

BUYOUTS

HGGC chalks up \$725 mln Jabil Circuit unit deal as largest-ever add-on

December 19, 2013 By [Steve Gelsi](#)

- Largest add-on in HGGC history
- Jabil Aftermarket Services to be combined with iQor Holdings
- iQor to have \$1.5 Bln in revenue after deal closes

HGGC's \$725 million deal to buy the warranty repair unit of contract electronics manufacturer Jabil Circuit Inc ranks as the firm's largest add-on deal in its history as it builds up its iQor Holdings Inc platform to about \$1.5 billion in revenue after the transaction closes.

The deal for Jabil's Aftermarket Services unit marks the fourth transaction to build up iQor, an outsourcing specialist, since HGGC took a majority stake in the company in 2010 under its former name, Huntsman Gay Global Capital. It was one of the first deals led for the firm by **Gary Crittenden** after he joined in 2009 after working as Citigroup's chief financial officer.

With the addition of Jabil Aftermarket Services business unit plus its growth since HGGC's initial investment, iQor Holdings will have increased revenue by 4.3x. It will have more than 31,000 employees when the deal closes, expected early in 2014.

The two companies offer a natural fit since the Jabil unit handles replacement and repair of consumer products, while iQor focuses on customer service. They also have some of the same clients.

HGGC had already hired the ex-CEO of Jabil Aftermarket Services, **Hartmut Liebel**, to run iQor, about five months ago.

"We heard it was up for sale ... and we thought of ourselves as the logical buyer," Crittenden told *Buyouts*. "We had a vision for the business and at the end of the day

we ended up being the partner they selected.”

Additional investors in the deal included **The Rohatyn Group** and **Starr Investment Holdings**.

HGGC tapped into its 2008 debut fund, Huntsman Gay Capital Partners Fund GP LP, for the Jabil Aftermarket Services carve-out deal. The firm is now targeting about \$1 billion for its second buyout fund.

Jabil hired JPMorgan as a financial adviser for the deal.

HGGC's largest platform deal was Sunquest Information Systems, which it sold to Roper Industries in 2012 for \$1.42 billion, including cash tax benefits.

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