

# EURONEXT Q2 2021 RESULTS



**EURONEXT**

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## SPEAKERS



**Stéphane Boujnah**

CEO and Chairman of  
the Managing Board



**Giorgio Modica**

Chief Financial Officer





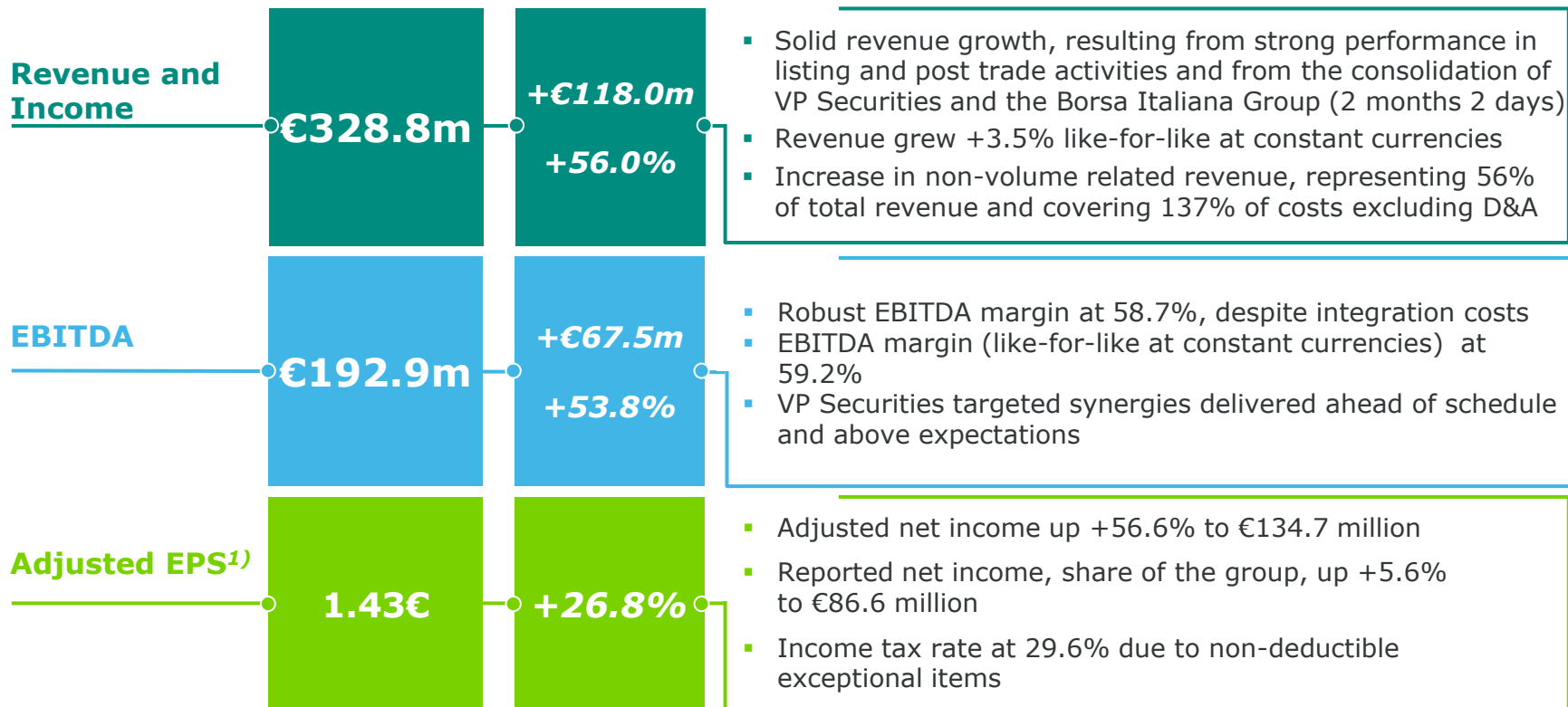
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## Q2 2021 HIGHLIGHTS

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## Q2 2021 strong performance resulting from organic growth driven by record listing and post-trade activity, and from the Borsa Italiana Group acquisition



