

Euronext announces its new strategic plan, “Innovate for Growth 2027”

“Innovate for Growth 2027” targets the acceleration of Euronext’s revenue growth through innovation and diversification

Amsterdam, Brussels, Dublin, Lisbon, Milan, Oslo and Paris – 7 November 2024 – Euronext, the leading European capital market infrastructure, today released its new three-year strategic plan, “Innovate for Growth 2027”.

“Innovate for Growth 2027” sets out the Group’s ambition to leverage Euronext’s presence on the entire capital markets value chain in Europe to accelerate growth through innovation and efficiency. Euronext announces an updated capital allocation policy with a focus on shareholders’ returns and strategic flexibility. In line with this new capital allocation policy, Euronext will launch a €300 million maximum share repurchase programme on 11 November 2024.

Stéphane Boujnah, CEO and Chairman of the Managing Board of Euronext, said:

“Euronext today is fundamentally different from Euronext in 2020. And, for the past four years, Euronext has profoundly transformed capital markets in Europe. We have achieved our “Growth for Impact 2024” targets a full quarter in advance, thanks to strong integration capabilities, solid organic growth and continuous cost discipline. Euronext now covers the entire capital markets value chain in Europe, with a global outreach. We are fully equipped to take advantage of tailwinds and capture opportunities on both volume and non-volume businesses.

“Innovate for Growth 2027” frames Euronext’s potential for the acceleration of our growth.

Our strategy relies on three priorities: (i) accelerate growth in non-volume business, (ii) expand the FICC¹ trading and clearing franchise and (iii) build upon our leadership in trading. Our strategy will provide a stronger value proposition for investors, issuers and market participants globally.

ESG will continue to be embedded in all our businesses, and we will scale up our ESG ambition, with a Net Zero commitment to be set by 2027.

We have consolidated and offered best-in-class technology across European capital markets. Now, we will enhance our operational excellence and innovation capabilities through AI.

This plan is an inflection point for Euronext towards faster organic growth. Our financial guidance reflects our ambition to accelerate our growth and invest to seize future opportunities. Euronext’s organic revenue growth is expected to be above 5% on average per year between 2023 and 2027. Adjusted EBITDA growth is expected to be above 5% on average per year between 2023 and 2027. We will keep a strong focus on costs and will continue to invest for future growth.

The Group will continue to execute external growth opportunities, in line with its investment criteria of ROCE above WACC in years 3 to 5. We are announcing today an updated capital allocation policy with attractive returns for shareholders and strategic flexibility.

By 2027, Euronext will be larger, stronger and more diversified. Our leadership will be extended to new activities and asset classes in Europe. The Group will be positioned as the unique and most efficient gateway to European capital markets for listing, trading, clearing, settlement and custody. By 2027, Euronext will be the undisputed backbone of the European Savings and Investments Union.”

¹ Fixed income, currencies and commodities

■ 2027 financial targets:

- Revenue and income is expected to grow above 5% CAGR_{2023-2027E};
- Adjusted EBITDA is expected to grow above 5% CAGR_{2023-2027E};
- CAPEX is expected to be between 4% to 6% of total revenue over the period.

■ Updated capital allocation principles:

- Euronext will invest to enhance growth and strengthen its market position, and to sustain a strong cash flow generation profile;
- Euronext will maintain a strong balance sheet and targets a medium-term leverage ratio of 1.0x-2.0x net debt to adjusted EBITDA, with flexibility to pursue value-accretive M&A. Euronext will preserve an investment grade rating by S&P of at least BBB;
- Euronext will maintain a dividend pay-out at 50% of reported net income;
- Euronext will continue to pursue value-accretive M&A with ROIC>WACC in years 3 to 5, to reinforce and diversify its profile;
- Euronext will introduce a flexible approach to special returns, including share buybacks. Special returns will be periodically assessed considering Euronext's leverage, market developments and strategic opportunities;
- In line with its updated capital allocation policy, Euronext today announces the launch of a share buyback programme of a maximum of €300 million (representing around 3.0% of Euronext's outstanding shares), starting on 11 November 2024 for a maximum duration of 12 months. This programme is enabled by Euronext's strong cash generation capabilities and demonstrates Euronext's rigorous capital allocation strategy. This programme is not expected to change Euronext's credit rating.

