



LONG-TERM PLANNING. PATIENCE IN DEVELOPMENT.

ANNUAL MEETING 2019

FRANKFURT AM MAIN, 21 FEBRUARY 2019

Torsten Grede

- › Investment progress
- › Portfolio company support

Susanne Zeidler

- › Goals and results in the past financial year
- › Start to the new financial year
- › Financial outlook

Torsten Grede

- › Current portfolio developments
- › Market position
- › Strategic development of DBAG



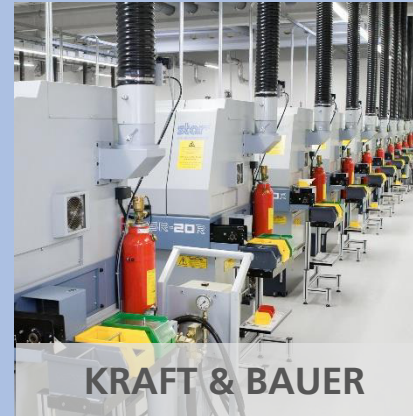
TORSTEN GREDE
Spokesman of the
Board of Management



SUSANNE ZEIDLER
Chief Financial
Officer

SOLID INVESTMENT PROGRESS AS A PREREQUISITE FOR DBAG'S GROWTH

DBAG Fund VII



DBAG ECF



VALUATION GAINS REQUIRE PROGRESS

Transformation processes in portfolio companies
as a challenge

ESTABLISHING OUR CORPORATE GOVERNANCE

Preparing as early as during the investment
opportunity analysis

Experienced business figures as supporting advisory
council members

INORGANIC GROWTH

Accelerates further development

Lower entry valuations possible

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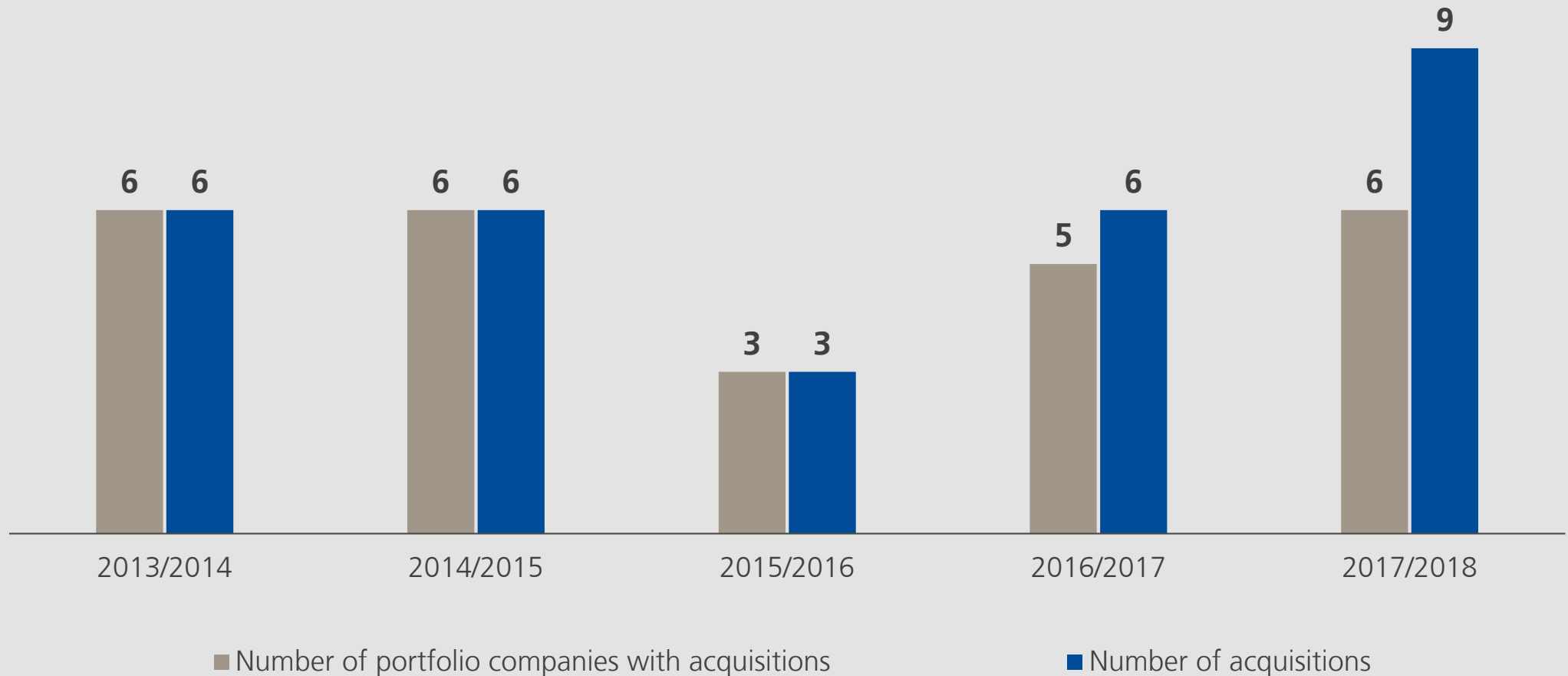


Accelerates further development

Lower entry valuations possible

INORGANIC GROWTH AS A CRUCIAL COMPONENT OF MANY INVESTMENT CASES

COMPANY ACQUISITIONS IN THE PORTFOLIO



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CHANGE IN ACCOUNTING



- › Consolidated financial statements as at 30 September 2018 with a new method
- › Comparative figures of the previous year adjusted
- › First-time application of new method as at 30 June 2018

REASON FOR CHANGE



- › Error identification by BaFin in July 2018
- › Result of the enforcement procedure regarding consolidated financial statements as at 30 September 2015

SCOPE OF CHANGE



- › Carried interest entitlements of DBAG fund investment managers
- › Previous assumption: continuation of respective DBAG funds as planned
- › New assumption: total liquidation of funds

OBJECTIVES OF DEUTSCHE BETEILIGUNGS AG



Financial objectives

GENERATE
VALUE CONTRIBUTION
FROM FUND
INVESTMENT SERVICES

BUILD THE
VALUE OF PORTFOLIO
COMPANIES

HAVE SHAREHOLDERS
PARTICIPATE IN
OUR SUCCESS
WITH STABLE,
RISING DIVIDENDS

CORE BUSINESS OBJECTIVE

SUSTAINABLY INCREASE THE VALUE OF DBAG

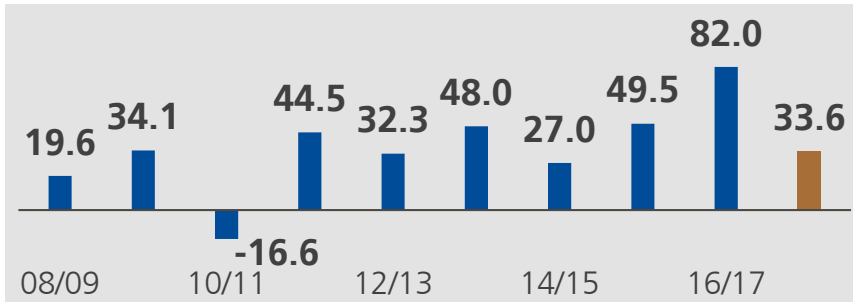
SUPPORT PROMISING
MID-MARKET
BUSINESS MODELS

