

Quest buys German engg firm

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Bengaluru: Quest Global Engineering, one of India's biggest engineering outsourcing companies, is acquiring German automotive engineering company EDF.

The companies did not disclose the deal value. EDF has revenues of about 30 million euro and has 320 engineers. Most of its business comes from BMW.

For Quest, this is the sixth acquisition in almost as many years. It has acquired companies in the US, Spain, UK, India and now Germany, and has in the process strengthened its position in the aerospace, oil & gas, health-care, power generation and automotive verticals.

Ajit Prabhu, who founded Quest together with long-time friend Aravind Melligeri in 1997, noted that the automotive sector was the biggest engineering outsourcer, and that trend was accelerating as automotive OEMs (original equipment manufacturers) invest heavily in embedded electronics to make vehicles safer, more

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Ajit Prabhu | CEO OF QUEST



reliable and connected.

With EDF, Quest is now a tier-1 supplier to BMW, Daimler, Ford, Chrysler, and Mitsubishi. Its acquisition of Nest Software last year gave it a strong presence in Japan's auto market.

Prabhu said Quest's goal was to establish strong presence in multiple geographies. "We'll use EDF to expand our offerings in Europe. We'll hire more engineers in Munich (where EDF is based), not move jobs to India. Our goal is to have 1,000 engineers in Germany," he said. Global companies, he said, would be able to deliver greater quality and reduce cost and design cycle time. "With local support in Europe, we will be able to do a lot more for our clients in the region like Airbus, Rolls Royce and Sie-

mens," he said.

EDF MD Gerhard Hauk said the company had been looking to partner a larger player. "BMW is a global player, so we also needed to be global," he said, adding that he saw in Quest an ambitious company that was thinking very positively, including about creating jobs in Germany.

Quest expects to do \$300 million in revenue in 2014-15, up from \$251 million last year. It has 7,500 employees, of which 4,500 are in India.

Private equity firm Warburg Pincus invested \$75 million in Quest in 2010. Prabhu said he would look at raising more funds within two years to retire its debt, which stands at \$100 million including the amount borrowed for the EDF acquisition.