

Euronext Q4/FY 2023 results

Analysts call



EURONEXT
10 YEARS SINCE IPO

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1. Q4 & FY 2023 highlights

2. Q4 2023 business review

3. Q4 2023 financial review



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer



Q4 & FY 2023 highlights



1

Strong Q4 2023 performance driven by Euronext diversified business model

€374.1m

Revenue and income, up **+7.8%**

60%

non-volume related¹⁾ revenue

€157.8m

Underlying costs exc. D&A, **-0.9%**

€216.3m

Adjusted EBITDA, up **+15.2%**

57.8%

Adjusted EBITDA margin, **+3.7pts**

€148.2m

Adjusted net income, **+25.3%**

€1.42

Adjusted²⁾ EPS, **+27.9%**

€175.5m

Net operating cash flow, adjusted for Nord Pool and Euronext Clearing CCP activities

Unless stated otherwise, percentages compare Q4 2023 figures with Q4 2022

1) Non-volume related revenue includes Listing exc. IPO, Advanced Data Services, Custody Settlement and other post-trade, fixed revenue from Clearing activities (such as NTI and membership fees), Investor Services, Technology Solution, Other Income and Transitional Revenue

2) Definition in appendix - Basic number of outstanding shares at 106,051,799 for 2023, 2022 basic outstanding shares at 106,669,451 shares

Strong full-year results demonstrating benefits of Euronext's diversified business model combined with continued cost discipline

€1,474.7m

Revenue and income
+0.5% compared to underlying
revenue and income
+3.9% compared to reported revenue
and income

60%

non-volume related¹⁾ revenue

€610m

Underlying costs exc. D&A, +0.6%
Better than guided

€864.7m

Adjusted EBITDA, up +0.4%

58.6%

Adjusted EBITDA margin, stable

€584.7m

Adjusted net income, +5.3%

€5.51

Adjusted²⁾ EPS, +5.9%

€826.1m

Net operating cash flow, adjusted
for Nord Pool and Euronext Clearing
CCP activities

1.9x

Net Debt to adj. EBITDA³⁾

Unless stated otherwise, percentages compare 2023 figures with 2022

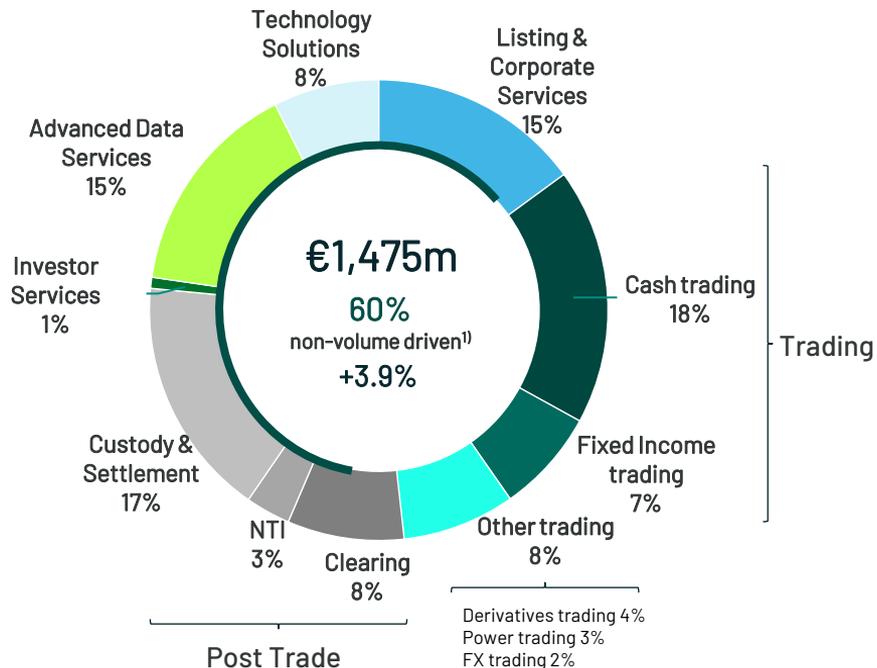
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2) Definition in appendix - Basic number of outstanding shares at 106,051,799 for 2023, 2022 basic outstanding shares at 106,669,451 shares

3) Based on FY 2023 adjusted EBITDA.

Strong growth of Group revenue and income driven by non-volume related businesses