MAINTAIN
AND BUILD ON
OUR REPUTATION
IN PRIVATE
EQUITY MARKET

GARNER ESTEEM
AS AN ADVISOR OF
PRIVATE EQUITY
FUNDS

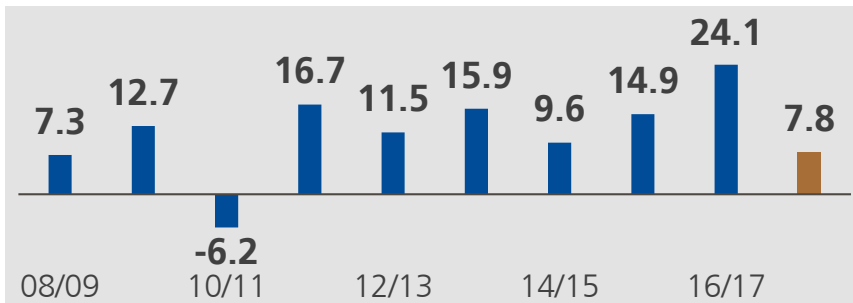
Non-financial objectives

CONTRIBUTION TO HIGHER ENTERPRISE VALUE: BELOW AVERAGE



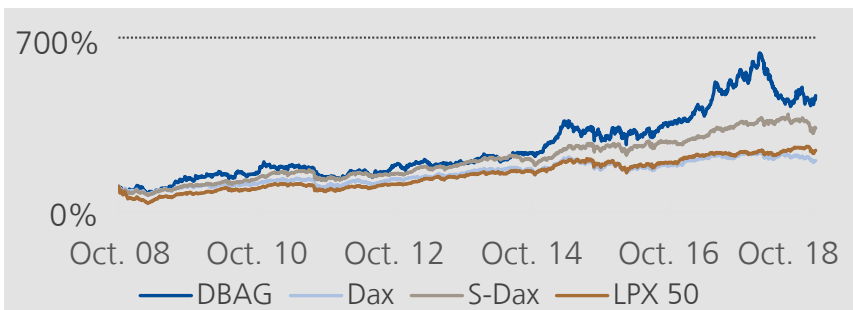
NET INCOME

33.6
MILLION EUROS



RETURN ON EQUITY PER SHARE

7.8
PER CENT

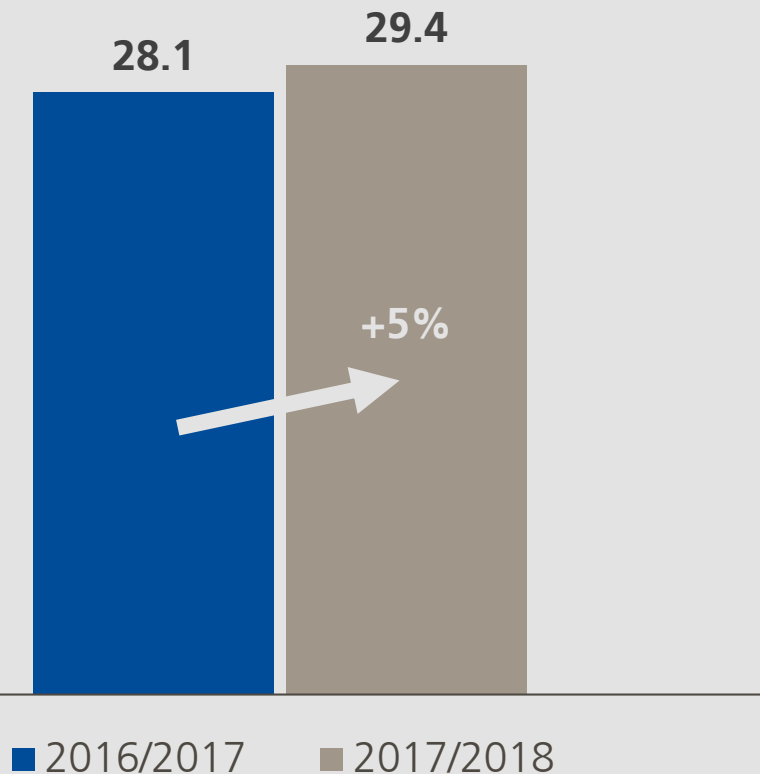


VALUE GROWTH FOR SHAREHOLDERS

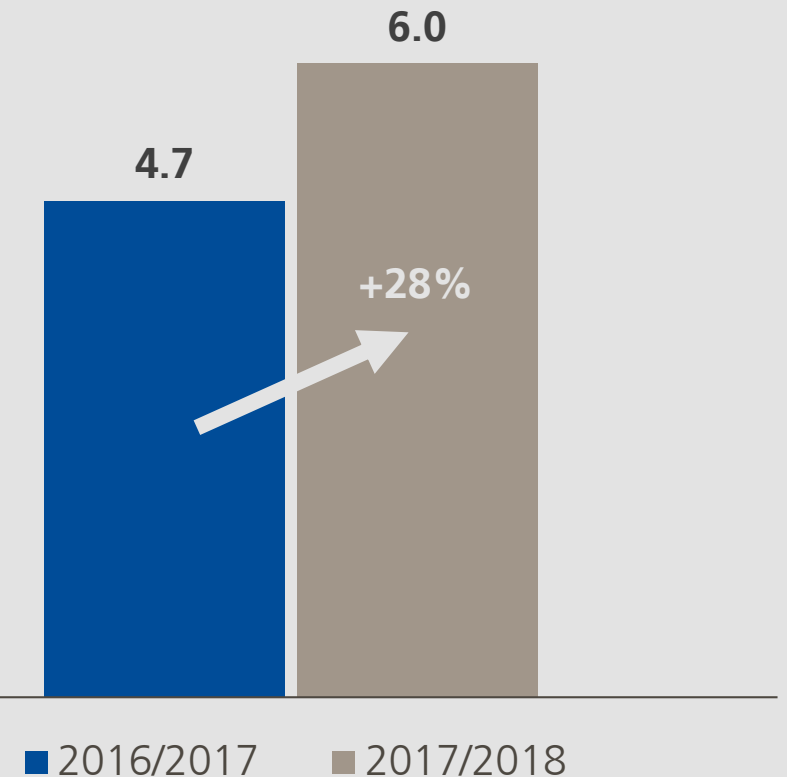
-19.8
PER CENT

FUND INVESTMENT SERVICES: HIGHER VALUE CONTRIBUTION

FEE INCOME FROM FUND INVESTMENT SERVICES (€mn)

