

P R E S S R E L E A S E

Deutsche Beteiligungs AG invests in SERO Schröder Elektronik Rohrbach GmbH

- **Development partner and manufacturing service provider for electronic components**
- **Management buyout to organise succession in a family company – sixth transaction of DBAG Fund VII**
- **Growing market thanks to more electronics in cars**

Frankfurt am Main, Germany, 8 October 2018. Deutsche Beteiligungs AG (DBAG) is investing in SERO Schröder Elektronik Rohrbach GmbH (Sero), a development and manufacturing service provider for electronic components. DBAG Fund VII, which is advised by DBAG, will acquire a majority stake in Sero as part of a management buyout (MBO). The previous shareholders are the family members of the company's founder Armin Schröder, who will leave the management of the company following the transaction. DBAG will invest around eleven million euros alongside DBAG Fund VII, which will in the future account for around 20 percent of the shares in Sero. Members of Sero's management will also retain stakes in the company. The purchase contract is subject to the approval of the competition authorities and is expected to close in November 2018. The parties have agreed not to disclose the purchase price.

Sero will become the sixth company in the portfolio of DBAG Fund VII, which has been investing in mid-sized companies mainly in Germany since December 2016. Over half of the investment commitments for the funds have now been allocated. With the latest transaction, DBAG is again structuring an MBO through which the succession in a family-owned company will be arranged. In six of the latest eight MBOs, entrepreneurs have chosen DBAG funds as a new partner.

The automotive industry in particular relies on the high level of competence of the electronic manufacturing services provider. Sero (www.sero.de) generates approximately 80 percent of its revenues (2017: 79 million euros) in this industry. Sero's expertise as well as its existing software and hardware are also applied in other branches. The printed circuit boards and electronic components assembled and produced by Sero are used not only in brake lights and motor sensors, but also for example in high-performance microphones, heat meters and other industrial metrology products. Customers place value in cost-efficient products of the highest quality. In Sero, they find industrial competence and a high degree of automation in machinery that makes innovative manufacturing

processes possible. The company was founded as an engineering office for automation processes in 1992. This competence builds the foundation for its successful development. In today's highly competitive market, Sero stands out through its ability to combine standard production lines with proprietary test and manufacturing modules in order to achieve a particularly high level of quality at competitive prices. The company employs approximately 270 people in the areas of development, distribution and production in Rohrbach in the German state of Rhineland-Palatinate.

Sero operates in an attractive market, and annual growth of approximately eight percent is expected over the next few years. This will be driven in particular by the ever-increasing number of electronic components used in the production of automobiles – for example for automated driving, driver assistant systems and for higher comfort in the interior of vehicles. Sero expects to benefit from this growth, while at the same time extending its customer base. Accordingly, an extension of the production capacities is also planned, for example through the construction of an additional site.

“With Sero, we are again investing in a previously owner-led company in one of our core sectors within a short period of time. We were particularly impressed with the company's excellent processes and unwavering customer orientation,” observes Dr Rolf Scheffels, Member of the DBAG Board of Management, commenting on the transaction. “We are delighted that the company's founder and the management team place their trust in DBAG's extensive experience, particularly in the automotive industry,” Dr Scheffels elaborates.

Company founder Armin Schröder pointed out the diverse potential that is now within reach for the manufacturing service provider of electronic components. “Sero can continue to grow – I am sure that we have found the ideal partner in DBAG.”

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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