FY 2023 revenue and income



Technology Solutions → € 109.9 m
+9.8%

Advanced Data Services → €224.8m
+6.0%

Post Trade → €370.2m
+1.6%

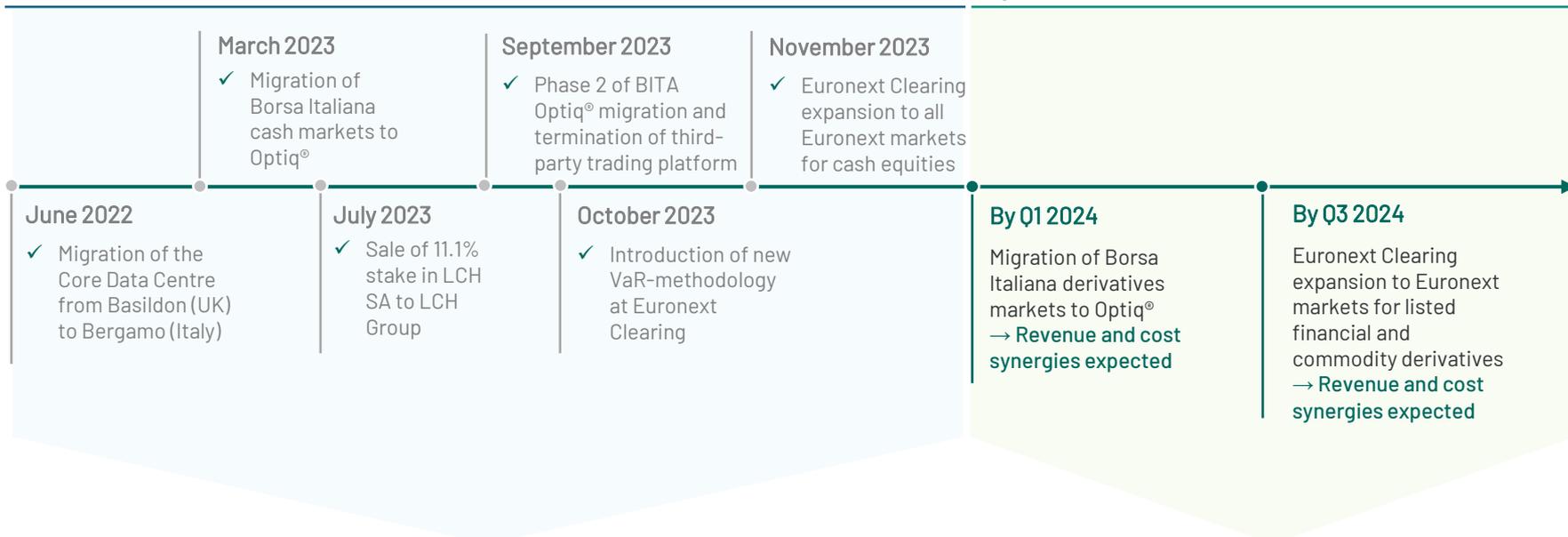
Listing & Corporate Services → €220.6m
+1.0%

Trading → €490.0m
-4.7%

Progress with key milestones of Borsa Italiana integration

✓ Achieved milestones

💡 Upcoming strategic milestones



From €74 million today, vs €70 interim target by the end of 2023, run-rate annual EBITDA synergies already delivered,



to €115 million by end of 2024 of EBITDA synergies on a cumulated run-rate basis

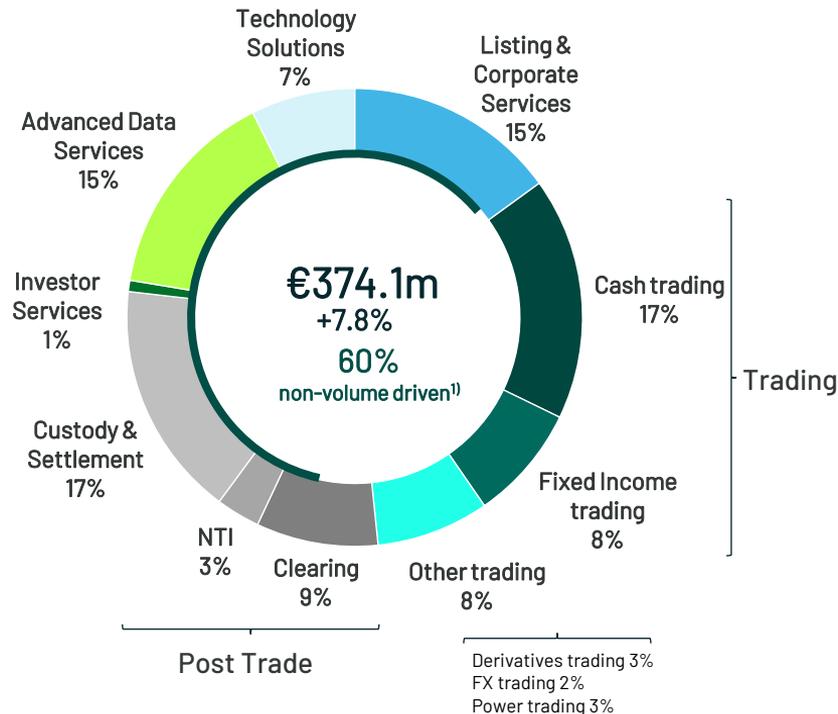


Q4 2023 business review

2

Strong quarter driven by organic growth in non-volume-related business and solid diversified trading revenue

Q4 2023 revenue and income



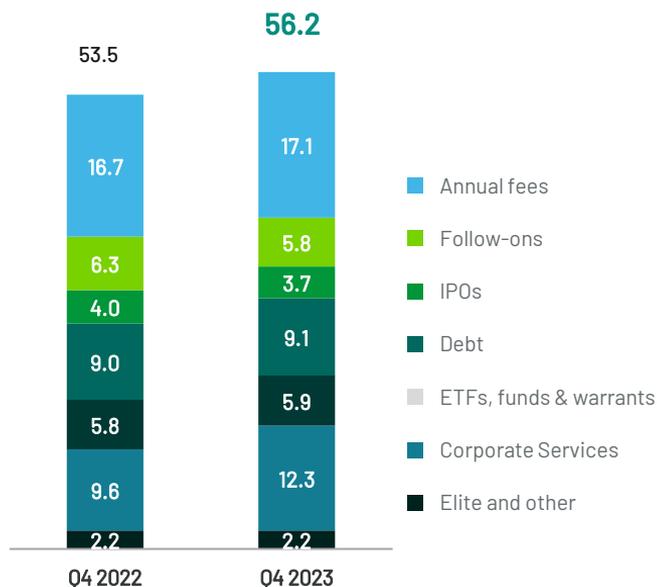
Trading	→	€124.5m +7.1%
Post Trade	→	€94.6m +6.8%
Listing & Corporate Services	→	€56.2m +5.0%
Advanced Data Services	→	€56.1m +3.0%
Technology Solutions	→	€27.6m +2.6%

Reinforced leadership in listing in Europe in Q4 2023

Revenue grew +6.9% like-for-like at constant currencies, reported revenue was up +5.0% due to NOK depreciation

