



EURONEXT

Euronext Q4 & FY 2020 Results

11 February 2020



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AGENDA

- 1 **FY & Q4 2020 HIGHLIGHTS**
- 2 **Q4 2020 BUSINESS REVIEW**
- 3 **Q4 2020 FINANCIAL REVIEW**
- 4 **Q&A**

SPEAKERS



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer

1 FY & Q4 2020 HIGHLIGHTS

STRONG PERFORMANCE THROUGHOUT 2020 DRIVEN BY DIVERSIFICATION AND ORGANIC GROWTH

FY 2020

Revenue

€884.3m

+30.2%
+€205.2m

- Strong performance resulting from the consolidation of VP Securities, Nord Pool, and from strong organic performance of trading, post-trade and listing activities
- Continued diversification strategy with non-volume related revenue representing 50% of total revenue and covering 121% of costs excluding D&A
- *Q4 revenue of €232.0m (+24.9% vs. Q4 2019)*

EBITDA

€520.0m

+30.2%
+€120.6m

- Group EBITDA margin at 58.8% (stable)
- Like-for-like, EBITDA margin at 61.3%, up +2.3pts
- 2020 costs up +4.1%¹⁾ in line with guidance and continued cost discipline
- *Q4 EBITDA of €126.8m (+21.8%), with a 54.7% margin (-1.3pts) due to the consolidation of recent acquisitions*

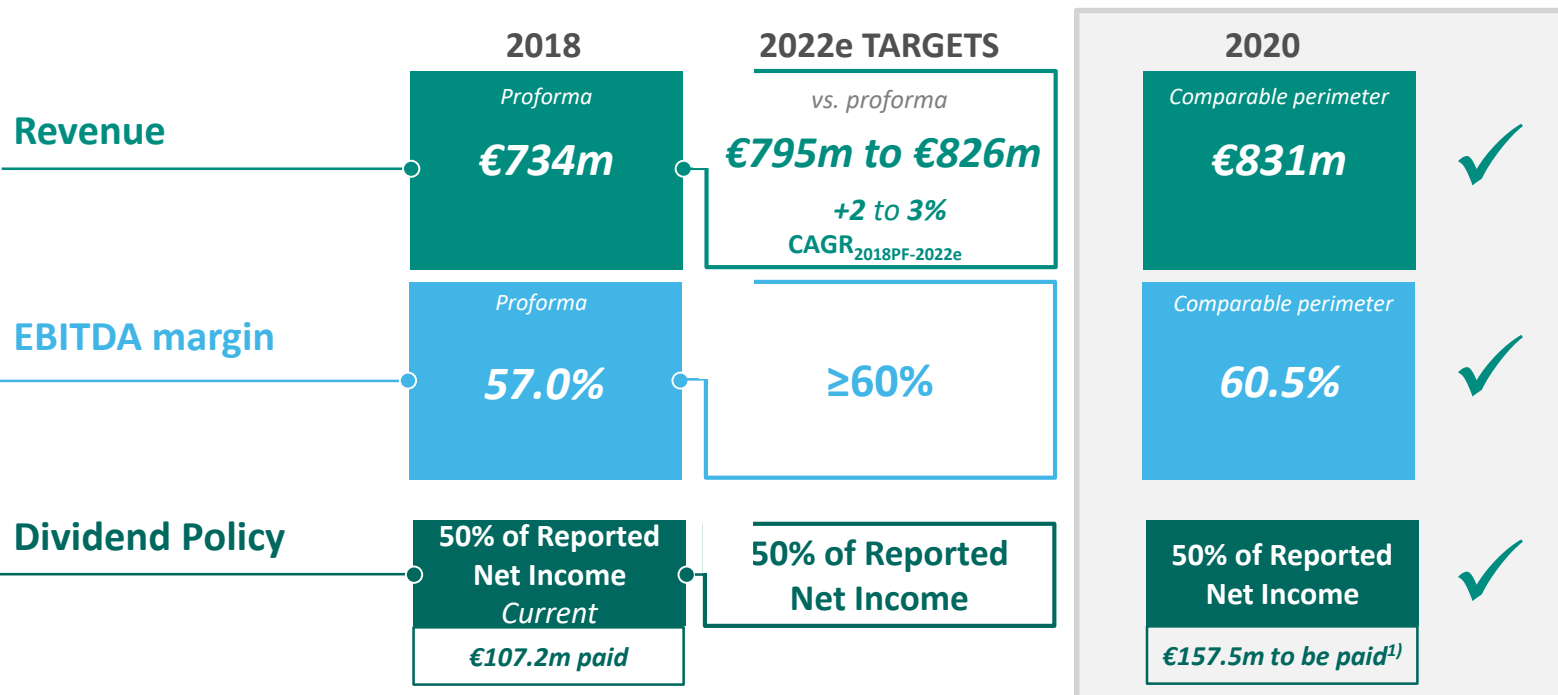
Adjusted EPS²⁾

€4.99

+28.1%

- Reported net income up +42.1% to €315.5 million
- Adjusted net income²⁾ up +28.1%, to €347.6 million
- Proposed dividend at €2.25/share³⁾
- *Q4 adjusted EPS²⁾ of €1.19 (+7.5% vs. Q4 2019)*

