

Fifth edition

# Capitalmind Fabulous 40 - Industrial Markets

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## Positive growth in the manufacturing industry

The industry is on a stable course

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# Specialization

## and innovation bear fruit

*For the fifth consecutive year Capitalmind has issued the Fabulous 40 Industrial Markets. A list with the 40 fastest-growing Dutch companies in industrial markets. Conclusion: the manufacturing industry in general is doing rather well. Investments in innovation and specialization are bearing fruit, while investment companies have a great deal of capital on hand to invest.*

The manufacturing industry is on a stable course, as is apparent from the newest Capitalmind Fabulous 40, in which the fastest-growing Dutch manufacturing companies are presented (2012-2014). The overall average growth of the new top-40 companies is 18.5 percent, just slightly lower than 18.6 percent last year. The growth that began after the crisis has continued steadily, says Bart Jonkman, Managing Partner at Capitalmind. The company advises medium-sized com-

panies on mergers and acquisitions, buy outs and financing, and is the compiler of the Fabulous 40. Just after the crisis, there was an enormous boost in growth figures (26% in the period 2010-2012), a fairly logical reaction to an economically difficult period. It is good to see, however, that companies have now managed to maintain this growth for several consecutive years. Though the growth has levelled out somewhat since the first years after the crisis, it has remained stable for

some time now and we expect that the manufacturing industry will continue along this line in the future. Next to a stable, positive course, there are three trends that can be deduced from the list: 1) the sectors of Ship-building and Marine, Offshore, and Oil & Gas are doing particularly well; 2) investment (PE) firms have a great deal of capital available to invest; and 3) specialization and innovation offer strong growth potential.

## Ship-building and Marine, Offshore, Oil & Gas

Two sectors in the manufacturing industry are doing particularly well, namely Ship-building (with an average growth of 26.1%) and Marine, Offshore and Oil & Gas (with an average growth of 32.5%). Pim Mulder, Analyst at Capitalmind: 'There has been constant growth in the Marine, Offshore and

'As far as ship-building is concerned, things can change quickly', Mulder says. 'There are a full 7 companies from this sector in the list, compared to 3 last year. Numbers 2 & 3 in the list each realized growth in excess of 55 percent [Zwijenburg 59.91% and Shipyard De Hoop 56.29%,].' Salient detail: Shipyard De Hoop did a relaunch of the business in 2005.'

*'The number of investments will increase, including investments in manufacturing companies.'*



Oil & Gas companies and this is expected to further sustain in the nearby future. An important reason for this is the continuous demand in this sector, including demand for alternative energy sources such as wind energy, a segment in which these companies are also active. Not developing and innovating further is also not an option, given the strong compliance measures and the environmental aspects. In addition, the Dutch Marine, Offshore and Oil & Gas sector is a leading industry worldwide, and the companies that represent this sector are known for their innovative character and expertise.' The fastest-growing company in this sector dominates the Capitalmind Fabulous 40 list and stands firmly at number 1: Heerema Fabrication group. With 63.17% growth, this company seems to be on a roll. Just recently, this specialist in designing, building, installing and transporting offshore facilities landed a contract of approximately 85 million euros for the design, construction and installation of an unmanned platform for the Norwegian oil concern Statoil.

## Capital

Equally striking is the share of private capital. Ten companies from the list are (partly) owned by private equity investors. Jonkman: 'Many of these companies are doing reasonably well, but realizing an investment from a private equity firm is not easy, and investments are considered meticulously. However, we do see that these firms attracted an unprecedented amount of fresh capital last year. This capital does not solely come from the Netherlands

and it is driven in particular by the low global interest rates. This fact, together with the economic recovery and the fact that these funds will only be made available for a certain period of time means that I expect that in the near future the number of investments will increase, including investments in manufacturing companies.'

## Specialization and innovation

One last unique trend that is expected to sustain is the arrival and positive growth of more specialized companies. There are already a number of unique companies in the list that, as a result of their specialization or niche focus, are in a particularly stable position. Consider Vekoma Rides, the number 7, with a growth of 25.0%. This company, which has realized strong growth figures for several years, develops and produces new attractions for amusement parks. CCO Har Kupers stated in an earlier interview with PT Industriële Management that innovation is critical for a roller coaster manufacturer in order to be able to maintain a strong market position. Eighty of the 200



