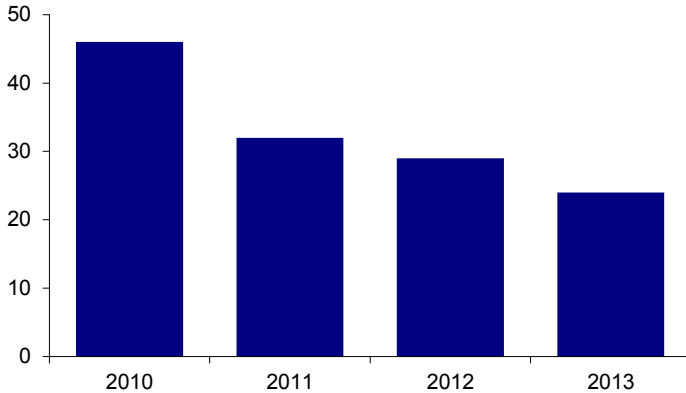
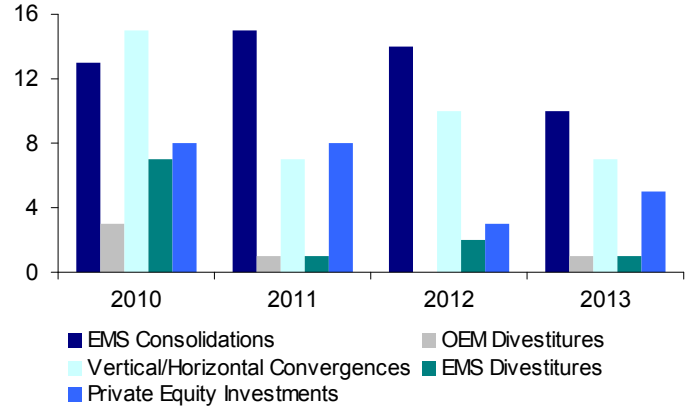


2013 Deal Volume — Year in Review

Chart A: Completed EMS Transactions

Chart B: Year Comparison—EMS M&A by Deal Type


Announcements

- Sparton Corp. (NYSE:SPA) has acquired Beckwood Services, Inc. (December –11)
- Allied Circuits LLC has acquired the Electrical Control Panel division of Power Drives, Inc. (November –15)
- Natel Engineering Co., Inc. has acquired EPIC Technologies, LLC (October–8)
- Benchmark Electronics Inc. has acquired CTS Electronics Manufacturing Solutions, Inc. (October –3)

2013 Summary

There were 24 completed EMS transactions in 2013, down from 29 recorded in 2012. EMS Consolidations were the most common type of transaction with 10 transactions in 2013, or 42% of total activity, compared to 14 transactions in 2012 which represented 48% of activity last year.

In 2013, there were seven Vertical/Horizontal Convergence transactions, down from the 10 recorded in 2012. This year's activity represented 29% of the total, compared to 35% last year.

Private equity investments were slightly up, compared to three in 2012, with five total transactions in 2013, or 21% of the total, as compared to 10% last year. Lincoln expects that this increase was due in part to the strong market growth and favorable financing market conditions during the year.

EMS divestiture transactions were slightly lower with one transaction in 2013 compared to two transactions in 2012, representing approximately 4% and 7% of total transactions in 2013 and 2012, respectively.

There was one OEM divestiture in 2013, representing 4% of the total transaction activity, compared to none in 2012.

As illustrated in Chart C below, nine of the deals completed in 2013 were in North America. This represented 38% of the transactions closed in 2013. Seven transactions were consummated in Europe in 2013, representing 29% of total transaction volume. Five transactions were between two different high-cost regions (21% of the total). The other transactions were split amongst other geographies with two occurring in Asia (8%) and one in other geographies (4%). No transactions occurred between high-cost regions and low-cost regions.

In terms of the size of transactions, 2013 was dominated by the Small Tier, with 21 transactions, or approximately 88% of total activity. Mid Tier EMS providers closed two transactions, representing approximately 8% of the total. Large Tier providers added one transaction, representing approximately 4% of the total.

