

DATE

December 27, 2018

SECTORS

Technology & Software

DEAL TYPE

Asia Access

DEAL LOCATIONS



DEAL TEAM



Tosh Kojima
Managing Director

UN SDG ACTIVITY



DC Advisory advised Advent International on the sale of KMD to NEC Corporation



Background

- The KMD Group (KMD), the largest Danish-based IT company, mainly develops and delivers software and service solutions for central and local governments in Denmark – the country which ranks top for government digitalisation, according to the United Nation’s E-Government Survey 2018
- NEC Corporation (NEC), listed on Tokyo Stock Exchange, is one of the world’s leading technology groups, which is expanding its business domain through the application of its advanced biometrics and artificial intelligence (AI) technologies in areas such as public safety, digital government and smart transportation

Process

- DC Advisory (DC), led by Tosh Kojima, was engaged by Advent International (Advent) to co-advise on the sale of KMD following an off-market approach from NEC
- DC provided advice to Advent on negotiating a bilateral discussion with NEC against a very tight timeline and over the Christmas period

Outcome

- NEC acquired KMD for approximately DKK 8bn
- The transaction signed on 27 December 2018, with completion of the transaction expected some time in February 2019

- The existing management team, led by Eva Berneke, will continue to run the business. Following the acquisition, KMD will become an independent subsidiary of the NEC Group
- NEC and KMD will combine each of their strengths in technologies and competencies in software development, to serve customers and support their digitalisation. NEC will also promote the global reach of KMD's products by utilising its sales channels

Becoming part of NEC will give KMD a new and very solid platform for the continued strategic development of the business. NEC develops ground-breaking technologies and the company has a global organisation

Eva Berneke
CEO, KMD

DC provided deep insight into the buyers motivations, concerns, and decision making processes. This insight and advice was critical in keeping both buyer and seller aligned and focused in this complex transaction.

John Woyton
Managing Director, Advent International

Having successfully advised on another UK private equity sell-side of a government IT service business to NEC this year, we were delighted to apply our unique insights once again, to deliver an outstanding result for our client.

Tosh Kojima
Managing Director, DC Advisory