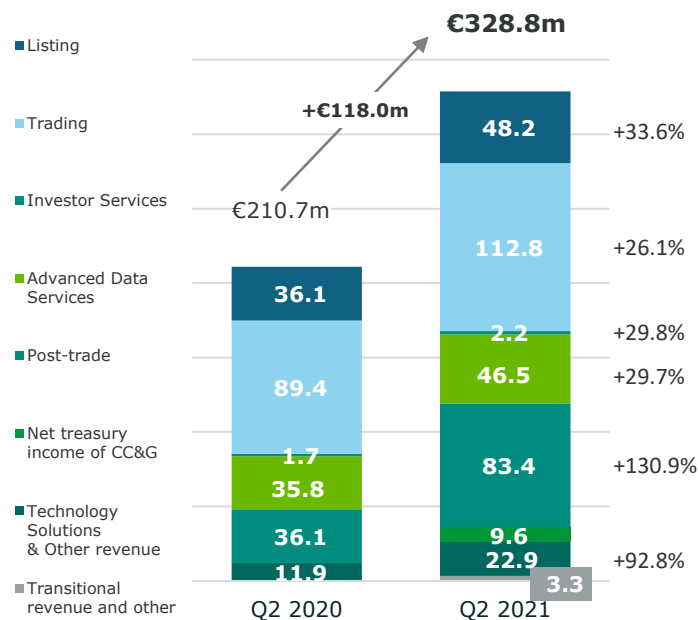


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## Q2 2021 BUSINESS REVIEW

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# Q2 2021 revenue up +56.0% driven by a robust organic growth in listing and post-trade businesses and the first consolidation of the Borsa Italiana Group



## Revenue grew +3.5% like-for-like

Post-trade revenue growth driven by the dynamism of VP Securities and VPS and the consolidation of Monte Titoli and CC&G activities

Strong listing growth resulting from record new listings activity, continued strong performance of Corporate Services and the consolidation of the Borsa Italiana Group

Advanced Data Services revenue benefitting from a resilient performance of the market data business and the consolidation of the Borsa Italiana Group

Trading revenue growth resulting from the consolidation of Borsa Italiana and MTS trading activities offsetting softer volumes

Contribution of the Borsa Italiana Group of €89.6m for 2 months and 2 days of consolidation

**+56.0%**

**Q2 2021 consolidated revenue growth**

**+€89.6m**

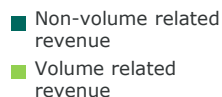
**Borsa Italiana Group consolidated revenue for 2 months and 2 days in Q2 2021**

**56%**

**Non-volume related revenue and income, reflecting post-trade and listing activities**

**137%**

**Non-volume related revenue and income to operating cost coverage vs 122% in Q2 2020**



'Organic' and 'Like-for-like' referring to Euronext Group perimeter, at constant currencies, excluding Ticker, 3Sens, VP Securities and the Borsa Italiana Group as well as any project cost supported by Euronext for the integration of these companies  
Volume related revenue accounting for trading and clearing activities, excluding NTI from CC&G activities, and IPOs revenue  
Operating cost coverage equal to non-volume related revenue divided by operating expenses excluding D&A  
Unless stated otherwise, percentages compare Q2 2021 to Q2 2020 data

## Listing revenue up +33.6% to €48.2 million in Q2 2021

Number 1 listing venue in Europe, with 62 listings - Number 1 equity raising venue in Europe

**€48.2m**

Revenue  
+33.6%

**62**

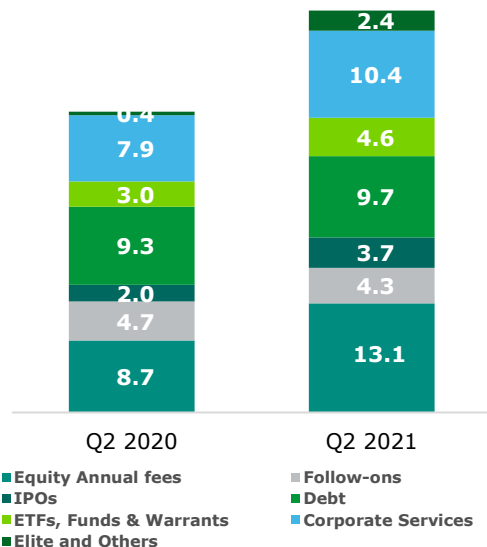
New equity listings

**€444.5bn**

money raised

**+31.2%**

Corporate Services  
revenue



- Record activity in equity and ETFs listing and positive traction of ESG bond listing
- Continued momentum in primary equity issuances:
  - 3 large cap listings: Allfunds, Aramis and Believe
  - 8 SPACs
- Solid secondary markets activity
- Strong performance of Corporate Services with revenue up +31.2%, reflecting continued commercial development and increased demand for its enhanced digital offering solutions
- Record listing activity for ETFs
- Like-for-like at constant currencies, revenue increased +9.5%

