



Deutsche  
Beteiligungs AG



# DEUTSCHE BETEILIGUNGS AG

INTERIM REPORT AT  
31 MARCH 2016  
(FIRST HALF-YEAR  
2015/2016)

12 MAY 2016



## SPEAKERS



SUSANNE ZEIDLER  
Member of the Board of  
Management



THOMAS FRANKE  
Head of Investor Relations  
and Public Relations



OLIVER FRANK  
Head of Finance

# THE FIRST SIX MONTHS OF FINANCIAL YEAR 2015/2016 AT A GLANCE

OUTFLOWS OF 19.4 MILLION EUROS FOR TWO NEW INVESTMENTS

DIVESTMENTS GENERATE RETURNS OF 22.6 MILLION EUROS

CREDIT LINE ENSURES FINANCING FLEXIBILITY

NET INCOME 32.0 MILLION EUROS

FORECAST AFTER UPLIFT RECONFIRMED

# THE FINANCIAL YEAR AFTER THE FIRST HALF-YEAR

	H1 2015/2016 resp. 31 March 2016	H1 2014/2015 resp. 30 Sept. 2015
Net income	€32.0mn	€21.4mn
Financial resources	€37.0mn	€58.3mn
Net Asset Value	€321.6mn	€303.1mn

# PORTFOLIO: FIRST-QUARTER INVESTMENT DECISIONS IMPLEMENTED

## **Telio Group: Communications and media systems for correctional facilities**

### **MBO alongside DBAG Fund VI**

- Completed in April 2016 (cash outflows in Q1)
- DBAG- investment: €12.8mn



## **mageba AG: Products & services for infrastructure and building sectors**

### **Growth financing alongside DBAG ECF**

- Purchase of interest & capital increase
- Completed in February 2016 (cash outflows in Q1)
- DBAG investment: €6.6mn



# PORTFOLIO: TWO DIVESTMENTS IN THE FIRST SIX MONTHS

## **Spheros Group: Climate and electronics systems for buses**

### **MBO alongside DBAG Fund V**

- Divestment completed in March 2016
- Liquidity inflow in Q3
- Basis for first carried interest payment of DBAG Fund V in Q3



## **DBG Eastern Europe II: Buyout fund (2003) for MBOs in eastern Europe**

### **One of three remaining investments sold**

- Sale agreed in November 2015
- Completion expected by June 2016
- Contribution to result of valuation

# PORTFOLIO: DIVESTMENT OF CLYDE BERGEMANN POWER GROUP CONCLUDES DBAG FUND IV

**April 2016: Divestment to co-shareowner  
and head of Asian business**

**Initially positive development after start of  
investment in May 2005**

- Add-on acquisitions (broader portfolio)
- Revenue: US\$180mn → US\$500mn

**Recently: Continual deterioration of  
business environment; negative outlook**

- Environmental regulations for coal-fired  
power plants
- Low price of gas

**Negative value contribution (IFRS) of  
€8.3mn in first six months**

- Unfriendly environment weighed on  
divestment process (length of time, price)

**No material contribution to income in Q3**

**Negative contribution to income of €11.2mn  
in 2015/2016 HGB accounts**



# DBAG FUND IV: SUCCESS FORMS BASIS FOR EXPANSION OF FUND INVESTMENT SERVICES

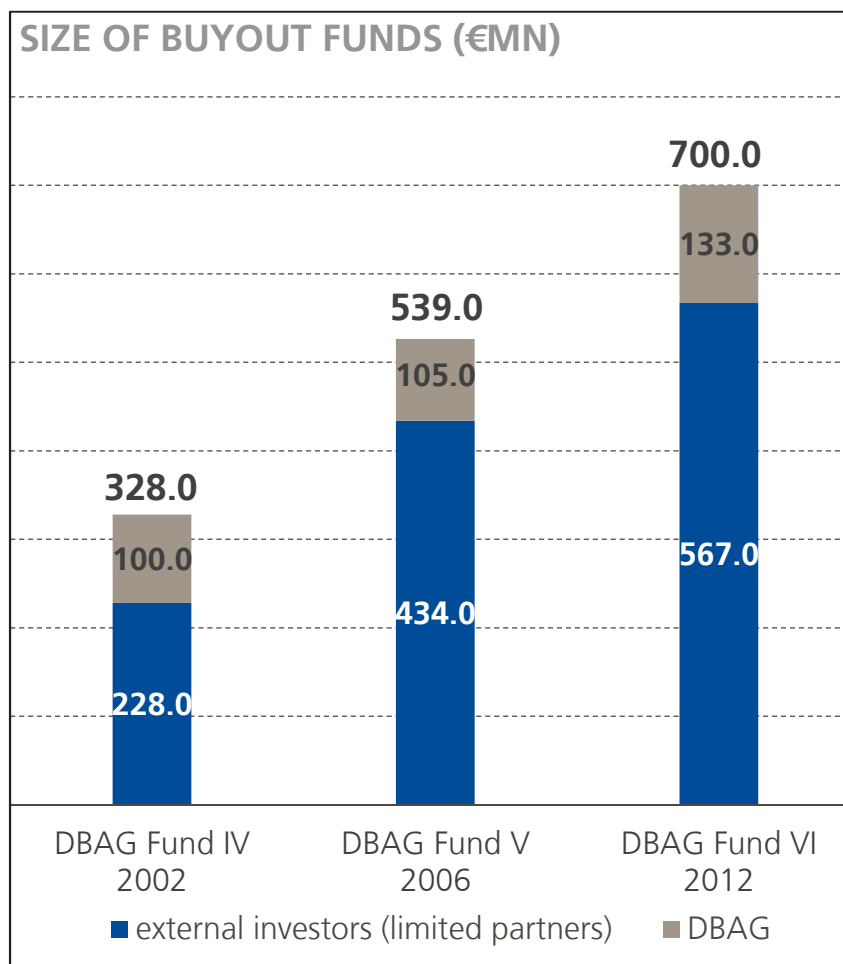
## Good investment progress

- Ten investments from October 2002 to February 2007

## Fast repayments from successful realisations

- Money multiple of 0.1x and 6.0x, average (unweighted) 2.6x
- Investors receive more than double their paid-in capital, after costs and carried interest of investment team

