

# Q3/2017 Results

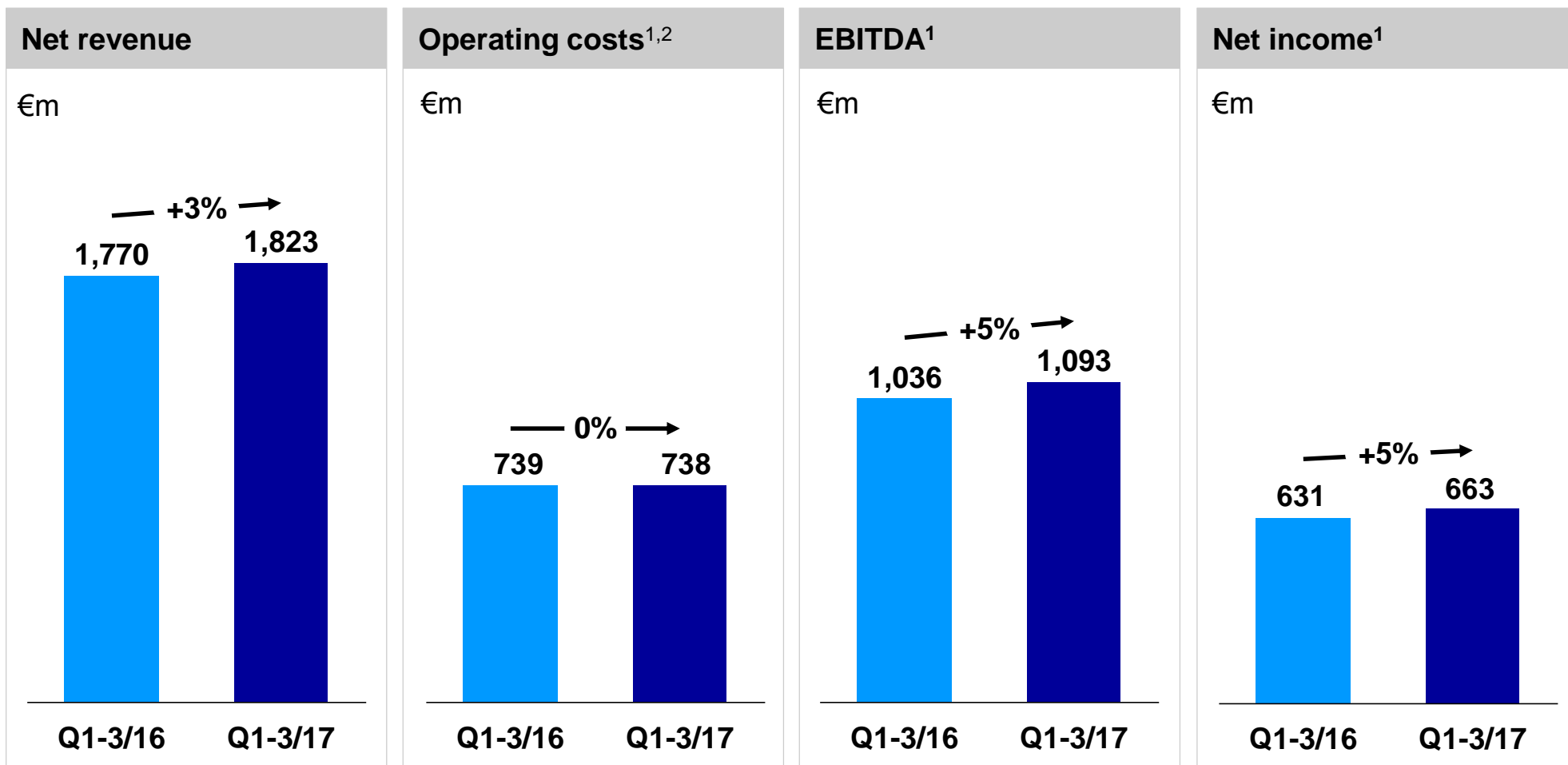
## Analyst and Investor Conference Call

27 October 2017

## Summary Q3/2017 results presentation

- Trends of the first half year continued in Q3/2017; secular net revenue increased as planned (+5%), but continued low equity market volatility resulted in an overall decline of cyclical net revenue (-2%).
- As a result, net revenue amounted to €576 million (+3%); adjusted operating costs increased only slightly (+1%), despite inflation and higher share-based compensation.
- Adjusted EBITDA amounted to €333 million (+5%); depreciation increased due to growth investments; adjusted net income amounted to €198 million (+4%).
- Net revenue in Q1-3/2017 increased to €1,823 million (+3%); adjusted operating costs were flat; adjusted EBITDA amounted to €1,093 million (+5%); adjusted net income stood at €663 million (+5%).
- With the persisting low equity market volatility in Q3/2017, the company's view is now that achieving the lower end of its net revenue (5%) and earnings (10%) guidance for the full year is very unlikely.
