

# Quarterly statement Q1/2021

## Deutsche Börse Group's start to the year in line with guidance

### Overview of quarterly results

- Net revenue in Q1/2021 declined as expected by 7 per cent to €855.1 million, which was due to the exceptionally strong performance related to COVID-19 in Q1/2020.
- Cyclical headwinds, however, were partly offset by secular growth and consolidation effects, including Institutional Shareholder Services.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €521.2 million (Q1/20: €592.5 million).
- Basic earnings per share came to €1.73 (Q1/20: €2.00).
- The Group's Q1/2021 results are fully in line with the guidance for 2021 and the mid-term plan Compass 2023.
- In mid-February, the company raised €1 billion at a yield of 0 per cent on average from bond issues to finance the ISS acquisition.
- The virtual Annual General Meeting of Deutsche Börse AG will take place on 19 May 2021. An increase of the dividend to €3.00 per share will be proposed to the Annual General Meeting.

### Overview of material events

- [End of February 2021](#) Deutsche Börse Group announced the successful closing of the transaction to acquire a majority stake of 81 per cent in Institutional Shareholder Services Inc. (ISS), a provider of governance solutions, ESG data and analytics. The business operations of ISS and Deutsche Börse are highly complementary. Together the two companies will meet the steadily growing demand for detailed data, research solutions and analysis of non-financial information, particularly relating to ESG criteria.

### Comparability of figures

Deutsche Börse Group modified its segment reporting in the first quarter of 2021. In future, the business operations of ISS will be reported in a new segment: ISS (Institutional Shareholder Services).

Furthermore, as of the 2021 financial year the company no longer adjusts the performance indicators in the consolidated income statement for exceptional items. Thus, solely the unadjusted IFRS figures, including all underlying factors, are used as the corporate steering mechanism.

## Results of operations

Efforts to contain the COVID-19 pandemic continued to be at the centre of day-to-day political, social and business activity in the first quarter of 2021. However, broad-based vaccination programmes around the world did reduce uncertainty among market participants to a certain extent and global equity indices traded around all-time highs. This reduced market volatility as measured by the VSTOXX, which was reflected accordingly in trading activity. Thus, trading volumes fell compared with the exceptionally strong first quarter of the previous year, particularly in the segments Eurex (financial derivatives), EEX (commodities), 360T (foreign exchange) and Xetra (securities). The departure of the United Kingdom from the EU at year-end has not had a material impact on the Group's business, despite the lack of final agreements covering financial services. In the Clearstream (post-trading) segment the reduction in US prime interest rates in mid-March 2020 continues to have a tangible negative impact on net interest income from banking business, since a large proportion of cash balances is held in US dollars.

On this basis, Deutsche Börse Group reported net revenue of €855.1 million in the first quarter of 2021 (Q1/20: €914.8 million), which represents a decrease of 7 per cent against the very strong first quarter of 2020. The substantial cyclical decline was partly offset by secular growth, primarily in the segments IFS (Investment Fund Services) and Clearstream (post-trading). M&A activities also contributed to the Group's growth in the form of the acquisitions of UBS Fondscenter AG (IFS segment) and ISS. In the reporting period, net revenue in the Clearstream segment benefited from an exceptional item related to a reimbursement of legal costs of around €17 million.

The Group's operating costs rose by 9 per cent to €346.5 million (Q1/20: €318.4 million) in the first quarter, nearly all of which is due to consolidation effects of the acquisitions mentioned above.

Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) for Deutsche Börse Group fell accordingly by 12 per cent to €521.2 million (Q1/20: €592.5 million). This includes the result from financial investments of €12.6 million (Q1/20: €-3.9 million). It benefited from a positive development of different shareholdings, including Tradegate AG Wertpapierhandelsbank where the very positive performance continued thanks to sustained high activity by private investors.

Depreciation and amortisation amounted to €61.7 million in the first quarter (Q1/20: €62.0 million) and included effects of around €19 million from purchase price allocation of acquired assets (Q1/20: around €13 million). The Group's financial result came to €-13.9 million in the first quarter (Q1/20: €-16.5 million).

