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HDH GROUP RESEARCH · REPORT ON THE GERMAN MITTELSTAND

The generational question in the German Mittelstand

Age structure of management and state of succession in German corporations

104,338
Companies whose entire management is aged 65 or over

93.4%
of which without discernible succession within the company

52 years
Median age of the people in management

AS OF 23 OCTOBER 2026

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At a glance

104,338	93.4%	52 years	27.7%
companies whose entire management is aged 65 or over	of these without a younger person in management, with power of attorney or in the family	median age of the people in management	of managing directors are aged 60 or over

- In 104,338 of 988,031 active companies examined, even the youngest member of management is aged 65 or over. That corresponds to 10.6%, or roughly one in nine companies. In 49,274 businesses this threshold lies at 70 years.
- In 93.4% of these companies there is no discernible person who could step in: no considerably younger holder of power of attorney and no next generation of the same name. These are 97,481 businesses in which succession is open.
- The generational question is a question of sole management. 91.0% of the companies whose management is aged 65 or over are run by a single person.
- The handover is most pressing in Saarland (13.1%) and least pressing in Berlin (8.2%). Among the sectors of the economy, Mining and quarrying (14.4%) and Professional, scientific and technical services (13.4%) lead.
- Companies aged 20 to 29 years are the most affected: in 18.8% of these businesses the entire management is aged 65 or over. This is the generation that founded its company and still runs it today.

Question and design
The age of management
Companies by the age of their management
Sole management and management teams
Regional differences
Industries
Age of the company
Who could step in
Assessment
Method and limitations

Question and design

The large post war generation is reaching retirement age. With it, a generation of entrepreneurs is stepping down that built a large part of the German Mittelstand and still runs it today. Whether their companies continue, are sold or are given up will be decided in the coming years, and it will be decided business by business.

This report describes the situation at the level of the individual company. It asks how old the people are who run German corporations, in how many businesses the entire management has reached an age at which the handover is due, and whether a younger person is ready to take over in these businesses. It distinguishes by region, industry, age of the company, legal form and size of management.

The population comprises 988,031 active companies for which at least one member of management with a known age is recorded. Companies in insolvency, dissolution or liquidation are excluded. Age refers to the reporting year 2026.

The age of management

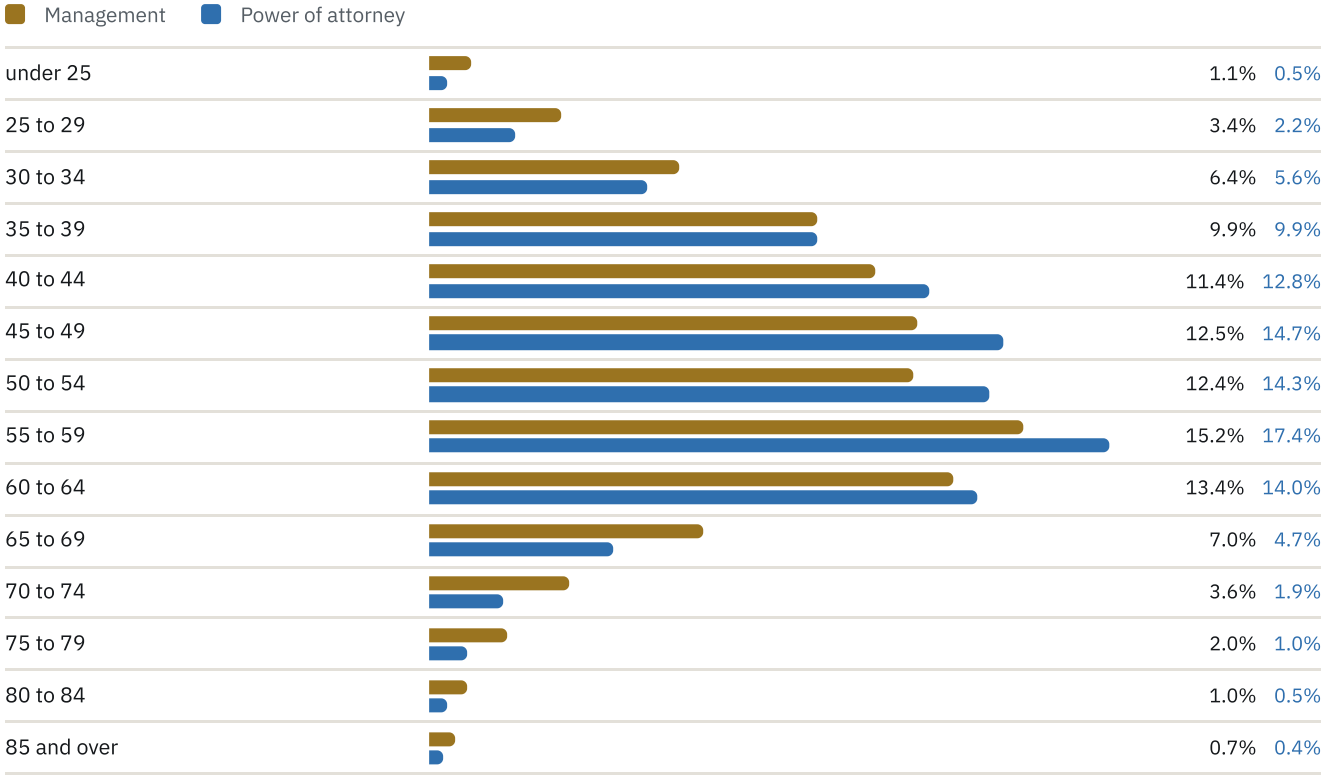
The companies examined are managed by 971,016 people, each person counted once even if they manage several companies. Their median age is 52 years, the arithmetic mean 51.2 years. The middle half lies between 41 and 60 years.

