

Q4 and FY/2020

Preliminary financial results

Analyst and Investor Conference Call
11 February 2021



DEUTSCHE BÖRSE
GROUP

Summary Q4 and FY/2020 preliminary results presentation

+9%

Net revenue
growth 2020

Net revenue increased **9%** to **€3,214 million**; secular growth of 5% as planned.

+10% p.a.

Net revenue and
earnings growth
target 2023

Compass 2023 targets continued **secular growth** and **increasing M&A** contribution.

€1.2bn

Net profit (adj.)
2020

Despite all challenges in 2020 **net profit reached** exactly the **full year guidance**.

~€3.5bn

Net revenue
target for 2021

Net revenue of **~€3.5 billion** (incl. ISS) expected for **2021**.

€3.00

Dividend per
share for 2020

Dividend of **€3.00** proposed for **2020** (+3%); pay-out of 46% of adjusted net profit.

~€2.0bn

EBITDA
target for 2021

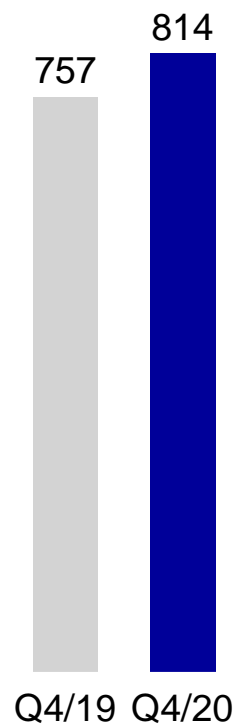
EBIDTA (reported) of **~€2.0 billion** (incl. ISS) expected for **2021**.

Preliminary group financials

Q4/2020 | €m

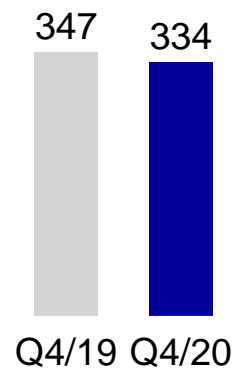
Net revenue

↗ +8%
↗ +6% (organic)



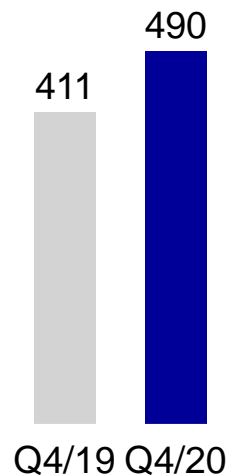
Operating cost

↘ -4%
↘ -5% (organic)



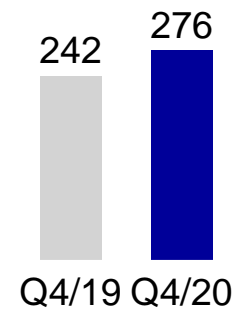
EBITDA

↗ +19%
↗ +17% (organic)



Net profit

↗ +14%
↗ +12% (organic)



Note

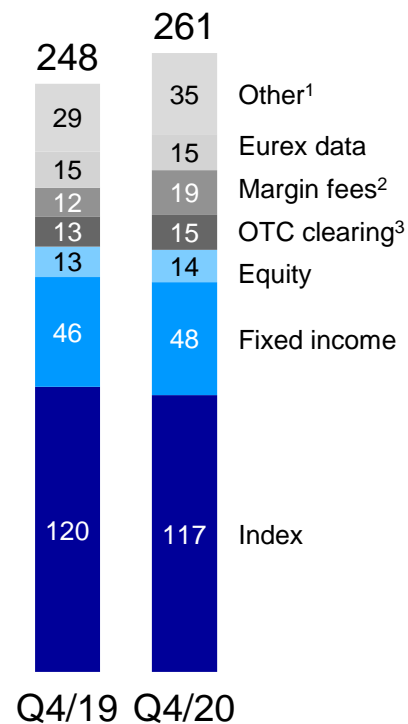
Net interest income	€36m -38%
Exceptional cost items	€46m
Depreciation	€73m
Financial result	€-26m
Tax rate	26%
EPS	€1.51 +14%

Eurex (financial derivatives)

Q4/2020 | €m

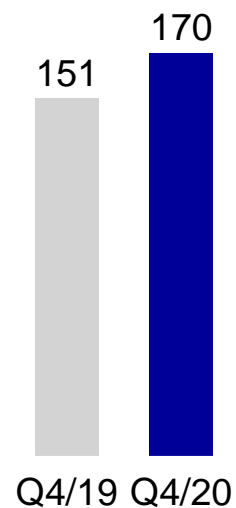
Net revenue

↗ +5%
↗ +5% (organic)



EBITDA

↗ +13%
↗ +13% (organic)



