

EURONEXT

AGILITY FOR GROWTH

EXECUTIVE SUMMARY

13 MAY 2016

INVESTOR DAY 2016



AGILITY FOR GROWTH

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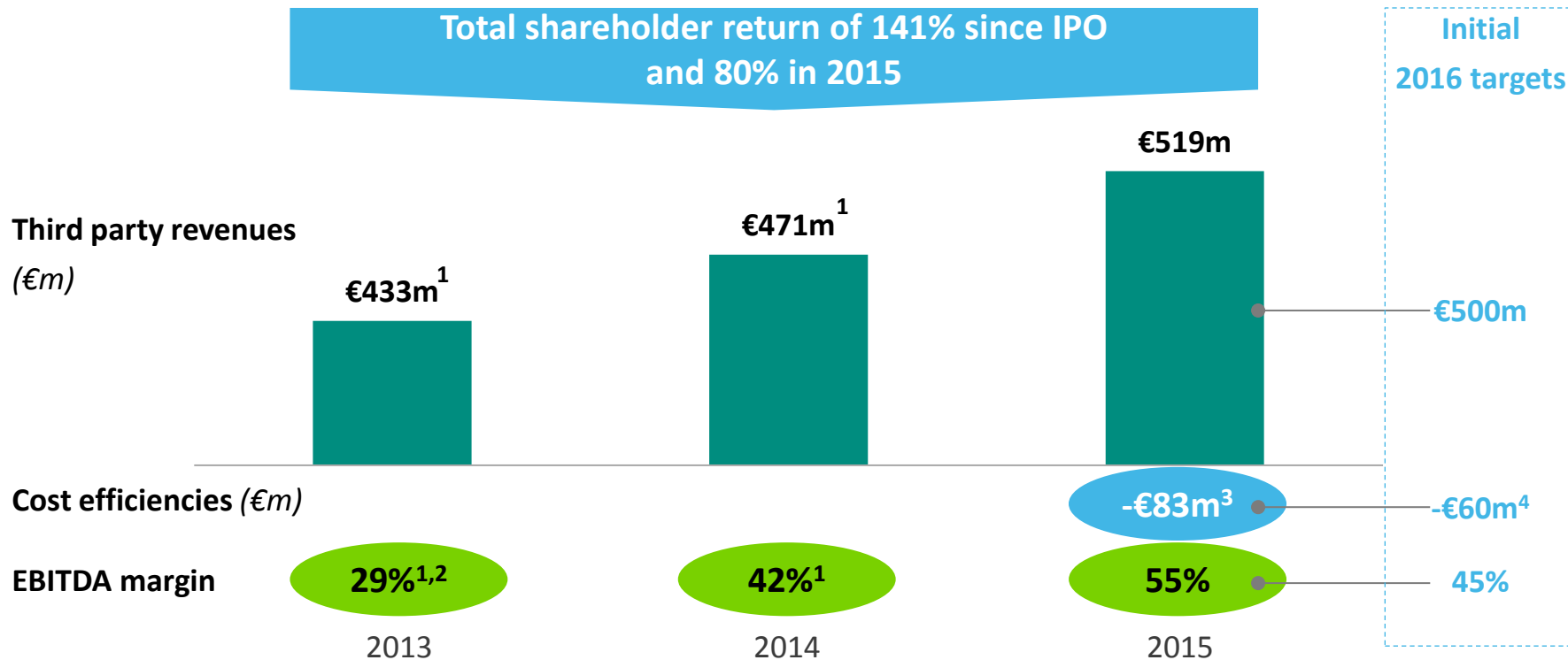
Efficiencies are net, before tax and on a run-rate basis, ie taking into account the full-year impact of any measure to be undertaken before the end of the period mentioned. The expected operating efficiencies and cost savings were prepared on the basis of a number of assumptions, projections and estimates, 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

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OUR TRACK RECORD: EURONEXT HAS OUTPERFORMED SINCE IPO, REACHING TARGETS A YEAR IN ADVANCE

Total shareholder return of 141% since IPO
and 80% in 2015



- 1. Revenues and operating expenses adjusted for the impact of clearing contract
- 2. Operating expenses 2013 inflated with expenses related to third-party revenues
- 3. Run-rate efficiencies as of 31st December 2015
- 4. On a run-rate basis

AGILITY FOR GROWTH

OUR FUNDAMENTAL ASSETS TO DRIVE FUTURE GROWTH

1

Euronext is a fully independent European player focused on its core European markets

