

P R E S S R E L A S E

Deutsche Beteiligungs AG invests in Sjølund A/S

- **Aluminium and steel components for various growth markets, focus on the wind power and rail industry**
- **Second management buyout of DBAG ECF**
- **Additional growth through further internationalisation**

Frankfurt am Main, Germany, 9 January 2018. Deutsche Beteiligungs AG (DBAG) will invest in Sjølund A/S (Sjølund), a manufacturer of aluminium and steel components for the wind power and rail industry, the construction sector and the mechanical engineering industry. The DBAG-managed fund DBAG ECF will acquire around 51 percent of the shares in Sjølund from the current sole owner and CEO Søren Ravn Jensen as part of a management buyout (MBO). DBAG will provide up to 4.5 million euros from its balance sheet for its co-investment; in the future, it will account for approximately 21 percent of the shares in Sjølund. The remaining approximately 49 percent of shares will be held by Søren Ravn Jensen, who will remain the company's CEO, and other members of the management. The purchase contract was signed at the end of December and is expected to close in January 2018. The parties have agreed not to disclose the purchase price.

Sjølund is the first investment since the start of the first new DBAG ECF investment period, DBAG ECF I for short, in June 2017. Furthermore, the management buyout is the second majority investment of the fund, which since an expansion of the investment criteria in 2016 has selectively made funds available for MBOs. Previously, DBAG ECF had only made minority investments in businesses in order to promote their growth.

Since the current sole owner and CEO Søren Ravn Jensen joined Sjølund (www.sjoelund.com) back in 1994, the company has become one of the biggest providers on the niche market for complex bent aluminium and steel components. At its headquarters in the Danish town of Sjølund and a production site in China, around 110 employees manufacture components that account for only a small proportion of customers' material costs, but are often complex and relevant from a security perspective nevertheless. The components are always produced to meet the specific requirements of the individual customer and are distributed across the globe – also via a third location in the US. Sjølund also advises its customers on adapting products to reflect the manufacturing process (design for manufacturing). This approach

has allowed the company to establish stable customer relationships and a strong market position. It generated just over half of its total revenues of around 31 million euros in financial year 2016/2017 (30 September) in the wind power industry, mainly with components for the nacelles of wind turbines. In the rail industry, Sjølund supplies train manufacturers with structural profiles and components for external cladding, for example for the front of the railcar, the window frames or the boarding area.

Sjølund's sales markets, some of which have a low cyclical exposure, are expected to show significant growth over the next few years. This development will be driven by megatrends including the use of renewable energy, global population growth and increasing urbanisation. This should allow Sjølund to achieve further growth and expand internationally – both through organic development and acquisitions. The aim is to expand the company's business with existing customers in high-growth markets such as China and the US. In the future, the Chinese production site is also to produce components for wind power plants. At the moment, Sjølund generates around 35 percent of its revenues with German customers. The company also plans to achieve strategic development by restructuring its sales activities to focus more on the highly profitable mechanical engineering sector.

“Sjølund has operations in several growth markets at the same time and still has not fully exploited the opportunities available to it to develop within these markets,” said Dr Rolf Scheffels, member of the DBAG Board of Management, when the contract was signed today. “Together with its long-standing customer relationships, we believe that this provides a promising basis for the company's continued positive development – and, as a result, offers an attractive investment opportunity in one of DBAG's core sectors.”

“The further internationalisation of the business is an absolute must if Sjølund wants to advance to the next stage in its development,” commented Søren Ravn Jensen, Sjølund's current sole owner and CEO. “We are delighted to have DBAG by our side as an experienced partner to support us with capital and expertise during this key phase.”

The listed Deutsche Beteiligungs AG initiates closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-market companies with growth potential. DBAG focuses on those industry sectors where Germany's “Mittelstand” is particularly strong in international comparison. With its experience, expertise and equity, DBAG supports the portfolio companies in implementing a long-term and value-enhancing corporate strategy. Its entrepreneurial investment approach makes it a sought-after

investment partner in the German-speaking world. DBAG manages and advises capital amounting to around 1.8 billion euros.

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