

Q2/2020

Financial results

Analyst and Investor Conference Call
30 July 2020



DEUTSCHE BÖRSE
GROUP

Summary Q2/2020 results presentation

Net revenue growth of 7% in Q2 to €778 million mainly driven by continued positive contribution of secular growth initiatives (+7%).

Organic operating cost development in Q2 (+8%) continued to be mainly driven by higher investments; adjusted EBITDA increased by 4% to €483 million and the adjusted EPS amounted to €1.57.

Strong H1 results driven by exceptionally high volatility in Q1: Net revenue up 17% to €1.7 billion and adjusted net profit up 16% to €676 million.

Despite strong first half year, guidance for 2020 remains unchanged at around €1.20 billion adjusted net profit.

Next mid-term plan “Compass 2023” is scheduled to be presented at the Investor Day on 18 November (Frankfurt & virtual).

7%

Net revenue growth Q2

€1.57

Earnings per share (adj.) Q2

€676m

Net profit (adj.) H1

~€1.20bn

Net profit guidance 2020 (adj.)

18 November

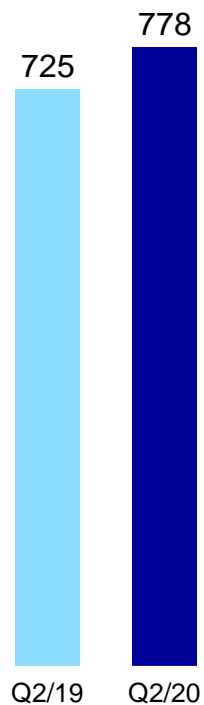
Investor Day 2020

Group financials

Q2/2020 | €m

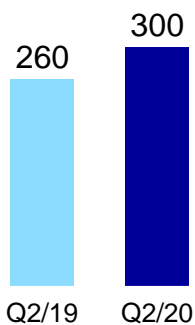
Net revenue

↗ +7%
↗ +5% (organic)
↗ +7% (secular)



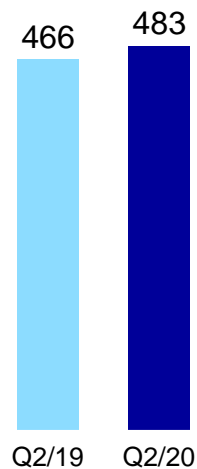
Operating cost

↗ +15%
↗ + 8% (organic)



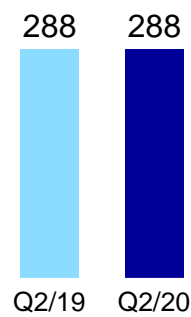
EBITDA

↗ +4%
↗ +4% (organic)



Net profit

→ 0%
↗ +3% (organic)



Note

Net interest income	€50m -24%
Exceptional cost items	€42m
Depreciation	€62m
Financial result	-€18m
Tax rate	26%
EPS (adj.)	€1.57 -1%

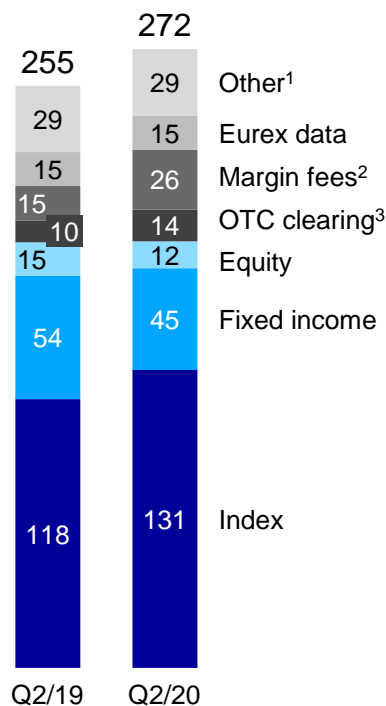
Note: Adjusted for exceptional items. Organic growth incl. Axioma (Qontigo), Ausmaq (IFS) and Börse Berlin (Xetra) like-for-like.