- Nevertheless, Deutsche Börse Group continues to be very well-positioned to benefit from secular and cyclical growth in the mid-term and confirms its earnings growth target of 10-15% for 2018 and 2019.
- Major structural opportunities with expected double-digit growth in 2018 include: OTC clearing, new Eurex products, commodities, FX, Clearstream (T2S), investment funds, and the index business.
- In OTC clearing a new performance-based partnership program designed to further accelerate the development of a liquid, EU-based alternative for interest rate swap clearing has been developed in close consultation with clients.

## Q1-3/2017 – Group financials



1) Adjusted for exceptional items

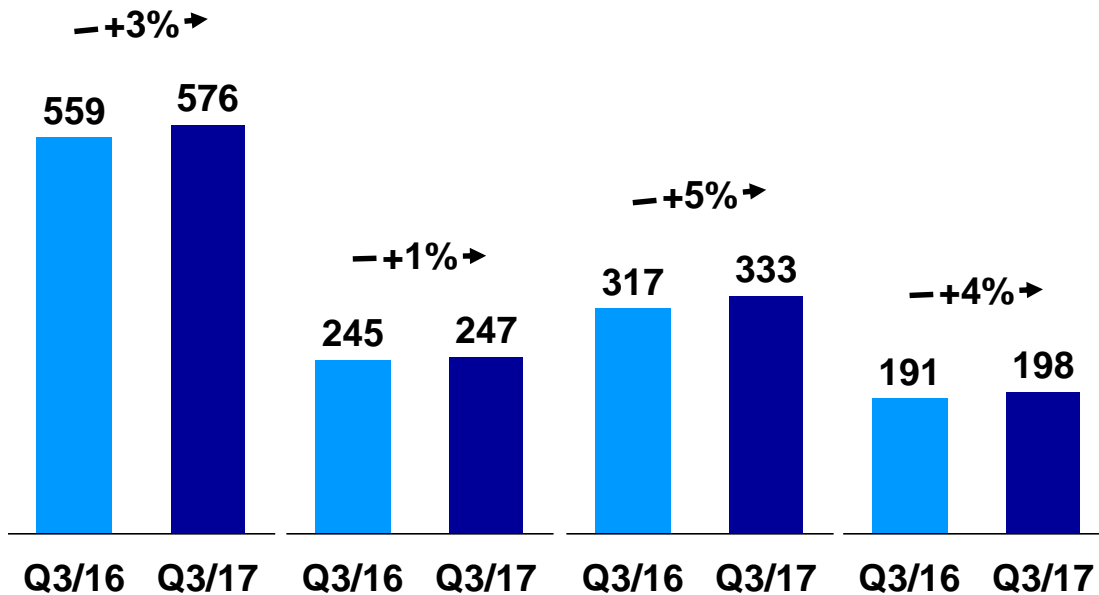
2) Excluding depreciation and amortisation

# Q3/2017 – Group financials

## Development of key financials in Q3/2017

€m

**Net revenue**      **Costs<sup>1,2</sup>**      **EBITDA<sup>1</sup>**      **Net income<sup>1</sup>**



### Revenue

- Net revenue: €576.3m (+3% y-o-y)
- Net interest income: €32.1m (+44% y-o-y)

