

OVERVIEW

Headquarters/Sites	Flensburg (DE), SK, AT, CN
Industry	Compressors for refrigeration
Revenues	EUR 356.6m
EBITDA	EUR 31.5m
Asset class	MidMarket

November 2010
AURELIUS Group has acquired
Danfoss Household Compressors
from


July 2017
AURELIUS Group has sold

to



AURELIUS EBITDA Improvement	EUR 30.2m
Enterprise Value at Exit	EUR 185.0m






AT ACQUISITION

Corporate orphan producing commodity compressors for white goods, burdened with high cost structure

- Stuck in highly competitive market segment with only small share in attractive high-efficiency segment
- Volume-strategy based on household applications; little focus on more profitable commercial applications
- Underutilized, high-cost manufacturing footprint

 Household Compressors

Innovation/Technology	Competitiveness of Operations	Strategic Perspective
		
<ul style="list-style-type: none"> ▪ Commodity products ▪ Lost technology advantage 	<ul style="list-style-type: none"> ▪ Three sites in Europe ▪ China potential not utilized 	<ul style="list-style-type: none"> ▪ Non-core business unit ▪ Losing market share

AURELIUS' OPERATIONAL INVOLVEMENT

Carve-out

- Carve-out from Danfoss (stand-alone systems, financing, re-branding, management team, cultural change)
- Phase-out of legacy Danfoss distribution agreement

Operational improvement

- Relocation of production from Germany to China and from Slovenia to Slovakia; outsourcing components
- Fixed cost reduction and working capital management program
- Implementation of new sales structure and build-up of sales organization in growth regions North America and China

Strategic add-on acquisition



- Take-over of key competitor ACC Austria
- Consolidation of component production and build-up of central R&D hub in Austria


Focus on technology and strategic reorientation




- Technology leadership-strategy based on development of variable speed technology and focus on low cost, high efficiency and eco-friendly variants
- Shift from commodity household market to high efficiency and commercial applications

AT EXIT

Global leader in advanced compressor technologies

- Focused on attractive market segments with superior products providing competitive advantage
- Balanced international footprint to exploit full growth and margin potential
- Leading player in the industry providing excellent platform for Nidec's growth strategy in the appliance industry



Innovation/Technology	Competitiveness of Operations	Strategic Perspective
		
<ul style="list-style-type: none"> ▪ Leader in variable speed ▪ Strong product pipeline 	<ul style="list-style-type: none"> ▪ Low cost sites in Slovakia / China ▪ Less backward-integration 	<ul style="list-style-type: none"> ▪ Focused on attractive niches ▪ Addressing growth drivers

DISCLAIMER:

This material is for your general information only. The information in this material should neither be regarded as an offer nor a solicitation to buy, sell or otherwise deal with any company or investment referred to herein and is not intended for distribution to, or use by, any person in any country, including the United States, where the investment funds and services referred to are not authorised or registered for distribution or in which the dissemination of information on the funds or services is forbidden. None of the information, whether in part or full, shall be copied, reproduced or redistributed in any form. This notice does not constitute a security prospectus. No guarantee, warranty or representation, expressed or implied, is given as to the accuracy or completeness of the information contained herein; and neither of the persons mentioned in this material, nor any other company or unit belonging to the AURELIUS Group, nor any of its officers, directors or employees accept any liability or responsibility in respect to the information or any recommendations expressed herein.