

Q3/2021: Deutsche Börse on growth path as planned

Overview of quarterly results

- Deutsche Börse Group increased its net revenue in the third quarter through secular growth and M&A by 18 per cent to €837.9 million (Q3/20: €707.5 million).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) rose to €499.5 million (Q3/20: €399.5 million), increasing by 25 per cent.
- Net profit for the period attributable to Deutsche Börse AG shareholders was €300.3 million (Q3/20: €227.1 million), an increase of 32 per cent. Earnings per share amounted to €1.64 (Q3/20: €1.24).
- The Group therefore confirms its guidance of increasing net revenue to around €3.5 billion and EBITDA to around €2.0 billion in the full year.

Overview of material events

On [3 September 2021](#), Deutsche Börse Group announced that Clearstream is selling its 50% stake in the European trade repository, REGIS-TR, to its joint venture partner, Iberclear, part of SIX, who is taking full control of the business with closing date in the first quarter of 2022. The decision to sell was made as part of Clearstream's continuous review of its business portfolio. Future strategic efforts will focus on growing custody services and to further strengthen the company's leadership position in funds services in-line with the Compass 2023 strategy.

Comparability of figures

Deutsche Börse Group modified its segment reporting in the first quarter of 2021. Since then, the business operations of ISS are 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

Result of Group operations in the third quarter of 2021

The economic optimism amongst market participants that began in the second quarter 2021 continued in the third quarter in the context of a positive reporting season for companies combined with rising profit expectations. Only isolated market events caused temporarily higher volatility, however. They included the return of economic uncertainty due to the global spread of the Covid delta variant and the increase in inflation expectations in both Europe and the USA. Trading in equity index derivatives in the Eurex (financial derivatives) segment and equities trading in the Xetra (cash equities) segment was correspondingly moderate. Signs of scarcer gas supplies and lower power production from wind energy rapidly caused market prices for power and gas to rise by significant multiples year on year. The volatility on power and gas markets resulting from these unexpected price rises had a positive effect on trading volume for power and gas products in the EEX (commodities) segment. In addition, the continuing expansion of the customer base in the IFS (investment fund services) segment resulted in a very strong performance of the custody and settlement business as well as the fund distribution business.

In view of the above, Deutsche Börse Group generated net revenue in the third quarter of 2021 of €837.9 million (Q3/20: €707.5 million). This represents an increase of 18 per cent compared to the same period a year ago. Amongst the main organic drivers of net revenue were the segments IFS (investment fund services), EEX (commodities) and Qontigo (index and analytics business). The Clearstream (post-trading) segment reported solid growth despite the ongoing decline in net interest income, whereas net revenue in the Eurex (financial derivatives) and Xetra (cash equities) segments was at roughly the same level as last year for cyclical reasons. The new ISS segment (Institutional Shareholder Services) and Clearstream Fund Centre (IFS segment) contributed to M&A growth in the third quarter.

Operating costs rose in the reporting period by 17 per cent to €375.8 million (Q3/20: €319.9 million), whereby the increase was almost entirely related to the Group's M&A growth.

Earnings before interest, tax, depreciation and amortisation (EBITDA) came to €499.5 million in the third quarter of 2021 (Q3/20: €399.5 million), which represents growth of 25 per cent. This comprises the result from financial investments, which includes a positive valuation effect of some €32 million from the minority investment in Clarity AI, Inc. in the Qontigo (index and analytics business) segment.

Publication of results

Amortisation, depreciation and impairment losses came to €73.0 million (Q3/20: €62.8 million). The depreciation increase is due mainly to purchase price allocations for acquisitions, which came to €25.0 million in total (Q3/20: €10.2 million). The financial result amounted to €-3.7 million (Q3/20: €-15.8 million). This positive effect was due primarily to an adjustment of the expected interest payments for potential tax refunds.

Net profit attributable to Deutsche Börse AG shareholders for the third quarter 2021 was therefore €300.3 million (Q3/20: €227.1 million), which represents a year-on-year increase of 32 per cent. Earnings per share came to €1.64 (Q3/20: €1.24) for an average of 183.5 million shares. Earnings per share before the effects of purchase price allocations (cash EPS) were €1.74 (Q3/20: €1.28).

Gregor Pottmeyer, CFO of Deutsche Börse AG, makes the following comments on the results: “The Group reported double-digit net revenue growth in the third quarter, despite the ongoing lack of cyclical tailwinds. As expected, this was made possible by a combination of further secular growth and M&A. Together with our efficient cost management, we are well positioned on our planned growth path.”

