

Guiding the deal decision of a German auto-component manufacturer



- **Review of investment memo**
- **Pre-M&A due diligence**
- **Benchmarking against peers**

Business need

- As part of its inorganic growth plan, a German automotive-component manufacturer was evaluating an auto company for potential acquisition.
- The target company was a manufacturer of automotive connectors, cable assemblies and Electronic Control Unit (ECU) components.
- The client wanted to get a deeper understanding of the target's end markets and assess opportunities, with a focus on Europe and North America.
- It also wanted an in-depth analysis on the performance of the target company and a review of its key performance indicators.

To understand market opportunities and evaluate the target company for acquisition.

The client outlined two key reasons for selecting RocSearch:

- Our proven investment advisory and pre-M&A due diligence capabilities.
- Our flexible client-centric engagement models.

Approach & Methodology

- Our strategic research team examined the market and tracked the technological and regulatory developments and their implications for the automotive connection equipment market.
- We assessed the industry's growth outlook across the target's end-markets (comprising specific passenger & commercial vehicle models, in addition to defence & agriculture vehicles) and product categories (comprising connectors, cables, cable assemblies & ECUs).

We closely reviewed the target company's investment memo, benchmarked it against its peers and assessed the uniqueness of its growth strategy, in addition to carrying out a relative valuation of comparable companies.



- We conducted interviews with experts to gather insights on the target's headwinds and tailwinds, key success factors, pricing pressures and contracting terms.
- We also gathered insights on the target's strategy to gain market share and barriers for its competitors to replicate its strategy.

Business outcomes

- Validation of the clients' key questions related to the target company's end markets, competition and strategy.
- Fact-based insights derived from the competitive benchmarking exercise and comparable analysis.
- Based on our detailed review of the target company and its peers, the client decided to reconsider the deal decision.

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About RocSearch

Founded in 1999, RocSearch has been a pioneer in empowering our clients to overcome challenges and realize their goals. Our strength is delivering research and advisory solutions through managed and dedicated teams that produce the expert intelligence our clients require to gain a true competitive advantage.

We draw on proven expertise to deliver consistent value across all types of business requirements: ranging from digitization and analysis of business, financial, or customer data to the provision of 'act-on' insights for the most challenging business problems.

Our longstanding client relationships bear testament to the enduring value we create, alongside our consistent reliability and absolute discretion. We take great pride that many of the brightest global companies rely on us to help them achieve top-line growth, operational efficiency and increased profitability.

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