

# PARKOUR – Status Report

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Although the market was volatile, we continued to work successfully on executing our PARKOUR strategy program in the transitional year 2021. We are focusing sharply on our medium-term goals for 2025 and making the INDUS portfolio even fitter for the future, more innovative and more sustainable. Via our strategic initiatives, we are addressing inorganic growth with acquisitions and organic growth in the portfolio, and driving our ongoing development.

## Strategic initiative 1: Strengthening the Portfolio Structure

**Inorganic growth through acquisitions** remains a key component of our strategy, and in the years ahead we intend to add two to three companies to our portfolio every year – especially in growth industries such as automation, construction, medical devices and environmental technology.

Our group achieved further growth through acquisitions in growth industries in 2021. The closing for the control room specialist JST in January was followed by the closing for window maker WIRUS in May. In July 2021 our portfolio company HORNGROUP expanded its product portfolio and innovativeness with the acquisition of FLACO, a specialist for fluid management. [More at www.reporting.indus.de/en/magazine/expanding-with-solid-support](http://www.reporting.indus.de/en/magazine/expanding-with-solid-support) In December we signed the contract for the purchase of packaging machine HEIBER + SCHRÖDER, further strengthening our fast-growing Engineering segment. In line with our tiered transaction model, our portfolio companies M.BRAUN and HORNGROUP also acquired additional stock in their subsidiaries CREAPHYS and the US-based TECALEMIT Inc. in 2021.

Our principle of “buy, hold & develop” also sometimes includes selling portfolio companies if the company and its employees have better development opportunities under a new owner. We started to take precise steps in this

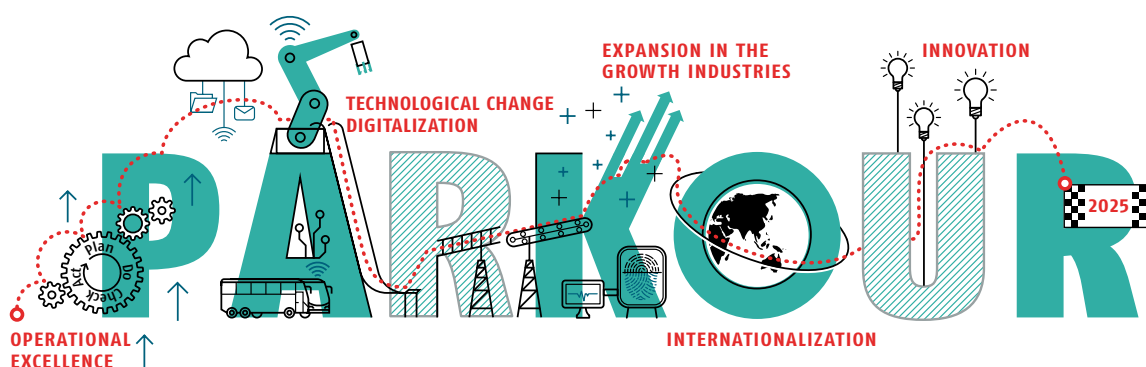
direction in 2020 with the INTERIM SPRINT package of measures. The discontinuation of BACHER in Switzerland has now brought the program to a successful conclusion. Positive effects on income can already be seen. Now as of December 30, 2021 we sold the WIESAUPLAST Group. This took us a key step closer to our target of reducing the proportion of series suppliers in the INDUS portfolio.

## Strategic initiative 2: Driving Innovation

Just like the strategic initiative “Improving Performance,” the strategic initiative “Driving Innovation” is aimed at **the organic growth of our portfolio companies**.

The core of our innovation management is to boost the Group's innovativeness. It aims to embed innovation activities in the individual strategies of our portfolio companies, identify market opportunities at an early stage and reduce reaction times on the basis of structured decision-making processes.