## “Top Quartile Fund”



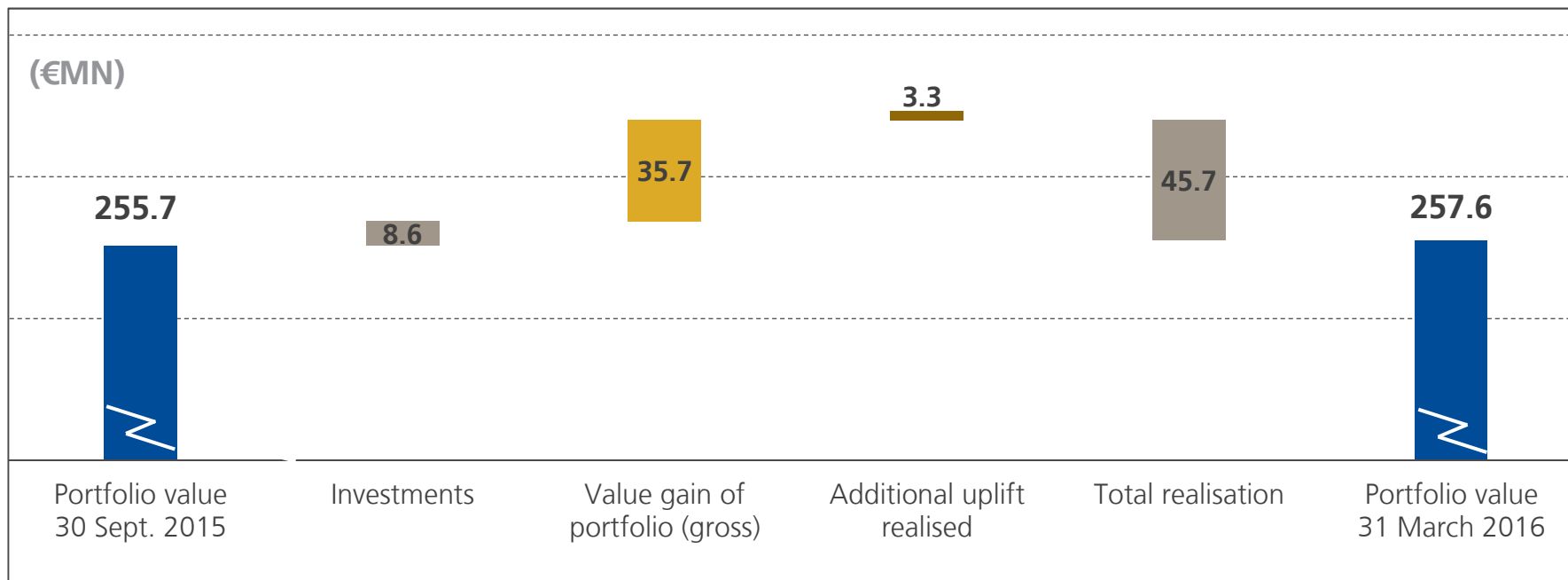


# PORTFOLIO VALUE INCREASED THROUGH VALUATION MOVEMENTS

**Portfolio value grew by €35.7mn before carried interest (€3.9mn)**

**Further uplift of €3.3mn in first six months**

**Realisation of 15% of total portfolio**



Round-off differences may occur

# CREDIT LINE SECURES FINANCING FLEXIBILITY

## Reduction of financial resources (liquidity) in past two years as planned

- Target: ~ €50mn

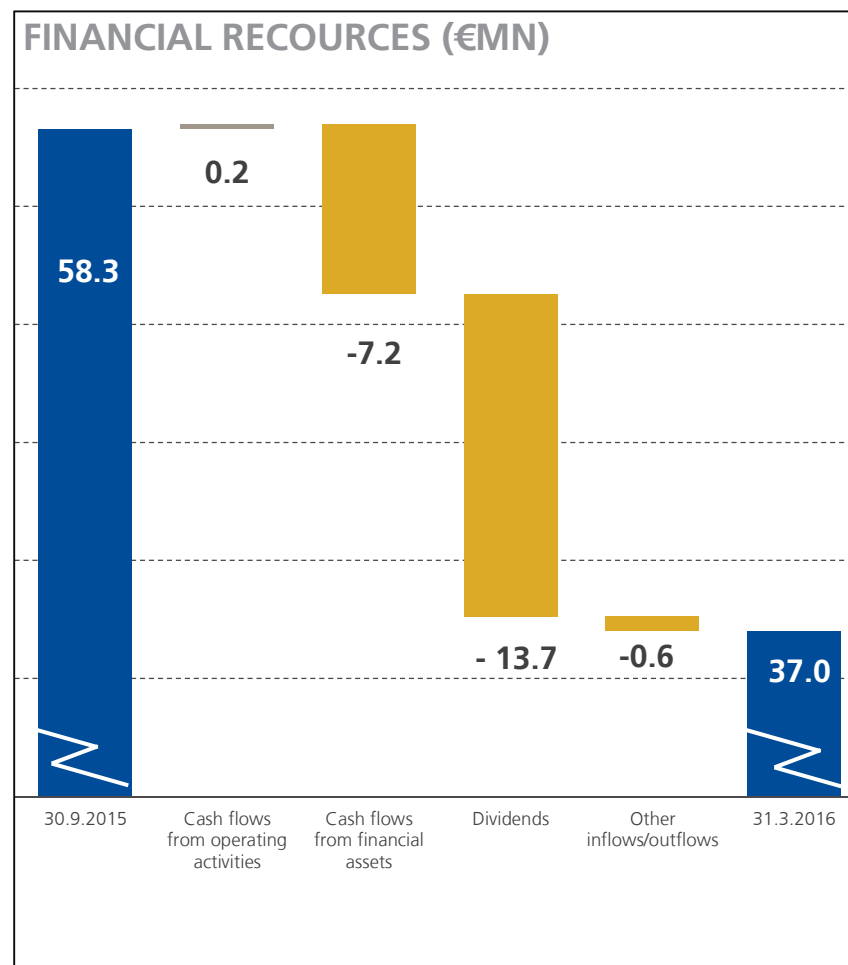
## Net inflows of €22.6mn after end of period (Spheros)

## Credit line of €50mn

- term of five years
- consortium of two banks

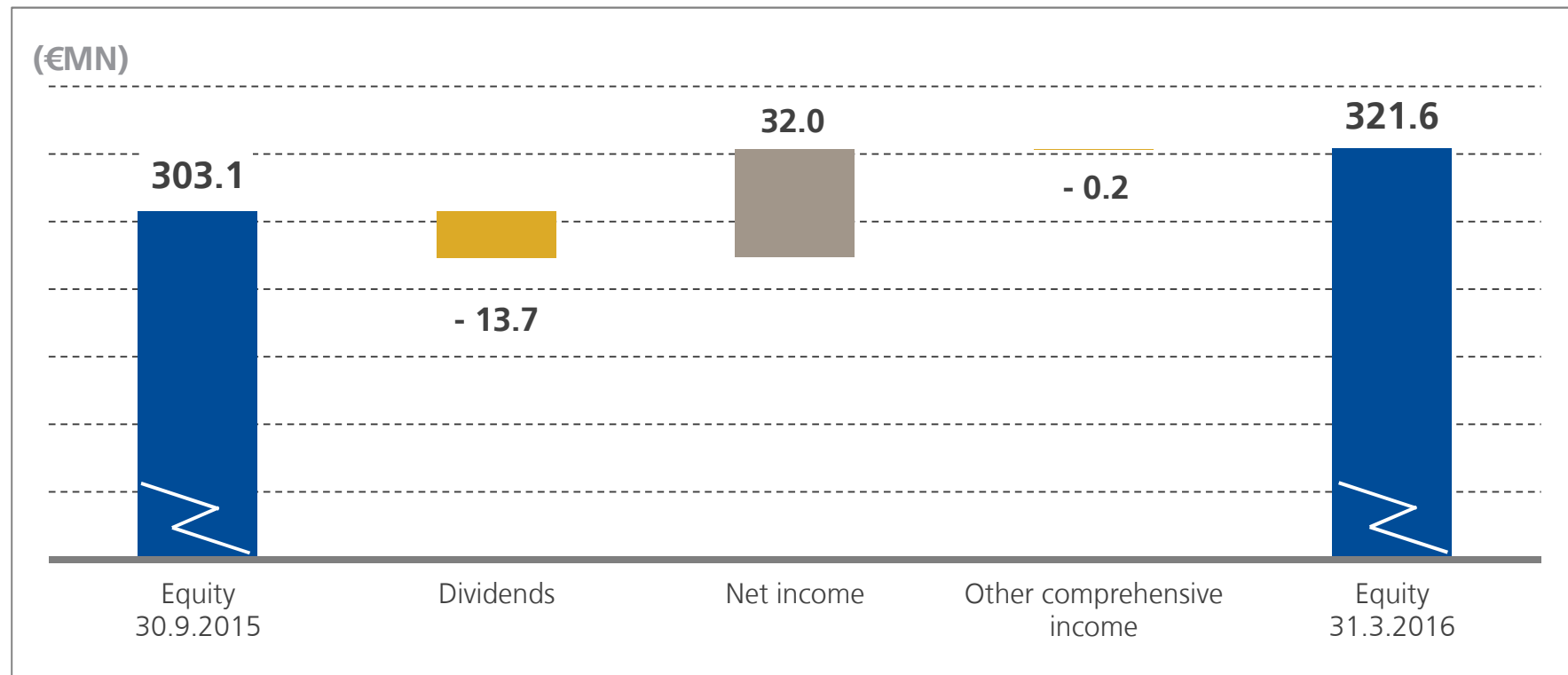
## A bridge for temporary differences between cash inflows and outflows

