

▼

ANALYSTS' CONFERENCE CALL ANNUAL REPORT 2022/2023

FINANCIAL YEAR 2022/2023
30 NOVEMBER 2023

YOUR HOSTS



TOM ALZIN
Spokesman of the
Board of Management



ROLAND RAPELIUS
Head of Investor
Relations and Corporate
Communications

SUCCESSFUL TRANSACTION ACTIVITY, NEW STRATEGIC PARTNERSHIP AND POSITIVE OUTLOOK

STRONG NAV GROWTH OF 18%¹

driven by higher capital market multiples and successful disposals

14.0 MILLION EUROS EBT FUND INVESTMENT SERVICES

in line with expectations

NEW STRATEGIC PARTNERSHIP WITH ELF CAPITAL

to include private debt in DBAG's business model, thus creating an even more powerful Mittelstand Investment Platform

DIVIDEND PROPOSAL TO AGM 1.00 Euro per share

POSITIVE OUTLOOK

Strong NAV growth targeted in both the short and medium term

¹ adjusted for dividends

KEY PERFORMANCE INDICATORS

PRIVATE EQUITY INVESTMENTS

NET ASSET VALUE

669.4

MILLION EUROS

NET ASSET VALUE
PER SHARE

35.59

EUROS

EARNINGS BEFORE
TAXES

96.8

MILLION EUROS

CASH FLOW FROM
INVESTMENT ACTIVITY

48.7

MILLION EUROS

FUND INVESTMENT SERVICES

EARNINGS
BEFORE TAXES

14.0

MILLION EUROS

ASSETS UNDER
MANAGEMENT OR
ADVISORY

2.5

BILLION EUROS

GROUP

NET INCOME

105.8

MILLION EUROS

NEW STRATEGIC PARTNERSHIP - DBAG X ELF CAPITAL THE MITTELSTAND INVESTMENT PLATFORM



Private Equity Platform

Credit Platform

Mid-Cap

Small-Cap

Long-Term Investments

Direct Lending

Capital Solutions

- Mid-cap MBOs in DACH and Italy via DBAG Fund VIII
- Focus on family successions and carve-outs

- Small-cap MBOs in DACH via DBAG ECF vintages
- Focus on family successions

- Exclusively DBAG own balance sheet investments
- Growth financings in DACH looking for a >7 years partnership

- Credit investments across Northern Europe with focus on DACH
- Senior Secured Loans mainly self-structured and negotiated

- Flexible Senior (Secured Credit) creating alpha via complexity
- Highly structured non-control capital solutions targeting mid-teens IRR

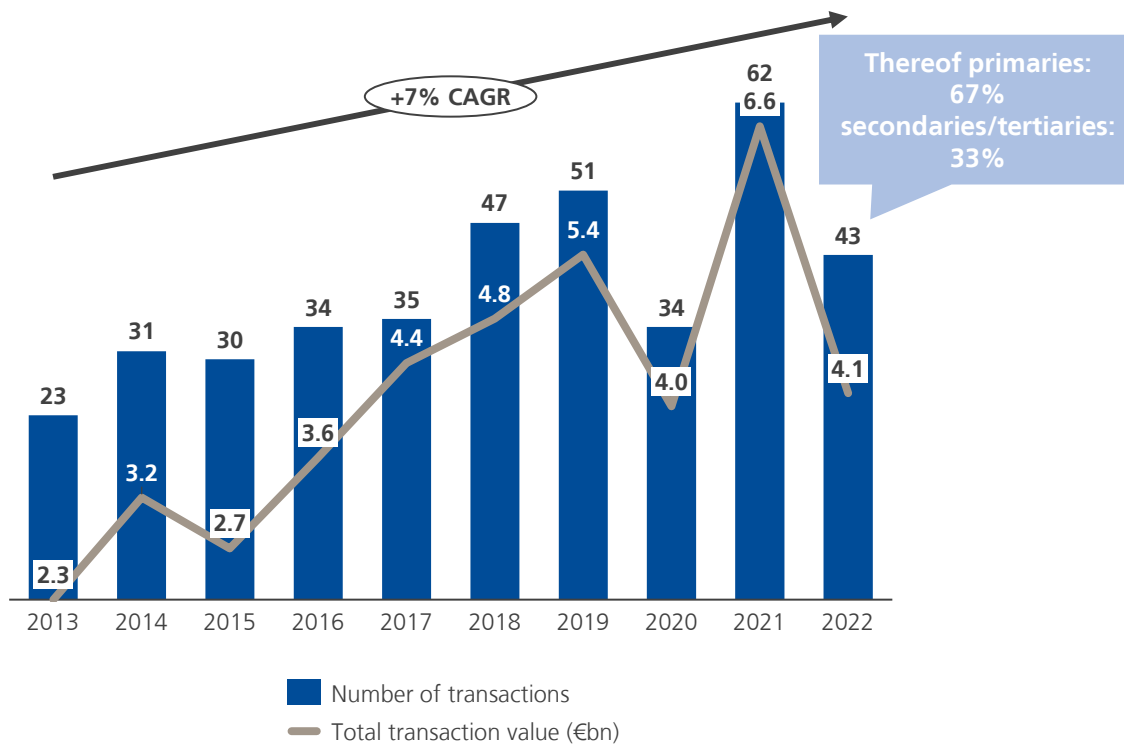
Full range of equity solutions for Mittelstand companies

