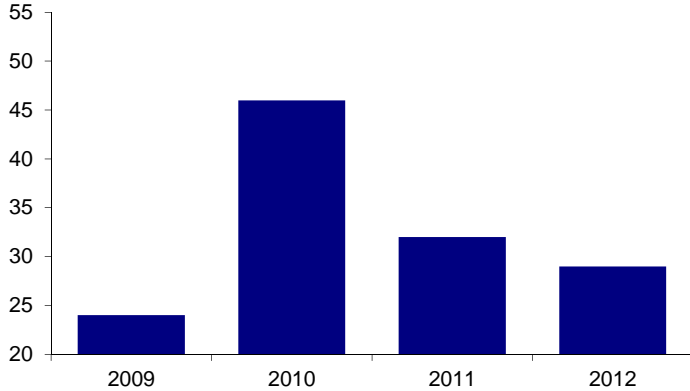
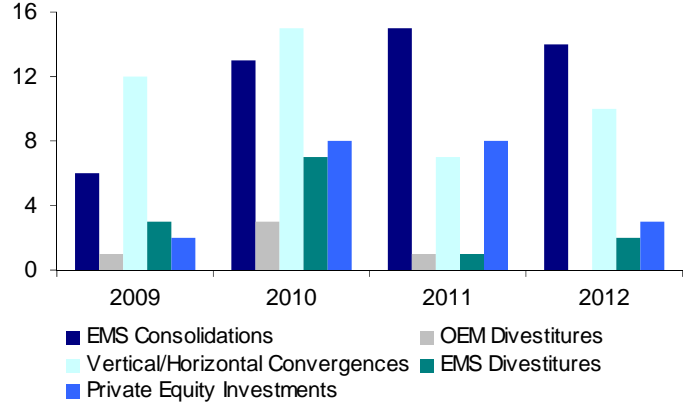


# 2012 Deal Volume — Year in Review

**Chart A: Completed EMS Transactions**

**Chart B: Year Comparison—EMS M&A by Deal Type**


## Announcements

- Axiomtek Co., Ltd. (GTSM:3088) has acquired the Methuen Business Unit of Suntron Corp. (December-31)
- TT Electronics plc (LSE:TTG) has acquired ACW Technology Ltd. (December-13)
- Electronic Manufacturing Solutions has acquired Applied Assembly Ltd. (December-13)
- Wright Industries Ltd. has acquired Custom Interconnect Limited (December-11)

## 2012 Summary

There were 29 completed EMS transactions in 2012, down from 32 recorded in 2011. EMS Consolidations were the most common type of transaction with 14 transactions in 2012, or 48% of total activity, compared to 15 transactions in 2011 which represented 47% of activity last year.

In 2012, there were ten Vertical/Horizontal Convergence transactions, up slightly from the seven recorded in 2011. This year's activity represented 34% of the total, compared to 22% last year.

Private equity investments were significantly down, compared to eight in 2011, with three total transactions in 2012, or 10% of the total, as compared to 25% last year. Lincoln expects that this dip was due in part to the volatile market conditions and financing difficulty during the year triggered by concerns over the European debt crisis and the pending "fiscal cliff".

EMS divestiture transactions were up with two transactions in 2012 compared to one transaction in 2011, representing approximately 7% and 3% of total transactions in 2012 and 2011, respectively.

There were no OEM divestitures in 2012 compared to one in 2011, which was 3% of the total transaction activity last year.

As illustrated in Chart C below, 10 of the deals completed in 2012 were cross-border. Within this category, six transactions were between low-cost regions and high-cost regions, and four were between two different high-cost regions. The other transactions were split amongst other geographies with nine occurring within the U.S. and Canada (31% of the total), eight transactions within Europe (28%) and two transactions within Asia (7%).

In terms of the size of transactions, 2012 was led by the Small Tier, with 15 transactions, or approximately 52% of total activity. Large Tier EMS providers closed four transactions, representing approximately 14% of the total. Mid Tier providers added ten transactions, representing approximately 34% of the total.

## EMS Size Guide

(Sales Dollars)

### Large (Tier I)

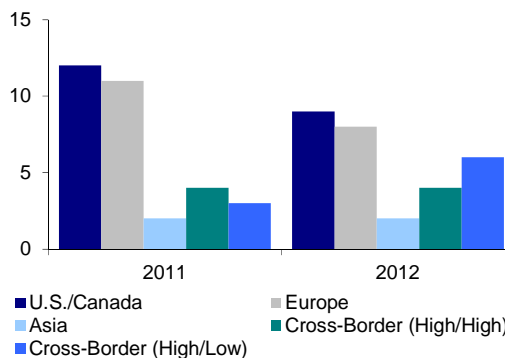
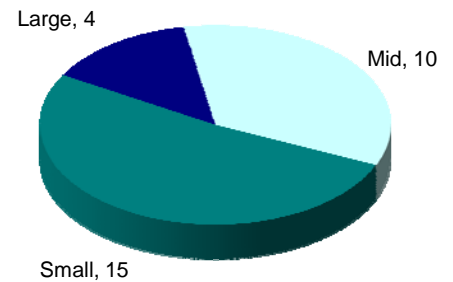
Greater than \$3 billion