2

Euronext offers a wide range of products, services and platforms with a strong international presence

3

Euronext offers liquidity and transparency to all market participants through its regulated exchanges

4

Euronext's model is resilient and delivers consistent growth and profitability above that of its comparable peers

5

Euronext is 'united in diversity'; its open federal model is best suited to contribute to the construction of a true pan-European market



OUR MISSION IS TO POWER PAN-EUROPEAN CAPITAL MARKETS
TO FINANCE THE REAL ECONOMY



AGILITY FOR GROWTH

OUR STRATEGIC AMBITIONS UNTIL 2019: AGILITY FOR GROWTH



CAPTURE OPPORTUNITIES FROM THE ENVIRONMENT



Market trends

- **Economic conditions** to remain supportive of the core business
- **Quantitative easing** (QE) and low rates will continue to drive investor search for yield
- **Volatility** will continue as theme; Brexit “pause” will pass
- **Capital requirements** and **profitability** challenges will change behaviour of major intermediaries:
- **Pan-European FTT** unlikely to materialise, but stays on the agenda
- **Exchange consolidation** more likely than not - few new entrants



Regulation

- Push of **OTC** towards **transparent market** models will increase
- **Regulatory** direction of travel **remains positive** for regulated exchanges
- **European single market** will be further **incentivized**



Innovation

- Strong demand for **higher performance** and **cost efficiency** of **existing processing chain**
- **Potential disintermediation** of traditional capital market actors

ENHANCE AGILITY

Intensify client centricity

Attract, retain and develop best talent and entrepreneurs

Continue disciplined cost management

Strengthen IT and infrastructure platforms

Create a disciplined M&A framework



CONSISTENT DELIVERY OF COST REDUCTION INITIATIVES

Euronext expects to complete its cost reduction programme of €100m by year-end 2019 while maintaining control over its exceptional restructuring expenses

	Cost reductions since IPO	+	Additional cost reductions	=	Total
Cost reductions					
IT rationalisation	€20m ¹		-		€20m
Simplification	€20m ¹		-		€20m
Restructuring	€45m		€22m		€67m
Total cost reduction	€85m		€22m		€107m
Inflation adjustment 2016-19E ²	-		-€7m		-€7m
Adjusted total cost reduction	€85m		€15m		€100m
Cost of restructuring					
Restructuring	€45m		€22m		€67m
Expenses for restructuring	€67m		€33m		€100m
Expenses / restructuring (x)	1.5x		1.5x		1.5x

1. Cost reductions which implied no direct exceptional restructuring expenses

2. Assuming 1% inflation per year

AGILITY FOR GROWTH

TO IMPROVE CUSTOMER EXPERIENCE, EURONEXT IS LAUNCHING A NEW GENERATION TECHNOLOGY PLATFORM

With the cutting edge technology embedded on Optiq™, Euronext is meeting client key expectations



STABILITY AND QUALITY OF SERVICE

- Meet stability and resiliency challenges
- Provide clients with improved surveillance and analytics services



SCALABILITY AND PREDICTABILITY

- Answer strong requests for improved constant latency and increased throughput on both cash and derivatives markets
- Allow for high scalability



LOW TIME TO MARKET

- Deliver products with a shorter time to market to better adapt to market demand and support strategy
- Have changes impact clients only if they plan to use the product / services



SIMPLIFICATION & RATIONALISATION

- Harmonise cash and derivatives systems using market standard protocols
- Automate daily configuration processes



COMPLIANCE

- Include MiFID II requirements on a native basis
- Optimise the migration strategy taking MiFID II regulatory calendar into account

M&A STRATEGIC PRIORITIES

What does Euronext expect from acquisition targets?

**Value
proposition**

Technology

**Entrepreneurial
spirit**

Tangible results

Scale

What can Euronext offer to new teams?

