

Q2/2021

Financial results

Analyst and Investor Conference Call
28 July 2021



DEUTSCHE BÖRSE
GROUP

With Compass 2023 we target continued secular growth and an increased M&A contribution

Compass 2023

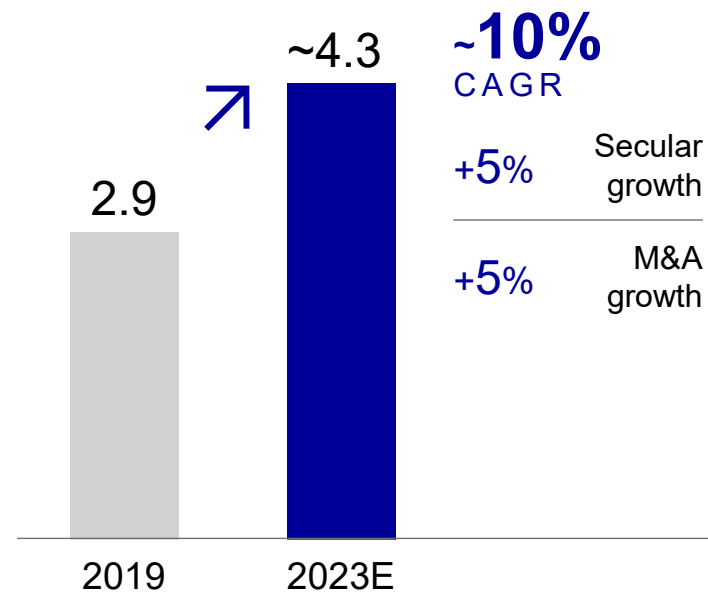
CONTINUED
SECULAR GROWTH



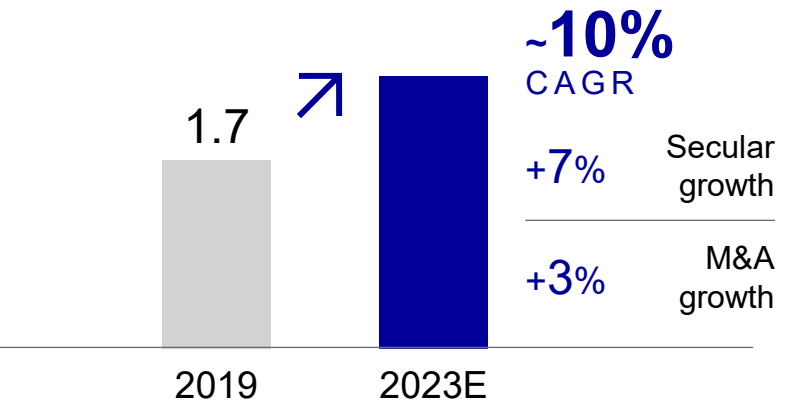
INCREASED
M&A CONTRIBUTION



Net revenue | €bn



EBITDA | €bn



- **Continuous improvement** will be a key measure to **capture efficiencies** and ensure **scalability** of the core business.
- While the **overall EBITDA margin** is expected to be **broadly stable**, the **organic EBITDA margin** is **expected to increase** from ~57% in 2019 to ~61% in 2023.

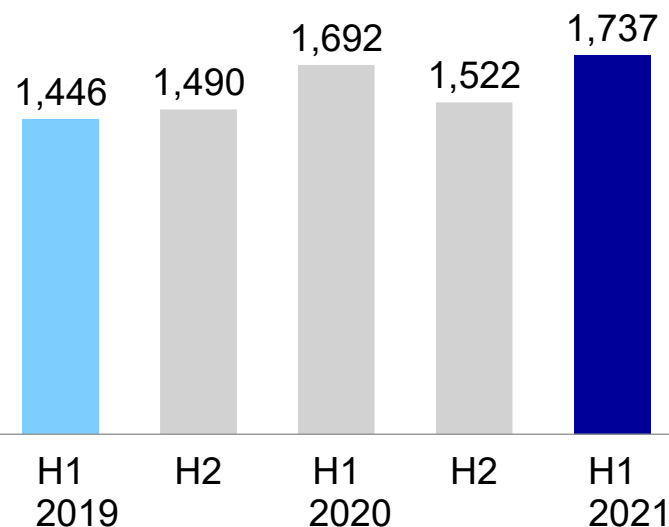
We have made good progress on our targets

Net revenue | €m

+10%
CAGR
(H1/21 vs. H1/19)



Ø 1,468 Ø 1,607

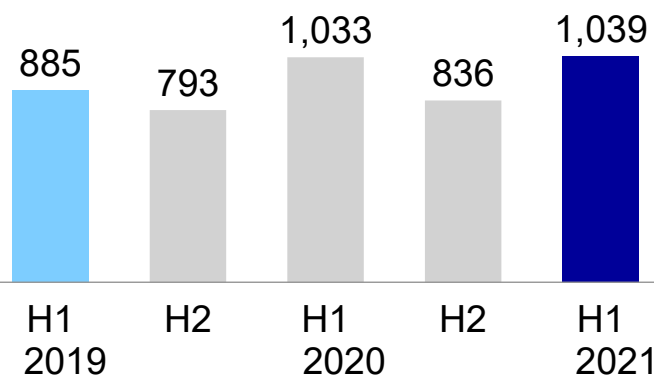


EBITDA | €m

+8%
CAGR
(H1/21 vs. H1/19)



