



Q4 and FY/2023 preliminary financial results

Analyst and Investor Conference Call
8 February 2024



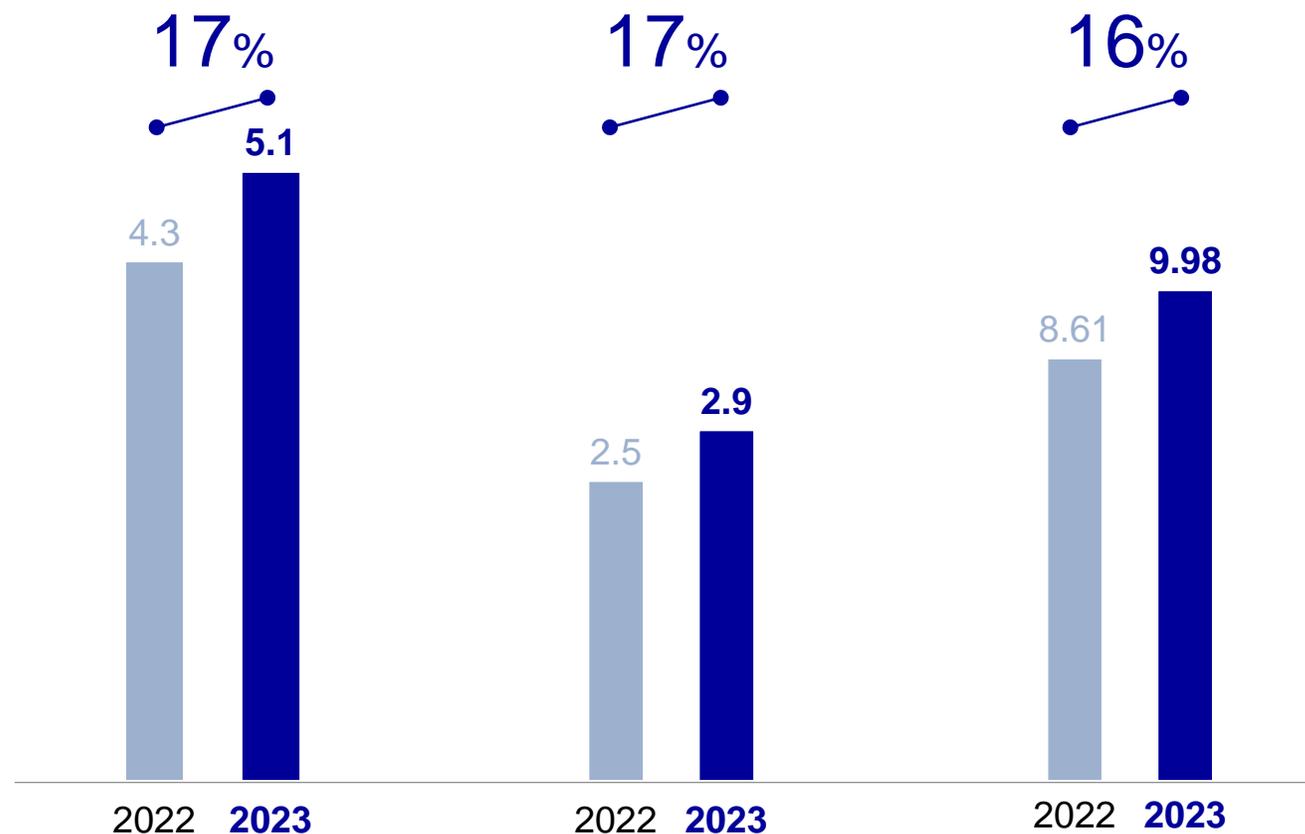
DEUTSCHE BÖRSE
GROUP

Development in 2023 significantly exceeded original expectations, leading to another record year

