

# Electronic Manufacturing

Q4 2023 industry update

March 2024



## Selected M&A highlights

Dec 23	<b>Luna Innovations Inc</b> acquired <b>Silixa Ltd</b> , a UK based manufacturer of sensors in fibre-optic cable
Dec 23	<b>Tyco Electronics (Switzerland) Holding II LLC</b> acquired <b>Schaffner Holding AG</b> , a manufacturer engaged in the fields of electromagnetic compatibility (EMC) and power quality components
Dec 23	<b>Pragmatic Semiconductor Ltd</b> , a manufacturer of flexible integrated circuit products, raised Series D funding, co-led by <b>Catalyst strategy and UK Infrastructure Bank</b>
Nov 23	<b>Knowles Corp</b> acquired <b>Cornell Dubilier Electronics Inc</b> , a manufacturer of electronic components and capacitors
Nov 23	<b>EMC Co Ltd</b> , acquired <b>Oceanbridge Co Ltd</b> , a manufacturer of semiconductor related devices

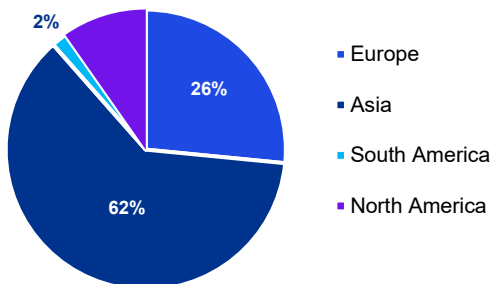
Nov 23	<b>Lexar Europe BV</b> acquired <b>SMART Modular Technologies</b> , a manufacturer of semiconductor memory components and modules
Nov 23	<b>Victory Giant Technology (HuiZhou) Co Ltd</b> , acquired <b>Pole Star Ltd</b> , a printed circuit boards developer
Oct 23	<b>Allegro Microsystems Inc</b> acquired <b>Crocus Technology</b> , a developer and manufacturer of integrated magnetic semiconductor memory devices
Oct 23	<b>RCapital Ltd</b> acquired <b>STI Enterprises Ltd</b> , a manufacturer of printed circuit boards
Oct 23	<b>Infineon Technologies AG</b> , acquired <b>GaN Systems Inc</b> , a developer of semiconductors

## Quarterly overview

- Current valuations show the General EMS attracts higher multiples than pure play semiconductors companies, although the diversified nature of General EMS companies will contribute to this.
- Targets in Asia are dominating M&A activity due to the number of quality assets operating in the space.
- This is a space where private equity is currently focusing given the quality nature of assets combined with the growth being experienced in the industry.
- The market is predicted to continue growing due to industry factors such as automation and critical nature of the products and applications they can be used in.



## Deal volumes by target geography – Q4 2023



Source: S&P Capital IQ and Merger Market

Note: The companies used in the public company valuations tables make up the constituents of the TTC analysis

Note: LTM = Last twelve months

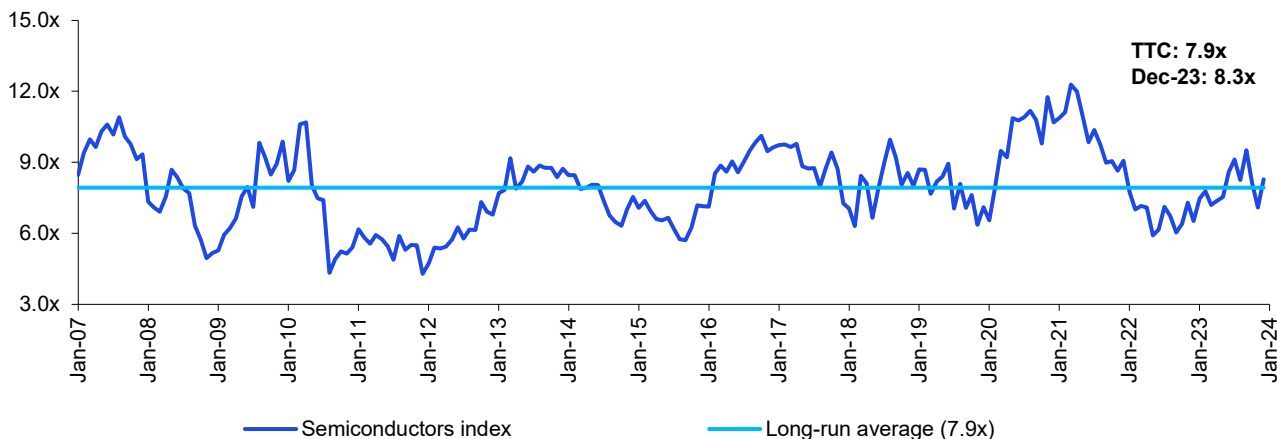
## Comparable Transaction Multiples – Q4 2023