Pim Mulder and Bart Jonkman, Capitalmind

# Capitalmind Fabulous 40 - Industrial Markets

Rank 2016	Rank 2015	Company	Sector	Total revenues 2014 in mln. €	Total revenues 2013 in mln. €	Total revenues 2012 in mln. €	CAGR 2012-2014	Private equity	M&A activity
1	25	Heerema Fabrication group	Offshore	665,4	366,1	249,9	63,17%		
2	2	Zwijnenburg	Shipbuilding	30,9	21,7	12,1	59,91%		
3	-	Shipyards De Hoop	Shipbuilding	110,4	61,2	45,2	56,29%		
4	-	AWL-Techniek	System integrator	82,3	54,4	45,5	34,58%		
5	3	SIF	Offshore foundations	271,8	315,8	164,4	28,57%	Egeria	
6	19	Frames	Oil & Gas systems	214,2	132,1	131,7	27,51%	Parcom	
7	7	Vekoma Rides	Roller coaster manufacturing	73,3	80,3	46,9	25,05%		
8	20	MCi	Mirrors and actuators	182,5	150,4	117,7	24,53%	Egeria*	✓
9	33	Hittech	Machinery components	74,1	52,2	48,5	23,70%		✓
10	-	Holterman Staal	Civil engineering	102,5	85,1	68,3	22,47%		
11	27	Prodrive	Electronics	116,8	106,2	80,2	20,70%	Informal investors	
12	-	MGG	Aluminium sandcasting	98,1	70,7	69,2	19,06%		
13	34	Rademaker	F&D machinery	80,4	76,5	57,1	18,64%		
14	-	Ferus Smit	Shipbuilding	77,6	55,5	55,5	18,20%		
15	16	Heinen & Hopman Engineering	Maritime HVACR	284,1	221,2	205,1	17,71%		✓
16	-	IHC	Maritime vessels and equipment	1242,9	987,7	898,6	17,61%	Indofin	✓
17	38	VDL Groep	Industrial group	2220,1	1868,6	1605,2	17,60%		✓
18	15	Enraf Nonius	Medical devices	43,9	44,0	31,8	17,38%		
19	17	Sun Test Systems	Testing equipment	15,4	16,2	11,2	16,96%		
20	8	Ravestein	Shipbuilding	55,5	63,4	41,4	15,82%		
21	13	VanDerLande Industries	Handling systems	987,7	790,9	742,1	15,37%	NPM Capital	✓
22	-	Van Halteren Metaal	Machine factory	20,2	14,0	15,2	15,16%		
23	40	Kaak Group	F&D machinery	142,5	125,3	109,7	13,98%		
24	-	Heesen Yachts	Shipbuilding	152,3	123,7	119,5	12,89%		
25	1	Ploeger Oxbo Group	Agriculture machinery	190,1	180,4	154,8	10,83%	Synergia, Van Lanschot Particip.	✓
26	36	Kwant Controls	Marine components	16,6	14,6	13,5	10,82%		
27	-	Koninklijke Niestern Sander	Shipbuilding	57,9	39,3	47,2	10,76%		
28	-	Addit	System Supplier and Contract Manufacturer	31,4	27,0	26,1	9,60%		
29	23	Syndus	Steel construction	61,8	59,1	52,1	8,91%		
30	24	Damen Shipyards	Shipbuilding	1995,2	1699,9	1682,1	8,91%		✓
31	28	D.O.R.C.	Medical devices	88,3	81,4	74,7	8,75%	Montagu	
32	21	Cordstrap	Transport strapping	116,7	104,9	98,8	8,72%		
33	-	HSV	Moulded products	56,2	50,0	47,6	8,68%		
34	-	CSi	Handling systems	58,9	58,0	50,6	7,84%	Varova	
35	-	SafanDarley	Machinery	51,6	50,0	44,5	7,75%		✓
36	-	Supertape	Tape	55,5	51,4	47,9	7,63%		
37	-	Stork Food & Dairy Systems	Food & Dairy systems	66,7	75,0	57,7	7,53%	Nimbus*	
38	5	Bons en Evers Group	Metal components	157,3	159,3	137,3	7,05%		✓
39	-	Koninklijke Boon Edam	Construction products	157,5	139,2	138,1	6,82%		
40	37	Huisman	Construction equipment	569,0	493,6	498,9	6,79%		

## Selection criteria for the Capitalmind Fabulous 40:

- Headquarters in the Netherlands
- Active in the production of 'engineered products' (high level of design, continuous innovation and a high degree of precision required)
- At least € 10 million of revenues (including possible changes in work in progress) in one of the three measured years
- Majority stake owned by Dutch shareholders or foreign private equity firms
- Not listed on a stock exchange
- Figures for all three years must be known and registered by the 1<sup>st</sup> of April 2016

