



R&S Group – components for reliable power transmission and distribution.

Selling your own company

Selling your own business is one of the most difficult decisions to be made. If no one within the family or company can take over, it is the only way to ensure the firm's future. This step takes time and much reflection. Udo Gröber gave CGS an inside look at his thinking when selling his company, from which the Muller Group has emerged.

Still powering ahead at full pace in its 100th business year – R&S is holding its ground in the challenging terrain of the electricity industry thanks to its expertise and power of innovation. And then there are two groups in the packaging industry that are quite a bit younger and equally promising: EoL has already successfully completed the first step towards internationalization and the freshly founded Hummingbird Converting Solutions is fully equipped for the future with its technological lead.

I am pleased to provide this issue for your perusal.



*Dr. Rolf Lanz,
Managing Partner*

>>> SUCCESSION

BEFORE SELLING



Thierry Biggoer,
Associate

Selling their own company is an incisive step in the lives of entrepreneurs. It requires much reflection and the consideration of many factors, as our talk with Udo Gröber demonstrates. He sold the majority stake of his company Muller to CGS in 2017. Muller has become the nucleus of today's Muller Group.

There are many, widely varying reasons that in the end convince entrepreneurs to sell their company and place it into new hands: no suitable successor, little experience in internationalization, no resources to deal with the increasing pressure to consolidate within the sector, a lack of technological expertise or financial strength for further growth... to name just a few. It is often a combination of factors.

Take your time

For Gröber, arranging for his succession early on was the occasion to start thinking about selling the company. This was joined by his desire to promote the company's global growth. His goal was to improve Muller's position on the international markets, not just with aftermarket services, but also with a complete infrastructure from sales to manufacturing and on-site customer service.

He wanted his succession to be free of time pressure, well organized, and taken care of during his fifties. Like most entrepreneurs in his situation, Gröber found it important to ensure the continuity of the company, for the well-being of its employees and customers yet also for its new partners.

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CGS' Buy & Build strategy is a two-stage succession solution for entrepreneurs, with the owners first securing a part of their company's success by selling it to CGS yet then staying involved through a re-investment. This allows them to benefit together with CGS from the company's further development.

CGS sees itself as a strategic sparring partner present during this process, contributing to the company its expertise in strategy, financing, and international acquisitions. The Buy & Build strategy is suitable for entrepreneurs who want to fully or partially withdraw from their company's operations within the coming ten years and for whom a family or internal succession is not possible.

In the right hands

It is one thing to be prepared to sell your company, but another to find the right partner or buyer who corresponds to what you envision. The search requires much energy and the decision needs considerable reflection. Various questions can arise depending on your preferences: Is the buyer going to contribute as I see fit? Will the buyer form a partnership of equals with me? Do they want to promote the company's development or just get everything they can out of it? Will I have to let go of the company completely or can I stay involved?

Gröber had high expectations of his future partner: investment and financial expertise, comprehensive specialist and sectoral knowledge, experience within the injection molding sector, understanding of processes in mold-making and automation, and the possibility to retain a stake in the company and remain involved in forming its future.

Track record and trust

Meeting the seller's expectations is a must, but not enough by itself. "My rock-solid trust in CGS was the most important factor in my decision. I had seen their Buy & Build concept successfully implemented with Schöttli, a similar company in the mold-making sector, and was convinced it would work for us," says Gröber, explaining his decision to go with CGS.

Gröber is very satisfied with his decision. He has found in CGS a partner on equal footing who appreciates his expertise and includes him in business operations. The company is developing brilliantly. His retrospective recipe for success? "Start the process early on so you can invest time in it. Put together a trusted team of fiduciaries, attorneys, and top managers to rally round your efforts. And the most important part: only sell when you are a hundred percent sure." ■

>>> BUY & BUILD

A HUNDRED POWERFUL YEARS



Timo Serke,
Analyst

A hundred years of reliable power transmission, a hundred years of expertise manufacturing products for energy technologies, and a hundred years of innovation. Very few companies can celebrate that kind of an anniversary. The R&S Group is one of them.

Wherever power is transmitted or distributed, the R&S Group's products are to be found. With its own subsidiaries in Europe and the Middle East and a global network of partners, the R&S Group produces and sells distribution and power transformers, high-voltage switching devices as well as selected products for railway electrification and high-current connectors.

Sales spanning the globe

Transformers are R&S' core business. They are manufactured in Switzerland, Italy, Poland, and the United

Arab Emirates and delivered to customers around the world. Examples of this solid success include Ferrari's new R&S-equipped technical building at its headquarters in Maranello with over 20 transformers and Amazon's choice of R&S to supply the transformers for its new logistics center in northern Italy. R&S recently received an order worth millions from Qatar for distribution transformers. Over the past 20 years, CERN has installed more than 200 R&S transformers in Switzerland.

Rauscher & Stoecklin: celebrating 100 years of success

On June 28, 2019, Rauscher & Stoecklin, the original company of the R&S Group, celebrated its 100th anniversary



R&S has been supplying transformers for CERN in Geneva for 20 years. Source: CERN

at its main factory in Sissach, Switzerland. Customers, partners and suppliers were invited to celebrate with the company and its employees. The popular “beer transformer”, interesting factory tours, and much more ensured visitors’ full satisfaction. Rauscher & Stoecklin experts explained the various steps involved in manufacturing a transformer, presented the switchgear hall, and recounted the company’s history from 1919 to the present.

