

DEUTSCHE BÖRSE
GROUP

Q1/2018 Results

Analyst and Investor Conference Call

26 April 2018

Strategy programme “Roadmap 2020”

Key elements of the “Roadmap 2020” are an accelerated growth strategy and increased investments in new technologies. Growth and investments will be refinanced through reductions of structural costs.

The “Roadmap 2020” aims at:

- Improved and accelerated implementation of the existing secular and cyclical growth opportunities.
- External growth with a focused and disciplined approach.
- Increased investments in technology to tap into revenue opportunities and increase the efficiency.

Additional investment needs will be fully financed through a reduction of structural costs by €100 million until end of 2020. For this, the company expects one-off costs of around €200 million, mainly in 2018.

Financial guidance until 2020:

- Organic increase of net revenue from secular growth opportunities of at least 5% each year.
- Positive cyclical effects on net revenue every year.
- Average annual growth of adjusted net profit of around 10-15%.

The Investor Day 2018 to present details of the “Roadmap 2020” is scheduled to be held on Wednesday, 30 May in London.

Highlights Q1/2018 results

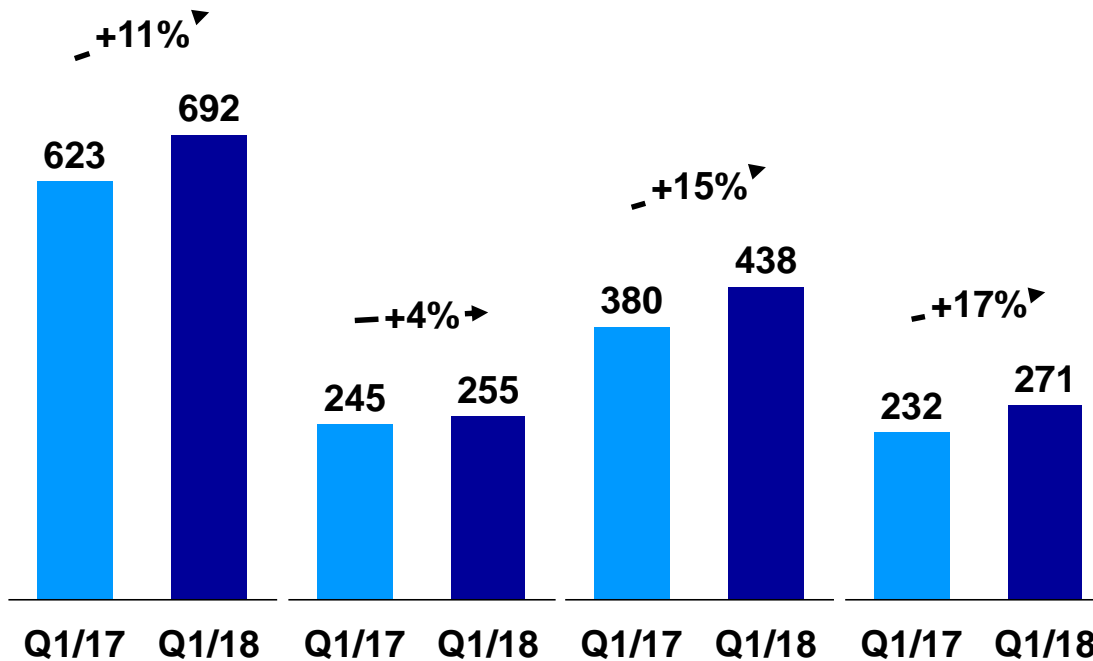
- With the Q1/2018 results, Deutsche Börse has introduced a new financial segment reporting (from 4 to 9 segments), which highlights growth areas and increases transparency.
- In the first quarter secular net revenue increased by 7%, slightly above the company's guidance of at least 5%; in addition, cyclical net revenue benefitted from market volatility and higher US rates and increased by 4%.
- Main contributors to secular growth were: Eurex incl. OTC clearing, EEX (commodities), STOXX (index), Clearstream (post-trading), IFS (investment fund services); index derivatives and the NII were main cyclical drivers.
- As a result, net revenue amounted to €692 million (+11%); adjusted operating costs increased to €255 million (+4%), mainly as a result of additions to provisions for variable/ share based compensation and inflation.
- Adjusted EBITDA amounted to €438 million (+15%) and net profit to €271 million (+17%), which is prove for the scalability of the business model of Deutsche Börse.

Group financials

Revenue, costs and earnings development

€m

Net revenue

Costs^{1,2}EBITDA¹Net profit¹

Revenue

- Net revenue: €691.6m (+11% y-o-y)
 - Net interest income: €40.9m (+37% y-o-y)

Costs

- Operating costs¹: €254.5m (+4% y-o-y)
 - Adjusted for €20.5m exceptional items, which include restructuring, M&A integration and litigations

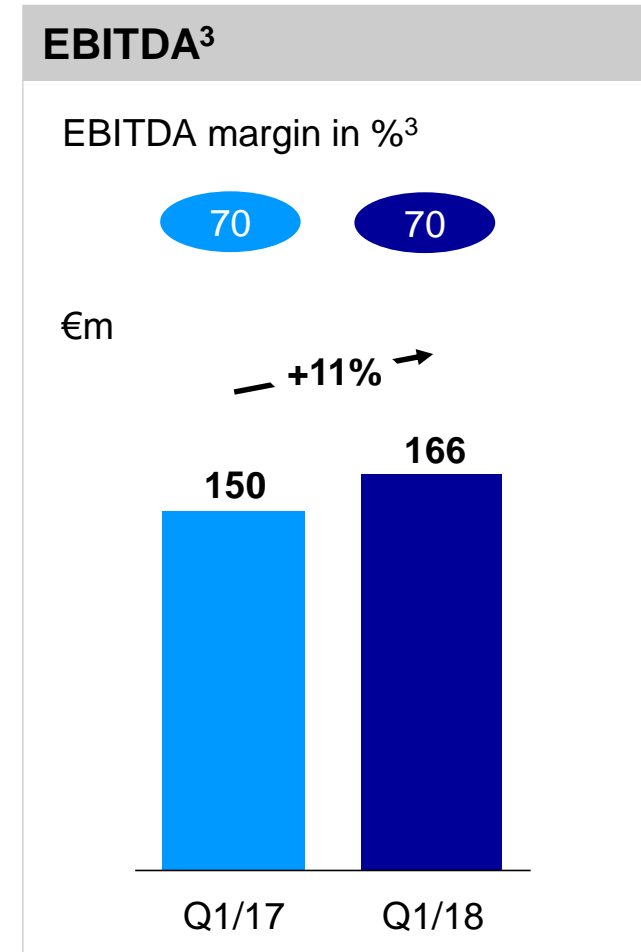
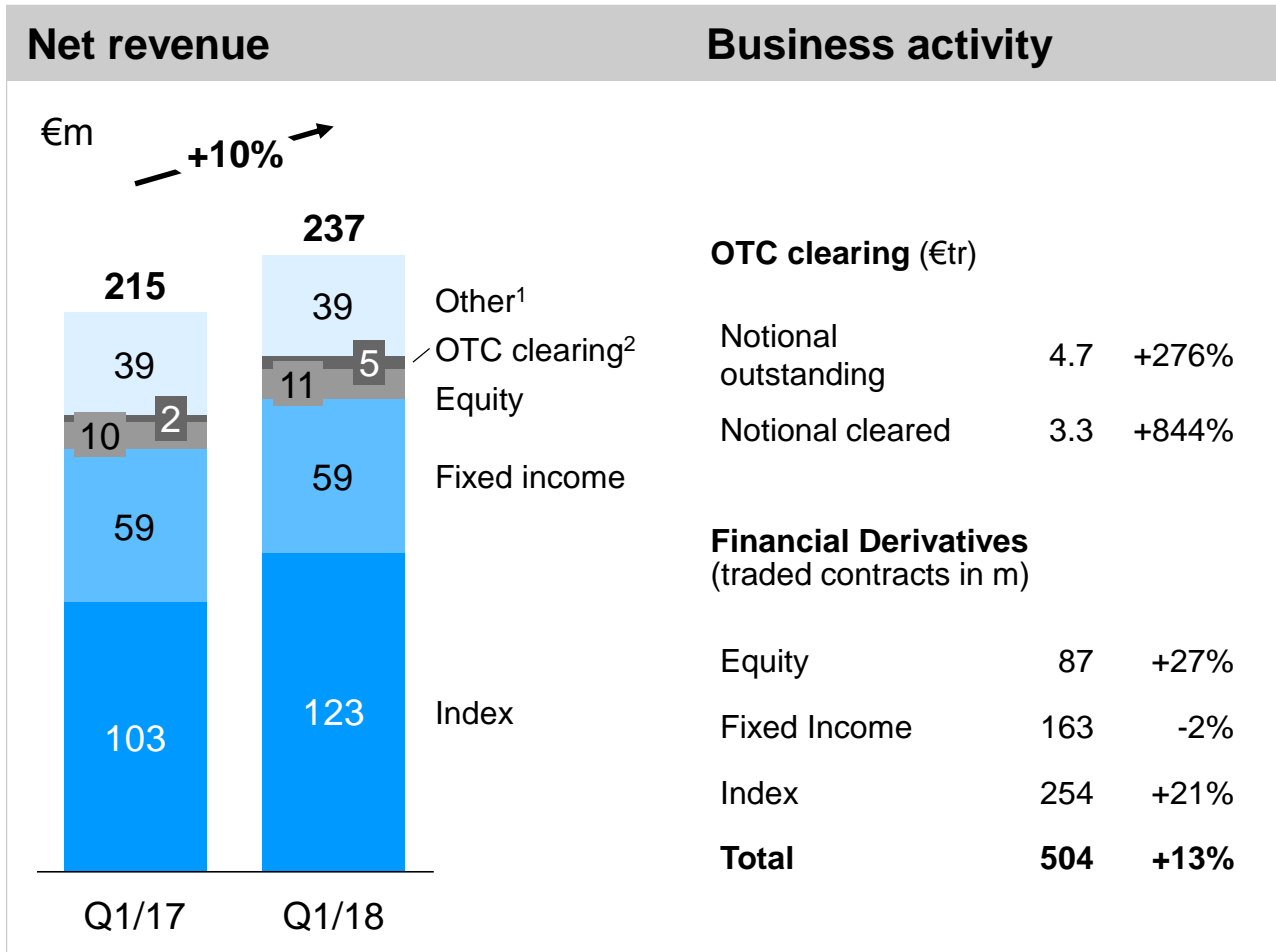
Earnings

