

P R E S S R E L A S E

Deutsche Beteiligungs AG: Net income of 11.4 million euros in the first quarter

- **Earnings essentially driven by value appreciation of the portfolio**
- **Agreement reached on two management buyouts alongside DBAG ECF**
- **Brisk investing activity at portfolio companies**
- **Forecast confirmed for financial year 2017/2018**

Frankfurt am Main, Germany, 8 February 2018. Deutsche Beteiligungs AG (DBAG) ended the first quarter of 2017/2018 with net income of 11.4 million euros. Improved earnings expectations for the portfolio companies, which increased the total value of DBAG investments, made a positive contribution here. In the first quarter of the previous financial year, DBAG had achieved net income of 14.1 million euros. At that time, earnings were influenced by the successful disposal of the investment in Grohmann Engineering GmbH. In the first three months of the current financial year there was no comparable earnings contribution from the sale of a portfolio company.

Earnings before tax in the Private Equity Investments segment came to 10.8 million euros in the first quarter of 2017/2018. They were primarily driven by earnings from investment activity of 13.0 million euros, which fell short of earnings in the previous year's period (17.5 million euros). With 0.7 million euros, the Fund Investment Services segment contributed more to net income in the first three months than in the first quarter of the previous financial year (-0.1 million euros). Fee income from fund management and advisory services increased significantly as a result of higher remuneration from DBAG Fund VII compared with the previous year. As a result of positive net income, equity per share rose to 30.34 euros. In relation to equity including deductions for the amount earmarked for distribution at the beginning of the financial year, this equates to an increase of 2.7 percent.

In the first quarter of 2017/2018, Deutsche Beteiligungs AG agreed on two new investments alongside DBAG ECF. The management buyouts of Sjølund A/S, a manufacturer of components made from bent aluminium and steel, and netzkantor nord GmbH, a service provider for the telecommunications sector, are the first transactions since the beginning of the first new investment period of DBAG ECF in June 2017. Therefore, the fund has called more than a quarter of the committed capital. In December DBAG Fund VI and DBAG agreed to

sell 22 percent of the shares in Silbitz. The buyer is Sistema Finance S.A., which had already acquired a minority stake in Gienanth, the second foundry in DBAG's portfolio, in the previous financial year.

In addition, the first quarter of 2017/2018 was characterised by changes at existing DBAG portfolio companies. Cleanpart sold its healthcare business line in November and will be focusing on services for the semiconductor industry in the future. Since then, the funds from this sale and the subsequent refinancing of the company have been accrued by DBAG. Pfaudler and vitronet each acquired two companies in the first three months of the financial year, thereby advancing their strategic development. In December, Polytech agreed on a merger with the strategic partner G&G Biotechnology Ltd., a manufacturer of innovative and lighter filling material for implants.

“We are pleased with how the new financial year has begun,” commented Chief Financial Officer Susanne Zeidler. She then pointed out that the net income after the first three months in previous financial years has also been influenced by lower capital market multiples. About the most recent transactions, she added, “It is encouraging how quickly the broadening of our platform has had a positive impact – the two most recent MBOs, just like the investment in vitronet in the previous financial year, would not have been possible without the opening of DBAG ECF for smaller buyouts.” Net income in the first quarter confirms the forecast published in December for the current financial year 2017/2018. DBAG routinely points out that the results of individual quarters are strongly influenced by particular events and therefore should not be extrapolated to the entire financial year.

The listed Deutsche Beteiligungs AG initiates closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-market companies with growth potential. DBAG focuses on those industry sectors where Germany's “Mittelstand” is particularly strong in international comparison. With its experience, expertise and equity, DBAG supports the portfolio companies in implementing a long-term and value-enhancing corporate strategy. Its entrepreneurial investment approach makes it a sought-after investment partner in the German-speaking world. The DBAG Group manages and advises capital amounting to around 1.8 billion euros.

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