



CAPITALISING  
STRENGTHS.  
CREATING  
OPPORTUNITIES.

2016 ANNUAL MEETING

FRANKFURT AM MAIN  
25 FEBRUARY 2016



## Torsten Grede

- Our people
- Business lines
- Market position and competitive environment
- Challenges for 2016

## Susanne Zeidler

- Financial year 2014/2015
- Dividend recommendation
- Current situation in 2016
- Outlook beyond the current financial year



TORSTEN GREDE  
Spokesman of the Board of  
Management



SUSANNE ZEIDLER  
Chief Financial Officer

# 2015 CHALLENGES MASTERED

Investment pace



**Seven new portfolio companies**

**Investment decisions on more than 300 million euros**

Strategic course set at  
portfolio  
companies of recent  
vintages



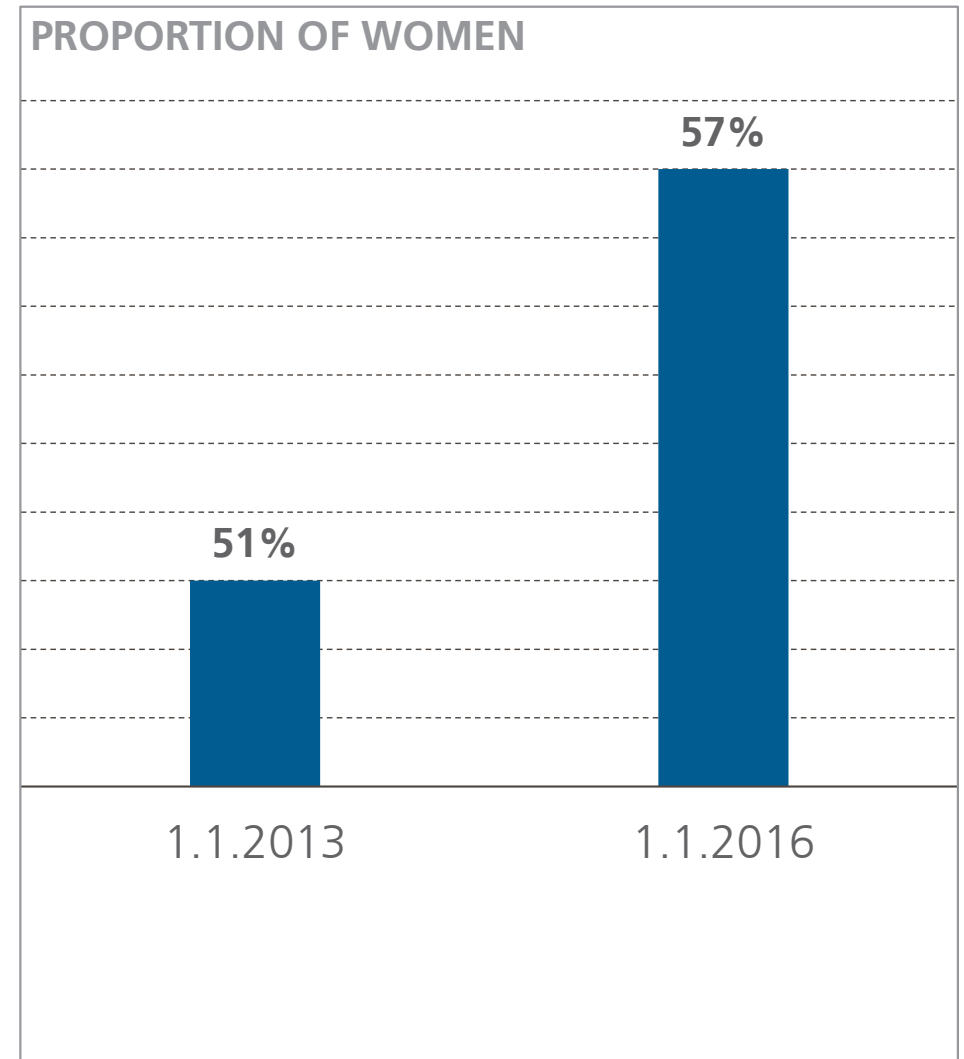
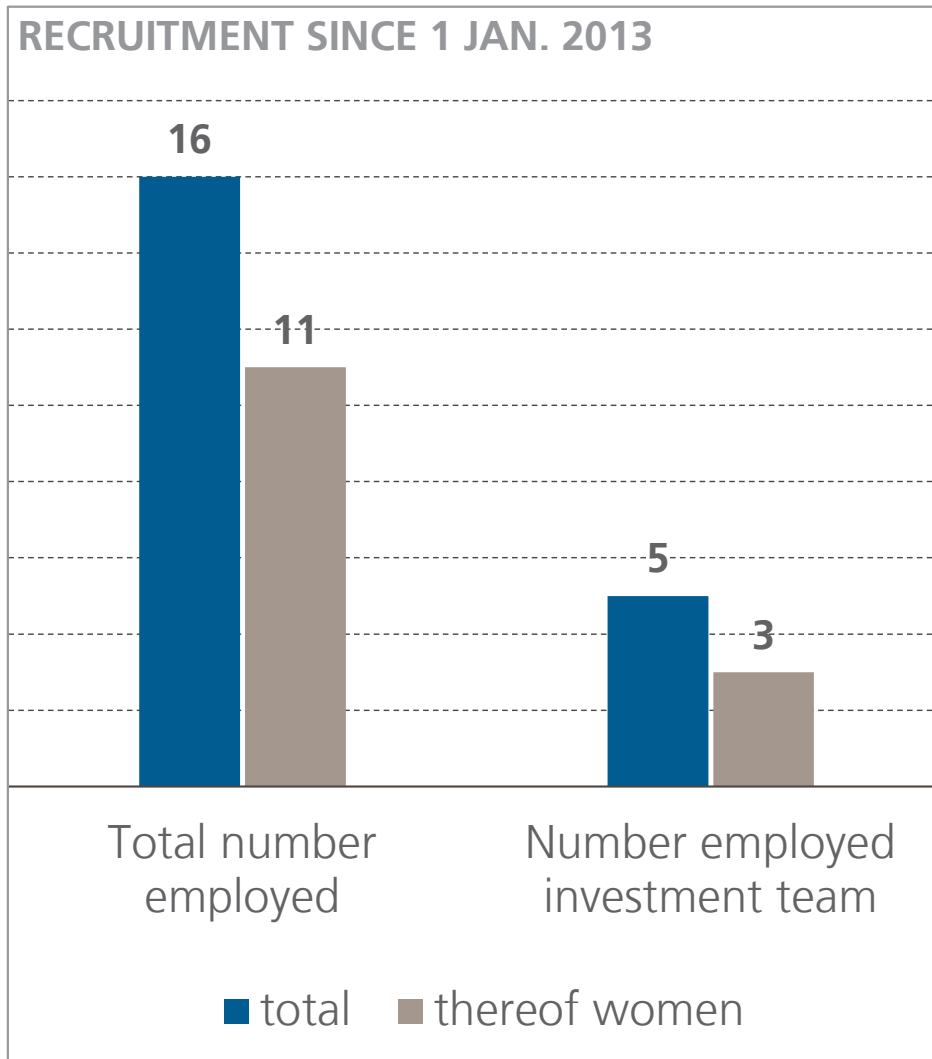
**Value of portfolio companies grew by one-third**

