

Q4 and FY/2021

Preliminary financial results

Analyst and Investor Conference Call
10 February 2022



DEUTSCHE BÖRSE
GROUP

Good overall results in 2021 despite strong cyclical headwinds

FY/2021
Net revenue

↗ €3,510m
+9%

EBITDA

↗ €2,043m
+9%

Secular growth

+6% secular net revenue growth

- Secular net revenue growth fully in-line with our expectations; development driven by all segments of the Group.
- Key contributors were: Investment Fund Services (IFS), Commodities (EEX), and Institutional Shareholder Services (ISS).

M&A contribution

+7% net revenue growth from M&A

- Slightly stronger than expected M&A contribution, mainly because of the accelerated closing of the ISS acquisition.
- Further contribution from the strong performance of Fund Centre (acquired from UBS).

Cyclical headwinds

-4% cyclical net revenue decline

- Strong cyclical headwinds resulting from high comparables in 2020 and corresponding lower volatility and interest rates in 2021.
- Impact mainly in Financial Derivatives (Eurex) with a volatility related decline in index derivatives trading.

Operating cost control

Flat organic operating cost

- Prudent management of operating costs due to cyclical headwinds.
- Further productivity increases relating to our continuous improvement program helped to offset inflationary pressures.

Development in 2021 fully in-line with our guidance

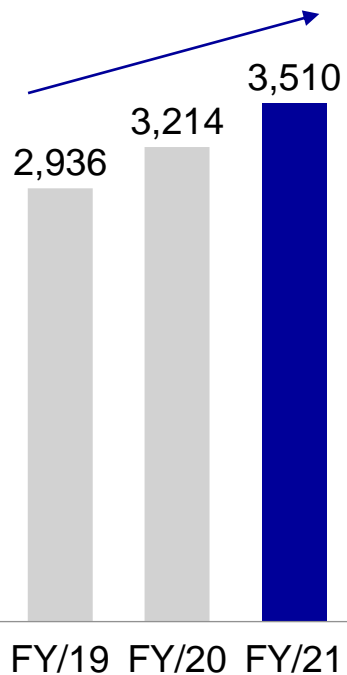
Net revenue | €m

EBITDA | €m

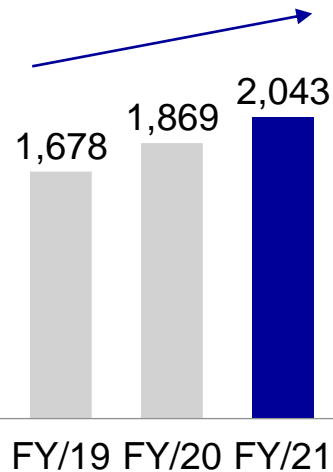
Cash EPS¹ | €

+9% CAGR

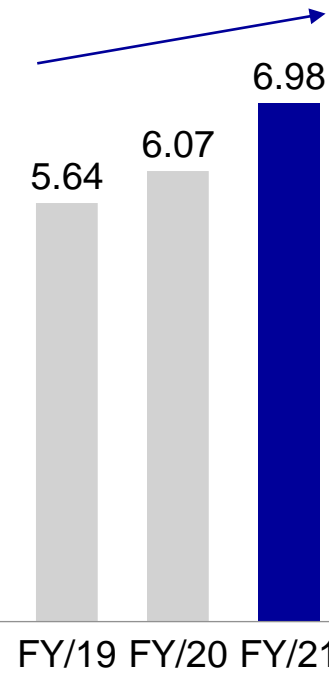
+6% secular
+5% M&A
-2% cyclical



+10% CAGR



+11% CAGR



Note

Financial results 2021 fully in-line with:

- Annual guidance
~€3.5bn net revenue
~€2.0bn EBITDA
- Compass 2023 mid-term guidance:
10% CAGR for net revenue, EBITDA
and Cash EPS

Successful execution of M&A agenda

M&A focus areas

Data & analytics

- Index and analytics
- ESG



Trading & clearing

- Commodities
- Foreign exchange
- Fixed income



Fund services



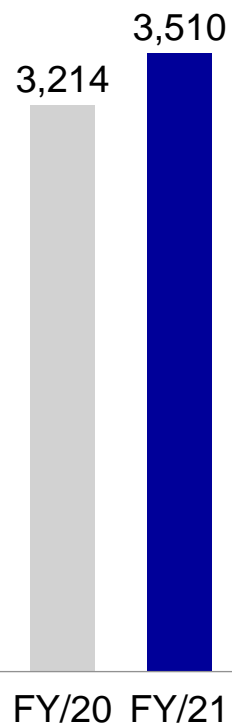
Developments in 2021

- Acquisition of remaining stake in **Clearstream Fund Centre** from UBS and successful integration; business on track to deliver continued strong organic net revenue growth.
- Integration of **ISS** well on track and initial guidance has proven to be conservative; with strong organic growth prospects and bolt-on M&A double digit net revenue growth targeted.
- Acquisition of **Discovery Data** (by ISS), a globally recognized and trusted provider of data and analytics to the financial services industry.
- Acquisition of a majority stake in **Crypto Finance**, laying the foundation for building an independent, transparent, and highly scalable regulated ecosystem for digital assets.
- Divestiture of Clearstream's 50% stake in **REGIS-TR** to its joint venture partner Iberclear; transaction is expected to close in Q1/22 and will result in proceeds of ~€50 million.

