

Q2/2018 Results

Analyst and Investor Conference Call

26 July 2018

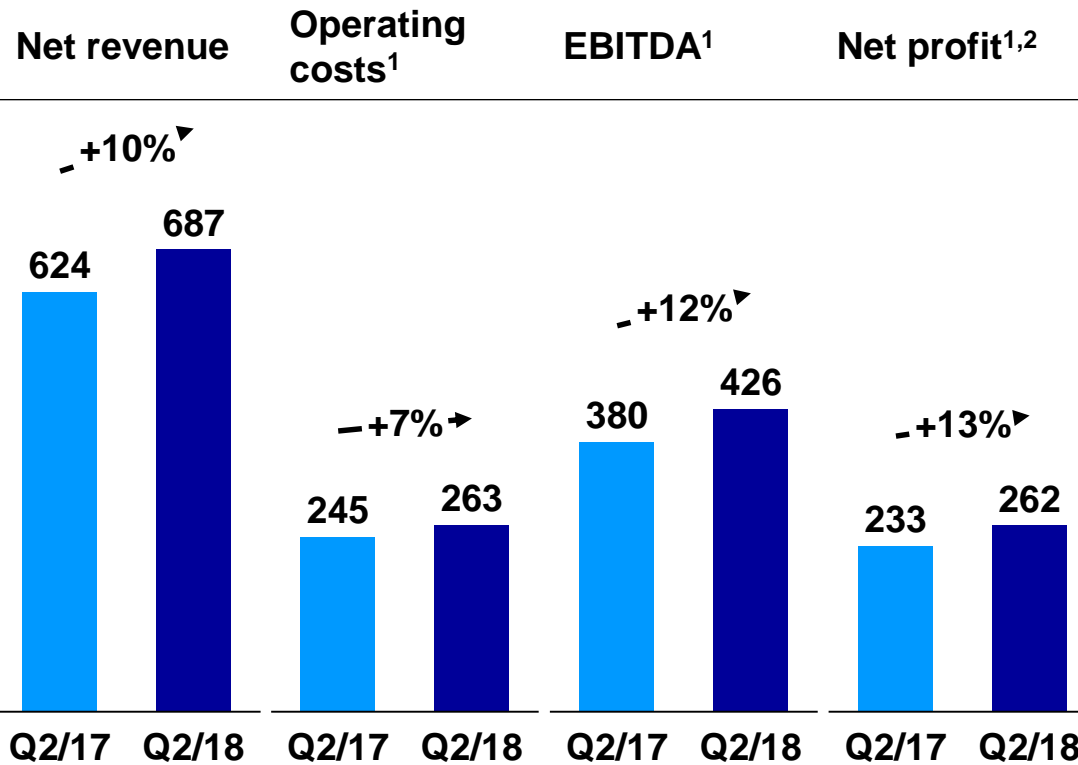
Highlights Q2/2018 results

- Net revenue in Q2/2018 increased to €687 million (+10%), adjusted operating costs stood at €263 million (+7%), adjusted EBITDA amounted to €426 million (+12%), and adjusted net profit increased to €262 million (+13%).
- Net revenue in H1/2018 amounted to €1,379 million (+11%); adjusted operating costs increased as planned to €517 million (+5%), mainly as a result of inflation and higher variable/ share-based compensation.
- Adjusted EBITDA in H1/2018 amounted to €864 million (+14%) and net profit to €533 million (+15%), which is prove for the scalability of the business model of Deutsche Börse.
- Very good progress on the different “Roadmap 2020” targets and initiatives in H1/2018:
 - Secular net revenue increased by ~7%, slightly above the guidance of at least 5%; in addition, cyclical net revenue benefitted from volatility and higher US rates (+4%); operating costs managed to ensure scalability.
 - Systematic M&A opportunity screening resulted in attractive add-on acquisitions in H1/2018: Swisscanto Funds Centre to complement IFS business and the GTX ECN to broaden geographic reach in the FX business.
 - Implementation of €100 million efficiency measures well-on track: non-staff cost measures decided; management delayering nearly completed; staff measures defined and negotiations to begin shortly.
 - Further progress: set-up of dedicated teams to further drive technology opportunities, new Executive Board members for Trading & Clearing (T. Book) and Post-trading, Data and Index (S. Leithner) since July.

Q2/2018 – Group financials

Revenue, costs and earnings development

€m



Revenue

- Net revenue: €687.0m (+10% y-o-y)
 - Net interest income: €55.0m (+64% y-o-y)

Operating Costs

- Operating costs¹: €262.9m (+7% y-o-y)
 - Adjusted for €54.3m exceptional items, which include restructuring, M&A integration and litigations

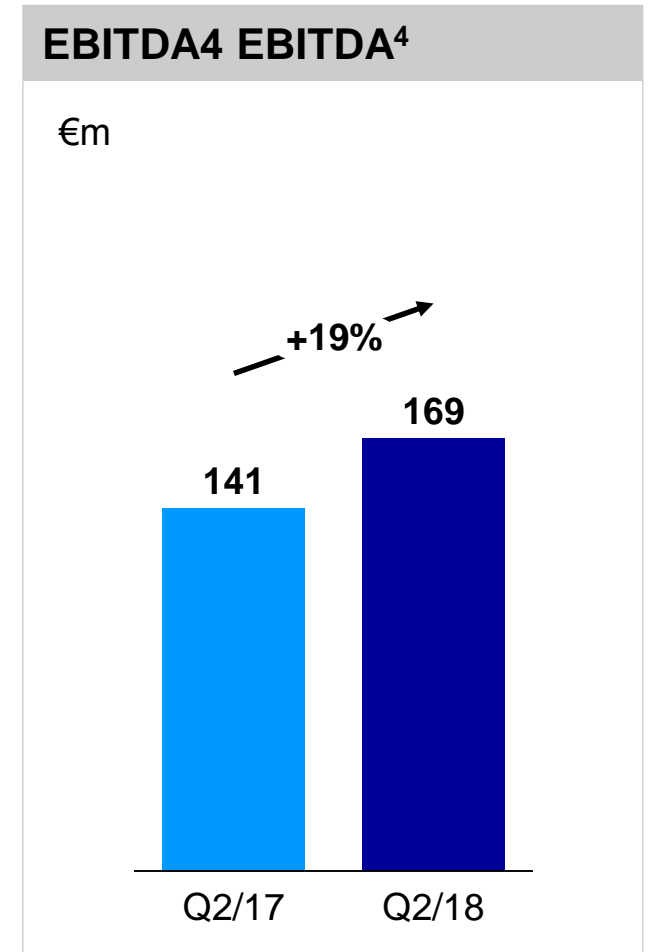
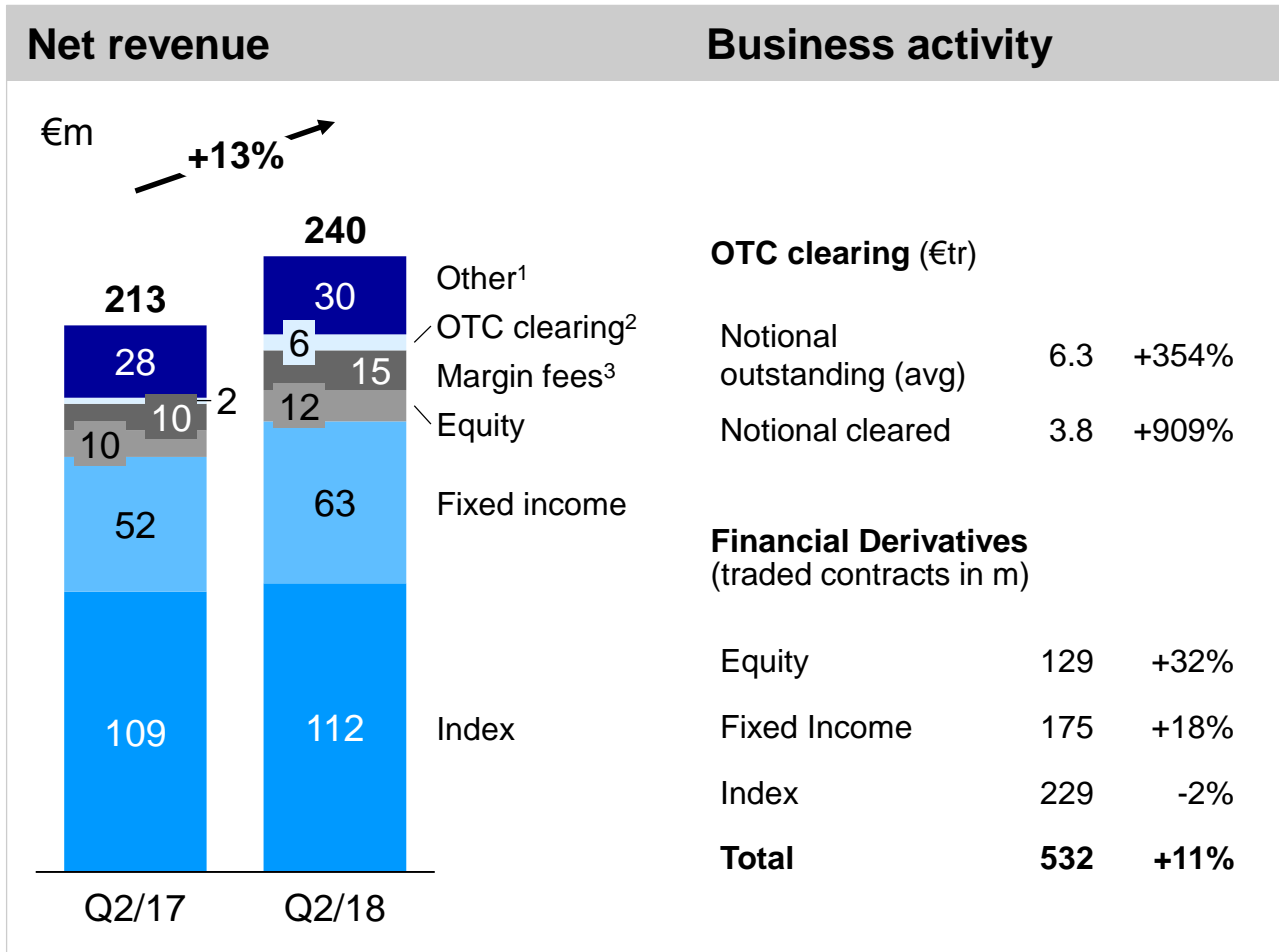
Earnings

