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HDH GROUP RESEARCH · REPORT ON THE GERMAN MITTELSTAND

Who runs Germany's companies

Management, registered power of attorney and representation, multiple mandates, residence and proximity to the company

70.7%
of companies are managed by a single person

19.4%
of managing directors run more than one company

5.7 km
Median distance between residence and registered office

AS OF 23 OCTOBER 2026

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At a glance

971,266	70.7%	19.4%	5.7 km
people in the management of German corporations	of companies are managed by a single person	of managing directors run more than one company	median distance between residence and registered office of the company

- 70.7% of active companies are managed by a single person. In 610,982 companies (61.7%) there is, besides that person, neither another member of management nor a holder of registered power of attorney.
- 188,168 people, 19.4% of all managing directors, run two or more companies. They account for 41.9% of all management mandates. 3,778 people manage ten or more companies.
- The number of people in management grows with capital. Of companies with a share capital of EUR one million or more, 60.3% have a management of several people; at exactly EUR 25,000 the figure is 28.5%.
- 4.9% of managing directors are resident abroad, most frequently in Netherlands, Switzerland and Austria.
- Companies are managed from close by. 48.0% of managing directors resident in Germany live less than five kilometres from the registered office of their company, half within 5.7 kilometres.

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Question and design

Every corporation acts through people. How many there are, how they divide representation among themselves, whether a second management tier with power of attorney exists, whether one person runs several companies at once and where that person lives determines how a company takes decisions and how vulnerable it is. For every business approach, it is also the question of whom one is dealing with.

This report describes the composition of management in German corporations. It examines the number of people in management, the prevalence of registered power of attorney, interconnection through multiple mandates, residence abroad and the spatial proximity between residence and registered office.

The population comprises 989,627 active companies with recorded management. People are matched across companies and counted once each.

Management, power of attorney and liquidation

The companies in the database record 1,410,684 management mandates held by 1,010,351 people. In addition, there are 278,931 registered powers of attorney held by 200,796 people and 78,597 mandates in the liquidation of companies.

The median age is 52 years in management, 51 among holders of power of attorney and 57 years among the people who wind up companies. By law, a company is as a rule wound up by its existing management. Liquidation thus frequently comes at the end of a long working life.

TABLE 1

Mandates and people by role

ROLE	MANDATES	PEOPLE	MEDIAN AGE
Management	1,410,684	1,010,351	52 years
Power of attorney	278,931	200,796	51 years
Liquidation	78,597	73,560	57 years

Mandates in all companies of the database. Entries without a unique assignment across companies are counted only as a mandate.

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

The composition of management

The German corporation is as a rule managed by a single person. This applies to 70.7% of companies; 23.9% have a management of two people, 4.3% one of three and 1.1% one of four or more people. 14.1% of companies have granted registered power of attorney.

Companies without a second person deserve particular attention. In 610,982 businesses, apart from the one person in management, there is nobody who can represent the company. If that person becomes unavailable through illness, accident or death, the company cannot act until a new management has been appointed. For suppliers, lenders and insurers, this is a risk that appears on no balance sheet.

TABLE 2

Composition of management by legal form

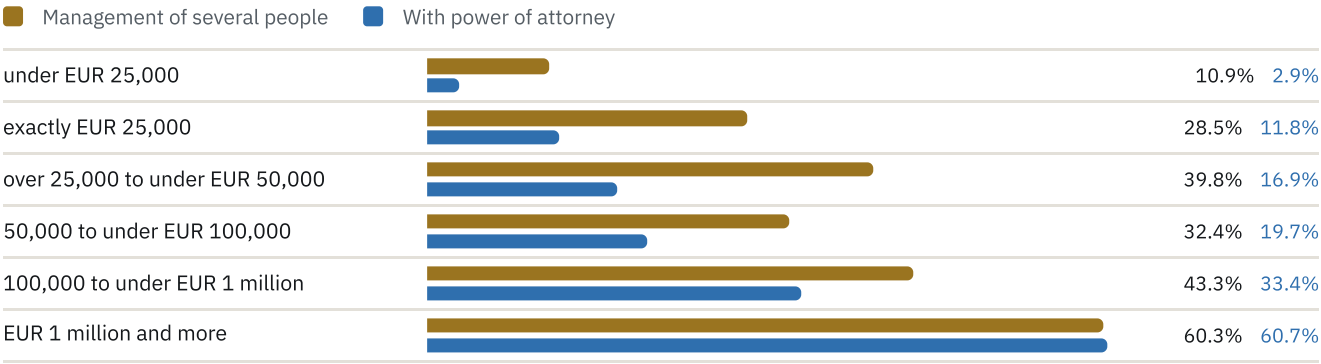
LEGAL FORM	COMPANIES	PEOPLE IN MANAGEMENT, MEAN	MANAGEMENT OF SEVERAL PEOPLE	WITH POWER OF ATTORNEY
GmbH	802,389	1.39	31.5%	15.4%
UG (limited liability)	124,420	1.12	10.6%	2.9%
AG, SE, KGaA	7,916	1.79	46.3%	33.2%