Debt & debt-like investments with downside protection

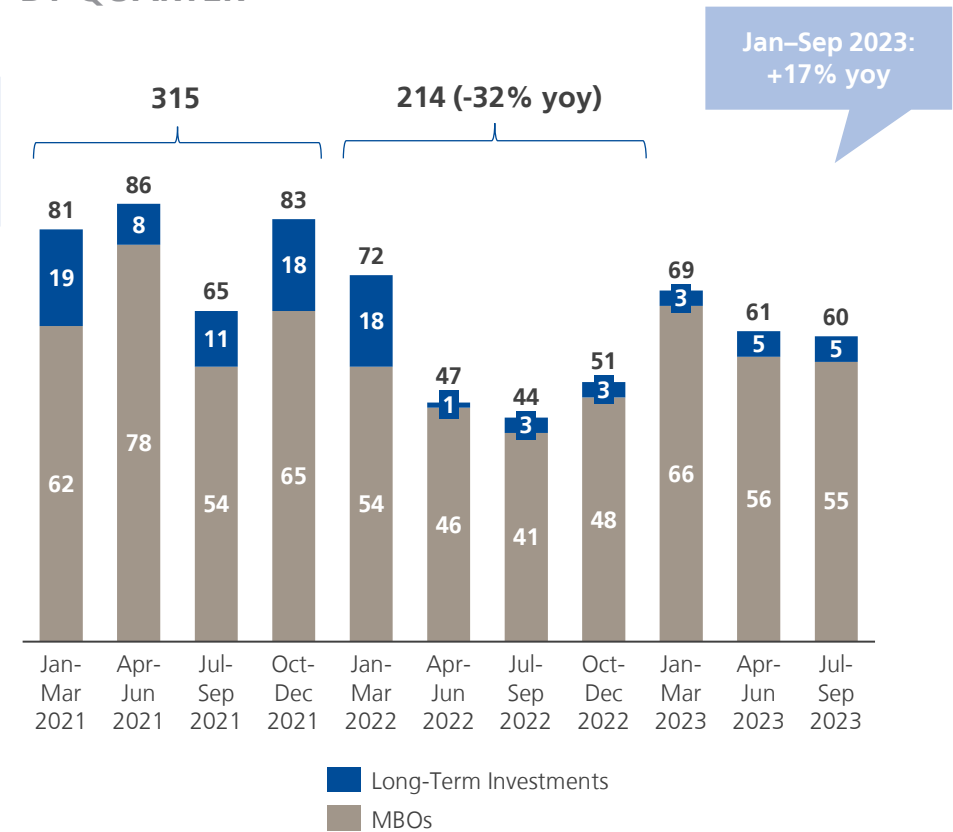
LONG-TERM STRUCTURALLY GROWING MARKET WITH HIGH SHARE OF PRIMARIES UNDERSCORING THE HEALTHY MARKET STRUCTURE



**NUMBER OF MBOS AND TRANSACTION VOLUME¹
(MID-MARKET SEGMENT, €50-250MN)**



**NUMBER OF INVESTMENT OPPORTUNITIES
BY QUARTER²**



¹ Majority takeovers in the context of MBOs, MBIs, secondary/tertiary buyouts involving a financial investor in Germany, primaries: transactions sourced from families and founders as well as corporate spin-offs; sources: FINANCE, DBAG

² Source: DBAG CRM system

TRANSACTION ACTIVITY: RENEWAL OF PORTFOLIO FOLLOWING DISPOSALS AND NEW INVESTMENTS

New investments



AOE



Avrio Energie



TBD¹



ProMik (agreed)

Long-Term Investments

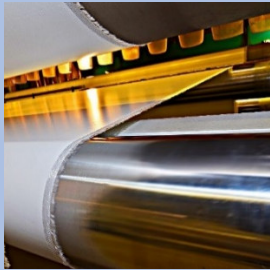


NOKERA (agreed)

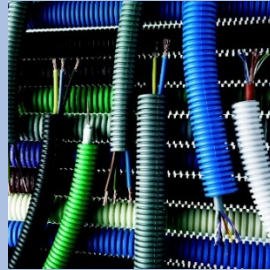
Disposals of investments



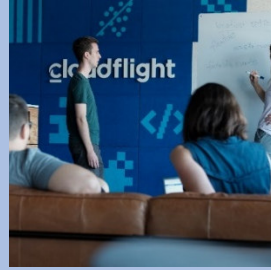
BTV Multimedia



Heytex



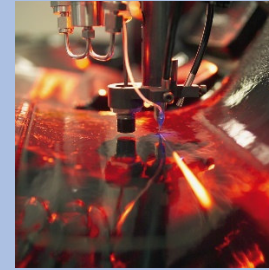
Pmflex



Cloudflight
(partial disposal)



GMM Pfaudler
(partial disposal)



Frimo



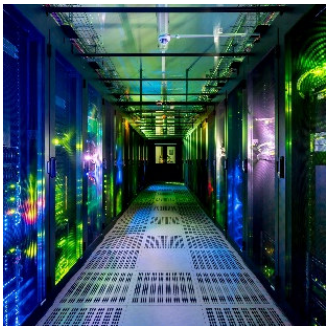
R+S (agreed)

Long-Term Investments

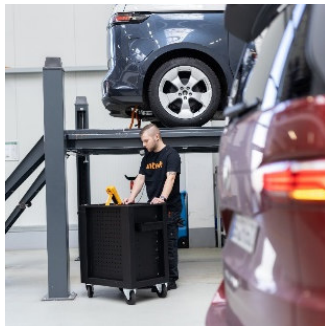
¹ Technische Bau Dienstleistungen

VALUE CREATION THROUGH BUY-AND-BUILD

101 Add-ons during last eight years, thereof 10 closed* during the course of the financial year 2022/2023 and two further Add-ons agreed upon



akquinet
(two completed,
one agreed)



in-tech



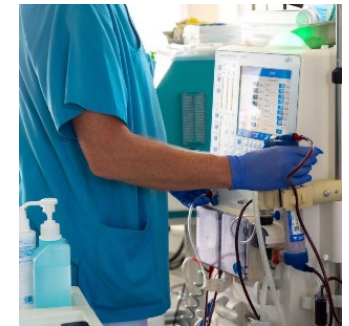
Karl Eugen Fischer



MTWH
(two add-ons)



netzkontor
(two add-ons)