### Mid (Tier II)

\$300 million to \$3 billion

### Small (Tier III)

Below \$300 million

**Chart C: Year Comparison—EMS M&A by Geography**

**Chart D: 2012 Mergers and Acquisitions by Size**


Sources: All information contained in this newsletter including the charts was obtained from company websites, Custer Reports, Lincoln International's internal data, Manufacturing Market Insider and Capital IQ.

Note: "High/High" indicates cross-border transactions between Japan, Taiwan, Western Europe and U.S./Canada; "High/Low" indicates cross-border transactions between high-cost regions and low-cost regions.

## 2012 EMS Transaction Summary

#	Date	Acquirer	Seller	Target	Type
1	Jan-12	Airborn, Inc.	AESCO Electronics, Inc.	AESCO Electronics, Inc.	3
2	Jan-12	AsteelFlash Group SA	Catalyst Manufacturing Services, Inc.	Catalyst Manufacturing Services, Inc.	1
3	Jan-12	Plexus Corp.	Kontron AG	Kontron Design Manufacturing Service	1
4	Feb-12	Shaw Kwei & Partners	Centaurus Capital Limited	Beyonics Technology Ltd.	5
5	Feb-12	American Computer Development, Inc.	Fawn Industries, Inc.	Fawn Electronics Company, Inc.	1
6	Feb-12	Armstrong Group of Companies	Main Street Capital Holdings, L.L.C.	AccuSpec Electronics, LLC	3
7	Feb-12	Eolane	Elcoteq SE	AS Elcoteq Tallinn	4
8	Mar-12	Artaflex, Inc.	First Israel Mezzanine Investors Ltd.	Adeptron Technologies Corp.	1
9	Apr-12	Flextronics International Ltd.	Stellar Microelectronics, Inc.	Stellar Microelectronics, Inc.	1
10	Apr-12	Eolane	Groupe Lagassé Inc.	Lagassé Communications & Industries S.A.S.	1
11	May-12	PartnerTech AB	Morphic Technologies AB	Aerodyn AB	3
12	May-12	SigmaTron International Inc.	Spitfire Controls, Inc.	Spitfire Controls, Inc.	3
13	Jun-12	SMTC Corp.	Alco Electronics Limited	Alco Electronics Limited	1
14	Jul-12	Global Invacom Limited	Radiance Group Limited	Radiance Group Limited	3
15	Aug-12	AsteelFlash Group SA	EN ElectronicNetwork AG	EN ElectronicNetwork AG	1
16	Sep-12	Stadium Group plc	IGT Industries Ltd.	IGT Industries Ltd.	3
17	Sep-12	Celestica Inc.	Crossbow Group LLC	D&H Manufacturing Company	3
18	Sep-12	HB Fuller Co.	Engent, Inc.	Engent, Inc.	3
19	Oct-12	Creation Technologies, Inc.	Aisling Industries, Inc.	Aisling Industries, Inc.	1
20	Oct-12	Balmoral Funds LLC	Simclar Inc.	Simclar Inc., Assets	5
21	Nov-12	Sparton Corp.	Everett Smith Group, Ltd.	Onyx EMS, LLC	1
22	Nov-12	Simpro Holding AS	Advanced Thinkers Engineering AS	Propartner Defence AS	1
23	Dec-12	Flextronics International Ltd.	Saturn Electronics & Engineering, Inc	Saturn Electronics & Engineering, Inc	3
24	Dec-12	SMTC Corp.	Seksun Array Electronics (Suzhou) Co., Ltd.	Seksun Array Electronics (Suzhou) Co., Ltd.	1
25	Dec-12	EDC i Munkfors AB	MikroMakarna AB	MikroMakarna AB	1
26	Dec-12	Wright Industries Ltd.	Custom Interconnect Limited	Custom Interconnect Limited	5
27	Dec-12	TT Electronics plc	ACW International Limited	ACW Technology Limited	1
28	Dec-12	Electronic Manufacturing Solutions Ltd.	Applied Assembly Limited	Applied Assembly Limited	3
29	Dec-12	Axiomtek USA	Suntron Corp.	Methuen Business Unit	4

Type Key: 1=EMS Consolidation, 2=OEM Divestiture, 3=Vertical/Horizontal Integration, 4=EMS Divestiture, 5=Private Equity Investment

## About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With fourteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at [www.lincolninternational.com](http://www.lincolninternational.com).

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