

Euronext Q2 2024 results

Analysts call



EURONEXT
10 YEARS SINCE IPO

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1. Q2 2024 highlights

2. Q2 2024 business review

3. Q2 2024 financial review



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer



Q2 2024 highlights

1

Strong start of the year with record topline driven by strong organic growth of Euronext's diversified business model

€412.9m

Revenue and income, up +12.2%

58%

non-volume related¹⁾ revenue

€156.1m

Underlying costs exc. D&A, +2.7%

€256.8m

Adjusted EBITDA, up +18.8%

62.2%

Adjusted EBITDA margin, +3.5pts

€165.2m

Adjusted net income, +15.6%

€1.59

Adjusted²⁾ EPS, +19.0%

€152.5m

Net operating cash flow, adjusted for Nord Pool and Euronext Clearing CCP activities

1.8x

Net Debt to adj. EBITDA³⁾

Unless stated otherwise, percentages compare Q2 2024 figures with Q2 2023

1) Non-volume related revenue includes Listing exc. IPO, Advanced Data Services, Custody Settlement and other post-trade, fixed revenue from Clearing activities (such as NTI and membership fees), Investor Services, Technology Solution, Other Income and Transitional Revenue

2) Definition in appendix - Basic number of outstanding shares at 103,653,544 for H1 2024, H1 2023 basic outstanding shares at 106,741,621 shares

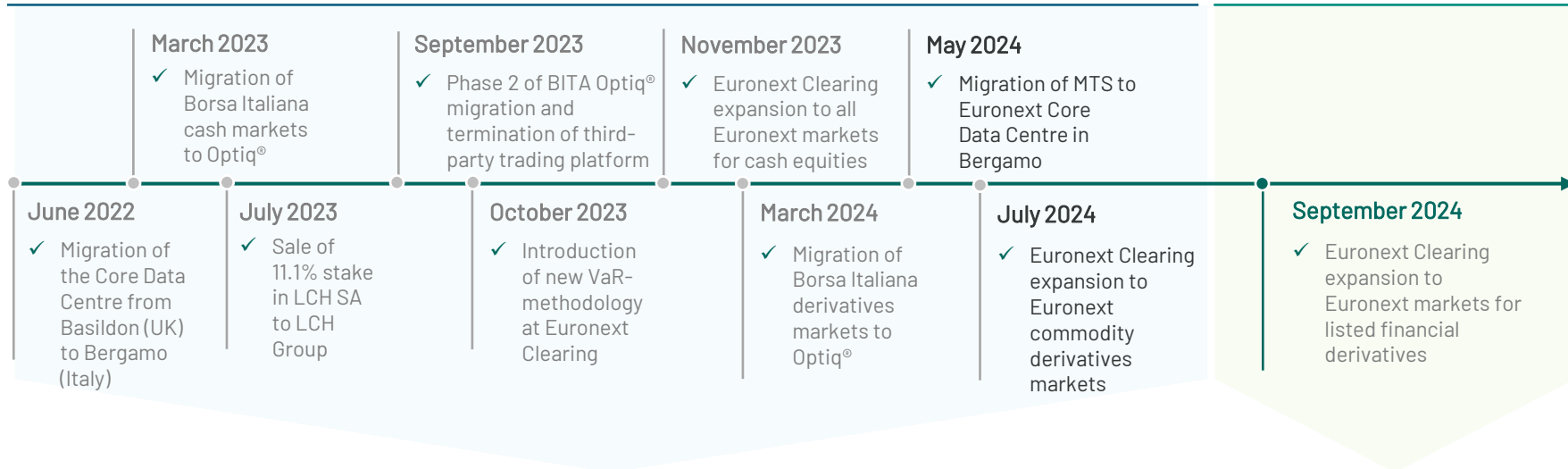
3) Last twelve months adjusted EBITDA

Entering the last phase of the Borsa Italiana Group integration

✓ Successfully achieved milestones



Last milestone



From €84.2 million today



to €115 million
by end of 2024

of EBITDA synergies on a
cumulated run-rate basis



Expected cumulated implementation costs until end of 2024 reduced to €130 million, down from €150 million

