

# Investor Day 2023

Strategy Horizon 2026

7 November 2023



DEUTSCHE BÖRSE  
GROUP

# Agenda

**Horizon 2026**

Theodor Weimer  
*Chief Executive Officer*

**Investment Management Solutions**

Stephan Leithner  
*Member of the Executive Board*

**SimCorp / Axioma**

Christian Kromann  
*CEO of SimCorp*

**ISS STOXX**

Gary Retelny  
*President and CEO of ISS*

**Trading & Clearing**

Thomas Book  
*Member of the Executive Board*

**Securities Services**

Stephan Leithner  
*Member of the Executive Board*

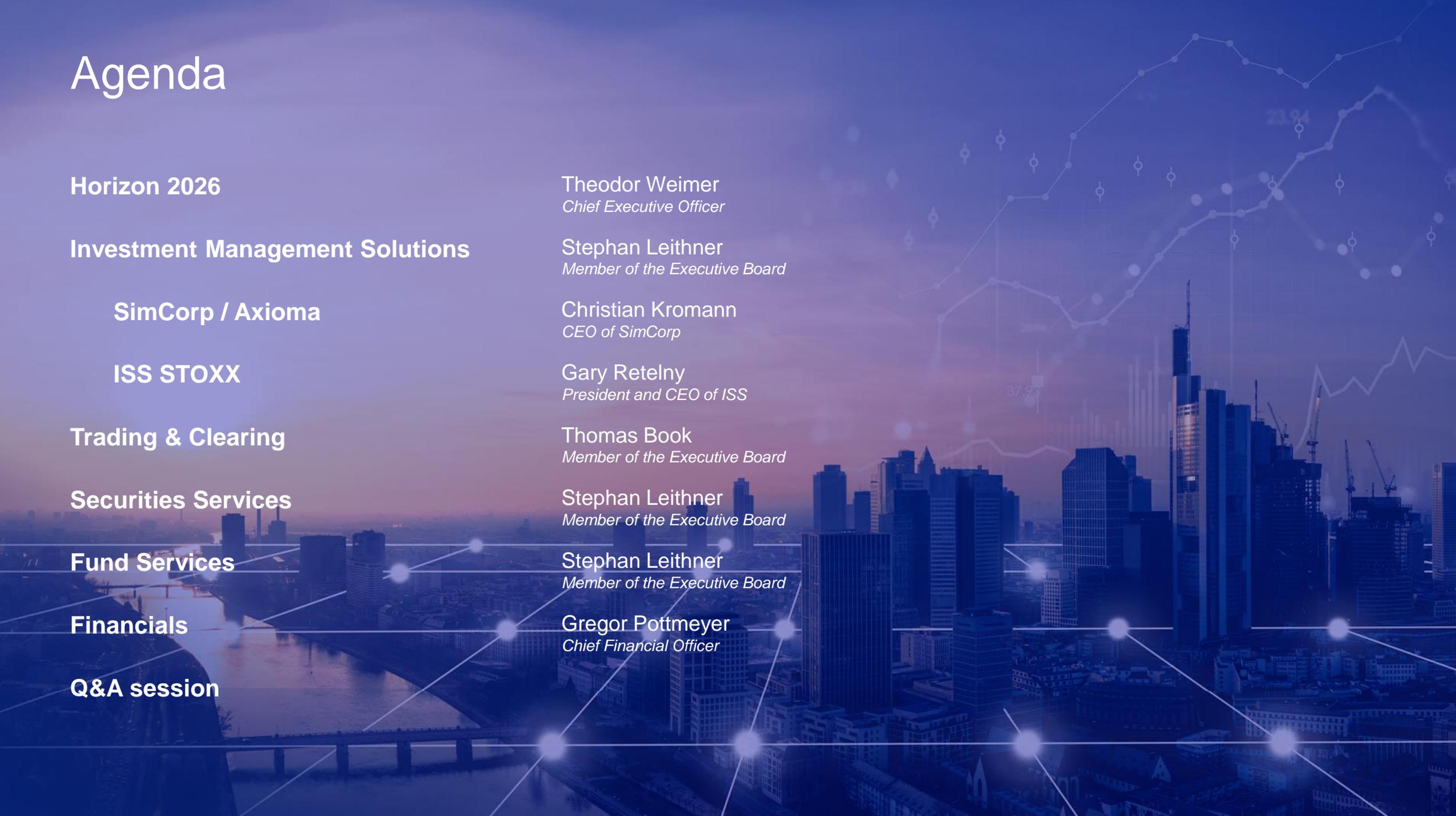
**Fund Services**

Stephan Leithner  
*Member of the Executive Board*

**Financials**

Gregor Pottmeyer  
*Chief Financial Officer*

**Q&A session**



# Horizon 2026

Theodor Weimer  
CEO



DEUTSCHE BÖRSE  
GROUP

# Our top 3 strategic imperatives for Horizon 2026

## The future

Create the basis for growth beyond 2026

**Digital leadership**

## The must do

Make the new segment a success

**Investment Management Solutions**  
SimCorp / Axioma & ISS / STOXX  
Growth, synergy realisation and margin expansion

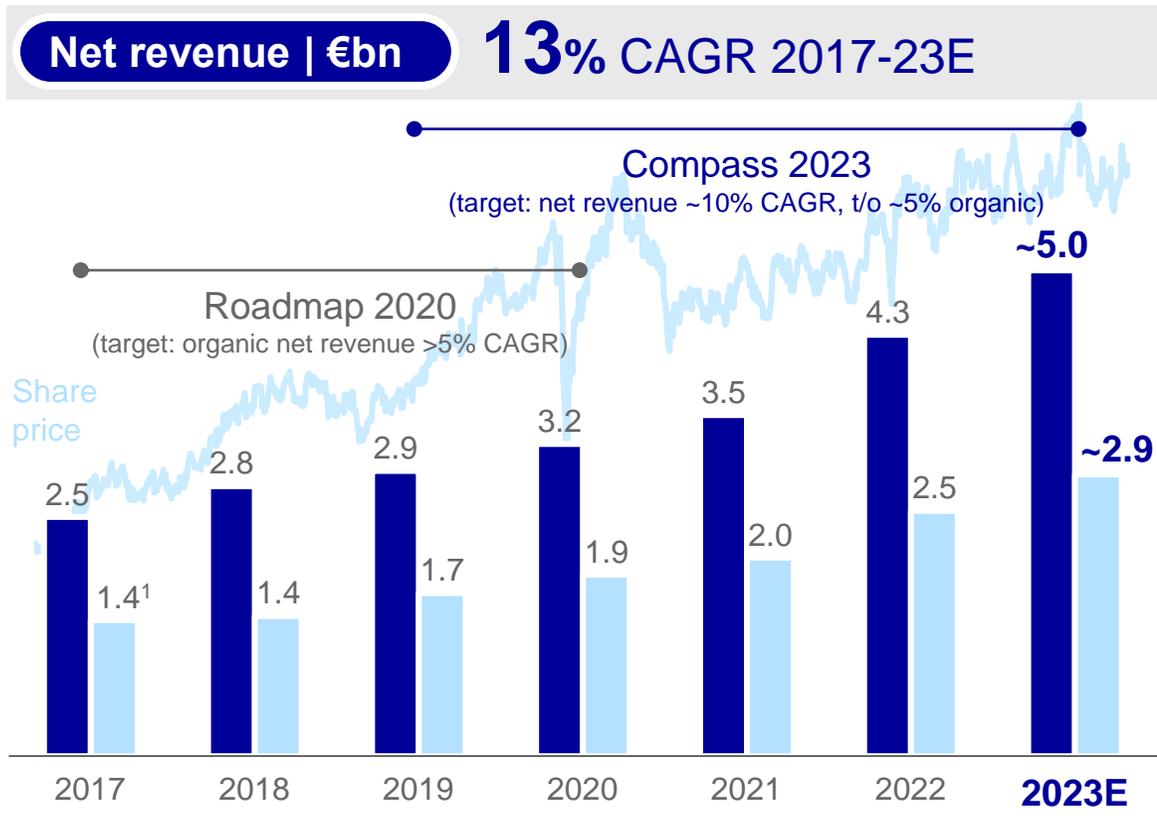
## The foundation

Continue to deliver on our proven strength

**Continue to deliver strong organic growth**

**Our strategic path is very clear – now it is all about execution!**

# We have demonstrated a strong track record for growth, overdelivering on our objectives



**5%** + **4%** + **4%**

**secular CAGR**      **cyclical CAGR**      **M&A CAGR**

**Growth out of own effort** by addressing industry trends has become a **consistent and reliable key driver**

Normalisation of interest rate environment resulted in **sustainable cyclical upside** across the Group

**Acquisition of assets and skills** strengthened our business model to ensure long-term growth

- **Effective cost management** that balanced growth investments and operating efficiency ensured **organic operating leverage**
- Small margin dilution of **M&A** accepted because of the **improvement of long-term growth prospects**



1) EBITDA adjusted for exceptional items (€1.5bn reported)

# Since 2017 we evolved our business model significantly into higher growth and recurring revenue areas

## Key factors that underpin our success



We are consistently **exploiting** all **organic growth** opportunities based on **secular trends**

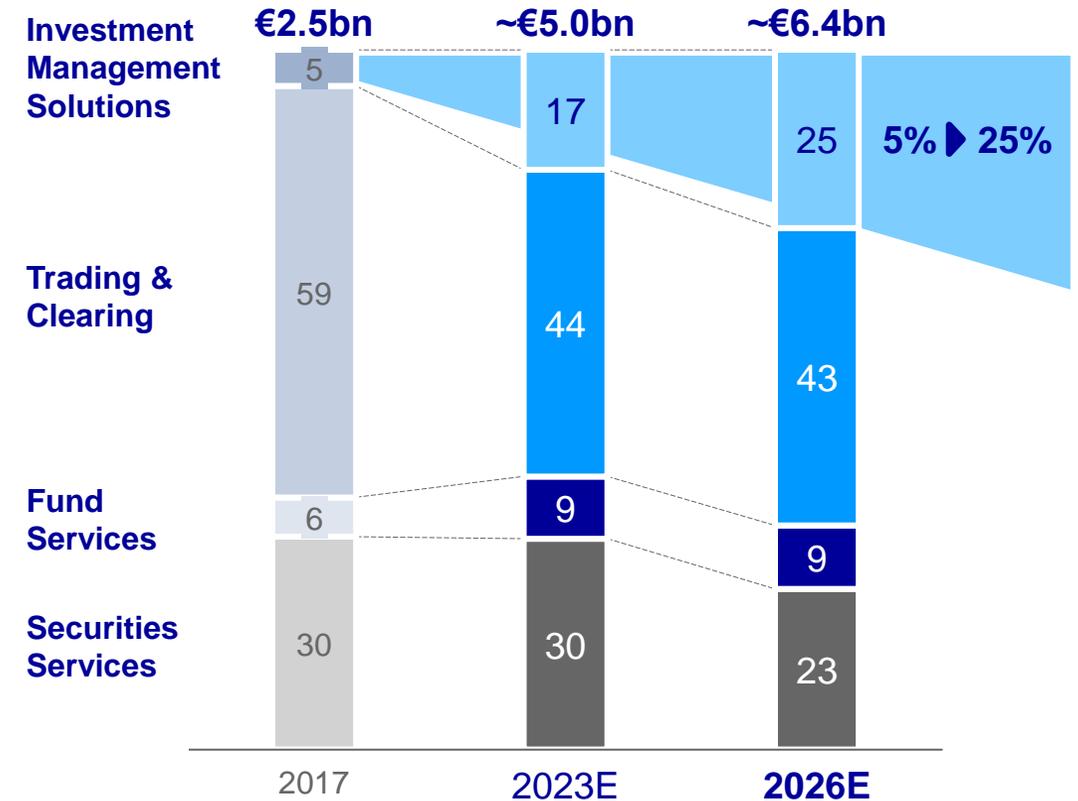


Through **M&A** we moved into adjacent businesses with **attractive growth rates** and increased our resilience through **recurring revenues (2022: 60%; 2026E: 65-70%)**



We created the new **Investment Management Solutions** segment with **strong growth** and **high synergy** potential

## Segmental split of net revenue | %



# We depart from a position of strength into Horizon 2026, despite 2022 being a record year



# A We can effectively capture important industry trends as the infrastructure provider with the broadest value chain

## Secular industry trends

|   |   | Investment Management Solutions | Trading & Clearing       | Fund Services            | Securities Services      |
|---|---|---------------------------------|--------------------------|--------------------------|--------------------------|
| 1 | Unchanged growing <b>importance of buy-side</b> and shift from active to passive, focusing on <b>increasing efficiency</b>                                    | Major benefit to segment        | Major benefit to segment | Major benefit to segment | Minor impact on segment  |
| 2 | Asset class-specific but persistently increasing trend from <b>OTC towards on-exchange</b> and futurisation   | Minor impact on segment         | Major benefit to segment | Minor impact on segment  | Minor impact on segment  |
| 3 | Technology and <b>accelerated digitalisation</b> are transforming the way the financial sector operates (e.g. Cloud, DLT and AI)                              | Major benefit to segment        | Major benefit to segment | Major benefit to segment | Major benefit to segment |
| 4 | After a decade of abnormally low interest rates and a recent resurgence of inflation, <b>rates have normalised</b> and are <b>expected to remain elevated</b> | Minor impact on segment         | Major benefit to segment | Minor impact on segment  | Major benefit to segment |
| 5 | Unbroken strong growing <b>demand for high-quality, reliable data</b> supporting multifaceted decision intelligence   | Major benefit to segment        | Minor impact on segment  | Major benefit to segment | Minor impact on segment  |

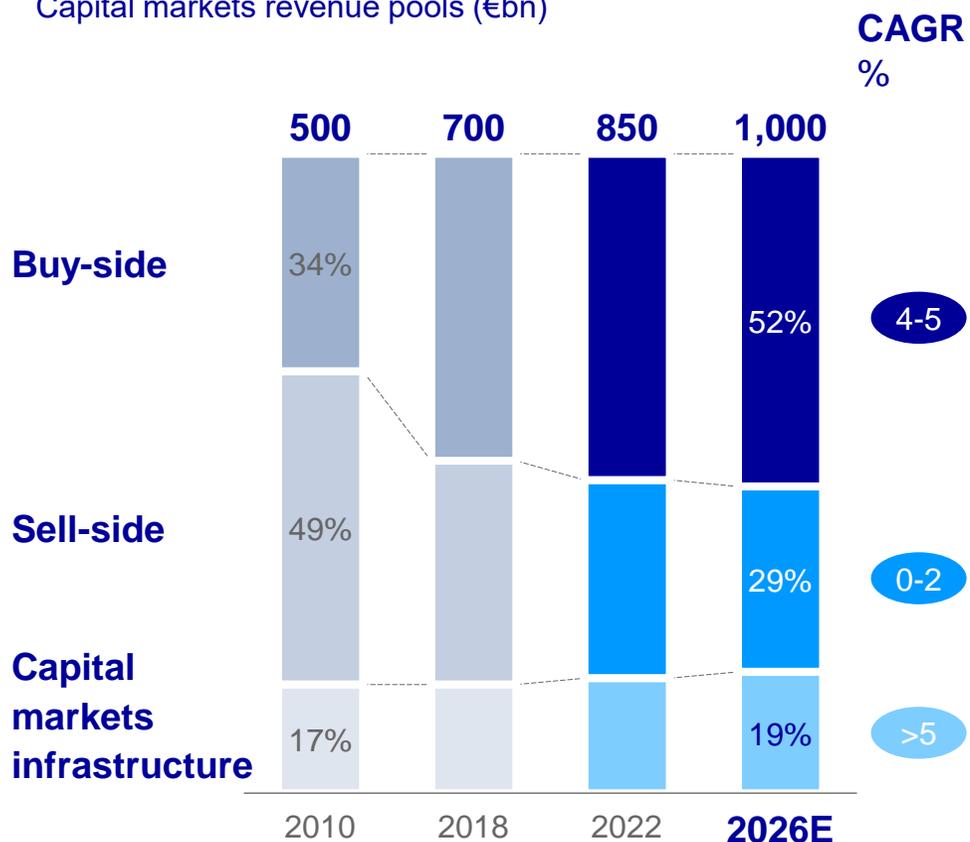
■ Major benefit to segment

■ Minor impact on segment

# A Our strategy directly addresses the ever-increasing importance of the buy-side

## Increasing importance of the buy-side

Capital markets revenue pools (€bn)



## We are structurally attractive for the buy-side ...

- **Neutral operator** and service provider
- Industrial partner with **long-term investment perspective**
- **Strong technology** and well experienced to run **scalable platforms**
- Longstanding track record of **highest reliability and performance**
- **Trusted** by market participants

## ... and have grown our exposure

### AXIOMA

~300 asset managers / hedge funds

### ISS

~2,000 asset managers across all types and sizes<sup>1</sup>

### SimCorp

deep relationship to ~300 large asset managers / owners

### EUREX

>500 buy-side firms across all products

Source: McKinsey 1) In the Governance & ESG business line

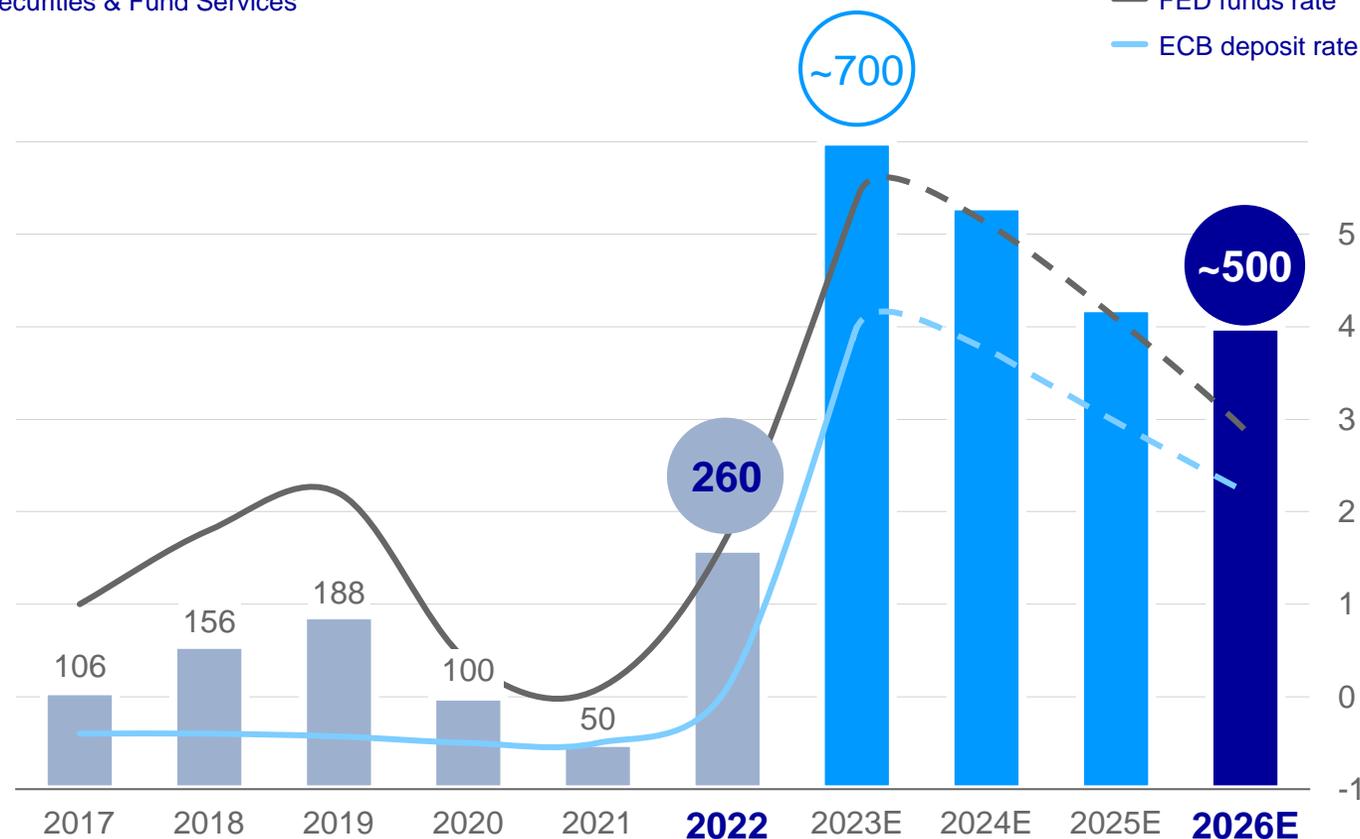
# B Normalisation of interest rate environment will remain beneficial

## Net interest income | €m

Securities & Fund Services

## Interest rate | %

— FED funds rate  
— ECB deposit rate



- In the **past**, we operated in an **abnormal interest rate environment**
- Due to the **high inflation** globally, **interest rates increased** faster than ever
- In the **coming years**, we expect **higher interest rates for longer**
- **For 2026** we expect a net interest income in Securities and Fund Services together of **~€500 million<sup>1</sup>**
- But a **more normal interest rate environment** will also **fuel volatility** and **trading volumes** in almost all asset classes in **Trading & Clearing**