Eurex (financial derivatives)

Q2/2020 | €m

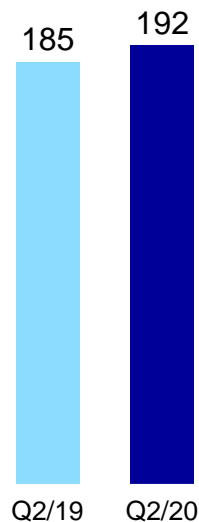
Net revenue

↗ +6%



EBITDA

↗ +4%



Business activity

Total derivatives	436m	-16%
Index derivatives	248m	+6%
Fixed income derivatives	117m	-18%
Equity derivatives	69m	-51%
OTC notional outstanding (avg.)	€18.6tr	+37%
OTC notional cleared (incl. compr.)	€9.1tr	+28%

Note: EBITDA adjusted for exceptional items.

1) Including net revenue from connectivity and member fees.

2) Including NII and securities collateral fee.

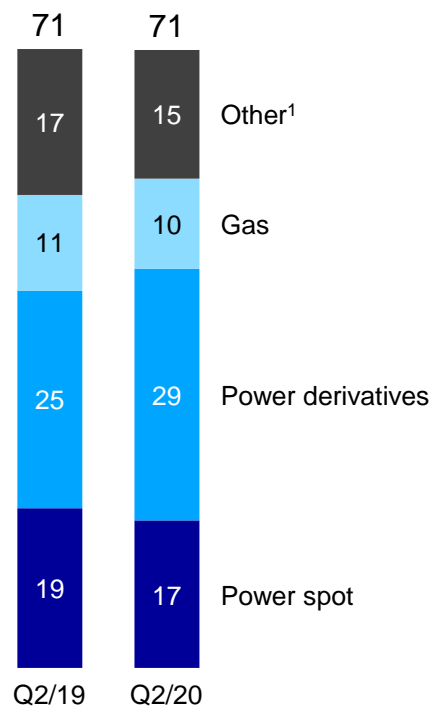
3) Including margin fees on OTC clearing related collateral.

EEX (commodities)

Q2/2020 | €m

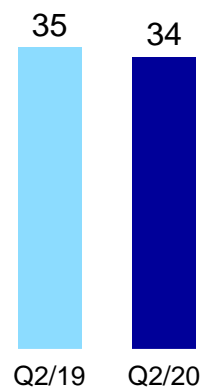
Net revenue

→ 0%



EBITDA

↘ -3%



Business activity

Power spot	153 TWh +2%
Power derivatives	1,660 TWh +20%
Gas	591 TWh -13%

Note: EBITDA adjusted for exceptional items.

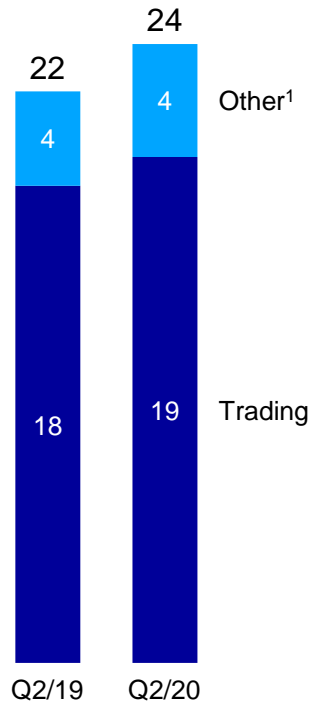
1) Including net revenue from connectivity, member fees and emission allowances.

360T (foreign exchange)

Q2/2020 | €m

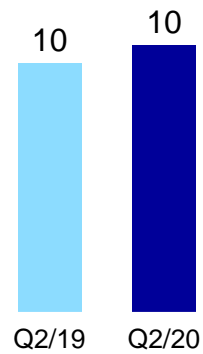
Net revenue

↗ +8%



EBITDA

↗ +7%



Business activity

Average daily volumes (ADV)	€81bn
	0%

Note: EBITDA adjusted for exceptional items.

