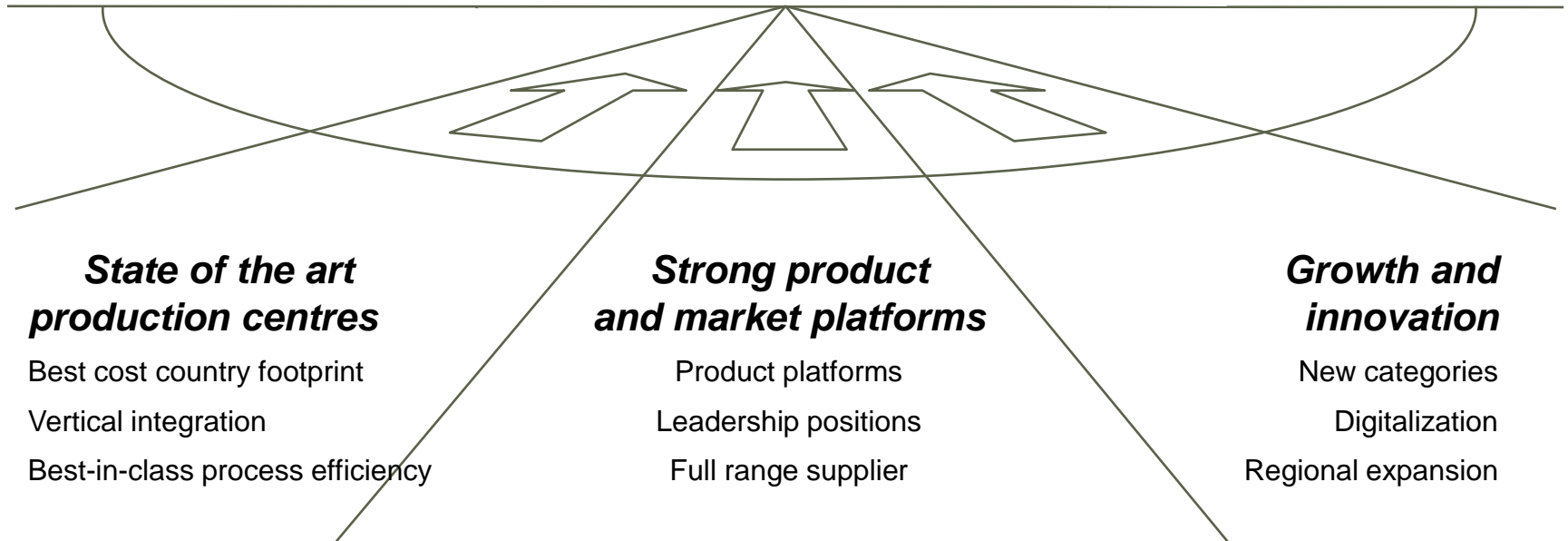


Acquisition of Vasco Group – Transaction rationale

Alexander von Witzleben, Chairman & CEO Arbonia
Arbon – May 17, 2018

Recap presentation 2017 results
Consolidate position as leading European Building Supplier













Objective:
Consolidate position as leading European Building Supplier



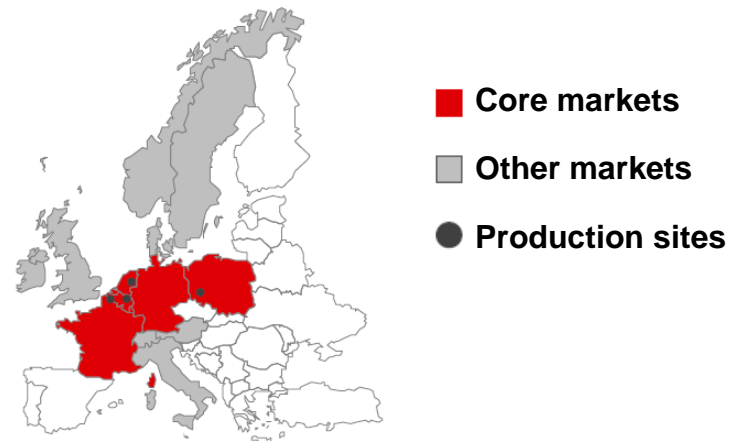
Introduction

- Vasco Group is a privately owned, **leading panel and design radiator manufacturer** in **Benelux region**
- It was **founded and developed by Mr. Jos Vaessen** and was owned (until May 16th) by Vaessen Industries
- With its **origins** in the **heating technology**, the company entered into new markets such as **residential ventilation** (in 2010) and **underfloor heating** (in 2012)
- In 2017, Vasco Group accounted for a **turnover of EUR ~90 Mio.**
- Over **600 employees** work in **four production plants**: Dilsen-Stokkem (BE), Zedelgem (BE), Tubbergen (NL), and Legnica (PL)