- EBITDA¹: €438.1m (+15% y-o-y)
- Net profit¹: €270.7m (+17% y-o-y)
- EPS¹: €1.45 (+17% y-o-y)

1) Adjusted for exceptional items

2) Excluding depreciation and amortisation

Eurex (financial derivatives)

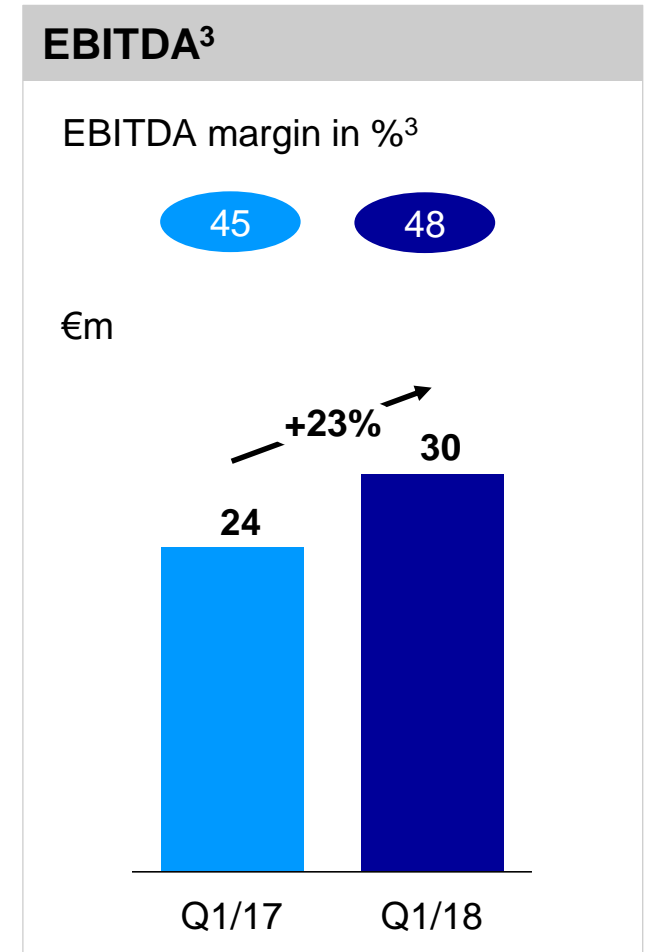
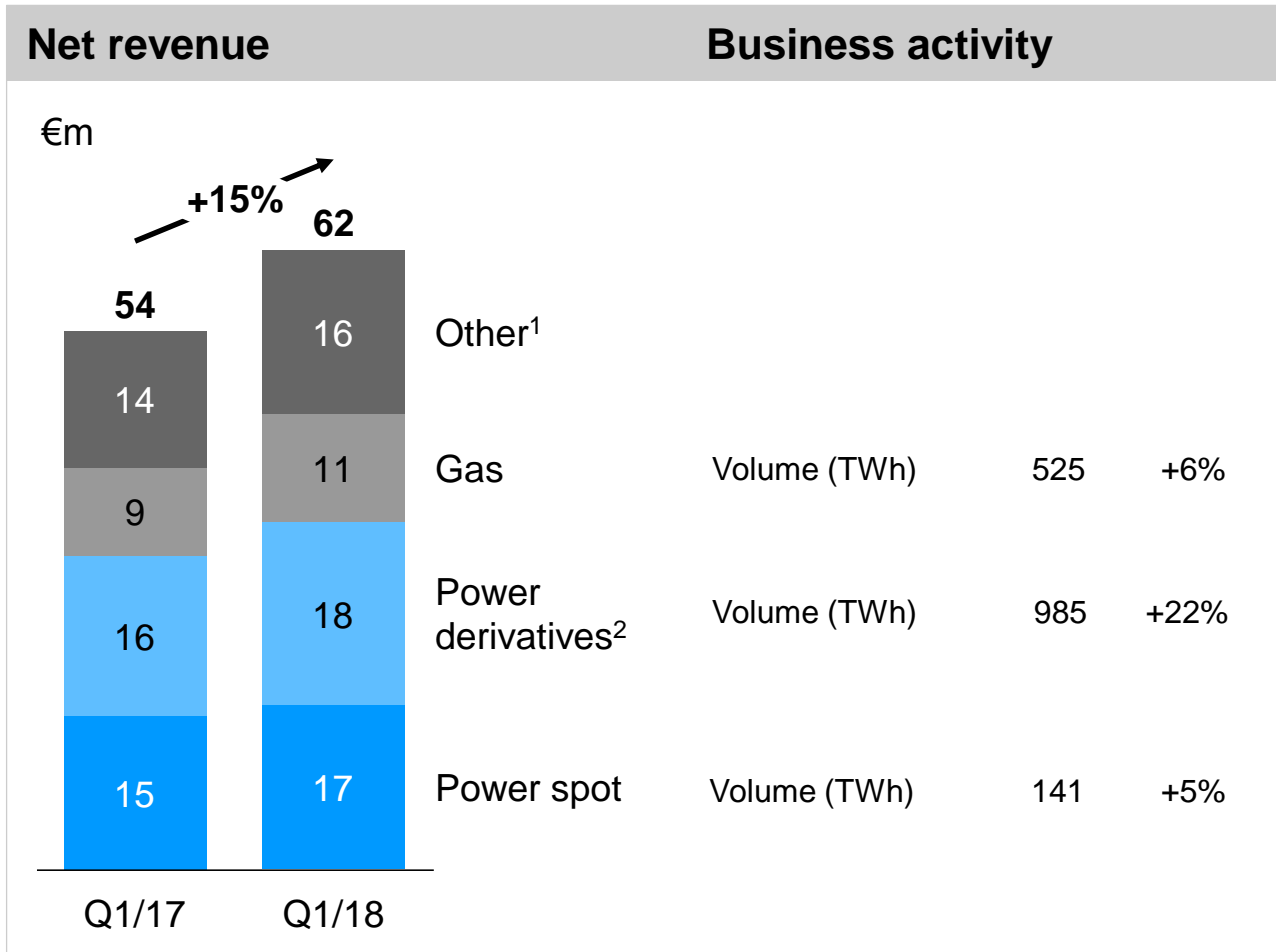


1) Including net revenue from connectivity, member fees and NII

2) Including NII on OTC clearing related cash collateral

3) Adjusted for exceptional items

EEEX (commodities)

