



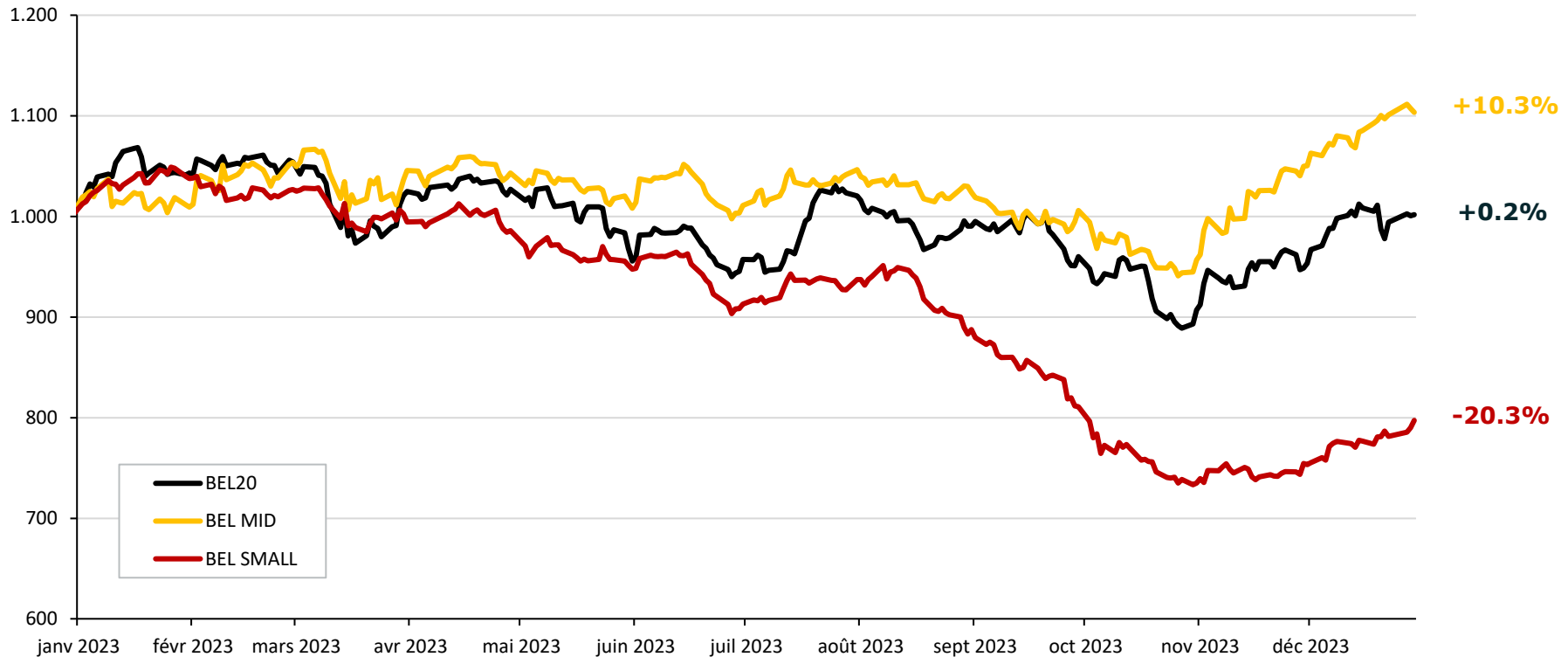
# De toekomst van Euronext, is BEL-20 een zorgenkind in aandelenland?

Financieel Forum West-Vlaanderen

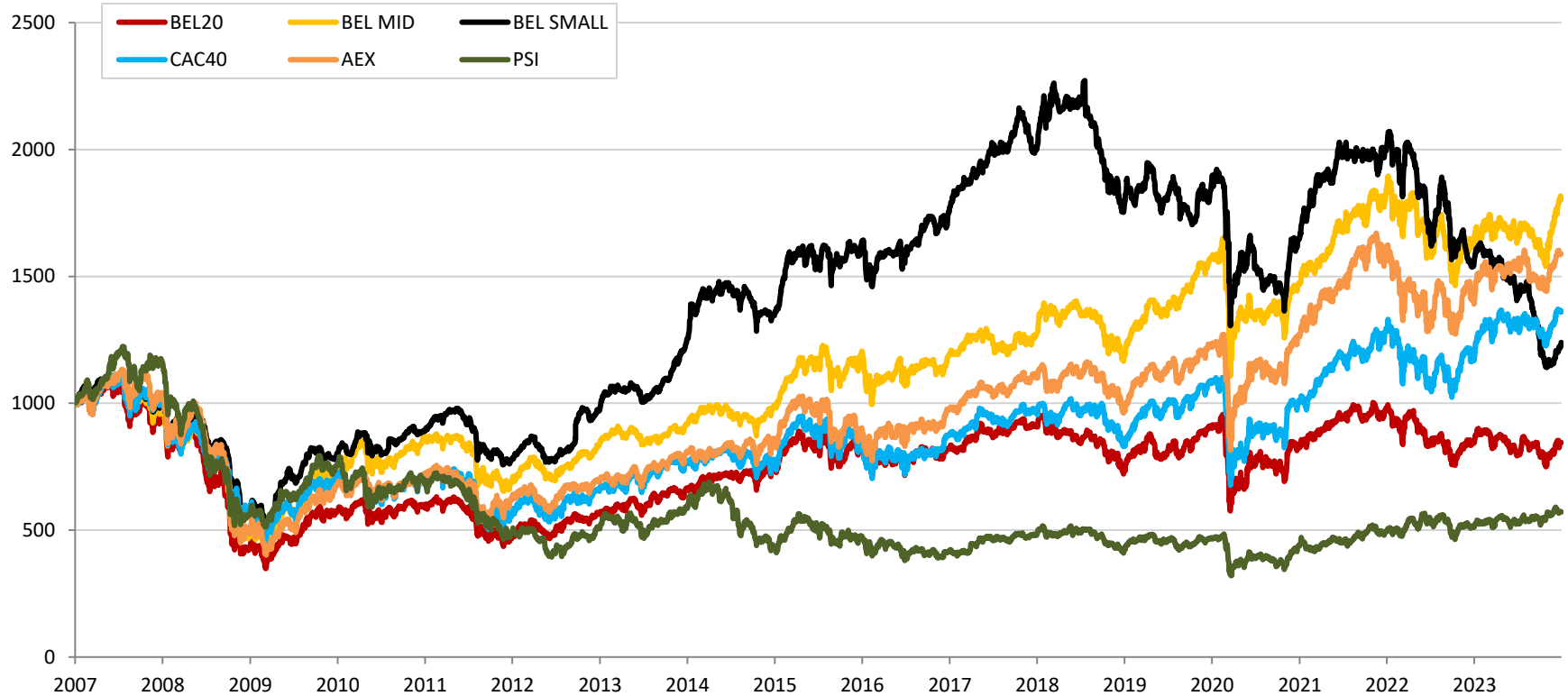


February 2024

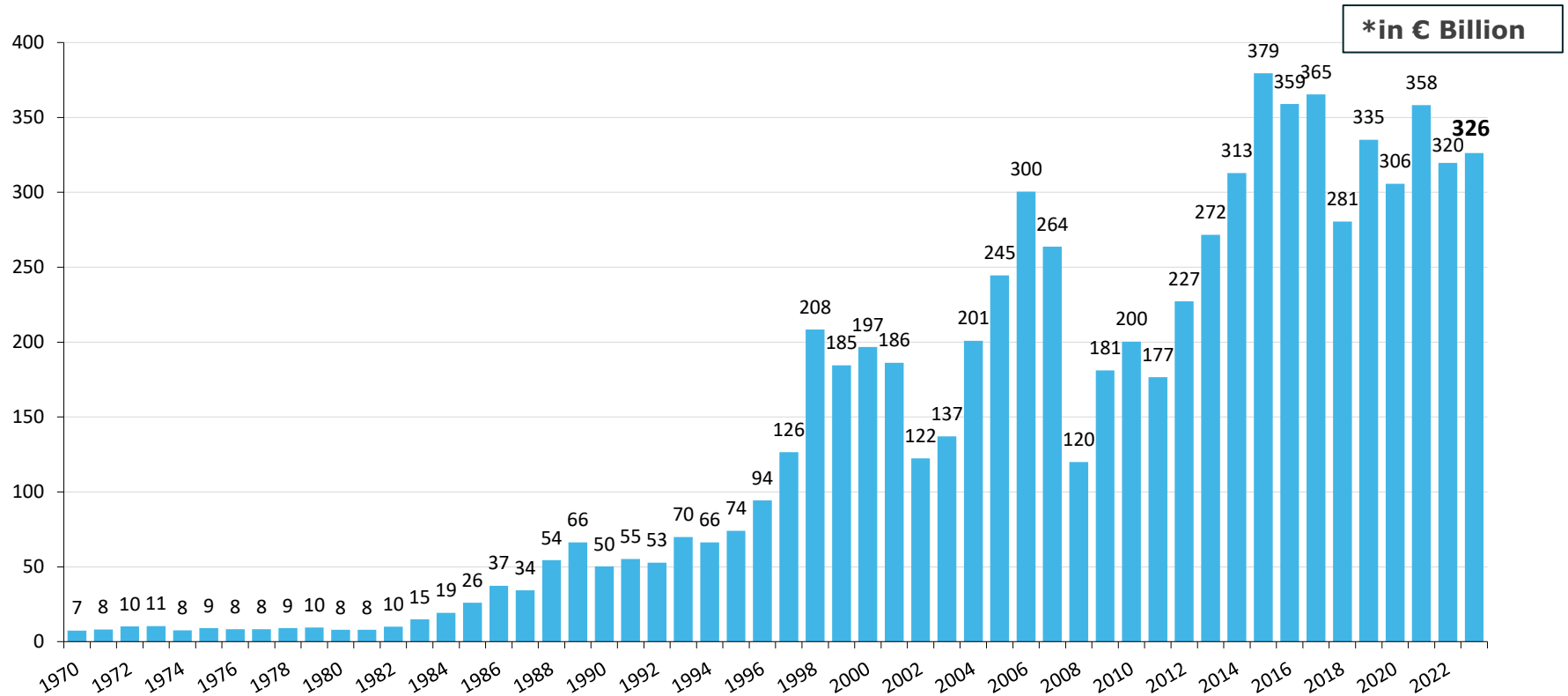
# Evolution of Belgian indices in 2023



# Historical evolution of Euronext indices



# Brussels market capitalization



# Euronext Brussels | Large and diverse issuer base

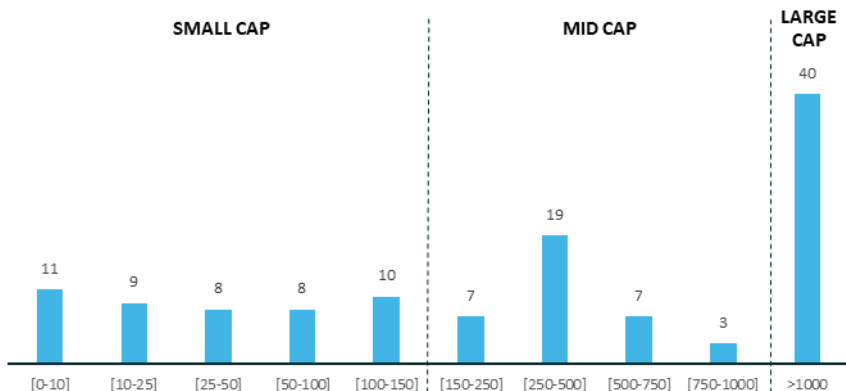
## Euronext Brussels

**122**  
issuers

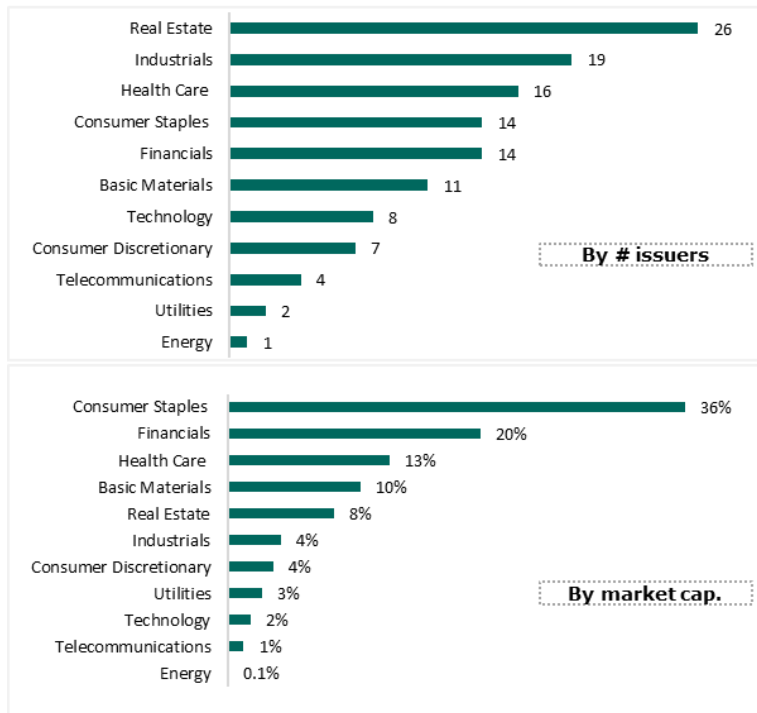
**€326bn**  
total market cap.

