

# COMBINED MANAGEMENT REPORT

## Business overview

Deutsche Beteiligungs AG (DBAG) can look back on an exceptional 2016/2017 financial year. With net income of 90.4 million euros and a return on equity of 26.5 percent, the last financial year was one of the most successful in the Company's history. It was also a year characterised by very intensive investment and divestment activity. The very positive level of net income is due to the success stories associated with six divestments. The proceeds generated as a result reflect the solid strategic further development of these companies, but also the high level of demand for companies like these at present.

After years in which changes in the actuarial rate for pension obligations had put pressure on earnings, the higher interest rate level in 2016/2017 had a positive impact on consolidated comprehensive income, which came to 93.3 million euros. This corresponds to earnings per share of 6.01 euros and a return on equity per share – our key performance mark – of 26.5 percent.

- ▶ DBAG's **portfolio** has rarely changed as much as it did in 2016/2017: around one quarter of the companies that were in the portfolio at the beginning of the financial year were sold within the next twelve months. Six new investments were added to the portfolio and another has already been agreed. All in all, the carried portfolio showed positive development in the course of the last year.

The Private Equity Investments segment reported earnings before tax of 85.7 million euros in 2016/2017, almost two-thirds higher than in the previous financial year. The earnings before tax reported by the Fund Investment Services segment (4.7 million euros) includes the positive effect associated with the beginning of the investment period of DBAG Fund VII, Germany's biggest private equity fund, which was closed at the start of the 2016.

The Group's parent company posted a (HGB-formatted) profit for the year of 144.3 million euros, which is also a record high. Out of the retained profit totalling 181.9 million euros, 1.40 euros per share is to be distributed to the shareholders, i.e. a total of 21.1 million euros.