

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



**ADIRONDACK**  
G R O W T H   C A P I T A L

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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**

Actions required to move forward



# OVERVIEW

OUR COMPANY & OBJECTIVES



# OUR FIRM

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

*we are*

INVESTORS + OPERATORS



# APPROACH + VALUES

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**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

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Entrepreneurs  
who love to build,  
operate & grow  
great companies

We are Owners

Driven, smart  
businesspeople &  
owners

**Stanford** University **HARVARD**  
UNIVERSITY

**COLUMBIA** UNIVERSITY **Northwestern**  
University

Growth-oriented,  
long-term  
investors

Patient Capital

# OUR OBJECTIVES

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**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

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- 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

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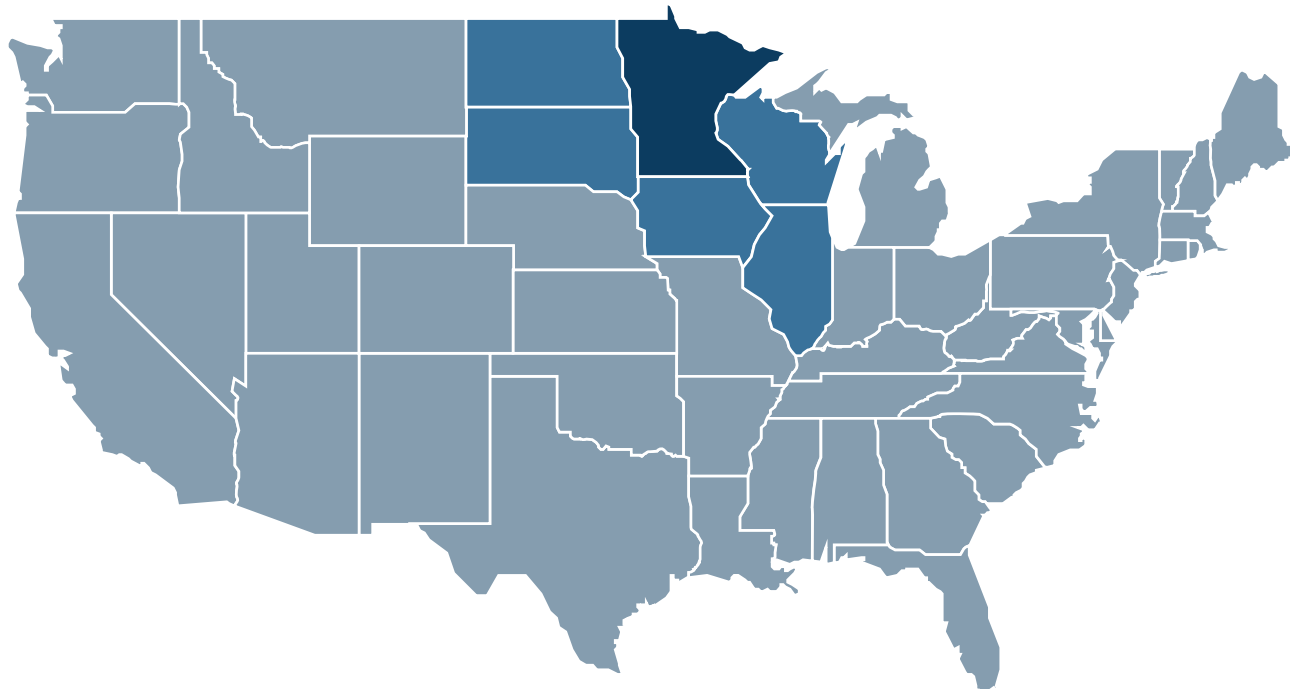
## **Business that are:**

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

# WE TARGET

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*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

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## **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

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- 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

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**Transition out of the business in as little as 30 days**

Your post-sale roles could include:

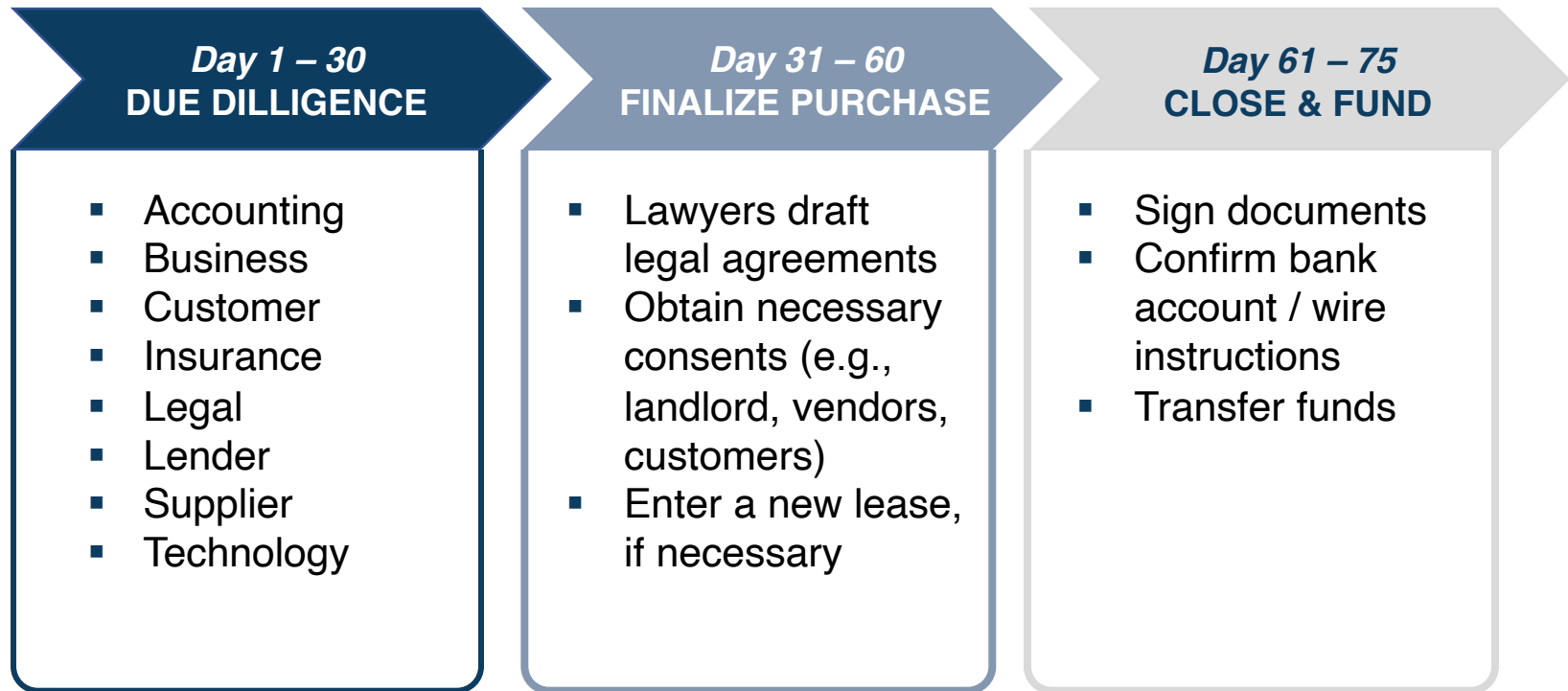
*complete exit, board seat, defined consulting projects, adviser, and/or an ongoing operating role with reduced responsibilities (e.g., sales or product development)*

***we require***

seller financing or you retain equity to minimize transition risk

# TRANSACTION TIMELINE

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CERTAINTY OF CLOSING  
**smooth ownership transition**



# EXPERIENCE

OUR TRACK RECORD

David Kidd is the Managing Partner & Founder of Adirondack Growth Capital. He is deeply involved in the strategy and operations of Adirondack's companies.

David is currently Chairman of Adirondack-owned Nova Flex LED, a rapidly growing LED lighting company that serves the specification, commercial, and residential markets. Since its acquisition, Nova Flex has quadrupled in size. He was previously CEO of Midwest Supplies, the largest ecommerce supplier of homebrewing and winemaking products in America and an Adirondack company. During David's tenure at Midwest Supplies the company experienced 30%+ annual revenue growth and achieved record profitability. After doubling revenue in two years, he led the sale of Midwest Supplies to Northern Brewer, its largest competitor, creating the clear industry leader.

Prior to founding Adirondack, David was a Vice President at Lincoln International, a middle-market investment bank where he completed 26 transactions in five years. Before joining Lincoln, he focused on post-merger integration as a member of the strategy practice at A. T. Kearney.

David earned an MBA from Stanford University, where he was an Arjay Miller Scholar. He holds a BS in Accountancy and a certificate in Technology Management from the University of Illinois at Urbana-Champaign, graduating with Highest Honors and Bronze Tablet distinction. David is an Eagle Scout and avid supporter of Scouts BSA. He currently resides in the western suburbs of Minneapolis with his wife, son, daughter, and golden retriever. In his spare time, he enjoys playing hockey.

# FOUNDER

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DAVID KIDD  
Managing Partner & Founder



# ADVISORY MEMBERS

## JOHN BARROW



- Nova Flex LED Board of Advisors
- Board Member of Midwest Supplies
- Founder, Chairman & President of Coolibar
- Consultant at McKinsey & Company
- MBA Harvard Business School
- BS the University of New South Wales

## KEITH BURNS

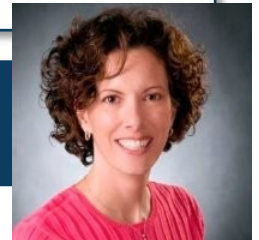


- President at Apex Physics Partners
- President Krueger-Gilbert Health Physics
- Managing Partner Seneca Creek Partners
- Vice President Goldman Sachs
- JD Columbia University
- BBA Emory University

## CHUCK GRANT

- CEO Tenex Health
- Chairman, President & CEO of SP Industries
- Chairman of O'Curran Telesecurities
- Segment President for SPX Corporation
- MBA Columbia University
- BS / BA Northeastern University in Boston

## ASHA MORAN



- Owner Plum Laboratories
- Co-Founder Glen Street Capital
- Principal Clean Path
- CEO & President Creative Memories
- MBA Northwestern University
- BA Grinnell College



# CASE STUDY: Midwest Supplies

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- 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

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- 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**<sup>☀</sup>FLEX<sup>®</sup>

**COMPANY:**  
Nova Flex LED

**PURCHASED:**  
2015

**LOCATION:**  
St. Cloud, MN



# NEXT STEPS

ACTIONS REQUIRED TO MOVE FORWARD

# NEXT STEPS

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## 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





# ADIRONDACK GROWTH CAPITAL

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