**€2.7bn**  
average  
market cap

### Number of issuers per market cap. range (range in €m)

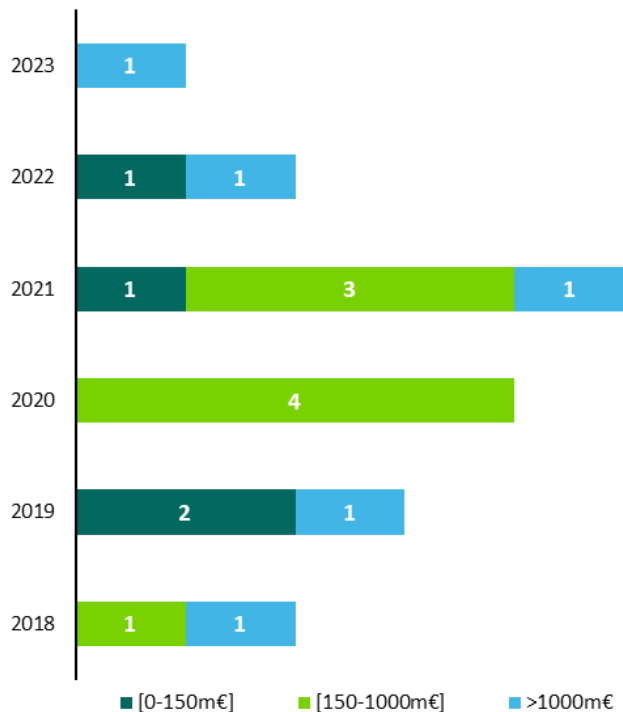


### Industry split according to nb. of issuers and market cap.

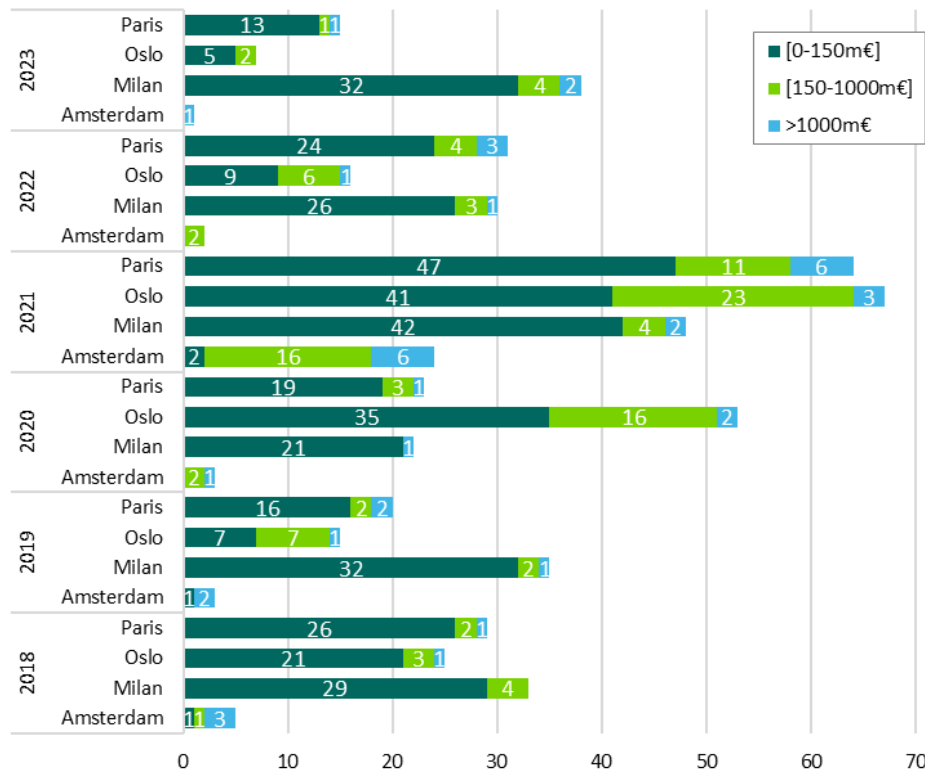


# Primary markets activity – a comparison

## # New Listings by Market Cap range - Belgium

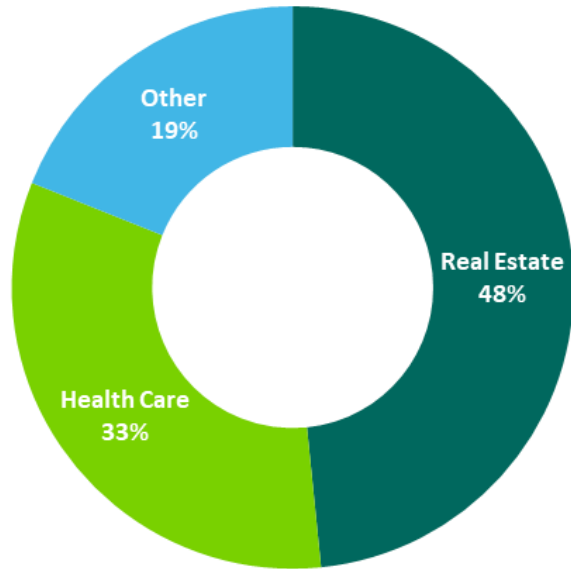


## # New Listings per location and Market Cap range

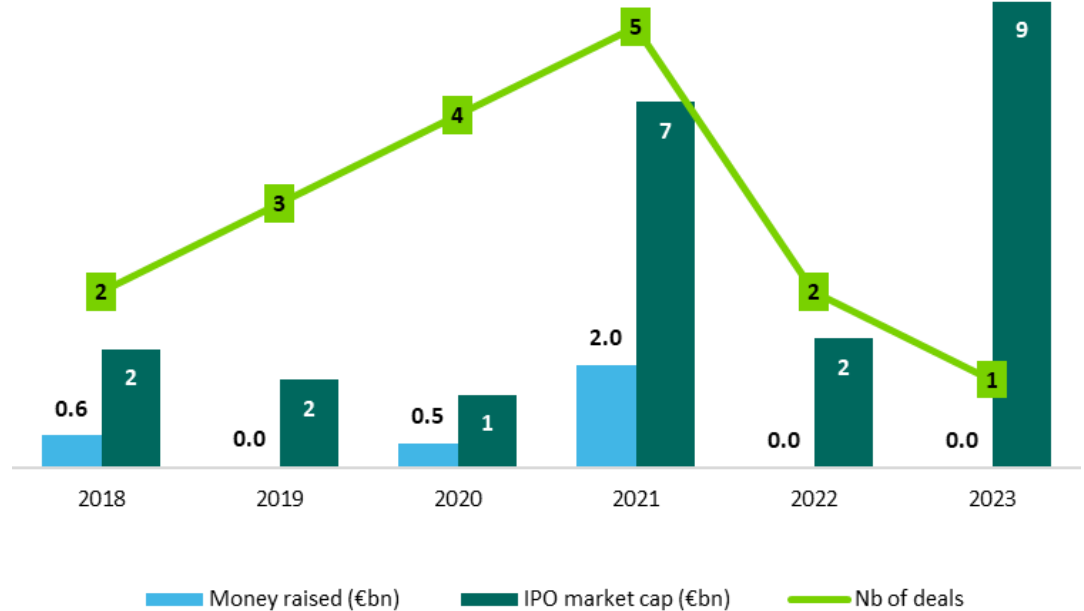


# Equity capital market activity - Brussels

Money raised through Follow-on per sector (2018 – 2023)

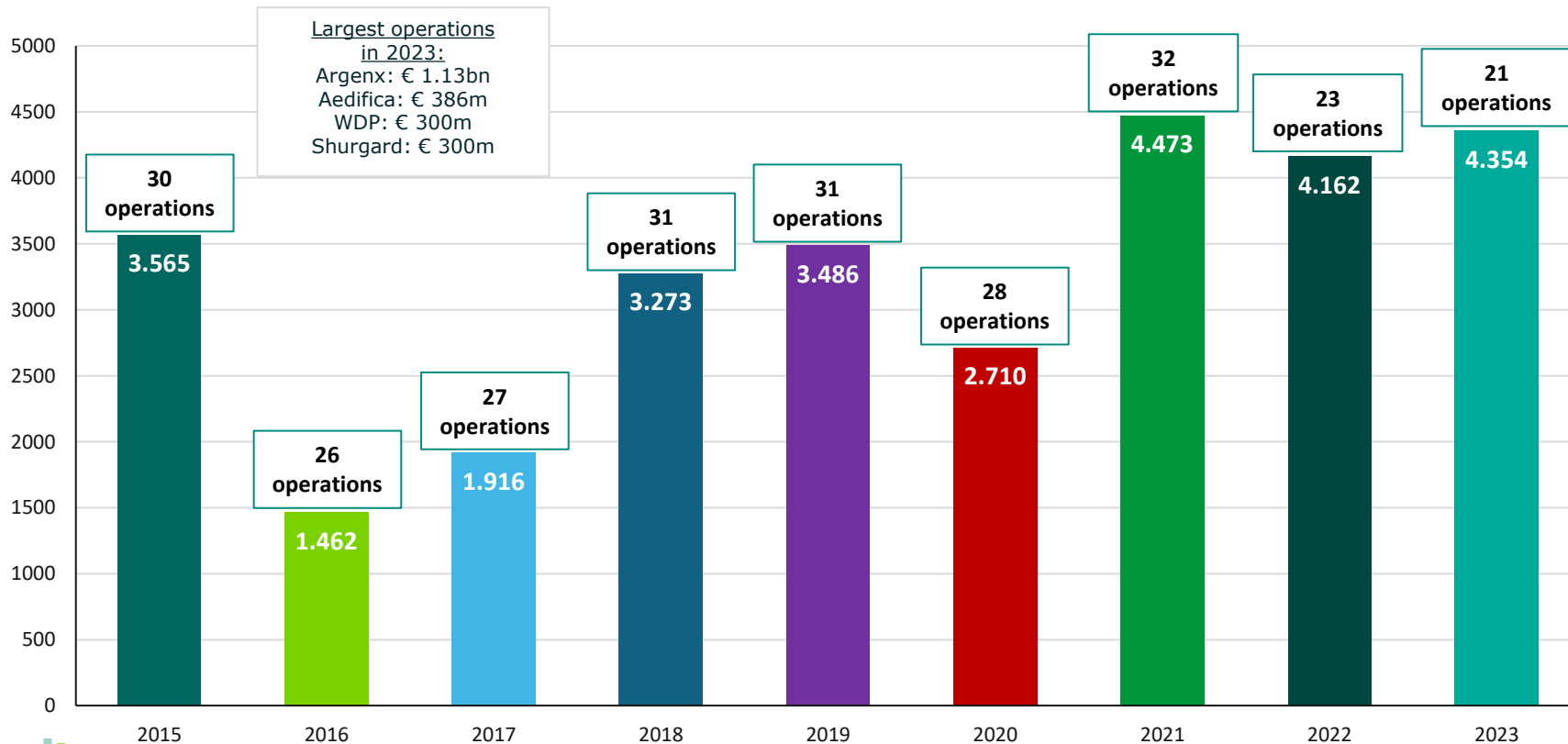


Primary markets figure evolution (2018 – 2023)



# Secondary operations: capital increases

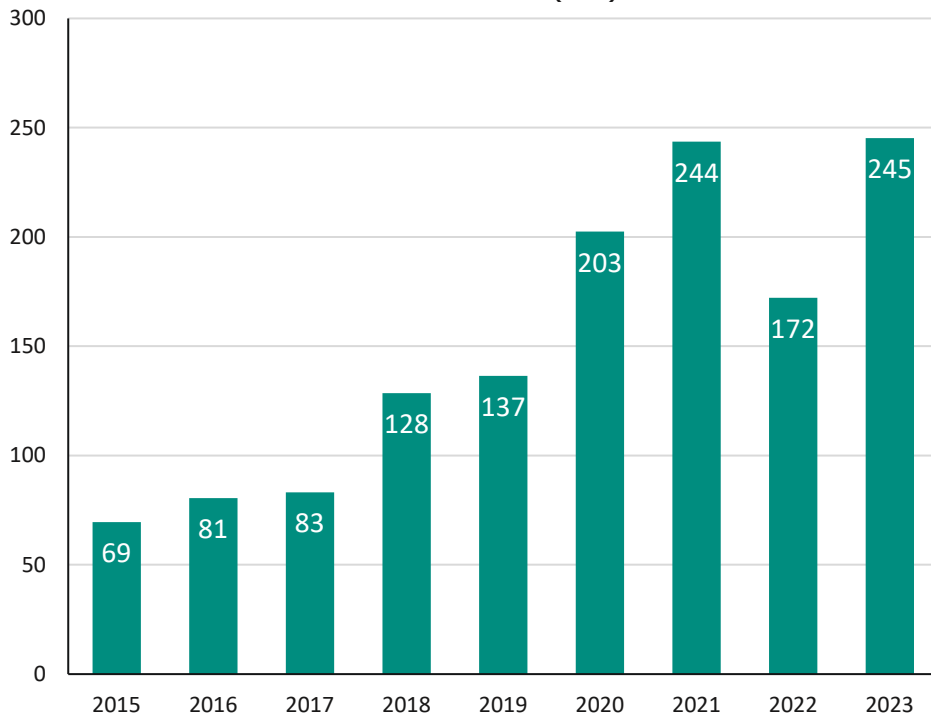
Capital increases remained resilient also thanks to M&A activities





# Secondary operations: capital increases

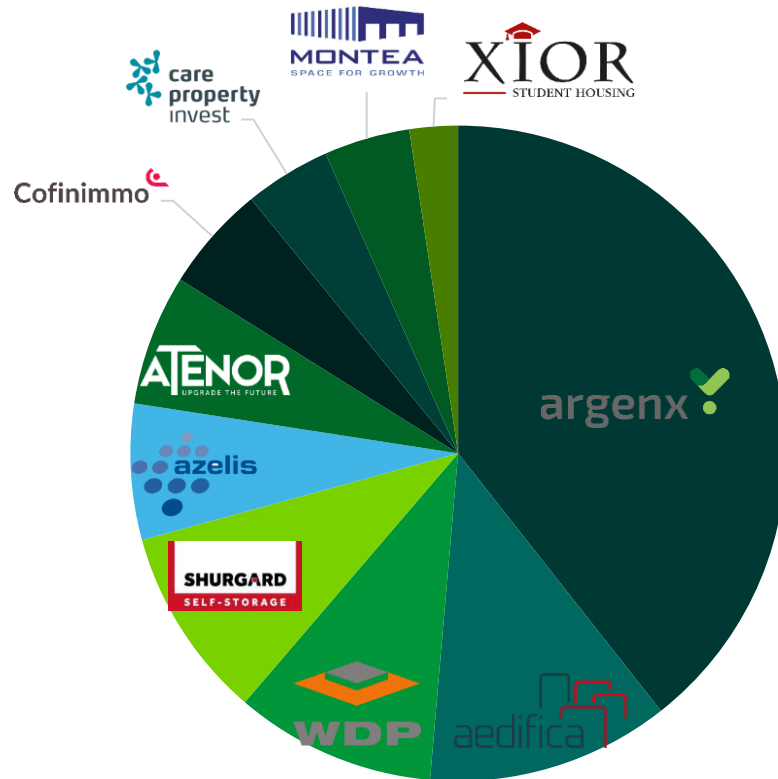
Stock dividend (€M)



Issuers found back the way to stock & optional dividends



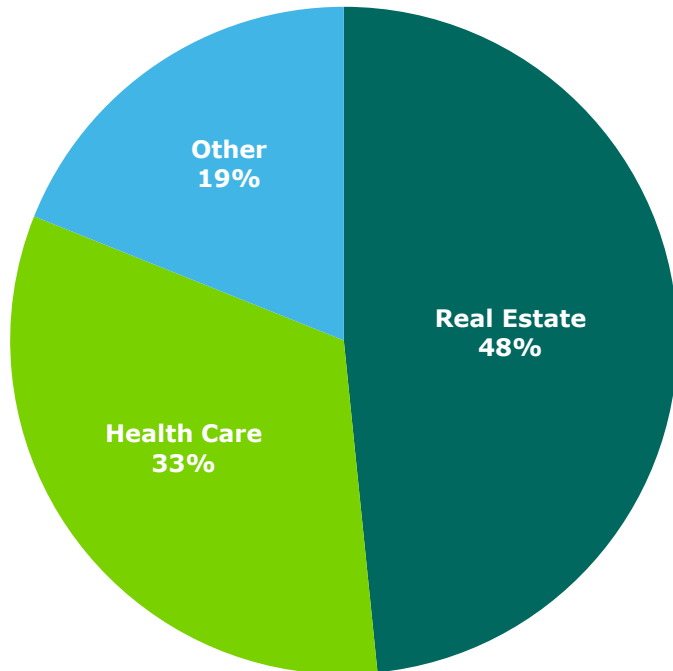
PRIVATE



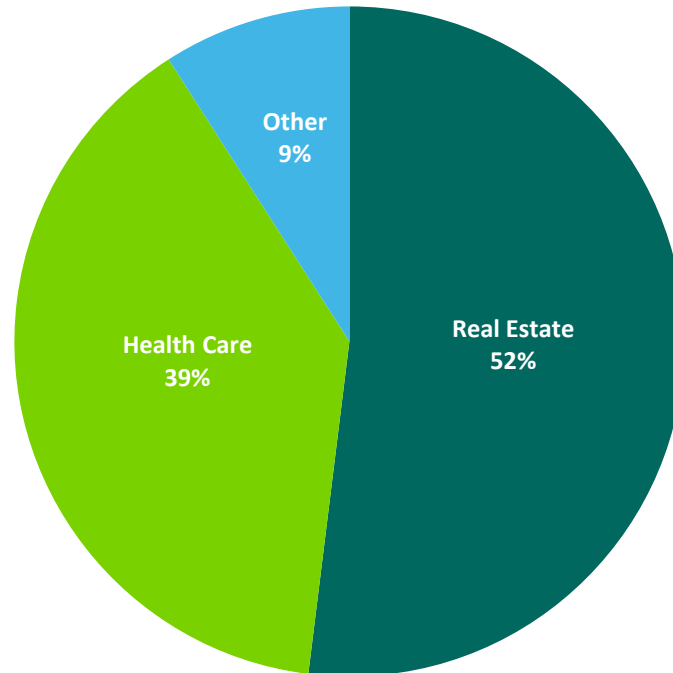
TOP 10 FOs in 2023 – €3.4B raised from investors

# Secondary operations: capital increases

Money raised through Follow-on per industry (2018 – 2023)



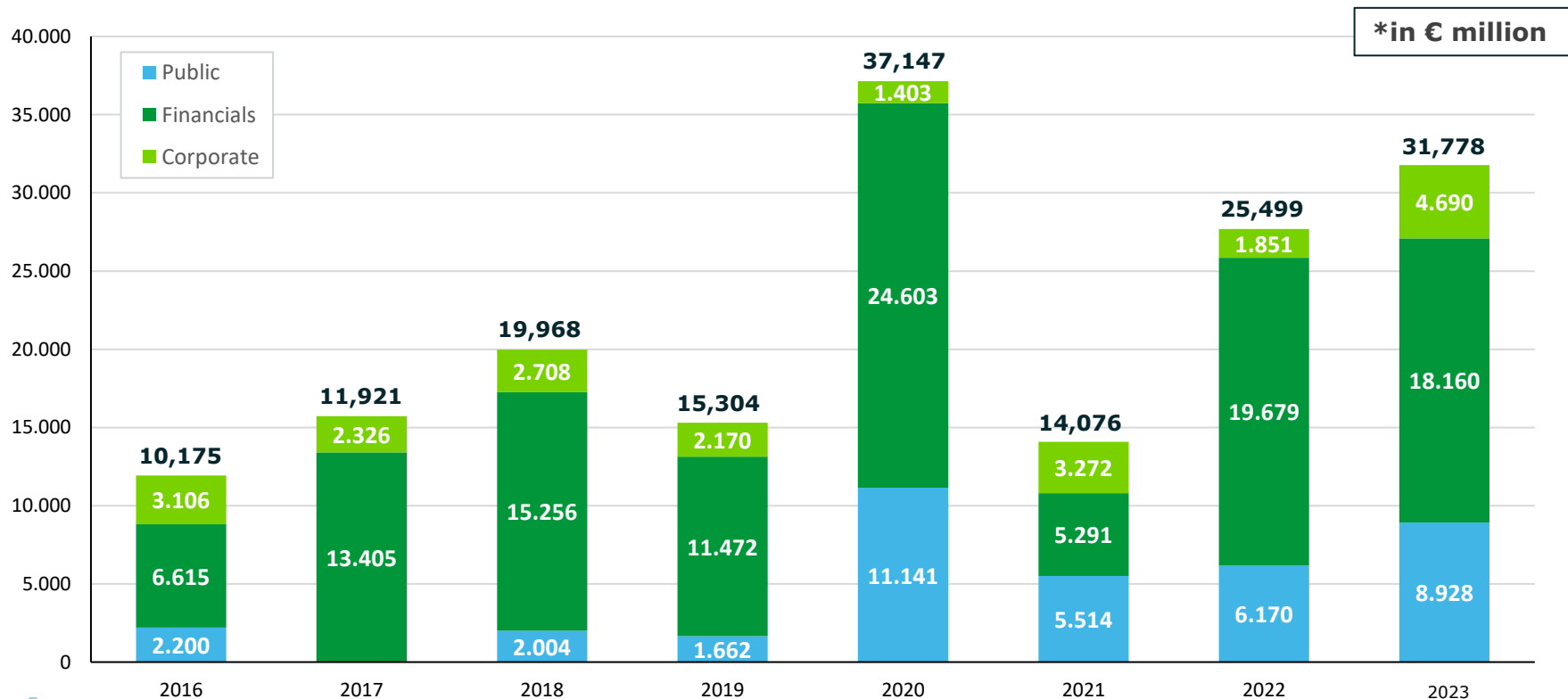
Money raised through Follow-on per industry in 2023



Real Estate and Health Care sectors account for most of the capital raised with >80% (2018-2023) and >90% in 2023

