



Crossing borders to materialize A&D ambitions

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DEAL SNAPSHOT

ADDEV Materials SAS has acquired Graytone Limited and its subsidiaries.

For more than 10 years, ADDEV Materials has offered its customers innovative and responsible materials solutions. Historically focused on the conversion of flexible materials, such as adhesive tapes or technical films, ADDEV Materials has expanded its know-how to liquid custom packaging solutions, adhesives and chemicals, mainly for the aerospace and defense, energy, automotive and medical industries.

Based in the UK, Graytone is a group of companies specializing in the global distribution of coatings, composites and associated materials to the aerospace and defense, space, energy and electronics markets. The Graytone Group represents the combined operations of Paint Services Group Limited and Pexa Limited and works with major suppliers, including PPG Aerospace, Henkel and Akzo Nobel Aerospace Coatings.

Since 2016, it has been the ADDEV Materials Group's ambition to become a leading international player in aeronautics, space and defense, by creating a dedicated business unit. The acquisition of the Graytone Group is a move towards realizing that ambition.

OAKLINS PROVIDES LONG-TERM VALUE BEYOND THE CLOSING OF THE DEAL

Oaklins' team in France was appointed by ADDEV Materials to identify targets in the aerospace and defense sector in Europe, with the UK as a priority. The French team and Oaklins Smith & Williamson, based in the UK, collaborated on this mandate. Graytone was rapidly identified and approached by the UK team, and proved to be the perfect match for ADDEV's strategic plan. Oaklins Smith & Williamson, with the support of Oaklins France, advised ADDEV Materials throughout the acquisition process until closing.



has acquired



“The team at Oaklins Smith & Williamson advised on this cross-border transaction, with the assistance of Oaklins France. They understood our vision and strategic criteria. It was their expertise of working on international processes that was central to the successful completion of this acquisition.”

JULIEN DUVANEL
CEO AND AEROSPACE & DEFENSE
BUSINESS UNIT CEO,
ADDEV MATERIALS SAS, FRANCE

MARKET TRENDS & DEAL DRIVERS

Manufacturers continue to benefit from record levels of backlog, with more than 13,000 aircraft to be delivered over the next seven years and no immediate newcomer threatening the Airbus and Boeing duopoly. However, this goes hand in hand with increased expectations from Airbus and Boeing regarding their suppliers, which must invest in new production capacities and address cost-reduction efficiency demand from OEMs, while looking to expand their international industrial footprint. These are perfect ingredients to fuel a worldwide market consolidation of the supply chain, which has been ongoing for a number of years.

ADDEV's acquisition of Graytone is in line with these market trends and an answer to these expectations.

M&A VALUATION ASPECTS

The aerospace and defense sector continues to attract international strategic and financial investors seeking to play an active role in the ongoing consolidation of the supply chain.

Valuations in this sector are based on EBITDA multiples, which are usually in the range of 6x–8x for smaller companies, and up to 10x for larger and fast-growing suppliers. However, significant premiums can be observed for OEMs with distinctive technology or a rare market position, pushing transaction multiples up to 12x–15x EBITDA.

OUR INDUSTRY SPECIALISTS

✉ AMANDA PHILLIPS

Partner

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Amanda has completed numerous transactions over a variety of sectors including aerospace and defense, as well as providing strategic advice. She has previous experience working with clients such as Titan Airways, Airbus, BAE Systems and British Airways.

"We are delighted to have advised ADDEV Materials on its first UK acquisition, as the group continues to expand its international capabilities. This is a further demonstration of Oaklins' cross-border strategy of delivering local knowledge alongside specialist expertise to deliver a successful transaction, and we wish this fast-growing and evolving group all the best for the future."

✉ RAPHAËL PETIT

Partner, Aerospace & Defense Specialist

France

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Raphaël has advised many clients in the aerospace and defense industry, where he has closed 15 transactions since 2015. Some of his clients include Agiliteam, Disa Technology, JV Group and Rossi Aero. Before joining Oaklins, he worked for Airbus Helicopters in Australia and a private equity house in Toulouse.

"This transaction is a perfect example of the highest value we can bring to a client with international projects: highly experienced and skilled professionals, real industry expertise and true market coverage. The streamlined and successful process conducted for ADDEV in Europe may lead to new opportunities in other geographies in the future."



OAKLINS HAS CLOSED 62 DEALS IN AEROSPACE & DEFENSE

Oaklins is the world's most experienced mid-market M&A advisor, with 800 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.

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