

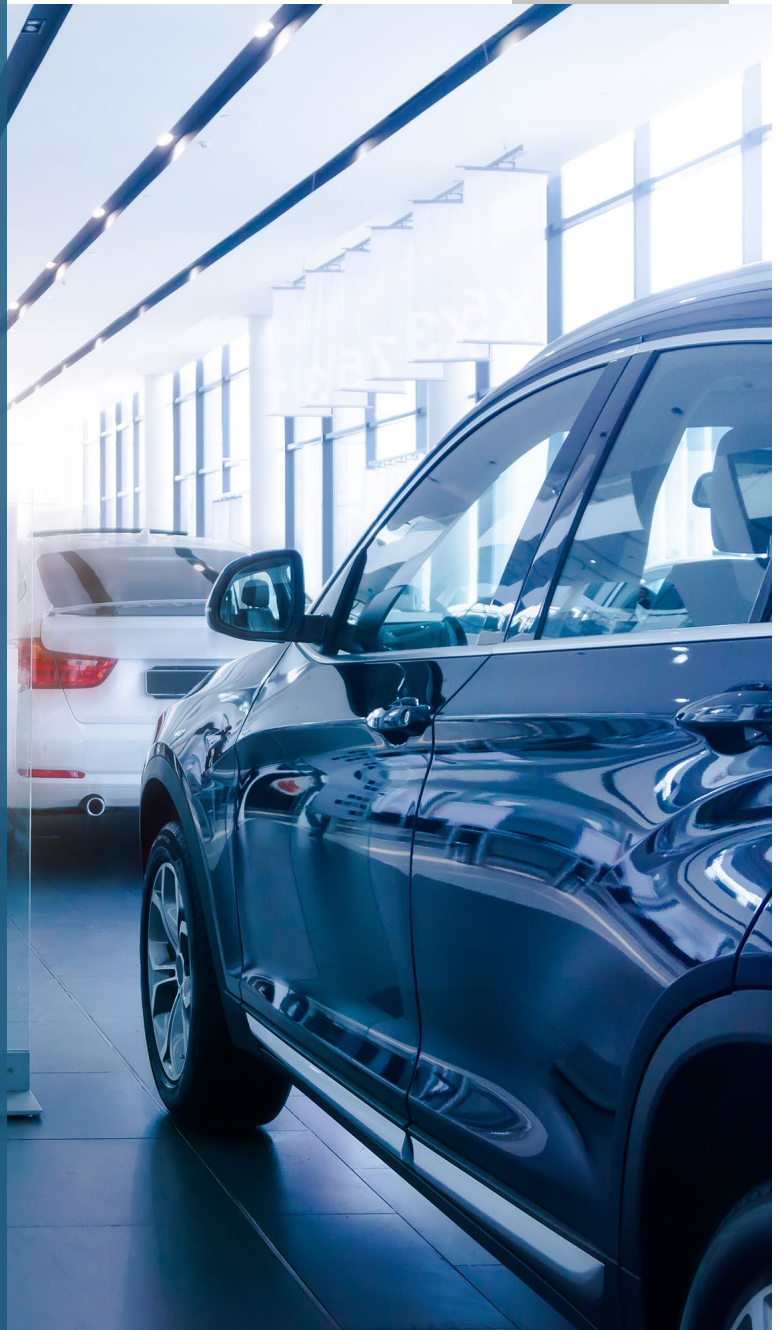
# Newsletter

Q3 2019

## Automotive

Inside:

- Summary
- Market performance
- Transactions
- About Clearwater International
- International contacts



# Summary

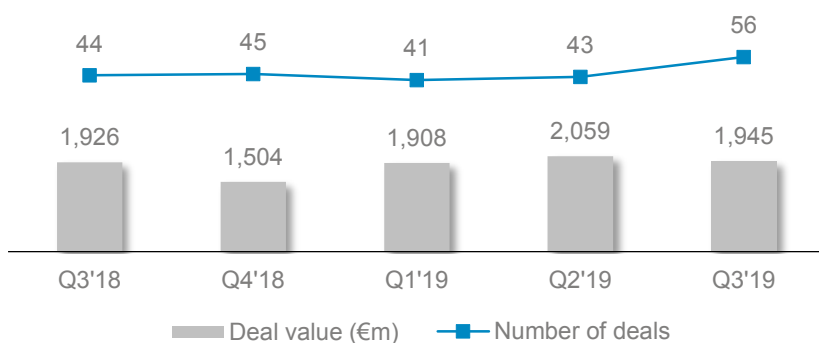
## Overview of M&A activity

In Q3 2019, the number of deals in the Automotive sector increased by 27% compared to Q3 2018, however, deal value was slightly lower than in the previous quarter.

