

Leading supplier of fire extinguishing systems for tooling machines sold to Deutsche Beteiligungs AG

Deal Highlights

- IMAP Germany advised Swiss private equity investor INVISION, on the sale of its majority stake in Kraft & Bauer Group (K&B), market leader in the supply of fire extinguishing systems for machine tools, to Deutsche Beteiligungs AG (DBAG). DBAG will acquire a majority stake in K&B as part of a management buyout (MBO), alongside the founding Bauer family and current Managing Director, Frank Foddi.
- K&B develops, produces and installs microprocessor-based fire extinguishing systems for 800 different types of tooling machines. With strong proprietary IP and an efficient service network comprising over 80 employees in Germany, Switzerland and Italy, K&B is an attractive investment with strong international growth potential.
- INVISION had been invested in K&B for 5 years. Accompanying it during a strong growth in performance, it was now seeking to exit.

TECHNOLOGY

kraft & bauer
BRANDSCHUTZSYSTEME
Advanced fire extinguishing systems
GERMANY

Was Acquired By

Deutsche Beteiligungs AG
Private equity (stock listed)
GERMANY

IMAP
ADVISED ON SALE

Market Outlook

- The market for object fire protection systems for machine tools is largely driven by a greater level of awareness regarding security among manufacturers and users, increased requirements for machine tools and the growing production of machine tools.
- K&B aims to expand its business with existing clients in Germany, Austria, Switzerland and Italy by capitalizing on the rising demand for fire extinguishing systems for new machines, as well as retrofitting older machine tools.
- Additionally, K&B plans to attract new clients and push ahead with the company's international expansion beyond its current markets.

Valuation Summary

- The transaction value of this deal is confidential. Companies in the fire extinguishing systems field have recently achieved attractive valuations at double-digit EBIT multiples and Sales far higher than 1x, due to strong underlying demand trends, attractive operating margins and international growth potential.
- The acquisition of a stake in Minimax Viking by ICG in 2018, for example, was valued at 1.4x EV/Sales.

IMAP Approach

- With a profound understanding of both the object fire protection systems and machine tools markets, IMAP exclusively advised the sellers in the search for a suitable partner.
- IMAP, together with the client, determined that an independent investor would be the best strategic match for K&B, due to the company's strong market positioning and clear profile. Therefore, IMAP approached only very select financial investors and orchestrated a highly competitive process until signing. This resulted in a very attractive outcome for the sellers, including the founding family, as well as the company and its management.
- The transaction was completed in less than 4 months following the initial approach to market.

Client Comment

Martin Spirig, Partner at INVISION:

“IMAP has orchestrated a well-prepared and structured process and showed great dedication in assisting us with sound advice. The transaction team built strong relationships with all parties involved and produced a very positive result.”

IMAP Transaction Advisors



Dr. Carsten Lehmann
Managing Partner
IMAP Germany
carsten.lehmann@imap.com



Philipp Noack
Project Manager
IMAP Germany
philipp.noack@imap.com

IMAP has closed several transactions in the fire protection systems and electronics sectors:

INDUSTRIALS

INEX CORPORATION

Acquired 100% of Business Operations

AWG

IMAP
ADVISED ON SALE OF COMPANY

INDUSTRIALS

PAMICA

Acquired 100% of Business Operations

Cupsola

IMAP
ADVISED ON PURCHASE OF COMPANY

TECHNOLOGY

BB ELECTRONICS
EMS – from idea to solution

Acquired 100% of Business Operations

WENDELL

IMAP
ADVISED ON SALE OF COMPANY

TECHNOLOGY

WESTVIEW CAPITAL PARTNERS

Acquired 100% of Business Operations

bell howell

IMAP
ADVISED ON SALE OF COMPANY

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