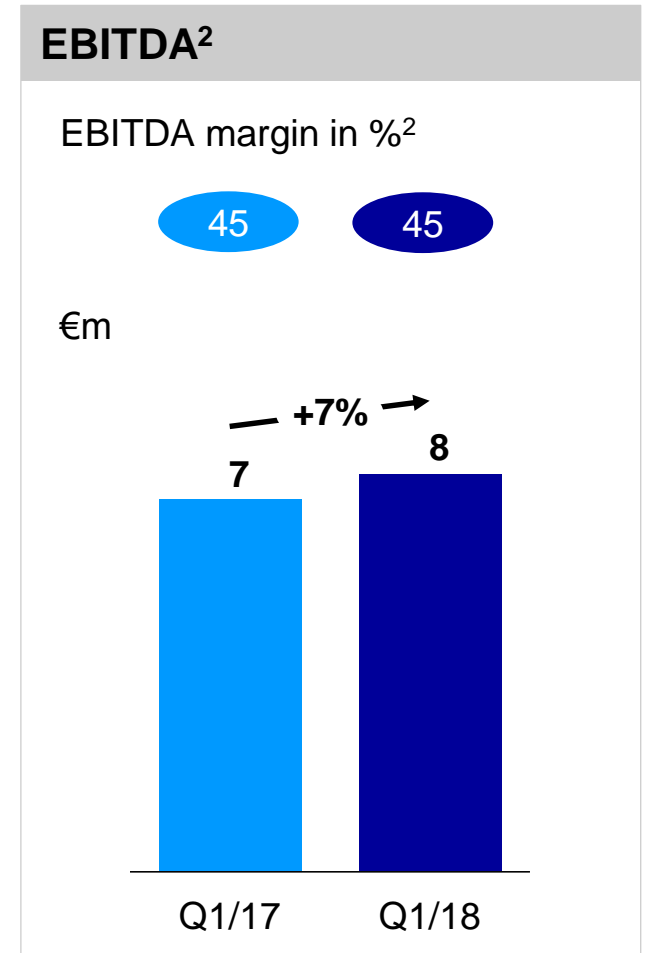
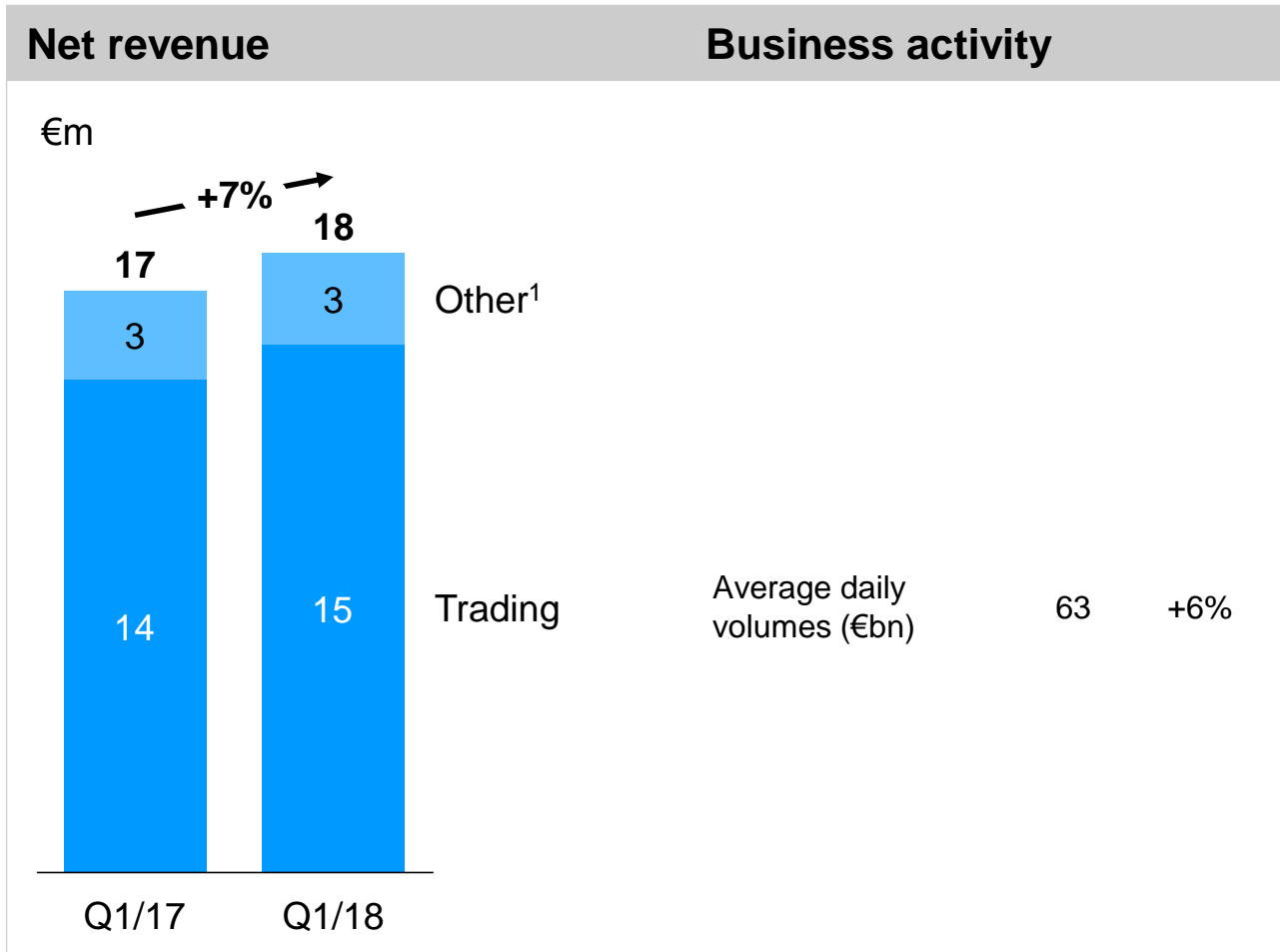


1) Including net revenue from connectivity, member fees and emission allowances

2) Including Nodal net revenue of €3.9 million in Q1/18

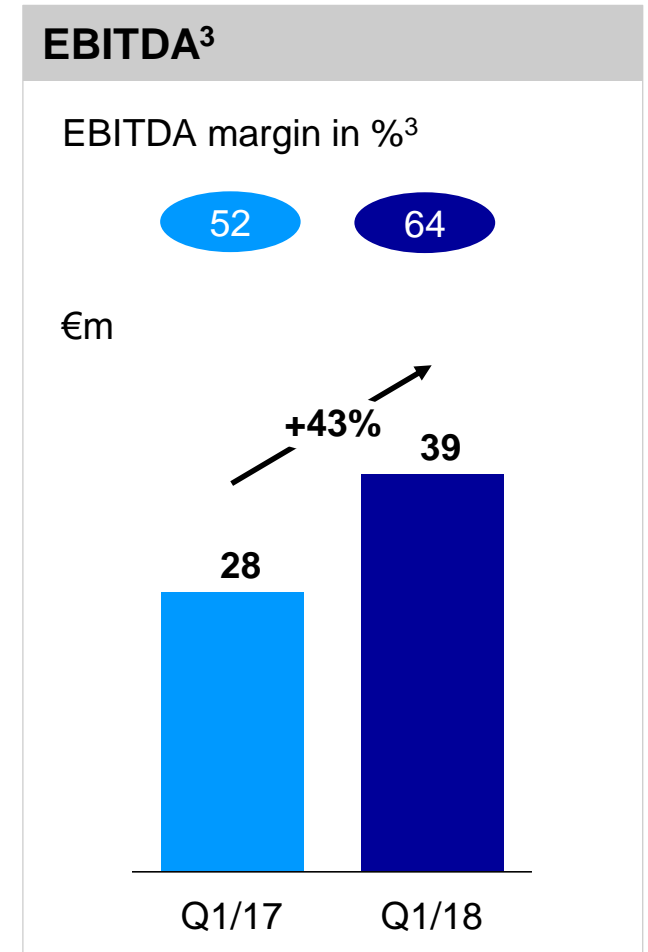
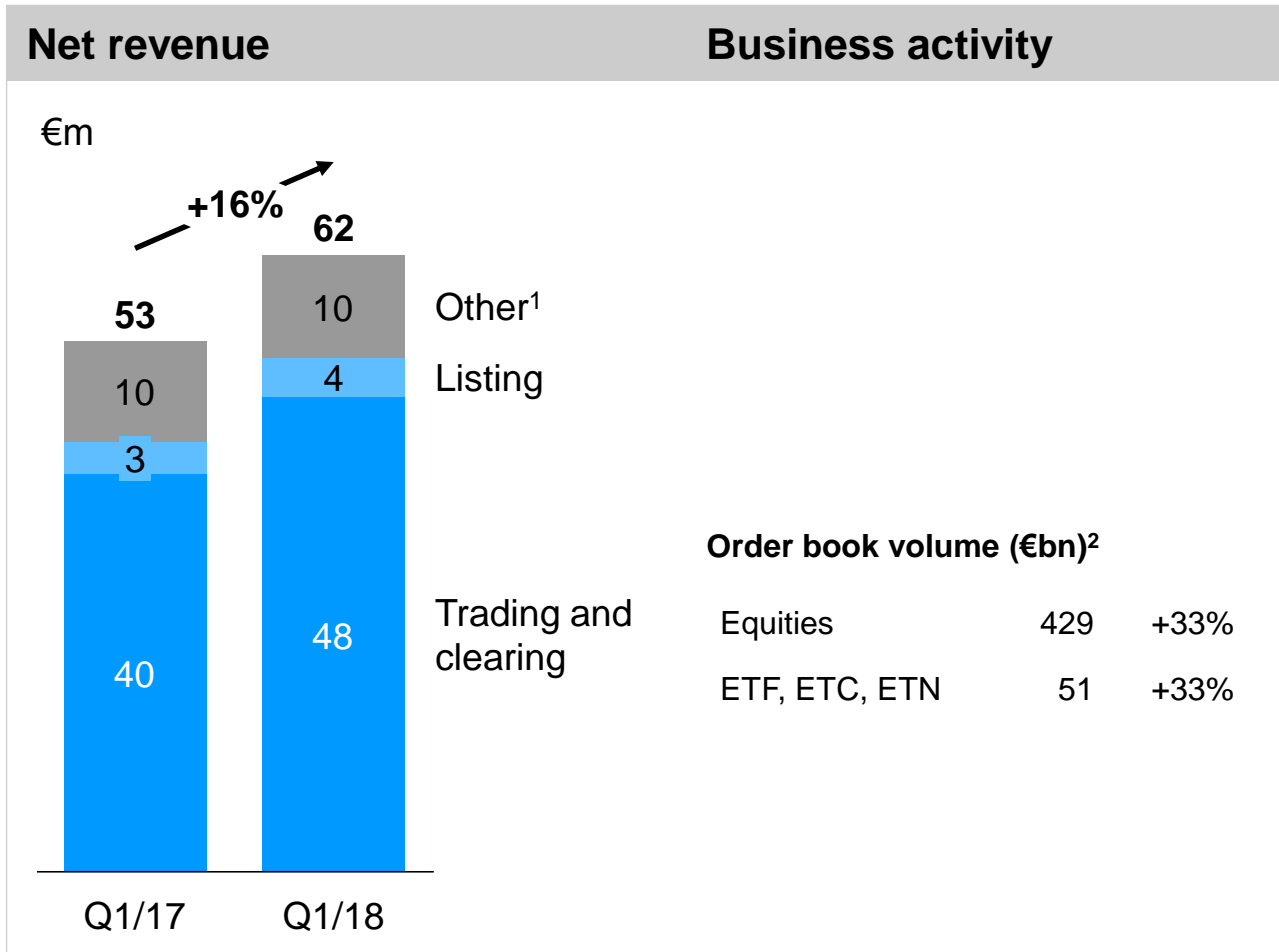
3) Adjusted for exceptional items

