

OUR ACQUISITION APPROACH

What Riverfall Is All About

Riverfall Holdings, LLC makes investments in growing businesses. We can serve as either active partners, strategic advisors or passive financial supporters across a wide variety of enterprises. We have a long-term focus on helping the companies with which we work become more resilient, more productive and more valuable over time, supported by the following core values:

- **Approachability.** We are friendly and available.
- **Simplicity.** We champion clarity.
- **Tenacity.** We are diligent.
- **Curiosity.** We constantly learn.
- **Creativity.** We are driven by imagination.

Riverfall's mission is for every company and business leader to be better for our having worked together.

Qualities We Look for in Business Acquisitions

We do not focus on a particular industry or geography when we consider acquisitions. There are, however, certain attributes and characteristics we do seek:

1. A track record of profitability with strong and growing free cash flow
2. Moderate (vs. rapid) revenue and profitability growth with a clear revenue pipeline and a track record of sales success
3. A good record of customer retention without undue reliance on a single customer
4. Unrealized or additional scalability potential, particularly with the opportunity to expand web-based or alternate-channel sales
5. High-integrity management in place – or available “in the wings” – with a passion for building the business over the long term and an eagerness to share in the firm’s financial success
6. A clear, durable competitive advantage and marketplace differentiation or a defined, exploitable market niche
7. Areas of developmental opportunities in the business aligned with our skill sets
8. EBITDA generally in the range of \$250,000 - \$750,000 (with the potential for partnering with other investors at the higher end of the range)

While we do not have geographic limitations for business acquisitions, we have a general bias to firms in the Southeast or Mid-Atlantic regions based on general proximity to our home base.



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What We Are Not Looking For

We are typically not seeking businesses in start-up mode or that are not producing free cash flow. We are not turnaround experts, and it would be a rare turnaround situation that would interest us. The ability to scale a business is important: for example, a single-location restaurant would be of little interest, but a group of restaurants with scale and strong management in place might be.

We are generally agnostic as to industry, but some of the qualities we outlined in the prior section will preclude certain types of businesses. Some types of personal services companies, for example, may not have the potential to scale that we require. Other kinds of companies might be more commoditized and less likely to have any type of durable competitive or pricing advantage, or they could have more transactional or “one time” relationships with customers than we’d like.

Having management in place or in the wings is important for us, especially in smaller businesses. Because we will be looking for multiple acquisitions over time, we are focused on working “on” each business vs. working “in” the business: we will need to have dedicated management in place or management candidates we can install who are ready to run the companies we buy. We like aligned incentives and are willing to share the financial success of the operation with management. We are not “set it and forget it” owners, however. We are here to help, and we could even consider active management for a larger acquisition. We are also not looking for quick flips or early exits: we are long-term value investors by nature, and we enjoy partnering with people we like over the course of many years.

Co-Investors, Partnerships and Partial Stakes

We are interested in buying business interests in whole or in part: we enjoy partnering with passionate owner/managers of businesses needing more capital, and we could consider minority stakes if we really like the management and business model.

We are also willing to co-invest with others on a variety of terms, and we would consider fully passive investments if the financial dynamics are right. Our desire for operating control is really in inverse proportion to our confidence in management: if we like management enough, we’re fine with being minority investors. The same is true with investment partners; we’re happy to participate with others in acquiring business stakes under a variety of terms.

Experience

Our combined experience represents deep entrepreneurial acumen, marketing and operational leadership in large publicly traded firms, senior strategic leadership, and value investing expertise. We believe in building strong teams, providing the right counsel and support and getting out of the way to allow talented managers to shine.

The Riverfall Team

Keith Hickerson, Co-Chief Executive Officer

Keith's background includes marketing and business consulting with extensive experience in planning, competitive positioning, and developing effective strategies to help companies expand their revenue and profits. A graduate of Duke University, Keith is valued as an organizational partner focused on practical solutions and delivering outstanding results for clients. His wide experience includes executive roles at Fortune 500 publicly traded companies and national non-profits and work with mergers and acquisitions, financial services firms, professional practices, and small businesses. Skills include brand and business repositioning, strategic visioning, planning, marketing and communications, competitive analysis, product and service offering development, pricing and customer retention strategies, value investing and public policy messaging.



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Jason Hill, Co-Chief Executive Officer

Jason is an executive leader and coach with a deep entrepreneurial background. A graduate of Georgetown University's executive coaching program, Jason empowers leaders to perform at their peak levels both individually and as members of high-functioning teams. With twenty years' experience running a successful digital agency, Jason brings a nimble, creative mindset to every business challenge. His portfolio of work includes being an early adopter, business builder, and implementer of digital tools supporting industries including healthcare, financial services education, manufacturing, tourism, and business services. Driven by ongoing learning and exploration of the latest business techniques and applications, Jason is an approachable leader committed to transforming businesses of all sizes with disruptive insights, a fresh vision, and advanced coaching for business leaders and their teams.



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