Ø 839 Ø 935

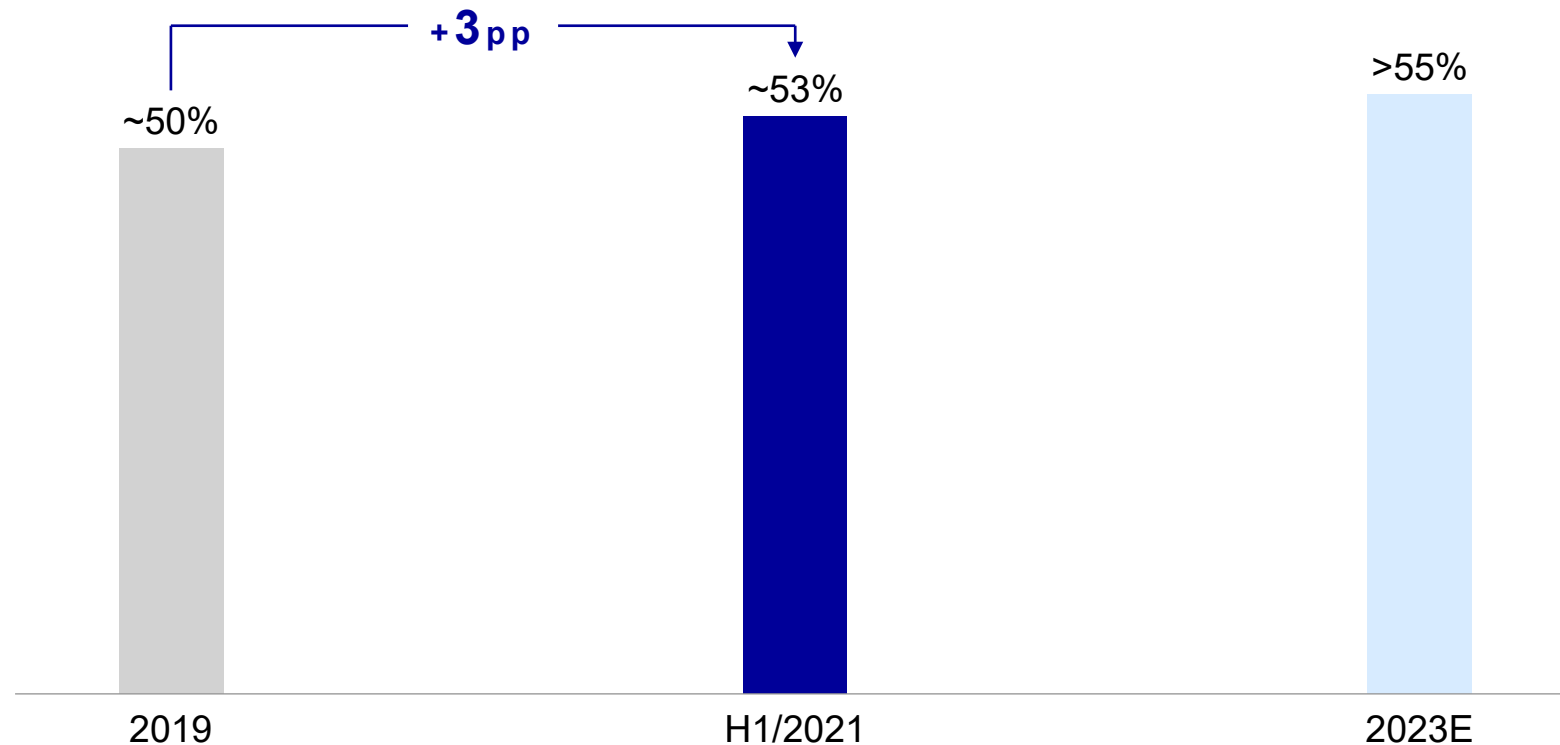


Note

- H1/2021 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 benefited from prudent management of operating costs due to cyclical headwinds and further productivity increases through the continuous improvement program.

