

API to Acquire SenDEC in EMS Deal

Written by Mike Buetow

Monday, 10 January 2011 08:51 - Last Updated Monday, 10 January 2011 08:58

NEW YORK -- API Technologies, with help from a private equity firm, will acquire fellow EMS company **SenDec** in an all-stock transaction.

Under the terms of the merger transaction, API will acquire 100% of the equity of SenDec, which will include SenDec's electronics manufacturing operations and approximately \$30 million of cash, in exchange for the issuance of 22 million API common shares to an affiliate of **Vintage Capital Management**.

API intends to use the cash to pay down existing debt.

Fairport, NY-based SenDec generated approximately \$90 million in revenue and over \$3.5 million in net income during its fiscal year ended July 31, 2010. API, which is traded over the counter, had sales of \$88.6 million for the four quarters ended Aug. 31. Its fiscal year ends in May. Once the transaction is closed, the company will immediately pursue a listing on the Nasdaq Exchange.

The combination of SenDec and API will create a mid-tier defense electronics platform with a broad range of capabilities to better serve its customers' current and future needs during a dynamically transforming era for the defense community.

Upon completion of the transaction, Brian Kahn, managing member of Vintage, will become chairman and CEO of API. SenDec will operate as a subsidiary of API and Ken Fiske will continue as its CEO. API Defense USA will continue to operate as a subsidiary of API and Steve Pudles will continue as its CEO.

SenDec's merger with API effectively doubles the size of the company and presents a variety of immediate revenue synergies and growth opportunities in the defense sector, the firms said in a press release.

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In a statement, Fiske, co-founder and CEO of SenDec, said, "I am very pleased that we are merging with API to create a truly diversified defense electronics company. Under Brian Kahn's leadership, my whole team is confident about our future and the ability of our new company to fulfill our customers' current and future needs."