



**Private Equity Client 1:
New York-Based Private Equity Group**

Founded in 1998, this private investment firm with over \$300 million in their current (third) fund is focused on making equity investments in America's smaller middle-market companies. They seek to generate long-term capital appreciation through a value oriented investment strategy. Their ultimate goal is to create value – for customers, employees, suppliers, lenders and shareholders. Their objective is to help management move their companies to a better, more profitable position.

General Criteria:

Revenues: \$40 - 200mm

Historical EBITDA Range: \$8 - 30mm

Margins: 13% + EBITDA margins

Geography: Nationwide

Structure:

- Control positions, always partner with management
- Utilize senior debt only (no mezzanine or sub-debt), in addition to their equity investment which is usually 30% to 60% of the capital structure initially

Target Industries:

Stable demand industries that possess:

- Strong defensible market positions
- High operating margins
- Strong operating management
- Multiple growth opportunities

Past and Current Portfolio Companies Include: Airport-based cargo logistics services; Financial advisor/asset manager to state and local governments; dining and entertainment cruises; independent specialty retailer catering to resorts and casinos; folded carton packaging manufacturer; shelf stable bakery products for the military, eyewear and eye care accessory products; premium Asian appetizers and entrees; promotional products/home-based solution network. Security Alarm Systems installer and aggregator of RMR monitoring contracts.



**Private Equity Client 2:
New York-Based Private Equity Group**

This private equity firm is an operationally focused control investor, dedicated to constructive investing and business improvement in middle market businesses across North America. They currently have over \$500 million to invest in fundamentally sound businesses that face operational, financial or business challenges.

General Criteria:

Revenues: \$100 - 600mm

Equity Investments: \$25 - 100mm (\$150mm with co-invest partners)

Enterprise Value: up to \$350mm

Geography: Nationwide

Transaction Type:

- Divestitures, family businesses, restructurings
- Performers, underperformers and turnarounds

Target Industries:

- Manufacturing
- Distribution
- Consumer products

Including aerospace and defense, automotive, building products, consumer products, food and beverage, foundry and casting, housewares, HVAC, machinery and equipment, metal processing, paper and packaging, specialty materials and chemicals, value-added distribution

Past and Current Portfolio Companies Include: Building products distribution for both residential and commercial clients; Denim designer and manufacturer, Radar detectors, two-way radio, CB radio manufacturer, Custom-engineered metal fastener manufacturer, Aluminum foundry (chassis and suspension components), Glassware, flatware, tableware manufacturer and distributor, powertrain components manufacturer, Branded performance automotive manufacturer, Industrial cooling components manufacturer, Aftermarket consumables for printers and copiers.



**Private Equity Client 3:
Mid-Atlantic Based Family Office**

Private Capital Research LLC is currently retained by a private investment management company/family office that is seeking to acquire branded product manufacturing companies that are US based. The Company currently has platforms in two business segments: dental equipment and supplies; and outdoor power equipment for lawn and gardening.

General Criteria: Branded Products that are domestically manufactured.

Revenues: \$15 to \$250 million

Gross Margins: 30% or greater

Historical EBITDA Range: \$3mm to \$25mm

Geography: Anywhere in the USA

Management & Staff: Prefer that management stay but not necessary

Transaction Type: 100% buyout preferred, Preference for Corporate Divestitures

Target Industry Niche Focus: Branded product manufacturers that are focused on targeted industry niches. Any industry, business-to-business or business-to-consumer.

Target Descriptions: Wide range of industry interests, but the products must be branded and have brand equity. Iconic brands that are out of favor but have inherent staying power. Groups of various brands that are related in their industry, that have multiple distribution channels (direct, one-step, two-step, etc) are preferred.

Past and Current Portfolio Companies Include: *Lawn and Garden Equipment manufacturing platform with 7 leading brands in niches including edgers, hedge trimmers, blowers, composters, dethatchers, commercial mowers, sod cutters, leaf and debris vacuums, tillers, tractors, turf aerators, turf seeders, truck loaders, etc. Dental Equipment Manufacturing platform with multiple leading brands in niches including high-speed handpieces, fiber optics, chairs, stools, lights, vacuum/blower systems, dust collectors, water pumps, compressors, workstations, modular systems, etc.*



Private Equity Client 4:
West-Coast based Private Equity Sponsor
with a total of \$900mm under management, investing Fund III (\$300mm).

