

PRESS RELEASE

Deutsche Beteiligungs AG: Key performance indicators reach new highs

- **Net asset value of Private Equity Investments grows by 40 per cent**
- **Earnings from Fund Investment Services almost double**
- **Financial year 2021/2022: Normalisation after an exceptional year**
- **Medium-term planning: Growth between 10 and 14 per cent per annum**
- **Dividend proposal of 1.60 euros per share**

Frankfurt/Main, 2 December 2021. Deutsche Beteiligungs (DBAG) expects a return to normalisation following what was an exceptional year in 2020/2021. Nonetheless, it expects the net asset value of its Private Equity Investments to rise by between ten and 14 per cent per annum for the current and the two subsequent financial years. Earnings from Fund Investment Services, which increased by 90 per cent recently, are expected to decline temporarily, in line with the lifecycle of DBAG funds. Net income is predicted to exceed the long-term average. These figures are derived from the medium-term planning of the listed private equity company, which was published today, together with the Group Financial Report for 2020/2021.

DBAG plans to make new equity investments of around 115 million euros annually up to 2024. This represents growth of around 50 per cent over the previous three financial years. “We are well placed to finance this growth”, Susanne Zeidler, DBAG’s Chief Financial Officer, stated. “Having raised capital commitments for DBAG Fund VIII in 2020, we succeeded in increasing our capital base considerably in 2021 by extending our credit lines, but mainly through a capital increase. Additional funds were also raised from proceeds from the most recent successful disposals.”

Previously unmatched highs in both segments

With the net asset value of the Group’s Private Equity Investments increasing by 40 per cent, earnings from Fund Investment Services of 18.0 million euros, and net income of 185.1 million euros, 2020/2021 was the most successful financial year since the introduction of IFRS accounting almost two decades ago. Disposals of investments, which generated higher proceeds than initially expected, made a material contribution to this success. The value of the remaining 32 equity investments in the DBAG portfolio has also increased overall. This was due

to capital market tailwinds, mainly driven by the higher earnings multiples of listed peers in the growth sectors. “What is of greater importance to us, however, is that the portfolio companies are very much committed to implementing their strategies and strengthening their market positioning, in particular through acquisitions during 2021,” Torsten Grede said, adding: “We are reaping the rewards of having broadened our investment focus – companies from the growth sectors, in particular, are seeing an improvement in their operating performance, whilst the industrial portfolio continues to offer catch-up potential.”

Key performance indicators (IFRS)	2020/2021	2019/2020
Net asset value of Private Equity Investments	€678.5mn	€422.0mn
Private Equity Investments segment earnings	€167.7mn	€-25.2mn
Fund Investment Services segment earnings	€18.0mn	€9.5mn
Net income	€185.1mn	€-16.8mn
Dividend per share (2020/2021: proposal)	€1.60	€0.80

DBAG is now reaping the rewards from 2020 in Fund Investment Services, the second business segment alongside Private Equity Investments. Earnings from Fund Investment Services totalled 18.0 million euros, almost twice as much as in the previous year. This is attributable to higher income from Fund Services and marks the first full financial year for which DBAG has earned fees from its new fund, DBAG Fund VIII.

Dividend proposal: 1.60 euros per share

The proposed dividend of 1.60 euros per share sees resumption of the dividend policy which DBAG suspended last year in view of the uncertain consequences of the pandemic. (The distribution for the financial year 2018/2019 amounted to 1.50 euros per share; the dividend for 2019/2020 was 0.80 euros per share.) DBAG wants to pay stable and, if possible, rising dividends. The current proposal equates to a yield of 4.5 per cent on the average share price during the previous financial year.

Investment decisions in an aggregate amount of 314 million euros

DBAG’s investment team was involved in more than 300 investment opportunities in the past financial year, significantly more than the year before. “We also attribute this to our strategy of expanding our offering of equity solutions for mid-market enterprises to include Long-Term Investments”, Torsten Grede explained, “as well as to our intensive market coverage by our team, which we further extended in 2021. The DBAG investment team took investment decisions on around 280 million euros, mainly related to three new investments and the financing of acquisitions by existing investments. DBAG invests alongside DBAG Fund VIII in Dantherm, a provider of heating, cooling, drying, ventilation and air cleaning products and solutions, and in Itelyum, an Italian circular

economy company. In 2020/2021, the Long-Term Investment in R+S Group, a provider of technical building services, was financed exclusively from DBAG funds. Ten portfolio companies have posted strong growth through a total of 17 acquisitions; in most cases, these were financed by the portfolio companies themselves and serve to accelerate the implementation of their strategic development.

Companies from growth sectors predominate

As at the most recent reporting date of 30 September, the DBAG portfolio comprised 32 investments in medium-sized enterprises. Investments in growth sectors, such as broadband/telecommunications (30 per cent), IT services/software (nine per cent) and healthcare (seven per cent) account for the largest share of the portfolio value, with a total of nine investments. The 19 investments linked to manufacturing businesses and related service providers (37 per cent of portfolio value) increasingly include IndustryTech companies – in other words, manufacturers of industrial components, whose products provide the basis for automation, robotics and digitalisation.

Office opened in Milan

Two companies are domiciled in Italy, reflecting the latest further development of the investment strategy. DBAG opened an office in Milan in August 2021. A small investment team based there will identify and structure investment opportunities for DBAG funds and support the portfolio companies in their further development. In future, up to 25 per cent of any given fund's volume may be invested in Italy.

Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds, and itself invests alongside the DBAG funds predominantly in well-positioned mid-market companies with development potential. For many years, DBAG's focus has been on industrial sectors. A growing portion of DBAG's equity investments is now deployed in the growth sectors of broadband/telecommunications, IT services/software and healthcare. Its long-term, value-enhancing entrepreneurial investment approach makes DBAG a sought-after investment partner in the German-speaking world. DBAG Group's assets under management or advisory amount to 2.5 billion euros.

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