



# Euronext Q3 2019 Results

RELEASED ON 7 NOVEMBER 2019 – 5.45PM CET



**EURONEXT**

8 November 2019

## AGENDA

- 1 Q3 2019 HIGHLIGHTS
- 2 Q3 2019 BUSINESS REVIEW
- 3 Q3 2019 FINANCIAL REVIEW
- 4 Q&A

---

## SPEAKERS



**Stéphane Boujnah**

CEO and Chairman of the  
Managing Board



**Giorgio Modica**

Chief Financial Officer

# 1 Q3 2019 HIGHLIGHTS

---

# Q3 2019 NET INCOME UP 25.8% TO €63.5M DRIVEN BY ORGANIC GROWTH, COST MANAGEMENT AND OSLO BØRS VPS CONSOLIDATION

## Revenue

€181.7m

+20.4%  
+€30.8m

- Revenue growth (+€30.8m) driven by Oslo Børs VPS consolidation (+€25.5m), new services (+€1.5m) and organic revenue growth (+€3.7m)
- Organic performance drive by strong trading business and services activity, and a dynamic trend on IPOs
- Continued diversification strategy with non-volume related revenue represented 52% of total revenue and covering 129% of costs excl. D&A

## EBITDA margin

59.4%

+1.2pts

- Group EBITDA up 23.0% to €108.0 million
- Organic EBITDA margin at 61.6%, up +3.5pts
- Continued organic costs control, and confirmed 2019 costs guidance
- €7.6 million run-rate cost synergies extracted from Euronext Dublin

## Adjusted EPS<sup>1)</sup>

€0.98

+15.1%

- Adjusted net income<sup>1)</sup> up +15.1%, to €68.3m thanks to strong operating performance and despite increase in tax rate related to adjustments in deferred tax assets and liabilities
- Reported net income up 25.8% to €63.5m

