

October 2024

CARVE OUT

**In the precision mechanics market, the American group TIMEX divests its French subsidiary FRALSEN to ACI GROUP.**

**TIMEX** GROUP

**Fralsen**  
TIMEXGROUP

**ACI**  
GROUPE

*TIMEX Inc. appointed MBA CAPITAL to assist with a carve-out operation of its subsidiary FRALSEN. The latter, realizing 75% of its turnover intra-group, led to a search for an appropriate buyer, resulting in the ACI Group, which sought to extend its expertise in microtechnology, including the production of plastic and mechanical microparts. This acquisition also strengthens its presence in the Bourgogne-Franche-Comté region. The MBA Capital teams in Paris and Mulhouse jointly advised the seller, TIMEX, in the transaction.*

**Through their targeted approach and mastery of the carve-out process, MBA Capital Paris and Mulhouse found a strong and growing buyer for FRALSEN.** In their search for buyers likely to acquire TIMEX GROUP's subsidiary, Bernard Lechat (Paris) and Dominique Gozlan (Mulhouse) paid particular attention to the financial strength of the entities, their ability to utilize FRALSEN's industrial tool, as well as the displayed acquisition strategy: vertical integration or an extension of specialized expertise in the field of precision microtechnology for third-party clients. The buyer, ACI GROUP, with €200 million in revenue, ideally matched the latter strategy, with a strong desire to consolidate its industrial subcontracting and complete its "Manufacturing" division.

*"This case required particularly precise targeting of industrial players capable of taking over FRALSEN by building on its expertise while offering development opportunities. Additionally, it was characterized by strict confidentiality constraints, which we are used of." Dominique GOZLAN, MBA Capital Mulhouse.*

*"Throughout this divestiture operation, we focused on streamlining exchanges between TIMEX Inc., local management, and potential buyers." Bernard LECHAT, MBA Capital Paris.*

**Recognized since 1962 in the machining and assembly of watch movements and cases, FRALSEN has greatly diversified over time.**

- Its expertise in manufacturing precision microtechnical parts has allowed it to develop in various industrial sectors: defense, medical, connectivity, watchmaking, mechatronics, and luxury.

- The skills of its staff and its machine park ensure recognized expertise in screw-cutting, gear-cutting, plastic injection, stamping, cutting tools, mold design, etc.

to these specifics, the French SME FRALSEN has greatly increased in attractiveness.

**The sectors FRALSEN operates in perfectly align with the future vision of the buyer ACI GROUP, which has complementary technological expertise.**

Some figures on the French ACI GROUP: 32 industrial sites, 3 Business Units (Engineering to Product, Manufacturing, and Services), 1,400 employees, and more than 5,000 clients worldwide. It is a leading supplier to the defense, aeronautics, energy, and railway sectors.

*"FRALSEN is one of the jewels of French industry, and its factory was one of the largest employers in the Bourgogne-Franche-Comté region. Its expertise is incredible in sectors that perfectly match the strategy of ACI Group. Synergies with our other entities will be able to be established." Philippe Rivière, President of ACI GROUP.*

This new cross-border transaction illustrates MBA CAPITAL's ability to open French mid-caps to international partners, particularly in technology sectors.

**Advisors for the transaction**

**TIMEX Advisors**

M&A : Bernard LECHAT - MBA Capital Paris & Dominique GOZLAN - MBA Capital Mulhouse  
Lawyer: Catherine CONNELLY – Bernard Hertz Bejot Law Firm

**TIMEX Advisors**

Lawyer: Bastien MORAGA – Dumon Partners Law Firm