



Corporate Finance News

IK Partners acquires majority stake in STEIN HGS Group

Commerzbank Leveraged Finance acted as sole lender in respect of the acquisition financing and proved its position as market-leading financing partner for small and mid-cap loans in Germany.

Close Year: 2022

Industry Sector: B2B e-commerce – barrier technology, municipality, construction site and facility management supplies

Transaction Type: LBO

Country: Germany

Target profile:

The target group, which was established in 1999 and is headquartered in Seevetal, close to Hamburg, evolved to a leading online B2B retailer in its market segment for barrier technology, municipality, construction site and facility management supplies for a broad variety of industries. With its diversified product offering of over 200,000 items via its online platforms, STEIN HGS serves a broad range of long-standing private and public sector customers, including small and large construction firms, local craftsmen, municipalities and facilities management firms.

Initial situation:

IK Partners (“IK”) entered into a secondary buy-out agreement with the majority shareholder and initial founder of the target via its IK Small Cap III Fund and required the support of long-term financing partners to carry out the acquisition. Headquartered in London, IK is a European private equity firm focused on investments in the Benelux, DACH, France Nordics and the UK across various industries. Since 1989, IK has raised more than € 14 bn of capital and invested in over 160 European companies.

Process and value-add:

- Commerzbank Leveraged Finance is the natural financing partner and was approached early by IK to provide a tailored financing solution given that Commerzbank already supported the target group as long-standing Hausbank.
- Complex LBO financing structure with tailor-made approach.
- As sole lender and trustful banking partner, Commerzbank is highly committed to continuously back the group’s growth strategy.

Transaction outcome:

This financing mandate awarded to Commerzbank marks once again the long-standing and trustful partnership with IK and will further strengthen Commerzbank’s long-standing corporate banking relationship with the target group. It is also a testimony to Commerzbank’s strategy to support the German “Mittelstand” and SME companies on their growth path. Commerzbank was able to secure this mandate by virtue of Leveraged Finance’s successful track record in the German SME market and its long-standing relationship with STEIN HGS Group via Commerzbank’s Hamburg branch.

About Commerzbank Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 30,000 corporate client groups and around 11 million private and small-business customers in Germany. The Bank’s two Business Segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services. Commerzbank transacts approximately 30 per cent of Germany’s foreign trade and is present internationally in almost 40 countries in the corporate clients’ business. The Bank focusses on the German Mittelstand, large corporates, and institutional clients. As part of its international business, Commerzbank supports clients with German connectivity and companies operating in selected future-oriented industries. Following the integration of Comdirect, private and small-business customers benefit from the services offered by one of Germany’s most advanced online banks combined with personal advisory support on site. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.5 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2020, Commerzbank generated gross revenues of some €8.2 billion with almost 48,000 employees.

Alexander Schröder

Director, Head of Small Cap
Tel. +49-69-136-46495
[Email](#)

Adrian A. Oyenuga

Vice President
Tel. +49-69-136-24456
[Email](#)

Patrick Andrei

Assistant Vice President
Tel. +49-69-136-42285
[Email](#)

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