

# ICV

**FMCRC Florida Minority Community Economic Development Summit**  
May 26, 2010



# Introduction to ICV Partners

## Overview

- ICV Partners (ICV) is a New York-based private investment firm with over \$440 million of committed capital
- Our Principals have collectively over 90 years of private equity, mergers & acquisitions, and corporate finance experience
- We have made 10 platform investments and 7 add-on acquisitions in lower middle market companies across a variety of industries
- We invest the capital of more than 35 institutional investors including banks, insurance companies, pension funds and foundations



# Introduction to ICV Partners

## ICV Fact Sheet

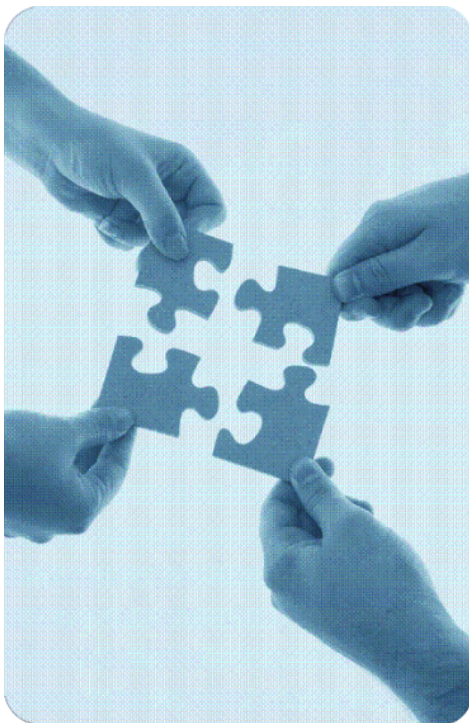
- Successful track record of investing in small to medium sized businesses
- Founded in 1998
- 12 investment professionals (16 total employees) in the U.S.
- Offices in New York and Atlanta
- 10 platform companies, 7 add-on acquisitions across various industries; 4 in our current portfolio
- More than \$550 million in combined revenue of our portfolio companies
- More than 2,400 employees of our portfolio companies located in the U.S.
- ICV Fund I: \$130 million, ICV Fund II: \$313 million
- Affiliates: American Securities, the Initiative for a Competitive Inner City
- For more facts visit our website: [www.icvpartners.com](http://www.icvpartners.com)



# Introduction to ICV Partners

## Investment Strategy

Actively assist Management teams of leading lower-middle market companies to realize value potential



### ICV seeks to:

- Invest in Companies in stable to growing industries with:
  - Leading/defensible market positions
  - Industry-leading EBITDA Margins
  - Value added opportunities exist
  - Annual revenues between \$25 and \$200 million
  - EBITDA between \$5 and \$30 million
  
- Partner with Proven Management Teams Willing to Invest Their Own Capital
  
- Employ Prudent Debt Levels in Capitalization (No Sub-Debt)
  
- Pay a Reasonable Multiple of Existing Cash Flow



# Introduction to ICV Partners

## Investment Team

ICV's Principals have collectively **over 90 years** of private equity, mergers & acquisitions, and corporate finance experience

**Willie E. Woods**  
ICV since 1999  
Deutsche Bank Alex.Brown  
Levmark Capital  
Lehman Brothers  
*Morehouse, Harvard (MBA)*

**Tarrus L. Richardson**  
ICV since 1998  
Joseph, Littlejohn & Levy  
Salomon Brothers  
*Purdue, Harvard (MBA)*

**Lloyd M. Metz**  
ICV since 2002  
Warburg Pincus  
Morgan Stanley  
J.P. Morgan  
*Stanford, Harvard (MBA)*

**Cory D. Mims**  
ICV since 2003  
TSG Capital Group  
Salomon Brothers  
*Howard, Harvard (MBA)*

**Ira Moreland**  
ICV since 2009  
SunTrust Robinson Humphrey  
Bank of America Securities  
Citigroup  
*Morehouse, Univ. of Chicago (MBA)*

**Principal**  
**Zeena Rao**  
ICV since 2001  
Lehman Brothers  
*Wharton, Harvard (MBA)*

**Principal**  
**Qian Elmore**  
ICV since 2009  
Reliant Equity, Wind Point Partners,  
McCown De Leeuw, Morgan Stanley  
*Morehouse, Harvard (MBA)*