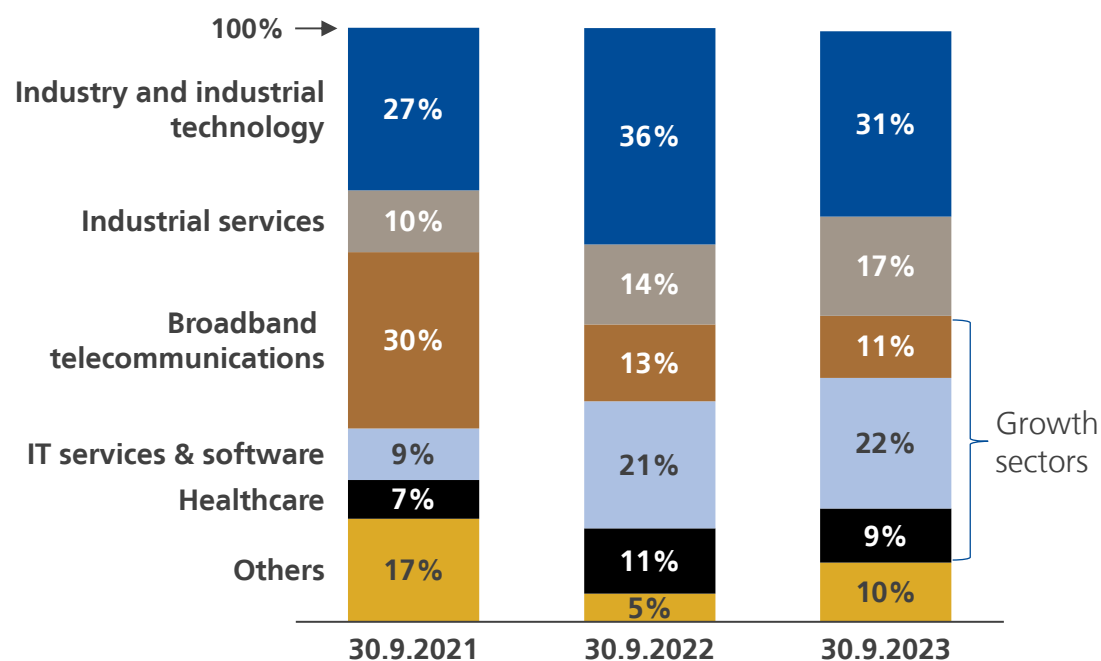


Operasan
(two completed,
one agreed)

* Total additional capital provided by DBAG: around 14 million euros

DIVERSIFIED PORTFOLIO STRUCTURE TO MITIGATE MACRO RISKS; SHARE OF IT SERVICES & SOFTWARE INCREASED SUBSTANTIALLY

Portfolio value by sectors %



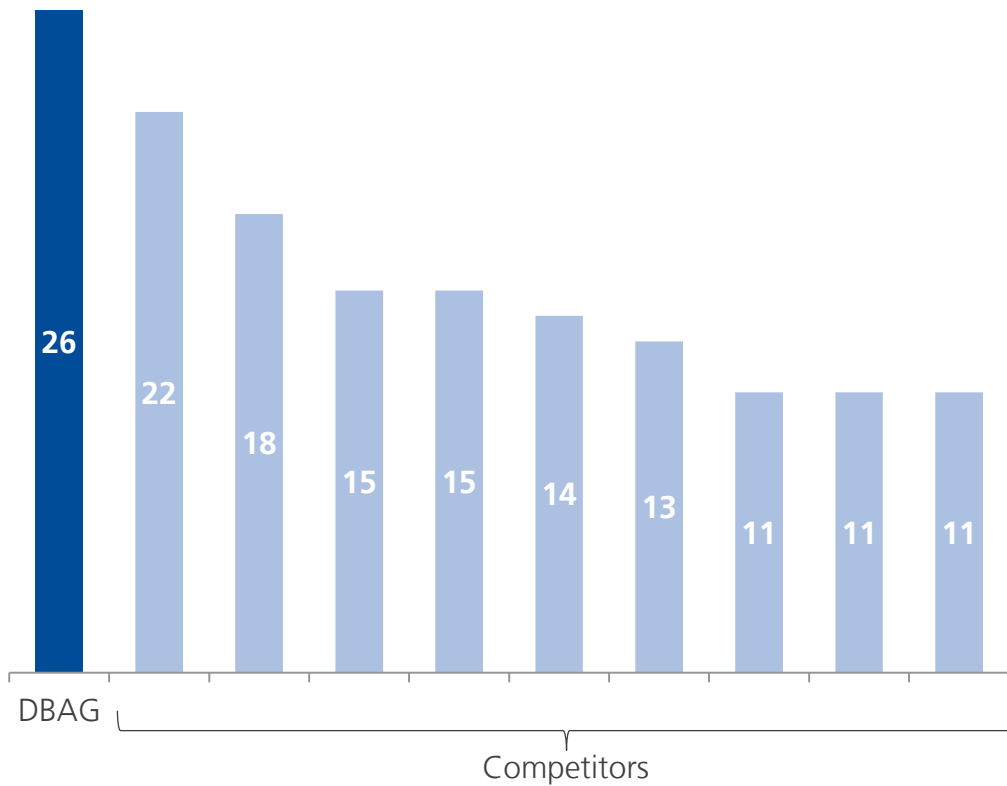
Valuations reflect recent capital markets development

Portfolio by sector (IFRS value / acquisition costs)	30.9.2023	30.9.2022	30.9.2021
Industrial sectors	1.2x	1.1x	0.9x
Growth sectors	1.3x	1.3x	2.8x
Total	1.1x	1.0x	1.4x

MARKET-LEADING POSITION; HIGH PROPORTION OF FAMILY SUCCESSIONS REFLECTING DBAG'S REPUTATION



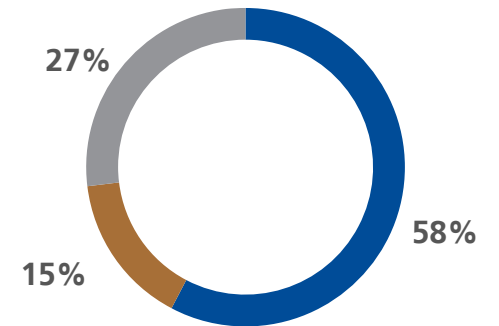
OF TRANSACTIONS IN GERMAN MBO MARKET BY PE COMPANY, 2013-2022 (ENTERPRISE VALUE €50-250MN)