## No change in financing strategy: No debt at DBAG level in long-term



# NET ASSET VALUE PER SHARE AT 23.51 EUROS

**NAV per share rose from €22.16 to € 23.51 (+ €1.35) after dividend payment of €1.00 (total of €2.35), corresponding to 11.1 percent increase after six months**



Round-off differences may occur

## BUSINESS PERFORMANCE BY SEGMENTS – PRIVATE EQUITY INVESTMENTS

(€mn)	H1 2015/16	H1 2014/15
Net result of fund services and investment activity	36.2	21.0
Other income/expenses	-3.9	-1.5
Segment net income before taxes	32.3	19.5

**Good overall performance of portfolio companies (earnings, debt)**

**Influence of stock market marginally positive in total**

**Higher consultancy expenses on further development of structures increased other income/expenses, net**

(€mn)	31.3.2016	30.9.2015
Financial assets incl. loans and receivables	291.5	250.2
Financial resources	37.0	58.3
Bank liabilities	0.0	0.0
Net asset value	328.5	308.5
Financial resources	37.0	58.3
Credit line	50.0	0.0
Returns on Spheros exit	22.6	n. a.
Available liquidity	109.6	58.3
Co-investment commitments	102.4	110.7

# BUSINESS PERFORMANCE BY SEGMENTS – FUND INVESTMENT SERVICES

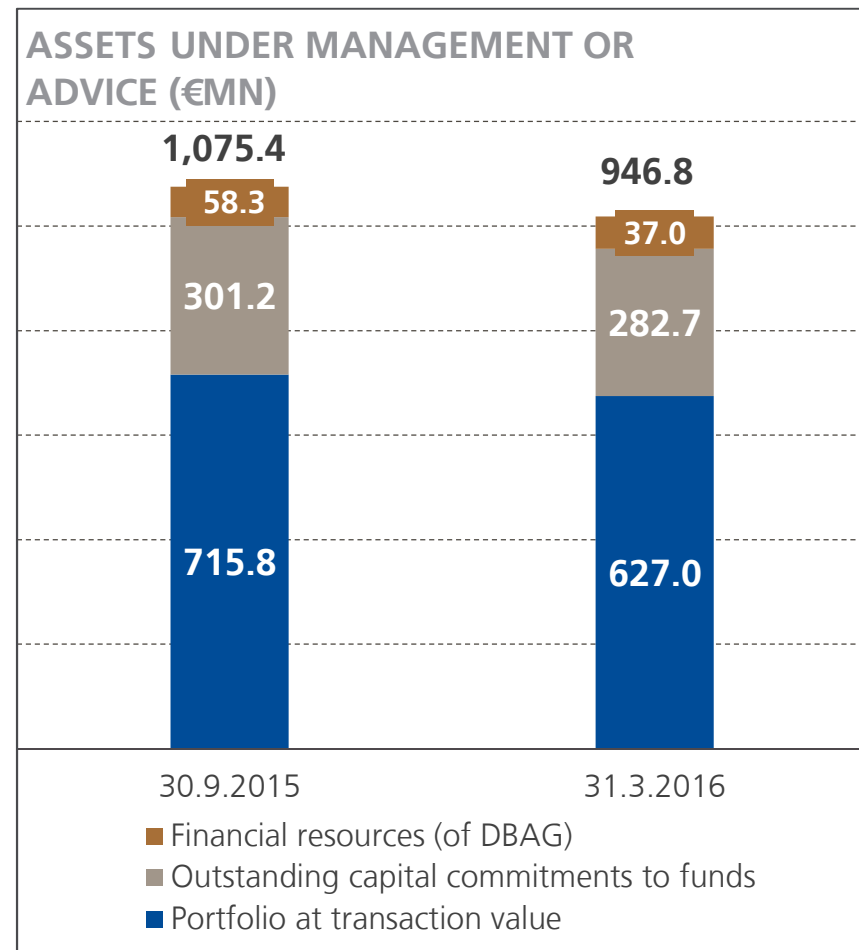
(€mn)	H1 2015/16	H1 2014/15
Fee income from fund management and advisory services	10.1	10.9
Other income/expenses	-10.5	-8.9
Segment net income before taxes	-0.4	1.9