Net revenue | €bn

EBITDA | €bn

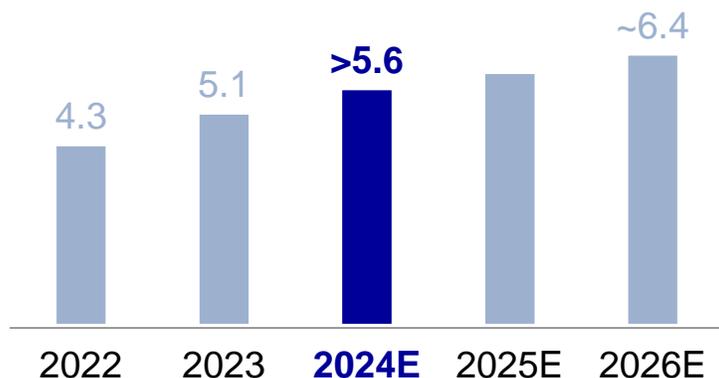
Cash EPS | €



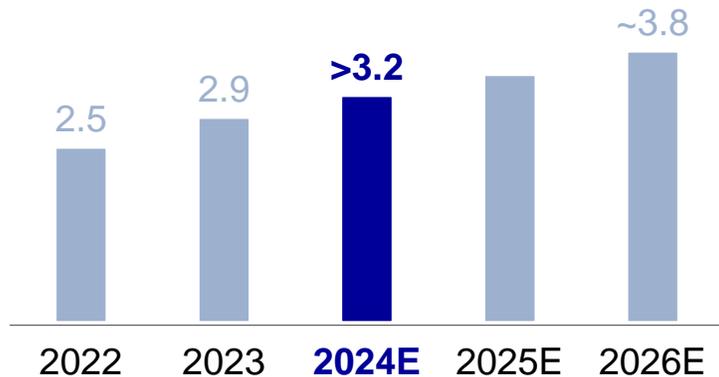
- **Organic net revenue growth of 12%** in 2023 significantly exceeded original expectations
- Key driver was the **extraordinary net interest income contribution** (€702 million), which by far offset lower equity market volatility
- But organic growth was also driven by **continued secular growth** across the Group (e.g. analytics, repo, commodities, FX)
- In addition, the **SimCorp** consolidation contributed **5% inorganic net revenue growth** in 2023
- Driven by almost flat costs in Q4/23, **organic operating costs increased only 5%** in 2023; as a result, the organic **EBITDA increased 17%**
- Executive Board is proposing a **dividend of €3.80 per share** for 2023 (40% pay-out)

Outlook for 2024 is in-line with the Horizon 2026 growth trajectory

Net revenue | €bn



EBITDA | €bn



Strategic priorities in 2024



Support further secular growth

- Leverage momentum in fixed income: expansion of repo offering, increase of market share in OTC clearing and move into short term interest rate derivatives
- Win new clients, launch new products and/or take further market share in commodities, foreign exchange and the funds business

Make Investment Management Solutions a success

- Complete new segment setup and integration of businesses, but key priority is to continue to pursue organic growth opportunities (new clients and/or products)
- Leverage new segment setup to achieve targeted EBITDA synergies (~€54 million run-rate in 2024; well-on-track) and analyse further synergy potential



Apply new capital management framework

- Focus on deleveraging (redeem commercial paper in Q1/24) and improving the rating metrics in-line with AA- rating (2.2x net debt / EBITDA achieved in 2023)
- Execution of share buy-back programme (€152 million of €300 million already bought back)

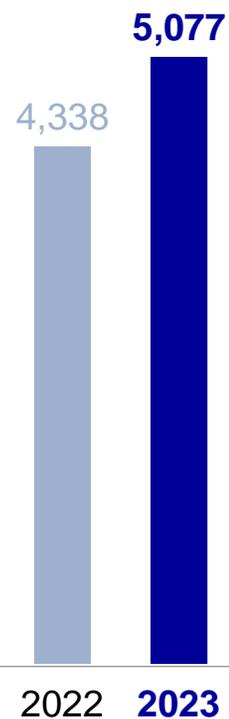


Group financials

FY/2023

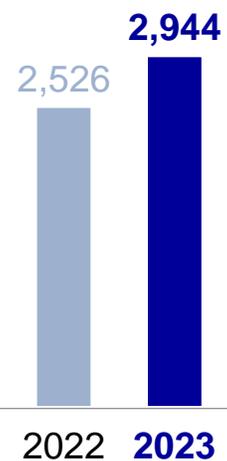
Net revenue | €m

- ↗ +17%
- ↗ +12% (organic)



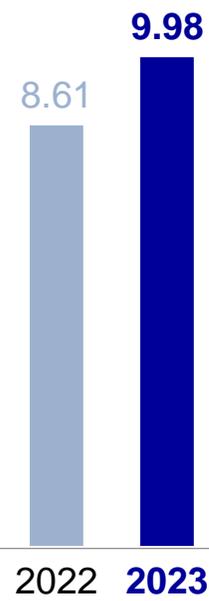
EBITDA | €m

- ↗ +17%
- ↗ +17% (organic)



Cash EPS¹ | €

- ↗ +16%
- ↗ +19% (organic)



