



Intel bags \$4.3B by selling 20% stake in chip manufacturing technology supplier IMS – June 21, 2023



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BY MIKE WHEATLEY

Intel Corp. said today it has [agreed to sell](#) a 20% stake in [IMS Nanofabrication GmbH](#), a key supplier of chip manufacturing equipment, to the private equity firm Bain Capital.

The chipmaking giant bought the Austrian company for an undisclosed price in 2015, having first invested in it back in 2009. Since the close of that acquisition, IMS has provided Intel with a “significant return on investment,” Intel said. IMS has grown rapidly, quadrupling its workforce and production capacity while delivering three new product generations.

The deal, which values IMS at around \$4.3 billion, comes at a time when Intel has been making a series of strategic sales, [layoffs](#) and investments. Intel Chief Executive Pat Gelsinger is [busy trying to turnaround the company](#) amid an historic slump, which has seen it struggle with weak demand, delays in its technology roadmap, and a loss of market share to rivals such as Advanced Micro Devices Inc. and Nvidia Corp.

As part of Gelsinger’s turnaround strategy, Intel has been trying to free up the cash it needs to invest in multiple new chipmaking plants across the world, including the [U.S.](#), [Germany](#), [Poland](#) and [Israel](#). It has also been spending billions to advance its chip manufacturing process technology.

In February, Intel notably [slashed its dividend payment](#) to its lowest level in 16 years in a bid to preserve cash. Then, earlier this month, Intel [raised \\$1.48 billion](#) through the sale of part of its stake in Mobileye Global Inc.

Intel Senior Vice President of Corporate Development Matt Poirier said Bain’s investment in IMS will result in “increased independence and bring strategic perspective to help accelerate the next phase of lithography technology innovation, ultimately benefiting the ecosystem as a whole.”

Vienna-based IMS is a key player in the global computer chip supply chain. Along with another Austrian firm, EV Group, it dominates the wafer bonding and multibeam mask writer segments of the industry. IMS’s mask-writing tools are used to create the stencils on which chip circuitry is printed. They’re a vital component of advanced extreme ultraviolet lithography processes, which are used to make the most powerful processors on the market today.

Although the cash from the sale will be helpful to Intel, it may also benefit IMS itself. Bain is likely to bring a fresh business approach to the company, and its involvement may help convince other partners and companies that it’s no longer dominated by Intel. In that way, it could potentially enable deeper cross-industry collaboration.

“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,” Bain Capital Partner Marvin Larbi-Yeboah said in a statement.

Intel said the transaction is expected to close in the third quarter. IMS will continue to operate as a standalone company under the leadership of CEO Elmar Platzgummer.

Photo: [IMS Nanofabrication/LinkedIn](#)

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