“Operational Excellence”  
project



**Business processes improved once again**

# SELECTION OF NEW STAFF BY QUALIFICATION



# STAFF SURVEY: HIGH DEGREE OF SATISFACTION WITH DBAG AS AN EMPLOYER

Participation rate in staff survey

86 percent

“Satisfied” or “very satisfied” with freedom of scope in daily work

92 percent

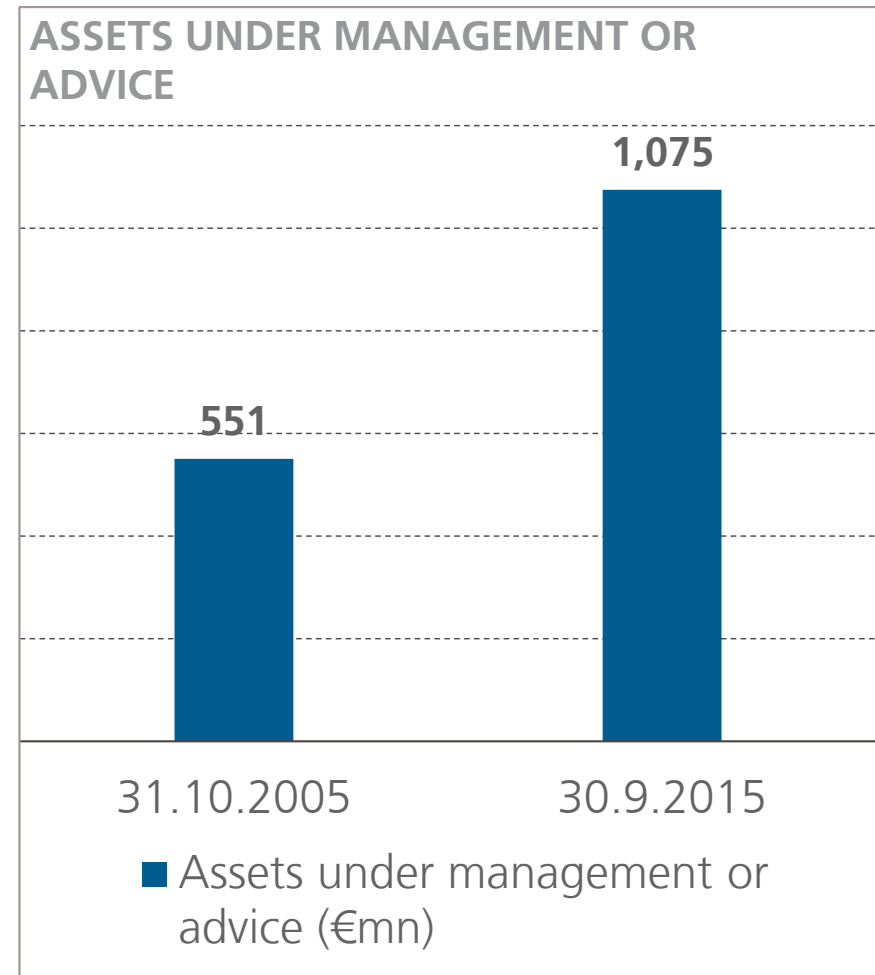
“Satisfied” or “very satisfied” with work climate in the Company

92 percent

# FUND INVESTMENT SERVICES: STRONG GROWTH IN RECENT YEARS

**DBAG Fund VI and DBAG ECF making good investment progress**

**Product offering by the fund for growth financings enhanced in 2015**



# FOUR NEW PORTFOLIO COMPANIES SINCE MARCH 2015



## SILBITZ

MBO ALONGSIDE  
DBAG FUND VI



## NOVOPRESS

GROWTH  
FINANCING  
ALONGSIDE  
DBAG ECF

# FOUR NEW PORTFOLIO COMPANIES SINCE MARCH 2015



## TELIO

MBO ALONGSIDE  
DBAG FUND VI



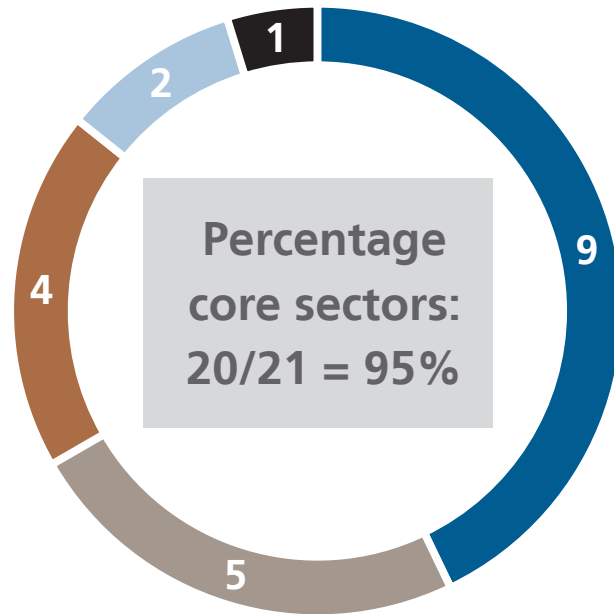
## MAGEBA

GROWTH  
FINANCING  
ALONGSIDE  
DBAG ECF



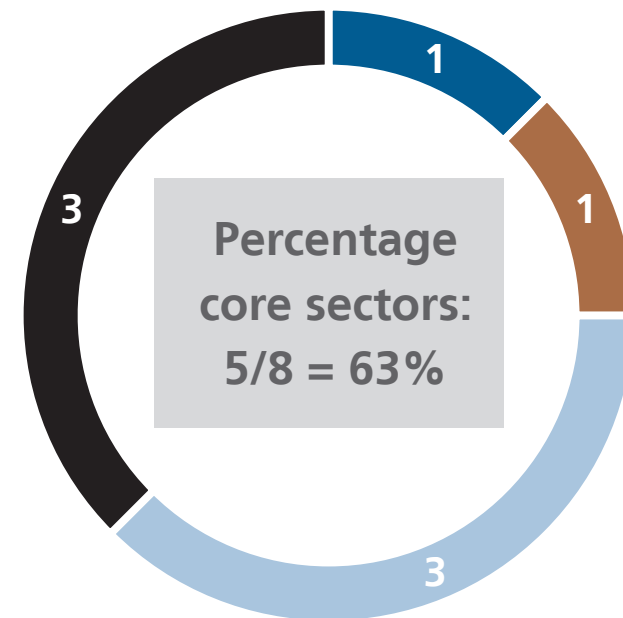
# FURTHER DEVELOPMENT OF INVESTMENT STRATEGY

MBOS 2002 TO 2012



- Mechanical and plant engineering
- Automotive suppliers
- Industrial services
- Industrial components
- Other

MBOS SINCE 2013



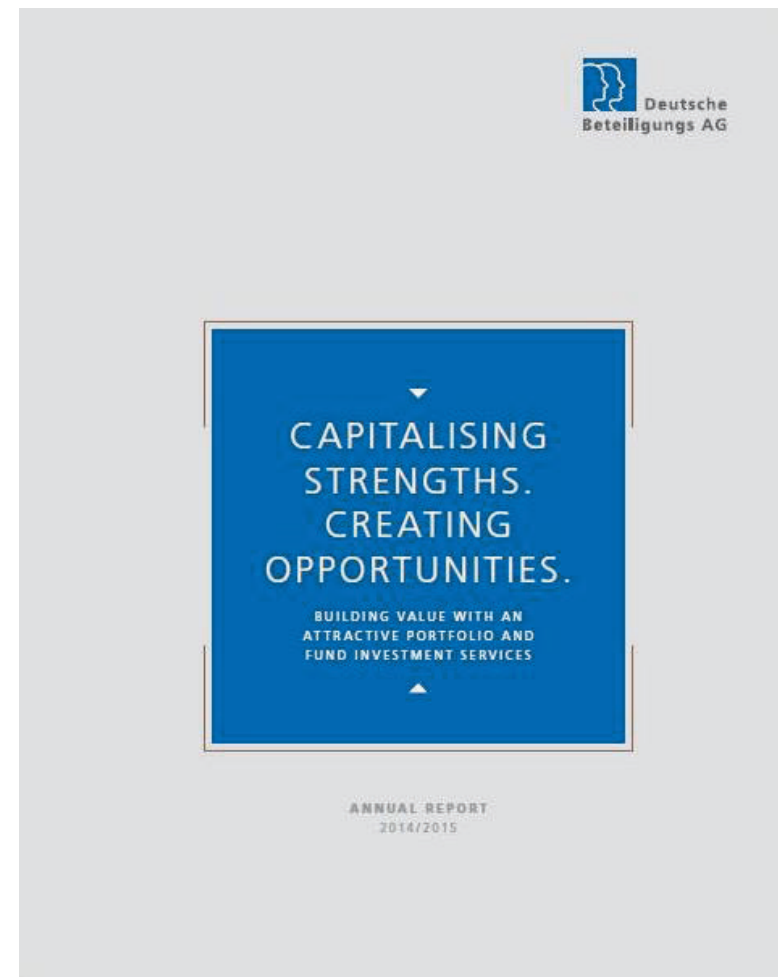
- Mechanical and plant engineering
- Automotive suppliers
- Industrial services
- Industrial components
- Other