#1 venue for equity listing in Europe and for debt listing worldwide

Revenue in €m



13
new listings
#1 in Europe

490
Follow-on transactions

€6.9bn
Secondary markets
money raised

€298bn
Total money raised

+28.8%
Corporate Services growth

55,000+
bonds listed
€1.3tn in sustainable bonds

Strong performance of non-volume related businesses

Advanced Data Services

Revenue in



Revenue up +3.0%

- Strong performance across the data products offering
- Solid demand for analytic products
- Like-for-like at constant currencies, revenue increased **+3.2%**

Technology Solutions

Revenue in



Revenue up +2.6%

- Continued benefits from the internalisation of colocation services following the migration of the Core Data Centre to Bergamo
- Good performance market connectivity
- Like-for-like at constant currencies, revenue increased **+1.8%**

Investor Services

Revenue in €m



Revenue up +15.7%

- Continued commercial expansion cementing the franchise among the largest global investment managers
- Like-for-like at constant currencies, revenue increased **+16.6%**

Strong diversified trading activities supporting trading revenue of €124.5 million (+7.1%) (1/2)

Cash trading

Revenue in €m



- Revenue down -1.6% and ADV down -4.1% reflecting a low volatility environment for equity trading
- Average yield at **0.53bps**, above floor following migration of Borsa Italiana cash markets to Optiq® partially offset by larger order size
- Average market share at **65.2%**, above floor

Derivatives trading

Revenue in €m



- Revenue down -4.4% due to lower financial derivatives volumes (ADV -8.0%), partially offset by stronger performance of commodity derivatives (ADV +27.2%)
- Average revenue capture at **€0.34** per lot
- Like-for-like at constant currencies, revenue was down -4.3%

FX trading

Revenue in €m



- Uptick in volatility driving volumes up +18.8%
- Stable revenue as growing volumes were offset by depreciation of the US dollar
- Like-for-like at constant currencies, revenue was up +4.8%

Strong diversified trading activities supporting trading revenue of €124.5 million (+7.1%) (2/2)

Fixed income trading

Revenue in €m



- **Record quarter** with revenue up **+38.0%** driven by increasing interest rates and market volatility
- MTS Cash ADV at €27.7 billion, up +79.9%
- MTS Repo TAADV increased +18.2% to €469.1 billion
- Like-for-like at constant currencies, revenue increased +39.2%

Power trading

Revenue in €m

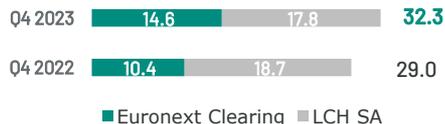


- **Record quarter** with revenue up **+16.9%** driven by very strong intraday volumes and improved revenue capture, partly offset by FX effects
- Intraday volumes up +89.1% to 0.25TWh
- Day-ahead volumes up +3.9% to 3.10TWh
- Like-for-like at constant currencies, revenue increased **+30.8%**

Strong performance of all Post Trade activities

Clearing – exc. NTI

Revenue in €m



- Solid quarter with revenue up **+11.5%**, driven by stronger bond and commodities clearing activity.
- First revenue contribution of the expansion of Euronext Clearing activities to all Euronext cash markets.

Net treasury income

Revenue in €m



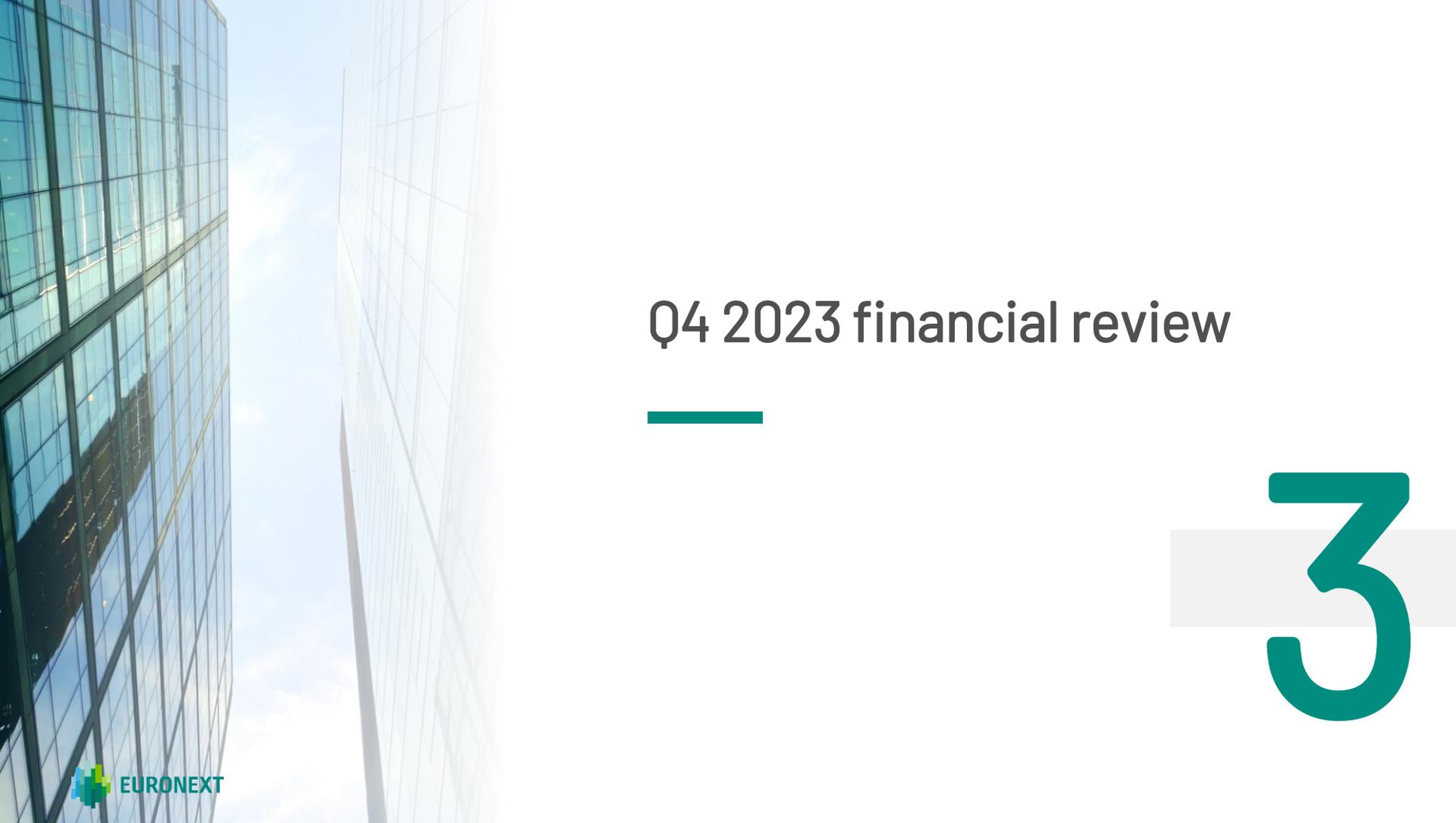
- Net treasury income amounted to €11.7 million in Q4 2023, up **+171.4%** reflecting increased collateral and the positive comparison base linked to the impact of disposal of Euronext Clearing's portfolio
- Slight decrease from Q3 2023 reflecting the new VaR-methodology at Euronext Clearing