With history dating back to the 1980s, this private equity sponsor is dominated by operators who have successfully grown small companies into mid-size market leaders. To date they have partnered with more than 30 privately held businesses to help them achieve their objectives, which have included facilitating leadership succession, developing strategic plans, diversifying family wealth and creating shareholder liquidity, creating potential tax advantages from financial structure, and accelerating internal and external company growth.

General Criteria:

Historical EBITDA Range: \$3 – 20mm

Transaction Type: Recapitalizations, Acquisitions, Minority Transactions/growth capital; Management-led industry consolidations/roll ups.

Gross Margins: Greater than 40%

Likes: Recurring revenue; mission-critical components; industrial consumables; Strong management team.

Dislikes: Customer concentration >30%; Gross Margins below 40%; inconsistent past performance; disparities between Ebitda and true Cash Flow.

Geography: North America (US and Canada)

Target Industries:

- Continuing Education (private pay)
- Industrial Technology
- Industrial Services (Car Towing, Street Sweeping, Larger/Route-based businesses)
- Consumer Products and Services
- Franchisors
- Specialty Manufacturing
- Healthcare Services (the “consumerization” of healthcare)
- Business Services

Past and Current Portfolio Companies Include: Test & Measurement equipment manufacturer and marketer; Branded Consumer juice drink manufacturer; Healthcare revenue cycle management firm; Maker of breath alcohol monitoring devices; Franchisee of fitness centers; Custom leather auto interiors; Maker of commercial grade purified water coolers; Corporate Sales Training and Performance Improvement service provider, Specialty Advertising (legal marketing services).



**Private Equity Client 5:
New England Based Private Equity Group**

Private Capital Research LLC is currently retained by a successful, niche private equity firm that adheres to a disciplined investment approach focused on making investments in small, profitable, *domestic precision manufacturing companies*. The team has a long history of seeking out niche manufacturing businesses and collaborating with family owners and management teams to maximize revenue growth potential and enhance competitive advantages to realize operating margin improvements and value creation.

General Criteria: Domestic niche precision manufacturing companies.
Revenues: \$25mm or more, but have considered smaller revenue levels coupled with high profitability.
Gross Margins: 20% or greater
EBITDA: \$3mm to \$15mm historical performance.
Equity Check: \$35mm max initially
Geography: East of the Rockies: Northeast, Southeast and Midwest preferred
Management & Staff: Require management to co-invest a meaningful amount
Transaction Type: Buyouts, Majority Recaps

Target Industry Niche Focus: Capital Equipment, aerospace/defense/security, medical products, building products, material solution providers, robotics and industrial components. No contract manufacturing or low-tech commodity-type products.
Target Descriptions: Actively looking for companies or divisions of larger corporations that manufacture unique or highly engineered precision products to either a niche market or a diverse customer base. Works well with private, family owned businesses as well as corporate divestitures. Collaborates with existing management to enhance company performance.

Past and Current Portfolio Companies Include: A provider of high quality water purification and heat transfer solutions to the military, pharmaceutical, energy and bottled water industries; a supplier of advanced ring rolling, open die forging, machining, heat treating, and testing for products formed into seamless rolled rings, discs, bushings, blocks, and gear blanks for customers operating in highly demanding environments; a developer, manufacturer and distributor of printing, imaging and marking consumable supplies; a designer and manufacturer of assembly tooling systems for the aerospace and defense tooling industry; and a producer of mineral wool insulation products for commercial and industrial applications.



**Private Equity Client 6:
Mid-Atlantic Based Privately Held Equity Investment Firm**

This privately held investment firm makes control-position investments in smaller (EBITDA \$1 to \$6mm) high-growth-oriented business services and light/niche manufacturing companies. They are likely to fund the transaction with 100% equity. They seek opportunities where growth can be accelerated through strategic acquisitions, partnering with experienced owner-operators. They are affiliated with (and solely sponsored by) a larger privately held investment company/family with over \$1.5 billion in net assets, and therefore are not obligated to view their investments with a pre-determined time-frame for exit.

General Criteria:

Revenues: Less than \$50mm

Investment Size: \$5 - 20mm

Historical EBITDA Range: \$1mm - 6mm (15%+ margins)

Transaction Type: Control Investments

Geography: United States

Target Industries:

Companies that provide **Continuing Professional Education** services for specific niche professions. Includes continuing education/certification, general education to professionals, or preparation for certification tests. Preferred target sectors would be:

- Accounting/tax sector
- Continuing legal education (CLE)
- Insurance continuing education
- Financial/Estate planning continuing education
- Securities continuing education (Series 7, etc.)

