

Capvis acquires majority stake in Swiss Variosystems AG

Further growth targeted for global electronics service provider

19 October 2018, Baar / Steinach (Switzerland) – Capvis Equity V LP, advised by Swiss based Capvis Equity Partners AG (together “Capvis”), announces the acquisition of the majority of Variosystems AG (“the Company”), a leading Swiss company active in the field of engineering and manufacturing services for electronic assemblies. Headquartered in Steinach (Switzerland), the Company operates facilities in Switzerland, the USA, Sri Lanka and China. Variosystems offers sourcing, assembly, box-build, electronics engineering and wire harnessing services to OEM customers in end-markets with high requirements such as industrial, medical and aviation.

Since its foundation in 1993, the Company has grown organically and developed into a global EDMS provider (Electronic Design & Manufacturing Services). Variosystems took its first steps towards internationalisation at the end of the 1990s in Sri Lanka and the USA. The Company entered the Chinese market in 2006. Over the years, the activities across the various locations have been developed and integrated into a global manufacturing platform. At the same time, the Company has expanded its range of services. Today, Variosystems offers its customers a comprehensive range from hardware and software engineering to component production, cable assembly and complete supply chain management from a single source.

Capvis' majority acquisition derives from a strategic succession plan and forms the basis for further global growth of Variosystems over the coming years.

Stable Management

Peter Germann and Norbert Bachstein will retain their existing stakes and remain Co-CEO of Variosystems. Peter Germann comments: "Over the past 25 years, we have been able to write a very successful growth story, and today, Variosystems counts approximately 1,600 employees. The strategic positioning of the Company has made a decisive contribution to this development. We deliver Swiss quality and reliability from our fully integrated locations to our customers worldwide". Norbert Bachstein adds: "The success of Variosystems is also based on trust and long-term customer relationships and a high level of service mentality, which optimally complement our strengths in engineering and logistics as well as in manufacturing capacity".

Peter Ermish, shareholder and General Manager of Variosystems Inc. in the USA will concentrate on strategic matters on the Group's Board of Directors as of 2019. His operational successor will be Roger Bieri, who has been with Variosystems Inc. for many years and has played a key role in shaping its growth in the USA and the establishment of the site in Suzhou (China). Peter Ermish comments: "I look forward to supporting Variosystems together with Capvis at a strategic level in order to exploit further growth opportunities for the Company in the USA as well as in other markets. With Roger Bieri, we have found the ideal successor for the development of the Company activities in the USA as he is familiar with the customers, the market and the Company itself".

Focus on growth

Capvis plans to use its commitment and capital primarily to invest in the Company's additional growth and to support Variosystems in expanding its strategic competitive advantages. Boris Zoller, Partner at Capvis explains: "Variosystems has developed into a Swiss industrial pearl since its foundation. The Company is active in a fast-growing industry with customers in forward-looking end-markets. Together with the experienced management team, we want to exploit this potential, consistently pursue the strategy of internationalisation and thus continue the success story of the Company".

The parties have agreed not to disclose the financial details of the transaction. The closing of the transaction is subject to approval from the relevant authorities and is expected to take place within the next two to three months.

About Variosystems AG

Variosystems is an internationally active electronics service company. With headquarters in Steinach (Switzerland) and production facilities in Switzerland, the USA, Sri Lanka and China, the Company produces electronic system solutions primarily for end-markets such as industrial, medical, aviation and automotive-related industry. Variosystems' range of services includes hardware and software engineering, component manufacturing and equipment construction, cable assembly, supply chain management and customer service. The Company focuses on customised solutions for complex tasks in highly specialised areas. The Company generated sales of around CHF 175 million in the past financial year and has a headcount of approx. 1,600 employees. Variosystems is one of the largest providers in Switzerland and among the largest in Europe in its field.

www.variosystems.com

About Capvis

Capvis is one of the leading private equity companies in Europe. Capvis Equity Partners AG, adviser of Capvis Equity V LP with a total commitment of EUR 1.2bn, focuses on majority holdings in leading mid-sized companies. It aims to support management teams in unleashing entrepreneurial potential and achieving new levels of excellence. Capvis focuses on regional champions in local markets and global niche market leaders in manufacturing technology, engineered products and advanced services. Since 1990, Capvis has completed 55 transactions with a total volume of more than EUR 5 billion. Capvis has listed ten companies and has repeatedly been voted Switzerland's best private equity firm by the international financial press.

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