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LONG-TERM  
PLANNING.  
SUSTAINABLE  
GROWTH.

ANNUAL GENERAL MEETING 2022

FRANKFURT/MAIN,  
17 FEBRUARY 2022

## Exceptional, successful year 2020/2021

- › Four disposals, some of them yielding above-average returns
- › Three new investments agreed during the financial year
- › Broader product offer well received by the market

## Investment strategy further developed

- › Objective: value-oriented growth beyond 2022
- › Sound capitalisation providing a good basis

## Return to normal during the 2021/2022 financial year

- › Net asset value has increased by 40 per cent in 2021
- › Earnings from Fund Investment Services almost doubled
- › Net income at record level
- › However, such record figures are not to be expected year after year!

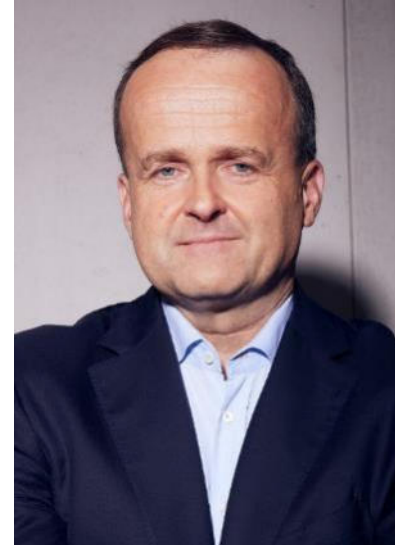
## Facts and figures for the 2020/2021 financial year

- › Performance of the business segments
- › Proposal for appropriation of profits
- › Start to the new financial year

## Further development of our investment strategy

- › Expanding the regional focus: Italy
- › Expanding the DBAG organisation as a basis
- › Sustainability

## Outlook



TORSTEN GREDE  
Spokesman of the  
Board of Management

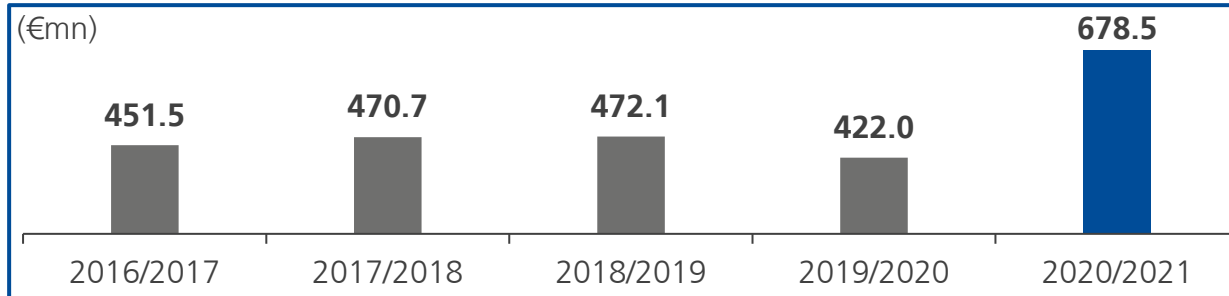


TOM ALZIN  
Member of the Board  
of Management



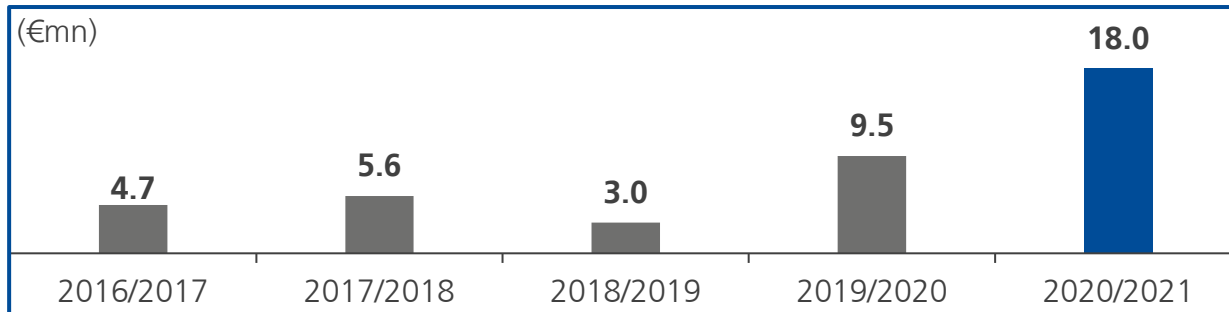
JANNICK HUNECKE  
Member of the Board  
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# NET ASSET VALUE, EARNINGS FROM FUND INVESTMENT SERVICES, AND DIVIDEND INCREASE SIGNIFICANTLY



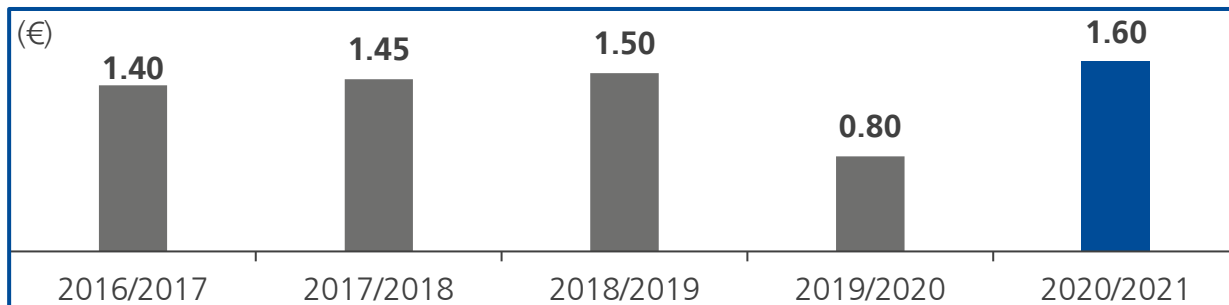
**NET ASSET VALUE OF  
PRIVATE EQUITY  
INVESTMENTS**