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

| | Third Quarter 01 Jul - 30 Sep | | | First nine Months 01 Jan - 30 Sep | | |
|--|----------------------------------|-------------------|--------------|--------------------------------------|--------------------|--------------|
| | 2021 €m | 2020 €m | Changes % | 2021 €m | 2020 €m | Changes % |
| Sales revenue | 1,039.0 | 773.5 | 34 | 3,093.8 | 2,570.5 | 20 |
| Treasury result from banking business | 32.5 | 39.2 ¹ | -17 | 99.7 | 160.3 ¹ | -38 |
| Other operating income | 6.3 | 0.9 ¹ | 600 | 74.9 | 6.1 ¹ | 1128 |
| Total revenue | 1,077.8 | 813.6 | 32 | 3,268.4 | 2,736.9 | 19 |
| Volume-related costs | -239.9 | -106.1 | 126 | -693.7 | -337.1 | 106 |
| Net revenue (total revenue less volume-related costs) | 837.9 | 707.5 | 18 | 2,574.7 | 2,399.8 | 7 |
| Staff costs | -249.3 | -194.8 | 28 | -734.9 | -610.9 | 20 |
| Other operating expenses | -126.5 | -125.1 | 1 | -370.6 | -370.0 | 0 |
| Operating costs | -375.8 | -319.9 | 17 | -1,105.5 | -980.9 | 13 |
| Net income from strategic investments | 37.4 | 11.9 | 214 | 69.5 | 13.8 | 404 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 499.5 | 399.5 | 25 | 1,538.7 | 1,432.7 | 7 |
| Depreciation, amortisation and impairment losses | -73.0 | -62.8 | 16 | -205.5 | -187.4 | 10 |
| Earnings before interest and tax (EBIT) | 426.5 | 336.7 | 27 | 1,333.2 | 1,245.3 | 7 |
| Financial income | -3.7 | -15.8 | -77 | -28.9 | -50.7 | -43 |
| Earnings before tax (EBT) | 422.8 | 320.9 | 32 | 1,304.3 | 1,194.6 | 9 |
| Income tax expense | -109.9 | -85.1 | 29 | -339.1 | -311.8 | 9 |
| Net profit for the period | 312.9 | 235.8 | 33 | 965.2 | 882.8 | 9 |
| thereof attributable to Deutsche Börse AG shareholders | 300.3 | 227.1 | 32 | 928.5 | 851.0 | 9 |
| thereof attributable to non-controlling interests | 12.6 | 8.7 | 45 | 36.7 | 31.8 | 15 |
| Earnings per share (basic) (€) | 1.64 | 1.24 | 32 | 5.06 | 4.64 | 9 |
| Earnings per share before purchase price allocations (Cash EPS) (€) | 1.74 | 1.28 | 36 | 5.34 | 4.77 | 12 |

1) Previous year adjusted.

Key indicators Eurex (financial derivatives) segment

| | Third Quarter | | | First nine Months | | |
|---------------------------|-----------------|-------|--------|-------------------|--------|--------|
| | 01 Jul - 30 Sep | | | 01 Jan - 30 Sep | | |
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | €m | €m | % | €m | €m | % |
| Net revenues | 234.7 | 231.8 | 1 | 740.4 | 849.6 | -13 |
| Equity index derivatives | 90.6 | 98.5 | -8 | 291.3 | 423.7 | -31 |
| Interest rate derivatives | 52.8 | 46.4 | 14 | 169.4 | 152.5 | 11 |
| Equity derivatives | 9.2 | 8.3 | 11 | 35.3 | 34.9 | 1 |
| OTC-Clearing | 14.7 | 13.4 | 10 | 41.1 | 40.2 | 2 |
| Margin Fees | 16.0 | 22.3 | -28 | 51.2 | 66.5 | -23 |
| Eurex data | 17.0 | 15.4 | 10 | 47.1 | 45.1 | 4 |
| Other | 34.4 | 27.5 | 25 | 105.0 | 86.7 | 21 |
| Operating costs | -93.4 | -87.5 | 7 | -272.9 | -263.3 | 4 |
| EBITDA | 141.5 | 143.5 | -1 | 474.5 | 585.6 | -19 |

