



QUARTERLY
STATEMENT
AT
31 DECEMBER 2016

ANALYSTS' CONFERENCE

9 FEBRUARY 2017



SPEAKERS



Susanne Zeidler
Chief Financial Officer



Thomas Franke
Head of Public Relations
and Investor Relations



Oliver Frank
Head of Finance

NOTE TO COMPARABILITY WITH THE PRECEDING YEAR

Amendment to IFRS 10



Subsidiaries of IFRS investment entities that are IFRS investment entities themselves are required to be recognised at fair value through profit or loss

see 2015/2016 Annual Report, p. 116

Subsidiary concerned



Deutsche Beteiligungsgesellschaft mbH

see 2015/2016 Annual Report, p. 119/161

Effects of deconsolidation



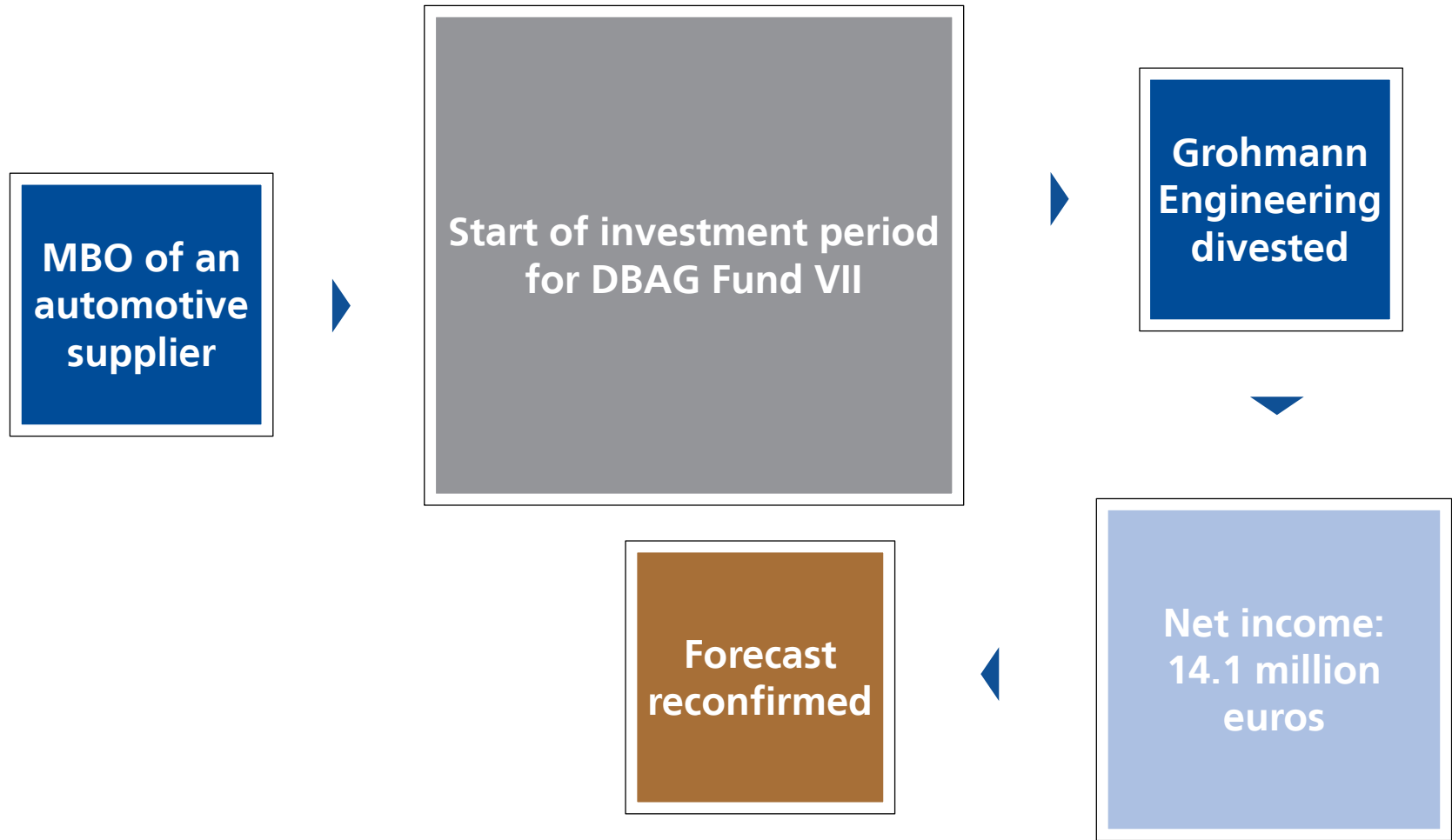
– Financial assets:	+€7.9mn
– Financial resources:	-€5.9mn
– Equity:	unchanged
– Net income:	-€0.7mn
– Other income/expenses :	+€0.7mn

Comparative data
of year-on-year



**Restated in the presentation and Quarterly Statement
Therefore not comparable with the data originally reported**

FIRST QUARTER AT A GLANCE



FINANCIAL YEAR 2016/2017 AFTER THE FIRST QUARTER

	Q1 2016/2017 resp. 31.12.2016	Q1 2015/2016 resp. 30.9.2016
Net income	€14.1mn	€30.8mn
Financial resources	€59.4mn	€72.6mn
Equity	€383.1mn per share: €25.46	€369.6mn per share: €24.57

CHANGES IN THE FUND INVESTMENT SERVICES SEGMENT

DBAG FUND VI

- MBO of Dieter Braun GmbH: last of a total of eleven investments
- 89% of the fund commitments of €700mn called; remainder available to finance any possible add-ons in existing portfolio
- Investment period ended 20 December 2016 after less than four years
- Advisory fees:
 - up to 20 December 2016: 2% on capital commitments (€567mn net, without DBAG commitment), equates to €11.3mn p.a.
 - from 21 December 2016: 2% on cost of portfolio companies (€426.9mn net, without DBAG commitment), equates to €8.5mn p.a.

