

Q4 and FY/2019

Preliminary results

Analyst and Investor Conference Call
18 February 2020



DEUTSCHE BÖRSE
GROUP

Summary Q4 and FY/2019 preliminary results

Solid full year performance after a very strong 2018 with increase of net revenue by 6% to €2.9 billion; 5% growth was contributed from secular initiatives and 1% from M&A.

Adjusted net profit increased as expected by 10% to €1.1 billion and adjusted EPS amounted to €6.03 (+11%).

Executive Board proposes an increase of 2019 dividend per share by 7% to €2.90, a pay-out ratio of 48%.

Company very well on track with implementation of “Roadmap 2020”: consistent secular growth, 14% net profit CAGR 2017-19, focus on M&A in 2019 resulted in Axioma and Fondcenter acquisitions.

For 2020 the company expects a further increase of net revenue from secular growth opportunities by at least 5% and around €1.20 billion adjusted net profit.

6%

net revenue growth

10%

net profit growth (adj.)

€2.90

dividend per share (proposed)

Axioma^{Grexel}
NFX commodity
business Ausmaq
Fondcenter

~€1.20bn

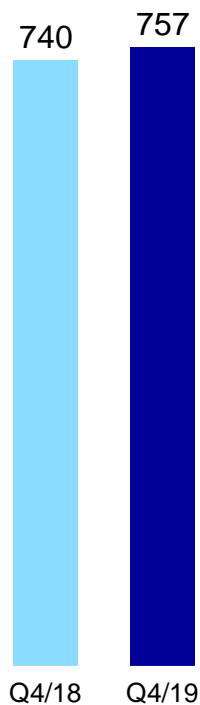
net profit FY/2020 (adj.)

Preliminary group financials

Q4/2019 (€m)

Net revenue

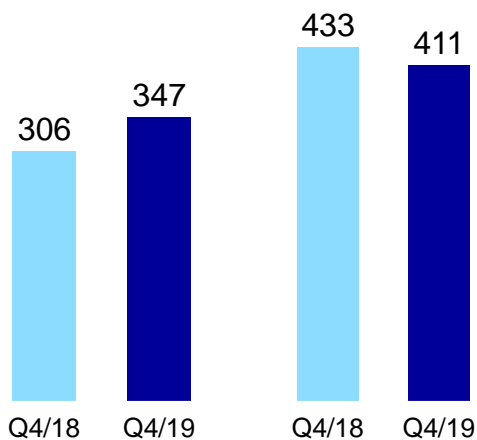
↗ +2%



Operating cost

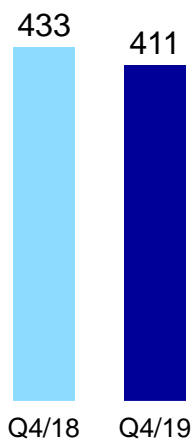
↗ +14%

↗ +7% (organic)



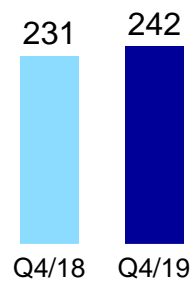
EBITDA

↘ -5%



Net profit

↗ +5%



Note

Net interest income	€57m -5%
Exceptional cost items	€33m
Depreciation	€62m -18%
Financial result	€-8m
Tax rate	26%
EPS (adj.)	€1.32 +6%

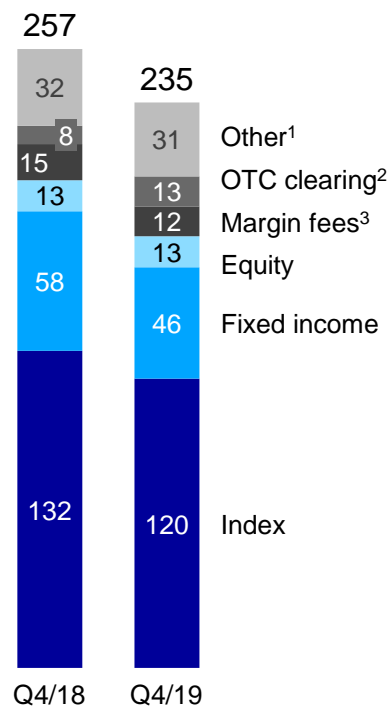
Note: Adjusted for exceptional items; operating costs and EBITDA Q4/18 non-GAAP indicative figures.

Eurex (financial derivatives)

Q4/2019 (€m)

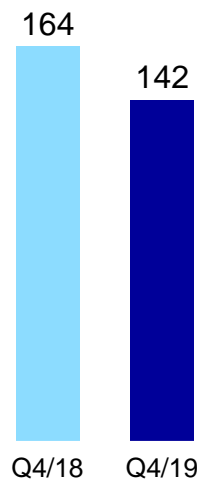
Net revenue

↘ -9%



EBITDA

↘ -14%



Business activity

Total derivatives	463m -9%
Index derivatives	229m -13%
Fixed income derivatives	124m -20%
Equity derivatives	105m +21%
OTC notional outstanding (avg.)	€13.2tr +40%
OTC notional cleared (incl. compr.)	€7.4tr +96%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

1) Including net revenue from connectivity and member fees.

