

# LET'S GROW TOGETHER 2022

## STRATEGIC PLAN



# EURONEXT



EURONEXT

INVESTOR DAY

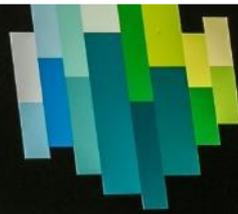
11 OCTOBER 2019

# AGENDA



# AGENDA

- I. 2014-2019 – From a carve-out to a diversified market infrastructure with global ambitions**
- II. Euronext's 2022 strategic ambitions: Build the leading pan-European market infrastructure**
  - a. Euronext's assets to address a changing landscape
  - b. Euronext 2022 strategic ambitions: "Let's grow together 2022"
  - c. 2022 financial targets
- III. Euronext's business ambitions and transformation**
  - a. Euronext's business ambitions: Diversify local and global infrastructures and develop the products and services of tomorrow
    - 1) Listing: equity, corporate services and debt
    - 2) Trading: cash, derivatives, forex
    - 3) Advanced Data Services
    - 4) Post trade: Clearing, CSD and services
    - 5) Euronext Technology Solutions
  - b. Euronext's transformation
    - 1) Empowering people to grow, perform and innovate
    - 2) Enhancing client connectivity
    - 3) Delivering operational excellence
- IV. Euronext's external growth ambitions**
  - a. Combine Oslo Børs VPS with Euronext to enhance growth
  - b. Execute disciplined and value accretive M&A
- V. Wrap up and Q&A**



**EURONEXT**

# 2014-2019 – FROM A CARVE-OUT TO A DIVERSIFIED INFRASTRUCTURE WITH GLOBAL AMBITIONS

STÉPHANE BOUJNAH

CEO AND CHAIRMAN OF THE MANAGING BOARD



**EURONEXT**

11 October 2019

# EXECUTIVE SUMMARY: EURONEXT HAS STRENGTHENED ITS BUSINESS PROFILE

## Diversification

- More diversified business profile
- Powering capital markets to finance real economy
- Expansion to new asset classes and services
- Expansion of the federal model

## Technology, Innovation and People

- Optiq®, the new generation trading platform
- Expansion of the tech offering to new markets
- A systematic innovation approach
- Strengthened human capital

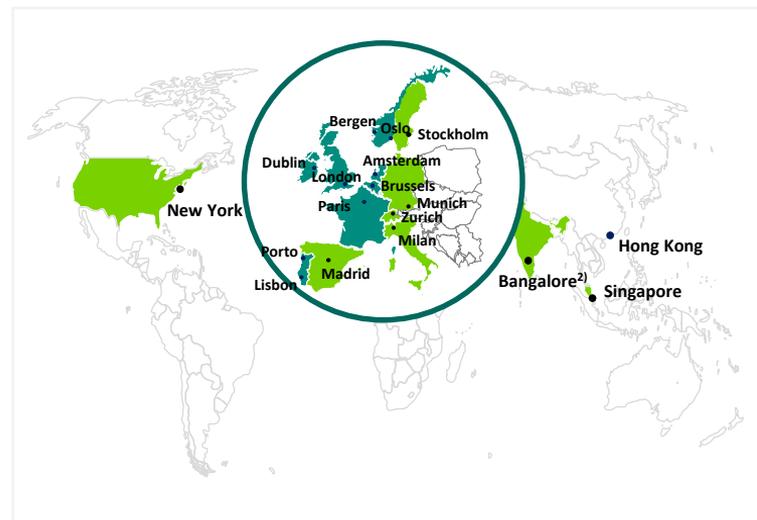
## Growth and Optimisation

- Delivered growth
- Improved operating performance
- Active capital deployment
- Optimised balance sheet
- Value creation for shareholders

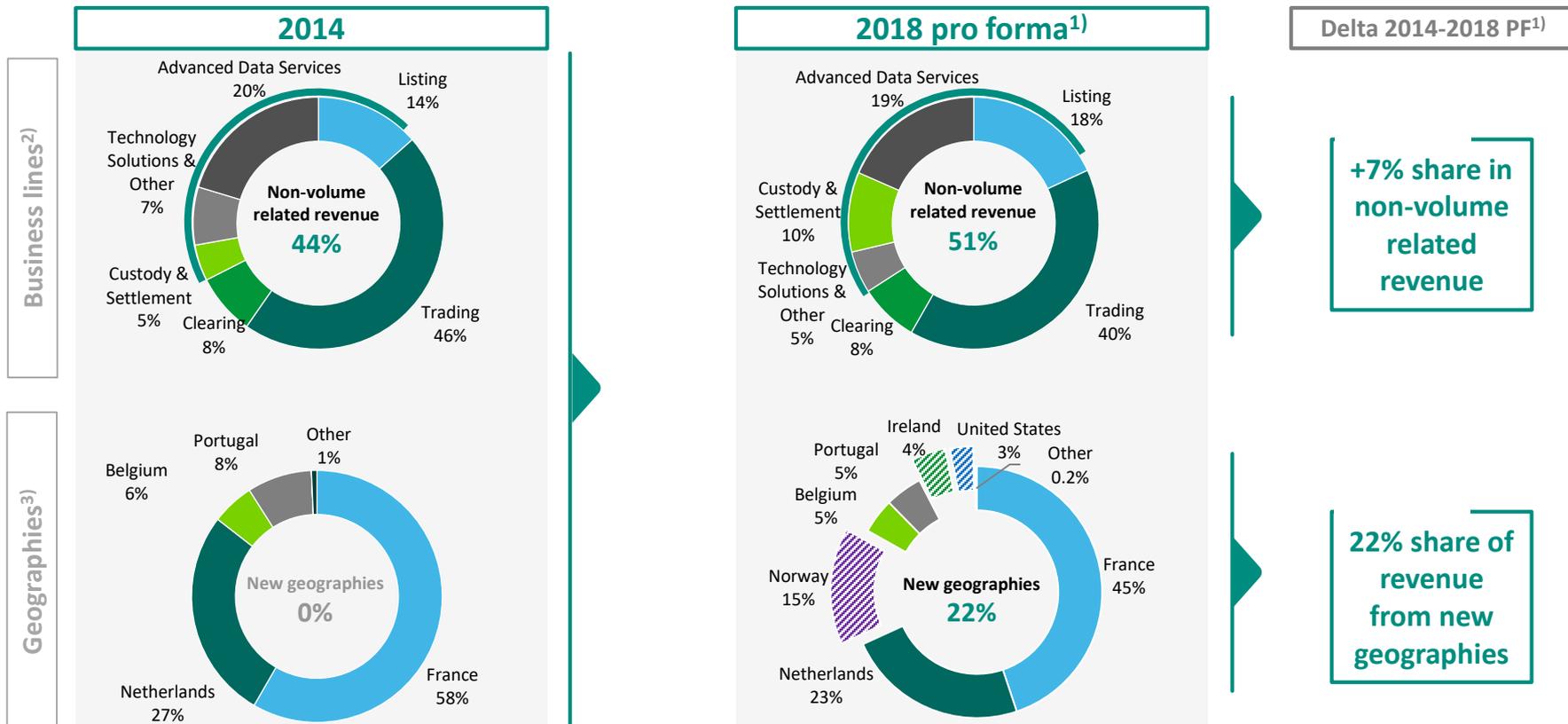
**7 local markets,**  
a multi-national  
team of 1,000+  
people in  
**16 countries**

**#1 listing venue**  
in Europe  
**#1 cash trading  
venue**  
in Europe

**€734  
million<sup>1)</sup>**  
revenue in 2018,  
**57%**  
EBITDA margin<sup>2)</sup>



## SINCE THE IPO, EURONEXT HAS DIVERSIFIED ITS BUSINESS PROFILE



## POWERING CAPITAL MARKETS TO FINANCE THE REAL ECONOMY



### ▪ Largest equity listing franchise in Europe:

- Issuers ranging from local SMEs to global large capitalisation, including family owned business
- Strong sectorial expertise including tech, oil & gas, luxury, automotive, fish and shipping industries
- Dedicated approach for each issuer profile, including post-listing advisory

>€4,000bn  
Market  
Capitalisation



### ▪ Largest corporate debt listing venue globally

- Extended debt listing offering with the acquisition of Euronext Dublin
- Local expertise attracting global clients

>40,000  
listed bonds



### ▪ Leading European marketplace in agricultural products

- Global and European benchmarks for Milling Wheat, Rapeseed and Corn
- Developing value added products and services for producers, exporters, trading houses, refiners, processors and manufacturers

4x EU milling  
wheat  
production  
traded



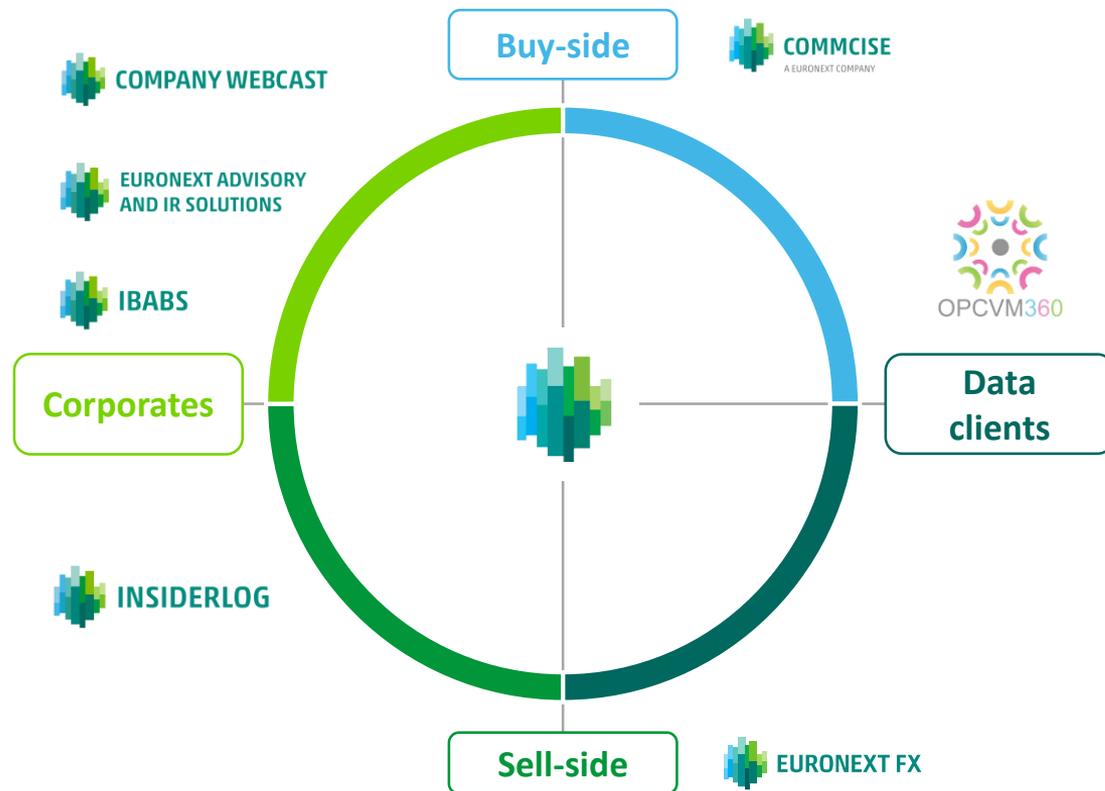
### ▪ Leading global exchange for price hedging of fish and seafood products Fish Pool

- Providing hedging tools allowing producers to invest in operational activities in a longer time perspective
- More than 200 registered trade members: fish farmers, exporters, VAP segment and financial investors