360T (foreign exchange)



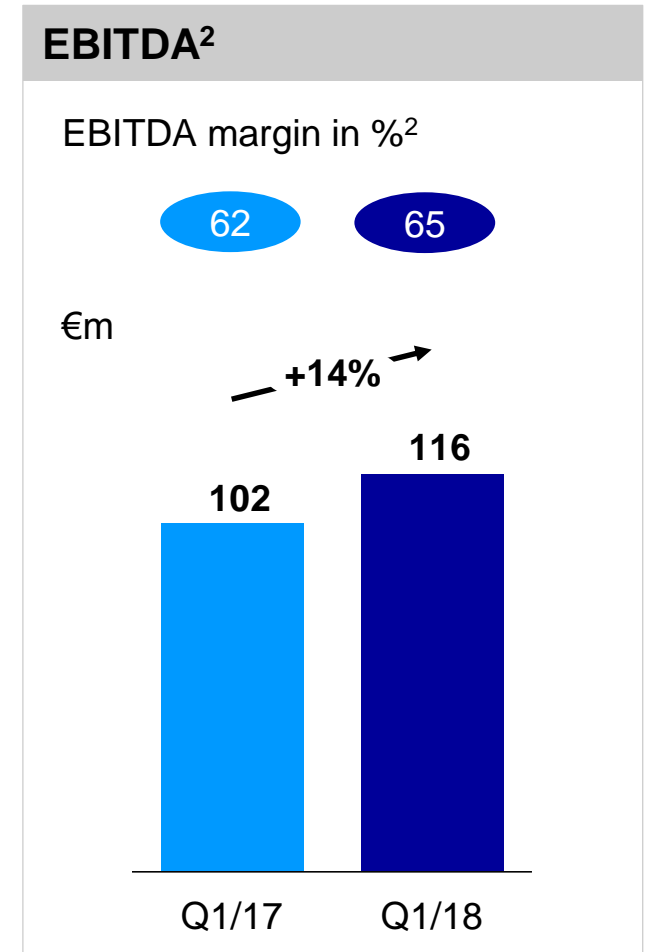
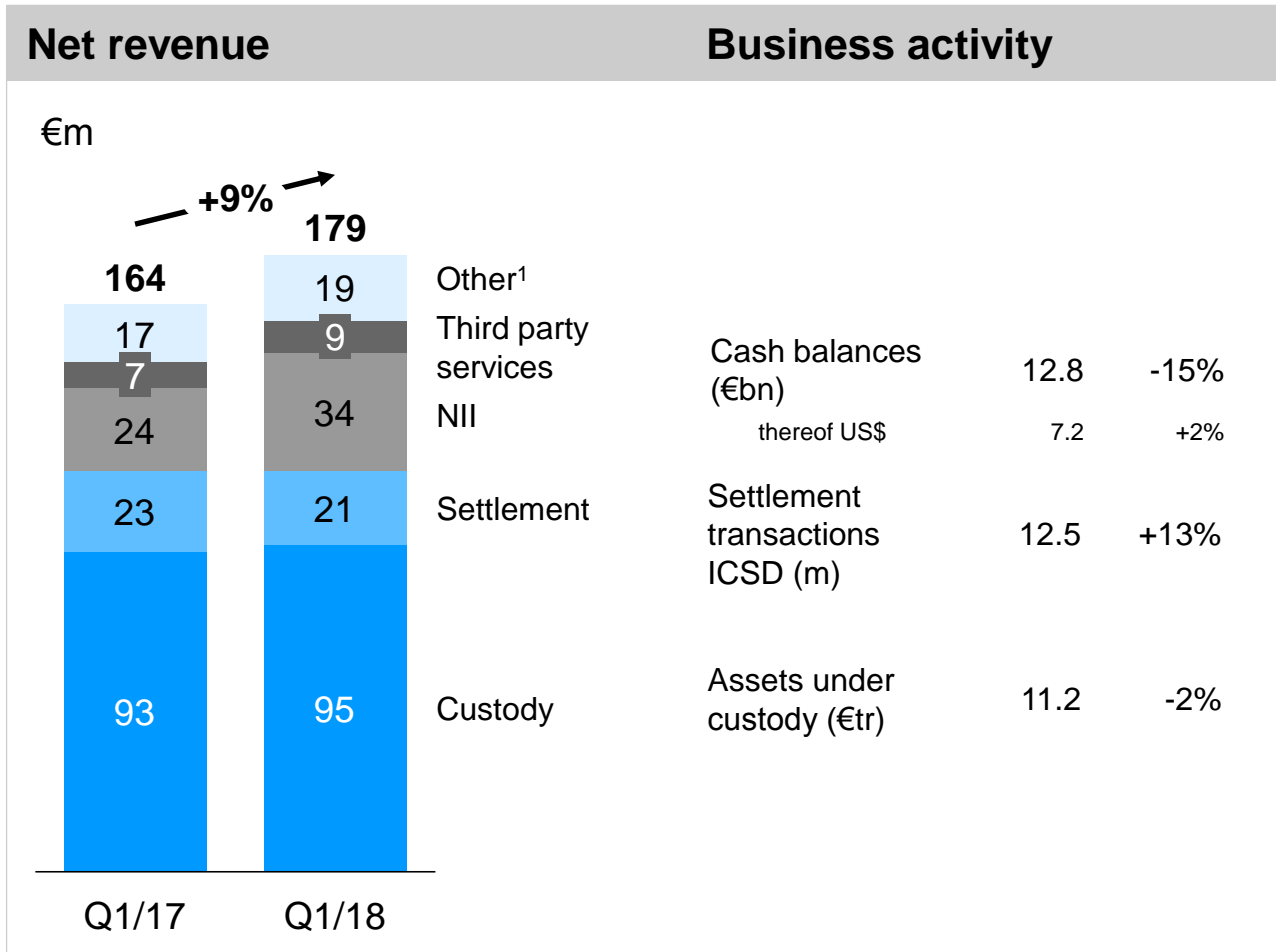
1) Including net revenue from connectivity and member fees
 2) Adjusted for exceptional items

