

Q1/2020

Financial results

Analyst and Investor Conference Call
30 April 2020



DEUTSCHE BÖRSE
GROUP

Summary Q1/2020 financial results

Strong net revenue growth in Q1/2020 to €915 million (+27%) mainly driven by exceptionally high volatility; secular growth initiatives continued positive contribution as planned (+8%).

27%

net revenue growth

Adjusted net profit increased by 33% to €387 million and the adjusted EPS amounted to €2.11.

33%

net profit growth (adj.)

Virtual AGM will take place on 19 May 2020; increase of 2019 dividend per share by 7% to €2.90 proposed (48% pay-out).

€2.90

dividend per share (proposed)

Despite strong start to the year, guidance for 2020 remains unchanged (~€1.20 billion adjusted net profit); this is mainly reflecting expected declines in some business areas over the course of the year (e.g. NII).

~€1.20bn

net profit guidance FY/20 (adj.)

Streamlining of segment reporting (from 9 to 7) to further increase transparency regarding the Group's secular growth areas.

7 segments

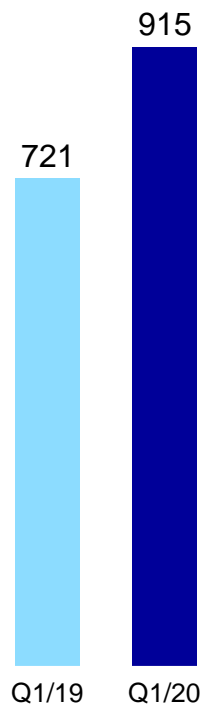
reclassification of Data & GSF

Group financials

Q1/2020 (€m)

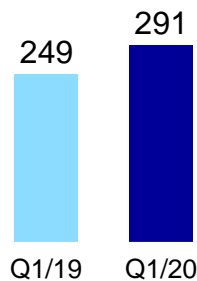
Net revenue

↗ +27%
↗ +24% (organic)
↗ + 8% (secular)



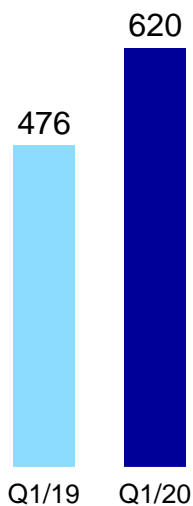
Operating cost

↗ +17%
↗ +10% (organic)



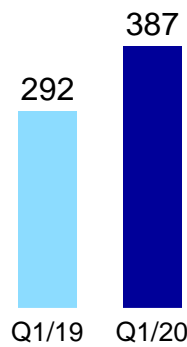
EBITDA

↗ +30%
↗ +29% (organic)



Net profit

↗ +33%
↗ +36% (organic)



Note

Net interest income	€68m +9%
Exceptional cost items	€27m
Depreciation (adj.)	€62m +17%
Financial result	-€17m
Tax rate	26%
EPS (adj.)	€2.11 +33%

Note: Adjusted for exceptional items.

New segment reporting as of Q1/2020

	Old segment reporting	New segment reporting	Major secular drivers	Note
Pre-trading	Qontigo	Qontigo (index and analytics)	<ul style="list-style-type: none"> Trend towards passive Demand for analytics 	New segment reporting further increases focus on segments with greatest secular growth opportunities.
	Data			
Trading & clearing	Eurex	Eurex (financial derivatives)	<ul style="list-style-type: none"> OTC to on-exchange New products 	Trading data (Data segment) is allocated to the source of the data, Eurex and Xetra.
	EEX	EEX (commodities)	<ul style="list-style-type: none"> OTC to on-exchange New products 	
	360T	360T (foreign exchange)	<ul style="list-style-type: none"> OTC to on-exchange New clients 	
	Xetra	Xetra (cash equities)	<ul style="list-style-type: none"> Market share 	
Post-trading	Clearstream	Clearstream (post-trading)	<ul style="list-style-type: none"> Market share 	New Qontigo segment (Axioma + STOXX) is the Group's platform for advanced data and analytics.
	IFS	IFS (investment fund services)	<ul style="list-style-type: none"> Market share New clients 	
	GSF			

Note

New segment reporting further increases focus on segments with greatest secular growth opportunities.

Trading data (Data segment) is allocated to the source of the data, Eurex and Xetra.

New Qontigo segment (Axioma + STOXX) is the Group's platform for advanced data and analytics.