Custody & Settlement

Revenue in €m



- Strong quarter with revenue up **+8.9%** like-for-like.
- Higher assets under custody at €6.7 trillion and higher settlement activities with over 30.5 million instructions during the quarter
- Good performance of new services
- Revenue up +4.6% on a reported basis, reflecting NOK depreciation



Q4 2023 financial review

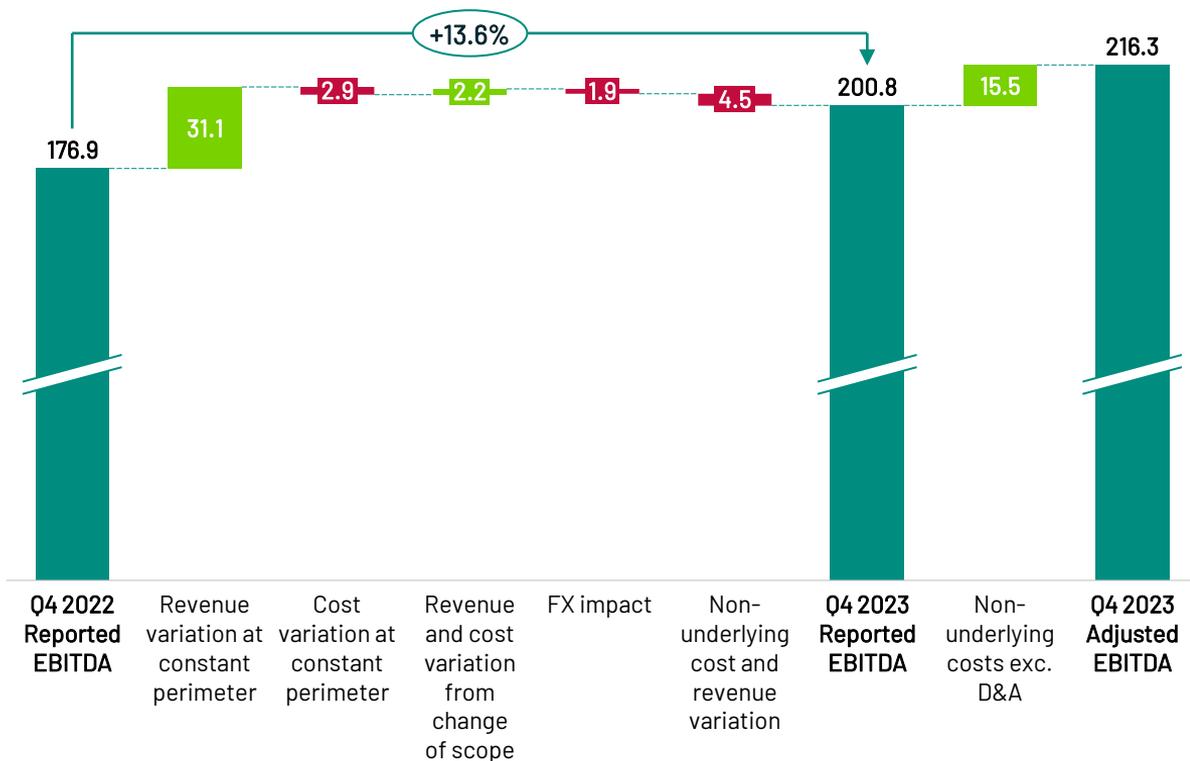
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2024 cost guidance

- In 2023, underlying expenses excluding D&A were positively impacted by a one-off accruals release of €6.3 million and by a positive impact of €11.4 million from the NOK depreciation. Consequently, Euronext reported €610.0 million underlying expenses excluding D&A in 2023, compared to an initial guidance of €630 million.
- In 2024, Euronext will continue its costs control policy and expects that savings and synergies will offset inflation and 2023 costs ramp-up. **As a result, Euronext expects its 2024 underlying expenses excluding D&A to be around €625 million, including around €10 million to finance growth projects** and excluding potential impact from FX over the year.