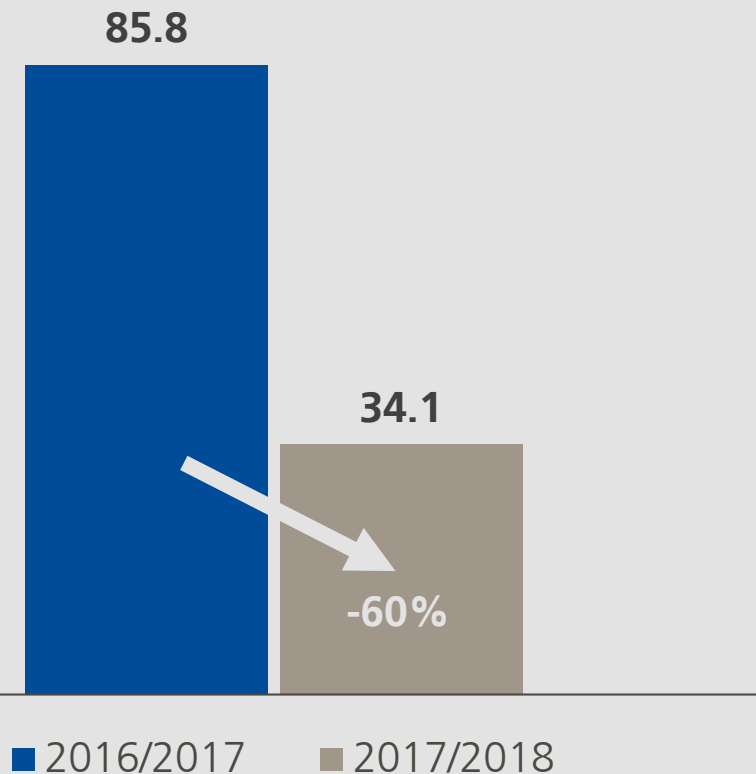


NET INCOME BEFORE TAXES (€mn)

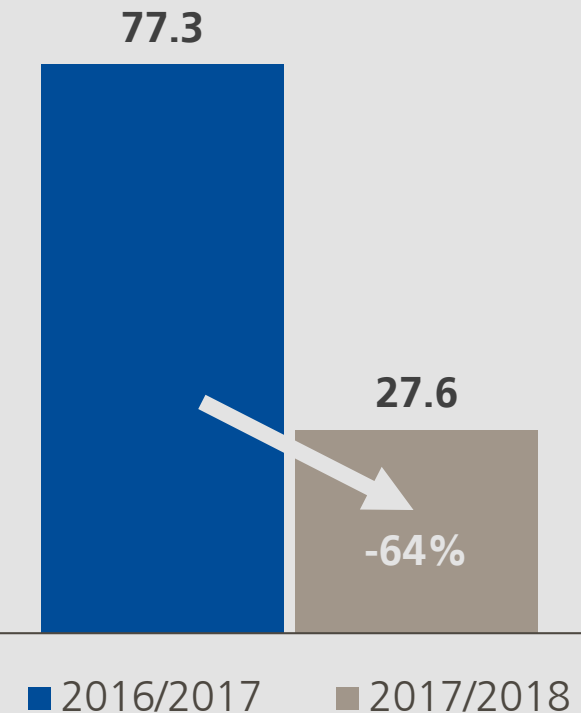


PRIVATE EQUITY INVESTMENTS: LOWER FORECASTS NOT MET

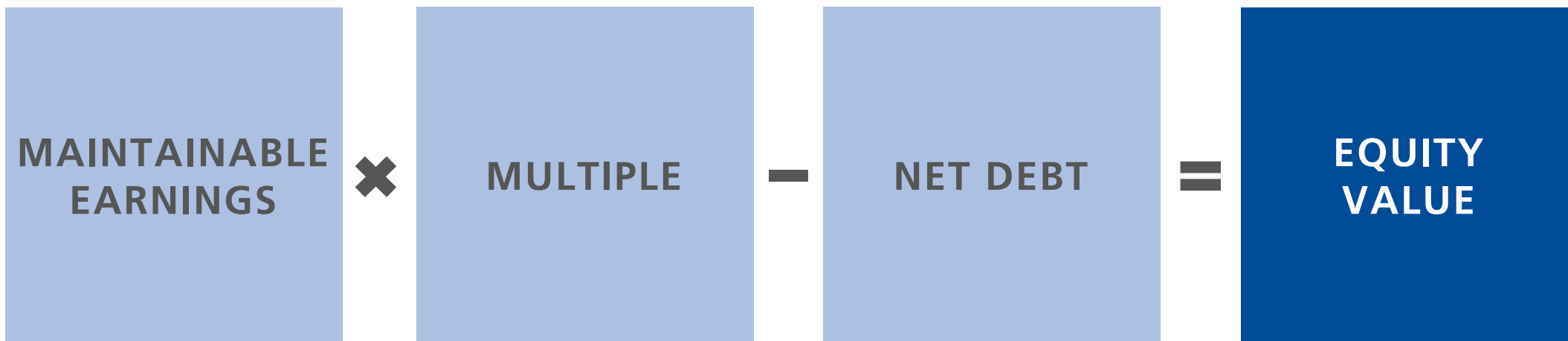
NET RESULT OF INVESTMENT ACTIVITY
(€mn)



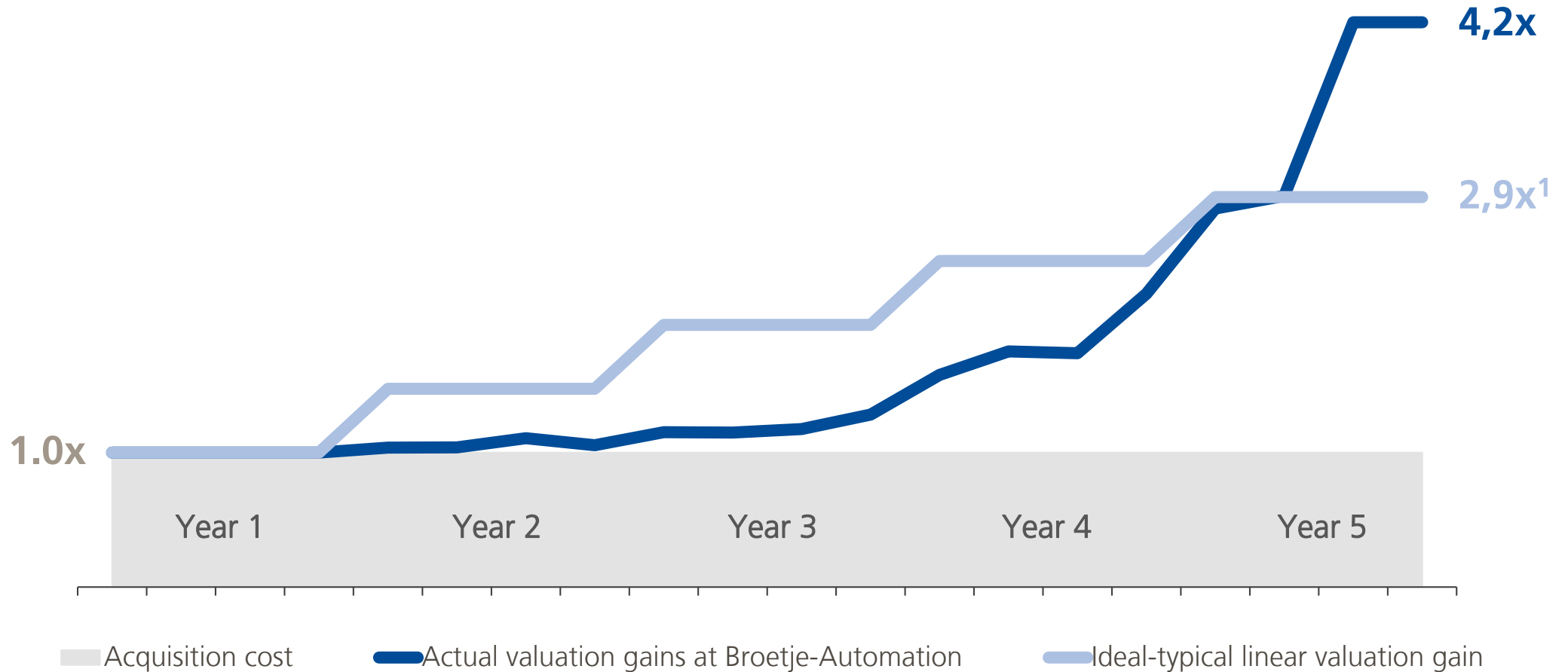
NET INCOME BEFORE TAXES (€mn)



