

Electronic Manufacturing

Q1 2024 industry update

April 2024



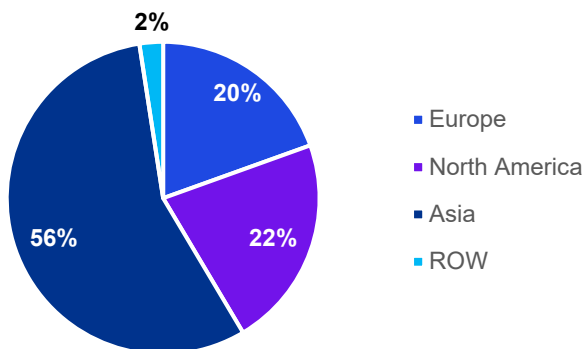
Selected M&A highlights

Mar 24	Undisclosed acquired EM4 Inc , a US provider of optoelectronic components	Feb 24	Hahn & Company , acquired SK Enpulse Co Ltd , a South Korea based semiconductor components manufacturer
Mar 24	Datang Telecom Technology Co. Ltd acquired Datang Microelectronic China a manufacturer of security chipsets	Feb 24	Solidion Technology Inc acquired Honeycomb Battery Co , a US company focused on the development of battery technology
Mar 24	SCF Partners acquired Pipeline and Industrial Materials business from Entegris Inc. , a US supplier of advanced materials for the semiconductor industry	Jan 24	IPD Group Ltd acquired CMI Operations Pty Ltd , an Australian electrical cables/plugs company
Mar 24	Vishay Intertechnology Inc , acquired wafer fabrication facility and operations in Newport from Nexperia BV	Jan 24	iSoftStone Information Technology (Group) Co Ltd; Beijing iSoftStone Intelligence Technology Co Ltd , acquired Tongfang International Information Technology Co Ltd , a Chinese R&D, production and sales company of computer products
Feb 24	Japan Aviation Electronics Industry , acquired 26.16% stake of its own shares with majority arising from NEC Corp sale of 23,843,402 shares	Jan 24	Flex Ltd. spun-off 54.47% stake in Nextracker Inc , the global provider of intelligent solar tracking to existing shareholders
Feb 24	CEK Holdings acquired KC EnviroService Co Ltd , a South Korean waste treatment and disposal company with focus in semiconductor manufacturing industry		

Quarterly overview

- The first quarter of 2024 showed a slowing in deal volumes from Q4 2023
- The 3 main target attributes include electrification and power supply, chip and circuit manufacture, and connectivity and cables
- Targets in Asia are still dominating M&A activity (due to the number of quality assets operating in the space).
- Many share for share deals and joint venture mergers demonstrate the sectors need for consolidation globally
- Private equity are the main buyers in this space, with cross border acquisitions accounting for 46% of deals

