

UNCLE CHARLEY’S

2014 – 2015

In 2013, Hollymead Capital was a consulting partner with FNB Capital Partners (FNBCP) and was tasked with building the newly formed Small Business Investment Company’s brand and position in the market.  We had become aware that a regional fresh sausage manufacturer called Uncle Charley’s was coming up for sale and convinced the team at FNBCP that this would be a “marquee” acquisition for them.  Our logic was that as a well-regarded food brand that their involvement in transitioning ownership to a new team would earn them both respect and recognition.

The Company had been established in the 1980’s by its’ founder who was now in his 80’s.  He had no immediate heirs having lost his son in a tragic accident shortly after he transferred control to him.  Because of that, he looked for a way to sell the business while still preserving the name and business in the marketplace.  We evaluated the opportunity and realized that regional brands like this were generating a lot of interest from consumers.  Increasingly, they were seeking to have products that were local and made with all natural products.  Charley’s fit the bill.

Hollymead Capital not only began the process with the Company’s financial advisor but also located a strong candidate for CEO as well as a lead equity investor who had strong food experience.  By partnering with this team, FNBCP was able to get comfortable making their investment.  In January, 2014 the Company was acquired by this partnership.

Immediately following the acquisition, however, the entire pork industry was struck by a massive health crisis.  A virus that killed piglets shortly after birth was ravaging the industry, driving up the price of pork.  But because Hollymead and our partners structured this with sound fundamentals we were not only able to weather the storm – which went on for over six months – but also position the company for strong growth both in terms of sales and margin.  Today Uncle Charley’s is a very successful regional brand and sells its products all across the Mid-Atlantic and Midwest.  We also undertook initiatives to focus on quality and ultimately positioned the Company to be able to offer sustainable pork products that – due to size and supply sources – much larger competitors could not even touch.