“LET’S GROW TOGETHER 2022” ORGANIC TARGETS ACHIEVED 2 YEARS IN ADVANCE



- ✓ Significant diversification and change of perimeter since October 2019, with Nord Pool and VP Securities acquisitions in 2020
- ✓ Borsa Italiana group contemplated transformational transaction expected to be completed in H1 2021

New Group guidance reflecting the extended perimeter to be announced in Q4 2021

2020 PERFORMANCE DRIVERS EXPECTED TO LAST IN 2021

Leveraging on market trends to enhance revenue capture while delivering on strategic objectives

2020

2021

Brexit transformation

- Volumes on European listed securities repatriated on continental Europe trading venues
- Strengthened positioning as preferred European listing venue in all our places

Post-Covid digitalisation

- Expanded client base for Corporate Services, accompanying issuers in their transformation
- Exposure to recurring revenue sources

Increased retail investors

- Continued positive impact of retail on trading and post-trade activities
- Enhanced commercial opportunities in services

ESG products rise

- Growing momentum for ESG-related bond listings
- Continued demand for ESG-related indices and Corporate Services

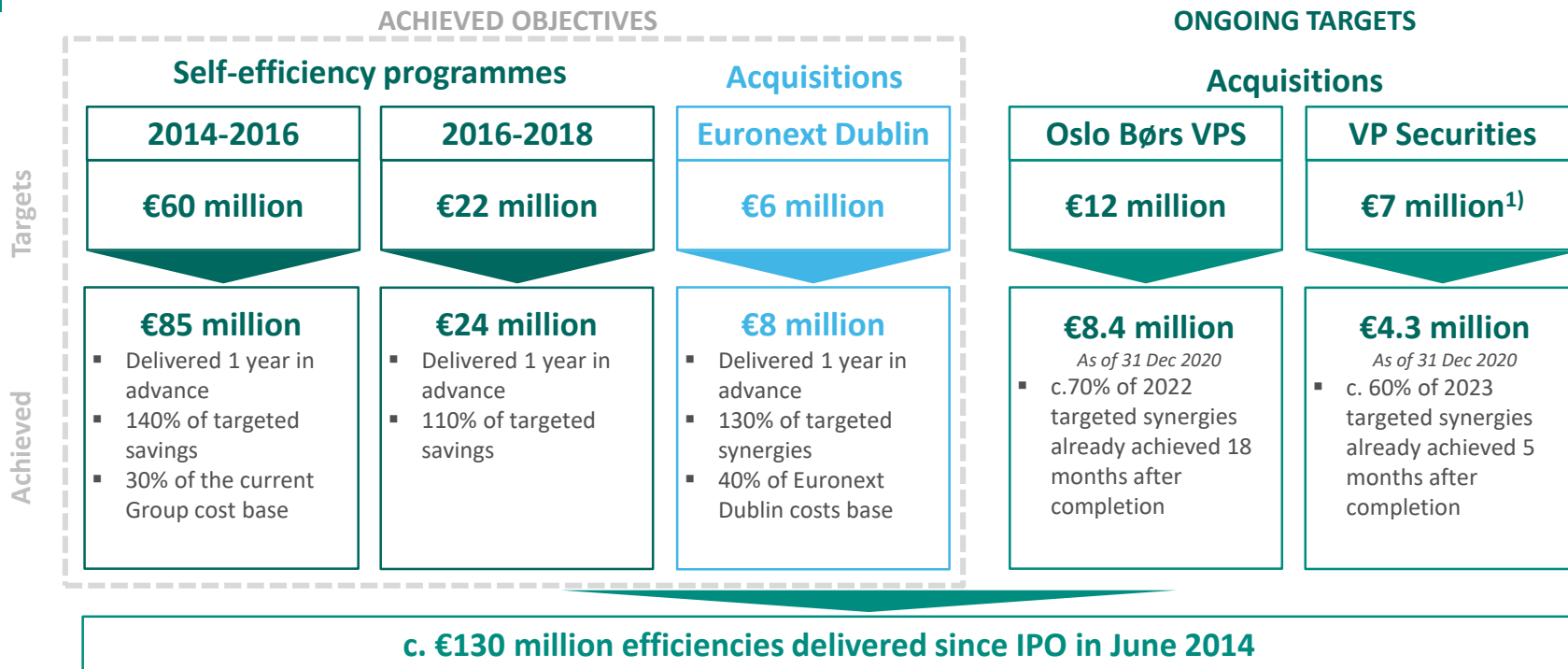
Recapitalisation needs

- Continued equity and debt financing needs supporting new issuances
- Recovering valuation

Post-trade expansion

- Improved business mix to non-volume related revenue
- Increased exposure to fixed income and funds products
- Cross-selling opportunities

