

Q3/2021

Financial results

Analyst and Investor Conference Call
20 October 2021



DEUTSCHE BÖRSE
GROUP

We achieved a very positive revenue performance in Q3 despite the lack of cyclical tailwinds

Pre-trading

Qontigo

Index and analytics

ISS Institutional
shareholder services

Trading & clearing

Eurex

Financial derivatives

EEX

Commodities

360T

Foreign exchange

Xetra

Cash equities

Post-trading

Clearstream

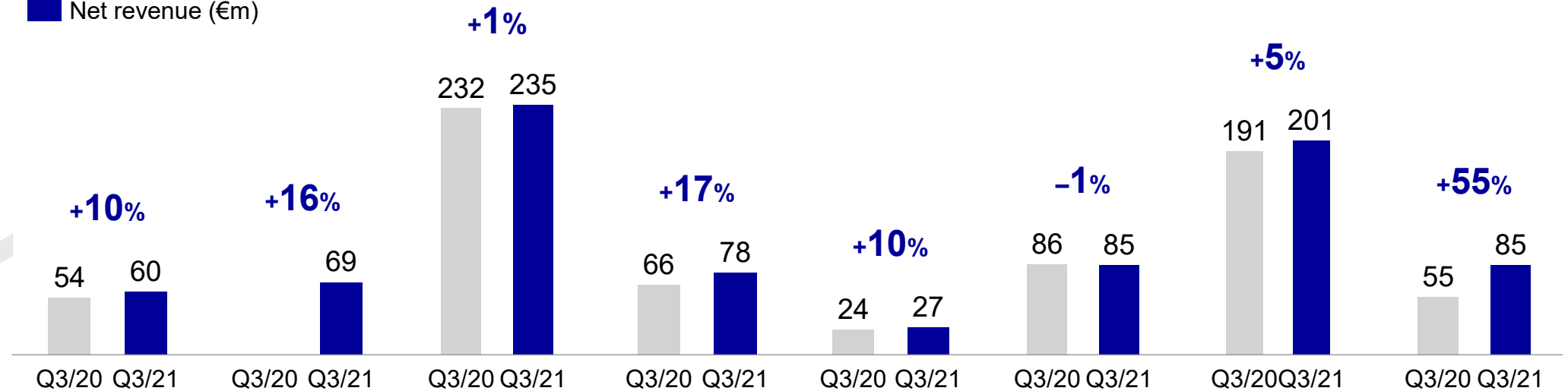
Post-trading

IFS Investment
fund services

■ Net revenue (€m)

Q3/2021
net revenue

 **€838m**
+18%



Double-digit growth despite some remaining COVID headwinds

Continued performance above initial expectation

Some remaining cyclical headwinds, but performance is improving

Secular growth complemented by cyclical upside due to energy prices

Continued outperformance of peer group

Slight improvement of cyclical environment since August

Whilst small NII headwinds persist, secular growth above expectation

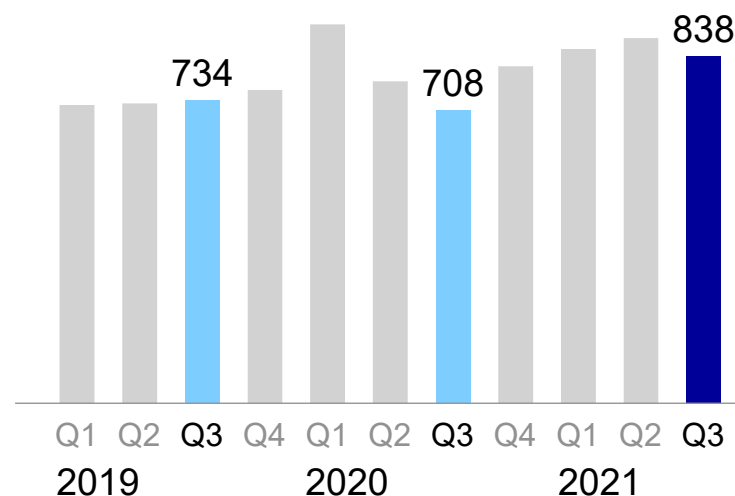
Organic growth expectations by far exceeded again

We continue to make good progress on our 10% growth targets

Net revenue | €m

+9%
CAGR
(9M/21 vs. 9M/19)

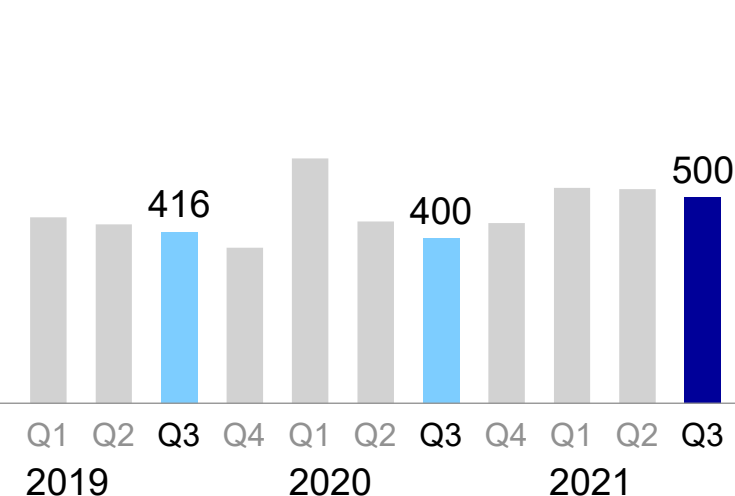
9M/19	9M/20	9M/21
Ø 726	Ø 800	Ø 858



EBITDA | €m

+9%
CAGR
(9M/21 vs. 9M/19)

