

My Benesch My Team Campaign – Royal Adhesives & Sealants LLC

2013

Royal Adhesives & Sealants, LLC (Royal) is a leading privately held company specializing in epoxy, urethane, acrylate, methyl methacrylate, cyanoacrylate, anaerobic, acrylic and rubber based adhesives, sealants, coatings, encapsulants and polymers used in a wide range of industrial applications. Royal is focused on three broad industry sectors in which it has substantial expertise:

- Transportation & Assembly
- Printing, Packaging and Lamination
- Commercial and Residential Construction

Below is a testimonial from Ted Clark, CEO of Royal Adhesives & Sealants, LLC.

Royal has an interesting history, with tremendous growth since 2003-is that when you took over the company?

Yes, though the process started in 2002 when I formed a partnership with a private equity firm and another small merchant bank with the idea that we would participate in the consolidation of the adhesives, sealants and coatings industry, primarily in the U.S. It happens to be a highly fragmented industry, which means there are a lot of potential targets. In North America, it's a \$25 billion industry, where the top global companies (seven or eight of those) control only about 30 to 35 percent of the market. There are also a half-dozen or so substantial middle market companies between \$100 million and \$1 billion. Our idea at the time was to build a substantial middle market adhesives and sealants company by doing some very smart acquisitions within a matrix of markets that we selected, and then the group of technologies we wanted to have to service those markets. That's essentially the vision we had in 2002, and that we began to execute in 2003 with the acquisition of Royal.

Were you involved in the industry before?

Yes, I've been involved virtually my whole career-35 years in the adhesives, sealants and coatings industry.

So, is Royal now part of that middle market group?

Yes, Royal served as our platform company, and since 2003 we have made 10 additional acquisitions, 11 total with Royal. When we acquired Royal, it was about \$35 million in sales and in 2013 we will do around \$260 to \$270 million in sales.

At what point did you start working with Benesch?

Interesting story. Benesch represented the seller of Royal in 2003, and when we completed the acquisition in 2003, we continued to use Benesch, specifically their Intellectual Property (3iP) Group, rather than transfer that work to another law firm. I thought they handled it well-we have a lot of trademarks and patents and so forth, and having it in one place with the group that understood the business already seemed to be the smart thing to do. And in fact it was; it's worked out well for us. We like [Susan Clady](#) and the team. They have taken care of our IP from 2003 to today, almost 10 years.

You expanded your relationship with Benesch beyond IP. How did that come about?

In 2010, we were acquired by a different private equity firm that wanted to continue to back our M&A strategy as well as our organic growth strategy. Because there's a substantial M&A aspect to our vision, we decided we wanted to select a law firm to help take us to the next level from an M&A point of view and support our transactions.

We interviewed five or six middle market M&A firms, including Benesch- firms that don't only do middle market transactions, but that have substantial middle market experience. Between the capability that Benesch had on the M&A side plus our experience with Benesch over the previous 10 years, we felt like they had the capability and the background and the lawyers to support pretty aggressive M&A activity. And we were right! Since we chose Benesch for the M&A side, they've supported us on four acquisitions in a relatively short time-14 months. We continue to look for additional acquisitions.

So we expanded our relationship with Benesch beyond IP and into M&A. The M&A then leads you into things like Environmental and Real Estate . Benesch has all the other sort of ancillary expertise that you need beyond just structuring the transaction and the financing. Particularly in due diligence they've been able to support us. Because we're in the specialty chemical industry, there is a lot of environmental and real estate due diligence that has to be done as well as straight M&A and financing matters.

What do you like about working with Benesch?

I'm actually based in California, but I like that Benesch is in the Midwest and relatively close to our headquarters in South Bend. I like the Midwestern work ethic-particularly with these M&A deals, as they require a lot of effort and support from the legal team. We get good advice, we get it timely, and we get the support with negotiation, both with the lenders and the target companies we're acquiring. That's what we were looking for. We made a conscious decision to not go with a big New York or LA firm; we wanted a firm out in the market where we are and with a middle market focus.

DISCLAIMER: Benesch, Friedlander, Coplan & Aronoff LLP cannot and does not guarantee similar or any particular results. Every case or other legal matter is different, and past results afford no guarantee of future results. Clients have volunteered their respective testimonials and have given Benesch, Friedlander, Coplan & Aronoff LLP permission to use their testimonials.