

## PRESS RELEASE

### **Deutsche Beteiligungs AG invests in STG Braunsberg Group**

- **Service provider for the telecommunications sector, with a focus on the construction of fibre-optic networks**
- **Seventh MBO of DBAG ECF**
- **Geographical expansion in a growth market, also via acquisitions**

**Frankfurt/Main, 12 September 2019** – Deutsche Beteiligungs AG invests in STG Braunsberg Group (STG), a service provider for the telecommunications sector with a focus on the construction of fibre-optic networks. Within the scope of a management buyout (MBO), DBAG-advised DBAG Expansion Capital Fund (DBAG ECF) will take over the majority stake in STG from Hermann and Günter Braunsberg. The previous owners will retain a stake in the company and will remain in their management positions. Depending on the transaction’s final financing, DBAG will itself invest up to 14 million euros alongside DBAG ECF, which means that around 36 per cent of the shares in STG will be attributable to DBAG. Consummation of the purchase agreement is also subject to approval by the competent antitrust authorities; closing is expected in September 2019. The parties have agreed not to disclose the terms of the sale. The investment in STG is the seventh MBO of DBAG ECF, which has also been making majority acquisitions since 2017.

STG Group ([www.stgbraunsberg.de](http://www.stgbraunsberg.de)) was formed in 1989 from a construction company established more than 60 years previously. Since then, Bochum-based STG has established itself as a service provider in the telecommunications sector. In fibre-optic expansion, the company – with approximately 90 employees – acts as a full-service provider: its product range not only comprises construction of fibre-to-the-home (“FTTH”) infrastructure, but also the operation, upgrade and subsequent network maintenance. Municipal utilities, municipalities themselves, and network operators are among STG’s clients. Furthermore, STG maintains the telecommunications network infrastructures in buildings for real estate companies: proprietary internet and TV products run on these networks, as well as third-party products. In the Ruhr area, STG operates fibre-optic and wired networks with approximately 20,000 connected households. In total, the company generated a turnover of around 20 million euros in 2018.

The demand for high-speed internet connections – and thus the need for fibre-optic links – is increasing continuously. However, only 7 per cent of German households are currently connected to fibre-optic networks – the EU average is

three times as high. STG is in a position to not only benefit from the resulting strong market growth organically, by expanding geographically, but also within the scope of a buy-and-build strategy, helping the company to grow inorganically via acquisitions. In addition, STG can expand its business as an operator of fibre-optic networks for network operators and the housing sector. DBAG will support STG in realising its growth potential by providing the necessary capital and its long-standing experience in the expansion of fibre-optic networks.

STG is the sixth investment DBAG has made in the broadband communications sector since 2013. “With this transaction, our sector-focused investment strategy once again proves to be effective”, Torsten Grede, Spokesman of DBAG’s Board of Management, commented upon signing the contract. “Thanks to the sector expertise we have gained since 2013 with investments in the telecommunications sector, we know the growth drivers of the broadband market in general – and of STG’s business in particular – especially well.”

“DBAG has long-standing experience in our market and understands our business model”, said Hermann Braunsberg, one of STG’s managing directors. “Together, we want to develop our group of companies and contribute to the FTTH expansion in Germany”, Günter Braunsberg added.

***Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds, and itself invests alongside those 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 long-term and value-enhancing corporate strategy. Its entrepreneurial investment approach makes DBAG a sought-after investment partner in the German-speaking world. DBAG manages and advises capital amounting to around 1.7 billion euros.***

*Public Relations and Investor Relations · Thomas Franke  
Börsenstrasse 1 · 60313 Frankfurt am Main, Germany  
Telephone +49 69 95787-307 · +49 172 6115483 (mobile)  
E-mail: thomas.franke@dbag.de*