Powerful brand

Neutrality

Network

Efficiency

**Open federal
model**

**Agile
organisation**

STRENGTHEN THE RESILIENCE OF THE CORE BUSINESS TO CREATE VALUE

Continue to meet obligations to clients today while constantly reaching for change tomorrow

	Strategy description	Value for clients	Value for shareholders
Listing	Expand the largest continental European venue to meet client financing needs and deliver a resilient and diversified source of revenue	Largest European venue	Recurring revenues
Cash trading	Continue optimisation strategy to drive growth and remain the market of reference with >60% market share	Deepest liquidity pool	Revenue consolidation
Derivative trading	Extend derivatives product mix, maintain >50% market share on equity options in France, strengthen commodities and expand into OTC	OTC, strong commodity offer	Diversification of business
Market data and Indices	Leverage a customisable index business and data service to offset general trends of a decreasing number of screens	Solution for changing needs	Revenue growth

WE ARE APPLYING A DISCIPLINED APPROACH TO INCREASE SCALE AND DIVERSIFY REVENUE STREAMS

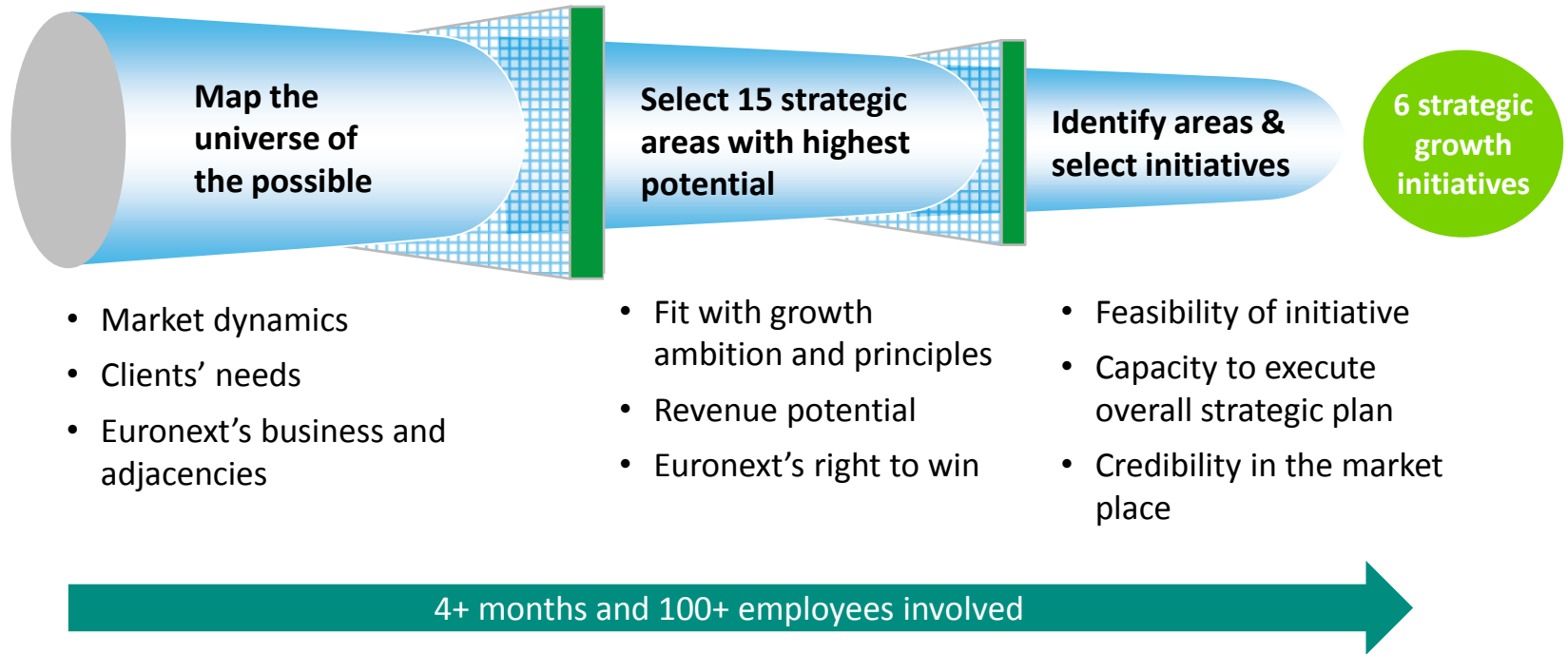
Our ambition is to accelerate our top-line growth through a realistic and coherent strategy

- **Adding value to issuers** and **investors**
- **Leveraging our assets**: technology infrastructure, network, brand, neutrality, product portfolio and industry positioning
- **Growing** organically and accelerating growth through acquisitions
- **Implementing** our strategy, **in a disciplined and agile manner**

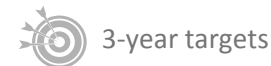
Through six growth initiatives in selected segments, we aim to deliver an uplift in top line of €70m by 2019 while continuing to strengthen the profitability of our businesses



