

argos.
wityu
Revima

IPEM 2020: PE & long-term horizon of
the aerospace industry

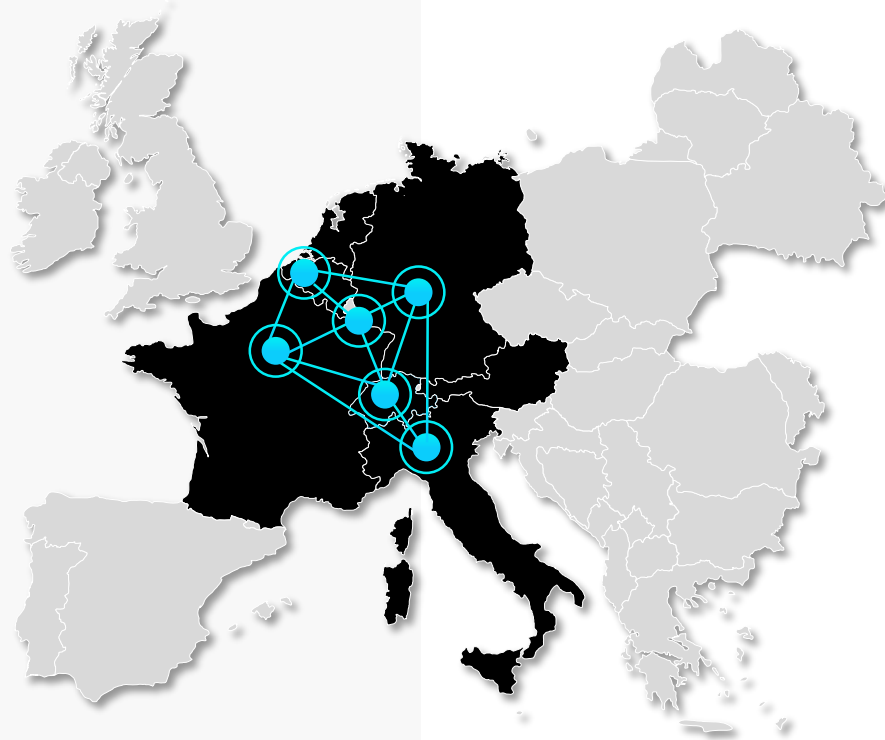


ARGOS WITYU

30 years investing in
European mid-market

80+ investments

54 people



OFFICES - BRUSSELS | FRANKFURT | LUXEMBOURG | MILAN | PARIS | GENEVA

PAN-EUROPEAN
COMPLEX MAJORITY BUYOUTS

€20-250M EV
€10-100M EQUITY CHECK

BUSINESS OVERVIEW

€300m+

TURNOVER

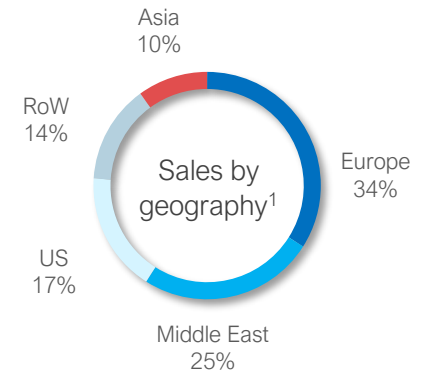
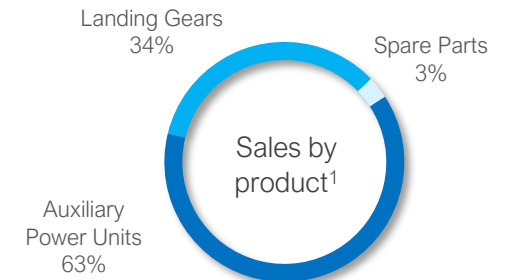
950

OUTINGS PER YEAR (APUs & LDG)

2

FACILITIES (EUROPE & ASIA)

- Leading independent aerospace Maintenance, Repair and Overhaul (MRO) service provider specialized in Auxiliary Power Unit (APU) & Landing Gears (LDG)
- Active in both medium and long haul aircraft within the civil aerospace field.
- Offers comprehensive service solutions such as logistics, on-site support, by the hour solutions, and the trading of spare parts (NAS)
- Revima has over 750 employees and in 2018 generated revenues in excess of €300m





