

# Ufenau German Asset Light

## At Eye Level with Entrepreneurs



### ESG Report 2020



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# About This Report

We are proud to present the **Ufenau 2020 ESG Report**. At Ufenau, we are mindful of the responsibility we have towards our investors, our portfolio companies, the management teams and their employees as well as all employees at Ufenau and its stakeholders. Our awareness of the potential impacts of our investments fuels our everyday actions and decision-making. Our objective and desire is to positively impact the ecosystem Ufenau is active in, including all our share- and stakeholders.

Ufenau is focusing on “Asset Light” service companies. Hence, people are the most important success factor of our investments and our company. Ufenau is in the comfortable position to be active in a segment and in a market with in general high ESG standards compared to other regions around the globe. On the one side, service companies typically have less critical ESG topics (e.g. emissions) compared to other regions around the globe. On the other side, our geographical focus on German speaking Europe and Benelux distinguishes itself by a very high ESG level.

At the same time Ufenau as growth investor with a systematic Buy-&-Build approach, constantly strives for improving the business models of our portfolio company to achieve benefits for all share- and stakeholders and to ensure sustainable businesses for the future.

Today, Ufenau has four active closed-end German Asset Light funds all based in the European Union and setup under the AFIMD regime. All funds are managed by an individual General Partner. The advisory company of the General Partners is Ufenau Capital Partners AG, based in Switzerland. Hereinafter all entities are collectively named “Ufenau”.

For 2020 our strategy remains unchanged and we strongly focus on finding and developing attractive investments!



**Ralf Flore**  
Managing Partner



**Dieter Scheiff**  
Managing Partner



**Marinus Schmitt**  
Partner

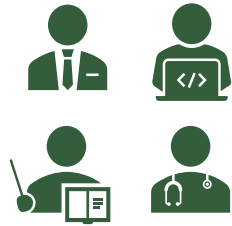


**Andreas Joehle**  
Partner

# Investment Focus and Strategy

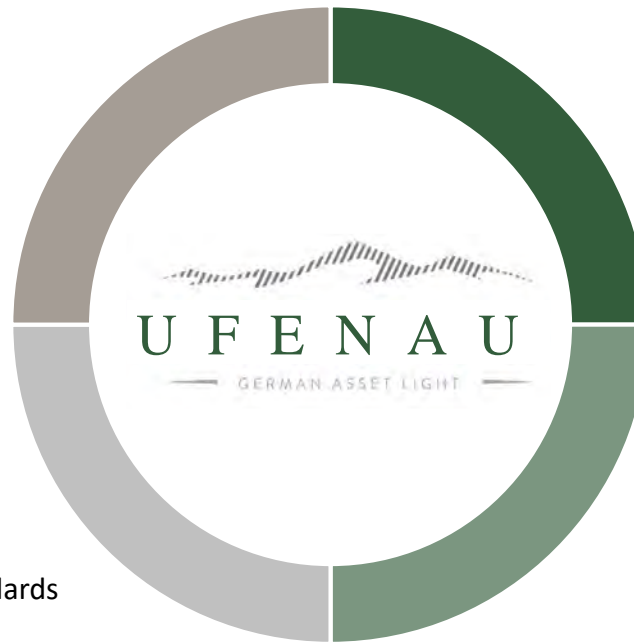
## Asset Light

- Acquisitions of majority stakes in service companies within fragmented industries
- Focus on Business Services, Education & Lifestyle, Healthcare and Financial Services



## D/A/CH Region and Benelux

- Germany, Austria, Switzerland
- Europe's strongest economic region
- In general markets with advanced ESG standards



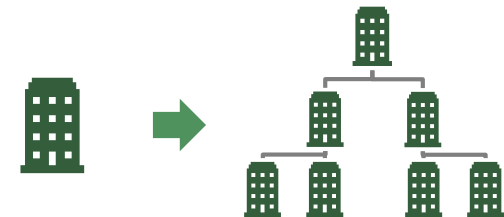
## Small to Medium Sized Companies

- Target sales of EUR 10-150 million for an initial platform investment
- Add-ons from EUR 1-100 million sales
- Profitable & cash-flow positive



