

TENEX

CAPITAL MANAGEMENT

TENEX CAPITAL MANAGEMENT

PRESENTATION TO



THE TENEX EFFECT

“Operational change that fundamentally alters the trajectory of a business, creating an inflection point in the company’s performance.”

November 2020

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The case study included in this Presentation represents a single example of how Tenex's investment strategy, process and operational playbook may be executed across its Fund portfolio companies. The case study used in this Presentation is presented for illustrative purposes only and should not be relied on as an indication of how Tenex or its portfolio companies have performed in the past or will perform in the future. The inclusion of any particular investment in this Presentation is not intended to reflect the merits of such investment. Prospective investors should note that Fund III will not participate in the investments described herein and there is no guarantee that Fund III will be able to invest in similar opportunities.

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What Is the “Tenex Effect”?

WHY DID WE NAME OUR FIRM TENEX?

- Tenex is a firm that was founded by engineers and business operators
- Our name reflects our training in the fundamental engineering principles of operating efficiency

“The Tenex Effect” is defined as operational change that fundamentally alters the trajectory of a business, creating an inflection point in the company performance **

Tenex transforms companies with operations-centric team and strategy



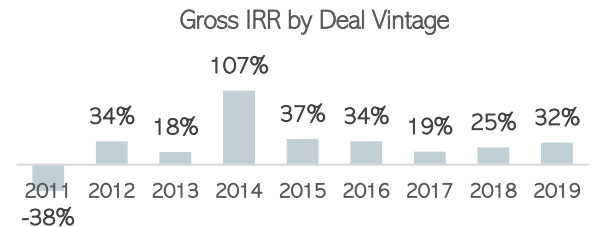
- Hybrid model of operators and investors to execute value creation
- Partners have worked together 15+ years with reputation as straight shooters with high integrity
- Operational expertise in lean manufacturing, cost reductions, and strategic growth from GE and McKinsey
- Strong alignment with GP commitment and broadly distributed economics



- Buy from families & non-institutional owners:
 - Who often seek alignment, care about the family legacy, and price is not the deciding factor
 - Significant seller/management roll
- Control equity buyouts in operationally inefficient, middle market companies
- Implement the Tenex Playbook to unlock value:
 - STAGE 1 Right-size Fixed Costs
 - STAGE 2 Decrease Variable Costs
 - STAGE 3 Increase Volume



- Invested \$1.1 bn in 29 platforms and 67 add-ons
- Realized ~\$850mm with significant unrealized value in excess of \$1 bn
 - Fund I: 13.3% Net IRR, 1.5x Net MOIC
 - Fund II: 15.6% Net IRR, 1.4x Net MOIC
- Early lessons learned:
 - 23% Gross IRR since inception
 - 31% Gross IRR excluding first deal in 2011



\$850mm Gross realized proceeds

3.3x Gross MOIC achieved across 8 of 10 exits²

96 Investments completed: platforms & add-ons

Investment returns presented herein are unaudited and must be read in conjunction with the Disclaimer on Slide 1, the Fund performance information on Slide 4 and the accompanying footnotes on Slide 13. The accompanying footnotes referenced above (FN1, FN 2) can be found on p.14. There is no guarantee that a Fund's investment strategy will be successful. Past performance is not indicative of future results.

Tenex Capital Partners, L.P. (\$441mm)

109% called/committed; FMV is up ~50% when compared to 12/31/19³

Tenex Capital Partners I, LP | Summary of Investments Schedule (unaudited)

As of September 30, 2020

Investments	Vintage Year	Number of Investments	Total Invested ^a	Current Cost Basis ^b	Current Fair Value ^c	Realized Proceeds ^d	Gross MOIC ^e	Gross Investment IRR ^f
Total Realized Investments (Gross) ^g		9	\$ 295.8	\$ 2.9	\$ 2.5	\$654.0	2.2x	27.7%
Total Unrealized Investments (Gross) ^h		3	\$ 132.8	\$132.8	\$175.2	\$ 3.5	1.3x	5.9%
Total Gross Investments	2011		\$ 428.6	\$135.7	\$177.7	\$658.5	1.9x	22.0%
Total Net Investmentsⁱ							1.5x	13.3%

Tenex Capital Partners II, L.P. (\$802mm)

102% called/committed; FMV is up ~15% when compared to 12/31/19³

Tenex Capital Partners II, LP | Summary of Investments Schedule (unaudited)

As of September 30, 2020

Investments	Vintage Year	Number of Investments	Total Invested ^a	Current Cost Basis ^b	Current Fair Value ^c	Realized Proceeds ^d	Gross MOIC ^e	Gross Investment IRR ^f
Total Realized Investments (Gross) ^j		1	\$ 41.5	\$ 41.5	\$ 8.9	\$116.9	3.0x	34.0%
Total Unrealized Investments (Gross) ^{k1}		15	\$ 694.6	\$643.5	\$965.1	\$ 96.7	1.7x	23.8%
Total Gross Investments^m	2016		\$ 736.1	\$685.0	\$973.9	\$213.6	1.6x	25.3%
Total Net Investmentsⁿ							1.4x	15.6%

The accompanying footnotes referenced above (FN 3) are intended to be read in conjunction with the information contained herein and can be found on p. 14. The Footnotes in both Fund Summary of Investment Schedules above can be found on Slide 13. There is no assurance or guarantee that the Fund's investment strategy, risk management or objectives will be achieved or will be successful or that any Fund will be profitable or will not incur losses. Performance metrics presented above are UNAUDITED and not guaranteed and should be read in conjunction with the "Disclaimer" on slide 1.