Also, strong interest and expertise in Business Services, specifically, **Electronics Repair & Logistics** (device refurbishment and remanufacturing; reverse logistics), Assessment, Certification & Testing (computer-based testing and test development)

Also, Big-data management and aggregation companies.

Current and Past Portfolio Companies Include: Big-data management and aggregation company; Repair, remanufacturing and logistics for mobile electronic products; computerized occupational and professional licensure and certification testing; manufacturer (and related IP) of natural prebiotic compound used in dietary supplement, food & beverage, personal care and animal health markets.



**Private Equity Client 7:
Mid-Atlantic-Based Private Equity Group**

Founded 1999, this Private Equity Group provides capital and trusted counsel in partnership with proven managers to drive the growth of promising companies into outstanding enterprises. They will acquire a majority interest in partnership with proven managers, and are also comfortable supporting managers as a non-control investor, providing flexible investment structures designed to uniquely meet the needs of both the company and its owners.

General Criteria:

Revenues: \$15 - 75mm

Investment Size: \$4 - 15mm

Transaction Type: Buyouts, recapitalizations, non-control growth equity investments

Must Be Equity Partner with Management Team

Geography: Mid-Atlantic and Eastern US; will consider Midwest and Southeastern US

Target Industries:

Seeking growing, well-managed companies which need counsel and support as they grow into market leaders. Always strong partner with existing/recapping management. Opportunistic as to industry. Interested in opportunities with complications or unique attributes that may repel other potential buyers. Business and consumer services and products tend to fit well.

Current and Past Portfolio Companies Include: BPO company focused on management of military household relocations; A floor coverings provider to government and commercial clients; Special event digital photography services; point-of-sale products and lifecycle support services for retailer store automation; fragrance, bath and body products; portable x-ray and mobile diagnostic health services; private cable operator and broadband solutions provider; janitorial and maintenance services provider; regional railroad system; designer, seller and distributor of active wear; regional provider of home infusion and respiratory therapy services; toxicology laboratory.



**Private Equity Client 8:
Mid-Western Based Holding Company**

Private Capital Research LLC is currently retained by a private investment holding company/family office that is seeking to acquire product-centric business-to-business manufacturing companies that are US based. The Company currently has four platforms in the following manufacturing segments: acid gas and mercury test and measurement, calcium and lime products, exhaust decouplers and granulated/blended vitamin and mineral supplements.

General Criteria: Business-to-business products that are domestically manufactured

Enterprise value: \$20 to \$200 million

EBITDA Margins: 15% +

Historical EBITDA Range: \$5 to \$20 million

Geography: Anywhere in the USA

Management & Staff: Prefer that Management stay or provide continuity

Transaction Type: 100% buyout preferred. Cash Buyer with no financing contingencies; speed to close is a differentiator.

Target Industry Niche Focus: Industrial Manufacturing, Energy, Food Ingredients, Vitamins/Minerals/Supplements (VMS), Environmental, Water, Materials/Mining and Medical Manufacturing.

Target Descriptions: Wide range of industry interests with long term, identified growth prospects and scalability preferred. Seek to provide both operational and long term capital support for their platforms. Pursue bolt-on acquisitions for platform investments.

Current Portfolio Companies Include: *Acid Gas and Mercury Test and Measurement platform* that provides emissions measurement and mitigation technologies to the utility and industrial boiler markets, in addition to other emissions controls, fuel flexibility and mercury control technologies. *Calcium and Lime Products platform* that manufactures calcium products including hydrated lime, quicklime, ground calcium carbonate, and precipitated calcium carbonate. *Granulated, Blended and Tableted Vitamin and Minerals Supplements platform* that manufactures supplements for the nutritional and pharmaceutical industries. *Engineered Exhaust Decouplers platform* for the commercial on-road and off-road vehicle market.



