

# 2019 MID-YEAR HIGHLIGHTS

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TRANSFORMING POTENTIAL INTO RESULTS



SUN EUROPEAN

PARTNERS, LLP

## 2019 MID-YEAR REVIEW

PLATFORM ACQUISITIONS	» 3
ADD-ON ACQUISITIONS	» 7
EXITS	» 2
CAPITAL INVESTED	» €296 Million
FINANCINGS COMPLETED	» €852 Million

## SUN'S DEAL SWEET SPOT

Defensible businesses in growing markets with tangible performance improvement opportunities.

### CORE SECTORS



INDUSTRIAL



BUSINESS SERVICES



CONSUMER



HEALTHCARE

### GEOGRAPHIC FOCUS

NORTH AMERICA AND EUROPE

### INVESTMENT FOCUS

**TRANSFORMING COMPANIES:**  
Good to Great  
Unprofitable to Profitable

Corporate Carve-Out  
Founder-Owned  
Sponsor to Sponsor  
Public to Private

**REVENUE**  
Platform: €50M - €1.5B  
Add-On: any revenue size

**PROFIT**  
Loss making to highly profitable

**EQUITY INVESTMENT**  
No minimum  
Max: €300M

**Control Buyouts** with flexibility around seller and management participation, and non-control equity investments



## 2019 CORPORATE CARVE-OUT PLATFORM ACQUISITION



<b>Headquarters</b> United States	<b>Deal Type</b> Corporate Carve-Out	<b>Sector</b> Industrial 
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### Business Description

Unico Technologies Group (“UTG”) is a leader in designing, engineering and assembling high performance motor control solutions for a variety of industrial applications.

### Investment Overview

- ◆ Corporate carve-out of two non-core divisions of Regal Beloit Corp. (NYSE: RBC). The combined UTG platform will have scale in overlapping technologies that provide precise power and motion control for a wide variety of industrial motor applications
- ◆ Aligned with secular tailwinds as UTG products are fundamental building blocks for industrial automation and energy efficiency
- ◆ Opportunities to grow through investments in corporate infrastructure, new product development, capacity expansion, supply chain optimization, and add-on acquisitions

## SUN’S CARVE-OUT EXPERIENCE

**25**  
years investing in carve-outs

**~60**  
investments completed

Sun has built a strong reputation in the industry as a preferred buyer of corporate carve-outs. We have completed transactions with leading companies, including, Emerson Electric Company, General Electric, International Paper, McDonald’s Corporation and Rio Tinto PLC just to name a few. We apply our knowledge and expertise to efficiently conduct due diligence on highly complex carve-out situations to close deals expeditiously and with certainty.

### CORPORATE CARVE-OUT CASE STUDIES

#### Aclara Technologies



**Parent Company:** Esco Technologies Inc.  
<https://suncappart.com/aclaracasesstudy/>

#### Albéa



**Parent Company:** Rio Tinto PLC  
<https://suncappart.com/albeacasesstudy/>

#### Critical Flow Solutions



**Parent Company:** Curtiss-Wright Corporation  
<https://suncappart.com/criticalflowsolutionscasesstudy/>

#### Elix Polymers



**Parent Company:** Bayer AG  
<https://suncappart.com/elixpolymerscasesstudy/>

## 2019 FOUNDER-OWNED PLATFORM ACQUISITIONS



Headquarters	Deal Type	Sector
United States	Founder-owned	Business Services 

### Business Description

SOS Security is a leading provider of security personnel and related services, helping a broad range of clients in the corporate, government and high net worth sectors to protect their people, assets and reputations.



## SUN'S FOUNDER-OWNED EXPERIENCE


**25**  
years investing in  
founder-operated businesses

**~40%**  
of acquisitions over the past five years  
have been founder-operated businesses

Sun recognizes the incredible effort it takes to build a business. We have a long and successful track-record of taking founder-operated companies to the next level. By providing financial resources and deep operational knowledge, Sun can transform good businesses into great ones, and help them achieve their full potential.

Whether a founder wants to stay involved with their business or is looking to retirement or the next phase of their life, Sun has the flexibility to work with owners to ensure that their goals are achieved.



Headquarters	Deal Type	Sector
United States	Founder-owned	Healthcare 

### Business Description

Simply Beautiful Smiles operates 20 locations in Pennsylvania and New Jersey, providing high quality general dentistry, hygiene, and specialty services.