Product categories & brands

Panel radiators	 	
Design radiators	  	
Underfloor heating		
Res. Ventilation	 	

Geographic presence



1 Consolidation

- Take an **active role in the consolidation** of the European HVAC thermal transfer market
- Build on **strong existing brands** and **experienced management team**
- Enhance a **competitive production footprint**

2 Geographic fit

- Combine **Vasco Group leading positions** in **Belgium** and **The Netherlands** with Arbonia key markets **Germany, Switzerland, Italy, France and Poland**
- Benefit mutually **through complementary client portfolio** and **sales channels**

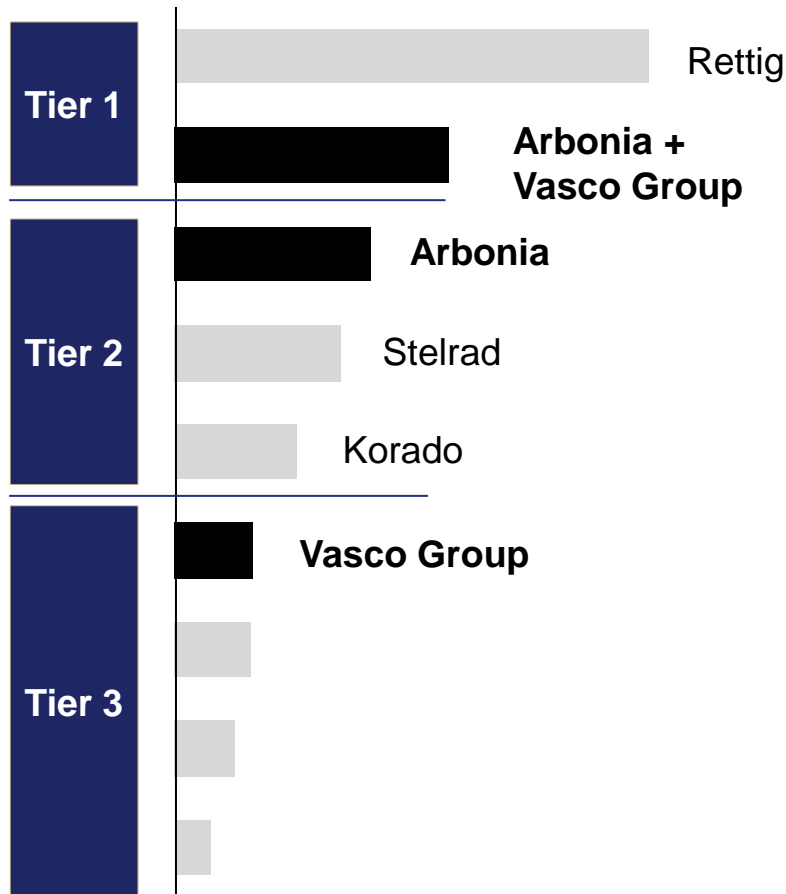
3 Product portfolio

- Extend current **product portfolio** in Design Radiators, Ventilation and Underfloor Heating
- Assume **R&D synergies** and consolidate **bargaining power** in **purchasing**

Building a leading European HVAC player in thermal transfer through geographic coverage, customer proximity, product platforms and operational excellence