Xetra (cash equities)



1) Including net revenue from connectivity
 2) Xetra, Börse Frankfurt and Tradegate
 3) Adjusted for exceptional items

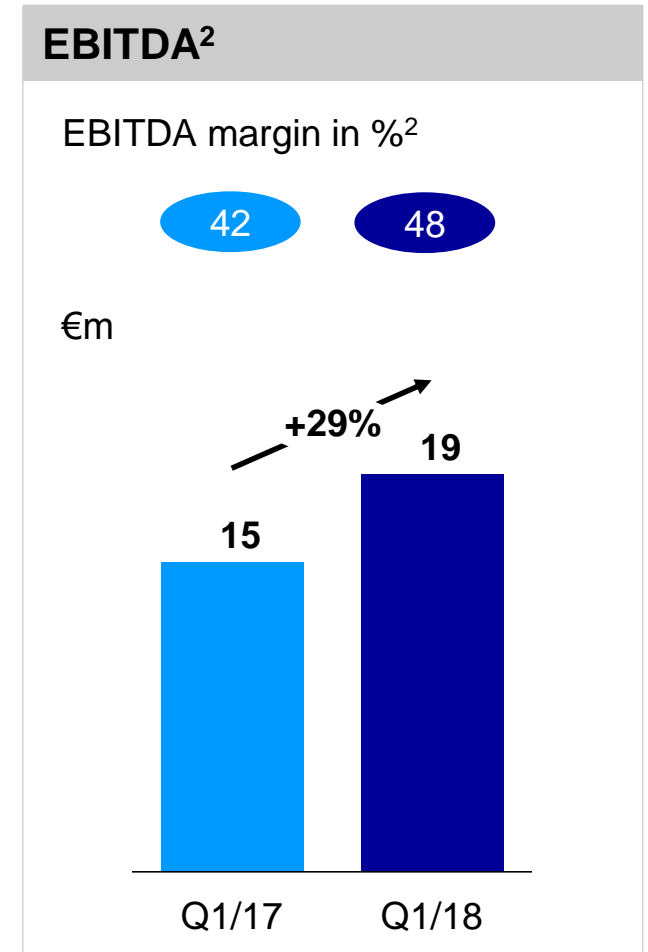
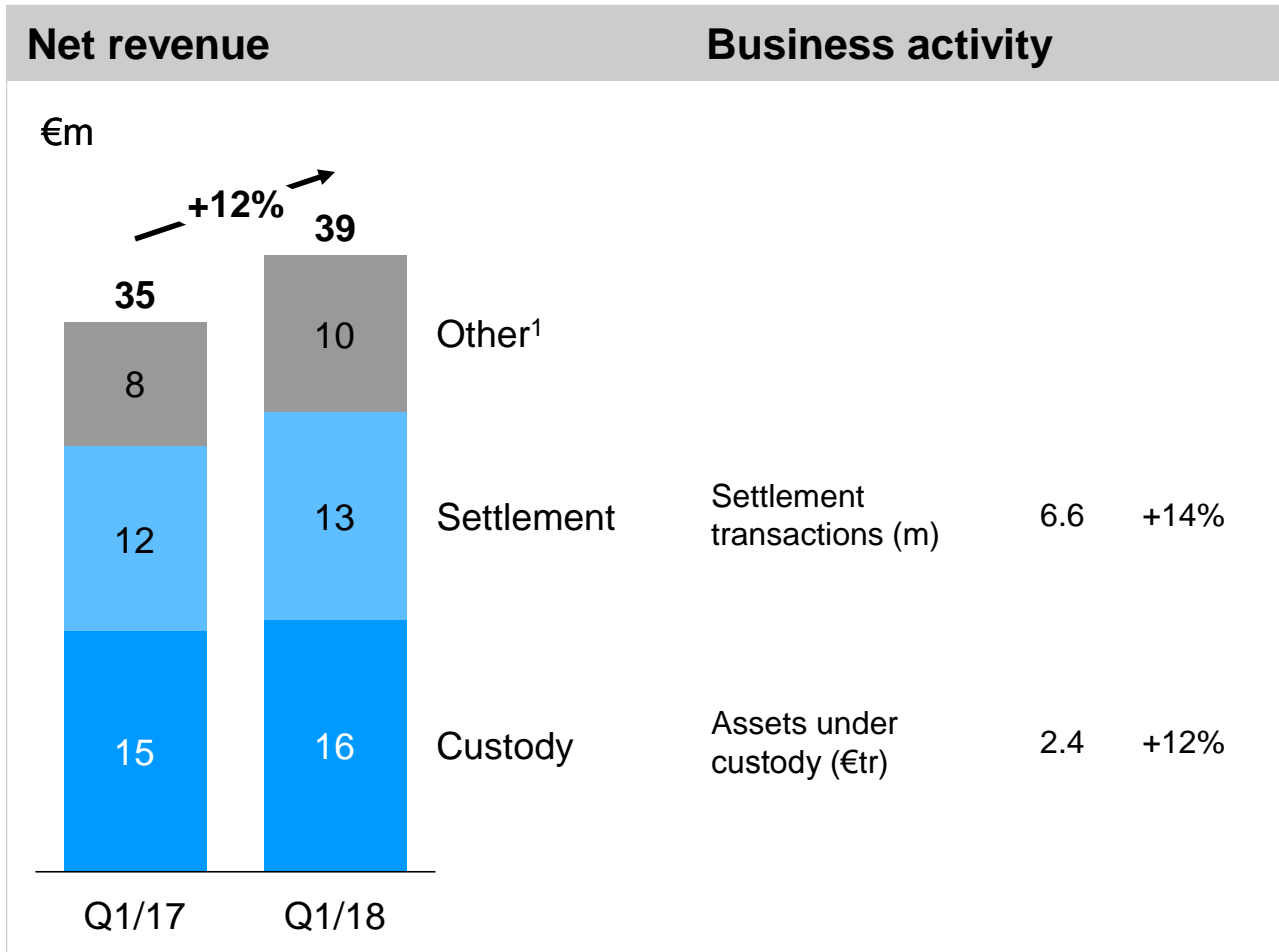
Clearstream (post-trading)



