

PRESS RELEASE

Deutsche Beteiligungs AG: Successful realisation of investment in Pmflex

- **Smooth succession for family business through an MBO – disposal of DBAG’s first investment in Italy**
- **Value appreciation achieved through stabilising and expanding the market position, exploring new markets, and increasing capacity**
- **Third disposal from the DBAG Fund VII portfolio**
- **Positive value contribution for DBAG, as anticipated in DBAG’s guidance for the current financial year**

Frankfurt/Main, 10 January 2023. DBAG Fund VII and Deutsche Beteiligungs AG (“DBAG”) have successfully concluded their investment in Pmflex (formerly: PM Plastic Materials), a leading European manufacturer of electrical installation conduits. Their shares in the company will be sold to Hager Group, a leading provider of solutions and services for electrical installations in residential, commercial and industrial buildings. The shares held by DBAG Fund VII (advised by DBAG) and by Pmflex’s management will also be sold. Corresponding agreements were signed at the end of December 2022. DBAG and DBAG Fund VII acquired a majority stake in Pmflex from the company’s founding family in September 2020, structuring DBAG’s first management buyout (MBO) in Italy. DBAG Fund VII’s total investment in Pmflex amounted to approximately 73 million euros, of which DBAG contributed around 11 million euros.

Since the disposal proceeds realised by DBAG are roughly in line with the investment’s fair value as stated in the Company’s consolidated statement of financial position as at 30 September 2022, the transaction has not yielded any additional value contribution for the current quarter. The parties have agreed not to disclose details of the purchase price. Completion of the transaction is subject to approval by antitrust authorities. The transaction is expected to be closed during the first calendar quarter of 2023.

Third disposal from the DBAG Fund VII portfolio

With the sale of the Pmflex investment, DBAG Fund VII has achieved the third disposal of a management buyout (MBO) from its portfolio. Since 2016 the fund had built up a portfolio comprising twelve companies. The sale of the investment in evidia (formerly: blick group) was the first MBO disposal from DBAG Fund VII’s portfolio. Cloudflight – the fund’s second MBO disposal – was agreed upon only recently, in November 2022.

Value appreciation achieved through stabilising and expanding the market position, exploring new markets, and increasing capacity

The successful strategic development of Pmflex over the past two years was defined by gains in market share, driven by strong demand from existing and new customers. This allowed Pmflex to expand its leading position in numerous European markets. The pre-wired conduits supplied by Pmflex shorten installation times for electricians significantly, thus offering cost benefits for new construction and renovation projects alike.

“The success of this transaction underlines the strategic decisions taken over recent years”, said Tom Alzin, member of DBAG's Board of Management, on the occasion of contract signing. He went on: “Broadening the regional reach of our investment strategy to include the tradition-rich industrial landscape of Italy has opened up additional investment opportunities for us. We are delighted that Pmflex has been able to successfully expand its market position and realise value appreciation, thanks to the strategic development as well as operating enhancements”, Tom Alzin stated.

Gianluigi Rapizza, CEO of Pmflex, added: “DBAG’s sector expertise and its familiarity in dealing with family businesses provided a reliable basis for implementing our strategy. We look forward to continuing our growth and innovation in Hager Group.”

Deutsche Beteiligungs AG (“DBAG”) has been listed since 1985 and is one of the most renowned private equity firms in Germany. As an investor and fund advisor, DBAG traditionally focuses on mid-market companies in Germany, Austria and Switzerland (the DACH region), and especially on well-positioned companies offering growth potential. DBAG’s sector focus is on manufacturers, industrial service providers and IndustryTech enterprises – businesses whose products facilitate automation, robotics and digitalisation – as well as on companies from the broadband telecommunications, IT services, software and healthcare sectors. With its Milan office, DBAG has also maintained a presence in Italy since 2020. DBAG Group’s assets under management or advisory amount to approximately 2.5 billion euros.

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