Investor Presentation
Deutsche Börse equity story

- **Leading European** capital markets **infrastructure provider** with **global growth ambitions**

- **Nine business segments** that cover the **full capital markets value chain** including:
  - Eurex, the largest European derivatives exchange
  - Clearstream, a leading post-trading services provider
  - Promising new businesses: EEX (commodities), 360T (foreign exchange), and IFS (investment fund services)

- Deutsche Börse follows a **three pillar growth strategy**:
  - Systematically **execute** secular and cyclical **growth opportunities**, capitalizing on **key industry trends**, **political developments**, and **new client needs**
  - Pursue a **programmatic M&A agenda** in **five growth areas** with a focused and disciplined approach
  - Invest in **four key technologies** to tap into new revenue opportunities and further increase the operating efficiency

- The company will **efficiently manage operating cost to ensure scalability of the business** model and will reduce its **structural** cost base to **reinvest** into **growth and technology**

- **To ensure a successful execution**, Deutsche Börse will streamline the organisation and strengthen the consequence management

- **Dividend policy confirmed** with payout between 40 to 60 per cent of net profit
Deutsche Börse operates in an environment with high dynamics, but very attractive opportunities

- **Multiple strong secular growth opportunities** (e.g. OTC to on-exchange, shift to buy-side)
- **Ongoing consolidation in the industry and high M&A activity** (though with very high multiples paid)
- **Cyclical growth opportunities** (e.g. market volatility, interest rates)
- **Increasingly uncertain political environment** (e.g. Brexit)
- **Technology opportunities and new entrants in the industry**

**External opportunities and challenges**
Deutsche Börse has a strong business portfolio that covers the full value chain

- #4 exchange organisation globally by market capitalisation
- Nine diversified business segments covering the full capital markets infrastructure value chain
- €2.5 billion net revenue with 58% adjusted EBITDA margin in 2017
Growth programme “Roadmap 2020” built on three pillars

I. Strong organic portfolio as foundation
   - Strong organic **secular net revenue growth >5%** across nine business segments
   - Successful capturing of **cyclical opportunities**

II. Programmatic M&A
   - **Programmatic investment** into selected growth areas
   - **Build scale in existing portfolio** and help diversify
   - **Focused and disciplined approach**

III. New technologies
   - Creation of **growth opportunities**
   - Impact includes **efficiency gains**

Reduction of structural costs to fund growth and technology investments

- **Increased investments** in new technologies to tap into **new revenue opportunities**
- Further **increase** of the operating **efficiency**
Diversified organic portfolio with strong secular growth outlook

- Secular net revenue growth of at least 5% across the Group
- Capturing cyclical effects on top

Cyclical growth
CAGR 2017-2020

- Very high
- High
- Moderate

Secular growth
CAGR 2017-2020

- Very high
- High
- Moderate

Size represents 2017 net revenue (€m)

700
70

GSF
Xetra
Eurex
EEX
Clear-stream
Data
IFS
STOXX
360T
M&A was and will be an important contributor

2015

STOXX
Step-up from 50% controlling stake to full ownership
~CHF 650m
Full control of leading European fast growth index franchise

2016

nodal eex group
Full acquisition and increase of stake in EEX
~USD 207m
Expansion into US energy (power and gas)

2017

2018

Full acquisition
High double-digit million Euro amount
Expansion into additional fund services

Share swaps for controlling stakes in Powernext and APX
Consolidation of European Power and Gas markets by integration of French and Dutch markets

Market entry into FX by acquiring leading multi-dealer platform
We will follow a focused and disciplined M&A approach

A disciplined M&A approach …

- **Systematic** opportunity screening
- Clear **focus** on **defined areas**
- **Partnership** formats as **option** (e.g. post-trading business in Asia)

… focused on five growth areas

<table>
<thead>
<tr>
<th>Pre-trading</th>
<th>1. Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Commodities</td>
<td></td>
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<tr>
<td>3. Foreign exchange</td>
<td></td>
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<tr>
<td>4. Fixed income</td>
<td></td>
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<td>5. Investment funds</td>
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</table>

Financial guidelines

- ROIC >10% after 3-5 years
- **Cash accretive** in general within year 1 – at the latest in year 3
We want to stay a leading technology provider by focusing on four key technologies …

