



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 nearly 25 years of sector focus, we invest in niche, proprietary product and engineered equipment manufacturers.

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
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
Select 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 (typically, all-cash deals and closing within 60 days of a signed LOI)
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)



PORTFOLIO COMPANIES

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