	Revenue Multiple	EBITDA Multiple
Median	1.9x	13.1x
Mean	3.0x	11.5x
Max	6.1x	17.3x
Min	0.5x	4.4x

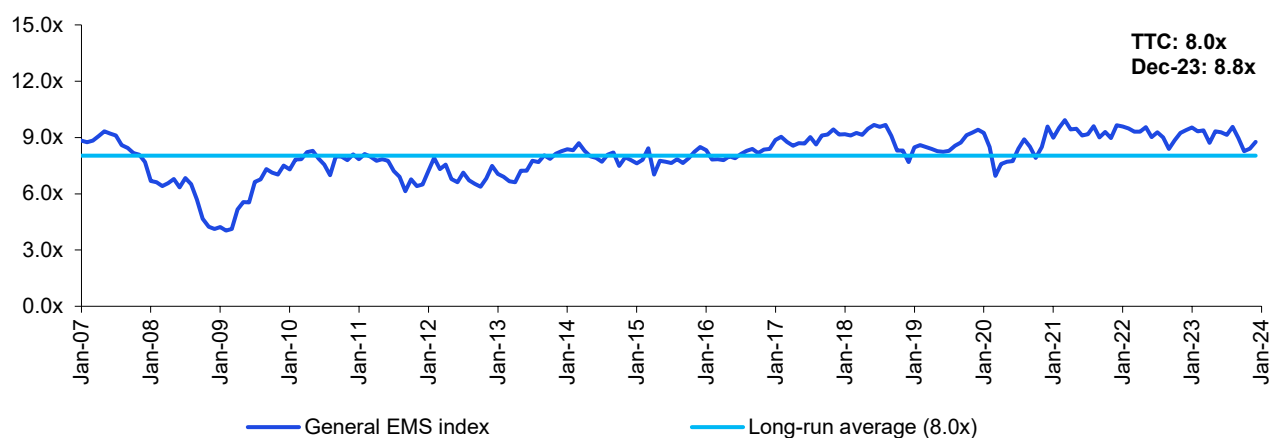
## Public company valuations

Through the cycle ('TTC') Enterprise Value / LTM EBITDA multiples

### Semiconductors



### General EMS



Source: S&P Capital IQ and Merger Market

Note: The companies used in the public company valuations tables make up the constituents of the TTC analysis

Note: LTM = Last twelve months

Public company valuations - Semiconductors				EV/Revenue			EV/EBITDA			EV/EBIT		
Company	Country	LFY date	Market Cap (£m)	LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2
Alpha and Omega Semiconductor Limited	🇺🇸	Jun-23	568	0.4x	0.4x	0.4x	3.8x	2.3x	1.6x	11.1x	8.5x	5.2x
Ambarella, Inc.	🇺🇸	Jan-23	1,937	6.7x	9.9x	9.0x	n/m	n/m	n/m	n/m	n/m	n/m
Arteris, Inc.	🇺🇸	Dec-22	170	3.3x	3.1x	3.0x	n/m	n/m	n/m	n/m	n/m	n/m
CML Microsystems plc	🇬🇧	Mar-23	60	2.0x	1.8x	n/a	11.9x	6.1x	n/a	14.2x	10.7x	n/a
Diodes Incorporated	🇺🇸	Dec-22	2,904	1.8x	2.1x	2.4x	6.7x	8.9x	11.5x	8.8x	13.0x	17.3x
inTEST Corporation	🇺🇸	Dec-22	128	1.2x	1.1x	1.1x	9.8x	7.7x	9.7x	13.0x	12.2x	15.1x
Kulicke and Soffa Industries, Inc.	🇺🇸	Sep-23	2,437	3.2x	2.9x	2.5x	26.6x	19.6x	14.5x	39.2x	23.3x	16.0x
Sequans Communications	🇫🇷	Dec-22	135	3.7x	4.3x	2.4x	51.5x	n/a	n/a	n/m	n/m	31.3x
Texas Instruments Incorporated	🇺🇸	Dec-22	121,540	7.9x	9.0x	8.9x	14.3x	18.3x	18.2x	15.6x	21.3x	22.6x
Transphorm, Inc.	🇺🇸	Mar-23	178	13.5x	9.2x	5.5x	n/m	n/a	n/a	n/m	n/m	n/m
Vishay Intertechnology, Inc.	🇺🇸	Dec-22	2,603	0.9x	0.9x	1.0x	4.2x	4.9x	5.9x	5.4x	6.7x	8.2x
Min				0.4x	0.4x	0.4x	3.8x	2.3x	1.6x	5.4x	6.7x	5.2x
<b>Median</b>				<b>2.0x</b>	<b>2.1x</b>	<b>2.5x</b>	<b>9.8x</b>	<b>7.7x</b>	<b>10.6x</b>	<b>13.0x</b>	<b>12.2x</b>	<b>15.6x</b>
<b>Mean</b>				<b>3.0x</b>	<b>3.5x</b>	<b>3.5x</b>	<b>11.0x</b>	<b>9.7x</b>	<b>10.2x</b>	<b>15.3x</b>	<b>13.7x</b>	<b>14.1x</b>
Max				7.9x	9.9x	9.0x	26.6x	19.6x	18.2x	39.2x	23.3x	22.6x


