Q4 2023 adjusted EBITDA up +15.2% to €216.3 million

in €m



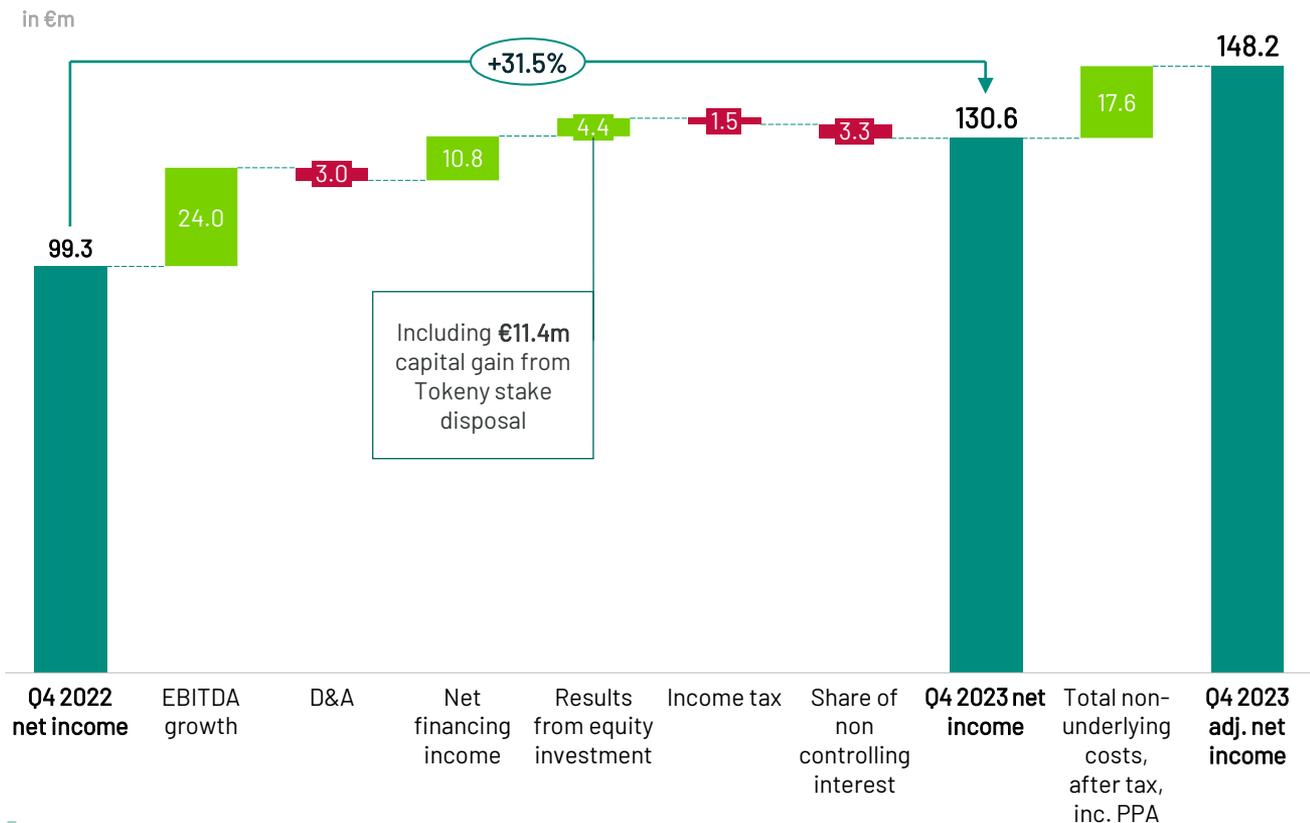
57.8%
Adj. EBITDA
margin



Underlying costs
down -0.9%

Unless stated otherwise, percentages and variation compare Q4 2023 figures to Q4 2022 figures

Q4 2023 adjusted net income at €148.2 million, up +25.3%



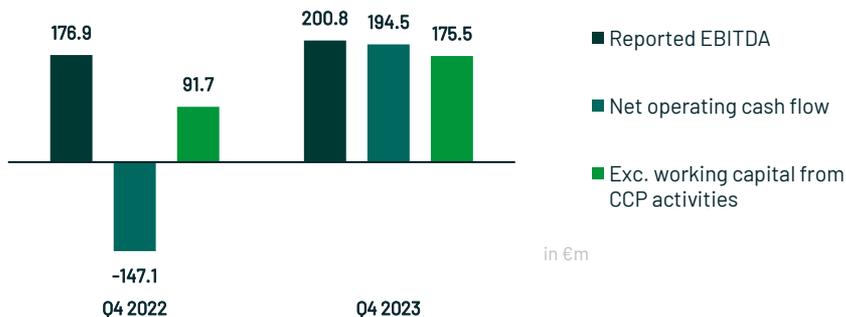
€130.6m
Reported
Net Income
+31.5%

€148.2m
Adjusted
Net Income¹⁾
+25.3%

€1.42
Adjusted EPS¹⁾
+27.9%

Strong cash flow generation continued

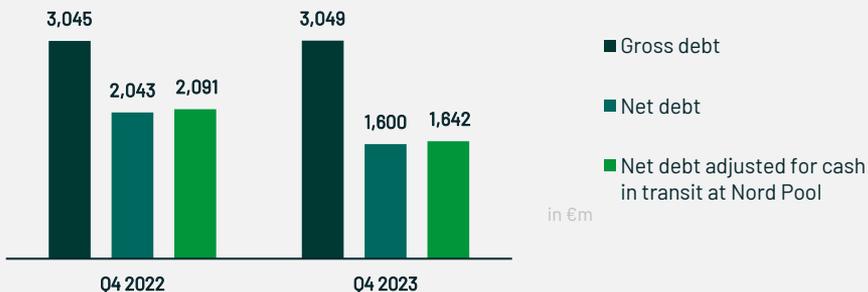
CASH FLOW GENERATION



Q4 2023 EBITDA to net operating cash flow conversion rate impacted by:

- Change in working capital related to Nord Pool and Euronext Clearing CCP activities for +€19.0 million
- Excluding the impact on working capital from Nord Pool and Euronext Clearing CCP activities, net operating cash flow accounted for 87.4% of EBITDA

DEBT AND LEVERAGE



- Net debt to adjusted EBITDA¹⁾ at **1.9x**
- Net debt to reported EBITDA²⁾ ratio at **2.0x**
- Weighted average life to maturity of **6.9 years**



Q&A



Q&A - Speakers



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer



Anthony Attia

Global Head of Derivatives &
Post Trade



Nicolas Rivard

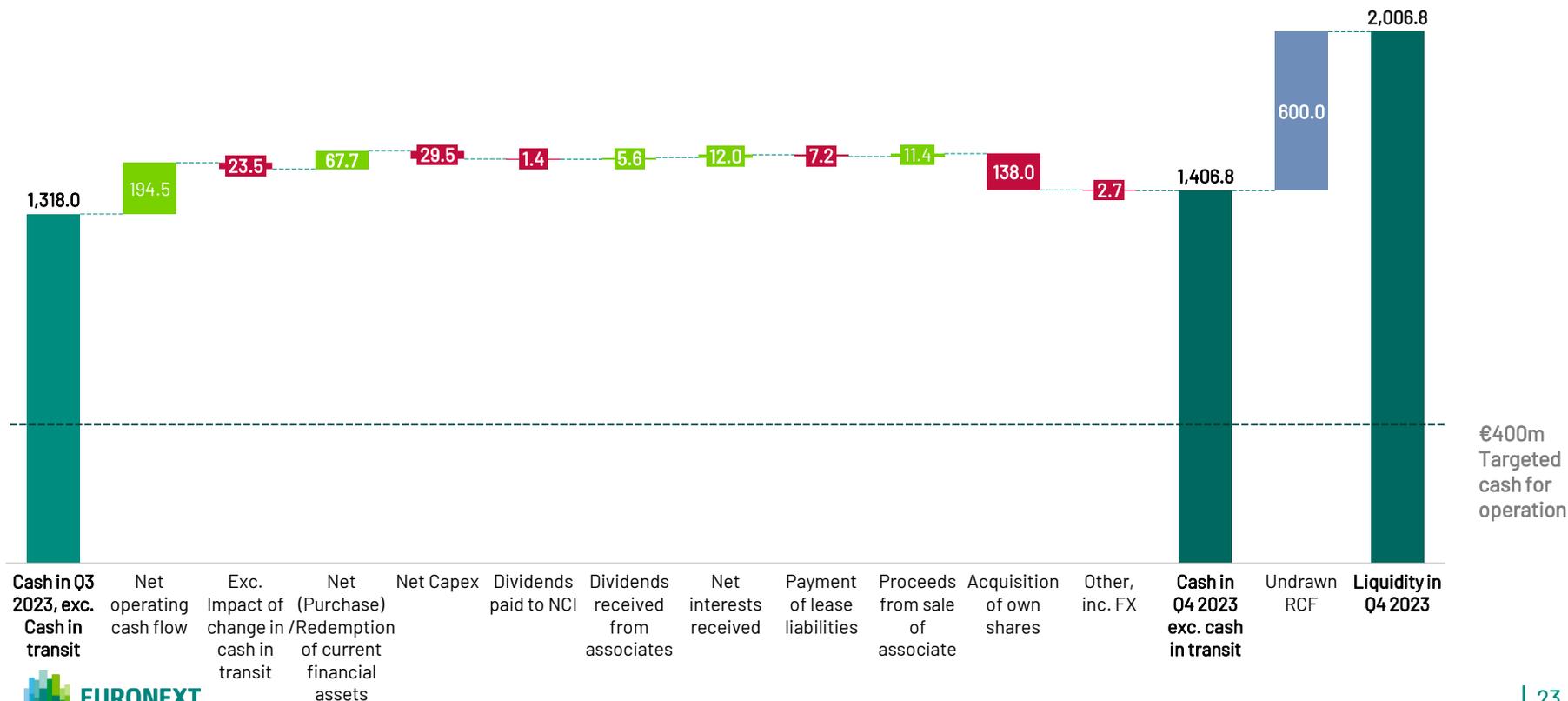
Global Head of Cash Equity &
Data Services

APPENDIX



Liquidity at end of Q4 2023

in €m



Number of outstanding shares used for EPS computation

Following the rights issue that occurred on 29 April 2021, whose settlement occurred on 14 May 2021, the average outstanding number of shares (basic) to be used for EPS computation is provided below. For comparative purposes, average numbers of outstanding shares (basic) for previous comparative periods were restated using the bonus fraction.

- **For the full year 2023, the average number of outstanding shares (basic) is 106,051,799**
- For the first nine months of 2023, the average number of outstanding shares (basic) is 106,563,821
- For the first semester of 2023, the average number of outstanding shares (basic) is 106,741,621
- For the first quarter of 2023, the average number of outstanding shares (basic) is 106,726,832
- For the full year 2022, the average number of outstanding shares (basic) is 106,669,451
- For the first nine months of 2022, the average number of outstanding shares (basic) is 106,652,256

As a reminder, Euronext EPS for periodic reporting is computed as follow:

- Q1 EPS = Net income for Q1 / Average number of outstanding shares over Q1
- Q2 EPS = (YTD-H1 Net income / Average number of outstanding shares over YTD-H1) - Q1 EPS
- Q3 EPS = (YTD-9M Net income / Average number of outstanding shares over YTD-9M) - (Q2 EPS + Q1 EPS)
- **Q4 EPS = (FY Net income / Average number of outstanding shares over the year) - (Q3 EPS + Q2 EPS + Q1 EPS)**