Private Equity Client 9:

Mid-Atlantic-Based Private Equity Group

Founded in 1995, this private investment firm utilizes a buy and build strategy whereby they seek to deploy approximately \$10 to \$20 million initially in equity using conservative capital structures, and then double that investment in the platform over the life of their investment. Highly interested in entrepreneurially managed or family-owned targets and partnering with exceptional management teams. Averaging 2 to 3 add-on investments per platform, they are most interested in scalable platforms that offer the opportunity to grow through acquisitions of complementary companies in fragmented industries. ***They do not over-leverage their initial acquisitions, using about 50% of equity in the capital structure on new platforms.*** They require a control position (60% ownership initially to allow for some dilution).

General Criteria:

Revenues: \$20 - 100mm

EBITDA Range: \$5 - 15mm (no minimum or maximum for add-ons)

Margins: 10% or greater EBITDA margins; 30%+ Gross Margins

Geography: North America

Structure:

- Control positions, always partner with management
- Approx. 50% equity initially, and senior debt (no mezzanine or sub-debt).

Target Industries:

- Industrial Services
- Business Services
- Healthcare Information Technology
- Specialty Manufacturing

Past and Current Portfolio Companies Include: Outsourced publishing services for K-12 and higher education markets; Non-destructive testing and inspection services to midstream O&G, nuclear, civil and defense industries; specialty chemicals for insect control; commercial printing and fulfillment; architectural steel doors and frames; pressure sensitive tapes; third-party administrator of health/benefit plans; warranty repair services for cameras and camcorders; producer of mulch and soil.



Corporate Client – Strategic Buyer
Security Guard Services Company

Private Capital Research LLC is currently retained by the largest North American security guard services company to assist in the execution of a growth strategy based on acquiring a complementary, strategic business. The Company specializes in private security, temporary security, background security solutions, integrated security solutions, and patrol services and serves a range of industries across the U.S. including: Chemical/Petrochemical/Utilities, Residential Communities, Aerospace & Defense, Colleges & Universities, Financial Institutions, Commercial Real Estate Ports, Manufacturing & Industrial, Shopping Centers, Transportation, Healthcare Facilities, and Government Services.

General Criteria:

Revenues: Between \$10.0 MM and \$500.0 MM

Growth: GDP Growth or better

EBITDA: \$1 – 50MM historical- no distressed situations.

Customers: Diversified customer base

Geography: USA-based targets only

Management & Staff: Key management personnel will be retained for at least one year post acquisition.

Transaction Type:

All-cash transaction

100% ownership preferred with some flexibility.

Target Industry Niche Focus:

Primary NAICS Codes:

- 561612 Security Guards & Patrol Services
- 561330 Professional Employer Organizations
- 561621 Security Systems Services

Additional Target Descriptions:

- Remote Video Monitoring Capability
- Human Resources Fulfillment Companies (i.e. Professional Employer Organizations “PEO’s” and Recruitment Process Outsourcing “RPO” services
- Patrol Companies

Corporate Client – Strategic Buyer
Leader in Eligibility Determination Services and Outsourced Complex Program Administration

Private Capital Research LLC is currently retained by a leading Specialty Outsourcing Firm focused on Complex Program Administration and Management. Core competencies include Eligibility Determination and Customer Communications in the areas of Social Services, Healthcare, Technology, Financial Services, and Claims Processing. Company provides integrated solutions for government and corporate clients that include participant management and eligibility determination, funds distribution, business intelligence reporting, compliance review and enforcement, auditing and fraud/waste review. They also provide data management and hosting, call center and fulfillment (print and digital), and grant management services. They manage and maintain the integrity of complex programs.

General Criteria:

Revenues: \$15mm or more

EBITDA: \$2mm - \$10mm historical (but could be more or less depending on strategic fit)

Customers: Commercial or Government (Federal, State or Local all OK)

Geography: USA-based targets only

Management & Staff: Flexible as to whether management will stay or go, but typically will keep for at least one year post-transaction.

Transaction Type: All-cash transaction

100% ownership preferred with some flexibility.

Target Industry Niche Focus:

- Social Services: Administration of Federal and State Programs such as unemployment claims processing and verification, child support enforcement, social benefit programs.
- Healthcare: Staffing, Admin. of Healthcare exchanges, Medicare, Medicaid, any outsourced social program administration.
- Utility De-Regulation: Support Services
- Technology: Outsourced system design and integration, business intelligence reporting, cloud storage, project management, etc.
- Financial Services: Claim Processing, document management and storage.
- Foreclosed Mortgage processing, affordable housing administration programs.
- Professional Employer Organizations “PEO’s” and Recruitment Process Outsourcing “RPO” services