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HDH GROUP RESEARCH · REPORT ON THE GERMAN MITTELSTAND

Group affiliation and shareholding structures

Domination and profit transfer agreements, parent companies, holding companies and transformations in the German corporate population

30,003
Companies with a domination or profit transfer agreement

186,343
Holding companies in the database

79.2%
of subsidiaries in the same federal state as their parent company

AS OF 23 OCTOBER 2026

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At a glance

30,003	186,343	52.5%	79.2%
companies with a domination or profit transfer agreement	holding companies, 16.1% of the database	of group subsidiaries have registered power of attorney, compared with 14.8% of the others	of subsidiaries are based in the same federal state as their parent company

- 30,003 German corporations are bound to a parent company through a domination or profit transfer agreement, 25.9 in every thousand. Among stock corporations and related forms, the figure is 63.6 in every thousand, among entrepreneurial companies (UG) 1.1.
- Energy supply is the most densely interlinked sector at 96.4 ‰, followed by Water, wastewater and waste disposal (71.3 ‰). The affiliation is weakest in Construction (9.9 ‰).
- Group subsidiaries are larger and organised with a greater division of labour than independent companies: 31.6% have a share capital of EUR 100,000 or more (others 8.2%), 59.8% a management of several people (others 30.2%).
- Group affiliation is predominantly regional. 79.2% of the subsidiaries whose parent is itself in the database are based in the same federal state, 64.6% even in the same town.
- Roughly one in six corporations is a holding company. Among the incorporations of 2025, their share stands at 21.8%.

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Question and design

A considerable part of German economic activity takes place within groups of companies. Anyone doing business with a company is frequently dealing with a group whose decisions are made elsewhere, whose purchasing is centrally controlled and whose liability extends beyond the subsidiary. For sales, lending and company valuation, group affiliation is therefore a basic piece of information.

This report measures the contractual group affiliation of German corporations. It describes how many companies are bound by a domination or profit transfer agreement, in which industries and regions, how the parent companies are distributed and in what respects bound companies differ from independent ones. In addition, it examines holding companies, transformations and companies with a foreign legal form.

The population comprises 1,158,810 corporations in the database.

Enterprise agreements in the database

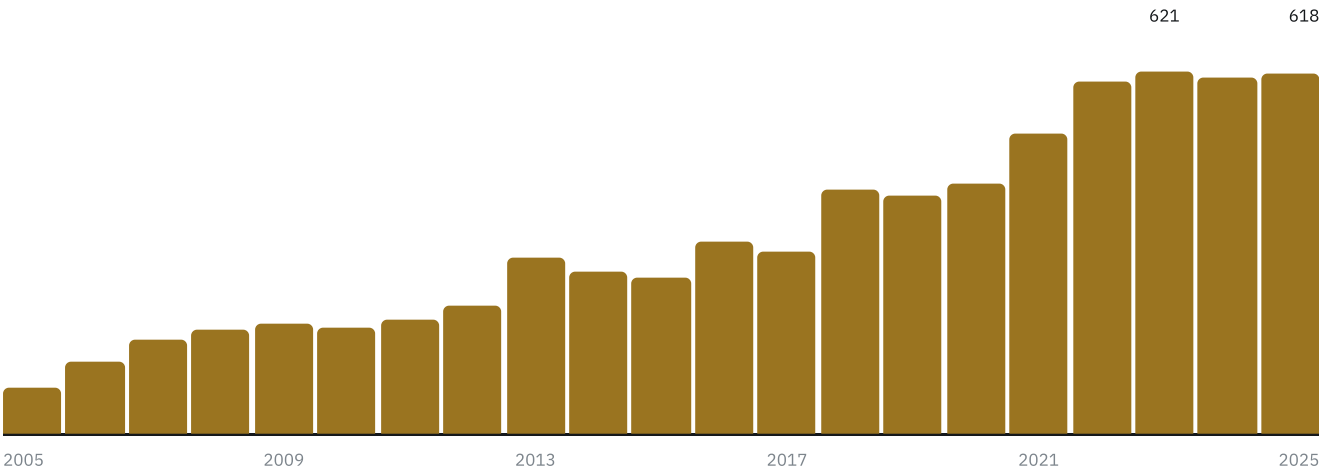
A domination agreement places the management of a company under the instructions of another enterprise. A profit transfer agreement obliges it to transfer its entire profit to that enterprise; in return, the parent company assumes its losses. Both agreements are frequently concluded together and form the basis of the fiscal unity for tax purposes.