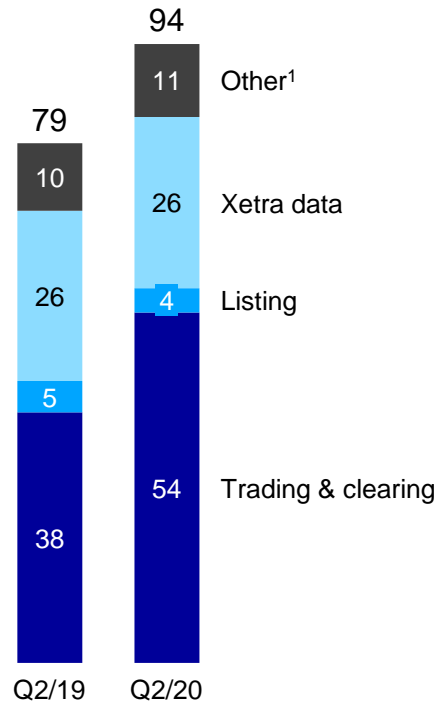
1) Including net revenue from connectivity and member fees.

Xetra (cash equities)

Q2/2020 | €m

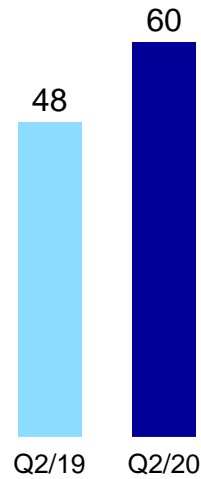
Net revenue

↗ +19%
↗ +18% (organic)



EBITDA

↗ +25%
↗ +24% (organic)



Business activity

Order book volume² Equities	€470bn +35%
Order book volume² ETF, ETC, ETN	€61bn +73%

Note: EBITDA adjusted for exceptional items. Organic growth incl. Börse Berlin (Q4/19) like-for-like.

1) Including net revenue from connectivity.

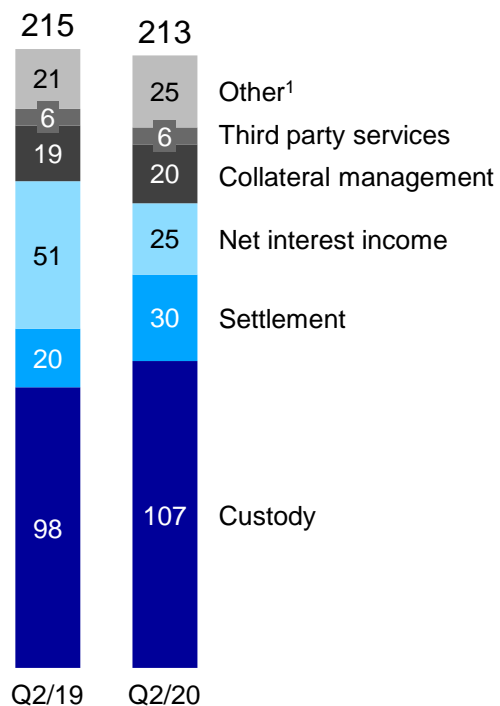
2) Xetra, Börse Frankfurt and Tradegate.

Clearstream (post-trading)

Q2/2020 | €m

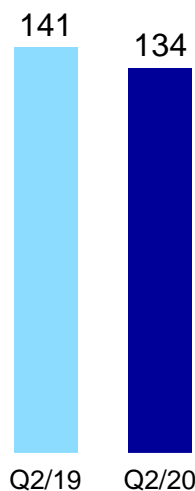
Net revenue

↘ -1%



EBITDA

↘ -5%



Business activity

Assets under custody	€11.8tr +3%
Settlement transactions (ICSD)	18.5m +33%
Cash balances total volume	€15.8bn -1%
t/o US-Dollar	€7.7bn -3%
Collateral outstandings	€563bn +25%

Note: EBITDA adjusted for exceptional items.