QUARTERLY PORTFOLIO VALUATION ACCORDING TO GLOBALLY RECOGNISED APPROACH



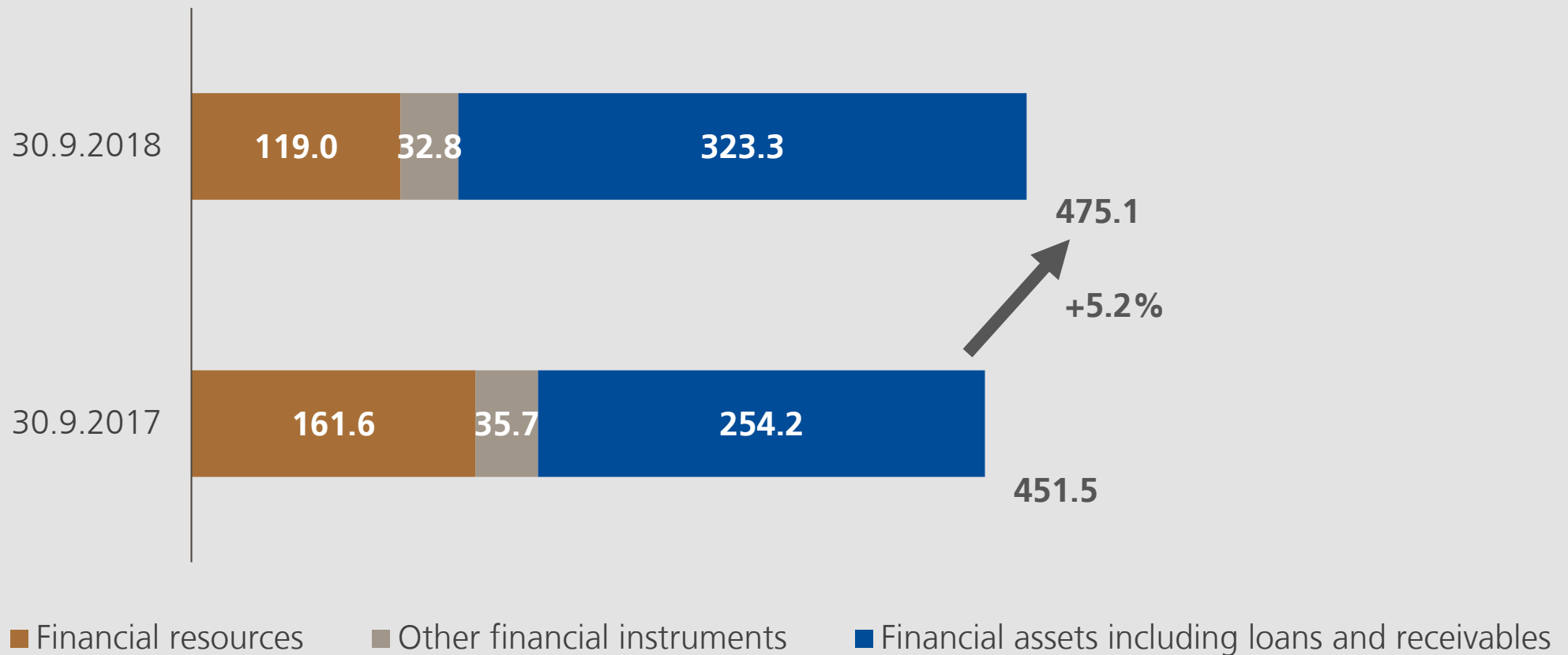
PRIVATE EQUITY INVESTMENTS: VALUATION GAINS REQUIRE TIME



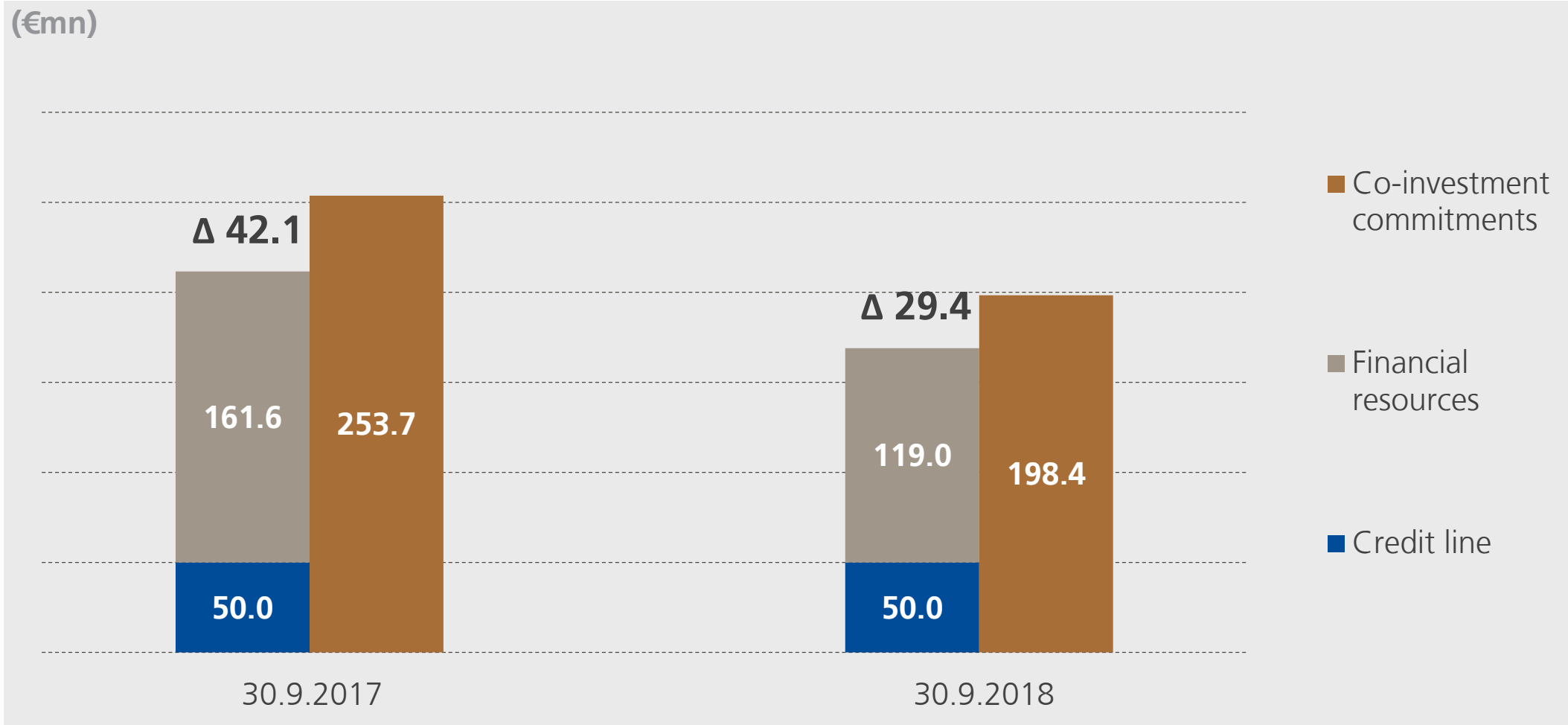
¹ Average capital multiple achieved in DBAG MBOs (30 September 2018)

