

Fourth edition

Capitalmind Fabulous 40 - Industrial Markets

Translation of survey published in PT Industrial Management (2015)



The industrial sector is catching up

Industry growth continues

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CORPORATE FINANCE ADVISORY

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The new Capitalmind Fabulous 40 Industrial Markets shows the forty fastest growing industrial companies over the period 2011 - 2013 in the Netherlands.

The list is compiled by corporate finance advisory firm Capitalmind in cooperation with PT Industriële Management. As predicted in the former version, the confidence in the economy seems to have come back to stay.

Acquisitions change business landscape



Is the crisis of the Dutch manufacturing industry finally over? Past year at around this time, positive reports about the manufacturing industry were all over. Producer confidence had returned, companies started significantly increasing their production again and private equity was ready to invest. This was supported by the former edition of the Capitalmind Fabulous 40, which charted the forty fastest growing industrial companies over the period 2010-2012. The total average growth of the top forty amounted then to 26.2 percent in that

edition. This percentage even exceeded the growth in the period before the crisis.

Growth

The latest Capitalmind Fabulous 40 (measured period 2011-2013) reached an average growth of 18.6 percent. Although this percentage is lower, it still indicates growth only slightly weaker, says Marleen Vermeer, manager at Capitalmind. The company, which is the result of a merger between BlueMind (the Netherlands) and Capital Partner (France) in June past year -

advises medium-sized companies on mergers and acquisitions, buy-outs and the financing thereof, and compiles the Fabulous 40. 'It is logical that in the first year of growth after a crisis a boost occurs in the growth figures. Companies still continue this growth, even though slightly weaker than right after the crisis. It is clear that companies within the industry continue to perform well, given that even number 78 on the list is growing (Terberg Group, 0.12 percent growth, ed.)', says Vermeer.

Acquisitions

The fact that confidence has returned also becomes clear from the number of acquisitions completed during the past year. The most important reasons for acquisitions are geographical expansion (42.1 percent), followed by an improved offering (26.3 percent) and obtaining of knowledge, innovation and technology (15.8 percent). Bart Jonkman, Managing partner at Capitalmind, explains: 'During the crisis the acquisitions and sell-side projects were put on hold, among others because it was much more complicated to predict the future and to estimate the value of companies. Meanwhile the economy has stabilised. An immediate consequence is that more M&A transactions (mergers and acquisitions, ed.) took place in different sectors. The industrial sector initially lagged behind, but is now clearly catching up, with 15 companies acquiring at least one other company during the past period. Hence, the prediction we made past year - that the business landscape would change through acquisitions - has come true. Market and company results are improving, companies have started making more realistic projections and both companies and private equity firms have regained courage to invest. A positive signal for the future.' Jonkman expects more acquisitions to take place. 'Among others the market of automotive components and the packaging sector are important consolidation markets where more ac-



The Top3 of the Fabulous 40

1. Ploeger Oxbo

Just like past year Ploeger Oxbo tops the list. This time with a growth of 70.7 percent. The company Ploeger, manufacturer of harvesting machines, merged with the American Oxbo in September 2011. This merger has significantly increased their revenue. And also after this merger the company didn't halt its development, as Ploeger Oxbo acquired the French company Bourgoin in May 2013.

2. Zwijnenburg

Zwijnenburg holds, with 38.2 percent growth, the second position in de Fabulous 40. The family business is specialised in hulls and construction. The focus is on hulls and sections of larger custom made luxury yachts. Hulls often have a length of approximately 110 metre, which is unique within the Dutch shipbuilding industry.

3. SIF Group

SIF, entrant in the list, closes the top 3 with a growth of 37.8 percent. The company from Rijnmond is specialised in offshore foundations for wind projects and the oil & gas market. Recently, SIF has dedicated itself to the construction of foundations for wind farms on sea (Monopiles and Jackets), enabling it to occupy a strong market position. Since December 2005 investment company Egeria holds a majority stake in the company.

quisitions are expected. The automotive components market is still very widespread. In order to increase strength and meet the requirements of the large OEMs as customers within this market, acquisitions are expected to take place. Our expectation is that

this will lead to a number of companies, supported by private equity, adopting an active Buy & Build strategy. In the packaging sector we notice that goods are increasingly being packaged and sent. Simultaneously competition is increasing, putting



Bart Jonkman and Marleen Vermeer, Capitalmind

'We expect more acquisitions in the market of automotive components.'

the market under pressure and augmenting the importance of economies of scale in order to safeguard the margins. Packaging companies are likely to cooperate more in the future, not

