

P R E S S R E L A S E

Deutsche Beteiligungs AG: 2016/2017 one of the most successful financial years in the company's history

- **Preliminary net income of 90.4 million euros: successful disposals provide key basis**
- **Intensive investment activity: five new investments agreed, around 63 million euros invested**
- **Proposed dividend of 1.40 euros per share: significant increase**
- **Positive outlook for the current financial year 2017/2018**

Frankfurt am Main, 23 November 2017. Deutsche Beteiligungs AG (DBAG) closed the financial year 2016/2017 with one of the best results in the Company's history. DBAG's net income of 90.4 million euros once again exceeded the forecast for 2016/2017, which was most recently increased in August. This was announced by DBAG today when it published its preliminary figures at 30 September 2017. The Annual Report and the consolidated financial statements will be published on 15 December 2017.

The companies belonging to DBAG's portfolio attracted considerable interest on the market over the last financial year. A total of six investments were sold – most of them with results that are well above-average in a long-term comparison. "At the same time, DBAG's intensive investment activity has laid the foundation for future success", said Torsten Grede, Spokesman of the DBAG Board of Management. "An amount of around 63 million euros from DBAG's balance sheet was invested in the portfolio in 2016/2017. This is around two-thirds more than the average amount invested over the last five years."

DBAG's shareholders are set to participate in the successful financial year 2016/2017 with a dividend of 1.40 euros per share. This would correspond to an increase of 20 cents or just under 17 percent in a year-on-year comparison. Looking ahead to the current financial year 2017/2018, DBAG expects to achieve net income that is significantly in excess of, i.e. at least 20 percent higher than, the average for the last five years of 43.0 million euros.

Exit multiples well above long-term average

The financial year 2016/2017 was characterised by successful disposals. The investments in FDG, Formel D, ProXES, Romaco (DBAG Fund V) and Schülerhilfe (DBAG Fund VI) were sold within the space of only a few

months. DBAG achieved an average capital multiple of 3.8 in connection with these disposals, much higher than the long-term average. DBAG also sold its stake in Grohmann Engineering, the oldest and also one of the most successful investments in the portfolio.

In its role as a fund manager and advisor, the DBAG investment team initiated investment decisions relating to 345 million euros in 2016/2017 (previous year: 278 million euros). All in all, the DBAG funds structured six new investments in the form of management buyouts (MBOs); two of them had already been agreed in the financial year 2015/2016. A further MBO was also agreed in 2016/2017 but has not yet been completed. “DBAG Fund VII is more than 20 percent invested less than one year after the start of its investment phase”, commented Board of Management Spokesman Torsten Grede, adding: “The strategic course set in the previous financial year already opened up new investment opportunities for us in 2016/2017.” The top-up fund of DBAG Fund VII, for example, which allows equity investments of more than 100 million euros to be made, was used for the first time to purchase the interest in More than Meals. The vitronet MBO marks the first time that DBAG ECF has entered into a majority investment. Until its investment criteria were expanded in 2016, the fund had entered exclusively into minority investments in companies.

New investments and disposals in the financial year 2016/2017 have rejuvenated DBAG’s portfolio. At the reporting date, ten out of the 22 investments were less than two years old.

Return on equity per share reaches 26.5 percent

DBAG’s net income of 90.4 million euros is up by more than 80 percent on the previous year. This increase is mainly due to the disposals referred to above. The proceeds generated in connection with these disposals pushed the net result of investment activity up to 94.3 million euros (previous year: 59.4 million euros). Thanks to the excellent net income, the return on equity per share, DBAG’s key performance indicator, came to 26.5 percent at the reporting date, much higher than the cost of equity.

| Key figures (IFRS) | 2016/2017 (preliminary) | 2015/2016 ¹ |
|--------------------------------|-------------------------|------------------------|
| Net income | €90.4mn | €49.5mn |
| Return on equity per share | 26.5% | 14.9% |
| Dividend (2016/2017: proposal) | €1.40 | €1.20 |

¹ Restated after adjustment for amendments to IFRS 10

DBAG has a solid balance sheet with an equity ratio of around 94 percent. Financial resources have increased significantly as against the previous year due to the inflows from disposals: 161.6 million euros are available for

investment (previous year: 72.6 million euros); the financial resources and a credit facility of 50 million euros amount to 211.6 million euros. At the same time, DBAG has entered into co-investment agreements with the DBAG funds worth 254 million euros. Over the next three financial years (2017/2018 and the two following years), DBAG plans to invest an average of around 70 million euros a year alongside the DBAG funds.

