

BACKGROUND

Since 2000, Cornerstone has been investing in established, middle-market manufacturing and industrial service businesses located throughout the United States. We look to partner with strong, experienced management teams and collectively develop strategies to enhance shareholder value over time. As a holding company, we maintain long-term investment horizons.

SUMMARY TARGET CRITERIA

- Privately-held business or division of a larger corporation
- Manufacturing or low-tech industrial service company
- Management team preferred but not required
- Proprietary products and/or specialized, niche capabilities
- Mature, non-cyclical industry – preferably fragmented
- Diversified product or service offering

BASIC FINANCIAL METRICS

- Annual revenues of \$5 to \$100 million
- Adjusted EBITDA of \$1 to \$10 million
- Minimum Adjusted EBITDA margin of 10%
- Net working capital less than 35% of annual revenues
- No single customer greater than 30% of annual revenues
- Prefer non-seasonal companies

MANUFACTURING AREAS OF INTEREST

- Aerospace – commercial and military
- Packaging equipment and supplies
- Branded or highly engineered products
- Specialized machinery
- Aftermarket parts and accessories

INDUSTRIAL SERVICE AREAS OF INTEREST

- Maintenance, repair and operations (MRO)
- Oilfield service companies
- Electronic repair and re-design
- Niche processing/coating services
- Health care services

CURRENT CORNERSTONE COMPANIES



N2 Imaging Systems: Designs and builds compact, low power, visible and infrared imaging systems for soldier vision enhancement, surveillance, or threat detection-and-targeting

Corporate Divestiture / 2019



AeroGen-TEK: Manufactures complex engine combustors, turbine engine inlets, exhaust components and liners for aerospace, industrial gas turbine, and marine markets.

Corporate Divestiture / 2019



Walbar Engine Components: Leading manufacturer of close tolerance, critical turbine engine blades, vanes and related components for aircraft and commercial propulsion systems.

Corporate Divestiture / 2016



Keystone Engineering: Design and builds satellite propellant tanks, domes and ancillary space products. In addition, sole source to refurbish AWACS bearing assembly.

Corporate Divestiture / 2013



RSA Engineered Products: Designs and builds aircraft ducting for engine, anti-ice, APU and airflow management systems. Also sells proprietary line of ozone converters.

Corporate Divestiture / 2012



UST-Aldetec Group: Produces proprietary RF products, electronic assemblies and PCB's for aerospace, defense and industrial applications. Also maintains end-of-life electronic assemblies.

Private Company Buyout /
2004



Essner Manufacturing: Manufactures CNC machined and sheet metal components and assemblies for use on both commercial and military aircraft.

Private Company Buyout /
2001

