



Investing With Us

Growing Your Company

## INVESTING WITH US

Rock Hill takes a very deliberate approach to investing. We look to partner with high net worth individuals, family offices and institutions that are seeking a stable and carefully managed alternative investment opportunity from a firm with a proven track record of success.

We make majority control investments and minority investments with high growth companies in the small-to-lower middle market entrepreneurial companies in the industrial products and services sectors that are poised for growth. We partner with experienced management teams whose only limitations for continued growth are long-term capital and the knowledge and expertise of how to take their company to the "next-level."

Rock Hill defines small-to-lower middle market businesses as operating companies with EBITDA less than \$15 million. We believe the opportunities in this market generally have lower entry price multiples, less competition from other financial buyers, significant opportunities for growth and expansion and attractive exit options to strategic and/or larger financial buyers.

Rock Hill focuses its attention on the South and Southeast regions of the U.S. This geographical area has large numbers of companies servicing various parts of the petrochemical, energy, waste and other industrial sectors.

### FINDING THE RIGHT INVESTMENT

Our experience tells us that past success is a great indicator of future performance. The attributes we look for in targeted companies include:

- **Market Niche and Market Size**  
Established market niche, unique product and/or service generally free from commoditization with attractive growth potential
- **Dynamic, Entrepreneurial Management**  
Leaders with the management depth necessary to successfully implement a growth strategy
- **Defensible Market Position**  
Defensible barriers to entry from new domestic or international competition
- **Scalability**  
Management information systems, product sales, marketing and distribution conducive to scale without significant capital investment
- **Strong Recurring Free Cash Flow**  
Leverageable and predictable free cash flow
- **Profitable**  
Proven history of profitability and growth
- **Reasonable Valuation**  
A valuation commensurate with the company's growth potential and investment risk
- **Seller Reinvestment**  
Willingness of the selling shareholders who are active in management to reinvest in the company's future

Before we commit, our rigorous due diligence provides us with a thorough understanding of a company's strengths and opportunities. This critical process allows Rock Hill to invest, using tangible metrics to judge both current and long-term success.

### PROVEN INVESTMENT PROCESS

Rock Hill uses a disciplined and proven investment process. We developed a key investment criteria matrix to evaluate transactions. Essential elements of this process include:

- Identifying attractive investment opportunities at reasonable purchase prices;
- Conducting thorough and complete due diligence;
- Developing a creative transaction structure that incentivizes portfolio company management and maximizes the company's opportunities for success;
- Focusing on investments that provide Rock Hill with enterprise control (through ownership or structure);
- Developing and implementing a post-investment value enhancement plan for the company; and
- Identifying appropriate liquidity options, which may include dividends, recapitalizations, capital markets or an outright sale of the company.



#### VALUE ENHANCEMENT THROUGH FINANCIAL AND OPERATIONAL EXPERTISE

We get involved in managing each portfolio company, which includes the development of a post-investment value enhancement plan. This plan addresses strategic goals and objectives, internal and external growth opportunities, cost control and/or margin improvement, management development and recruitment, budgeting, finance and management information systems. We will partner with the portfolio company management to ensure the successful implementation of the plan lending our know-how and connections where necessary to take the company to the next level. We believe the development and use of these criteria instills discipline in the investment process and allows Rock Hill the tangible metrics to evaluate portfolio companies strengths, weaknesses and potential for investment return.

Rock Hill believes in true partnership. Once we commit to invest in a company, we encourage the entrepreneur to make a sizable equity contribution to ensure a shared vision and mutual passion for moving the company toward meeting its growth goals and maximizing the long-term value for investors, rather than near-term IRR milestones. Rock Hill's extensive network of long-term relationships generates deal flow outside the traditional auction process and is comprised of general business contacts and relationships with executives, investors, industry experts, bankers, local intermediaries, accounting firms and law firms.

For more information on investing with Rock Hill, please contact us at [inquiries@rockhillcap.com](mailto:inquiries@rockhillcap.com).

Learn more about our [portfolio companies](#).