



2018

CREATING VALUE IN THE TRANSPORTATION SYSTEMS SECTOR

AVA Research on the main European listed companies

Introduction

This research investigates the **European Transportation Systems sector** based on a sample of 50 leading European listed companies.

These companies are further classified into the following market subsectors: **Automobiles Tires, Comm. Vehicles&Trucks, Auto Parts**.

Their performance is analyzed using four different approaches. The first is **The Traditional Approach** which examines common indicators such as Sales, EBIT and Profit. The other three approaches: **The EVA® View, The EVA® People-Based View and The Market View** are designed to measure companies' ability to create Value. The **EVA® People-Based View** investigates the issues of productivity and employees' value creation. **The Market View**, on the other hand, focuses on understanding market expectations regarding future company performance in terms of created Value. Thus, it serves as a basic tool to revise business plans and improve incentive schemes to achieve the set objectives.

Finally, Active Value Advisors provides its point of view about some recent "**Hot Topics**" companies need to deal with when they face challenges related to **profitability, efficiency and organizational flexibility** or when they need to take full advantage of **technology (i.e. Big Data, Cloud Computing, Business Intelligence)** in the most profitable way.

Active Value Advisors believes that properly managing and constantly monitoring information through **Business Intelligence & Analytics tools** can contribute significantly to an exceptional performance. Another extremely important driver in this historical context is related to the **organizational dimension** which represents the "real challenge" companies have to face in order to deal effectively with the complexity of the current competitive environment.

How to measure company performance?

TRADITIONAL APPROACH

Analysis of traditional performance indicators and KPIs

Investigating companies' performance we couldn't omit the **analysis of margins and profitability**. Therefore, we initially examined traditional performance indicators such as Sales, EBIT and Net profit.

EVA® VIEW

Analysis of Value creation

Sometimes, though, the adoption of a traditional approach might make us short-sighted and unable to detect possible problems related to the performed strategy or to come up with solutions. A methodology based on the actual Value created by a company addresses these issues.

A company generates **Value** when its Return on Invested Capital (**ROIC**) is higher than what investors expect to get by taking on an equally risky investment (**WACC**).

Value creation is assessed using the EVA® formula:

$$\text{EVA}^{\circledR} = (\text{ROIC} - \text{WACC}) * \text{Invested Capital}^1$$

EVA® PEOPLE BASED

Human Resources productivity

One of the main features of the EVA® methodology is that it provides some alternative ways of reading the management performance achieved by the company and allows to associate the created **Value** with the determinants that have contributed to generate it.

Indeed, by applying a simple algebraic decomposition to the traditional EVA® formulation we can obtain the EVA® People Based formula, an Economic Profit computed considering **“People” instead of “Capital”**:

$$\text{EVA}^{\circledR} \text{ People Based} = (\text{Labour Productivity} - \text{Average Labour Cost}) * \text{N}^{\circ} \text{Employees}$$

MARKET VIEW

Sustaining performance over time

Creating wealth and value through performance improvements is one of the core aspects of “doing business”. Nevertheless, ensuring business Sustainability over time is certainly not less important.

Analyzing current performance is a very good starting point, but it is equally important to understand market expectations about **future performance**:

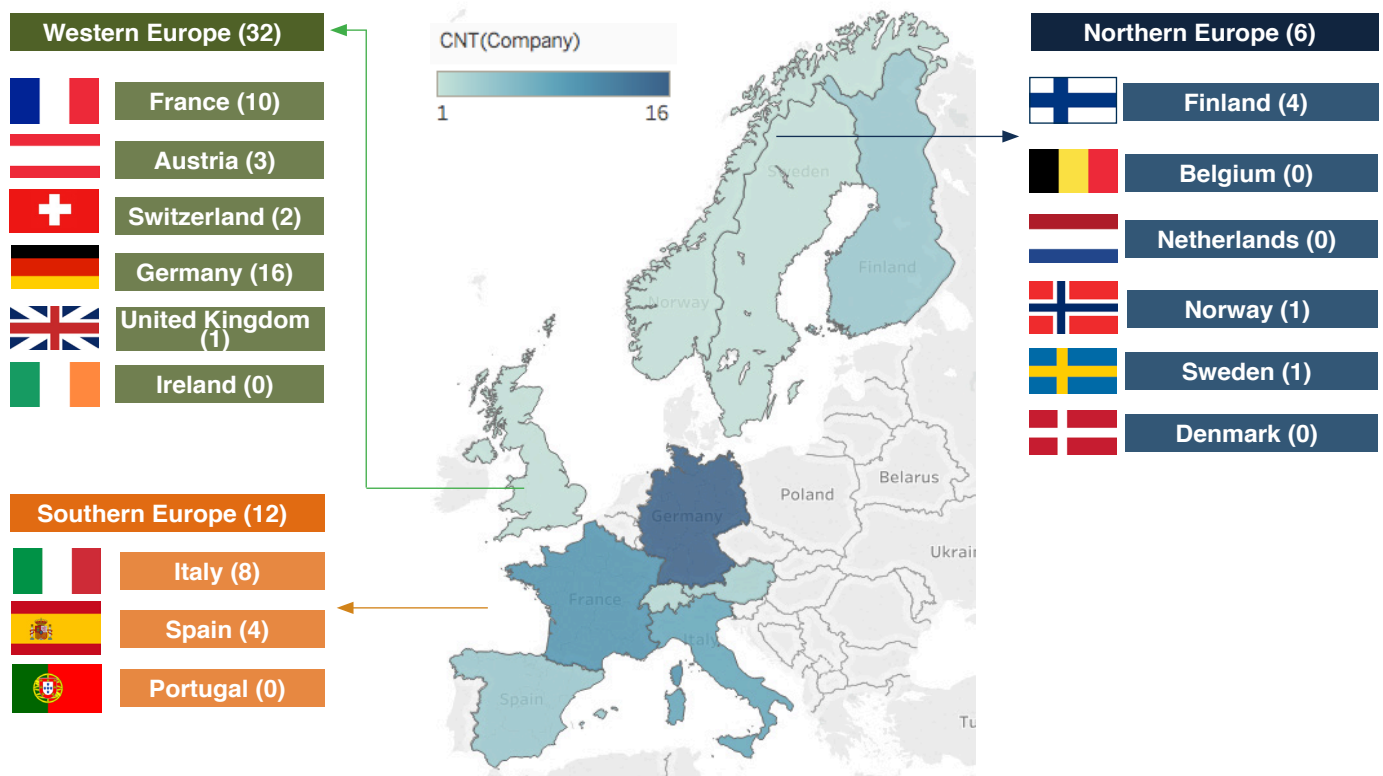
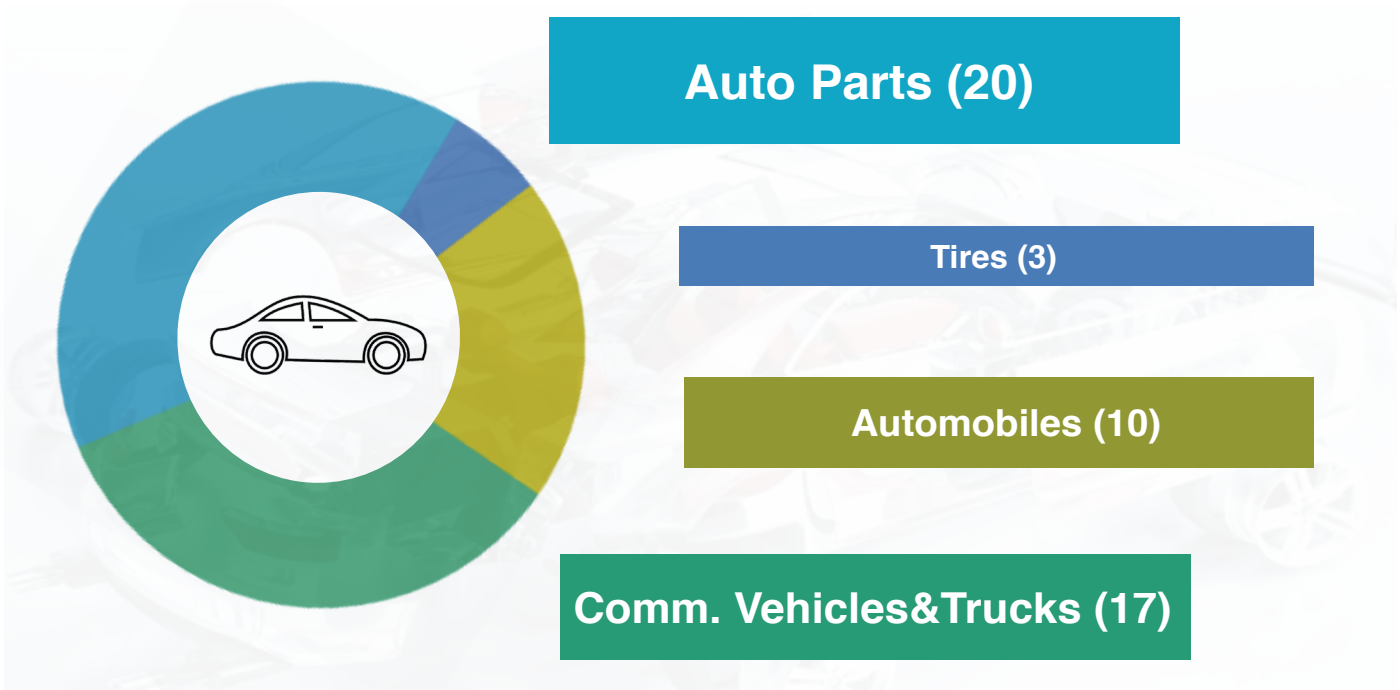
- *Is a positive EVA® performance likely to repeat in the future?*
- *Does the market believe in a possible turnaround for negative EVA® performances?*