<table>
<thead>
<tr>
<th>Four transformational technology trends</th>
<th>How Deutsche Börse will capitalise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DLT / blockchain</strong></td>
<td>Create markets/ drive revenue</td>
</tr>
<tr>
<td>Distributed ledger technology / blockchain creates new</td>
<td>Increment efficiency</td>
</tr>
<tr>
<td>market structures and allows adding products onto</td>
<td>Enhance client service</td>
</tr>
<tr>
<td>existing structures</td>
<td></td>
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<tr>
<td><strong>Big data / Advanced Analytics</strong></td>
<td></td>
</tr>
<tr>
<td>Advanced analytics is both a revenue driver adding</td>
<td></td>
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<tr>
<td>value to data, and an efficiency lever</td>
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<tr>
<td><strong>Cloud</strong></td>
<td></td>
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<tr>
<td>Cloud and exposing of services via APIs is enhancing</td>
<td></td>
</tr>
<tr>
<td>scalability and opening new platform business options</td>
<td></td>
</tr>
<tr>
<td><strong>Robotics / automation / AI</strong></td>
<td></td>
</tr>
<tr>
<td>Artificial intelligence and robotic process automation</td>
<td></td>
</tr>
<tr>
<td>are key efficiency drivers for operations-heavy tasks</td>
<td></td>
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</table>

Strong match  Moderate match
... and are currently growing our capabilities in all four technologies

<table>
<thead>
<tr>
<th>Technology</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLT / blockchain</td>
<td>Entering into phase II (from use cases to broader based application)</td>
</tr>
<tr>
<td>Big data / Advanced Analytics</td>
<td>Systematic monetisation of existing data across the Group</td>
</tr>
<tr>
<td>Cloud</td>
<td>New Executive Board member with extensive experience</td>
</tr>
<tr>
<td>Robotics automation / AI</td>
<td>Already identified potential to increase efficiency and capture savings in the double digit million Euro range</td>
</tr>
</tbody>
</table>
We will structurally improve our cost base to fund our growth and technology investments through two mechanisms:

**Allowed cost increase** at given **scalability:**
At 10 per cent net revenue growth operating cost can grow up to 5 per cent.

**Shift in cost base**
- Reduction of cost by €100 million by end of 2020 through reducing work force by ~350 FTE, thereof 50 managers, and reducing operating cost
- Re-investing in growth
Key levers for structural cost savings split between staff and non-staff cost

Cost distribution 2017

100% = €1,197 million

Savings targets

- €50m

Key levers to reduce cost base

- Management delayering
- Process automation and digitisation (Robotics / AI)
- Nearshoring
- Position cuts

- IT simplification and legacy replacements
- Enhanced IT sourcing (offshoring)
- Procurement optimisation
- Spend reductions across all cost categories
Savings of €100 million will be invested into growth and new technologies

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost savings (€m)</th>
<th>Cost to achieve (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Cumulative: 200

€100 million creates flexibility – if net revenue growth allows, savings will be reinvested

To achieve structural improvements a one-time investment of ~€200 million will be made

Majority of cost to be incurred in 2018

Non-staff: 70
Staff: 130
Cost savings and one-time investments for non-staff measures are reinvested into growth and efficiency

Reinvestment
Cumulative cost savings **directly** invested into growth / new technologies

One-time investment
**Cost to achieve** for non-staff measures are **invested directly**

Total

Segment growth
Big data / analytics
DLT / blockchain
Robotics / AI
Cloud

About 2/3 invested into growth, 1/3 into efficiency
Deutsche Börse will strengthen its execution discipline through four main levers

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consequent realisation of secular growth</td>
</tr>
<tr>
<td></td>
<td>▪ Strong business segment heads established</td>
</tr>
<tr>
<td></td>
<td>▪ Business segment heads with full P&amp;L responsibility</td>
</tr>
<tr>
<td>2</td>
<td>New executive board members</td>
</tr>
<tr>
<td></td>
<td>▪ Clearer responsibilities</td>
</tr>
<tr>
<td></td>
<td>▪ Stronger business focus</td>
</tr>
<tr>
<td></td>
<td>▪ Stronger technology focus</td>
</tr>
<tr>
<td>3</td>
<td>Professionalisation of key processes</td>
</tr>
<tr>
<td></td>
<td>▪ Upgrade M&amp;A capabilities</td>
</tr>
<tr>
<td></td>
<td>▪ Systematic development of new technologies</td>
</tr>
<tr>
<td></td>
<td>▪ Tighter steering</td>
</tr>
<tr>
<td>4</td>
<td>Consequence management</td>
</tr>
<tr>
<td></td>
<td>▪ Strict consequence management including e.g.</td>
</tr>
<tr>
<td></td>
<td>▪ Investment allowance</td>
</tr>
<tr>
<td></td>
<td>▪ Personal compensation cuts</td>
</tr>
</tbody>
</table>
Mid-term financial targets are confirmed and made more specific with a clear ambition to achieve secular growth

