



WYNNCHURCH | CAPITAL

Creative Solutions for Complex Transactions



State of Rhode Island Meeting
December 11, 2019

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Please see the end notes provided on the last page of this presentation for more information regarding certain data points presented.

- WC** Established Private Equity Firm with a Long History of Top Quartile Returns⁽¹⁾⁽²⁾
- › Founded in 1999
 - › Seasoned Team of 34 Professionals
 - › Headquartered in Rosemont (Chicago Suburb) with Offices in Toronto and a Los Angeles suburb
 - › Over \$2.2 Billion in CCUM

- WC** Value-Based, Operationally-Focused, Investment Approach
- › Invest in Deep Distress Situations, Under-Performing Companies and Complex Transactions
 - › Differentiated/Dedicated Sourcing Model
 - › Disciplined Buyer → Historical Acquisitions Priced at 5.0x adj avg EBITDA
 - › Apply a Consistent Approach to Value Creation
 - › Time-Tested Investment Model and Team

- WC** Solid Track Record of Creating Value for Fund Investors
- › Invested in Over 90 Platforms and Add-Ons Since 2000
 - › Top Quartile Returns for Funds I, II, III and IV⁽²⁾

Investment Strategy: Overview and Basic Criteria

We Target Value-Oriented Investments in Companies Undergoing Change with a Keen Focus on:

Companies

Well-positioned companies.

Buy Right

Don't overpay. Don't overleverage.

Identified Path to Value Creation

Target 3x+ gross return.⁽³⁾

People

The "right" leadership is critical.

Portfolio Construction

No more than 10% of fund in any single investment.

- › Investment: Up to \$200M
- › Revenue: \$50M - \$1B

Situations

- › Corporate carve-outs
- › Succession planning
- › Management buyouts
- › Turnarounds/Underperformers
- › Special situations
- › Recapitalizations
- › Out-of-favor industries
- › Growth Capital

Core Industries

- › Aerospace & Defense
- › Automotive & Transportation
- › Building Materials
- › Chemicals
- › Energy Services & Equipment
- › Industrial Products & Services
- › Metals & Mining
- › Paper & Packaging
- › Distribution & Logistics
- › Niche Manufacturing/Food Processing

Experienced Team

Senior Leadership

John Hatherly Founder Managing Partner	Frank Hayes Wynnchurch '01 Managing Partner	Chris O'Brien Wynnchurch '00 Managing Partner	Roy Sroka Wynnchurch '06 CFO/COO
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Business Development and Investor Relations

Scott Fitch Wynnchurch '15 Managing Director	Mike Teplitsky Wynnchurch '08 Managing Director	Morty White Wynnchurch '08 Managing Director	Dan Needham Wynnchurch '13 Operating Partner ⁽⁶⁾
Ramsay McLearnie Wynnchurch '16 Vice President	Jim Towers Wynnchurch '16 Vice President	Kari Smith Wynnchurch '11 Investor Relations	James Whittle Wynnchurch '16 Associate

Investment Professionals

Brian Crumbaugh Wynnchurch '10 Managing Director	Greg Gleason Wynnchurch '08 Managing Director	Neel Mayenkar Wynnchurch '06 Managing Director	Erin Murphy Wynnchurch '10 Managing Director	Paul Ciolino Wynnchurch '16 Operating Partner ⁽⁶⁾
Carl Howe Wynnchurch '12 Vice President	Brian Riordan Wynnchurch '12 Vice President	JD Frank Wynnchurch '14 Senior Associate	Kevin Hanley Wynnchurch '14 Senior Associate	Mike MacKay Wynnchurch '18 Senior Associate
Ben Cherry Wynnchurch '18 Associate	Cole Pospesel Wynnchurch '16 Associate	Alex Randall Wynnchurch '16 Associate	Chris Waldock Wynnchurch '17 Associate	Ben Hayes Wynnchurch '19 Analyst