>€250m  
open position  
in salmon

## INVESTING IN FAST-GROWING REVENUE SERVICES AND NEW ASSET CLASSES

- Build a complete **service suite offering to meet clients** demand stemming from regulation (MiFID II, MAR,...)
- **Improve business mix** thanks to high-growth non-volume related revenues
- Increased client **reach** and **cross selling** among countries and businesses
- **Further expansion** opportunity through bolt-on acquisitions to better serve clients
- Expansion to new asset classes with **Euronext FX**
- **Autonomy within a common framework** for acquired companies
- More than €37 million additional revenue in 2018



## WELCOMING EURONEXT DUBLIN

### THE LEADING GLOBAL VENUE FOR DEBT AND FUNDS LISTINGS

- **Strengthening of Euronext's profile** with highly complementary and leading activities in debt, funds and ETFs listings
- Enhancing Euronext's **post-Brexit strategic positioning** as an open international venue
- **Irish capital markets participants now accessing the largest single liquidity pool in Europe**
- Expanding Euronext Green bond franchise
- Expanding service offering and supports for domestic equity market

#### *Improve the revenue mix*

# 89%

non-volume  
revenue in 2018

#### *Benefit from local excellence*

- **Strong debt and funds listing franchise: #1** listing centre globally for debt and funds listings

#### *Benefit from the roll-out of Euronext tools and technology*

- Successful migration to **Optiq®** trading platform
- Streamlining of the organisation with **€7.5m** of synergies achieved (vs. €6.0m at the time of the acquisition)
- Improved local markets with 3 new liquidity providers and 23 new trading members



## WELCOMING OSLO BØRS VPS

### EXPANDING THE SECTOR FRANCHISE AND WELCOMING A SECOND CSD TO THE GROUP

- Oslo Børs VPS as Euronext's development hub and launchpad for expansion in the Nordics
- 48% of Oslo Børs VPS revenue generated by non-volume driven post trade revenue**
- Norwegian financial ecosystem to benefit from Optiq® trading platform and access to the deepest liquidity pool in Europe

#### *Improve the revenue mix*

# 83%

non-volume  
revenue in 2018

#### *Benefit from local excellences*

- Global leading position in **Energy, Shipping** and **Seafood**

#### *Benefit from the roll-out of Euronext tools and technology*

- Leading Central Securities Depository, **VPS**
- Broader range of **services** for Norwegian SMEs and large companies



## DEVELOPING OPTIQ<sup>®</sup>, THE NEW GENERATION TRADING PLATFORM

### Premium level performance

- Leverage state-of-the-art technology to ensure reliability, enhanced throughput and predictable latency

### Increased stability

- Enhanced efficiency and performance through improved connectivity and protocols, and optimised messaging model

### Flexibility

- Provide customers with a simplified and flexible system allowing better time-to-market to deliver new initiatives and implement customers' requests

### Enhancing Euronext markets for its clients and partners

- Trading Members on Euronext Cash and Derivatives markets
- Technology providers offering software and access to Euronext markets
- Data vendors and clients consuming Euronext Market data
- Successful migration of Euronext Dublin market to Optiq<sup>®</sup>

Scalable platform for further expansion

15 $\mu$ s

Latency, compared to  
132 $\mu$ s on UTP

99.99%

Stability on equities

Unlimited  
scalability

Asset-classes agnostic

### Migration timeline

- July 2017: migration from XDP to Market Data Gateway
- April – June 2018: Euronext Cash markets on Optiq<sup>®</sup>
- February 2019: Euronext Dublin on Optiq<sup>®</sup>
- End of 2019 – Euronext Derivatives markets on Optiq<sup>®</sup>

## STRENGTHENING HUMAN CAPITAL

### LEVERAGING OUR FEDERAL MODEL

- 1 Stronger **talent** pool fit for the future
- 2 Culture of **accountability** & client centricity
- 3 **Distributed** Centres of Excellence
- 4 Proven **scalable** model for integrations
- 5 Lean & **agile** organisation

SEAMLESS  
MOVE FROM  
600+ TO **1000+**  
**EMPLOYEES**

**20+**  
**NATIONALITIES**  
IN 16  
COUNTRIES

**150+**  
PROMOTIONS  
& MOBILITY  
SINCE 2016

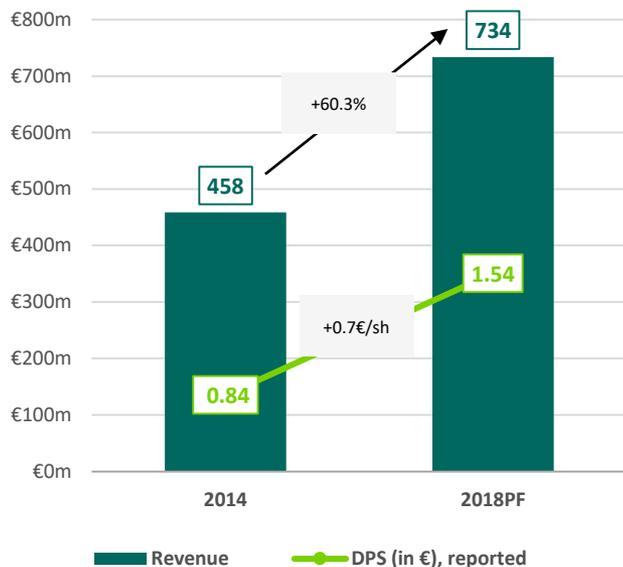
HIGH  
RETENTION  
WITH **6.1%**  
**TURNOVER** IN  
2018



# EURONEXT DELIVERED STRONG REVENUE GROWTH SINCE IPO

## STRENGTHENED MARKET SHARE, IMPROVED REVENUE CAPTURE AND ACQUISITIONS

### Revenue and dividend per share since IPO



### Strengthened trading market share and revenue capture

- Superior cash market quality to competitors with 83% average presence at EBBO provided for blue-chips in 2018, of which 63% setting the EBBO
- Cash market share >60% and yield >0.50bps
- Dedicated models adapted to each trading member's needs providing value added services and innovative products (Omega, Best of Book)

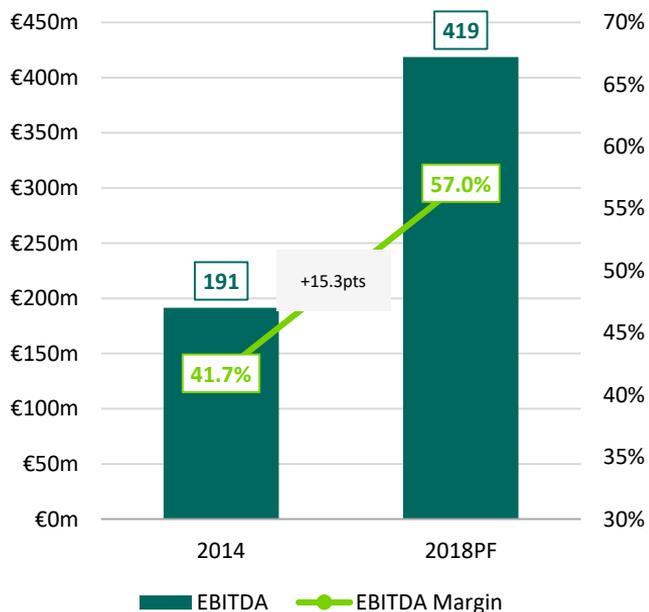
### Incremental revenue from acquisitions

- Diversification in new asset classes
- Expansion of the federal model and geographic footprint
- Creation of a complete services offering, increasing share of non-volume related revenue

# EURONEXT GENERATED A STRONG EBITDA GROWTH

## CONTINUED FOCUS ON COST DISCIPLINE AND OPERATIONAL EXCELLENCE

### EBITDA and margin since IPO



### Infrastructure optimisation

- Continuous efforts to improve assets utilisation
- Rationalisation of number of sites and set-up of IT team in Porto (effective near-shore centre)

### Streamlining the organisation

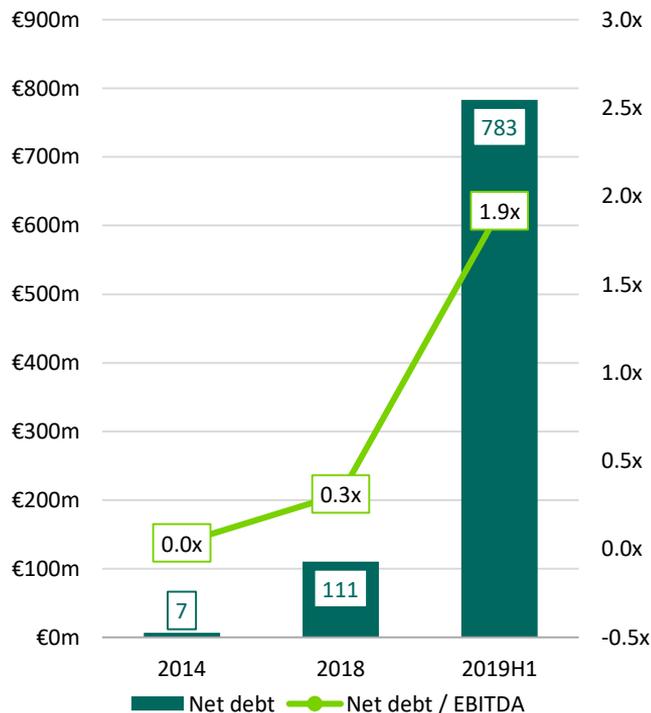
- Reduction of the footprint in the Basildon data centre further to the deployment of the new trading platform
- Continuous effort to reinforce the culture of efficiency, with €22m of cost savings from 2016 to 2018

### Streamlining acquisitions

- Extracting synergies from acquisitions (€7.5m run-rate cost synergies from Euronext Dublin)
- Improving operational leverage

## EURONEXT HAS OPTIMISED ITS BALANCE SHEET AND FINANCIAL FLEXIBILITY

### Net debt and net leverage since IPO



#### Objective:

- Securing long term financing while diversifying funding mix at competitive cost
- Reducing weighted average cost of capital
- Take advantage of the low yield environment

