



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

