

Major midcap transaction in the sector of electromechanical components for harsh environment: DRI acquired by TE Connectivity (NYSE: TEL)

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First SwitchTech Group, one of the two worldwide leaders of hermetically sealed relays, was advised by Aurignac Finance in the sale of its US subsidiary DRI to TE Connectivity a world leader in connectivity and sensors with a market capitalization of USD 35 billion.

Founded in 1954, DRI is specialized in the design and manufacturing of hermetically sealed relays and offers a complete range of products including time delay devices and mating sockets, for applications in demanding industries. DRI has a strong and historical presence in Aerospace & Defense and serves major players in these industries on the US market like Boeing Military, Lockheed Martin or BAE Systems.

This transaction will enable First SwitchTech to focus its strategy, as an independent European leader, on the development of the French entities STPI and REL on their historical markets in Defense, Space, Railway, Aeronautics and Energy in Europe and Asia, and keep providing innovative solutions for its blue chip client portfolio for the coming years.

About AURIGNAC FINANCE :

AURIGNAC FINANCE is an M&A consulting firm providing investment bank advisory services on transactions ranging from 5 to €200 M of enterprise value. Founded in 2004, the firm is ranked among the leaders of its market by Thomson Reuters for over many years. With 7 professionals and several senior advisors with strong sectorial expertise, Aurignac Finance is the French member of Mergers Alliance network, an independent global network of M&A advisors, leader in the transactions segment under \$500M.

AURIGNAC FINANCE has also developed a strong expertise over the past 6 years in the aerospace & defense sector, assisting large groups and SMEs on several transactions, especially in the subsector of embedded electronics for harsh environments.

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“Aurignac Finance has extensively contributed to this transaction thanks to its strong knowledge in the aerospace & defense sector, a comprehensive coverage of the potential buyers and a deep operational understanding of our business and Group. Their full commitment has been once again a key element for the success of the transaction” (Michel Nespoulous, First SwitchTech Group / DRI)

For TE Connectivity, DRI will offer a strong strategic and complementary fit in the US market with its Aerospace, Defense, and Marine (AD&M) business. *“With this deal, TE strengthens its presence in the midrange power segment with an expanded product offering that will further enhance our ability to provide industry leading engineering and product solutions to address the needs of our customers.”* Peter Liefbrig (TE Connectivity- VP & General manager of AD&M's High-Performance Group).

“This is the 3rd transaction we have advised recently in the sector of electronic components & embedded systems especially for harsh environments. Our expertise in this area combined to our perfect knowledge of the potential buyers at the global level enabled us to lead a very competitive process with numerous interests from large international listed corporates and dynamic private equity owned midcap companies. Aurignac Finance’s team is very proud to contribute so efficiently to this international midcap transaction that will impact significantly the competitive landscape of the worldwide relay industry. We remain very active in this sector with several other ongoing deals to come in H1 2021”. (Raphael Brenier, Partner at Aurignac Finance)

Main participants / advisors:

FIRST SWITCHTECH GROUP / DRI: Michel Nespoulous

TE CONNECTIVITY: Jeanne Quirk, Rucelle Dizon, Mark Garrity

AURIGNAC FINANCE – sell-side / M&A: Raphael Brenier, Christine de Briganti, Yann Chamary, Elias Seck

LMT Avocats – sell-side / Corporate: Antoine Lemétais, Manuel Agostini, François Veuillot

SOLOMON BLUM HEYMANN LLP – sell-side / Tax: Robert A. Solomon, Robert Ladislaw

EIGHT ADVISORY – sell-side DD / Finance: Gennat Mouline, Dimitri Cromback

DAVIS POLK & WARDWELL LLP – buy-side / Lead counsel: Michael Santos, Michael Gilson

PwC – buy-side DD / Finance & Tax: Eric J Parrish, Brian Carroll, Marc Crowley

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