**678.5**  
MILLION EUROS



**EARNINGS FROM FUND  
INVESTMENT SERVICES**

**18.0**  
MILLION EUROS

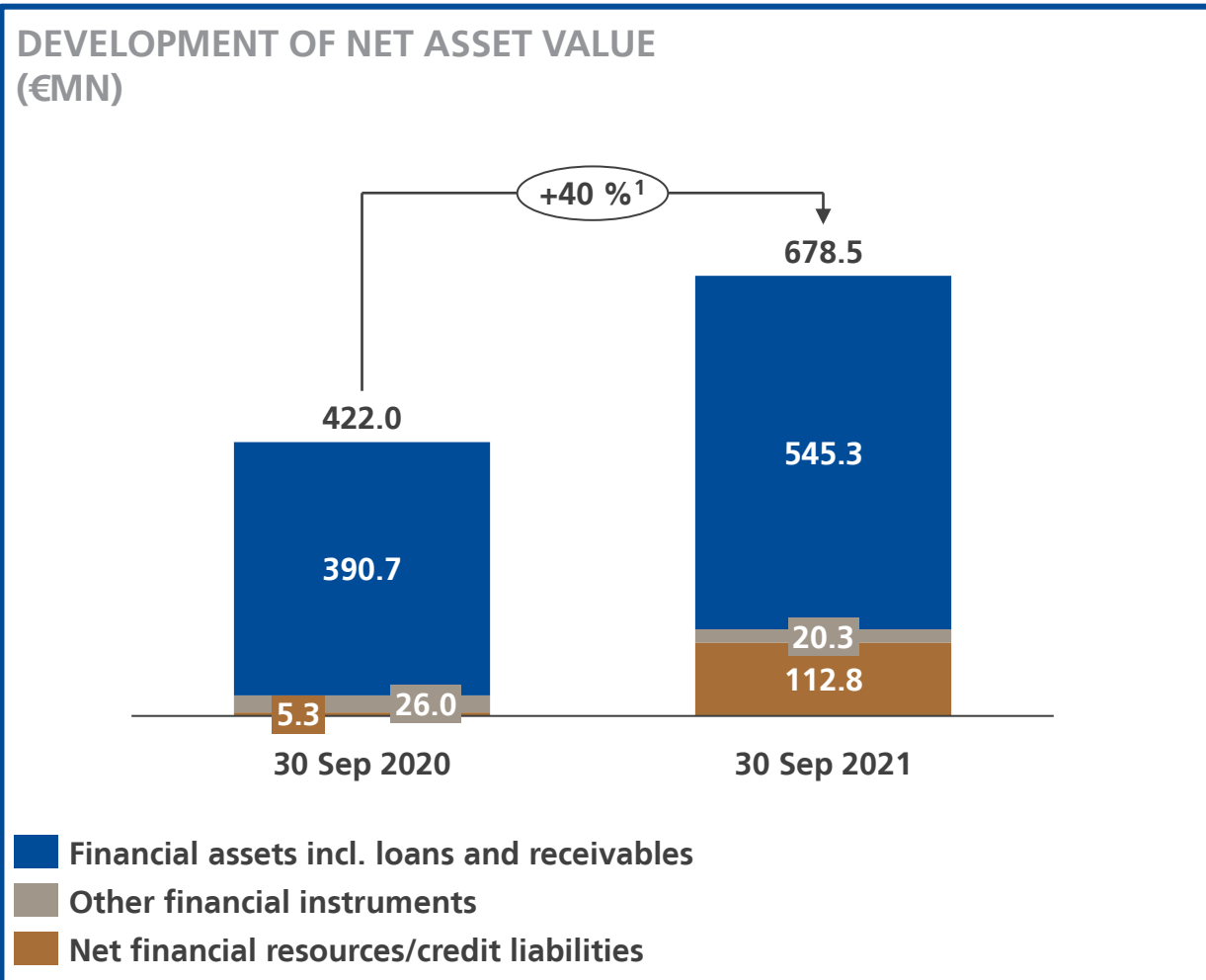


**DIVIDEND AND  
DIVIDEND YIELD**

**4.5**  
PER CENT

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

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



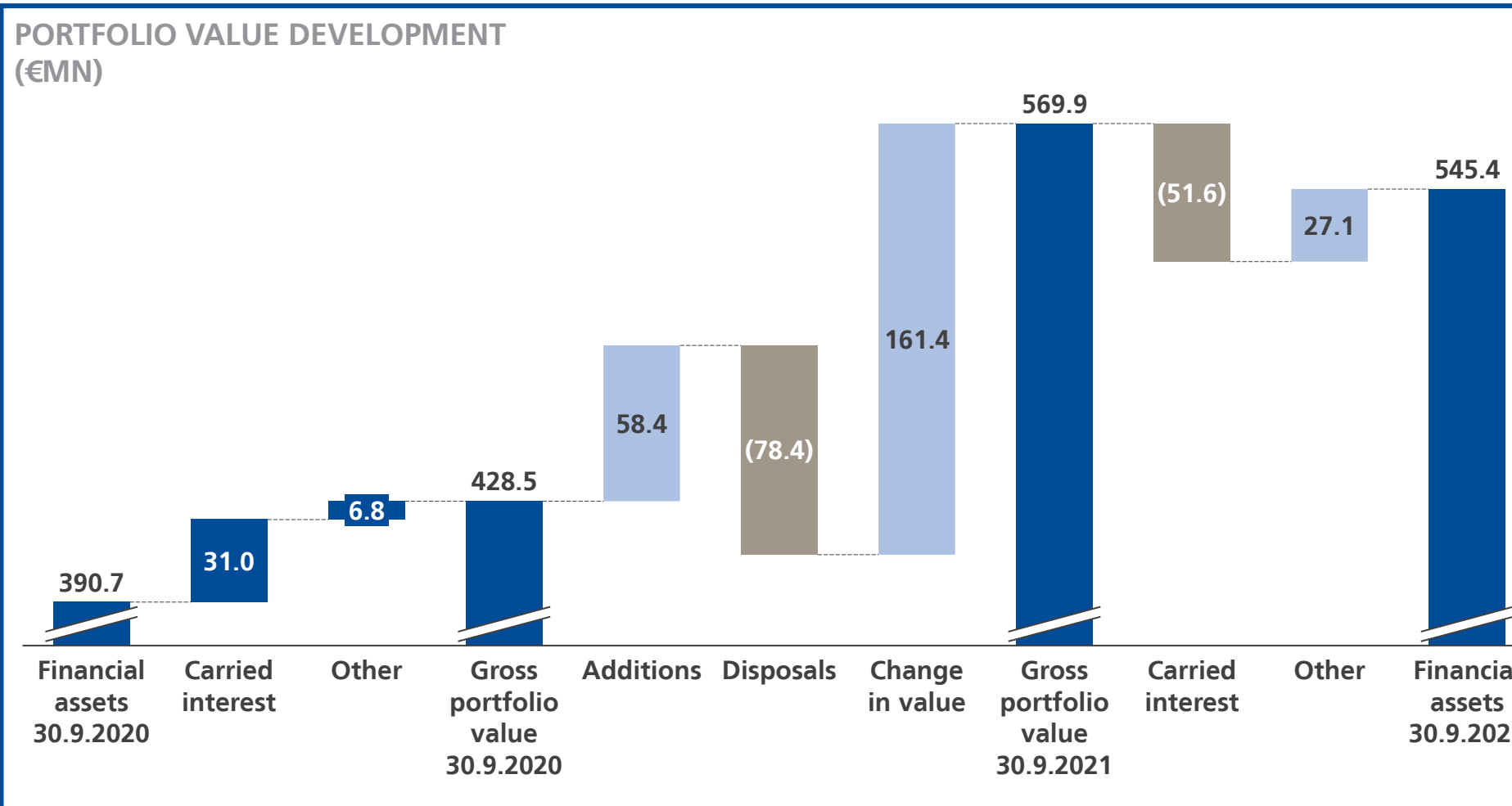
**Net asset value:**  
 Key performance indicator for the financial objective  
 “Build the value of Private Equity Investments”

**Key drivers for the increase:**

- > Portfolio appreciation
- > Net proceeds from capital increase (100 million euros)
- > Offset by dividends paid 2019/2020 (12 million euros)

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

# FINANCIAL ASSETS: MARKED INCREASE IN PORTFOLIO VALUE, DUE TO CHANGES IN VALUE



## Additions

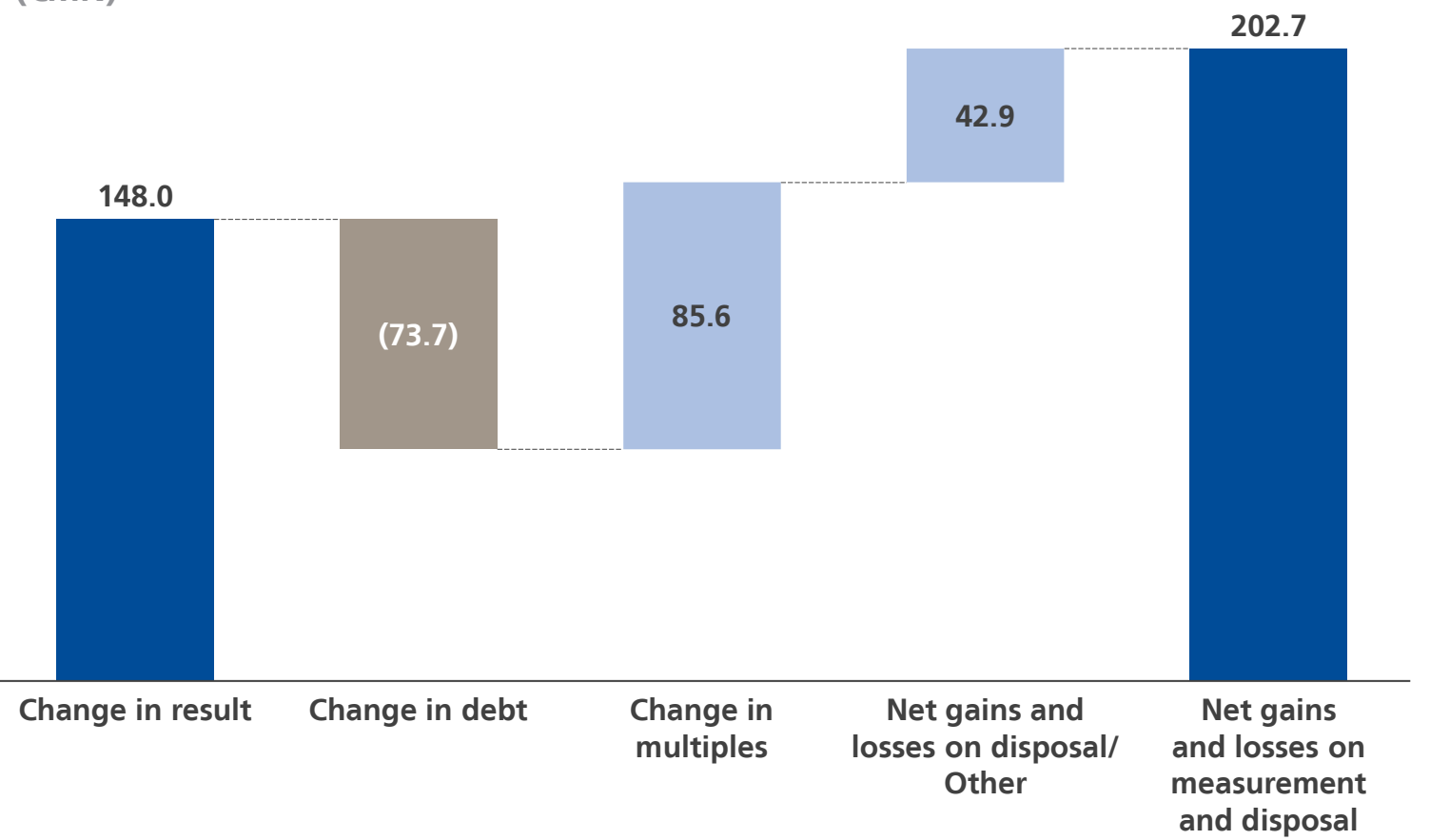
- › Closing of transaction agreed 2019/2020: congatec (DBAG Fund VIII)
- › Long-Term Investment: R+S
- › Spin-off: operasan (DBAG Fund VII)
- › Support for acquisitions