Part of our strategy is to achieve an increasing share of recurring net revenue

Share of recurring net revenue

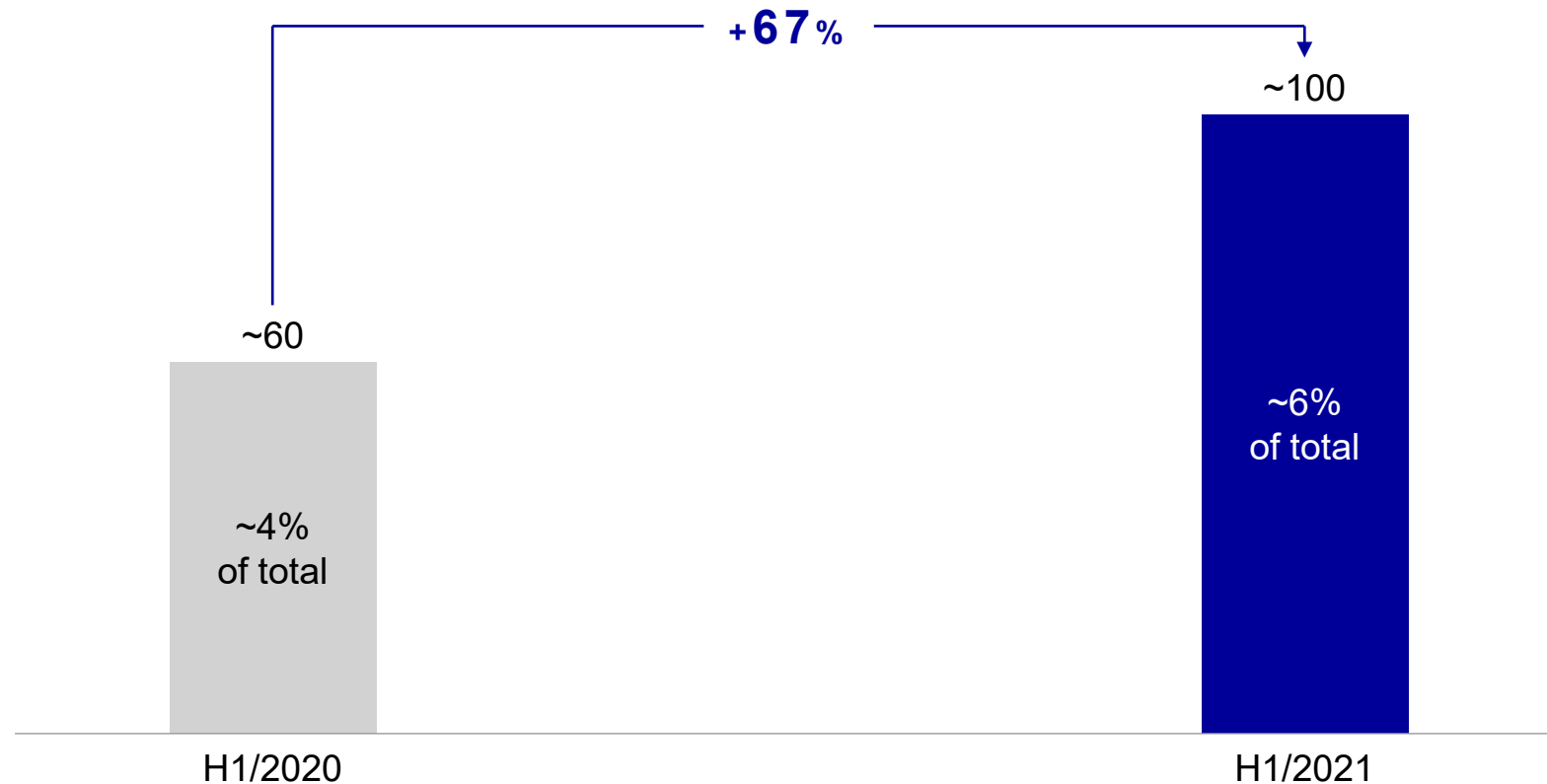


Note

- Recurring net revenue includes: fixed fees, asset based fees, subscription fees and licence fees.
- Mainly driven by acquisitions (Axioma, Fund Centre and ISS), the share of recurring net revenue has steadily increased since 2019.
- Until 2023 a further increase to levels of more than 55% is expected.
- While the transaction related net revenue can be more volatile, it also includes secular growth components (e.g. product innovation at Eurex, trend towards renewables at EEX and the OTC opportunity at 360T).

With the ISS acquisition we increased the share of ESG related net revenue significantly

ESG related net revenue | €m



Note

- ESG related net revenue along the value chain includes contribution from: **Qontigo** (ESG indices), **ISS** (ESG data, research and ratings; proxy voting), **Eurex** (ESG derivatives), **Xetra**, **IFS** (ESG ETFs), **EEX** (emissions, renewables).
- With its products and services **Deutsche Börse** increasingly **supports** the **transformation** towards a **sustainable economy**.
- Deutsche Börse also aims at improving its **corporate ESG footprint** significantly, e.g. by targeting net zero **carbon neutrality** by **2025**.

With the acquisition of Crypto Finance a further step in our M&A strategy has been achieved



Crypto Finance is an independent **financial group** under **FINMA supervision**, offering institutional clients **brokerage, storage and asset management** services in **digital assets**.



It was identified as **ideal partner** in the current market environment and will form a perfect **digital assets nucleus**, giving Deutsche Börse **exposure** to this new **asset class** on its way to **institutionalisation**.



As part of Deutsche Börse Group, the **business** will be **further scaled**, its **range of services** will be **expanded** and it is intended to be made **accessible** for **existing participants**.



The acquisition of a **2/3 majority** (~€130 million) is scheduled to close in Q4/2021. Crypto Finance is expected to generate **~€20 million net revenue** in 2021 (Xetra segment), with **high double digit growth** and substantial **margin improvement**.

Additional opportunity for value creation through our growing portfolio of minority investments

Selected minority investments

 CLARITY AI ~15%

AI-powered tech platform to analyze 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

Proximity ~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

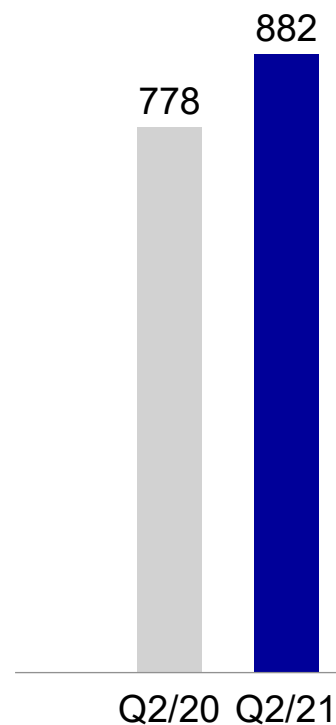
- Minority investment portfolio includes a broad range of attractive businesses along the Deutsche Börse value chain.
- Strategic angles range from joint business development opportunities via access to innovative technology to attractive financial investments.
- Across the venture capital portfolio and other minority investments more than €200 million have been invested (VC portfolio excluding Tradegate with money multiple >2).
- Most investments represent significant “hidden reserves” under IFRS.
- In H1/2021 impact on income statement from Clarity AI (+€10m), Illuminate Fund (+€4m) and 360X (+€2m).

Group financials

Q2/2021

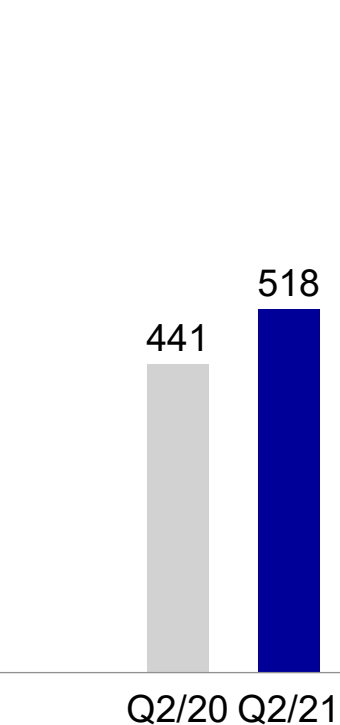
Net revenue | €m

↗ +13%
↗ +4% (organic)



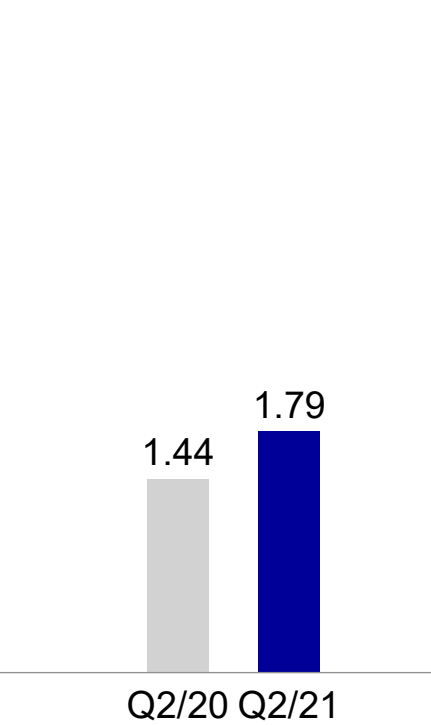
EBITDA | €m

↗ +18%
↗ +13% (organic)