Preliminary group financials FY/2021

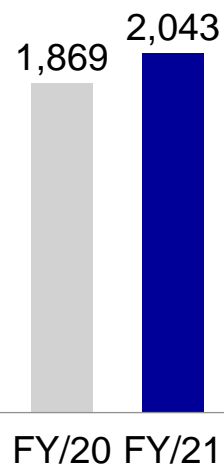
Net revenue | €m

↗ +9%
↗ +2% (organic)



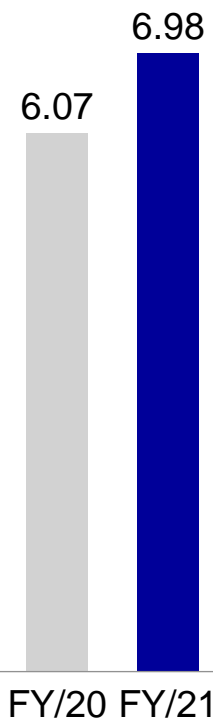
EBITDA | €m

↗ +9%
↗ +6% (organic)



Cash EPS¹ | €

↗ +15%
↗ +12% (organic)



Note

Net interest income	€143m -27%
Operating cost	€1,552m +13% 0% (organic)
Financial investments	€85m
Depreciation ²	€294m
Financial result	€-40m
Net profit	€1,210m +12%
EPS	€6.59

Some support from strong performance of minority investment portfolio in 2021

Selected minority investments

 CLARITY AI ~15%

AI-powered tech platform to analyse the societal impact of investments

Forge™ ~15%

#1 one-stop-shop infrastructure ecosystem in private markets



<50%

Serial construction and operation of marketplaces for digital assets (real estate, art, e-sports)

CloudMargin 
 Digital Asset Holdings

 FundsDLT

HQLA^x

O R I G I N

 TRIFACTA

wematch.live

Proxymity ~10%

Digital investor communications platform incl. proxy voting

TRUMID: ~5%

Electronic trading platform for corporate bonds


TRADEGATE AG
WERTPAPIERHANDELSBANK

~20%

Leading German market maker; ~€3bn market cap based on small free float

- Minority investment portfolio includes a broad range of attractive businesses along the Deutsche Börse value chain.
- Altogether more than €200 million have been invested so far (VC portfolio excluding Tradegate with money multiple >2).
- Most investments represent significant “hidden reserves”, but with an increasing impact on the income statement (€85 million EBITDA in 2021 compared to €24 million in 2020).
- Funding for future minority investments increased by another €200 million on a case by case decision basis (first new investment Wematch.live).

Preliminary group financials

Q4/2021

Net revenue | €m

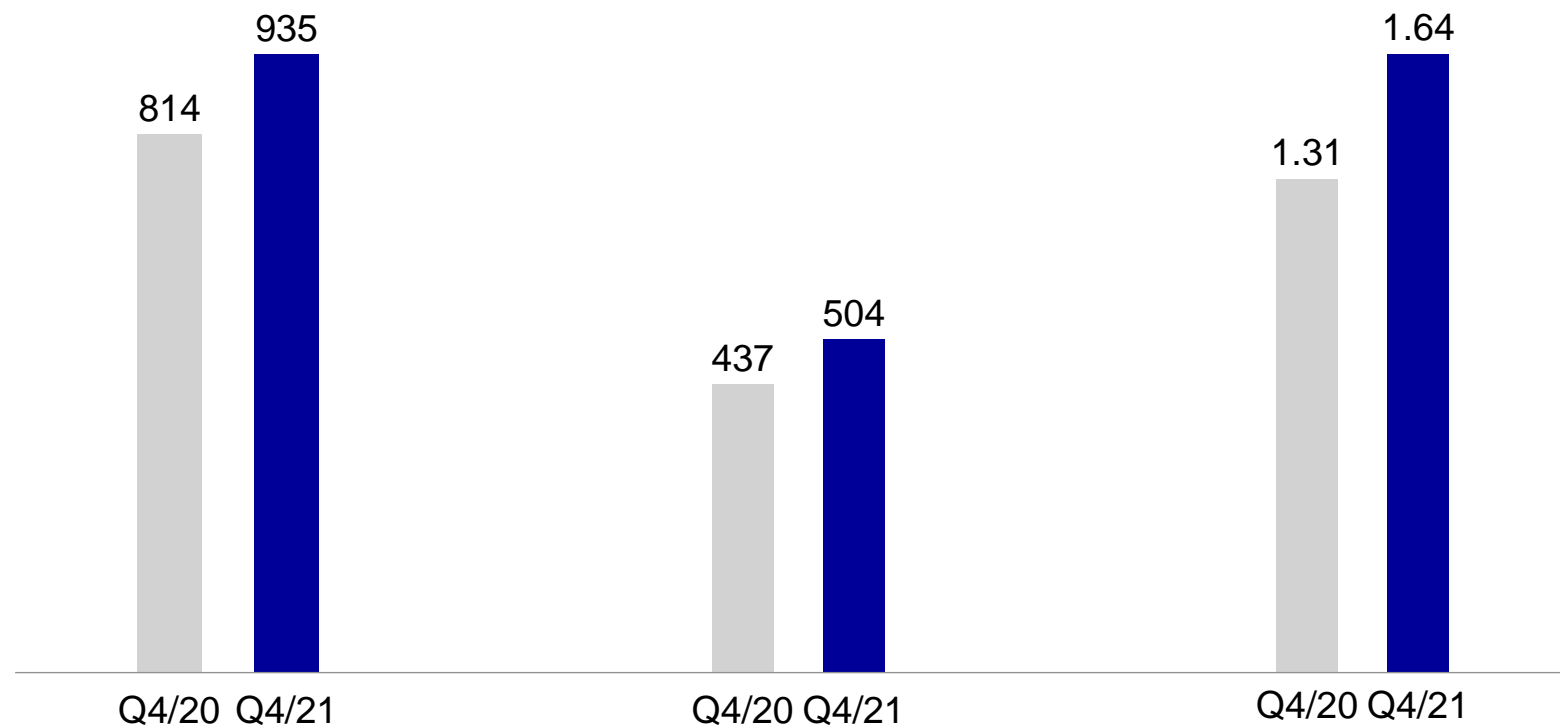
↗ +15%
↗ +6% (organic)

