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LONG-TERM PLANNING. PATIENCE IN DEVELOPMENT.

BAADER INVESTMENT CONFERENCE 2019

MUNICH,
26 SEPTEMBER 2019

DBAG, A PIONEER IN GERMAN PRIVATE EQUITY



1965–2001 DBAG'S HISTORY	2002 DBAG FUND IV	2006 DBAG FUND V	2011 DBAG ECF	2012 DBAG FUND VI	2016 DBAG FUND VII	2018 DBAG ECF
<p>First German Private Equity company, founded in 1965</p> <p>Income mostly stemming from direct investments</p> <p>IPO 1985: First listed Private Equity company in Germany</p>	<p>Focus on buyouts and start of fund investment services for 3rd party investors</p>	<p>Nearly all investors of Fund IV participate in Fund V</p>	<p>Re-start of growth financings</p>	<p>Largest buyout fund raised by a German Private Equity company</p>	<p>Including top-up fund to target larger investment opportunities</p>	<p>New vintage raised including small buyouts</p>
DM895mn	€228mn	€434mn	€142mn	€700mn	€1,010mn	€97mn¹
DBG Fonds I, II, III	DBAG Fund IV	DBAG Fund V	DBAG Expansion Capital Fund	DBAG Fund VI	DBAG Fund VII	DBAG ECF II

More than 300 private equity investments in German Mittelstand companies since 1965
53 MBOs and 19 growth financings since 1997
Thereof 31 MBOs and 11 growth financings exited, with an average capital multiple of 2.8x and 2.5x, respectively

¹ Due to the vintage model, the investment period will last no longer than until the end of 2020

WHY INVEST IN DBAG?



KEY INVESTMENT HIGHLIGHTS

MARKET POSITION

The market leader in German mid-market private equity ...



MARKET ACCESS

... with unique access to
"hidden champions"
of the German "Mittelstand" ...



TRACK RECORD

... and delivering strong returns
through market cycles.

INTEGRATED BUSINESS MODEL

... creating value for shareholders
through Private Equity Investments
and Fund Investment Services ...



DBAG CREATES VALUE FOR SHAREHOLDERS THROUGH TWO BUSINESS LINES

INTEGRATED BUSINESS MODEL

**FUND INVESTMENT
SERVICES**



DBAG FUNDS

FUNDS FROM DBAG
AND INSTITUTIONAL
INVESTORS AT
A RATIO OF
AROUND 20 : 80



**PRIVATE EQUITY
INVESTMENTS**

STRUCTURING AND
RAISING FUNDS

INVESTING IN
PORTFOLIO COMPANIES

DEVELOPING THE
COMPANIES

REALISING THE
VALUE CREATED

LIQUIDATING
FUNDS

INVESTMENT STRATEGY: SETTING THE COURSE SINCE 2013

INVESTMENT STRATEGY

... HAS BEEN GRADUALLY EXPANDED OVER THE PAST YEARS

EQUITY INVESTMENT
40-100 MILLION EUROS

- › 2016: Top-up fund (DBAG Fund VII) for MBOs > 100 million euros
- › 2017: DBAG ECF for smaller MBOs < 40 million euros

INVESTMENT CASE
STRONG MARKET POSITION
AND DEVELOPMENT
POTENTIAL

- › Focus on supporting portfolios with the aim of strategic repositioning
- › 42 company acquisitions since 2011
- › Currently four buy-and-build platforms

SECTORS
FOUR CORE SECTORS
THREE FOCUS SECTORS

- › Since 2013: focus expanded to include non-core sectors, subject to suitable access
- › Focus sectors: broadband telecommunications, IT services / software, healthcare