Cash EPS¹ | €

↗ +24%
↗ +19% (organic)



Note

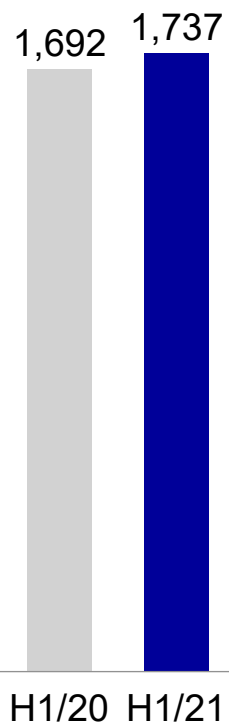
Net interest income	€33m -39%
Operating cost	€383m +12% -2% (organic)
Financial investments	€20m +236%
Depreciation ²	€71m
Financial result	€-11m
Net profit	€311m +21%
EPS	€1.69

Group financials

H1/2021

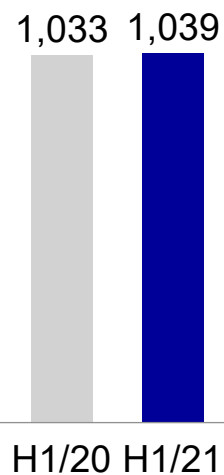
Net revenue | €m

↗ +3%
 ↘ -3% (organic)



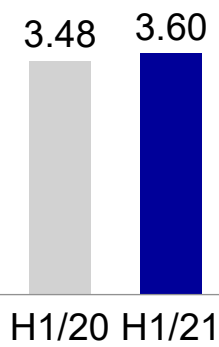
EBITDA | €m

→ +1%
 ↘ -2% (organic)



Cash EPS¹ | €

↗ +3%
 → +0% (organic)

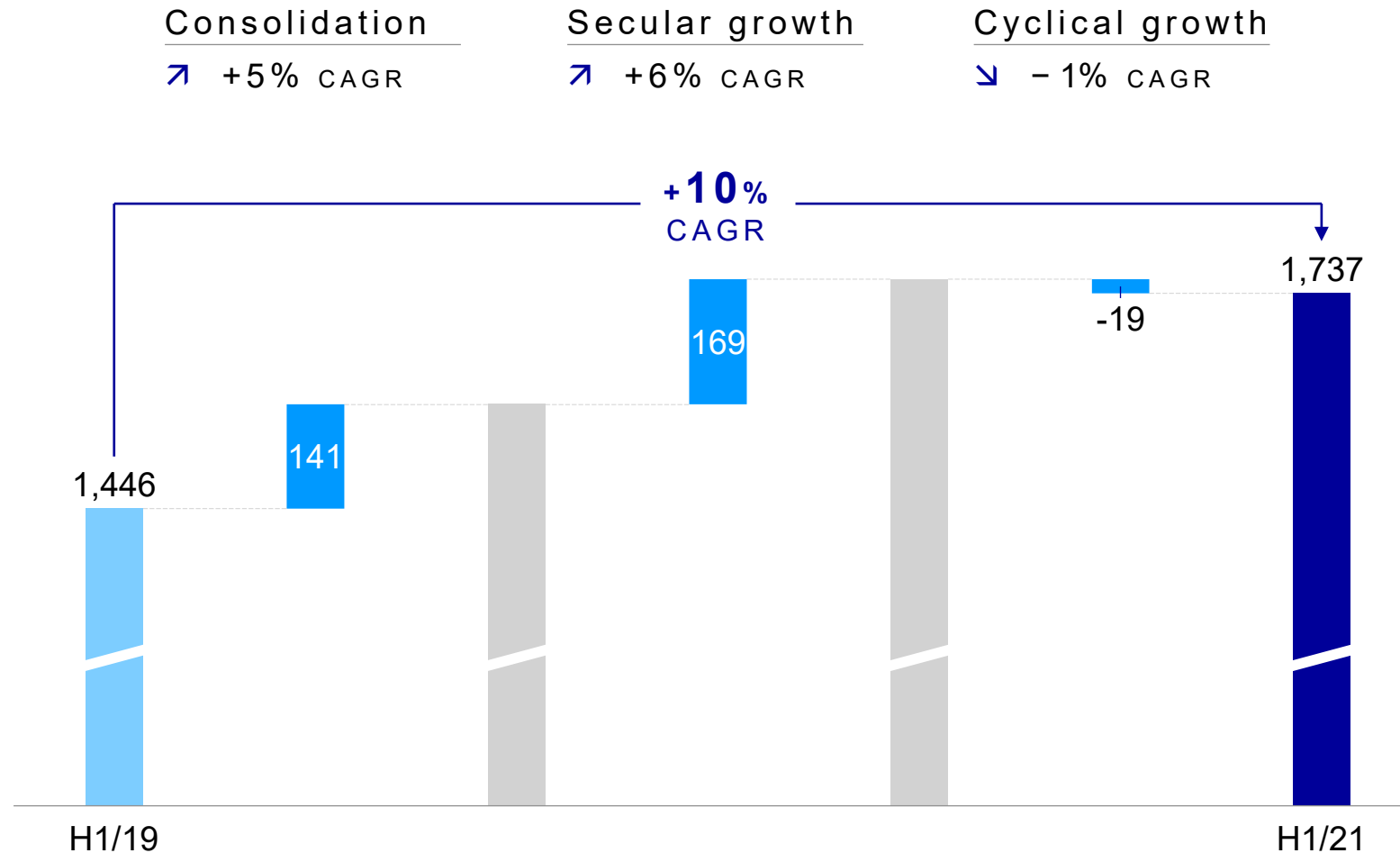


Note

Net interest income	€67m -45%
Operating cost	€730m +10% -1% (organic)
Financial investments	€32m +1589%
Depreciation ²	€133m
Financial result	€-25m
Net profit	€628m +1%
EPS	€3.42