2) Including margin fees on OTC clearing related collateral.

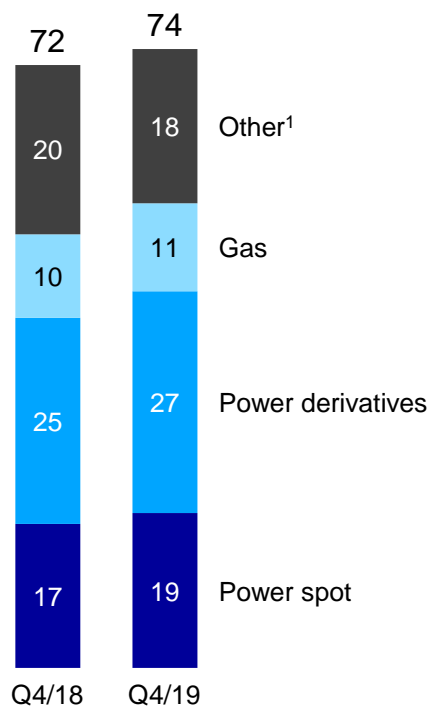
3) Including NII and securities collateral fee.

EEX (commodities)

Q4/2019 (€m)

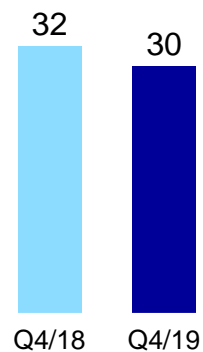
Net revenue

↗ +3%



EBITDA

↘ -8%



Business activity

Power spot	150 TWh 0%
Power derivatives	1,570 TWh +22%
Gas	600 TWh +10%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

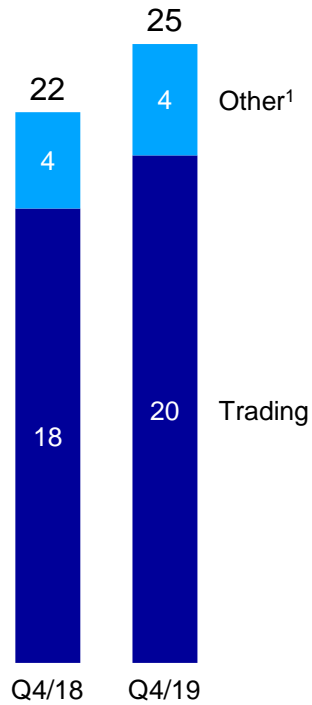
1) Including net revenue from connectivity, member fees and emission allowances.

360T (foreign exchange)

Q4/2019 (€m)

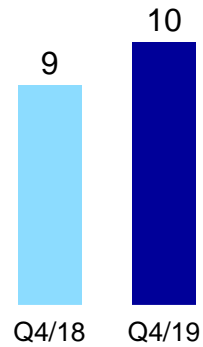
Net revenue

↗ +12%



EBITDA

↗ +20%



Business activity

Average daily volumes (ADV)

€86bn
+14%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

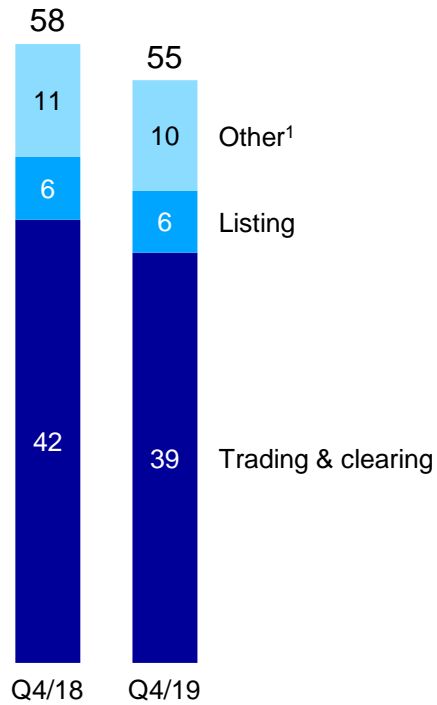
1) Including net revenue from connectivity and member fees.

Xetra (cash equities)

Q4/2019 (€m)

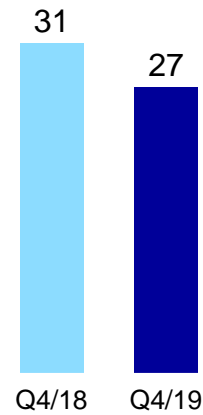
Net revenue

↘ -6%



EBITDA

↘ -13%



Business activity

Oder book volume²
Equities | €335bn
-14%

Oder book volume²
ETF, ETC, ETN | €37bn
-7%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

1) Including net revenue from connectivity.

