



# LONG-TERM PLANNING. SUSTAINABLE GROWTH.

SUCCESS THROUGH RESPONSIBLE  
INVESTMENTS.

VIRTUAL ANALYSTS' CONFERENCE ON THE  
FINANCIAL YEAR 2020/2021  
2 DECEMBER 2021

# SPEAKERS



**SUSANNE ZEIDLER**  
Chief Financial Officer



**ROLAND RAPELIUS**  
Head of Investor  
Relations



**MIRKA DERKSEN**  
Head of Finance and  
Accounting

- ▶ **FINANCIAL YEAR 2020/2021 – OVERVIEW**
- ▶ **PRIVATE EQUITY INVESTMENTS SEGMENT**
- ▶ **FUND INVESTMENT SERVICES SEGMENT**
- ▶ **DIVIDENDS**
- ▶ **NON-FINANCIAL OBJECTIVES**
- ▶ **FORECAST FOR 2021/2022 AND BEYOND**
- ▶ **APPENDIX**

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# STRONG GROWTH IN BOTH SEGMENTS, BASIS FOR RETURN TO DIVIDEND POLICY

Private Equity  
Investments NAV  
increased by just under  
**40**  
per cent

Earnings from Fund  
Investment Services  
increased by  
**90**  
per cent

Financial strength  
improved by  
**116.6**  
million euros

Dividend  
**1.60**  
euros

**Positive  
outlook**

# KEY FIGURES



## PRIVATE EQUITY INVESTMENTS

NET ASSET VALUE:

**678.5**

MILLION EUROS

NET ASSET VALUE  
PER SHARE:

**36.08**

EUROS

EARNINGS  
BEFORE TAXES:

**167.7**

MILLION EUROS

CASH FLOW FROM  
INVESTMENT ACTIVITY:

**28.2**

MILLION EUROS

## FUND INVESTMENT SERVICES

EARNINGS  
BEFORE TAXES:

**18.0**

MILLION EUROS

ASSETS UNDER  
MANAGEMENT OR  
ADVISORY:

**2.5**

BILLION EUROS

## DBAG GROUP

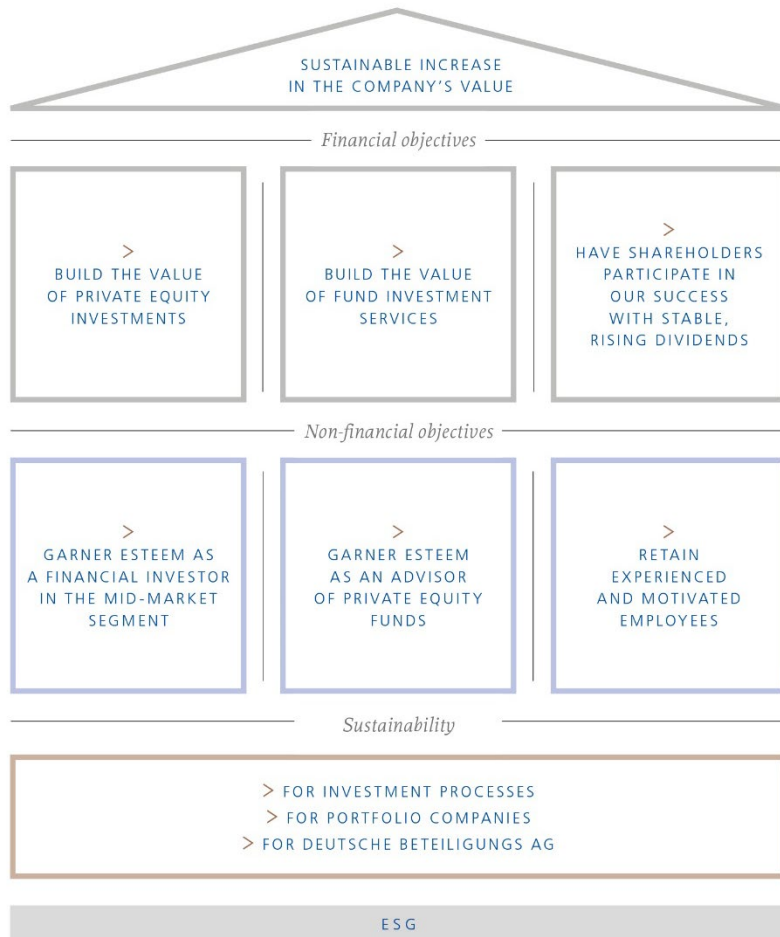
NET INCOME

**185.1**

MILLION EUROS

# TARGET SYSTEM ENHANCED WITH FOUNDATION OF SUSTAINABILITY

## SUSTAINABILITY ENSHRINED IN OUR TARGET SYSTEM



## Clear commitment to responsible investing – UN PRI signed

- > Improve alignment of shareholder and fund investor targets with DBAG's objectives
- > Environmental, social and governance aspects can positively influence the success of investment decisions

## ESG-related KPIs developed for key fields of action, at portfolio company level and at DBAG

- > Greenhouse gas emissions
- > Safety at work
- > Employee satisfaction
- > Gender parity
- > Compliance breaches