1) Based on current interest rate expectations and around €16 billion of cash balances

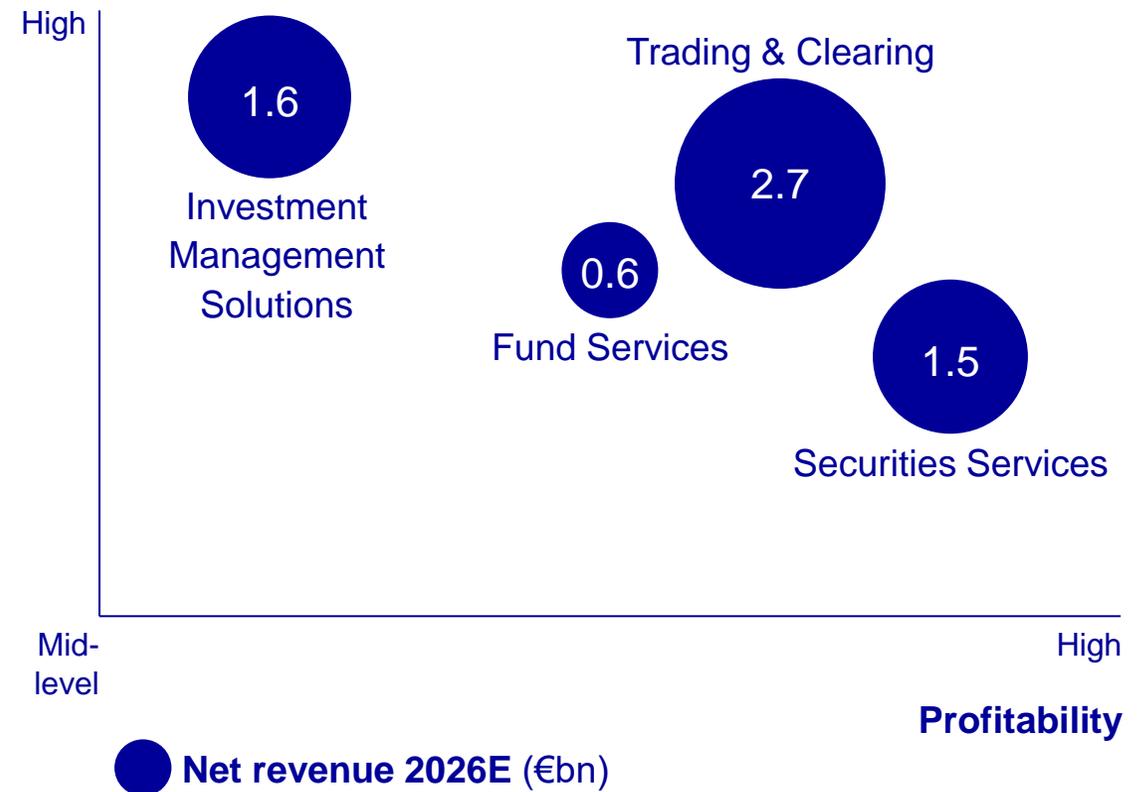
# © We operate a diversified and resilient business model

We operate a **very attractive and resilient business model**, as all segments ...

- operate at very **attractive EBITDA margins**
- **grow net revenue** at mid-single digit to low double-digit rates
- have increased their share of **recurring revenue**
- have **significant market shares** in their respective total addressable markets (TAM) and/or are operating in growing TAMs
- have very established and **strong brands**
- **have become more balanced** in itself, contributing to the overall diversification

**Strategic attractiveness**

***Illustrative***



# Overview Horizon 2026

## Ambition

**Strong organic growth**



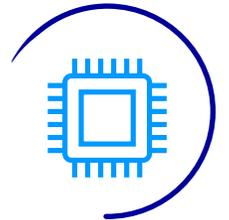
**I** Operating in **attractive markets** and benefitting from **secular industry trends** is driving **strong organic growth**

**Investment Management Solutions**



**II** Offering **end-to-end investment solutions** and **high-quality data** to address the evolving needs of the **buy-side**

**Digital leadership**



**III** Taking a **leading role** in the digitalisation of assets and increase efficiency using **cloud and AI**

**Net revenue**  
CAGR 2022-26E

**7%**  
organic



**3%**  
M&A  
(SimCorp)



**Long-term optionality**  
(base investments included in plan)

**IV** **Capital allocation:** refining priorities to reflect progress of strategy implementation

# **I** We see strong organic growth ahead of us

Our **key focus continues to be secular growth**, benefitting from industry trends and evolving client needs, ...

... while cyclicalit**y is expected to be only modestly positive** from 2022 to 2026

| Segment                         | Net revenue   €bn |       | CAGR     |
|---------------------------------|-------------------|-------|----------|
|                                 | 2022              | 2026E | 2022-26E |
| Investment Management Solutions | 0.6 <sup>1</sup>  | 1.6   | 9%       |
| Trading & Clearing              | 2.2               | 2.7   | 6%       |
| Fund Services                   | 0.4               | 0.6   | 11%      |
| Securities Services             | 1.1 <sup>2</sup>  | 1.5   | 9%       |

While the **net interest income (NII)** in Securities and Fund Services is **expected to increase** from €260 million in 2022 to ~€500 million in 2026E, ...

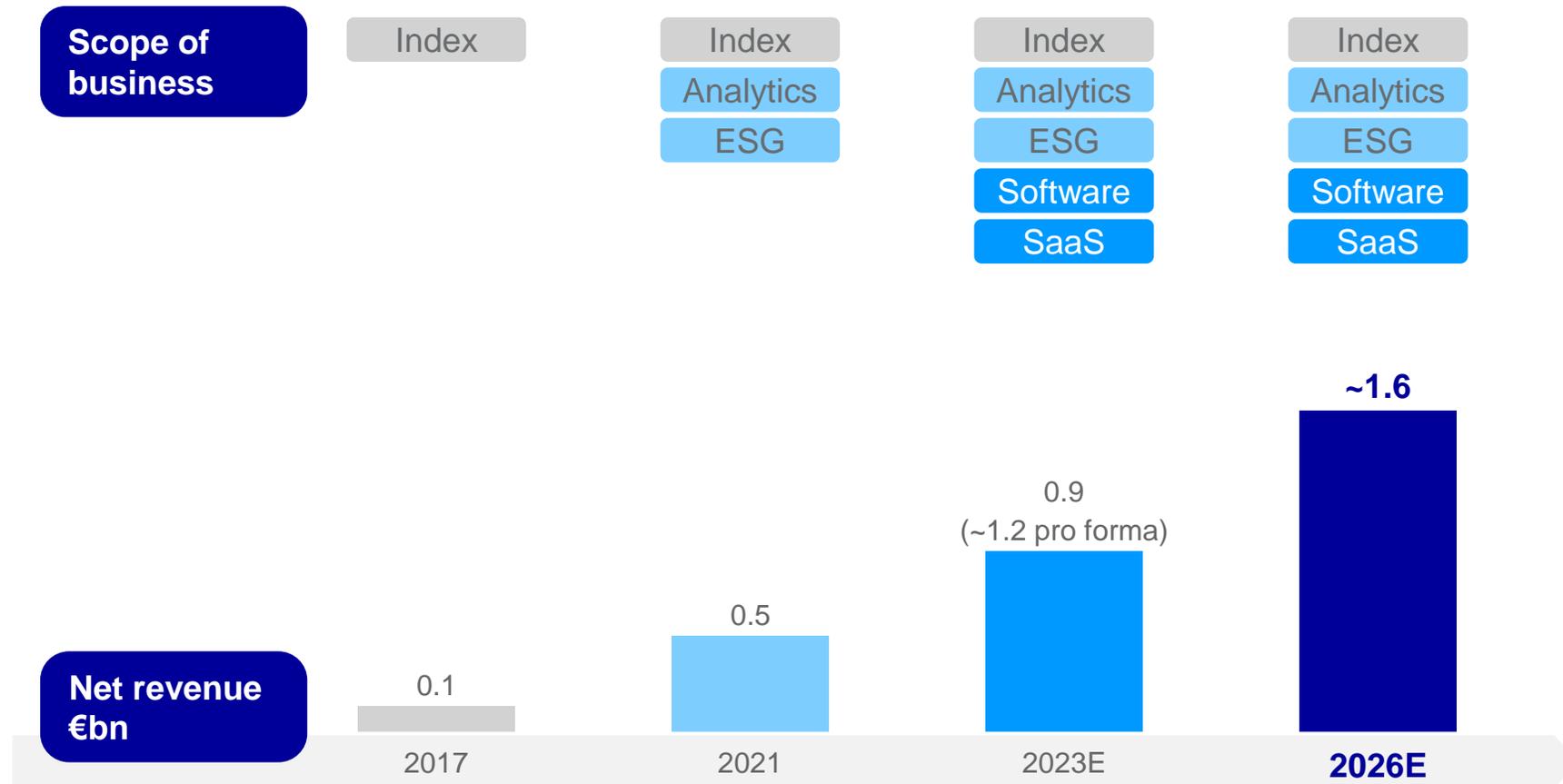


... we would expect **more muted market volatility** for Trading & Clearing **in 2026** compared to the **record year 2022**

**7%**  
organic  
CAGR  
2022-26E

1) ~€1.2bn incl. SimCorp pro forma 2) Net revenue in 2022 adjusted for €52 million exceptional gain related to sale of Regis-TR

# II The new Investment Management Solutions segment is opening up additional growth opportunities



- With the new segment we are targeting the **growing share of wallet of the buy-side** in capital markets revenue
- With end-to-end investment solutions and high-quality data, we address the (emerging) **needs of the buy-side**
- The move results in additional **organic growth**, strengthens our **recurring revenue** and increases the segment's **revenue contribution to ~25%** in 2026

# Investment Management Solutions consists of two highly attractive businesses with strong growth prospects

## Investment Management Solutions

 **SimCorp** + **AXIOMA**

**ISS STOXX** 

- Combined SimCorp and Axioma providing **front-to-back investment management technology solutions** excelling in front office and risk management as well as middle and back-office services

- Strong growth in **total addressable market** from **~€8 billion** in 2022 to **~€11 billion** by 2026E

- ISS STOXX with **best-of-breed data offering** targeting the investment process supporting E, S, G data, research & ratings, indexing, engagement and market intelligence

- Strong growth in **total addressable market** from **~€7 billion** in 2022 to **~€10 billion** by 2026E

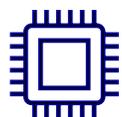
**Growth** of total addressable market 2022-26E: **~40%**<sup>1</sup>

### Common characteristics

- Very attractive organic long-term growth potential
- High client retention rates
- High share of recurring revenue
- Value generation through synergies

1) Source: McKinsey

# Key digital leadership initiatives are cloud adoption and enablement as well as our new digital infrastructure



## Digital leadership

Strategic partnership with **Google Cloud** is key for **cloud adoption** and build out of **new digital infrastructure**

**Google Cloud**



Continuous **cloud adoption** and value adding **ecosystem services**

- We are building on our leading position by **increasing cloud adoption** (from ~40% today to ~70%) and **enablement**
- This will deliver significant **time to market improvements**, increase **resilience** and allow to offer **cloud-only services**



Build out of **new digital infrastructure**

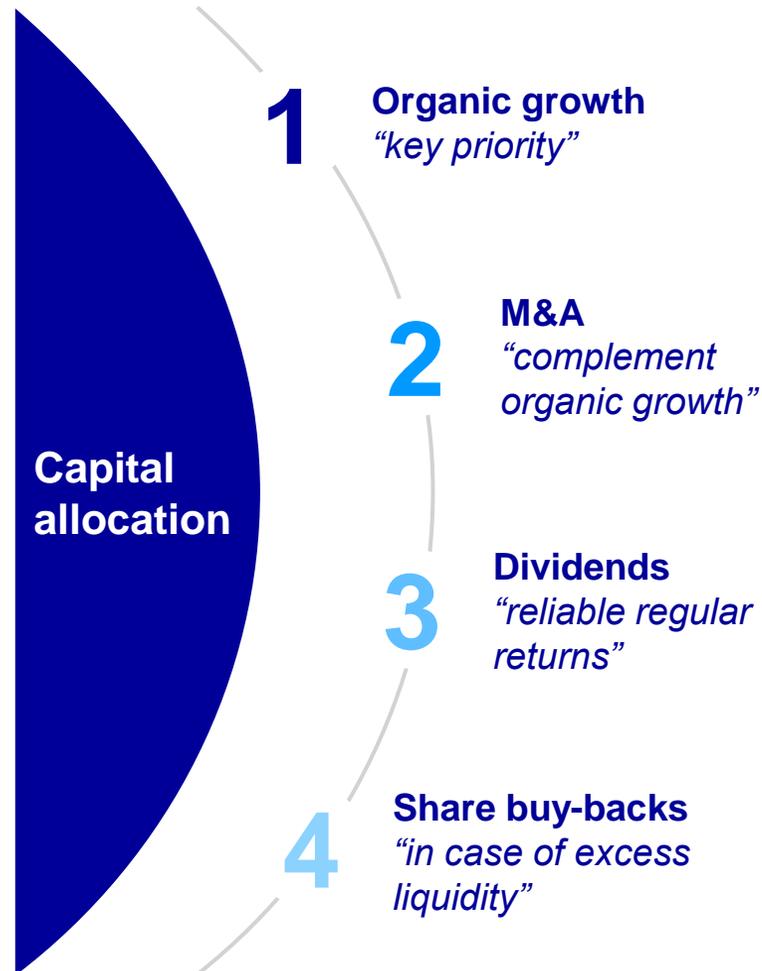
We will **leverage partnership with Google Cloud**:

- Accelerate the development of our **digital securities platform D7**, which allows market participants to issue electronic securities
- Jointly build a **digital asset platform**, which provides unique benefits and will **significantly broaden the investable and tradeable instrument universe**
- Deploy a **data mesh** for data distribution and data use cases in the cloud

**Necessary base investments included in Horizon 2026 plan** and partly covered by strategic partnership with Google Cloud

**Long-term revenue optionality not reflected** in Horizon 2026 plan

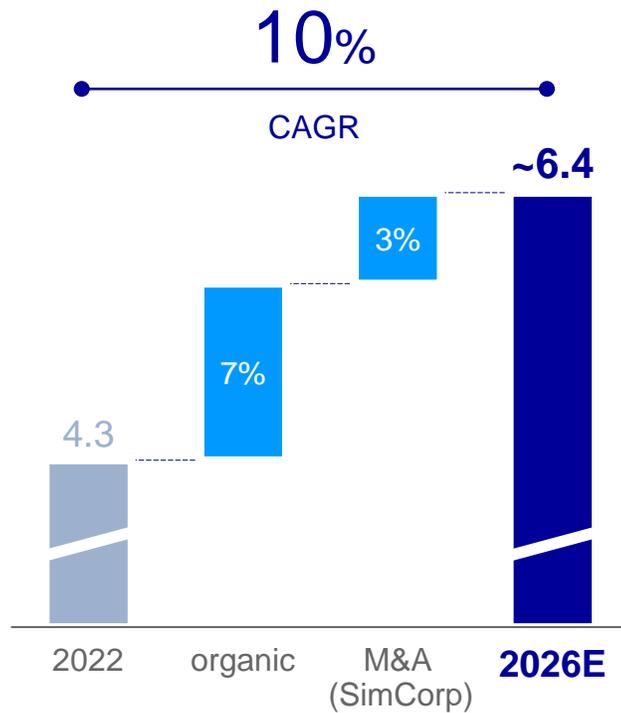
# IV We steer our business along refined capital allocation priorities



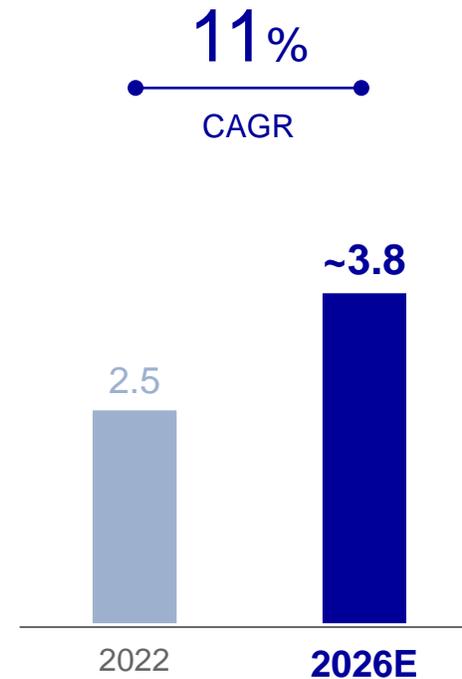
- **Organic growth** driven by secular industry trends continues to have the **highest capital allocation priority**
- To support organic net revenue growth our operating costs are expected to increase by 5% CAGR and capex of €350 to €400 million p.a. is needed
- Key focus **until end of 2024** will be on **delivering the benefits of the SimCorp acquisition** and **deleveraging** in-line with the AA- credit rating profile for the Group
- Generally, we **expect to continue to do M&A** if **strategically and financially attractive** (ROIC>WACC year 3-5, cash EPS accretive year 1-3)
- To reflect increased earnings and the strong growth outlook, we are adjusting our **dividend payout ratio target to 30-40%** of the annual net profit (~40% for 2023E)
- Within this range, we manage the payout mainly in relation to our financial performance and based on **continuity considerations** (i.e. increasing DPS)
- **In case of excess liquidity**, we intend to complement the dividend distribution with additional distributions in the form of **share buy-backs**
- For the first time under the refined capital management framework, we will initiate a **share buy-back programme of €300 million** in **Q1/2024**

# Outlook Horizon 2026 – double digit net revenue and earnings growth

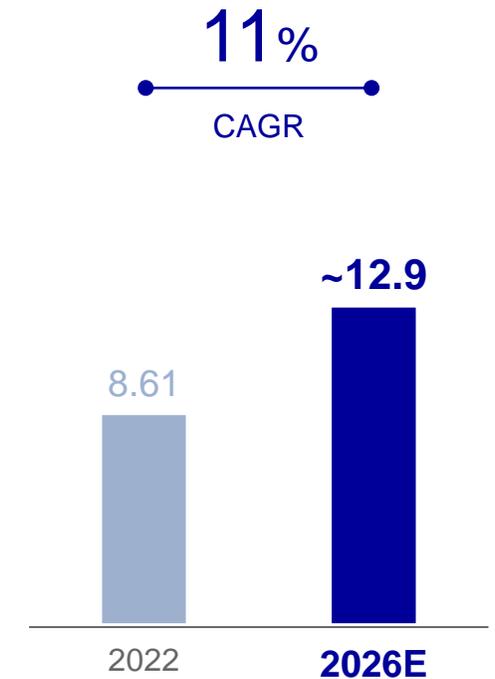
## Net revenue | €bn



## EBITDA | €bn



## Cash EPS | €



Opportunistic **M&A agenda** and **digital platform strategy** can drive additional topline growth ...

... while **effective cost management** and **cost synergies** improve the bottom line

# Investment Management Solutions

A person in a dark suit is seen from behind, sitting at a desk in a modern office. The desk is equipped with several computer monitors. One monitor displays a line chart with a yellow line fluctuating over time. Another monitor shows a grid of data with red and green bars. A third monitor on the right shows a complex data visualization with multiple columns of text and numbers. The background features a large window with a view of a city skyline at night, with lights from buildings and streets visible. The overall lighting is dim, with a blue and white color palette. A network of white lines and glowing nodes is overlaid on the scene, suggesting a digital or financial network.

