

Vacuum Engineering Services : Business Specification – target Thailand

Background:

VES Ltd are the world leading supplier of Helium Leak Detection capital goods equipment into the global automotive industry. VES manufactured equipment is used on in excess of 25% of the worlds supply of plastic fuel tanks to ensure legal and environmental compliance. VES also operate in adjacent market sectors generally within the automotive sector.

VES are 100% owned by the Swedish publicly listed company Indutrade AB with turnover in excess of Euro 1.3bn. Indutrade operate a targeted acquisition strategy to stimulate business growth. As VES are now an integral company within Indutrade, it is expected that VES embark on targeted acquisitions in support of the Indutrade strategic aims.



Typical 3 chamber Helium Leak Detection machine

Target Company Profile:

VES core business is the design and manufacture of high quality Helium Leak Detection equipment. Helium Leak Detection has many forms depending upon the components under test, however, the majority of embodiments would be deemed complex capital goods. It would be ideal, but not essential, if the target company were also *servicing* or ideally *supplying* this capability into the Thailand automotive industry. It is however acknowledged that the likelihood of finding such a company would be remote.

Given the possibility of such a specific match is remote, the core competence of the target organisation may present a better matching possibility, the following criteria being important, the scale being 1= less important but nice to have 10=essential.

Criteria	Importance
<i>Instrumentation or capital goods supply into Automotive or HVAC</i>	7
<i>Strong local management team</i>	8
<i>Profitable (>15% EBIT)</i>	8
<i>Sales/Revenue circa 210m Baht (flexible)</i>	6
<i>Core skills:</i>	
<i>Control systems (PLC and or IPC)</i>	6
<i>Mechanical fitting</i>	6
<i>Vacuum technology</i>	4
<i>Instrumentation</i>	4
<i>Service support</i>	6
<i>Engaged sales team</i>	6
<i>Location : Ideally Bangkok or Pattaya – within easy commute to automotive suppliers</i>	

Expectations:

The expectations of a potential target company is that the company is currently well managed, keen to grow and possibly being prevented from exploiting their potential due to either lack of international capabilities or limitations on business cash flow. Indutrade/VES can assist with both of these issues.

The management team are established and are committed to continuing employment with the company beyond any potential acquisition or partnership.

It is also not uncommon to find owner ran businesses that are strong but the owner is looking to potentially leave/retire in 2-3yr and is therefore looking for an exit plan, these would also be of interest.

Strong *product* or *service* offering in a target sector. If there are other companies that maybe fit the expectations but do not operate within the target sectors, these may still be of interest to VES sister companies and should be brought forward.

Timescales – are flexible however, it would be preferential to identify companies who would be looking to complete a transaction within 2019.