Note

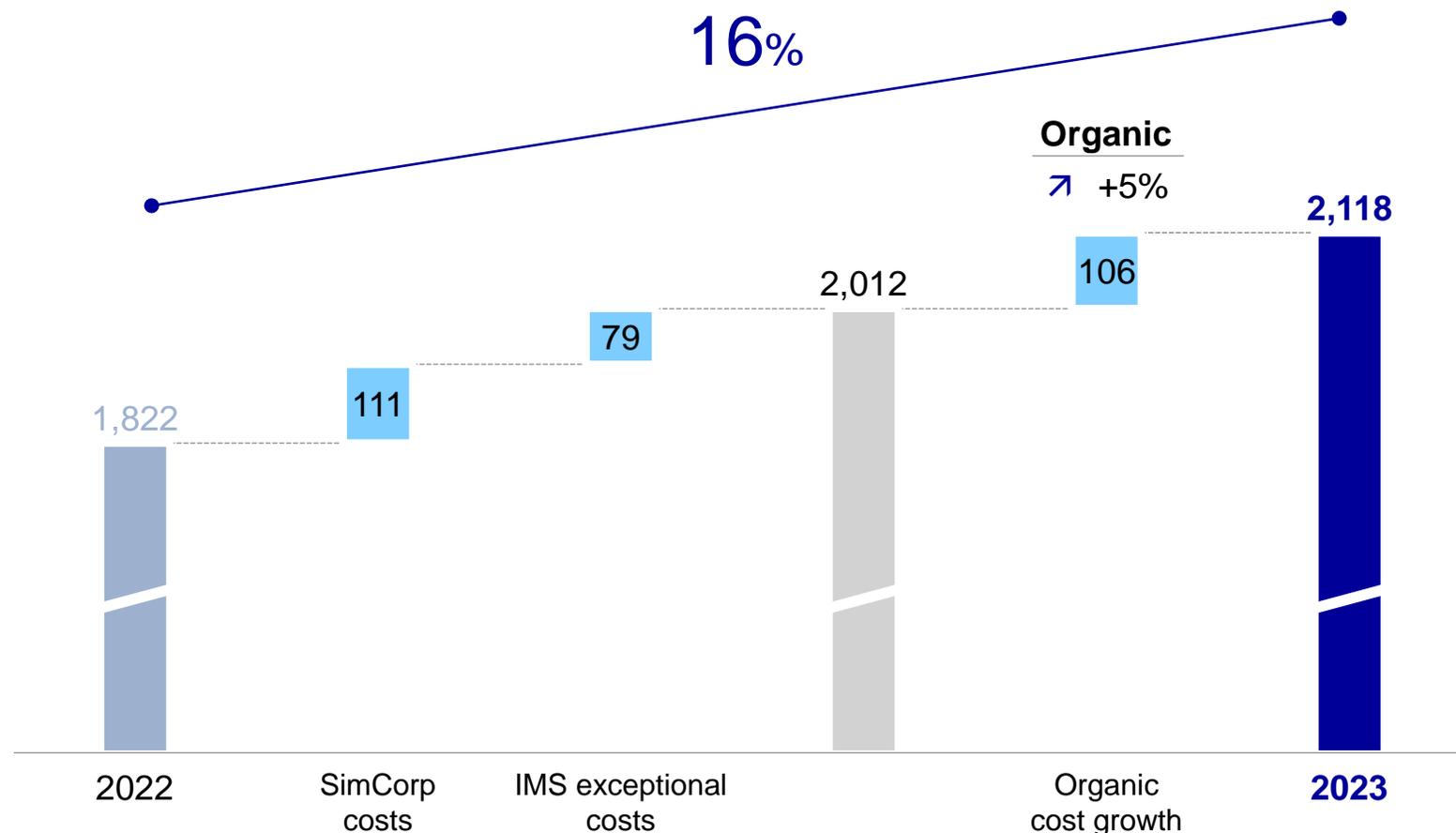
Treasury result	€961m +81%
Operating cost	€2,118m +16%
Financial investments	€-14m
Depreciation ²	€419m
Financial result	€-74m
Net profit	€1,724m +15%
EPS	€9.35

- 1) EPS before purchase price allocation (ppa)
- 2) Incl. ~€135m ppa effects

Operating costs

FY/2023

Operating cost bridge | €m



Note

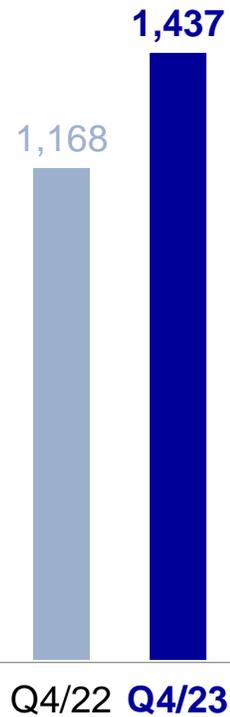
- Organic operating cost growth in 2023 in-line with original expectation, despite higher variable compensation, share-based payments and inflation bonus in Q4/23
- Creation of Investment Management Solutions segment resulted in exceptional costs of €79 million in 2023

Group financials

Q4/2023

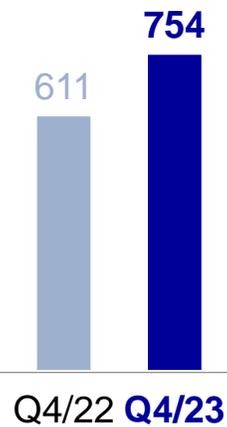
Net revenue | €m

- ↗ +23%
- ↗ +5% (organic)