#### Securing flexibility through a new RCF generating €400 million additional available liquidity

- Expanded investors base: >220 new debt investors

**S&P Global**  
Ratings

**A- note, A- (outlook stable)**

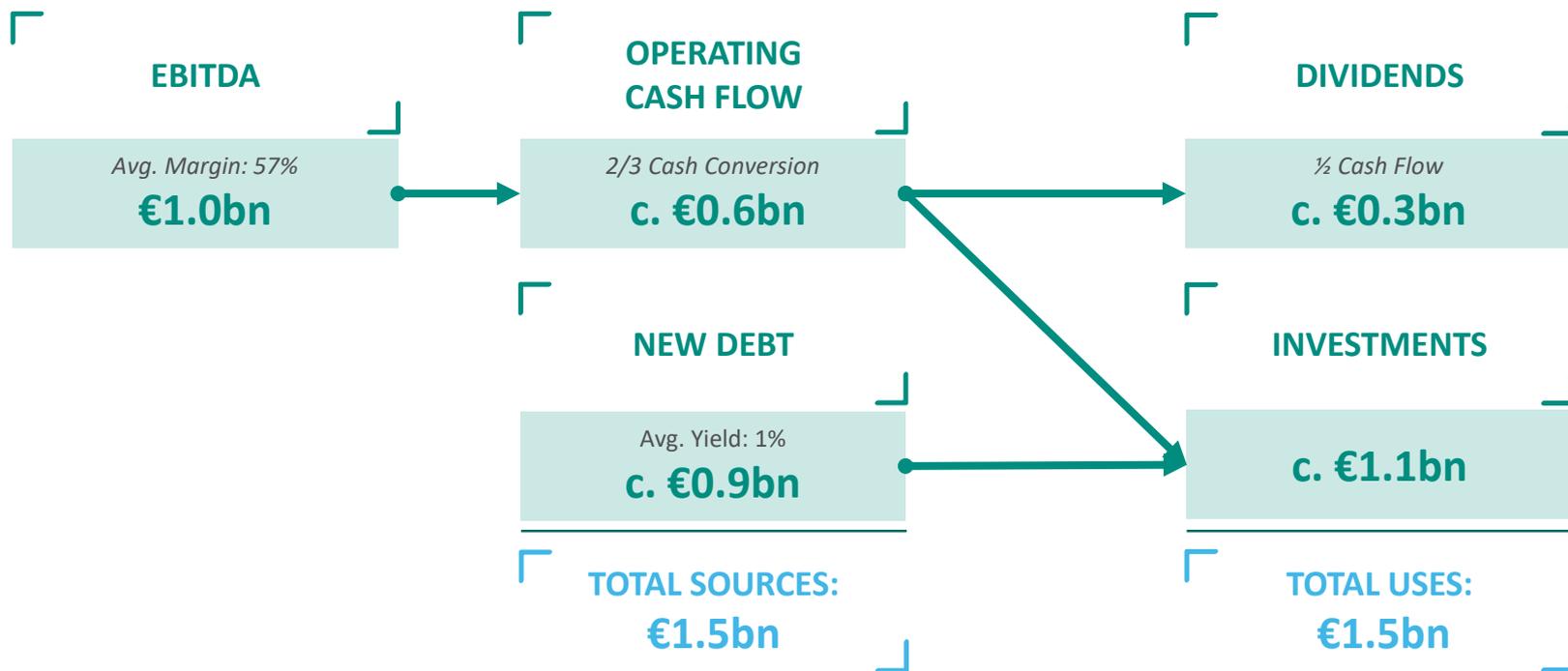
*Inaugural bond*  
**€500 million, 7 years**

- maturing on 18 April 2025
- Coupon: 1%,  
Re-offer Yield: 1.047%
- Oversubscribed 4 times

*Second bond*  
**€500 million, 10 years**

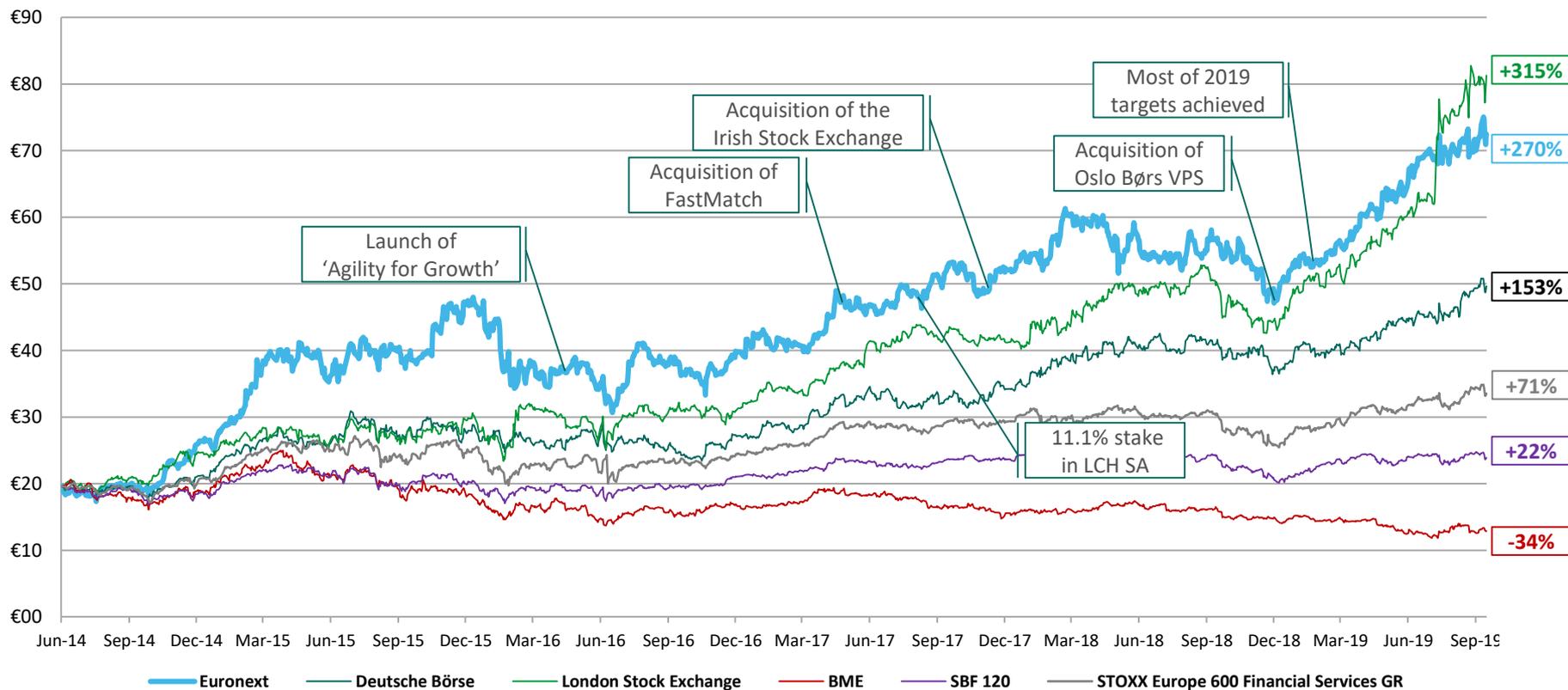
- maturing on 12 June 2029
- Coupon: 1.125%,  
Re-offer Yield: 1.219%
- Oversubscribed 6 times

## EURONEXT HAS DEPLOYED €1.5BN IN THE LAST THREE YEARS<sup>1)</sup>



- Strong cash flow generation and leverage have been used to fund €0.3bn of dividends and €1.1bn of investment for growth and diversification

## EURONEXT'S SHARE PRICE INCREASED BY +270% SINCE IPO





# EURONEXT'S 2022 STRATEGIC AMBITIONS

## BUILD THE LEADING PAN-EUROPEAN MARKET INFRASTRUCTURE

STÉPHANE BOUJNAH  
CEO AND CHAIRMAN OF THE MANAGING BOARD



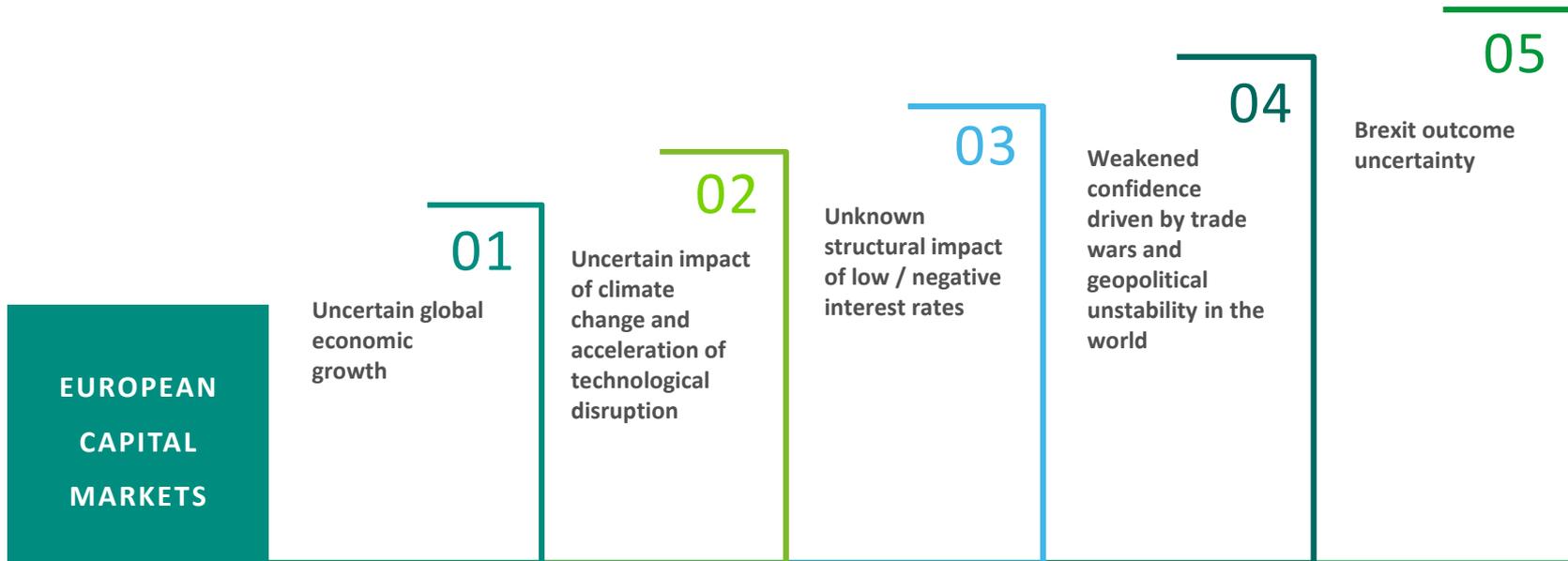
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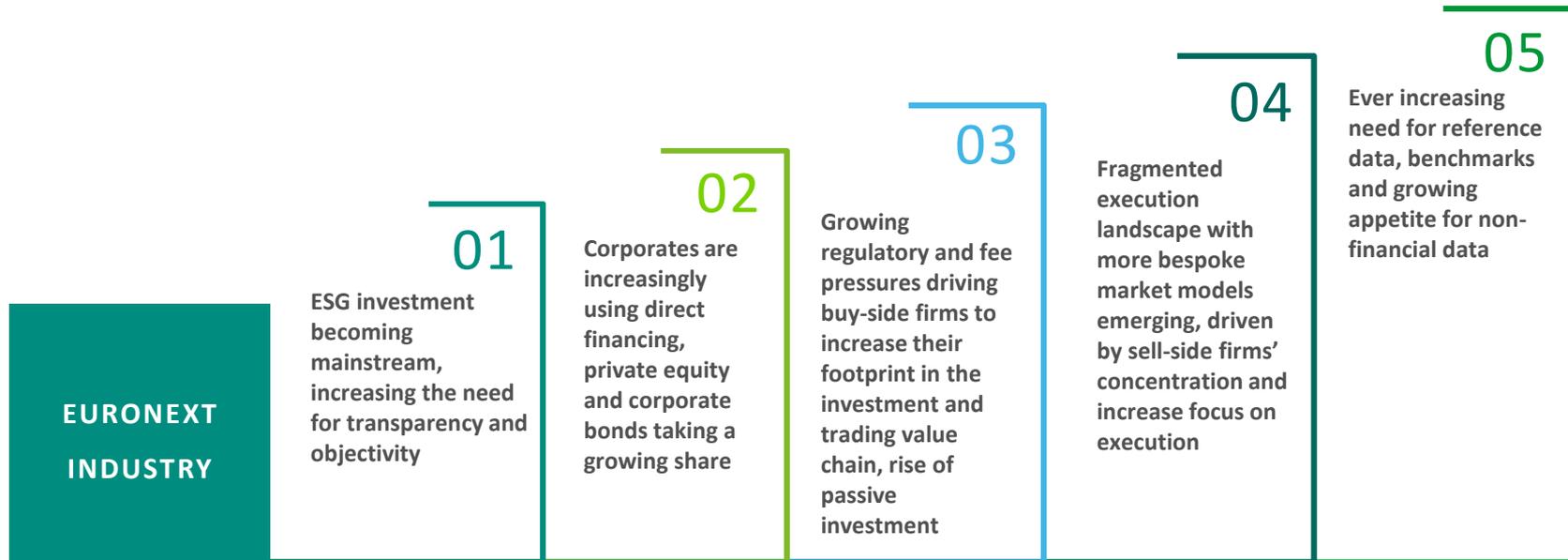
## EURONEXT'S ASSETS TO ADDRESS A CHANGING LANDSCAPE

