

# Q4 and FY/2016 Preliminary Results

## Analyst and Investor Conference Call

16 February 2017

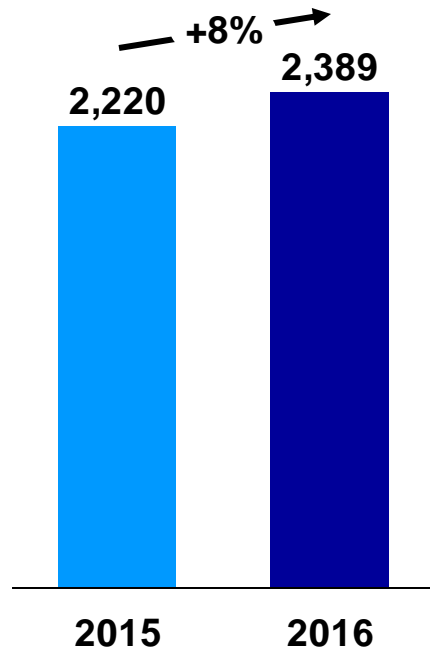
# Highlights Q4 And FY/2016 Results Presentation

- In FY/2016 net revenue increased by 8 per cent and adjusted net income by 14 per cent, thus the Group has achieved the upper end of its 10-15 per cent earnings growth target for 2016
- In Q4/2016 Deutsche Börse Group achieved its strongest quarter since 2008; growth was driven by the ICSD business, index & interest rate derivatives, commodities, and the index business at MD+S
- Net revenue amounted to €619.0 million (+12%); adjusted operating costs increased to €342.9 million (+3%); adjusted net income increase by 23 per cent to €180.3 million
- Executive Board proposes increase of dividend for 2016 to €2.35 per share, a pay-out of 54 per cent
- In 2017 the Group expects progress on structural growth, cyclical tail-wind in areas like interest rates, and improvements of the operating efficiency; thus, target is again 10-15 per cent net income growth
- Update on the merger of Deutsche Börse Group and London Stock Exchange Group:
  - After submission of the final remedy proposal to the European Commission on 6 February, a decision in the merger control process is expected for late March or early April
  - Afterwards, the Hessian Exchange Supervisory Authority will review the merger
  - Completion of the merger needs to take place before 30 June 2017