The database contains 30,003 companies with such an agreement. They are almost exclusively limited liability companies and stock corporations. Among stock corporations and related forms, the rate of 63.6 ‰ is about 2.2 times as high as among limited liability companies (29.4 ‰). The entrepreneurial company (UG) is scarcely used as a group subsidiary.

For 7,459 agreements, the date of conclusion is recorded. The number of agreements concluded per year has risen steadily since the turn of the millennium, from 181 in 2010 to an average of 616 in the years 2023 to 2025. Because earlier agreements disappear from the database when their companies cease to exist, the series overstates the rise; the direction is nonetheless unambiguous.

FIGURE 1

Recorded domination and profit transfer agreements by year of conclusion, 2005 to 2025



Agreements with a recorded date of conclusion whose companies still exist today.

Source: HDH Group, database as of the reference date, own calculation.

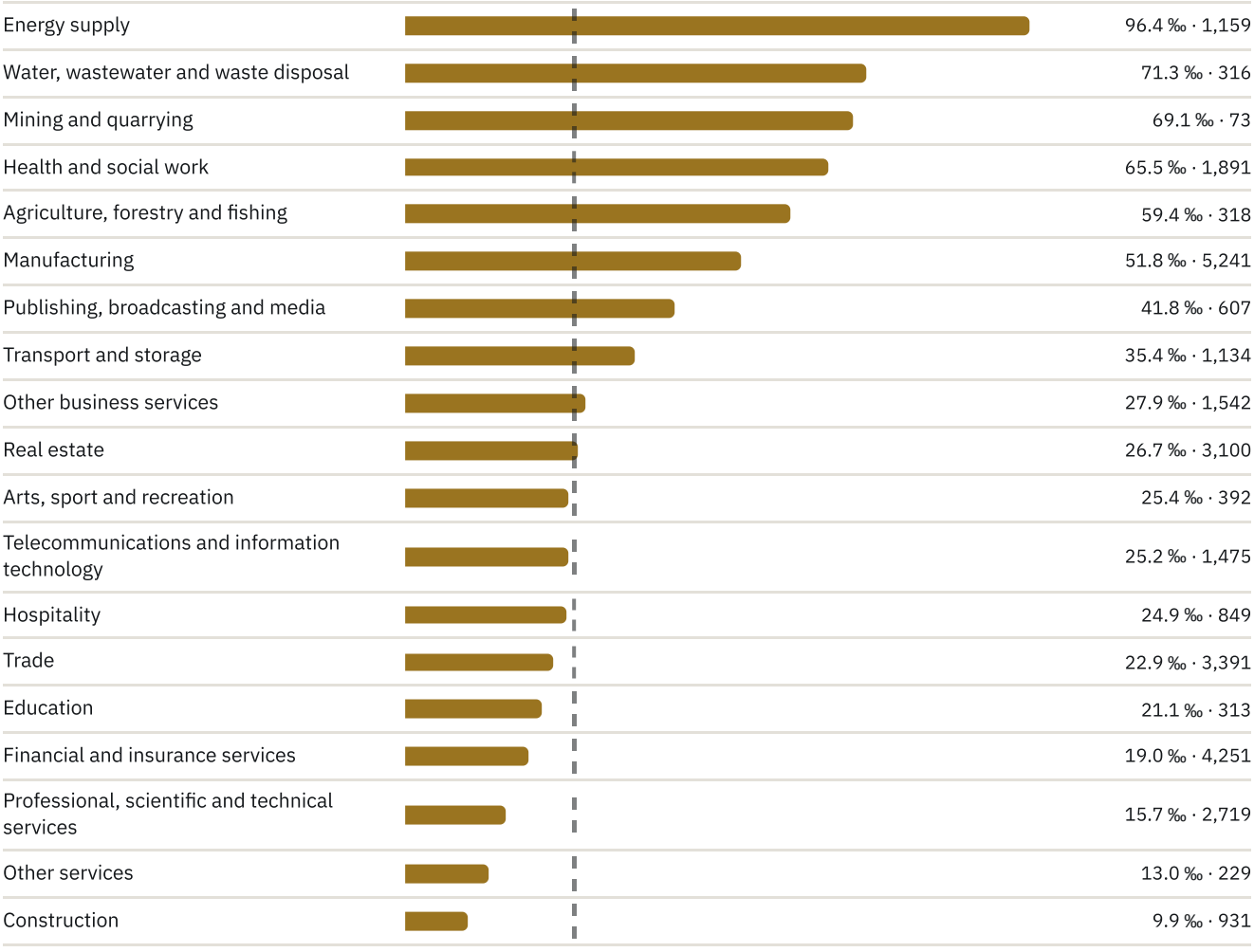
Industries and regions

The density of group affiliation differs between sectors by more than an order of magnitude. Energy supply leads with 96.4 ‰. Utilities and operators of generation plants frequently spin off individual plants and grids into separate companies that are contractually bound to the parent company. Water, wastewater and waste disposal follows (71.3 ‰), then Mining and quarrying (69.1 ‰) and Health and social work (65.5 ‰). In health and social work, the high rate probably reflects the build up of hospital, care and practice groups.

At the other end are Construction and Other services, sectors characterised by small, owner managed companies.

FIGURE 2

Companies with a domination or profit transfer agreement per thousand companies, by sector



The number of companies with an agreement follows the dot.

Source: HDH Group, database as of the reference date, own calculation.

Among the federal states, Hamburg shows the highest density at 40.0 ‰, followed by Thuringia (36.8 ‰) and Bremen (31.1 ‰). It is lowest in Schleswig Holstein (21.1 ‰).

TABLE 1