¹ AVA advises to use Invested Capital net of goodwill for management purposes and applies this best practice to the EVA® View and EVA® People-Based analyses. The Market View analysis and price decomposition instead is carried out using Invested Capital without netting out goodwill.

The research sample

This study investigates the performance of the **Transportation Systems sector** in 2017 by analyzing a basket of **European listed companies**.

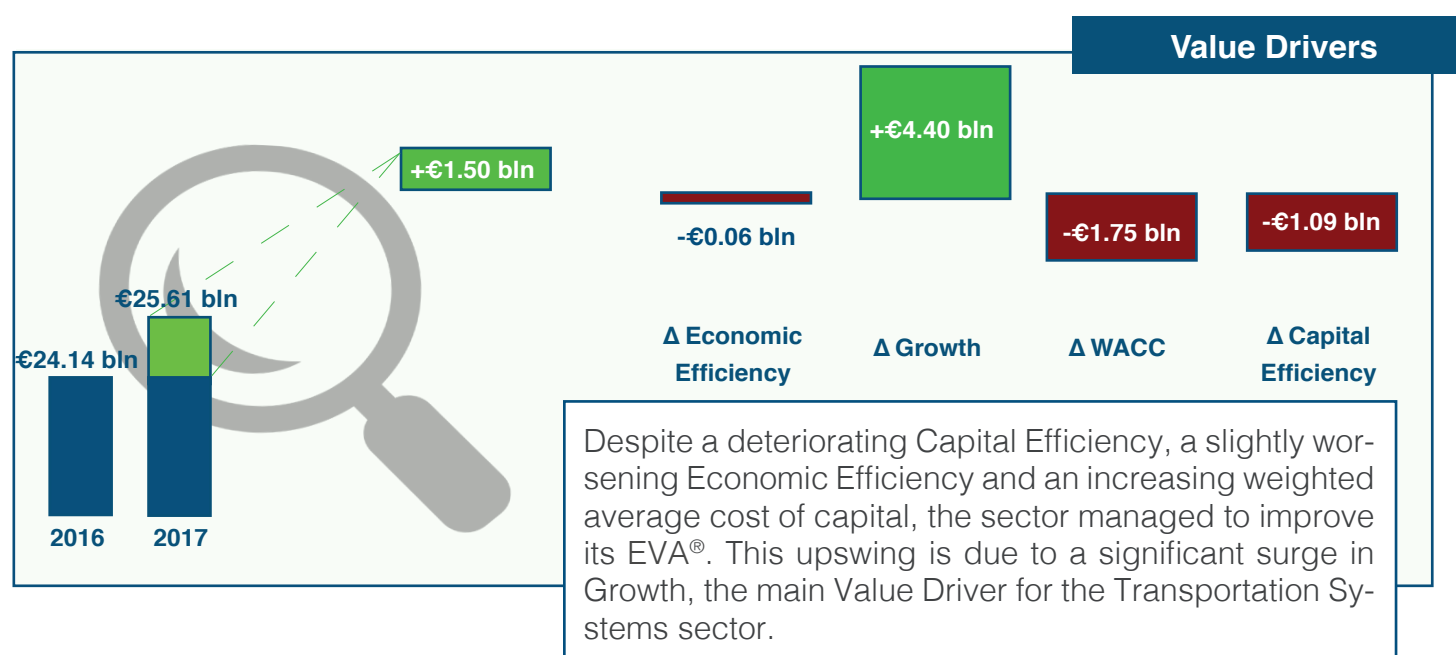
The sample is composed of **50** leading companies listed on the main European exchanges. The companies have been further categorized into the following subsectors:



The Transportation Systems sector in a nutshell

Sales for the Transportation Systems companies in the sample grew by 7.1% w.r. to 2016 and reached €1,074.6 bln in 2017. **Positive strides** were made also in terms of sector **profitability** with profit margins reaching 5.5% (+1.4 p.p. w.r. to 2016). The **Tires** and **Automobiles** subsectors excel in this context with profit margins of 7.2% and 5.7% respectively.

As far as Value creation is concerned, the sector managed to deliver a +6.2% improvement relative to 2016, with EVA® hitting €25.6 bln in 2017. Here once again, the **Automobiles** and **Tires** companies stand out with an average EVA®/company equal to €1.5 bln and €1.4 bln respectively.