# INVESTING – DEVELOPING – REALISING: VALUE CREATION IN ALL PHASES OF AN INVESTMENT

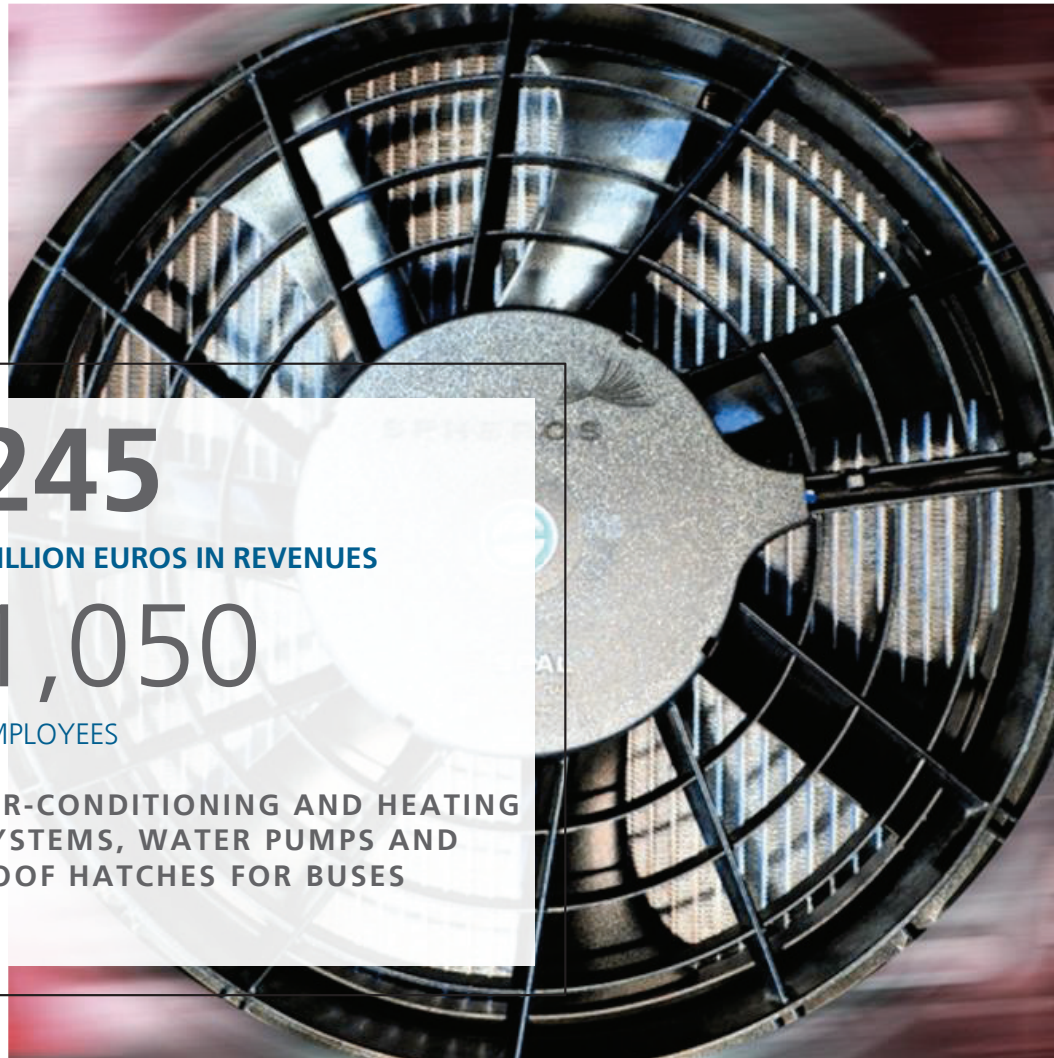
**Add-on acquisitions by portfolio companies a key element in value appreciation**

**2014/2015: Six portfolio companies strengthened competitive position through add-ons**

- Additional revenue of 150 million euros
- Partly financed with additional equity provided by DBAG and DBAG funds



# FOR EXAMPLE, SPHEROS: EVOLUTION OF A SUCCESSFUL INVESTMENT (1/2)



**First invested in December 2011**

**Sale to a strategic investor agreed in December 2015**

**Investment return: More than double the invested capital**

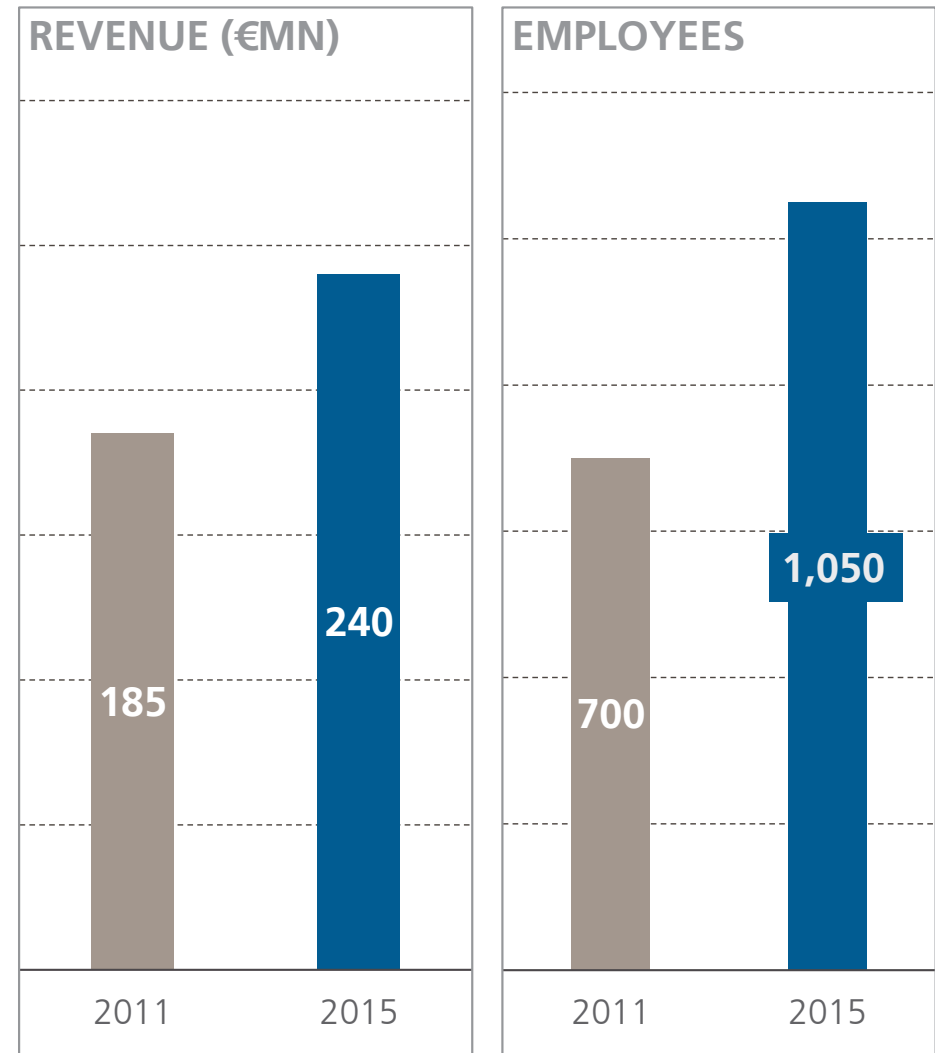
**Completion of transaction in course of financial year**

