



Deutsche  
Beteiligungs AG



WELCOME

**ANNUAL GENERAL MEETING**

FRANKFURT AM MAIN

27 MARCH 2014



# OUR REPORT FOR YOU

## Torsten Grede

- DBAG's strategic development
- Future perspectives

## Susanne Zeidler

- FY 2012/2013
- Share price performance
- Dividend proposal
- Q1 and forecast



SUSANNE ZEIDLER  
Member of the Board of  
Management and Chief  
Financial Officer



TORSTEN GREDE  
Spokesman  
of the Board of  
Management

# BUSINESS OBJECTIVES IN FY 2012/2013 ACHIEVED

Long-term increase in  
company value



- Consolidated net income €32.3mn
- Return on NAV per share of 11.5%

Increase in the value of  
portfolio companies



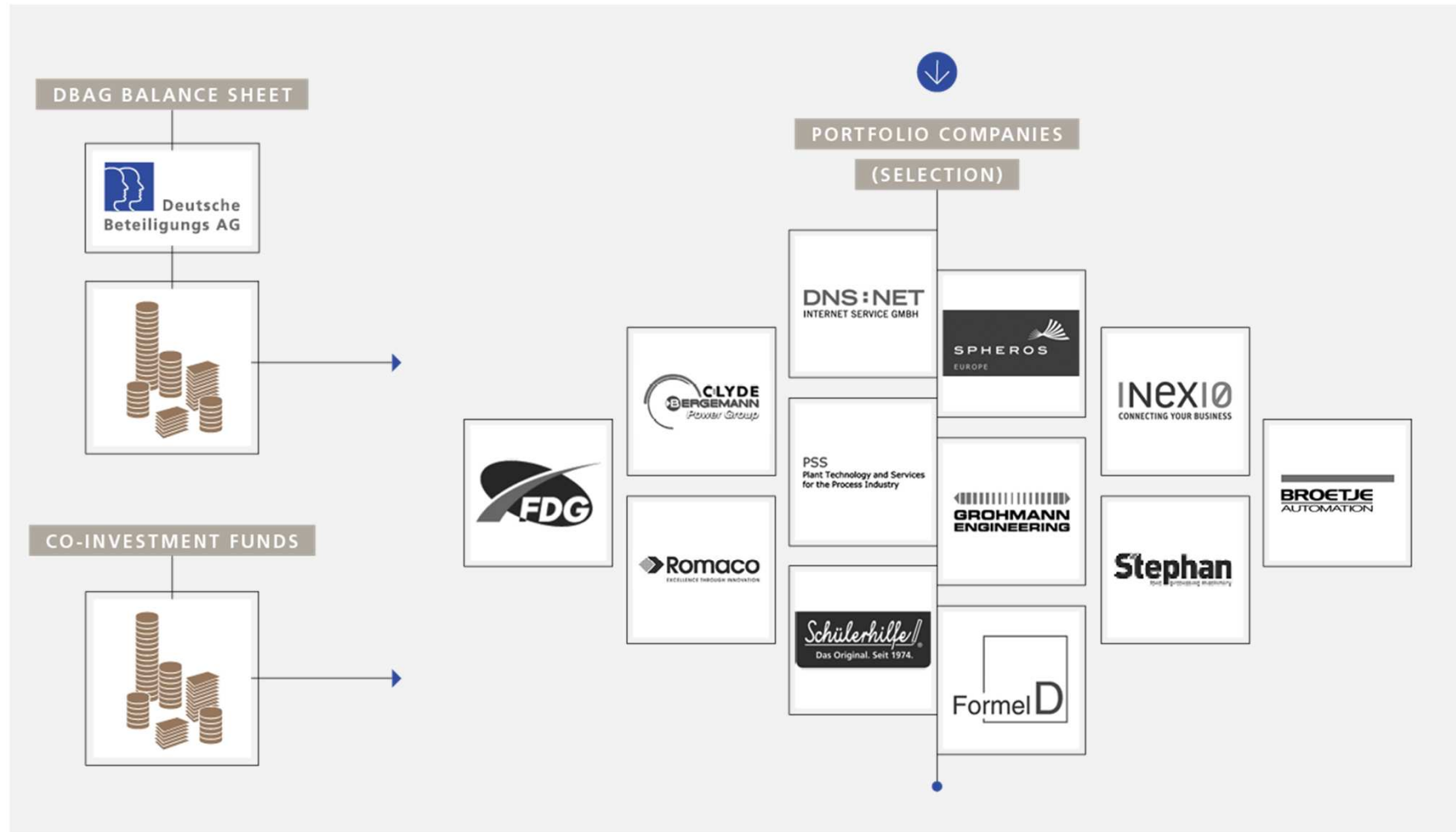
- Net result of valuation and disposal of €34.5mn
- Largest contribution from Homag

Shareholder participation  
in success



- Base dividend €0.40 / share,  
Surplus dividend €0.80 / share
- Dividend yield 6.6%

# OUR FINANCING IS BASED ON TWO PILLARS



# CO-INVESTMENT FUNDS ARE A KEY ELEMENT OF OUR FINANCING STRATEGY

## **Joint investments with co-investment funds facilitate**

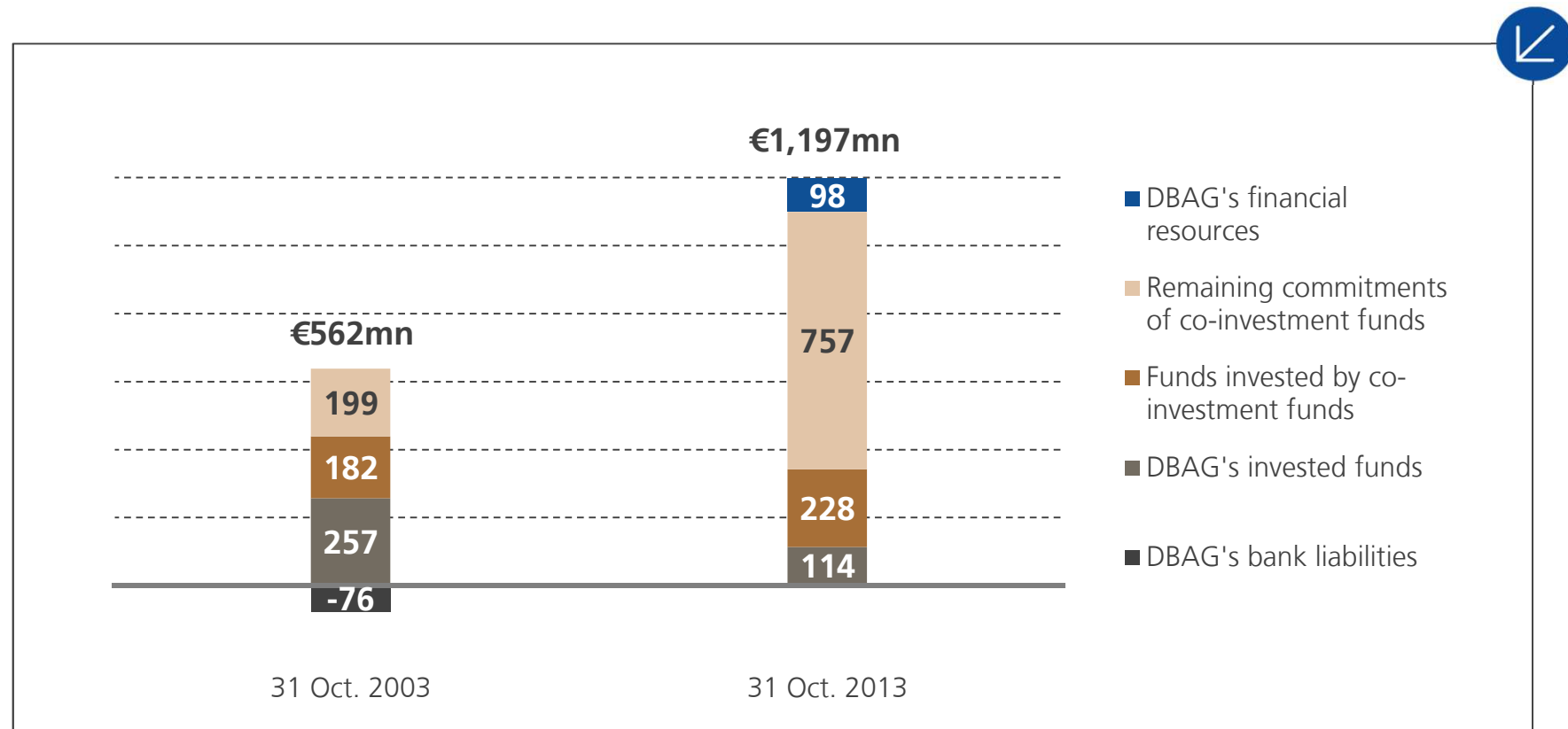
- Buyouts and growth financing in the mid-market segment
- Investments in stable companies with compelling market positions
- At the same time risk diversification by building a broadly diversified portfolio