Employee productivity remains almost constant (+0.5% w.r. to 2016) at €63.3k in 2017. No significant change is observed as far as the average salary is concerned neither. On the other hand, the number of employees in the Transportation Systems sector grew by +6.6%. The subsectors standing out in terms of employee productivity are **Automobiles** with an average €71.5k Productivity/Employee and **Comm. Vehicles&Trucks** (€66.6k).

What do the markets tell us about the Transportation Systems sector? The picture here is **not particularly optimistic**. The improvement delivered in the last year was insufficient to achieve a positive FGV. What does it mean? A negative sector FGV implies that the expected return implicit in stock prices is now lower than the actual return obtained. In other words, investors do not expect future performance improvements in the Transportation Systems sector.











The Traditional Approach

TRADITIONAL APPROACH

The table below shows the **Top 10** companies based on the **The Traditional Approach**.

In the three columns we have reported respectively:

- the **differential (%) between 2017 and 2016 Sales**
- the **2017 EBIT/Sales**
- the **2017 Profit/Sales**.

	FERRARI
	NOKIAN TYRES
	BREMBO
	RENK
	TALGO
	BMW
	RENAULT
	AKWEL
	PONSSE
	MICHELIN

Δ Sales (2017-2016)	EBIT/Sales	Profit/Sales
15%	22%	16%
13%	23%	14%
8%	13%	11%
-5%	13%	9%
-34%	15%	9%
5%	10%	9%
15%	7%	9%
6%	11%	8%
11%	11%	8%
5%	13%	8%

The Italian companies, **Ferrari e Brembo**, top the list with a distinctive 2017 performance according to the **Traditional Approach**.



*See the complete table at page 15

Value Creation - The EVA® View



The following table shows the **Top 10** companies based on the **EVA® View**.

In the five columns we have reported respectively:

- the **2017 EVA®/Sales**
- the sign of **EVA®**
- the sign of the **EVA® variation between 2017 and the 2016-2015 mean**
- the sign of the **Sales variation between 2017 and the 2016-2015 mean**
- the **Status**, or the label used by **AVA** to assess companies' performance.

	EVA®/Sales	EVA® (+/-)	ΔEVA® (+/-)	ΔSales (+/-)	Status
NOKIAN TYRES	12%	+	-	+	Need for control
FERRARI	11%	+	+	+	Champion
GRAMMER	8%	+	+	+	Champion
PONSSE	7%	+	+	+	Champion
SCHAEFFLER	7%	+	-	+	Need for control
MICHELIN	7%	+	+	+	Champion
KION GROUP	7%	+	+	+	Champion
RENK	6%	+	-	-	Falling Angel
AKWEL	6%	+	+	+	Champion
CONTINENTAL	6%	+	-	+	Need for control



Champion

Companies with an outstanding and improving performance in terms of both sales growth and adopting an EVA® view.



Need for control

Companies featured by a temporary downturn.



Falling Angel

Companies, once Champions, but now facing decreasing performances both in terms of EVA® and Sales. It may thus be necessary to revise the Value Proposition.

WHAT IS EVA® ?



EVA® is a residual Income, i.e. the residual value of Sales after deducting the cost of all operating factors, including the opportunity cost of the capital invested by shareholders.

*See the complete table at page 16











Value Creation- The People-Based Approach

EVA® PEOPLE BASED

The following table represents the **Top 10** companies in the sample, for what concerns the **EVA® People Based**.

In the three columns we have reported respectively:

- the **2017 Number of Employees**
- the **2017 Productivity** per employee
- the **2017 EVA®** per employee.

	N° Employees	Productivity/ Employee (€ '000)	EVA®/Employee (€ '000)
 FERRARI	3,336	205	113
 NOKIAN TYRES	4,635	89	41
 PONSSE	1,546	82	27
 AUDI	89,970	103	23
 BMW	129,932	112	19
 VOLVO	87,104	81	17
 KION GROUP	31,608	79	16
 SAF-HOLLAND	3,566	70	16
 BREMBO	9,837	58	15
 HAULOTTE GROUP	1,687	65	15

The Italian companies, **Ferrari** e **Brembo** are among the top ten according to the **EVA® People Based Approach**.



*See the complete table at page 17

The Market: sustaining performance



Share prices are usually defined “**forward looking**” in that they embed valuable information about a company’s performance expectations. Through daily quotations, the capital market quantifies the expectations of multiple investors about the company’s future performance.

By decomposing a company’s value it is possible to **learn about market expectations** and, most of all, to quantify the company’s performance improvements needed to meet (or exceed) these expectations.

Market Value Added (MVA)

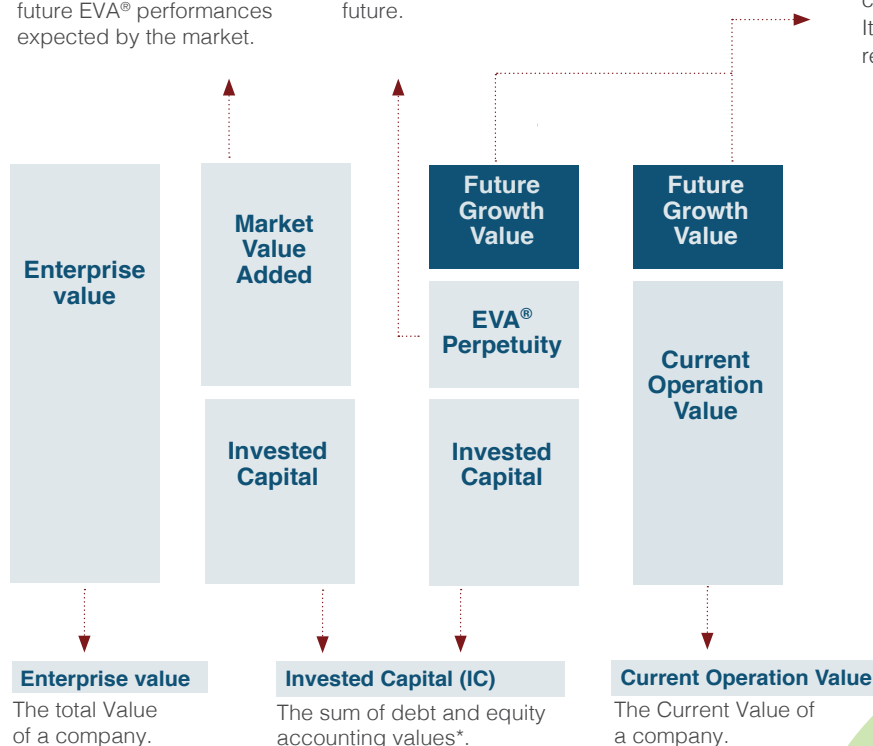
A measure of the Value created by a company. It can be seen as the sum of all the future EVA® performances expected by the market.

EVA® Perpetuity

The portion of MVA explained by the company’s ability to replicate the achieved results (2017) in the future.

Future Growth Value

The difference between MVA and EVA® Perpetuity. It quantifies market expectations about a company’s future over (or under) performance. It is the present value of the future Δ EVA®s with respect to the last EVA® recorded (EVA® 2017).



ROIC

ROIC (actual) is the Return generated by the Capital Invested (IC) in the company. It is calculated using accounting values.

