



Q3/2019 Results

Analyst and Investor Conference Call

29 October 2019

Summary Q3/2019 results presentation

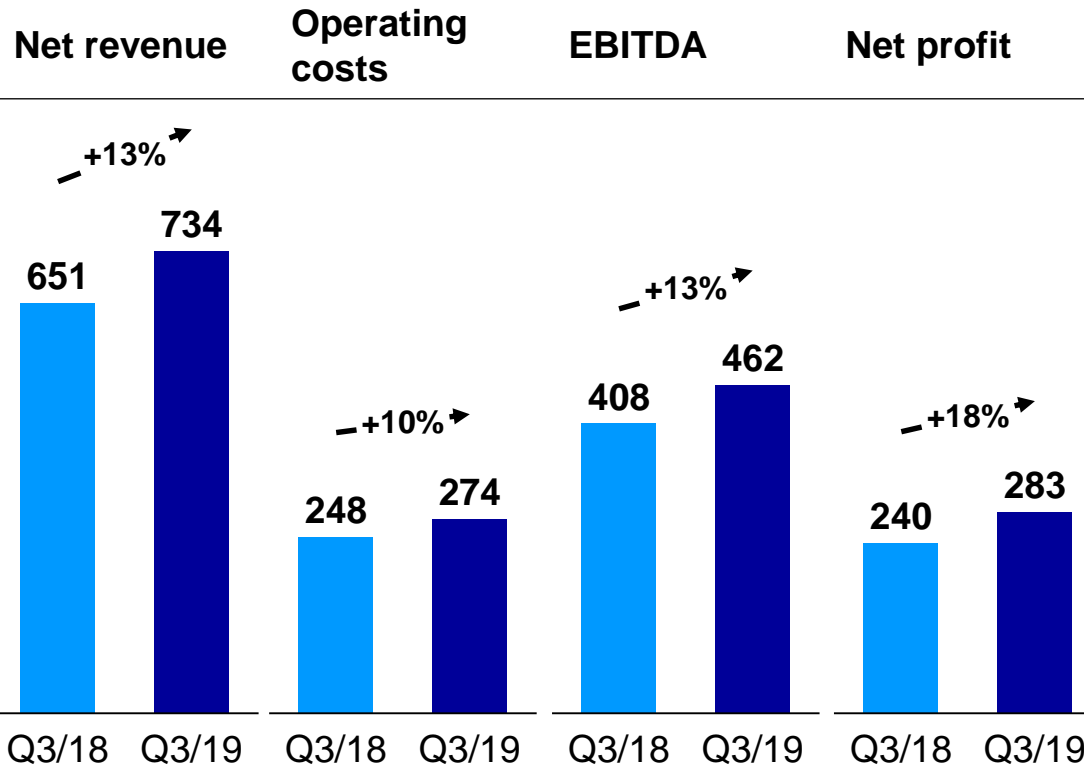
Q3/2019 results

- **Strong net revenue increase of 13%** driven by secular growth of 6% in-line with the company's plan, 6% cyclical growth mainly from higher volatility and 1% M&A.
- **Secular growth** mainly driven by **Eurex** (product innovation, OTC clearing and pricing) and **EEX** (new record market share levels), as well as **Qontigo, 360T and IFS**.
- Adjusted **operating costs increased by 10%** (non-GAAP) in light of increased investments, higher share-based compensation and consolidation effects.
- Adjusted **net profit** increased by **18%** and the adjusted **EPS** amounted to **€1.54**.
- **Axioma acquisitions closed** mid-September and **new Qontigo segment** to combine Deutsche Börse's index- and analytics businesses **established**.
- In light of the positive development over the course of 2019, Deutsche Börse **confirms its guidance** for the full year of **around 10% net profit growth**.

Q3/2019 – group financials

Net revenue, operating costs and earnings development

€m



Revenue

Net revenue: €733.8m (+13%)

- Net interest income: €60.6m (+25%)

Costs

Operating costs: €273.5m (+10%)

- Adjusted for €46.0m exceptional items, mainly relating to closing of Axioma acquisition

Depreciation: €53.6m (-4%)

Earnings

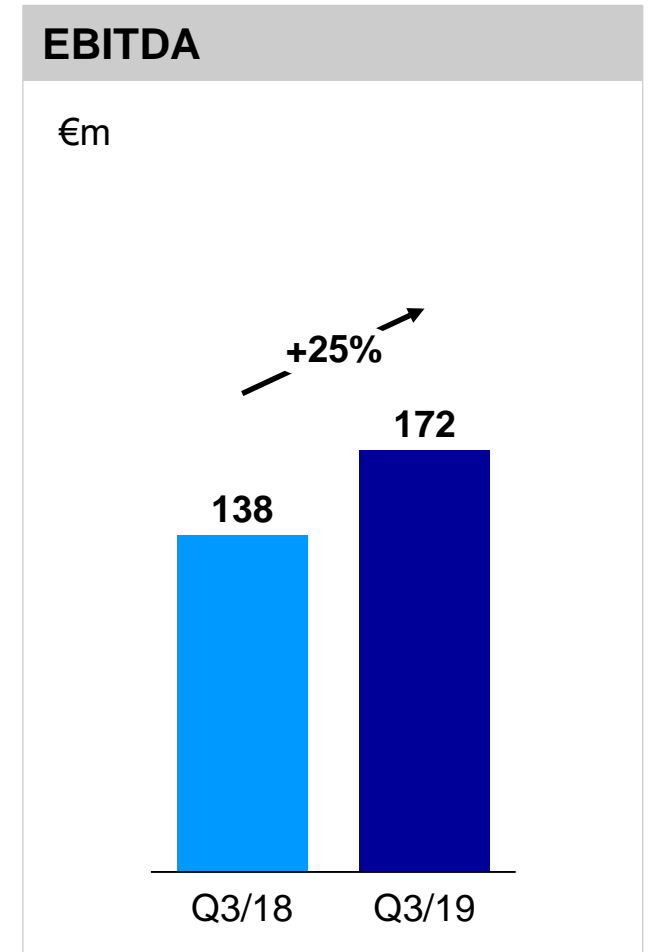
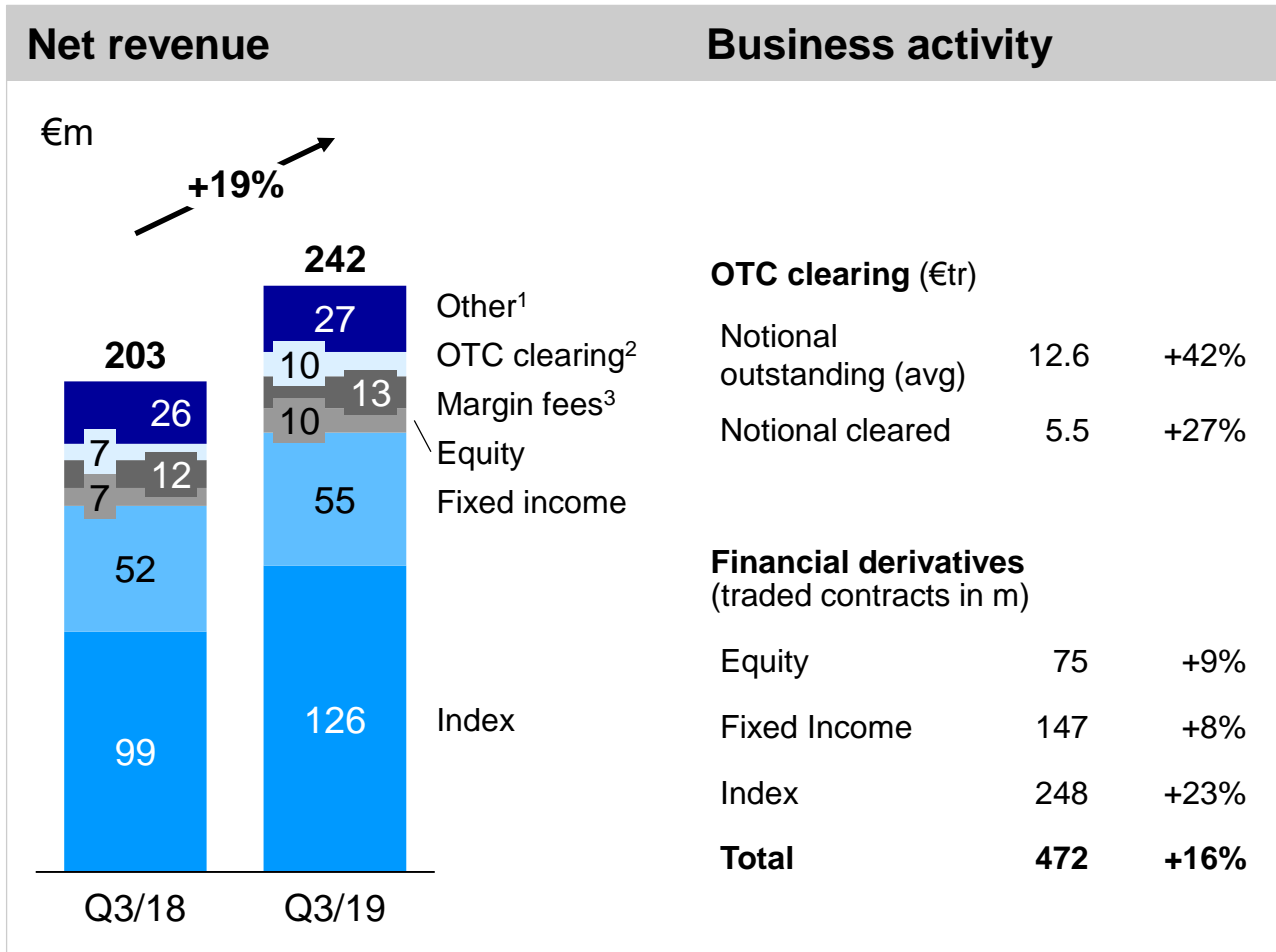
EBITDA: €461.7m (+13%)

Net profit: €282.9m (+18%)

EPS: €1.54 (+18%)

Note: Net revenue Q3/18 and operating costs adjusted for exceptional items; operating costs and EBITDA Q3/18 non-GAAP indicative figures.