As seen last quarter, automotive M&A activity in Q3 2019 was also strongly influenced by macroeconomic headwinds, such as uncertainties surrounding Brexit, the continuing trade tensions between the US and China, and general technological uncertainty in the market. OEMs and leading Tier I automotive suppliers see a need to increase efforts to invest in new business models influenced by mega trends such as electrification, autonomous driving, and connectivity, increasingly putting pressure on margins and cash flows. This allows opportunistic financial investors, benefitting from the current valuation environment and lower competition from strategics, to be a driving force of consolidation and M&A in the more traditional product categories of the market.

In Q3 2019, automotive multiples declined in North America, were relatively stable in Asia, and decreased in Europe when compared to Q2 2019: EV/Sales multiples decreased in North America by 8%, in Europe by 7% and in Asia by 2%. EV/EBITDA multiples were slightly lower in Europe, increased slightly in Asia and decreased in North America by 4%.

M&A Activity: Quarterly Comparison Q3 2018 – Q3 2019



Selected Recent Global Automotive Bond Issuances Q3 2019

Company	Date of Issuance	Amount (in €m)	Coupon (in %)	Yield (Latest)	Price (Latest)	Maturity Date
Volkswagen	05.07.2019	500	0.375%	0.261%	100.31	05.07.2022
Ford Motor	29.07.2019	1,123	3.350%	3.290%	100.18	01.11.2022
BMW	07.08.2019	668	2.250%	2.032%	100.60	12.08.2022
Daimler AG	08.08.2019	1,000	0.375%	0.401%	99.82	08.11.2026
Peugeot S.A.	18.09.2019	600	1.125%	1.223%	99.08	18.09.2029

## Top M&A Deals Q3 2019

- Autokiniton Global Group, LP, a portfolio company of KPS Capital partners and manufacturer of metal-formed components and complex assemblies to the automotive industry, has agreed to acquire Tower International, Inc. for a cash consideration of EUR 758m.
- Blackstone Group L.P., has acquired a 33% stake in Sona BLW Precision Forgings Ltd, an India-based manufacturer of forged gears, from JM Financial Ltd. The deal is valued at EUR 163m and will result in Blackstone merging Sona BLW with its portfolio company Comstar Automotive Technologies Ltd., which will form the new entity, SONA COMSTAR.
- Pacific Equity Partners Pty Ltd., an Australia-based private equity firm, has agreed to acquire the Asia-Pacific Segment of Horizon Global Corp, the US-based designer, manufacturer and distributor of high-quality, custom-engineered towing, trailering, cargo management and other related accessory products, for a cash consideration of EUR 208m.
- Quadrivio Group SPA, an Italy-based alternative investment firm, has worked alongside the management of Rototech, a company engaged in the design and production of automotive plastic components with expertise in rotational molding technology, to complete a management buy-out from the Accornero family.