## **Income from advisory business covers (increasingly) high portion of DBAG's costs**



# VERY SUCCESSFUL EXPANSION OF THE CAPITAL BASE

## Assets under management and advisory have nearly doubled



# SUCCESSFUL INVESTMENTS BASED ON INVESTMENT STRATEGY AND ESTABLISHED BUSINESS PROCESSES

## SELECTION PROCESS

*In-depth due diligence process prior to making an investment*



## ACCOMPANYING DEVELOPMENT

*Accompanying portfolio companies in implementing their corporate concepts*



## THE OPTIMUM TIME TO EXIT

*The exit should provide the portfolio company with perspectives*

**INVESTORS EXPECT PROMPT INVESTMENT**

# SUPREMEY POSITIONED IN THE GERMAN PRIVATE EQUITY MARKET



**2013: DBAG was the most active investor in the market for mid-sized buyouts (3 out of 23 transactions)**

**2004 to 2013: Twelve transactions (EV €50mn to €250mn)**

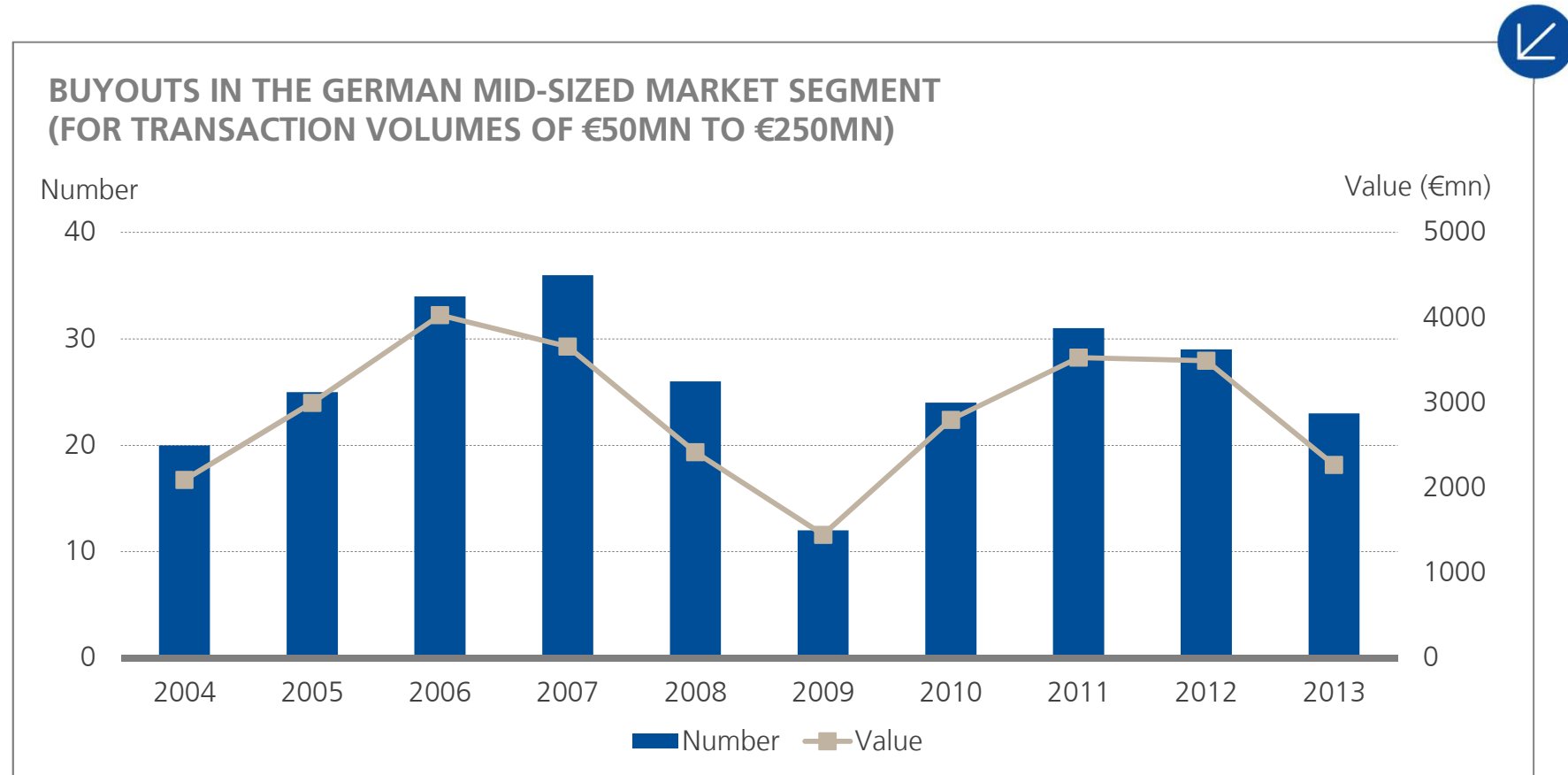
– In addition, two MBOs outside of Germany with an EV > €250mn

**2004 to 2013: Measured by number of transactions, DBAG was one of the three most active financial investors in the German mid-sized buy-out market (EV €50mn to €250mn)**



# BUYOUTS IN THE GERMAN MID-SIZED COMPANY SECTOR HAVE PERFORMANCE POTENTIAL

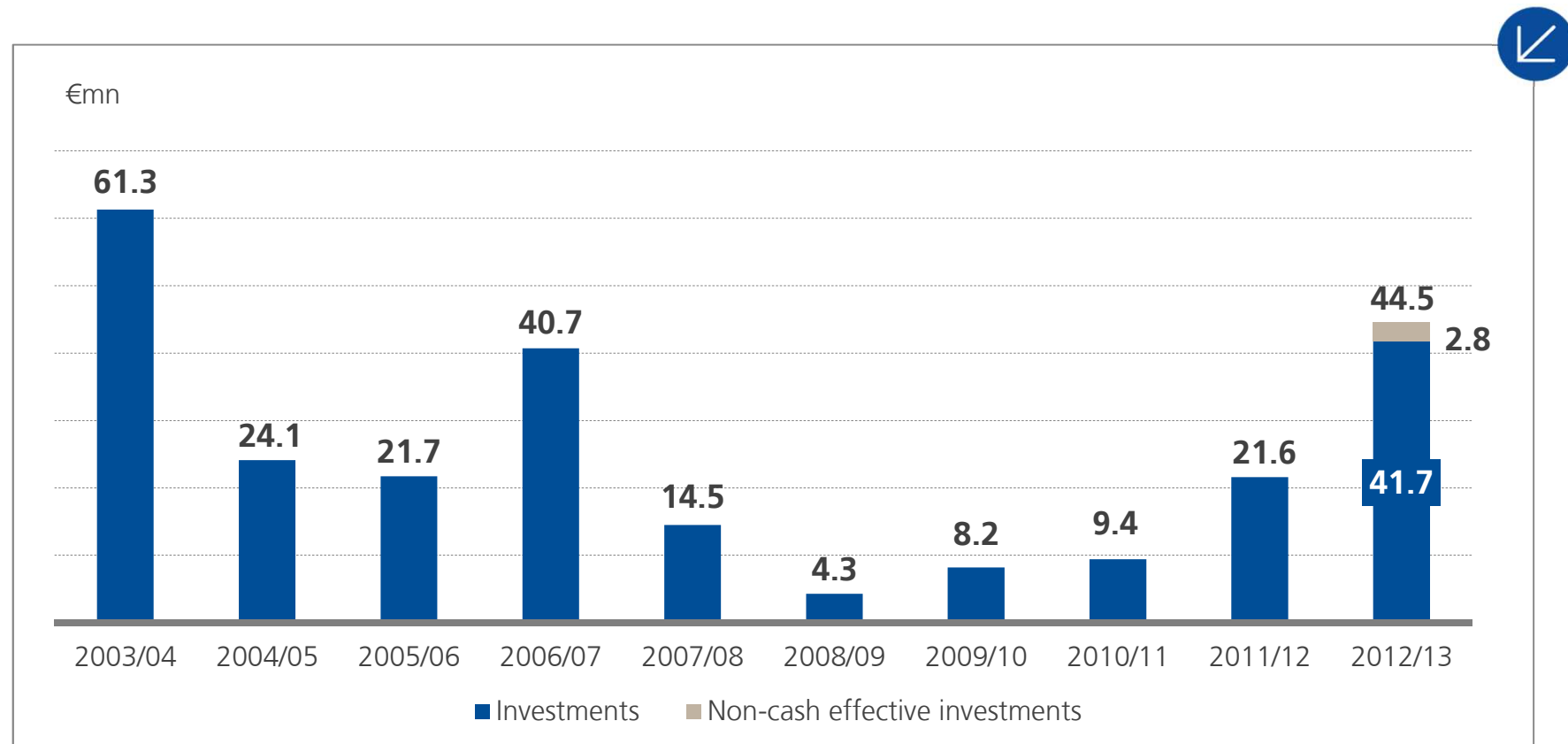
## Number and volume of transactions in 2013 lower than in previous years