### SELECT FOUNDER-OWNED BUSINESSES WE HAVE INVESTED IN INCLUDE:



SCOTCH & SODA

WINDSOR

## 2019 ADD-ON ACQUISITIONS

 Snell Heating and Air Conditioning	 Fenwick Plumbing	 Contemporary Dental Associates	<b>Industry:</b> Healthcare Services  <b>Acquired by:</b> Simply Beautiful Smiles
 Team Electric Plumbing & Air	 Wm. Henderson	 Cambridge Security	 Paladin Protection Specialists
<b>Industry:</b> Business Services <b>Acquired by:</b> Horizon		<b>Industry:</b> Business Services <b>Acquired by:</b> SOS Security	

We are actively looking for add-on opportunities, irrespective of company size, for our current portfolio companies, including:

Company	Sector	Company	Sector
 SOS Security	 Business Services	 UNIC TECHNOLOGIES GROUP Power and Precision in Motion	 Industrial
 HORIZON SERVICES PLUMBING • HEATING • AIR CONDITIONING	 Business Services	 ESIM CHEMICALS	 Chemicals
 C&K	 Industrial	 STONEPOINT MATERIALS	 Building Products

## BUY AND BUILD EXPERIENCE

**25**  
years applying buy and build strategy to market-leading businesses

**~50%**  
of all deals done have been add-on acquisitions

Add-ons create value, allowing us to expand into new product lines, geographies and customer channels. Sun's highly operational focus means that add-ons are often seen by us as an essential part of the investment thesis for any platform acquisition.

### SELECT ADD-ON EXPERIENCE

Company	Sector	Add-ons Completed
 HORIZON SERVICES PLUMBING • HEATING • AIR CONDITIONING	 Business Services	9
 COVERIS HIGH PERFORMANCE PACKAGING	 Packaging	9
 Aclara	 Industrial	4
 ALBÉA	 Packaging	4

## 2019 SPOTLIGHT EXIT



Headquarters	Type of Buyer	Exit Date	Sector
Europe	Strategic	January 2019	Chemicals 

### Business Description

Elix Polymers (“Elix”) is a manufacturer of pre-colored Acrylonitrile-Butadiene-Styrene (“ABS”) resins, derivatives and tailor-made specialties used for a wide range of sectors such as automotive, healthcare, consumer and others.

### Situation Overview

Acquired as a corporate carve-out in April 2012, Elix has successfully transitioned from a production-focused unit of a large conglomerate into a standalone, results-oriented company, focused on tailor-made specialty products, with best in class quality and customer service.

### Value Creation

Since acquisition, Elix more than quadrupled EBITDA via several initiatives, including:

- ◆ Introducing continuous improvement in manufacturing operations, supply chain and procurement
- ◆ Implementing a business intelligence system to create transparency on profitability drivers which led to better pricing and improved production efficiency
- ◆ Reducing energy consumption, greenhouse gas emissions and increasing recovered waste which resulted in Elix being recognized as a leader in Environmental, Social and Governance (ESG)

Watch the Elix Story at <https://suncappart.com/elixpolymerscasestudy/>

## OTHER 2019 EXIT



Headquarters	Sector
Europe	Retail 
Type of Buyer	Exit Date
Public Offering	April 2019

### Business Description

Bonmarché is one of the UK’s largest women’s only value retailer focused on selling affordable, quality womenswear in a wide range of sizes to women over 45 years old. Ranges include casual and formal separates, outerwear, swimwear, lingerie, nightwear and accessories.

## CURRENT PORTFOLIO

- AMES Taping Tools
- Arrow Tru-Line
- Bar Louie
- C&K
- ClearChoice
- Dreams
- ESIM Chemicals
- FFO Home
- Flabeg
- Flamingo Horticulture
- Flexitech
- Fresh-Pak Chilled Foods
- Horizon
- Johnny Rockets
- Trulite Glass & Aluminum
- Scotch & Soda
- Simply Beautiful Smiles
- Smokey Bones
- SOS Securities
- StonePoint Materials
- Unico Technologies Drive
- Windsor Fashions

Partial list of portfolio companies.  
To view all current Sun portfolio companies  
please visit [www.suncappart.com](http://www.suncappart.com)

## GLOBAL TRANSACTION SENIOR TEAM

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## FIRM OVERVIEW

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Sun European Partners, LLP is a leading private investment advisory firm, focused on identifying companies' untapped potential and leveraging its deep operational and financial resources to transform results. Sun is a trusted partner that is recognised for its investment and operational experience, including particular expertise in business services, healthcare, building products, chemicals, general industrial, packaging, general consumer and food & beverage. Since 1995, affiliates of Sun European have invested in more than 365 companies worldwide across a broad range of industries and transaction structures with sales in excess of €40 billion. Sun European has offices in London and affiliates with offices in Boca Raton, Los Angeles, and New York.