# Trading revenue up +26.1% to €112.8 million in Q2 2021 (1/2)

## CASH TRADING

**€70.1m**  
revenue  
+8.7%

**€11.3bn**  
ADV<sup>1</sup>  
-9.2%  
proforma

**0.52bps**  
Yield<sup>2</sup>  
proforma

**68.3%<sup>3</sup>**  
market share

- **Strong revenue capture with an average yield excluding Borsa Italiana at 0.57bps**
- Negative comparison base for volumes with an exceptionally volatile Q2 2020
- Like-for-like at constant currencies, revenue decreased -6.7%

## DERIVATIVES TRADING

**€13.1m**  
revenue  
+18.3%

**691k lots**  
Financial derivatives  
ADV<sup>1</sup>  
-7.9%  
proforma

**75k lots**  
Commodities  
ADV<sup>1</sup>  
+41.3%  
proforma

**€0.28**  
Rev. per lot<sup>2</sup>  
proforma

- Record quarter in commodities products trading, resulting from successful expansion of the franchise
- Equity derivatives impacted by low visibility on stock markets
- **Excluding Borsa Italiana, average revenue per lot was €0.26**
- Like-for-like at constant currencies, revenue was up +0.6%

## FIXED INCOME TRADING

**€17.3m**  
Revenue  
x28

**€26.5bn**  
MTS CASH  
ADV<sup>1</sup>  
+97.0%

**€278bn**  
MTS REPO  
TAADV<sup>1</sup>  
-26.3%

**€960m**  
Other fixed-income  
ADV<sup>1</sup>  
-37.7%

- **MTS Cash revenue at €12.5m**, for 2 months and 2 days of consolidation supported by strong Cash volumes (D2D and D2C)
- **MTS Repo revenue at €3.2m**, for 2 months and 2 days of consolidation
- In Q2 2021, on a like-for-like basis at constant currencies, MTS Cash revenue grew +52.2% while MTS Repo revenue decreased by -1.6%
- **Other fixed-income trading including Euronext fixed income, MOT and EuroTLX activities**



## Trading revenue up +26.1% to €112.8 million in Q2 2021 (2/2)

### FX TRADING

**€5.7m**  
revenue  
-13.5%

**\$18.6bn**  
ADV  
-9.8%

- Lower trading volumes in a low volatility environment
- Like-for-like at constant currencies, revenue decreased -5.3%

### POWER TRADING

**€6.6m**  
Revenue  
-0.4%

**2.17TWh**  
day-ahead  
ADV  
-6.3%

**0.07TWh**  
intraday  
ADV  
+10.2%

- Lower power trading activity on Nord Pool markets offset by foreign exchange impact
- Like-for-like at constant currencies, revenue decreased -8.8%

# Post-trade revenue, including net treasury income, up +157.4% to €93.0 million in Q2 2021

Consolidation of VP Securities, high retail activity in Nordic CSDs and first consolidation of CC&G

## CLEARING

in €m

■ Derivatives ■ Equities ■ Bonds ■ Other

CC&G

Q2 2021



**€7.8m**  
Clearing revenue

- **Total clearing revenue: €26.6m, +70.6%**
- **CC&G consolidated since 29 April 2021 (2 months and 2 days). Full Q2 2021 revenue stable compared to Q2 2020**
- **LCH SA clearing revenue supported by higher treasury income and higher commodities derivatives cleared**
- **Net treasury income through CCP business of CC&G at €9.6m**
- **Like-for-like at constant currencies, revenue increased +20.6%**

LCH SA

**€18.8m**  
Clearing revenue  
+20.6%

## CUSTODY, SETTLEMENT AND OTHER POST-TRADE

**€56.8m**  
Revenue  
+176.8%

**€6.3tn**  
Assets under  
custody

**33.1m**  
Settlement  
instructions<sup>1</sup>  
+11.8%

- **Contribution of VP Securities of €19.4 million in Q2 2021**
- **Contribution of Monte Titoli of €13.5 million for 2 months and 2 days of consolidation**
- **Like-for-like at constant currencies, revenue increased +16.9%**

# Advanced Data Services, Investor Services and Technology Solutions

## ADVANCED DATA SERVICES

in €m



**+€10.7m**  
revenue  
+29.7%

- Consolidation of the Borsa Italiana Group data activities and robust market data business
- Like-for-like at constant currencies, revenue increased +1.4%

## INVESTOR SERVICES

in €m



**+€0.5m**  
revenue  
+29.8%

- Continued commercial development of the franchise
- Like-for-like at constant currencies, revenue increased +36.9%

