

DATE

December 01, 2013

SECTORS

Industrials

DEAL TYPE

M&A Advisory

Asia Access

DEAL LOCATIONS



DEAL TEAM



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Managing Director

DC Advisory advised Mitsubishi Electric on the acquisition of Klimat-Fer S.p.A.



Background:

- Klimat-Fer, headquartered in Padua (Italy), is a leading designer and provider of a full range of HVAC (heating, ventilation and air-conditioning) systems for the railway industry (driver's cabs, passenger compartments, and double deck coaches)
- Trains served include high-speed trains, regional trains, trams and metro trains. In addition, Klimat-Fer provides maintenance services and sale of spare parts
- With an estimated market share of 70% on new trains, Klimat-Fer is the market leader in Italy and one of the top five companies in that sector in Europe
- The Company was founded in 1924 and privately owned by the management
- In spring 2013, Daiwa Corporate Advisory was mandated by Mitsubishi Electric, a leading global electronics conglomerate, headquartered in Tokyo (Japan), with revenues of JPY 3,567 billion (EUR 30 billion), to advise on their acquisition strategy in Europe

Challenges:

- Search and identification of potential targets that suit Mitsubishi Electric's expectations with regard to geographic location, technology, management and upside potential
- DC identified potential targets and exclusively advised Mitsubishi Electric throughout the entire acquisition process, including target approach, project coordination, due diligence support, valuation, and in the final contract negotiations

negotiations

- The Asian/Italian nature of the transaction led to a complex intercultural transaction environment with a high degree of coordination and hands-on project management required
- Through seamless cooperation between the offices in Frankfurt and Tokyo, DC successfully managed to coordinate requirements of a large, listed Japanese corporation with a small privately owned business

Outcome:

- The transaction was signed in December 2013 following a few months of exclusivity and closing in March 2014
- The integration of Klimat-Fer will allow Mitsubishi Electric to develop its own manufacturing and maintenance service platform of HVAC products for the railway sector in Europe
- By combining the unique technology and customer base of both companies, Mitsubishi Electric will accelerate the global expansion of its transportation business