27.7% of managing directors are aged 60 or over, 14.2% have reached 65 and 7.2% have reached 70. By contrast, 20.8% are younger than 40. The distribution is centred between 55 and 64 years; the largest five year band is that of people aged 55 to 59.

The 191,033 holders of registered power of attorney show a different profile. Their median age is 51 years, yet their distribution is concentrated in the middle of working life. The age bands from 65 upwards account for 8.5% of power of attorney holders compared with 14.3% of management. Power of attorney holders leave earlier, management stays in office longer.

FIGURE 1

People in management and with power of attorney by age band, share of all people in the respective role



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

Companies by the age of their management

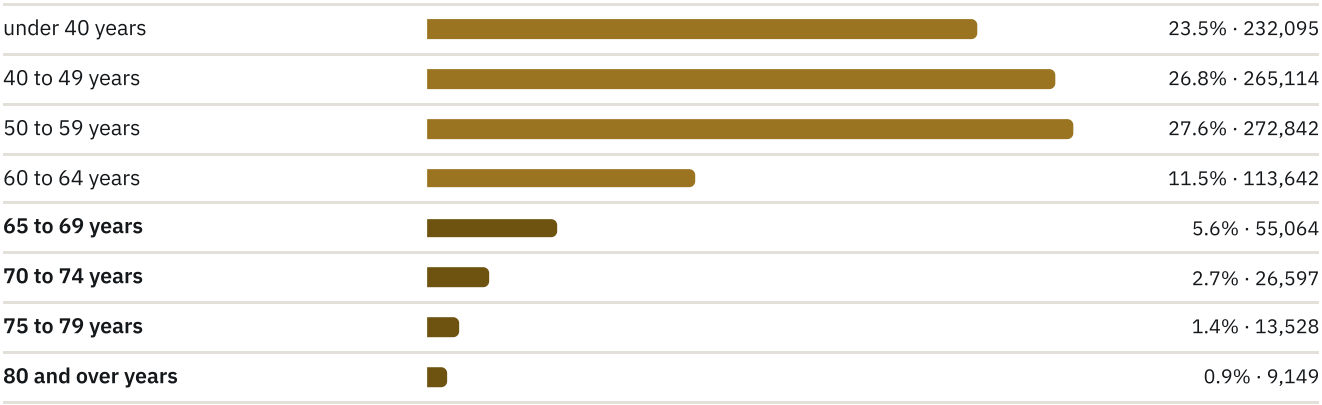
For the succession question, what counts is the age of the youngest member of management. As long as a younger managing director is in office, the continuity of management is secured, however old the other members may be. Only when the youngest person has also reached an age at which withdrawal is due does the question arise for the company as a whole.