## Buy-&-Build

- Strategic add-on acquisitions supporting organic growth
- Professionalization of SME's



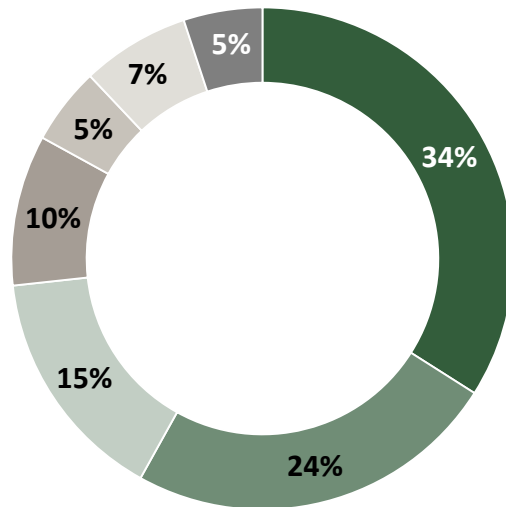
# Assets Under Management

Ufenau currently comprises of 3 active main funds (Ufenau IV, V, VI) and 1 active co-investment fund.

## AuM by Investor Category

*in % of committed capital*

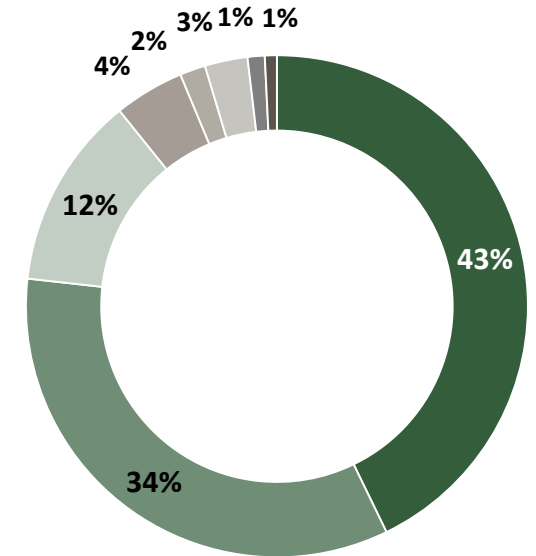
- Pension Funds
- Fund of Funds
- Family Offices
- Sovereign Funds
- Universities
- Industry Partner
- General Partner



## AuM by Region

*in % of committed capital*

- United States
- D/A/CH
- France
- United Kingdom
- Canada
- Scandinavia
- Asia
- Spain





# Ufenau's Responsible Investment Policy

In developing Ufenau's ESG policy, we considered the United Nations Principles for Responsible Investments as well as our specific investment focus, strategy and geographical reach. Ufenau will, in accordance with our fiduciary responsibility to our share-and stakeholders:

- |   |   |   |  |
|---|---|---|--|
| 1 | <b>Identify ESG issues</b> throughout the due diligence process related to potential investments and refuse to invest in any business that willfully exploits people and/or creates damage to society.  | 4 | <b>Respect human rights</b> of those affected by our investment activities and seek to confirm that our investments do not support companies that utilize child or forced labor or maintain discriminatory policies.   |
| 2 | <b>Adhere to the highest standards</b> of conduct to avoid even the appearance of negligent, unfair, or improper practices. Proactively comply with applicable national, state, and local labor laws in the countries in which Ufenau invests; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining. | 5 | <b>Ensure all Ufenau Capital Partners employees</b> are aware of the firm's culture of social responsibility dating back to its inception and encourage them to strengthen that culture. Encourage all firm professionals to engage in nonprofit giving and socially responsible volunteer activities. |
| 3 | <b>Seek to grow and improve portfolio companies</b> while benefiting multiple stakeholders. Ufenau will work with portfolio companies with the goal of improving performance and minimizing adverse impacts.  | 6 | <b>Encourage dialogue with LPS and stakeholders</b> on how ESG issues can be managed in a way that is consistent with their initiatives. Work with our Limited Partners to foster transparency with regard to the ESG performance.   |
|   |   | 7 | <b>Have the resources</b> to achieve implementation of the firm's ESG initiatives including.   |

