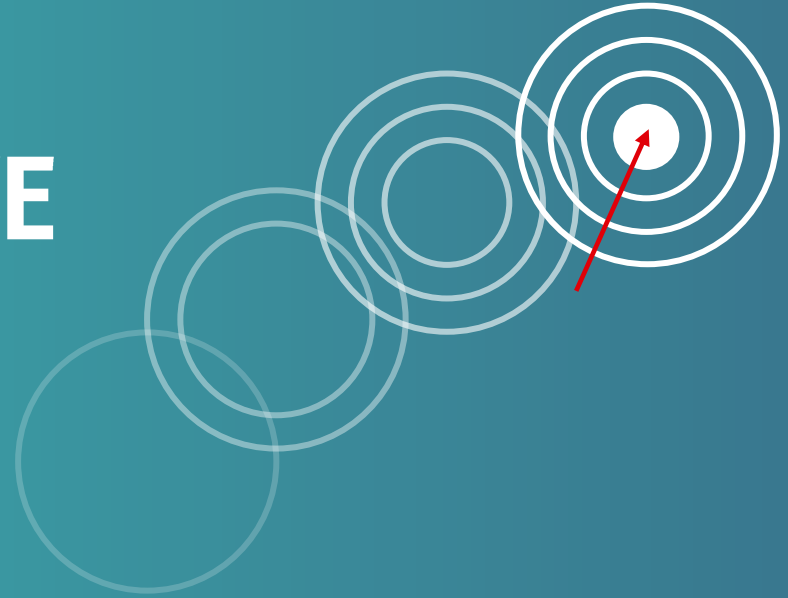


# STRATEGY UPDATE PARKOUR perform

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BERGISCH GLADBACH, DEC. 15, 2022

# STRATEGY UPDATE



# OVERVIEW

LOOKING TO 2025: WE'RE REFINING OUR STRATEGY

[INDUS]

## WE WILL...

- ... position ourselves as value oriented holding company with clearly defined technological focal points.
- ... focus on three promising core segments as a Group.
- ... free up valuable resources and management capacities for development.
- ... focus closely on future fields relevant to our industrial sectors in acquisitions and in the development of our portfolio companies.
- ... become more closely involved with our portfolio companies through our management and support their growth with our focus on revenue and value.
- ... amend our set of key performance indicators.
- ... remain the specialist for SME succession planning.



**STREAMLINING  
AND STARTING  
FRESH AT  
INDUS**

# PARKOUR becomes PARKOUR perform

FOCUS ON 2025 TARGET ACHIEVEMENT

[INDUS]



**1** STRENGTHENING  
THE PORTFOLIO  
STRUCTURE

**2** DRIVING  
INNOVATION

**3** IMPROVING  
PERFORMANCE

**4** STRIVING FOR  
SUSTAINABILITY

# PARKOUR perform – AN OVERVIEW

## THREE PRIMARY TARGETS

[INDUS]

### MORE FOCUS ON FUTURE FIELDS

#### Megatrends

- Aligning segments with relevant future fields
- Boosting sustainability focus

### SUPPORTING PORTFOLIO COMPANIES MORE CLOSELY

#### Segment management

- Segments managed by members of the Board of Management
- Closer leadership and support in aligning with our Group-revenue and value expectations
- Value-based management

### A CLEARLY STRUCTURED PORTFOLIO

#### Focus

- Clearing out of the current Automotive Technology segment
- Integration of Medical Engineering/Life Science into the new MATERIALS segment

# PARKOUR perform – TARGET ACHIEVEMENT IN SIX STEPS

FOCUS ON 2025 TARGET ACHIEVEMENT

[INDUS]



# CLEAR TECHNOLOGICAL FOCAL POINTS THROUGH NEW SEGMENTATION



# MEGATRENDS AND FUTURE FIELDS

## SET THE PATH

[INDUS]



### SUSTAINABILITY

Energy Efficiency · Energy Technology ·  
Recycling and Waste Management



### DIGITALIZATION

Infrastructure · Automation · Sensors  
and Measurement Technology · Logistics



### MOBILITY & URBANIZATION

Infrastructure (Networks and Buildings)



### DEMOGRAPHY & HEALTH

Medical Consumables and Aids ·  
Agricultural Engineering

# NEW SEGMENT STRUCTURE

WE WILL BECOME LEANER AND MORE FOCUSED

[INDUS]

- In the future, we will have three core segments with a clear focus on future fields derived from the megatrends of our time.
- We will drive development in our segments with our expert knowledge and through targeted acquisitions.
- We will focus on highly-specialized industrial technology in attractive niche markets.