By this measure, the management of 10.6% of companies is entirely aged 65 or over. In 5.0% of businesses it is entirely aged 70 or over, in 9,149 companies even 80 or over. The median across all companies is 49 years.

At 16.8%, the share of businesses in which at least one person is aged 65 or over is considerably higher. The gap between the two values describes companies in which the transition is already under way: the older generation is still in office, and the younger one already is too.

FIGURE 2

Companies by the age of the youngest member of management



Bands from 65 years upwards are highlighted. Share of 988,031 companies; the absolute number follows the dot.

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

Sole management and management teams

70.7% of the companies examined are run by a single person. In these businesses, the age of the person and the age of management coincide, and so does the risk: 13.6% of solely managed companies have a management aged 65 or over. With two people in management the figure is 3.8%, with three or more people 0.8%.

Management teams are thus largely protected against the ageing of management, because generations mix within them. Conversely, almost every company in which succession is open is under sole management. Anyone who supports successions therefore works predominantly with a single person who combines ownership, management and often personal wealth.

TABLE 1

Companies by size of management

MANAGEMENT	COMPANIES	MEDIAN YOUNGEST PERSON	ENTIRE MANAGEMENT 65+	ENTIRE MANAGEMENT 70+	AT LEAST ONE PERSON 65+
one person	698,651	52 years	13.6%	6.6%	13.6%
two people	235,975	46 years	3.8%	1.4%	23.1%
three or more people	53,405	43 years	0.8%	0.2%	31.0%