Business activity

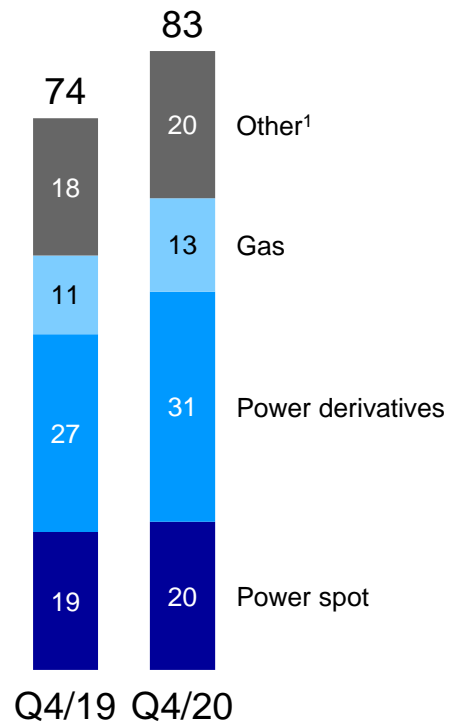
Total derivatives	424m	-8%
Index derivatives	229m	0%
Fixed income derivatives	127m	+2%
Equity derivatives	68m	-35%
OTC notional outstanding (avg.)	€18tr	+36%
OTC notional cleared (incl. compr.)	€8.8tr	+18%

EEX (commodities)

Q4/2020 | €m

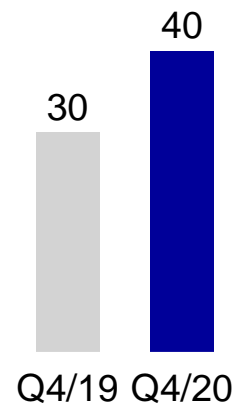
Net revenue

↗ +12%



EBITDA

↗ +37%



Business activity

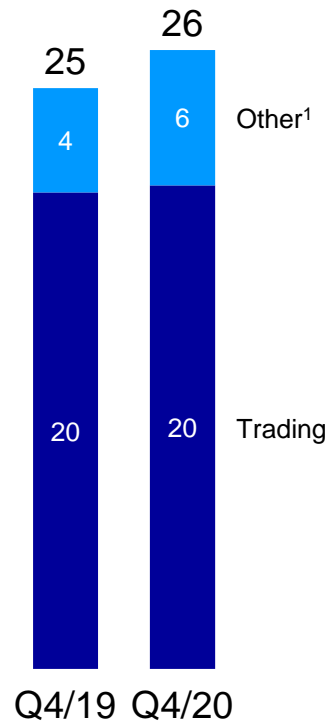
Power spot	162 TWh +8%
Power derivatives	1,673 TWh +7%
Gas	594 TWh -1%

360T (foreign exchange)

Q4/2020 | €m

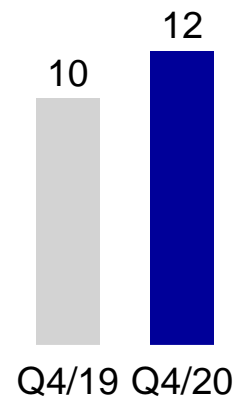
Net revenue

↗ +7%



EBITDA

↗ +19%



Business activity

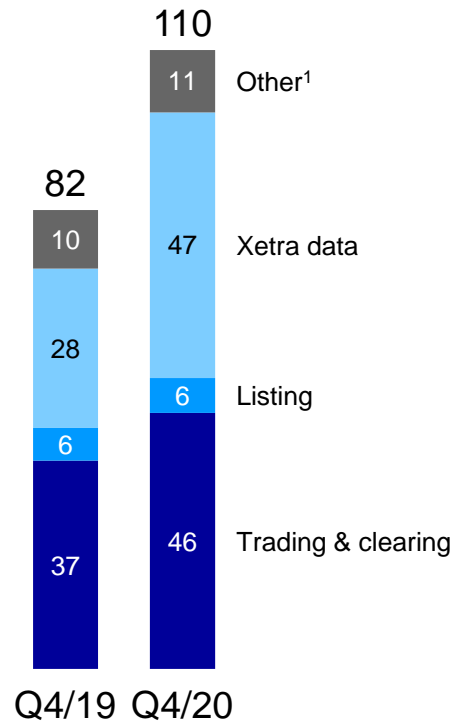
Average daily volumes (ADV) | €88bn
+3%

Xetra (cash equities)

Q4/2020 | €m

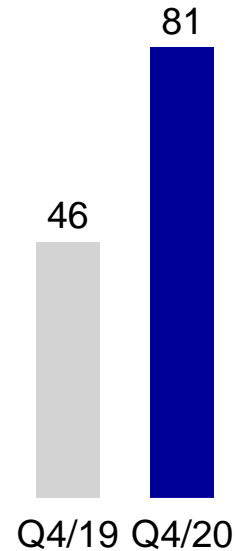
Net revenue

↗ +35%
↗ +34% (organic)