- EBITDA¹: €425.5m (+12% y-o-y)
- Net profit^{1,2}: €261.9m (+13% y-o-y)
 - Adjusted for €16.3m exceptional write-offs
- EPS¹: €1.42 (+14% y-o-y)

1) Adjusted for exceptional items

2) Attributable to Deutsche Börse AG shareholders

Eurex (financial derivatives)



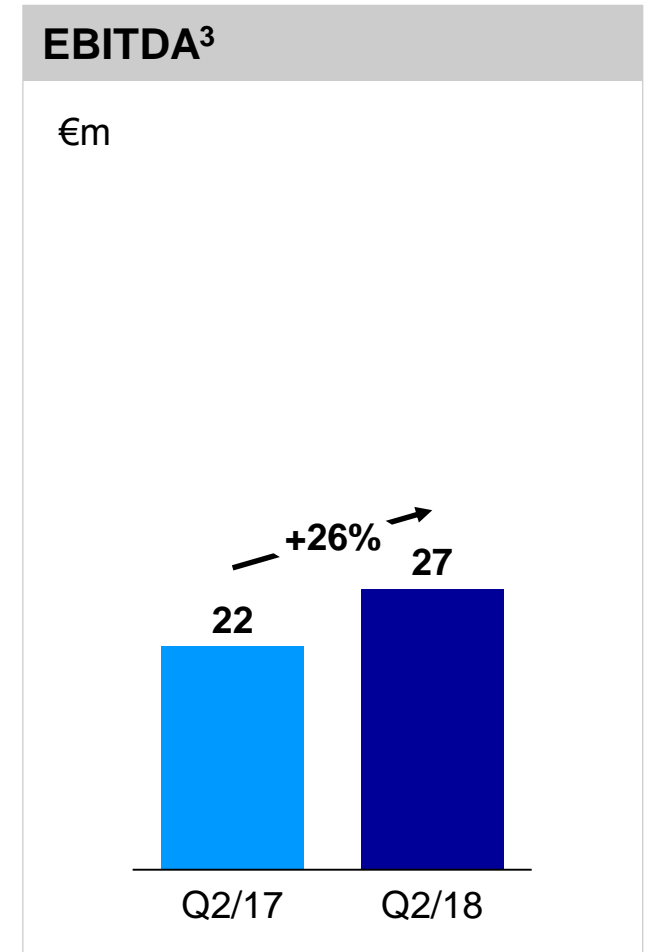
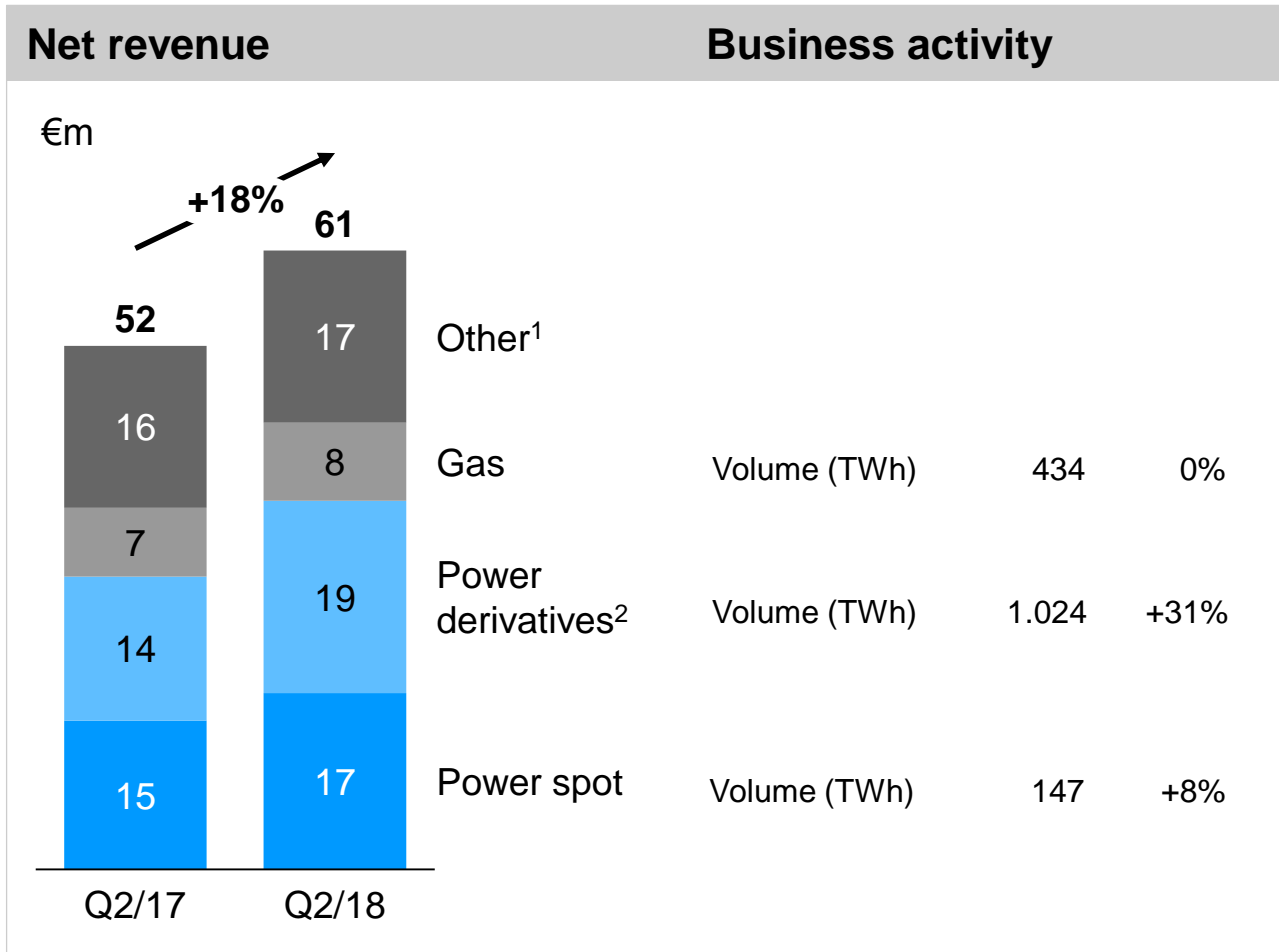
1) Including net revenue from connectivity and member fees

2) Including NII on OTC clearing related collateral

3) Including NII and securities collateral fee

4) Adjusted for exceptional items

EEX (commodities)

