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BIRMINGHAM ADVISERS SPARK MIDLANDS ELECTRONICS DEAL

One of the UK's leading electronics firms has changed hands in a deal backed by advice from Birmingham corporate financiers.

AWS Electronics (AWS), which employs 230 people in Newcastle-under-Lyme, has been acquired through a management buy-in/ buy-out led by Paul Deehan.

David Tucker, of Birmingham-based corporate finance specialist Jasper Corporate Finance, was the lead adviser and finance was provided by Royal Bank of Scotland.

AWS, a fast growing contract electronics manufacturer with annual sales in excess of £12 million, provides outsourced manufacturing and engineering services to some of the UK's top companies.

Customers include global businesses in the defence, aerospace, medical equipment, scientific technology, food and communications sectors.

AWS operates from a modern 48,000 square foot site where its business is based on assembly of printed circuit boards, cables and harnesses, sub assemblies and complete box assembly, tested products.

In recent years, it has benefited from more than £3.5 million of investment in facilities, equipment and computer systems.

New managing director and controlling shareholder Paul Deehan was formerly a director of outsourcing company Aktrion, itself the subject of a successful buyout.

He has joined the existing management team at AWS in a combined management buyout and buy-in.

Former managing director and shareholder Derek Fulluck retains a substantial investment in the company and will have an ongoing role as Associate Director.

Mr Deehan said: "AWS has built a strong position in a growing market, fuelled by the trend for companies to focus on their core businesses.

"We have the latest technology and a real focus on quality and delivery. This has helped us to secure a key partnership role in supplying some of the UK's leading blue chip companies.

"With this platform and long term financial backing, we are able to implement our strategy of innovation and development and of providing solutions involving high added value products."

David Tucker at Jasper Corporate Finance points out that the AWS deal highlights the impact of market trends.

“It has long been recognised that the trend of increased focus on core business, which has been accelerated by global competition, has encouraged many companies to sell unwanted businesses”, he said.

“The AWS deal shows the other side of the coin, that outsourcing complex areas is continuing to grow. The new ownership will bring a renewed enthusiasm to implementing the strategies that are vital to the next phase of growth of the company.”

Mr Tucker also highlights another aspect: “There are excellent buy in candidates, including those who have successfully negotiated deals themselves before”, he said, “this will continue to be a positive factor for businesses looking to move on as AWS has done”.

Adrian Cutler, partner in the corporate team at Cobbetts LLP, which provided legal advice to the management team, said:

“We were delighted to have been involved in what promises to be a highly successful deal”.

AWS was originally established in 1974 but has seen its main growth in the last decade. The company differentiates itself from competitors through its broad range of service capabilities and high levels of customer focus.

The company’s customers require strong technical, logistical support and manufacturing expertise, interfacing closely with their own design and marketing functions.

“Our aim is to win more substantial contracts from blue chip customers and to turn these into long lasting customer partnerships” said Mr Deehan.

“The plan is for organic growth but we are prepared to look at acquisitions in support of our aim of building the business.”