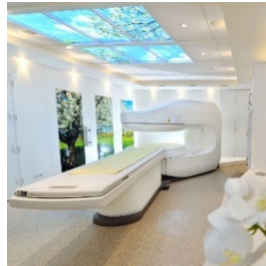
## Introduction of KPIs in progress

# BRISK TRANSACTION ACTIVITY, POSITIVE CASH FLOW FROM INVESTMENT ACTIVITY: €28 MN (2019/2020: €-33 MN)

## Disposals: DNS:Net



## Partial disposals: blikk and Telio<sup>1</sup>

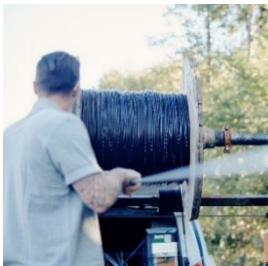


## New investments: congatec and R+S Signed: Itelyum<sup>1</sup> and Dantherm<sup>1</sup>

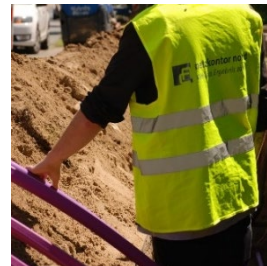
### Add-on acquisitions:

- › Ten portfolio companies close 17 acquisitions, mainly financed without capital contribution from DBAG
- › Roughly 300 million euros in acquired revenue

## Merger: vitronet and DING



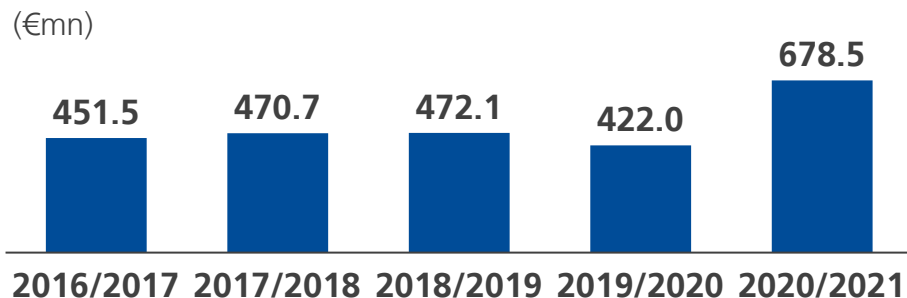
## Spin-off: operasan Refinancing: netzkontor