Net revenue development

H1/2021 | €m



Note

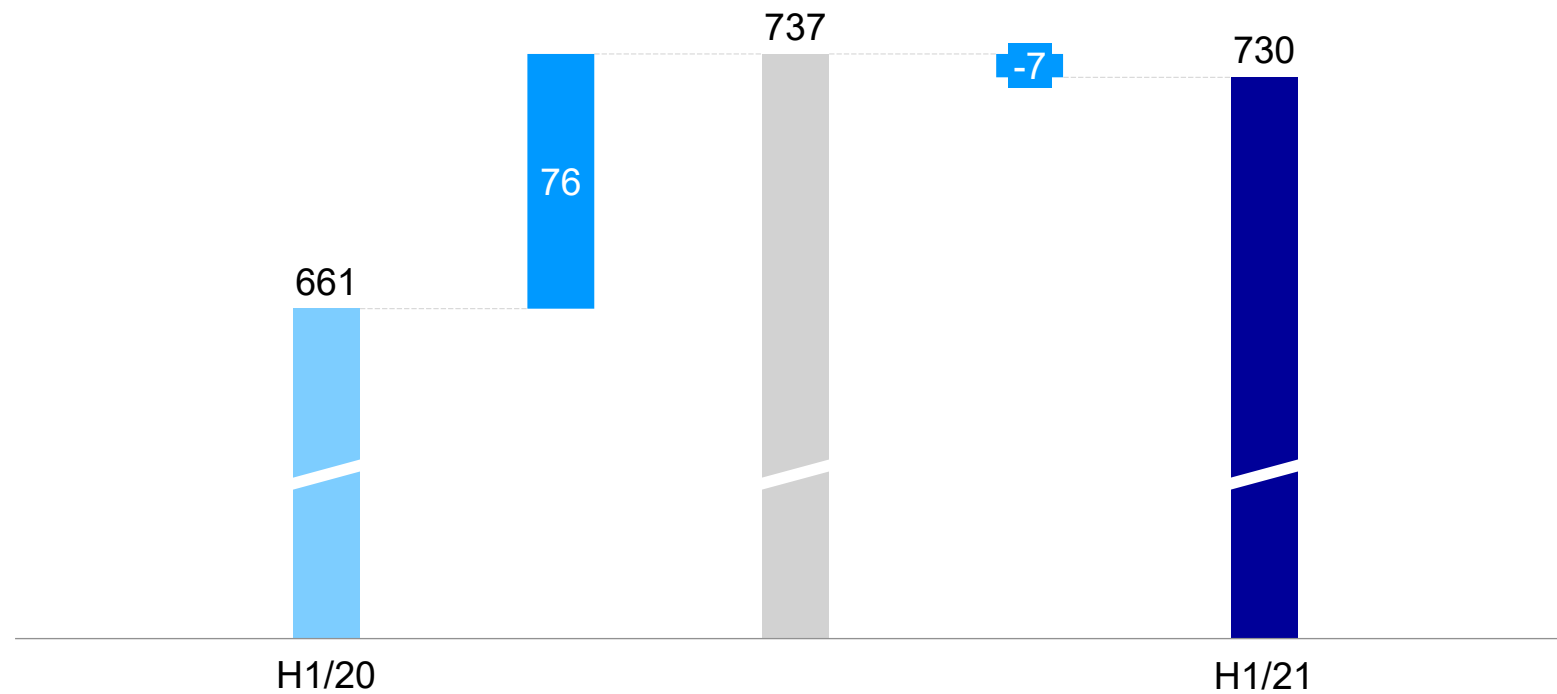
- H1/2021 net revenue growth rate compared to 2019 (Compass 2023 base year) fully in-line with expected growth trajectory.
- Consolidation effects vs. H1/2019 mainly driven by ISS, Axioma (Qontigo), Fund Centre (IFS) and Quantitative Brokers (Eurex).
- All segments with positive secular growth contribution.
- Cyclical decline mainly driven by Clearstream net interest income.

Operating cost development

H1/2021 | €m

Consolidation
↗ +11%

Organic
↘ -1%



Note

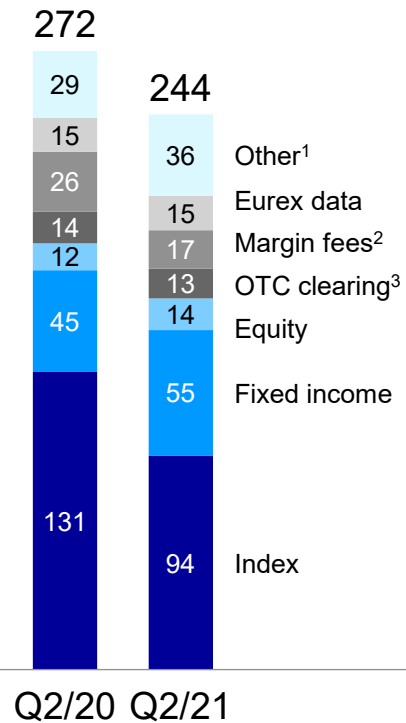
- Consolidation effects driven by ISS, Quantitative Brokers (Eurex) and Fund Centre (IFS).
- Generally, prudent management of operating costs due to cyclical headwinds.