Tenex Team: Hybrid Model Drives Operational Change

OPERATING



MIKE GREEN
CEO & Managing Director
– Cerberus
– TenX
– General Electric
– M.S. Villanova
– B.S. SUNY Buffalo



J.P. BRETL
Managing Director
– Cerberus
– Cingular Wireless
– McKinsey & Co.
– MBA Stanford
– B.A. Brown



JOE COTTONE
Managing Director
– Cerberus
– Guilford Mills
– General Electric / NBC
– B.S. Maryland



RON LEIMAN
Managing Director
– UniTek
– Freedom Enterprise
– Stanley Works / Bostitch
– GE Capital / Amoco
– MBA Northwestern
– B.S. UI at Urbana-Champaign



TAYLOR CHRISTMAS
Vice President
– Oppenheimer
– MBA Columbia
– B.S. UNC

BUSINESS DEVELOPMENT



STEPHENS JOHNSON
Director, BD & IR
– First Reserve
– Lazard
– Private Advisors
– B.A. UNC



KEVIN DOYLE
Director, BD
– PE-Nexus
– HIG Capital
– Cross Keys Cap.
– B.A. Penn

INVESTING



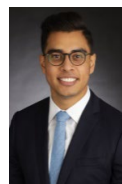
VARUN BEDI
Managing Director
– Cerberus
– Time Canada / Life
– Parlo Inc.
– McKinsey & Co.
– JP Morgan
– MBA Harvard
– B.A. Haverford



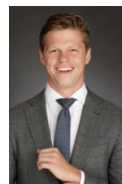
PERRIN MONROE
Managing Director
– Clayton Dubilier & Rice
– Morgan Stanley
– MBA Wharton
– B.A. Washington & Lee



KIT YORK
Vice President
– Corinthian Capital
– SunTrust
– MBA Wharton
– B.S. UNC



HARSHIL PATEL
Sr. Associate
– Wells Fargo
– B.S. Florida



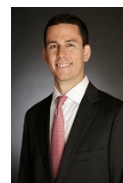
SIMON HEDGES
Associate
– Audax Group
– B.B.A. Michigan



LAUREN VAVRUSKA
Associate
– Deutsche Bank
– B.A. Dartmouth



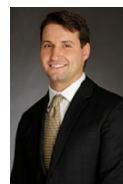
GABE WOOD
Managing Director
– Clayton Dubilier & Rice
– Morgan Stanley
– MBA Columbia
– B.A. Middlebury



RYAN MACINTYRE
Principal
– Lindsay Goldberg
– Morgan Stanley
– MBA Wharton
– B.A. Georgetown



DUNCAN MCKINNEY
Sr. Associate
– B.S. Auburn



MATTHEW WALES
Sr. Associate
– Evercore
– B.B.A. Michigan



HARIS VUKOTIC
Associate
– SunTrust
– B.B.A. Georgia



TED CARUSO
Analyst
– Houlihan Lokey
– B.B.A. Michigan

FUND MANGEMENT



BEN KRAMER
CFO & CCO
– Hale Capital Partners
– The Carlyle Group
– Aetos Capital
– Ernst & Young, LLP
– M.S. / B.S. UNC



GLENN TUCKER
Controller
– GPB Capital
– PwC, LLP
– MAcc, Penn State
– B.S. Penn State



SAMANTHA ACRI
Sr. Associate
– Ernst & Young, LLP
– MAcc, Penn State
– B.S. Penn State



ALESSANDRA CATALANO
Office Manager
– Todd Maritime Services
– B.S.B.A., Fashion Merchandising, LIM



CARALYN WATKINS
Executive Assistant
– Oaktree
– Parthenon
– B.S. BYU

Operating Advisors: Tactical Support and High Touch

Expertise/
Port cos




ALEX AVILA

- Sanmina Co.
- Motorola
- UPG
- B.B.A. UTEP

- General Operations Management
- Manufacturing



Expertise/
Port cos




MARK KRAMER

- Citi / Merck & Co.
- Schering-Plough
- Organon
- Ph.D., M.S., B.S., OSU
- M.S. Case Western

- IT & IT Security

Cyber Security (Multiple)



