



*Main Street helped me facilitate the recapitalization of our company with a debt and equity investment that allowed my old partners to exit and me to obtain a control equity position. They bring a unique approach to the market that combines exceptionally knowledgeable financial professionals, with an unbelievable ability to be flexible and the potential for a permanent capital partner. Main Street has been extremely easy to work with and has provided valuable insight and industry experience. I couldn't have asked for a better partner for me and for Hawk Ridge Systems."*

— Dale Ford

CEO, Hawk Ridge Systems

## Transaction Summary

### Company

- Strong founder / CEO
- Attractive recurring revenues
- Significant, actionable growth opportunities

### Original Investment

- \$16,250,000 (debt and equity)

### Transaction Type

- Recapitalization financing
- Minority owner buying control
- One-stop financing

### Investment Structure

- Senior secured debt
- Minority equity investment
- Additional acquisition financing (2017)

## The Business

Hawk Ridge Systems (Hawk Ridge) is a value-added reseller (VAR) of engineering design and manufacturing software, 3D printers and other solutions. Over the past 20 years, Hawk Ridge has developed a strong relationship with its most significant software vendor, Dassault Systems (Dassault), the publisher of SolidWorks, the world's leading 3D computer-aided design (CAD) software, and a full suite of other product lifecycle management (PLM) tools. Additionally, Hawk Ridge offers its customers a best in class suite of 3D printers and digital manufacturing technologies from leading providers including HP and Markforged.

## The Transaction

Hawk Ridge was introduced to Main Street by an intermediary representing the business for sale. After running a full sale process and receiving several attractive purchase offers, Hawk Ridge's CEO and minority equity owner, Dale Ford, decided that instead of selling the Company, he desired to pursue a recapitalization that would provide full liquidity to the Company's passive, majority shareholders while allowing him to obtain a majority equity ownership position in the Company and partner with a strategic capital provider that could assist him in pursuing various near-term organic and inorganic growth opportunities.

Main Street's initial investment consisted of a senior secured term loan and minority equity investment which provided 100% of the capital necessary to facilitate the buyout of Hawk Ridge's existing majority equity owners. Since the initial transaction, Main Street has continued to support the Company, providing both financing and transaction expertise allowing the Company to complete four add-on acquisitions and Main Street continues to assist the Company in its evaluation and pursuit of additional organic and inorganic growth opportunities.

## The Results

### Before Main Street Partnership

Hawk Ridge's passive, majority equity owners sought liquidity for retirement purposes, while the CEO desired a longer holding period with flexible capital solutions and a new partner

Hawk Ridge's CEO did not know that he had the option to complete a management buyout with a one-stop financing solution that would result in him obtaining majority ownership of the Company

Hawk Ridge's CEO wanted a partner with a long-term hold and the ability to fund the Company's future organic and inorganic growth opportunities

Hawk Ridge's CEO was seeking a partner with a growth-oriented focus to help the Company pursue several actionable opportunities



### Since Main Street Partnership

Main Street facilitated a transaction that provided full liquidity to the passive, majority equity owners and allowed the CEO to obtain a majority, control equity position

The CEO continues to manage Hawk Ridge's operations, while Main Street provides insight and assistance on strategic initiatives and opportunities

Hawk Ridge has added several new partners to its digital manufacturing business, bolstered its portfolio of software offerings and solutions and expanded its geographic footprint

Hawk Ridge and Main Street have completed four add-on acquisitions since closing and continue to actively pursue an acquisition strategy