## TECHNOLOGY SOLUTIONS

in €m



**+€11.0m**  
revenue  
+92.8%

- Consolidation of the Borsa Italiana Group technology businesses
- Higher SFTI / Colocation revenue
- Like-for-like at constant currencies, revenue increased +4.2%



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## Q2 2021 FINANCIAL REVIEW

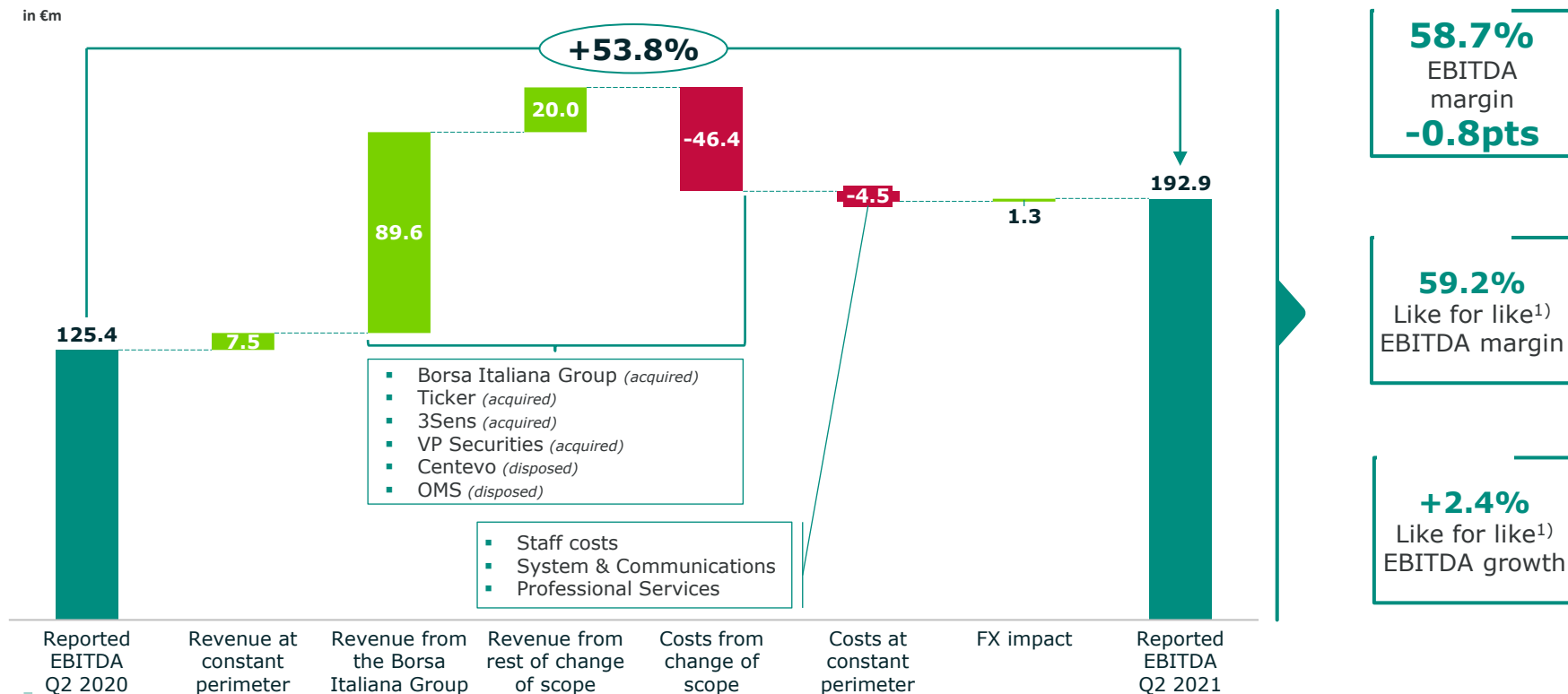
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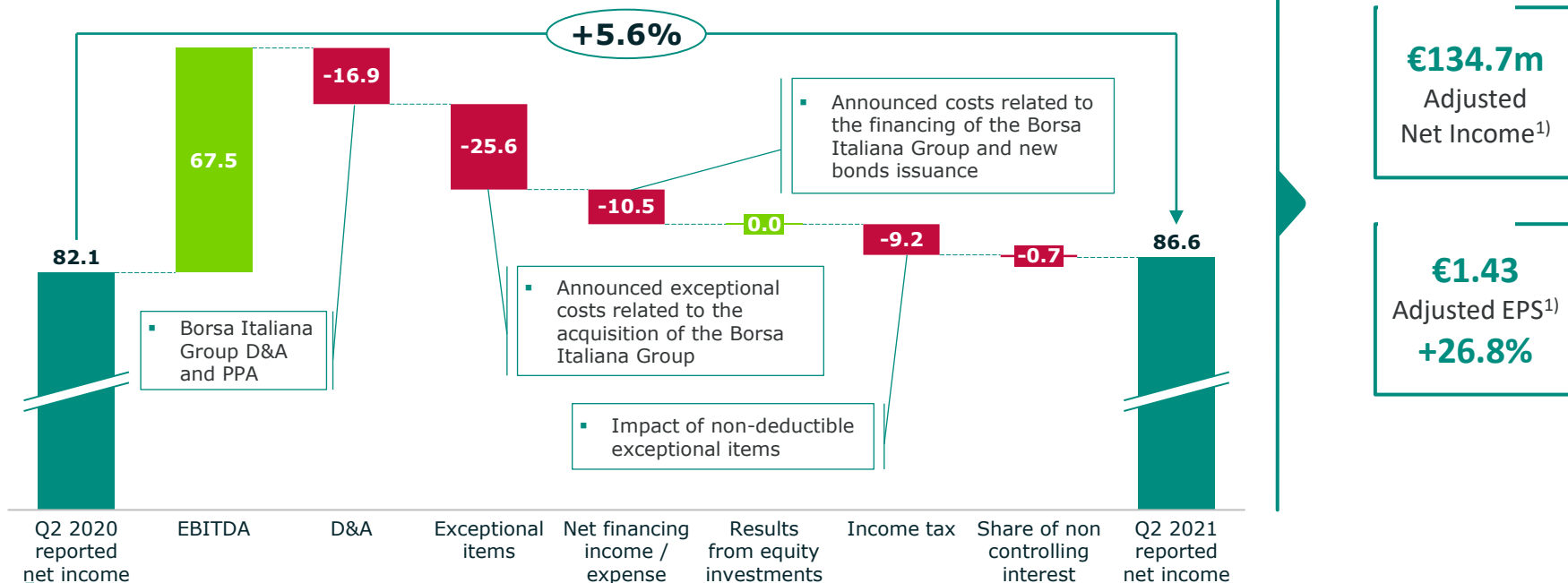
## Q2 2021 EBITDA up +53.8% to €192.9 million

