



FY 2017 RESULTS PRESENTATION

19 February 2018



MAIN SPEAKERS



Stéphane Boujnah

CEO & Chairman of the Managing Board



Giorgio Modica

CFO

AGENDA

I 2017 Main Highlights

II 2017 Financials

III Outlook



I. 2017 MAIN HIGHLIGHTS



EURONEXT PERFORMED A DEEP TRANSFORMATION IN 2017...

Transformational projects

- Compliance of systems to MIFID II at date
- First milestones of Optiq®:
 - Optiq® Market Data Gateway live in March 2017 for cash and in July 2017 for derivatives

Securing of clearing environment

- Signature of a 10-year clearing agreement with LCH SA for the clearing of financial and commodity derivatives products
- Acquisition of a 11.1% minority stake in LCH SA¹⁾ with pre-emption rights

Agility for Growth initiatives

- Adding value to issuers:
 - Corporate Services: acquisition of Company Webcast, iBabs and InsiderLog
 - Launch of the European Tech SME initiative: 5 new offices opened in 4 non-Euronext countries (Germany, Spain, Switzerland and Italy)
- Adding value to investors:
 - Euronext Synapse MTF: Platform launched in December 2017 in Europe
 - Launch of 2 new Morningstar indices, the Morningstar Eurozone 50 Index and the Morningstar Developed Markets Europe 100 Index and launch of futures

Revenue profile diversification

- Expansion into global FX markets through the acquisition of FastMatch, a leading spot FX ECN, in August 2017, for \$153m²⁾

Expansion of the federal model and of the debt franchise

- Announced acquisition of the Irish Stock Exchange in November 2017 for €137m³⁾
 - Closing expected in March 2018

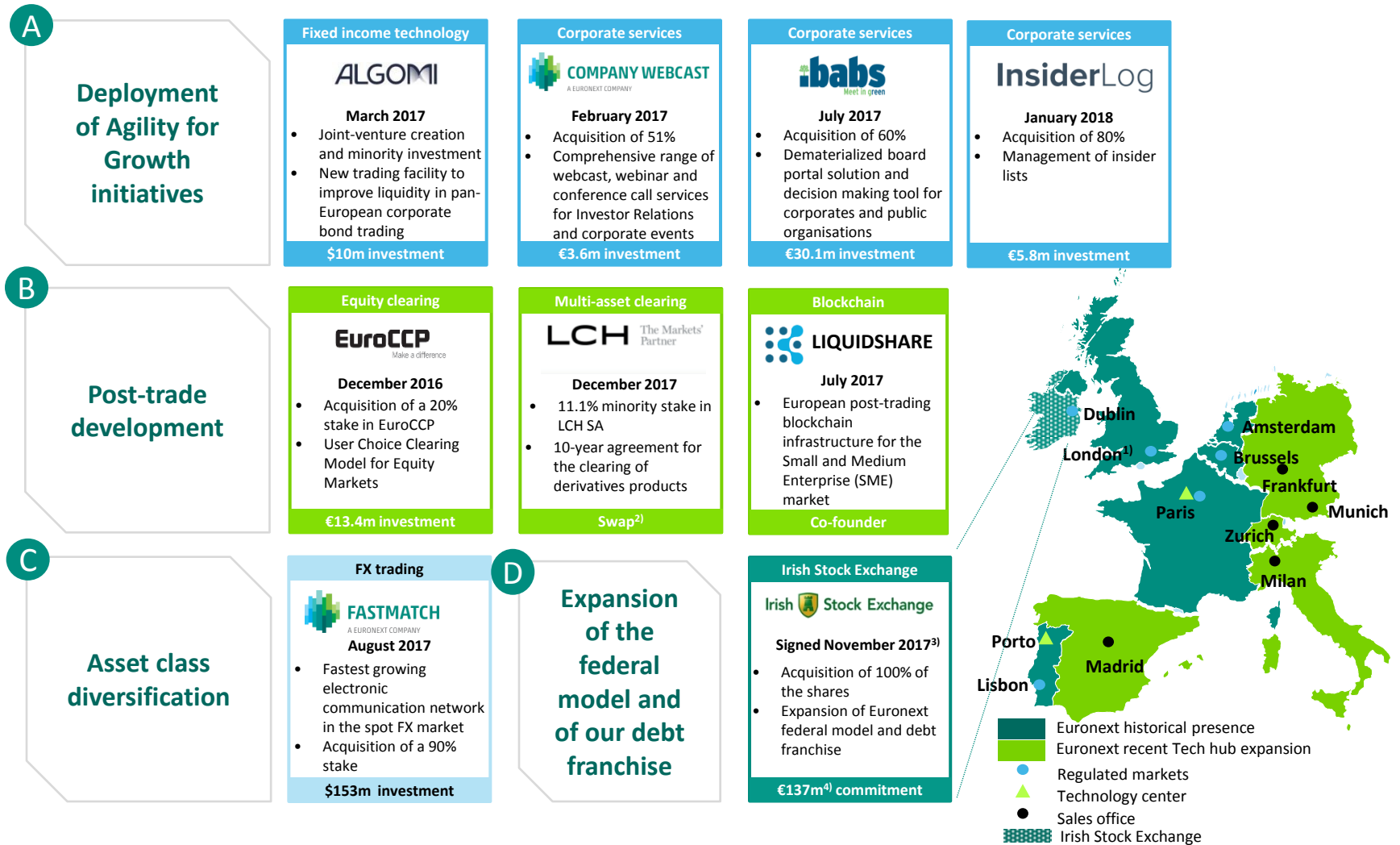


1) Euronext swapped its 2.3% stake in LCH Group for 11.1% of LCH SA. The transaction generated a non-cash gross capital gain of €40.6m in 2017