Both segments make a positive contribution to net income

Pre-tax net income in the Private Equity Investments segment came to 85.7 million euros, up by 33.4 million euros on the previous financial year 2015/2016. The increase is due primarily to the high net result of investment activity.

The Fund Investment Services segment also reported a marked improvement in its result. Pre-tax net income for this segment came to 4.7 million euros in 2016/2017; in the previous year, it was negative due to one-off effects (-3.0 million euros). The start of the DBAG Fund VII investment period in December 2016 pushed fee income from fund management and advisory services up to 28.1 million euros (previous year: 19.5 million euros).

Dividend proposal: 1.40 euros per share

The dividend proposed by the Board of Management and the Supervisory Board – 1.40 euros per share – produces a dividend yield of 3.9 percent on the average share price in the last financial year. “We aim to allow DBAG’s shareholders to participate in the Company’s success”, commented Chief Financial Officer Susanne Zeidler. “With value gains of around 59 percent, DBAG’s shares were once again an attractive investment opportunity in 2016/2017.” Shareholders are benefitting from above-average performance in the long term, too: over the last ten financial years, they have achieved value appreciation of 13.5 percent taking the distributions into account – a figure that is well ahead of DBAG’s benchmark indices.

Positive outlook for the financial year 2017/2018

Given the level of volatility that is typical for the private equity business, it does not make sense to base earnings projections for the next year on the earnings achieved in a record year. This is why the earnings forecasts are based on the average net income over the last five years: DBAG is forecasting a significant increase in the net income for 2017/2018, i.e. by at least 20 percent, compared with this average value of 43.0 million euros. “We expect our young portfolio to continue to develop well. In addition, we will generate income from advisory services provided by DBAG Fund VII for the first full year in 2017/2018”, explained Chief Financial Officer Susanne Zeidler. “Both factors justify an optimistic outlook – one that extends beyond the current financial year as well.”

As far as the financial years 2018/2019 and 2019/2020 are concerned, DBAG is expecting net income that is up significantly (more than 20 percent) and moderately (10 to 20 percent) on the net income for the current financial year respectively. The return on equity per share will exceed significantly the cost of equity, which is assumed to remain unchanged, in both this and the next two financial years.

Board of Management Spokesman Torsten Grede pointed out that part of the success achieved in recent years can be traced back to the increase in valuations on the capital markets. Nevertheless: “The valuations on which our new investments are based have also increased. We cannot escape the higher price level”, said the Board of Management Spokesman, continuing: “We are rising to this challenge by pursuing an entrepreneurial approach.” DBAG will be concentrating even more on investment opportunities that allow the size of the DBAG investment team and its particular experience of complex transactions to be applied beneficially. The focus from the outset will be on the strategic and operational potential for improvement that the portfolio companies have to offer. “Not least our performance in the last financial year showed how far we have already come with our efforts to optimise our own business processes”, said Torsten Grede: DBAG was able to conclude four out of six disposals within three weeks. “The ability to successfully conclude so many demanding transactions at the same time requires coordinated processes throughout the entire company.”

The listed Deutsche Beteiligungs AG initiates closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-market companies with growth potential. DBAG focuses on those industry sectors where Germany’s “Mittelstand” is particularly strong in international comparison. With its experience, expertise and equity, DBAG supports the portfolio companies in implementing a long-term and value-enhancing corporate strategy. Its entrepreneurial investment approach makes it a sought-after investment partner in the German-speaking world. DBAG manages and advises capital amounting to around 1.8 billion euros.

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Further information on the preliminary figures from the consolidated financial statements for 2016/2017 is available at www.dbag.de.