

STRENGTH. DURABILITY. SUPPORT.



Heartwood Partners is a middle market private equity firm that serves as a strong and reliable capital partner to owners and managers. We intertwine strategic and financial expertise to drive value for our investment businesses.

1982

FOUNDED

22

INVESTMENT
PROFESSIONALS

60 - 80%

EQUITY
CAPITALIZATION

\$600M+

INVESTING FROM HEARTWOOD PARTNERS
PRIVATE EQUITY INCOME FUND, III

CREATING VALUE FOR OUR BUSINESSES

UNIQUE HIGHER-EQUITY, LOWER-DEBT APPROACH

- + Capitalize our businesses with 60% - 80% equity
- + Use single outside senior debt class with long amortization, flexible covenants and low interest rates
- = Provides management with the flexibility to pursue acquisitions and expand capital investment

OFFERING CURRENT INCOME IN ADDITION TO LONG-TERM EQUITY GAINS

- + Quarterly cash distribution to all equity owners, including business owners and management teams
- = Provides current return on equity investment to complement opportunity to participate in future equity gains

GENUINE PARTNERSHIP WITH ALIGNED INCENTIVES WITH FOUNDERS AND BUSINESS OWNERS

- + Invest on the same terms as business owners and managers
- + Augment direct management ownership with equity incentives
- = Aligns incentives among all equity holders and management, and provides management opportunity to participate further in current income and capital appreciation

LONG-TERM INVESTMENT HORIZON TO FOSTER AND DEVELOP GROWTH

- + Current cash yield supports longer-term investment approach
- + Target investment period of five to ten years
- = Allows ownership and management to focus on making strategic decisions that benefit the company for the long term

INVESTMENT STRATEGY AND CRITERIA

Typically control equity investments in private U.S. companies that fit the following criteria:

- Revenues between \$20 million and \$250 million
- EBITDA between \$5 million to \$30 million
- Competitive position with ability to maintain margins
- Solid, committed management team
- Demonstrated ability to produce excess cash flow
- Manageable customer concentration
- S Corporations, LLC's, partnerships or divisions of larger companies are preferred
- Particular areas of interest include: Aftermarket Auto/Truck Parts, Consumer Products, Distribution, Food, Business Services, Niche Manufacturing, Packaging, Specialty Chemicals/Materials, Direct to Consumer

ADD-ON CORPORATE ACQUISITION PHILOSOPHY

- Collaborate with management
- Add market share, add product line, diversify customers and/or expand geographically
- Operating profits of \$500K or higher

Please contact John Willert and John Newman with business development opportunities or inquires:

John Willert

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John Newman

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Heartwood Partners

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www.heartwoodpartners.com

CURRENT PORTFOLIO COMPANIES

13 COMPANIES \$1B+ REVENUE 4,500+ EMPLOYEES 70+ LOCATIONS 14 ADD-ONS

| COMPANY | INDUSTRY | BUSINESS DESCRIPTION | LOCATION AND WEBSITE | CORPORATE AQUISITIONS |
|---|--|---|--|---|
|  ALH | Consumer Products, Niche Manufacturing | Designer & manufacturer of high-end, made-to-order furniture | Dallas, TX www.americanleather.com | <ul style="list-style-type: none"> Brookline Furniture LEE Industries Benchmade Modern |
|  PARKWAY | Niche Manufacturing, Specialty Chemicals/ Materials | Injection molder of plastic and metal component parts | Greenville, SC www.parkwayproducts.com | <ul style="list-style-type: none"> LMR Plastics Littlestar Plastics ITECH |
|  M&Q Packaging | Packaging Products | Designer & manufacturer of high temperature plastics, printing and packaging solutions for food, consumer and industrial applications | Schuylkill Haven, PA www.mqplastics.com | <ul style="list-style-type: none"> Outlook Group Flavorseal |
|  CMI | Niche Manufacturing | Manufacturer of marine vinyl sheet piling, aluminum docks and access bridges for marine applications | Marietta, GA www.cmilc.com | <ul style="list-style-type: none"> Mantle Engineered Plastic Systems |
|  Fletcher Business Group | Consumer Product, Niche Manufacturing | Manufacturer & distributor of equipment and consumables to the picture framing, wood working and glass end-markets | East Berlin, CT www.fletcherwiscom.com | <ul style="list-style-type: none"> Frameware |
|  CHROMASCAPE | Specialty Chemicals/ Materials | Producer of color dispersions and additives for landscape, building material, and graphic art applications | Twinsburg, OH www.chromascape.com | <ul style="list-style-type: none"> Greenville Colorants |
|  Sur-Seal | Niche Manufacturing | Manufacturer & distributor of custom sealing solutions to lighting, heating & cooling, medical and industrial end-markets | Cincinnati, OH www.sur-seal.com | <ul style="list-style-type: none"> Spectex |
|  HIGH BAR BRANDS | Aftermarket Auto/ Truck Parts, Niche Manufacturing | Manufacturer of aftermarket products for heavy duty trucks including couplings, hitches, fenders, floor mats, and tools | Bloomington Prairie, MN www.minimizer.com | <ul style="list-style-type: none"> Premier Manufacturing |
|  Universal Woods | Consumer Product, Niche Manufacturing, Specialty Chemicals/Materials | Developer & manufacturer of coatings & hard-surface coated substrates for image sublimation and mezzanine decking | Louisville, KY www.universalwoods.com | <ul style="list-style-type: none"> R&D Coatings |
|  Allentown | Niche Manufacturing | Manufacturer of animal housing solutions for the pharmaceutical and medical research industry | Allentown, NJ www.allentowninc.com | |
|  MicroCare | Specialty Chemicals/ Materials | Developer & manufacturer of industrial-use cleaning fluids/coatings for electronics, fiber optic, medical, and other precision cleaning end markets | New Britain, CT www.microcare.com | <ul style="list-style-type: none"> Certol |
|  Patten Seed Company 100 YEARS | Consumer Products, Food/ Agriculture | Producer of sod, seed, compost, and other landscaping products throughout the Southeastern U.S. serving contractors and consumers through retail stores, an eCommerce platform, and directly from farms | Lakeland, GA www.supersod.com | <ul style="list-style-type: none"> MidTenn |
|  ALL AMERICAN LABEL & PACKAGING | Packaging Products | Designer, printer and converter of flexographic, digital, and offset pressure sensitive labels, shrink sleeves, folding cartons, flexible packaging, and grand format signage | Dublin, CA www.allamericanlabel.com | |

SELECT FORMER PORTFOLIO COMPANIES

| | | | | | |
|---|--|---|---|--|---|
|  APG | Aftermarket Auto/ Truck Parts, Consumer Products, Distribution | Wholesale distributor and ecommerce DTC of automotive aftermarket performance parts |  Twicshell | Consumer Products, Niche Manufacturing | Technical fabrics and coated materials |
|  Roll-Rite | Aftermarket Auto/ Truck Parts, Niche Manufacturing | Automated tarping systems of trucks and trailers |  WEAVER LEATHER | Consumer Products | Equestrian track, livestock, arborist, leather craft products |
|  Green Color Concentrates | Specialty Chemicals/ Materials | Color and additive concentrates for plastics |  Stoller | Industrial Services | Environmental services for energy and defense facilities |
|  DERBY FABRICATING | Niche Manufacturing | Automotive car foam and non-metallic sealing components for automotive applications |  Cone Star BEEF PROCESSOR | Food/ Agriculture | Processor of lean beef for ground beef markets |

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