

# Springbrook Partners

Springbrook Partners, LLC is a Search Fund, an investment approach that has been around since the mid-1980s. In the model, an entrepreneur raises money from experienced investors and operators to search for, acquire, and then take over active day-to-day management of one great business (not a portfolio). That means moving to where the business is located and showing up every day with sleeves rolled up, not monitoring financials from afar.

Why us?	 Springbrook Partners	Strategic or Financial (private equity) buyers
Role of seller/owner post-transaction	Flexible and tailored, liquidity	Typically forced to stay long-term or leave immediately
Role of buyer post-transaction	100% focus and personal commitment to growth	Financially driven, focused on integration or next deal
Employees	Seen as crucial to success, retained and developed	Need to be rationalized, viewed as a cost center
Due diligence, deal terms	Focused and efficient, flexible terms	Long and tedious, typically strict, standard terms
Value creation	Sustainable revenue growth, additional services	Financial engineering, cost cutting, synergies
Company culture & legacy	Preserve and grow with pride	Not a priority
Time horizon	Flexible and long-term	Varies widely, typically 3-5 years

## Focus

We're evaluating companies across the United States with the following characteristics:

- Revenues \$5-50MM (services) or >\$2MM ARR (SaaS)
- Strong track record of profitable historic growth
- High recurring revenues from a loyal customer base
- No significant customer concentration (a little is ok)
- Valued, mission-critical service provider to its customers
- Strong balance sheet
- Growing, fragmented industry
- Reputable seller with a desire to step back on flexible terms and willing to assist in transition

## Common Questions

### "How will you propose structuring the deal?"

- The acquisition will be funded with a conservative mix of investor capital and bank debt for a majority (80-100%) ownership of the company. This can either be paid as all 'cash at close' or we can discuss partial (10-25%) seller financing (with interest).

### "Where'd you get the money, and what's in it for you?"

- I'm not independently wealthy and Springbrook is funded with outside capital – I went to a bunch of smart strangers and convinced them I'm worth backing. Over time I'll earn 'sweat equity' in the business based on hitting various milestones.

## John O'Brien, Managing Partner



It's not just the investment approach that sets us apart. Far from being an M&A or investment banking veteran, I spent the first chapter of my career at Penske Automotive Group in a series of P&L responsible operating roles, managing large mixed blue/white collar teams. Having grown up in a family of small business entrepreneurs, I also know how hard it is to build a company – and how rewarding it is to achieve success.

## Process

1. Confidential introduction (call or meeting)
  2. Establish relationship and share preliminary info
  3. Visit the business to discuss objectives, priorities, and determine mutual fit
  4. Agree on terms, sign Letter of Intent (LOI)
  5. Due diligence of the business
  6. Complete agreement and finalize contracts
- Goal of 90-120 days from meeting to closing
  - We will pay a market-rate origination fee for a closed deal