Q3/2019 – Eurex (financial derivatives)



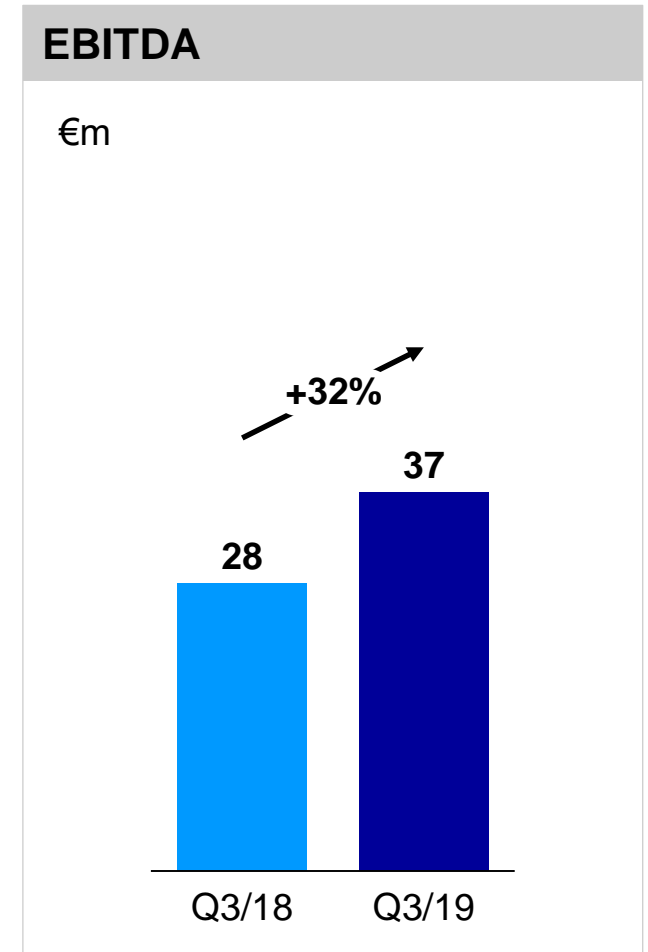
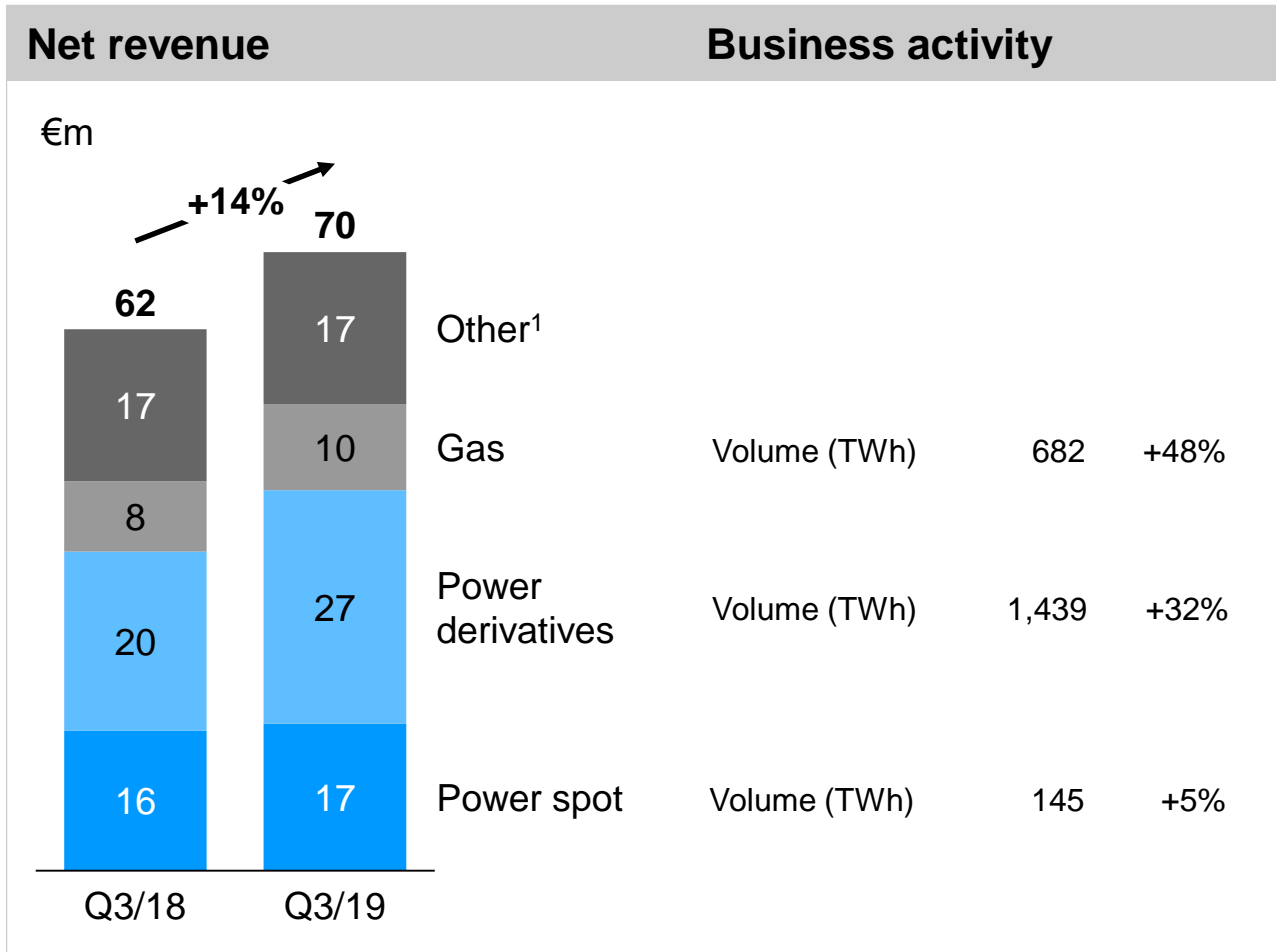
Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