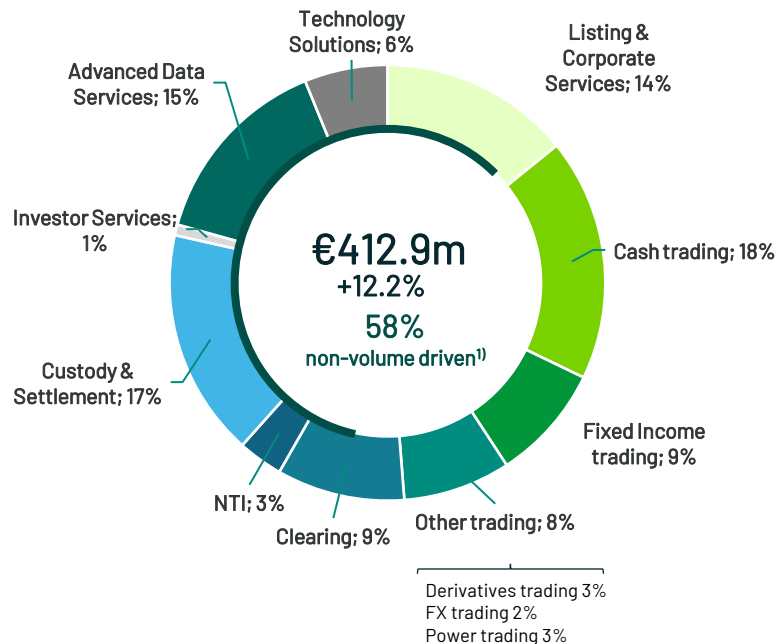


Q2 2024 business review

2

Continued strong topline growth driven by Euronext's diversified business model

Q2 2024 revenue and income



Trading



€142.7m

+20.7%

Post
Trade



€108.9m

+16.9%

Advanced
Data Services



€60.0m

+5.4%

Listing &
Corporate
Services



€58.4m

+5.9%

Technology
Solutions



€25.4m

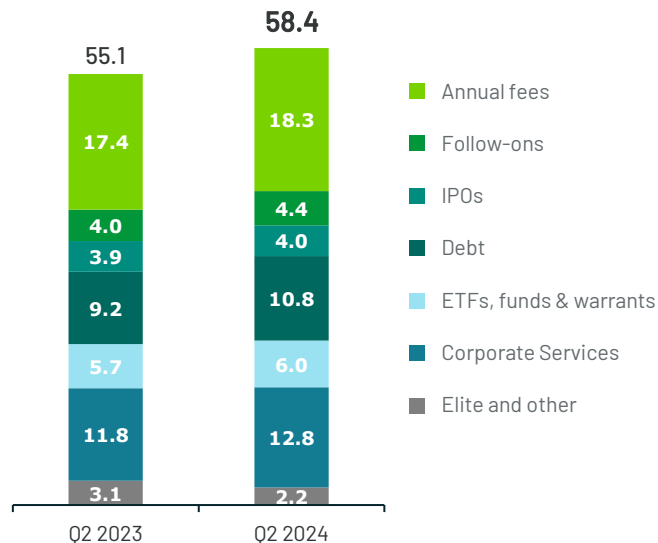
-7.0%

Sustained leadership in listing in Europe in Q2 2024

Revenue grew +5.9% mainly driven by the strong performance of debt listing and of Euronext Corporate Services

Sustained leadership in equity listing in Europe and in debt listing worldwide

Revenue in €m



14

New equity listings
#1 in Europe

337

Follow-on transactions

+16.8%

Debt listing revenue growth

€310bn

Total money raised

+8.8%

Corporate Services growth

~57,000

Bonds listed
127 newly listed ESG bonds

Strong performance of non-volume related businesses

Advanced Data Services

Revenue in €m



- Revenue **up +5.4%** driven by solid demand for fixed-income and power trading data and increased demand for non-professional usage
- Continued traction from analytic products
- GRSS contributing for one month to revenue in Q2 2024
- Like-for-like at constant currencies, revenue increased +4.1%

Technology Solutions

Revenue in €m



- Revenue **down -7.0%**
- Termination of double-run connectivity revenues following the completion of the migration of Borsa Italiana cash and derivatives markets to Optiq®
- Like-for-like at constant currencies, revenue decreased -7.0%

Investor Services

Revenue in €m



- Revenue **up +17.7%**
- Continued commercial expansion of the franchise
- Like-for-like at constant currencies, revenue increased +15.6%

Strong performance of trading activities across all asset classes (1/2)

Cash trading

Revenue in €m



- Revenue **up +13.8%** supported by increased volatility in equity trading with ADV up +10.7% over the quarter
- Average yield at **0.53bps**, reflecting efficient yield management
- Average market share at **66.0%** over the quarter
- Like-for-like at constant currencies, revenue was up +13.8%

Derivatives trading

Revenue in €m



- Revenue **up +6.6%** reflecting higher trading volumes for equity and index derivatives (561k lots, up +10.8%) and commodity derivatives (125k lots, up +40.2%)
- Average revenue capture at **€0.32** per lot
- Like-for-like at constant currencies, revenue was up +6.6%

FX trading

Revenue in €m



- Revenue **up +28.7%** supported by the favourable volatility environment
- Increased volatility driving volumes up +27.1%
- Like-for-like at constant currencies, revenue was up +27.3%