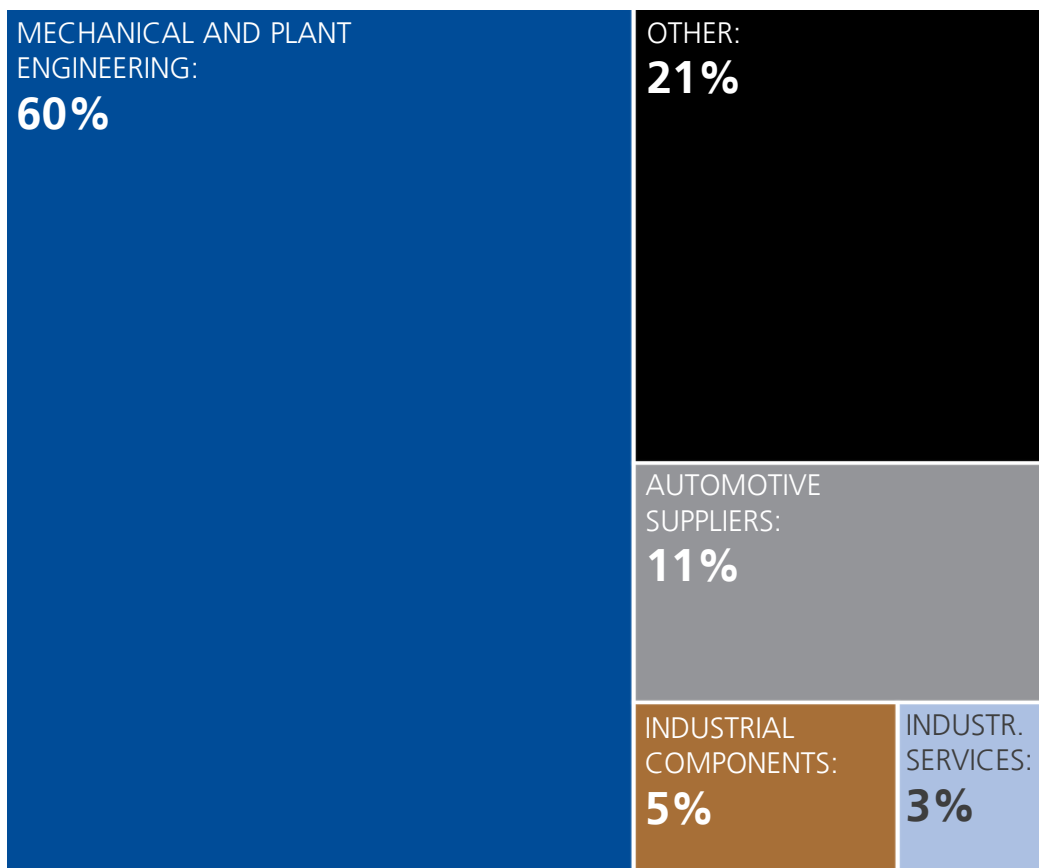
REGIONEN
"DACH"; IN CORE SECTORS
AS WELL AS NEIGHBOURING
EUROP. COUNTRIES

- › Market leader, with 53 MBOs in mid-market companies since buyout business first started
- › Since 2015: Italian market covered

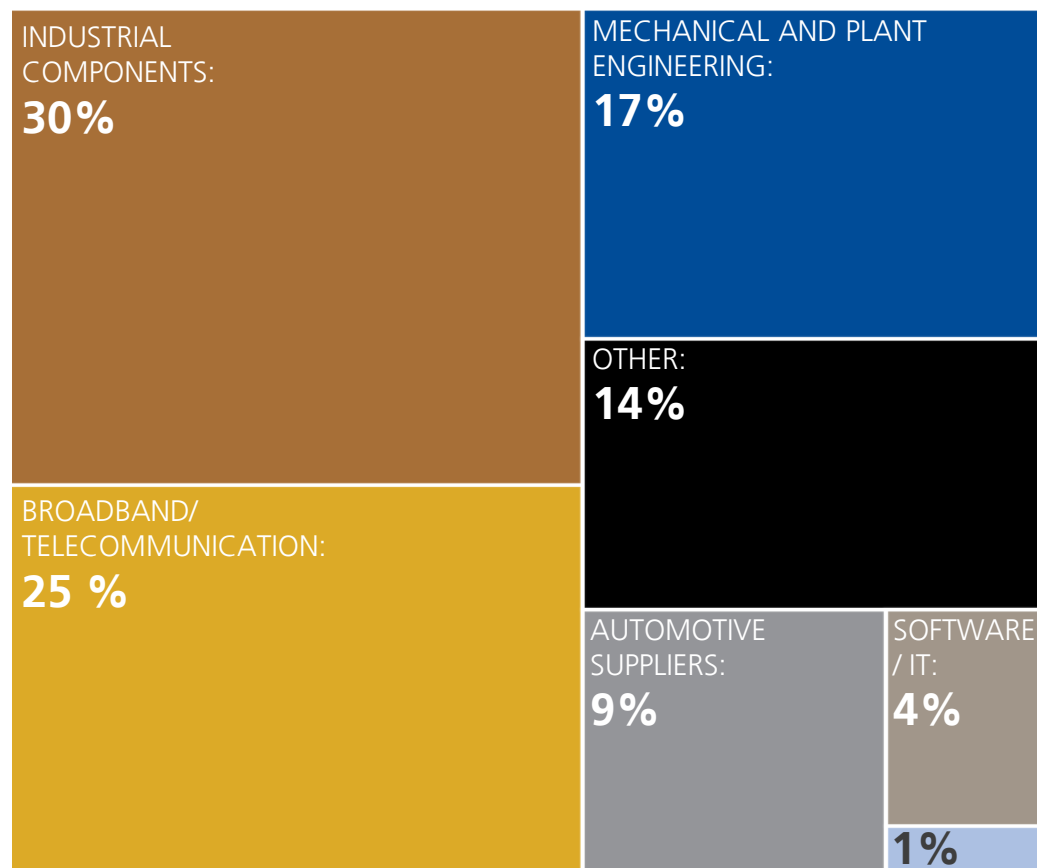
PORTFOLIO CHANGED FOLLOWING STRATEGIC DECISIONS: NEW FOCUS SECTORS ACCOUNT FOR 29% OF PORTFOLIO VALUE