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

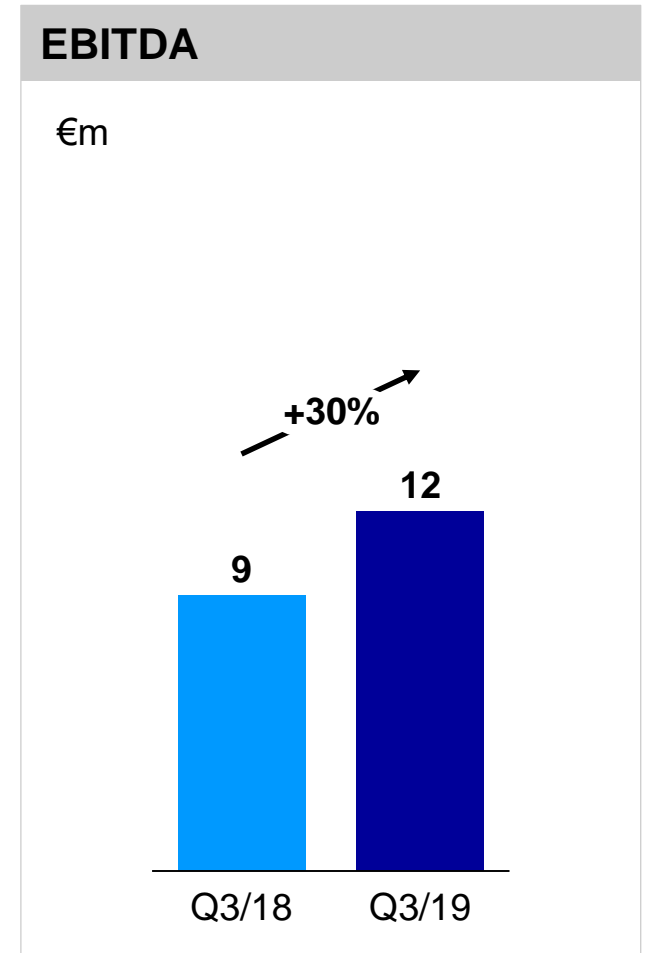
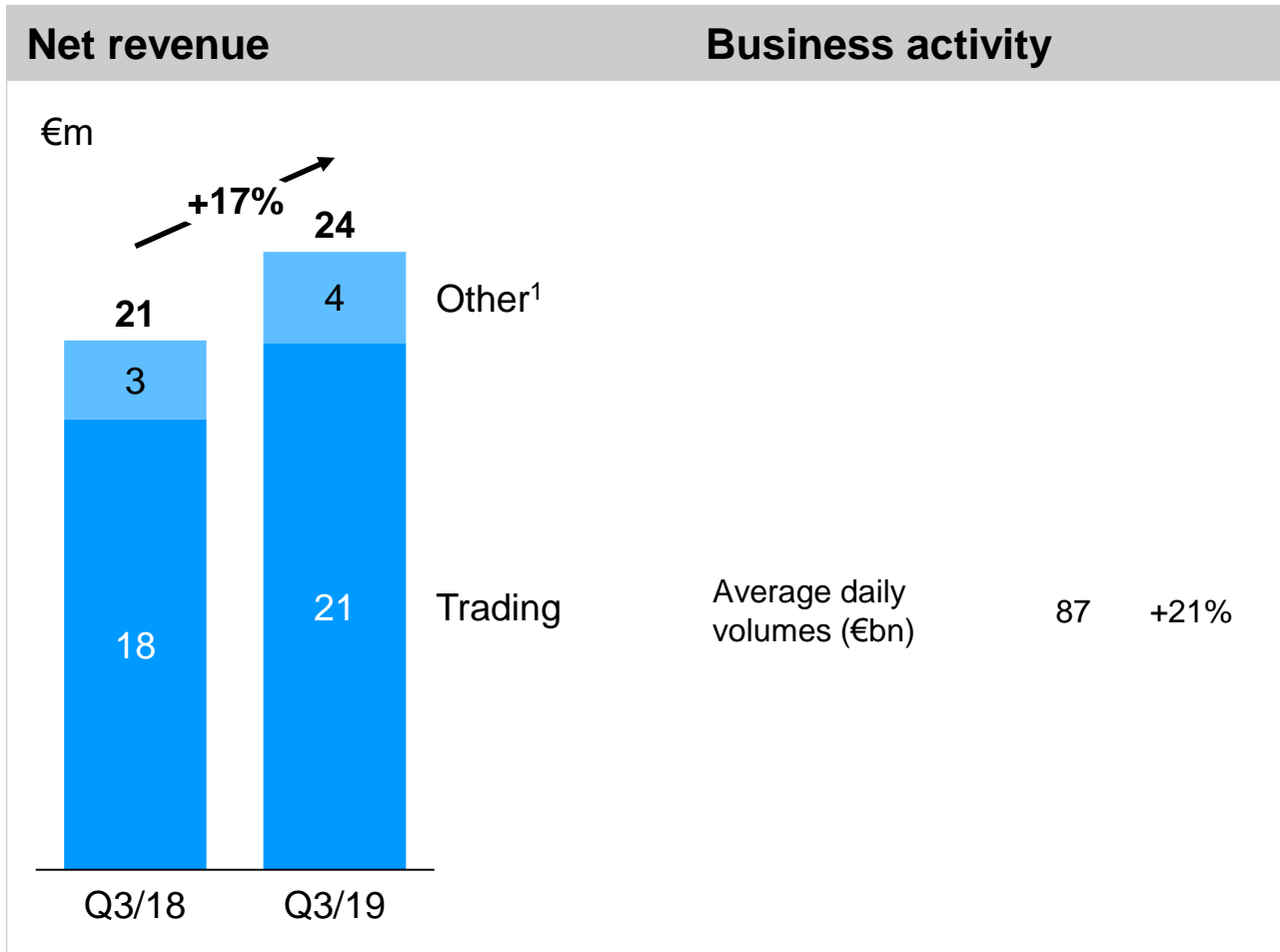
Q3/2019 – EEX (commodities)



Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

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

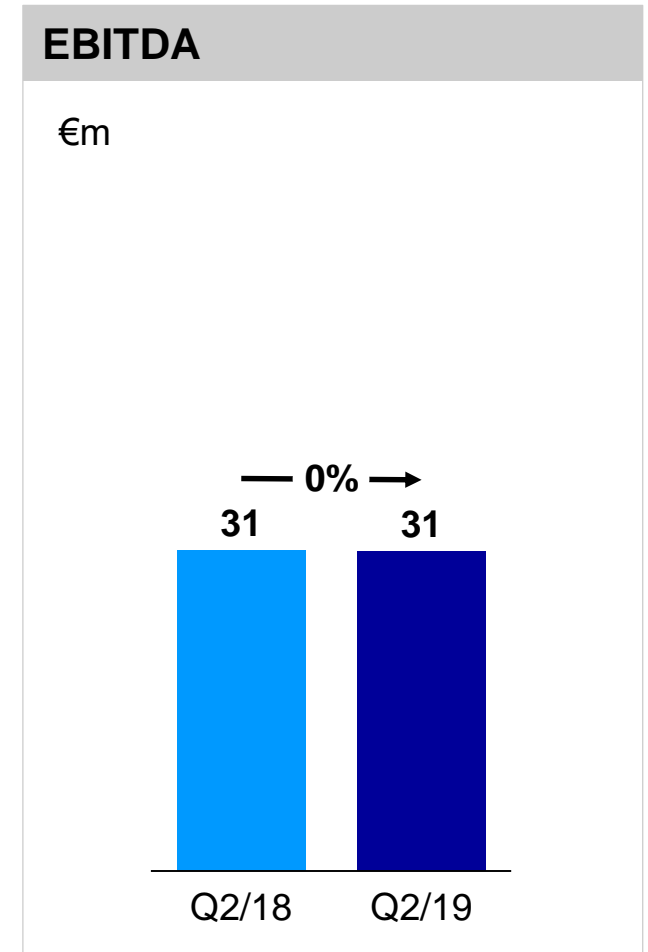
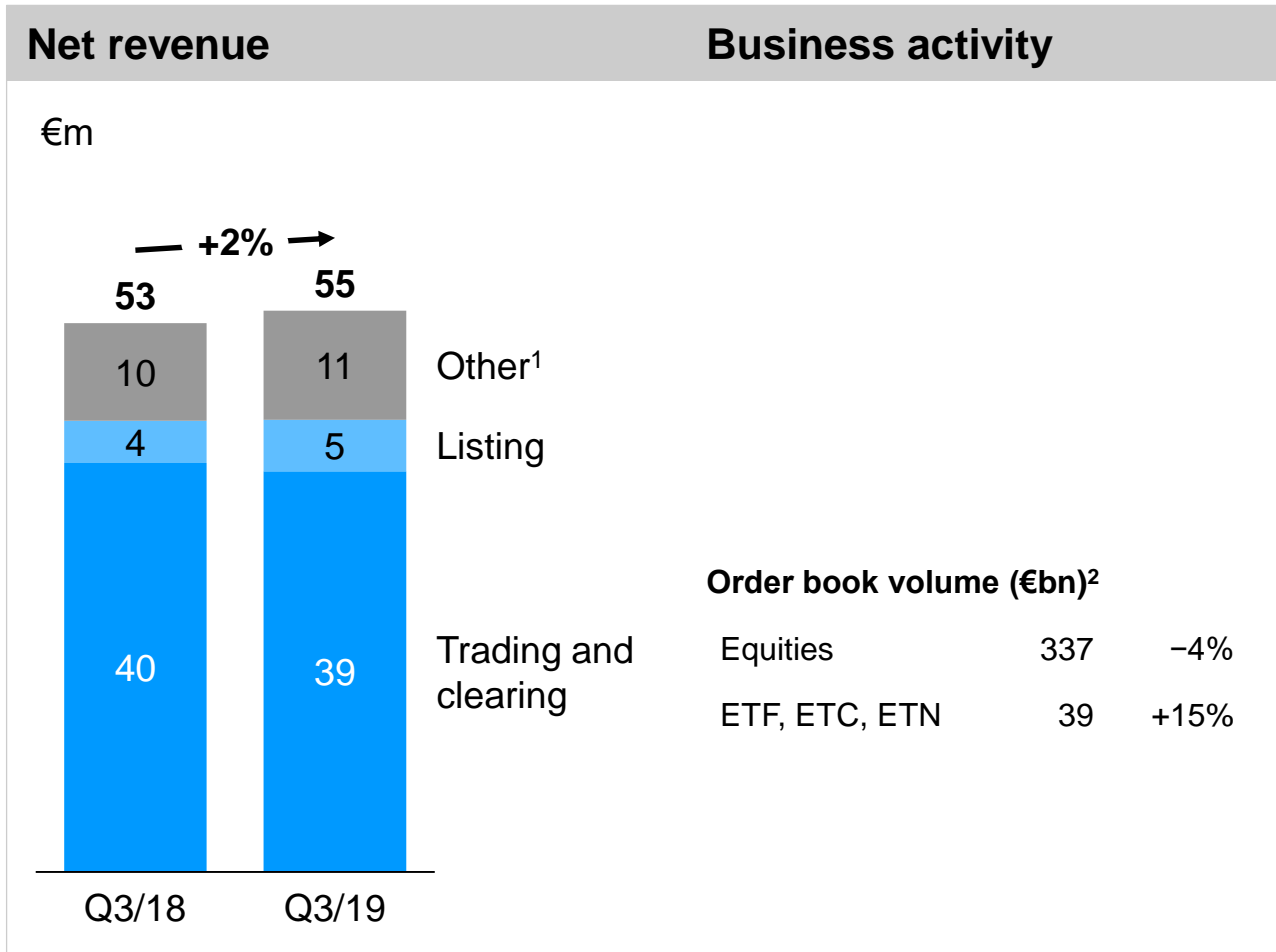
Q3/2019 – 360T (foreign exchange)



Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

1) Including net revenue from connectivity and member fees

Q3/2019 – Xetra (cash equities)