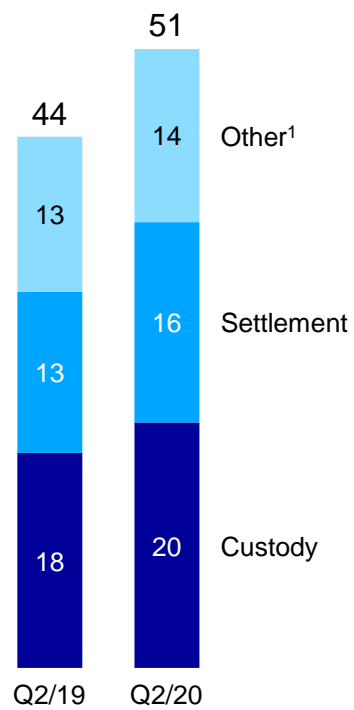
1) Including net revenue from connectivity, account services and reporting.

IFS (investment fund services)

Q2/2020 | €m

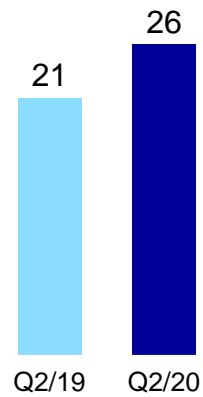
Net revenue

↗ +17%
↗ +12% (organic)



EBITDA

↗ +21%
↗ +18% (organic)



Business activity

Assets under custody	€2.5tr +2%
Settlement transactions	9.5m +42%

Note: EBITDA adjusted for exceptional items. Organic growth incl. Ausmaq (Q3/19) like-for-like.

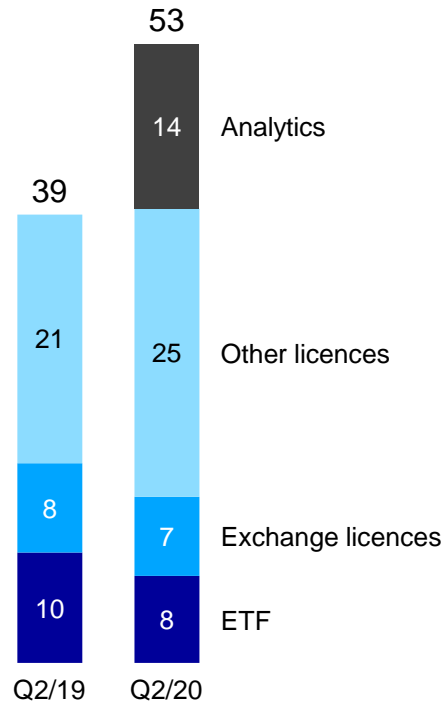
1) Including net revenue from connectivity, order routing, Clearstream Fund Desk and Ausmaq.

Qontigo (index and analytics business)

Q2/2020 | €m

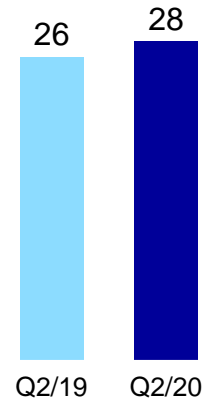
Net revenue

↗ +38%
↗ + 1% (organic)



EBITDA

↗ + 5%
↗ + 11% (organic)



Business activity

ETF assets under management	€85bn -11%
Exchange licences traded contracts	235m +8%

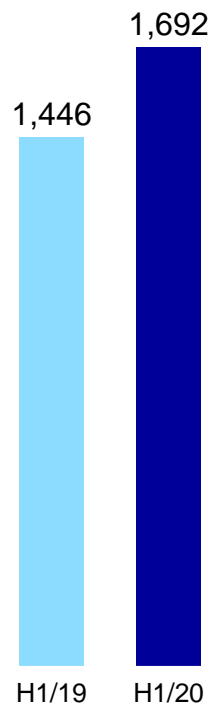
Note: EBITDA adjusted for exceptional items. Organic growth incl. Axioma (Q3/19) like-for-like.

