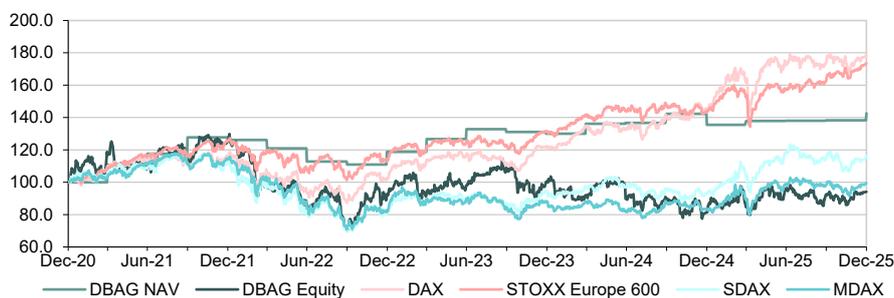


# Deutsche Beteiligungs

## Distinct approach to DACH private equity

Deutsche Beteiligungs (DBAG) posted a 5.3% NAV total return (TR) in euro terms in FY25, which brought its five-year return to c 7.4% per year, ahead of German listed small- and mid-cap companies. While this result is likely below the through-the-cycle return investors expect from private equity (PE), it needs to be put in the context of multiple headwinds, such as the weak German economy, global interest rate normalisation and geopolitical uncertainty. In this environment, DBAG identified multiple PE and private debt opportunities, with a record-high investment level in FY25 (fully deploying proceeds from its convertible bond issue in 2024). Its balance sheet remains sound, supporting a €1.00 annual dividend per share (now implying a healthy 3.9% yield) and share buybacks (c €14.5m in FY25).

### Exhibit 1: DBAG's NAV and share price TR compared to public indices, five years to end-2025 rebased



Source: Deutsche Beteiligungs, LSEG Data & Analytics, Edison Investment Research

## Rebounding PE activity may support exits

The PE deal environment has been improving lately as the tentative recovery that began in late 2024 and was interrupted by the US tariff turmoil resumed in H225, with both transaction and exit activity across global PE markets rebounding significantly. Coupled with the positive impact of fiscal stimulus on the German economy, this may support DBAG's realisations of several mature assets and, in turn, provide further validation of its portfolio valuations after the 100% uplift to the previous carrying value recognised upon the recent duagon exit. Higher exit activity would also support the fundraising of DBAG's next flagship buyout fund. That said, deal activity in PE markets may depend on further developments in the Middle East.

## Why consider DBAG now?

DBAG's future returns are partly dependent on the German economy (which is yet to resolve its structural growth issues). That said, portfolio turnover in recent years (through exits and selected write-downs) reduced exposure to traditional industrials. Around 24% of DBAG's portfolio is in IT services and software, mostly providers of services in areas such as IT consulting, the development of complex, customised, end-to-end software solutions, software integration and digital transformation, where downside risk from AI disruption seems lower. DBAG's shares now trade at a 30.3% discount to NAV. We view it as excessive considering the current sector mix in its PE portfolio, its NAV does not account for the value of its fund services business and private debt makes up 11% of its portfolio.

Not intended for persons in the EEA.

Investment companies  
Listed private equity

18 March 2026

<b>Price</b>	<b>€25.35</b>
<b>Market cap</b>	<b>€442m</b>
Shares in issue	17.4m
Code/ISIN	DBAN/DE000A1TNUT7
Primary exchange	FSE
AIC sector	N/A
Financial year end	31 December
52-week high/low	€26.5 €20.0

### Fund objective

Deutsche Beteiligungs is a German-based and listed private equity investment and fund management company that invests in mid-sized companies in Germany and neighbouring countries via management buyout transactions and growth capital financings. It also manages c €2bn of third-party capital, which generates stable recurring fee income. Following the acquisition of a majority stake in ELF Capital, it expanded its offer to include private debt.

### Bull points

- Solid long-term track record, with an average gross exit multiple across 60 full and partial private equity exits of 2.4x at end-FY25.
- Emphasis on growth sectors, such as IT services and software, environment, energy and infrastructure, and healthcare.
- Recurring income from fund services.

### Bear points

- Continued impact from weak macroeconomic environment in Germany, especially on DBAG's industrial holdings.
- Interest rate normalisation may reduce prospective private equity returns, put pressure on interest coverage ratios and/or lead to refinancing issues across private equity-backed companies in the medium term.
- Higher average leverage of portfolio companies versus pre-COVID-19 levels, though partly due to greater share of businesses with a high proportion of recurring revenue (eg software and IT services).

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**Deutsche Beteiligungs is a research client of Edison Investment Research Limited**

## Experienced private markets investor and asset manager

DBAG operates a distinct business model as an investor and asset manager focused on the PE mid-market (buyout and growth/expansion financing) and private debt market, primarily in the DACH region (Germany in particular), as well as selected other European countries. DBAG operates two complementary business lines, private markets investments and fund investment services, built around funds advised by DBAG (PE) and ELF Capital (private debt), through which DBAG invests alongside third-party investors. It had c €2.7bn in assets under management and advisory (including DBAG's investments) at end-December 2025, generating substantial fee income for DBAG (€48.5m in FY25).

Investing through the DBAG- and ELF Capital-managed funds creates a substantially larger capital base and, therefore, a broader and complementary range of investment opportunities, for DBAG's own balance sheet investments. The strategy also provides some assurance to third-party investors in the funds that the manager's interests are aligned with their own.

**Exhibit 2: DBAG's business model**



Source: Deutsche Beteiligungs

## DBAG's sweet spot: Mid-market, family succession cases

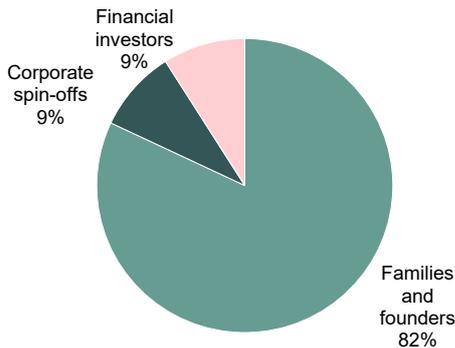
DBAG invests in companies with established business models rather than early-stage businesses or companies requiring restructuring/distressed assets. Importantly, DBAG focuses on the PE mid-market, which we believe offers several potential advantages, especially in the current environment:

- many of the acquired companies have not been owned by PE before (often because they are still led by the founder or family) and, therefore, offer low-hanging fruit in terms of value creation;
- portfolio exits are less dependent on the IPO market (with the ability to sell into the PE large-cap space, as well as trade buyers); and
- deals are less reliant on funding via syndicated loans (which may be muted during market downturns) and often use less leverage than large or mega buyouts.