PORTFOLIO VALUE AS AT 31 OCTOBER 2013

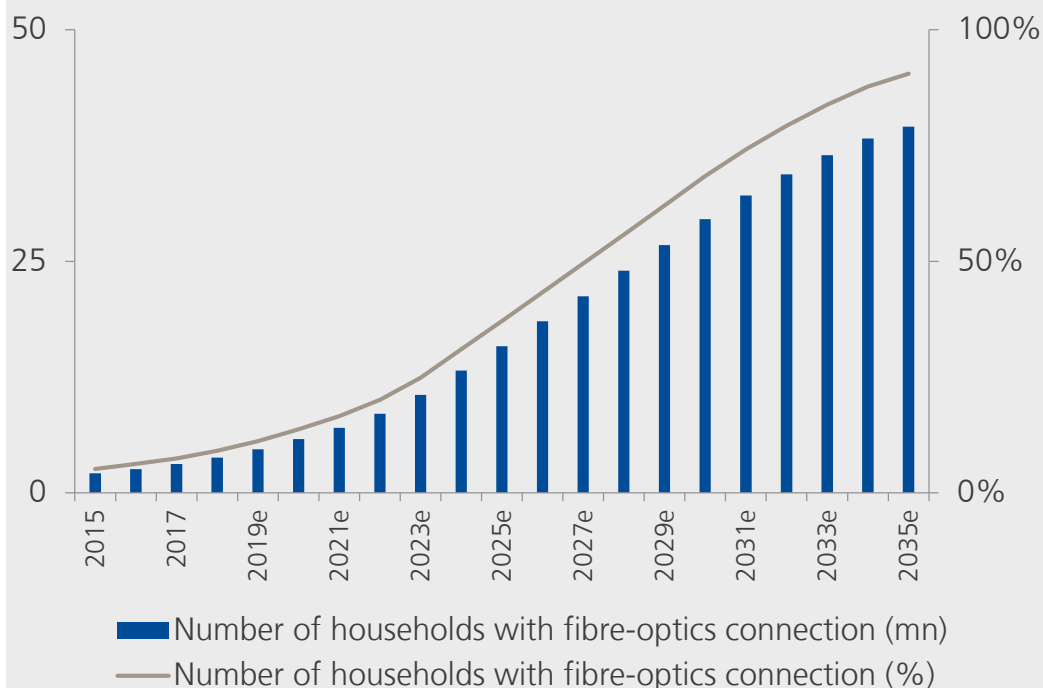


PORTFOLIO VALUE AS AT 30 JUNE 2019



PROMISING OPPORTUNITIES FOR INVESTMENTS IN THE BROADBAND TELECOMMUNICATIONS FOCUS SECTOR

FIBRE-OPTIC EXPANSION IN GERMANY



Growth drivers: strong demand for fast internet connections, public subsidies, new technologies (such as 5G and e-mobility)

Value appreciation by add-on acquisitions:

- › Consolidation of a highly fragmented market
- › Regional companies evolve into national market leaders



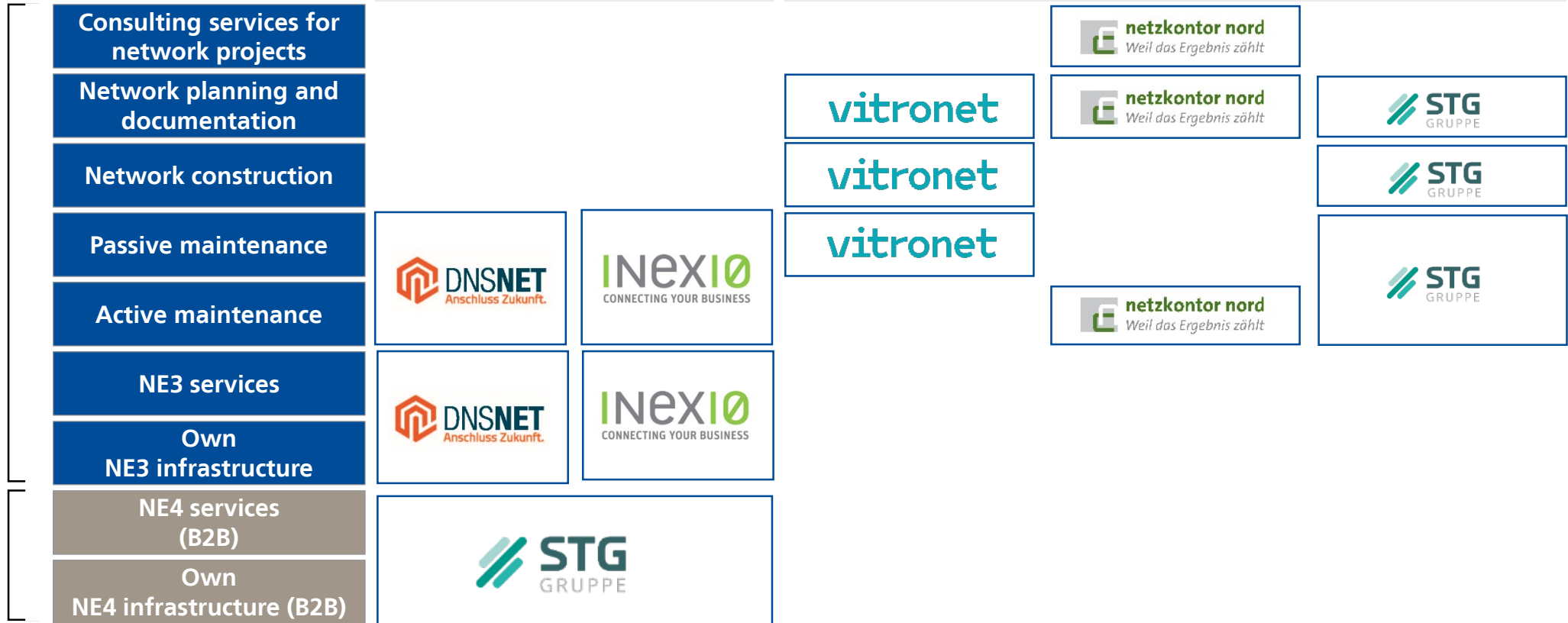
DBAG PORTFOLIO COMPANIES IN THE BROADBAND TELECOMMUNICATIONS SECTOR

Network operators

Fibre-optic network service providers

Network level 3 (NE3)

