



# [IN] *spiring*

PROGRESS

[2022]

## — FOUND!

The process of  
buying businesses

### »THERE ARE NO BLUEPRINTS FOR A GOOD MATCH«

Corporate transactions  
from three points of view

### EXPANDING WITH SOLID SUPPORT

Acquisitions are a great growth  
opportunity for SME companies

### CAPITAL INVESTMENT AS A LEVER FOR ESG

An interview with Gregor Farnschläder,  
Versicherungskammer Group, on ESG

[INDUS]

# [IN]spiring

PROGRESS

Magazine 2022

## CONTENTS

- [1] EDITORIAL
- [2] SEARCHING, FINDING AND HOLDING

- [26] A MARKET FILLED WITH OPPORTUNITIES
- [28] [IN]SIDE – INTRODUCING INDUS PROJECTS
- [35] INDUS TICKER 2021



### [8] FOUND!

#### The process of buying businesses

The process of buyers and sellers coming to an agreement is much more complicated than people think.



### [14] »THERE ARE NO BLUEPRINTS FOR A GOOD MATCH«

#### Corporate transactions from three points of view

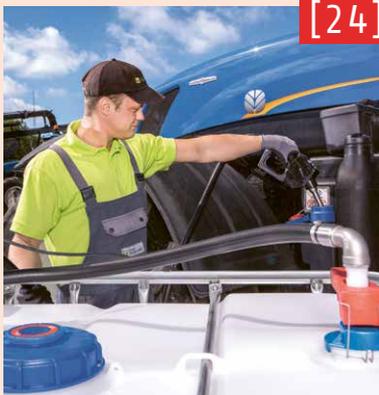
Expert discussion between buyer, seller and intermediary one year after the successful transaction.

### [20] AN IMPRESSIVE DEVELOPMENT

#### Transformation

### [22] INDUS AROUND THE WORLD

#### Internationalization



### [24]

### EXPANDING WITH SOLID SUPPORT

#### Acquisitions are a great growth opportunity for SME companies

HORNGROUP and OFA show how a company can successfully grow through smart acquisitions.

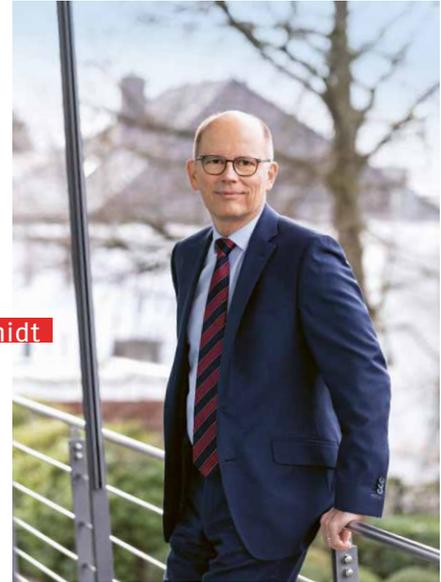
### [32] CAPITAL INVESTMENT AS A LEVER FOR ESG

#### An interview with Gregor Farnschläder, Versicherungskammer Group, on ESG



Our [IN]spiring cover photo shows an employee from our portfolio company MIKROP producing miniaturized lenses of the kind used in medical technology and micro-sensor technology. The lenses are mounted on a multi-body and can be ground and polished to the highest precision.

More on MIKROP p. 28

D  
I  
A  
L  
P  
E  
A  
R  
L  
S  
A  
R  
E  
T  
H  
E  
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E  
S  
T**Dr. Johannes Schmidt**Chairman of the Board of  
INDUS Holding AG

*Dear readers,*

Year after year, we welcome new companies into our Group – both for our segments and as additions to our portfolio companies. But how do you initiate talks? How does the sales process work? What does INDUS offer the newcomers? Is the decision worth it in retrospect? You will find the answers in this magazine.

I can give you a spoiler now though – the process of finding companies is much more complicated than you might think. Best put, “He who would search for pearls must dive below.” We invest a lot of time and energy into finding the pearls that we want to welcome into our Group.

Once we have found them, we have to make sure we are on the same page. After all, pearls do not lie at the bottom of the sea, gleaming and waiting for us to pick them up. Sellers are like mussels, only opening up to those they trust.

When we do finally come together with sellers, it is, in my experience, down to one reason – we have a shared understanding of values and how we see the company’s future. Before INDUS finds it, this pearl has grown into something unique. This specialness needs to be preserved and nurtured.

With us, a pearl remains a pearl. We don’t apply too much pressure, so it doesn’t break. We don’t overstretch it, so it doesn’t lose its shine. And we don’t put it in a box, so it doesn’t lose its individuality. The numerous companies in our Group demonstrate this. Each in their own way.

Why am I telling you this? A healthy SME has earned the right to be placed into responsible hands when it is time to pass on the baton. You can be assured that this is what happens with INDUS.

Johannes Schmidt

A handwritten signature of Johannes Schmidt in blue ink, written in a cursive style.

## SEARCHING

### WITH AN EYE ON THE FUTURE

The world's biggest eye on the sky is currently being built in Chile's Atacama Desert. ESO's Extremely Large Telescope (ELT) is being built by a large alliance of international partners. With the ability to point in any direction, it will enable the discovery of so much more – new planets alongside much brighter stars. The 39-meter-diameter primary mirror will be made up of 789 individual hexagonal segments. The sharp focus makes it possible to see even the smallest details, all the while keeping the big picture in focus.





## FINDING

### WITH PAINSTAKING CARE

Meticulous searching allows fresh discoveries to emerge, often revealing astonishing findings. In the once-buried city of Pompeii, researchers excavated an ancient snack bar in August 2021. The exceptionally well-preserved street food restaurant with colorfully painted counters tells us a lot about the eating habits of the townspeople in the year 79 – from chicken on a stick to lamb to go. Historical finds like this make it necessary to search where no one has searched before – requiring a great deal of research, patience and intuition.

## HOLDING

### WITH TRUST

Emperor penguins form lifelong partnerships and stay faithful once they have chosen each other. The partners even adapt their behavior to one another so that they don't get lost in the crowds of their penguin neighbors. Almost perfectly synchronized, they switch back and forth between the warm interior and cold exterior of their colonies – an effective method in which both rely on each other to conserve energy and assure successful breeding.





– from left  
to right: Jörn  
Weuste, Stephanie  
Lüdtke and Patrik  
Schmitz –




# FOUND!

**THE PROCESS OF BUYING BUSINESSES** Homeowners who want to sell their homes will put up a “For Sale” sign on their property, and everyone who passes by understands that this property is available. Selling a company is much more complex. But when it works, it is worth it for the seller, the buyer – and the company itself.

### **MORE COMMON THAN YOU MIGHT THINK**

In an ideal scenario the history of a family-owned company is straightforward: The company develops over generations. Questions of ownership, company management, and the direction the company is heading in are cleared up naturally, because it is a family business. In a crisis, decisions can be made promptly. When an opportunity arises, it can be grasped quickly. After all, they are working with their own money, on their own plans; it is their own life’s work.

The reality, however, is often very different – particularly for SMEs. Usually this is because something is missing: capital, successors, skill sets, networks or simply the will to carry on. This leads to the company being passed on to third parties. According to the IMAA, just under 1,900 companies were acquired in Germany in 2020.

### **OPPORTUNITIES IN NEW BEGINNINGS**

Time and again we see that a change of ownership can be worth it for the company, when the right buyer can be found. The

company gets a second wind and opportunities open up that were previously unthinkable. At the same time, it keeps its essence – that which binds people to the company, and the experience that gives the company stability.

INDUS portfolio companies have all experienced this. Almost 47 companies operate with all the hallmarks of successful family businesses, managed by local entrepreneurs, in their markets and with satisfied customers. For the holding company’s M&A team this is the key argument in its search for SME companies that can be brought into the Group.

**“If the seller is looking for a sustainable solution, we’re no longer just one among many.”**

– Jörn Weuste, member of the INDUS M&A team since 2015 –

**NOT AS EASY AS YOU MIGHT THINK**

Finding the right fit can be tricky for both sides. The seller wants to handle the sale discreetly. The criteria for the right partner are often not clear at the beginning of the process. A potential buyer has to find a candidate first. Once a candidate has been found, the buyer faces competition from a variety of sources: private equity firms, family offices, strategic investors. These and other interested parties enter negotiations for the company with very different development ideas – which can have a major impact on determining the price.