Eurex (financial derivatives)

Q2/2021

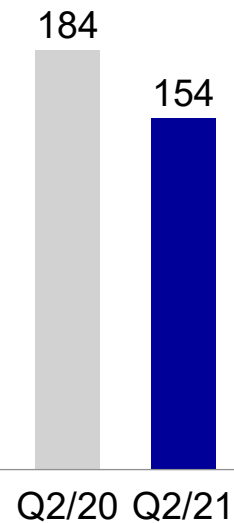
Net revenue | €m

- ↘ -10%
- ↘ -12% (organic)



EBITDA | €m

- ↘ -16%
- ↘ -16% (organic)



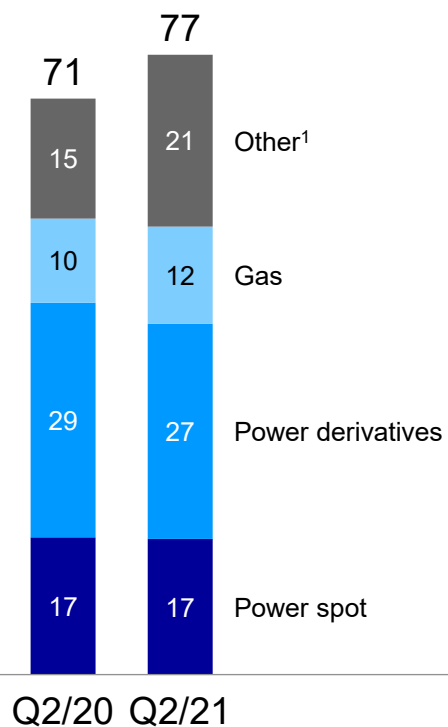
Business activity

Total derivatives	425m -3%
Index derivatives	190m -24%
Fixed income derivatives	148m +26%
Equity derivatives	87m +25%
OTC notional outstanding (avg.)	€22.4tr +21%
OTC notional cleared (incl. compr.)	€9.7tr +7%

EEX (commodities) Q2/2021

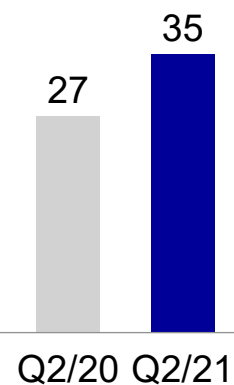
Net revenue | €m

↗ +8%



EBITDA | €m

↗ +29%



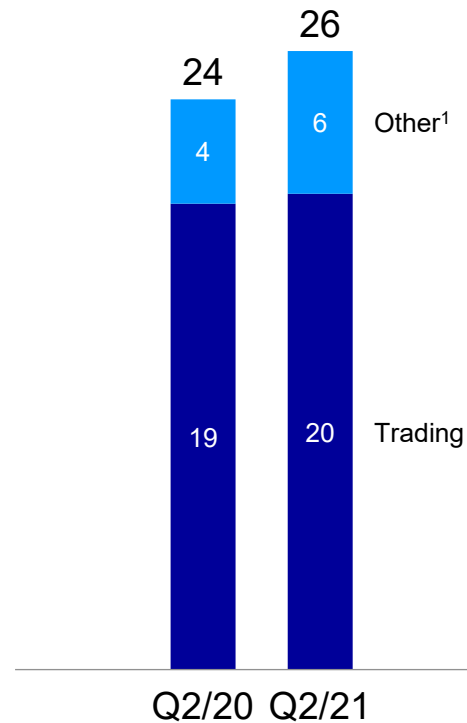
Business activity

Power spot	152 TWh 0%
Power derivatives	1,576 TWh -5%
Gas	624 TWh +6%

360T (foreign exchange) Q2/2021

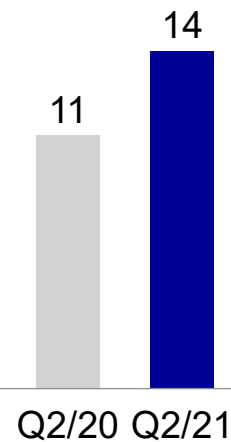
Net revenue | €m

↗ +8%



EBITDA | €m

↗ +33%



Business activity

Average daily volumes (ADV) | €90bn
+11%

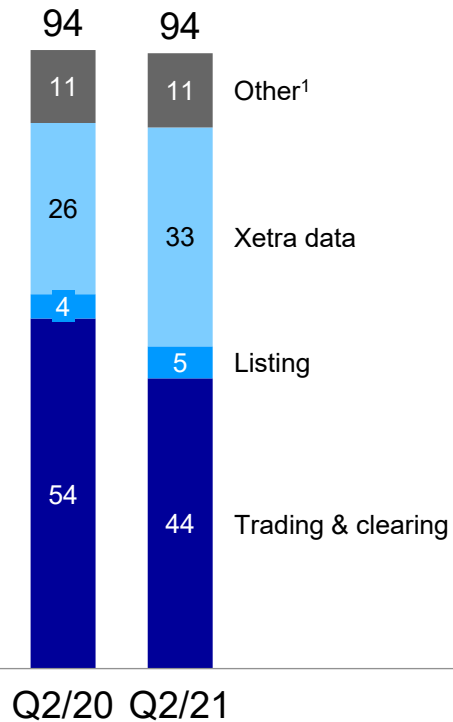
- Gain of around €2 million from the new valuation of the stake in 360X in the result from financial investments.

1) Including net revenue from connectivity and member fees.

Xetra (cash equities) Q2/2021

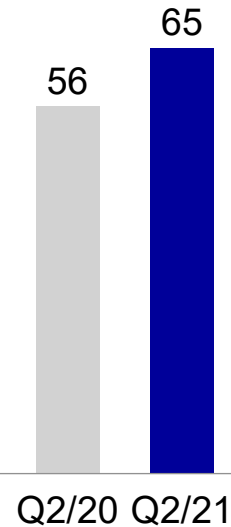
Net revenue | €m

→ -1%



EBITDA | €m

↗ +16%



Business activity

Order book volume ² Equities	€391bn -17%
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Order book volume ² ETF, ETC, ETN	€60bn -2%
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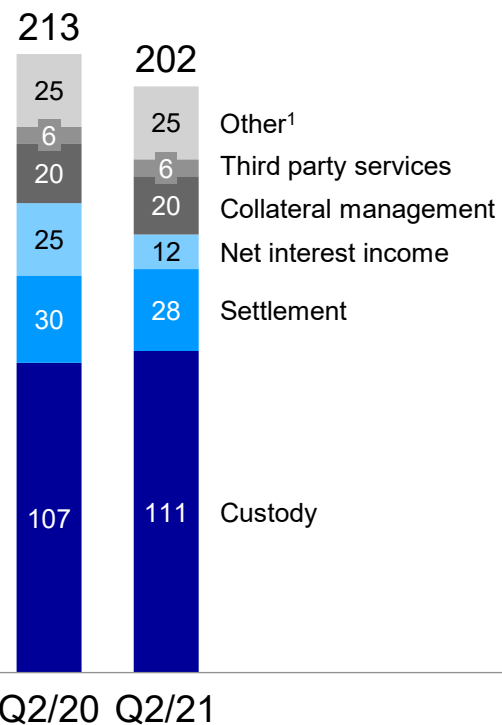
- Final proceeds from the sale of the Regulatory Reporting Hub of around €7 million in “Xetra data”.