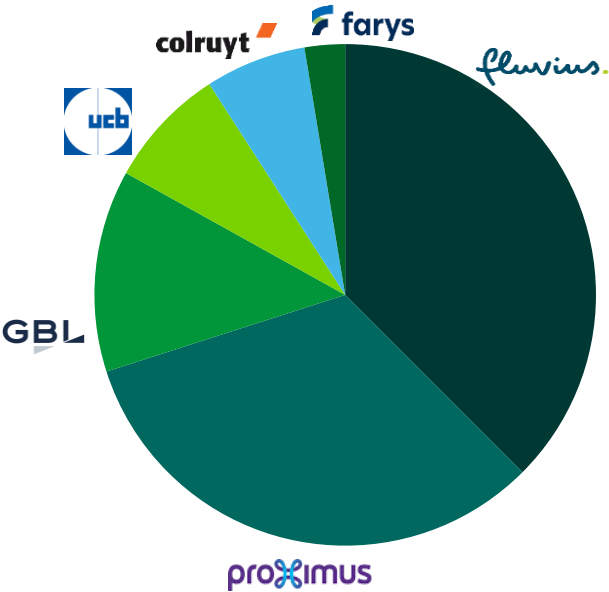
# Bond listings in Brussels (in € million)

All categories of issuers continue to find the way to listed debt financing

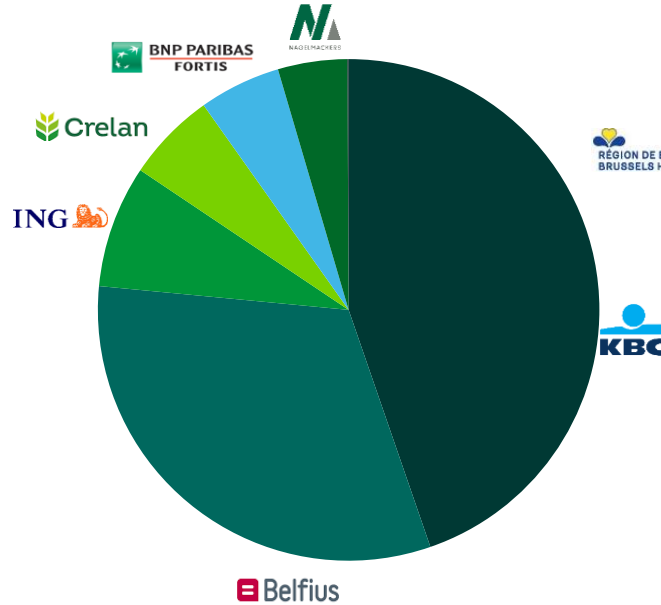


# Bond listings in Brussels - 2023

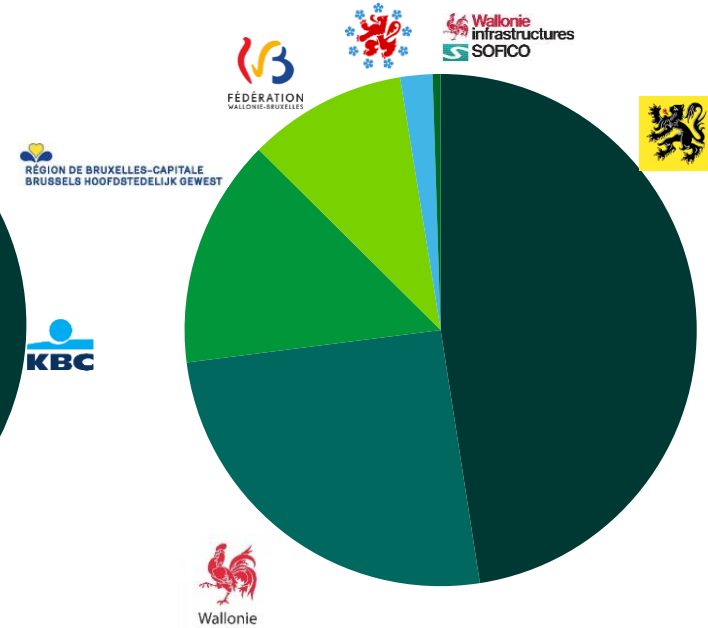
Bond listings - Corporate



Bond listings - Financials

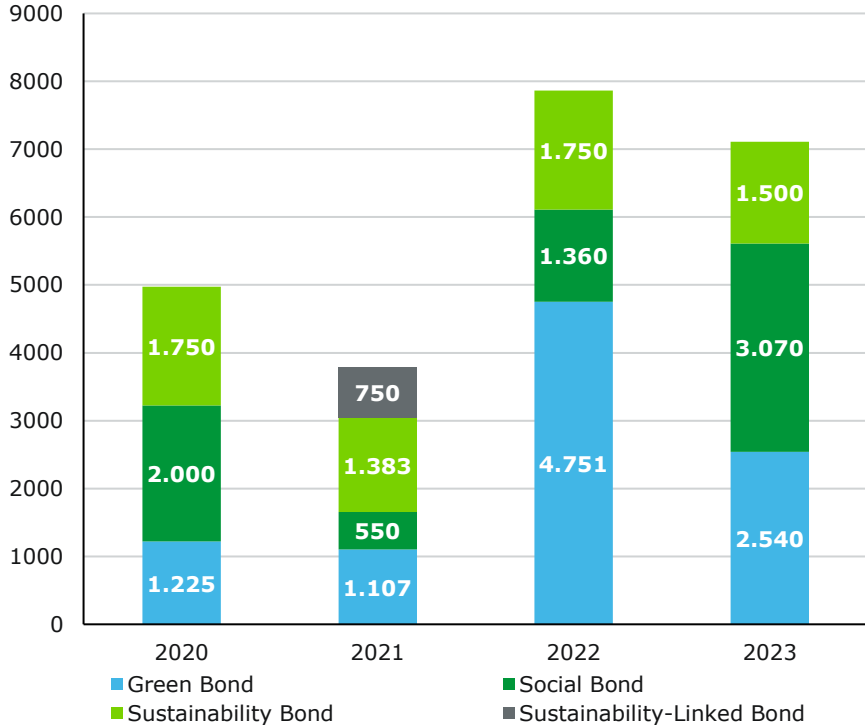


Bond listings - Public



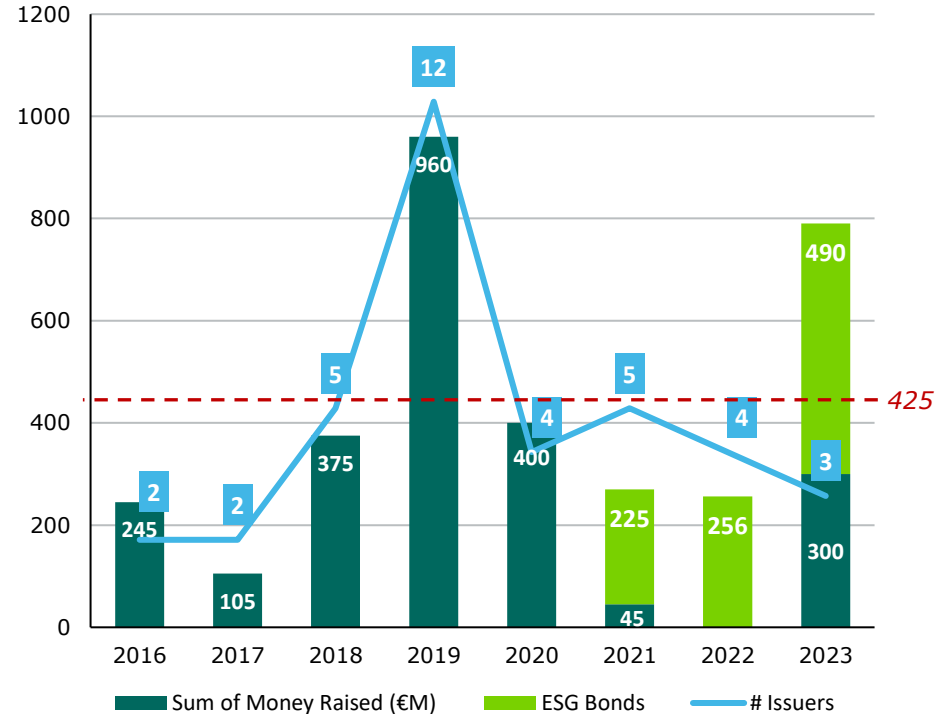
# Bond listings in Brussels – ESG and Retail

ESG bond listings (€M)



Sustainable finance is here to stay

Retail bond listings



Strong performance of retail bonds

# Welcome to the oldest stock exchange in the world



# Euronext, the leading market infrastructure in Europe

## Advantages of Euronext:

- **Optiq®** powers reliable, high-performance trading on complex markets (< 20 microseconds). Multi-asset trading platform: Equities, bonds, ETFs, funds, warrants, certificates, structured notes, derivatives
- **Single order book**
- **Harmonised regulatory framework**
- **Value chain integration -> Clearing**
- **Pan-European initiatives** (IPOready, Euronext Techleader Campus, Sustainability week,...)

Leading listing venue

Leading bond venue

Leading cash trading venue

Leading ETF listing venue

Leading Euronext MATIF franchise

Leading index provider

Leading debt listing venue

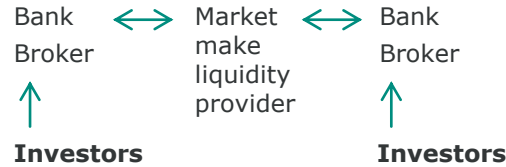
# The role and lifecycle of stock exchanges

## Primary market

- Corporates enterprises (small, midcap, blue-chip)
- Supranationals
- Governments
- Asset managers

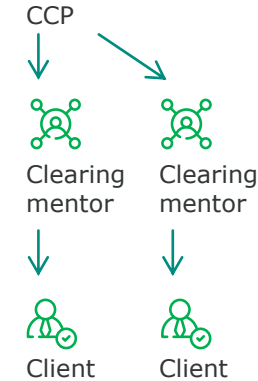
Regulated market  
stock exchange

## Secondary market



Retail Institution Retail Institution

## Clearing



## Settlement & Custody





# Euronext: home to the world's iconic companies

LVMH  
MOÛT HENNESSY • LOUIS VUITTON

Heineken®

ASML

KBC

argenx

BNP PARIBAS

HERMÈS  
PARIS

ABInBev

Ferrari

L'ORÉAL

TotalEnergies

Unilever

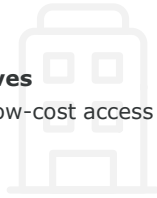
SOLVAY

# Why raise capital? Why go public?

## BENEFITS

### FOR THE COMPANY

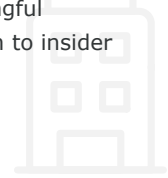
- Raise funds to finance **organic expansion**
- Foster external **growth**
- Enhance domestic and international **profile/reputation**
- Better **structure** the company
- Motivate **staff** and promote loyalty
- Facilitate **recruitment**
- Highlight your **ambition** and long-term **objectives**
- **Diversify sources of financing** with fast and low-cost access to capital
- Empower **management**
- Potential eligibility to world-class indices



## CONSEQUENCES

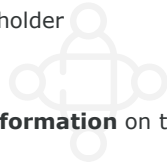
### FOR THE COMPANY

- Allocate time to **investor access** and **relationship**
- **Communicate to investors** at all times, regardless of the financial results
- Ensure attention remains on the business
- Take a step back: **markets can be volatile** and the behaviour of your short-term share price is not always meaningful
- **Mind your communication:** pay extra attention to insider information



### FOR SHAREHOLDERS

- Benefit from higher **liquidity**
- Facilitate **exit** of non-strategic / historical shareholder
- Transparent and unique **price**
- Facilitate the **succession/inheritance**
- Access to structured, regular and transparent **information** on the company

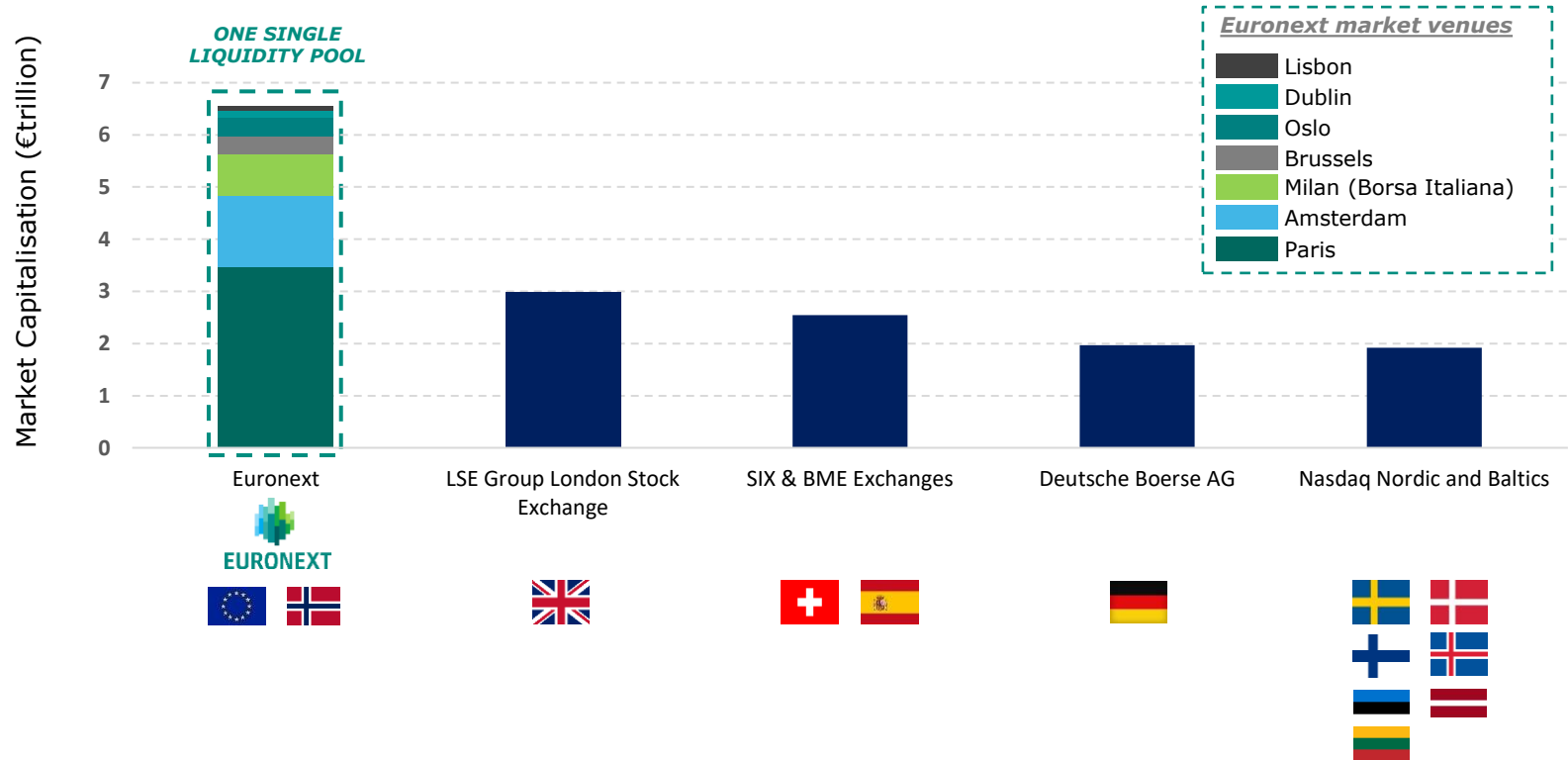


### FOR SHAREHOLDERS

- **Lock-up periods** for institutional investors
- **Disclosure** when shareholding thresholds are crossed
- **Volatility** in share price
- **Dilution**



# Largest european equity listing platform with €6.5tn in total aggregated market capitalization

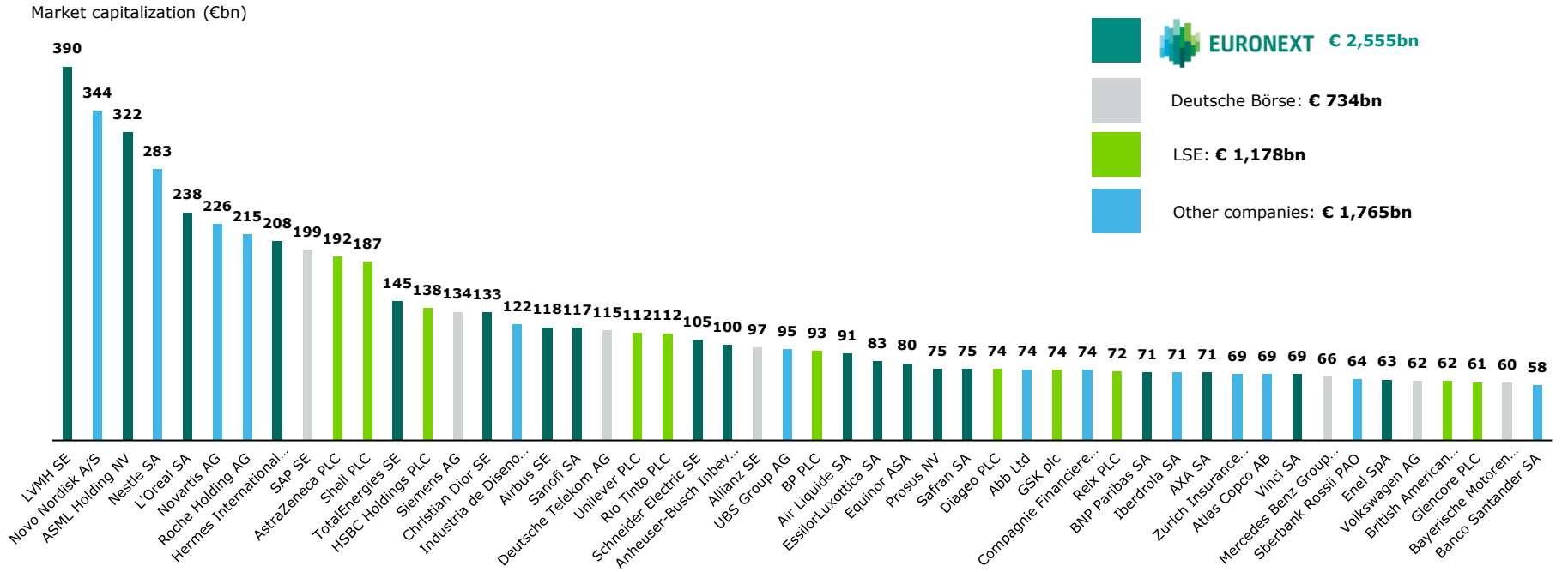


Sources: Euronext for Euronext and LSE Group, and WFE for other stock exchanges, as of end of December 2023.  
 Notes: WFE figures converted as per EUR/USD Spot FX rate as of 29 December 2023; LSE Group figures calculated using WFE methodology (domestic issuers listed on Main and AIM markets, excluding Investment Funds and Specialist Funds).

