

Samsung acquires City of Industry high-end stove maker Dacor

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After half a century and three generations of family ownership, Southern California kitchen appliance maker Dacor is taking a buyout.

Samsung Electronics America announced late Wednesday that it would acquire the City of Industry company, which competes in the very high end of the market. Terms of the deal were not disclosed. The Korea Economic Daily said the arm of the South Korean conglomerate paid \$150 million, citing unnamed sources. But a person familiar with the deal said the actual amount was higher.

Dacor's line of ovens and stoves — a regular sight in expensive homes and, in 2014, the first to be recommended by master chefs at famed cooking school Le Cordon Bleu — widens Samsung's market share in one of the few product categories where it's not the best or second-best seller.

Greif & Co.'s Lloyd Greif, the investment banker who represented Dacor in the deal, said he expects Samsung to aggressively market the Dacor brand, including outside the U.S.

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

Samsung also gains a new manufacturing hub in Dacor's three-building complex in City of Industry, Greif said.

Dacor — short for Distinctive Appliance Corp. — was founded in 1965. But its roots trace back to 1948,



Dacor appliances would give Samsung Electronics its first slice of the high-end market.

when brothers Stan and Anthony Joseph started selling ventilation hoods under the Stanthony Corp. banner, according to the company website.

They later received a patent for an indoor barbecue broiler, which retailed for \$39.95 (an ad at the time billed it as an "exciting new way ... to roast ... to broil ... to entertain").

Dacor evolved along with the American kitchen. The firm started selling self-cleaning ovens in the 1980s, dual-fuel ranges in the 1990s and a smart oven with an integrated tablet in 2013. The smart appliances are among the items Samsung, which is investing heavily in connecting mundane products to the Internet, found attractive about Dacor. The Korea Economic Daily reported Dacor has about \$45 million in estimated annual sales.

Samsung won the company out of an auction that drew multiple competitors to the table, Greif said. Samsung's rivals include LG and Haier. Dacor competes with the likes of Wolf and Viking Range.

Dacor took \$13.5 million from an investment firm earlier this year to keep up with rising demand, but otherwise has been closely held by the Joseph family and its employees. Co-owning brothers Tony and Michael Joseph, now in their 70s, transitioned away from day-to-day management three years ago, Greif said.

In a press release, Dacor Chairman Michael Joseph said "we could not be more delighted to share our family company with" Samsung.

Dacor has about 240 employees and no layoffs are planned, Greif said.

Samsung and Dacor didn't respond to requests for comment.