



FOR IMMEDIATE RELEASE

Stellex Capital Management Enters Into Agreement to Sell Morbark, LLC to Alamo Group Inc.

Transaction expected to close in 4Q 2019

New York and London, September 12, 2019 – [Stellex Capital Management](#) (“Stellex”), a middle market private equity firm with offices in New York and London, announced today it has entered into an agreement to sell [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.](#) (NYSE:ALG) (“Alamo”) for \$352 million.

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.

“Our investment in Morbark demonstrates our ability to rapidly transform family run industrial equipment businesses into best-in-class providers within their industry,” said David Waxman, Managing Director at Stellex Capital. “We would like to thank the Morbark team for their strategic vision, dedication, and execution over these past three and a half years. We are very proud to have worked alongside them transforming Morbark into a leading provider of mobile industrial equipment and believe the Company is well positioned to continue to capitalize on the strong market tailwinds within biomass recycling and tree care maintenance.”

Since Stellex’s acquisition in 2016, Morbark has increased its headcount by over 200 employees, revenue has nearly doubled and EBITDA has increased over 200 percent. Additionally, Morbark successfully completed two add-on acquisitions to expand its product offering and geographic presence. In October 2017, Morbark acquired Rayco Manufacturing, a Wooster, Ohio based manufacturer of stump cutters, crawler trucks, forestry mulchers, multi-

tool carriers, brush chipper and aerial trimmers. In December 2018, Morbark acquired Denis Cimaf, a Roxton Falls, Québec based manufacturer of industrial brushcutters and mulchers.

Dave Herr, Chief Executive Officer of Morbark, added, “We would like to thank Stellex for recognizing Morbark’s potential and investing both time and capital in order for us to achieve our strategic vision. Together with Stellex, Morbark has greatly enhanced operations, implementing lean initiatives and best-in-class manufacturing practices that have resulted in new and improved product redesigns, significant reduction in lead times, and improved delivery performance. We are grateful for our time working with Stellex and look forward to this next chapter as part of Alamo, an ideal suitor given its operating philosophy that will allow us to maintain our brands, operations, and successful momentum while further enhancing various operational synergies and accelerating international growth.”

Completion of the transaction is subject to customary closing conditions and approvals.

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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