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

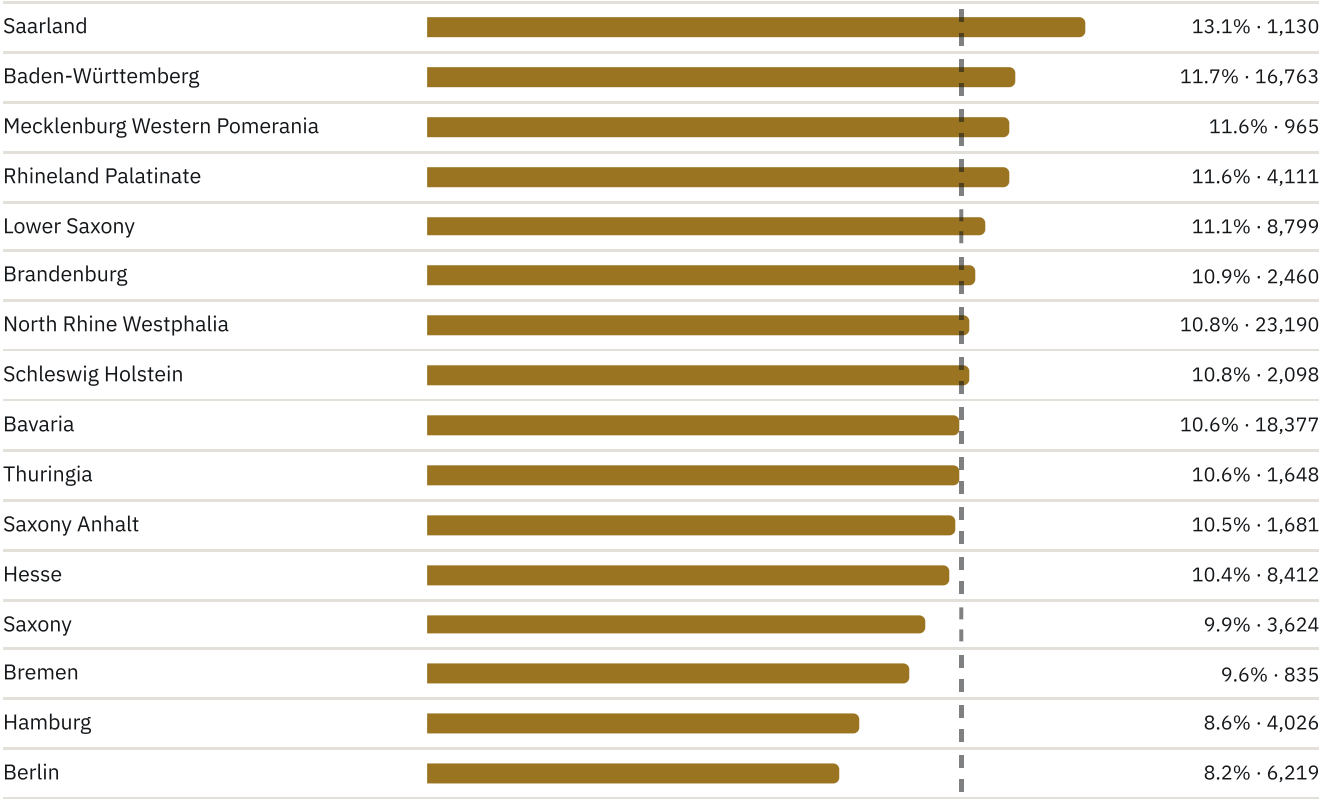
Regional differences

Across the federal states, the share of companies with a management aged 65 or over differs by 4.9 percentage points. Saarland leads with 13.1%, followed by Baden-Württemberg (11.7%) and Mecklenburg Western Pomerania (11.6%). Berlin shows the lowest share (8.2%).

The ranking mainly reflects the renewal of the corporate population. Where many companies have been formed over the past ten years, management is younger on average, because founders are young and lower the average. Across the federal states, the rank correlation between the share of older management and the share of young companies is ρ = -0.51, a clearly inverse relationship.

FIGURE 3

Share of companies whose entire management is aged 65 or over, by federal state



The number of companies follows the dot. States with fewer than 1,000 companies with known management are not shown.

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

TABLE 2

Age of management by federal state

STATE	COMPANIES	MEDIAN YOUNGEST PERSON	ENTIRE MANAGEMENT 65+	OF WHICH ABSOLUTE	ENTIRE MANAGEMENT 70+	AT LEAST ONE PERSON 65+
Saarland	8,635	51 years	13.1%	1,130	5.8%	21.2%
Baden-Württemberg	143,765	50 years	11.7%	16,763	5.4%	19.2%
Mecklenburg Western Pomerania	8,343	51 years	11.6%	965	5.6%	18.2%
Rhineland Palatinate	35,574	50 years	11.6%	4,111	5.2%	18.6%
Lower Saxony	79,453	50 years	11.1%	8,799	5.4%	18.0%
Brandenburg	22,668	50 years	10.9%	2,460	4.7%	15.8%
North Rhine Westphalia	215,106	49 years	10.8%	23,190	5.2%	17.1%
Schleswig Holstein	19,356	50 years	10.8%	2,098	5.3%	17.6%
Bavaria	174,047	49 years	10.6%	18,377	4.9%	17.0%
Thuringia	15,559	51 years	10.6%	1,648	4.9%	17.2%
Saxony Anhalt	16,066	51 years	10.5%	1,681	4.8%	16.6%
Hesse	81,083	49 years	10.4%	8,412	4.9%	16.4%
Saxony	36,714	50 years	9.9%	3,624	4.3%	15.2%
Bremen	8,704	50 years	9.6%	835	4.9%	16.0%
Hamburg	46,840	49 years	8.6%	4,026	4.4%	14.1%
Berlin	76,114	46 years	8.2%	6,219	3.9%	11.4%