Group financials

H1/2020 | €m

Net revenue

↗ +17%
↗ +14% (organic)
↗ + 7% (secular)



Operating cost

↗ +16%
↗ + 9% (organic)

509

H1/19

591

H1/20

EBITDA

↗ +17%
↗ +17% (organic)

941

H1/19

1,103

H1/20

Net profit

↗ +16%
↗ +19% (organic)

580

H1/19

676

H1/20

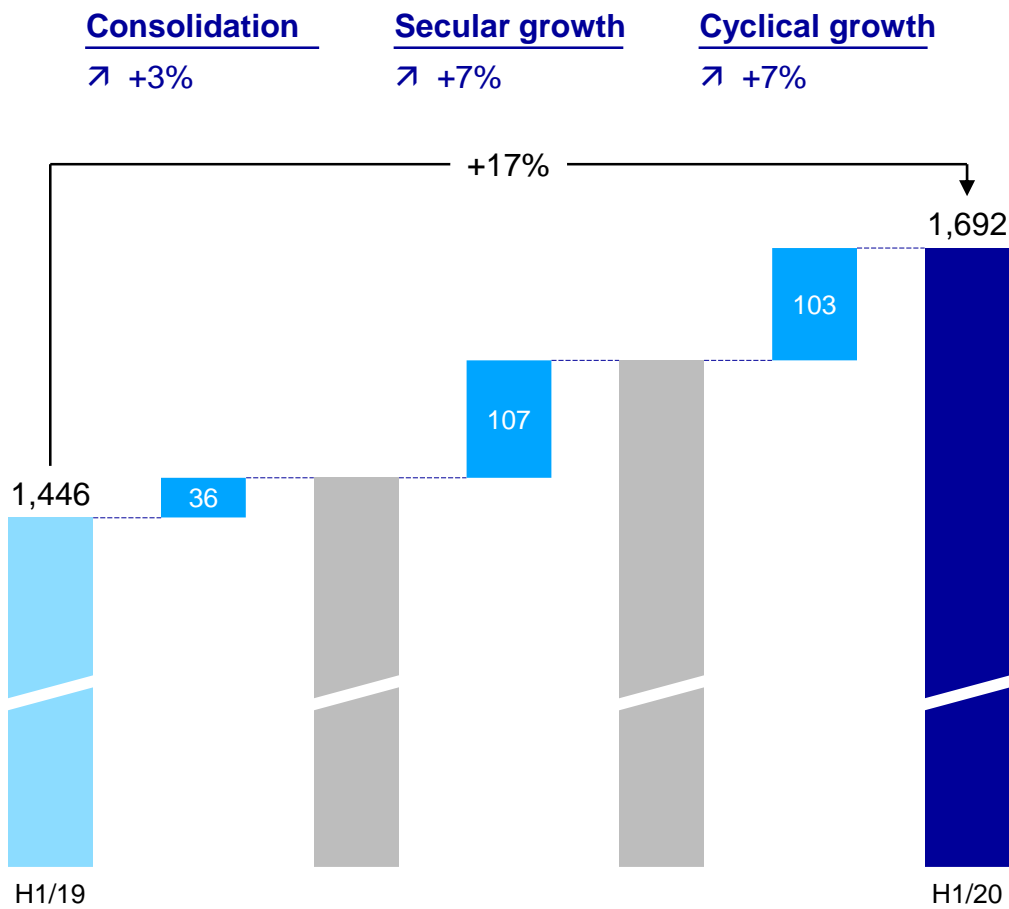
Note

Net interest income	€118m -8%
Exceptional cost items	€70m
Depreciation	€124m
Financial result	-€35m
Tax rate	26%
EPS (adj.)	€3.68 +16%

Note: Adjusted for exceptional items. Organic growth incl. Axioma (Qontigo), Ausmaq (IFS) and Börse Berlin (Xetra) like-for-like.

Secular growth trend remained intact

H1/2020 | €m



Note

Consolidation effects mainly driven by Qontigo (Axioma) and a small contribution from IFS (Ausmaq).