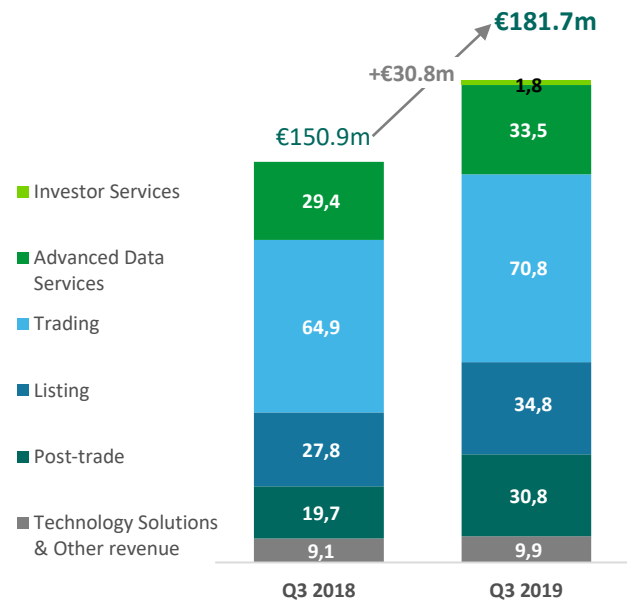


# 2 | Q3 2019 BUSINESS REVIEW



# Q3 2019 REVENUE UP +20.4% DRIVEN BY ORGANIC REVENUE GROWTH AND OSLO BØRS VPS CONSOLIDATION

Q3 2019 revenue up +20.4% to €181.7m



■ Non-volume related revenue  
■ Volume related revenue

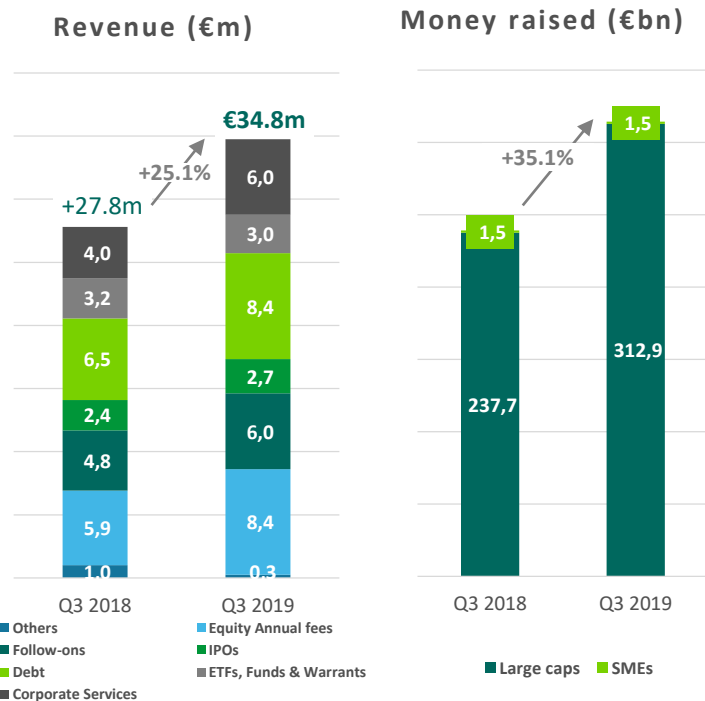


- Oslo Børs VPS revenue contribution: €25.5m
- Listing revenue growth thanks to the strong performance of corporate services, the consolidation of Oslo Børs VPS and a dynamic trend in IPOs
- Cash trading revenue up through strong organic yield, market share and increased volumes
- Advanced Data Services revenue driven by good performance of indices
- Incremental contribution from investor services
- Strong growth in post-trade revenue thanks to the consolidation of Oslo Børs VPS, despite clearing revenue impacted by unfavourable product mix

+20.4%	<b>Consolidated revenue growth</b>
+2.5%	<b>Organic revenue growth</b>
52%	<b>Non-volume related revenue</b>
129%	<b>Non-volume related revenue to operating cost coverage vs 110% in Q3 2018</b>

# LISTING REVENUE UP +25.1% TO €34.8M IN Q3 2019

Strong growth of corporate services and consolidation of Oslo Børs VPS



- Strong performance from Euronext's Corporate Services revenue (+€1.7m), thanks to increased commercial intensity
- +3.9% organic growth
- Contribution of Oslo Børs VPS: €5.9m<sup>1)</sup>
- Return of a dynamic trend in IPOs:
  - 2 international large cap listings: Prosus and Titan
  - 10 SME listings, including 6 from European Tech SMEs initiatives countries
- Stable activity on secondary equity market reflecting uncertainty around economic growth and light M&A activity
- Launch of a new green bond offering across all Euronext markets, with more than 50 participating issuers at launch



12  
New listings

€221m  
raised on  
Primary Markets

+48.2%  
revenue growth of  
corporate services

# TRADING REVENUE UP +9.0% TO €70.8M IN Q3 2019

Strong yield and market share on cash and good performance of spot FX trading

## 1 Cash trading

€53.4m

revenue  
+10.0%

€7.9bn

ADV  
+9.6%

0.51bps

combined  
yield

69.4%

market share  
+3.7pts

- **Strong combined market share at 69.4%** in a volatile environment (organic: 69.7%)
- **Strong organic yield at 0.53bps** (vs 0.52bps in Q3 2018)
- *Contribution of Oslo Børs VPS +€2.7m (for €0.7bn of ADV)*
- +4.4% organic growth

## 2 Derivatives trading

€11.5m

revenue  
+4.0%

523k lots

Financial derivatives  
ADV  
+3.9%

54k lots

Commodities  
ADV  
-25.1%

€0.30

Rev. per lot  
-3.6%

- **Less favourable product mix** impacting revenue
- Financial derivatives volumes supported by higher volatility
- Weaker agricultural physical market driving commodities volume down
- *Contribution of Oslo Børs VPS +€0.4m*
- +0.1% organic growth

## 3 FX trading

€6.0m

revenue  
+10.8%

\$19.4bn

ADV  
-0.1%

- **Positive impact from foreign exchange rate and yield management**
- Go-live of Singapore matching engine

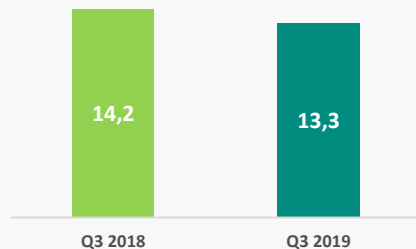


## POST-TRADE REVENUE UP +56.5% TO €30.8M

Consolidation of Oslo Børs VPS, good settlement activity and lower clearing revenue