■ "Innovate for Growth 2027" strategic priorities:

- Accelerate growth in non-volume business;
- Expand the fixed income, currencies and commodities (FICC) trading and clearing franchise;
- Build upon our leadership in trading.

■ Transversal enablers of Euronext's superior growth:

- Empower sustainable finance through ambitious ESG commitments;
- Enhance operational excellence, enabled by artificial intelligence and the scalability of Euronext's model;
- Deliver value-creative M&A through external growth opportunities, in line with Euronext's disciplined investment criteria.

■ New reporting framework

In order to align with the evolved business structure and to facilitate the analysis of performance, Euronext will introduce a new, simplified revenue presentation. From Q1 2025, consolidated revenue will be broken down into the following categories, to distinguish non-volume and volume-related revenue:

■ Non-volume related revenue and income

- Capital markets and data solutions;
- Securities services;
- Net treasury income;

■ Volume-related revenue

- Equity markets;
- Fixed income, currencies and commodities (FICC) markets.

Agenda

The Euronext Investor Day will be held on Friday 8 November 2024, in Paris.

Live webcast (questions permitted from investors and analysts):

To view the live webcast of the plenary session go to: [Link to webcast](#)

The webcast will be available for replay after the call at the webcast link and on Euronext's Investor Relations webpage at www.euronext.com/investors

“Innovate for Growth 2027”

Over the past three years, under the “Growth for Impact 2024” strategic plan, Euronext has built the leading European capital market infrastructure. Since 2021, Euronext has demonstrated strong integration capabilities, solid organic growth and continuous cost discipline. Euronext achieved its “Growth for Impact 2024” financial guidance one full quarter in advance. This performance is the consequence of hard work to deliver strong organic growth. Euronext revenue reached +4.1% CAGR_{2020PF-2024LTM}¹, compared to +3% to +4% CAGR_{2020PF-2024e} targeted. Despite inflation, Euronext continued its trademark cost discipline. Euronext reached adjusted EBITDA growth of +5.3% CAGR_{2020PF-2024LTM}¹, compared to +5% to +6% CAGR_{2020PF-2024e} targeted.

The acquisition of the Borsa Italiana Group was even more successful than initially anticipated. Euronext delivered €121 million cumulated run-rate annual EBITDA synergies at end of Q3 2024, above the €115 million targeted for 2024. As a reminder, this initial synergies target was upgraded from €60 million in April 2021 to €100 million in November 2021 and to €115 million in February 2023. Over the duration of the plan, Euronext has spent €111 million in cumulated implementation costs, down from €160 million announced in November 2021.

Since 2021, the Group has delivered a strong cash flow conversion. Euronext returned close to 50% of the cash flow to shareholders and reinvested 50% to develop growth. CAPEX amounted to 6.1% of revenue on average per year during the period. Euronext’s share price has progressed by more than 470% since the IPO in June 2014.

Since 2014, the Group has expanded and posted high growth through the cycle. After the acquisitions of the Irish Stock Exchange in 2018 and Oslo Børs VPS in 2019, the Group diversified its businesses and expanded geographically through the acquisitions of Nord Pool in Norway and VP Securities in Denmark in 2020 and the Borsa Italiana Group in 2021. Euronext’s ambition is to provide our clients and partners with trusted and sustainable markets to drive innovation and growth. Today, Euronext operates seven national markets, four CSDs and one multi-asset clearing house in Europe as well as various trading infrastructures.

Euronext has successfully integrated the Borsa Italiana Group markets into its single-access-point trading platform, Optiq®, and enhanced the harmonisation of listing rules across Europe.

The Group has been instrumental in shaping the post-trade industry. Euronext has transformed its Italian clearing operations into a European clearing platform. Euronext has also harmonised its CSD offering. Euronext is the only market infrastructure in Europe to provide unified access to a network of four CSDs connected to more than 20 international markets. For the first time since its IPO, Euronext is present throughout the entire capital market value chain. Euronext is now fully equipped to step up to the next level of revenue growth acceleration.