A UNIQUE TRACK RECORD IN BUILDING OPERATING LEVERAGE AND EXTRACTING SYNERGIES

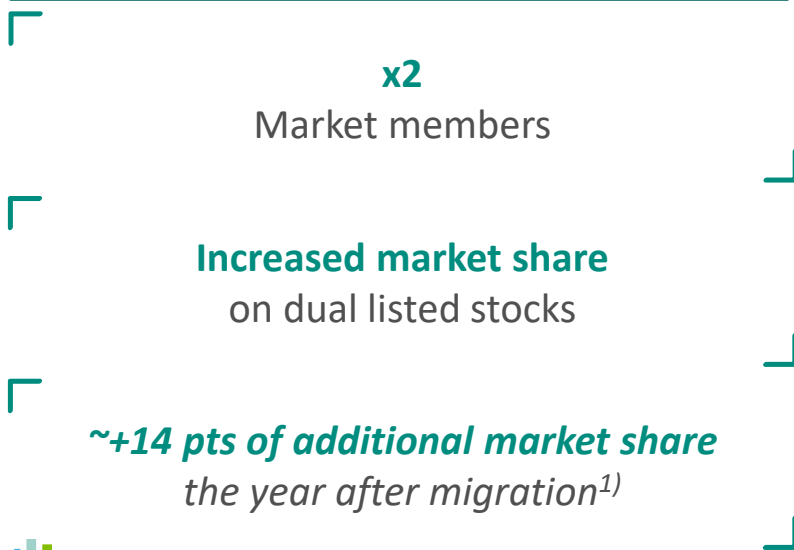


Euronext expects its operating costs excluding D&A to decrease by a mid-single digit in 2021, compared to the annualised 2020 fourth quarter operating costs excluding D&A, on the current perimeter²⁾

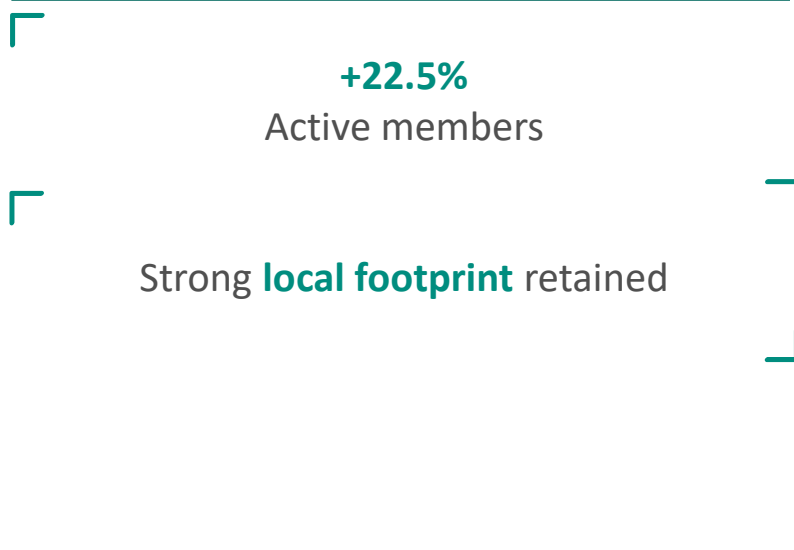
ACCESS TO EURONEXT'S ECOSYSTEM THROUGH OPTIQ® DELIVERS TANGIBLE BENEFITS



Euronext Dublin



Oslo Børs



UPDATE ON THE CONTEMPLATED ACQUISITION OF THE BORSA ITALIANA GROUP

9 October 2020

Binding agreement signed with London Stock Exchange Group plc (“LSEG”) and London Stock Exchange Group Holdings (Italy) Limited to acquire 100% of the issued share capital of London Stock Exchange Group Holdings Italia SPA, the holding company of the Borsa Italiana Group (“the Transaction”) for a cash consideration of €4,325 million¹⁾

3 November 2020

LSEG’s shareholders approved the Transaction

11 November 2020

Euronext received clearance for the Transaction from the German Federal Cartel Office

20 November 2020

Euronext’s shareholders approved the Transaction

11 December 2020

Euronext received foreign direct investment clearance for the Transaction from the Italian Council of Ministers

13 December 2020

European Commission conditionally approved LSEG proposed acquisition of Refinitiv, under the EU Merger Regulation

29 January 2021

LSEG closed its acquisition of Refinitiv

Next milestones

- Regulatory approvals in several jurisdictions
- Declaration of non-objection from Euronext’s College of Regulators
- Approval of Euronext as a suitable purchaser by the European Commission