## Lower fee income, as expected

- Management of DBG Fonds I ended
- Lower basis for DBAG Fund V

## Higher personnel costs

## Lower income from transfer pricing of transaction-related costs

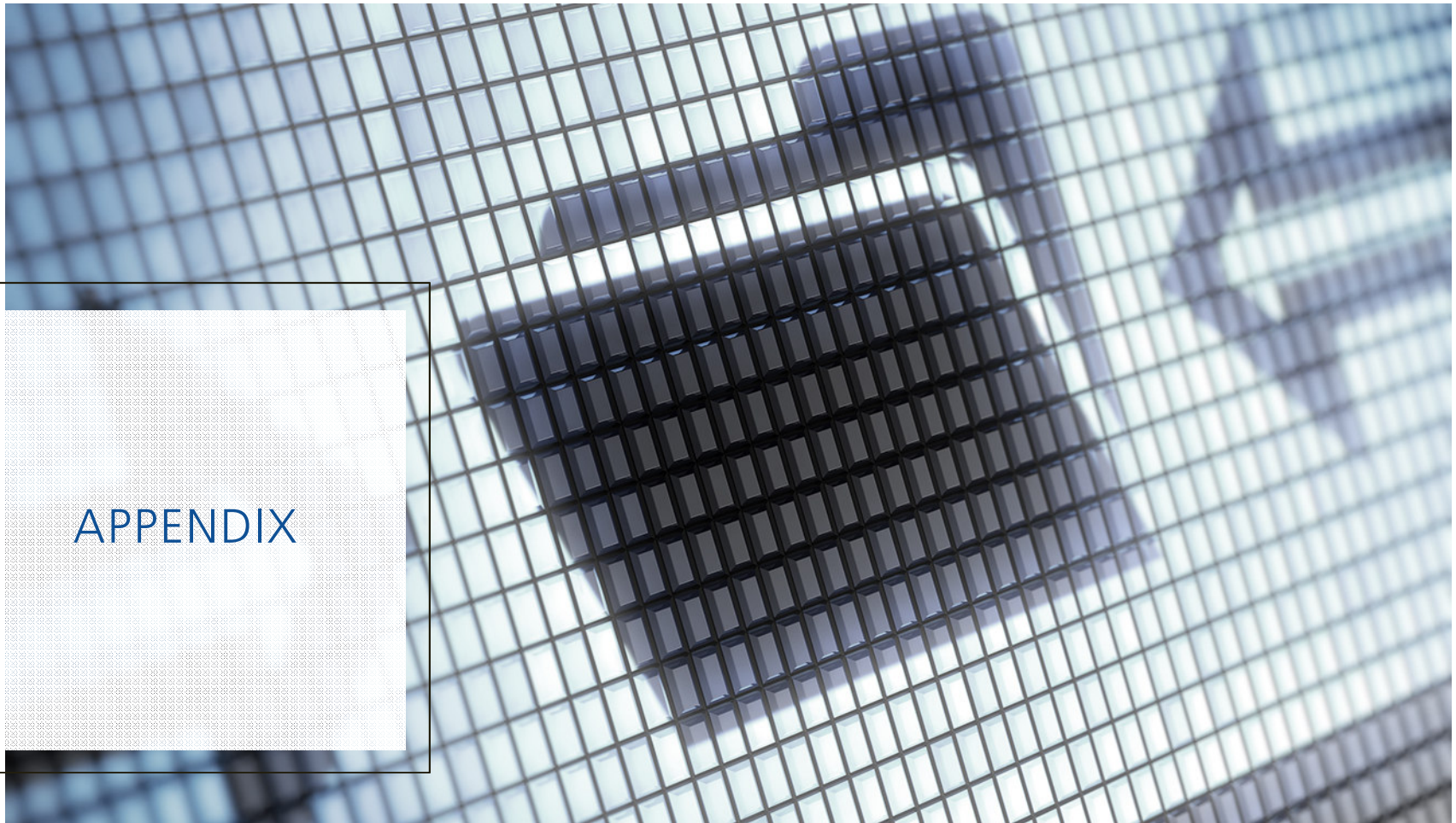


Rounding differences may occur; after end of period financial resources of DBAG rose by €22.6mn from returns on Spheros disposal, portfolio increased by €65.1mn, the transaction value of investment by DBAG VI in Telio.

# OUTLOOK: FORECAST RECONFIRMED

Forecast indicator	2015/2016 forecast (Dec. 2015)	Actual H1 2015/2016
Net income	"(on comparable basis of €25.2mn) significantly higher"	€32.0mn, incl. income contributions from unplanned disposals
Return on NAV	"significantly in excess of cost of equity"	Increase in NAV per share of 11.1 percent in six months
Net result of investment activity	"significantly higher"	€36.2mn (see net income)
Fee income from fund investment services	"slightly lower; in case of divestments possibly moderately or significantly lower"	€9.4mn, following €10.2mn in first six months of 2014/2015
Net expense ratio	"significantly higher"	1.7 percent, following 0.4 percent in first six months of 2014/2015
Financial resources	"significantly lower at financial year-end"	€37.0mn, following €58.3mn, but further inflows in Q3

**Income forecast concretised after first quarter now reconfirmed: approx. €40mn, including unplanned sales proceeds. Risk: valuation ratios in the stock markets.**



APPENDIX

# TELIO

## INVESTMENT OVERVIEW

### Business:

- European market leader in inmate communication solutions for the corrections industry
- Develops, installs and operates communications and media systems in prisons
- Headquartered in Hamburg (Germany)
- Number of employees: 115

### Ownership summary:

- Start of investment in April 2016
- Investment share: 18.8% DBAG (€12.8mn)

### Transaction:

- Acquisition of investment from family office in an auction process
- MBO alongside DBAG Fund VI





# TELIO

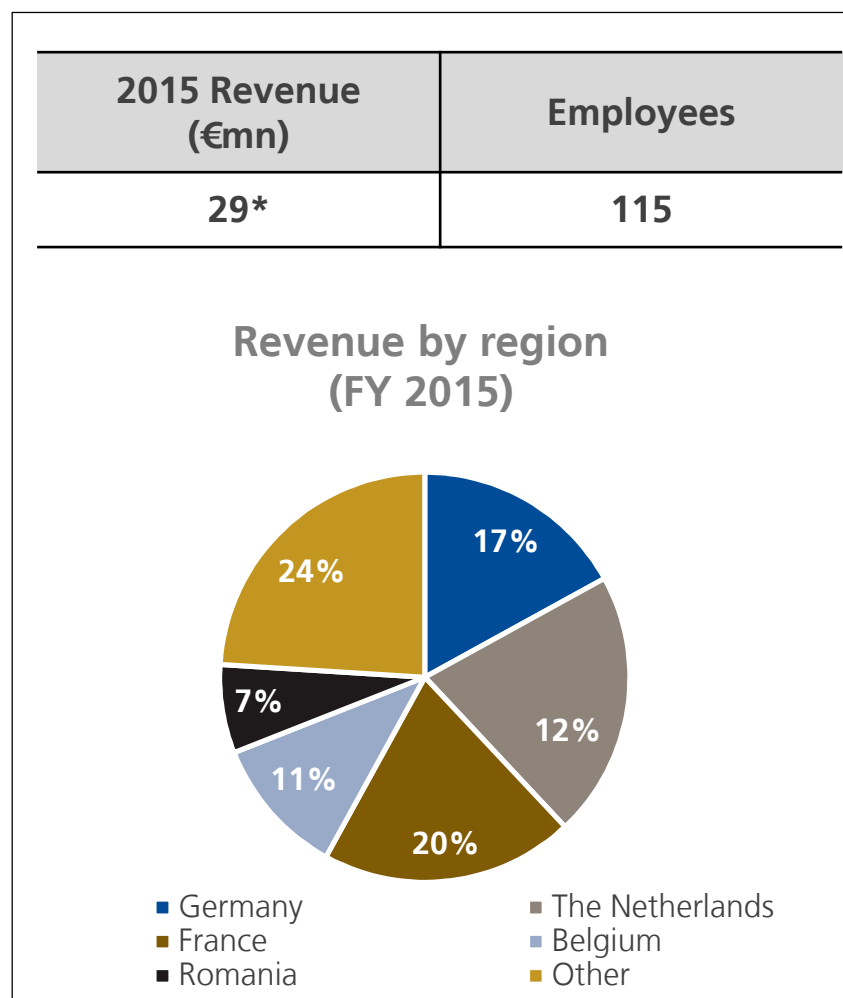
## INVESTMENT CASE & COMPANY DEVELOPMENT

### Investment case:

- Harvest identified upselling opportunities within existing markets
- Add further revenue streams by winning tenders in new markets and applying new products
- Pursue growth opportunities by add-on acquisitions

### Development:

- High margin business model with a strong conversion and substantial upside potential with historical growth mainly driven by international expansion



\* expected

# MAGEBA

## INVESTMENT OVERVIEW

### Business:

- Leading global provider of structural bearings, expansion joints and other products and services for the infrastructure and building sector
- Headquartered in Bülach (Switzerland)