Clearstream (post-trading)

Q2/2021

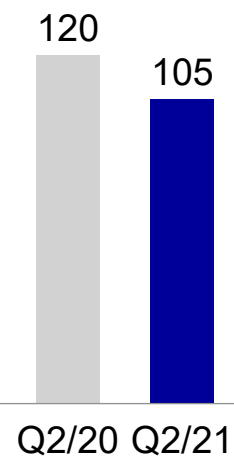
Net revenue | €m

↘ -5%



EBITDA | €m

↘ -13%



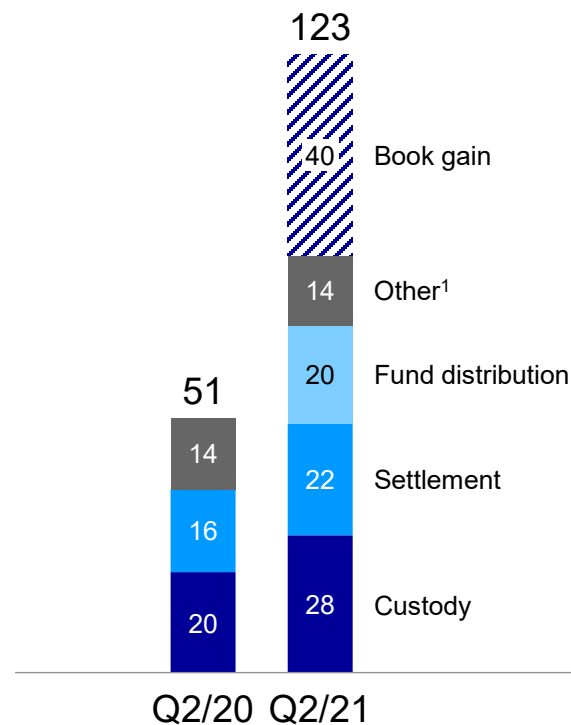
Business activity

Assets under custody	€12.9tr +9%
Settlement transactions (ICSD)	18.2m -1%
Cash balances total volume	€14.1bn -11%
t/o US-Dollar	€6.6bn -14%
Collateral outstandings	€545bn -3%

IFS (investment fund services) Q2/2021

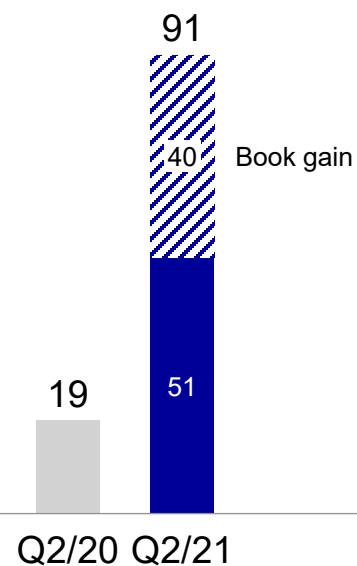
Net revenue | €m

- ↗ +142%
- ↗ +97% (organic)



EBITDA | €m

- ↗ +385%
- ↗ +252% (organic)



Business activity

Assets under custody	€3.2tr +26%
Settlement transactions	10.2m +8%

- Book gain of around €40 million due to the accelerated full purchase of Fund Centre from UBS.

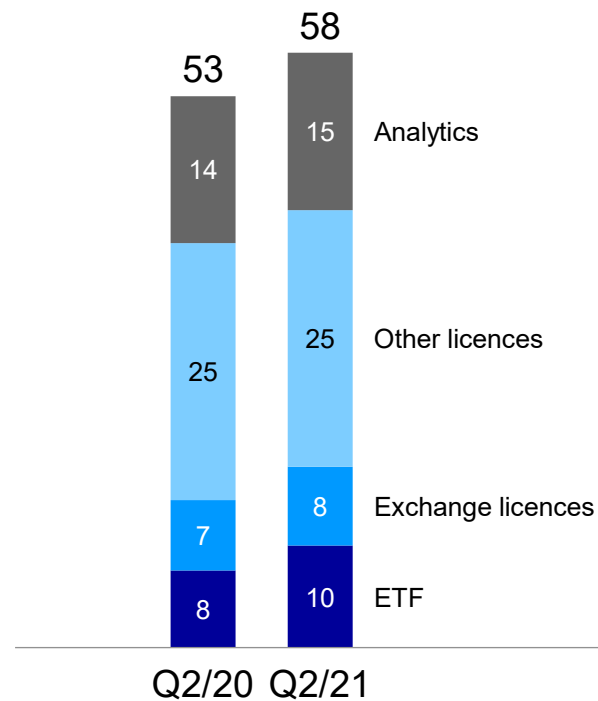
Note: Organic growth incl. Fund Centre like-for-like.
1) Including net revenue from connectivity.

Qontigo (index and analytics business)

Q2/2021

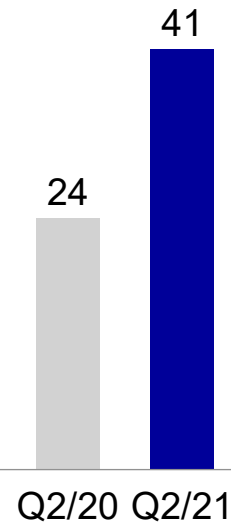
Net revenue | €m

↗ +8%



EBITDA | €m

↗ +67%



Business activity

ETF assets under management | €113bn
+33%

Exchange licences traded contracts | 177m
-24%

- Gain of around €10 million from the new valuation of the stake in Clarity AI in the result from financial investments.

