



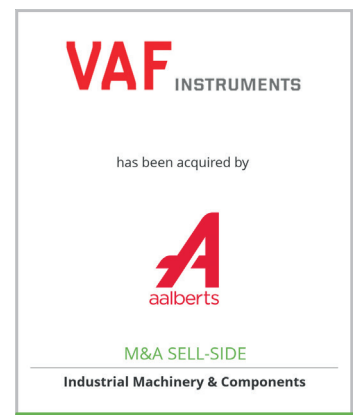
INDUSTRIAL MACHINERY & COMPONENTS

Deal flash, October 2018

SALE OF A TOP GLOBAL SUPPLIER OF SENSORS TO THE MARITIME INDUSTRY

Deal snapshot

- VAF Instruments, a global market leader in maritime measurement systems and a preferred supplier to the top 100 largest shipyards worldwide, has been acquired by global technology company Aalberts Industries.
- VAF Instruments is a leading global developer and manufacturer of specialized, high-tech measurement sensors, systems and solutions that maximize efficiency, improve operational excellence and reduce environmental impact for the marine, power plant and industrial sectors, including HFO viscosity and flow meters, ODME meters and torque and thrust meters.
- Aalberts Industries is a global technology company of mission-critical technologies. The firm focuses on products in the installation, material, climate and industrial sectors.



What our client said



Leo Blankenstein, CEO, VAF Instruments, Netherlands

"We believed that Oaklins would do the best job to accurately position our company to attract the right group of international buyers. The dedication, commitment and down-to-earth approach and experience in the maritime sector of Oaklins' Dutch team proved its value to us throughout the process. They helped identify and structure the right deal with the right strategic partner for us, ticking all the boxes on our wish list."

Our role in the transaction

Oaklins' Dutch team acted as the exclusive M&A advisor to the shareholders of VAF Instruments. This transaction is a testament to the expertise of Oaklins' Marine Equipment team, which has advised on numerous mergers and acquisitions in the sector, including Vetus (sold to Yanmar), IMS (acquisition of Norac Baggerød AS) and TMC Compressors (sold to Lifco), among others. It was the team's thorough understanding of the opportunities and challenges facing global marine equipment suppliers that led VAF Instruments to choose Oaklins.



Market trends and deal drivers

- With the Baltic Dry Index at around 1,700 at the close of the transaction, versus a record low of 290 in February 2016, shipowners are finally getting some financial breathing space again. Nonetheless, shipowners are still obliged to make costly investments in equipment to meet stricter regulations, such as scrubbers and ballast water treatment systems. Moreover, some leading shipowners have now started to invest once again in long-term cost reducing equipment, with a focus on their biggest cost component: fuel.
- Oaklins knew that VAF Instruments not only delivers sensors to monitor fuel usage and consumption, such as viscosity and flow meters, but also, more recently, a highly acclaimed thrust and torque sensor. This sensor includes reporting software to aid in optimizing operational behavior and thereby lowering fuel consumption significantly. With this knowledge, we expected a long-term positive outlook for VAF Instruments' products, both in the new build and in retrofit categories, supporting our positive story to potential buyers.

M&A valuation aspects

With a focus on very complex and high-durability measurement instruments for critical functions on board vessels, the company drew attention from both generic marine equipment suppliers as well as large instrumentation companies. Buyers were also attracted to the company's retrofit and efficiency-enhancing products, which generate sales independent from the new-build cycle.

Oaklins industry specialist



✉ **Fokko Poldervaart**, Partner, Marine Equipment Specialist, Oaklins, Netherlands

"We are proud to have advised the shareholders of VAF Instruments in this transaction. In a market characterized by increasing levels of environmental regulation, a strong drive for fuel cost efficiency and tight budgets, we have been able to clearly demonstrate the exceptional position and potential of VAF Instruments. Aalberts' acquisition will further strengthen VAF Instruments' worldwide reputation by bringing its top-class platform and tier-1 products for fuel and performance measurement into new B2B niche markets."

OAKLINS HAS CLOSED 127 DEALS IN INDUSTRIAL MACHINERY & COMPONENTS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.