# As Signatory Ufenau adheres to the UN PRI

The Principles for Responsible Investment is a United Nations' initiative launched in 2006 by Kofi Annan. It encourages its signatories in the finance sector (asset owners, investment managers and service providers) to respect its core principles.

Ufenau Capital Partners AG became a signatory to the United Nations-backed Principles for Responsible Investment (PRI) in 2019.

*Signatory of:*



## THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

1

We will incorporate ESG issues into investment analysis and decision-making processes.

2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4

We will promote acceptance and implementation of the Principles within the investment industry.

5

We will work together to enhance our effectiveness in implementing the Principles.

6

We will each report on our activities and progress.

# Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) were adopted by more than 150 world leaders at the United Nations Sustainable Development Summit in September 2015. The 17 goals articulate the shared aspirations of governments, investors, non-governmental organizations, and businesses to end poverty, protect the planet, and seek to ensure prosperity for all. The SDGs emphasize the role of the private sector in addressing challenges such as climate change, economic inequality, innovation, and sustainable consumption among other priorities. We believe that the SDGs articulate some of society's most pressing challenges and thus have become core to how we select impact investments.





# SDGs related to the Ufenau Investment Strategy

As growth investor, Ufenau focusses on majority investments in profitable “Asset Light” service companies which are mainly active in Germany, Austria and Switzerland (D/A/CH Region).

Considering the Ufenau Investment Focus and Strategy, the following 7 SDGs are the most relevant to focus on in the portfolio:

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**6** CLEAN WATER AND SANITATION



**8** DECENT WORK AND ECONOMIC GROWTH



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**15** LIFE ON LAND



**17** PARTNERSHIPS FOR THE GOALS



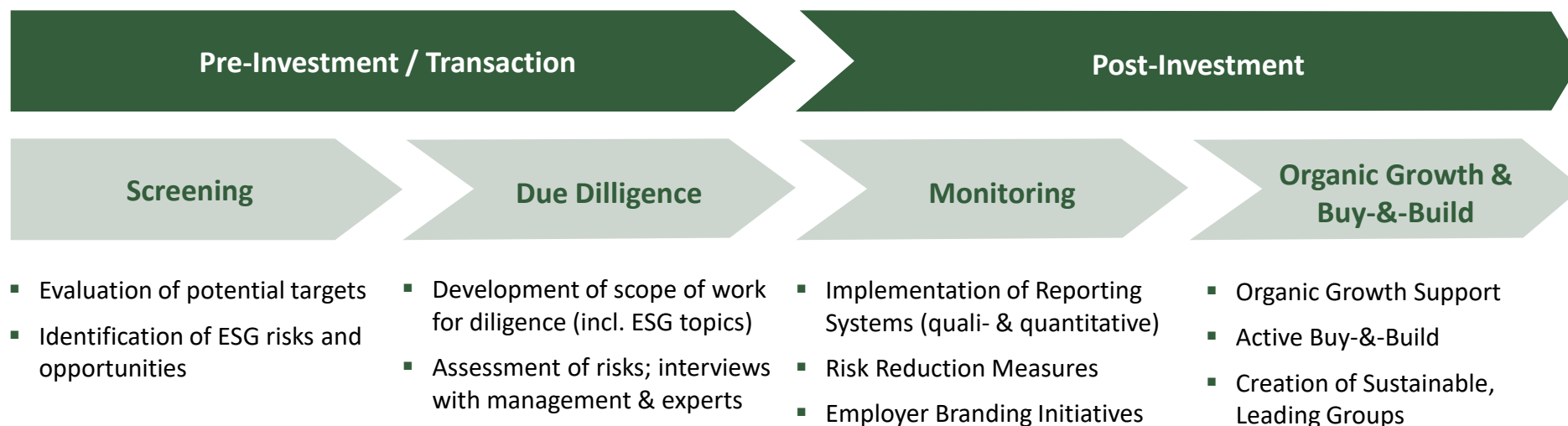
Western-Europe in general but the jurisdictions Germany, Switzerland and Austria in particular, are very advanced in their ESG efforts and standards. Nevertheless, Ufenau and the Private Equity industry in general has an important role in supporting change in scale and pace as each country continues its journey towards the SDGs.