ISS (Institutional Shareholder Services)

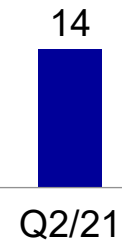
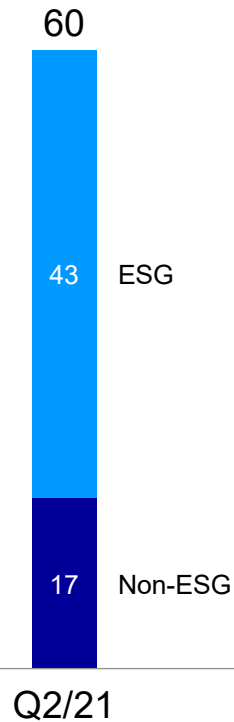
Q2/2021

Net revenue | €m

↗ +17%¹

EBITDA | €m

↗ +45%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.
- Since closing of the acquisition in February, ISS announced three M&A deals to further expand its offering: Nordic Investor Services, Genesys Research and Rainmaker Information.

1) Based on constant portfolio and currency

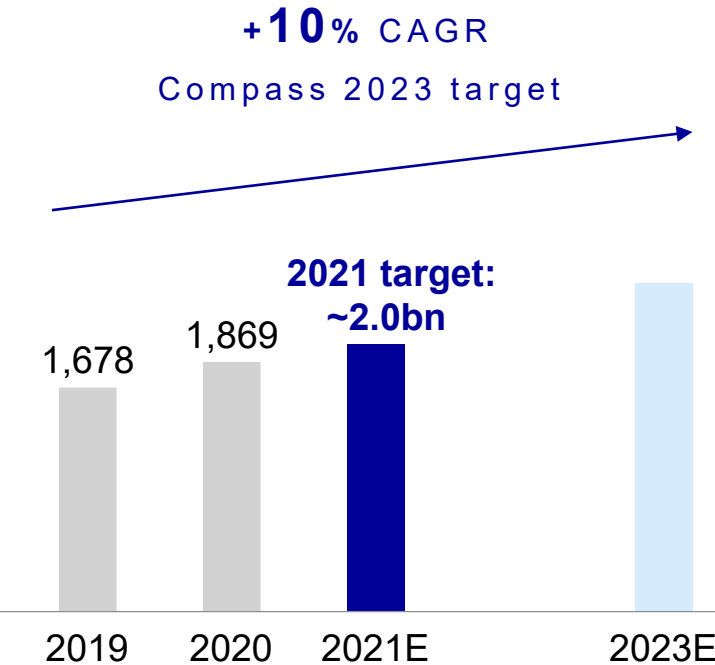
Outlook

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.
- H1/2021 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)	Q2/2021	Q2/2020
Sales revenue	1,031.0	837.8
Treasury result from banking business	32.6	53.3
Other operating income	49.3	1.8
Total revenue	1,112.9	892.9
Volume-related costs	-231.2	-115.4
Net revenue	881.7	777.5
Staff costs	-257.1	-220.0
Other operating expenses	-126.1	-122.6
Operating costs	-383.2	-342.6
Result from financial investments	19.5	5.8
Earnings before interest, tax, depreciation and amortization (EBITDA)	518.0	440.7
Depreciation, amortization and impairment losses	-70.8	-62.6
Earnings before interest and tax (EBIT)	447.2	378.1
Financial result	-11.3	-18.4
Earnings before tax (EBT)	435.9	359.7
Income tax expense and other tax	-113.4	-93.3
Net profit for the period	322.5	266.4
thereof attributable to Deutsche Börse shareholders	310.9	256.7
thereof attributable to non-controlling interests	11.6	9.7
Earnings per share (basic) (€)	1.69	1.40
Earnings per share before purchase price allocations (Cash EPS) (€)	1.79	1.44

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(in €m)	Q2/21	Q2/20	Q2/21	Q2/20	Q2/21	Q2/20	Q2/21	Q2/20
Net revenue	243.7	271.5	76.6	71.2	25.6	23.6	93.9	94.4
Staff costs	-57.4	-53.5	-24.3	-23.7	-9.7	-10.2	-24.0	-26.7
Other operating expenses	-33.0	-38.8	-17.7	-20.5	-3.6	-2.9	-12.1	-12.8
Operating costs	-90.4	-92.3	-42.0	-44.2	-13.3	-13.1	-36.1	-39.5
Result from financial investments	1.0	4.9	0.0	-0.1	1.7	0.0	7.2	1.2
EBITDA	154.3	184.1	34.6	26.9	14.0	10.5	65.0	56.1

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		Qontigo (index and analytics business)		ISS (Institutional Shareholder Services)	
(in €m)	Q2/21	Q2/20	Q2/21	Q2/20	Q2/21	Q2/20	Q2/21	Q2/20
Net revenue	201.5	212.6	122.9	50.8	57.6	53.4	59.9	
Staff costs	-62.3	-61.7	-22.0	-20.5	-20.2	-23.7	-37.2	
Other operating expenses	-34.7	-30.8	-9.5	-11.5	-7.2	-5.3	-8.3	
Operating costs	-97.0	-92.5	-31.5	-32.0	-27.4	-29.0	-45.5	
Result from financial investments	0.3	-0.2	-0.3	0.0	10.5	0.0	-0.9	
EBITDA	104.8	119.9	91.1	18.8	40.7	24.4	13.5	

Financial calendar and contact details

Financial calendar

13 Sep 2021	Barclays Global Financial Services Conference (virtual/ New York)
14 Sep 2021	Morningstar Management Behind The Moat Conference 2021 (virtual/ Chicago)
16 Sep 2021	UBS FinTech One-on-One Virtual Conference (virtual/ New York)
16 Sep 2021	Virtual Group Meeting on IFS organised by Morgan Stanley
20 Sep 2021	Berenberg & Goldman Sachs German Corporate Conference (virtual/ Munich)
21 Sep 2021	Baader Investment Conference 2021 (virtual/ Munich)
22-23 Sep 2021	BofA Financials CEO Conference (virtual/ London)
19 Oct 2021	Publication quarterly statement Q3/2021
20 Oct 2021	Analyst and investor conference call Q3/2021
08-10 Nov 2021	UBS European Virtual Conference 2021 (virtual/ London)
22-24 Nov 2021	Deutsches Eigenkapitalforum 2021 Online (virtual/ Frankfurt)
29 Nov 2021	DZ BANK Equity Conference 2021 (Frankfurt)

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