### Ownership summary:

- Start of investment in February 2016
- Investment share: 19.8% DBAG (€6.6mn)

### Transaction:

- Share purchase and capital increase
- Expansion capital investment , co-investment alongside DBAG ECF



# MAGEBA

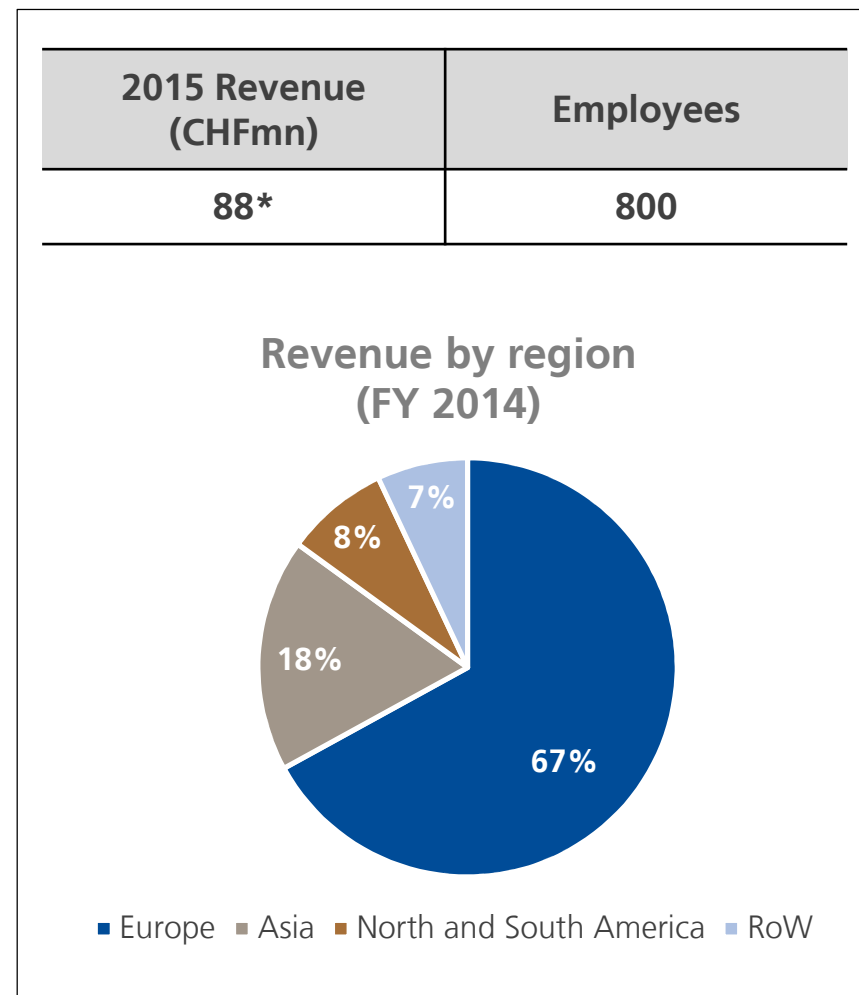
## INVESTMENT CASE & COMPANY DEVELOPMENT

### Investment case:

- Increase market penetration with existing product portfolio to support revenue growth
- Further internationalisation and development of new products
- Growth opportunities in protection of buildings from seismic forces of earthquakes

### Development:

- Attractive and growing niche market



\* preliminary

# CONSOLIDATED FINANCIAL STATEMENTS



	(€mn)	H1 2015/2016 31 March 2016	H1 2014/2015 30 April 2015
Net result of fund services and investment activity		36,194	20,985
Fee income from fund management and advisory services		9,432	10,152
Personnel costs		-7,765	-6,252
Other operating income		3,234	4,549
Other operating expenses		-9,010	-8,202
Net interest		-210	243
Net income before taxes		31,874	21,475
Income taxes		171	-76
Minority interest (gains)/losses		-18	17
<b>Consolidated net income</b>		<b>32,028</b>	<b>21,399</b>
Other comprehensive income		112	183
<b>Total comprehensive income</b>		<b>32,139</b>	<b>21,564</b>

Round-off differences may occur

# STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016: FINANCIAL RESOURCES OF €37.0MN

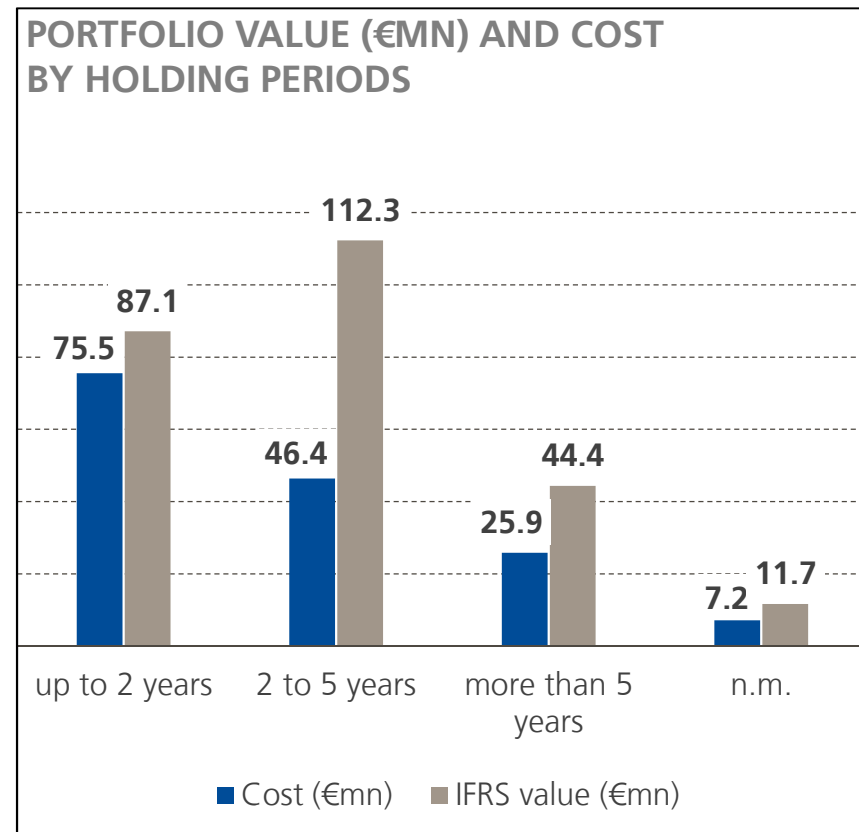
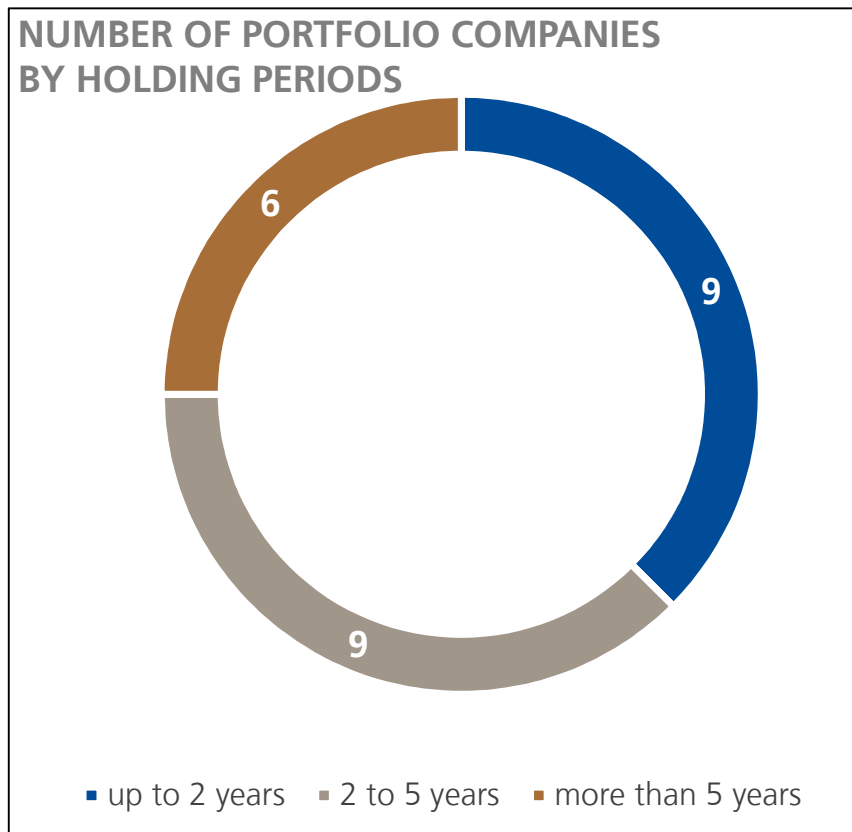