Adjusted EPS for Q4 2023

in €m unless specified otherwise

	Q4 2023	Q4 2022	FY 2023	FY 2022
Net income reported	130.6	99.3	513.6	437.8
EPS reported (€)	1.25	0.93	4.84	4.10
Adjustments				
of which revenues	0.0	(0.0)	0.0	(49.0)
of which Operating expenses exc. D&A	(15.5)	(11.0)	(78.3)	(27.2)
of which Depreciation and amortisation	(25.6)	(23.1)	(95.9)	(91.4)
of which Net financing expense	(0.0)	3.1	(0.2)	2.3
of which results from equity investments	11.4	0.0	53.0	(1.5)
of which Minority interest	1.1	3.9	4.1	4.6
Tax related to adjustments	11.1	8.2	46.2	44.7
Adjusted net income	148.2	118.2	584.6	555.3
Adjusted EPS (€)	1.42	1.11	5.51	5.21

Q4 2023 income statement

In €m, unless stated otherwise

The figures in this document have not been audited or reviewed by our external auditor.

	Q4 2023	Q4 2022	% var	% var (like-for-like, constant currencies)
Revenue and Income	374.1	347.0	+7.8%	+9.1%
Listing	56.2	53.5	+5.0%	+6.9%
Trading revenue, of which	124.5	116.3	+7.1%	+8.5%
Cash trading	64.1	65.1	-1.6%	-1.6%
Derivatives trading	12.8	13.4	-4.4%	-4.3%
Fixed income trading	30.6	22.1	+38.0%	+39.2%
FX trading	6.7	6.7	-0.5%	+4.8%
Power trading	10.4	8.9	+16.9%	+30.8%
Investor Services	3.0	2.6	+15.7%	+16.6%
Advanced Data Services	56.1	54.5	+3.0%	+3.2%
Post-Trade, of which	94.6	88.6	+6.8%	+8.9%
Clearing	32.3	29.0	+11.5%	+11.5%
Custody and Settlement	62.3	59.6	+4.6%	+8.9%
Euronext Technology Solutions & Other	27.6	26.9	+2.6%	+1.8%
NTI through CCP business	11.7	4.3	+171.4%	+171.4%
Other income	0.5	0.3	+61.2%	+59.7%
Transitional revenues	(0.0)	0.1	-100.0%	-100.0%
Underlying operational expenses exc. D&A	(157.8)	(159.2)	-0.9%	+1.9%
Adjusted EBITDA	216.3	187.9	+15.2%	+14.8%
<i>Adjusted EBITDA margin</i>	<i>57.8%</i>	<i>54.1%</i>	<i>+3.7pts</i>	<i>+2.9pts</i>
Operating expenses exc. D&A	(173.3)	(170.2)	+1.9%	+4.6%
EBITDA	200.8	176.9	+13.6%	+13.2%
Depreciation & Amortisation	(45.6)	(42.6)	+7.0%	+4.1%
Total Expenses (inc. D&A)	(218.9)	(212.8)	+2.9%	+5.4%
Adjusted operating profit	196.3	168.4	+16.6%	+16.0%
Operating Profit	155.2	134.2	+15.6%	
Net financing (expense) / income	4.7	(6.0)	-177.8%	
Results from equity investments	17.0	12.6	+35.1%	
Profit before income tax	176.9	140.8	+25.7%	
Income tax expense	(40.0)	(38.5)	+4.0%	
Share of non-controlling interests	(6.4)	(3.0)	+109.0%	
Net income, share of the parent company shareholders	130.6	99.3	+31.5%	
Adjusted Net income, share of the parent company shareholders	148.2	118.2	+25.3%	
Adjusted EPS(basic, in €)	1.42	1.11	+27.9%	
Reported EPS(basic, in €)	1.25	0.93	+34.2%	
Adjusted EPS(diluted, in €)	1.41	1.10	+27.8%	
Reported EPS(diluted, in €)	1.24	0.93	+34.1%	

Last twelve months income statement

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	LTM reported
Revenue and income	372.3	368.1	360.2	374.1	1474.7
Listing	54.7	55.1	54.6	56.2	220.6
Trading Revenue	128.9	118.2	118.3	124.5	490.0
of which Cash trading	71.7	65.2	64.4	64.1	265.4
of which Derivatives trading	14.9	13.0	13.4	12.8	54.2
of which Fixed income trading	26.2	25.3	25.4	30.6	107.4
of which FX spot trading	6.3	6.1	6.4	6.7	25.6
of which Power trading	9.8	8.6	8.6	10.4	37.4
Investor Services	2.6	2.8	3.0	3.0	11.4
Advanced Data Services	56.3	56.9	55.5	55.5	224.8
Post trade	94.0	93.1	88.4	94.6	370.2
of which Clearing	30.0	29.4	29.5	32.3	121.3
of which Settlement & Custody	64.0	63.7	58.9	62.3	248.9
Market solutions & other revenues	27.6	27.3	27.4	27.6	109.9
Net treasury income through CCP Business	7.5	13.8	13.7	11.7	46.7
Other income	0.2	0.7	(0.0)	0.5	1.4
Transitional revenue	0.5	0.0	(0.8)	0.0	(0.2)
Operating expenses excluding D&A	(200.5)	(160.9)	(153.6)	(173.3)	(688.3)
Underlying operating expenses excluding D&A	(153.8)	(152.0)	(146.5)	(157.8)	(610.0)
Adjusted EBITDA	218.5	216.1	213.7	216.3	864.7
<i>Adjusted EBITDA margin</i>	<i>58.7%</i>	<i>58.7%</i>	<i>59.3%</i>	<i>57.8%</i>	<i>58.6%</i>
EBITDA	171.8	207.2	206.6	200.8	786.4
D&A	(40.5)	(42.2)	(41.9)	(45.6)	(170.1)
Total expenses	(241.0)	(203.0)	(195.5)	(218.9)	(858.5)
Operating profit	131.3	165.0	164.7	155.2	616.2
Adjusted operating profit	200.9	197.8	195.4	196.3	790.4
Net financing income/(expense)	(4.5)	(1.9)	1.5	4.7	(0.2)
Results from Equity investments	8.4	3.2	54.4	17.0	83.1
Income tax	(33.1)	(41.2)	(48.4)	(40.0)	(162.7)
Tax rate	-24.5%	-24.8%	-22.0%	-22.6%	-23.3%
Minority interests	(5.6)	(5.2)	(5.6)	(6.4)	(22.8)
Net profit	96.5	120.0	166.5	130.6	513.6