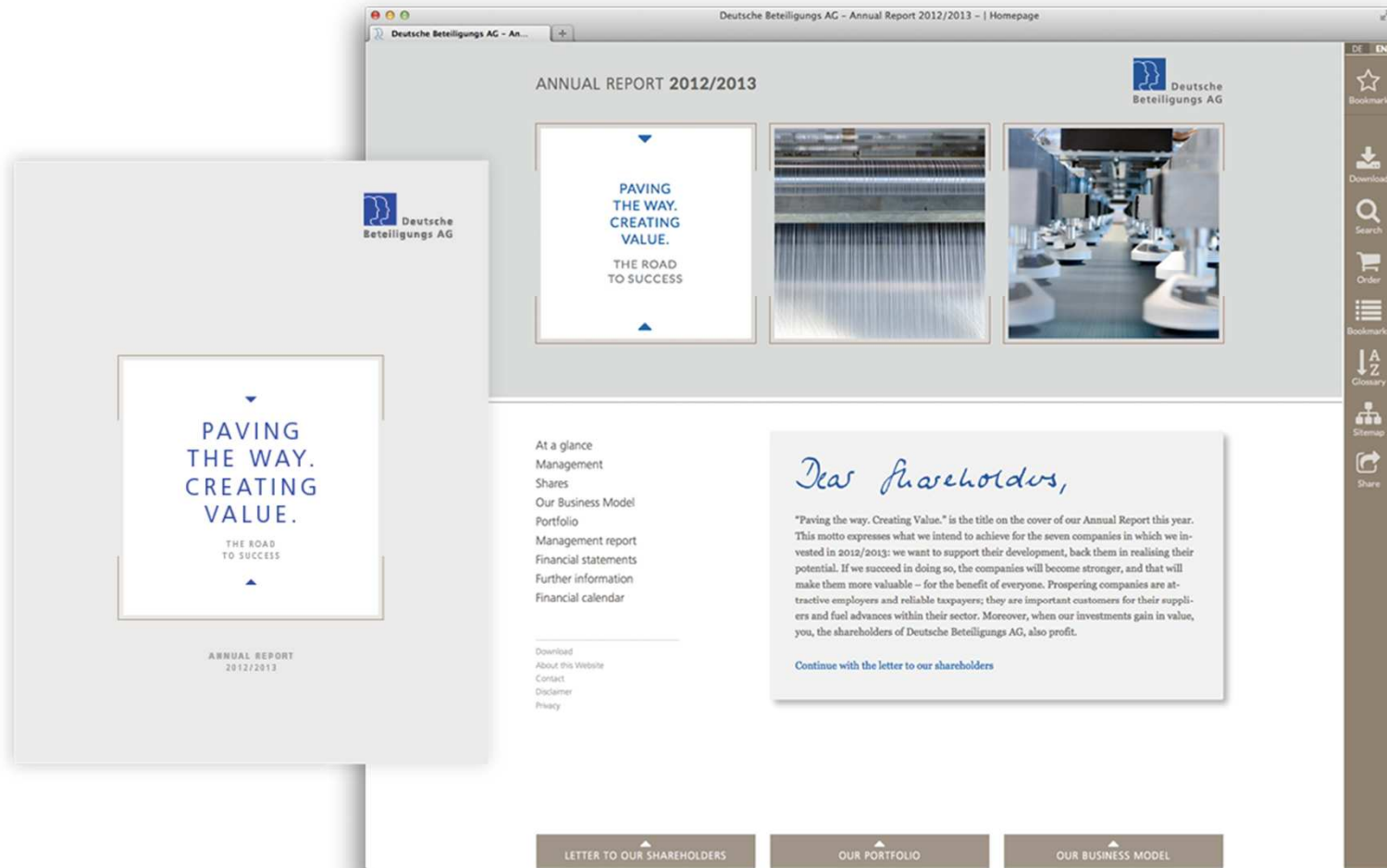
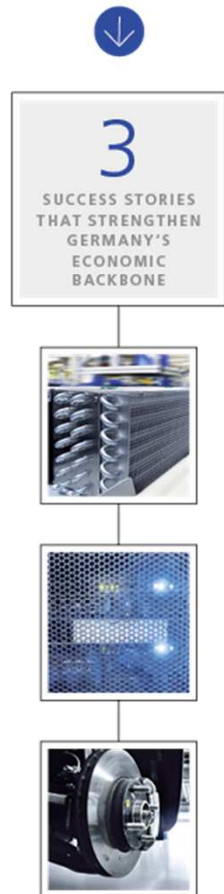
Source: FINANCE-Research January 2014

# CLEAR ACCELERATION IN THE RATE OF INVESTMENTS IN FY 2012/2013

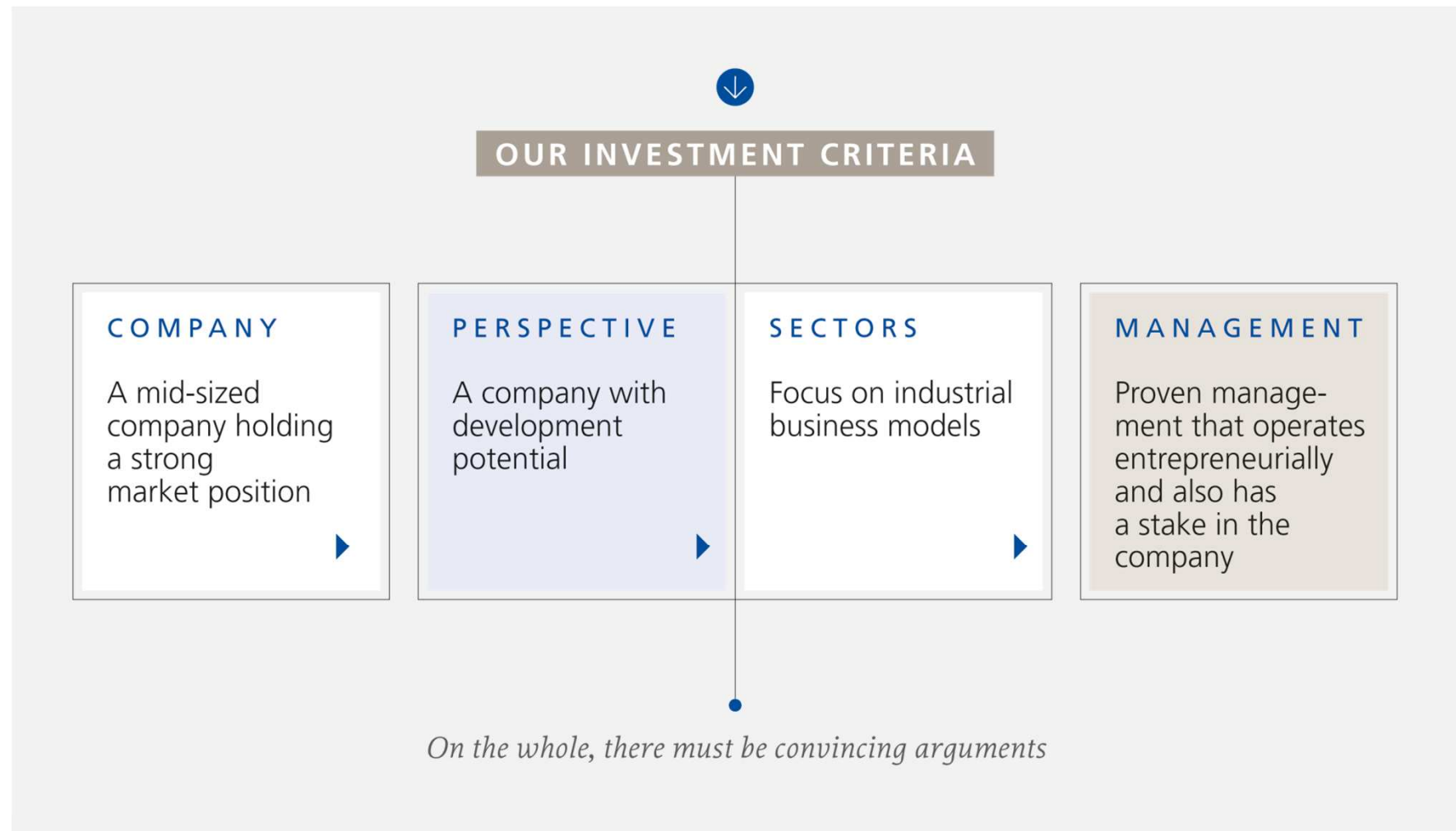
Investments double the average level of the past ten years,  
highest volume since 2003/2004



# DETAILS ON THE NEW PORTFOLIO COMPANIES IN THE ANNUAL REPORT



# KEY ELEMENTS OF OUR INVESTMENT STRATEGY



# SEVEN NEW INVESTMENTS IN FY 2012/2013



The collage features seven distinct images, each accompanied by a blue label box containing the name of the investment:

- DNS:NET**: A photograph of a server room with rows of server racks.
- HEYTEX**: A photograph of a large, modern building with a glass facade.
- SCHÜLER-HILFE**: A photograph of a young woman smiling, holding a book.
- STEPHAN MACHINERY**: A photograph of a man in a dark shirt working on a piece of machinery.
- INEXIO**: A photograph of a server rack with blue mesh doors.
- FORMEL D**: A photograph of two men looking at a car engine.
- PSS**: A photograph of an industrial facility with large pipes and machinery.

# EXPERIENCED INVESTMENT TEAM



## Promotion of the employees through staff policy plan

## 180 years of private equity experience throughout all phases of the economic cycle

	Number	Years at DBAG (ø)
<b>Members of the Board of Management</b>	2	20
<b>Project Managers</b>	9	12
Senior Investment Managers	4	5
Investment Managers / Associates	4	2
<b>Total</b>	<b>19</b>	<b>9</b>