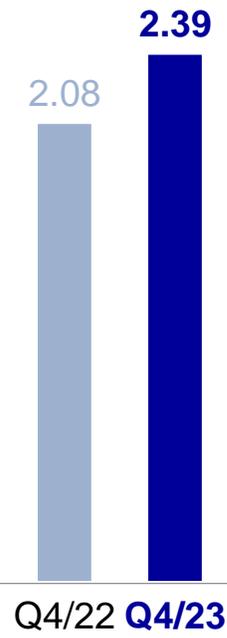
EBITDA | €m

- ↗ +23%
- ↗ +13% (organic)



Cash EPS¹ | €

- ↗ +15%
- ↗ +13% (organic)



Note

- Continued secular net revenue growth complemented by cyclical tailwinds from increased interest rates, which offset lower equity volatility in Trading & Clearing
- Despite higher variable and share based compensation, organic operating cost increased only 1%

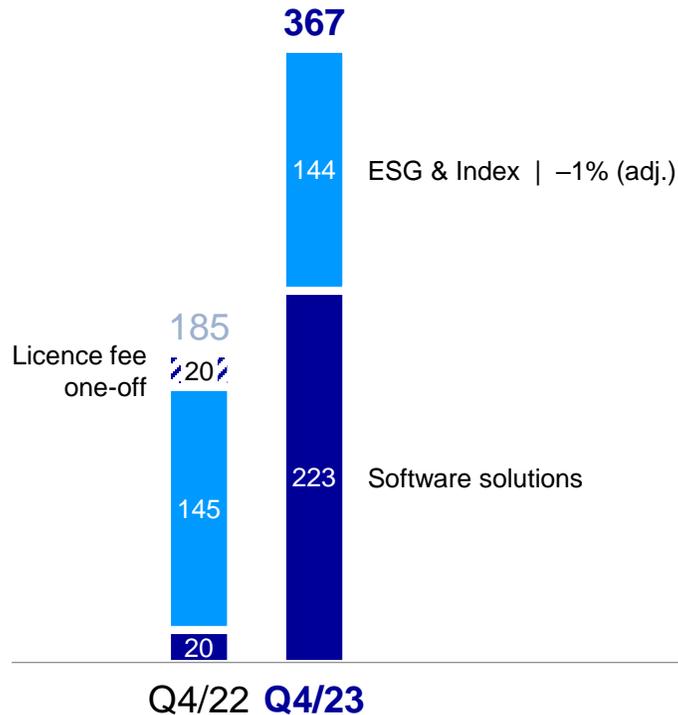
1) EPS before purchase price allocation (ppa)

Investment Management Solutions

Q4/2023

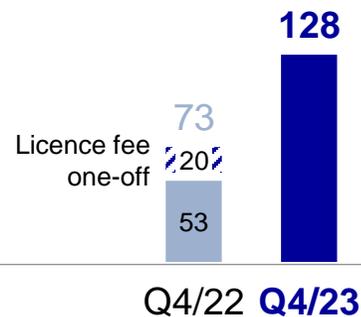
Net revenue | €m

↗ +98%



EBITDA | €m

↗ +75%



Business development

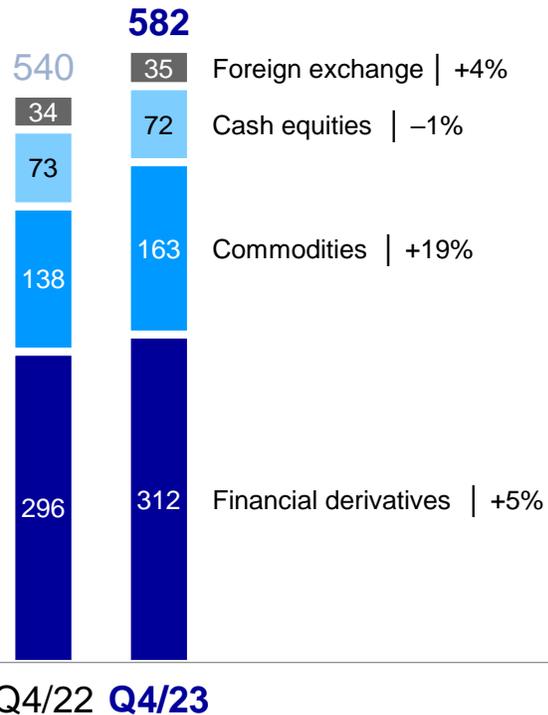
- SimCorp's net revenue of €198 million was above expectations; software solutions overall benefited from new clients and renewals, with especially good momentum in analytics
- Software solutions (SimCorp/Axioma) annual recurring revenue (ARR) stood at €519 million at year end (+14%)
- FX remained a headwind in ESG & Index in Q4/23 (adj. constant currency growth +2%)
- In Q4/22, index included ~€20 million fee reimbursement from Trading & Clearing
- EBITDA impacted by exceptional costs to achieve synergies (€36 million)