Expertise/
Port cos



PATRICK WALES

- Adroit Technologies
- Morgan Stanley (Software Engineering)
- B.A. Bucknell

- Software Programming
- Data Analytics

SOUNAK BANJERI

- Honeywell
- Champion Home
- BCG; DuPont
- MBA Wharton
- M.S. Georgia Tech
- B.A. Indian IoT

- FP&A
- Pricing / Profitability
- Cost / Process Optimization


Pricing Initiatives (Multiple)



MARTIN MOORE

- IPSoft
- Blink Health
- Loeb Enterprises
- Mediacom
- B.A. Columbia



- Digital / Technology

MATT WHEELER

- Fengage
- National Bank Fin.
- BCG
- M.A., St. Andrews



- FP&A
- Data Analytics
- Project Management

DAVID BROOKS

- General Electric
- B.S. Albany


- General Operations
- FP&A
- Cost / Process Optimization

BOB ROMANO

- Cadence Petroleum
- JPW Industries
- Outboard Marine
- J.D. DePaul
- B.S. Elmhurst


- Executive Leadership




GARY WIEGMANN

- Belden, Inc.
- AIC Ventures
- Spa Creek Services
- U.S. Army Ranger
- MBA HBS
- B.S. Polytechnic U.


- General Operations Management
- Manufacturing
- Commercial

BOB DIBETTA

- ViaSource
- General Fiber
- Pinnacle Wireless
- MBA Villanova
- Entrepreneur


- General Operations Management
- Project Management
- Leadership Dev.

NICK SPAETH

- Johnson Controls
- Bostik
- B.S. Marquette

- Commercial Analytics
- FP&A
- Cost / Process Optimization



Please Note: Operating Advisors are NOT Affiliates of Tenex. They are retained as Fund and portfolio company resources. The compensation of such individuals as well as expenses reimbursed will generally be borne by the relevant Fund or portfolio company with respect to which such advisor provides consulting services, and such, compensation as well as any fees received from portfolio companies, will not offset the management fees payable by the Limited Partners of the applicable Fund.

Buy Under-Optimized Viable Companies and Sell Market Performers

ILLUSTRATIVE

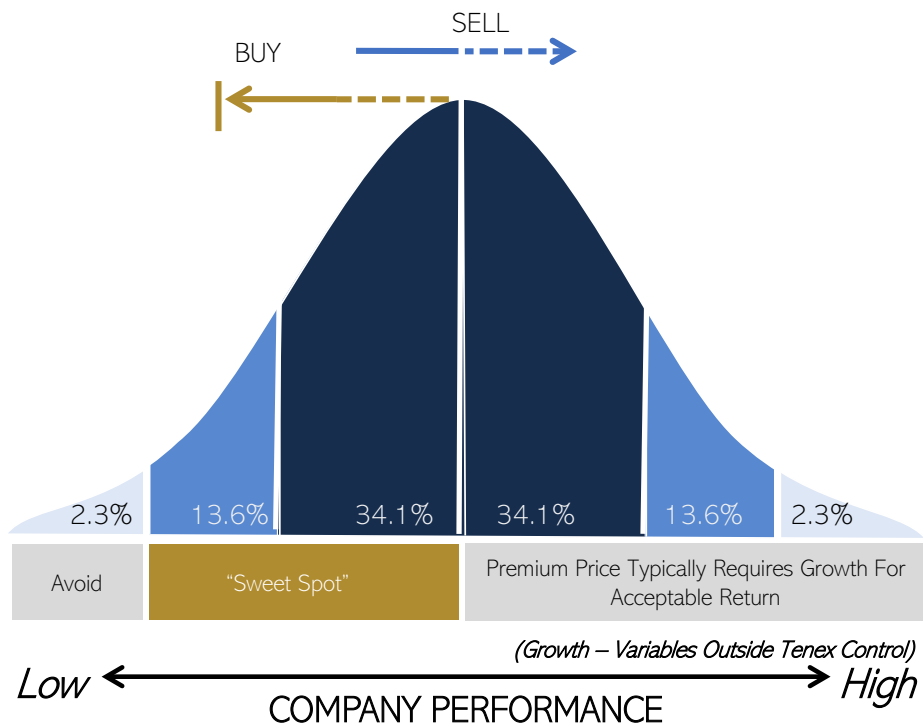
WHAT WE BUY

Undermanaged and underinvested companies

- Commercially viable but operationally deficient
 - Sub-par management
 - Limited or no infrastructure
 - Failed initiatives
- Stable commercial position, below market operating performance
- Resilient sectors

28 platforms

- 16 management or family owned
- 4 corporate carve outs



WHAT WE SELL

Stable businesses positioned for growth

- Commercially viable and operationally strong
 - Professionalized leadership
 - Fully built infrastructure
 - Stable free cash flow
- Market performance
- Continued growth in a resilient sector

