

Overview

- Lone Star Investment Advisors is a Dallas-based private equity firm that specializes in leveraged acquisitions and recapitalizations of strategically viable, middle-market businesses with strong potential for growth. The firm invests in a wide variety of industry sectors including manufacturing / industrial, distribution, business services and energy / utilities. We specialize in investments that will create employment opportunities in the communities in which they are located, and maintain a strong reputation for driving economic growth in low income areas. Lone Star's principals have broad industry experience and look for new opportunities in most economic sectors, excluding early-stage investments, retail and real estate
- Since 1988, Lone Star and its partners have successfully executed more than 36 transactions, with an aggregate value in excess of \$400 million

Transaction Types

- **Leveraged Acquisitions:** Purchase controlling interests in underperforming companies with a combination of equity and debt financing. Implement operational improvements to guide the acquired company to its full potential
- **Recapitalizations:** Partner with business owners seeking a partial liquidity event. In most cases, the transaction affords the owner an opportunity to sell a portion of its equity interest while retaining ongoing operating control
- **Mezzanine Financing:** Provide senior subordinated debt to stimulate growth, restructuring or expansion activities
- **Management Buyouts and Corporate Spin-offs:** Partner with existing management team to purchase a business or business unit from founders or corporate owners
- **Growth Equity:** Provide capital to fund the introduction of new products, strategic growth initiatives or expansion into adjacent markets. Lone Star acts as a value-added resource to assist with the implementation of the chosen growth strategy

Investment Criteria

Geography

- Southwest United States

Financial Characteristics

- Revenues: \$25 million to \$150 million
- EBITDA: \$5 million to \$20 million

Industries

- Manufacturing / Industrial
- Business Services
- Distribution
- Energy / Utilities

Company Profile

- History of sustained operating profitability
- Potential for strengthening / market share
- Talented management team with desire to grow business

Investment Strategy

Lone Star applies a disciplined, integrated, value creation approach to its portfolio investments:

- **Proactive Transaction Sourcing and Analysis:** Lone Star's extensive network of strategic partners and industry leaders provides the Firm with early access to compelling portfolio investment opportunities. Of Lone Star's 36 historical transactions, 30 originated from a proprietary deal source and were shown to Lone Star exclusively
- **Active Involvement with Portfolio Companies:** Lone Star provides its portfolio companies with operational expertise and strategic planning, and monitors their progress through weekly calls with senior management. As opposed to limiting participation to annual or quarterly board meetings, the Firm strives to create long-term value on a weekly basis with each investment in its portfolio
- **Collaborative Partnership with Portfolio Company Management:** Lone Star structures each transaction to ensure that the incentives of portfolio company managers are directly aligned with the Firm. Portfolio company managers are also provided with the opportunity to earn equity options
- **Focus on Operational Excellence to Drive Value Creation:** Operational efficiency creates strong competitive advantages in any industry, and accordingly, is a primary driver of enterprise value. Lone Star focuses on enhancing the financial performance of its portfolio companies by identifying key areas of improvement which significantly increase the overall enterprise value

Arthur Hollingsworth
Managing Partner
972 980 5880
ah@texasprivateequity.com

Keith Camp
Partner
972 980 5882
kcamp@texasprivateequity.com

John McGuire
Principal
972 980 5881
jmcguire@texasprivateequity.com

Ellen Billings
Principal
972 980 5889
ebillings@texasprivateequity.com

Portfolio Companies

ALL-TEX PIPE & SUPPLY

Since 1973

All-Tex Pipe & Supply is an industry-recognized, independent distributor of pipe, valves and fittings serving the commercial and industrial mechanical markets. Since its founding in 1973, All-Tex has become the 22nd largest PVF distributor in the United States and the 6th largest woman-owned business in the DFW Metroplex



Alsay Incorporated provides complete water well systems on a turnkey basis, offering a comprehensive range of services required to provide professionally designed, constructed and maintained municipal and industrial water wells. Alsay performs water well drilling for municipalities, municipal utility districts and a variety of large industrial clients



Continental Electronics Corporation (CEC) is the premier manufacturer and supplier of advanced radio frequency (RF) broadcast transmission equipment. Founded in 1946, CEC is the world's most experienced designer and builder of the highest power radio broadcast equipment, providing a full range of products for broadcasting, military and scientific applications



Concrete Related Products LLC

Concrete Related Products (CRP) is a fabricator of reinforcement bar used in concrete construction and concrete product manufacturing. The company supplies rebar, both fabricated to specific lengths, thicknesses and shapes, as well as standard bar. CRP is headquartered in Cleburne, TX and maintains a consistent customer base in markets in the Southwestern United States



Energy Steel Products (ESP) is a leading stainless steel mill support center based in Houston, Texas. ESP provides specialty stainless steel bar and shapes, value-added processing and inventory management for service center customers serving a wide range of desirable end markets, including oil and gas, chemical processing, aerospace, power generation, and heavy equipment production



Neuro Resource Group (NRG) specializes in the development, design and manufacture of innovative medical products for injury management, rehabilitation, and pain management. The company's management team has extensive experience in the healthcare industry and is committed to providing products and developing training materials and protocols that help to improve the quality of patient's lives and also enhance athletic performance on both a professional and non-professional level



Petroplex Acidizing provides acidizing and chemical treatments for oil, gas and injection wells located in the Permian Basin area of West Texas and Southeastern New Mexico. Headquartered in Midland, Texas, Petroplex also operates equipment yards and blending facilities in Lovington, New Mexico, allowing the company to effectively service the entire Permian Basin. Petroplex is the largest independent acidizing and stimulation chemical treatment provider in the region



Reliant Worldwide Plastics (RWP) is the dominant U.S. manufacturer of injection-molded plastic commercial airplane seat parts. Reliant's customer list includes three of the four largest suppliers of passenger aircraft seats in the world. The company was founded in 1968 as K&D Plastics, and is headquartered in Plano, Texas with additional manufacturing facilities in Gainesville, Texas



The name that started an industry.

Tote Systems International is the premier provider of intermediate bulk container (IBC) products, equipment systems and services to manufacturers that require absolute containment in sanitary environments. Customers include major industrial, food and pharmaceutical producers such as Du Pont, Nestle and Pfizer. The IBC industry first appeared in 1946 with the invention of the Tote Bulk Container and the formation of Tote Engineering, now known as Tote Systems International, LP



Woodlawn Manufacturing is an integrated high volume, precision manufacturer of metal parts and assemblies for the defense, oil and gas, aerospace, automotive and HVAC industries. The company serves as a first and second tier supplier to the United States military, producing rocket warhead bodies, countermeasure flare cases and other miscellaneous ammunition. Founded in 1973 and headquartered in Marshall, Texas, Woodlawn is the sole-source supplier for the Hydra-70 warhead bodies and a major supplier of flare cases