EBITDA

↗ +76%
↗ +75% (organic)



Business activity

Order book volume² Equities | €424bn
+27%

Order book volume² ETF, ETC, ETN | €60bn
+61%

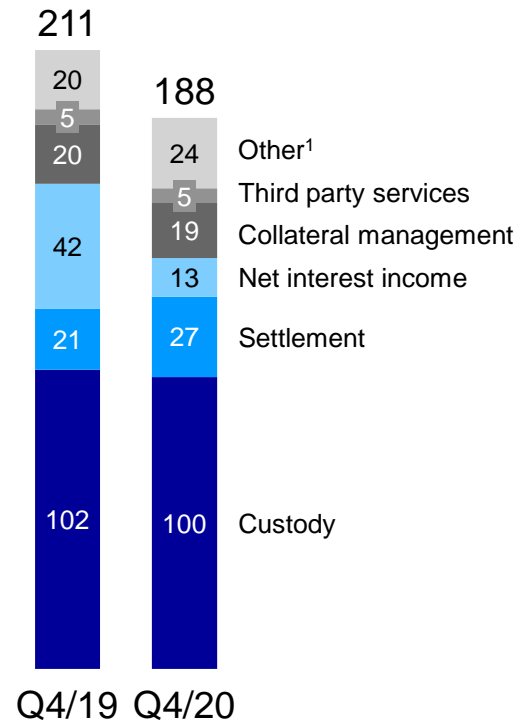
- Xetra data with proceeds of ~€20m due to disposal of [Regulatory Reporting Hub](#).
- EBITDA includes €9.5m equity method valuation result from Tradegate AG Wertpapierhandelsbank.

Clearstream (post-trading)

Q4/2020 | €m

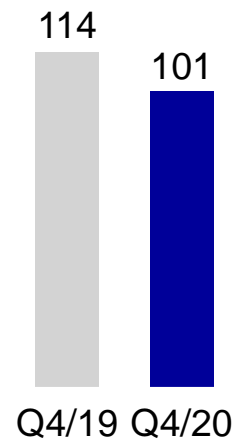
Net revenue

↘ -11%



EBITDA

↘ -12%



Business activity

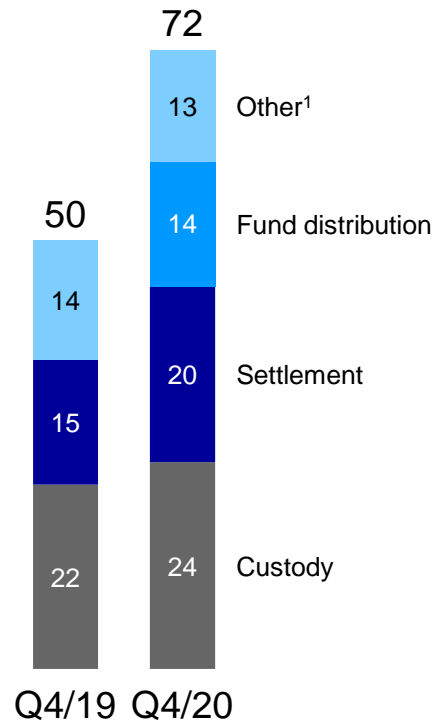
Assets under custody	€12.2tr +3%
Settlement transactions (ICSD)	17.9m +25%
Cash balances total volume	€13.7bn -14%
t/o US-Dollar	€6.3bn -25%
Collateral outstandings	€518bn +13%

IFS (investment fund services)

Q4/2020 | €m

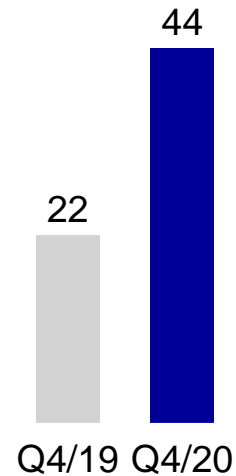
Net revenue

↗ +44%
↗ +17% (organic)



EBITDA

↗ +99%
↗ +42% (organic)



Business activity

Assets under custody | €2.9tr
+11%

Settlement transactions | 10.8m
+44%

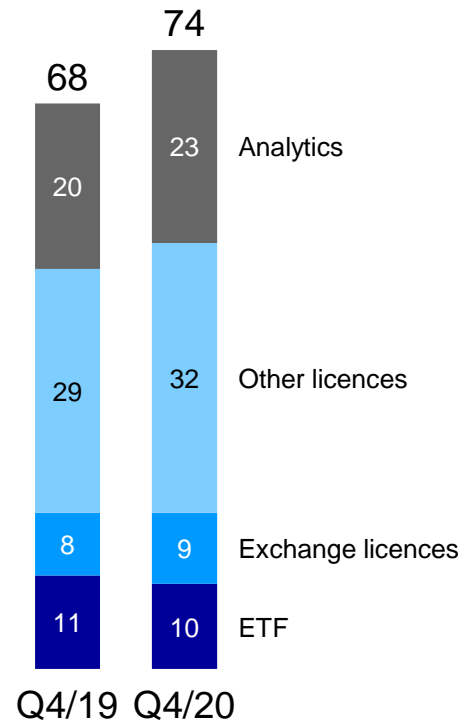
- Clearstream creates [Fund Centre](#) after completing acquisition of majority stake in Fondcenter AG from UBS on 30 Sep 2020.

