

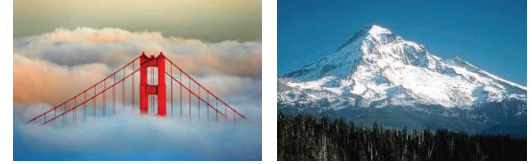


Founded in 1994, based in San Francisco, CA and Portland, OR, Hanover Partners is a private equity firm dedicated to investing in, acquiring, and partnering with the management teams of small-to-medium sized companies across the U.S.A. With nearly 25 years of sector focus, we invest in niche, proprietary 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)

SELECT PORTFOLIO COMPANIES

 <p>Westside Equipment Holdings Madera, CA Manufacturer of tomato and pistachio harvesting equipment and related parts</p>	 <p>Ligchine International Corporation Darien, WI Manufacturer of laser-guided boom operated concrete screeds</p>	 <p>Blast Deflectors Group Reno, NV Manufacturer of specialized airport infrastructure equipment</p>	 <p>Consolidated Equipment Group Alexandria, MN Engineered attachments for light-construction machinery equipment, sold under the Quick Attach and Erskine brands</p>
 <p>Pyramid Technologies Mesa, AZ Bill acceptors and currency validation equipment</p>	 <p>Wohler Technologies Hayward, CA Audio and video monitoring equipment for broadcasters</p>	 <p>Freedom Communication Technologies Kilgore, TX Mission-critical communications test equipment and analyzers (Excited and Realized, 2019)</p>	 <p>Audio Precision Portland, OR Test and measurement equipment for high-end audio applications (Excited and Realized, 2018)</p>
 <p>Hamer Plymouth, MN Packaging machinery equipment and systems for niche bagging markets (Excited and Realized, 2015)</p>	 <p>Bri-Mar Manufacturing Chambersburg, PA Light-duty hydraulic dump, equipment transport and utility trailers (Excited and Realized, 2013)</p>	 <p>Handi Quilter North Salt Lake City, UT Branded quilting machines, accessories, and computerized quilting systems (Excited and Realized, 2011)</p>	 <p>Solidscape Merrimack, NH Rapid 3D printer prototyping systems (Excited and Realized, 2011)</p>
 <p>Rugby Manufacturing Rugby, ND Hydraulic hoists, dump truck bodies, and related equipment (Excited and Realized, 2005)</p>			