DBAG FUND VII AND FUND VIIB (TOP-UP FUND)

- Start of investment period on 21 December 2016; contractual term: six years
- Advisory fees:
 - DBAG Fund VII: 2% on capital commitments (€625mn net, without DBAG commitment, equates to €12.5mn p.a.)
 - DBAG Fund VIIB: 1% on acquisition costs (€185mn net, without DBAG commitment)

CHANGES TO THE PORTFOLIO (1/3): GROHMANN ENGINEERING PROFITABLY EXITED

**A pioneer in mechanical engineering
for electromobility**

**DBAG's oldest investment: almost
30 years in the portfolio**

**Divestment to Tesla Motors agreed in
November 2016, completed in
January 2017 (cash inflows)**



One of DBAG's most successful investments:

- Profit distributions reached 2.5x the invested cost
- Sales price exceeds historical cost more than tenfold
- IRR of more than 20 percent

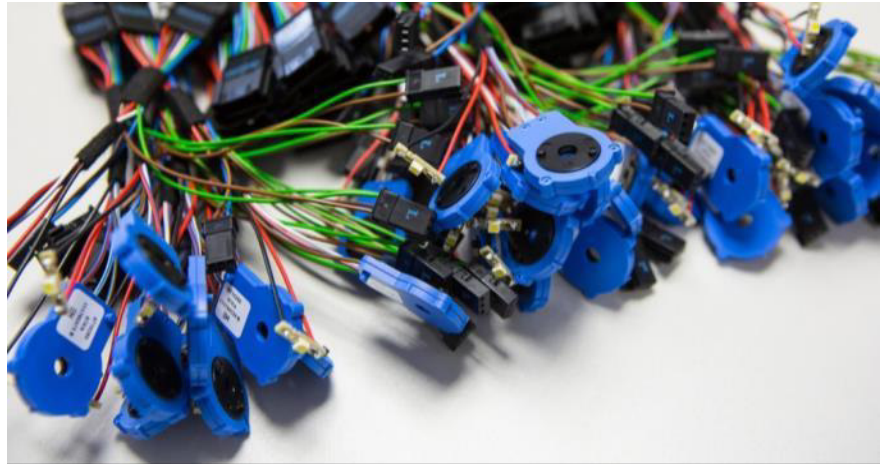
Income contribution

- Gross IFRS-based: €8.9mn; gross HGB accounting: €24.2mn
- Net: less performance-linked personnel costs of €1.6mn

CHANGES TO THE PORTFOLIO (2/3): TRANSACTIONS AGREED

MBO alongside DBAG Fund VI: Dieter Braun GmbH

- Specialist for cable assemblies for automotive industry
- DBAG's co-investment: €5.9mn
- Agreed in December 2016, completed in January 2017



Partial divestment Gienanth:

- Minority investment by a strategic buyer through capital increase
- Agreed in December 2016, completed in January 2017

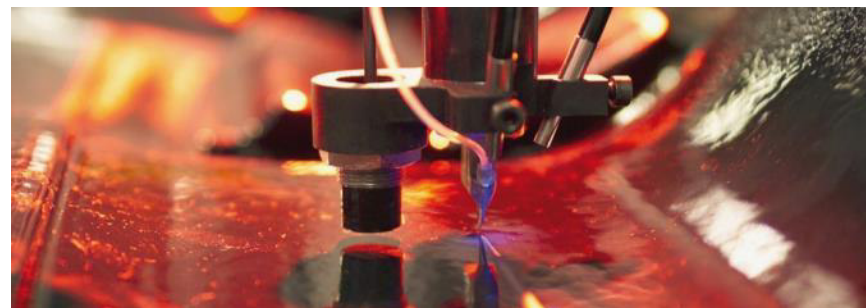
Add-on acquisition Telio:

- Acquisition of a business unit from Telefónica: expansion of market coverage in Europe
- Largely leveraged; investment by DBAG Fund VI: €3.0mn (thereof €0.6mn by DBAG)

CHANGES TO THE PORTFOLIO (3/3): MBOS AND ONE EXIT COMPLETED

Frimo: MBO alongside DBAG Fund VI

- Tools and plants for plastic components
- Agreed in August 2016
- Completed in November 2016
- DBAG's co-investment: €14.8mn



Polytech: MBO alongside Fund VI

- Silicone implants for medical and aesthetic applications
- Agreed in September 2016
- Completed in October 2016
- DBAG's co-investment: €12.4mn

Broetje-Automation: Exit

- Very profitable divestment to strategic buyer
- Agreed in August 2016
- Completed in October 2016
- Invested capital quadrupled

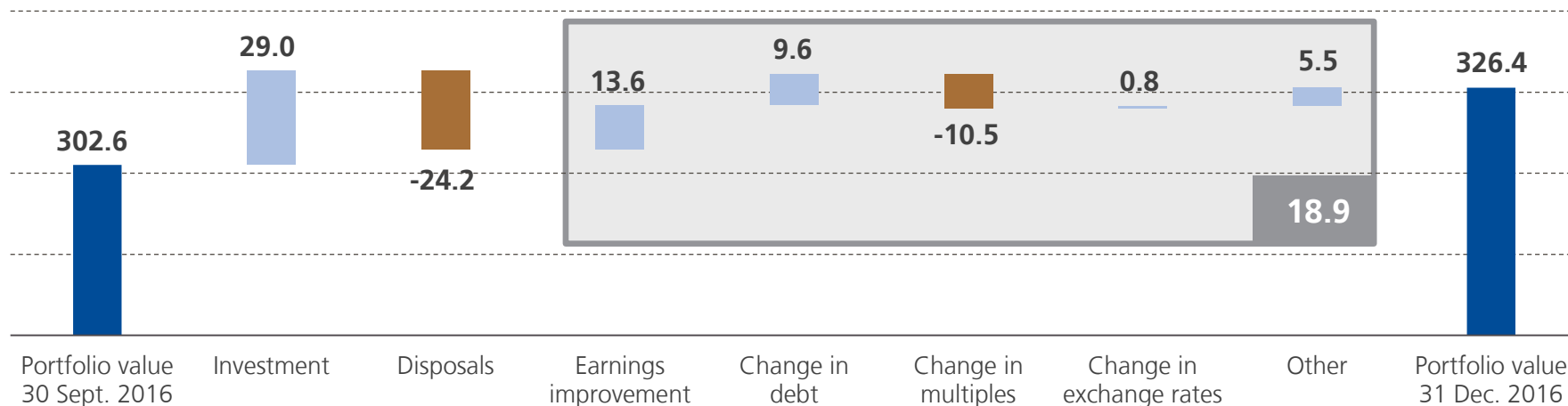


PORTFOLIO VALUE GREW THROUGH VALUATION GAINS

Portfolio value increased by €23.8mn, thereof €18.9mn through valuation gains on portfolio companies