Operating Portfolio Professionals

Duncan Bourne Wynnchurch '06 Managing Director	Steve Welborn Wynnchurch '09 Managing Director	Michelle Cormier Wynnchurch '10 Operating Partner ⁽⁶⁾	Scott Farrell Wynnchurch '17 Operating Partner ⁽⁶⁾
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Firm Administration

Ursula Djurickovic Wynnchurch '06 Controller	Brett Phalin Wynnchurch '16 Senior Staff Accountant	Maggie Kazimierczuk Wynnchurch '18 Junior Accountant	Shannon DeStefano Wynnchurch '15 Executive Assistant
Stephanie Schaeffer Wynnchurch '15 Executive Assistant	Meri Adler Wynnchurch '17 Reception		

Experienced Team

- › Partners - Over 80 Years of Combined Experience

Deep Team

- › Broad Based Business Expertise/Experience Across Many Disciplines
- › Expect to Add 2-3 Additional Operating Partners in 2019

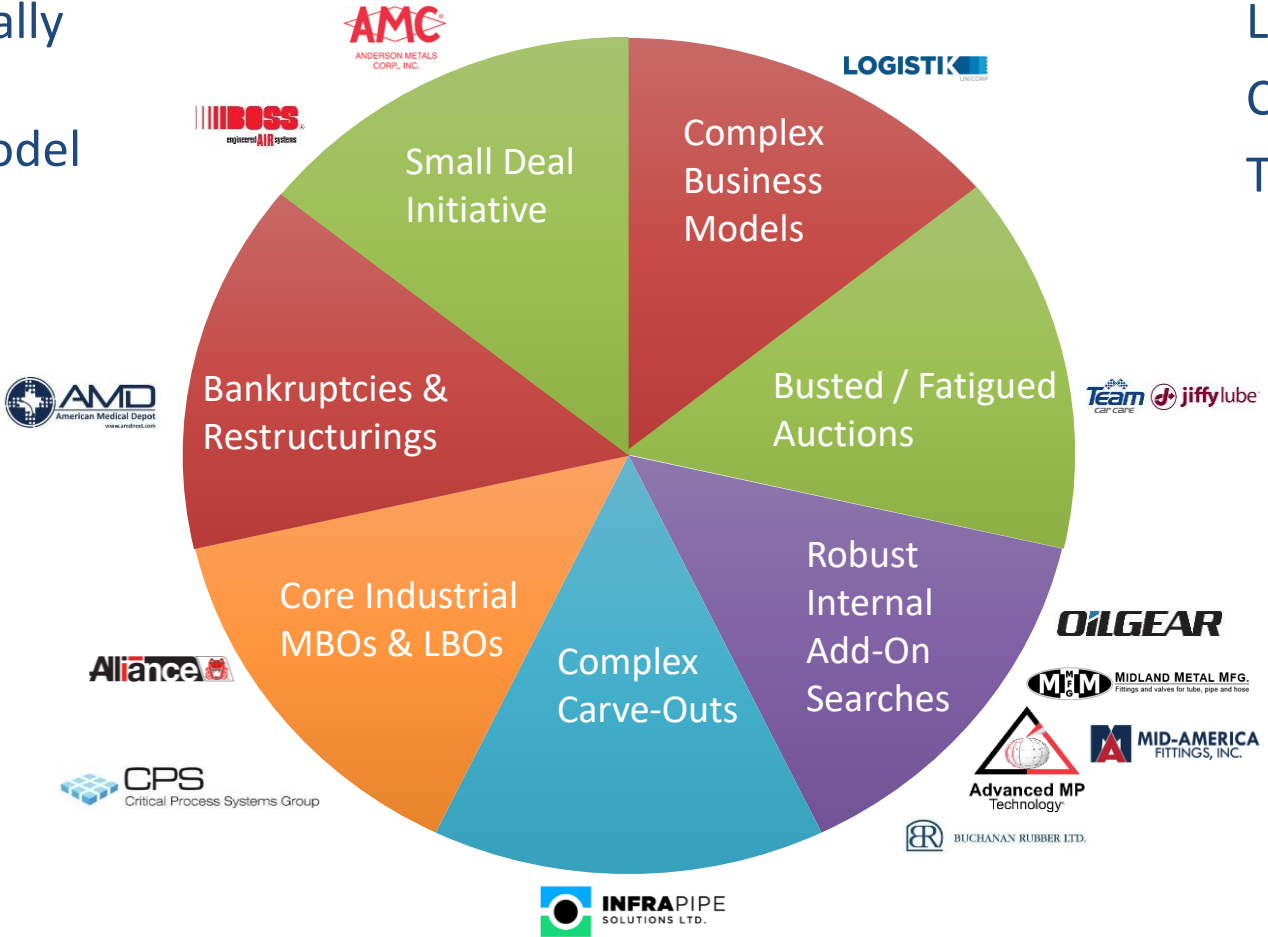
Succession Plan

- › Promoted Chris O'Brien to Co-Managing Partner

