PKC acquires Wiring & Controls business of Groclin S.A.
Acquisition is fit to PKC strategy and adds rolling stock business segment to PKC portfolio

PKC current customer segments
- Trucks & Buses (HCV & MCV)
- Light Commercial Vehicles (LCV)
- Construction Equipment
- Recreational Vehicles
- Agriculture and forestry
- Engines

Strategic segments to expand within transportation Industry
- Rolling stock
- Commercial aircraft
- Energy/Material handling
- Mining machinery

Acquired business segments

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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%)

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

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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

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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

• 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

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Thank You