PRIVATE EQUITY INVESTMENTS: FURTHER IMPROVEMENT IN NET ASSET VALUE

NET ASSET VALUE (€mn)



FINANCIAL RESOURCES STILL REQUIRED FOR GROWTH STRATEGY



DIVIDEND POLICY ENSURES SHAREHOLDERS PARTICIPATE IN PERFORMANCE



INCREASING, WHENEVER POSSIBLE

- ▶ Net retained profit (German Commercial Code [HGB]) allows for a dividend raise of 5 euro cents for 2017/2018...

STABLE

- ▶ ...and a stable dividend for the following years

ATTRACTIVE DIVIDEND YIELD

- ▶ Compared with other S-Dax stocks and private equity companies

**DIVIDEND
2017/2018**



1.45

EURO PER SHARE



3.5

PER CENT
DIVIDEND YIELD

MIXED QUARTERLY RESULTS

**Lower capital markets
valuations burdened
portfolio value by around
48 million euros**



**Earnings contribution from the
operating performance of portfolio
companies in line with the previous
year's levels**



**Consolidated net income of
-21.4 million euros**

**Changes in the portfolio:
Sixth MBO of DBAG Fund VII,
Acquisitions in the portfolio**



FINANCIAL OUTLOOK: FORECAST FOR 2019, AND AMBITION FOR 2021



	Actual 2017/2018	Basis for the forecast	Forecast 2018/2019	Ambition for 2020/2021
Net income	€33.6mn	€48.0mn	Moderately lower	Significantly higher than in 2018/2019
Private Equity Investments: Net income before taxes	€27.6mn	€44.5mn	Moderately lower	Significantly higher than in 2018/2019
Fund Investment Services: Net income before taxes	€6.0mn	€6.0mn	Slightly (up to 10%) lower	Significantly (>20%) higher than in 2018/2019

As considerable fluctuation in these performance indicators is typical for the business, the forecast is based on the average value for the last five financial years.

„slight“: +/- 0 to 20%

„moderate“: +/- 20 to 40%

„significant“: > 40%

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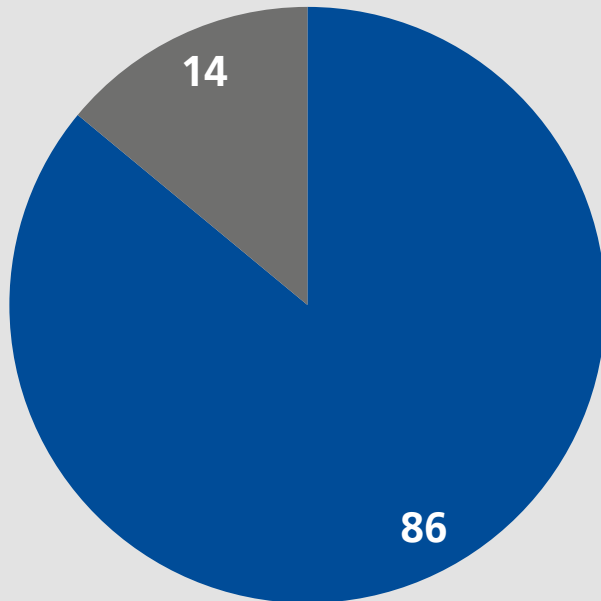
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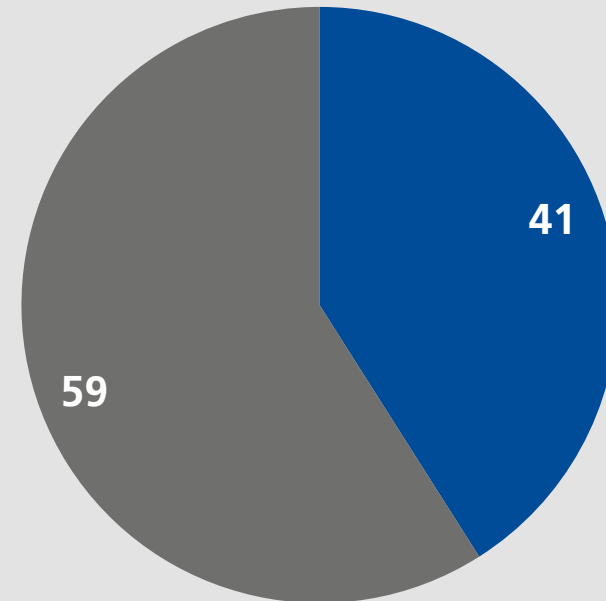
TODAY: CYCLICAL BUSINESS MODELS ARE A CLEAR MINORITY

