

Q3/2020

Financial results

Analyst and Investor Conference Call
29 October 2020



DEUTSCHE BÖRSE
GROUP

Summary Q3/2020 results presentation

Net revenue decreased by -4% ¹ to €708 million in Q3/20, with secular net revenue growth of $+4\%$ and consolidation effects of $+2\%$ partially offsetting strong cyclical headwinds (-9%).

Flat organic operating cost development in Q3/20 reflects cost discipline in light of cyclical headwinds; adjusted EBITDA decreased by -7% to €431 million and the adjusted EPS amounted to €1.38.

9M/20 net revenue up $+10\%$ to €2.4 billion and adjusted net profit up $+8\%$ to €928 million.

Despite the weaker development in Q3/20, guidance for 2020 remains unchanged at around €1.20 billion adjusted net profit; amongst others, this is subject to an increase of market activity in Q4/20.

Next mid-term plan Compass 2023 will be presented at the Investor Day on 18 November at 2pm CET (Frankfurt & virtual).

¹) Number may not add up due to rounding.

+4%

Secular net revenue growth Q3/20

0%

Organic cost growth (adj.) Q3/20

€928m

Net profit (adj.) 9M/20

~€1.20bn

Net profit guidance 2020 (adj.)

18 November

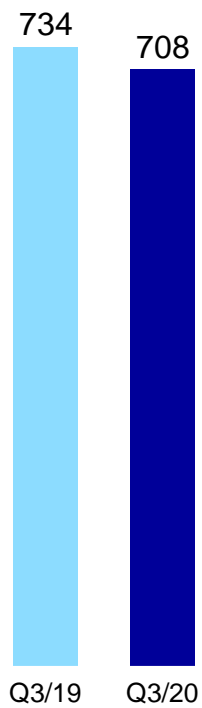
Investor Day 2020

Group financials

Q3/2020 | €m

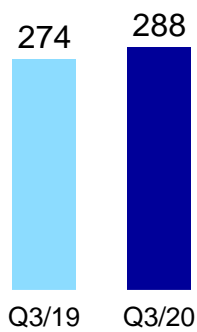
Net revenue

↘ -4%
 ↘ -5% (organic)
 ↗ +4% (secular)



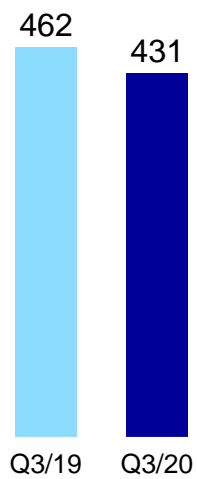
Operating cost

↗ +5%
 → 0% (organic)



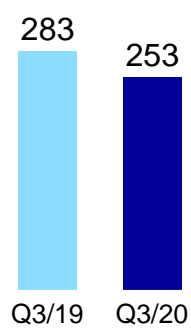
EBITDA

↘ -7%
 ↘ -6% (organic)



Net profit

↘ -11%
 ↘ -8% (organic)



Note

Net interest income	€38m
	-38%
Exceptional cost items	€32m
Depreciation	€62m
Financial result	-€16m
Tax rate	26%
EPS (adj.)	€1.38
	-10%

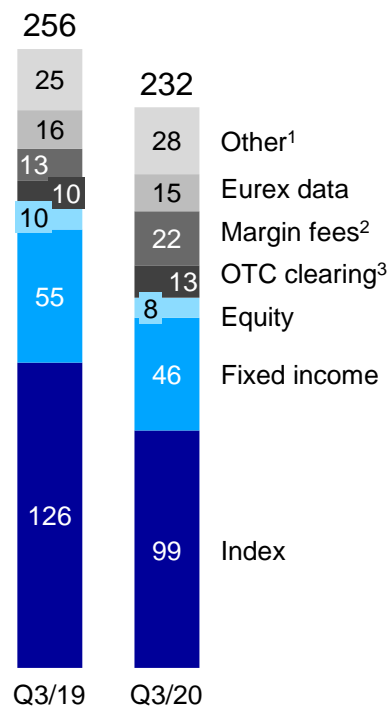
Note: Adjusted for exceptional items. Organic growth incl. Axioma (Qontigo), Ausmaq (IFS) and Börse Berlin (Xetra) like-for-like.

