



# GROWTH. 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 growth and value creation in our investment businesses.

1982  
FOUNDED

20  
INVESTMENT  
PROFESSIONALS

75%  
AVERAGE EQUITY  
CAPITALIZATION

## SUPPORTING GROWTH, CREATING VALUE

### UNIQUE HIGHER EQUITY, LOWER-DEBT APPROACH TO SUPPORT GROWTH

- + Capitalize our businesses with 65% - 70% 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 improvement

### 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 ACHIEVE GROWTH GOALS

- + 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:

- Particular areas of interest include: Aftermarket Auto/Truck Parts, Agriculture/Food, Distribution, Environmental/Industrial Services, Niche Manufacturing, Packaging & Specialty Chemicals/Materials
- Revenues between \$20 million and \$250 million
- EBITDA between \$5 million and \$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

### 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 or John Newman with business development opportunities or inquiries:

John Willert  
[jwillert@heartwoodpartners.com](mailto:jwillert@heartwoodpartners.com)

John Newman  
[jnewman@heartwoodpartners.com](mailto:jnewman@heartwoodpartners.com)

Heartwood Partners  
301 Merritt 7  
Norwalk, CT 06851

(203) 625-0770  
[www.heartwoodpartners.com](http://www.heartwoodpartners.com)

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COMPANIES

\$1.4B

ASSETS UNDER MANAGEMENT

29

ADD-ONS

COMPANY	INDUSTRY	BUSINESS DESCRIPTION	LOCATION / WEBSITE	ADD-ON ACQUISITIONS
	Consumer Products, Niche Manufacturing	Designer and manufacturer of high-end, made-to order furniture.	Dallas, TX <a href="http://www.artisanlane.com">www.artisanlane.com</a>	<ul style="list-style-type: none"> <li>Brookline Furniture</li> <li>LEE Industries</li> <li>Benchmade Mordern</li> <li>Direction Furniture</li> </ul>
	Niche Manufacturing, Consumer Products	Manufacturer and distributor of equipment and consumables to the picture framing, wood working and glass end-markets.	East Berlin, CT <a href="http://www.fletcher-terry.com">www.fletcher-terry.com</a>	<ul style="list-style-type: none"> <li>Frameware</li> <li>Simms Machinery</li> <li>A+ Automation</li> </ul>
	Specialty Chemicals/Materials	Producer of color dispersions and additives for landscape, building material, packaging and graphic art applications.	Twinsburg, OH <a href="http://www.chromascape.com">www.chromascape.com</a>	<ul style="list-style-type: none"> <li>Greenville Colorants</li> <li>Custom Milling &amp; Consulting</li> <li>CEL Chemical</li> <li>Kemira's Colorants &amp; Dye Business</li> </ul>
	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 <a href="http://www.imprimus.com">www.imprimus.com</a>	<ul style="list-style-type: none"> <li>Western Shield</li> <li>Lotus Labels</li> </ul>
	Niche Manufacturing	TheVITALSpace brands of SteelCell, CareAffirm, and Portable Solutions Group are all focused on building high-performance prefabricated modular products and components for their target markets	Baldwin, GA <a href="http://www.vitalspace.com">www.vitalspace.com</a>	<ul style="list-style-type: none"> <li>Midwest Portland</li> <li>Portable Solutions Group</li> </ul>
	Environmental Services	Provider of waste processing services for industrial, medical and wastewater applications.	Plano, TX <a href="http://www.amlongroup.com">www.amlongroup.com</a>	<ul style="list-style-type: none"> <li>Thermaldyne</li> <li>Paragon Waste</li> <li>Music City Group</li> <li>EcoWerks</li> <li>Master Melt</li> </ul>
	Food/Agriculture, Niche Manufacturing	Contract formulator, blender, packager/filler and distributor of specialty vitamins, supplements, botanicals and other nutraceutical products.	Layton, UT <a href="http://www.somafina.com">www.somafina.com</a>	<ul style="list-style-type: none"> <li>UST</li> </ul>
	Food/Agriculture	Provider of native and wildflower seeds and erosion control products used in land reclamation, erosion control and cover crop applications.	Carpinteria, CA <a href="http://www.nativeseedgroup.com">www.nativeseedgroup.com</a>	<ul style="list-style-type: none"> <li>Star Seed</li> <li>Arrow Seed</li> </ul>
	Food/Agriculture	Value-add distributor of premium meat products to a high-end foodservice customer base.	West Palm Beach, FL <a href="http://www.bush-brothers.com">www.bush-brothers.com</a>	
	Niche Manufacturing	Manufacturer and value-add distributor of branded accessories and tools used in computer numerical control ("CNC") machining.	Hauppauge, NY <a href="http://www.royalproducts.com">www.royalproducts.com</a>	
	Industrial Services	Full-service provider of electrical, mechanical, and engineering services to commercial and infrastructure, multi-family, education and other end-markets	Jacksonville, FL <a href="http://www.norleegroup.com">www.norleegroup.com</a>	<ul style="list-style-type: none"> <li>AEC Electrical</li> <li>AllState Electric</li> <li>Regency Electric Copmany</li> <li>Beaumont Electric Company</li> </ul>

SELECT FORMER PORTFOLIO COMPANIES

Specialty Chemicals/Materials 	Niche Manufacturing Packaging 	Specialty Materials 	Aftermarket Auto/Truck Parts, Niche Manufacturing 	Niche Manufacturing, Specialty Chemicals/Materials 	Niche Manufacturing 	Niche Manufacturing 	Aftermarket Auto/Truck Parts, Consumer Products, Distribution 	Food/Agriculture 	Niche Manufacturing 	Food/Agriculture 	Aftermarket Auto/Truck Parts, Niche Manufacturing 	Industrial Services 
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John Willert  
[jwillert@heartwoodpartners.com](mailto:jwillert@heartwoodpartners.com)

John Newman  
[jnewman@heartwoodpartners.com](mailto:jnewman@heartwoodpartners.com)

Heartwood Partners  
301 Merritt 7, 3<sup>rd</sup> Floor  
Norwalk, CT 06851

203.625.0770  
[www.heartwoodpartners.com](http://www.heartwoodpartners.com)