Strong performance of trading activities across all asset classes (1/2)

Fixed income trading

Revenue in €m

Q2 2024  **35.6**

Q2 2023  25.3

- Record quarter with revenue **up +40.7%** driven by supportive economic environment and positive volatility, and sustained level of issuance
- MTS Cash ADV at €36.3 billion, up +67.7%
- MTS Repo TAADV increased +1.1% to €449 billion
- Like-for-like at constant currencies, revenue increased +40.7%

Power trading

Revenue in €m

Q2 2024  **11.1**

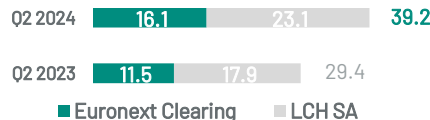
Q2 2023  8.6

- Strong quarter with revenue **up +30.1%** driven by continued momentum in intraday power trading volumes and solid day-ahead volumes
- Intraday volumes up +91.3% to 0.34TWh
- Day-ahead volumes up +4.5% to 2.46TWh
- Like-for-like at constant currencies, revenue increased +29.2%

Strong performance of all Post-Trade activities

Clearing – exc. NTI

Revenue in €m



- Strong quarter with revenue **up +33.2%**
- Revenue contribution from the expansion of Euronext Clearing activities to European equities
- Dynamic bond clearing activity
- Stronger commodities clearing activity
- Like-for-like at constant currencies, revenue increased +33.2%

Net treasury income

Revenue in €m



- Net treasury income **stable**
- Higher Net Treasury Income compared to Q1 2024 reflecting higher return on cash held
- Like-for-like at constant currencies, revenue was stable

Custody & Settlement

Revenue in €m



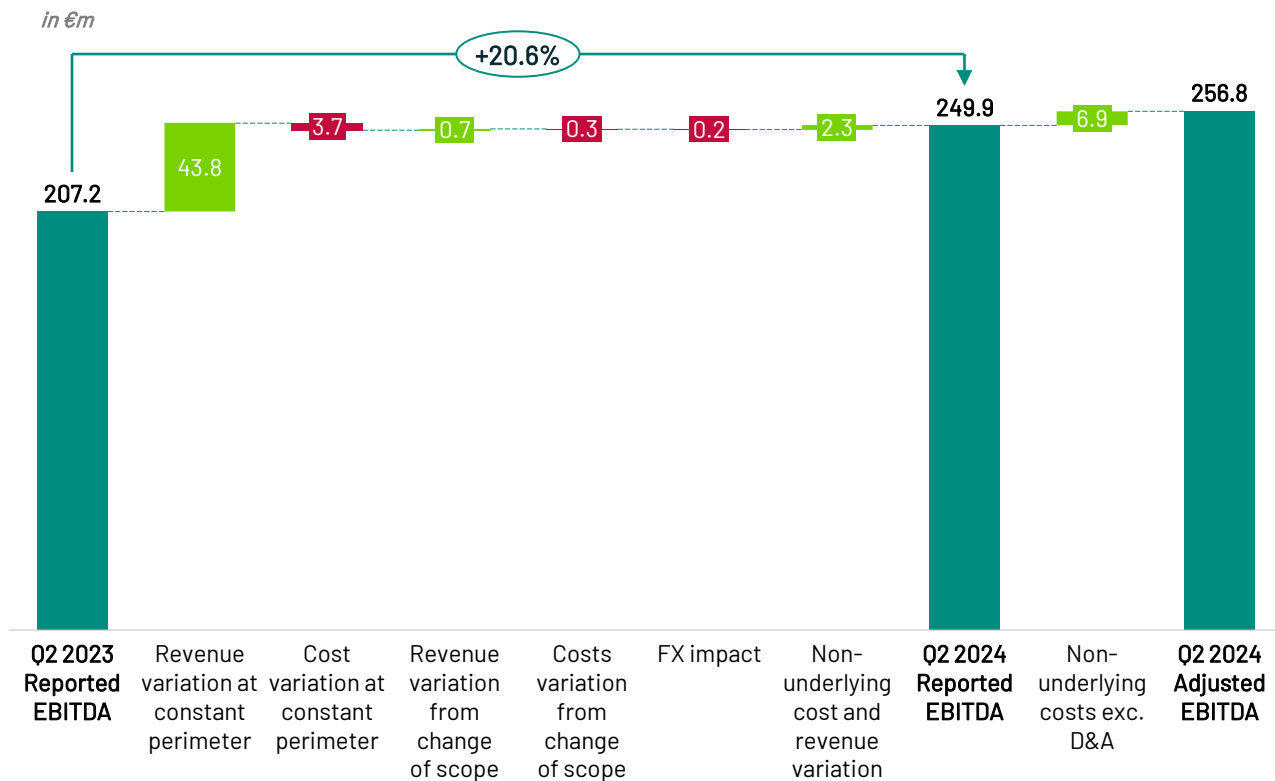
- Strong quarter with revenue **up +9.4%**
- Higher assets under custody, above €7.0 trillion
- Dynamic settlement activity
- Continued good performance of the services offering
- Like-for-like at constant currencies, revenue increased +9.3%