That the seller has to be satisfied with the price whatever the solution goes without saying. But there are other criteria, too. And these are

particularly important for family-owned businesses, as Jörn Weuste knows. The 42-year-old has been with INDUS’ M&A team for six years: “If the owner is only interested in money, there’s usually no deal to be had with us. But if they’re interested in sustainable solutions that fit the company’s culture, maintain operational independence, and ensure the location remains where it is, then we notice quickly that we’re no longer just one among many.”

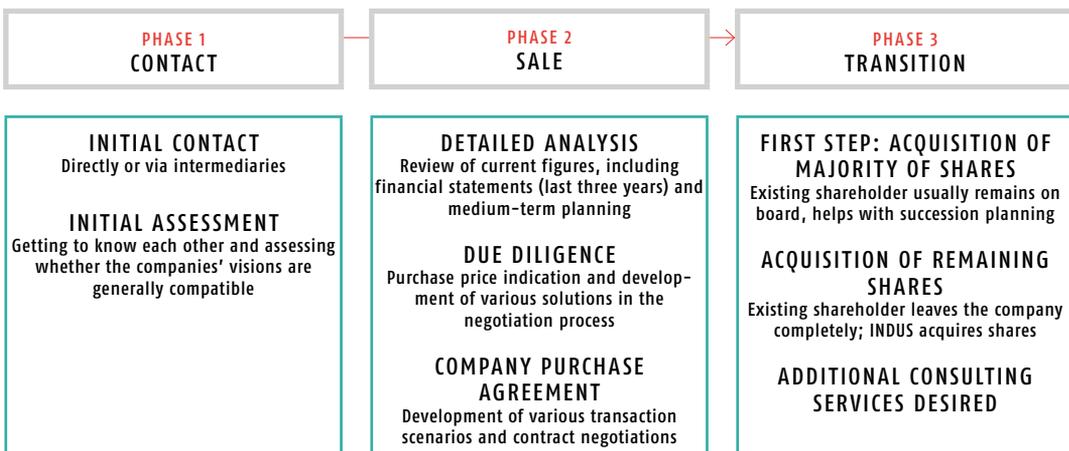
Experience shows that those who sell to INDUS are interested in preserving their life’s work and handing it over to someone who will take care that the company continues successfully, independently and under its well-known image.

**PERSISTENCE AND TACT**

The path to sales negotiations is often long. 56-year-old Timo Bentele is an “old dog” in the M&A business and has been one of INDUS’ M&A experts since 2008. He knows how the business was in the old days: “Finding each other through fireside chats and closing within two months just doesn’t happen anymore. To find a candidate today we have to put in more effort and have patience. We check up to 200 potential purchases each year for just a couple of opportunities.” A feel for the markets helps here, along with structured processes and intelligent IT systems.

**TRANSACTION PROCESS – STRUCTURED SALES PROCESS**

RAPID NEGOTIATIONS AND SMOOTH TRANSITION FOR ALL INVOLVED





**“Finding each other through fireside chats and closing within two months just doesn’t happen anymore.”**

– Timo Bentele, M&A expert at INDUS since 2008 –

Consulting firms specializing in M&A play an important role in the search today. They offer their services in shaping and moderating the process as independent mediators. But most of all they provide advice based on experience to refine the seller’s ideas and weigh the criteria for the decision.

**EXCLUSIVITY: TRUSTWORTHINESS IS ATTRACTIVE**  
INDUS has been successful on the market with its business approach for more than three decades. Hardly any other competitor has as much experience, not to mention such a long, uninterrupted list of references. This leads to exclusive purchasing opportunities again and again. INDUS is recommended to the seller and negotiations begin immediately.

An example of this is last year’s acquisition of WIRUS Fenster in Rietberg. Timo Bentele:

“We’re known on the market, and everyone knows we have no interest in changing our business model without very good reason. This constantly leads those who are looking to sell, and for whom our overall package is the best solution, to us.”  
The process of an exclusive sale to INDUS brings significant advantages with it. The INDUS team can focus on the company and its needs from the very beginning.

#### **LEAN AND INDIVIDUAL**

No company is like the next; no sales process is like the next. This also defines the M&A team’s view of their job. 35-year-old Patrik Schmitz joined the team in 2019: “Our job not only involves fully investigating the company’s business model and interpreting the numbers. It is also about reacting to the seller’s and the company’s personal and individual needs flexibly.” Lean processes and direct communications are a central aspect of this work. Due to its

financing structure – acquisitions are financed directly from the balance sheet through the company's own funds – INDUS is able to make purchasing decisions quickly and confidently. "Another advantage for the seller is that we can cover all of the major services required for the sales process in-house. This keeps the number of parties involved and the transaction costs low," adds Schmitz. General Counsel Stephanie Lüdtke has been supporting the M&A team where necessary since 2020. She is an in-house lawyer and adds another important skill set to the team with her knowledge of contract law.

### LOW PROFILES AND DISCRETION

As fierce as competition may be for the best companies, confidentiality must never be breached by any party. Who needs to know what is decided exclusively by the seller. Set rules and a little creativity are required to ensure that confidentiality is maintained. The rules at INDUS include keeping the number of people involved with the sales process as low as possible. On the INDUS side there are two to three people involved, in addition to the Board of Management. This allows projects to be worked efficiently and good communications to be maintained with the seller. "That we work confidentially and with discretion goes without saying," explains Patrik Schmitz. "What goes on in the M&A team, stays in the M&A team."

A little creativity is needed when the company is viewed, for instance. If necessary, the team will slip into a boiler suit or play the role of a new customer or auditor. Visits under the cover of darkness are also not unheard of, to prevent employee speculation.

### ACTIVE CLARITY FROM THE BEGINNING

Whatever form the discussions take, the M&A team is committed to fair and honest communication from the beginning. This means, for instance, fully rejecting the usual tactics. INDUS' offers are individual and binding. Drawn-out negotiations are not the objective. Timo Bentele: "We will never submit an indicative offer, just to reduce it by 20% for no reason after the due diligence phase." Leverage buyouts, common in talks with private equity firms, where a significant part of the purchase price is imposed on the company as borrowed capital, is not an option with INDUS. The sale should not be detrimental to the company in any way. INDUS also does not work with repurchase models, where the company's former owner buys back shares in the company. Things are simpler with INDUS. The former owner and managing director retains a certain share in the company as long as they are involved with company operations – and if they are interested.

Clarity and transparency from the beginning are extremely important – after all, the managing director and INDUS will be working together closely for many years. Being so direct is not without



– Patrik Schmitz, 35, has been part of the team since 2019. –

risk, however. In competition with other potential buyers it means possibly having to abandon the process at an early stage. On the other hand, this approach is an important signal for potential partners. It says “you can rely on us – any time, in any scenario, without any doubt.”

**RESILIENCE, A PROFILE REQUIREMENT**

Reliability is no protection against disappointment. And this does not diminish the more effort you put into it. We’ve had the experience of going through a long process, with all partners reaching an agreement and all the details dealt with, an appointment set with the notary public – and we still didn’t close. “You need to have a high frustration threshold when things like this happen,” says Stephanie Lüdtke. “The only benefit we gain in these cases is learning from the experience.”

Despite such experiences, the INDUS team enters into new projects with enthusiasm. Jörn Weuste: “What we do is like diving for pearls. We set out day after day to find something special. And we’re happy to face down any challenge.”

If you do the right thing consistently, you will have successes to celebrate. This more than compensates for any disappointments along the way – especially if the former owners give their feedback publicly. Just like the former managing director of MESUTRONIC, a machinery manufacturer, who

– from left to right:  
Axel Meyer, Sabine  
Schönenborn,  
Timo Bentele –



“Our signal: You can rely on us – any time, in any scenario, without any doubt.”

