

Experience, Partnership, Professionalism, Integrity

Building Companies With Prospect Partners



Prospect Partners

Private Equity Expertise. Small Company Focus.

Why Prospect Partners?

We believe that our approach, experience, and relationships set us apart in serving the financing and business development needs of the smaller business owner. Here are some reasons why:

We have been investing for a long time. Our founding principals have been backing small-company management teams for more than 25 years, long before they started our firm.

We live and breathe small companies. Since 1998, we have managed three committed private equity funds, each focused solely on investing in small niche leaders.

We have done a lot of deals. Prospect Partners has become the nation's most active small-company private equity investor, having completed more than 150 investments since 1998. Our extensive transactional experience means we have seen and handled just about every situation.

We work hard to build lasting relationships. Trust is essential to investment success. In everything we do, we strive to conduct ourselves with the highest degree of professionalism and integrity.

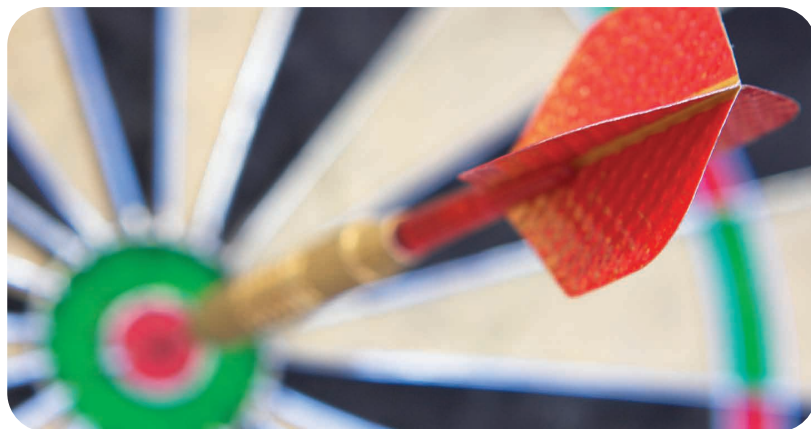
We see the forest through the trees. We like looking at complex deal-structuring situations and quirky or unusual opportunities other firms may avoid.

We can close. Benefits of our significant capital coupled with our many long-standing lender relationships allow us to complete transactions even in tough market climates.

We believe in partnership. We back companies led by strong management teams, which continue to run the business and drive its success.

We focus on shareholder value. We invest for the long term, and thus seek to maximize company values over time.

We have strong references. We offer a long history of profitable partnerships with business owners. Our best success indicators are those who have chosen Prospect Partners to help grow their companies. We encourage you to talk to them.



Prospect Partners: The Small Company Specialist

Prospect Partners is a leading private equity firm investing in smaller lower-middle-market companies.

Since our inception in 1998, we have maintained the same investment focus: management-led leveraged recapitalizations and buyouts of small niche leaders that generate revenues typically under \$75 million.

In that time, we have invested nationwide in more than 150 companies in over 65 niche industry segments in diverse manufacturing, distribution, and specialty service markets. Put simply: We invest in unique leaders we believe are well-positioned to grow into larger companies over time.

The depth and breadth of our portfolio reveals more than just our active, opportunistic investment approach. It also shows why intermediaries, management teams, independent equity sponsors, and transaction service providers choose to work with us time and again: We are highly capable investors whose philosophy is rooted in partnership, ethics, and a genuine love of the dynamic, and often complicated, world of small companies.

Prospect Partners manages \$470 million across three committed private equity funds.

We invite you to read on to learn more about our background, investment approach, portfolio, and investment team.



Prospect Water Co. LLC
Water treatment services



Landmark Irrigation Holding Services, Inc.
Agricultural irrigation systems



Innovative Petcare Holdings, LLC
Veterinary care services



Navix Holdings Corp.
Diagnostic imaging

Transactions We Seek: Management-Led Leveraged Recapitalizations and Buyouts

Prospect Partners focuses on management-led leveraged recapitalizations and buyouts, partnering with management teams and backing independent equity sponsors and outside operating executives to buy a business, as described below.

