

Investor Presentation

May 2023



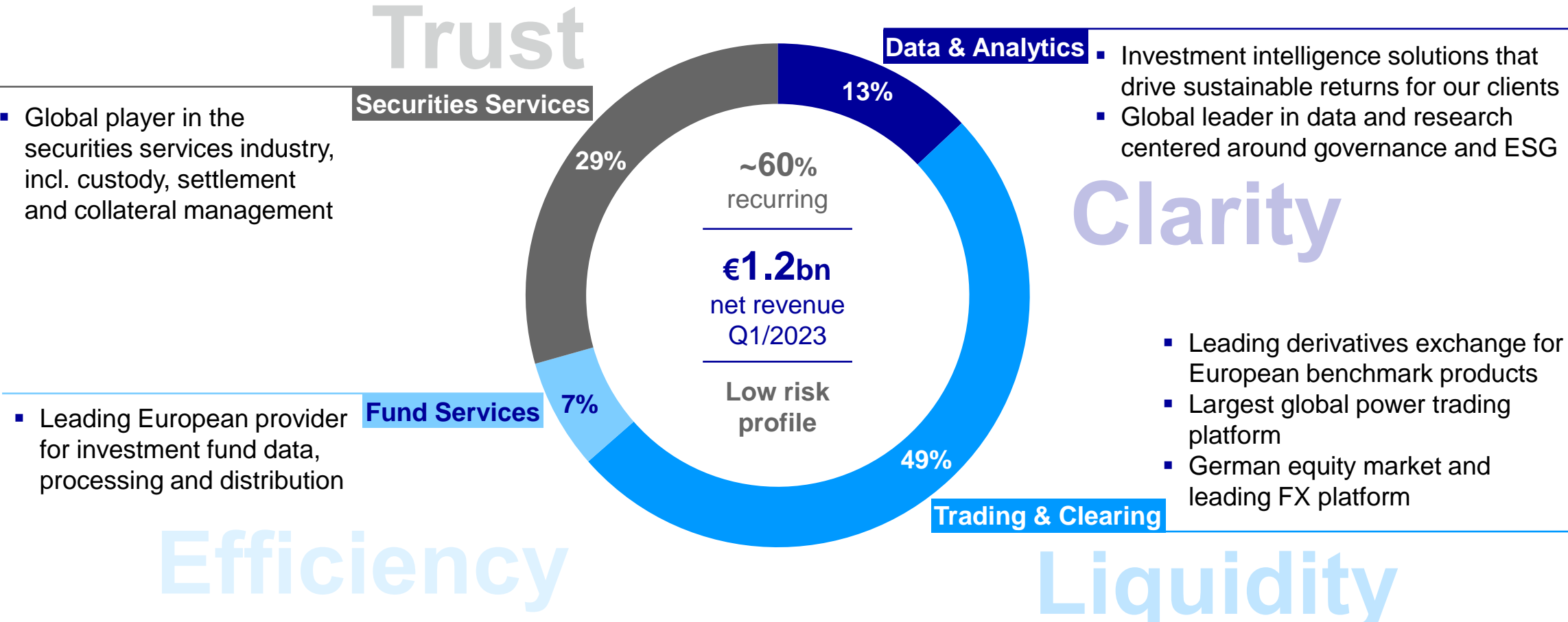
DEUTSCHE BÖRSE
GROUP



Strategy



Broad and deep offering in the market infrastructure sector underscores our corporate purpose



Key characteristics of our business model

High scalability

- All businesses of the Group are scalable, with highest levels in Trading & Clearing
- Organic operating leverage expected to further increase; some margin dilution from M&A

Low risk profile

- Risk profile mainly driven by operational risks, which are well managed
- AA rating by S&P for the Group, mainly because of Securities Services business



Business model characteristics

Low capital intensity

- Limited regulatory capital requirements arising mainly from operational risks in banking units
- Capital expenditures of ~€300 million to support growth strategy

High free cash

- Dividend payout 40-60% of net profit; declining payout with increasing earnings
- Remaining cash preferably reinvested into the business to support M&A strategy

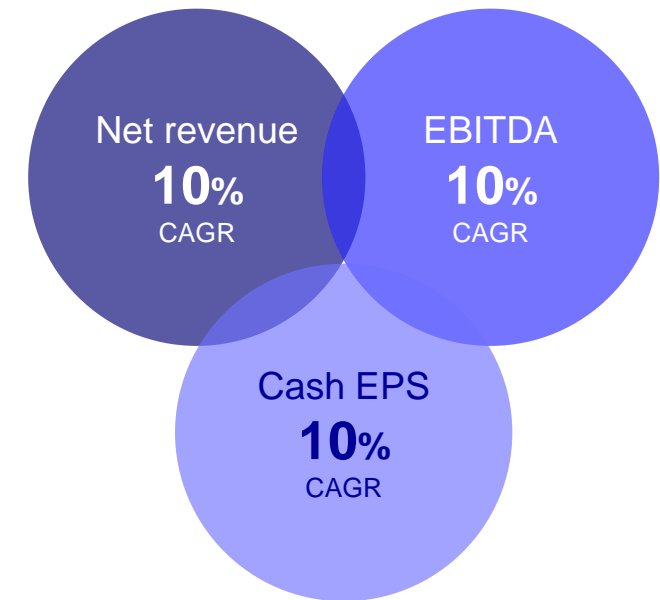
Well diversified portfolio of growth components

Key growth components

		Organic		M&A
		Secular	Cyclical	
		Data & Analytics	13%	
Trading & Clearing	49%	OTC to on-exchange	Volatility	Commodities, FX
Fund Services	7%	Trend towards outsourcing	---	Fund services
Securities Services	29%	---	Interest rates	---