More than 90 percent of disposals attributable to Broetje-Automation exit

DEVELOPMENT OF PORTFOLIO VALUE (€MN)



PORTFOLIO AT 31 DECEMBER 2016: 23 INVESTMENTS IN THREE DBAG FUNDS, ONE DIRECT INVESTMENT



Changes after the period end:

- DBAG Fund VI: MBO of Braun completed, partial divestment of interest in Gienanth completed
- Grohmann Engineering exit completed

Additionally: investment in two externally managed international buyout funds

PORTFOLIO AT 31 DECEMBER 2016: SECTOR DISSEMINATION MINIMISES RISK

Four DBAG core sectors



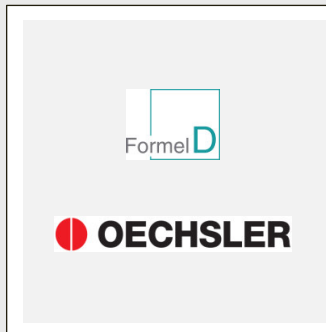
**Mechanical and
plant engineering:
31% of
portfolio value**



**Industrial
components:
19% of
portfolio value**



**Industrial
services:
9% of
portfolio value**



**Automotive
suppliers:
17% of
portfolio value**

Other sectors



**... to which the
DBAG platform permits
special access:
21% of portfolio value**

PORTFOLIO AT 31 DECEMBER 2016: BALANCED ACROSS SIZE CATEGORIES

Portfolio value of €326.4mn, corresponds to 1.8x the original transaction value

- of which 96.6 percent is attributable to 24 investments
- with the remainder (3.4 percent) comprising investments in two externally managed international buyout funds and entities through which reps and warranty retentions from former divestments are (largely) settled



Top 1-5: 41%

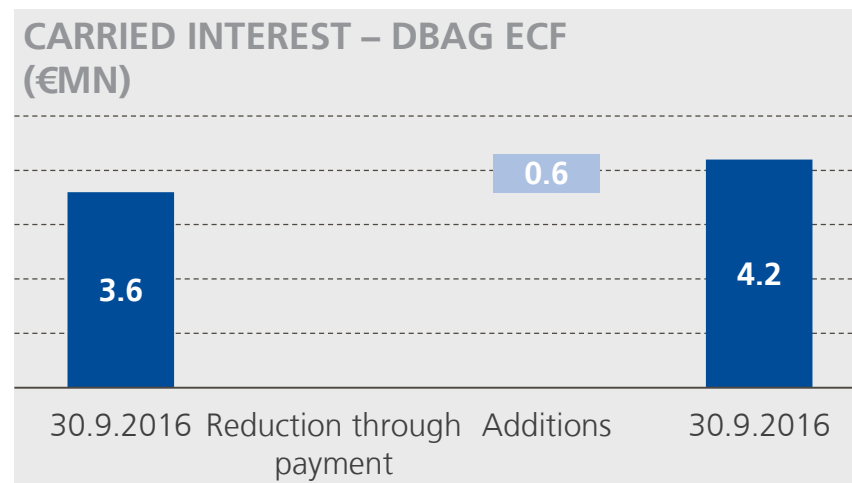
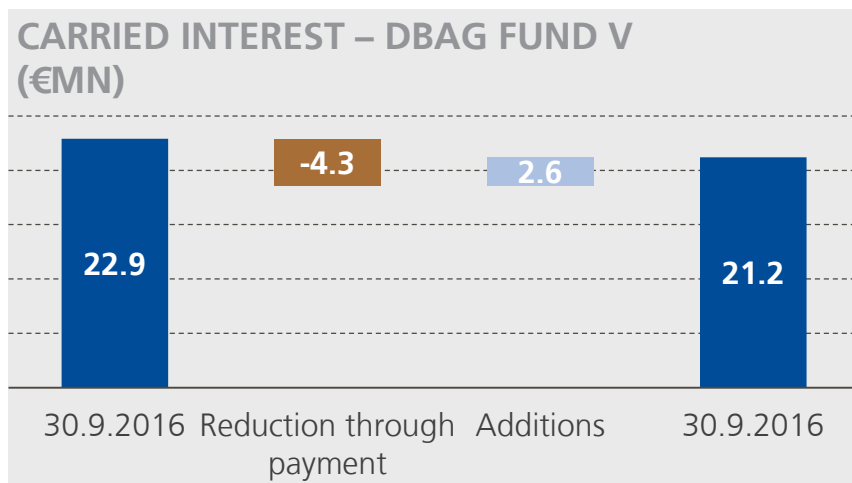
Top 6-10: 22%

Top 11-15: 18%

Top 16-24: 16%

CARRIED INTEREST AND MINORITY INTEREST IN INVESTMENT ENTITY SUBSIDIARIES

(€mn)	31.12.2016	30.9.2016	Changes
Carried Interest	25.4	26.5	-1.1
Capital reserve and current account	2.6	2.3	+0.2
Minority interest in investment entity subsidiaries	28.0	28.8	-0.9



