

CGS UPDATE

The CGS Journal



Stürzt – in an excellent position at exit for further profitable growth in the area of automation solutions for the window construction industry.

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STÜRTZ – A SUCCESS STORY

Different stages of development

Stürzt, Photonics Systems, and ADVATON are three industry groups at different stages of the CGS Buy & Build strategy.

Stürzt is the leading machine manufacturer for PVC window production and a prime example of the proven CGS Buy & Build strategy. After four years of rapid growth, the company has been sold while in an excellent position for further growth.

Photonics Systems is midway along the same path. The specialized machine manufacturer for laser micro-material processing has strengthened its growth platform by acquiring another company.

ADVATON is still at the start of the journey. The newly formed industrial group comprising the two companies Kalt and staedler automation specializes in production and process technology in the food industry with excellent growth prospects.

I wish you an interesting read.

Dr. Rolf Lanz,
Managing Partner



By Dr. Rolf Lanz,
Managing Partner

CGS added sustainable value to Stürzt. The machine manufacturing company specializing in the production of machines for PVC window construction posted striking growth from its acquisition in 2017 until it was sold in 2021. The figures emphatically show that: turnover up 50%, EBITDA doubled, EBITDA margin improved by 50%, 90 new jobs created.

CGS acquired Stürzt in 2017 for a number of reasons: the unique position in automation, the positive prospects in the construction and window market as well as the operational excellence potential, i.e. process and system optimization opportunities over the entire value chain.

New strategy

The first thing CGS and the Stürzt management did was to define a new strategy together. They formulated a roadmap outlining the necessary measures and different strategic thrusts for operational excellence and implemented them consistently. The reorganization of sales plus the creation and expansion of proprietary sales organizations in the main markets of Germany, Benelux, Poland, Romania, the US and China led to strong sales growth and gains in market share.

Strengthened management team

Organizational measures included the strengthening of the management team with the recruitment of a head of sales, chief financial officer and head of production, and a comprehensive overhaul of the company processes. The resources required for growth were accessed through increased efficiency – introduction of lean management – and consistent outsourcing, especially including eastern European countries.



Stürzt covers all the steps involved in window production with standalone machines and production lines.



Digitization has paid off: Stürzt is among the top 20 digital pioneers in the German Mittelstand.

Focus on engineering

CGS and Stürzt focused in particular on engineering throughout the entire process. The «ContourLine» product line already in use to weld PVC windows seamlessly when CGS entered the market failed to live up to its promise, leading to the withdrawal of the product and high costs. CGS proceeded with a thorough reworking of the technique. The resulting successor product launched two years later was a complete success and contributed to growth. Stürzt also developed the first production line for aluminum windows and brought it to market.

Another focus area was software solutions for Industry 4.0, which was very well received by customers and made a material improvement to controlling customer production facilities.

Positive outcome

Under CGS ownership, Stürzt developed into a leading machine manufacturer for PVC window production with great further growth potential. The company's annual turnover was about EUR 33 million when it was acquired in autumn 2017. Four years later, turnover had risen by over 50% to over EUR 50 million. EBITDA was doubled and the EBITDA margin increased by about half to approximately 20%. During the same period, Stürzt increased the order volume from EUR 32 million to over EUR 70 million and created over 90 specialized positions. In a nutshell: a success story. ■

Further information at: www.stuertz.com

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PHOTONICS SYSTEMS ON GROWTH PATH



By Antonio Cives,
Managing Partner

The Photonics Systems Group is establishing itself as a renowned machine manufacturer for laser micromaterial processing. The acquisition of Proaut Technology has strengthened its semiconductor division. The trimming business is newly positioned under the L-Tris brand and aligned specifically to customer requirements. A new and much more spacious building in Krailling with larger production capacity, state-of-the-art laboratory and cleanroom provides the basis for future growth.

