



Deutsche Börse Group

Annual report 2023

Excerpt: Deutsche Börse AG (notes based on HGB)

Executive and Supervisory Board

Combined management report

Deutsche Börse:

Fundamental information about the Group

Strategy and steering parameters

Economic situation

Non-financial declaration

Risk report

Report on opportunities

Report on expected developments

Report on post-balance sheet date events

Corporate governance statement

Deutsche Börse AG

(notes based on HGB)

Business and operating environment

Results of operations of

Deutsche Börse AG

Financial position of Deutsche Börse AG

Assets of Deutsche Börse AG

Deutsche Börse AG employees

Remuneration report of Deutsche Börse AG

Corporate governance statement in

accordance with section 289f HGB

Opportunities and risks facing Deutsche

Börse AG

Report on expected developments for

Deutsche Börse AG

Takeover-related disclosures

Consolidated financial statements/notes

Remuneration report

Further information

Deutsche Börse AG (notes based on HGB)

The annual financial statements of Deutsche Börse AG are prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch, HGB) and the supplementary provisions of the German Stock Corporation Act (Aktiengesetz, AktG). They are the underlying basis for the notes that follow.

Business and operating environment

Business model and general position of the company

Deutsche Börse AG is the parent company of Deutsche Börse Group. The parent company's business activities include, first and foremost, the cash and derivatives markets, which are reflected in the Trading & Clearing segment.

Deutsche Börse AG also operates essential parts of the Group's information technology. The performance of the Securities Services segment (formerly Clearstream) is primarily reflected in Deutsche Börse AG's business performance via the profit and loss transfer agreement with Clearstream Holding AG. The business and the operating environment of Deutsche Börse AG are largely the same as for the Group. They are described in the section "[Macroeconomic and sector-specific environment](#)".

Deutsche Börse AG's course of business in the reporting period

Deutsche Börse AG's sales revenue increased by 3.0 per cent in the 2023 financial year, which was in line with the company's expectations. By contrast, total costs (staff costs, amortisation of intangible assets and depreciation of property, plant and equipment and other operating expenses) rose by 6.7 per cent. EBITDA was €2.7 billion in the 2023 financial year and so was significantly above the forecast for the 2023 financial year of €1.4 billion. Net profit was up by 142.1 per cent compared with the previous year. The financial year was mainly defined by the ongoing geopolitical situation and the resulting market risks, rising inflation and interest rate increases by the central banks. Volatility on stock markets was lower overall than in the previous year, however. The increase in net income is primarily due to non-recurring effects within the result from equity investments. This stems partly from the fact that for the first time profits were recognised at Clearstream Holding AG in the period in which they originated, and partly from reorganisation of Deutsche Börse AG's shareholdings. On the basis of these developments, the Executive Board of Deutsche Börse AG considers its performance in 2023 to be positive in context.

Executive and Supervisory Board

Combined management report

- Deutsche Börse:
 - Fundamental information about the Group
- Strategy and steering parameters
- Economic situation
- Non-financial declaration
- Risk report
- Report on opportunities
- Report on expected developments
- Report on post-balance sheet date events
- Corporate governance statement

Deutsche Börse AG

(notes based on HGB)

Business and operating environment

Results of operations of

Deutsche Börse AG

Financial position of Deutsche Börse AG

Assets of Deutsche Börse AG

Deutsche Börse AG employees

Remuneration report of Deutsche Börse AG

Corporate governance statement in accordance with section 289f HGB

Opportunities and risks facing Deutsche Börse AG

Report on expected developments for

Deutsche Börse AG

Takeover-related disclosures

Consolidated financial statements/notes

Remuneration report

Further information

Performance figures for Deutsche Börse AG

in € m	2023	2022	Change
Sales revenue	1,697.4	1,647.9	3.0 %
Total costs	1,280.7	1,199.8	6.7 %
Net income from equity investments	1,764.0	524.2	236.5 %
EBITDA	2,698.8	1,215.1	122.1 %
Net profit for the period	2,118.4	875.1	142.1 %
Earnings per share (€) ¹	11.44	4.76	140.3 %