### Total costs

- Operating costs<sup>1,2</sup>: €247.4m (+1% y-o-y)
  - Adjusted for €15.9m exceptional items, which included litigations, M&A integration, and restructuring
- Depreciation/amortisation: €40.3m (+30% y-o-y)
  - Increase due to higher investments in growth

### Earnings

- EBITDA<sup>1</sup>: €333.1m (+5% y-o-y)
- Net income<sup>1</sup>: €198.1m (+4% y-o-y)
  - Adjusted for a positive tax effect related to corporate restructuring (€18m)
- EPS<sup>1</sup>: €1.06 (+4% y-o-y)

1) Adjusted for exceptional items

2) Excluding depreciation and amortisation

# Q3/2017 – Eurex

## Business activity Q3/2017 y-o-y

### Financial derivatives (traded contracts in m)

Equity	47.6	-20%	<span style="color: red;">■</span>
Fixed income	128.8		<span style="color: green;">■</span> 12%
Index	183.0	-7%	<span style="color: red;">■</span>
<b>Total</b>	<b>359.5</b>	<b>-3%</b>	<span style="color: red;">■</span>

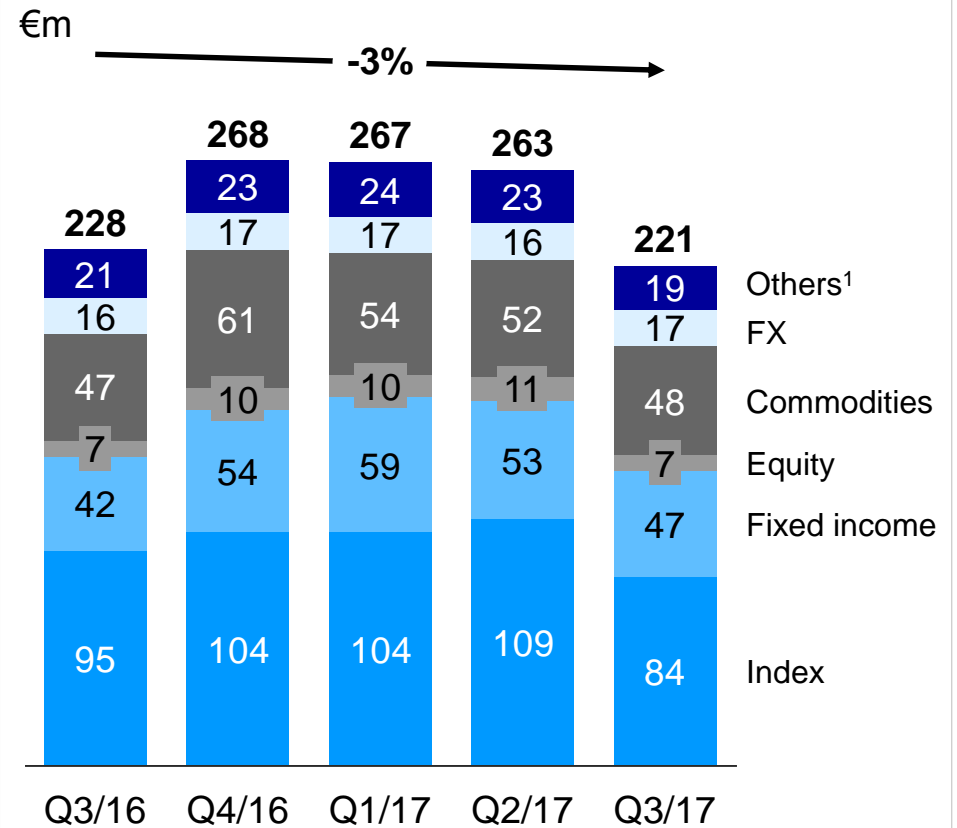
### Commodities (EEX) (volume in TWh/ tCO2)

Power	866.8	-9%	<span style="color: red;">■</span>
Gas	499.6		<span style="color: green;">■</span> 35%