Eurex (financial derivatives)

Q3/2020 | €m

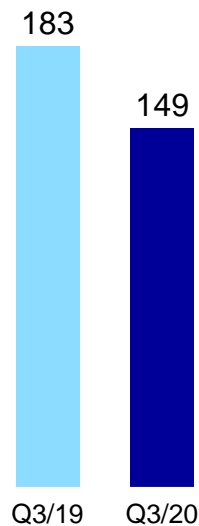
Net revenue

↘ -9%



EBITDA

↘ -19%



Business activity

Total derivatives	370m	-22%
Index derivatives	193m	-22%
Fixed income derivatives	124m	-16%
Equity derivatives	50m	-33%
OTC notional outstanding (avg.)	€18.8tr	+50%
OTC notional cleared (incl. compr.)	€7.0tr	+28%

Note: EBITDA adjusted for exceptional items.

1) Including net revenue from connectivity and member fees.

2) Including NII and securities collateral fee.

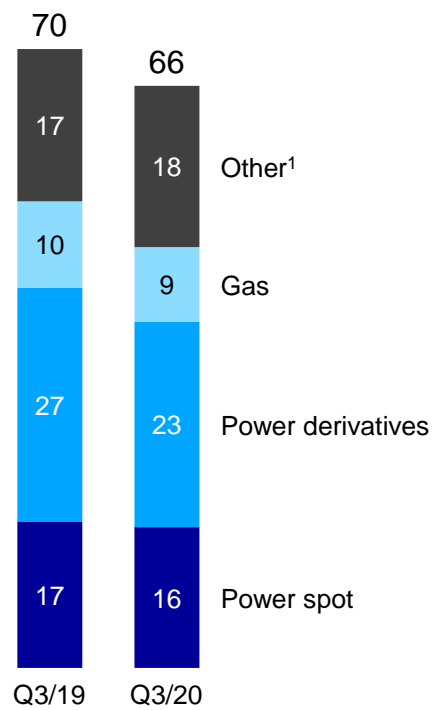
3) Including margin fees on OTC clearing related collateral.

EEX (commodities)

Q3/2020 | €m

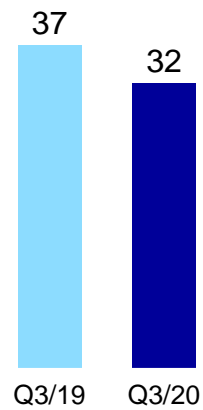
Net revenue

↘ -6%



EBITDA

↘ -12%



Business activity

Power spot	146 TWh	+1%
Power derivatives	1,320 TWh	-8%
Gas	466 TWh	-32%

Note: EBITDA adjusted for exceptional items.

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

360T (foreign exchange)

Q3/2020 | €m

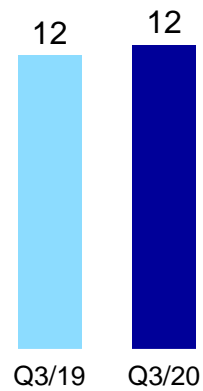
Net revenue

↘ -1%



EBITDA

↗ +3%



Business activity

Average daily volumes (ADV) | €83bn
-4%

Note: EBITDA adjusted for exceptional items.

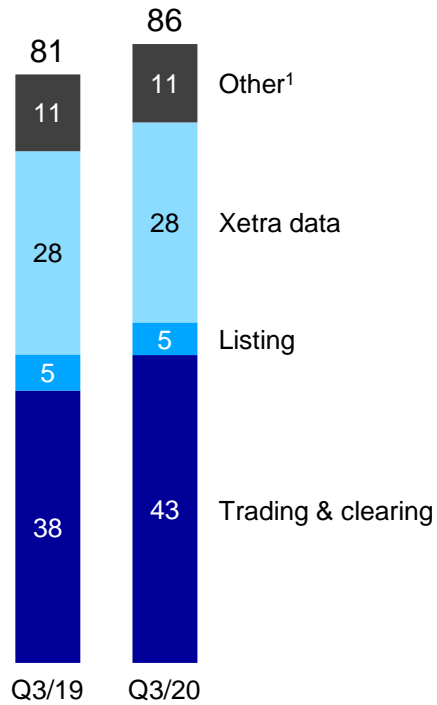
1) Including net revenue from connectivity and member fees.

