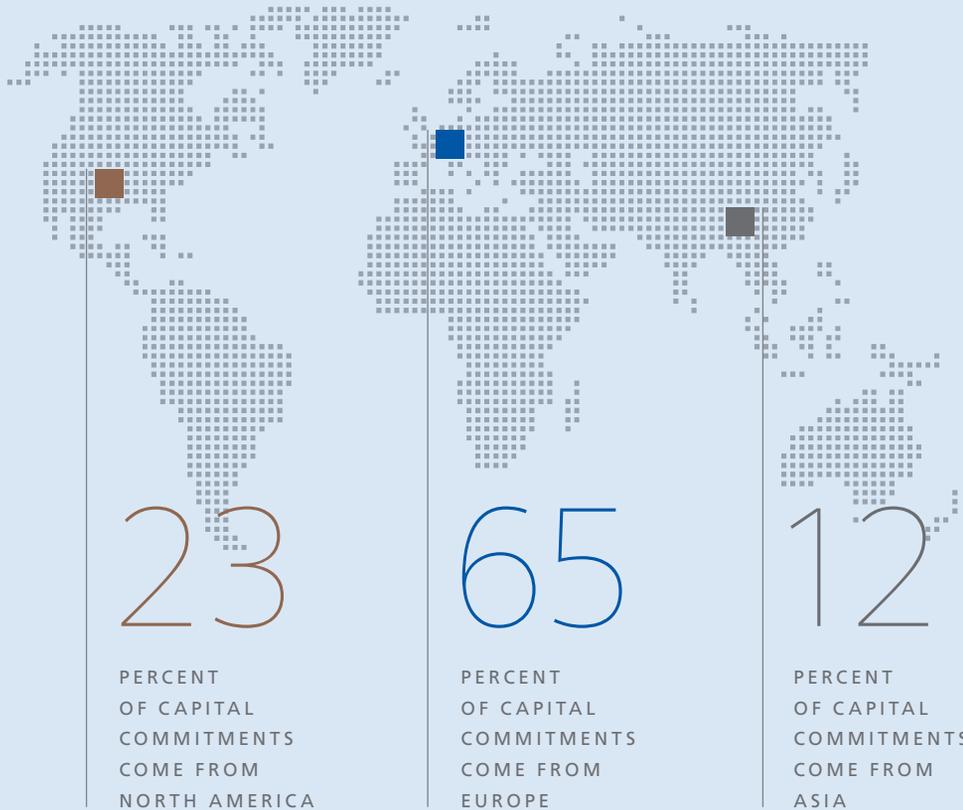


INVESTMENT OPPORTUNITIES FOR GLOBAL INVESTORS

The economic landscape is currently changing at an exceptionally fast pace. This is opening up interesting investment opportunities. Established industries are changing and new sectors are starting to play more of a role. We can make use of these opportunities thanks to our network and experience – and often even enjoy exclusive access to them. This allows us to create value for our shareholders and for fund investors across the globe. Just under 80 percent of our funds now come from other European countries, Asia and the US, with around half originating from pension funds, foundations and family offices.





We focus in particular on industrial business models. We boast particular expertise in the mechanical and plant engineering sector (top: Frimo) and the automotive supply industry (bottom: Dieter Braun), as well as in the consumer goods industry (centre: More than Meals).

LAYING THE FOUNDATION FOR A PROMISING PORTFOLIO

INVESTING IN ATTRACTIVE BUSINESS MODELS

We are particularly well-acquainted with the industrial sector. In addition, we make investments in other industries: we are inspired by business models that offer development potential, for example thanks to high scalability, inorganic growth or geographical expansion. Within a short period of time, for example, we were very successful in advancing progress at the tuition company Schülerhilfe, selling the investment after only four years. Since July 2018, we have also been supporting the estate agent von Poll Immobilien in its expansion outside of the Germany, Austria and Switzerland region. Telio is expanding its telecommunications offering to include prisons and is using company acquisitions to enter other national markets.

DIVERSIFYING OUR SECTOR EXPERTISE

Beyond the four industrial core sectors, we have now transferred our expertise to other sectors, allowing us to considerably expand our investment opportunities. Consequently, we can offer shareholders and fund investors the opportunity to benefit from what are often above-average growth opportunities in new markets such as media and telecommunications.