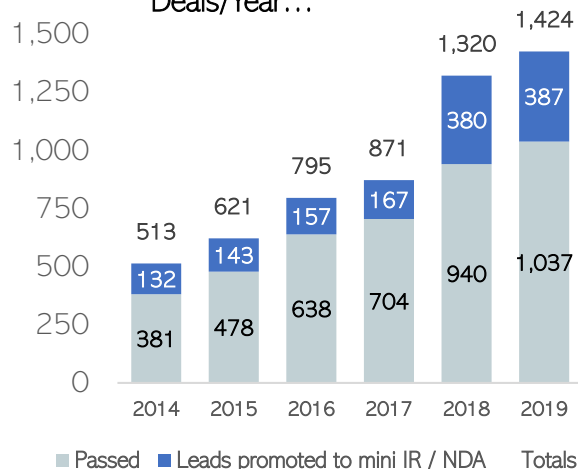
10 platforms

- Sold to Strategics and Sponsors
- Median Average EBITDA margin improvement of 332bps

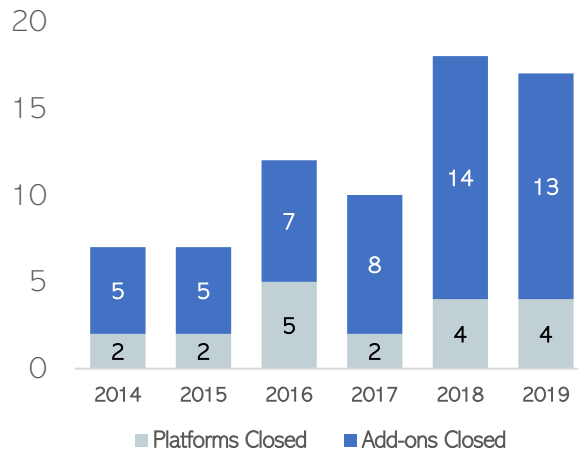
Note: Percentages relate to the number of companies (as a percentage of all companies) whose performance falls into the quadrants noted. The chart is intended to illustrate the general level of under-performance that Tenex seeks in its target investments, and its general goal of returning companies to average performance before sale. It does not describe or predict the performance of any actual investment. There can be no assurance that all of the Fund's investments will be acquired and disposed of in accordance with the metrics described herein.

Sourcing Selectivity: By the Numbers

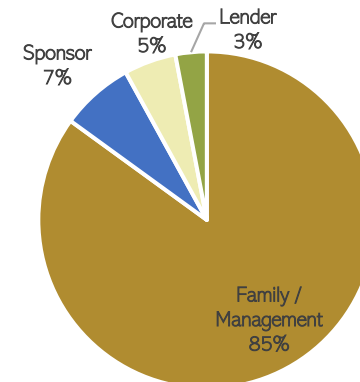
➤ See >1,400 Qualified Deals/Year...



➤ ...to Close 3-4 Platforms & Maximize Add-ons...



➤ ...with a Focus on Inefficient Companies

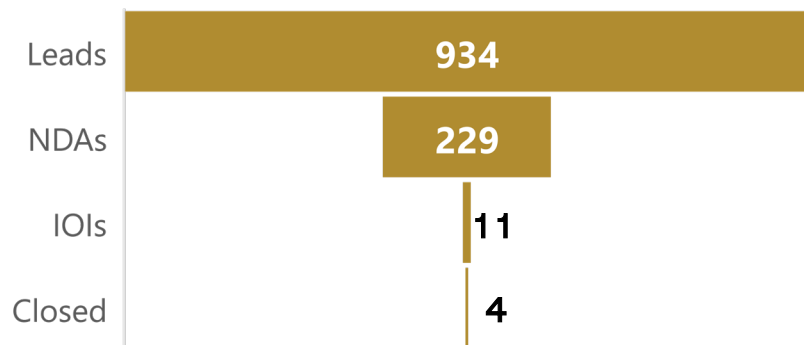


Pie chart above shows Management Meetings (40) in 2019 by ownership type.

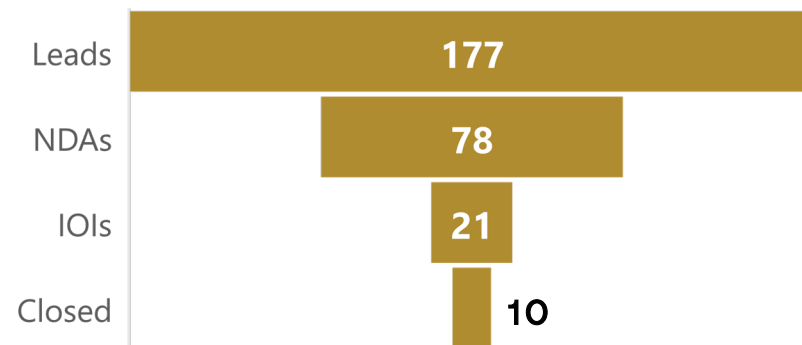
September 2020 LTM Sourcing

Closed on 0.4% of Platforms seen and 5.6% of Add-ons seen

Platforms



Add-Ons



Tenex Use of Leverage – A Three Step Process...

