



# Schilling Ventures LLC

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## **PROSPECT PARTNERS AND SCHILLING VENTURES ANNOUNCE THE RECAPITALIZATION OF CYCLONAIRE CORPORATION** **New Platform is Leading Provider of Pneumatic Conveying Solutions**

Chicago, Ill.— January 8, 2014: Prospect Partners, a leading private equity firm investing in smaller lower-middle-market companies, and Schilling Ventures, LLC, an operations-focused investment firm, today announced the recapitalization of Cyclonaire Corporation, provider of pneumatic conveying systems, in partnership with management. Cyclonaire is the seventh platform company in Prospect Partners' \$200 million third fund and the third investment for Schilling Ventures.

Cyclonaire, a global company headquartered in York, Neb., offers custom-engineered and manufactured pneumatic conveying systems for the transfer of dry bulk materials. The company's experience spans railcar unloading, locomotive track sanding, dust collection, automation, batching and blending, and aeration systems. Founded in 1973, Cyclonaire is a widely recognized leader in material handling, specializing in pneumatic conveying technology. The company provides proprietary, efficient, and environmentally-friendly systems as well as a full line of pneumatic conveyor components and parts. Cyclonaire serves customers in wide-ranging industries from building materials to chemical, energy, environmental, foundries, mining, rail, and rubber. Cyclonaire equipment moves hundreds of different kinds of powdered and granular materials, including cement, chemicals, food, minerals, petrochemicals, proppants, and sand.

"With a stellar reputation, a superb management team, specialized technology, and significant continued growth potential, Cyclonaire stands out as a market leader in the fragmented pneumatic conveying industry," said Maneesh Chawla, a Principal at Prospect Partners. "We look forward to supporting management in building a larger company in the broader material handling space and to partnering with Schilling Ventures, a skilled operator with a focus on lean manufacturing initiatives."

Added Paul Golden, Managing Partner of Schilling Ventures: "I look forward to working with the experienced team at Prospect Partners, and to leveraging our complementary skill sets in helping Cyclonaire execute its business plan to great success."

Mr. Golden brings extensive experience in private equity transactions and industrial company leadership, having served as CEO of a private equity-backed portfolio company in addition to leading multiple other companies as president or as CEO.

Cyclonaire will continue to be led by Jerry Elfring, President, who has been with the company almost since its inception, and his veteran management team.

"Prospect Partners and Schilling Ventures felt like the right fit from the start," said Mr. Elfring. "They fully embrace our emphasis on top-quality equipment, design integrity, and exceptional customer service. We look forward to their support and guidance as we grow our core business and expand into new markets. We are excited about what the future holds for Cyclonaire."

Going forward, Cyclonaire seeks to invest in select add-on acquisitions of other pneumatic conveying and material handling companies as well as in manufacturing automation and controls businesses.

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## About Prospect Partners, LLC

Prospect Partners is a leading private equity firm investing in smaller lower-middle-market companies, managing \$470 million across three funds. A highly experienced and active investor, Prospect Partners focuses exclusively on management-led leveraged recapitalizations and acquisitions of niche market leaders with revenues typically under \$75 million. Since 1998, Prospect Partners has invested opportunistically nationwide in more than 105 companies in widely diverse niche manufacturing, distribution, and specialty service markets. Based in Chicago, Prospect Partners also has an office in Menlo Park, Calif.

## About Schilling Ventures, LLC

Schilling Ventures, based in Naperville, Ill., is an operations-oriented investor whose vision is to create a family of market-leading industrial companies that have been positively transformed by Lean Enterprise. Through the foundation of a Lean Enterprise culture, the extensive operating experience of its partners and long-term ownership and capital commitment, Schilling Ventures transforms its portfolio companies and positions them for sustainable growth.

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