INFRASTRUCTURE



MATERIALS



ENGINEERING



# NEW SEGMENT STRUCTURE

## INFRASTRUCTURE

[INDUS]

### INFRASTRUCTURE



#### MEGATRENDS

- Mobility and urbanization
- Digitalization
- Sustainability

#### FUTURE FIELDS

- Infrastructure networks
- Infrastructure buildings
- Energy efficiency

### THIS SEGMENT POOLS COMPANIES FROM THE FIELDS OF...

- Construction and building technology
- Telecommunications infrastructure
- Climate control technology



"In an increasingly connected world, we need specialists who are open to development and able to create reliable connections. We want these specialists in our portfolio and we want to help them growing."

Dr. Jörn Großmann  
Member of the Board of Management

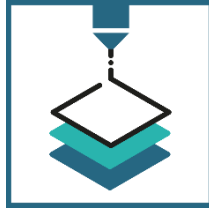


# NEW SEGMENT STRUCTURE

## MATERIALS

[INDUS]

### MATERIALS



#### MEGATRENDS

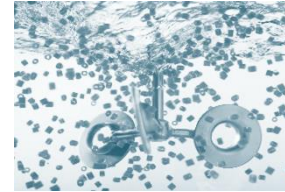
- Sustainability
- Mobility and urbanization
- Demographics and health

#### FUTURE FIELDS

- Metals and metal processing
- Circular economy and waste management
- Agriculture and food industries

### THIS SEGMENT POOLS COMPANIES FROM THE FIELDS OF...

- Metal forming and processing
- Metal creation (carbides and blasting agents)
- Medical consumables and aids



"In addition to technologies, innovative materials in particular open up new opportunities in various sectors. These companies are in the right hands with us."

Dr. Johannes Schmidt  
Chairman of the Board of Management

# NEW SEGMENT STRUCTURE

## ENGINEERING

[INDUS]

### ENGINEERING



#### MEGATRENDS

- Digitalization
- Sustainability

#### FUTURE FIELDS

- Automation and robotics
- Sensors and measuring technology
- Energy technology
- Logistics

### THIS SEGMENT POOLS COMPANIES FROM THE FIELDS OF...

- Automation / robotics
- Sensors and measuring technology
- Specialized machinery and equipment (energy, food and packaging technology)



"With our unique expertise, we are able to take full advantage of the boost that digitalization is giving to the very heart of the industrial SME sector. And every company becoming a part of INDUS benefits from this."

Axel Meyer  
Member of the Board of Management



# MEDICAL ENGINEERING / LIFE SCIENCE NO LONGER STRATEGIC ACTIVITY

FOCUS CREATES FLEXIBILITY

[INDUS]

## MEDICAL ENGINEERING/ LIFE SCIENCE

will not be continued as an  
independent strategic activity

The companies currently assigned to the Medical Engineering / Life Science segment will remain valuable members of our portfolio. With their high level of expertise in Medical consumables and aids, they will find a perfect new home in the MATERIALS segment.

