

RoadLink hauls in two firms

by Kelly Holman Posted 04:00 EST, 25, May 2007

RoadLink USA, a trucking and logistics company in **Fenway Partners'** portfolio, is acquiring **World Super Service Inc.** and **Staffworks Inc.** in a pair of deals backed by \$219 million in financing.

WSS, based in Phoenix, and Staffworks, based in San Clemente, Calif., provide logistics services such as freight handling.

GE Antares, a unit of **GE Commercial Finance-Global Sponsor Finance**, announced Friday that it provided a \$160 million first-lien credit facility and \$59 million second-lien credit facility to support the acquisitions. **BMO Capital Markets Corp.** served as co-lead arranger and syndication agent on the first-lien credit facility.

The amount of equity involved in the deals was undisclosed.

In addition to funding the purchases, Bethlehem, Pa.-based RoadLink will use the new debt to refinance existing senior debt and support working capital needs.

The company is leveraged at roughly 5 times Ebitda, a source said.

"As part of our original investment thesis, we planned to accelerate the growth of the company through acquisitions in geographies the company didn't have a presence in, and to strengthen existing geographies," said Marc Kramer, a Fenway managing director.

In a letter to employees dated April 20, WSS founder and former chairman Don An said he was leaving the post but would remain a silent partner.

"I am certain, without any doubt, that WSS Inc. and all that it stands for will not only continue to thrive but become an even greater company," he wrote.

Fenway relied on **Ropes & Gray LLP** attorney Todd Boes and **Scudder Law Firm PC LLO** attorney Mark Scudder for counsel.

Harris Williams & Co. served as financial adviser to WSS, and **Cappello Capital Corp.** was financial adviser to Staffworks.

Fenway Partners, a New York private equity firm, acquired RoadLink in September 2006 for an undisclosed sum in a deal that marked its 14th transaction in the transportation and logistics sector.

Kramer declined to comment on RoadLink's cash flow, but he said the company expects to generate close to \$500 million in sales in 2007.

Under Fenway, RoadLink has made six acquisitions to strengthen its freight handling and drayage business and expand its geographic footprint. The company specializes in handling the so-called last mile of a customer's supply chain, managing shipments from port, railhead or distribution centers.

Kramer said Fenway hasn't extracted any dividends from its investment in RoadLink, which he characterized as being reasonably leveraged. By not putting much leverage on the company, it can continue to pursue growth opportunities, including additional acquisitions, he said.

RoadLink has grown through a spate of purchases since 2001, when it acquired seven trucking companies with a combined \$160 million in revenue.

In January, RoadLink bought Atlanta's Transus Intermodal LLC, a \$40 million revenue-generating trucking company that operates primarily in the South.