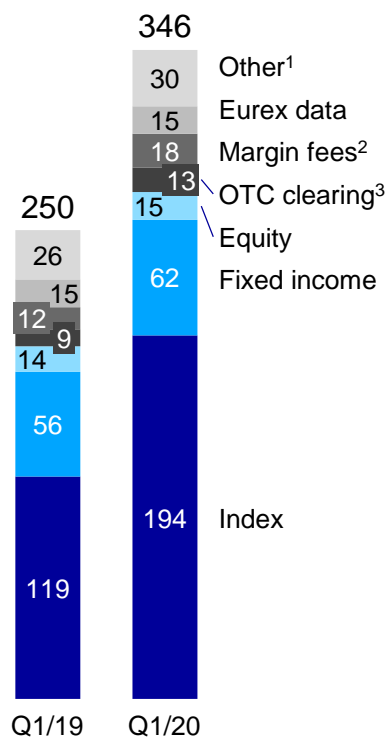
Collateral management (GSF segment) fully reintegrated in Clearstream segment.

Eurex (financial derivatives)

Q1/2020 (€m)

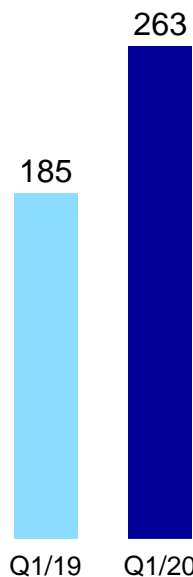
Net revenue

↗ +38%



EBITDA

↗ +42%



Business activity

Total derivatives contracts	631m +28%
Index derivatives contracts	381m +58%
Interest rate derivatives contracts	161m +10%
Equity derivatives contracts	86m -17%
OTC notional outstanding (avg.)	€17.6tr +49%
OTC notional cleared	€9.2tr +14%

Note: EBITDA adjusted for exceptional items.

1) Including net revenue from connectivity and member fees.

2) Including NII and securities collateral fee.

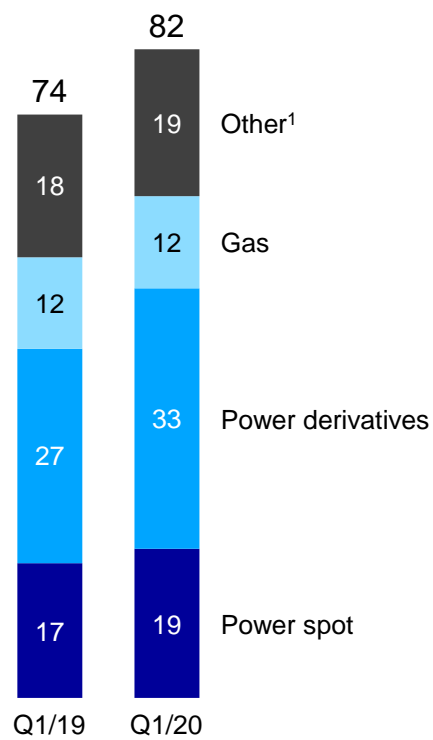
3) Including margin fees on OTC clearing related collateral.

EEX (commodities)

Q1/2020 (€m)

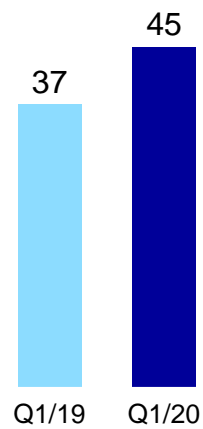
Net revenue

↗ +11%



EBITDA

↗ +20%



Business activity

Power spot	161 TWh +5%
Power derivatives	1,804 TWh +26%
Gas	761 TWh +30%

Note: EBITDA adjusted for exceptional items.

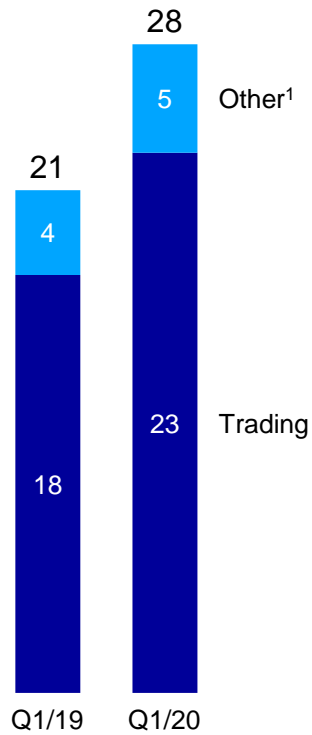
1) Including net revenue from connectivity, member fees and emission allowances.