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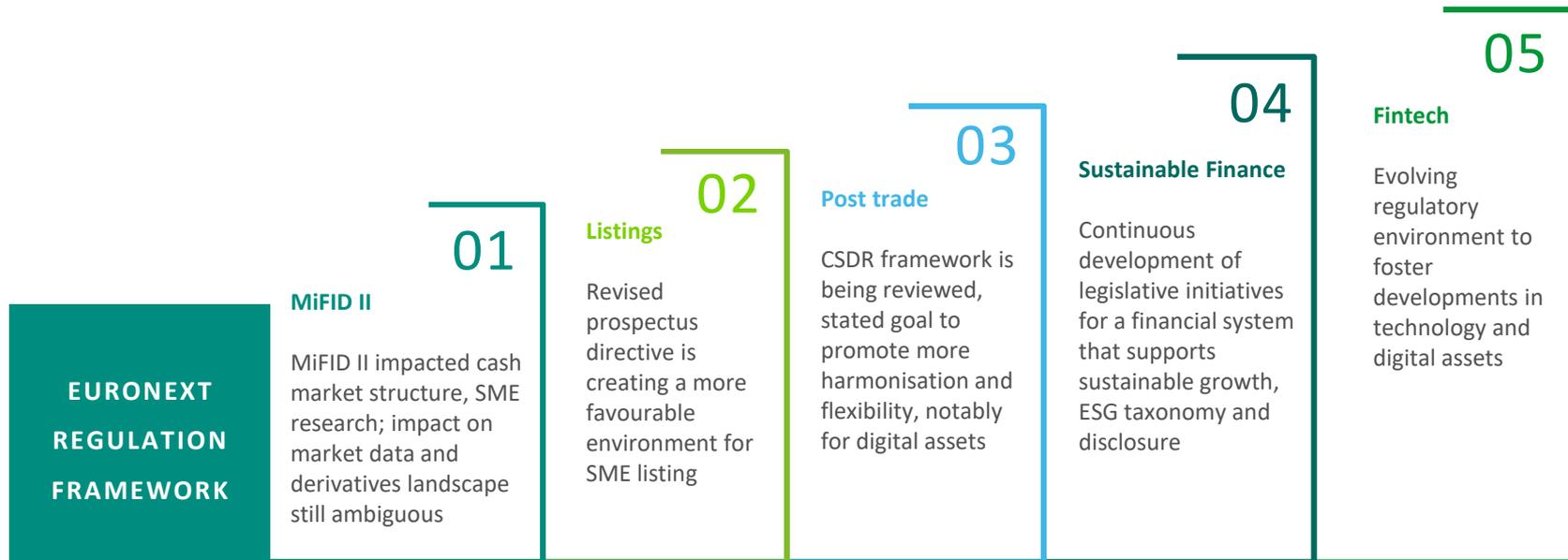
## EUROPEAN CAPITAL MARKETS ARE FACING CHALLENGES



## DEEP INDUSTRY TRENDS ARE RESHAPING EURONEXT'S OPERATING ENVIRONMENT



## THE REGULATORY FRAMEWORK IS CONSTANTLY EVOLVING



# LEVERAGING EURONEXT'S UNIQUE FEDERAL MODEL, CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE



- **Simplicity of access to European markets:** single pool of liquidity, single best-in-class trading platform, single rule-book, single regulatory framework
- **Proximity to local clients** and best positioned to meet their needs
- **Diversity of flows:** global mega-flows meet local and retail flows from 7 countries
- **Strong links with local regulators** and efficient dialogue and coordination with the College of Regulators
- **Ability to attract single-country exchanges** to join the federal model thanks to decentralised model and **strong integration track record**
- **Large investor customer base**, especially in Europe, from generalists to specialists, with a strong focus on ESG
- **7 local markets**, each with a group-wide responsibility
- **Attractive workplace** with local and global career opportunities

## BUILDING ON STRONG ASSETS TO DELIVER FUTURE GROWTH

- 1 Cutting-edge proprietary technology platform Optiq®
  - 2 Strong listing franchise with sectorial expertise, local footprint and leading global position
  - 3 Strong national and ESG indices
  - 4 Comprehensive suite of Corporate and Investors Services
  - 5 Expertise in liquidity and yield management to remain the reference market with the deepest liquidity pool
  - 6 Culture of efficiency
  - 7 Agile capital deployment, flexibility
- Premium level performance, increased stability and scalability
  - #1 listing venue in Europe, #1 exchange for SMEs in Europe, #1 venue globally for debt and funds listings
  - Home of the CAC 40, AEX-Index, BEL 20, PSI 20, ISEQ 20 and Low Carbon 100 Europe
  - Governance, communication, compliance, advisory & investors relation solutions
  - Largest liquidity pool as #1 cash trading venue in Europe
  - Lean organisation and continuous efforts to improve assets utilisation
  - €1 billion capital deployed supported by long-term financing



## EURONEXT'S 2022 STRATEGIC AMBITIONS

*LET'S GROW TOGETHER 2022*

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**EURONEXT**

## Our ambition

**Build the leading pan-European market infrastructure**

## Our mission

**Connect local economies to global capital markets,  
to accelerate innovation and sustainable growth**



**EURONEXT**



**Let's Grow  
Together  
2022**



## LET'S GROW TOGETHER 2022: EURONEXT STRATEGIC PLAN TO FULFILL ITS AMBITION

DIVERSIFY LOCAL AND  
GLOBAL INFRASTRUCTURES

ENHANCE CLIENT  
CONNECTIVITY

DELIVER OPERATIONAL  
EXCELLENCE

EMPOWER PEOPLE TO  
GROW, PERFORM AND  
INNOVATE

ENABLE SUSTAINABLE  
FINANCE

EXECUTE VALUE-CREATIVE  
M&A PROGRAMME

**BUILD THE LEADING PAN-EUROPEAN MARKET INFRASTRUCTURE**

# INNOVATION IS AT THE HEART OF EURONEXT'S 2022 STRATEGY

1

## Empower all staff to innovate

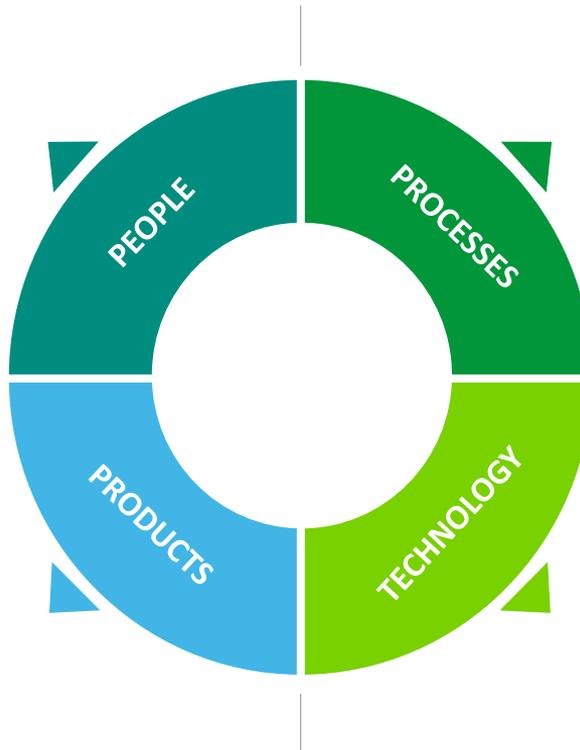
leveraging innovative methodologies such as design thinking and sharing know-how across the whole group, including key learnings from recently acquired companies

**Deepen co-operation with clients,** consistently with the Client Centricity Programme

4

Accelerate business innovation, leveraging latest technologies

- **Tokenisation** to capture alternative financing opportunities
- **Bespoke trading models** leveraging new data approach
- **Artificial intelligence** to address new data needs and opportunities



2

**Leverage digitalisation** for operational innovation, enhanced client experience and deeper client relationships and analytics

3

Further enrich Euronext's core technology capabilities:

- Continue building modular layers on top of Optiq® core central order book
- Further deployment of **cloud**
- Fully functional **distributed ledger technology stack**

## ACCELERATING THE TRANSITION TOWARDS SUSTAINABLE FINANCE

*“Euronext has a key position in the financial ecosystem. It serves the real economy by bringing together buyers and sellers in high integrity trading venues that are transparent, efficient and reliable. In this key role, Euronext has a responsibility vis-à-vis the whole finance community to contribute to the financial stability and the sustainable agenda in the countries in which it operates”*

**Driving investment in innovative, sustainable products and services** through secure and transparent markets, in continuous dialogue between the players of the financial community

**Inspiring and promoting sustainable tangible practices** within the company and towards our communities, by respecting and developing our people and by supporting our ecosystem

### 5 impact areas



Market



Environment



People



Partners



Society

# EURONEXT'S NEW STRATEGIC PLAN WILL DELIVER ON SUSTAINABLE DEVELOPMENT GOALS



- Organise a trusted, fair, transparent and efficient market, thereby enhancing access to capital
- Promote and develop sustainable and innovative products

- Reduce our own carbon footprint and contribute to the protection of the environment

- Develop skills and retain talents in an open culture of dialogue
- Promote diversity
- Respect human rights and local labour laws

- Foster "Issuer-Investor" dialogue
- Maintain an ongoing dialogue with multi-stakeholder partnerships
- Educate partners on financial literacy and regulations
- Leverage on Oslo Børs expertise

- Act ethically, with integrity and the highest standards in terms of good governance
- Educate and engage with local communities

**Euronext Green Bond section**, Cleantech franchise and ESG ETF suite  
Expand our suite of ESG indices in partnership with specialised provider

Enhance **Euronext's ESG reporting** on agreed material issues on the basis of GRI standards  
Group wide carbon footprint analysis

Continue implementation of **diversity action plan**  
Improved **performance & development cycle**