# Market performance

## AUTOMOTIVE SUPPLIER COMPOSITE – EQUITY MARKET PERFORMANCE METRICS BY SEGMENT

Company	EV	EV/Sales		EV/EBITDA		EV/EBIT		Gross Margin		EBITDA Margin		EBIT Margin		Net Debt/ EBITDA
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
Chassis/Underbody														
Aisin Seiki	9,974.9	0.3x	0.3x	3.0x	2.8x	7.8x	7.3x	11.2%	11.5%	9.9%	10.4%	3.8%	4.0%	0.6x
American Axle	4,114.7	0.6x	0.7x	4.2x	4.2x	8.6x	8.3x	14.3%	14.6%	15.5%	15.8%	7.5%	7.9%	3.3x
Dana	4,161.1	0.5x	0.5x	4.2x	4.1x	6.2x	6.1x	14.1%	14.7%	12.2%	12.4%	8.2%	8.4%	2.2x
Georg Fischer	3,624.0	1.0x	1.0x	9.7x	8.7x	14.6x	12.1x	52.5%	53.4%	10.8%	11.8%	7.1%	8.5%	0.9x
JOST Werke AG	481.1	0.6x	0.6x	4.6x	4.9x	5.8x	6.0x	26.1%	25.9%	13.6%	13.2%	10.8%	10.6%	0.9x
Martinrea	1,287.7	0.5x	0.5x	3.6x	3.4x	6.0x	5.5x	17.9%	17.9%	13.6%	13.7%	8.1%	8.6%	1.7x
NHK Spring	1,419.5	0.2x	0.2x	3.4x	3.1x	7.7x	6.9x	n/a	n/a	7.1%	7.7%	3.2%	3.5%	(0.5x)
NSK	5,307.5	0.7x	0.7x	6.2x	6.4x	11.7x	13.6x	20.9%	21.2%	11.1%	10.9%	5.8%	5.1%	1.6x
Showa	647.8	0.3x	0.3x	1.9x	1.9x	2.5x	2.4x	23.1%	23.6%	14.3%	15.1%	11.0%	11.6%	(1.0x)
Mean		0.5x	0.5x	4.5x	4.4x	7.9x	7.6x	22.5%	22.8%	12.0%	12.3%	7.3%	7.6%	1.1x
Controls/Electronics														
Aptiv	24,750.2	1.8x	1.7x	11.3x	10.4x	16.2x	14.7x	18.7%	19.4%	16.3%	16.8%	11.3%	11.9%	1.8x
Autoliv	8,122.9	1.0x	1.0x	7.7x	7.0x	11.1x	9.7x	18.6%	19.6%	13.2%	14.1%	9.2%	10.1%	1.6x
Gentherm	1,322.0	1.4x	1.4x	10.0x	8.7x	15.3x	12.1x	29.7%	30.0%	14.3%	15.7%	9.4%	11.2%	0.5x
Hella	4,462.9	0.6x	0.6x	5.2x	4.8x	9.3x	8.5x	25.7%	25.8%	12.5%	13.2%	7.0%	7.5%	(0.1x)
Koito Manufacturing	5,039.4	0.7x	0.7x	4.4x	4.1x	6.0x	5.7x	17.8%	18.1%	16.1%	16.5%	11.7%	11.7%	(1.7x)
Leoni	1,536.4	0.3x	0.3x	n/m	5.6x	n/m	n/m	11.9%	15.3%	1.2%	5.3%	(4.5%)	1.3%	4.3x
Melexis	2,580.5	5.3x	4.7x	21.5x	16.9x	35.5x	23.5x	41.0%	43.1%	24.9%	27.6%	15.1%	19.9%	0.2x
Stanley Electric	2,868.2	0.8x	0.8x	3.9x	3.8x	6.6x	6.3x	22.8%	23.3%	20.1%	20.4%	12.0%	12.3%	(1.4x)
Stoneridge	844.4	1.1x	1.1x	10.2x	8.4x	15.9x	12.2x	28.2%	30.4%	10.8%	12.7%	6.9%	8.8%	0.7x
Sumitomo Electric	12,157.4	0.5x	0.5x	4.6x	4.4x	9.0x	8.8x	18.2%	18.4%	9.9%	10.2%	5.0%	5.1%	1.1x
Tenneco	6,095.7	0.4x	0.4x	4.4x	4.2x	7.9x	7.3x	16.3%	17.1%	8.7%	8.9%	4.8%	5.1%	3.5x
Tokai Rika	886.2	0.2x	0.2x	2.1x	2.0x	3.6x	3.5x	13.9%	14.0%	9.8%	9.9%	5.7%	5.7%	(1.2x)
Mean		1.2x	1.1x	7.8x	6.7x	12.4x	10.2x	21.9%	22.9%	13.1%	14.3%	7.8%	9.2%	0.8x
Diversified Suppliers														
CIE Automotive	3,635.8	1.0x	0.9x	5.7x	5.2x	7.7x	6.8x	n/a	n/a	17.2%	17.0%	12.8%	12.9%	1.0x
Continental	29,363.4	0.7x	0.6x	5.3x	4.6x	9.1x	7.7x	24.9%	24.7%	12.6%	13.7%	7.2%	8.3%	0.9x
Denso	29,436.1	0.6x	0.6x	5.2x	4.9x	9.8x	8.8x	15.8%	16.0%	12.2%	12.8%	6.6%	7.1%	(0.3x)