ESG Country Rating 2019		Ufenau Exposure	Ranking Score
1	Denmark	✓	92 / 100
2	Sweden	✓	90 / 100
3	Switzerland	✓	88 / 100
4	Norway		87 / 100
5	Netherlands	✓	86 / 100
6	Germany	✓	85 / 100
7	Austria	✓	84 / 100
8	Luxembourg	✓	83 / 100
9	Finland		83 / 100
10	Iceland		81 / 100

Source: Top 10 of inrate.com ESG Country Rating 2019

# ESG in the Ufenau Investment Process

Ufenau’s Sustainability and Environmental, Social, and Governance (“ESG”) considerations are reflected throughout the whole investment process starting with the screening process. When Ufenau is sourcing new opportunities, ESG matters are always considered. Clearly defined exclusion criteria together with Ufenau values, guide deal teams as to which deals not to pursue, and to which deals that will fit into the Ufenau portfolio. In addition to the above, placing our trust in the management, board and owners and their set of values are fundamental to move forward on a potential deal. The scope of the due-diligence depends on the respective jurisdictions, industry, company specifics and general risk exposure, but always include an assessment of the integrity of the management teams in multiple dialogues. During the internal and external investment assessment meetings, relevant ESG topics are challenged by the Investment Team. To the extent relevant, investment materials will also include plans for the improvement of any of the identified ESG issues.



# SDGs in Ufenau's Portfolio

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**6** CLEAN WATER AND SANITATION



**8** DECENT WORK AND ECONOMIC GROWTH



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



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**17** PARTNERSHIPS FOR THE GOALS



IRS Group	✓	✓		✓	✓		✓
GarLa	✓		✓	✓		✓	✓
Integr8	✓	✓		✓			✓
Corius	✓	✓		✓			✓
Altano	✓	✓		✓		✓	✓
Kanalservice	✓	✓	✓	✓			✓
Swiss IT Security	✓	✓		✓			✓
Lavatio	✓		✓	✓	✓		✓
European AV Group	✓			✓			✓
HPS	✓	✓		✓			✓
Trans Europa Express	✓	✓		✓			✓
Fair Damage Control	✓	✓		✓			✓
Doktorhuus	✓	✓		✓			✓

# ESG Case Studies

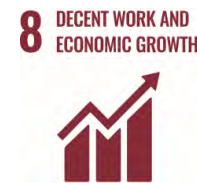
1	2	3
		
4	5	6
		

Company & Deal Parameter	
<b>Company:</b>	Altano Gruppe GmbH
<b>Sector:</b>	Veterinary Healthcare
<b>Geography:</b>	Germany & Netherlands
<b>CEO:</b>	Dr. Victor Baltus
<b># Locations:</b>	17
<b># Employees:</b>	> 500
<b>Sales:</b>	EUR 45m in 2019
<b>Sales Growth:</b>	CAGR 77% since entry
<b>Entry Date:</b>	June 2017
<b>Ownership:</b>	Ufenau 75% / Mgmt 25%
<b>Deal Type:</b>	Owner Buyout
<b>Strategy:</b>	Buy-&-Build
<b># Add-Ons:</b>	16



The investment idea of Altano was to form a group of equine clinics by providing numerous veterinarians an attractive succession solution. Today, Altano is the leading veterinary clinic group in Germany focusing on equine healthcare. The group provides the full scope of veterinary services including surgery and internal medicine treatments to a diversified base of >80'000 clients with >100'000 animals treated per year. The group provides centralized services such as bookkeeping, HR support, marketing, insurance, etc. to the clinics.