## FY/2016 – Group Financials

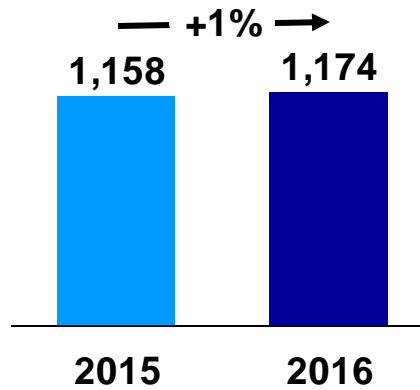
### Net revenue

in €m



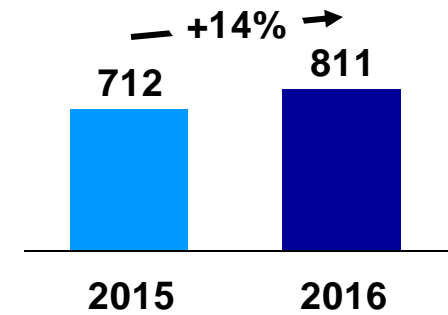
### Operating costs<sup>1</sup>

in €m



### Net income<sup>1</sup>

in €m

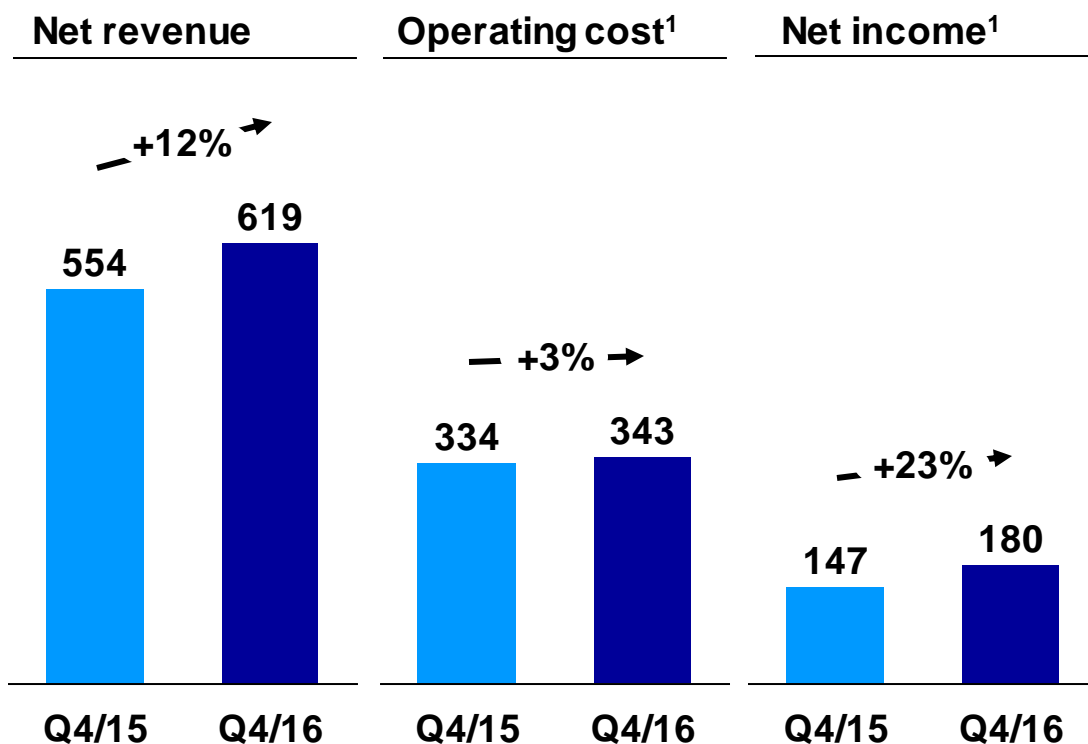


1) Adjusted for exceptional items

## Q4/2016 – Group Financials

### Net revenue, operating cost and net income development

€m



#### Revenue

- Net revenue: €619.0m (+12% y-o-y)
  - Net interest income: €22.0m (+55% y-o-y)

#### Costs

- Operating costs<sup>1</sup>: €342.9m (+3% y-o-y)
  - Adjusted for €42.3m exceptional items, which include LSE merger, merger integration, and disposals

#### Earnings

- EBIT<sup>1</sup>: €276.3m (+26% y-o-y)
  - Adjusted for €37.3m at equity result from the sale of 1/3 of the stake in BATS Global Markets in October
- Net income<sup>1</sup>: €180.3m (+23% y-o-y)
- EPS<sup>1</sup>: €0.97 (+24% y-o-y)

1) Adjusted for exceptional items

# Q4/2016 – Eurex

## Business activity Q4/2016 y-o-y

### Financial derivatives (traded contracts in m)

Equity	61.3	-3%
Fixed income	151.2	24%
Index	203.9	7%
<b>Total<sup>1</sup></b>	<b>423.7</b>	<b>11%</b>

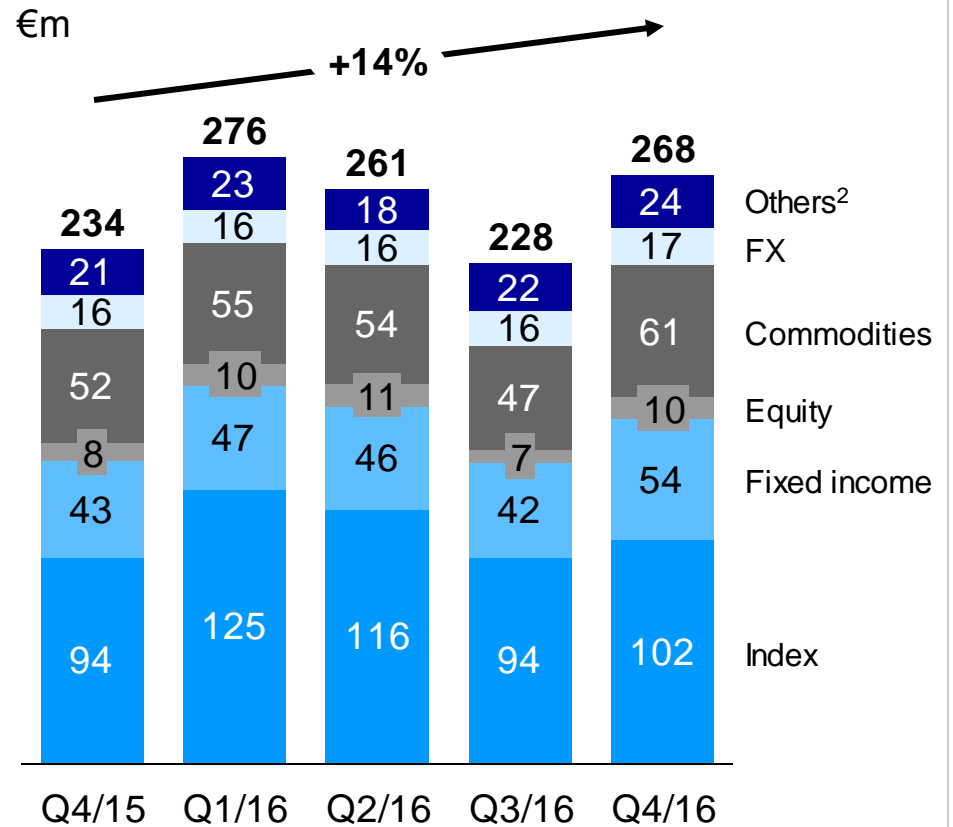
### Commodities (EEX) (volume in TWh/ tCO2)

