



DEUTSCHE BÖRSE
GROUP

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Quarterly statement

Quarter 1/2018

Q1/2018: strong start of the year for Deutsche Börse Group

Quarterly results at a glance

- Deutsche Börse Group's net revenue grew by 11 per cent in the first quarter of 2018, to €691.6 million (Q1/2017: €623.4 million). Structural net revenue contributed 7 per cent to this growth, which is slightly above expectation. In addition, positive cyclical effects resulted in net revenue growth of some further 4 per cent.
- Operating costs totalled €275.0 million (Q1/2017: €273.6 million). This item included non-recurring effects of €20.5 million, mainly for restructuring measures. Adjusted for these items, operating costs stood at €254.5 million (Q1/2017: €245.1 million).
- Group earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €417.6 million (Q1/2017: €467.4 million). In Q1/2017 earnings had benefited from the divestiture of the remaining shareholding in BATS Global Markets, Inc. Adjusted for non-recurring items, Deutsche Börse Group increased its EBITDA by 15 per cent, to €438.1 million (Q1/2017: €380.2 million).
- Net profit for the period attributable to Deutsche Börse AG shareholders amounted to €249.0 million (Q1/2017: €280.1 million). Adjusted for non-recurring effects, net profit increased by 17 per cent to €270.7 million (Q1/2017: €232.2 million). At present, this result clearly excels the Group's guidance of at least 10 per cent net profit growth for financial year 2018.
- Basic earnings per share amounted to €1.34 for an average of 186.2 million shares. Adjusted for non-recurring items, they amounted to €1.45 (Q1/2017: €1.50 for 186.8 million shares; adjusted: €1.24).
- A dividend of €2.45 per share will be proposed to the Annual General Meeting on 16 May 2018.
- On 25 April 2018, the Executive Board of Deutsche Börse AG resolved on the cornerstones of the strategy and financial plan until 2020. Key elements of the "Roadmap 2020" are an accelerated growth strategy and increased investments in new technologies. Growth and investments will be refinanced through a programme to reduce the structural cost base of the company (for details see the [report on post-balance sheet date events](#)).
- Due to the forthcoming retirement of Andreas Preuss and Jeffrey Tessler from the Executive Board, the Supervisory Board of Deutsche Börse AG has on 25 April 2018 decided upon the appointments of new Executive Board members. This is subject to regulatory no-objection. As at 1 July 2018, Thomas Book will, in his role as member of the Executive Board, be responsible for the trading and clearing business (including all asset classes with the exception of the cash market). Also as at 1 July 2018, Stephan Leithner will be appointed as member of the Executive Board to take responsibility for the post-trading business (Clearstream), together with the index and data business. New Chief Information Officer and Chief Operating Officer will be Christoph Böhm. He will be appointed as at 1 November 2018.

Material events at a glance

- In March 2018, Deutsche Börse AG successfully placed a €600.0 million corporate bond issue on the market. The ten-year bond has a denomination of €1,000 and an annual coupon of 1.125 per cent. It will be listed on the regulated market of Frankfurter Wertpapierbörse (FWB[®], the Frankfurt Stock Exchange) as well as on the Luxembourg Stock Exchange (LuxSE). By issuing this bond, Deutsche Börse took advantage of the current market environment to raise funds for redemption of its outstanding senior bond maturing on 26 March 2018.
- In the first quarter of 2018, Deutsche Börse completed a share buy-back programme that had been in place since 27 November 2017, with a volume of around €200 million.

Q1/2018 earnings releases

Fundamental information about the Group

The fundamental information about the Group described [in](#) on pages 18 to 31 of the 2017 financial report is still valid in principle.

Comparability of figures

More detailed segment reporting

Deutsche Börse Group adjusted its internal segment management as at the first quarter of 2018. The more detailed structure of the reporting segments creates additional transparency and points out growth areas.

- The former Eurex segment was divided into three segments: Eurex (Financial Derivatives), EEX (Commodities), and 360T (Foreign Exchange).
- The former Clearstream segment was divided into three segments: Clearstream (Post-trading), IFS (Investment Fund Services) and GSF (Collateral Management).
- In future, the former Market Data + Services (MD+S) segment will be separated into STOXX (Index) and Data. Revenues from the Infrastructure Services division, the third pillar of the former MD+S segment, have been allocated to the Eurex and Xetra segments.
- The Group continues to report on business developments in the cash market within the Xetra segment (Cash Equities).

