



Analysts' Conference Call, 8 August 2024

# **Quarterly Statement 30 June 2024**

**Third quarter 2023/2024**

# Your hosts



Tom Alzin  
Spokesman of the  
Board of Management



Roland Rapelius  
Head of Corporate Communications  
and Investor Relations



Dr Matthias Döll  
Director Legal &  
Shareholder Relations

# Growth of NAV per share and increased financial flexibility

**1 exit**  
(in-tech, MoM >3)  
and  
**6 add-ons**  
in Q3

Successful  
placement  
of a  
**€100mn**  
convertible bond  
issue

NAV per share<sup>1</sup>  
**€36.09**  
(+4.2% ytd, adjusted  
for dividends)

**€11.7mn**  
EBITA Fund  
Investment  
Services  
(+3.5% yoy)

Specified  
forecast  
confirmed

<sup>1</sup> Number of shares outstanding as of 30 June 2024: 18,537,134

# Key highlights

## Private Markets Investments

Net asset value

**669.0**

million euros

Net asset value  
per share<sup>1</sup>

**36.09**

euros

(+4.2% ytd<sup>2</sup>)

## Fund Investment Services

EBITA

**11.7**

million euros

(+3.5% yoy)

Assets under  
management or  
advisory

**2.6**

billion euros

## Group

Net income

**25.7**

million euros

<sup>1</sup> Number of shares outstanding as of 30 June 2024: 18,537,134

<sup>2</sup> Adjusted for dividends

# Transaction activity: One disposal and six add-ons

## Exit



**in-tech**

**3.3 MoM | 68% IRR**  
**Exit uplift of 63% vs.**  
**valuation 6 months earlier**

## Add-on acquisitions



**akquinet**



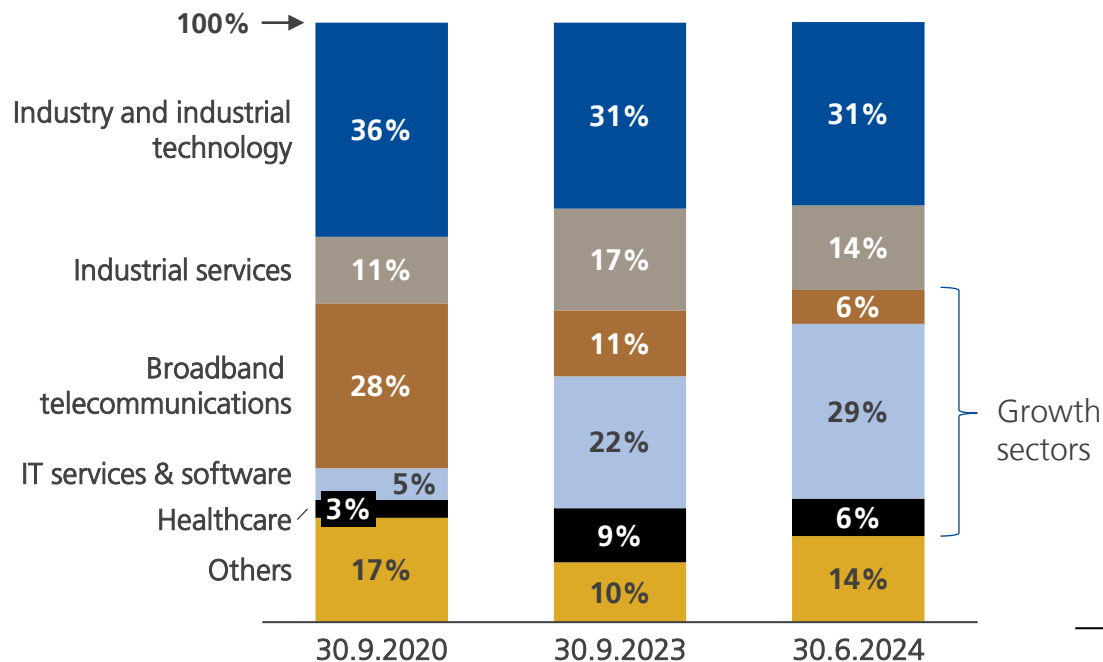
**AOE**  
**(two add-ons)**



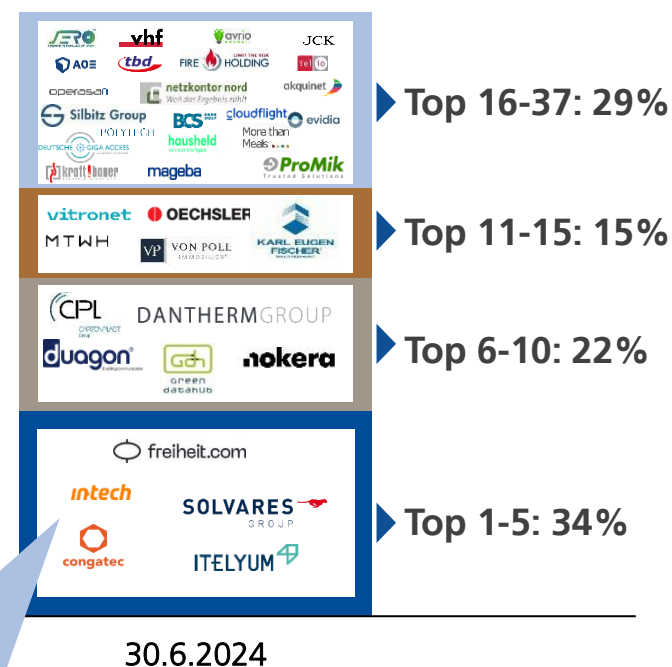
**operasan**  
**(three add-ons)**

# Private equity: Diversified portfolio to mitigate macro risks; Share of IT services & software increased

Diversification by sectors  
(% of total portfolio value)