<sup>1</sup>Not yet closed as at 30.9.2021

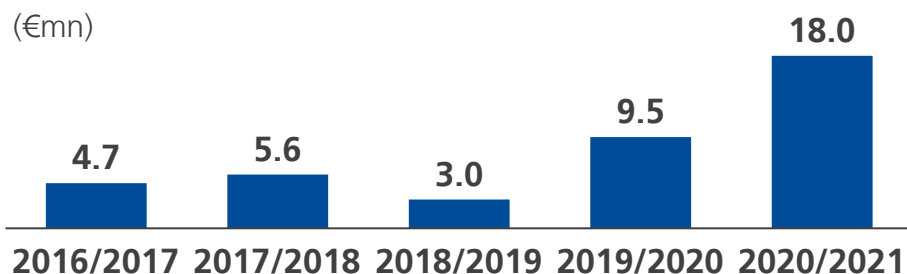


# NET ASSET VALUE, EARNINGS FROM FUND INVESTMENT SERVICES, AND DIVIDEND INCREASE SIGNIFICANTLY



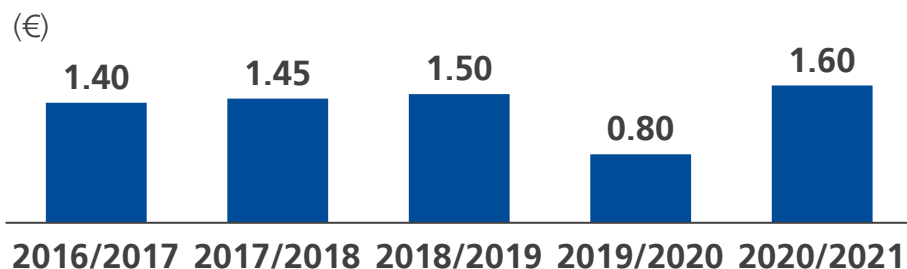
NET ASSET VALUE

**678.5**  
MILLION EUROS



EARNINGS FROM FUND INVESTMENT SERVICES

**18.0**  
MILLION EUROS



DIVIDEND AND DIVIDEND YIELD

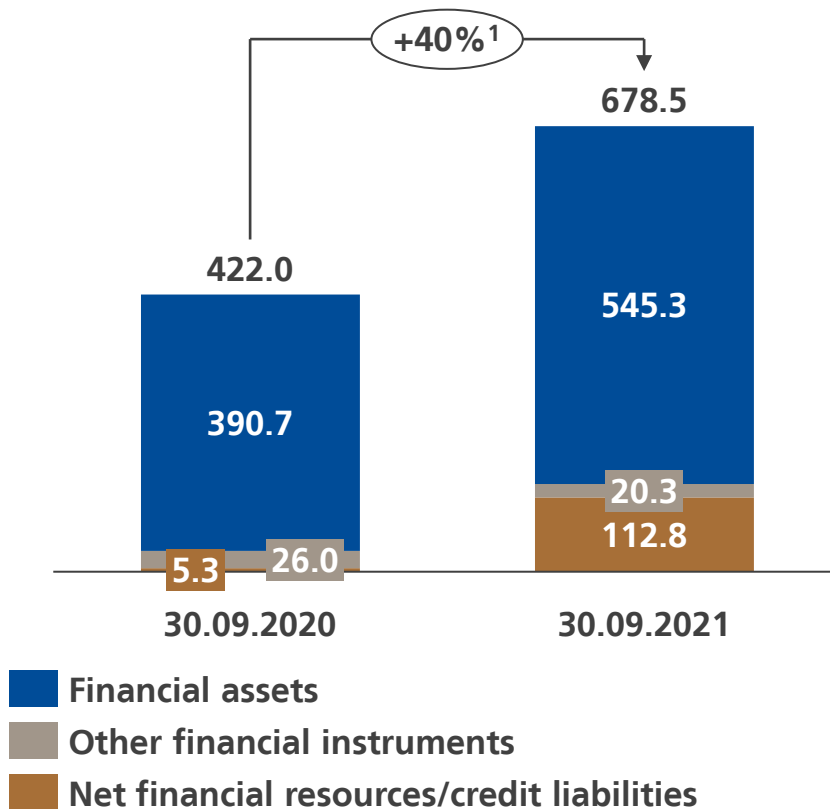
**4.5**  
PER CENT

Dividend 2020/2021: proposal; dividend yield based on the average share price of 35.27 euros for the year

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# NET ASSET VALUE INCREASES BY 40 PER CENT – ADJUSTED FOR DIVIDEND AND CAPITAL INCREASE

## DEVELOPMENT OF NET ASSET VALUE (€MN)



### Net asset value:

Key performance indicator for the financial objective “Build the value of Private Equity Investments”

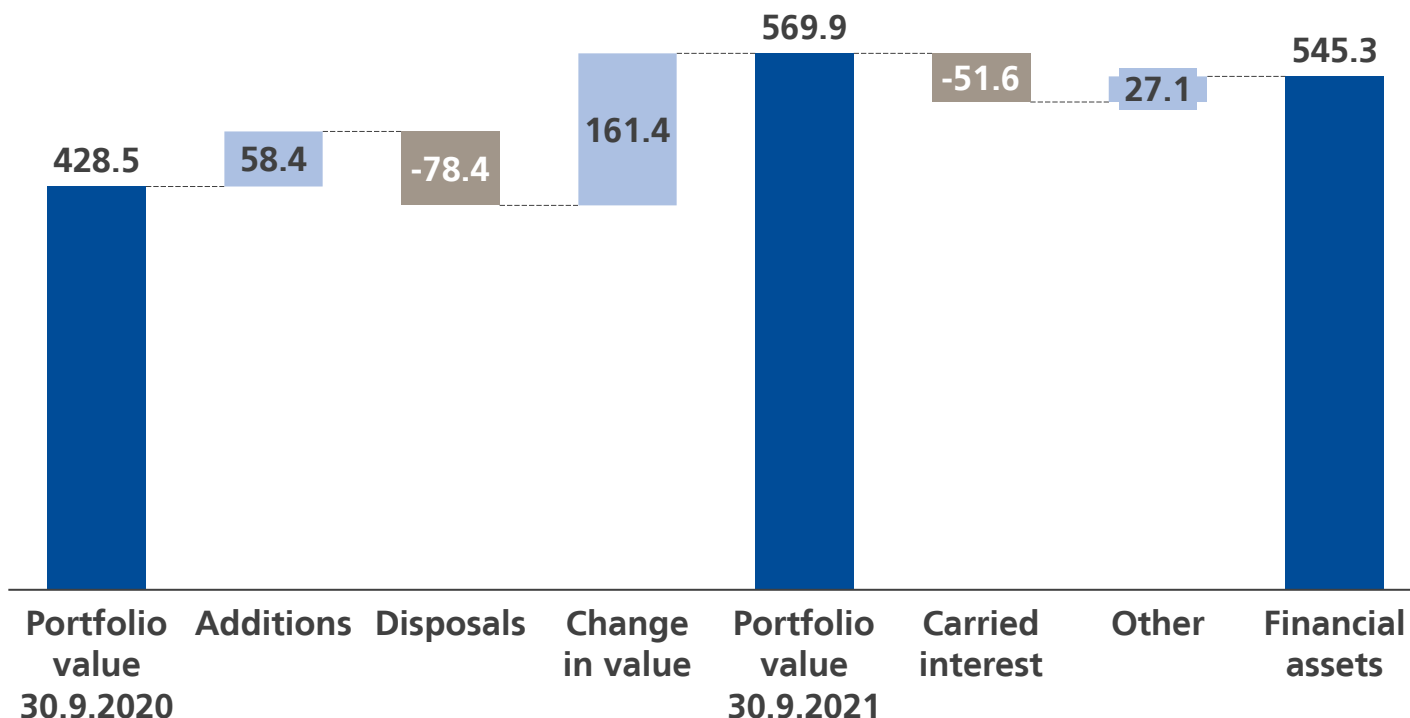
### Key drivers for the increase:

- › Portfolio appreciation
- › Net proceeds from capital increase (100 million euros)
- › Offset by dividends paid (12 million euros)