360T (foreign exchange)

Q1/2020 (€m)

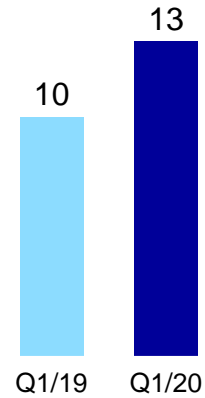
Net revenue

↗ +29%



EBITDA

↗ +31%



Business activity

Average daily
volumes

€95bn
+25%

Note: EBITDA adjusted for exceptional items.

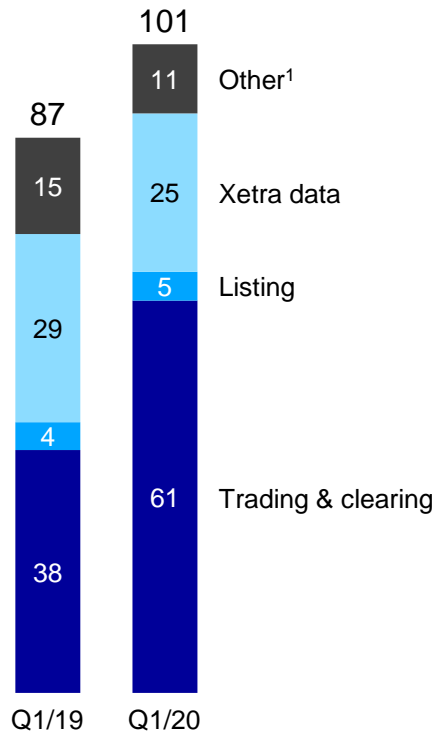
1) Including net revenue from connectivity and member fees.

Xetra (cash equities)

Q1/2020 (€m)

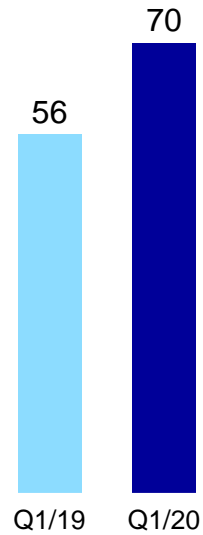
Net revenue

↗ +17%



EBITDA

↗ +25%



Business activity

Order book volume²
Equities | €551bn
+64%

Order book volume²
ETF, ETC, ETN | €78bn
+130%

Note: EBITDA adjusted for exceptional items.

1) Including net revenue from connectivity.

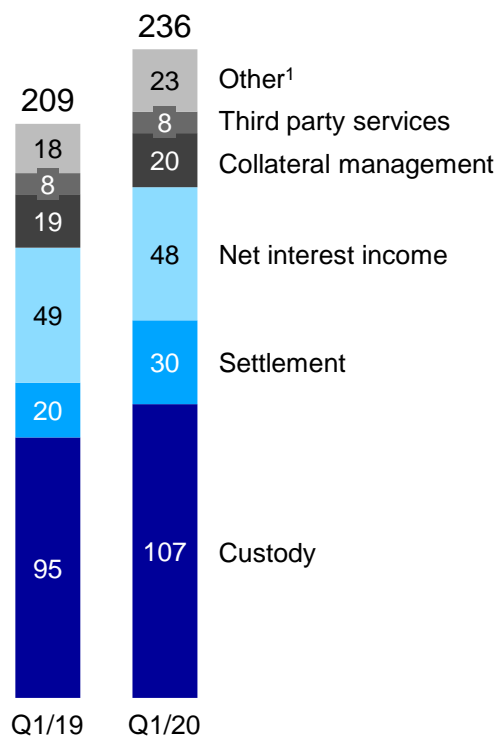
2) Xetra, Börse Frankfurt and Tradegate.