Source: FINANCE, DBAG

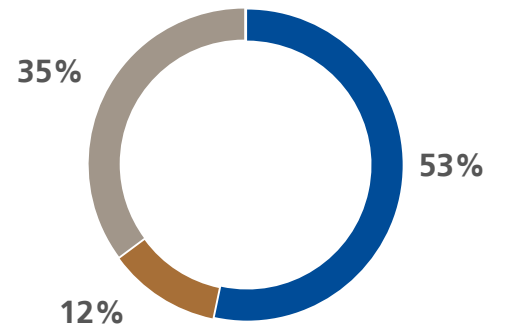
DBAG MBOs 2013-2022

- Families and founders
- Corporate spin-offs
- Financial investors



SELLERS OF GERMAN MID-MARKET MBOs 2013-2022

- Families and founders
- Corporate spin-offs
- Financial investors



HIGHLY EXPERIENCED INVESTMENT ADVISORY TEAM AND ACTIVE NETWORK

Investment Advisory Team of 33, senior members with 18 years of average private equity experience

- › Strong alignment of interest through co-investment by senior team members worth €17mn
- › Highly incentivised by carried interest

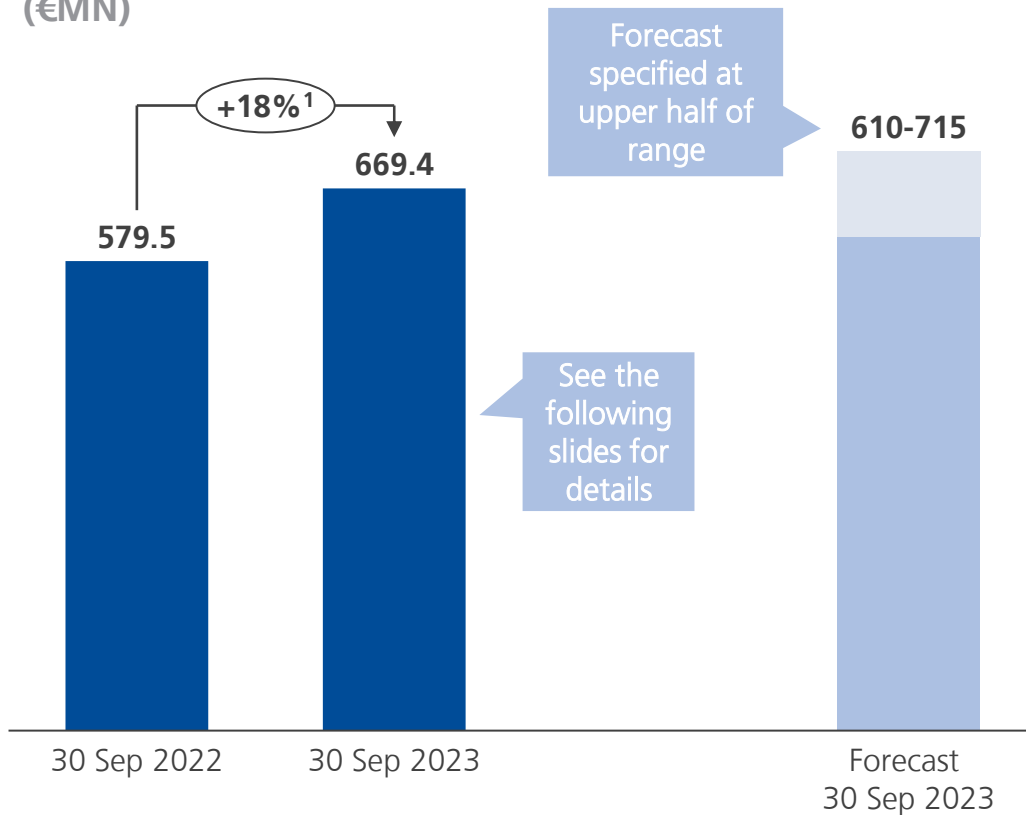
Supported by “Executive Circle” network

- › Consisting of experienced group (87 individuals as at September 2023) of industrial partners and senior advisers
- › Sourcing deals and chairing supervisory boards in portfolio companies



18 PER CENT INCREASE IN NET ASSET VALUE

DEVELOPMENT OF NET ASSET VALUE (€MN)