Companies with a domination or profit transfer agreement by federal state

STATE	COMPANIES	WITH AGREEMENT	PER THOUSAND
Hamburg	53,655	2,148	40.0 ‰
Thuringia	18,586	684	36.8 ‰
Bremen	10,632	331	31.1 ‰
Saxony Anhalt	19,137	572	29.9 ‰
Saxony	42,581	1,205	28.3 ‰
North Rhine Westphalia	251,251	6,933	27.6 ‰
Saarland	10,745	297	27.6 ‰
Hesse	94,630	2,499	26.4 ‰
Brandenburg	28,981	726	25.1 ‰
Rhineland Palatinate	42,092	1,040	24.7 ‰
Bavaria	201,611	4,818	23.9 ‰
Lower Saxony	92,319	2,141	23.2 ‰
Baden-Württemberg	167,353	3,813	22.8 ‰
Berlin	91,146	2,063	22.6 ‰
Mecklenburg Western Pomerania	9,517	214	22.5 ‰
Schleswig Holstein	24,569	519	21.1 ‰

Source: HDH Group, database as of the reference date, own calculation.

Parent companies

For 7,548 agreements, the parent company can be clearly identified. They are distributed across 5,264 parent companies. 79.7% of them bind exactly one subsidiary, 944 bind two to four, and 124 five or more.

Concentration is correspondingly low. The top ten percent of parent companies account for 30.0% of agreements; the Herfindahl Hirschman index of the distribution stands at 5.0 out of a maximum of 10,000 points. Contractual group affiliation is thus a phenomenon of the Mittelstand. The typical case is a mid sized parent company with one or a few subsidiaries that conduct sales, real estate, personnel or individual locations in separate companies.

TABLE 2

Parent companies with the most recorded agreements

PARENT COMPANY	REGISTERED OFFICE	SUBSIDIARIES WITH AGREEMENT, AT LEAST
ENERPARC AG	Hamburg	63
KMK Kinderzimmer GmbH & Co. KG	Hamburg	47
EnBW Energie Baden-Württemberg AG	Karlsruhe	40
Media-Saturn Deutschland GmbH	Ingolstadt	38
Deutsche Wellness und Fitness Holding GmbH	Schwetzingen	34
Vattenfall Europe Windkraft GmbH	Hamburg	23
AniCura Germany Holding GmbH	Ravensburg	23
Vattenfall Solar GmbH	Hamburg	22
Alloheim Senioren-Residenzen SE	Düsseldorf	18
Gesellschaft für Mikroneurochirurgie mbH	Gensingen	17
Reinhard Mohn GmbH	Gütersloh	14
Röther Beteiligungs GmbH	Michelfeld	14

Only agreements whose parent company is clearly identified. The figures are lower bounds; large groups with differently worded agreements may be missing.