MORE EFFICIENT BUSINESS PROCESSES

We have continuously refined our business processes over the past few years through standardisation. This has made our processes significantly quicker while ensuring that they remain as reliable as ever. In the meantime, we have been able to realise several challenging transactions at the same time. Our increased efficiency boosts our competitiveness. This allows us to tap into additional value-adding potential for our shareholders and fund investors.

GOOD ACCESS TO INVESTMENT OPPORTUNITIES

In addition to participating in auctions, we also have direct access to potential portfolio companies through our strong network of experienced industry experts. 13 out of 27 of our current investments can be traced back to our own network; transactions involving smaller equity investments, in particular, are negotiated and agreed outside of the cumbersome auction environment.

THE CURRENT
DBAG PORTFOLIO

The range of sectors
is growing in
tandem with the
portfolio volume.

REVENUE GROWTH: 13.4 PERCENT

The 22 companies that were already in our portfolio at the beginning of the financial year and were not sold increased their revenues substantially. More than two-thirds of this increase was achieved using organic sources, but also by way of company acquisitions.

EBITDA GROWTH: 18.1 PERCENT

The 22 companies that were already in our portfolio at the beginning of the financial year and were not sold increased their EBITDA significantly; inorganic growth contributed less than one third to this trend.

DEBT: 3.1 TIMES EBITDA

Our portfolio companies have a sustainable capital structure based on the cash flow profile. They have debt corresponding to 3.1 times the current EBITDA on average. Twenty-five investments are included in this calculation.

VALUATION: 7.8 TIMES EBITDA

Our portfolio is characterised by a moderate valuation: 21 of the 27 portfolio companies were included in the valuation – the new/sold investments are not included.

**PORTFOLIO
COMPANIES**

**START OF
INVESTMENT**

2012

Heytex
PSS

2013

DNS:Net
inexio

2014

Infiana
Pfaudler
Unser Heimatbäcker

2015

Gienanth
JCK*
Novopress
Oechsler

2016

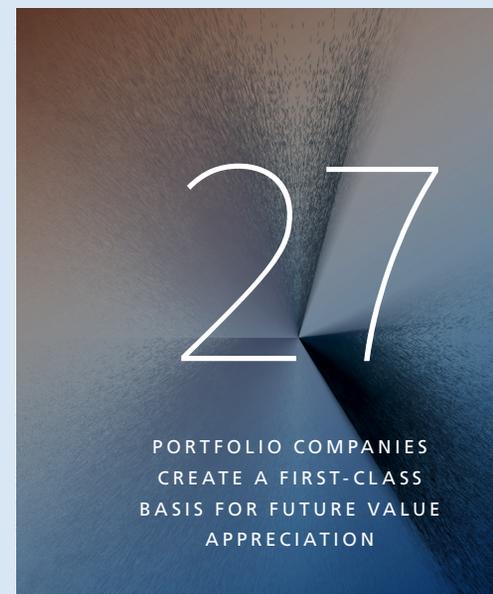
Frimo
mageba
Polytech
Rheinhold & Mahla
Telio

2017

Dieter Braun
duagon
More than Meals
vitronet

2018

BTV Multimedia
Karl Eugen Fischer
netzkontor nord
Sjølund
von Poll Immobilien
FLS
Kraft & Bauer
Radiologie-Gruppe



>
INVEST

**INVESTEMENTS SINCE
START OF INVESTMENT**

DBAG FUNDS

1,251

€MN

THEREOF DBAG SHARE

250.0

€MN

* A stake in JCK Holding GmbH Textil KG that was originally acquired in 1992 was substantially increased in 2015.

The information shown on pages 14 to 17 includes the following transactions that were agreed in financial year 2017/2018 but had not yet been completed at the reporting date: sale of Cleanpart, investments in FLS and Kraft & Bauer. The management buyout of the radiology group was agreed in financial year 2016/2017 but has not yet been completed.

CHANGES IN DBAG'S PORTFOLIO IN THE REPORTING YEAR



BTV Multimedia
Karl Eugen Fischer
netzkontor nord
Sjølund
von Poll Immobilien
FLS
Kraft & Bauer

SEVEN NEW INVESTMENTS AGREED IN THE REPORTING YEAR

In financial year 2017/2018, our investment team filtered seven particularly promising investment opportunities out of more than 250. This resulted in us making investments totalling more than 300 million euros.