Power	1,258.5	34%
Gas	432.5	12%

### Foreign exchange (360T) (ADV in € bn)

FX ADV	58.8	5%
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## Net revenue

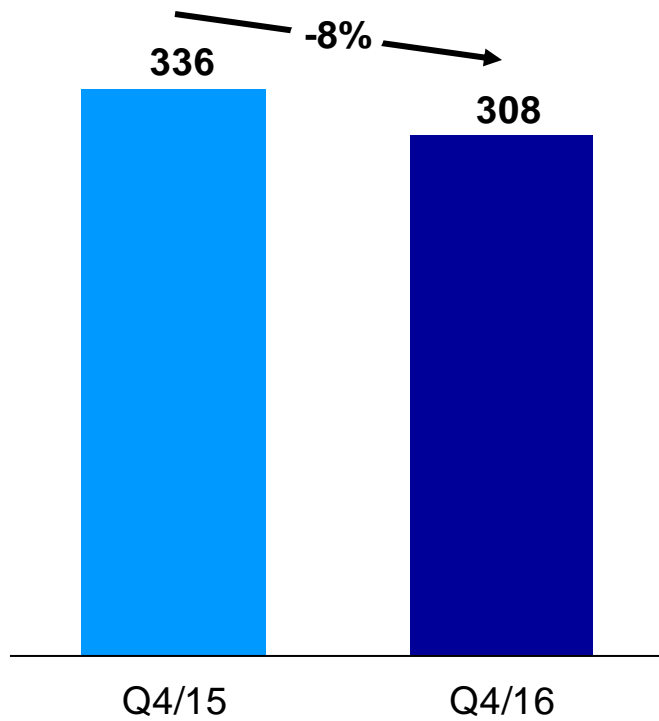


1) The total shown does not equal the sum of the individual figures as it includes other traded derivatives such as ETF, agricultural, precious metals and emission derivatives  
 2) Including revenue from NII, Eurex Repo and member fees