Key indicators EEX (commodities) segment

| | Third Quarter | | | First nine Months | | |
|-------------------|-----------------|-------|--------|-------------------|--------|--------|
| | 01 Jul - 30 Sep | | | 01 Jan - 30 Sep | | |
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | €m | €m | % | €m | €m | % |
| Net revenue | 77.7 | 66.2 | 17 | 233.8 | 219.2 | 7 |
| Power spot | 16.5 | 16.1 | 2 | 51.3 | 52.1 | -2 |
| Power derivatives | 27.6 | 23.3 | 18 | 81.8 | 85.0 | -4 |
| Gas | 11.7 | 8.5 | 38 | 38.7 | 30.5 | 27 |
| Other | 21.9 | 18.3 | 20 | 62.0 | 51.6 | 20 |
| Operating costs | -43.1 | -38.5 | 12 | -130.3 | -125.3 | 4 |
| EBITDA | 34.6 | 27.7 | 25 | 103.5 | 93.7 | 10 |

Key indicators 360T (foreign exchange) segment

| | Third Quarter | | | First nine Months | | |
|-----------------|-----------------|-------|--------|-------------------|-------|--------|
| | 01 Jul - 30 Sep | | | 01 Jan - 30 Sep | | |
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | €m | €m | % | €m | €m | % |
| Net revenue | 26.5 | 24.2 | 10 | 78.5 | 75.4 | 4 |
| Trading | 20.6 | 19.2 | 7 | 61.0 | 61.5 | -1 |
| Other | 5.9 | 5.0 | 18 | 17.5 | 13.9 | 26 |
| Operating costs | -13.2 | -12.8 | 3 | -38.9 | -40.7 | -4 |
| EBITDA | 11.6 | 11.4 | 2 | 39.6 | 34.7 | 14 |

Publication of results

Key indicators Xetra (cash equities) segment

| | Third Quarter | | | First nine Months | | |
|----------------------|-----------------|-------|--------|-------------------|--------|--------|
| | 01 Jul - 30 Sep | | | 01 Jan - 30 Sep | | |
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | €m | €m | % | €m | €m | % |
| Net revenue | 84.8 | 85.5 | -1 | 271.9 | 281.3 | -3 |
| Trading and clearing | 43.1 | 42.6 | 1 | 141.5 | 157.5 | -10 |
| Listing | 4.7 | 4.5 | 4 | 14.3 | 12.7 | 13 |
| Xetra data | 26.6 | 27.6 | -4 | 83.6 | 78.4 | 7 |
| Other | 10.4 | 10.8 | -4 | 32.5 | 32.7 | -1 |
| Operating costs | -35.6 | -35.5 | 0 | -105.8 | -109.4 | -3 |
| EBITDA | 56.7 | 63.0 | -10 | 188.4 | 187.6 | 0 |

Key indicators Clearstream (post-trading) segment

| | Third Quarter | | | First nine Months | | |
|---|-----------------|-------|--------|-------------------|--------|--------|
| | 01 Jul - 30 Sep | | | 01 Jan - 30 Sep | | |
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | €m | €m | % | €m | €m | % |
| Net revenue | 201.3 | 191.2 | 5 | 629.6 | 639.5 | -2 |
| Custody | 114.6 | 104.2 | 10 | 332.3 | 317.9 | 5 |
| Settlement | 26.6 | 27.2 | -2 | 92.8 | 87.5 | 6 |
| Net interest income from banking business | 11.4 | 14.2 | -20 | 36.2 | 87.3 | -59 |
| GSF | 20.5 | 18.3 | 12 | 59.6 | 58.2 | 2 |
| Third party services | 4.9 | 5.1 | -4 | 18.4 | 18.8 | -2 |
| Other | 23.3 | 22.2 | 5 | 90.3 | 69.8 | 29 |
| Operating costs | -87.4 | -86.0 | 2 | -274.1 | -258.8 | 6 |
| EBITDA | 113.7 | 104.9 | 8 | 355.2 | 379.7 | -6 |

