

DECORATIVE LIGHTING DEVELOPER AND HOME BUILDING PRODUCTS LEADER DESIGN A PERFECT FIT

Deal snapshot

- L.D. Kichler Co. (Kichler Lighting) has been acquired by Masco Corporation, one of the world's leading manufacturers of branded home improvement and building products.
- Kichler Lighting is a leading designer and developer of residential and commercial decorative lighting products, ceiling fans and LED task lighting systems. Based in Cleveland, Ohio, the company is widely recognized as the brand of choice across consumer and professional distribution channels, including independent lighting showrooms, home retailers, electrical distributors and e-retailers.
- Masco Corporation (NYSE: MAS) is one of the leading manufacturers of branded home improvement and building products. Headquartered in Livonia, Michigan, the company maintains an extensive portfolio of brands, including Behr paint, Delta faucets, Hansgrohe shower fixtures and KraftMaid cabinets. Masco Corporation leverages its premier brands across product categories, sales channels and geographies to create value for its customers and shareholders.



What our client said



Barry Minoff, Chairman, L.D. Kichler Co., USA

"Choosing the team in Cleveland as our investment banker was one of the best decisions I've made as chairman of Kichler Lighting. They were all that I expected from a business standpoint in representing us and they did so with both a caring and thoughtful approach to what we wanted to accomplish in our transaction."

Our role in the transaction

Oaklins' team in Cleveland acted as the exclusive financial advisor to Kichler Lighting in this transaction. Following a competitive bidding process, Masco emerged as the most attractive acquiror given its valuation and cultural fit.



Market trends and deal drivers

- The residential lighting industry is ripe for consolidation because:
 - there is a “go-to-market” strategy shift from traditional lighting showrooms to big box home retailers such as Lowe’s and e-commerce sites
 - relative commodity consumer products face pricing pressures and customer concentration in the highly fragmented, US\$6 billion residential lighting market
 - there is an emergence of LED and connected home technologies
 - Recent consolidation by financial and strategic investors includes AEA Investors’ acquisition of General Brands in 2016, followed in 2017 by its acquisition of Visual Comfort. In 2016, Ardian acquired SLV, and LED Linear was sold to Fagerhult. Acuity Brands bought Juno Lighting in 2015.
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M&A valuation aspects

- Masco Corporation acquired Kichler Lighting for a US\$550 million enterprise value.
 - In 2017, Kichler Lighting generated approximately US\$450 million in sales.
 - The multiple achieved was in line with the characteristics of this market segment.
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Oaklins industry specialists



✉ **Ralph Della Ratta**, Managing Partner, Oaklins, USA

Ralph has over 40 years of experience in mergers and acquisitions. He has advised many clients across a wide range of industries. Some consumer sell-side deals Ralph has advised on include OfficeMax, Vision Care Holdings and Astor & Black Custom Clothiers, Ltd.



✉ **Andrew Male**, Director, Oaklins, USA

Andrew has extensive experience in consumer and retail, having closed many industry-related deals over the last 12 years. Some of his transactions include Turf Care Supply, Factory Connection, Exxel Outdoors and Astor & Black Custom Clothiers, Ltd.



✉ **Margaret Graham**, Associate, Oaklins, USA

Margaret has five years of experience in mergers and acquisitions and has advised across a range of industries, including consumer services. Along with Kichler, she has helped advise Factory Connection.

OAKLINS HAS CLOSED 494 DEALS IN CONSUMER & RETAIL

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.