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

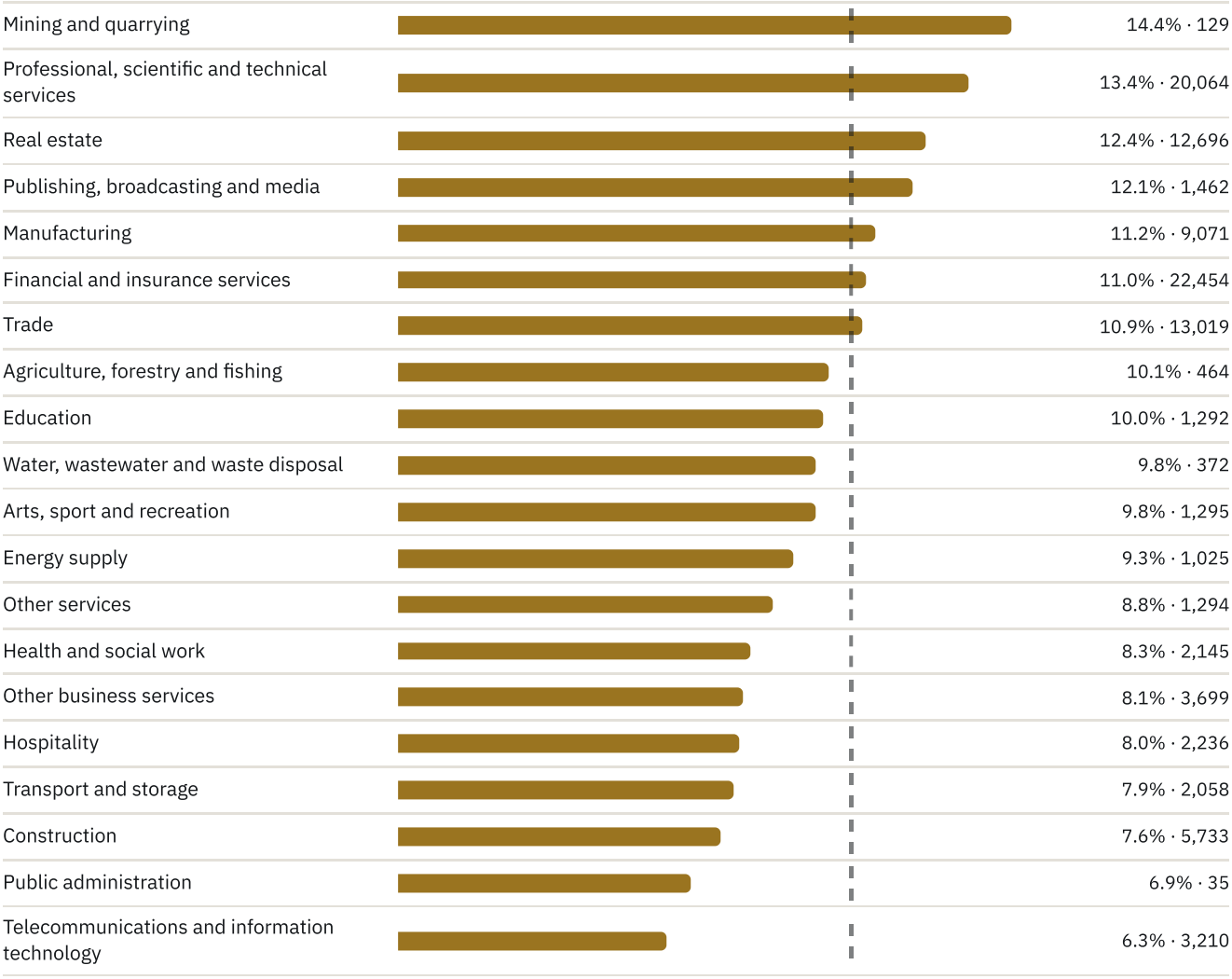
Industries

Among the sectors of the economy, management is oldest in Mining and quarrying: 14.4% of companies have a management aged 65 or over. Professional, scientific and technical services follows with 13.4% and Real estate with 12.4%. The youngest management is found in Telecommunications and information technology (6.3%) and Public administration (6.9%).

Two distinct patterns lie behind the sectors. Professional services, property companies and manufacturing rest on knowledge, assets or clienteles built up over many years; their owners stay in office for a long time, and their businesses are difficult to transfer because the value is tied to the person. Sectors with strong formation activity such as information technology or construction, on the other hand, are continuously replenished by young companies that lower the average age.

