

AMANN GIRRBACH Digital dental
technology for analogue smiles

FASTER Market-leading group
sold to US buyer

CAPVIS V A successful launch

TEAM UPDATE Expanded team strengthens professional organisation



capvis

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Cover photo Highly translucent, pre-stained zirconium oxide blanks from Amann Girrbach combine high mechanical indices with excellent aesthetics and the efficiency of pre-stained materials.

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Editorial



In recent months, Capvis has achieved significant progress in three strategic areas: quality, technology and innovation. Furthermore, our Portfolio Team was strengthened as planned. Since the beginning of last year, a dedicated team has been delivering the core operations of the Capvis Funds and liaising with our investors from Jersey. We have developed our own methodology (ESG-I) to systematically promote the sustainable, economic and socially responsible development of our portfolio companies. On the IT side, we concluded important projects thus gaining additional flexibility and efficiency. We emphasised our broadly-rooted strategic and professional image with a new corporate identity which we launched in February 2019. For more information, please visit www.capvis.com.

Expansion and internationalisation are key topics in the development of our portfolio companies, as Capvis continues to invest in mid-sized companies located in Europe's industrial corridor (DACH, Italy, Benelux) from Amsterdam to Milan. We focus on leading global companies in niche markets and on regional market leaders. Supported by global market trends, we strive to make these companies an even greater success with our expertise in manufacturing technology as well as in the development of process-critical engineered products (Industry & Technology), and a forward-looking mindset focusing on business services (Advanced Services). A dedicated China Advisory Board supports the Investment Team by analysing global companies and also assists with the strategic development of our portfolio companies' activities there.

The implementation power of our teams and the high level of professionalism throughout our organisation were proven in the transactions over recent months. Thermamax, Amann Girrbach, Ammega and Variosystems are four new thrilling additions to our portfolio. We are pleased to feature two of them in this edition of Capvis Insights and are delighted to accompany these industry leaders on their future expansion paths. At Faster, Lista and Rena, Capvis achieved the targeted goals and the companies underwent successful exits. Faster found a new owner in the USA and Lista in China, while Rena's next expansion phase will be supported by a new European financial investor.

Our professional organisation combined with our successful track record positively influenced the fundraising for our newest fund, Capvis V, as evidenced by capital commitments of close to EUR 1.2 billion, well surpassing the targeted amount. Capvis V has already made its first three investments. We thank all our investors for their trust and support. We feel perfectly positioned to tackle the future. PHILIPPE BUCHER Partner and COO

Digital backbone for an analogue human smile

How many times a day does someone smile at you? At home, on your commute, at work, at play – a happy face and warm smile are essentials of analogue human interaction. What we don't realise is that there is often a lot of seamlessly interconnected digital technology behind a natural smile. That is the domain of Amann Girschbach. SIMON LUSSI Investment Team

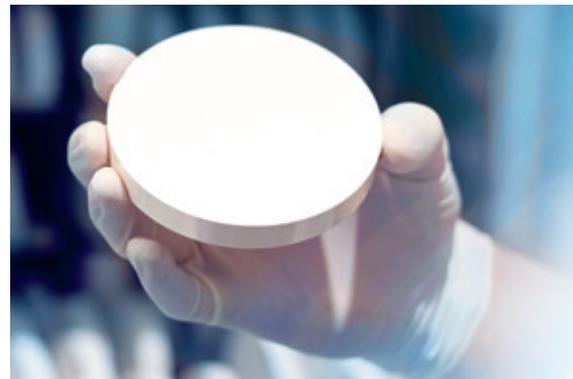
“It is wonderful to know that our technology brings joy into people's lives. It makes us happy and proud”, says Peter Nicklin, CEO of Amann Girschbach. “A natural smile is the best proof that we at Amann Girschbach, the dental labs and the increasing number of dentists who are using our equipment and material are doing a good job,” he adds. A prosthetic dental restoration is perfect if neither the patient nor anyone else is conscious of it.

The roots of Amann Girschbach Group go back to 1936 for Girschbach in Germany and to 1972 for Amann in Austria. Combined in 2004 the group, which is headquartered in Koblach, Vorarlberg, Austria, became a true pioneer in digital design and manufacturing technology for prosthetic dental replacements. Amann Girschbach fits perfectly into Capvis' portfolio: the group is a market leader, it benefits from global megatrends such as the increasing longevity of people, digitalisation and the growing global desire for perfect-looking teeth. Amann Girschbach is shaping the future of dental technology and is leading the way to a fully integrated, data controlled process. Capvis is pleased to support the group with its further expansion in America and Asia and support its ongoing drive to promote a fully digital workflow in dental labs and increasingly in dentists' chairs.