<sup>1</sup> Adjusted for dividend and capital increase

# MARKED INCREASE IN PORTFOLIO VALUE, DUE TO CHANGES IN VALUE

## PORTFOLIO VALUE DEVELOPMENT (€MN)



### Additions

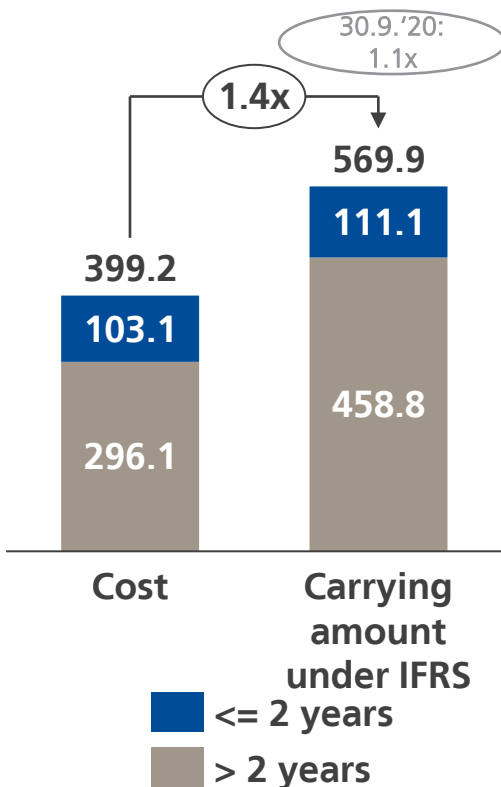
- › Closing of transaction agreed upon in the 2019/2020 financial year: congatec (DBAG Fund VIII)
- › Long-Term Investment: R+S
- › Spin-off: operasan (DBAG Fund VII)
- › Support for acquisitions, and for additional bank financing

### Disposals

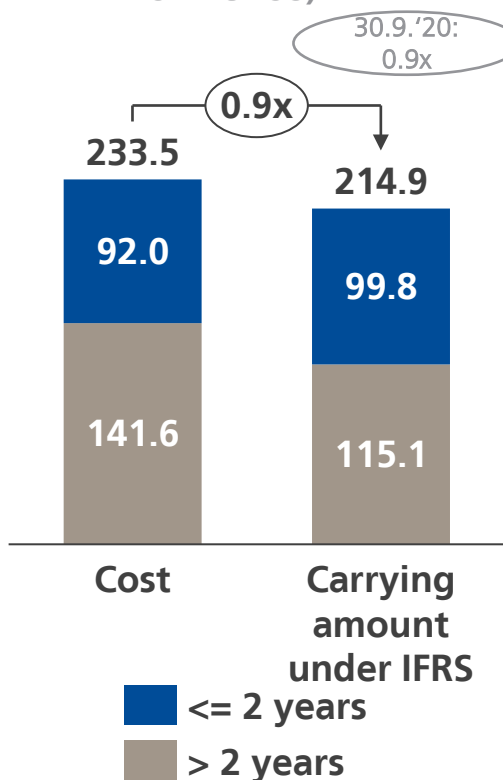
- › Closing of transaction agreed upon in the 2019/2020 financial year: R&M (DBAG ECF)
- › DNS:Net (DBAG ECF)
- › Partial disposals: Pfaudler (DBAG Fund VI), blick (DBAG Fund VII)

# VALUATION OF INVESTMENTS WITH LINKS TO MANUFACTURING INDUSTRY OFFERS POTENTIAL

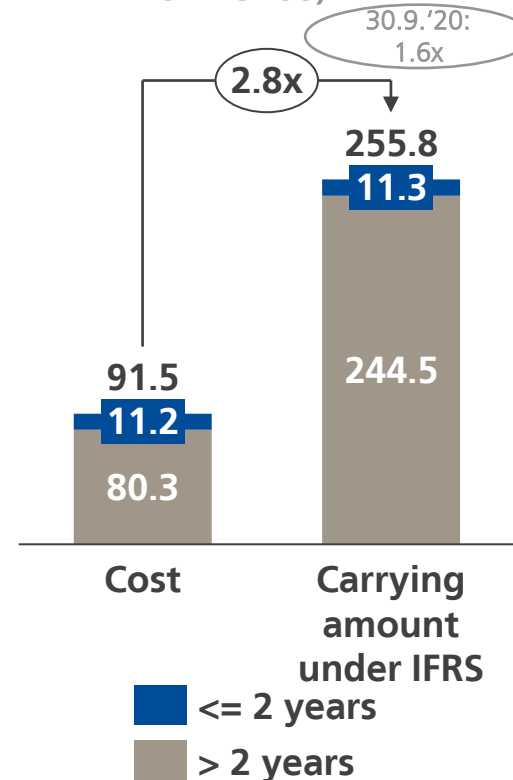
**ENTIRE PORTFOLIO**  
(VALUE ACCORDING TO VINTAGE PROFILE, IN MILLION EUROS)