<b>Assets (€mn)</b>	<b>31 March 2016</b>	<b>30 Sept. 2015</b>	<b>Equity and liabilities (€mn)</b>	<b>31 March 2016</b>	<b>30 Sept. 2015</b>
Financial assets incl. loans and receivables	291.5	250.2	Equity	321.6	303.1
Other	15.2	18.7	Non-current liabilities	8.6	8.9
Financial resources	37.0	58.3	Current liabilities	13.6	15.1
	<b>343.7</b>	<b>327.2</b>		<b>343.7</b>	<b>327.2</b>

Round-off differences may occur

# "YOUNG" PORTFOLIO WITH FIRST-RATE PERSPECTIVES

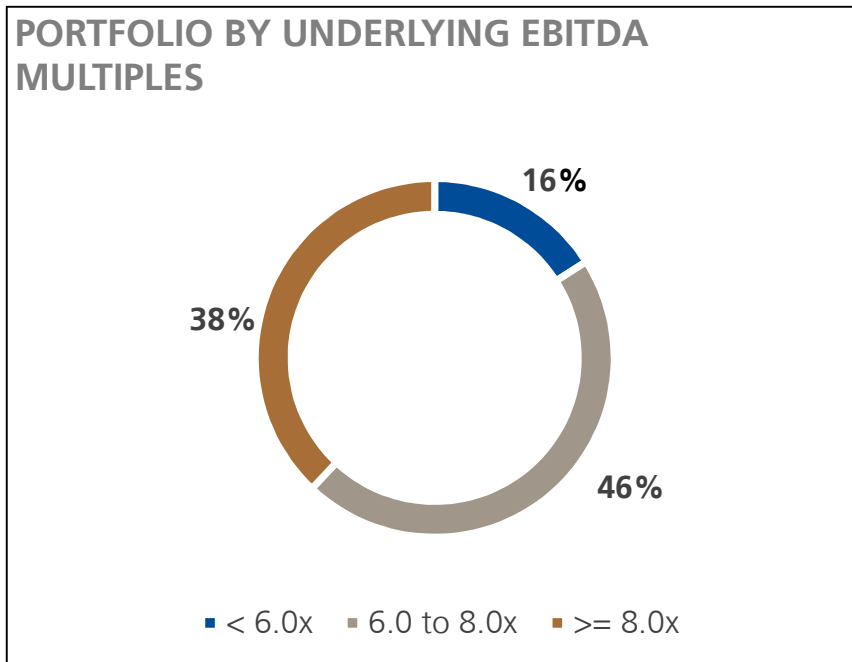
**24 investments with a portfolio value of €257.6mn (31 March 2016)**



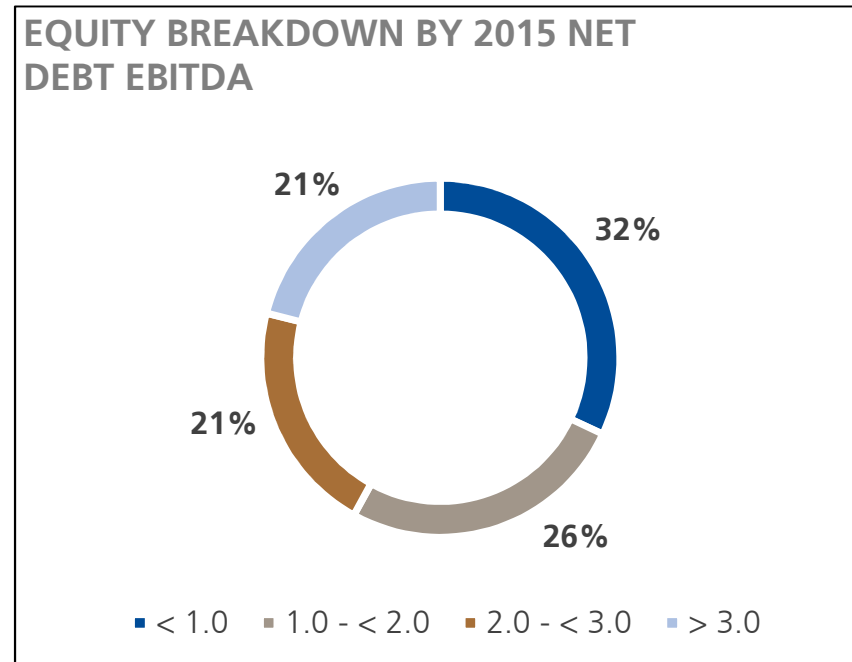
At 31 March 2016; residual parts of disposed engagements (i. a. reps and warranty retentions) not included in IFRS value of €11.7mn

# PORTFOLIO BREAKDOWN AT 31 MARCH 2016

## Portfolio value based on expected 2016 earnings



Basis: Portfolio value at 31 March 2016; not including residual investments (reps and warranty retentions), DBG Eastern Europe, Harvest Partners and HSBC PE India as well as DNS:NET and inxio; 2016 EBITDA as budgeted by portfolio companies



Basis: Portfolio value at 31 March 2016; not including residual investments (reps and warranty retentions), DBG Eastern Europe, Harvest Partners and HSBC PE India; 2016 net debt and EBITDA as budgeted by portfolio companies

# 15 INVESTMENTS ACCOUNT FOR ALMOST 84 PERCENT OF PORTFOLIO VALUE\* (IFRS) (1/2)

Company (alphabetically ordered)	Investment DBAG (cost, €mn)	Equity share DBAG (%)	Equity share DBAG Fund (%)	Sector
Broetje-Automation GmbH	5.6	15.0	60.0	Mechanical and plant engineering
Cleanpart Group GmbH	9.4	14.9	63.5	Industrial services
DBG Eastern Europe	0,1		n. a.	[Buyout fund]
Formel D GmbH	1.7**	15.7	32.6	Automotive suppliers
Grohmann Engineering GmbH	2.1	25.1	n. a.	Mechanical and plant engineering
Heytex Bramsche GmbH	6.4	16.4	65.7	Industrial components
Inexio KGaA	5.5	6.9	9.6	Telecommunications and IT services
Infiana Group GmbH	12.4	17.4	74.1	Industrial components