Consolidation of acquisitions and organic growth



# Q2 2021 Net Income up +5.6% to €86.6 million, Adjusted EPS up +26.8% to €1.43 per share

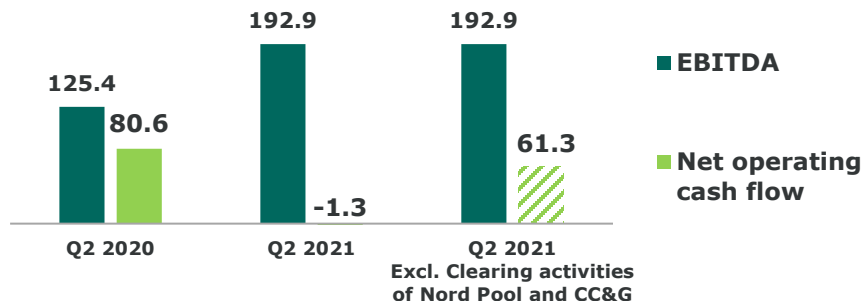
in €m



# Cash flow generation and liquidity position

## CASHFLOW GENERATION

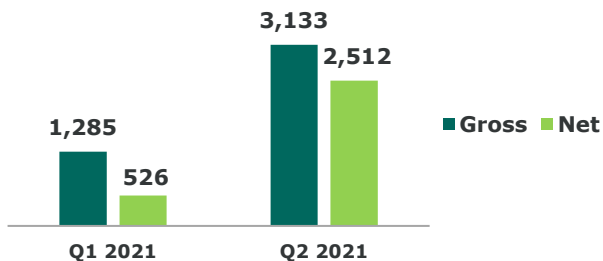
in €m



- Q2 2021 EBITDA to net operating cash flow conversion rate impacted by:
  - Clearing activities of Nord Pool and CC&G negatively impacting changes in working capital
  - Higher income tax paid due tax paid in Italy for the full first semester and higher tax paid due to higher tax income in 2020

