

Industrial products and services

Guarda Group has buyer interest but is focused on boosting revenue - CEO

 **Proprietary Intelligence**

<p>Headline:</p>	<p>Guarda Group has buyer interest but is focused on boosting revenue - CEO  Proprietary Intelligence</p>
<p>Main body :</p>	<p>Guarda Group, a Perth-based Australian manufacturer of concrete-cutting hand saws, has had buyer interest, but is focused on ramping up revenue, particularly in the US, said Chief Executive Officer Craig Penty.</p> <p>The company, which is currently valued at around AUD 5m (USD 3.7m) on the basis of its IP and revenue forecasts, has had interest from large global manufacturers and envisages an exit to an industry player, Penty said.</p> <p>There is no set time frame as it will depend on revenue growth, with the company's conservative revenue forecast for 2021 being AUD 12.2m, he said.</p> <p>Potential buyers are particularly attracted to Guarda because its saws are manufactured with built-in extraction mechanisms that more effectively manage hazardous waste from the sawing process including silica dust, slurry and carbon monoxide emissions, Penty said.</p> <p>A number of global markets including the US, which is the largest market for Guarda's product, have developed regulations and are starting to implement strict criteria in terms of these emissions, he noted.</p> <p>While Guarda will consider opening an office in the US at some point, its current sales strategy is via distributors, Penty said. It has appointed a number of distributors and is actively seeking others, he said.</p> <p>Guarda is also in the early stages of exploring other growth options, such as using its IP in floor saws and is currently having early talks with large US manufacturers, Penty said. It will consider all types of partnerships including licensing deals or joint ventures and is happy to hear from advisors with potential partners, he said.</p> <p>It would also be interested in similar opportunities in China, where the company manufactures its saws, Penty said, adding that it has capacity to scale manufacturing as needed.</p> <p>From about 2020, Guarda will look at opportunities to enter Europe, particularly countries like the UK, Germany, France, Italy, and Spain where there is a focus on regulations around the use of concrete cutting equipment, Penty said.</p> <p>Penty is the largest shareholder in Guarda with around 29%, and the company's founder Steve Tepestra owning about 10%. The other founding shareholders and more recent private investors own the rest, the CEO said. It has raised some AUD 1.5m since 2012 and Queensland-based Funding Strategies is its corporate advisor, he added.</p>

There are numerous global manufacturers of concrete-cutting saws, but the main players in the space include Sweden's **Husqvarna**, Germany's **Stihl** and Liechtenstein-based **Hilti**, according to Penty. Guarda differentiates itself with its extraction mechanism to manage key hazards, which has been found to be more effective by recent independent testing, he said.

by Louise Weihart in Sydney

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Target: Guarda Group Holdings

Financial advisor: Funding Strategies

Other: Hilti Corporation, Husqvarna AB, STIHL Holding AG & Co. KG

Source : Proprietary Intelligence

Size :

Value : 4m USD (Company valuation)

Stake Value : N/A

Grade : Confirmed

Alert : Australian M&A Intelligence

Intelligence ID : 2636206



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