

DATE

August 17, 2021

SECTORS

Industrials

DEAL TYPE

M&A Advisory
Asia Access

DEAL LOCATIONS



DEAL TEAM



Carsten Burger
Managing Director



Endong Zhai
Managing Director



Felix Siek
Executive Director

DC Advisory advises SCHMID Group on a strategic capital raise from XJ Capital



Background

- Gebr. SCHMID GmbH (SCHMID Group) is a globally active technology and innovation leader for the electronics, photovoltaics and energy storage markets with over 150 years of history
- SCHMID Group focuses on developing customized equipment and process solutions for high-technology manufacturing processes
- SCHMID Group's largest market today is China. Its local subsidiary, SCHMID Technology Guangdong Co. Ltd., China (STG), is a leading manufacturer of wet-process and automation solutions that caters to the fast-growing Chinese market - accounting for over 50% of global printed circuit board PCB and 80% of global solar panel production
- SCHMID Group looked to significantly expand its China operations with a local partner in order to better address the requirements of its local customers and to prepare STG for a potential IPO in China in the future

Process

- SCHMID Group was looking for a reputable partner to provide both capital and local expertise for the group and STG
- DC Advisory (DC) ran a well-structured cross-border M&A process involving both strategic and financial investors with a focus on China, both in Hong Kong and the Mainland

- Despite travel restrictions and other limitations caused by the Covid-19 pandemic, DC maintained strong momentum throughout the process and arranged both physical and virtual meetings with investors

Outcome

- XJ Capital, the China-based private equity firm backed by renowned Asian LP investors, made a significant minority investment in STG
- The transaction will allow SCHMID Group to pursue its growth strategy in China with a strong local partner
- This transaction further highlights the opportunities available for European companies in the fast-growing Chinese market

"DC Advisory ran a highly professional cross-border M&A process involving high profile Chinese strategic and financial investors. We are very pleased that we found with XJ Capital the perfect long-term partner in China with whom we can realize our joint vision in this leading market for high-tech equipment solutions."

Christian Schmid
CEO & Shareholder, SCHMID Group

"We are proud to have supported SCHMID Group on this transforming transaction. The partnership with XJ Capital will enable SCHMID Group and STG to build upon their position in the Chinese market and harvest the potential that the growing electronics and solar sectors provide."

Carsten Burger
DC Advisory, Germany

"It is always great when European technology meets the market of China. We are delighted to have been the bridge that enabled such a deal. The transaction between SCHMID Group and XJ Capital showcases a great example of how Western companies can

approach China alongside a strong local partner."

Endong Zhai

DC Advisory, Asia Access

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