Leading dental technicians rely on the innovative computer-aided technology of Amann Girschbach. “Patient specific data, such as the registration of bite patterns, is still mostly gathered through ana-



« The future of dental technology is digital. »



logue means such as impressions. They are then scanned and all the information is digitalised. Data is the backbone of all the seamlessly interconnected process steps of our unique system solution for dental labs and practices,” Peter Nicklin explains. Accordingly, Amann Girrbach’s comprehensive offering is comprised of scanners, CAD/CAM modelling, manufacturing and milling equipment and sintering ovens in addition to other lab equipment. Also important for an aesthetically flawless restoration are innovative raw materials that can be perfectly aligned with the entire data-controlled modelling and manufacturing process. And importantly, the equipment at a dental lab is connected online to Amann Girrbach. “This online backbone makes sure that the equipment always runs with the newest software, helps the labs to timely and better service their machines and facilitates the ongoing education of dental technicians. We want to deliver to dental labs today what many other industries are just beginning to think about with their industry 4.0 or internet-of-things initiatives”, says Peter Nicklin.

« The personal, natural smile will remain analogue. »



The workflow in the dental lab is fully digital. Computer technology is now moving closer to the dentist’s chair. Dentists are asking for ways to manufacture simpler restorations themselves, such as veneers and inlays, in order to offer their patients the ease of treatments in one appointment. Amann Girrbach is ready for that. ●

Amann Girrbach covers the entire production process to provide state-of-the-art, digital dental technology, as well as a wide range of materials and devices for laboratories and dental practices. This includes the equipment to measure and capture individual bite patterns, the production of essential models and the CAD/CAM systems for the production of fitting restorations in both dental laboratories and, increasingly, also directly in dental practices.

In a nutshell Peter Nicklin, CEO, Amann Girrbach



CAPVIS What attracted you to accept the CEO position whilst being a member of the Board of Amann Girrbach?

PETER NICKLIN I spent 28 years in various key positions in the international health care and pharma industry when I was asked to join the Board of Directors of Amann Girrbach by the previous owners. As a board member, I was very much involved in the sale of the company to a new owner – which, as we all know and are pleased about, was Capvis. I quickly realised the significant potential of Amann Girrbach, became familiar with its passionate management and staff, and also liked Capvis' approach. So, considering all of this, it was a natural step to formally accept the role of the CEO and personally invest in the company as well – as did many of my direct reports, senior and middle managers.

CAPVIS What do you like most about your daily work at Amann Girrbach?

PETER NICKLIN Surely interacting with the people. We have a wonderful team with a stimulating can-do mentality and a true passion about the future development of this company. Capvis has immediately recognised that. They share our belief in the company and support us in all our development and expansion initiatives. We want to stay independent and take this excellent Vorarlberg company

global. I truly believe that Amann Girrbach has a great future and will – I hope – also make a name for itself at some stage as a listed company.

CAPVIS What are your next goals?

PETER NICKLIN As I just mentioned, we want to thrive independently as the unique pure-play digital dental technology company we are. We already have a global footprint, but our business today is mainly European. We want to expand to the USA, penetrate the European countries deeper and also look east towards Asia. I believe that we are in an excellent position to do this as we are the only company to offer a fully validated digital workflow for dental labs – including the specific materials that are perfectly aligned with our solutions. I also see a lot of potential for Amann Girrbach on the material side of our business – especially when we bring equipment and materials together via the same online backbone. From this strong position, we are now moving closer to the dentists. Just recently, we launched a new small, flexible and easy-to-operate milling station which ideally addresses the dentists' need to quickly manufacture smaller dental restorations themselves to give patients their smiles back in just one sitting. ●

PETER NICKLIN assumed the position as CEO of Amann Girrbach in 2018 after having familiarised himself thoroughly with the company as a member of the Board of Directors. Born in Malaysia, the UK citizen looks back on a long international career in the pharmaceutical and health care industry. He studied law and finance at Lancaster University.