Recognising the growing importance of these business lines, the Group reports their net revenue, cost base, and EBITDA at segment level.

Changes to the basis of consolidation

EEX US Holdings, Inc., the parent company of Nodal Exchange Holdings, LLC, which Deutsche Börse acquired in the first quarter of 2017, has been fully consolidated in Deutsche Börse AG's consolidated financial statements since 3 May 2017, with revenues and costs being reported in the EEX (Commodities) segment.

Changes to the balance sheet structure

Since the first quarter of 2018, Deutsche Börse Group has improved the transparency of its balance sheet structure with the first-time application of IFRS 9. Financial instruments are now recognised in the consolidated balance sheet according to different measurement categories; the comparative figures presented for the first quarter of 2017 are reported according to the new structure.

Results of operations

Results of operations of the Group in the first quarter of 2018

Key figures on results of operations of Deutsche Börse Group (reported)

		Q1/2018	Q1/2017	Change %
Net revenue	€m	691.6	623.4	11
Operating costs	€m	275.0	273.6	1
EBITDA	€m	417.6	467.4	-11
Depreciation, amortisation and impairment losses	€m	41.3	35.9	15
EBIT	€m	376.3	431.5	-13
Net profit for the period attributable to Deutsche Börse AG shareholders	€m	249.0	280.1	-11
Earnings per share (basic)	€	1.34	1.50	-11

Key figures on results of operations of Deutsche Börse Group (adjusted)

		Q1/2018	Q1/2017	Change %
Net revenue	€m	691.6	623.4	11
Operating costs	€m	254.5	245.1	4
EBITDA	€m	438.1	380.2	15
Depreciation, amortisation and impairment losses	€m	40.8	35.2	16
EBIT	€m	397.3	345.0	15
Net profit for the period attributable to Deutsche Börse AG shareholders	€m	270.7	232.2	17
Earnings per share (basic)	€	1.45	1.24	17

Various political and economic factors once again caused uncertainty among market participants during the first quarter of 2018. On the political side, it was mainly the decisions and announcements of the US government – especially in the context of import duties – whose effects on global markets currently remain unclear. At the same time, there is still no clear picture in Europe of precisely how Britain will leave the EU. In Germany, on the contrary, the formation of a new government has stabilised the political situation after long negotiations. On the economic side, the US Federal Reserve (Fed) once again raised its key interest rate in March, while the European Central Bank (ECB) implied that its loose monetary policy in the euro area could come to an end in the foreseeable future – at least, the ECB is currently not planning to continue the government bond purchasing programme beyond September 2018. These conditions have contributed to higher volatility in the equities market – one of the main drivers for exchange-based trading. This gave impetus to both the equities and the derivatives markets: on average, the VDAX[®] volatility index was significantly higher in the first quarter of 2018 than in the first quarter of 2017.

Against this background, Deutsche Börse Group's net revenue increased by 11 per cent. Of this growth 7 per cent was attributable to structural factors, while cyclical factors contributed 4 per cent. Structural growth was driven by the initiatives launched in the EEX (Commodities), IFS (Investment Funds Services) and STOXX (Index) segments, and by off-exchange (over-the-counter, OTC) clearing. In addition, the Eurex (Financial Derivatives) and Xetra (Cash Equities) segments benefited from an improved market environment due to higher volatility in the first quarter of 2018.

Operating costs were on a par with the comparable period of the previous year. The internalisation of previously external consultants resulted in an additional headcount during the course of 2017 and in a shift of costs from other operating expenses (consulting) to staff costs. This item also rose due to higher provisions for variable, respectively share-based remuneration. Inflation and the consolidation of Nodal Exchange pushed costs. The Group offset this rise mainly through its ongoing efficiency measures as well as through non-recurring effects, which were lower year-on-year (Q1/2018: €20.5 million, Q1/2017: €28.5 million). The largest non-recurring items were costs of €12.1 million pertaining to efficiency measures, and costs of €8.7 million incurred for the integration of acquired companies and restructuring measures. Adjusted for these non-recurring effects, operating costs rose by 4 per cent year-on-year, to €254.5 million (Q1 2017: €245.1 million).

Deutsche Börse Group increased adjusted EBITDA by 15 per cent. This growth is attributable to significantly higher net revenue while operating costs rose only slightly. Accordingly, net profit the period attributable to Deutsche Börse AG shareholders was clearly above the comparable period of the previous year. Adjusted for non-recurring effects, net profit for the period rose by 17 per cent.