Looking forward, those new capabilities increase the number of touchpoints with clients and enhance the acceleration of Euronext’s organic growth profile. Euronext will leverage its new scale in Europe to develop innovative solutions and products for the benefit of its clients, shareholders and stakeholders. Euronext will be the key gateway to European capital markets, with its businesses in stronger leadership positions.

Euronext will take advantage of powerful tailwinds. Markets are driven by strong demand for harmonised, competitive pan-European solutions. Retail investors are increasingly participating in capital markets. Euronext’s issuers are expecting enhanced digitalisation of processes. Euronext’s investors and brokers are changing their trading behaviours and algorithmic trading in diversified asset classes is growing.

¹ Last twelve months as of 30 September 2024, supposing that Q4’24 is flat vs Q4’23. This figure will be adjusted at the end of 2024. The last twelve months’ P&L is available in the Q3 2024 press release.

Euronext's clearing clients are looking for balance sheet optimisation. These tailwinds will support Euronext's "Innovate for Growth 2027" business ambitions.

Over the next three years, Euronext will:

- accelerate growth in non-volume business; this acceleration will be enabled by Euronext's pan-European position and presence over the value chain, especially in data, primary markets and corporate and investor solutions;
- expand the FICC trading and clearing franchise empowered by greater clearing capabilities;
- build upon our leadership in trading to make cash equity and ETF markets thrive in Europe.

1. Accelerate growth in non-volume business

1.1. Position Euronext Securities as the CSD of choice for European capital markets

"Growth for Impact 2024" achievements

Euronext Securities is the third-largest network of CSDs in Europe with close to €7.0 trillion in assets under custody. Euronext Securities platforms connect issuers to capital markets across more than 20 countries. Euronext Securities is today the largest international gateway to Target2-Securities, with a leading position measured in number of cross-border settlement instructions sent.

Euronext Securities has transformed the CSD industry services and developed general meeting and shareholder register services. The Euronext Securities tax offering is a commercial success and is further strengthened with the acquisition of Acupay in 2024. Since 2021, Euronext Securities has grown significantly to become the third-largest revenue contributor in Euronext, exceeding €260 million annual revenue¹.

The fragmentation of the CSD landscape until today has held back investment opportunities in European Capital markets. Euronext Securities, as part of Euronext's integrated value chain, is ideally positioned to address the fragmentation of the CSD landscape in Europe.

"Innovate for Growth 2027" strategic priorities

Euronext Securities is perfectly positioned to be the CSD of choice for European markets and unlock opportunities to raise capital, invest and trade across Europe. During the next strategic cycle, Euronext Securities will accelerate growth thanks to a unique European CSD footprint and new added-value services.

Euronext Securities will extend its European activities in an open architecture. The Group will leverage Euronext's Securities' links to other CSDs and its integration within Euronext's broader value chain to gain new businesses.

Euronext Securities will grow the scope of its integrated operating model to deliver a harmonised, superior client experience across European capital markets.

Euronext Securities will expand its digital services. It will leverage on the successful tax offering on Euronext markets to address the need for improved and harmonised services for European markets. This pan-European offering will meet clients' needs for broader, more automated tax and data solutions.

Euronext expects securities services to be one of the key growth engines of the Group. The expansion of Euronext Securities will contribute to the growth of non-volume revenues and support Euronext's value proposition to be the gateway for European capital markets.

¹ Last twelve months as of 30 September 2024

1.2. Transform Euronext's leading European listing franchise into a global champion

"Growth for Impact 2024" achievements

Euronext is the undisputed leader for the listing and financing of European and international companies on European markets. Euronext has designed a compelling value proposition for issuers and investors in Europe and globally. Since 2021, Euronext has welcomed more than 400 new companies on its markets, including 200 tech companies and 80 international companies. Euronext is the largest listing venue in Europe with 1,900 issuers representing €6.3 trillion of aggregated market capitalisation¹.