Source: HDH Group, database as of the reference date, own calculation.

Where the parent company is itself in the database, its registered office can be compared with that of the subsidiary. In 79.2% of 3,814 such cases, both are in the same federal state, in 64.6% in the same town. The strongest links across state borders run from Bavaria to Baden-Württemberg (87), from North Rhine Westphalia to Baden-Württemberg (74) and from Hesse to Baden-Württemberg (56).

What distinguishes group subsidiaries

Bound companies differ markedly in their structure from independent ones. Their median share capital is EUR 26,000 compared with EUR 25,000, but 31.6% of them have EUR 100,000 or more, 3.9 times as many as among the others. 52.5% have registered power of attorney, 59.8% a management of several people, 3.84% a branch office.

Group subsidiaries are thus on average larger, organised with a greater division of labour and more formally. For sales this means two things: the company has a second management tier that can be approached, and the decision on larger purchases is frequently made at the parent company. For risk assessment it is significant that 3.04% of bound companies carry an insolvency entry, compared with 4.12% of the others.

TABLE 3

Companies with and without a domination or profit transfer agreement compared

CHARACTERISTIC	WITH AGREEMENT	WITHOUT AGREEMENT
Companies	28,033	914,980
Share capital, median	EUR 26,000	EUR 25,000
Share capital EUR 100,000 or more	31.6%	8.2%
With power of attorney	52.5%	14.8%
Management of several people	59.8%	30.2%
With branch office	3.84%	0.94%
With insolvency entry	3.04%	4.12%

Limited liability companies, stock corporations, SE and KGaA. Power of attorney and management relate to companies with recorded management.

Source: HDH Group, database as of the reference date, own calculation.

Holding companies

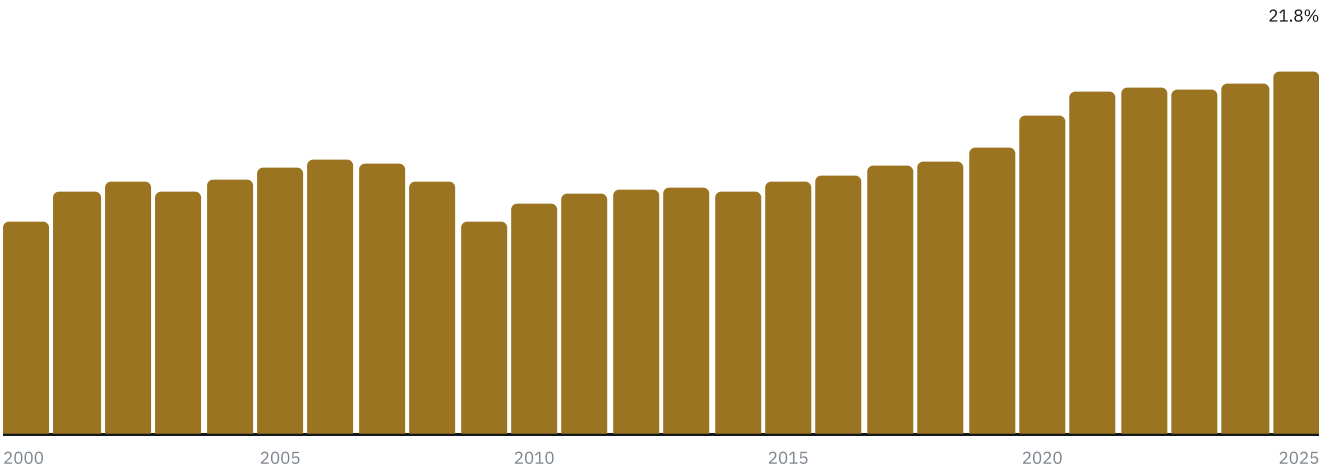
Alongside contractual affiliation there is affiliation through shareholdings. 186,343 companies, 16.1% of the database, have the holding and management of participations as their corporate purpose. In addition, there are 95,473 companies (8.2%) that serve as general partner of a limited partnership and whose sole purpose is the management of that partnership.