Key indicators IFS (investment fund services) segment

| | Third Quarter | | | First nine Months | | |
|-------------------|-----------------|-------|--------|-------------------|-------|--------|
| | 01 Jul - 30 Sep | | | 01 Jan - 30 Sep | | |
| | 2021 | 2020 | Change | 2021 | 2020 | Change |
| | €m | €m | % | €m | €m | % |
| Net revenue | 84.7 | 54.5 | 55 | 290.3 | 160.9 | 80 |
| Custody | 29.5 | 22.2 | 33 | 83.2 | 63.3 | 31 |
| Settlement | 22.0 | 17.0 | 29 | 67.2 | 51.6 | 30 |
| Fund distribution | 18.9 | n/a | n/a | 54.9 | n/a | n/a |
| Other | 14.3 | 15.3 | -7 | 85.0 | 46.0 | 85 |
| Operating costs | -29.2 | -32.1 | -9 | -90.7 | -90.7 | 0 |
| EBITDA | 55.4 | 22.4 | 147 | 199.1 | 70.2 | 184 |

Key indicators Qontigo (index and analytics business) segment

| | Third Quarter | | | First nine Months | | |
|-------------------|-----------------|------------|-------------|-------------------|------------|-------------|
| | 01 Jul - 30 Sep | | | 01 Jan - 30 Sep | | |
| | 2021 €m | 2020 €m | Change % | 2021 €m | 2020 €m | Change % |
| Net revenue | 59.5 | 54.1 | 10 | 180.3 | 173.9 | 4 |
| ETF licences | 10.6 | 8.7 | 22 | 29.6 | 24.4 | 21 |
| Exchange licenses | 7.5 | 6.8 | 10 | 24.0 | 26.2 | -8 |
| Other licences | 25.3 | 23.6 | 7 | 78.2 | 73.3 | 7 |
| Analytics | 16.1 | 15.0 | 7 | 48.5 | 50.0 | -3 |
| Operating costs | -29.4 | -27.5 | 7 | -87.0 | -92.7 | -6 |
| EBITDA | 63.2 | 26.6 | 138 | 136.9 | 81.2 | 69 |

Key indicators ISS (Institutional Shareholder Services) segment

| | Third Quarter | | | First nine Months | | |
|-----------------|-----------------|------------|-------------|-------------------|------------|-------------|
| | 01 Jul - 30 Sep | | | 25 Feb - 30 Sep | | |
| | 2021 €m | 2020 €m | Change % | 2021 €m | 2020 €m | Change % |
| Net revenue | 68.7 | n/a | n/a | 149.9 | n/a | n/a |
| ESG | 50.1 | n/a | n/a | 108.1 | n/a | n/a |
| Non-ESG | 18.6 | n/a | n/a | 41.8 | n/a | n/a |
| Operating costs | -44.5 | n/a | n/a | -105.8 | n/a | n/a |
| EBITDA | 22.8 | n/a | n/a | 41.5 | n/a | n/a |

Condensed consolidated balance sheet - Assets

| | 30 Sep 2021 | 31 Dec 2020 |
|--|------------------|------------------|
| | €m | €m |
| NON-CURRENT ASSETS | | |
| Intangible assets | 7,764.5 | 5,723.2 |
| Property, plant and equipment | 600.7 | 530.4 |
| Financial instruments held by central counterparties | 10,654.0 | 6,934.7 |
| Other non-current assets | 2,217.1 | 1,408.4 |
| Total non-current assets | 21,236.3 | 14,596.7 |
| CURRENT ASSETS | | |
| Restricted bank balances | 46,475.0 | 38,420.1 |
| Financial instruments held by central counterparties | 101,628.3 | 80,768.1 |
| Other current assets | 23,258.5 | 18,982.8 |
| Total current assets | 171,361.8 | 138,171.0 |
| Total assets | 192,598.1 | 152,767.7 |

Condensed consolidated balance sheet - Equity and liabilities

| | 30 Sep 2021 | 31 Dec 2020 |
|--|------------------|------------------|
| | €m | €m |
| EQUITY | | |
| Subscribed capital | 6,775.4 | 6,168.3 |
| Share premium | 490.5 | 387.8 |
| Total equity | 7,265.9 | 6,556.1 |
| NON-CURRENT LIABILITIES | | |
| Financial instruments held by central counterparties | 10,654.0 | 6,934.7 |
| Other non-current liabilities | 4,787.2 | 4,096.7 |
| Total non-current liabilities | 15,441.2 | 11,031.4 |
| CURRENT LIABILITIES | | |
| Cash deposits by market participants | 46,231.8 | 38,188.8 |
| Financial instruments held by central counterparties | 101,493.3 | 80,673.1 |
| Other current liabilities | 22,165.8 | 16,318.3 |
| Total current liabilities | 169,891.0 | 135,180.2 |
| Total equity and liabilities | 192,598.1 | 152,767.7 |

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