Euronext is also the world leader in debt listing with 56,000+ listed securities from 4,500 issuers and has been able to benefit from tailwinds related to the interest rate environment and evolving refinancing needs.

Euronext has renewed its commitment to support listed companies throughout their ESG journey. In addition to efficient ESG products and advisory services, Euronext today collects, analyses and discloses the most comprehensive ESG data about listed companies via My ESG Profile available on the Euronext website.²

"Innovate for Growth 2027" strategic priorities

As the leading capital market in Europe, Euronext will grow globally and reinforce its attractiveness outside current markets. A new team dedicated to international listings will further expand Euronext's presence and visibility in global hubs as Euronext continues to organise IPO Days in selected geographies.

Euronext will accelerate its commitment to finance the Tech community. Euronext will build on the success of the Euronext Tech Leaders initiative launched in 2022, which gathers 110+ Tech companies listed on Euronext markets. Euronext will be the undisputed listing venue of reference for European and international Tech companies.

Since its creation, Euronext has fostered the harmonisation of listing rules in Europe. For the next strategic cycle, Euronext will improve access to capital and reinforce the competitiveness of its European listing venue. The Listing Act will be a key enabler to further simplify admission and to facilitate offerings, notably for SMEs. Euronext will provide improved, smooth listing processes across Europe, and enhanced market segments for all companies. Euronext will make issuers benefit from enhanced visibility, support and access to investors in the largest liquidity pool in Europe. Euronext will further develop its successful pan-European pre-IPO programmes and corporate solutions.

Euronext will foster retail participation in the financing of the real economy in Europe. Euronext will provide retail investors with simplified access to primary and secondary issuances by listed companies. Euronext will promote a direct distribution model in France and Italy, and expand the partnership with PrimaryBid.

Euronext will enhance its global leadership in debt listing through its simplified digital admission process, unified client experience and commercial intensity, to capture even more market share in Europe and internationally.

1.3. Scale up the SaaS offering

"Growth for Impact 2024" achievements

Since the creation of the Corporate Solutions business in 2016, Euronext has built a strong franchise through bolt-on acquisitions, and has further grown organically. Euronext Corporate Solutions³ provides

¹ As of end September 2024

² www.euronext.com

³ Formerly Euronext Corporate Services

robust support for issuers' digital transformation needs related to governance, compliance, investor relations and communication. Euronext Corporate Solutions serves 4,800+ clients in 30+ countries and is one of the growth engines of Euronext. Euronext Corporate Solutions saw double-digit growth over the last strategic cycle, to reach €50 million annual revenue.¹

"Innovate for Growth 2027" strategic priorities

For the next strategic cycle, Euronext will scale its SaaS offering through investments to establish itself as a leader on the European market. SaaS applications will be integrated into a unified client portal. This unified customer experience will drive cross-selling and upselling activities. Euronext will accelerate innovation on its product portfolio to deliver greater value to existing and new customers.

Strategic partnerships will be implemented at scale to expand market reach through distribution capabilities across Europe.

Commisce, Euronext's investor solutions business, has seen annual double-digit growth since it joined the Group in 2019. Euronext will continue to invest and reinforce the growth of its investor solutions franchise, as with the recent acquisition of Substantive Research. Euronext will further develop the franchise and build new data and benchmark services for the buy side and sell side.

1.4. Ramp up the monetisation of Euronext's diversified datasets

"Growth for Impact 2024" achievements

Euronext provides the most trusted prices on more than 1,900 listed companies and a range of financial instruments in Europe to over 1,600 clients worldwide and over 500 data vendors. Market participants require high-quality and trusted data for their trading decisions, in an evolving technology-based investment and trading landscape. Data analytics and quant studies have been a large commercial success for Euronext.

Regarding its index business, Euronext has established itself as a leading player in the European index space, with a strong presence on ESG indices and national benchmark indices.

"Innovate for Growth 2027" strategic priorities

Euronext will develop its diversified data franchise to become a one-stop shop for its clients. Euronext will expand its data product portfolio and monetise its diversified pan-European datasets from pre-trade to post-trade data, in asset classes such as fixed income and power.