### 1 Clearing

in €m

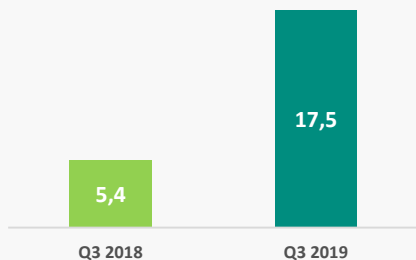


€13.3m  
revenue  
-6.5%

- **Unfavourable derivatives product mix**, with lower commodities negatively impacting clearing revenue and offsetting increased derivatives volumes

### 2 Custody, Settlement and other post-trade

in €m



€17.5m  
revenue  
+221.4%

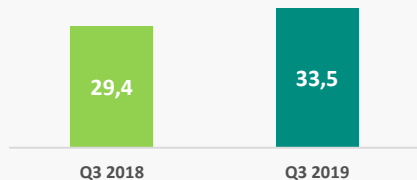
- **Interbolsa**
  - Stable custody business and increased settlement activity
- **VPS**
  - Higher market volatility and activity generating higher settlement transactions
- *Contribution of Oslo Børs VPS +€12.0m*
- +1.0% organic growth

# ADVANCED DATA SERVICES, INVESTOR SERVICES AND TECHNOLOGY SOLUTIONS

Good performance of indices, incremental contribution from Commcise and Oslo Børs VPS

## 1 Advanced Data Services

in €m

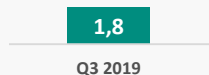


**€33.5m**  
revenue  
+13.9%

- Good performance from indices business, particularly on ESG products
- Slight decrease in market data revenue
- +1.1% organic growth revenue
- *Contribution of Oslo Børs VPS +€3.7m*

## 2 Investor Services

in €m

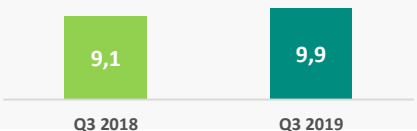


**€1.8m**  
revenue

- Continued revenue growth benefiting from Euronext's financial standing, reach and expertise with asset managers and broker dealers
- *Contribution of Oslo Børs VPS +€0.3m*