DIRECT INVESTMENTS¹
AS PER 31.10.2008
% of acquisition cost



- Cyclical
- Non-cyclical / structural demand increase

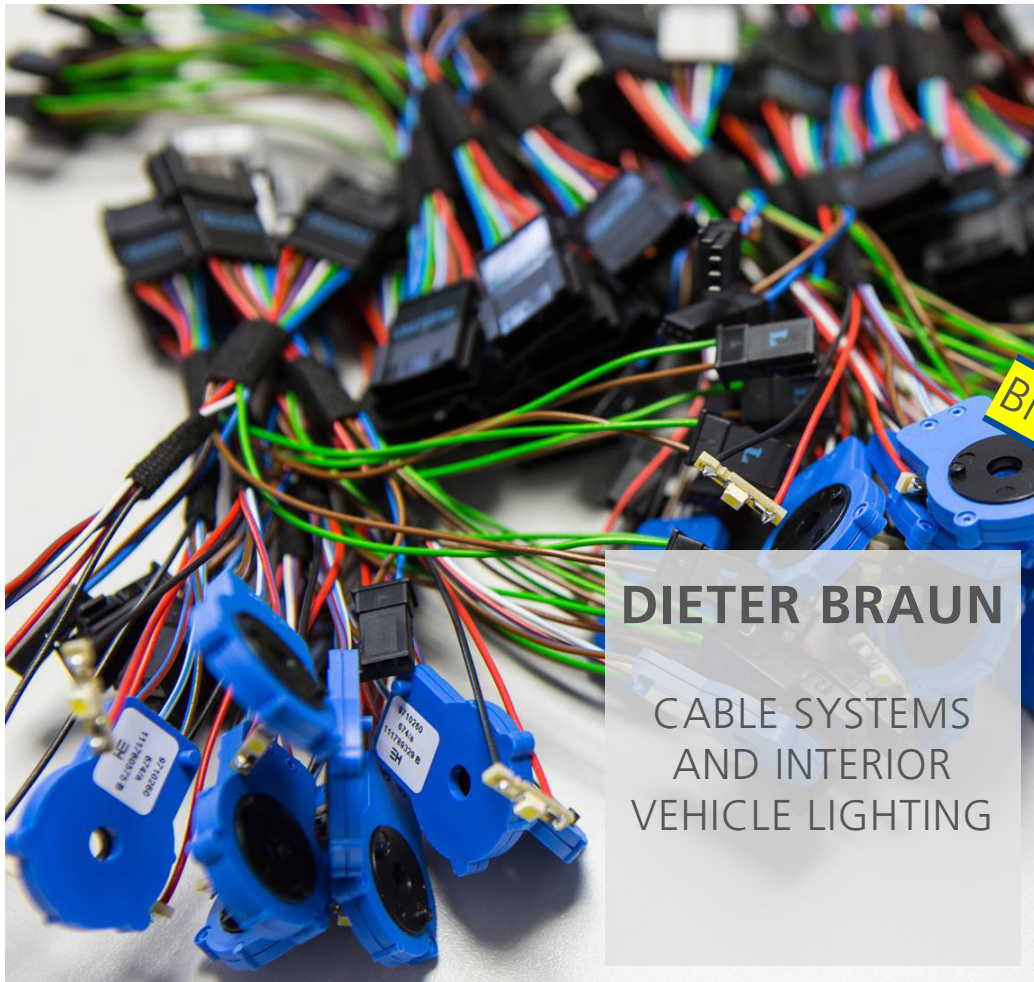
DIRECT INVESTMENTS¹
AS PER 31.12.2018
% of acquisition cost



- Cyclical
- Non-cyclical / structural demand increase

¹ not included: investments in buyout funds

AUTOMOTIVE SUPPLIERS IN DBAG'S PORTFOLIO



DIETER BRAUN

CABLE SYSTEMS
AND INTERIOR
VEHICLE LIGHTING

Bitte Wordings checken!



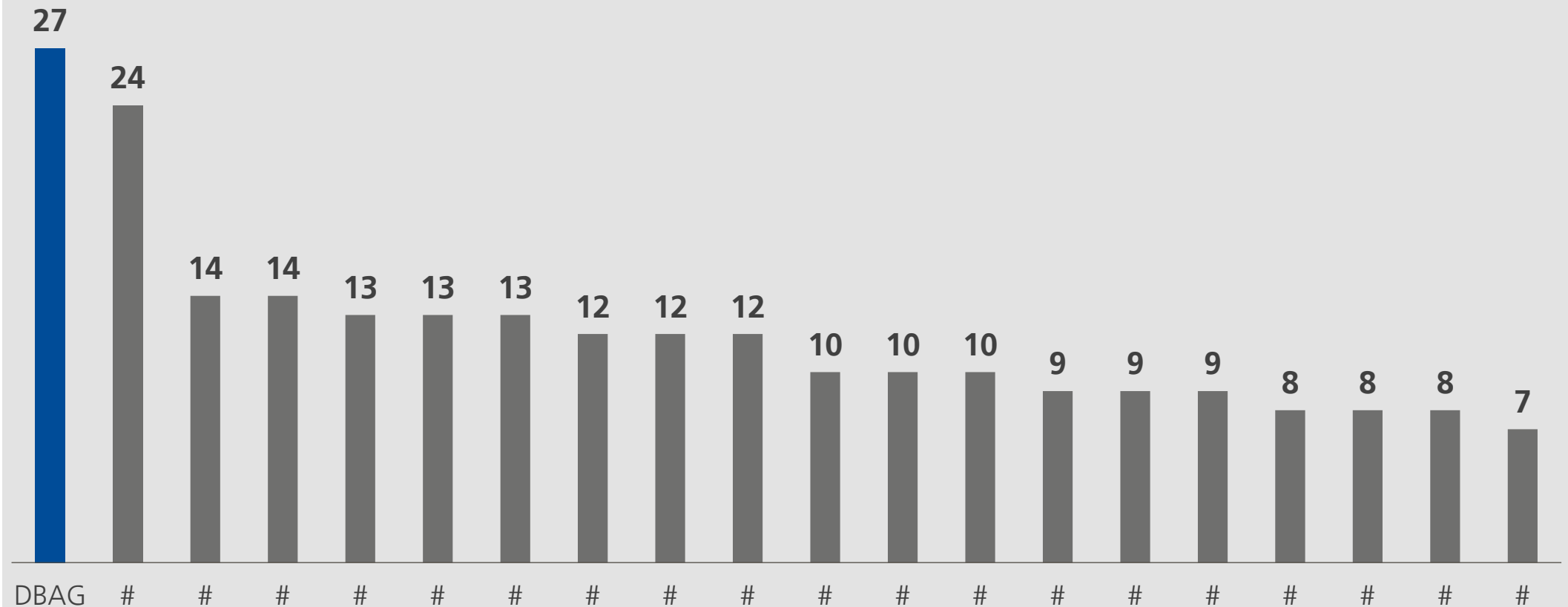
SERO

DEVELOPMENT AND
MANUFACTURING
SERVICE PROVIDER
FOR ELECTRONIC
COMPONENTS

DBAG REMAINS MOST ACTIVE PRIVATE EQUITY COMPANY IN THE 'GERMAN MITTELSTAND'