At 31 March 2016

\*Portfolio value: financial assets without interests in shelf companies and companies that are mainly attributable to third parties

\*\* after recapitalisation



## 15 INVESTMENTS ACCOUNT FOR ALMOST 84 PERCENT OF PORTFOLIO VALUE\* (IFRS) (2/2)

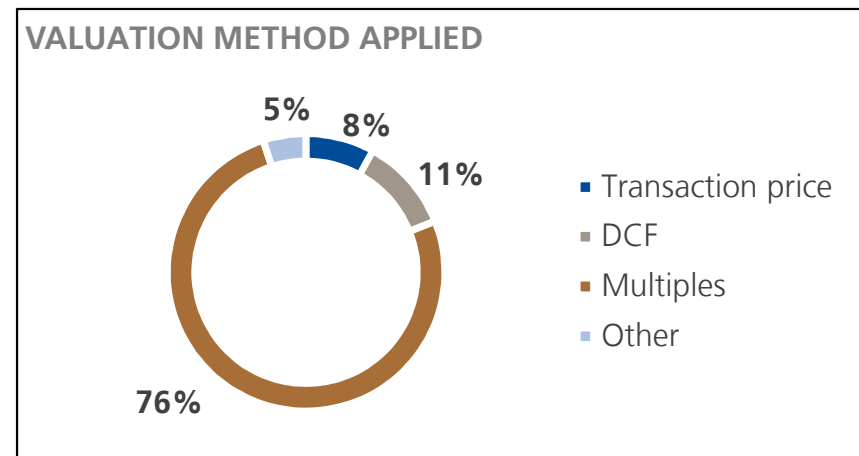
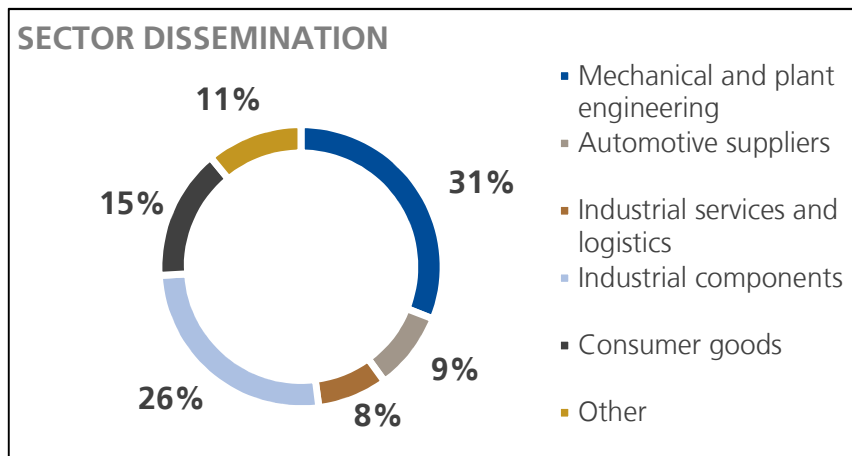
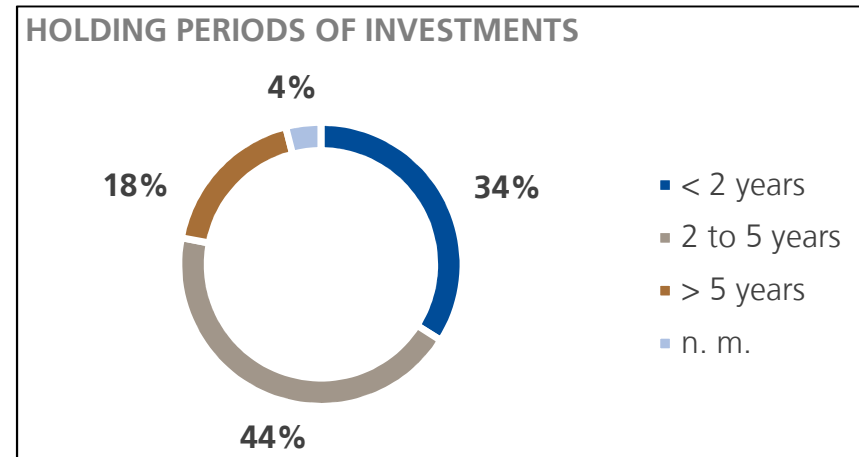
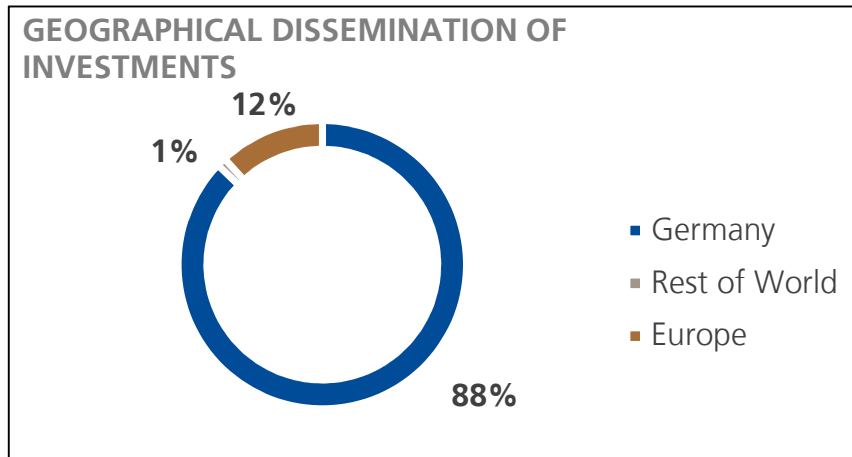
Company (alphabetically ordered)	Investment DBAG (cost, €mn)	Equity share DBAG (%)	Equity share DBAG Fund (%)	Sector
JCK Holding GmbH Textil KG	8.8	9.5	6.5	Consumer goods
Novopress KG	2.3	19.0	21.0	Industrial components
Oechsler AG	11.1	8.4	11.6	Automotive suppliers
ProXES GmbH	8.3	18.7	74.8	Mechanical and plant engineering
Romaco GmbH	9.9	18.6	74.3	Mechanical and plant engineering
Schülerhilfe GmbH	2.5**	15.4	65.8	Education services
Unser Heimatbäcker GmbH	10.1	12.6	53.7	Consumer goods

At 31 March 2016

\*Portfolio value: financial assets without interests in shelf companies and companies that are mainly attributable to third parties

\*\* after recapitalisation

# PORTFOLIO PROFILE (BASED ON IFRS VALUE, 31 MARCH 2016)



Round-off differences may occur

# PORTFOLIO PROFILE (BASED ON IFRS VALUE, 31 MARCH 2016)



	<b>Number of investments</b>	<b>Value at 31 March 2016 (IFRS)</b>
Management buyouts	14	161.8
Expansion capital investments (minority stakes)	8	84.5
International fund investments	2	11.3
<b>Total portfolio</b>	<b>24</b>	<b>257.6</b>