Deutsche Börse Group's financial result amounted to €-16.3 million in the first quarter of 2018 (Q1/2017: €-18.3 million). As expected, the adjusted tax rate in the first quarter of 2018 was 27.0 per cent (Q1/2017: 27.0 per cent).

Results of operations by segment in the first quarter of 2018

Eurex segment (Financial Derivatives)

Eurex segment (Financial Derivatives): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	237.0	214.6	10
Equity index derivatives	122.8	103.3	19
Interest rate derivatives	59.1	59.2	0
Equity derivatives	11.3	10.3	10
OTC clearing (incl. net interest income on margins for OTC interest rate swaps)	5.2	2.4	117
Other (incl. connectivity, member fees and net interest income on margins for exchange-traded products)	38.6	39.4	-2
Operating costs	80.8	74.6	8
EBITDA	155.9	257.2	-39
EBITDA (adjusted)	166.1	150.3	11
PERFORMANCE INDICATORS			
Financial derivatives: trading volumes on Eurex Exchange	m contracts	m contracts	%
Derivatives ¹⁾	504.3	446.1	13
Equity index derivatives	254.3	210.8	21
Interest rate derivatives	163.1	167.0	-2
Equity derivatives	86.8	68.4	27
Financial derivatives: OTC clearing volumes	€ bn	€ bn	%
Notional outstanding	4,686.5	1,247.2	276
Notional cleared	3,261.3	345.5	844

1) Due to rounding differences the total shown does not equal the sum of the individual figures.

In the Eurex segment (Financial Derivatives), Deutsche Börse Group reports on the development of the financial derivatives trading and clearing business at Eurex Exchange. The clearing volume of OTC interest rate swaps, one of the structural growth factors for Deutsche Börse Group, is reported as a separate item.

Compared with the first quarter of 2017, the generally more benign market environment – coupled with higher volatility – led to an increase in trading volumes in the Eurex segment. The overall solid quarter saw event-driven peaks on individual days, with February being the strongest month. Index products showed double-digit growth in the first quarter of 2018. However, the Fed's interest rate hike failed to provide stimulus for trading in interest rate products at Eurex, leading to a slight decline in trading activity.

The clearing volume of OTC interest rate swaps developed very well, not least thanks to the partnership programme launched by Eurex Clearing. This programme is designed to create a liquid, EU-27-based alternative for the clearing of interest rate swaps. Since its launch in October 2017, the programme received broad market acceptance, with participants joining from the US, the United Kingdom, Asia and Continental Europe.

EEX segment (Commodities)

EEX segment (Commodities): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	61.8	53.6	15
Power spot	16.5	15.4	7
Power derivatives	18.1	15.9	14
Gas	10.9	8.8	24
Other (incl. revenue from connectivity, member fees and admission allowance)	16.3	13.5	21
Operating costs	33.3	30.6	9
EBITDA	28.5	23.0	24
EBITDA (adjusted)	29.9	24.3	23
PERFORMANCE INDICATORS			
Commodities: trading volumes on EEX	TWh	TWh	%
Power spot	141.4	134.6	5
Power derivatives	985.2 ¹⁾	807.0	22
Gas	525.2	496.9	6

1) Incl. trading volumes at Nodal Exchange

In the EEX segment (Commodities), Deutsche Börse Group reports on the EEX group trading platforms activity, with locations in Europe, Asia and the US. The two most important revenue generators of the energy and commodities exchange are the power and gas markets.

EEX group's business was also shaped by higher volatility: growth in the power spot market was mainly due to higher volumes in France, and was driven by a higher share of wind power in the grid. In the power derivatives market, European Energy Exchange (EEX) is increasingly regaining liquidity and market share with its new product tailored to the German market, after volumes plunged from the second quarter of 2017 on amid the debate about the impending split of the German-Austrian price zone. The major growth driver of the gas market were spot transactions, given the unusually low temperatures in the first quarter of 2018.

