

SyBridge to continue rollup strategy as it looks to bulk up prototyping capabilities, exec and sponsor say

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SyBridge Technologies, a Crestview Partners-backed industrial technology company, has several deals in its pipeline and could pursue an international acquisition, said CEO Tony Nardone and Crestview Co-President and Partner Alex Rose.

Nardone said Southfield, Michigan-based SyBridge is currently in talks with multiple businesses that could be acquired by the company before the end of 1Q22. The targets range across tech services and life sciences, but Nardone said the company is particularly interested in bulking up its prototyping capabilities.

SyBridge designs and produces components using injection molding and 3D printing and provides other services for manufacturing clients in the automotive, health care and other industries.

SyBridge has facilities throughout the US, Canada and Mexico, but is looking to broaden its international presence. "We're looking to broaden our footprint into Europe in both life sciences and mobility," Nardone said.

According to Rose, one or more European-based acquisitions are imminent. The company initially wanted to expand to Europe and Asia last year, but it had to put global expansion plans on ice due to the COVID-19 pandemic, Rose said.

SyBridge generated revenue of around USD 100m last year, and Nardone expects it to breach USD 200m in 2022. The number of employees has increased to around 700 today from 500 in 2020, he added.

Rose said SyBridge typically looks for companies with around USD 10m in annual revenue or higher. He said the plastic mold and injecting industries are highly fragmented, and the company aims to roll up small and family-owned businesses. Rose said SyBridge typically approaches businesses directly and works with buy-side advisors.

SyBridge's most recent acquisition was Pyramid Mold and Tool, a California-based manufacturer, and the company's fifth acquisition in 10 months, according to Detroit business journal *DBusiness*. SyBridge has made a total of seven acquisitions since Crestview established the business in 2019 with an injection of USD 200m in equity capital, Nardone said.

While SyBridge is regularly approached by sponsors and corporates interested in acquiring the business, Rose said the company is still early in its hold with Crestview to consider an exit.

“We have a lot of capital left to deploy and a lot of strategic objectives yet to achieve,” Rose said.

SyBridge is looking to handle the entire lifecycle of a component, from prototyping to manufacturing and data analysis, Rose and Nardone said. There are still gaps in the component lifecycle, which includes prototyping and technological services like data analysis--and the company aims to bridge these gaps, Rose said.

The company’s primary customers are original equipment manufacturers (OEMs) and Tier 1 suppliers, including Magna International [NYSE: MGA]. Nardone cited Platinum Equity-backed Huskey Injection, which produces manifolds, as a competitor.

The industrial technology space has seen an influx of capital in both private and public markets. The executives cited Xometry [NASDAQ: XMTR], an on-demand industrial parts provider, which raised USD 302m in its initial public offering in June. Xometry has a current market cap of USD 2.4bn. Nardone said it was notable because Xometry is involved in similar spaces as SyBridge and serves similar customers.

SyBridge’s corporate law firm in the US is Gibson Dunn & Crutcher and Stikeman Elliott in Canada. PwC handles the business’s accounting, Lockton Companies works on insurance, and CBRE handles real estate.

by Benjamin Glick in Chicago

[Editor's note: The seventh paragraph has been amended post publication to clarify that SyBridge works with businesses directly as well as via buy-side advisors.]

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