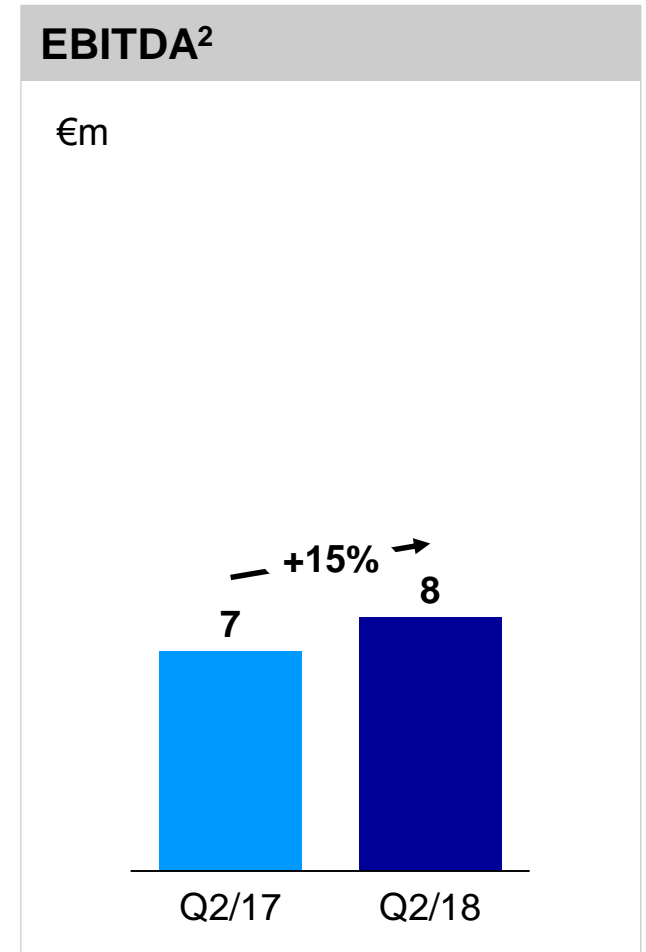
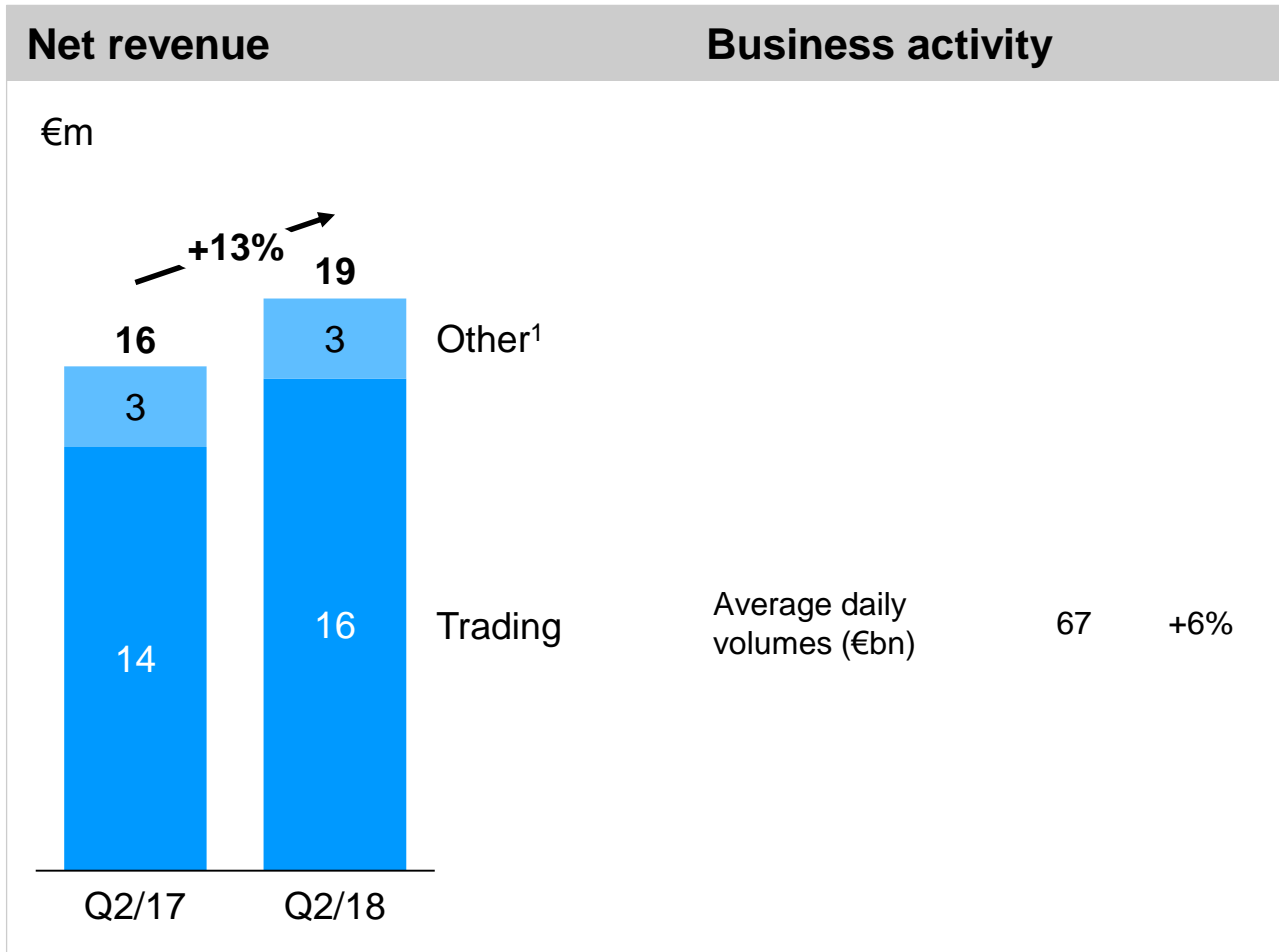


1) Including net revenue from connectivity, member fees and emission allowances

2) Including Nodal net revenue of €1.7 million in Q2/17 and €4.5 million in Q2/18