– Axel Meyer, Member of the Board  
of Management since 2017 –

**M&A PROCESS AT INDUS – INVESTMENT IN GROWTH INDUSTRIES**

BUY, HOLD & DEVELOP →

<p><b>GROWTH INDUSTRIES</b></p>	<p><b>ACQUISITION</b></p>	<p><b>OUR PROMISE</b></p>
<ul style="list-style-type: none"> <li>– Automation, measuring technology and control engineering</li> <li>– Construction technology</li> <li>– Safety technology</li> <li>– Medical engineering/life science</li> <li>– Technology for infrastructure and logistics</li> <li>– Energy and environmental technology</li> </ul>	<ul style="list-style-type: none"> <li>– Lean process</li> <li>– Financial, commercial and technical due diligence with internal staff</li> <li>– Legal and tax due diligence with external consultants</li> <li>– No external financing partners</li> </ul>	<ul style="list-style-type: none"> <li>– Preservation of operational independence</li> <li>– Preservation of corporate culture</li> <li>– Maintaining liquidity in the company</li> <li>– Gradual handover of management responsibilities</li> <li>– Long-term perspective and development</li> <li>– Support from INDUS as a financier and advisor</li> <li>– Advancement in the areas of Innovation, Market Excellence, Operational Excellence, Sustainability</li> </ul>
<p><b>FINANCIAL CRITERIA</b></p>	<p><b>OPERATIONAL CRITERIA</b></p>	
<ul style="list-style-type: none"> <li>– Sales of EUR 20–100 million</li> <li>– Double-digit EBIT-margin</li> <li>– Equity ratio &gt;30%</li> <li>– Cash flow orientation</li> <li>– Low/no bank liabilities</li> </ul>	<ul style="list-style-type: none"> <li>– Broad customer base</li> <li>– Niche position</li> <li>– Individual industrial added value</li> <li>– Growth prospects, also internationally</li> </ul>	

commented at the company's introduction at the Annual Shareholders' Meeting: "Among all the bidders, INDUS was the only one that kept its promises from the first discussion through to the very end of the sales process."

### FIRST THINGS LAST

For INDUS, the process is not finished with the sale. The most important part is still to come for the new portfolio company – a secure transition. The former owners often stay with the company for years in order to make the transition successful. If the former owners decide to leave the company directly or have already passed on their duties to other managing directors, nothing changes for INDUS. Our top priority is a gentle transition that preserves the company's identity and its special SME culture.

We absolutely avoid any unnecessary busywork actions or communicating from on high to show "new ownership." We want to give the employees at the new portfolio companies time to adjust to the situation. This takes time and a clear message that INDUS is a strong partner at the company's side and not a demanding financial investor.

### THE CONCEPT. THE CULTURE. THE POSSIBILITIES.

Finding each other and coming to an agreement to sell a company is a complex process that is affected by endless variables. Coincidence is a part of the process as much as the power of numbers, gut feelings, and effective methods. Reflecting on past experiences, there are three factors that help INDUS to beat the competition.

**The first is the concept.** INDUS doesn't just offer the seller money,

but a debt-free future for their life's work. INDUS wants successful companies to remain so – over the long term, regardless of economic cycles. This is because INDUS does not intend to sell the company on.

**The second is the culture.** INDUS has regard and respect for its business partners. This applies through all phases and for all parties involved, from the M&A team to the Board of Management who follow the process from the first day of meeting to signing of the agreement – and beyond.

**And the third is the possibilities.** INDUS is not interested in stripping, but strengthening the SME companies. Where necessary, INDUS makes all of the resources it has available: financial means, expert knowledge and a wide-reaching network. INDUS sees itself as a development platform for its portfolio companies.

For INDUS these are "best owner" qualities that give owners a good reason to get in touch with the INDUS M&A team from the start – before they even plan to sell. Experience has also shown us that preparations for a successful company handover take a long time.



"What we do is like diving for pearls."

– Jörn Weuste –



Scan the QR code or click on this text for more information about our investment process.



**THERE ARE NO  
BLUEPRINTS  
FOR A *GOOD*  
MATCH**◀◀



Scan the QR code or click  
on this text to read the  
full interview in the  
online magazine.

**CORPORATE TRANSACTIONS FROM THREE POINTS OF VIEW** Many interests have to be aligned nowadays to bring companies together, but what matters most is a common outlook. Dr. Thomas Bister, Carsten Jungmann and Dr. Johannes Schmidt on coming together in a changing corporate landscape.

**DR. SCHMIDT, DO YOU VIEW YOUR TARGET COMPANIES DIFFERENTLY NOW THAN YOU DID IN THE PAST?**

**DR. JOHANNES SCHMIDT** – I’ve been with INDUS for seventeen years now. I witnessed the first acquisition back in 2006. Since then the pace on the markets has accelerated considerably. This has also changed how we view the companies we are acquiring – we place much greater emphasis on future development potential now than we did in the past. I also sense the same

»» **Good communication is essential for making *THE RIGHT DECISIONS.***«

**CARSTEN JUNGMANN**

attitude in the entrepreneurs looking to sell. In the past their focus was very much on preserving their life’s work. Now, they are asking: “What are the future development prospects for my company with you? What can you contribute to my business that I couldn’t manage by myself?”

**DR. BISTER, AS THE MANAGING DIRECTOR OF A MULTI-FAMILY OFFICE YOU SUPPORT THE OWNERS OF FAMILY-RUN BUSINESSES WHEN IT COMES TO SELLING THEIR COMPANIES. WHAT ROLE DO YOU PLAY IN THE PROCESS EXACTLY?**

**DR. THOMAS BISTER** – I come into play when entrepreneurs arrive at a point in their business’s development where they discover that something has to change. This basically takes one of two forms. Either an entrepreneur has grown the business to a point where they need resources to keep moving forward – that is, they are looking for someone to help them go further with what they have already achieved – or they are facing successor issues. In this case the owner is looking for someone to build on their success so far because they don’t want to continue and there is no successor in sight. They want the jobs they have created to be maintained and for the company to keep its position in the market.



**DR. THOMAS BISTER**

Dr. Thomas Bister has been the managing director and shareholder of Tertium Family Office GmbH since 2019. Prior to this, he held roles as Head of M&A at a corporate finance consultancy and director of an issuing house for investment offerings. Dr. Thomas Bister studied international business administration and law. He began his career as a bank management expert.



**CARSTEN JUNGMANN**

Carsten Jungmann hails from the region of Sauerland, and in 2001 he founded JST – Jungmann Systemtechnik GmbH & Co. KG with this then business partner Kay Hansen. The company specializes in the design, construction and maintenance of control room solutions. Prior to this, he worked in sales for his parents’ company, which specialized in the production of furniture for control rooms.



**DR. JOHANNES SCHMIDT**

Dr. Johannes Schmidt has been a member of the Board of Management of the INDUS holding company since January 2006. He assumed the position of Chairman of the Board in 2018. The mathematics graduate went on to earn a doctorate in mechanics. Prior to joining INDUS he held various roles, including managing director of ebm-papst Landshut GmbH and Richard Bergner GmbH.



The Board of Management is involved as a point of contact throughout the entire sales process.



## INDUS opens up *DOORS* to the future for its companies.«

*DR. JOHANNES SCHMIDT*

***MR. JUNGMANN, YOU JOINED INDUS WITH YOUR COMPANY IN 2020 AND BOTH OF THE ABOVE APPLIED IN JST'S CASE: AN OWNER WANTED TO LEAVE BUT THE COMPANY WANTED TO CONTINUE OPERATING AND GROWING.***

**CARSTEN JUNGMANN** – That's right. My former business partner, Kay Hansen, left the company when we finalized the agreement. He was 57 at the time of the sale and was looking for a new challenge. I was 48 and still very much enjoyed the work I was doing. So it was clear to me that if my new partner was willing to provide an appropriate work-life balance, I'd be happy to continue at JST into the future.

***MR. SCHMIDT, DOES INDUS REQUIRE AN OWNER TO STAY ON AT THE COMPANY AS A MANAGER AFTER A SALE?***

**JS** – It's not a requirement, but usually owners who have run the business do stay on as managing directors, at least for a while. We believe that this support from the previous owner makes the transition to new ownership run much more smoothly.

***MR. BISTER, WHAT TYPE OF COMPANY DO YOU CONSIDER INDUS TO BE IN PARTICULAR?***

**TB** – Let's imagine I'm advising a fundamentally solid small or medium-sized manufacturing company. Basically, I would look at three types of buyers: The first is the financial buyer.

They are mainly interested in the figures. They optimize the company, using their network, for instance, in order to sell it again for a profit. Then there are the strategists, who buy companies with a similar technology to their own and integrate it into their structures. Then there are the company developers. This is the group INDUS belongs to. They look at the specifications and say: We have the expertise and experience, and can offer this company a future if we buy it.

***INDUS IS A COMPANY DEVELOPER. THIS IS A TERM THAT INDUS HASN'T REALLY USED TO DESCRIBE ITSELF SO FAR ...***

**JS** – ... Though exactly this approach is reflected in our PARKOUR strategy program – particularly the two pillars of “Driving innovation” and “Improving performance.” We believe that our expertise, especially when it comes to methodological knowledge and networks, can help our portfolio companies to advance. Of course, I wouldn't go into details with Mr. Jungmann about his software – every portfolio company maintains the autonomy over its operations. But we can offer support in bringing products to new markets or advising on what other marketing options are available.