Deal volumes by target geography – Q1 2024



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

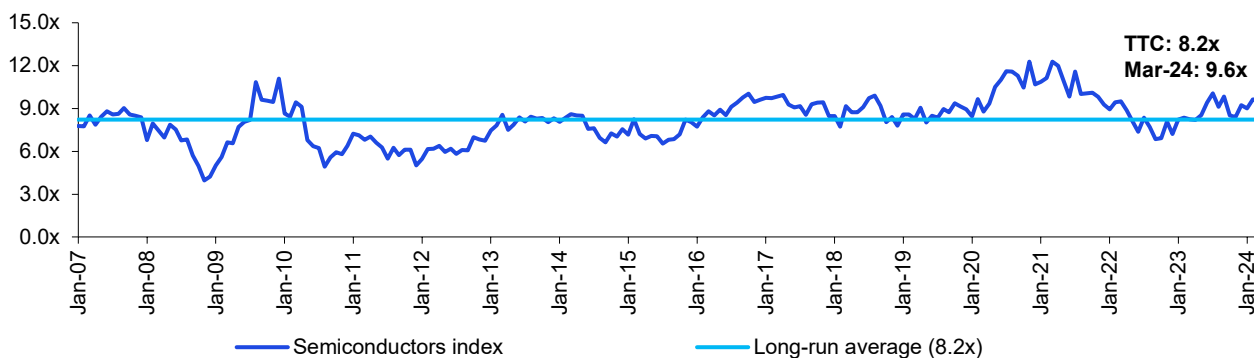
Note: LTM = Last twelve months



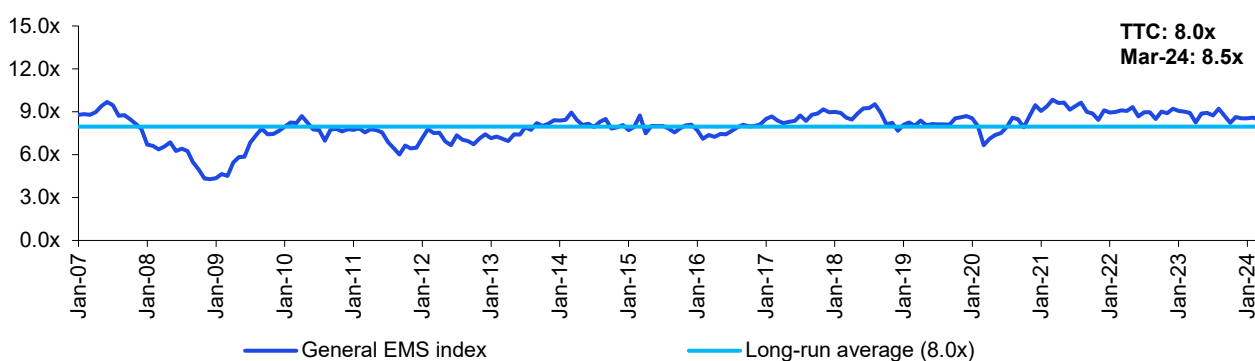
Public company valuations

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	493	0.3x	0.3x	0.3x	2.7x	2.7x	2.1x	7.9x	9.3x	5.7x
CML Microsystems plc		Mar-23	50	1.5x	1.4x	n/a	8.9x	4.8x	n/a	10.7x	9.8x	n/a
Diodes Incorporated		Dec-23	2,564	1.9x	2.3x	1.9x	8.0x	11.9x	7.9x	12.4x	21.7x	11.7x
Infineon Technologies		Sep-23	34,974	2.7x	2.8x	2.5x	7.9x	8.8x	7.1x	10.9x	14.6x	11.3x
inTEST Corporation		Dec-23	126	1.1x	0.9x	0.8x	9.7x	7.1x	6.2x	12.5x	12.8x	9.0x
Kulicke and Soffa Industries, Inc.		Sep-23	2,244	2.9x	2.8x	2.3x	24.2x	20.7x	11.3x	35.6x	27.1x	13.6x
NXP Semiconductors		Dec-23	50,312	5.4x	5.5x	5.0x	14.8x	14.2x	12.7x	19.1x	15.7x	13.9x
Sequans Communications		Dec-23	19	2.7x	2.0x	0.9x	n/m	n/a	n/a	n/m	n/m	10.8x
Taiwan Semiconductor Manufacturing Company		Dec-23	500,260	9.0x	7.3x	6.2x	13.5x	10.8x	8.9x	21.2x	17.3x	14.1x
Texas Instruments Incorporated		Dec-23	125,529	9.2x	10.3x	9.0x	19.1x	23.0x	17.3x	22.1x	30.2x	23.4x
Transphorm, Inc.		Mar-23	246	18.5x	12.6x	7.5x	n/m	n/a	n/a	n/m	n/m	n/m
Vishay Intertechnology, Inc.		Dec-23	2,469	1.0x	1.1x	1.0x	4.9x	7.8x	6.0x	6.8x	13.3x	9.0x
Min				0.3x	0.3x	0.3x	2.7x	2.7x	2.1x	6.8x	9.3x	5.7x
Median				2.8x	2.8x	2.5x	9.3x	9.8x	8.4x	12.5x	15.2x	11.5x
Mean				4.9x	4.4x	3.6x	11.4x	11.2x	20.8x	15.9x	17.2x	12.2x
Max				18.5x	12.6x	9.0x	24.2x	23.0x	128.4x	35.6x	30.2x	23.4x

