

Company release

Deutsche Börse completes 2023 with strong results and remains on growth path

- Net revenue increased by 17 per cent to €5,077 million and EBITDA to €2,944 million, also an increase of 17 per cent.
- In addition to further secular growth, strongly increased net interest income made a significant contribution to the company's success.
- SimCorp was successfully consolidated within the Group and delivered better than expected fourth-quarter net revenue of €198 million.
- Overall, the Group clearly exceeded its guidance for net revenue for the full year, which had been raised several times.
- For the dividend, the Executive Board is proposing an increase to €3.80 per share, a payout ratio of 40 per cent.
- For 2024, the Group expects an M&A effect from SimCorp in addition to secular growth and targets net revenue of more than €5.6 billion and EBITDA of more than €3.2 billion.

The financial year 2023 was affected by both secular and cyclical growth factors. While interest rates rose sharply on both sides of the Atlantic, the cash balances from our customers in the Securities Services and Fund Services segments fell only moderately. This led to very strong growth in net interest income – the largest net revenue driver in our Group compared to the previous year. Increasing interest rates and a downwards trend in the money supply had a positive impact on the use of interest rate derivatives and repo products in the financial derivatives business within the Trading & Clearing segment. In this context the outstanding notional volume of centrally cleared over-the-counter (OTC) traded and euro-denominated interest rate derivatives also rose. In addition, lower margin requirements as a result of reduced volatility on electricity and gas markets and an increased market share had a positive impact on trading volumes, in particular in electricity derivatives, in the segment Trading & Clearing, Commodities. The Investment Management Solutions segment profited from both sustained product demand in Governance Solutions, Corporate Solutions and ESG, and from contract renewals with customers in the Analytics business. The acquisition of SimCorp, which was fully consolidated into the Group in the fourth quarter, contributed M&A growth in this segment. In contrast to the previous year, which saw a positive one-off effect of €62 million in total in net revenue, there were no significant non-recurring effects on net revenue in the reporting year.

Our net revenue therefore increased to €5,076.6 million in financial year 2023 (2022: €4,337.6 million). The net revenue increase of 17 per cent consisted partly of around 5 per cent secular growth, which came largely from new customer wins and gains in market share, the expansion of customer relationships and product innovations. Cyclical growth effects accounted for around 7 per cent. The global increase in interest rates deserves particular mention. Another 5 per cent stemmed from M&A growth in connection with the acquisition of SimCorp.

Operating costs rose by 16 per cent to €2,118.3 million in financial year 2023 (2022: €1,822.2 million). Some 5 per cent resulted from organic cost growth, which also includes an increase in the headcount compared with the previous year, inflation effects and investments in secular growth measures. The remaining increase is due to the SimCorp consolidation, related transaction costs of €22 million and the costs of realising potential synergies in the new Investment Management Solutions segment of around €56 million.

This boosted earnings before interest, tax, depreciation and amortisation (EBITDA) by 17 per cent to €2,944.3 million (2022: €2,525.6 million). The result from financial investments, which is included in EBITDA, came to €-14.0 million (2022: €10.2 million). In the course of the purchase of minority interests in ISS and the planned bundling of expertise in our Data & Analytics segment, one-off adjustments to the valuation of a contingent purchase price component resulted in losses of €9 million in the second quarter of 2023. The decline was also due to valuation effects from minority interests.

Amortisation, depreciation and impairment losses came to €418.5 million (2022: €355.6 million). The change stems mainly from purchase price allocations for the acquisition of SimCorp in the Investment Management Solutions segment in the amount of €20 million for the fourth quarter of 2023, as well as a €25 million write-down on intangible assets at Crypto Finance AG in the Trading & Clearing segment in the third quarter of 2023.

Our Group's financial result of €-74.0 million (2022: €-63.5 million) was mainly determined by the issue of new corporate bonds with medium and long maturities, and short-term debt instruments for a total volume of €4 billion to finance the acquisition of SimCorp.