## 3 Technology Solutions

in €m



**€9.9m**  
revenue  
+9.5%

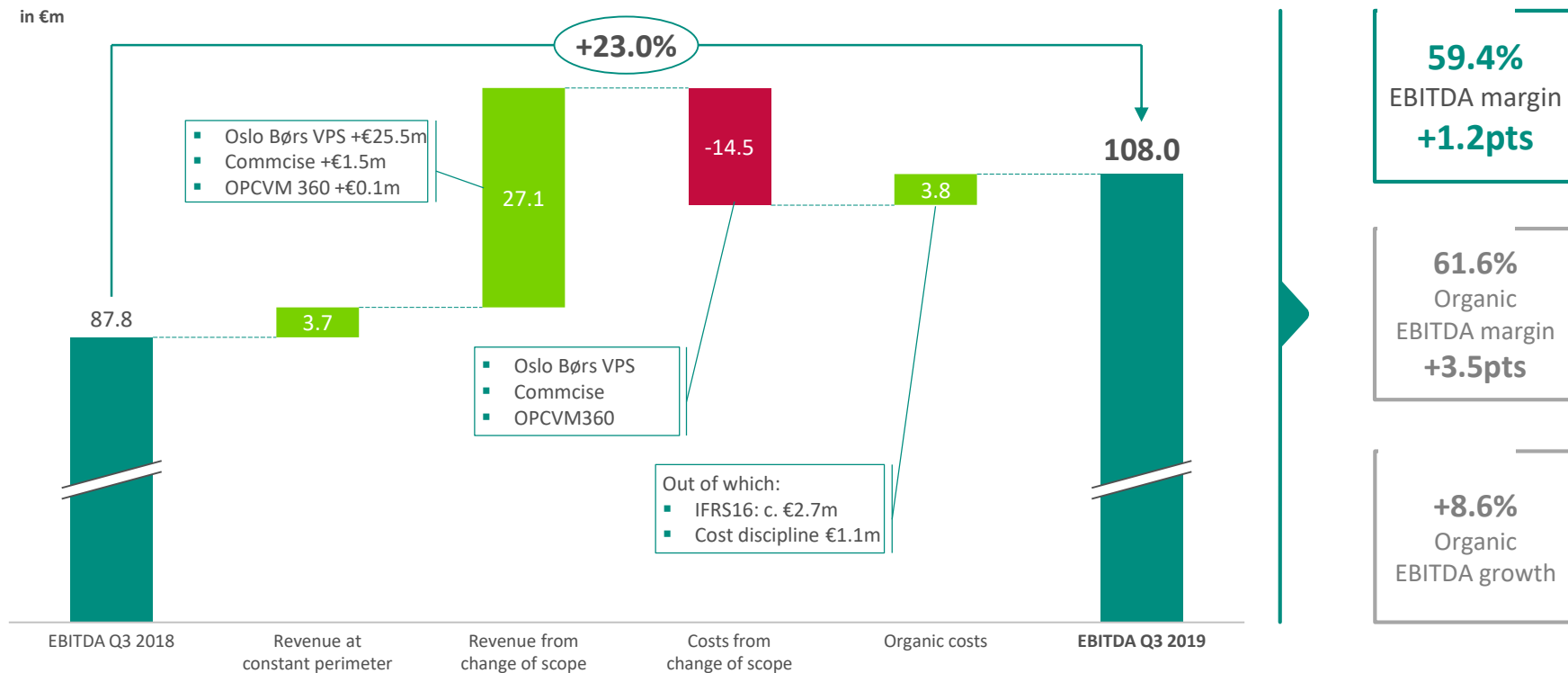
- Good performance of hosted services
- Continued work on Optiq® commercial project delivery
- +3.9% organic growth revenue
- *Contribution of Oslo Børs VPS +€0.5m*