Management-led recapitalizations: Leveraged recapitalizations can be attractive for owners excited about their company's prospects yet who need outside financial and strategic resources to help them achieve their vision. Prospect Partners backs strong management teams that want to continue to run their business with a significant minority equity stake in the restructured company.

Management-led buyouts (MBOs): We support outside veteran management teams as well as independent equity sponsors and operating executives who seek an experienced, well-capitalized equity partner to help them acquire and grow a company. Situations we have backed include:

Corporate orphans: In some situations, a company's growth may be stagnated by a lack of focus or inadequate support from current ownership. In this scenario, we partner with an outside management team to buy the "orphan" from its passive owner, typically a large corporation.

Transitional sales: In situations in which the owner wants to transfer the business to the next generation of family members or management, we work closely to complete a buyout that meets the seller's needs while providing opportunities for the next generation to build on his or her success, and to share in the company's growth.

Undermanaged companies: Profitable companies with a defensible market niche and a strong asset base may underperform their earnings potential due to sub-optimal management or ownership circumstances. In these cases, we seek to improve the efficiency and profits of these firms by working and investing with revitalized management.

In all situations, Prospect Partners is committed to working with management to tailor individual strategies for the development of strong, successful companies.

Industry Interests

Prospect Partners invests in many different kinds of companies in diverse niche manufacturing, distribution, and specialty service markets.

Transaction Type (examples of completed transactions)

Niche Industry	Recapitalizations	Corporate Orphan (MBO)	Transitional Sale (MBO)
Manufacturing <i>(all segments)</i>	<ul style="list-style-type: none"> • Building products • Energy-efficient lighting • Food serving disposables* • Packaging* • Personal care/outdoor products • Physical security/protection products 		<ul style="list-style-type: none"> • Auto/truck accessories* • Mobile storage systems* • Outdoor electronics • Plastic parts/assemblies • Pneumatic conveying/material handling systems* • Specialty food
Distribution <i>(all segments)</i>	<ul style="list-style-type: none"> • Environmental infrastructure maintenance equipment • Foodservice, public schools • Office furniture 	<ul style="list-style-type: none"> • Vehicular lighting 	
Specialty Service <i>Consumer</i>	<ul style="list-style-type: none"> • Home improvement • Post-secondary vocational schools • Wedding/event management 	<ul style="list-style-type: none"> • Behavioral health • Utility warranties* • Water treatment* 	<ul style="list-style-type: none"> • Post-secondary vocational schools* • Veterinary care*
<i>Business</i>	<ul style="list-style-type: none"> • Agricultural irrigation systems • Commercial landscape management • Corporate/HR training • Diagnostic imaging • Enterprise security systems • Medical billing • Outsourced waste management* • Publishing 	<ul style="list-style-type: none"> • Aviation MRO* 	<ul style="list-style-type: none"> • Athletic uniforming/embellished apparel
<i>Industrial</i>	<ul style="list-style-type: none"> • Glass and glazing • Fire protection* 	<ul style="list-style-type: none"> • Lifting equipment rental* 	

*Partnered with independent sponsor or outside operating executive in the transaction