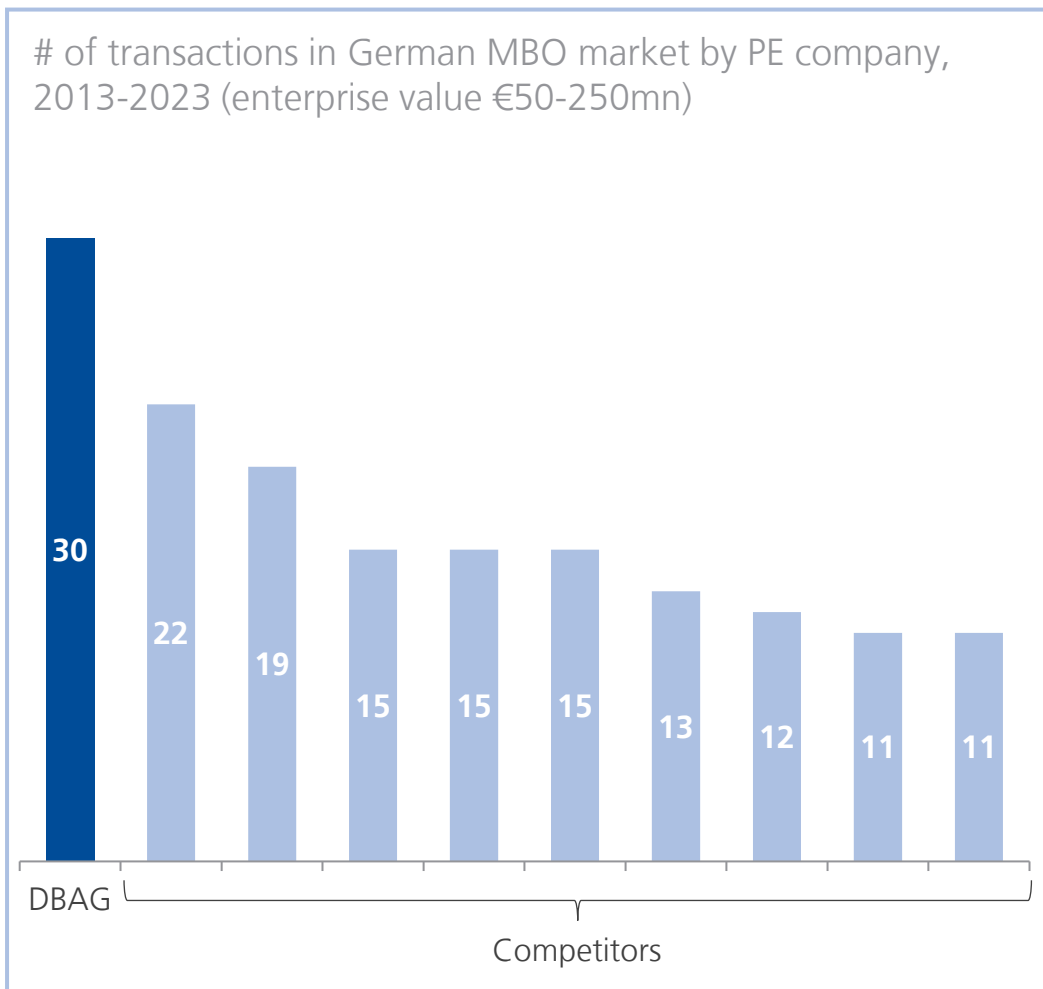


Diversification by portfolio companies  
(% of total portfolio value)

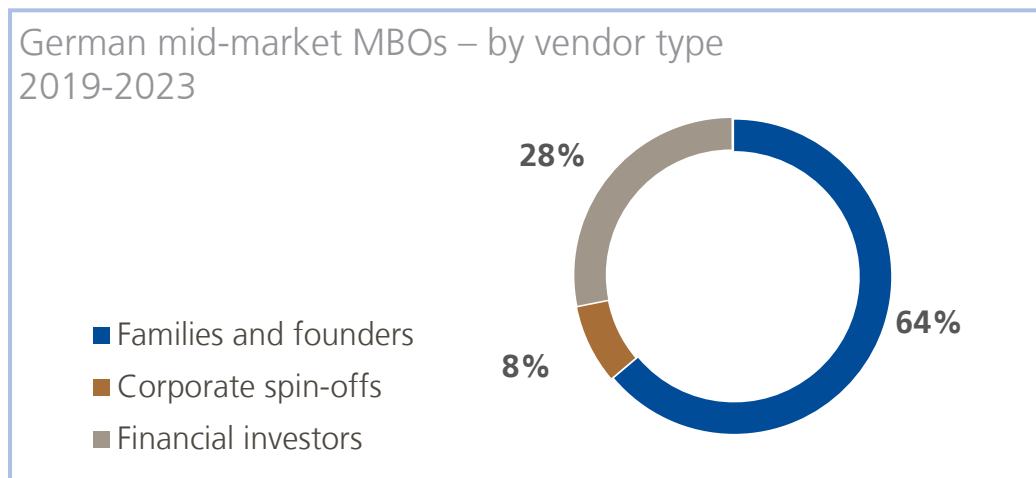
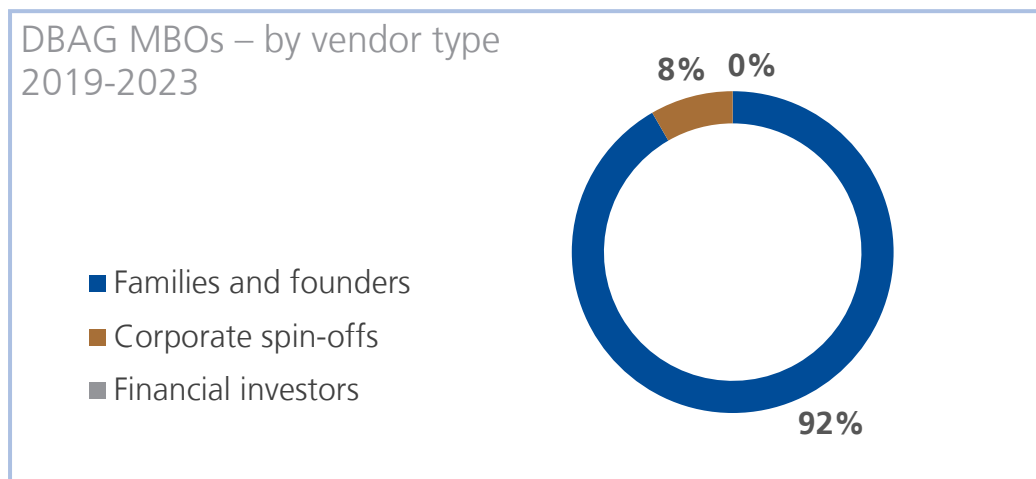