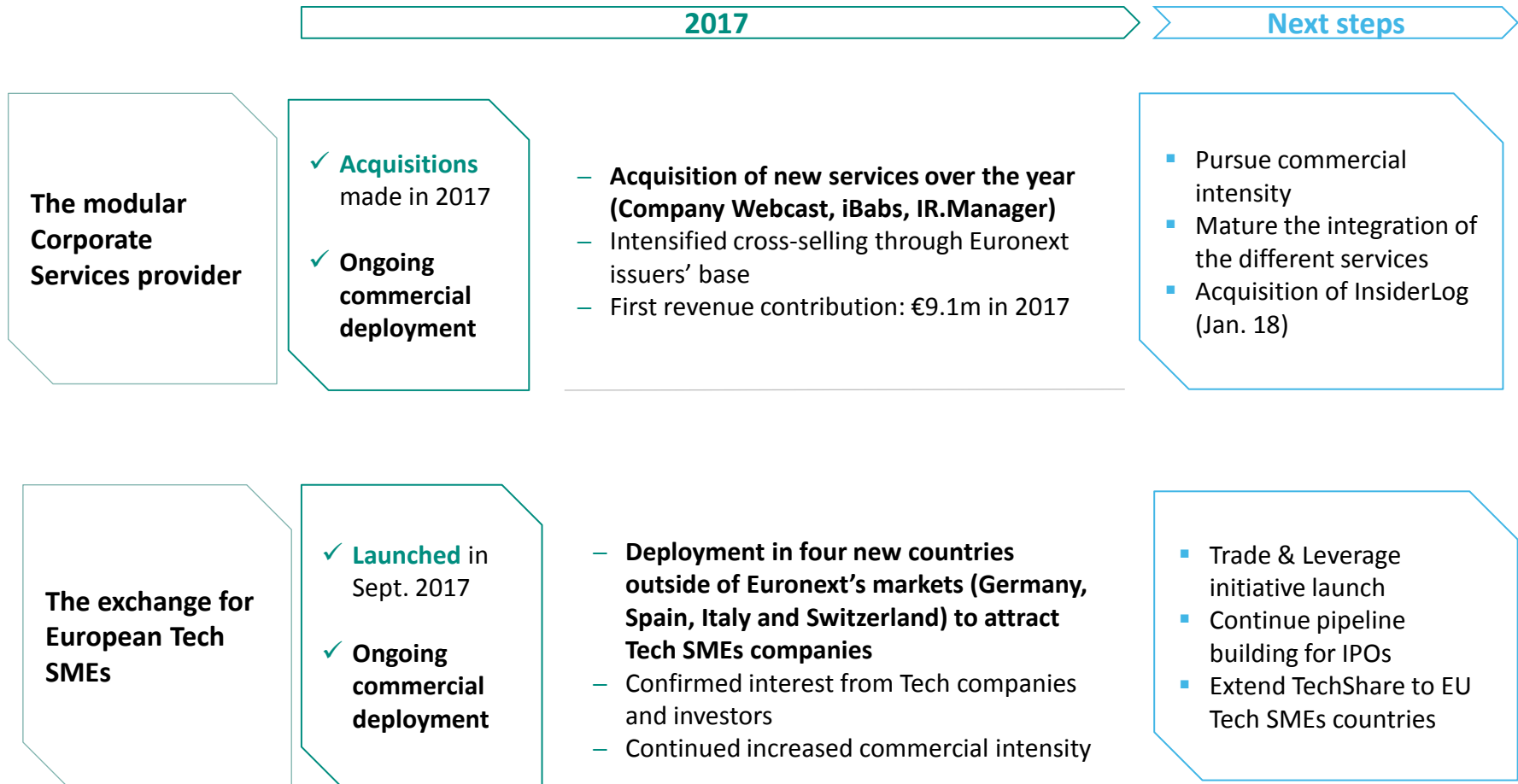
2) Excluding cash

3) On a debt-free cash-free basis and excluding existing regulatory capital requirements

...THROUGH REVENUE DIVERSIFICATION AND EXPANSION OF THE FEDERAL MODEL



ALL ISSUERS GROWTH INITIATIVES HAVE BEEN LAUNCHED AND DEPLOYED...



...AND MAJOR GROWTH INITIATIVES FOR INVESTORS ARE READY

	2017	Next steps	
European family of indices	<ul style="list-style-type: none"> ✓ Tradable since July 2017 ✓ Ongoing commercial deployment 	<ul style="list-style-type: none"> – New indices launched with Morningstar: <ul style="list-style-type: none"> – Morningstar Eurozone 50 Index™ – Morningstar Developed markets Europe 100 Index™ 	<ul style="list-style-type: none"> ▪ Launch of new future contract in Jan.18 on the Morningstar Eurozone 50 Index™
Fixed income	<ul style="list-style-type: none"> ✓ EU platform live in Dec. 17 ✓ Ongoing commercial deployment 	<ul style="list-style-type: none"> – Launch of Euronext Synapse MTF in Dec. 2017 in Europe – US platform waiting regulators approval 	<ul style="list-style-type: none"> ▪ US regulatory approval ▪ Continued clients onboarding in Europe
Post-trade	<ul style="list-style-type: none"> ✓ RiskGuard and APA/ARM services launched in 2017 ✓ Ongoing commercial deployment 	<ul style="list-style-type: none"> – <u>RiskGuard</u>: main features of derivatives launched and first clients invoiced – <u>APA/ARM</u>: live – <u>Inventory management</u>: Ongoing development. Collateral abandoned. 	<ul style="list-style-type: none"> ▪ APA/ARM: continued onboarding of customers ▪ Inventory management: Adoption of the platform
One-stop-shop pan-European ETF platform	<ul style="list-style-type: none"> ✓ To be launched in H2 2018 ✓ Ongoing commercial deployment 	<ul style="list-style-type: none"> – Client interest confirmed – Go-live postponed after Optiq delivery 	<ul style="list-style-type: none"> ▪ Delivery of the platform ▪ Client onboarding
Specialist content on agricultural commodities		<ul style="list-style-type: none"> – Capture OTC Flows: Ongoing IT development – Commodities data provider: paused 	<ul style="list-style-type: none"> ▪ OTC flow: delivery of IT and post-trade solution and go live

EURONEXT GENERATED A STRONG OPERATIONAL PERFORMANCE IN 2017...

**Strong increase
in revenue
+7.2%¹⁾ at
€532.3m**

- Improved cash market share at 64.4%
- Strong growth in listing revenue
- First revenue from Agility For Growth initiatives and FastMatch

**+€36m
revenue
growth**

**Robust EBITDA
margin**

- Strong operating performance: EBITDA up 4.9%, +€14m, to €297.8m
- Continued costs discipline, despite ramp up of acquisitions, MIFID II and Optiq projects costs

**55.9%
EBITDA margin**

**Significant
increase in
reported EPS to
€3.47**

- Net income at €241.3m, benefitting from good operating performance, capital gain related to LCH SA swap²⁾ and exceptional items
- Adjusted EPS up +4.8% at €3.09

**+22.4%
reported EPS**

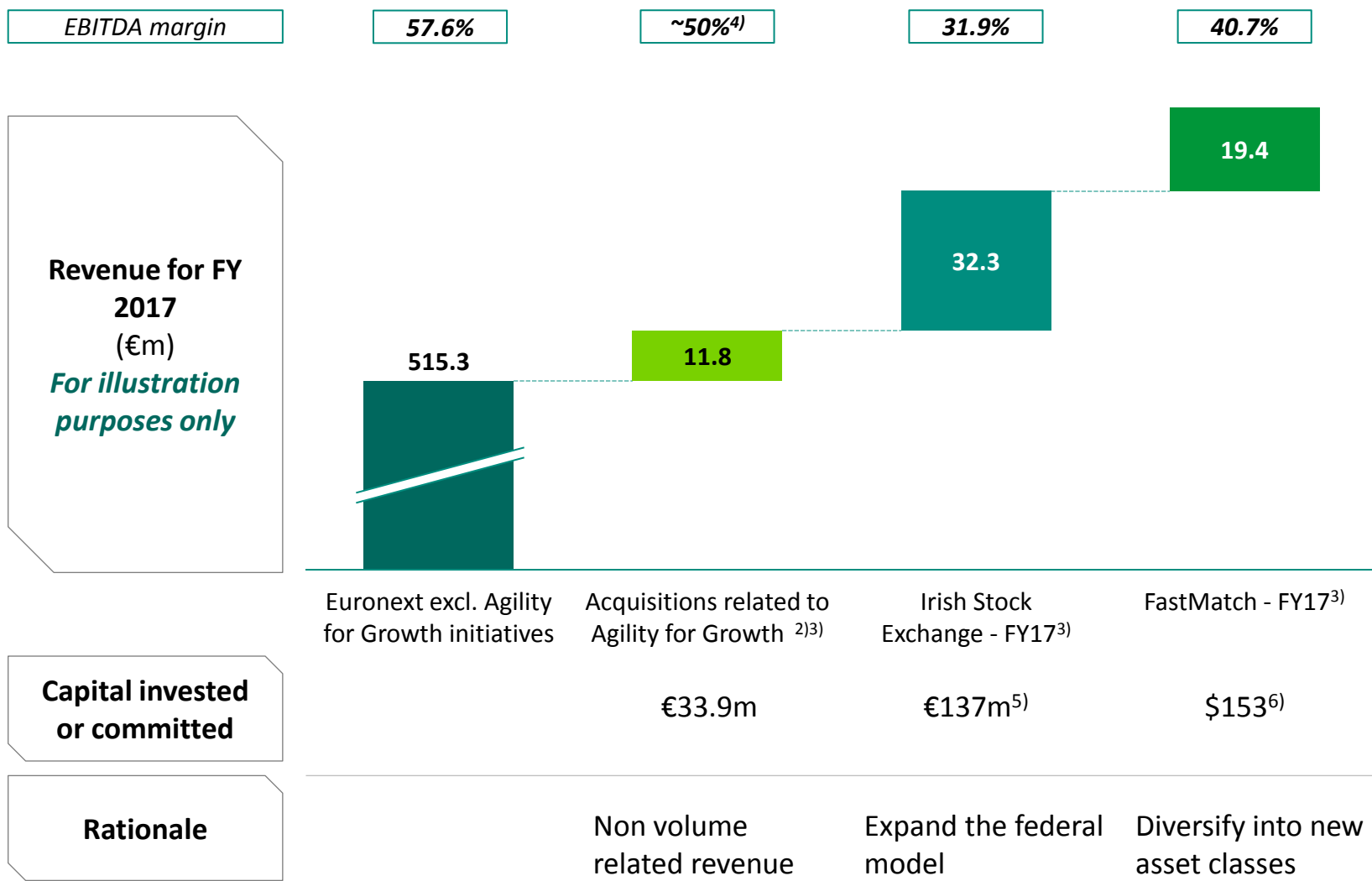
Continued value creation for shareholders, with a proposed dividend³⁾ up 21.8% (+31cts / share)