Source: S&P Capital IQ as at 31/12/2023

Note: LFY = Last financial year

Public company valuations – General EMS				EV/Revenue			EV/EBITDA			EV/EBIT		
Company	Country	LFY date	Market Cap (£m)	LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2
ACTIA Group S.A.		Dec-22	69	0.6x	0.5x	0.5x	16.0x	6.0x	4.8x	39.9x	14.4x	10.2x
Allegro MicroSystems, Inc.		Mar-23	4,574	5.6x	5.2x	5.0x	21.8x	14.9x	14.3x	27.3x	18.0x	17.5x
Analog Devices, Inc.		Oct-23	77,360	8.5x	10.5x	9.4x	16.7x	23.0x	19.0x	26.4x	25.1x	20.8x
Benchmark Electronics, Inc.		Dec-22	774	0.4x	0.5x	0.4x	9.3x	n/a	n/a	13.1x	11.1x	10.9x
Cicor Technologies Ltd.		Dec-22	147	0.7x	0.6x	0.5x	6.9x	5.3x	4.5x	18.2x	10.6x	8.6x
discoverIE Group plc		Mar-23	757	2.0x	2.0x	1.8x	15.1x	12.8x	11.8x	23.2x	15.6x	14.4x
Ducommun Incorporated		Dec-22	597	1.5x	1.4x	1.3x	13.3x	9.8x	8.7x	22.3x	26.2x	14.6x
EACO Corporation		Aug-23	129	0.4x	n/a	n/a	5.0x	n/a	n/a	5.2x	n/a	n/a
Flex Ltd.		Mar-23	10,364	0.5x	0.5x	0.5x	8.6x	7.1x	6.4x	12.1x	8.8x	7.9x
Gérard Perrier Industrie S.A.		Dec-22	324	1.3x	1.3x	1.2x	14.0x	12.0x	11.7x	15.9x	15.1x	14.6x
Incap Oyj		Dec-22	198	0.9x	1.1x	0.9x	5.7x	7.0x	6.4x	6.0x	8.0x	7.5x
Jabil Inc.		Aug-23	12,867	0.5x	0.6x	0.5x	7.1x	7.3x	6.8x	11.2x	10.8x	10.0x
KATEK SE		Dec-22	137	0.3x	0.3x	0.2x	14.5x	5.3x	4.1x	358.2x	13.7x	8.1x
Key Tronic Corporation		Jul-23	36	0.3x	n/a	n/a	8.4x	n/a	n/a	15.1x	n/a	n/a
Kimball Electronics, Inc.		Jun-23	526	0.5x	0.5x	0.5x	7.3x	7.3x	6.2x	9.8x	10.3x	8.6x
Kitron ASA		Dec-22	514	1.2x	0.9x	0.9x	13.8x	8.2x	8.3x	16.9x	10.2x	10.4x
LPKF Laser & Electronics SE		Dec-22	212	1.9x	1.9x	1.5x	25.4x	17.1x	9.1x	38.2x	45.8x	15.1x
NCAB Group AB (publ)		Dec-22	1,069	3.2x	3.4x	3.1x	22.7x	20.3x	19.6x	24.6x	23.7x	22.4x
NOTE AB (publ)		Dec-22	336	1.4x	n/a	n/a	12.2x	n/a	n/a	14.0x	n/a	n/a
OSI Systems, Inc.		Jun-23	1,721	2.0x	1.7x	1.6x	14.9x	9.5x	8.7x	19.3x	12.7x	11.6x
Plexus Corp.		Sep-23	2,335	0.8x	0.7x	0.6x	11.1x	10.3x	9.1x	14.6x	13.8x	11.7x
Rogers Communications Inc.		Dec-22	19,545	5.1x	4.0x	3.7x	12.8x	9.1x	7.9x	20.5x	17.7x	14.4x
Sanmina Corporation		Sep-23	2,292	0.3x	0.4x	0.3x	4.9x	5.3x	4.6x	6.2x	6.6x	5.7x
Scanfil Oyj		Dec-22	443	0.7x	0.7x	0.7x	10.2x	7.2x	7.4x	13.1x	9.4x	9.8x
Schaffner Holding AG		Sep-22	293	1.9x	n/a	n/a	14.9x	n/a	n/a	19.6x	n/a	n/a
SigmaTron International, Inc.		Apr-23	14	0.3x	n/a	n/a	3.5x	n/a	n/a	4.4x	n/a	n/a
Solid State plc		Mar-23	157	1.3x	1.0x	1.1x	13.4x	8.6x	9.5x	17.3x	11.6x	11.5x
STMicroelectronics N.V.		Dec-22	35,444	2.7x	2.5x	2.5x	7.4x	7.0x	7.3x	9.3x	9.3x	10.2x
Stoneridge, Inc.		Dec-22	423	0.8x	0.7x	0.7x	18.9x	14.5x	10.5x	216.1x	39.3x	19.9x
Synopsys, Inc.		Oct-23	61,440	13.2x	11.7x	10.4x	51.0x	29.6x	26.0x	57.5x	31.5x	27.3x
TT Electronics plc		Dec-22	276	0.7x	0.7x	0.7x	27.3x	6.1x	5.6x	n/m	8.0x	7.3x
TTM Technologies, Inc.		Jan-23	1,269	0.9x	1.0x	0.9x	7.1x	7.0x	5.6x	12.5x	11.3x	9.7x
Min				0.3x	0.3x	0.2x	3.5x	5.3x	4.1x	4.4x	6.6x	5.7x
<b>Median</b>				<b>0.9x</b>	<b>1.0x</b>	<b>0.9x</b>	<b>13.1x</b>	<b>8.4x</b>	<b>8.1x</b>	<b>16.9x</b>	<b>12.7x</b>	<b>10.9x</b>
<b>Mean</b>				<b>1.9x</b>	<b>2.1x</b>	<b>1.9x</b>	<b>13.8x</b>	<b>10.7x</b>	<b>9.4x</b>	<b>35.7x</b>	<b>16.3x</b>	<b>12.6x</b>
Max				13.2x	11.7x	10.4x	51.0x	29.6x	26.0x	358.2x	45.8x	27.3x