## MATERIALS



# AUTOMOTIVE TECHNOLOGY WILL BE DISSOLVED

DECISION TO CLEAR OUT SEGMENT CREATES MORE ROOM TO MANEUVER

## AUTOMOTIVE TECHNOLOGY

Segment will be dissolved

- We will be divesting companies that have been loss-making during the last years
- Segment companies focused on the future fields of climate, metal processing and measuring technology will be assigned to one of three new segments

### INFRASTRUCTURE

**AURORA**  
/ Pioneering Your Connect

### MATERIALS

**BILSTEIN  
SIEKERMANN**

**SITEK**

### ENGINEERING

**IPETRONIK**

## NON-CORE

Interim solution

- We will divest certain companies in the Automotive Technology segment within one year
- As of today, these include

**SELZER**

**SCHÄFER**

# NEW SEGMENT STRUCTURE

## ALLOCATING THE PORTFOLIO COMPANIES TO THREE NEW SEGMENTS

[INDUS]




**INFRASTRUCTURE**  
14 portfolio companies

Sales:	EUR 515 million
EBIT:	EUR 66 million
EBIT margin:	12.8%



**MATERIALS**  
14 portfolio companies

Sales:	EUR 586 million
EBIT:	EUR 58 million
EBIT margin:	9.9%



**ENGINEERING**  
15 portfolio companies

Sales:	EUR 484 million
EBIT:	EUR 53 million
EBIT margin:	11.0%

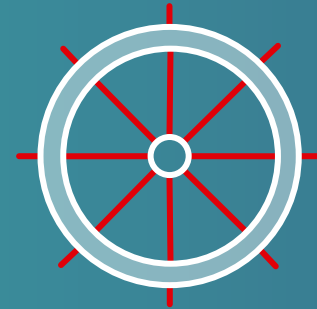



Sales and EBIT FY 2021

\* SITEK merges with BETEK

\*\* KÖCO becomes subsidiary of PEISELER

**NEW SEGMENT  
MANAGEMENT STRUCTURE  
FOCUSING ON FUTURE  
FIELDS LEADS TO  
PROFITABLE DEVELOPMENT**



# NEW SEGMENT MANAGEMENT

[INDUS]

WE WILL BOOST OUR STRENGTHS USING CLEARLY DEFINED AREAS OF RESPONSIBILITY

## Focused segment development

- We consider the portfolio companies in our segments to be the valuable core of our growth. Their expertise in future fields is the ideal foundation for the expansion of the portfolio to include new, high-margin companies in these areas.

## Fixed assignment of segments to members of the Board of Management

- Each of the three segments becomes the specific responsibility of an individual member of the Board of Management. As specialist he is responsible for the portfolio companies in the segment, he develops their strategic positioning and he safeguards profitability and value enhancement.



## OF COURSE, WE WILL ALSO CONTINUE TO ...

- ✓ ... Update the M&A strategy to address future fields
- ✓ ... Finance the development of our portfolio companies
- ✓ ... Drive innovation – both for products and processes
- ✓ ... Improve performance by ensuring operational and market excellence
- ✓ ... Strive for sustainability

# NEW SEGMENT MANAGEMENT AT A GLANCE

DOUBLE ASSIGNMENT WILL BE RESOLVED

[INDUS]



## SEGMENT MANAGEMENT

COO INFRASTRUCTURE

COO MATERIALS

COO ENGINEERING

Driving innovation  
Striving for sustainability

Improving performance

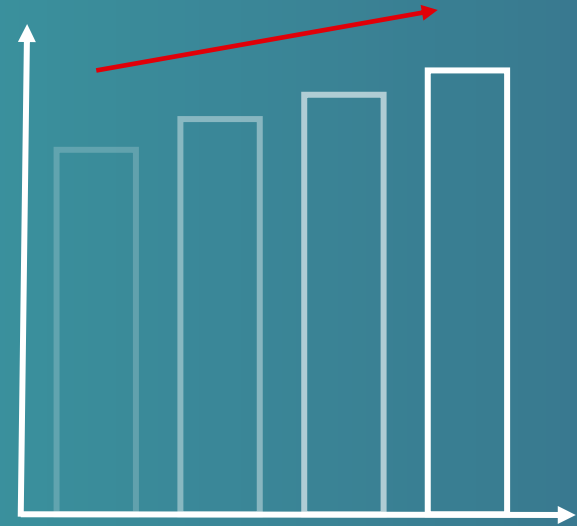
## CENTRAL FUNCTIONS

CEO

CFO

NON-CORE

# PROFITABLE GROWTH BASED ON FINANCING



# INTRODUCTION OF ADDITIONAL KEY PERFORMANCE INDICATOR

[INDUS]