At the end of 2021, the Photonics Systems Group (PSG) acquired Proaut Technology GmbH as part of the succe-

sion from the founder and partner Helmut Muchow. Proaut is an established and innovative provider of process automation solutions in the fields of microelectronics and semiconductor technology based in Berlin. One of the company's specializations is precision measurement machines for electronic components on wafers and panels. As part of PSG, Proaut benefits from synergies in the areas of sales, services and development and provides the Group with an additional growth platform.

A comprehensive offering

Proaut ideally complements the PSG product and services portfolio in microelectronics and semiconductor technology. The Group's global sales channels enables a broader client base to benefit from the comprehensive offering with additional products and an even better service offering. PSG has expanded its range of compe-

tencies and strengthened its innovative capacity through the acquisition and resulting scope for cross-disciplinary exchange in research and development.

New markets

Proaut notably gives the Group access to the rapidly growing 5G technology market. Its solutions enable the testing of radio frequency filters and microphones used in consumer electronics – mobile phones, tablets, smart watches etc. – or for connectivity and the Internet of things – smart homes, electromobility etc. This also opens up cross-selling opportunities with existing clients in sister companies.

Consolidation of Trimming business unit

In 2019, PSG established the basis for the Trimming business unit when it acquired LS Laser Systems and EPP Electronic Production Partners. At the end of 2020, it combined the two companies and their laser trimming expertise into the new L-Tris.

L-Tris has emerged as a leading global manufacturer of laser systems for trimming circuits and wafers used to produce sensors and thick and thin film chips. The company serves a renowned clientele in Europe, North America and Asia. There are over 1,000 L-Tris machines installed all over the world.

Optimal location

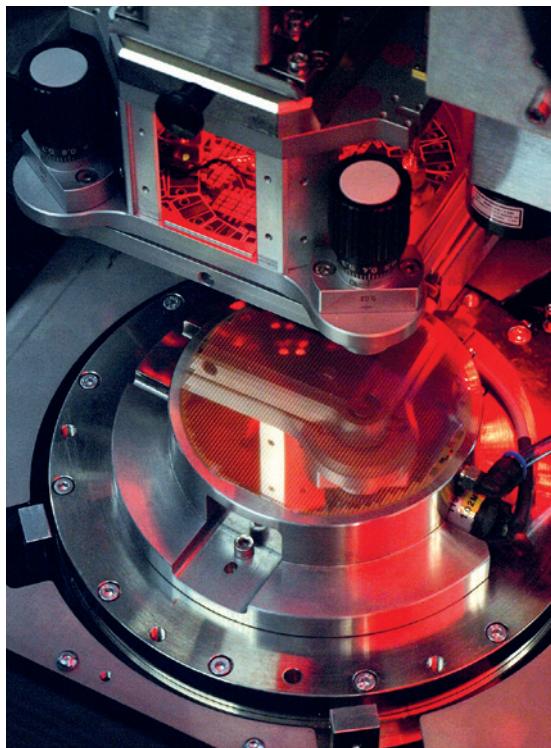
In late summer 2021, PSG completed another fundamental milestone in the integration and consolidation of the Group and merged the four locations around Krailling into a new building in Krailling Innovation Mile. The new company location with 1,000 m² of production space also has an ISO class 6 cleanroom for manufacturing machines used in semiconductor technology. A state-of-the-art laboratory of more than 200 m² with the latest technology covers the Group's entire product range. PSG has a wealth of laser sources and inspection equipment with which to test varied and technologically advanced potential applications for clients.

Sustaining the growth rate

PSG aims to increase headcount at its locations in the US and Asia over the coming months in order to meet client requirements for local sales and service support.

The company also wants to maintain its above-average growth in all areas over the coming years. The growth will be both organic and acquisition-based and cover all Group locations. The company is therefore living up to its claim of being a leading global micromaterial processor. ■

Further information at: www.ps-group.net



Proaut precision: fully automated measurement process for electric components on wafers and panels.