# FOR EXAMPLE, SPHEROS: EVOLUTION OF A SUCCESSFUL INVESTMENT (2/2)

**Product range enhanced through expansion of technological expertise**

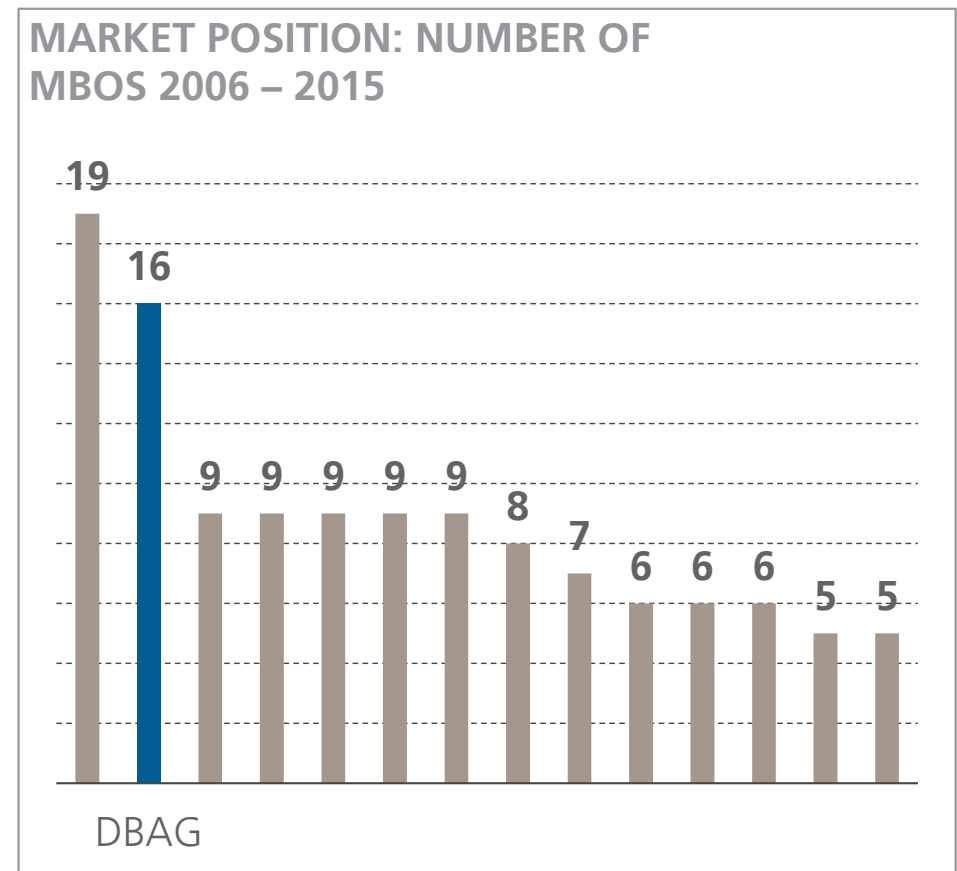
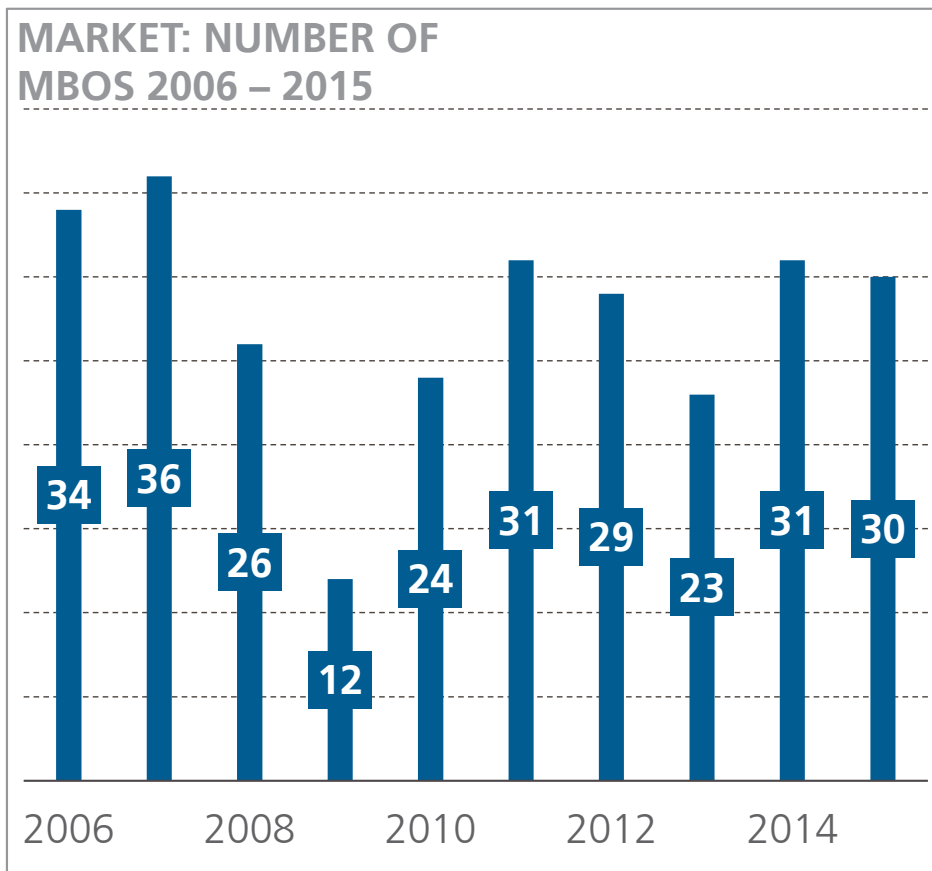
**Global market position strengthened through add-on acquisition in the US**

**Service and spare parts business expanded**



# LEADING MARKET POSITION: DBAG A SUCCESSFUL INVESTOR IN GERMAN "MITTELSTAND"

Restrained market development: High capital availability and presence of strategic investors creating intensive competition for attractive target companies



**Funds in second half of  
investment period**

**More mature portfolio**

**Concerns about high  
volatility of underlying  
conditions**

- Market swings increasing
- Greater geopolitical risks
- Uncertainty about growth in  
US and China
- Commodity prices



**Intensive collaboration with portfolio  
companies**

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## Susanne Zeidler

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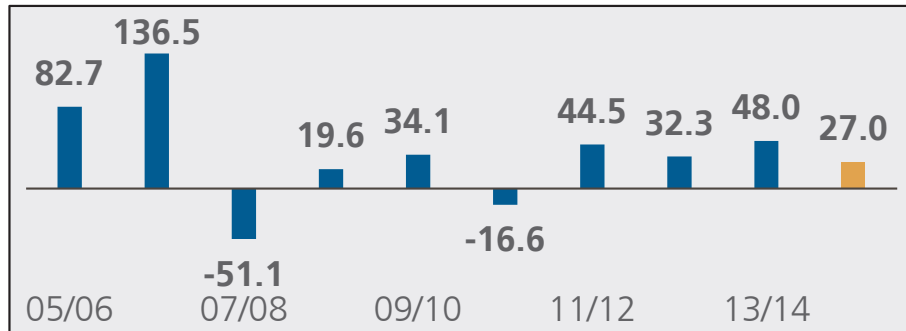
SUSANNE ZEIDLER  
Chief Financial Officer

# BUSINESS OBJECTIVES: WHAT WE REACHED EXCEEDS OUR EXPECTATIONS

	Forecast (12 months)	Actual (11 months)
Financial resources	“Significantly lower”	✓
Net income	“On comparable basis slightly in excess of prior year”	✓✓
Return on net asset value per share	“Cost of equity reached”	✓✓