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

Management grows with capital. Figure 1 shows the share of companies with a management of several people and with power of attorney by share capital band. Both shares rise markedly across the bands; share capital, the number of people in management and power of attorney are jointly an expression of the size of a company.

FIGURE 1

Companies with a management of several people and with power of attorney by share capital



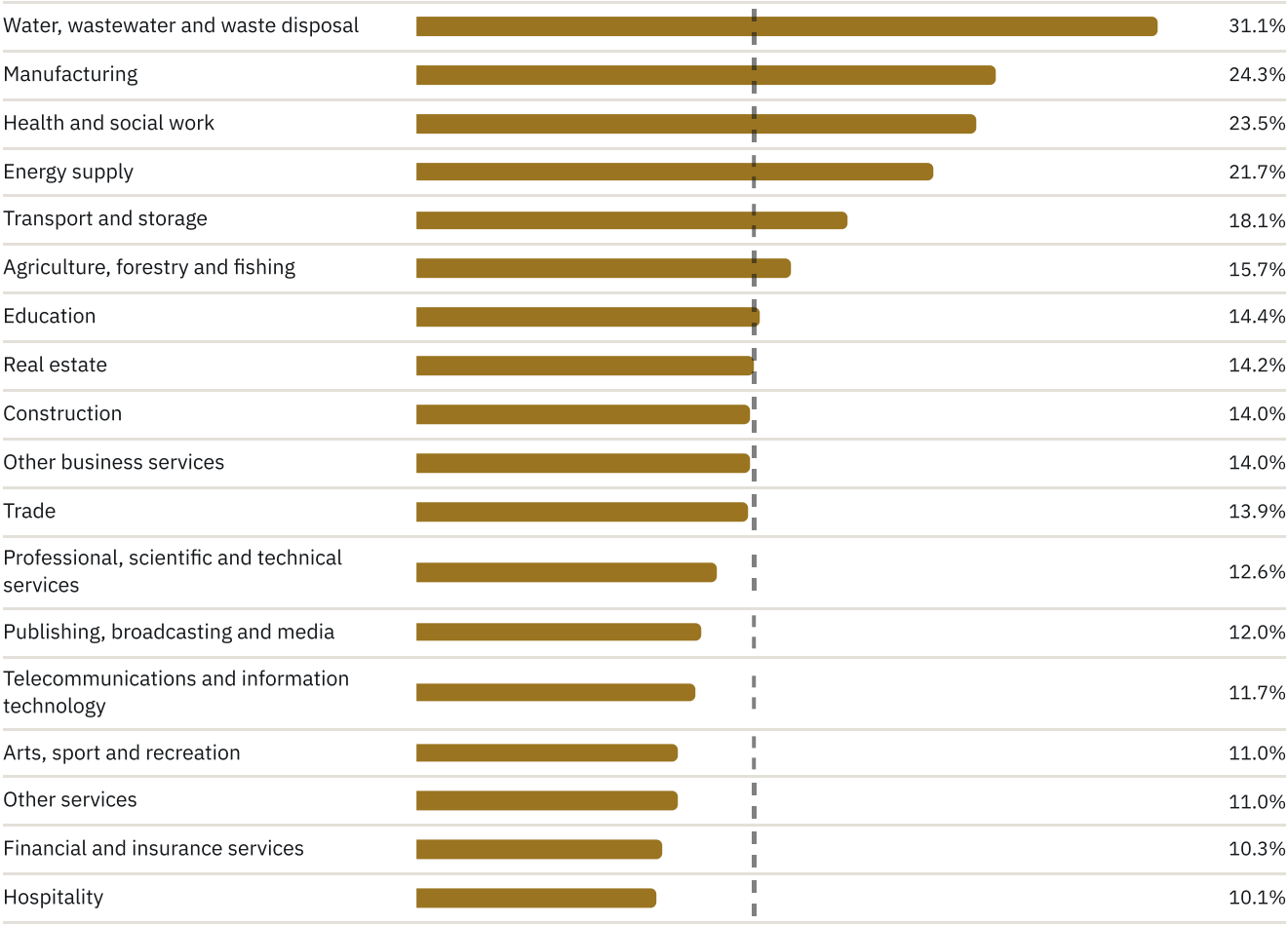
Source: HDH Group, database as of the reference date, own calculation.