**€1.73
2017 dividend³⁾**



1) Unless stated otherwise, % compare Full Year 2017 data to Full Year 2016 data
2) Euronext swapped its 2.3% stake in LCH Group for 11.1% of LCH SA. The transaction generated a non-cash gross capital gain of €40.6m in 2017
3) Subject to the approval of the AGM on 15 May 2018

...AND NEW ACQUISITIONS¹⁾ FEED VALUE CREATION POTENTIAL



1) ISE acquisition closing expected in March 2018
 2) Company Webcast, iBabs, IR.Soft
 3) For 12 months of 2017. Unaudited accounts
 4) Margin of acquisitions related to Agility for Growth. **Does not include the costs of organic initiatives**
 5) Enterprise value on a debt-free cash-free basis and excluding existing regulatory capital requirements
 6) Excluding cash

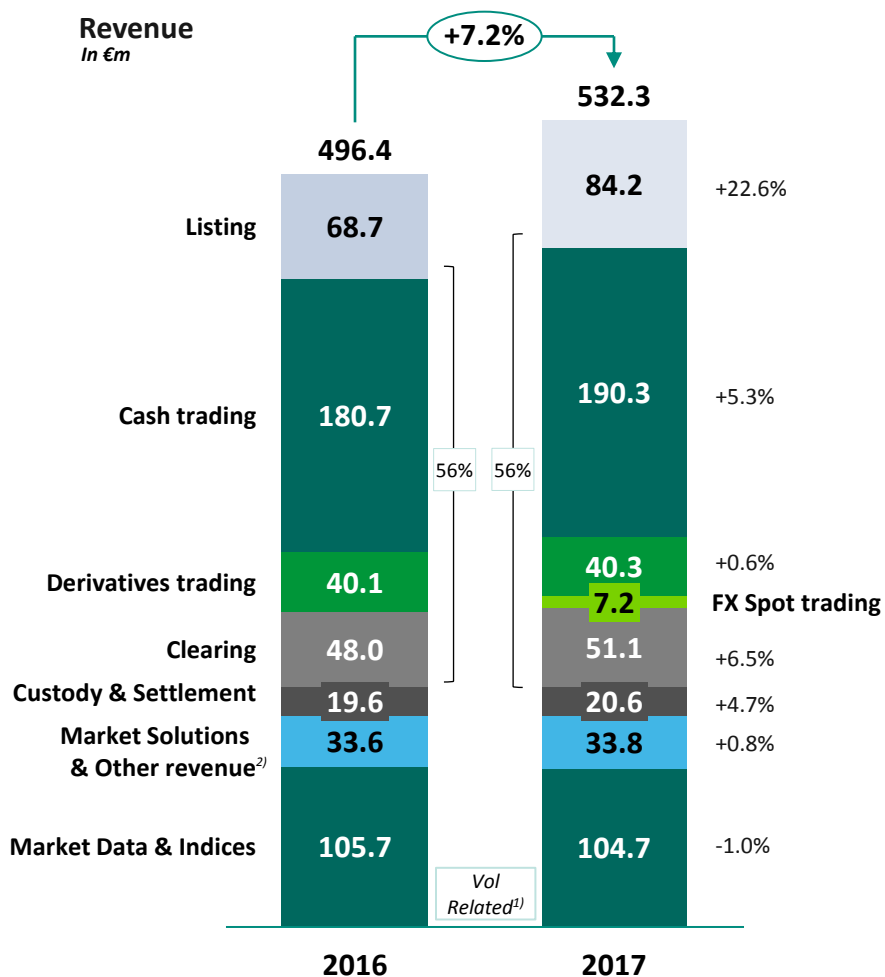


II. 2017 FINANCIALS



2017 REVENUE UP 7.2% TO €532.3M

KEY DRIVERS: VOLUMES GROWTH AND ACQUISITIONS



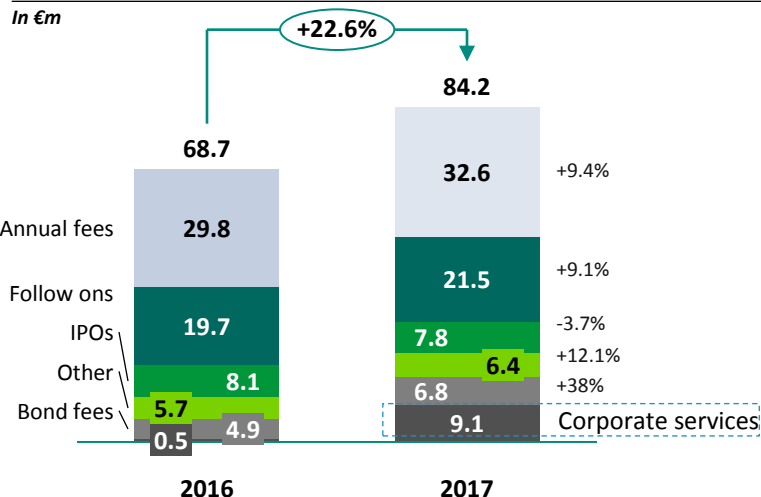
2017 revenue up 7.2% to €532.3m (+€35.9m)

- Positive impact from Corporate Services (€9.1m revenue) due to the acquisition of iBabs in July 2017 and Company Webcast in February 2017
- Improved cash trading volumes (+6.7% ADV) and market share (64.4%) translated into revenue growth of +€9.5m
- Diversification in spot FX trading revenue (+€7.2m) with FastMatch acquisition in August 2017
- Robustness of Market Data revenue (-€1.0m), with organic performance intact offset by lower contractual audit findings compared to last year
- Operating cost coverage ratio³⁾ at 100% in 2017