1 Rationalize Fixed Costs

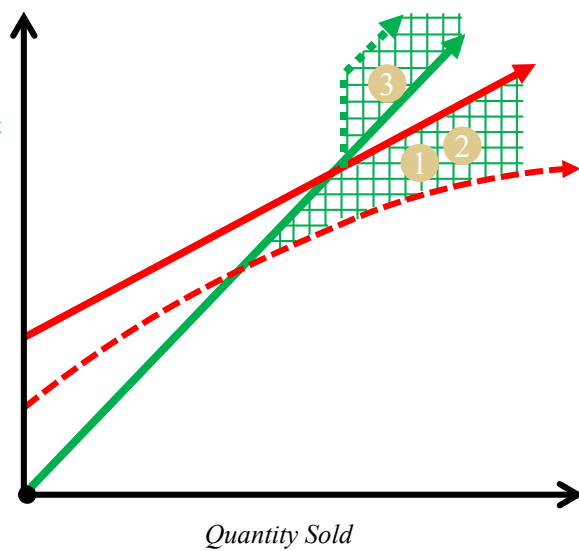
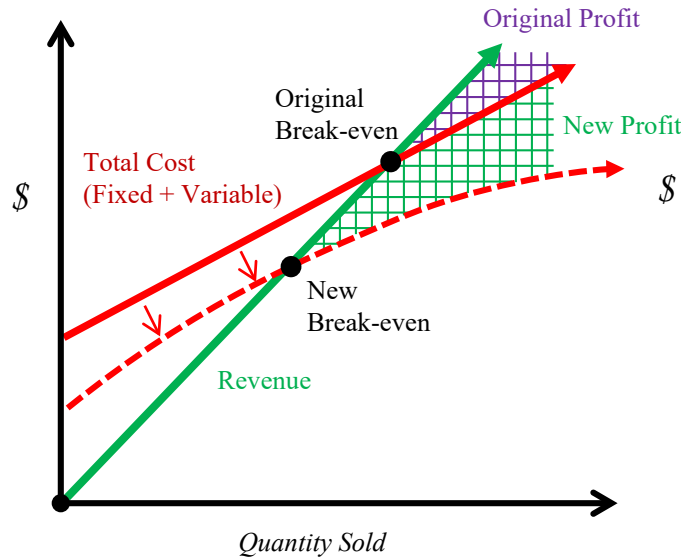
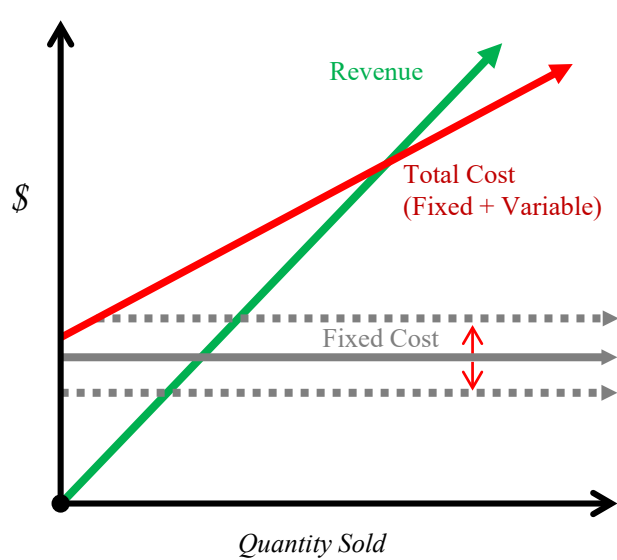
- Eliminate and/or convert Fixed Costs to become variable
- Invest in new systems, processes, and people as appropriate

2 Variable Cost Productivity

- Operational improvements to reduce Variable Costs
- Further reduces break-even thus achieving greater profitability (higher GP margin) faster

3 Increase Volume

- Improved cost structure allows additional revenue to flow through to bottom line at higher rates
- Drive more revenue through the improved platform (e.g. through acquisition)



Cadence Case Study: Tenex Operational Playbook

Three Stage Process

1 RATIONALIZE FIXED COSTS

- Systems: integrated standalone ERPs of 4 family-owned businesses to single system, implemented new CRM system
- Process: implemented Tableau business intelligence dashboards to measure/communicate KPIs, optimize pricing, and more efficiently serve to customers
- People: Upgraded CFO and supply chain director, added layer of regional Ops. Managers, created stand alone Business Development function, top graded sales team with higher incentive-based compensation