## Disposals

- › Closing of transaction agreed 2019/2020: R&M (DBAG ECF)
- › DNS:Net (DBAG ECF)
- › Partial disposals: Pfaudler (DBAG Fund VI), blick (DBAG Fund VII)
- › Refinancing: netzkontor (DBAG ECF)

# CHANGE IN VALUE DUE TO HIGHER MULTIPLES

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



Miscellaneous: exchange rate fluctuations, other effects

### Change in results:

- › Positive value contributions, especially from the sectors: broadband telecommunications, IT services and software, and automotive suppliers

### Change in debt:

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

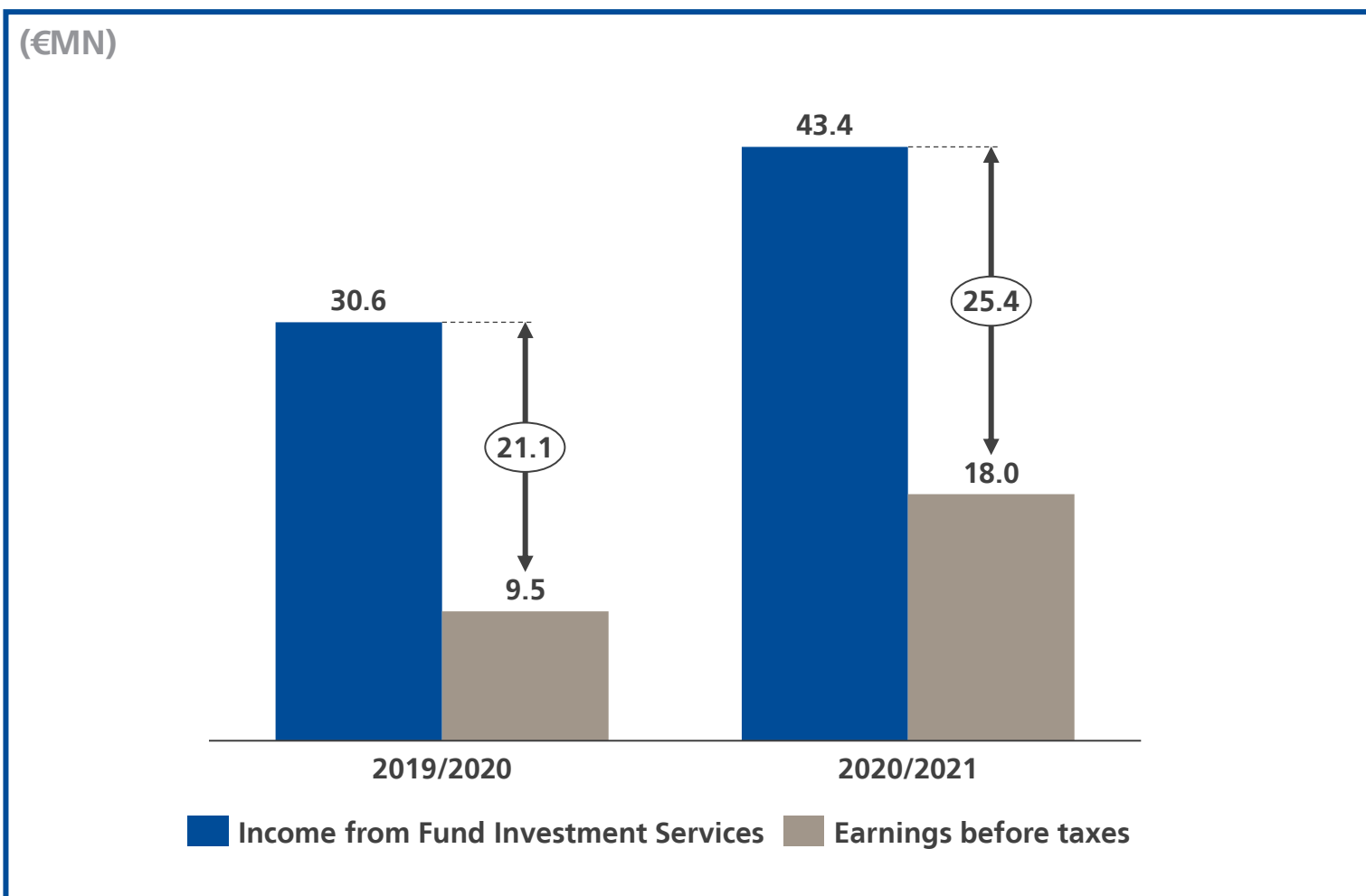
### Change in multiples:

- › Positive value contributions, especially from the sectors: broadband telecommunications, IT services and software

