



Hanover Forms Ag Equipment Platform

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Hanover Partners has acquired **Westside Equipment Company**, a designer and manufacturer of tomato harvesting and pistachio harvesting equipment. **Greyrock Capital Group** was a co-investor in this transaction alongside Hanover.

Westside Equipment is headquartered in Madera, CA in the heart of California's central valley – home of 95% of the United States' domestic processed tomato production. The company has three additional branch offices in California and a company-owned distribution facility in Chile.



According to Hanover, Westside is the market leader in tomato harvesters for processed tomato applications, with multiple models sold under the **Commander**, **Johnson**, and **STAR** brands. The company's customers include many of the world's major tomato and pistachio processors and farms located near the company's headquarters and its products are also sold internationally in Brazil, Peru, Spain, Israel, Australia, and China. In addition to its tomato and pistachio harvesting equipment, the company also provides related aftermarket parts.

“In reviewing the Westside opportunity, we were especially impressed with the company's long-term and leading brand name, robust organization, product development core-competencies, commanding market share, and exceptionally high recurring revenues for an equipment manufacturer,” said **Aaron Aiken**, a

partner with Hanover. “In addition, we were attracted to the overall stability of the processed tomato market, as well as the significant growth of the pistachio market.”

Westside was founded in 1986 by six entrepreneurs and two of its co-founders, **Dan Rodrick** and **John Perez**, have both reinvested in the company in partnership with Hanover. Mr. Rodrick will continue as CEO of Westside and Mr. Perez will remain a board member of the company.



Aaron
Aiken

“My team and I are excited to partner with Hanover to build upon Westside’s dominant market share in tomato harvesters and expand into other related agricultural machinery equipment applications,” said Mr. Rodrick. “We were attracted to Hanover’s decades of experience backing the growth of specialty equipment manufacturers and their support will enable to us to better serve our existing customers, as well as enhance our new product development efforts both internally and via acquisition.”

The buy of Westside is Hanover’s third new platform investment in the last year and a half, and its second transaction of 2019, including its July exit, after just over a four-year hold, of Freedom Communication Technologies, a Kilgore, TX-based maker of land-based mobile radio test equipment, which was sold to Astronics (NASDAQ: ATRO).



The two other recently acquired Hanover platforms include Ligchine International, a Floyds Knobs, IN-based (near Louisville, KY) maker of laser-guided boom operated concrete screeds which are used to flatten and level concrete floors. Ligchine was acquired in August 2018 in partnership with Blue Sage Capital; and Blast Deflectors, a Reno, NV-based manufacturer of jet blast deflectors, ground run-up enclosures, and end-around taxiway screens used in aviation infrastructure applications. Blast Deflectors, and its sister-company APS Germany, were acquired in March 2018 with Greyrock Capital Group as a co-investor.

Hanover Partners makes control investments in lower middle-



market companies that are active in the specialty equipment, industrial equipment, niche branded consumer products and non-consumer software sectors. Typical targets will have enterprise values of \$8 million to \$60 million, revenues of at least \$8 million, and adjusted EBIT of \$2 million to \$8 million. With the addition of Westside, Hanover now has six active portfolio companies located across the United States. Hanover was founded in 1994 by **John Palmer** and **Andrew Ford** and has offices in the Portland suburb of Lake Oswego and in San Francisco.



Greyrock Capital Group, Hanover's co-investor in Westside, provides from \$5 million to \$35 million of subordinated debt and equity to lower middle-market companies that have revenues of at least \$10 million and EBITDA of at least \$3 million. In February 2017, the firm held a final closing of its oversubscribed and above target fourth fund, **GCG Investors IV LP**, with \$275 million of capital. Greyrock has offices in Berkeley, CA; Chicago, IL; and Wilton, CT.

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*Hanover Forms Ag Equipment Platform added by **John McNulty** on November 8, 2019*

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