360T segment (Foreign Exchange)

360T segment (Foreign Exchange): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	17.6	16.5	7
Trading	15.0	14.0	7
Other (incl. revenue from connectivity and member fees)	2.6	2.5	4
Operating costs	11.3	11.5	-2
EBITDA	6.3	5.0	26
EBITDA (adjusted)	7.9	7.4	7
PERFORMANCE INDICATORS			
Foreign exchange: trading volumes on 360T®	€bn	€bn	%
Average daily volume	62.8	59.3	6

In the 360T segment (Foreign Exchange), Deutsche Börse Group reports on the development of the foreign exchange (FX) trading business executed on the platform of its 360T subsidiary.

The foreign exchange markets also benefited from higher volatility, and in particular from the improved sentiment in the market in the wake of the interest rate hike resolved by the Fed, and from the perspective that the currently very loose monetary policy is expected to change in the euro area as well. However, the US government's stance against free trade caused uncertainty amongst market participants, as import duties could inevitably have consequences for Europe – and particularly Germany as an exporting country. In this overall normalising market environment, 360T increased its net revenue by 7 per cent, to €17.6 million, compared to the previous year.

Xetra segment (Cash Equities)

Xetra segment (Cash Equities): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	61.7	53.0	16
Trading and clearing	47.5	39.8	19
Listing	3.9	3.2	22
Other (incl. revenue from connectivity and member fees)	10.3	10.0	3
Operating costs	25.4	28.0	-9
EBITDA	37.8	25.5	48
EBITDA (adjusted)	39.2	27.5	43
PERFORMANCE INDICATORS	€bn	€bn	%
Trading volume (single-counted order book turnover at the trading venues Xetra®, Börse Frankfurt and Tradegate)			
Equities	429.4	323.4	33
ETF/ETC/ETN	50.7	38.0	33

In the Xetra segment (Cash Equities), Deutsche Börse Group reports on the development of its cash market trading venues (Xetra®, Frankfurt Stock Exchange, and Tradegate). Besides trading and clearing services, Deutsche Börse generates revenue from the admission of companies (listing), from connecting clients to their trading venues, and through services for partner exchanges.

In the first quarter of 2018, Deutsche Börse reported the highest cash market trading revenue ever generated during any first quarter since 2008. Compared to other European trading platforms, the trading venues of Deutsche Börse Group performed very well, outperforming their competitors: compared to other pan-European trading venues, Xetra further expanded its position as the reference market for trading in DAX® shares, and increased its market share to 68 per cent (Q1/2017: 64 per cent). The attractiveness of Xetra exchange trading was also enhanced thanks to T7®, the new trading technology to which Xetra trading migrated in July 2017. This trading architecture offers customers numerous advantages.

With the IPOs of Siemens Healthineers, the medical technology business of Siemens, and DWS Group, the asset management division of Deutsche Bank, two renowned issuers were admitted to trading at the Frankfurt Stock Exchange. The two companies raised a total of €5.7 billion in equity (Healthineers: €4.2 billion, DWS: €1.5 billion). Before that, the family business Dermapharm, the Instone Real Estate Group and Stemmer Imaging launched their respective IPOs at the Frankfurt Stock Exchange – the latter also marked the first listing in the Scale segment in 2018.

Clearstream segment (Post-trading)

Clearstream segment (Post-trading): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	178.7	164.4	9
Custody	94.7	92.7	2
Settlement	21.3	23.4	-9
Net interest income from banking business	34.2	24.1	42
Third party services	9.3	7.3	27
Other (incl. connectivity, account maintenance)	19.2	16.9	14
Operating costs	64.5	71.5	-10
EBITDA	114.2	92.9	23
EBITDA (adjusted)	116.3	101.9	14
PERFORMANCE INDICATORS			%
Assets under custody ICSD and CSD (average) (€bn)	11,155	11,335	-2
Settlement transactions ICSD (m)	12.6	11.1	14
Cash balances (daily average) (€bn)	12.8	15.1	-15

In the Clearstream segment (Post-trading) Deutsche Börse Group reports the settlement and custody businesses as well as net interest income from Clearstream's banking business.

At the beginning of February 2017, Clearstream migrated the domestic settlement business of its national central securities depositories (CSDs) to the TARGET2-Securities (T2S) platform provided by the European Central Bank (ECB). Following migration to the T2S platform, the segment no longer generates net revenue with domestic settlement transactions. International settlement transactions increased by 14 per cent compared to the first quarter of 2017. Assets under custody in the domestic and international CSD businesses remained largely stable year-on-year. Due to an adjusted price model that was introduced with T2S, net revenue from custody business increased slightly. Clearstream's main growth driver in Q1/2018 was its net interest income generated with daily cash balances, thanks to rising interest rate levels in the US as about 56 per cent of cash deposits are denominated in US dollar.