# Q4/2016 – Xetra

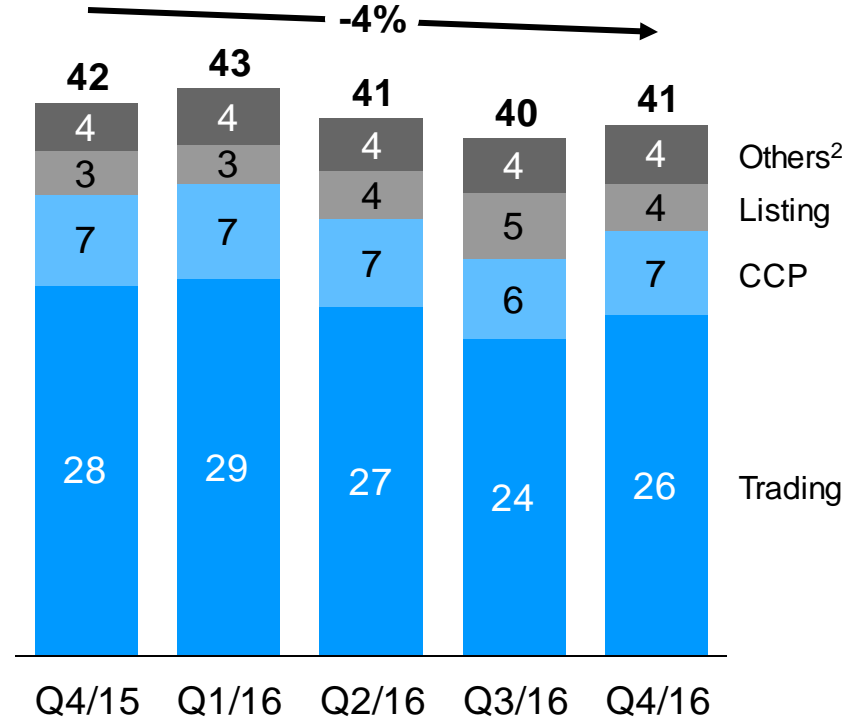
## Business activity Q4/2016 y-o-y

Order book volume in €bn<sup>1</sup>



## Net revenue

€m



1) Xetra, Börse Frankfurt and Tradegate

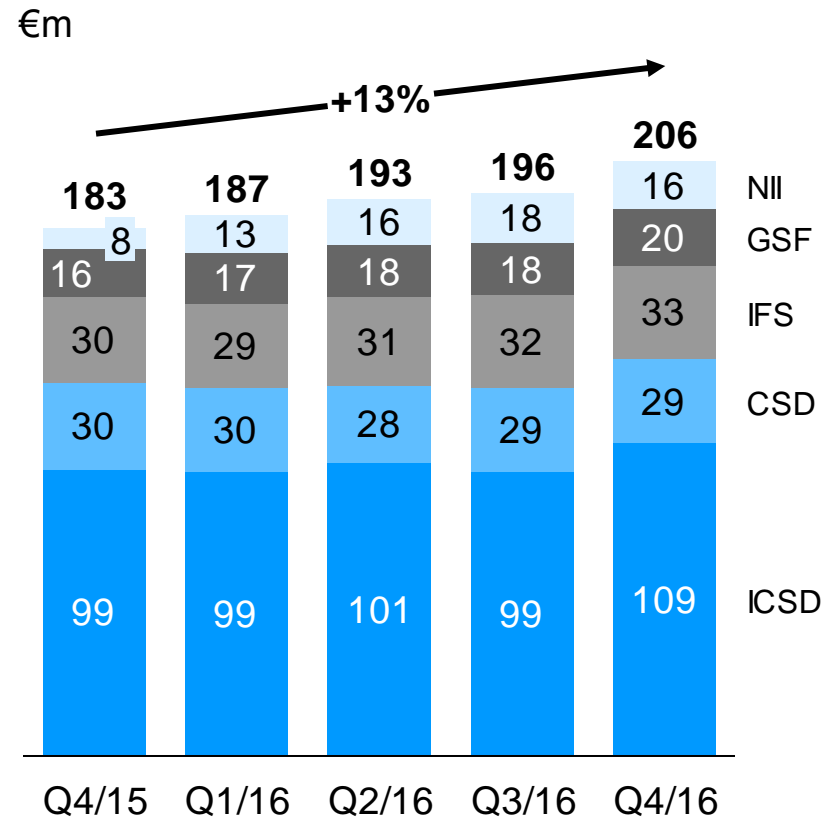
2) Including revenue from Eurex Bonds and member fees

# Q4/2016 – Clearstream

## Business activity Q4/2016 y-o-y

ICSD: Assets under custody	€6.8tr	0%
CSD: Assets under custody	€4.5tr	-4%
IFS: Assets under custody	€2.0tr	5%
GSF outstandings	€490.2bn	-12%
Cash balances <sup>1</sup>	€11.7bn	7%

## Net revenue



1) Adjusted for balances restricted by relevant EU and US sanction programs

# Q4/2016 – Market Data + Services

## Business activity Q4/2016 y-o-y

### Index

- Calculation/ distribution of indices through STOXX:

ETF AuM STOXX	€59.4bn	-13%	■
ETF AuM DAX	€24.3bn	-9%	■
Index derivatives	203.9m	7%	■

