

## PRESS RELEASE

### **Deutsche Beteiligungs AG backs two portfolio companies in making add-on acquisitions aimed at expanding the product range**

- **Pfaudler Group acquires Julius Montz GmbH**
- **Terlet NV complements ProXES group of companies**
- **DBAG and DBAG funds provide equity capital of 42mn euros**

**Frankfurt am Main, 30 July 2015.** Two companies in the portfolio of Deutsche Beteiligungs AG (DBAG) have enlarged their product range through add-on acquisitions, taking another key step in their development. DBAG and its managed or advised funds have provided equity capital of 41.8 million euros to finance the two acquisitions, thereof DBAG alone about 8.0 million euros. Both transactions were agreed in the past weeks.

By acquiring the majority in Julius Montz GmbH (“Montz”), the Pfaudler Group (“Pfaudler”, [www.pfaudler.com](http://www.pfaudler.com); 2014 revenues: 222 million US dollars) has now expanded its product offering. Like Pfaudler, Montz (Hilden, North Rhine-Westphalia, Germany) plans, designs and manufactures plant components for applications in the chemical industry. Pfaudler produces glass-lined reactors that are used to mix chemical substances. Montz, on the other hand, specialises in distillation technology through which different liquids and gases can be separated into their constituent parts or purified. A core competence of the company, which owns numerous patents, is the configuration of individual components to form optimised columns in a chemical plant. This line of business accounts for approximately 60 percent of revenues (totalling 40 million euros). Montz also develops and supervises the construction of complete plants for the chemical and pharmaceutical industries as well as for the food industry. Montz holds a leading market position in the bioethanol sector, including in the development of state-of-the-art production processes for cellulosic ethanol. Montz will therefore strengthen Pfaudler’s systems competence.

Montz will remain autonomous within the Pfaudler Group but will have access to Pfaudler’s global network, which encompasses sales and service organisations on all continents. Montz and Pfaudler currently have many customers in common to whom they separately deliver different, complementary technologies. A company with a rich tradition and outstanding reputation – its history dates back to 1911 – Montz will contribute importantly towards Pfaudler’s further growth. Montz employs about 110 people in Hilden and at its second site in Landau (Rhineland-Palatinate, Germany).

With the acquisition of Netherlands-based processing equipment manufacturer Terlet N.V. (“Terlet”), ProXES GmbH (“ProXES”, [www.stephan-machinery.com](http://www.stephan-machinery.com); 2014 revenues: 81 million euros) moved ahead in its strategy of creating a group of autonomous companies operating in process technology under a joint umbrella. ProXES includes Stephan Machinery and FrymaKoruma. Both companies are leaders in machinery used in production processes in the food, pharmaceutical and health-care industries. Terlet’s machines and components are also used in food processing. They are designed to combine optimal heat transfer with gentlest possible processing of foods. These include in particular baby food, ready-to-eat meals and fruit preparations – all products in growing demand worldwide. Based on the company’s size (2014 revenues: 16 million euros), Terlet’s (Zutphen, Netherlands) current international sales organisation is comparatively small. This Dutch company will now have access to ProXES’ global sales and services network, as well as to other group competencies, such as plant construction. Including its new acquisition, the ProXES Group expects 2015 revenues to rise to more than 100 million euros. Like the other ProXES group companies, Terlet will retain its autonomy; it employs a staff of 70.

“Add-on acquisitions are an integral constituent of our value growth strategy, and they are taking place at almost all of our portfolio companies,” said Torsten Grede, Spokesman of the DBAG Board of Management, commenting on the two latest investments. “We encourage and support our portfolio companies’ managements to use this option to grow, enter into new markets or improve their competitive positions.” At the beginning of the year, three other portfolio companies had completed add-on acquisitions, and five investee businesses did so last financial year. Including the two latest transactions, the portfolio companies added more than 230 million euros in revenue in the past 24 months.

***Deutsche Beteiligungs AG, a listed private equity company, raises closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-sized companies with potential for development. DBAG focuses on industrial sectors in which Germany’s ‘Mittelstand’ is particularly strong on an international comparison. With its experience, expertise and equity, DBAG supports its portfolio companies in implementing corporate strategies that sustainably create value. Its entrepreneurial approach to investing has made DBAG a sought-after investment partner in the German-speaking world. Total assets managed and advised by DBAG amount to approximately 1.2 billion euros.***

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