Balance sheet as at 31 December 2023

<i>in € million</i>	As of 31 Dec'23	As of 31 Dec'22
Non-current assets		
Property, plant and equipment	114.4	109.4
Right-of-use assets	55.7	42.3
Goodwill and other intangible assets	6,108.2	6,205.8
Deferred income tax assets	31.3	18.9
Investments in associates and joint ventures	1.3	72.0
Financial assets at fair value through OCI	262.7	278.2
Other non-current assets	4.5	3.7
Total non-current assets	6,578.0	6,730.3
Current assets		
Trade and other receivables	333.6	345.7
Income tax receivable	58.6	54.9
Derivative financial instruments	(0.0)	-
CCP clearing business assets	183,715.2	166,842.5
Other current financial assets	103.1	162.7
Cash & cash equivalents	1,448.8	1,001.1
Total current assets	185,659.3	168,407.0
Asset held for sale	-	-
Total assets	192,237.3	175,137.3
Equity		
Shareholders' equity	3,945.7	3,914.0
Non-controlling interests	139.7	128.3
Total Equity	4,085.3	4,040.3
Non-current liabilities		
Borrowings	3,031.6	3,027.2
Lease liabilities	37.3	21.6
Deferred income tax liabilities	531.9	552.6
Post-employment benefits	22.7	19.6
Contract liabilities	60.0	63.8
Other provisions	7.3	7.0
Total Non-current liabilities	3,690.8	3,691.8
Current liabilities		
Borrowings	17.3	17.4
Lease liabilities	22.2	28.5
CCP clearing business liabilities	183,832.2	166,858.7
Income tax payable	89.1	28.5
Trade and other payables	415.8	396.3
Contract liabilities	79.3	75.2
Other provisions	5.2	0.7
Total Current liabilities	184,461.1	167,405.1
Total equity and liabilities	192,237.3	175,137.3

unaudited, in As at 31/12/2023

CCP clearing business assets	
CCP trading assets at fair value	14,019.2
Assets under repurchase transactions	144,640.3
Other financial assets traded but not yet settled	2,703.0
Debt instruments at fair value through other comprehensive income	116.3
Other instruments held at fair value	119.7
Other receivables from clearing members	6,121.5
Cash and cash equivalents of clearing members	15,995.1
Total assets	183,715.2
CCP clearing business liabilities	
CCP trading liabilities at fair value	14,019.2
Liabilities under repurchase transactions	144,640.3
Other financial liabilities traded but not yet settled	2,703.0
Other payables to clearing members	22,469.7
Total liabilities	183,832.2

Outstanding debt issued

Amount	Maturity	Interest
€500 million	2025	Fixed
€750 million	2029	Fixed
€600 million	2026	Fixed
€600 million	2031	Fixed
€600 million	2041	Fixed

Q4 2023 cash flows statement

<i>in € million</i>	Q4 2023	Q4 2022
Profit before tax	178.9	140.8
Adjustments for:		
- Depreciation and amortisation	45.6	42.6
- Share based payments	3.9	4.2
- Results from equity investments	(5.6)	(9.8)
- Gain on sale of associate	(11.4)	-
- Share of profit from associates and joint ventures	-	(2.8)
- Changes in working capital	44.1	(245.1)
Cash flow from operating activities	253.5	(70.1)
Income tax paid	(59.1)	(77.0)
Net cash flows from operating activities	194.5	(147.1)
Cash flow from investing activities		
Acquisition of associates and joint ventures	-	(0.7)
Business combinations, net of cash acquired	(2.5)	(54.3)
Proceeds from sale of subsidiary	-	7.8
Proceeds from sale of associate	11.4	-
Purchase of current financial assets	(3.7)	1.8
Redemption of current financial assets	71.4	0.6
Purchase of property, plant and equipment	(12.0)	(10.8)
Purchase of intangible assets	(17.5)	(20.0)
Interest received	12.0	-
Proceeds from sale of property, plant, equipment and intangible assets	-	0.0
Dividends received from equity investments	5.6	9.8
Dividends received from associates	-	0.0
Net cash flow from investing activities	64.6	(65.7)
Cash flow from financing activities		
Interest paid	-	(0.3)
Payment of lease liabilities	(7.2)	(4.5)
Acquisitions of own shares	(138.0)	1.0
Employee Share transactions	-	(0.1)
Dividends paid to the company's shareholders	-	-
Dividends paid to non-controlling interests	(1.4)	(5.4)
Net cash flow from financing activities	(146.5)	(9.3)
Total cash flow over the period	112.6	(222.1)
Cash and cash equivalents - Beginning of period	1,336.5	1,215.0
Non cash exchange gains/(losses) on cash and cash equivalents	(0.2)	8.2
Cash and cash equivalents - End of period	1,448.8	1,001.1

DISCLAIMER

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