

**Sell Your Business and Ensure a Bright Future
for Your Employees and Customers**



ADIRONDACK
GROWTH CAPITAL

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Adirondack Overview

Do your objectives align with ours?

A Sale Process

What a deal means for you

Track Record

What we can do for your company

Next Steps

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OVERVIEW

COMPANY & OBJECTIVES

OUR FIRM

Adirondack is an **investment firm** focused on **acquiring and growing** businesses run by **owner-operators**.

we are

INVESTORS + OPERATORS



APPROACH + VALUES

**Entrepreneurial,
long-term**
approach to
business

Sustainable value
we manage companies
with operational
discipline and focus

**Integrity
& character**
our reputation is
our greatest asset

Ask for our references as part of your due diligence.

WHO WE ARE

Entrepreneurs
who love to build,
operate & grow
great companies

We are Owners

Driven, smart
businesspeople &
owners

Stanford
University

Growth-oriented,
long-term
investors

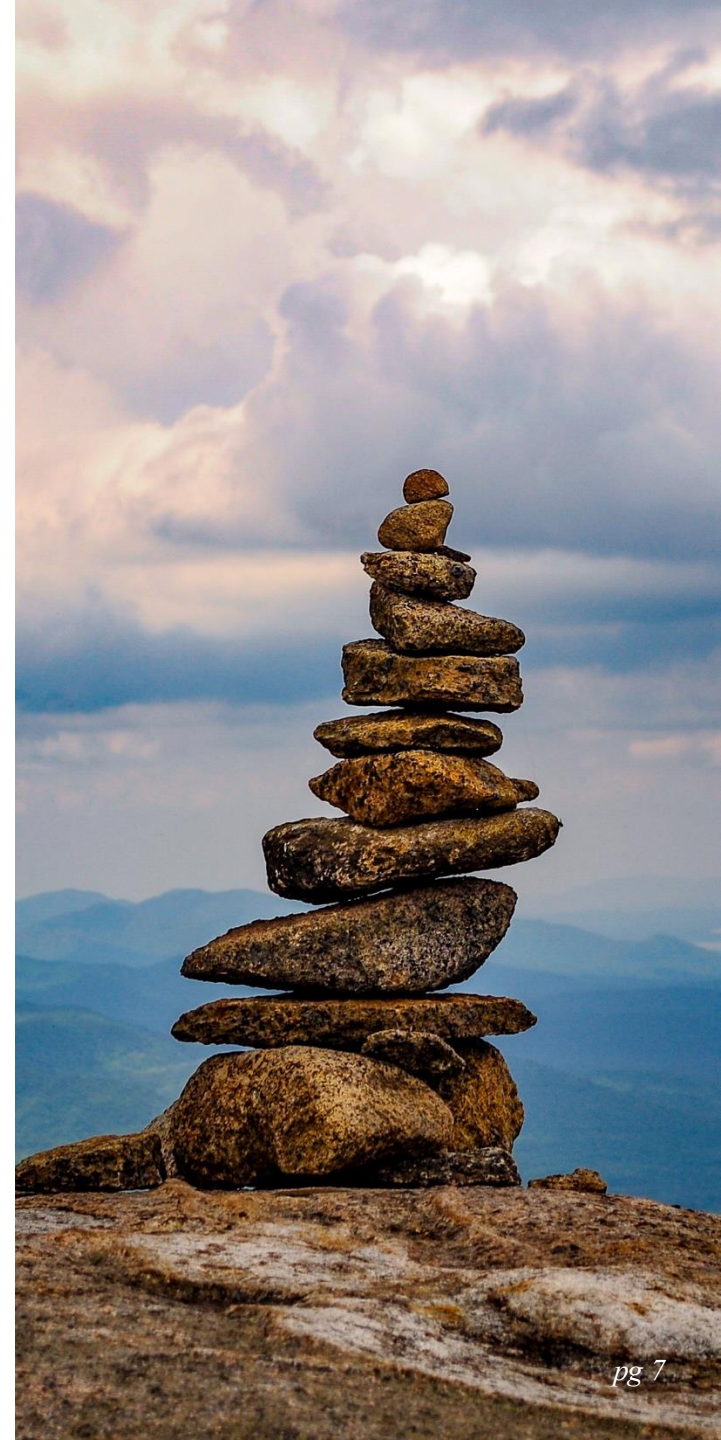
Patient Capital

OUR OBJECTIVES

Does your company have a leadership succession plan?

