Overview Materials

- Fall 2018
HCI Equity Partners Overview

- **Private equity firm investing in middle-market, growth-oriented industrial companies**
  - Based in Washington, DC with additional offices in Minneapolis and Chicago
  - Currently manage over $1 billion in equity commitments, including a recently closed fund of over $400 million
  - Managed over $2 billion in equity commitments since inception in 1989

- **Active approach to building solid partnerships with owners and management teams**
  - Most investments in family or founder-owned businesses with meaningful rollover participation
  - Alignment of vision, strategy and financial interest with management
  - Identify and help execute operational improvements and growth strategies
  - Active engagement to accelerate growth
  - Longer-term investment horizon than most private equity firms

- **Successful long-term track record**

- **Leverage substantial operating capabilities**
  - 8 of our 10 principals have been CEO, President or CFO of an industrial company during their careers
  - Extensive experience acquired through leadership roles at companies such as:
Investment Focus

**Sector and Segment Focus**

- Industrial products & services sectors including:
  - Automotive and commercial vehicle
  - Transportation & logistics
  - Aerospace / defense
  - Test & measurement
  - Distribution
  - Industrial services
  - Niche manufacturing

- Lower middle market
  - Solid partnership dynamics
  - Clear opportunity to add value

- Attractive business models
  - High returns on invested capital
  - History of growth and profitability
  - Embedded competitive advantage
  - Prior HCI experience, knowledge, relationships

**HCI Equity Investments**

1. Represents a listing of current and past HCI equity investments.

- **Automotive & Commercial Vehicle**
  - TSM Corporation
  - Qualitor
  - TRIBAR
  - Heckethorn

- **Transportation & Logistics**
  - Southern AG
  - Roadrunner Transportation Systems
  - Milan Supply Chain Solutions

- **Aerospace / Defense & Federal Services**
  - QUADEL Consulting
  - Polygon AEROSPACE
  - TEAC Aerospan Technologies

- **Test & Measurement**
  - MISTRAS
  - DSI

- **Distribution**
  - Delaney
  - Naumann & Hoskins
  - Associated Asphalt
  - Total Container Group

- **Industrial Services**
  - Progressive
  - Certified Safety

- **Niche Manufacturing**
  - PCT
  - TDS