Overall, the net profit for financial year 2023 attributable to Deutsche Börse Group shareholders was €1,724.0 million (2022: €1,494.4 million), which represents a year-on-year increase of 15 per cent. Undiluted earnings per share were €9.35 (2022: €8.14) for an average of 185.1 million shares. Earnings per share before purchase price allocations (cash EPS) stood at €9.98 (2022: €8.61).

The Executive Board of Deutsche Börse AG is proposing a dividend of €3.80 for the 2023 financial year (2022: €3.60). This corresponds to a dividend increase of 6 per cent and a payout ratio of 40 per cent. The dividend is still subject to the formal approval of the Supervisory Board of Deutsche Börse AG and the shareholders of Deutsche Börse AG at the Annual General Meeting on 14 May 2024; the Supervisory Board has already expressed its support for the proposal.

The share buyback program announced by us in the [ad-hoc announcement dated November 6, 2023](#) has been running since 2 January 2024. To date, 817,980 shares have been repurchased for the equivalent of €151.9 million. In the period up to 3 May 2024 at the latest, shares are to be acquired [under the programme](#) at a total acquisition cost of around € 300 million (excluding incidental acquisition costs).

For financial year 2024, we expect the Group's net revenue to grow to more than €5.6 billion and EBITDA to increase to more than €3.2 billion. In addition to organic growth based on our secular growth opportunities, the consolidation of SimCorp will make a significant contribution. We are also currently expecting a slight cyclical headwind due to a possible US key interest rates cut. If market volatility increases or key interest rates remain at current levels, this would have a positive impact on our expectation.

Commenting on the results, Theodor Weimer, Chief Executive Officer of Deutsche Börse AG, said: "2023 was an extremely successful year for us for several reasons. We were able to increase our record net revenue and earnings of the previous year further strongly, supported by the strong cyclical tailwind of high interest rates. In addition, the strategically important acquisition of SimCorp is a milestone in the expansion of our business."

Commenting on the outlook, Theodor Weimer said: "Our new Horizon 2026 strategy sets the course for the Group's further growth. We are systematically expanding the new Investment Management Solutions segment, which targets asset managers who are becoming increasingly important. We will also continue to increase our share of recurring net revenue to make ourselves less dependent on cyclical effects of the market. In 2024, we again expect significant net revenue and earnings growth due to our organic growth and the consolidation of SimCorp."

Consolidated income statement

€ million	Fourth quarter (01 Oct - 31 Dec)			Full year (01 Jan - 31 Dec)		
	2023	2022	Change	2023	2022	Change
Sales revenue	1,491.4	1,186.3	26%	5,133.3	4,692.3	9%
Treasury result from banking business	228.7	233.8	-2%	961.4	532.2	81%
Other operating income	13.0	20.1	-35%	39.8	108.7	-63%
Total revenue	1,733.1	1,440.2	20%	6,134.5	5,333.2	15%
Volume-related costs	-296.6	-272.2	9%	-1,057.9	-995.6	6%
Net revenue	1,436.5	1,168.0	23%	5,076.6	4,337.6	17%
Staff costs	-452.1	-321.1	41%	-1,422.5	-1,212.7	17%
Other operating expenses	-236.6	-216.7	9%	-695.8	-609.5	14%
Operating costs	-688.7	-537.8	28%	-2,118.3	-1,822.2	16%
Result from financial investments	6.6	-19.2	-134%	-14.0	10.2	-237%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	754.4	611.0	23%	2,944.3	2,525.6	17%
Depreciation, amortisation and impairment losses	-125.4	-97.0	29%	-418.5	-355.6	18%
Earnings before interest and tax (EBIT)	629.0	514.0	22%	2,525.8	2,170.0	16%
Financial result	-43.6	-7.9	452%	-74.0	-63.5	17%
Earnings before tax (EBT)	585.4	506.1	16%	2,451.8	2,106.5	16%
Income tax expense and other tax	-158.0	-127.2	24%	-655.0	-543.3	21%
Net profit for the period	427.4	378.9	13%	1,796.8	1,563.2	15%
thereof attributable to Deutsche Börse AG shareholders	407.2	359.2	13%	1,724.0	1,494.4	15%
thereof attributable to non-controlling interests	20.2	19.7	3%	72.8	68.8	6%
Earnings per share (basic) (€)	2.20	1.96	12%	9.35	8.14	15%
Earnings per share before purchase price allocations (Cash EPS) (€)	2.39	2.08	15%	9.98	8.61	16%