Clearstream (post-trading)

Q1/2020 (€m)

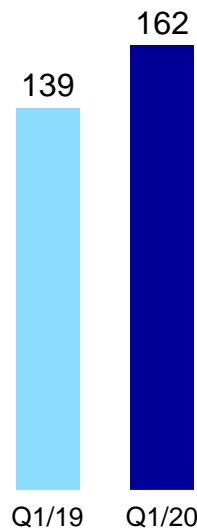
Net revenue

↗ +13%



EBITDA

↗ +16%



Business activity

Assets under custody	€11.8tr +4%
Settlement transactions (ICSD)	18.3m +37%
Cash balances total volume	€19.4bn +27%
t/o US dollars	€10.1bn +35%
Collateral outstandings	€504bn +16%

Note: EBITDA adjusted for exceptional items.

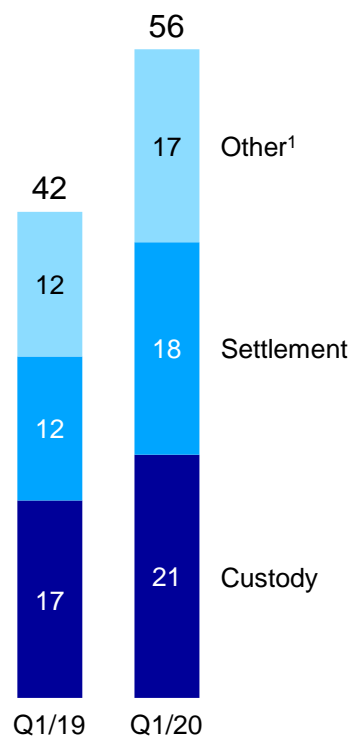
1) Including net revenue from connectivity, account services and reporting.

IFS (investment fund services)

Q1/2020 (€m)

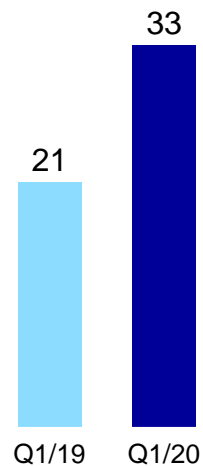
Net revenue

↗ +33%
↗ +28% (organic)



EBITDA

↗ +56%
↗ +54% (organic)



Business activity

Assets under custody	€2.7tr +12%
Settlement transactions	10.8m +69%

Note: EBITDA adjusted for exceptional items.

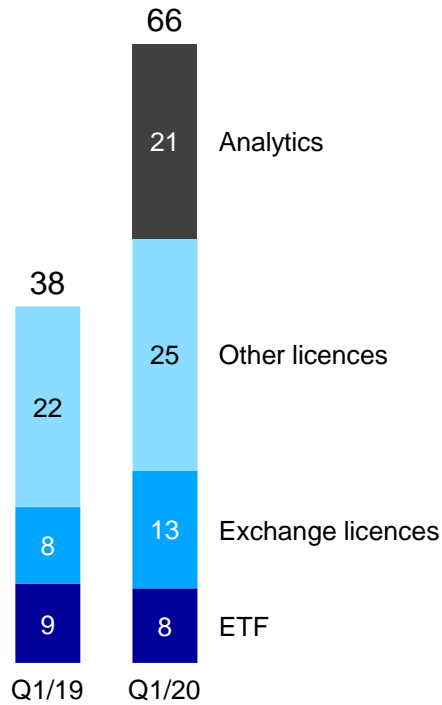
1) Including net revenue from connectivity, order routing, Clearstream Fund Desk and Ausmaq.

Qontigo (index and analytics business)

Q1/2020 (€m)

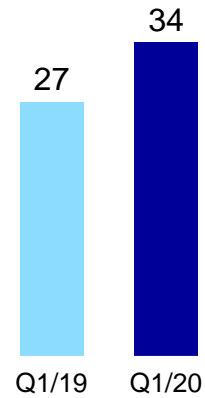
Net revenue

⬆ +73%
⬆ +20% (organic)



EBITDA

⬆ +23%
⬆ +13% (organic)