Xetra (cash equities)

Q3/2020 | €m

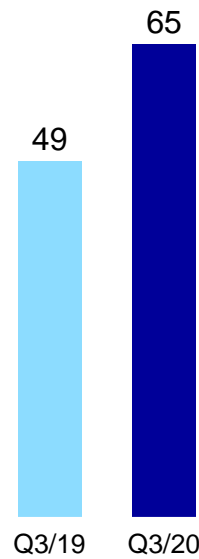
Net revenue

↗ +5%
↗ +4% (organic)



EBITDA

↗ +33%
↗ +31% (organic)



Business activity

Order book volume ² Equities	€364bn +8%
Order book volume ² ETF, ETC, ETN	€49bn +25%

EBITDA includes €12.6m equity method valuation result from Tradegate AG Wertpapierhandelsbank for Q1-3 2020.

Note: EBITDA adjusted for exceptional items. Organic growth incl. Börse Berlin (Q3/19) like-for-like.

1) Including net revenue from connectivity.

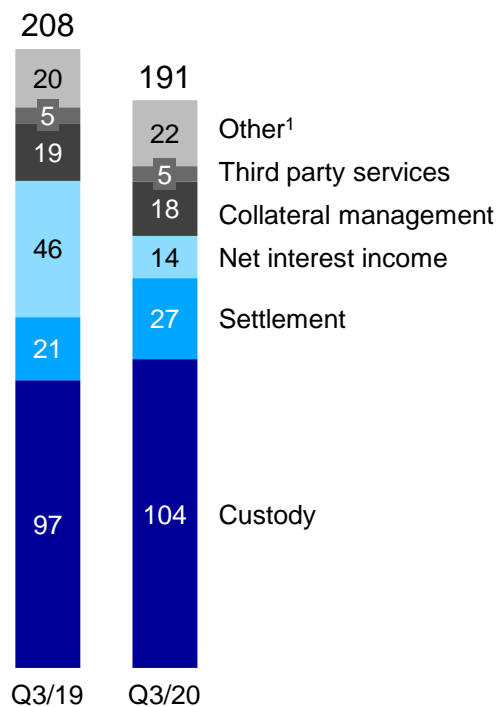
2) Xetra, Börse Frankfurt and Tradegate.

Clearstream (post-trading)

Q3/2020 | €m

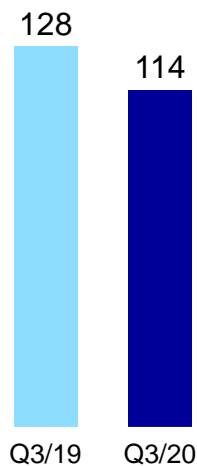
Net revenue

↘ -8%



EBITDA

↘ -11%



Business activity

Assets under custody	€12.1tr +4%
Settlement transactions (ICSD)	16.3m +13%
Cash balances total volume	€12.8bn -18%
t/o US-Dollar	€6.4bn -23%
Collateral outstandings	€534bn +17%

Note: EBITDA adjusted for exceptional items.

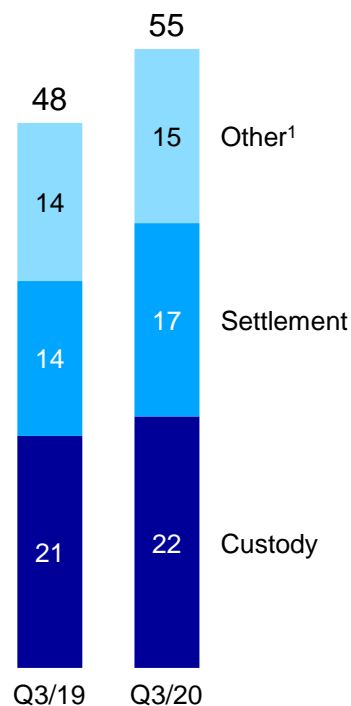
1) Including net revenue from connectivity, account services and reporting.