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

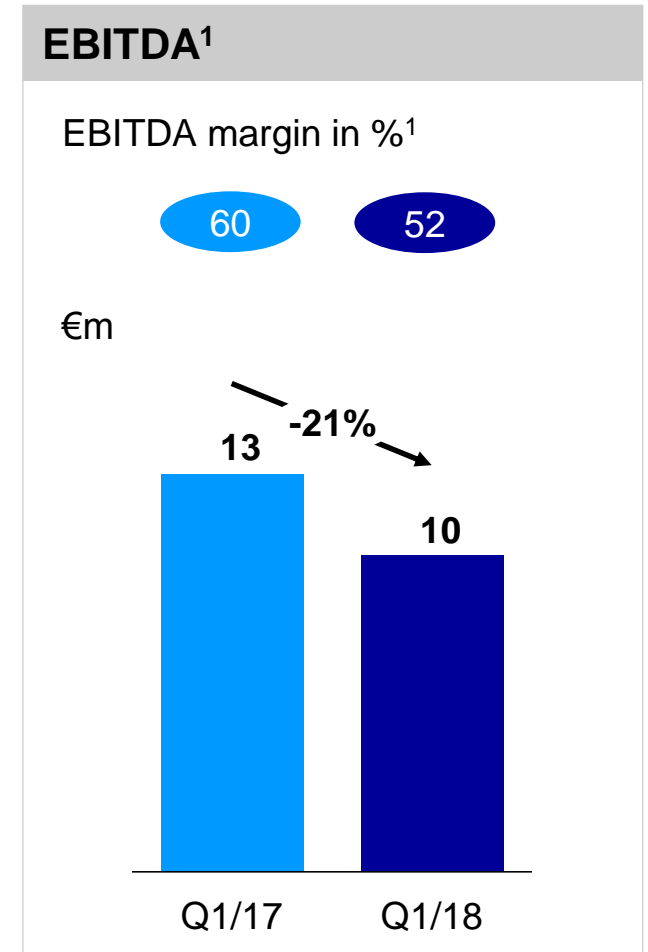
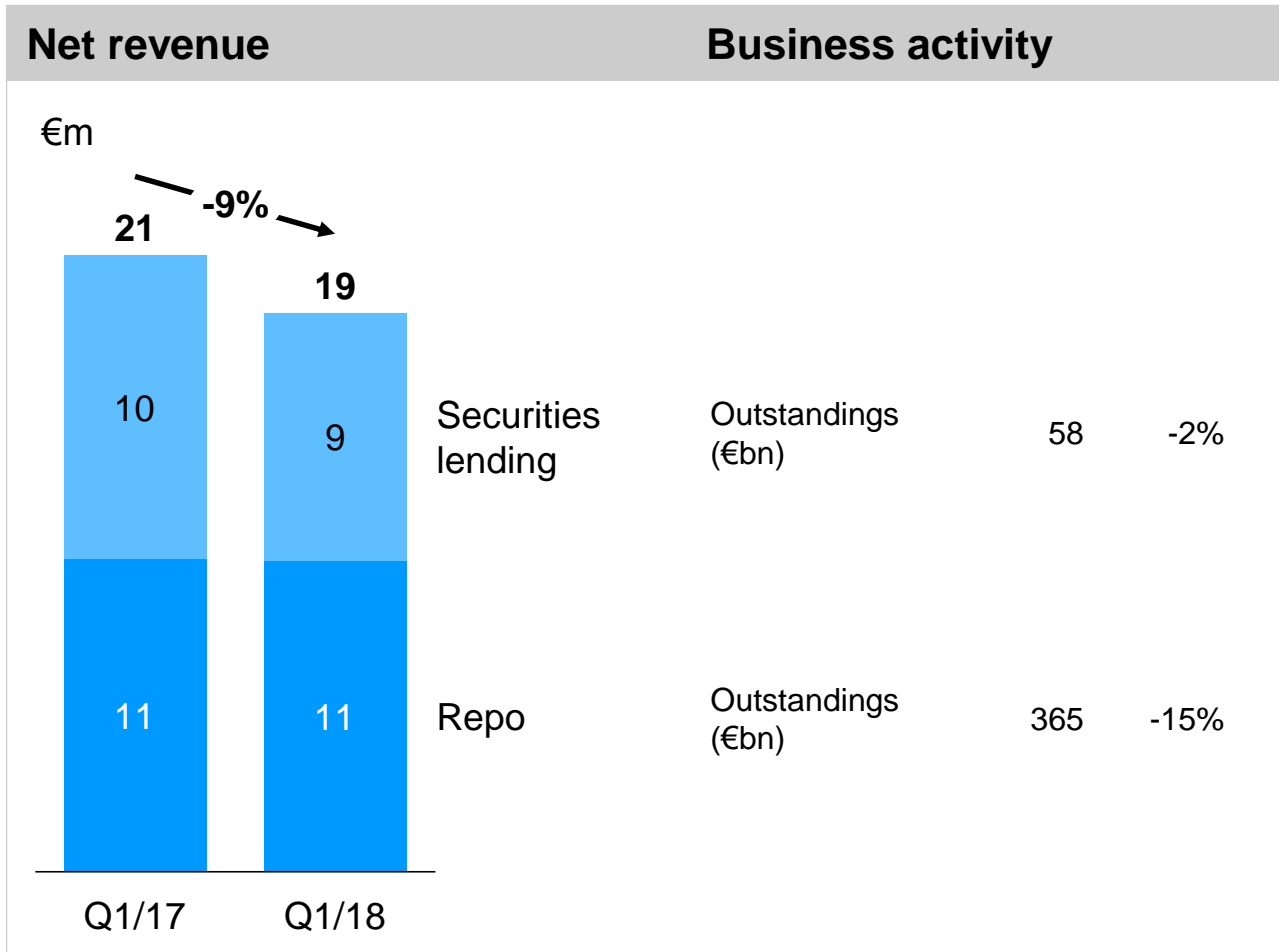
2) Adjusted for exceptional items

IFS (investment fund services)



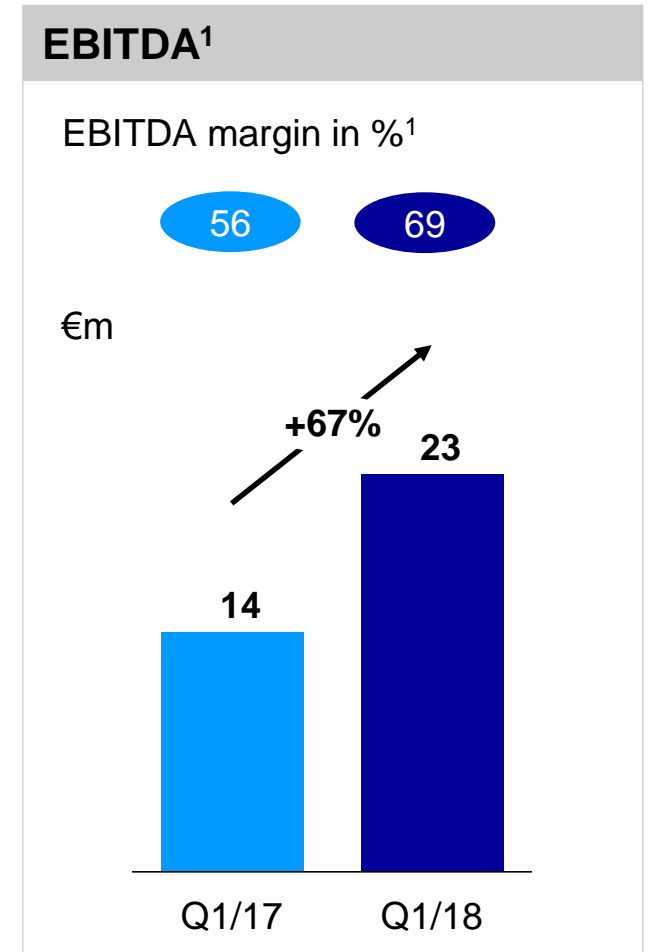
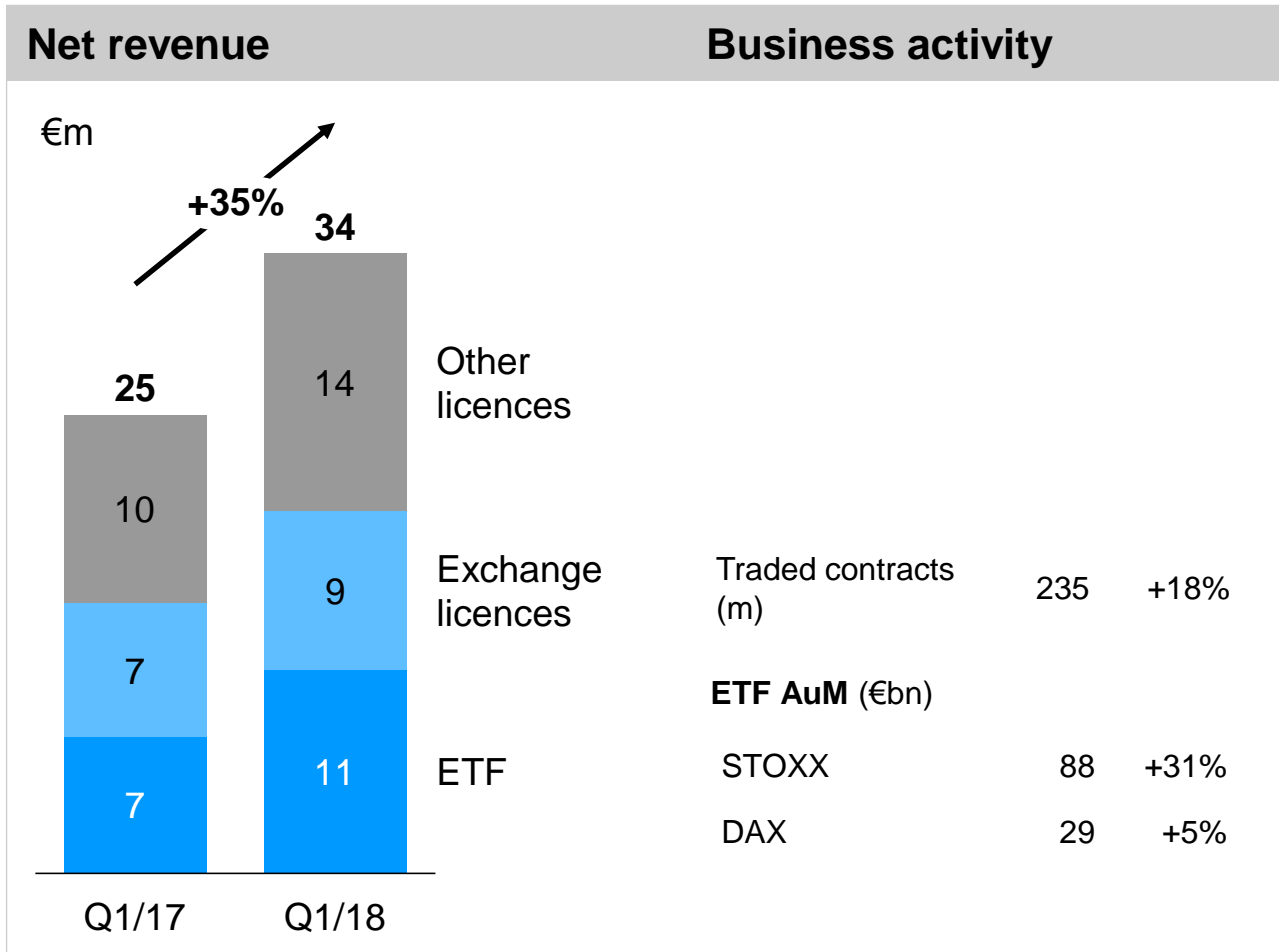
1) Including net revenue from connectivity and order routing
 2) Adjusted for exceptional items