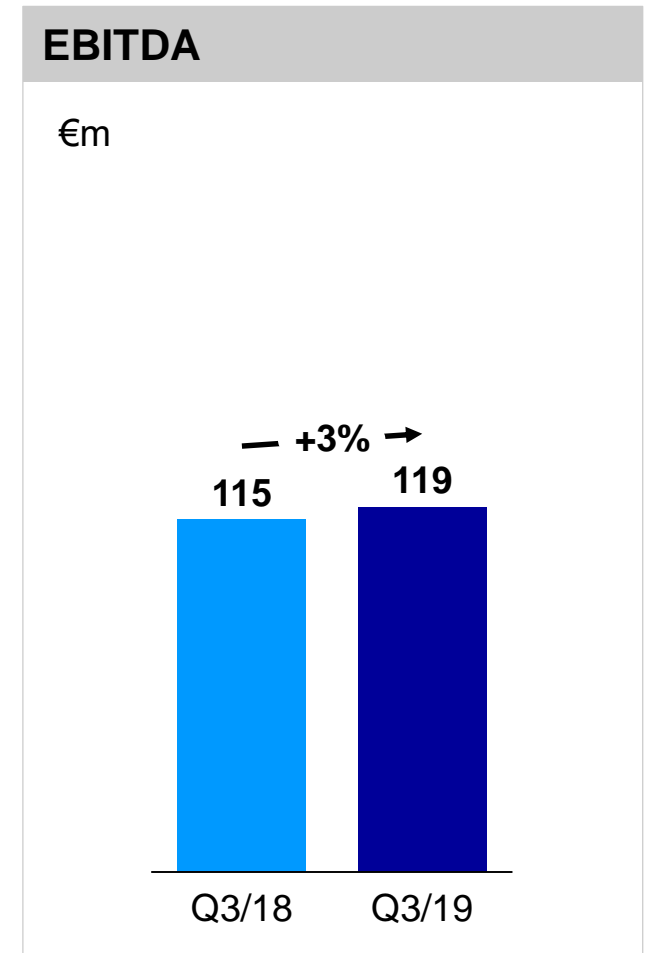
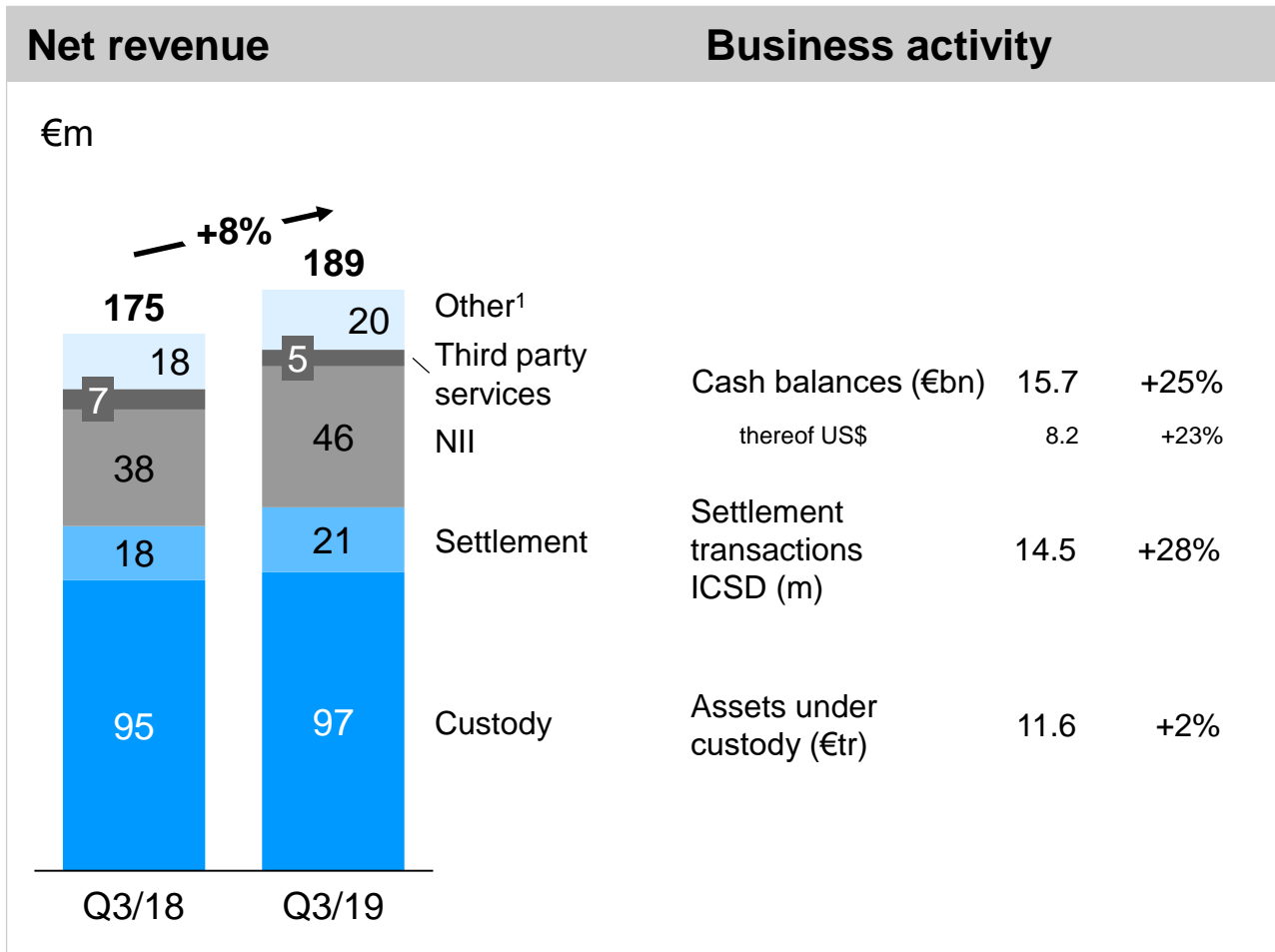


Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

1) Including net revenue from connectivity

2) Xetra, Börse Frankfurt and Tradegate

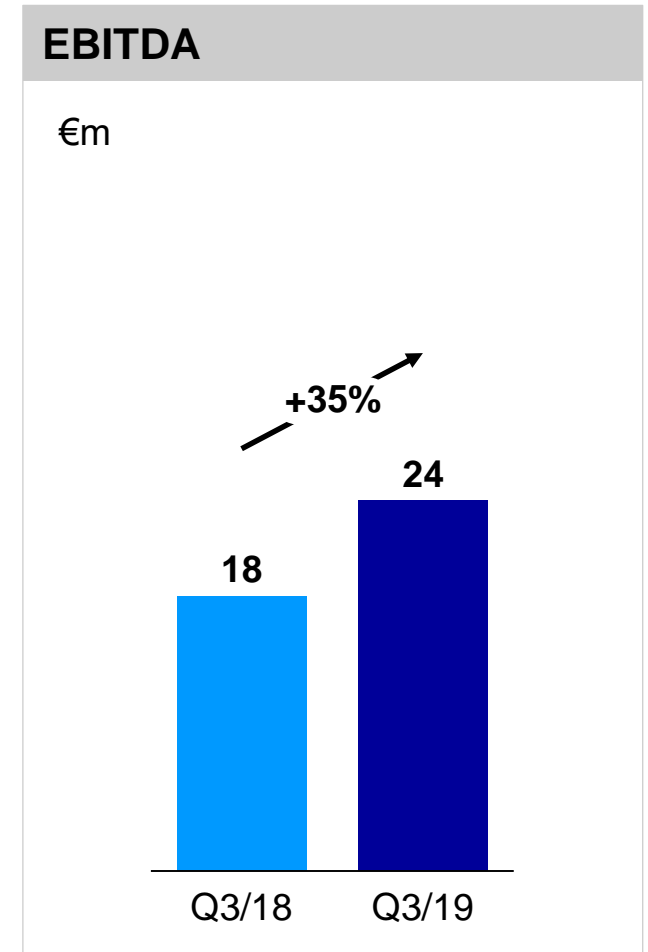
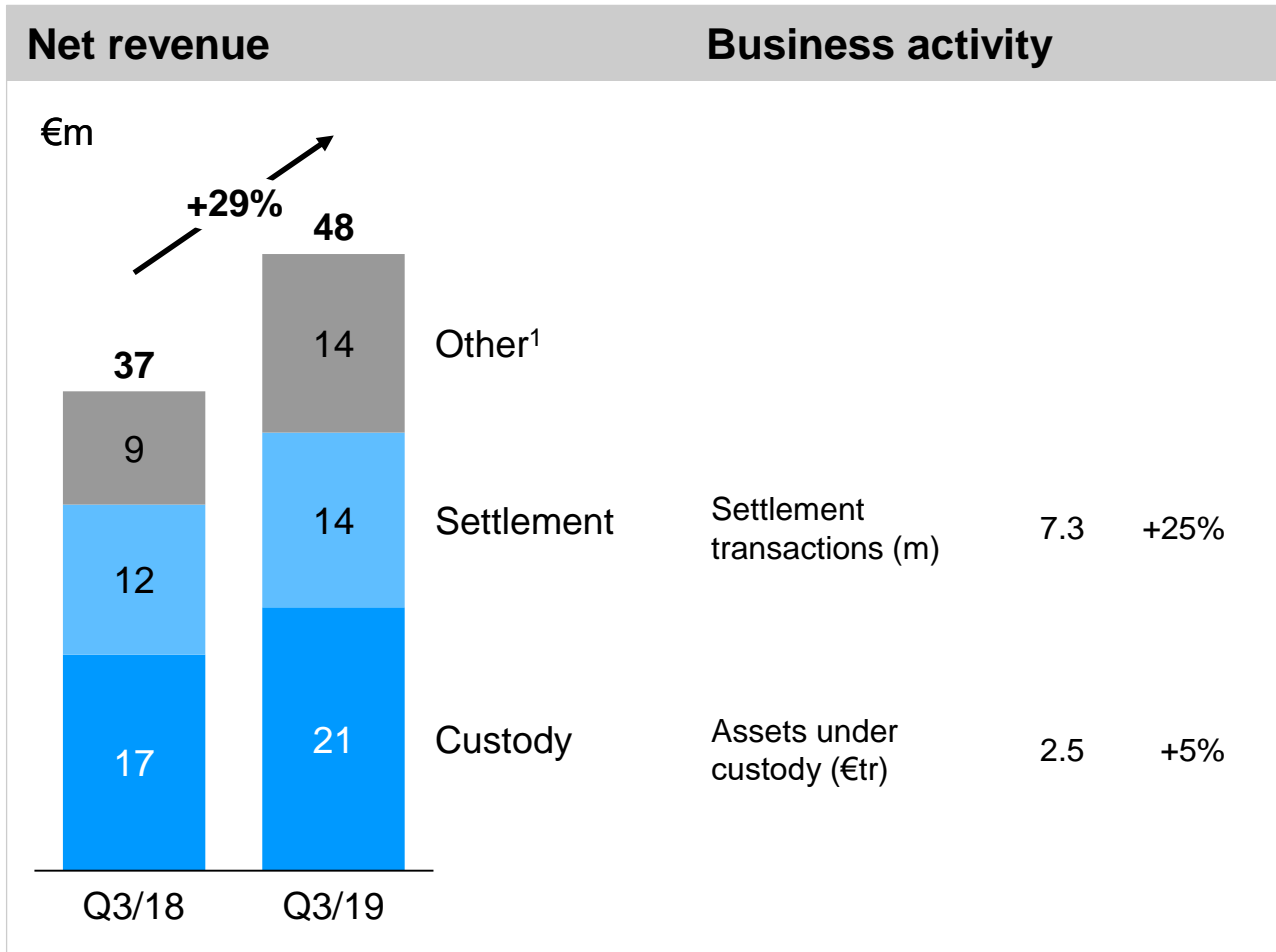
Q3/2019 – Clearstream (post-trading)