Net profit for the period attributable to Deutsche Börse AG shareholders was €317.3 million (Q1/20: €367.2 million), which was 14 per cent below the figure for the same period last year. Earnings per share came to €1.73 (Q1/20: €2.00) at an average of 183.5 million shares. Earnings per share before the effects of purchase price allocations (cash EPS) were €1.81 (Q1/20: €2.05).

Gregor Pottmeyer, CFO of Deutsche Börse AG, made the following comments on the results: “Even though the first quarter was weaker, given the exceptional boost from COVID-19 in the previous year’s quarter, we are fully in line with the growth path defined in our mid-term guidance Compass 2023. As we anticipated this development in our guidance for the current financial year, we are also confident that we will meet our growth targets for 2021.”

## Risk report

Deutsche Börse Group provides a full description of its risk management framework, strategy, principles, organisational structure, processes, methods and concepts, along with measures to manage and mitigate risks, on [pages 74 to 105](#) of its Annual Report 2020. A full description of the current status of litigation is also presented on [pages 83 to 88](#) of the Annual Report 2020.

Otherwise, the Executive Board has not identified any material change in the Group’s risk position at the present time.

## Report on expected developments

For the remainder of the financial year Deutsche Börse Group is not expecting any material deviation from its forecast of developments in the operating environment as presented on [pages 109 to 111](#) of the consolidated financial statements for 2020.

### Consolidated income statement

for the period 1 January to 31 March 2021	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Sales revenue	1,023.8	959.2	7
Treasury result from banking business	34.6	67.8 <sup>1</sup>	-49
Other operating income	19.3	3.4 <sup>1</sup>	468
<b>Total revenue</b>	<b>1,077.7</b>	<b>1,030.4</b>	<b>5</b>
Volume-related costs	-222.6	-115.6	93
<b>Net revenue</b>	<b>855.1</b>	<b>914.8</b>	<b>-7</b>
Staff costs	-228.5	-196.1	17
Other operating expenses	-118.0	-122.3	-4
<b>Operating costs</b>	<b>-346.5</b>	<b>-318.4</b>	<b>9</b>
Result from financial investments	12.6	-3.9	423
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>521.2</b>	<b>592.5</b>	<b>-12</b>
Depreciation, amortisation and impairment losses	-61.7	-62.0	-0
<b>Earnings before interest and tax (EBIT)</b>	<b>459.5</b>	<b>530.5</b>	<b>-13</b>
Financial result	-13.9	-16.5	-16
<b>Earnings before tax (EBT)</b>	<b>445.6</b>	<b>514.0</b>	<b>-13</b>
Income tax expense and other tax	-115.8	-133.4	-13
<b>Net profit for the period</b>	<b>329.8</b>	<b>380.6</b>	<b>-13</b>
thereof attributable to Deutsche Börse AG shareholders	317.3	367.2	-14
thereof attributable to non-controlling interests	12.5	13.4	-7
<b>Earnings per share (basic) (€)</b>	<b>1.73</b>	<b>2.00</b>	<b>-14</b>
<b>Earnings per share before purchase price allocations (Cash EPS) (€)</b>	<b>1.81</b>	<b>2.05</b>	<b>-12</b>

1) Previous year adjusted.

### Key indicators Eurex (financial derivatives) segment

(1 January to 31 March 2021)	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Net revenue	262.0	346.3	-24
Equity index derivatives	106.4	194.2	-45
Interest rate derivatives	61.6	61.6	0
Equity derivatives	12.3	14.8	-17
OTC clearing	13.3	13.0	2
Margin fees	18.4	18.0	2
Eurex data	14.9	14.8	1
Other	35.1	29.9	17
Operating costs	-89.1	-83.5	7
EBITDA	178.7	258.0	-31

### Key indicators EEX (commodities) segment

(1 January to 31 March 2021)	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Net revenue	79.5	81.8	-3
Power spot	17.9	18.9	-5
Power derivatives	27.7	32.8	-16
Gas	15.0	11.6	29
Other	18.9	18.5	2
Operating costs	-45.2	-42.6	6
EBITDA	34.3	39.1	-12