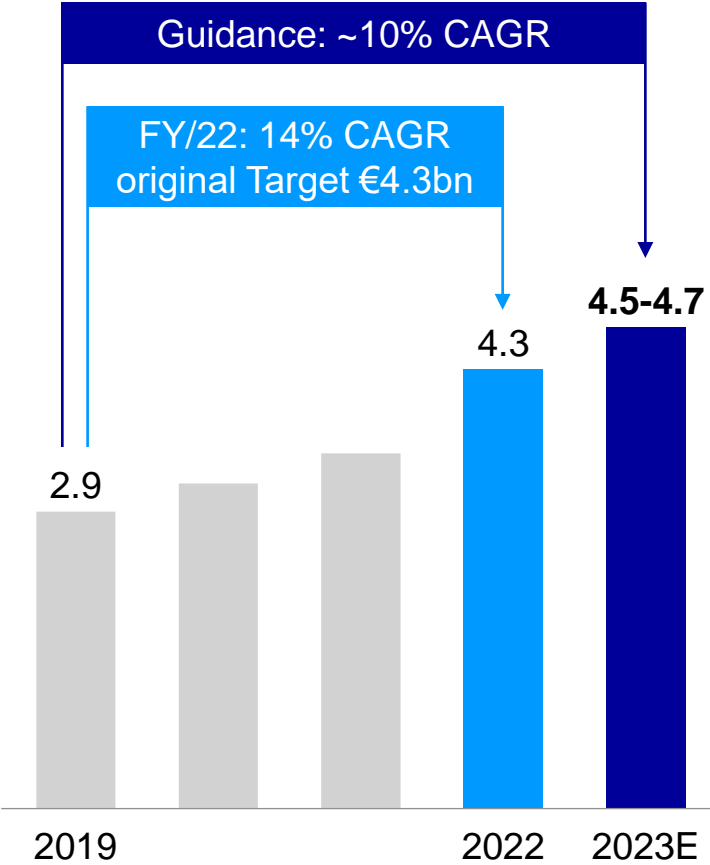
Compass 2023 mid-term plan

2019-23E

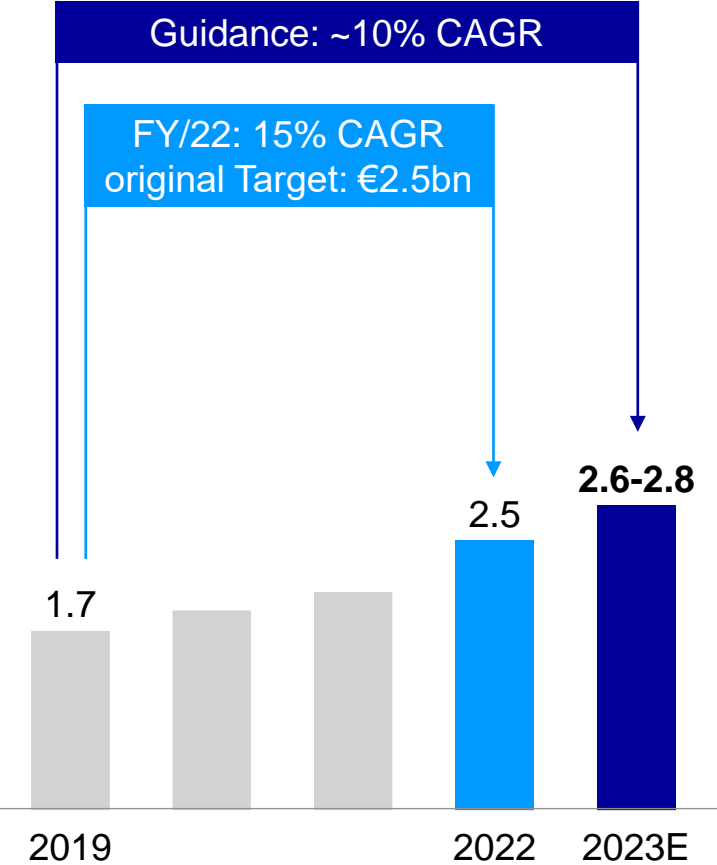


Compass 2023 financial targets have been achieved one year earlier than planned

Net revenue | €bn



EBITDA | €bn

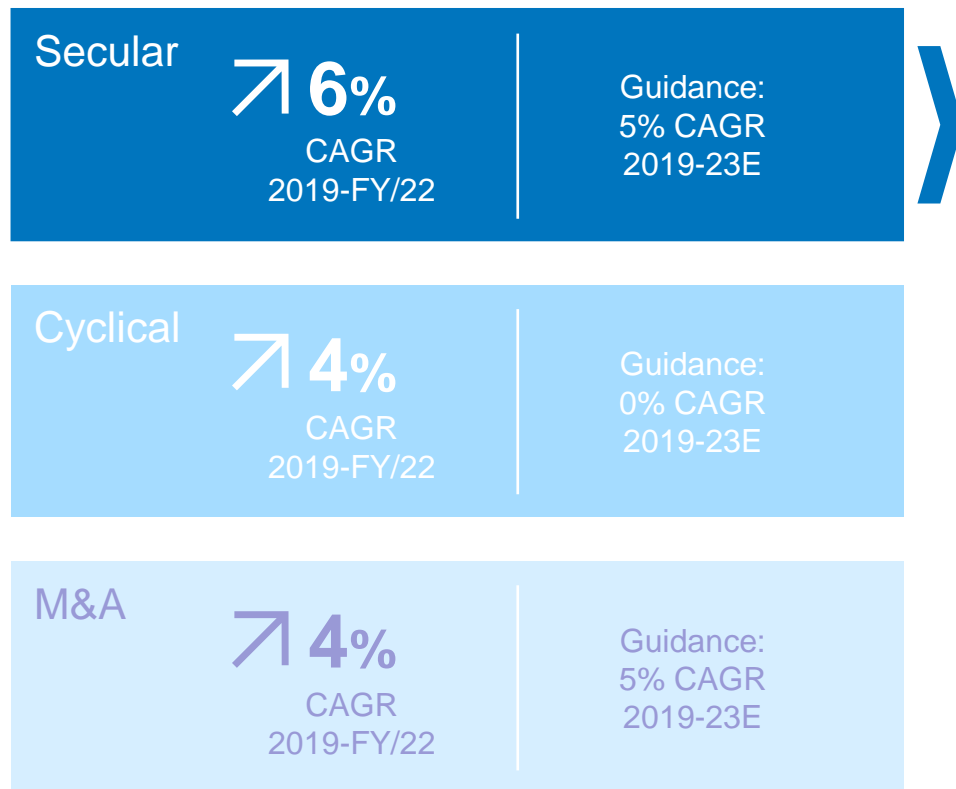


Compass 2023

- Compass 2023 target was to grow net revenue and EBITDA at 10% CAGR between 2019-23 (5% secular net revenue growth and 5% M&A)
- With stronger than expected secular growth and emerging cyclical tailwinds in 2022, we achieved our targets already one year early
- Net revenue since 2019 increased at 14% CAGR (6% secular, 4% cyclical and 4% M&A) and EBITDA at 15% CAGR
- We currently expect that we will be at the upper end of our forecast for FY2023, or even slightly exceed it if the strong cyclical tailwinds continue