ROIC° (ROIC expected)

ROIC° (expected), implicit in market prices, represents the “theoretical” Return required by investors to meet market expectations.

WHAT DOES THIS METHODOLOGY MEAN FOR COMPANIES?

The understanding of the expected performance improvements implied in a company’s share price gives companies the opportunity to revise and adjust their business plans. Moreover, it provides the board with information to assist decision-making in areas such as **target setting** and **management incentive schemes**.

A Company with a high FGV needs to deliver positive Δ EVA®s to avoid the stock price taking on a downward trend. Similarly, a high FGV company will find it difficult to increase its share price- it would need to outperform its expected EVA® performance. Such a company will have a ROIC° higher than its actual ROIC.






A company with a negative FGV will instead need relatively small improvements to beat market expectations and achieve a higher share price. Such a company will have a ROIC° that is lower than its actual ROIC.

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The Market: Prices and Expectations

Accordingly, a company's share price can be decomposed into two elements: the **Current Value Component** and the **Future Value Component**.

The table below shows data on: **Share Prices**, **Price components**, **ROIC** and **ROIC^e** for the top 5 companies by market capitalization and for the Italian companies in the sample (share prices as of December, 29th 2017).

	Price/share (€)	=	Current Value Component (€)	+	Future Value Component (€)	ROIC	ROIC ^e
 DAIMLER	70.73	=	78.50	+	-7.78	4%	4%
 BMW	87.06	=	197.01	+	-109.95	6%	4%
 CONTINENTAL	225.58	=	318.60	+	-93.02	35%	25%
 VOLKSWAGEN	166.79	=	910.30	+	-743.51	6%	3%
 VOLVO	15.53	=	24.16	+	-8.63	13%	9%

FOCUS ON ITALY

 FIAT CHRYSLER AUTOMOBILES	14.91	=	27.58	+	-12.67	25%	15%
 FERRARI	87.31	=	29.16	+	58.15	26%	69%
 CNH INDUSTRIAL	11.17	=	-2.05	+	13.22	5%	12%
 BREMBO	12.67	=	8.20	+	4.47	20%	31%
 FINCANTIERI	1.25	=	1.61	+	-0.36	8%	7%
 CIR COMPAGNIE INDUSTRIALI RIUNITE	1.17	=	-1.37	+	2.54	-2%	11%
 PIAGGIO	2.30	=	-3.11	+	5.41	-19%	37%
 SOGEFI	4.01	=	8.46	+	-4.45	30%	18%

*See the complete table at page 18

Our “Hot Topics”

Revenue Management

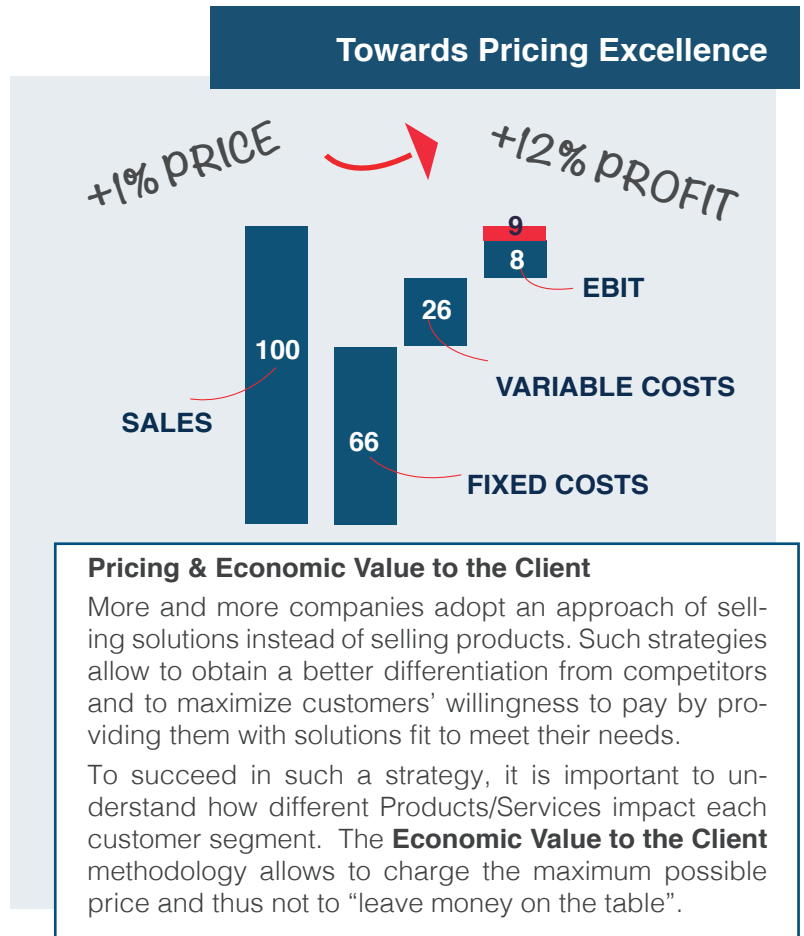
A wide range of opportunities to increase Value

The primary aim of Revenue Management is selling the right product to the right customer at the right time for the right price and with the right configuration. The essence of this discipline is understanding customers’ perceptions about Product Value and accurately aligning Product Prices, Placement and Availability for each Customer segment. Revenue Management absorbs a wide range of opportunities to increase Value. Pricing is the most important Revenue Management lever.

Why not to use a data-driven strategy to meet these challenges and increase Revenues?

Active Value Advisors approaches the issue of Revenue Management by integrating specialized competences and the use of state-of-the-art Business Intelligence tools.

With Self BI tools like Tableau Software or Qlik, we can provide different solutions and models that are tailored to customer needs and quickly available. Win/Loss models, Price waterfall, Price elasticity, Price corridors, Variance analysis and many others are powerful tools to address operational and decisional mechanisms. The main aim of a Pricing strategy is understanding and “anticipating” the **Value created** for clients and setting prices that allow to capture this Value.



Pricing & Economic Value to the Client

More and more companies adopt an approach of selling solutions instead of selling products. Such strategies allow to obtain a better differentiation from competitors and to maximize customers’ willingness to pay by providing them with solutions fit to meet their needs.

To succeed in such a strategy, it is important to understand how different Products/Services impact each customer segment. The **Economic Value to the Client** methodology allows to charge the maximum possible price and thus not to “leave money on the table”.

Many of our Revenue management projects start with a diagnostic activity, quick but well-structured, based on our proprietary methodology. It allows companies to understand which operational mechanisms to change and which tools to adopt to close the gaps with respect to best practice and/or to the desired results.



Our “Hot Topics”

Network Analysis and the measure of Cooperation

Why do many excellent strategies fail or do not deliver the expected results? While there are numerous potential factors that may help explain it, there is one that is common to (almost) all cases: people. The problem is not their lack of competences or knowledge. Rather, problems arise due to corporate behaviour and the difficulty with which it can be changed and aligned with a company's strategies.

Cooperation to reduce complexity. “Business complexity” grew sixfold in the last sixty years.

Traditional solutions are obsolete to deliver the successful organizational change required by today's fast-changing business world. Understanding and continuously and efficiently managing corporate behaviour is therefore a must.

