



# DealReader

## EMS

Q4 2015

## Inside this Issue

**2015 Deal Volume – Year in Review**

**2015 EMS Transaction Summary**

### Announcements

- Flex has acquired Wink (Dec-15)
- Hanza Group has sold HANZA Alfaram Slovakia (Dec-15)
- EMG Technology has acquired Hatteland Display (Dec-15)
- Flex has acquired Farm Design, Inc. (Dec-15)
- Benchmark Electronics has acquired Secure Communication Systems (Nov-15)
- Jabil Circuit has acquired Shemer (Oct-15)

## 2015 Summary

There were 27 EMS transactions recorded in 2015, down from 33 recorded in 2014. EMS Consolidations were the most common type of transaction with 12 transactions in 2015, or 44% of total activity, compared to 17 transactions in 2014 which represented 52% of activity last year.

In 2015, there were 11 Vertical/Horizontal Convergences, up from the ten recorded in 2014. This year's activity represented 41% of the total, compared to 30% last year.

Private equity investments decreased in 2015, with two total transactions, or 7% of the total, as compared to six transactions in 2014 or 18% of last year's total activity.

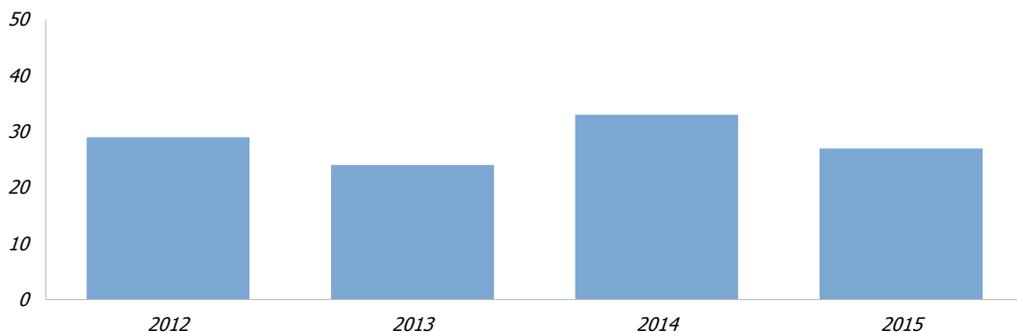
There was one EMS divestiture, representing 4% of total activity, and zero OEM divestitures in 2015. Both categories recorded zero transactions in 2014.

There was one transaction categorized as diversification into EMS in 2015, representing approximately 4% of total activity, compared to zero transactions in 2014.

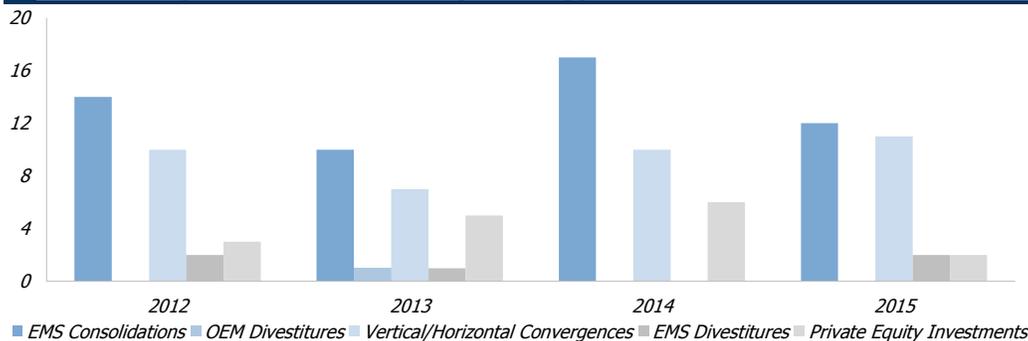
In terms of geography, 12 of the transactions completed in 2015 occurred in North America. This represented 44% of total transaction activity in 2015. The next largest geography in terms of transaction volume was Europe with 11 transactions in 2015, representing 41% of total activity. Two transactions occurred between different high-cost countries (7% of the total). The final two transactions were split amongst other geographies with one occurring in Asia (4%) and one between a high-cost region and a low-cost region (4%). No transactions occurred in South America.

In terms of transaction size, Small Tier EMS providers accounted for a majority of the 2015 transaction volume with 14 acquisitions, or approximately 52% of total activity. Large Tier EMS providers accounted for seven acquisitions, representing approximately 26% of total activity. This level of activity from the Large Tier represents a significant increase compared to recent periods as this group recorded zero transactions in 2014. Six acquisitions by Mid Tier EMS providers occurred during the year, representing approximately 22% of the total.

