

Review 2019



BORROMIN

The experience
of our employees
and the trusting
cooperation with
our business
partners are the
basis of our joint
success.



Review 2019

Private Equity ends decade on high note

Since the financial crisis, the investment industry has been going from strength to strength. More than 3,900 private equity funds worldwide currently manage a record \$3.9 trillion. Fueled by the low interest rate policy of the central banks, the private equity industry finished the decade with another record year.

2019 was also a very successful year for us. We closed our fourth fund at the hard cap of €300 million, winning some highly regarded new investors. Fund IV acquired five new holdings investing €110 million. One of Fund III's investments was sold which allowed us to return further cash to our investors such that the fund now stands at 2.5x invested capital with two further investments remaining to be sold.

In addition we strengthened our investment team with four new committed employees and rebranded from Steadfast Capital to Borromin.

Despite economic pressure leading to market uncertainty, we are confident that we will continue to find attractive investment opportunities, to develop them sustainably and profitably and to generate attractive returns for our investors.

There's a lot to do, let's do it together!

Best wishes,

Nick Money-Kyrle, Marco Bernecker and James Homer





New fund

Borromin Capital Fund IV:
final closing at €300 million

Borromin Capital Fund IV SCS, SICAV-RAIF (Fund IV) successfully completed its fundraising to its hard cap of €300 million at the beginning of 2019. In addition to the continued support of long-term investors, we are very pleased to have been able to attract some highly renowned institutions as new investors. Since its launch, five new investments with a total volume of €110 million have already been made by the Borromin team. Each acquisition represented a succession solution for a family business.

Fund IV continues the proven buy-and-build investment strategy of our preceding funds, targeting majority stakes in highly successful and profitable companies in German-speaking Europe and the Benelux countries, typically valued between €20–150 million.

New name, same ambitions

Steadfast becomes Borromin

With effect from January 2020, Steadfast Capital has changed its name to Borromin. The name change became necessary due to the international expansion of our business activities, in the course of which there has been increased confusion with companies or groups of companies with similar names. In order to avoid such confusion in the future, we decided to rebrand the business.

While the name is new, our ambitions remain unchanged, as does the company logo. The name Borromin is derived from the Borromean rings, which form our logo and symbolise strength through unity. At Borromin, these three rings represent the three principal parties involved in a transaction: the vendor, the

management and the investor. And our experience shows the greater the overlap of interests, the more successful the project is likely to be for everyone involved.

Even with a new name, Borromin remains an independent private equity investor focusing on profitable medium-sized companies in German-speaking Europe and the Benelux countries. Our funds invest in carefully selected, often family-owned businesses, providing equity for succession issues and management buy-outs as well as capital for growth opportunities. Since its foundation in 2001, Borromin has followed a successful, value-oriented strategy of profitably developing companies in various industries.





'Over the years KEMPF has successfully positioned itself as a leading market player in the innovative commercial vehicle segment in Europe. We are convinced that the company has excellent growth opportunities in the future, both organically and through acquisitions.'



Nick Money-Kyrle,
Managing partner

New transaction

KEMPF Group

A specialist manufacturer of customised lorry semi-trailers with tilt mechanisms

Founded in 1950 by Walter Kempf, KEMPF is a leading manufacturer of customised lorry semi-trailers with tilt mechanisms. KEMPF trailers are used for special applications in construction, agriculture and special logistics. The company supports its customers with tailor-made solutions for a wide range of transport requirements such as dump trucks and trailers, tipping semi-trailers, beverage semi-trailers, sliding floor systems and a large number of special vehicles. The ability to think and act in a market-oriented way, the extensive know-how and the development of intelligent vehicle concepts have made KEMPF a leading supplier, not only in Germany but throughout Europe.

To support its further international expansion, Borromin Capital Fund IV SCS, SICAV-RAIF acquired a majority stake in KEMPF Group in February 2019. The transaction comprised KEMPF Holding, based in Bad Marienberg, Germany (with a plant in Poland), and KEMPF Reparatur, based in Nisterau, Germany.