Source: S&P Capital IQ as at 31/03/2024













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
Allegro MicroSystems, Inc.	🇺🇸	Mar-23	4,123	5.4x	5.0x	5.5x	20.9x	14.5x	17.0x	26.2x	17.9x	23.0x
Analog Devices, Inc.	🇺🇸	Oct-23	77,662	8.4x	11.3x	10.0x	16.6x	25.7x	20.8x	26.1x	29.1x	23.2x
Benchmark Electronics, Inc.	🇺🇸	Dec-23	850	0.4x	0.5x	0.4x	8.0x	n/a	n/a	10.7x	12.0x	10.8x
Cicor Technologies Ltd.	🇨🇭	Dec-23	146	0.5x	0.4x	0.4x	4.7x	4.0x	3.5x	9.0x	7.7x	6.2x
discoverIE Group plc	🇬🇧	Mar-23	725	1.9x	1.9x	1.8x	14.6x	12.3x	11.4x	22.4x	15.1x	13.9x
Ducommun Incorporated	🇺🇸	Dec-23	595	1.3x	1.3x	1.2x	12.9x	8.9x	7.8x	22.3x	15.5x	12.0x
EACO Corporation	🇺🇸	Aug-23	131	0.5x	n/a	n/a	5.8x	n/a	n/a	6.1x	n/a	n/a
Flex Ltd.	🇸🇪	Mar-23	9,541	0.5x	0.5x	0.5x	8.0x	6.8x	7.6x	11.3x	8.4x	9.9x
Gérard Perrier Industrie S.A.	🇫🇷	Dec-22	316	1.3x	1.2x	1.2x	13.9x	11.6x	11.2x	15.7x	14.7x	14.1x
Incap Oyj	🇫🇮	Dec-23	232	1.2x	1.2x	1.0x	8.1x	8.5x	7.1x	9.5x	10.2x	8.1x
Jabil Inc.	🇺🇸	Aug-23	13,527	0.5x	0.6x	0.6x	7.0x	7.9x	7.3x	11.0x	11.2x	10.3x
KATEK SE	🇩🇪	Dec-22	188	0.4x	0.4x	0.3x	18.7x	6.9x	5.3x	459.6x	17.4x	10.7x
Key Tronic Corporation	🇺🇸	Jul-23	40	0.3x	n/a	n/a	8.6x	n/a	n/a	15.5x	n/a	n/a
Kimball Electronics, Inc.	🇺🇸	Jun-23	426	0.5x	0.5x	0.4x	6.6x	7.0x	6.1x	8.9x	10.8x	8.9x
Kitron ASA	🇳🇴	Dec-23	493	0.9x	0.9x	0.9x	8.8x	8.4x	7.6x	10.1x	10.7x	9.6x
LPKF Laser & Electronics SE	🇩🇪	Dec-23	168	1.5x	1.5x	1.1x	24.1x	12.4x	5.9x	46.0x	29.8x	8.7x
Murata Manufacturing Co	🇯🇵	Mar-23	27,928	3.0x	3.1x	2.8x	10.9x	11.2x	9.4x	16.8x	18.4x	14.4x
NCAB Group AB (publ)	🇸🇪	Dec-23	971	3.3x	3.4x	3.1x	20.8x	20.8x	19.0x	24.5x	24.3x	21.8x
NOTE AB (publ)	🇸🇪	Dec-23	310	1.1x	n/a	n/a	9.6x	n/a	n/a	11.3x	n/a	n/a
OSI Systems, Inc.	🇺🇸	Jun-23	1,928	2.2x	1.8x	1.7x	16.5x	10.4x	9.8x	21.4x	13.9x	12.7x
Plexus Corp.	🇺🇸	Sep-23	2,073	0.7x	0.7x	0.6x	10.0x	10.8x	9.2x	13.1x	15.7x	11.9x
QUALCOMM Inc.	🇺🇸	Sep-23	149,712	5.4x	5.1x	4.7x	18.4x	13.4x	12.5x	22.3x	15.0x	13.7x
Rogers Communications Inc.	🇨🇦	Dec-23	17,241	3.9x	3.6x	3.5x	9.1x	7.6x	7.3x	16.6x	14.4x	13.3x
ROHM Co., Ltd	🇯🇵	Mar-23	4,906	2.1x	2.2x	2.0x	7.0x	8.6x	6.9x	11.3x	20.2x	15.9x
Sanmina Corporation	🇺🇸	Sep-23	2,746	0.4x	0.4x	0.4x	5.9x	6.2x	5.5x	7.4x	7.9x	6.8x
Scanfil Oyj	🇫🇮	Dec-23	466	0.7x	0.7x	0.7x	7.9x	7.4x	7.0x	9.7x	9.9x	9.3x
Schaffner Holding AG	🇨🇭	Sep-22	277	1.9x	n/a	n/a	14.9x	n/a	n/a	19.7x	n/a	n/a
SigmaTron International, Inc.	🇺🇸	Apr-23	18	0.3x	n/a	n/a	3.7x	n/a	n/a	4.6x	n/a	n/a
Solid State plc	🇬🇧	Mar-23	153	1.3x	1.0x	1.1x	13.0x	7.4x	9.7x	16.9x	9.6x	13.7x
STMicroelectronics N.V.	🇨🇭	Dec-23	30,719	2.1x	2.2x	2.0x	5.8x	7.2x	5.8x	7.6x	10.6x	8.1x
Stoneridge, Inc.	🇺🇸	Dec-23	402	0.7x	0.7x	0.6x	13.1x	10.3x	8.6x	38.6x	23.1x	14.5x
Synopsys, Inc.	🇺🇸	Oct-23	69,026	14.8x	13.2x	11.7x	57.1x	33.5x	28.5x	64.3x	35.9x	30.6x
TDK Corporation	🇯🇵	Mar-23	14,855	1.4x	1.4x	1.4x	8.2x	8.4x	7.1x	19.0x	17.4x	13.4x
TT Electronics plc	🇬🇧	Dec-23	281	0.7x	0.7x	0.7x	15.5x	5.8x	5.5x	40.7x	7.5x	7.1x
TTM Technologies, Inc.	🇺🇸	Jan-24	1,261	1.0x	0.9x	0.9x	7.9x	6.9x	6.3x	19.4x	9.9x	8.6x
Min				0.3x	0.4x	0.3x	3.7x	4.0x	3.5x	4.6x	7.5x	6.2x
Median				1.2x	1.2x	1.1x	9.6x	8.5x	7.6x	16.6x	14.5x	11.9x
Mean				2.1x	2.3x	2.1x	12.6x	10.7x	9.5x	31.3x	15.5x	12.8x
Max				14.8x	13.2x	11.7x	57.1x	33.5x	28.5x	459.6x	35.9x	30.6x