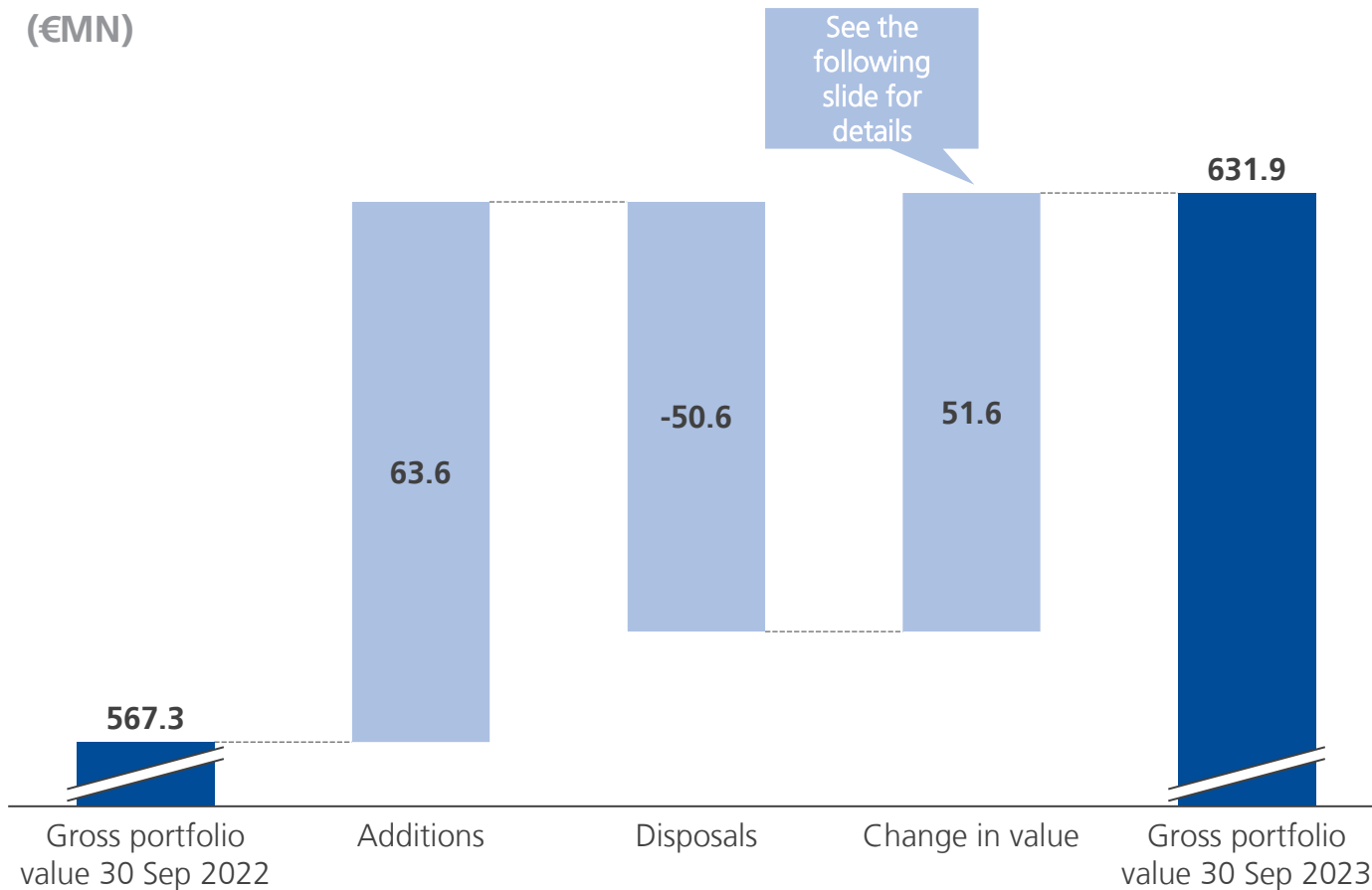


Increase in net asset value mainly driven by higher capital market multiples and successful disposals

¹ Adjusted for a dividend payment of 15.0 million euros

POSITIVE CHANGE IN VALUE AND NET ADDITIONS DRIVES THE DEVELOPMENT OF PORTFOLIO VALUE

PORTFOLIO VALUE DEVELOPMENT (€MN)



Additions

- › Mainly driven by new investments (AOE Group, TBD Technische Bau Dienstleistungen, Avrio Energie) as well as planned investments of existing portfolio companies

Disposals

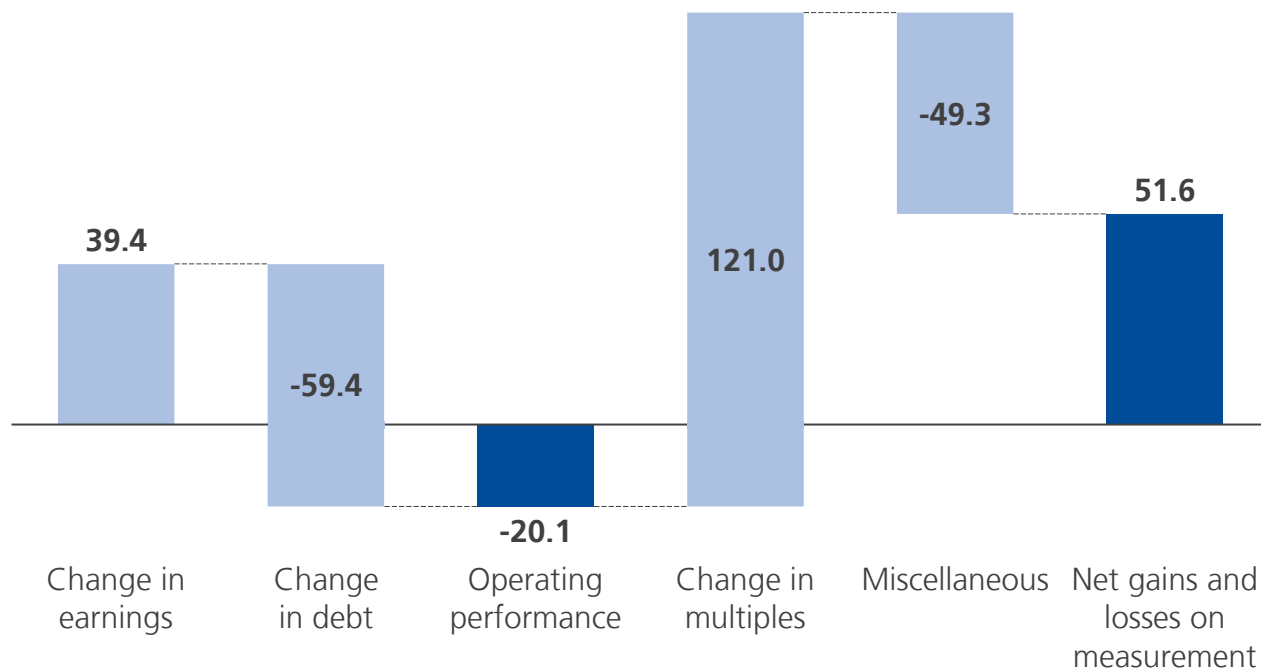
- › Mainly driven by Pmflex, BTV Multimedia, partial disposals of Cloudflight and GMM Pfaudler

Change in value

- › Driven by positive value contributions from changes in multiples and changes in earnings

CHANGE IN VALUE MAINLY DRIVEN BY MULTIPLE EXPANSION OF PEER GROUPS, CHANGE IN EARNINGS AND SUCCESSFUL DISPOSALS

NET GAINS AND LOSSES ON MEASUREMENT (€MN)