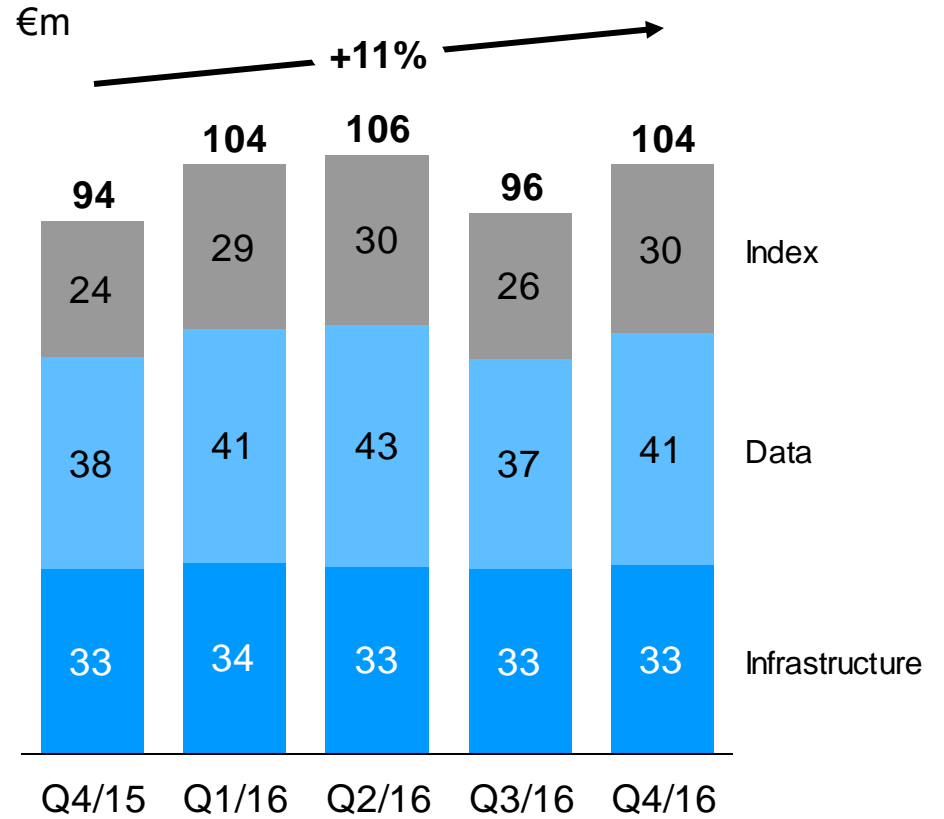
### Data

- Derivatives/ cash market data, indicators

### Infrastructure

- Market connectivity, regulatory reporting, others
- Business process and infrastructure outsourcing

## Net revenue





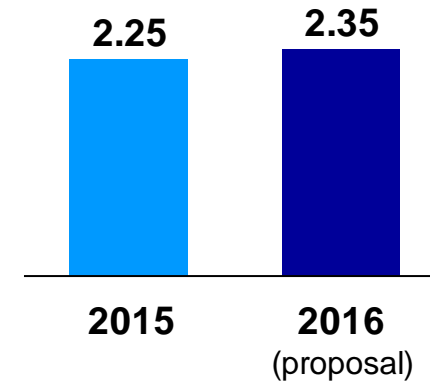
# FY/2016 – Executive Board Of Deutsche Börse AG Proposes Increase Of 2016 Dividend To €2.35

## Dividend policy

- In general, Deutsche Börse Group aims to distribute 40 to 60 per cent of the adjusted annual net income to shareholders in form of the regular dividend
- In years with depressed net income the pay-out ratio stood at the upper end of this range
- Going forward the Group is expecting substantial earnings growth, therefore, it targets a pay-out ratio in the middle of the 40 to 60 per cent range

## Dividend per share

€



## Dividend pay-out ratio

55%<sup>1</sup>

54%

1) Based on the reported net income 2015 incl. ISE of €766m

## FY/2017 – Further Double Digit Earnings Growth Expected

### 2017 guidance for Deutsche Börse (stand-alone)

	2016 (€m)	Expected growth 2017 (%)
Net revenue	2,389	<b>5-10</b>
Operating costs	-1,174	<b>0-5</b>
Net income	811	<b>10-15</b>

- 2017 guidance for Deutsche Börse applies to stand-alone entity only<sup>1</sup>
- Net revenue in 2017 is expected to benefit from structural opportunities (EEX, OTC Clearing, 360T, IFS, T2S, STOXX) and cyclical opportunities (market volatility and interest rates)
- Costs will be managed in a dynamic way to ensure scalability of the business model and create further flexibility for investments
- Net income growth is expected to be in the 10 to 15 per cent range in 2017

1) Guidance does not apply to the combined group as part of the planned merger with London Stock Exchange Group and Deutsche Börse as a subsidiary of the combined group

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