



assignment | challenge

Wonderware Corporation (Invensys, plc)

Wonderware Corporation is the world's premier developer of manufacturing automation software. Wonderware applications are utilized in more than 250,000 facilities worldwide. Eighty-five percent of today's Fortune 100 companies use Wonderware's technology.

IRES was exclusively selected to assist Wonderware on the 120,000 square-foot corporate headquarters consolidation, relocation and project financing in South Orange County, CA. Wonderware's specific requirements were as follows:

- Reduce total current space by 25,000 square feet
- Reduce earnings pressures
- Minimize "Creep Costs" associated with any corporate relocation
- Minimize capital requirements, maximize return on capital (Wonderware's published WACC is 15%)

IRES created its strategy for the corporate headquarters relocation through attaining the operational and financial objectives of Wonderware and developing a specific process aimed at optimizing the financial structure of the firm's corporate real estate.

outcome | results

IRES created an analysis of multiple potential solutions, determining that the appropriate financing structure was a developer-financed 10-year lease with an early termination option after year five. **IRES sourced the developer construction and permanent debt financing, effectively reducing Wonderware's total facility operating cost.** The structure and capital for this corporate relocation provided our client with the following benefits:

- A new facility meeting Wonderware's specific operational requirements
- Reduction of occupancy cost by 27 percent based on Colliers "closed bid" solicitation process and financing procurement
- Lowest effective cost transaction on the market for the previous 18 months
- Best accretive effect on earnings with a minimal corporate capital outlay
- "Off balance sheet" recognition

IRES continues to provide transactional consulting and advisory services on behalf of Wonderware and Invensys worldwide.

QUICK FACTS

STRUCTURED FINANCE Build-to-Suit

120,000 square feet

Project Financing

HQ Consolidation / Relocation

\$29,700,000 Lease Value

Lake Forest, CA

IRES CONTACT

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CLIENT REFERENCE

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