## Long-term oriented profit-sharing scheme for members of the investment team

- Pre-condition: investment of own funds > strong alignment of interests

# HIGH RATE OF INVESTMENTS WILL CONTINUE IN THE FUTURE

## €850mn in available funds

**Objective: Two to three MBOs and growth financing investments per year**

### Average investment volume

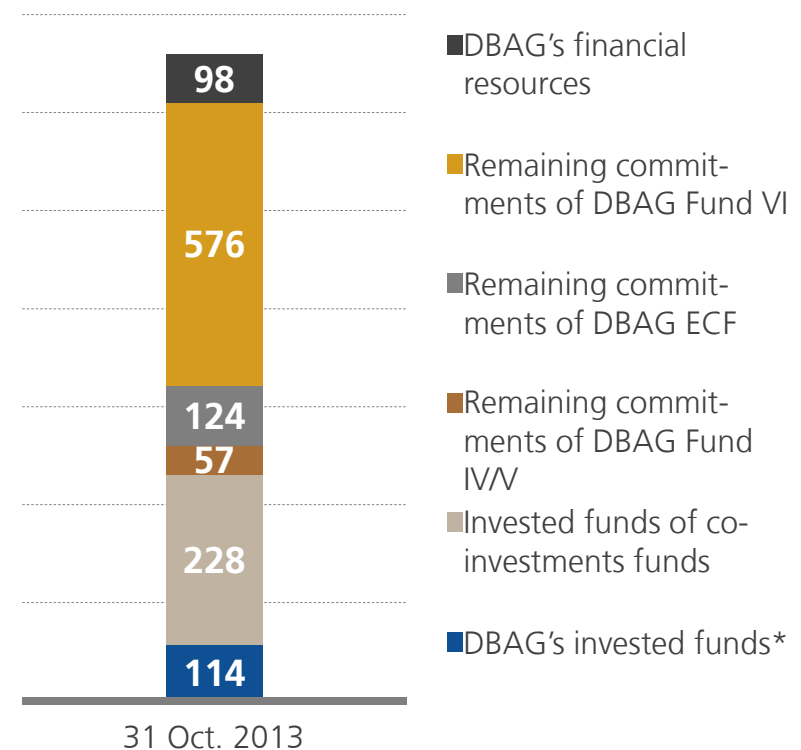
- MBOs: €50mn in equity  
(~ €10mn from DBAG's balance sheet)
- Growth financing: €20mn in equity  
(~ €8mn from DBAG's balance sheet)

**> Approx. €50mn in equity investments from DBAG's balance sheet per year**

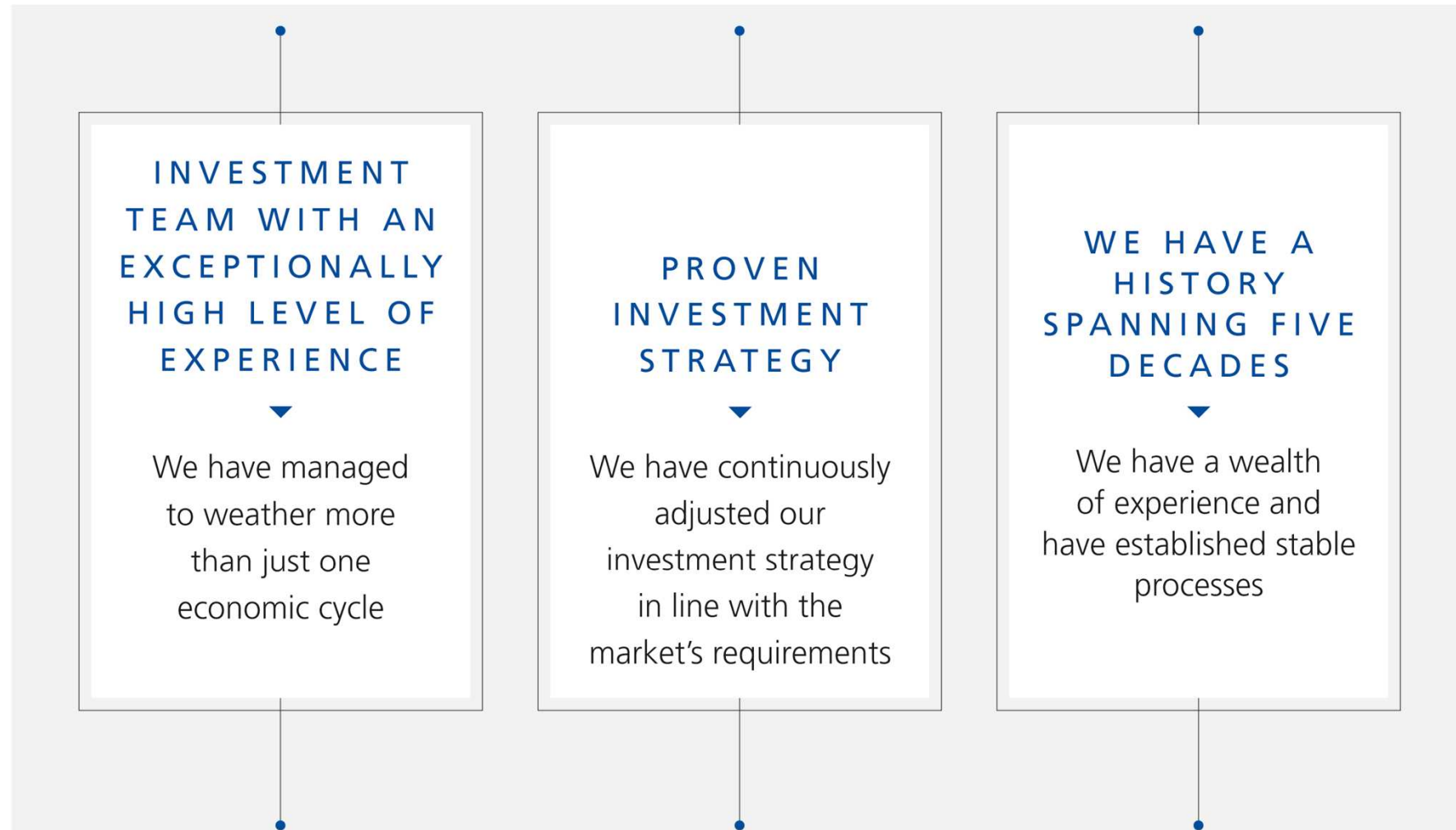
\* "DBAG's invested funds" represent the acquisition costs, IFRS value (as at 31 October 2013) is €172.7mn



## ASSETS UNDER MANAGEMENT AND ADVISORY



# THE FOUNDATION OF OUR SUCCESS WILL CONTINUE TO BE BASED ON THREE FACTORS





# OUR REPORT FOR YOU

## Torsten Grede

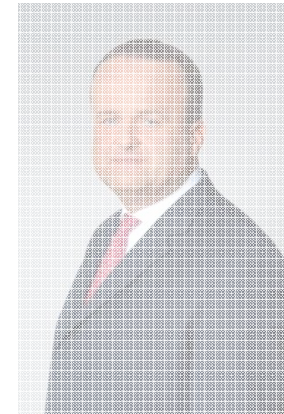
- DBAG's strategic development
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## Susanne Zeidler

- FY 2012/2013
- Share price performance
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Member of the Board of  
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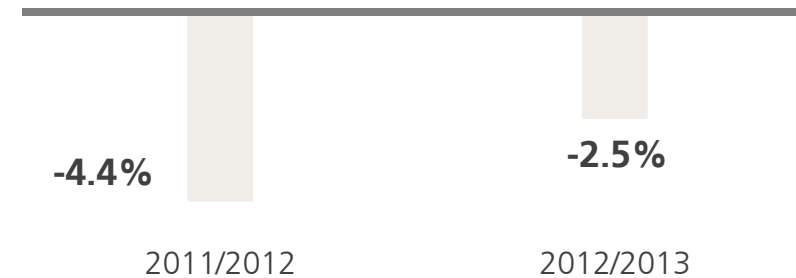
TORSTEN GREDE  
Spokesman  
of the Board of  
Management