Power of attorney by industry

Registered power of attorney is the clearest indicator of a second management tier. It is most widespread in Water, wastewater and waste disposal (31.1%), Manufacturing (24.3%) and Health and social work (23.5%). It is granted least often in Hospitality (10.1%) and Financial and insurance services (10.3%).

FIGURE 2

Share of companies with registered power of attorney by sector



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

Multiple mandates

Of the 971,266 people in management, 80.6% run exactly one company. 12.3% manage two, 5.1% three or four and 1.57% five to nine companies. 3,778 people hold ten or more management mandates; the highest number is 504.

On average, there are 1.39 mandates per person. The distribution is skewed: people with several mandates make up 19.4% of managing directors, but hold 41.9% of all management mandates; people with five or more mandates hold 12.2%. 425,445 companies, 43.0% of the database, are managed by at least one person who also runs another company.

Age hardly depends on the number of mandates. The median age lies between 51 and 53 years in all groups. Multiple mandates are therefore no matter of age; they arise from the structure an entrepreneur gives their businesses, through holding companies, property companies, general partner companies and the acquisition of further companies.

TABLE 3

People in management by number of management mandates

MANDATES	PEOPLE	MEDIAN AGE
one mandate	782,868	52 years
two mandates	119,851	51 years
three to four	49,253	51 years
five to nine	15,266	53 years
ten or more	3,778	53 years