**Senior Associate**  
**Sheldon B. Howell**  
ICV since 2008  
Churchill Financial  
*Rutgers, Univ. of Michigan (MBA)*

**Business Development**  
**Djena N. Graves**  
ICV since 2003  
Morgan Stanley  
*Fl. A&M, New York Univ., (MBA)*

**Associates**  
**Lenora Robinson**  
ICV since 2008  
UBS  
*Howard*

**Associates**  
**Marcus Mayo**  
ICV since 2008  
McKinsey  
*Morehouse*

**Associates**  
**Demetrius Sidberry**  
ICV since 2008  
UBS  
*UNC - Wilmington*



# Introduction to ICV Partners

## Portfolio Investments

### Current Investments



Leading provider of independent financial and investment advisory services to state and local governments and non profit entities

*Revenue: \$103 million*



Leading provider of dining and entertainment cruises, with five distinct brands

*Revenue: \$99 million*



Leading specialty retailer serving the rapidly expanding casino retail market

*Revenue: \$91 million*



Leading provider of business opportunities to enter the promotional products industry

*Revenue: \$20 million*

### Exited Investments



Leading manufacturer of shelf stable bakery products for the military and commercial markets

*Revenue: \$82 million*



Leading provider of premium Asian appetizers and entrees

*Revenue: \$16 million*



*a subsidiary of Recoton Corporation*

Leading developer, marketer and distributor of 12-volt mobile audio after-market accessories

*Revenue: \$43 million*



Leading provider of eyewear and eye care accessory products and supplies

*Revenue: \$60 million*



*a subsidiary of Impaxx, Inc.*

Leading manufacturer of folded cartons to the pharmaceutical and cosmetic industries

*Revenue: \$38 million*

# Introduction to ICV Partners

## Affiliated Portfolio Investments

### American Securities, LLC



# Introduction to ICV Partners

## How We Work

Relying on the talent and experience of management athletes, we coach all-star caliber companies to better navigate the competitive field of their industry

- Act in **partnership** with management
- Are **not operators** and do not look to take over or replace management's job
- Are **active**, but not disruptive
- Let **facts and data** guide our decision-making
- Are **value-added** with focus on revenue generation
- Help our management partners **think out of the box**



# Benefits of ICV Sponsorship

## Proven Value-Added Partner

Relying on the talent and experience of management athletes, we coach all-star caliber companies to better navigate the competitive field of their industry



- **Add-on Acquisitions**
  - Completed 7 add-on acquisitions for portfolio companies representing over \$100 million in added value
  - Routinely solicit and evaluate add-on acquisition opportunities for portfolio companies
- **Capital Investment**
  - Routinely invest additional capital in capital expenditures for organic growth initiatives
- **Revenue Growth**
  - Sourced several million in additional revenue opportunities through MBE/Supplier Diversity contacts
- **Sourcing**
  - Established Asian sourcing affiliation with 9 person American Securities office in Shanghai

# Track Record of Successful Partnerships

## Case Study: Sterling Foods Ltd

- **Leading manufacturer of shelf-stable, frozen and fresh baked goods sold to military, commercial and educational markets**
- **Under ICV's ownership, Sterling successfully:**
  - Grew revenues from \$30.7 million in 2001 to \$82 million in 2008
  - Added over \$15 million of production assets to diversify the business
  - Completed an add-on acquisition of a leading baked goods company, Buena Vista Food Products Inc.
- **ICV delivered the following through its supplier diversity relationships and classification as a Minority Business Enterprise (MBE):**
  - \$10 million of incremental revenue
  - Introductions to several large food service customers including Darden Restaurants, Yum! Brands, Brinker International and Applebee's
  - Assisted Sterling in rapidly expanding its business into the commercial bakery market





# Track Record of Successful Partnerships

## Case Study: Hilsinger Company

- **Leading provider of eyewear and eye-care accessory products and supplies in the U.S.**
- **Successfully leveraged the company's strong platform and leading competitive position to complete 3 add-on acquisitions**
  - May 2004 acquisition of Leader Sports, Inc.
  - July 2005 acquisition of MSI, Inc., a cleaner and cloth business
  - May 2006 acquisition of Quality Accessories, a cleaner and cloth business
- **During ICV's partnership with Hilco, the Company successfully:**
  - Grew net sales from \$44 million in 2003 to \$60 million in 2006, an 11% CAGR
  - Grew EBITDA from \$9.7 million in 2003 to \$13.4 million in 2006, an 11% CAGR
  - Expanded its presence within its core optical market and penetrated new channels such as mass merchants