DBAG may be considered one of the preferred PE partners for private company owners, especially families and founders, across Germany and neighbouring countries. This is underpinned by DBAG's deep understanding of the mid-market in the DACH region and the industries it invests in. This is illustrated by the fact that 25 out of the current 37 portfolio holdings were previously family-owned or founder-led companies aiming for family succession. DBAG can tap into the vast opportunity set of more than 75,000 family-controlled companies with a size in line with DBAG's focus (enterprise values of €50m to €250m at entry), around 11,000 of which face succession issues in the next four years, according to DBAG's data.

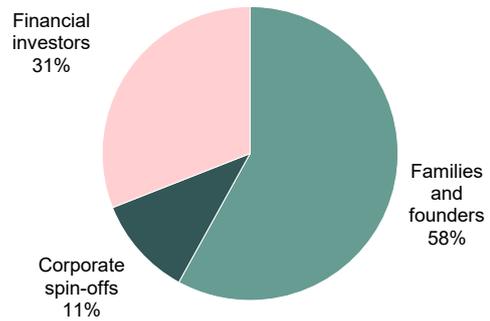
DBAG's PE deal opportunities (around 295 in 2025) are generated by its research centre and in-house database for succession situations and its local network underpinned by DBAG's high profile (the company estimates that it was the most active PE company in the German management buyout (MBO) market in 2011–25 with 36 transactions), as well as the experience of its team and executive circle. The partnership with ELF Capital allows DBAG to further expand its deal origination and investor network.

**Exhibit 3: DBAG's MBOs 2021–25 by origination channel**



Source: Deutsche Beteiligungs

**Exhibit 4: Sellers of German mid-market MBOs 2021–25**



Source: Finance Magazin study

## Managed internally by an experienced team

DBAG is managed internally and has a team consisting of 41 investment advisory professionals with more than 380 years of combined PE experience as of 1 January 2026. The alignment of the team's interests with DBAG and fund investors is supported by co-investments made alongside the DBAG funds by senior members at c 1–2% of capital raised. They are entitled to a share in profit (carried interest) at 20% of proceeds from sales over the investors' preferred return of 8% per year. Members of the investment team also receive a variable remuneration based on the success of DBAG's long-term investments. The investment team is supported by an extensive external network of more than 80 experienced industrial partners and senior advisers (often former or current 'C-level' professionals).

DBAG's team is actively engaged in the development of its portfolio companies, both organically and through targeted M&A. DBAG's buy-and-build strategy and expertise is illustrated, for instance, by its investment in Cloudflight, a full-service provider for industrial digital transformation. The partial sale of the company was agreed in November 2022 (DBAG retained a minority stake) after a holding period of around three years, with DBAG achieving a multiple on invested capital (MOIC) above 4x. DBAG invested in the company alongside DBAG Fund VII in June 2019 by creating Cloudflight from software specialist Catalysts and IT research and consultancy firm Crisp Research. Since then, the platform company has performed six add-on acquisitions and grew revenues from €59m in 2019 to €80m in 2021.

Another example is in-tech, a service provider for software development, testing and validation, which was sold after a two-year holding period (2022–24). During this time, it made two targeted accretive add-ons (eg in cybersecurity) and was sold in FY24 at a healthy 3.3x MOIC. DBAG led several value-creation activities at in-tech, including the expansion of value-add services and new products, the implementation of SAP S/4HANA, broadening of the management team and the introduction of an advisory board, fostering near- and offshoring, as well as consolidating a fragmented market in core domains.

## Improving sector mix across the PE portfolio in recent years

Historically, DBAG's private equity portfolio largely reflected the German industrial mid-market, with industrial businesses making up c 80% of its portfolio in FY15. Since then, DBAG has consistently broadened its portfolio into sectors such as IT services and software, healthcare, business services, as well as environment, energy and infrastructure (see Exhibit 5). This may have provided a certain cushion against the macroeconomic headwinds that have affected DBAG's industrial portfolio since 2019.

Within the **industrial and industrial technology** segment, DBAG shifted away from more traditional industrial holdings. Notably, DBAG reduced its exposure to the automotive end-market and currently has only four major older-vintage holdings in this space (none of which features in DBAG's top 10 holdings, which made up 59% of its end-2025 portfolio). These include Fischer Tiretech (a manufacturer and developer of cutting systems for the tyre industry, acquired in 2018), currently among the top six to 10 holdings, and three companies beyond its top 15 holdings: Oechsler (a producer of plastic components acquired in 2015), Brown Connectivity Solutions (a producer of cable systems and interior vehicle lighting, acquired in 2017) and Silbitz (which owns four foundries producing castings on a steel and iron basis).

Although industry and industrial technology was still DBAG's largest sector with a 29% share in end-2025 portfolio

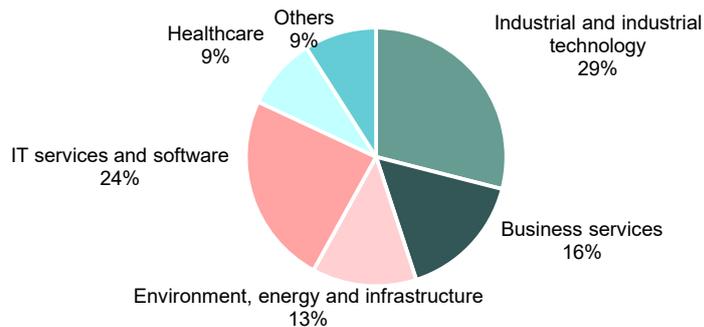
value, we note that c 12.2pp of this figure represents duagon, a provider of embedded electronics for safety-related applications, whose successful sale to Knorr-Bremse was completed in January 2026 (see our [previous note](#) for details). The transaction is worth noting for several reasons:

- DBAG achieved a solid MOIC of over 2.7x (2.8x in the corporate presentation).
- DBAG booked a more than 100% uplift to duagon’s carrying value 12 months prior, suggesting a conservative valuation approach.
- duagon was sold to a strategic buyer, an attractive exit route that has been seen less often in the PE market lately.
- duagon is one of DBAG’s older investments (made in 2017), illustrating that even older vintages can generate robust returns.

