

Lincoln International Closes Legendary Toy Brand Transaction

When Ingroup and 21 Centrale Partners contemplated an exit of their iconic French toy company, they sought advisors with depth of experience, powerful industry relationships and a track record of achieving premium valuations. Therefore, they selected Lincoln International's Consumer team to take the lead. Lincoln's senior investment bankers designed a process to deliver a focused message based on the Company's key value drivers: Meccano's leading brands in the fast growing construction segment of the toy industry, strong international footprint, powerful multi-channel distribution network, flexible manufacturing and outsourcing strategy, attractive upside due to licensing opportunities and the launch of a new line emphasizing gameplay and realism. The process led to multiple compelling strategic options. Ultimately, the Company was sold to Spin Master Ltd. ("Spin Master") which was eager to grow the Meccano and Erector brands through its renowned innovation capabilities and global distribution network.

Relevant Industry Verticals

- Toys
- Branded Products
- Licensing
- Consumer Goods
- International Sourcing
- Toy Manufacturing



Transaction Overview

- **Company Description:** Founded over 100 years ago, Meccano is a pioneer in the construction toy universe. The Company manufactures and markets timeless model construction sets made of metal parts, nuts and bolts or flexible plastic components. Meccano's legendary brand benefits from 95% prompted awareness in two of its strongest core markets (France and the UK). With exports accounting for 60% of total sales, Meccano boasts a strong international footprint with a presence in nearly 40 countries, including the US through the Erector brand. The Group is also well-established at all major toy retailers in France, the UK and the US (Argos, Target, Costco, Toy's 'R' Us, Amazon, etc.) and therefore represents a very solid platform to access these end-markets.
- **Approach:** Lincoln led a competitive sale process in a limited time frame, including tailored presentations highlighting Meccano's growth potential, especially the introduction of the Evolution line in early 2013 (a new range with more detailed and realistic models). Lincoln was able to bring international strategic buyers from North America, Europe and Asia into the process.
- **Results:** Meccano received high interest from strategic acquirers across three continents. The Canadian group, Spin Master, ultimately acquired 100% of Meccano. Spin Master is a world-leading children's toy and entertainment company well known for its Air Hogs remote control vehicles and its Bakugan magnetic cards and figurines. The integration of Meccano into Spin Master will allow the Company to boost its activity, particularly in North America, through the marketing power of its new parent company.

Lincoln International – France

François Rispoli
Managing Director
+33 (0) 1 53 53 18 22
f.rispoli@lincolninternational.fr

Dominique Lecendreux
Managing Director
+33 (0) 1 53 53 18 20
d.lecendreux@lincolninternational.fr

Amélie Aurel
Vice President
+33 (0) 1 53 53 18 28
a.aurel@lincolninternational.fr

Lincoln International – U.S.

Brad Akason
Managing Director
+1 (312) 580-8351
bakason@lincolninternational.com

David Houser
Managing Director
+1 (312) 580-5805
dhouser@lincolninternational.com

Chris Stradling
Director
+1 (312) 580-8325
cstradling@lincolninternational.com

Why Lincoln International?

- **Leading M&A advisor** in the middle market, having closed over 115 transactions in 2012
- **Extensive consumer experience** creates deep market expertise, in-depth buyer insights and superior knowledge on how to position a business to maximize value
- **Globally integrated resources** foster strong relationships with, and provide access to, strategic and financial acquirers worldwide
- **Customized approach** recognizes the uniqueness of each client and tailors advice accordingly
- **Flawless execution** achieves premium valuations and certainty of close for our clients



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