

## Q3/22: Deutsche Börse Group further raises guidance for the full year 2022 after strong third quarter

### Overview of quarterly results

- Deutsche Börse Group increased its net revenue in the third quarter by 30 per cent to €1,090.2 million (Q3/21: €837.9 million).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) rose to €642.3 million (Q3/21: €449.5 million), an increase of 29 per cent.
- Net profit for the period attributable to Deutsche Börse AG shareholders was €373.3 million (Q3/21: €300.3 million), 24 per cent up on the same period last year. Earnings per share before purchase price allocations (Cash EPS) came to €2.15 (Q3/21: €1.74).
- In view of the developments on financial markets we now anticipate that net revenue in the current financial year will go up to more than €4.1 billion and EBITDA to more than €2.3 billion.
- S&P again confirmed the AA rating with stable outlook for Deutsche Börse and Clearstream.

### Overview of material events

Deutsche Börse AG successfully placed a corporate hybrid bond in the amount of €500.0 million on [16 February 2022](#). The bond has a term of 26.25 years with a first call date after 6 years and a coupon of 2.0 per cent annually until June 2028. The hybrid bond will be used to refinance last year's M&A activities.

Deutsche Börse AG successfully placed a corporate bond in an amount of €600.0 million on [29 March 2022](#). The bond has a term of 10 years and a coupon of 1.5 per cent annually. The proceeds from the issue of the bond will be used to refinance the corporate bond maturing in October 2022.

### Comparability of figures

To reduce the complexity of its financial reporting and emphasise the Group's growth areas more clearly, the segment reporting was adjusted in accordance with the Group's management structure as of the first quarter of 2022 (including the respective amounts for the first three quarters of the prior year). The eight existing segments will from now on be condensed to four: Data & Analytics (including the Qontigo and ISS segments), Trading & Clearing (Eurex, EEX, 360T and Xetra segments), Fund Services (IFS segment) and Securities Services (Clearstream segment).

## Changes in the basis of consolidation

### Acquisition of Kneip Communication S.A. (Kneip)

[In the first quarter of 2022](#), Deutsche Börse AG completed the acquisition of 100 per cent of the shares in Kneip Communication S.A. (Kneip), thereby gaining control. Upon completion of the transaction on 31 March 2022, Kneip will be allocated to the Fund Services segment.

### Sale of shares in REGIS-TR

On [31 March 2022](#) Clearstream Banking S.A. and Clearstream Holding AG successfully closed the sale of their respective 50 per cent stake in the European trade repositories REGIS-TR S.A. and REGIS-TR UK Ltd. to its joint venture partner Iberclear, part of SIX.

### Loss of control over Tradegate Exchange GmbH and Börse Berlin AG

In course a capital restructuring at Tradegate Exchange GmbH on 17 June 2022, Deutsche Börse AG's voting rights in the company were reduced from 60.0 per cent to around 42.8 per cent. As a result, Deutsche Börse AG is no longer able to control Tradegate Exchange GmbH and its subsidiary Börse Berlin AG and has deconsolidated both companies. Tradegate Exchange GmbH will in future be accounted for as an associated company using the at-equity method.

## Results of operations

The economic market environment was affected by a number of exogenous factors in the third quarter of 2022. Persistently high inflation rates on both sides of the Atlantic put increasing pressure on central banks to take action. The US Fed continued down its path of rapidly tightening its monetary policy and increased interest rates most recently to 3.00-3.25 per cent. Shortly afterwards the European Central Bank followed suit, raising its deposit facility rate in two steps to 0.75 per cent. As a result the US dollar exceeded parity with the euro for the first time in 20 years. Russia's ongoing war of aggression against Ukraine and the sanctions it has triggered are another factor causing significant uncertainty in terms of gas supply to energy markets and the general reliability of supply chains. Overall, this led to strong demand from market participants for hedging products, particularly in financial derivatives and commodities trading. Based on the overall economic situation the IMF in part significantly revised the economic outlook in its October report and for Germany even expects a reduction of the economic performance of 0.3 per cent in 2023.