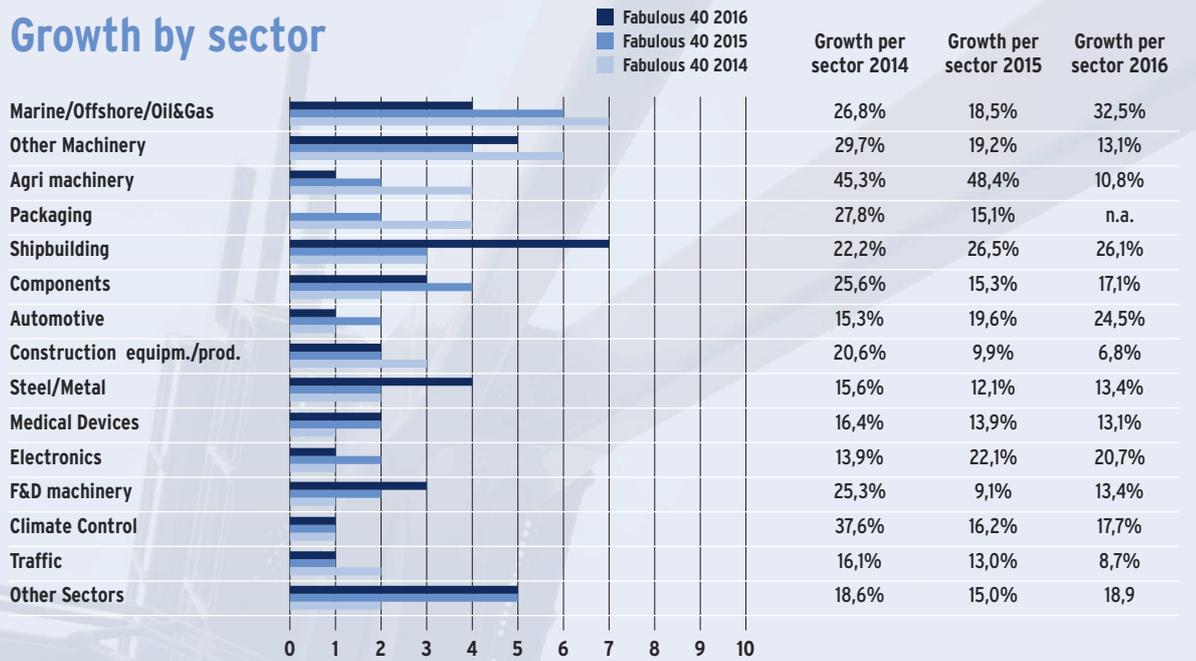
\* Company sold in 2015

The companies in this list are active in the production of engineered products. The sector includes manufacturers of components, automation and producers of finished products. What these companies have in common is their business model: delivering added value within the chain with high-tech products and innovative technologies.

Should there be any confusion, discussion as to inclusion in the list or suggestions for improvement, please contact [pim.mulder@capitalmind.com](mailto:pim.mulder@capitalmind.com) or dial +31 73 623 87 74.

This list is compiled by Capitalmind Corporate Finance Advisory.

## Growth by sector



employees therefore work in the engineering department, and devote a large part of their time to developing new concepts. MCI (no. 8, 24.53% growth), a specialist in electronic car mirrors, also performs well. The company produces some 60 million mirrors per year and delivers to, among others, the top 10 OEM companies in the automotive industry. That makes it the largest independent producer of car mirrors. Prodrive (No. 11, 20.70% growth), specialist in high-quality electronic, mechanical and software solutions, and Sun Test Systems (No. 19, growth of 16.96%), producer of advanced testing equipment for the aviation and automotive industries, are also growing strongly due to their specialization. Jonkman: 'Innovating and specializing are often reflected immediately in what you do, so that you can stand head and shoulders above the competition. Take, for example, tape producer Supertape from Etten-Leur (No. 36, 7.63% growth). They are a producer of self-adhesive tapes in all forms, kinds and sizes, and they have just installed new dosing equipment and a new coating machine and extrusion line. They want to be able to serve the food industry even better this way through, for example, the production of resealable labels for packaging. You

could count this company as part of the packaging sector, but due to their specialization in tape, they can strongly distinguish themselves in a sector that is currently under pressure.' In the future, more specialized companies may join the top 40. Mulder: 'There are many small and innovative

companies that are successful but have not yet achieved annual revenues of 10 million euros, which make them not appear in the list. These relatively young companies, however, are forging a path and are developing quickly.'



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