



MANGROVE

EQUITY PARTNERS

The Ideal Partners for Liquidity and Growth

Mangrove Equity Partners
is pleased to announce the recapitalization
of R&H Supply, Inc., a Louisiana based
drilling supply company.



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Mangrove recently partnered with the husband/wife founders of R&H Supply, Inc. to effect a majority recapitalization of this family owned business. R&H is a multi-location, value added distributor of expendables, consumables, lubricants, tools, and general supplies to remote gas and oil rigs in major U.S. drilling regions. Many of these products are critical to a rig's profitable 24/7 operation. R&H has 10 locations and has developed national supply relationships with most of the major contract drillers, acting as a valuable logistics partner to its customers. The transaction provided liquidity for the founders, while allowing them to retain meaningful ownership and continue as the leaders of the company.

Like many company owners and intermediaries, the family and their sell side agent chose us to be their partner because, once again, Mangrove brought more than just money to the table. Mangrove's three full-time operating partners began working with management pre-close to maximize growth opportunities and to optimize business infrastructure and processes. The family business owners positioned the company for outstanding growth, but needed a partner to help them fully capitalize on their opportunities. Our significant experience and track record with multi-location service and distribution companies made Mangrove the ideal partner to support their plans.

Unlike many other private equity firms, Mangrove also stuck to its word and closed the deal at the original terms, even in the face of a downward trending market and a difficult credit environment. The recent financial turmoil has drastically changed the near-term prospects for drilling activity in the United States, potentially impacting R&H's near-term prospects. Mangrove's willingness to study the market and make an objective assessment of the mid and long-term dynamics led us to stick with the deal. Our lending partners also came to the table with a solid, appropriate capital structure when other lenders had shut their doors. The R&H deal represents Mangrove's second new platform in the last four months. We have another interesting platform company under LOI and will share the details of the transaction should it close.

Thank you for your continued interest and support. Please continue to think of us for majority recapitalizations, management buy-outs, management buy-ins and recap/consolidations of private companies earning \$2mm to \$8mm of EBITDA throughout the U.S. and Canada. Please visit Mangrove's web site at www.MangroveEquity.com for more detailed criteria and a history of the Mangrove team.

**Please feel free to contact Glenn Oken at 813-868-4500 ext.1
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