

DATE

December 15, 2016

SECTORS

Industrials

DEAL TYPE

M&A Advisory
Asia Access

DEAL LOCATIONS



DC Advisory advised IDEC Corporation on the acquisition of Apem Group from ICG



DEAL TEAM



David Benin
Co-CEO



Grégoire Philippe
Director

Background:

- Founded in 1945 and listed on the Tokyo Stock Exchange with a market capitalization above €260m, IDEC Corporation (IDEC) is a leading global manufacturer of industrial automation and control products (including relays, sensors, switches, pilot lights, PLCs, safety products and LEDs)
- Thanks to c.500 distribution partners and more than 2,200 employees spread over 7 manufacturing sites and 9 regional head offices, IDEC generated €380m of sales in 2016 (FYE 31/03)
- Created in 1952, APEM Group (APEM) is a global manufacturer of Human-Machine Interfaces (HMI) solutions for diverse applications (including transport, industrial automation, medical, telecom and aerospace)
- The Group supplies several million switches, joysticks, keyboards and LED indicators to more than 20,000 clients worldwide every year
- With 1,280 employees spread over 14 manufacturing sites and 10 sales offices worldwide, APEM generated over €100m of sales and €20m of EBITDA in 2015 (FYE 31/12)

Process and outcome:

- In October 2016, DC Advisory and Daiwa Securities were jointly mandated as exclusive financial advisors to IDEC on the acquisition of APEM

- On 14 December 2016 and pursuant to a two-month bilateral process, IDEC entered into a stock purchase agreement with ICG and APEM's management team to acquire 100% of the share capital of APEM for an enterprise value of €240m (financed by bank loans). The transaction will be financed by bank loans.
- This acquisition is expected to allow IDEC to:
 - Implement strong commercial synergies in i) Europe leveraging on APEM's established network and market leadership, ii) Japan and Asia based on IDEC's unique presence, and iii) the USA benefiting from highly complementary market positions;
 - Expand addressable markets (such as material handling, and special vehicles including agriculture machinery) by strengthening the product line-up thanks to the complementary technical capabilities of APEM; and
 - Realize cost synergies including joint product development, joint purchasing and optimization of manufacturing capabilities
- The DC/Daiwa team ran a focused M&A process, assisting IDEC in valuing the company and expected synergies, conducting due diligence and commercial negotiations as well as overseeing financing and legal documentation
- This transaction illustrates DC Advisory's know-how in advising on complex cross border transactions with foreign industrial companies