

The History of Panametrics and the Start of many Acquisitions in NDT

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Abstract: I was fortunate to start my career at Panametrics as at a young age. I lived first-hand the great experience of working for a ?mom and pop? grass roots engineering firm that has now changed hands many times. This talk will walk you through what it was like to be acquired by General Electric (One of the Most Admired companies at that time). First hand encounters and an inside look at the dynamics of this first and major acquisition in the NDT marketplace.

Keywords: acquisition, Panametrics, General Electric, NDT marketplace, career experience

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Dan Carnevale

President

Danatronics

Founded by 3 scientist with \$300 each

- ▶ Former Avco engineers and PhD's
- ▶ Initial government contracts
- ▶ Headquarters: Waltham watch factory
- ▶ Created 3 divisions, NDT, PCI and Space Science
- ▶ Owners of more than 40 patents
- ▶ Inventors of first ever portable digital flaw detector EPOCH 2002-1985
- ▶ CRT's bought from Lechmere, 16 pcb's



Engin Sunday Circle June 16, 1968



MEET BY TROIKA—From left, Charles Ziegler, David Chock and Dr. Edmund H. Carver, Panametrics founders.



PANAMETRICS—Charles Ziegler engaged with steam corrosion project.

'Tools that measure'

Panametrics: a \$900 stake

By DONALD WHITE

The temperature in a military reactor, the salinity in a reservoir, the vapors emitted in coal. "Our business is the tools that measure," Dr. Edmund H. Carver says.

Dr. Carver is president for the past year of Panametrics Inc., one of dozens of rising companies that are flourishing in the Pacific's Bay Area. It is the Bay Area's growth industry.

But Panametrics is different from most in that it is run by scientists, or technologists. The three founders, four doctoral degrees, with the president's job, each getting in a pair.

According to Carver, he and the other two, Ziegler and Chock, and Charles Ziegler, haven't had an argument in the seven years since they founded the company with \$100 apiece.

Carver was a senior scientist with Aerojet, and Chock and Ziegler were in nuclear energy with Transatomic. They have built and acquired \$100,000, made a lot of money.

The money began at Panametrics. The three founders were each looking for a job. They were all alone with the team. "The new one is important."

For the last six years, Panametrics has been a generalist company, and now it's a specialist. It's a company that has a lot of money, but it's a company that has a lot of money.

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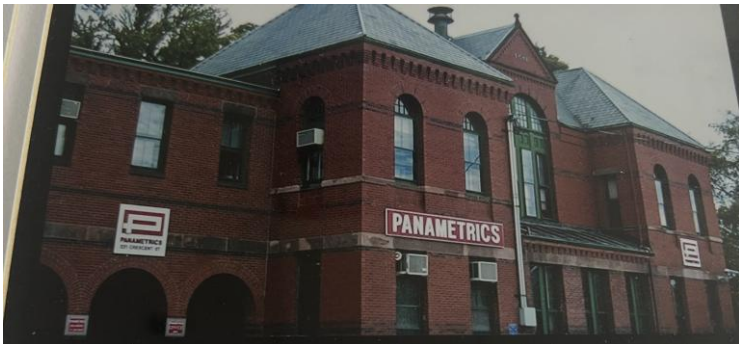
CLOSER LOOK—Panametrics man with eyes on the job in a close look.



- ▶ I was born into NDT, Dec 7, 1960, Panametrics founded Dec 19th, 1960!
- ▶ My only career in NDT, 42 years and counting!