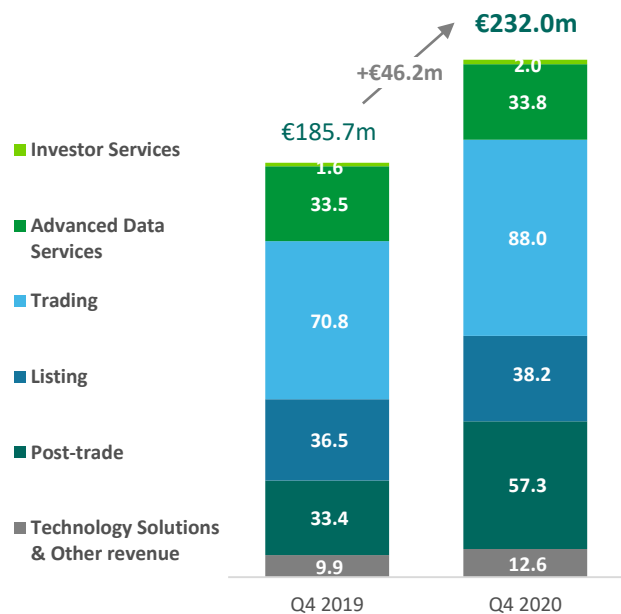
H1 2021

Expected completion of the Transaction



2 | Q4 2020 BUSINESS REVIEW

Q4 2020 REVENUE UP +24.9% DRIVEN BY POST TRADE AND STRENGTHENED POSITION IN TRADING ACTIVITY



■ Non-volume related revenue
■ Volume related revenue



- Post-Trade revenue growth driven by the consolidation of VP Securities, higher settlement activities and increased retail participation in the Nordic region
- Increased trading revenue reflecting a more volatile environment, improved revenue capture and the consolidation of Nord Pool power trading
- Listing revenue growth driven by the strong performance of Corporate Services and equity listings to fulfill corporate financing needs
- Advanced Data Services revenue reflecting the performance of the indices business, and the consolidation of Nord Pool data activities

+24.9%

Q4 2020 consolidated revenue growth

€27.0m

Revenue contribution from acquisitions

54%

Non-volume related revenue

118%

Non-volume related revenue to operating cost coverage vs 119% in Q4 2019

LISTING REVENUE UP +4.7% TO €38.2M IN Q4 2020

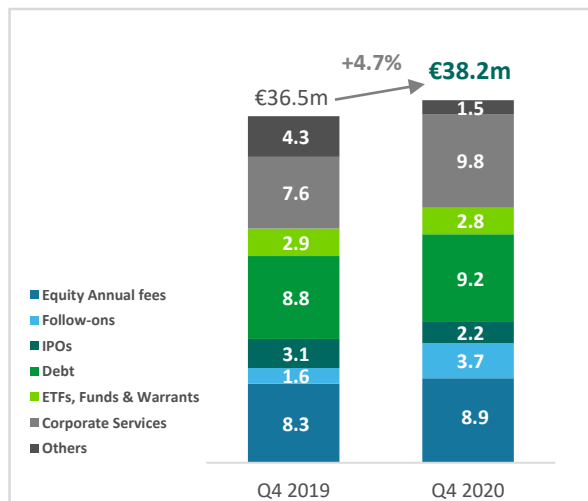
Strong performance of Corporate Services and higher equity financing needs

€38.2m
revenue

49 new
equity listings

€278.2bn
money raised

+29.8%
Corporate Services revenue



- **Corporate Services strong performance, up +29.8%, reflecting continued commercial development and increased demand for digital solutions**
- **Record quarter in primary listing activity notably supported by large tech companies and Cleantech companies**
- Continued momentum in primary equity issuances:
 - 5 large cap listings
 - 44 SME listings
- Secondary markets primarily supported by M&A activities and balance sheet reinforcements transactions
- Growing momentum in ESG-related bond listings
- *Like-for-like, revenue increased +4.4%*

TRADING REVENUE UP +24.3% TO €88.0M IN Q4 2020 (1/2)

Volatile environment, improved cash trading revenue capture, higher commodities volumes

1 Cash trading

€63.2m

revenue
+18.9%

€9.2bn

ADV
+9.8%

0.53bps
yield

70.4%
market share
-0.5 pts

- Volatile trading environment supporting volumes
- Improved revenue capture
- Increased retail participation
- *Like-for-like, revenue increased +19.3%¹⁾*

2 Derivatives trading

€11.7m

revenue
-1.5%

536k lots

Financial derivatives
ADV
+0.2%

76.2k lots

Commodities
ADV
+40.7%

€0.29

Rev. per lot
-6.3%

- Unfavorable product mix in financial derivatives
- Increased commodities trading reflecting commercial development
- *Like-for-like, revenue decreased -1.2%¹⁾*

TRADING REVENUE UP +24.3% TO €88.0M IN Q4 2020 (2/2)

FX trading driven by a volatile environment, power trading driven by usual winter surge

FX trading

€5.9m

revenue
+2.7%

\$20bn

ADV
+20.8%

- Volatile market environment
- *Like-for-like, revenue increased +10.6%¹⁾*

Power trading

€7.2m

revenue

2.74 TWH

day-ahead ADV

0.07 TWH

intraday ADV

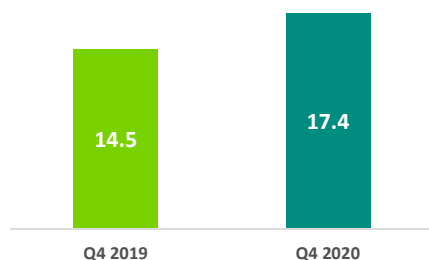
- Usual seasonal higher activity of the winter months

POST TRADE REVENUE UP +71.7% TO €57.3 M

Consolidation of VP Securities, strong settlement activity and higher clearing revenue

