

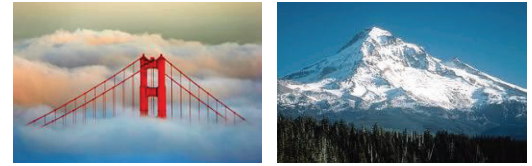


Founded in 1994, based in San Francisco, CA and Portland, OR, Hanover Partners is a private equity firm dedicated to investing in, acquiring, and partnering with the management teams of small-to-medium sized companies across the U.S.A. With nearly 25 years of sector focus, we invest in niche, proprietary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

 Powertronix Inc. <i>Foster City, CA</i> Power product solutions for medical, renewable energy, and industrial markets	 Ska Fab Holdings, LLC <i>Durango, CO</i> Packaging machinery equipment for canning applications	 Westside Equipment Holdings <i>Madera, CA</i> Tomato and pistachio harvesting equipment and related parts	 Blast Deflectors Group <i>Reno, NV</i> Specialized airport infrastructure equipment
 Pyramid Technologies <i>Mesa, AZ</i> Bill acceptors and currency validation equipment	 Wohler Technologies <i>Hayward, CA</i> Audio and video monitoring equipment for broadcasters	 Ligchine International Corporation <i>Darien, WI</i> Laser-guided boom operated concrete screeds <i>(Exited and Realized, 2022)</i>	 Consolidated Equipment Group <i>Alexandria, MN</i> Engineered attachments for light-construction machinery equipment <i>(Exited and Realized, 2021)</i>
 Freedom Communication Technologies <i>Kilgore, TX</i> Mission-critical communications test equipment and analyzers <i>(Exited and Realized, 2019)</i>	 Audio Precision <i>Portland, OR</i> Test and measurement equipment for high-end audio applications <i>(Exited and Realized, 2018)</i>	 Hamer <i>Plymouth, MN</i> Packaging machinery equipment and systems for niche bagging markets <i>(Exited and Realized, 2015)</i>	 Bri-Mar Manufacturing <i>Chambersburg, PA</i> Light-duty hydraulic dump, equipment transport and utility trailers <i>(Exited and Realized, 2013)</i>
 Handi Quilter <i>North Salt Lake City, UT</i> Branded quilting machines, accessories, and computerized quilting systems <i>(Exited and Realized, 2011)</i>	 Solidscape <i>Merrimack, NH</i> Rapid 3D printer prototyping systems <i>(Exited and Realized, 2011)</i>	 Rugby Manufacturing <i>Rugby, ND</i> Hydraulic hoists, dump truck bodies, and related equipment <i>(Exited and Realized, 2005)</i>	

