based on Q1 2019 impact)
<b>Revenue</b>	-
<b>Operational expenses excluding D&amp;A</b>	<b>-2.7</b>
Salaries and employee benefits	-
Other Operational Expenses	-2.7
<i>System &amp; Communication</i>	-0.3
<i>Professional Services</i>	-1.2
<i>Clearing expense</i>	-
<i>Accommodation</i>	-1.2
<i>Other Operational Expenses</i>	-
<b>EBITDA</b>	<b>+2.7</b>
Depreciation & Amortisation	+2.7
<b>Operating Profit before Exceptional items</b>	<b>+0.1</b>
Exceptional items	-
<b>Operating Profit</b>	<b>+0.1</b>
Net financing income / (expense)	-0.1
Results from equity investments	-
<b>Profit before income tax</b>	<b>-0.1</b>
Income tax expense	-0.0
Share of non-controlling interests	-
<b>Net income</b>	<b>-0.0</b>

# Q1 2019 P&L

Unaudited, In €m	Q1 2019	Q1 2018	% var	Organic growth (like for like)
<b>Revenue</b>	<b>152.6</b>	<b>150.5</b>	<b>+1.4%</b>	<b>-4.7%</b>
Listing	28.0	21.8	+28.1%	+2.7%
Trading revenue	64.5	71.5	-9.8%	-11.2%
Cash Trading	48.3	55.7	-13.3%	-15.1%
Derivatives Trading	10.4	10.6	-1.5%	-1.5%
Spot FX Trading	5.8	5.2	+10.4%	+10.4%
Investor Services	1.1	-	N/A	N/A
Advanced Data Services	30.8	29.7	+3.8%	+0.6%
Post-trade	18.7	18.5	+0.9%	+0.9%
Clearing	13.2	13.0	+1.4%	+1.4%
Custody, Settlement and other post-trade	5.5	5.5	-0.1%	-0.1%
Euronext Technology Solutions & other revenue	9.3	8.9	+4.4%	+0.2%
Other income	0.2	0.1	+279.6%	-4.2%
<b>Operational expenses excluding D&amp;A</b>	<b>-63.3</b>	<b>-58.5</b>	<b>+8.2%</b>	<b>-2.1%</b>
Salaries and employee benefits	-33.1	-24.4	+35.6%	+20.5%
Other Operational Expenses	-30.3	-34.2	-11.4%	-18.1%
System & Communication	-6.3	-6.1	+4.1%	-5.9%
Professional Services	-9.2	-11.8	-21.5%	-30.4%
Clearing expense	-7.2	-7.2	+0.8%	+0.7%
Accommodation	-1.0	-2.6	-61.1%	-65.9%
Other Operational Expenses	-6.5	-6.6	-1.4%	-9.1%
<b>EBITDA</b>	<b>89.3</b>	<b>92.0</b>	<b>-3.0%</b>	<b>-6.4%</b>
<i>EBITDA margin</i>	<i>58.5%</i>	<i>61.1%</i>	<i>-2.6 pts</i>	<i>-1.1 pts</i>
Depreciation & Amortisation	-8.8	-5.2	+69.0%	+53.4%
<b>Operating Profit before Exceptional items</b>	<b>80.4</b>	<b>86.8</b>	<b>-7.3%</b>	<b>-10.0%</b>
Exceptional items	-3.3	-1.0	+227.8%	
<b>Operating Profit</b>	<b>77.1</b>	<b>85.7</b>	<b>-10.1%</b>	
Net financing income / (expense)	0.8	-0.4	N/A	
Results from equity investments	2.0	1.5	+40.1%	
<b>Profit before income tax</b>	<b>80.0</b>	<b>86.8</b>	<b>-7.8%</b>	
Income tax expense	-23.2	-26.3	-11.8%	
Share of non-controlling interests	-0.7	-0.4	+68.9%	
<b>Profit for the period</b>	<b>56.1</b>	<b>60.0</b>	<b>-6.6%</b>	
<b>EPS Reported (in € per share)</b>	<b>€ 0.81</b>	<b>€ 0.86</b>	<b>-6.6%</b>	
<b>EPS Diluted (in € per share)</b>	<b>€ 0.80</b>	<b>€ 0.86</b>	<b>-6.6%</b>	

## ADJUSTED EPS DEFINITION

<i>In €m unless stated otherwise</i>	Q1 2019		Q1 2018	
Net Income Reported		56.1		60.0
<i>EPS Reported (€ per share)</i>		<i>0.81</i>		<i>0.86</i>
Intangible assets adj. related to acquisitions (PPA)	-	2.2	-	1.5
Exceptional items	-	3.3	-	1.0
Tax related to those items		0.8		0.7
<b>Adjusted for intangible assets related to acquisitions, capital gains or losses and exceptional items, incl. tax</b>				
Adj. Net Income		<b>60.8</b>		<b>61.9</b>
<b>Adj. EPS (€ per share)</b>		<b>0.87</b>		<b>0.89</b>