### Foreign exchange (360T) (ADV in € bn)

FX ADV	58.5		<span style="color: green;">■</span> 8%
--------	------	--	---

## Net revenue

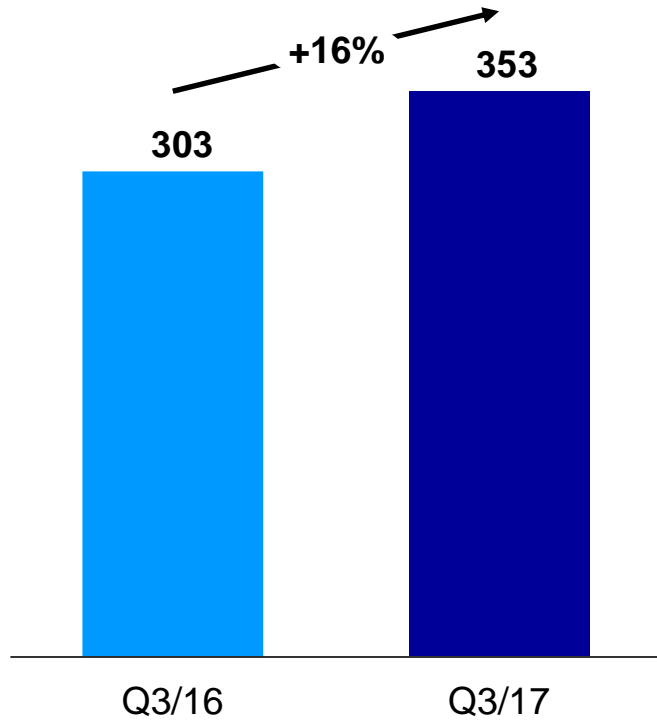


1) Including revenue from NII, Eurex Repo and member fees

# Q3/2017 – Xetra

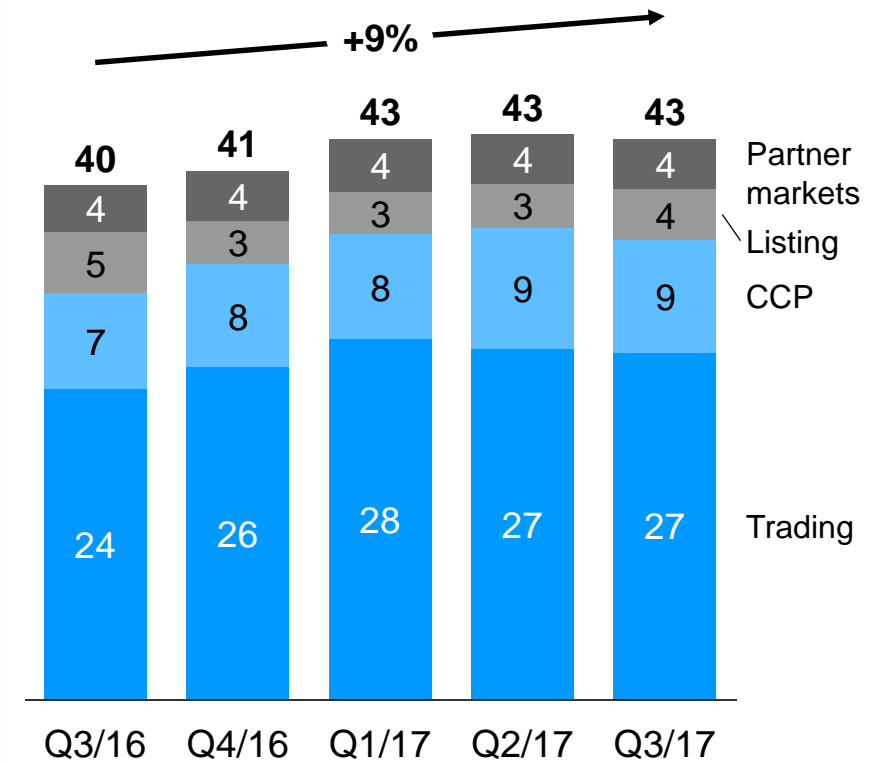
## Business activity Q3/2017 y-o-y

Order book volume in €bn<sup>1</sup>