WE HAVE BEEN SYSTEMATIC AND THOROUGH IN SELECTING STRATEGIC INITIATIVES



WE HAVE SELECTED 6 GROWTH SEGMENTS TO DIVERSIFY REVENUE STREAMS AND SCALE OUR BUSINESS



Adding value to issuers

The exchange for European Tech SMEs



~80 non Euronext country Tech SMEs listed

The modular corporate services provider on data analytics



800 clients served

Adding value to investors

One-stop-shop pan-European ETF platform in partnership with clients



~30% market share of on exchange ETF trading in Europe

Euronext branded European family of indices with an open source model



2-5% of revenues currently generated by Euro Stoxx50

Specialist content on agricultural commodities and capture OTC flows



10K ADV on AtomX in OTC cleared instruments

Diversified post trade solutions

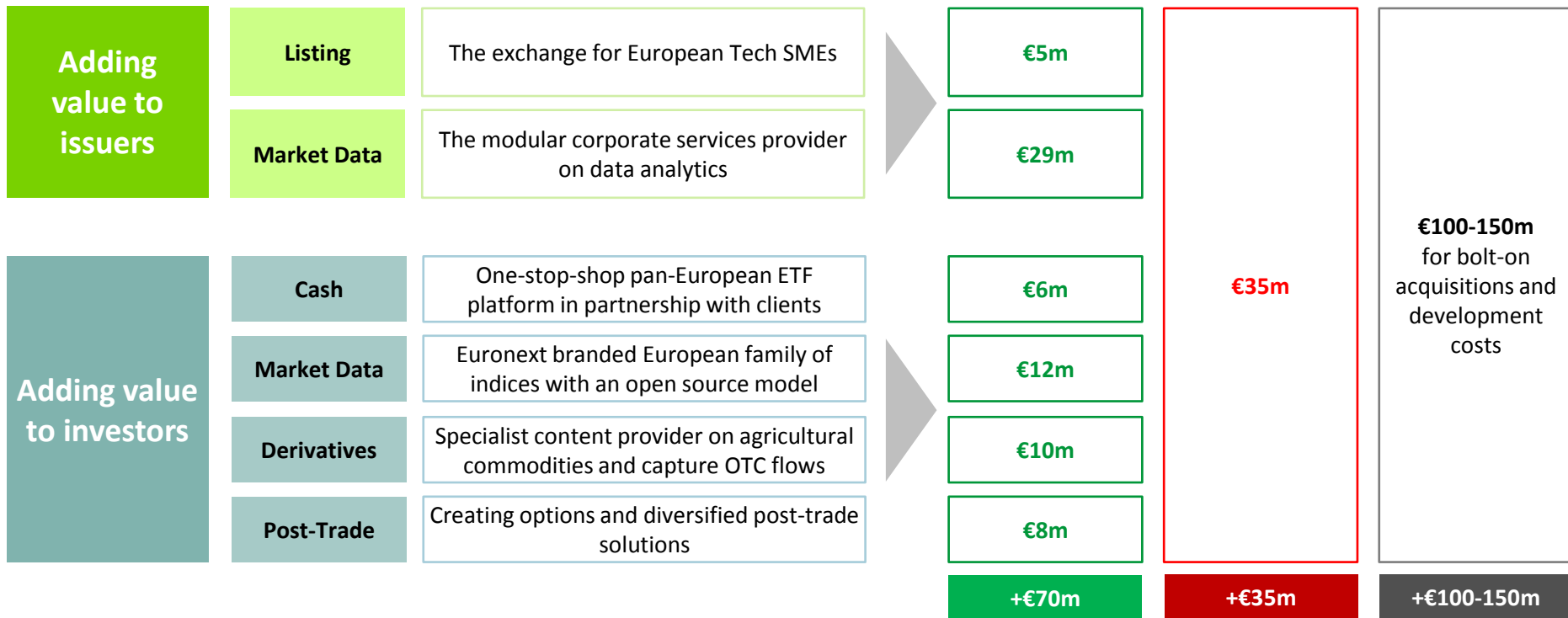


>12% contribution of new streams to post trade revenues



KEY TARGETS OF OUR SELECTED GROWTH INITIATIVES

€70m top line growth, with a ~50% EBITDA margin

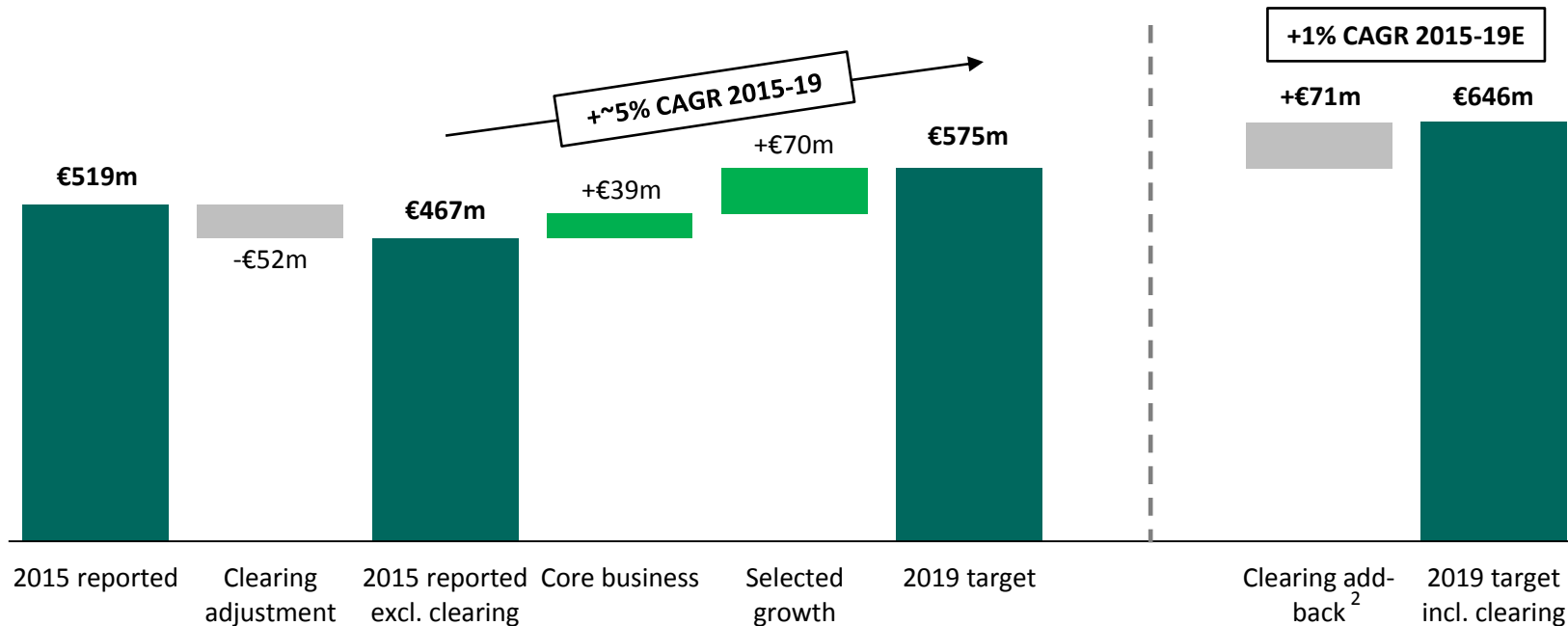


1. Excluding current derivatives clearing agreement

TARGET REVENUE EVOLUTION



€575m target¹, implying a ~5% CAGR 2015-19 with further potential growth upside related to clearing activities