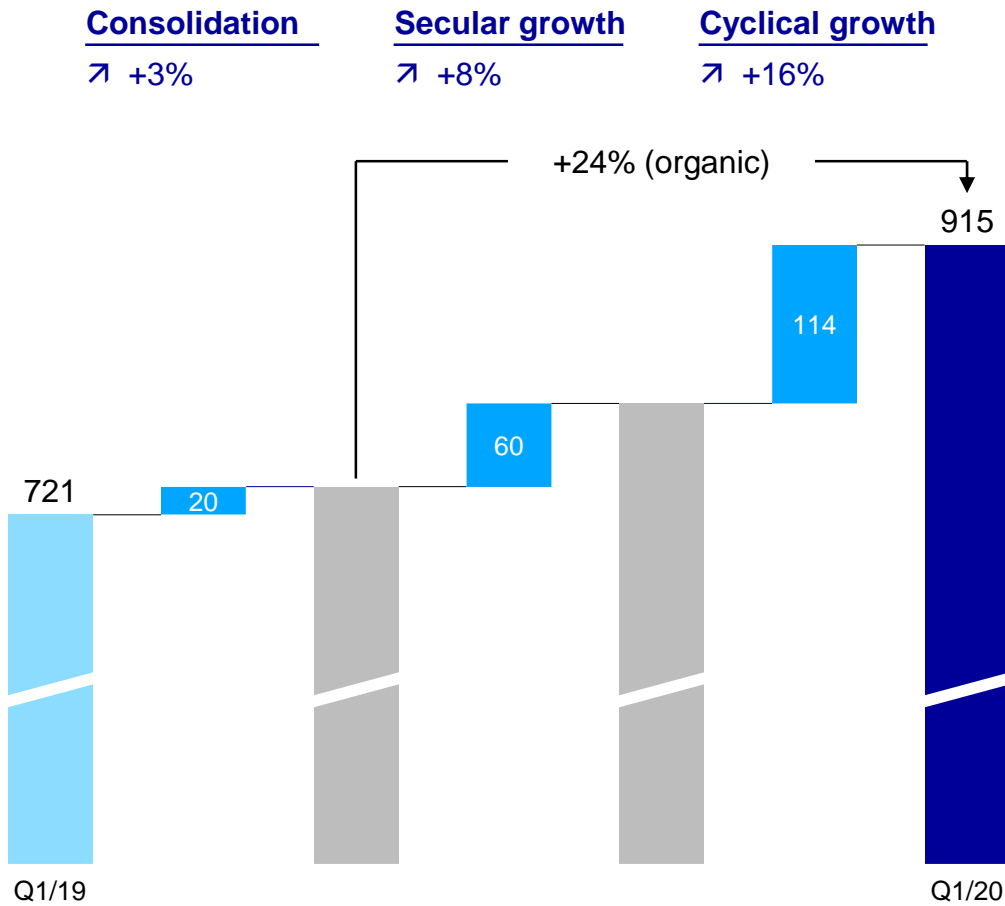
Note: EBITDA adjusted for exceptional items.

Business activity

ETF assets under management	€87bn -10%
Exchange licenses traded contracts	354m +60%

Secular growth trend remained intact

Q1/2020 (€m)



Note

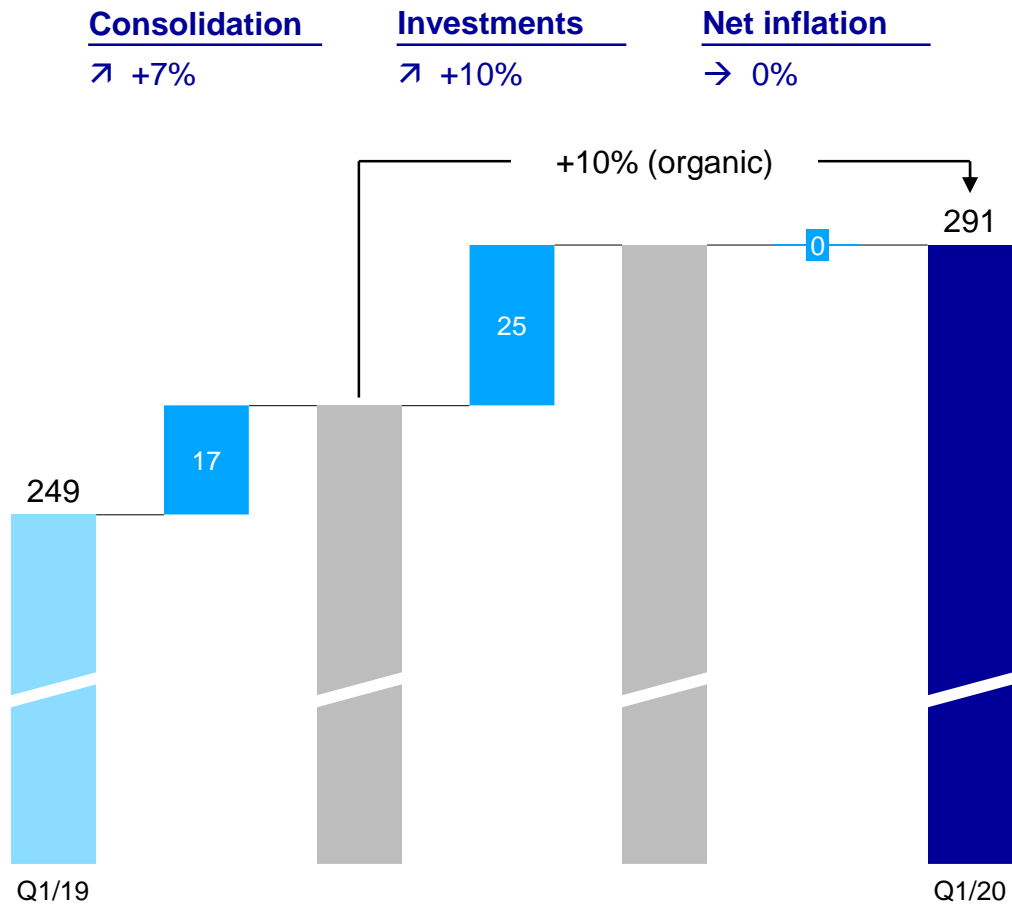
Consolidation effects mainly driven by Qontigo (Axioma) and a small contribution from IFS (Ausmaq).