Secular growth has become the reliable and consistent driver for our business

Net revenue development

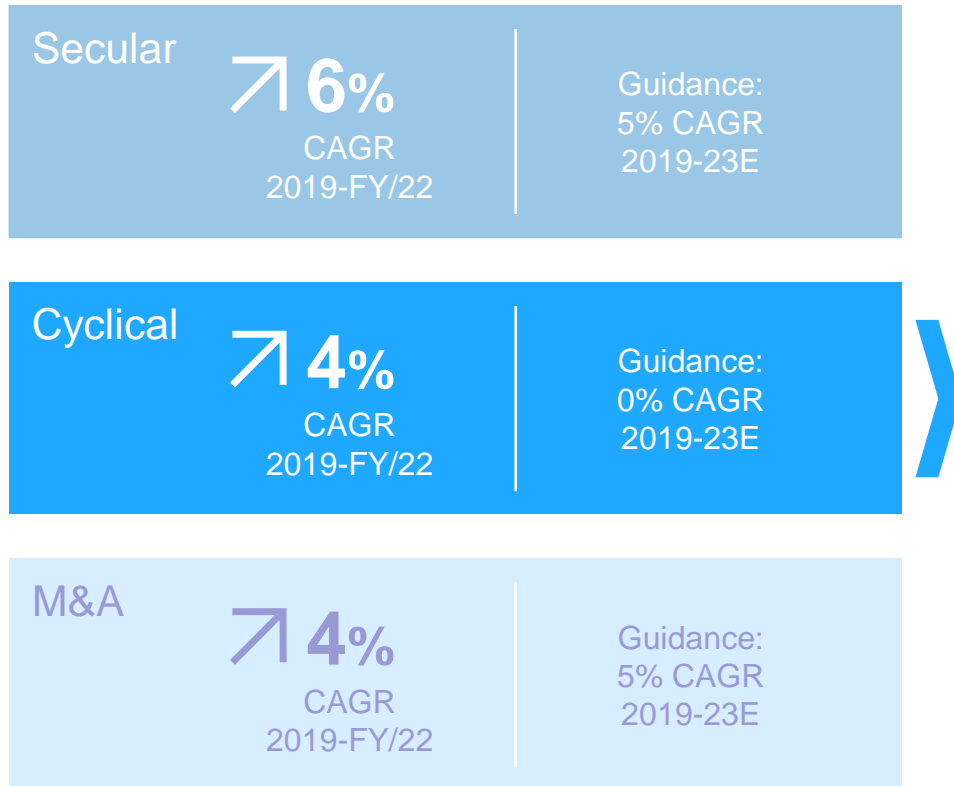


Main secular growth achievements

- Data & Analytics**
 - Strong growth in ESG products and services
 - New clients for index and analytics
- Trading & Clearing**
 - Product innovation (financial derivatives)
 - Market share (commodities, OTC clearing)
 - New clients (FX)
- Fund Services**
 - New outsourcing clients and addition of new services (distribution, data)
- Securities Services**
 - Expansion of global footprint in fixed income securities services

Cyclical tailwinds have started to emerge as an additional growth driver in 2022

Net revenue development

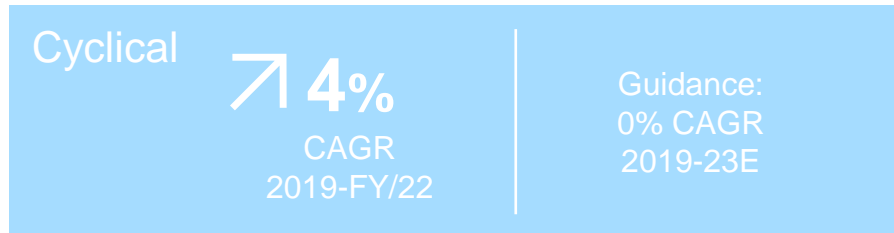


Observations in cyclical environment

- Low interest rate and low volatility environment post the global financial crisis resulted in strong cyclical headwinds
- Compass 2023 mid-term guidance assumed zero cyclical growth from 2019 to 2023
- With higher interest rates and higher volatility, we now expect increasing cyclical net revenue
- Key areas of cyclical benefits include:
 - Interest rates: fixed income derivatives (Trading & Clearing), net interest income (Securities Services)
 - Volatility: index derivatives (Trading & Clearing)

Our M&A strategy proved successful and further opportunities are ahead

Net revenue development



Main M&A growth achievements

Data & Analytics



Trading & Clearing



Fund Services

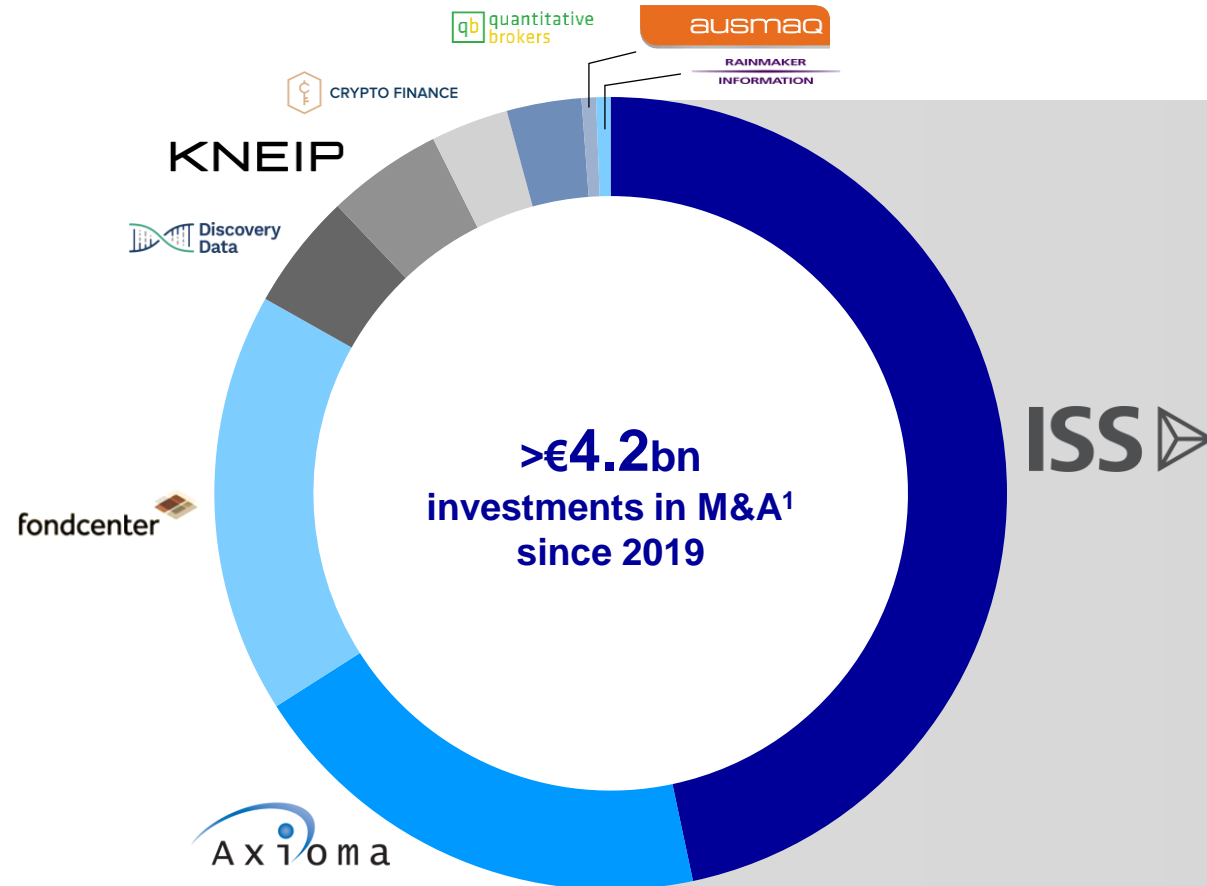


Securities Services



- We consistently implemented our bolt-on M&A strategy, moving into higher growth sweet spots
- We successfully deployed individual formats for financing (e.g., PE partners) and integration
- We always applied a prudent approach to the financials
- In Q2/23, we signed an agreement on recommended voluntary takeover offer for SimCorp SA, which is expected to close in Q3/23.

