



# Griffith Energy



## Company Profile

**HEADQUARTERS:**

Rochester, NY

**INDUSTRY:**

Value-added Distribution

**TRANSACTION TYPE:**

Corporate Divestiture

**INVESTMENT DATE:**

October 2003

**EXIT DATE:**

January 2010

**FUND:**

I

*This portfolio company case study offers summary information, is provided as an example that clarifies and typifies Incline's investment approach, and may not be representative of Incline's investments. Past results are no guarantee of future results and no representation is made that an investor or portfolio company will or is likely to achieve results that are similar to those of the company described. This investment was not chosen for its returns on investment.*

## Overview

Founded in 1922, Griffith Energy is a route-based distribution business focused on the delivery of propane, heating oil, and power fuels. The company serves over 100,000 residential and commercial customers primarily in New York state.

## Transaction Dynamics

A partnership with management to acquire a corporate divestiture from Energy East Corporation. A shift in Energy East's strategy led to the divestiture.

## Investment Thesis

- ▶ #1 or #2 market position in most markets in Western and Central NY
- ▶ Leverage prior experience in route based distribution businesses
- ▶ Strong and experienced management team with significant industry experience
- ▶ Stable and diverse residential customer base
- ▶ Several add-on acquisition opportunities

## Incline Value Enhancement

- ▶ Sourced and closed seven add-on acquisitions during ownership
- ▶ Grew EBITDA from \$17 million in 2003 to over \$21 million at exit
- ▶ Rationalized unprofitable wholesale customers
- ▶ Accelerated environmental compliance and remediation plans
- ▶ Led a dividend recapitalization of the business in April 2009
- ▶ Sold to strategic acquirer for \$125 million