Qontigo (index and analytics business)

Q4/2020 | €m

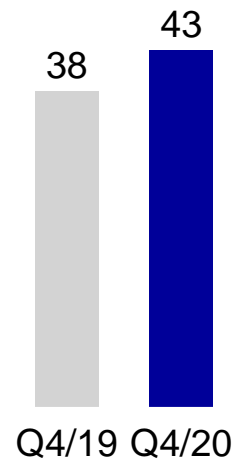
Net revenue

↗ +9%



EBITDA

↗ +13%



Business activity

ETF assets under management	€94bn
	-4%

Exchange licences traded contracts	214m
	+1%

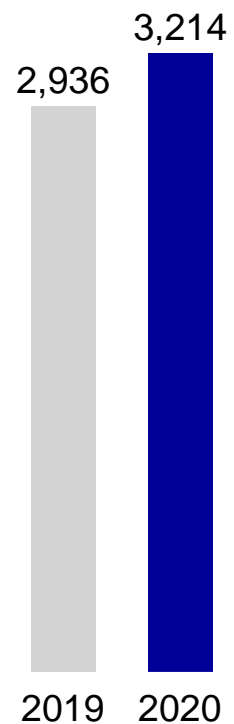
Note: EBITDA adjusted for exceptional items.

Preliminary group financials

FY/2020 | €m

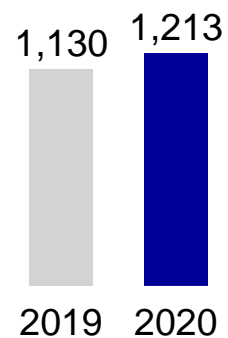
Net revenue

↗ +9%
↗ +7% (organic)



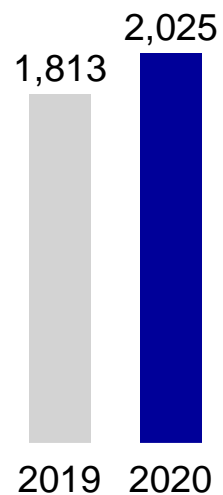
Operating cost

↗ +7%
↗ +3% (organic)



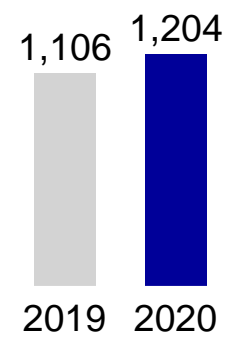
EBITDA

↗ +12%
↗ +11% (organic)



Net profit

↗ +9%
↗ +11% (organic)