IFS (investment fund services)

Q3/2020 | €m

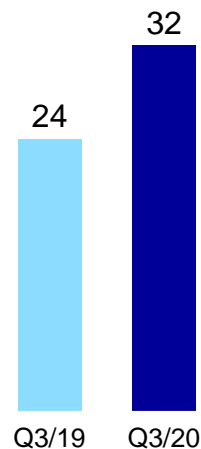
Net revenue

↗ +14%
↗ +12% (organic)



EBITDA

↗ +34%
↗ +33% (organic)



Business activity

Assets under custody	€2.7tr +8%
Settlement transactions	9.1m +25%

Clearstream creates [Fund Centre](#) after completing acquisition of majority stake in Fondcenter AG from UBS on 30 Sep 2020.

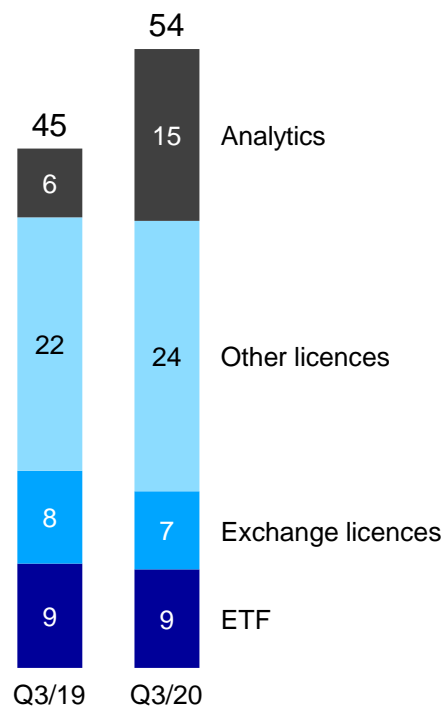
Note: EBITDA adjusted for exceptional items. Organic growth incl. Ausmaq (Q3/19) like-for-like.
1) Including net revenue from connectivity, order routing, Clearstream Fund Desk and Ausmaq.

Qontigo (index and analytics business)

Q3/2020 | €m

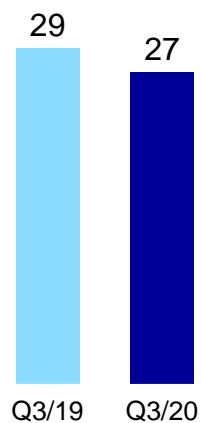
Net revenue

↗ +19%
↘ - 3% (organic)



EBITDA

↘ -7%
→ 0% (organic)



Business activity

ETF assets under management	€89bn
	-4%
Exchange licences traded contracts	180m
	-22%

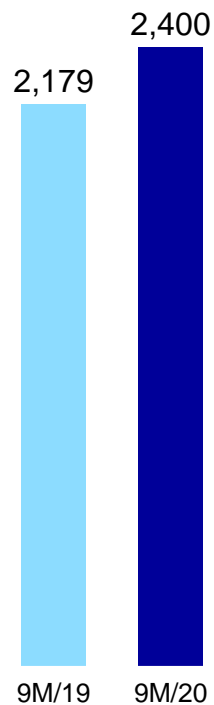
Note: EBITDA adjusted for exceptional items. Organic growth incl. Axioma (Q3/19) like-for-like.