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

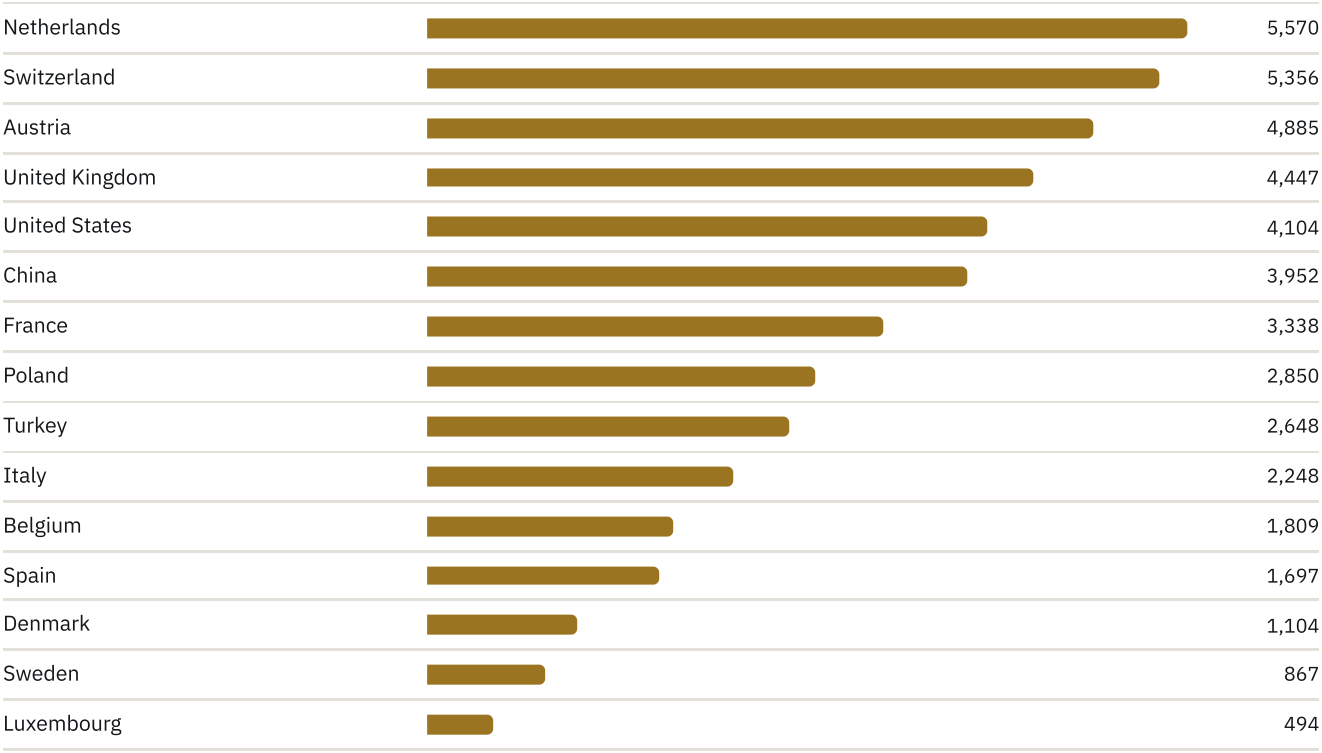
Residence abroad

47,656 managing directors, 4.9% of all people in management, are resident outside Germany. The most frequent countries of residence are Netherlands, Switzerland, Austria, United Kingdom, United States and China.

Among the federal states, the share is highest in Saarland (7.8%), followed by Hesse (7.1%); it is lowest in Thuringia (2.3%). Among the industries, Trade (10.3%) and Manufacturing (7.2%) lead.

FIGURE 3

Managing directors resident abroad by country



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

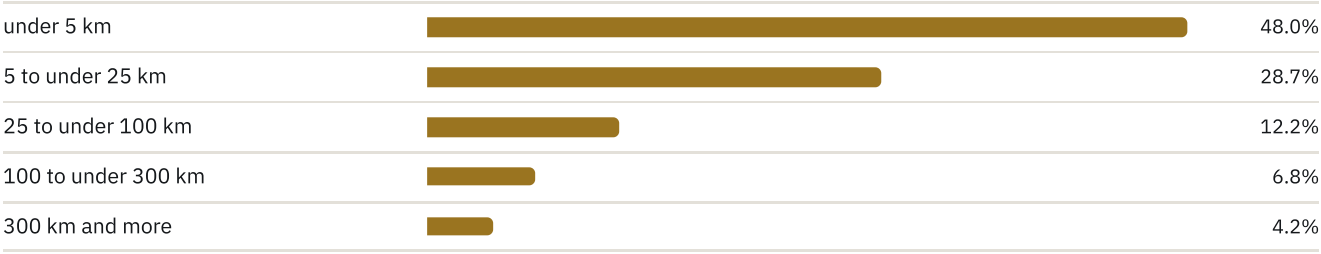
Proximity to the registered office

For 347,802 management mandates, the place of residence and the registered office of the company can be located. The median distance is 5.7 kilometres; three quarters of managing directors live within 22.2 kilometres. 48.0% live less than five kilometres from the registered office, 28.7% between five and 25 kilometres. More than 300 kilometres separate residence and registered office for 4.2%.

The Mittelstand is thus managed from close by. Managing directors live furthest away in Health and social work, with a median of 11.6 kilometres, followed by Water, wastewater and waste disposal (11.3 kilometres). Managing directors live closest in Construction (3.3 kilometres).

FIGURE 4

Distance between the residence of management and the registered office of the company

