

## Company release

# Deutsche Börse achieves all its targets in 2021 despite headwinds

- Net revenue increased by 9 per cent to €3,510 million in spite of strong cyclical headwinds.
- EBITDA also rose by 9 per cent to €2,043 million.
- The guidance for 2021 was thus met in every respect.
- The Group is well on track to achieve its mid-term targets defined in the Compass 2023 strategy.
- Earnings per share went up by 12 per cent to €6.59.
- The Executive Board is proposing to raise the dividend by 7 per cent to €3.20 per share.
- For 2022 the Group is expecting net revenue to increase to around €3.8 billion, with EBITDA of around €2.2 billion.
- The Group continues to focus on implementing its growth strategy Compass 2023, with an increasing importance of ESG activities in particular.

The financial year 2021 was defined by low market volatility, following very high levels in the previous year. This reduced net revenue in the trading segments Eurex (financial derivatives) and Xetra (cash equities). Net interest income in the Clearstream segment (post-trading) also continued to decline as a result of the US interest rate development. This reduced the Group's cyclical net revenue by some 4 per cent against the previous year. This was offset by strong secular growth and M&A effects. The Group's secular net revenue went up by 6 per cent. The highest secular growth was reported by the IFS segment (investment fund services): IFS attracted new customers and realised revenue synergies between fund custody and distribution. The segments EEX (commodities) and ISS (Institutional Shareholder Services) also contributed to growth. Additional net revenue from M&A growth was generated by the acquisition of ISS with its strong ESG business, and by Fund Centre. Overall, Group net revenue increased by 9 per cent to €3,509.5 million (2020: €3,213.8 million). Recurring net revenue, which is becoming increasingly important, rose to 55 per cent of total net revenue (2020: 49 per cent).

Operating costs of €1,551.6 million were 13 per cent up on the year (2020: €1,368.7 million). The increase is due entirely to M&A-related growth, especially the acquisition of ISS. Organic operating cost however was kept stable, which was also partly due to the cyclical headwinds.

The result from financial investments increased to €85.2 million (2020: €24,3 million) based on the positive development of various minority investments. The investments in Clarity AI, Inc. accounted for the largest share of around €45 million.

Accordingly, earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 9 per cent to €2,043.1 million (2020: €1,869.4 million). Depreciation, amortisation and impairment losses came to €293.7 million (2020: €264.3 million); the increase was mainly due to the purchase price allocation for acquisitions.

The financial result improved to €–40.1 million (2020: €–76.9 million) and benefited from lower refinancing costs and the positive impact of adjusting the expected interest rate for potential tax back-payments. The previous year's financial result also included costs relating to the issuance of a hybrid bond.

In 2021 the net profit for the period attributable to shareholders of Deutsche Börse Group therefore came to €1,209.7 million, an increase of 12 per cent on the previous year (2020: €1,079.9 million). Basic earnings per share were €6.59 (2020: €5.89) for an average of 183.5 million shares. Earnings per share before purchase price allocations (Cash EPS) were €6.98 (2020: €6.07).

The Executive Board of Deutsche Börse AG is proposing a dividend of €3.20 for financial year 2021 (2020: €3.00). This represents an increase of 7 per cent and a distribution ratio of 49 per cent. The dividend still requires the formal approval of the Supervisory Board and shareholders of Deutsche Börse AG at the Annual General Meeting on 18 May 2022; the Supervisory Board has already expressed its support for the proposal.

For 2022 the Group is expecting net revenue to increase to around €3.8 billion, with EBITDA rising to around €2.2 billion. The net revenue growth guidance is based largely on expected secular growth and the additional contribution from M&A transactions completed in 2021.

Deutsche Börse made significant progress last year in implementing its growth strategy Compass 2023. Despite the challenges of the Covid-19 pandemic, the Group has increased its secular net revenue by an average of 6 per cent p.a. since 2019. In terms of M&A growth the Group even slightly exceeded its targets, with acquisitions such as Axioma, Fund Centre and ISS. This also resulted in a significant improvement of the Group's position in the fast-growing data and analytics business, with Deutsche Börse already being the world's third-largest provider of ESG information today. Furthermore, the Group added new asset classes to its offering, including digital assets and cryptocurrencies (e.g. Crypto Finance), and increased its investment in new technologies, e.g. with D7, a central register for electronic securities. The Group also continued to manage its investment portfolio actively, both in terms of disposals (e.g. Regis-TR) as well as with further minority investments by the Group's corporate venture capital arm.