Sale of in-tech and Solvares will further improve diversification

# Market-leading position in private equity; High proportion of family successions reflecting DBAG's reputation

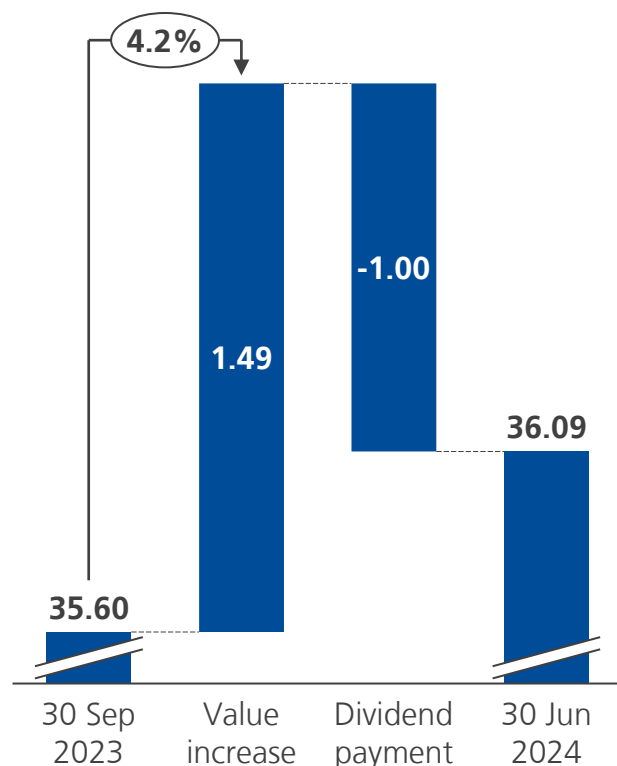


Source: FINANCE, DBAG

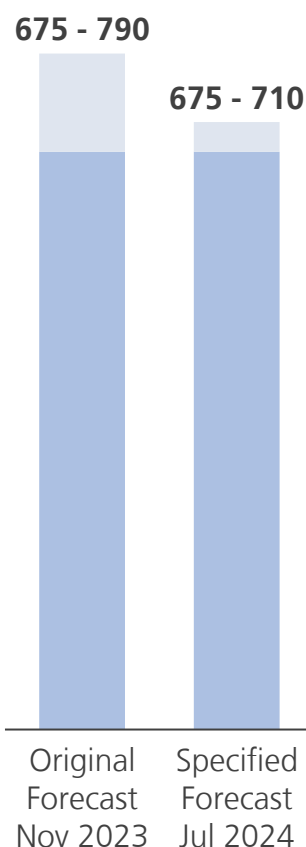


# Net asset value per share and NAV

Development of net asset value per share (€)



NAV forecast (€mn)

