

DATE

December 14, 2021

SECTORS

Industrials
Technology & Software

DEAL TYPE

M&A Advisory

DEAL LOCATIONS



ACE Equity Partners

DEAL TEAM



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Background

- Based in Korea, ACE Equity Partners (ACE), is a private equity firm focused on buyout and growth capital investments in industrial technology and advanced manufacturing
- Based in Canada, Preciseley is a manufacturer of micro-electro-mechanical systems (MEMS) based products
- Preciseley's products are used for both telecom and non-telecom products, (ie 5G network and data centers, and solid-state LiDAR and MEMS-based medical equipment,

respectively)

- Hankook & Company – a holding company and one of the largest conglomerates in Korea – manages tire, general machinery, mold manufacturing, and storage battery businesses
- Hankook Tire & Technology (Hankook) – a core operating company of Hankook & Company – is a manufacturer and seller of tires

Process

- DC Advisory (DC) was engaged by ACE to assist in the sale of its stake in Preciseley
- DC provided a list of potential strategic investors and submitted an advisory proposal in order to obtain further insights regarding the preliminary deal structure and timeline
- DC acted as the exclusive financial advisor for the transaction:
 - Tapping potential investors
 - Managing the overall schedule
 - Coordinating due diligence process
 - Providing deal structure & process tactics
- With DC's strong presence in Korea and firm business relationship with corporates in the MEMS technology space, DC was able to approach nearly 30 potential investors to test the waters
- During the transaction, DC worked closely with the key management team, including the founder of Preciseley and responded to requests from potential investors in a timely manner

Outcome

- On November 30 2021, Hankook & Company and Hankook Tire & Technology entered into a definitive agreement to acquire a stake in Preciseley for a consideration of USD 171.4M
- The transaction is expected to close on January 30, 2022
- The acquisition allows Hankook & Company and Hankook Tire & Technology to diversify their business and enter new businesses including the development of MEMS components, which will be used in solid state LiDAR
- ACE will now assist in Preciseley's business expansion and pursue additional financing via listing on the stock market
- This transaction demonstrates DC's cross-border capabilities and deep expertise in the technology market

I'm proud to announce that we were able to successfully advise ACE on the sale of Preciseley. We 1) demonstrated why Hankook should pursue the deal by highlighting the sustainable profitability, business diversification and potential synergies the deal will create in the autonomous driving sector, 2) seamlessly coordinated the communication between the seller and the buyer to the last minute, and 3) suggested the optimal deal structure to have both parties interests aligned even after the change of control

Youngjin Lee, Managing Director, DC Advisory Korea