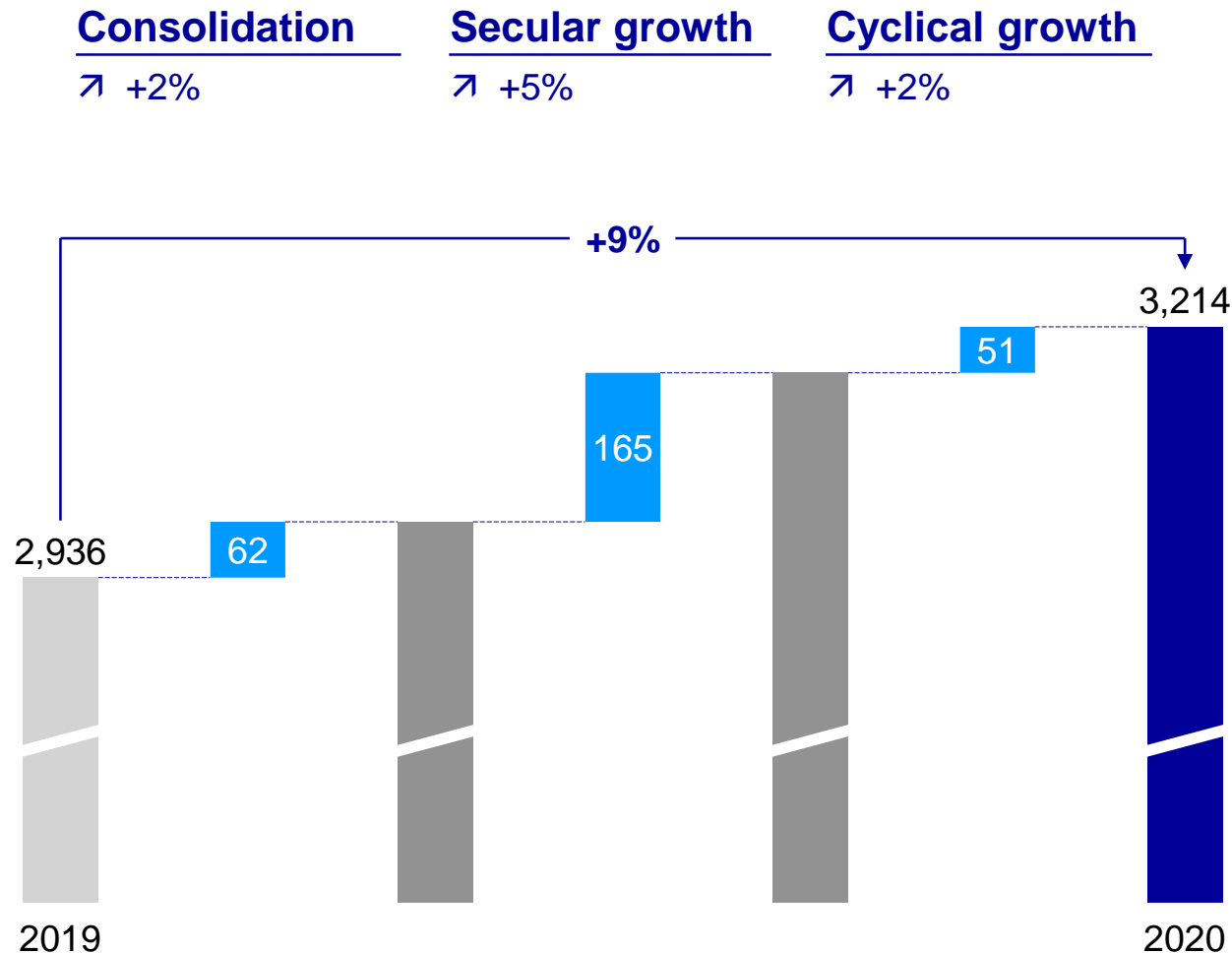
Note

Net interest income	€197m -21%
Exceptional cost items	€147m
Depreciation	€259m
Financial result	€-77m
Tax rate	26%
EPS (adj.)	€6.57 +9%

Note: Adjusted for exceptional items.