Stephan Leithner  
Member of the Executive Board

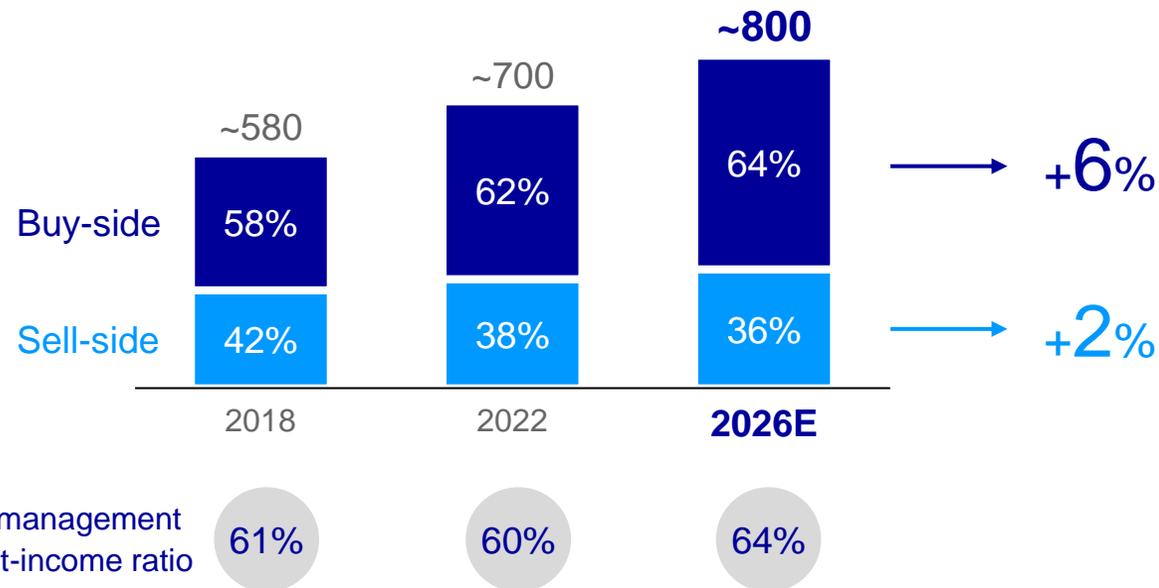
# Investment management industry is growing, but facing fundamental changes

## Large and growing revenue pool

CAGR 2018-26E

## Key trends

Capital markets revenue pools<sup>1</sup> | €bn



- Increasing **gap between top and bottom quartile** players
- **Revenue margin pressure** for active and indexed products
- **Upward cost pressure** (e.g., technology investments, regulation)
- Pace of **consolidation accelerating**
- Looming structural, **potentially disruptive changes** (e.g., DLT)

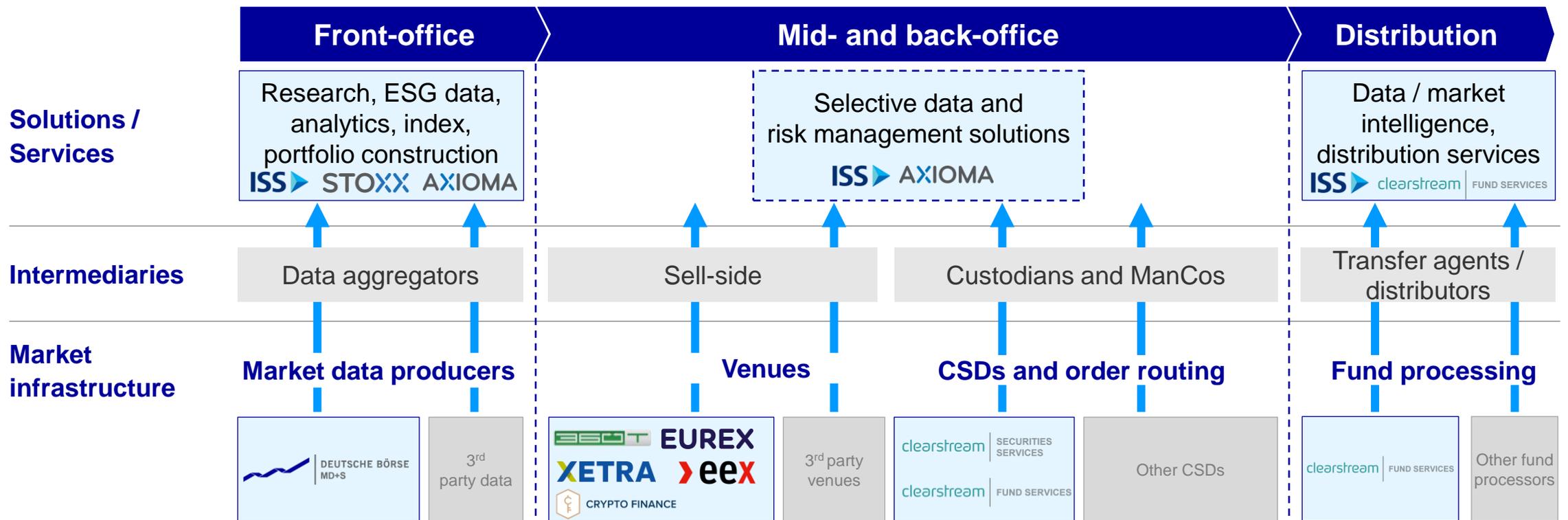
**Investment management industry offers attractive, growing revenue pools with clients looking for reliable partners to enhance operating leverage and differentiation**

1) Source: McKinsey

# Before SimCorp, Deutsche Börse already positioned as an infrastructure, data and technology provider to the buy-side

## Investment management value chain

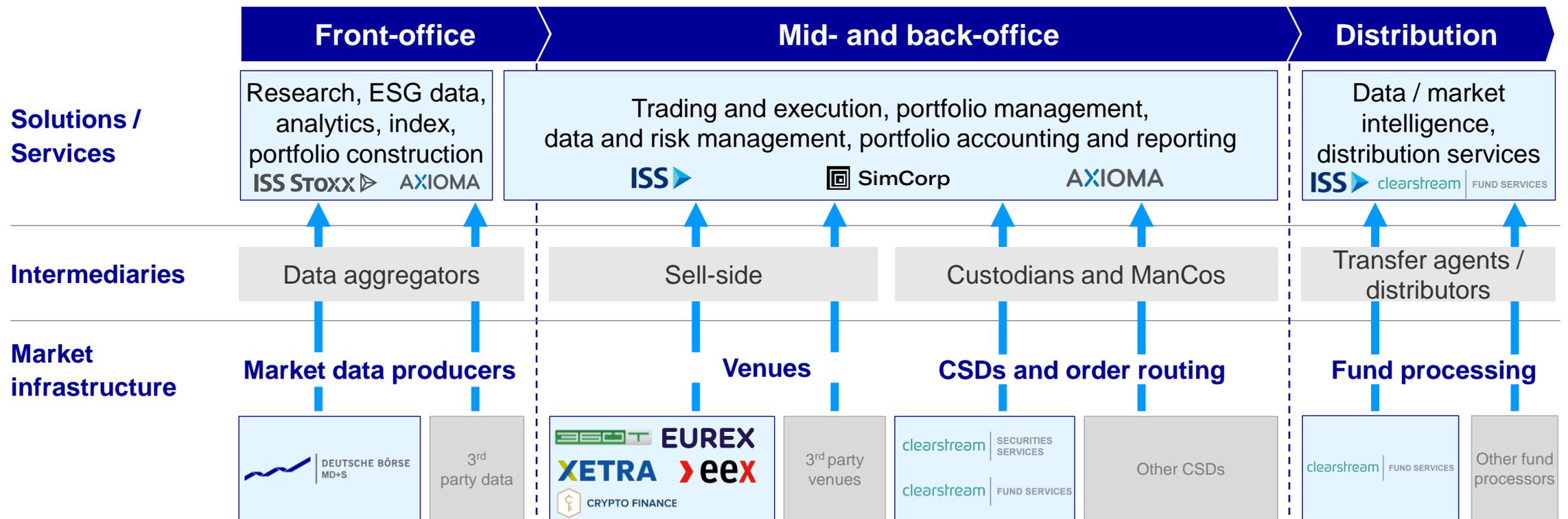
Deutsche Börse businesses



# Deutsche Börse with SimCorp very well positioned to offer front-to-back solutions for investment management industry

## Investment management value chain

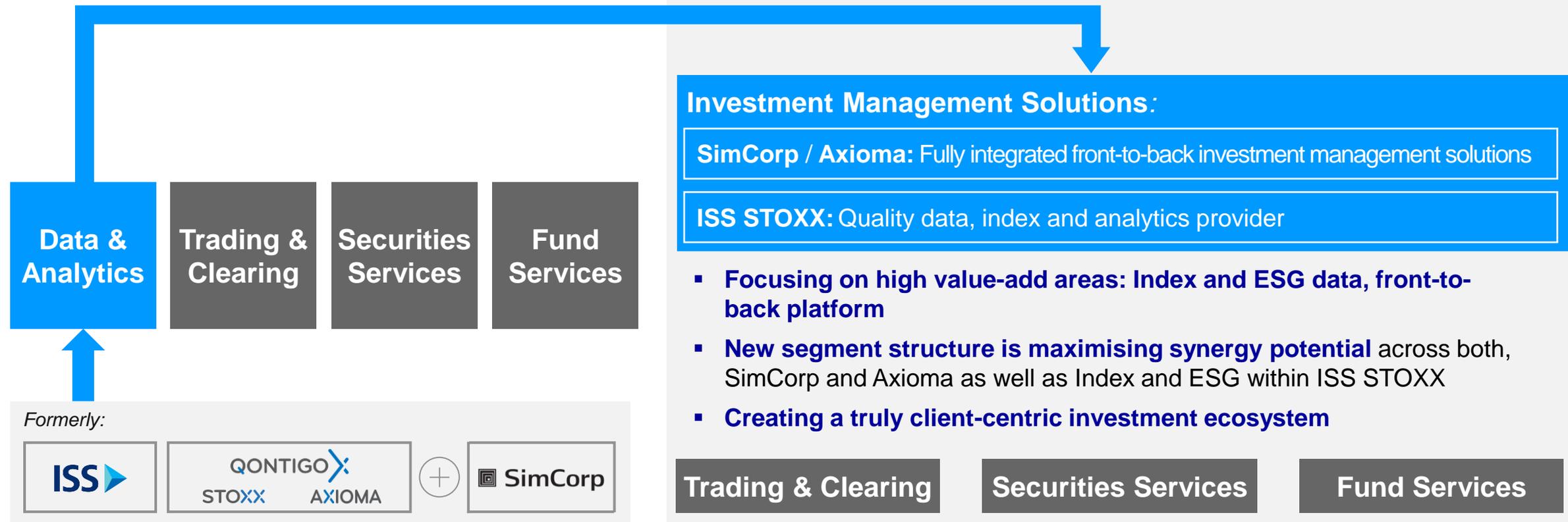
Deutsche Börse businesses



# Step change via the SimCorp acquisition: Data & Analytics becomes Investment Management Solutions

Former Data & Analytics segment serving as the foundation ...

... for Investment Management Solutions, a truly front-to-back investment industry offering



# Investment Management Solutions comprises two strong businesses in highly attractive markets

## Investment Management Solutions

**Fully integrated front-to-back investment management solutions**

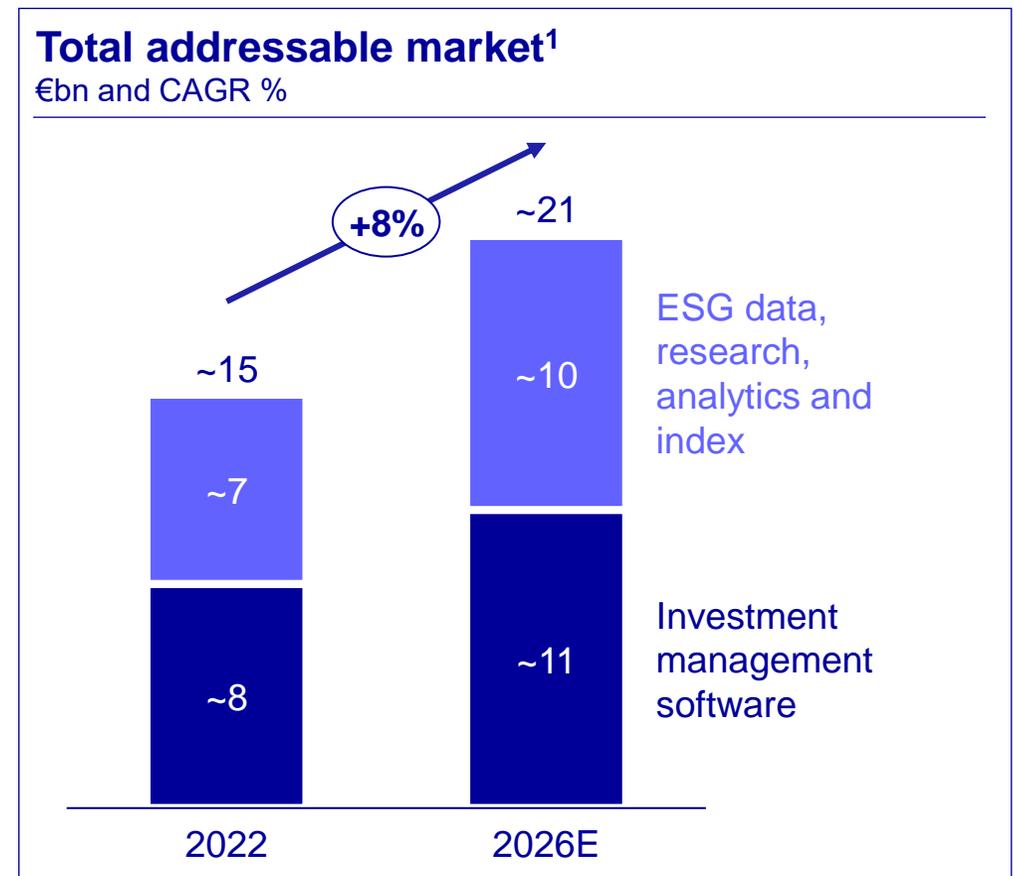
**Quality data, index and analytics provider**

**SimCorp AXIOMA**

Combined **SimCorp and Axioma** providing **best-in-class front-to-back investment management technology solutions – under strong common leadership**

**ISS STOXX**

**ISS STOXX with best-of-breed offering** targeting the investment process spanning **ESG data, research and ratings, indexing, engagement and market intelligence**



1) Source: McKinsey

# Investment Management Solutions segment will generate run-rate EBITDA synergies of ~€90 million by 2026E

## SimCorp / Axioma

~€60 million run-rate EBITDA impact by 2026E

- Investments in joint product roadmap, **realising economies of scale** ~€35m
- Cloud cost optimisation, SaaS and IT spend efficiencies** in cooperation with Deutsche Börse
- Optimise target operating model** (e.g. duplicate roles)
- Office consolidation, optimised third party spend**

- Cross-sell Axioma** risk models, portfolio optimiser and risk management tooling **into SimCorp client base** ~€25m
- Accelerated** SimCorp expansion into **North America**
- Increase SimCorp win rate** with Deutsche Börse support and due to enhanced **joint front-to-back platform offering**

Efficiency measures

Revenue uplift

## ISS STOXX

~€30 million run-rate EBITDA impact by 2026E

- Streamlined management, operations and corporate functions** ~€20m
- Global location strategy and office consolidation**
- Optimised **third party spend** (e.g. data cost, consultants, IT)
- Targeted scale benefits and cost control** (e.g. marketing, T&E)

- Accelerate **client opportunities across investment managers and banks** (ETFs, structured products, SMAs, et al.) ~€10m
- ESG index product portfolio expansion** while further building out **joint thought leadership**
- Cross-sell ESG data and reporting** into STOXX client base



**Target run-rate EBITDA synergies of ~€90 million have been bottom-up validated across initiatives**  
(~60% in 2024E, ~90% in 2025E and 100% in 2026E)

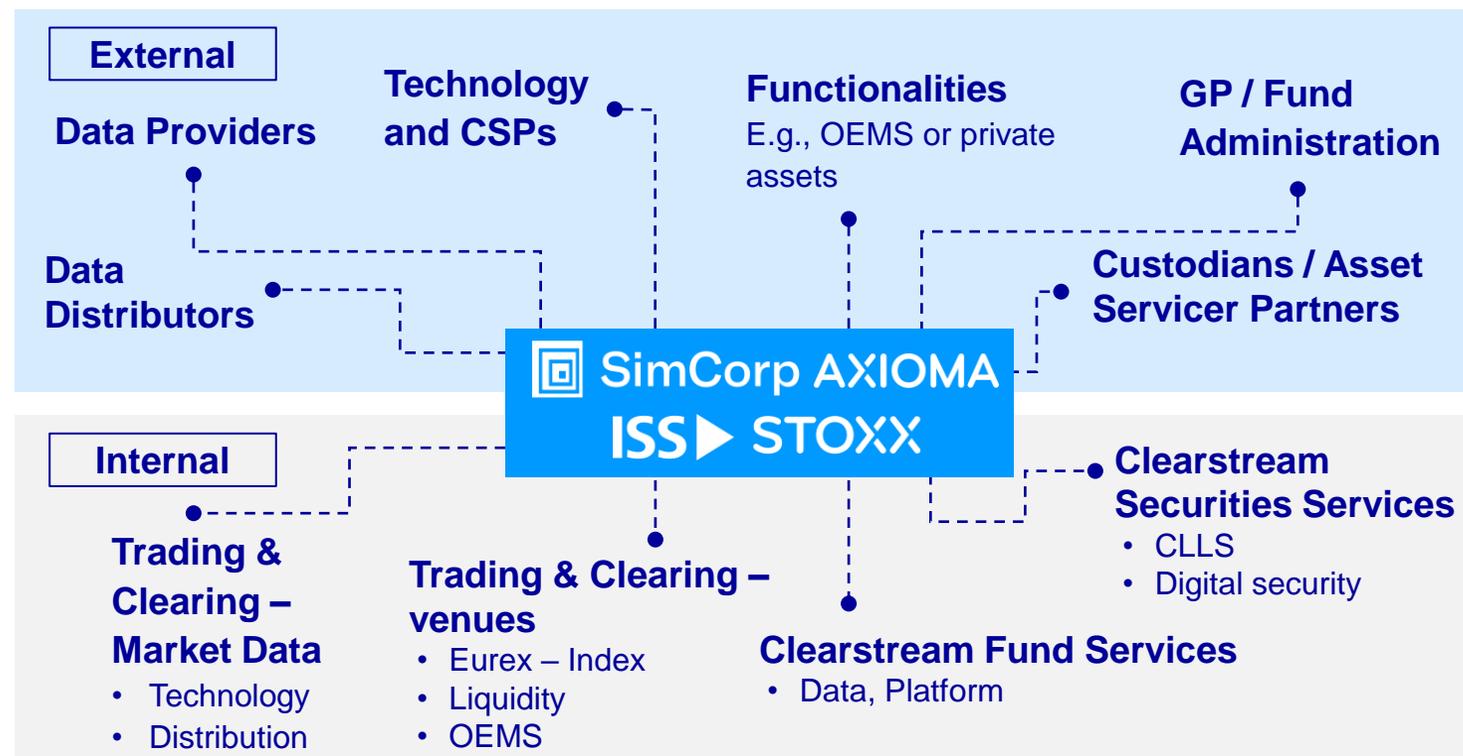
# Further synergy potential from internal and external ecosystem, as strategic partner of choice for investment managers

## Deutsche Börse as structurally attractive partner for the buy-side



## Deutsche Börse's value proposition unfolds full potential through strong ecosystem

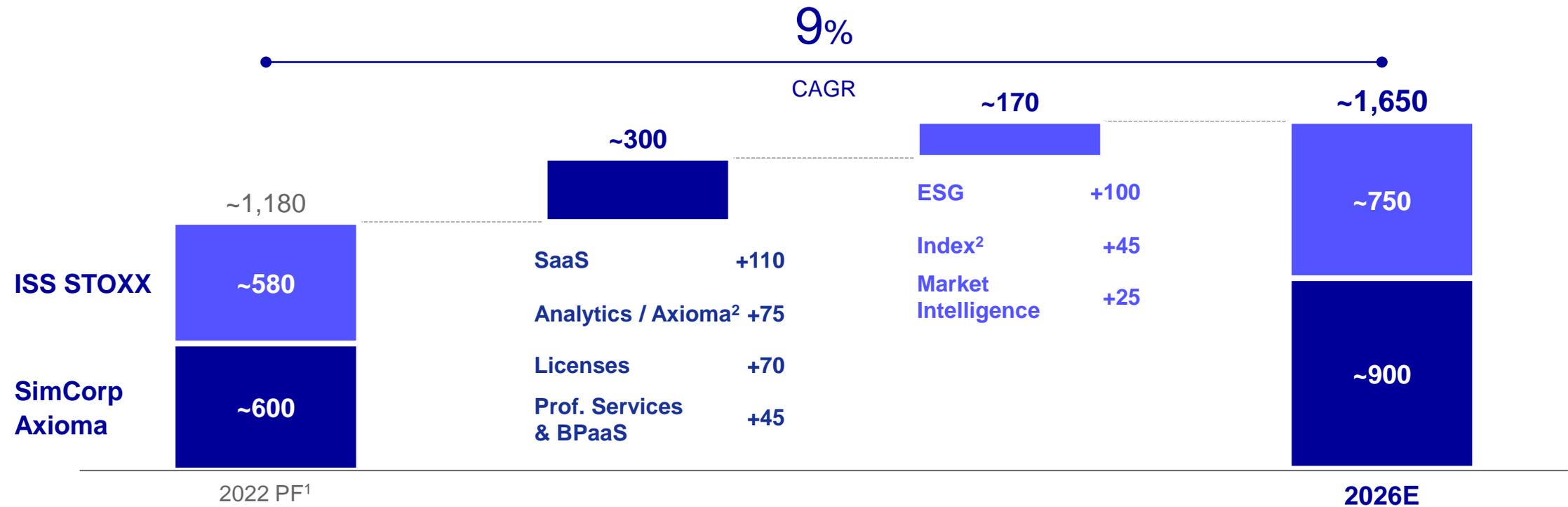
- **Neutral** operator and service provider
- Industrial partner with **long-term investment perspective**
- Strong **technology and well experienced to run scalable platforms**
- Longstanding track record of **highest reliability** and **performance**
- **Trusted** by market participants