Q2 2024 financial review

3

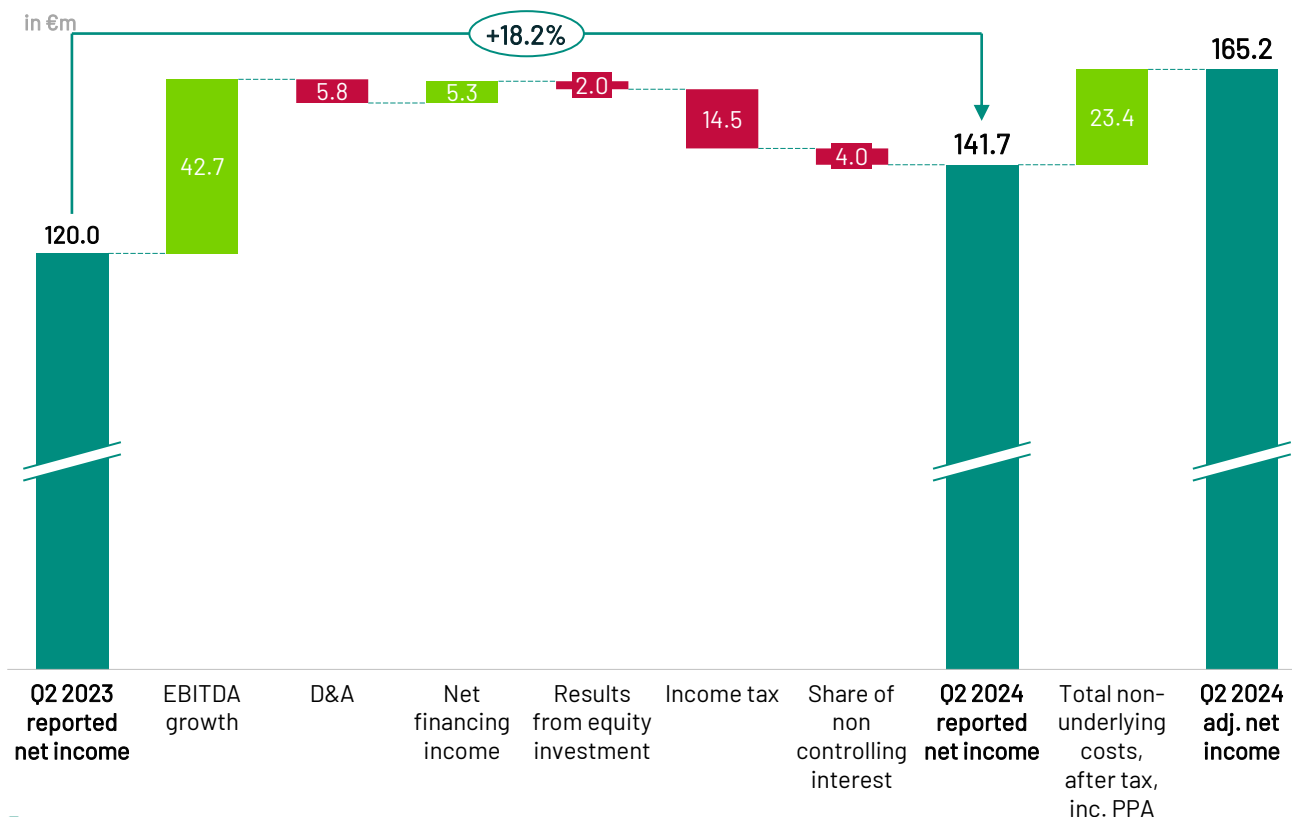
Q2 2024 adjusted EBITDA up +18.8% to €256.8 million