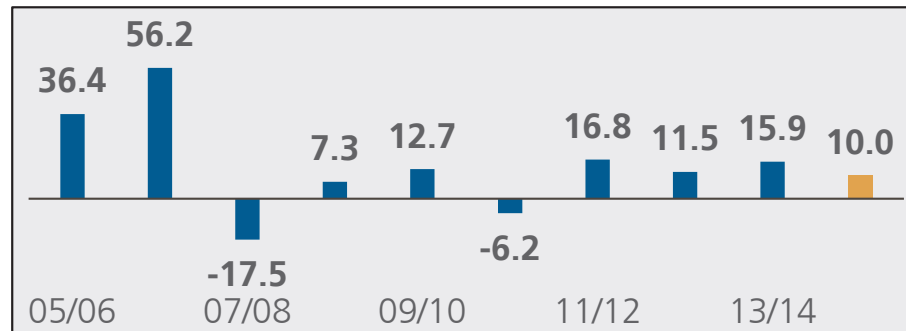


# BUSINESS OBJECTIVES: SUCCESSFUL OVER SHORT- AND LONG-TERM



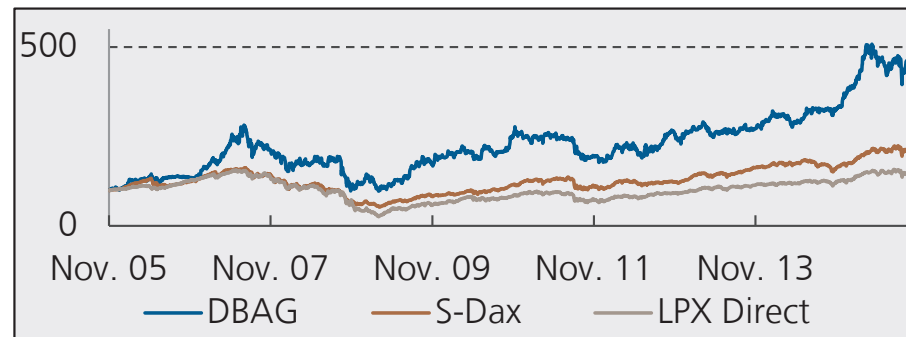
Net income

**27.0**  
MILLION EUROS



Return on net asset value per share

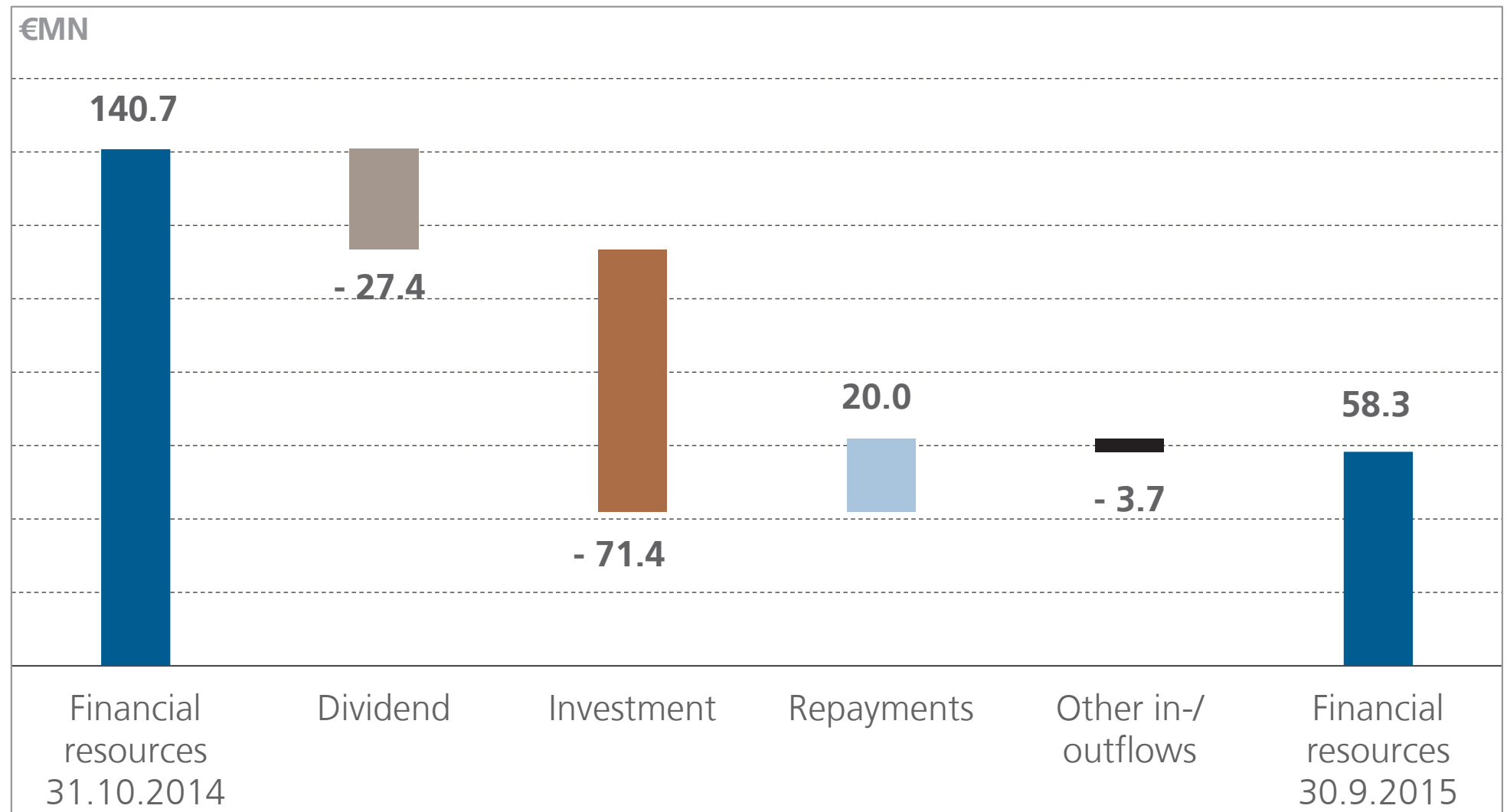
**10.0**  
PERCENT



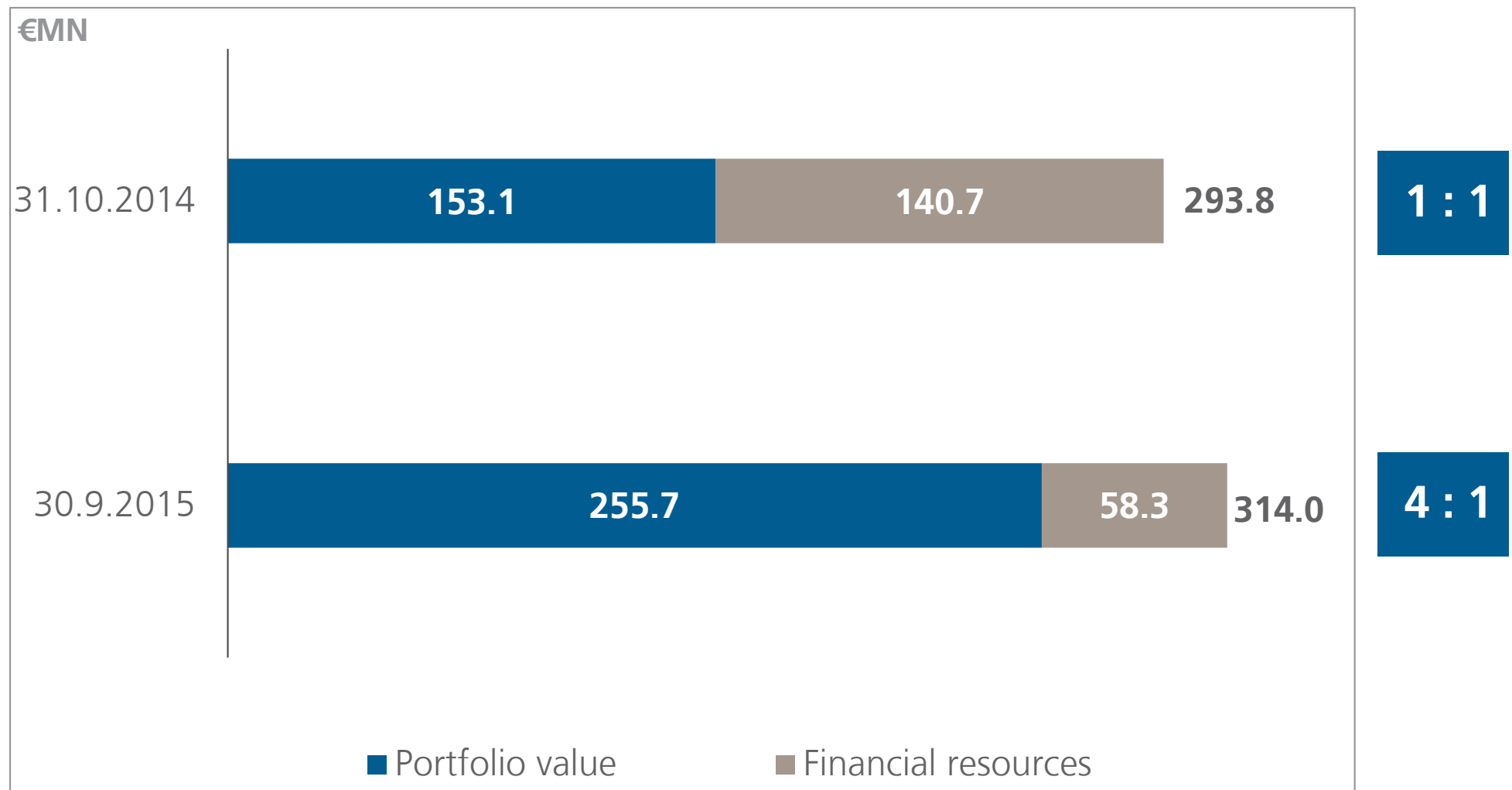
Total return to shareholders

**20.9**  
PERCENT

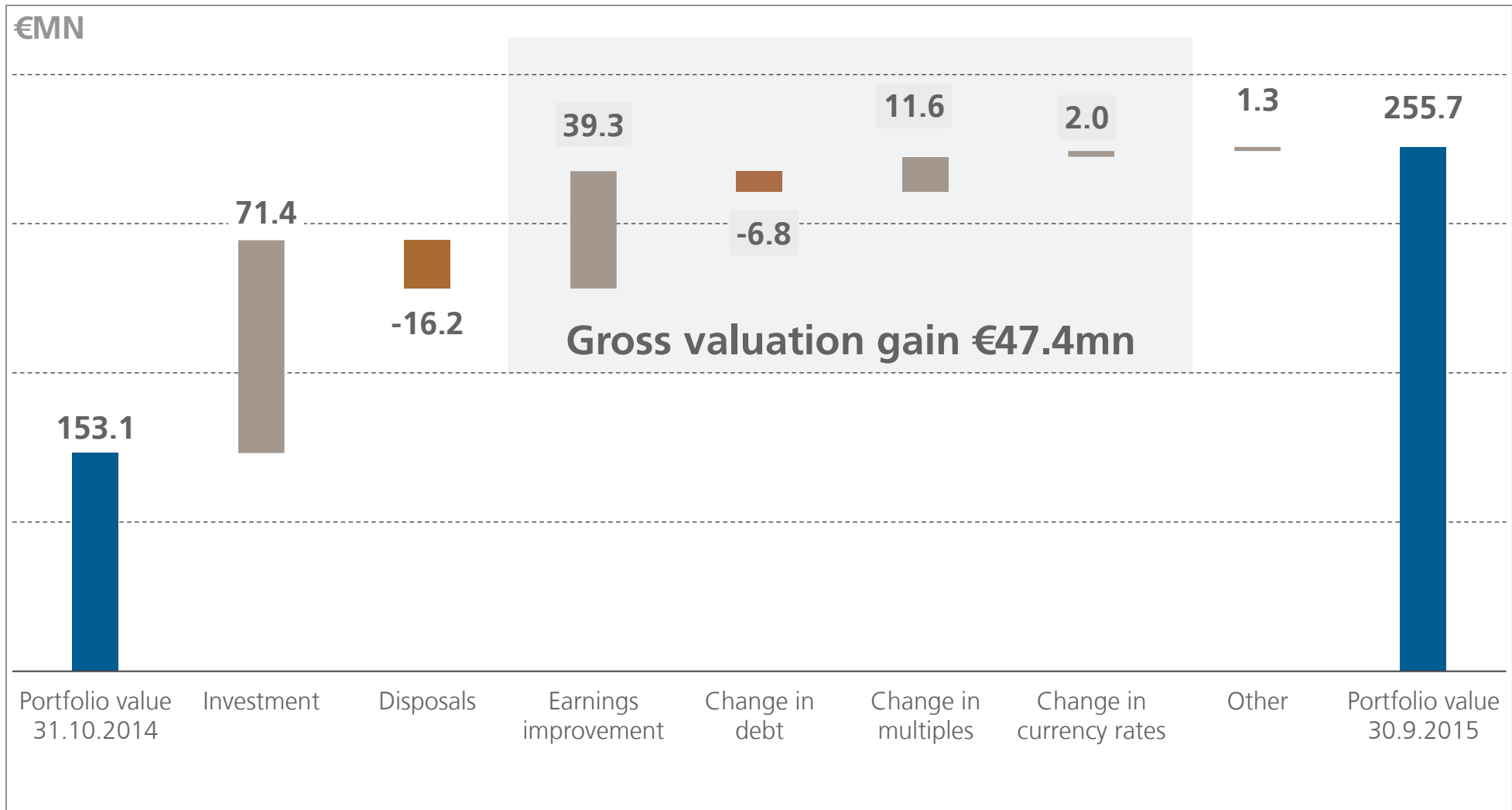
# FINANCIAL RESOURCES: SIGNIFICANTLY LOWER FOLLOWING NEW INVESTMENT



# ASSET POSITION: PROPORTION OF INVESTED ASSETS SIGNIFICANTLY IMPROVED



# ASSET POSITION: PORTFOLIO VALUE GREW THROUGH NEW INVESTMENTS AND VALUATION GAINS



# EARNINGS POSITION: PORTFOLIO MADE GOOD PROGRESS

Portfolio companies' revenues grew  
by

**10.3**  
percent

Portfolio companies' earnings  
improved by

**8.5**  
percent

Portfolio companies' debt remains  
moderate:

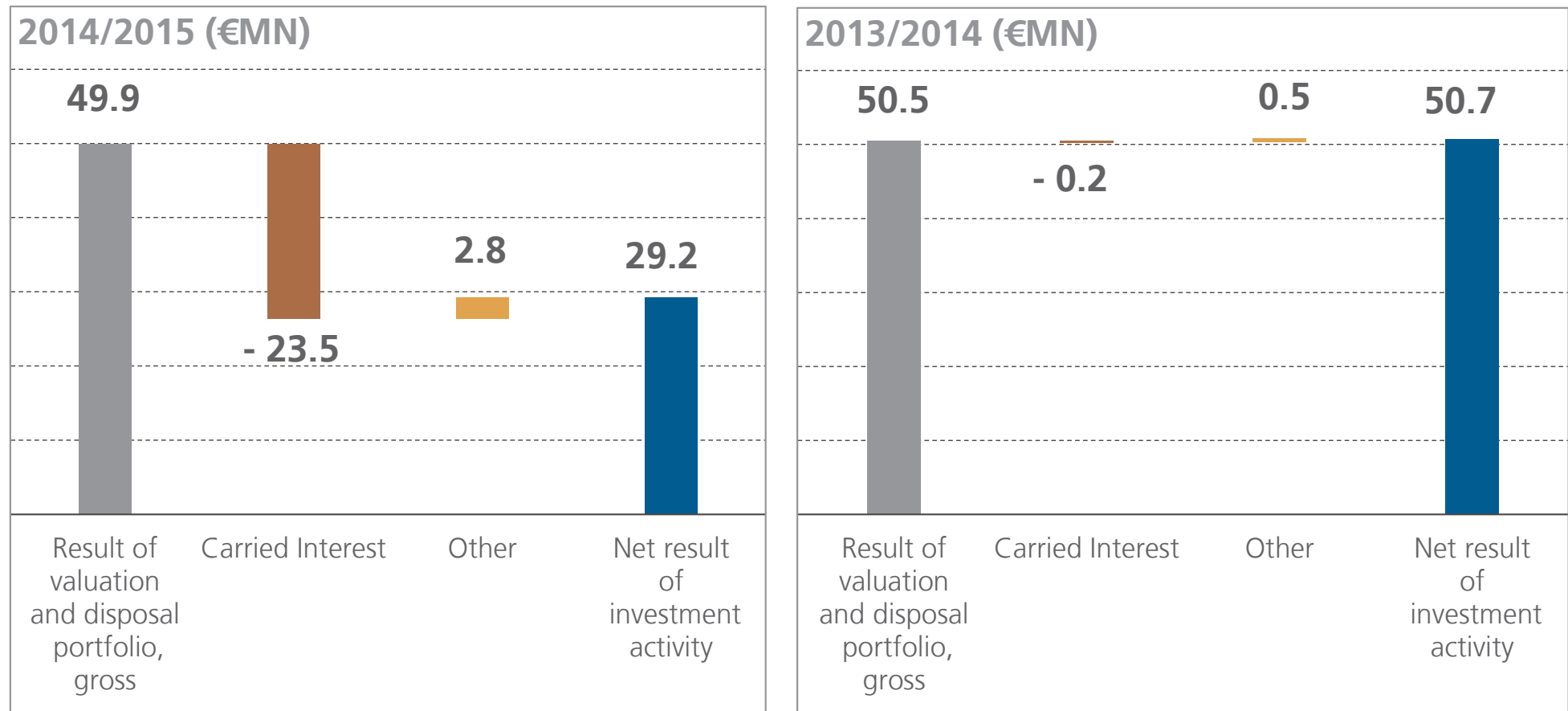
**2.1x**  
EBITDA

Portfolio companies' valuation  
averaged

**8.0x**  
EBITDA

# EARNINGS POSITION: RESULT OF INVESTMENT ACTIVITY DOWN ON PREVIOUS YEAR

Previous year's result materially fuelled by Homag divestment (contribution to income €28.9mn)



# EARNINGS POSITION: CARRIED INTEREST ENTITLEMENTS REDUCE RESULT OF INVESTMENT ACTIVITY

Value of DBAG Fund V investments grew by 50 percent in financial year 2014/2015

Co-investments  
alongside  
DBAG Fund V



Value appreciation of investment vehicle  
for DBAG's co-investments



Conditions for carried interest, in our  
estimation, have been met



Reduction in net result of investment  
activity

Future valuation movements of the investments  
changes the carry (pos./neg.)

# PERFORMANCE BY SEGMENTS: INCOME CONTRIBUTIONS FROM BOTH BUSINESS LINES

## Private Equity Investments

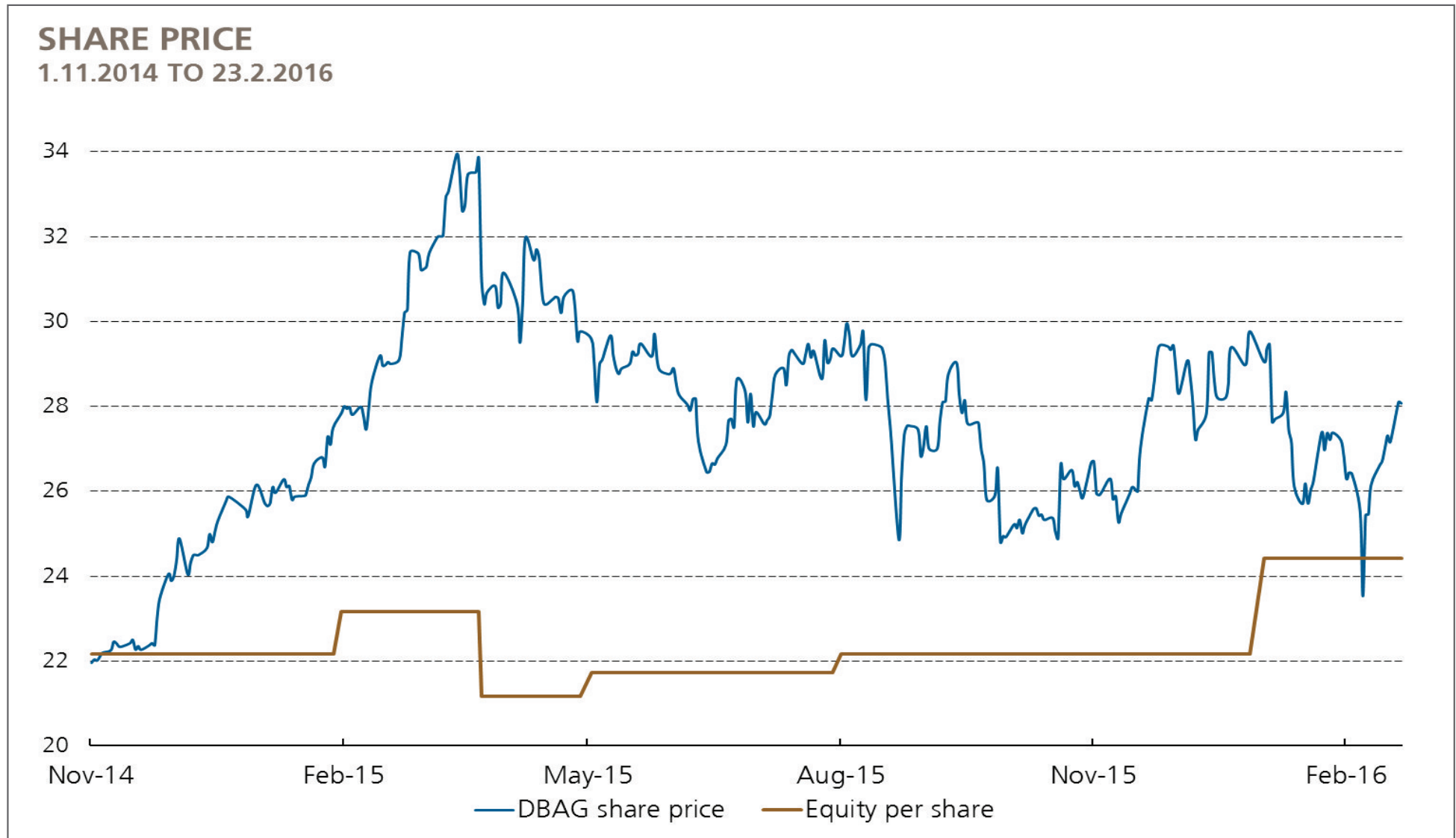
(€mn)	2014/2015 (11 mos.)	2013/2014 (12 mos.)
Pre-tax segment net income	24.9	40.4
	<b>30.9.2015</b>	<b>31.10.2014</b>
Financial assets incl. loans and receivables	250.2	163.4
Financial resources	58.3	140.7
Liabilities to banks	0	0
Net asset value	308.5	304.1
Co-investment commitments	110.7	199.3

