



Founded in 1994, based in San Francisco, CA and Portland, OR, Hanover Partners is a private equity firm dedicated to investing in, acquiring, and partnering with the management teams of small-to-medium sized companies across the U.S.A. With our over 20 years of sector focus, we acquire majority positions in niche, proprietary product and engineered equipment manufacturers. We are also active acquirers of select niche consumer product and business facing software companies.

INVESTMENT CRITERIA

Financial

- Enterprise value of \$10 million - \$60 million
Revenues of at least \$8 million; and, history of revenue growth and/or growth ready
Adjusted EBIT of \$1.5 million - \$8 million; Adjusted EBIT margins of at least 10%
High gross margins, indicating strong market position and differentiated products
Modest capital expenditure and working capital requirements, with over 20% ROIC
Scalable operating and R&D models; ideally, standard-products and/or modular systems



Industries of Interest

- Manufacturing of moderate-to-highly engineered proprietary products and technologies
Manufacturing of industrial equipment, capital equipment, and engineered systems
Sectors where intellectual property/proprietary processes create unique competitive advantages
Value-added assemblers (company controls own IP/brand but outsources most production)
Niche, branded consumer products
Niche software focused on business, commercial, and enterprise customers and end-markets
Industrial and commercial services providers



Deal Structure

- Control-oriented buyouts and recapitalizations of 65% - 100%; always flexible structuring to meet the unique goals of a specific seller
Management teams retain and/or earn meaningful and ongoing ownership via re-investment and/or incentive equity pools
Modest, prudent use of third-party leverage; moreover, we can often provide all of the junior capital (equity + mezzanine)
Typically, all-cash deals and closing within 60 days of a signed Letter of Intent

PORTFOLIO COMPANIES

Table with 4 columns: Company Name, Logo, Description, and Website. Rows include Freedom Communication Technologies, Consolidated Equipment Group, Pyramid Technologies, Wohler Technologies, Hamer, Audio Precision, Bri-Mar Manufacturing, Handi Quilter, Solidscape, and Rugby Manufacturing.



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