



InnoLas Solutions is setting benchmarks in laser technology with its high-precision materials processing in the micro-range, including flat components up to 1.4 m x 2 m.

## Creating sustainable values

*Globalization, digitalization, and all sorts of other megatrends seem to be spinning the world around faster and faster. Despite the speed and shorter business cycles, we must remember to make prudent plans for a sustainable future.*

*That is why this CGS Update features our foresighted Buy & Build strategy. For InnoLas Solutions, the course has been set towards a very promising future. And Maag demonstrates the long-term success that a careful strategy can achieve.*

*We are not the only ones who are convinced that solid Buy & Build strategies have long-term potential; our fourth fund has attracted impressive subscription volume. Details are on the last page.*

*I am pleased to provide this issue for your perusal.*



Dr. Rolf Lanz,  
Managing Partner

## >>> CGS BUY & BUILD

# EXPLOITING POTENTIAL



Jonas Bumbacher,  
Associate

**InnoLas Solutions must grow to realize its potential. The company's sales of about EUR 20 million are not yet large enough to stay on par in the long run with customers and large groups operating internationally. This was one of the reasons why Richard Grundmüller sold the majority to CGS in April 2018. The jointly developed Buy & Build strategy aims to ensure the company's competitiveness and prospects for success in the growth markets involved.**

InnoLas Solutions enjoys a reputation as an innovative partner with top-class technological expertise that provides a broad, flexible spectrum of products and expert advice. The machine manufacturer has proven its ability to anticipate market developments and offer its demanding clientèle attractive solutions early on.

Yet the company must grow and multiply its turnover to reach a critical mass in terms of international business. Accordingly, the Buy & Build strategy with targeted add-on investments will transform InnoLas Solutions into a solid and technologically leading industrial group doing business around the world.

## Acquisitions and innovation

The primary focus will be on acquisitions to expand business into new end markets and develop the company's service network, especially in Asia and the US. Further activities will be aimed at boosting innovation, continuously developing machine platforms, optimizing and enhancing the products program, and sharing current expertise with the electronics and semi-conductors divisions.

InnoLas Solutions produces highly reliable customized laser machines and processing systems for use in the photovoltaic, electronics, semiconductor, and precision engineering industries. The company has well-known, globally active customers in its core markets – Europe, the US, and Asia. Over 80 employees work at its headquarters in Krailling, Germany, as well as in the US and at several sites in Asia.



Richard Grundmüller, right, arranged his succession at an early stage: At the age of 53, he sold the majority of InnoLas Solutions to CGS and handed over daily management to Markus Nicht, left.

**Early succession**

“As a company owner, you need to start asking yourself at the latest when turning 50 what you really want to do with the company and with yourself,” advises 53-year-old Richard Grundmüller. By selling part of his company, he was at the same time also deciding to pass on the complete management of daily business

to his younger colleague Markus Nicht and to invest his energy into strategic issues and far-reaching technological matters. This handover was completed without a hitch. He is now working on the buyer instead of the seller side, supporting CGS in choosing and contacting suitable Buy & Build targets. ■  
*see [www.innolas-solutions.de](http://www.innolas-solutions.de) for more information*

>>> CGS BUY & BUILD

## MAAG – A SUCCESS STORY



Antonio Cives,  
 Managing Partner

**The success story started in April 2008 when CGS took over the German company Automatik Plastics Machinery, a spin-off of the Swiss Rieter Group. A targeted Buy & Build strategy was to turn the company into a strong group operating around the world. The most important step was the merger with Maag Pump Systems and the resulting Maag Group is now part of Dover, listed on the New York Stock Exchange.**

Automatik was a leader in pelletizing systems for the plastics industry but it lacked new locations around the world to get closer to its customers. Just after CGS’s takeover, this need was met: Automatik opened new production and service locations in China and the US as well as distribution and service centers in Malaysia,

Taiwan, and Brazil. Two years later, the Buy & Build strategy reached a major milestone in its implementation: the merger with Maag Pump Systems that led to the Maag Group. Thanks to the excellent match of the two companies’ product portfolios, the group gained an excellent reputation and a unique position in the global market of the plastics and extrusion industry with its customized system solutions.