Our M&A strategy has helped to improve our business mix



Track record of M&A strategy

- M&A helped to increase Data & Analytics net revenue share to 15% (from 5% in 2019)
- Share of recurring net revenue increased to ~60% (from 51% in 2019)
- All acquired assets currently contribute ~15% of net revenue
- Average EBITDA margin of acquired assets in 2022 YTD >35%
- All acquisitions immediately cash accretive

Implementation of the Compass 2023 strategic plan has further improved our position and potential for sustainable growth

1 Secular growth has become key pillar

Consistent secular net revenue growth (6% CAGR since 2019) has become the key pillar of our growth strategy, irrespective of the market environment.

2 M&A has become reliable addition

Successful execution and integration of M&A initiatives since 2019 and further opportunities in the pipeline have made **M&A a reliable addition to our organic growth**.

3 Increase of data & analytics exposure

Strengthening the **data & analytics proposition** and positioning Deutsche Börse as a **top 3 global ESG data provider**; as a result, **recurring revenue** share increased to **~60%**.

4 Tokenisation / digitisation

Further expansion into **new asset classes** (e.g. Crypto Finance, 360X) and ramp-up of **digital / tech investments** (e.g. next-generation digital post-trade platform D7).

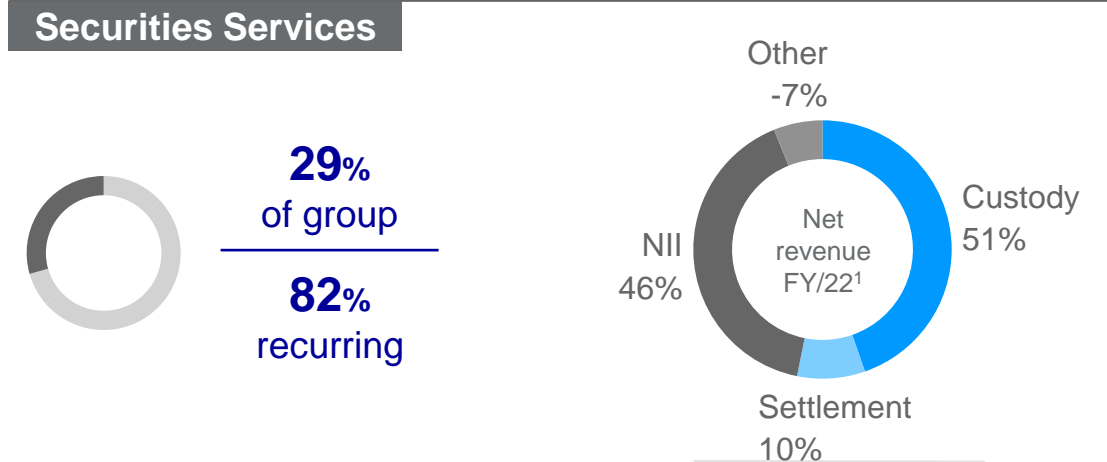
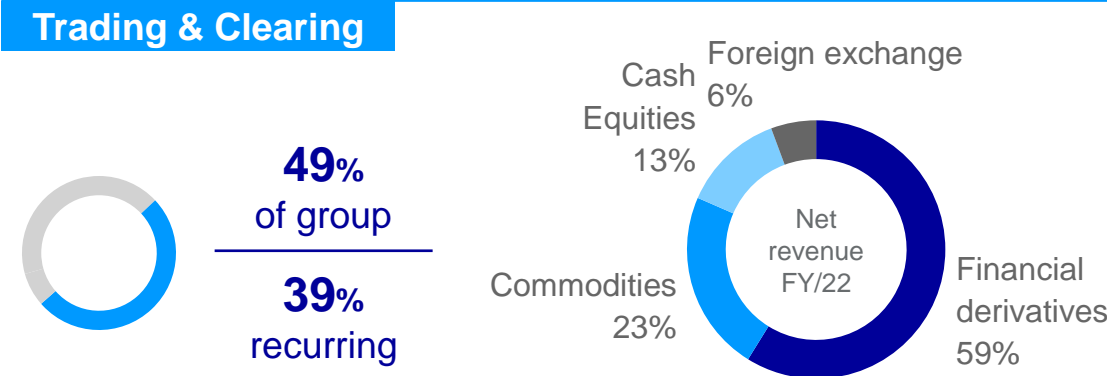
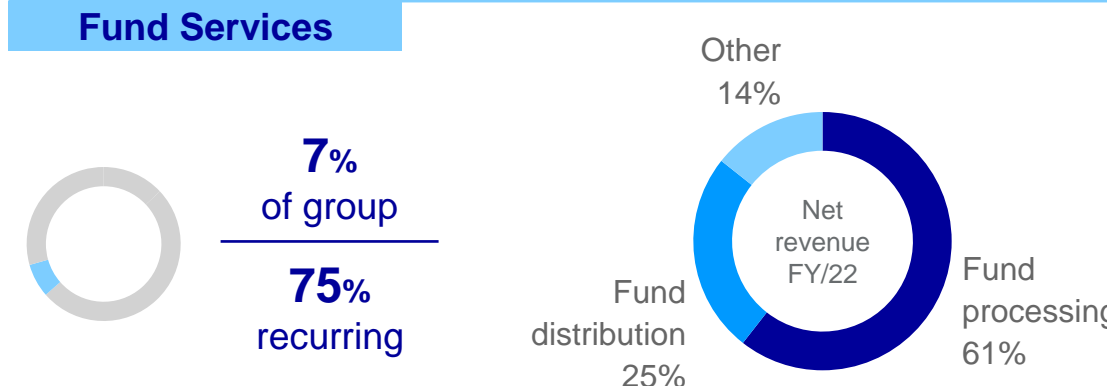
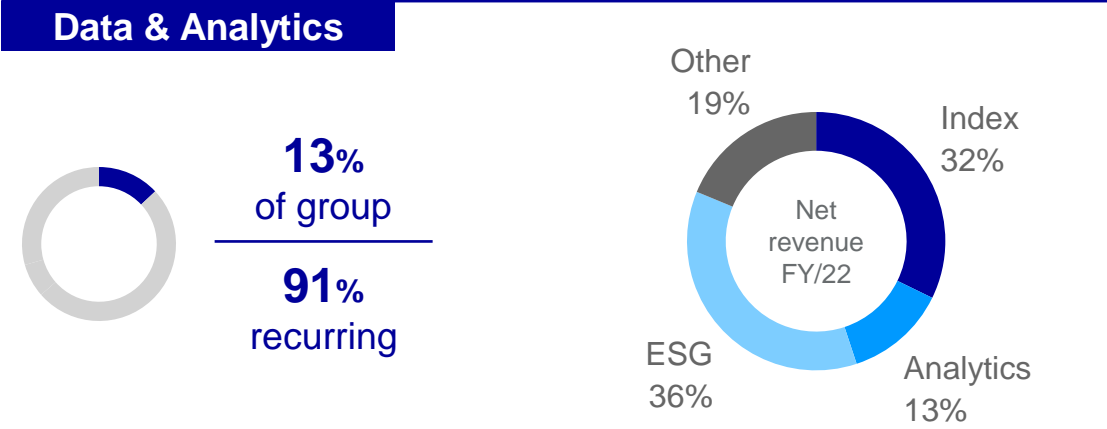
5 Active portfolio management