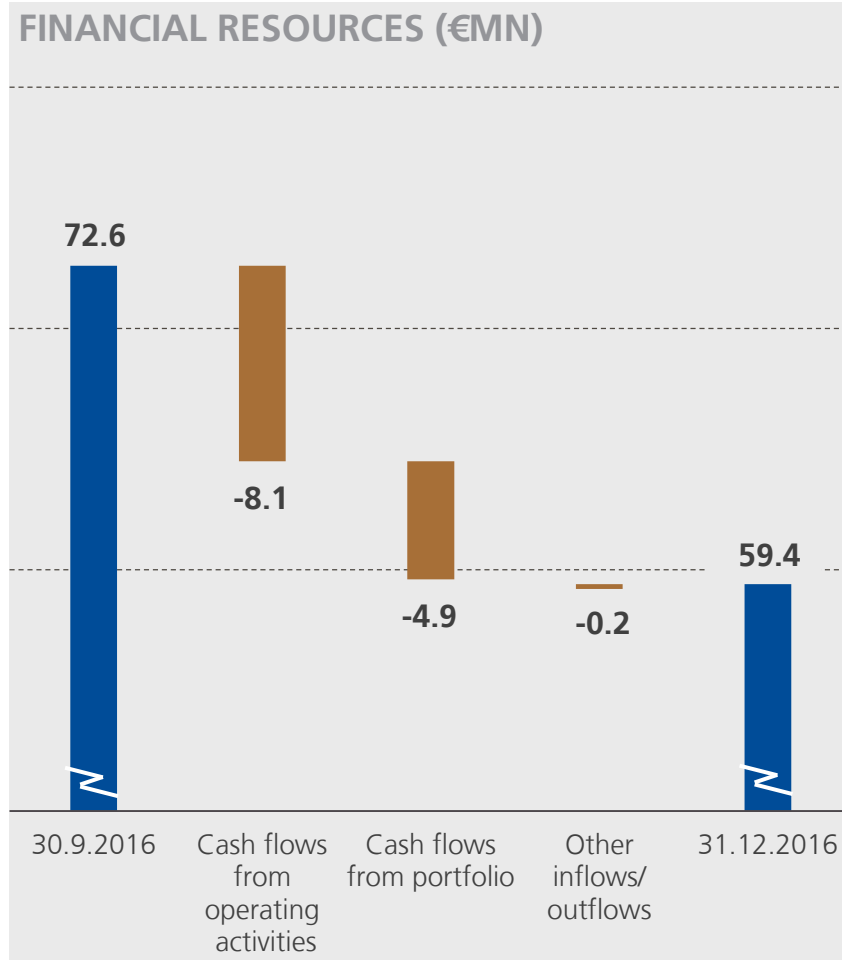
FINANCIAL RESOURCES DOWN BY €13.2MN DUE TO NEW INVESTMENT

Significantly higher negative cash flows from operating activities

- Variable remuneration paid
- Higher transaction-related consultancy expenses
- Fundraising costs for DBAG Fund VII
- provisions made at 30 September 2016 in each case

Cash flows from investing activities slightly negative

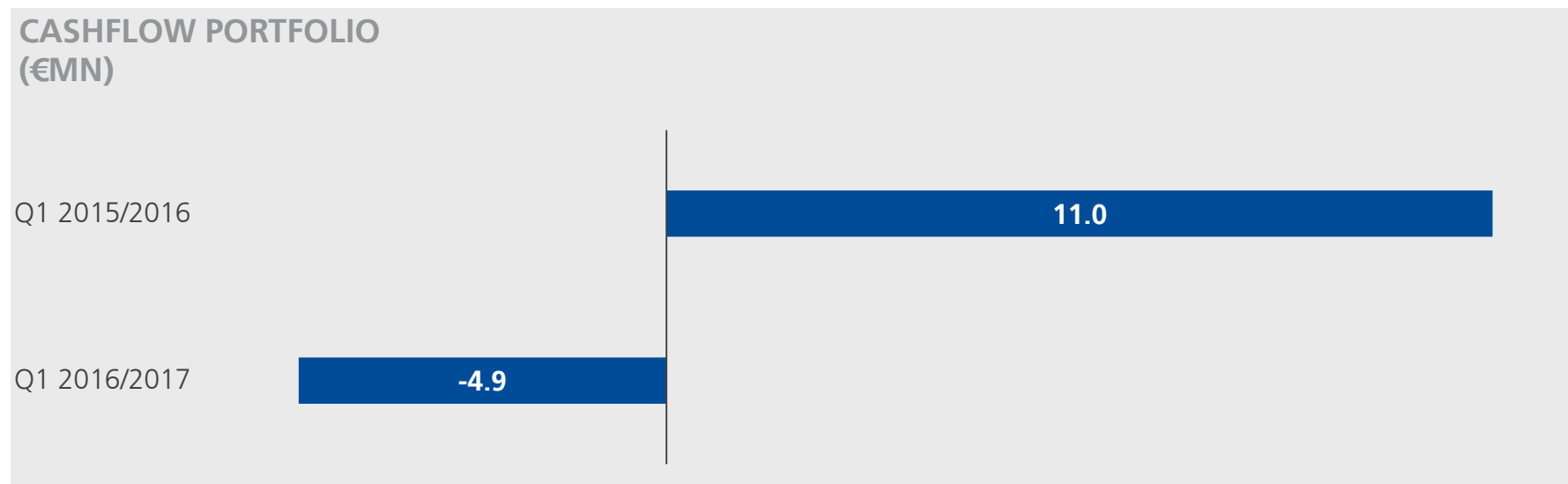
- Cash inflows from Broetje-Automation disposal
- Cash outflows primarily due to capital calls by DBAG funds
 - MBOs of Frimo and Braun (DBAG Fund VI)
 - Bridge loan to R&M (DBAG ECF)



SLIGHTLY NEGATIVE CASH FLOWS FROM THE PORTFOLIO

Cash flows from the portfolio of -€4.9mn in first quarter 2016/2017

- Cash inflows of €24.1mn, thereof more than 90 percent from Broetje-Automation disposal
- Cash outflows of €29.0mn for investments in the portfolio: MBO Frimo, MBO Polytech, capital increase inexo
- Comparative basis: no cash outflows in Q1 2015/2016



BUSINESS PERFORMANCE BY SEGMENTS: PRIVATE EQUITY INVESTMENTS

(€mn)	Q1 2016/2017	Q1 2015/2016
Net result of investment activity	17.5	32.7
Other income/expenses	-3.3	-1.7
Net income before taxes	14.2	31.0

Portfolio companies generally making good progress

Higher net expenses in other income/expenses due to performance-based remuneration on Grohmann Engineering disposal

(€mn)	31.12.2016	30.9.2016
Financial assets incl. loans and receivables	335.8	316.4
Financial resources	59.4	72.6
Bank liabilities	0.0	0.0
Net asset value	395.2	389.0