Net revenue increased in the third quarter 2022 by 30 per cent to €1,090.2 million (Q3/21: €837.9 million). All segments in the Group contributed to the increase in secular net revenue growth of 8 per cent. Key drivers were the higher demand for product innovation and ESG-related products, newly won customers and increased market share. Cyclical net revenue growth came to 20 per cent. This is based primarily on higher trading volumes for financial derivatives due to greater average market volatility, and an increase in trading volumes in gas products in the Trading & Clearing segment. The rapid increase in US interest rates also resulted in higher net interest income from banking business in the Securities Services segment. Furthermore, exchange rates had a slightly positive impact on cyclical net revenue growth. M&A-related growth, mainly driven by the acquisition of Discovery Data and Kneip, contributed 2 per cent to the increase in net revenue.

## Publication of results

Operating costs came to €445.6 million in the reporting period (Q3/21: €375.8 million), an increase of 19 per cent. In addition to the M&A-related cost effects, exchange rates had a significant impact on the cost structure due to the stronger US dollar. The remaining organic cost increase is mainly due to inflationary effects, provisions for variable and share-based payments and IT investments.

Earnings before interest, tax, depreciation and amortisation (EBITDA) thus went up by 29 per cent to €642.3 million (Q3/21: €499.5 million). The result from financial investments, which is included in EBITDA, came to €-2.3 million (Q3/21: €37.4 million). In the same period of the previous year this included a positive valuation effect of €32 million from the minority investment in Clarity AI, Inc.

Amortisation, depreciation and impairment losses came to €92.6 million (Q3/21: €73.0 million). The increase results amongst other from purchase price allocation effects for acquired companies, additional amortizations of capitalized assets as well as some minor impairment losses on software.

Net profit for the period attributable to Deutsche Börse AG shareholders in the third quarter was therefore €373.3 million (Q3/21: €300.3 million), representing a year-on-year increase of 24 per cent. Earnings per share came to €2.03 (Q3/21: €1.64) for an average of 183.6 million shares. Earnings per share before the effects of purchase price allocation (cash EPS) were €2.15 (Q3/21: €1.74).

Gregor Pottmeyer, CFO of Deutsche Börse AG, made the following comments on the results: “Financial markets continued to see great uncertainty in the third quarter. Particularly in such critical times the stock exchange as a regulated market is extremely important for security, transparency and hedging options. We significantly exceeded our expectations for the third quarter in this environment. Especially the strong secular contribution to net revenue growth is a key component of our strategy. Combined with the ongoing cyclical tailwinds, we are therefore further increasing our guidance for financial year 2022 and are now expecting net revenue of more than €4.1 billion and EBITDA of more than €2.3 billion.”

## 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 73 to 109](#) of its Annual report 2021. A full description of the current status of litigation is also presented on [pages 84 to 87](#) of the Annual report 2021 and respectively in the [Half-yearly financial report 2022](#).

In view of the Russian war of aggression against Ukraine and the action taken in this context, (e.g. discontinuation of trading in Russian cash equities as part of the sanctions and of various services for customers relating to the Ukrainian and Russian currencies), the risk situation has changed as follows, in addition to higher amounts of collateral posted with the clearing houses in the Group: In terms of operational risk, the focus is on the full implementation of sanctions and other political measures to isolate Russia, which increase cyber-risks. No threats have been identified, but the Group actively manages this risk by means of increased monitoring and awareness training. Financial risks stem from both capital controls by the Ukrainian central bank, particularly relating to cross-border payments, and to similar counter-measures by the Russian government in response to European and non-European sanctions. All the effects identified to date are actively managed within the Group and potential new risks are analysed on an ongoing basis.

The geopolitical situation, as well as supply and demand effects, caused significant increases in price and volatility for many of the gas and power contracts cleared by European Commodity Clearing AG in the third quarter. This has an impact on the risk situation of European Commodity Clearing AG, for example with regard to the business risk due to a potentially lower than planned trading volume in the future. There were no defaults by clearing members or other material disruptions to operations.

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

## Report on expected developments

In view of the developments on the financial markets in the first nine months of 2022 we anticipate much stronger cyclical net revenue growth for financial year 2022 than originally planned. At the same time, however, we are also expecting stronger growth in operating costs. This is largely due to the stronger US dollar, inflationary effects and higher share-based and variable payments. Compared with the report on expected developments [in the Annual report 2021](#) we are therefore assuming an increase in net revenues to more than €4.1 billion and an increase in earnings before interest, tax, depreciation and amortisation (EBITDA) to more than €2.3 billion for 2022.