NE4



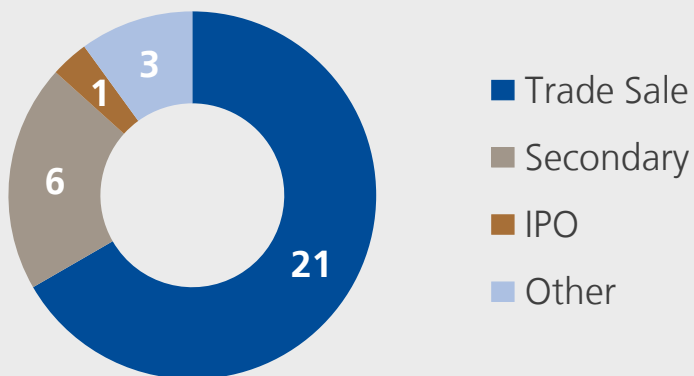
SUCCESSFULLY CLOSED MBOS

31 of 53 MBOs exited since inception of buyout business 1997

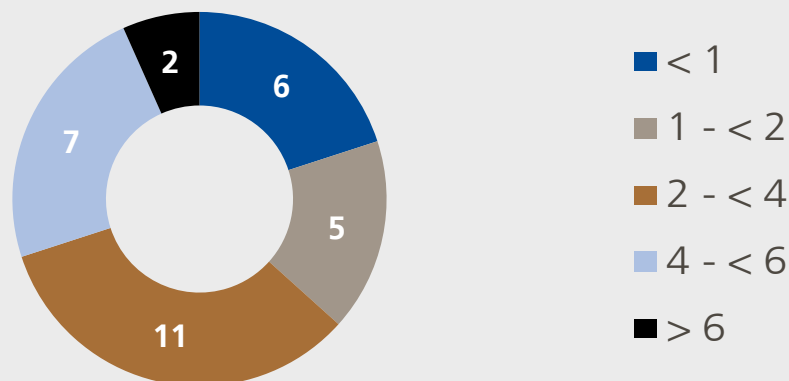
- > Average holding period of ca. 5 years
- > Average (gross) capital multiple of 2.8x

DBAG's portfolio companies typically attractive to strategic investors

EXIT ROUTE
(by # of the deals)



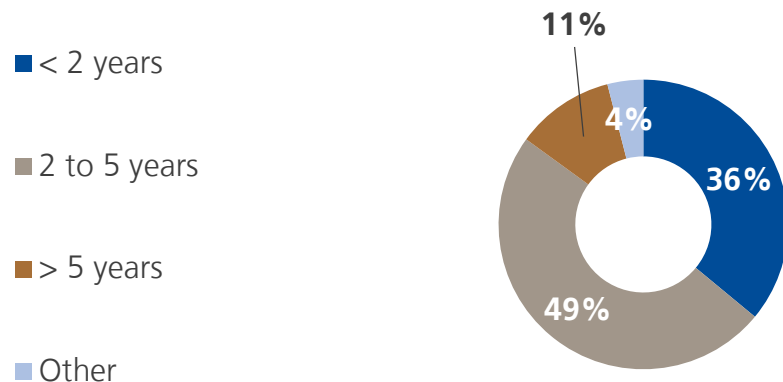
CAPITAL MULTIPLE AT EXIT ROUTE
(by # of deals)



Acquisition costs of 315.8 million euros

- › Around 36 per cent of acquisition costs are attributable to investments made over the past two years

VINTAGE PROFILE OF PORTFOLIO COMPANIES (BASED ON ACQUISITION COST)



1.3x

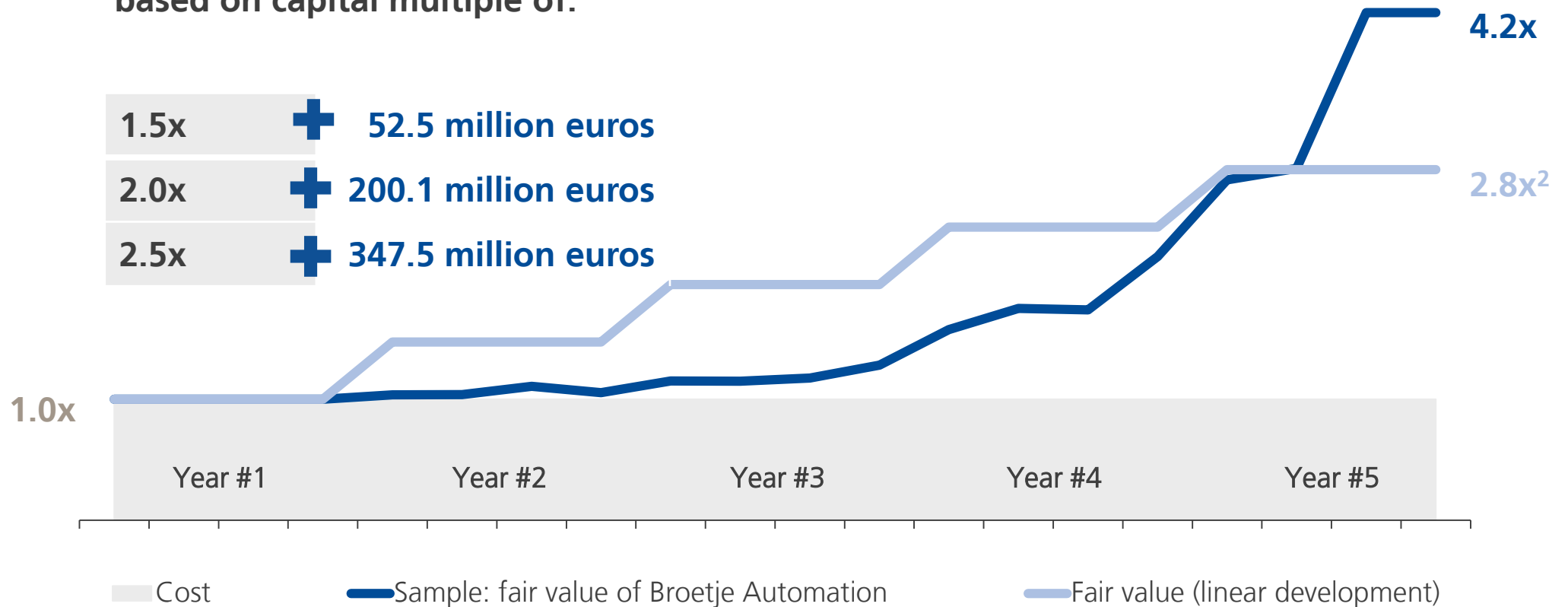
Portfolio value of 421.8 million euros ...