### Sustainable Development Topics



### Ref. ESG Actions

- 03** Focus on animal welfare / successful implementation of flexible working time models
- 04** Establishment of group wide trainings / valuable cooperation with universities
- 08** 16 clinics acquired to form group and de-risk numerous key men situations
- 15** Sustainable treatment of estates also used as living space for horses
- 17** Management participation of 25% (veterinarians)



Company & Deal Parameter	
<b>Company:</b>	Corius AG
<b>Sector:</b>	Dermatology
<b>Geography:</b>	Germany & Switzerland
<b>CEO:</b>	Heidi Niemöller
<b># Locations:</b>	12
<b># Employees:</b>	> 250
<b>Sales:</b>	EUR 37m in 2019
<b>Sales Growth:</b>	CAGR 83% since entry
<b>Entry Date:</b>	January 2017
<b>Ownership:</b>	Ufenau 85% / Mgmt 15%
<b>Deal Type:</b>	Owner Buyout
<b>Strategy:</b>	Buy-&-Build
<b># Add-Ons:</b>	10



Corius AG comprises the roll-out of a dermatological practice chain in the D/A/CH region. The idea was/is to provide typically elderly practice owners an attractive succession solution. The group offers a brought range of dermatological service including out- and inpatient dermatology, derma-oncology as well as beauty and aesthetic treatments. The group provides centralized services such as bookkeeping, HR support, marketing, education, etc. to the practices.

### Sustainable Development Topics

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**8** DECENT WORK AND ECONOMIC GROWTH



**17** PARTNERSHIPS FOR THE GOALS



### Ref. ESG Actions

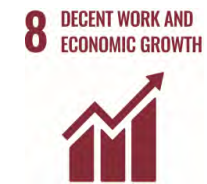
- 03** Focus on human welfare / group practices with flexible working times models
- 04** Establishment of group wide employee trainings
- 08** 10 practices acquired to form group and solve succession situations
- 17** Management participation of 15%

Company & Deal Parameter	
<b>Company:</b>	Kanalservice Holding AG
<b>Sector:</b>	Sewer Cleaning Services
<b>Geography:</b>	Switzerland & Germany
<b>CEO:</b>	Petra Reinholz
<b># Locations:</b>	10
<b># Employees:</b>	> 400
<b>Sales:</b>	CHF 71m in 2019
<b>Sales Growth:</b>	CAGR 31% since entry
<b>Entry Date:</b>	March 2017
<b>Ownership:</b>	Ufenau 76% / Mgmt 24%
<b>Deal Type:</b>	Owner Buyout
<b>Strategy:</b>	Buy-&-Build
<b># Add-Ons:</b>	6



Founded 1958, Kanalservice Holding AG is the leading service provider for sewer cleaning, inspection and renovation with seven sites in Switzerland and Germany. The company operates as a one stop shop for a broad customer base including cantons, cities, municipalities, real estate administrations, construction companies, facility services, engineers, architects and private individuals in Switzerland and Germany.

### Sustainable Development Topics



#### Ref. ESG Actions

- 03** Active prevention of minimum wages / reduction of travel times
- 04** Establishment of shared garage and specific know-how transfer across the group
- 06** Business model is focused on optimization of sewer systems
- 08** 6 add-ons acquired to form group / numerous succession situations solved
- 17** Management participation of 24%

Company & Deal Parameter	
<b>Company:</b>	Intelligent Repair Solutions GmbH
<b>Sector:</b>	SMART Repair Services
<b>Geography:</b>	Germany, Denmark, Sweden, Belgium
<b>CEO:</b>	Norbert Dohmen
<b># Locations:</b>	141
<b># Employees:</b>	> 2'000
<b>Sales:</b>	EUR 203m in 2019
<b>Sales Growth:</b>	CAGR 34% since entry
<hr/>	
<b>Entry Date:</b>	June 2014
<b>Ownership:</b>	Ufenau 90% / Mgmt 10%
<b>Deal Type:</b>	Owner Buyout
<b>Strategy:</b>	Buy-&-Build
<b># Add-Ons:</b>	48



