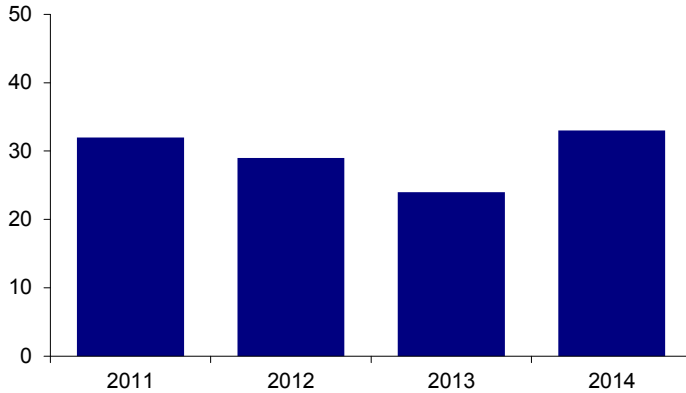
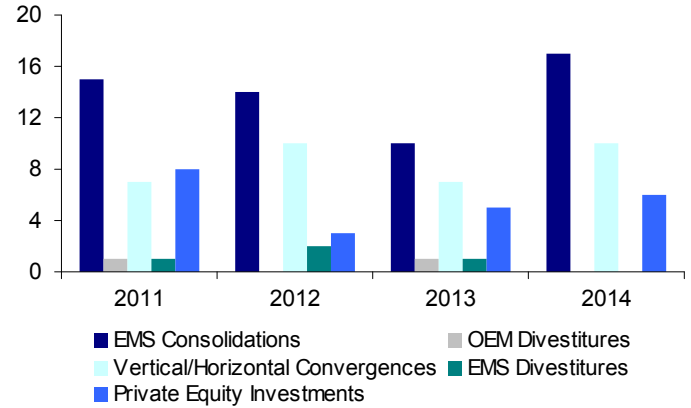


2014 Deal Volume — Year in Review

Chart A: Completed EMS Transactions

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


Announcements

- The Eastern Company has acquired Argo Transdata Corporation (December – 15)
- Sparton Corp. (NYSE:SPA) has acquired Argotec, Inc. (December –8)
- Sparton Corp. (NYSE:SPA) has acquired Industrial Electronic Devices, Inc. (December –3)
- HANZA AB has acquired KA Elektronik AB (November–5)
- STACI Corp. has acquired EPM Global Services, Inc. (October –16)

2014 Summary

There were 33 completed EMS transactions in 2014, up from 24 recorded in 2013. EMS Consolidations were the most common type of transaction with 17 transactions in 2014, or 52% of total activity, compared to 10 transactions in 2013 which represented 42% of activity last year.

In 2014, there were 10 Vertical/Horizontal Convergence transactions, up from the seven recorded in 2013. This year's activity represented 30% of the total, compared to 29% last year.

Private equity investments were slightly up, compared to five in 2013, with six total transactions in 2014, or 18% of the total, as compared to 21% last year. Lincoln expects that this increase was due in part to the strong market growth and favorable financing market conditions during the year.

There were zero EMS divestitures in 2014, compared with one transaction in 2013 representing approximately 4% of total transactions in 2013.

There were zero OEM divestitures in 2014, compared to one in 2013 representing 4% of the total transaction activity in 2013.

As illustrated in Chart C below, 17 of the deals completed in 2014 were in North America. This represented 52% of the transactions closed in 2014. 11 transactions were consummated in Europe in 2014, representing 33% of total transaction volume. Three transactions were between two different high-cost regions (9% of the total). The other transactions were split amongst other geographies with one occurring in Asia (3%) and one between high-cost regions and low-cost regions (3%). No transactions occurred in other geographies.

In terms of the size of transactions, 2014 was dominated by the Small Tier, with 27 transactions, or approximately 82% of total activity. Four transactions of Mid Tier EMS providers were closed during the year, representing approximately 18% of the total. There were zero transactions of Large Tier EMS companies during 2014.

EMS Size Guide

(Sales Dollars)

Large (Tier I)

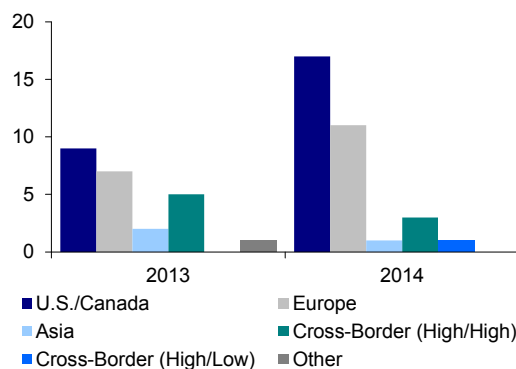
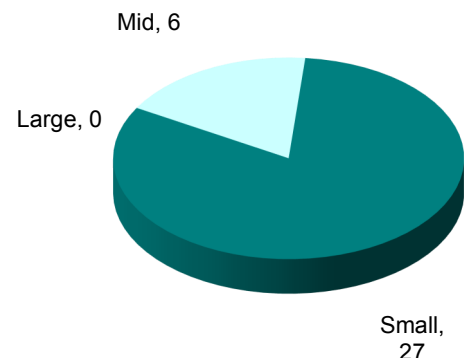
Greater than \$3 billion

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: 2014 Mergers and Acquisitions


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.