As the direct impact of the coronavirus pandemic receded, the portfolio companies were increasingly able to focus on their innovation activities in the second half of 2021. In 2021, our **innovation development bank** gave valuable support to projects focused on the growth industries defined in PARKOUR. Examples include projects in the context of battery production, recycling, machine learning,



cloud solutions, and medical devices. [More at \[www.reporting.indus.de/en/magazine/inside-introducing-indus-projects\]\(https://www.reporting.indus.de/en/magazine/inside-introducing-indus-projects\)](https://www.reporting.indus.de/en/magazine/inside-introducing-indus-projects)

In the field of **knowledge and network** we established working groups as an additional instrument to accompany the general seminars on knowledge transfer. Selected portfolio companies meet up with external experts for a structured exchange of views on current cutting-edge topics such as hydrogen and sustainable construction to develop business models and/or product ideas within the network. We continued our partnership with the European Business School (EBS) in 2021 with a study of the M&A market. As part of this partnership, the students at EBS regularly carry out market and field studies or design-thinking projects for our portfolio companies.

By acting as sparring partners in **strategic projects** we focus on supporting the innovation strategies of our portfolio companies. The first step is to take a snapshot by means of a comprehensive questionnaire tailored to the Group. This is used to identify specific requirements in the individual innovation and technology strategy and translate them into an overhaul of the innovation strategy.

## Strategic initiative 3: Improving Performance

### Focus on Market Excellence

The core objective of our focus on Market Excellence is to expand and optimize the market positioning and market coverage of our portfolio companies. Activities begin with an established management tool, the **status check**, which highlights individual potential and areas that require action in the focus areas Strategy, Product, Pricing, Sales Organization, Market Access and Sales Management, and draws up concrete recommendations for action. On the basis of the status check, we again advised on concrete development and **implementation projects** in the portfolio companies in 2021, including at IPETRONIK, ELTHERM, MIGUA and HORN. [More at \[www.reporting.indus.de/en/magazine/inside-introducing-indus-projects\]\(https://www.reporting.indus.de/en/magazine/inside-introducing-indus-projects\)](https://www.reporting.indus.de/en/magazine/inside-introducing-indus-projects) In addition, we continued general **knowledge transfer** via a seminar program for the portfolio companies and strengthened the **network** to external partners and service providers.

### Focus on Operational Excellence

The focus on Operational Excellence aims to optimize business processes, particularly in the supply chain, production and logistics. The **production status check** was updated for many portfolio companies in 2021 and documented the positive developments in the production function at the respective companies. **Implementation support** ranges from conceptual workshops – on optimizing production

strategy, lean management and factory layouts, for example – through advice on concrete improvement projects in the portfolio companies, including last year at KÖSTER and BILSTEIN & SIEKERMANN, IMECO and BETOMAX. [More at \[www.reporting.indus.de/en/magazine/inside-introducing-indus-projects\]\(https://www.reporting.indus.de/en/magazine/inside-introducing-indus-projects\)](https://www.reporting.indus.de/en/magazine/inside-introducing-indus-projects) The program of seminars and training courses on **knowledge transfer** related to lean management started in 2018. In 2021, we successfully repeated it and added lean working groups to the mix. A broad internal and external **network** backs up all the activities to promote Operational Excellence. In the coming months, we will continue working hard on the next steps of the implementation of our PARKOUR strategy.

## Strategic initiative 4: Striving for Sustainability



Sustainable business practices generate competitive advantage, increase corporate value and strengthen the corporate culture. We therefore actively support further improvements to the sustainability performance of our portfolio companies. In 2022, we will be establishing our sustainability strategy as the **fourth new strategic initiative** in our corporate strategy. [Introduction to the Group on p. 45 et seq.](#)

We have clear principles to guide us: In our business we are social, fair, and act in accordance with our mid-market values. We secure our long-term entrepreneurial success by acting in a way that is economically sustainable and ecological. The principles of the United Nations Global Compact (UNGC) form the basis for our strategic direction. [Non-financial explanation on p. 20 et seqq.](#)

Our first **sustainability magazine**, Susta[IN], was published in summer of 2021. [www.indus.de/en/sustainability](https://www.indus.de/en/sustainability) With our newly founded **sustainability development bank** we will be providing financial support to the portfolio companies from 2022 onwards for projects that aim to conserve resources and reduce emissions. The innovation development bank will also provide funding for sustainable product innovation in the future field of greentech.

[You can also find more information about our strategy at \[www.indus.de/en/philosophy/strategy\]\(https://www.indus.de/en/philosophy/strategy\)](https://www.indus.de/en/philosophy/strategy)