Intelligent Repair Solutions is the market leader in SMART ("small to medium area repair techniques") Repair and body repair & paint services for passenger car damages in Germany, Denmark, Sweden and Belgium. The service offering comprises in particular paint-free dent removal, spot colour repair, body repair and paint, cosmetic wheel repair, vehicle reconditioning services as well as varnishing services. The company focuses on B2B customers.

### Sustainable Development Topics



### Ref. ESG Actions

- 03** Flexible working time models introduced
- 04** IRS academy installed to provide state-of-the-art trainings
- 08** 48 add-ons acquired to form group and numerous succession situations solved
- 12** Pilot project to reduce paint consumption implemented (Moonwalk system)
- 17** Management participation of 10%

Company & Deal Parameter	
<b>Company:</b>	Doktorhuus Gruppe AG
<b>Sector:</b>	General Medicine
<b>Geography:</b>	Switzerland
<b>CEO:</b>	Cornelia Raif
<b># Locations:</b>	14
<b># Employees:</b>	> 140
<b>Sales:</b>	CHF 25m in 2019
<b>Sales Growth:</b>	CAGR 31% since entry
<b>Entry Date:</b>	June 2016
<b>Ownership:</b>	Ufenau 93% / Mgmt 7%
<b>Deal Type:</b>	Owner Buyout
<b>Strategy:</b>	Buy-&-Build
<b># Add-Ons:</b>	7



Doktorhuus comprises of a roll-up of medical practices, specialized in general medicine, gastroenterology and radiology. The group today is a regional champion in the outpatient healthcare market in the German speaking region of Switzerland. The objective of Ufenau and the Management was/is to form a group by acquiring practices from succession seeking owners, find successor doctors and to provide shared services from the group to increase attractiveness in particular for the majority of female doctors.

### Sustainable Development Topics



#### Ref. ESG Actions

- 03** Focus on human welfare / group practices with flexible working times
- 04** Establishment of group wide trainings to ensure high quality treatments
- 08** 7 practices acquired to form group and numerous succession situations solved
- 17** Management participation of 7%



Company & Deal Parameter	
<b>Company:</b>	Swiss IT Security AG
<b>Sector:</b>	IT Security Services
<b>Geography:</b>	Switzerland & Germany
<b>CEO:</b>	Philipp Stebler
<b># Locations:</b>	11
<b># Employees:</b>	> 400
<b>Sales:</b>	CHF 73m in 2019
<b>Sales Growth:</b>	CAGR 79% since entry
<hr/>	
<b>Entry Date:</b>	November 2017
<b>Ownership:</b>	Ufenau 57% / Mgmt 43%
<b>Deal Type:</b>	Owner Buyout
<b>Strategy:</b>	Buy-&-Build
<b># Add-Ons:</b>	9



Swiss IT Security AG is a leading group of specialized IT cybersecurity solutions in Switzerland and Germany. The service offering comprises IT security infrastructure, managed services, IT security architecture for high security clients, network security as well as specialized cloud security solutions. SITS focusses on B2B clients reaching from renowned mid-sized companies, public authorities to global enterprises.

### Sustainable Development Topics

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**8** DECENT WORK AND ECONOMIC GROWTH



**17** PARTNERSHIPS FOR THE GOALS



### Ref. ESG Actions

- 03** Harmonized working contracts across the group / flexible working models installed
- 04** Establishment of group wide trainings and workshops for know-how transfer
- 08** 9 add-ons acquired to form group and de-risk of numerous key men situations
- 17** Management participation of 43%



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# Ufenau German Asset Light At Eye Level with Entrepreneurs

[www.ucp.ch](http://www.ucp.ch)