

**News Brief No-25-17**  
**June 2, 2017**

## **Acquisitions Continue in the Interconnect Space**

M&A Consolidation continued in the first few months of 2017, with cross border deals grabbing the headlines. Several of the deals showed a strategy of geographic expansion, while others were for expansion into new products and end-user markets.

Consolidation is expected to continue, as corporate and private equity cash is plentiful, borrowing rates are low, and the average age of private company owners is increasing. Due to slow top-line growth, large corporations are seeking to expand through acquisitions. While the US automotive market is stalled, overall sales are at a high level. The US military market is expected to expand due to the current administration's policies and global tensions, but it is too early to tell if tax cuts or other reforms will lead to more US economic growth.

### **Recent Industry Deals**

Jan 2017 ECI acquisition of Fargo (Wire/Cable Harness in motorcycle, agriculture, construction and specialty transportation end-markets, 1,900 employees)

Jan 2017 - Amphenol acquired PhiTek (New Zealand), aircraft in-flight entertainment interconnect products for the commercial aerospace industry. Revenues \$20 million.

March 2017 - Heico Corp acquisition of 80.1% of Air Cost Control ("A2C"), interconnect distributor in Germany, France, and Florida, 130 employees

March 2017 - PKC Group (Finland) acquires Fortitude Industries Inc. of NY (dba Advanced Transit Manufacturing - 'ATM') a manufacturer of wiring, cable harnesses and electro-mechanical assemblies incl. electrical cabinets for the Rolling Stock and transportation industries. \$8 million revenues, 50 employees.

April 2017 - PAS Group (Germany, with facilities in US and Mexico) acquires Prandi Wirings of Italy, a manufacturer of wire harnesses.

May 2017 - BizLink Holding Inc. (Taiwan, with facilities in Asia and US), acquires the appliance business of Leoni (Germany). Leoni's appliance business' revenues in 2016 were 137 million euros, 2000 employees.

## **Bishop & Associates M&A Capabilities**

Founded in 1985, Bishop & Associates Inc. is a market research firm that specializes in the world electronic connector industry. The firm publishes a monthly newsletter titled “The Bishop Report,” and weekly digital publications from Connector Supplier, which include Product Showcase, Connector Specifier, and ConnectorSupplier.com Feature News.” The company also hosts the website "The World's Connector Companies", an interactive website that allows users to view detailed profiles on over 750 connector companies.

The reports, produced by a staff of 20 researchers, focus on geographic regions, end-user equipment markets, connector products, and interconnect technologies.

Bishop also provides assistance in merger and acquisition activity with capabilities on both buy-side and sell-side projects.

The firm works with GP Ventures (GPV) on M&A deals in the connector and cable assembly industries. GPV, with offices in Chicago and Tokyo, has a wide international network and can provide a full range of investment banking services, including valuation services, grooming services, due diligence, etc.

If you would like to have a confidential conversation regarding our services and capabilities, contact Ron Bishop at 630-443-2702; or, [bishop@bishopinc.com](mailto:bishop@bishopinc.com).