Euronext will enhance data analytics throughout the value chain to fuel the needs of an increasingly diversified client base to optimise their investment decision-making process. Euronext will attract new customers and maximise data distribution with enhanced delivery systems. The Group will leverage AI to improve the client journey.

Going forward, Euronext will leverage on its diversified business to expand its index franchise in Europe and across asset classes. Euronext will deploy more contributed benchmark solutions leveraging on the recent acquisition of Global Rate Set Systems (GRSS).

2. Expand the FICC trading and clearing franchise

2.1. Leverage Euronext Clearing as a catalyst for growth and European expansion

"Growth for Impact 2024" achievements

Euronext Clearing is part of the top three large, multi-asset class, European clearing houses. Euronext has transformed a domestic CCP into a European clearing powerhouse delivering clearing services across Euronext geographies, markets and asset classes. The expansion of clearing activities to Euronext cash equity markets in 2023 has been a commercial success. In addition, the expansion of clearing activities to

¹ Last twelve months as of 30 September 2024

Euronext derivatives markets in 2024 has delivered significant added value to clients and allowed Euronext to internalise this key strategic capability. Euronext Clearing has also developed a leading positioning in the Italian repo market. The Euronext Clearing offering was enhanced in 2022 with a new Value-at-Risk framework, unique in Europe. Euronext now directly manages another core service for clients and creates value through a harmonised clearing framework across Euronext venues.

"Innovate for Growth 2027" strategic priorities

Euronext Clearing will be a cornerstone of the development and diversification of Euronext's derivatives and clearing franchises.

Euronext is committed to innovate and to accelerate the delivery of new derivatives products. The recently announced expanded range of Single Stock Options from Germany, Ireland and Portugal is a strong signal of the enhanced agility of Euronext derivatives and clearing development teams. Euronext will expand into fixed income derivatives with products tailored to clients' needs for agile solutions.

Collateral management services are increasingly in demand from clients, pushed by macroeconomic conditions and regulation. Euronext Clearing will launch a compelling European repo clearing offering and collateral management services. Euronext will use its strong existing Italian repo clearing franchise, as Euronext Clearing clears part of the MTS repo activity, as a launchpad.

Euronext Clearing offers a trademark customer experience, and will go one step further in supporting clients throughout their journey. Euronext Clearing's transparent risk model will provide first-rate services and strong margin efficiencies to clients. Euronext Clearing will deploy innovative solutions in risk management, together with efficient collateral management services.

Euronext Clearing will be the catalyst for Euronext's growth in derivatives and clearing. The Euronext Clearing pan-European strategy will play a pivotal role in Euronext's ambition to be the gateway of European capital markets.

2.2. Expand leadership in power, from spot to derivatives

"Growth for Impact 2024" achievements

Nord Pool, a Euronext company, is Europe's leading power market and the world's first power exchange. Nord Pool provides efficient, simple and secure power trading across Europe and acts as a critical enabler of a single integrated European power market. Nord Pool is a global thought leader in the field of physical power trading, and power trading revenue has posted double-digit growth since it joined the Euronext Group in January 2020 to reach €44 million annual revenue.¹

"Innovate for Growth 2027" strategic priorities

Going forward, Nord Pool will become the key partner to clients for trading and hedging power across Europe. Euronext announced in August 2024 that Nord Pool will enter a new area of business by launching a dedicated Nordic and Baltic power derivatives market, following extensive market consultations. This expands the leadership of Nord Pool to futures contracts. The new Euronext Nord Pool Power Futures market will be traded on Euronext's Optiq® trading platform and cleared by Euronext Clearing.

For the next strategic cycle, Euronext plans to scale up and expand spot and derivatives trading and clearing services across Europe. This expansion will reinforce the leadership of Nord Pool as the key marketplace for trading European spot power markets. Nord Pool will also further diversify the offering to new geographies, new data products and services.