Standstill is not in R&S’ vocabulary

Rauscher & Stoecklin’s 100 years of success spur the R&S Group to keep tackling new technical challenges and driving innovation forward in the future. As the last

remaining manufacturer of oil-cooled distribution transformers in Switzerland, Rauscher & Stoecklin is a world-renowned name.

And to keep it this way, R&S will provide a platform through which its customers can digitally access the technical documentation of any given transformer using the barcode on its nameplate. Later enhancements will enable customers to retrieve and store the transformer’s operational data in real time. This is just one example of how the R&S Group strives to stay always a step ahead of the pack. Because standstill is not in R&S’ vocabulary. ■

CGS laid the foundations for the R&S Group in 2012 when it took over Rauscher & Stoecklin AG in the Swiss town of Sissach and used the add-on acquisitions of SERW in the Czech Republic, ZREW in Poland, and Tesar in Italy and Poland to form an internationally successful group doing business in selected niche markets.

>>> BUY & BUILD

SYNERGIES IN SURFACES FINISHING



Marcel Rossmann,
Analyst

CGS has acquired two companies to lay the cornerstone for the Hummingbird Converting Solutions Group, a leading producer of printing machines designed for the decor and packaging industry. Thanks to its technological lead, the group is fully equipped for the future.

The market for decor and packaging printing is transforming and customer needs are changing. Smaller production volumes, faster time-to-market, and build-on-demand are the order of the day. These new demands cannot be met profitably with the conventional intaglio printing method.

CGS has laid the foundations for fully exploiting the potential of this market development by acquiring a majority stake in the German companies Rotodecor GmbH and PadaLuma Ink-Jet Solutions GmbH (Palis) and consolidating them to form Hummingbird Converting Solutions Group (HCS).

Ideal complementarity

Since its founding in 2003, Rotodecor has become a global market leader in the manufacturing of intaglio and varnishing machines and paper and film rotary die-cutters for decorative surfaces and packaging. Palis develops innovative digital printing machines for the same industries as Rotodecor.



Digital printing by Palis – top quality at full speed.

The two companies are fully complementary: flexible, industrial digital printing boosts efficiency by increasing intaglio machines’ capacity to print products with a long life cycle. In addition, the digital printing machines reduce the group’s dependence on project business, as recurring revenues are generated by sales of these printers’ special printing inks. This ongoing income is guaranteed for the group independently of the economic cycle’s fluctuations.

Platform for further growth

Thomas Anderegg, Managing Partner at CGS, is convinced that “the merger of Rotodecor and Palis has created a group that offers an ideal foundation for further growth thanks to its technological lead and excellent reputation”. HCS will realize the synergies afforded by its complementary product portfolio and offer its customers in the global decor and packaging market individual solutions to stand their ground as technological leaders in the market. ■

Founded in 1890, Standard-Knapp was the first company in the US to offer secondary packaging solutions. The company has since then become a leading US manufacturer of end-of-line packaging machines with a focus on the food and beverage industry.

>>> BUY & BUILD

EXPANSION WITH A STEP ACROSS THE ATLANTIC



Timo Serke,
Analyst

With the takeover of the US company Standard-Knapp in July 2019, the End-of-Line Packaging Experts Group completed the first strategic step in its expansion. The result is a globally active industry leader for packaging machines and systems with a well-established presence in Europe and America. The cornerstone for further growth is firmly in place.

In December 2017, CGS laid the foundations for the End-of-Line Packaging Experts Group (EoL) with the acquisition of the German company A+F Automation und Förder-technik GmbH (A+F). A+F is a leading manufacturer of secondary packaging machines for the European food and beverage industry. Its machines package yogurt, spreads, jam, and more – all produced for people's daily lives. A+F's business is therefore largely unaffected by fluctuations of the economic cycle.

The first step of the Buy & Build strategy

From the outset, an express goal of EoL's group strategy has been to acquire a company in North America in order to serve existing customers directly on-site and expand its overseas market position. During 2018, EoL conducted discussions with several potential acquisition targets. It quickly became clear that Standard-Knapp (S-K) is the ideal partner. The merger took place in mid-2019 and

affords S-K's shareholders an attractive succession solution and the company and its employees excellent long-term prospects as part of a promising group.

Complementary portfolios

Not only do the product portfolios of both companies complement each other – the end markets are also interwoven. While A+F has a strong presence in dairy products, S-K has so far focused strongly on the beverage industry. This complementarity will serve as an excellent launching pad boosting EoL's growth on the North American and European markets with both product and service portfolios as well as the machines already installed there. Group-wide expertise clusters will enable EoL to better exploit its technological lead and further strengthen its prowess in innovation.

The group's strengthened presence in Europe and the US will bring it closer to its customers, speed up development processes, and increase responsiveness to customer needs. The integration began with the merger and is already showing its first signs of success. An A+F employee is at S-K to optimize communication between the companies and the implementation of the integration.

Further expansion planned

The merger of the two companies has created a global industry leader with a strong presence in Europe and the US. What is still missing is a foothold in Asia. EoL is already in talks with other companies that can strengthen the group in terms of technology and end markets. ■

CGS MANAGEMENT
the business builders

PUBLISHER

CGS Management AG
Huobstrasse 14
P.O. Box 355
8808 Pfäffikon
Switzerland
Phone +41 55 416 16 40
Fax +41 55 416 16 41
info@cgs-management.com
www.cgs-management.com

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EoL is a leader in secondary packaging machines for the food and beverage industry.