

The background is a photograph of a dense forest with tall, thin trees. A large, semi-transparent teal rectangle is overlaid in the center, containing the main title and release information. Several vertical green bars of varying heights are scattered across the image, some overlapping the teal rectangle.

Euronext Q2 2020 Results

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EURONEXT

30 July 2020

AGENDA

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- 2 Q2 2020 BUSINESS REVIEW
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- 4 Q&A

SPEAKERS



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer



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Q2 2020 HIGHLIGHTS

Q2 2020 RESULTS REFLECTING A SOLID OPERATING PERFORMANCE

Revenue

€210.7m

+€51.7m

+32.5%

- Strong revenue growth reflecting higher trading volumes in all asset classes and continued diversification with the consolidation of Oslo Børs VPS and Nord Pool
- Non-volume related revenue representing **49%** of total revenue and covering **122%** of costs excl. D&A in a dynamic volume environment

EBITDA

€125.4m

+€27.3m

+27.8%

- EBITDA margin at **59.5%** driven by the consolidation of Oslo Børs VPS costs and recently acquired businesses currently being integrated
- Like-for-like EBITDA margin at **61.7%**
- **Confirmed 2020 organic costs guidance:** strategic plan costs and Oslo Børs VPS integration costs to ramp up in H2 2020

Adjusted EPS¹⁾

1.23€

+33.1%

- Adjusted net income up +33.2% to €86.0 million
- Reported net income, share of the group, up +53.7% to €82.1 million
- Income tax rate at 25.1%, positively impacted by tax one-offs

ESG | EMPOWERING SUSTAINABLE GROWTH

1 Launch of a new suite of ESG-focused products, services and initiatives

- Introducing the new **Euronext ESG 80** index and derivatives
- Aligning Europe's leading Low Carbon 100 index to the Paris Agreement
- Expanding Euronext ESG bonds offering to other ESG bonds: Sustainability, Social, Sustainability-Linked and Blue
- Launching new ESG services and solutions for listed companies
 - ESG advisory
 - Virtual roadshow
 - Digital corporate governance

2 Endorsing the UN Global Compact's Ocean principles

- Official Supporter of the UN Sustainable Stock Exchange initiative since 2015
- 1st exchange to sign the nine Ocean Principles with the ambition to take a leading role in advancing the Blue Economy
- Endorsed the Task Force on Climate-related Financial Disclosure recommendations in 2018
- Engaged with the United Nations Global Compact Sustainable Oceans Business Group since 2019 and set up United Nations Blue Bond principles in April 2020



UPDATE ON VP SECURITIES ACQUISITION

1 PROCESS UPDATE

- 90.68% of the total shares¹⁾ secured as of 15 July 2020, compulsory acquisition procedure to acquire the remaining shares to be implemented in September 2020
- Danish FSA clearance received on 15 July 2020, closing expected in August 2020
- Expected return on capital employed in line with the Group's M&A discipline, recurring earnings accretion in 1st year

2 EXPECTED SYNERGIES

- Operating model optimisation
- Optimisation of IT footprint and rationalisation of support functions
- Restructuring provision expected in Q4 2020

