

Press release

Cross and Gimv form European market leader for wire mesh solutions

- The German WDM Group, a leading supplier of customised, spot-welded wire mesh solutions, and the German Deutenberg Group, a producer of high-quality bent wire components, join forces
- The partnership will reinforce the market leadership in the field of special industrial wire mesh, and aims to expand the product portfolio and manufacturing expertise

Wolfshagen and Ense/Höingen, 1 July 2021 – WDM Wolfshagener Draht- und Metallverarbeitung, a portfolio company of the private equity firm Cross, and Deutenberg are merging to form a European market leader for customised, spot-welded wire mesh solutions, bent wire components, wire mats, and grid mesh components. The private equity firm Gimv joins as an additional shareholder with a minority stake in the new WDM/Deutenberg Group.

Founded in 1994 and based in the German state of Brandenburg, WDM produces 35,000 spot-welded wire mesh units per day. Its core competence lies primarily in the production of customised, special industrial mesh. WDM's customers include renowned companies in sectors such as construction, industry, trade, logistics and livestock farming. WDM was acquired in early 2018 by Cross, a private equity firm specialising in succession planning, and has since pursued a focused expansion strategy: At the end of 2019, the acquisition of Midrahtec Drahtwaren based in Leisnig, Germany, marked an important step on this growth journey, bringing both additional expertise in advanced 3D-forming and -welding processes as well as a new location to WDM Group.

Deutenberg, a family business based in Ense in Germany's Sauerland region, has more than 60 years of experience as a specialist in the development and production of high-quality wire products for sectors such as industry, architecture, retail and shopfitting. The group is an ideal complement for WDM, both in terms of product offering as well as end markets served. With Deutenberg, WDM strengthens its position as a leading supplier of wire mesh solutions and expands both its product portfolio and manufacturing expertise. The long-standing experience of both companies in producing wire products will enable the combined group to drive innovations in this area even more effectively in the future.

Dr Michael Petersen, Managing Partner at Cross Equity Partners AG and Chairman of the Board of the new WDM/Deutenberg Group, says: "The acquisition of Deutenberg as part of a family succession solution is another milestone in WDM's growth journey and enables us to cover the end markets even better."

Ronald Bartel, Partner at Gimv's Smart Industries team in Munich, explains: "Combining WDM and Deutenberg creates a clear European market leader and enables the two companies to jointly respond even better to customer-specific requests and offer larger quantities."

Ernst Hüffmeier, CEO of WDM, adds: "The merger with Deutenberg is a significant step for us. We look forward to working with their experienced management team to provide even better solutions to our customers."

About WDM Wolfshagener Draht- und Metallverarbeitung GmbH

WDM has more than 25 years of experience in producing spot-welded wire mesh solutions – an average of 35,000 units leave the factory in Wolfshagen every day, amounting to a total of 50 tonnes of wire processed with state-of-the-art semi- and fully-automated mesh welding machines. WDM's core expertise lies primarily in the production of customised special industrial mesh. Production is carried out with the utmost care. The company develops individual solutions for individual customer challenges, which are adapted to meet specific requirements.

About Deutenberg Drahttechnik GmbH

Founded in 1959 and based in Ense/Höingen, Germany, Deutenberg produces high-quality wire products and is one of the leading suppliers of wire mesh solutions with a particular focus on three-dimensional solutions. With state-of-the-art machines, Deutenberg supplies customers from a wide range of sectors such as industry, architecture and trade. Deutenberg is also known for its high level of expertise in the field of gabions: The company can produce all common gabion types as well as unusual special designs. www.deutenberg.de

About Cross

Cross is a private equity firm with the mission to support the sustainable development of mid-sized companies in Switzerland, Germany and Austria through equity capital, industrial expertise and an extensive relationship network – amongst others in the context of succession of family-owned businesses and corporate spin-offs. Cross invests in leading and profitable mid-sized companies with an entrepreneurial management in fast growing market niches in engineering, machinery and industrial products. As a long-term investor, Cross supports sustainable profitable growth.

The independent Cross fund is exclusively advised by Cross Equity Partners AG, Pfäffikon SZ. The Cross team has several decades of private equity and industrial experience. To date, the Cross team has successfully invested in approximately 30 companies in Switzerland, Germany and Austria.

About Gimv

Gimv is a European investment company, listed on Euronext Brussels. With 40 years' experience in private equity, Gimv currently has EUR 2 billion of assets under management. The portfolio contains around 55 portfolio companies, with combined turnover of EUR 2.5 billion and 14,000 employees. Gimv's commitment to making a positive contribution to society has been demonstrated amongst others through the recent successful issue of a sustainable bond.

As a recognized market leader in selected investment platforms, Gimv identifies entrepreneurial, innovative companies with high growth potential and supports them in their transformation into market leaders. Gimv's four investment platforms are Consumer, Health & Care, Smart Industries and Sustainable Cities. Each platform works with an experienced team across Gimv's home markets of Benelux, France and DACH, supported by an extended international network of experts.

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