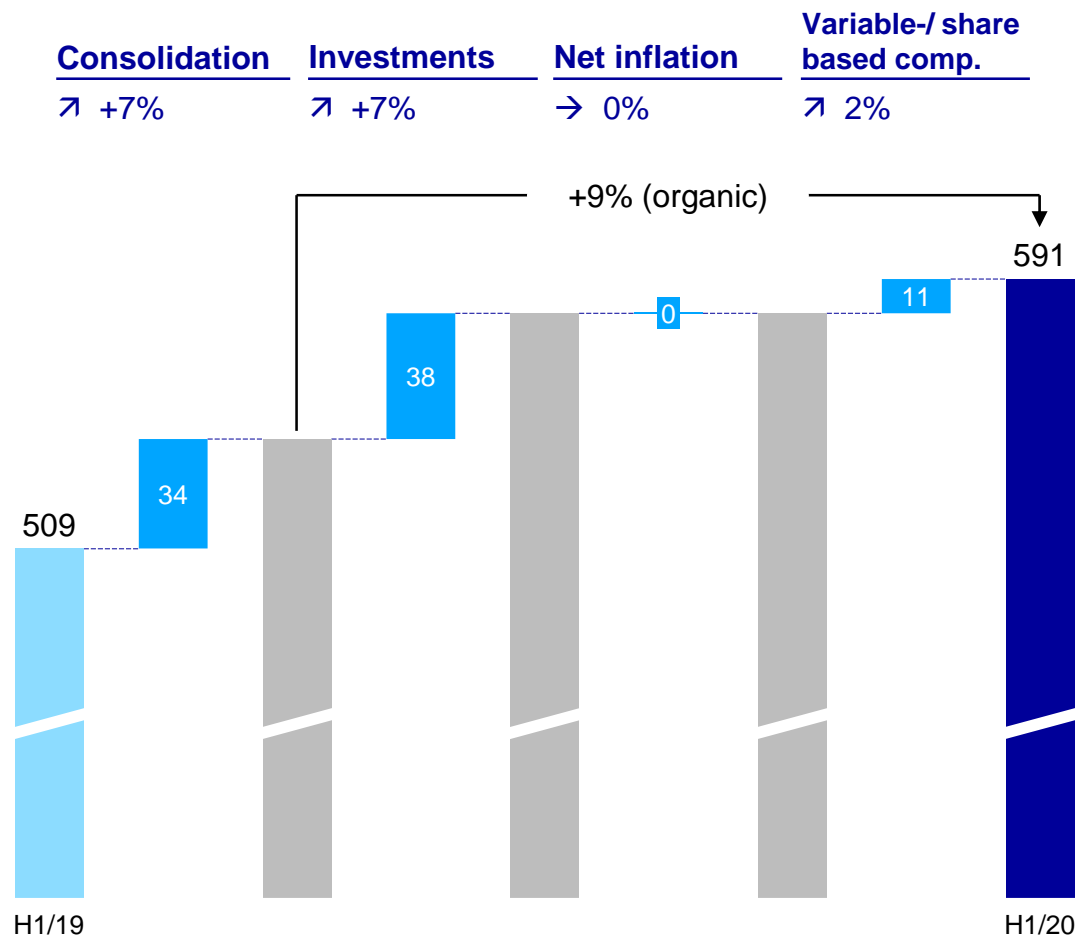
All segments with positive secular growth contribution, with good progress at Eurex, IFS, Qontigo and 360T.

Cyclical growth mainly driven by exceptionally high volatility in Q1 due to the Corona situation.

Note: Numbers may not add up due to rounding.

Operating cost development

H1/2020 | €m



Note

Consolidation effects mainly driven by Qontigo (Axioma) and a small contribution from IFS (Ausmaq).

Higher investments in growth and technology, increase in personnel, as well as additional operating costs due to Corona situation.

Inflationary pressures off-set by increase of operating efficiency.