€7m

EXPECTED
RUN-RATE CASH COST
SYNERGIES BY 2023

€11.5m

EXPECTED
IMPLEMENTATION
COSTS

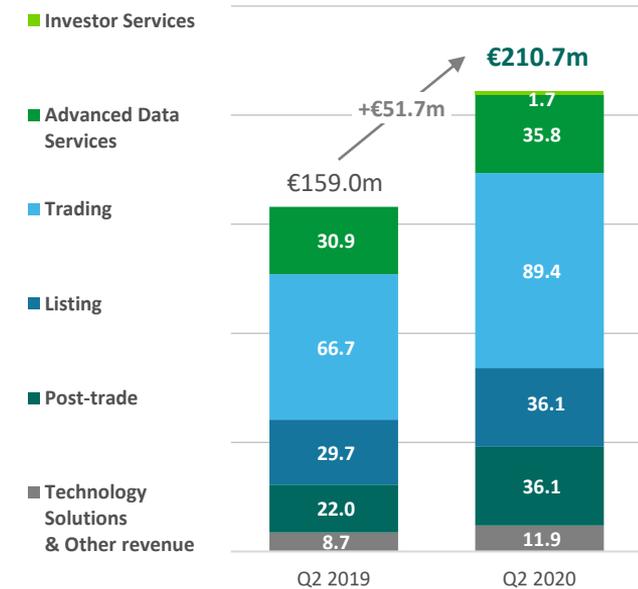




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Q2 2020 BUSINESS REVIEW

Q2 2020 REVENUE UP +32.5% DRIVEN BY INCREASED TRADING VOLUMES IN ALL ASSET CLASSES AND THE CONSOLIDATION OF ACQUIRED BUSINESSES



- Doubled post-trade revenue thanks the consolidation of the Norwegian CSD revenue and higher clearing revenue
- Increased trading volumes supporting revenue across all asset classes and Nord Pool power trading activities contributing €6.7 million
- Listing revenue growth driven by the consolidation of Oslo Børs VPS and the robust performance of Corporate Services
- Advanced Data Services revenue benefiting from the consolidation of Oslo Børs VPS and Nord Pool, and of a good performance of indices
- Investor services revenue reflecting the commercial development and the consolidation of Oslo Børs VPS activities

+32.5%

Q2 2020 consolidated revenue growth

€36.9m

Revenue contribution from acquired businesses

49%

Non-volume related revenue, reflecting strong trading volumes

122%

Non-volume related revenue to operating cost coverage vs 124% in Q2 2019



| 'Organic' and 'Like-for-like' referring to Euronext Group perimeter, at constant FX rate, excluding OPCVM360, Ticker, Nord Pool and Oslo Børs VPS as well as any project cost supported by Euronext for the integration of these companies
 | Volume related revenue accounting for trading and clearing activities and IPOs revenue
 | Operating cost coverage equal to non-volume related revenue divided by operating expenses excluding D&A
 | Total revenue also include -€0.2m of other income in Q2 2020, and -€0.1m of other income in Q2 2019

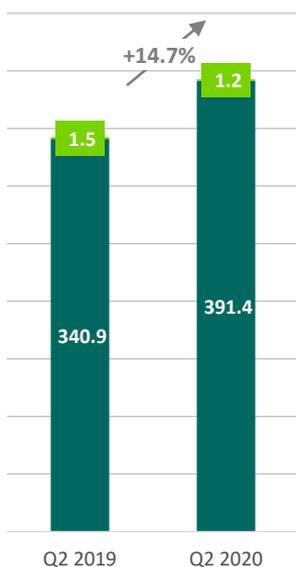
LISTING REVENUE UP +21.3% TO €36.1M IN Q2 2020

Strong performance of Euronext Corporate Services and consolidation of Oslo Børs VPS

Revenue (€m)



Money raised (€bn)



- **Corporate Services reported a strong performance**, generating €7.9 million in revenue in Q2 2020, including €0.2 million of contribution from Oslo Børs VPS, reflecting increased demand for digital solutions during the pandemic
- **Contribution of Oslo Børs VPS at €5.6m**
- Like-for-like, revenue increased +6.0%
- Primary listing activity supported by domestic issuers and SME, despite tough market conditions:
 - 1 large cap listing with Dutch coffee and tea group JDE Peet's IPO
 - 10 SME listings
- Activity on the secondary market driven by issuers seeking funding for growth or support through the Covid-19 crisis



■ Equity Annual fees
■ IPOs
■ ETFs, Funds & Warrants
■ Others
■ Follow-ons
■ Debt
■ Corporate Services

■ Large caps ■ SMEs

11
New listings

€3.0 billion
raised on
Primary Markets

+38.3%
revenue growth of
corporate services

TRADING REVENUE UP +34.0% TO €89.4 IN Q2 2020 (1/2)

Volatile environment supporting cash and derivatives trading volumes

1 Cash trading

€65.1 m
revenue
+28.4%
reported

€10.0 bn
ADV
+20.4%
proforma

0.53 bps
combined
yield

71.3%
market share
+3.1 pts

- Strong combined market share at 71.3%, in a dynamic environment
- Strong organic yield at 0.56 bps (vs 0.54bps in Q2 2019)
- Contribution of Oslo Børs VPS +€3.3m (for €1.0bn of ADV)
- Like-for-like, revenue increased +23.0%

