



THE ASSETS OF CIRCLEIT WERE ACQUIRED BY SPROUT

Our Client:

HiTech Assets, LLC which operated as CircleIT, was founded in 2002 as a digital IT Asset Disposition (“ITAD”) provider with a core competency in secure data destruction. More recently, the Company transformed to an Environmental, Social and Governance (“ESG”) solutions provider using ITAD to generate environmental and social impact.

The Company’s mission was to create a circular environment for aging technology equipment by extending the useful lives, reusing and/or repurposing aging technology equipment. The result was reducing e-waste from landfills while maintaining their best-in-class secure data destruction competency.

The Transaction:

In October 2023, the assets of CircleIT were acquired by Smart Metals Recycling which operates as Sprout.

Sprout is a global provider of IT asset retirement solutions and a leader in the circulate economy supply chain. Headquartered in Charlotte, Sprout operates processing facilities in Charlotte, Boston, Dallas and Sacramento as well as manages global partner relationships throughout the world. This strategic acquisition by Sprout not only further positions the business at the forefront of the ITAD industry, but also demonstrates their dedication and unwavering commitment to enhancing their ESG practices and priorities.

Sprout is backed by New Capital Partners (“NCP”) which is a private equity group out of Birmingham, Alabama. NCP is a thesis-driven firm of entrepreneurs and operators focused on technology and service businesses across healthcare, financial and business services sectors.

How Pursant Helped:

Pursant’s role with CircleIT spanned several years with various roles and responsibilities that demonstrated our depth and breadth of capabilities.

Our role with CircleIT began in 2019. The Company had recently appointed a new CEO who was tasked with redesigning the business strategy, rebuilding the operating processes, addressing liquidity challenges and professionalizing the organization. Given all the complexities involved, our original mandate was to augment and support the existing CFO. That quickly shifted to assuming the CFO role and operating as a partner to the CEO as he executed his initiatives. Some of the key tactical aspects that we supported included relocating the headquarters from Baltimore to the processing facility in Oklahoma City, top grading talent, updating client contractual language, re-establishing relationships with key vendors and lenders and enhancing the financial, accounting, reporting and treasury management processes and practices.

As part of our role, we were responsible for identifying and onboarding the permanent financial leadership at the Oklahoma City facility. By the fall of 2020, we had successfully onboarded and transitioned all day-to-day responsibilities to the new financial leader at which point our role shifted from having day-to-day responsibilities to serving as a professional coach and mentor primarily to the new financial leader, but also to other senior leaders in the organization including the CEO. We continued in this capacity through mid 2021.

About Pursant:

Pursant is an investment banking, financial and management consulting firm that supports and executes middle market M&A related initiatives and helps business owners grow enterprise value.

We use a deep immersion process, our expansive networks and experience as owner/operators, dealmakers and financial professionals to effectively deliver on these critical initiatives for which most companies do not have the time, manpower or expertise.

In the Summer of 2023, we were invited to join the Company’s Board of Directors as an independent board member with an active, high touch focus on supporting and providing oversight to the management team as the Company pursued its sales initiative. This included managing the go-to-market process, helping with the development of the datasite, leading correspondence with interested parties, negotiating offers, supporting the post LOI diligence and push to close.

Accolades:

Seller Remarks

Eric Becker, CircleIT Board of Directors

“I first met Scott 15 years ago when he joined Sterling Partners which is a private equity firm I co-founded in the 1980’s. When Scott moved on from Sterling, we remained connected and when CircleIT was experiencing some challenges and going through a transformation, I immediately thought of Scott.

Scott stepped into a very dynamic situation and rose to the challenge. In his initial tour with the Company, Scott operated as the CFO and his leadership, business acumen and financial skillsets made an immediate and very positive impact. Eventually Scott orchestrated a seamless transition to a permanent financial leader and stepped away from the business. A couple years later when we wanted to bring on an independent Board Member, Scott was an obvious choice and provided excellent counsel and leadership.”

Will Cohen, CircleIT President

“Scott joined CircleIT in connection with my promotion to President. I was tasked with transforming the business and needed a strong financial leader to run the Finance and Accounting team. Scott was brought into the organization by Eric and I had not previously worked with or even met Scott, but it turns out he was the perfect partner. Not only did he strengthen the finance/accounting function, he was a trusted advisor and mentor providing valuable leadership, guidance and support to me as well as the entire organization. I look forward to the opportunity to work together with Scott again and appreciate the friendship that evolved through out time together at CircleIT.”

Pursant’s Remarks

Scott Glickson, Managing Director

“We covered a lot of ground over a several year period with CircleIT. The role started as interim CFO role which transitioned to being a coach and mentor before evolving to a Board level position. While it was challenging and we had to overcome many obstacles along the way, working with Eric, Will and the entire CircleIT team was enjoyable and a great experience.

The deal with Sprout was the right outcome for the business. We look forward to seeing Sprout carry forward the work CircleIT started and taking it to the next level.”