62.2%
Adj. EBITDA
margin

Underlying costs
up +2.7%

Q2 2024 adjusted net income at €165.2 million, up +15.6%



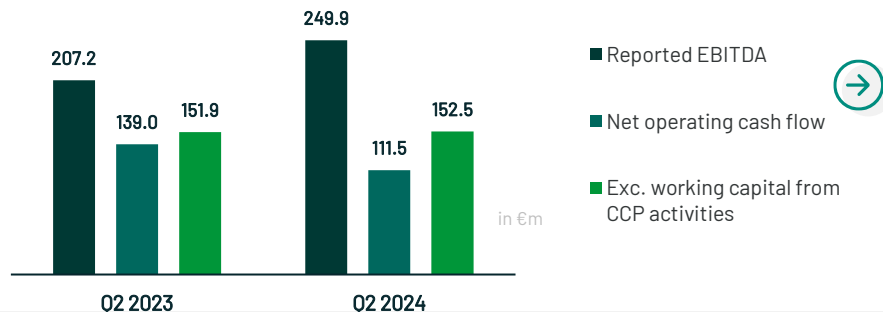
€141.7m
Reported
Net Income
+18.2%

€165.2m
Adjusted
Net Income¹⁾
+15.6%

€1.59
Adjusted EPS¹⁾
+19.0%

Continued strong cash flow generation

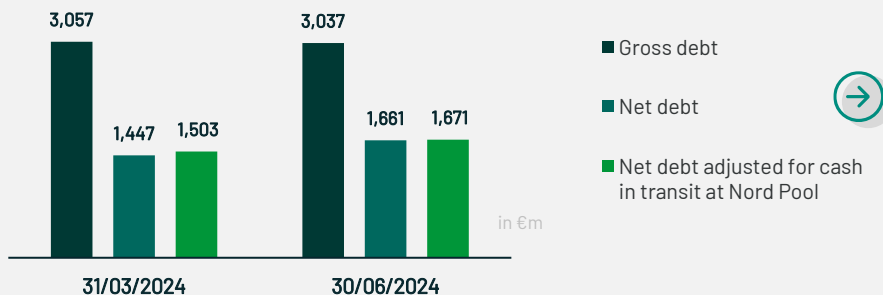
CASH FLOW GENERATION



Q2 2024 EBITDA to net operating cash flow conversion rate impacted by:

- Change in working capital related to Nord Pool and Euronext Clearing CCP activities for -€41.1million
- Excluding the impact on working capital from Nord Pool and Euronext Clearing CCP activities, net operating cash flow accounted for 61.0% of EBITDA

DEBT AND LEVERAGE



- Net debt to adjusted EBITDA¹⁾ at **1.8x**, impacted by the dividend payment and closing of the GRSS acquisition
- Net debt to reported EBITDA²⁾ ratio at **1.8x**
- Weighted average life to maturity of **6.4 years**