## Net revenue

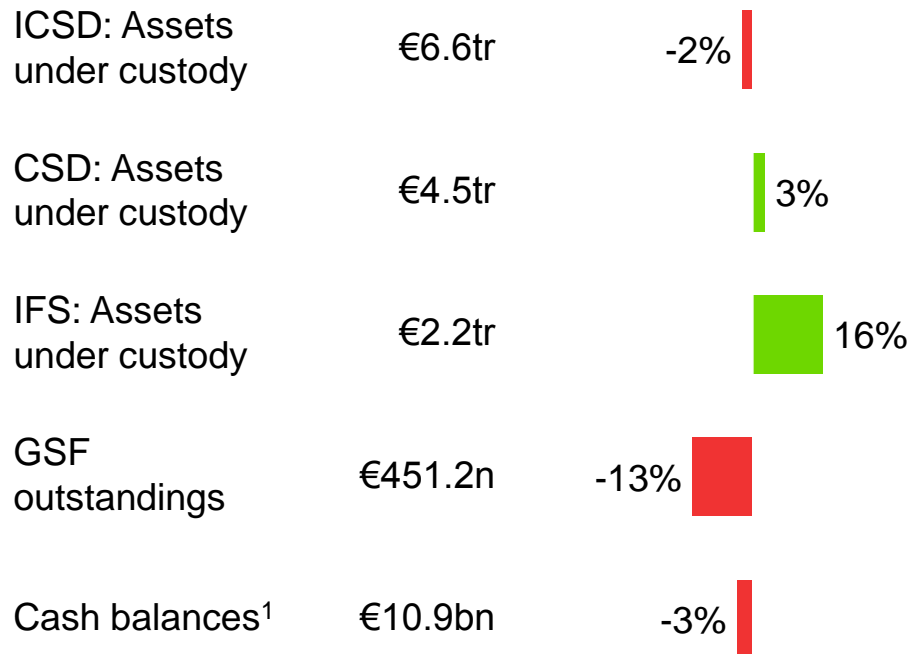
€m



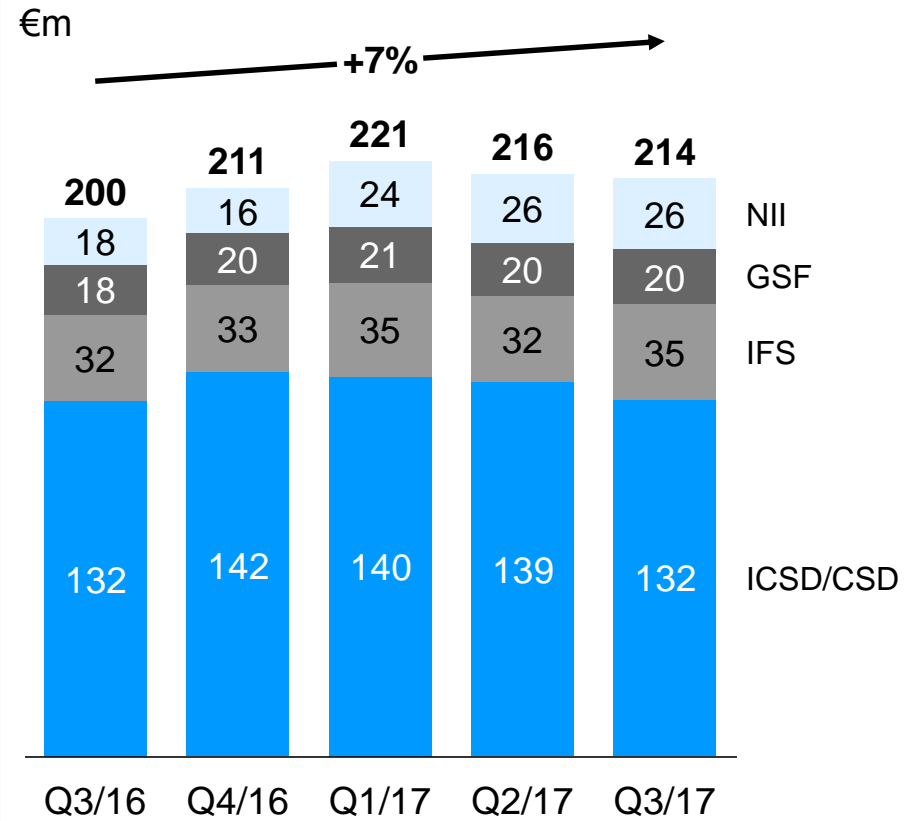
1) Xetra, Börse Frankfurt and Tradegate

# Q3/2017 – Clearstream

## Business activity Q3/2017 y-o-y



## Net revenue



1) Adjusted for balances restricted by relevant EU and US sanction programs