***DR. SCHMIDT, WHY IS INDUS A GOOD MATCH FOR TECHNOLOGY-BASED INDUSTRIAL COMPANIES?***

**JS** – INDUS has a broad range of expertise to draw on thanks to the variety of companies we hold. Technology plays a major role at virtually all of our portfolio companies. We stand directly at our companies' sides and provide support with our expert knowledge, our network, and by setting up technology-based group projects. This opens a lot of doors to an innovative future for the companies that join us.

### WHAT DO YOU THINK THE MOST IMPORTANT TASK IS WHEN IT COMES TO CHOOSING THE RIGHT NEW OWNER, MR. BISTER?

**TB** – First of all, I would say we have to find out what the previous owners' motivation and objectives are. How far are the owners willing to compromise on the purchase price in return for more soft skills? Of course, if I approach a buyer from an English-speaking country who is only interested in profit, for example, I can get a better purchase price. At the same time, I'm giving the buyers the opportunity to go into the company with a lot of leverage. This means they can and will use the company to take up credit to counterfinance the purchase, and in the end the company will end up paying the purchase price.

On average I provide advice to the entrepreneurs in a sales process for between 12 and 18 months. During this time we have a lot of professional and psychological discussions. And, just like me, the majority of the owners do not like the idea that just a few months after a change of ownership a third of the workforce could be laid off. And so they usually try to find a compromise between maintaining the company's culture and achieving a higher purchase price. This decision strategy is supported by the fact that many of the previous owners usually remain connected to the company in one way or another after the sale.

### MR. JUNGMAN, DR. BISTER ALSO GUIDED YOU THROUGH THE SALES PROCESS ...

**CJ** – ... Which I am still grateful for to this day. My business partner and I had prepared JST operationally for a potential change of control. We had brought in a new level of management and set up processes so that the transfer could take place at any time. But we never thought about what type of buyer we would be willing to sell to. We only came to understand just how important this question was during the sales process. We played through various sales scenarios together in workshops – considering

financial investors, private equity firms and holding companies. And in each case we asked ourselves what it meant for us, our employees and our future?

During this process we became aware of a number of things that we would not be willing to consider. Having employees reapply for positions that they currently hold may

Before a decision is made, Dr. Thomas Bister normally holds a lot of discussions.



The **STRATEGIC FOCUS** of buyers can vary greatly.«

**DR. THOMAS BISTER**

be common practice in some M&A processes, but it absolutely would not have been in line with our corporate culture. Being integrated into a fund was another option, with the possibility of being sold again in a few years – the very idea would have brought so much unrest into the company that its spirit would have disappeared from one day to the next. INDUS was able to clearly differentiate itself from other models with its “hold and develop” concept.

**COOPERATION IS ALWAYS DRIVEN BY MUTUAL EXPECTATIONS. WHAT DO YOU EXPECT FROM INDUS, MR. JUNGMAUN?**

**CJ** – The main expectation that my team and I have of INDUS is reliability – that promises are kept. Before the deal was closed, INDUS presented us with a concept in which there was no operational interference or only a little in the business model. We’ve been part of the INDUS Group for one and a half years now, and I can confirm that this concept is really how the Group operates. Nothing has changed in our coordination and decision-making processes. Knowing this has brought a calmness back to the team that we had lost for a little while. There’s no point beating around the bush – when there is a change of ownership, initial unrest in the company is natural.

My long-term expectation is that we will continue to be well-supported and have a reliable partner for our development. We have built JST up over twenty years; it runs perfectly and enjoys a good reputation on the market. When it is time for me to leave the company, I want the culture and values that make the company what it is to live on. This should be the foundation on which JST continues to achieve its full potential. Based on what I have seen so far, I’m confident that this will happen with the INDUS Group at the helm.

**WHAT IS YOUR NEW WORKDAY LIKE? HOW DOES INDUS SUPPORT YOU AND YOUR COMPANY?**

**CJ** – A specific example would be that we can now rely on INDUS for things we simply couldn’t have managed on our



**Looking back, I would  
DO IT ALL AGAIN.«**

**CARSTEN JUNGMAUN**



Carsten Jungmann continues to manage JST’s operations following the sale.

own. This includes drawing on their expertise of expanding into international markets. With its funding, INDUS also gives us the financial strength to be able to follow such paths. When it comes to everyday topics like recruitment, too, we have already benefited from the added value that INDUS offers. They make the process quick and simple. I'd barely mentioned recruitment before we were connected to a headhunter network for our industry.

One thing that I'm really happy about is the direct communication between managing directors and the INDUS Board of Management. We have regular appointments but I can also reach out to the Board of Management if something comes up.

**A HOT TOPIC ON THE MARKET AT THE MOMENT IS RISING PURCHASE PRICES.**

**JS** – The high degree of liquidity on the capital markets at the moment means we are clearly in a seller's market. So, firstly, valuations are rising. Secondly, we are competing with players that have not been as active on the market in the past. One example would be larger family offices – while in the past they tended to be silent partners, today they are more interested in takeovers. Then there are a number of private equity firms who want to invest their money in the most profitable way. On top of that there are strategic investors – industrial companies are going through a transformation and need to find ways to reorient themselves.

This means we have to increase our efforts in bringing attention to ourselves through our M&A marketing. We have to communicate our story well and make sure that when the right candidates come across Mr. Bister's desk, he automatically thinks of us. This is quite a change for us.

**SO THE CURRENT MARKET IS MAKING YOUR JOB EASIER, DR. BISTER?**

**TB** – Well, at least when it comes to the number of possible matches. The amount of liquidity available has grown exponentially since 2008, so money is no longer a differentiating factor. This brings us back to Dr. Schmidt's bottom line: Finding the right positioning has become one of the most important tasks for buyers.

However, the situation has also become more complex for sellers. It has become increasingly difficult for them to determine whether it is the right time to sell. How will the market develop during this transition phase? How can I create a reliable five-year plan? Answering these questions is not easy without a crystal ball.

There are no blueprints for a good match. This makes the job I do more difficult – at the very least with respect to my role

as a mediator and the responsibility I bear. I have to really get to the heart of the issues for each candidate.

**MR. JUNGSMANN, AS THE NO-LONGER-NEWEST MEMBER OF THE INDUS GROUP, COULD YOU SHARE YOUR CLOSING THOUGHTS WITH US?**

**CJ** – If I was back at the notary's office in Cologne today – I would do the exact same thing again. After the last one and a half years I can say with confidence that we absolutely made the right decision. In partnership with INDUS, we are in the process of bringing our company – in my mind it still feels like my company – to the next level. And I can't wait.

# AN IMPRESSIVE DEVELOPMENT

**TRANSFORMATION** From manufacturer to technological market leader – how HAUFF-Technik has been constantly evolving under INDUS since 1986. Sales have risen from EUR 4 million to about EUR 100 million – a resounding success.



## 2005

DR. MICHAEL SEIBOLD APPOINTED MANAGING DIRECTOR.

Company's development and growth driven forward.



[INDUS]

## 1986

INDUS ACQUIRES HAUFF-TECHNIK, BECOMING SOLE SHAREHOLDER.



## 2004

TRENCHLESS BUILDING ENTRY ZAPPO LAUNCHED.

## 1988

THE COMPANY BEGINS MANUFACTURING PIPE FEED-THROUGH SYSTEMS.



## 1998

THE REVOLUTION IN BUILDING ENTRY.

Multi-section house introduction goes into production.



## 2014

MOVE TO NEW BUILDING IN HERMARINGEN.

The company, which was previously split across three locations, is brought together at the new site in Hermaringen. The new site offers enough room for production and the workforce of around 180 employees. Investment of approx. EUR 17 million.



HAUFF-TECHNIK  
MANUFACTURER OF CABLE AND PIPE  
FEED-THROUGHS

- ESTABLISHED IN 1955
- MANAGING DIRECTOR: DR. MICHAEL SEIBOLD
- SALES IN 2021: EUR 97.9 MILLION
- MORE THAN 400 EMPLOYEES
- LOCATIONS: HERMARINGEN, ROSENBERG, OENSINGEN, AJMAN
- MORE THAN 3,000 PRODUCTS
- ACTIVE IN MORE THAN 40 COUNTRIES
- MORE THAN 100 REGISTERED PATENTS





# 2015

HAUFF-TECHNIK MIDDLE EAST FZE ESTABLISHED IN AJMAN (UAE).



