

## PRESS RELEASE

### **DBAG portfolio company Silbitz acquires Torgelow iron foundry**

- **Leading supplier to the wind power industry – contributing to the climate-neutral reshaping of the economy**
- **Favourable market environment: Strong growth in the offshore wind market**
- **Company acquisitions as a lever for portfolio value appreciation**

**Frankfurt/Main, 5 October 2021.** Silbitz Group GmbH (“Silbitz Group”), an investment of DBAG Fund VI, is purchasing the business of Eisengiesserei Torgelow GmbH (EGT), thereby significantly reinforcing its position as a supplier to the wind power industry. EGT produces large castings, predominantly used in offshore wind power plants. DBAG Fund VI and Deutsche Beteiligungs AG (“DBAG”) will provide further funding for the purchase. Silbitz Group is purchasing the foundry’s business from insolvency under self-administration, after EGT was forced to file for insolvency as a result of the coronavirus pandemic. Henceforth, the group of companies will employ a total of 1,250 staff at five locations. Pro-forma revenues for 2021 are estimated at approximately 189 million euros. The investment is subject to approval by antitrust authorities; the transaction is expected to close within the next two months.

DBAG Fund VI, which is advised by DBAG, invested in Silbitz Group in August 2015 within the scope of a management buyout. Following refinancing in 2016 and a partial disposal of the investment in February 2018, DBAG Fund VI and DBAG continue to hold a majority stake.

The transaction is the 18<sup>th</sup> acquisition structured by a DBAG portfolio company over the course of the past twelve months. DBAG has acquired 310 million euros in revenues through the transaction. Over the past ten years, the DBAG funds and DBAG have acquired around 1.2 billion euros in revenues through 77 company acquisitions. The second foundry in DBAG's portfolio, Gienanth Group GmbH, has also significantly expanded its business with two company acquisitions since the beginning of 2020. Such acquisitions accelerate portfolio company development, for example by expanding the product range and regional footprint, or by consolidating the provider structure within a hitherto fragmented market.

EGT ([www.eisengiesserei-torgelow.de](http://www.eisengiesserei-torgelow.de)) can look back on more than 250 years of company history. Today, the foundry is one of the leading suppliers of large castings for the European wind power industry. The company employs 320 people in the manufacture of heavy – and in part highly complex – components for wind power plants, such as rotor hubs and turbine rotational axes, generating just under 90 per cent of revenues (2020: 66 million euros) with these components. Thanks to its production capacity, geographical location close to a port and its know-how, EGT is very well positioned to benefit from the boom in offshore wind power plants. As the turbines of these plants become more powerful, size and weight of the components also go up. From an economic – and practical – point of view, turbines can only be transported via land over short distances. EGT is located in the north-east of Mecklenburg-Western Pomerania, ten kilometres from the Baltic seaport of Ueckermünde. Most new wind turbines are being built offshore. As suitable onshore sites are limited, a strong expansion of offshore plants is expected: newly-installed offshore wind power capacity is expected to grow by 16 per cent annually, also driven by political initiatives.

“With its new foundry, Silbitz Group will not only contribute to a successful massive expansion of power generation on open seas, but also to the successful energy transition,” Jannick Hunecke, member of DBAG’s Board of Management, said today, adding: “This shows that a future-proof economy is not viable without the traditional industries. The Group will generate around 80 per cent of its future revenues from the wind power industry.”

“With an excellent location, good technical equipment, and many years of experience, we are now in the best position to benefit from the attractive market opportunities,” Dr Torsten Tiefel, Chairman of the Management Board of Silbitz Group, commented upon the transaction. “We are expanding our product range, increasing production capacity, and gaining new customers: in this way, we are strengthening the entire Group.”

***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 2.6 billion euros.***

Corporate Communications Thomas Franke  
Phone +49 69 95 787-307 · +49 172 611 54 83 (mobile)  
E-mail: [thomas.franke@dbag.de](mailto:thomas.franke@dbag.de)