THERMAMAX

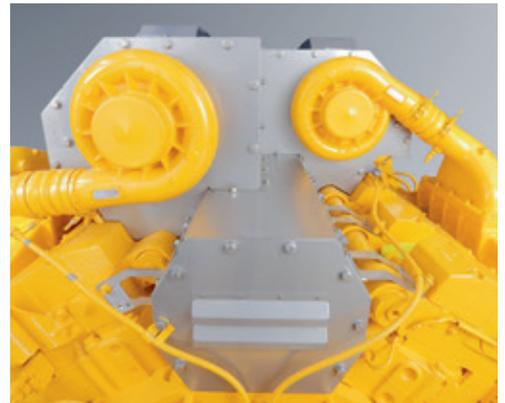
High-temperature insulation for better safety and more efficiency

People and the environment are exposed to noise and heat. Yet a carefully encapsulated engine runs much quieter, safer and more efficiently, even at full throttle. The insulation contains the valuable heat process within the system. This facilitates the treatment of exhausts, reduces emissions, shields the environment from dangerous heat and increases the overall reliability of an engine. Recently developed, Tmax battery housings shield lithium-ion battery stacks from external impacts such as water, dust, vibrations and protect the environment from exothermal incidents. **ERIC TRÜEB** Partner and Head of Investment Team

« We don't know what vehicles will look like in the future, but Thermamax insulation Systems will make them safer and more efficient. »

Thermamax Group is a market leader for thermal and acoustic high-temperature insulation systems for small, medium and large engines, as well as many other custom-made applications, such as battery housings. These insulation systems are used in both on-road and off-road vehicles, in power sports vehicles, for stationary energy generation, on ships, as well as for onshore and offshore platforms.

The market for high-temperature insulation is growing globally. Thermamax wants to benefit from this momentum for its own expansion. Capvis actively supports Thermamax in this crucial growth phase with our network here in Europe and our advisors in America and China.



The high temperature insulations of Thermamax make sure that the valuable heat process is kept within their systems, safely shielding the environment from acoustic and thermal impacts.

THERMAMAX



In the USA, Thermamax is well-positioned in the markets for construction and agricultural vehicles. China is not just an important and large market; its strategic importance for Thermamax also derives from the fact that it is globally leading the change towards electromobility and is an important ship builder.

Electric engines are booming globally. Lithium-ion batteries are the most promising power source for vehicles, ships and off-highway mobility, due to their convincing features in terms of longevity, cost, safety and power. However, the batteries also come with some inherent thermal risks that need to be taken care of in the engine compartments.

Heat and fire protection are also a top priority in ship-building. With Thermamax insulations, even the biggest ship engines are perfectly insulated. With surface temperatures never exceeding 200 degrees Celsius, the risk of anything located near the engines igniting spontaneously is highly unlikely and in full compliance with the demanding Safety of Life at Sea requirements.

In the production hall, newly built in 2017 in Mannheim, several thousand turbochargers are insulated and tested yearly.

As a typical German small to mid-sized company, Thermamax is now positioning itself to gear up for further growth globally. Since the beginning of 2019, Thorsten Thom has been at the helm of Thermamax as CEO and leading an expanded management team. Capvis is happy that Thorsten Thom joined Thermamax. He brings with him a lot of experience managing rapidly growing, international industrial companies. ●

Watch this video to explore the world of Thermamax applications.



In a nutshell Thorsten Thom, CEO, Thermamax



CAPVIS What triggered your interest in the role of CEO at Thermamax?

THORSTEN THOM In my view, Thermamax has great potential as a leading company in a specific niche. The company has many competencies that are vital for new technological applications, such as E-mobility. These open up important growth possibilities. I base my judgements on the experience that I gathered in my previous positions at developing companies.

CAPVIS How can companies master massive growth steps?

THORSTEN THOM A clear vision and a sound strategy are prerequisites for mastering growth. At the same time, it is important to align all employees with this goal. While

continued internationalisation and operational excellence are the basis for success, a modern, service-oriented business model will also be key to achieving profitable growth. What we need is innovation that goes beyond the products.

CAPVIS What about the corporate culture of Thermamax?