# 2019

NEW HAUFF-TECHNIK PLANNING TOOL.

In conjunction with a BIM portal, the tool offers real added value for planning cable and pipe feed-throughs.

HAUFF-TECHNIK CREATES A NEW INDUSTRY STANDARD WITH THE LAUNCH OF ITS BUILDING PACKAGES.

The packages contain everything needed for single or multiple house connection.



# 2019/20

HAUFF-TECHNIK LAUNCHES ITS NEW "G-BOX".

The "G-Box" project, part-funded by the innovation development bank, enables rapid and cost-effective fiber-optic house connections at the property boundary.

# 2016

JOINTVENTURE ZWEICOM-HAUFF GMBH.

HAUFF-Technik becomes a partner in ZweiCom GmbH, a specialist in the development and manufacture of passive components for fiber-optic infrastructure.



# 2020/21

CONSTRUCTION AND OPERATIONAL LAUNCH OF THE FULLY AUTOMATED LOGISTICS CENTER.

HAUFF-Technik invests approx. EUR 17 million in a high-tech logistics center for small parts and pallet goods.



Scan the QR code or click on this text to read about the project in the [2021] online magazine.

# 2018

HAUFF-TECHNIK SWISS AG ESTABLISHED IN OENSINGEN.



# INDUS AROUND THE WORLD

**INTERNATIONALIZATION** The INDUS Group has a global presence with sites in 31 countries around the world. The company pursues various internationalization strategies, such as assisting German customers abroad, establishing direct contact with international target customers, and building up a global support and service structure. INDUS supports its portfolio companies in tapping new markets and establishing international operations.



## ROLKO | BLOOMFIELD (US)

Since February 2020, ROLKO has had a new branch on the US market. From its site in Bloomfield (Iowa), Rolko North America, Inc. provides specialists and manufacturers in the US and the Canadian rehabilitation market with Rolko products.



## ELTHERM | BURLINGTON (CA)

Based in Burlington, eltherm Canada Inc. has been serving the Canadian and American markets since 2012. The company's own production site in Calgary makes it possible to manufacture electric heat tracing solutions tailored to the market, and there are plans to expand this to the headquarters in Burlington in the future.



## HORNGROUP | HUMBLE (US)

Established in 2011, the HORNGROUP subsidiary Tecalemit Inc. with its approximately 35 employees serves the North American market from its headquarters in Texas.



### SITES IN 31 COUNTRIES AROUND THE WORLD

- |               |                           |                         |
|---------------|---------------------------|-------------------------|
| 1 Canada      | 12 Czech Republic         | 22 Russia               |
| 2 USA         | 13 Poland                 | 23 Morocco              |
| 3 Chile       | 14 Slovakia               | 24 South Africa         |
| 4 UK          | 15 Serbia                 | 25 United Arab Emirates |
| 5 Netherlands | 16 Bosnia and Herzegovina | 26 Kazakhstan           |
| 6 Switzerland | 17 Finland                | 27 India                |
| 7 Austria     | 18 Romania                | 28 Singapore            |
| 8 Germany     | 19 Turkey                 | 29 China                |
| 9 Italy       | 20 Spain                  | 30 South Korea          |
| 10 Hungary    | 21 France                 | 31 Taiwan               |



**MIKROP | KAĆ (RS)**

Ten years after establishing its own production site in Serbia, MIKROP opened its new facility for manufacturing micro-optic precision parts in Kać in September 2017.



**BETEK | TAICANG (CN)**

BETEK Tools Taicang Ltd. was founded in China in 2015. Since then, the Chinese BETEK subsidiary has been supplying the local market through its own production facility.



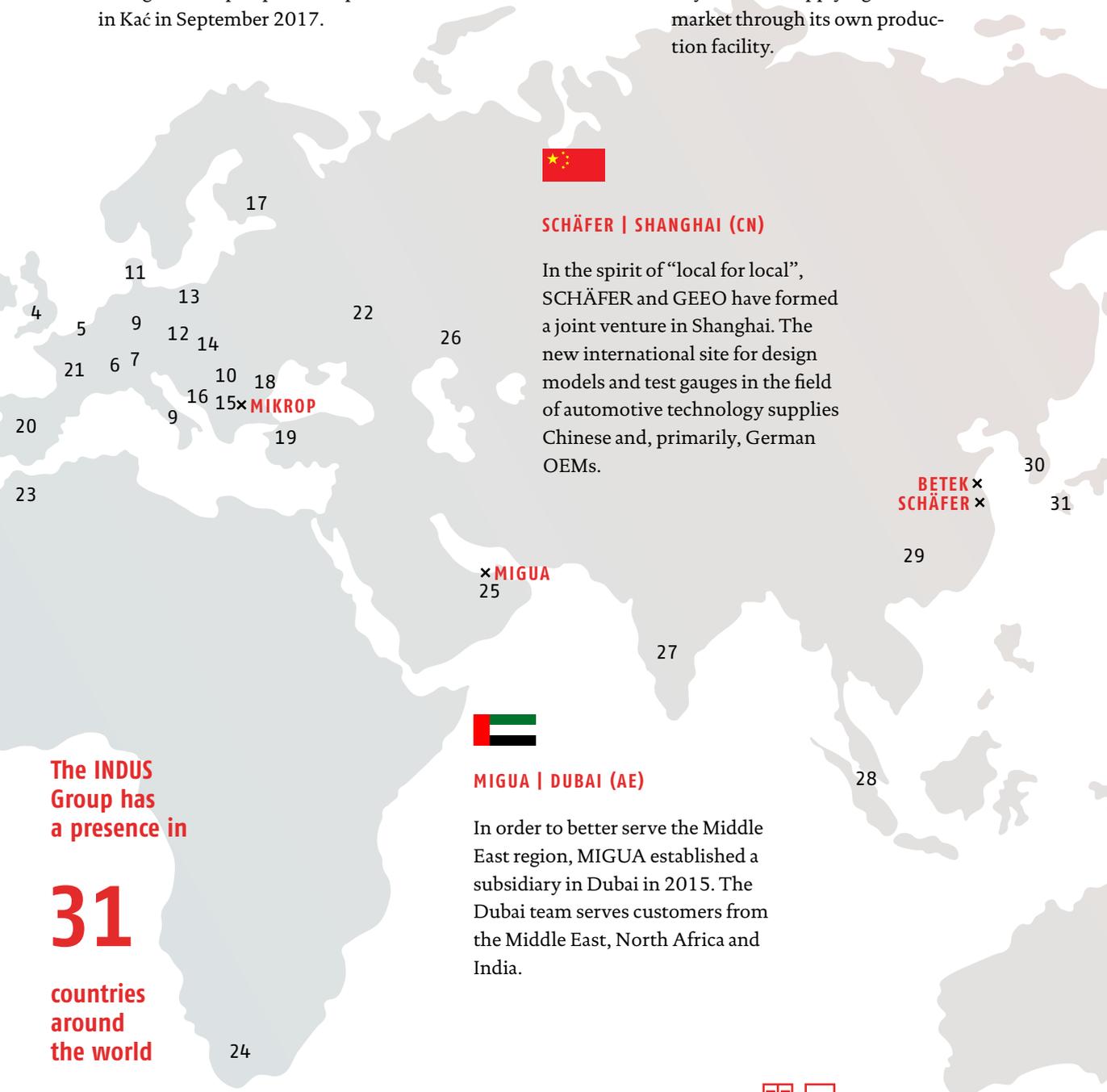
**SCHÄFER | SHANGHAI (CN)**

In the spirit of “local for local”, SCHÄFER and GEEO have formed a joint venture in Shanghai. The new international site for design models and test gauges in the field of automotive technology supplies Chinese and, primarily, German OEMs.



**MIGUA | DUBAI (AE)**

In order to better serve the Middle East region, MIGUA established a subsidiary in Dubai in 2015. The Dubai team serves customers from the Middle East, North Africa and India.



The INDUS Group has a presence in

**31**

countries around the world



Further information on the INDUS Group's portfolio companies can be found in the Annual Report from page 159 and at [www.indus.de/en/about-indus/investment](http://www.indus.de/en/about-indus/investment)

# EXPANDING WITH SOLID SUPPORT

## ACQUISITIONS ARE A GREAT GROWTH OPPORTUNITY FOR SME COMPANIES

Gaining expertise and skills from outside the company is one way of obtaining the necessary access to new markets or innovative technology. INDUS specifically supports its portfolio companies in acquiring sub-subsidiaries.