1) Calculation based on weighted average of shares outstanding

Results of operations of Deutsche Börse AG

Deutsche Börse AG's sales revenue rose by 3.0 per cent in 2023. This is largely due to an increase in sales revenue of €22.9 million in the Trading & Clearing Segment. For more information on the development of the Trading & Clearing segment, please refer to the "Trading & Clearing segment" section. The other segments mainly relate to the provision of central functions. By contrast, these segments have a material impact on the company's investment income. The breakdown of income by the company's individual segments is shown in the table "Sales revenue by segment".

The company's total costs were up 6.7 per cent year on year. For a breakdown, please refer to the table "Overview of total costs". Staff costs rose by 16.2 per cent year on year during the year under review, to €341.4 million. The increase in staff costs is mainly due to the larger number of employees following the opening of new offices in Czech Republic and Ireland. Amortisation of intangible assets and depreciation of property, plant and equipment increased by 0.4 per cent in the year under review. Other operating expenses were up 4.0 per cent year on year. This stems from the opening of new offices and general price increases.

The result of equity investments at Deutsche Börse AG rose year on year by 236.5 per cent in 2023. It consisted partly of dividend income of €261.7 million (2022: €161.6 million) and income from the transfer of profits of €1,474.1 million (2022: €412.2 million). The higher income from profit transfers is due to the fact that for the first time profits were recognised in the year in which they originated at the level of Clearstream Holding AG and its net income for the year increased as a result. An internal reorganisation within Deutsche Börse Group, which included the contribution and the sale of the investment in ISS HoldCo Inc. to ISS STOXX GmbH and the transfer of the investment in Axioma Inc. to SimCorp A/S as a capital contribution, resulted in an overall positive effect of €26.8 million in financial year 2023. Impairment losses of €35.9 million were recognised on financial assets, along with write-ups of €37.3 million.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 122.1 per cent due to the effects mentioned above. Net income for the period amounted to €2,118.4 million, an increase of 142.1 per cent.

Executive and Supervisory Board

Combined management report

Deutsche Börse:
Fundamental information about the Group
Strategy and steering parameters
Economic situation
Non-financial declaration
Risk report
Report on opportunities
Report on expected developments
Report on post-balance sheet date events
Corporate governance statement

Deutsche Börse AG

(notes based on HGB)

Business and operating environment
Results of operations of
Deutsche Börse AG

Financial position of Deutsche Börse AG

Assets of Deutsche Börse AG
Deutsche Börse AG employees
Remuneration report of Deutsche Börse AG
Corporate governance statement in
accordance with section 289f HGB
Opportunities and risks facing Deutsche
Börse AG
Report on expected developments for
Deutsche Börse AG
Takeover-related disclosures

Consolidated financial statements/notes

Remuneration report

Further information

Sales revenue by segment

in €m	2023	2022	Change
Trading & Clearing	1,523.9	1,501.0	1.5 %
Securities Services	107.8	116.3	- 7.3 %
Fund Services	54.6	25.9	110.8 %
Investment Management Solutions	11.1	4,7	136.2 %
Total	1,697.4	1,647.9	3.0 %

Overview of total costs

in €m	2023	2022	Change
Staff costs	341.4	293.9	16.2 %
Depreciation and amortisation	73.9	73.6	0.4 %
Other operating expenses	865.4	832.3	4.0 %
Total	1,280.7	1,199.8	6.7 %

Development of profitability

Deutsche Börse AG's return on equity expresses the ratio of net income after taxes to average equity available to the company during the course of 2023. Return on equity rose from 21.9 per cent in 2022 to 49.1 per cent in the year under review. The increase is particularly due to the one-off effect of recognising profits in the year in which they originated at the level of Clearstream Holding AG for the first time.

Financial position of Deutsche Börse AG

As at 31 December 2023, cash and cash equivalents amounted to €150.4 million (2022: €442.0 million). This includes balances on current accounts, fixed-term deposits and other short-term investments, whereby the majority is held in cash.