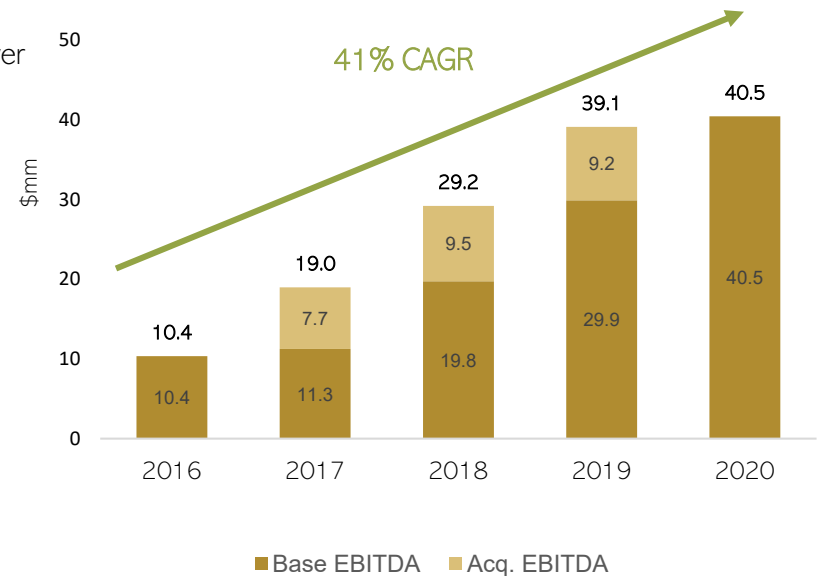
2 VARIABLE COST PRODUCTIVITY

- 700bps of Gross Margin expansion:
 - Improved routing and scheduling reduced delivery costs per gallon
 - 4 facilities integrated into overlapping locations
 - Optimized Net Working Capital
 - Leveraged private label volume to drive savings

3 INCREASE VOLUME

- 5 add-ons completed to broaden geographic footprint
- Expanded from 4 to 18 states
- Added total EBITDA of \$26mm

Result of Playbook Execution:
EBITDA growth of ~290%⁴

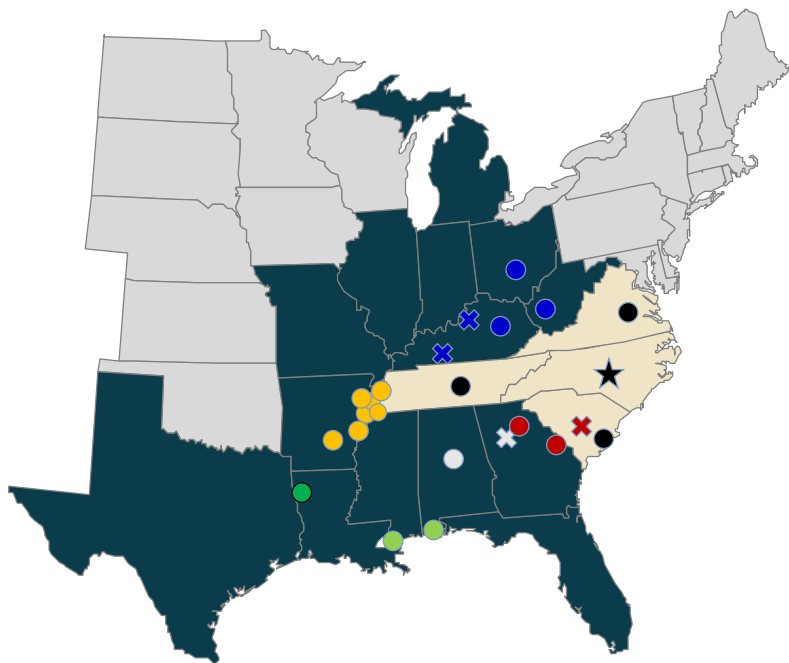


1 + 2 + 3 = Increased Profit and Operating Efficiency

This case study represents a single example of how Tenex's investment strategy, process and operational playbook may be executed across its portfolio companies. This case study is presented for illustrative purposes only and should not be relied on as an indication of how Tenex or its portfolio companies have performed in the past or will perform in the future. The accompanying footnotes referenced above (FN 4) are intended to be read in conjunction with the information contained herein and can be found on p.14.

Cadence Case Study (Cont'd.): Geographic-Focused M&A Strategy

Drove scale, repeatable strategy



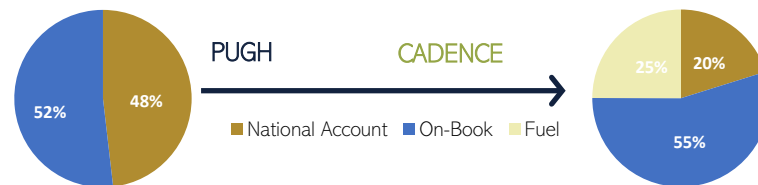
- ★ Headquarters
- Pugh DC
- Apollo DC
- Veterans DC
- Halco DC
- MSS DC
- Davison DC
- ✖ Rationalized DC
- Greenfield DC
- Initial State Served
- Current State Served