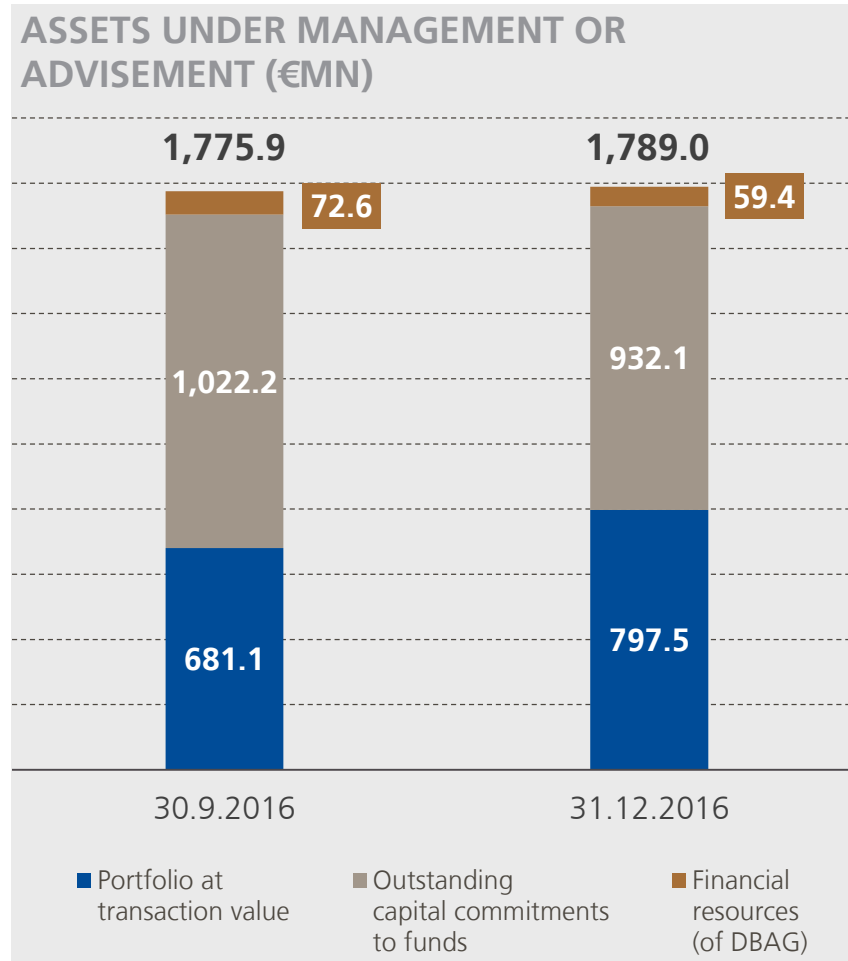
Financial resources	59.4	72.6
Credit line	50.0	50.0
Available liquidity	109.4	122.6
Co-investment commitments	252.6	278.2

BUSINESS PERFORMANCE BY SEGMENTS: FUND INVESTMENT SERVICES

(€mn)	Q1 2016/2017	Q1 2015/2016
Fee income from fund management and advisory services	5.1	5.2
Other income/expenses	-5.2	-5.4
Net income before taxes	-0.1	-0.2

Measurement base for fees from DBAG Fund V lower after divestments, as scheduled

First fee income for advisory services to DBAG Fund VII (start of investment period on 21 December 2016)



OUTLOOK: NET INCOME FORECAST UNCHANGED

ACTUAL 2015/2016:

€50.2MN

PROJECTED 2016/2017:

**MODERATELY LOWER
THAN PRIOR YEAR ON
COMPARABLE BASIS**

(„moderately“: +/- 10-20%)

NET INCOME
AFTER THE FIRST QUARTER:

€14.1MN

Quarterly results influenced by individual events

Portfolio companies are implementing changes and development programmes agreed

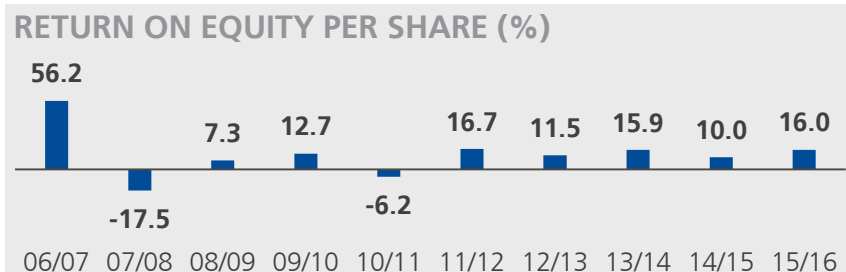
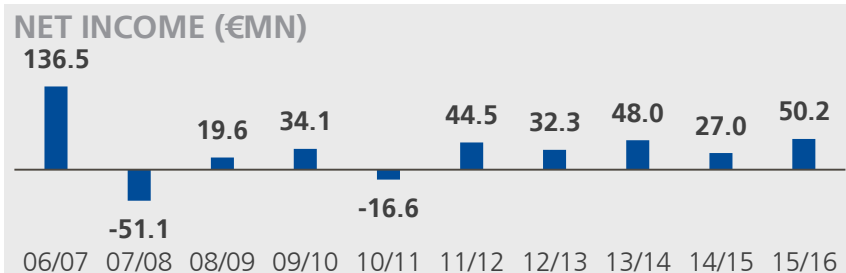
Macro-economic conditions seem to be growing less favourable