Group financials

9M/2020 | €m

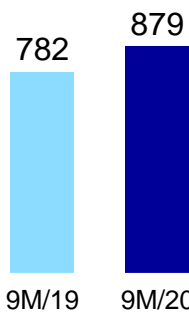
Net revenue

↗ +10%
↗ + 8% (organic)
↗ + 6% (secular)



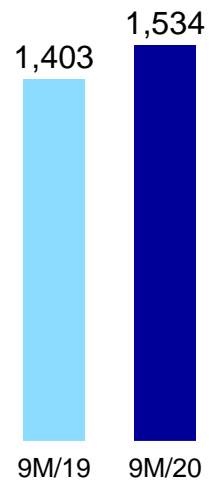
Operating cost

↗ +12%
↗ + 6% (organic)



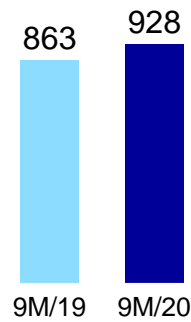
EBITDA

↗ +9%
↗ +9% (organic)



Net profit

↗ + 8%
↗ +10% (organic)



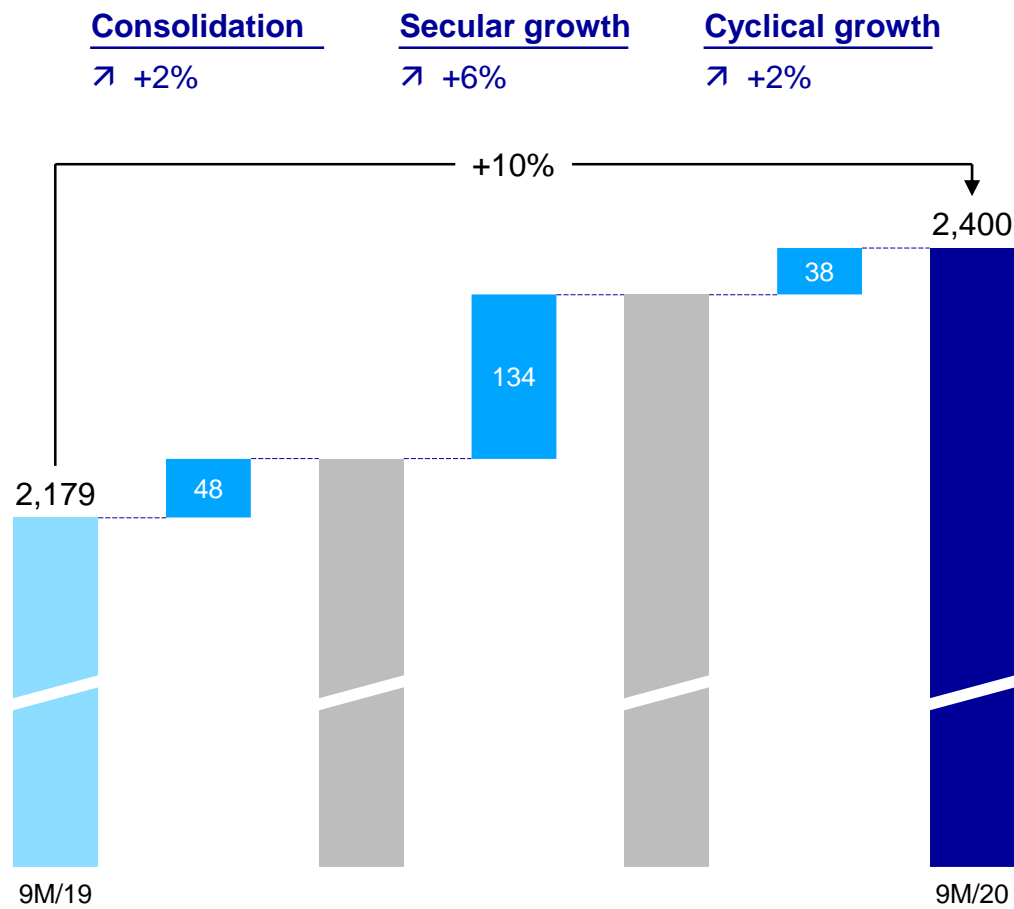
Note

Net interest income	€156m -18%
Exceptional cost items	€102m
Depreciation	€186m
Financial result	-€51m
Tax rate	26%
EPS (adj.)	€5.06 +7%

Note: Adjusted for exceptional items. Organic growth incl. Axioma (Qontigo), Ausmaq (IFS) and Börse Berlin (Xetra) like-for-like.