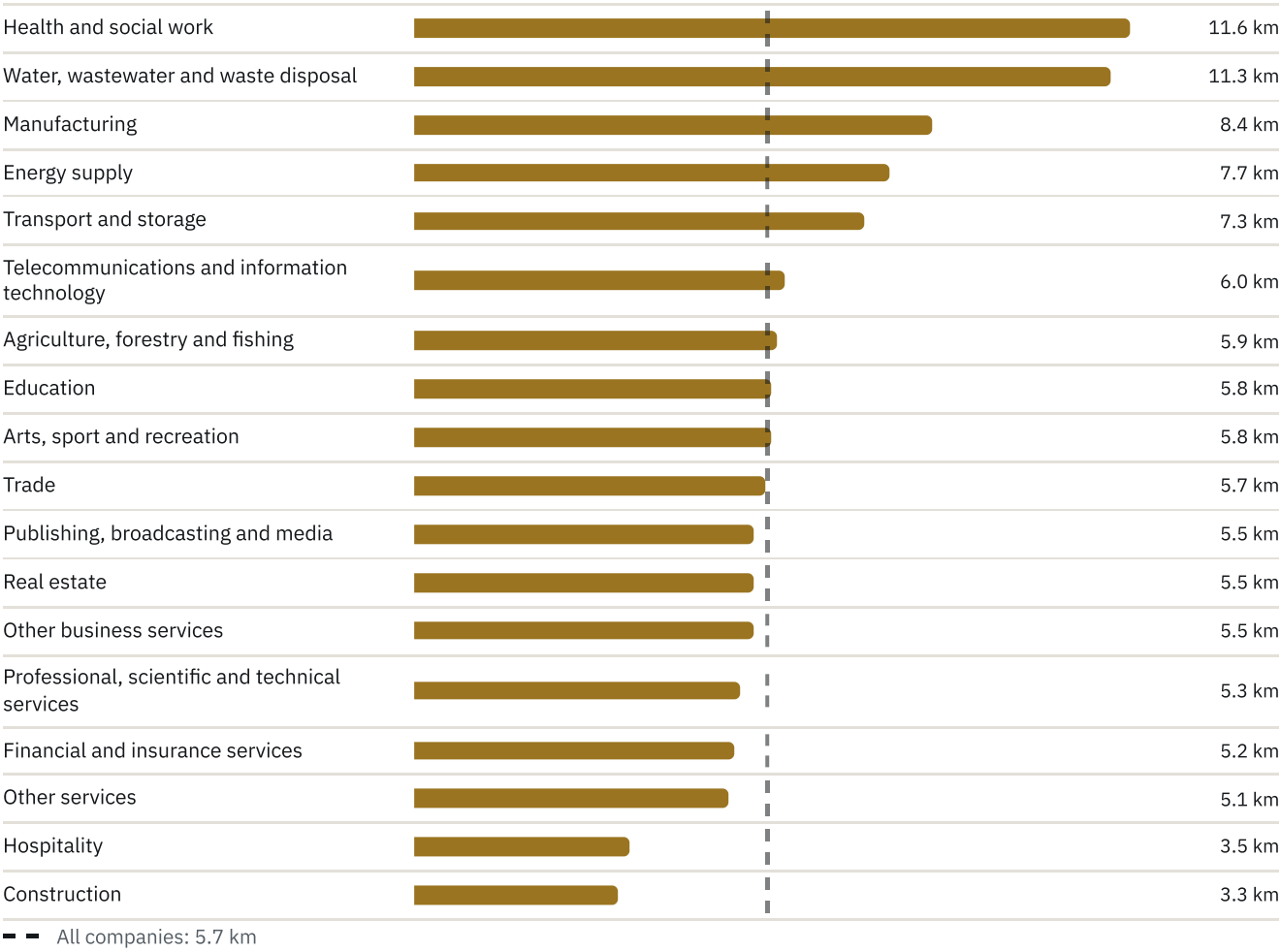


Straight line distance between the centres of the place of residence and the registered office. Managing directors resident in Germany.

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

FIGURE 5

Distance between residence and registered office by sector, median



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

Assessment

The management of German corporations is predominantly small, local and tied to one person. This makes companies quick in their decisions and vulnerable in their continuity. A second management tier with power of attorney is the clearest characteristic by which larger businesses organised on a division of labour can be recognised.

For business approaches it follows that in most companies exactly one person decides, and that this person lives nearby. For banks, insurers and advisers who serve entrepreneurs as individuals, multiple mandates are significant: anyone who runs several companies faces questions of structure, liability and wealth organisation that go beyond a single company.

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 the recorded people in management, with power of attorney and in liquidation.

Definitions

- **Management:** managing directors, management board and comparable bodies with power of representation.
- **Mandate:** the position of a person in a company. A person with three companies holds three mandates.
- **Person:** matched across companies by unique personal characteristics. Where a unique assignment is not possible, the entry is counted only as a mandate.
- **Residence abroad:** a recorded place of residence outside Germany.
- **Distance:** straight line distance between the centre of the place of residence and the registered office of the company.

Limitations

- The place of residence recorded is that at the time of the respective register entry. Later relocations are covered only if they were registered.
- The matching of people across companies is conservative. Multiple mandates are therefore, if anything, underestimated.
- Distance is based on the centres of towns. Within large cities it is therefore shown as zero or small, even if home and registered office are in different districts.

How to cite

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