



THE STEPHENS GROUP



## Commercial & Industrial Products and Services

We invest in a wide range of commercial and industrial sectors and business models. We look for companies with value-added products or services that are difficult for competitors to replicate, provide a clear ROI-based value proposition for their customers, and that are led by outstanding management teams, all of which result in strong margins indicative of a truly differentiated business.

### ENGINEERED INDUSTRIAL PRODUCTS

Sub-sectors of particular interest include:

- Flow control, process and motion control, niche / specialty small equipment, professional tools, engineered components (e.g. sensors, switches, etc.), automation controls, environmental technologies, test and measurement devices and instrumentation, and specialty building products

Company attributes we're looking for:

- Strong and defensible market positions in high-growth niches
- High degree of engineering content in the product
- Product performance more important than price
- Consultative sales approach; knowledge of customer application is important
- Intellectual property, such as patents, trade secrets or institutional knowledge
- Gross margins in excess of 35 – 40% and EBITDA margins in excess of 10%
- Capital efficient business models

Representative investments:



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