## Q3 2019 FINANCIAL REVIEW

---

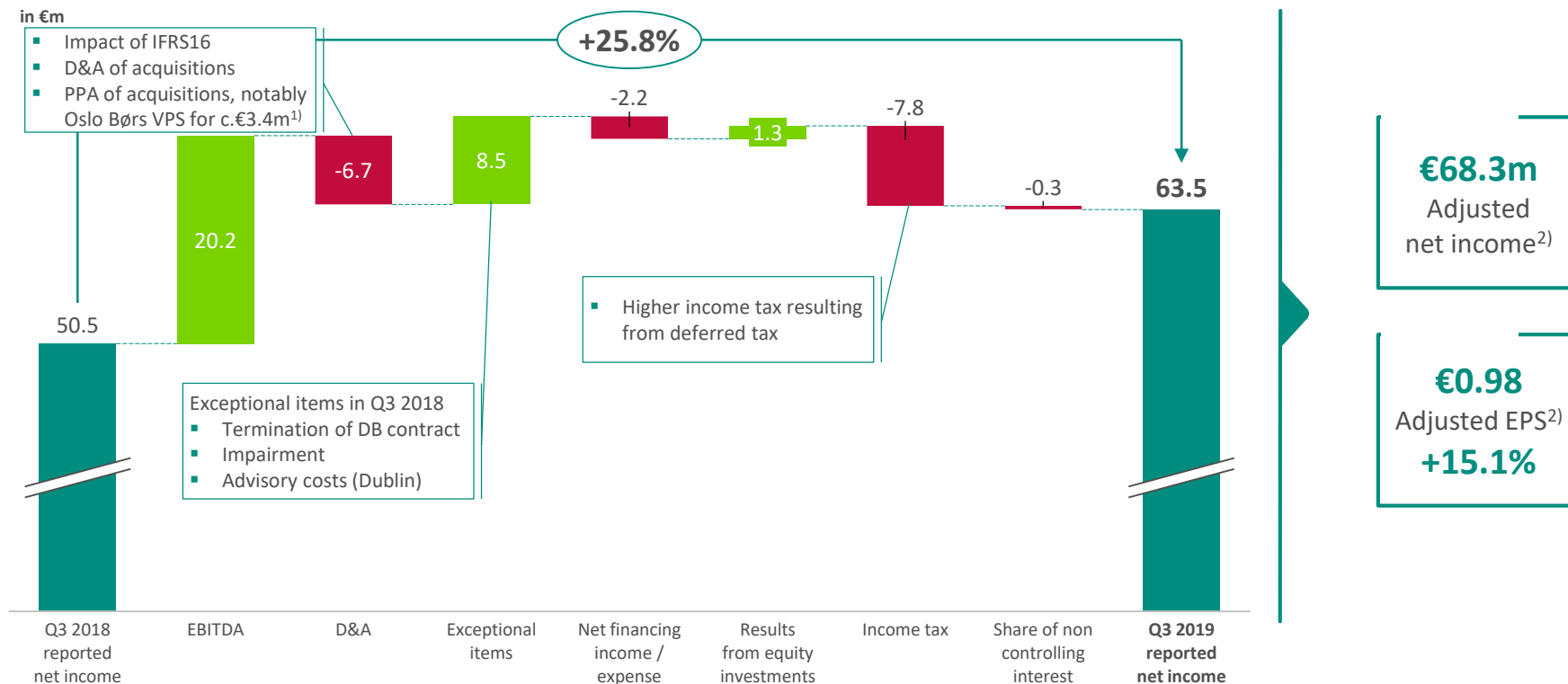
# Q3 2019 EBITDA UP +23.0% TO €108.0M

Organic revenue growth, continued cost discipline and consolidation of Oslo Børs VPS



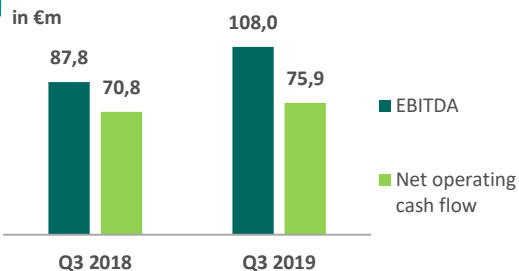
# NET INCOME UP 25.8% TO €63.5 AND ADJUSTED EPS UP +15.1% TO €0.98 PER SHARE

Higher results from equity investments, partially offset by interest expenses and income tax



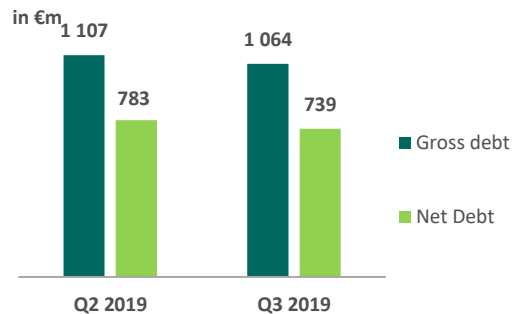
# SOLID CASH FLOW GENERATION AND LIQUIDITY POSITION

## EBITDA to net operating cash flow



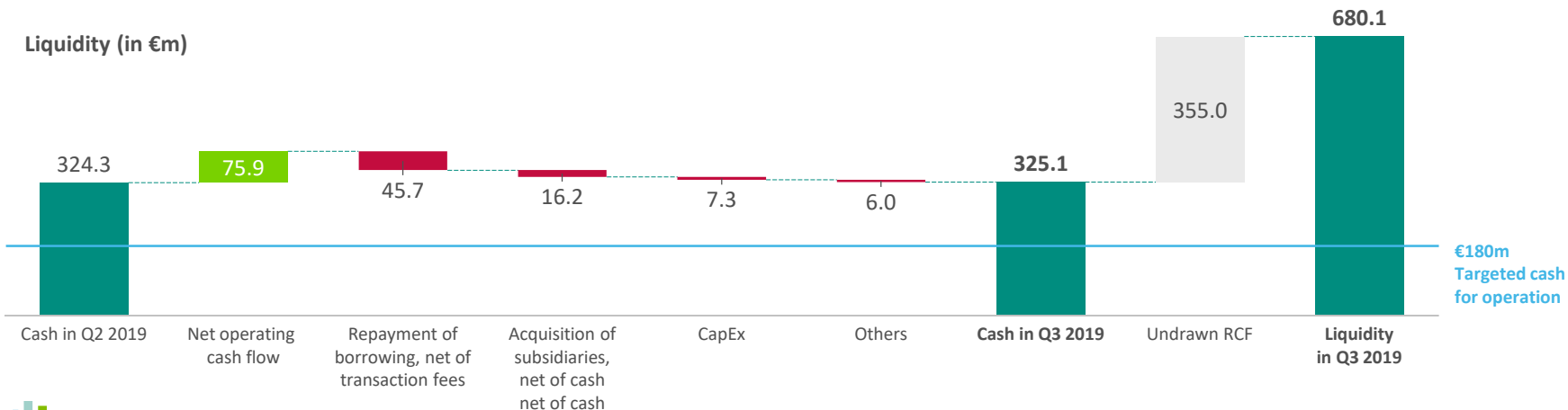
Q3 2019 EBITDA to net operating cash flow conversion rate at **70.3%** (vs 80.6% last year), mainly impacted by one-off in changes in working capital