Secular growth trend remains intact

FY/2020 | €m

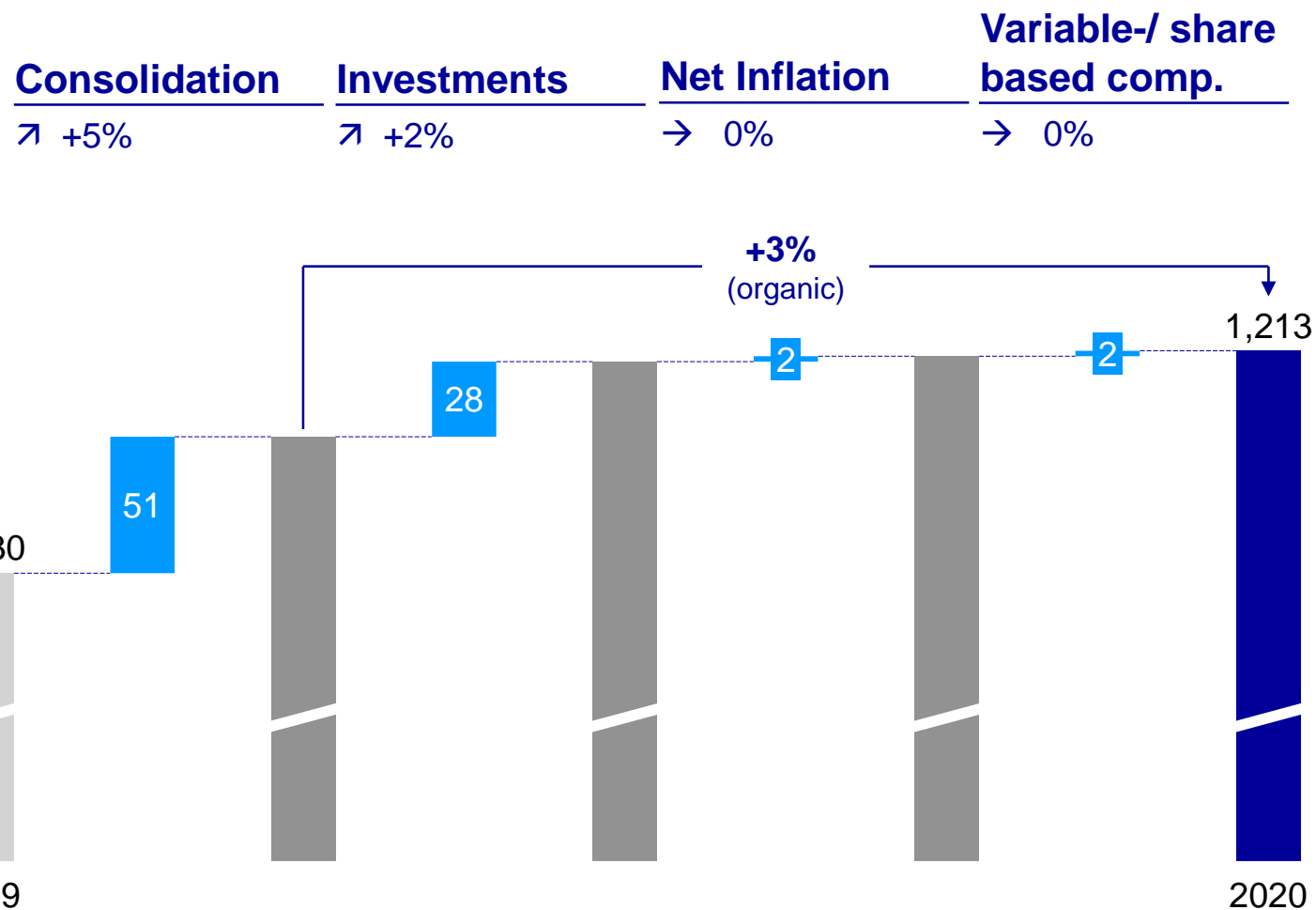


Note

- Consolidation effects mainly driven by Axioma (Qontigo) and UBS Fondcenter (IFS) as well as small impacts from Ausmaq (IFS), Börse Berlin (Xetra) and Quantitative Brokers (Eurex).
- All segments with positive secular growth contribution; good progress at Eurex, IFS, Qontigo and 360T.
- Cyclical growth mainly driven by exceptionally high volatility in Q1 due to the COVID-19 situation, but increasing headwinds since Q2.

Operating cost development

FY/2020 | €m



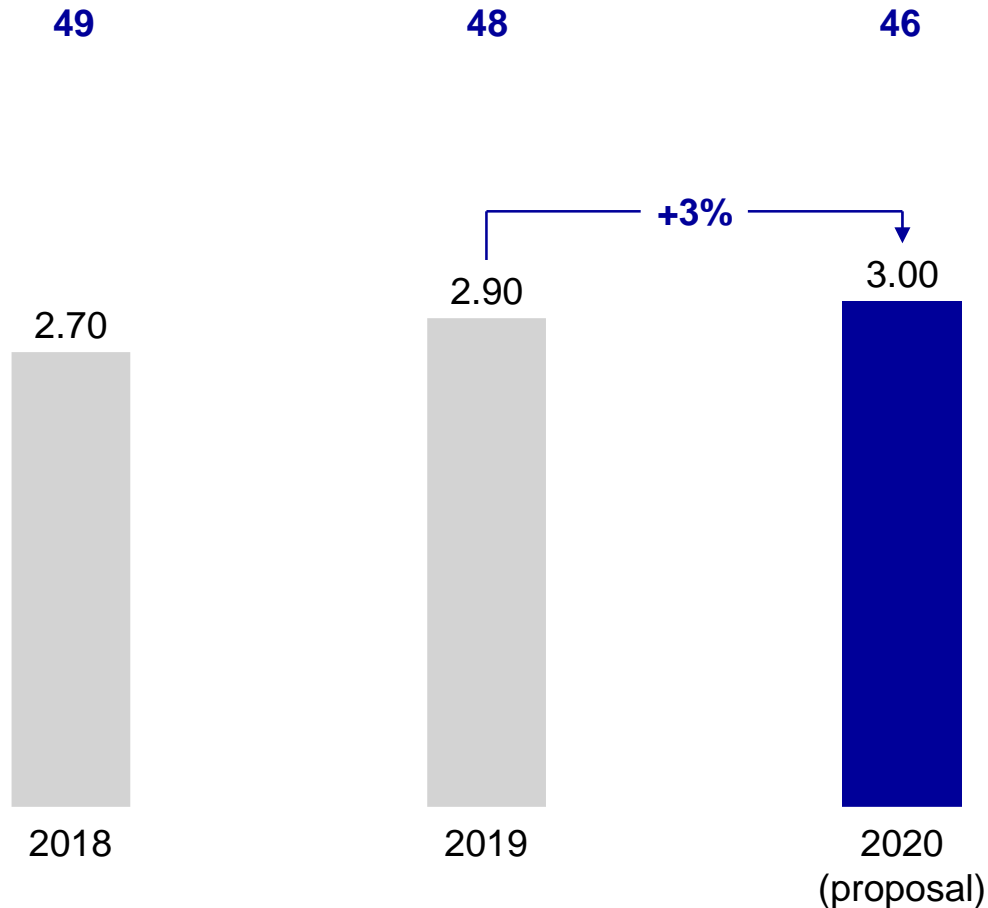
Note

- Consolidation effects mainly driven by Axioma (Qontigo) and UBS Fundcenter (IFS).
- Higher investments in growth and technology and increase in personnel to support growth.
- Inflationary pressures off-set by increase of operating efficiency.
- Variable-/ share based compensation flat, mainly due to share price development.

