LONG-TERM PLANNING. PATIENCE IN DEVELOPMENT.

GERMAN EQUITY FORUM 2019

FRANKFURT AM MAIN, 27 NOVEMBER 2019
### DBAG's History

**1965–2001**  
First German Private Equity company, founded in 1965  
Income mostly stemming from direct investments  
IPO 1985: First listed Private Equity company in Germany

**2002**  
DBAG Fund IV  
Focus on buyouts and start of fund investment services for 3rd party investors

**2006**  
DBAG Fund V  
Nearly all investors of Fund IV participate in Fund V

**2011**  
DBAG ECF  
Re-start of growth financings

**2012**  
DBAG Fund VI  
Largest buyout fund raised by a German Private Equity company

**2016**  
DBAG Fund VII  
Including top-up fund to target larger investment opportunities

**2018**  
DBAG ECF  
New vintage raised  
Including small buyouts

### Market Position

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund/Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965–2001</td>
<td>DBAG's History</td>
</tr>
<tr>
<td>2002</td>
<td>DBAG Fund IV</td>
</tr>
<tr>
<td>2006</td>
<td>DBAG Fund V</td>
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<tr>
<td>2011</td>
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<td>2016</td>
<td>DBAG Fund VII</td>
</tr>
<tr>
<td>2018</td>
<td>DBAG ECF II</td>
</tr>
</tbody>
</table>

**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

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

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

## 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 New Focus Sectors

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

## Regions

### “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 VALUE AS AT 30 JUNE 2019

PORTFOLIO VALUE AS AT 31 OCTOBER 2013

MECHANICAL AND PLANT ENGINEERING: 60%

OTHER: 21%

CORE SECTORS: 57%

BROADBAND TELECOMMUNICATIONS: 21%

AUTOMOTIVE SUPPLIERS: 11%

SOFTWARE/IT: 4%

INDUSTRIAL COMPONENTS: 5%

HEALTHCARE: 4%

INDUSTRIAL SERVICES: 3%

OTHER: 14%
Value appreciation by add-on acquisitions:

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

Growth drivers: strong demand for fast internet connections, public subsidies, new technologies (such as 5G and e-mobility)
PRI V A T E  E QUI T Y  I NV E S T M E N T S
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)

- Trade Sale: 21
- Secondary: 6
- IPO: 3
- Other: 1

CAPITAL MULTIPLE AT EXIT ROUTE (by # of deals)

- < 1: 11
- 1 - < 2: 7
- 2 - < 4: 5
- 4 - < 6: 2
- > 6: 6
The portfolio as at 30 June 2019 is young.

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

VINTAGE PROFILE OF PORTFOLIO COMPANIES
(BASED ON ACQUISITION COST)

- < 2 years: 11%
- 2 to 5 years: 4%
- > 5 years: 36%
- Other: 49%

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

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

DEVELOPMENT OF NET ASSET VALUE

<table>
<thead>
<tr>
<th>Date</th>
<th>Net Asset Value (€mn)</th>
<th>FY Growth (€mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Oct 2013</td>
<td>265.1</td>
<td></td>
</tr>
<tr>
<td>31 Oct 2014</td>
<td>304.2</td>
<td>+ 15%</td>
</tr>
<tr>
<td>30 Sep 2015</td>
<td>308.5</td>
<td>+ 1%</td>
</tr>
<tr>
<td>30 Sep 2016</td>
<td>389.0</td>
<td>+ 26%</td>
</tr>
<tr>
<td>30 Sep 2017</td>
<td>451.5</td>
<td>+ 16%</td>
</tr>
<tr>
<td>30 Sep 2018</td>
<td>470.7</td>
<td>+ 4%</td>
</tr>
</tbody>
</table>
ASSETS UNDER MANAGEMENT AND UNDER ADVICE ALSO GREW STRONGLY OVERALL

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 FROM FUND INVESTMENT SERVICES INCREASED BY A TOTAL OF 6.8% P.A.

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.
GROWTH IN SHARE VALUE

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

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OUTLOOK
CONTINUING GROWTH MID-TERM

NET ASSET VALUE

ASSETS UNDER MANAGEMENT AND UNDER ADVICE

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**

- **Net retained profit (German Commercial Code [HGB])** allows for stable dividend, also for subsequent financial years.
  
- Proposes dividend for 2018/2019 translates into an increase of 3.5 per cent year-on-year and a yield of 4.0 per cent.

**STABLE DIVIDEND**

**INCREASING, WHENEVER POSSIBLE**

**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.