Five of the transactions became effective before the financial year was over, with two taking effect after the reporting date. We supported two MBOs in our core industrial components sector and one in another core sector, namely in the mechanical and plant engineering sector.

In addition, we invested in two companies operating in the field of fibre-optic based network infrastructure, as well as in a software company and in an estate agent.



duagon
Gienanth
netzkontor nord
Pfaudler
Polytech
Sjølund
Telio
vitronet

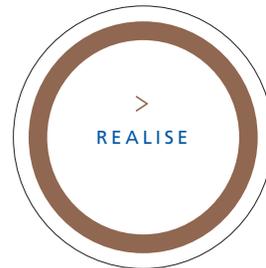
PORTFOLIO COMPANIES IMPLEMENT STRATEGIC PLANS

Our portfolio companies developed in a variety of ways in 2017/2018.

Five companies made a total of eight acquisitions, while two companies merged with others.

This allowed the companies in question to forge ahead with their geographical expansion, the broadening of their product range or active sector consolidation. This not only leverages value-adding potential, but also ensures that the companies will remain well positioned beyond the duration of our investment.

The portfolio companies financed three out of the eight acquisitions using their own funds, while the other acquisitions were enabled by the funds, with DBAG also providing additional equity.



Silbitz
Cleanpart

SUBDUED DISPOSAL ACTIVITY: CONSIDERABLE POTENTIAL FOR VALUE APPRECIATION

The management teams at our portfolio companies implement their development plans on an ongoing basis. After the very high number of disposals in the previous financial year, we only sold one company (Cleanpart) completely in 2017/2018; the transaction only took effect after the reporting date.

A partial sale was also made: while DBAG Fund VI continues to hold the majority of the shares in Silbitz Group GmbH, we were able to give the foundry a strategic advantage by allowing Sistema Finance S.A. to acquire a stake, since the new co-owner can contribute good business connections in Russia and its neighbouring countries.

>
INVEST

INVESTMENTS IN THE REPORTING YEAR

DBAG FUNDS

218.9

€MN

THEREOF DBAG SHARE

65.8

€MN

>
DEVELOP

INVESTMENTS IN THE REPORTING YEAR

DBAG FUNDS

88.3

€MN

THEREOF DBAG SHARE

19.3

€MN

>
REALISE

PROCEEDS FROM DISPOSALS IN THE REPORTING YEAR

DBAG FUNDS

136.1

€MN

THEREOF DBAG SHARE

25.5

€MN

INVESTMENTS FROM THE CORE SECTORS
DOMINATE THE PORTFOLIO

Investments in mechanical and plant engineering, in automotive suppliers and in companies that produce industrial components or offer services for industrial companies – this has been the cornerstone of DBAG’s business for decades.



Karl Eugen Fischer manufactures machines that produce steel cord, the supporting structure of a tyre. So that the material can be cut cleanly, the cutting knife is heated.

A few years ago, we started making targeted investments outside our core sectors. After a period of five years, these companies now account for almost one third of the portfolio value. This means that we have considerably broadened our investment universe in a short space of time. This approach has paid off: the performance of companies outside our core sectors is no less impressive than that of our investments in traditional sectors.

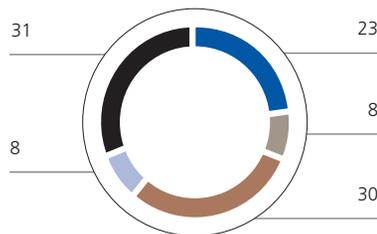
Two new investments are good examples of the sort of business models that are attractive to us:

KARL EUGEN FISCHER

Karl Eugen Fischer is to the tyre industry what “Kleenex” is to users of paper tissues: the company’s “Fischeranlage” has become a generic name for steel cord cutting machines. These steel wire and fabric layers, which are mainly coated with rubber (known as calendared cord material), are used for the tyre’s supporting structure – its carcasses and belts. These give the tyre shape and driving stability. Nine out of the world’s ten most successful tyre manufacturers rely on the machines produced by the company, which has a global market share of around 70 percent. Karl Eugen Fischer has been working with its customers to develop the machines for decades and is the preferred supplier for countless manufacturers. The company’s outstanding technological position provides a solid foundation for further growth.

