



Strategic buyers dominated December deals

By James P. Marra

Strategic buyers dominated the Northeast Ohio M&A landscape as 2008 drew to a welcome close. Twelve transactions snuck through the door as the year ended, eight of which involved local strategic buyers. Parker Hannifin completed the acquisition of Detroit Plásticos e Metais, a Sao Paulo-based manufacturer of fittings, valves, manifolds and tubing for nonautomotive industrial end markets. By our count, this makes 13 acquisitions with total net revenue of close to \$1 billion for Parker in the U.S., Canada, Mexico and four other continents in 2008 — a prodigious year for any strategic acquirer. Only Africa and Antarctica escaped the company's clutches in 2008.

Aerospace components producer TransDigm Group completed its third acquisition of the year in December, and its second from General Electric, when it purchased Aircraft Parts Corp. for \$68 million in cash. With \$33 million in annual revenue, this New York-based target produces starter generators for jet turbine engines, which fits well with TransDigm's existing business.

Three other well-known local strategics also made year-end

acquisitions. Applied Industrial Technologies made its third acquisition of 2008 when it purchased Cincinnati Transmission Co., a regional distributor of power transmission and motion control products. Sherwin-Williams added Euronavy, Tintas Marítimas e Industriais, a \$25-million Portugal-based manufacturer of marine and protective coatings. Lubrizol added Dow's thermoplastic polyurethane business to its arsenal. Only one PEG made the deal list in December: Key Principal Partners invested in Buckingham TRP.

Overall, December presented another slow month for the local deal community, and the promise of impending inauguration, bailout, scandal, profit warnings and massive government spending prompts a less-than-sanguine view for deal-making activity in 2009.

JAMES P. MARRA is past president and is on the board of ACG Cleveland. He is also principal and director of business development at Blue Point Capital Partners. For more information about the Association for Corporate Growth, visit <http://chapters.acg.org/cleveland>.



SELECTED MERGERS & ACQUISITIONS

Local companies in bold

Deal data provided by Brown Gibbons Lang and Capital IQ.

Closed	Target	Buyer	Seller	Value (mil.)
Dec. 31	Cincinnati Transmission Co Inc.	Lubrizol Corp.	Dow Chemical	N.A.
Dec. 18	Butler Wick & Company Inc.	Stifel Financial Corp. (NYSE:SF)	United Community Financial Corp.	\$12
Dec. 18	Buckingham TRP Inc.	Key Principal Partners LLC	—	N.A.
Dec. 18	White Door, Inc.	Critical Solutions Inc.	—	N.A.
Dec. 17	Tofias PC	CBIZ Inc.	—	N.A.
Dec. 16	Aircraft Parts Corporation	TransDigm Group Inc.	Unison Industries LLC, a unit of General Electric Co.	\$68
Dec. 16	Shared PET Imaging LLC	Alliance Imaging Inc.	—	\$43
Dec. 12	Euronavy Tintas Marítimas e Industriais SA	Sherwin-Williams Co.	—	N.A.
Dec. 8	9 Office/Warehouse Buildings in Middleburg Heights	HBJ Holdings LLC	Elrad-Hadley Associates Limited Partnership; Magic Best Properties LLC	\$12.90
Dec. 8	Cincinnati Transmission Co Inc.	Applied Industrial Technologies Inc.	—	N.A.
Dec. 1	Detroit Plásticos e Metais Ltda.	Parker Hannifin Corp.	—	N.A.
Nov. 24	Mahoney Cohen & Co. CPA, PC	CBIZ Inc.	—	\$55.38

Announced	Target	Buyer	Seller	Value (mil.)
Dec. 30	Recycled Paper Greetings Inc.	American Greetings Corp.	Monitor Clipper Partners Inc.	\$73.10
Dec. 20	DeVenture Global Partners Inc.	Transcend Services Inc.	—	\$4.25
Dec. 17	42 Gas Stations and 4 Lots	EZ Energy USA Inc.	—	\$32.60

DEAL OF THE MONTH

CBIZ made two acquisitions in December that significantly expanded its geographic scope, and the business services company holds out the promise of more. First, it acquired Tofias PC, a Cambridge, Mass.-based accounting service provider, and then followed that up with New York City-based Mahoney Cohen on the last day of 2008. The two add \$93 million in revenue and more than 450 associates to the firm. According to Dave Sibits, president of CBIZ's Financial Services Group, CBIZ looked at where it could logically expand geographically and worked north up the I-95 corridor into the New York City and Boston markets, where it hadn't had much of a presence. Both firms enjoy strong PEG-related practices, which should jumpstart CBIZ's toehold in this market.

Two deals in one month entails much heavy lifting, very capably provided by CBIZ's Brian Carey. Responsibility for managing these new assets falls to, among others, Chris Spurio, part of the executive operating team at CBIZ. Next stop for the CBIZ express may well be I-95 south into Baltimore and Washington, so stay tuned in 2009.