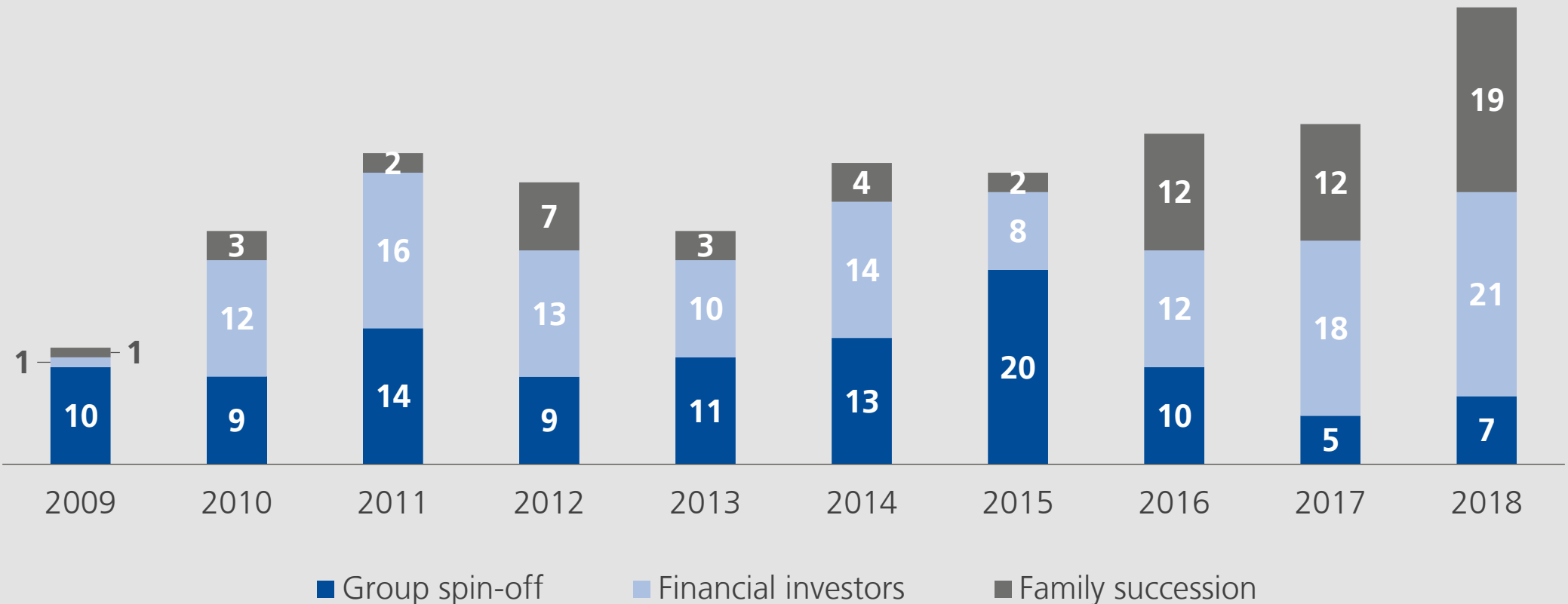


TOP PE INVESTORS IN THE GERMAN MITTELSTAND 2004-2018
(Market participants with over seven transactions)