**Ecosystem offers potential beyond quantified ~€90 million EBITDA synergies**

# Investment Management Solutions segment targeting net revenue CAGR of 9%

## Investment Management Solutions net revenue | €m



**~€90 million EBITDA synergies supporting 45% EBITDA margin (targets for 2026E)**

1) Pro-forma 2) Incl. synergies as shown on slide 25 i.e. SimCorp / Axioma revenue synergies of ~€25m and ISS STOXX revenue synergies ~€10m

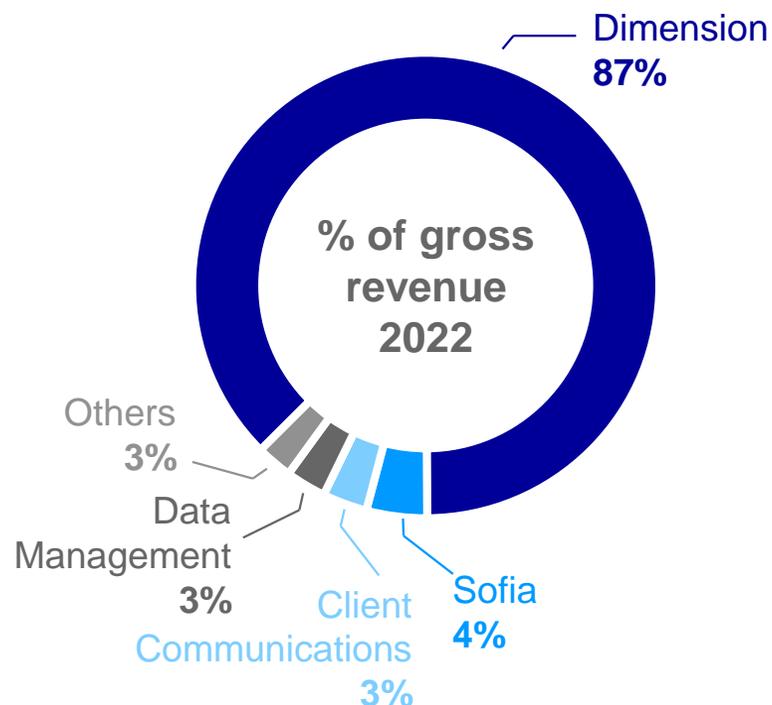
# SimCorp / Axioma

Christian Kromann  
CEO SimCorp



# SimCorp is a leading investment industry tech provider with 50+ years track record of offering flexibility and efficiency

## Gross revenue breakdown by product



## Market leadership ...

... and strong client base offering



## Best-in-class capabilities ...

... and long-lasting experience

- **Tech backbone of investment management**, trusted by the largest asset managers and asset owners with more than **USD 30 trillion Asset under Management (AuM)**
- **Strong organic growth track record and outlook; >300** clients with **>95%** retention rate
- **~23% market share in EMEA** and **8%** in **North America** and **APAC** for Dimension
- **Fully integrated front-to-back platform** for operational efficiency, scalability and choice
- **Broadest coverage of front-to-back functionality**, asset classes and **industry leading real-time IBOR / ABOR**
- **SaaS transformation, incl. BPaaS**, enabling **efficiency and flexibility to clients' operating models**



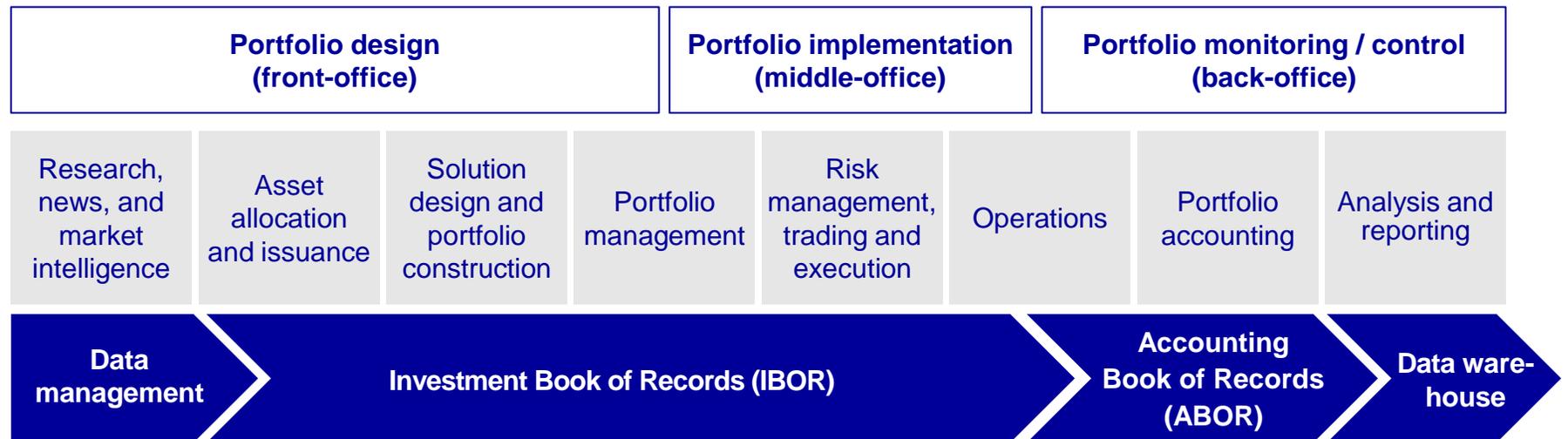
**Capability and market build-out via Axioma integration** – adding **best-in-class portfolio construction** and **risk management** as well as **strong North American client base**

# SimCorp serves the full investment industry value chain catering to >300 financial institutions globally

SimCorp serves a broad range of clients ...



... with the mission to enable their operating models along the whole value chain



# Breaking down the uniqueness of SimCorp

**We help investors run their business through the entire life-cycle  
– from investment idea to accounting**



## E2E integrated data model

- No reconciliations
- One version of the truth



## Open platform

- Ecosystem interoperability and innovation (data & tools)



## Cross-asset portfolio management

- Holistic optimization and investing across liquids/illiquids



## Delivered as a Service

- SaaS (platform & native apps)
- BPaaS overlay

## Client value

■ Operational efficiency

■ Optionality

■ Scalability / operating leverage

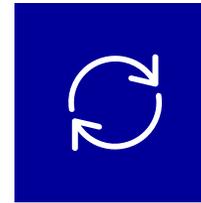
■ Time to market

■ Better investment outcomes

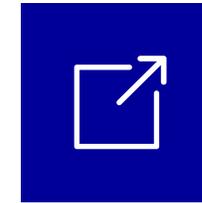
# Future winners will have highly efficient and adaptable “all-weather” operating models



**Front to back solution + in-house hosting and operations**



**Front to back solution + outsourced IT operations and hosting (SaaS)**



**Front to back solution + outsourced business operations (BPaaS)**



# Ongoing SaaS transformation

## SaaS transformation

- Existing clients, mostly in **Europe, switching to SaaS solution**
- Almost **all new clients**, especially in North America, choose SaaS
- Dimension architectural **re-engineering to lower cloud cost**
- Growing portfolio of **cloud native solutions**
- **SaaS offering complemented by BPaaS** to allow investment industry to fully focus on **differentiating tasks**
- **Deutsche Börse platform and capabilities** will be leveraged to further accelerate SimCorp SaaS transformation

## Highlights of current status

**>79** SaaS  
clients

**>54** SimCorp  
Dimension  
clients  
onboarded

**>6,700**  
SimCorp  
Dimension end  
users

**24/7** support  
offered across  
geographies

Highest  
availability

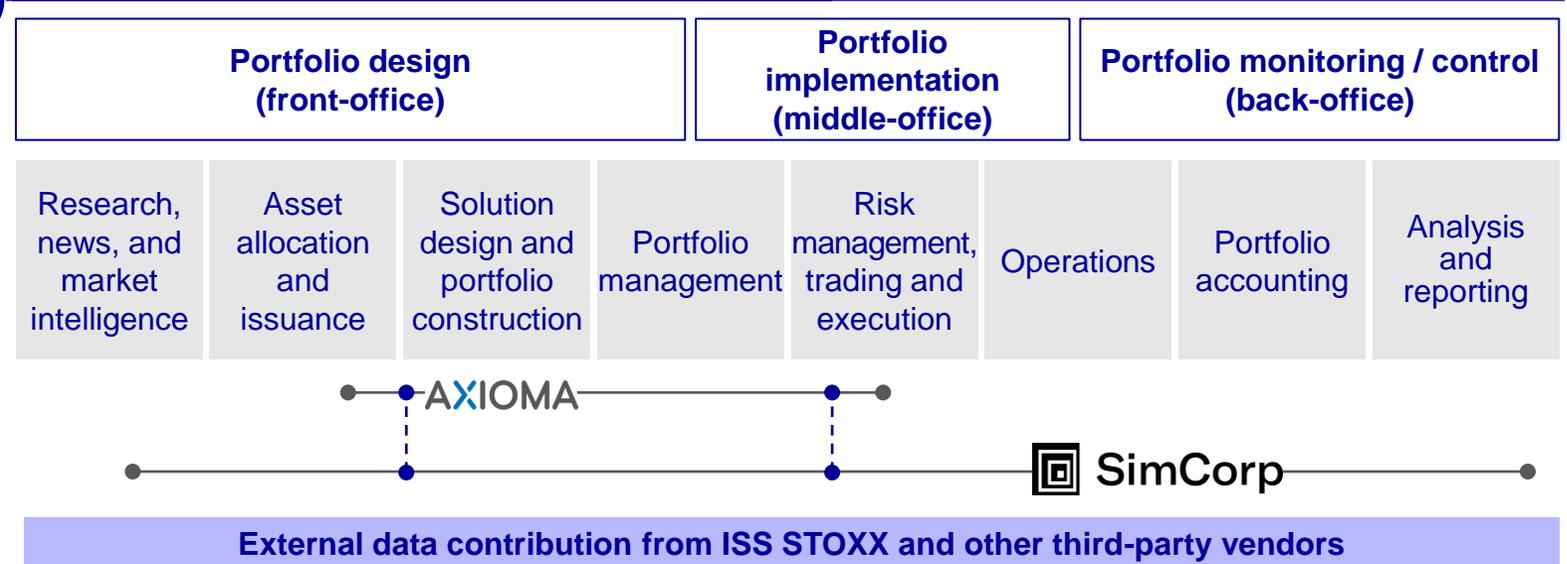
Observed  
performance  
improvements  
up to **25-50%**  
for clients

# Combination of SimCorp and Axioma creates a truly industry leading front-to-back platform with best-in-class capabilities

## SimCorp and Axioma joint value proposition

Joint full front-to-back-offering combining existing SimCorp front-office, middle-office, and back-office capabilities with **deeper asset class coverage, superior digital client experience, and Axioma risk management, portfolio construction and optimization tooling**

## End-to-end value chain coverage



Given strong joint client proposition and limited product overlap, Axioma to be fully integrated into SimCorp by Q1/2024

# Value delivered to combined SimCorp and Axioma clients

*Examples of clients landed or expanded via our existing partnership*



**Globally diversified sovereign wealth fund with USD ~850bn AuM**



**Multinational investment manager with USD >1tr AuM**



**National pension funds with USD ~115bn AuM (combined)**



**Global multi-alternatives platform with USD ~88bn AuM**

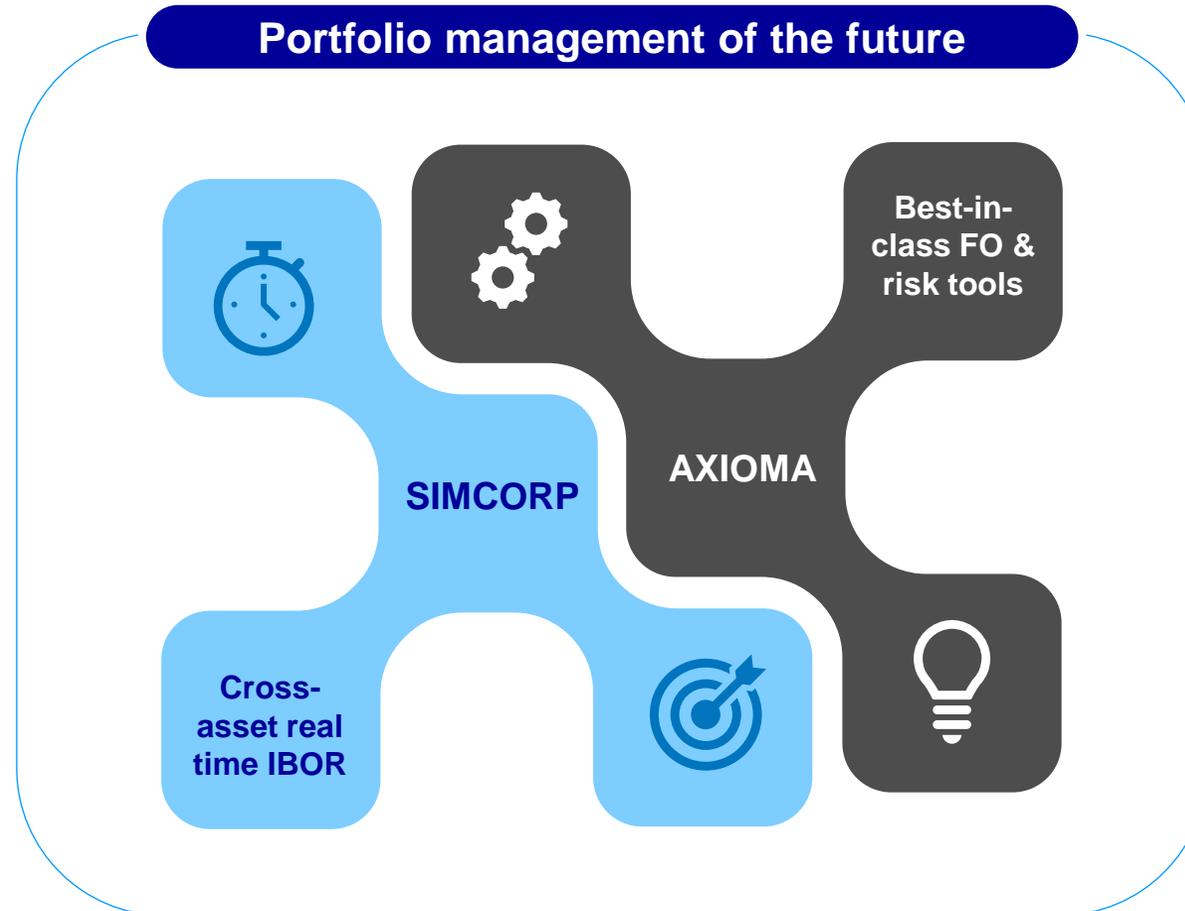
# We're rethinking Portfolio Management

## Fully cross asset

Holistic portfolio and risk management across public and private asset classes – in real time

## Simplified and automated

Integrated data, tools, and processes enabling focus on innovation, alpha generation, and robust risk control



## Next-gen digital experience

Fluid, flexible, and fully integrated user interactions and workflows

## Customisation at scale

Efficient and flexible front office tools from research to implementation, supporting custom portfolios at scale

# SimCorp will continue Annual Recurring Revenue (ARR) growth KPI to reflect SaaS-based business model

2023



SimCorp is well on track to deliver targeted standalone ARR growth in 2023 (up from previous 12-17% guidance):

✓ **14-17% ARR growth**

2023-26E Outlook



Introducing joint SimCorp and Axioma ARR growth KPI to reflect transition to SaaS business model.

**SimCorp (incl. Axioma) outlook 2023-26E:**

→ **13-18% ARR growth (CAGR)**

# ISS STOXX

Gary Retelny  
President and CEO of ISS



# ISS STOXX comprises five complementary business lines that leverage an integrated data and tech infrastructure

## Governance & ESG



**Governance research** and advisory, and **end-to-end proxy voting solutions**



**High-quality ESG** research, ratings, index, screening, data, analytics and advisory services



Solutions to manage **governance, remuneration, cyber-risk and sustainability programs**

## Index



Established and **global provider of benchmark and custom indices**

## Market Intelligence



**Research, data, insight, and workflow solutions** to global asset managers and distributors

### Broad and innovative product set

- Continued innovation and product development pioneering market trends, serving custom demand and adapting to regulation
- Leading product brands and highly trusted focus on data quality

### Unique data assets and IP

- Continuous expansion and utilisation of proprietary data sets unrivalled for timeliness, breadth and depth
- Robust and transparent methodologies
- Leverage our global footprint for data collection

### Scalable technology infrastructure

- Scalable technology infrastructure to support diverse product suite
- Secure, reliable and flexible environment
- Cost efficient data operations at scale

# ISS STOXX's ESG business lines provide market leading, high-quality research, data and analytics services ...

## Governance & ESG business lines

### ISS GOVERNANCE

Global leader in providing **objective governance research** and **end-to-end proxy voting** solutions

**50,000**

Meetings (approx.)

**>1,100**

Professionals globally

**110**

Markets covered

**3.9tr**

Shares

- **Investor engagement** becomes a must for investment management
- **Customisation** of voting policies and regulation

### ISS ESG

Innovative and high-quality **ESG research, ratings, index, screening, data, analytics** and advisory services

**>12,500**

Corporate ratings

**>600**

Professionals globally

**>1,100**

Clients

**26,500**

ESG fund Ratings

- Continuous strong momentum underpinned by **high quality ESG data** and **robust methodology**
- Spearheading with **product innovation, IP and regulatory solutions**

### ISS CORPORATE SOLUTIONS

Solutions to help companies design and manage their **governance, compensation, cyber-risk, and sustainability** programs

**72%**

Penetration of S&P 500

**>290**

Professionals globally

**>1,850**

Clients

**59**

Clients Countries

- Increasing focus by investors requires **efficient steering of governance and compensation** programs
- Continued growth **in web-based corporate sustainability suite** offering

Note: KPIs for ISS Governance and ISS ESG are as of 1 January 2023; KPIs for ISS Corporate Solutions as of 31 August 2023

# ... complemented by its well-established and highly regarded Index and Market Intelligence business lines

## Index business line

### STOXX

Established and **global provider of benchmark and custom indices** – use cases spanning ETFs, benchmarking, structured products, segregated accounts and ETDs

**>250bn**

AuM in ETFs and mutual funds, in EUR (STOXX and DAX indices)

**#2**

In European Thematic ETFs<sup>1</sup>

**>450**

Clients<sup>1</sup>

**>600m**

ETD contracts<sup>1</sup>

- Focus on ongoing **close collaboration with clients** across **sell-side and buy-side**
- Leveraging STOXX's **broad and deep expertise (i.e., ESG, Factor, Thematics)** while enabling **custom requirements**

### DAX

**Leading index of German companies** serving the institutional investment market across global buy- and sell-side clients

**#1**

German index

**>600,000**

Structured Products issuances<sup>1</sup>

**>35 years**

Since launch of DAX

**4**

German flagship indices DAX, MDAX, SDAX and TecDAX)

- **Leading German benchmark index** with global recognition
- **Highly trusted, longstanding DAX brand**

## Market Intelligence business line

### ISS MI

MARKET INTELLIGENCE

Provides critical **research, data, insight, and workflow solutions** to global asset managers and distributors

**350,000**

Share classes

**>500**

Professionals globally

**>1,500**

Clients

**140,000**

Funds & Financial Products

- **Leading data and market / product insights** i.e., mission critical financial intermediary data
- **Deep analytics and broad coverage of targeted markets** across regions