3) Adjusted for exceptional items

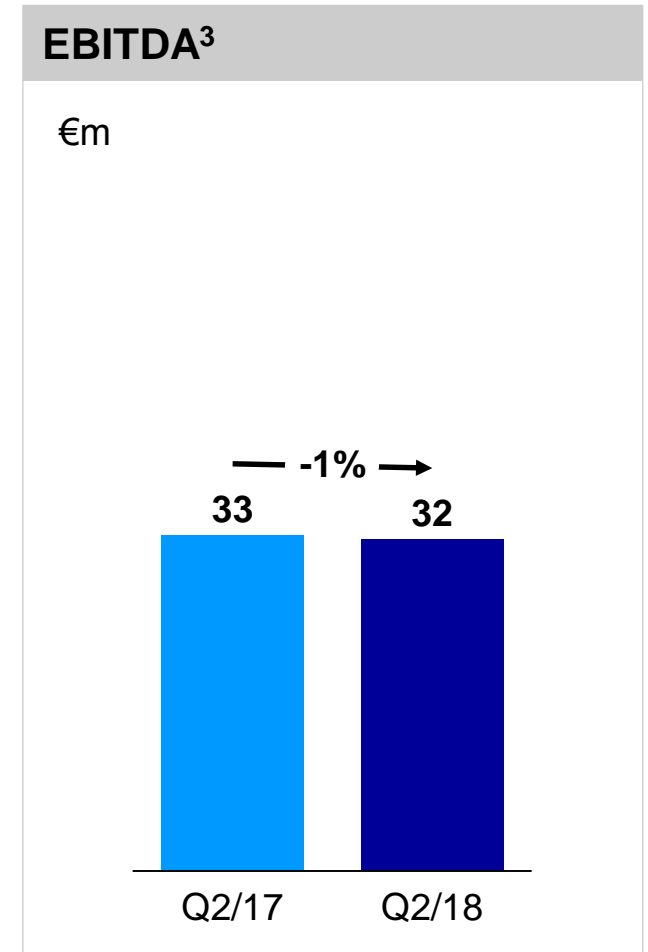
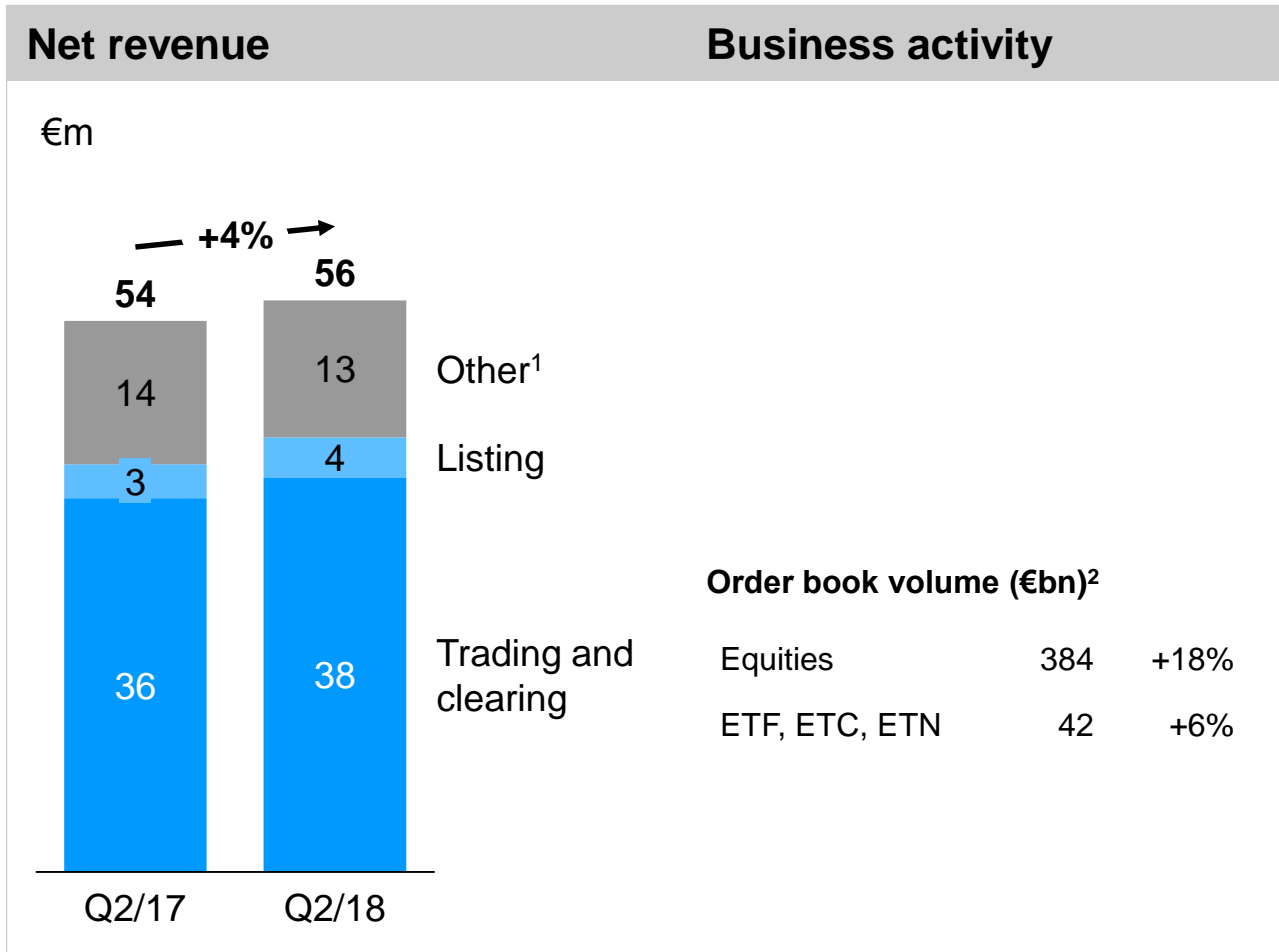
360T (foreign exchange)



1) Including net revenue from connectivity and member fees

2) Adjusted for exceptional items

Xetra (cash equities)

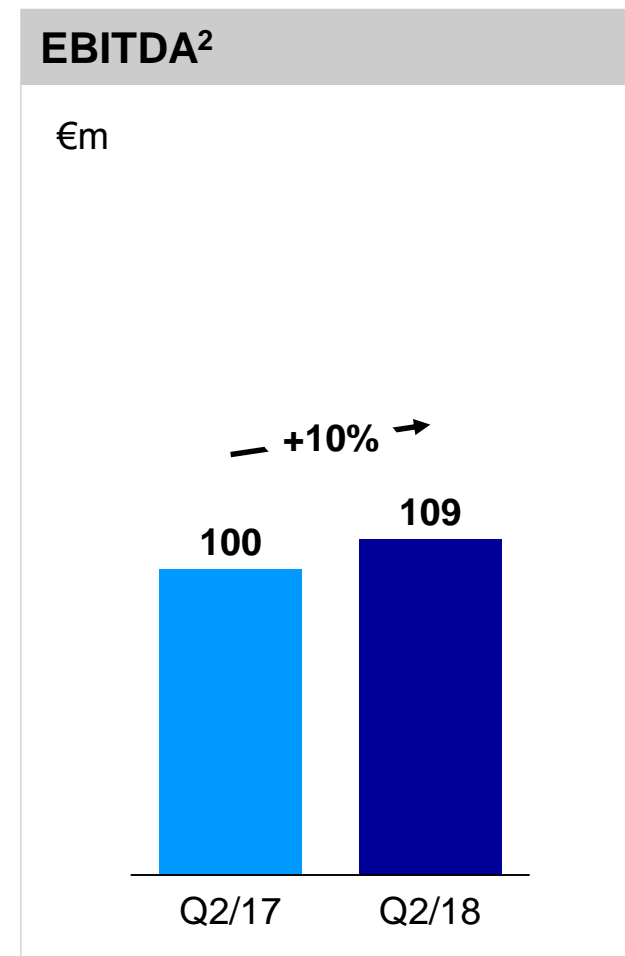
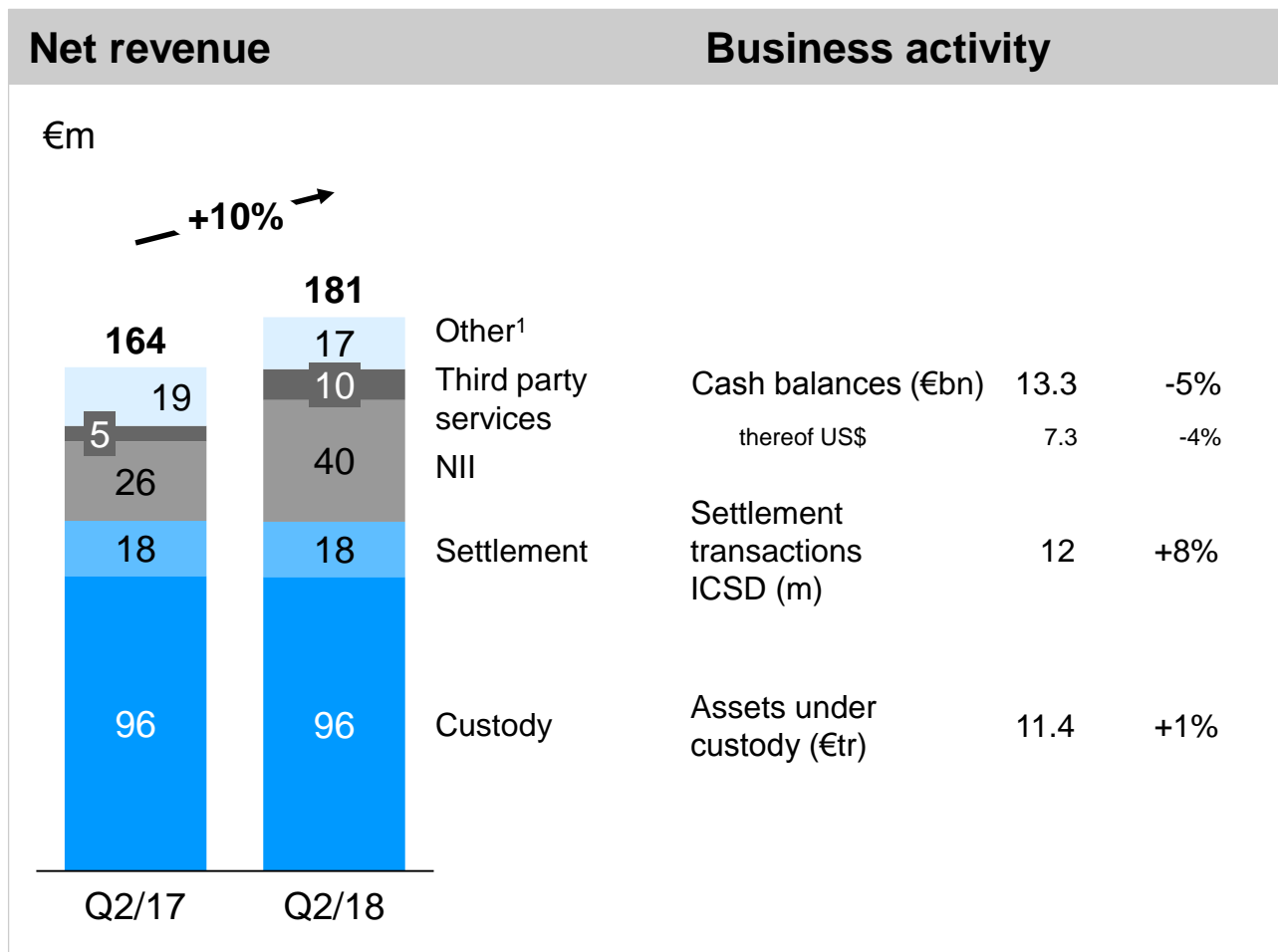