PORTFOLIO VALUE BY SECTOR

% at 30 September 2018



- Mechanical and plant engineering
- Automotive supplier
- Industrial components
- Industrial services
- Industrial business models in other sectors: In particular consumer goods, information technology, media and telecommunications, real estate, medicine

FLS

Not everything that the FLS software is capable of can be measured in key indicators: there’s the smile on a customer’s face when the food for their cooking party is delivered on time. Or the steady pulse of the dispatchers, who know that their service staff are on their way to the job site without any delay. Some things, on the other hand, can be measured in figures: increasing customer satisfaction, for example, or reduced travel expenses. FLS develops and distributes software that enables energy suppliers, industrial companies, financial service providers and commercial and real estate companies to plan and optimise their schedules and route planning for their field service employees and delivery vehicles. A heuristic algorithm that works using real-time data makes it possible to find solutions to planning tasks while taking account of a large number of influential factors. The business model is a response to growing expectations in ordering and delivery processes and traffic conditions that are almost impossible to predict. The market for optimisation software in this kind of environment is expanding at rates that are well into double digits, not least driven by the growth in e-commerce.

DIVERSE APPROACHES TO VALUE APPRECIATION



The product portfolio of Sjølund includes components for wind power plants.

As a private equity company, we support companies in their further development. The approaches we use to achieve value appreciation are systematic: the most important value lever is the company's strategic focus. The management teams of the portfolio companies usually have more than one approach at their disposal when it comes to refining this focus. The expansion of the product portfolio, geographical market development by way of international expansion and the expansion of the service business, accelerated by making company acquisitions and also with the aim of sector consolidation, are other possible methods for achieving value appreciation. Operational improvements can be achieved, for example, by optimising production processes. We use extensive compliance and sustainability standards, as well as KPI-based reporting, to improve corporate governance.

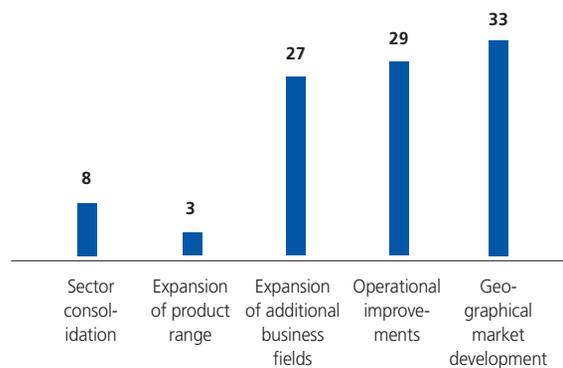
Two investments are testimony to the diversity of the available value-adding methods:

SJØLUND

To date, the Danish company has focused on wind power and the railway industry. It manufactures complex bent aluminium and steel components that are often relevant from a safety perspective for applications in these industries – always in line with the customer's specific requirements. The company's sales markets are expected to show significant growth over the next few years. Sjølund aims to grow in tandem with these markets and expand internationally – both through organic development and through acquisitions. The plan is to expand the company's business with existing customers in high-growth markets such as China and the US. In the future, the Chinese production site is also to produce components for wind

PORTFOLIO VALUE BY VALUE APPRECIATION METHOD

% at 30 September 2018



power plants. The company also plans to achieve strategic development by restructuring its sales activities to focus more on the highly profitable mechanical engineering sector. A few months after the start of the investment, the acquisition of a site in Estonia opened up additional low-cost production capacities.

NETZKONTOR NORD

The fast-growing market for broadband connections offers a particular wealth of opportunities. Private equity companies provide the capital required to allow companies to actually exploit these opportunities. netzkontor nord already agreed two company acquisitions in the first DBAG year, allowing it to push ahead with its geographical expansion and the diversification of its customer base. The product portfolio is also becoming more diverse. Company acquisitions like these are a key value-adding approach pursued by private equity companies. As a result, DBAG and DBAG ECF have made additional equity available. This will allow the company, which used to be owned exclusively by its two founders, to grow and become an active consolidator in this attractive market.



Using this QR code or at www.dbag.com/portfolio you will find information on the current portfolio and further details, such as the companies' revenues and number of employees, or the exact names of the investing DBAG funds.