Owen Equipment Holdings, Inc.
Infrastructure maintenance equipment



Wedgewood Hospitality Group
Wedding/event management



Tender Products, Inc.
Outdoor personal care products/distribution



Gold Star Food Service, Inc.
Value-added distribution/food distribution

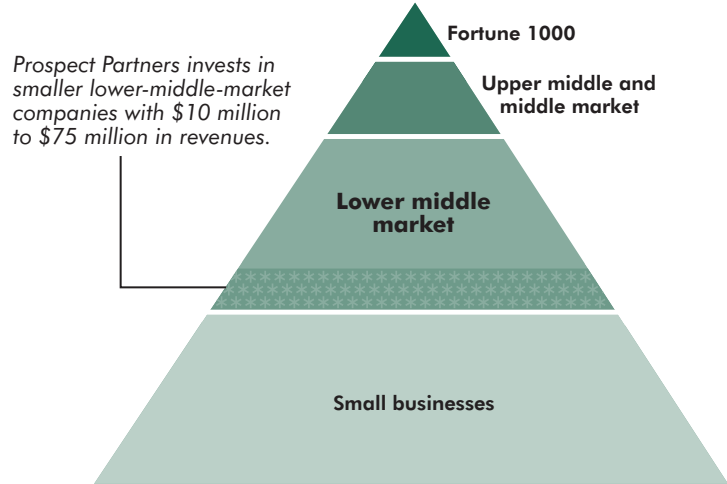


Our Opportunistic Approach

In identifying the best prospects for our portfolio, Prospect Partners adheres to an acquisition strategy that is active, focused, and rigorous. As an opportunity-driven buyer, we continually seek new investment opportunities. Identifying candidates for our portfolio involves careful assessment of each company for its future potential. Ultimately, our investment process is highly disciplined, and includes a thoughtful and thorough due diligence process.

There are Millions of Potential Targets in the U.S.

Market Segments, by Revenues (in millions of dollars)



At Prospect Partners, while our investment approach is opportunistic, partnership is the foundation on which we have built our investment philosophy – and our firm – since 1998.

Our very name embodies both ideals. “Prospect” connotes our ongoing pursuit of small niche leaders. “Prospect” also is infused with excitement that our next investment could occupy any market segment and be anywhere in the United States.

“Partners” reveals our desire to collaborate throughout the process of developing opportunities, closing transactions, and building stronger companies. To develop relationships based on understanding and trust. To be objective and smart stewards of information and investments. To be good listeners and conduits of best practices from our long investment history.

Whether you are a prospective investor, an intermediary or provider of other M&A services, an outside executive, or part of a management team considering working with us... Remember our partnership ethic: responsiveness, integrity, and confidentiality.

Our Investment Criteria

In the end, our platform companies, while diverse, share some common criteria:

- They are based in the United States;
- They are leaders, or potential leaders, of a niche market, occupying a strong and defensible position within it;
- They are profitable and poised for continued growth;
- They are led by a strong management team; and
- They generate revenues typically between \$10 million and \$75 million and EBITDA up to \$8 million. (Add-on acquisitions for current platform companies typically generate at least \$2 million in revenues.)

We invest \$2 million to \$30 million in management-led leveraged acquisitions, and make follow-on investments to support additional acquisitions and/or the internal growth and health of the companies in our portfolio.



Velvac Holdings, Inc.
Truck/vehicular accessories



Education Futures Group, LLC
Post-secondary vocational schools



Velocity Aerospace Holding Group, Inc.
Aviation MRO services



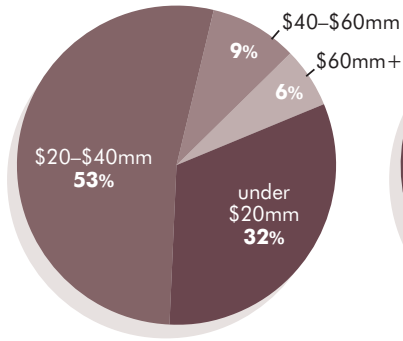
Kronos Foods, Inc.
Mediterranean food products/distribution

Our Portfolio: Small Niche Leaders

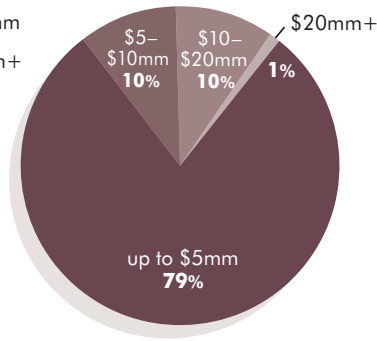
Prospect Partners invests in small niche leaders – unique, growth-ready businesses we believe have the opportunity to become mid-sized companies. Toward that end, we consider platform and add-on opportunities in a broad spectrum of niche manufacturing, distribution, and specialty service markets.