Furthermore, in March 2026, DBAG completed the exit of another (though smaller) industrial technology holding, Kraft & Bauer (for an undisclosed price) to Syngroh Capital, an investment entity of the Grohe family. Kraft & Bauer, a provider of microprocessor-controlled, sensor-based fire extinguishing systems for tooling machines, illustrates DBAG’s focus on selected market niches.

Following the sale of duagon, DBAG’s largest holding in the sector (and one of DBAG’s top five holdings overall at end-2025) is industrial technology company congatec, which focuses on high-performance embedded computer (computer-on-module) products deployed in industrial robots, image processing and ultrasonic devices, among others. Last year, the company acquired JUMPttec (carved out from listed company Kontron), which has a similar business model to congatec but a bigger exposure to aerospace and defence, where congatec is under-represented, with other focus areas including electronic equipment and instruments, industrial automation and medical applications. The second-largest industrial and industrial technology holding is Dantherm Group, a European provider of heating, cooling, drying, ventilation and air cleaning technology.

#### Exhibit 5: DBAG’s portfolio breakdown by sector at end-December 2025



Source: Deutsche Beteiligungs

DBAG’s current **IT services and software** exposure (24% of end-2025 portfolio value) consists predominantly of providers of services in areas such as IT consulting, the development of complex, customised, end-to-end software solutions, software integration and digital transformation (eg Akquinet, AOE, Cloudflight, freiheit.com, UNITY, MAIT). It also holds IT infrastructure business Green Datahub encompassing two data centres. We believe that this makes DBAG’s portfolio less susceptible to any potential negative effects from AI disruption on software (a major, though likely overblown, concern of public market investors at present), while potentially allowing it to participate in the upside from AI adoption. DBAG’s management highlighted that the company has now reached its target exposure to the IT services and software sector.

DBAG’s exposure to pure-license software is mainly through Solvares Group, a provider of field service management, field sales management and transport management and logistics solutions, including AI-enhanced route optimisation. DBAG partially sold Solvares to Five Arrows (the alternative assets arm of Rothschild & Co) in April 2024 (at a slight uplift to end-2023 carrying value) but continued the remaining investment by setting up its first continuation fund, which it advises for a fee.

The Solvares transaction resulted in a MOIC of 2.5x for the DBAG ECF Fund III and a management fee increase for DBAG of 77%, versus the fee generated for Solvares via advising DBAG ECF Fund III. Subsequently, Solvares agreed a significant add-on acquisition of Totalmobile in October 2025. The transaction was structured as a co-investment by the continuation fund, DBAG Fund VIII and Five Arrows Principal Investments, with the additional capital raised for the continuation fund resulting in an increase in fee income for DBAG of €1.5m per year. At the same time, the transaction

led to a further reduction in DBAG's direct exposure to Solvares (it was outside DBAG's top 10 holdings at end-2025).

**The environment, energy and infrastructure sector** (13% of portfolio value at end-2025) has been presented as a separate sector since DBAG's FY24 results. It includes companies such as Avrio Energie (an operator of a biogas plant with further expansion plans in biogas and solar), NOKERA (a producer of buildings in serial and sustainable construction), Hausheld (a developer of smart metering solutions for electricity networks), Itelyum (active in recycling of industrial waste) and TBD Technische Bau Dienstleistungen (a provider of construction services for infrastructure solutions).

It also includes Netzkontor Group, a provider of planning and supervision for the construction of fibre optic networks, which also owns a subsidiary (OpenXS) providing network management services based on long-term contracts with fibre optic network operators. Netzkontor is DBAG's last remaining holding in broadband and technology, a sector DBAG started investing in back in 2013 (it acquired Netzkontor in 2018). DBAG initially saw good traction in this sector, culminating with the successful disposal of DNS:Net in June 2021 (which implied a very healthy MOIC of 5.8x) and its remaining four broadband/telecom holdings being valued at 3.7x cost on average at end-June 2021. When broader markets deteriorated, DBAG's broadband/telecom investments were marked down in FY22 due to a combination of lower multiples, as well as weaker earnings in some cases. This resulted in a fall in their share in DBAG's portfolio value from 30% at end-September 2021 to 13% at end-September 2022. That said, DBAG was able to realise one of the holdings (BTV Multimedia) at a strong MOIC of 3.0x in May 2023 after a holding period of close to five years. The realised return on the subsequent two exits, Deutsche Giga Access (2024) and vitronet Group (2025), were not disclosed (STG/DING, another holding in the sector, was merged with vitronet in 2021).

We believe that some of DBAG's environment, energy and infrastructure holdings could benefit from Germany's €500bn infrastructure fund, whose priority areas include transport infrastructure, digitalisation (Netzkontor), housing construction (NOKERA) and energy infrastructure (Hausheld, TBD).

DBAG's current **healthcare** portfolio (9% of end-2025 portfolio value) includes four holdings: vhf (a manufacturer of CNC milling machines and tools for the dental, industrial and sign-making sectors), Evidia (radiology and nuclear medicine practices), PolyTech Health & Aesthetics (a provider of high-quality silicone implants) and operasan (medical care centres offering nephrology and dialysis). Management aims to raise its healthcare exposure via new investments.

Finally, DBAG holds four companies classified as **business services** (making up 16% of the end-2025 portfolio), the largest of which is Cartonplast, a provider of a pool system for the rental of reusable plastic layer pads acquired in 2019, with the three remaining holdings being Firian (fire protection systems), FinMatch (a digital corporate finance platform for mid-market companies, in which DBAG acquired a significant minority stake last year) and Sero (a development and manufacturing service provider for electronic components).

We understand that DBAG's near-term focus will be the DACH region given the elevated competition in the Italian market, where DBAG invested in recent years.

DBAG has so far deployed €84m of its €100m private debt commitments across the following four transactions, bringing their share in total investment portfolio to 11% (already within DBAG's target range of 10–20%). Management highlighted that all investments yield an attractive return profile in a senior secured structure.

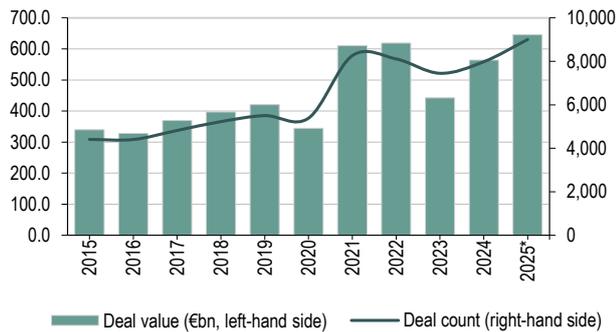
- Its first deal involved refinancing an existing loan and providing growth financing for an Irish manufacturer of generic drugs.
- DBAG agreed to finance the acquisition of a company specialising in passive electronic components for a global blue-chip customer base.
- Another private debt transaction was to support a family office in creating a digital and physical marketing asset production platform via the acquisition of two assets.
- Finally, DBAG financed the combination of three fintech businesses catering to international students in Germany.

