

PRESS RELEASE

GPV | Schouw & Co.
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GPV acquires Swiss CCS Group

Denmark's largest EMS (Electronics Manufacturing Services) company GPV, which is owned by the Danish industrial conglomerate Schouw & Co., will acquire the Swiss-based EMS company CCS. The transaction will lift GPV's revenue by DKK 1.4 billion (EUR 190m) to about DKK 2.6bn (EUR 350m) and place the company among the largest EMS companies in Europe.

The transaction creates a strong global EMS player with some 3,700 employees, production facilities in Asia, Europe and the Americas and a combined revenue of about DKK 2.6 billion. CCS is currently owned by a private equity fund advised by the Swiss Patrimonium.

Both companies have performed well in recent years. Where GPV grew to a revenue of almost DKK 1.2 billion in 2017 with an EBITDA of about DKK100 million, CCS is slightly larger with a 2017 revenue of DKK 1.4 billion and a similar profit. CCS and GPV employ 2,300 and 1,400 people, respectively, and both operate in the EMS segment with electronics, mechatronics, high precision mechanics and cable-harness as their core business areas.

GPV CEO Bo Lybæk explains: *"At the beginning of 2018, we announced a new and ambitious growth plan for GPV with a revenue target of DKK 2.5bn by 2022. Things have evolved faster than we had expected, and now, we have signed an agreement to acquire CCS that will both allow us to meet our strategic ambition and to create an EMS leader in electronics focused on box-build and mechatronic products."*

"We are very pleased to become part of GPV who we know as proficient and talented industry peers," says CCS Group CEO Thomas Kaiser, and he continues: *"At the same time, it is very important to us that GPV's owner, Schouw & Co, is known for their strategic and long-term approach and that it has the financial strength to invest for growth and to further develop our business."*

A stronger, combined EMS business in the high-mix/low volume segment

GPV and CCS have both successfully served the HMLV (High-Mix/Low-Volume) segment of the EMS market. Both GPV and CCS provide electronics sub-assembly solutions and finished products (box-build) to their customers in high-mix and low-volume series, and demand for this type of electronics supplier is growing:

"GPV and CCS are quite similar in a number of ways. We both master service excellence and have highly flexible production set-ups, making us a strong partner for delivering the small and medium-sized series demanded by our customers. We see a big potential in staying focused on the HMLV segment," continues GPV's CEO, Bo Lybæk.

"Together we will form an overall stronger EMS group: CCS has its own product design and engineering unit as well as cable-harness manufacturing specialising in cable customisation. GPV has a large department within test development, its own mechanics manufacturing capabilities and a presence in the Americas. Accordingly, the combined organisation will stand stronger in the value chain in both GPV and CCS markets."

Today, most of GPV's customers are headquartered in northern Europe, whereas most of CCS' customers are based in the German-speaking parts of Europe. GPV has production facilities in Denmark, Mexico and Thailand, while CCS has production facilities in Switzerland, Germany, Austria, Slovakia, Sri Lanka and China. GPV has long had a strategic goal of establishing a best-cost structure for its operations in continental Europe, and GPV and CCS clearly complement each other on three continents and in the most important best-cost regions.

Combined company to be headquartered in Denmark

The continuing, new and bigger EMS group will take the name of GPV, and its head office will be in Denmark. CCS' customers will still be served from CCS's existing offices and by its employees in

Switzerland, Germany, Austria and other countries, and the overall intention is for the two companies to grow even stronger together:

“There is no doubt that size matters. Our procurement power and production capacity will double, and together we will have an even stronger position in the market. We will have the power and capacity to take on a greater volume of jobs from the combined customer base,” notes Bo Lybæk who will stay on as Group CEO of the new organisation whereas Thomas Kaiser will continue to lead CCS and will be responsible for its integration into the new Group.

Strong commitment to invest for growth

At Schouw & Co. in Aarhus, Denmark, they are also pleased that a deal was reached to acquire CCS. An active ownership approach and a strong commitment to invest for growth has become a proven formula for the Schouw & Co.’s portfolio companies and not least for GPV:

“We have steadily invested to grow GPV since acquiring the company on 1 April 2016. In early 2017, GPV set up production facilities in Mexico, and later that year it took over Danish peer BHE. Since then, GPV has invested to expand capacity at all of its factory facilities, and the company is currently expanding the factory space at the facility in Thailand in a project scheduled for completion in 2020. Having economy of scale is absolutely essential for many of our businesses, and that is particularly true of an EMS business such as GPV,” explains Schouw & Co. CEO, Jens Bjerg Sørensen.

The acquisition of CCS is expected to be closed before the end of 2018. Thus, the acquisition is expected to have full effect from 2019.

About GPV

GPV was founded in 1961 and is today Denmark’s largest electronics manufacturer. GPV is a customer-driven EMS business (Electronics Manufacturing Services) providing advanced electronic solutions and mechatronics to customers all over the world. Headquartered in Denmark, GPV has production facilities in Denmark (Tarm and Aars), Thailand (Bangkok) and Mexico (Guadalajara). GPV reported revenue of DKK 1.2 billion in 2017 and has about 1,400 employees of which 85% are based in Thailand and Mexico. Since 1 April 2016, GPV has been a portfolio company of the Danish industrial conglomerate Schouw & Co. www.gpv-group.com and www.schouw.dk.

About CCS Group

CCS Group was founded in Switzerland in 1985 under the name of Formatest AG. CCS Group specialises in electronics, cable harness manufacturing and system integration. The company is headquartered in Lachen, Switzerland, and operates production facilities in Switzerland, Germany, Austria, Slovakia, Sri Lanka and China. CCS Group reported revenue of DKK 1.4 billion in 2017 and employs about 2,300 employees of which approx. 50% are based in Europe and the rest in Sri Lanka and in China. CCS is currently owned by a private equity fund advised by Swiss Patrimonium. www.ccsedms.com and www.patrimonium.ch.

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