Investment Origination

Geographically
Diverse
Sourcing Model

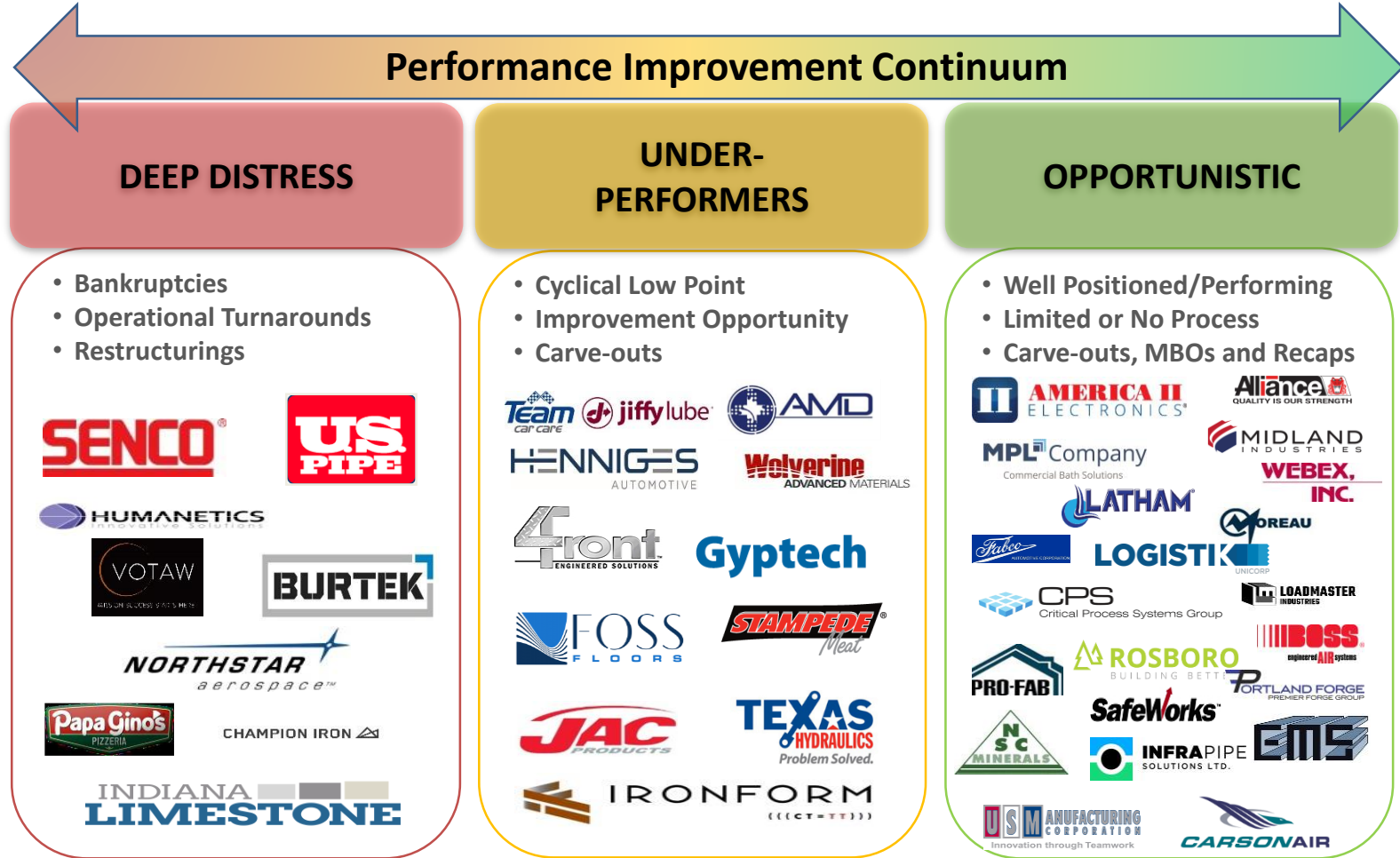
Los Angeles
Chicago
Toronto



6 Person Dedicated Sourcing Team Generates Unique, Overlooked and Underperforming Investment Opportunities

Investment Strategy: Situations

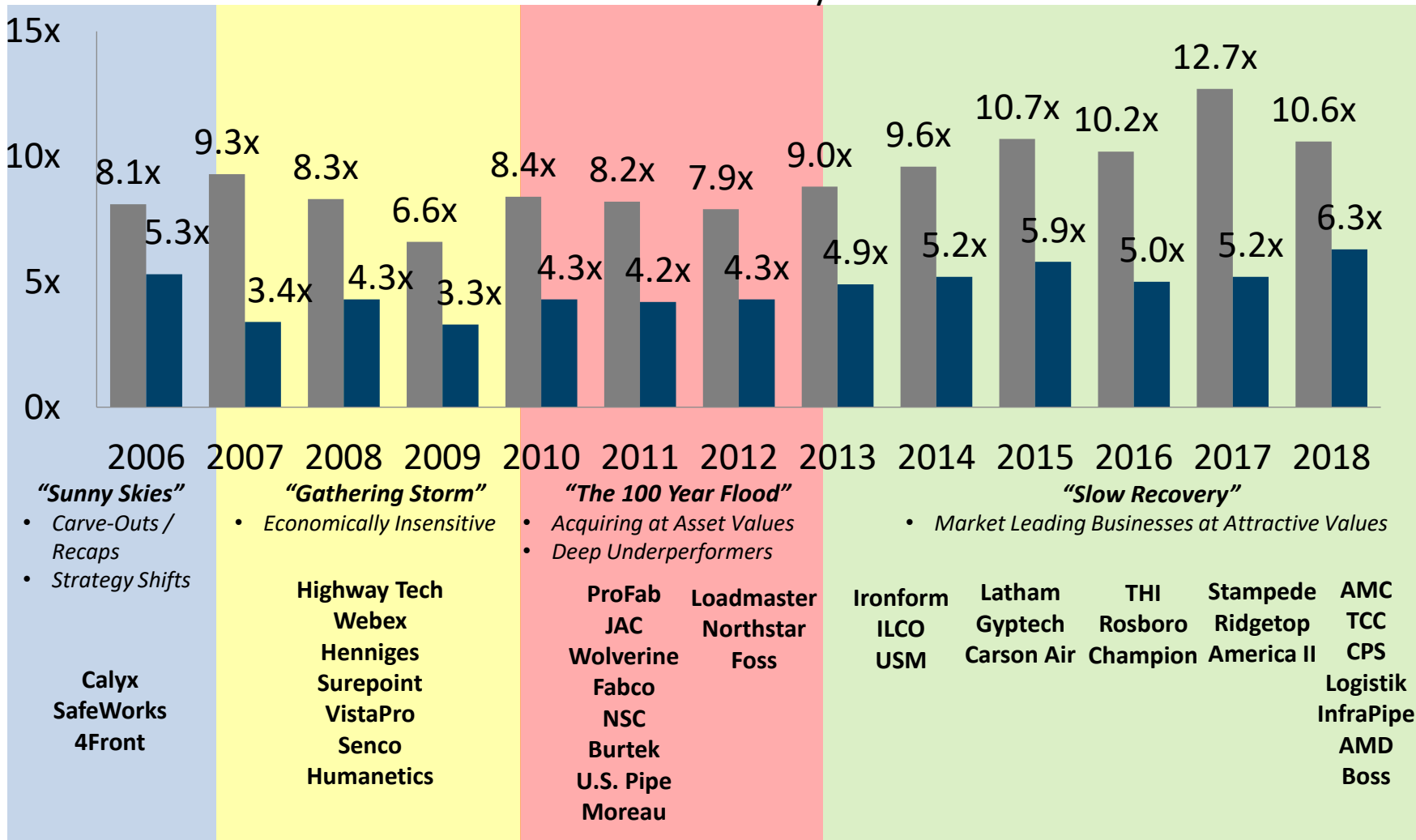
Disciplined, Value-Focused Investment Approach has been Successfully Deployed⁽¹⁾ across the Performance Continuum and across Economic Cycles