EBITDA | €m

↗ +16%
↗ +12% (organic)

Cash EPS¹ | €

↗ +25%
↗ +23% (organic)



Note

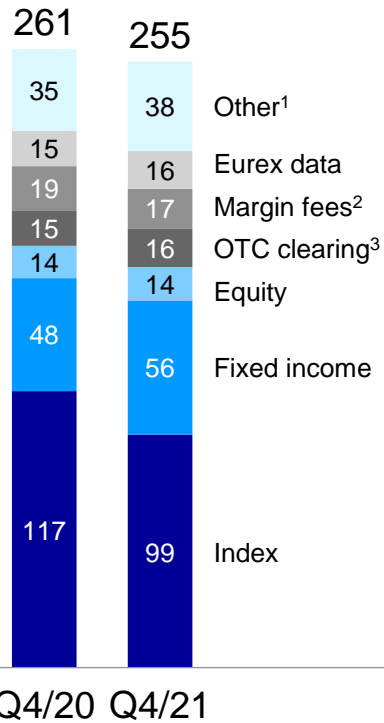
Net interest income	€43m +18%
Operating cost	€446m +15% +1% (organic)
Financial investments	€16m
Depreciation ²	€88m
Financial result	€-11m
Net profit	€281m +23%
EPS	€1.53

Eurex (financial derivatives)

Q4/2021

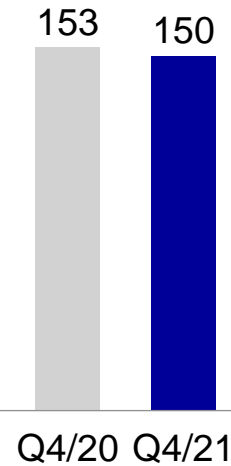
Net revenue | €m

- ↘ -2%
- ↘ -3% (organic)



EBITDA | €m

- ↘ -2%
- ↘ -2% (organic)



Business activity

Total derivatives	421m -1%
Index derivatives	200m -12%
Fixed income derivatives	149m +18%
Equity derivatives	70m +4%
OTC notional outstanding (avg.)	€20.6tr +14%
OTC notional cleared (incl. compr.)	€9.5tr +9%

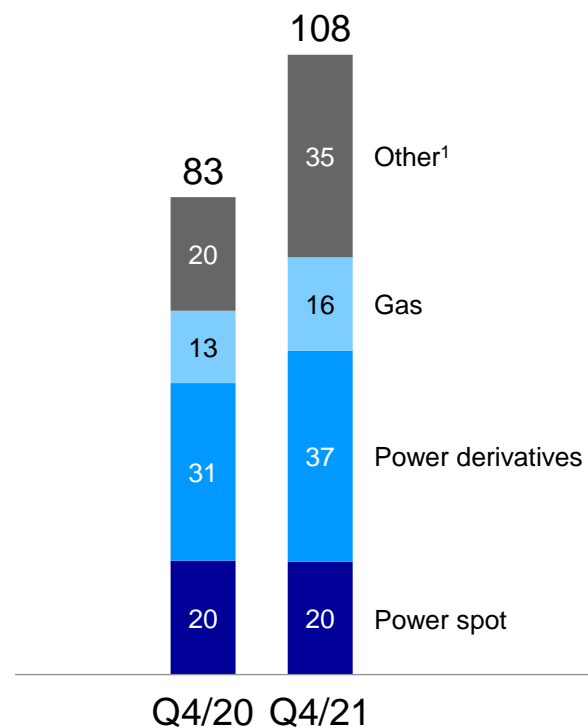
Note: Organic growth incl. Quantitative Brokers like-for-like.
 1) Including net revenue from connectivity and member fees.
 2) Including cash and securities collateral fee.
 3) Including margin fees on OTC clearing related collateral.