CGS helped improve Maag’s operations in a number of ways. For example, it set up a worldwide sales organization, reoriented business units with a clear market focus, streamlined production centers, and accelerated product development.

After the companies were successfully integrated, CGS sought a strategic partner that could afford Maag Group the best possible environment for further growth. They hit the bull’s eye with Pump Solutions Group of Dover in 2012.

CGS and Ueli Thürig, CEO of Maag, met up again this past summer and took a look back at their time together.

*Mr. Thürig, how did you first hear of CGS?*

Mr. Lanz and Mr. Gloor had contacted me in 2009 because they were interested in Maag Pump Systems as an expansion for the construction of an industrial group. The vision at that point in time was to build a globally leading plastics manufacturing systems provider.

*What was the reasoning behind the decision of Maag Pump Systems to merge with Automatik?*

Maag Pump Systems' owners and I had also thought about a Buy & Build strategy. The idea here was to expand our product portfolio in the traditional markets – and we had already been looking at Automatik for a while, keeping it on our list of potential acquisitions.

*Did you consider other options at the time?*

Of course. But we concluded that merging with Automatik was a good solution for us and our customers and that it would generate the most added value for the shareholders, given that we both served the same customers and were a lot stronger on the market when together.

*Looking back, how would you assess the Buy & Build strategy?*

It was the best solution for us, offering the most added value for the company and for our customers. We continued to pursue the strategy after CGS's exit.



Ueli Thürig, 57, CEO of Maag, holds a diploma from the Swiss Technical College Winterthur and an Executive MBA from the University of St. Gallen (HSG).

*And did it deliver?*

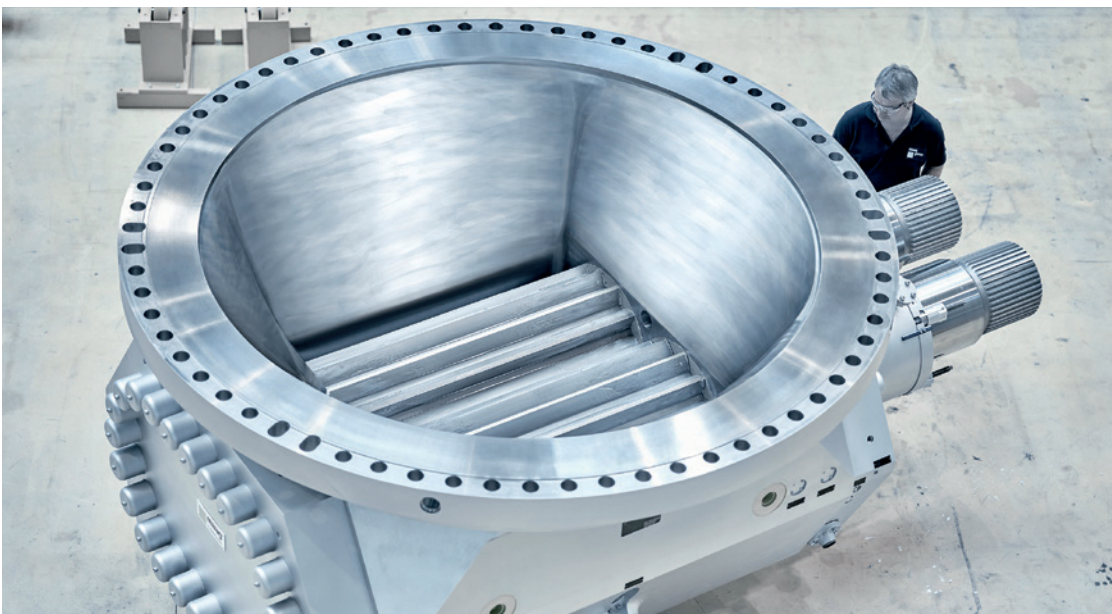
Yes. We even surpassed the expected growth rate thanks to the strategy.