Q&A

Q&A – Speakers



Stéphane Boujnah

CEO and Chairman of the
Managing Board



Giorgio Modica

Chief Financial Officer



Anthony Attia

Global Head of Derivatives &
Post Trade

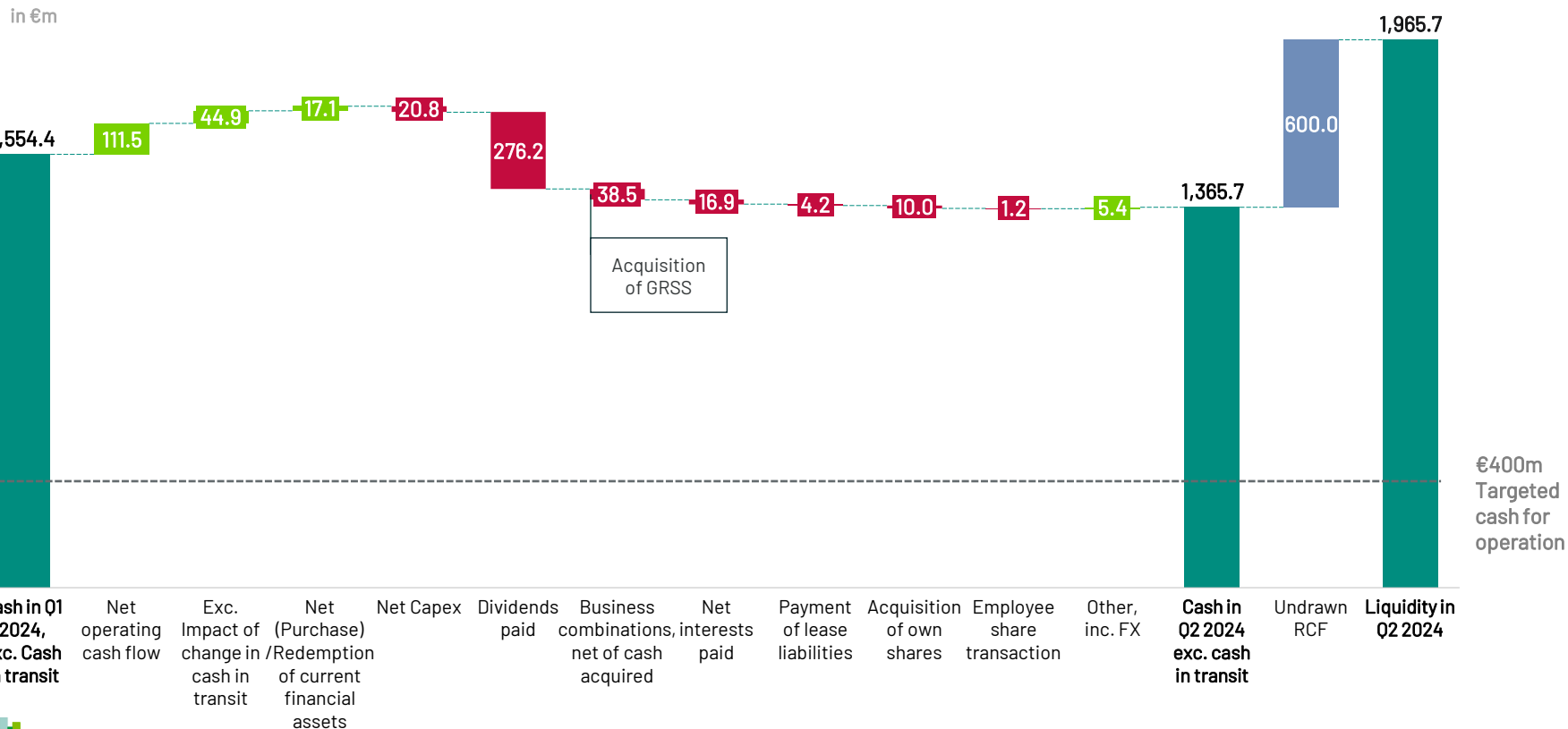


Nicolas Rivard

Global Head of Cash Equity &
Data Services

APPENDIX

Liquidity at end of Q2 2024



Number of outstanding shares used for EPS computation

Following the rights issue that occurred on 29 April 2021, whose settlement occurred on 14 May 2021, the average outstanding number of shares (basic) to be used for EPS computation is provided below. For comparative purposes, average numbers of outstanding shares (basic) for previous comparative periods were restated using the bonus fraction.

- **For the first semester of 2024, the average number of outstanding shares (basic) is 103,653,544**
- For the first quarter of 2024, the average number of outstanding shares (basic) is 103,640,164
- For the full year 2023, the average number of outstanding shares (basic) is 106,051,799
- For the first nine months of 2023, the average number of outstanding shares (basic) is 106,563,821
- For the first semester of 2023, the average number of outstanding shares (basic) is 106,741,621

As a reminder, Euronext EPS for periodic reporting is computed as follow:

- $Q1\text{ EPS} = \text{Net income for Q1} / \text{Average number of outstanding shares over Q1}$
- **$Q2\text{ EPS} = (\text{YTD-H1 Net income} / \text{Average number of outstanding shares over YTD-H1}) - Q1\text{ EPS}$**
- $Q3\text{ EPS} = (\text{YTD-9M Net income} / \text{Average number of outstanding shares over YTD-9M}) - (Q2\text{ EPS} + Q1\text{ EPS})$
- $Q4\text{ EPS} = (\text{FY Net income} / \text{Average number of outstanding shares over the year}) - (Q3\text{ EPS} + Q2\text{ EPS} + Q1\text{ EPS})$

Adjusted EPS for Q2 2024

in €m unless specified otherwise

	Q2 2024	Q2 2023
Net income reported	141.7	120.0
EPS reported (€)	1.37	1.12
Adjustments		
of which revenues	0.0	0.0
of which Operating expenses exc. D&A	(6.8)	(8.9)
of which Depreciation and amortisation	(26.0)	(23.8)
of which Net financing expense	0.0	(0.2)
of which results from equity investments	1.2	(0.2)
of which Minority interest	(0.1)	1.3
Tax related to adjustments	8.3	8.7
Adjusted net income	165.2	142.9
Adjusted EPS (€)	1.59	1.34

Q2 2024 income statement

In €m, unless stated otherwise

The figures in this document have not been audited or reviewed by our external auditor.