EEX (commodities)

Q4/2021

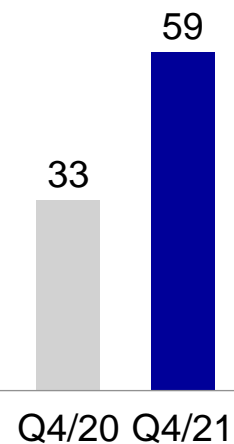
Net revenue | €m

↗ +30%



EBITDA | €m

↗ +77%



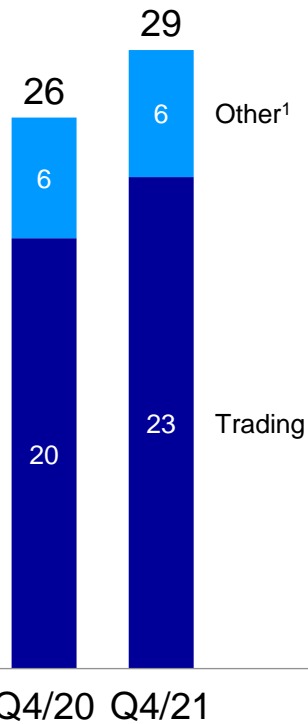
Business activity

Power spot	164 TWh +1%
Power derivatives	1,999 TWh +19%
Gas	1,187 TWh +100%

360T (foreign exchange) Q4/2021

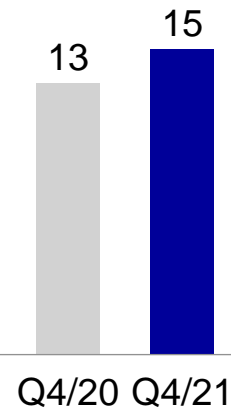
Net revenue | €m

↗ +12%



EBITDA | €m

↗ +12%



Business activity

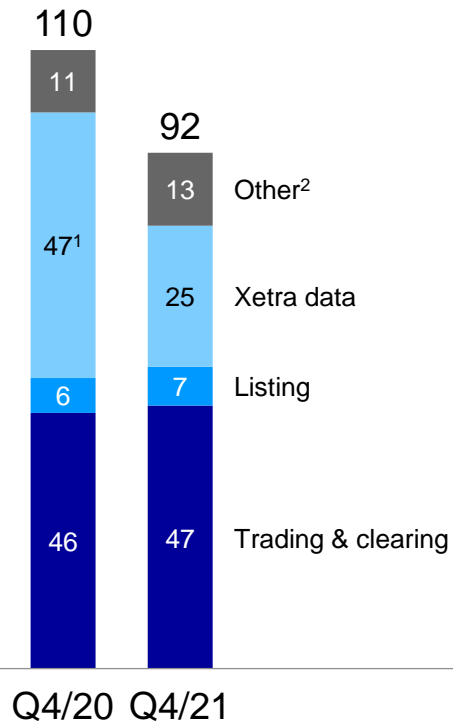
Average daily volumes (ADV) | €102bn
+15%

1) Including net revenue from connectivity and member fees.

Xetra (cash equities) Q4/2021

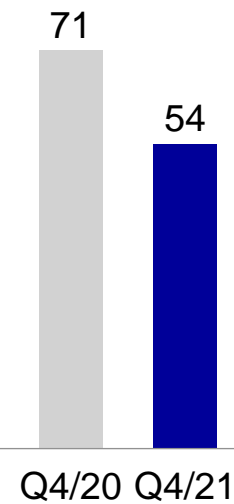
Net revenue | €m

↘ -17%¹



EBITDA | €m

↘ -23%¹



Business activity

Order book volume ³ Equities	€425bn 0%
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Order book volume ³ ETF, ETC, ETN	€77bn +29%
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1) Including ~€20 million from sale of Regulatory Reporting Hub in Q4/20 (excl. this effect: net revenue growth +2%, EBITDA growth +6%).

2) Including net revenue from connectivity and member fees as well as Crypto Finance.

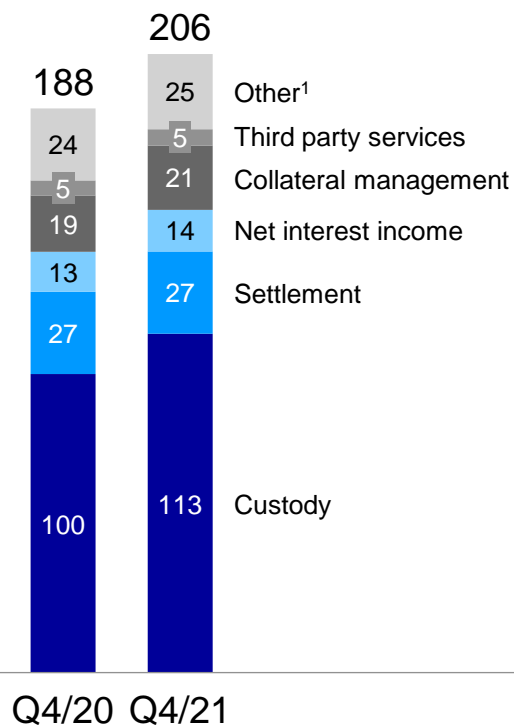
3) Xetra, Börse Frankfurt and Tradegate.

