



Oracle Elevator Company



Company Profile

HEADQUARTERS:

Dover Plains, NY

INDUSTRY:

Business Services

TRANSACTION TYPE:

Buyout

INVESTMENT DATE:

June 2010

EXIT DATE:

May 2017

FUND:

II

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

Oracle Elevator Company ("Oracle") is the leading non-union provider of elevator maintenance, repair and modernization services. The Company maintains over 10,000 elevators in the Midwestern and Southeastern U.S.

Transaction Dynamics

A partnership with management to acquire the company from a private owner.

Investment Thesis

- ▶ Experienced management team with significant reinvestment
- ▶ Strong regional market positions protected by significant barriers to entry
- ▶ Attractive organic and acquisition-based growth opportunities
- ▶ Strong base of recurring, high margin maintenance revenue
- ▶ Meaningful competitive advantages create compelling customer value proposition
- ▶ Attractive exit opportunities
- ▶ Favorable industry trends, including consistent price increases and growth of the installed base

Incline Value Enhancement

- ▶ Professionalized existing entrepreneurial business model and created a scalable platform
- ▶ Implemented strategy to become the nationwide alternative to the Big Four elevator OEMs
- ▶ Standardized service offerings across branches and established infrastructure to strengthen acquisition strategy
- ▶ Completed five add-on acquisitions
- ▶ Opened three new branches
- ▶ Drove maintenance contract growth through cross-selling efforts stemming from modernization jobs
- ▶ Invested in additional sales and operational resources to accelerate organic growth and increase operational efficiency
- ▶ Leveraged competitive advantages and increased scale to penetrate attractive market segments