

Optional Dividends

OPTIMISE YOUR CAPITAL STRUCTURE
AND STRENGTHEN YOUR FINANCIALS

Using company-owned shares or capital issuances, Optional Stock Dividends (OSDs) provide shareholders the choice between cash and stock dividends. OSDs offer flexibility to shareholders while allowing issuers to preserve their cash levels. These operations allow companies to save cash for the development of their activities while sustaining their dividend policies and optimising their financial structure.

Strengthen your cash positions

- Consolidate your financials while providing tangible gains to your shareholders

An operation welcomed by long-term investors

- OSDs are often welcomed by shareholders as they provide them a choice, as well as an opportunity to increase their position without cash outflow
- On average, more than 50% of shareholders opt for stocks instead of cash, especially when institutional ownership is high

Send a positive signal

- OSDs allow issuers to sustain their dividend policies regardless of their cash constraints
- OSDs usually generate a better market reaction than dividend cuts

Optimise your capital structure

- OSDs allow issuers to rebalance their leverage while limiting cash outflows
- OSDs provide backup equity when market conditions are unfavourable for secondary offerings (e.g. when negotiated discounts are too high)

€87bn

raised by 151 issuers through

593 deals

on Euronext markets since 2012.

More than **50%** of shareholders chose stocks over cash in these OSDs.

OSDs are adopted by issuers of all sizes, of which

51% are SMEs.



CASE STUDIES



Listed on Euronext Paris and Euronext Brussels

Since 2015, Total SE made 17 deals on Euronext raising €12.9bn of equity. ¹



Listed on Euronext Brussels and Euronext Amsterdam

On a yearly basis since 2011, WDP offers the optional dividend to its shareholders to retain resources within the company, strengthening its equity position and pursuing its growth strategy. Over the last 10 years, WDP has raised circa €325M through optional dividends with an average take-up of 64%.²



Listed on Euronext Paris

Kaufman & Broad realised three OSD distributions on Euronext over the past two years, with the aim to reward its shareholders. The company saved €64M of cash, representing 47.2% of its net cashflows over the period.³

Equity (€M) raised on Euronext	Average take-up ratio*	Equity (€M) raised on Euronext	Take-up ratio	Equity (€M) raised on Euronext	Take-up ratio	
2020	1.096	62%	2020 50	56%	2019 5	9%
2019	791	24% [†]	2019 43	56%	2018 30	67%
2018	2.337	36% [†]	2018 47	68%	2017 29	74%

*The take-up ratio represents the percentage of persons, eligible for some benefit or compensation, who take advantage of it.

CONTACTS

Your dedicated Listing contact

Euronext's dedicated listing specialists are happy to answer any questions your company may have regarding your day-to-day life as a listed company on Euronext markets and your financing projects.

Please find your dedicated contact here:
<https://www.euronext.com/contact-us>



Your Corporate Actions specialist

The Euronext Corporate Actions team embraces all financing or reorganisation events that might affect your stock price. Sitting at the heart of execution for key European deals, our Corporate Actions team has developed a unique expertise in managing and successfully delivering the most complex deals on the Continent. Leveraging on this high-calibre know-how, we offer high availability in a variety of languages to cater to your needs.



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Sources: (1) Euronext 30/06/2020 & Total, Press Release 14/07/2020; (2) Source: Euronext 30/05/2020; (3) Source: Annual reports 2017-2018

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