## Debt and leverage



Net debt to EBITDA<sup>1)</sup> ratio at **1.8x** (vs 1.9x in Q2 2019)

## Liquidity (in €m)



# 4 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

---

# ADOPTION OF IFRS16 AND ADJUSTED EPS RECONCILIATION

## 1 Adoption of IFRS16

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

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

## 2 Adjusted EPS reconciliation table

<i>In €m unless stated otherwise</i>	<b>Q3 2019</b>	<b>Q3 2018</b>
Net Income Reported	63.5	50.5
<i>EPS Reported (€ per share)</i>	0.91	0.72
Assets adj. related to acquisitions (PPA)	- 5.5	2.1
Exceptional items	- 0.3	8.8
Tax related to those items	1.0	2.1
<b>Adjusted for assets related to acquisitions, capital gains or losses and exceptional items, incl. tax</b>		
Adj. Net Income	68.3	59.3
<b>Adj. EPS (€ per share)</b>	<b>0.98</b>	<b>0.85</b>

# Q3 2019 INCOME STATEMENT

Unaudited, In €m	Q3 2019	Q3 2018	% var	Organic % var (like for like)
<b>Revenue</b>	<b>181.7</b>	<b>150.9</b>	<b>+20.4%</b>	<b>+2.5%</b>
Listing	34.8	27.8	+25.1%	+3.9%
Trading revenue	70.8	64.9	+9.0%	+4.2%
Cash Trading	53.4	48.5	+10.0%	+4.4%
Derivatives Trading	11.5	11.0	+4.0%	+0.1%
Spot FX Trading	6.0	5.4	+10.8%	+10.8%
Investor Services	1.8	-	N/A	n/a
Advanced Data Services	33.5	29.4	+13.9%	+1.1%
Post-trade	30.8	19.7	+56.5%	-4.4%
Clearing	13.3	14.2	-6.5%	-6.5%
Custody, Settlement and other post-trade	17.5	5.4	+221.4%	+1.0%
Technology Solutions & other revenue	9.9	9.1	+9.5%	+3.9%
Other income	0.1	0.0	N/A	N/A
<b>Operational expenses excluding D&amp;A</b>	<b>-73.8</b>	<b>-63.2</b>	<b>+16.8%</b>	<b>-6.1%</b>
Salaries and employee benefits	-40.7	-30.3	+34.3%	+3.7%
Other Operational Expenses	-33.1	-32.9	+0.8%	-15.1%
System & Communication	-7.6	-5.7	+33.5%	-5.8%
Professional Services	-9.3	-10.5	-11.5%	-26.7%
Clearing expense	-7.2	-7.7	-6.4%	-6.4%
Accommodation	-1.7	-2.6	-34.8%	-46.9%
Other Operational Expenses	-7.4	-6.4	+14.3%	-1.9%
<b>EBITDA</b>	<b>108.0</b>	<b>87.8</b>	<b>+23.0%</b>	<b>+8.6%</b>
<i>EBITDA margin</i>	<i>59.4%</i>	<i>58.2%</i>	<i>+1.2 pts</i>	<i>+3.5 pts</i>
Depreciation & Amortisation	-13.1	-6.4	+103.3%	+28.5%
<b>Operating Profit before Exceptional items</b>	<b>94.9</b>	<b>81.3</b>	<b>+16.6%</b>	<b>+7.0%</b>
Exceptional items	-0.3	-8.8	-96.5%	
<b>Operating Profit</b>	<b>94.6</b>	<b>72.5</b>	<b>+30.4%</b>	
Net financing income / (expense)	-2.0	0.1	N/A	
Results from equity investments	2.1	0.9	+142.6%	
<b>Profit before income tax</b>	<b>94.7</b>	<b>73.5</b>	<b>+28.8%</b>	
Income tax expense	-30.4	-22.6	+34.4%	
Share of non-controlling interests	-0.8	-0.5	+70.2%	
<b>Profit for the period</b>	<b>63.5</b>	<b>50.5</b>	<b>+25.8%</b>	
<b>EPS Reported (in € per share)</b>	<b>€ 0.91</b>	<b>€ 0.73</b>	<b>+25.7%</b>	
<b>EPS Diluted (in € per share)</b>	<b>€ 0.91</b>	<b>€ 0.72</b>	<b>+25.7%</b>	