We Invest in Smaller Companies...

Revenues of Platform Companies, at Time of Investment



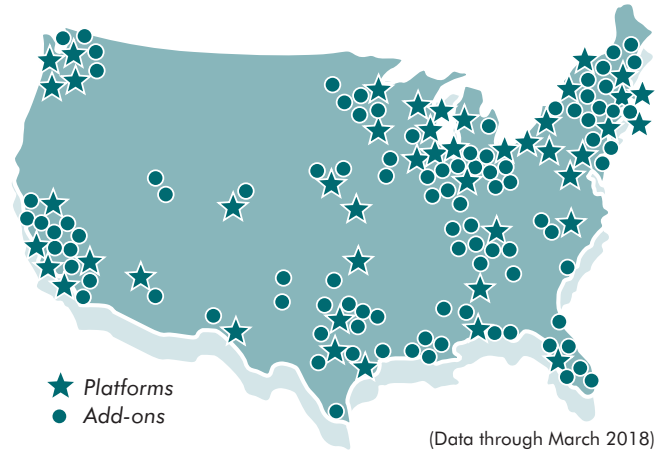
Revenues of Add-On Companies, at Time of Investment



(Data through March 2018)

...Throughout the United States

Locations of Platforms and Add-Ons



(Data through March 2018)

We invest opportunistically in small companies at many revenue levels. Overall, the revenues of our platform companies average about \$30 million at the time of our investment. The revenues of our add-on companies average about \$4 million.

"I know my business. I had been in business 15 years, and I knew our company was in a position to go to the next level... Prospect Partners helped us surpass even my own expectations – we grew faster than I thought possible."

James Hutton, COO*, Education Corporation of America
(Operator of leading post-secondary vocational schools)

*Position during time of Prospect Partners' investment

From big cities to little-known towns, our interests have been nationwide.

- | | | | |
|----------------------|-----------------------|-----------------------|--------------------|
| Alexandria, MN | Effingham, IL | Lenox, MA | Phoenix, AZ |
| Alpharetta, GA | El Paso, TX | Leviittown, PA | Plainville, CT |
| Amarillo, TX | Elkhart, IN | Lima, OH | Plano, TX |
| Andover, MA (2) | Everett, WA | Littleton, NH | Port Iberia, LA |
| Apex, NC | Exeter, CA | Lockhart, TX | Portland, ME |
| Austin, TX (2) | Farmington Hills, MI | Longview, TX | Portland, OR (2) |
| Bakersfield, CA | Ferndale, NY | Los Angeles, CA | Rochester, MN |
| Baton Rouge, LA | Fort Walton Beach, FL | Loudon, TN | Rockland, MA |
| Beaumont, TX | Fresno, CA | Lubbock, TX | Rosemont, IL |
| Bellingham, WA | Grand Island, NE | Lyons, IL | Salt Lake City, UT |
| Birmingham, AL (2) | Greeley, CO | Madera, CA | Santa Clara, CA |
| Boston, MA | Hartford, CT | Madison, WI | Sarasota, FL |
| Brazoria, TX | Herndon, VA | Manchester, NH | Soledad, CA |
| Buffalo, NY | Hickory, NC | McKinney, TX | Spring Grove, IL |
| Burbank, CA (2) | Hintz, ND | Menomonee Falls, WI | Springfield, OH |
| Burlington, MA | Hopkinsville, KY | Middlebury, CT | St. Paul, MN (3) |
| Cadiz, KY | Houma, LA | Milford, MA | Tacoma, WA |
| Carrollton, TX | Huntsville, AL | Minnetonka, MN | Tampa, FL |
| Cedar Rapids, IA (2) | Hurst, TX | Mission, TX | Taunton, MA |
| Centralia, WA | Indianapolis, IN | Mobile, AL | Temecula, CA |
| Cerritos, CA | Itasca, IL (2) | Mulberry, FL | Twinsburg, OH |
| Charleston, IL | Jackson, MS | Muskogee, OK | Van Nuys, CA |
| Chattanooga, TN | Jackson, NH | Napa, CA | Victor, NY |
| Chicago, IL (4) | Jackson, OH | New Berlin, WI | Vincennes, IN |
| Clearfield, UT | Jacksonville, FL | New Braunfels, TX | Vonore, TN |
| Clearwater, FL | Johns Island, SC | New Paris, OH | Waite Park, MN |
| Cleveland, OH | Keene, NH | New York, NY (2) | Walker, MI |
| Columbus, OH | Killeen, TX | Newport Beach, CA | Washington, PA |
| Commerce, CA | Knoxville, TN (2) | North Miami Beach, FL | Wenatchee, WA |
| Compton, CA | Kokomo, IN | Omaha, NE | Wickenburg, AZ |
| Dallas, TX | Lafayette, LA | Orange, CA | Wilkesboro, NC |
| Daphne, AL | Largo, FL | Ottumwa, IA | Woodside, NY |
| Delphi, IN | Las Cruces, NM | Pasco, WA | Worcester, MA |
| Denver, CO | LaVergne, TN | Peabody, MA | Yakima, WA |
| Duncan, OK | Lawrence, KS | Pensacola, FL | York, NE |
| Eagan, MN | | | |