This is often a major hurdle when a business owner is ready to sell his or her company.

facilitating management transition as part of a sale is our specialty



WE LOOK FOR

- Owners who care about the future of their employees
- **Growing companies** with \$3 to \$30 million of annual revenue
- \$750K to \$3M of EBITDA (profitability)
- Consistent cash flow with limited capital expenditures
- Strong chemistry and **cultural fit**

*If your company does not meet most of these criteria,
we are likely not the best buyer for your business.*



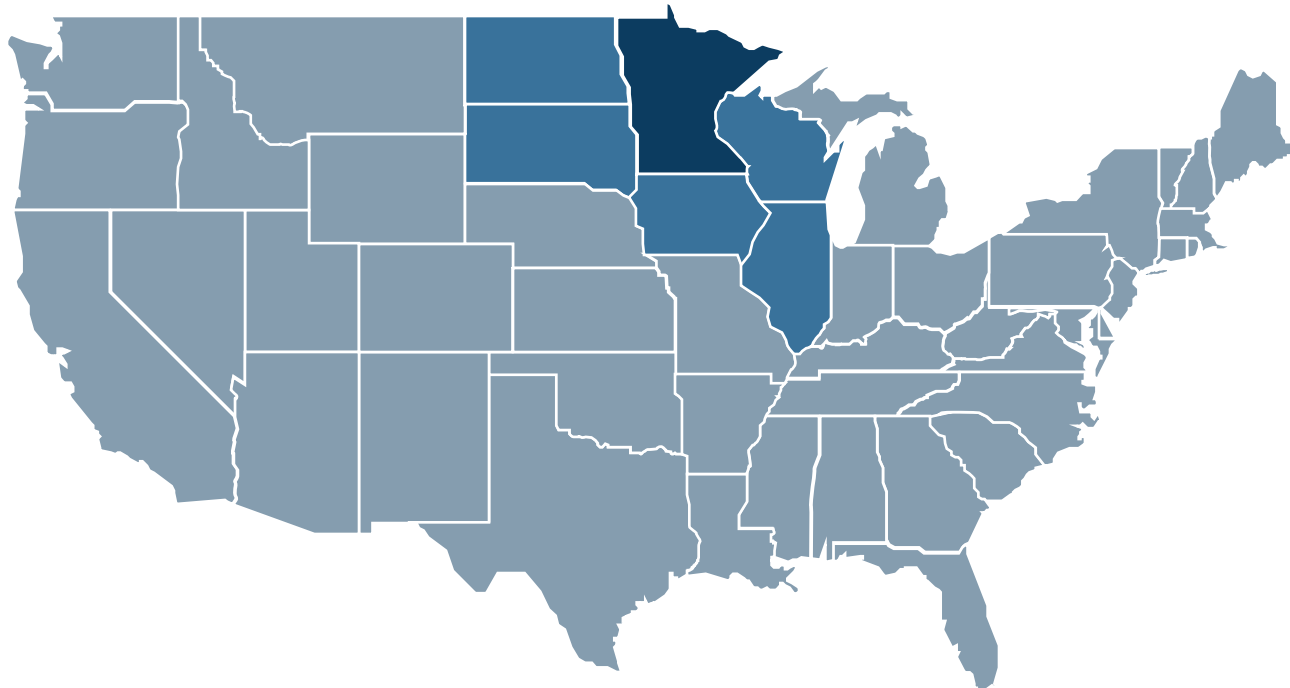
WE AVOID

Business that are:

- Project based
- Highly seasonal
- Heavy manufacturing
- Start-ups
- Distressed / turn-around situations

WE TARGET

We target companies based in Minnesota and the Upper Midwest, the region where our community presence and relationships are strongest.





