



PKC GROUP 
**PKC acquires Wiring & Controls
business of Groclin S.A.**

February 13, 2015

Matti Hyytiäinen, President & CEO

Acquisition is fit to PKC strategy and adds rolling stock business segment to PKC portfolio

PKC current customer segments



Strategic segments to expand within transportation Industry

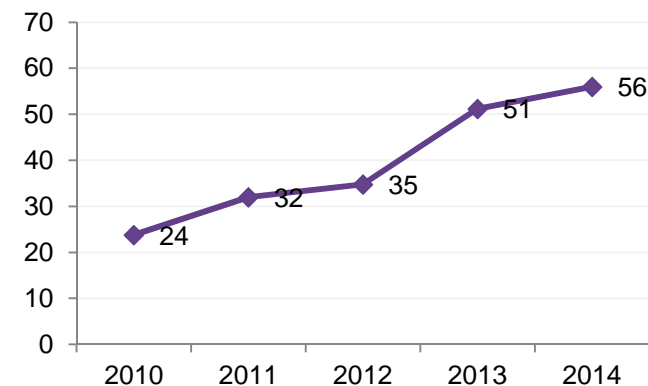


 Acquired business segments

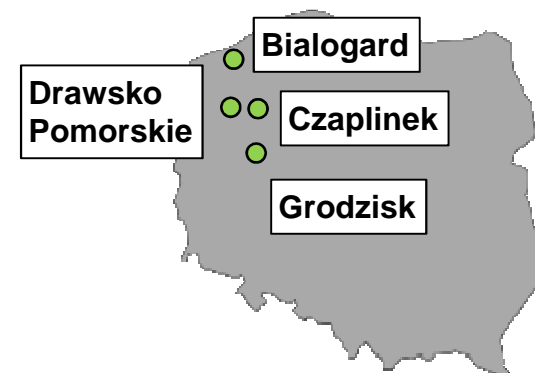
Wiring & Controls business of Groclin S.A. in brief

- Manufacturers electrical cabinets and wire harnesses to leading rolling stock and on/off highway commercial vehicle OEMs
- Diversified customer base including Alstom, Bombardier, Volvo CE, MAN, Dennis, Vestas, ABB, Cargotec. No dependency on one particular customer
- Manufacturing close to customers in four factories in Poland
- Growing and profitable business. 2014 revenue totals EUR ~56 million and normalised EBITDA ~7 % with ~2000 employees at the end of the year
- Part of Polish listed company Groclin S.A. and is owned by Andre Gerstner (52.5% via holding companies), Maria Drzymala (9.8%) and other investors (37.7%)

Revenue development, EUR million



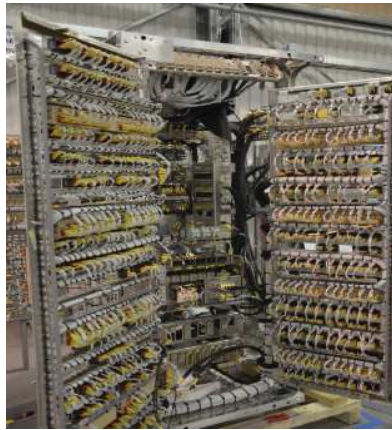
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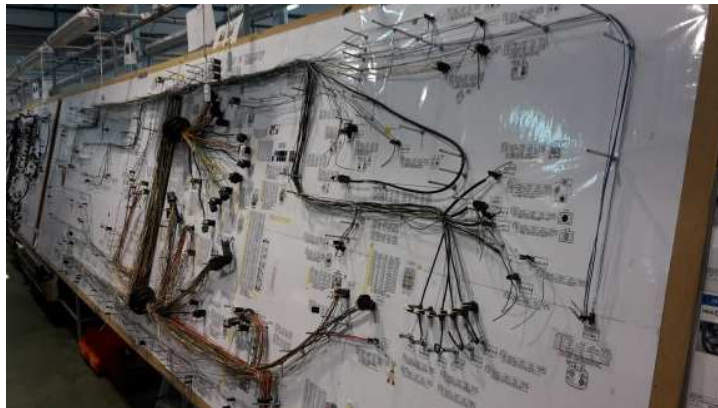
Note: PKC acquires Wiring & Controls business of Groclin S.A. The deal includes Kabel Technik Polska Sp. z o. o. (KTP)