Value creation

- Implementation of an advisory board including industry experts
- Strengthening the management team and corporate governance
- Development of new innovative products
- Entry into new markets
- Continuing internationalisation

New transaction

Koop Group

A European provider of dewatering solutions and groundwater treatment services

Koop Watermanagement, founded in 1969, is one of the leading providers of dewatering solutions and groundwater treatment services in Europe. With its own branch network, the company focuses on regional infrastructure projects in Germany and the Netherlands, and selectively carries out larger projects throughout Europe. As part of the group's future related services, Ko-Mats, established in 2012, provides crane and excavator mats used to stabilise heavy construction equipment in various end markets. With a total of 140 employees at six locations (three in Germany and three in the Netherlands) and due to its comprehensive market experience, along with outstanding products, services and process know-how, Koop is considered one of the technical market leaders in Europe for high-quality and tailor-made dewatering solutions for a broad and international customer base, e.g. in the energy industry and public infrastructure.

As part of a management buy-out, Borromin Capital Fund IV SCS, SICAV-RAIF acquired a stake in the Koop Group in August 2019. The transaction comprises Koop Watermanagement Holding BV, headquartered in Gildehaus, Germany, as well as the Ko-Mats Group with its subsidiaries in Germany and the Netherlands.

Value creation

- Geographic expansion of the group's branch network (focus on the Netherlands and Germany)
- Add-on acquisitions
- Implementation of a group structure



'Koop has shown an impressive development over the past few years. With its operational excellence and strong increase in energy and infrastructure programmes, Koop is well positioned in the market for dewatering and groundwater treatment services and poised to take advantage of numerous areas of growth.'



Marco Bernecker,
Managing partner



'We look forward to working with an excellent entrepreneur and his management team to support the successful expansion of the group. Given its focused product range in various end markets as well as its operational excellence and state-of-the-art production processes, we are convinced that BUK will show excellent growth in the future.'



Marco Bernecker,
Managing partner

New transaction

BUK Group

A niche manufacturer of high-precision injection moulding parts

Originally founded in 1985 and taken over in 1996 by Thorsten Ulbrich, BUK specialises in the manufacturing of sophisticated technical plastic parts using state-of-the-art injection moulding machines. The product portfolio ranges from high-precision individual plastic parts for small electrical appliances such as grinding tools to complex assemblies for high-pressure pumps and ventilation/cooling devices. BUK supports its customers throughout the entire production cycle, starting with joint R&D activities, prototyping and pre-series up to series production using customised injection moulding tools and state-of-the-art production processes.

In July 2019, Borromin Capital Fund IV SCS, SICAV-RAIF acquired a majority stake in the BUK Group (BUK) in order to support the further expansion of its business activities. The transaction comprises BUK Kunststofftechnik GmbH and EMG GmbH, both based in Eppingen, Germany, UHB Kunststofftechnik GmbH, based in Bohmte, Germany, as well as the group's toolmaking department.

Value creation

- Expansion of management structures
- Increasing customer reach
- Expansion of product range
- Implementation of an advisory board including industry experts

New transaction

Söhnngen

Premium manufacturer and value-added supplier of premium products for wound care, first aid and emergency medicine

Founded in 1923 as a wholesaler of dressing materials for pharmacies, drugstores and medical supply stores, Söhnngen is a premium manufacturer and value-added supplier of premium products for wound care, first aid and emergency medicine. With a portfolio of more than 14,000 items, Söhnngen offers its customers both standardised and individual solutions. Comprehensive know-how, innovative product developments and its distinct market orientation have turned Söhnngen into a leading supplier of first aid and emergency medicine products throughout Europe.

To contribute to the further expansion of its business, Borromin Capital Fund IV SCS, SICAV-RAIF acquired a stake in Söhnngen in June 2019. Together with Udo Frankenfeld, CEO of Söhnngen, Borromin Capital will support the group's international growth as well as the ongoing strategic development of the company and its employees.

Value creation

- Development of further innovative customised products
- Strengthening digitalisation and online marketing
- Entry into new markets
- Furthering internationalisation
- Add-on acquisitions



'With its internationally recognised brands and premium products, Söhnngen is excellently positioned in the market for first aid and emergency medical products and is therefore perfectly suited to benefit from numerous areas of growth, especially through add-on acquisitions.'