### Net gains and losses on disposal/miscellaneous

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

# MARKED INCREASE IN EARNINGS FROM FUND INVESTMENT SERVICES



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

### Income from Fund Services rising

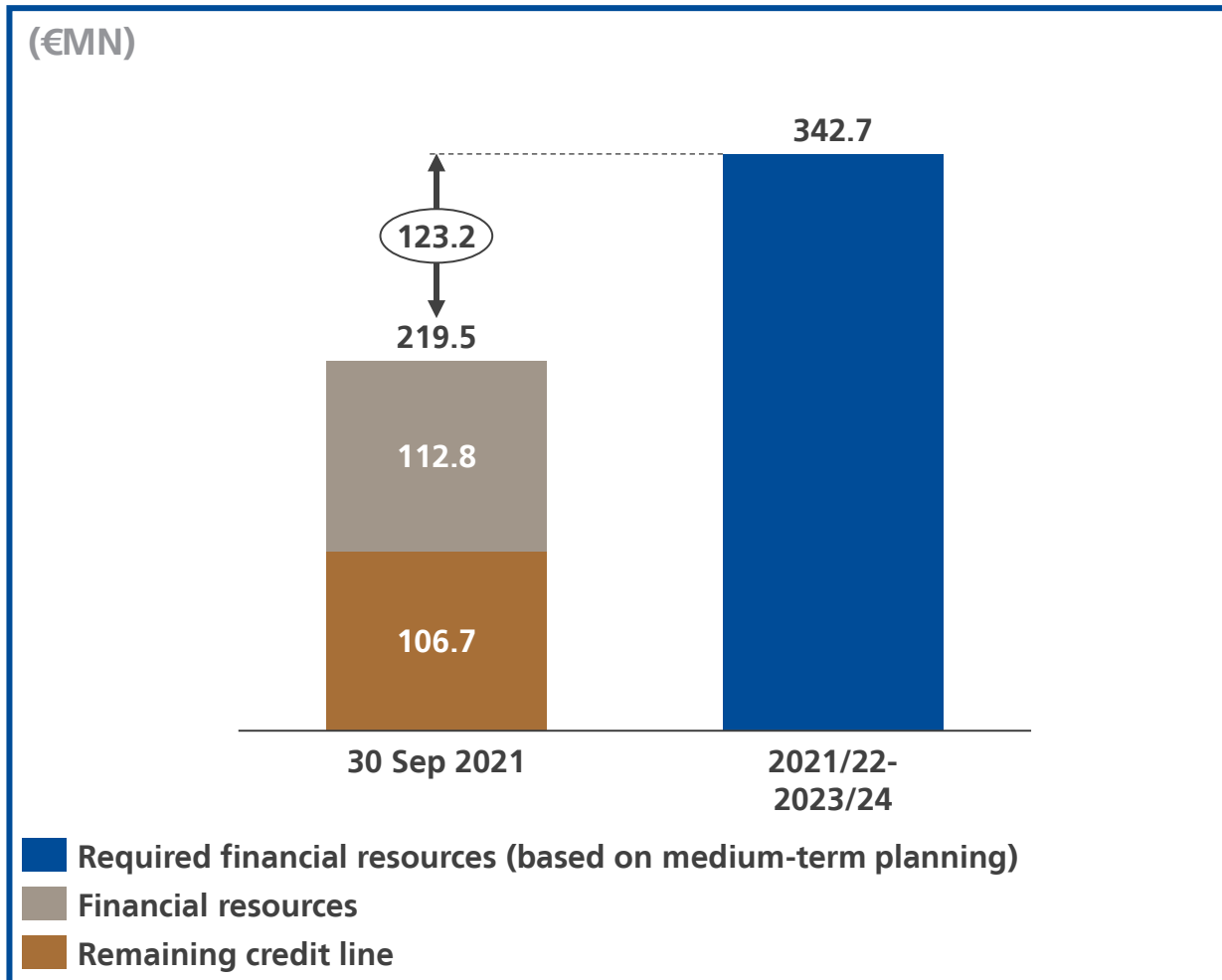
- › 18.7 million euros in fees from DBAG Fund VIII, previous year: 3.0 million euros
  - Two months in 2019/2020
  - Full effect in 2020/2021
- › Following disposals: lower fees from DBAG Fund VI and DBAG Fund VII

### 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)
  - (77 compared to 71 in the previous year)



# SOLID FINANCIAL BACKING FOR MEDIUM-TERM INVESTMENT PLANS



## 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 (Nov 2021)

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

# SINCERE THANKS TO ALL MEMBERS OF STAFF – GREAT COMMITMENT IN DIFFICULT CONDITIONS!



# DIVIDEND PROPOSAL: 1.60 EUROS PER SHARE

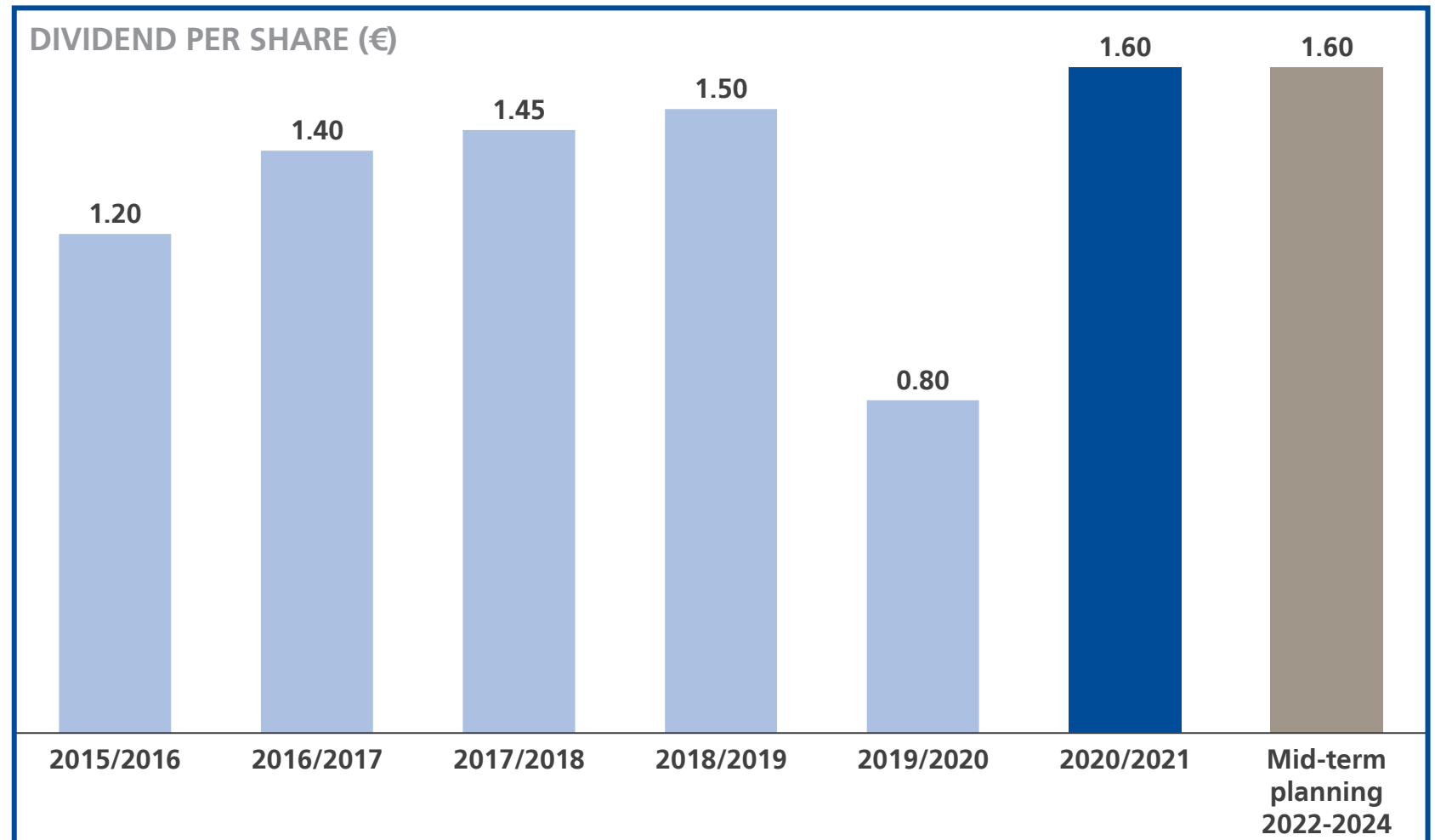
## Dividend proposal considers return to growth above pre-pandemic levels

- › Increase by 10 euro cent per share (+6.7 per cent) compared to level prior to pandemic

## 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



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

# DBAG IN THE FIRST QUARTER: LOWER MULTIPLES BURDEN NET MEASUREMENT GAINS AND LOSSES

**A MAJORITY OF COMPANIES  
EXPECT HIGHER REVENUES AND  
EARNINGS**



**FORECAST  
UNCHANGED**

**NET ASSET VALUE ROSE BY  
FOUR PER CENT TO**

**704.5**  
MILLION EUROS

**NET INCOME FROM FUND  
INVESTMENT SERVICES  
WITHIN PROJECTIONS, AT**

**3.7**  
MILLION EUROS

**TWO NEW MBOs  
AGREED**

**ELEVEN COMPANY  
ACQUISITIONS CLOSED  
IN THE PORTFOLIO**



# OUR REPORT TO YOU

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# THE PRIVATE EQUITY MARKET IN ITALY