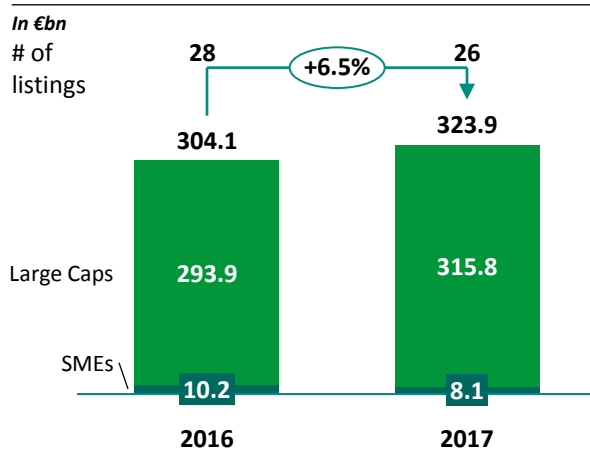
LISTING REVENUE UP 22.6% TO €84.2M

STRONG REVENUE SUPPORTED BY FOLLOW-ONS AND POSITIVE IMPACT OF CORPORATE SERVICES

Listing revenue¹⁾



Money raised²⁾



■ Growing primary market activity

- 26 new listings
- Continued trend of large capitalisations returning to Euronext's markets such as ALD and Volkerwessels

■ Strong secondary market activity

- Follow-on revenue up +9.1% reflecting the growing use of equity financing through the year
- Strong dynamism of SMEs with 531 deals

■ Dynamic bond market, revenue up +38.0%

- Successful launch of the European Tech SME initiative and confirmed interests from Tech companies and investors



- Increased commercial intensity of the Corporate Services offering and fine-tuning of the value proposition following the acquisitions to complement the suite



1) 'Corporate Services' revenue previously reported as part of 'Other'
 2) Total money raised figures revised as from January 2017. Corporate bonds figures revised as from January 2017 to exclude Euronext listed financials issuers and to regroup them in a broader newly created financial bonds category. Total money raised also now includes Public/Semi-Public bonds category not reported before, created as from January 2017

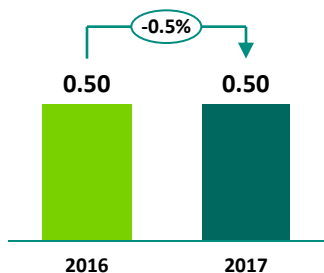
CASH TRADING REVENUE UP 5.3% TO €190.3M

STRENGTHENED MARKET SHARE AT 64.4% AND GROWTH IN VOLUMES

Cash trading

Revenue per trade

In bps, single counted



Market share for 2017

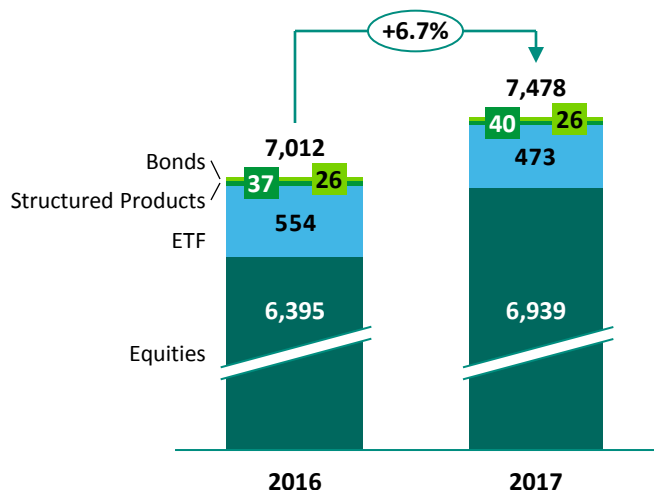
64.4%

Vs. 61.0% in 2016

Market share for Q4 2017 at 67.1%

Average daily turnover

In €m, single counted



- Improved cash market share at **64.4%**, to its strongest yearly level since IPO, supported by:
 - the continued optimisation of the SLP programme,
 - the innovative Omega pack for non members
 - and the Best of Book service for retail flows
- Robust yield at **0.50bps**, stable compared to 2016
- 80% present at EBBO in December 2017, with deepest market depth

- Significant achievements in key Core Business projects:
 - Launch of Euronext Fund services
 - Launch of Euronext Block, the new block trading service for equities, and first trades executed on the platform
 - Launch of Euronext Synapse for Europe in Dec.17

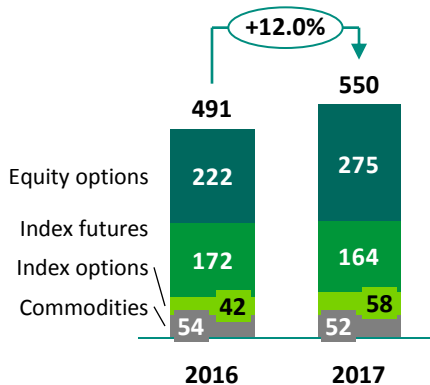
- 74 new ETF products listed over 2017, bringing the total numbers of ETFs to 804, and declining ETF trading due to low volatility

IMPROVED POSITIONING IN DERIVATIVES TRADING AND FIRST REVENUE FROM SPOT FX TRADING

Derivatives trading

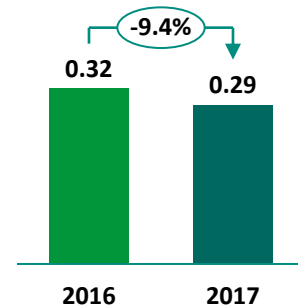
Average daily volume

In '000 lots, single counted



Revenue per lot

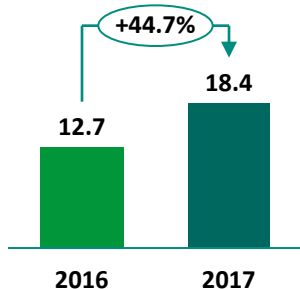
In €, double counted



Spot FX trading

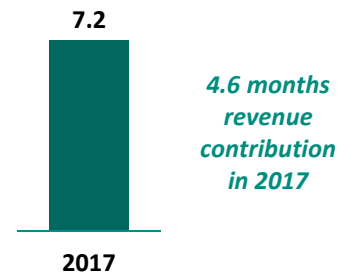
Average daily volume

In \$bn, single counted



Revenue contribution

In €m

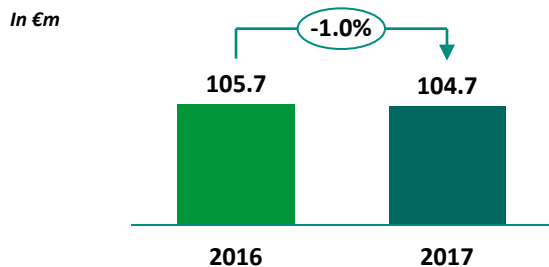


- Increasing trading activity in financial derivatives, despite a low volatility environment
- Improvement of Dutch options volumes following TOM wind down since Q2 2017
- Recovery in commodities with an improved competitive landscape from H2 2017:
 - Success of the New Market Participant programme with over 150 new traders joining Euronext market for the first time
- 2017 derivatives yield down YoY following TOM migration completion in June
- **Spot FX ADV up 44.7% to \$18.4bn**
- **Revenue from spot FX trading: €7.2m (for 4.6 months)**
- Successful launch of Consolidated Data Tape, and FastMatch proprietary market data first revenue booked in 2018