9M/19	9M/20	9M/21
Ø 434	Ø 478	Ø 513



Note

- 9M/2021 net revenue and EBITDA compared to 2019 (Compass 2023 base year) fully in-line with expected growth trajectory.
- Weaker cyclical net revenue development offset by better than expected secular growth (mainly IFS) and increasing M&A contribution.
- EBITDA benefits from prudent management of operating costs due to cyclical headwinds and further productivity increases related to the continuous improvement program.

We will continue to pursue our successful M&A agenda

M&A focus areas

Pre-trading

- Index and analytics
- ESG

Trading & clearing

- Commodities
- Foreign exchange
- Fixed income

Post-trading

- Investment fund services

Current developments

- Integration of ISS – Institutional Shareholder Services is well on track and initial guidance of >5% net revenue growth CAGR has proven to be on the conservative side; ambition is double-digit growth including smaller M&A.
- Clearstream is selling its 50% stake in REGIS-TR to its joint venture partner Iberclear. The transaction is expected to close in Q1/22 and will result in a proceed/book gain of around €50 million as well as deconsolidation of around €25 million net revenue/€10 million EBITDA p.a.
- The acquisition of the majority stake in Crypto Finance AG is scheduled to close in Q4/21. Crypto Finance is expected to generate ~€20 million net revenue in 2021, with high double-digit growth and substantial margin improvements.
- Generally, the M&A valuation environment is challenging, but we continue to see concrete opportunities – mainly in pre-trading and IFS – with strong strategic fit, good synergy potential, sensible financials and high closing certainty.

We further increased the funding for minority investments

Selected minority investments

 CLARITY AI ~15%

AI-powered tech platform to analyse the societal impact of investments

Forge™ ~15%

#1 one-stop-shop infrastructure ecosystem in private markets



<50%

Serial construction and operation of marketplaces for digital assets (real estate, art, e-sports)

CloudMargin 

 Digital Asset Holdings

 FundsDLT

HQLA^x

O R I G I N

 TRIFACTA

wematch.live

Proxymity ~10%

Digital investor communications platform incl. proxy voting

TRUMID ~5%

Electronic trading platform for corporate bonds


TRADEGATE AG
WERTPAPIERHANDELSBANK

~20%

Leading German market maker; ~€3bn market cap based on small free float

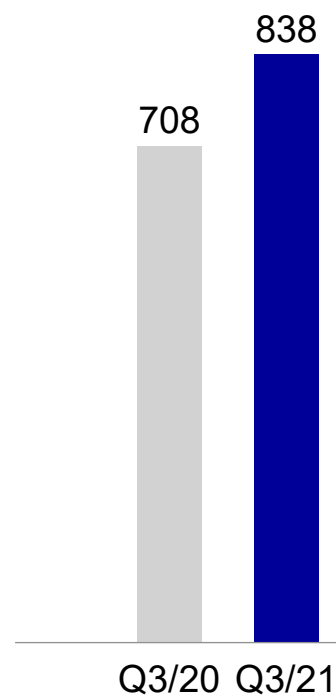
- Minority investment portfolio includes a broad range of attractive businesses along the Deutsche Börse value chain.
- Altogether more than €200 million have been invested so far (VC portfolio excluding Tradegate with money multiple >2).
- Funding for future minority investments increased by another €200 million on a case by case decision basis.
- First new investment is a Series B investment in WeMatch, a fintech company focusing on trading workflows for the wholesale derivatives industry (Sep 2021).
- In Q3/2021 additional impact on income statement from Clarity AI (€32m) booked in the Qontigo segment.

Group financials

Q3/2021

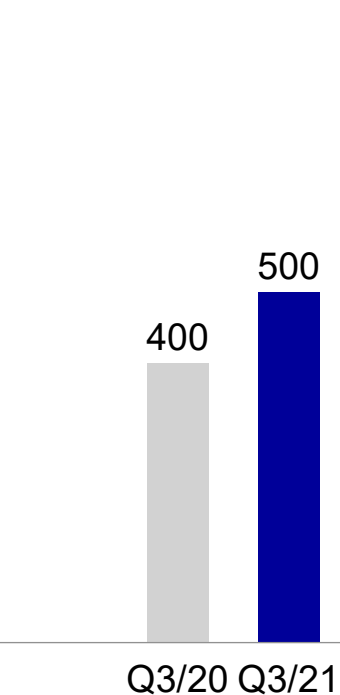
Net revenue | €m

↗ +18%
↗ +7% (organic)