### Completed EMS Transactions



### Year Comparison—EMS M&A by Deal Type



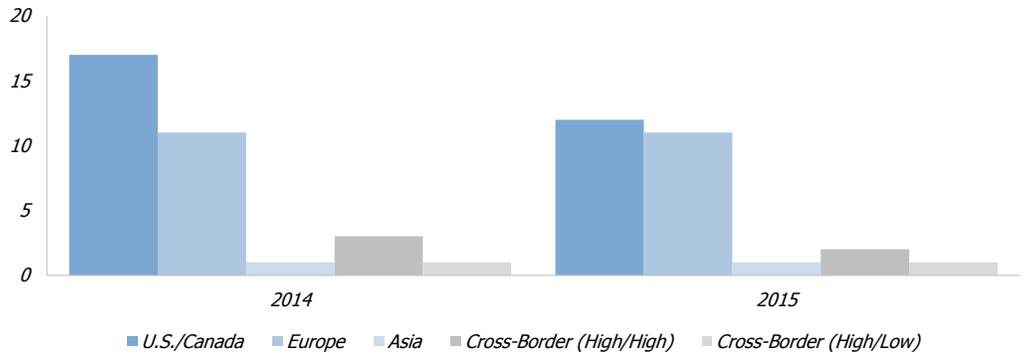
### EMS Size Guide

(Sales Dollars)

- Large (Tier I)  
Greater than \$3 billion
- Mid (Tier II)  
\$300 million to \$3 billion
- Small (Tier III)  
Below \$300 million

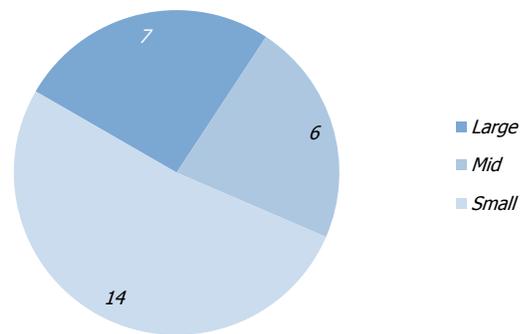
Sources: All information contained in this newsletter including the charts was obtained from company websites, Custer Reports, Lincoln International's internal data, Manufacturing Market Insider and Capital IQ.

### Year Comparison—EMS M&A by Geography



Note: "High/High" indicates cross-border transactions between Japan, Taiwan, Western Europe and U.S./Canada; "High/Low" indicates cross-border transactions between high-cost regions and low-cost regions.

### 2015 Mergers and Acquisitions by Size



### 2015 EMS Transaction Summary

#	Date	Acquirer	Seller	Target	Type
1	Announced	Flextronics International Ltd.	Sigma Partners; Tennenbaum Capital	NEXTracker Inc.	3
2	Dec-15	Flextronics International Ltd.	Quirky, Inc.	Wink, Inc.	3
3	Dec-15	Private Investor	Hanza Group	HANZA Alfaram Slovakia s. r. o.	4
4	Dec-15	Flextronics International Ltd.	Private	Farm Design, Inc.	3
5	Dec-15	EMG Technology AS	Herkules Capital AS	Hatteland Display AS	3
6	Nov-15	Benchmark Electronics Inc.	Secure Technology Company	Secure Communication Systems Inc.	3
7	Oct-15	Jabil Circuit Inc.	Private	Shemer	1
8	Sep-15	Hanza Group	Private	Metalliset Oy	3
9	Aug-15	Libra Industries, Inc.	Private	Applied Circuit Technology, Inc.	1
10	Aug-15	Keysight Technologies Netherlands B.V.	IRDI Midi-Pyrénées; Amati Global Investors	Anite plc	1
11	Aug-15	Inission AB	Private	Montronic Ab	1
12	Jul-15	Euro Process	Private	SOFINELEC, société anonyme	1
13	Jul-15	Flextronics International Ltd.	Alcatel-Lucent Italia S.p.A.	Optical transport manufacturing plant	3
14	Jul-15	PKC Group Oyj	Groclin S.A.	Wiring and Controls Business of Groclin S.A.	3
15	Jun-15	Flextronics International Ltd.	Egeria BV	MCI (Mirror Controls International)	3
16	Jun-15	IEE S.A.	American Industrial Acquisition Corporation	ALL Circuits S.A.S.	6
17	Jun-15	Scanfil Oyj	Consortium of investors	PartnerTech AB	1
18	May-15	Jabil Circuit Inc.	Private	Kasalis Inc.	3
19	May-15	Stingnet Limited	Private	IO Electronics Ltd.	1
20	Apr-15	Zentech Manufacturing, Inc.	Private	Colonial Assembly & Design, LLC	1
21	Apr-15	Viapaq SAS	Canelco Capital Oy	Tepcomp Oy	1
22	Apr-15	Sparton Corp.	Private	Hunter Technology Corporation	1
23	Apr-15	Natel Engineering Co., Inc.	Charlesbank Capital Partners, LLC	OnCore Manufacturing Services LLC	1
24	Mar-15	Summit Equity Group, LLC; Clairmont Capital	Private	Niche Electronics Technologies, Inc.	5
25	Mar-15	Season Group USA, LLC	Private	Xytronics, Ltd.	1
26	Feb-15	Cyient Limited	N.Ranga Rao & sons Exports Pvt Limited	Rangsons Electronics Pvt. Ltd	3
27	Jan-15	Gladstone Capital Corporation; Corridor Capital	LongWater Opportunities LLC	Circuitronics, Inc.	5

