

## **Leveraged Buyout: Glebar Company – A Partnership in Growth**

**DESCRIPTION:** Glebar Company, a NJ based manufacturer of highly automated turnkey machine and aftermarket solutions in the diversified industrials and non-elective medical minimally invasive procedures market

**TRANSACTION TYPE:** Purchased from 30+ year Owner

**EXIT:** 2020 Sale to Arcline Investment Management

### **The Story**

- Transaction: Purchased 100% of the assets of Glebar.
- *Great Technology, no Infrastructure:* Despite best in class technology, the Company operated on a shoe-string budget, with no reinvestment back into the Company.
- *An Engineering Company, not a Sales Organization:* Glebar built what they built versus providing solutions that the customer needed.
- *No Capacity for Growth:* The Company operated out of 3 distinct inefficient facilities, with old capital equipment and no room for expansion
- *Sold Machine Tools, no Focus on Aftermarket & Service:* Glebar was not a full service one-stop shop service provider

### **The Solution**

- *Financial Picture & Transaction Result:* Under the leadership of Culper Capital Partners CIO Adam Cook (served as Majority Owner, Chairman & CEO), the Company's revenues grew over 3X, gross margin increased over the period and EBITDA margins at exit increased substantially. ***Upon exit, the seller's minority equity roll was worth more than the entire enterprise value of the business at the time of the original sale. Senior and middle management alike shared handsomely in the value creation that was generated as a result of the team's collective effort.***
- *Investment in SG&A:* During the period of ownership, management invested significantly in human capital, more than doubling headcount, invested significantly in R&D and a fully integrated infrastructure system was put in place.
- *A Sales Organization is Born:* At the time of sale to Arcline, Glebar had 4 fulltime salespeople and three international sales representatives. When the Company was originally purchased there was one full time salesman and one outside representative. The Company invested heavily into its website and online SEO/SEM presence. Glebar launched regular marketing campaigns, revamped its go to market strategy (consultative selling) and engaged with its customers as a trusted partner (a solutions-based company where its products were bought, not sold). Upon exit, Glebar was widely recognized as the world's premier provider of machine solutions for the

complex guidewire grinding market. Most importantly, recurring aftermarket revenue more than doubled from the period of acquisition to exit.

- *Revamped Operations:* Under the first year of ownership, Glebar moved to one world class efficient facility and invested millions to upgrade its equipment and its supply chain capabilities, while cutting its lead times dramatically. The Company instituted a very successful outsourcing program which allowed the Company to focus its internal efforts on research and development, critical manufacturing and high-end assembly giving the Company further leverage to grow its core operations.
- *Add on Acquisition:* Glebar acquired Tridex Technology, expanding its core competencies into tube cutting and electrochemical grinding.
- *A Full-Service Solution:* Service contracts were put in place; distribution became available worldwide and inventory management programs were implemented for spare parts and consumables distribution for Glebar's customers.

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