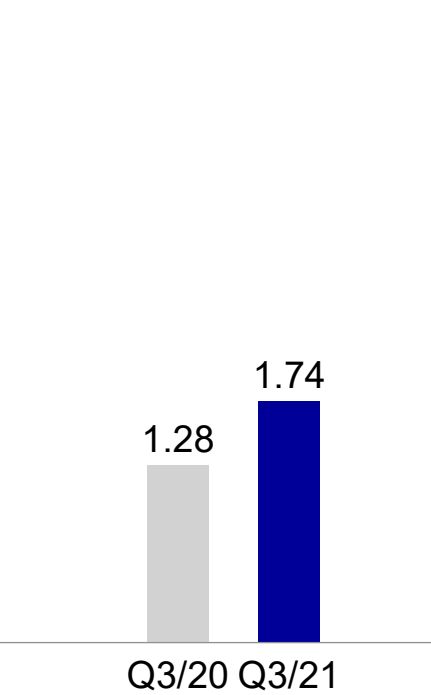
EBITDA | €m

↗ +25%
↗ +17% (organic)



Cash EPS¹ | €

↗ +36%
↗ +26% (organic)



Note

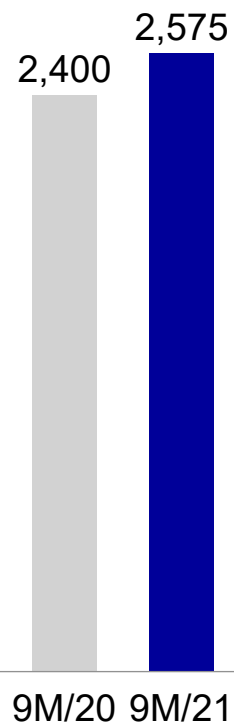
Net interest income	€33m -17%
Operating cost	€376m +17% +2% (organic)
Financial investments	€37m
Depreciation ²	€73m
Financial result	€-4m
Net profit	€300m +32%
EPS	€1.64

Group financials

9M/2021

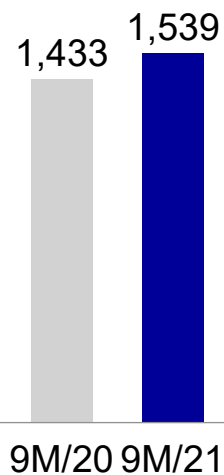
Net revenue | €m

↗ +7%
→ +0% (organic)



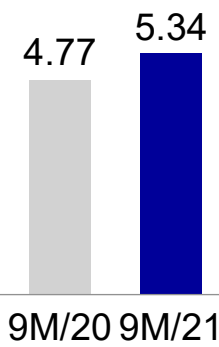
EBITDA | €m

↗ +7%
↗ +4% (organic)



Cash EPS¹ | €

↗ +12%
↗ +8% (organic)