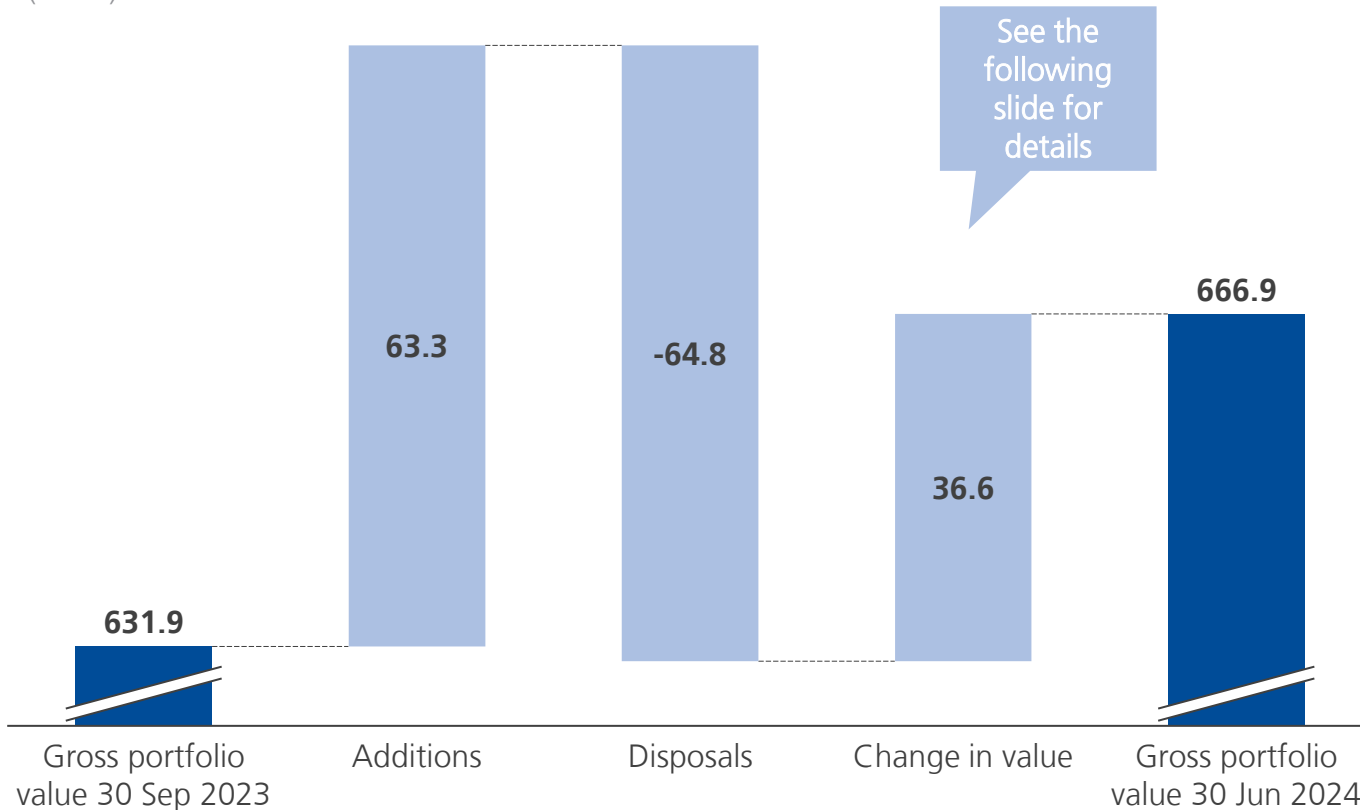


- ▶ Net asset value per share increased **4.2%** year-to-date (adjusted for dividend payment) mainly driven by positive value contribution resulting from exits
- ▶ Ytd NAV impact of **-19 million euros** (net) as reported in May 2024 by introduction of private market factor (PMF) derived from the correlation between Cambridge Associates Europe Developed PE Index and STOXX Europe 600
- ▶ Ytd NAV impact of **-7.1 million euros** from the share buy-back programme announced in February 2024



# Portfolio value increased ytd

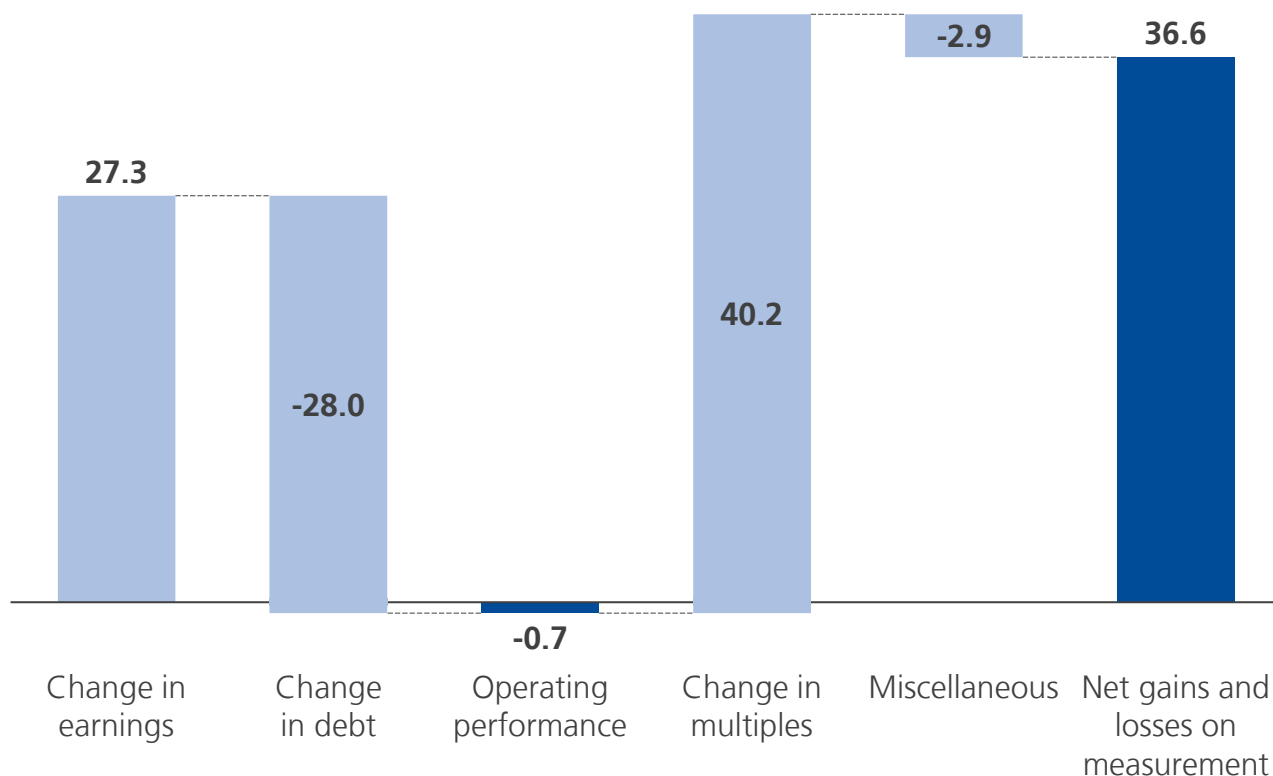
Portfolio value development (€mn)