Secular growth trend remains intact

9M/2020 | €m



Note: Numbers may not add up due to rounding.

Note

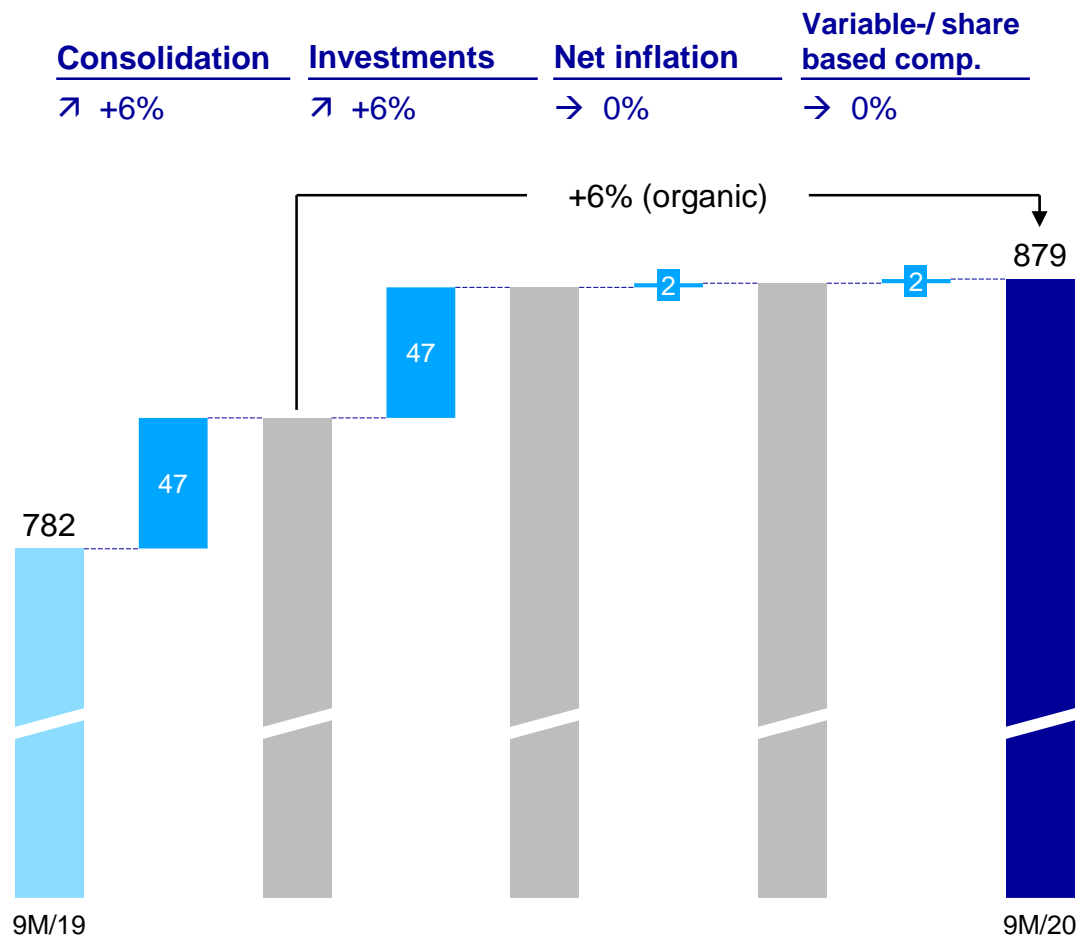
Consolidation effects mainly driven by Qontigo (Axioma) and a small contribution from IFS (Ausmaq).

All segments with positive secular growth contribution, with good progress at Eurex, IFS, Qontigo and 360T.

Cyclical growth mainly driven by exceptionally high volatility in Q1 due to the COVID-19 situation, but increasing headwinds since Q2.