1) Including net revenue from connectivity and partner markets

2) Xetra, Börse Frankfurt and Tradegate

3) Adjusted for exceptional items

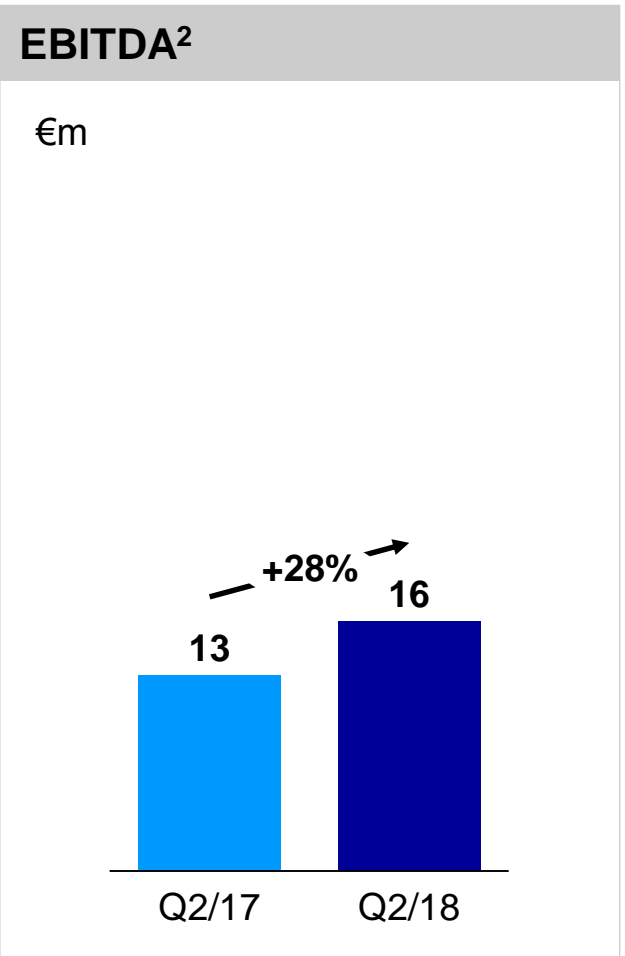
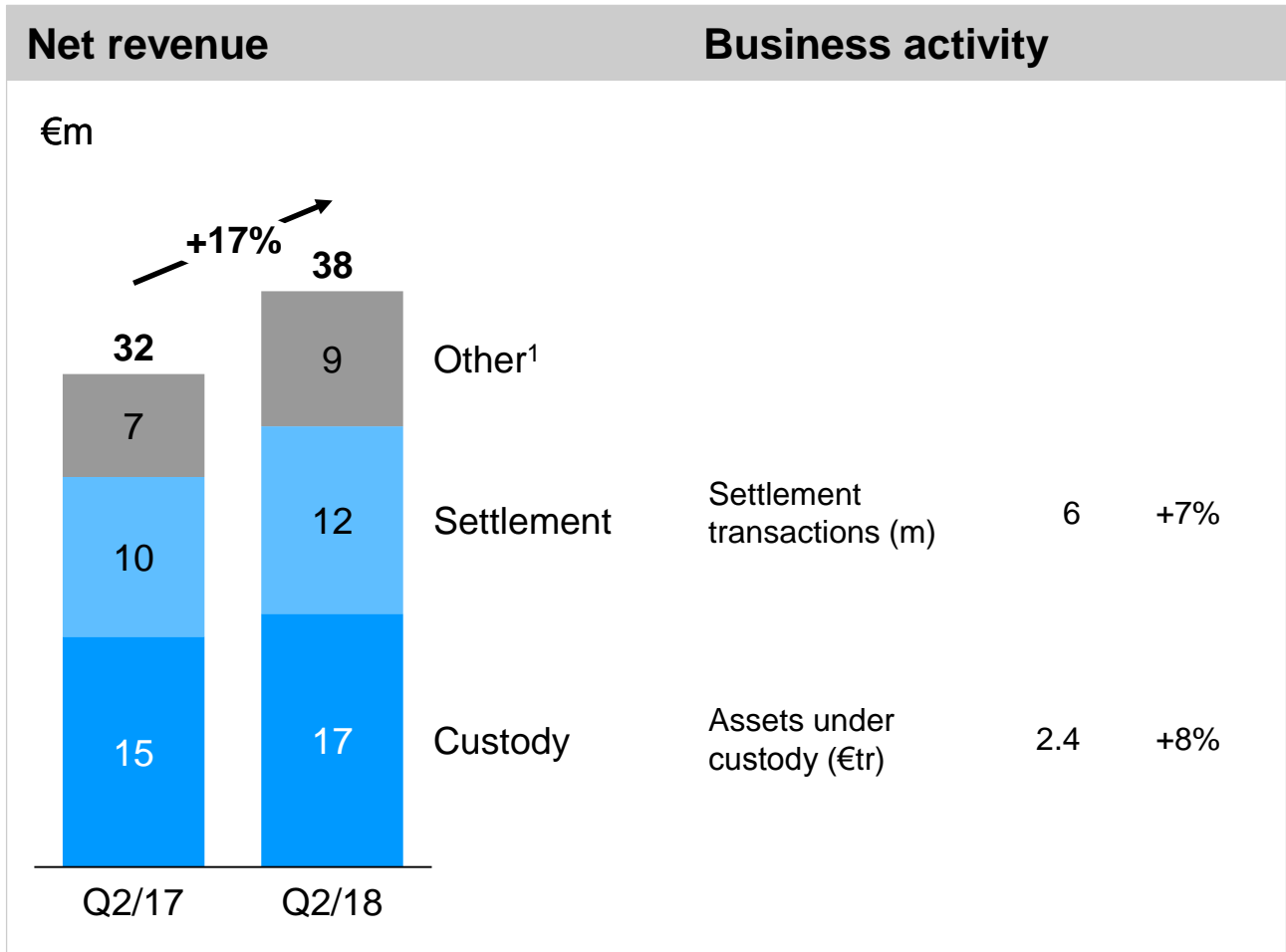
Clearstream (post-trading)