# FY 2012/2013 IN LINE WITH EXPECTATIONS

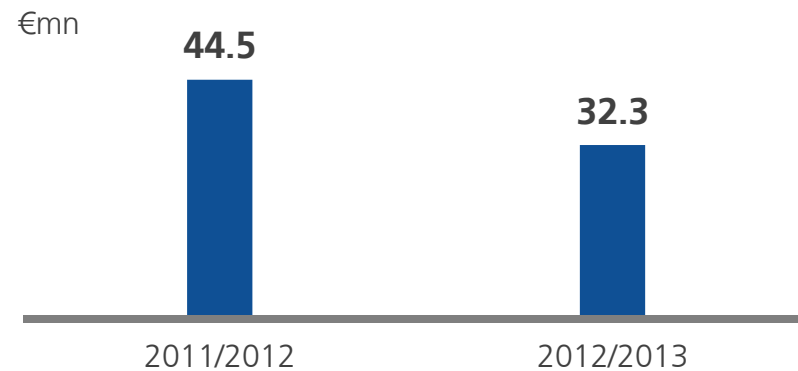
## ACCELERATED RATE OF INVESTMENT



## IMPROVED NET EXPENSE RATIO



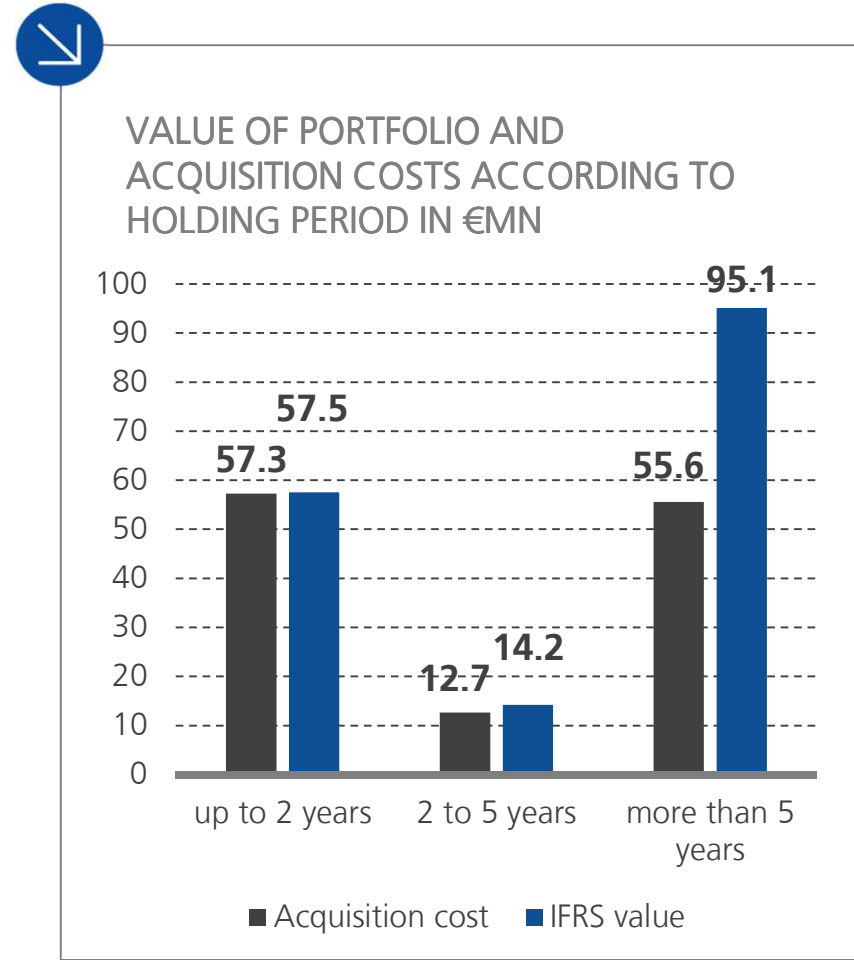
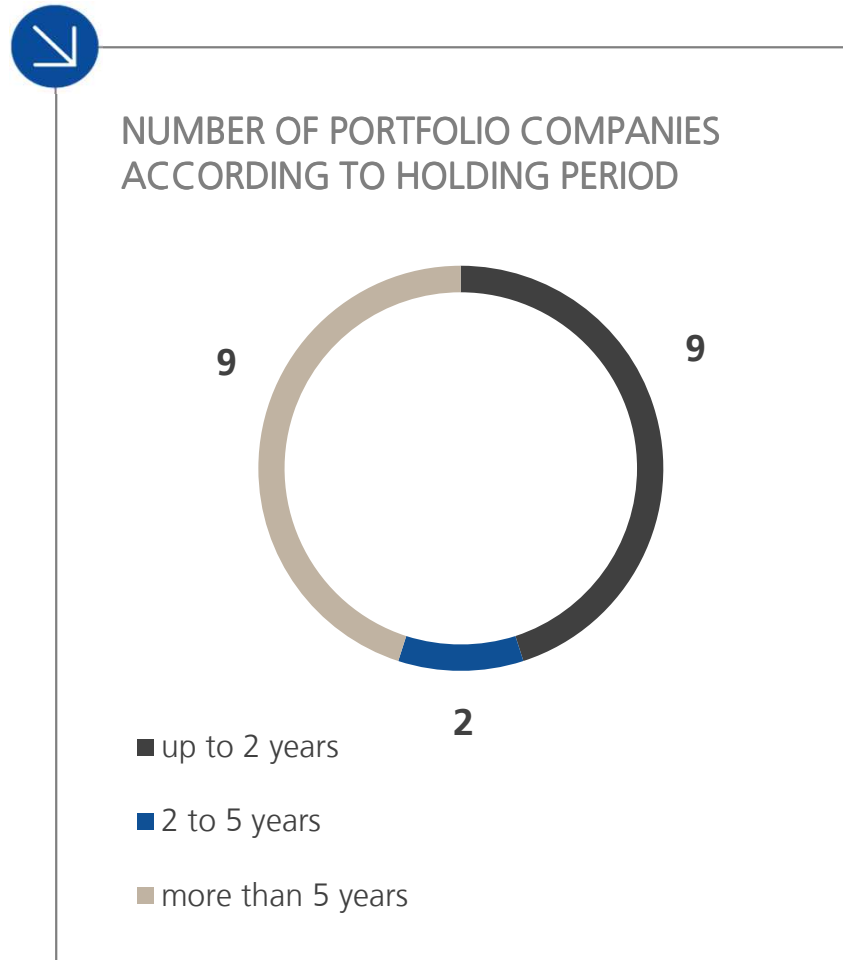
## CONSOLIDATED NET INCOME BELOW PREVIOUS YEAR



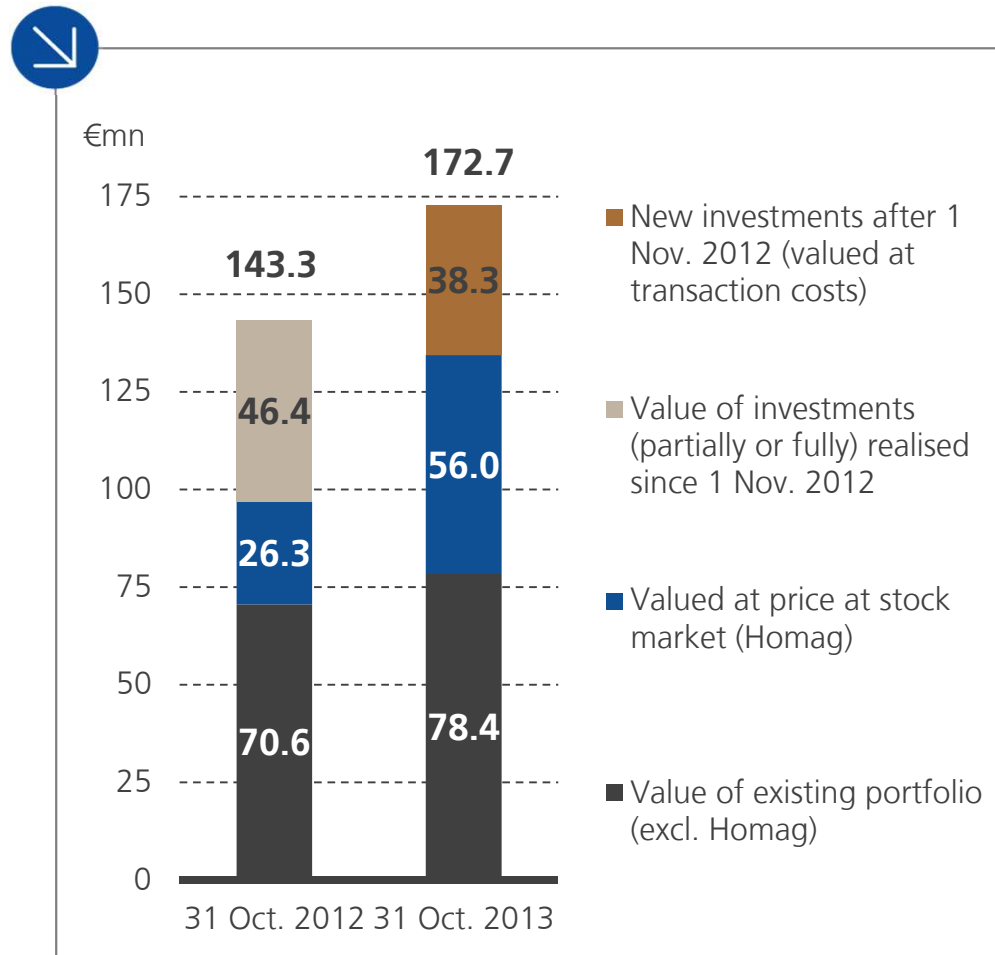
## PARENT COMPANY RESULT ABOVE PREVIOUS YEAR, DIVIDEND PAYOUT OF €1.20 PER SHARE