FIGURE 4

Share of companies with a management aged 65 or over by sector



Sectors according to the sections of NACE Rev. 2.1, from 500 companies. The number of companies follows the dot.

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

At the finer level of divisions, the concentrations stand out more clearly. Table 3 lists the twelve divisions with the highest share, each with at least 2,000 companies.

TABLE 3

Divisions with the highest share of companies with a management aged 65 or over

DIVISION	COMPANIES	MANAGEMENT 65+	ABSOLUTE	MANAGEMENT 70+
72 Research and development	5,149	16.2%	832	8.1%
70 Activities of head offices and management consultancy	86,269	14.5%	12,481	7.2%
18 Printing and reproduction of recorded media	2,540	14.3%	362	6.8%
26 Manufacture of computer, electronic and optical products	7,746	14.1%	1,090	6.7%
58 Publishing activities	5,373	13.4%	720	6.8%
79 Travel agency, tour operator and other reservation service and related…	3,612	13.2%	475	6.3%
71 Architectural and engineering activities; technical testing and analys…	27,197	13.1%	3,561	5.8%
28 Manufacture of machinery n.e.c.	11,216	12.8%	1,440	5.8%
94 Activities of membership organisations	2,282	12.7%	290	6.4%
32 Other manufacturing	7,203	12.6%	908	5.8%
20 Manufacture of chemicals and chemical products	3,914	12.4%	484	6.1%
66 Activities auxiliary to financial services and insurance activities	11,582	12.4%	1,441	5.9%

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

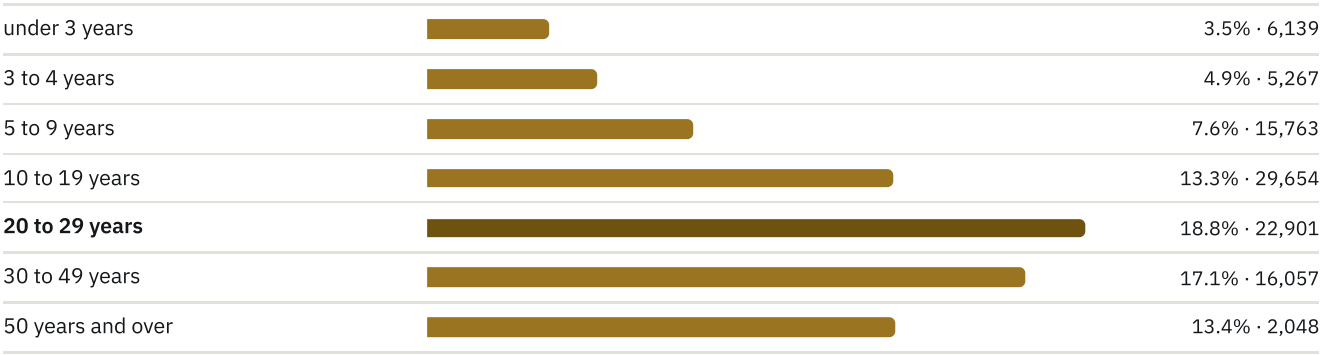
Age of the company

As a company ages, the age of its management at first rises steadily. Young companies under three years old have a management aged 65 or over in only 3.5% of cases. The share peaks among companies aged 20 to 29 years at 18.8% and declines thereafter.

The pattern lends itself to a coherent interpretation. In companies of this age, the youngest member of management today has a median age of 57 years; there is much to suggest that the founding generation is frequently still in office. Older companies, by contrast, have often already completed a change of generation; their current management is the second or third and correspondingly younger. The succession question is thus concentrated on the first generation of founders.

FIGURE 5

Share of companies with a management aged 65 or over by age of the company



Age of the company since conclusion of the articles of association, as of the reference date.

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

By legal form, the values differ less markedly. Limited liability companies (GmbH) have a management aged 65 or over in 10.3% of cases. For stock corporations and related forms the figure is 13.8%, for the entrepreneurial company with limited liability (UG) 9.4%.