Source: S&P Capital IQ as at 31/12/2023  
Note: LFY = Last financial year

## KPMG's global electronics credentials

   Advised MPE Limited on their sale to ESCO Technologies Inc  <b>Electrical Equipment</b>  2023	 Wellang Co. Ltd  Advised Wellang Co. Ltd on their sale to Well to Sea Investment  <b>Semiconductor</b>  2023	  <b>ADVANTEST</b> Advised Shin Poo Tech on their sale to Advantest Corporation  <b>Printed Circuit Board</b>  2023	  <b>PRINCIPAL INDUSTRIES</b> Advised SloanLED on their sale to Principal Industries  <b>Lighting</b>  2023	   Advised Ecopac Power on their sale to TTI  <b>EMS</b>  2022
 <b>TexTrace</b>  Advised the shareholders of TexTrace AG on its divestment to Avery Dennison  <b>RFID Tracking</b>  2022	   Advised Alphasense Limited on their sale to Ametek  <b>Detection Sensors</b>  2021	  <b>cicor</b> Provided financial due diligence on their sale to Cicor Group  <b>EMS</b>  2021	 <b>BISTel</b> <b>SYNOPSYS</b> Advised BISTel on their sale of its semiconductor and flat panel display business to Synopsys Inc  <b>Semiconductor and flat panel display</b>  2021	  <b>SYNOPSYS</b> Advised FirstPass Engineering to Synopsys Inc  <b>Integrated Circuit Design</b>  2021

## Contact us



**Surinderpal Matharu**

Managing Director

T: +44 (0) 7507 351779

E: [surinderpal.matharu@kpmg.co.uk](mailto:surinderpal.matharu@kpmg.co.uk)

KPMG UK



**Adam Rathbone**

Associate Director

T: +44 (0) 7880 053083

E: [adam.rathbone@kpmg.co.uk](mailto:adam.rathbone@kpmg.co.uk)

KPMG UK



**Aaron Shergill**

Associate

T: +44 (0) 7825 902750

E: [aaron.shergill@kpmg.co.uk](mailto:aaron.shergill@kpmg.co.uk)

KPMG UK



**Michael McGirr**

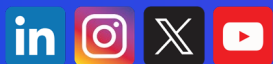
Analyst

T: +44 (0) 7843 809424

E: [Michael.McGirr@kpmg.co.uk](mailto:Michael.McGirr@kpmg.co.uk)

KPMG UK

[kpmg.com/uk](https://kpmg.com/uk)



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