Martin Franke,
Partner



New transaction

Wilvo Group

A key processor of high-complexity (sheet) metal products and provider of specialised industrial services

Originally founded in 1970 by A. Willems and J. Vosters, Wilvo has grown into a reputable supplier of precision sheet metal parts and lightweight component assembly, specialising in CNC machining, advanced welding and high-tech assembly. The company also provides cleaning and refurbishing services for engineering parts. The group has a strong focus on operational excellence and the highest quality based on the combination of a state-of-the-art and highly automated machine park and the craftsmanship of its employees. Its two clean rooms (1,000 m² in total) are among the largest in the Netherlands and are perfectly suited for cleaning large machines and components.

Borromin supported the management team of four in enabling the succession from the Vosters' family. Borromin Capital Fund IV SCS, SICAV-RAIF acquired a majority stake in Wilvo Group in May 2019.

'The management team under the leadership of Louis Vosters was highly convincing from the beginning. Operating independently and with a high degree of flexibility, the company will have excellent growth opportunities in the future, both organically and through acquisitions.'



James Homer,
Managing partner

Value creation

- Organic growth through existing customers
- Diversification through selective add-on acquisitions
- Implementation of an advisory board including industry experts

Food & Service Group

A regional food wholesale and logistics business

The company was founded in the 1960s as a family business with family members remaining involved in its management ever since. Headquartered in Mülheim an der Ruhr, Germany, Food & Service Group is a manufacturer of meat products (primarily sausages) and a wholesale distributor of products for the food industry. The company operates its own logistics fleet, specialising in just-in-time deliveries to small restaurants and wholesalers, mainly in North Rhine-Westphalia (NRW). The Food & Service Group offers a range of approximately 4,000 food and non-food products, including own and third-party brands as well as private labels. As part of the reorganisation of the shareholder structure, Borromin

Capital Fund III, LP, acquired a stake in Food & Service Group in June 2015. In close cooperation with the CEO, who remains a shareholder of the group, Borromin supported the group's regional expansion as well as the ongoing strategic and personnel development of the company.

Achievements during the investment period

During the investment period Borromin worked closely with the management of Food & Service Group and supported the following projects for the further development of the company:

- Expansion and professionalisation of management structures
- Regional expansion through the acquisition of local competitors
- Merging the companies into a group with the establishment of central functions (purchasing, finance and accounting, etc.)

In October 2019, the sale of Food & Service Group to a financial investor was successfully completed.

'We look back on four exciting and successful years with Food & Service Group, during which we worked closely with the group's management team to facilitate the family succession and to prepare the group for the next phase of strategic growth.'



Nick Money-Kyrle,
Managing partner



New employees

The Borromin success story is based on the expertise and experience of our team. Our goal is the sustainable and profitable development of businesses, and we are pursuing this goal with great passion.



Andreas Ulrich

Profile

Prior to joining Borromin, Andreas worked for five years in the M&A and Valuation department of a Big Four accounting firm in Frankfurt and Dusseldorf. His main focus was on transaction advisory, business valuation and financial modelling.

Andreas holds a Master of Science degree in Investment and Finance from the University of Strathclyde, Glasgow, and a Bachelor of Science degree in Economics and Business Administration from the Goethe University, Frankfurt.

Role at Borromin

Andreas joined Borromin in April 2019 where he is involved in transaction analysis and execution as well as portfolio advisory work.



Carl Pacher-Theinburg

Profile

Carl joined Borromin from a Big Four accounting firm where he worked in the Transaction Advisory and Assurance department in Frankfurt and Munich.

Carl holds a degree in Business Administration from the University St Gallen, Switzerland, and a master's in Accounting & Taxation from the University of Mannheim. He successfully passed the German tax advisor and auditor examination.

Role at Borromin

Carl joined Borromin in January 2019 where he is involved in the analysis and execution of transactions. He is also part of the advisory team of our portfolio holdings in Guntermann & Druck and Söhngen.

Dr Marc Schilling

Profile

Prior to joining Borromin, Marc spent more than seven years in the German M&A advisory business where he focused primarily on small and mid-market transactions. Marc started his career in 2011 as an M&A analyst at Commerzbank AG and most recently worked as vice president in the Mid-Market M&A department at Deutsche Bank. Throughout his career as an M&A advisor, Marc supported various buy and sell situations for corporate, family business and sponsor clients.