Trading & Clearing

Q4/2023

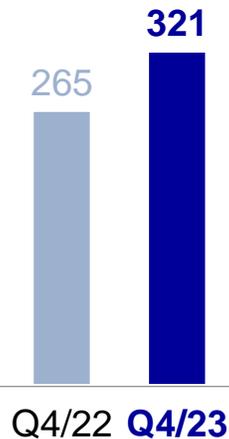
Net revenue | €m

↗ +8%



EBITDA | €m

↗ +21%



Business development

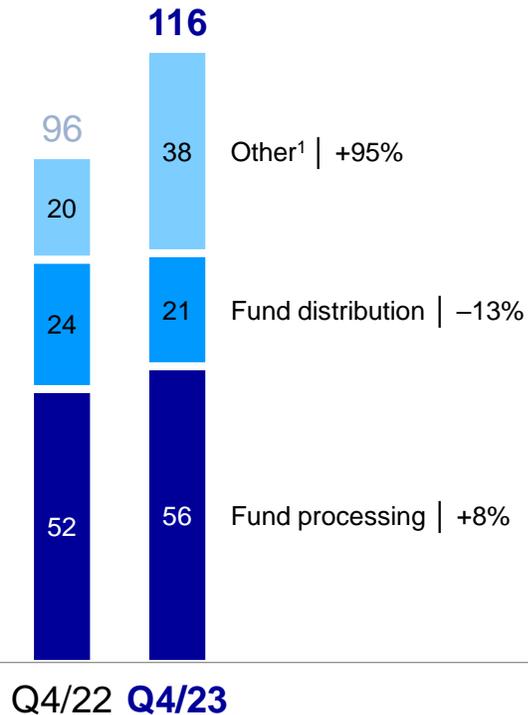
- Financial derivatives benefitted mainly from higher fixed income activity (futures and repo), while lower equity volatility resulted in a decline of margin fees
- Commodities were mainly driven by strong trading activity in EU power derivatives, mainly due to market share gains, and reached a new record level
- Cash equities with easing comparables, but impacted by flow into fixed income and low volatility
- In foreign exchange, new clients (buy-side) and regions (US/APAC) helped to offset lower volatility

Fund Services

Q4/2023

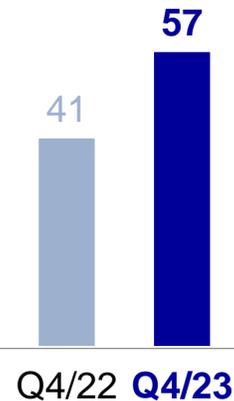
Net revenue | €m

↗ +21%



EBITDA | €m

↗ +40%



Business development

- In fund distribution and processing, outflows from active equity funds to passive and fixed income were compensated by new clients
- In Q4/22, distribution included ~€4 million one-off net revenue
- Carve out of Fund Services resulted in small income statement shift effects from/to Securities Services:
 - To Fund Services: NII €15 million
 - To Securities Services: Net revenue from settlement, custody and other €4 million
- Carve out of Fund Services business from Clearstream largely completed

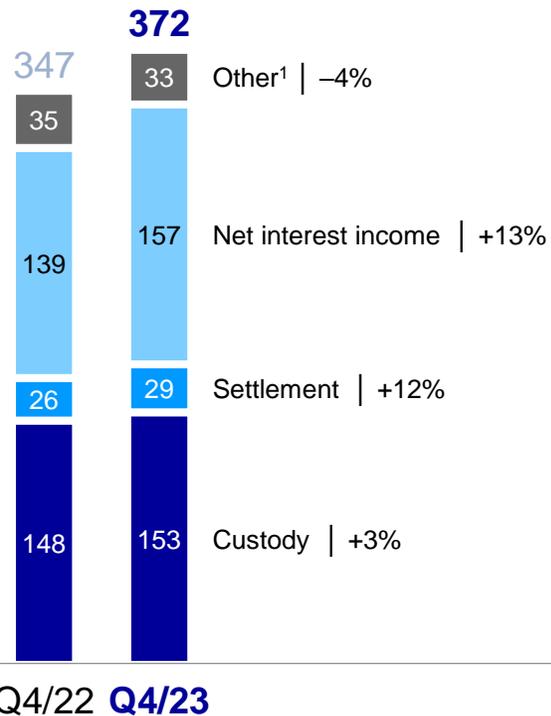
1) Incl. NII of €15m, net revenue from connectivity and fund data

Securities Services

Q4/2023

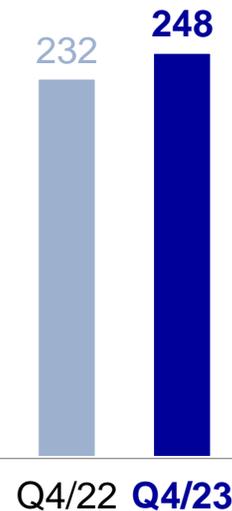
Net revenue | €m

↗ +7%



EBITDA | €m

↗ +7%



Business development

- Custody and settlement positively affected by ongoing high level of fixed income issuance activity and higher index levels
- Net interest income: much higher rates overcompensated a decline in cash balances (-12%); NII affected by a further segregation of interest income associated with blocked accounts (€13 million for 2023)
- Carve out of Fund Services results in some P&L shift effects from/to Securities Services (see previous page)