# PORTFOLIO'S AGE STRUCTURE IS BECOMING YOUNGER: PERFORMANCE NEEDS TIME



# PORTFOLIO'S VALUE HAS INCREASED DESPITE YOUNGER AGE STRUCTURE



**Portfolio divestments of €46.4mn**

**Value of portfolio still rose by €29.4mn**

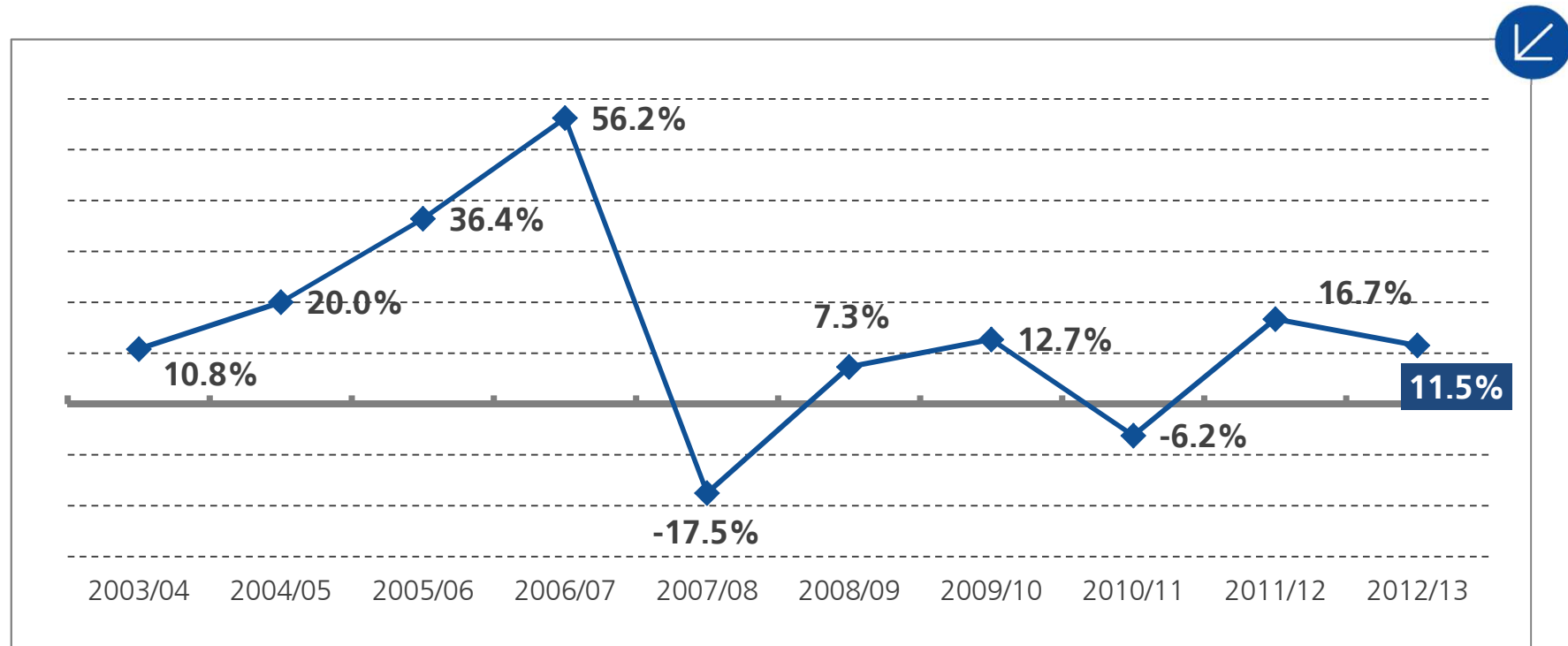
– €23.6mn thereof from Homag

**Valuation ratios largely unchanged compared to the previous year**

# COMPANY VALUE INCREASED ONCE AGAIN

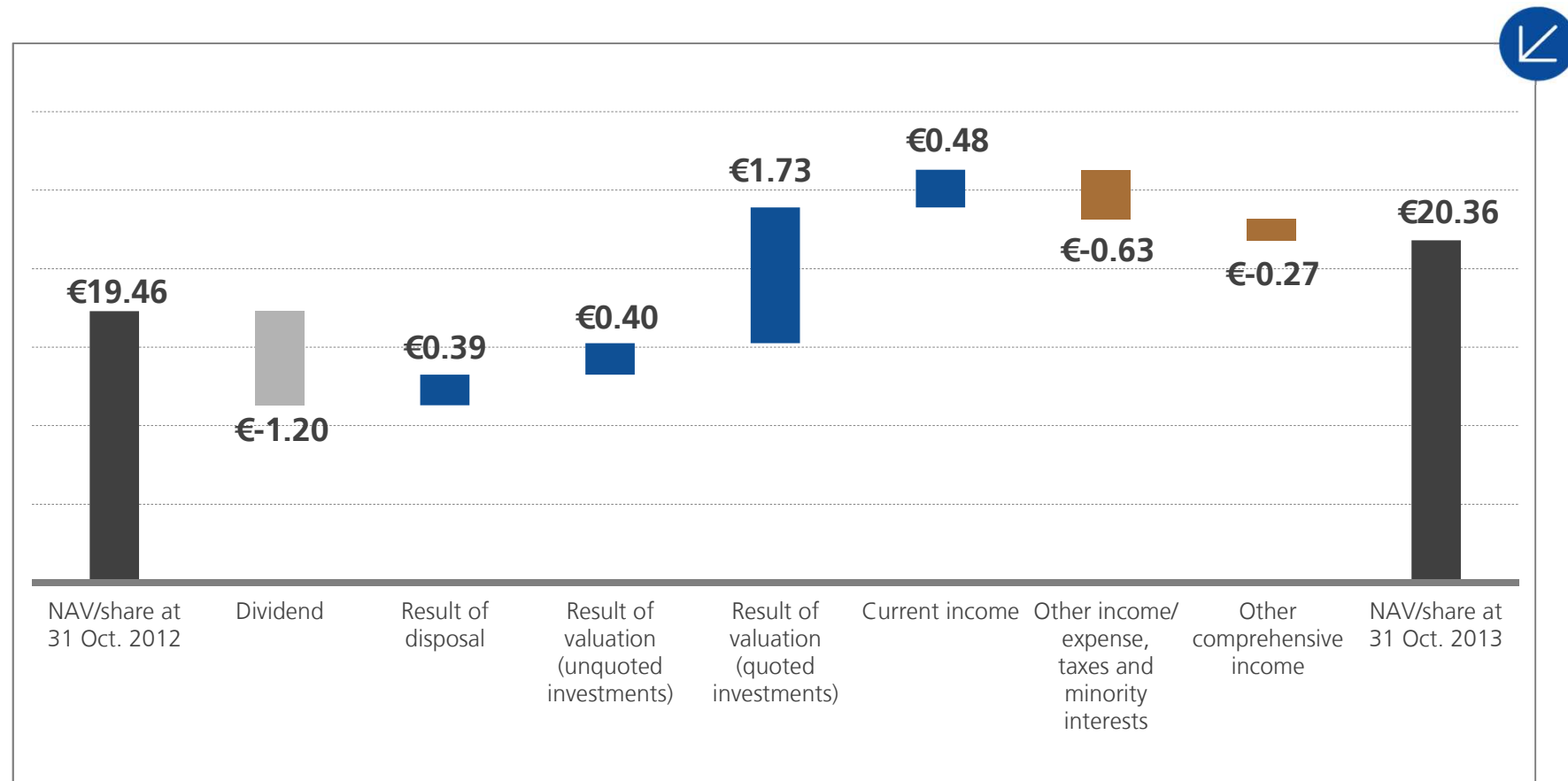
Rise of 11.5 percent in NAV per share:  
above the cost of equity, but below the long-term average

Ten-year average return of 14.8 percent



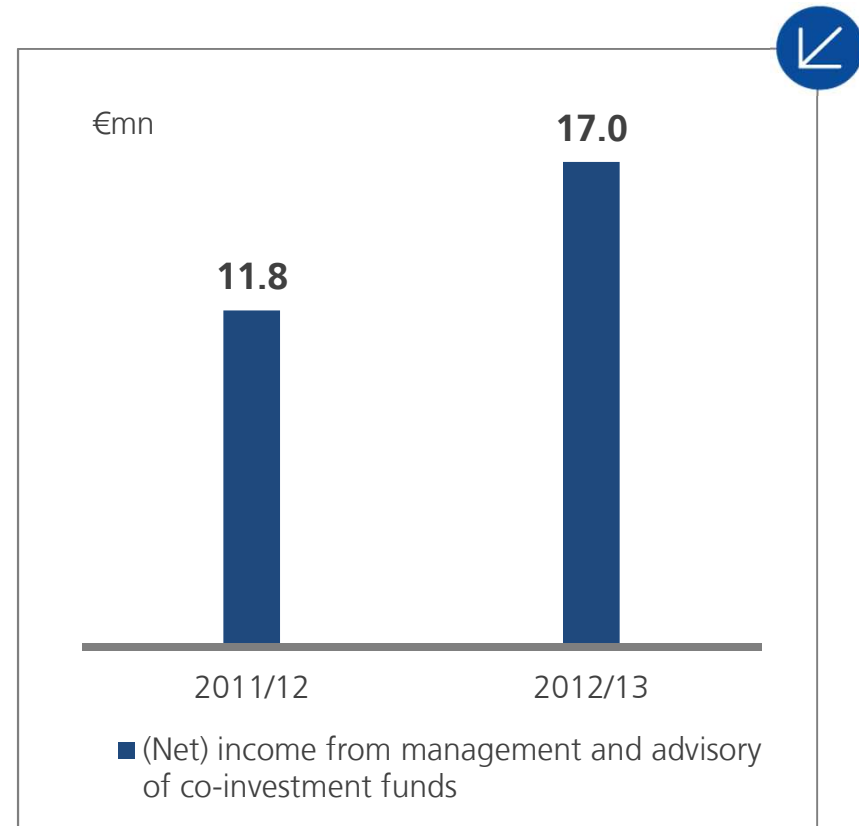
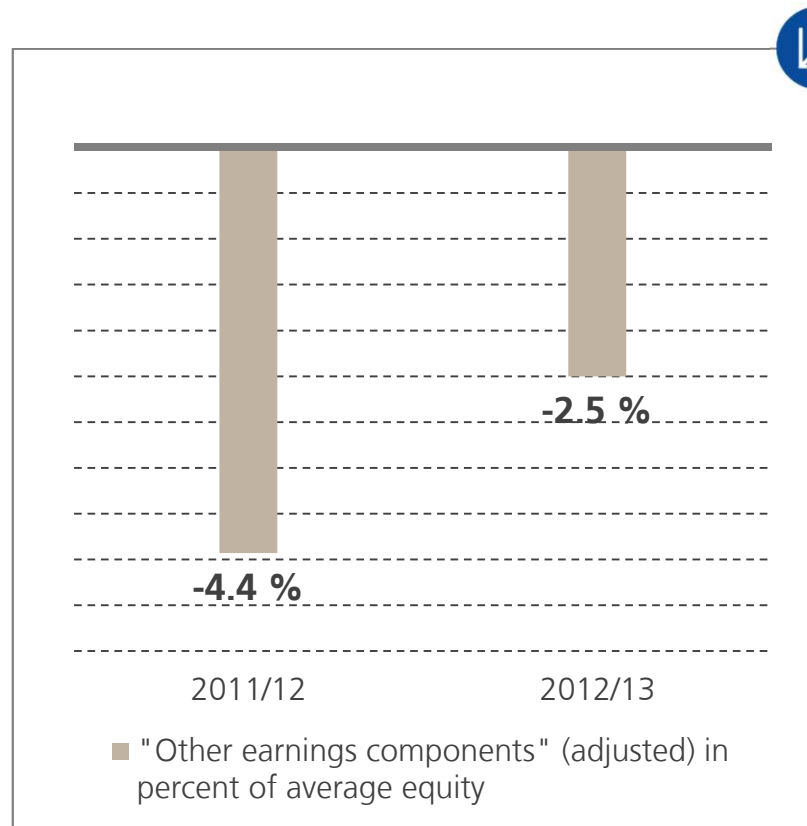
# NAV PER SHARE RISES BY €0.90