2) Xetra, Börse Frankfurt and Tradegate.

Clearstream (post-trading)

Q4/2019 (€m)

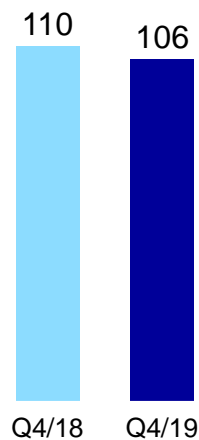
Net revenue

↗ +4%



EBITDA

↗ -4%



Business activity

Assets under custody	€11.8tr +4%
Settlement transactions (ICSD)	14.3m +13%
Cash balances total volume	€16.0bn +17%
Cash balances t/o US-Dollar	€8.3bn +18%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

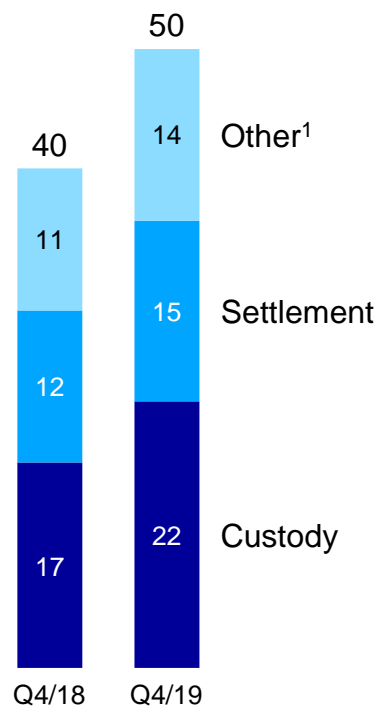
1) Including net revenue from connectivity, account services and reporting.

IFS (investment fund services)

Q4/2019 (€m)

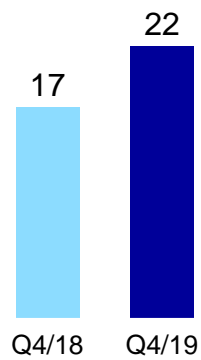
Net revenue

↗ +24%



EBITDA

↗ +29%



Business activity

Assets under custody	€2.6tr +9%
Settlement transactions	7.5m +25%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

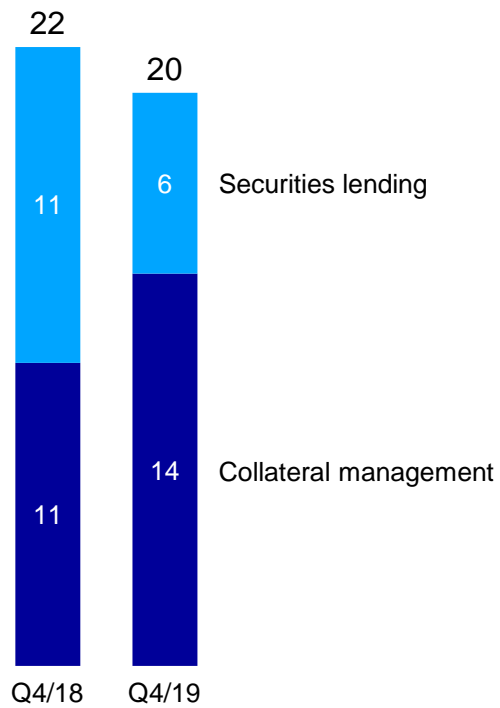
1) Including net revenue from connectivity, order routing, Clearstream Fund Desk and Ausmaq.

GSF (collateral management)

Q4/2019 (€m)

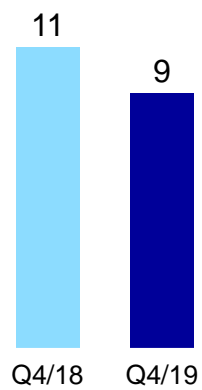
Net revenue

↘ -7%



EBITDA

↘ -15%



Business activity

Collaterals
outstandings | €407bn
+7%

Securities
outstanding | €58bn
+16%

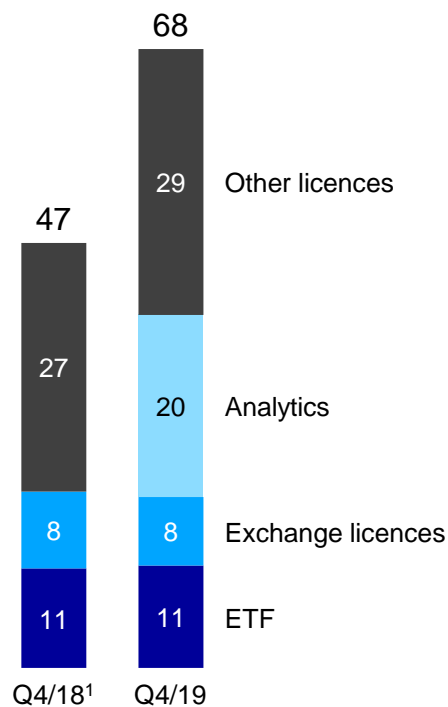
Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