EMS Size Guide

(Sales Dollars)

Large (Tier I)

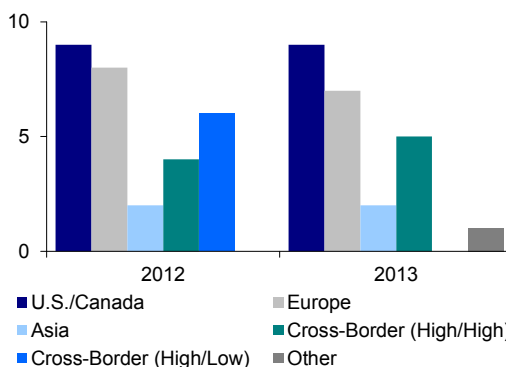
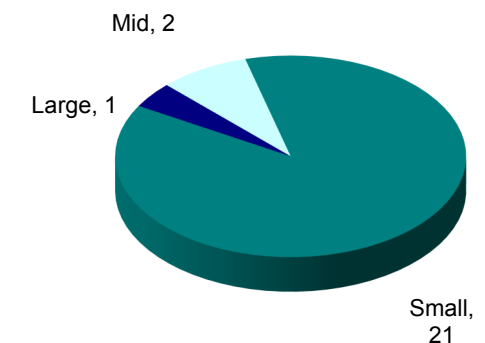
Greater than \$3 billion

Mid (Tier II)

\$300 million to \$3 billion

Small (Tier III)

Below \$300 million

Chart C: Year Comparison—EMS M&A by Geography

Chart D: 2013 Mergers and Acquisitions


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.

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.

2013 EMS Transaction Summary

#	Date	Acquirer	Seller	Target	Type
1	Dec-13	Sparton Corp.	Beckwood Services, Inc.	Beckwood Services, Inc.	1
2	Nov-13	Allied Circuits LLC	Power Drives, Inc.	Power Drives, Inc., Electrical Control Panel	1
3	Nov-13	Virtuose Circuits Ltd	Marsden Smith Ltd.	Marsden Smith Ltd.	5
4	Nov-13	Cemtrex Inc.	ROB Group	ROB Group	1
5	Oct-13	Hunter Technology Corporation	NBS Design Inc.	NBS Design Inc.	1
6	Oct-13	Natel Engineering Co., Inc.	CIVC Partners	EPIC Technologies, LLC	3
7	Oct-13	Benchmark Electronics Inc.	CTS Corporation	CTS Electronics Manufacturing Solutions, Inc.	1
8	Sep-13	Wright Industries Ltd.	Custom Interconnect Limited	Custom Interconnect Limited	5
9	Sep-13	Nittoku Denshi CO., LTD.	Ohens CO., LTD	Ohens CO., LTD	3
10	Aug-13	Nistec Ltd	Eltek Ltd.	Eltek Ltd.	3
11	Aug-13	OSI Electronics	Briton EMS	Briton EMS	1
12	Jun-13	Informatik Bilisim Teknolojileri	Anel Telekomünikasyon Elektronik AS	Solectron Elektronik AS	3
13	Jun-13	Sparton Electronic Devices, LLC	KleinPartners Capital Corp.	Creonix LLC	1
14	Jun-13	Benchmark Electronics Inc.	Blum Capital Partners; HCI Equity Partners	Suntron Corp.	1
15	May-13	Secure Communication Systems, Inc.	Smart Electronics & Assembly, Inc.	Smart Electronics & Assembly, Inc.	3
16	Apr-13	Creades AB	NOTE AB	NOTE AB	5
17	Apr-13	Flextronics International Ltd.	Motorola Mobility Holdings, Inc.	Motorola Mobility, Tianjin Manufacturing	2
18	Mar-13	Probe Manufacturing Inc.	Trident Manufacturing, Inc.	Trident Manufacturing, Inc.	1
19	Feb-13	HANZA AB	Alfaram Oy	Alfaram Oy	3
20	Feb-13	Tekelek Europe Ltd.	Ingenion Design Ltd.	Ingenion Design Ltd.	3
21	Feb-13	Management Buyout	Kinergy Ltd.	Kinergy Ltd.	5
22	Jan-13	Oy Darekon Ltd.	Apelec Oy	Apelec Oy	1
23	Jan-13	Jerome Bootz	Systech SAS	Systech SAS	5
24	Jan-13	EIT, LLC	Suntron Corp.	Suntron Corp., Methuen Massachusetts	4

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

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 fifteen 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.

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