Note: Net revenue Q3/18 and EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

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

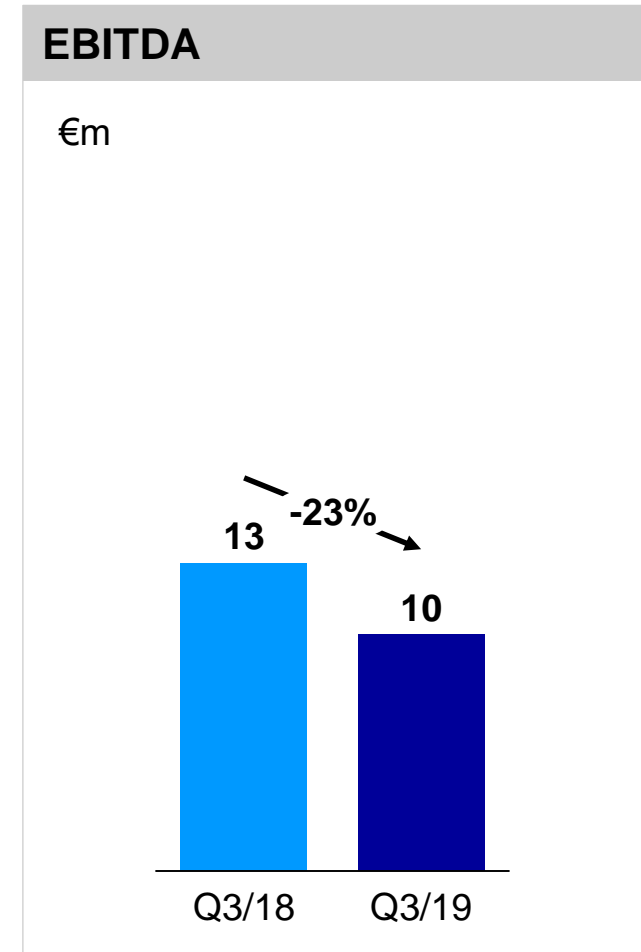
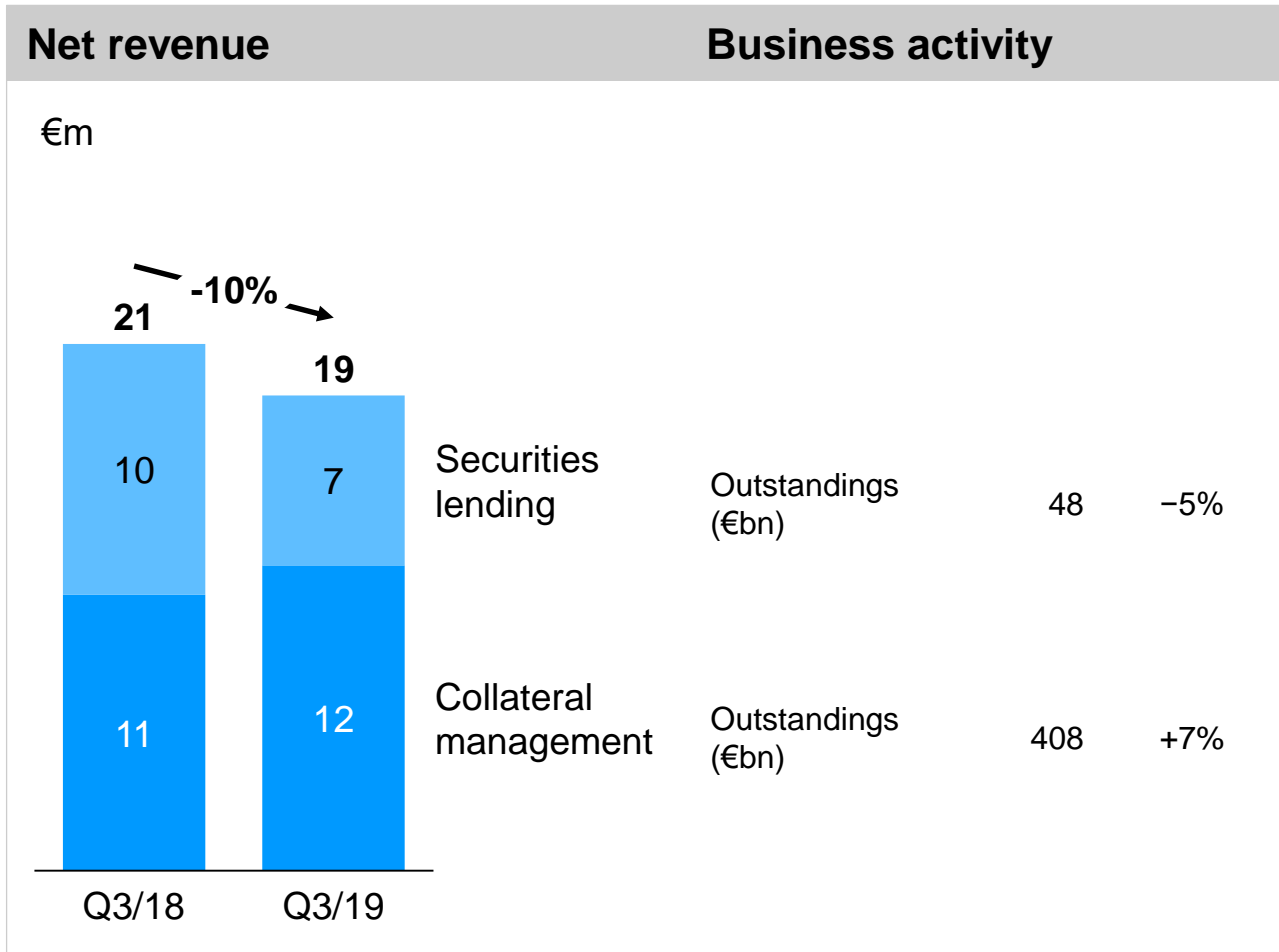
Q3/2019 – IFS (investment fund services)



Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

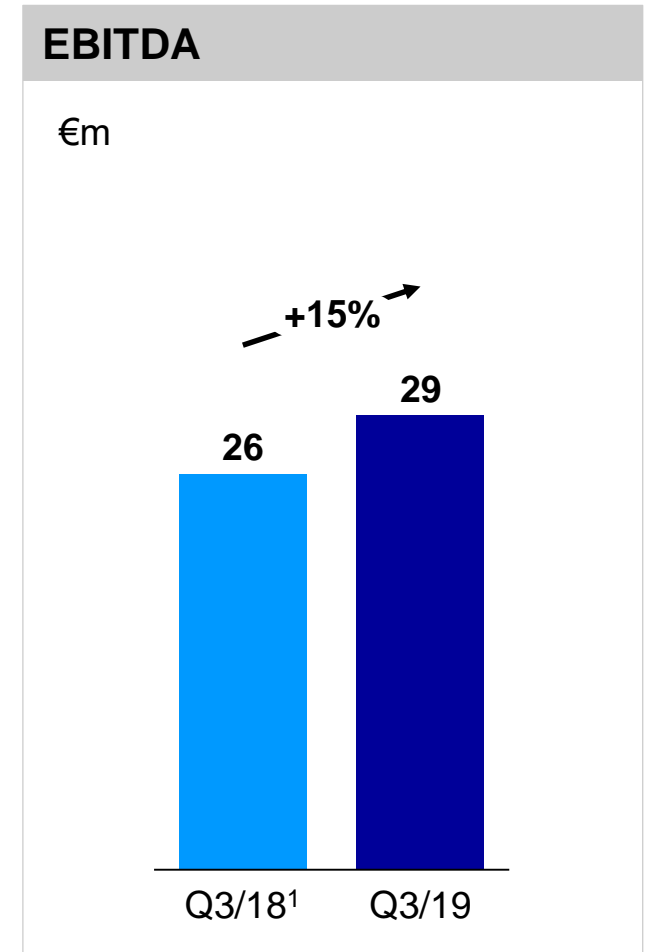
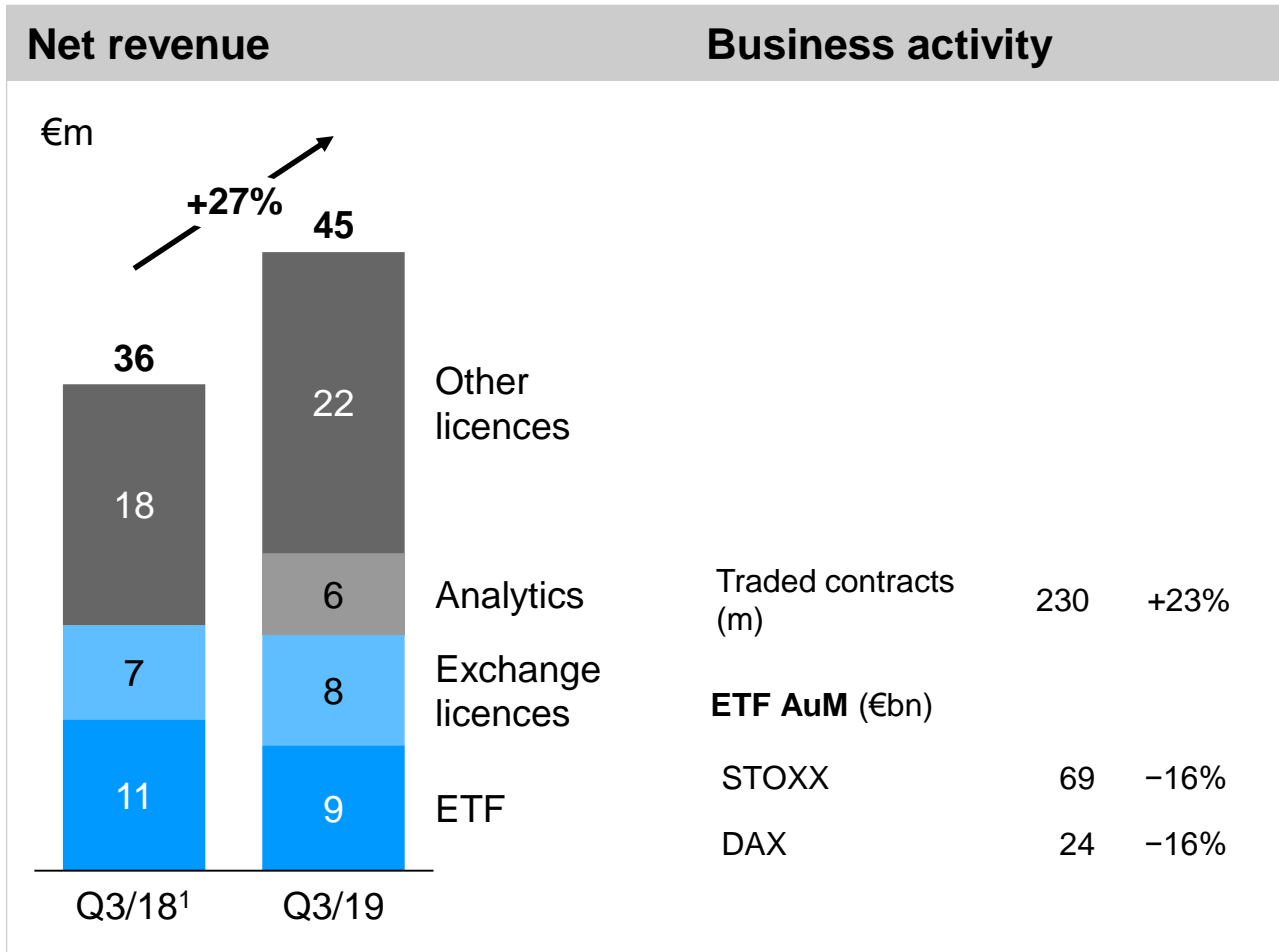
1) Including net revenue from connectivity, order routing, Clearstream Fund Desk and Ausmaq

Q3/2019 – GSF (collateral management)



Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

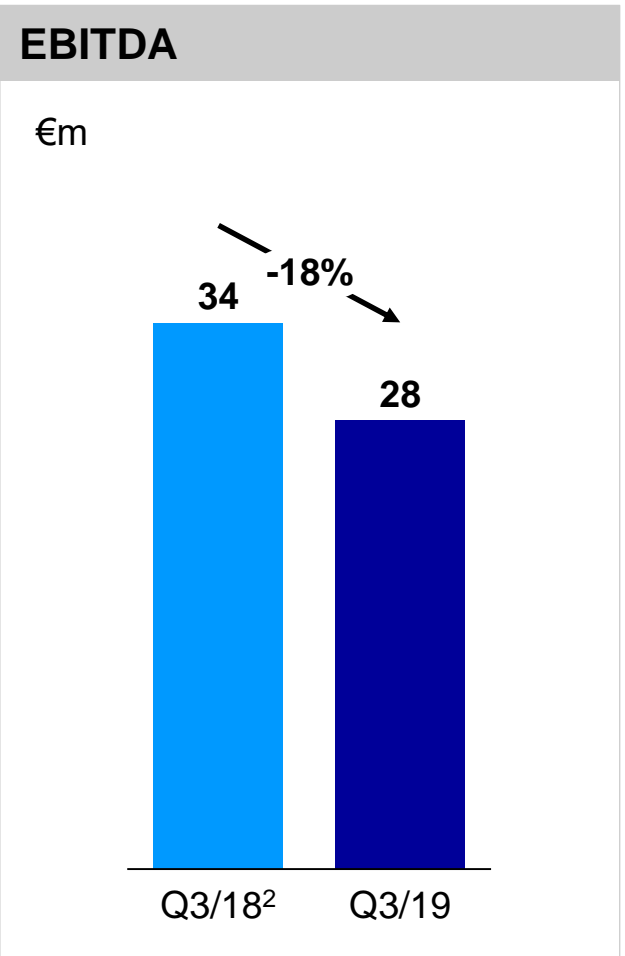
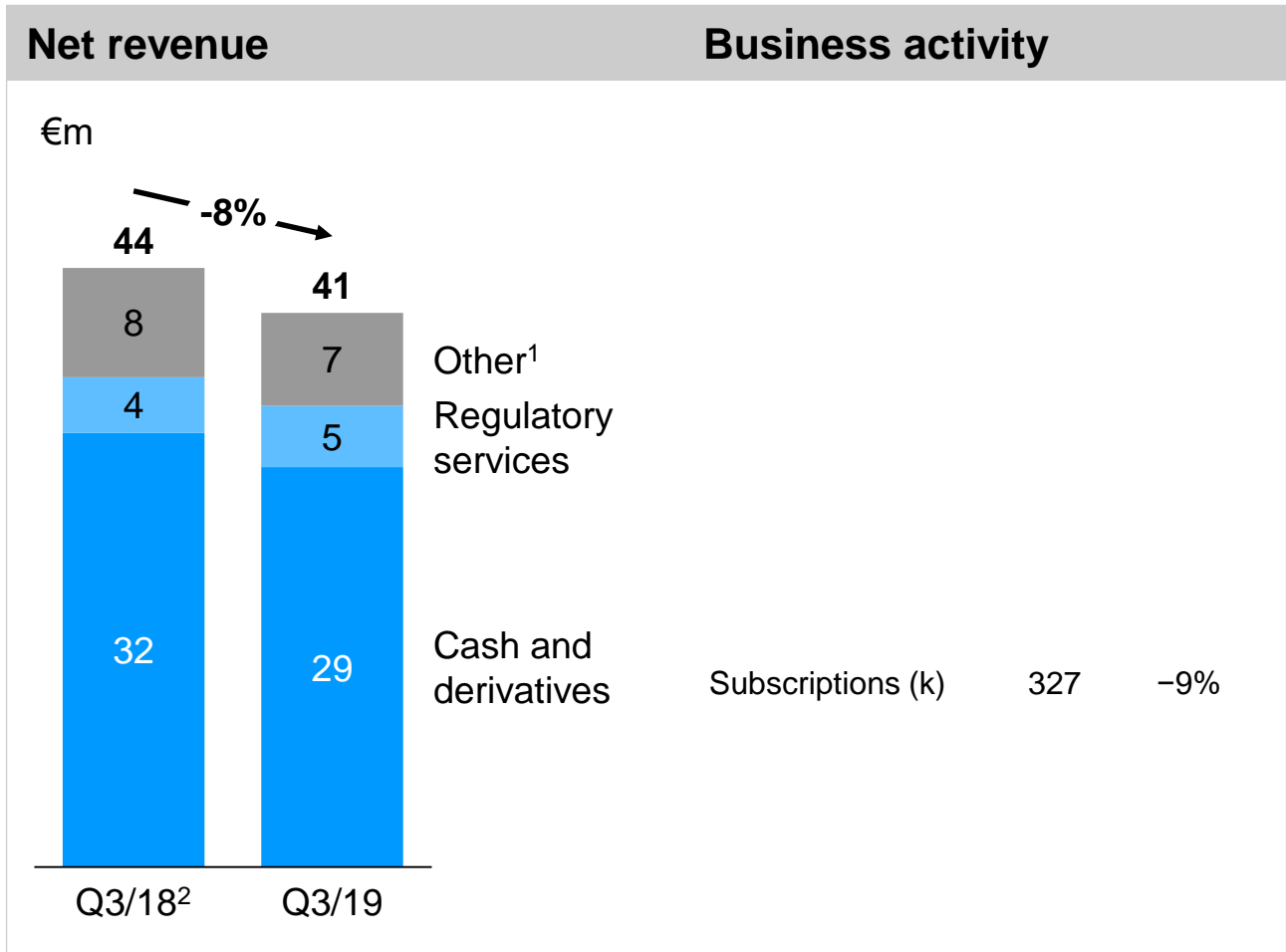
Q3/2019 – Qontigo (index and analytics business)



Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

1) As part of resegmentation €3.1m net revenue has been restated from Data in Q3/2018

Q3/2019 – Data

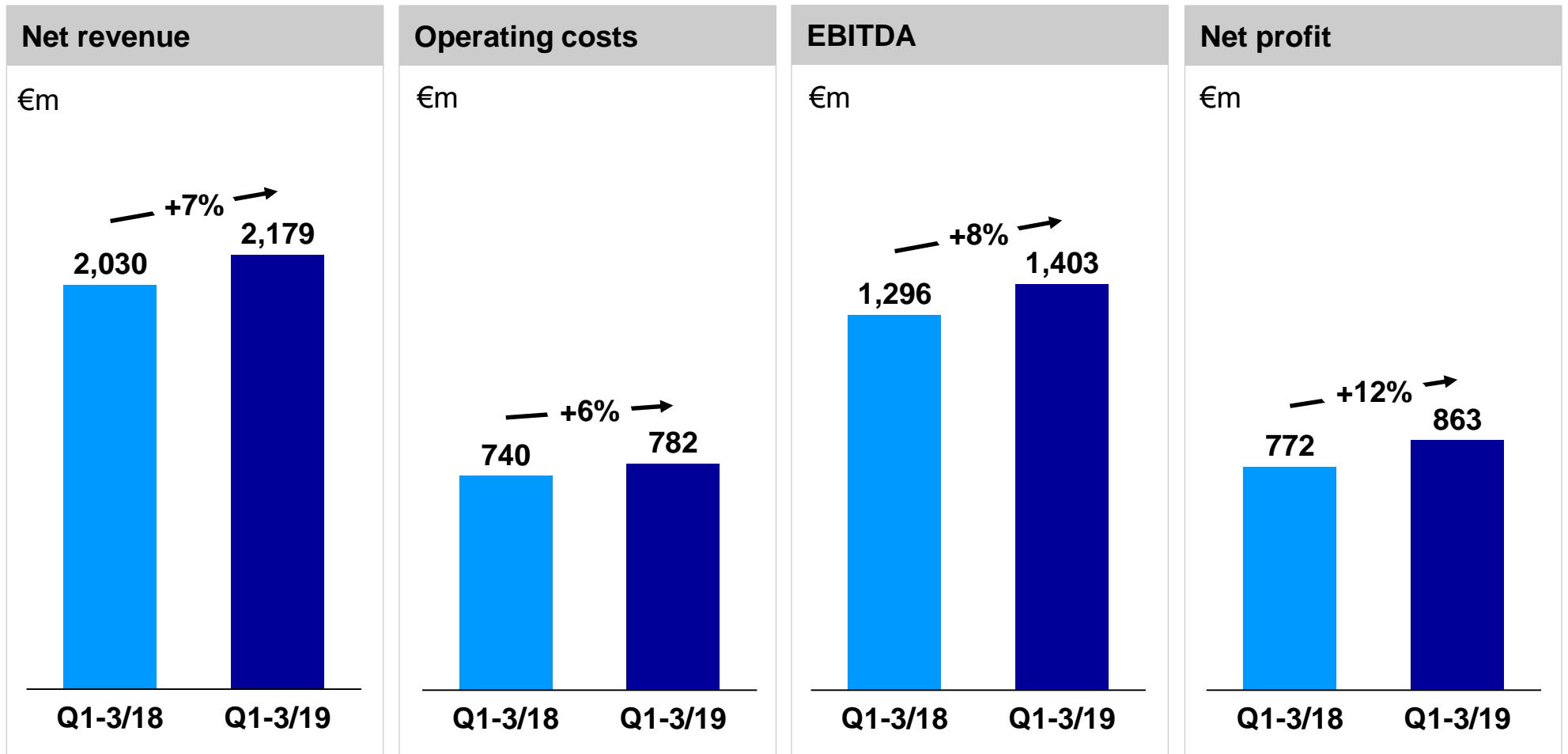


Note: EBITDA adjusted for exceptional items; EBITDA Q3/18 non-GAAP indicative figures

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

2) As part of resegmentation €3.1m net revenue has been restated to Qontigo in Q3/2018

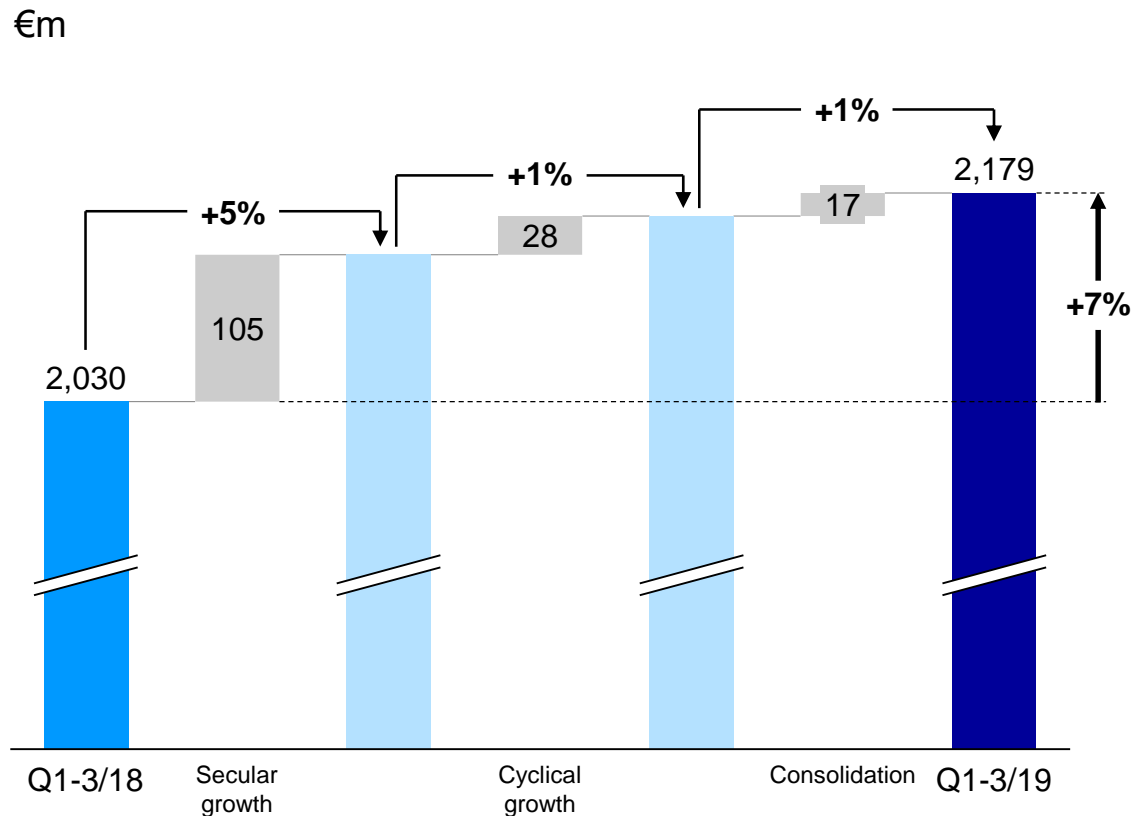
Q1-3/2019 – group financials



Note: Net revenue (Q1-3/18) and operating costs adjusted for exceptional items; operating costs and EBITDA Q1-Q3/18 non-GAAP indicative figures.