Marc holds a bachelor's degree in International Business Administration from the Munich Business School as well as a Master of Science degree in International Finance from the Westminster Business School in London. Furthermore, he holds a PhD and a Master of Arts degree in Applied Economics from the King Juan Carlos University in Madrid.

Role at Borromin Capital

Marc joined Borromin in January 2019 where he is involved in the analysis, structuring and execution of transactions. In addition, he is part of the advisory team of our portfolio holdings in Reutib and Koop.



Jan Späth

Profile

Jan has worked in the field of corporate transactions since 2008. Before joining Borromin, he worked as a project leader in the Leveraged Finance team at IKB where he successfully closed the financing of numerous private equity-based transactions. Prior to that, Jan was a partner in a debt advisory boutique and co-founder of an infrastructure debt fund. He started his career in the M&A and Valuation & Business Modelling departments of PWC and Ernst & Young.

Jan completed his banking training at Commerzbank AG. He holds a degree in Banking (Bankfachwirt) from the Frankfurt School of Finance and a diploma in Business Administration from the University of Bamberg, Germany, and the Moore School of Business, Columbia, USA.

Role at Borromin Capital

Jan joined Borromin in October 2019, becoming an integral part of the investment team. He is also responsible for the relationship with our financing partners and supports our new and existing portfolio assets in all financial matters.



Your team at Borromin

*'Every situation has a good solution,
if the people involved are good!'*



Ivonne Balmer



Nick Money-Kyrle



Jan Späth



Marco Bernecker



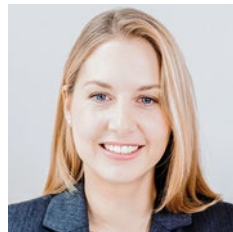
Daragh Queenan



Linda Stracke



Clemens Busch



Julia Remy



Viktor Strauch



Martin Franke



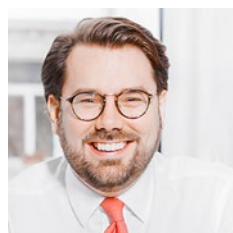
Janina Rehnert



Carl Pacher-Theinburg



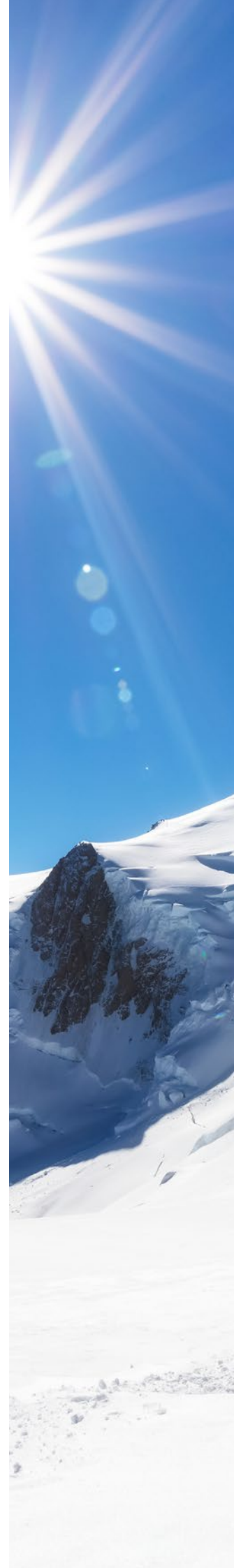
James Homer



Dr Marc Schilling



Andreas Ulrich





At the end of the day our main investment is in people!

About us

Borromin is an independent private equity investor focusing on medium-sized companies within German-speaking Europe and the Benelux countries. Funds advised by Borromin invest in mid-sized companies providing equity for succession issues and management buy-outs as well as capital for growth opportunities. Borromin was founded in 2001 and follows a successful, value-oriented strategy of investments in profitable companies in various industries.

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Borromin Capital Fund IV SCS, SICAV-RAIF benefits from the financial backing of the European Union under the European Fund for Strategic Investments ('EFSI') set up under the Investment Plan for Europe. The purpose of EFSI is to help support financing and implementing productive investments in the European Union and to ensure increased access to financing.



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