

Sole Source Capital Closes Inaugural Fund at \$160 Million Hard Cap

SANTA MONICA, Calif. - (BUSINESS WIRE) – Sole Source Capital LLC (“SSC” or the “Firm”), an operationally-focused lower-mid-market investment firm that targets controlling interests in manufacturing, distribution, and industrial service companies, today announced that it has successfully closed its inaugural funds, SSC Partners I LP and SSC Partners I-A LP (collectively, the “Fund”), at its hard cap of \$160 million. The oversubscribed Fund includes commitments from a diverse group of new and returning investors including institutional investors and family offices.

Founded in 2016 by David Fredston and an experienced group of private equity professionals, SSC focuses on private investments in founder-owned companies as well as corporate carve-outs and management buy-outs. Together the SSC partners, which consists of Mr. Fredston, Dewey Turner III, Scott Sussman and Bradford Rossi, have more than 75 years of private equity investment, operational and corporate leadership experience. This collective industry experience and the resulting deep network in the Firm’s focused sectors enhances SSC’s sourcing capabilities, yielding differentiated lower-middle market investment opportunities. By avoiding competitive bidding processes, SSC seeks to achieve attractive valuation entry points which, when combined with lower leverage levels, provide ample cushion for the Firm’s portfolios to thrive across market cycles.

SSC applies a differentiated approach to investing, known as The SSC WaySM. This approach integrates significant operational engagement with M&A execution at each stage of the due diligence and investment structuring process, seeking to accelerate the realization of attractive margin improvements. The Firm’s longstanding operational experience complements its M&A expertise and facilitates its efforts to generate value through acquisition economics, synergistic combinations of portfolio companies and detailed post-acquisition operating plans.

The Firm expects to target companies with \$50 million to \$200 million of total enterprise value, ranging from smaller bolt-on acquisitions to larger equity investments. SSC may also provide additional follow-on capital to its portfolio companies to fuel growth initiatives and capture synergies that result from the creative consolidation of fragmented end markets.

“We are pleased to close our first fund at our hard cap and are grateful for the strong support of our investor base,” said Mr. Fredston. “We have built an exceptional team that is focused on executing our strategy at each stage of the investment process and poised to generate impressive results for our investors. With experience in business development, financial diligence, M&A execution, and driving operational excellence, we are eager to work alongside management teams, through collaborative partnerships, to create meaningful value for our investors and portfolio companies.”

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The Fund has made three investments accounting for nearly one-third of its committed capital. In February 2018, SSC made the Fund's first investment in Premier Flow Control, a leading provider of flowback, nitrogen, and equipment rental services in the Permian Basin. In June 2018, the Fund acquired a majority interest in Trade Supplies, a distributor of non-perishable foodservice disposable items, dry-grocery items, packaging solutions, and janitorial supplies. Most recently, the Fund partnered with Individual FoodService, which it merged with Trade Supplies, to create one of the largest non-perishable foodservice distributors in California. SSC expects the Fund to be 50% deployed and allocated by the end of the first quarter of 2019.

Kirkland & Ellis LLP served as legal counsel to the Fund.

About Sole Source Capital

Founded in 2016 by David Fredston and an experienced group of private equity professionals, Sole Source Capital LLC ("SSC") is an operationally-focused lower-middle market investment firm that targets investments in manufacturing, distribution, and industrial service companies. SSC seeks to partner with founder-owned businesses and capitalize on opportunities with a higher degree of complexity, including corporate carve-outs and management buy-outs. The firm is headquartered in Santa Monica, California. For more information on SSC, please visit www.solesourcecapital.com or contact info@solesourcecapital.com.

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