

## AEROSPACE & DEFENSE

Deal flash, March 2016

## SEALING THE DEAL IN THE AEROSPACE, INDUSTRIAL AND DEFENSE MARKETS

### Deal snapshot

- Oaklins' team in Cleveland, USA served as the exclusive financial advisor to CARCO S.R.L. in its acquisition of Polymer Concepts Technologies, Inc. (PCTI).
- Headquartered in Apple Valley, California, PCTI is an industry-leading designer and manufacturer of polymer seals for the aerospace, industrial and defense markets. PCTI's polymer seals are used in applications which operate under extreme temperature and friction conditions and require enhanced performance compared to conventional elastomeric sealing solutions.
- Founded in 1900 and headquartered in Milan, Italy, CARCO is a leading manufacturer of customized large-diameter sealing solutions for heavy industrial applications. The company produces rubber, metal and thermoplastic sealing solutions for the metal forming, marine, hydropower, windpower and tunnel boring industries.



### What our client said

**Andrea Chalp**, President, CARCO S.R.L., Italy

"The Oaklins' team provided an incredible amount of insight and assistance throughout this process. The team was helpful, responsive and ensured we achieved the desired result. I'm looking forward to getting the next one done with them."

### Our role in the transaction

Oaklins' team provided CARCO with a customized buy-side process, including building a pipeline of candidates, engaging prospects, valuing the businesses, conducting due diligence, negotiations and closing.



## Market trends and deal drivers

- CARCO had been a long-standing supplier of highly customized seals to industrial markets throughout the world and sought to expand its North American presence by acquiring a niche seal supplier.
- CARCO was looking for specialized applications (lower volume, custom products) with a focus on design and engineering.
- The acquisition of PCTI is CARCO's first manufacturing location in the USA.
- The global sealing industry has consolidated over the past 10 years, leaving room for smaller companies that are willing to invest in developing new technologies and for those that provide highly engineered, niche applications and superior customer service.

## M&A valuation aspects

- CARCO was able to acquire PCTI on favorable terms, as the transaction was negotiated in a pre-emptive process.

## Oaklins industry experts



✉ **Kevin Mayer**, Managing Director, Oaklins, USA

Kevin co-heads the industrial practice at Oaklins' Cleveland office. With over 17 years of experience completing more than 50 M&A assignments, Kevin specializes in the chemicals, plastics & packaging, and building products & materials sectors.



✉ **David Mariano**, Director, Oaklins, USA

David leads the buy-side advisory practice at Oaklins' Cleveland office. With more than 15 years of experience, David's practice combines extensive transaction expertise with quality strategic advice to help clients become more successful acquirors.



✉ **Stephen Perry**, Managing Director and aerospace & defense expert, Oaklins, USA

Stephen has completed over 50 aerospace & defense M&A transactions. Among many others, he advised Frontier Systems in connection with its sale to the Boeing Company, as well as industry legend, Burt Rutan, in connection with the sale of Scaled Composites to Northrop Grumman. Stephen has relationships with A&D companies both in the USA and overseas, and has been involved in a number of cross-border transactions. He regularly attends and speaks at various A&D industry conferences and trade shows.

# OAKLINS HAS CLOSED 25 DEALS IN AEROSPACE & DEFENSE IN THE LAST FIVE YEARS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.