

PRESS RELEASE

DBAG acquires majority stake in R+S Group AG

- **Provider of technical building services**
- **Successful realignment continues – growing the business through further acquisitions**
- **Second Long-Term Investment**

Frankfurt/Main, 29 March 2021. Deutsche Beteiligungs AG (DBAG) invests in R+S Group AG (R+S), a provider of technical building services. DBAG will acquire the shares from the previous majority shareholder, conzima Construction GmbH, investing 15 million euros and entering into a Long-Term Investment. Haspa Beteiligungsgesellschaft für den Mittelstand mbH, a shareholder in R+S since 2010, will remain invested as a minority shareholder. The Management Board of R+S will also acquire shares in the company. The transaction, which is subject to availability of financing and approval by the antitrust authorities, is expected to close in April.

Expanded offering through Long-Term Investments

DBAG has expanded its offering to Germany's mid-market sector to include equity investments which it can hold in its portfolio for longer than the terms of standard private equity funds allow. DBAG therefore does not enter into such Long-Term Investments as a co-investor alongside the DBAG funds it initiates, but finances them exclusively with funds from its own balance sheet. In doing so, DBAG supports fast-growing companies as a minority shareholder, or acquires a majority stake in companies facing operational challenges. In both cases, for a company to be able to develop in a sustainable manner, a longer holding period is required than would be the case in a buyout transaction. DBAG agreed upon its first Long-Term Investment – Hausheld AG, which develops smart meter solutions for electricity networks – in September 2020. DBAG has since been supporting the company's growth in its capacity as minority shareholder.

R+S Group AG: Three separate business divisions

R+S is a leading provider of technical building services. R+S plans, manages, and provides maintenance services for, projects mainly in the fields of municipal construction, healthcare, industrial production, and shipbuilding. R+S offers a single-source solution; its range of services comprises electrical system construction, energy and control technology as well as heating/air-conditioning and ventilation technology. Current high-profile projects that the company is

involved in include the construction of the new Terminal 3 at Frankfurt Airport and expansion of the University Hospital Frankfurt. Technical building services account for slightly more than 50 per cent of revenues. The company's range of services is complemented by two organisationally independent business divisions – personnel services and a high-performance electrical wholesale operation. In 2020, R+S generated revenues of around 360 million euros. The company employs 3,000 staff members at 30 locations in Germany; 500 employees work at the headquarters in Fulda (Hesse).

R+S's growth in recent years has mainly been driven by acquisitions: yet planned synergies were not realised, as the acquired companies were not integrated quickly enough. This burdened earnings, as did a number of major projects that were not sufficiently profitable. In addition, promising new construction projects were postponed due to the COVID-19 pandemic, burdening current capacity utilisation. R+S maintains a strong customer base and a healthy order book. Likewise, the market environment is positive: the trend towards 'smart' and energy-efficient buildings ensures continued growth while expanding the market especially for electrical building services, which is predominantly what R+S offers. The company's realignment, which is already well underway, is expected to be completed over the next few years, thus enabling further strong revenue growth. Further acquisitions will also contribute to this. DBAG is strengthening the company's equity position, thus accelerating the successful realignment of the company.

“We are investing in a company within the core industrial services sector: a company that occupies a strong market position and that, over the past two years, has created an excellent platform for continued growth”, Jannick Hunecke, member of DBAG's Board of Management, stated at the signing of the contract on Friday. “DBAG has invested very successfully in companies with comparable business models in the past, and will leverage its experience to drive R+S forward as a long-term partner.”

Ralph Burkhardt, CEO of R+S Group AG, emphasised not only the financial aspect but particularly the wider value contribution provided by DBAG: “Together with our new shareholders, we are well positioned to expand our range of services to other business areas, and to focus more strongly on customers in those industries with particularly promising future prospects.”

Deutsche Beteiligungs AG, a listed company, initiates closed-end private equity funds, and itself invests – predominantly alongside DBAG funds – in well-positioned mid-market companies with development potential. For many years, DBAG'S focus has been on industrial sectors. A growing portion of DBAG'S equity investments is now deployed in the growth sectors of broadband/telecommunications, IT services/software and healthcare. Its long-term, value-enhancing entrepreneurial investment approach makes DBAG a

sought-after investment partner in the German-speaking world. DBAG Group's assets under management or advisory amount to 2.5 billion euros.

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