

Samson Rope Technologies-The Worldwide Leader in High Performance Cordage

Today, Samson Rope Technologies is considered to be the worldwide leader in cordage technology. But how did they get there? What actions did they take to transform their business from a cordage generalist to a leading edge innovator in the market? The answers include the systematic application of strategic planning and patient capital investments.

In the year 2000, Samson was just another cordage company. They sold a variety of general cordage products to over 23 identifiable markets that used rope. Profitability was low. Incremental revenue generation was directly related to low market pricing. The concept of value-added selling was not on the radar screen.

Then, the Samson management team began using Wind River's proprietary Strategic Architecture process. The management team first assessed their situation in the market. They identified many fundamental problems and the success models in the business. Senior management established a set of stretch objectives that included a 50% increase in

revenues and a doubling of annual operating profit. With that challenge, the strategy formulation team set about to develop the plan to achieve the new goals.

The cornerstone of the new Samson strategy involved a large, multi-year investment in technical capabilities. The team felt that by building a larger and more sophisticated R&D program, they could dominate the high performance end of the cordage market. Consistent with that plan, they hired a PhD in chemical engineering with specific expertise in coatings to lead the technical program. They also invested in new testing equipment that could break ropes at over 1.0 million pounds of pressure. The testing equipment allowed Samson to develop and test high strength ropes for demanding commercial marine applications.

On the strength of their technical capability, Samson embarked on a series of new product introductions into markets that demanded high performance ropes. Samson became the innovation leader in commercial marine moorings, tug working lines, arborist ropes and high performance sailboat racing.

With each passing year, Samson was the company to receive the "first look" at new fiber technologies and the "first call" from customers with new performance problems. Samson progressed into the technology leader in the cordage industry.

Over the last five years, Samson's revenues have grown 54% and operating profits have increased by 450%. Further, management believes it can double the company's revenues in the next five years.

The Wind River Approach

The success of Samson Rope reflects the Wind River philosophy of applying resources to develop a sustainable growth plan and providing "patient capital" so management can achieve the objectives. Samson needed to make major commitments to its technical services well in advance of the returns that were projected. Wind River continues to support Samson's investments and today is benefiting from a new, robust business platform in high performance cordage products.

Wind River is actively seeking new acquisition opportunities.



Target Criteria:

Location: U.S. based operations

Size: \$5-\$20 million EBITDA or \$30-\$150 million in enterprise value

Industry:

- Light manufacturing and assembly: consumer or industrial
- Business and consumer services
- Financial services

Branding: Branded products or services: consumer or industrial

Investment: Control position

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