Wiring & Controls business of Groclin S.A. product range

Electrical cabinets, power packs and wiring harnesses to rolling stock, energy and material handling segments count 63% of revenue



Wire harnesses and parts to on/off highway commercial vehicles in construction, bus and truck segments count 37% of revenue



Rationale: Rolling stock offers favourable growth opportunities to PKC

Sizeable global market

- Rolling stock cabinets, power packs and wire harnesses add a new business segment to PKC's profile
- Addressable global market for rolling stock amounts to EUR 2.1 billion. PKC's global addressable market rises by 50% from EUR ~4 billion to EUR ~6 billion

Customers globalizing operations

- OEM's are globalizing their operations as urbanization, energy cost, environmental awareness, ageing fleet and railway liberalization favor rolling stock business
- Wiring & Controls business of Groclin S.A. and PKC are well positioned to capture global market potential. PKC's capacity footprint to be utilized

Good European market prospects

- In Europe Wiring & Controls business of Groclin S.A. has strong track record in revenue growth and good stand-alone growth prospects (highlighted by Bombardier LOIs end of December 2014)



Rationale: On/off high way segments supplement PKC's current business

Customers consolidating supply chains

- PKC strengthens position in construction and bus segments
- PKC gets entry point to energy and material handling segments
- In these segments OEMs are lacking economies of scale in buying and consolidating their currently scattered supplier base to bigger suppliers
- Wiring & Controls business of Groclin S.A. and PKC are well positioned to capture this opportunity and to internationalize local accounts
- In addition, PKC gets new supplementary product categories in trucks segment



Rationale: The acquisition is complementary but synergies are identified

Synergies include

- Economies of scale in supplier base
- European capacity footprint efficiency improvement and optimization
- Rolling stock high voltage technology that support PKC's hybrid technology development
- Net working capital improvement of acquired factories



Transaction highlights summary

Transaction in brief

- EV totals EUR 50 million
- The transaction is financed with EUR 40 million long term bank loan and EUR 10 million from PKC cash resources
- The deal is accomplished via a new company that is owned 80% by PKC and 20% by the management of Wiring & Controls business of Groclin S.A.
- There is a call structure to realize the ownership earliest two years after closing

Impact to PKC Group's financials

- The deal has no significant impact to PKC Group 2015 results

Timetable

- The deal was signed on 12.02.2015
- The closing is targeted by 30.06.2015
- The closing is subject to common conditions including merger control filings
- Integration starts after the closing

André Gerstner will continue managing the acquired business

- André Gerstner, the current president of Groclin S.A., will be appointed as PKC executive board member
- He will be responsible of day to day management of the acquired business
- He will manage rolling stock business with a target to achieve market leading position globally
- He will work with PKC's business areas to strengthen PKC's market position in on/off highway commercial vehicle and energy and material handling segments
- André Gerstner is 38 years old German citizen. He has managed acquired business since 2003 and been major owner through management buy-out since 2006



“In my work I focus on building the organization within the Group and developing its strategy. Passion and developing a good team with motivated employees who trust each other are the most important things to me and my motto.”

André Gerstner's agenda

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- Ensure smooth transition of acquired business into PKC family
 - Work with the customers to capture growth opportunities globally by utilizing the strengths of the new combined entity PKC Group and Wiring & Controls business of Groclin S.A.
 - Start to implement first steps of global strategy for PKC's rolling stock segment

Thank You





MANAGING THE COMPLEXITY

PKC GROUP 

PKC Group Plc
Unioninkatu 20-22
FI-00130 Helsinki, Finland

www.pkcgroup.com