2014 EMS Transaction Summary

#	Date	Acquirer	Seller	Target	Type
1	Dec-14	The Eastern Company	Argo Transdata Corporation	Argo Transdata Corporation	3
2	Dec-14	Sparton Corp.	Argotec, Inc.	Argotec, Inc.	3
3	Dec-14	Sparton Corp.	Industrial Electronic Devices, Inc.	Industrial Electronic Devices, Inc.	3
4	Nov-14	HANZA AB (publ)	Almi Invest AB	KA Elektronik AB	1
5	Oct-14	STACI Corp.	EPM Global Services, Inc.	EPM Global Services, Inc.	1
6	Sep-14	Neways Electronics International NV	Bus Holding GmbH	Bus Holding GmbH	1
7	Sep-14	Key Tronic Corp.	CDR Manufacturing, Inc.	Ayrshire Electronics	1
8	Aug-14	Libra Industries, Inc.	Tetrad Electronics, Inc. and Focus	Tetrad Electronics, Inc. and Focus	1
9	Jul-14	éolane	SARL Bengale	SARL Bengale	1
10	Jul-14	éolane	Syscom Elektronik	Syscom Elektronik	1
11	Jul-14	Wafra Partners, LLC	Atronix, Incorporated	Atronix, Incorporated	5
12	Jul-14	Sparton Corp.	electronic Manufacturing Technology, LLC	electronic Manufacturing Technology, LLC	1
13	Jun-14	Kanoria Chemicals & Industries Ltd.	APAG Elektronik AG	APAG Elektronik AG	3
14	Jun-14	4K Invest	Flextronics International Ltd.	Flextronics International Ltd., Facility	5
15	Jun-14	Selektro A/S	HLH Electronics AS	HLH Electronics AS	1
16	Jun-14	A-Belco Ltd	OPSOL UK Limited	OPSOL UK Limited	3
17	Jun-14	Tomoiike Industrial (H.K.) Limited	S.M.T. Assembly Limited	S.M.T. Assembly Limited	3
18	May-14	Centre Lane Partners, LLC	MCM Capital Partners; MCM Capital Partners	STACI Corp.	5
19	May-14	Varitron Technologies, Inc.	Altronics Manufacturing, Inc.	Altronics Manufacturing, Inc.	1
20	Apr-14	Premier Farnell plc	AVID Technologies, Inc.	AVID Technologies, Inc.	1
21	Apr-14	Contemporary Research Corporation	J.S. Techtronics Assembly, Inc. (nka:CR)	J.S. Techtronics Assembly, Inc. (nka:CR)	3
22	Mar-14	Scanfil	Haspa BGM	Schaltex Systems GmbH	1
23	Mar-14	Electri-Cord Manufacturing Company	O.R.M., Inc.	O.R.M., Inc.	1
24	Mar-14	Electronic Manufacturing Solutions Ltd.	Nu-Start Electronics Ltd.	Nu-Start Electronics Ltd.	1
25	Mar-14	Sparton Corp.	Aubrey Group, Inc.	Aubrey Group, Inc.	3
26	Mar-14	Hunter Technology Corporation	Spectral Response, LLC	Spectral Response, LLC, Equipment and	1
27	Feb-14	German Investor Group	Unify GmbH & Co. KG	Leesys - Leipzig Electronic Systems GmbH	5
28	Feb-14	Lippert Components, Inc.	Innovative Design Solutions, Inc.	Innovative Design Solutions, Inc.	3
29	Feb-14	Belysimo Limited	MPE Electronics Ltd	MPE Electronics Ltd	5
30	Feb-14	HANZA AB	DAVAB Elektronik AB and Arvika	DAVAB Elektronik AB and Arvika	1
31	Jan-14	Management	Video Display Corporation	Z-Axis, Inc.	5
32	Jan-14	Silicon Turnkey Solutions, Inc.	Bay Area EMS Solutions, LLC	Bay Area EMS Solutions, LLC	3
33	Jan-14	VirTex Assembly Services, Inc.	Merit Capital Partners; William Blair	MTI Electronics, Inc.	1

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 sixteen 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.

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