Portfolio clean-up with the sale of non-strategic assets (e.g., Reg Reporting Hub, REGIS-TR) and funding for fintech **minority investment portfolio** increased (DB1 Ventures).

Segments



Our net revenue mix is very well diversified across the segments

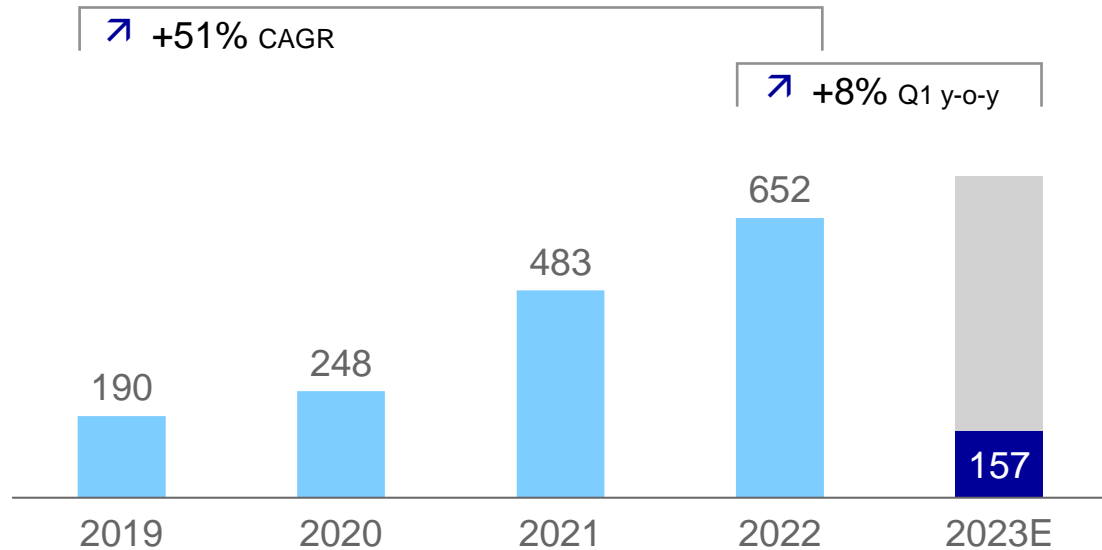


1) Adjusted for REGIS-TR disposal gain

Data & Analytics

Data & Analytics

Net revenue; €m



Guidance

>15%
CAGR 19-23E

Growth drivers

Secular



Cyclical



M&A



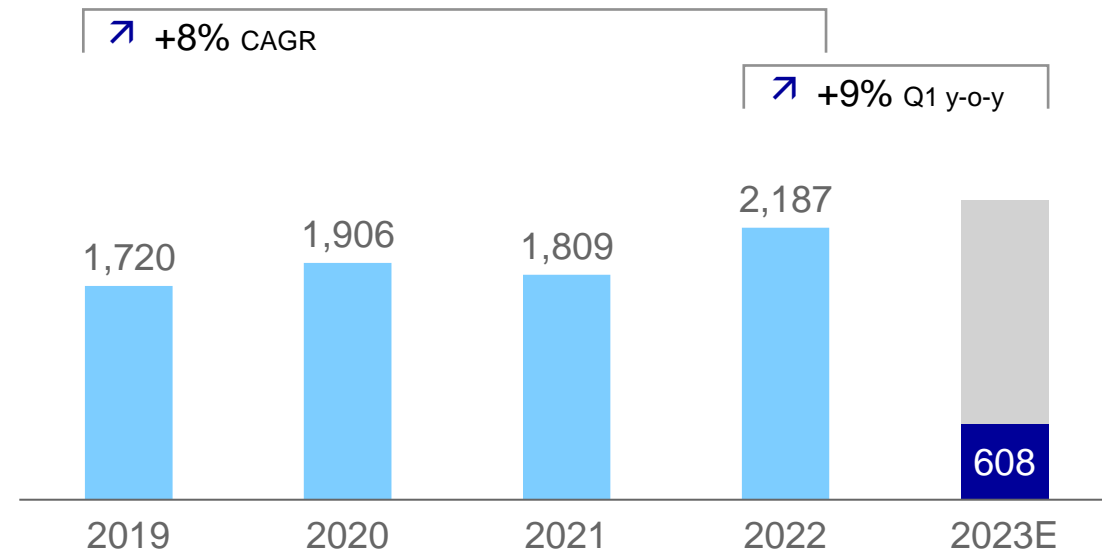
Key growth drivers

- **Strategic area of strong organic and inorganic growth, significant expansion** in the past few years contributing 15% of group net revenue
- **Significantly developed** our exposure to **buy-side clients** and **subscription-based revenues** – **91% recurring** net revenue
- **High growth momentum** based on **strong product portfolio** and **secular growth**
- **SimCorp acquisition** expected to further complement existing offering and cross-/up-selling opportunities, **closing planned for Q3/23**