Deutsche Börse AG has external credit lines available of €600.0 million (2022: €600.0 million), which were unused as at 31 December 2023. Moreover, the company has a commercial paper programme in place, which allows for flexible and short-term financings of up to €2.5 billion, in various currencies. Commercial paper with a nominal value of €590.0 million (2022: €60.0 million) was in circulation at year-end.

Through a Group-wide cash-pooling system, Deutsche Börse AG ensures an optimum allocation of liquidity throughout Deutsche Börse Group; in this way, the parent entity makes sure that all subsidiaries are in a position to honour their payment obligations at all times.

Deutsche Börse AG has issued ten corporate loans with a total nominal volume of €6.8 billion. For more details concerning these bonds, please refer to the "Financial position" section.

In the 2023 financial year, Deutsche Börse AG generated cash flow from operating activities of €832.1 million (2022: €1,209.4 million).

Cash flow from investing activities amounted to €-3,819.5 million (2022: €-392.5 million). The change is primarily due to the acquisition costs of €3.9 billion for SimCorp A/S.

Executive and Supervisory Board

Combined management report

Deutsche Börse:

Fundamental information about the Group

Strategy and steering parameters

Economic situation

Non-financial declaration

Risk report

Report on opportunities

Report on expected developments

Report on post-balance sheet date events

Corporate governance statement

Deutsche Börse AG

(notes based on HGB)

Business and operating environment

Results of operations of

Deutsche Börse AG

Financial position of Deutsche Börse AG

Assets of Deutsche Börse AG

Deutsche Börse AG employees

Remuneration report of Deutsche Börse AG

Corporate governance statement in

accordance with section 289f HGB

Opportunities and risks facing Deutsche

Börse AG

Report on expected developments for

Deutsche Börse AG

Takeover-related disclosures

Cash flow from financing activities amounted to €3,097.0 million in the year under review (2022: €–812.2 million). A dividend of €661.5 million was paid for the 2022 financial year. Bonds were issued for a total of €3 billion to finance the acquisition of SimCorp A/S. Commercial papers were also issued in the reporting year with a nominal value of €530.0 million. Cash and cash equivalents amounted to €–866.1 million as at the reporting date 31 December 2023 (2022: €–756.5 million). It is made up of liquid funds of €150.4 million (2022: €442.0 million), less cash-pooling liabilities of €1,016.6 million (2022: €1,198.5 million).

Cash flow statement (condensed)

in €m	2023	2022
Cash flow from operating activities	832.1	1,209.4
Cash flow from investing activities	– 3,819.5	– 392.5
Cash flow from financing activities	3,097.0	– 812.2
Cash and cash equivalents as at 31 December	– 866.1	– 756.5

Assets of Deutsche Börse AG

As at 31 December 2023, the non-current assets of Deutsche Börse AG amounted to €12,780.5 million (2022: €8,805.5 million). At €12,522.3 million, most of the non-current assets consisted of shares in affiliated companies (2022: €8,024.7 million). The increase in financial year 2023 is primarily due to the acquisition of SimCorp A/S for €3.9 billion.

Deutsche Börse AG's investments in intangible assets and property, plant and equipment totalled €37.6 million during the year under review (2022: €128.2 million) and were thus lower than in the previous year. Depreciation and amortisation in 2023 amounted to €73.9 million (2022: €73.6 million).

¹ Employees do not include the company's legal representatives, apprentices and employees on parental leave.

Receivables from and liabilities to affiliated companies include invoices for intra-Group services and amounts invested by Deutsche Börse AG within the scope of cash-pooling arrangements. The receivables from affiliated companies relate to invoices for intra-Group services, but primarily to Clearstream Holding AG for the company's profit transfer of €1,474.1 million. Liabilities to affiliated companies resulted mainly from cash-pooling amounting to €1,025.0 million (2022: €1,199.6 million) and trade liabilities of €80.8 million (2022: €84.8 million).