1 Clearing

in €m

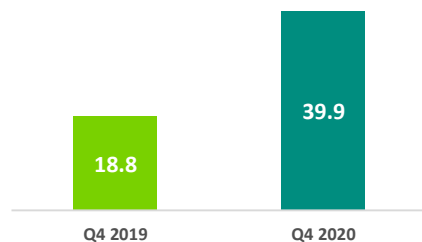


€17.4m
revenue
+20.0%

- Higher treasury income
- Higher derivatives trading volumes with increased high yield commodities cleared
- *Like-for-like, revenue increased +20.0%¹⁾*

2 Custody, Settlement and other post-trade

in €m



€39.9m
revenue
+111.6%

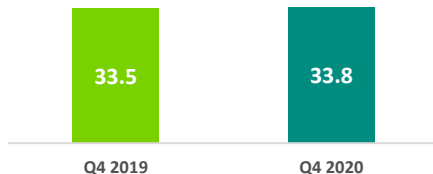
- Consolidation of VP Securities for €17.6 million
- Strong organic growth:
 - higher settlement activities
 - increased number of accounts in the Nordics
 - Improved value-added services
- *Like-for-like, revenue increased +23.5%¹⁾*

ADVANCED DATA SERVICES, INVESTOR SERVICES AND TECHNOLOGY SOLUTIONS

Strong performance of indices, contribution from Commcise and Nord Pool

1 Advanced Data Services

in €m



€33.8 m
revenue
+0.8%

- Good performance of indices
- Resilient market data business
- Consolidation of Nord Pool data activities
- *Like-for-like, revenue increased +0.5%¹⁾*

2 Investor Services

in €m

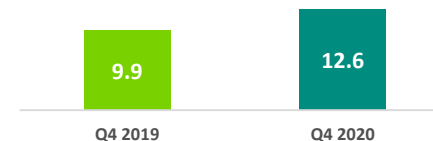


€2.0 m
revenue
+25.4%

- Continued revenue growth supported by commercial development
- *Like-for-like, revenue increased +32.2%¹⁾*

3 Technology Solutions

in €m



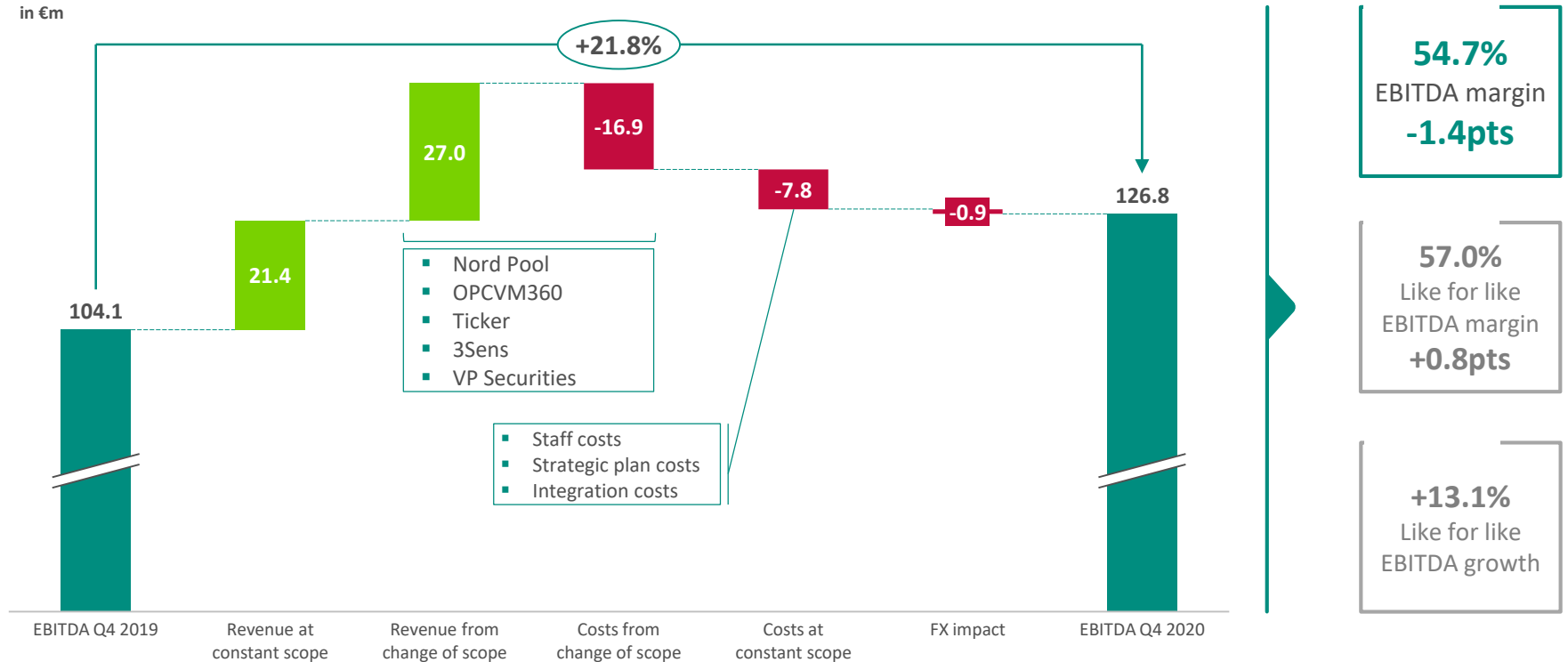
€12.6 m
revenue
+26.9%

- Consolidation of Nord Pool activities
- Good performance of the core business
- *Like-for-like, revenue increased +13.9%¹⁾*