Source: S&P Capital IQ as at 31/03/2024

Note: LFY = Last financial year

KPMG's global electronics credentials

 <p>ASCENT CIRCUITS</p> <p>amber</p> <p>Advised the Shareholders of Ascent Circuits, in the sale of majority stake to ILJIN Electronics (Amber Group)</p> <p>PCB</p> <p>2024</p>	 <p>MPE</p> <p>ESCO TECHNOLOGIES</p> <p>Advised MPE Limited on their sale to ESCO Technologies Inc</p> <p>Electrical Equipment</p> <p>2023</p>	 <p>Fibron</p> <p>Hexatronic</p> <p>Advised Rubicon Partners on the sale of Fibron Bx to Hexatronic</p> <p>Electro-optical cables</p> <p>2023</p>	 <p>Wellang Co. Ltd</p> <p>Well to Sea</p> <p>Advised Wellang Co. Ltd on their sale to Well to Sea Investment</p> <p>Semiconductor</p> <p>2023</p>	 <p>ADVANTEST</p> <p>Advised Shin Poo Tech on their sale to Advantest Corporation</p> <p>Printed Circuit Board</p> <p>2023</p>	 <p>SloanLED Leaders in LED Technology</p> <p>PRINCIPAL INDUSTRIES</p> <p>Advised SloanLED on their sale to Principal Industries</p> <p>Lighting</p> <p>2023</p>
 <p>ECOPAC POWER</p> <p>TTI</p> <p>Advised Ecopac Power on their sale to TTI</p> <p>EMS</p> <p>2022</p>	 <p>TexTrace</p> <p>AVERY DENNINSON</p> <p>Advised the shareholders of TexTrace AG on its divestment to Avery Denninson</p> <p>RFID Tracking</p> <p>2022</p>	 <p>Alphasense</p> <p>AMETEK</p> <p>Advised Alphasense Limited on their sale to Ametek</p> <p>Detection Sensors</p> <p>2021</p>	 <p>AXIS ELECTRONICS</p> <p>cicor</p> <p>Provided financial due diligence on their sale to Cicor Group</p> <p>EMS</p> <p>2021</p>	 <p>BISTel</p> <p>SYNOPSYS</p> <p>Advised BISTel on their sale of its semiconductor and flat panel display business to Synopsys Inc</p> <p>Semiconductor and flat panel display</p> <p>2021</p>	 <p>FirstPass ENGINEERING</p> <p>SYNOPSYS</p> <p>Advised FirstPass Engineering to Synopsys Inc</p> <p>Integrated Circuit Design</p> <p>2021</p>

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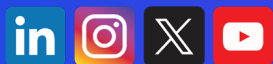
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