## Europe's **third-largest economy**

- › 8.5 per cent of European buyout investments

## Business landscape dominated by **family-owned companies**

- › 85 per cent of all enterprises

## **Demand** comparable to Germany

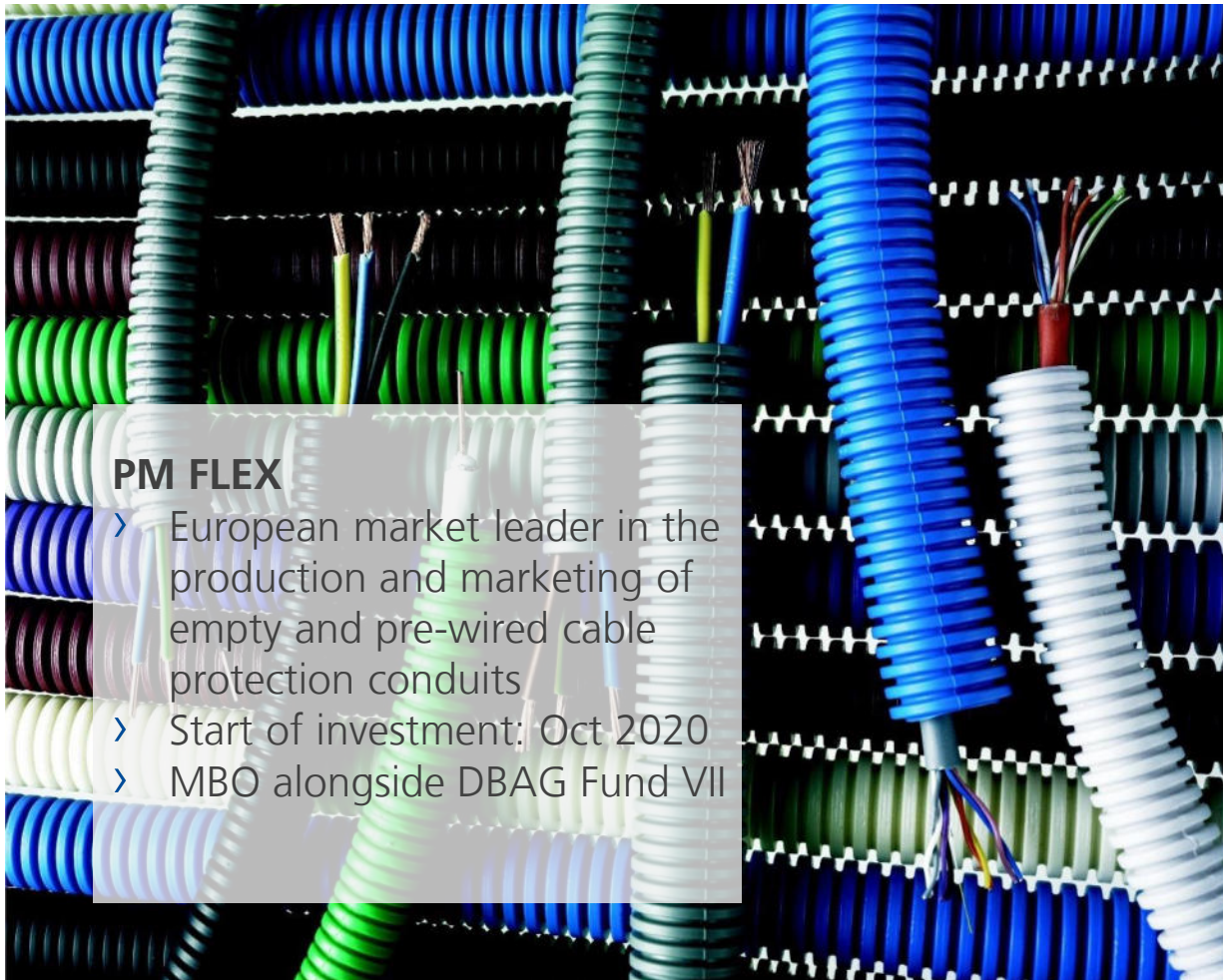
- › Market size equals 60 per cent of volumes in Germany

## **IT services/software** and **industrial goods** are key PE target sectors in Italy as well

- › Accounting for close to 50 per cent of transactions in 2020



# TWO MANAGEMENT BUYOUTS IN ITALY ARE DEVELOPING FAVOURABLY



## PM FLEX

- › European market leader in the production and marketing of empty and pre-wired cable protection conduits
- › Start of investment: Oct 2020
- › MBO alongside DBAG Fund VII



## ITELYUM

- › Leading player in the circular economy for recycling complex industrial waste
- › Start of investment: Oct 2021
- › MBO alongside DBAG Fund VII



# OUR REPORT TO YOU

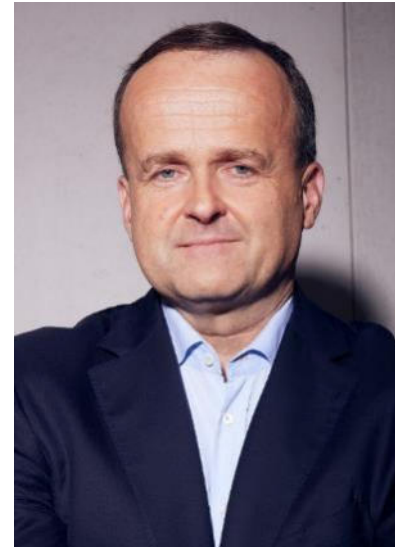
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# STRONG GROWTH OVER THE PAST TEN YEARS

## Assets under management or advisory

## Income from Fund Services



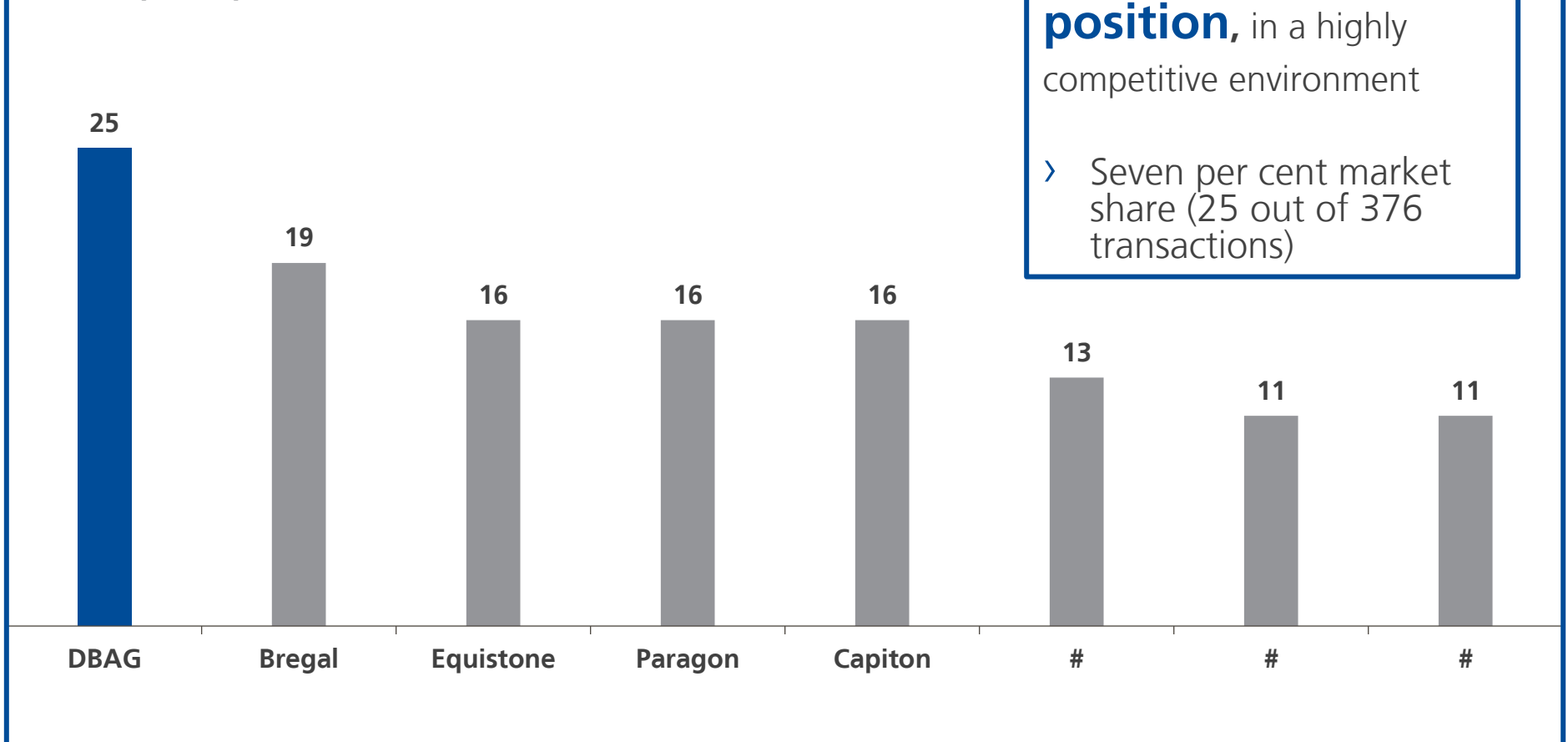
# INTENSE COMPETITION AMONG NUMEROUS MARKET PARTICIPANTS, ALSO DRIVEN BY LOW-INTEREST RATE POLICY



2021: three transactions agreed in **Germany's Mittelstand**, plus one each in Italy and Denmark

- › Around 60 per cent of all DBAG transactions (2012–2021) were entered into with company founders or family shareholders

TOP PE INVESTORS IN THE 'GERMAN MITTELSTAND' 2012–2021  
(Market participants with more than ten transactions)



DBAG has maintained its **leading market position**, in a highly competitive environment

- › Seven per cent market share (25 out of 376 transactions)

Majority takeovers in the context of MBOs, MBIs, secondary/tertiary buyouts involving a financial investor; transaction volume between 50 and 250 million euros.  
Sources: publicly available information, research by FINANCE and DBAG.



