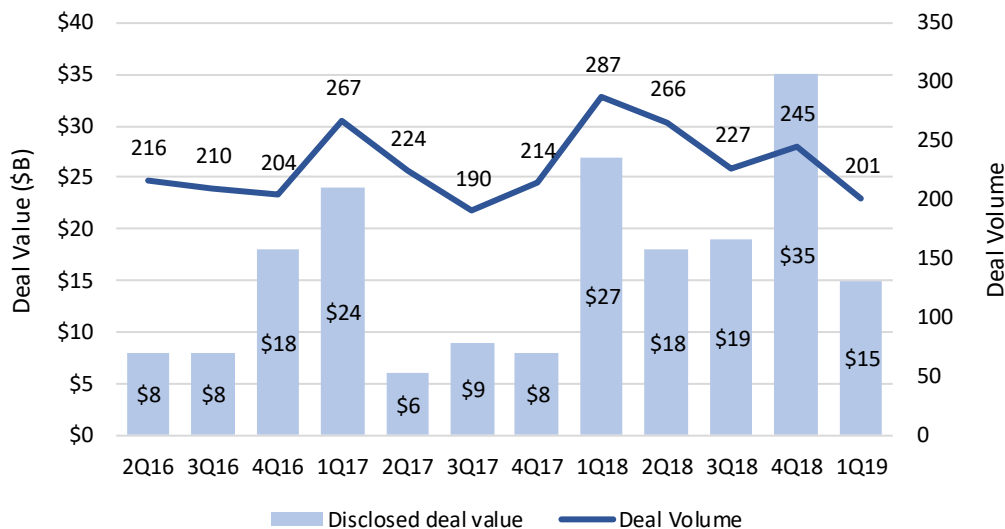


# AUTOMOTIVE M&A

## 2019 UPDATE

Automotive M&A got off to a modest start in 2019. Total deal value in Q1 2019 was \$15.5 billion, down 43% from Q1 2018. Deal volume also dropped 30% from the comparative quarter, with 201 deals in Q1 2019. Limited megadeal activity greatly contributed to the decline in deal value—for example, excluding megadeals, average Q1 2019 deal size was \$146 million, down only 9% from the 2018 average disclosed deal value (\$161 million) and up 29% from the 2017 average disclosed deal value (\$113 million). Certain macroeconomic factors played a role this quarter including continued uncertainty over trade deals between the US and China, as well as a no-deal Brexit. However, deal fundamentals remain strong and valuations high, as automakers and suppliers remain focused on strategic investments in the technologies and compete for a smaller pool of assets.

### GLOBAL AUTOMOTIVE DEAL VALUE AND VOLUME (\$ BILLIONS)



### Q1'19 HIGHLIGHTS

Total Deal Value:

**\$15.5 Billion**

Total Deal Volume:

**201**

Average Deal Size:

**\$262.2 Million**

Source: PwC, Thomson Reuters

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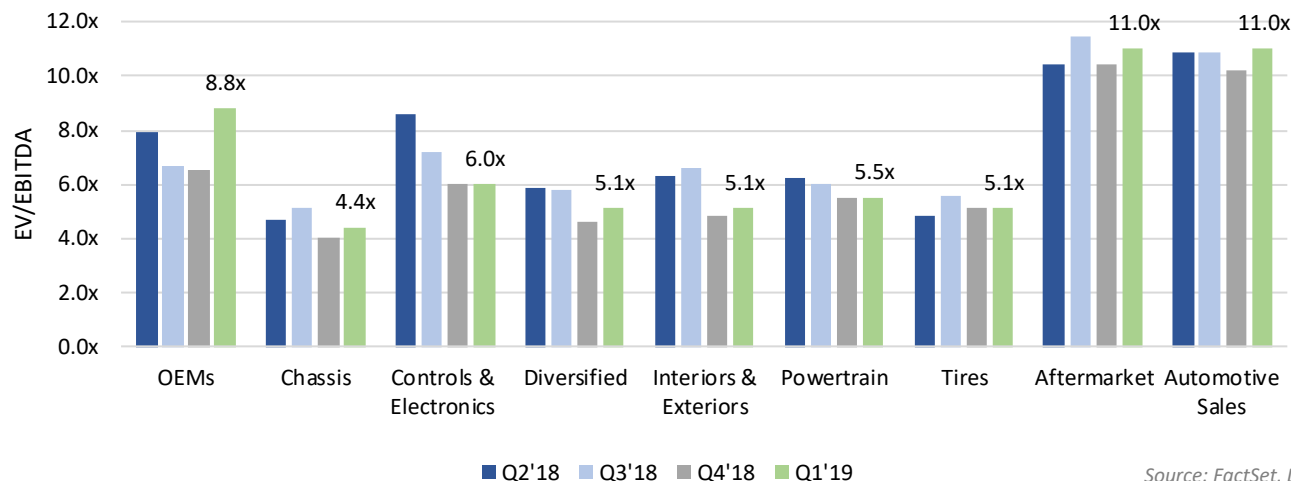
#### FIRM OVERVIEW:

Carleton McKenna & Co. is a boutique, independent investment banking firm providing M&A Advisory, Capital Raising, and Pre-Transition Advisory services. Our experienced professionals maintain a client-focused and entrepreneurial outlook which enables us to be creative for our clients, unencumbered by the bureaucracies inherent in larger investment banks. Our professionals have over three decades of experience partnering with companies led by strong, entrepreneurial management teams.









Using this expertise, Carleton McKenna & Co. specializes in providing sell-side and buy-side M&A Advisory services to small- to mid-cap clients which have closely-held businesses, portfolio companies of financial sponsor firms, and divisions or subsidiaries of public companies.

Carleton McKenna & Co. has deep experience in the niche manufacturing, specialty chemicals and materials, business services, consumer products and healthcare markets.

**EV/EBITDA MULTIPLES BY AUTOMOTIVE SECTOR—Q1 2019**



**NOTABLE AUTOMOTIVE M&A TRANSACTIONS—Q1 2019**

Date	Transaction	Description	Detail
Mar-28	<b>WABCO Holdings</b> <i>Target</i>  <b>Evergrande Health</b> <i>Acquirer</i> 	German auto parts maker, ZF Friedrichshafen agreed to acquire US auto braking and suspension specialist, WABCO. The acquisition provides ZF with a leader in commercial braking systems, a pre-requisite for automated driving functions.	Value: \$7.1 Billion EV/Revenue: 1.9x EV/EBITDA: 11.0x
Mar-6	<b>Walterscheid Powertrain</b> <i>Target</i>  <b>One Equity Partners</b> <i>Acquirer</i> 	Private equity firm, One Equity Partners, acquired Walterscheid Powertrain Group from GKN. Walterscheid provides original equipment and aftermarket parts and services for off-highway powertrain applications.	Value: ND EV/Revenue: ND EV/EBITDA: ND
Feb-4	<b>Maxwell Technologies</b> <i>Target</i>  <b>Tesla</b> <i>Acquirer</i> 	Tesla acquired Maxwell Technologies in an all-stock transaction. Maxwell makes ultracapacitors, which can be integrated into re-generative braking systems, used to help lengthen the life of a vehicle’s existing battery for start-stop engine technology.	Value: \$232 Million EV/Revenue: 1.9x EV/EBITDA: ND
Feb-4	<b>ASC Industries &amp; Airtex Products</b> <i>Target</i>  <b>Trico Group</b> <i>Acquirer</i> 	Trico Group acquired ASC Industries and Airtex Products from UCI International Holdings. ASC’s cooling systems are sold to a variety of aftermarket channels including automotive, construction, transportation and general industrial. Airtex fuel pumps are used in a range of engine systems and serve the U.S. aftermarket and heavy-duty OE market.	Value: ND EV/Revenue: ND EV/EBITDA: ND

Source: FactSet, Deloitte