- ▶ Additions
  - Mainly driven by new investments (NOKERA, ProMik) as well as planned investments of existing portfolio companies
- ▶ Disposals
  - Mainly driven by disposal of R+S and GMM Pfaudler
  - Not yet reflected: Exits of in-tech and Solvares
- ▶ Change in value
  - Mainly driven by positive value contribution from successful exits

# Change in value mainly resulting from successful exits

Net gains and losses on measurement  
(€mn)

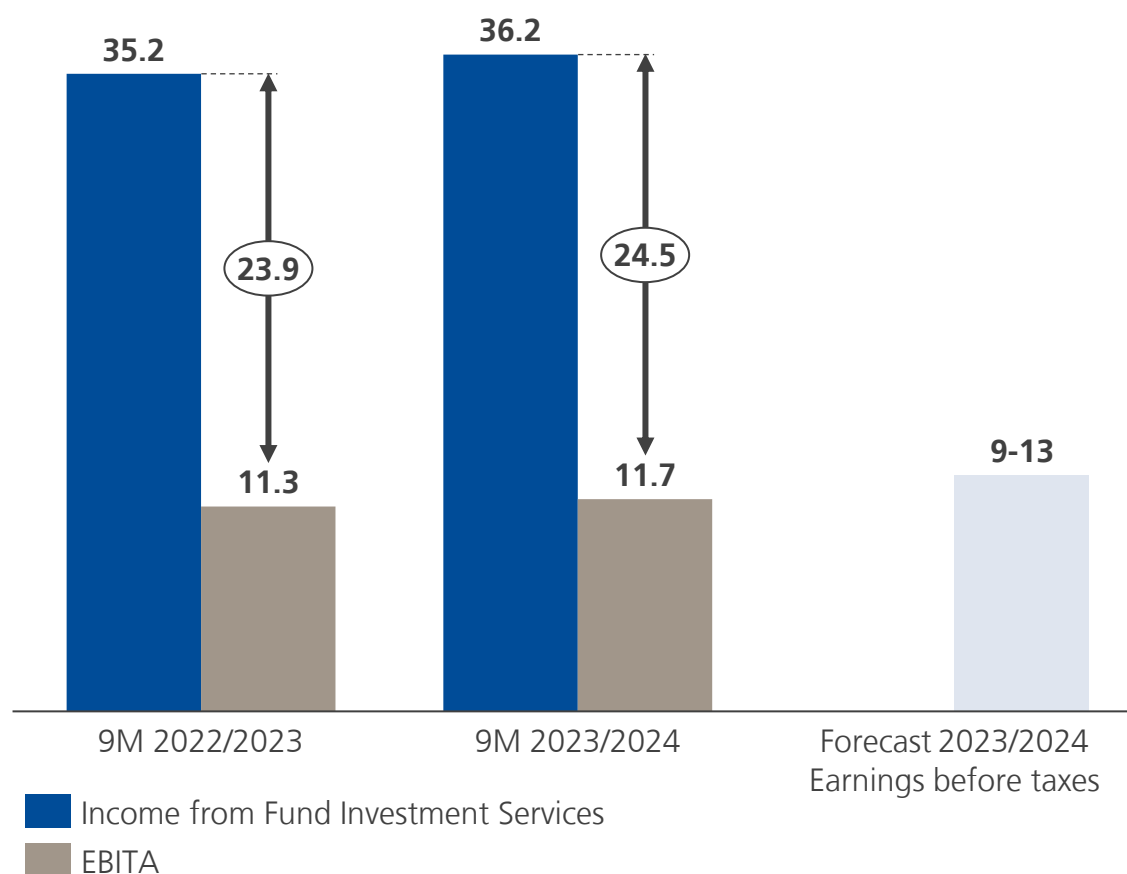


Miscellaneous: exchange rate fluctuations, effects from realized portfolio companies and other minor effects

- ▶ Change in earnings
  - Positive earnings contributions from the vast majority of sectors, especially Healthcare, Industry and IndustryTech, partly due to add-on acquisitions
- ▶ Change in debt
  - Increase mainly driven by Healthcare sector
  - Overall, reductions in debt at eleven portfolio companies are more than offset by increase in debt at 15 portfolio companies including for add-on acquisitions as well as planned growth financing
- ▶ Change in multiples
  - Overall positive value contribution from half of our portfolio companies' peer groups, also driven by successful exits