Clearstream (post-trading)

Q4/2021

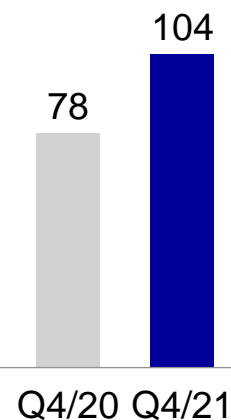
Net revenue | €m

↗ +10%



EBITDA | €m

↗ +33%



Business activity

Assets under custody	€13.4tr +10%
Settlement transactions (ICSD)	18.6m +4%
Cash balances total volume	€15.3bn +11%
t/o US-Dollar	€7.6bn +22%
Collateral outstandings	€569bn +10%

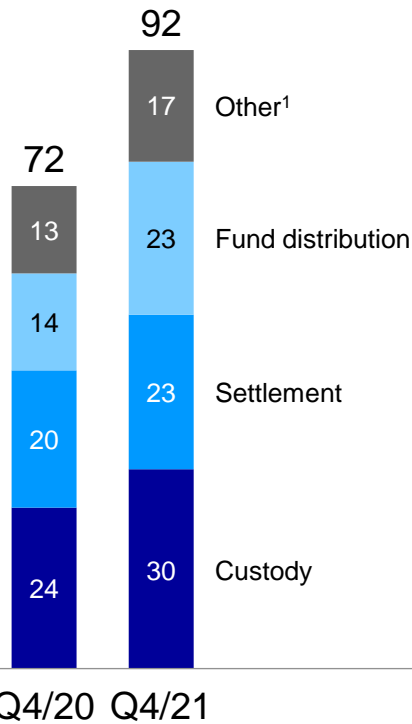
1) Including net revenue from connectivity, account services and reporting.

IFS (investment fund services)

Q4/2021

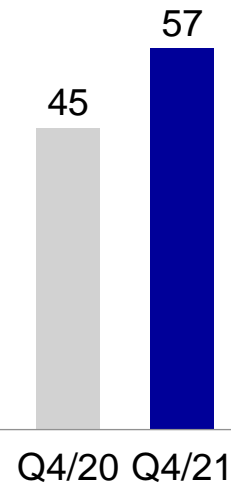
Net revenue | €m

↗ +28%



EBITDA | €m

↗ +26%



Business activity

Assets under custody	€3.4tr +18%
Settlement transactions	12.2m +12%

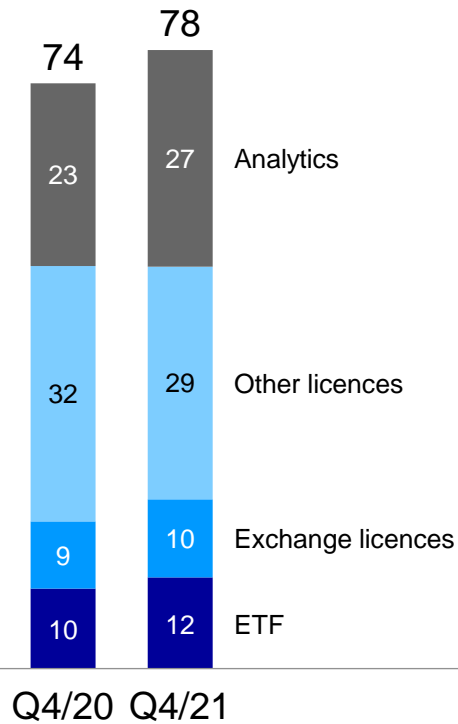
1) Including net revenue from connectivity.

Qontigo (index and analytics business)

Q4/2021

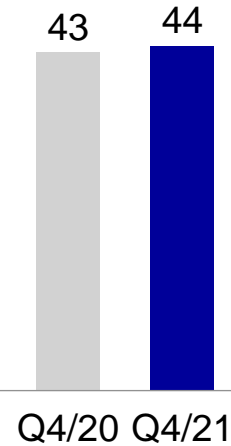
Net revenue | €m

↗ +6%



EBITDA | €m

↗ +2%



Business activity

ETF assets under management	€116bn +25%
Exchange licences traded contracts	185m -14%

ISS (Institutional Shareholder Services)

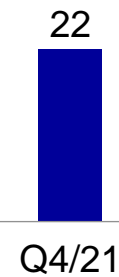
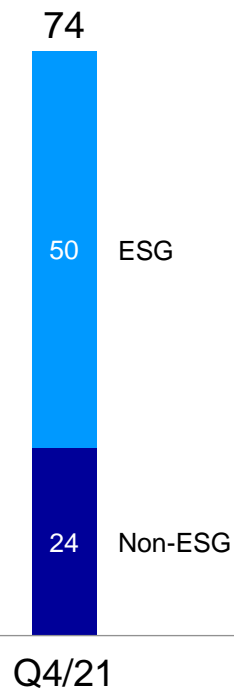
Q4/2021