## Improved European PE activity but war in Iran adds uncertainty

The PE deal environment has been improving lately as the tentative recovery, which began in late 2024 and was interrupted by the US tariff turmoil, resumed in H225, with both transaction and exit activity across global PE markets rebounding significantly. European PE deal value increased by 14.4% y-o-y in 2025 to an all-time high of €645.3bn (and was up 26.5% y-o-y in H225 alone), according to an estimate by PitchBook based on data as of 31 December 2025 (see Exhibit 6). Equally important is the 50% y-o-y rise in European PE exit value in H225, which brought the full-year growth to 10.0%, although exit value remains below the 2021 peak (see Exhibit 7) and distributions as a percentage of NAV stand below 20%, still visibly lower than the long-term average. The improved realisation activity led to a decline in average holding periods (for the first time since 2020) from 6.6 years to 5.8 years, according to PitchBook.

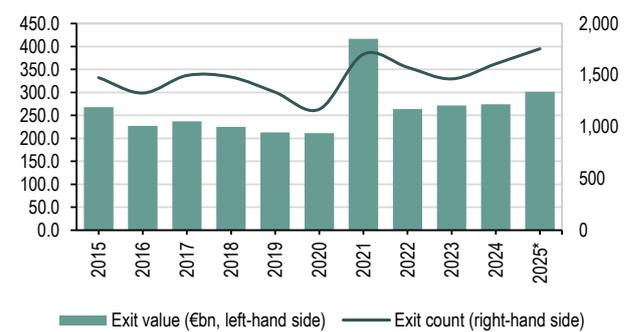
It is worth noting that, while overall exit activity improved, the volume of exits through IPOs declined in Europe by 38.4% in 2025 from an already muted level in 2024. We believe this underscores the case for the PE mid-market, which is less reliant on IPOs as an exit route.

**Exhibit 6: Deal value across the European PE market**



Source: PitchBook data. Note: \*Based on data available as of 31 December 2025.

**Exhibit 7: Exit value across the European PE market**

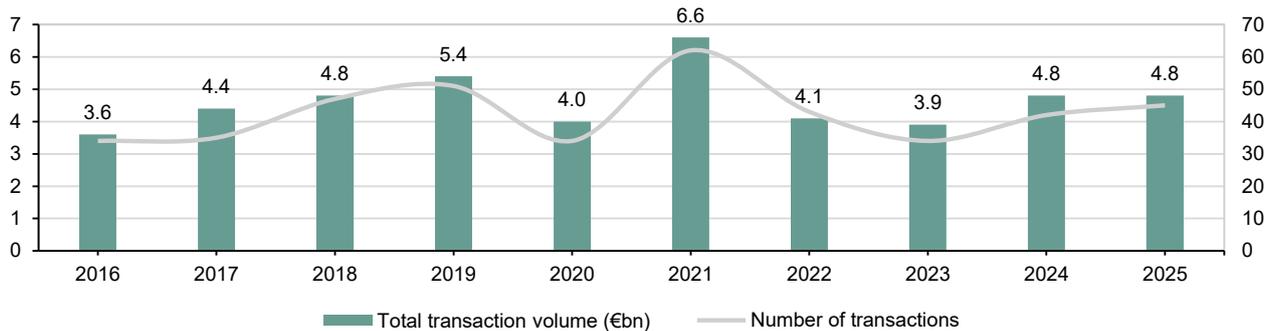


Source: PitchBook data. Note: \*Based on data available as of 31 December 2025.

The improved market activity in 2025 likely benefited from a moderation in macroeconomic risks that assisted M&A activity, although exits are at least partly driven by the pressure from limited partners on general partners to deliver liquidity before making commitments to new PE funds. Lower borrowing costs and improved market sentiment supported a high share of megadeals, at 31.9% in 2025 (up from 28.1% in 2024), according to PitchBook. We also note the increase in US participation in European deals to 34.8% by value in 2025, which is another sign of market confidence. European PE fund-raising was soft in 2025, although mid-market funds were a bright spot with a record year in terms of raised capital, according to PitchBook.

The German PE market overtook the French in 2025 by deal value to become Europe's second-largest market, which PitchBook attributes partly to the political uncertainty in France. Exits were at record highs in the DACH region in 2025, with four out of the top 10 European PE exits in 2025 originated from this region. That said, in the German mid-market segment of entry enterprise values (EVs) between €50m and €250m, deal value was broadly stable at €4.8bn, with a slight increase of deal count to 45 from 42 in 2024, according to DBAG (see Exhibit 8).

We note that the current war in the Middle East and the accompanying spike in the oil price represent a downside risk going forward as this could result in more subdued PE market activity in the near term.

**Exhibit 8: Number of German PE mid-market MBOs and transaction volume**


Source: Deutsche Beteiligungs. Note: PE mid-market defined as private companies with entry EVs of €50m to €250m.

## German economy moving back to modest growth

According to Destatis, real GDP in Germany rose by 0.2% in 2025, or 0.3% on a calendar-adjusted basis, after two years of contraction. The improvement was driven mainly by private and government consumption, while exports remained under pressure from higher US tariffs, euro strength and competition from China. GDP then rose by 0.3% q-o-q in Q425, supported by household and government spending, as well as construction, although exports still declined versus Q325.

Against that backdrop, the ifo Institute said in its spring 2026 forecast that Germany had entered a recovery path at the end of 2025, with improving order books in construction and manufacturing, but it trimmed the near-term outlook because the Iran-related energy shock is expected to weigh on activity. In its de-escalation scenario, the ifo Institute forecasts GDP growth of 0.8% in 2026 and 1.2% in 2027, versus 1.0% and 1.2% respectively in its pre-war scenario. In an escalation scenario, growth is expected at 0.6% in 2026 and 0.8% in 2027.

The Bundesbank remains somewhat more cautious on the timing of the recovery, but it also expects activity to improve from 2026 onwards. In its latest forecast, it expects calendar-adjusted GDP growth of about 0.6% in 2026, 1.3% in 2027 and 1.1% in 2028, with the upturn becoming more visible from Q226 as additional defence and infrastructure spending feeds through, exports recover and residential construction starts to improve. At the same time, the Bundesbank notes that fiscal stimulus alone is unlikely to solve Germany's structural growth problem, estimating potential output growth at only around 0.4% per year over the forecast horizon. DBAG's management underwrites limited economic growth in Germany in its investment process.