2.3. Expand the winning model of the fixed income business

"Growth for Impact 2024" achievements

¹ Last twelve months as of end of September 2024

MTS is one of the leading fixed income trading platforms in Europe. MTS is the number one in Europe for Dealer-to-Dealer (D2D) European Government bond trading, the number one in Italian repo trading, and number three in Europe for Dealer-to-Client (D2C) European Government bonds trading. MTS offers transparent and efficient fixed income trading solutions to more than 19 European sovereign debt issuers. Since it joined Euronext in 2021, MTS revenue has grown by +20% on average per year to reach €138 million annual revenue for the last twelve months as of Q3 2024. Compared to 2020, the volumes traded on MTS Cash have more than doubled,¹ boosted by the dynamism of the Italian sovereign debt.

"Innovate for Growth 2027" strategic priorities

Euronext aims to become a stronger player in this fast-growing asset class in Europe. MTS is ideally positioned to support European treasuries in their increasing financing needs, at an optimised cost. Euronext will further consolidate MTS's leadership position and boost its successful model of electronic liquidity, transparency and efficiency in Europe. Euronext has already provided the European Commission with the MTS platform for electronic market making of bonds issued within the EU's NextGenerationEU recovery programme. This market became MTS's third-largest market in 2024, and is ideally positioned to serve any future European borrowing requirements.

Euronext will also use the full benefit of its presence on the entire debt capital markets value chain to defragment the fixed income post-trade landscape, thanks to Euronext Clearing and Euronext Securities. In addition, Euronext will further grow the D2C BondVision franchise through strategic partnerships to increase market share in European Government Bonds and traction in credit bonds.

3. Build upon Euronext's leadership in trading

3.1. Expand cash equity leadership through new trading services

"Growth for Impact 2024" achievements

Euronext has been a driving force in the transformation of European equity markets. Since its IPO, Euronext has consolidated seven large European markets on its unique, state of the art trading platform, Optiq®. Euronext successfully migrated its Core Data Centre near London to a fully green Data Centre in Bergamo and offers unparalleled latency with its microwave connectivity. Euronext is the largest liquidity pool in Europe and is the number one European cash equity trading venue, with €10.4 billion of equity ADV². Euronext processes 25% of European lit equity volumes, and provides the highest market quality with the reference price and highest available volume on its stocks. Euronext has shown a unique track record in the management of cash trading market share and value extraction.

"Innovate for Growth 2027" strategic priorities

Euronext is now fully equipped to move from migrations to greater innovation. Going forward, Euronext will stay ahead of market trends and will provide best-in-class solutions for evolving trading behaviours. Euronext will use its best-in-class technology and expertise in European cash equity markets to offer local and global brokers and buy-side clients more opportunities to trade on its markets. Euronext already launched its Mid-Point Match facility in April 2024. This new feature enables clients to benefit from options to source liquidity from its dark order book before reaching its deep liquidity pool with no impact on latency. Going forward, Euronext will further attract liquidity through dedicated fee schemes.

Euronext has a long track record of offering innovative solutions for retail trading in Europe. Euronext will expand its Best-of-Book programme to offer tailored, cost-effective and best-quality services to retail investors. It will also go one step further in the global expansion of its Global Equity Market (GEM Equity)

¹ September 2024 volumes YTD compared to 2020 annual volumes

²YTD as of 30 September 2024

and allow investors to trade European and US stocks through a single access and an efficient post-trade set-up at Euronext.

3.2. Build the leading ETF market in Europe

"Growth for Impact 2024" achievements

Euronext is a leading ETF listing and trading venue in Europe, with around 50 ETF issuers and more than 100 trading members.

"Innovate for Growth 2027" strategic priorities

Thanks to its integrated value chain, Euronext is today in the position to reverse the trend of fragmentation of ETF liquidity in Europe. Euronext will offer an integrated venue for the listing and trading of ETFs and align the post-trade setup across geographies. It will build the most efficient ETF offering in the market, to the benefit of ETF issuers, market makers and institutional and retail investors.