## BALANCE SHEET AS AT 30 SEPTEMBER 2019

Unaudited, In €m	As at 30 Sep 2019	As at 30 Jun 2019
<b>Non-current assets</b>		
Property, plant and equipment	58.2	46.9
Right-of-use assets	52.9	54.9
Goodwill and other intangible assets	1,456.5	1,413.2
Deferred income tax assets	18.2	28.2
Investments in associates and JV	78.5	76.4
Financial assets at fair value through OCI	196.6	196.3
Other non current assets	3.2	8.9
<b>Total non-current assets</b>	<b>1,864.1</b>	<b>1,825.0</b>
<b>Current assets</b>		
Trade and other receivables	128.6	132.4
Income tax receivable	2.8	4.9
Derivative financial instruments	22.8	23.0
Other short-term financial assets	31.1	24.8
Cash & cash equivalents	325.1	324.3
<b>Total current assets</b>	<b>510.3</b>	<b>509.3</b>
<b>Total assets</b>	<b>2,374.4</b>	<b>2,334.3</b>

Unaudited, In €m	As at 30 Sep 2019	As at 30 Jun 2019
<b>Shareholders' equity</b>		
Shareholders' equity	865.6	811.5
Non-controlling interests	14.7	28.9
<b>Total Equity</b>	<b>880.2</b>	<b>840.4</b>
<b>Non-current liabilities</b>		
Borrowings	1,014.6	1,053.6
Lease liabilities	42.8	45.1
Deferred income tax liabilities	79.3	24.5
Post employment benefits	31.9	30.5
Contract liabilities	43.9	43.7
Other provisions	8.8	8.7
<b>Total Non-current liabilities</b>	<b>1,221.3</b>	<b>1,206.2</b>
<b>Current liabilities</b>		
Borrowings	49.4	53.7
Lease liabilities	13.5	13.3
Other current financial liabilities	17.4	17.4
Derivative financial instruments	0.1	0.0
Income tax payable	22.1	16.5
Trade and other payables	96.2	97.9
Contract liabilities	74.0	88.8
Other provisions	0.1	0.1
<b>Total Current liabilities</b>	<b>272.9</b>	<b>287.7</b>
<b>Total equity and liabilities</b>	<b>2,374.4</b>	<b>2,334.3</b>