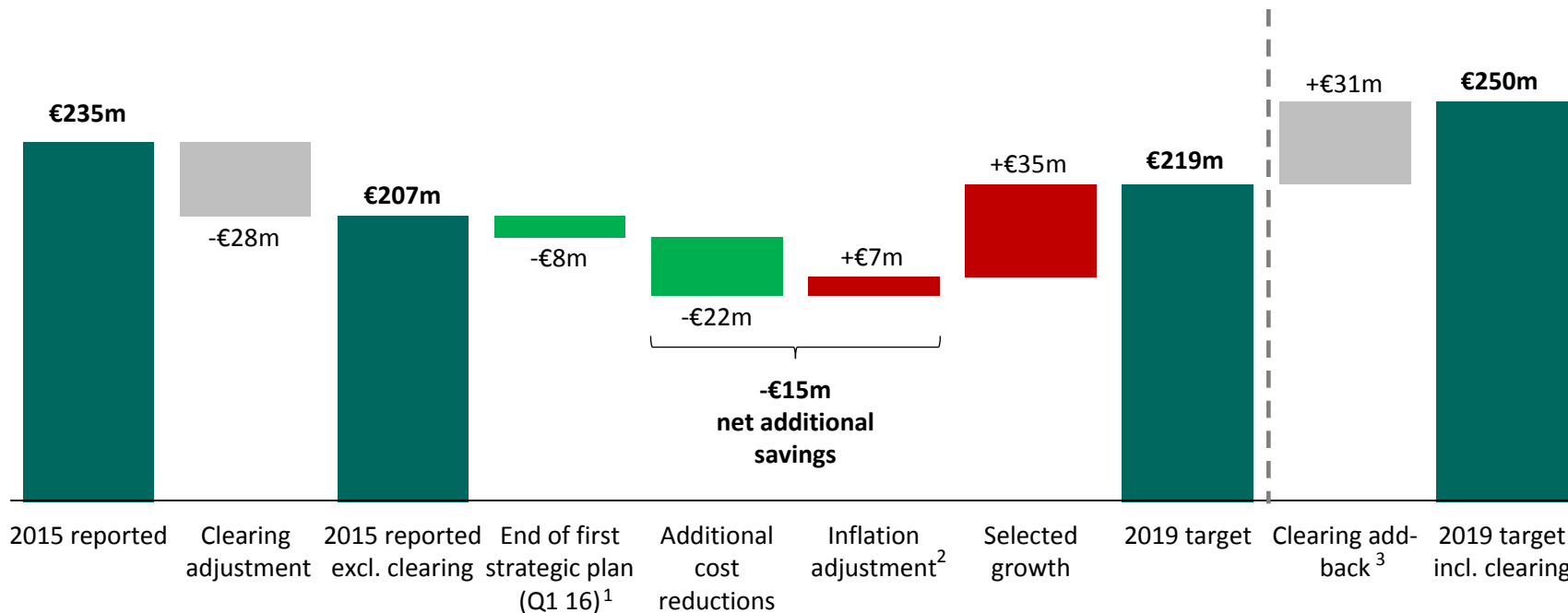
1. Excluding clearing operations

2. Clearing revenues for 2019 estimated on the basis of the current derivatives clearing agreement, taking into account volume assumptions for 2019

CONTINUOUS COST MANAGEMENT DISCIPLINE



€15m of net additional cost reductions, adding-up to the €85m already completed since the IPO







1. Including inflation in Q1 2016 cost savings

2. Assuming 1% inflation per year

3. Clearing costs for 2019 estimated on the basis of the current derivatives clearing agreement, taking into account volume assumptions for 2019

OVERVIEW OF 2019 FINANCIAL TARGETS¹

	Core business	Selected growth initiatives	Total
Revenues ¹	+2% CAGR 2015-19E +€39m	+3% CAGR 2015-19E +€70m	+5% CAGR 2015-19E €575m
Costs ¹	-3% CAGR 2015-19E -€23m ^{2,3}	+4% CAGR 2015-19E +€35m	+1% CAGR 2015-19E €219m
Drivers / targets	 Volume impact  Yield pressure	 Adding value to issuers  Adding value to investors	61-63% EBITDA margin

1. Revenues and operating expenses excluding clearing derivatives agreement

2. Including inflation adjustment, assuming 1% per year over the period

3. Including Q1 2016 cost reductions

EURONEXT AGILITY FOR GROWTH

Our mission is to power pan-European capital market to finance the real economy

Objectives

Agility

- Cost management discipline, €22m gross efficiencies
- M&A framework, €100m to 150m for bolt-on acquisitions and development costs
- Strengthened IT platform, Optiq™ delivered in 2017 and 2018

Resilience

- Continued core business growth, +2% CAGR revenues 2015-19
- Preserved market share, >60% in cash equity trading, >50% in French equity options
- Maintain and expand listings, market data & index businesses

Growth

- Add value to issuers, 2 initiatives
- Add value to investors, 4 initiatives
- Grow revenues, incremental revenues contribution of €70m
- Create optionality in post-trade solutions, investment in EuroCCP

Value creation

- Revenues growth, 5% CAGR 2015-19
- EBITDA margin strengthen, 61% to 63% EBITDA margin in 2019
- Disciplined capital allocation, 50% pay out

Enablers

Client centricity

Open federal model

Innovation discipline

Talent development

Entrepreneurial culture



For more information,
visit www.euronext.com

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