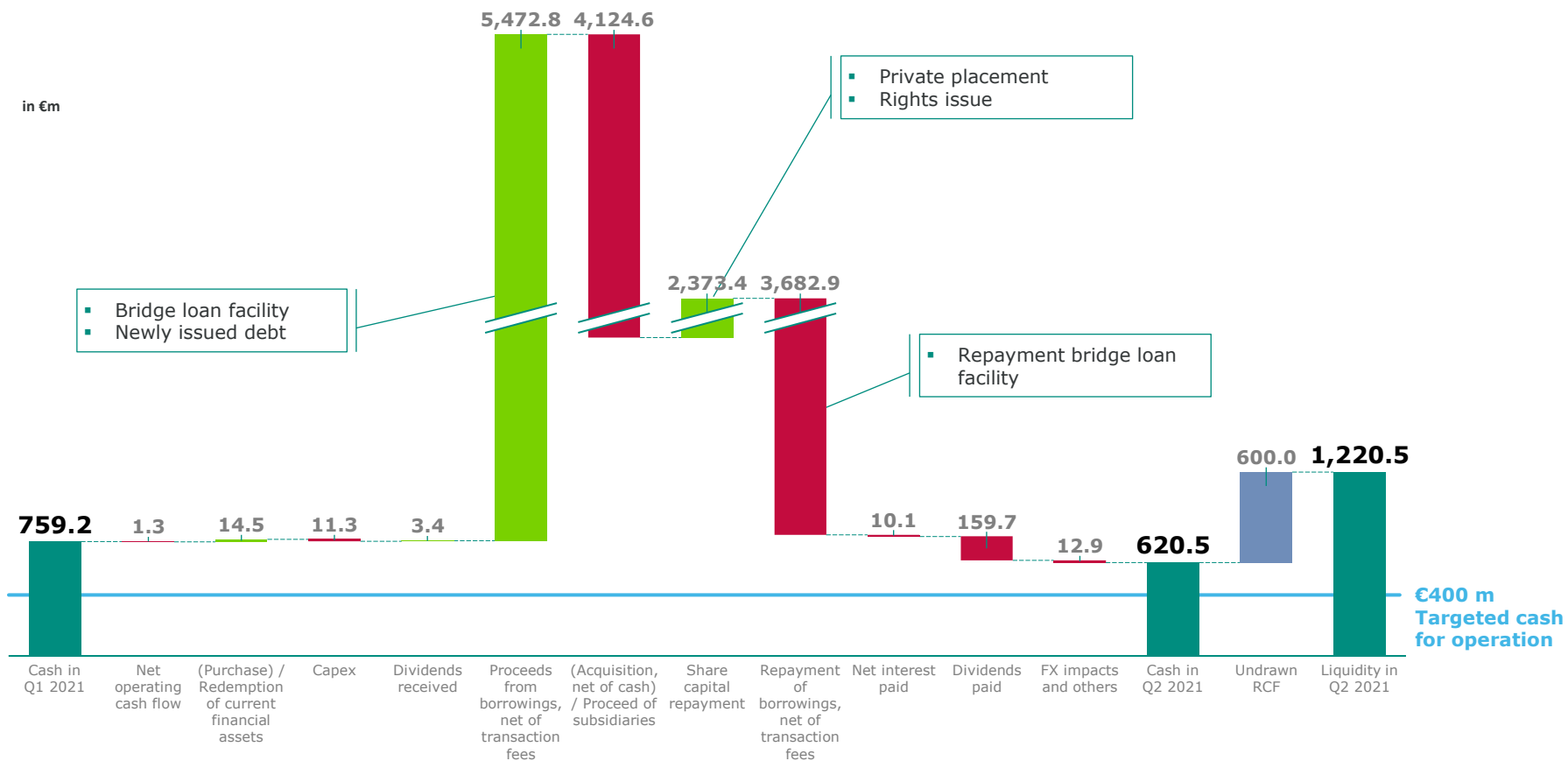
## DEBT AND LEVERAGE

in €m



- Net debt to EBITDA<sup>1)</sup> ratio at **3.1x** (vs 1.0x in Q1 2021)
- Weighted average life to maturity of **9.5 years**

# Liquidity







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**Q&A**

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## Q&A - Speakers



**Stéphane Boujnah**

CEO and Chairman of the Managing Board



**Giorgio Modica**

Group Chief Financial Officer



**Anthony Attia**

Global Head of Primary Markets & Post Trade



## APPENDIX

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## Adjusted EPS

*In €m unless stated otherwise*

	Q2 2021	Q2 2020
<b>Net income reported</b>	<b>86.6</b>	<b>82.1</b>
<b>EPS Reported (€ per share)</b>	<b>0.88</b>	<b>1.08</b>
Intangible assets adj. related to acquisitions (PPA)	15.7	4.8
Exceptional items	26.0	0.3
Impairment	4.3	-
Exceptional financing expense	8.9	-
Tax related to those items	6.9	1.1
<b>Adj. net income</b>	<b>134.7</b>	<b>86.0</b>
<b>Adj. EPS (€ per share)</b>	<b>1.43</b>	<b>1.13</b>



