

PRESS RELEASE

Deutsche Beteiligungs AG invests in Metalworks Holding

- **Well-positioned platform as a service supplier for the luxury goods industry**
- **Third DBAG investment in Italy – seventh MBO of DBAG Fund VIII**
- **Continuation of buy-and-build strategy and prospect of strong market growth**

Frankfurt/Main, 16 May 2022. Deutsche Beteiligungs AG (DBAG) invests in MTW Holding SpA (“Metalworks”), a group of Italian manufacturers of metal and plastic accessories serving the luxury goods industry. The Group was established in 2016 by Bravo Capital Partners, and since then has been developed through a buy-and-build strategy and successful repositioning of its commercial strategy. Via a management buyout (MBO), DBAG Fund VIII, which is advised by DBAG, will acquire a majority stake in MTW Holding SpA. Luxembourg-listed investment company Luxempart SA, which is an investor in Bravo Capital, and the current management team will take a minority stake. Former owners and founders of the company that are now part of MTW Holding will also re-invest. DBAG Fund VIII is expected to invest up to 60 million euros, thereof DBAG 13 million euros. The fund will then hold about 62 per cent (DBAG: 14 per cent) of the shares in the holding company. Completion of the purchase agreement is scheduled for the current second quarter. The parties have agreed not to disclose the terms of the sale.

The current MBO is the seventh investment of DBAG Fund VIII. The fund has been investing in mid-market companies since mid-2020. Last year, DBAG established its DBAG Italia subsidiary and opened an office in Milan; the team led by Giovanni Revoltella comprises four local investment professionals who are part of DBAG’s investment team. DBAG's portfolio includes two investments in Italian companies: PM Flex (2020) and Itelyum (2021).

MTW Holding (www.mtwh.it/en, based in Castelli Calepio near Bergamo) comprises three companies (Metalworks, Mengoni & Nassini, FGF) that complement each other in product range and customer relationships. The Group designs and manufactures high-quality fashion accessories for luxury fashion brands. Typical products include belt buckles, fastening systems and studs for handbags, shoes and clothing as well as jewellery, alongside logos for iconic – and predominantly global – brands. These products are made out of metals such as brass, zamak, stainless steel and plastic. The key to the company's success is its ability to translate clients' design ideas into high-quality products

within a matter of days. Proximity to the Italian and French high-end fashion houses therefore plays a major role: innovation and creativity are particularly important to them. At the same time, clients expect reliably high quality for items to be applied on their own products.

The Group employs 250 people at its locations near Bergamo and Florence; a subsidiary in Paris was recently opened in order to enhance the relationship with French luxury brands. The Group serves a market which has grown globally at an average rate of six per cent over the past 25 years. In 2021, the Group generated revenues of around 60 million euros, an increase of 16 per cent compared to the pre-pandemic year 2019. Recovery from the pandemic-induced market shrinkage was therefore achieved within a year.

“The Group is well-positioned in a resilient market that is outpacing GDP growth,” said Tom Alzin, Member of the DBAG Board of Management, commenting on the MBO. “With our experience in realising development potential, we want to contribute to the management team's ability to continue its buy-and-build strategy in order to add competences and geographical presence.” Company acquisitions have been a significant part of DBAG's value appreciation strategies for several years now. Last year alone, twelve DBAG investments completed 25 acquisitions.

“Our agenda for the coming years is not just about acquisitions,” explained Cesare Luzzana, CEO of Metalworks Holding: “It is also about organic growth by offering innovative and sustainable materials to existing and new customers.”

Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds, and itself invests alongside the DBAG 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 telecommunication, IT services & software and healthcare. Its long-term, value-enhancing entrepreneurial investment approach makes DBAG a sought-after investment partner. DBAG Group's assets under management or advisory amount to 2.5 billion euros.

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