THORSTEN THOM It is very important for me to empower managers and employees by putting them in charge and making them accountable for what they do. As CEO, I like to trust employees up front, as I do not want to lead purely based on performance indicators. I want to understand the root cause of issues and develop solutions together with employees. I believe it will be essential for our future success to develop our own performance-oriented culture, to strive to win, to seek improvements every day, to fascinate our customers and to engage in open and candid conversations. Fast paced and agile management methods will positively set us apart from other companies. ●

THORSTEN THOM became the CEO of Thermamax on 1 January 2019. He holds a degree in business engineering. For the last twelve years, he worked at Wegmann Group, leading the automotive division for the last nine years. Prior to that, he gained international leadership experience at Saint-Gobin Glass and ThyssenKrupp.

EXITS

International exits

The most recent sales of portfolio companies at Capvis show how much of Capvis' focus and network has become global. Faster, a market leader in quick-release hydraulic couplings, has been sold to a company in the USA, while Lista, a provider of high-end workplace and storage solutions, found a new Chinese owner. Rena will be supported by a new European financial investor during its next growth phase. **ROLF FRIEDLI** Partner and Chairman



At Times Square in New York, Nasdaq congratulates Sun Hydraulics on its acquisition of Faster Group.

FASTER

Capvis bought Faster in 2014 and successfully broadened the position of the mid-sized company from northern Italy in the global market. “When we acquired Faster, the company was very successful with its hydraulic couplings in the international OEM market for agricultural machinery. This technological leadership allowed us to widen the scope towards construction equipment by using key account organisation,” said Eric Trüeb when asked to summarise Faster’s development. In parallel to this, an after-sales business was created as a second growth pillar. “Supplying spare parts demands a completely different system from delivering series components to OEMs. From strategically selected locations, replacement parts must be shipped to customers worldwide in the shortest possible time,” Eric added. Building this after-sales business requi-



Faster is a global leader in hydraulic couplings.

red a new approach. Management and the whole organisation mastered this extremely well, as evidenced by the impressive growth figures of the last few years. At the end of February 2018, Faster was sold to the American company Sun Hydraulics in Sarasota, Florida USA. Sun Hydraulics is listed on the NASDAQ.



Lista supplies high-end work-space and storage solutions.

LISTA

On 1 June 2018, Capvis sold its majority stake in Lista Group, a leading supplier of high-end work-space and storage solutions for industry and service companies, to GreatStar Group. GreatStar is the largest Chinese producer of tools and forklifts. Capvis invested in Lista in 2006. Since then, the company developed well and positioned itself as a partner of choice in the European automotive and machinery industry. “GreatStar is an ideal strategic owner for Lista to promote its growth in Asia”, commented Rolf Friedli on the sale of Lista.

RENA TECHNOLOGIES

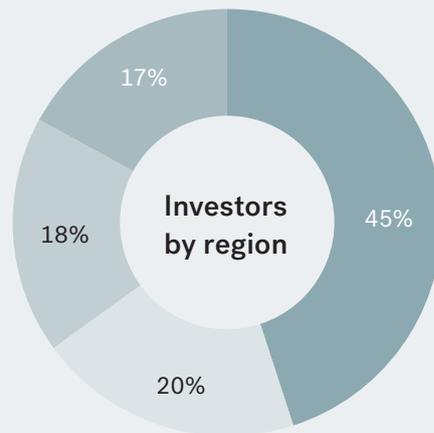
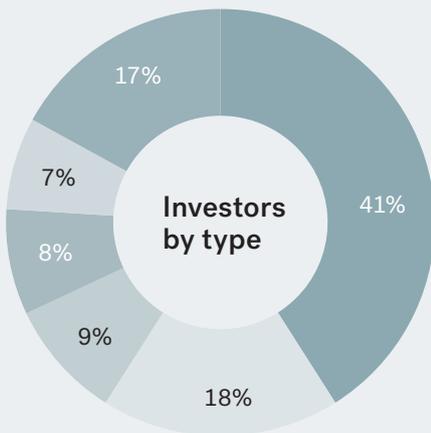
Following its successful restructuring and repositioning as a market leader in wet chemical surface treatments as a Capvis portfolio company, Rena Technologies will now be advised and supported by funds of Equistone Partners Europe for its next growth phase. ●

Capvis V Fund successfully launched

With capital commitments of close to EUR 1.2 billion, the Capvis V Fund has well exceeded the targeted EUR 1 billion. The first three investments have already been made. JULIE DARBELLAY Head of Investor Relations

Capvis V continues the successful investment strategy of its predecessor funds and will invest in mid-sized companies located in Europe’s industrial corridor (Switzerland, Germany, Austria, Italy,

Benelux). Together with the management of its portfolio companies, the Capvis team will implement its proven value creation approach and turn the companies into global or regional leaders. With



- Public/Corporate Pension
- Financial and Insurance
- Endowment/Foundation/Families/HNW
- Government Agency
- Corporate
- FoF/Gatekeeper

- DACH
- Europe (excl. DACH)
- Asia Pacific and Middle East
- North America

the acquisitions of Amann Girrbach, Variosystems and Ammega, Capvis V has already made three investments during the first year after its launch and thus invested about a third of available financial resources.

