



HAMILTON ROBINSON CAPITAL PARTNERS

"We have this handy fusion reactor in the sky called the sun. You don't have to do anything, it just works. It shows up every day and produces ridiculous amounts of power." - Elon Musk

Where does our energy today actually come from? According to the U.S. Energy Information Administration, for April 2015, 80% of energy produced was from fossil fuels, 11% from renewable sources and 9% from nuclear power. Earlier this year Tesla unveiled its new Powerwall Battery looking to change the entire energy infrastructure of the world. Tesla Energy's battery technology key goal is moving advanced economies away from unsustainable fossil fuels by providing the missing storage bridge between variable, low cost renewable energy and consumer energy demand.

This pattern of constant, rapid innovation together with strong ESG values appears to be a successful formula for growing a company's value. In September 2008, Hamilton Robinson, in partnership with management, acquired MEGTEC Systems from its parent company. In June 2014, Hamilton Robinson sold MEGTEC Systems to the Babcock and Wilcox Company Power Generation Group (BWC), thirty-two management shareholders participated in the value creation, realizing \$15 million of proceeds on their \$1 million investment. At the core of this success was a combination of equity ownership incentives and culture change, a program of Lean manufacturing principles, investment in new technologies and product innovation, and multiple add-on acquisitions.

We are now looking to repeat the MEGTEC success story. We are specifically looking for manufacturing companies with strong management teams in the environmental control and battery storage technologies. It's clear the renewable energy market is beginning to mature, and as the Kepler telescope reveals to us more and more about the evolution of the sun, we now know as the sun gets older it will produce more heat, so maybe the Beatles knew it best back in 1969 - "Here Comes the Sun".

ABOUT HAMILTON ROBINSON

Hamilton Robinson Capital Partners was founded in 1984 to invest directly in small, privately held manufacturing, distribution and service businesses. The firm has maintained its singular focus on this dynamic market to become a valued resource for equity capital and growth strategies for small businesses. Based in Stamford, CT, the firm has completed over \$1.3 billion in transactions supporting 43 companies. Investors include leading financial institutions, funds, family offices, and individuals in the United States and Europe. For more information, visit www.hrco.com.