

NEW MARKETS CASE STUDY



COMPANY

ASPEQ Holdings, Inc. is the parent company of INDEECO. Established in 1929, INDEECO designs and manufactures a complete line of heating equipment, including space heaters, industrial component heaters and electronic controls for commercial, industrial and marine markets located domestically and internationally. INDEECO maintains control over each step of the manufacturing process, crafting heating elements, fabricating sheet metal and building electronic controls.

INVESTMENT

Since 2008, ASPEQ Holdings has received \$14 million in financing raised in connection with the federal and Missouri New Markets programs. Both programs are designed to stimulate economic growth in communities that historically have been underserved by traditional sources of capital. The current owners of INDEECO were looking for a superior financing structure that would enable them to buy the company from second generation owners, and they needed access to flexible capital that would both facilitate the transition and foster new expansion.

IMPACT

The New Markets funding enabled INDEECO to sustain and transform the business through the recent recession. Since the initial investment was made in 2008, it has retained 66 employees at its Cuba location and created 106 jobs company-wide, for a current total of 315 employees. INDEECO reported its best earnings in the quarter following the investment, and the business continues to grow dramatically. INDEECO has purchased two additional businesses and consolidated some of the operations in northeastern Missouri, bringing jobs and an economic boost to the rural town of Monroe City. The company has attracted \$34 million in follow-on capital since the New Markets investment.

Missouri New Markets Tax Credit Program

Enacted in 2007, the Missouri New Markets Tax Credit program encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Missouri's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

Description
Heater Component
Manufacturer

Location
Cuba, MO

New Markets Investment
\$14 million

Follow-on Capital Attracted
\$34 million

Economic Impact
Jobs Created and Retained
315 Company-wide

Community Statistics
Unemployment Rate
6.9%
Poverty Rate
17.9%