What does it mean? That to succeed in a complex and continuously changing business environment, it is necessary to work not only on the “Organizational Skeleton”, but also (and most importantly) on its “Nervous System”, i.e. how people interact and work with each other.

The **SOLUTION:** Embrace new tools to quickly understand how organizations really work (Organizational Network Analysis - ONA), to foster engagement, to promote management's behavioural change (e.g. **continuous feedback**) and to adopt **incentive schemes** designed to induce people to look for **cooperation**.

How to be sure that the **informal organizational structure** is aligned with the **formal/desired one**?



Diagnostic Analysis

A web-based analysis which delivers a snapshot of the organization through diagnostic indicators and different organizational views.

- ✓ Scope and organizational focus definition
- ✓ Web-based survey (4 questions) administration
- ✓ Results analysis
- ✓ Research evidence presentation and detailed report



Internal Network Map

Extends some features of the platform to groups of resources in order to support internal processes, facilitate interaction and continuously monitor the organization.

- ✓ Scope and organizational focus definition
- ✓ Open web-based survey for selected groups
- ✓ Profiles and internal expertise collection
- ✓ Launch & Training

How to measure the level of Cooperation ?

HOW-4 is a simple but extremely powerful Organizational Network Analysis tool. It allows to analyze organizational networks and informal relationships in complex and large organizations.

HOW-4 can be used to map how an organization really works at different levels: company, business unit/team, individual. Specific indicators and different visualizations facilitate the reading of the evidence provided by such an analysis.

HOW-Targets is an optional tool that allows to understand how internal resources create groups, to discover each individual's role within such a group and to assess his/her effort and contribution relative to a company's strategic objectives.



ORGANIZATIONAL NETWORK ANALYSIS
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Our “Hot Topics”

Target Setting Outside-In

What is it about?

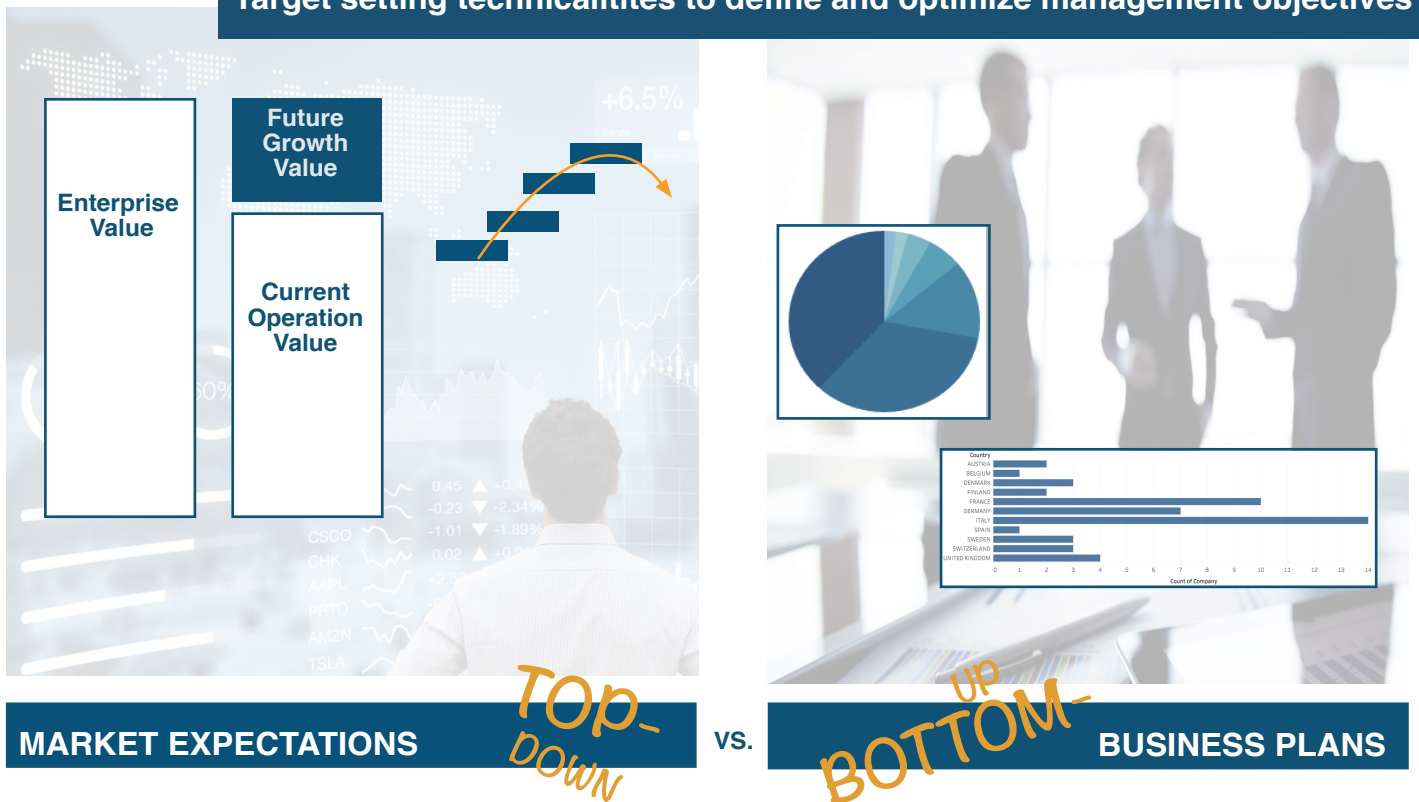
Through Target Setting modeling and simulation, it is possible to tie the expectations implicit in stock market prices to the operating results that represent the fundamental Values of a Company.

“Target setting Outside-In” represents the “reverse engineering approach” of a traditional equity valuation process. Starting from stock prices and using solid models the fundamentals that are incorporated within these prices are determined. This powerful approach, fully complementary to the traditional planning process, allows to enormously enrich it by taking advantage of all the information included in stock prices.

What is the objective of Target Setting Outside-In?

- To assess the level of challenge of Business Plans given the ‘true’ Value of a company
- To benchmark market expectations using a group of peer companies
- To define and optimize the relevant managerial levers, with due importance given to external factors
- To enable the implementation of innovative Governance Systems by defining long-term management objectives and coherent incentive schemes BEFORE business plans are drafted.

Target setting technicalities to define and optimize management objectives



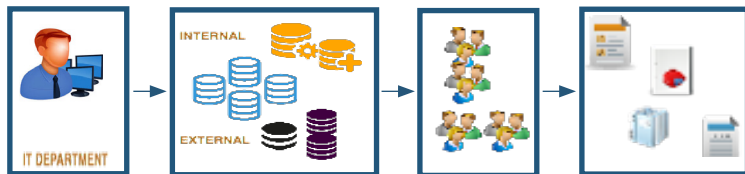
Our “Hot Topics”

Business Intelligence & Analytics

Data grow and change rapidly. If collected, analyzed and visualized properly they can be a source of valuable information, insights and competitive advantage. This data availability boom delineates a new role for IT teams.