4 to 20
Distribution Centers

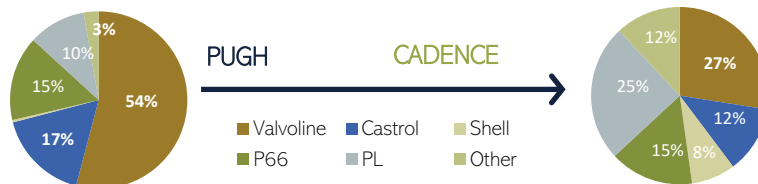
4 to 18
Core States Served

Benefits of Expanded Geographic Footprint

Shift To Higher Margin On-Book Customers⁵



Decreased Vendor Concentration in Valvoline



Reduced Exposure To Automotive End Market



The accompanying footnotes referenced above (FN 5) are intended to be read in conjunction with the information contained herein and can be found on p.14.

Tenex Capital Partners III, L.P.

OVERVIEW

TARGET SIZE

\$1.0bn

HARD CAP

\$1.1bn

FEES

- Management Fee 2.0% on commitments during Investment Period / 1.75% on Actively Invested Capital thereafter
- Carried Interest 20% (8% Preferred Return hurdle)

GP PARTICIPATION

- 3.0% of LP Committed Capital
- Strong support from executives and founders / families of portfolio companies with LP commitments of >\$10mm

TERM

- 10 years from the inception date, subject to two consecutive one-year extensions

Footnotes to Summary of Investment Schedule (p.4)

- a) Total Invested, less returned capital from refinancing or sale of interest ("ROC"), but not less interest and tax dividend distributions.
- b) Unless otherwise stated herein, does not include (a) Bridge Investments or (b) unused capital returned to Limited Partners.
- c) For unrealized investments, Current Fair Value is the unaudited fair value (unless stated otherwise herein, see "j" and "k"), which includes theoretical proceeds from options to be exercised, and for realized investments, Current Fair Value represents the estimated current fair value of Remaining Escrowed Proceeds, which are amounts held in escrow and due to be released to the Funds subject to certain conditions (the "REPs")
- d) "Realized Proceeds" include proceeds received from sales and other dispositions of securities, dividend recapitalizations / refinancing, portfolio company interest, and tax dividend distributions. Excluded are Fund Level net interest proceeds. All proceeds distributed to or deemed distributed to LPs are as of September 30, 2020 (unless stated otherwise herein, see "j" and "k").
- e) Gross Multiple on Invested Capital ("Gross MOIC") is calculated as: $(\text{Realized Proceeds} + \text{Current Fair Value}) / (\text{Total Invested})$. Gross MOIC is before deductions for carried interest, management fees, taxes, and fund expenses.
- f) IRRs are calculated based on the capital inflows and outflows. Gross IRRs are before deductions for carried interest, management fees, taxes and fund expenses. IRRs for partially realized investments and unrealized investments have been calculated assuming that the remaining investment has been sold as of September 30, 2020 at its Current Fair Value, and assuming that the REPs with respect to realized investments have been released as of September 30, 2020. There can be no assurances that unrealized investments will ultimately be realized for such value or that escrowed proceeds will ultimately be distributed for such value.
- g) Fund I Realized Investments includes investments that have been disposed of, fully realized, or have been substantially realized and which Tenex no longer has operational or voting control of the company and which, as of the date of the realization, the cost basis is no longer considered Actively Managed Capital. Arnold Transportation Services, Rush-Overland and Fairmont are considered realized or effectively realized.
- h) Fund I has direct portfolio company borrowings totaling \$15.4 million, and a \$.9 million letter of credit at Ohio Medical. Including all obligations of Fund I the total equity exposure is \$152.0 million.
- i) Fund I net performance (i.e. "Net MOIC" and "Net IRR") deducts accrued and paid carried interest (\$57.4 million of total accrued, of which \$55.2 million has been remitted to the GP), takes into account taxes (but does not take into account LP specific withholding obligations or tax expenses) and includes the impact of capital called for management fees and expenses (\$70.8 million). These metrics reflect performance of LPs of Fund I, i.e., exclude the GP.
- j) Fund II realized Cadence Petroleum Group on October 1, 2020. For presentation purposes in the above schedule, as of this presentations date \$116.9 million has been distributed from the Fund and as such has been presented as Realized. The Current Fair Value is also being reduced by this same amount – i.e., Current Fair Value of the Investment as of September 30, 2020 per the Funds Financial Statements is presented in the above schedule as reduced for distributed proceeds as of the date of this letter and Realized Proceeds reflect actual distributions as of the date of this presentation. The Current Costs Basis and performance figures (Gross MOIC and IRR) are calculated as of September 30, 2020 and do not reflect the realization. The Current Fair Value of \$8.9 million represents the fair valued and hair cut amount of escrow proceeds received, but currently being held back of approximately \$12 million.
- k) On October 30, 2020 Fund II received and distributed dividend recapitalization proceeds of \$25.2 million from Wolf Home Products. For presentation purposes in the above schedule, as of the date of this presentation \$25.2 million has been distributed from Fund II and as such has been presented as Realized. The Current Fair Value is also being reduced by this same amount – i.e., Current Fair Value of the Investment as of September 30, 2020 per the Funds Financial Statements is presented in the above schedule as reduced for distributed proceeds as of the date of this presentation and Realized Proceeds reflect actual distributions as of the date of this presentation. The Current Costs Basis and performance figures (Gross MOIC and IRR) are calculated as of September 30, 2020 and do not reflect the realization.
- l) On October 22, 2020, in connection with a Follow-On acquisition at Hub Promotional Group from September 2020, Fund II repaid two bridge promissory notes for \$8.0 million, and \$3.2 million. Additionally Fund II holds a \$.3 million Bridge Investment in Orbus. While these notes were outstanding as of September 30, 2020, they are excluded in their entirety from the schedule above. Including these notes the total unrealized equity exposure of Fund II is \$655.0 million as of September 30, 2020. For purposes of clarity the realized investment that is presented as of October 1, 2020 is NOT included in the total equity exposures.
- m) For Fund II the Current Fair Value and Realized Proceeds totals have been adjusted to reflect the proforma changes described in footnotes j) and k) above. The Total Invested, Current Cost Basis and all performance figures (Gross MOIC and IRR) were not changed to reflect these proforma changes.
- n) Fund II net performance (i.e. "Net MOIC" and "Net IRR") deducts accrued and paid carried interest (\$71.2 million of total accrued, of which \$0.0 million has been remitted to the GP), takes into account taxes (but does not take into account LP specific withholding obligations or tax expenses) and includes the impact of capital called for management fees and expenses (\$69.7 million). These metrics reflect performance of LPs of Fund II, i.e., excludes the GP.