Delta Industrial Services, LLC
Lifting equipment rental



Waste Harmonics Holdings, Inc.
Outsourced waste management



QMI Security Solutions, Inc.
Physical security/protection products



All Glass & Windows Holdings, Inc.
Glass installation/distribution services



Relationships: The Backbone of Our Business

Throughout the process of developing, structuring and closing transactions, Prospect Partners works closely with management teams, financial intermediaries, independent equity sponsors, and operating executives. The majority of our investments have come as a result of an introduction made by a third party.

Working with Management Teams

Our platform companies are springboards of potential. We work with management to help build stronger, more valuable companies based on a shared long-term vision for success. Toward that end, we provide financial and strategic counsel at the Board-of-Directors level to help management:

- Develop strategy;
- Identify and negotiate acquisitions;
- Finance growth and systems development;
- Recruit additional management resources; and
- Maximize shareholder value.

We have worked in situations in which growth has happened very quickly, as well as in circumstances that have demanded patience in helping management achieve sound objectives. In all situations, we strive to remain strongly supportive and maintain a long-term, objective perspective.

Working with Intermediaries

We value our relationships with financial intermediaries, and strive to respond to all opportunities professionally and in a timely manner.

We are pleased to enter into blanket Lehman-Scale fee agreements with intermediaries or will pay buyers' fees as appropriate on a deal-by-deal basis. We also are open to paying intermediaries in a combination of cash and equity securities on a deal-by-deal basis.

In order to register as an active Prospect Partners' intermediary and to receive regular firm updates, please visit www.prospect-partners.com or call us at 312.782.7400.

Working with Experienced Outside Executives

Developing co-investing relationships with outside partners – including independent equity sponsors and veteran operating executives – has always played a key role in helping us complete acquisitions and build successful companies. We have partnered with seasoned business leaders on at least 18 of our platforms – over 70 transactions in total when including subsequent “add-ons” made by these companies.

We have a strong appreciation for the highly valuable role this group offers both in identifying attractive acquisition opportunities and in creating value after closing via their expertise, operational skills, and continued involvement.

Intermediaries seeking to close a transaction with an outside partner can benefit greatly by introducing us to the process. We react quickly, decisively, and confidentially, respecting all parties' interests.

“During our five-year relationship, Prospect Partners lived up to its name, ‘partners,’ and its reputation of complete integrity. Prospect’s investment and Board-level leadership brought to us financial strength, wisdom, and knowledge that dramatically enhanced the value of our company, far beyond anything we could have ever imagined.”