Investment Strategy: Wynnchurch... an All Weather Fund

U.S. EV/EBITDA Valuation Multiples

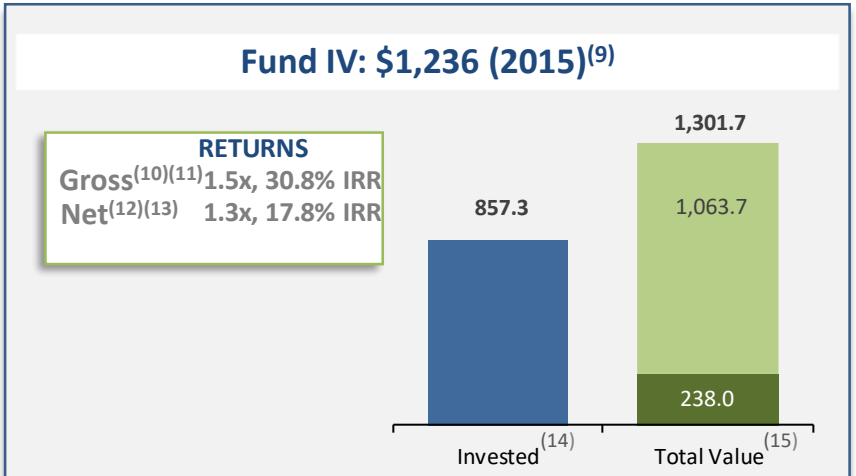
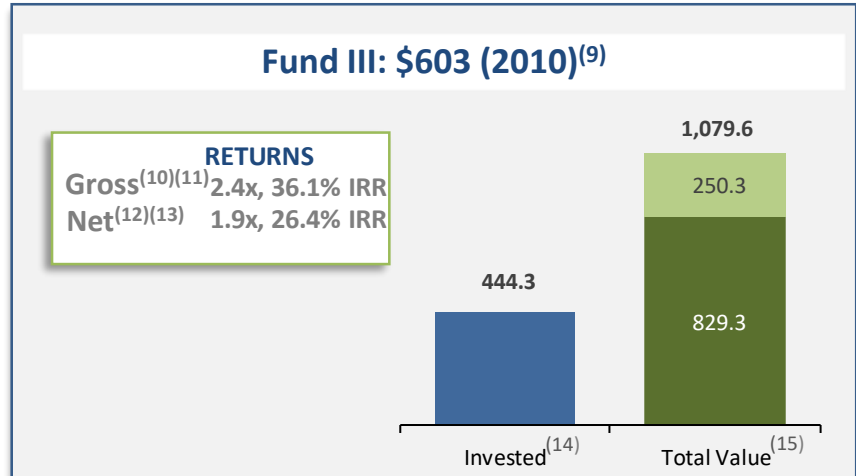
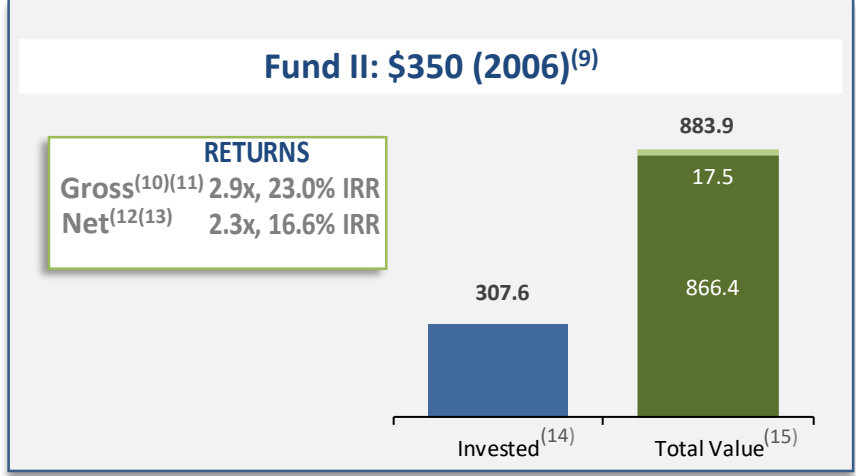
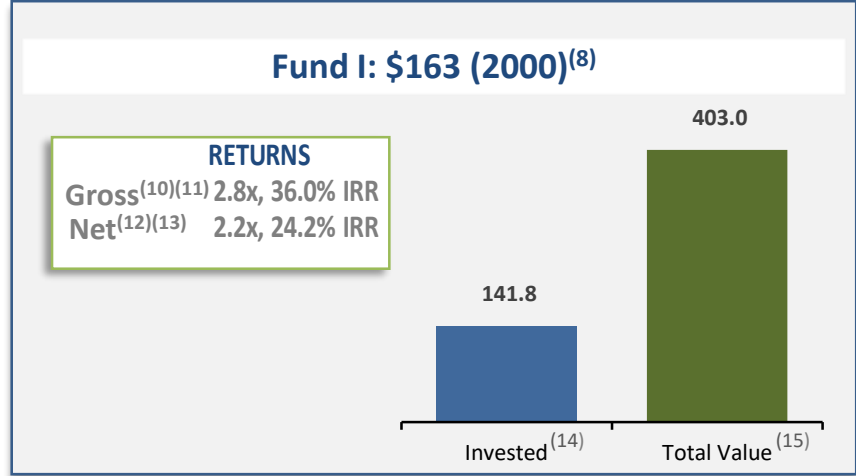
■ Middle Market⁽⁴⁾ ■ Wynnchurch⁽⁵⁾