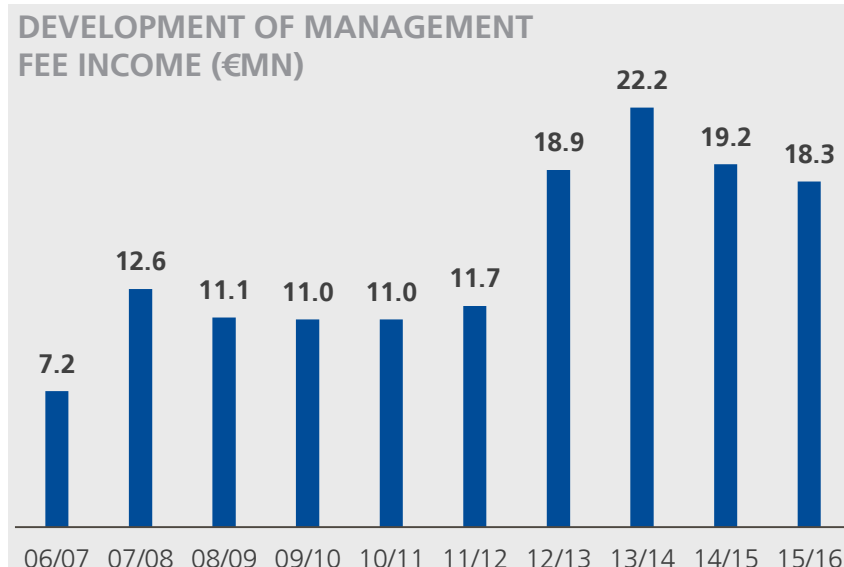
APPENDIX

KEY P&L FIGURES: PROFITABLE IN THE SHORT AND LONG TERM

(€mn)	2013/2014	2014/2015 ¹	2015/2016	Q1 2015/2016	Q1 2016/2017
Net result of investment activity	50.7	29.2	59.4	32.7	17.5
Fee income from fund mgmt. and advisory services	22.2	19.2	18.3	4.8	4.9
Other income / expenses	-24.5	-21.3	-28.4	-6.7	-8.2
EBIT	48.2	26.8	49.8	30.8	14.2
EBT	48.4	27.1	49.3	30.8	14.1
Net income	48.0	27.0	49.5	30.8	14.1



¹ Truncated eleven-month financial year 2014/2015

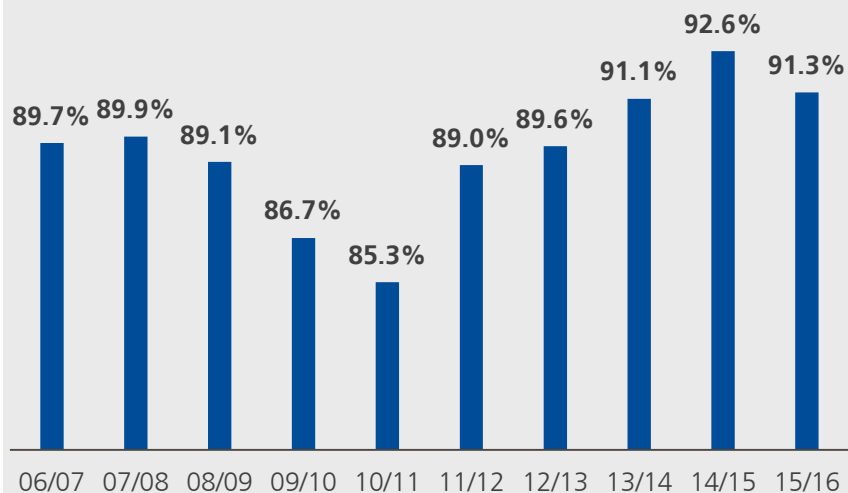


SOLID BALANCE SHEET

(€mn)	31.10. 2014	30.9. 2015	30.9. 2016	31.12. 2016
Financial assets	163.4	250.2	316.3	335.8
Other assets	28.5	18.7	15.3	17.8
Financial resources ¹	140.7	58.3	72.6	59.4
Total	332.6	327.2	404.2	413.0

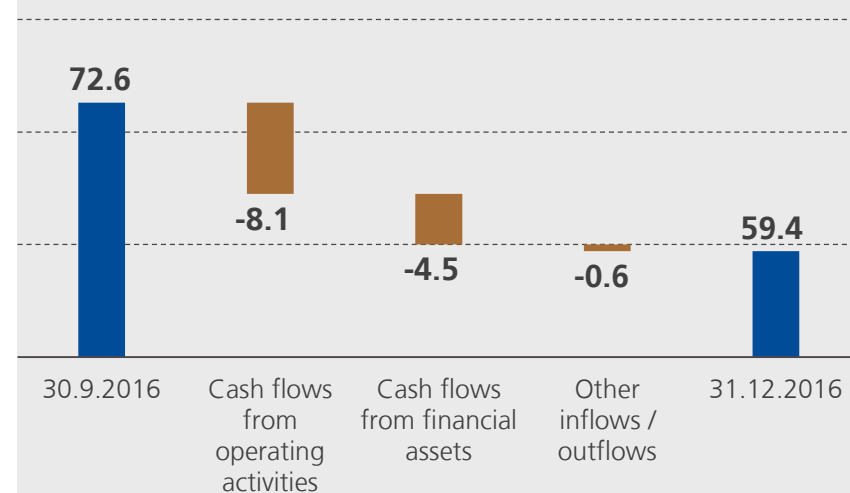
(€mn)	31.10. 2014	30.9. 2015	30.9. 2016	31.12. 2016
Equity	303.0	303.1	369.6	383.1
Non current liabilities	9.7	8.9	15.2	15.4
Current liabilities	19.9	15.2	19.4	14.5
Total	332.6	327.2	404.2	413.0

EQUITY RATIO



¹ Financial resources contain line items "Cash and cash equivalents", "Long-term securities" and "Short-term securities"

FINANCIAL RESOURCES (€MN)



DIETER BRAUN INVESTMENT OVERVIEW

Business:

- Specialist and solutions provider in cable assembly and lighting for the automotive industry
- Headquartered in Bayreuth (Germany)

Ownership summary:

- Initial investment date: January 2016
- Investment share: 13.1% DBAG (€5.9mn)

Transaction:

- MBO, co-investment alongside DBAG Fund VI



DIETER BRAUN

INVESTMENT CASE & COMPANY DEVELOPMENT

Investment case:

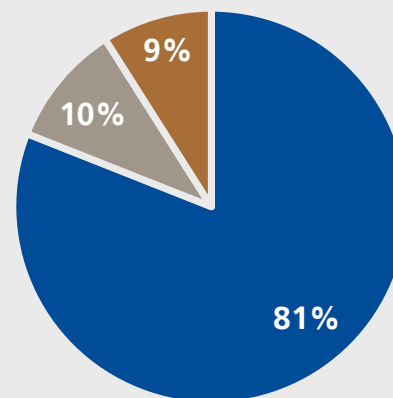
- Growth through facility expansion and new production lines
- Growth through new products and clients
- Internationalisation
- Assessment of opportunities for follow-on investment

Development:

- Company is benefiting from an increasing amount of electric and electronic components in vehicles
- Trend by OEMs and suppliers to outsource production processes