Qontigo (index and analytics business)

Q4/2019 (€m)

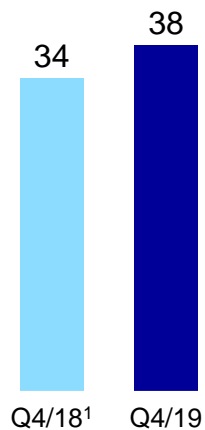
Net revenue

↗ +45%



EBITDA

↗ +10%



Business activity

ETF AuM STOXX	€74bn +3%
ETF AuM DAX	€23bn -8%
Traded contracts	212m -12%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

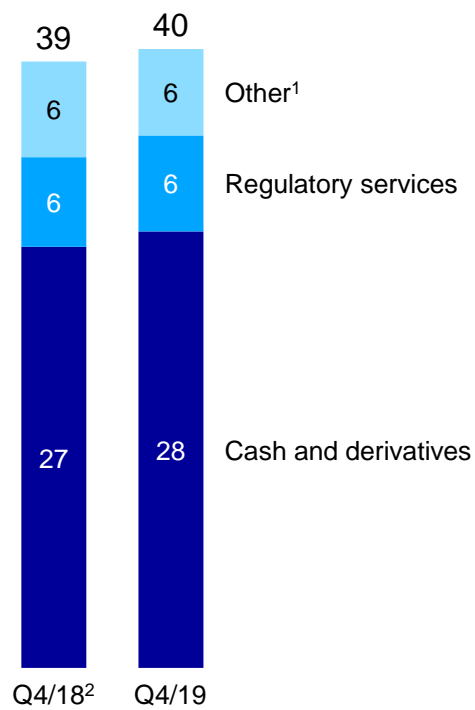
1) As part of resegmentation €3.3m net revenue has been restated from Data in Q4/2018.

Data

Q4/2019 (€m)

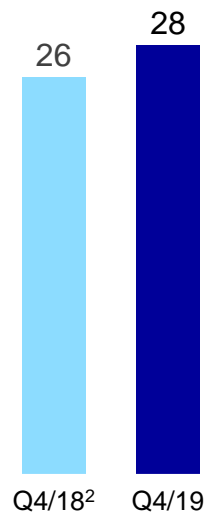
Net revenue

↗ +2%



EBITDA

↗ +8%



Business activity

Subscriptions

322k
-9%

Note: EBITDA adjusted for exceptional items; EBITDA Q4/18 non-GAAP indicative figures.

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

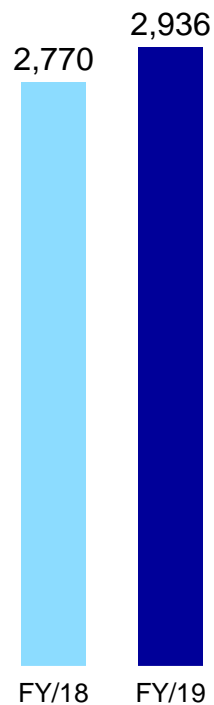
2) As part of resegmentation €3.3m net revenue has been restated to Qontigo in Q4/2018.

Preliminary group financials

FY/2019 (€m)

Net revenue

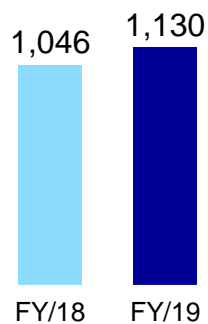
↗ +6%



Operating cost

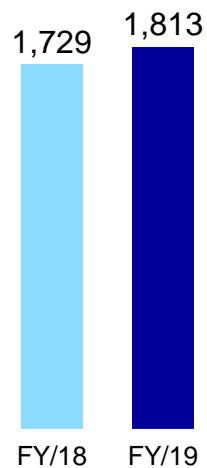
↗ +8%

↗ +5% (organic)