2 Derivatives trading

€11.0 m
revenue
+4.5%
reported

667k lots
Financial derivatives
ADV
+23.4%
proforma

53k lots
Commodities
ADV
-1.0%
proforma

€0.25
Rev. per lot
-17.0%

453k lots
*excl. Single Stock
and Dividend futures*

€0.31
*excl. Single Stock
and Dividend futures*

- Strong trading volumes (+20.7%) supported by a spike of volatility
- Significant traction on Single Dividend Futures and low yield Single Stock Futures
- Agricultural commodities markets impacted by the Covid-19 pandemic
- Like-for-like, revenue increased +0.3%

TRADING REVENUE UP +34.0% TO €89.4 IN Q2 2020 (2/2)

FX driven by higher volatility and first contribution of Nord Pool trading activities

3 FX trading

€6.6 m
revenue
+21.0%

\$20.6 bn
ADV
+18.1%

- Solid results thanks to a **volatile environment** through the quarter
- Like-for-like, revenue increased +18.5%

4 Power trading

€6.7 m
revenue

2.32 TWH
day-ahead ADV

0.07 TWH
intraday ADV

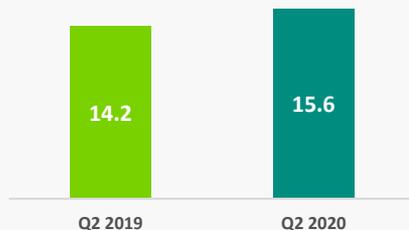
- **Lower volumes reflecting usual seasonal slow down** during spring and summer months

POST-TRADE REVENUE UP +64.5% TO €36.1 M

Consolidation of the Norwegian VPS CSD revenue and higher clearing revenue

1 Clearing

in €m

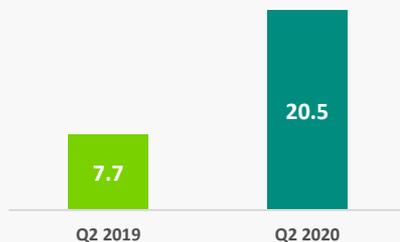


+€1.4 m
revenue
+9.9%

- Higher derivatives trading volumes over the quarter supported by high volatility, partially offset by less favourable volume mix
- Higher treasury income
- *No contribution from acquired businesses*

2 Custody, Settlement and other post-trade

in €m



+€12.8 m
revenue
+164.7%

- Consolidation of Norwegian CSD VPS
- Increased settlement activities both at Interbolsa and VPS
- Like-for-like, revenue increased +2.9%

ADVANCED DATA SERVICES, INVESTOR SERVICES AND TECHNOLOGY SOLUTIONS

Consolidation of Oslo Børs VPS and Nord Pool, and resilient performance of the core business

1 Advanced Data Services

in €m



+€4.9 m
revenue
+16.0%

- Contribution of recent acquisitions: Nord Pool for +€0.3m
- Resilient market data activity and continuous success of ESG indices
- Like-for-like, revenue increased +6.1%

2 Investor Services

in €m

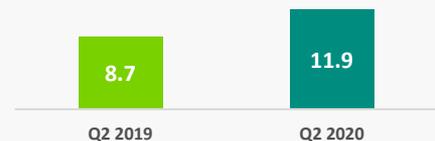


+€0.5 m
Revenue
+39.5%

- Continued revenue growth thanks to the commercial development and the consolidation of Oslo Børs VPS activities.
- Like-for-like, revenue increased +24.8%

3 Technology Solutions

in €m



+€3.2 m
revenue
+36.6%

- Contribution of recent acquisitions: Nord Pool for +€1.6m
- Robust core business
- Like-for-like, revenue increased +14.4%



