



Dealreader EMS

Q4 2017

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2017 Deal Volume – Year in Review

2017 EMS Transaction Summary

Announcements

- Insight Equity has acquired VirTex Enterprises (Oct-17)
- Aurelius Holdings has acquired BCM Electronics Corporation (Oct-17)
- EMBRON Group has acquired QRTECH (Nov-17)
- Norbit Group has acquired Aptomar (Nov-17)
- Cypress Holdings has acquired Concurrent Manufacturing Solutions (Dec-17)

2017 Summary

There were 21 EMS transactions recorded in 2017, down from the 26 recorded in 2016. EMS consolidations were the most common type of transaction with 7 transactions in 2017, or 33% of total activity, compared to 9 transactions in 2016 which represented 35% of activity last year.

In 2017, there were 7 vertical/horizontal convergences, down from the 8 recorded in 2016. Though this year's activity represented 33% of the total, compared to 31% last year.

Private equity investments accounted for five transactions in 2017, reflecting an increase in the number of investments compared to the two transactions recorded in 2016. This type of transaction represented approximately 24% of the total transactions for 2017, a significant increase over the 8% of the total for 2016.

EMS divestitures accounted for one transaction, representing 5% of total activity, down from five transactions (19% of the total) in 2016.

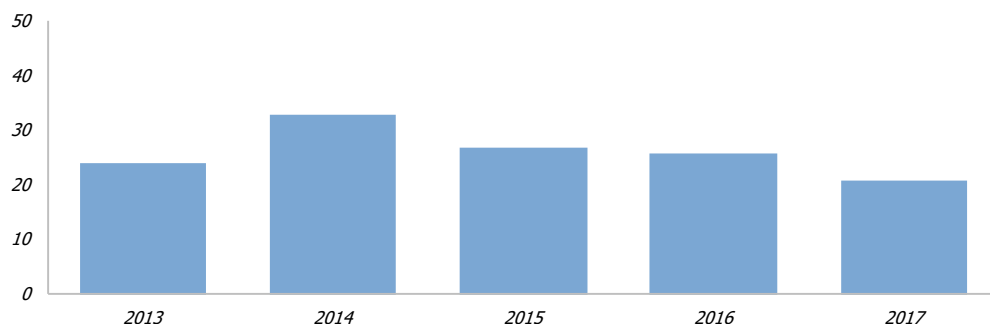
There was one transaction categorized as diversification into EMS, or 5% of the total, but no transactions categorized as an OEM divestiture in 2017.

In terms of geography, 9 of the transactions were completed in Europe. This represented 43% of total transaction activity in 2017. The next largest geography in terms of transaction volume was North America with 6 transactions in 2017, representing 29% of total activity. There were also five cross-border transactions in 2017 (24% of the total), with four between a high-cost region and a low-cost region and one transaction between different high-cost regions. One transaction took place within Asia, but none were isolated to South America.

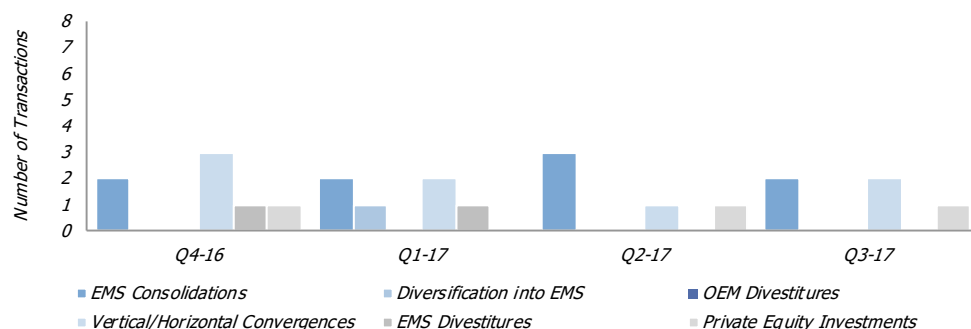
In terms of transaction size, Small Tier EMS providers accounted for 62% of the 2017 transaction volume with 13 acquisitions. Mid Tier EMS providers accounted for

five acquisitions, representing approximately 24% of total activity. This level of activity from the Mid Tier represents a decrease compared to the 9 transactions recorded in 2016. Three acquisitions by Large Tier EMS providers occurred during the year, representing approximately 14% of the total.