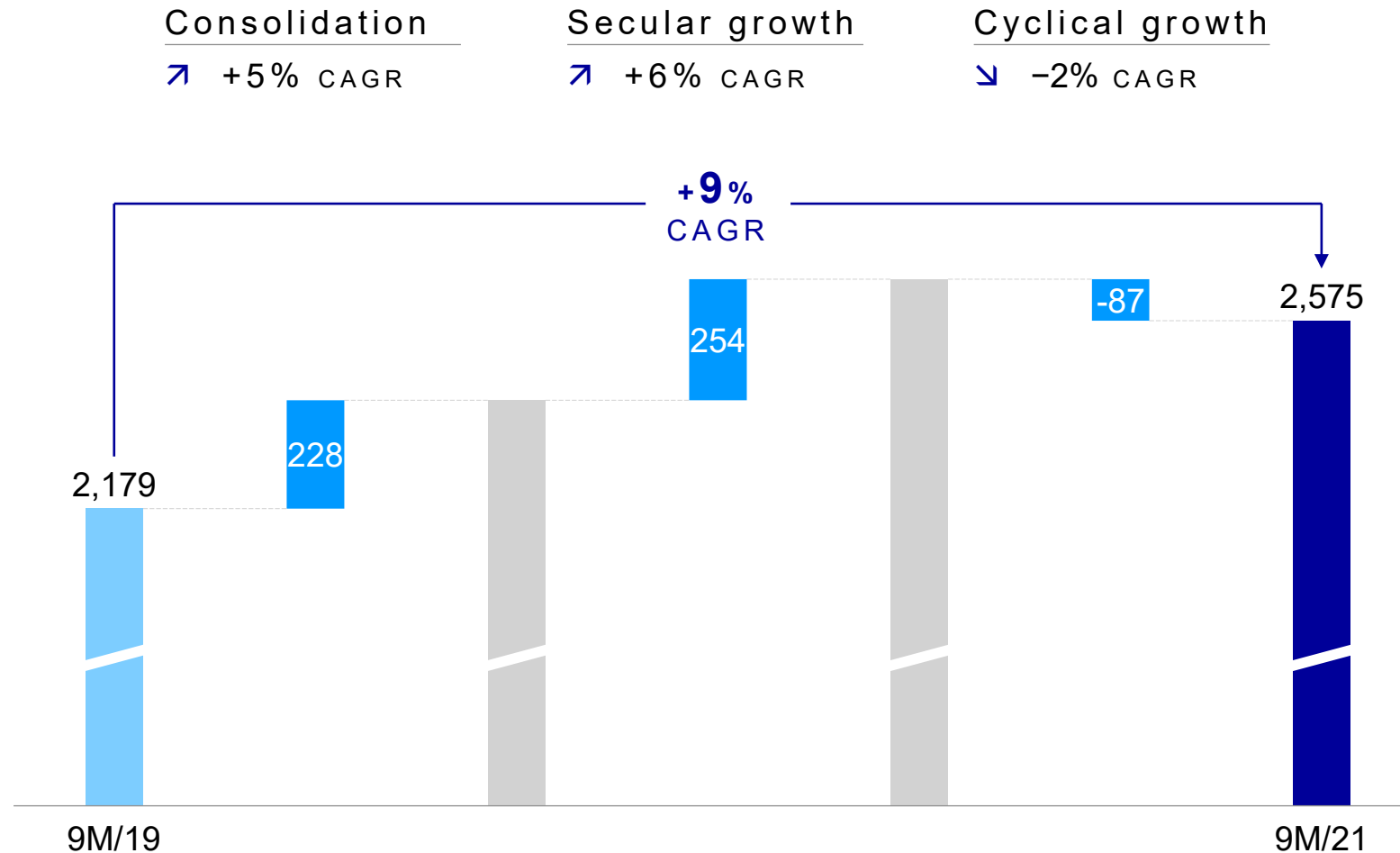


Note

Net interest income	€100m -38%
Operating cost	€1,106m +13% 0% (organic)
Financial investments	€70m
Depreciation ²	€206m
Financial result	€-29m
Net profit	€929m +9%
EPS	€5.06

Net revenue development

9M/2021 | €m



Note

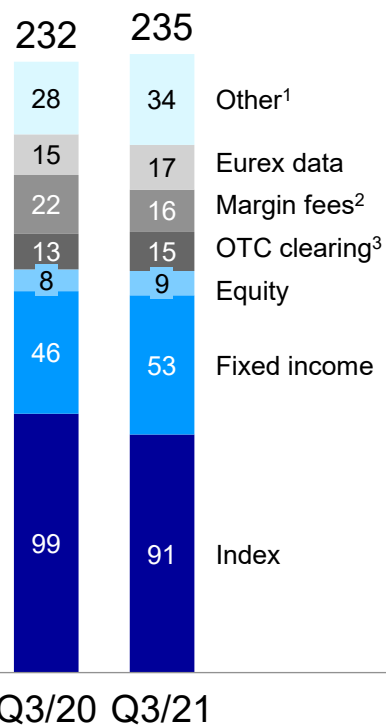
- 9M/2021 net revenue growth rate compared to 2019 (Compass 2023 base year) fully in-line with expected growth trajectory.
- Consolidation effects vs. 9M/2019 mainly driven by ISS, Axioma (Qontigo), Fund Centre (IFS) and Quantitative Brokers (Eurex).
- All segments with positive secular growth contribution.
- Cyclical decline mainly driven by Clearstream net interest income.

Eurex (financial derivatives)

Q3/2021

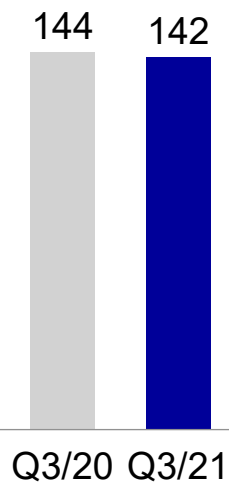
Net revenue | €m

↗ +1%
 ↘ -1% (organic)



EBITDA | €m

↘ -1%
 ↘ -1% (organic)



Business activity

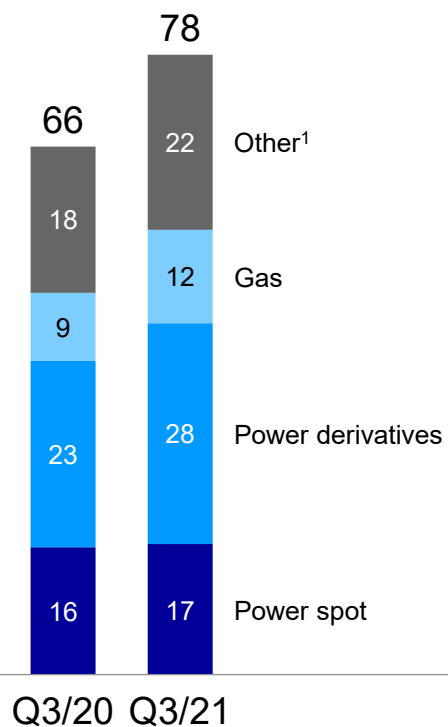
Total derivatives	391m +6%
Index derivatives	186m -4%
Fixed income derivatives	141m +14%
Equity derivatives	64m +28%
OTC notional outstanding (avg.)	€20.6tr +9%
OTC notional cleared (incl. compr.)	€10.9tr +56%

EEX (commodities)