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

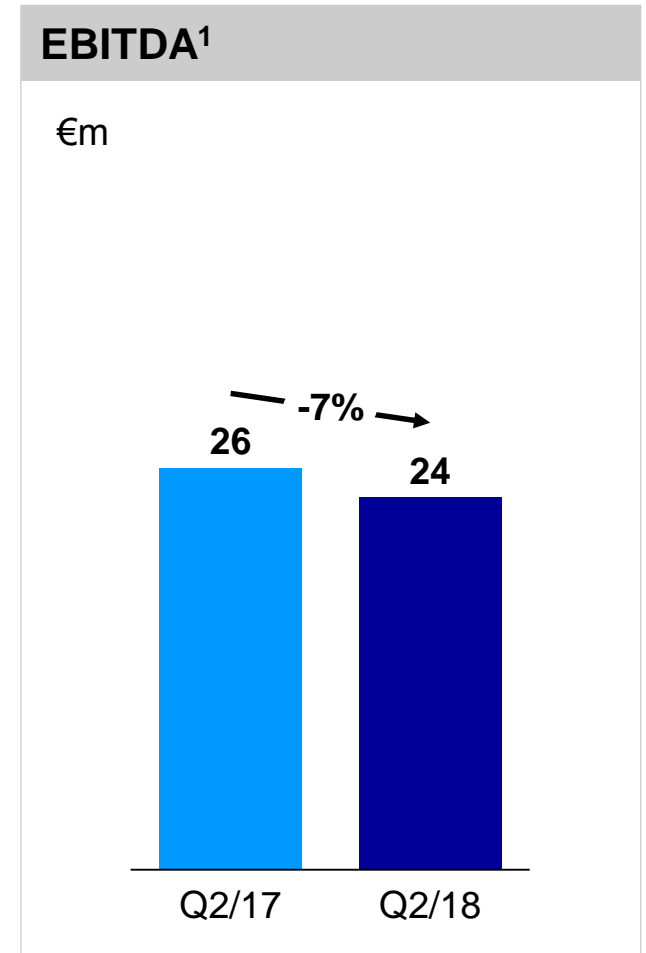
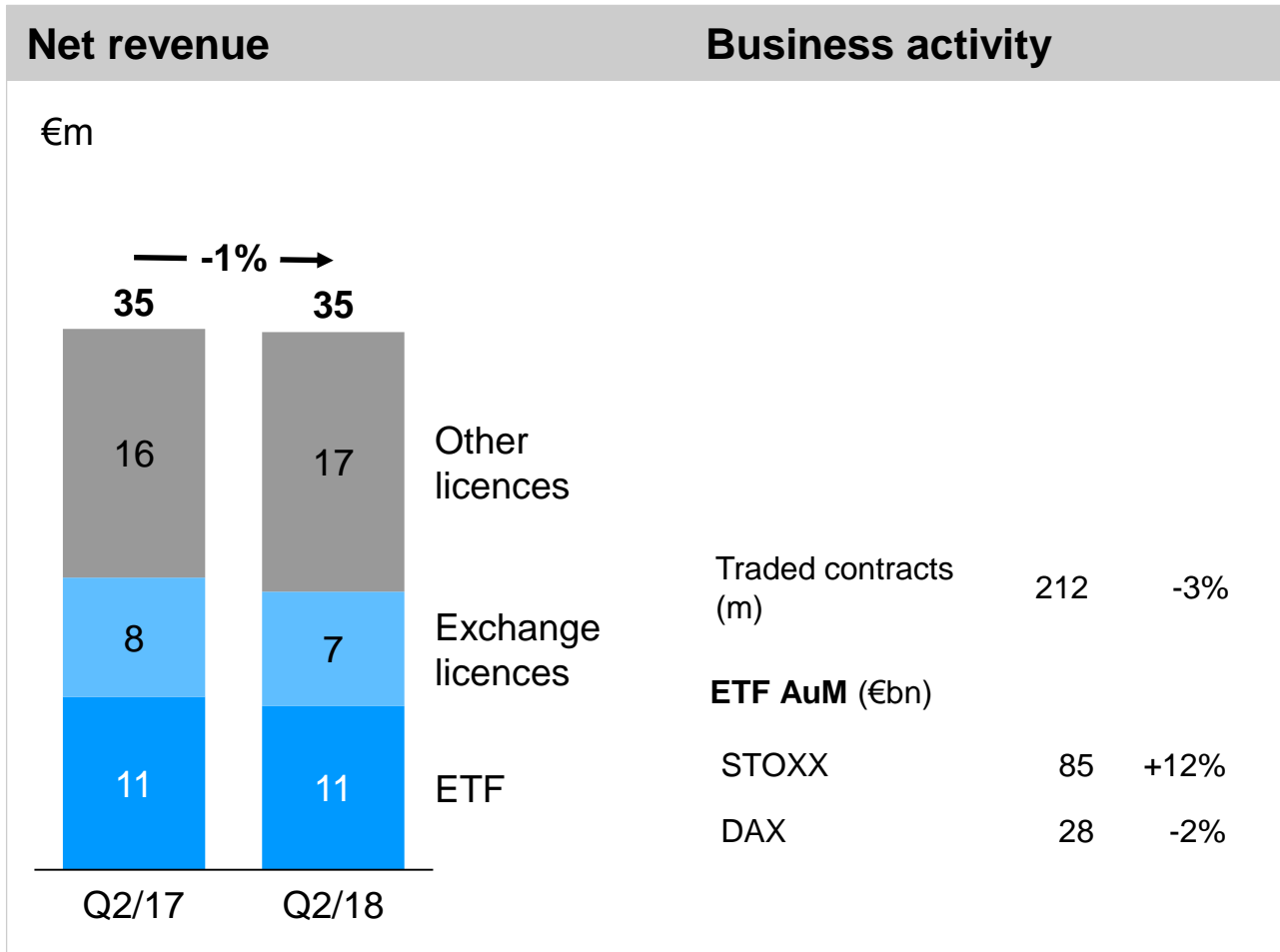
2) Adjusted for exceptional items

IFS (investment fund services)



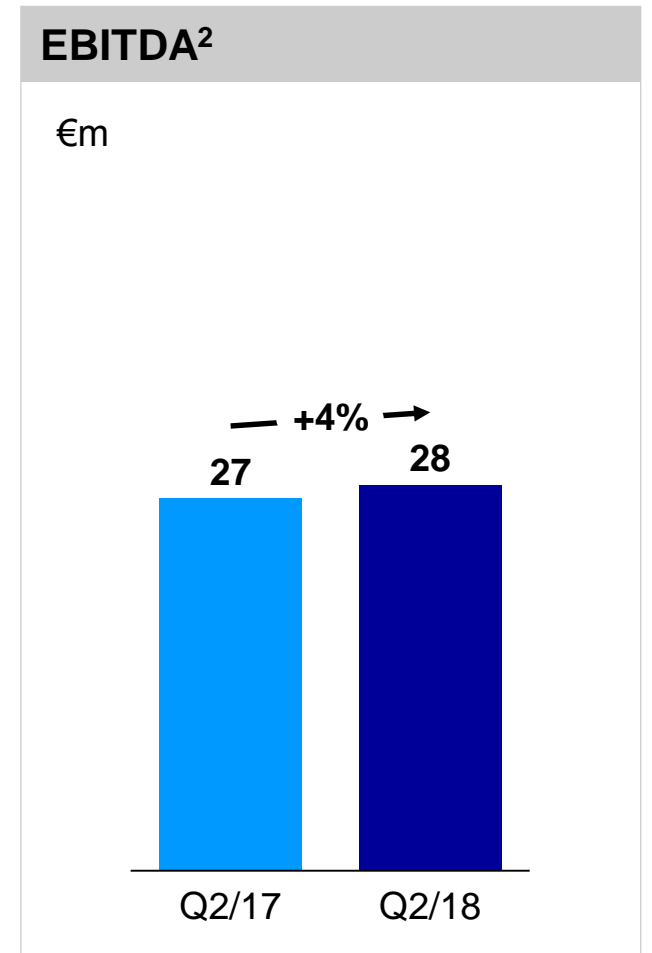
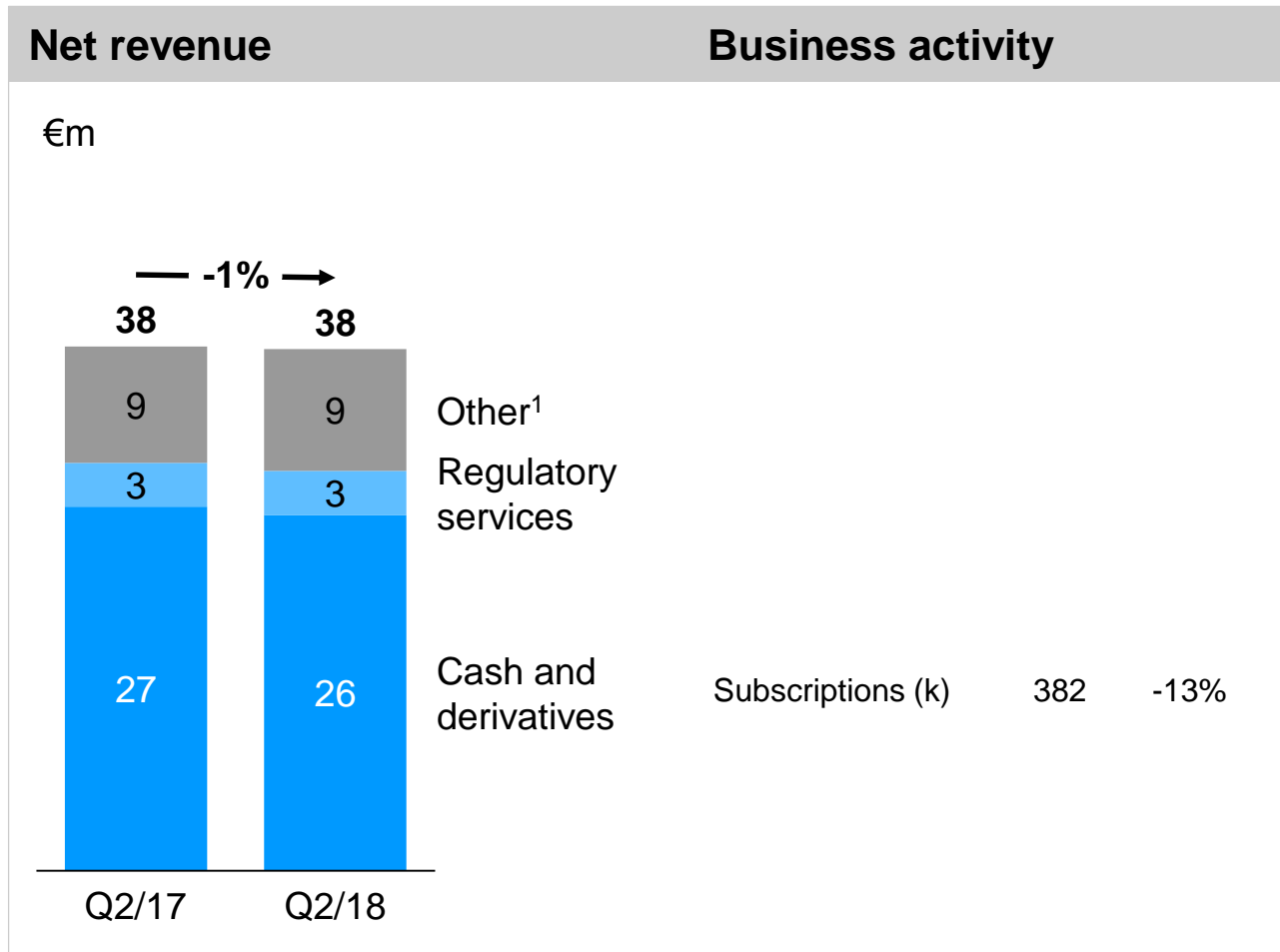
1) Including net revenue from connectivity and order routing
 2) Adjusted for exceptional items

