

AEROSPACE & DEFENSE

Deal flash, October 2017

FRENCH MANUFACTURER OF SPECIALTY ADHESIVE FILMS SOLD TO LEADING DUTCH MULTINATIONAL PAINTS SPECIALIST

Deal snapshot

- The private shareholders of Disa Technology (Disatech) have sold the company to AkzoNobel N.V.
- Headquartered in Limoges, France, Disatech manufactures technical marking systems made of self-adhesive vinyl, polyester and polycarbonate film used on aircraft, vehicles, agricultural machinery and other equipment. As one of Airbus' tier 1 suppliers, the company is well established in the aerospace industry. With revenues of over US\$12 million, Disatech currently manufactures more than 500,000 markings annually.
- AkzoNobel is a leading global paints and coatings company and major producer of specialty chemicals. The company's portfolio includes well-known brands such as Dulux, Sikkens, International, Interpon and Eka. Headquartered in Amsterdam, the Netherlands, AkzoNobel has approximately 46,000 employees in 80 countries. Sales in 2016 were US\$16.6 billion. This acquisition strengthens the company's global leadership position in supplying innovative industrial coatings and aerospace and automotive coatings, while Disatech will benefit from AkzoNobel's worldwide reach to address the entire aerospace market, including airlines and MRO.



What our client said



Christophe Renard, Shareholder, Disa Technology, France

"Disatech now enters a new era. Joining a group with a global footprint was exactly the turning point it needed to further accelerate its development. The strong commitment and deep industry knowledge of Oaklins' French team have been key in the sale process. Identifying AkzoNobel as the right international buyer demonstrates Oaklins' international reach and experience on cross-border transactions."



Our role in the transaction

Oaklins' team in France successfully advised Disatech's private shareholders throughout the dual-track process and managed the sale of the company to AkzoNobel.

Market trends and deal drivers

- The aerospace and defense market is very well positioned globally thanks to Airbus and its backlog, which ensures 10 years of production. However, on closer inspection the situation is not that simple, with some very successful programs (A320, A350, Rafale) and others in a much trickier situation (A380, A400M, helicopters and business jets).
 - Consolidation of the aircraft parts supply chain is still ongoing, mainly due to Airbus asking for fewer but larger and more diversified suppliers.
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M&A valuation aspects

Financial details of the transaction have not been disclosed, but the deal value reflected a slight premium valuation due to:

- Disatech's leading position in the niche market of technical markings for aircraft (>70% market share)
 - Great visibility of future growth thanks to long-term customer contracts
 - Significant EBITDA conversion rate into free cash flow
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Oaklins industry specialist



✉ **Raphaël Petit**, Partner, Oaklins, France

Raphaël has advised many clients in the aerospace and defense industry, where he has closed around 10 deals in the last few years, including the sale of Lafourcade and Magellium and the LBO of Rossi Aero, among others. Prior to joining Oaklins, he led the Australian Tiger helicopter business unit of Airbus Group in Sydney. "This transaction will enable Disatech to harness its full market potential, thanks to AkzoNobel's international reach and wide customer base. We strongly believe this partnership will lead to the emergence of a leading global solution to the entire aerospace industry, not only OEMs but also to airlines and MRO service providers."

OAKLINS HAS CLOSED 38 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.