

INVESTMENT CRITERIA

Investment Criteria



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About Graham Partners

Graham Partners is a private investment firm focused on investing in businesses with proprietary technologies, advanced manufacturing know-how, innovative product development capabilities, and strong growth potential. Graham Partners targets companies with EBITDA between \$5 million and \$50 million, and will invest in smaller companies to the extent they complement one or more of its other holdings. Since the firm's founding in 1988, Graham Partners has closed over eighty acquisitions, joint ventures, financings and divestitures. The committed capital raised since inception of the Graham Partners funds together with Graham led co-investments totals approximately \$2.0 billion.* Investors include university endowments, charitable foundations, financial institutions and private investors. Based in suburban Philadelphia, the firm has access to extensive operating resources and industrial expertise as a member of The Graham Group, an alliance of independently owned and operated industrial and investment management businesses that share in the common legacy of entrepreneur Donald C. Graham.

Strategic Focus & Equity Size

Strategic Focus: Middle-market companies with strong growth potential

Typical Equity Investment Size: \$10 million - \$100 million

Investment Strategy

Partner with management teams and family owner/operators to drive value creation in middle-market companies that have:

❖ ORGANIC GROWTH DRIVERS:

Benefit from a product substitution 'conversion' taking place within the end markets served

❖ HIGH RETURN ON OPERATING ASSETS:

Generate a high level of EBITDA for every dollar of investment in fixed assets and net working capital

❖ COMPETITIVE ADVANTAGE:

Possess a sustainable competitive position due to a proprietary technology or business process advantage

Investment Criteria

❖ GENERAL:

Growth-oriented, middle-market manufacturing-related companies serving consumer and industrial markets

Primarily headquartered in the U.S. (Canada and Western Europe on a limited basis)

Preferably established, healthy businesses

❖ PREFERRED FINANCIAL CHARACTERISTICS:

EBITDA margins of 10% or greater, with a \$5 million EBITDA minimum for new platforms

A history of growth and profitability

❖ SIZE AND STRUCTURE:

Acquisition / Management-led buyouts and growth financing / recapitalizations

Typically \$10 million to \$100 million of equity, with the balance funded by our traditional debt financing sources

We have the ability to deliver well over \$100 million of equity from Graham Partners and other members of The Graham Group for the right investment opportunity

❖ PRODUCTS:

Products that are utilized in a wide variety of end markets: packaging / food, aerospace / defense, water management, building, medical equipment, transportation, and industrial technology, among others

*Regulatory assets under management were approximately \$1.2B as of December 31, 2015.