Footnotes

The below footnotes are relevant disclosures with regards to the information provided herein. In addition to the below footnotes, the Disclaimer on page 1 should be read in conjunction with all of the information contained herein.

1. "Realized" represents gross proceeds received by the Funds prior to Fund Level Expenses and Carried Interest as of 10/1/2020 and "unrealized value" is based on Fair Value of Funds at 9/30/2020, adjusted for any realization that occurred post 9/30/2020 where the value is included in *Realized*. Unaudited performance metrics for the complete **Fund I** (Tenex Capital Partners, LP) at 9/30/2020 were **Net MOIC of 1.53x and Net IRR of 13.3%** and for the complete **Fund II** (Tenex Capital Partners II, L.P.) were **Net MOIC of 1.39x and Net IRR of 15.6%** (LP performance, net of carry paid, accrued and all expenses).
"Gross IRR by Deal Vintage" - The cash flows used to derive these return metrics are for all investments in both Tenex Fund I and Fund II, by initial platform investment vintage year. "Gross IRRs per deal vintage" year are as of September 30, 2020 and use gross Fund (LP and GP) cash flows to and from Tenex Portfolio Companies, and are before deductions for carried interest, management fees and fund expenses. IRRs for partially realized investments and unrealized investments have been calculated assuming that the remaining investment has been sold as of September 30, 2020 at its Current Fair Value. **"Gross IRR excluding first deal (2011)"** excludes Fund I's investment in ATS, which was exited in 2020 with no monetization event and contains undesirable business and industry attributes for which Tenex no longer plans to invest. All performance metrics should be read in conjunction with the Disclaimer on Slide 1 and the Fund performance information on Slide 4 and the accompanying footnotes on Slide 14. There can be no assurances that unrealized investments will ultimately be realized for such value or that escrowed proceeds will ultimately be distributed for such value. Backup support can be provided upon request for the above unaudited combined performance metrics.
2. Gross MOIC metric presented of 3.3x is as of 9/30/2020, excludes 2 non-monetary exits from Fund I Portfolio Company Investments in ATS and Rush, and represents 8 of the total 10 exited Fund I and Fund II Portfolio Company Investments. When including *excluded* deals from the above metric, **the aggregate realized Gross MOIC across both Funds is 2.3x**. For complete Fund performance please see slides 8 and 9. These deals were excluded from the calculation as they contain undesired business and industry specific attributes in which Tenex no longer plans to invest, and thereby views their exclusion as relevant. All performance metrics presented herein should be read in conjunction with the disclaimer found at the front of this presentation.
3. "FMV" calculation is the change in unrealized gain / loss of Investments over the period described.
4. Cadence 41% EBITDA CAGR includes 5 closed add-on acquisitions where approximately \$26M of EBITDA was acquired. In chart, "Acquired EBITDA" categorized by year in which LOI was signed and presented as if they were acquired on Jan. 1st of that year.
5. "Pugh" reflects Pugh only as of 12/31/16 (time of initial acquisition). "Cadence" reflects National Account / On-Book customer mix shown as of 8/31/20; Valvoline and End Market Mix as of 6/30/20.