Operating cost development

9M/2020 | €m



Note: Numbers may not add up due to rounding. Adjusted for exceptional items.

Note

Consolidation effects mainly driven by Qontigo (Axioma) and a small contribution from IFS (Ausmaq).

Higher investments in growth and technology, increase in personnel, as well as additional operating costs due to COVID-19 situation (Q1).

Inflationary pressures off-set by increase of operating efficiency.

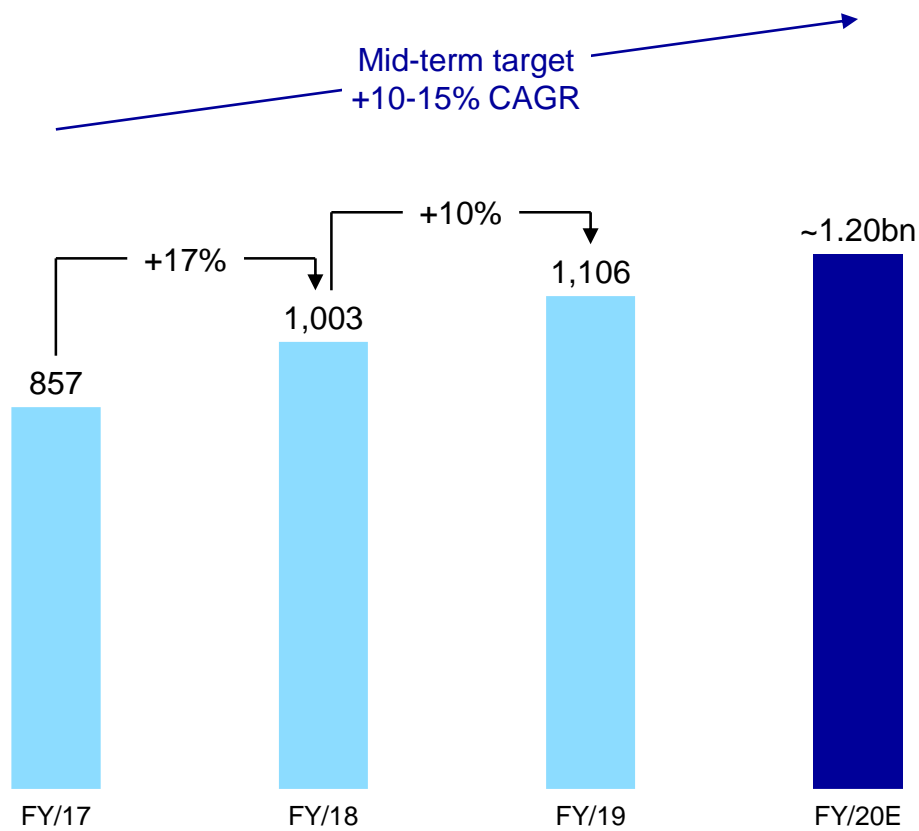
Variable-/ share based compensation flat, mainly due to share price development.

Organic operating cost growth minimized since Q3 to reflect weaker market environment.

Outlook

FY/2020 | €m

Net profit guidance



Note: Adjusted for exceptional items.

Note

Despite weaker Q3 development, guidance for 2020 remains unchanged, subject to an increase of market activity in Q4.

For FY/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 reported

(in €m)	Quarter ended 30 Sep 2020	Quarter ended 30 Sep 2019
Sales revenue	773.5	766.6
Net interest income from banking business	37.5	60.6
Other operating income	2.6	3.3
Total revenue	813.6	830.5
Volume-related costs	-106.1	-96.7
Net revenue	707.5	733.8
Staff costs	-194.8	-193.6
Other operating expenses	-125.1	-125.9
Operating costs	-319.9	-319.5
Net income from strategic investments	11.9	1.4
Earnings before interest, tax, depreciation and amortization (EBITDA)	399.5	415.7
Depreciation, amortization and impairment losses	-62.8	-53.9
Earnings before interest and tax (EBIT)	336.7	361.8
Financial result	-15.8	-16.8
Earnings before tax (EBT)	320.9	345.0
Income tax expense and other tax	-85.1	-89.9
Net profit for the period	235.8	255.1
thereof attributable to Deutsche Börse shareholders	227.1	248.6
thereof attributable to non-controlling interests	8.7	6.5
Earnings per share (basic) (€)	1.24	1.35