STOXX (index business)



1) Adjusted for exceptional items

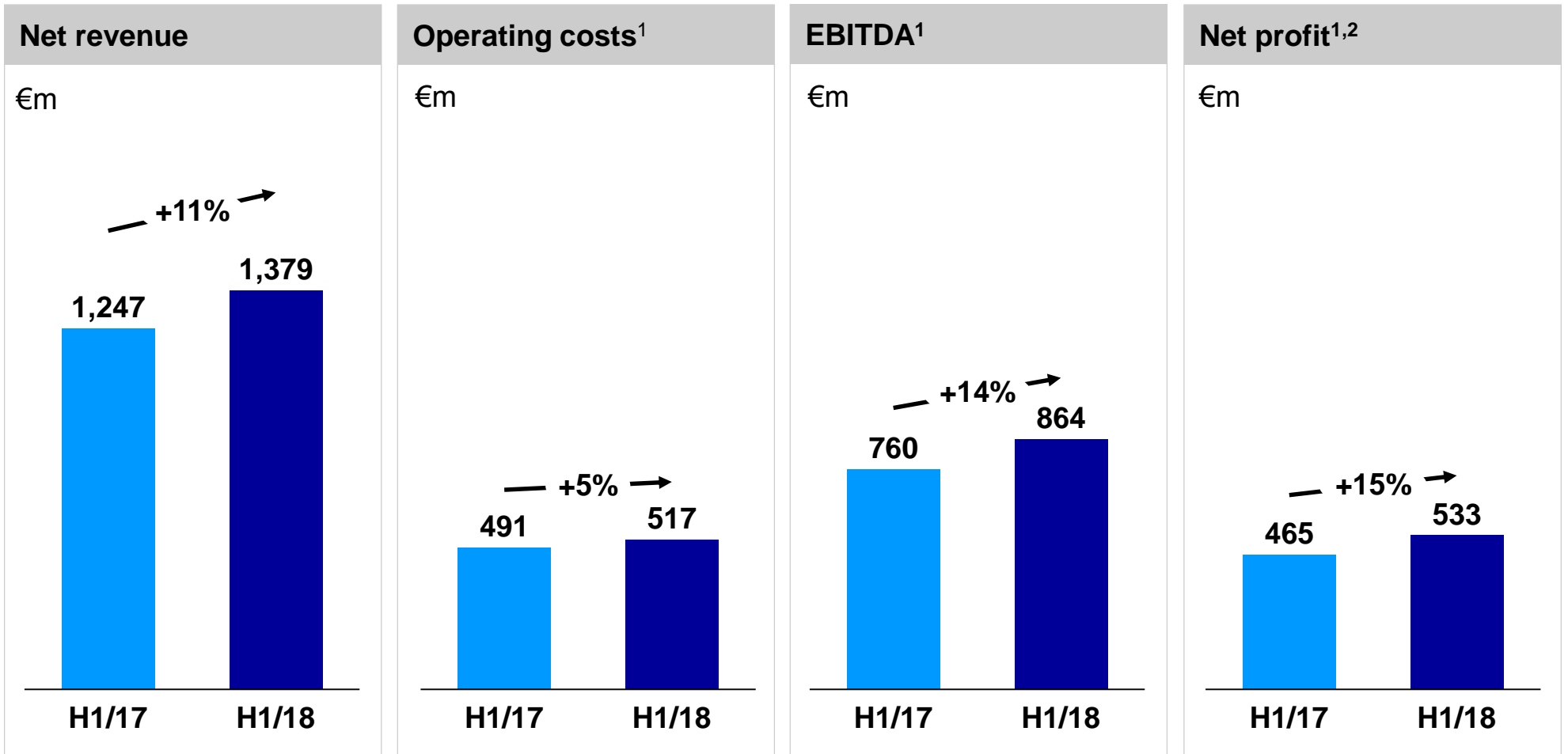
Data



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

2) Adjusted for exceptional items

H1/2018 – Group financials

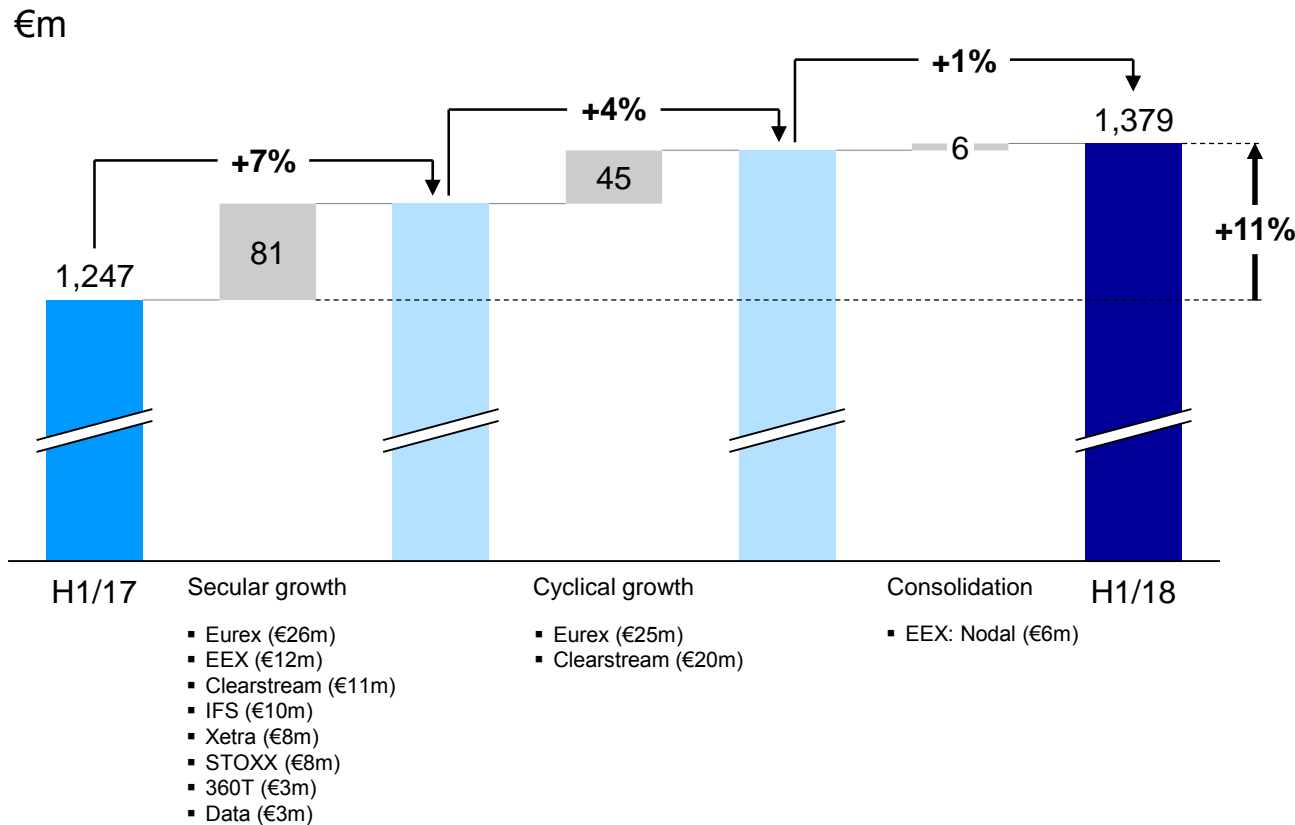


1) Adjusted for exceptional items

2) Attributable to Deutsche Börse AG shareholders

H1/2018 – Acceleration of secular growth and improvement in cyclical environment drove double-digit net revenue growth

