



## ADAMS ARMS CASE STUDY

**Investment Date:** July 2012, May 2016  
**Structure:** Preferred Series A/B

### About Adams Arms

Adams Arms, Inc. (“Adams” or the “Company”), based in Odessa, Fla., manufactures proprietary firearm products based on the Company’s patented gas piston impingement system for AR-15 style. The Company’s revolutionary inverted gas piston system provides significant enhancements in terms of a rifle’s reliability, accuracy, maintenance, and longevity. Adams’ product portfolio includes completed rifles, barrels, receivers, full uppers, retrofit kits, and accessories for multiple calibers of rifles, as well as aftermarket slides and barrels for the Glock family of pistols. The Company sells its products via its website, as well as via distributors, dealers, and OEM partners. For more information, visit [www.adamsarms.net](http://www.adamsarms.net).

### Investment Background

Littlebanc was introduced to Adams through a mutual professional connection in 2011. At the time Adams had grown revenue at a 105% CAGR from 2008 to 2011 and had recently achieved profitability for the first time. However, the company was in need of external financing in order to fully integrate the manufacturing process while eliminating the inconsistency of its supply chain. Adams sought a long-term partner who understood the core business values and unique challenges of smaller companies.

Attracted to Adams’ industry-leading product set, Littlebanc sought to offer both capital investment and strategic guidance to help the Company navigate the growing pains commonly found in the stage of its current business. Littlebanc found the opportunity attractive due to the strong management team already in place, the growing order backlog and product development pipeline, and a structure that ultimately limited the risk to an investor. Littlebanc made an investment in Series A Preferred Equity with the belief that Adams’ offering of superior quality and leading innovation would enable it to capture a greater share of the growing market and eventually realize a successful exit for investors.

In 2016 the market for firearms expanded rapidly due to the political cycle and Adams found themselves in need of additional equity to support their working capital needs. Littlebanc was pleased with the company’s progress since their initial investment; Adams has expanded both their supply chain and product portfolio in an effort to escape the cyclicity normally found in the “black gun” market, has brought many of the key production processes in house, and has generated significant opportunities in the military and law enforcement markets. In April Littlebanc committed additional capital in the form of Series B Preferred Equity, with the belief in management’s ability to execute their current strategy and significant grow equity value for investors.