

PRESS RELEASE

DBAG portfolio company Sero acquires Semecs

- **Automotive business to be supplemented by applications in other industries, and in medical engineering**
- **Production site in Slovakia enhances flexibility**
- **Attractive market growth**
- **Close to 20 acquisitions by DBAG portfolio companies over the past twelve months**

Frankfurt/Main, 4 May 2021 – Sero GmbH (“Sero”), a portfolio company of DBAG Fund VII, acquires Solid Semecs B.V. Like Sero, the Dutch company which trades under the name of “Semecs” is a developer and manufacturing service provider for EMS (electronic manufacturing services – full contract manufacturing of electronic components, devices or systems). DBAG Fund VII will invest around 16 million euros for the purchase, of which 3.6 million euros is attributable to a co-investment by Deutsche Beteiligungs AG (“DBAG”). The objectives of the transaction, agreed at the end of last week, are to broaden the customer base, to explore new buyer industries, as well as expanding production capacity with a site in Eastern Europe. The seller is the Dutch company Rademaker Beheer B.V. The family behind this enterprise focuses primarily on machinery for large bakeries; Semecs’ activities are therefore outside its core business. The acquisition is subject to approval by antitrust authorities; closing is expected to take place by mid-year.

DBAG Fund VII, which is advised by DBAG, invested in Sero in November 2018, within the scope of a management buyout. DBAG itself co-invested approximately 11 million euros at the time; it holds 21 per cent of Sero’s shares. The current transaction is the 17th acquisition structured by a DBAG portfolio company over the course of the past twelve months. The predominant goal of such acquisitions is to accelerate the performance of the respective portfolio companies – for example, by broadening the product offer and regional coverage, or through market consolidation.

Semecs (www.semecs.com) assembles printed circuit boards (PCBs) for a wide range of applications; the company also specialises on common assembly, calibration and test services. Based in Uden (Netherlands), Semecs employs 480 staff, of which 450 are working at the production site in Vráble (Slovakia) which was established in 2012. The company expects sales of around 72 million euros for the current year.

Application examples for electronic components manufactured by Semecs (mostly in smaller quantities) include controls for air-conditioning systems or e-bike motors, electronic energy meters and mobile insulin pumps, as well as in LED lighting or engine management systems in the automotive industry. Industrial customers account for some 70 per cent of sales revenues, with the remainder emanating from medical engineering applications and products for the automotive industry. This is where Semecs differs from Sero: Sero is an established manufacturing partner for automotive suppliers, from whom it generates around 85 per cent of its sales revenues. It specialises on high-volume orders, where it leverages its high degree of automation – Semecs however focuses on orders for medium-sized quantities, which involve a higher share of manual activities. Both businesses will benefit equally from a combination of production facilities, including the site in Slovakia: this will enhance their flexibility regarding different order sizes, and will strengthen their position when acquiring new business. Through the acquisition of Semecs, Sero – which employs around 220 people at its site in Rohrbach, Rhineland-Palatinate (Germany) – will thus broaden both its customer base and market access.

The new group is active in an attractive market: growth rates in the group's core industrial, medical and automotive sectors are anticipated to exceed even the attractive growth momentum in the overall market for electronic components.

“Both companies' areas of expertise perfectly complement each other” said Jannick Hunecke, member of DBAG's Board of Management, commenting on the transaction. He went on to state: “Joining forces, they will be better placed to explore this attractive market, being able to optimally combine their production skills. Through this acquisition, we are thus able to support and accelerate the further development of our original investment.”

Dr Bernd Welzel, Managing Director of Sero, highlighted the strategic importance of the transaction for Sero: “The business created through the combination of the two EMS specialists creates a strong and competitive presence in Europe, with a broad range of contract manufacturing services across different market segments. This opens up manifold opportunities and underscores our expansion policy.” Semecs Managing Director Jan-Fredrik Kalee added: “We contribute a well-trained team at an attractive location, with a renowned quality assurance process, and look forward to the cooperation.”

Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds, and itself invests alongside those funds predominantly 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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