**Publish dedicated material** to help issuers with their ESG obligations

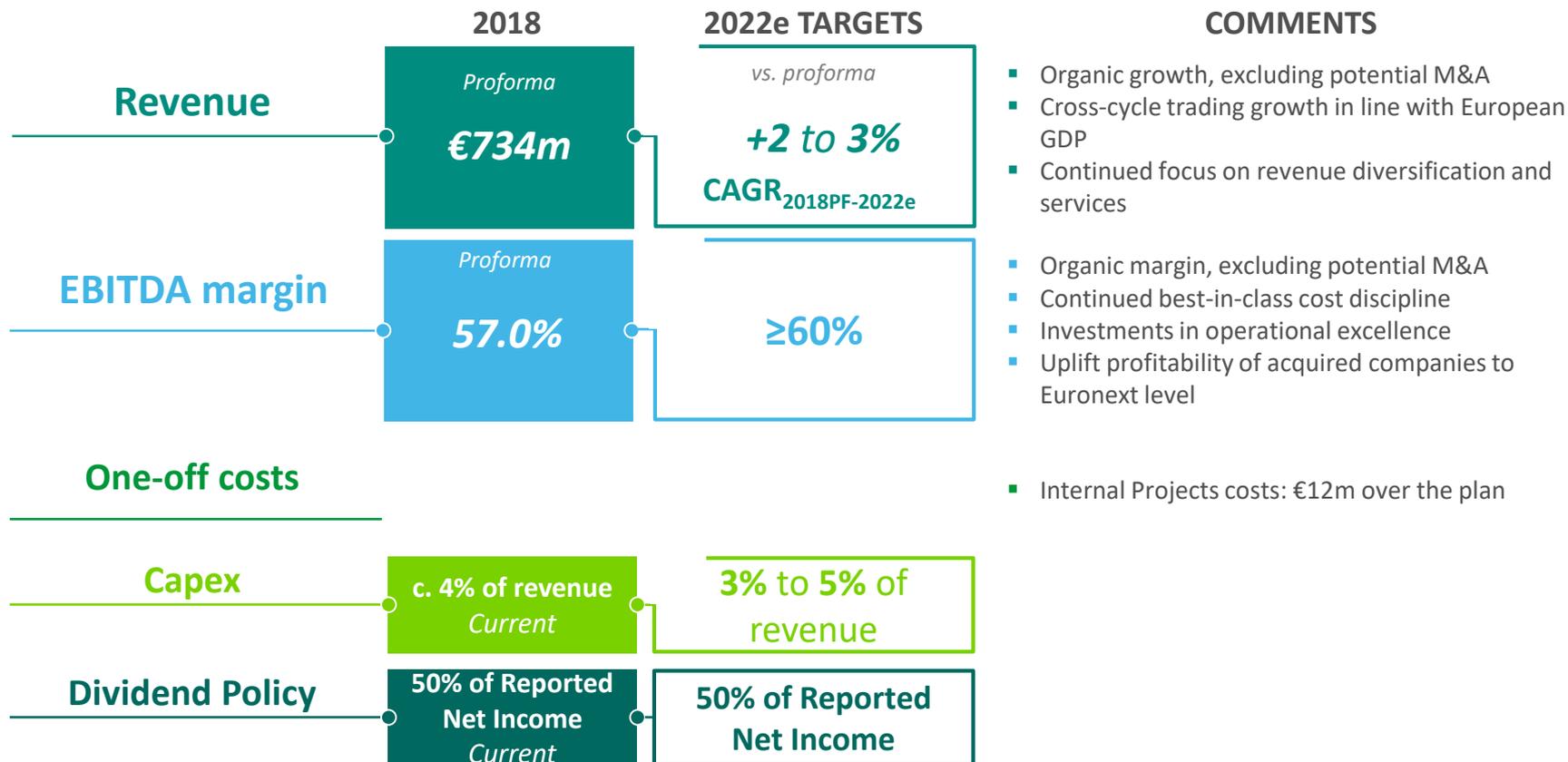
Define common goals and motto for **community actions and employee engagement**



## 2022 FINANCIAL TARGETS



## 2022 FINANCIAL TARGETS REFLECT EURONEXT GROWTH AMBITIONS





# EURONEXT'S BUSINESS AMBITIONS AND TRANSFORMATION

## EURONEXT'S BUSINESS AMBITIONS

1. Listing: equity, corporate services and debt
2. Trading: cash, derivatives and FX
3. Advanced Data Services
4. Post trade: Clearing, CSD and services
5. Euronext Technology Solutions

# LISTING: EQUITY, CORPORATE SERVICES AND DEBT

ANTHONY ATTIA

GLOBAL HEAD OF LISTING AND POST TRADE



## EURONEXT'S LISTING ACTIVITY TODAY: DRIVEN BY MONEY RAISED, NEW SERVICES AND FRANCHISE EXPANSION

### Listing revenue (€m)



- Successful positioning of Euronext as a **major listing venue** in Europe and a recognised expertise in **Tech and SMEs**
- Increased **intensity of secondary issuances**
- **Improved international attractiveness** of Euronext listing value proposition
- Diversification by building up a **suite of Corporate Services** to meet corporates' needs for innovative solutions
- **Geographical expansion** and strengthening of the debt, funds and ETFs listing franchise with Euronext Dublin and Oslo Børs VPS

**€1,044bn**

TOTAL MONEY  
RAISED IN 2018

**41,700**

EQUITY AND  
DEBT SECURITIES  
LISTED

**2,500+**

CLIENTS OF  
CORPORATE  
SERVICES

## A STRENGTHENED AND DIVERSIFIED EQUITY LISTING FRANCHISE

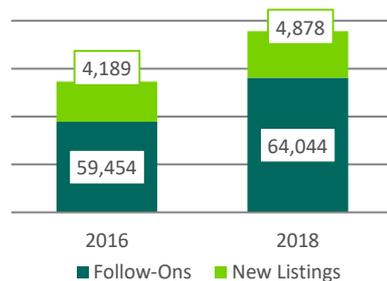
**LARGEST  
MARKET  
CAPITALISATION  
IN EUROPE**

**2<sup>nd</sup> LARGEST  
ISSUERS POOL  
IN EUROPE**

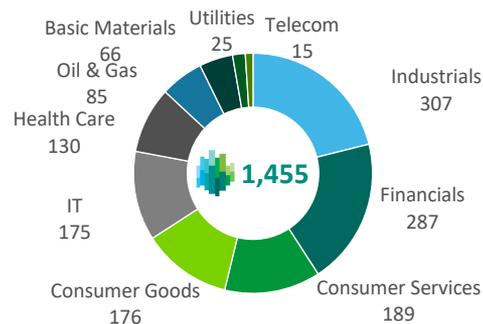
**€204bn  
RAISED IN  
EQUITY SINCE  
2016**

- Diversified equity listing offering matching all issuers needs from **SMEs to international large caps**
- **Several market models** matching issuers' liquidity requirements
- Successful roll-out of Euronext pre-IPO programmes covering **9 countries**:
  - TechShare
  - IPO Ready
  - FamilyShare

**Equity money raised (€m)**



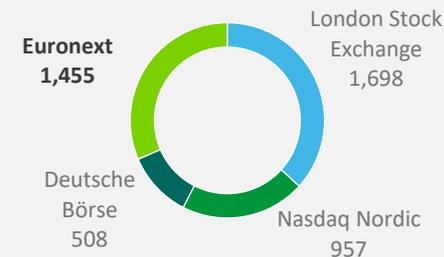
**Euronext equity issuers sectors  
(as of 31 July 2019)**



**Total capitalization  
(as of 31 July 2019, in €bn)**



**Number of issuers  
(as of 31 July 2019)**



## A STRONG PLATFORM FOR TECH OFFERING IN NEW MARKETS

### THE LEADING EUROPEAN PLATFORM FOR TECH COMPANIES

- Since 2014, more than **140 Tech** companies have gone public on Euronext markets
- 5<sup>th</sup> edition of the pre-IPO programme **TechShare** onboarding 132 companies in 2019, from 9 European countries
- Expansion to high potential European countries outside of Euronext markets to assist Tech companies raising capital
- Over the first half of 2019, non-domestic European Tech companies represented 40% of total listings on Euronext



#1

European listing venue for Tech companies

4

Offices opened in non-Euronext countries

485

Listed Tech companies on Euronext markets

## 2019-2022: ACCELERATE THE GROWTH OF ISSUERS BY LEVERAGING STRONG SECTORIAL EXPERTISE AND INNOVATION

### Assumptions

- Challenging macro environment combined with systematic dual-track
- Private equity development, both competing with and fuelling ECM activity
- Uncertain impact of Brexit favouring Europe venues
- Strengthened and extended sectorial expertise
- Expected SME-friendly regulatory framework (from SME prospectus to Capital Markets Union II)
- Exchanges becoming key actors in financial education for prospects and issuers
- Alternative financing sources increasingly growing with various types of assets relying on blockchain technology

### Euronext's 2022 value proposition

1

**Bridge the gap between public and private markets to ensure proper channelling towards IPO**

2

**Leverage on leading sectorial franchises to attract international issuers**

3

**Continue European expansion for SMEs & Tech companies**

4

**Develop ESG educational materials for listed and non listed companies**

5

**Explore alternative financing trends to capture opportunities such as digital assets offering**

# EURONEXT CORPORATE SERVICES TODAY: GROWTH BOOSTED BY COMMERCIAL INTENSITY

## Corporate services revenue (€m)



2016 revenue accounts for 9 months of consolidation  
(from Q2 2016)

### Innovative solutions for corporate clients

- Governance
- Communication
- Compliance
- Investor Relations



IBABS



COMPANY WEBCAST



INSIDERLOG



EURONEXT ADVISORY  
AND IR SOLUTIONS

c.2,500

clients, including listed,  
private and government  
organizations working  
with Euronext

c.600

Listed companies as  
clients

c.150k

users of Euronext  
SaaS software

15

countries served

# 2019-2022: TAKING SUCCESS IN CORPORATE SERVICES TO THE NEXT LEVEL

## Assumptions

Increasing compliance and transparency requirements (MAR, MiFID II...) create opportunities to capture benefits of technology and secure processes in digital solutions

Growing issuer need for tailor-made advisory in their engagement with capital markets to improve shareholder dialogue, transparency and communication with all stakeholders

Continued demand for integrated and scalable services is key to address global client needs for efficiency in process streamlining and improve user experience

## Euronext's 2022 value proposition

1

### Accelerate organic growth on existing offers

2

### Develop new services and consolidate platform

- Launch an integrated web platform to consolidate technology products suite
- Develop new added value services to broaden services offering, including ESG

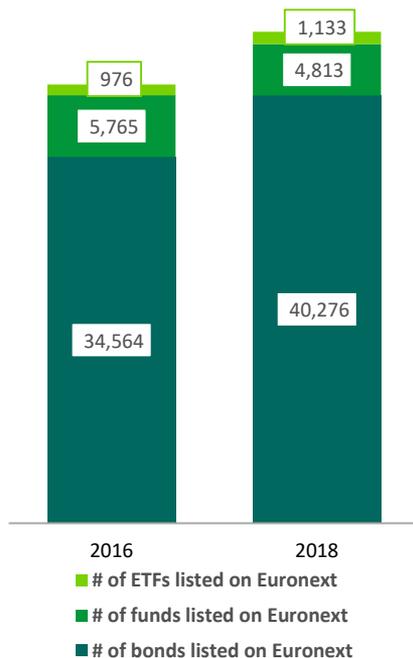
3

### Expand internationally and grow in all segments

- Tap new market segments and cross sell in listed companies, private sector and public organisations
- Expand international outreach to Nordics, Germany, Austria, Switzerland, UK and Ireland

## EURONEXT DEBT, FUND & ETF TODAY: THE #1 LISTING VENUE GLOBALLY WITH STRONG ETF PRESENCE

### Bonds, ETFs & Funds listed



### Money raised – Debt (€m)



#1

LISTING CENTRE  
GLOBALLY FOR DEBT  
AND FUNDS LISTINGS

40k+

BONDS LISTED

&gt;50%

MARKET SHARE ON  
NEW BONDS LISTINGS

#4

EUROPEAN VENUE FOR  
ETF TRADING

# 2019-2022: LEVERAGE GLOBAL POSITION TO DEVELOP ANCILLARY SERVICES

## Assumptions

### Euronext key selling points

- Choice of markets to suit all issuer and investor needs
- Issuer friendly processes and timelines to achieve market access
- Client centric, product expert teams
- Competitive fees

### Market trends

- Low / negative interest rate environment persists
- Continued cost pressures on asset management industry
- Growth in ETF issuance with increased prominence of RFQ venues

## Euronext's 2022 value proposition

### 1 Enhance Euronext bond offering

- Trading of Dublin listed bonds
- Launch new Euronext green bond section
- Complement listing with primary markets distribution via bolt-on acquisition

### 2

### Broaden Euronext's funds offering

- Launch trading services for Irish domiciled funds
- Expand funds offering through Centevo in Stockholm