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Rank 2015	Rank 2014	Company	Sector	Total revenues 2013 in mln. €	Total revenues 2012 in mln. €	Total revenues 2011 in mln. €	CAGR 2011-2013	Private equity	M&A activity
1	1	Ploeger Oxbo Group	Agricultural machinery	180,4	154,8	61,9	70,70%	Synergia, Van Lanschot Particip.	✓
2	24	Zwijnenburg	Shipbuilding	21,7	12,1	11,4	38,23%		
3	-	SIF	Offshore foundations	315,4	164,4	166,1	37,79%	Egeria	
4	-	Nedcard	Semiconductor	42,1	24,0	23,7	33,17%		
5	8	Bons en Evers Group	Metal components	157,2	124,7	90,2	32,01%		✓
6	3	Duiker	Industrial burners	28,5	29,3	16,5	31,35%		
7	-	Vekoma Rides	Roller coaster manufacturing	80,3	46,8	46,9	30,83%		
8	-	Ravestein	Shipbuilding	63,4	41,4	37,5	30,12%		
9	31	Broshuis Holland	Transport equipment	40,8	29,5	25,6	26,14%		
10	16	Van Aarsen	Agricultural machinery	55,1	41,1	34,7	26,05%		
11	5	Doedijns	Oil&Gas/Maritime	104,7	109,6	67,5	24,56%	IK Investment Partners	✓
12	13	Oerlemans Packaging	Packaging	132,6	125,7	91,2	20,61%		✓
13	36	Vanderlande Industries	Handling systems	790,4	740,9	564,6	18,31%	NPM Capital	✓
14	15	ITM Group	Machinery	163,9	122,6	119,8	16,97%		✓
15	-	Enraf Nonius	Medical Devices	44,0	31,8	32,2	16,92%		
16	-	Heinen & Hopman Engineering	Maritime HVACR	221,2	205,1	163,9	16,17%		✓
17	-	Sun Test Systems	Testing equipment	14,0	9,7	10,6	14,80%		✓
18	11	Orga	Oil&Gas/Offshore	40,8	45,4	31,1	14,49%		
19	-	Frames	Oil & Gas systems	170,7	132,1	131,7	13,83%	Parcom Capital	
20	-	MCI	Mirrors and actuators	150,4	128,0	117,7	13,05%	Egeria	✓
21	28	Cordstrap	Transport strapping	98,8	84,7	77,3	13,04%		
22	-	Voortman steel Group	Steel group	102,4	95,9	80,7	12,67%		✓
23	-	Syndus	Steel construction	59,0	52,1	47,4	11,55%		
24	33	Damen Shipyards	Shipbuilding	1699,9	1682,1	1375,7	11,16%		✓
25	-	Heerema Fabrication group	Offshore	366,1	249,9	296,3	11,15%		
26	-	Helvoet	Plastic components	79,1	76,9	64,1	11,12%	NPM Capital, ABN AMRO Particip.	✓
27	-	Prodrive	Electronics	106,2	80,2	86,3	10,94%		
28	27	D.O.R.C.	Medical Devices	79,4	74,7	64,6	10,89%	Montagu	
29	-	Walraven	Construction products	99,6	89,8	81,6	10,46%		✓
30	18	Paques	Wastewater & Gas systems	71,4	68,3	58,6	10,45%	Skion	
31	9	Rollepaal	Machinery	25,5	31,7	21,0	10,21%	Wadinko	
32	38	Plasticon	Storage and transport systems	115,6	117,6	95,5	10,04%	Nimbus	
33	26	Hittech	Machinery components	52,2	48,5	43,5	9,57%		
34	-	Rademaker	F&D machinery	76,5	56,6	63,8	9,53%		
35	22	Kivo plastic verpakkingen	Packaging	109,9	108,1	91,6	9,50%		✓
36	23	Kwant Controls	Marine Components	14,6	13,5	12,2	9,29%		
37	20	Huisman	Construction equipment	493,6	498,9	413,4	9,28%		
38	-	VDL Groep	Industrial group	1868,6	1605,2	1575,0	8,92%		✓
39	-	KeyTec	Metal and Plastic components	14,7	11,4	12,4	8,69%		
40	-	Kaak Group	F&D machinery	125,3	109,7	106,2	8,59%		

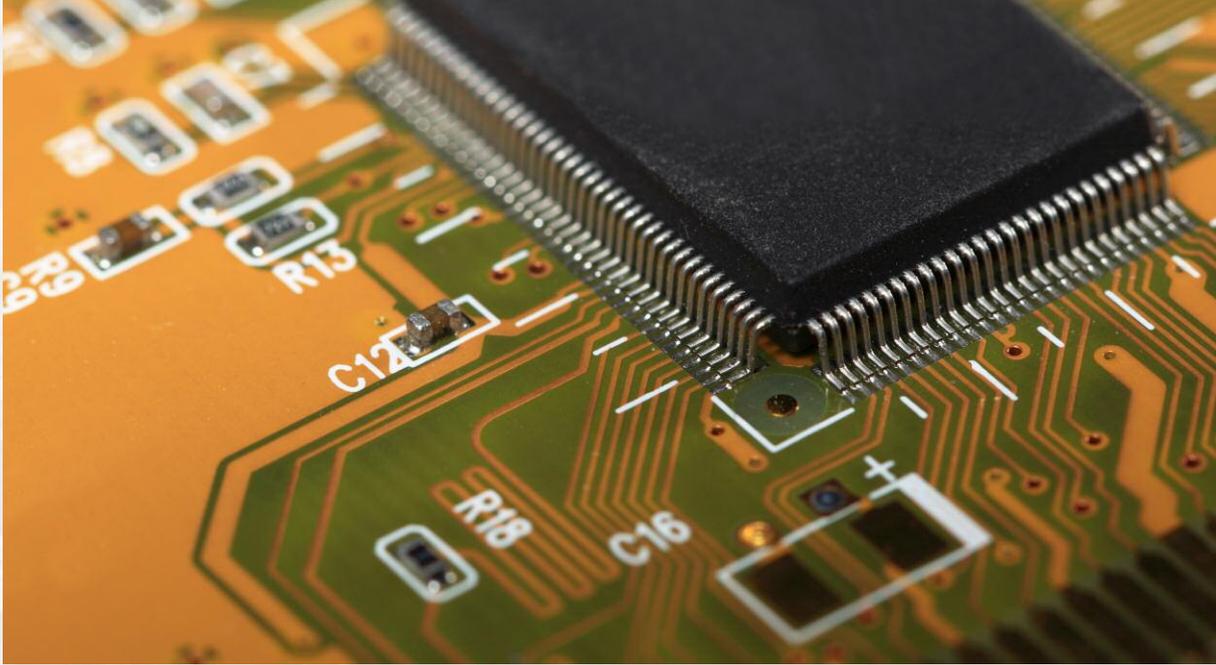
Selection criteria for the Capitalmind Fabulous 40:

- 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 1st of April 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 marleen.vermeer@capitalmind.com or dial +31 73 6238774.

This list is compiled by Capitalmind Corporate Finance Advisory.



only to overperform their competitors through upscaling, but also because this market is continuously innovating and looking for new and sustainable packaging methods.'

Marine, Offshore and Oil & Gas continue to grow

A third trend which can be deduced from the list is the continuous growth of Marine, Offshore and Oil & Gas. Where other sectors' growth figures are unstable, this sector continues to perform very well, as it did past year and in previous editions of the Fabulous 40. The average growth of this sector this year was 18.52 percent. SIF group, specialised in offshore foundations for wind projects and the oil & gas market, made it to the third position and has, with a growth of 37.8

percent, shown most growth within this segment (see box).

F&D Machinery market less stable

Contrary to the Marine, Offshore and Oil & Gas sector, the growth in the sector Food & Drink machinery is less stable.

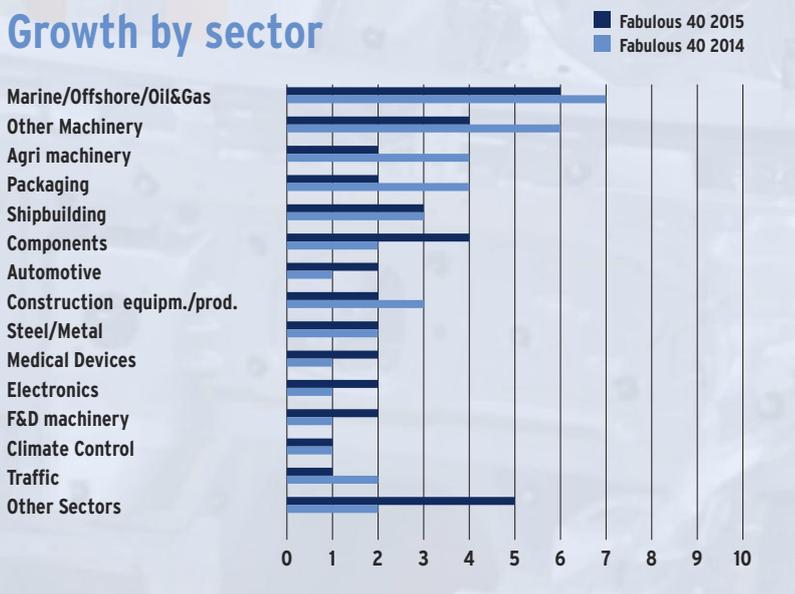
Two companies hold positions in the list with an average growth of 9 percent compared with one F&D machinery company in the previous edition that grew 25.3 percent. Vermeer: 'A peculiar development. It's a sector with many well performing Dutch companies, an enormous export market and a lot of growth potential. The companies within this sector are certainly not idling. For example MPS

Meat Processing Systems, specialised in automated slaughter lines for pigs, cattle and sheep, slitting lines and boning systems, intralogistic systems for the food industry and industrial wastewater treatment systems. This company has been growing for a number of years already. In 2013, to further strengthen their market position, they acquired KJ Industries from Denmark, making them a likely candidate to appear in the next edition.'

Stability

Another trend is that 21 companies were in the top 40 both past year and this year, indicating stability. From the other 19 companies which, in comparison to past year, are absent in this year's list, two did not comply with our selection criteria any more. The other 17 aren't performing badly either. For example Hollandia and Trioliet, which in the former edition were holding positions 21 and 37 with a growth of 15 and 20 percent. These companies now both realised a growth of 5 percent, leaving them right outside of the top 40. In other words, most companies perform stable and maintain positive growth figures.

Growth by sector



Reasons M&A

Geographical expansion	42,1 %
Broadening of activities	26,3 %
Synergy	5,3 %
Technology	15,8 %
Strengthening market position	10,5 %

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