OTHER BUSINESSES

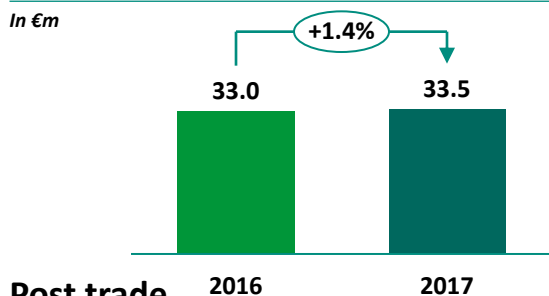
ROBUST MARKET DATA PERFORMANCE DESPITE NEGATIVE BASE EFFECTS

Market Data and Indices



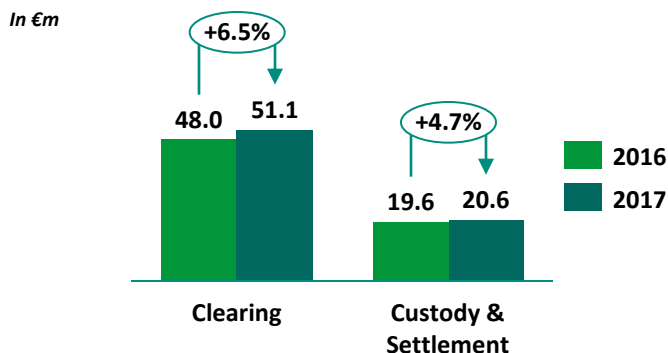
- Decrease in revenue due to **negative base effect** (large contractual audit findings in Q2 2016 and Q3 2016), **while organic performance intact**
- New market data agreements to comply with MiFID II data disaggregation requirements in 2018
- Launch of two indices with Morningstar (Morningstar Eurozone 50 Index™ & Morningstar Developed markets Europe 100 Index™)

Market solutions & Others



- Continued benefits from MiFID II projects and related work for commercial technology clients
- Launch and first milestones of the Optiq® delivery projects for clients in the Middle East, North Africa and Brazil

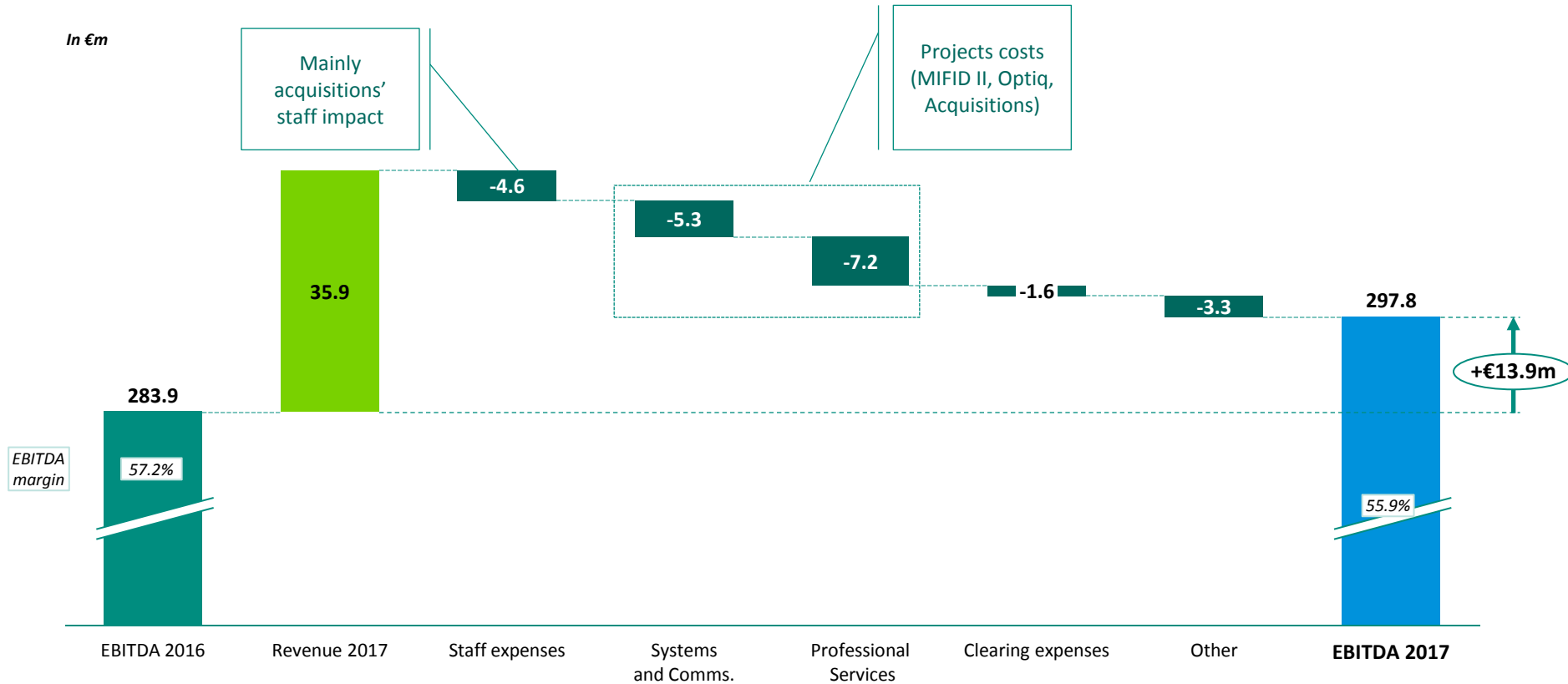
Post trade



- Clearing revenues benefited from stronger derivatives trading activity and higher treasury income
- Numerous contracts signed for Euronext's APA/ARM services live since December 2017
- Revenue growth in Interbolsa driven by an increase of settlement, public debt and equities under custody