# BALANCE SHEET AS AT 31 MARCH 2019

Unaudited, In €m	As at 31 Mar 2019	As at 31 Dec 2018
<b>Non-current assets</b>		
Property, plant and equipment	39.4	38.9
Right-of-use assets	51.3	0.0
Goodwill and other intangible assets	712.4	705.6
Deferred income tax assets	20.4	20.9
Investments in associates and JV	74.7	72.7
Financial assets at fair value through OCI	240.1	220.1
Other non current assets	7.8	7.8
<b>Total non-current assets</b>	<b>1,146.1</b>	<b>1,066.1</b>
<b>Current assets</b>		
Trade and other receivables	120.0	110.3
Income tax receivable	2.5	2.5
Derivative financial instruments	7.4	7.4
Other short-term financial assets	18.7	14.2
Cash & cash equivalents	419.1	398.0
<b>Total current assets</b>	<b>567.7</b>	<b>532.4</b>
<b>Total assets</b>	<b>1,713.8</b>	<b>1,598.5</b>
<b>Shareholders' equity</b>		
Shareholders' equity	852.0	791.1
Non-controlling interests	13.9	11.2
<b>Total Equity</b>	<b>865.9</b>	<b>802.3</b>
<b>Non-current liabilities</b>		
Borrowings	505.1	504.9
Lease liabilities	42.7	0.0
Other non-current financial liabilities	0.0	17.4
Deferred income tax liabilities	23.0	21.4
Post employment benefits	10.8	10.7
Contract liabilities	37.4	41.5
Other provisions	7.8	6.0
<b>Total Non-current liabilities</b>	<b>626.8</b>	<b>601.9</b>
<b>Current liabilities</b>		
Borrowings	5.1	3.7
Lease liabilities	11.1	0.0
Other current financial liabilities	17.4	7.0
Derivative financial instruments	1.3	0.1
Income tax payable	15.4	11.2
Trade and other payables	94.0	115.3
Contract liabilities	76.5	55.5
Other provisions	0.4	1.4
<b>Total Current liabilities</b>	<b>221.2</b>	<b>194.2</b>
<b>Total equity and liabilities</b>	<b>1,713.8</b>	<b>1,598.5</b>



# Q1 2019 CASH FLOW & LIQUIDITY

## Cash Flow Statement for Q1 2019

Unaudited, In €m	Q1 2019	Q1 2018
<b>Profit before tax</b>	<b>80.0</b>	<b>86.8</b>
<b>Adjustments for:</b>		
- Depreciation and amortization	8.8	5.2
- Share based payments	1.3	0.3
- Share of profit from associates and joint ventures	-2.0	-1.5
- Changes in working capital	-9.3	0.7
<b>Cash flow from operating activities</b>	<b>78.7</b>	<b>91.5</b>
Income tax paid	-19.2	-16.6
<b>Net cash flows from operating activities</b>	<b>59.5</b>	<b>75.0</b>
<b>Cash flow from investing activities</b>		
Acquisition of associates and joint ventures	0.0	-0.9
Acquisition of subsidiaries, net of cash acquired	-7.2	-147.9
Purchase of financial assets at FVOCI	-20.0	0.0
Purchase of current financial assets	-8.8	0.0
Redemption of current financial assets	4.3	5.5
Purchase of property, plant and equipment	-2.4	-1.5
Purchase of intangible assets	-2.7	-3.5
<b>Net cash flow from investing activities</b>	<b>-36.8</b>	<b>-148.3</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings, net of transaction fees	0.0	173.0
Interest paid	-0.1	-0.2
Interest received	0.1	0.1
Payment of lease liabilities	-2.9	0.0
Transaction of own shares	1.1	1.1
Employee Share transactions	0.0	-0.1
<b>Net cash flow from financing activities</b>	<b>-1.7</b>	<b>174.0</b>
<b>Total cash flow over the period</b>	<b>21.0</b>	<b>100.7</b>
Cash and cash equivalents - Beginning of period	398.0	187.8
Non Cash exchange gains/(losses) on cash and cash equivalents	0.1	-0.1
<b>Cash and cash equivalents - End of period</b>	<b>419.1</b>	<b>288.3</b>

## Liquidity for Q1 2019

Unaudited, In €m	Q1 2019	Q1 2018
<b>Cash beginning of period</b>	<b>398.0</b>	<b>187.8</b>
Debt subscribed		173.0
Investments	-27.1	-148.8
Cash accumulation, net of others	48.2	76.4
<b>Cash end of period</b>	<b>419.1</b>	<b>288.3</b>
RCF	250	77
<b>Available Liquidity</b>	<b>669.1</b>	<b>365.3</b>

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