

INVESTMENT PREFERENCES

Overview

Founded in 1975, Holding Capital has acted as principal in over 200 acquisitions and other investments totaling \$3 billion in value with transaction sizes from \$10-\$150 million. Transaction types include management and leveraged buy-outs, estate-orientated recapitalizations, growth financings, and straight acquisitions.

Investment Preferences

Investment Types: Equity investments with sellers and management partners.

Size: A minimum of \$1 million in Free Cash Flow (EBITDA – Sustaining CAPEX)

Minimum Investment: \$1,000,000

Preferred Industries: Low to medium tech manufacturing all forms of distribution, and value-added service businesses including retail.

Geography: U.S. based corporations including their foreign subsidiaries

Minority Interests: Yes

What We Generally Don't Do: Start-ups, Companies with Negative Cash Flow, Venture Rounds, Commodity Financing

General Profile

Holding Capital is seeking to invest in understandable businesses serving the basic needs of society. They should be stable or growing. Operating management must be proven and willing to stay long-term with ownership incentives. Businesses should be earning a satisfactory return on sales relative to the industry in which they operate, have reasonable working capital ratios and leverage, while performing to an established operating plan. Threats to the future of the business from competition, technology, consumption trends and the like should be known and addressable, especially if intellectual property is the foundation of the business. Finally, we recommend that an owner/management speak to our current management partners to understand how we together create a productive and mutually supportive relationship that may span decades.