	Q2 2024	Q2 2023	% var	% var (like-for-like, constant currencies)
Revenue and income	412.9	368.1	+12.2%	+11.9%
Listing	58.4	55.1	+5.9%	+5.8%
Trading revenue, of which	142.7	118.2	+20.7%	+20.6%
<i>Cash trading</i>	74.2	65.2	+13.8%	+13.8%
<i>Derivatives trading</i>	13.9	13.0	+6.6%	+6.6%
<i>Fixed income trading</i>	35.6	25.3	+40.7%	+40.7%
<i>FX trading</i>	7.9	6.1	+28.7%	+27.3%
<i>Power trading</i>	11.1	8.6	+30.1%	+29.2%
Investor Services	3.3	2.8	+17.7%	+15.6%
Advanced Data Services	60.0	56.9	+5.4%	+4.1%
Post-Trade, of which	108.9	93.1	+16.9%	+16.8%
<i>Clearing</i>	39.2	29.4	+33.2%	+33.2%
<i>Custody and Settlement</i>	69.7	63.7	+9.4%	+9.3%
Euronext Technology Solutions & Other	25.4	27.3	-7.0%	-7.0%
NTI through CCP business	13.8	13.8	-0.4%	-0.4%
Other income	0.4	0.7	-39.7%	-39.8%
Transitional revenues	-	0.0	0.0%	0.0%
Underlying operational expenses exc. D&A	(156.1)	(152.0)	+2.7%	+2.4%
Adjusted EBITDA	256.8	216.1	+18.8%	+18.5%
<i>Adjusted EBITDA margin</i>	<i>62.2%</i>	<i>58.7%</i>	<i>+3.5pts</i>	<i>+3.5pts</i>
Operating expenses exc. D&A	(162.9)	(160.9)	+1.3%	+1.0%
EBITDA	249.9	207.2	+20.6%	+20.3%
Depreciation & Amortisation	(47.9)	(42.2)	+13.7%	+13.5%
Total Expenses (inc. D&A)	(210.9)	(203.0)	+3.9%	+3.6%
Adjusted operating profit	234.8	197.8	+18.7%	+18.4%
Operating Profit	202.0	165.0	+22.4%	
Net financing income / (expense)	3.5	(1.9)	n/a	
Results from equity investments	1.2	3.2	-61.3%	
Profit before income tax	206.7	166.4	+24.2%	
Income tax expense	(55.7)	(41.2)	+35.3%	
Share of non-controlling interests	(9.2)	(5.2)	+76.5%	
Net income , share of the parent company shareholders	141.7	120.0	+18.2%	
Adjusted Net income , share of the parent company shareholders	165.2	142.9	+15.6%	
Adjusted EPS (basic, in €)	1.59	1.34	+19.0%	
Reported EPS (basic, in €)	1.37	1.12	+21.7%	
Adjusted EPS (diluted, in €)	1.59	1.34	+19.0%	
Reported EPS (diluted, in €)	1.36	1.12	+21.6%	

Last twelve months income statement

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Last twelve months
Revenue and income	360.2	374.1	401.9	412.9	1,549.1
Listing	54.6	56.2	57.7	58.4	226.9
Trading Revenue	118.3	124.5	138.4	142.7	523.9
of which Cash trading	64.4	64.1	70.6	74.2	273.3
of which Derivatives trading	13.4	12.8	13.4	13.9	53.5
of which Fixed income trading	25.4	30.6	35.2	35.9	126.7
of which FX spot trading	6.4	6.7	7.1	7.9	28.1
of which Power trading	8.6	10.4	12.2	11.1	42.3
Investor Services	3.0	3.0	3.1	3.3	12.3
Advanced Data Services	55.5	56.1	59.4	60.0	231.0
Post trade	88.4	94.6	104.8	108.9	396.7
of which Clearing	29.5	32.3	37.0	39.2	138.0
of which Settlement & Custody	58.9	62.3	67.8	69.7	258.7
Market solutions & other revenues	27.4	27.6	26.7	25.4	107.1
Net treasury income through CCP Business	13.7	11.7	11.7	13.8	50.9
Other income	(0.0)	0.5	0.2	0.4	1.1
Transitional revenue	(0.8)	0.0	-		(0.8)
Operating expenses excluding D&A	(153.6)	(173.3)	(159.4)	(162.9)	(649.3)
Underlying operating expenses excluding D&A	(146.5)	(157.8)	(150.7)	(156.1)	(611.1)
Adjusted EBITDA	213.7	216.3	251.3	256.8	938.1
<i>Adjusted EBITDA margin</i>	<i>59.3%</i>	<i>57.8%</i>	<i>62.5%</i>	<i>62.2%</i>	<i>60.5%</i>
EBITDA	206.6	200.8	242.6	249.9	899.9
D&A	(41.9)	(45.6)	(44.0)	(47.9)	(179.4)
Total expenses	(195.5)	(218.9)	(203.4)	(210.9)	(828.7)
Operating profit	164.7	155.2	198.6	202.0	720.5
Adjusted operating profit	195.4	196.3	232.3	234.8	858.8
Net financing income/(expense)	1.5	4.7	4.7	3.5	14.3
Results from Equity investments	54.4	17.0	0.0	1.2	72.7
Income tax	(48.4)	(40.0)	(54.7)	(55.7)	(198.8)
Tax rate	-22.0%	-22.6%	-26.9%	-27.0%	-24.6%
Minority interests	(5.6)	(6.4)	(8.9)	(9.2)	(30.1)
Net profit	166.5	130.6	139.7	141.7	578.6