Successful fundraising

Capvis V has clearly surpassed the targeted EUR 1 billion with capital commitments of almost EUR 1.2 billion and also markedly topped the previous fund Capvis IV which reached EUR 0.7 billion. “We are delighted to see that so many high-quality investors demonstrated faith in Capvis. Our track record and the ability to achieve good returns for our investors served as solid ground for successfully raising funds,” commented Rolf Friedli. “Apart from our performance, investors also recognised the highly qualified team, which has been continually strengthened over recent years, and the high level of professionalism achieved throughout our organisation,” added Philippe Bucher.

Broader investor base

Capvis V attracted capital from both existing and new high-profile investors from around the globe, extending its relationships in North America, the Middle East and Asia. Investors from Switzerland, Austria and Germany continue to be well represented. The investor base includes public and corporate pension funds, finance and insurance companies, sovereign wealth funds, asset managers and family offices. The Capvis team contributed over 3% of the capital commitments. ●



CAPVIS NEWS

TEAM UPDATE

Capvis has welcomed new experts on board and further increased the level of professionalism throughout the organisation.

MANAGEMENT

The Management Board of Capvis AG was enlarged on 1 January 2019: It now includes **Daniel Flaig** (Partner and CEO), **Philippe Bucher** (Partner and COO), as well as newly appointed **Eric Trüeb** (Partner and Head of Investment Team), and **Ulrich Eckhardt** (Partner and Head of Portfolio Team). **Rolf Friedli** (Partner and Chairman) focuses on Capvis fund activities as a member of the Investment Committee and holds positions on the boards of portfolio companies.

INVESTMENT TEAM

The Investment Team welcomes five new colleagues who bring valuable experience in private equity, M&A and consulting. **Patrick Höfliger** joined Capvis from J.P. Morgan, while **André Weilenmann** formerly worked at KKR & Co. L.P and TRS Texas Teachers. **Konstantin Ewald** joined Capvis directly after graduation from university. **Philip de Vusser** worked with 3i before joining Capvis and **Katrin Wollinger** will join us from Goldman Sachs as of 1 July 2019.

SENIOR ADVISORS

The Senior Advisors support our investment activities and our portfolio development internationally. It is important for Capvis to gain a stronger presence in London for sourcing deals, as many of the specialised industry sector teams are located there. In the City, we benefit from the large network of our colleague **Tanja Saaty**. She has a twenty-year career in finance and consulting. **Niels Claeren** is Market Advisor for the Benelux countries. He has over 20 years of experience in M&A consulting and worked formerly with PricewaterhouseCoopers. We have been working successfully for some time with **Wolfram Stein**. He has been living in China for many years and supports Capvis in this market.

PORTFOLIO TEAM

The Portfolio Team focuses on the work in the various portfolio companies. **Pascal Heer** joined Capvis in 2018. He previously worked for A.T. Kearney as a consultant. Controlling and reporting specialist **Daniel Wendel** came from PricewaterhouseCoopers. He now supports portfolio companies as Finance Portfolio Director. Capvis has also introduced a new role in HR to support the portfolio companies: **Daniel Huber** will join on 1 June 2019. His previous position was at a listed Swiss utilities company as Group Head of Human Resources.

GENERAL PARTNERS

The General Partner Team also had some additions following the decision to in-source the operations of the Capvis Funds in Jersey. The experienced team of **Tom Ogden**, **Carola Palitschka**, and **Rachel Van Neste** is now led by **Jonathon Buesnel** who follows **Martyn Scriven** as Executive Director. Jonathon has over 17 years of experience in managing private equity funds. Capvis would also like to thank Martyn for his commitment during the last 16 years. We are glad that he remains closely connected with Capvis as a non-executive director on all the general partner companies. ●

Scan this QRC and meet the whole Capvis team online.





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