STRONG MARKET POSITION

Leading market position

Strong brand and customer satisfaction

Active on several narrow-body and wide-body aircraft programs

High barriers to entry sector



FAVOURABLE MARKET TAILWINDS

Market expected to grow c. 4% p.a.

in the long term, supported by a **steady increase of air traffic** and an increase in the size of in-service aircraft fleets

Consensus that over the next 5-10 years **prices will remain stable**



VALUE CREATION AVENUES

Identified at entry:

Possibilities to optimize production & industrial capabilities

Sub-optimal financial & business aspects due to shareholder conflicts

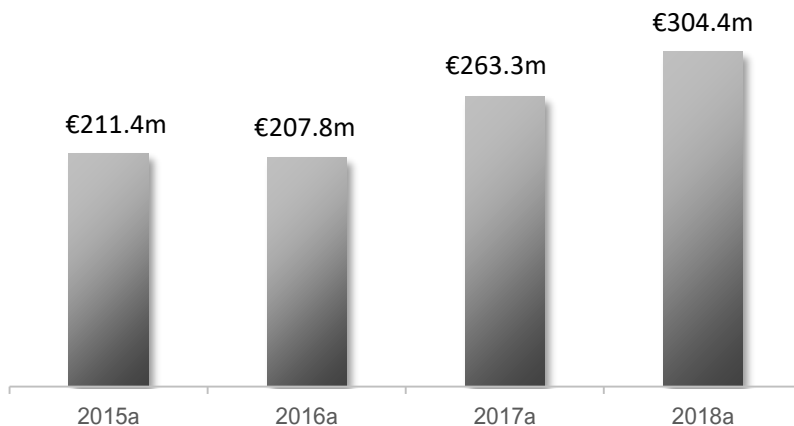
Strong position on promising aircraft programs

A need to re-organize and capitalize on an experienced management team

SOURCING METRICS

Deal type:	Primary MBO
Source:	Intermediary
Months in DD:	28 (11 in exclusivity)
Total ownership:	51%

SALES GROWTH



1. Net debt at acquisition / EBITDA 2017a = 3.0, Net debt as of Dec 2018 / EBITDA 2018a = 1.0
 2. Period from 2017a – 2018a

FINANCIAL PERFORMANCE UNDER OWNERSHIP

- New processes implemented to reduce leverage with a renewed focus on reducing working capital
- Constructed and implemented a new investment validation process to improve capital expenditures ROI
- Reduction of leverage from 3.0x to 1.0x EBITDA¹



- Over the course of the holding period, sales and EBITDA increased by 16% and 29% respectively.²
- EBITDA margin increased by more than 1% over the period²
- Won a large contract with Air France

BUSINESS PLAN

0%

PRIMARY
ACQUISITION

100%

SECONDARY
LBO EXIT



PROBLEM
SOLVING



SHAREHOLDER
CONFLICT

Worked for 2 years in a conflictual context between shareholders towards a legal solution which facilitated the acquisition



ADDITIONAL
COMPLEXITY

Implemented a new management style & united key managers to enable a smooth transition thanks to the new corporate structure



Completed industrial transformation along with financial and business aspects to rationalize



SELLING NEW &
MORE OF THE SAME

Reinforced commercial processes and developed trading of spare parts activity



Launched a greenfield project in Asia (Thailand); activity expected by Q1-20



PERMIETER
MANAGEMENT

Realised two strategic build-ups to enhance repair skills and the range of maintained equipment and to widen the offer with condition monitoring and predictive maintenance



IMPROVING OPEX

Improved productivity & profitability (of LDG business in particular) and synergies between APU & LDG activities



MANAGERIALISATION

Increased financial monitoring and optimization



Installed new automated degreasing facility (REACH compliant)



OTHER

Opened an employee shareholder plan (74% of subscription) and implemented an efficient hedging policy against structural exposure to USD



COMPANY
BUILDING