- › 29 equity investments in four DBAG funds
- › One direct investment
- › Two investments in externally managed international buyout funds
- › Processing of retentions via other companies

... based on 7.6 times EBITDA of the portfolio companies as at 30 June 2019

... AND HAS THE POTENTIAL TO INCREASE VALUE

Gross appreciation potential¹ based on capital multiple of:

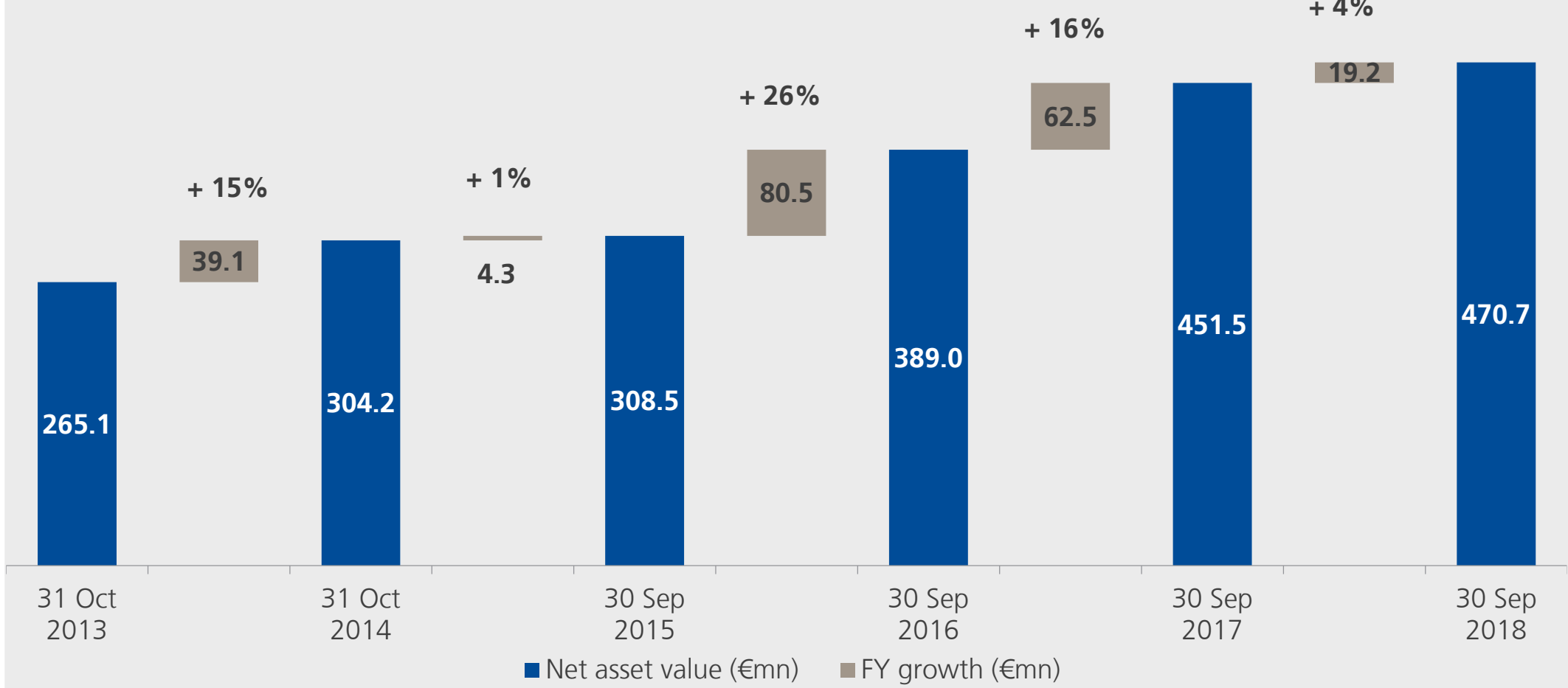


¹ Gross, i.e., before 20% carried interest

² Average capital multiple achieved in DBAG MBOs as at 30 June 2019

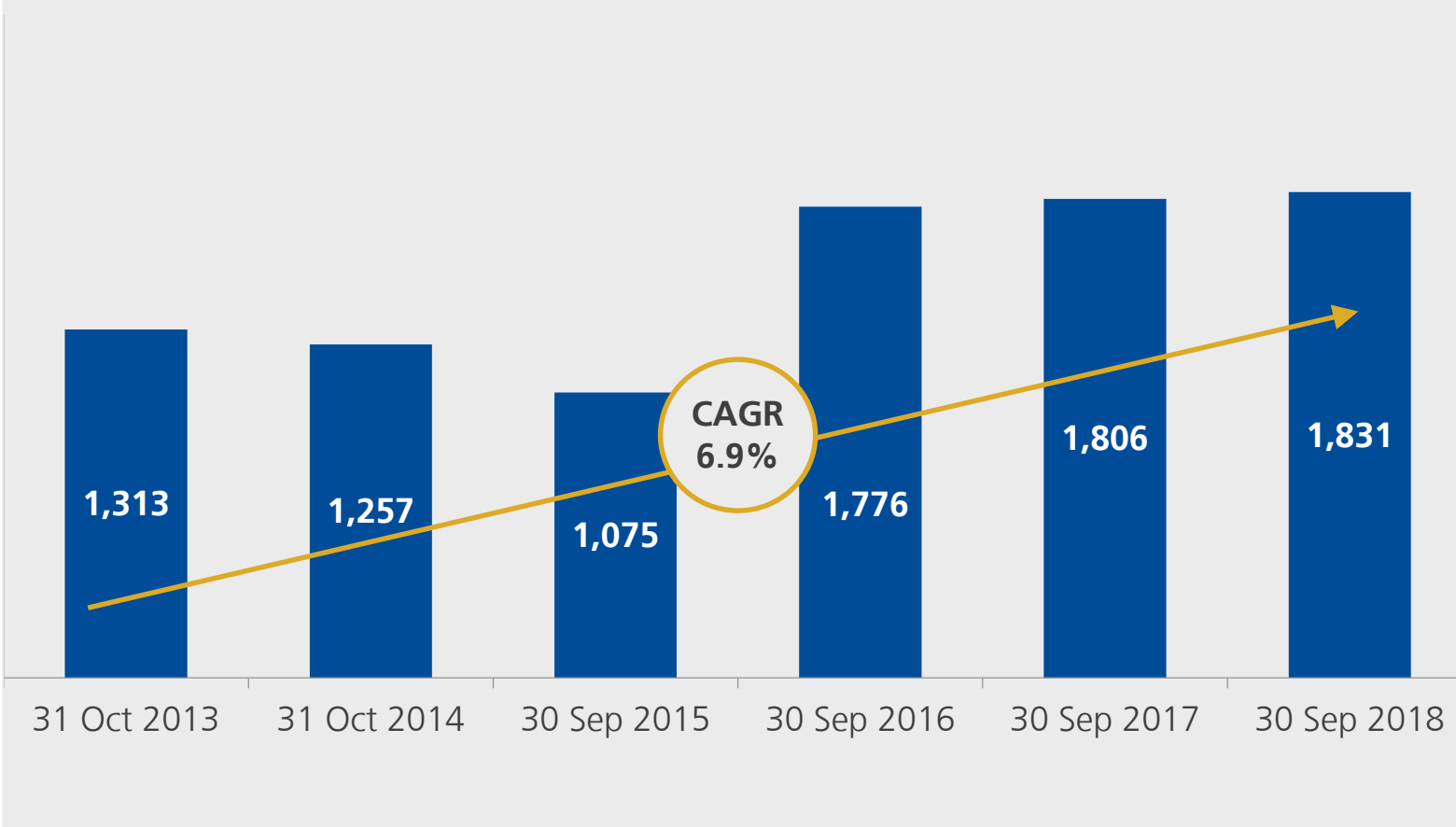
NET ASSET VALUE HAS GROWN BY 12.4 PER CENT PER YEAR SINCE 2013

DEVELOPMENT OF NET ASSET VALUE



ASSETS UNDER MANAGEMENT AND UNDER ADVICE ALSO GREW STRONGLY OVERALL

ASSETS UNDER MANAGEMENT AND UNDER ADVICE (€mn)