Ward Keller, Founder and CEO*, Remuda Ranch Company

(Provider of behavioral treatment services for eating disorders)

*Position during time of Prospect Partners' investment

“Prospect Partners brings a really unique approach to closing deals, especially difficult ones. In situations where many financial groups would throw in the towel and move on to another deal, Prospect Partners perseveres. That’s why Prospect is #1 on our speed-dial list.”

Jack Canty, Partner, Genesis Investment Group, LTD.

(Investment banking firm)

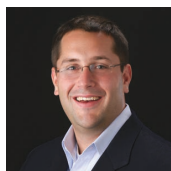
“It’s hard to find the right professional and personal partnership. Prospect Partners has a wealth of experience buying and running companies and is absolutely committed to staying the course for the time it takes to create additional value. Moreover, these veterans are great people to work with. Building enduring relationships is a big part of success.”

Kevin Rodgers, Independent Equity Sponsor and CEO*, Delta Industrial Services, LLC

(Provider of lifting equipment rental services)

*Position during time of Prospect Partners' investment

Meet Our Investment Team



Brett Holcomb
Principal

Brett Holcomb joined Prospect Partners in 2009 and became a Principal in 2017. Earlier, he was an Associate at American Capital, LTD. Before that, he was an Analyst at Bear Stearns & Co., Inc.

Brett serves on the boards of companies that include: ESI Lighting, Inc.; Minuteman Holdings, LLC; Navix Holdings Corp.; Owen Equipment Holdings Corp.; QMI Holding, Inc.; Waste Harmonics Holdings, LLC; WDP Holdings Corp.; and Wedgewood Hospitality Group, Inc.

Education: Kenyon College, B.A.; Northwestern University's Kellogg School of Management, M.B.A., with distinction

Sector Experience: Business services; consumer products; consumer services; manufacturing. Market segments: event management; foodservice disposables; industrial equipment; IT hardware; lighting; medical services; packaging; physical security/protection; residential home products; security system integration; waste management



Lou Kenter
Founding Principal

Prior to co-founding Prospect Partners in 1998, Lou Kenter was the Principal of Kenter and Co., a lower-middle-market buyout firm. Earlier he held positions at Marquette Venture Partners, McKinsey & Company, and Skidmore, Owings, and Merrill.

Lou serves on the boards of companies that include: Education Futures Group, LLC; Minuteman Holdings, LLC; Owen Equipment Holdings Corp.; Prospect Pools Group, LLC; Prospect Water Co. LLC.; and Velocity Aerospace Holding Group, Inc.

Education: University of Illinois, B.S.; University of Chicago Booth School of Business, M.B.A.

Sector Experience: Business services; consumer products; consumer services; industrial services; manufacturing. Market segments: advertising services; aerospace; corporate training/development; education; ethnic food; fire protection; foodservice equipment; hobby/craft products; industrial equipment; irrigation equipment; medical products/services; publishing; rental equipment; residential pools; security system integration; water treatment



Erik Maurer
Principal

Erik Maurer joined Prospect Partners in 1998 and became a Principal of the firm in 2000. Before that, he was a Commercial Banking Officer at Northern Trust Company.

Erik serves on the boards of companies that include: Bland Landscaping Company; Cyclonaire Holding Corp.; Landmark Irrigation Holding Services, Inc.; Waste Harmonics Holdings, LLC; and Wedgewood Hospitality Group, Inc.

Education: Stanford University, B.A.; Northwestern University's Kellogg School of Management, M.B.A.

Sector Experience: Business services; consumer products; consumer services; distribution; manufacturing. Market segments: apparel; automotive/truck; electronics; event management; foodservice; hand tools; industrial equipment; irrigation systems; landscape management; lighting; logistics equipment; packaging; retail fixtures; waste management



Brad O'Dell
Principal

Brad O'Dell joined Prospect Partners in 2009 and became a Principal of the firm in 2017. Earlier, he was a Vice President of private equity firm Silver Oak Services Partners. Before that, he was an Associate at the private equity firm Willis Stein & Partners, and an Analyst at Harris Williams & Co.