## DBAG's NAV TR ahead of the weak German small and mid-caps

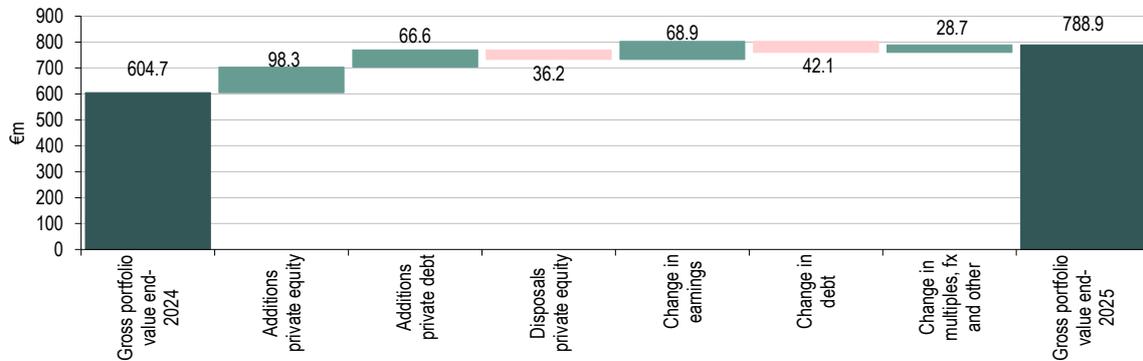
DBAG's NAV per share reached €36.37 at end-2025, in line with management guidance of €36–40 (updated in July 2025). As a result, DBAG posted a moderate (though higher than peer average) NAV TR in euro terms in FY25 of 5.3% as its portfolio remains affected by the weak macroeconomic backdrop in Germany, with soft new orders throughout most of 2025. Despite the weak German economy, several holdings were able to deliver strong operational performance, translating into a positive €68.9m growth in portfolio value from the change in earnings in 2025. We understand that some positive impact may have also come from the shift from 2025 to 2026 budgeted earnings in DBAG's portfolio valuations, in line with its standard approach in the last quarter of each financial year.

DBAG's revaluations from changing earnings do not capture the full potential from congatec's significant add-on acquisition of JUMPtec completed last year. While JUMPtec's earnings were already accounted for last year, DBAG's management expects a significant pick-up in new orders in 2026, which are not yet reflected in the portfolio valuation. Meanwhile, JUMPtec's acquisition was an important factor (alongside add-ons to Avrio and operasan) behind the €42.1m negative impact from higher portfolio debt on portfolio revaluation in FY25. This transaction also contributed to the increase in the proportion of DBAG's holdings, with a net debt to EBITDA ratio of more than 4.0x to 46% at end-December 2025 versus 35% at end-June 2025 and 42% at end-December 2024. DBAG's management highlighted that the higher average net debt to EBITDA across its portfolio is partly attributable to a meaningful share of attractive businesses with recurring revenue (eg Solvares Group).

Finally, the movement in valuation multiples and other valuation changes had a €28.7m positive impact on portfolio values and was primarily driven by the uplift on duagon's exit (likely partly offset by some negative impact coming from the shift from 2025 to 2026 earnings multiples, which accompanied the above-mentioned shift in earnings used in valuations). Consequently, total net gains on portfolio revaluation reached €55.6m, or 9.2% of opening gross portfolio value (see Exhibit 9), of which the positive valuation result of private debt investments was €8.0m.

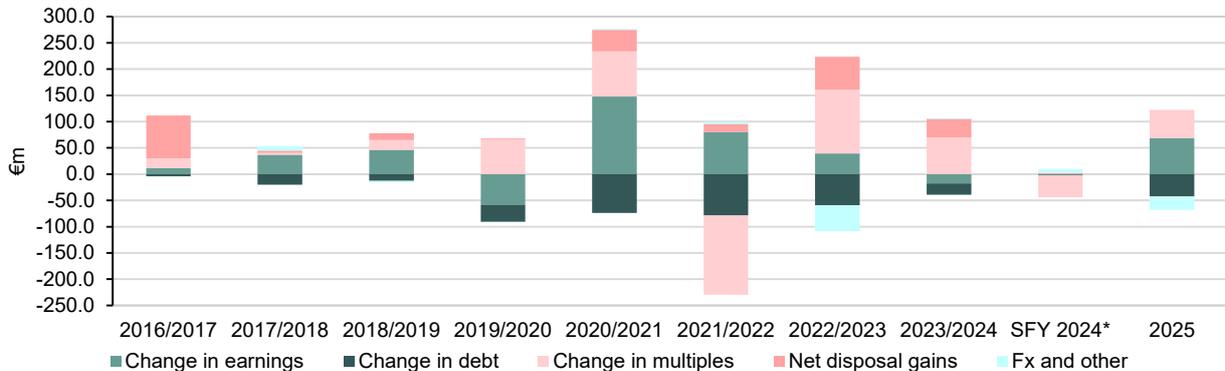
DBAG's management now guides to an NAV per share of €41–48 in FY28 (ie a 13–32% increase vs end-2025). DBAG's management highlighted that there should be limited first-order impact on its portfolio from a spike in the oil price due to the war in the Middle East.

**Exhibit 9: Breakdown of DBAG's change in gross portfolio value in FY25**



Source: Deutsche Beteiligungs

**Exhibit 10: DBAG's historical gross gains and losses on measurement and disposal portfolio by sources**



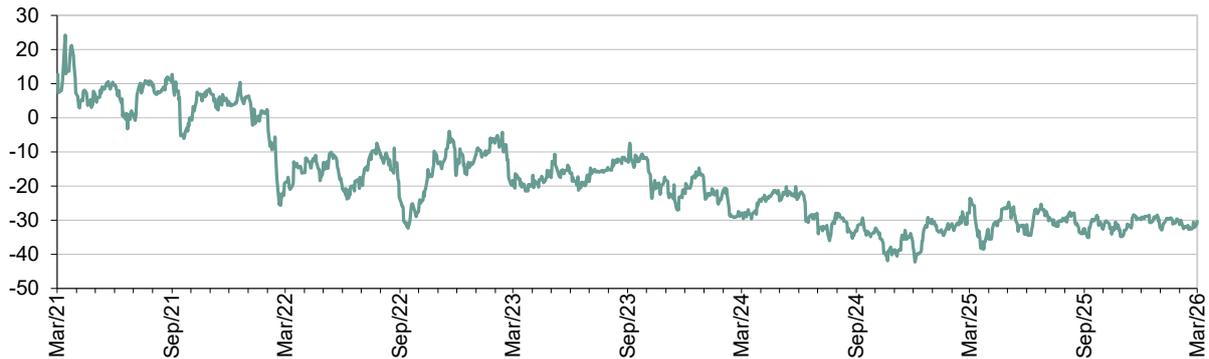
Source: Deutsche Beteiligungs. Note: \*Short financial year to end-December 2024.