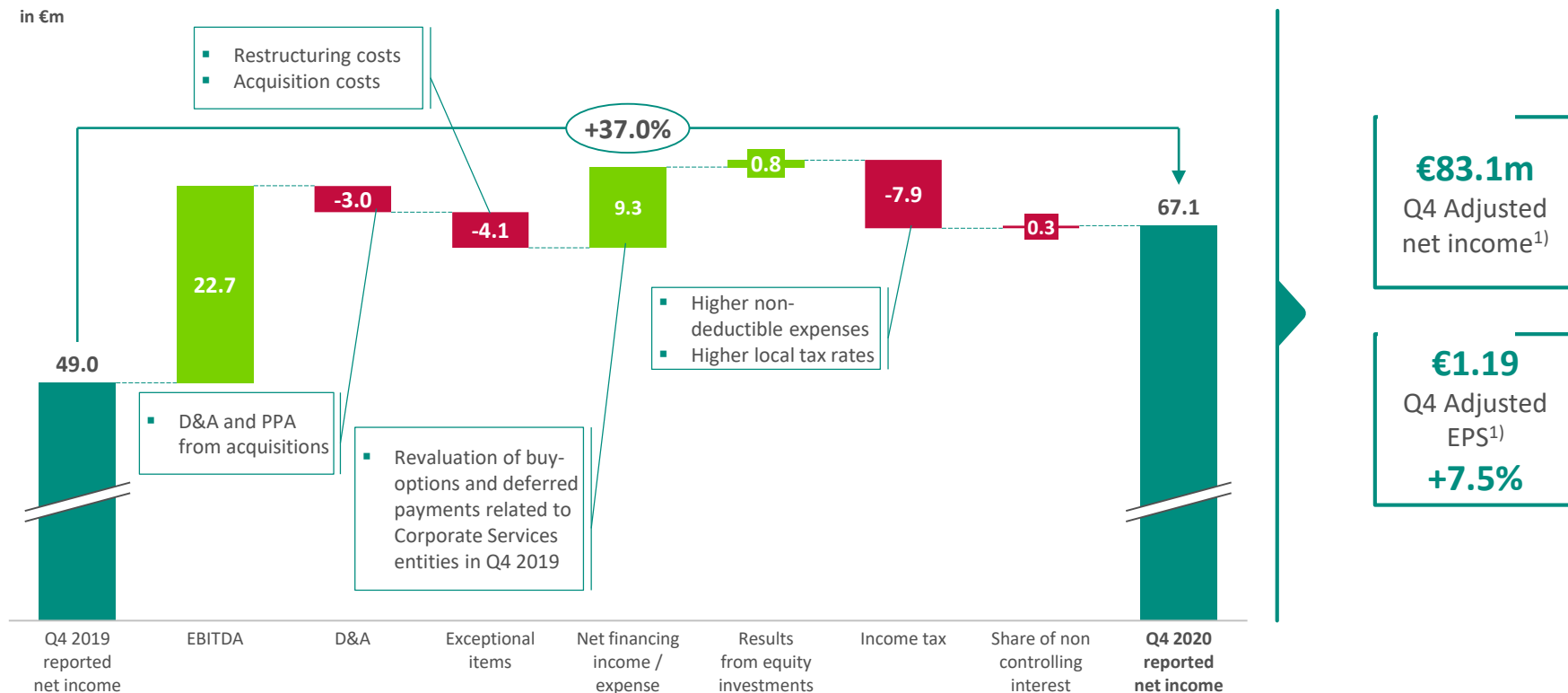
Q4 2020 FINANCIAL REVIEW

Q4 2020 EBITDA UP +21.8% TO €126.8M

Continued cost discipline and consolidation of acquisitions



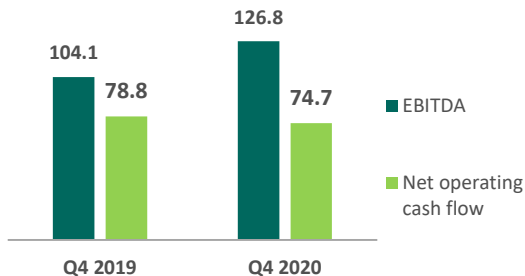
Q4 2020 NET INCOME UP +37.0% TO €67.1M, ADJUSTED EPS UP +7.5% TO €1.19 PER SHARE



SOLID CASH FLOW GENERATION AND LIQUIDITY POSITION

EBITDA to net operating cash flow

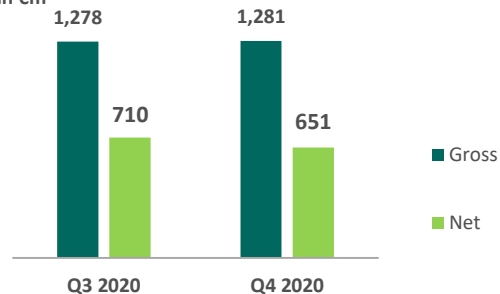
in €m



Q4 2020 EBITDA to net operating cash flow conversion rate at **58.9%** (vs 75.7% last year) due to a large VAT payment.