Net revenue | €m

↗ +19%

EBITDA | €m

↗ +94%

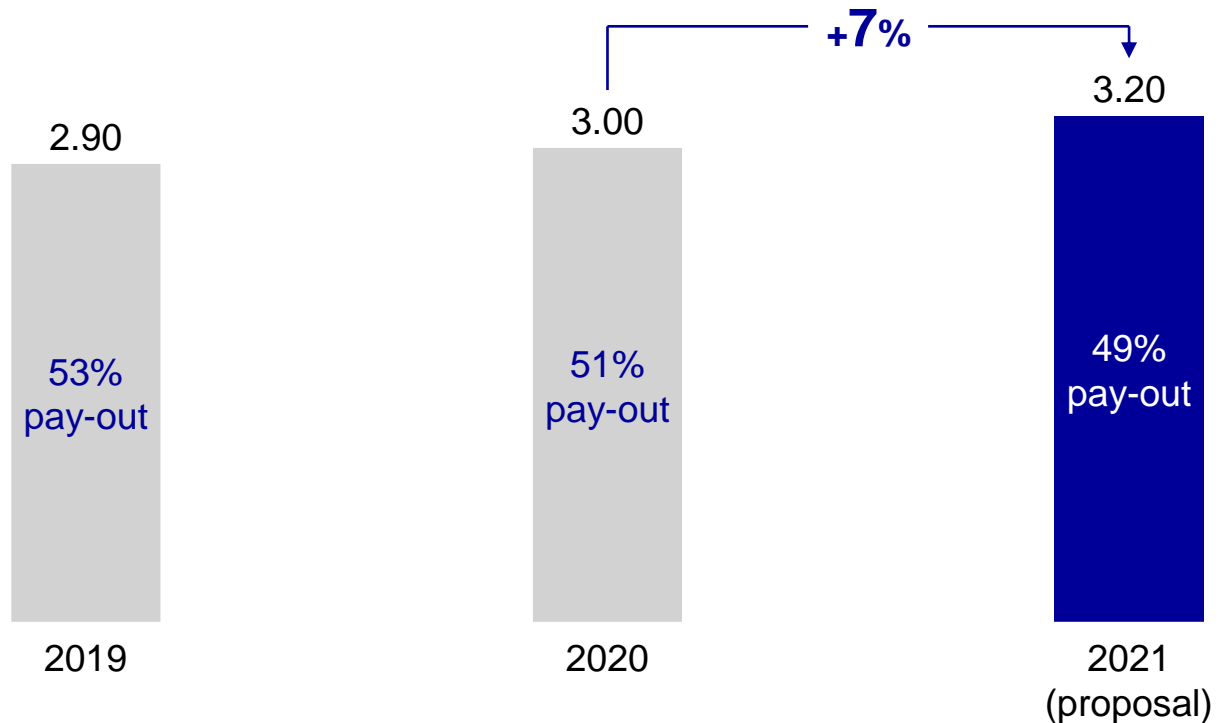


Note

- ESG net revenue contains Corporate Solutions, ESG Analytics and Governance Solutions businesses.
- Non-ESG net revenue amongst others contains Market Intelligence, Media as well as FWW (fund data), LiquidMetrix and SCAS (recovery services) businesses.
- Acquisition of Discovery Data closed in December 2021; 2021E net revenue of ~€19 million (~+12%) and ~43% EBITDA margin.

Dividend proposal FY/2021

Dividend per share and pay-out | €



Capital management policy

- Deutsche Börse aims to distribute 40%-60% of annual net profit to shareholders in form of the regular dividend.
- Within this 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.
- With increasing earnings, pay-out ratio is expected to continue to decrease.

We have made significant progress with the implementation of our Compass 2023 strategy since 2019

1

Strong secular growth

Strong secular net revenue growth with +6% CAGR since 2019, despite the challenges from the COVID-19 pandemic and corresponding cyclical headwinds.

2

Over-delivering on M&A

Successful execution and integration of M&A initiatives since 2019 and thus **over-delivering on the Compass 2023 M&A target** (~2/3 of target achieved in half of the time).

3

Increase of data & analytics exposure

Strengthening the **data & analytics proposition** (Axioma & STOXX) and positioning Deutsche Börse as a **top 3 global ESG data provider** (ISS); **recurring revenue** share increased to **55%**.

4

Expansion into fintech space

Further expansion into **new asset classes** (e.g. Crypto Finance) and ramp-up of **digital/ tech investments** (e.g. next-generation digital post-trade platform D7).

5

Active portfolio management

Portfolio clean-up with the sale of non strategic assets (e.g. Reg Reporting Hub, Regis TR) and funding for fintech **minority investment portfolio** increased (DB1 Ventures).