DBAG's NAV TR in euro terms between end-December 2020 and end-December 2025 reached 42.6%, or c 7.4% per year, which is ahead of the return posted by the German small-cap index (SDAX) of 3.1% per year, as well as the German mid-cap index (MDAX), which stayed broadly flat over that period (see Exhibit 1). We consider listed small-cap companies and the lower end of listed mid-cap companies as the best comparator for DBAG's portfolio given its focus on businesses with EVs between €50m to €250m at entry (up to €400m when DBAG fund VIII's top-up fund is used). Listed German and European large-cap companies performed better than German small- and mid-cap companies over that period, as illustrated by the 12.3% and 11.6% returns per year posted by the DAX and STOXX Europe 600 indices, respectively.

DBAG's five-year NAV TR is behind the PE peer average (at least partly due to the backdrop of a weak macroeconomic environment in Germany), although it slightly outperformed the peer average over three years (see Exhibit 15 below).

Meanwhile, its share price decoupled from NAV performance and was down 1.2% in TR terms, leading to a discount to last reported NAV of 30.3% currently (see Exhibit 11). We note that, before 2022, DBAG's shares traded at a premium to NAV (18% on average over the five years to end-2021), which we believe was due to the share price reflecting the additional value of DBAG's fund services business, which manages c €2bn of third-party capital, the value of which is not directly captured in DBAG's reported NAV. Given this, DBAG's portfolio changes in terms of sector exposure and the increasing share of private debt investments (which likely bear a lower risk than PE investments), the current discount to NAV may be considered wide.

### Exhibit 11: DBAG's historical discount to NAV (%)

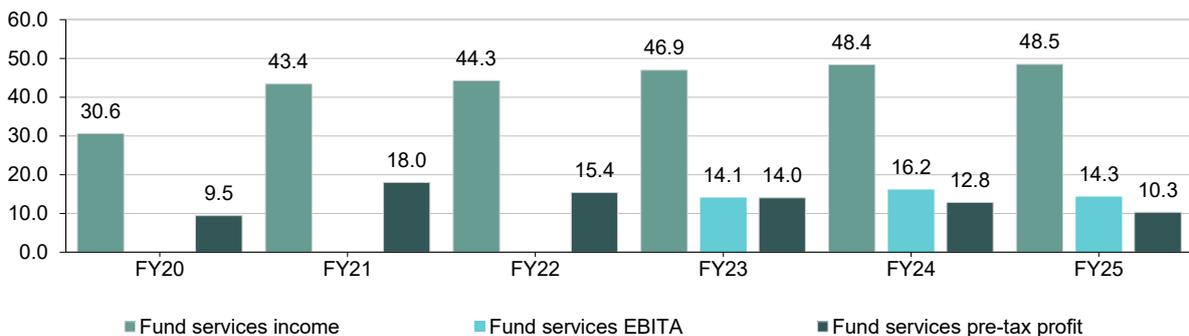


Source: LSEG Data & Analytics, Edison Investment Research

DBAG's fund services business generated an EBITA of €14.3m (see Exhibit 12), closer to the upper end of management guidance of €10–15m. Management noted a slight decline in EBITA margin compared to FY24 (ended September 2024), primarily due to a higher number of full-time equivalents.

There are currently two DBAG funds in the investment phase: the flagship DBAG Fund VIII with a total size of €1,109bn, including a top-up fund (of which €255m is attributable to DBAG) whose investment period ends in December 2029, and the €249m DBAG Expansion Capital Fund IV (of which €100m is attributable to DBAG's commitments), investing until December 2028. The majority-owned ELF Capital (acquired in November 2023) has two funds that are in the investment stage: ELF European Lending Fund II, which is focused on senior debt (€50m, of which half is attributable to DBAG's commitments), and ELF Capital Solutions Fund I, which has a more flexible mandate covering highly structured investments, including hybrid capital/structured equity investments (€76m, of which €75m is attributable to DBAG).

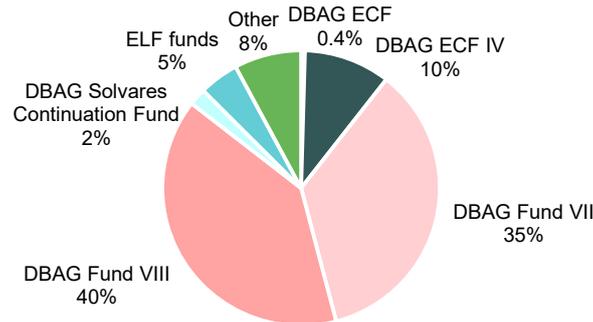
### Exhibit 12: Financial results of DBAG's fund services business (€m)



Source: Deutsche Beteiligungs

Note: Fund services EBITA not reported for FY20–22. FY24 results include run-up costs for DBAG ECF IV and DBAG Luxembourg. FY24 and FY25 pre-tax profit includes amortisation of client relationships in conjunction with the ELF Capital acquisition and regular adjustment of the carried fair value of the existing option for the purchase of the remaining 49% stake in ELF Capital.

### Exhibit 13: Breakdown of DBAG's fund services income in FY25



Source: Deutsche Beteiligungs

Management now guides to an EBITA of just €5–9m in FY26, which we understand is a function of significant expected exits, which will reduce the fee-generating asset pool in the near term. However, management expects EBITA to increase to €11–17m in FY28, following the launch of the next vintage of DBAG's flagship MBO fund (DBAG Fund IX), which is now expected somewhat later than management previously assumed due to slower exit activity lately. Management now assumes fund-raising for the new fund to start in late 2026 or early 2027.

