

MAGOTTEAUX. A multi-faceted programme of improvement and development at this Belgian engineering leader.

€120m

INVESTMENT IN R&D AND CAPEX

66%

INCREASE IN EBITDA DURING INVESTMENT PERIOD

COMPANY:

Magotteaux

HEADQUARTER:

Belgium

SECTOR:

Manufacturing

ACQUIRED:

February 2007

EXITED:

To an industrial conglomerate in 2011

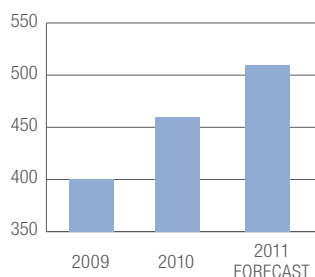
FOR MORE INFO:

www.magotteaux.com

www.ikinvest.com

MAGOTTEAUX SALES

(€M)



IK Investment Partners' four-year investment in Belgian engineering company Magotteaux is a shining example of the breadth of private equity's added value. IK brought capital for R&D and investments; strategic analysis and advice; consultation on expansion channels – in both new geographies and market segments; improved governance; stronger financial performance; and much more besides.

In addition to providing a great return to investors in IK's sixth fund, the investment built Magotteaux into a global leader in its field, created jobs and took the business into high-growth emerging markets. In 2011, Magotteaux moved on to the next stage of its development under the stewardship of Sigdo Koppers, a Chilean mining business.

THE BUSINESS NEED

- Requirement to add business performance orientation to engineering culture
- Investment in R&D and maintenance projects
- Support for expansion into new geographies
- Strategic guidance on where technology could be applied in other markets

ACTIONS TO CREATE LASTING VALUE

- Put in place operational excellence programs to lower sourcing costs, reduce working capital and increase on time delivery
- Major investment programme in both core Belgian business and overseas
- More than €120m spent on R&D and expansion into emerging markets such as Thailand and India
- Identified mining as a crucial new sector to target
- Overhauled approach to health & safety, halving man hours lost
- Introduced several new products

OUTCOMES

- 15% increase in headcount
- One third increase in sales to €500m and two thirds increase in Ebitda to €66m
- More than 50% of production capacity now in high-growth countries
- Mining now accounts for more than 50% of revenues and profits – up from a small portion in 2007



"In partnership with IK, we have been able to transform the business and are now firmly established as a worldwide leader."

BERNARD GOBLET
CEO, MAGOTTEAUX