## Q2 2021 income statement

<i>unaudited, in €m</i>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>% var</b>	<b>% var l-f-l</b>
<b>Total Revenues and income</b>	<b>328.8</b>	<b>210.7</b>	<b>+56.0%</b>	<b>+3.5%</b>
Listing	48.2	36.1	+33.6%	+9.5%
Trading revenue, of which	112.8	89.4	+26.1%	-6.0%
Cash Trading	70.1	64.5	+8.7%	-6.7%
Derivatives Trading	13.1	11.0	+18.3%	+0.6%
Fixed income trading	17.3	0.6	+2672.1%	-28.8%
FX Trading	5.7	6.6	-13.5%	-5.3%
Power trading	6.6	6.7	-0.4%	-8.8%
Investor Services	2.2	1.7	+29.8%	+36.9%
Market Data & indices	46.5	35.8	+29.7%	+1.4%
Post-trade, of which	83.4	36.1	+130.9%	+18.5%
Clearing	26.6	15.6	+70.6%	+20.6%
Custody and Settlement	56.8	20.5	+176.8%	+16.9%
Market Solutions & other revenue	22.9	11.9	+92.8%	+4.2%
NTI through CCP business	9.6	-	n/a	n/a
Other income	1.4	(0.2)	-735.7%	-568.8%
Transitional revenues	1.9	-	n/a	n/a
<b>Operating expenses exc. D&amp;A</b>	<b>(135.9)</b>	<b>(85.3)</b>	<b>+59.3%</b>	<b>+5.3%</b>
Salaries and employee benefits	(69.4)	(47.8)	+45.1%	+7.6%
Other Operational Expenses, of which	(66.5)	(37.5)	+77.3%	+2.5%
System & Communication	(22.8)	(8.5)	+168.1%	+17.6%
Professional Services	(20.3)	(12.4)	+64.0%	-2.6%
Clearing expense	(8.7)	(8.1)	+6.8%	+6.7%
Accommodation	(2.4)	(1.3)	+79.3%	+18.1%
Other Operational Expenses	(12.4)	(7.2)	+72.1%	-13.8%
<b>EBITDA</b>	<b>192.9</b>	<b>125.4</b>	<b>+53.8%</b>	<b>+2.4%</b>
EBITDA margin	58.7%	59.5%	-0.8pt	-0.7pt
Depreciation & Amortisation	(30.5)	(13.6)	+123.7%	+1.0%
<b>Total Expenses</b>	<b>(166.4)</b>	<b>(99.0)</b>	<b>+68.1%</b>	<b>+4.7%</b>
<b>Operating Profit before Exceptional items</b>	<b>162.4</b>	<b>111.8</b>	<b>+45.3%</b>	<b>+2.5%</b>
Exceptional items	(26.0)	(0.3)	+7462.1%	
<b>Operating Profit</b>	<b>136.4</b>	<b>111.4</b>	<b>+22.4%</b>	
Net financing income / (expense)	(13.0)	(2.5)	+414.5%	
Results from equity investments	2.3	2.3	+1.6%	
<b>Profit before income tax</b>	<b>125.7</b>	<b>111.2</b>	<b>+13.1%</b>	
Income tax expense	(37.2)	(27.9)	+33.1%	
Minority interests	(1.9)	(1.2)	+59.4%	
<b>Profit for the period</b>	<b>86.6</b>	<b>82.1</b>	<b>+5.6%</b>	
<b>EPS (basic, reported, in €)</b>	<b>0.88</b>	<b>1.08</b>	<b>-18.2%</b>	
EPS (diluted, reported, in €)	0.88	1.08	-18.3%	
<b>EPS (basic, adjusted, in €)</b>	<b>1.43</b>	<b>1.13</b>	<b>+26.8%</b>	

