

PRESS RELEASE

DBAG sells investment in ProXES

- **Buy-and-build concept successfully implemented: Four leading companies under an umbrella organisation**
- **Capvis acquires market leader in process technology for food industry**
- **Another positive value contribution to third-quarter 2016/2017 net income**

Frankfurt am Main, 18 May 2017. Deutsche Beteiligungs AG (DBAG) will very successfully conclude its investment in the ProXES Group (ProXES) by selling its interests to Capvis Equity Partners IV LP, a fund advised by Swiss private equity firm Capvis Equity Partners AG. The DBAG-managed DBAG Fund V also divests its interests. The company's management will re-invest substantially. Agreements to that end were signed today. The transaction is subject to approval by the cartel authorities and is expected to close within the next three months. The parties to the contract have agreed not to disclose the purchase price.

The share of the agreed sales proceeds attributable to DBAG exceeds the investment's valuation in DBAG's IFRS interim accounts at 31 March 2017. The divestment will therefore result in a further contribution to net income of approximately nine million euros in the third quarter of 2016/2017 ending 30 June 2017. The income contributions from this realisation and from the two most recently announced divestments (Formel D, Schülerhilfe) were not included in the earnings forecast for financial year 2016/2017 issued on 9 May 2017. In total, the three transactions will result in a contribution to net income of about 27 million euros which has not been included in the forecast so far.

ProXES (www.proxes-group.com) is a leading provider of machines and production lines primarily for the food industry. The group's products are used to make and process liquid and semi-liquid food, cosmetics and pharmaceutical products in a variety of processes. With its installed base of more than 100,000 machines worldwide, the group profits from its broad application knowledge and systems competence. It possesses expansive engineering expertise and is able to provide integrated production lines, in addition to single machines. Customers of the group's companies include major globally operating producers of consumer goods.

DBAG and DBAG Fund V invested in the nucleus of the group, Stephan Machinery GmbH, four years ago in a management buyout. The objective at

the outset of the investment was to build a group of engineering companies that have leading positions in their respective markets and together are able to provide complete production lines and assume the technology and innovation leadership in the food processing segment. That goal has been reached. Three further companies were acquired in the past years, which complement the original product range. ProXES has forecast revenues of approximately 141 million euros for this year, more than triple the revenue that Stephan Machinery achieved in 2013. The alliance of the four group companies allows them to maintain a common international service and sales network, collaborate in research and development and utilise economies of scale in other areas as well. Its large installed base serves as an excellent foundation for the spare-parts business.

“ProXES’ management has succeeded not only in acquiring three companies within a short period of time, but also in successfully integrating them,” said Dr Rolf Scheffels, Member of the DBAG Board of Management. “The buy-and-build concept has created a technology leader in mechanical engineering for the food industry, one that has tapped additional revenue potential thanks to its size.”

“We are well positioned to continue growing in the coming years,” said Olaf Pehmöller, CEO of ProXES, “and not only by better utilising our global sales network – we also intend to supplement our platform by adding further companies.”

The conclusion of the investment in ProXES is the fourth divestment of a company from the portfolio of DBAG Fund V within the past three months. Previously, the investments in the France-based FDG Group, the Romaco Group and in Formel D were sold. From 2007 to 2013, the fund invested in eleven companies.

Deutsche Beteiligungs AG, a listed private equity company, initiates 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 the 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. Assets under management or advisement by the DBAG Group amount to approximately 1.8 billion euros.

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