# Q3/2017 – Market Data + Services

## Business activity Q3/2017 y-o-y

### Index

- Calculation/ distribution of indices through STOXX:

<i>ETF AuM STOXX</i>	€79.7bn		36%
<i>ETF AuM DAX</i>	€28.7bn		12%
<i>Index derivatives</i>	154.7m		-9%

### Data

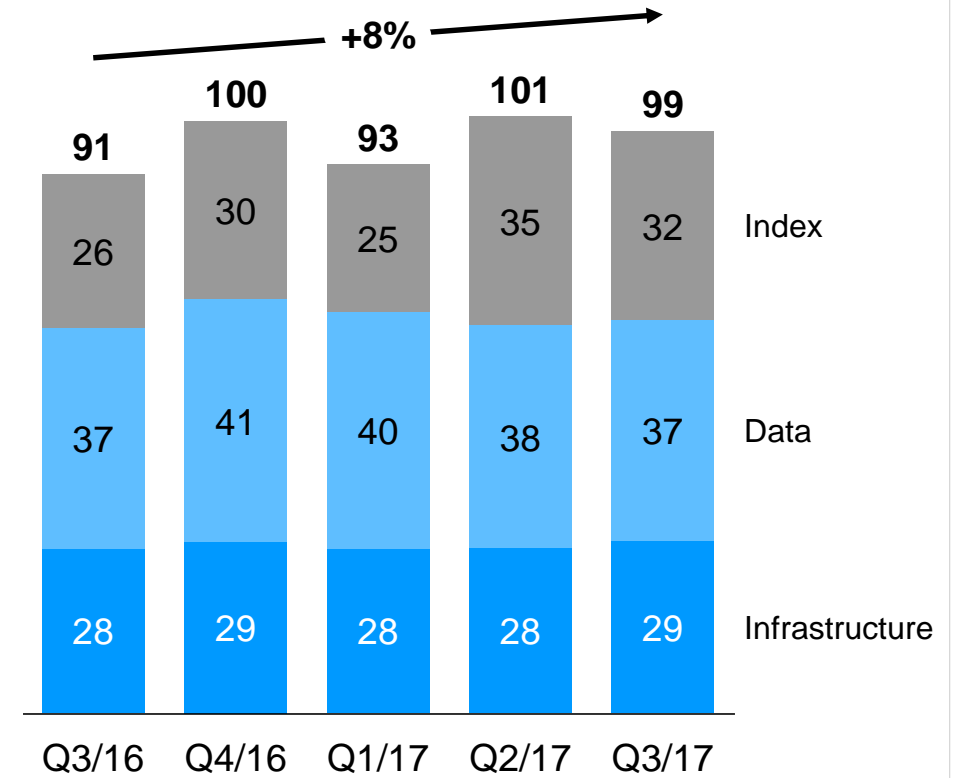
- Derivatives and cash market data
- Regulator reporting services