Johnson Controls	35,366.8	1.6x	1.5x	11.3x	10.6x	15.1x	13.7x	32.5%	32.7%	14.0%	14.4%	10.5%	11.1%	1.0x
Magna	19,474.1	0.5x	0.5x	5.3x	5.2x	7.9x	7.9x	13.8%	14.2%	10.0%	10.1%	6.7%	6.7%	1.1x
Ningbo Joyson	4,656.5	0.6x	0.6x	6.1x	5.5x	13.0x	10.4x	17.4%	18.0%	9.4%	10.0%	4.4%	5.3%	2.1x
Sogefi	486.7	0.3x	0.3x	2.7x	2.6x	9.0x	7.1x	n/a	n/a	11.4%	11.9%	3.5%	4.3%	1.8x
Toyoda Gosei	2,391.3	0.3x	0.3x	3.8x	3.5x	7.0x	6.2x	12.4%	12.7%	8.7%	9.2%	4.7%	5.2%	0.0x
Visteon	2,239.9	0.8x	0.8x	10.5x	8.2x	18.1x	12.6x	11.2%	13.1%	7.9%	9.3%	4.6%	6.0%	0.5x
Valeo	10,316.9	0.5x	0.5x	4.2x	3.9x	9.4x	8.8x	19.4%	18.9%	12.6%	12.9%	5.7%	5.8%	1.2x
Mean		0.7x	0.7x	6.0x	5.4x	10.6x	9.0x	18.4%	18.8%	11.6%	12.1%	6.7%	7.3%	0.9x
Engine/Under-the-Hood														
BorgWarner	8,307.1	0.9x	0.9x	5.7x	5.4x	7.8x	7.4x	20.4%	20.8%	15.9%	15.9%	11.5%	11.6%	0.9x
EirongKlinger	1,091.7	0.6x	0.6x	6.3x	5.6x	17.4x	13.5x	21.9%	22.8%	9.9%	10.8%	3.6%	4.5%	3.6x
Exedy	873.1	0.4x	0.4x	2.7x	2.6x	5.3x	5.2x	18.9%	19.1%	13.5%	13.7%	6.9%	7.0%	0.0x
JTEKT	4,767.3	0.4x	0.4x	4.6x	4.3x	9.6x	8.9x	15.7%	16.0%	8.1%	8.6%	3.9%	4.1%	1.0x
Linamar	3,297.3	0.6x	0.6x	4.2x	4.2x	6.6x	6.4x	20.2%	20.2%	14.8%	14.4%	9.4%	9.5%	1.7x
Modine	980.1	0.5x	0.5x	5.4x	5.1x	9.1x	8.5x	16.7%	17.1%	9.2%	9.6%	5.4%	5.8%	2.4x
Park Ohio	892.4	0.6x	0.5x	6.6x	6.2x	9.8x	8.8x	16.3%	16.5%	8.6%	8.7%	5.8%	6.2%	n/a
Mean		0.6x	0.5x	5.1x	4.8x	9.4x	8.4x	18.6%	18.9%	11.4%	11.7%	6.7%	7.0%	1.6x
Interior/Exteriors														
Toyota Boshoku	1,891.2	0.2x	0.2x	2.5x	2.3x	4.0x	4.0x	10.0%	10.0%	6.4%	6.7%	4.0%	4.0%	(0.6x)
Faurecia	8,397.1	0.5x	0.4x	3.6x	3.5x	6.4x	6.1x	13.2%	13.5%	12.7%	12.6%	7.1%	7.2%	1.0x
Grammer	734.6	0.4x	0.3x	4.4x	4.1x	7.9x	7.2x	n/a	13.4%	8.2%	8.1%	4.5%	4.7%	1.8x
Plastic Omnium	4,782.7	0.6x	0.5x	4.9x	4.6x	8.4x	7.8x	14.1%	14.4%	11.6%	11.8%	6.7%	6.9%	1.1x
Polytec	318.4	0.5x	0.5x	4.3x	4.2x	7.9x	7.9x	52.7%	52.9%	11.7%	11.8%	6.3%	6.2%	1.8x
Rieter	499.3	0.6x	0.5x	4.6x	3.9x	6.6x	n/a	53.0%	54.0%	12.5%	14.0%	8.9%	10.6%	(0.7x)
TS Tech	792.2	0.2x	0.2x	1.9x	1.9x	2.5x	2.4x	n/a	n/a	12.3%	12.4%	9.4%	9.6%	(2.6x)
Mean		0.4x	0.4x	3.7x	3.5x	6.2x	5.9x	28.6%	26.4%	10.8%	11.1%	6.7%	7.0%	0.3x
Engineering														
Akka	1,241.3	0.7x	0.6x	7.0x	6.3x	8.6x	7.5x	76.8%	75.8%	9.7%	10.1%	7.9%	8.5%	0.0x
Altran	5,319.4	1.6x	1.5x	10.3x	10.2x	12.8x	11.9x	33.0%	33.2%	16.0%	15.1%	12.8%	13.0%	3.2x
Bertrandt	372.8	0.3x	0.3x	3.7x	3.6x	5.8x	5.4x	90.8%	90.8%	9.3%	9.4%	6.0%	6.2%	(0.4x)
EDAG	544.4	0.7x	0.7x	8.6x	6.9x	16.5x	12.4x	84.4%	84.6%	8.0%	9.6%	4.2%	5.4%	3.7x
Ricardo	436.3	1.0x	0.9x	7.5x	6.5x	9.6x	8.3x	36.1%	37.0%	13.0%	14.4%	10.3%	11.3%	0.8x
Mean		0.9x	0.8x	7.4x	6.7x	10.6x	9.1x	64.2%	64.3%	11.2%	11.7%	8.2%	8.9%	1.5x
Total Mean		0.7x	0.7x	5.8x	5.3x	9.7x	8.5x	26.3%	26.5%	11.9%	12.4%	7.2%	7.9%	