Trading & Clearing

Trading & Clearing

Net revenue; €m



Guidance

6-9%
CAGR 19-23E

Growth drivers

Secular
↗

Cyclical
↗

M&A
→

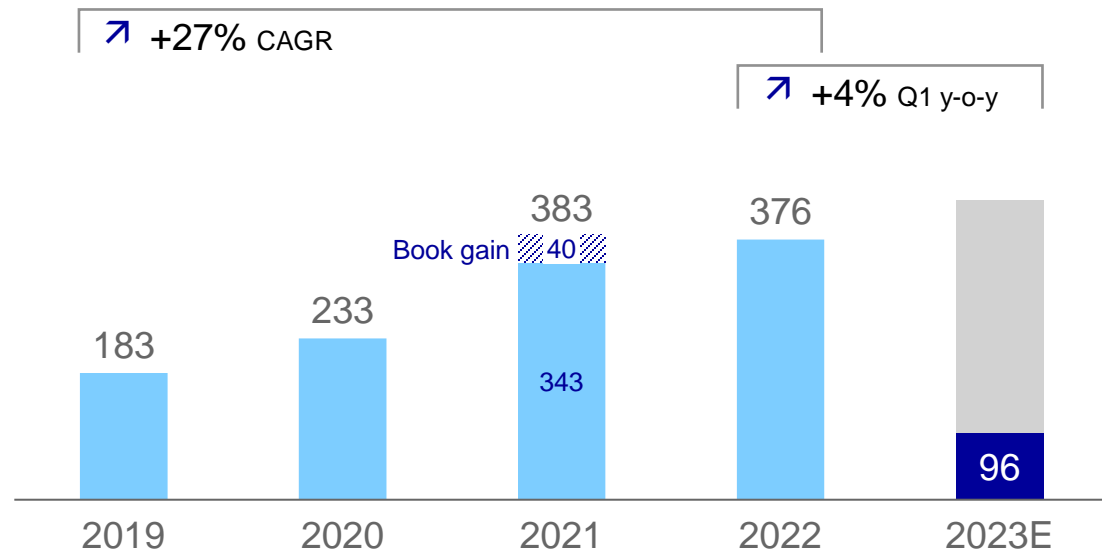
Key growth drivers

- **Financial derivatives** – global venue for benchmark indices and home of the Euro yield curve; **Commodities** – global commodity exchange of choice; **Cash equities** – European cash equity and ETF/ETN trading; **Foreign exchange** – global leader for listed and OTC FX trading, clearing and technology
- **Investment themes**
Active to passive, sustainability/ESG, single to global multi asset
- **Product innovation**
New asset classes and ecosystems
- **Regulation**
OTC to on-exchange, bilateral to CCP clearing
- **Technology**
Sell-side to buy-side agency, high touch to electronic, quant & data driven

Fund Services

Fund Services

Net revenue; €m



Guidance

>15%
CAGR 19-23E

Growth drivers

Secular
↑

Cyclical
→

M&A
↑

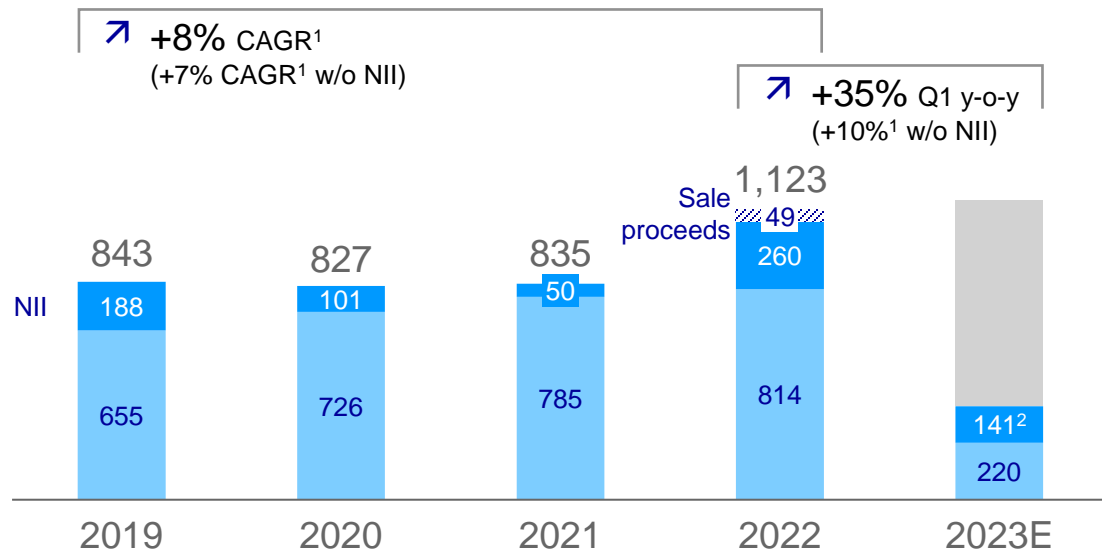
Key growth drivers

- Positioning in **sweet spot** of global fund **sector growth**, third party **distribution acceleration** and **outsourcing pressures**
- Expanding **#1 position** as leading European **fund processing** service provider with **~€3.2tr** assets under custody
- Strengthening fund distribution services (via **Fund Centre**) as foundation for growth and **onboarding of new portfolios**
- **Cross-selling synergy effects** from business combinations, e.g. Ausmaq, Fund Centre, Clearstream (I)CSD
- **Expanding in alternative fund shares issuance** via digital enablers and DLT (FundsDLT)
- Strengthening **funds data** and **analytics** solutions