Who could step in

A management of advanced age is no shortcoming in itself if succession is provided for within the business. For each of the 104,338 companies with a management aged 65 or over, we therefore examined whether a younger person is ready to take over, distinguishing two routes: a considerably younger executive with power of attorney from within the company, and a next generation of the same family name in management or with power of attorney.

The result is unambiguous. Only 12.5% of these companies have any power of attorney at all, compared with 14.2% of companies with a younger management. A considerably younger holder of power of attorney exists in 6.1% of the businesses, a next generation of the same name in 3.4%. Taken together, a potential succession from within the business is discernible in 6.6% of companies.

For 97,481 companies, 93.4% of the businesses with a management aged 65 or over, this is not the case. They have neither a younger executive with power of attorney nor a discernible family succession. In these companies the handover, if it is to succeed, will have to come from outside: through a sale to a competitor, to a private equity investor, to the management of another business or to an individual seeking to take over a company.

In total, 42,798 companies have two generations of the same name in management or with power of attorney; in 36,625 of them the older person is aged 60 or over. In these businesses the transition within the family is already prepared, and with it questions of valuation, gifting and the transfer of shares.

TABLE 4

Companies with a management aged 65 or over compared with companies with a younger management

CHARACTERISTIC	MANAGEMENT 65+	YOUNGER MANAGEMENT
Companies	104,338	883,693
With power of attorney	12.5%	14.2%
Share capital, median	EUR 25,000	EUR 25,000
Share capital EUR 100,000 or more	7.9%	7.4%
With branch office	0.7%	0.9%
Solely managed	91.0%	·
Without discernible succession within the company	93.4%	·

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

Assessment

The figures paint a clear picture. The generational question is concentrated in a specific group: solely managed companies founded twenty to thirty years ago, in which the founder still holds the management today and no successor is discernible within the business. This group is large, and it is unevenly distributed by region and industry.

For those supporting successions, it follows that the approach must begin early and be targeted. A company whose sole managing director is 65 years old has only a few years, given realistic timeframes for preparation, valuation, search and transition. For banks and credit insurers, the same situation represents a risk that appears on no balance sheet: the continuity of the business depends on one person.

The results are robust to the definition of the population. If pure holding and general partner companies are disregarded, whose management often mirrors that of an affiliated company, the share of companies with a management aged 65 or over is 10.4% compared with 10.6% in the total population.

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. Of 1,032,565 active companies, management is recorded for 989,627; for 988,031 companies (95.7%) the age of every member of management is also known. These companies form the population.

Definitions

- **Active company:** a company without opened insolvency proceedings, without dissolution and without liquidation.
- **Management:** the people who represent the company as managing directors or management board. Registered power of attorney is counted separately.
- **Age of management:** the age of the youngest member of management. “Entire management 65+” means that every member of management is aged 65 or over.

- **Discernible succession within the company:** a considerably younger person with power of attorney, or a person of the same family name in management or with power of attorney who belongs to a next generation.
- **Age:** years of life in the reporting year 2026. Values below 18 and above 95 years are considered implausible and disregarded.
- **Sectors:** according to the NACE Rev. 2.1 classification, at the level of sections and divisions, assigned per company to its principal activity.

Indicators

Shares, medians and quartiles are reported. Spearman's rank correlation describes the relationship between two rankings across the federal states; it ranges from −1 to +1. With 16 states it describes a common direction; on its own, it establishes no causal relationship. Shares based on fewer than 30 cases are withheld.

Limitations

- The study covers corporations. Sole proprietorships, partnerships without a corporation as general partner and liberal professions outside these legal forms are disregarded; the Mittelstand as a whole is larger.
- The age of management says nothing about the willingness to hand over. Many owners voluntarily run their business well beyond the age of 65. The figures describe where the question is due. How it is answered is decided by each business for itself.
- A succession may be prepared without appearing in management or among the holders of power of attorney, for instance through a person without power of representation or through a sale already agreed. The share without discernible succession is therefore an upper bound.
- Companies whose management is not fully recorded are not part of the population. A systematic bias by region or industry cannot be ruled out, but with a coverage of 95.7% it is small.

How to cite

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