Q3/2021

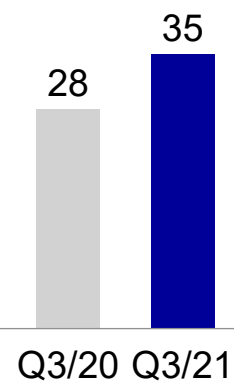
Net revenue | €m

↗ +17%



EBITDA | €m

↗ +25%



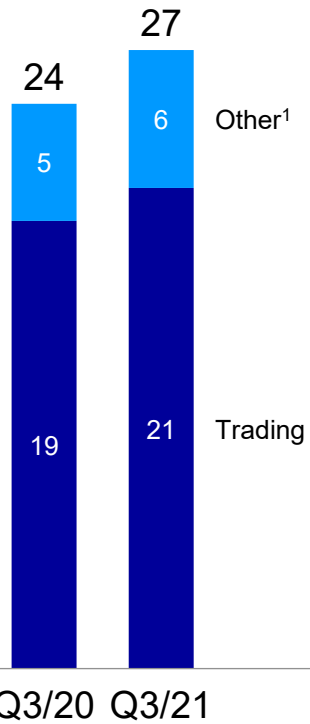
Business activity

Power spot	150 TWh +3%
Power derivatives	1,584 TWh +20%
Gas	629 TWh +35%

360T (foreign exchange) Q3/2021

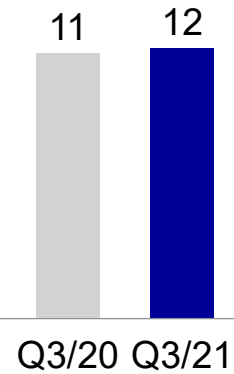
Net revenue | €m

↗ +10%



EBITDA | €m

↗ +2%



Business activity

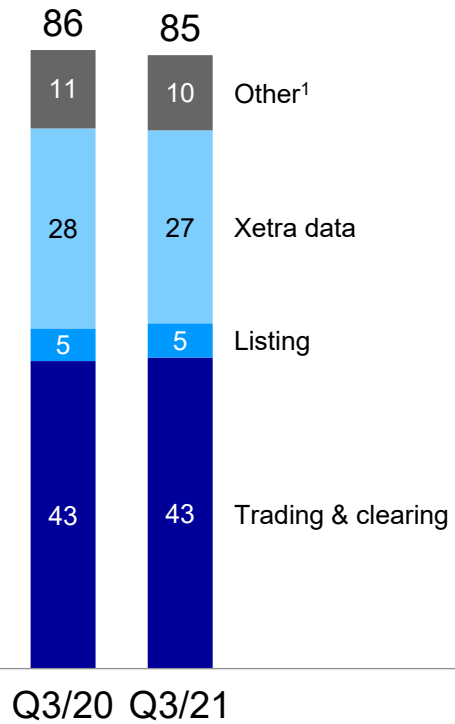
Average daily volumes (ADV) | €89bn
+7%

1) Including net revenue from connectivity and member fees.

Xetra (cash equities) Q3/2021

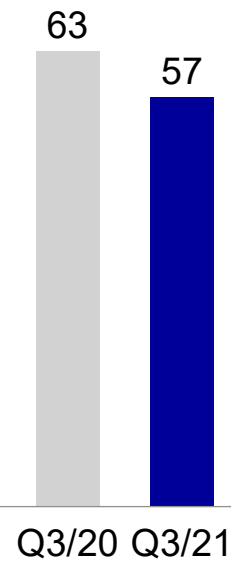
Net revenue | €m

→ -1%



EBITDA | €m

↘ -10%



Business activity

Order book volume² Equities	€376bn +3%
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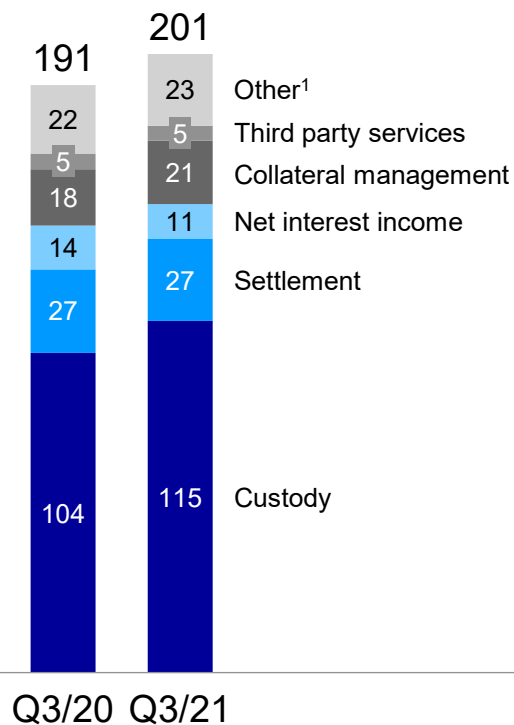
Order book volume² ETF, ETC, ETN	€61bn +26%
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Clearstream (post-trading)