Securities Services

Securities Services

Net revenue; €m



Guidance

0-3%
3-5% w/o NII
CAGR 19-23E

Growth drivers

Secular



Cyclical



M&A



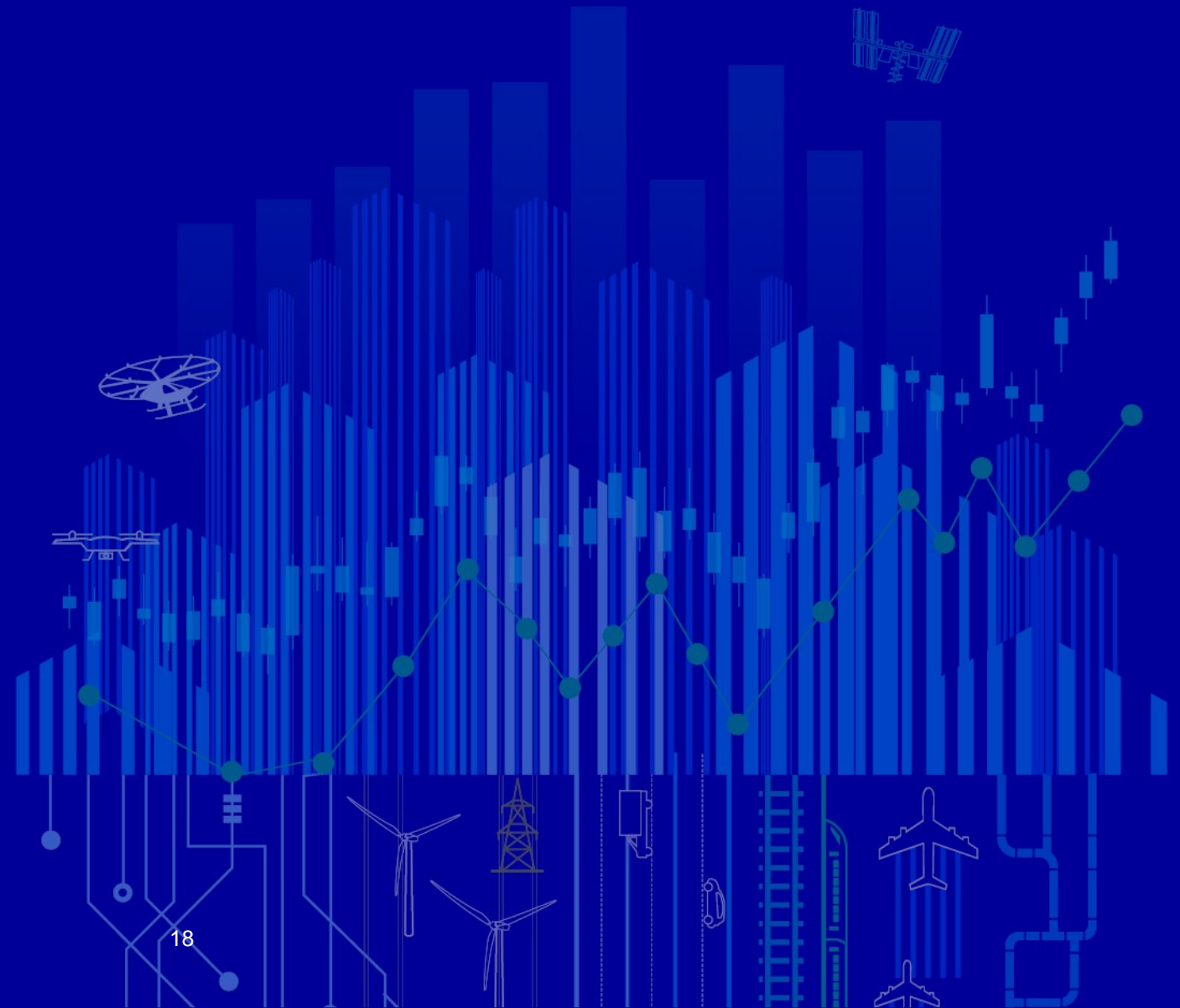
Key growth drivers

- **Backbone of European capital markets** with leading position on highly profitable growth and digital operations/assets
- Global leading **International Central Securities Depository (ICSD)** for bonds, equities and other asset classes with holistic offering and superior scale/margins
- **NII upside** for this year highlighted by recent announcements
- Expected **margin expansion in collateral management** with end of Central Bank purchasing programs
- Continued **strong fixed-income-issuance** and custody revenues for ~80% of **fixed income assets downside-protected**

1) W/o REGIS-TR sale proceeds of €49m in Q1 2022

2) W/o €29m NII associated with assets under sanctions which are segregated in Q1 2023