4. Empower sustainable finance through ambitious ESG commitments

4.1. Push climate ambitions to the next level

"Growth for Impact 2024" achievements

Euronext stepped up its climate commitment during the 2021-2024 period. Euronext set science-based greenhouse gas emission reduction targets, which were validated by the SBTi¹ in 2023²:

- By 2030, Euronext will reduce its Scope 1 and Scope 2 market-based greenhouse gas emissions by 73.5% compared to 2020;
- By 2030, Euronext will reduce its Scope 3 business travel emissions by at least 46.2% compared to 2019;
- By 2027, Euronext suppliers, representing 72% of Euronext's greenhouse gas emissions derived from purchased goods and services, must set targets on their Scope 1 and Scope 2 emissions.

Euronext ensures that ESG objectives are embedded in every decision to drive global, sustainable solutions to mitigate the most severe impacts of climate change. A detailed action plan that covers all parts of Euronext's business is in place to ensure that the targets will be achieved. Since Euronext committed to these ambitious targets, Euronext has relocated its Core Data Centre to a green facility in June 2022. The new data centre is 100% powered by renewable energy sources, much of which is self-produced through solar panels and hydroelectric power stations. The migration to a sustainable data centre sets the standard for the industry and provides clients with concrete tools to improve their own carbon footprint. Euronext has developed services and products to accelerate the transition to a European economy aligned with a 1.5-degree trajectory. Euronext operates a leading ESG bonds franchise and calculates nearly 500 indices with sustainability criteria. Euronext will continue to support its clients with innovative products to direct investment to ESG projects.

"Innovate for Growth 2027" strategic priorities

For the next strategic cycle, Euronext will go beyond the 'Fit for 1.5°' commitment by setting targets on achieving carbon neutrality by 2050 at the latest. To this effect, Euronext will join the Net Zero Financial Service Providers Alliance as part of the global coalition 'Race to Zero', a UN-backed initiative of over 10,000 companies worldwide. Euronext reaffirms its commitment to achieving carbon neutrality and aims to set science-based net zero targets by 2027.

¹ Science Based Targets initiative

² Please refer to www.euronext.com

4.2. Foster diversity and inclusion as a catalyst for growth

"Growth for Impact 2024" achievements

Euronext is diverse by nature and by commitment, with over 65 nationalities represented across 18 countries, and a genuinely inclusive culture, embedded in its federal model. The Euronext extended Managing Board is composed of members of 10 different nationalities. The Euronext Managing Board and Supervisory Board target 30% and 40% gender diversity respectively. Under its last strategic plan, Euronext also achieved a 30% gender diversity target for all the local Boards of its regulated markets and in the Senior Leadership Team.

Euronext has reinforced its commitment to all forms of diversity through the launch of dedicated Diversity and Inclusion networks across its locations.

"Innovate for Growth 2027" strategic priorities

As part of the "Innovate for Growth 2027" strategy, Euronext will continue to ensure fair and equal opportunities for all employees. Euronext has implemented dedicated measures on the recruitment process, career development and equal pay, with a target of achieving at least 30% female representation on local boards and in senior management.

Euronext will develop a range of training opportunities, awareness sessions, and networking events, through its Diversity and Inclusion network across its locations. Euronext will celebrate key Diversity and Inclusion themes such as International Women's Day, Pride, and Health through 'Ring the Bell' ceremonies and awareness sessions, to further engage with its employees, clients, partners, and community.

Euronext will prepare new generations from all backgrounds to access the capital markets ecosystem, by leveraging the Euronext Foundation. Euronext will continue to strengthen all activities, to educate the younger generations in financial literacy.

Euronext will empower its employees to embrace their societal engagement, and facilitate volunteering of its staff with dedicated days to contribute to a wide variety of activities, supporting Financial Literacy and the Blue Economy as well as Diversity in Finance.

5. Enhance operational excellence through AI

Euronext has proven its unique capacity to integrate European capital markets thanks to leading technology. This model was demonstrated through the cash and derivatives trading migration to the integrated trading platform, Optiq®, the infrastructure integration towards the new Core Data Centre, and the pan-European expansion of Euronext Clearing on a new clearing platform. Euronext is now preparing the integration of its settlement and custody operations. Euronext will leverage its unique technology expertise to serve the ambitious expansion projects of the Group.