## HORNGROUP

Markets undergo constant change – and this is happening faster than ever before. Companies that want to remain successful over the long term have to keep reinventing themselves and positioning themselves for the future. Acquiring innovative companies can be key to achieving this.

But what do these acquisitions look like in practice? What are the reasons for acquiring add-ons? And how can a successful overarching strategy be developed? Here are two examples from the INDUS Group.

### HORNGROUP AND FLACO – THREE BRANDS FROM ONE SOURCE

If you want to expand your product portfolio in a targeted way, taking over a successful a compa-



ny in the same market can be the fastest and most promising option. This is what HORNGROUP, a global supplier of refueling technology and workshop solutions, decided to do. The company acquired FLACO, a fluid management specialist, in July 2021.

During the acquisition process it was clear to see that the companies' experience on the same markets meant they had a strong mutual understand-

ing. Most of the sectors they operate in complement one another, so the two companies have the expertise to help one another in facing the challenges to come in the future.



“By tapping into the growth potential offered to us by general liquid management, which in the future will focus even more on industrial applications, we are well placed as partners and looking to mutually drive momentum when it comes to innovation,” says Jörg F. Mayer, managing director of HORNGROUP.

Back in 2011, HORN TECALEMIT, now HORNGROUP, expanded with the acquisition of the British company PCL, a tire filling technology specialist. With this acquisition the company gained experience of how such moves can be exploited profitably for all involved. “With TECALEMIT, PCL and FLACO we have united three strong international brands,” says Mayer. “Brands that we will continue to develop with the help of INDUS.”

#### **OFA AND NEA – STRONG INDIVIDUALLY, SUCCESSFUL TOGETHER**

OFA Bamberg, a manufacturer of surgical stockings, bandages and orthotic devices, strengthened its position with the acquisition of Dutch company NEA in 2015.

“At the time of the acquisition, we were particularly impressed by NEA’s innovative R&D work,” explains Rainer Kliewe, managing director of the OFA Group and already in an executive position at OFA Bamberg at the time. “NEA was and still is incredibly good at development processes – from material selection to 3D-print prototypes. OFA’s primary expertise lay in the development and production of medical knitted products. Forming a partnership to benefit from the technological knowledge and the special development skills of the new subsidiary was an obvious choice.”

The company also increased its international focus. NEA was able to expand OFA’s core market of German-speaking countries with good access to the American and Asian markets. The strategy worked: “We particularly benefited from the broad export focus and diversification efforts during the pandemic,” explains Kliewe. “While

the German market was still struggling with the coronavirus, business in other parts of the world was already getting back on track.”

And have you managed to build up a common corporate culture? NEA has been a supplier to the Franconian premium-segment company since the 80s. So, in 2015, the companies were able to build on a well-established business relationship and mutual trust. Nevertheless, it still took a while for the two companies to develop a sense of being one group. Rainer Kliewe: “We wanted to preserve the Dutch business culture, and specifically the NEA culture. It proved very successful after all. A traditional integration process would not have aligned with INDUS’ decentralized management style.”

“It was still important to link up our processes, however, to prevent two solid companies from just working side-by-side rather than as one,” adds Kliewe. “This is an ongoing effort. We don’t just want our individual efforts to be successful, but rather to work as a single product, as it were.” Serious efforts are currently underway to drive the interconnection of orthopedics. With Push, the OFA Group owns a strong brand that the entire orthopedics segment can benefit from.

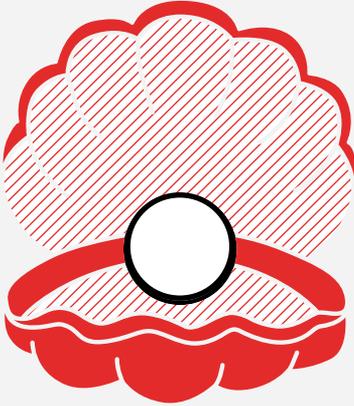


**Nea** international bv  
member of ofa bamberg group



## SMEs in Germany

### Searching for pearls



**99.5%**

of all German companies are SMEs, according to BVMW data. That's a total of 3.5 million companies.

**95%**

of German SMEs are family-run businesses. 88% are owner-managed.

**190,000**

owner-managed German companies need successors by 2026, according to IfM Bonn estimates.

## Spectacular

Valued at EUR 180 billion, Vodafone's takeover of Mannesmann in 2000 is the largest acquisition in the world to date.

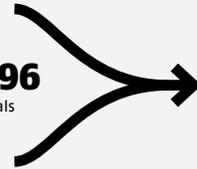


## Deal

### Close to a new record

According to a PwC study, 1,696 M&A deals were made in the German-speaking region in the first half of 2021 in transactions valued at around EUR 73.6 billion.

**1,696**  
M&A deals



**73.6**  
EUR billion

A MARKET  
FILLED WITH  
OPPOR-  
TUNITIES

Network success

**The Hanseatic merchant**

Back in the late Middle Ages, traders realized that the risk of merchant trading alone was simply too high. Instead, merchants in the 14th and 15th centuries joined together to form trading alliances – at the same time retaining their independence as entrepreneurs. Equipped with higher capital and with shared risk, they were able to successfully tackle larger-scale and international projects.



Successful Hanseatic merchant in Upper German trade: Mathias Mulich (1470–1528)

Strong alone?

**Legendary rivalries**

Acquisitions, mergers and takeovers are a well-proven way of maintaining success on the market. But rivalries can also energize the market ...



Tech-  
nology  
**32%**

Industrial  
production  
**23%**

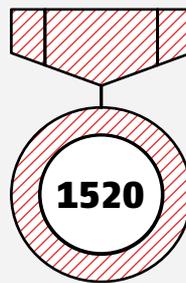
Investor focus

**Sought-after**

German companies in the technology sector were most sought-after by investors in 2020 (32%), followed by companies in the industrial production sector (23%).

Family-run businesses

**With tradition**

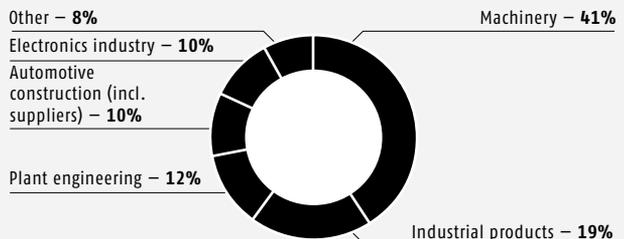


The oldest family-run business ever listed by the Family Business Foundation is a metal company in Siegen, Germany – galvanizing specialists The Coatinc Company. Records state that the company was founded in 1502. Back then, the blacksmith Heylmann Dresseler had to pay one shilling for the use of a furnace.

On the list of the 50 oldest German family-run companies, 48 were founded before the French Revolution in 1789 and all of them have remained in the hands of the founding families throughout their histories.

Experts in their fields

**Sector distribution of German hidden champions**



# [IN]side

Introducing  
INDUS projects

## MIKROP – GOOD THINGS COME IN TINY PACKAGES – MINIATURIZED PLASTIC SINGLE-USE OPTICAL DEVICES



The plastic MIKROP lenses built into a microcamera have a diameter of just 1 mm.

### THE STARTING POINT

As a manufacturer of high-precision miniaturized individual lenses and lens systems, particularly for use in medical technology, endoscopy has been a very strong business area for the INDUS portfolio company MIKROP for a number of years. Reuse of the instruments for minimally invasive operations is standard. But when it comes to flexible endoscopes in particular, as used, for instance, in colonoscopies, gastrointestinal tract endoscopies, or – as often required for COVID-19

patients – bronchoscopies, bacteria can colonize the channels, despite exhaustive sterilization following the operation. This means there is a threat of cross-contamination, as diseases can be spread via contaminated instruments. This is a threat that must be taken seriously, especially in light of multi-resistant germs.

### THE SOLUTION

Single-use endoscopes may be an answer. Single use of sterilized instruments minimizes the risk of cross-contamination through equipment. And there are no costs for endoscope preparation and repairs.

### THE CHALLENGE

The manufacturing process plays a decisive role when it comes to transitioning microlenses to single use. The traditional production processes for glass optics for single use – and the volumes this requires – are simply too expensive. Plastic lenses, as used in smartphones with a diameter of 5 to 8 mm, produced using the cheaper injection molding process are too large for medical use.

