





SunTx Capital Partners

SunTx Capital Partners is a private equity investment partnership that works closely with talented, accomplished management teams to buy and build middle market companies in manufacturing, services and distribution industries.

Committed to forming an enduring partnership and shared vision with its management teams, SunTx focuses on growing businesses and increasing their value by improving operating performance, rather than increased debt leverage or other financial engineering.

Leveraging SunTx's extensive network of veteran industry executives, local business contacts in the southern United States and regional middle market financial advisors, SunTx specializes in proprietary investment opportunities in out-of-favor or overlooked industries that most private equity firms do not understand or dismiss.

Founded in 2000 and headquartered in Dallas, Texas, SunTx Capital Partners has approximately \$600 million of assets under management and has consistently achieved successful results for its investors. The capital committed by SunTx comes from a prestigious group of institutional investors, including leading university endowments and corporate and public pension funds, high net worth individual investors and the principals of SunTx Capital Partners.

INVESTMENT APPROACH

 **Partner with Management:**

SunTx’s investment success is built upon partnerships with talented, accomplished management teams. SunTx and its management teams share the investment returns and risks of their partnership.

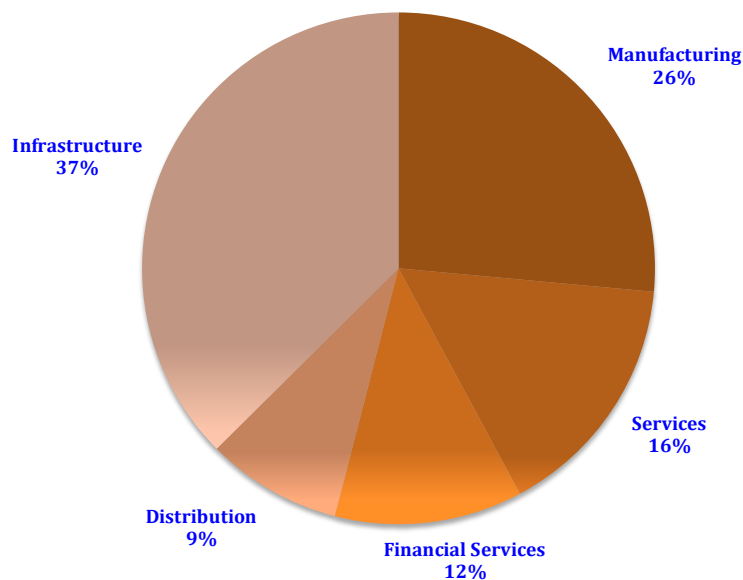
 **Focus on Operations:**

SunTx increases the value of companies by improving operating performance. SunTx partners with management to develop strategies and implement tactics to grow revenue, manage costs and improve cash flow.

 **Draw upon Network of Contacts:**

SunTx draws upon an extensive network of veteran industry executives, local business contacts and regional, lower middle market financial advisors cultivated over many years of investing throughout the country, but particularly in the southern United States, to gain proprietary access to potential acquisition opportunities that most private equity firms overlook or dismiss.

INVESTMENT BY INDUSTRY



INVESTMENT CRITERIA

- **Industry:**
Manufacturing, services or distribution
- **Profitability:**
Consistent history of increasing operating free cash flow
- **Market:**
Leading specialty or defensible niche in a large market with clear potential for revenue growth
- **Management:**
Experienced, proven team that will invest side-by-side with SunTx
- **Geography:**
Operations in the southern United States – Arizona to the Carolinas

TRANSACTION TYPES

- **Management Buyouts and Corporate Spin-offs:**
Partner with management to purchase a business from founders or corporate owners
- **Consolidations:**
Fund platform company to acquire series of targets and consolidate market segment
- **Underperforming Companies:**
Acquire underperforming companies and implement operating improvements to achieve full potential
- **Growth Equity:**
Supply capital to fund entry into adjacent markets or strategic growth initiatives
- **Generational Transition and Recapitalizations:**
Provide capital to fund generational transition for family-owned businesses or capitalize liquidity event for stable, sustainable businesses for founding owners
- **Public to Private Transactions:**
Acquire publicly-held company in a “take private” transaction

“I talked to many equity sponsors but the SunTx team was one of the few that understood what I wanted was a partnership that was more than just a source of capital. They spent the time to help me find the opportunities that met my criteria.”

Terry London
CEO London Broadcasting (former CEO of Gaylord Entertainment)

VALUE ADDED

Organizational Improvement	Operational Improvement	
	Income Statement Focus	Balance Sheet Focus
<ul style="list-style-type: none"> ◆ Management team organization and enhancement ◆ Strategic and operational tactical planning ◆ Alignment of objectives <ul style="list-style-type: none"> – Incentive compensation – Enterprise and capital budgeting 	<ul style="list-style-type: none"> ◆ Revenue enhancement <ul style="list-style-type: none"> – Acquisitions – Product line profitability analysis – Channel management – New product development – Cross-selling – Joint-venture ◆ Cost Management <ul style="list-style-type: none"> – Procurement consolidation – Personnel rationalization – Strategic outsourcing – Capital asset yield and efficiency improvement 	<ul style="list-style-type: none"> ◆ Working capital efficiency <ul style="list-style-type: none"> – Improved cash conversion cycle – Improved working capital position through cycle-time reduction ◆ Asset utilization <ul style="list-style-type: none"> – Increased asset utilization and scale benefits through cycle-time reduction and facility consolidation – High return capital projects – Manufacturing resource balancing ◆ Capital structure alignment and optimization



“Working with SunTx Capital Partners has been good for Huron, Inc. The SunTx people bring skill and business expertise that is not always readily available to a business of our size. They have been instrumental in helping us think about the business in new ways and developing plans to grow. The best thing about working with SunTx, however, is that they help. Everyone on the SunTx team is willing to roll up their shirt sleeves and help get the work done. It's like having an extra set of hands. Huron is a better company because of their partnership with SunTx.”

**Bob Bales,
President, Huron, Inc.**

FOCUS ON OPERATIONS

SunTx believes in creating a competitive advantage through operational excellence. Operational excellence is the primary driver of the value of businesses. As a result, SunTx builds value by focusing on increasing company cashflow through revenue growth and operational improvements rather than by maximizing financial leverage. Working closely with its management teams, SunTx has successfully developed and implemented value-enhancing strategies for portfolio companies.

SunTx’s belief in building value through operational excellence comes from over 50 years of collective experience in successful investing and operating in the middle market companies. Members of the SunTx team have held senior positions in the areas of management, finance, marketing and manufacturing at a broad range of companies, including Fortune 500 corporations and privately held companies.

By collaborating with portfolio companies’ management teams and applying its focused strategy and proven experience, SunTx has established itself as a valuable partner for its investors and portfolio companies.

“The SunTx team provided the partnership I wanted. They understood the M&A side and were willing to learn my industry. They respected my knowledge and my approach – and I gained an appreciation for their role. Through the process, we found several potential acquisitions and settled on a few.”

**Charles Owens
CEO, Construction Partners Inc. (former President & CEO of
Superfos Construction)**

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For more information, please see

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