IFS segment (Investment Fund Services)

IFS segment (Investment Fund Services): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	39.3	35.1	12
Custody	16.0	15.3	5
Settlement	13.3	11.9	12
Other (incl. connectivity, order routing, reporting fees)	10.0	7.9	27
Operating costs	20.8	21.3	-2
EBITDA	18.5	13.7	35
EBITDA (adjusted)	18.8	14.6	29
PERFORMANCE INDICATORS			%
Assets under custody (average) (€ trillion)	2,384.1	2,124.3	12
Settlement transactions (m)	6.6	5.8	14

In the IFS segment (investment fund services), Deutsche Börse Group reports settlement activity and custody volumes of mutual and hedge funds processed by Clearstream. Customers are able to settle and manage their entire fund portfolio via Clearstream's Vestima® fund processing platform.

The growth in assets under custody is mainly due to new customer gains for Clearstream's investment fund services, while the increase of settlement transactions is related to the underlying trading activity, which was higher than in the previous year, in particular on the international side. Growth in both business drivers consequently boosted net revenue significantly.

GSF segment (Collateral Management)

GSF segment (Collateral Management): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	19.1	21.1	-9
Repo	10.6	10.7	-1
Securities lending	8.5	10.4	-18
Operating costs	9.3	9.0	3
EBITDA	9.8	12.1	-19
EBITDA (adjusted)	10.0	12.6	-21
PERFORMANCE INDICATORS	€bn	€bn	%
Average outstandings from securities lending	57.9	59.1	-2
Average outstandings from repo	364.8	427.2	-15

In the GSF segment (Collateral Management), Deutsche Börse Group reports business development at Clearstream's collateral management.

Average outstandings in the repo business declined year-on-year. Since volumes decreased predominantly in products with lower margins, net revenue in the repo business declined only slightly. In the securities lending business outstanding volumes have remained stable year-on-year. However, due to lower demand for highly rated assets, the average margin as well as net revenue decreased. Moreover, there were non-recurring effects that had an additional negative impact on net revenue.

STOXX segment (Index)

STOXX segment (Index): key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	33.8	25.0	35
ETF licences	11.1	7.4	50
Exchange licences	8.6	7.4	16
Other licences (incl. licences on structured products)	14.1	10.2	38
Operating costs	12.7	12.4	2
EBITDA	21.1	12.6	67
EBITDA (adjusted)	23.2	13.9	67
PERFORMANCE INDICATORS	€bn	€bn	%
Assets under management in ETFs on STOXX® indices (average for the period)	88.1	67.3	31
Assets under management in ETFs on DAX® indices (average for the period)	29.2	27.9	5
Index derivatives (traded contracts) (m)	234.9	199.5	18

In the STOXX segment (Index), Deutsche Börse Group reports on the development of the index business of its STOXX Ltd. subsidiary. The extensive range of indices offered by STOXX provides issuers with a wealth of opportunities for creating financial instruments for most diverse investment strategies.

ETF licence revenues depend on the assets invested worldwide in exchange-traded funds (ETFs) based on STOXX and DAX indices. Growth in these assets, especially in STOXX indices, has also led to a significant increase in ETF licence revenues. Exchange licence revenues depend primarily on the Eurex trading activity in index derivatives on STOXX and Deutsche Börse indices. As a result of the significantly higher number of contracts traded in the first quarter of 2018, exchange licence revenues also increased.

Data segment

Data segment: key indicators

	Q1/2018	Q1/2017	Change
FINANCIAL KEY FIGURES	€m	€m	%
Net revenue	42.6	40.1	6
Cash and derivatives	28.5	29.2	-2
Regulatory services	4.7	2.7	74
Other (incl. CEF® data services)	9.4	8.2	15
Operating costs	16.9	14.7	15
EBITDA	25.5	25.4	0
EBITDA (adjusted)	26.7	27.7	-4
PERFORMANCE INDICATORS	thousand	thousand	%
Subscriptions	418.9	447.7	-6

In the Data segment, Deutsche Börse Group reports on the development of its business concerning licences for real-time trading and market signals, together with the supply of historical data. The most important products in this respect are order book data from the cash and derivatives markets, as well as reference data of Deutsche Börse and its partner exchanges. Revenue from regulatory services is explicitly disclosed as a structural growth factor.