**19 COMPANIES WITH LINKS TO MANUFACTURING INDUSTRY**  
(VALUE ACCORDING TO VINTAGE PROFILE, IN MILLION EUROS)



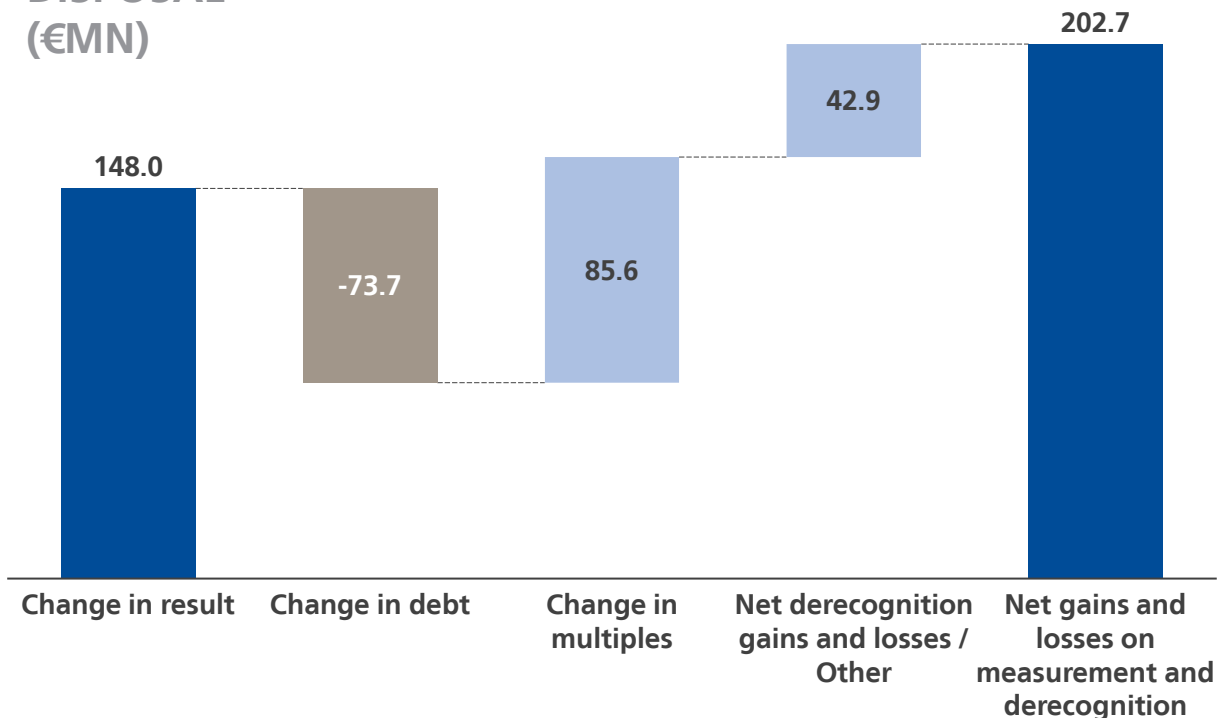
**9 COMPANIES IN NEW GROWTH SECTORS**  
(VALUE ACCORDING TO VINTAGE PROFILE, IN MILLION EUROS)



Each of the three graphics has a different scale; entire portfolio >2 years, including legacy holdings and investments in externally managed funds

# POSITIVE DRIVERS: OPERATING PERFORMANCE, MULTIPLES, AND NET GAINS AND LOSSES ON DISPOSAL

## NET GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL (€MN)



Miscellaneous: exchange rate fluctuations, other effects

### Change in results:

- › Positive value contributions, especially from portfolio companies in the following sectors: broadband/telecommunications, other, IT/software, and automotive suppliers

### Change in debt:

- › Several leveraged acquisitions by a strongly growing portfolio company as part of its buy-and-build strategy

### Change in multiples:

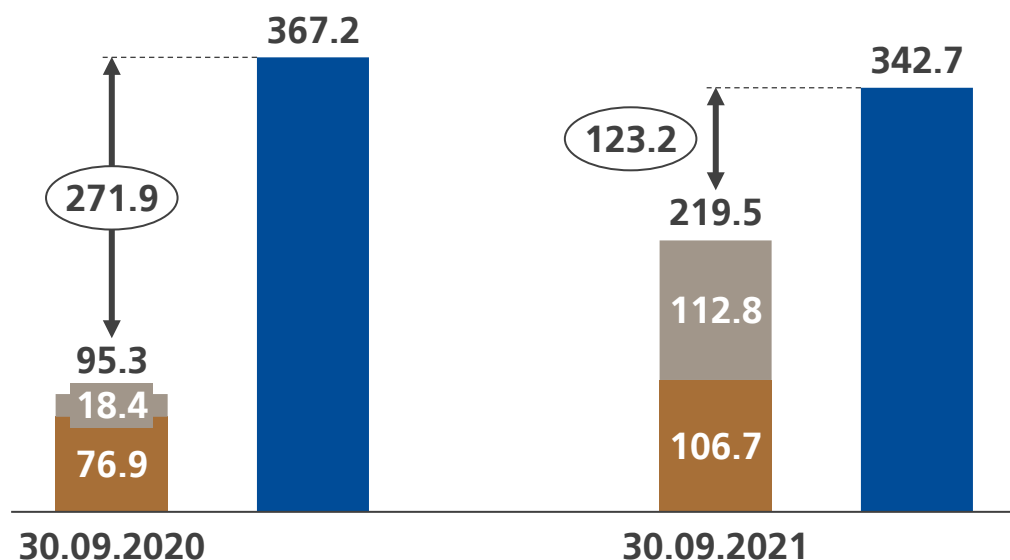
- › Effect of peer group multiples  
85.3 million euros
- › 0.3 million euros from unrealised net gains and losses on disposal

### Net gains and losses on disposal / miscellaneous

- › Essentially DNS:Net, R&M, Pfaudler (partial disposal), netzkontor (refinancing)

# SOLID FINANCIAL BACKING FOR MEDIUM-TERM INVESTMENT PLANS

(€MN)



- Required financial resources (based on medium-term planning)
- Financial resources
- Remaining credit line

