

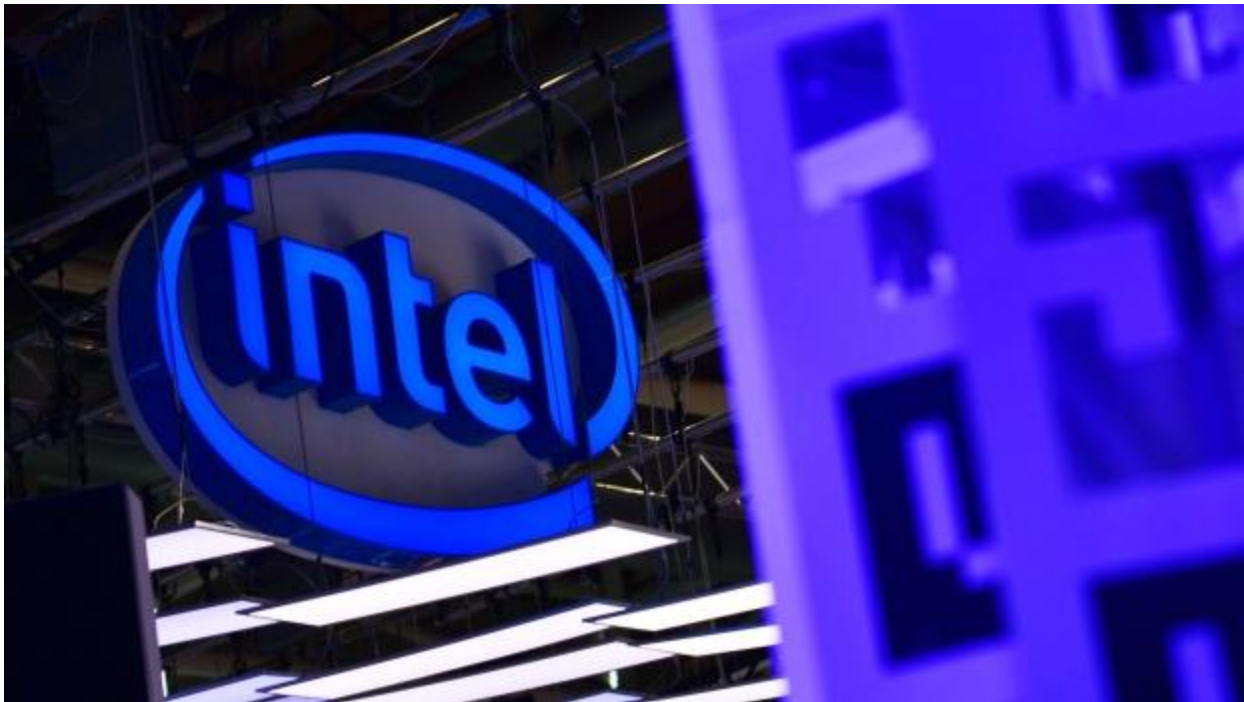
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Intel to sell 20% of IMS to Bain at US\$4.3 billion valuation – June 21, 2023

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Intel to Sell 20% of IMS to Bain at \$4.3 Billion Valuation

Molly Schuetz, Bloomberg News



Photographer: Alexander Koerner/Getty Images

(Bloomberg) -- Intel Corp. agreed to sell a roughly 20% stake in IMS Nanofabrication GmbH to Bain Capital in a deal that values the company at \$4.3 billion.

Intel first invested in the Austrian company, which supplies equipment that some of world's largest semiconductor manufacturers use to produce chips, in 2009 and acquired the business in 2015 for an undisclosed price. Since the acquisition, IMS has delivered a "significant" return on investment to Intel, quadrupling its workforce and production capacity and delivering three new product generations, Intel said in a statement.

Intel Chief Executive Officer Pat Gelsinger has been making strategic sales and investments as he seeks to drag the company out of a historic slump amid a massive pileup of inventory, weak demand and market share losses to rivals like Nvidia Corp.

In February, Intel, the biggest maker of computer processors, slashed its dividend payment to the lowest level in 16 years in an effort to preserve cash and focus on Gelsinger's expensive turnaround plan, which involves building new plants and rapidly improving its manufacturing technology. Earlier this month Intel raised about \$1.48 billion by selling part of its holdings in Mobil eye Global Inc.

Bain's investment and partnership will provide IMS with "increased independence and bring strategic perspective to help accelerate the next phase of lithography technology innovation, ultimately benefiting the ecosystem as a whole," said Matt Poirier, a senior vice president of corporate development at Intel. Santa Clara, California-based Intel has embarked on a huge expansion program aimed at recapturing its previous industry dominance and diversifying manufacturing hubs for critical components, currently concentrated in East Asia. The company has recently announced tens of billions of dollars in new investments in countries from Germany to Poland and Israel.

Austria is home to two semiconductor companies that play a key role in the global supply chain; IMS, based in the Vienna suburbs and EV Group, based outside of Salzburg. The two companies dominate the market for wafer bonding and so-called multi-beam mask writers, which are essential to making chips that go into flash drives, phone cameras and lots of other technology, according to the Financial Times. IMS's mask-writing tools create stencils by which chip circuitry is printed. The tools are increasingly critical components to the semiconductor manufacturing ecosystem, Intel said.

"IMS is well-positioned to capitalize on attractive secular tailwinds as additional chip production capacity comes online and build on its leading competitive position, tech differentiation and cutting-edge product capabilities," Marvin Larbi-Yeboa, a partner at Bain Capital, said in the statement.

The IMS transaction is expected to close in the third quarter. The company will operate as a standalone unit and will continue to be led by Chief Executive Officer Elmar Platzgummer.

Intel's shares were little changed in New York.

(Updated with context throughout.)

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