## Investment in Homag delivers a considerable contribution to earnings



# FURTHER DECLINE IN NET EXPENSE RATIO

**Income from the management and advisory of co-investment funds rises subsequent to the start of the investment period of DBAG Fund VI**

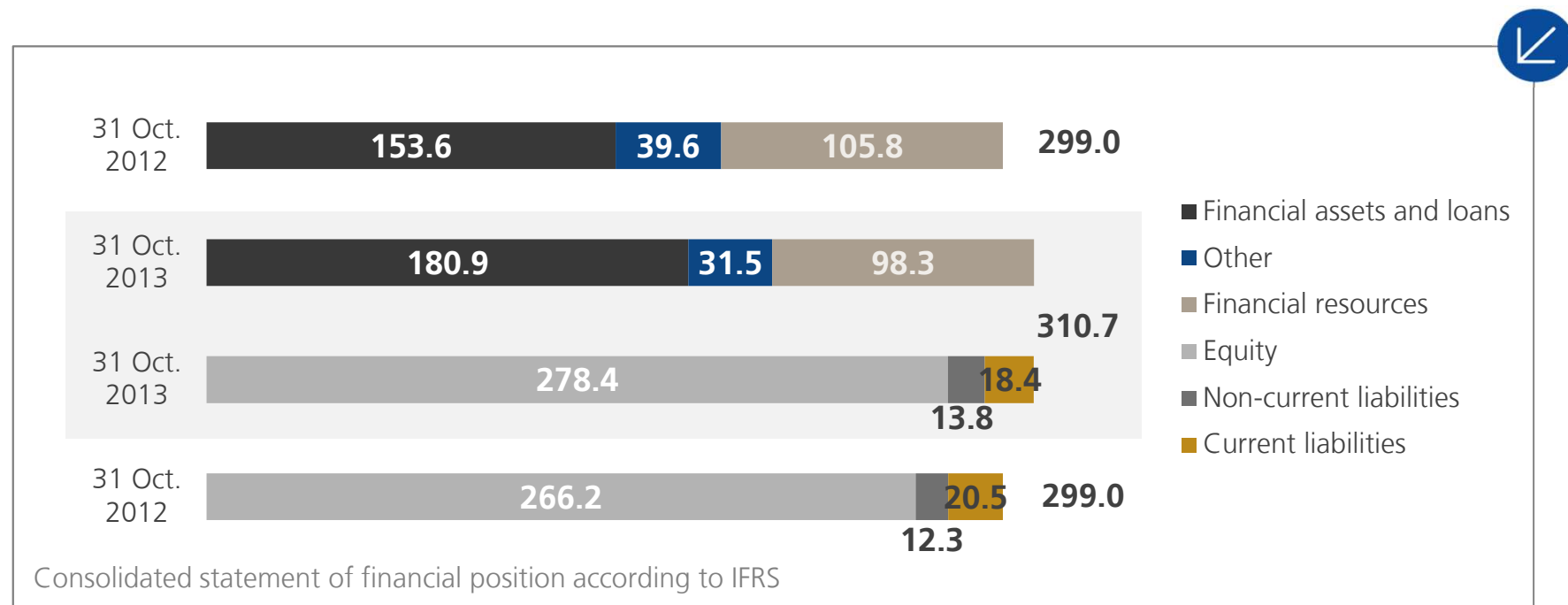


# STILL HIGH PROPORTION OF FINANCIAL RESOURCES DESPITE HIGH INVESTMENTS

**No fundamental change in the asset structure**

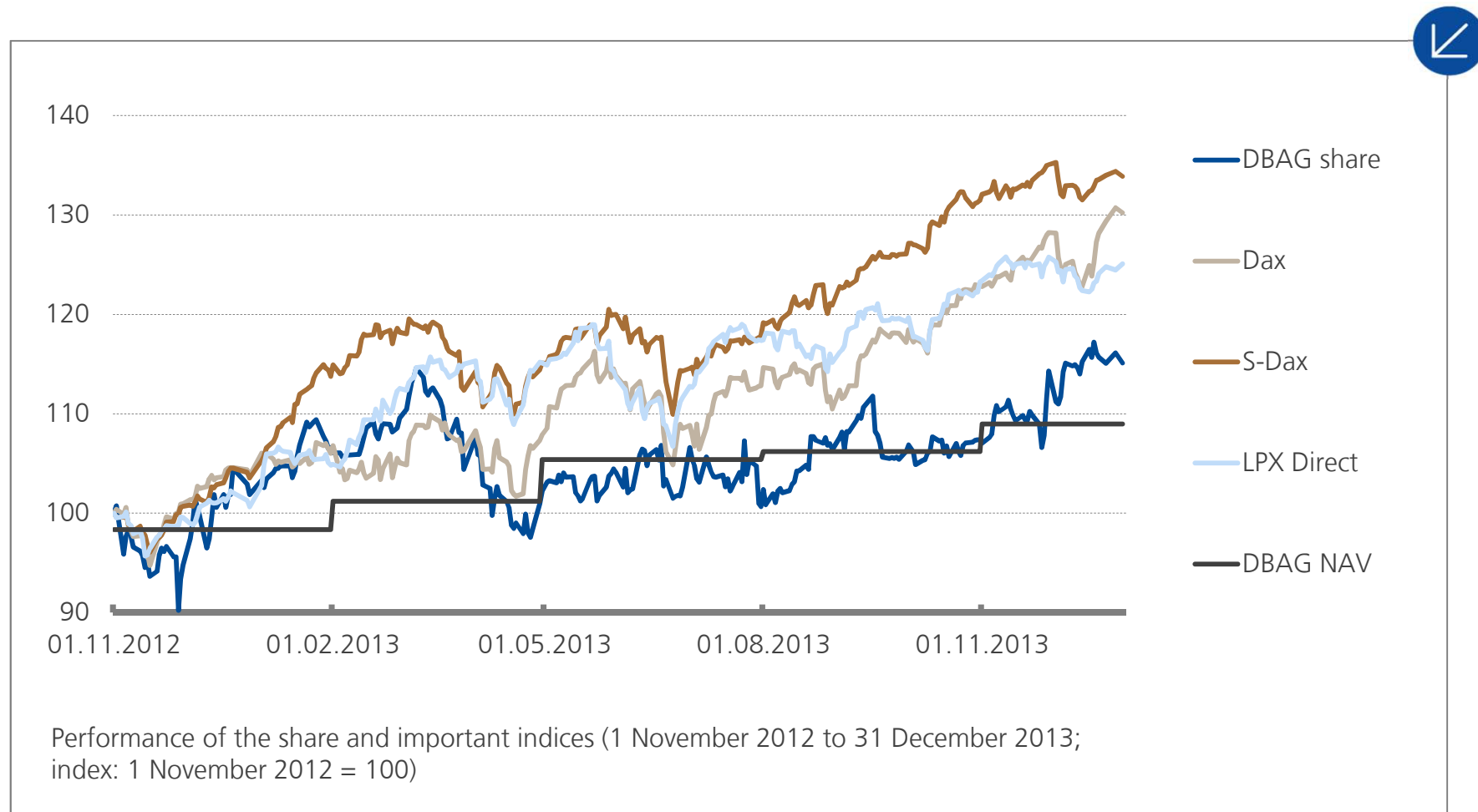
**Continued absence of bank liabilities**