Key: 1=EMS Consolidation, 2=OEM Divestiture, 3=Vertical/Horizontal Integration, 4=EMS Divestiture, 5=Private Equity Investment, 6=Diversification into EMS

## Global Industry Groups

Aerospace & Defense  
Automotive & Truck  
Building & Infrastructure  
Business Services  
Chemicals  
Consumer  
Distribution  
Electronics  
Energy & Power  
Financial Institutions  
Food & Beverage  
Healthcare  
Industrials  
Packaging  
Technology & Media

## Global Locations

Amsterdam  
Beijing  
Chicago  
Frankfurt  
London  
Los Angeles  
Madrid  
Milan  
Moscow  
Mumbai  
New York  
Paris  
São Paulo  
Tokyo  
Vienna  
Zurich

## Advisory Services

Mergers & Acquisitions  
Debt Advisory  
Valuations & Opinions  
Special Situations

# About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With sixteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at [www.lincolninternational.com](http://www.lincolninternational.com).

## Lincoln's Global Electronics Group

### North America

**Jack Calderon**  
Managing Director (Chicago)  
+1-312-580-6289  
[jcalderon@lincolninternational.com](mailto:jcalderon@lincolninternational.com)

**Chaim Lubin**  
Director (Chicago)  
+1-312-506-2753  
[clubin@lincolninternational.com](mailto:clubin@lincolninternational.com)

### Asia

**Tetsuya Fujii**  
Managing Director and President - Japan (Tokyo)  
+813-5549-7680  
[tfujii@lincolninternational.com](mailto:tfujii@lincolninternational.com)

**T.N. Giridhar**  
Managing Director and President - India (Mumbai)  
+91-22-4067-0300  
[tngiridhar@lincolninternational.com](mailto:tngiridhar@lincolninternational.com)

**Joe Chang**  
Managing Director and CEO - China (Beijing)  
+86-10-6468-6458  
[jchang@lincolninternational.com](mailto:jchang@lincolninternational.com)

### South America

**James Sinclair**  
Managing Director and President - Brazil (São Paulo)  
+55-11-2166-8835  
[jsinclair@lincolninternational.com](mailto:jsinclair@lincolninternational.com)

### Europe

**Mark Barrow**  
Managing Director (London)  
+44-0-20-7022-9880  
[mbarrow@lincolninternational.com](mailto:mbarrow@lincolninternational.com)

**Øyvind Bjordal**  
Managing Director (Zurich)  
+41-79-402-80-40  
[o.bjordal@lincolninternational.ch](mailto:o.bjordal@lincolninternational.ch)

**Géraud Estrangin**  
Managing Director (Paris)  
+33-0-1-53-53-18-18  
[g.estrangin@lincolninternational.fr](mailto:g.estrangin@lincolninternational.fr)

**Richard Floto**  
Managing Director (Frankfurt)  
+49-69-97-105-400  
[r.floto@lincolninternational.de](mailto:r.floto@lincolninternational.de)

**Eric Wijs**  
Managing Director (Amsterdam)  
+31-20-7670-310  
[e.wijs@lincolninternational.nl](mailto:e.wijs@lincolninternational.nl)

**Rommel Franco**  
Director (Madrid)  
+34-91-129-4996  
[r.franco@lincolninternational.es](mailto:r.franco@lincolninternational.es)

## Disclaimer

This document contains significant assumptions and has been prepared based on publicly available information, or additional information supplied by the owners and/or managers of the company(ies) described in this document, which has not been independently verified. Accuracy and completeness of the information provided has been presumed and, therefore, its content may or may not be accurate and complete. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information or statements made in this document and Lincoln International, its affiliates, directors, officers, employees and representatives expressly disclaim any and all liability with regards thereto. This document has been prepared for informational purposes only, is not a research report (as such term is defined by applicable law and regulations) and is not to be relied on by any person for any purpose. In addition, it is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form, or redistributed, without the prior written consent of Lincoln International.