PROCESS

A TRANSACTION WITH ADIRONDACK

ADVANTAGES

Selling to Adirondack:

- Provides flexible terms driven by your situation
- Ensures your business will thrive
- Affords *opportunities for your employees*: culture is maintained
- Offers access to capital to accelerate growth initiatives and for acquisitions
- Enhances your reputation among customers and suppliers
- Maintains the independence and name of your business (brand)

THE RIGHT PARTNER
continuing your legacy

TRANSACTION STRUCTURE

- Our acquisition structures are *flexible* – we work around your needs; however, **we require a controlling interest**. We are not minority investors.
- **Adirondack buys between 80% to 100%** of your business – you decide whether to reinvest a portion of the proceeds on the same terms as Adirondack.
- **Source of funds** – 50% to 60% equity from Adirondack; remaining 40% to 50% would be debt (low leverage, manageable covenants).



OWNER INVOLVEMENT

Transition out of the business in as little as 30 days

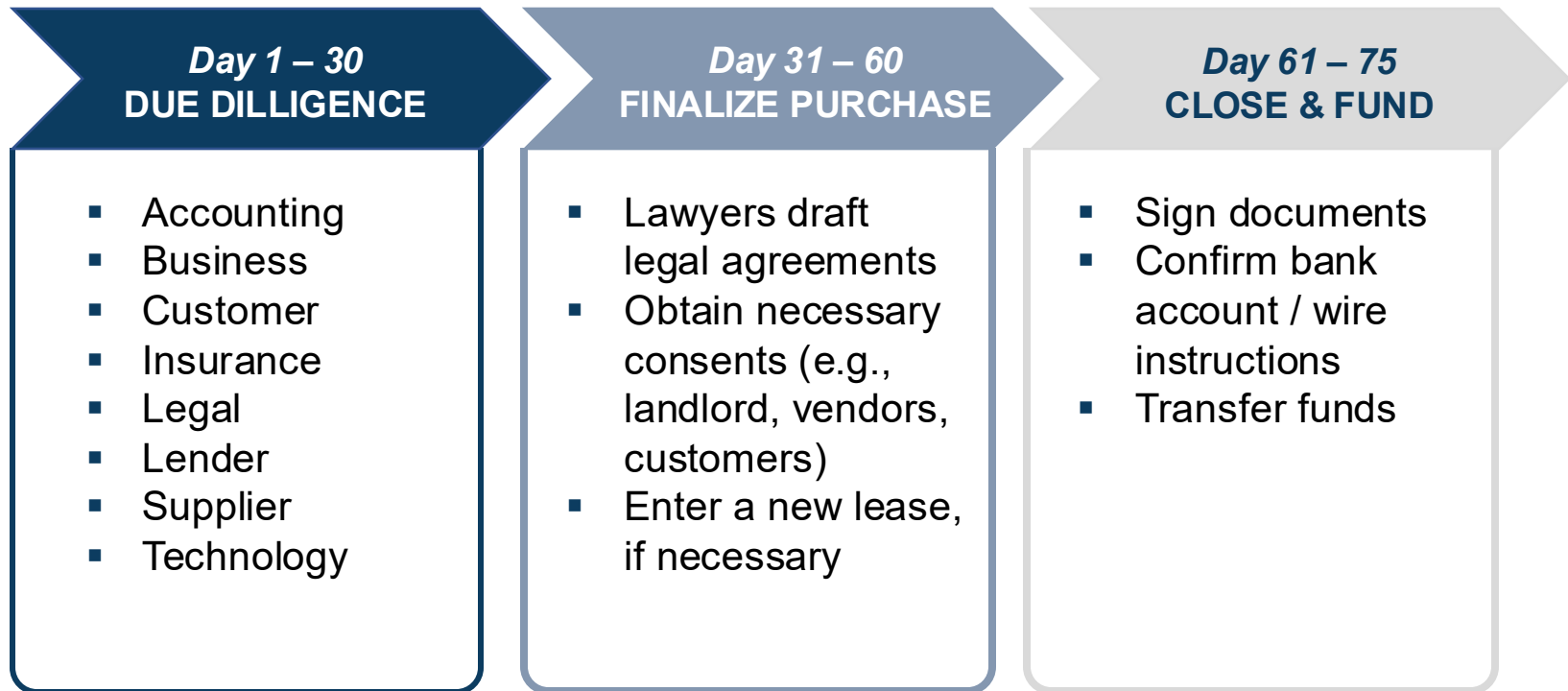
Your post-sale roles could include:

complete exit, board seat, defined consulting projects, adviser, and/or an ongoing operating role with reduced responsibilities (e.g., sales, technology, or product development)

we require

seller financing or you retain equity to minimize transition risk

TRANSACTION TIMELINE



CERTAINTY OF CLOSING
smooth ownership transition



EXPERIENCE

OUR TRACK RECORD

CASE STUDY: Midwest Supplies

- Adirondack purchased Midwest Supplies, America's largest ecommerce provider of homebrewing and winemaking supplies. After a period of record revenue and profitability growth, Midwest Supplies merged with Northern Brewer, its largest competitor, to become the clear industry leader.
- During Adirondack's involvement:
 - The founder and owner, Dave Turbenson, was able to exit the business in 45 days post closing, but the relationship we developed with Dave continues to this day; our principal took over as CEO of the company, running day-to-day operations
 - Dave used a seller note to help finance the transaction; and while he enjoyed getting monthly updates on the performance of the business, as well as the cash flow, we paid off his note in full nearly three years early – Revenue grew 30% per year, as a result of more targeted and specific marketing programs
 - Employee count grew from 55 to over 100, providing opportunities for existing and new employees
 - All employees grew professionally and many were offered greater responsibilities and new roles that became available as part of the company's growth



COMPANY:

Midwest Homebrewing
& Winemaking Supply

PURCHASED:

2010

LOCATION:

Minneapolis, MN

CASE STUDY: Nova Flex LED

- Adirondack purchased Nova Flex LED, a provider of custom LED lighting solutions serving the specification, commercial, and residential markets. The company has achieved record revenue and profitability under Adirondack's ownership, quadrupling in size.
- During Adirondack's involvement:
 - The founder and owner, Jim Steckman, exited the business 30 days post closing, but maintained involvement in the company through a multi-year consulting and advisory relationship
 - Jim used a seller note to help finance the transaction; his note was paid in full over two and a half years early, though his consulting agreement continues
 - Revenue has grown at a rapid, double-digit rate while significant investments have been made in personnel, systems, operations, marketing, customer service, and sales
 - Employees were offered greater responsibilities and new roles that became available as part of the company's growth
 - Adirondack currently owns Nova Flex and is investing heavily in the long-term growth of the company with no plans to sell

NOVA[®] FLEX[®]

COMPANY:
Nova Flex LED

PURCHASED:
2015

LOCATION:
St. Cloud, MN



NEXT STEPS

ACTIONS REQUIRED TO MOVE FORWARD

NEXT STEPS

STEP 1



Confirm your interest in completing a transaction

STEP 2



Execute Non-Disclosure Agreement (NDA)

STEP 3



Understand your objectives

STEP 4



Confirm cultural fit

STEP 5



Share detailed financial information to confirm value

STEP 6



Decide whether your goals can be achieved by a sale to Adirondack

SWIFT + CONFIDENTIAL
minimal disruption to the business



CONTACT

BEGIN YOUR TRANSACTION



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