### Infrastructure

- Market connectivity
- Business process and infrastructure outsourcing

## Net revenue

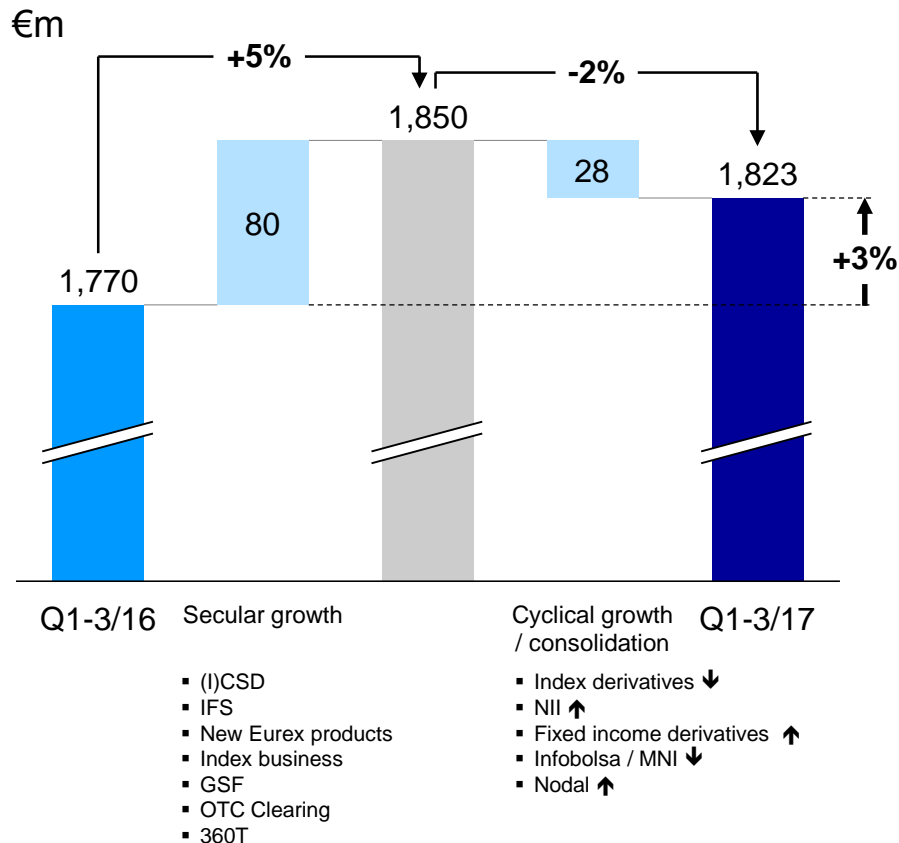
€m





# Secular net revenue growth of 5% in Q1-3/2017 was partly off-set by net decline of cyclical net revenue; mid-term guidance confirmed

## Net revenue growth drivers in Q1-3/2017



- Secular net revenue growth in Q1-3/2017 stood at ~5%, in-line with the company's plan.
- Secular growth was partly off-set by a decline in cyclical revenue and consolidation effects (~-2%).
- Pressure on costs (inflation +€15m, depreciation +€23m, share based compensation +€10m), was mostly off-set by efficiency measures (~€30m).
- Due to the persisting low equity market volatility, the company's view is now that achieving the lower end of its net revenue (5%) and earnings (10%) guidance for the full year is very unlikely.
- Nevertheless, Deutsche Börse Group continues to be very well positioned to benefit from secular and cyclical growth in the mid-term and confirms its earnings growth target of 10-15% in 2018 and 2019.
- Major structural opportunities with expected double digit growth in 2018 include: OTC clearing, new Eurex products, commodities, FX, Clearstream (T2S), investment funds, and the index business.

# Income statement – Group level adjusted

	Quarter ended 30 September 2017	Quarter ended 30 September 2016
Sales revenue	628.1	599.9
Net interest income from banking business	32.1	22.3
Other operating income	6.4	8.0
<b>Total revenue</b>	<b>666.6</b>	<b>630.2</b>
Volume-related costs	-90.3	-71.7
<b>Net revenue (total revenue less volume-related costs)</b>	<b>576.3</b>	<b>558.5</b>
Staff costs	-148.4	-136.2
Other operating expenses	-99.0	-108.6
<b>Operating costs</b>	<b>-247.4</b>	<b>-244.8</b>
Result from equity investments	4.2	3.2
<b>Earnings before interest, tax, amortization and depreciation (EBITDA)</b>	<b>333.1</b>	<b>316.9</b>
Depreciation, amortization and impairment losses	-40.3	-30.9
<b>Earnings before interest and tax (EBIT)</b>	<b>292.8</b>	<b>286.0</b>
Financial Result	-15.6	-17.4
<b>Earnings before tax (EBT)</b>	<b>277.2</b>	<b>268.6</b>
Income tax expense	-74.8	-72.2
<b>Net profit for the period</b>	<b>202.4</b>	<b>196.4</b>
thereof shareholders of parent company (net income for the period)	198.1	190.7
thereof non-controlling interests	4.3	5.7
<b>Earnings per share (basic) (€)</b>	<b>1.06</b>	<b>1.02</b>