# Euronext | European #1 exchange for large caps

## TOP 50 MARKET CAPITALIZATION FROM EUROSTOXX 600 INDEX

Euronext dominates the European large caps landscape with 20 companies in the Top 50 market capitalization



# BEL® | Family of indices

## BEL 20

The BEL 20 contains the 20 largest tradable companies listed on Euronext Brussels in terms of free float market capitalization.

## BEL Mid

The BEL Mid contains the next ranking “midcap” tradable companies, in terms of free float market capitalization listed on Euronext Brussels. Companies must pass a minimum free float capitalization threshold.

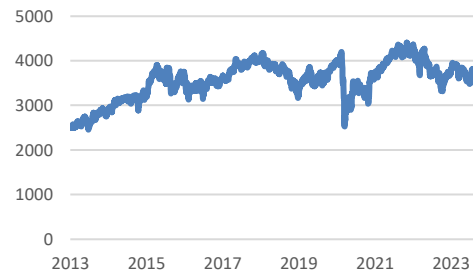
## BEL Small

The BEL Small contains the next ranking “smallcap” tradable companies, in terms of free float market capitalization listed on Euronext Brussels. Companies must pass a minimum free float capitalization threshold.

## BEL ESG

The BEL ESG contains the 20 Companies from the BEL 20 and BEL Mid with the lowest ESG Risk score as determined by Sustainalytics

Index Levels



Composition 2023

AB INBEV	GBL
ACKERMANS V. HAAREN	KBC
AEDIFICA	MELEXIS
AGEAS	PROXIMUS
APERAM	SOFINA
ARGENX	SOLVAY
COFINIMMO	SYENSQO
D'IETEREN GROUP	UCB
ELIA GROUP	UMICORE
GALAPAGOS	WDP

# Fragmented markets call for attention

Regulated markets and MTFs vs. OTC/Systematic internalizers

Traditional brokers vs. neo- or robo-brokers

Different product assets (e.g. shares vs crypto)

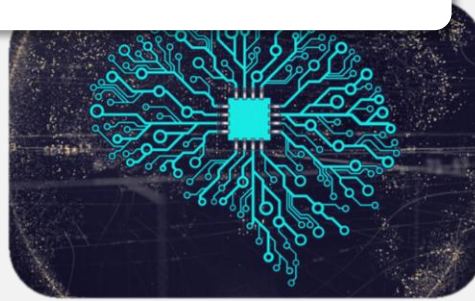


# Shaping capital markets for future generations

**Address sustainable development issues**



**Support and accelerate innovation**



**Player in the achievement of societal challenges**



**European regulation will still be needed in the future...**



## Q&A

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# Nice to meet you!



**BENOIT VAN DEN HOVE**

**CEO Euronext Brussels**

**Member of the Managing Board  
Euronext Group**



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# TOWARDS A BRAVE NEW INVESTMENT WORLD.

JANUARY 2024



**BNP PARIBAS FORTIS**  
**PRIVATE BANKING**

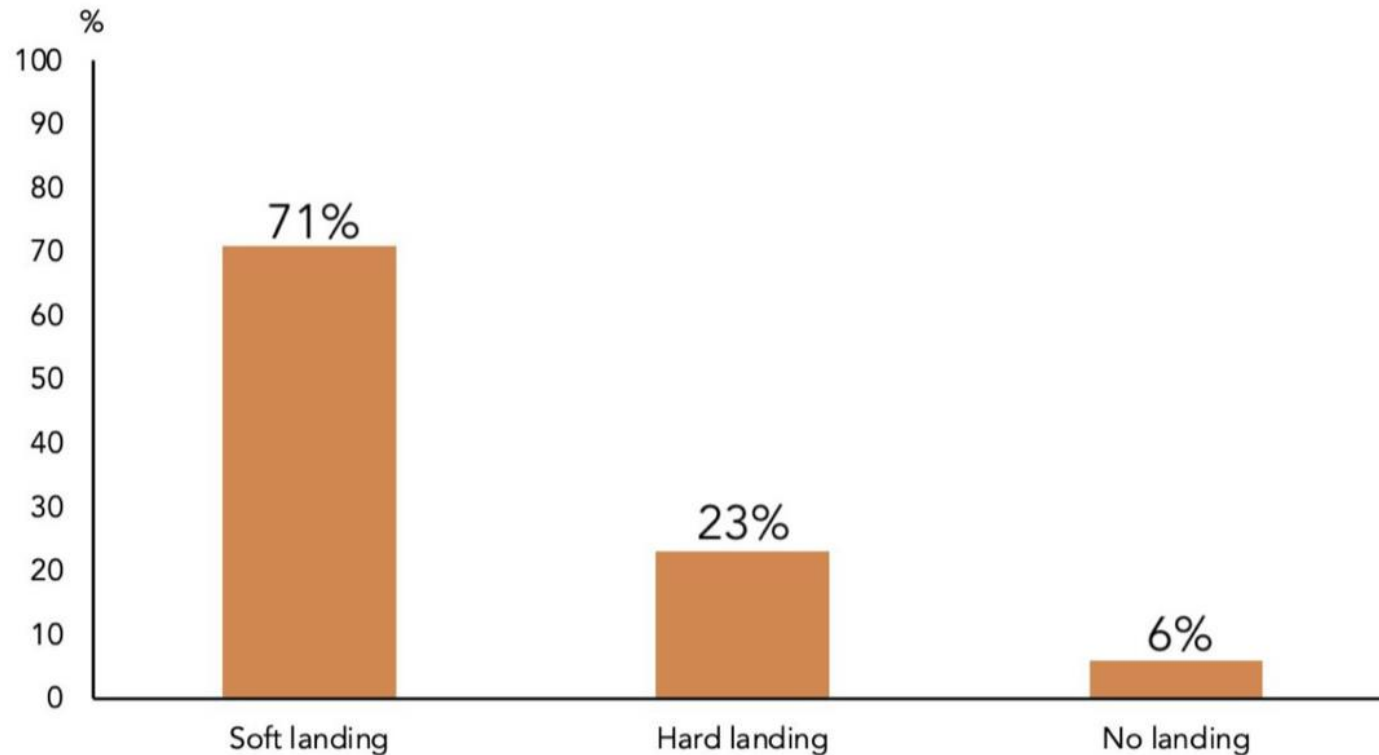
De bank voor een wereld in verandering

# Soft landing consensus

## Soft Landing is Consensus



Fund Manager Response to Most Likely Outcome for Global Economy in 2024



Dates: As of 24th December 2023.

Source: BofA Global Fund Manager Survey, Game of Trades.

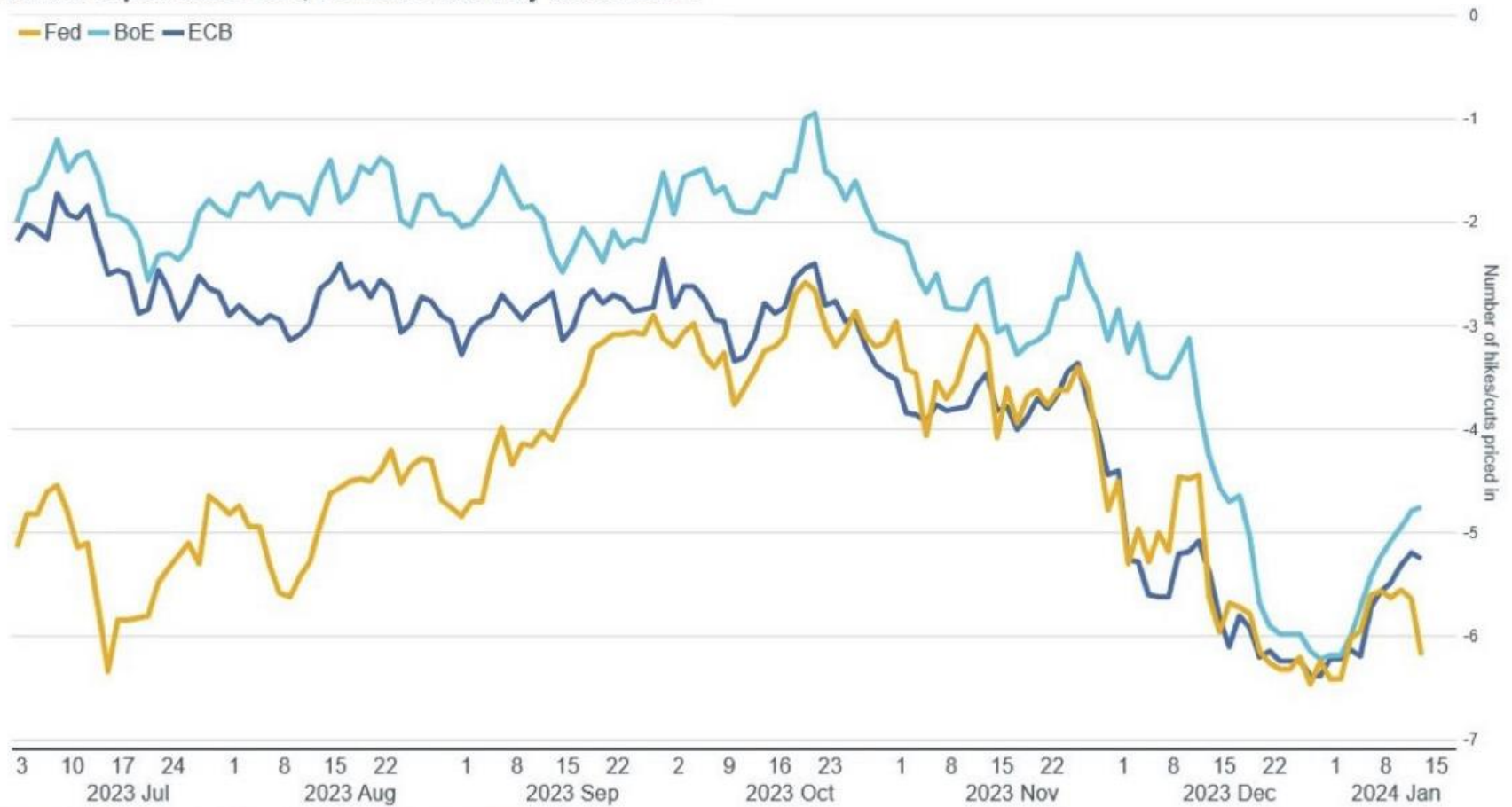


**BNP PARIBAS FORTIS**  
PRIVATE BANKING

De bank voor een wereld in verandering

Markets expect fewer ECB, BOE cuts than they did on Jan. 1

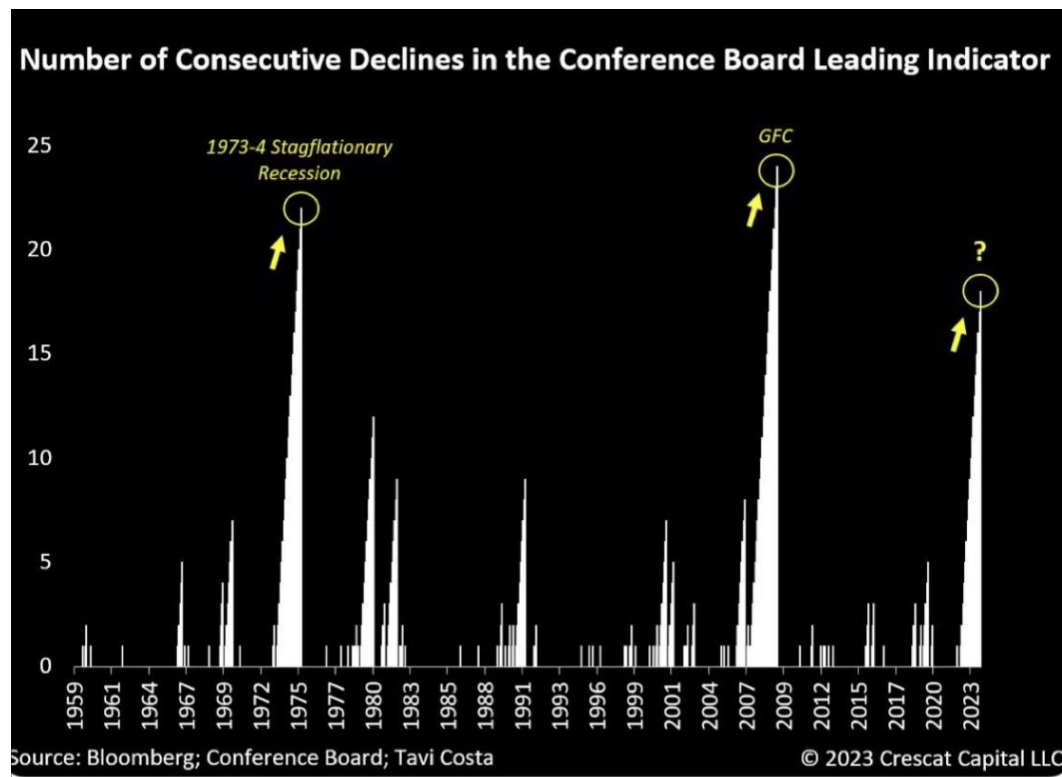
Fed BoE ECB



Source: Charles Schwab, Macrobond, Intercontinental Exchange (ICE), CME Group as of 1/12/2024

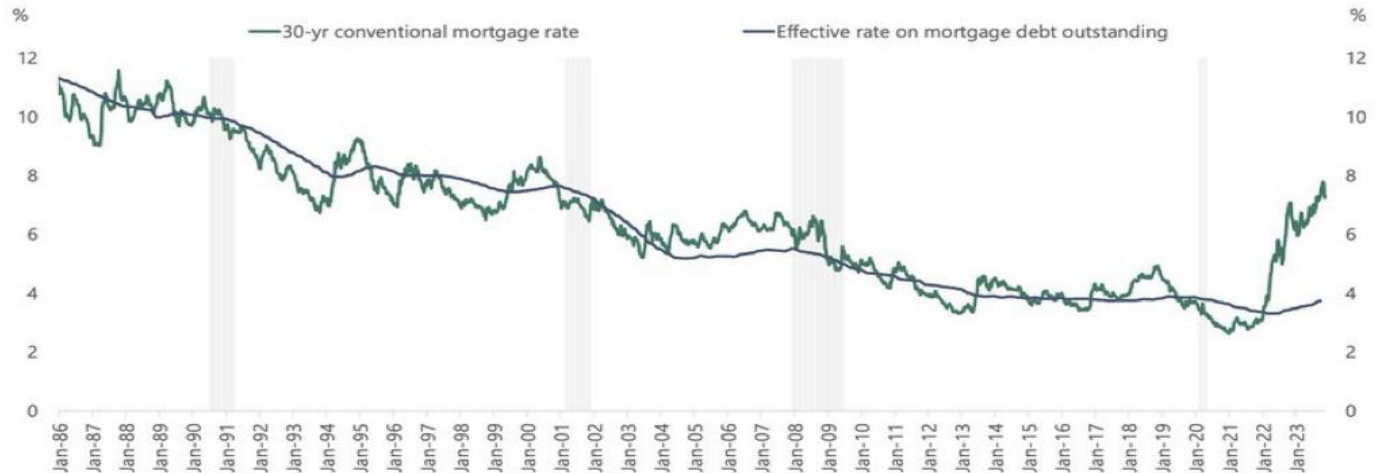


# Upcoming US recession?



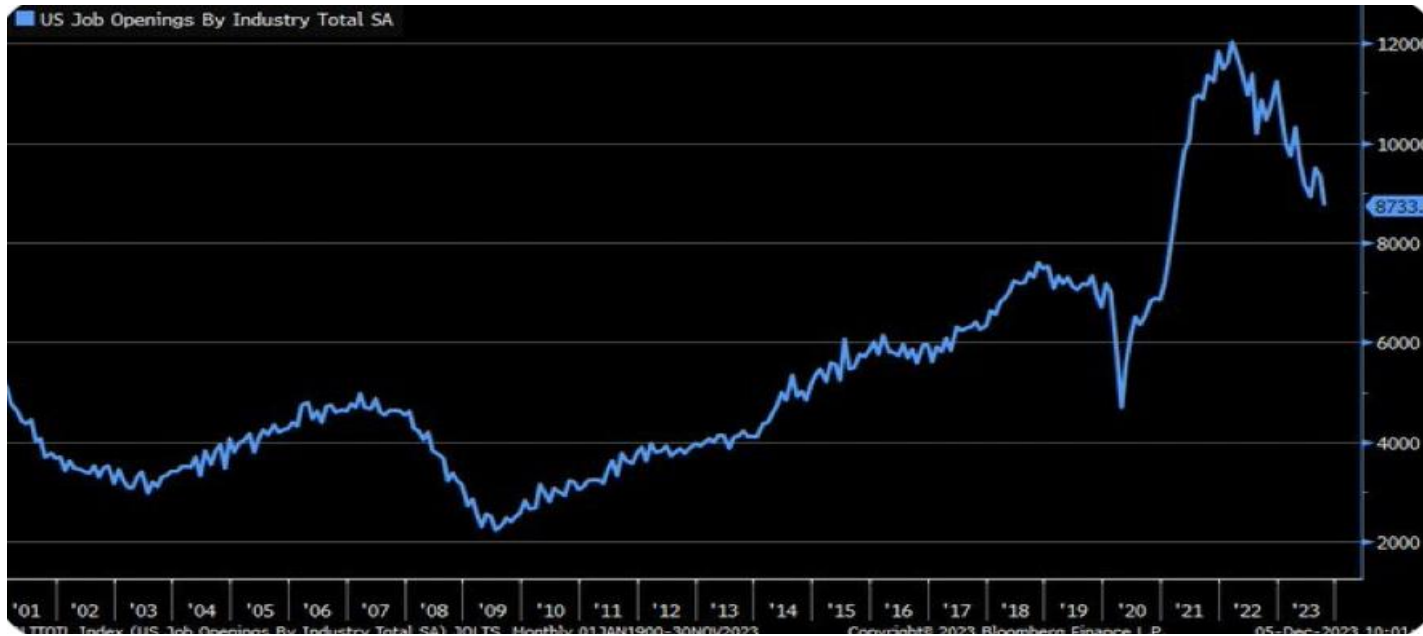
# Higher interest rates not biting yet.

