



BLUESTONE CAPITAL PARTNERS ADVISES CAMEL MANUFACTURING COMPANY IN ITS SALE TO COLD MOUNTAIN CAPITAL

On June 10, 2014, Camel Manufacturing Company (“Camel” or the “Company”), headquartered in Pioneer, Tennessee, completed its sale to an affiliate controlled by Cold Mountain Capital. Camel is a market leading manufacturer of soft shelter products and proprietary environmental lining systems that enhance energy efficiency for military and industrial applications. Founded in 1919, Camel is the nation’s longest-term continuous producer of military soft shelters and textile-based products for the U.S. military and has supported the engineering and development of military soft shelters and ancillary equipment for more than 70 years. In recent years, the Company has supported its customers in the development of innovative environmental lining systems designed to aid in maintaining specific temperatures inside a soft shelter system. Additionally, the Company has successfully sold its products into international markets that have a recurring need for the Company’s core products.



Camel’s sale transaction highlights a series of important characteristics shared by successful sellers in today’s defense market:

- **Strong Market Leadership Position.** In today’s tighter budgetary environment, the Department of Defense has been rationalizing its base of suppliers that provide equipment and hardware to support ongoing global military, disaster relief, and humanitarian mission requirements and picking “winners” to ensure that the DoD maintains a viable and strong industrial base. As such, acquirers increasingly favor businesses that have well established leadership positions within their respective markets enabling these businesses to more effectively manage through annual fluctuations in customer demand and end user requirements.
- **Ability to Adapt Existing Product Portfolios to Pursue Adjacent Market Opportunities.** Defense market participants that can effectively introduce existing product offerings to adjacent markets, including commercial and international markets, are well positioned to maximize buyer interest in a sale process, as both strategic and private equity acquirers are increasingly exploring ways to expand the addressable market of their businesses beyond U.S. borders and into logical adjacent commercial markets.
- **Specialized Facilities and Assets.** Manufacturing businesses that maintain highly specialized and vertically integrated operations and facilities that have the capacity to rapidly and profitably support fluctuations and surges in DoD demand are much better positioned to succeed in today’s market. While certain military suppliers gained traction as “new entrants” to the market in the post-9/11 defense build-up, the market is increasingly shifting in favor of businesses that have demonstrated strong operational performance through numerous business cycles.

About Bluestone Capital Partners

Bluestone Capital Partners is a boutique investment banking firm that provides advisory services to middle market companies on mergers and acquisitions, divestitures, and other corporate finance transactions. Over the past two decades our principals have advised on more than 150 transactions in the aerospace, defense and government services markets, representing billions of dollars of shareholder value.

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