## Report on post-balance sheet date events

There have been no material events after the balance sheet date.

## Consolidated income statement

	Third quarter 01 Jul - 30 Sep			First nine months 01 Jan - 30 Sep		
	2022 €m	2021 €m	Change %	2022 €m	2021 €m	Change %
Sales revenue	1,166.7	1,039.0	12	3,506.0	3,093.8	13
Treasury result from banking and similar business	159.9	32.5	392	298.4	99.7	199
Other operating income	8.8	6.3	40	88.6	74.9	18
Total revenue	1,335.4	1,077.8	24	3,893.0	3,268.4	19
Volume-related costs	-245.2	-239.9	2	-723.4	-693.7	4
<b>Net revenue (total revenue less volume-related costs)</b>	<b>1,090.2</b>	<b>837.9</b>	<b>30</b>	<b>3,169.6</b>	<b>2,574.7</b>	<b>23</b>
Staff costs	-307.2	-249.3	23	-891.6	-734.9	21
Other operating expense	-138.4	-126.5	9	-392.8	-370.6	6
<b>Operating costs</b>	<b>-445.6</b>	<b>-375.8</b>	<b>19</b>	<b>-1,284.4</b>	<b>-1,105.5</b>	<b>16</b>
Result from financial investments	-2.3	37.4	-106	29.4	69.5	-58
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>642.3</b>	<b>499.5</b>	<b>29</b>	<b>1,914.6</b>	<b>1,538.7</b>	<b>24</b>
Depreciation, amortisation and impairment losses	-92.6	-73.0	27	-258.6	-205.5	26
<b>Earnings before interest and tax (EBIT)</b>	<b>549.7</b>	<b>426.5</b>	<b>29</b>	<b>1,656.0</b>	<b>1,333.2</b>	<b>24</b>
Financial result	-21.1	-3.7	470	-55.6	-28.9	92
<b>Earnings before tax (EBT)</b>	<b>528.6</b>	<b>422.8</b>	<b>25</b>	<b>1,600.4</b>	<b>1,304.3</b>	<b>23</b>
Income tax expense	-137.4	-109.9	25	-416.1	-339.1	23
<b>Net profit for the period</b>	<b>391.2</b>	<b>312.9</b>	<b>25</b>	<b>1,184.3</b>	<b>965.2</b>	<b>23</b>
thereof attributable to Deutsche Börse AG shareholders	373.3	300.3	24	1,135.2	928.5	22
thereof attributable to non-controlling interests	17.9	12.6	42	49.1	36.7	34
<b>Earning per share (basic) (€)</b>	<b>2.03</b>	<b>1.64</b>	<b>24</b>	<b>6.18</b>	<b>5.06</b>	<b>22</b>
<b>Earning per share before purchase price allocations (Cash EPS) (€)</b>	<b>2.15</b>	<b>1.74</b>	<b>24</b>	<b>6.53</b>	<b>5.34</b>	<b>22</b>

## Key indicators Data &amp; Analytics segment

	Third quarter 01 Jul - 30 Sep			First nine months 01 Jan - 30 Sep		
	2022 €m	2021 €m	Change %	2022 €m	2021 €m	Change %
Net revenue	166.4	128.2	30	466.6	330.2	41
Index	46.6	43.4	7	146.3	131.8	11
Analytics	19.5	16.1	21	55.2	48.5	14
ESG <sup>1</sup>	68.5	50.1	37	174.5	108.1	61
Other <sup>1,2</sup>	31.8	18.6	71	90.6	41.8	117
Operating costs	-93.8	-73.9	27	-281.3	-192.8	46
EBITDA	74.8	86.0	-13	188.3	178.4	6

1) Institutional Shareholder Services, Inc. was fully consolidated as of 25 February 2021.

2) Includes amongst other the consolidation of Discovery Data, Inc. and Rainmaker Information Pty Ltd.