Growth aspirations until 2020
- Organic/secular net revenue growth of >5% CAGR
- Positive cyclical effects every year
- Net profit 10-15% CAGR

Capital management
- Dividend policy: ~40% to 60% of net profit
- Rating: AA (gross debt/EBITDA <1.5)

Cost management
Scalable business model
- Net revenue: +5% ➞ Costs: 0%
- Net revenue: +10% ➞ Costs: max. +5%

Including €100 million structural cost reduction by end of 2020 to finance growth
Deutsche Börse will grow strongly over the next years

Mid-term organic net revenue growth opportunities (€m)

Secular opportunities

- Pre-trading: 80-120
- Trading & clearing: 250-350
- Post-trading: 100-150
- Total: ~500

Cyclical opportunities

- Pre-trading: 50-70
- Trading & clearing: 70-90
- Post-trading: 50-80
- Total: ~300

At least 5% secular growth plus cyclical growth

2017

- STOXX (indices): 50-70
- Data & regulatory services: 30-50

2020E

Cyclical

- Index derivatives: [50-100]
- Fixed-income derivatives: [50-100]
- Net interest income: [50-150]
- Custody / Collateral management: [50-100]
Secular and cyclical growth opportunities across segments

<table>
<thead>
<tr>
<th>Business segments</th>
<th>Net revenue 2017 (€m)</th>
<th>Growth expectation</th>
<th>CAGR 2017-20 (incl. cyclical growth)</th>
<th>t/o secular growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-trading</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STOXX (index business)</td>
<td>128</td>
<td>&gt;10%</td>
<td></td>
<td>Very high</td>
</tr>
<tr>
<td>Data</td>
<td>154</td>
<td>5-10%</td>
<td></td>
<td>High</td>
</tr>
<tr>
<td><strong>Trading &amp; clearing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eurex (financial derivatives)</td>
<td>796</td>
<td>&gt;10%</td>
<td></td>
<td>High</td>
</tr>
<tr>
<td>EEX (commodities)</td>
<td>212</td>
<td>&gt;10%</td>
<td></td>
<td>High</td>
</tr>
<tr>
<td>360T (foreign exchange)</td>
<td>67</td>
<td>&gt;10%</td>
<td></td>
<td>Very high</td>
</tr>
<tr>
<td>Xetra (cash equities)</td>
<td>218</td>
<td>~5%</td>
<td></td>
<td>Moderate</td>
</tr>
<tr>
<td><strong>Post-trading</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clearstream (post-trading)</td>
<td>668</td>
<td>5-10%</td>
<td></td>
<td>Moderate</td>
</tr>
<tr>
<td>IFS (investment fund services)</td>
<td>138</td>
<td>&gt;10%</td>
<td></td>
<td>Very high</td>
</tr>
<tr>
<td>GSF (collateral management)</td>
<td>82</td>
<td>5-10%</td>
<td></td>
<td>Moderate</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td>2,462</td>
</tr>
</tbody>
</table>
## Cyclical growth opportunities

<table>
<thead>
<tr>
<th>Description</th>
<th>Volatility</th>
<th>Interest rates</th>
<th>Net revenue impact 2020E (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eurex</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>a</strong> Increase of market volatility resulting in higher index derivatives activity</td>
<td>✓</td>
<td></td>
<td>50-100</td>
</tr>
<tr>
<td><strong>b</strong> Expectation on future interest rates drives fixed income activity</td>
<td></td>
<td>✓</td>
<td>50-100</td>
</tr>
<tr>
<td><strong>Clear-stream</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>c</strong> Net interest income directly correlated to ECB / US Fed rates</td>
<td>✓</td>
<td></td>
<td>50-150</td>
</tr>
<tr>
<td><strong>d</strong> Higher net issuance of bonds if interest rates increase</td>
<td></td>
<td>✓</td>
<td>50-100</td>
</tr>
</tbody>
</table>
Balanced approach: capital allocation between growth and dividend distribution – confirmation of policy going forward

**Rating**
- Strong AA credit rating mainly because of post-trading business
- Gross debt to EBITDA required to be <1.5x

**Dividend policy**
- Payout between 40% to 60% of net profit
- Mid-term payout target ~50%

**Excess cash**
- Use includes M&A and potentially share buy-backs
Key performance indicators to measure success

Deutsche Börse will achieve at minimum **5% CAGR in secular net revenue** until 2020 across the Group.

Deutsche Börse will achieve a **10–15% CAGR in net profit** until 2020.

Deutsche Börse will **reduce its structural cost** base by €100 million until end of 2020.
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