### Growth of the research team

- › Launched in 2007, with one employee
- › 2014: Business Development Manager
- › One additional staff member joined in 2013, and one in 2021



### Expanding our network

- › Executive Circle, comprising 103 experienced entrepreneurs under contractual obligation
- › Support in transaction origination and for coverage of portfolio companies



### Expansion of the investment team

- › 2020: further functions added
- › 2021/2022: six more members to join the team, of which three are planned for Milan (DBAG Italia)
- › Aggregate increase by more than 50 per cent over five years

# OUR REPORT TO YOU

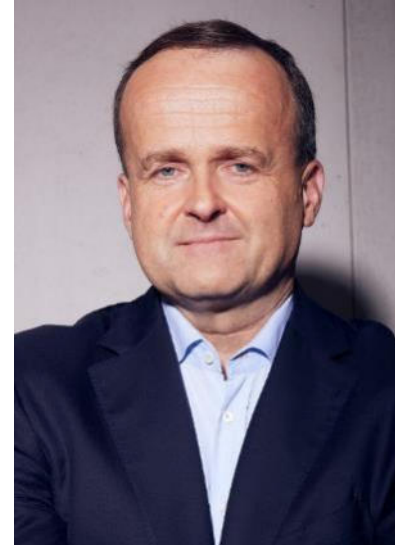
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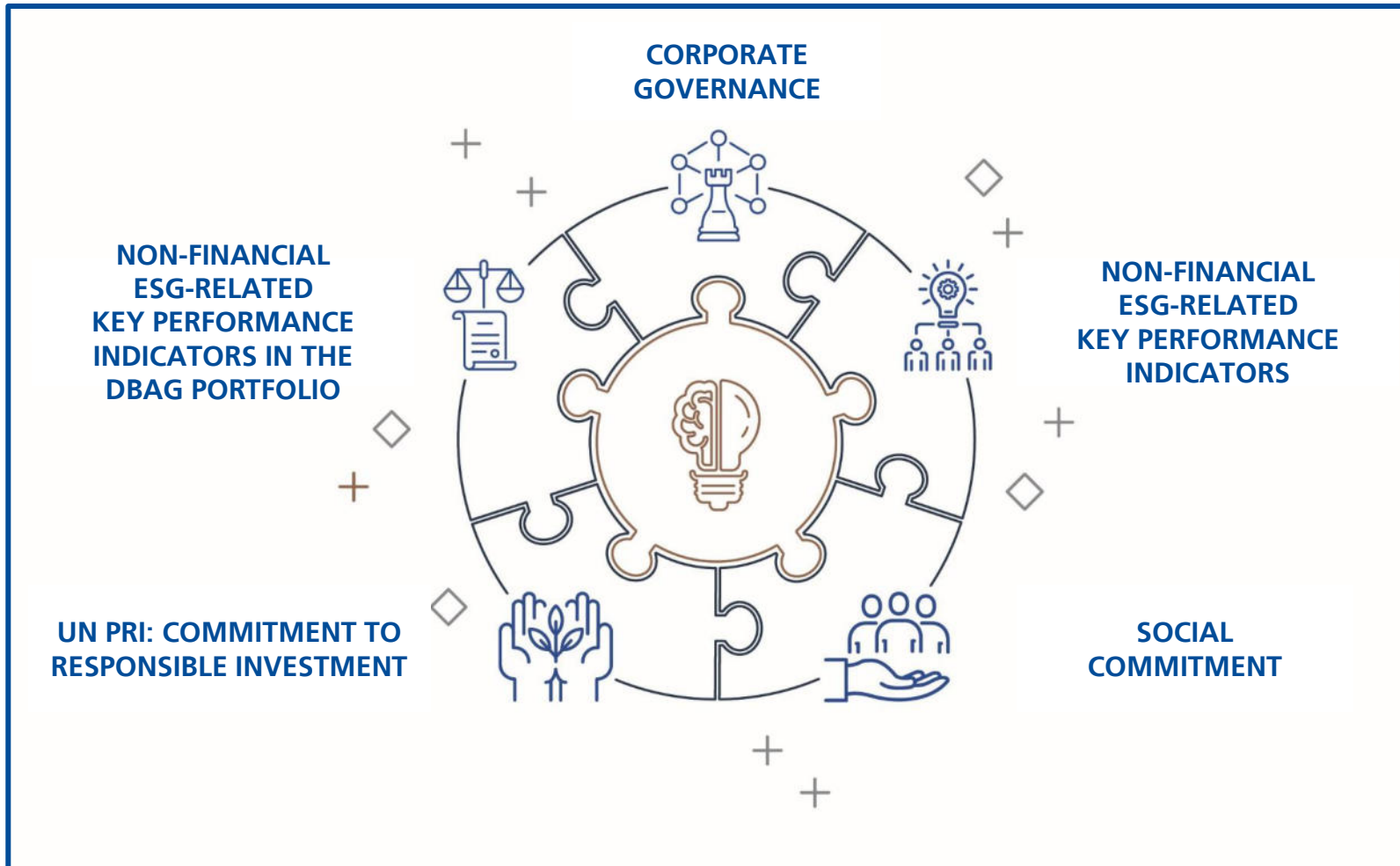


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# ENVIRONMENTAL AND SOCIAL ASPECTS AS WELL AS GOOD GOVERNANCE TO BE ANCHORED EVEN MORE FIRMLY WITHIN DBAG'S BUSINESS



## Availability of capital increasingly depends on ESG criteria

- › Increasing level of commitment
- › EU Taxonomy

## 2020: Target system to be further developed

*"We aim to **sustainably** increase the Company value of Deutsche Beteiligungs AG"*

