

Callista Private Equity GmbH

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Company Presentation

## Management Summary

### Investment Focus

<b>Majority stakes</b>	Callista Private Equity focuses on the acquisition of <b>majority stakes</b> in companies, business units or non-core group assets facing special situations.
<b>Size &amp; region</b>	We are targeting companies with sales between <b>EUR 10.0m and EUR 200.0m</b> , whereas our sweet spot lies between EUR 30.0m and EUR 80.0m. Our regional focus is Europe and the United States.
<b>Underperforming business</b>	Callista Private Equity focuses on <b>distressed</b> companies or business units, typically loss-making or otherwise in special situation like <b>underperforming</b> subsidiaries or non-core group assets with <b>negative to slightly positive EBIT-margin</b> acting in a difficult market environment.
<b>Carve-out</b>	Furthermore our focus encompasses complex <b>carve-out situations</b> , in which we see a high upside potential when operating on a standalone basis focusing on the carve-out and restructuring process, targeting sustainably improving profitability via a repositioning or increased focus on new growth perspectives.
<b>Operational upside</b>	We target companies that are <b>undermanaged</b> or show a significant <b>upside</b> in another way.
<b>Transformation into stand-alone business</b>	Our success is based on adding value through improving operational and financial structures and implementing a consequent focus on sustainable growth of mismanaged companies on a <b>stand-alone</b> basis.

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## Management Summary

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### Sector Focus

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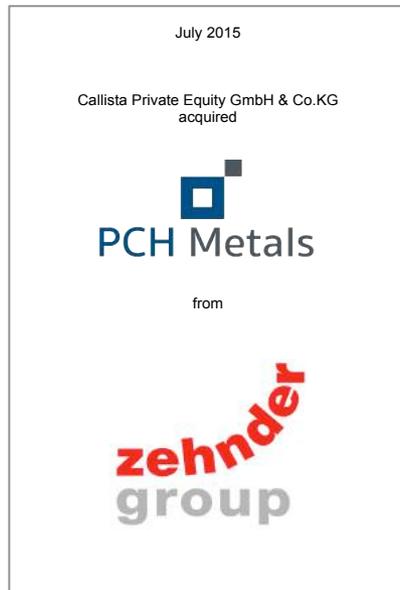


We are largely **industry** agnostic. However, we exclude insolvency cases and do not consider capital or research intensive sectors like real estate, pharmaceuticals and biotech.

## Transactions

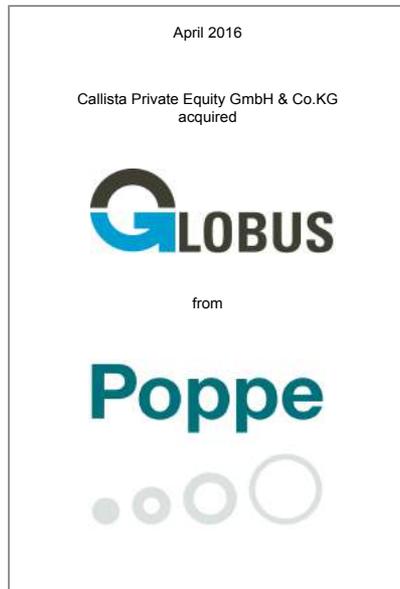
<p>January 2014</p> <p>Callista Private Equity GmbH &amp; Co.KG acquired</p> <p>MSD Holding GmbH</p>  <p>REEDEREI PETER DEILMANN www.deilmann.de</p> <p>from</p> <p>Aurelius AG</p>  <p>AURELIUS</p>	<p>April 2014</p> <p>Callista Private Equity GmbH &amp; Co.KG acquired</p>  <p>from</p>  <p>Georgsmarienhütte GmbH · seit 1856 · Edelstahl</p>	<p>July 2014</p> <p>Callista Private Equity GmbH &amp; Co.KG has sold</p>  <p>to</p>  <p>EUROTECH aluminiumcastings.nl</p>	<p>February 2015</p> <p>Callista Private Equity GmbH &amp; Co.KG acquired</p>  <p>from</p> <p>an</p> <p>entrepreneurial family</p>	<p>July 2015</p> <p>Callista Private Equity GmbH &amp; Co.KG acquired</p>  <p>from</p>  <p>zehnder group</p>
<p>March 2016</p> <p>Callista Private Equity GmbH &amp; Co.KG has sold</p>  <p>to</p> <p>a</p> <p>Private Investor</p>	<p>April 2016</p> <p>Callista Private Equity GmbH &amp; Co.KG acquired</p>  <p>from</p>  <p>Poppe</p> 	<p>June 2016</p> <p>Callista Holdings GmbH &amp; Co.KG acquired</p>  <p>from</p>  <p>RHI</p>		