Many Potential buyers

- ▶ Roper
- ▶ Emerson
- ▶ Westinghouse
- ▶ Phillips
- ▶ GE



GE acquisition of Panametrics 2002

- ▶ Several Divisions of GE wanted to buy Panametrics
- ▶ “Project ECHO” GE Power systems
- ▶ “Project Paragon” GE Aviation
- ▶ GE Industrial also tried to get involved
- ▶ Each Division of GE did not know they were looking to buy the same company

GE Power acquires Panametrics

- ▶ At time of sale Panametrics revenue roughly \$150M
- ▶ Sold for \$200M
- ▶ 2 Main owners and 8 management counsel members
- ▶ 1250 world wide employees
- ▶ 14 sister companies

First generations of digital flaw detectors from Panametrics



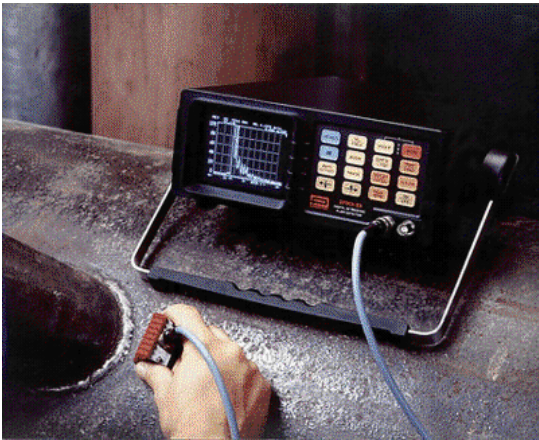
Epoch 2002



Epoch 3/3B



Epoch 4



Epoch 2

My role in the acquisition

- ▶ 20 years with the company
- ▶ VP of Sales and Marketing at time of sale
- ▶ Youngest member of the management council
- ▶ One of 3 presenters to pitch to GE at time of sale
- ▶ BOD Everest VIT (2000-2002)
- ▶ Co-owner Hoizons Edge Casino Cruises (2002-2003)
- ▶ Promoted to Global Sales leader-GE Panametrics



“My 10 Months with the General” and a little sense of humor!

- ▶ My Rhythm call, 10 am to 10 pm every Wednesday
- ▶ Constant travel
- ▶ \$600 invoice from Japan
- ▶ Expense reports and \$1.5 bottle of water leads to Credit card shut off in Europe
- ▶ “Why do you have teeth”?
- ▶ Whose phone is that? Burning furniture/faulty back up sensors
- ▶ Viagra
- ▶ Growth
- ▶ Waltham trust

The Integration of Panametrics with GE

- ▶ Who should we buy next?...”Project Celine”, “Project Sherpa” and “Project Apple”
- ▶ BOD of Everest VIT-”Project Sherpa”
- ▶ Sunday morning call with GE leaders on Market size, FTC and anti trust
- ▶ “Don’t tell me Apple means Agfa?”

GE and the FTC

- ▶ About to buy RD Tech, “Project Celine”
- ▶ “Project Sherpa”
- ▶ GE aircraft buys Agfa, “Project Apple”
- ▶ NDT division must be sold off
- ▶ I asked if a group I could put together a group to buy the NDT div,-
“NO”
- ▶ Suggested to Everest to buy NDT division doing \$38M
- ▶ Eventually sold to RD Tech for only \$23M
- ▶ Closed many roof top
- ▶ Resigned as Global Sales Leader
- ▶ “What are you doing home”?
- ▶ Danametrix/Danatronix founded April, 2004
- ▶ “You don’t own the alphabet”



My salary is \$500k per hour

- ▶ Sunday morning 15 minute phone call with BOD regarding the broker who sold Panametrics to GE
- ▶ Everest sells to GE Aerospace for \$170M
- ▶ NYC steak dinner and an envelope containing \$120,000
- ▶ The start of all the consolidation in the NDT industry

Onset of acquisitions in NDT

- ▶ GE buys Panametrics 2002
- ▶ GE buys Agfa (Krautkramer) 2004
- ▶ RD tech buys Panametrics NDT from GE 2004
- ▶ Olympus buys RD TECH 2005
- ▶ Olympus spins off NDT to be named Evident 2023
- ▶ Bain Capitol buys Evident 2023
- ▶ Wabtec buys Evident 2025
- ▶ Eddyfi buys NDT Global, Silverwing, Zetec and Sensor Networks...2020-2023

