

# [ INDUS ]

Press Release

## **INDUS sharpens its strategy and focuses on its strengths**

- **Focus on industrial engineering with clear technology priorities**
- **Reorganization into three core segments: Infrastructure, Materials and Engineering**

**Bergisch Gladbach, 15 December 2022** – INDUS Holding AG is sharpening its strategy and focusing its portfolio on growth topics in industrial technology. As of 1 January 2023, the INDUS Group will reposition itself with three segments, namely Infrastructure, Materials and Engineering. Portfolio companies with good prospects will remain part of the new core segments. Loss-makers from the former Automotive Technology segment will be sold. The newly established segment management will focus the portfolio companies on growth topics and drive the profit and value oriented development of the segments.

“We are aggressively streamlining the portfolio and freeing up valuable resources for our further development”, says Dr. Johannes Schmidt, Chairman of the INDUS Group’s Board of Management. “2023 will be the year of a fresh start. We have adapted our ‘PARKOUR perform’ strategy to the prevailing conditions and thus paved the way for returning to the success of the years before 2020. This will be done on the basis of the broad technological expertise of our portfolio companies, which we will use consistently for the development of growth topics. We will thus seize the opportunities opened up by the current changes.”

While INDUS used to be primarily a broad-based financial investor, the company will now operate as a value-based holding company with clear technology priorities in succession solutions for SMEs. “We will expand our strength – diversification – where we are already good today, i.e. in highly specialized industrial technology and in attractive, innovative market niches,” says Dr. Johannes Schmidt. In its two to three acquisitions per year and in the development of the currently 47 portfolio companies, INDUS will focus on growth topics. These are derived from the megatrends of sustainability, digitalization, mobility and urbanization as well as demography and health.

## **A focused management team for more intensive support**

The Group’s management will also be repositioned and a segment management will be established. INDUS has reorganized the management structures, with each member of the Board of Management assuming responsibility for one core segment. Each of them will manage their portfolio companies as a specialist, pool and develop the technical expertise and the strategic orientation and secure earnings growth and value enhancement. The central function of the CFO will be decoupled from the management of the segments.



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Dr. Jörn Großmann will be responsible for the Infrastructure segment. The latter includes companies from the fields of construction and building technology, telecommunications infrastructure and air-conditioning technology. In 2021, the 14 portfolio companies in this segment generated sales of EUR 515 million. Growth topics include infrastructure networks, infrastructure buildings but also technology for increased energy efficiency.

In addition to his role as CEO, Dr. Johannes Schmidt will lead the Materials segment. In 2021, the 14 portfolio companies generated EUR 586 million in sales. The segment brings together companies with high expertise in the processing of materials. This includes metals forming and machining, metals production for carbide metals and blasting agents but also medical consumables and aids. Complementary growth topics in this segment are the circular economy and waste management as well as agriculture and food industries.

The Engineering segment will be led by Axel Meyer. Today, it pools 15 portfolio companies from the fields of automation and robotics, sensor technology, measurement and control engineering as well as specialized mechanical and equipment engineering. Sales of these companies amounted to around EUR 484 million in 2021. Going forward, growth will be driven not only by automation, sensors and measuring technology but also by energy technology and logistics.

### **Optimized portfolio with a focus on growth topics**

In the future, INDUS will focus on its core competence in industrial technology. With their high level of materials expertise for medical consumables and aids, the companies from the Medical Engineering and Life Science segment will now find a home in the Materials core segment.

The former Automotive Technology segment will also be dissolved. Companies specializing in air-conditioning and measurement technology will be assigned to the new Infrastructure and Engineering core segments; two portfolio companies with high expertise in metals will be shifted to the Materials core segment. INDUS aims to sell two companies that no longer fit in with the strategic positioning by the end of 2023. Until they are sold, they will temporarily be assigned to the Non-Core segment. "Our motto is 'buy, hold & develop', and this will also be true in the future," says Dr. Johannes Schmidt. "But we will act faster if we can no longer take care of the development ourselves."

With the strategic realignment and the adjustment of management structures, INDUS has its sights firmly set on the medium-term goals until 2025: a strong portfolio focusing on megatrends and growth topics, sales clearly in excess of EUR 2 billion and an EBIT margin of over 10%. Free cash flow will become an additional key control variable. Continuous dividend payments will remain the core of the strategy. To this end, the INDUS Group will continue to pursue a growth-oriented M&A strategy and support its portfolio companies in strengthening their innovation capacity and increasing their performance. Sustainable action is mandatory.



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“We are shaping the future together with the SME sector,” says Johannes Schmidt. “The new segments are characterized by an extraordinary level of expertise. Here we are specialists in technological competence and will effectively seize opportunities. In the future, it’s all about the dynamic development of our portfolio driven by growth topics. We promise the companies that join us that we will further develop them as technology and niche specialists. We will expand their scope of action and strengthen their network.”

### **About INDUS Holding AG:**

Established in 1989 and headquartered in Bergisch Gladbach, INDUS Holding AG is a leading specialist for sustainable corporate development in the German-speaking SME sector. As a value-oriented holding company with clear technology priorities, INDUS actively supports its currently 47 portfolio companies in their long-term development. INDUS acquires two to three highly specialized and future-proof industrial engineering companies in the Infrastructure, Materials and Engineering segments per year. Since 1995, INDUS Holding AG has been listed in the Prime Standard of the Frankfurt Stock Exchange (DE0006200108); in 2021, the Group generated sales of around 1.74 billion euros. For more information on INDUS, visit [www.indus.de](http://www.indus.de).