

Sector expertise  
continued

## Industrials

Cinven has been active in the industrials sector for more than 30 years and has undertaken over 100 transactions.

### Selected investments

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*Nordic region*

**Ahlsell**

Building materials distribution

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*Italy (global operations)*

**Avio**

Aerospace engine component  
manufacturer

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*UK and international*

**Foseco**

Industrial consumables

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*France, Spain*

**Frans Bonhomme**

Plastic pipe distributor

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*Germany*

**JOST**

Truck component manufacturer

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Sector expertise  
continued

## Industrials



Roberto Italia and Benoît Valentin  
**Industrials sector professionals**

**Cinven has invested in all of the main industrials sub-sectors:**

- **building materials and construction, from the light to the heavy end of the building materials product range;**
- **energy and natural resources, including metals and mining, oil and gas, utilities and renewables, and chemicals; and**
- **engineering and manufacturing, including industrial machinery, power and infrastructure equipment, and supply to the transport, aerospace and defence end-markets.**

Our Industrials team has extensive knowledge and experience in the sector and its global network of company executives and industry participants helps Cinven to originate proprietary transactions. Cinven's current portfolio includes Avio, the aerospace engine component manufacturer, and JOST, the manufacturer of components for trucks and trailers.

Cinven's long experience as investors in industrial businesses enables us to develop early insights into market trends and developments, allowing us to identify businesses that will do well at different points in the business cycle.

Cinven usually invests in businesses that display the following characteristics:

- defensive market leadership with high barriers to entry;
- strong and relevant technology;
- a supply chain that supports long-term, partnership-type relationships;
- customers in dynamic end-markets, with opportunities to promote superior organic growth and/or sector consolidation; and
- profitable, sustainable growth with an appropriate return on capital.

Although the economic downturn has eased and prospects are gradually improving, most of Europe's industrial companies still face major challenges and the picture varies widely by region and market segment.

With lower cost competition from Eastern Europe and Asia, European industrial companies need to address continuously the competitiveness of their products and core technologies. The strong investment cycle in emerging economies is driving a significant portion of incremental demand for industrial goods and local competition is emerging there, too.

Close interaction with Cinven's Portfolio team helps industrial companies in our portfolio to pursue sustainable value creation strategies, through initiatives to reduce costs, penetrate new markets and improve operations. For example, our Industrials

and Portfolio teams have been working with the Avio team over the last two years to open up new markets for the company. Two joint ventures have been established with AVIC Dongan, AVICOPTER and Xian Aero Engines, with the aim to gain access to promising opportunities in the Chinese aerospace market and to establish a high-quality manufacturing base in the region.

A number of industrial sub-sectors are benefiting from a general cyclical recovery, which is currently led mainly by restocking effects, together with growing demand from emerging economies. Cinven's Industrials team is actively investigating opportunities in sub-sectors which will benefit from such a recovery and will also offer structural growth opportunities.

A key area of focus for the team are technologies that facilitate more efficient utilisation of natural resources, systems and components, in line with advanced European standards, in areas such as transportation and security. These technologies offer an opportunity for superior growth in developed and emerging economies. Leading European industrial companies that have mastered these technologies and can package solutions and products effectively are an important target for Cinven's Industrials team.