## Portfolio – PCH Metals



- Callista acquired the **French company PCH Metals S.A.S. in July 2015**. PCH was declared as a non-core business by its former owner **Zehnder Group**, a Switzerland based multinational.
- At the date of the acquisition, PCH was a **highly loss making and deeply integrated** part of the seller's group structures. The company was only a production plant with significant over-capacities generating losses since 2008.
- PCH is a **manufacturer of sheet metals** with a focus on radiators and ventilation systems. The company reached a **revenue level of EUR 8.0m in 2016** with a headcount of approx. **100 FTEs**.
- Within the first months post transaction, Callista **carved out** PCH from the group and **implemented new departments**, such as sales and finance in order to trim the unit to a **stand-alone** basis. **The carve-out was concluded by April 2016**.
- **After the carve-out**, the former shareholder Zehnder remained the largest customer. PCH has managed to **increase the revenue** with other customers **from < 1%** at date of acquisition **to approx. 20%** currently. Further acquisition of third party customers will allow the **financial turnaround by the end of 2018**.

## Portfolio – Globus Gummiwerke

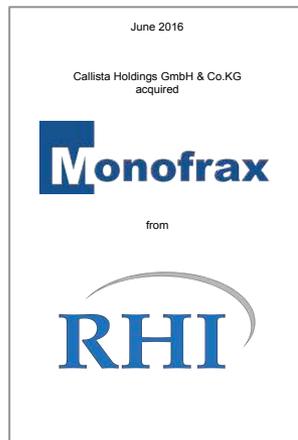


- Callista acquired the **German company Globus Gummiwerke GmbH**, formerly Poppe Ahrensboeck, **in March 2016**. Globus Gummiwerke was declared as non-core by its former owner **Poppe-Veritas Group**, an international corporation based in Germany.
- At the date of the acquisition, Globus Gummiwerke was **integrated into Veritas AG's and Poppe GmbH's group structures**, which were the main suppliers of Poppe and covered R&D, Finance, Sales and Management.
- Globus Gummiwerke **produces elastomer products**, like gaskets and sealings mainly for the **aerosole and automotive industry**. The company generated **revenues** of approx. **EUR 29.0m** with **260 FTEs in 2016**.
- Callista has managed the **carve-out** from the former shareholder and implemented measures such as business development, replacement of former shared services, installation of a dedicated own sales force and strong process improvement in order to guide the unit to **sustainable profitability** on a **stand-alone basis**.
- **The carve-out was concluded by February 2017**. Customer relationships have been strengthened, revenues have been stabilized and **new potentials are identified and implemented into growth strategy**.

## Case Study – Monofrax

### The Situation

Callista acquired **Monofrax LLC, an American company** located in Falconer, NY in **June 2016**. Monofrax was owned by **RHI AG**, a globally operating supplier of refractory products, systems and services, based in Austria, which declared the target as a non-core activity.



Monofrax is the only fused-cast refractory supplier that is **truly independent**, not belonging to a glass manufacturer. Monofrax represents high quality, reliability, premium customer service, process innovation and performance.

**June 2016**



Monofrax was closely linked to other RHI group companies for various functions and strongly **embedded into RHI's group structure**. The company was in a **distressed situation** resulting from a limited scope of action and group orders with negative margins. Furthermore, Monofrax suffered through high market pressure. The company reached a **revenue** level of about **USD 31.0m in 2016**.



Our investment thesis of the transaction was that a **turnaround at Monofrax** can be achieved by re-gaining its independency and an accompanying growth of sales and personnel.

