



CORNERSTONE CAPITAL HOLDINGS

INDUSTRY AND INVESTMENT CRITERIA

Company Characteristics

- Privately-held business, or division of larger public or private parent
- Basic manufacturing or low-tech industrial service companies
- In-place management team and infrastructure preferred
- Select financial turnarounds and restructurings
- Proprietary product or niche service provided
- Mature, non-cyclical, preferably fragmented industry

Financial Criteria

- Adjusted earnings before interest and taxes between \$1 and \$10 million
- Total annual revenues ranging from \$5 to \$100 million
- Adjusted EBIT equal to or greater than 10% of revenues
- Sales primarily to commercial or industrial customers
- Prefer non-seasonal companies without excessive working capital needs
- No single customer greater than 30% of total revenues

Investment Situations

- Exit strategy / Retirements
- Management buyouts or “buy-ins”
- Corporate divestitures
- Recapitalizations
- Generally look for change –of-control situations

Sample Areas of Interest

MANUFACTURING

- Defense and aerospace
- Packaging equipment and supplies
- Branded or highly engineered industrial products
- Building products
- Disposable health care goods
- Aftermarket parts and accessories
- Specialty machinery

INDUSTRIAL SERVICES

- Maintenance, repair and operations (MRO) services
- Contract packaging
- Infrastructure/industrial maintenance
- Niche/specialty distribution
- Logistic providers
- Recycling/refurbishment & disposition providers
- General “recurring revenue” models

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