The increase in net revenue mainly resulted from adjustments made to individual licensing models, and from continuously generating new business: both revenue items more than offset the slight decline in subscriptions.

Net revenue from regulatory services more than doubled compared with the same quarter of the previous year – this was mainly driven by the Regulatory Reporting Hub developed by Deutsche Börse last year, which went live in early January 2018. The Regulatory Reporting Hub offers clients bundled solutions tailored to their reporting requirements in accordance with the revised EU Markets in Financial Instruments Directive (MiFID II). The business will continue to develop during the course of the year, with the integration of additional financial instruments in the Regulatory Reporting Hub.

Financial position

Development of management indicators

Deutsche Börse Group's clients generally expect it to maintain conservative interest service cover and leverage ratios, and to achieve good credit ratings. Therefore, the Group targets a minimum consolidated interest service cover ratio (defined as the ratio of EBITDA to interest expenses from financing activities) of 16. During the first quarter of 2018, Deutsche Börse Group achieved this target, with an interest service cover ratio of 41.5 (Q1/2017: 35.5). This figure is based on relevant interest expenses of €10.6 million and adjusted EBITDA of €438.1 million.

Moreover, Deutsche Börse Group targets a maximum ratio of interest-bearing gross debt to EBITDA of 1.5 at Group level. During the first quarter of 2018, the Group achieved a 1.1 ratio of gross debt to EBITDA. This figure is based on gross debt of €1,981.3 million, and adjusted EBITDA of €438.1 million.

Dividends

For financial year 2017, Deutsche Börse AG is proposing that the Annual General Meeting on 16 May 2018 resolve to pay a dividend of €2.45 per no-par value share (2016: €2.35). This dividend corresponds to a distribution ratio of 53 per cent of net profit for the period attributable to Deutsche Börse AG shareholders, adjusted for the non-recurring items (2016: 54 per cent, also adjusted for non-recurring items). Given 185.0 million no-par value shares bearing dividend rights, this would result in a total dividend of €453.3 million (2016: €439.0 million). The aggregate number of shares bearing dividend rights is produced by deducting the 8.0 million treasury shares from the ordinary share capital of 193.0 million shares.

Report on post-balance sheet date events

Personnel and structural changes to the Executive Board

On 24 April 2018, the Nomination Committee of the Supervisory Board of Deutsche Börse AG proposed candidates for the appointment of three new Executive Board members to the Supervisory Board. The Supervisory Board discussed and resolved on the proposals for appointment on 25 April. The new members of the Executive Board shall be responsible for the following three future Executive Board divisions: trading and clearing business (including all asset classes with the exception of the cash market), post-trading business (Clearstream), together with the index and data business, as well as the area of a Chief Operating Officer and Chief Information Officer.

In view of the expiring contracts of Andreas Preuss and Jeffrey Tessler, the proposed reorganisation of the Executive Board would result in an expansion of the Executive Board from five to six members.

Cornerstones of the strategy and financial plan until 2020 resolved

On 25 April 2018, the Executive Board of Deutsche Börse AG, after consultation with the Supervisory Board, resolved on the cornerstones of the strategy programme "Roadmap 2020". The main focus is the further strengthening of Deutsche Börse Group as the leading European capital markets infrastructure provider with global growth ambitions.

Key elements of the “Roadmap 2020” are an accelerated growth strategy and increased investments in new technologies. Growth and investments will be financed through a programme to reduce the structural cost base of the company.

The “Roadmap 2020” aims at:

- improved and accelerated implementation of the existing secular and cyclical growth opportunities;
- external growth with a focused and disciplined approach and improved processes. The primary goal is the expansion of selected business areas;
- increased investments in new technologies to tap into new revenue opportunities and further increase the operating efficiency.

As part of the strategy programme the company is planning for an organic increase of net revenue from secular growth opportunities of at least 5 per cent per year until 2020. Furthermore, Deutsche Börse expects higher market volatility in the longer-term and, as a consequence, positive cyclical effects on net revenue every year in the planning period. Against this background, and because of the scalability of the business model and an efficient management of operating cost, the company expects average annual growth of the adjusted net profit of around 10 to 15 per cent through 2020.

