



Press release

16 May 2024

Argos Wityu acquires German bakery chain Bäckerei Schmidt, a regional market leader, from Odewald KMU

- **Argos Wityu possesses extensive pan-European expertise in the food and consumer goods sectors as well as in the implementation of buy-and-build strategies.**
- **The management will retain a stake in the company. Managing Director Martin Manski is increasing his stake as part of the transaction.**
- **The aim is to double the number of stores over the next five years – by opening new locations and making add-on acquisitions.**

Argos Wityu is acquiring a majority stake in Karl Schmidt GmbH. The company currently operates 73 stores under the Bäckerei Schmidt brand in the German federal states of North Rhine-Westphalia and Lower Saxony. In addition to traditional bakery stores, Bäckerei Schmidt focuses on stores with a broad, all-day gastronomic offering.

An agreement has now been entered into with the company's shareholders. Odewald KMU, the former main shareholder, is exiting its investment after seven years. Karl Schmidt GmbH's management team will remain minority shareholders and continue to lead the firm. The parties have agreed not to disclose the purchase price or any further details. The transaction is still subject to regulatory approvals. This acquisition marks the eighth investment by Argos Wityu's Mid-Market VIII fund.

Regional market leader with 130 years of tradition

Karl Schmidt GmbH's history goes back more than 130 years. After four generations as a family business, the group was acquired by Odewald KMU in 2017 as part of a succession plan. With around 720 employees and 73 branches in attractive locations, Bäckerei Schmidt is the market leader in the East Westphalia region. In addition to traditional bakery branches, the company operates store concepts of various sizes - from small cafés to over 50-seater "Brothaus" branches - with all-day gastronomic offerings in a pleasant atmosphere that encourages customers to spend time there.

Bäckerei Schmidt attaches great importance to regional raw materials, goods of the highest quality, particularly friendly service and modern, innovative production processes. The company is constantly working to further reduce its carbon footprint. Argos Wityu places a special emphasis on developing and implementing ESG initiatives at all portfolio companies and will also support and guide Bäckerei Schmidt along this path.

Martin Manski, Managing Director of Karl Schmidt GmbH: “We would like to thank Odewald KMU for the great partnership over the past few years, and we’re delighted to have found such a suitable new owner in Argos Wityu. The team shares our understanding that customers like to spend time in a pleasant atmosphere - not just to buy bread, but to pass the time, have lunch and drink coffee there. Together, we want to expand the offer and continue to improve the customer experience.”

Rainer Derix, Partner at Argos Wityu in Germany: “Bäckerei Schmidt is a successful company that aligns perfectly with us and our values. We’re delighted that the management will retain their investment and look forward to working with the employees, who are highly regarded by customers for their friendliness. We will contribute our extensive experience in the food and consumer goods sector and many years of expertise in buy-and-build strategies to support the further expansion of the bakery group. In particular, we’re planning to open additional locations, including in new regions, pursue add-on acquisitions and expand the production facilities accordingly.”

Joachim von Ribbentrop, Partner at Odewald KMU: “When we acquired a majority stake in Bäckerei Schmidt in 2017 as part of a succession plan, the group had around 50 stores and 400 employees. During our investment, the group was expanded to become the clear market leader. Under a new, modern management team, the company has grown successfully and is now a major employer in the region with 700 employees. We’re delighted now to be handing the company on to Argos Wityu, the perfect owner for the next stage in its development.”

Consolidation of the German bakery market

The German bakery market is still considered to be very fragmented and on the move. According to the Central Association of the German Bakery Trade, annual turnover in the bakery sector rose from €14.3 to €17.5 billion between 2016 and 2023. At the same time, the number of businesses fell from 11,737 to 9,242, illustrating the consolidation trend in progress.

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About Argos Wityu

argos.wityu.fund

One firm, two strategies. Argos Wityu is an independent European private-equity group that supports the growth of mid-sized businesses and their management teams.

With more than €1.8 billion in assets under management, over 30 years of experience and more than 90 businesses supported, Argos Wityu operates from offices in Amsterdam, Brussels, Frankfurt,

Geneva, Luxembourg, Milan and Paris. The group seeks to acquire majority stakes and invests between €10 and €100 million in each investment under its two strategies:

- The Mid-Market fund helps companies implement ownership transitions to accelerate growth.
- The Argos Climate Action fund (SFDR 9) aims at shaping European sustainable leaders by making their “grey-to-green” transition.

About Karl Schmidt GmbH

<https://baeckerei-schmidt.de>

Karl Schmidt GmbH, based in Preußisch Oldendorf in East Westphalia (Germany), was formed back in 1891. Today, the company has more than 700 employees and operates a total of 73 stores under the Bäckerei Schmidt brand in the Osnabrück, Diepholz, Minden-Lübbecke, Herford, Nienburg and Schaumburg regions, making it the regional market leader.

Its success has been built on four different store concepts: alongside traditional bakery branches and stores in supermarket entrance areas, Bäckerei Schmidt has focused on dine-in concepts - with a broad gastronomic offering at its Brothaus branches and cafés. The company attaches great importance to regional raw materials, goods of the highest quality, particularly friendly service and modern, innovative production processes.