Note: KPIs for Index and Market Intelligence business lines as of 31 August 2023

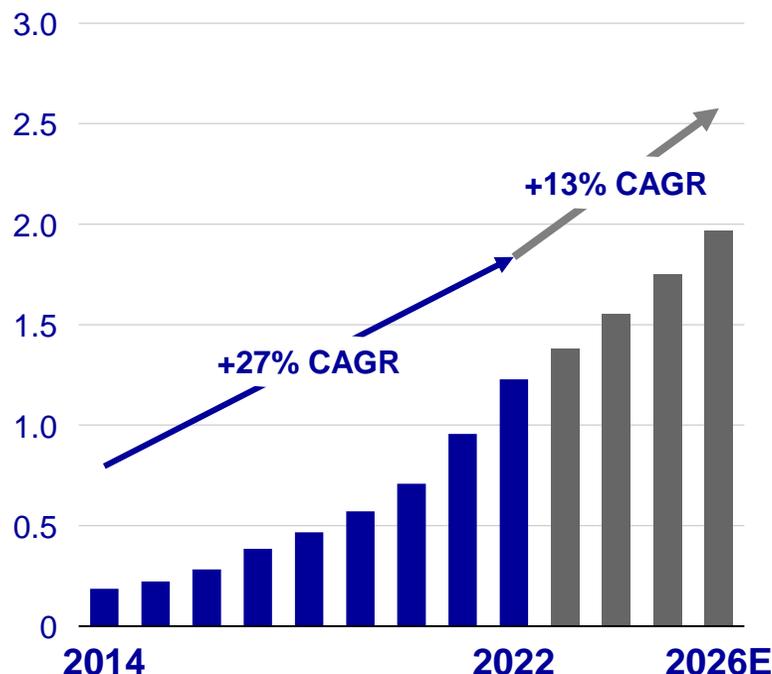
Source: Internal, FIA, SRP

1) STOXX and DAX combined

# ESG growth outlook continues to be strong

## Strong ESG growth trajectory...

### Global Spending on ESG research, data and indices | €bn

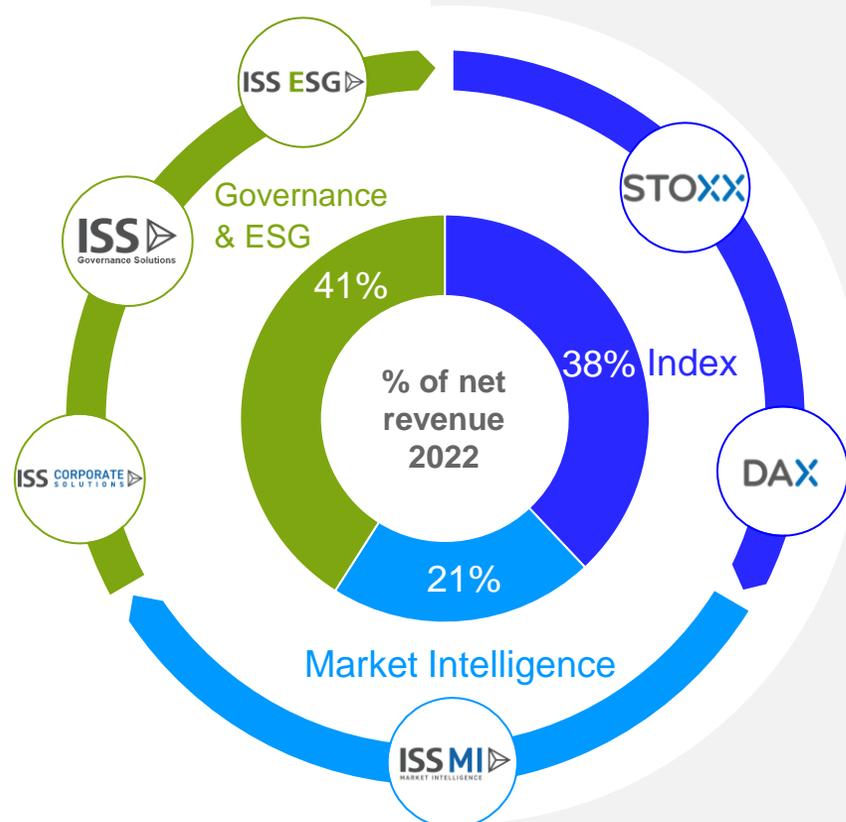


## ...with prevailing industry dynamics

- |  |   |
|--|---|
| <b>1</b> ESG market demand continues to grow             | ESG factor adoption due to <b>rising complexity in performance and reporting</b> driving need for <b>trusted, comprehensive solutions</b>         |
| <b>2</b> Rise of passive (ESG) products                  | <b>Shift from active to passive</b> puts indices at core of the investment process with strong momentum in ESG to attract / shift assets          |
| <b>3</b> Technology and high quality data                | Need for <b>high quality, transparent data</b> incl. data at scale  |
| <b>4</b> ESG gaining traction with corporates            | <b>Growing demand for ESG data and analytics</b> by companies, both public and private, as <b>regulatory pressure and investor concerns</b> mount |
| <b>5</b> Comprehensive offering of products and services | Bundling of services to <b>deliver scale</b> that allow for the provision of data, analytics, and index in a comprehensive offering               |

Source: Based on historical data (Opimas ESG data market report), and experts' inputs on future-looking growth trajectory

# Compelling ISS STOXX offering with quality and scale under a proven management team



- ISS has **delivered strong growth** since becoming part of Deutsche Börse Group **outperforming the initial investment case**
- Unique leadership team with **long-term industry experience**
- Combination of ISS and STOXX is forming a diversified **quality data, index and analytics provider with strong branding** – serving a **very broad client base of global investment managers, banks and corporates**
- Additional **opportunity for bundling of services and distribution into the existing strong client base**, as well as **product innovation**
- In addition, **ISS STOXX's management team** has **successfully completed 17 M&A transactions** since 2014

# Trading & Clearing



Thomas Book  
Member of the Executive Board

# Trading & Clearing – High value platform businesses, performing strongly in scale and network effects

Financial Derivatives

**EUREX**

Commodities

**eeex**

Cash equities

 DEUTSCHE BÖRSE  
CASH MARKET

Foreign Exchange



Value drivers

Global distribution

Product innovation

Effective risk management

Technology leadership

Platform KPIs<sup>1</sup>

**3,500**

Customers

**€3,500bn**

Open interest

**800m**

Transactions / day

**Benchmark liquidity pools**

Equity, fixed income, power

**>99.99%**

Availability

Market proposition

Multi asset class

Synergetic businesses

Strong in execution

1) 2023 figures

# Strong in execution – Delivering steady secular growth

## Milestones in successful business development

Net revenue 2022 | €m

CAGR 2017-22

### Market infrastructure

- Connectivity roadmap
- Repo F7 platform
- Trading hours extension
- Collateral roadmap
- Collateral roadmap
- Transition from OTC to on-exchange

380

+24%

### New products & markets

- STOXX index derivatives
- MSCI index derivatives
- Total return futures
- ESG index derivatives
- OTC IRS clearing
- Gas market expansion
- Nodal US expansion
- Environmental markets

325

+28%

■ Financial Derivatives **EUREX**  
 ■ Commodities **eex**

# Attractive market environment – Foundation for future growth

## Market environment

### Macroeconomic environment

- Rates and inflation to stay higher for longer
- Geopolitical uncertainties and spikes as new normal

### Structural growth drivers

- OTC to cleared/ on-exchange
- Active to passive to automated
- ESG / Carbon neutrality
- Energy transformation / Hedging demand

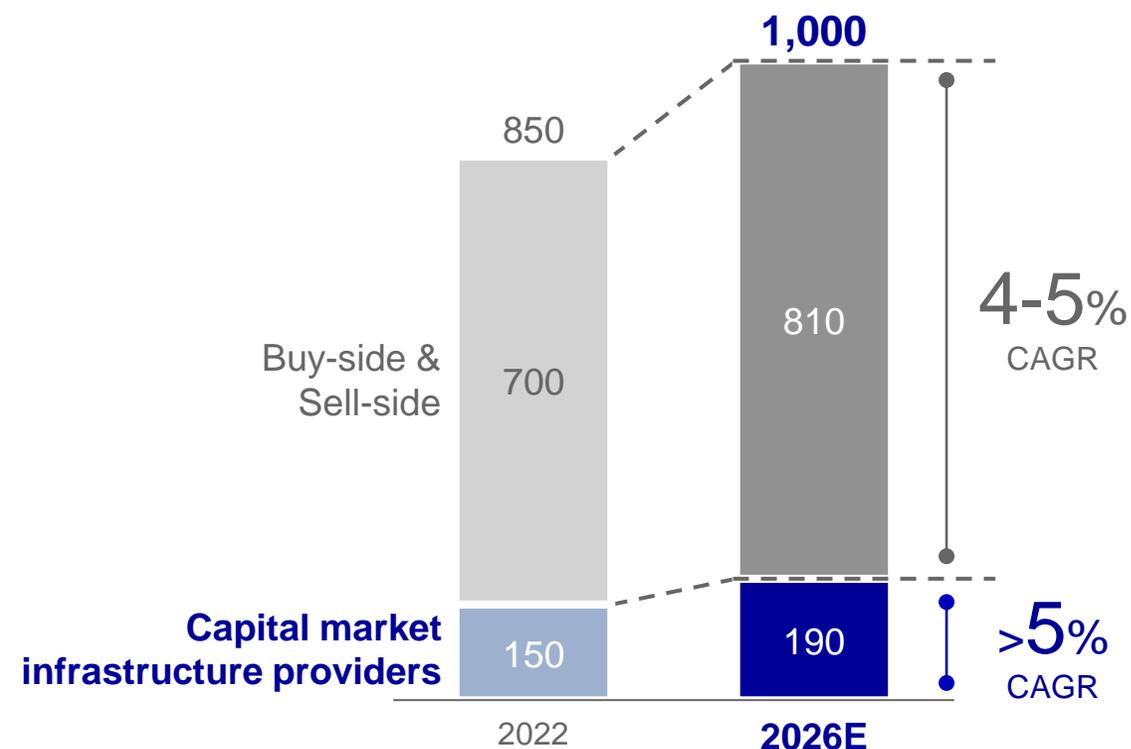
### Transformational industry trends

- Buy-side proximity
- Algo / quant-driven trading
- Digital Transformation – Tokenisation and instant market infrastructure

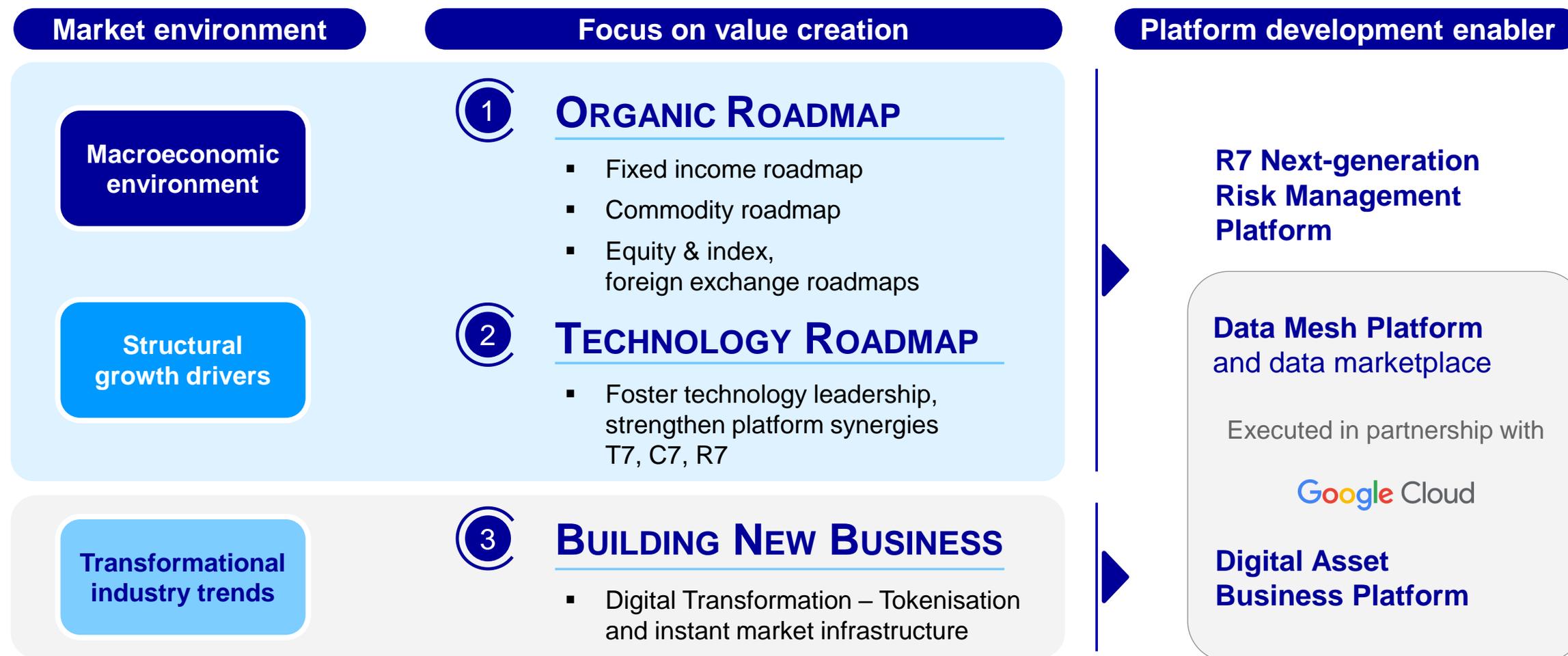
1) Source: McKinsey

Deutsche Börse Group | 7 November 2023

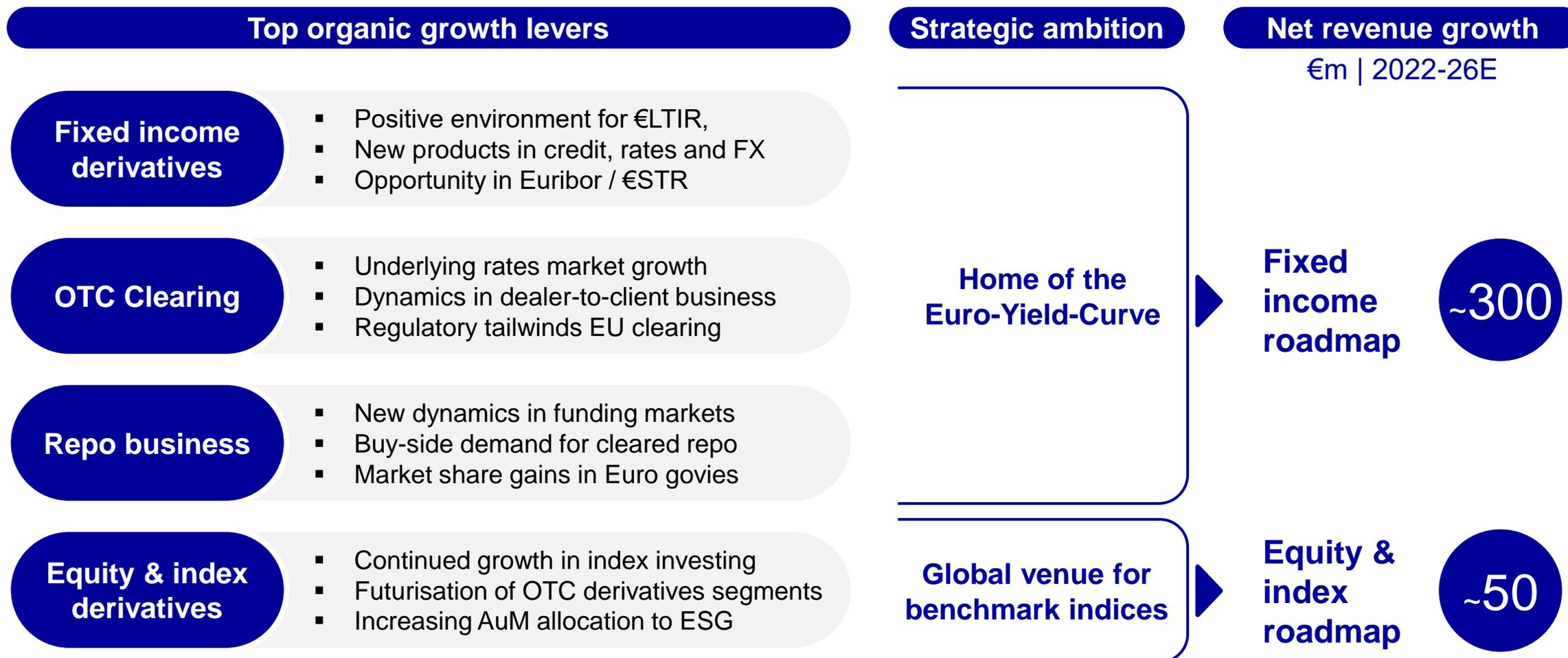
## Capital markets revenue pools | €bn<sup>1</sup>



# Business agenda with clear focus – Financial Derivatives (Eurex) and Commodities (EEX) core growth engines going forward



# ① Organic roadmap / Financial Derivatives – Fixed income roadmap major driver of secular growth



# ① Organic roadmap / Financial Derivatives – “Home of the Euro-Yield-Curve” Unique position to capture growth in fixed income

## Long term interest rate derivatives

- Market leader in Euro government bond futures & options
- Italian / French government bond futures & options established – EU bond future under development
- Tailwind with turn of rates cycle in EU

## Short term interest rate derivatives

- 100% of Euribor contract traded outside EU (under EU regulatory scrutiny)
- Eurex launched €STR futures in Q1/ 2023 (YTD >750k contracts)
- New €STR / Euribor Partnership Program launched 1 Nov 2023

## Home of the Euro-Yield-Curve



Fixed income roadmap designed to win up to 50% of total Euro market opportunity, worth >€1.5bn by 2026

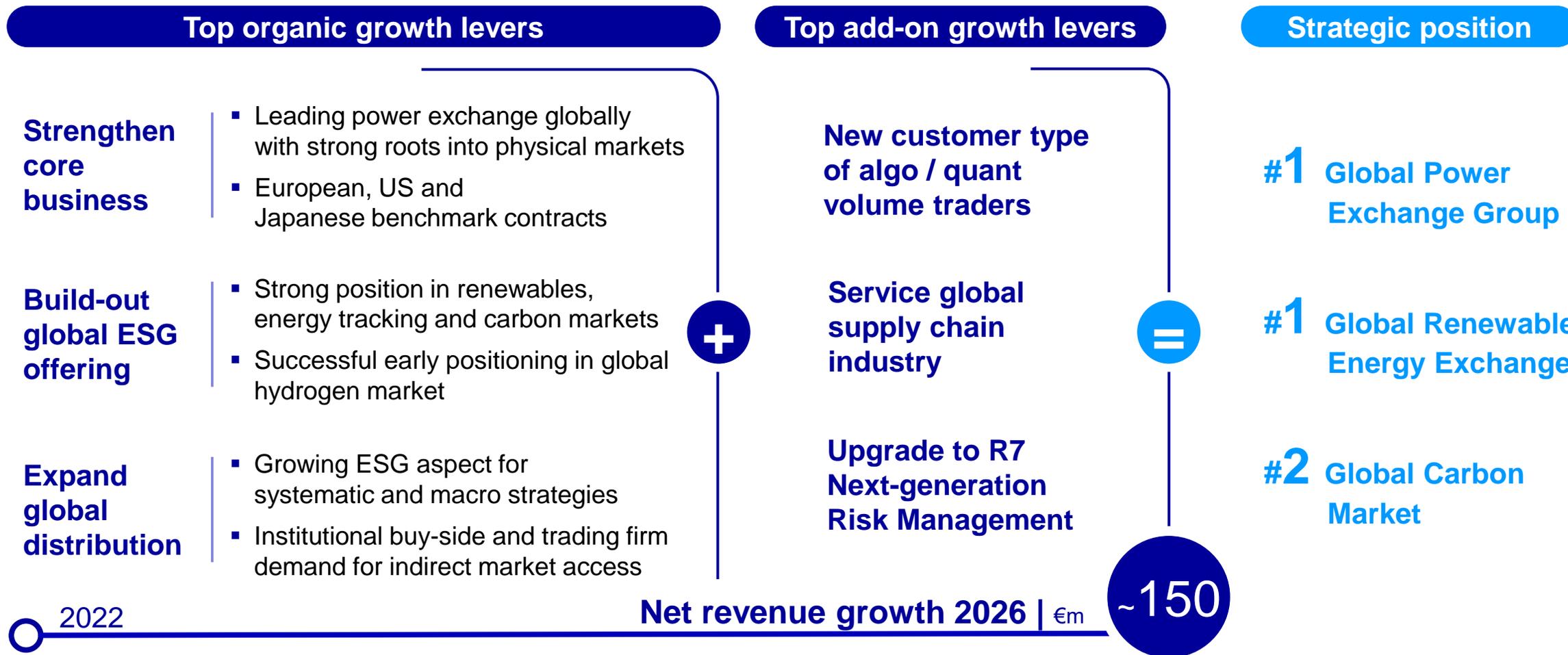
## OTC interest rate derivatives

- Partnership program successfully launched in 2018 with G10 banks
- Respectable market share gains - Notional outstanding ~20%
- Prospective EMIR 3.0 regulation may require “active account in EU”

## Repo

- >50% of Euro repo market still uncleared (SEC proposed clearing obligation for US treasury repo)
- Cleared repo becoming important liquidity management tool for non-banks
- ECB policy supports recovery of cash driven repo market (Eurex GC Pooling volume up >100% in 2023)

# ① Organic roadmap / Commodities (EEX) – From local specialised to global commodity exchange of choice



## ② R7 Next-generation Risk Management Platform – Technology leadership unlocks tangible business value

### Technology leadership

#### Effective risk management

- Risk transfer (derivatives markets) and risk management (Clearing and CCP services) core target markets
- Clearing margin pool one of our most valuable assets
- Key success factor to maintain and acquire new business

### Platform development

#### R7 Next-generation Risk Management Platform

- Foster technology leadership
- Scalable, fit-for-purpose for multi asset class operations with diverse client base
- Improved operational efficiency, ready for cloud-based operations

