

INTERVALE CAPITAL

Intervale & Ulterra:

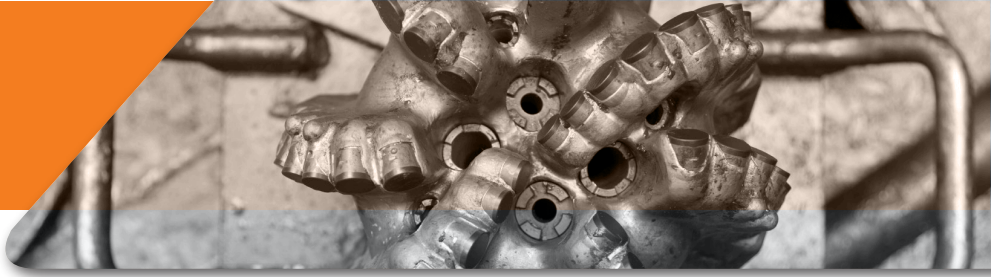
The world's fastest growing manufacturer of polycrystalline diamond compact drill bits



ULTERRA™

Case Study





Opportunity

During the course of Intervale's ownership, from 2007 to 2012, Ulterra Drilling Technologies, L.P., became the world's fastest growing manufacturer of polycrystalline diamond compact drill bits*. The company designs, manufactures and rents steel-body and matrix PDC drill bits used in oil and gas well construction, primarily in the U.S. and Canadian markets. Ulterra also develops proprietary stick-slip reduction tools to enhance drilling operations.

What We Did

Ulterra was founded in 1975 as a manufacturer of roller cone bits. The company was acquired by Intervale Capital's predecessor fund in 2005 and expanded significantly in December 2007, when Intervale sponsored Ulterra's [acquisition](#) of United Diamond, a Canadian manufacturer of steel-body PDC drill bits and downhole tools.

Outcome

Intervale oversaw significant operational improvements at Ulterra, which accelerated top-line growth and positioned the company as a dominant player in the PDC drill bit market. During Intervale's ownership, Ulterra's revenue growth substantially outpaced the overall growth in rig count and the global drill bit market. With Intervale's financial backing and strategic guidance, Ulterra management built a state-of-the-art drill bit manufacturing facility in Fort Worth, TX, opened six new oil-driven districts domestically, and expanded into key international markets in the Middle East and Latin America. Intervale also introduced top-notch management from its network, growing the overall workforce by 31% annually to 425 while improving operating margins.

[Intervale sold Ulterra to Esco Corporation](#) in August of 2012.

For more information on Intervale's Current and Past Investments [view their portfolio](#).

¹ Source: Spears & Associates, a leading industry analyst