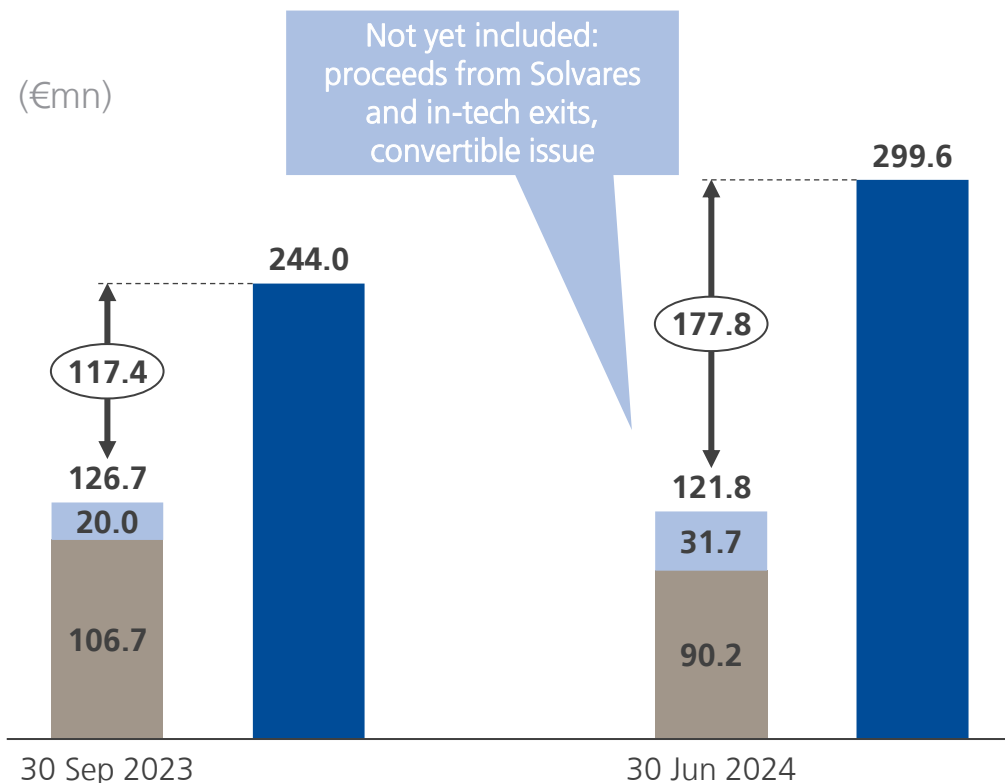
# Fund Investment Services: Development of income and earnings as expected

(€mn)



- ▶ Income from Fund Investment Services slightly increasing year-on-year
  - Mainly driven by the new fund advised by DBAG, a fund advised by ELF Capital Group and DBAG Luxembourg
  - As expected, lower fees mainly from DBAG Fund VI
- ▶ EBITA increases slightly yoy
  - Mainly driven by higher income
- ▶ Earnings before taxes in nine months 2023/2024 impacted by amortization resulting from consolidation of ELF Capital Group

# Financial base for medium-term investment plans



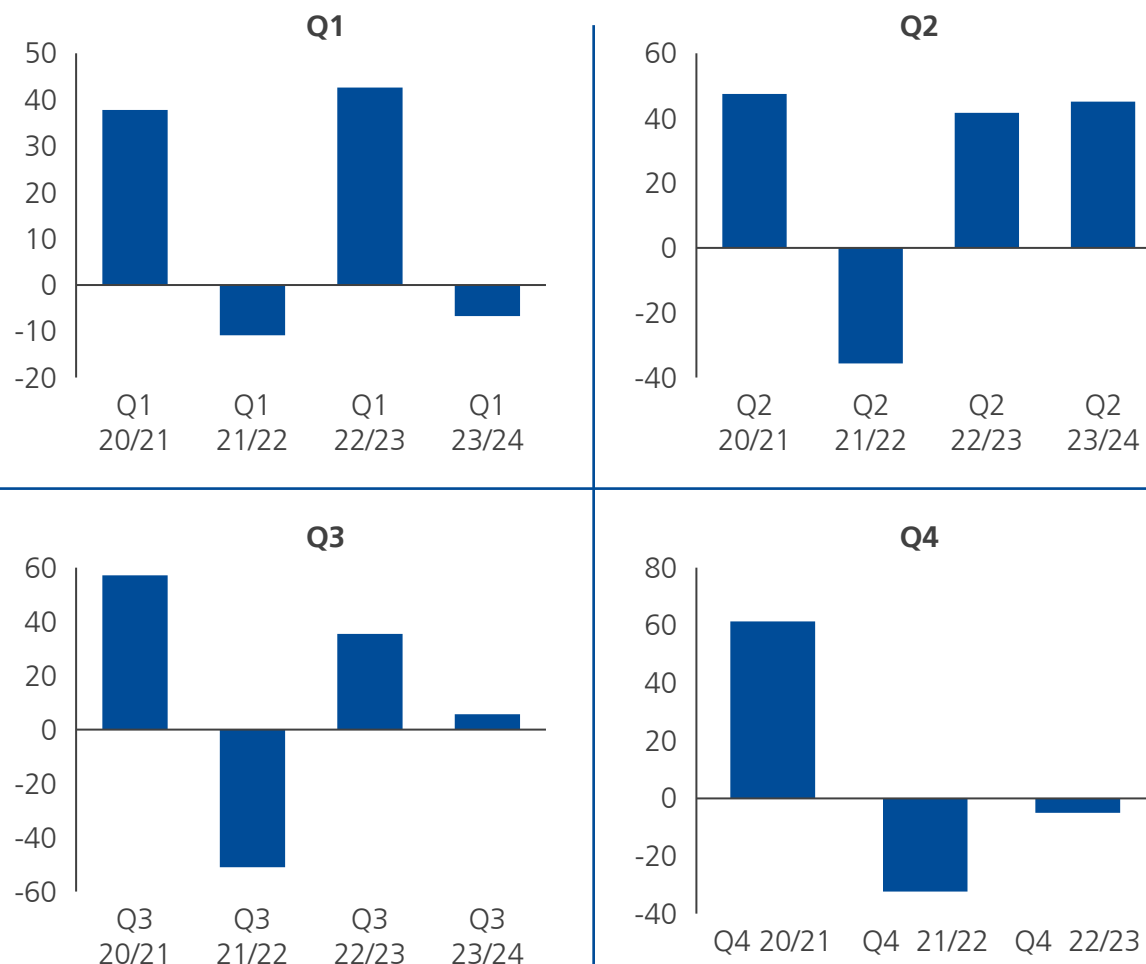
- ▶ 121.8 million euros of available liquidity
  - 31.7 million euros of cash and cash equivalents
  - 90.2 million euros in undrawn credit lines
- ▶ Not yet reflected: Proceeds from Solvares and in-tech exits as well as the convertible issue will increase the liquidity post quarter by circa 150 million euros
- ▶ Excellent financial base to cover the existing co-investment commitments and to seize attractive investment opportunities