**2024** Bonds portfolio margining  
**2025** Commodities

### Business value

- ✓ **Portfolio margining** – Margin and capital efficiencies
- ✓ **Product innovation** – Faster, more efficient path for new product launches
- ✓ **Development synergies** – Shared platform development for Eurex Clearing and European Commodity Clearing

# ③ Building new business / Digital transformation – Positioning for an evolving new ecosystem

## New ecosystem evolving...

...driven by innovation and technology

>10,000

Crypto coins  
today

USD103bn

Average trading  
volume per day

>USD1.0tr

Market cap 2023  
Crypto Currencies

400m

Users in  
ecosystem globally

USD16tr

Market cap 2030E for tokenised assets<sup>1</sup>

## Institutional grade offering...

...missing in current market structure

### Digital Asset Business Platform

Establish value chain  
with institutional grade value  
proposition to **support the  
ecosystem's growth** from  
pilot to scale

- Institutional adoption
- Trusted market operations
- Industrialisation

## Our proposition

- Neutrality remains key value
- Trusted for credibility and reputation
- Capable to operate platforms sustainably
- Experienced in running regulated business
- Located in Europe / Germany – Regulatory framework in place already, and further developing

1) Source: Boston Consulting Group (2022), Relevance of on-chain asset tokenisation in 'crypto winter'

# ③ Building new business / Digital transformation – Creating a digital asset platform to serve institutional customers

## Connecting our capabilities across the value chain and use cases



Executed in partnership with



## Available today

### Crypto Currency

- ✓ Brokerage
- ✓ Settlement and custody
- ✓ Cash Market ETNs/ ETPs
- ✓ Eurex Index futures and options on futures

### Alternative assets / tokenised securities

- ✓ Structuring and tokenization
- ✓ Settlement and custody

## Next to come ...

Crypto Currency  
**Multilateral Trading Facility**

# Well diversified mix of businesses – Secular growth in focus with upside optionality

## Secular growth 2022-26

## Upside optionality

### Financial Derivatives



Strong vs. record  
high baseline 2022

### Commodities



Strong, continued  
success story

### Foreign Exchange



Outperforming, sizing  
up its topline

### Cash Market



Stable topline,  
highly profitable

### Geopolitical uncertainties

- Low volatility environment 2023
- Market spikes to be expected

### Fixed income

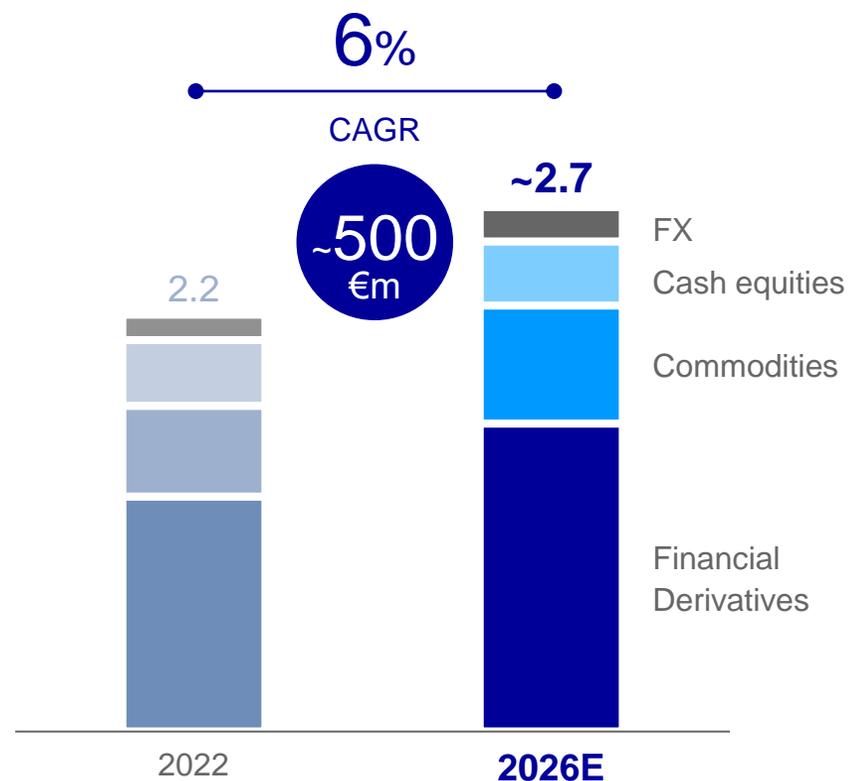
- EU trading volumes still below 2000s peak levels, EU development lagging behind US

### Digital transformation

- Contracting monetary policy reduces excess liquidity – pushes repo markets, drives hedging demand
- Mid-term potential driven by institutional adoption – upside not considered, investments included

# Trading & Clearing Horizon 2026 – Continued strong organic growth momentum

## Net revenue mid-term guidance | €bn



## Turning potential into results

- **Industry leading platform businesses**, performing strongly in scale and network effects
- **Strong in execution**; attractive market growth with sizeable revenue pools – foundation for future growth
- Eurex and EEX core growth engines going forward
  - **Eurex Fixed Income Roadmap** major driver of secular growth – Being the ‘Home of the Euro-Yield-Curve’
  - **EEX continues its success story**, becoming the global commodity exchange of choice
- **Technology Roadmap** fosters innovation lead and unlocks business value
- Further upside potential
  - **Cyclical tailwinds** not factored in
  - **Digitalisation** and non-organic growth

# Securities Services

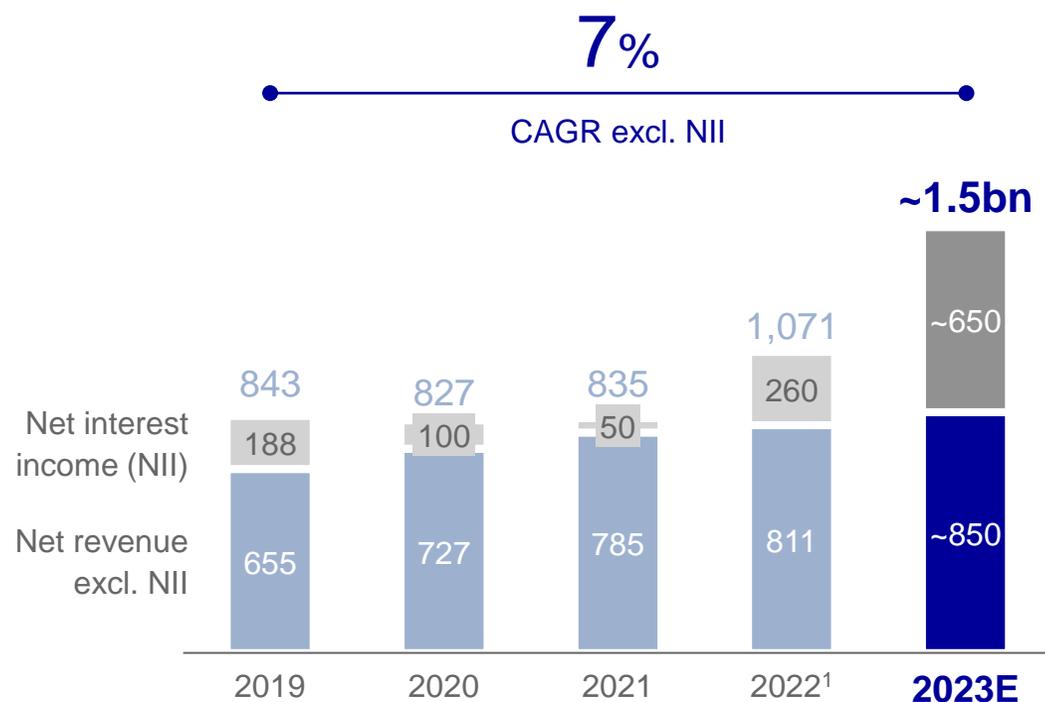


Stephan Leithner  
Member of the Executive Board

# Securities Services with growth trajectory of 7% CAGR even excluding net interest income

## Demonstrated growth path

Net revenue<sup>1</sup> | €m



1) Net revenue in 2022 adjusted for €52 million exceptional gain related to sale of Regis-TR

## Core strategic vectors

- Demonstrated organic fee growth dynamics** from resilient business model with further growth upside in custody, collateral management and data
- Structural net interest income (NII) component** as high-quality, fee-like revenue source
- Leading innovation agenda** with Google, building D7 as first fully digital infrastructure

# ① Global infrastructure player with upside for upcoming cycle

## Unique “at scale” CSD/ICSD positioning

**€14.5tr**

Assets under custody<sup>1</sup>

**#1**

T2S gateway  
(>50% transactions)

**250m**

Settlement transactions in 2022

**€700bn**

Outstanding collateral<sup>1</sup>

**60**

Connected markets

**>€3bn**

Issued digitally on D7<sup>1</sup>

## Further secular growth drivers (strategic vectors)

Macro-economic tailwinds from **resurgence of fixed income** as asset class

**Investor CSD model with all T2S markets** connected by 2024 – Single access to T2S for CCPs/exchanges

€700bn outstanding collateral – **Expand securities lending breadth and scope** (e.g., AI-enabled marriage broking) and joint momentum with Eurex Clearing/Repo

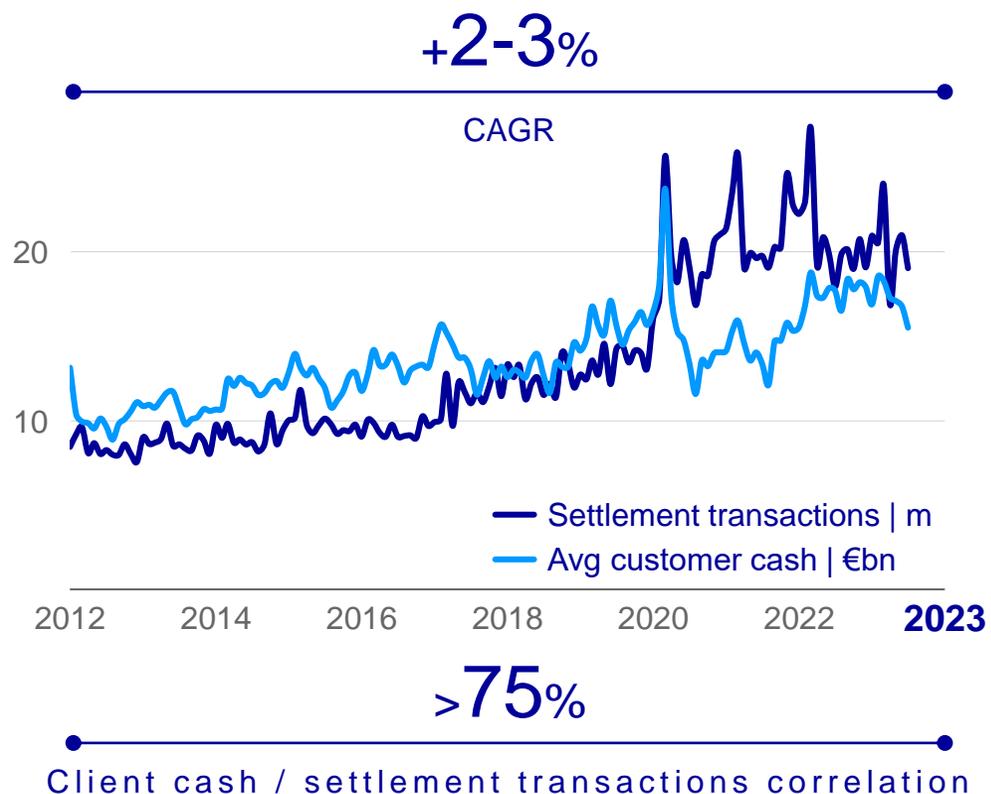
**‘Platforms as a service’** – Scale platform business across regions (e.g., collateral management with TMX)

**Data & connectivity** solutions growing at 10% YoY – Build-out of **value-added data use cases**

1) As of September 2023

## ② Sustainable revenue through structural net interest income growing with operational settlement turnover

### Operational cash balances



### Linked to underlying business

Major share of client **cash held overnight stable and linked to settlement services**

At mid-cycle interest rates, ~€500m p.a.<sup>1</sup> **structural net interest income (NII) contribution** to Horizon 2026

Structural component growing long-term with settlement turnover – yielding to **positive, through-the-cycle growth guidance** for structural NII

**Regulatory changes under IRBB enabling** further mid-term stabilisation of NII from selective maturity bucketing

1) Combined net interest income for Securities Services and Fund Services; based on current interest rate expectations and around €16 billion of cash balances

# 3 D7 as first fully digital securities infrastructure – further accelerating in partnership with Google Cloud

## D7 vision

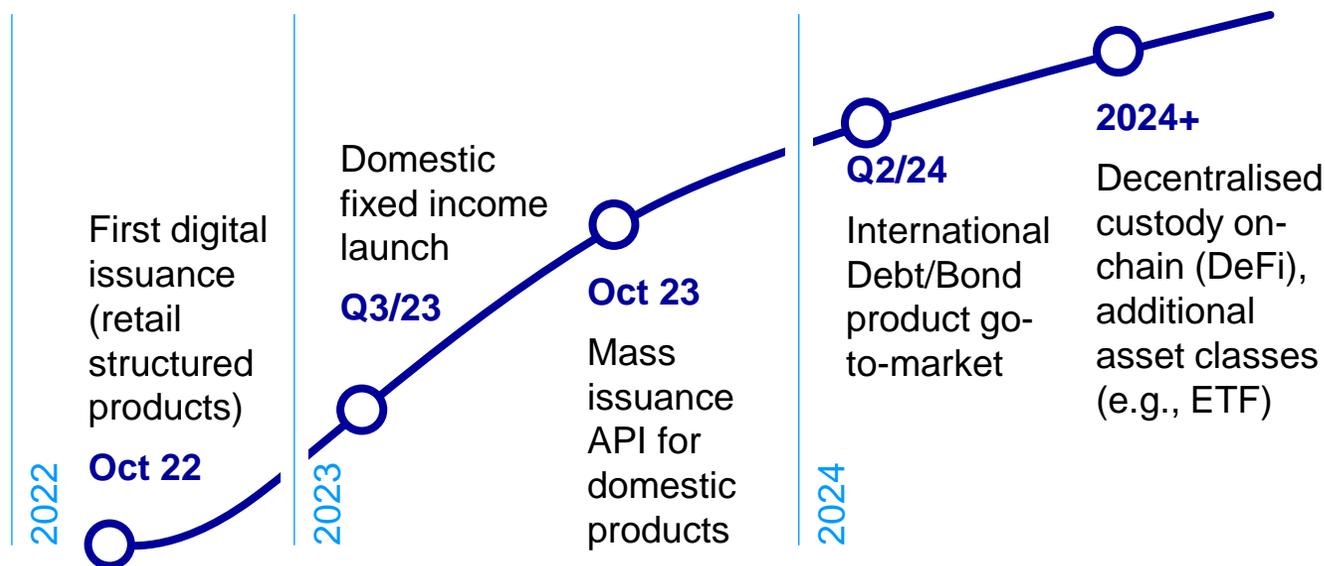
Clearstream as regulated operator of decentral post-trade infrastructure network

Fully **digitised value chain**: same day issuance, decentralised safe- and position-keeping, T+0 settlement

Covering **all key asset classes** (debt, funds, equities, alternatives, etc.)

Fully **interoperable access** into legacy and new distributed infrastructures

## Roadmap – accelerated by Google and Digital Asset platform



D7  
today

>4000

Digital issues

>€3bn

Issued digitally

<9min

Issuance time

KFW

Vontobel

COMMERZBANK

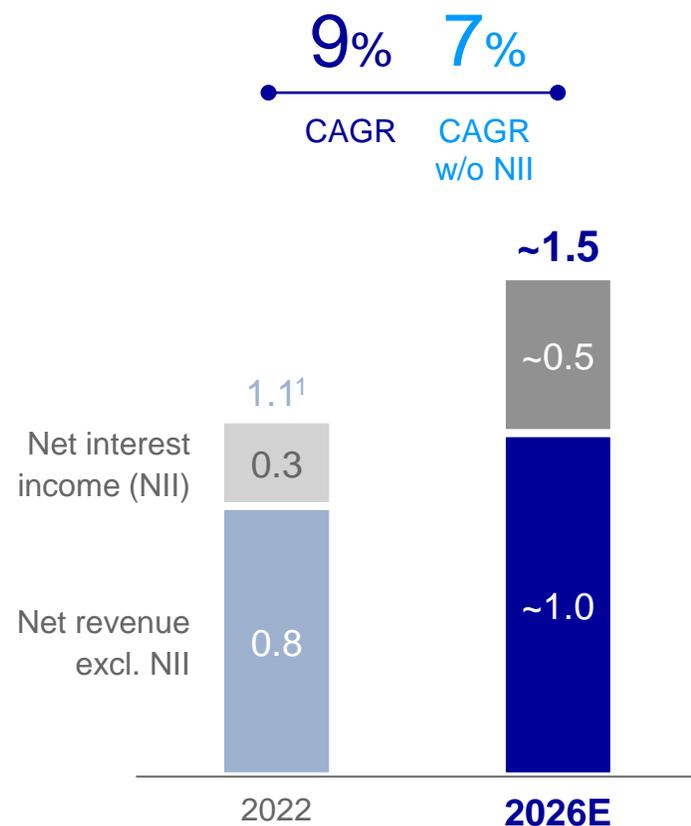
„Deka

LB≡BW

Key partners onboarded as of today

# Strong organic fee growth to offset cyclical normalisation of net interest income

## Net revenue mid-term guidance | €bn



Continued, strong **structural fee-revenue growth**



**Structural net interest income component** despite cyclical headwinds



Continued **scaling effects and proactive cost management** with strong EBITDA steering

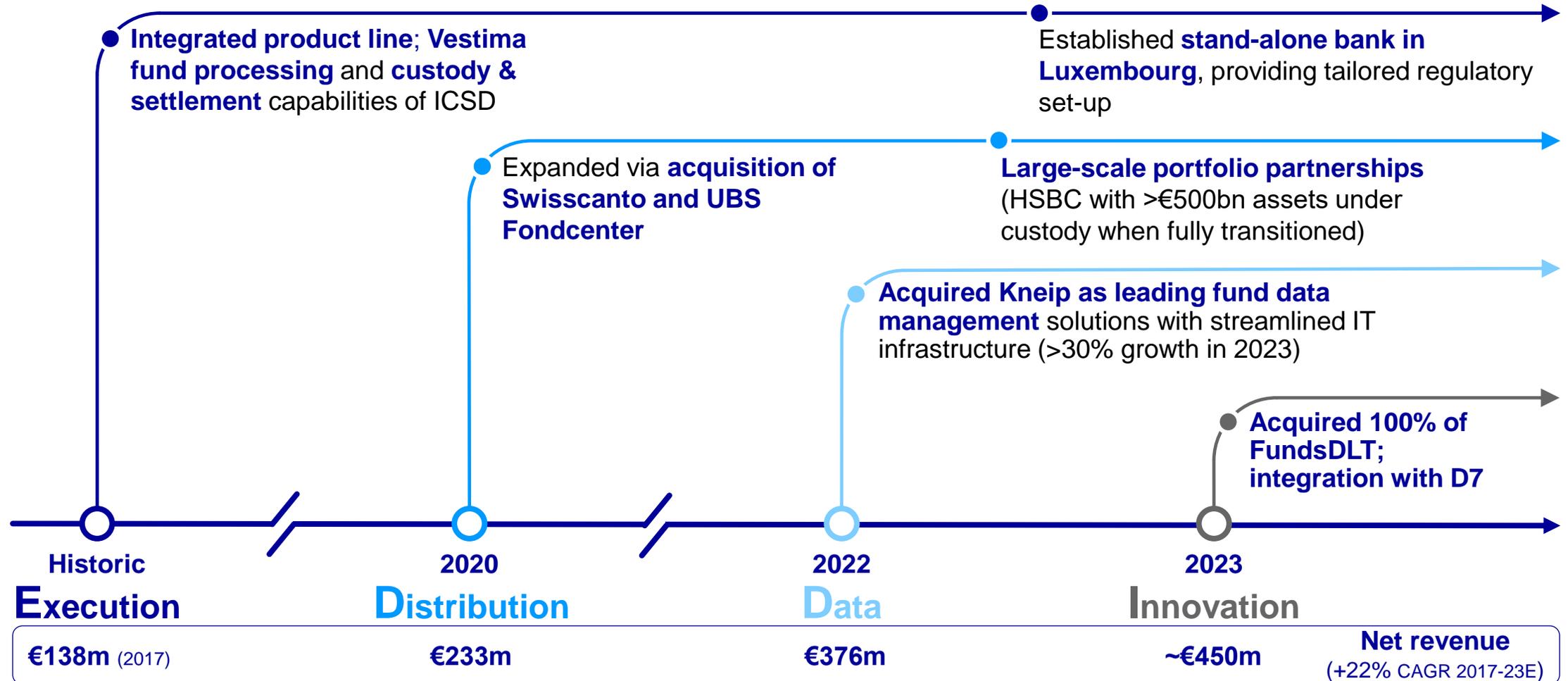
1) Net revenue in 2022 adjusted for €52 million exceptional gain related to sale of Regis-TR