All segments with positive secular growth contribution; very good progress at Eurex, 360T, IFS and Qontigo.

Cyclical growth mainly driven by exceptionally high volatility due to the Corona situation.

Operating cost development

Q1/2020 (€m)



Note: Adjusted for exceptional items.

Note

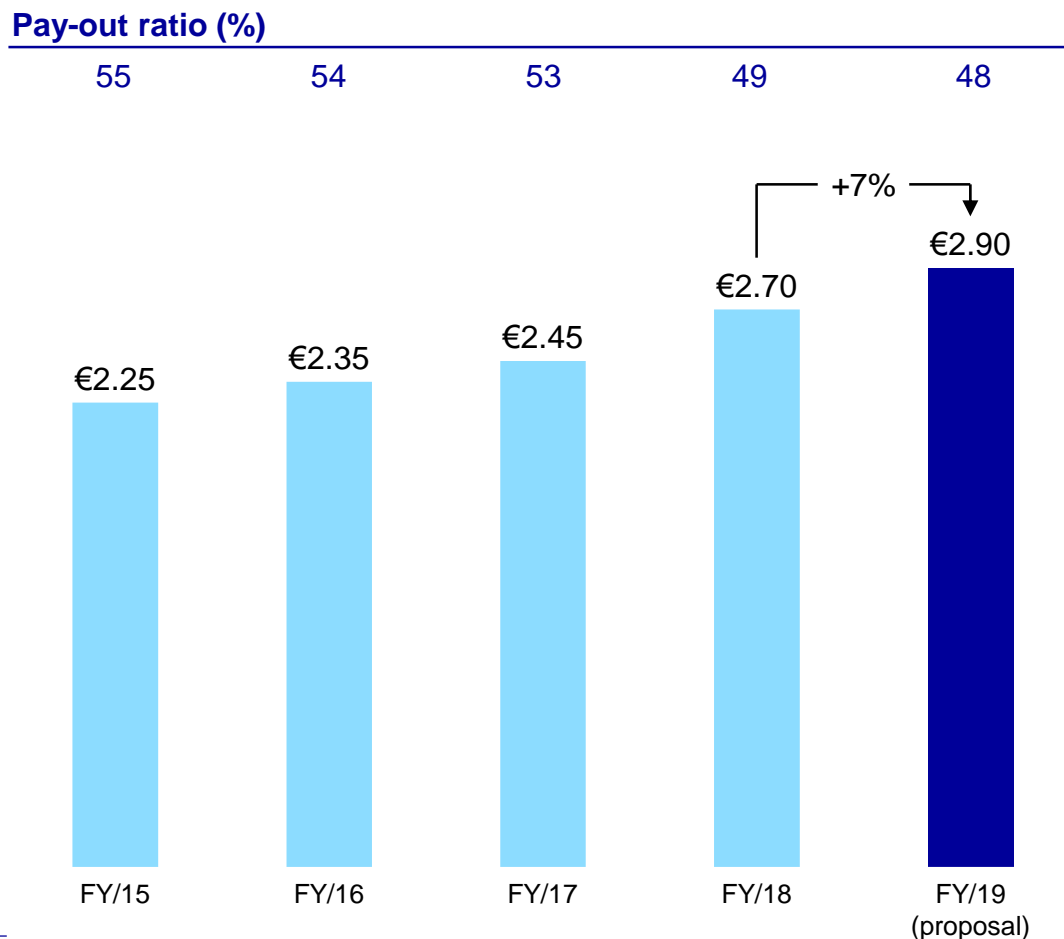
Consolidation effects mainly driven by Qontigo (Axioma) and a small contribution from IFS (Ausmaq).