1) Incl. net revenue from connectivity, account services and reporting

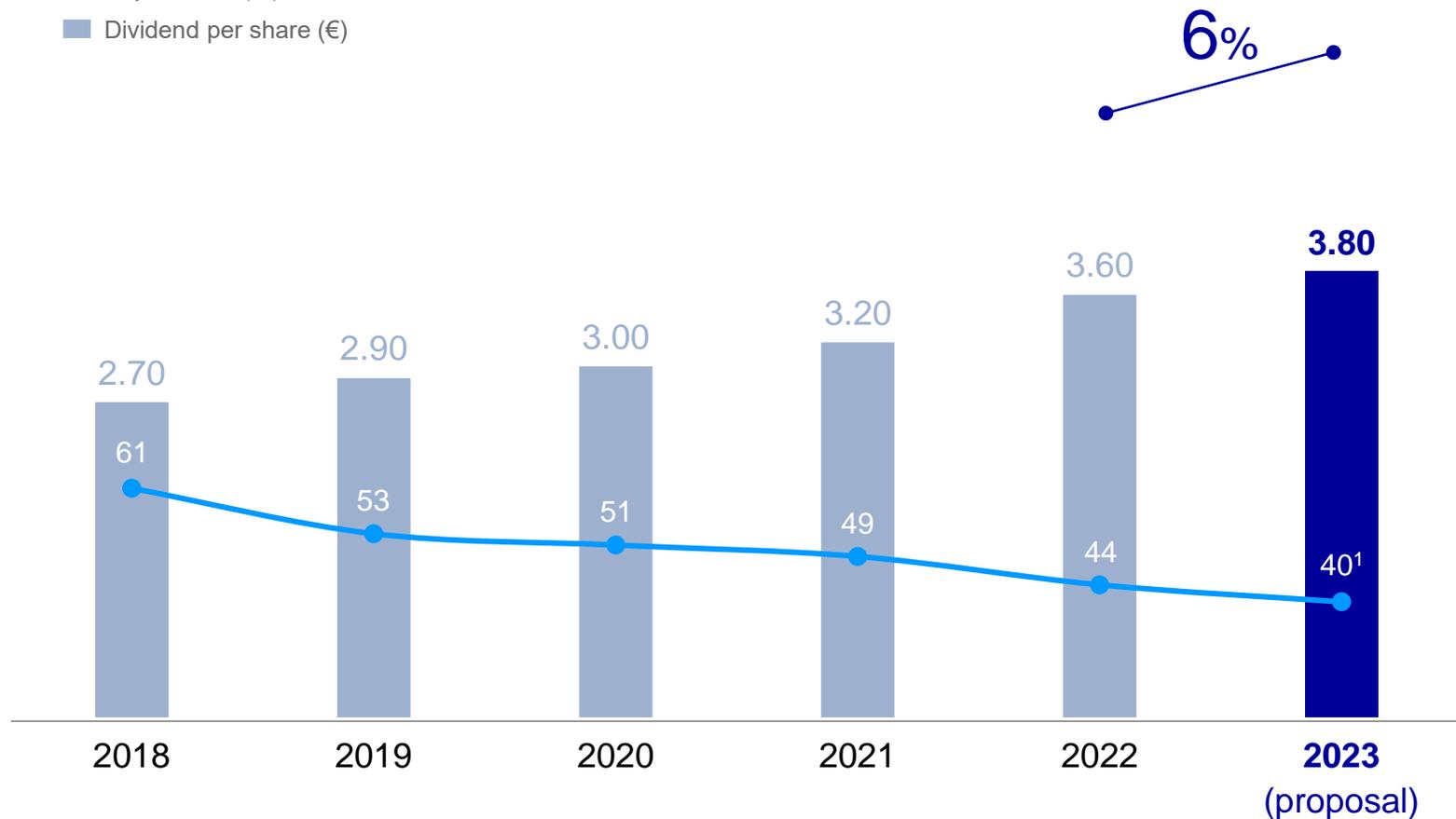
Dividend proposal

FY/2023

Dividend per share and pay-out

● Payout ratio (%)

■ Dividend per share (€)



Capital management

- To reflect increased earnings and the strong growth outlook, we adjusted our dividend payout ratio target to 30-40% of the annual net profit
- Within this range, we manage the payout mainly in relation to our financial performance and based on continuity considerations (new commitment for increasing DPS)
- In case of excess liquidity, we intend to complement the dividend with additional distributions in the form of share buy-backs; €300 million buy-back program started in January (51% executed)

1) Subject to final number of shares bought back under current share buy-back programme