# Fund Services



Stephan Leithner  
Member of the Executive Board

# Fund Services now offers integrated one-stop shop proposition to distributors and asset managers



# Fund Services' volumes outperforming muted market recovery – strong long-term structural growth outlook

## AuM growth 2017-2021

Strong historical growth



- **Strong market** performance
- **Initial wave of outsourcing** by smaller distributors
- **New fund platforms** coming to market

## AuM growth 2021-2023

Outperformed in market turbulences



- **Challenging market context** (asset values, rising interest rates)
- **Strong AM client franchises** recovering better than market
- **Relative outperformance**

## Drivers of resilience and outperformance

Partnering with **winning client franchises**



**Diversified comprehensive offering** especially incl. ETF, Alternative funds

**Broad geographic business mix** across Europe and APAC

1) Europe, Assets under Management reflect EFAMA data and include UCITS and AIF

# Fund Services' main strategic vectors to realise further growth opportunities

## Unique positioning as global fund ecosystem

**€3.3tr**

Assets under custody<sup>1</sup>

**>€400bn**

Assets under administration<sup>1</sup>

**>700**

Asset manager and transfer agents connected

**>700**

Global distributors connected

**46m**

Settlement transactions in 2022

**>125k**

Documents filed to regulators

## Strategic vectors



**Fully capitalise on outsourcing potential** from distributors leveraging cooperations with local aggregators and global custodians



**Strengthen asset manager proposition** through regulatory, data, digital services

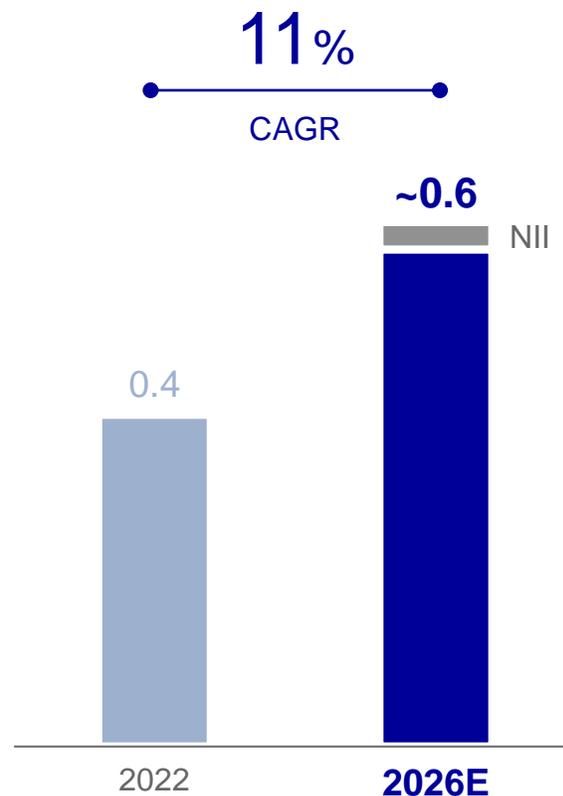


**Focus on cost and efficiency** i.e., complete carve-out projects, drive automation / AI-usage on data, near- / far-shoring

1) As of September 2023

# Three components contributing to continuous strong net revenue ambition of 11% CAGR by 2026

## Net revenue mid-term guidance | €bn



## Secular growth drivers

- 
 Global **outsourcing mandates**
- 
**Cross-selling** across Execution, Distribution, Data and Innovation
- 
 Expansion of **asset manager proposition**
- 
 Proactive **cost management** with strong EBITDA steering and focus on **completing stand-alone setup**

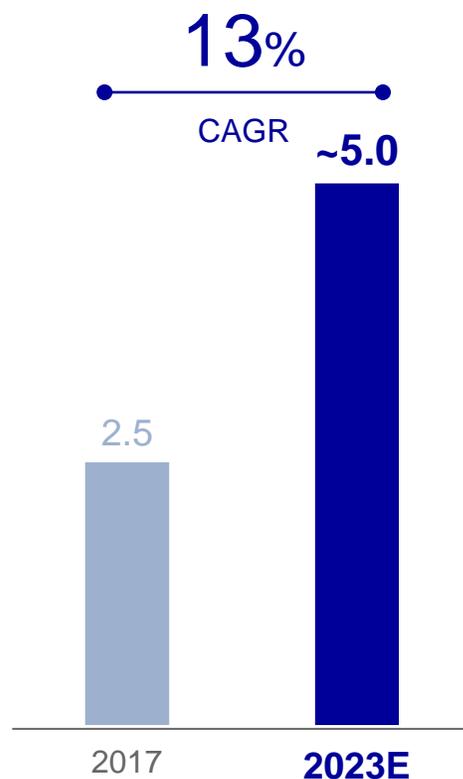
# Financials

Gregor Pottmeyer  
CFO

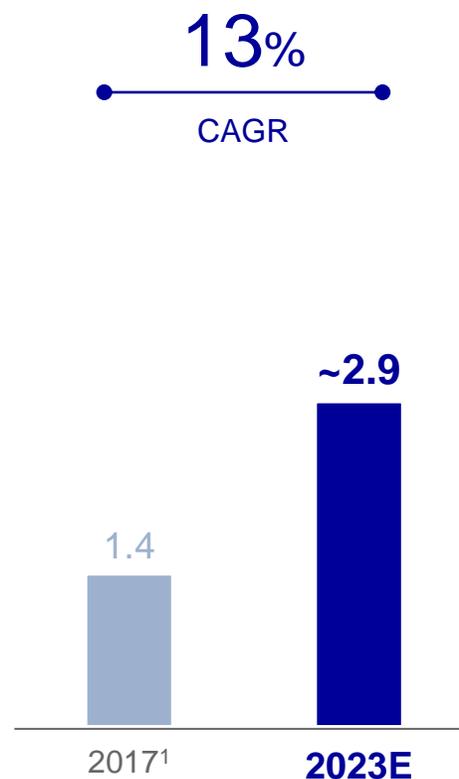


# Since 2017 we have delivered strong financials

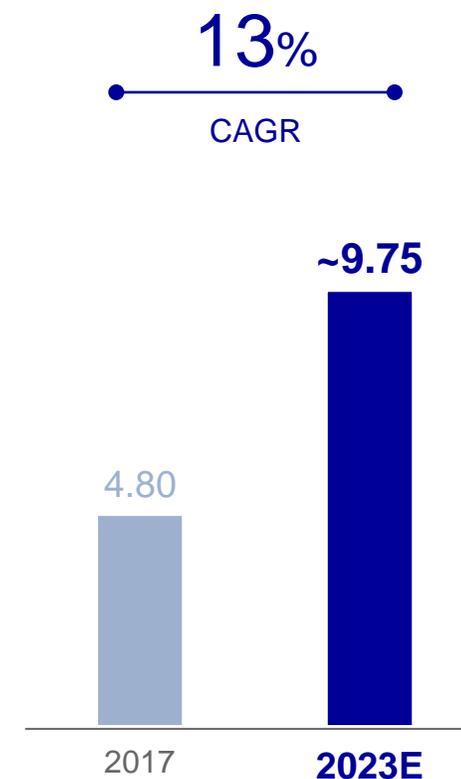
## Net revenue | €bn



## EBITDA | €bn



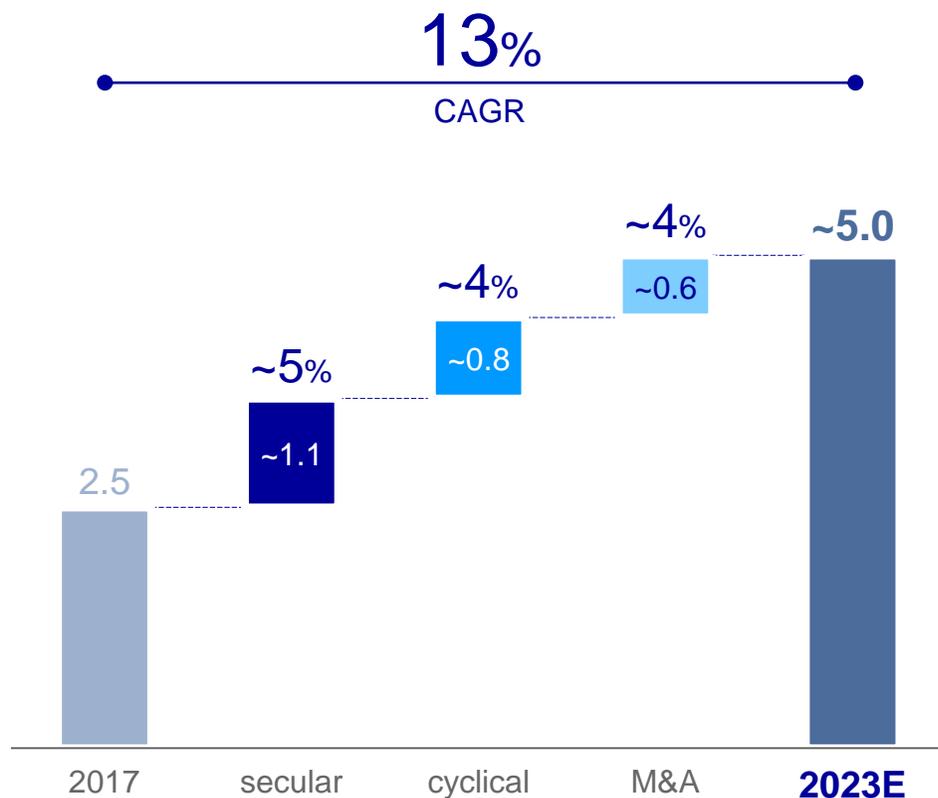
## Cash EPS | €



1) EBITDA adjusted for exceptional items (€1.5bn reported)

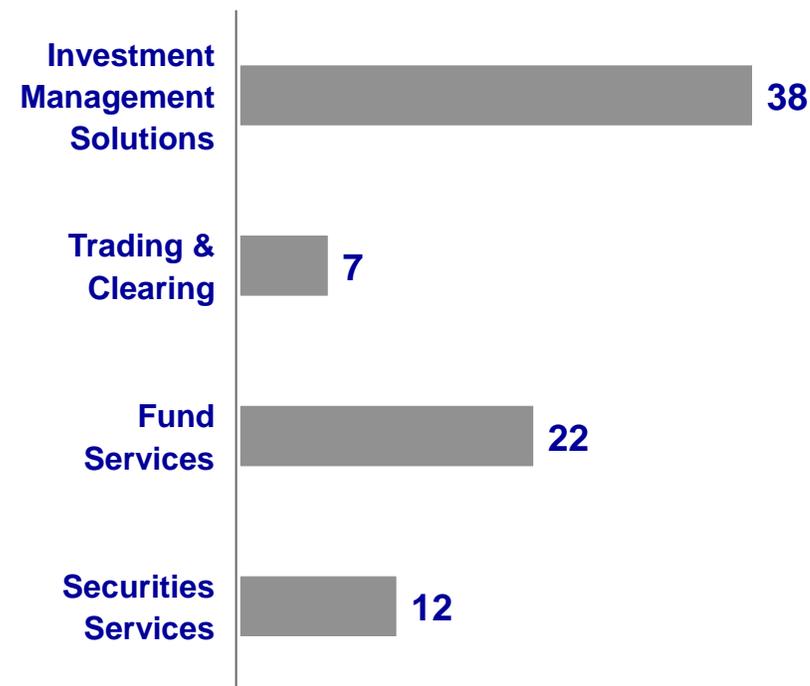
We have made good progress in all growth areas – especially secular growth has become the consistent driver

**Net revenue | €bn / CAGR**



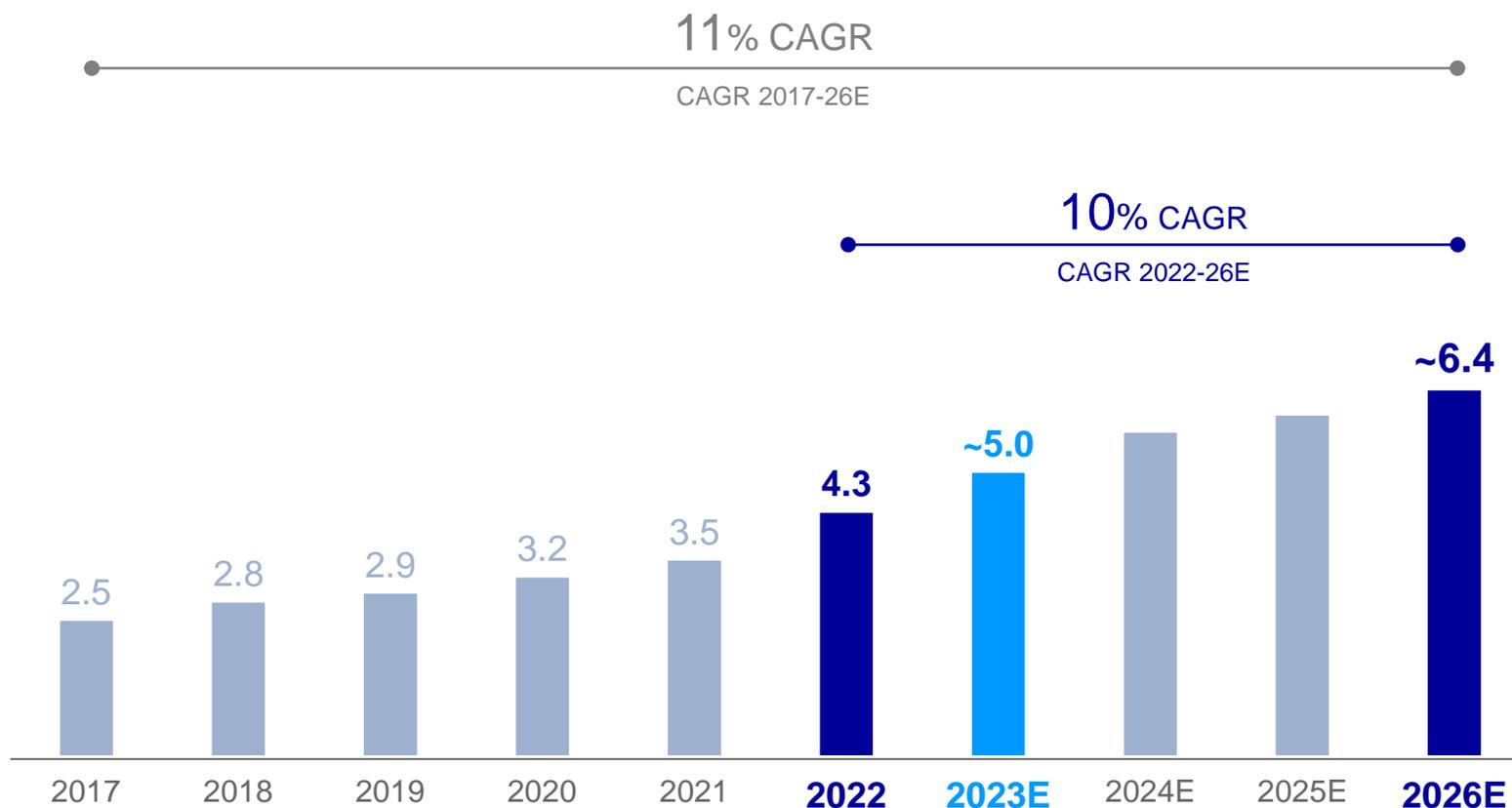
**Net revenue growth | %**

CAGR 2017-23E



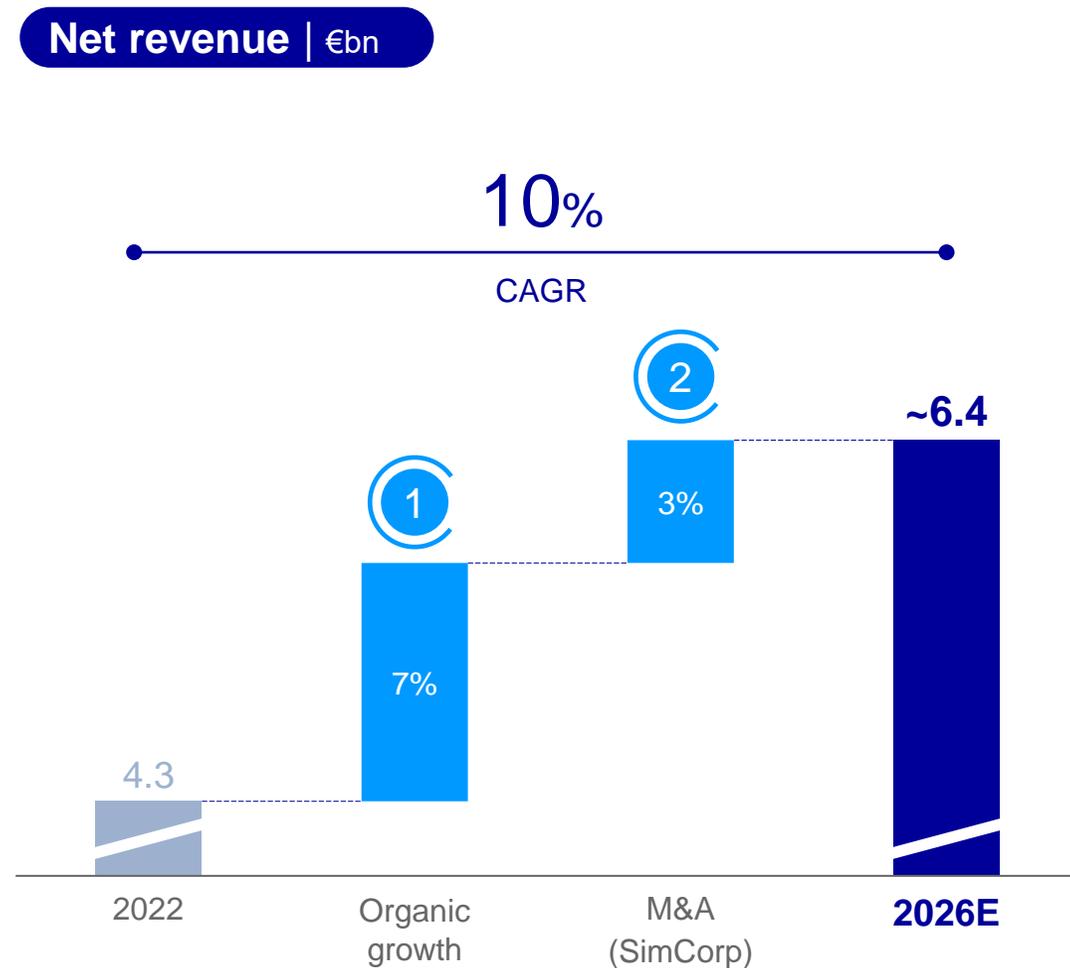
# Continuous long-term growth demonstrates the strength of our well diversified business model

Net revenue | €bn



- **Guidance for 2026 is effectively an upgrade** to the 7-9% organic growth target issued at the Investor Day in 2022 (10% organic CAGR expected for 2021-26E)
- Despite another record year by a significant margin in 2023, **net revenue growth from 2023 to 2026** is still expected to amount to **9% CAGR**

# The key driver for our 2026 targets will be organic growth



The organic growth is expected to be driven **mainly** by **secular effects**

**Cyclicality** is expected to be **only modestly positive until 2026**, with higher net interest income (~€500 million in 2026E) being partly offset by slightly more muted market volatility (both compared to 2022)



**M&A baseline effect of the SimCorp** acquisition, with additional growth reflected in “organic”



Generally, we **expect to continue to do M&A** if **strategically and financially attractive**



Potential **additional net revenue from digital asset platform strategy** (necessary base investments included in plan)