All in the Family



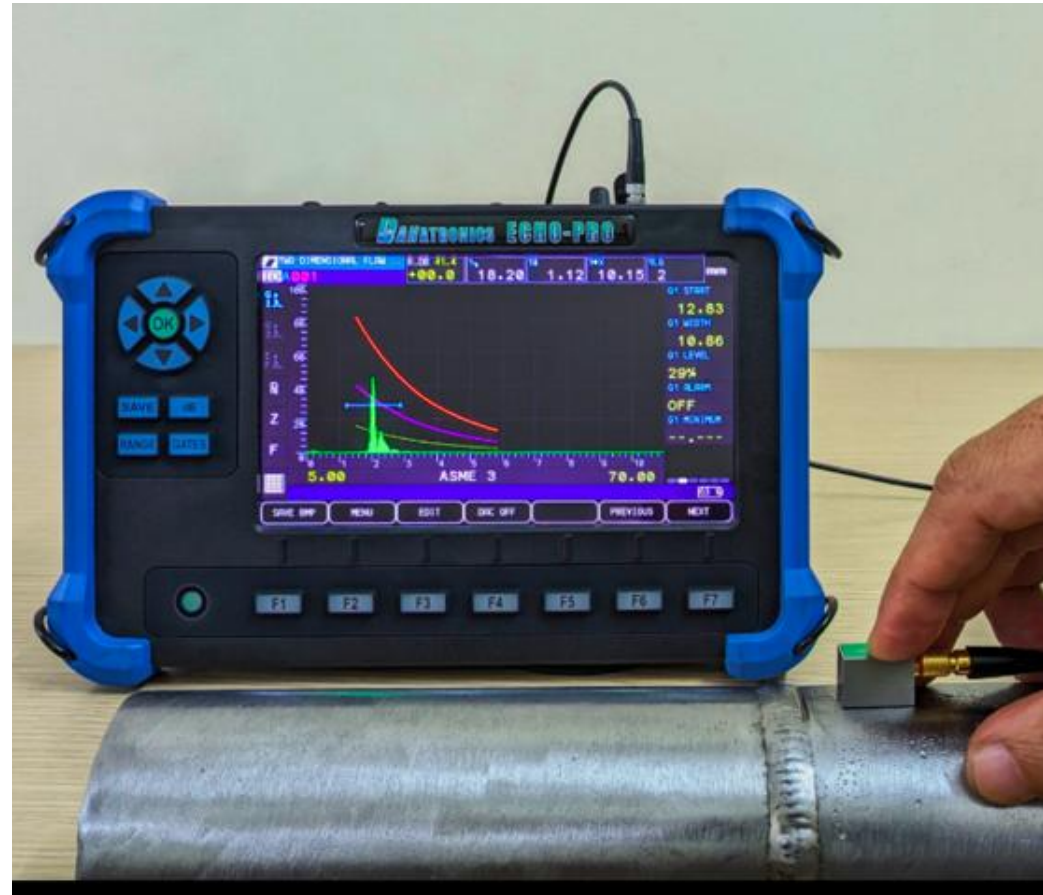
Our daughters Kate and Courtney
Circa 1996



Like Father, Like Son!



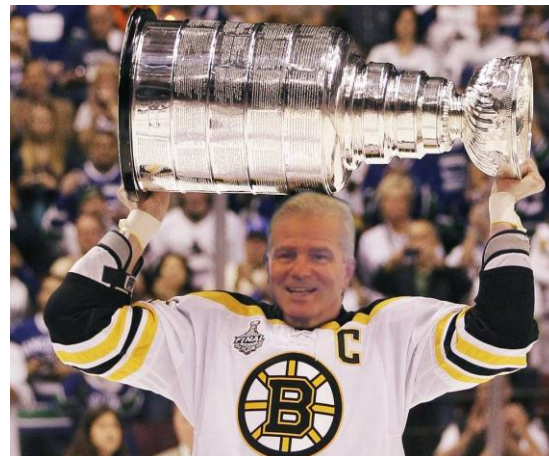
Panametrics
Epoch 2002, 1984



Danatronics
Echo Pro 2024

Be Memorable!

- ▶ Do you know how they named Canada?
- ▶ I used to play hockey
- ▶ I like to play golf



Questions

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