Effective outstanding mortgage rate is 3.7%



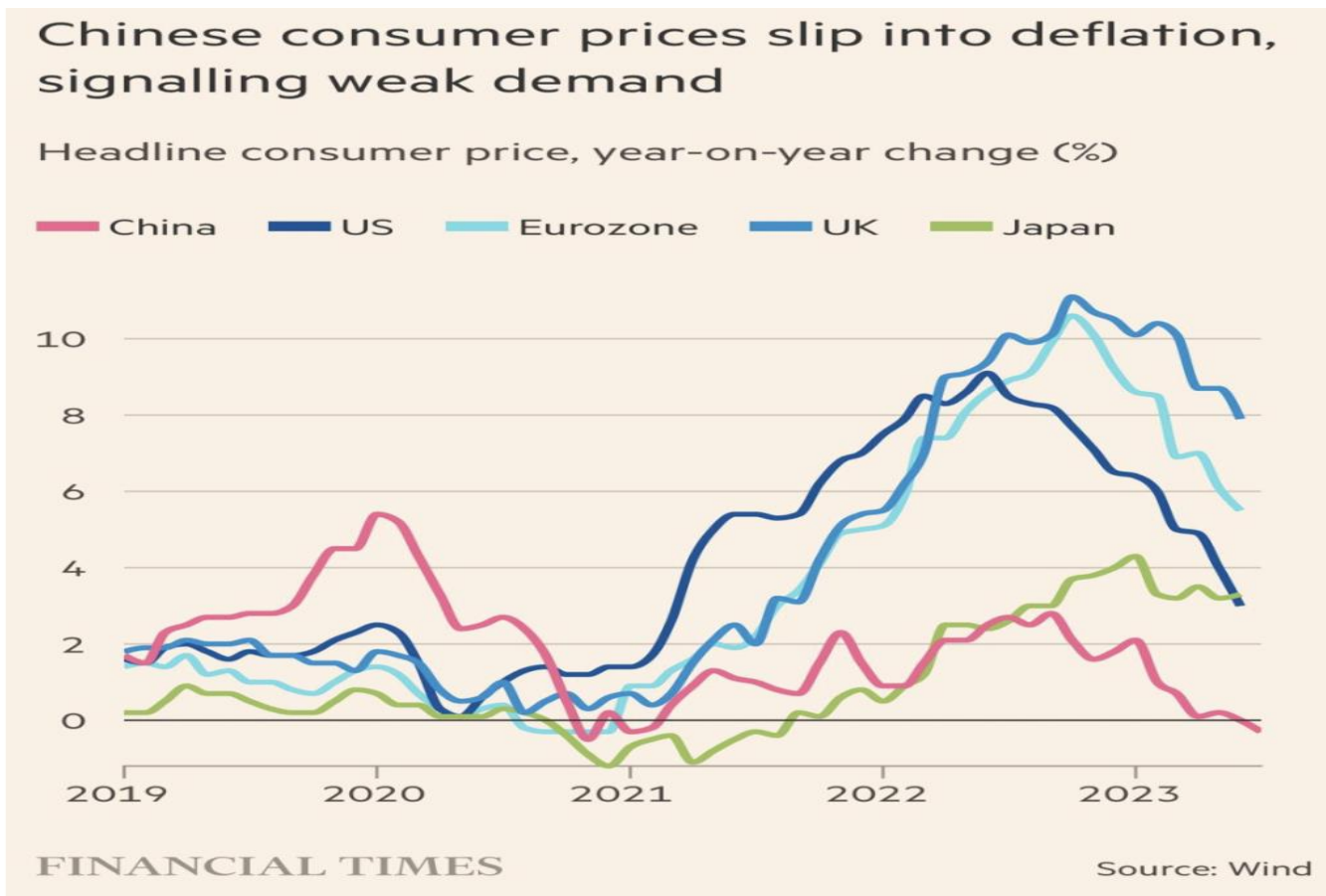
# Job market is weakening.

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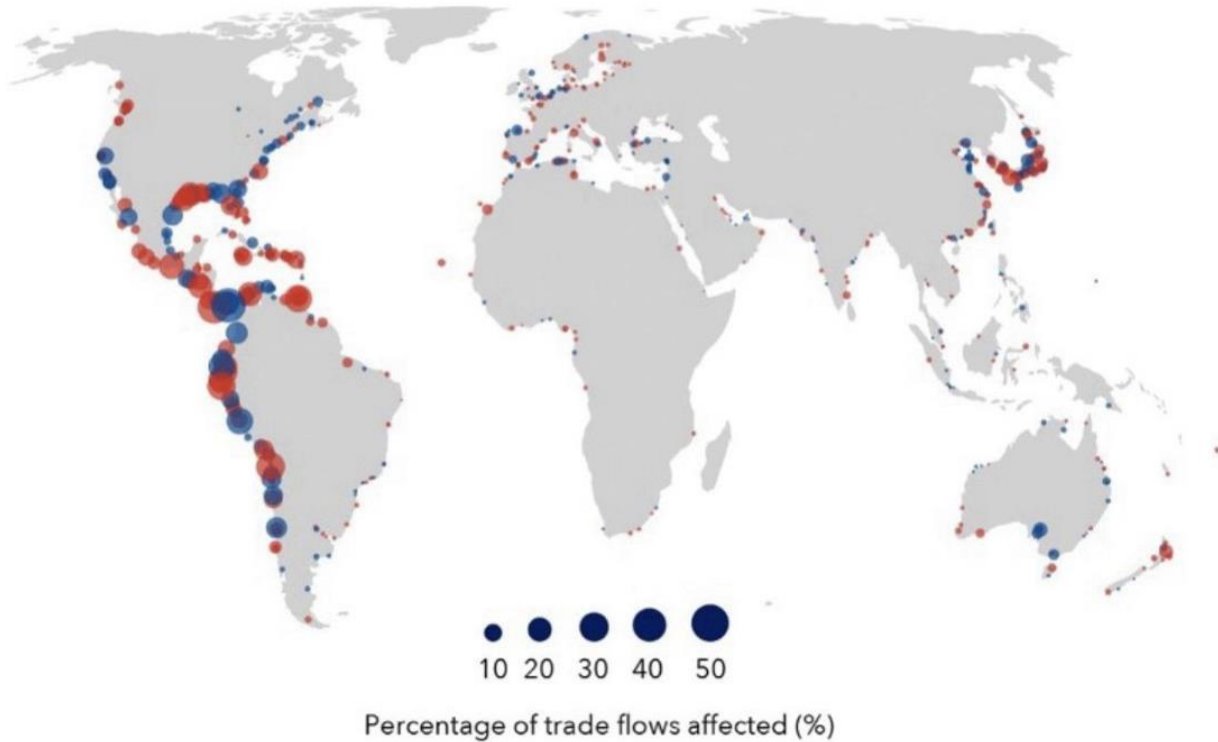


# Worldwide....



## Port-level trade flows affected by Panama drought since March 2023

● Incoming trade dominant    ● Outgoing trade dominant



Source: UN Global Platform; PortWatch.

IMF



## Asia-Europe container rates have tripled since the attacks started

Rates for 40-foot container (Drewry)



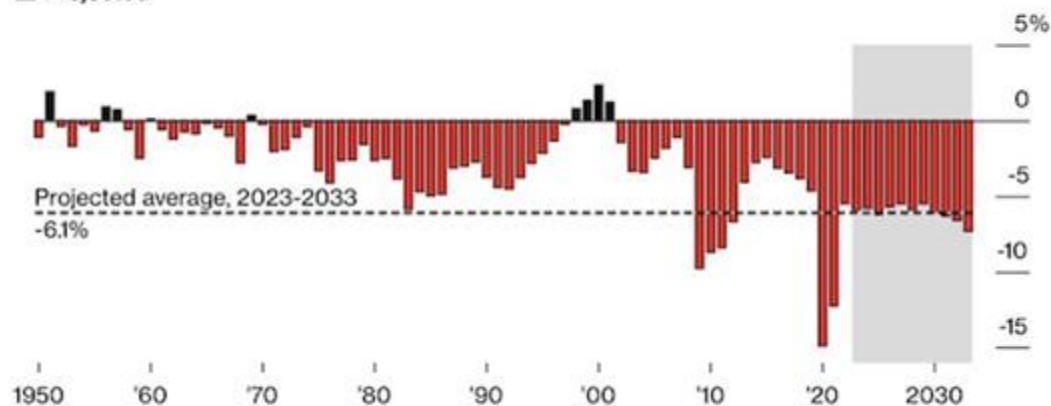
Source: Charles Schwab, Macrobond, Drewry Shipping Consultants Ltd as of 1/17/2024



# A huge Us budget deficit

## US Budget Balance as Share of GDP

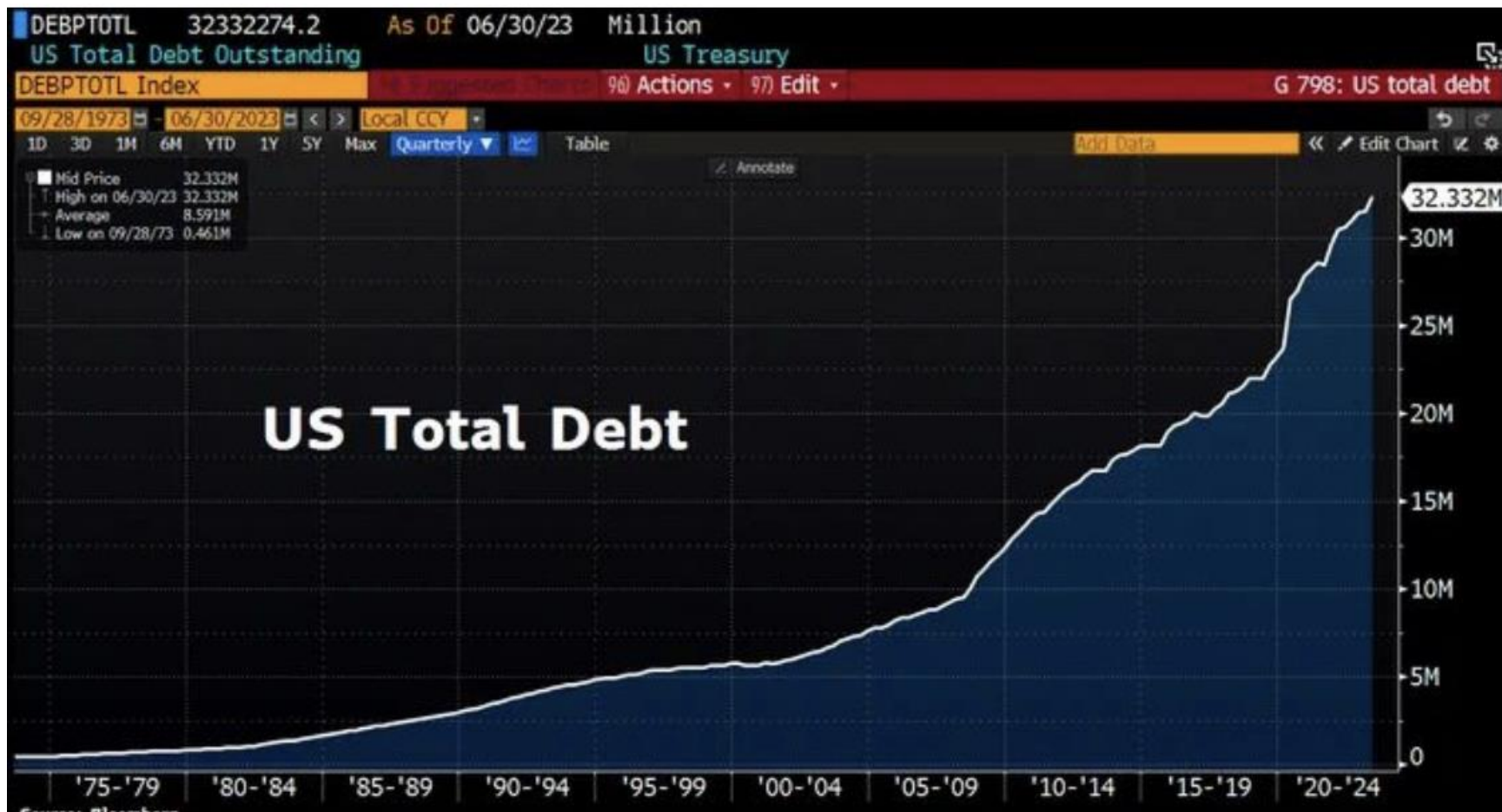
■ Projected



Sources: Congressional Budget Office, Office of Management and Budget



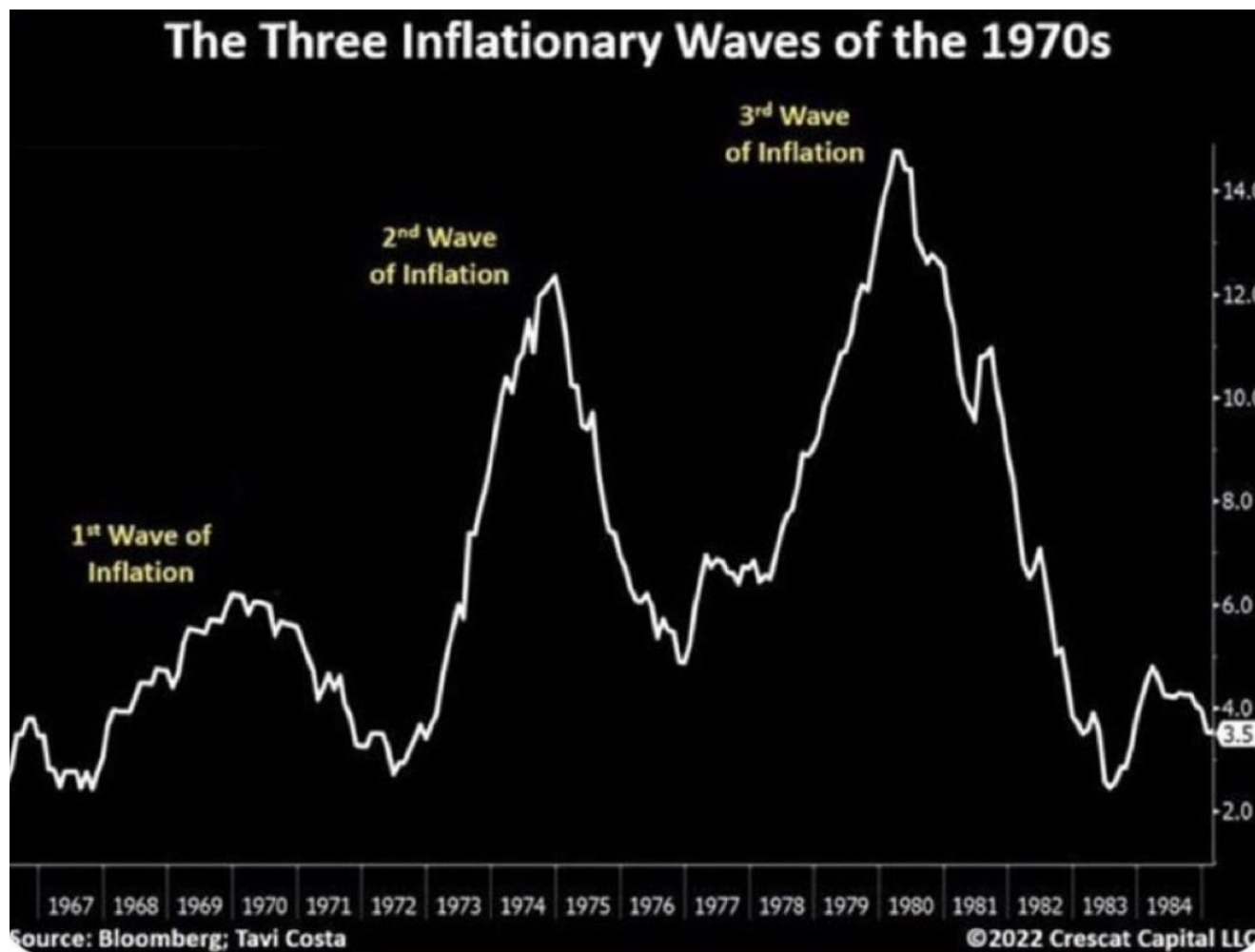
# Total debt



# Foreign holdings of US debt



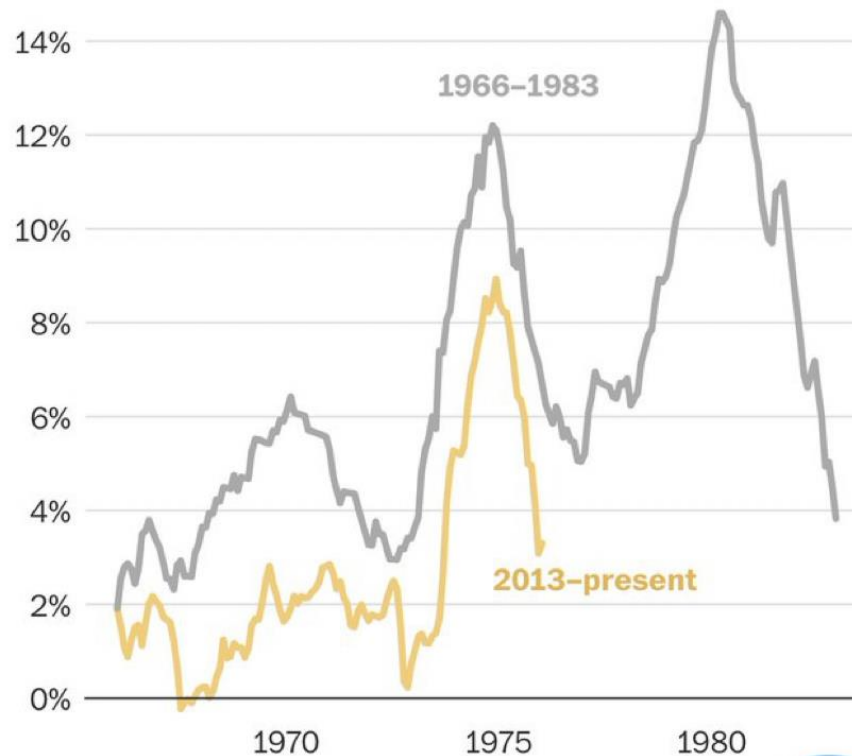
# It all comes and goes in waves, it always does