Key focus going forward is continued execution of Compass 2023

Compass 2023

CONTINUED
SECULAR GROWTH



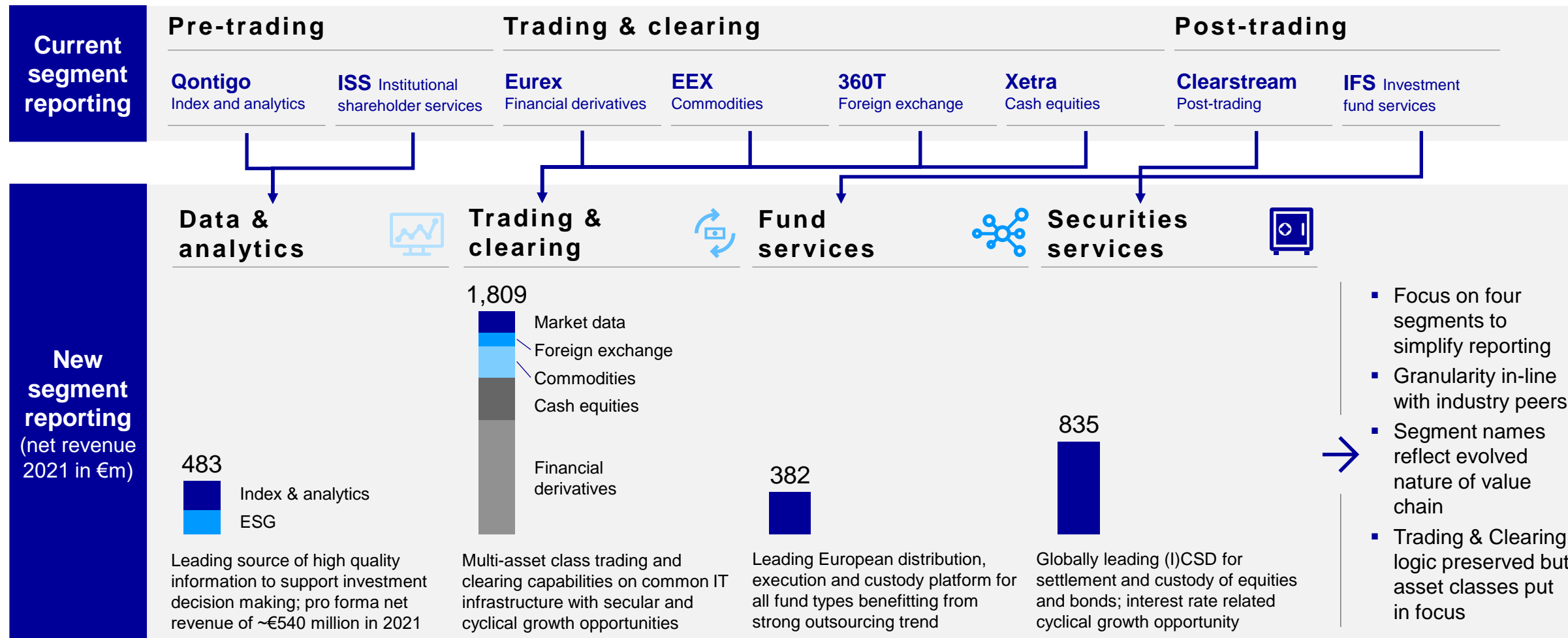
INCREASED
M&A CONTRIBUTION



Key focus areas and strategy enhancements

- Consistently deliver on Compass 2023 secular growth and M&A targets in-line with our 10% CAGR “growth formula”.
- Benefit from emergence of some cyclical tailwinds in 2022/23, after first half of planning period was characterised by headwinds.
- New segment reporting to be introduced in Q1/22 to highlight growth areas and simplify equity story.
- Further increased focus on ESG by supporting the market in the transition towards sustainable economies and improving our corporate ESG footprint.
- New Clearstream set-up, with Securities Services and Fund Services becoming separate entities/ businesses; this reflects differences in the service offering, client focus as well as regulatory framework and will increase strategic flexibility/ optionality (e.g. partnerships, M&A).

New segment reporting to highlight growth areas and simplify equity story



Increased focus on ESG is reflected in our new sustainability framework and KPI dashboard

Sustainability framework



Increase transparency

ESG reporting advice and services combined with the right incentivization to increase overall market transparency.

Provide solutions

Our products and services provide solutions for market participants to directly deal with ESG or climate issues.



Lead by example

Through our own ESG conduct and reporting we lead by example and encourage others.



Measure impact

With specific KPIs, we measure our impact to constantly improve our own ESG strategy and performance.



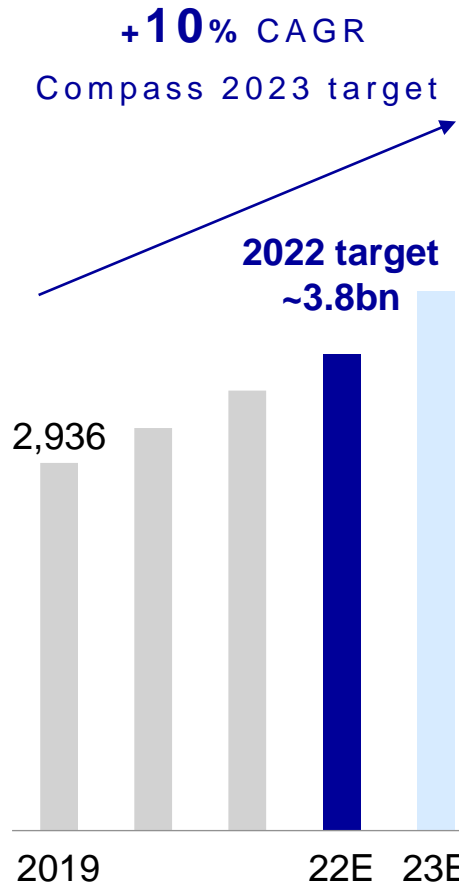
Key non-financial KPIs

Performance indicator	Target	Achievement in 2021
ESG ratings (MSCI, S&P, Sustainalytics)	>90th percentile	95th percentile
CO₂ emission (per workspace)	Net zero until 2025 (-100% vs. 2019)	-66% vs. 2019
ESG net revenue growth	>10%	+210%
System availability (customer facing IT)	>99.5%	99.9%
Employee satisfaction	>71.5%	75%
Women in leadership positions	>20%	21%