*What were the highlights for you while working together with CGS?*

The best part was that as CEO, I had full control of the company and was allowed to successfully develop the business as its CEO and as an entrepreneur. It was certainly also exciting to gain deeper insight into the business model of financial investors.

*Were there problems too?*

Of course. The times during the financial crisis, 2009 and 2010, were challenging. And it was not always



Maag – a global leader in the manufacturing of gear pumps, pelletizing and filtration systems, and powder mills for high-performance applications in the plastics, chemicals, petrochemicals, pharmaceuticals, and foodstuffs industry.

CGS is an independent, experienced industry partner based in Pfäffikon, Switzerland. CGS is specialized in building medium-sized companies into international groups and expanding their business. Since 1999, CGS funds have been investing in platform companies in Europe's German-speaking countries and making add-on acquisitions worldwide.

pleasant talking to creditors, given the project-based nature of our business. Yet in the end, my team and I were able to learn a lot.

*What would you tell a company that is currently facing the same challenge that you tackled back then? What should it bear in mind?*

I think there are two essential factors. The strategy has to be the right one for the company and it should be clearly defined before cooperation with a partner starts. And do not forget about the people; good and open cooperation between the owners and the company's management is important for the company's success.

*CGS sold the participation to Dover in 2012. How has Maag developed since then?*

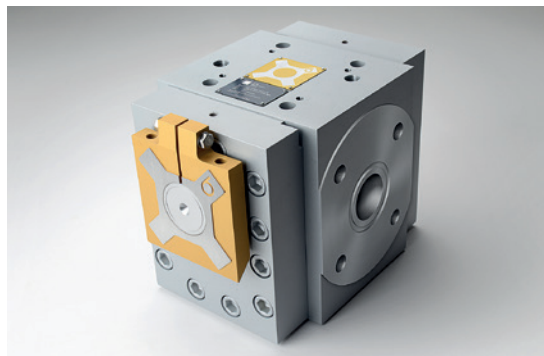
Very well. With Dover's support, we have been able to continue to grow, organically but also via acquisitions. Today, we lead our market segment with over 1,000 employees.

*What do you see as Maag's current challenges?*

Our projects are getting larger and larger and increasingly demanding, entailing greater technical and financial risks for our company. We need employees with the best training available to mitigate these risks. Unfortunately, it is hard to find them on today's job market.

*Where do you see Maag in the next five to ten years?*

Our vision is to continue growing profitably and to double our turnover in the next five years. ■  
see [www.maag.com](http://www.maag.com) for more information



Maag is a byword for high-quality products such as gear pumps for processing plastics and elastomer.

>>> CGS FUND

## FOURTH FUND SUCCESSFULLY SUBSCRIBED



Christoph Haller,  
Managing Partner

**The subscription period of CGS's fourth industrial investment fund (CGS IV) closed mid-2018 with capital commitments totaling CHF 240 million, the maximum amount allowed for contractually. This volume clearly achieves the subscription goals.**

Switzerland-based CGS Management AG acts as the exclusive advisor for all CGS industrial investment funds. Thanks to its fourth fund, the company now has additional capital to pursue its tried and true investment strategy. One-fourth of the capital committed to CGS IV has already been invested in three platform companies that form the core of internationally leading industrial groups in their areas.

### Tried and true strategy

CGS has been pursuing the same strategy consistently since the closing of its first fund in 1999: industrial Buy & Build with a special focus on inter-company integration and process optimization. The investments target small and medium-sized platform companies operating in Germany, Austria, and Switzerland in selected core areas in which CGS's partners have management experience.

### Capital for attractive projects

Ashley Le Feuvre, board member of the CGS IV managing general partner, is pleased to have witnessed such a successful subscription: "We are envisioning a great deal of attractive projects in line with our successful investment strategy. This new fund now brings us the capital needed to drive them forward together with the CGS team." ■



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