Miscellaneous: transaction effects, exchange rate fluctuations

Change in earnings

- › Positive earnings contributions mainly from IT services and software, Broadband telecommunication and Industrial Services driven by improved earnings expectations and add-ons

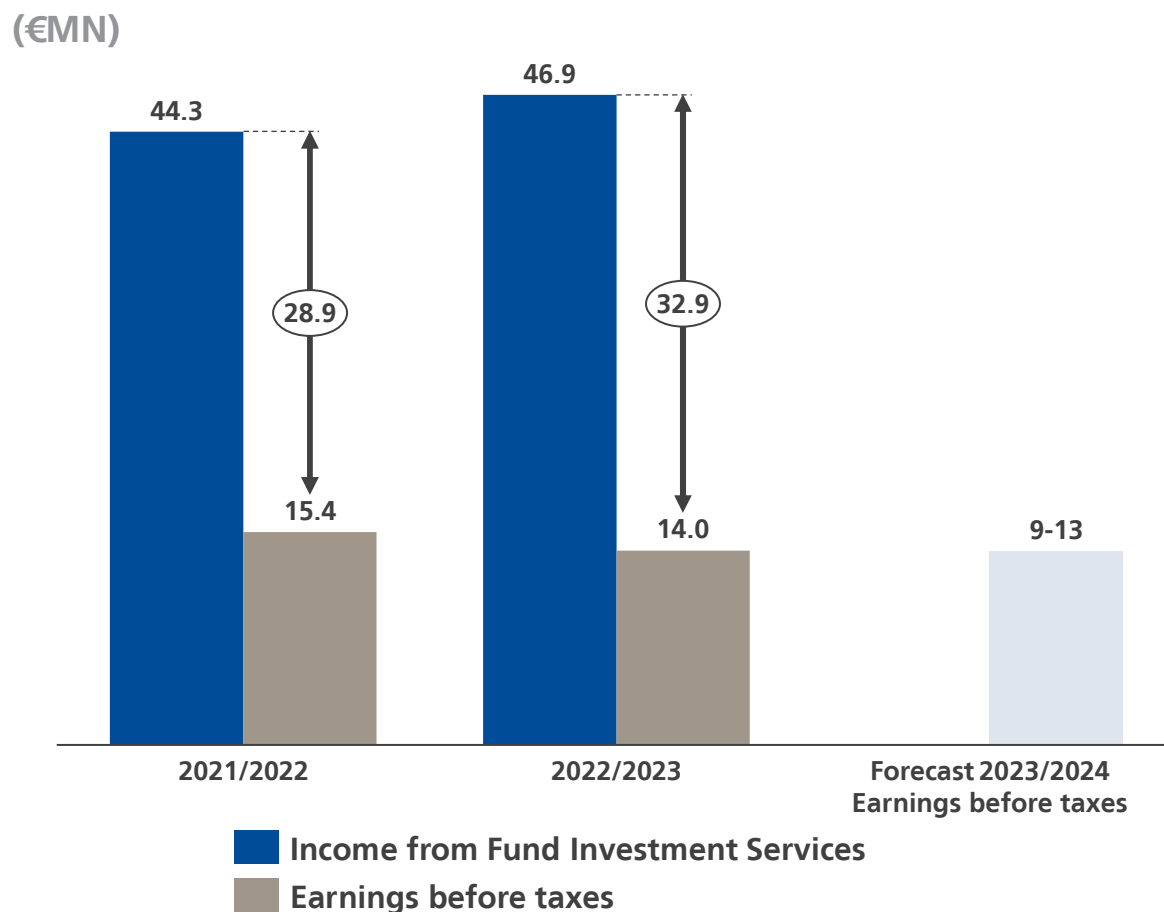
Change in debt

- › Increased debt levels mainly driven by debt-financed add-ons as part of the buy-and-build strategy

Change in multiples

- › Positive effects from multiple expansion of peer groups from almost all sectors, successful disposals also contribute to the increase

FUND INVESTMENT SERVICES: DEVELOPMENT OF INCOME AND EARNINGS AS EXPECTED



Income from Fund Investment Services increasing year-on-year

- › DBAG Fund VIII (19.2 million euros, previous year: 19.1 million euros) and DBAG Fund VII (17.5 million euros, previous year: 16.2 million euros), a new fund advised by DBAG: 2.4 million euros
- › As expected, lower fees from DBAG Fund VI and DBAG ECF

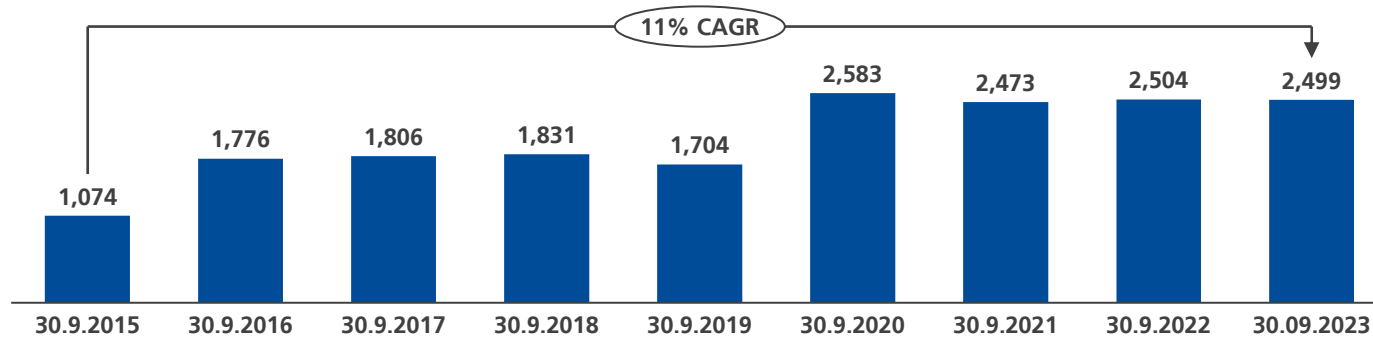
Earnings before taxes decrease yoy

- › mainly due to higher other operating expenses and higher provisions for variable remuneration in connection with the successful disposals, rising costs for interim support and IT, among other things