Source: Capital IQ as of 30/09/2019

Note: All financials calendarised to December year end

EV= Enterprise value (i.e., market capitalisation + net debt); Net debt= Interest-bearing liabilities - cash



# Market performance

## AUTOMOTIVE SUPPLIER COMPOSITE – EQUITY MARKET PERFORMANCE METRICS BY REGION

Company	EV	EV/Sales		EV/EBITDA		EV/EBIT		Gross Margin		EBITDA Margin		EBIT Margin		Net Debt/ EBITDA
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
Europe														
Akka	1,241.3	0.7x	0.6x	7.0x	6.3x	8.6x	7.5x	76.8%	75.8%	9.7%	10.1%	7.9%	8.5%	0.0x
Altran	5,319.4	1.6x	1.5x	10.3x	10.2x	12.8x	11.9x	33.0%	33.2%	16.0%	15.1%	12.8%	13.0%	3.2x
Aptiv	24,750.2	1.8x	1.7x	11.3x	10.4x	16.2x	14.7x	18.7%	19.4%	16.3%	16.8%	11.3%	11.9%	1.8x
Autoliv	8,122.9	1.0x	1.0x	7.7x	7.0x	11.1x	9.7x	18.6%	19.6%	13.2%	14.1%	9.2%	10.1%	1.6x
Bertrandt	372.8	0.3x	0.3x	3.7x	3.6x	5.8x	5.4x	90.8%	90.8%	9.3%	9.4%	6.0%	6.2%	(0.4x)
CIE Automotive	3,635.8	1.0x	0.9x	5.7x	5.2x	7.7x	6.8x	n/a	n/a	17.2%	17.0%	12.8%	12.9%	1.0x
Continental	29,363.4	0.7x	0.6x	5.3x	4.6x	9.1x	7.7x	24.9%	24.7%	12.6%	13.7%	7.2%	8.3%	0.9x
EDAG	544.4	0.7x	0.7x	8.6x	6.9x	16.5x	12.4x	84.4%	84.6%	8.0%	9.6%	4.2%	5.4%	3.7x
EirringKlinger	1,091.7	0.6x	0.6x	6.3x	5.6x	17.4x	13.5x	21.9%	22.8%	9.9%	10.8%	3.6%	4.5%	3.6x
Faurecia	8,397.1	0.5x	0.4x	3.6x	3.5x	6.4x	6.1x	13.2%	13.5%	12.7%	12.6%	7.1%	7.2%	1.0x
Georg Fischer	3,624.0	1.0x	1.0x	9.7x	8.7x	14.6x	12.1x	52.5%	53.4%	10.8%	11.8%	7.1%	8.5%	0.9x
Grammer	734.6	0.4x	0.3x	4.4x	4.1x	7.9x	7.2x	n/a	13.4%	8.2%	8.1%	4.5%	4.7%	1.8x
Hella	4,462.9	0.6x	0.6x	5.2x	4.8x	9.3x	8.5x	25.7%	25.8%	12.5%	13.2%	7.0%	7.5%	(0.1x)
JOST Werke AG	481.1	0.6x	0.6x	4.6x	4.9x	5.8x	6.0x	26.1%	25.9%	13.6%	13.2%	10.8%	10.6%	0.9x
Leoni	1,536.4	0.3x	0.3x	n/m	5.6x	n/m	n/m	11.9%	15.3%	1.2%	5.3%	(4.5%)	1.3%	4.3x
Melexis	2,580.5	5.3x	4.7x	21.5x	16.9x	35.5x	23.5x	41.0%	43.1%	24.9%	27.6%	15.1%	19.9%	0.2x
Plastic Omnium	4,782.7	0.6x	0.5x	4.9x	4.6x	8.4x	7.8x	14.1%	14.4%	11.6%	11.8%	6.7%	6.9%	1.1x
Polytec	318.4	0.5x	0.5x	4.3x	4.2x	7.9x	7.9x	52.7%	52.9%	11.7%	11.8%	6.3%	6.2%	1.8x
Ricardo	436.3	1.0x	0.9x	7.5x	6.5x	9.6x	8.3x	36.1%	37.0%	13.0%	14.4%	10.3%	11.3%	0.8x
Rieter	499.3	0.6x	0.5x	4.6x	3.9x	6.6x	5.1x	53.0%	54.0%	12.5%	14.0%	8.9%	10.6%	(0.7x)
Sogefi	486.7	0.3x	0.3x	2.7x	2.6x	9.0x	7.1x	n/a	n/a	11.4%	11.9%	3.5%	4.3%	1.8x
Valeo	10,316.9	0.5x	0.5x	4.2x	3.9x	9.4x	8.8x	19.4%	18.9%	12.6%	12.9%	5.7%	5.8%	1.2x
Mean		0.9x	0.9x	6.8x	6.1x	11.2x	9.4x	37.6%	36.9%	12.2%	13.0%	7.4%	8.4%	1.4x
North America														
American Axle	4,114.7	0.6x	0.7x	4.2x	4.2x	8.6x	8.3x	14.3%	14.6%	15.5%	15.8%	7.5%	7.9%	3.3x