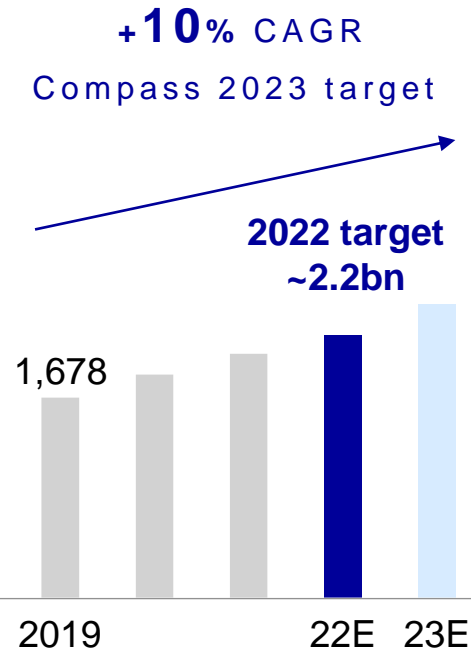
Outlook

FY/2022

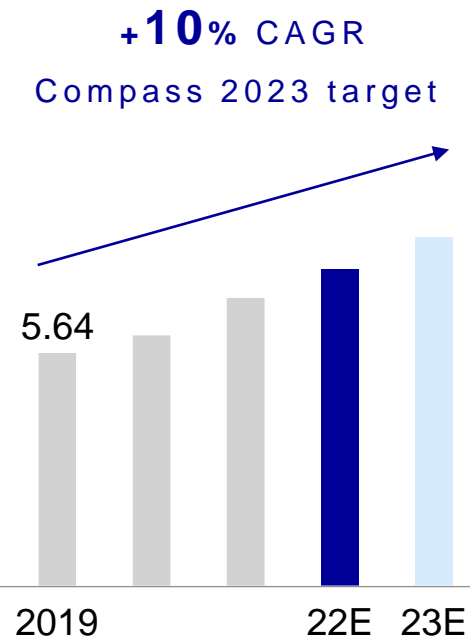
Net revenue | €m



EBITDA | €m



Cash EPS¹ | €



Note

- Compass 2023 mid-term plan targets 10% CAGR for net revenue (5% secular + 5% M&A), EBITDA and Cash EPS.
- For 2022 Deutsche Börse expects:
 - Net revenue of around €3.8 billion (mainly driven by continued 5% secular growth and already closed M&A).
 - EBITDA of around €2.2 billion.
- While the overall EBITDA margin is expected to be broadly stable, the organic EBITDA margin is expected to increase from ~57% in 2019 to ~61% in 2023.

1) EPS before purchase price allocation.

Appendix



Income statement – group level

(in €m)	Q4/2021	Q4/2020
Sales revenue	1,125.0	948.8
Treasury result from banking business	43.0	36.3
Other operating income	10.2	34.4
Total revenue	1,178.2	1,019.5
Volume-related costs	-243.4	-205.5
Net revenue	934.8	814.0
Staff costs	-267.2	-212.0
Other operating expenses	-178.9	-175.8
Operating costs	-446.1	-387.8
Result from financial investments	15.7	10.5
Earnings before interest, tax, depreciation and amortization (EBITDA)	504.4	436.7
Depreciation, amortization and impairment losses	-88.2	-76.9
Earnings before interest and tax (EBIT)	416.2	359.8
Financial result	-11.2	-26.2
Earnings before tax (EBT)	405.0	333.6
Income tax expense and other tax	-105.3	-91.3
Net profit for the period	299.7	242.3
thereof attributable to Deutsche Börse shareholders	281.2	228.9
thereof attributable to non-controlling interests	18.5	13.4
Earnings per share (basic) (€)	1.53	1.25
Earnings per share before purchase price allocations (Cash EPS) (€)	1.64	1.31

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(in €m)	Q4/21	Q4/20	Q4/21	Q4/20	Q4/21	Q4/20	Q4/21	Q4/20
Net revenue	255.4	260.7	107.7	83.0	29.3	26.1	92.1	110.4
Staff costs	-56.5	-48.2	-29.3	-25.1	-10.3	-10.3	-23.0	-27.5
Other operating expenses	-58.3	-61.6	-19.1	-23.9	-4.5	-2.9	-21.8	-21.9
Operating costs	-114.8	-109.8	-48.4	-49.0	-14.8	-13.2	-44.8	-49.4
Result from financial investments	9.1	2.3	-0.3	-0.7	0.0	0.0	7.1	10.1
EBITDA	149.7	153.2	59.0	33.3	14.5	12.9	54.4	71.1

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		Qontigo (index and analytics business)		ISS (Institutional Shareholder Services)	
(in €m)	Q4/21	Q4/20	Q4/21	Q4/20	Q4/21	Q4/20	Q4/21	Q4/20
Net revenue	205.8	187.7	92.1	71.9	78.4	74.2	74.0	
Staff costs	-66.7	-57.4	-19.7	-20.8	-23.6	-22.7	-38.1	
Other operating expenses	-35.5	-51.1	-15.5	-6.0	-12.7	-8.4	-11.5	
Operating costs	-102.2	-108.5	-35.2	-26.8	-36.3	-31.1	-49.6	
Result from financial investments	0.8	-0.9	-0.1	-0.1	1.6	-0.2	-2.5	
EBITDA	104.4	78.3	56.8	45.0	43.7	42.9	21.9	

Financial calendar and contact details

Financial calendar

08 - 09 Mar. 2022	RBCCM Global Financial Institutions Conference (virtual/ New York)
15 Mar. 2022	Morgan Stanley European Financials Conference (London)
16 Mar. 2022	FIA Boca – Investor Group Meeting organised by Piper Sandler
04 - 06 Apr. 2022	HSBC Annual West Coast Financials Conference (virtual/ San Francisco)
25 Apr. 2022	Publication quarterly statement Q1/2022
26 Apr. 2022	Analyst and investor conference call Q1/2022
12 May 2022	Redburn Canada Conference (Toronto)
18 May 2022	<u>Annual General Meeting</u>
19 May 2022	UBS Best of Europe One-on-One Conference (New York)
25 May 2022	dbAccess German Corporate Conference (Frankfurt)
29 June 2022	Investor Day 2022

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