

Samsung Electronics to Buy U.S. Kitchen Appliance Maker Dacor

South Korean technology giant has accelerated pace of acquisitions in recent years

By **JONATHAN CHENG**

SEOUL— Samsung Electronics Co. is stepping up its pace of acquisitions.

In the latest sign of the South Korean technology giant's attempt to spark growth through deal-making, the world's biggest smartphone maker by shipments said Thursday that it would buy Dacor Inc., a U.S. maker of luxury kitchen appliances, for an undisclosed sum.

Samsung said in a statement that it would make privately held Dacor, based in City of Industry, Calif., a wholly owned unit of its U.S. subsidiary Samsung Electronics America Inc.

In recent years, Samsung has accelerated the pace of its acquisitions as competitive challenges loom for all three of its business units—mobile, consumer appliances and semiconductors and display components.

The latest deal comes as Samsung acquired Joyent Inc., a San Francisco-based cloud services company, in June following deals in recent years for SmartThings, a startup that helps connect home appliances to one another, for about \$250 million, and Loop-Pay, a developer of mobile payment technologies, for about \$160 million.

Dacor, which makes high-end ranges, wall ovens, microwaves and wine refrigerators, is much older than all three of those companies. Founded in 1965, Dacor has carved out a niche as a luxury maker of appliances that are manufactured in the U.S.

Dacor is one of the last remaining independent appliance makers, making it a juicy target



Dacor Inc. in January 2014 displayed its Discovery IQ 48 dual-fuel range at the International CES in Las Vegas. Samsung Electronics Co. says it will buy the U.S. maker of luxury kitchen appliances for an undisclosed sum. PHOTO: AGENCE FRANCE-PRESSE/GETTY IMAGES

for all the major global appliance makers, who participated in an auction for the company, said Lloyd Greif, the investment banker who managed the sale for Dacor.

Samsung was a good fit for Dacor, as while Samsung is strong in refrigerators and dishwashers, Dacor is relatively stronger in cooking appliances, Mr. Greif said. Dacor, which currently sells its products in Canada, the U.S. and Mexico, could also be a brand that Samsung will want to try to sell to consumers abroad, Mr. Greif added.

Samsung said in its statement that it wouldn't make any changes to Dacor's branding, operations or manufacturing, echoing a hands-off approach that

Samsung has taken with its other recent purchases.

Samsung's consumer electronics division, which sells televisions and home appliances like refrigerators and washing machines, is lower profile than the units responsible for smartphone and semiconductor sales.

Last year, consumer electronics contributed nearly a quarter of Samsung's overall sales of 201 trillion won (\$183 billion), but just 4.7% of its operating profits. Its operating profit margin of 2.7% last year was razor-thin compared with the company's mobile and components divisions.

Samsung shares ended the day 1.2% higher as the broader market traded flat.