## FREE CASH FLOW

### OPERATING CASH FLOW

- Cash outflow from investments in property, plant and equipment and intangible assets

- Cash outflow for investments in financial investments and shares measured according to the equity method

= **FREE CASH FLOW**

- Introduction of free cash flow as an additional key performance indicator improves transparency regarding the funds freely available to the Group
- Free cash flow creates the flexibility to:
  - > acquire high-margin companies that align with the future fields of our new segments,
  - > make dividend payments,
  - > reduce net debt.

# FREE CASH FLOW CREATES ROOM FOR ACQUISITIONS

AVERAGE OF EUR 50 MILLION TO EUR 60 MILLION FOR ACQUISITIONS

- Acquisitions in the future fields relevant to our industrial sectors
- Focus on highly specialized industrial technology in attractive market niches
- Acquisitions both at portfolio level and as add-on investments for existing portfolio companies
- Clear positioning as the perfect home for SMEs active in predefined future fields

## INFRASTRUCTURE

Future fields

- Infrastructure networks
- Infrastructure buildings
- Energy efficiency

## MATERIALS

Future fields

- Metals and metal processing
- Circular economy and waste management
- Agriculture and food industries

## ENGINEERING

Future fields

- Automation and robotics
- Sensors and measuring technology
- Energy technology
- Logistics

# INDUS SHARE CONTINUES TO PAY DIVIDENDS

## LONG-TERM DIVIDEND POLICY

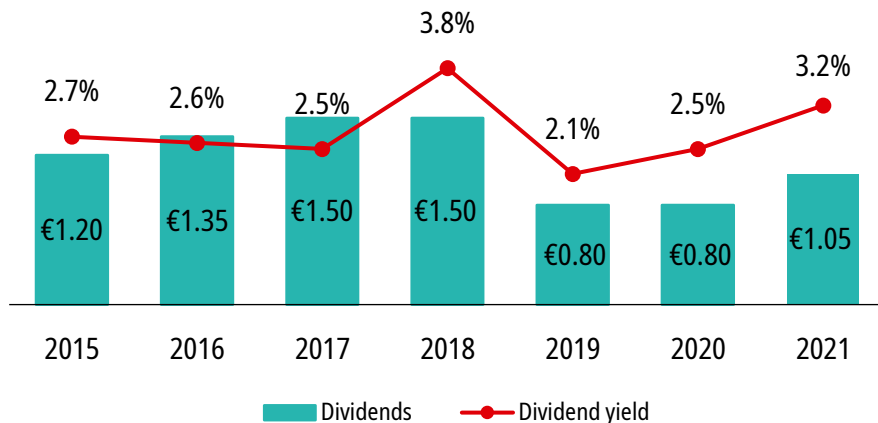
[INDUS]

- Regular dividend payments are part of INDUS' DNA.  
And this will not change in the future.

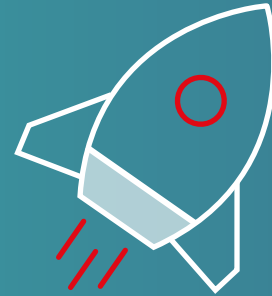
Regular participation of shareholders in business success

At least 50% of profits retained to strengthen the company

Up to 50% of profits distributed



**WE ARE SHAPING  
THE FUTURE  
WITH SMEs**



# THE INDUS CORE

THE HOME OF TECHNOLOGY-ORIENTED INDUSTRIAL SMEs

[INDUS]

- We promise our portfolio companies and those who want to join our Group that we will support them to grow as technology and niche specialists.
- We will expand their sphere of action and strengthen their networks.
- We will support internationalization activities wherever useful.
- We are agile in challenging market environments and have the capacity to face the challenges of changing global conditions.
- “Buy, hold & develop” remains the core of the INDUS value chain.



**WE ARE  
SHAPING THE  
FUTURE  
WITH SMEs**