Stable to declining development expected in 2023/2024 financial year, driven by expected decline of Income due to further disposals and increasing expenses

NAV¹ GROWTH CONTINUED

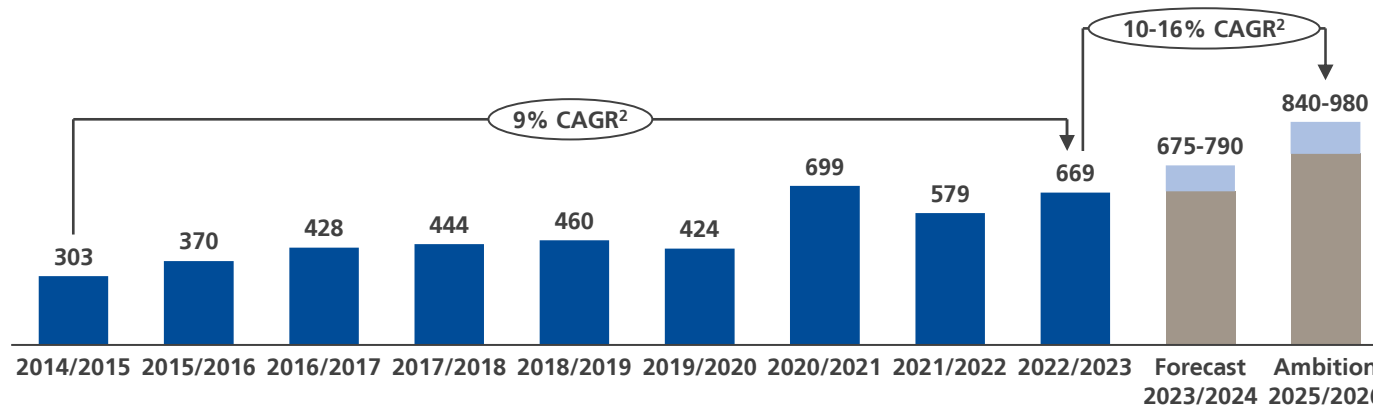
AUM (€MN)



Assets under management or advisory (AuM)

- > Start of investment period for new funds accompanied by significant increase
 - 2016: DBAG Fund VII
 - 2020: DBAG Fund VIII
- > Subsequently scheduled reduction, mainly due to disposals

NAV (€MN)



Net asset value (NAV) increase interrupted by macroeconomic changes

NAV growth drivers

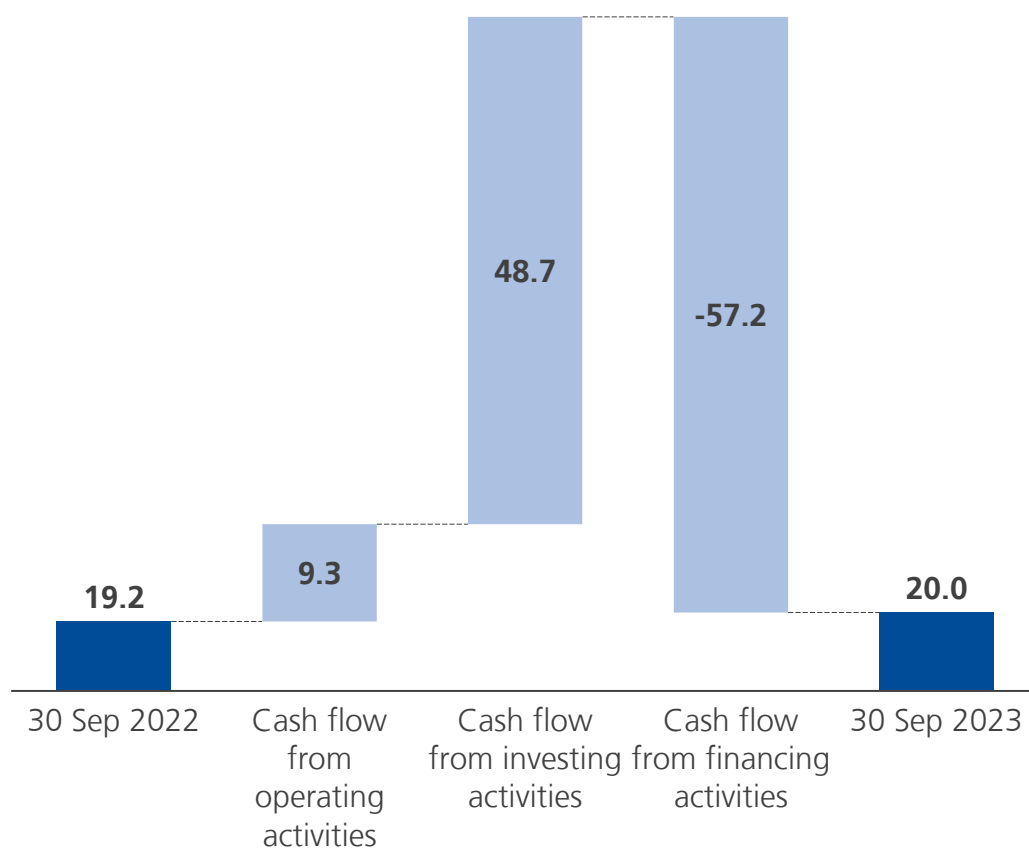
- > Existing portfolio
- > Co-investments alongside DBAG Funds
- > Long-Term Investments

¹ As from FY 2022/23, NAV defined as total assets less total liabilities.

² Adjusted for dividend payments and capital increase.