Gentherm	1,322.0	1.4x	1.4x	10.0x	8.7x	15.3x	12.1x	29.7%	30.0%	14.3%	15.7%	9.4%	11.2%	0.5x
BorgWarner	8,307.1	0.9x	0.9x	5.7x	5.4x	7.8x	7.4x	20.4%	20.8%	15.9%	15.9%	11.5%	11.6%	0.9x
Dana	4,161.1	0.5x	0.5x	4.2x	4.1x	6.2x	6.1x	14.1%	14.7%	12.2%	12.4%	8.2%	8.4%	2.2x
Johnson Controls	35,366.8	1.6x	1.5x	11.3x	10.6x	15.1x	13.7x	32.5%	32.7%	14.0%	14.4%	10.5%	11.1%	1.0x
Linamar	3,297.3	0.6x	0.6x	4.2x	4.2x	6.6x	6.4x	20.2%	20.2%	14.8%	14.4%	9.4%	9.5%	1.7x
Magna	19,474.1	0.5x	0.5x	5.3x	5.2x	7.9x	7.9x	13.8%	14.2%	10.0%	10.1%	6.7%	6.7%	1.1x
Martinrea	1,287.7	0.5x	0.5x	3.6x	3.4x	6.0x	5.5x	17.9%	17.9%	13.6%	13.7%	8.1%	8.6%	1.7x
Modine	980.1	0.5x	0.5x	5.4x	5.1x	9.1x	8.5x	16.7%	17.1%	9.2%	9.6%	5.4%	5.8%	n/a
Park Ohio	892.4	0.6x	0.5x	6.6x	6.2x	9.8x	8.8x	16.3%	16.5%	8.6%	8.7%	5.8%	6.2%	n/a
Stoneridge	844.4	1.1x	1.1x	10.2x	8.4x	15.9x	12.2x	28.2%	30.4%	10.8%	12.7%	6.9%	8.8%	0.7x
Tenneco	6,095.7	0.4x	0.4x	4.4x	4.2x	7.9x	7.3x	16.3%	17.1%	8.7%	8.9%	4.8%	5.1%	3.5x
Visteon	2,239.9	0.8x	0.8x	10.5x	8.2x	18.1x	12.6x	11.2%	13.1%	7.9%	9.3%	4.6%	6.0%	0.5x
Mean		0.8x	0.8x	6.6x	6.0x	10.3x	9.0x	19.3%	19.9%	12.0%	12.4%	7.6%	8.2%	1.6x
Asia														
Aisin Seiki	9,974.9	0.3x	0.3x	3.0x	2.8x	7.8x	7.3x	11.2%	11.5%	9.9%	10.4%	3.8%	4.0%	0.6x
Toyota Boshoku	1,891.2	0.2x	0.2x	2.5x	2.3x	4.0x	4.0x	10.0%	10.0%	6.4%	6.7%	4.0%	4.0%	(0.6x)
Denso	29,436.1	0.6x	0.6x	5.2x	4.9x	9.8x	8.8x	15.8%	16.0%	12.2%	12.8%	6.6%	7.1%	(0.3x)
Exedy	873.1	0.4x	0.4x	2.7x	2.6x	5.3x	5.2x	18.9%	19.1%	13.5%	13.7%	6.9%	7.0%	0.0x
JTEKT	4,767.3	0.4x	0.4x	4.6x	4.3x	9.6x	8.9x	15.7%	16.0%	8.1%	8.6%	3.9%	4.1%	1.0x
Koito Manufacturing	5,039.4	0.7x	0.7x	4.4x	4.1x	6.0x	5.7x	17.8%	18.1%	16.1%	16.5%	11.7%	11.7%	(1.7x)
NHK Spring	1,419.5	0.2x	0.2x	3.4x	3.1x	7.7x	6.9x	n/a	n/a	7.1%	7.7%	3.2%	3.5%	(0.5x)
NSK	5,307.5	0.7x	0.7x	6.2x	6.4x	11.7x	13.6x	20.9%	21.2%	11.1%	10.9%	5.8%	5.1%	1.6x
Showa	647.8	0.3x	0.3x	1.9x	1.9x	2.5x	2.4x	23.1%	23.6%	14.3%	15.1%	11.0%	11.6%	(1.0x)
Stanley Electric	2,868.2	0.8x	0.8x	3.9x	3.8x	6.6x	6.3x	22.8%	23.3%	20.1%	20.4%	12.0%	12.3%	(1.4x)
Sumitomo Electric	12,157.4	0.5x	0.5x	4.6x	4.4x	9.0x	8.8x	18.2%	18.4%	9.9%	10.2%	5.0%	5.1%	1.1x
Ningbo Joyson	4,656.5	0.6x	0.6x	6.1x	5.5x	13.0x	10.4x	17.4%	18.0%	9.4%	10.0%	4.4%	5.3%	2.1x
Tokai Rika	886.2	0.2x	0.2x	2.1x	2.0x	3.6x	3.5x	13.9%	14.0%	9.8%	9.9%	5.7%	5.7%	(1.2x)
Toyoda Gosei	2,391.3	0.3x	0.3x	3.8x	3.5x	7.0x	6.2x	12.4%	12.7%	8.7%	9.2%	4.7%	5.2%	0.0x
TS Tech	792.2	0.2x	0.2x	1.9x	1.9x	2.5x	2.4x	n/a	n/a	12.3%	12.4%	9.4%	9.6%	(2.6x)
Mean		0.4x	0.4x	3.8x	3.6x	7.1x	6.7x	16.8%	17.1%	11.3%	11.6%	6.5%	6.8%	(0.2x)
Total Mean														
		0.7x	0.7x	5.8x	5.3x	9.7x	8.5x	26.3%	26.5%	11.9%	12.4%	7.2%	7.9%	