Wynnchurch Historical Performance⁽⁷⁾

As of September 30, 2019

\$M



■ Realized Proceeds⁽¹⁶⁾ ■ Unrealized Value⁽¹⁷⁾

The Partnership: Wynnchurch Capital Partners V, L.P. - Cayman Islands

Committed Capital: Target of \$1.6 billion, hard cap of \$2.2 billion

GP : At least 3%

Investment Period: Six years

Term : Ten years

Hurdle Rate: 8%

Management Fee: 2%

Carried Interest: 20%

Select Case Studies – Company A⁽¹⁹⁾

- ✓ Largest Manufacturer of Inground Pools and Components in North America
- ✓ #1 Market Share Across all Major Product Categories
- ✓ Well Positioned to Benefit from Rebound in Pool Starts and Continued Housing Market Recovery
- ✓ Poised to Grow from Increased Market Penetration of Fiberglass Pools
- ✓ Entrenched Dealer Relationships Driven by Broad Product Offering and Strong Brand Reputation

Select Case Studies – Company A⁽¹⁹⁾

✓ Purchased from Financial Sponsor in August 2015 for \$210.0M

- ❑ Acquired Through Failed Sale Process – 6x Multiple
- ❑ \$70.0M⁽²⁰⁾ of Fund IV Equity Investment and \$2.5M from Co-investors(*)

✓ Pursued Commercial Initiatives to Drive Product Growth

- ❑ Converted Dealers Through Superior Value Proposition, Expansive Facility Network, and Warranty Support