We consider it instructive to examine the market-implied valuation of both DBAG segments in two scenarios: 1) using the implied value of PE investments, assuming fund services are valued in line with peers; and 2) using the implied value of the fund services segment, assuming that PE investments are valued in line with peers. For peers in DBAG's fund services segment, we use a group of listed asset managers with exposure to alternative unlisted assets: Blackstone, Bridgepoint, Hamilton Lane, Blue Owl Capital, StepStone Group, EQT, Partners Group and CVC Capital Partners. We acknowledge that these companies have assets under management that are an order of magnitude larger than that of DBAG, which may distort the analysis. In the case of PE investments, we use the peer group shown in Exhibit 15, excluding 3i.

### Exhibit 14: Analysis of DBAG's market value by segment

Fund services in line with peers	
Earnings multiple applied to fund services segment's valuation* (x)	15.6
Implied value of fund services segment**	€109.0m
Implied value of private equity investments segment	€333.0m
Implied discount of private equity investments value to DBAG's end-2025 NAV***	46.5%
Private equity investments in line with peers	
Investments: discount to NAV	28.8%
Investments segment	€443.2m
Fund services segment	€(1.3)m
Services: P/E ratio (x)	(0.2)

Source: Deutsche Beteiligungs, Edison Investment Research, LSEG Data & Analytics.

Note: \*Based on FY26e consensus earnings from LSEG Data & Analytics, except for Hamilton Lane and StepStone Group (average of consensus numbers for financial years to end-March 2026 and to end-March 2027). \*\*Based on the midpoint of management's FY26e EBITA guidance (no net income available). \*\*\*Multiple and discount are calculated based on DBAG's NAV excluding intangible assets arising from the ELF Capital acquisition.

Assuming the fund services segment is valued in line with peers (on a 15.6x earnings multiple) and using DBAG's current market capitalisation, the implied value of DBAG's PE investments would be c €333m (47% below its end-December 2025 NAV, which we conservatively adjust for the intangibles arising from the ELF Capital acquisition), while DBAG's peers currently trade at an average 29% discount. If we conservatively assume the lower end of the peer valuation range (9.8x), we arrive at an implied value of DBAG's PE investment of €373m, a still sizeable 40% discount to DBAG's end-December 2025 NAV. On the other hand, if we assume that the PE investments were valued in line with peers, then DBAG's current market capitalisation would imply a slightly negative value for the fund services business.

**Exhibit 15: DBAG's peer comparison as of 17 March 2026\* (% unless stated otherwise)**

	Market cap (€m)	NAV TR (1-year)	NAV TR (3-year)	NAV TR (5-year)	NAV TR (10-year)	Discount	Latest net gearing**	Dividend yield***
Deutsche Beteiligungs	442	5.3	20.0	42.6	122.5	(30.3)	133	3.9
3i	35,826	19.5	102.3	289.0	786.4	0.1	105	2.6
GIMV	1,669	1.2	26.5	43.0	87.0	(17.7)	100	5.7
HgT	2,146	(1.6)	29.5	100.3	304.9	(27.4)	101	1.3
ICG Enterprise Trust	956	1.9	11.5	86.5	191.6	(35.5)	107	2.8
Oakley Capital Investments	950	0.8	15.1	95.9	244.5	(33.1)	111	0.5
Partners Group Private Equity	630	(8.7)	3.7	21.7	117.1	(28.8)	103	8.1
Patria Private Equity Trust	979	3.9	22.7	98.2	219.2	(30.7)	110	3.1
<b>Peer average (excluding 3i)</b>	<b>1,222</b>	<b>(0.4)</b>	<b>18.2</b>	<b>74.3</b>	<b>194.1</b>	<b>(28.8)</b>	<b>105</b>	<b>3.6</b>
Rank	8	2	5	7	6	5	1	3

Source: Deutsche Beteiligungs, LSEG Data & Analytics, Edison Investment Research.

Note: Net gearing is total assets less cash and equivalents as a percentage of net assets. \*12-month NAV TR performance in euro terms based on end-September 2025 or latest earlier available NAV. \*\*DBAG's net gearing is as of end-2025 and, therefore, excludes the duagon exit proceeds received in January 2026. \*\*\*DBAG's dividend yield calculated based on the €1.00 dividend per share paid out of FY24 (ie excluding the €0.25 paid for the abbreviated financial year to end-December 2024).

**Exhibit 16: Five-year discrete performance data in euro terms (%)**

	DBAG NAV	DBAG share price	DAX	SDAX	Stoxx Europe 600
31/12/2021	26.1	25.2	15.8	11.2	25.5
31/12/2022	(5.8)	(26.0)	(12.3)	(27.3)	(10.1)
31/12/2023	9.4	8.2	20.3	17.1	16.5
31/12/2024	4.2	(18.7)	18.8	(1.8)	9.5
31/12/2025	5.3	15.6	23.0	25.3	20.6

Source: Company data, LSEG Data & Analytics. Note: All figures on a TR basis.

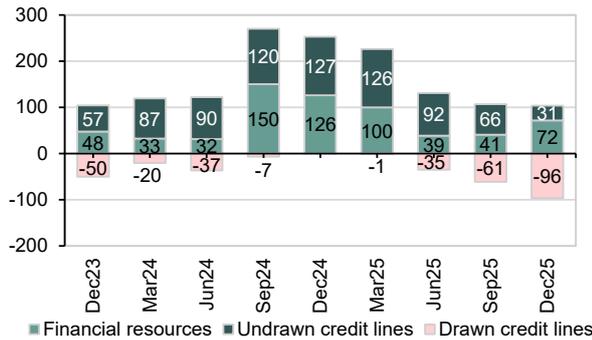
## Fully invested at end-2025, exits in 2026 to provide firepower

DBAG deployed €66.6m across three private debt transactions (with another one yet to close) in 2025, while its major PE investments included a €29m MBO of MAIT, a top 10 German mid-market IT consultancy active across 25 locations in the DACH region and Benelux, with €205m in revenues in 2025 and 900 employees (acquired from PE investor 3i). DBAG also made a long-term minority investment into FinMatch (funded entirely from DBAG's balance sheet), as well as a follow-on investment into an undisclosed existing portfolio company, replacing external financing, at what DBAG's management describes as very attractive terms.

Consequently, DBAG has deployed the proceeds from the 2024 convertible bond issue and recent realisations and is now fully invested. The exit environment proved challenging throughout most of 2025, not least due to elevated macroeconomic and geopolitical uncertainty in H125. DBAG's realisation proceeds stood at a modest €36.2m but, together with the c €80m received in January 2026 from the above-mentioned duagon exit, this amounts to a solid 18% of DBAG's opening portfolio value.