- Co-investment commitments alongside DBAG funds
- Financial resources
- Credit lines (not drawn)

# BaFin ad-hoc requirements – Volatility in portfolio valuation will be reduced by new private market factor

- ▶ According to BaFin an ad-hoc announcement is required if quarterly results differ significantly from the results of the previous financial year's corresponding quarter
  - In Q3 2022/2023 DBAG reported gross gains and losses on measurement and disposal of 35.4 million euros
  - For Q3 2023/2024 DBAG reports 5.7 million euros – significantly lower than in Q3 2022/2023
  - Therefore, DBAG had to publish an ad-hoc announcement on 17 July 2024
  
- ▶ This ad-hoc requirement results from the volatility of our portfolio valuations coupled sometimes with uplifts from exits – at least valuation volatility should be reduced by the newly introduced “private market factor”
  
- ▶ However, comparing one quarter with prior year quarter will never yield useful results given a complete lack of seasonality in our business which will remain mostly event driven

Volatility of valuations (gross gains and losses on measurement and disposal) between corresponding quarters pre private market factor (€mn)



# Specified forecast confirmed, mid-term expectations unchanged

	2022/2023 and 30 Sep 2023	Expectations 2023/2024
<b>Private Equity Investments</b>		
Net asset value (NAV, €mn)	669.4	675 to 710
<i>(NAV per share (€))</i>	<i>35.59</i>	<i>36.41 to 38.30</i>
<b>Fund Investment Services</b>		
EBT Fund Investment Services (€mn)	14.0	9 to 13

Specified within lower half of previously guided range

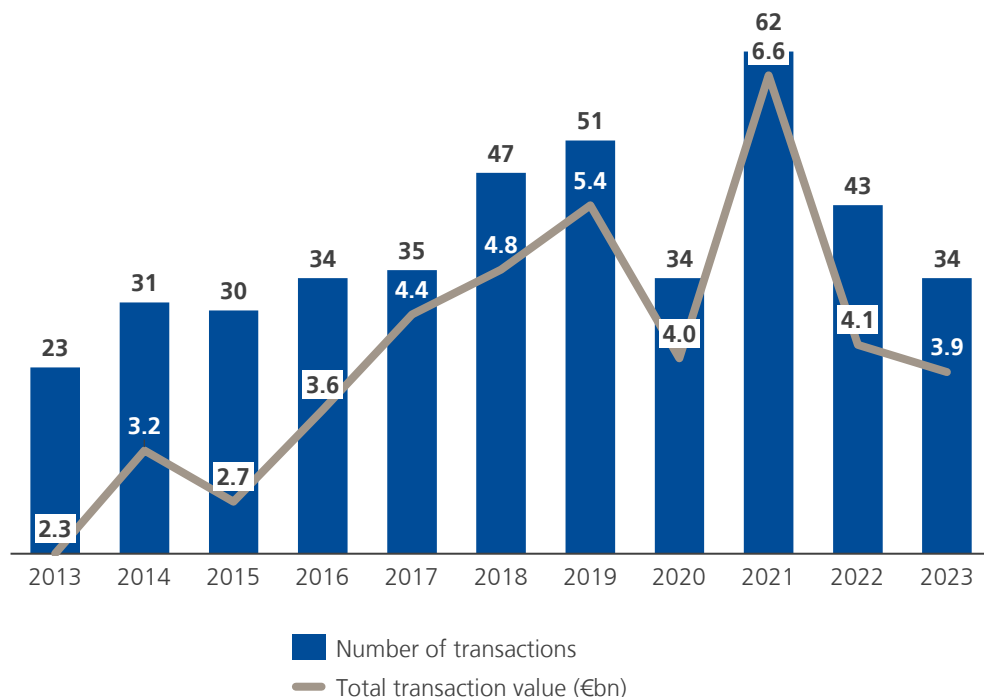
- ▶ **Unchanged mid-term expectations for the 2025/2026 financial year**, i.e. for the end of our planning horizon:
  - Net asset value (NAV) between 840 and 980 million euros
  - EBT Fund Investment Services between 11 and 16 million euros
- ▶ Going forward given our intention of more regular share buybacks the **NAV per share** will be an important metric alongside the metrics in the forecast