## Growth strategy driving financing requirements

- › Medium-term investment plans of approx. 114 million euros p.a.
- › This includes co-investments alongside DBAG funds, plus Long-Term Investments using our own balance sheet
- › Based on 2022–2024 medium-term planning (November 2021) or 2021–2023 medium-term planning (November 2020)

## Investments covered by inflow from capital increase, portfolio proceeds and expanded credit line

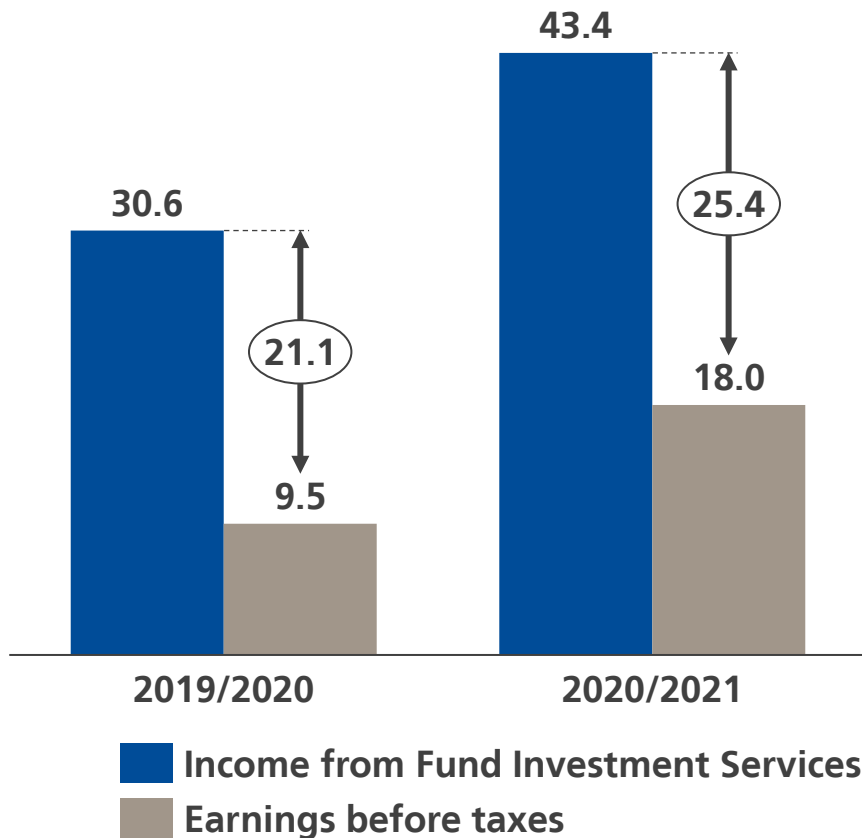
- › Further inflow from
  - Advisory fee from DBAG Fund VII, 27.8 million euros, recognised in October 2021
  - Telio disposal – agreed on, but not yet completed
  - Financial resources of investment entity subsidiaries: 11.3 million euros

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# MARKED INCREASE IN EARNINGS FROM FUND INVESTMENT SERVICES

(€MN)



## Earnings from Fund Investment Services: key performance indicator for the financial objective “Build the value of Fund Investment Services”

### Income from Fund Services rising

- › 18.7 million euros in fees from DBAG Fund VIII, previous year: 3.0 million euros
  - Two months in 2019/2020
  - Full effect in 2020/2021
- › Following disposals: lower fees from DBAG Fund VI and DBAG Fund VII, as expected

### Net expenses up

- › Mainly as a result of higher personnel expenses.
  - Variable remuneration 2020/2021: 7.9 million euros (previous year: 5.2 million euros)
  - 2020/2021: 77 employees on average (excl. BoM)
  - 2019/2020: 71 employees on average (excl. BoM)
  - Board of Management members: four (previous year: three)

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# RETURN TO DIVIDEND POLICY – FOLLOWING PANDEMIC-RELATED INTERRUPTION

## STABLE DIVIDEND

- ▶ Net retained profit (HGB) allows for stable dividend, also for subsequent financial years

## HIGHER, WHENEVER POSSIBLE

- ▶ Annual dividend increase over the last four years, exception: pandemic year 2019/2020

## ATTRACTIVE DIVIDEND YIELD

- ▶ 2015/2016–2019/2020: 2.4 to 4.4 per cent<sup>1</sup>

### Factors affecting dividend determination

- › Inflow of funds from the two business segments (income from Fund Services and net inflows after disposals)
- › Funding requirements for (co-)investments
- › Securing the dividend capacity in the long run
- › Capital markets environment (dividend yield)