Euronext will use Artificial Intelligence to enhance its operational excellence. Euronext will also leverage on AI to be more efficient, faster, and more precise in the product development. AI will be made available to all Euronext employees to support them in their daily activities so they can focus on value-added tasks. AI will also be used to create tailor-made solutions for operational efficiency. AI capabilities will be leveraged to transform the software development lifecycle and unlock scalable growth.

6. Continue to execute value-creative M&A

Euronext has a strong track record of performing value-added transactions that improve the return to shareholders. Euronext will proactively pursue its growth strategy through high value-added acquisitions that strengthen the business profile of the Group. Euronext external growth will continue to focus mainly on non-volume related activities, market infrastructures and services. Euronext will maintain a rigorous investment policy, with a targeted ROCE of acquisitions above WACC between years 3 to 5.

As a key market infrastructure, Euronext expects at all times to maintain its investment grade rating.

7. Updated capital allocation strategy

Euronext today updates its capital allocation strategy. The new policy combines a rigorous approach with the necessary flexibility to adapt to the evolving market conditions.

Euronext has consistently demonstrated a strong track record of cash flow generation and delivered high returns to shareholders. Since 2021, Euronext leverage has decreased rapidly over the period, from a net debt/EBITDA ratio at 3.2x at the time of the Borsa Italiana Group acquisition, to 1.5x net debt/adjusted EBITDA as of 30 September 2024.

The new capital allocation policy consists of the following guiding principles:

- Euronext will continue investing to enhance growth, strengthen its market position, and to sustain a strong cash flow generation profile;
- Euronext will maintain a strong balance sheet and targets to maintain a leverage ratio of 1.0x-2.0x net debt to adjusted EBITDA. Temporary deviation will be allowed. At all times, Euronext will preserve an investment grade rating by S&P of at least BBB;
- Euronext will maintain a dividend pay-out at 50% of reported net income;
- Euronext will continue to pursue value-accretive M&A with ROIC>WACC in years 3 to 5;
- Euronext will introduce a flexible approach to special returns, including share buybacks. Special returns will be assessed periodically considering Euronext's leverage, market and strategic opportunities.

In line with its updated capital allocation policy, Euronext today announces the launch of a share buyback programme of a maximum of €300 million (representing around 3.0% of Euronext's outstanding shares), starting on 11 November 2024 for a maximum duration of 12 months. This programme is enabled by Euronext's strong cash generation capabilities and demonstrates Euronext's rigorous capital allocation strategy. This programme does not change Euronext's credit rating. The purpose of the programme is to reduce the share capital of Euronext. All shares repurchased as part of the programme will be cancelled.

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Appendix

Non-IFRS financial measures

For comparative purposes, the company provides unaudited non-IFRS measures, defined as follows:

- Operational expenses excluding depreciation and amortisation as the total of salary and employee benefits, and other operational expenses
- EBITDA as the operating profit before exceptional items and depreciation and amortisation
- EBITDA margin as the operating profit before exceptional items and depreciation and amortisation, divided by total revenue and income.

Non-IFRS financial measures are not meant to be considered in isolation or as a substitute for comparable IFRS measures and should be read only in conjunction with the consolidated financial statements.

Starting point of the 2027 strategic plan

	2023 reported figures
Revenue and income	€1,474.7 million
Adjusted EBITDA	€864.7 million

Illustrative breakdown of the new reporting from Q1 2025

Revenue and income
Non-volume-related revenue and income
Capital markets and data solutions
<i>Listing</i>
<i>Corporate solutions</i>
<i>Technology solutions</i>
<i>Investor solutions</i>
<i>Advanced data solutions</i>
Securities services
<i>Custody & settlement</i>
<i>Clearing non-volume</i>
Net Treasury Income
Volume-related revenue
Equity markets
<i>Cash equity trading and clearing</i>
<i>Equity derivatives trading and clearing</i>
FICC markets
<i>Fixed income trading and clearing</i>
<i>Power trading and clearing</i>
<i>FX trading</i>
<i>Commodities trading and clearing</i>