Key indicators Investment Management Solutions segment

€ million	Fourth quarter (01 Oct - 31 Dec)			Full year (01 Jan - 31 Dec)		
	2023	2022	Change	2023	2022	Change
Net revenue	366.7	185.1	98%	863.2	651.7	32%
Software Solutions	222.5	20.2	1,001%	296.9	75.4	294%
On-premises	126.6	0.0	-	126.6	0.0	-
SaaS (incl. Analytic)	49.8	20.2	147%	124.2	75.4	65%
Sonstige	46.1	0.0	-	46.1	0.0	-
ESG & Index	144.2	164.9	-13%	566.3	576.3	-2%
ESG	60.7	64.1	-5%	242.1	238.6	1%
Index	54.6	69.3	-21%	205.6	215.6	-5%
Sonstige	28.9	31.5	-8%	118.6	122.1	-3%
Operating costs	-242.4	-101.9	138%	-581.1	-383.2	52%
EBITDA	128.3	73.2	75%	276.0	261.5	6%

Key indicators Trading & Clearing segment

€ million	Fourth quarter (01 Oct - 31 Dec)			Full year (01 Jan - 31 Dec)		
	2023	2022	Change	2023	2022	Change
Net revenue	582.4	540.2	8%	2,262.8	2,187.1	3%
Financial derivatives	312.0	295.8	5%	1,264.3	1,234.4	2%
Equities	108.3	104.3	4%	471.0	509.0	-7%
Interest rates	100.1	88.5	13%	397.1	367.9	8%
Margin fees	23.0	35.0	-34%	91.0	117.6	-23%
Other	80.6	68.0	19%	305.2	239.9	27%
Commodities	163.3	137.6	19%	565.0	475.5	19%
Power	70.6	46.1	53%	241.5	183.3	32%
Gas	29.2	25.7	14%	101.7	89.2	14%
Other	63.5	65.8	-3%	221.8	203.0	9%
Cash Equities	71.9	72.8	-1%	293.9	344.4	-15%
Trading	29.8	32.4	-8%	126.5	176.2	-28%
Other	42.1	40.4	4%	167.4	168.2	-0%
Foreign Exchange	35.2	34.0	4%	139.6	132.8	5%
Operating costs	-268.9	-266.8	1%	-914.6	-876.3	4%
EBITDA	321.4	265.1	21%	1,349.4	1,330.8	1%

Key indicators Fund Services segment

€ million	Fourth quarter (01 Oct - 31 Dec)			Full year (01 Jan - 31 Dec)		
	2023	2022	Change	2023	2022	Change
Net revenue	115.9	95.9	21%	439.9	375.9	17%
Funds processing	56.1	51.8	8%	213.9	211.5	1%
Funds distribution	21.3	24.4	-13%	85.3	89.7	-5%
Other	38.5	19.7	95%	140.7	74.7	88%
Operating costs	-59.0	-55.1	7%	-209.8	-171.5	22%
EBITDA	56.9	40.6	40%	226.7	203.8	11%

Kennzahlen des Segments Securities Services

€ million	Fourth quarter (01 Oct - 31 Dec)			Full year (01 Jan - 31 Dec)		
	2023	2022	Change	2023	2022	Change
Net revenue	371.5	346.8	7%	1,510.7	1,122.9	35%
Custody	152.6	147.6	3%	615.1	585.0	5%
Settlement	28.9	25.8	12%	114.4	104.8	9%
Net interest income	157.0	138.9	13%	645.5	260.0	148%
Other	33.0	34.5	-4%	135.7	173.1	-22%
Operating costs	-118.4	-114.0	4%	-412.8	-391.2	6%
EBITDA	247.8	232.1	7%	1,092.2	729.5	50%

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