Financials

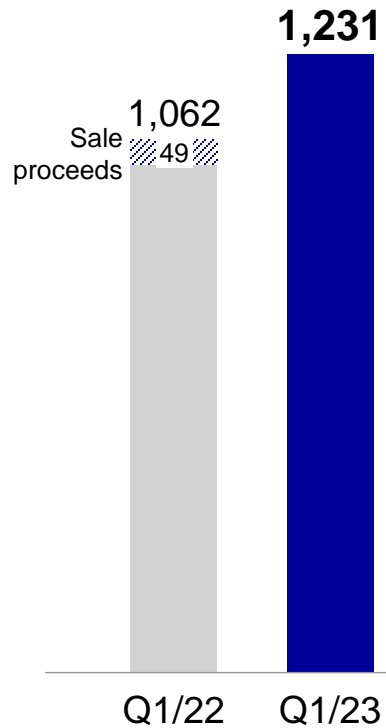


Group financials

Q1/2023

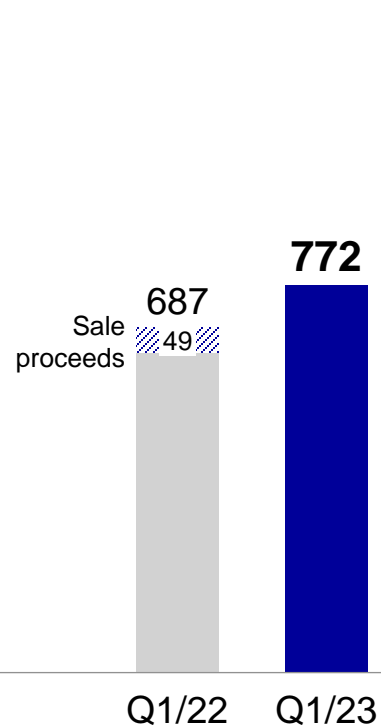
Net revenue | €m

↗ +16%



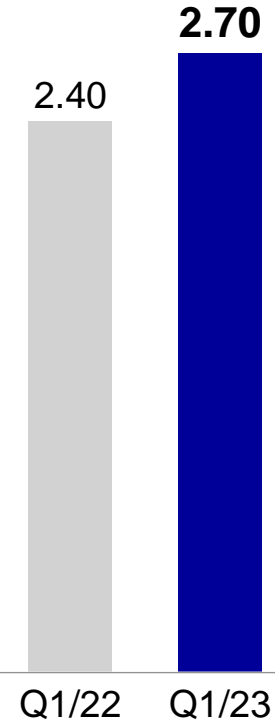
EBITDA | €m

↗ +12%



Cash EPS¹ | €

↗ +13%



Note

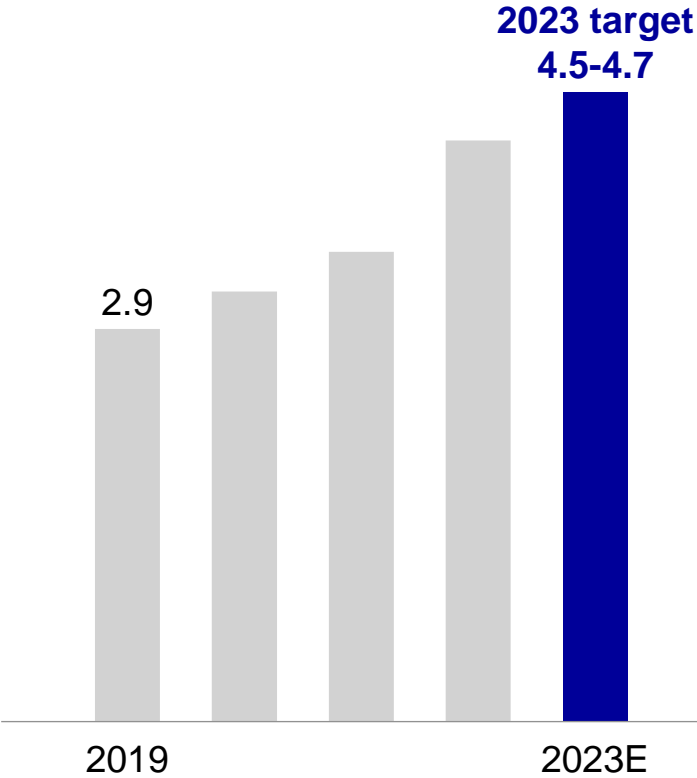
- Continued strong secular net revenue growth, above expectations.
- Cyclical tailwinds mainly driven by rising interest rates and temporary spikes in volatility, which resulted in increased client hedging needs in financial derivatives.
- Small positive M&A effect from Kneip acquisition (Mar 22) was partly offset by deconsolidation of REGIS-TR in Q1/22 due to the divestiture.
- Operating cost growth (+10%) mainly driven by some inflationary effects, FTE increase, share-based compensation and IT (Cloud) investments.

1) EPS before purchase price allocation (ppa)

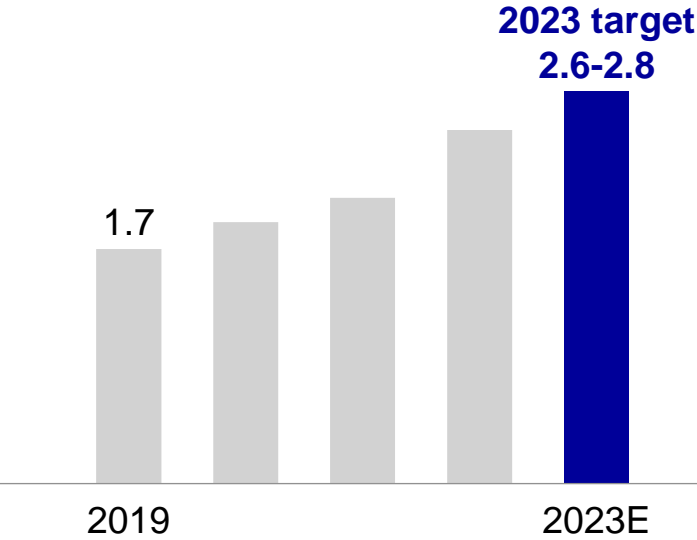
Outlook

FY/2023

Net revenue | €bn



EBITDA | €bn

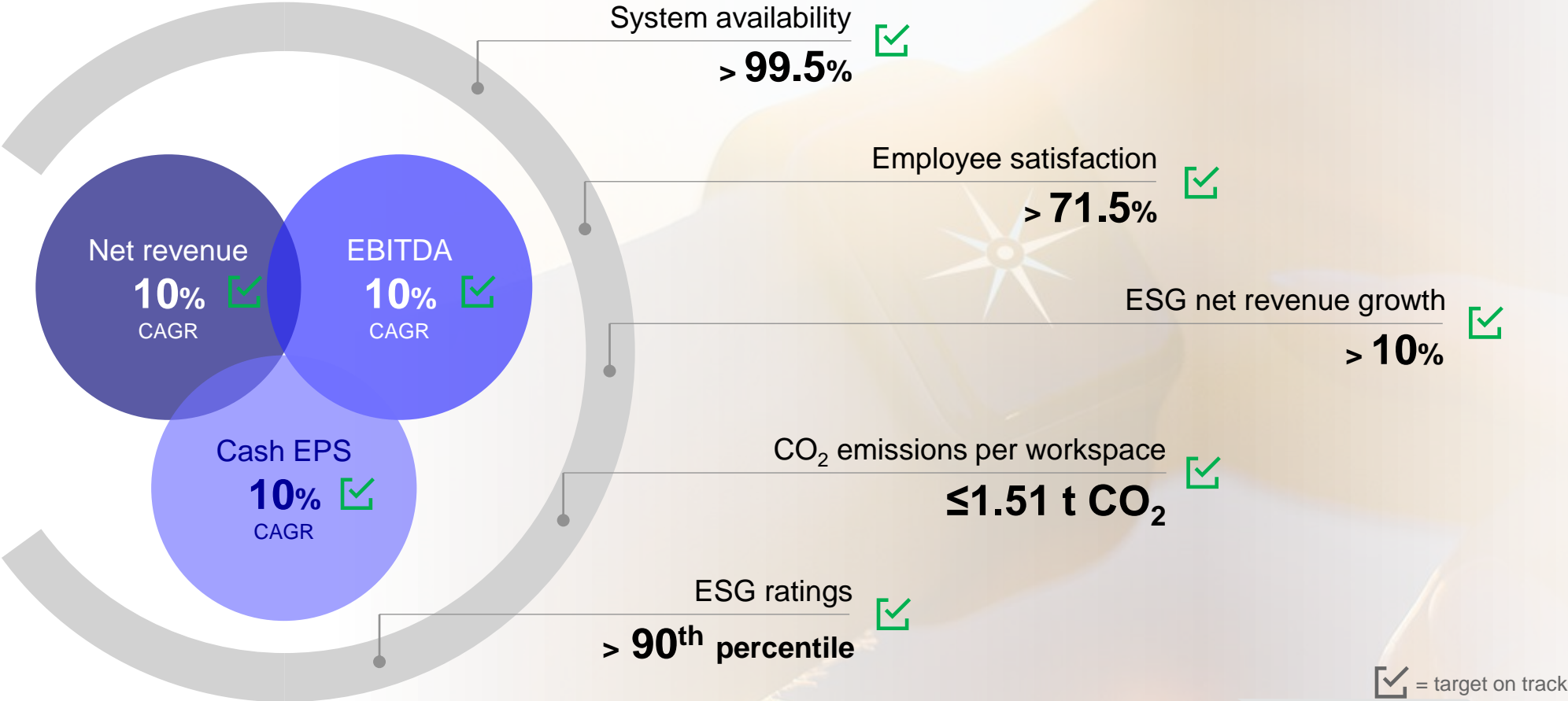


Note

- For 2023 we expected net revenue to increase to €4.5–4.7 billion and the EBITDA to €2.6–2.8 billion.
- In view of the performance in Q1/23 and the outlook for the rest of the year, we currently expect that we will be at the upper end of the guidance for 2023 or might even slightly exceed it, if the strong cyclical tailwinds continue.

Our financial targets are framed by a well-balanced set of non-financial KPIs

Compass 2023
mid-term plan
2019-23E



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