Balance sheet as at 30 June 2024

<i>in € million</i>	30 June 2024	31 March 2024
Non-current assets		
Property, plant and equipment	106.1	107.2
Right-of-use assets	53.1	56.1
Goodwill and other intangible assets	6,104.6	6,069.8
Deferred income tax assets	46.0	32.3
Investments in associates and joint ventures	0.7	1.3
Financial assets at fair value through OCI	269.2	262.6
Other non-current assets	4.1	4.4
Total non-current assets	6,583.8	6,533.8
Current assets		
Trade and other receivables	347.8	392.2
Income tax receivable	7.2	28.3
CCP clearing business assets	207,536.8	212,122.7
Other current financial assets	88.5	105.1
Cash & cash equivalents	1,376.0	1,609.6
Total current assets	209,356.4	214,257.9
Total assets	215,940.1	220,791.7
Equity		
Shareholders' equity	3,961.2	4,064.1
Non-controlling interests	134.1	147.8
Total Equity	4,095.4	4,211.9
<i>Tangible equity</i>	<i>1,964.5</i>	<i>2,106.0</i>
Non-current liabilities		
Borrowings	2,536.3	3,032.8
Lease liabilities	38.5	37.6
Deferred income tax liabilities	505.5	523.7
Post-employment benefits	20.8	22.3
Contract liabilities	61.2	59.0
Other provisions	7.1	7.2
Total Non-current liabilities	3,169.5	3,682.6
Current liabilities		
Borrowings	500.8	24.2
Lease liabilities	18.2	23.2
CCP clearing business liabilities	207,646.7	212,229.1
Income tax payable	80.6	87.7
Trade and other payables	290.9	367.2
Contract liabilities	135.1	160.4
Other provisions	3.6	5.4
Total Current liabilities	208,675.2	212,897.2
Total equity and liabilities	215,940.1	220,791.7

<i>unaudited, in</i>	As at 30/06/2024
CCP clearing business assets	
CCP trading assets at fair value	15,057.9
Assets under repurchase transactions	166,293.9
Other financial assets traded but not yet settled	4,551.3
Debt instruments at fair value through other comprehensive income	75.2
Other instruments held at fair value	0.6
Other receivables from clearing members	7,728.5
Cash and cash equivalents of clearing members	13,819.3
Total assets	207,536.8
CCP clearing business liabilities	
CCP trading liabilities at fair value	15,057.9
Liabilities under repurchase transactions	166,293.9
Other financial liabilities traded but not yet settled	4,551.3
Other payables to clearing members	21,743.6
Total liabilities	207,646.7

Outstanding debt issued		
Amount	Maturity	Interest
€500 million	2025	Fixed
€750 million	2029	Fixed
€600 million	2026	Fixed
€600 million	2031	Fixed
€600 million	2041	Fixed

Q2 2024 cash flows statement

<i>in € million</i>	Q2 2024	Q2 2023
Profit before tax	206.7	166.4
Adjustments for:		
- Depreciation and amortisation	47.9	42.2
- Share based payments	2.9	3.4
- Share of profit from associates and joint ventures	(0.1)	(3.2)
- Changes in working capital	(67.9)	(54.0)
- Gain on sale of associate	(1.2)	-
Cash flow from operating activities	188.4	154.8
Income tax paid	(76.9)	(15.8)
Net cash flows from operating activities	111.5	139.0
Cash flow from investing activities		
Business combinations, net of cash acquired	(38.5)	-
Proceeds from sale of subsidiary	-	(0.2)
Proceeds from sale of associate	0.9	-
Purchase of current financial assets	(0.6)	3.3
Redemption of current financial assets	17.7	26.0
Purchase of property, plant and equipment	(5.0)	(4.8)
Purchase of intangible assets	(15.8)	(18.4)
Interest received	11.3	4.9
Proceeds from sale of Property, plant, equipment and intangible assets	(0.1)	-
Dividends received from associates and joint ventures	0.1	7.8
Net cash flow from investing activities	(30.0)	18.6
Cash flow from financing activities		
Interest paid	(28.2)	(27.9)
Payment of lease liabilities	(4.2)	(6.3)
Acquisitions of own shares	(10.0)	(15.0)
Employee Share transactions	(1.2)	(1.0)
Dividends paid to the company's shareholders	(257.3)	(237.2)
Dividends paid to non-controlling interests	(18.9)	(3.1)
Net cash flow from financing activities	(319.6)	(290.5)
Total cash flow over the period	(238.1)	(132.9)
Cash and cash equivalents - Beginning of period	1,609.6	1,335.7
Non cash exchange gains/(losses) on cash and cash equivalents	4.6	(7.1)
Cash and cash equivalents - End of period	1,376.0	1,195.8

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