GSF (collateral management)



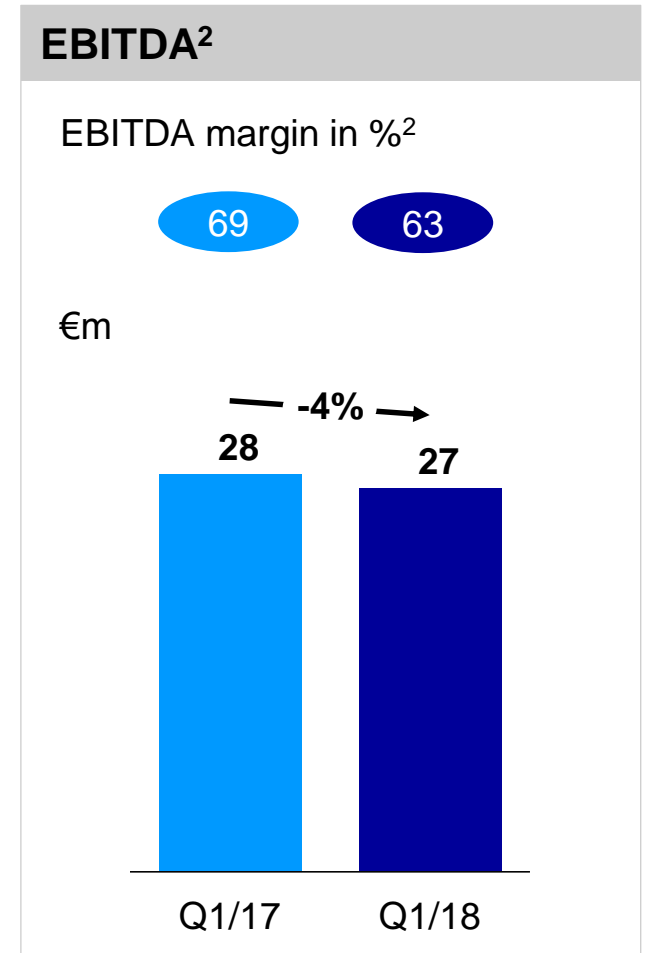
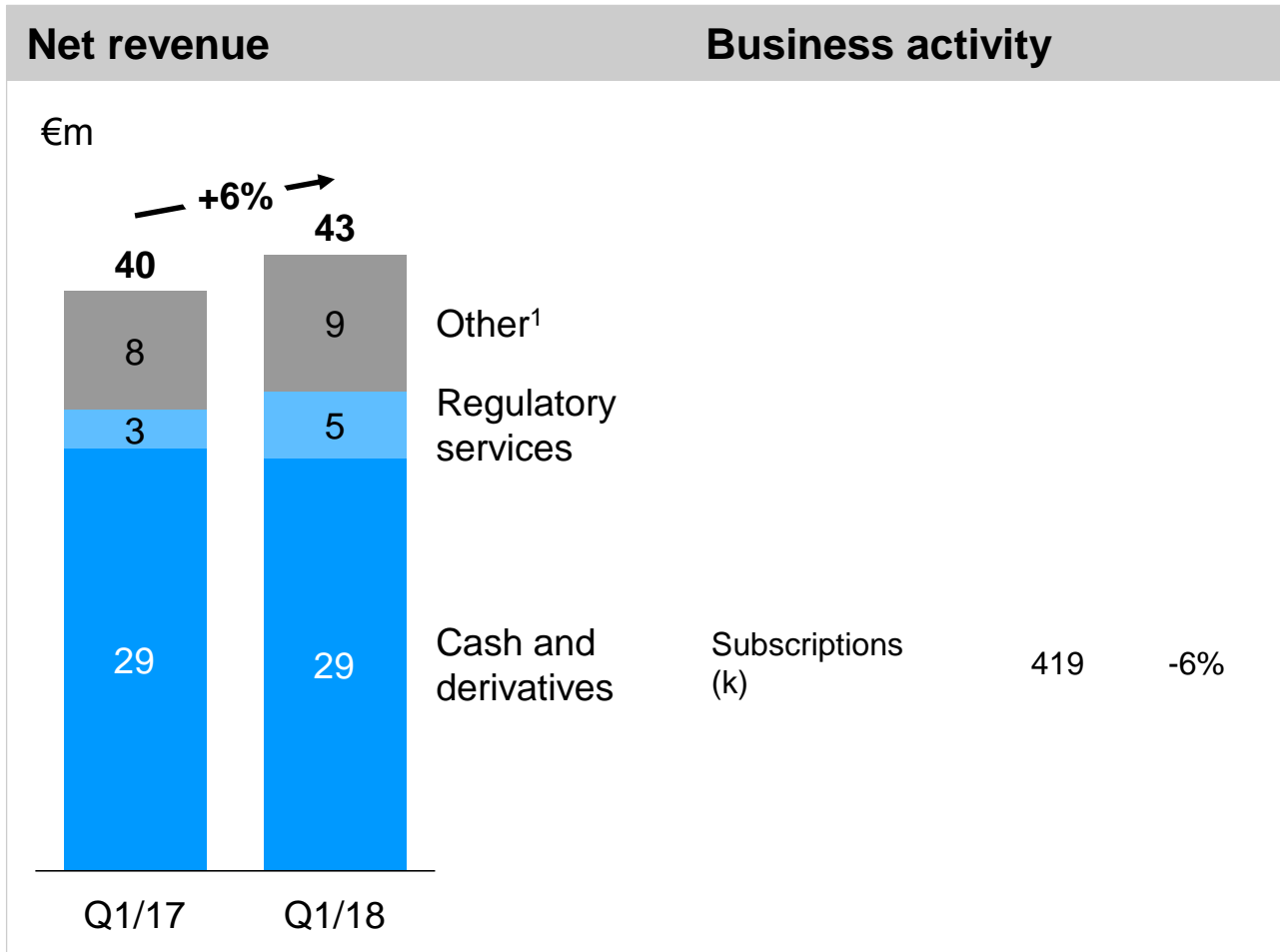
1) Adjusted for exceptional items

STOXX (index business)



1) Adjusted for exceptional items

Data

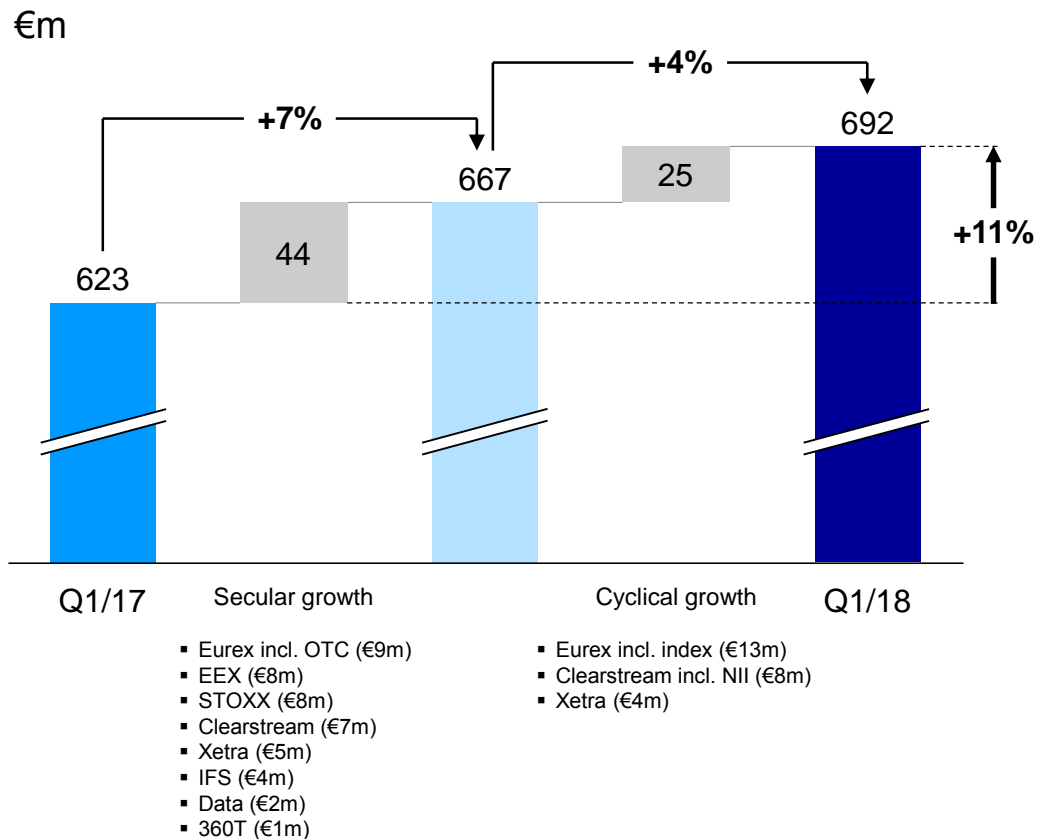


1) Including net revenue from internal and external cooperations and CEF data services