Concerning the change in treasury shares we refer to the more detailed comments in the notes to the financial statements of Deutsche Börse AG in accordance with Section 315 (2) sentence 2 HGB.

Deutsche Börse AG employees

The number of employees (as defined by HGB)¹ at Deutsche Börse AG rose by 860 in the reporting year and totalled 2,570 as at 31 December 2023 (31 December 2022: 1,710). The average number of employees at Deutsche Börse AG in the 2023 financial year was 2,158 (2022: 1,701).

Deutsche Börse AG has employees at eight locations around the world. Two offices were opened – in Czech Republic and Ireland – in 2023. During the 2023 financial year, 138 employees left Deutsche Börse AG, resulting in a staff turnover rate of 6 per cent. Deutsche Börse AG employees are 41 years old on average and have been with the company for an average of 8 years.

Consolidated financial statements/notes

Remuneration report

Further information

Executive and Supervisory Board

Combined management report

Deutsche Börse:

Fundamental information about the Group

Strategy and steering parameters

Economic situation

Non-financial declaration

Risk report

Report on opportunities

Report on expected developments

Report on post-balance sheet date events

Corporate governance statement

Deutsche Börse AG

(notes based on HGB)

Business and operating environment

Results of operations of

Deutsche Börse AG

Financial position of Deutsche Börse AG

Assets of Deutsche Börse AG

Deutsche Börse AG employees

[Remuneration report of Deutsche Börse AG](#)

[Corporate governance statement in accordance with section 289f HGB](#)

[Opportunities and risks facing Deutsche Börse AG](#)

[Report on expected developments for Deutsche Börse AG](#)

Takeover-related disclosures

Remuneration report of Deutsche Börse AG

The principles governing the structure and design of the remuneration system at Deutsche Börse AG are the same as those for Deutsche Börse Group, so reference is made to the “[Remuneration report](#)” which is published alongside the annual report.

Corporate governance statement in accordance with section 289f HGB

The corporate governance statement in accordance with section 289f HGB is the same as that for Deutsche Börse Group. Reference is therefore made to the section “[Corporate governance statement](#)”.

Opportunities and risks facing Deutsche Börse AG

The opportunities and risks of Deutsche Börse AG and the activities and processes to manage these are largely the same as for Deutsche Börse Group, so reference is made to the “[Risk report](#)” and the “[Report on opportunities](#)”. As a rule, Deutsche Börse AG shares the opportunities and risks of its equity investments and subsidiaries in accordance with its equity interest. Risks that could potentially threaten the existence of the Eurex Clearing AG subsidiary would also have a direct influence on Deutsche Börse AG based on a letter of comfort issued by Deutsche Börse AG. As at the reporting date, there were no risks jeopardising the company’s existence. Further information on the letter of

comfort issued to Eurex Clearing AG is available in the section [Other financial obligations and off-balance sheet transactions](#) in the notes to the annual financial statements of Deutsche Börse AG. The description of the internal control system (ICS), required by section 289 (4) HGB, is provided in the [Risk report](#) section.

Report on expected developments for Deutsche Börse AG

The expected developments in Deutsche Börse AG’s business are largely subject to the same factors as those influencing Deutsche Börse Group. However, the revenue of Deutsche Börse AG is largely determined by the Trading & Clearing segment, whereby this is mostly generated via Eurex Frankfurt AG (EFAG) and Eurex Clearing AG (ECAG) in the form of revenue transfers (operational management structure).

Additional factors affecting future earnings at Deutsche Börse AG are the investment income from affiliated companies and income from profit transfer agreements.

Deutsche Börse AG expects sales of more than €1.7 billion and EBITDA of more than €1.6 billion for 2024.

Further comments on Deutsche Börse AG can be found in the “[Report on expected developments](#)” section.

Consolidated financial statements/notes

Remuneration report

Further information

Executive and Supervisory Board

Combined management report

Consolidated financial statements/notes

Remuneration report

Further information

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Publications service

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