# Balance sheet as at 30 June 2021

<i>unaudited, in €m</i>	<b>As at 30/06/21</b>	<b>As at 31/03/21</b>
<b>Non-current assets</b>		
Property, plant and equipment	78.7	56.4
Right-of-use assets	72.5	43.0
Goodwill and other intangible assets	6,125.0	1,568.4
Deferred income tax assets	33.1	21.5
Investments in associates and JV	71.8	70.7
Financial assets at fair value through OCI	258.4	204.5
Other non current assets	3.8	7.5
<b>Total non-current assets</b>	<b>6,643.2</b>	<b>1,972.0</b>
<b>Current assets</b>		
Trade and other receivables	381.4	299.0
Income tax receivable	11.1	2.9
Derivative financial instruments	18.3	23.7
CCP clearing business assets	132,243.9	-
Other short-term financial assets	161.4	104.0
Cash & cash equivalents	620.5	759.2
<b>Total current assets</b>	<b>133,436.6</b>	<b>1,188.8</b>
<b>Total assets</b>	<b>140,079.7</b>	<b>3,160.7</b>

<i>unaudited, in €m</i>	<b>As at 30/06/21</b>	<b>As at 31/03/21</b>
<b>Equity</b>		
Shareholders' equity	3,441.8	1,148.4
Non-controlling interests	81.1	21.6
<b>Total Equity</b>	<b>3,522.8</b>	<b>1,170.0</b>
<b>Non-current liabilities</b>		
Borrowings	3,049.2	1,272.6
Lease liabilities	53.5	31.9
Deferred income tax liabilities	534.1	99.8
Post employment benefits	31.0	27.2
Contract liabilities	64.2	48.5
Other provisions	10.5	13.0
Other non-current liabilities	-	0.0
<b>Total Non-current liabilities</b>	<b>3,742.6</b>	<b>1,493.0</b>
<b>Current liabilities</b>		
Borrowings	83.4	12.6
Lease liabilities	24.2	16.3
CCP clearing business liabilities	132,219.1	-
Income tax payable	51.3	44.8
Trade and other payables	323.4	308.0
Contract liabilities	108.3	111.8
Other provisions	4.6	4.1
<b>Total Current liabilities</b>	<b>132,814.3</b>	<b>497.7</b>
<b>Total equity and liabilities</b>	<b>140,079.7</b>	<b>3,160.7</b>

## Q2 2021 cash flows and outstanding debt

*unaudited, in €m*

	Q2 2021	Q2 2020
<b>Profit before tax</b>	<b>125.7</b>	<b>111.2</b>
Adjustments for:		
- Depreciation and amortization	30.5	13.6
- Share based payments	2.5	2.5
- Share of profit from associates and joint ventures	1.1	(2.3)
- Changes in working capital	(83.5)	(19.0)
<b>Cash flow from operating activities</b>	<b>76.2</b>	<b>106.0</b>
Income tax paid	(77.5)	(25.4)
<b>Net cash flows from operating activities</b>	<b>(1.3)</b>	<b>80.6</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	(4,127.2)	(1.5)
Proceeds from disposal of subsidiary	2.6	-
Purchase of current financial assets	(17.4)	(13.9)
Redemption of current financial assets	31.9	3.0
Purchase of property, plant and equipment	(2.3)	(0.7)
Purchase of intangible assets	(8.9)	(1.2)
Proceeds from sale of Property, plant, equipment and intangible assets	(0.1)	0.0
Dividends received from equity investments	3.4	-
<b>Net cash flow from investing activities</b>	<b>(4,118.0)</b>	<b>(14.4)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings, net of transaction fees	5,472.8	255.7
Repayment of borrowings, net of transaction fees	(3,682.9)	-
Interest paid	(15.1)	(10.7)
Interest received	5.0	4.9
Share capital repayment	2,373.4	-
Payment of lease liabilities	(5.7)	(5.1)
Acquisition of own shares	(0.1)	0.6
Employee Share transactions	(3.8)	(1.8)
Dividends paid to the company's shareholders	(157.2)	(110.6)
Dividends paid to non-controlling interests	(2.5)	(4.4)
<b>Net cash flow from financing activities</b>	<b>3,984.0</b>	<b>128.5</b>
<b>Total cash flow over the period</b>	<b>(135.3)</b>	<b>194.8</b>
Cash and cash equivalents - Beginning of period	759.2	418.8
Non Cash exchange gains/(losses) on cash and cash equivalents	(3.3)	8.8
<b>Cash and cash equivalents - End of period</b>	<b>620.5</b>	<b>622.3</b>

### Outstanding debt issued

Amount	Maturity	Interest
€500 million	2025	Swap-to-floating
€750 million	2029	Fixed
€600 million	2026	Fixed
€600 million	2031	Fixed
€600 million	2041	Fixed

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