	2016 Revenue (€mn)	Employees
* Budget	77*	1,473

Revenue by sectors
(FY 2016)



■ Automotive industry ■ Manufacturing industry ■ Other

FRIMO

INVESTMENT OVERVIEW

Business:

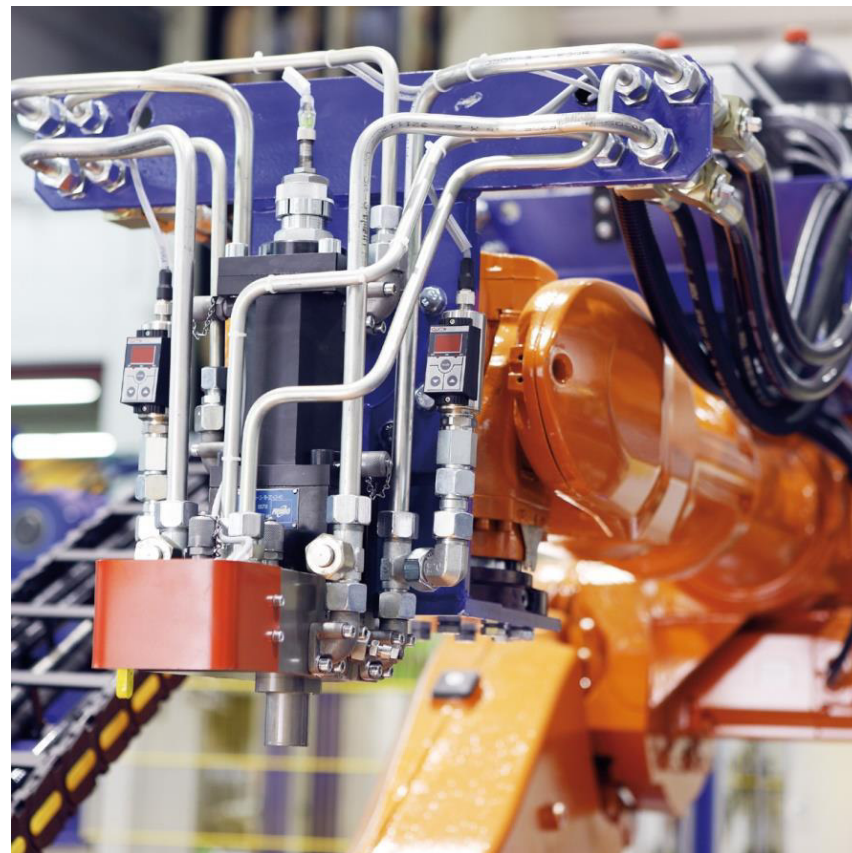
- Leading manufacturer of customised machines & tools for quality interior automotive parts
- Headquartered in Lotte (Germany)

Ownership summary:

- Initial investment date: November 2016
- Investment share: 14.5% DBAG (€14.8mn)

Transaction:

- Family succession
- MBO alongside DBAG Fund VI



Investment case:

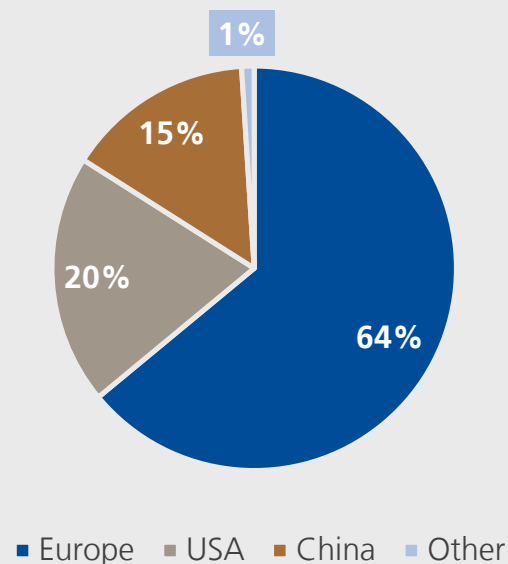
- Expansion of the business in existing markets
- Growth with service and spare parts business
- Accelerate growth by add-on acquisitions

Development:

- Strong market position in Europe and North America
- Global presence due to broad product range and state-of-the-art technologies

2016 Revenue (€mn)	Employees
* Forecast 209*	1,300

Revenue by region
(FY 2015)



GIENANTH INVESTMENT OVERVIEW

Business:

- Market leader in complex iron castings, operating two iron foundries in Eisenberg and Fronberg, employing two technologies:
 - Hand moulding for small volume production of large engine blocks for industrial applications
 - Machine moulding for large volume production of driveline parts for the automotive industry
- Headquartered in Eisenberg (Germany)

Ownership summary:

- Initial investment date: March 2015
- Investment share: 16.0% DBAG (€6.9mn)

Transaction:

- Secondary buyout from trusteeship alongside DBAG Fund VI



GIENANTH

INVESTMENT CASE & COMPANY DEVELOPMENT

Investment case:

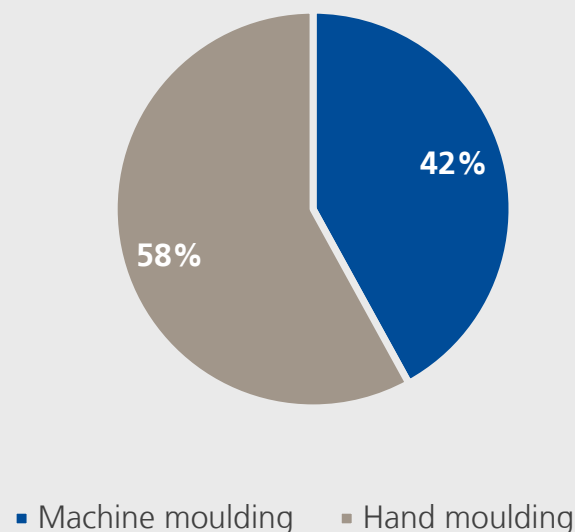
- Solid presence in an attractive industry
- Achieve further operational improvements
- Explore add-on opportunities

Development:

- Current trading continues to be affected by weakened markets for large motor blocks
- Revenue remained below budget and previous year, in contrast to earnings, which improved significantly