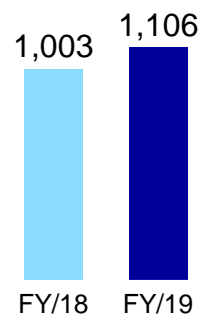
EBITDA

↗ +5%



Net profit

↗ +10%



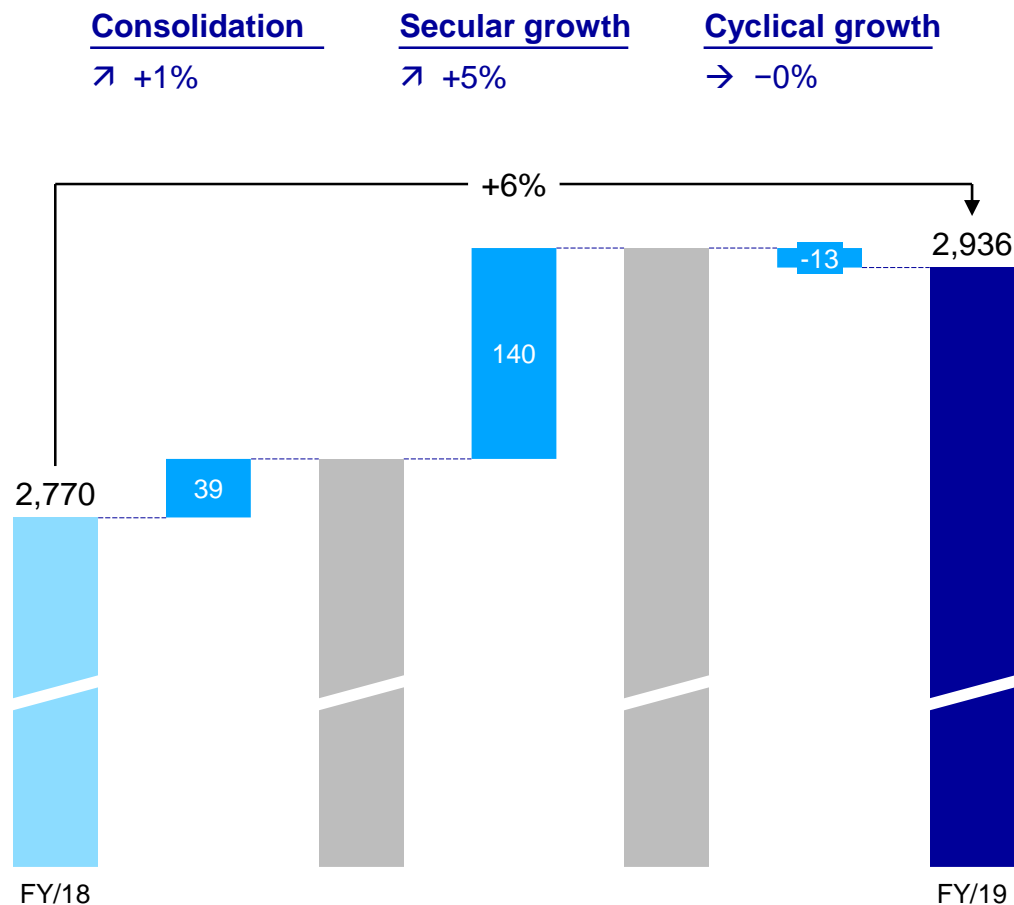
Note

Net interest income	€246m +20%
Exceptional cost items	€135m
Depreciation	€223m -6%
Financial result	€-54m
Tax rate	26%
EPS (adj.)	€6.03 +11%

Note: Adjusted for exceptional items; operating costs and EBITDA FY/18 non-GAAP indicative figures.

Secular growth trend remained intact

FY/2019 (€m)