Completed EMS Transactions



Year Comparison—EMS M&A by Deal Type

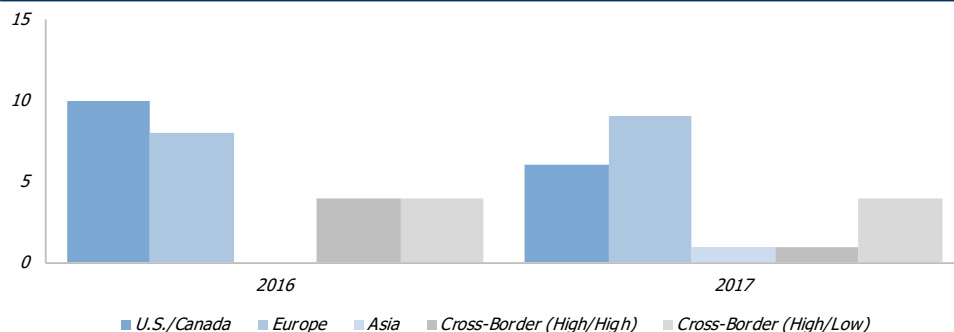


EMS Size Guide (Sales Dollars)

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

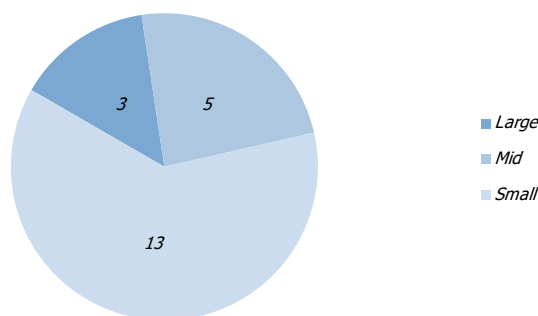
Sources: All information contained in this newsletter including the charts was obtained from company websites, Custer Reports, Lincoln International's internal data, Manufacturing Market Insider and Capital IQ.

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.

2017 Mergers and Acquisitions by Size



2017 EMS Transaction Summary

#	Date	Acquirer	Seller	Target	Type
1	Dec-17	Cypress Holdings, Inc.	Private	Concurrent Manufacturing Solutions, LLC	5
2	Nov-17	Norbit Group AS	Verdane Capital and ProVenture Management	Aptomar AS	3
3	Nov-17	EMBRON Group	Private	QRTECH	3
4	Oct-17	Aurelius Holdings Sdn Bhd	Comintel Corporation Bhd	BCM Electronics Corporation Sdn. Bhd.	5
5	Oct-17	Insight Equity	Private	VirTex Enterprises, LP	5
6	Sep-17	Flex Power	Telefonaktiebolaget LM Ericsson	Ericsson Power Modules AB	3
7	Sep-17	Integra Technologies, LLC	Tonka Bay Equity Partners LLC	CORWIL Technology Corporation	1
8	Sep-17	Jabil	Private	True-Tech Corporation	1
9	Sep-17	Stontronics Ltd.	Private	PowerPax UK Limited	3
10	Aug-17	GUB Management GmbH	Mic AG	Aifotec AG	5
11	May-17	Pivot International, Inc.	Private	Avatar Engineering, Inc.	1
12	May-17	American Standard Circuits	Private	Camtech Technologies	3
13	May-17	Avenue Capital Group and Europa Investimenti	Private	SELCOM ELETTRONICA S.p.A.	5
14	May-17	Integrated Micro-Electronics UK Limited	Private	STI Enterprises Limited	1
15	Mar-17	PKC Group Oyj	Private	Fortitude Industries, Inc.	1
16	Mar-17	Motherhood Sumi Systems Limited	AS Harju Elekter and Lannebo Fonder AB	PKC Group Oyj	6
17	Feb-17	Enics AG	PKC Group Oyj	PKC Electronics Oy (nka:Enics Raahe Oy)	1
18	Feb-17	GPV International A/S	Private	BHE A/S	1
19	Jan-17	EC Electronics Limited	Arcum Ltd	Hunter Cable Assembly Limited	3
20	Jan-17	Acal plc (nka:discoverIE Group plc)	Private	Variohm Holdings Limited	3
21	Jan-17	Salcomp Plc	Laird Technologies Limited	Antennas Plant in Chennai	6

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

Business Services

Consumer

Energy, Power
& Infrastructure

Healthcare

Industrials

Technology, Media
& Telecom

Global Locations

Amsterdam

Beijing

Chicago

Dallas

Frankfurt

London

Los Angeles

Madrid

Milan

Moscow

Mumbai

Munich

New York

Paris

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