
DEAL
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OF THE YEAR
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WINNER – ALEXANDER VON HACHENBURG

DEAL: IK exits from highly successful Hansa Metallwerke investment



NAME: Alexander von Hachenburg

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POSITION: MANAGING PARTNER

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DEAL OVERVIEW

In 2010 FERBER & CO advised the founding family owners in selling the Business to IK Investment Partners. When IK bought Hansa Group in December 2010, the German tap specialist was emerging from a long period of restructuring and was still in a vulnerable position. Number three in Germany behind established leaders Grohe and Hansgrohe, Hansa was on the verge of profitability but the outlook for the group was uncertain and its second brand Swiss KWC showed still potential for improvement. Trade buyers were circulating but most felt uncomfortable with an intense German restructuring. As a breakup of the two businesses was not yet on the cards the complete sale to IK represented a huge chance for Hansa Group and FERBER & CO supported this longterm strategy. IK had other plans, spotting that Hansa offered the possibility to develop a really exciting investment opportunity. The German group also owned KWC, the profitable number one player in the lucrative Swiss sanitary fittings market. Hansa still needed to harvest the effects of its restructuring and move into profit ability and positive cash flow. There were also a number of minority share holders in both Hansa and KWC so IK bought them out. IK changed the structure of the group as well, making KWC a sister company of Hansa rather than a subsidiary, which effectively ring-fenced the two businesses from each other. As part of the value creation exercise, IK undertook several operational improvements. As the improvements materialized Ferber & Co was retained by IK as exclusive M&A advisor to manage the sell process of the KWC business to kitchen specialist Franke in April 2013. Franke is a world-leading provider of solutions and equipment for domestic kitchens, washrooms, professional food service and coffee preparation. The acquisition reinforces Franke's position as a global market leader in kitchen systems, it strengthens Franke's research and development capability in the kitchen and bathroom taps sector, and it diversifies Franke's washroom taps portfolio. Being now part of Franke Group, KWC is in a great position to grow the business based on Franke's strong global distribution network.

Meanwhile the Hansa business had been restructured, refocused and transformed over the past three years into a company with a robust business model. The group is still number three in its home market but it had enormous loyalty among plumbers and wholesalers and its bathroom mixer taps were extremely popular with the German middle-class.

As there was a strong chance that the business would soon follow KWC's footsteps and attract the attentions of a

strategic buyer, FERBER & CO used its extensive network in the sanitary fittings industry to identify suitable buyers for Hansa. During this process a number of dialogues were held and Finnish Oras Group emerged as a key buyer for Hansa with a perfect strategic fit.

Oras, the Nordic market leader, develops, manufactures and markets user-friendly, water and energy saving sanitary fittings. Combining Oras and Hansa creates a new group (combined turnover of Euro 260 million), a European leader with potential for further expansion internationally. Both Oras and Hansa brands will be developed after the transaction. The acquisition represents a quantum leap into the German and Continental European markets. As the Nordic Countries are strong home markets, Oras was

looking for an effective way to expand into Continental Europe. Joining forces with Hansa considerably enhances the group's future prospects. The two transactions represented the culmination of IK's restructuring effort leading to a successful exit of its Hansa investment and is a showcase for the successful combination of M&A and operational restructuring measures which lead together to an extremely attractive result.

In this situation FERBER & CO was supporting the value creation process from the beginning on through the realignment of the two businesses and the final breakup of Hansa Group's key brands with the sale to strategic parties at a very attractive valuation unlocking substantial value potentials.

FIRM PROFILE

FERBER & CO. – founded in 1988 – is a leading German independent advisory firm focusing on M&A, special situations and corporate finance. As a leading player in Germanic mid-market situations, FERBER & CO. focuses on transactions with enterprise values ranging from € 25 million to € 500 million. Being an entrepreneurial oriented advisor FERBER & CO has longstanding experience in problem solving, negotiating and executing transactions that have a unique character and overwhelming importance to our clients. As our compensation is result oriented, we have a strong incentive to deliver accurately on the objectives of our clients. We serve a wide range of corporates, families, financial institutions and private equity houses from all over the world looking for un-conflicted, impartial high quality advice with a global perspective. FERBER & CO. is owned and managed by its partners. In contrast to many of our competitors, we are not part of a larger financial institution that serves many competing interests. FERBER & CO.'s focus is on advisory work. We have no research, trading, lending or related activities. Instead, we remain dedicated to providing conflict-free and client-focused advice. We respect the paramount importance of the transactions we are working on in the interest of our clients and handle all assignments with extreme care and confidentiality. Having 25 years of transaction experience as a firm and having completed more than 300 transactions most of them having a crossborder dimension, we are considered one of the leading M&A boutiques in the German medium-sized market with a strong international background.

Alexander von Hachenburg, Managing Partner

- Studies in economics at the University of Bonn, Germany, Master of Business Administration at the University of Fribourg, Switzerland
- 8 years with Credit Suisse (CSFB)
- Five years with Ermgassen & Co, London, ultimately as Managing Director
- Since February 2005 Managing Partner

Andreas Widholz, Vice President

- Studies in business administration at Catholic University Eichstätt-Ingolstadt and the Udayana University Denpasar, Indonesia
- Two and a half years professional experience at Doertenbach & Co, Frankfurt
- Joined FERBER & CO. in January 2008