1 Consolidation: Together we become a Tier 1 player in steel panel radiators

Steel panel radiators in Europe



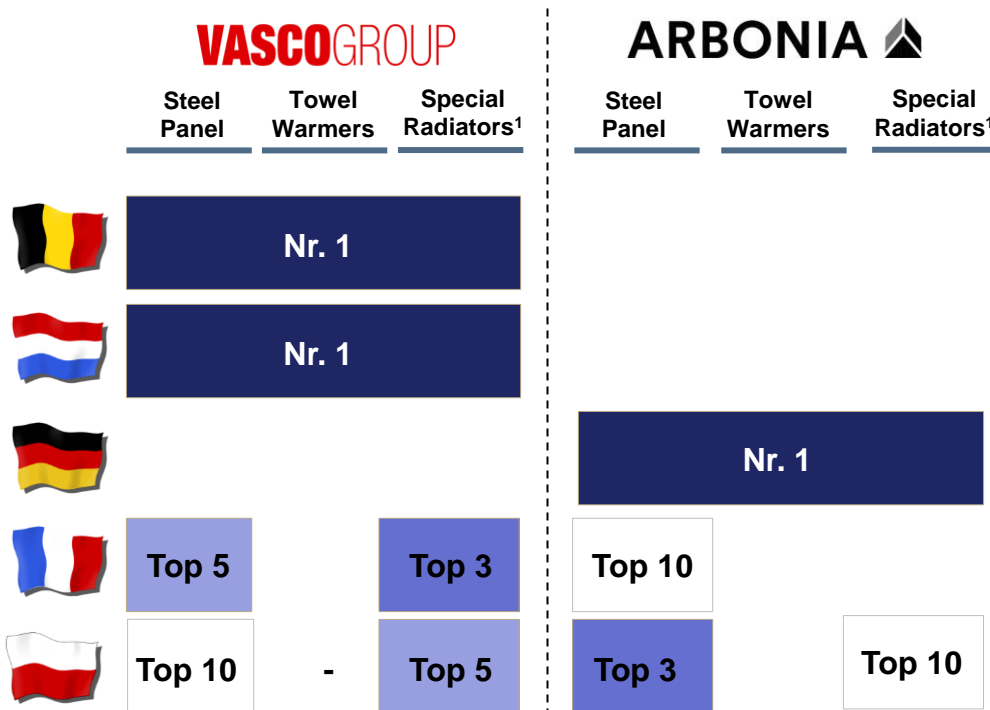
Consolidation strategy

- Arbonia is taking an **active part** in the **European market consolidation** in the area of **design** and **steel panel radiators**
- In the steel panel market segment, **Arbonia** becomes a **Tier 1** player and **reduces the gap** to the market leader in Europe
- HVAC division will **benefit** from **economy of scale** and further **sustained growth** to thereby creating **value for its customers** and **shareholders**

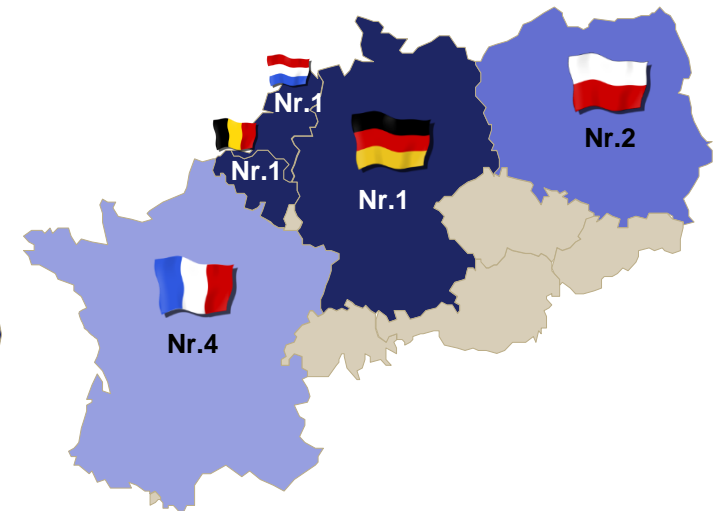
Source: BRG-Report and management estimate

2 Geographic fit: Strong geographic fit between companies

Current market positions before integration



Joint market positions after integration



Limited scope of analysis (selected key markets only): Germany, Belgium, The Netherlands, France, Poland

Complementary market positions across Europe: While Vasco Group has a leading market position in Benelux, Arbonia HVAC is strong in Germany, Switzerland, Italy, France and Poland

Source: BRG-Report and management estimate
1. Categories Decorative Steel, Convectors, Other Steel

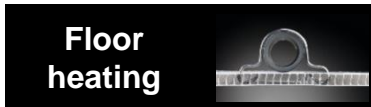
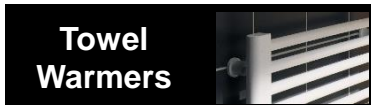
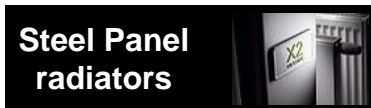
3 Product portfolio: Cross-selling opportunities due to complementary brands

Strong new product portfolio ...

... with complementary brand positioning

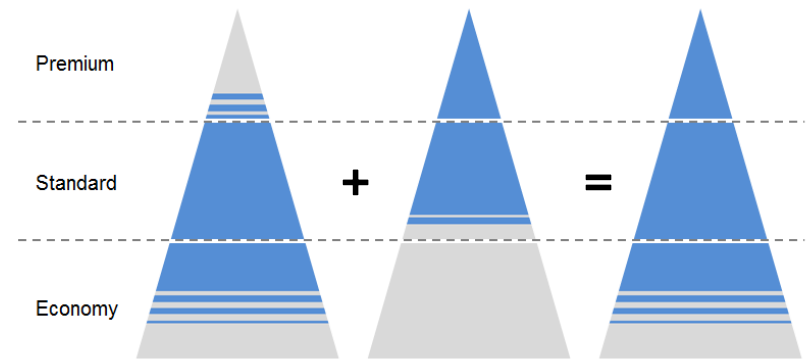
Products

Brands



Example: Premium design radiators

ARBONIA  **VASCOGROUP** ARBONIA  **VASCOGROUP**



Additional strengths for Arbonia HVAC product portfolio

- Introduction of leading Vasco, Brugman and Superia brands
- Entry into premium design radiator segment
- Growth opportunity in residential ventilation as well as in underfloor heating

ARBONIA

Heating, Ventilation & Air Conditioning

Sanitary Equipment

Windows

Doors



+

First choice for building components !



Arbonia – The Building Supplier



Vielen Dank