Note: Numbers may not add up due to rounding.

Dividend per share and pay-out FY/2020 | €

Pay-out ratio (in % of adjusted net profit)



Note

- Deutsche Börse aims to distribute 40%-60% of annual net profit to shareholders in form of the regular dividend.
- Within this 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.
- With increasing earnings, payout ratio is expected to decrease.

KPIs going forward will be based on reported income statement

Income statement reconciliation 2020 (€m)

	Adjusted	Exceptionals	Reported
Net revenue	3,214		3,214
Operating costs	-1,213	-147	-1,361
EBITDA	2,025	-147	1,877
EBIT	1,766	-153	1,613
Net profit	1,204	-117	1,088
Earnings per share (€)	6.57	-0.64	5.93

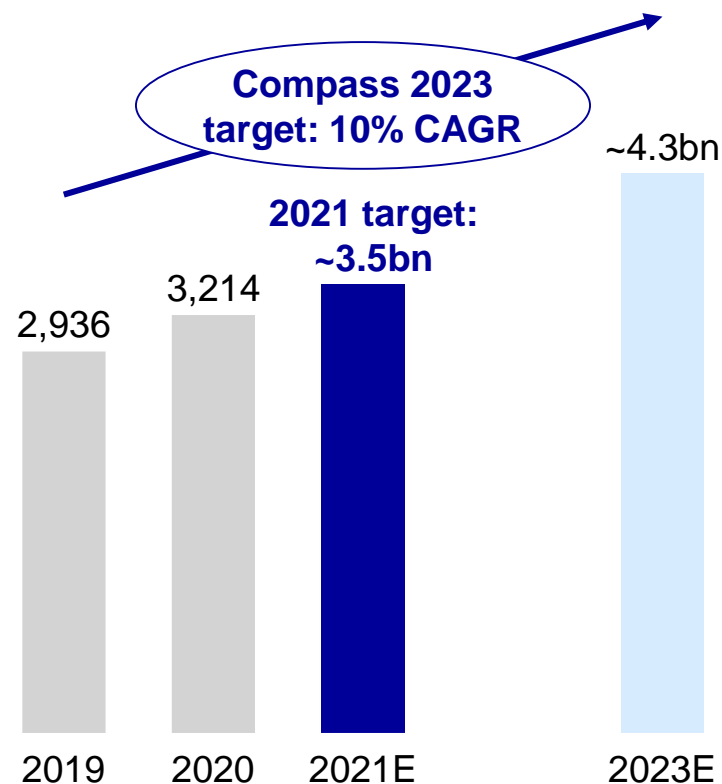
Note

- Going forward, income statement will be published on reported basis only.

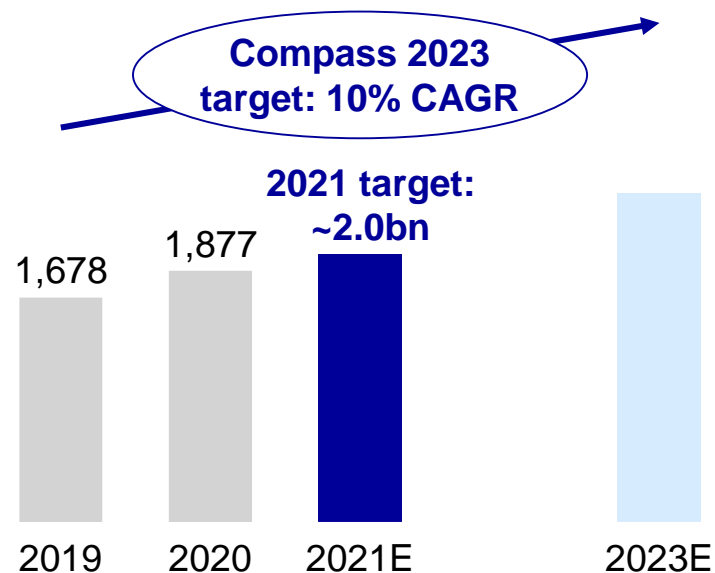
Outlook

FY/2021 | €m

Net revenue guidance



EBITDA (reported) guidance



Note

- **Compass 2023** mid-term plan targets **10% net revenue growth CAGR** (5% secular + 5% M&A) and **10% EBITDA (reported) growth CAGR**.
- For **2021** Deutsche Börse expects:
 - Overall **net revenue** of around **€3.5 billion** (including continued 5% secular growth)
 - **EBITDA** (reported) of around **€2.0 billion**.
 - This includes all closed and announced M&A transactions to date (incl. ISS)