Higher investments in growth and technology, increase in personnel, as well as additional operating costs due to Corona situation.

Inflationary pressures off-set by increase of operating efficiency.

Dividend per share and pay-out

FY/2019



Note: Adjusted for exceptional items.

Note

Virtual AGM will take place on 19 May 2020 – dividend of €2.90 proposed.

Deutsche Börse generally aims to distribute 40-60% of adjusted annual net profit to shareholders in form of the regular dividend.

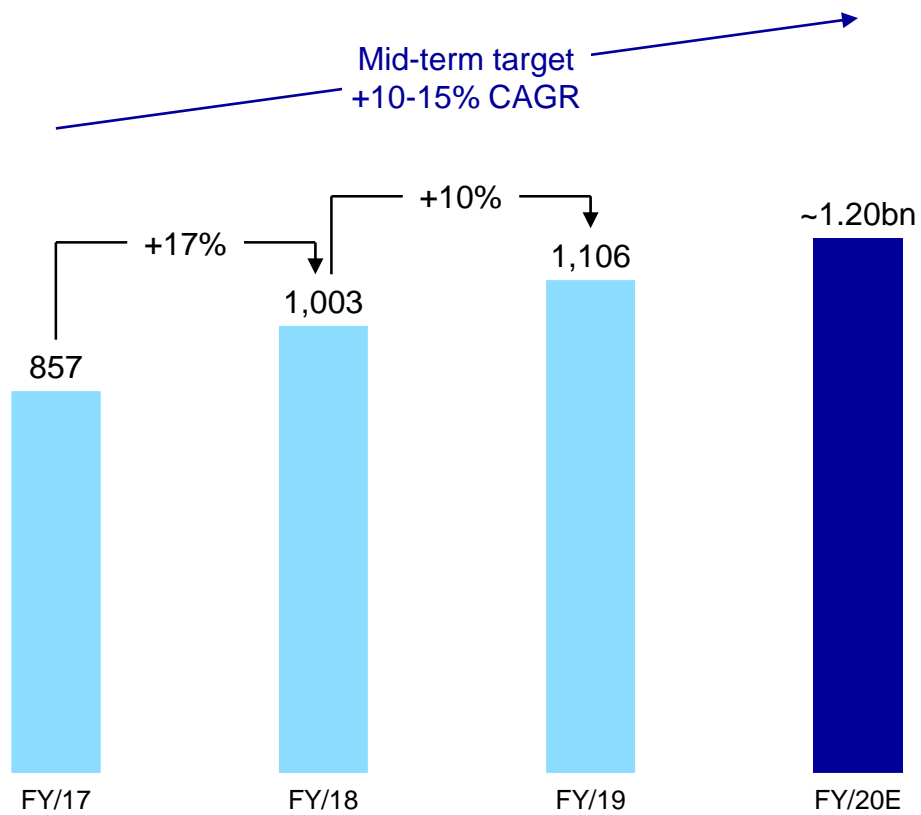
Within the 40-60% range, pay-out mainly depends on the business development and dividend continuity considerations.

Remaining free cash is planned to be reinvested into the business to support the Group's M&A strategy.

Outlook

FY/2020 (€m)

Net profit guidance



Note: Adjusted for exceptional items.

Note

Guidance for 2020 remains unchanged; strong start to the year expected to be off-set by cyclical headwinds in Q2-4/20 (e.g. NII).

For FY/2020 Deutsche Börse expects:

- Continued secular net revenue growth of at least 5% and

- around €1.20 billion adjusted net profit.