# Track Record of Successful Partnerships

## Case Study: Marshall Retail Group

- **50-year old family owned specialty retailer in Las Vegas catering primarily to visitors to the resorts and casinos**
- **CEO was the third generation of the Marshall family to lead the business and wanted to invest in the business to grow, but his father and sister wanted liquidity and security**
- **We negotiated a transaction in January 2003 that met the family's objectives:**
  - CEO received cash at closing and rolled over 35% of his proceeds for a 40% ongoing stake. Father and sister received an all cash deal at closing and elected not to retain any ownership.
- **During ICV's partnership with the Company, Marshall successfully:**
  - Grew sales from \$41 million in 2002 to \$72 million in 2004, a 33% CAGR
  - Grew EBITDA from \$6.6 million in 2002 to \$14.2 million in 2004, a 47% CAGR
  - Expanded stores from 40 to 55, and entered Atlantic City market
  - Added a President, CFO, Merchandising Managers, and Dir. of Operations
  - Upgraded the MIS system
  - Recruited seasoned retail executive to the Board
  - Added \$3 million of incremental revenues through ICV's minority supplier relationships



# Track Record of Successful Partnerships

## Case Study: AAMP of America

- **Developer, marketer and distributor in the 12-volt mobile audio after-market accessory industry**
- **The business was non-core to, and received little attention from, its corporate parent. CEO wanted a partner to help grow the business**
- **Management selected ICV as their financial partner because they shared ICV's conservative and partnership-driven philosophy**
- **During ICV's partnership with the Company, AAMP successfully:**
  - Grew net revenues from \$32 million in 2002 to \$42 million in 2006, a 7% CAGR
  - Grew EBITDA from \$6.0 million in 2002 to \$8.2 million in 2006, an 8% CAGR
  - Entered new distribution channels targeting the chain mass merchant and home audio markets
  - Introduced several new products including the iPod2car, with \$3 million in sales within 15 months of launch
  - Implemented a new MIS system and improved warehouse efficiency
  - Made several key hires including a CFO and Director of Business Development
  - Completed the add-on acquisition of Pacific Accessories Corp in September 2005



# Track Record of Successful Partnerships

## Case Study: Entertainment Cruises

- **Largest operator of dinner cruises in the U.S. with operations in Boston, Chicago, New York, Norfolk, Philadelphia, Washington D.C. and Baltimore**
- **Backed founder to become CEO and to cash out his angel investor and largest shareholder**
- **CEO had a dream of buying his largest competitor to become the dinner cruise leader**
- **Within the first year of the partnership, ICV was successful at helping the Company to acquire its largest competitor, Spirit Cruises**
  - Completed an additional add-on acquisition of Baltimore Cruises
  - Completed the integration of Premier Yachts and Spirit Cruises in 18 months
- **ICV has helped management to:**
  - Focus on cash flow
  - Rationalize pricing of products
  - Cross sell various brands
  - Improve asset utilization
  - Increase customer segment marketing efforts
- **Since partnering with ICV, the Company has:**
  - Grown revenues from \$29 million in February 2006 to \$96 million in December 2007
  - Increased EBITDA from \$7.5 million to \$17.0 million
  - Expanded from 3 markets to 7, becoming the acquirer of choice in the industry



# Track Record of Successful Partnerships

## Reference Information

We invite you to contact the senior management of any of our portfolio companies to discuss their experiences working with ICV

### Presidents/CEOs of ALL of ICV's portfolio companies (past and present):

Contact	Title	Company	Phone
1) Todd Marshall	Chairman	Marshall Retail Group	(702) 274-8633
2) Michael Wilkins	President / CEO	Marshall Retail Group	(702) 949-8787
3) Bob Nahmias	President	The Hilsinger Co.	(508) 699-4406
4) Micah Ansley	President / CEO	AAMP of America	(727) 572-9255 x222
5) Michael Higgins	Founder / CEO	Entertainment Cruises	(312) 321-7604
6) Shawn Smith	President / CEO	Innovative Folding Carton Co.	(908) 757-6000 x110
7) John Likovich	President / CEO	Sterling Foods Ltd.	(210) 490-1669 x101
8) David Huddle	President	Chung's Foods	(832) 928-6858
9) John White	Managing Director / CEO	The PFM Group	(215) 557-1408