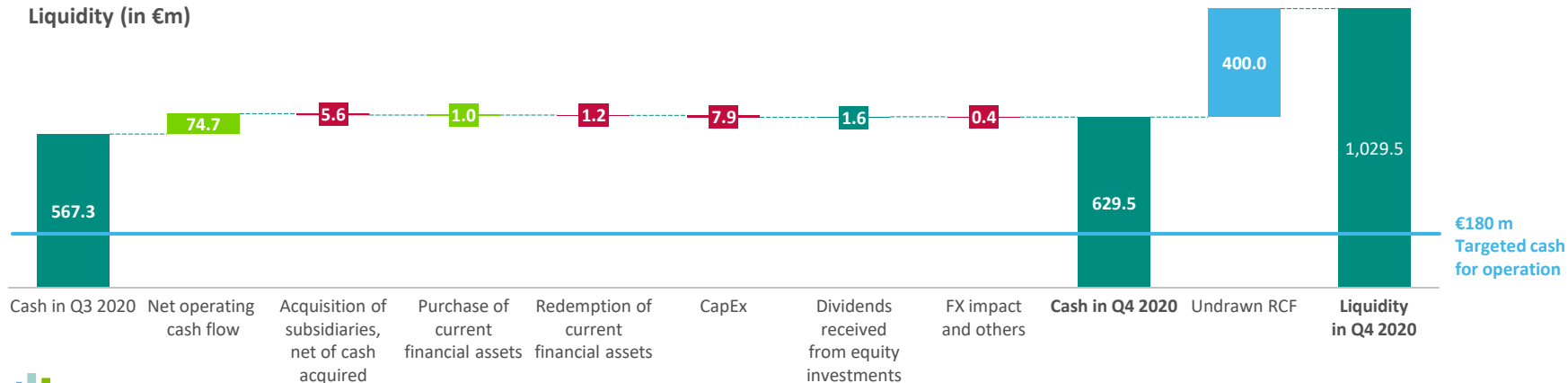
Debt and leverage

in €m



Net debt to EBITDA¹⁾ ratio at **1.2x** (vs 1.4x in Q3 2020)

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

Global Head of Primary
Markets and Post Trade

APPENDIX

ADJUSTED EPS RECONCILIATION

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>	Q4 2020	Q4 2019	FY 2020	FY 2019
Net Income Reported	67.1	49.0	315.5	222.0
<i>EPS Reported (€ per share)</i>	0.96	0.70	4.53	3.19
Intangible assets adj. related to acquisitions (PPA)	(6.0)	(3.8)	(21.0)	(13.8)
Exceptional items	(12.3)	(8.2)	(17.3)	(21.9)
Impairments	-	(6.0)	-	(6.0)
Revaluation of buy-options and deferred payments	-	(13.3)	-	(13.3)
Tax related to those items	2.4	3.0	6.2	5.5
Adjusted for intangible assets related to acquisitions, capital gains or losses and exceptional items, incl. tax				
Adj. Net Income	83.1	77.3	347.6	271.4
Adj. EPS (€ per share)	1.19	1.11	4.99	3.90

Q4 2020 INCOME STATEMENT

Unaudited, In €m	Q4 2020	Q4 2019	% var	Organic (like for like)
Revenue	232.0	185.7	+24.9%	+11.6%
Listing	38.2	36.5	+4.7%	+4.3%
Trading revenue	88.0	70.8	+24.3%	+15.2%
Cash Trading	63.2	53.2	+18.9%	+19.3%
Derivatives Trading	11.7	11.9	-1.5%	-1.2%
Spot FX Trading	5.9	5.8	+2.7%	+10.6%
Power trading	7.2		n/a	n/a
Investor Services	2.0	1.6	+25.4%	+32.2%
Advanced Data Services	33.8	33.5	+0.8%	+0.5%
Post-trade	57.3	33.4	+71.7%	+21.9%
Clearing	17.4	14.5	+20.0%	+20.0%
Custody, Settlement and other post-trade	39.9	18.8	+111.6%	+23.5%
Technology Solutions & other revenue	12.6	9.9	+26.9%	+13.9%
Other income	0.1	0.0	+110.0%	+110.0%
Operational expenses excluding D&A	-105.1	-81.6	+28.8%	+9.7%
Salaries and employee benefits	-59.0	-45.9	+28.7%	+7.4%
Other Operational Expenses	-46.1	-35.8	+28.9%	+12.6%
System & Communication	-10.7	-6.7	+59.5%	+26.6%
Professional Services	-17.2	-12.0	+43.3%	+19.6%
Clearing expense	-7.8	-7.6	+2.9%	+11.6%
Accommodation	-1.5	-1.5	+3.2%	-22.6%
Other Operational Expenses	-8.8	-8.0	+10.6%	-2.0%
EBITDA	126.8	104.1	+21.8%	+13.1%
<i>EBITDA margin</i>	<i>54.7%</i>	<i>56.0%</i>	<i>-1.4 pts</i>	<i>+0.8 pts</i>
Depreciation & Amortisation	-15.9	-12.8	+23.6%	+1.2%
Operating Profit before Exceptional items	111.0	91.3	+21.6%	+14.8%
Exceptional items	-12.3	-8.2	n/a	
Operating Profit	98.6	83.1	+18.8%	
Net financing income / (expense)	-4.9	-14.2	-65.6%	
Results from equity investments	4.3	3.5	+23.2%	
Profit before income tax	98.1	72.4	+35.6%	
Income tax expense	-30.3	-22.4	+35.1%	
Share of non-controlling interests	-0.7	-0.9	-30.3%	
Profit for the period	67.1	49.0	+37.0%	