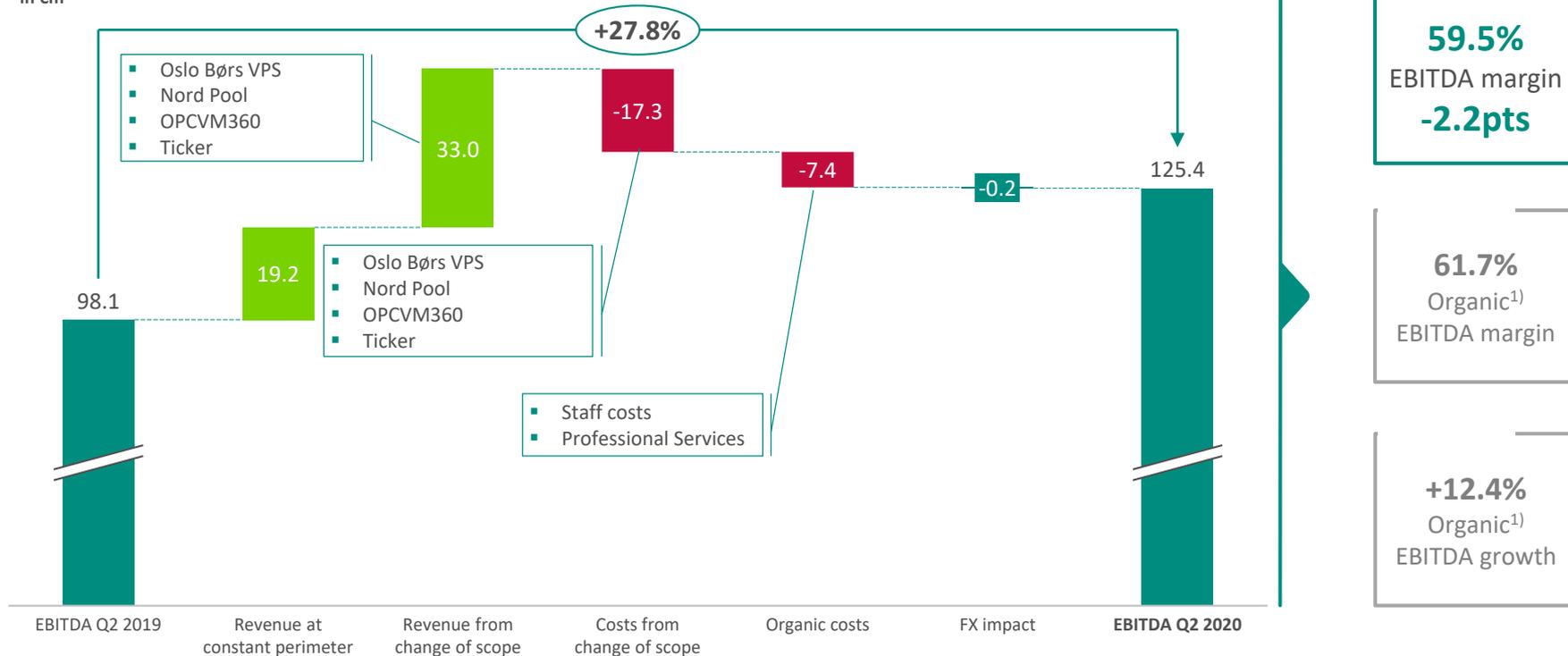
Q2 2020 FINANCIAL REVIEW



Q2 2020 EBITDA UP +27.8% TO €125.4 M

Strong performance of core trading business and consolidation of acquisitions

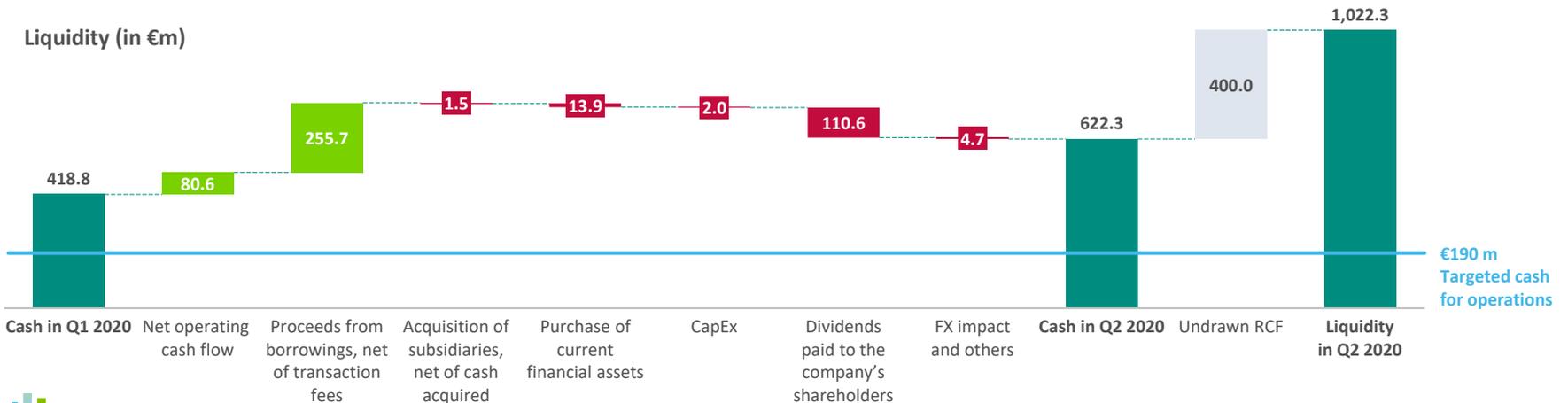
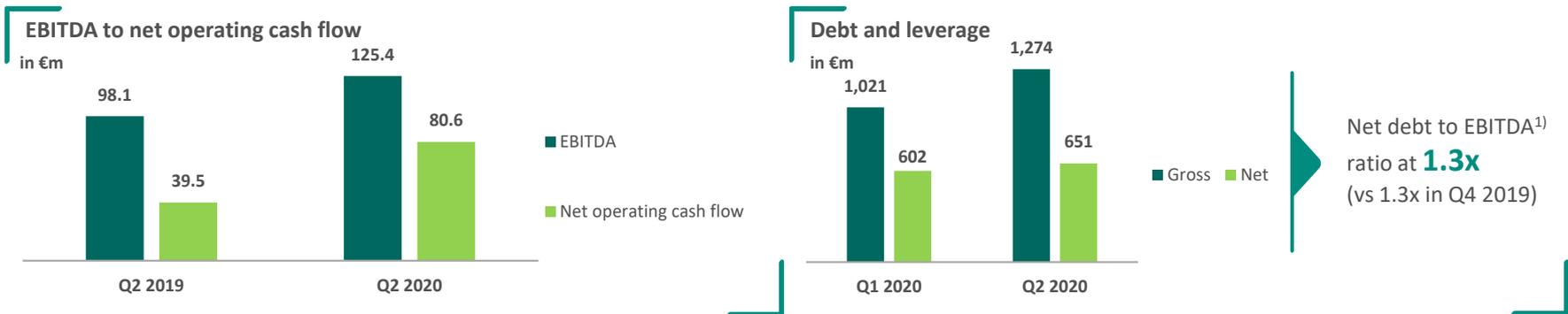
in €m



Q2 2020 NET INCOME UP +53.7% TO €82.1M, ADJUSTED EPS UP +33.1% TO €1.23 PER SHARE



SOLID CASH FLOW GENERATION AND LIQUIDITY POSITION





Q&A

Q&A - SPEAKERS



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer



Anthony Attia

Managing Board
Member



APPENDIX

VP SECURITIES: FROM 2019 REPORTED COSTS TO CASH COSTS

The €7 million costs synergies will also include capitalised costs and thus be communicated as « cash costs », as described below, in order to fully reflect the synergy effort.

	2019A (DKK'000)	2019A (€m)
Revenue	425,841	57.2
Operating costs	- 300,418	
Capex	- 48,950	
Cash costs (Opex + Capex)	- 349,368	- 46.9
<i>o/w activity based costs</i>	<i>- 26,372</i>	<i>- 3.5</i>
Cash EBIT (Revenue - Cash costs)	76,473	10.3

Starting point costs base for the €7 million run-rate cash costs synergies by 2023:
CASH COSTS – ACTIVITY BASED COSTS = €43.4 MILLION

ADJUSTED EPS, SEASONALITY AND FX SENSITIVITY

1 Adjusted EPS reconciliation table

In 2018, some exceptional items such as impairments and revaluations of buy-options were not considered as a part of the net income adjustments due to their low materiality (7 cents per share or 1.9%). In 2019, due to their significance such items were considered part of the adjustment (28 cents per share or 7.1%). As a consequence, 2018 adjusted net income was restated for consistency purposes.

