

## P R E S S R E L A S E

### **Deutsche Beteiligungs AG: Net income of 78.6 million euros after nine months**

- **Largest income contribution from very profitable disinvestments**
- **All four most recent investments stem from family owners**
- **Recent uplift of forecast now concretised**

**Frankfurt am Main, 8 August 2017.** Deutsche Beteiligungs AG (DBAG) has posted net income of 78.6 million euros for the first three quarters of its 2016/2017 financial year. This very satisfactory result is based on a total of six disinvestments that were agreed in the current financial year and that have meanwhile been completed. Particularly profitable were the most recent sales, agreed in May, of the investments in Formel D, ProXES and Schülerhilfe. The proceeds range from four to five-and-a-half times the originally invested capital, thereby exceeding expectations. “We have been able to profit from the favourable market environment only because we invested in a consistent manner and strategically developed our portfolio companies together with their managements and – as was the case for Formel D and ProXES – repositioned them in their markets,” explains the quarterly statement issued today by the listed private equity company.

Given the nature of the Company’s business, the results of individual quarters can fluctuate strongly. For instance, nearly half of the net income after the first nine months (78.6 million euros) was generated in the third quarter of 2016/2017 (34.5 million euros). Net income at 30 June 2017 results in a return on equity per share of 22.1 percent after nine months. In the comparative period of the previous year, net income totalled 26.4 million euros (thereof -5.7 million euros in the third quarter), which corresponded to an increase in equity per share of 9.1 percent.

Both of DBAG’s two business lines contributed to the exceptionally good level of net income for the nine-month period. In addition to the profitable divestments in the Private Equity Investments segment, higher earnings forecasts by the remaining portfolio companies also had a positive effect. Moreover, valuations of these companies benefited from higher valuation ratios in the stock markets. The significant income improvement in the Fund Investment Services segment as compared to the preceding year’s period was driven by the commencement of the investment period of DBAG Fund VII,

which closed in September 2016, and the associated higher fee income from advisory services to this fund.

New investment decisions were also taken in the third quarter. Two new management buyout (MBOs) were agreed: Vitronet Projekte GmbH, a services provider to the telecommunications sector, is the first majority takeover structured in the market segment of smaller MBOs; duagon AG, a provider of network components for data communication in trains, is DBAG's first MBO in Switzerland and already the third investment by DBAG Fund VII. Less than one year after its closing, this fund is more than 20 percent invested. Like two other investments acquired this financial year, both investee businesses were sourced from family owners: "In a market such as today's, in which vendors realise high prices, we succeeded in finding attractive companies. All four companies in which we invested in recent months stemmed directly from family owners – underscoring our special access to *Mittelstand* family companies and our presence in the market," said Chief Financial Officer Susanne Zeidler.

DBAG's Board of Management is confident about the weeks remaining until the end of the financial year at 30 September: "We also anticipate positive net income for the current fourth quarter, driven by positive contributions from both segments," the quarterly statement states, while noting this presupposes that valuation ratios on capital markets will remain largely unchanged at the end of the financial year. For the complete 2016/2017 financial year, net income is expected to slightly exceed – meaning by up to ten percent – the 78.6 million euros achieved at the current reporting date.

***Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-sized companies with potential for development. DBAG focuses on industrial sectors in which Germany's 'Mittelstand' is particularly strong on an international comparison. With its experience, expertise and equity, DBAG supports the portfolio companies in implementing corporate strategies that sustainably create value. Its entrepreneurial approach to investing has made DBAG a sought-after investment partner in the German-speaking world. Assets under management or advisement by the DBAG Group amount to approximately 1.7 billion euros.***

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