Q1-3/2019 – secular net revenue growth in line with the company's plan

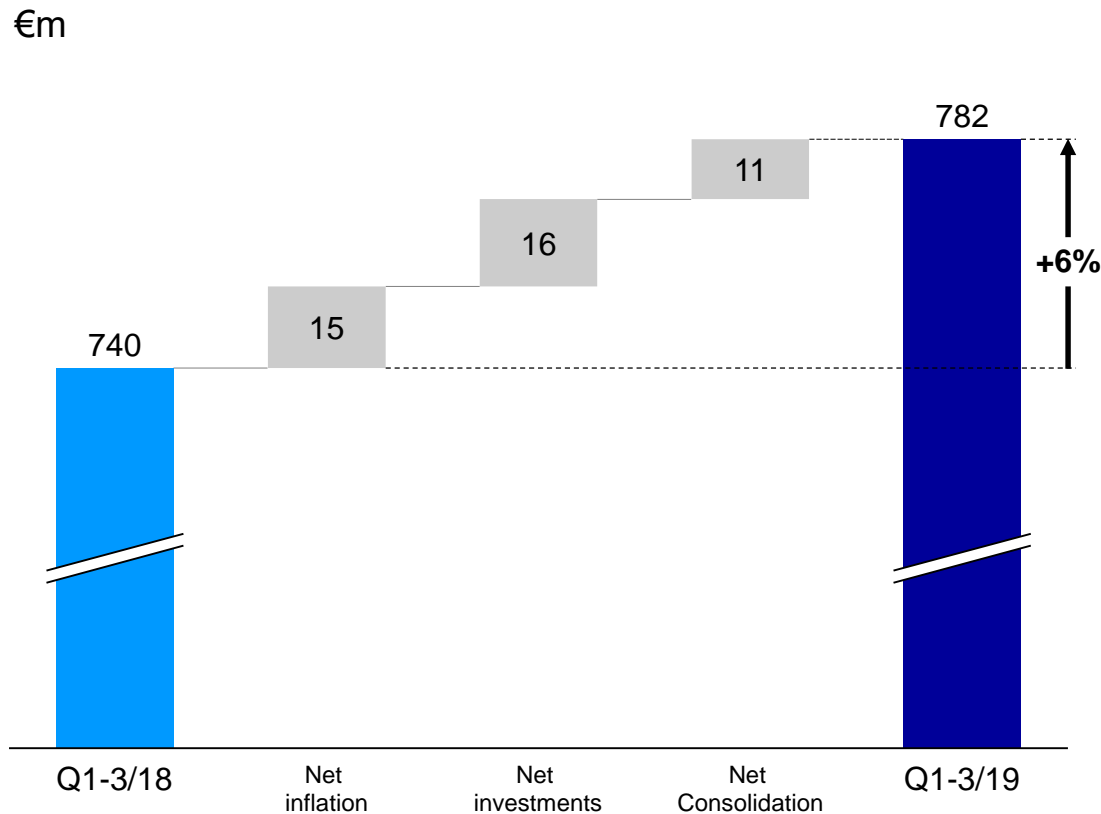
Net revenue growth drivers in Q1-3/2019



- All segments, except GSF, contributed to secular net revenue growth (+5%). Major contributors were Eurex (~€44m) with OTC clearing, product innovation and pricing, as well as EEX (~€21m) with market share gains.
- Cyclical net revenue development (+1%) benefited mainly from higher net interest income at Clearstream, which was partly off-set by lower market volatility.
- Consolidation effects (+1%) driven by IFS (Swisscanto, Ausmaq ~€11m), Qontigo (Axioma ~€6m) and 360T (GTX ~€5m), were partly off-set by discontinuation of managed services as part of third party services at Clearstream.

Q1-3/2019 – operating cost development

Operating cost growth drivers in Q1-3/2019



- In total, adjusted operating costs increased by ~6% in Q1-3/2019.
- Inflationary pressures and higher share based compensation were partly off-set by lower provisions for variable compensation (net +€15m).
- Investments in growth initiatives, new technology and regulations were largely off-set by cost savings from the structural performance improvement programme (net +€16m).
- Consolidation effects driven by IFS (Swisscanto, Ausmaq), Qontigo (Axioma) and 360T (GTX) were partly off-set by discontinuation of managed services as part of third party services at Clearstream (net +€11m).

Note: Operating costs adjusted for exceptional items; operating costs Q1-Q3/18 non-GAAP indicative figures.

Appendix

Income statement – group level adjusted

€m	Quarter ended 30 September 2019	Quarter ended 30 September 2018
Sales revenue	766.6	682.0
Net interest income from banking business	60.6	48.6
Other operating income	3.3	5.2
Total revenue	830.5	735.8
Volume-related costs	-96.7	-84.4
Net revenue	733.8	651.4
Staff costs	-178.4	-163.8
Other operating expenses	-95.1	-96.3
Operating costs	-273.5	-260.1
Net income from strategic investments	1.4	3.8
Earnings before interest, tax, depreciation and amortization (EBITDA)	461.7	395.1
Depreciation, amortization and impairment losses	-53.6	-43.8
Earnings before interest and tax (EBIT)	408.1	351.3
Financial result	-16.8	-15.1
Earnings before tax (EBT)	391.3	336.2
Income tax expense and other tax	-101.9	-90.7
Net profit for the period	289.4	245.5
thereof attributable to Deutsche Börse shareholders	282.9	239.6
thereof attributable to non-controlling interests	6.5	5.9
Earnings per share (basic) (€)	1.54	1.30

Income statement – group level reported

€m	Quarter ended 30 September 2019	Quarter ended 30 September 2018
Sales revenue	766.6	682.0
Net interest income from banking business	60.6	48.6
Other operating income	3.3	14.5
Total revenue	830.5	745.1
Volume-related costs	-96.7	-84.4
Net revenue	733.8	660.7
Staff costs	-193.6	-173.1
Other operating expenses	-125.9	-116.0
Operating costs	-319.5	-289.1
Net income from strategic investments	1.4	3.8
Earnings before interest, tax, depreciation and amortization (EBITDA)	415.7	375.4
Depreciation, amortization and impairment losses	-53.9	-44.1
Earnings before interest and tax (EBIT)	361.8	331.3
Financial result	-16.8	-15.1
Earnings before tax (EBT)	345.0	316.2
Income tax expense and other tax	-89.9	-85.3
Net profit for the period	255.1	230.9
thereof attributable to Deutsche Börse shareholders	248.6	225.0
thereof attributable to non-controlling interests	6.5	5.9
Earnings per share (basic) (€)	1.35	1.22

Income statement – segmental level I/II

€m	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)		Q3/2018
	Q3/2019	Q3/2018	Q3/2019	Q3/2018	Q3/2019	Q3/2018	Q3/2019		
Net revenue	242.1	202.6	70.4	61.6	24.4	20.9	54.5	53.3	
Staff costs adj.	-43.1	-39.9	-20.1	-18.1	-9.1	-9.0	-16.3	-15.8	
Other operating expenses adj.	-27.8	-30.9	-13.6	-16.4	-3.7	-3.3	-7.9	-8.7	
Operating costs adj.	-70.9	-70.8	-33.7	-34.5	-12.8	-12.3	-24.2	-24.5	
Operating costs reported	-76.3	-79.0	-37.9	-35.8	-12.2	-9.2	-24.7	-25.3	
Result from equity investments	1.2	3.0	–	–	–	–	0.8	1.4	
EBITDA adj.	172.4	134.8	36.7	27.1	11.6	8.6	31.1	30.2	

Note: Net revenue Q3/18 and operating costs adjusted for exceptional items

Income statement – segmental level II/II

€m	Clearstream	IFS (investment		GSF		Qontigo (index and		Data		
	(post-trading)	fund services)		(collateral management)		analytics business)				
	Q3/2019	Q3/2018	Q3/2019	Q3/2018	Q3/2019	Q3/2018	Q3/2019	Q3/2018	Q3/2019	Q3/2018
Net revenue	189.1	174.7¹	48.0	37.3	19.3	21.4	45.4	35.7	40.6	43.9
Staff costs adj.	-47.3	-44.6	-17.6	-14.7	-6.3	-6.8	-10.2	-6.0	-8.4	-8.9
Other operating expenses adj.	-23.1	-19.9	-6.4	-5.9	-2.8	-2.8	-5.8	-4.5	-4.0	-3.9
Operating costs adj.	-70.4	-64.5	-24.0	-20.6	-9.1	-9.6	-16.0	-10.5	-12.4	-12.8
Operating costs reported	-75.8	-69.1	-28.3	-22.1	-9.7	-10.1	-37.3	-11.7	-17.3	-17.5
Result from equity investments	–	-0.3	–	–	-0.6	–	–	–	–	–
EBITDA adj.	118.7	109.9	24.0	16.7	9.6	11.8	29.4	25.2	28.2	30.8

1) Adjusted for exceptional items

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

Financial calendar and contact details

Financial calendar

- 13 Nov 2019** UBS European Conference (London)
- 25 Nov 2019** Deutsches Eigenkapitalforum (Frankfurt)
- 3 Dec 2019** Berenberg European Conference (Pennyhill)
- 9 Jan 2020** Oddo BHF Forum (Lyon)
- 14 Jan 2020** German Investment Seminar (New York)
- 21 Jan 2020** UniCredit / Kepler Cheuvreux German Corporate Conference (Frankfurt)
- 17 Feb 2020** Q4 & FY/2019 preliminary results publication (7pm CET)
- 18 Feb 2020** Conference call Q4 & FY/2019 (2pm CET)

Contact details

Deutsche Börse AG

Investor Relations

Mergenthalerallee 61

65760 Eschborn

Germany

Phone: +49 69 211 11670

Fax: +49 69 211 14608

E-Mail: ir@deutsche-boerse.com

www.deutsche-boerse.com/ir_e

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