Income statement – group level adjusted

(in €m)	Quarter ended 30 Sep 2020	Quarter ended 30 Sep 2019
Sales revenue	773.5	766.6
Net interest income from banking business	37.5	60.6
Other operating income	2.6	3.3
Total revenue	813.6	830.5
Volume-related costs	-106.1	-96.7
Net revenue	707.5	733.8
Staff costs	-189.9	-178.4
Other operating expenses	-98.1	-95.1
Operating costs	-288.0	-273.5
Net income from strategic investments	11.9	1.4
Earnings before interest, tax, depreciation and amortization (EBITDA)	431.4	461.7
Depreciation, amortization and impairment losses	-62.3	-53.6
Earnings before interest and tax (EBIT)	369.1	408.1
Financial result	-15.8	-16.8
Earnings before tax (EBT)	353.3	391.3
Income tax expense and other tax	-91.9	-101.9
Net profit for the period	261.4	289.4
thereof attributable to Deutsche Börse shareholders	252.7	282.9
thereof attributable to non-controlling interests	8.7	6.5
Earnings per share (basic) (€)	1.38	1.54

Income statement – segmental level I/II

	Eurex (financial derivatives)		EEX (commodities)		360T (foreign exchange)		Xetra (cash equities)	
(in €m)	Q3/20	Q3/19	Q3/20	Q3/19	Q3/20	Q3/19	Q3/20	Q3/19
Net revenue	231.8	255.9	66.2	70.4	24.2	24.4	85.5	81.3
Staff costs adj.	-48.0	-45.4	-21.0	-20.1	-8.8	-9.1	-22.1	-22.4
Other operating expenses adj.	-34.4	-29.2	-12.8	-13.6	-3.4	-3.7	-11.1	-10.5
Operating costs adj.	-82.4	-74.6	-33.8	-33.7	-12.2	-12.8	-33.2	-32.9
Operating costs reported	-87.5	-81.0	-38.5	-37.9	-12.8	-12.2	-35.5	-37.3
Result from equity investments	-0.8	1.2	0.0	0.0	0.0	0.0	13.0	0.8
EBITDA adj.	148.6	182.5	32.4	36.7	12.0	11.6	65.3	49.2

Income statement – segmental level II/II

	Clearstream (post-trading)		IFS (investment fund services)		Qontigo (index and analytics business)	
(in €m)	Q3/20	Q3/19	Q3/20	Q3/19	Q3/20	Q3/19
Net revenue	191.2	208.4	54.5	48.0	54.1	45.4
Staff costs adj.	-54.3	-53.6	-15.4	-17.6	-20.3	-10.2
Other operating expenses adj.	-23.0	-25.9	-6.9	-6.4	-6.5	-5.8
Operating costs adj.	-77.3	-79.5	-22.3	-24.0	-26.8	-16.0
Operating costs reported	-86.0	-85.5	-32.1	-28.3	-27.5	-37.3
Result from equity investments	-0.3	-0.6	0.0	0.0	0.0	0.0
EBITDA adj.	113.6	128.3	32.2	24.0	27.3	29.4

Financial calendar and contact details

Financial calendar

09 Nov 2020	UBS European Virtual Conference 2020 (virtual/ London)
11 Nov 2020	
17 Nov 2020	Deutsches Eigenkapitalforum 2020 (virtual/ Frankfurt)
18 Nov 2020	Investor Day 2020 (Frankfurt & virtual)
23 Nov 2020	DZ Bank Equity Conference 2020 (virtual/ Frankfurt)
30 Nov 2020	Berenberg European Conference (virtual/ London)
01 Dec 2020	Redburn CEO Conference (virtual/ London)
07 Dec 2020	Virtual Group Meeting for US investors organised by HSBC
08 Dec 2020	

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