Brad serves on the boards of companies that include: Bland Landscaping Company; Innovative Petcare Holdings, LLC; Tender Products, Inc.; and Velocity Aerospace Holding Group, Inc.

Education: University of Richmond, B.S.; Northwestern University's Kellogg School of Management, M.B.A.

Sector Experience: Business services; consumer products; consumer services; distribution; manufacturing. Market segments: aerospace; fire protection; food; foodservice; landscape management; medical services; personal care; veterinary care; water treatment



Rick Tuttle
Founding Principal

Prior to co-founding Prospect Partners in 1998, Rick Tuttle was Executive Vice President of Corporate Development for Health Care & Retirement Corp. (now Manor Care, Inc.), a \$4 billion healthcare services company. Before that, he was a Principal of private equity firm Golder, Thoma & Cressey (now GTCR). Earlier, Rick also held managerial roles at McKinsey & Company and at a subsidiary of Occidental Petroleum.

Rick serves on the boards of companies that include: All Glass & Windows Holdings, Inc.; ESI Lighting, Inc.; Innovative Petcare Holdings, LLC.; Polymer Holding Corp.; QMI Holding, Inc.; Tender Products, Inc.; and WDP Holdings Corp.

Education: Stanford University, B.A.; Stanford University Graduate School of Business, M.B.A.

Sector Experience: Business services; consumer products; consumer services; distribution; healthcare services; industrial services; manufacturing. Market segments: automotive/truck; behavioral healthcare; construction; electronics; housewares; IT hardware; lighting; medical billing; office furniture; personal care; physical security/protection; plastic parts and assemblies; storage systems; utility protection; veterinary care



Mike McInerney
Vice President

Mike McInerney is a Vice President of Prospect Partners. Earlier, he was an Assistant Vice President of the private debt firm Antares Capital. Before that, he was an Associate of the middle-market private equity firm Lake Capital, and an Analyst in the investment banking group at Merrill Lynch.

Mike serves on the boards of companies that include: All Glass & Windows Holdings, Inc.; Cyclonaire Holding Corp.; Education Futures Group, LLC; and Prospect Water Co. LLC.

Education: University of Notre Dame, B.B.A., Summa Cum Laude; University of Chicago Booth School of Business, M.B.A.

Sector Experience: Business services; consumer products; consumer services; distribution; healthcare services; manufacturing. Market segments: apparel; building products; construction; consulting and staffing services; education; industrial equipment; irrigation equipment; marketing services



Put Our Experience to Work For You

Growth is a continuous, and often patient, process of investment. It is the building of people, companies, assets, and knowledge. We look forward to working as partners with our investors, our intermediaries, and our business owners and their management teams to build successful companies and exceptional investments over the long term.

We look forward to working with you.

"One of the very attractive things about Prospect Partners is that the team talks directly to me in a very real way about how to build a sustainable business, grow it thoughtfully, and leverage the talent we have... They really care about building a strategy around the business. This is very important to me as someone who built and grew my business and who wants to continue growing it."

Michael Hess, CEO, Waste Harmonics, Inc.
(Provider of outsourced waste management services)

"Throughout my career, I have worked with other private equity groups and have met with more than 100 of them... Prospect Partners is just a breath of fresh air. These people are really good partners and understand that it takes a team – not just one person – to win in today's marketplace. They are true team players: upfront, honest, excited about our business and committed to being a market leader."

W. Greg Bland, CEO*, Optronics Inc.
(Provider of outdoor and automotive lighting products)

*Position during time of Prospect Partners' investment

If you know about a small-company opportunity, please call us today at 312.782.7400, visit us online at www.prospect-partners.com, or contact a member of our team:

Principals

Brett Holcomb

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Mike McInerney

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