Source: Capital IQ as of 30/09/2019

Note: All financials calendarised to December year end

EV= Enterprise value (i.e., market capitalisation + net debt); Net debt= Interest-bearing liabilities - cash

# Market transactions

## GLOBAL AUTOMOTIVE SUPPLIER INDUSTRY – SELECTED M&A TRANSACTIONS IN Q3 2019


































































Date	Target	Country	Target Description	Buyer	Seller	EV (€m)
01/07/2019	R&J Strang Tyre Services Ltd.	UK	Company engaged in the supply of tyres, batteries, and other automobile parts and accessories	Continental Tyre Group Ltd	Family / management	n/a
01/07/2019	Velocity Vehicle Group	US	Company engaged as an automotive retailer, supplier of aftermarket parts and repair services, and provider of car rental and leasing services	The Cranemere Group Limited	Family / management	n/a
08/07/2019	Park Sheet Metal Company Limited	UK	Supplier of sheet metal components and assemblies to the automotive, defence and aerospace industries	Rubicon Partners	Stephen Payne (Private Investor)	n/a
13/07/2019	Kirchhoff GmbH & Co. KG	Germany	Full-service supplier for complex metal and hybrid structures in body-in-white, crash management systems, chassis applications and cross car beams	Mutares AG	Family / management	n/a
19/07/2019	OTR Wheel Engineering, Inc.	US	Manufacturer of automotive components including wheels, tyres, and mounted wheel assemblies services	Owner Resource Group, LLC	Family / management	n/a
24/07/2019	GJM, S.A.	Spain	Provider of interconnected assemblies for automotive applications	Amphenol Corporation	Family / management	n/a
30/07/2019	Rototech S.r.l.	Italy	Company engaged in the design and production of automotive plastic components with distinctive expertise in rotational molding technology	Quadrivio Group SPA	Accornero family	30
31/07/2019	Tecmotiv (USA), Inc.	Canada, US	Company engaged in the design, repair, and rebuild of military vehicles and tanks	Admiral Capital Group; RedNest Partners, LLC	Family / management	n/a
31/07/2019	Warren Manufacturing, Inc.	US	Manufacturer of feed trailer and feed body transportation equipment	CEI Equipment Company LLC	Russell Warren (Private Investor)	n/a
01/08/2019	Metallgiesserei Karl Scherb GmbH	Germany	Company engaged in die and sand casting for automotive components	FA Druckguss GmbH	Family / management	n/a
01/08/2019	Levpyora Oy	Finland	Company engaged in manufacturing wheels	Nokian Tyres Plc	Weckman Steel Oy	n/a
05/08/2019	Great Dane Trailers Inc.	US	Manufacturer of transport vehicles and trailers	Truck Enterprises Inc.	Royal Jones (Private Investor)	n/a
08/08/2019	MBRP Ltd	Canada	Company operating as a designer and manufacturer of high-performance exhaust systems for the automotive and recreational vehicle markets	Ironbridge Equity Partners Limited	Family / management	n/a
08/08/2019	Temsa Is Makinalari Imalat Pazarlama Ve Satis AS (41% Stake)	Turkey	Distributor of construction machinery, forklifts and spare parts	Marubeni Corporation	Haci Omer Sabanci Holding AS	n/a
14/08/2019	MAG USA Inc.	US	Provider of integrated mechanical and electro-mechanical assembly products for the automotive industry	The Jordan Company, L.P.	Agility Automotive Holdings LLC	n/a