Generated 3.5x Cash-on-Cash
Return and 45.1% IRR

✓ Capitalized on Operational Improvements

- ❑ Realigned Customer Service Teams and Invested in Systems to Improve Dealer Experience
- ❑ Implemented New CRM System to Support Sales Organization and Drive In-Ground Liner Sales

✓ Investment Thesis Validated

- ❑ Sold Business in December 2018
- ❑ Fund IV Reinvested \$40.8M⁽²⁰⁾

**Represents capitalization after sale of \$2.5M of equity to co-investors in November 2015*

Select Case Studies – Company B⁽²¹⁾

✓ **Market Leader**

- ❑ #1 Player in the Ductile Iron Pipe (“DIP”) Market
- ❑ 100+ Year History With Strong Brand Recognition
- ❑ Industry’s Broadest Product Portfolio and Offering Distributors a Comprehensive Product Line

✓ **Industry Leading Management Team to Drive Turnaround**

- ❑ Partnered With CEO to Build the Industry’s Leading Management Team
- ❑ Substantial Cost Improvement Opportunities to Create the Low Cost Position in the Industry
- ❑ Strategy to Focus on Key Distribution Partners and Deliver Best in Class Service

✓ **Favorable Industry Dynamics**

- ❑ Industry Capacity Reduced By 40% From Peak
- ❑ Demand Driven By Residential Construction and Significant Public Investment to Upgrade the Municipal Water Infrastructure

✓ **Value Purchase**

- ❑ Acquired for \$89.8MM in Cash
 - Wynnchurch Estimated the Liquidation Value Between \$60 and \$80 Million
 - Net Working Capital of Approximately \$100MM and Net PP&E of Over \$96MM
 - Significant Upside Relative to Historical Performance

Select Case Studies – Company B⁽²¹⁾

- ✓ **Purchased as Corporate Carve Out in a Limited Sales Process in May 2011.**
- ✓ **Pursued New Sales Strategy**
 - ❑ Refocused Sales Efforts on Large Distributors Resulting in Better Pricing and Product Mix
 - ❑ Upgraded the Sales Team
 - ❑ Made Customer Service #1 Priority
 - ❑ Regained Lost Market Share
 - ❑ Drove Margins Back to Historical Levels
- ✓ **Achieved Low Cost Industry Position**
 - ❑ Enhanced Operational Team with Key Personnel
 - ❑ Intense Focus on Driving Core Manufacturing Metrics
 - ❑ Increased Use of Automation and Implemented LEAN Initiatives
 - ❑ Re-Negotiated Union Contracts With More Favorable Terms
 - ❑ Changed Fundamental Focus From Manufacturing to the Customer (Scheduling, Delivery, Quality, Accuracy and Responsiveness)
- ✓ **Executed Strategic Acquisitions**
 - ❑ Supported Add-On Acquisition and Realized \$40MM of Synergies
 - ❑ Completed 4 Other Highly Synergistic Add-On Acquisitions at Attractive Valuations to Drive Value Creation
- ✓ **Sold the Business in April 2016 for \$780MM generating 134% Gross IRR and a 4.9x MOIC.**

