

Precision, Inc. Part 1: Transcript

I'm Roger Brown, the President & CEO of Precision, Inc.

We're a little bit more than 40 years old. We've grown a lot over time, but recently what we've done is we've always been working with pulleys and idlers on what we would call the bulk material industry. What that means is that we're in rock quarries, mines, sand and gravel pits, anything that's moving some type of rock or dirt, anything like that is where we really specialize. So, we do a lot of work in mines and things like that.

Recently, we decided to diversify the company. We acquired a company up in Algona, Iowa that makes stainless steel conveyor systems for the food industry.

So, totally different from what we're used to from bulk material handling into the food service industry.

After we acquired them, we also acquired a second company about two years ago down in San Antonio, Texas to basically add to the food division.

Probably one of our biggest issues has been the fast growth and keeping up with that. And the ability and agility of the bank to help us respond to it. A good example is this last year: We had 20% growth in sales this last year. The sales growth coupled with steel pricing that went up well over 50-75%, depending on the type of steel, coupled with 25% tariffs from China, our working capital went up almost \$20 million. And it went up extremely quickly.

Most of the increases were in the last six months of our fiscal year. We needed to increase our line of credit. Commerce responded very quickly and within a week we had a deal to increase the line of credit to keep up with the growth.

It takes every one of our people to make this company go. Everyone works together and pulls together. We saw that at Commerce as well. So, the culture of the people and how everybody is treated and respected and valued is very similar.