For the reduction of structural costs, the company plans to reduce the annual operating costs by the end of 2020 by around €100 million. For this the company expects one-off costs of around €200 million, which will mainly be incurred in 2018. Against the background of this accelerated growth strategy and increased investments, the company expects a growing number of employees in the planning period.

Risks and opportunities

Deutsche Börse Group provides detailed information on its operating environment, strategy, principles, organisation, processes, methods and concepts of its risk management as well as the measures implemented to manage or minimise risks in its [2017 financial report on pages 88 to 112](#). The investigations of the Public Prosecutor’s Office in respect of a share purchase by former Chief Executive Officer Carsten Kengeter are described in the [2017 financial report on page 101](#). Detailed information about the Group’s opportunities and opportunities management can be found also in the [2017 financial report on pages 113 to 119](#).

The Executive Board cannot, at present, identify any significant change in the Group’s risk and opportunity profile as described in the 2017 financial report.

Outlook

For the remainder of the 2018 financial year, Deutsche Börse Group does not expect any material deviation from the forecasts for its operating environment made in its 2017 consolidated financial statements.

Based on its current business portfolio, Deutsche Börse Group expects net revenue growth of at least 5 per cent from structural opportunities as well as from the success of new products and functionalities. This is based on the assumption that the cyclical environment develops in such a way that overall net revenue will not decrease, at least, in those business areas that depend on cyclical factors. Owing to its efficient cost management, the Group is targeting at least 10 per cent increases (excluding non-recurring effects) in EBITDA and net profit for the period attributable to Deutsche Börse AG shareholders.

Consolidated income statement

for the period 1 January to 31 March 2018

	31 Mar 2018 €m	Quarter ended 31 Mar 2017 €m
Sales revenue	731.7	666.4
Net interest income from banking business	40.9	29.9
Other operating income	6.5	6.2
Total revenue	779.1	702.5
Volume-related costs	-87.5	-79.1
Net revenue (total revenue less volume-related costs)	691.6	623.4
Staff costs	-174.1	-151.9
Other operating expenses	-100.9	-121.7
Operating costs¹⁾	-275.0	-273.6
Net income from strategic investments	1.0	117.6
Earnings before interest, tax, depreciation and amortisation (EBITDA)	417.6	467.4
Depreciation, amortisation and impairment losses	-41.3	-35.9
Earnings before interest and tax (EBIT)	376.3	431.5
Financial income	5.0	2.4
Financial expense	-21.3	-20.7
Earnings before tax (EBT)	360.0	413.2
Other tax	-0.3	-0.4
Income tax expense	-103.3	-126.5
Net profit for the period	256.4	286.3
thereof attributable to Deutsche Börse AG shareholders	249.0	280.1
thereof attributable to non-controlling interests	7.4	6.2
Earnings per share (basic) (€)	1.34	1.50
Earnings per share (diluted) (€)	1.34	1.50

1) Since the second quarter of 2017, operating costs have contained staff costs and other operating expenses; depreciation, amortisation and impairment losses are disclosed separately. Prior-year figures have been adjusted accordingly.

