

P R E S S R E L A S E

Deutsche Beteiligungs AG invests in FLS GmbH

- **Software for real-time schedule and route planning in service and logistics**
- **Opportunities provided by market growth and strategic further development**
- **Sixth management buyout alongside DBAG ECF**

Frankfurt am Main, Germany, 24 September 2018. Deutsche Beteiligungs AG (DBAG) is investing in FLS GmbH (FLS), a company that provides software for real-time schedule and route planning in service and logistics. The DBAG Expansion Capital Fund (DBAG ECF), which is advised by Deutsche Beteiligungs AG, will acquire the majority of the shares in FLS as part of a management buyout (MBO). Company founder Thomas Brechtel will continue to manage the company along with his current managing director colleagues. DBAG is co-investing up to 9.5 million euros; in the future, it will account for approximately 30 percent of the shares in FLS. In addition to DBAG ECF's stake (totalling 73 percent, including DBAG's co-investment), shares will also be held by the company founder, other members of management and employees of the company. The execution of the now closed purchase agreement is scheduled for October 2018. The parties have agreed not to disclose the purchase price.

The latest transaction is already the sixth MBO of DBAG ECF, which expanded into the area of majority investments last year; five of these MBOs occurred in the current financial year. In addition to these five MBOs alongside DBAG ECF, DBAG has structured another MBO in 2017/2018, namely alongside DBAG Fund VII, which invests in bigger companies

FLS (www.fastleansmart.com) develops and sells software that enables energy suppliers, industrial companies, financial service providers, retail and real estate companies to plan and optimise their schedule and route planning as well as their deployment of field service employees and delivery vehicles. Its products are based on a heuristic algorithm that works using real-time data, making it possible to find solutions to planning tasks while taking account of a large number of influential factors. This particularly meets the needs of companies that want to efficiently deploy a large number of employees at the same time in a rapidly changing environment. The company operates against a background of growing expectations in ordering and delivery processes and dynamic traffic conditions that are almost impossible to predict. The market for optimisation software in this kind of environment is expanding at rates that are well into double digits, substantially driven also by the growth in e-commerce. FLS stands out due to the services it offers, which are customised to the needs of the customer groups

mentioned. Clients such as Jungheinrich, MediaSaturn, Rewe and Sky rely on FLS products, enabling them to benefit from the competitive advantages of maximum resource utilisation, cost savings and far superior service quality.

FLS was established 25 years ago and currently employs around 70 people in Germany at its headquarters in Heikendorf near Kiel (Schleswig-Holstein) as well as at another office in Cologne. With sales offices in the UK and the Netherlands, the company is driving forward its international expansion. FLS has grown rapidly, with sales increasing by over 15 percent on average in recent years. In 2017, sales of more than eight million euros were recorded.

Furthermore, the FLS transaction is outside DBAG's core sectors: "There is a growing number of transactions with digital business models in our market segment," says Torsten Grede, Spokesman of the DBAG Board of Management, explaining the background to the investment in FLS. DBAG has been involved in this type of business model for some time now; the investment team has identified areas such as IT services and software as potentially attractive sub-segments. Grede continues, "We believe we have the ability to recognise the development potential of these companies and to support their management teams in realising this potential. We will also benefit in no small part here from the network of industrial experts that we have established relationships with in this sector in recent years." And, "FLS uses a cloud-based saas solution and is a leader in its market niche – we are investing in a software provider with significant growth potential, and in a market that is less cyclical."

"I am certain that DBAG will enable us to drive our growth, take advantage of expertise, and strategically develop FLS further," says company founder Thomas Brechtel, explaining the reason for the transaction with DBAG ECF. "For example, we want to first establish and expand a partner network in Germany and then do the same in other countries in order to strengthen our market access and offer our solutions to an even broader customer base," continues Brechtel.

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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