Q3/2021

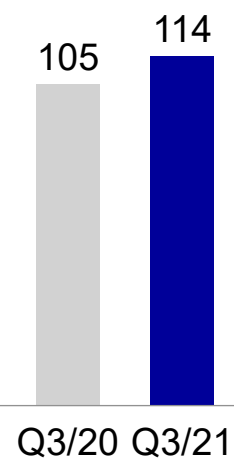
Net revenue | €m

↗ +5%



EBITDA | €m

↗ +8%



Business activity

Assets under custody	€13.2tr	+9%
Settlement transactions (ICSD)	17.1m	+5%
Cash balances total volume	€13.4bn	+4%
t/o US-Dollar	€6.7bn	+5%
Collateral outstandings	€551bn	+3%

IFS (investment fund services)

Q3/2021

Net revenue | €m

↗ +55%

↗ +28% (organic)

EBITDA | €m

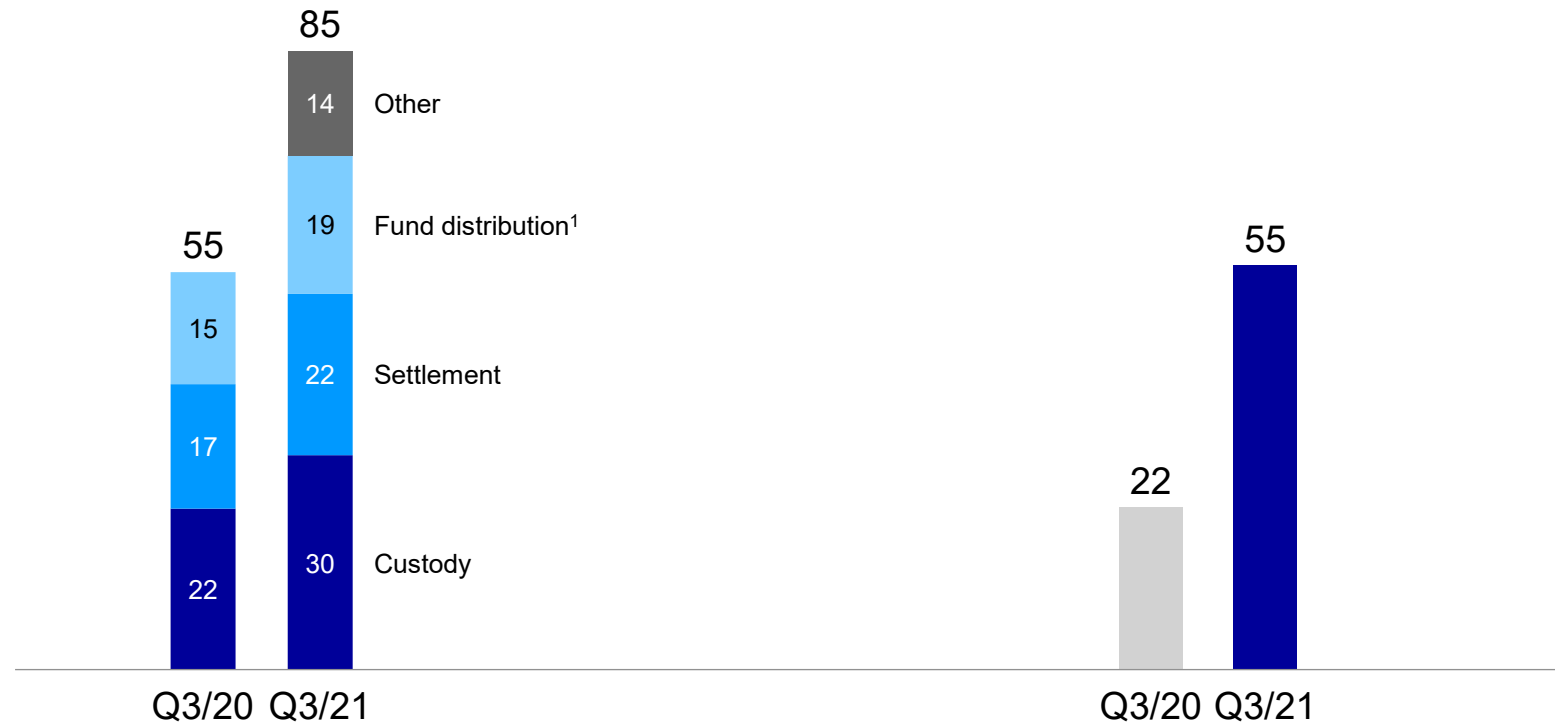
↗ +147%

↗ +88% (organic)

Business activity

Assets under custody	€3.3tr +22%
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Settlement transactions	10.4m +14%
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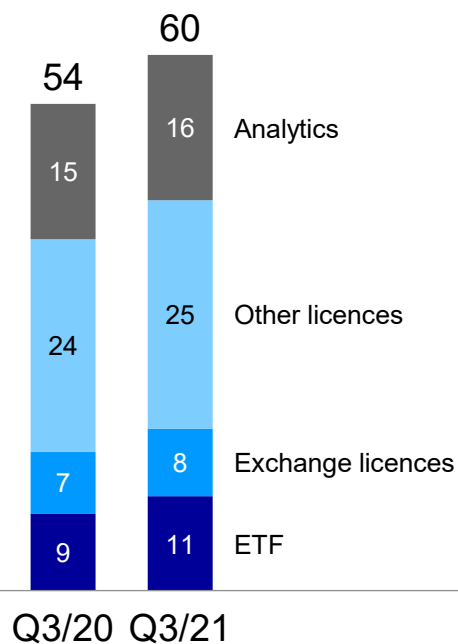


