

PRESS RELEASE

Deutsche Beteiligungs AG sells investment in Novopress

- **Highly successful growth financing, over a period of nearly 30 years**
- **Potential for development realised through implementation of an internationalisation strategy**
- **Sale has already been taken into account in the adjusted forecast for consolidated net income 2018/2019**

Frankfurt/Main, 11 July 2019. Deutsche Beteiligungs AG (DBAG) has successfully concluded its investment in Novopress KG (Novopress): the stake will be sold to ZHG Zangen Holding GmbH, the largest co-shareholder, which represents the family of Wilhelm Zangen, the founder of Novopress. DBAG ECF (advised by DBAG) will also dispose of its shareholdings. Corresponding agreements were signed yesterday and have already been consummated. The parties have agreed not to disclose details of the purchase price.

With acquisition costs of 2.3 million euros in 2015, Novopress has been one of the smallest investments in DBAG's current portfolio. Taking distributions received during the course of the investment into account, DBAG will realise a multiple of this amount. The disposal proceeds agreed upon exceed the measurement of the investment in the interim financial statements in accordance with IFRS as at 31 March 2019. Accordingly, the disposal contributed a mid single-digit million amount to consolidated net income for the third quarter of 2018/2019 (ending 30 June 2019). This earnings contribution has already been taken into account in the adjusted forecast for DBAG's consolidated net income for the full year 2018/2019 published yesterday. DBAG is currently preparing its interim financial statements as at 30 June 2019, which will be published on 8 August 2019.

Novopress (www.novopress.de) is a leading manufacturer of electromechanical pressing tools used by heating and plumbing technicians to join copper, stainless steel or plastic pipes. Compression is superior to other pipe connection techniques such as welding or screwing, both technologically and in terms of cost. Thanks to considerable ongoing investment in research and product development, Novopress has managed to achieve – and further build on – its market position as a technology leader.

The company was founded in 1969. Deutsche Beteiligungsgesellschaft mbH Fonds I KG (“Fund I”) acquired a minority shareholding in Novopress in 1990.

In 2015, this investment resulted in a commitment by DBAG ECF – since then, DBAG has held a stake in Novopress through the Fund. The company employs some 110 staff at its headquarters in Neuss, near Dusseldorf, Germany.

Novopress enjoyed strong growth over recent years, thanks to the consistent implementation of its internationalisation strategy: revenues have grown by more than 80 percent since DBAG ECF came on board four years ago. Novopress does not publish any detailed business figures. Growth has been supported by the increasing global spread of pressing technology: North America has evolved into a key sales market for the company, which is also present in other relevant international markets.

“Looking at the holding period – which is measured in decades rather than mere years – Novopress is certainly not representative for DBAG's investment strategy”, Torsten Grede, Spokesman of DBAG's Board of Management, commented on the sale, adding: “Yet the company is indeed representative for many of our portfolio companies, which we support in sustainably realising their development potential – also through internationalisation.”

Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds, and itself invests alongside those funds in well-positioned mid-market companies with growth potential. DBAG focuses on those industry sectors where Germany's 'Mittelstand' is particularly strong in international comparison. With its experience, expertise and equity, DBAG supports the portfolio companies in implementing long-term and value-enhancing corporate strategy. Its entrepreneurial investment approach makes DBAG a sought-after investment partner in the German-speaking world. DBAG manages and advises capital amounting to around 1.7 billion euros.

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