### THE PRODUCT

The MIKROP team, supported by the INDUS innovation development bank, has been working on developing high-precision plastic micro-objectives since 2019 – with great success. The demo product delivers the same image quality as

The free form of the new optical devices enables very high image quality with maximum depth of field.



glass optics – with a lens diameter of just 1 mm. The manufacturing process also enables the production of more complex lens geometries due to cleverly designed forms. Aspheric lens shapes mean the number of lenses can be halved – a clear efficiency advantage. This new type of lens, which can be individually customized, is also suitable for industrial applications. Another advantage is that the single-use prototypes were built as chip-in-tip systems. With this innovative approach, the image is recorded directly in the tip of the endoscope using an image sensor and digitally transmitted.

#### THE OUTLOOK

As part of this successful project, MIKROP has expanded its development expertise with an innovation team headed up by Chris Jung. Plans for the next steps are already in place. MIKROP will build up its internal coating expertise both at the Swiss headquarters and at the production facility in Kać, Serbia. All ready for the next innovation.

## BETOMAX AND IMECO – INTRODUCING LEAN MANAGEMENT

#### MORE EFFICIENT, MORE EFFECTIVE, BETTER

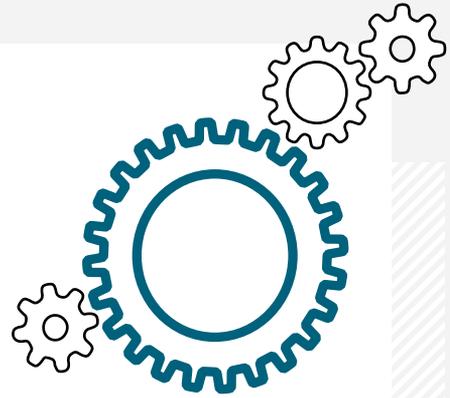
If you want to grow as a company, it is important to be in control of your processes and carry out regular checks. Sounds simple – but process optimization is not always as simple as it sounds. “Old” working methods and mindsets, a lack of resources and insufficient knowledge can all get in the way.

INDUS Group companies have it a little easier because they have the support of the holding company through the strategic initiative “Improving performance.” INDUS supports important development projects, investments and change projects. Not just financially, but also with the right expertise. One of our experts is Dr. Torben Schmitz. Among his other talents, he offers the portfolio companies comprehensive training and development support in the area of lean management.



#### WHAT IS LEAN MANAGEMENT EXACTLY?

Lean management is a method to constantly improve processes and covers the efficient and effective design of the entire value chain. The main aim of this approach is to identify and prevent potential wastefulness in all corporate areas. A variety of lean techniques are used to achieve this, such as the 3M or 5S methodologies, or the PDCA cycle. The lean techniques enable the transparent depiction of complex connections and processes so that weak spots and potential can be identified. The main focal points of the approach are customer orientation and cost reduction.



in administration and in the handover from sales to production were uncovered. The findings now have to be specifically addressed. A project to introduce lean administration will be launched at the beginning of 2022. The BETOMAX employees who have already been trained as lean officers will be closely involved in implementing lean administration processes.

#### IMECO – PRODUCTION OPTIMIZED

The INDUS subsidiary IMECO, a certified manufacturer of medical devices in Goldbach, is also convinced that process optimization is a key success factor when it comes to improving competitiveness. Lean management has been rolled out at the plants in Germany and Poland over the course of the last year and a half. To facilitate this, five IMECO employees were given training by the INDUS holding company. With INDUS' support, the company launched the project with a process analysis at the beginning of 2020. Weak points were identified and lean options to optimize these were then selected.

Following the analyses, lean management was rolled out to the individual facilities and training courses were offered for employees and managers. The training courses covered topics such as the lean management principles, the 5S methodology and shop floor management. The participants now implement what they learned and their new ideas into their everyday work. The final objective is to significantly reduce lead times.



#### BETOMAX – ON THE ROAD TO LEAN MANAGEMENT

BETOMAX is one of the INDUS companies that has introduced lean management with the help of Dr. Torben Schmitz and further experts from Aachen University's machine tool laboratory. During the training courses, employees from the concrete construction specialist company got to grips with the far-reaching aspects of lean management. The decision to set up a lean administration was made quickly. In 2021, processes were examined and weak points

## HORNGROUP – MYTECALEMIT – SOFTWARE AS A SERVICE

### DEVELOPMENT OF “MYTECALEMIT” SOFTWARE

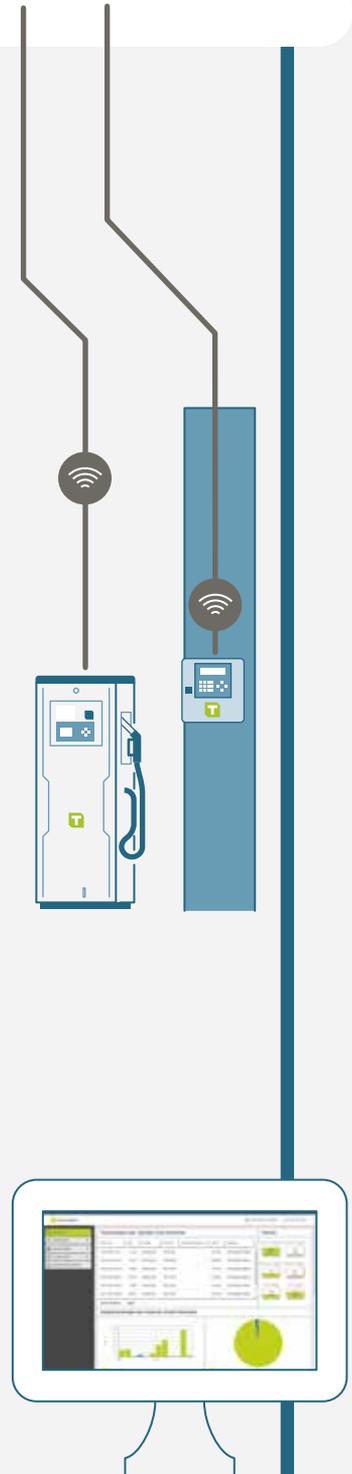
TECALEMIT is a specialist for products and services relating to refueling and measuring fuels. TECALEMIT’s digital success story began in 2018 with the “myTecalemit” cloud solution project. [Find out more in the \[2019\] Magazine from p. 18 at \[www.indus.de/en/news-and-media/publications\]\(http://www.indus.de/en/news-and-media/publications\)](http://www.indus.de/en/news-and-media/publications) The Flensburg-based company developed a web-based tank data management system that can run on any end device called “myTecalemit.” The cloud project was supported by the INDUS innovation development bank. TECALEMIT customers can now access a detailed analysis of their tank data, such as fill levels and refueling procedures, anywhere and at any time. In addition to the analysis options, customers are also offered real added value with access control and fully automated reordering of fuels.

### SOPHISTICATED CLOUD SOLUTIONS

Supported by the INDUS initiative to promote portfolio companies’ market excellence, the HORNGROUP adopted its new corporate strategy “HORN Flensburg 2025” last year – laying the foundation for 15 subprojects aimed at achieving the company’s strategic realignment.

The enhancement of “myTecalemit” was identified as a promising subproject. Once the software is successfully established on the market, the cloud application’s licensing and distribution model will be expanded as part of the project. “Software as a service” is the key approach here. This is aimed at responding to customer needs and user behavior. TECALEMIT is transitioning to a tiered subscription model allowing customers to choose the tier that best suits their requirements.

And the next innovative project is already waiting in the wings. The smart meter is a stationary bulk electricity meter with a variety of control options connected to the cloud solution. “myTecalemit” software is enjoying all-round success with its scalability – presenting a constant stream of new opportunities.



# CAPITAL INVESTMENT AS A LEVER FOR ESG

## INTERVIEW WITH GREGOR FARNSCHLÄDER, VERSICHERUNGSKAMMER GROUP

Investors are no longer interested in companies' financial success alone. They also want to know how they're performing when it comes to ESG. Gregor Farnschläder is head of the Investment Strategy and Investments department at the Versicherungskammer Group, one of Germany's largest direct insurers. In this interview he will give us an insight into the importance of sustainable investment for his organization.



Scan the QR code or click on this text to read the full interview in the online magazine.