# A repeat of the 70's?

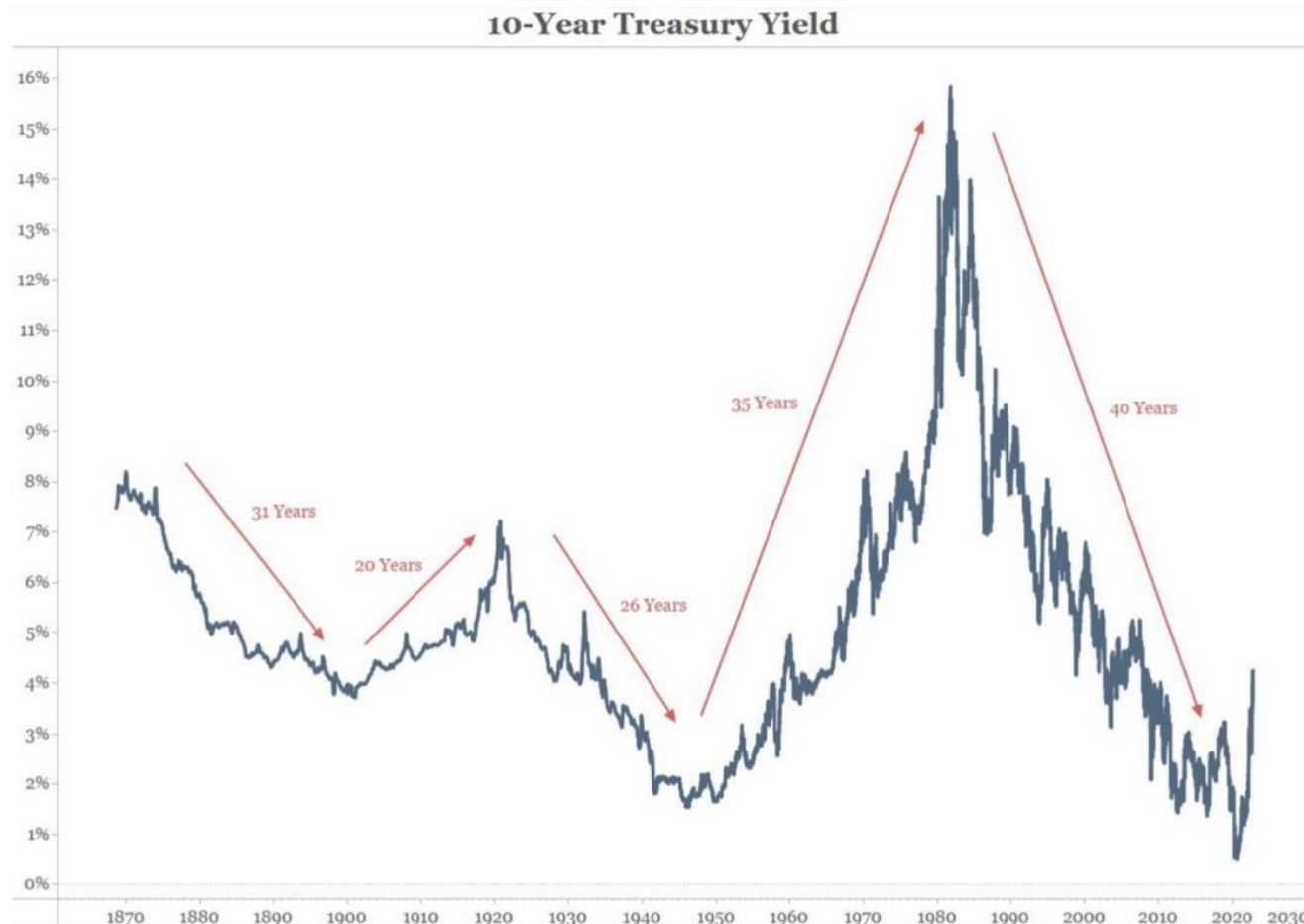
## The last decade of U.S. inflation mirrors 1966 to 1976

Consumer Price Index year-over-year percent change

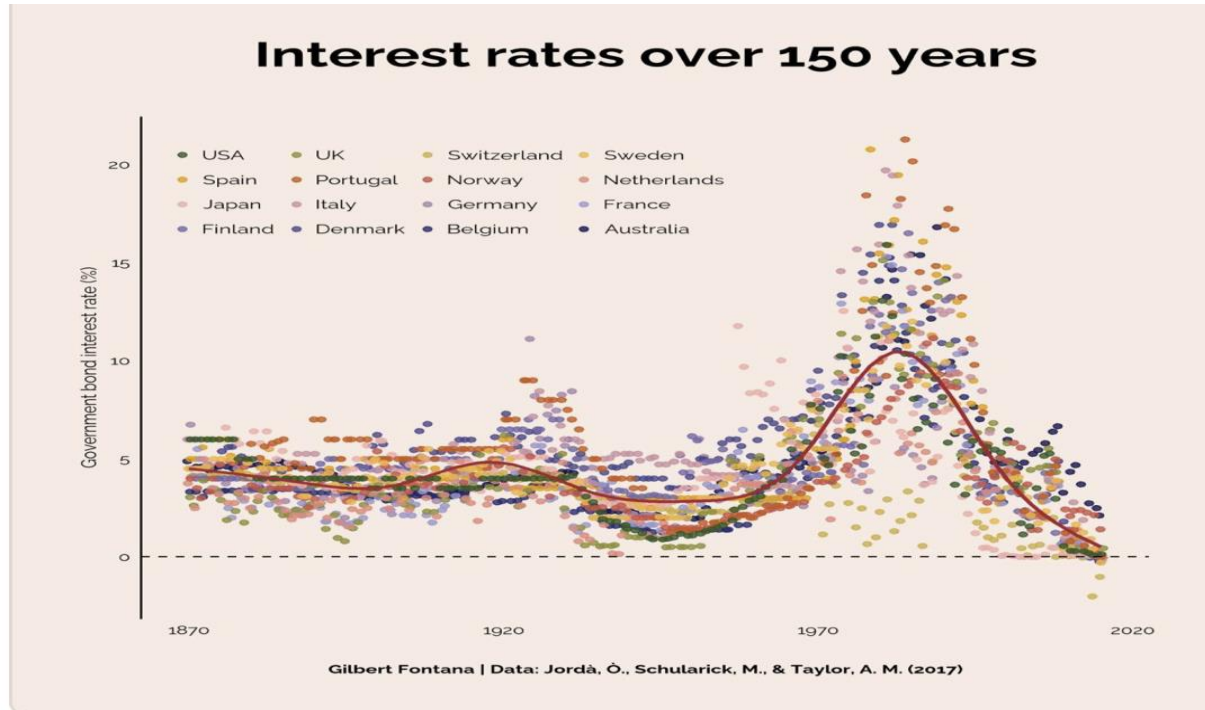




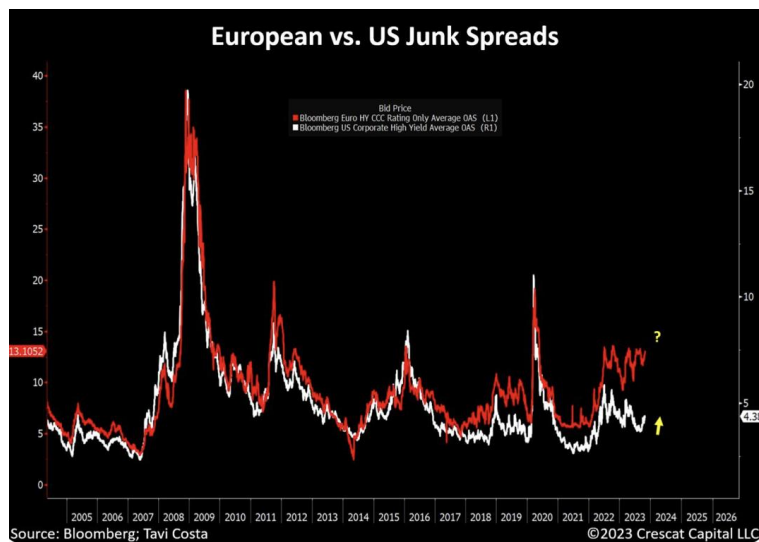
# How far can it go?



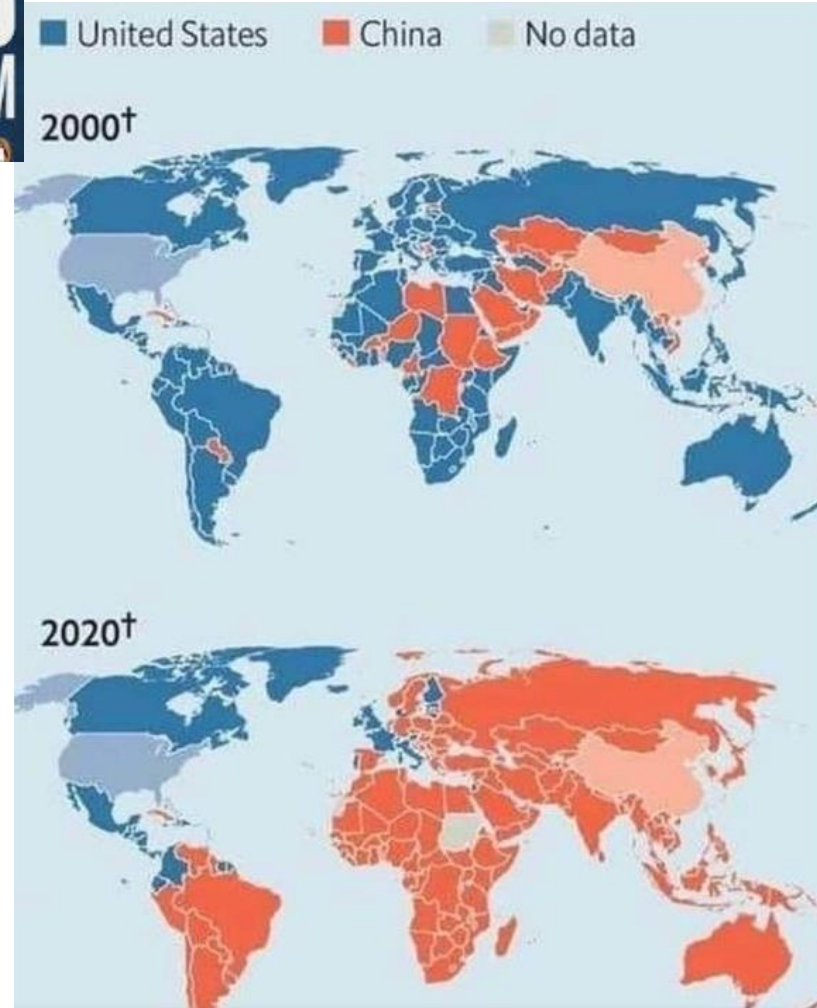
# It comes and goes in waves...



# Credit spreads



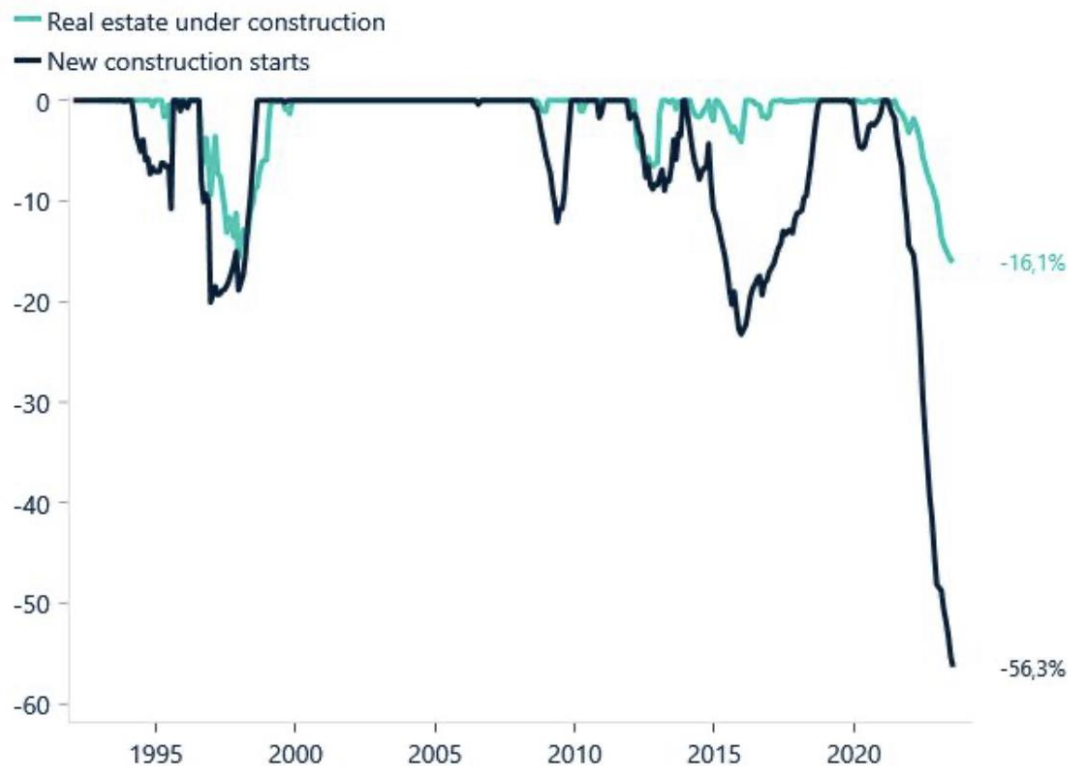
# On the Chinese Table



# Chinese Construction

## Construction starts have fallen by 56% since 2021

Drawdown of Chinese real estate projects (existing and new)



Source: Convera, Macrobond



# Towards a multi polar world

---



As a % of US total:

Imports

Exports

Total trade



FINANCIAL TIMES

Source: FT analysis of US Census Bureau data • 2023 figures are up to September



# The reserve status of the USD

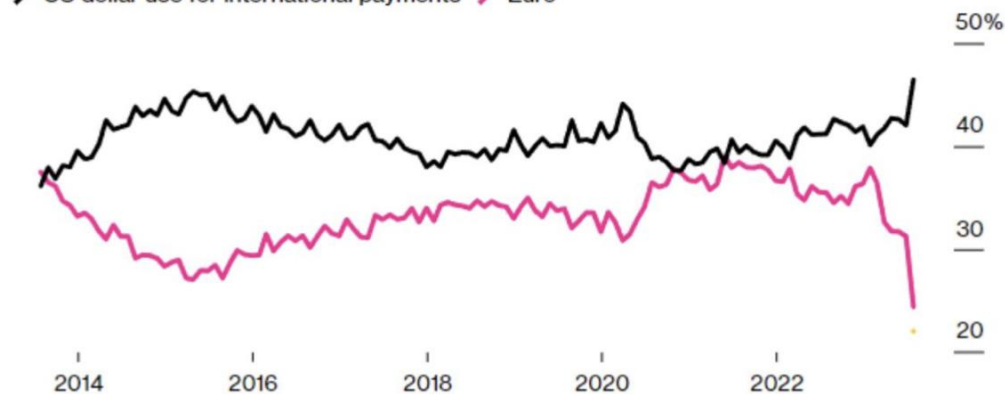
The U.S. Dollar was used for 46% of all international payment transactions in July, a RECORD high. So much for #KingDollar's demise!