EBITDA UP 4.9% TO €297.8M

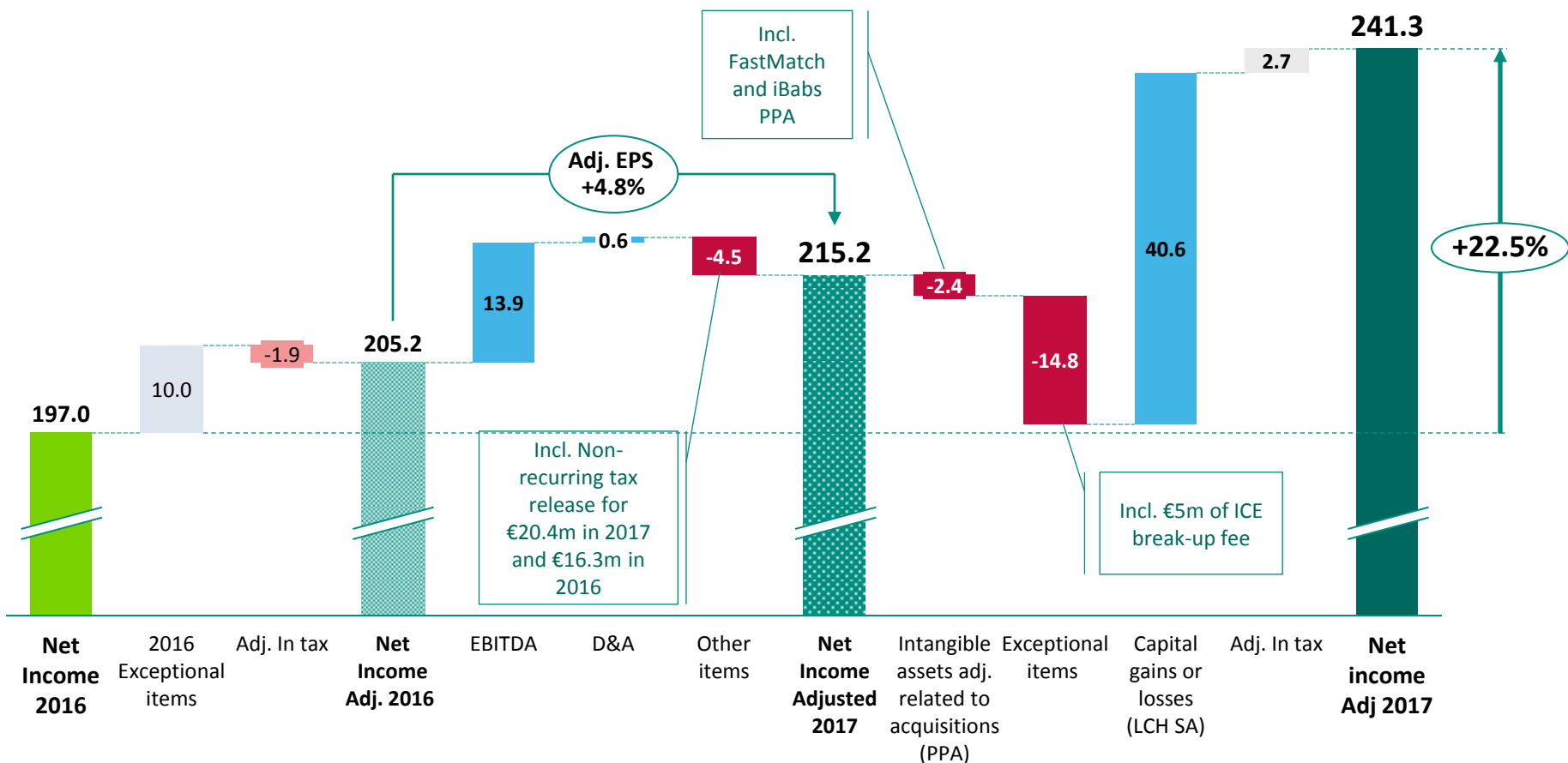
ROBUST EBITDA MARGIN AT 55.9%



- €10.9m of costs savings achieved since 1 April 2016, slightly down compared to 2016 (€15.6M) due to IT and regulation projects
- **Core business costs reduction expected to start in H2 2018**
- **Agility for Growth initiatives:** €9.8m of revenue and €11.0m of costs, with well-established initiatives funding earlier stage ones

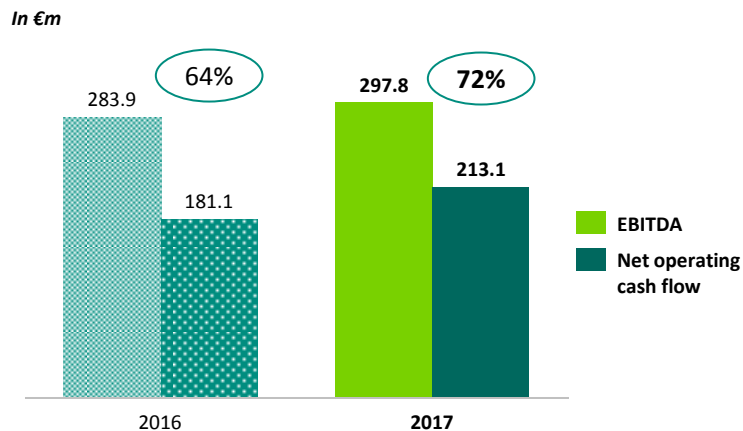
2017 NET INCOME DRIVEN BY GOOD OPERATING PERFORMANCE, CAPITAL GAINS AND EXCEPTIONAL ITEMS

In €m

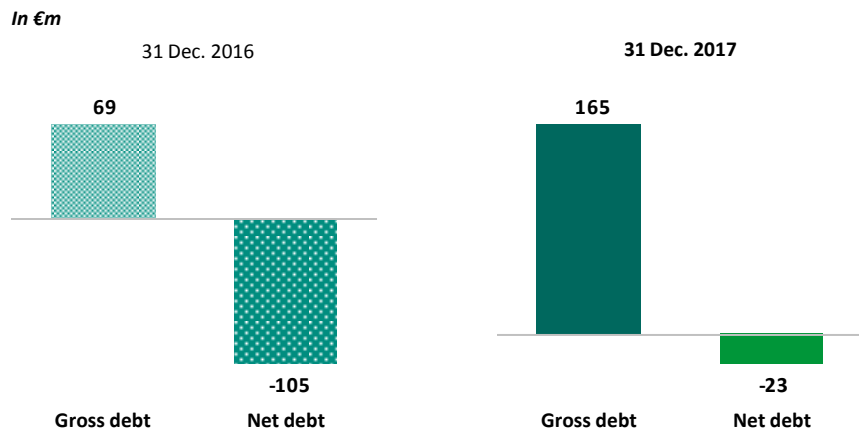


STRONG CASH FLOW GENERATION AND LIQUIDITY POSITION

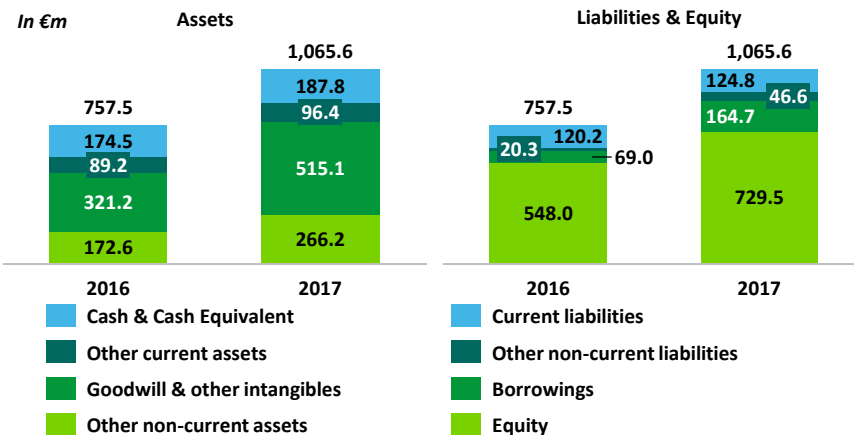
EBITDA / operating cash flow conversion rate



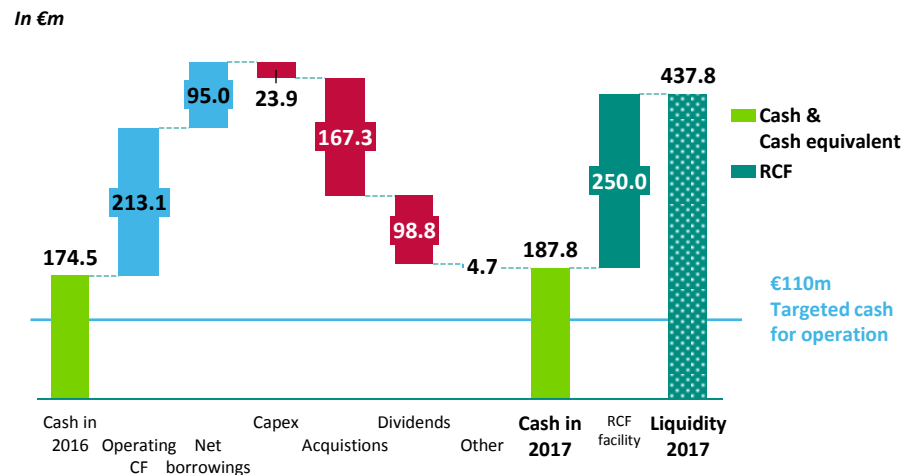
Debt



Balance sheet



Liquidity





III. OUTLOOK



2018 FIRST TRENDS

Strong start of volumes in 2018

- Cash ADV at €7.8bn, up +20.4% compared to Jan. 2017
- Derivatives ADV at 561,231 lots, up +25.9% compared to Jan. 2017
- Spot FX ADV at \$20.8bn, up +22.0% compared to Jan. 2017
- Volatility index up since beginning of February 2018