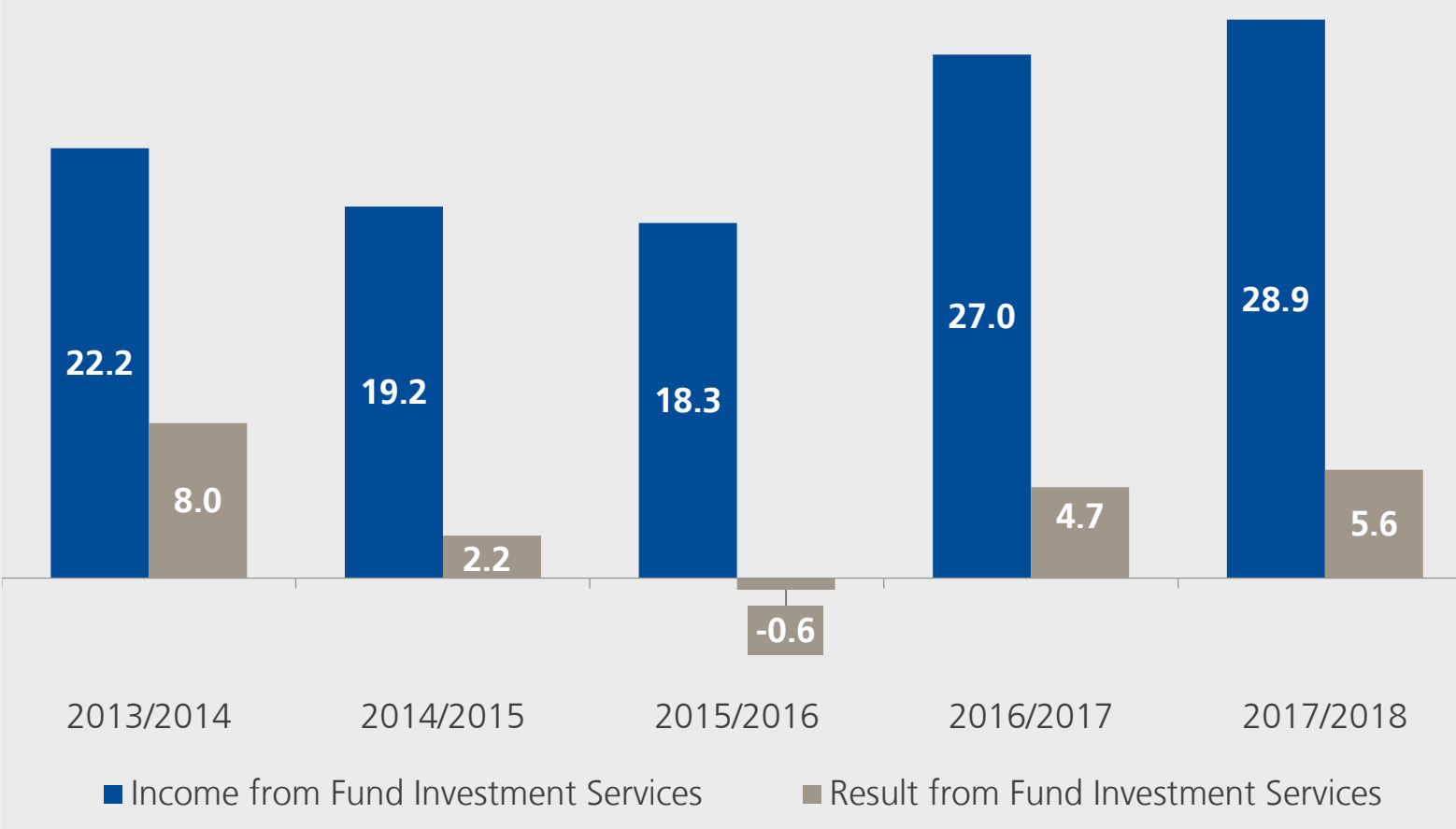
AuM/AuA (Assets under management or advisory)

Fluctuating growth is typical in this type of business

- > Significant increase after launch of a new fund, approx. every four to six years
- > Downturns after portfolio disposals

INCOME AND NET RESULT FROM FUND INVESTMENT SERVICES INCREASED BY A TOTAL OF

INCOME AND NET RESULT FROM FUND INVESTMENT SERVICES (€mn)