Appendix

Income statement – group level adjusted

(in €m)	Quarter ended 31 March 2020	Quarter ended 31 March 2019
Sales revenue	959.2	748.5
Net interest income from banking business	67.6	62.0
Other operating income	3.6	1.7
Total revenue	1,030.4	812.2
Volume-related costs	-115.6	-91.4
Net revenue	914.8	720.8
Staff costs	-191.3	-163.5
Other operating expenses	-99.8	-85.1
Operating costs	-291.1	-248.6
Net income from strategic investments	-3.9	3.3
Earnings before interest, tax, depreciation and amortization (EBITDA)	619.8	475.5
Depreciation, amortization and impairment losses	-61.7	-52.9
Earnings before interest and tax (EBIT)	558.1	422.6
Financial result	-16.5	-16.9
Earnings before tax (EBT)	541.6	405.7
Income tax expense and other tax	-140.8	-105.4
Net profit for the period	400.8	300.3
thereof attributable to Deutsche Börse shareholders	387.4	291.9
thereof attributable to non-controlling interests	13.4	8.4
Earnings per share (basic) (€)	2.11	1.59

Income statement – group level reported

(in €m)	Quarter ended 31 March 2020	Quarter ended 31 March 2019
Sales revenue	959.2	748.5
Net interest income from banking business	67.6	62.0
Other operating income	3.6	1.7
Total revenue	1,030.4	812.2
Volume-related costs	-115.6	-91.4
Net revenue	914.8	720.8
Staff costs	-196.1	-177.1
Other operating expenses	-122.3	-96.1
Operating costs	-318.4	-273.2
Net income from strategic investments	-3.9	3.3
Earnings before interest, tax, depreciation and amortization (EBITDA)	592.5	450.9
Depreciation, amortization and impairment losses	-62.0	-53.1
Earnings before interest and tax (EBIT)	530.5	397.8
Financial result	-16.5	-16.9
Earnings before tax (EBT)	514.0	380.9
Income tax expense and other tax	-133.4	-97.3
Net profit for the period	380.6	283.6
thereof attributable to Deutsche Börse shareholders	367.2	275.2
thereof attributable to non-controlling interests	13.4	8.4
Earnings per share (basic) (€)	2.00	1.50

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(in €m)	Q1/20	Q1/19	Q1/20	Q1/19	Q1/20	Q1/19	Q1/20	Q1/19
Net revenue	346.3	250.3	81.8	73.6	27.6	21.4	101.4	86.8
Staff costs adj.	-46.0	-40.9	-23.2	-20.1	-10.5	-7.9	-21.5	-21.1
Other operating expenses adj.	-32.6	-27.3	-13.5	-16.0	-3.7	-3.3	-11.0	-10.2
Operating costs adj.	-78.6	-68.2	-36.7	-36.1	-14.2	-11.2	-32.5	-31.3
Operating costs reported	-83.5	-74.5	-42.6	-38.7	-14.8	-12.9	-34.4	-34.5
Result from equity investments	-4.8	2.5	-0.1	-0.1	0.0	0.0	1.5	0.6
EBITDA adj.	262.9	184.6	45.0	37.4	13.4	10.2	70.4	56.1

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		Qontigo (index and analytics business)	
(in €m)	Q1/20	Q1/19	Q1/20	Q1/19	Q1/20	Q1/19
Net revenue	235.7	208.7	55.6	41.7	66.4	38.3
Staff costs adj.	-51.0	-51.2	-16.8	-15.5	-22.3	-6.8
Other operating expenses adj.	-22.5	-18.9	-6.1	-5.2	-10.4	-4.2
Operating costs adj.	-73.5	-70.1	-22.9	-20.7	-32.7	-11.0
Operating costs reported	-80.3	-75.1	-26.6	-23.7	-36.2	-13.8
Result from equity investments	-0.5	0.3	0.0	0.0	0.0	0.0
EBITDA adj.	161.7	138.9	32.7	21.0	33.7	27.3

Financial calendar and contact details

Financial calendar

19 May 2020	Annual General Meeting (Frankfurt)
26 May 2020	Deutsche Bank's 10th Annual Global Financial Services Conference
27 May 2020	UBS Best of Europe 1on1 Conference
29 May 2020	Jefferies Virtual Structural Winners Conference
3 Jun 2020	Piper Sandler Global Exchange & Brokerage Conference
4 Jun 2020	Deutsche Bank dbAccess Berlin Conference
10 Jun 2020	Goldman Sachs European Financials Conference
29 Jul 2020	Publication half-yearly financial report 2020
30 Jul 2020	Analyst and investor conference call Q2/2020

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