

danubEquity

Austria's leading Corporate Venture Capital Fund

DANUBE EQUITY Invest-Management GmbH
Dipl.-Ing. Peter Angermayer, Managing Partner
voestalpine- Straße 1, A - 4020 Linz
Tel.: +43 (0) 50304-15-8626, Fax: +43 (0) 50304-55-8626
www.danubequity.com, office@danubequity.com

About Danube Equity

Danube Equity – Austria's leading Corporate Venture Capital Fund – is investing in companies with a strong growth potential in the following industrial fields: materials and processing of materials, cleantech, railway systems, mechatronics / automation and automotive. Danube Equity was founded by the leading European steelmaking and processing group voestalpine AG (www.voestalpine.com) and the financial institution 3-Banken-Gruppe (Oberbank www.oberbank.at, BKS www.bks.at, BTV www.btv.at).

Due to the ownership structure and the international network Danube Equity has a strong industrial background and offers a wide range of professional consultation and services for its portfolio companies. The investment decisions of Danube Equity are supported by its investment committee: FACC (www.facc.co.at), Greiner Extrusionstechnik GmbH (www.greiner.at), KTM Motorcycles (www.ktm.at) and Böhler-Uddeholm (www.boehler-uddeholm.com) from Austria as well as Simon & Kucher (www.simon-kucher.de) from Germany.

The Investment Focus of Danube Equity

On the one hand, Danube Equity focuses on succession plans, MBOs, MBIs and the acquisition of medium-sized industrial companies. On the other hand, Danube Equity also provides expansion financing for technology companies that have the potential to greatly increase their value. Typical portfolio companies are located in Austria, Germany, Switzerland and the bordering CEE countries. A transaction volume of up to 50 million Euros can be realized. Danube Equity is exit oriented which means that company shareholdings are generally limited to between 3 and 6 years.

Danube Equity is investing in the following industrial fields:

- Materials
production and processing of metals, metal foams, plastics, wood, ceramics, ultralight systems (carbon, fibre wood,...) composites, hybrid/compound materials, coatings, foils, nanotechnology, etc.
- Processing of Materials
forming, cold welding, plasma welding, laser welding, gluing, joining techniques, pressing, crimping, cutting, perforating, etc.
- Cleantech
Solar technology, wind power, terrestrial heat, waste and drinking water treatment technologies, fuel cell technology, geothermal energy, heat storage, storage of energy, thermo electricity, raw materials production through recycling, cycle of matter – systems, etc.
- Railway Systems
trails, turnouts, storage, sound insulation, engineering and maintenance of railway lines, logistics (e.g. the delivery of rails to the construction site), signal and light systems, monitoring systems of rail and train, point control systems, etc.
- Mechatronics / Automation

danubEquity

Austria's leading Corporate Venture Capital Fund

micro systems, laser technology, sensor technique, industrial electronics, LED-light systems, polymer electronics, mechanical engineering, transportation, toolmaking, etc.

- Automotive
manufacturer of car parts systems for the automotive industry offering a unique technology or a special USP focused on safety, comfort, weight and styling

The Investment Process

It all begins with a detailed business plan based upon a concise executive summary. In collaboration with skilled experts a short evaluation will be made by Danube Equity. The most important key points of an equity financing will be outlined in a Letter of Intent (LoI/Term Sheet).

The following due diligence analysis (detailed evaluation) contains economic, legal and environmentally relevant aspects. The results of the analysis will be reported in an investment-memorandum on which the final investment contract will be based on.

The Evaluation

The value of a company will be checked upon the following criteria:

- Management: background, technical/economic expertise
- Market/Competitors: barriers of entry, distribution and marketing, growth potential
- Product: patents (IP), brand, status in product cycle
- Financials: turnover, earnings, financial controlling, IPO-readiness

We prefer the discounted cash flow method and multiples for the financial evaluation.

Ways of Exit

An investment by Danube Equity is generally limited up to several years. During the period of participation Danube Equity will increase the value of the partner company greatest possible. The expansion of sales, of product lines or the acquisition of additional companies in this industry are typical growth scenarios we pursue. Normally Exits are realized through trade sale, buy back or an IPO.

Benefits for the Portfolio Company

Because of the ownership structure and the corresponding network Danube Equity can provide their portfolio companies with a comprehensive range of services and support. The stability of an industrial owner ensures a sustainable value enhancement of our portfolio companies. Inhouse experts as well as outside resources will be at your disposal for all technical, legal, fiscal and financial questions at any time.

Reasons for choosing Danube Equity as an investment partner:

- Long-term expertise
- Industrial and entrepreneurial background
- No influence on your daily business
- Evergreen-funds – unlimited duration
- Global network of contacts

Danube Equity – your partner with international network and industrial background.