<i>In €m unless stated otherwise</i>	Q2 2020	Q2 2019
Net Income Reported	82.1	53.4
<i>EPS Reported (€ per share)</i>	<i>1.18</i>	<i>0.77</i>
Intangible assets adj. related to acquisitions (PPA)	- 4.8	- 2.4
Exceptional items	- 0.3	- 10.0
Tax related to those items	1.1	1.1
Adjusted for intangible assets related to acquisitions, capital gains or losses and exceptional items, incl. tax		
Adj. Net Income	86.0	64.6
Adj. EPS (€ per share)	1.23	0.93

2 Nord Pool revenue historical seasonality

<i>% of Nord Pool annual revenue</i>	2019	2018
Q1	27%	27%
Q2	22%	23%
Q3	23%	20%
Q4	28%	30%

EUR/NOK Sensitivity table

	Average rate Q2 2020	Closing Rate 30 June 2020	Average rate Q2 2019	Closing Rate 30 June 2019
EUR/NOK	11.028479	10.8384	9.716277	9.6994
NOK/EURO	0.0907	0.0923	0.1029	0.1031

In Q2 2020, a 10% change in NOK/Euro average rate would have changed the Group's revenue by c.€3.5 million and costs excluding D&A by c.€1.6 million.

Q2 2020 INCOME STATEMENT

Unaudited, in €m	Q2 2020	Q2 2019	% var	Organic (like for like at constant currency)
Revenue	210.7	159.0	+32.5%	+12.4%
Listing	36.1	29.7	+21.3%	+6.0%
Trading revenue	89.4	66.7	+34.0%	+19.0%
Cash trading	65.1	50.7	+28.4%	+23.0%
Derivatives trading	11.0	10.6	+4.5%	+0.3%
Spot FX trading	6.6	5.4	+21.0%	+18.5%
Power trading	6.7	n/a	n/a	n/a
Investor Services	1.7	1.2	+39.5%	+24.8%
Advanced Data Services	35.8	30.9	+16.0%	+6.1%
Post-trade	36.1	22.0	+64.5%	+7.9%
Clearing	15.6	14.2	+9.9%	+9.9%
Custody, Settlement and other post-trade	20.5	7.7	+164.7%	+2.9%
Euronext Technologies & Other revenue	11.9	8.7	+36.6%	+14.4%
Other income	-0.2	-0.1	+69.6%	+75.6%
Operational expenses excluding D&A	-85.3	-60.9	+40.1%	+12.4%
Salaries and employee benefits	-47.8	-33.6	+42.5%	+14.0%
Other operational expenses	-37.5	-27.4	+37.1%	+10.5%
System & communication	-8.5	-5.7	+49.5%	+2.6%
Professional services	-12.4	-6.5	+89.9%	+41.7%
Clearing expense	-8.1	-7.4	+9.1%	+4.9%
Accommodation	-1.3	-1.3	-0.5%	-25.6%
Other operational expenses	-7.2	-6.4	+12.5%	-0.2%
EBITDA	125.4	98.1	+27.8%	+12.4%
<i>EBITDA margin</i>	<i>59.5%</i>	<i>61.7%</i>	<i>-2.2 pts</i>	<i>-0.0 pts</i>
Depreciation & amortisation	-13.6	-8.9	+52.8%	-0.6%
Operating profit before exceptional items	111.8	89.2	+25.3%	+13.7%
Exceptional items	-0.3	-10.0	-96.6%	
Operating profit	111.4	79.2	+40.7%	
Net financing income / (expense)	-2.5	-2.0	+25.4%	
Results from equity investments	2.3	1.4	+61.3%	
Profit before income tax	111.2	78.6	+41.5%	
Income tax expense	-27.9	-24.3	+14.7%	
Share of non-controlling interests	-1.2	-0.9	+40.6%	
Net income, share of the Group	82.1	53.4	+53.7%	