Note

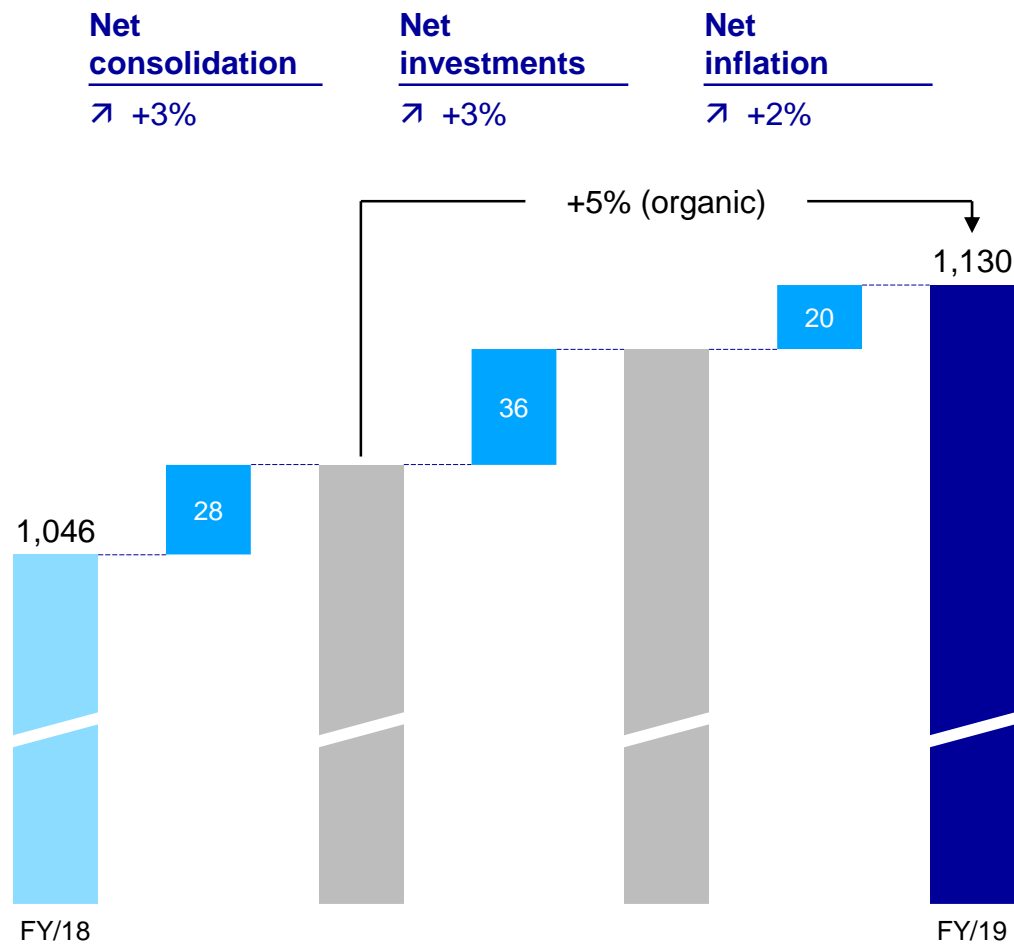
Net revenue growth from M&A, mainly driven by Axioma (Q3/19), Swisscanto (Q4/18), GTX (Q2/18).

Secular growth in line with the company's plan, mainly driven by Eurex, EEX, Qontigo, IFS and 360T.

Cyclical net revenue declined slightly, with interest income largely offsetting lower market volatility.

Operating cost development

FY/2019 (€m)



Note

Consolidation effects (Axioma, Swisscanto) partly off-set by discontinuation of managed services at Clearstream.

Higher investments in organic growth initiatives, new technologies and regulation / IT security.

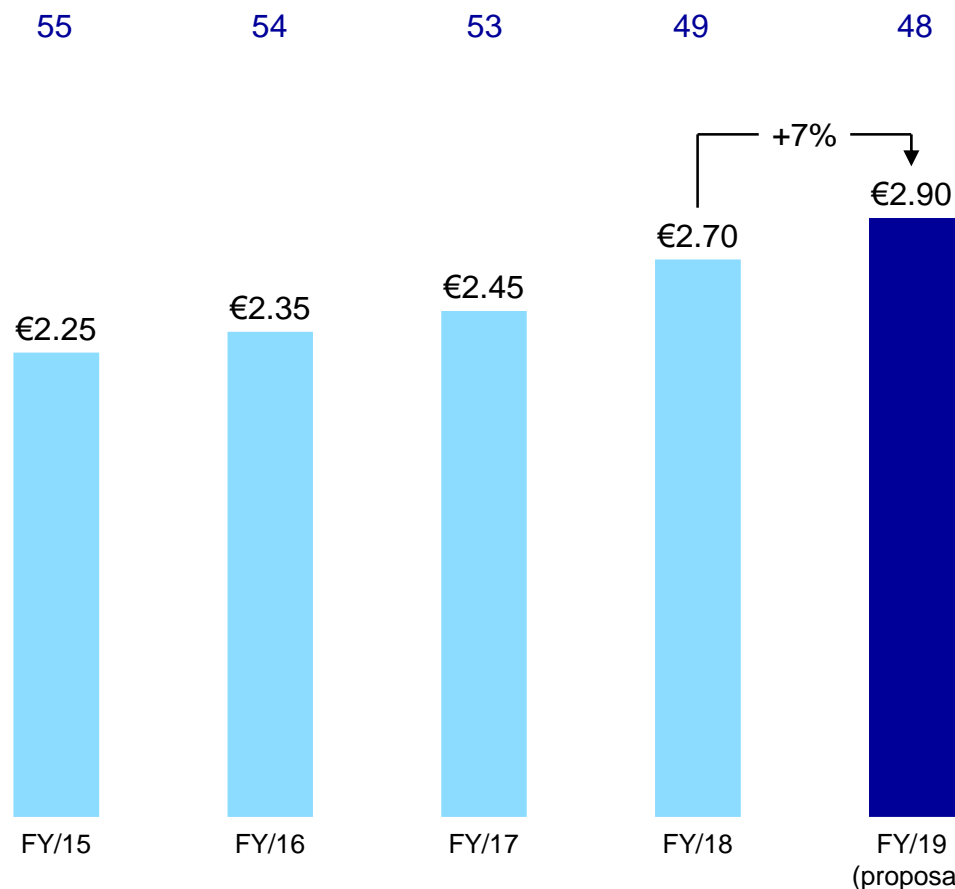
Inflationary pressures partly off-set by lower provisions for variable compensation.

