



Building a greener tomorrow through smart metering

DEAL FLASH | INDUSTRIAL MACHINERY & COMPONENTS | MARCH 2022

DEAL SNAPSHOT

Landis+Gyr, the global provider of integrated energy management solutions, has acquired 100% of the shares of Luna Elektrik Elektronik A.Ş. (Luna), the leading Turkish smart electricity and water meter manufacturer.

Established in 1991, Luna is a supplier of smart electricity and water meters, providing high-quality advanced measurement technology. Luna has a production capacity of more than 400,000 smart meters per month, with 1,000 employees and more than 100 engineers in its R&D center in İzmir, offering nearly 35 million electricity meters to the Turkish market.

With one of the broadest portfolios in the sector, Landis+Gyr delivers innovative and flexible solutions to help utilities solve their complex challenges in smart metering, grid-edge intelligence and smart infrastructure. Landis+Gyr employs around 5,000 people in over 30 countries across five continents, and had sales of US\$1.4 billion in FY 2020.

“Our long-lasting engagement with the Oaklins team not only provided smooth and exceptional support during the transaction but also facilitated our corporate development and preparation in several aspects. Throughout the transaction, the team conducted a well-organized process with clear and straightforward communication. Their strong relationships with financial investors and international coverage of potential strategic investors were highly effective.

Because of their high level of involvement and understanding of our business and strong financial expertise, we are very grateful for the guidance and support of the whole team led by Levent Bosut.”

MUSTAFA KARABAĞLI

CHAIRMAN, LUNA ELEKTRİK
ELEKTRONİK A.Ş., TURKEY

OAKLINS PLAYED A KEY ROLE IN FACILITATING THIS TRANSACTION

Oaklins' team in Turkey advised the sole shareholder and management on the sale of Luna Elektrik Elektronik. The team built a structured process, developing significant interest internationally from core strategic buyers. Competitive offers from local private equity were also received in parallel. Oaklins' team in Switzerland reached out to the ultimate buyer, Landis+Gyr.



MARKET TRENDS & DEAL DRIVERS

The smart meter sector has seen significant interest from both strategic and financial investors in Turkey and worldwide.

There has been a lot of deal activity in the sector, worth close to US\$10 billion, such as the acquisitions of Elster by Honeywell, of Landis by Toshiba and of Sagemcom by Carlyle financial investor.

The smart meter sector has robust high-growth expectations, as the total addressable market size of the advanced metering infrastructure (AMI) will almost double in the coming five years.

Smart meter installation began only recently in Turkey. Consequently, most of the installed meters are non-smart. Indeed, out of 40–45 million meters already installed, only around two million are smart. Therefore, a lot of meters will require replacement, enabling the smart meter business to grow rapidly.

M&A VALUATION ASPECTS

Financial details have not been disclosed. Luna's leading position in smart meter technology and the potential of the smart meter rollout attracted both global strategic players and local financial investors.

Offers were received from two private equity funds and three strategic international players. After selecting the ultimate buyer, the price achieved exceeded initial expectations.

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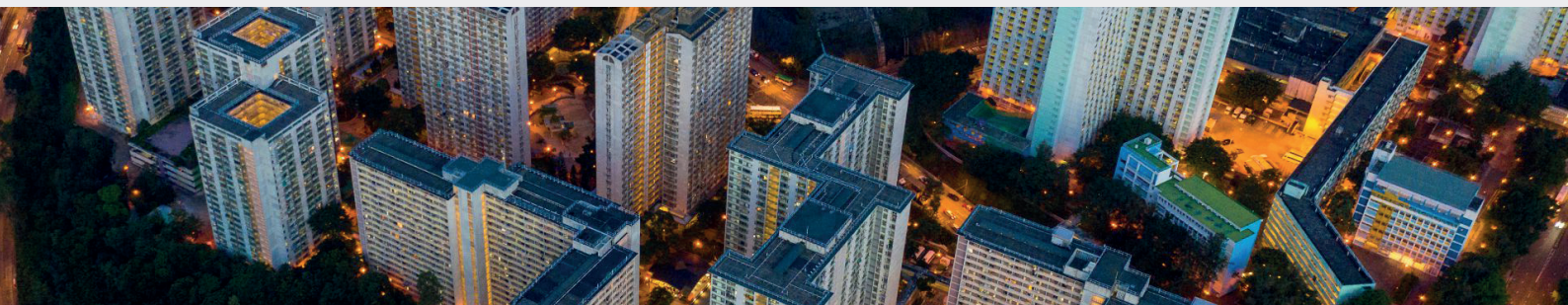
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Levent is a seasoned investment banker with over 25 years of extensive experience across various industries. With particular expertise and a strong network in the electric and electronic equipment area, notable transactions he has advised on include the sale of two electrical equipment companies (Estep and Inform) to Legrand, a France-based global specialist in products and systems for electrical installations and information networks.

Atacan focuses on conducting financial modeling, preparing industry research and assisting clients throughout the M&A process. He played a key role in the development and management of this transaction.

With extensive experience in M&A and corporate finance, Jürg has a particular focus on industrial machinery & components and TMT. Blue-chip clients he has advised include ABB, Axpo, BASF, Bühler, Breitling, ETH, Givaudan, Holcim, Migros, MSC, Novartis, NZZ, Oerlikon, Scout24, Sonova, Stäubli, Straumann, Swiss and Swisscom.



OAKLINS HAS CLOSED 251 DEALS IN INDUSTRIAL MACHINERY & COMPONENTS

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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