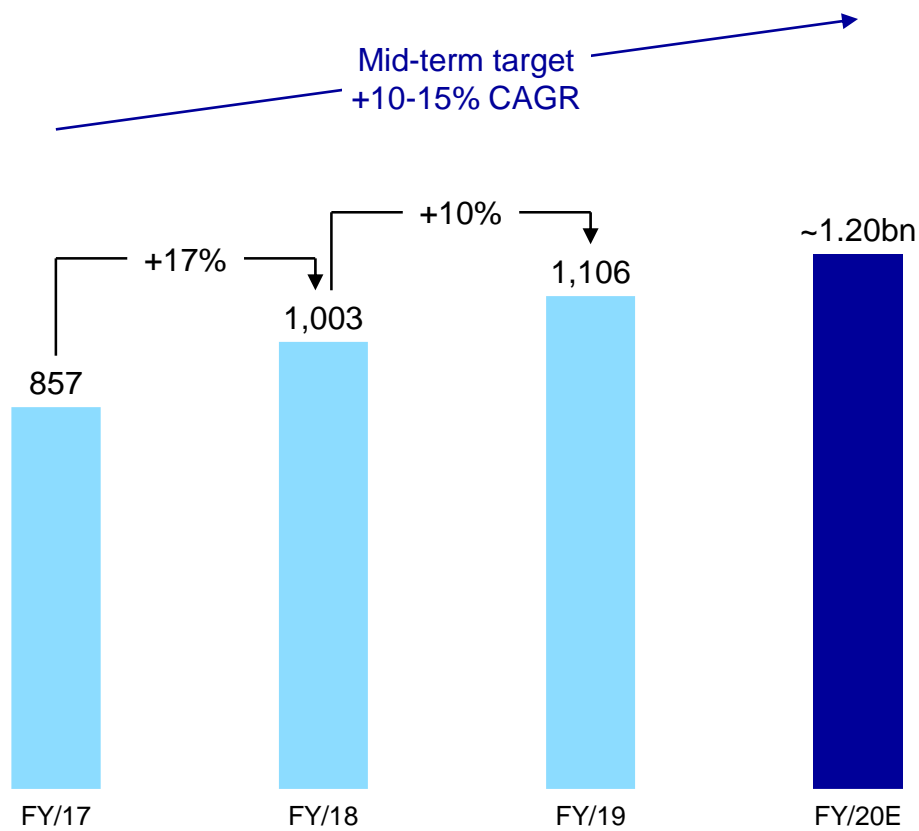
Increase of variable-/ share based compensation mainly due to share price performance.

Note: Numbers may not add up due to rounding. Adjusted for exceptional items.

Outlook

FY/2020 | €m

Net profit guidance



Note: Adjusted for exceptional items.

Note

Despite strong H1/2020, guidance for 2020 remains unchanged.

For FY/2020 Deutsche Börse expects:

Continued secular net revenue growth of at least 5% and

around €1.20 billion adjusted net profit.

Appendix

Income statement – group level reported

(in €m)	Quarter ended 30 June 2020	Quarter ended 30 June 2019
Sales revenue	837.8	747.7
Net interest income from banking business	50.4	66.7
Other operating income	4.7	3.0
Total revenue	892.9	817.4
Volume-related costs	-115.4	-92.6
Net revenue	777.5	724.8
Staff costs	-220.0	-186.1
Other operating expenses	-122.6	-105.4
Operating costs	-342.6	-291.5
Net income from strategic investments	5.8	0.7
Earnings before interest, tax, depreciation and amortization (EBITDA)	440.7	434.0
Depreciation, amortization and impairment losses	-62.6	-55.4
Earnings before interest and tax (EBIT)	378.1	378.6
Financial result	-18.4	-11.6
Earnings before tax (EBT)	359.7	367.0
Income tax expense and other tax	-93.3	-93.0
Net profit for the period	266.4	274.0
thereof attributable to Deutsche Börse shareholders	256.7	266.9
thereof attributable to non-controlling interests	9.7	7.1
Earnings per share (basic) (€)	1.40	1.46