Optiq® project milestones

- Optiq® conformance testing started end of January 2018
- Final client software release for user acceptance delivered in February 2018
- Optiq® Cash to be live in H1 2018

Integration of newly acquired businesses

- Closing of the Irish Stock Exchange acquisition expected in March 2018
- Start of integration works after closing

Acquisition in Corporate Services

- Acquisition in January 2018 of InsiderLog, an innovative insider list management solution

2019 FINANCIAL TARGETS

		2017	2019 TARGETS
Deliver strong operating performance in Core Business	<ul style="list-style-type: none"> +2.0% CAGR₂₀₁₅₋₂₀₁₉, i.e. 505m€ Core Business revenue in 2019 excluding clearing (unchanged) 	€464m	€505m +4.3% CAGR ₁₇₋₁₉
Focus on most value creating organic initiatives	<ul style="list-style-type: none"> €55m incremental revenue in 2019 (excluding clearing) (vs. €70m in May 2016), 50 % EBITDA margin (unchanged) 	€9.8m rev. €11m costs	€55m revenue €27.5m costs
Continue cost control	<ul style="list-style-type: none"> 22m€ of gross costs savings on Core Business (unchanged), i.e. €15m net of inflation Core business costs reduction expected to start in H2 2018 	-€10.9m savings	-€22m gross savings -€15m net of inflation
Improve company efficiency	<ul style="list-style-type: none"> 61 to 63% EBITDA margin in 2019 excl. clearing (unchanged), excluding FastMatch and ISE 	57.5%	61-63%
Continue capital return to shareholders	<ul style="list-style-type: none"> Dividend policy: 50% Pay-out of reported net income, with a floor at €1.42 per share (unchanged) 	€121m <i>proposed for distribution¹⁾</i>	50% pay-out 1.42€/share floor
Deploy the balance sheet through targeted M&A to create value	<ul style="list-style-type: none"> ROCE>WACC in year 3 (unchanged) Full-year contribution of FastMatch and the Irish Stock Exchange²⁾ in 2019 	~€300m <i>capital deployed</i>	<i>Not applicable</i>

Q&A



Stéphane Boujnah

CEO &
Chairman of the Managing Board



Anthony Attia

Global Head of Listing



Giorgio Modica

CFO



Lee Hodgkinson

Head of Markets & Global Sales

APPENDICES



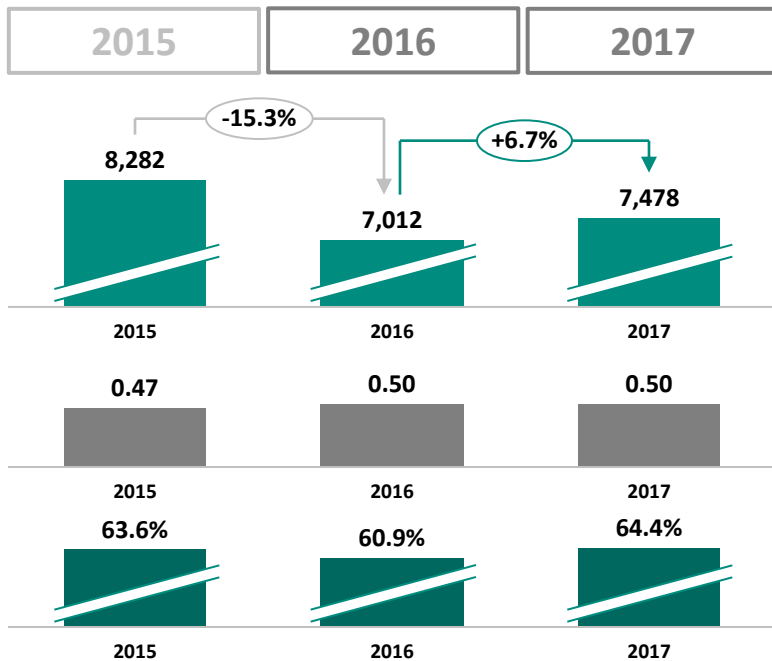
CASH AND DERIVATIVES TRADING PERFORMANCE

Cash trading

ADV
(in €m)

Yield

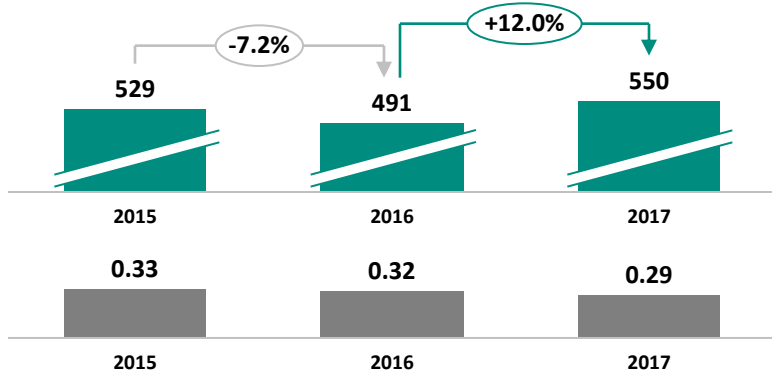
Market Share



Derivatives trading

ADV
(in €m)

Yield



- Improved volumes:
 - Best of Book
 - Non-member Omega pack
 - Optimisation of the SLP programme
 - Efficient yield management
 - Market share > 60% on equity
-
- Improved competitive landscape

