

## BEARING DISTRIBUTORS, INC. CASE STUDY

Bearing Distributors has been acquired by Applied Industrial Technologies

### PROCESS & OVERVIEW

For over 70 years, Bearing Distributors has been serving the industrial needs of its customers through a vast inventory of bearings, power transmission components, motors, controls, and material handling equipment. Established in 1953 as a family owned and operated business, its management and support team prides themselves on service, support and determination in building lifelong customer relationships. From the initial vision of a truck-parts company, the business ultimately progressed into one of the leading independent distributors of industrial transmission products in the southeastern U.S.

As the family looked to the future of the company, they recognized the challenges in front of it and a need to implement new innovations that would carry this legacy into a fourth generation. Management structured a vision to advance the company forward by enhancing its technology, building upon its customer reach, and most importantly, investing in its people. The overarching goal was to maintain its "footprint" in the market, its people, and its 12 branch locations.

FOCUS was introduced to Bearing Distributors by a referral partner, Bank of America. The family owner operators sought a common vision for the legacy of the company, its stability, and its future, and looked to FOCUS as a trusted strategic advisor. Once engaged, FOCUS prepared the acquisition specification, marketing materials, and buyer target list, including over 250 prospective acquirers, both strategic and financial institutional investors. Senior FOCUS bankers launched the outreach, achieving a response rate of over 50% within the first week on the market. By the end of the outreach process, 54 prospects had negotiated and signed the NDA and received the confidential information memorandum. FOCUS qualified the interest of each of the prospects, and four preemptive bidders emerged, providing early offers several weeks ahead of the process deadline. After initial discussions, the family felt strongly that Applied Industrial Technologies best shared its collective vision for the future of Bearing Distributors, Inc.

### TRANSACTION RESULTS

FOCUS initiated the transaction between Bearing Distributors and Applied, assisted in the negotiations, and acted as a financial advisor to Bearing Distributors. The acquisition brings Bearing Distributors meaningful opportunity, including additional resources, technology, and training, along with the needed sales interactive and integrated operations. It also brings a strong cohesion between locations while reaffirming its footprint in the industry. For the buyer, the acquisition enhances Applied's footprint and strategic growth initiatives within these regions. This includes strengthening relationships with leading suppliers and increasing Applied's local customer access, as well as accelerating its strategic penetration in key emerging market verticals. Under Applied, Bearing Distributors will further benefit from expanded product lines, and access to its leading engineered solutions across its Fluid Power, Flow Control, and Automation operations. Further, Applied's approach will include a focus on operational excellence to maximize performance and strategic alignment.

### ADDITIONAL INFORMATION

FOCUS Investment Banking offers an investment banking process designed to deliver great outcomes to clients embarking on the most important and complex transactions of their lives.

To learn more about our Advanced Manufacturing investment banking services or to discuss your specific situation with no obligation please feel free to call:

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We are happy to share our knowledge and help you understand your options. All conversations are strictly confidential.



### AT A GLANCE

#### Bearing Distributors, Inc.

- Established in 1953
- Family owned and operated business with 98 employees
- Distributes bearings, power transmission components, motors, controls, and material handling equipment
- 12 locations throughout the US Southeast

#### Sell-Side Transaction Info EBITDA & Revenue are not disclosed

*This announcement appears  
as a matter of record only*

**Bearing  
Distributors, Inc.**

has been acquired by

**APPLIED**  
Industrial Technologies®

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assisted in the negotiations, and acted as  
financial advisor to Bearing Distributors, Inc.

**FOCUS**  
Investment Banking