Source: Bloomberg

## US Dollar Widens Gap With Euro

Gap widen to 22 percentage points in July

↙ US dollar use for international payments ↗ Euro



Source: SWIFT



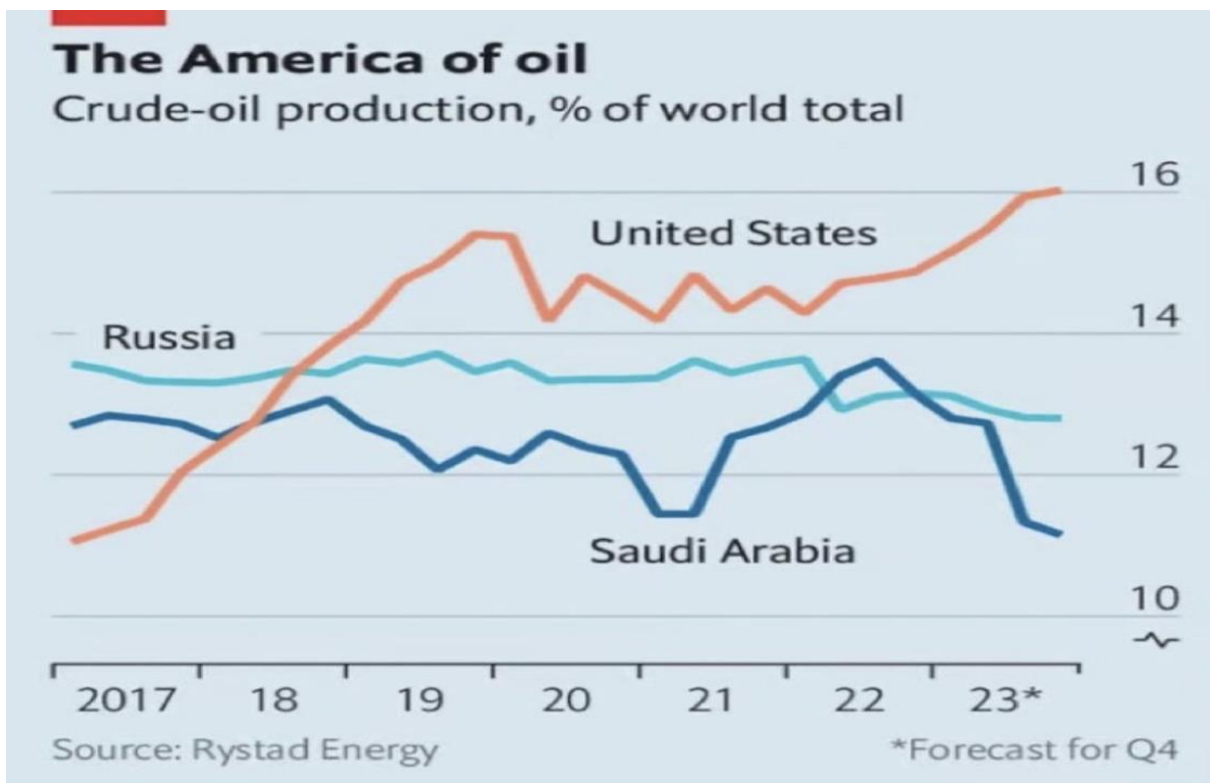


# Geopolitics 300 million years ago

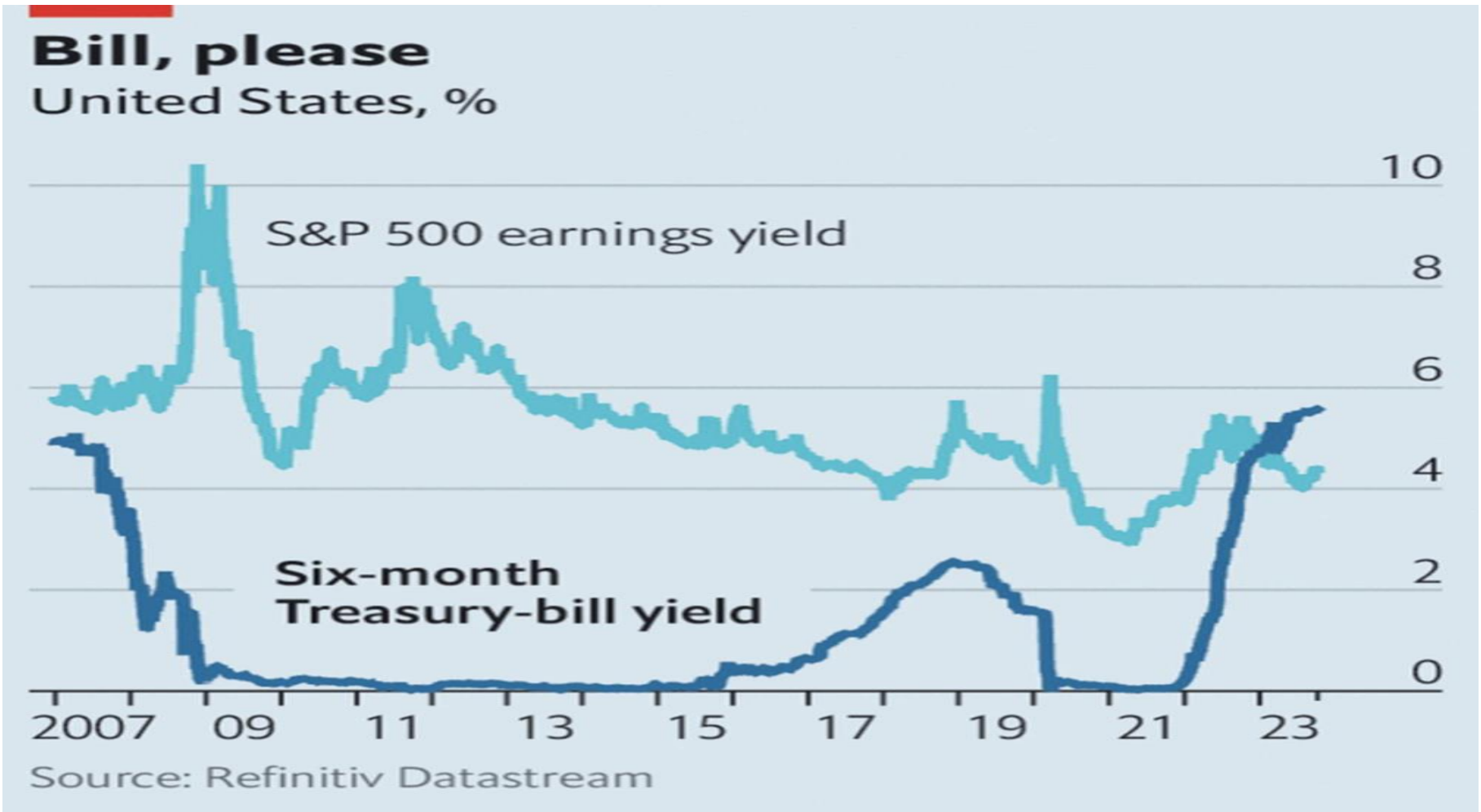
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# US OIL



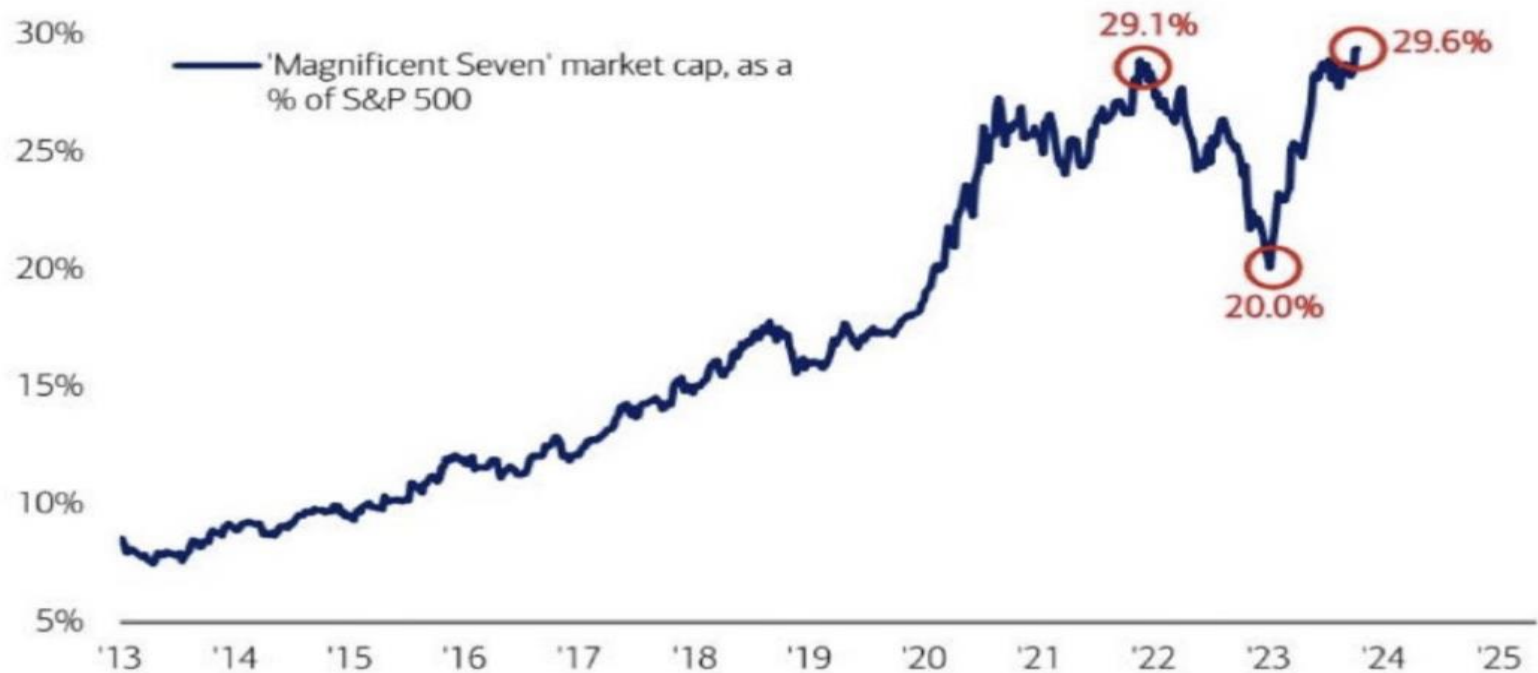
# Stock market valuation



# Concentrated market

**Chart 4: Magnificent Seven almost 30% of S&P 500 market cap**

Magnificent Seven market cap % of S&P 500



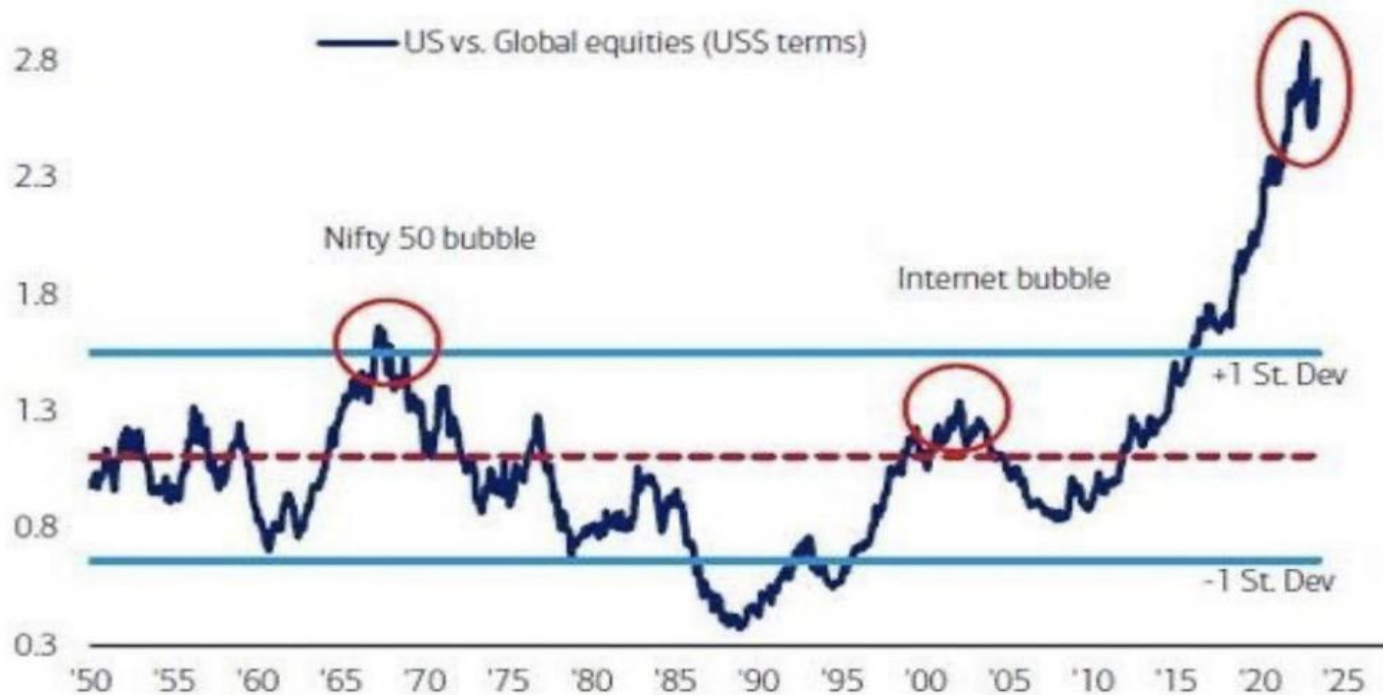
**Source:** BofA Global Investment Strategy, Bloomberg

Magnificent Seven: Apple, Microsoft, Google, Amazon, Nvidia, Meta, Tesla



# Largest outperformance in history.

**Chart 9: Global stocks massively underperforming US (tech) stocks**  
US vs Global equities (relative price performance)