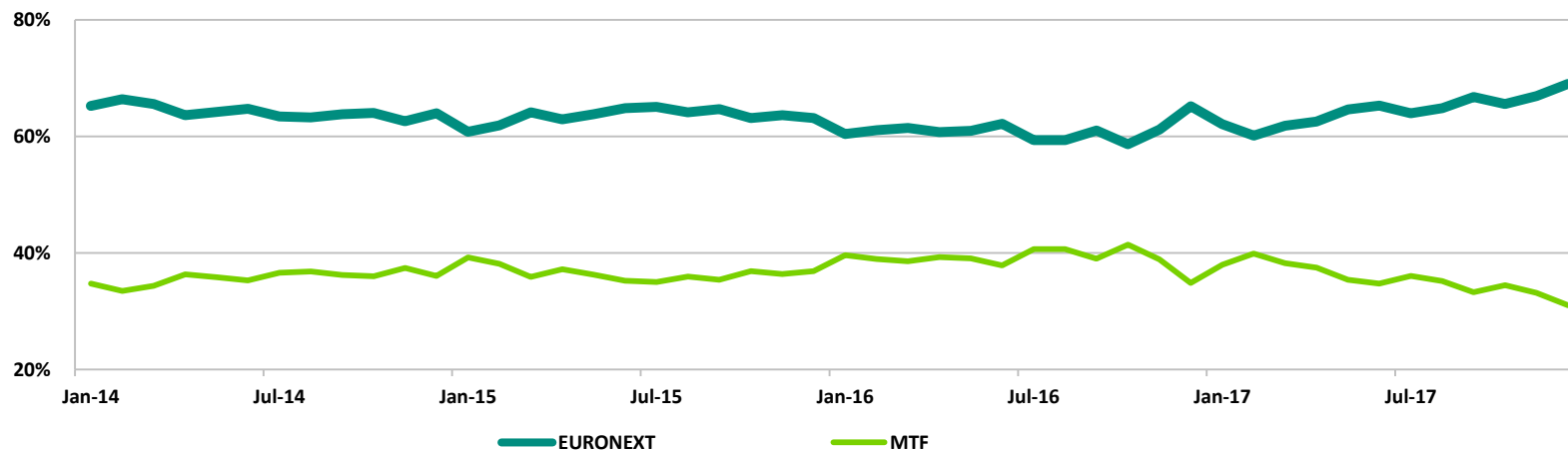
CASH – MARKET QUALITY AND SHARE

Market quality

Blue Chips (31 December 2017)	Presence time at EBBO (%)	EBBO with greatest size (%)	EBBO setter (%)	Relative spread (bps)	Displayed market depth (€)
Euronext	80%	43%	65%	3.72	58,289
BATS Europe	34%	0%	3%	8.01	14,620
Chi-X	55%	2%	10%	6.29	18,375
Equiduct	2%	0%	0%	61.8	23,984
Turquoise	41%	0%	5%	7.3	16,737

Market share

2017 market share: 64.4%



2017 P&L

Unaudited, In €m	2017	2016	% change
Revenue	532.3	496.4	+7.2%
Listing	84.2	68.7	+22.6%
Trading revenue	237.9	220.8	+7.7%
Cash Trading	190.3	180.7	+5.3%
Derivatives Trading	40.3	40.1	+0.6%
Spot FX Trading	7.2	-	n/a
Market Data & indices	104.7	105.7	-1.0%
Post-trade	71.7	67.6	+6.0%
Clearing	51.1	48.0	+6.5%
Custody and Settlement	20.6	19.6	+4.7%
Market Solutions & other revenue	33.5	33.0	+1.4%
Other income	0.4	0.6	-36.2%
Operational expenses excluding D&A	-234.5	-212.5	+10.3%
Salaries and employee benefits	-104.4	-99.8	+4.6%
Other Operational Expenses	-130.1	-112.8	+15.4%
System & Communication	-22.4	-17.1	+30.7%
Professional Services	-45.5	-38.4	+18.7%
Clearing expense	-27.9	-26.3	+6.1%
Accommodation	-10.0	-10.2	-2.7%
Other Operational Expenses	-24.4	-20.7	+17.5%
EBITDA	297.8	283.9	+4.9%
<i>EBITDA margin</i>	<i>55.9%</i>	<i>57.2%</i>	<i>-1.2 pts</i>
Depreciation & Amortisation	-16.9	-15.1	+12.2%
Operating Profit before Exceptional items	280.8	268.8	+4.5%
Exceptional items	-14.8	-10.0	+47.3%
Operating Profit	266.1	258.8	+2.8%
Net financing income / (expense)	-3.6	-0.8	n/a
Results from equity investments	48.6	6.0	n/a
Profit before income tax	311.1	264.0	+17.8%
Income tax expense	-68.9	-67.0	+2.9%
Share of non-controlling interests	-0.9	0.0	n/a
Profit for the period	241.3	197.0	22.5%

ADJUSTED EPS DEFINITION

<i>In €m unless stated otherwise</i>	2017	2016
Net Income Reported	241.3	197.0
EPS Reported (€ per share)	3.47	2.83
Intangible assets adj. related to acquisitions (PPA)	- 2.4	-
Exceptional items	- 14.8	- 10.0
Capital gains or losses (LCH SA swap)	40.6	-
Tax related to those items	2.7	1.9
Adjusted for intangible assets related to acquisitions, capital gains or losses and exceptional items, incl. tax		
Adj. Net Income	215.2	205.2
Adj. EPS (€ per share)	3.09	2.95

BALANCE SHEET AS AT 31 DEC. 2017

Unaudited, In €m	As at 31 December 2017	As at 31 December 2016
Non-current assets		
Property, plant and equipment	27.8	27.5
Goodwill and other intangible assets	515.1	321.2
Deferred income tax assets	8.0	5.0
Investments in associates and JV	75.0	16.0
Available-for-sale financial assets	147.5	117.1
Other receivables	8.0	7.1
Total non-current assets	781.4	493.8
Current assets		
Trade and other receivables	95.0	81.6
Income tax receivable	1.4	7.6
Cash & cash equivalents	187.8	174.5
Total current assets	284.2	263.7
Total assets	1,065.6	757.5
Shareholders' equity		
Shareholders' equity	715.3	548.0
Non-controlling interests	14.2	0.0
Total equity	729.5	548.0
Non-current liabilities		
Borrowings	164.7	69.0
Other long-term financial liabilities	10.0	0.0
Deferred income tax liabilities	19.8	0.6
Post-employment benefits	11.7	13.2
Other provisions	5.1	6.5
Total Non-current liabilities	211.3	89.3
Current liabilities		
Borrowings	0.2	0.1
Other short-term financial liabilities	6.7	0.0
Income tax payable	17.4	27.2
Trade and other payables	99.2	90.6
Other provisions	1.3	2.3
Total Current liabilities	124.8	120.2
Total equity and liabilities	1,065.6	757.5

CASH FLOW & LIQUIDITY

Cash Flow Statement for 2017

Unaudited, In €m	2017	2016
Profit before tax	311.1	264.0
Adjustments for:		
- Depreciation and amortization	16.9	15.1
- Share based payments	3.8	2.8
- Gain on disposal of available-for-sale financial assets	-42.2	0.0
- Share of profit from associates and joint ventures	-0.3	0.0
- Changes in working capital	-7.7	-20.3
Cash flow from operating activities	281.5	261.6
Income tax paid	-68.4	-80.4
Net cash flows from operating activities	213.1	181.1
Cash flow from investing activities		
Acquisitions of associates and joint ventures	-2.1	-14.8
Acquisition of subsidiary, net of cash acquired	-157.3	0.0
Purchase of available-for-sale financial assets	-9.6	0.0
Proceeds from disposal of available-for-sale financial assets	1.7	0.0
Purchase of property, plant and equipment	-6.1	-5.5
Purchase of intangible assets	-17.8	-9.2
Net cash flow from investing activities	-191.2	-29.6
Cash flow from financing activities		
Proceeds from borrowings, net of transaction fees	165.0	0.0
Repayment of borrowings, net of transaction fees	-71.2	-40.0
Interest paid	-0.7	-1.3
Interest received	0.3	0.3
Dividends paid to the company's shareholders	-98.8	-86.2
Transaction of own shares	-1.0	-1.4
Employee Share transactions	-2.1	0.0
Net cash flow from financing activities	-8.5	-128.6
Total cash flow over the period	13.4	22.9
Cash and cash equivalents - Beginning of period	174.5	158.6
Non Cash exchange gains/(losses) on cash and cash equivalents	-0.1	-7.1
Cash and cash equivalents - End of period	187.8	174.5

Liquidity for 2017

Unaudited, In €m	2017	2016
Cash beginning of period	174.5	158.6
Debt repayment	-70.0	-40.0
Debt subscribed	165.0	-
Acquisitions	-167.3	-
Dividend	-98.8	-86.2
Cash accumulation, net of others	184.4	142.1
Cash end of period	187.8	174.5
RCF	250	390
Available Liquidity	437.8	564.5

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