

Samsung CEO Boo-Keun Yoon says Dacor purchase opens door into 'premium' appliances

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Samsung Electronics acquired Southern California oven-and-stove maker Dacor in order to get a foothold in the upscale home appliance market, Samsung Chief Executive Boo-Keun Yoon said Thursday.

Yoon said buying the City of Industry company, a deal announced in August, gave Samsung access without forcing it to undertake the slow process of developing its own in-house brand.

"In order to meet our aspirations in becoming the global leader in home appliances, we needed a premium brand," Yoon said. "We can go faster" by acquiring a company such as Dacor.

The purchase price was not disclosed, but the Korean Economic Daily, citing unnamed sources, pegged the deal at \$150 million.

Dacor — short for Distinctive Appliance Corp. — makes and sells high-end home appliances such as ovens, ranges and stoves that are a common sight in luxury homes (much of the cooking-related products sold are produced in the City of Industry). The company has roughly 250 employees.

On Thursday, Yoon and other high-ranking Samsung executives feted the purchase with a celebration at Dacor headquarters. Employees, mostly dressed in white polo shirts embroidered with the words "Samsung Dacor," clinked champagne glasses and ate a blue-and-white iced cake.

Lloyd Greif of Greif & Co., the investment banker who represented Dacor in the deal, has said that he ex-



Dacor gives Samsung a window into the high-end appliance market.

pects Samsung to aggressively market the Dacor brand, including outside the United States. Samsung also gains a new manufacturing hub in Dacor's three-building complex in City of Industry, Greif said.

"Samsung is driven to be No. 1 across the board," he said.

Gregory Lee, head of Samsung Electronics in North America, said the company has found that consumers are increasingly interested in appliances that do more than just cook food and keep produce from spoiling. He pointed to Samsung's Family Hub refrigerator, which enables people to see photos of what's inside via their phones and send notes and reminders via the Wi-Fi connected touchscreen (it also plays music).

Smart appliances are among the items Samsung found attractive about

Dacor. The company already sells a smart oven with an integrated tablet. The Korea Economic Daily reported Dacor has about \$45 million in estimated annual sales.

Dacor was founded in 1965. But its roots trace back to 1948, when brothers Stan and Anthony Joseph started selling ventilation hoods under the Stanthony Corp. name, according to the company website.

Yoon's visit comes as the CEO is facing pressure following the high-profile recall of Samsung's Galaxy Note 7 smartphones after reports of batteries catching fire or exploding.

On Thursday, Yoon declined to comment on the recall.

"I'm not in a position to answer about mobile phones," he said. "I'm in charge of consumer electronics."