### 3

### Strengthen Euronext's ETF offering & market position

- Launch of pan-European MTF to deliver a one-stop shop for trading ETFs

# TRADING: CASH, DERIVATIVES

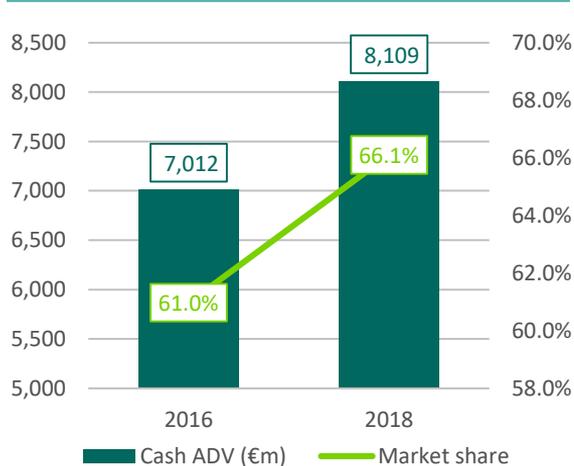
SIMON GALLAGHER  
HEAD OF CASH AND DERIVATIVES



## EURONEXT CASH TRADING TODAY: THE MARKET OF REFERENCE FOR LIT CASH EQUITY TRADING

Sustained market share and yield growth thanks to unique assets

### Cash equity ADV (€m)



### Cash trading revenue (€m)



- Largest liquidity pool in Europe, combining global and domestic flows
- Single order book with transparent cross-border trading of securities
- Harmonised rule book and optimised pricing structure

7

Local markets

5,000+

European, US and international investors

140+

Cash equity trading members

1,455

Listed companies

Optiq®

State-of-the-art proprietary technology

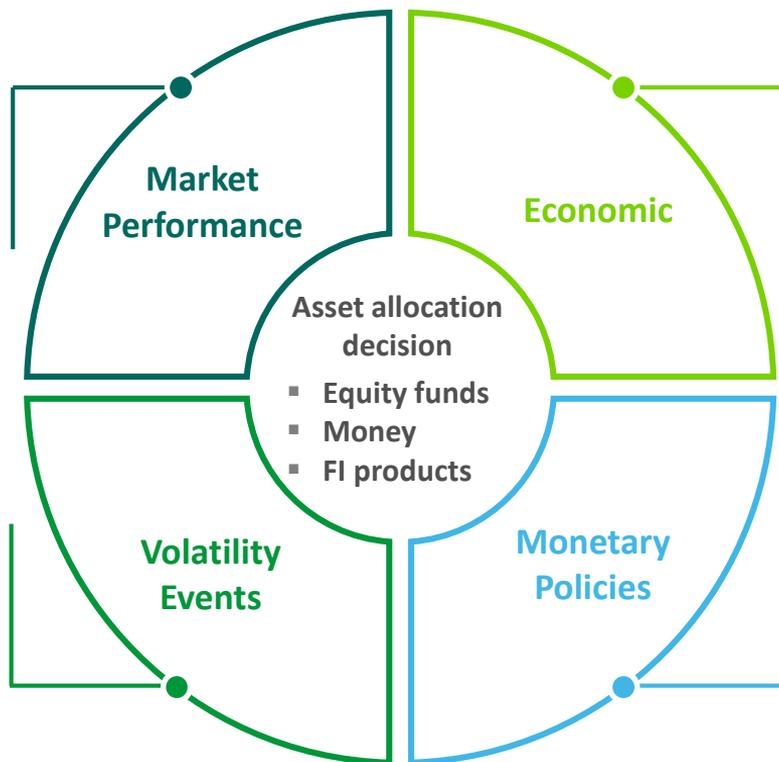
60%+

Market share on cash equity trading

## EURONEXT IS EQUIPPED TO EXTRACT VALUE AGAINST MIXED VOLUMES ENVIRONMENT

- Eurostoxx
  - CAC 40
- Solid performance

- Trade wars
  - Political tensions
- Short-term spikes have been absorbed but **uncertainty** remains



- Earnings growth
  - European GDP growth
- Perspective **flattening out, but positive**

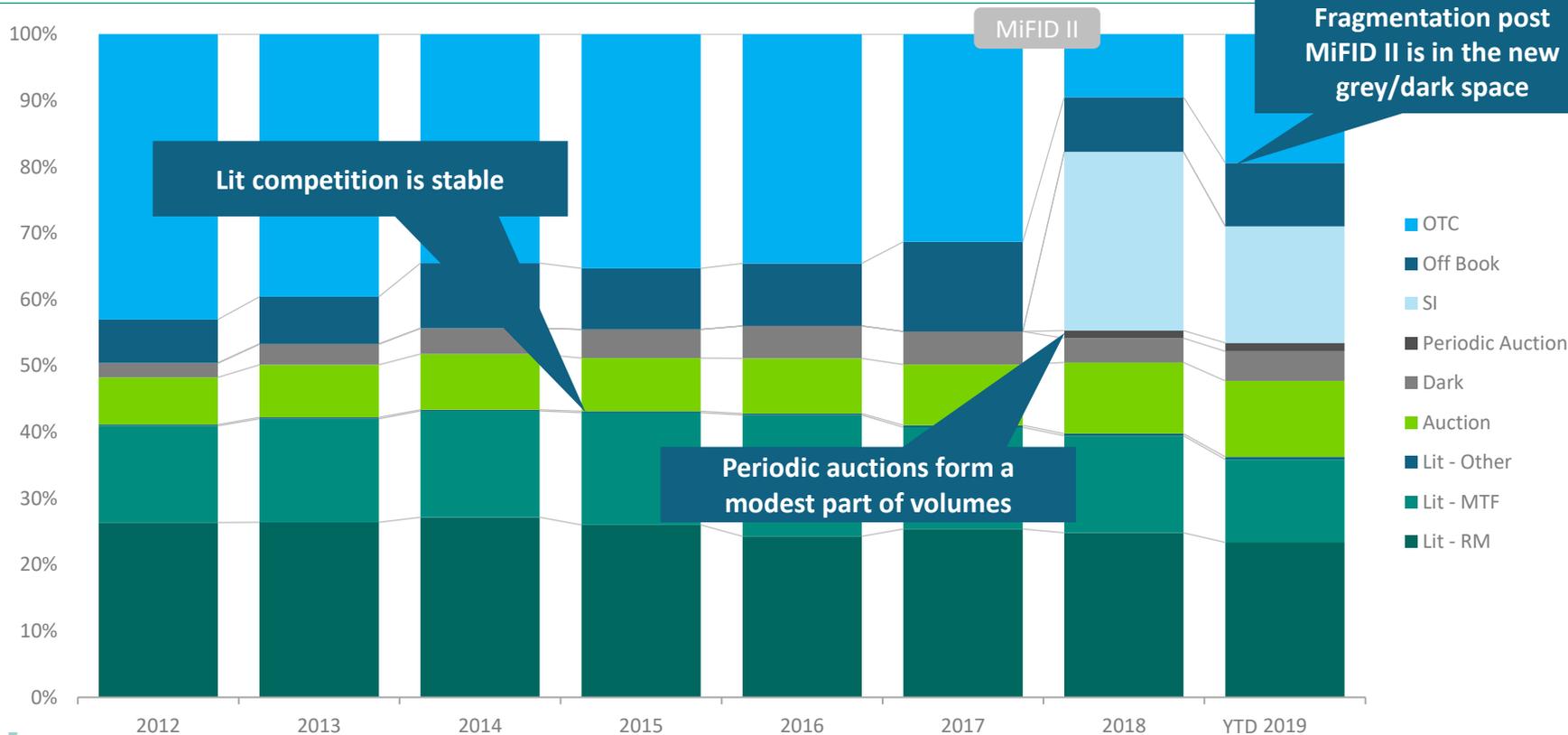
- Interest rates
  - QE policies
- Falling rates have a **positive** impact for equity

MARKET SHARE MANAGEMENT

YIELD MANAGEMENT

## LIT MARKET SHARE HAS STABILISED

### All pan-European volumes



# 2019-2022: EURONEXT WILL CONTINUE TO EXTRACT VALUE FROM ITS UNIQUE CASH MARKETS FRANCHISE

## Assumptions

Regulation expected to remain balanced between **central and national supervisors**

**Specific needs of local markets and Tier 2 brokers** to be addressed to continue the financing of the real economy

**Passive investment to continue to grow:** closing auction to become more important, less short term volatility, yet equities will remain relevant. Latency becomes less of a differentiator

**Contracting value chain:** hedge funds & asset managers to be closer to market infrastructures

## Euronext's 2022 value proposition

### 1 Federal model

- Prioritise 'natural' flow: retail and institutional
- Develop services for local brokers and buy sides in each of markets

### 2 Value chain

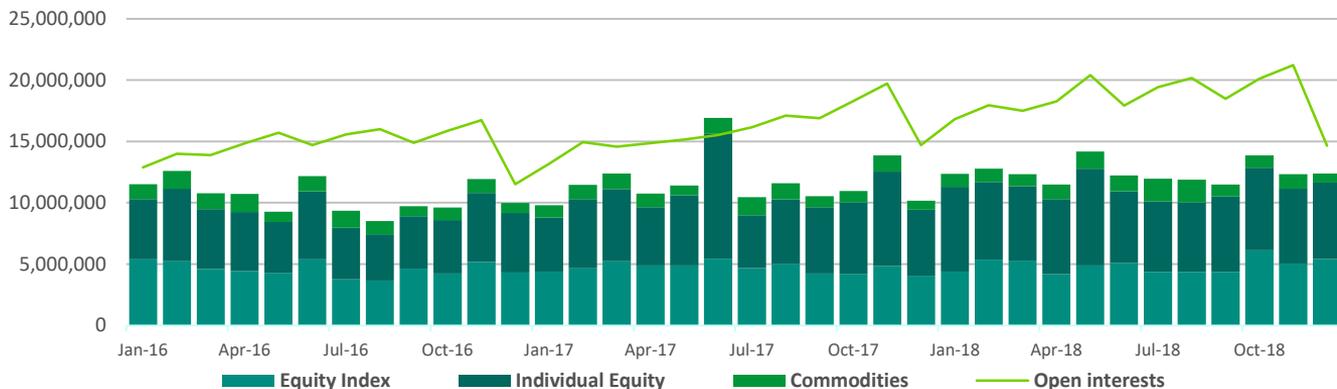
- Maximize touch points with buying centers
- Reach more end clients with tailored fee schemes and service offers
- Create alignment and partnership with global banks

### 3 Market models

- Euronext's core franchise to remain lit, including some traditional multilateral markets
- Study the extension to other models

# EURONEXT DERIVATIVES TODAY: A LEADING PAN-EUROPEAN TRADING VENUE

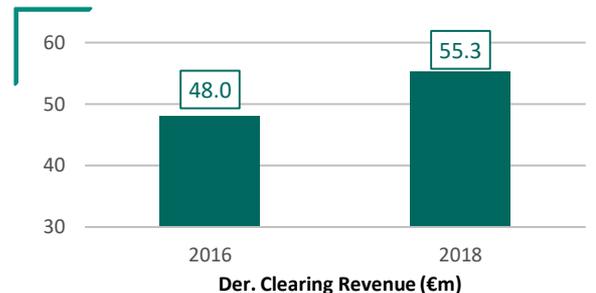
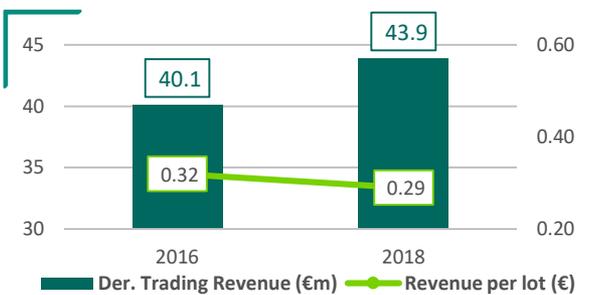
## Euronext derivatives volumes (lots)