# Backup

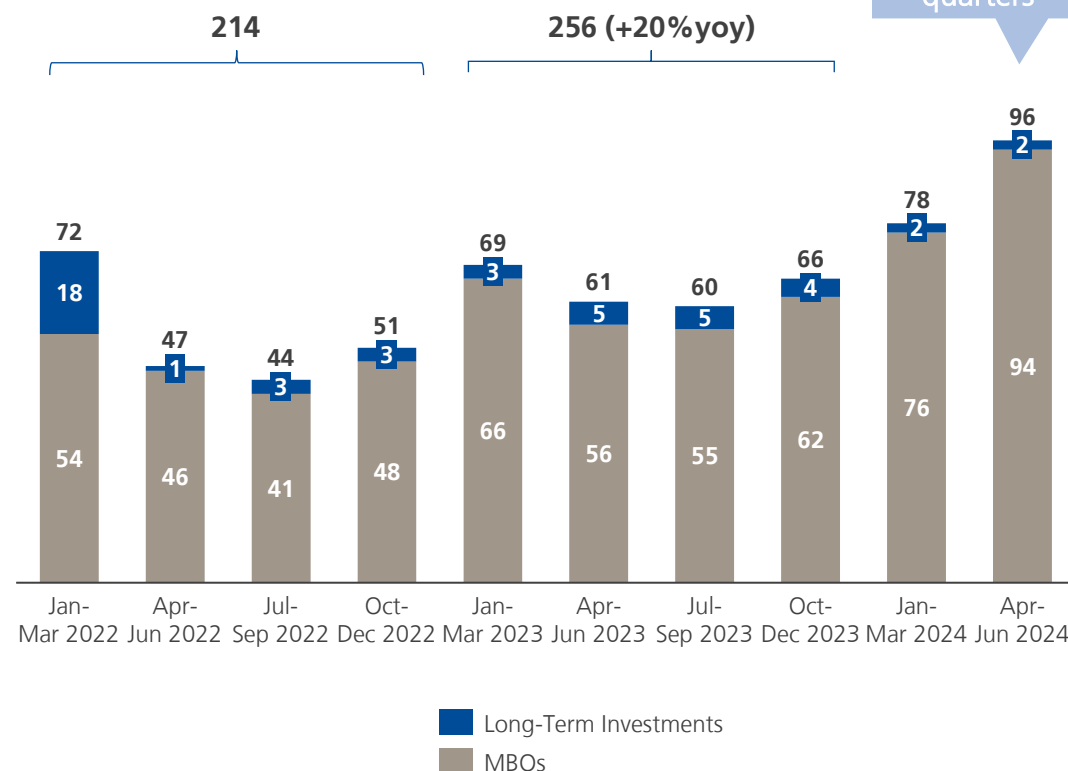
Q3 2023/2024

# Private equity: Long-term, structurally growing market

Number of MBOs and transaction volume<sup>1</sup>  
(mid-market segment, €50-250mn)



Number of investment opportunities by quarter<sup>2</sup>



<sup>1</sup> Majority takeovers in the context of MBOs, MBIs, secondary/tertiary buyouts involving a financial investor in Germany; sources: FINANCE, DBAG

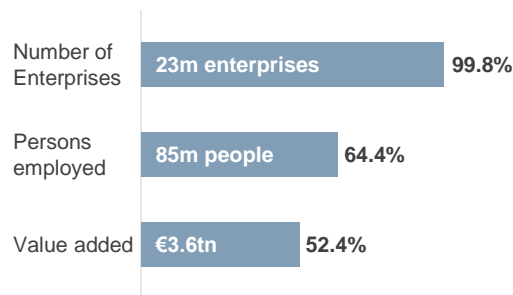
<sup>2</sup> Source: DBAG



# Private debt: Attractive market opportunity

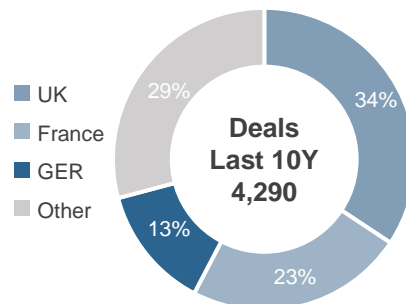
Growing and still largely underserved lower-mid market lending space with traditional bank lenders under regulatory pressure – European SMEs looking for alternative solutions

## SMEs<sup>1</sup> as backbone of economy



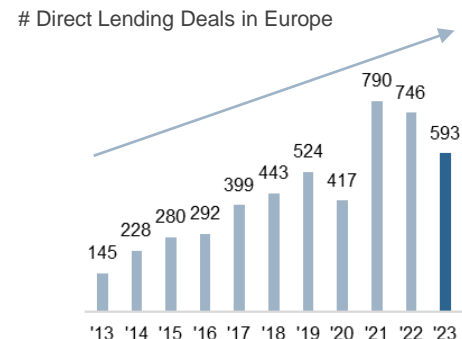
Source: Eurostat June 2022

## Low market penetration in Germany



Source: Deloitte Private Debt Deal Tracker Spring 2023

## Direct lending gaining significance



Source: Deloitte Private Debt Deal Tracker Spring 2023

## Bank lending under pressure

- Reduced bank lending due to ongoing regulatory restructuring pressure (e.g. Basel III, leverage cap)
- Increasing restricted financing access for European mid-market
- KfW Covid-19 loans seem to be very rigid and offer a great opportunity for refinancing going forward

## Inflation and supply chain issues

- Central banks raising interest rates in an attempt to curb inflation with positive carry-over effects to returns on private debt instruments as 3M Euribor turns positive again
- Due to global supply chain disruptions firms have to hold significantly more inventory to support an equal level of revenue compared to the times prior to the pandemic leading to more financing needs

## Climate change targets

- The “net zero” target by 2050, as defined by the UN will require unprecedented levels of investment (EU targeting 7 trillion euros in green investments through 2050, of which at least 3 trillion euros will have to be privately funded)
- Companies of all sizes will have to adapt their operations to the new targets leading to attractive opportunities to finance both replacement and growth capex over the coming years

<sup>1</sup> Micro and small enterprises (0-49 employees) as well as medium-sized enterprises (50-249 employees) in EU 27