	2016 Revenue (€mn)	Employees
* Forecast	120*	875

Revenue by segment
(FY 2015)



POLYTECH INVESTMENT OVERVIEW

Business:

- Manufacturer of silicone implants for plastic and reconstructive surgery
- Strong sales footprint in Germany, Western Europe and Brazil
- Headquartered in Dieburg (Germany)

Ownership summary:

- Initial investment date: October 2016
- Investment share: 18.5% DBAG (€12.4mn)

Transaction:

- Acquisition of investment from owner/founder
- MBO alongside DBAG Fund VI



POLYTECH

INVESTMENT CASE & COMPANY DEVELOPMENT

Investment case:

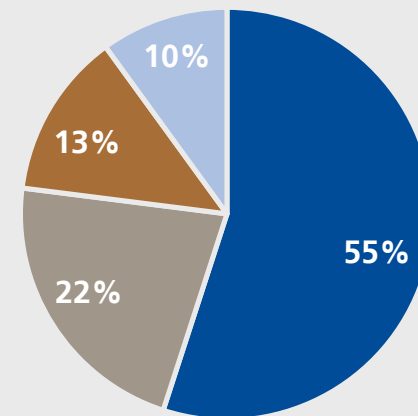
- Fast growing business in a growing market
- Strengthening market presence and gaining market share in established countries
- Further developing newly entered markets (e.g. China, Iran, Lebanon) and enter new markets

Development:

- High margin business model
- Superior reliability and high production standards (“Made in Germany”)
- Company is capitalizing on most recent sales activities and additional CE certifications & approvals for new countries

2016 Revenue (€mn)	Employees
* Forecast 31*	180

Revenue by region
(FY 2015)



■ Europe ■ Germany ■ Asia & Pacific ■ Latin America

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)

Ownership summary:

- Initial investment date: April 2016
- Investment share: 14.9% DBAG (€12.5mn)

Transaction:

- Acquisition of investment from family office
- MBO alongside DBAG Fund VI



TELIO

INVESTMENT CASE & COMPANY DEVELOPMENT

Investment case:

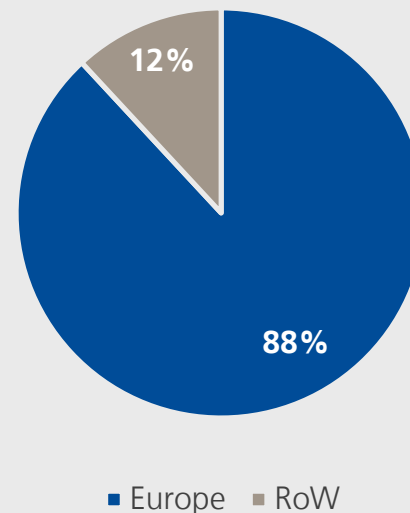
- Harvest identified upselling opportunities within existing markets
- Add further revenue streams by winning tenders in new markets and applying new products
- Accelerate growth by add-on acquisitions

Development:

- High margin business with value creation potential
- Market growth sustainably strong through internationalisation
- Performance marginally below budget, but above previous year

2016 Revenue (€mn)	Employees
* Forecast 29*	110

Revenue by region
(FY 2015)

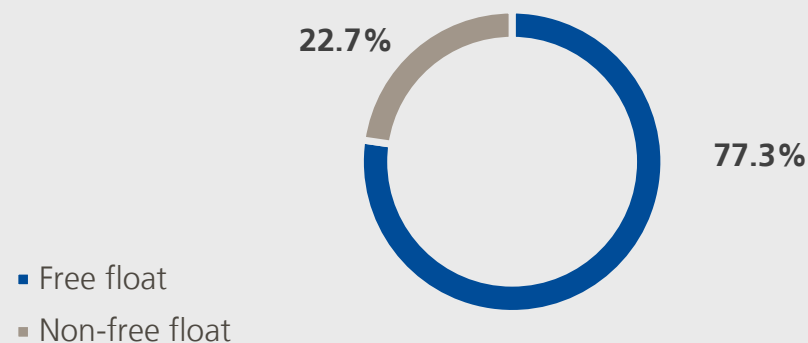


DBAG SHARE SNAPSHOT

Analyst	Date	Rating	Target Price (€)
Baader-Helvea Equity Research, <i>Tim Dawson</i>	Dec. 2016	"Buy"	37.30
Bankhaus Lampe, <i>Christoph Schlienkamp</i>	Dec. 2016	"Buy"	36.50
Edison Research, <i>Gavin Wood</i>	Jan. 2016	For regulatory reasons neither recommendation, nor upside target	
HSBC Global Research, <i>Thomas Teetz</i>	Aug. 2016	"Hold"	30.50
J.P. Morgan Cazenove, <i>Christopher Brown</i>	Dez. 2016	"Underweight"	n.a.
Oddo Seydler Bank, <i>Dr Oliver Pucker</i>	Jan. 2017	"Buy"	32.00
Solventis Wertpapierhandelsbank, <i>Klaus Schlote/ Ulf van Lengerich</i>	Mar. 2016	"Buy"	32.60
Warburg Research GmbH, <i>Marie-Thérèse Grübner</i>	Dec. 2016	"Hold"	33,50

Share	
Last price XETRA (€) as of 6 February 2016	34.05
Market Capitalisation (€mn)	512.2
Shares outstanding	15,043,994
Average daily trading volume XETRA (1 month)	24,995
Average daily trading volume XETRA (3 months)	19,430

SHAREHOLDER STRUCTURE



Financial calendar

15.2.2017	Oddo Seydler Small & Mid Cap Conference, Frankfurt am Main
22.2.2017	Annual General Meeting 2017, Frankfurt am Main
27.2.2017	Dividend payment 2017
28./29.3.2017	Bankhaus Lampe Deutschlandkonferenz, Baden-Baden
9.5.2017	Report on second quarter 2016/2017
13./14.6.2017	Dr Kalliwoda Capital Markets Conference, Warsaw

Basic data

Symbol	Reuters: DBAG.n Bloomberg: DBAN
ISIN code	DE000A1TNUT7
Listing	Prime Standard (FWB)
DBAG is member of LPEQ	www.LPEQ.com
Indices	S-Dax DAXsector All Financial Services LPX50, LPX Europe Stoxx Europe Private Equity 20



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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.