## Q3 2019 CASH FLOW AND LIQUIDITY POSITION

Unaudited, In €m	Q3 2019	Q3 2018
<b>Profit before tax</b>	<b>94.7</b>	<b>73.5</b>
<b>Adjustments for:</b>		
- Depreciation and amortization	13.1	6.4
- Share based payments	1.8	1.5
- Share of profit from associates and joint ventures	-2.1	-0.9
- Changes in working capital	-9.0	13.2
<b>Cash flow from operating activities</b>	<b>98.5</b>	<b>93.8</b>
Income tax paid	-22.6	-23.0
<b>Net cash flows from operating activities</b>	<b>75.9</b>	<b>70.8</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	-16.2	0.0
Purchase of current financial assets	-0.8	-13.0
Redemption of current financial assets	0.0	1.5
Purchase of property, plant and equipment	-4.1	-3.4
Purchase of intangible assets	-3.2	-1.5
Dividends received from associates	0.1	0.0
<b>Net cash flow from investing activities</b>	<b>-24.2</b>	<b>-16.4</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings, net of transaction fees	0.0	0.1
Repayment of borrowings, net of transaction fees	-45.7	0.0
Interest paid	-0.1	-0.1
Interest received	0.2	0.1
Payment of lease liabilities	-2.8	0.0
Transaction of own shares	0.4	1.0
Employee Share transactions	-1.4	0.0
Dividends paid to the company's shareholders	0.0	0.0
Dividends paid to non-controlling interests	-0.2	0.0
<b>Net cash flow from financing activities</b>	<b>-49.6</b>	<b>1.2</b>
<b>Total cash flow over the period</b>	<b>2.1</b>	<b>55.5</b>
Cash and cash equivalents - Beginning of period	324.3	352.6
Non Cash exchange gains/(losses) on cash and cash equivalents	-1.3	-0.6
<b>Cash and cash equivalents - End of period</b>	<b>325.1</b>	<b>407.6</b>

Unaudited, In €m	Q3 2019	Q3 2018
<b>Cash beginning of period</b>	<b>324.3</b>	<b>352.6</b>
Debt repayment	-45.7	-
Debt subscribed	-	0.1
Investments (incl. subsidiaries net of cash acquired & associates)	-16.2	- 0.0
Cash accumulation, net of others	62.6	54.9
<b>Cash end of period</b>	<b>325.1</b>	<b>407.6</b>
RCF	355.0	250.0
<b>Available Liquidity</b>	<b>680.1</b>	<b>657.6</b>

## DISCLAIMER

*This presentation is for information purposes only and is not a recommendation to engage in investment activities. The information and materials contained in this presentation are provided 'as is' and Euronext does not warrant as to the accuracy, adequacy or completeness of the information and materials and expressly disclaims liability for any errors or omissions. This presentation contains materials produced by third parties and this content has been created solely by such third parties with no creative input from Euronext. It is not intended to be, and shall not constitute in any way a binding or legal agreement, or impose any legal obligation on Euronext. All proprietary rights and interest in or connected with this publication shall vest in Euronext. No part of it may be redistributed or reproduced without the prior written permission of Euronext.*

*This presentation may include forward-looking statements, which are based on Euronext's current expectations and projections about future events. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of Euronext. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no undue reliance should be placed on any forward-looking statements. Forward-looking statements speak only as at the date at which they are made. Euronext expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this presentation to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.*

*Financial objectives are internal objectives of the Company to measure its operational performance and should not be read as indicating that the Company is targeting such metrics for any particular fiscal year. The Company's ability to achieve these financial objectives is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control, and upon assumptions with respect to future business decisions that are subject to change. As a result, the Company's actual results may vary from these financial objectives, and those variations may be material.*

*Efficiencies are net, before tax and on a run-rate basis, ie taking into account the full-year impact of any measure to be undertaken before the end of the period mentioned. The expected operating efficiencies and cost savings were prepared on the basis of a number of assumptions, projections and estimates, many of which depend on factors that are beyond the Company's control. These assumptions, projections and estimates are inherently subject to significant uncertainties and actual results may differ, perhaps materially, from those projected. The Company cannot provide any assurance that these assumptions are correct and that these projections and estimates will reflect the Company's actual results of operations*

*Euronext refers to Euronext N.V. and its affiliates. Information regarding trademarks and intellectual property rights of Euronext is located at <https://www.euronext.com/terms-use>.  
© 2019, Euronext N.V. - All rights reserved.*



## INVESTOR RELATIONS

[Aurélie Cohen, Head of Investor Relations](#)

[Clément Kubiak, Investor Relations officer](#)

[ir@euronext.com](mailto:ir@euronext.com)

+33 1 70 48 24 27

[www.euronext.com/en/investor-relations](http://www.euronext.com/en/investor-relations)