Note: Operating costs adjusted for exceptional items; operating costs FY/18 non-GAAP indicative figures.

Dividend per share and pay-out

FY/2019

Pay-out ratio (%)



Note: Adjusted for exceptional items.

Note

Deutsche Börse aims to distribute 40-60% of adjusted annual net profit to shareholders in form of the regular dividend.

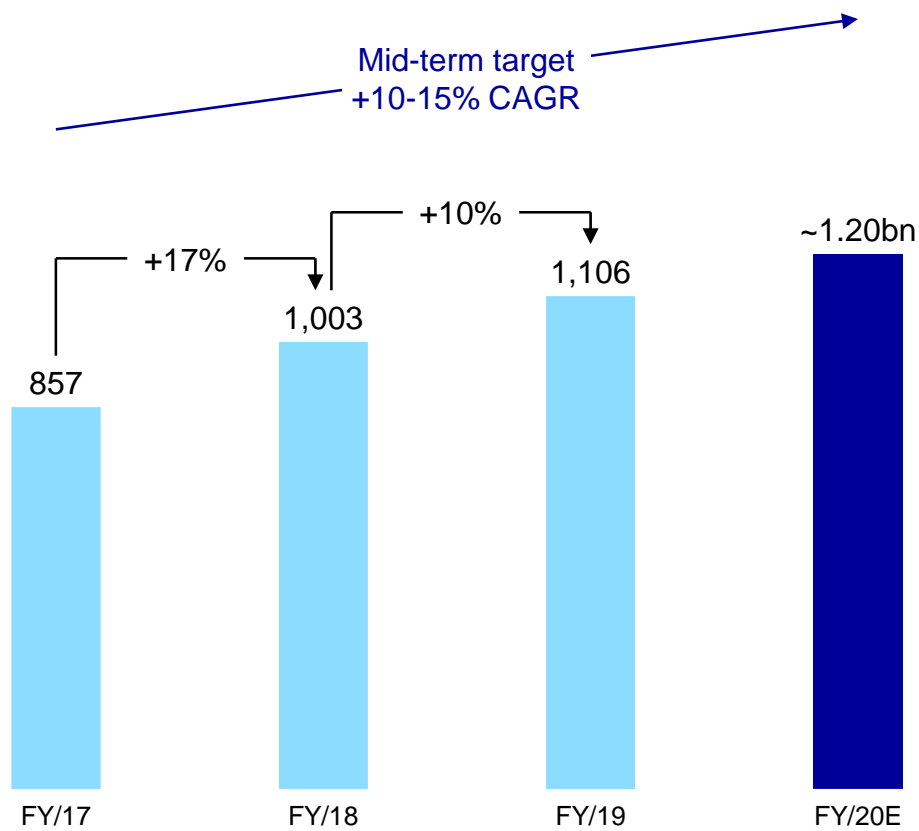
Within the 40-60% range, pay-out mainly depends on the business development and dividend continuity considerations.

Remaining free cash is planned to be reinvested into the business to support the Group's M&A strategy.

Outlook

FY/2020 (€m)

Net profit guidance



Note: Adjusted for exceptional items.

Note

“Roadmap 2020” financial targets have been successfully reached so far (14% net profit CAGR 2017-19).

For 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 adjusted

(€m)	Quarter ended 31 December 2019	Quarter ended 31 December 2018
Sales revenue	791.4	764.5
Net interest income from banking business	56.8	60.0
Other operating income	7.1	5.9
Total revenue	855.3	830.4
Volume-related costs	-98.7	-90.0
Net revenue	756.6	740.4
Staff costs	-192.1	-176.5
Other operating expenses	-155.3	-142.0
Operating costs	-347.4	-318.5
Net income from strategic investments	1.3	-2.0
Earnings before interest, tax, depreciation and amortization (EBITDA)	410.5	419.9
Depreciation, amortization and impairment losses	-61.7	-63.2
Earnings before interest and tax (EBIT)	348.8	356.7
Financial result	-8.4	-28.4
Earnings before tax (EBT)	340.4	328.3
Income tax expense and other tax	-88.5	-88.8
Net profit for the period	251.9	239.5
thereof attributable to Deutsche Börse shareholders	242.4	230.5
thereof attributable to non-controlling interests	9.5	9.0
Earnings per share (basic) (€)	1.32	1.25