## 2021: Launch of a project to also use measurable sustainability indicators as an element of Company management

- › Deutsche Beteiligungs AG
- › (Majority of) portfolio companies

# “PRINCIPLES FOR RESPONSIBLE INVESTMENT” SIGNED

## **Binding commitment to adhere to Principles for Responsible Investment**

**Principles developed by investors working  
in partnership with the United Nations**

**PRI recognised as the leading advocate  
worldwide for responsible investing**

**Established in 2006, supported by the  
United Nations**

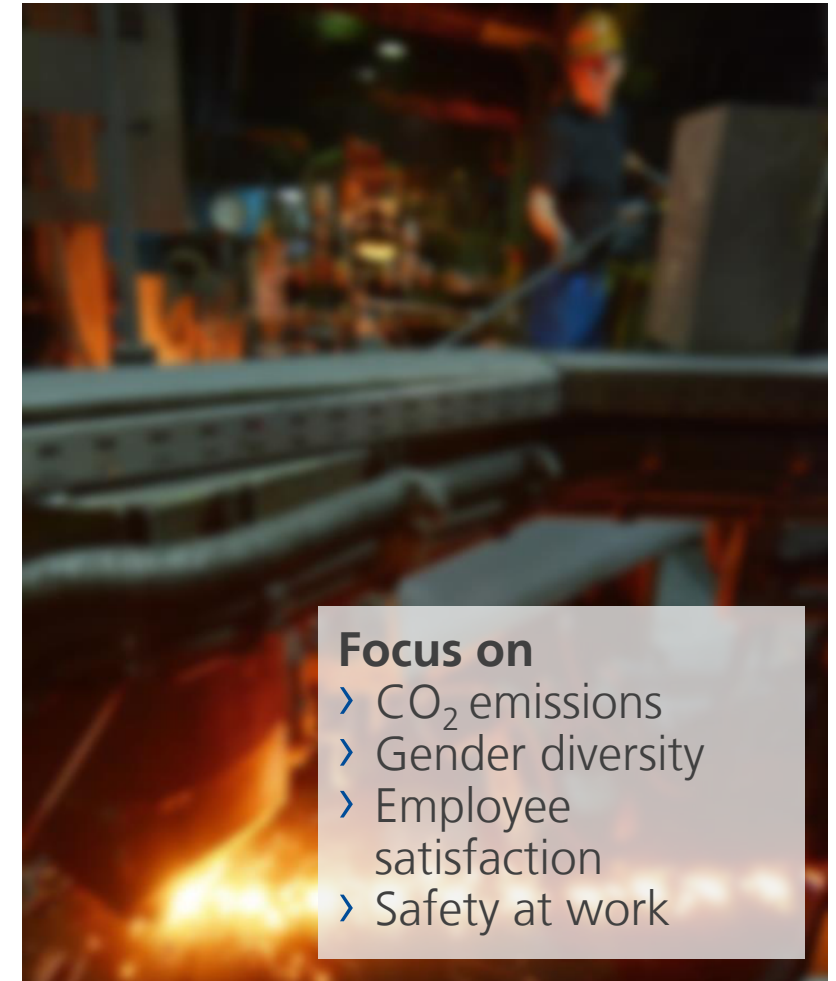
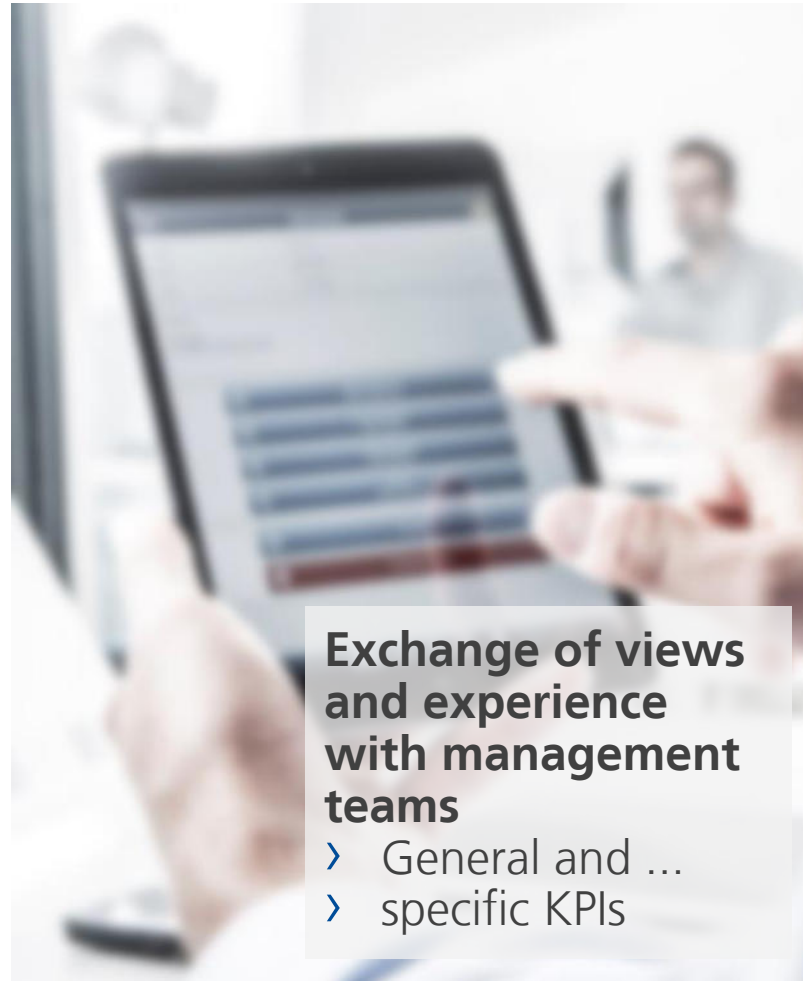
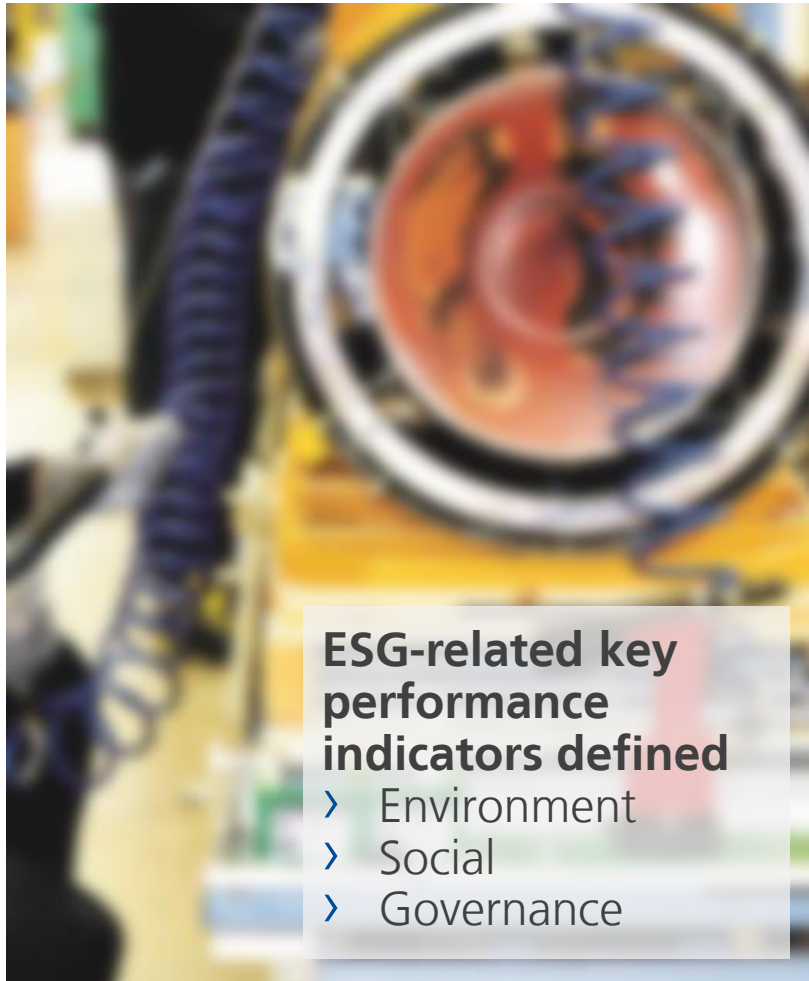
**More than 4,000 institutional investors  
from around the world have signed the  
PRI**



1. ESG aspects to be incorporated into investment analysis and decision-making processes:
2. Taking ESG topics into consideration in our investment policy and practice
3. Encouraging companies in which we invest to make appropriate disclosure on ESG issues
4. Promoting acceptance and implementation of the Principles within the investment industry
5. Cooperating for enhancing the effectiveness in implementing the Principles
6. Reporting on activities for, and progress in, implementing the Principles