BALANCE SHEET AS AT 31 DECEMBER 2020

Unaudited, In €m	As at 31 Dec 2020	As at 30 Sept 2020
Non-current assets		
Property, plant and equipment	56.0	55.5
Right-of-use assets	46.9	51.1
Goodwill and other intangible assets	1,536.1	1,515.2
Deferred income tax assets	20.8	20.3
Investments in associates and JV	68.1	65.3
Financial assets at fair value through OCI	204.5	199.6
Other non current assets	8.6	4.1
Total non-current assets	1,941.1	1,911.1
Current assets		
Trade and other receivables	195.0	210.8
Income tax receivable	3.3	3.8
Derivative financial instruments	23.7	24.2
Other short-term financial assets	92.1	90.2
Cash & cash equivalents	629.5	567.3
Total current assets	943.5	896.3
Assets held for sale	-	-
Total assets	2,884.6	2,807.4

Shareholders' equity		
Shareholders' equity	1,058.7	966.2
Non-controlling interests	30.2	31.3
Total Equity	1,089.0	997.5
Non-current liabilities		
Borrowings	1,272.5	1,272.2
Lease liabilities	35.1	33.9
Other non-current financial liabilities	-	-
Deferred income tax liabilities	92.9	87.3
Post employment benefits	26.5	25.9
Contract liabilities	44.6	42.4
Other provisions	14.5	14.2
Total Non-current liabilities	1,486.1	1,476.0
Current liabilities		
Borrowings	8.2	5.3
Lease liabilities	15.9	20.7
Other current financial liabilities	0.5	1.0
Derivative financial instruments	0.4	-
Income tax payable	33.8	31.7
Trade and other payables	185.8	200.3
Contract liabilities	62.2	73.4
Other provisions	2.6	1.6
Total Current liabilities	309.3	333.9
Total equity and liabilities	2,884.6	2,807.4

Q4 2020 CASH FLOW AND LIQUIDITY POSITION

Unaudited, In €m	Q4 2020	Q4 2019
Profit before tax	98.1	72.4
<i>Adjustments for:</i>		
- Depreciation and amortization	15.9	12.8
- Share based payments	2.4	2.6
- Change in fair value of financial instruments	-0.3	13.3
- Share of profit from associates and joint ventures	-2.7	3.7
- Changes in working capital	-8.6	-0.2
Cash flow from operating activities	104.8	104.7
Income tax paid	-30.1	-25.8
Net cash flows from operating activities	74.7	78.8
Cash flow from investing activities		
Acquisition of associates and joint ventures	0.0	-1.0
Acquisition of subsidiaries, net of cash acquired	-5.6	0.0
Purchase of current financial assets	1.0	1.4
Redemption of current financial assets	-1.2	16.0
Purchase of property, plant and equipment	-3.0	-3.8
Purchase of intangible assets	-4.9	-3.2
Dividends received from equity investments	1.6	7.3
Dividends received from associates	0.0	0.0
Net cash flow from investing activities	-12.1	16.6
Cash flow from financing activities		
Repayment of borrowings, net of transaction fees	0.0	-45.0
Interest paid	-0.6	-0.6
Interest received	0.0	0.1
Payment of lease liabilities	-4.2	-2.8
Acquisition of own shares	0.0	-0.3
Employee Share transactions	0.0	-0.5
Net cash flow from financing activities	-4.8	-49.0
Total cash flow over the period	57.8	46.4
Cash and cash equivalents - Beginning of period	567.3	325.1
Non Cash exchange gains/(losses) on cash and cash equivalents	4.4	-1.7
Cash and cash equivalents - End of period	629.5	369.8

Unaudited, In €m	Q4 2020	Q4 2019
Cash beginning of period	567.3	325.1
Debt repayment	0.0	-45.0
Investments (incl. subsidiaries net of cash acquired & associates)	-5.6	-1.1
Dividends received from equity investments	1.6	7.3
Purchase of current financial assets	1.0	1.4
Redemption of current financial assets	-1.2	16.0
Cash accumulation, net of others	66.4	66.2
Cash end of period	629.5	369.8
RCF	400.0	400.0
Available Liquidity	1,029.5	769.8

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