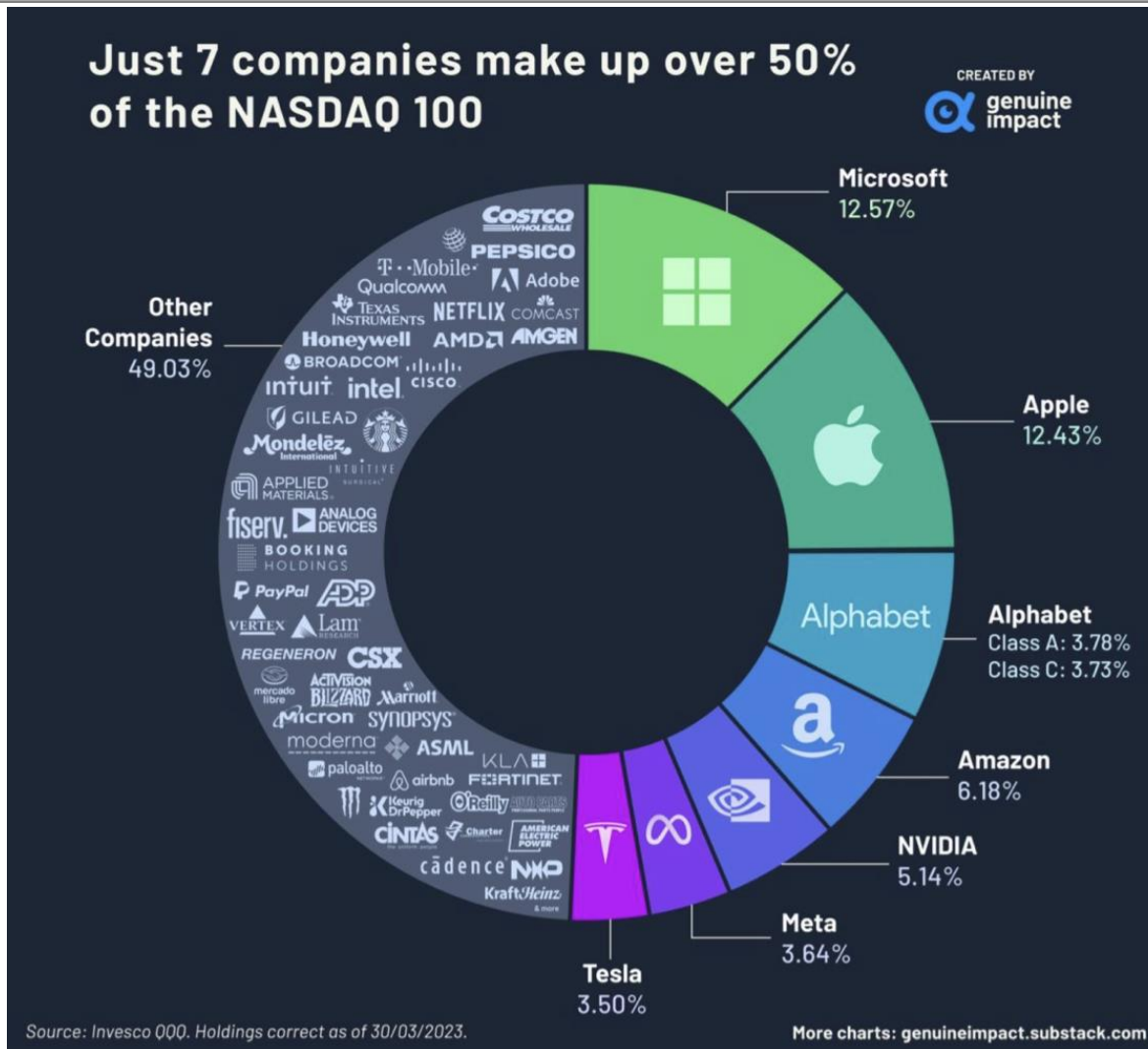


Source: BofA Global Investment Strategy, Global Financial Data, Bloomberg

BofA GLOBAL RESEARCH



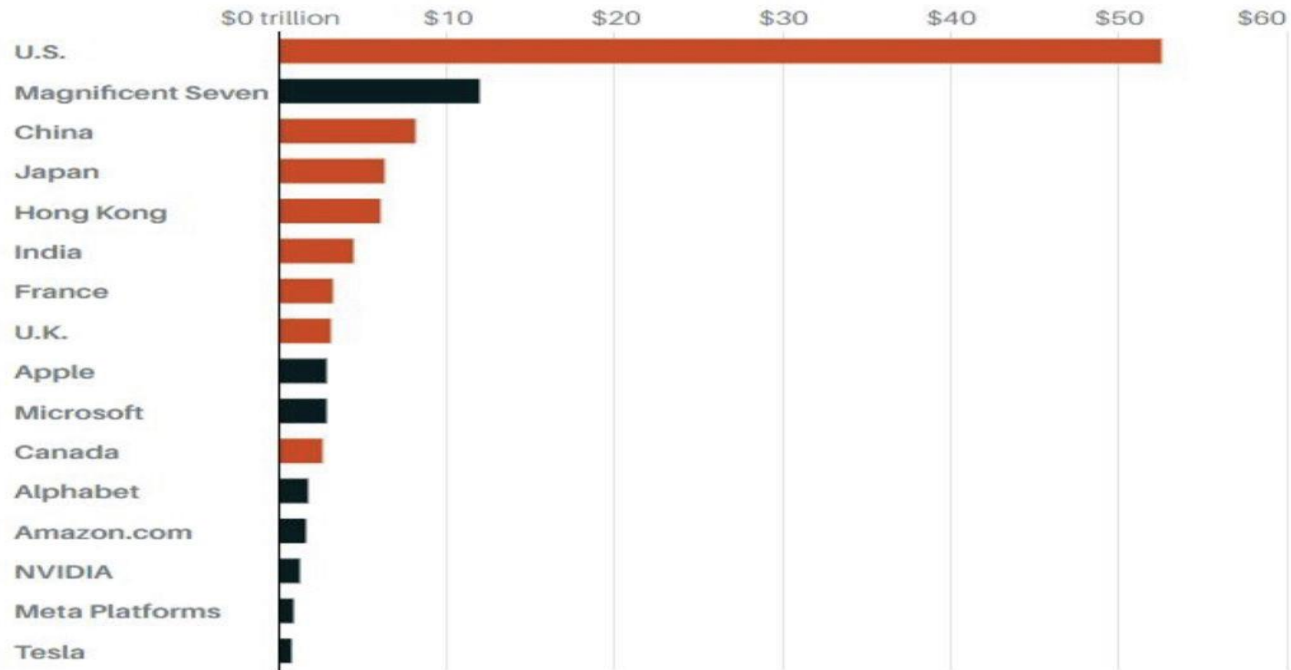
# A very narrow rally



# Huge market caps

## Nation-size Wealth

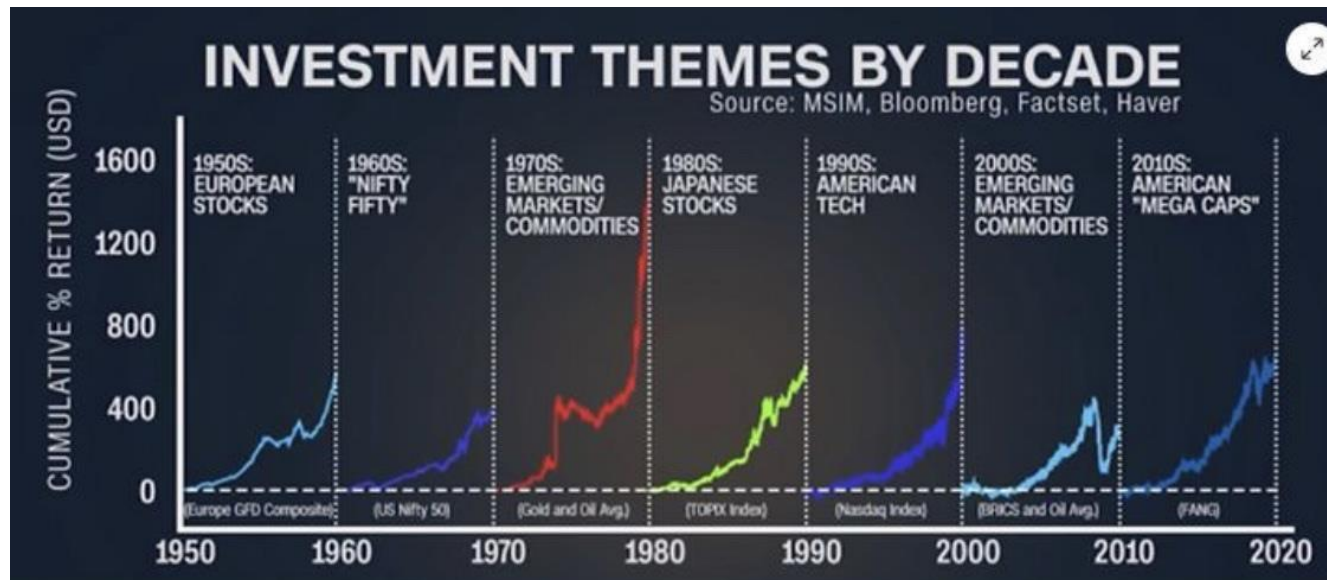
The Magnificent Seven combined have a larger market cap than any single country's stock market except for the U.S.



Source: Factset



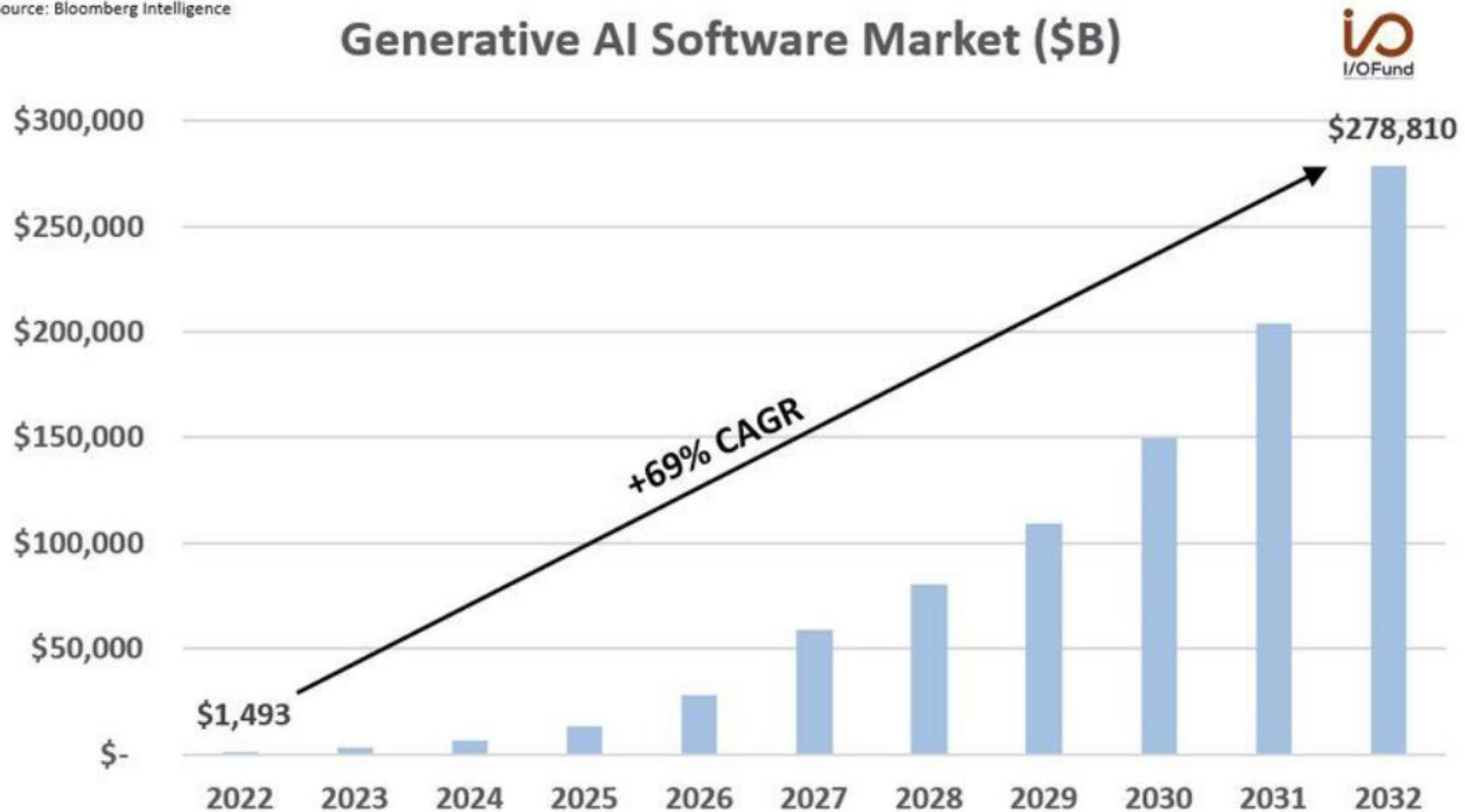
# THE NEXT THEME OF THE DECADE



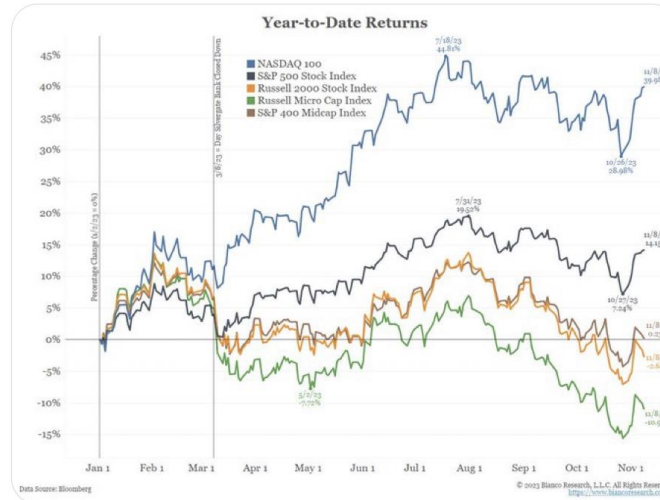


# Exponential growth

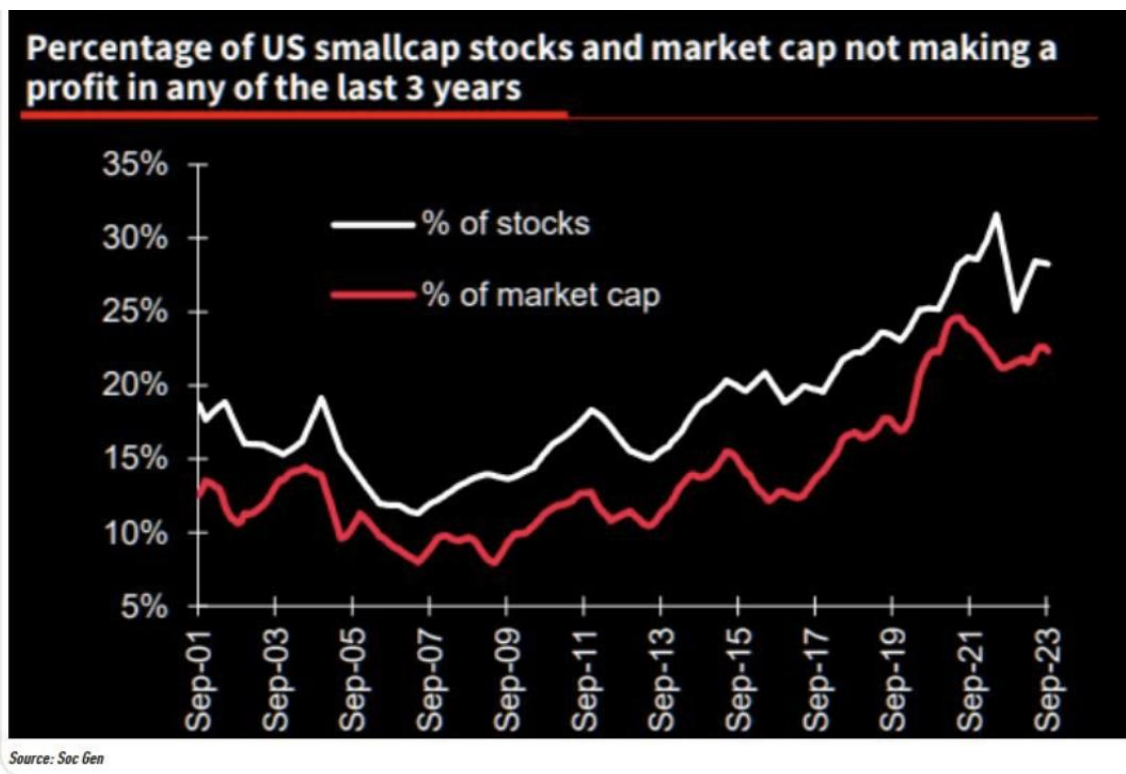
Source: Bloomberg Intelligence



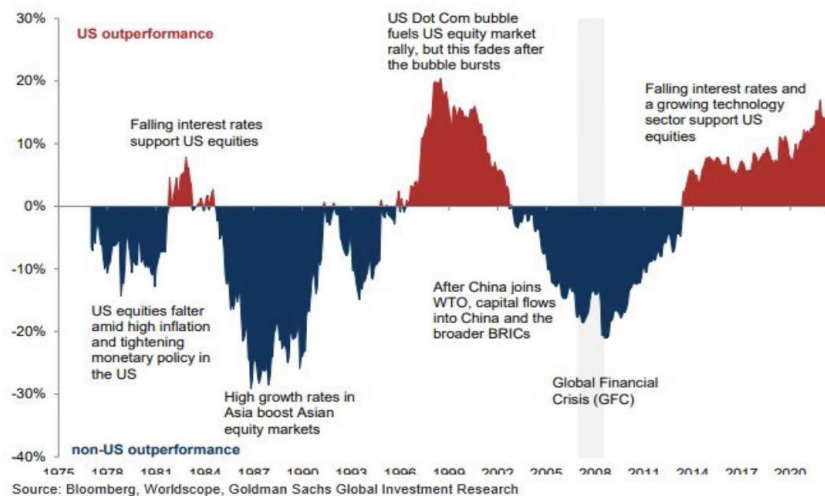
# The bigger the better



# Loss making companies



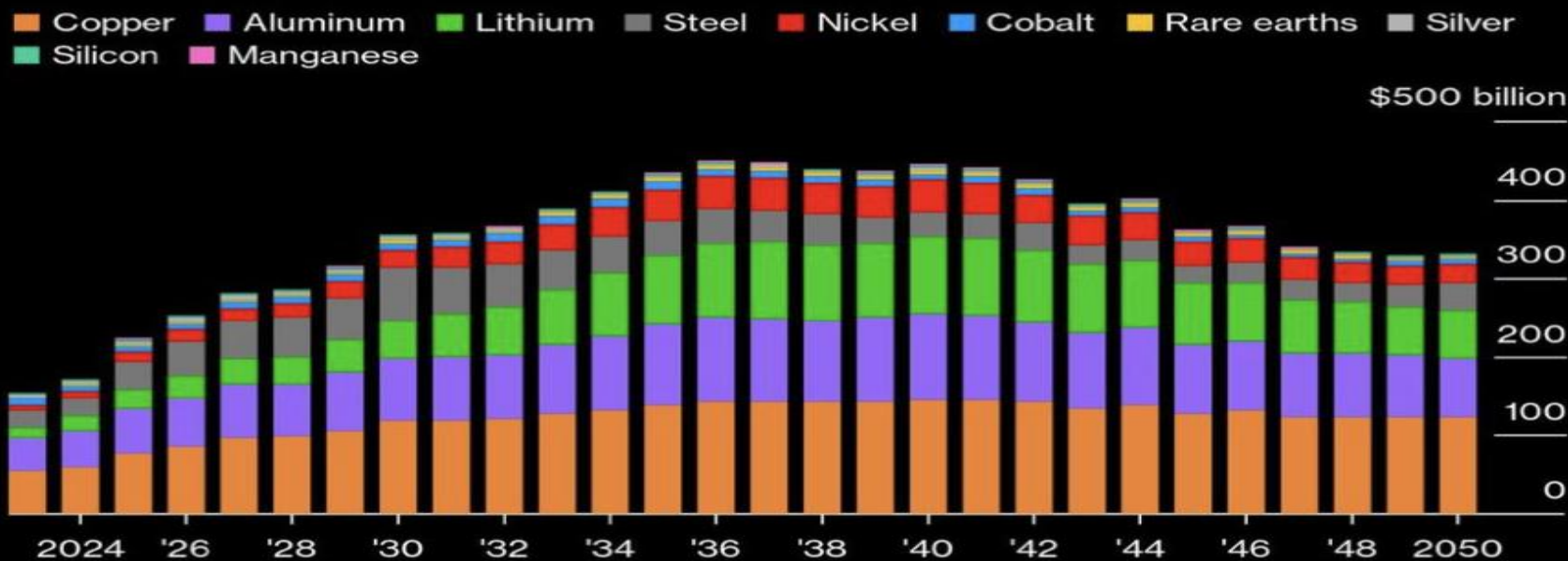
# The big US outperformance



# THE EV REVOLUTION

## Multi-Trillion Dollar Net-Zero Opportunity

Almost \$10 trillion of metals could be needed between now and 2050 for the energy transition



Source: BloombergNEF

Note: Chart shows value of annual energy transition demand for metals in BNEF's Net Zero Scenario, based on historical 10-year average prices. Energy transition demand includes power generation, battery storage, power grid and transport sectors. See BNEF's Transition Metals Outlook for full list of assumptions made. Values are in 2022 real dollars.

BloombergNEF



# Time for a book.

