

## Overview

Located in north-western Poland in a distance of approx. 2.5 hours driving from Berlin, Germany, Bomet is a manufacturer of **custom designed closed die forgings** made from alloyed and carbon steel with in-house value added of heat treatment, machining, welding and fabrication. The customers are prominent OEMs as well as T1 & T2 manufacturers in Automotive (Off-highway, Heavy truck, etc.) as well as Railway, Oil& Gas and other market sectors.

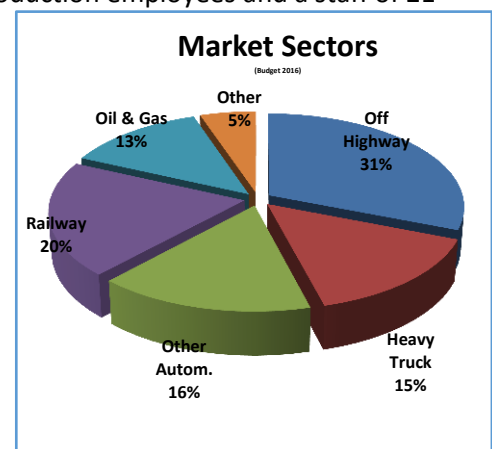
### Examples of products & their applications:



The turnover of approximately **10m EUR** is safely spread over more than 300 different parts and over 60 customers in Poland, Germany, UK, Sweden and other countries.

The permanent workforce of 162 includes 141 direct and indirect production employees and a staff of 21 persons. Majority of employees are residing in a small town of BARLINEK, where the plant is located. The local remuneration level is very competitive vs. more industrialized regions of Poland.

The company is certified with **ISO9001/TS 16949 automotive quality standard**. Highly competent engineering and quality personnel as well as other employees have proven their ability to ensure sustainable quality of technically demanding production.



## Market prospects

Bomet is a competitive manufacturer winning new customers and new business on a large scale. In 2014, the company achieved genuine **new business sales of EUR 2.6m** or 29% of the total turnover. In 2015, a break-through growth opportunity has been achieved as a result of winning new and **sustainable business of some EUR 11 million per year**.

The business has been won from some 14 mostly new customers in Germany, Norway, UK and other countries. Following the full implementation into production (50% advanced now) the new business would bring the total turnover of the company up to **EUR 14.7m in 2016 and EUR 21m in 2017** (budget 2016 figures).

Due to still low utilization of the existing machines, the new business under implementation can be achieved with relatively minor only capacity extension. However, significant capital expenditures are required in order to upgrade currently inferior technical condition of the machines, buildings and installations.

## Investment Opportunity in Poland: ZUO Bomet Ltd.

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The remarkable new business growth is a result of the following key factors:

- Strong engineering know-how and robust quality system able to win over even the most demanding customers (verified i.e. by frequent customer audits).
- Relatively low general manufacturing costs and competitive supply chain (including steel supply).
- Extraordinarily efficient sales team.

Apart from the above described growth by new business, the company has currently got **a unique opportunity to take over the business from two forging companies in UK** - which belong to the same capital group as Bomet (Caparo) and which have been suddenly closed in November 2015.

### Current Situation

On October 19, 2015, the UK based mother company of Bomet: Caparo Industries, plc, suddenly and inexpertly filed for administration and become insolvent. In total, as many as 16 companies of Caparo Industries employing approx. 1700 people and generating over EUR 500m turnover become insolvent. Due to the very deep dependency on the mother company, Bomet found itself in a dramatic financial situation and has been also forced to file for insolvency.

The dependency on the mother company among others included 100% financing by Caparo Industries of both working capital and CAPEX of Bomet (zero bank financing). Furthermore, all the trade with final customers has been formally conducted via the mother company, although it was the personnel of Bomet to win and administer that business.

Actions so far taken and increasingly successful include transferring all final customer orders directly to Bomet. As of the date of this document, production is running, sales ongoing and all employees continue working for the company. A new strategic investor able and willing to take immediate actions is required.

### Assets and Technical Capabilities

The plant of total land area of **10.3 ha** and total area of buildings of **22.000m<sup>2</sup>** dates from 1973.

Key processes & machines:

- Tooling CAD/CAM design & in-house manufacturing (i.e. MICRON CNC machines 3 pcs),
- Closed die forging (i.e. Smeral 4000t and 2500t presses; Zygmunt 5t, 3t, 2t, etc. hammers),
- In house heat treatment (normalizing, quenching & tempering, isothermal annealing, 2 new furnaces have been acquired in 2015),
- CNC turning & milling up to 5 axis (i.e. 3 new CNC machines acquired in 2014/2015),
- Welding (railway safety critical certification); basic fabrication, coating,
- In house testing (i.e. MPI, Chemical composition, CMM, Tensile strength, etc.).

Total book value of assets: EUR 5.6 million. Total estimated market value of assets: EUR 10 million.



## Contact

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