**Pension provisions recorded under non-current liabilities in FY 2012/2013**





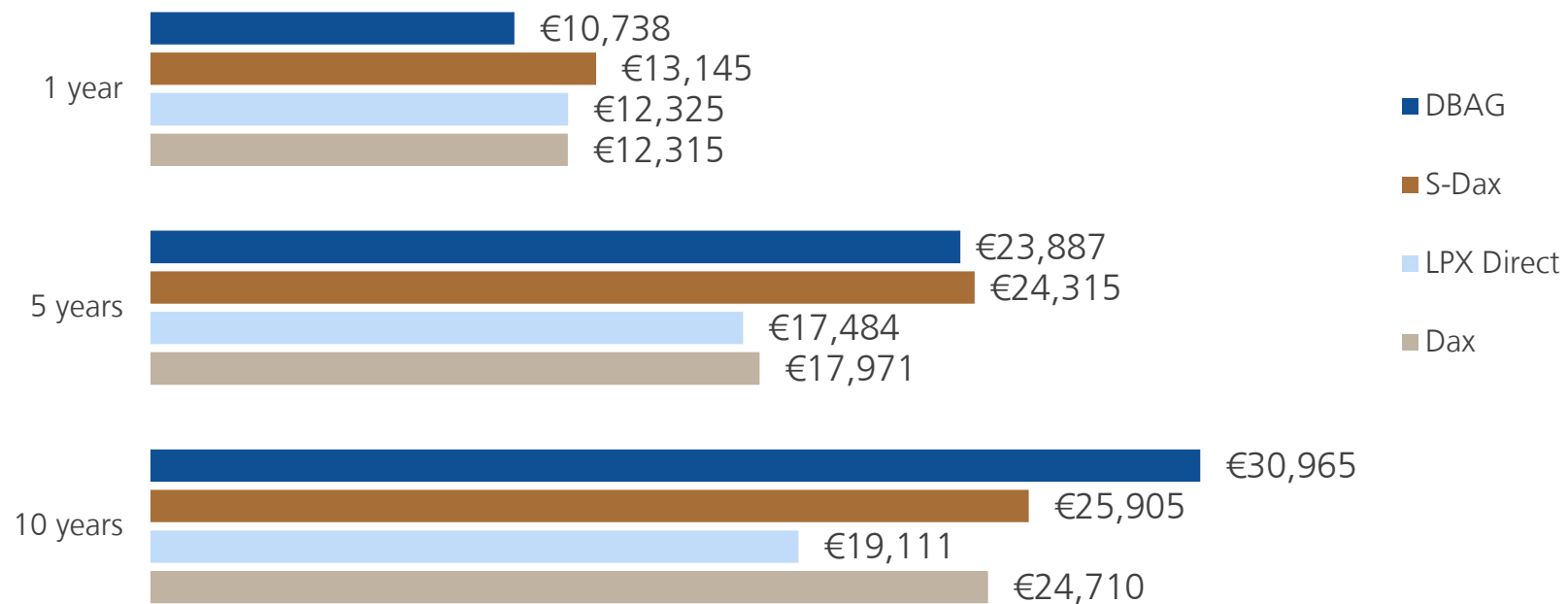
# SHARES TRADING IN A NARROW RANGE CLOSE TO THE NAV PER SHARE



# LONG-TERM ATTRACTIVE SHARE PRICE PERFORMANCE



STARTING PERIOD AS AT 1 NOVEMBER 2003, 2008, AND 2012, RESPECTIVELY,  
WITH AN INITIAL INVESTMENT OF €10,000

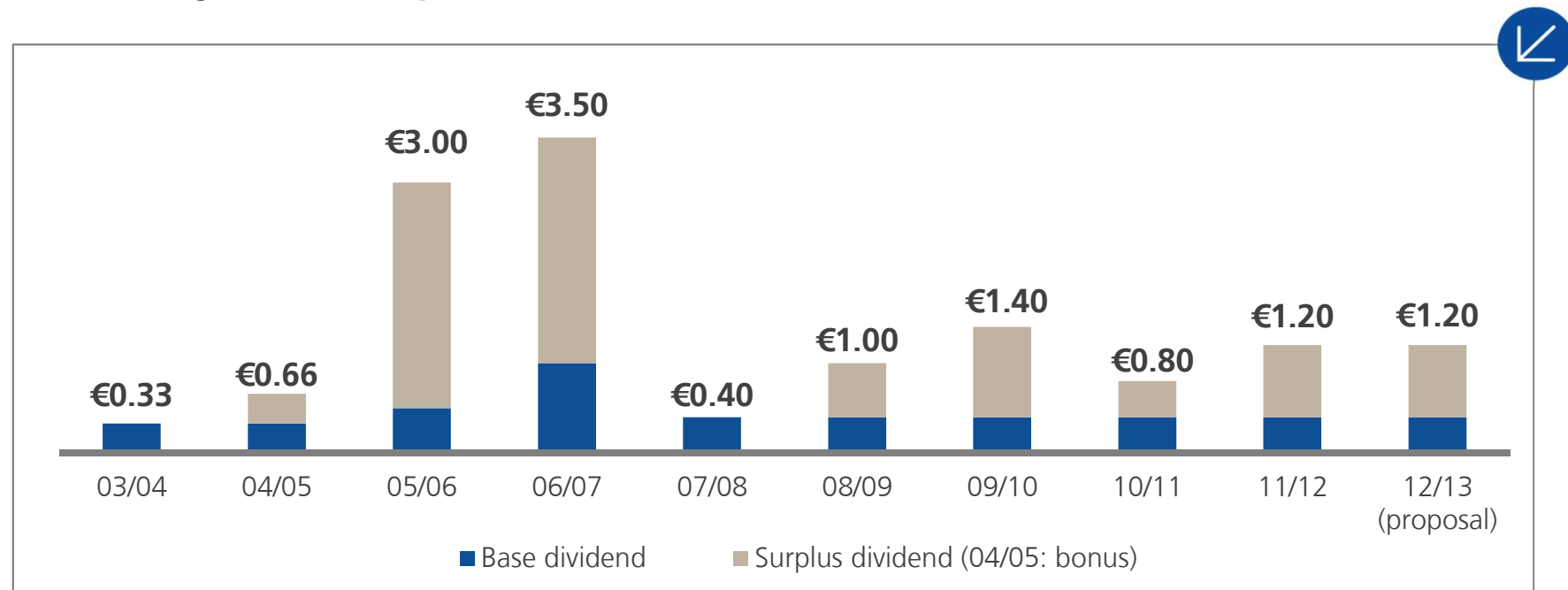


# LONG-TERM SHAREHOLDER PARTICIPATION IN SUCCESS

**DBAG's retained profit under HGB (Coperion realisation gain) permits the payment of a surplus dividend for the seventh time in ten years**

**Payout ratio of 38 percent**

**Dividend yield of 6.6 percent**



# Q1 2013/2014 IN LINE WITH EXPECTATIONS

	Q1 2013/2014 / 31 January 2014	Q1 2012/2013 / 31 January 2013
Consolidated net income	€12.4mn	€7.5 MN
Financial resources	€104.1mn	€98.3 MN
Equity	€290.6mn	€278.4 MN

# OUTLOOK: FORECAST UNCHANGED

## Forecasts for FY 2013/2014:

- "Continuation of high rate of investments"
- "A higher contribution from portfolio of unquoted holdings"
- "No forecast of Homag share price as at 31 October 2014"
- "Expense ratio < 3 percent"



## Status after Q1:

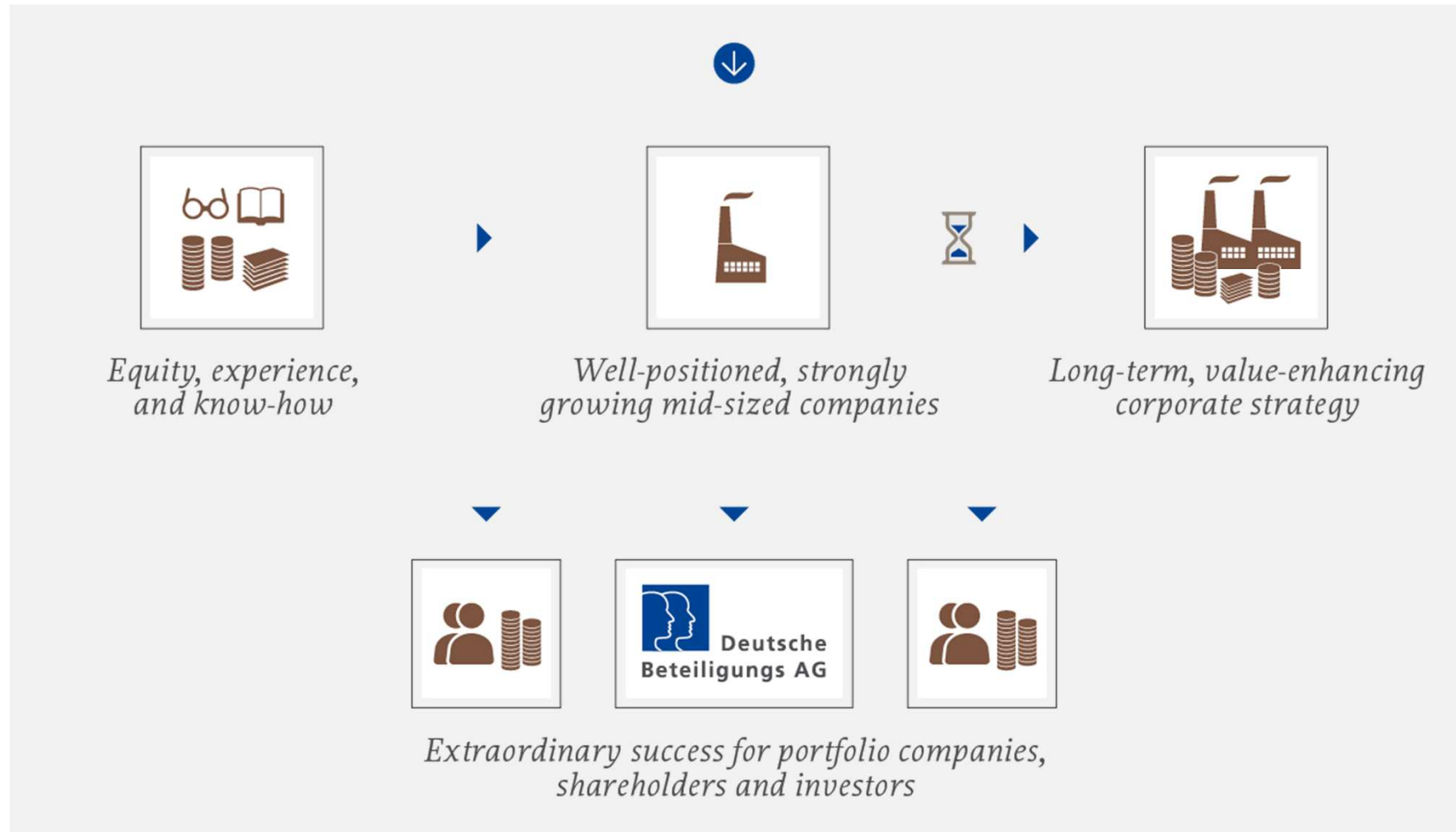
- Wide availability of transaction opportunities
- Largest value contribution from newer unquoted investments
- Higher Homag share price (currently)
- Costs on target



**"Overall, consolidated net income clearly below the previous year"**

**"Cost of equity serves as minimum expected return"**

# PREPARING THE WAY. INCREASING VALUE.



THANK YOU!

WE LOOK FORWARD TO SEEING  
YOU AGAIN IN MARCH 2015

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