



HERITAGE

WE UNDERSTAND
FAMILY/FOUNDER
OWNED BUSINESSES

Prudential Tower
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Heritage is the leading private equity investment firm dedicated to the equity-based recapitalization of private, middle market family-owned businesses. Since 1987, the team has assembled a diversified portfolio of over fifty investments with aggregate revenues of more than \$3.5 billion. Our investment strategy consists of two creative offerings: *The Private IPO*[®] and *Structured Equity*.

***The Private IPO*[®]**

- 80% cash out with 50% retained economic and voting control for family-owned or founder-controlled businesses
- Provides the following:
 - Immediate liquidity to achieve personal portfolio diversification, cash-out minority shareholders or inactive family members, and create the basis for estate planning
 - Voting control of the company through modest reinvestment so that the family firm remains in the family's hands
 - Growth capital devoted to take the family business to the next level
 - Economic upside providing the family 50% of the common equity of the business at exit
 - Unique partnership with a firm whose culture is based on trust, integrity, and creativity

Structured Equity

- Minority preferred equity investment in family-owned or founder-controlled businesses
- Provides the following:
 - Patient and flexible equity solution not reliant on raising new debt capital
 - Growth capital for investments and acquisitions
 - Debt reduction to improve capital structure
 - Partial liquidity for active or inactive shareholders
 - Experienced financial partner with the resources and track record to support future growth via acquisitions and/or strategic capital expenditures
- Preferred security using combination of dividend (PIK or cash) and equity component
- Structure to include board representation and standard minority approval rights

Investment Criteria

- Privately held, mature businesses with a minimum of five years of stable cash flows
- Effective and experienced management teams interested in a meaningful investment in the business

Industries of Particular Interest

- | | | |
|---------------------|------------------------------------|---------------------------|
| → Aerospace | → Education & Training | → Manufacturing |
| → Business Services | → Food & Beverage | → Pet Products & Services |
| → Consumer Products | → Healthcare & Healthcare Services | → Specialty Chemical |
| → Distribution | → Industrial & Infrastructure | → Test & Measurement |

Company Size

- | | |
|-----------------------------|--------------|
| → Minimum Enterprise Value: | \$30 million |
| → Minimum Revenues: | \$30 million |
| → Minimum EBITDA: | \$5 million |

Please address new investment opportunities to:

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Current Investments



Centra Industries

- Headquarters: Cambridge, Ontario
- Premier manufacturer of precision-machined structural components for the aerospace industry, with a large backlog on growing aerospace platforms such as Boeing's 787
- Heritage *Private IPO*® cashed out inactive shareholders and provided liquidity and 50% retained ownership for active founder and management team
- www.centra-ind.com



OneSource Distributors

- Headquarters: Oceanside, CA
- Leading electrical products distribution company in Southern California, providing a full line of electrical parts, electronic components, industrial automation, lighting and switchgear products
- Heritage *Private IPO*® cashed out inactive shareholder and provided liquidity and 50% retained ownership for active founder
- www.1sourcedist.com



REACH Air Medical Services

- Headquarters: Santa Rosa, CA
- Regional provider of air medical transportation services with 12 bases located in California, Texas and Oregon
- Heritage *Structured Equity* investment provided growth capital for new base expansion and liquidity for current shareholders without requiring new lender
- www.reachair.com



Saunders & Associates

- Headquarters: Phoenix, AZ
- Leading manufacturer of test, measurement and production equipment for the frequency control device industry
- Heritage *Private IPO*® investment cashed out inactive shareholders, and provided liquidity and 50% retained ownership for active management
- www.saunders-assoc.com

Representative Prior Investments



Animal health distribution



Floor maintenance equipment



Branded and private label meat products

Bennett Footwear Group LLC

Private label and branded footwear



Food service equipment



Healthcare services



Electrical products



Business to business direct marketing



Fresh and frozen strawberries

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