

We advised Illinois Tool Works on its divestiture of the Electronic Components Group to Milestone Partners



ITW Electronic Components Group

KPMG Corporate Finance LLC

acted as financial advisor to Illinois Tool Works on the divestiture of its Electronic Components Group to Milestone Partners

October 2011

Transaction Team

Chrisanne Corbett

Managing Director
Chicago, IL
312-665-2779
ccorbett@kpmg.com

Terence Yeh

Managing Director
Los Angeles, CA
213-817-3128
tyeh@kpmg.com

Thomas Groh

Vice President
Chicago, IL
312-665-2186
tgroh@kpmg.com

The company

Pancon (U.S. and GmbH), Ark-Les Connectors, and Paktron (collectively referred to as the "Electronic Components Group" or "ECG") are leading designers and manufacturers of electronic components, including custom interconnect solutions and film capacitors that are used in a variety of industrial end markets, including automotive, appliance, telecom, medical, and aerospace and defense. ECG's operations include five manufacturing and assembly facilities located in the U.S. and Europe and are supported by a global sales and marketing network which sells to blue chip customers throughout the world.

The situation

KPMG Corporate Finance LLC was retained by ITW to manage the entire divestiture process, including identifying and contacting potential buyers, creating marketing materials, coordinating management meetings and due diligence, and assisting in negotiating the terms of the transaction.

The solution

In executing the sale process, KPMG Corporate Finance LLC conducted a sale process that included both strategic and financial buyers. Milestone Partners, a Philadelphia-based private equity fund, brought deep industry experience as well as an experienced Operating Executive to the transaction, having previously owned a similar portfolio company. The key factors supporting the success in the transaction included our global corporate finance network, our industry knowledge and experience, our ability to effectively position the company with buyers, and the strong relationships maintained by our private equity coverage team.

Trust KPMG Corporate Finance LLC with your next transaction

KPMG Corporate Finance LLC provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge in global M&A and project finance to advise clients on mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, and other advisory initiatives. In addition, we remain impartial to financing sources, helping to ensure that our efforts are objective and aligned with the goals of clients.

Operating in 82 countries, the corporate finance practices of KPMG International's member firms (KPMG) comprise more than 2,100 professionals who are able to meet the needs of clients across the globe. In 2010, as a leading financial adviser, KPMG completed 269 deals totaling US\$16.5 billion, according to Thomson Reuters SDC's global M&A middle market league tables.

We welcome the opportunity to meet with you, learn more about your company's objectives, and discuss our people and capabilities.

www.kpmgcorporatefinance.com

Corporate finance services, including Financing, Debt Advisory, and Valuation Services, are not performed by all KPMG member firms and are not offered by member firms in certain jurisdictions due to legal or regulatory constraints. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2012 KPMG Corporate Finance LLC, a Delaware limited liability company, is a member of FINRA and SIPC and is registered as a broker dealer with the SEC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. 25357NSS