REPAYMENT OF CREDIT LINES FROM SUCCESSFUL DISPOSALS AND PARTIAL DISPOSALS

DEVELOPMENT OF FINANCIAL RESOURCES (€mn)



20.0 million euros of cash and cash equivalents

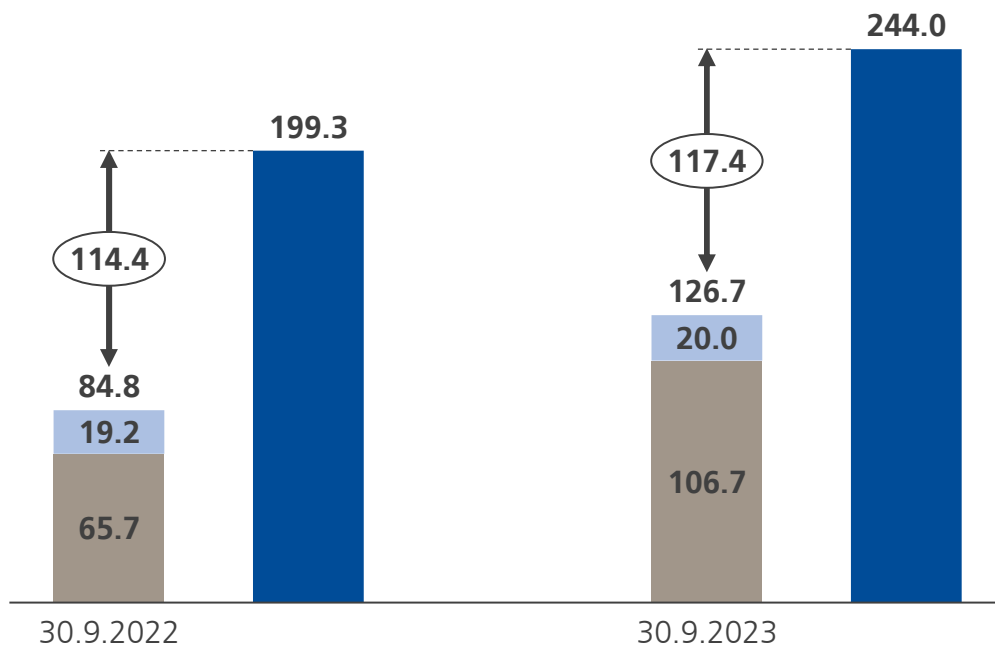
- › Improvement mainly driven by disposals, partial disposals, partially offset by investments, resulting in positive cash flow from investing activities of 48.7 million euros
- › Negative cash flow from financing activities mainly driven by net redemption of credit lines (41.0 million euros) and dividend payment (15.0 million euros)

Further financial resources

- › 9.1 million euros of further financial resources available in the group's investment entity subsidiaries

Very solid balance sheet: equity ratio of 95 per cent

(€mn)



- Co-investment commitments alongside DBAG funds
- Financial resources
- Credit lines

126.7 million euros of available liquidity

- › 20.0 million euros of cash and cash equivalents
- › 106.7 million euros in undrawn credit lines

Growth strategy driving financing requirements

- › Co-investment commitments exceeding the available liquidity are expected to be covered by returns from disposals
- › This includes co-investments alongside DBAG funds, plus Long-Term Investments using our own balance sheet

DISTRIBUTION POLICY UPDATED

Stable dividend

- › Net retained profit (German Commercial Code) allows for stable dividend, also for subsequent years

Minimum of 1.00 Euro per share

- › Dividend proposal 2022/2023: 1.00 Euro per share, corresponding to a yield of 3.5 per cent¹

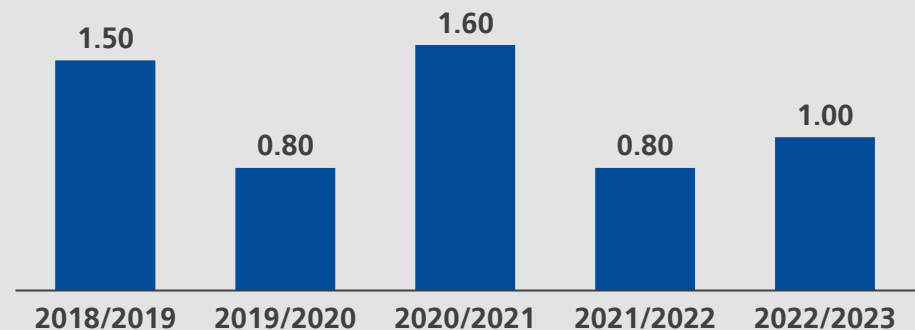
Share repurchases

- › Consider share repurchases on a more regular basis

Factors affecting dividend determination

- › Inflow of funds from the two business segments
- › Funding requirements for (co-)investments
- › Maintaining a sustainable dividend
- › Capital markets environment (dividend yield)

Dividend per share (€)



¹ based on the average Xetra share price during the financial year 2022/2023 of 28.62 Euro

FORECAST

	2022/2023		2023/2024	2025/2026
	FORECAST	ACTUAL	FORECAST	AMBITION
Financial performance indicators				
Net asset value (NAV, €mn)	610 to 715 ¹	669.4	675 to 790	840 to 980
EBT Fund Investment Services (€mn)	13 to 15	14.0	9 to 13	11 to 16
Non-financial performance indicators				
CO ² Footprint (scope 1-3) ² (t CO ₂ / FTE)	2.4	2.9	2.8	2.6
Employee satisfaction (%)	63	65	66	68
Payments from compliance breaches (€)	0	0	0	0

¹ On 17 July 2023, the upper half of the previous forecast range for net asset value was forecast to be reached

² Scope 3 only includes business travel and employee commute

A WELL-ESTABLISHED PLATFORM FOR FUTURE GROWTH

Platform well established for growth – with expanded equity solutions (new strategic partnership with ELF Capital to include private debt) and a broadened regional focus (Italy)



Attractive portfolio that offers significant potential for value appreciation, share of IT services & software increased from nine to 22 per cent since September 2021



Sound financial basis for targeted growth, strong reputation and track record among family- and founder-owned businesses, targeting double-digit NAV growth in mid-term on average per year (vs. 9 per cent historically)