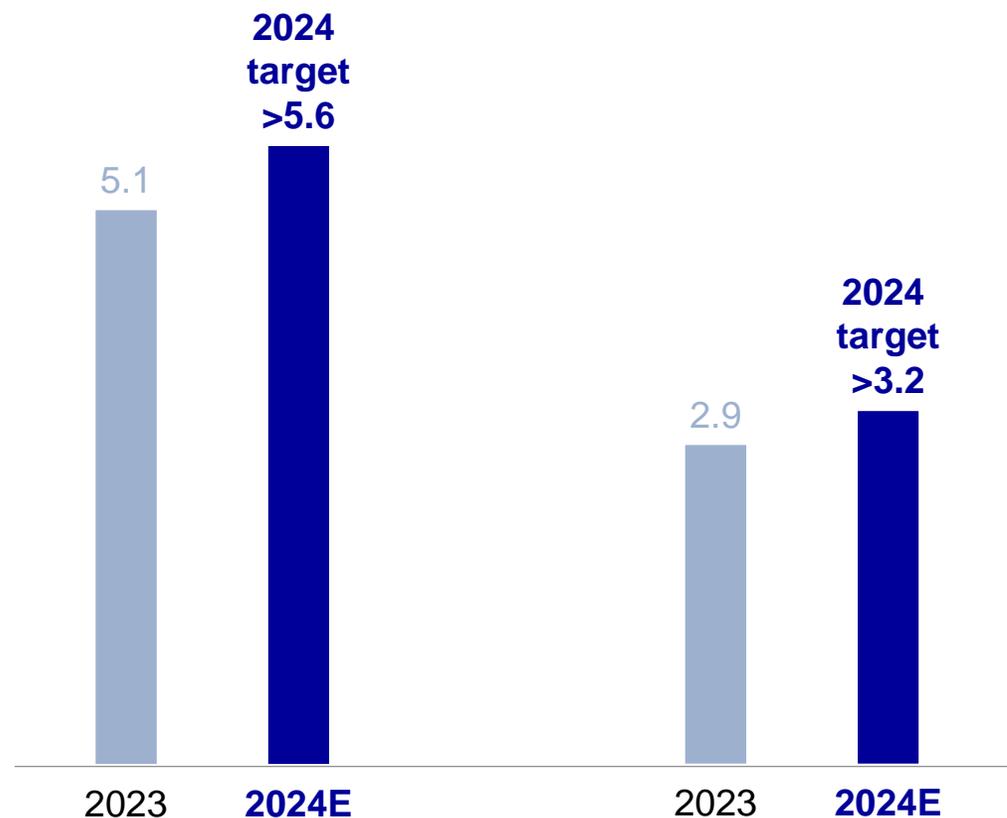
Appendix

Outlook

FY/2024

Net revenue | €bn

EBITDA | €bn



- In addition to **organic growth based on secular growth** opportunities, the **consolidation of SimCorp** will make a significant contribution (net revenue of ~€600 million and EBITDA pre synergies of ~€200 million in 2024)
- We currently **expect slight cyclical headwinds** from a small decline of interest rates in the US; stable interest rates and/or higher market volatility would be upside to our expectations
- Due to investments in growth, we expect an **increase of organic operating costs of ~5%** in 2024; in addition, total operating costs in 2024 include the consolidation of SimCorp and costs to achieve synergies (~€50 million)



Income statement – group level

Income statement €m	Q4/23	Q4/22	Change %
Sales revenue	1,491.4	1,186.3	26
Treasury result from banking business	228.7	233.8	-2
Other operating income	13.0	20.1	-35
Total revenue	1,733.1	1,440.2	20
Volume-related costs	-296.6	-272.2	9
Net revenue	1,436.5	1,168.0	23
Staff costs	-452.1	-321.1	41
Other operating expenses	-236.6	-216.7	9
Operating costs	-688.7	-537.8	28
Result from financial investments	6.6	-19.2	-134
Earnings before interest, tax, depreciation and amortisation (EBITDA)	754.4	611.0	23
Depreciation, amortisation and impairment losses	-125.4	-97.0	29
Earnings before interest and tax (EBIT)	629.0	514.0	22
Financial result	-43.6	-7.9	452
Earnings before tax (EBT)	585.4	506.1	16
Income tax expense and other tax	-158.0	-127.2	24
Net profit for the period	427.4	378.9	13
thereof attributable to Deutsche Börse shareholders	407.2	359.2	13
thereof attributable to non-controlling interests	20.2	19.7	3
Earnings per share (basic) (€)	2.20	1.96	12
Earnings per share before purchase price allocations (Cash EPS) (€)	2.39	2.08	15