Income statement – group level adjusted

(in €m)	Quarter ended 30 June 2020	Quarter ended 30 June 2019
Sales revenue	837.8	747.7
Net interest income from banking business	50.4	66.7
Other operating income	4.7	3.0
Total revenue	892.9	817.4
Volume-related costs	-115.4	-92.6
Net revenue	777.5	724.8
Staff costs	-199.1	-171.7
Other operating expenses	-101.1	-88.3
Operating costs	-300.2	-260.0
Net income from strategic investments	5.8	0.7
Earnings before interest, tax, depreciation and amortization (EBITDA)	483.1	465.5
Depreciation, amortization and impairment losses	-62.3	-54.7
Earnings before interest and tax (EBIT)	420.8	410.8
Financial result	-18.4	-11.6
Earnings before tax (EBT)	402.4	399.2
Income tax expense and other tax	-104.6	-103.7
Net profit for the period	297.8	295.5
thereof attributable to Deutsche Börse shareholders	288.1	288.4
thereof attributable to non-controlling interests	9.7	7.1
Earnings per share (basic) (€)	1.57	1.58

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(in €m)	Q2/20	Q2/19	Q2/20	Q2/19	Q2/20	Q2/19	Q2/20	Q2/19
Net revenue	271.5	255.3	71.2	71.3	23.6	21.8	94.4	79.3
Staff costs adj.	-49.8	-43.2	-22.5	-20.9	-10.0	-8.6	-23.3	-21.4
Other operating expenses adj.	-34.2	-27.2	-14.9	-15.5	-3.4	-3.7	-12.1	-11.2
Operating costs adj.	-84.0	-70.4	-37.4	-36.4	-13.4	-12.3	-35.4	-32.6
Operating costs reported	-92.3	-74.8	-44.2	-39.0	-13.1	-16.9	-39.5	-34.7
Result from equity investments	4.9	0.3	-0.1	-0.1	0.0	0.0	1.2	1.3
EBITDA adj.	192.4	185.2	33.7	34.8	10.2	9.5	60.2	48.0

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		Qontigo (index and analytics business)	
(in €m)	Q2/20	Q2/19	Q2/20	Q2/19	Q2/20	Q2/19
Net revenue	212.6	214.8	50.8	43.6	53.4	38.7
Staff costs adj.	-55.0	-53.5	-17.6	-16.3	-20.9	-7.8
Other operating expenses adj.	-23.8	-19.8	-7.7	-6.2	-5.0	-4.7
Operating costs adj.	-78.8	-73.3	-25.3	-22.5	-25.9	-12.5
Operating costs reported	-92.5	-82.8	-32.0	-26.6	-29.0	-16.7
Result from equity investments	-0.2	-0.8	0.0	0.0	0.0	0.0
EBITDA adj.	133.6	140.7	25.5	21.1	27.5	26.2

Financial calendar and contact details

Financial calendar

26 Aug 2020	Virtual US Roadshow organised by Commerzbank
01 Sep 2020	Virtual Group Meeting for US investors organised by Morgan Stanley
02 Sep 2020	Virtual Group Meeting for European investors organised by JP Morgan
09 Sep 2020	Virtual Group Meeting for German investors organised by Metzler
14 Sep 2020	Barclays Global Financials New York Conference (virtual)
21 Sep 2020	Goldman Sachs and Berenberg German Corporate Conference (virtual)
22 Sep 2020	BofA Global Research 25th Annual Financials CEO Conference (virtual)
23 Sep 2020	Baader Investment Conference (virtual)
30 Sep 2020	Morningstar's Management Behind the Moat Conference (virtual)
28 Oct 2020	Publication quarterly statement Q3/2020
29 Oct 2020	Analyst and investor conference call Q3/2020
09 Nov 2020	UBS European Virtual Conference 2020 (virtual)
11 Nov 2020	
18 Nov 2020	Investor Day 2020 (Frankfurt & virtual)

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