2) Adjusted for exceptional items

Acceleration of secular growth and improvement in cyclical environment drove double-digit net revenue growth

Net revenue growth drivers in Q1/2018

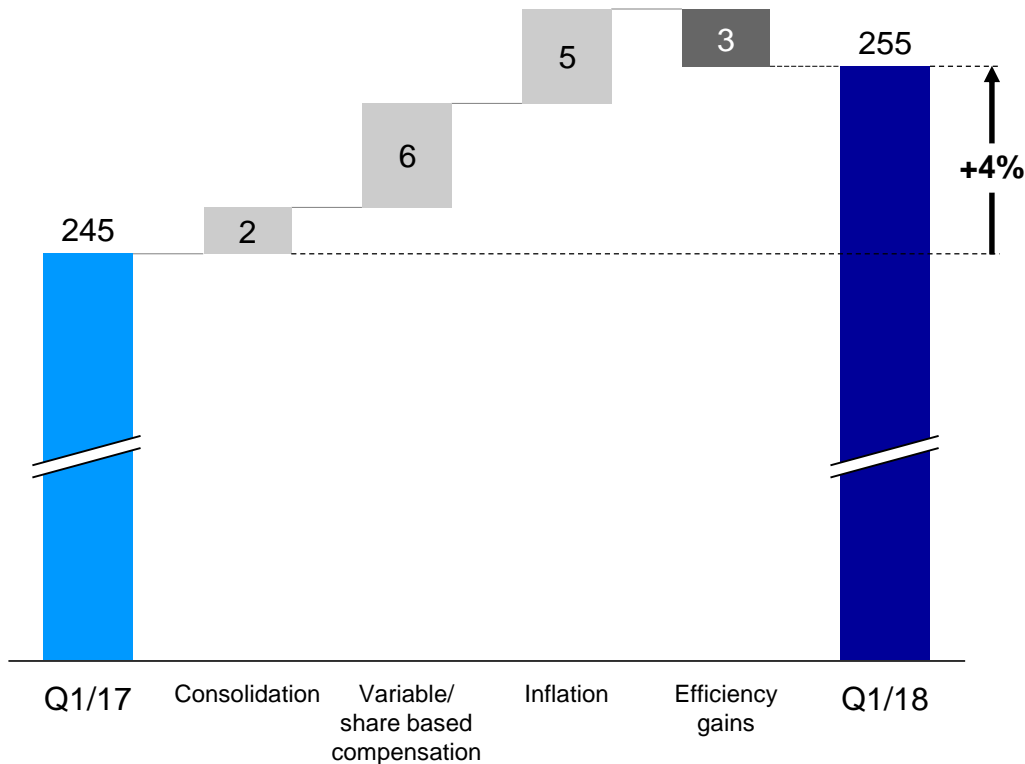


- Acceleration of secular net revenue growth in Q1/2018 with ~7%, which is slightly above the company's plan of at least 5% secular growth.
- In addition a more favourable cyclical environment, especially in equity markets, and a further increase in US rates are main drivers for ~4% cyclical net revenue growth.

Efficient cost management ensured scalability of the business model

Operating cost drivers in Q1/2018¹

€m



- In Q1/2018 operating costs increased ~4%; excluding consolidation effects operating cost were up ~3%.
- Variable- and share based compensation increased due to the strong business performance and the share price increase.
- Inflationary pressures partly offset via cost improvement process and delayering.
- Through proactively managed cost base scalability of business model ensured.

1) Adjusted for exceptional items

Financial calendar and contact details

Financial calendar

16 May 2018	Annual general meeting (10am CET)
30 May 2018	Investor day, London (10am-1pm GMT)
6 Jun 2018	Goldman Sachs conference, Frankfurt
7 Jun 2018	Deutsche Bank conference, Berlin
14 Jun 2018	Barclays conference, Sonoma
25 Jul 2018	Half-yearly financial report 2018 (~7pm CET)
26 Jul 2018	Conference call Q2/2018 (2pm CET)
29 Oct 2018	Quarterly statement Q3/2018 (~7pm CET)
30 Oct 2018	Conference call Q3/2018 (2pm CET)

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Income statement – Group level adjusted

	Quarter ended 31 March 2018	Quarter ended 31 March 2017
Sales revenue	731.7	666.4
Net interest income from banking business	40.9	29.9
Other operating income	6.5	6.2
Total revenue	779.1	702.5
Volume-related costs	-87.5	-79.1
Net revenue (total revenue less volume-related costs)	691.6	623.4
Staff costs	-162.7	-150.5
Other operating expenses	-91.8	-94.6
Operating costs	254.5	245.1
Result from equity investments	1.0	1.9
Earnings before interest, tax, depreciation and amortization (EBITDA)	438.1	380.2
Depreciation, amortization and impairment losses	40.8	35.2
Earnings before interest and tax (EBIT)	397.3	345.0
Financial result	-16.3	-18.3
Earnings before tax (EBT)	381.0	326.7
Income tax expense	-102.9	-88.3
Net profit for the period	278.1	238.4
thereof shareholders of parent company	270.7	232.2
thereof non-controlling interests	7.4	6.2
Earnings per share (basic) (€)	1.45	1.24

Income statement – Segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
	Q1/2018	Q1/2017	Q1/2018	Q1/2017	Q1/2018	Q1/2017	Q1/2018	Q1/2017
Net revenue	237.0	214.6	61.8	53.6	17.6	16.5	61.7	53.0
Staff costs	-45.0	-38.7	-18.1	-15.0	-8.3	-8.3	-16.8	-15.6
Other operating expenses	-35.8	-35.9	-15.2	-15.5	-3.0	-3.2	-8.6	-12.4
Operating costs	-80.8	-74.6	-33.3	-30.6	-11.3	-11.5	-25.4	-28.0
<i>Thereof exceptional items</i>	<i>10.2</i>	<i>8.9</i>	<i>1.4</i>	<i>1.3</i>	<i>1.6</i>	<i>2.4</i>	<i>1.4</i>	<i>2.0</i>
Result from equity investments	-0.3	117.2	0.0	0.0	0.0	0.0	1.5	0.5
<i>Thereof exceptional items</i>	<i>0.0</i>	<i>-115.8</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
EBITDA	155.9	257.2	28.5	23.0	6.3	5.0	37.8	25.5
EBITDA margin (adjusted)	70%	70%	48%	45%	45%	45%	64%	52%

Income statement – Segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		GSF (collateral management)		STOXX (index)		Data	
	Q1/2018	Q1/2017	Q1/2018	Q1/2017	Q1/2018	Q1/2017	Q1/2018	Q1/2017	Q1/2018	Q1/2017
Net revenue	178.7	164.4	39.3	35.1	19.1	21.1	33.8	25.0	42.6	40.1
Staff costs	-47.3	-42.8	-15.1	-14.3	-6.6	-5.8	-6.5	-5.9	-10.4	-7.6
Other operating expenses	-17.2	-28.7	-5.7	-7.0	-2.7	-3.2	-6.2	-6.5	-6.5	-7.1
Operating costs	-64.5	-71.5	-20.8	-21.3	-9.3	-9.0	-12.7	-12.4	-16.9	-14.7
<i>Thereof exceptional items</i>	<i>2.1</i>	<i>9.0</i>	<i>0.3</i>	<i>0.8</i>	<i>0.2</i>	<i>0.5</i>	<i>2.1</i>	<i>1.3</i>	<i>1.2</i>	<i>2.3</i>
Result from equity investments	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.2	0.0
<i>Thereof exceptional items</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
EBITDA	114.2	92.9	18.5	13.7	9.8	12.1	21.1	12.6	25.5	25.4
EBITDA margin (adjusted)	65%	62%	48%	42%	52%	60%	69%	56%	63%	69%

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