In such a context, the term “Business Intelligence” is a concept that expresses the need to think beyond the paradigm of data analysis in isolation from business goals. Indeed, through **Self Business Intelligence**, technology and business objectives should blend together into a new configuration, within a solid decision-making framework. Today new technologies, such as Big Data, Analytics, Mobile and Cloud computing are able to capture massive and detailed streams of data, in a relatively **easy and convenient way**.

Data Management “NOW”

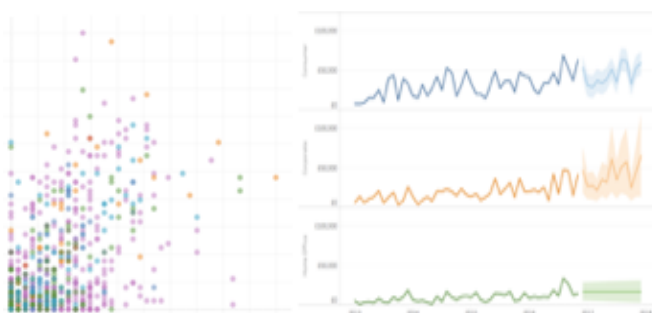
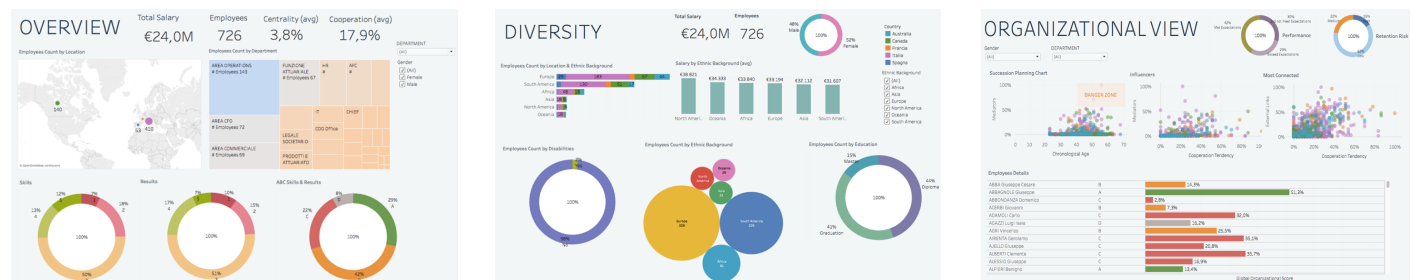


A “dynamic” model in which a Business continuously transforms data and “discovers” information that is useful at a particular point in time, making it easily understandable through data visualization and in which the IT Department acts as “the guardian” of the proper management of data sources.

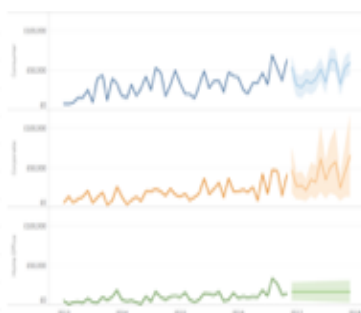
- ✔ Multitude of data available
- ✔ Data always up-to-date
- ✔ Ease of data analysis
- ✔ Data centralization and uniqueness
- ✔ Reports created by final users
- ✔ Customizable output

But having everything is not always better than having nothing. **The value of data is contingent on being able to extract information.** And, this is not just a matter of tools. The role of Management is **to know what data to look for to address relevant business issues and to maximize the use of data to support strategic decisions.**

Numerous Graphs and Visualizations to address different needs



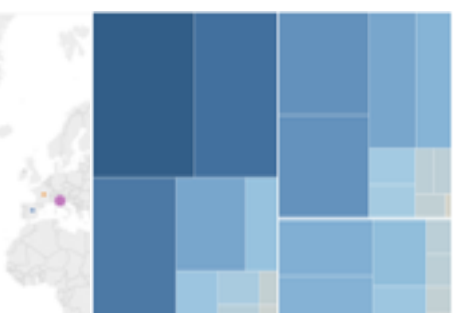
Scatter plot
Spot Outliers



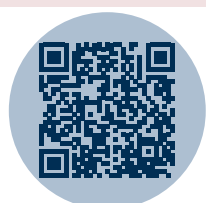
Line graph
Identify trends



Map
Show geographic distribution



Tree Map
Visualize proportions



CUSTOMER VALUE
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Active Value Advisors

3 Competence Centres

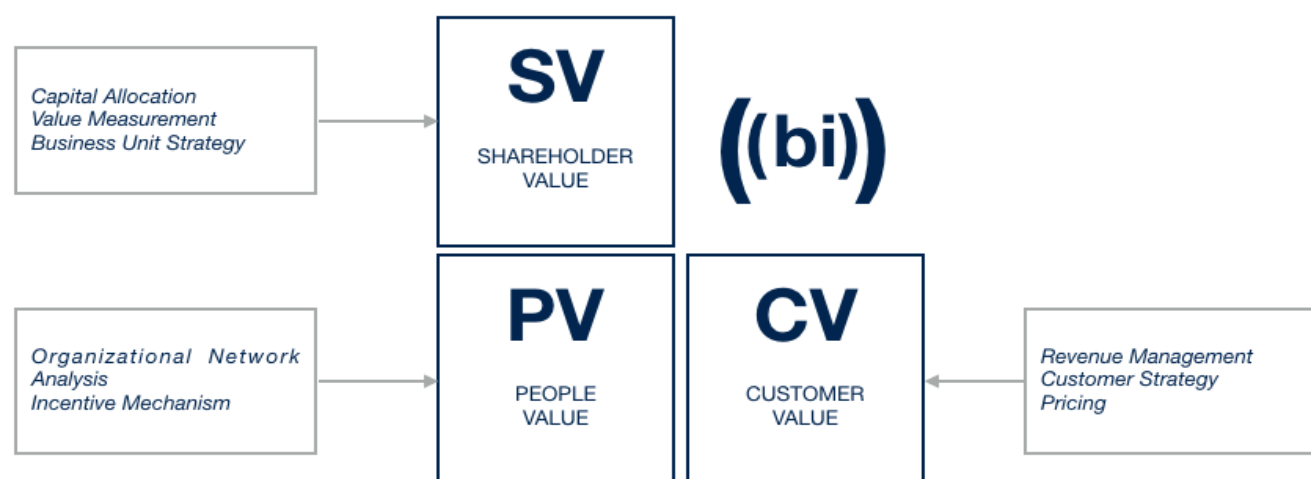
Active Value Advisors is an independent management consulting firm that acts as a partner for Companies that need to strengthen their Governance System and for Companies that want to pursue a path of growth by applying solutions consistent with the objective of creating sustainable Value.

Active Value Advisors assists such companies by leveraging successful techniques and experiences focused on Value-based management systems and by making them available to the top management through **Business Intelligence (BI) tools**.

The professionals of Active Value Advisors have a long experience in assisting major Italian listed groups in the development of Business Plans, in selecting the actions to improve Value performance and in assisting the change process required by the competitive dynamics and market opportunities.

In carrying out these mandates a common Value framework is applied to various management issues: **Shareholder Value, Customer Value and People Value**. Each competence centre responds to a fundamental dimension of the management system and addresses key stakeholders: Shareholders, Customers and Internal Resources.