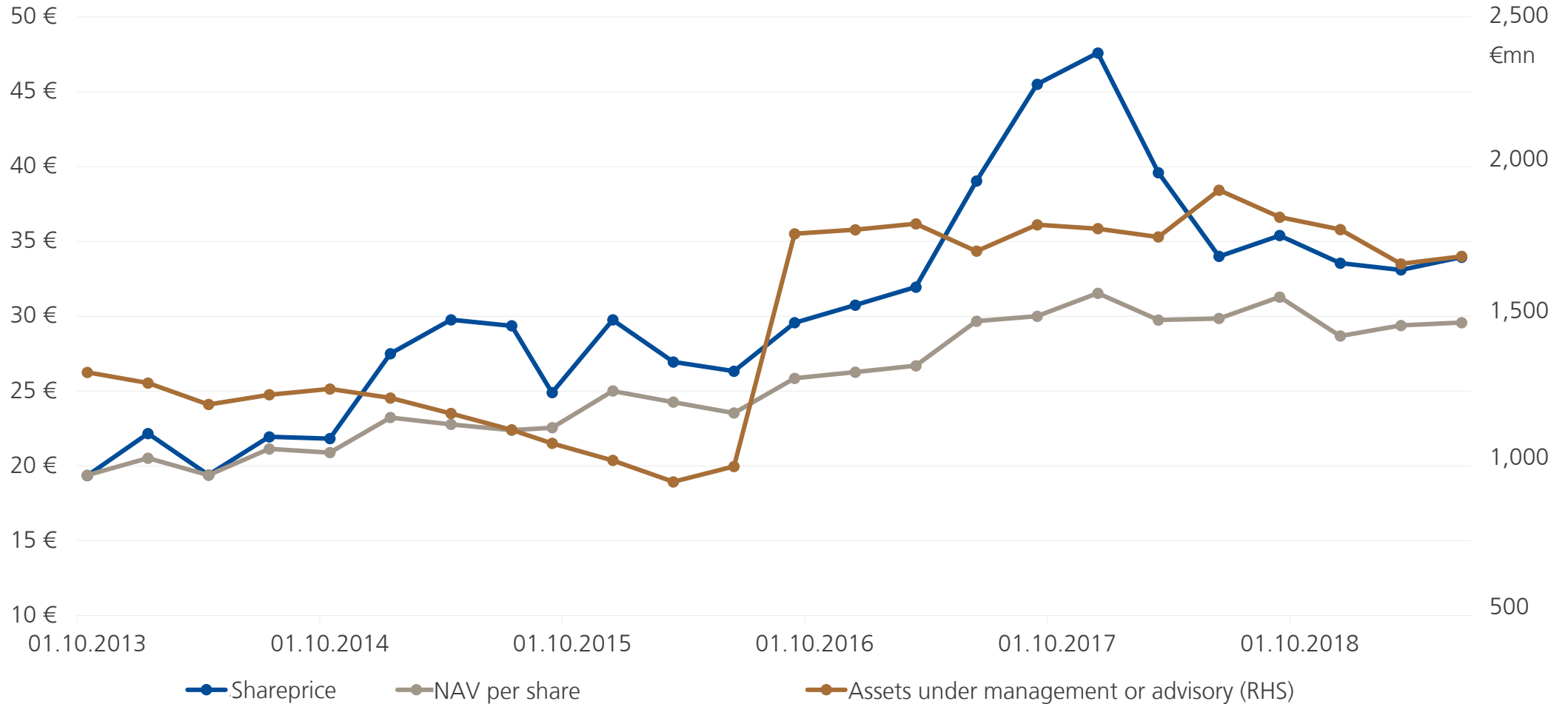


Income reflects the development of assets under management and under advice

Net result is also influenced by cost developments

2015/2016: Net income adjusted for fundraising and DBAG structural costs

SHARE PRICE GENERALLY FOLLOWS THE PERFORMANCE OF THE NET ASSET VALUE AND THE ASSETS ADVISED UPON, ...



NET ASSET VALUE



ASSETS UNDER
MANAGEMENT OR
ADVISORY



FEE INCOME FROM FUND
INVESTMENT SERVICES



EARNINGS BEFORE TAX FROM FUND
INVESTMENT SERVICES

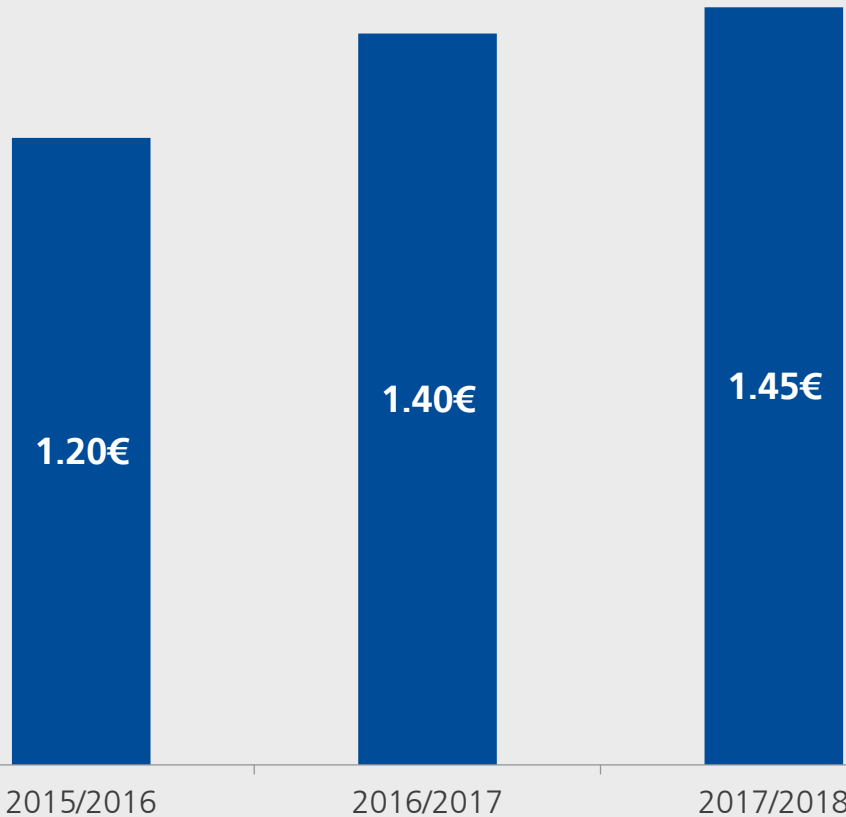


AMBITION 2020/2021:

EACH
MORE THAN 20% HIGHER
THAN 2018/2019

ATTRACTIVE DIVIDEND POLICY

DIVIDEND



STABLE DIVIDEND

Net retained profit (German Commercial Code [HGB]) allows for stable dividend, also for subsequent financial years

INCREASING, WHENEVER POSSIBLE

Dividend for 2017/2018 translates into an increase of four percent year-on-year

ATTRACTIVE DIVIDEND YIELD

Compared with the market (S-Dax) and other PE companies

FORWARD-LOOKING STATEMENTS INVOLVE RISKS

This presentation contains forward-looking statements. Forward-looking statements are statements that do not describe facts or past events; they also include statements about our assumptions and expectations.

Any statement in this report that states our intentions, assumptions, expectations or predictions and the underlying assumptions is a forward-looking statement. These statements are based on plans, estimates and projections currently available to the Board of Management of Deutsche Beteiligungs AG. Therefore, forward-looking statements only relate to the date on which they are made. We do not assume any obligation to update such statements in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors may cause actual events to differ significantly from those in forward-looking statements. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere – the key regions for our investment activities.