## Fund Investment Services

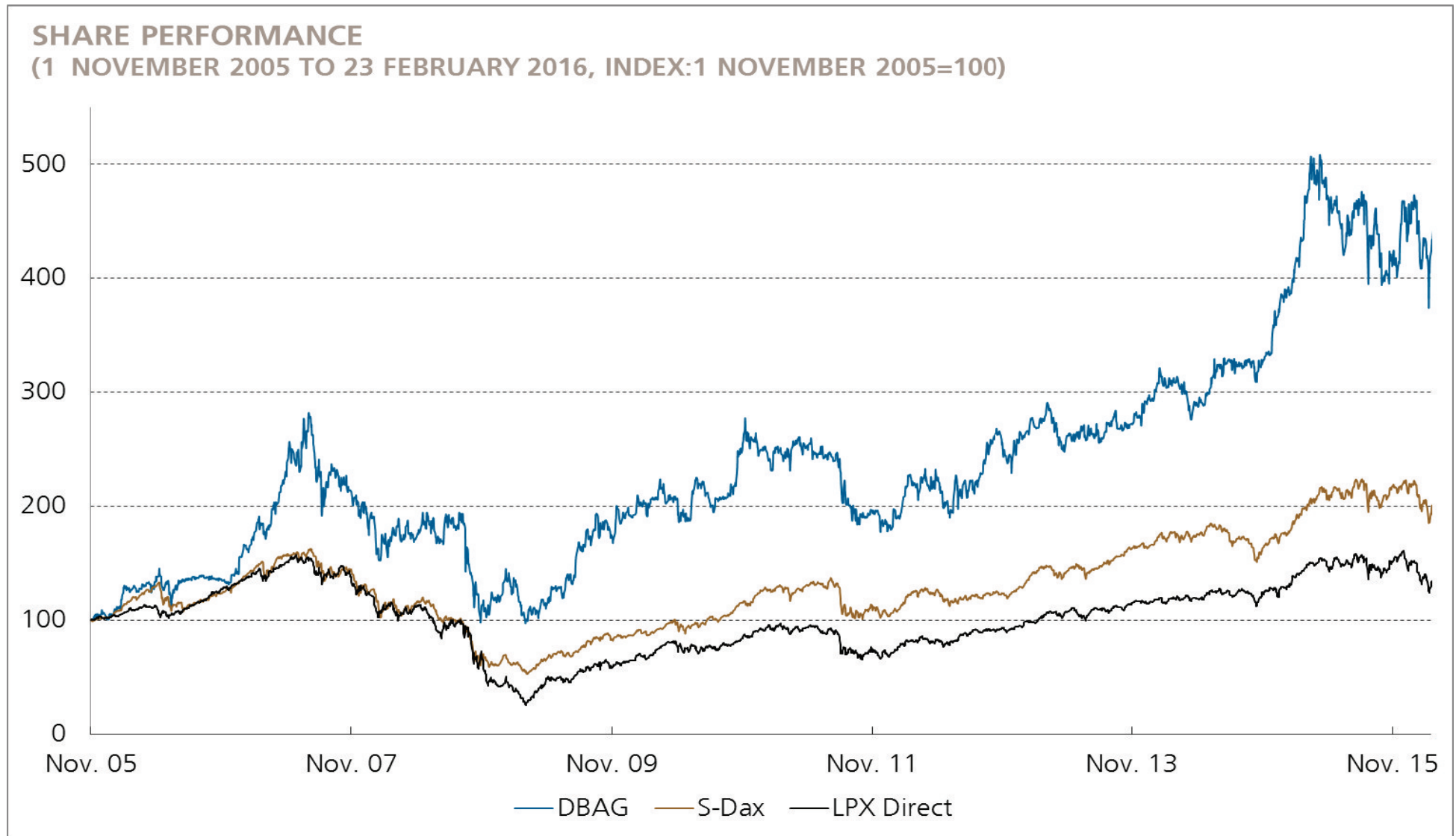
(€mn)	2014/2015 (11 mos.)	2013/2014 (12 mos.)
Pre-tax segment net income	2.2	8.0
	<b>30.9.2015</b>	<b>31.10.2014</b>
Assets under management or advice	1,075	1,240



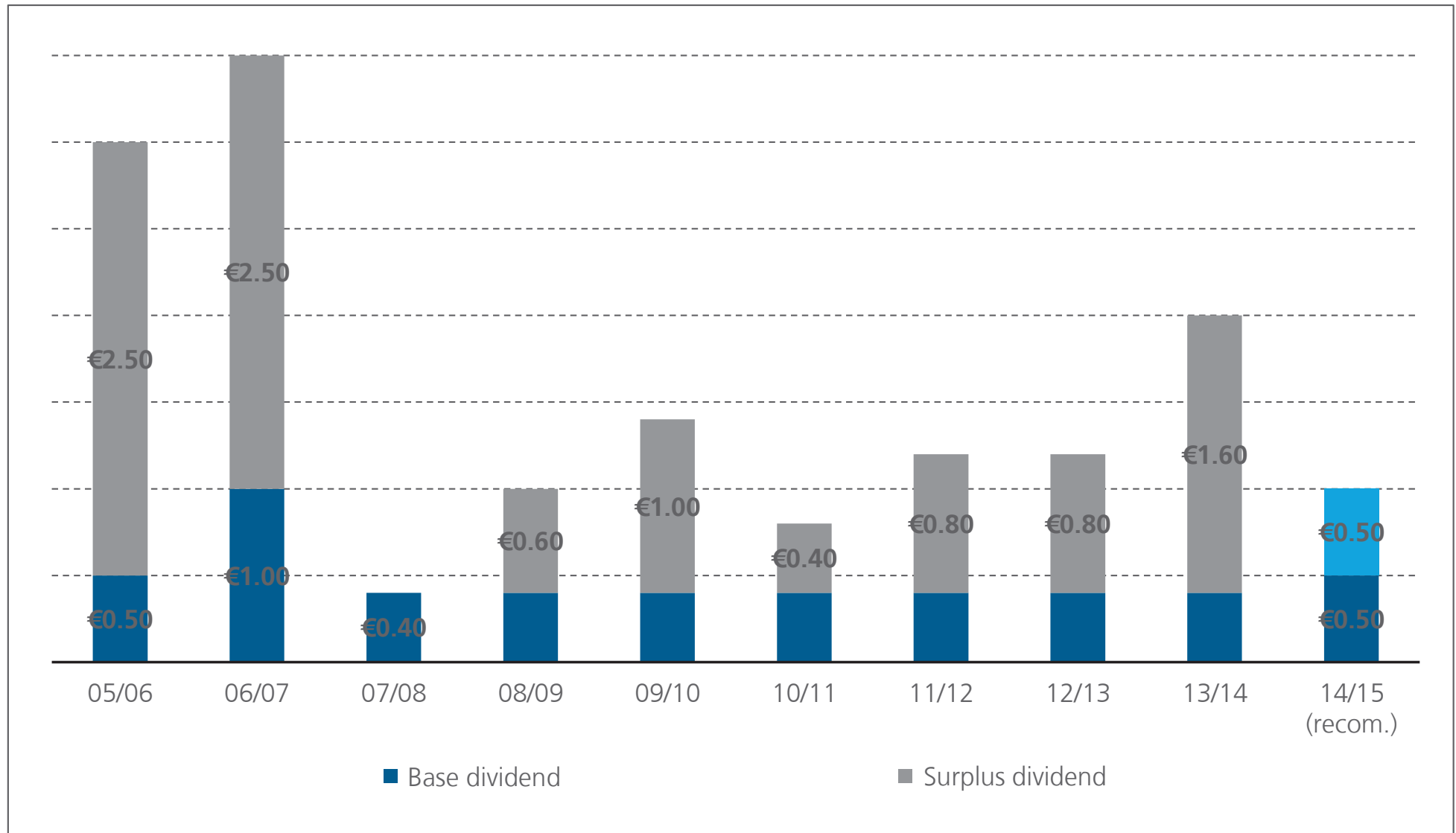
# SEPARATE VALUE ATTACHED TO FUND INVESTMENT SERVICES: STOCK MARKET HONOURS TRANSPARENCY



# SHARE OUTPERFORMS BENCHMARK INDICES



# DIVIDEND RECOMMENDATION: 1.00 EURO PER SHARE



# GOOD START IN NEW FINANCIAL YEAR 2015/2016

	Q1 2015/2016 / 31 Dec. 2015	Q1 2014/2015 / 30 Sept. 2015
Net income	€30.8mn	€13.2mn
Financial resources	€61.7mn	€58.3mn
Net Asset Value	€333.8mn	€303.1mn

# CURRENT SITUATION: 2015/2016 FORECAST – IMPROVEMENT IN NEARLY ALL INDICATORS

## After the 1st quarter:

Net income	▶ “(Comparable) significantly in excess of prior year”	€30.8mn, thereof €10mn from realisations
Return on net asset value per share	▶ “significantly in excess of cost of equity”	Net asset value per share rose by 10.6 percent in three months
Result of investment activity	▶ “significantly in excess of prior year”	€32.5mn, thereof approx €10mn from unplanned divestments
Fee income from Fund Investment Services	▶ “slightly lower, after divestments possibly moderately or significantly lower”	€4.8mn compared with €5.2mn in same quarter of prior year

# OUTLOOK: FURTHER GROWTH IN MEDIUM TERM

## SEGMENT FUND INVESTMENT SERVICES

Significant  
improvement in  
segment net  
income

## SEGMENT PRIVATE EQUITY INVESTMENT

Growth in portfolio  
value by an average of  
more than ten percent  
p.a.

## NET INCOME RETURN ON NAV PER SHARE

Significantly in  
excess of 2014/2015