Qontigo (index and analytics business)

Q3/2021

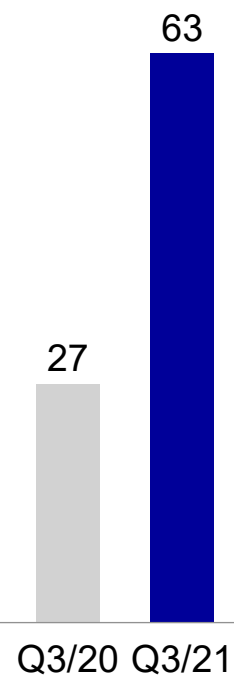
Net revenue | €m

↗ +10%



EBITDA | €m

↗ +138%



Business activity

ETF assets under management	€116bn +30%
Exchange licences traded contracts	172m -5%

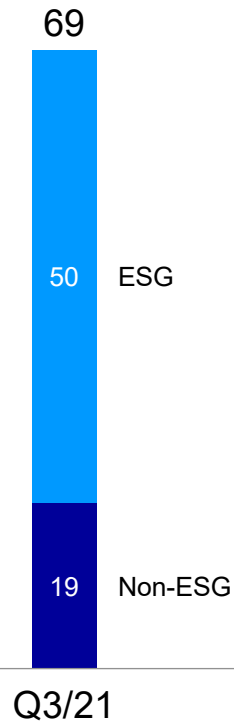
- Gain of around €32 million from the revaluation of the stake in Clarity AI in the result from financial investments.

ISS (Institutional Shareholder Services)

Q3/2021

Net revenue | €m

↗ +16%¹



EBITDA | €m

↗ +19%¹



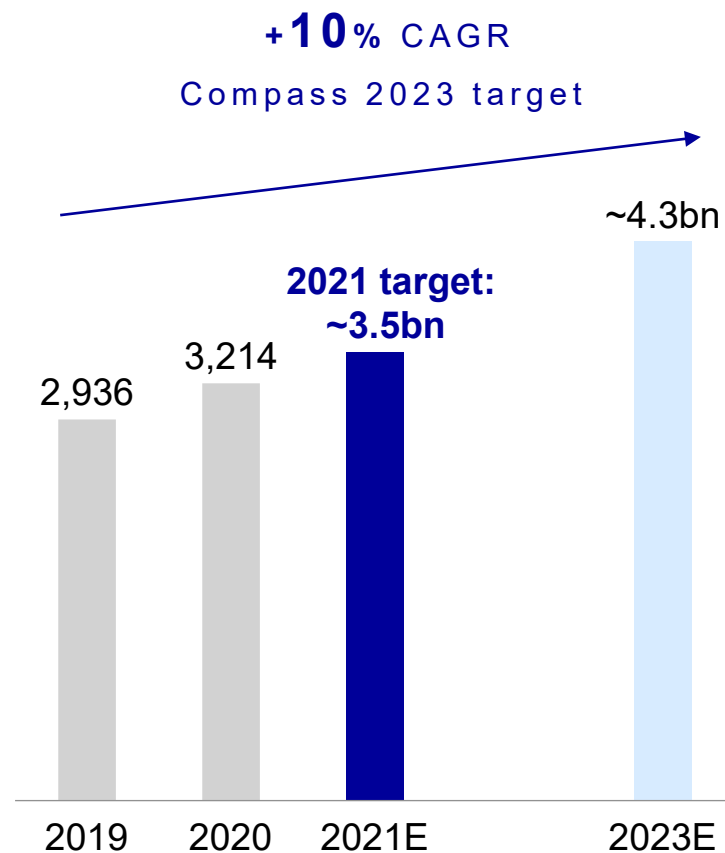
Note

- ESG net revenue contains Corporate Solutions, ESG Analytics and Governance Solutions businesses.
- Non-ESG net revenue amongst others contains Market Intelligence, Media as well as FWW (fund data), LiquidMetrics and SCAS (recovery services) businesses.