# Income statement – Segmental level

	Eurex		Xetra		Clearstream		Market Data + Services	
	Q3/2017	Q3/2016	Q3/2017	Q3/2016	Q3/2017	Q3/2016	Q3/2017	Q3/2016
<b>Net revenue<sup>1</sup></b>	<b>220.9</b>	<b>228.4</b>	<b>43.0</b>	<b>39.5</b>	<b>213.9</b>	<b>199.5</b>	<b>98.5</b>	<b>91.1</b>
Staff costs	-63.5	-55.6	-12.9	-12.6	-57.6	-56.6	-17.8	-14.9
Other operating expenses	-53.2	-60.4	-8.7	-8.8	-32.0	-39.2	-17.6	-24.4
<b>Operating costs</b>	<b>-116.7</b>	<b>-116.0</b>	<b>-21.6</b>	<b>-21.4</b>	<b>-89.6</b>	<b>-95.8</b>	<b>-35.4</b>	<b>-39.3</b>
<i>Thereof exceptional items</i>	<i>8.8</i>	<i>8.3</i>	<i>0.6</i>	<i>1.9</i>	<i>3.9</i>	<i>8.9</i>	<i>2.6</i>	<i>8.6</i>
Result from equity investments	3.4	2.2	1.0	0.9	-0.1	0.1	-0.1	0.0
<i>Thereof exceptional items</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>	<i>0.0</i>	<i>0.0</i>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>107.6</b>	<b>114.6</b>	<b>22.4</b>	<b>19.0</b>	<b>124.2</b>	<b>103.8</b>	<b>63.0</b>	<b>51.8</b>
Depreciation, amortization and impairment losses	-20.9	-17.9	-2.0	-1.3	-14.1	-9.3	-3.7	-2.7
<i>Thereof exceptional items</i>	<i>0.4</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.3</i>	<i>0.0</i>	<i>-0.3</i>
<b>Earnings before interest and tax (EBIT)</b>	<b>86.7</b>	<b>94.5</b>	<b>20.4</b>	<b>17.7</b>	<b>110.1</b>	<b>94.5</b>	<b>59.3</b>	<b>49.1</b>
<b>EBITDA margin (adjusted)</b>	<b>53%</b>	<b>53%</b>	<b>53%</b>	<b>54%</b>	<b>60%</b>	<b>56%</b>	<b>67%</b>	<b>66%</b>

1) Includes internal items

# Disclaimer

**Cautionary note with regard to forward-looking statements:** This document contains forward-looking statements and statements of future expectations that reflect management's current views and assumptions with respect to future events. Such statements are subject to known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied and that are beyond Deutsche Börse AG's ability to control or estimate precisely. In addition to statements which are forward-looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential, or continue' and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those statements due to, without limitation, (i) general economic conditions, (ii) future performance of financial markets, (iii) interest rate levels (iv) currency exchange rates (v) the behaviour of other market participants (vi) general competitive factors (vii) changes in laws and regulations (viii) changes in the policies of central banks, governmental regulators and/or (foreign) governments (ix) the ability to successfully integrate acquired and merged businesses and achieve anticipated synergies (x) reorganization measures, in each case on a local, national, regional and/or global basis. Deutsche Börse AG does not assume any obligation and does not intend to update any forward-looking statements to reflect events or circumstances after the date of these materials.

**No obligation to update information:** Deutsche Börse AG does not assume any obligation and does not intend to update any information contained herein.

**No investment advice:** This presentation is for information only and shall not constitute investment advice. It is not intended for solicitation purposes but only for use as general information.

All descriptions, examples and calculations contained in this presentation are for illustrative purposes only.

© Deutsche Börse AG 2017. All rights reserved.