Contact Information

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1. Past performance is not indicative of future results.
2. Fund I Net IRR; Fund II Net IRR, Net TVPI, Net DPI; Fund III Net IRR; Fund IV Net IRR, Net DPI per Cambridge Associates US Private Equity Index and Selected Benchmark Statistics December 31, 2018.
3. The gross targeted return is based on Wynnchurch's current estimates and assumptions about existing and future market conditions, including, but not limited to, the following factors: (i) the anticipated distribution and cash flow schedules; (ii) use of leverage; (iii) forecasted economic conditions within various sectors; (iv) strategies, history and geographic concentration of investments; and (v) an underlying investment holding period of a certain number of years. While Wynnchurch believes that the assumptions upon which such targeted return is based are reasonable, there can be no assurance that such assumptions will prove accurate or that Wynnchurch has taken into account all relevant factors in establishing the targeted return, and if one or more of the underlying assumptions upon which the targeted returns are based are incorrect, actual returns may differ from the targeted returns. In addition, actual results for a given investment and the Fund will depend on a number of factors, many of which are not under Wynnchurch's control, including: (i) overall economic conditions; (ii) performance within sectors; (iii) future operating results; (iv) increased borrowing costs; and (v) the lack of attractive exit options. As a result, there can be no assurance that Wynnchurch will achieve its investment objective with respect to any investment or the Fund and returns for a given investment and the Fund may, and likely will, differ from the targeted return set forth in this document.
4. Source: S&P LCD Leveraged Buyout Review, 4Q, 2018.
5. The Average Wynnchurch Purchase multiple is based on the Aggregate EV/TTM, Adjusted or pro-forma EBITDA (depending on the specific company situation) average for all Companies purchased in a given year. Please consult Wynnchurch Senior Leadership for more details on a particular purchase price multiple presented in any single year.
6. Amounts paid to these Operating Partners are as independent consultants and is borne by the Management Company, except in situations where they receive compensation in the form of a board fee directly from a Portfolio Company or their activities are designated Operations Group related.
7. Past performance is not indicative of future results. Totals may not tie due to rounding. Please see the "Disclaimer" set forth at the beginning of this presentation for important disclosures related to performance information contained herein.
8. Wynnchurch Capital Partners Canada, L.P. closed as of 1/24/2014 and Wynnchurch Capital Partners, L.P. closed as of 2/14/2014.
9. \$ in millions, as of September 30, 2019.
10. Gross Multiple or Gross MOC is Total Value divided by Capital Invested.
11. Gross IRR is the dollar-weighted return on investment made by the applicable fund based on Capital Invested and Total Value (including amounts attributable to the commitments of the general partner and its affiliates) and before applicable fund management fees, other fund expenses and the general partner's carried interest. Gross performance results do not reflect deduction of applicable fund management fees, other fund expenses and the general partner's carried interest, which in the aggregate are expected to be substantial.

12. Net Multiple or Net MOC is the sum of distributions to limited partners and the value of the limited partners' remaining interest in the partnership divided by capital contributions made by limited partners. Amounts used to compute this ratio are net of payments of applicable fund management fees, other fund expenses and the general partner's carried interest.
13. Net IRR is the dollar-weighted return on investment to limited partners after payment of applicable fund management fees, other fund expenses and the general partner's carried interest. Net IRR is based on the Capital Call due date, the Capital Distribution date and does not include the impact of any temporary borrowings. An individual limited partner's net IRR may vary based upon the timing of the limited partner's capital contributions, which may differ from those of other limited partners for various reasons (including, for example, as a result of an increase in such limited partner's commitment to an applicable fund subsequent to the initial capital call by such fund) and consequently, may differ from the Net IRR stated herein. Net performance results do not reflect amounts attributable to the commitments of the general partner and its affiliates that are limited partners (which do not pay fund management fees or a carried interest with respect to their commitments).
14. Capital Invested is the aggregate funded cost of the investment(s) but does not include amounts contributed by co-investors, if any.
15. Total Value is the sum of Realized Proceeds and Unrealized Value.
16. Realized Proceeds is all cash and/or securities received in connection with a sale of an investment(s).
17. Unrealized Value is determined by the general partner of the applicable fund in accordance with internal valuation methodologies used in Wynnchurch Capital's quarterly and annual financial reporting, U.S. generally accepted accounting principles and in accordance with the terms of the Agreement of Limited Partnership of the applicable fund. The actual value ultimately realized may vary materially from these amounts.
18. Source: Wynnchurch Capital Partners V, L.P. Private Placement Memorandum
19. Please note, the select case studies do not represent all of the types of investments Wynnchurch has made or the outcomes it has achieved during its lifetime. Each investor must consider whether private equity investments are suitable for their specific goals. Past performance is not indicative of future results. A comprehensive list of all investments along with Portfolio Company information and investment fund performance is available to qualified prospective investors who may be considering an investment in Wynnchurch Capital.
20. Includes WC Partners Executive IV, L.P.'s portion of their investment into the portfolio company, which is 2.924% of the total investment.