**CAC 40® index futures** contract, the second most traded national index future in Europe

**€3.8 trillion** notional value of the derivatives traded on Euronext's derivatives markets in 2018

**Benchmark agricultural contracts** and leading agricultural commodity franchise in Europe



# 2019-2022: GROW THE FINANCIAL DERIVATIVES FRANCHISE TOWARDS DIVERSIFICATION AND PRICE OPTIMISATION

## Assumptions

### Clients

Continued consolidation of trading flow

### Market structure

Increased attractiveness of centrally cleared contracts, collateralisation and costs constraints

### Positioning

Extract further value from a strong franchise of local products

## Euronext's 2022 value proposition

### 1 Strengthen core franchise

- Improve client experience with Optiq® for Derivatives
- Optimize pricing for institutional clients to grow market share
- Increase markets attractiveness revamping market making schemes

### 2 Diversify offering

- Continue pan-European options to create a one-stop shop
- Grow products aiming at generating clearing efficiencies
- Secure retail flow with a competitive market structure

# TRADING: COMMODITIES, FOREX

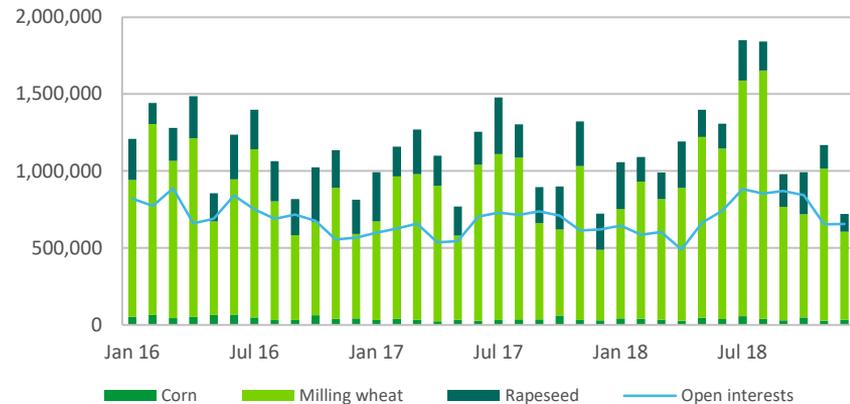
CHRIS TOPPLE  
HEAD OF GLOBAL SALES



## EURONEXT COMMODITIES TODAY: THE LEADING EUROPEAN MARKETPLACE IN AGRICULTURAL PRODUCTS

The source for global reference prices in European Agricultural contracts

### Agricultural commodities volumes (lots)



- **580 million tonnes** milling wheat equivalent traded in 2018
- **Over 4x EU milling wheat production** with an underlying value of c. **€109bn**
- **3 million tonnes** of wheat traded daily

### Building on a broad, sustainable customer base

- 'New client' programme for financial entities
- New delivery locations



# 2019-2022: BUILDING ON THE STRENGTH OF CORE COMMODITIES PRODUCT SET

## Assumptions

### Euronext competitive advantage

- Proven efficient trading and clearing commodities model
- Strong demand for core products

### Market developments

- Increase in electronic delivery platform
- Demand for agricultural cash settled contracts and new references
- Real estate price fluctuations generated interest for a future tracking m<sup>2</sup> index

## Euronext's 2022 value proposition

### 1 Focus on the core franchise

- Defend and grow the core franchise
- Trade finance, repos and location swaps to drive revenue uplift
- Allow for new products and extending delivery network

### 2 Innovation and diversification

- Development of cash settled products that enable faster listing and trading of higher number of desired price references
- First move out of Agriculture products with Paris Real Estate futures
- Integration of Oslo Børs commodity products

### 3 Intensify the client approach

- Marketing push to increase franchise visibility outside of traditional core customers
- Targeting new geographies (US, Northern / Eastern Europe)

# SPOT FX MARKET TODAY: NEW ENTRANTS AS EURONEXT FX DISPLACING TRADITIONAL PLAYERS

Continued shift to ECNs from direct platforms

Spot FX ADV (LHS - \$bn) and revenue (RHS - €m)

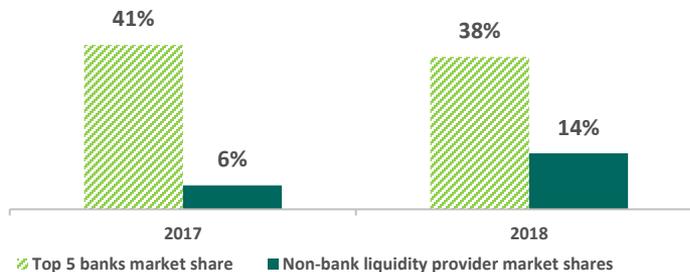


Euronext FX revenue consolidated for 4.6 months in 2017, ADV for the full year 2017



- **Competitive and comprehensive offering** with bespoke liquidity, unique range of order types and functionality
- **Broad and diverse client base**
- **Fastest FX ECN** with 4 matching engines globally thanks to **superior technology**

Shift from bank to non-bank liquidity in recent years



# #1

FX PURE SPOT VENUE GLOBALLY

# \$20bn

TRADED DAILY IN 2018

# €21.7m

REVENUES IN 2018

# 4

MATCHING ENGINES<sup>1)</sup>

# 2019-2022: DIVERSIFY EURONEXT FX PRODUCT SUITE AND CLIENT FRANCHISE

## Assumptions

### Spot FX Electronification

- Continued shift to ECNs from direct platforms within the spot e-FX space

### Products & Markets

- Growth in electronification of FX derivatives trading where trading volumes less impacted by volatility
- Singapore becoming the e-FX trading hub in Asia
- Growing request for data

## Euronext's 2022 value proposition

### 1 *Diversification opportunities*

- Launch derivatives products
- Go-live for Singapore matching engine
- Expand market data offering
- Capitalise on leading technology solution

### 2 *Continued consolidation of core FX trading platform*

- Accelerate growth in client acquisition
- Client base diversification with increased participation from buy-side, broker-dealers and regional banks

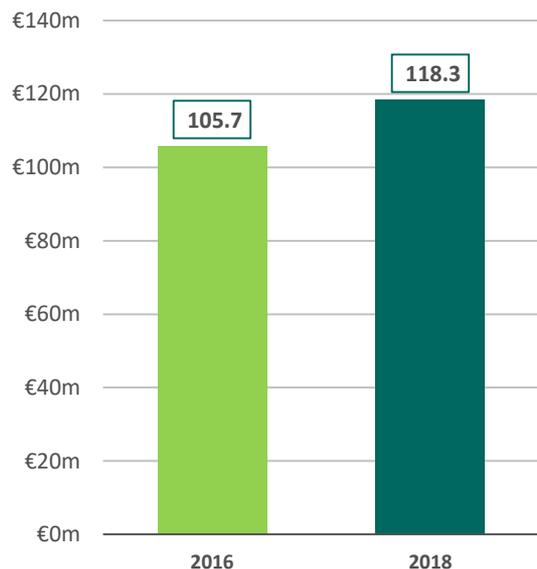
# ADVANCED DATA SERVICES

CHRIS TOPPLE  
HEAD OF GLOBAL SALES



## ADVANCED DATA SERVICES TODAY: A WIDE RANGE OF DATA PRODUCTS AND A LEADING INDEX FRANCHISE TO THE GLOBAL INVESTMENT COMMUNITY

### Advanced Data Services Revenue (€m)



- **Double digit growth the last couple of years of the index revenue** led by indices for structured products and ESG indices
- **Successful integration in 2018 of Euronext Dublin** market data products
- **Adaptation of market data to the regulatory standards** with limited impact on revenue

**126k+**

SCREENS IN OVER 117 COUNTRIES

**440+**

DATA VENDORS REDISTRIBUTING DATA

**83**

FAMILY OF INDICES

**€7.5  
bn**

ETF AUM ON EURONEXT INDICES

## 2019-2022: CAPTURE VALUE FROM MARKET DATA

### Assumptions

- Growing customer appetite for data and capacity to handle more complex data and analytics
- Technology shift: Cloud provides unlimited power, data scientist tools increasing innovation speed
- Shift in value captured from market data, with automation of trading, decline of display users
- Continuous regulatory scrutiny, following MiFID II implementation, e.g. consolidated tape, reasonable commercial basis

### Euronext unique selling points

- The core reference price for c. 1,300 stocks, c. 500 indices
- Unique depth of order book data on those securities
- Golden copy of corporate actions
- Low latency market data distribution layer
- Industry leading tools for exchange market data management

### Euronext's 2022 value proposition

- 1 ▪ **Continue investment to deliver low latency market data feeds**
- 2 ▪ **Ease customer burden to comply with rules**
- 3 ▪ **Continue development of analytic products based on proprietary data**

# 2019-2022: BUILD A GROWING, AGILE AND COST-EFFECTIVE INDEX PROVIDER

## Assumptions

- Globalisation of indices
- ESG becoming mainstream
- Continued pressure on fees
- Increasing value in customisation, creativity and seamless product creation
- Acceleration of futurisation of indices

## Euronext recent successes

- 2 of top 5 European underlying indices for structured products are Euronext indices
- Futures on CAC 40 as the 2<sup>nd</sup> most traded Future on national indices in Europe YTD, AEX is 4<sup>th</sup>
- Strong presence in ESG indices, BNPP ETF on European Low Carbon 100 index is #1 ESG ETF in Europe by AuM
- Strong ecosystem of ESG and alternative data partners to develop innovative solutions with clients

## Euronext's 2022 value proposition

1

- Expand geographical scope to provide Benchmark Regulation (BMR) compliant investable products to European and global clients

2

- Accelerate the development of ESG based indices

3

- Further enhance technology to gain scale, agility and reach new type of clients

# POST TRADE: CLEARING, CSD AND SERVICES

ANTHONY ATTIA

GLOBAL HEAD OF LISTING AND POST TRADE



# EURONEXT HAS INVESTED IN POST TRADE INFRASTRUCTURES THAT SERVE LOCAL AND GLOBAL CUSTOMERS

## Vertically integrated local market infrastructures

**Interbolsa**  
CSD – Portugal



- Operated, 100% owned by Euronext

**175+**

Participants to Euronext CSDs

**€941bn**

Assets under custody at Euronext CSDs

**1,600+**

Issuers of equity, debt and other products served by Euronext CSDs

**VPS**

CSD – Norway



THE NORWEGIAN CSD

- Operated, 100% owned by Euronext

## Equity stakes in global market infrastructures

**Euroclear**  
CSD – EU



- Minority owner since 2002
- c.5% stake

**2,000+**

Participants to Euroclear

**10 year**

Agreement with LCH SA for derivatives clearing

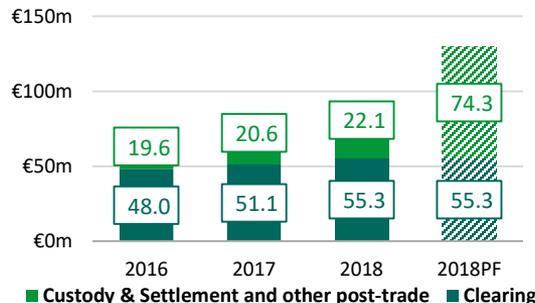
**75+**

Participants to LCH SA

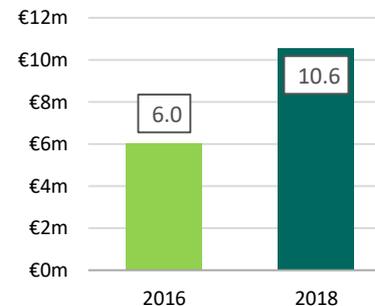
**LCH SA** **LCH** The Markets' Partner  
CCP – Equity & Derivatives, Repos, CDS