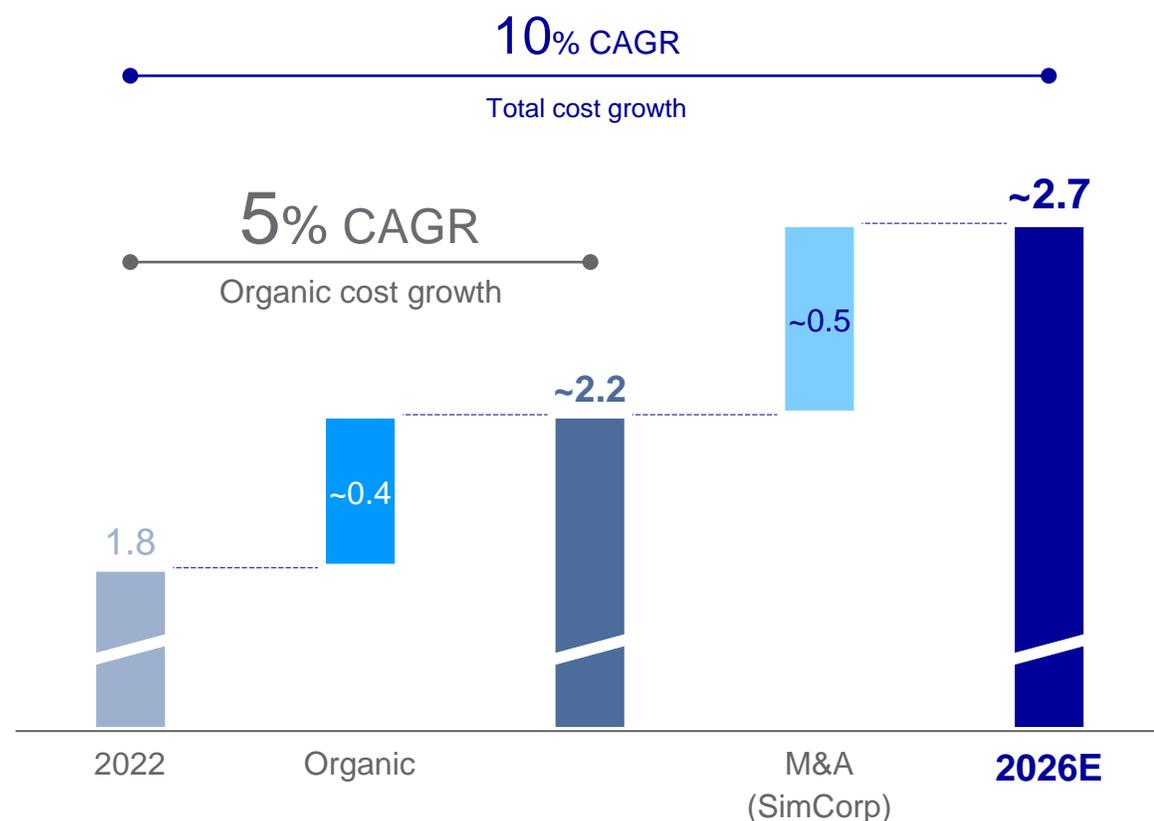
# All segments are expected to contribute to the organic net revenue growth until 2026

Net revenue growth and composition of growth until 2026E



# We will continue to balance investments in long-term growth with effective cost management going forward

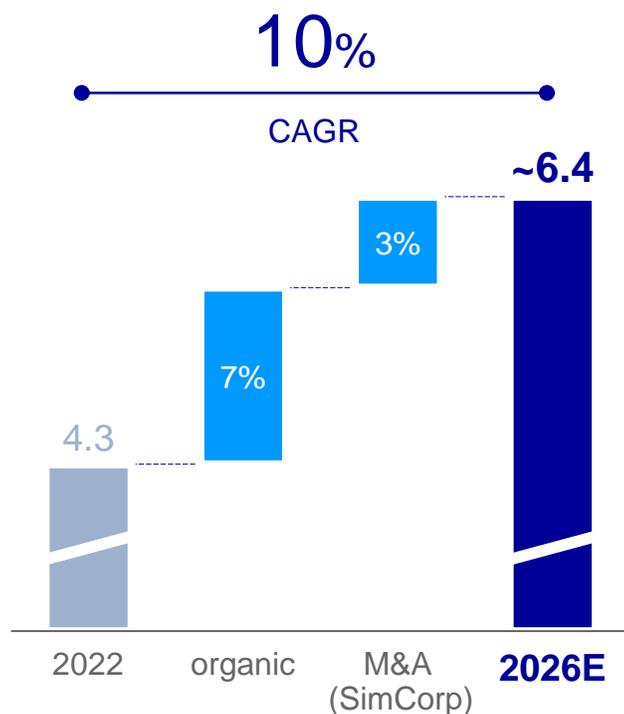
## Operating costs | €bn



- We expect **underproportional organic cost growth** (5% CAGR) compared to the expected organic net revenue growth (7% CAGR)
- This due to **operating leverage, consequent cost management** and **cost synergies** from the Investment Management Solutions segment
- **SimCorp's** operating costs are also expected to **increase under proportional** to net revenue growth until 2026
- **Cost contingency plan** in place in case net revenue growth meaningfully below plan

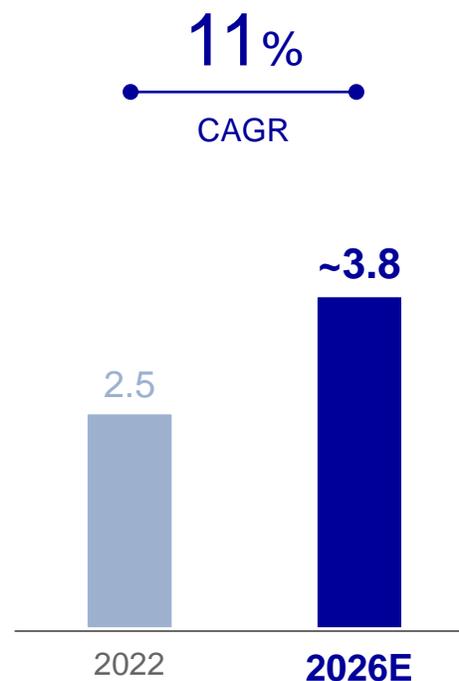
# Outlook Horizon 2026 – double digit net revenue and earnings growth

## Net revenue | €bn



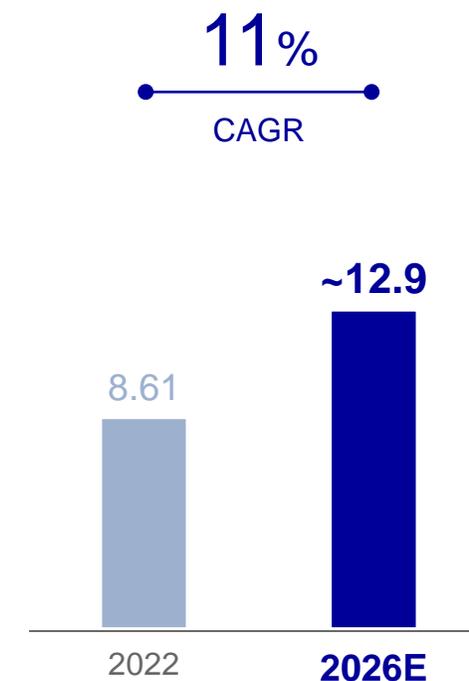
Opportunistic **M&A agenda** and **digital platform strategy** can drive additional topline growth ...

## EBITDA | €bn



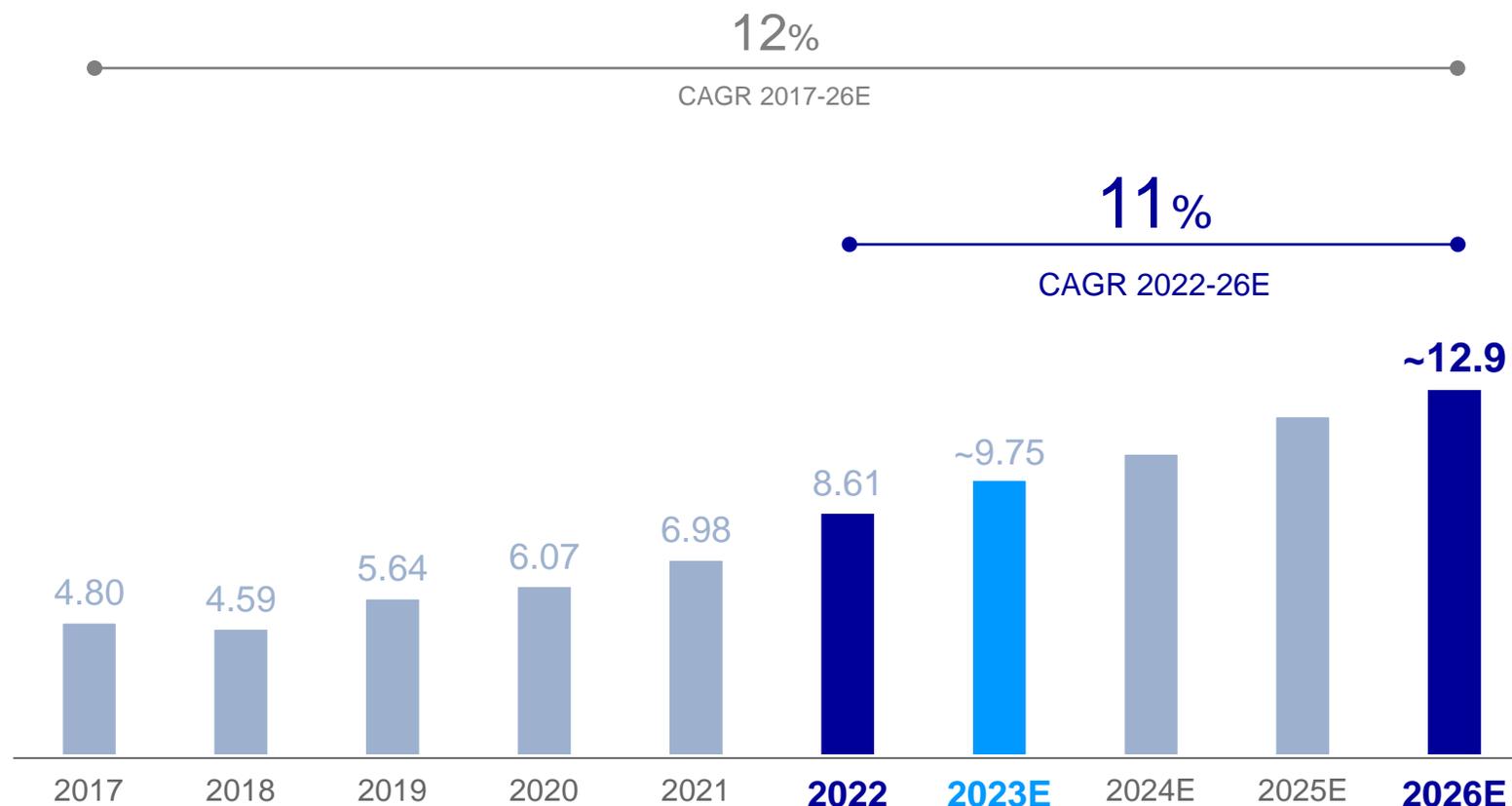
... while **effective cost management** and **cost synergies** improve the bottom line

## Cash EPS | €



# Strong net revenue growth is complemented by an even stronger development of Cash EPS

## Cash EPS | €



- **Cash EPS** is our leading “post everything” **earnings KPI**, that best measures our profitability and cash flow generation
- **Main driver** is the **organic growth**, consequent **cost management** and the **scalability** of the existing businesses
- But all of our **M&A** has also resulted in **immediate Cash EPS accretion**
- The most recent **SimCorp** acquisition for instance is **immediately Cash EPS accretive** (mid-single digit based on run-rate synergies)

# Our climate strategy – We set ourselves new long term climate targets to be validated by the Science-Based Targets initiative

Near-term  
targets  
2030

- **Scope 1 & 2:** Deutsche Börse aims to reduce absolute scope 1 and 2 emissions by 42% by 2030 from a 2022 base year
- **Scope 3:** Deutsche Börse targets to reduce absolute scope 3 emissions from fuel and energy related activities, business travel and employee commuting by 42% by 2030 from a 2022 base year
- **Scope 3 Supplier Engagement:** Deutsche Börse aims that 97% of its suppliers by emissions will have science-based targets by 2028

Net-zero  
target  
2045

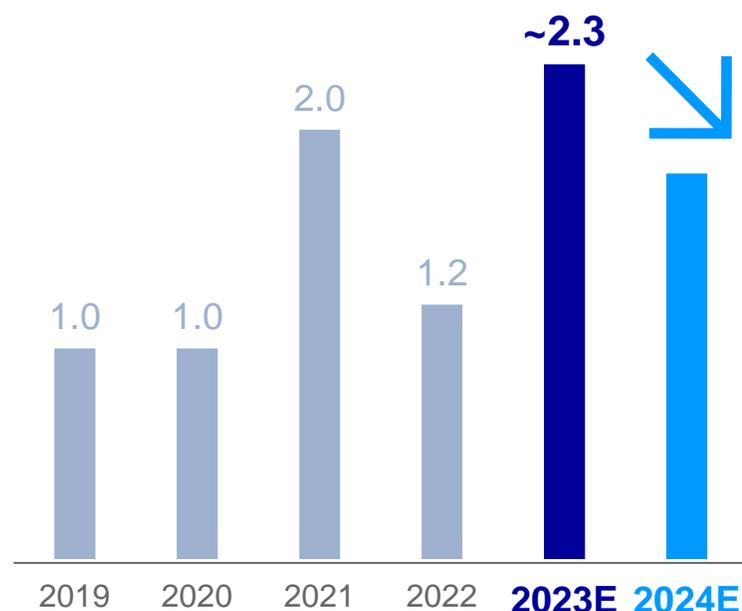
- **Scope 1, 2 & 3:** Deutsche Börse targets to reduce absolute scope 1, 2 and 3 emissions by 90% at the latest by 2045 from a 2022 base year. Measures from near-term targets will be continued and complemented by further measures, focusing on avoiding emissions
- **SBTi validation:** Deutsche Börse has submitted both near term and net zero targets to the Science-Based Targets initiative (SBTi) and expects validation in Q1 2024

Note: Already in 2021, Deutsche Börse committed to a short-term climate strategy which was based on limited scope and relied on the offsetting of carbon emissions. This strategy was recently enhanced in both scope and target corridor in light of new market standards emerging as the broad acceptance of SBTi targets, widened Scope 3 emission definitions and an overall departure of the market from heavy reliance on offsetting.

# Continued strong credit rating despite SimCorp acquisition

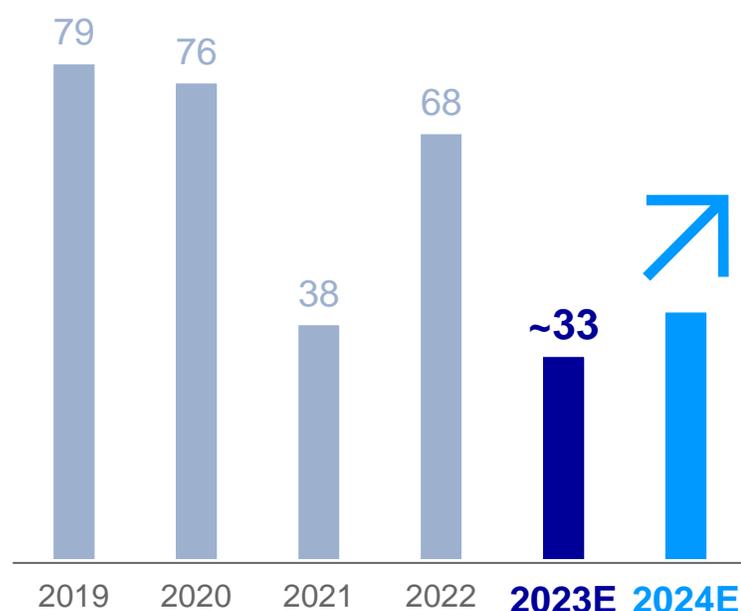
**Net debt / EBITDA | ratio**

Target: no more than 2.25x



**FFO / net debt | %**

Target: at least 40%

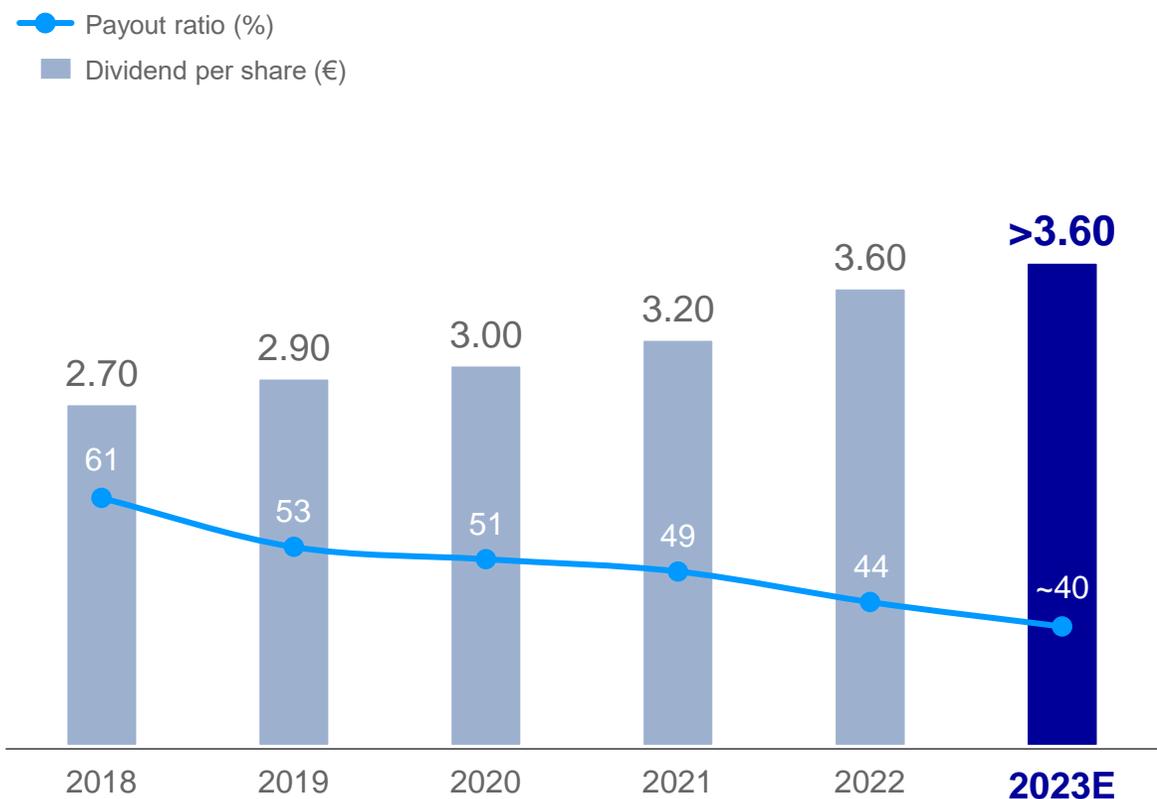


**AA-** S&P credit rating  
Outlook stable

- Rating reflects the expectation that we will deliver on our growth strategy
- New rating related net debt to EBITDA threshold of  $\leq 2.25x$  and free funds from operations (FFO) to net debt  $\geq 40\%$
- Temporary overstepping of rating metrics expected at year end 2023
- But due to the high cash flow generating nature of our business, we expect quick deleveraging and to fulfil the rating metrics in 2024

# We are committed to generating attractive returns for our shareholders

## Dividend and payout ratio development



## Refined Capital Management

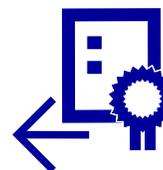


Committed to achieving **AA-** rating at group level and **AA** at Clearstream



30–40%

**Dividend payout** of net profit and **dividend continuity** with increasing DPS



In case of **excess liquidity**, we intend to complement the dividend distribution with **share buy-backs**

First share buy-back programme of **€300 million** from **Q1/24**

# Key takeaways Horizon 2026

1

## Point of departure

- Active in highly attractive markets
- Very strong portfolio of businesses

2

## Clear strategic path

- Focus on organic growth and recurring revenue
- Big step forward on buy-side exposure
- Leadership in digital asset classes

3

## Execution of strategy

- Full focus on organic growth, as M&A is already locked-in
- Make Investment Management Solutions a success
- Utilise Google Cloud partnership

4

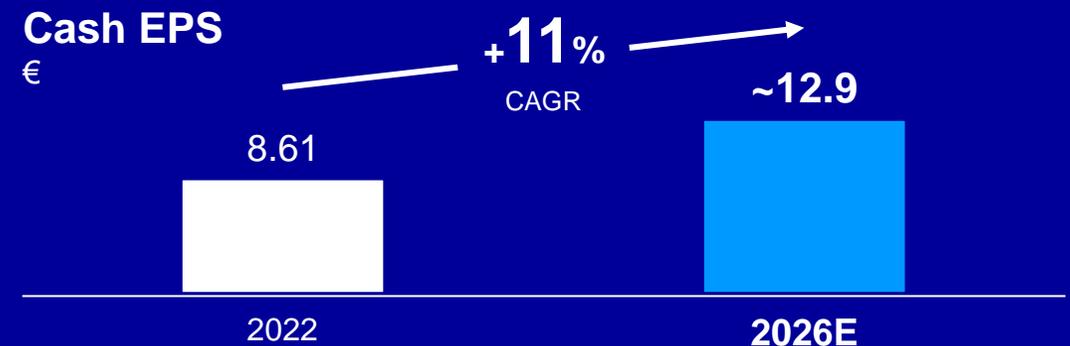
## Refined capital allocation priorities

- Change reflects strategic progress and positive outlook
- Modernised, more flexible capital allocation framework
- First share buy-back programme of €300 million from Q1/24

5

## Financials continue to be strong

- 10% growth formula intact, with strong organic contribution
- Organic operating leverage and high EBITDA margins



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