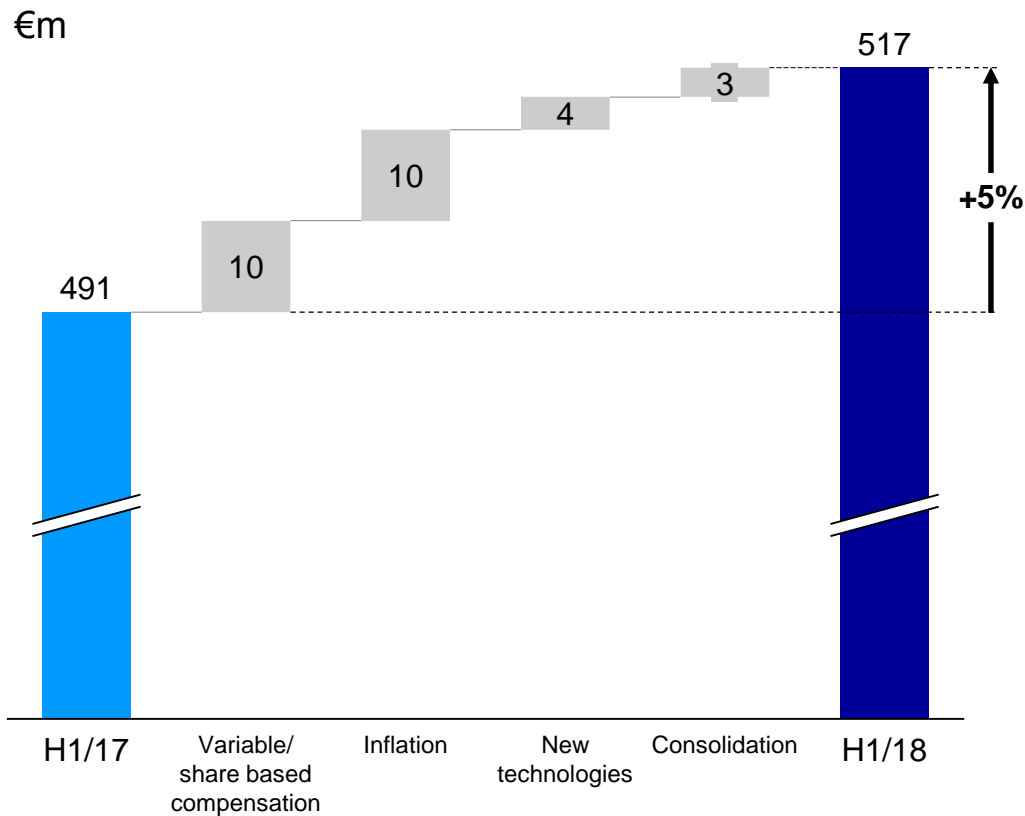
Net revenue growth drivers in H1/2018



- Acceleration of secular net revenue growth in H1/2018 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 interest rate markets, is main driver for ~4% cyclical net revenue growth.
- Consolidation effects in the EEX segment (Nodal) result in additional net revenue growth of ~1%.

H1/2018 – Efficient cost management ensured scalability of the business model

Operating cost growth drivers in H1/2018¹



- Through proactively managed cost base scalability of business model ensured.
- In total, operating costs in the first half 2018 increased as planned by ~5%.
- Variable- and share based compensation increased due to the business performance and share price increase by around €10 million.
- Inflationary pressures of around €10 million.
- Increased investments in new technologies (~€4 million).
- Consolidation effects in the EEX segment (Nodal) resulted in higher costs (~€3 million).

1) Adjusted for exceptional items

Financial calendar and contact details

Financial calendar

- 12 Sep 2018** Barclays (New York)
- 24 Sep 2018** Berenberg/ Goldman Sachs (Munich)
- 26 Sep 2018** Bank of America Merrill Lynch (London)
- 29 Oct 2018** Quarterly statement Q3/2018 (~7pm CET)
- 30 Oct 2018** Conference call Q3/2018 (2pm CET)
- 14 Nov 2018** UBS (London)
- 15 Nov 2018** HSBC (Luxembourg)
- 19 Nov 2018** DZ Bank (Frankfurt)

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Income statement – Group level adjusted

	Quarter ended 30 June 2018	Quarter ended 30 June 2017
Sales revenue	719.5	665.8
	55.0	33.5
Net interest income from banking business	3.3	6.7
Other operating income	777.8	706.0
Total revenue		
	-90.8	-82.4
Volume-related costs	687.0	623.6
Net revenue (total revenue less volume-related costs)		
	-162.8	-157.2
Staff costs	-100.1	-88.2
Other operating expenses	-262.9	-245.4
Operating costs		
	1.4	1.3
Result from equity investments	425.5	379.5
Earnings before interest, tax, depreciation and amortization (EBITDA)		
	-42.1	-39.2
Depreciation, amortization and impairment losses	383.4	340.3
Earnings before interest and tax (EBIT)		
	-16.6	-15.9
Financial result	366.8	324.4
Earnings before tax (EBT)		
	-99.0	-87.5
Income tax expense	267.8	236.9
Net profit for the period		
thereof shareholders of parent company	5.9	4.1
thereof non-controlling interests	261.9	232.8
Earnings per share (basic) (€)	1.42	1.25

Income statement – Segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
	Q2/2018	Q2/2017	Q2/2018	Q2/2017	Q2/2018	Q2/2017	Q2/2018	Q2/2017
Net revenue	239.6	212.7	61.1	51.7	18.5	16.3	55.5	53.5
Staff costs	-50.4	-40.8	-18.0	-15.8	-9.5	-8.7	-19.6	-15.2
Other operating expenses	-34.1	-38.5	-17.2	-14.5	-4.5	-3.3	-9.3	-9.6
Operating costs	-84.5	-79.3	-35.2	-30.3	-14.0	-12.0	-28.9	-24.8
<i>Thereof exceptional items</i>	<i>-13.9</i>	<i>-8.9</i>	<i>-1.3</i>	<i>-0.2</i>	<i>-3.7</i>	<i>-2.8</i>	<i>-4.1</i>	<i>-1.7</i>
Result from equity investments	-0.2	-0.5	-	-	-	-	1.5	2.2
<i>Thereof exceptional items</i>	<i>-</i>	<i>0.4</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
EBITDA	154.9	132.9	25.9	21.4	4.5	4.3	28.1	30.9

Income statement – Segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		GSF (collateral management)		STOXX (index)		Data	
	Q2/2018	Q2/2017	Q2/2018	Q2/2017	Q2/2018	Q2/2017	Q2/2018	Q2/2017	Q2/2018	Q2/2017
Net revenue	180.9	164.4	37.5	32.1	21.0	19.6	34.8	35.0	38.1	38.3
Staff costs	-57.1	-47.4	-17.9	-14.3	-8.7	-6.3	-8.7	-5.7	-10.0	-8.5
Other operating expenses	-27.7	-24.5	-8.6	-5.7	-3.5	-2.3	-5.8	-4.5	-6.6	-5.8
Operating costs	-84.8	-71.9	-26.5	-20.0	-12.2	-8.6	-14.5	-10.2	-16.6	-14.3
<i>Thereof exceptional items</i>	-13.1	-7.0	-5.2	-0.6	-2.5	-0.4	-3.8	-1.2	-6.7	-3.2
Result from equity investments	0.1	-	-	-	-	-	-	-	-	-
<i>Thereof exceptional items</i>	-	-	-	-	-	-	-	-	-	-
EBITDA	96.2	92.5	11.0	12.0	8.8	11.0	20.3	24.8	21.5	24.0

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