Appendix

Income statement – group level reported

(in €m)	Quarter ended 31 Dec 2020	Quarter ended 31 Dec 2019
Sales revenue	948.8	791.4
Net interest income from banking business	36.3	58.5
Other operating income	34.4	5.4
Total revenue	1,019.5	855.3
Volume-related costs	-205.5	-98.7
Net revenue	814.0	756.6
Staff costs	-212.0	-191.0
Other operating expenses	-167.9	-189.2
Operating costs	-379.9	-380.2
Net income from strategic investments	10.5	1.3
Earnings before interest, tax, depreciation and amortization (EBITDA)	444.6	377.7
Depreciation, amortization and impairment losses	-76.9	-63.8
Earnings before interest and tax (EBIT)	367.7	313.9
Financial result	-26.2	-8.4
Earnings before tax (EBT)	341.5	305.5
Income tax expense and other tax	-91.3	-82.8
Net profit for the period	250.2	222.7
thereof attributable to Deutsche Börse shareholders	236.8	213.2
thereof attributable to non-controlling interests	13.4	9.5
Earnings per share (basic) (€)	1.29	1.16

Income statement – group level adjusted

(in €m)	Quarter ended 31 Dec 2020	Quarter ended 31 Dec 2019
Sales revenue	948.8	791.4
Net interest income from banking business	36.3	58.5
Other operating income	34.4	5.4
Total revenue	1,019.5	855.3
Volume-related costs	-205.5	-98.7
Net revenue	814.0	756.6
Staff costs	-206.2	-192.1
Other operating expenses	-127.9	-155.3
Operating costs	-334.1	-347.4
Net income from strategic investments	10.5	1.3
Earnings before interest, tax, depreciation and amortization (EBITDA)	490.4	410.5
Depreciation, amortization and impairment losses	-72.9	-61.7
Earnings before interest and tax (EBIT)	417.5	348.8
Financial result	-26.2	-8.4
Earnings before tax (EBT)	391.3	340.4
Income tax expense and other tax	-101.8	-88.5
Net profit for the period	289.5	251.9
thereof attributable to Deutsche Börse shareholders	276.1	242.4
thereof attributable to non-controlling interests	13.4	9.5
Earnings per share (basic) (€)	1.51	1.32

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(in €m)	Q4/20	Q4/19	Q4/20	Q4/19	Q4/20	Q4/19	Q4/20	Q4/19
Net revenue	260.7	247.8	83.0	74.0	26.1	24.5	110.4	81.9
Staff costs adj.	-48.4	-45.6	-24.6	-24.2	-10.3	-9.8	-23.5	-20.4
Other operating expenses adj.	-44.7	-52.5	-17.3	-20.2	-3.4	-4.3	-16.5	-16.8
Operating costs adj.	-93.1	-98.1	-41.9	-44.4	-13.7	-14.1	-40.0	-37.2
Operating costs reported	-106.3	-103.5	-49.0	-54.0	-13.2	-15.7	-48.2	-42.1
Result from equity investments	2.3	1.0	-0.7	-0.1	0.0	0.0	10.1	1.1
EBITDA adj.	169.9	150.7	40.4	29.5	12.4	10.4	80.5	45.8

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		Qontigo (index and analytics business)	
(in €m)	Q4/20	Q4/19	Q4/20	Q4/19	Q4/20	Q4/19
Net revenue	187.7	210.8	71.9	49.8	74.2	67.8
Staff costs adj.	-57.4	-53.3	-18.8	-17.4	-23.2	-21.4
Other operating expenses adj.	-28.6	-42.5	-9.4	-10.5	-8.0	-8.5
Operating costs adj.	-86.0	-95.8	-28.2	-27.9	-31.2	-29.9
Operating costs reported	-105.3	-100.0	-26.8	-31.7	-31.1	-33.2
Result from equity investments	-0.9	-0.7	-0.1	0.0	-0.2	0.0
EBITDA adj.	100.8	114.3	43.6	21.9	42.8	37.9

Financial calendar and contact details

Financial calendar

24 Feb. 2021	Credit Suisse Annual Financial Services Forum (virtual/Miami)
09 Mar. 2021	RBC Capital Markets Global Financial Institutions Conference (virtual/New York)
16-18 Mar. 2021	Morgan Stanley Virtual European Financials Conference (virtual/London)
29 Mar. – 01 Apr. 2021	HSBC West Coast Financials Conference (virtual/San Francisco)
21 Apr. 2021	Publication quarterly statement Q1/2021
22 Apr. 2021	Analyst and investor conference call Q1/2021
19 May 2021	Annual General Meeting
02 Jun. 2021	Deutsche Bank FinTech / Info Services Conference (virtual/New York)
16-17 Jun. 2021	Deutsche Bank dbAccess Berlin Conference (virtual)
27 Jul. 2021	Publication half-yearly financial report 2021
28 Jul. 2021	Analyst and investor conference call Q2/2021

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