## Case Study – Monofrax

### The Carve-Out

The **carve-out program** started right after acquisition in June 2016 and addressed the following components:

- **Strategy** – focus on customers / market orientation
- **Management** – new setup of key management, focus on entrepreneurial thinking & decision making processes apart from the group
- **IT system** – migration of integrated ERP system from RHI group's SAP solution to more suitable AS400
- **Sales** – establishment of sales department and sales reps, entry into new markets (e.g. steel)
- **Marketing** – setup of new Corporate Identity & Corporate Design, logo, name apart from RHI
- **Finance & Accounting** – establishment of new department, reporting and cash management
- **Insurances** – completely new and independent policies
- **HR** – complete new setup of agreements



Callista achieved the carve-out measures in order to allow local management concentrating on daily business.



All major operational carve-out measures were finalized within the first **three months post acquisition**, even the IT carve-out was completed after one additional month by October 2016.

## Case Study – Monofrax

### Post Carve-Out

- Monofrax was established as an **independent market player** with proprietary network of sales & distribution partners and re-gained its financial independency through the carve-out from the group
- Monofrax has re-focused on its strengths: products and customer orientation
- The organization is renewed and almost complete, further extension of sales network to promote global distribution is planned



- Customer relationships have been (re-)established, and new clients have been identified, whereas former clients were regained
- New pricing, according to available capabilities established
- Order book well-stocked at existing product mix
- The Headcount is growing due to increasing revenues
- Monofrax is generating profits on self acquired orders already achieved in 2016 and is on track for 2017
- Growth path will be followed further, capacities of production plant are optimized with higher occupancy
- Product mix adaption for better utilization of production capacities with existing equipment will be addressed soon

## Case Study – MWK

### The Situation

Callista Private Equity acquired the aluminum foundry business of Georgsmarienhütte in April 2014, two plants in Southern Germany with a total annual revenue of approx. EUR 60.0m.



April  
2014



The majority of customers are European automotive OEMs in the prime manufacturer segment. The foundries are handling small to medium batch sizes of rather complex designs.



The aluminum foundries – named MWK - are specialized in die casting - LPDC and gravity – as well as sand casting with automated molding lines.

## Case Study – MWK

### Our Approach

Callista immediately executed the carve out from Georgsmarienhütte and setup the foundries as independent stand-alone companies.



The major projects were the IT carve out and system migration, separation of entities and personnel, operational performance, setting up a proper sales and product strategy for both foundries.

### Divestment

A graphic announcement for Eurotech Group's acquisition of MWK. The graphic is framed in blue and contains the following text and logos:

- Eurotech Group** (with a red semi-circle logo)
- übernimmt die Anteile der
- MW** (with 'Schwäbisch Grund GmbH' below it)
- Verkäuferin
- CALLISTA** PRIVATE EQUITY
- Anwalt Käuferin
- ALPMANN FRÖLICH** (in a dark blue box)
- Anwalt Verkäuferin
- corelegal**
- EUROTECH** group (with a red semi-circle logo)
- Juli 2014

Callista has successfully restructured the aluminum foundries, increased sales within new strategy setup and among several initiatives sold off the sand casting business to a European leader in this segment.

**Exit**

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## Our Team

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**Olaf Meier**  
Chief Executive Officer

- Chief Financial Officer of intl. Private Equity firm
- 17 years of relevant experience in management functions
- Leading role in restructuring team of software company
- Lawyer and owner of German law firm focusing on business law



**Marc Zube**  
Chief Operations Officer

- CEO / COO / CIO roles at ITC, SW, Services companies (>10 y experience in Europe & US)
- 12 years of relevant experience in intl. management consulting
- Responsible manager for several restructuring and PMI projects



**Martin Scheiblegger**  
Investment Manager

- University Munich, intl. management and law with focus on M&A, LL.M.
- Experienced Business Analyst
- Financial modeling and business valuation
- Investment research
- Deal structuring



**Christopher Irion**  
Investment Associate

- Fresenius University of Applied Sciences Munich, Berkeley College NYC and Pace University NYC (Finance & Leadership)
- Financial modeling and business valuation
- Investment research
- Deal structuring

## Our Team

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**Anastasiia Zinchuk**  
**Business Analyst**

- Academy for Fashion & Design Munich and Business Administration at Ludwigs-Maximilians University Munich
- Financial modeling and business valuation
- Investment research
- Deal structuring



**Aleksandar Popov**  
**Finance & Administration**

- Finance
- Administration
- Office-Management



**Susanna Rosenberg**  
**Accountant**

- Bookkeeping & Accounting
- Finance
- Administration

## Contact Details

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**Thank you very much for your interest in Callista Private Equity.**

### **Contact information**

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