



THE PREMIER GROUP CASE STUDY

Investment Dates: *November 2013, September 2015*

Structure: *Preferred Series A*

About The Premier Group

PF Management Services (“The Premier Group”), through its affiliated companies, acquires and operates funeral homes and related businesses in tier 2 and tier 3 markets in the US. Based in the Indianapolis area, the Company generally has targeted markets in 17 states, primarily in the Midwest, Southeast and Eastern regions of the US where management has operated death care businesses throughout the team’s careers. The company targets under-performing owner-operated homes that it can acquire at attractive valuations and then improve operating margins through revenue growth initiatives such as community outreach and targeted marketing and through cost cutting measures such as scale purchasing and shared/consolidated overhead.

Investment Background

Littlebanc was introduced to The Premier Group in late 2013 through a contact at one of Littlebanc’s existing portfolio companies. At the time the company had proven out their operational model through sales growth and cost reduction initiatives, and was seeking an equity partner to help fund their growing pipeline of attractive acquisition targets. Littlebanc was initially attracted to The Premier Group due to the low cyclical nature of the industry, the ability to generate recurring cash flow, the strength of the underlying assets, and a management team that had a prior successful exit in the space. Littlebanc made the initial investment in November 2013 which management used to fund their next five acquisitions and to build out their management team.

By mid-2015 The Premier Group’s team had clearly demonstrated the scalability of the platform and was seeking additional funding to support their ever-growing acquisition pipeline. Littlebanc was pleased with management’s performance to date and felt that the opportunity was significantly less risky than it was in 2013 due to the growing cash flow and realizable economies of scale. As a result Littlebanc committed additional capital in the form of Series A Preferred Securities with the belief that Premier’s ability to acquire, operate, and improve funeral home businesses will allow them to capture additional share in the marketplace and will continue to grow cash flow for investors for years to come.