- Minority owner since 2017
- 11% stake

### Post trade revenue (€m)



### Results from equity stakes\* (€m)



# 2019-2022: TRANSFORMING POST TRADE ASSETS FROM CORE INFRASTRUCTURE TO VALUE-ADDED & INNOVATIVE SOLUTIONS

## Assumptions

- The EU CSD market remains fragmented despite CSDR and T2S (30+ CSDs, unharmonised securities law and market practices, etc.), which creates costs for issuers and investors
- The post trade industry faces efficiency, accessibility and risk issues
- Digital assets are emerging. Investments in LiquidShare and Tokeny support the advent of services for these new financial instruments, from primary to secondary market and from private to public markets
- Euronext shapes the industry as a whole through shareholding and board seats in global market infrastructures (LCH SA, Euroclear and EuroCCP)

## Euronext's 2022 value proposition

- 1 ■ Deliver efficient CSD services to local ecosystems
- 2 ■ Leverage on client relationship and technology to deliver a range of post trade solutions
- 3 ■ Capture opportunities arising from digital assets
- 4 ■ Play an active role in global CSD and CCP in a direction that supports overall Euronext targets

# EURONEXT TECHNOLOGY SOLUTIONS

ANTHONY ATTIA

GLOBAL HEAD OF LISTING AND POST TRADE



## EURONEXT TECHNOLOGY SOLUTIONS TODAY: A GROWING PROVIDER OF MARKET TECHNOLOGY TO VENUE OPERATORS

### Revenue (€m)



- **Launch of new MiFID II services:**
  - Hosted MTF services
  - Development of a commercial APA/ARM service for European financial firms, both members and non-members of Euronext
- **Optiq® commercial successes:**
  - Launch of Optiq® as a Service with the Luxembourg Stock Exchange as the first client
  - Development of an Optiq® deployed solution being delivered to four clients in the Middle East and North Africa
- Continued growth of connectivity fees

▪ **Optiq® already selected by 7 clients**

▪ **12 trading platform clients:** 5 for managed services and 7 for deployed solutions

▪ **100+ clients of APA/ARM services**

# 2019-2022: LEVERAGING THE POWER OF OPTIQ® TO BUILD AN ECOSYSTEM AND BECOME THE TRUSTED ALTERNATIVE FOR TRADING PLATFORM

## Assumptions

### Clients

Exchanges and venue operators seeking a real alternative to the current near monopoly in trading platform solutions

### Implementation

Time to market becoming a differentiator

### Products & Markets

- New market models emerging
- Opportunities throughout the value chain

### Regulation

Need for technology solutions answering regulatory and compliance requirements

## Euronext's 2022 value proposition

### Optiq® - Powering Business Change

1

- Highly performing flexible technology with 15µs latency
- Reduced cost of ownership
- Agile implementation of new business models with unlimited scalability

2

- Leveraging cloud capabilities to accelerate on delivery

3

- Continue to extend ability of Optiq® to address various and innovative assets

4

- Working with sales and delivery partners that have deep resource pools and clients portfolios and can provide fast and cost effective customisation for clients integrating Optiq®

# EURONEXT'S TRANSFORMATION

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**STÉPHANE BOUJNAH**

CEO AND CHAIRMAN OF THE MANAGING BOARD

# EMPOWERING PEOPLE TO GROW, PERFORM AND INNOVATE

1

## EXECUTE WITH EXCELLENCE

- Project management transformation programme
- Investment on strategic skills

3

## DARE TO TAKE RISKS

- Innovation initiatives within each business unit
- Adapted framework for innovative products

5

## FOCUS ON CLIENTS

- 'Design-thinking' initiatives
- Client centricity programme

2

## COLLABORATE, CHALLENGE & CARE

- Collaborative strategy design & deployment
- Set up of digital platforms & processes
- Multicultural training

4

## EMPOWER PEOPLE

- Development of leaders for tomorrow's challenges
- Mentoring programme

6

## ADOPT A POSITIVE PERFORMANCE CULTURE

- Further deployment of accountability framework
- Improved performance & development cycle



## ENHANCING CLIENT CONNECTIVITY THROUGH A FOCUSED CLIENT CULTURE, CROSS BUSINESS ALIGNMENT...

*Euronext is now a broader and more complex organisation in terms of products and services requiring a new structured approach to deliver assets to its expanded client franchise*

### 1 NEW CLIENT COVERAGE MODEL

- Strategic client programmes by segment
- Better align, prioritise and deliver Euronext's broad suite of services to target segments
- Extend client coverage to end users
- Improve relationship intensity and client penetration

### 2 CO-DESIGN CULTURE

- Promotion of consistent co-design approach across product and sales teams
- Deploy innovative techniques to design new solutions and products to client needs

## ...AND IMPROVED DATA MANAGEMENT AND INNOVATIVE TOOL DEPLOYMENT

### 3 INCREASED CLIENT INTELLIGENCE

- Structured client data: combine and standardise client data across the extended group
- Enhanced data analytics to improve quality of client interactions, identify opportunities and deliver enhanced client service

### 4 AGILE DIGITAL STRATEGY

- Enhance Euronext's client journeys through streamlining and digitalising interactions and operational processes
- New website delivered in 2019 to provide the framework for this digitalisation



## DELIVERING OPERATIONAL EXCELLENCE...

- 1 **Enhance continuous integration of existing and future businesses** while delivering new services & products in parallel through an **integrated technology backbone**
- 2 **Enhance client service interaction** with digital processes
- 3 Improve **time to market** for delivering new services at highest standards
- 4 **Make client journeys more efficient** by streamlining and digitalising operational processes



## ...THROUGH GROUP LEVEL TRANSFORMATION PROJECTS

### A ENHANCE CORE PRACTICES TO BECOME EVEN MORE AGILE

- **Reduce time to market** and allow high level of customisation
- Accelerate diversification and expand offering to other asset classes and other geographies
- **Reinforce portfolio governance**
- Update and **enforce project discipline**
- **Enhance project delivery**, resource management and skills

### B LEVERAGE AND EXPAND NEW TECHNOLOGY BACKBONE AND DIGITAL PRESENCE

- **Optiq® for other asset classes**, other geographies and digital assets
- AI, ML, Big data and cloud capacities applied to data platform
- Connect® to become Euronext digital ecosystem and to host all digital services and **enhance customer journeys**
- Creation of a **digital infrastructure**

### C EXPAND ENTREPRENEURIAL AND FEDERAL CULTURE

- Adapt operating model to the X generation
- **Expand digital culture**
- Strengthen cyber, risk and compliance culture even further to continue to be the safest marketplace
- **Complete Oslo Børs VPS integration**



# EURONEXT'S EXTERNAL GROWTH AMBITIONS

GIORGIO MODICA  
GROUP CHIEF FINANCIAL OFFICER



11 October 2019



## COMBINE OSLO BØRS VPS WITH EURONEXT TO ENHANCE GROWTH

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## OSLO BØRS VPS AND EURONEXT, A COMBINATION FOR GROWTH

- 1 DEVELOP THE STRONG BRAND AND FRANCHISE CAPACITY OF OSLO BØRS**

  - As an international listing franchise in the energy, seafood and shipping sectors
  - As the Euronext centre of expertise for commodities
  - As a leading high yield bond franchise
- 2 VPS TO BECOME THE MOST DYNAMIC CSD IN THE NORDICS**

  - Provide the market with a cost-efficient, reliable and comprehensive CSD offering
  - Constantly improve the efficiency of service to issuers and investors
  - Develop new products and services for local and global clients
- 3 LEVERAGING EURONEXT'S CAPABILITIES FOR NORWEGIAN ECOSYSTEM**

  - Cross-sell value added services for investors and issuers
  - Deploy Euronext cutting edge trading technology and IT infrastructure
  - Local investors to benefit from new asset classes trading capabilities and largest liquidity pool in Europe
  - Issuers to access dedicated markets for SMEs and large resources to finance their growth
- 4 USE OSLO BØRS VPS AS THE GROUP LAUNCHPAD FOR EXPANSION IN THE NORDICS**

  - Propose a dynamic marketplace for Nordics players
  - Enter the Nordics markets with the Group's value added services
  - Framework for further Nordics ambitions
- 5 DEVELOP A SHARED COMMON CULTURE**

  - Leverage core employee expertise out of the Nordics region
  - Embed innovation and modernisation mindset

# OSLO BØRS VPS AND EURONEXT, A PROFITABLE COMBINATION

## 1 A PROFITABLE COMBINATION

- Expected return on capital employed above cost of capital in year 3, in line with the Group's M&A discipline
- Recurring earnings accretion in 1<sup>st</sup> year

## 2 EXPECTED COSTS SYNERGIES

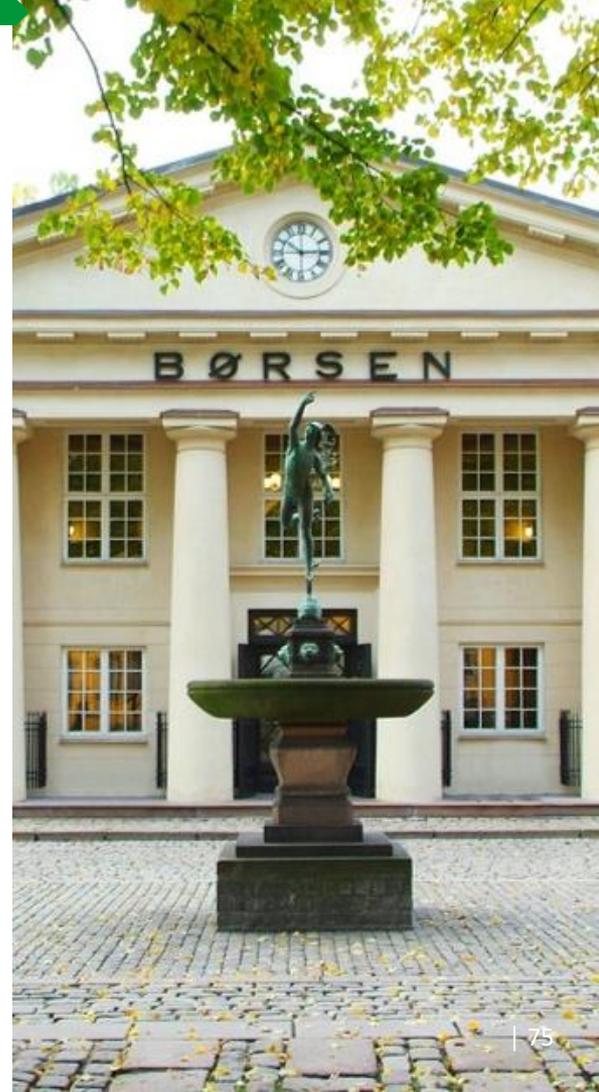
- Migration of the current trading system to Optiq®, Euronext's cutting edge trading technology
- Operating model optimisation
- Local IT footprint rationalisation and outsourcing to Euronext group-wide components
- Real estate optimisation
- Review of other material contracts

**€12m**

EXPECTED  
RUN-RATE COST  
SYNERGIES BY 2022

**€18m**

EXPECTED  
RESTRUCTURING  
COSTS



## **EXECUTE DISCIPLINED AND VALUE ACCRETIVE M&A**

---

## EXECUTE DISCIPLINED AND VALUE ACCRETIVE M&A

### RIGOROUS CAPITAL ALLOCATION POLICY

- Investment criteria: **ROCE > WACC in year 3 to 5**
- Optimised leverage with credit floor rating  $\geq$  **Strong investment grade**

#### 1 Take recent successes to the next level

Corporate  
Services

FX  
stack

Index & data  
franchise

#### 2 Develop new growth and diversification initiatives

Investor  
services

New asset  
classes

Post trade  
solutions

#### 3 Transformational deals

Expansion of the  
federal model

Diversification of the  
revenue base

# WRAP UP AND Q&A

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**THANK YOU**

[www.euronext.com](http://www.euronext.com)



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