BALANCE SHEET AS AT 30 JUNE 2020

Unaudited, In €m	As at 30 Jun 2020	As at 31 Mar 2020
Non-current assets		
Property, plant and equipment	55.7	56.7
Right-of-use assets	46.2	48.9
Goodwill and other intangible assets	1,439.0	1,404.1
Deferred income tax assets	19.1	18.5
Investments in associates and JV	71.4	69.1
Financial assets at fair value through OCI	199.6	197.8
Other non-current assets	3.8	2.9
Total non-current assets	1,834.8	1,798.0
Current assets		
Trade and other receivables	197.5	220.4
Income tax receivable	4.6	0.9
Derivative financial instruments	24.2	20.6
Other current financial assets	37.1	24.7
Cash & cash equivalents	622.3	418.8
Total current assets	885.7	685.4
Assets held for sale	8.8	8.8
Total assets	2,729.3	2,492.1

Unaudited, In €m	As at 30 Jun 2020	As at 31 Mar 2020
Shareholders' equity	906.6	898.1
Shareholders' equity	29.4	31.8
Non-controlling interests	936.0	929.9
Total equity		
Non-current liabilities	1,271.9	1,011.8
Borrowings	34.8	37.9
Lease liabilities	-	-
Deferred income tax liabilities	72.9	66.7
Post-employment benefits	26.0	24.2
Contract liabilities	44.1	43.5
Other provisions	14.4	14.2
Total non-current liabilities	1,464.1	1,198.3
Current liabilities		
Borrowings	1.6	9.4
Lease liabilities	14.7	14.3
Other current financial liabilities	1.0	-
Derivative financial instruments	-	0.1
Income tax payable	31.0	23.2
Trade and other payables	190.9	214.8
Contract liabilities	88.1	102.0
Other provisions	1.7	0.0
Total current liabilities	329.1	363.9
Total equity and liabilities	2,729.3	2,492.1

Q2 2020 CASH FLOW AND LIQUIDITY POSITION

Unaudited, In €m	Q2 2020	Q2 2019
Profit before tax	111.2	78.6
<i>Adjustments for:</i>		
- Depreciation and amortisation	13.6	8.9
- Share based payments	2.5	1.2
- Share of profit from associates and joint ventures	-2.3	-1.4
- Changes in working capital	-19.0	-16.9
Cash flow from operating activities	106.0	70.4
Income tax paid	-25.4	-30.8
Net cash flows from operating activities	80.6	39.5
Cash flow from investing activities		
Acquisition of associates and joint ventures	0.0	-5.0
Acquisition of subsidiaries, net of cash acquired	-1.5	-58.4
Purchase of financial assets at FVOCI	0.0	-2.1
Purchase of current financial assets	-13.9	4.2
Redemption of current financial assets	3.0	0.0
Purchase of property, plant and equipment	-0.7	-4.4
Purchase of intangible assets	-1.2	-2.2
Dividends received from associates	0.0	5.1
Net cash flow from investing activities	-14.4	-562.9
Cash flow from financing activities		
Proceeds from borrowings, net of transaction fees	255.7	538.9
Repayment of borrowings, net of transaction fees	0.0	0.0
Interest paid	-10.7	-5.5
Interest received	4.9	4.7
Payment of lease liabilities	-5.1	-1.2
Transaction of own shares	0.6	-0.4
Employee Share transactions	-1.8	0.0
Dividends paid to the company's shareholders	-110.6	-107.2
Dividends paid to non-controlling interests	-4.4	-1.3
Net cash flow from financing activities	128.5	428.0
Total cash flow over the period	194.8	-95.4
Cash and cash equivalents - Beginning of period	418.8	419.1
Non cash exchange gains/(losses) on cash and cash equivalents	8.8	0.6
Cash and cash equivalents - End of period	622.3	324.3

Unaudited, In €m	Q2 2020	Q2 2019
Cash beginning of period	418.8	419.1
Debt subscribed	255.7	538.9
Investments (incl. subsidiaries net of cash acquired & associates)	- 1.5	- 565.6
Dividend paid to shareholders	- 110.6	- 107.2
Cash accumulation, net of others	60.0	68.2
Cash end of period	622.3	324.3
RCF	400.0	250.0
Available Liquidity	1,022.3	574.3

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