Consolidated balance sheet

as at 31 March 2018

Assets	31 Mar 2018 €m	1 Jan 2018 €m	restated 31 Dec 2017 €m	restated 31 Mar 2017 €m
NON-CURRENT ASSETS				
Intangible assets				
Software	374.6	322.1	322.1	316.5
Goodwill	2,769.2	2,770.9	2,770.9	2,720.9
Payments on account and construction in progress	31.0	86.8	86.8	73.9
Other intangible assets	902.2	911.2	911.2	853.7
	4,077.0	4,091.0	4,091.0	3,965.0
Property, plant and equipment				
Fixtures and fittings	33.4	34.8	34.8	35.6
Computer hardware, operating and office equipment	75.8	76.4	76.4	77.0
Payments on account and construction in progress	3.9	2.2	2.2	1.6
	113.1	113.4	113.4	114.2
Financial assets				
Investments in associates and joint ventures	39.8	38.7	38.7	28.6
Equity investments measured at fair value through OCI	91.4	101.6	-	-
Financial assets measured at amortised cost	1,332.8	1,574.1	-	-
Financial assets at fair value through profit or loss	16.1	15.9	-	-
Derivatives	0.1	0.1	-	-
Equity investments available for sale	-	-	99.4	89.9
Financial assets available for sale	-	-	1,592.6	1,758.5
Financial assets at fair value through profit or loss (fair value option)	-	-	1.2	0
Derivatives (held for trading)	-	-	0.1	0.1
Loans and receivables	-	-	4.9	5.8
	1,480.2	1,730.4	1,736.9	1,882.9
Financial instruments of the central counterparties	7,387.1	4,837.2	4,837.2	5,765.1
Other non-current assets	4.4	4.1	4.1	4.1
Deferred tax assets	93.7	101.8	101.1	57.6
Total non-current assets	13,155.5	10,877.9	10,883.7	11,788.9
CURRENT ASSETS				
Receivables and other current assets				
Financial instruments of the central counterparties	86,961.7	79,510.7	79,510.7	105,731.4
Financial assets measured at amortised cost	14,811.2	13,537.0	-	-
Financial assets at fair value through profit or loss	0	1.2	-	-
Derivatives	6.8	5.2	5.2	4.7
Financial assets available for sale	-	-	254.5	278.0
Loans and receivables	-	-	13,287.2	16,826.6
Trade receivables	382.7	330.9	329.4	531.7
Receivables from related parties	1.0	2.5	2.5	1.4
Income tax receivables	93.0	91.3	91.3	122.5
Other current assets	115.0	87.3	87.3	108.8
	102,371.4	93,566.1	93,568.1	123,605.1
Restricted bank balances	29,510.0	29,392.0	29,392.0	34,805.4
Other cash and bank balances	1,065.6	1,297.6	1,297.6	1,697.0
Total current assets	132,947.0	124,255.7	124,257.7	160,107.5
Total assets	146,102.5	135,133.6	135,141.4	171,896.4

Equity and liabilities

	31 Mar 2018 €m	1 Jan 2018 €m	restated 31 Dec 2017 €m	restated 31 Mar 2017 €m
EQUITY				
Subscribed capital	193.0	193.0	193.0	193.0
Share premium	1,332.3	1,332.3	1,332.3	1,327.8
Treasury shares	-499.7	-334.6	-334.6	-311.4
Revaluation surplus	8.7	19.6	19.6	15.2
Accumulated profit	3,874.6	3,623.7	3,631.0	3,502.0
Shareholders' equity	4,908.9	4,834.0	4,841.3	4,726.6
Non-controlling interests	124.4	118.1	118.1	155.2
Total equity	5,033.3	4,952.1	4,959.4	4,881.8
NON-CURRENT LIABILITIES				
Provisions for pensions and other employee benefits	147.0	144.2	144.2	144.3
Other non-current provisions	116.0	120.3	120.3	111.9
Deferred tax liabilities	205.8	227.8	226.8	222.8
Financial liabilities measured at amortised cost	2,282.5	1,689.8	1,688.4	2,285.6
Financial liabilities at fair value through profit or loss	0.8	0.8	0.8	0.2
Derivatives	-	-	0	1.5
Financial instruments of the central counterparties	7,387.1	4,837.2	4,837.2	5,765.1
Other non-current liabilities	6.7	6.1	6.1	5.9
Total non-current liabilities	10,145.9	7,026.2	7,023.8	8,537.3
CURRENT LIABILITIES				
Tax provisions	401.2	339.4	339.4	320.0
Other current provisions	155.3	191.6	191.6	119.6
Financial instruments of the central counterparties	86,452.1	78,798.6	78,798.6	105,030.9
Financial liabilities measured at amortised cost	13,849.7	14,340.3	14,340.3	17,733.9
Derivatives	6.6	29.1	32.0	10.2
Trade payables	102.5	148.9	148.9	306.9
Liabilities to related parties	2.7	1.5	1.5	1.6
Cash deposits by market participants	29,332.3	29,215.3	29,215.3	34,805.2
Other current liabilities	620.9	90.6	90.6	149.0
Total current liabilities	130,923.3	123,155.3	123,158.2	158,477.3
Total liabilities	141,069.2	130,181.5	130,182.0	167,014.6
Total equity and liabilities	146,102.5	135,133.6	135,141.4	171,896.4

Contact

Investor Relations

Phone +49-(0) 69-2 11-1 16 70

Fax +49-(0) 69-2 11-1 46 08

E-mail ir@deutsche-boerse.com

www.deutsche-boerse.com/ir_e

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Phone +49-(0) 69-2 11-1 15 10

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Annual General Meeting

30 May 2018
Investor Day

25 July 2018
Publication half-yearly financial report 2018

29 October 2018
Publication Q3/2018 results