The Group will pursue this strategy consistently in the next two years. Alongside further secular and M&A-related growth, the Company is also expecting cyclical tailwinds to pick up, particularly as a result of the anticipated interest rate turnaround in the US.

In order to reduce the complexity of its financial reporting and highlight the Group's growth areas more clearly, the reporting segments are to be modified from the first quarter of 2022; there will then be four segments rather than eight: "Data & Analytics" (including the Qontigo and ISS segments), "Trading & Clearing" (Eurex, EEX, Xetra and 360T), "Fund Services" (IFS) and "Securities Services" (Clearstream). The Group is also planning a new setup for Clearstream in order to develop "Fund Services" and "Securities Services" into largely independent entities. This better reflects the increasing differences in the service range, customer focus and regulatory environment, and is intended to increase strategic flexibility, e.g., for partnerships and M&A activities. With a greater focus on ESG, the Group will also support the market in its transition to a sustainable economy and further improve its own ESG footprint.

Commenting on last year's performance, Theodor Weimer, CEO of Deutsche Börse AG, said: "We have achieved our ambitious growth and earnings targets in full, despite significant cyclical headwinds from the markets. This was possible thanks to the now considerable diversification of our business and the dedication of our employees around the world. The growing share of recurring net revenue pleases me especially. We also responded rapidly to market developments in 2021 with a very effective and smooth cost management. All in all, this has brought us an important step further in our ambitious plans until 2023." Looking ahead to the next two years, Mr Weimer added: "We will continue to implement our Compass 2023 strategy consistently with a focus on secular growth and M&A."

## Consolidated income statement

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Sales revenue	1,125.0	948.8	19	4,218.8	3,519.3	20
Treasury result from banking business	43.0	36.3	18	142.7	196.6	-27
Other operating income	10.2	34.4	-70	85.1	40.5	110
<b>Total revenue</b>	<b>1,178.2</b>	<b>1,019.5</b>	<b>16</b>	<b>4,446.6</b>	<b>3,756.4</b>	<b>18</b>
Volume-related costs	-243.4	-205.5	18	-937.1	-542.6	73
<b>Net revenue</b>	<b>934.8</b>	<b>814.0</b>	<b>15</b>	<b>3,509.5</b>	<b>3,213.8</b>	<b>9</b>
Staff costs	-267.2	-212.0	26	-1,002.1	-822.9	22
Other operating expenses	-178.9	-175.8	2	-549.5	-545.8	1
<b>Operating costs</b>	<b>-446.1</b>	<b>-387.8</b>	<b>15</b>	<b>-1,551.6</b>	<b>-1,368.7</b>	<b>13</b>
Result from financial investments	15.7	10.5	50	85.2	24.3	251
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>504.4</b>	<b>436.7</b>	<b>16</b>	<b>2,043.1</b>	<b>1,869.4</b>	<b>9</b>
Depreciation, amortisation and impairment losses	-88.2	-76.9	15	-293.7	-264.3	11
<b>Earnings before interest and tax (EBIT)</b>	<b>416.2</b>	<b>359.8</b>	<b>16</b>	<b>1,749.4</b>	<b>1,605.1</b>	<b>9</b>
Financial result	-11.2	-26.2	-57	-40.1	-76.9	-48
<b>Earnings before tax (EBT)</b>	<b>405.0</b>	<b>333.6</b>	<b>21</b>	<b>1,709.3</b>	<b>1,528.2</b>	<b>12</b>
Income tax expense and other tax	-105.3	-91.3	15	-444.4	-403.1	10
<b>Net profit for the period</b>	<b>299.7</b>	<b>242.3</b>	<b>24</b>	<b>1,264.9</b>	<b>1,125.1</b>	<b>12</b>
thereof attributable to Deutsche Börse AG shareholders	281.2	228.9	23	1,209.7	1,079.9	12
thereof attributable to non-controlling interests	18.5	13.4	38	55.2	45.2	22
<b>Earnings per share (basic) (€)</b>	<b>1.53</b>	<b>1.25</b>	<b>22</b>	<b>6.59</b>	<b>5.89</b>	<b>12</b>
<b>Earnings per share before purchase price allocations (Cash EPS) (€)</b>	<b>1.64</b>	<b>1.31</b>	<b>25</b>	<b>6.98</b>	<b>6.07</b>	<b>15</b>