Round-off differences may occur

## DBAG FUNDS (1/2)

DBAG Fund IV	▶	<b>€228mn, plus €93mn through DBAG</b> <b>Investment period Sept. 2002 – Feb. 2007</b> <b>All investments realised</b>
DBAG Fund V	▶	<b>€434mn, plus €105mn through DBAG</b> <b>Investment period Feb. 2007 – Feb. 2013</b> <b>Five out of eleven investments realised</b>
DBAG Fund VI	▶	<b>€700mn, thereof €133mn DBAG</b> <b>Investment period since Feb. 2013</b> <b>Seven investments</b>
DBAG Expansion Capital Fund	▶	<b>€113mn, plus €100mn through DBAG</b> <b>Investment period since Aug. 2011</b> <b>Seven investments</b>

## DBAG FUNDS (2/2): INVESTOR BASE

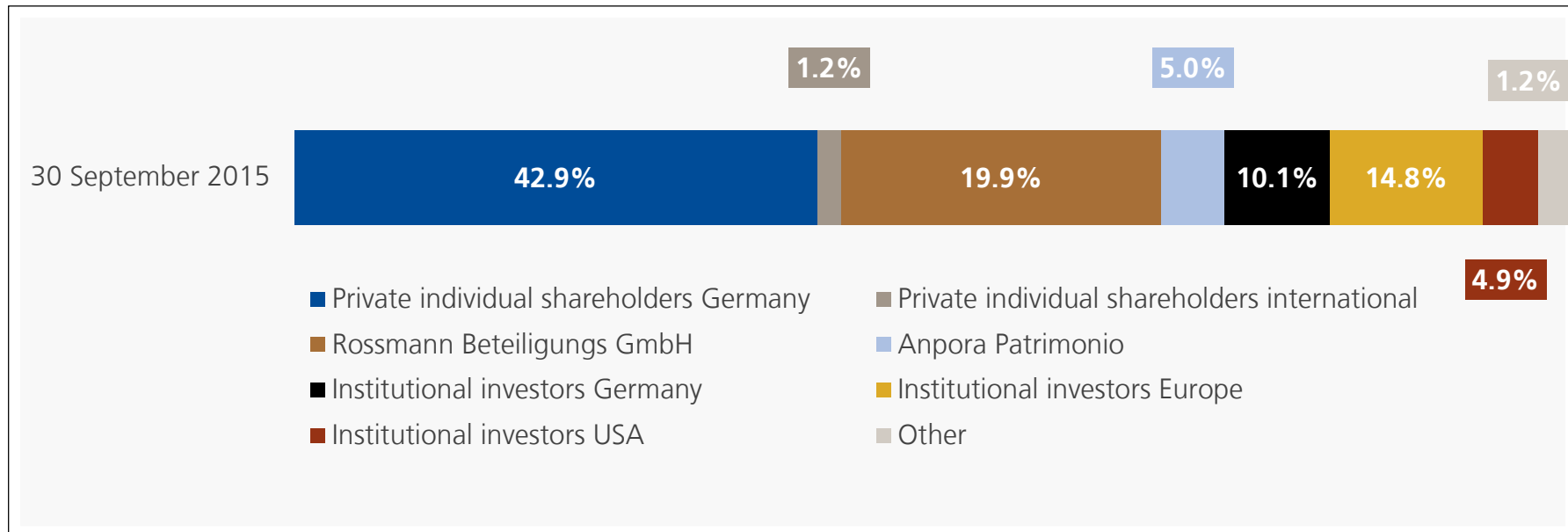
Region	DBAG Fund IV	DBAG Fund V	DBAG Fund VI
Germany	54%	32%	19%
Great Britain	21%	9%	5%
Rest of Europe	15%	28%	38%
USA	6%	24%	25%
Asia	4%	7%	14%

Type of investor	DBAG Fund IV	DBAG Fund V	DBAG Fund VI
Banks	47%	20%	8%
Pension funds	16%	32%	35%
Fund-of-funds	12%	23%	31%
Foundations	5%	13%	7%
Family Offices	8%	4%	1%
Other	13%	8%	18%

Round-off differences may occur

# SHAREHOLDER PROFILE AS OF 30 SEPTEMBER 2015



## Free-float ownership conduct 75.0 percent

- Determined as defined by Deutsche Börse and on the basis of voting rights notifications

## Voting rights notifications since last analysis as of 30 September 2015

- 14 March 2016 – JPMorgan Asset Management Ltd., London < 3 percent

# ANALYSTS' RATINGS FOR DBAG SHARES



<b>Analyst</b>	<b>Date</b>	<b>Rating</b>	<b>Target price (new/previous)</b>
Baader-Helvea Equity Research, Tim Dawson	February 2016	"Buy"	€34.80
Bankhaus Lampe, Christoph Schlienkamp	April 2016	"Buy"	€35.00
Edison Research, Gavin Wood	February 2016	For regulatory reasons neither recommendation, nor upside target	
HSBC Global Research, Thomas Teetz	February 2016	"Hold"	€29.00 (€29.50)
J.P. Morgan Cazenove, Christopher Brown	January 2016	"Underweight"	n. a.
Oddo Seydler Bank AG, Ivo Visic	April 2016	"Buy"	€32.00
Solventis Wertpapierhandelsbank Research, Klaus Schlote/Ulf van Lengerich	March 2016	"Buy"	€32.60 (€31.95)
Warburg Research GmbH, Harald Hof	February 2016	"Buy"	€30.00

## NEXT EVENTS

<b>Financial calendar</b>	
Report on first six months 2015/2016 Analysts' conference call, Frankfurt am Main	12 May 2016
Road show London/Frankfurt am Main	18/19 May 2016
LPEQ Investor Conference, London	7 June 2016
8th Dr Kalliwoda Capital Markets Conference, Warsaw	15 June 2016
Report on third quarter 2015/2016 Analysts' conference call, Frankfurt am Main	11 August 2016
Baader Investment Conference, Munich	20 – 22 September 2016
German Equity Forum 2016 (Deutsche Börse), Frankfurt am Main	21 – 23 November 2016



## OTHER INFORMATION



Symbol	Reuters: DBAG.n Bloomberg: DBAN
ISIN code:	DE000A1TNUT7
Listed in the Prime Standard segment	
Indices:	S-Dax DAXsector All Financial Services LPX50, LPX Europe, LPX Direct Stoxx Private Equity 20
DBAG is a member of LPEQ:	<a href="http://www.LPEQ.com">www.LPEQ.com</a>
Contact: Thomas Franke Head of Investor Relations Telephone: +49 69 95787-307 E-mail: <a href="mailto:IR@dbag.de">IR@dbag.de</a>	Deutsche Beteiligungs AG Börsenstrasse 1 60313 Frankfurt <a href="http://www.dbag.de">www.dbag.de</a>



# FORWARD-LOOKING STATEMENTS INVOLVE RISKS

This presentation contains forward-looking statements. Forward-looking statements are statements that do not describe facts or past events; they also include statements about our assumptions and expectations.

Any statement in this report that states our intentions, assumptions, expectations or predictions and the underlying assumptions is a forward-looking statement. These statements are based on plans, estimates and projections currently available to the Board of Management of Deutsche Beteiligungs AG. Therefore, forward-looking statements only relate to the date on which they are made. We do not assume any obligation to update such statements in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors may cause actual events to differ significantly from those in forward-looking statements. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere – the key regions for our investment activities.