# Market transactions

## GLOBAL AUTOMOTIVE SUPPLIER INDUSTRY – SELECTED M&A TRANSACTIONS IN Q3 2019

Date	Target	Country	Target Description	Buyer	Seller	EV (€m)
19/08/2019	Hicks Plastics Company, Inc.	US	Manufacturer of automotive parts and supplier of quality, custom injection molded parts, specialising in metalised finishes	New Water Capital, L.P.	Tim Hicks (Private Investor)	n/a
21/08/2019	Actuator Electric Motor Company	China	DC motor manufacturer	General Transmissions	Family / management	n/a
26/08/2019	MESSRING GmbH	Germany	Crash test systems developer	DMB Dr. Dieter Murmann Beteiligungsgesellschaft mbH	Dierk Arp , Robert Weber (Private investors)	n/a
30/08/2019	Sona BLW Precision Forgings Ltd (33% Stake)	India	Manufacturer of forged gears and axle components and a JV between Sona Group and Mitsubishi Corporation	Blackstone Group L.P.	JM Financial Ltd	163
30/08/2019	Jason Industries, Inc. (Janesville Fiber Solutions)	US	Producer of acoustic and thermal fiber insulation	Motus Integrated Technologies	Jason Industries, Inc.	76
01/09/2019	Peiner Umformtechnik GmbH	Germany	Manufacturer of bolts, nuts, fasteners, and components for steel and bridge construction, wind turbines, and the automotive industry	Rheinort-Treuhand GmbH	Family / management	n/a
02/09/2019	Dynamic Research Inc.	US	Company that specialises in applied automotive research, development and testing of vehicle dynamics, control, systems, human factors, and ergonomics	AB Dynamics Plc	Family / management	23
04/09/2019	Muehlhoff Umformtechnik GmbH	Germany	Manufacturer of complex formed parts and components for the automotive industry	Fidelium GmbH	Family / management	n/a
19/09/2019	Robert Seuffer GmbH & Co. KG	Germany	Manufacturer of sensors, switches and controls for commercial and passenger vehicles, household appliances, and other industries	Blantyre Capital Limited	Family / management	n/a
19/09/2019	Horizon Global Corporation (Asia-Pacific Segment)	Australia, New Zealand, Thailand	Designer, manufacturer and distributor of a wide variety of high-quality, custom-engineered towing, trailering, cargo management, and other related accessory products	Pacific Equity Partners Pty Ltd.	Horizon Global Corporation	208
23/09/2019	Safim SpA	Italy	Manufacturer of valves, brake pumps, and other critical components for hydraulic systems on-board heavy vehicles	DexKo Global, Inc.	Ambienta Sgr SpA	n/a
26/09/2019	OEConnection LLC	US	Automotive technology provider for distribution networks	Genstar Capital LLC	Providence Equity Partners L.L.C.	n/a
30/09/2019	Tower International, Inc.	US	Manufacturer of engineered structural metal components, automotive metal structural components, and assemblies	Autokiniton Global Group, LP	Family / management	758
30/09/2019	Raeuchle GmbH + Co. KG	Germany	Automotive components specialist	DUBAG Group	Family / management	n/a
01/10/2019	Cerence Inc.	US	Company developing software for roadmap mobility through AI for connected and autonomous vehicles	Nuance Communications, Inc (shareholders)	Nuance Communications, Inc.	979

# Our deal experience

  <p>received investment from</p>  <p>Sell-side Undisclosed</p> 	  <p>sold to</p>  <p>Sell-side Undisclosed</p> 	  <p>raised banking facilities to refinance its existing debts</p> <p>Refinancing Undisclosed</p> 	  <p>sold</p>  <p>to</p>  <p>Sell-side Undisclosed</p> 
  <p>received investment from</p>  <p>Sell-side Undisclosed</p> 	  <p>sold</p>  <p>to</p>  <p>Sell-side Undisclosed</p> 	  <p>sold</p> <p>Its automotive lighting business FER</p> <p>to</p>  <p>Sell-side Undisclosed</p> 	  <p>sold</p>  <p>to</p>  <p>Sell-side Undisclosed</p> 
  <p>acquired</p>  <p>Buy-side Undisclosed</p> 	  <p>sold a majority stake in</p>  <p>to</p>  <p>Sell-side Undisclosed</p> 	  <p>sold to</p>  <p>Sell-side Undisclosed</p> 	  <p>sold to</p> <p>Chinese Automotive Engineering Corp</p> <p>a subsidiary of</p>  <p>Sell-side Undisclosed</p> 
 <p>ALANTRA</p> <p>acquired a majority stake in</p>  <p>Buy-side Undisclosed</p> 	  <p>acquired</p>  <p>Buy-side €815m</p> 	  <p>sold</p>  <p>to</p> <p>a consortium of investors</p> <p>Sell-side Undisclosed</p> 	  <p>joint venture with</p> <p>Dongfeng Motor Parts and Components</p> <p>Joint venture Undisclosed</p> 



# International automotive team

**#1** Worldwide  
automotive  
M&A adviser by  
deal count



  
Cross-border deals  
within the last 5 years

**70%**

**284**  
Completed  
automotive deals



**10**  
High-profile  
senior advisers,  
all former top  
tier executives

 **50**  
Completed Automotive  
transactions  
since 2016

  
**30+**  
Dedicated  
automotive  
sector team  
members  
worldwide

**€12.9bn**  
Aggregate deal value



**20+**   
Completed deals with Asian buyers  
or targets within the last 5 years

## About Clearwater International

Coordinating as a single team, our 250+ experienced professionals have been responsible for the successful completion of over 1,600 deals worth in excess of €80bn.

Working alongside directors, shareholders and investors we advise on all aspects of corporate finance from mergers and acquisitions (M&A) and company sales through to management buy-outs (MBOs) and fundraising transactions.

Our independence from any larger financial institution or consulting firm ensures that we give truly objective advice and guide clients through the challenges they face. All projects are partner-led, offering high levels of personal service, and laying the groundwork for lasting relationships. Many of our clients return to us for advice on multiple occasions.

With 16 offices around the world and deals completed in 31 countries, our team makes us a natural choice for transactions requiring knowledge of, and access to global markets.



Clearwater International Office  Partner Office 



## Our international automotive team



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