## Key indicators Trading &amp; Clearing segment

	Third quarter 01 Jul - 30 Sep			First nine months 01 Jan - 30 Sep		
	2022 €m	2021 €m	Change %	2022 €m	2021 €m	Change %
Net revenue	553.6	423.7	31	1,646.9	1,324.6	24
Financial derivatives	315.8	234.7	35	938.6	740.4	27
Equities	126.8	99.8	27	404.9	326.6	24
Interest rates	95.4	67.5	41	279.3	210.5	33
Margin fees	34.2	16.0	114	82.6	51.2	61
Other	59.4	51.4	16	171.8	152.1	13
Commodities	123.2	77.7	59	337.9	233.8	45
Power	40.1	43.8	-8	137.2	132.3	4
Gas	23.0	11.7	97	63.5	38.7	64
Other	60.1	22.2	171	137.2	62.8	118
Cash equities	79.4	84.8	-6	271.6	271.9	0
Trading	34.0	43.1	-21	143.8	141.5	2
Other	45.4	41.7	9	127.8	130.4	-2
Foreign exchange	35.2	26.5	33	98.8	78.5	26
Operating costs	-209.6	-185.3	13	-609.5	-547.9	11
EBITDA	340.1	244.4	39	1,065.7	806.0	32

## Key indicators Fund Services segment

	Third quarter 01 Jul - 30 Sep			First nine months 01 Jan - 30 Sep		
	2022	2021	Change	2022	2021	Change
	€m	€m	%	€m	€m	%
Net revenue	93.3	84.7	10	280.0	290.3	-4
Fund processing	53.5	51.5	4	159.7	150.4	6
Fund distribution	21.9	18.9	16	65.3	54.9	19
Other	17.9	14.3	25	55.0	85.0	-35
Operating costs	-43.8	-29.2	50	-116.4	-90.7	28
EBITDA	49.6	55.4	-10	163.2	199.1	-18

## Key indicators Securities Services segment

	Third quarter 01 Jul - 30 Sep			First nine months 01 Jan - 30 Sep		
	2022	2021	Change	2022	2021	Change
	€m	€m	%	€m	€m	%
Net revenue	276.9	201.3	38	776.1	629.6	23
Custody	147.6	135.1	9	437.4	391.9	12
Settlement	22.4	26.6	-16	79.0	92.8	-15
Net interest income from banking business	73.6	11.4	546	121.1	36.2	235
Other	33.3	28.2	18	138.6	108.7	28
Operating costs	-98.4	-87.4	13	-277.2	-274.1	1
EBITDA	177.8	113.7	56	497.4	355.2	40

## Consolidated balance sheet (extract)

	30 Sep 2022	31 Dec 2021
	€m	€m
<b>ASSETS</b>		
Non-current assets		
Intangible assets	8,912.7	8,162.9
Property, plant and equipment	647.5	593.7
Financial instruments held by central counterparties	10,748.0	9,442.4
Other non-current assets	2,933.4	2,263.4
<b>Total non-current assets</b>	<b>23,241.6</b>	<b>20,462.4</b>
CURRENT ASSETS		
Restricted bank balances	119,780.3	78,542.0
Financial instruments held by central counterparties	143,224.4	103,195.7
Other current assets	36,115.0	20,719.3
<b>Total current assets</b>	<b>299,119.7</b>	<b>202,457.0</b>
<b>Total assets</b>	<b>322,361.3</b>	<b>222,919.3</b>
<b>EQUITY AND LIABILITIES</b>		
EQUITY		
Shareholders' equity	8,347.5	7,193.6
Non-controlling interests	650.5	548.8
<b>Total equity</b>	<b>8,998.0</b>	<b>7,742.4</b>
NON-CURRENT LIABILITIES		
Financial instruments held by central counterparties	10,748.0	9,442.4
Other non-current liabilities	5,245.1	4,180.5
<b>Total non-current liabilities</b>	<b>15,993.1</b>	<b>13,623.0</b>
CURRENT LIABILITIES		
Cash deposits by market participants	119,527.3	78,292.5
Financial instruments held by central counterparties	142,504.4	103,267.7
Other current liabilities	35,338.5	19,993.8
<b>Total current liabilities</b>	<b>297,370.1</b>	<b>201,554.0</b>
<b>Total equity and liabilities</b>	<b>322,361.3</b>	<b>222,919.3</b>

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