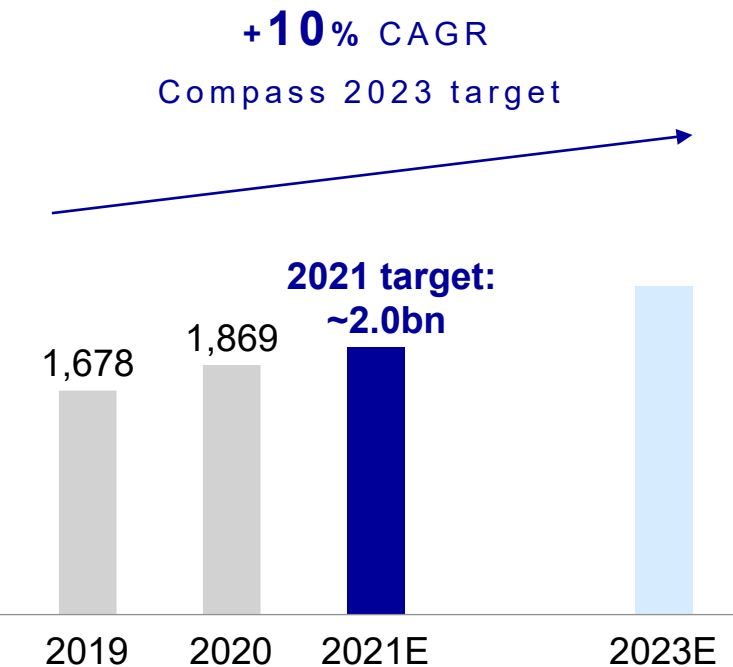
Outlook

FY/2021

Net revenue guidance | €m



EBITDA guidance | €m



Note

- Compass 2023 mid-term plan targets 10% net revenue growth CAGR (5% secular + 5% M&A) and 10% EBITDA growth CAGR.
- For 2021 Deutsche Börse expects:
 - Overall net revenue of around €3.5 billion (including continued 5% secular growth),
 - EBITDA of around €2.0 billion.
- 9M/2021 fully in-line with 2021 guidance; weaker Eurex performance offset by better than expected secular growth (mainly IFS), inorganic growth, positive valuation effects and favourable development of minority investments.

Appendix



Income statement – group level

(in €m)	Q3/2021	Q3/2020
Sales revenue	1,039.0	773.5
Treasury result from banking business	32.5	39.2
Other operating income	6.3	0.9
Total revenue	1,077.8	813.6
Volume-related costs	-239.9	-106.1
Net revenue	837.9	707.5
Staff costs	-249.3	-194.8
Other operating expenses	-126.5	-125.1
Operating costs	-375.8	-319.9
Result from financial investments	37.4	11.9
Earnings before interest, tax, depreciation and amortization (EBITDA)	499.5	399.5
Depreciation, amortization and impairment losses	-73.0	-62.8
Earnings before interest and tax (EBIT)	426.5	336.7
Financial result	-3.7	-15.8
Earnings before tax (EBT)	422.8	320.9
Income tax expense and other tax	-109.9	-85.1
Net profit for the period	312.9	235.8
thereof attributable to Deutsche Börse shareholders	300.3	227.1
thereof attributable to non-controlling interests	12.6	8.7
Earnings per share (basic) (€)	1.64	1.24
Earnings per share before purchase price allocations (Cash EPS) (€)	1.74	1.28

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(in €m)	Q3/21	Q3/20	Q3/21	Q3/20	Q3/21	Q3/20	Q3/21	Q3/20
Net revenue	234.7	231.8	77.7	66.2	26.5	24.2	84.8	85.5
Staff costs	-53.6	-48.3	-27.9	-21.3	-9.4	-8.9	-22.1	-22.6
Other operating expenses	-39.8	-39.2	-15.2	-17.2	-3.8	-3.9	-13.5	-12.9
Operating costs	-93.4	-87.5	-43.1	-38.5	-13.2	-12.8	-35.6	-35.5
Result from financial investments	0.2	-0.8	0.0	0.0	-1.7	0.0	7.5	13.0
EBITDA	141.5	143.5	34.6	27.7	11.6	11.4	56.7	63.0

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		Qontigo (index and analytics business)		ISS (Institutional Shareholder Services)	
(in €m)	Q3/21	Q3/20	Q3/21	Q3/20	Q3/21	Q3/20	Q3/21	Q3/20
Net revenue	201.3	191.2	84.7	54.5	59.5	54.1	68.7	
Staff costs	-57.5	-55.4	-19.8	-17.4	-23.1	-20.9	-35.9	
Other operating expenses	-29.9	-30.6	-9.4	-14.7	-6.3	-6.6	-8.6	
Operating costs	-87.4	-86.0	-29.2	-32.1	-29.4	-27.5	-44.5	
Result from financial investments	-0.2	-0.3	-0.1	-0.0	33.1	0.0	-1.4	
EBITDA	113.7	104.9	55.4	22.4	63.2	26.6	22.8	

Financial calendar and contact details

Financial calendar

03 Nov. 2021	Virtual Group Meeting for US investors organised by Jefferies
08-10 Nov. 2021	UBS European Virtual Conference 2021 (virtual/ London)
10 Nov. 2021	ISS Business Deep Dive (virtual)
17 Nov. 2021	Virtual Group Meeting for UK investors organised by Redburn
17-18 Nov. 2021	Redburn Virtual Canada Conference (virtual/ Toronto)
22-24 Nov. 2021	Deutsches Eigenkapitalforum 2021 Online (virtual/ Frankfurt)
29 Nov. 2021	DZ BANK Equity Conference 2021 (Frankfurt)
29 Nov. 2021	IFS Business Deep Dive (virtual)
01 Dec. 2021	Redburn CEO Conference (virtual/ London)
02 Dec. 2021	Virtual Group Meeting for US investors organised by HSBC
06 Dec. 2021	Berenberg European Conference (virtual/ London)

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