

DATE

April 08, 2019

SECTORS

Industrials

DEAL LOCATIONS**DEAL TEAM****Joaquín Gonzalo**
Managing Director**UN SDG ACTIVITY**

DC Advisory advised UBE Corporation Europe on the acquisition of Repol

**Background**

- UBE Industries is a Japanese chemical company specialising in the manufacturing of chemicals, plastics, battery materials, pharmaceuticals, cement, construction materials and machinery. The company is listed in the Tokyo stock exchange with €2,000m market capitalisation
- UBE Corporation Europe is the subsidiary for the European, African and Latin American market of UBE Industries with c.€400m in sales across 65 countries
- Founded in 1975 and based in Castellón (Spain), Repol is a family owned company that operates a compound business using nylon 6, nylon 66, polypropylene, polyacetal, and other resin raw materials. These products are mainly used for automobiles but are also broadly used in industrial materials and for the electrical and electronics industries
- Repol has a commercial presence in approximately 20 countries and exports c.35% of its production

Process

- DC Advisory (DC) was engaged by UBE Corporation Europe to act as financial adviser to provide buy-side M&A advice on the acquisition of Repol, in recognition of DC's execution capabilities and knowledge of the Japanese decision making process
- DC Advisory provided comprehensive financial advisory services to UBE Corporation Europe throughout the acquisition process including:
 - (i) process strategy and tactics;
 - (ii) due diligence coordination;

- (iii) deal structuring, including carve-outs;
- (iv) financial modelling and valuation;
- (v) support in negotiations with the seller; and
- (vi) advice on transaction documentation including SPA and SHA.

Outcome

- DC ensured all work streams were successfully completed in a timely manner
- Under the agreement, UBE Corporation Europe acquired a majority stake of Repol
- The acquisition established a complementary relationship in the nylon 6 business while also giving UBE Industries access to Repol's compound technologies and product development capabilities for non-nylon resins
- This transaction will further accelerate the development of Repol's compound business for injection applications in the automotive sector and other industries, not only in Europe but in the transatlantic region and Asia
- The operation was signed and completed in March 2019 for an undisclosed amount

DC Advisory was an excellent partner during this acquisition project. From the beginning, the team understood perfectly the singularities of our company and that of our target, providing us with the strategic advice to reach a tight execution calendar. The quick response times and the talented senior team that were involved throughout the process, aided us in achieving the final goal.

Bruno De Bievre
President of UBE Corporation Europe