Detailed income statement – Investment Management Solutions

Income statement				Volume			Revenue per volume		
	Q4/23 €m	Q4/22 €m	Change %	Unit	Volume	Change %	Unit	RPV	Change %
Net revenue	366.7	185.1	98						
Software Solutions	222.5	20.2	1,001	ARR (€m)	519	14			
On-premises	126.6	0.0							
SaaS (incl. Analytics)	49.8	20.2	147						
Other	46.1	0.0							
ESG & Index	144.2	164.9	-13						
ESG	60.7	64.1	-5						
Index ¹	54.6	69.3	-21	AuM (€bn)	106	8			
Other ²	28.9	31.5	-8	Contracts (m)	188	-6			
Operating costs	-242.4	-101.9	138						
Result from financial investments	4.0	-10.0	-140						
EBITDA	128.3	73.2	75						

1) Incl. ETF, exchange licences and other licences

2) ISS non-ESG business

Detailed income statement – Trading & Clearing

	Income statement			Volume			Revenue per volume		
	Q4/23 €m	Q4/22 €m	Change %	Unit	Volume	Change %	Unit	RPV	Change %
Net revenue	582.4	540.2	8						
Financial derivatives	312.0	295.8	5						
Equities ¹	108.3	104.3	4	Contracts (m)	281	0	€/contract	0.385	3
Interest rates ²	100.1	88.5	13	Contracts (m)	212	34	€/contract	0.473	-15
Margin fees	23.0	35.0	-34						
Other ³	80.6	68.0	19						
Commodities	163.3	137.6	19						
Power ⁴	70.6	46.1	53	TWh	2,555	80	€/TWh	0.028	-15
Gas	29.2	25.7	14	TWh	1,950	4	€/TWh	0.015	9
Other	63.5	65.8	-3						
Cash equities	71.9	72.8	-1						
Trading	29.8	32.4	-8	Order book (€bn)	297	-3	bps	0.100	-6
Other ⁵	42.1	40.4	4						
Foreign exchange ⁶	35.2	34.0	4	ADV (€bn)	130	4	bps	0.271	-1
Operating costs	-268.9	-266.8	1						
Result from financial investments	7.9	-8.3	-195						
EBITDA	321.4	265.1	21						

1) Incl. index and equity derivatives

2) Incl. interest rate derivatives and OTC clearing

3) Incl. Eurex data and Eurex other

4) Incl. power spot and power derivatives

5) Incl. Xetra data, listing and Xetra other

6) Incl. trading and 360T other

Detailed income statement – Fund Services

Income statement				Volume			Revenue per volume		
	Q4/23 €m	Q4/22 €m	Change %	Unit	Volume	Change %	Unit	RPV	Change %
Net revenue	115.9	95.9	21						
Fund processing ¹	56.1	51.8	8	AuC (€bn)	3,304	5	bps p.a.	0.679	3
Fund distribution	21.3	24.4	-13						
Other	38.5	19.7	95						
Operating costs	-59.0	-55.1	7						
Result from financial investments	0.0	-0.2	-100						
EBITDA	56.9	40.6	40						

1) Incl. custody and settlement

Detailed income statement – Securities Services

Income statement				Volume			Revenue per volume		
	Q4/23 €m	Q4/22 €m	Change %	Unit	Volume	Change %	Unit	RPV	Change %
Net revenue	371.5	346.8	7						
Custody ¹	152.6	147.6	3	AuC (€bn)	14,467	7	bps p.a.	0.422	-4
Settlement	28.9	25.8	12	Transactions (m)	19.7	8	€	1.468	4
Net interest income from banking business	157.0	138.9	13	Cash balances (€m)	15,895	-12	% p.a.	3.951	28
Other ²	33.0	34.5	-4						
Operating costs	-118.4	-114.0	4						
Result from financial investments	-5.3	-0.7	657						
EBITDA	247.8	232.1	7						

1) Incl. custody and collateral management

2) Incl. third party services and Clearstream other

Financial calendar and contact details

Financial calendar

21 February 2024	BofA US Financials Conference (Miami)
5 March 2024	RBC Global Financials Conference (New York)
14 March 2024	Morgan Stanley European Financials Conference (London)
23 April 2024	Publication quarterly statement Q1/2024
24 April 2024	Analyst and investor conference call Q1/2024
14 May 2024	Annual General Meeting
15 May 2024	Redburn Canada Conference (Toronto)
22 May 2024	Berenberg European Conference (New York)
23 May 2024	dbAccess European Champions Conference (Frankfurt)
4 June 2024	BNP Paribas Exane CEO Conference (Paris)
5 June 2024	Goldman Sachs European Financials Conference (Madrid)
24 July 2024	Publication half-yearly financial report 2024
25 July 2024	Analyst and investor conference call Q2/2024
22 October 2024	Publication quarterly statement Q3/2024
23 October 2024	Analyst and investor conference call Q3/2024

Deutsche Börse AG
Investor Relations
Mergenthalerallee 61
65760 Eschborn
Germany

Phone: +49 69 211 11670

Fax: +49 69 211 14608

E-Mail: ir@deutsche-boerse.com

www.deutsche-boerse.com/ir_e

[Click here for full financial calendar](#)