Photonics Systems Group is the market leader for micromaterial processing laser systems. The Group comprising companies InnoLas Solutions, L-TRIS, and Proaut develops, produces, and sells high-precision system and process solutions for client-specific laser applications in the photovoltaic, electronic, and semiconductor industry. The systems are used by renowned, globally operational clients in the core markets of Europe, the US, and Asia. The Group employs around 150 people at its headquarters in Krailling, Germany, in Berlin, in the US, in Singapore, and at other locations in Asia.

Proaut is a solution provider for semiconductor machinery based in Berlin. The company was founded in 1990 and has gained a reputation among customers as a client-oriented, reliable, and innovative partner over the past few decades. Besides the key product group of precision measurement machines for electronic components on wafers and panels, the product portfolio also includes microphone testers, pressure sensor testing, tape and reel systems (tapers), and laser markers. The company has over 35 employees in Berlin and Singapore.

The latest

CGS developed SF Tooling Group into a leading provider of die-casting molds for light structural parts for vehicle bodies and electromobility applications within seven years and sold it to Swedish Group Storskogen at the end of 2021.

Read more about this success story in the next CGS Update.

ADVATON is a newly formed industrial group specializing in production and process technology for the food industry. It comprises Kalt Maschinenbau AG and staedler automation AG.

Kalt is a leading international manufacturer of machinery and equipment for milk processing and the production of quality cheese. The traditional company has been providing cheese-making technology to meet the highest requirements for almost six decades. Dairies all over the world place their trust in Kalt systems. The company is headquartered in Lütisburg in eastern Switzerland and has about 100 employees.

staedler is an innovative provider of automation and robotics solutions as well as industrial cooking installations in the food and cheese industry. staedler was founded by Lukas Staedler in 2009 and has posted strong growth since its inception. staedler currently has about 30 specialized staff at its modern site in Henau, Switzerland.

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THE IDEAL MATCH



By Jonas Bumbacher,
Investment Director

Two companies make a good match: Kalt Maschinenbau and staedler automation. The successful progress of the integration since the merger in November 2021 proves that. Under the Group name ADVATON, the two innovative food production technology companies will chart a joint path to sustainable growth.

Automation is becoming more important in quality cheese production and robots are being used more in the process. Kalt and staedler have pooled the skills necessary to work with these trends, which makes them an ideal match.

Industrial logic

Kalt is positioned as the system provider for dairy technology within ADVATON, staedler specializes in the automation and steering of production processes with a focus on the foodstuff sector. The considerable reinvestment in the group by the previous staedler owners demonstrates their conviction in the industrial logic behind the merger.

Kalt used to rely on external partners for machine control systems. That is no longer the case thanks to the core competencies of staedler in robotics, control system technology, and process automation. Kalt can now present itself to the market as a full-range provider and increase its focus on automation solutions and interconnecting the entire production process. staedler in turn benefits from the decades of experience that Kalt offers in food processing machines and staedler can allocate a range of tasks to Kalt.



CEO Lukas Staedler (right) and CTO Thomas Fäh (left) have assumed the same roles at group level.

The integration has started well

A meaningful merger of two companies is a highly demanding exercise. The geographical proximity of the two locations in Lütisburg and Henau greatly simplifies the process in this particular instance. The first step was to enlarge the group management team: Lukas Staedler, CEO of staedler, has also assumed leadership of the group, Thomas Fäh, CTO of staedler, has also been placed in charge of the Group's technology operations. This mix ensures that the best of both worlds can grow together.

A number of tasks were addressed during the first 100 days following the merger, some of which have already been implemented successfully. Processes have been adapted, competencies clustered, and the innovation pipeline merged. As a result, staedler is executing the full implementation of the system control for a new Kalt project and Kalt is producing the new drum cooker developed by staedler.

First joint appearance

The Anuga FoodTec exhibition in Cologne at the end of April will be a first highlight. A leading global trade fair for foodstuff production, it has significant input into international food and drink industry trends. ADVATON will present the group's extended product range and broader skill-set to clients at the exhibition. ■

Further information at: www.advaton.com

Individual, fast, competent, and displaying the latest system control technology – process and machine control by staedler.