



FOR IMMEDIATE RELEASE

Stellex Capital Management Completes Sale of Morbark, LLC to Alamo Group Inc.

New York and London, October 25, 2019 –[Stellex Capital Management](#) (“Stellex”), a middle market private equity firm with offices in New York and London, announced today that it has completed the sale of [Morbark, LLC](#) (“Morbark” or the “Company”), a leading manufacturer of high-performance equipment and aftermarket parts for forestry, tree maintenance, biomass, land management and recycling markets, to [Alamo Group Inc.](#) (“Alamo”).

The purchase agreement, which values Morbark at approximately \$352 million, was first announced on September 11th, 2019.

Founded in 1957 and based in Winn, Michigan with subsidiary operations in Wooster, Ohio and Roxton Falls, Québec, Morbark has been innovating and manufacturing durable, high-performance equipment for more than six decades. Morbark’s family of companies manufacture highly-engineered, mobile equipment and aftermarket parts used for clearing, grinding/chipping and converting trees, wood and related organic waste in maintenance and recycling applications. The Company and its affiliate brands produce a full line of brush chippers, stump cutters, mini skid steers, forestry mulchers, aerial trimmers, whole tree and biomass chippers, flails, horizontal and tub grinders, sawmill equipment, material handling systems, and mulcher head attachments for excavators, backhoes, and skid steers.

Since Stellex acquired Morbark in 2016 from family ownership, the Company increased its headcount by over 200 employees, revenue nearly doubled and EBITDA increased over 200 percent. Stellex worked alongside the Company to greatly enhance operations, implement lean initiatives and best-in-class manufacturing processes, which resulted in new and improved product redesigns, significant reduction in lead times, and improved delivery performance. Additionally, the Company executed two strategic add-on acquisitions to expand its product offering and geographic presence by acquiring Rayco Manufacturing in 2017 and Denis Cimaf in 2018. Further, the Company implemented new safety systems, resulting in fewer safety instances each year.

“We congratulate and thank Morbark’s CEO, Dave Herr and the Morbark management team and employees for all their work and dedication over our ownership period. We are very proud of all the accomplishments Morbark achieved over this time and are excited to see the

Company continue to grow under Alamo’s ownership,” said David Waxman, Managing Director at Stellex Capital.

Baird served as exclusive financial advisor and DLA Piper served as legal counsel to Stellex and Morbark with respect to the transaction.

About Stellex Capital Management LP

Stellex Capital is a private equity manager that invests in and oversees U.S. and European corporate assets. With \$870 million of committed capital, Stellex’s focus is on companies going through business or industry transitions, as well as special situation opportunities. Stellex seeks to identify and deploy capital in opportunities that have the potential to provide stability, improvement, and growth. Portfolio companies benefit from Stellex’s industry knowledge, operating capabilities, network of senior executives, strategic insight and access to capital. Sectors of particular focus include specialty manufacturing, industrial and business services, aerospace & defense, and government services. Additional information may be found at www.stellexcapital.com

About Alamo Group Inc.

Alamo Group is a leader in the design, manufacture, distribution and service of high quality equipment for infrastructure maintenance, agriculture and other applications. Our products include truck and tractor mounted mowing and other vegetation maintenance equipment, street sweepers, snow removal equipment, excavators, vacuum trucks, other industrial equipment, agricultural implements and related after-market parts and services. The company, founded in 1969, has approximately 3,650 employees and operates 29 plants in North America, Europe, Australia and Brazil as of June 30, 2019. The corporate offices of Alamo Group Inc. are located in Seguin, Texas and the headquarters for the Company’s European operations are located in Salford Priors, England.

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