Thanks to the collaboration with accredited professionals in the area of Strategic Pricing, Active Value Advisors has enriched its skills and professional methods with innovative models and tools of Value Pricing.



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The Traditional Approach - complete table

Company	Δ Sales (%)	EBIT/Sales	Profit/Sales
AKWEL	6%	11%	8%
AUDI AG	1%	6%	6%
AUTONEUM HOLDING AG	2%	7%	4%
BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT	5%	10%	9%
BUCHER INDUSTRIES AG	11%	8%	6%
BURELLE SA	16%	8%	4%
CARGOTEC 'B'	-7%	7%	4%
CIE AUTOMOTIVE SA	29%	8%	6%
CIR COMPAGNIE INDUSTRIALI RIUNITE SPA	7%	6%	0%
CNH INDUSTRIAL NV	7%	5%	2%
COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	5%	13%	8%
COMPAGNIE PLASTIC OMNIUM	16%	8%	6%
CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.	12%	9%	3%
CONTINENTAL AG	9%	10%	7%
DAIMLER AG	7%	7%	6%
ELRINGKLINGER AG	7%	7%	4%
FAURECIA SA	8%	6%	3%
FERRARI NV	15%	22%	16%
FIAT CHRYSLER AUTOMOBILES NV	0%	6%	3%
FINCANTIERI	13%	4%	1%
FRENI BREMBO SPA	8%	13%	11%
GESTAMP AUTOMOCION SA	9%	4%	3%
GRAMMER AG	5%	10%	2%
HAULOTTE GROUP	11%	8%	3%
HELLA GMBH & CO KGAA	4%	7%	5%
JOST WERKE AG	11%	6%	-9%
JUNGHEINRICH AG	11%	8%	5%
KION GROUP AG	37%	9%	6%
KONECRANES ABP	48%	3%	7%
KONGSBERG GRUPPEN	-11%	4%	4%
KTM INDUSTRIES AG	14%	8%	3%
MAN SE	6%	3%	2%
MANITOU BF S.A.	19%	6%	4%
NOKIAN TYRES PLC	13%	23%	14%
PALFINGER AKTIENGESELLSCHAFT	8%	7%	4%
PEUGEOT S.A.	21%	6%	3%
PIAGGIO NC SPA	2%	-2%	1%
POLYTEC HOLDING AG	4%	8%	6%
PONSSE OYJ	11%	11%	8%
RENAULT (REGIE NATIONALE DES USINES) SA	15%	7%	9%
RENK AG	-5%	13%	9%
SAF-HOLLAND S.A.	9%	7%	4%
SCHAEFFLER AG	5%	11%	7%
SOGEFI SPA	6%	7%	2%
TALGO SA	-34%	15%	9%
TI FLUID SYSTEMS PLC	-3%	8%	3%
VALEO SA	12%	8%	5%
VOLKSWAGEN AG	6%	6%	5%
VOLVO AB	6%	9%	6%
WACKER NEUSON SE	13%	9%	6%

Value Creation - complete table

Company	EVA®/ Sales	EVA® +/-	Δ EVA® +/-	Δ Sales +/-	Status
AKWEL	6%	+	+	+	Champion
AUDI AG	3%	+	-	+	Need for control
AUTONEUM HOLDING AG	3%	+	+	+	Champion
BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT	3%	+	+	+	Champion
BUCHER INDUSTRIES AG	4%	+	+	+	Champion
BURELLE SA	5%	+	+	+	Champion
CARGOTEC 'B'	1%	+	-	-	Falling Angel
CIE AUTOMOTIVE SA	1%	+	+	+	Champion
CIR COMPAGNIE INDUSTRIALI RIUNITE SPA	-4%	-	-	+	What after growth?
CNH INDUSTRIAL NV	-2%	-	+	+	On the right path
COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	7%	+	+	+	Champion
COMPAGNIE PLASTIC OMNIUM	5%	+	+	+	Champion
CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.	3%	+	+	+	Champion
CONTINENTAL AG	6%	+	-	+	Need for control
DAIMLER AG	1%	+	-	+	Need for control
ELRINGKLINGER AG	1%	+	-	+	Need for control
FAURECIA SA	4%	+	+	+	Champion
FERRARI NV	11%	+	+	+	Champion
FIAT CHRYSLER AUTOMOBILES NV	2%	+	+	+	Champion
FINCANTIERI	1%	+	+	+	Champion
FRENI BREMBO SPA	6%	+	+	+	Champion
GESTAMP AUTOMOCION SA	-1%	-	NA	+	NA
GRAMMER AG	8%	+	+	+	Champion
HAULOTTE GROUP	5%	+	+	+	Champion
HELLA GMBH & CO KGAA	3%	+	+	+	Champion
JOST WERKE AG	4%	+	NA	+	NA
JUNGHEINRICH AG	4%	+	+	+	Champion
KION GROUP AG	7%	+	+	+	Champion
KONECRANES ABP	0%	+	-	+	Need for control
KONGSBERG GRUPPEN	2%	+	-	-	Falling Angel
KTM INDUSTRIES AG	4%	+	-	+	Need for control
MAN SE	-1%	-	-	+	What after growth?
MANITOU BF S.A.	2%	+	+	+	Champion
NOKIAN TYRES PLC	12%	+	-	+	Need for control
PALFINGER AKTIENGESELLSCHAFT	3%	+	+	+	Champion
PEUGEOT S.A.	4%	+	+	+	Champion
PIAGGIO NC SPA	-6%	-	+	+	On the right path
POLYTEC HOLDING AG	4%	+	+	+	Champion
PONSSE OYJ	7%	+	+	+	Champion
RENAULT (REGIE NATIONALE DES USINES) SA	0%	-	+	+	On the right path
RENK AG	6%	+	-	-	Falling Angel
SAF-HOLLAND S.A.	5%	+	+	+	Champion
SCHAEFFLER AG	7%	+	-	+	Need for control
SOGEFI SPA	4%	+	+	+	Champion
TALGO SA	4%	+	-	-	Falling Angel
TI FLUID SYSTEMS PLC	5%	+	NA	+	NA
VALEO SA	5%	+	+	+	Champion
VOLKSWAGEN AG	2%	+	-	+	Need for control
VOLVO AB	4%	+	+	+	Champion
WACKER NEUSON SE	3%	+	+	+	Champion



Need for control

Companies featured by a temporary downturn.



Champion

Companies with an outstanding and improving performance in terms of both sales growth and adopting an EVA® view.



Falling Angel

Companies, once Champions, but now facing decreasing performances both in terms of EVA® and Sales. It may thus be necessary to revise the Value Proposition.



Need for rebirth

Companies with worsening results, affected by heavy difficulties and witnessing a complete Value destruction.



What after growth?

Companies focused solely on growth. It may be necessary to verify/revise business objectives.



Focusing

Companies featuring slower growth but higher and more focused Value Creation.



On the right path

Companies with clearly and correctly defined objectives, featuring performance improvements, though not 'Champions' yet.