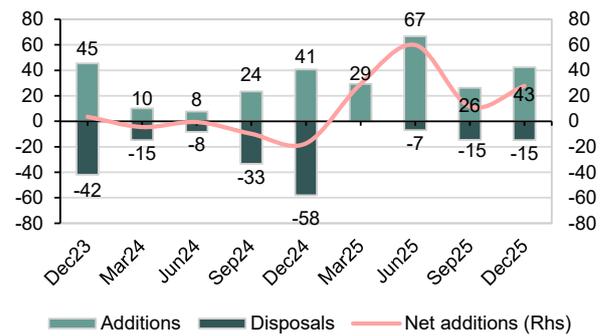
Management highlights that several of its portfolio holdings have become mature and expects significant exits this year (though we believe that this is subject to the geopolitical situation). Some of its mature holdings are already in a sales process, including Freiheit.com, Von Poll Immobilien and Green DataHub. DBAG's financial resources (cash and short-term investments) reached €72m, and it had €96m drawn from its credit facility as of end-2025 (see Exhibit 17), with another €31m still undrawn. Again, this does not account for the duagon realisation proceeds, which were used to repay a substantial part of the drawn credit facility post reporting date and we estimate may have reduced the net gearing ratio presented in Exhibit 15 above from 133% to c 120%. Therefore, DBAG's available liquidity comfortably covers the majority of the €210m outstanding commitments as of end-2025.

**Exhibit 17: DBAG's available liquidity evolution (€m)**



Source: Deutsche Beteiligungs

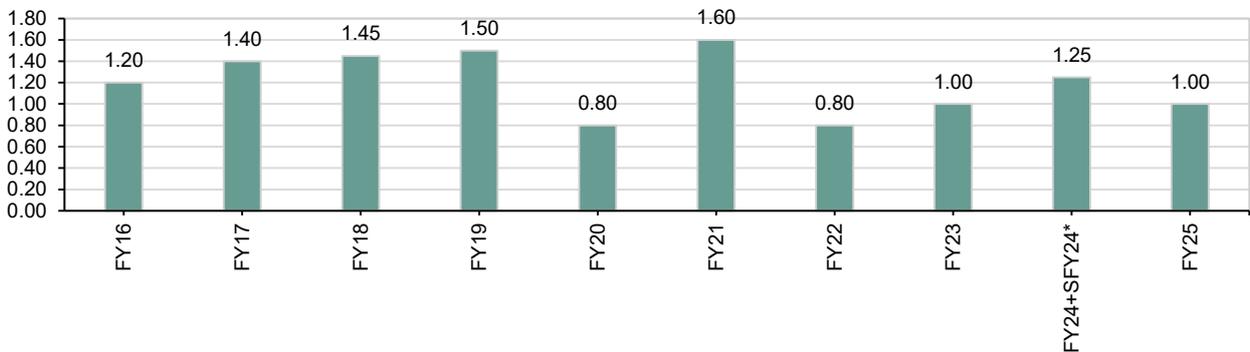
**Exhibit 18: DBAG's portfolio additions and disposals (€m)**



Source: Deutsche Beteiligungs

DBAG maintains its policy of distributing an annual dividend of €1.00 per share, which currently implies a robust 3.9% yield. It also continues to execute its NAV-accretive buyback programme (extended until July 2026), which in 2025 brought its total shareholder returns to €36.4m. Another €3.9m was spent on buybacks so far in 2026.

**Exhibit 19: DBAG's historical dividends per share (€)**



Source: Deutsche Beteiligungs. Note: \*€1.00 per share paid for FY24 and €0.25 per share paid for the short financial year to end-December 2024.

## DBAG's approach to ESG

DBAG remains a United Nations Principles for Responsible Investment signatory, and has expanded its ESG framework through participation in Level 20 since 2022 and membership of the ESG Data Convergence Initiative since 2025. The company also says it collects portfolio ESG key performance indicators annually across five core areas: energy consumption, employee satisfaction, greenhouse-gas emissions, health and safety, and governance. In the FY25 annual report, DBAG highlights that its European Sustainability Reporting Standards-based double materiality analysis confirmed that greenhouse gases, employee satisfaction and compliance remain its three key holding-level non-financial priorities, while its investment policy excludes transactions involving sanctioned businesses or companies generating more than 20% of revenues from selected sectors (eg landmines, cluster munitions, weapons of mass destruction, gambling, coal mining, oil sands and uranium mining).

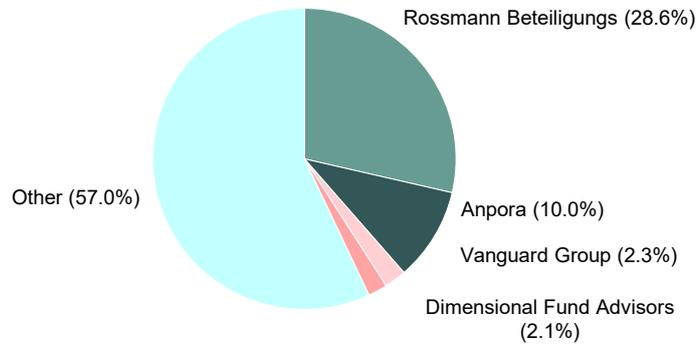
At holding level, the FY25 ESG performance was solid overall. DBAG reduced its Scope 1–3 carbon footprint to 1.9 tonnes of CO<sub>2</sub> per employee, from 2.8 tonnes in FY23/24, helped by expired company-car leases and lower flight emissions. Employee satisfaction was stable at 69%, broadly in line with the 70% target, and payments from compliance breaches again remained at zero. For 2026 and 2028, DBAG targets a carbon footprint of 2.6t and 2.5t respectively, employee satisfaction of 70% in both years and zero compliance-breach payments. Management also notes that further meaningful CO<sub>2</sub> reductions may depend on advisers disclosing their own footprints, while further gains in employee satisfaction may be harder from the current level. Separately, although DBAG completed a double materiality analysis during its Corporate Sustainability Reporting Directive (CSRD) preparations, it now says the EU Omnibus changes mean it does not expect a formal European Sustainability Reporting Standards (ESRS) reporting obligation for FY25 or future

years.

## Capital structure

At end-December 2025, DBAG's share capital consisted of 18.8m ordinary shares of no-par value, of which 17.4m are currently outstanding (with the rest held in treasury). DBAG shares are predominantly owned by private investors and family offices.

### Exhibit 20: DBAG's shareholder structure



Source: Bloomberg. Note: Data as of 18 March 2026.

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