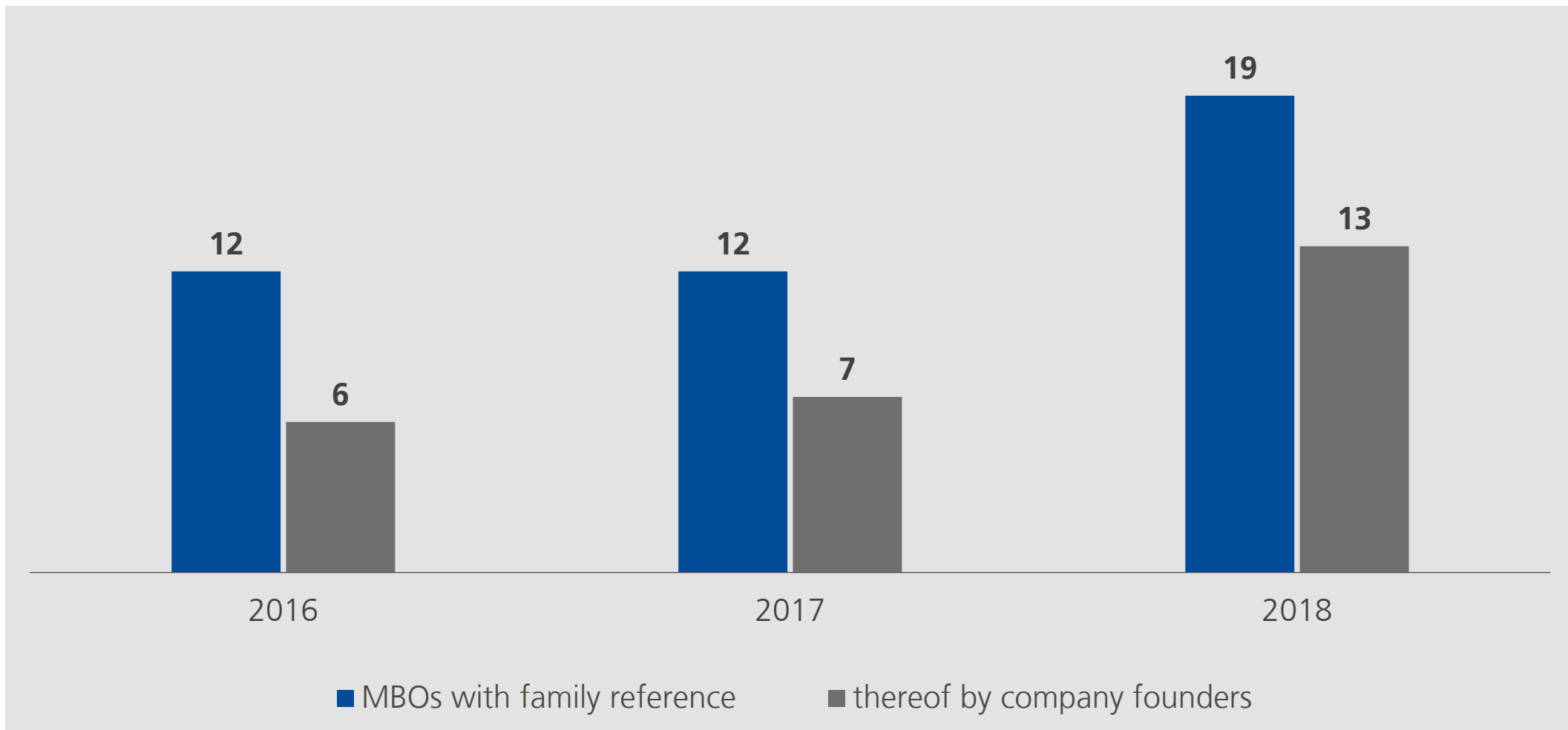


40 PER CENT OF SELLERS TO PRIVATE EQUITY WERE FAMILIES AND COMPANY FOUNDERS

MBOs 2009-2018

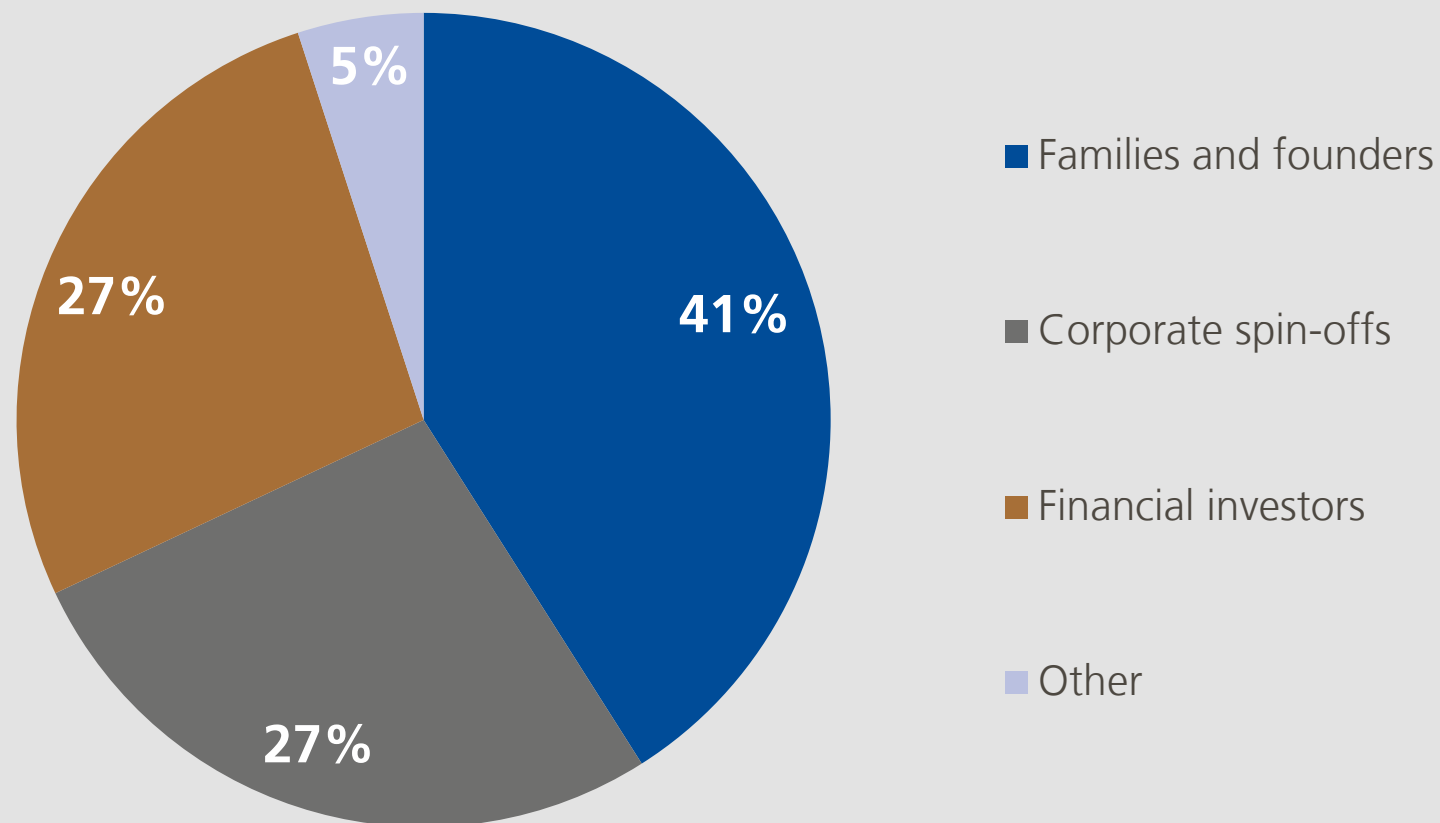


MOST FAMILY-RUN BUSINESS MBOs: DISPOSALS BY COMPANY FOUNDERS



FAMILIES AND COMPANY FOUNDERS PARTICULARLY VALUE DBAG

SELLERS WITHIN DBAG MBOs 2009-2018



OUR COMPETITIVE EDGE: SECTOR KNOWLEDGE AND SECTOR-SPECIFIC NETWORK

Identification of matching business models

Assessment of growth potential

“Sparring partners” for the portfolio companies’ management teams



CONTINUOUS EXPANSION OF THE INVESTMENT FOCUS



Consistent expansion of our network



Access to further interesting investment opportunities



BTV *multimedia* GmbH



2013

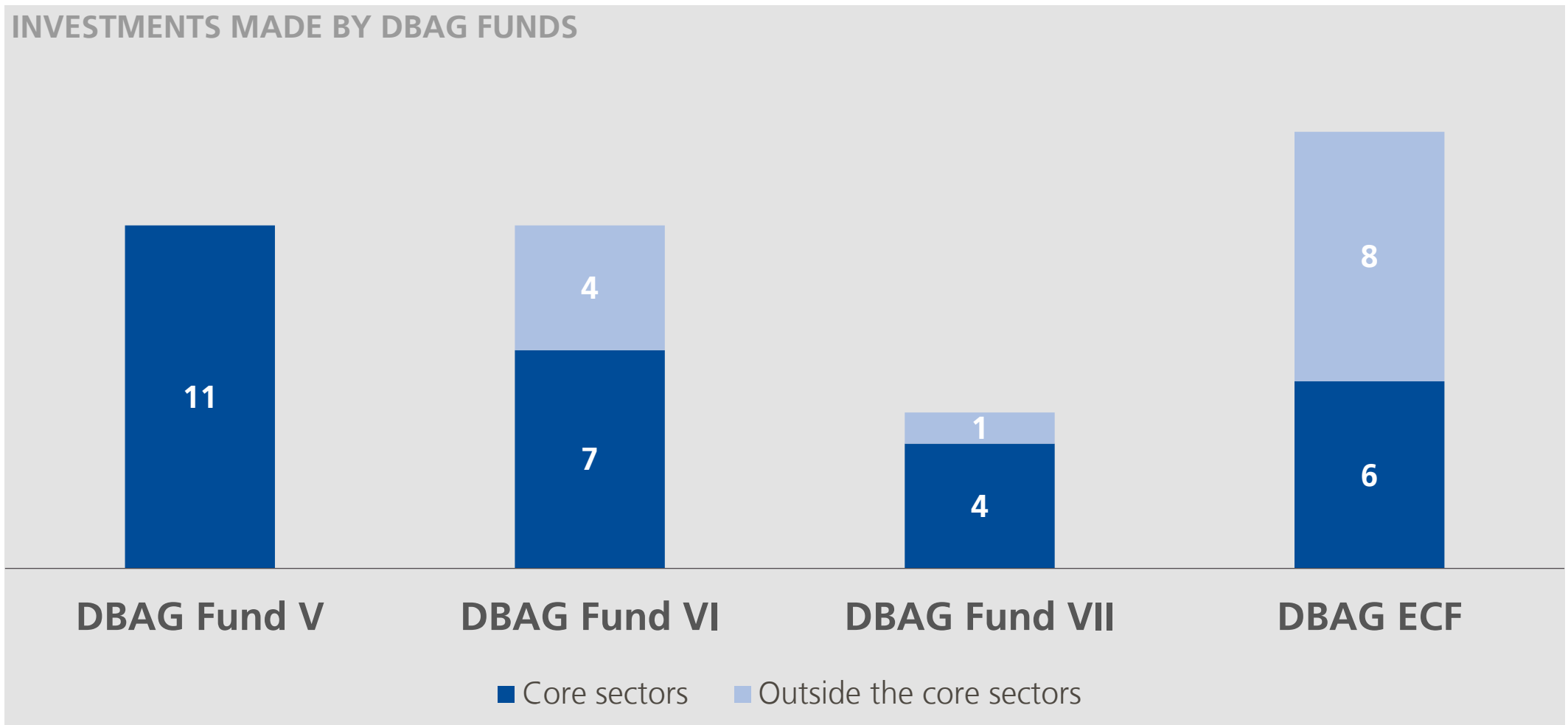
...

2017

2018

CONTINUOUS EXPANSION OF THE INVESTMENT FOCUS

INVESTMENTS MADE BY DBAG FUNDS



DIGITAL BUSINESS MODELS ARE GAINING IN IMPORTANCE

IT services and software as especially attractive sub-segments

For example, business models are a result of the digitalisation of traditional business models, or of the relocation of capacities into the cloud

Now beyond start-up character:

- › significant growth potential
- › potential for inorganic growth



Long-term
planning.
Patient experience in
development.

Writing success stories
in eventful times.