

Pittsburgh 100: Manufacturing/Transportation

Acquisitions round out Liberty Tire Recycling's revenue opportunities

by Tracy Carbasho

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Jeff Kendall is CEO of Liberty Tire Recycling, which has grown by making acquisitions, enabling it to expand market share and increase revenue.

Being able to identify acquisition opportunities that complement its own business strategy helped Liberty Tire Recycling more than double its annual revenue between 2008 and 2010.

“Liberty grows through a significant number of acquisitions and is able to successfully integrate these deals into its existing business, which is critical to sustaining the company’s continued growth,” said **Ian Mearns**, vice president in middle market banking at **Comerica Bank** in Detroit. “We have helped them finance transactions all over the United States and Canada.”

Liberty has completed as many as 40 acquisitions in the past decade, enabling the company to expand its market share and increase its revenue. Three years ago, annual revenue was at \$101.5 million, a number that climbed to \$244.3 million in 2010.

“In 2010, Liberty turned to the bond market to recapitalize our balance sheet by issuing \$200 million in bonds. This enabled us to continue to execute our acquisition strategy,” said CEO **Jeff Kendall**.

Kendall said the company prefers to purchase operations similar to its own business in markets where it does not already have a presence, as well as those that enhance Liberty’s work in existing markets. The company does not release specific details of its acquisitions, but acknowledges that buying other businesses has been a cornerstone of its growth and will continue to be essential to its ongoing expansion.

Founded in 2000, Liberty recycles more than 110 million tires annually and reclaims approximately 1.5 billion pounds of rubber for innovative, environmentally friendly products. For example, the recycled rubber produced by Liberty is used as mulch for landscaping and playgrounds, and as fuel for industrial kilns, steel mills and power plants.

“Liberty is identifying ways to better use recycled rubber by providing the raw materials for smart, sustainable products,” Kendall said. “For instance, we are working closely with departments of transportation and municipalities across the nation to share with them the features and benefits of rubberized asphalt.”

The company is promoting the use of its rubber mulch, which Kendall said offers a growing value proposition to schools, churches and municipalities that are facing constrained budgets and want to avoid replenishing wood mulch every year. In addition, the crumb rubber produced by Liberty is being used for stadium turf and artificial athletic playing fields because the dust-free granules provide maximum traction, drainage and shock absorption.

Continuing to produce new products, finding ways to recycle more rubber and acquiring additional companies are Liberty’s top three goals going into 2012. A major move slated

to occur later this year is the relocation of the company's headquarters from its Downtown location in the EQT Plaza to the Seagate Building in the Strip District.

"We are creating the physical infrastructure to accommodate our growth by moving from our existing 11,000-square-foot headquarters to our new office, where we will occupy approximately 40,000 square feet," Kendall said. "Our continued expansion has also required an investment in our people."

Between 2008 and 2010, the number of employees at the company increased from 563 to 1,467. It has appointed a chief operating officer, a new vice president of sales and marketing, and a director of quality and continuous improvement.

"High-quality, driven individuals are the lifeblood of any company's success," Kendall said. "We constantly challenge our people to think beyond the next quarter and to think about how a strategy or direction will impact the company in the next five or 10 years."

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