### Key indicators 360T (foreign exchange) segment

(1 January to 31 March 2021)	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Net revenue	26.4	27.6	-4
Trading	20.7	23.0	-10
Other	5.7	4.6	24
Operating costs	-12.4	-14.8	-16
EBITDA	14.0	12.8	9

### Key indicators Xetra (cash equities) segment

(1 January to 31 March 2021)	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Net revenue	93.2	101.4	-8
Trading and clearing	54.0	61.4	-12
Listing	4.7	4.5	4
Xetra data	23.7	24.7	-4
Other	10.8	10.8	0
Operating costs	-34.1	-34.4	-1
EBITDA	66.7	68.5	-3

### Key indicators Clearstream (post-trading) segment

(1 January to 31 March 2021)	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Net revenue	226.8	235.7	-4
Custody	106.9	107.0	-0
Settlement	38.2	30.4	26
Net interest income from banking business	12.9	48.3	-73
Collateral management	19.1	19.6	-3
Third party services	7.7	7.8	-1
Other	42.0	22.6	86
Operating costs	-89.7	-80.3	12
EBITDA	136.7	154.9	-12

### Key indicators IFS (investment fund services) segment

(1 January to 31 March 2021)	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Net revenue	82.7	55.6	49 <sup>1</sup>
Custody	26.2	20.9	25
Settlement	23.1	18.2	27
Fund distribution	16.5	-	-
Other	16.9	16.5	2
Operating costs	-30.0	-26.6	13
EBITDA	52.6	29.0	81

1) Organic growth in net revenue of 23%.

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**Key indicators Qontigo (index and analytics business) segment**

(1 January to 31 March 2021)	First quarter ended		Change
	31 Mar 2021	31 Mar 2020	
	€m	€m	%
Net revenue	63.2	66.4	-5
ETF licences	9.0	8.1	11
Exchange licences	8.9	12.6	-29
Other licences	28.1	24.9	13
Analytics	17.2	20.8	-17
Operating costs	-30.2	-36.2	-17
EBITDA	33.0	30.2	9

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**Key indicators ISS (Institutional Shareholder Services) segment**

(25 February to 31 March 2021)	First quarter ended
	31 Mar 2021
	€m
Net revenue	21.3
Operating costs	-15.8
EBITDA	5.2

### Shortened consolidated balance sheet – Assets

(as at 31 Mar 2021)	31 Mar 2021	31 Dec 2020
	€m	€m
<b>NON-CURRENT ASSETS</b>		
Intangible assets	7,687.4	5,723.2
Property, plant and equipment	613.7	530.4
Financial instruments held by central counterparties	9,817.8	6,934.7
Other non-current assets	1,897.3	1,408.4
<b>Total non-current assets</b>	<b>20,016.2</b>	<b>14,596.7</b>
<b>CURRENT ASSETS</b>		
Restricted bank balances	33,106.9	38,420.1
Financial instruments held by central counterparties	94,896.1	80,768.1
Other current assets	24,373.1	18,982.8
<b>Total current assets</b>	<b>152,376.1</b>	<b>138,171.0</b>
<b>Total assets</b>	<b>172,392.3</b>	<b>152,767.7</b>

### Shortened consolidated balance sheet – Liabilities

(as at 31 Mar 2021)	31 Mar 2021	31 Dec 2020
	€m	€m
<b>EQUITY</b>		
Shareholders' equity	6,643.3	6,168.3
Non-controlling interests	482.3	387.8
<b>Total equity</b>	<b>7,125.6</b>	<b>6,556.1</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial instruments held by central counterparties	9,817.8	6,934.7
Other non-current liabilities	5,185.6	4,096.7
<b>Total non-current liabilities</b>	<b>15,003.4</b>	<b>11,031.4</b>
<b>CURRENT LIABILITIES</b>		
Cash deposits by market participants	32,873.5	38,188.8
Financial instruments held by central counterparties	94,796.1	80,673.1
Other current liabilities	22,593.7	16,318.3
<b>Total current liabilities</b>	<b>150,263.3</b>	<b>135,180.2</b>
<b>Total equity and liabilities</b>	<b>172,392.3</b>	<b>152,767.7</b>



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