#### Key indicators Eurex (financial derivatives) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	255.4	260.7	-2	995.8	1,110.3	-10
Equity index derivatives	98.6	116.8	-16	389.9	540.5	-28
Interest rate derivatives	56.3	47.6	18	225.7	200.1	13
Equity derivatives	14.2	13.5	5	49.5	48.4	2
OTC clearing	16.0	14.7	9	57.1	54.9	4
Margin fees	16.8	18.9	-11	68.0	85.4	-20
Eurex data	15.9	14.7	8	63.0	59.8	5
Other	37.6	34.5	9	142.6	121.2	18
Operating costs	-114.8	-109.8	5	-387.7	-373.1	4
EBITDA	149.7	153.2	-2	624.2	738.8	-16

#### Key indicators EEX (commodities) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	107.7	83.0	30	341.5	302.2	13
Power spot	19.8	20.0	-1	71.1	72.1	-1
Power derivatives	36.6	30.8	19	118.4	115.8	2
Gas	16.2	12.5	30	54.9	43.0	28
Other	35.1	19.7	78	97.1	71.3	36
Operating costs	-48.4	-49.0	-1	-178.7	-174.3	3
EBITDA	59.0	33.3	77	162.5	127.0	28

#### Key indicators 360T (foreign exchange) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	29.3	26.1	12	107.8	101.5	6
Trading	23.3	20.4	14	84.3	81.9	3
Other	6.0	5.7	5	23.5	19.6	20
Operating costs	-14.8	-13.2	12	-53.7	-53.9	-0
EBITDA	14.5	12.9	12	54.1	47.6	14

### Key indicators Xetra (cash equities) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	92.1	110.4	-17	364.0	391.7	-7
Trading and clearing	47.1	45.8	3	188.6	203.3	-7
Listing	6.9	6.2	11	21.2	18.9	12
Xetra data	25.1	47.3	-47	108.7	125.7	-14
Other	13.0	11.1	17	45.5	43.8	4
Operating costs	-44.8	-49.4	-9	-150.6	-158.8	-5
EBITDA	54.4	71.1	-23	242.8	258.7	-6

### Key indicators Clearstream (post-trading) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	205.8	187.7	10	835.4	827.2	1
Custody	112.9	99.6	13	445.2	417.5	7
Settlement	27.4	27.3	0	120.2	114.8	5
Net interest income from banking business	13.8	13.2	5	50.0	100.5	-50
Collateral management	21.3	18.7	14	80.9	76.9	5
Third party services	5.4	5.0	8	23.8	23.8	-0
Other	25.0	23.9	5	115.3	93.7	23
Operating costs	-102.2	-108.5	-6	-376.3	-367.3	2
EBITDA	104.4	78.3	33	459.6	458.0	0

### Key indicators IFS (investment fund services) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	92.1	71.9	28	382.4	232.8	64
Custody	29.8	24.1	24	113.0	87.4	29
Settlement	23.0	20.4	13	90.2	72.0	25
Fund distribution	22.7	14.4	58	77.6	14.4	439
Other	16.6	13.0	28	101.6	59.0	72
Operating costs	-35.2	-26.8	31	-125.9	-117.5	7
EBITDA	56.8	45.0	26	255.9	115.2	122

### Key indicators Qontigo (index and analytics business) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	78.4	74.2	6	258.7	248.1	4
ETF licences	11.7	10.3	14	41.3	34.7	19
Exchange licences	9.9	8.5	16	33.9	34.7	-2
Other licences	29.4	32.3	-9	107.6	105.6	2
Analytics	27.4	23.1	19	75.9	73.1	4
Operating costs	-36.3	-31.1	17	-123.3	-123.8	-0
EBITDA	43.7	42.9	2	180.6	124.1	46

### Key indicators ISS (Institutional Shareholder Services) segment

	Fourth quarter ended			Full year ended		
	31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
	€m	€m	%	€m	€m	%
Net revenue	74.0	-	-	223.9	-	-
ESG revenue	50.1	-	-	158.2	-	-
Non-ESG revenue	23.9	-	-	65.7	-	-
Operating costs	-49.6	-	-	-155.4	-	-
EBITDA	21.9	-	-	63.4	-	-

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