**Mr Farnschläder – How important is ESG at Versicherungskammer? How key are ESG criteria when it comes to making investment decisions?**

**Gregor Farnschläder –** For us, as insurers, sustainability has become a central part of our corporate strategy. As a company with a public mandate, the Versicherungskammer Group carries a particular responsibility in society. We also have a duty to our customers to ensure that we can fulfill our financial obligations in the long term. This means it is especially important that we recognize the opportunities and risks arising from the current transformation processes early on. A change in carbon pricing or demographic developments can have a severe impact on the profitability of the companies that we invest in – depending on how well these companies are prepared for these changes.

**So, ESG criteria really influence your decisions.**

**GF –** That's right. We're aware that our capital investment can act as a lever in driving ESG processes forward. With targeted investment – in renewable energy, for instance – we are making an active contribution to the current energy transition. We have set exclusion criteria and minimum standards that match the corporate image of the savings banks financial group, which we belong to. These in turn are based on international frameworks.

“  
ESG is also a data issue. The market hasn't solved this yet.”

**What investment options are open to you as an institutional investor that are not open to private investors?**

**GF –** Generally, we approach the capital market in the standard way – the same as any other investor. We make direct and indirect investments. Our direct investments mainly relate to real estate

and fixed-interest securities. This includes bonds from companies operating in fields that are relevant to us. When it comes to indirect investments, we often purchase shares in companies. In these cases we invest via special funds, which are generally fully held by us. We award management mandates and provide the asset managers with guidelines on their investments and stipulate the type of companies they should invest in. Our share of direct investments has increased recently. Due to the better cost structures we also intend to keep expanding in this area in the future.

#### **What exactly does the process of finding a suitable candidate for direct investment look like?**

GF – We generally observe the overarching trends when looking for a target company. We then analyze the environment in which the company we're interested in is active. This includes looking at the material ESG aspects that may impact the company's profitability now and in the future. Standards and frameworks such as the Sustainable Development Goals (SDGs) are helpful in this regard. In addition to profitability and sustainability, however, we also keep an eye on our other criteria such as portfolio diversification and liquidity. For example, when making an investment we must also make sure that we can meet our payment obligations at all times.

#### **How much influence do you have as an investor in driving a company's sustainability performance forward?**

GF – Change always comes from the company itself. In the future, however, the role we play in direct investments as an active owner will certainly prove an effective tool. We will speak directly to the companies about issues that are important to us.

When it comes to shares, we can have a direct impact by ensuring that the capital asset management companies we commission abide by our principles when exercising our voting rights.

#### **At the moment, players on the market still have to get to grips with a number of ESG standards.**

##### **Which standards are particularly relevant to you?**

GF – We are focusing on the ones that are common on the market. This includes the Principles of Responsible Investment, which we signed in 2019. We are also observing how the market is developing. In particular, we are concentrating on EU regulations that have been implemented since March last year.

##### **To fulfill these standards you need data.**

GF – That's correct. The issue of data has not been solved by the market. Who collects the data? How can it be managed? There are currently some exciting developments in this field, but what we already know is that this is a very complex topic and it will involve costs.

#### **How important are external ratings for you?**

GF – Dealing with ratings is part of our everyday business. But unlike credit ratings, ESG ratings can result in very different grades. This has to do with the fact that ESG ratings can have conflicting targets. The sustainability rating for an electric car can be good or less good depending on your point of view. Regardless of this, we are currently selecting a data and ratings provider that will provide us with the information we need. We will choose the provider whose logic is the easiest for us to follow. In the end, though, ESG ratings will only constitute a part of our decision on whether to invest or not.



**Achieving ESG and economic success is a balancing act. How would you describe the interplay between these two factors in your organization?**

GF – As a trust, being and remaining economically successful is incredibly important for Versicherungskammer. That is why it is important for us to pursue a credible approach that unites both factors. It is universally accepted that ESG aspects can have a positive impact on a company's economic success. In the short term, however, they can mean considerable expense for a company. In this case I would say that if an investor would like to see their values reflected in a company, they must also be willing, figuratively, to pay for them.

In our experience we have seen that those looking to invest according to their values will find the number of capital investments that come into question much smaller.

**Politicians are currently setting clear standards for the economy in terms of carbon requirements. And they are keeping us on our toes in other areas, too. How do you feel about these developments?**

GF – The regulations are a challenge. We agree with the 1.5°C target and the EU Green Deal.

These initiatives have our full support. I would describe the current pace, however, as overly ambitious. This becomes clear when we look at the constant amendments to reporting requirements, for example, because the necessary prerequisites are not in place. We are expected to report, manage data and establish structures for requirements that are currently unknown. That is impossible. The regulations often expect too much immediately and are not sufficiently coordinated. This will probably be corrected in the next five years.

“  
**People who invest sustainably must be willing to bear the costs.**  
 ”

**Many business people share this view. Mr. Farnschläder, how does the increase in sustainability awareness impact your personal everyday life?**

GF – I feel very lucky and enjoy the fact that I can ride my bike to both Versicherungskammer offices in Munich. The short distance means I don't even have to consider whether I might need an electric bike or car.

 **Information on INDUS' sustainability strategy can be found from p. 20 and p. 45 of the 2021 Annual Report**



### GREGOR FARNSCHLÄDER

is senior head of the finances and capital investment executive department at the Versicherungskammer Group. He is responsible for strategic asset allocation and strategic holdings. After completing a business degree, he started his career with Deutsche Bank in Frankfurt, then moving to the insurer AXA in Cologne. He joined Versicherungskammer's central managerial accounting department two decades ago.



**VERSICHERUNGSKAMMER IS A LIFE AND NON-LIFE INSURER BASED IN MUNICH. IT IS A KEY SHAREHOLDER OF INDUS HOLDING AG.**

# INDUS TICKER 2021

## Awards

The INDUS Group was overjoyed to once again receive a number of awards in 2021:

- **HAUFF-TECHNIK** awarded "Germany's Best Training Company 2021" by Deutschland Test.
- **SCHUSTER Klima Lüftung** named "Training Company 2021" by IHK (German Chamber of Commerce and Industry) and HWK Schwaben (Swabian Chamber of Trade).
- **ASS** wins innovation award "Rheinland genial" with its newly developed micro-gripping system in July 2021.
- **SIMON Group** among "Top 100" most innovative German companies in 2021.
- **HAKAMA** receives award from "act Cleantech" Swiss Agency for Energy Efficiency and Climate Protection.
- **REMKO** wins third place in the category "Ventilation/Air conditioning" at the Best of SHK Award 2021 for its new rooftop unit with special filter.
- Benjamin Anschutz, apprentice at **BILSTEIN & SIEKERMANN**, comes in second in the best apprentices of graduation year 2021 in the Chamber of Commerce and Industry for the region Trier. **BILSTEIN & SIEKERMANN** also named a Rhineland-Palatinate Hidden Champion by the University of Trier.

## Anniversaries

- **JST** in Buxtehude celebrates its 20-year anniversary in 2021.
- **MBN** and **ELTHERM** celebrate their companies' 30-year anniversaries.
- **MIKROP** and **BETEK** celebrate 40 years of side-by-side work with their customers.
- **GSR** celebrates 50 years in the valve technology industry.
- Established in 1901, **SCHÄFER** celebrates its 120th anniversary in 2021.

## Acquisitions

INDUS and its portfolio companies again strengthened by acquisitions this year:

- INDUS acquires **WIRUS Fenster GmbH & Co. KG** in May 2021. The company, based in Rietberg-Mastholte, is a full-service provider for high-quality windows and doors and manufactures around 125,000 windows and 10,000 exterior doors each year.
- **HORNGROUP** acquires 80% of the shares in **FLACO Geräte GmbH**, a fluid-systems specialist, in July.
- In December, INDUS signs the purchase agreement to acquire **Heiber + Schröder Maschinenbau GmbH**, a specialist for packaging machinery. The **HEIBER + SCHRÖDER** Group covers the value chain from machine development through to service, and supplies end consumers throughout the world.

## Annual Shareholders' Meeting

Due to the ongoing coronavirus pandemic, INDUS' 30th Annual Shareholders' Meeting is again held as a virtual event. INDUS streams its Annual Shareholders' Meeting from the well-known rooms of Koelnmesse's Congress Center Nord on May 26, 2021.

## Sustainability

At the end of July, INDUS publishes its first sustainability magazine. **SUSTA[IN]** reports on exciting sustainability projects from throughout the INDUS Group.



Scan the QR code or click on this text to go to our **SUSTA[IN]** sustainability magazine.



## IMPRINT

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