

P R E S S R E L A S E

Deutsche Beteiligungs AG invests in BTV braun teleCom group

- **Provider for cable network equipment**
- **Another management buyout in broadband communication**
- **Market growth and broader range of services promise opportunities**
- **New investment period of DBAG ECF begins early**

Frankfurt am Main, 26 June 2018. Deutsche Beteiligungs AG (DBAG) is investing in the operating business of BTV braun teleCom AG (BTV), a well-known provider of equipment and service for broadband communications. The DBAG-advised fund DBAG ECF will acquire the majority of the shares in four operating companies in the BTV group as part of a management buyout (MBO). They are being sold as part of succession arrangements by company founder and shareholder of BTV Thomas Braun who will continue to be in charge of managing the companies. DBAG is co-investing up to 4.8 million euros and will hold around 38 percent of the shares in the company in the future. The management of the companies will hold other shares in addition to DBAG ECF (totalling 93 percent). The purchase agreement is scheduled to close in July 2018. The transaction is subject to the approval of the relevant competition authorities. The parties have agreed not to disclose the purchase price.

The BTV group is the fifth majority investment made by DBAG ECF since the expansion of the investment range to include MBOs with equity investments of ten to 30 million euros. BTV also marks the start of the second new investment period of DBAG ECF, or DBAG ECF II for short. The fund's first investment period (DBAG ECF I) was therefore terminated early after twelve months. So far, 80 percent of the committed funds for DBAG ECF I have been allocated. Further subsequent investments to support the development of the existing portfolio companies are expected.

BTV (www.brauntelecom.com) is a group of retail and service companies that develop, produce and sell components for the construction of cable and fibre-optic networks. The group is one of a small number of full-service providers in the market: BTV provides everything needed to set up, upgrade and operate such infrastructure. This includes antenna sockets, which are individually developed and produced. The group provides a large range of these and other components, which are required by network operators and service companies. Its product business is complemented and supported by a growing service

business: certain components in cable networks are becoming more and more complex and require technical support as they are planned, sold, configured and installed.

BTV was established in 1986 in Hanover, Germany. The company has approximately 40 employees, including in a research and development department: BTV develops and tests products in close cooperation with its customers. The company has further sales and support operations in Hamburg and Wismar (35 employees), and also maintains offices in the Netherlands and Taiwan. BTV has grown rapidly; its sales have almost doubled in the last three years to around 30 million euros (2017).

BTV is the fifth broadband communication company that DBAG has invested in since 2013. Added to this are the seven company acquisitions by these investees. “The market in which these companies operate is driven by rising demand for faster internet connections from customers, which requires existing networks to be upgraded or rebuilt,” says Torsten Grede, Spokesman of the Board of Management of DBAG, describing the attractive market environment for this investment. This includes the trend towards high-performing fibre-optic connections, including in the home. “The level of complexity is increasing – and this will continue to drive the demand for BTV products and for corresponding services.” In addition to growing organically, BTV aims to further develop as a company by expanding its range of products and services through further company acquisitions.

“DBAG has a good reputation and is a very experienced investor in our industry – making it the ideal partner to support our company as it continues to develop,” says Thomas Braun, Board member and shareholder of the company, explaining the decision to sell to DBAG ECF.

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 its 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. The DBAG Group manages and advises capital amounting to around 1.8 billion euros.

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