The share of holding companies in incorporations has risen markedly since the mid 2000s, from 12.7% in 2009 to 21.8% in 2025. 15.2% of holding companies are entrepreneurial companies (UG). Holding companies are most frequent in Bremen (19.8% of the database) and Hamburg (19.0%), and least frequent in Saarland (9.9%).

Many of these companies are held by entrepreneurs who own their operating company through a holding company of their own. Among the 223,521 people who manage or represent more than one company, 104,387 (46.7%) run at least one holding company, 85,427 of them also an operating company.

FIGURE 3

Share of holding companies in the incorporations of a year, 2000 to 2025



Source: HDH Group, database as of the reference date, own calculation.

Transformations

For 54,232 companies, a transformation under the German Transformation Act is recorded: a merger for 25,084, a division or hive down for 19,584 and a change of legal form for 24,197. A company may be involved in several transactions, both as transferring and as receiving entity.

Transformations are a feature of mature structures. They are most frequent in Agriculture, forestry and fishing (158.5 ‰) and Mining and quarrying (132.6 ‰), sectors in which businesses have presumably more often emerged from earlier legal forms or in which assets and operations are transferred into separate companies.

Companies with a foreign legal form

3,009 companies in the database have a foreign legal form, as a rule as the branch of a company established abroad. British limited and public limited companies account for the largest share, with 1,860 companies. The British limited company was used above all in the years before 2008 as a way around the minimum capital of the GmbH; since the entrepreneurial company (UG) was introduced, this route has lost importance.

TABLE 4

Companies with a foreign legal form by origin of the legal form

LEGAL FORM	COMPANIES
British limited and public limited companies	1,860
Dutch B.V. and N.V.	239
US Inc., LLC and corporations	202
Italian S.p.A. and S.r.l.	167
Companies in the form of S.A. or S.L.	151
French SAS and SARL	73
Hungarian Kft.	67
Polish Sp. z o.o.	60
Czech s.r.o.	47
Danish ApS and A/S	41
Turkish A.Ş.	10

Origins with at least ten companies.

Source: HDH Group, database as of the reference date, own calculation.

Assessment

Contractual group affiliation is widespread in Germany and predominantly a matter of the Mittelstand. The typical constellation is a parent company with a single subsidiary in the same town. This affiliation is scarcely recognisable to outsiders, because the subsidiary operates under its own name.

For business to business sales, it follows that the decision is frequently made at a different company from the one you are speaking with. For lenders and suppliers, the agreement indicates that the parent will absorb losses and thus points to greater security. For acquirers and advisers in company sales, it shows where structures need to be unbundled before a part can be sold.

Method and limitations

Data basis

The basis is the HDH Group database of registered corporations with their registered office in Germany, as of 23 October 2026, with 1,158,810 companies.

Definitions

- **Group affiliation:** a recorded domination agreement, profit transfer agreement, profit and loss transfer agreement or a combination of both, with the company as the dependent party.
- **Parent company:** the other contracting party, where clearly identified. Identical names are combined.
- **Holding company:** a company whose purpose is essentially the holding and management of participations.
- **General partner company:** a company whose purpose is to assume the personal liability and the management of a limited partnership.
- **Herfindahl Hirschman index:** sum of the squared shares of the parent companies in all agreements, multiplied by 10,000. In competition economics, values below 1,500 are considered low concentration.

Limitations

- The study covers contractual affiliation. De facto groups in which a company is controlled solely through majority shareholdings are not included. The figures therefore describe a lower bound of interconnection.
- The parent company is identified for part of the agreements. Statements about parent companies are based on this part and are incomplete for groups with numerous, differently worded agreements.
- The assignment to holding and general partner companies follows the registered corporate purpose. Companies that conduct business of their own alongside their participations may appear in both groups.
- Transformations are counted when a corresponding transaction is recorded for the company. The date of the transaction is not taken into account.

How to cite

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