<sup>1</sup> based on the average share price for the financial year

# DIVIDEND PROPOSAL: 1.60 EUROS PER SHARE



## Dividend proposal considers return to growth above pre-pandemic levels

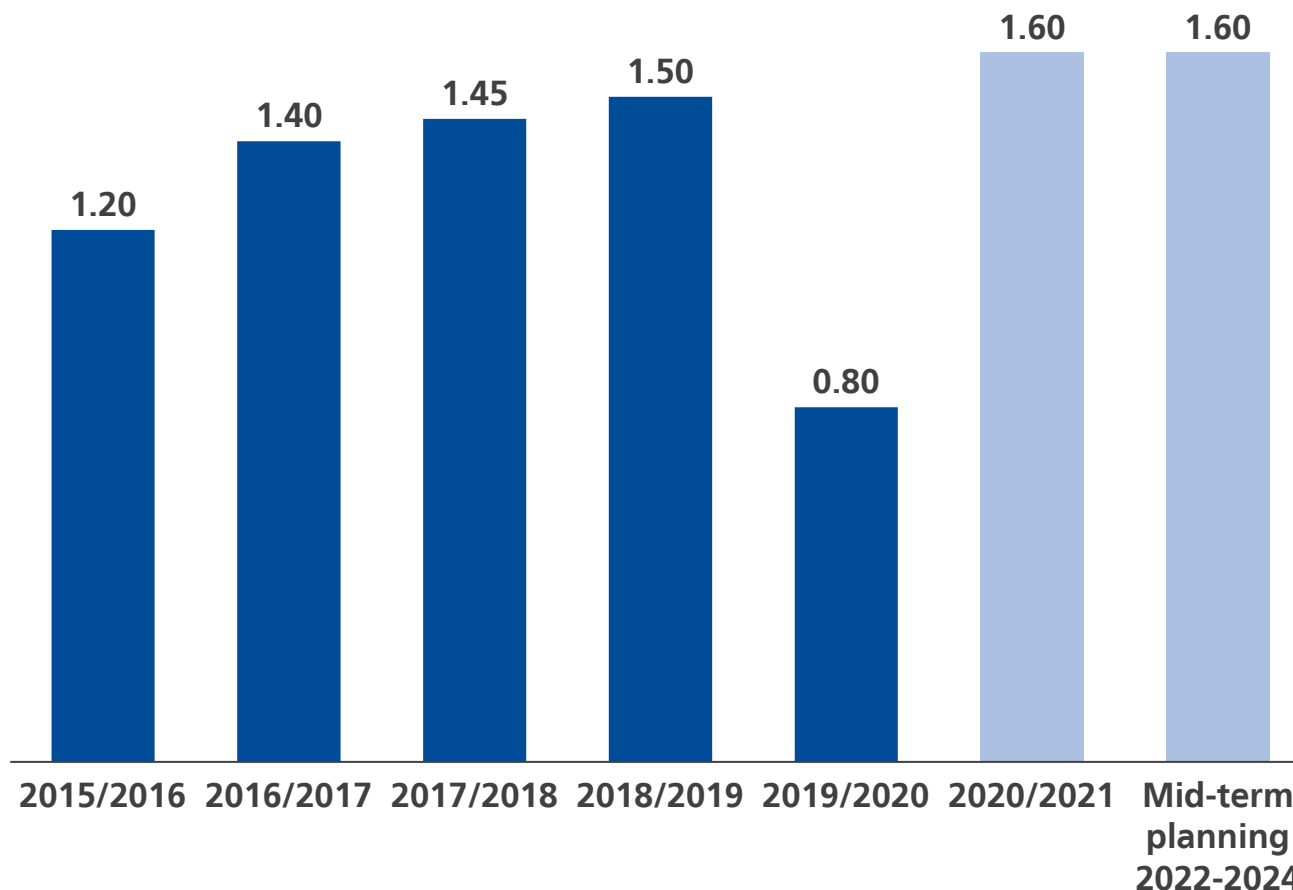
- › Increase by 10 euro cent per share compared to level prior to pandemic
- › Translates into 6.7 percent increase

## Proposal meets the criterion of “attractive dividend yield, relative to the capital markets environment”:

- › 4.5 per cent on 2020/2021 average share price of 35.27 euros

## Continuation of the proposal in the planning period

DIVIDEND PER SHARE (EURO)

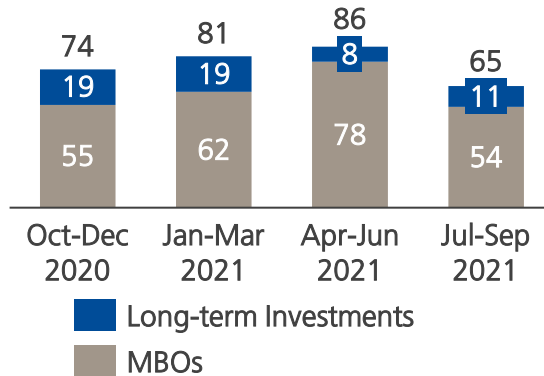


2020/2021: proposal; subsequent years according to 2022–2024 medium-term planning, as at November 2021

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# OVERVIEW OF NON-FINANCIAL OBJECTIVES

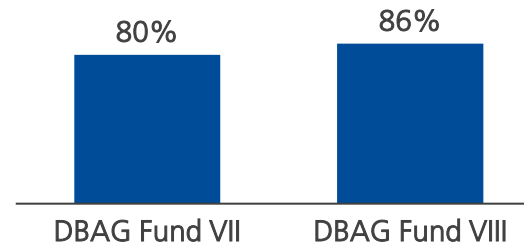
## INVESTMENT OPPORTUNITIES (NUMBER)



**Total number: 306 (2019/2020: 193), thereof Long-term Investments: 57 (33):**

- › Long-Term Investments since April 2020
- › 2020 impacted by pandemic

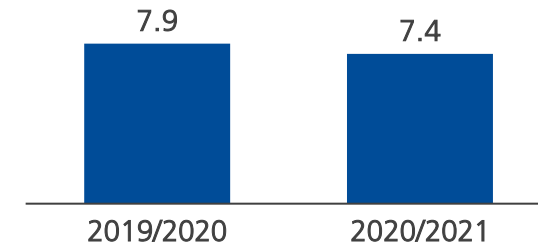
## SHARE OF EXISTING INVESTORS' CAPITAL COMMITMENTS (IN %)