# FIELDS OF ACTION DEFINED FOR SUSTAINABLE COMPANY DEVELOPMENT

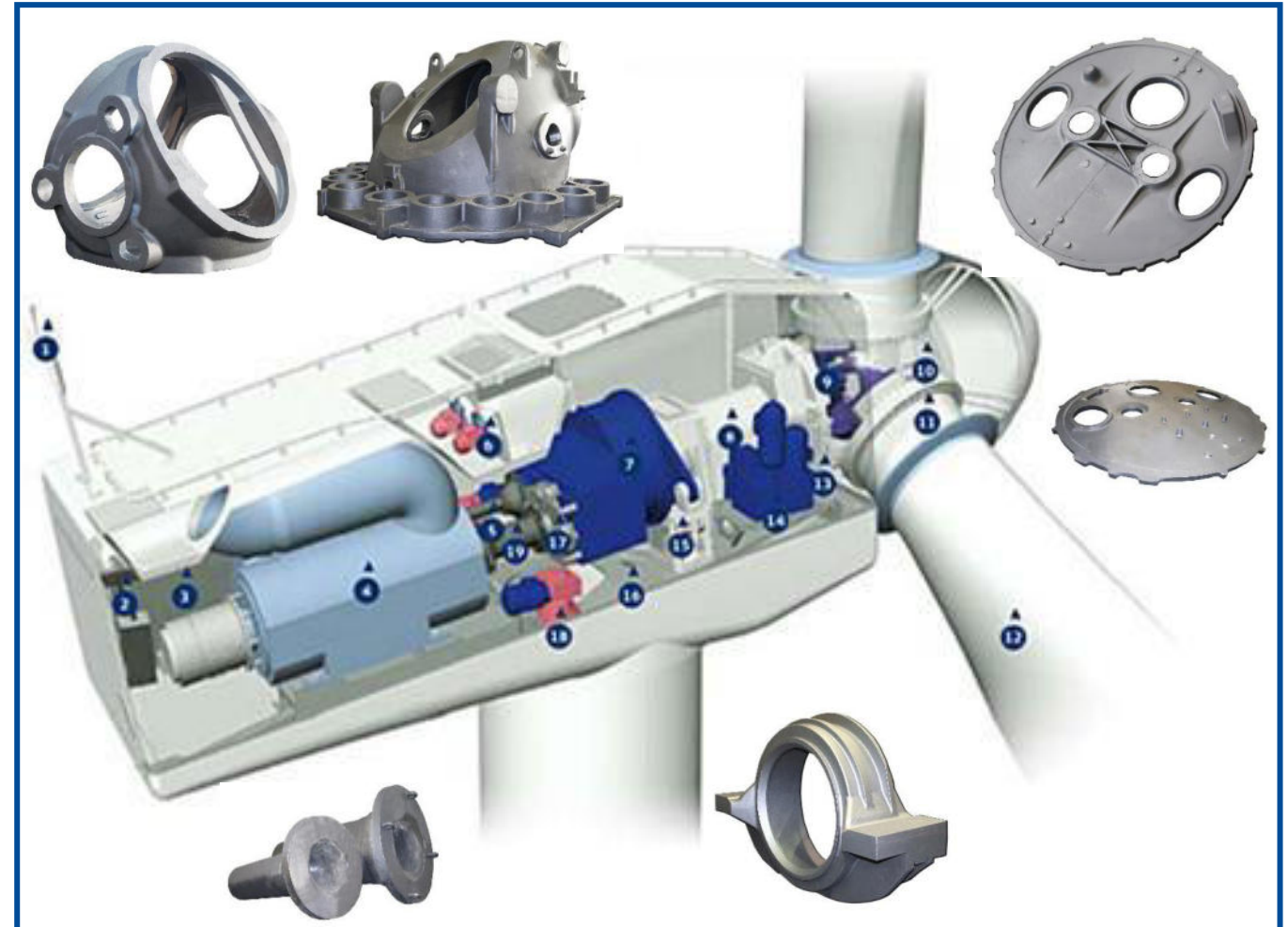
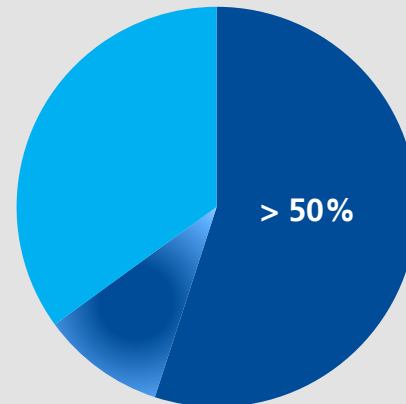


# “CLIMATE PROTECTION STARTS ON THE FOUNDRY FLOOR” – SILBITZ GENERATES TWO THIRDS OF ITS REVENUES BY SELLING COMPONENTS FOR WIND TURBINES

## Silbitz Group acquires Eisengiesserei Torgelow

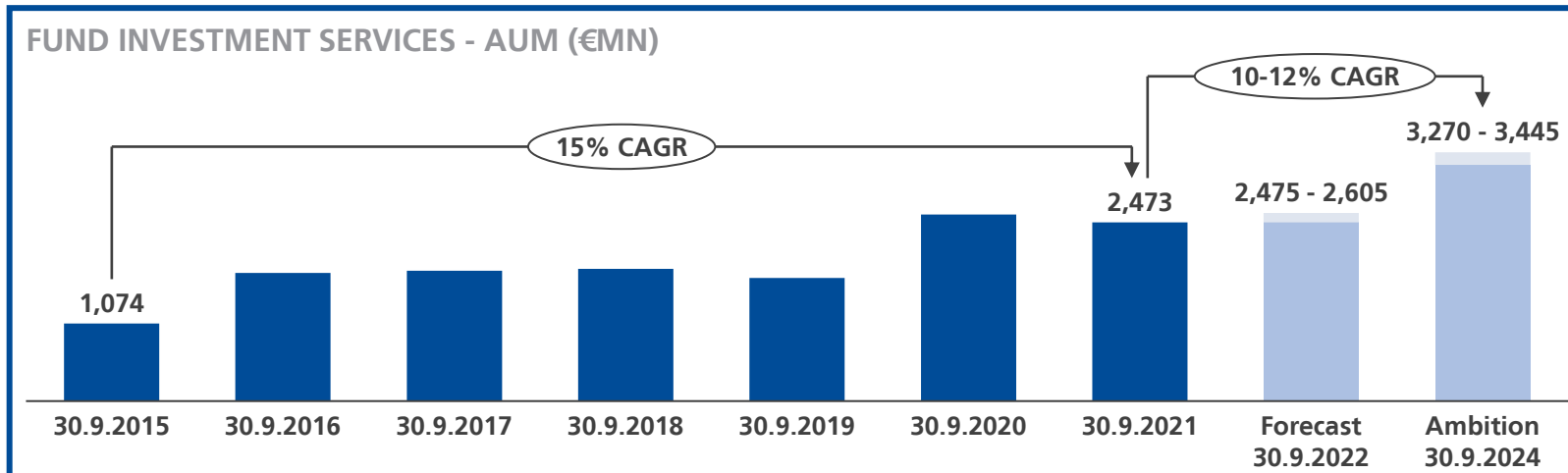
- › Expanding its position as a supplier to the wind power industry
- › Contributing to the climate-neutral reshaping of the economy

## SHARE OF SALES WIND POWER INDUSTRY



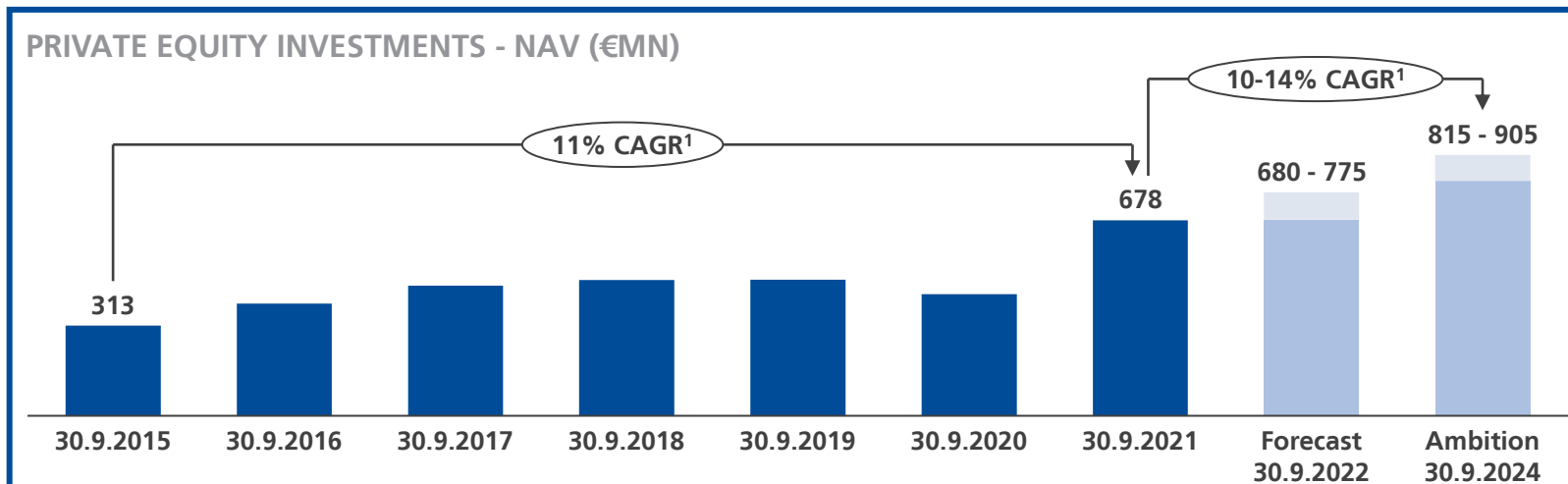


# DOUBLE-DIGIT GROWTH TARGETED IN BOTH SEGMENTS



## Assets under management or advisory

- › 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



## 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