Income statement – group level reported

(€m)	Quarter ended 31 December 2019	Quarter ended 31 December 2018
Sales revenue	791.4	764.5
Net interest income from banking business	56.8	60.0
Other operating income	7.1	5.9
Total revenue	855.3	830.4
Volume-related costs	-98.7	-90.0
Net revenue	756.6	740.4
Staff costs	-191.0	-276.9
Other operating expenses	-189.2	-182.0
Operating costs	-380.2	-458.9
Net income from strategic investments	1.3	-2.0
Earnings before interest, tax, depreciation and amortization (EBITDA)	377.7	279.5
Depreciation, amortization and impairment losses	-63.8	-66.7
Earnings before interest and tax (EBIT)	313.9	212.8
Financial result	-8.4	-28.4
Earnings before tax (EBT)	305.5	184.4
Income tax expense and other tax	-82.8	-35.4
Net profit for the period	222.7	149.0
thereof attributable to Deutsche Börse shareholders	213.2	140.0
thereof attributable to non-controlling interests	9.5	9.0
Earnings per share (basic) (€)	1.16	0.77

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(€m)	Q4/2019	Q4/2018	Q4/2019	Q4/2018	Q4/2019	Q4/2018	Q4/2019	Q4/2018
Net revenue	234.8	256.9	74.0	72.1	24.5	21.8	54.8	58.2
Staff costs adj.	-43.5	-43.3	-24.2	-21.6	-9.8	-9.3	-15.4	-15.5
Other operating expenses adj.	-50.6	-49.6	-20.2	-19.3	-4.3	-4.1	-13.6	-13.9
Operating costs adj.	-94.1	-92.9	-44.4	-40.9	-14.1	-13.4	-29.0	-29.4
Operating costs reported	-98.5	-132.0	-54.0	-44.9	-15.7	-15.4	-29.5	-39.2
Result from equity investments	1.0	-2.9	-0.1	-0.2	0.0	0.0	1.1	1.2
EBITDA adj.	141.7	161.1	29.5	31.0	10.4	8.4	26.9	30.0

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		GSF (collateral management)		Qontigo (index and analytics business)		Data	
(€m)	Q4/2019	Q4/2018	Q4/2019	Q4/2018	Q4/2019	Q4/2018	Q4/2019	Q4/2018	Q4/2019	Q4/2018
Net revenue	190.9	183.7	49.8	40.2	20.0	21.6	67.8	46.6	40.1	39.3
Staff costs adj.	-47.0	-49.2	-17.4	-15.9	-6.3	-7.1	-21.4	-6.7	-7.1	-7.9
Other operating expenses adj.	-38.2	-29.9	-10.5	-8.5	-4.3	-4.0	-8.5	-6.0	-5.2	-6.7
Operating costs adj.	-85.2	-79.1	-27.9	-24.4	-10.6	-11.1	-29.9	-12.7	-12.3	-14.6
Operating costs reported	-90.1	-124.2	-31.7	-38.9	-9.9	-16.8	-33.2	-15.0	-17.7	-32.5
Result from equity investments	-0.2	0.0	0.0	0.0	-0.5	-0.5	0.0	0.0	0.0	0.4
EBITDA adj.	105.5	104.6	21.9	15.8	8.9	10.0	37.9	33.9	27.8	25.1

IFRS 16 adjustments for 2018 (non-GAAP, indicative)

€m	2018 Q1	Q2	Q3	Q4	Full year
Group					
Reduction of operating costs	12.5	12.6	12.5	12.7	50.3
Increase of depreciation and amortisation	11.8	11.8	11.8	11.8	47.2
Reduction of the financial result	0.7	0.7	0.8	0.7	2.9
Reporting segments (reduction of operating costs)					
Eurex (financial derivatives)	2.9	2.9	2.9	2.9	11.6
EEX (commodities)	0.8	0.8	0.8	0.9	3.3
360T (foreign exchange)	0.2	0.3	0.3	0.3	1.1
Xetra (cash equities)	1.1	1.1	1.0	1.0	4.2
Clearstream (post-trading)	4.8	4.8	4.8	4.9	19.3
IFS (investment fund services)	1.1	1.2	1.1	1.2	4.6
GSF (collateral management)	0.6	0.6	0.7	0.5	2.4
STOXX (index business)	0.5	0.4	0.4	0.4	1.7
Data	0.5	0.5	0.5	0.6	2.1

Note: Adjusted for exceptional items.

Financial calendar and contact details

Financial calendar

19 Mar 2020	Morgan Stanley European Conference (London)
29 Apr 2020	Publication quarterly statement Q1/2020
30 Apr 2020	Analyst and investor conference call Q1/2020
19 May 2020	Annual General Meeting (Frankfurt)
28 May 2020	Investor Day (London)
3 Jun 2020	Piper Sandler Global Exchange & Brokerage conference (New York)
4 Jun 2020	Deutsche Bank dbAccess Berlin Conference
10 Jun 2020	Goldman Sachs European Financials Conference (Rome)
29 Jul 2020	Publication half-yearly financial report 2020
30 Jul 2020	Analyst and investor conference call Q2/2020

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