**No fundraising during the year under review**

- › 2019/2020: fundraising for DBAG Fund VIII
- › High share reflects investors' confidence in the investment team

## AVERAGE LENGTH OF COMPANY SERVICE (IN YEARS)



**Continued high level of employee loyalty**

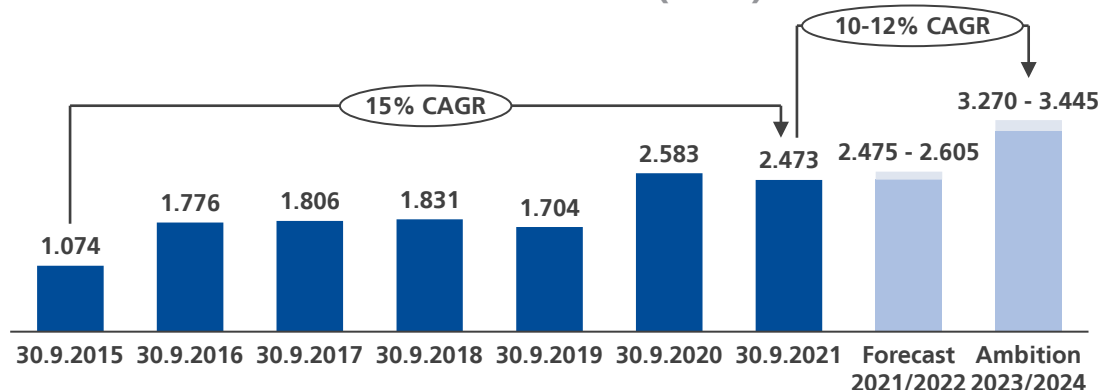
- › Slight reduction as a result of new hires and staff departures

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# DOUBLE-DIGIT GROWTH TARGETED IN BOTH SEGMENTS



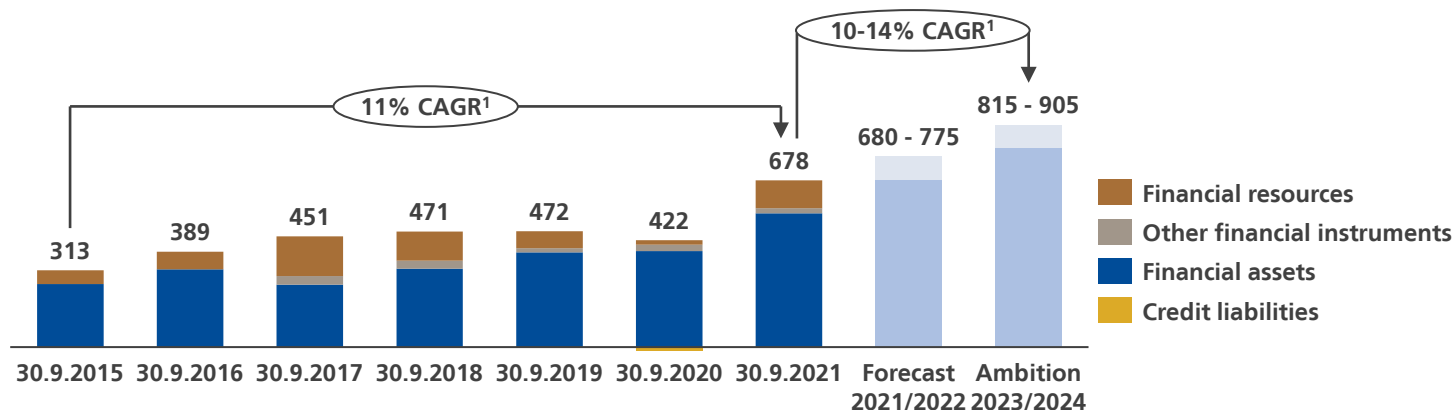
## FUND INVESTMENT SERVICES - AUM (€MN)



### Assets under management or advisory (AuM)

- > Start of investment period for new funds accompanied by significant increase
  - 2016: DBAG Fund VII
  - 2020: DBAG Fund VIII
- > Subsequently scheduled reduction, mainly due to disposals

## PRIVATE EQUITY INVESTMENTS - NAV (€MN)



### Net asset value (NAV) increase interrupted by pandemic

#### NAV growth drivers

- > Existing portfolio
- > Co-investments alongside DBAG Fund VIII
- > Long-Term Investments

<sup>1</sup> Adjusted for dividend payments and capital increase. Financial assets until December 2019: including loans and receivables



	ACTUAL 2020/2021	FORECAST 2021/2022	AMBITION 2023/2024
<b>PRIVATE EQUITY INVESTMENTS</b>			
Net asset value (NAV, €mn)	678.5	680 to 755	815 to 905
Net income from investment activity (€mn)	178.4	60 to 75	85 to 100
Cash flow from investment activity (€mn)	28.2	50 to 65	5 to 10
<b>FUND INVESTMENT SERVICES</b>			
Income from Fund Services (€mn)	42.1	41 to 44	50 to 54
Earnings from Fund Investment Services (€mn)	18.0	11 to 12	17 to 19
Assets under management or advisory (€mn)	2,473	2,475 to 2,605	3,270 to 3,445
<b>GROUP</b>			
Net income (€mn)	185.1	60 to 75	90 to 105