The People-Based Approach- complete table

Company	N° Employees	Productivity/ Employee (€'000)	EVA ®/ Employee (€'000)
AKWEL	10,887	32	6
AUDI AG	89,970	103	23
AUTONEUM HOLDING AG	12,133	50	5
BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT	129,932	112	19
BUCHER INDUSTRIES AG	12,108	63	9
BURELLE SA	25,511	64	14
CARGOTEC 'B'	11,251	65	2
CIE AUTOMOTIVE SA	28,728	29	2
CIR COMPAGNIE INDUSTRIALI RIUNITE SPA	15,012	41	-7
CNH INDUSTRIAL NV	63,303	45	-7
COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	107,807	68	14
COMPAGNIE PLASTIC OMNIUM	25,504	58	14
CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.	3,929	125	11
CONTINENTAL AG	235,473	57	11
DAIMLER AG	289,321	80	3
ELRINGKLINGER AG	9,611	37	2
FAURECIA SA	109,275	40	7
FERRARI NV	3,336	205	113
FIAT CHRYSLER AUTOMOBILES NV	237,150	66	11
FINCANTIERI	19,545	52	4
FRENI BREMBO SPA	9,837	58	15
GESTAMP AUTOMOCION SA	41,048	35	-2
GRAMMER AG	12,947	NA	11
HAULOTTE GROUP	1,687	65	15
HELLA GMBH & CO KGAA	37,716	46	6
JOST WERKE AG	2,790	53	11
JUNGHEINRICH AG	16,248	69	9
KION GROUP AG	31,608	79	16
KONECRANES ABP	16,371	62	0
KONGSBERG GRUPPEN	6,830	94	5
KTM INDUSTRIES AG	5,887	58	9
MAN SE	54,297	66	-1
MANITOU BF S.A.	3,900	49	9
NOKIAN TYRES PLC	4,635	89	41
PALFINGER AKTIENGESELLSCHAFT	10,212	45	4
PEUGEOT S.A.	201,200	57	13
PIAGGIO NC SPA	6,620	24	-11
POLYTEC HOLDING AG	4,046	60	6
PONSSE OYJ	1,546	82	27
RENAULT (REGIE NATIONALE DES USINES) SA	181,344	36	-0
RENK AG	2,235	84	13
SAF-HOLLAND S.A.	3,566	70	16
SCHAEFFLER AG	90,151	60	11
SOGEFI SPA	6,947	57	10
TALGO SA	2,154	55	7
TI FLUID SYSTEMS PLC	28,000	36	6
VALEO SA	111,600	28	8
VOLKSWAGEN AG	642,292	NA	6
VOLVO AB	87,104	81	17
WACKER NEUSON SE	5,064	73	8

The Market - complete table (prices as of 29.12.2017)

Company	Price/share (€)		Current Value Component (€)		Future Value Component (€)	ROIC	ROIC°
AKWEL	33.71	=	57.71	+	-24.00	20%	12%
AUDI AG	733.00	=	4106.05	+	-3373.05	26%	6%
AUTONEUM HOLDING AG	239.94	=	404.70	+	-164.76	12%	8%
BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT	87.06	=	197.01	+	-109.95	6%	4%
BUCHER INDUSTRIES AG	338.43	=	358.90	+	-20.46	16%	16%
BURELLE SA	1270.00	=	4192.41	+	-2922.41	24%	10%
CARGOTEC 'B'	47.20	=	29.73	+	17.47	9%	13%
CIE AUTOMOTIVE SA	24.21	=	10.93	+	13.28	9%	15%
CIR COMPAGNIE INDUSTRIALI RIUNITE SPA	1.17	=	-1.37	+	2.54	-2%	11%
CNH INDUSTRIAL NV	11.17	=	-2.05	+	13.22	5%	12%
COMPAGNIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	119.55	=	206.90	+	-87.35	19%	11%
COMPAGNIE PLASTIC OMNIUM	37.90	=	53.35	+	-15.46	24%	18%
CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.	34.18	=	37.80	+	-3.62	12%	11%
CONTINENTAL AG	225.58	=	318.60	+	-93.02	35%	25%
DAIMLER AG	70.73	=	78.50	+	-7.78	4%	4%
ELRINGKLINGER AG	18.65	=	16.66	+	1.99	5%	6%
FAURECIA SA	65.13	=	114.72	+	-49.59	41%	24%
FERRARI NV	87.31	=	29.16	+	58.15	26%	69%
FIAT CHRYSLER AUTOMOBILES NV	14.91	=	27.58	+	-12.67	25%	15%
FINCANTIERI	1.25	=	1.61	+	-0.36	8%	7%
FRENI BREMBO SPA	12.67	=	8.20	+	4.47	20%	31%
GESTAMP AUTOMOCION SA	5.96	=	0.95	+	5.01	6%	11%
GRAMMER AG	51.90	=	268.81	+	-216.90	40%	9%
HAULOTTE GROUP	16.13	=	21.53	+	-5.40	14%	11%
HELLA GMBH & CO KGAA	51.61	=	61.08	+	-9.48	14%	12%
JOST WERKE AG	41.70	=	53.47	+	-11.77	17%	14%
JUNGHEINRICH AG	39.39	=	87.70	+	-48.31	16%	7%
KION GROUP AG	72.05	=	97.73	+	-25.68	19%	15%
KONECRANES ABP	38.18	=	6.23	+	31.95	6%	21%
KONGSBERG GRUPPEN	15.37	=	8.90	+	6.47	11%	20%
KTM INDUSTRIES AG	63.50	=	54.48	+	9.02	12%	14%
MAN SE	95.32	=	24.54	+	70.78	3%	9%
MANITOU BF S.A.	30.50	=	28.83	+	1.67	12%	13%
NOKIAN TYRES PLC	37.80	=	36.09	+	1.71	22%	24%
PALFINGER AKTIENGESELLSCHAFT	34.04	=	30.76	+	3.28	10%	10%
PEUGEOT S.A.	16.96	=	67.66	+	-50.70	27%	8%
PIAGGIO NC SPA	2.30	=	-3.11	+	5.41	-19%	37%
POLYTEC HOLDING AG	18.50	=	29.81	+	-11.31	15%	10%
PONSSE OYJ	26.38	=	35.08	+	-8.70	26%	20%
RENAULT (REGIE NATIONALE DES USINES) SA	83.91	=	105.96	+	-22.05	4%	4%
RENK AG	113.01	=	151.75	+	-38.73	18%	17%
SAF-HOLLAND S.A.	18.00	=	32.30	+	-14.30	22%	13%
SCHAEFFLER AG	14.66	=	160.43	+	-145.76	27%	4%
SOGEFI SPA	4.01	=	8.46	+	-4.45	30%	18%
TALGO SA	4.26	=	3.75	+	0.51	12%	14%
TI FLUID SYSTEMS PLC	2.81	=	6.13	+	-3.32	22%	12%
VALEO SA	62.27	=	87.41	+	-25.14	18%	14%
VOLKSWAGEN AG	166.79	=	910.30	+	-743.51	6%	3%
VOLVO AB	15.53	=	24.16	+	-8.63	13%	9%
WACKER NEUSON SE	29.61	=	28.41	+	1.20	8%	8%



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