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ALL4 AND JMH CAPITAL PARTNERS BUY INTO THE FUTURE FOR NICHE AIR QUALITY FIRM

ALL4 LLC is an environmental consulting company specializing in air quality consulting services primarily assisting clients with complex air permitting, dispersion modeling, continuous emissions monitoring, ambient pollutant and meteorological monitoring, and regulatory compliance. With headquarters in Philadelphia, ALL4 was founded in 2002, and has offices in Atlanta, Houston, and Washington, DC. ALL4 currently employs over 50 air quality professionals with a variety of experience, including the consulting, industry, and regulatory arenas. The client base is nationwide and they work on a corporate level with many Fortune 500 companies across many industries, including pulp and paper, consumer goods, chemicals, food manufacturing, energy, and pharmaceutical.

JMH Capital Partners (JMH) is an operationally-oriented private equity firm based in Boston, focused on investing in exceptional companies that have the potential to double or triple their size with the help of the right capital partner. JMH Capital differentiates itself from traditional private-equity groups by the considerable senior-level operating experience of its partners, bringing an extensive array of resources – strategic, financial, operational, and transactional – to the businesses and management teams we partner with during our investment.

Answers provided by Bill Straub, Chief Executive Officer, ALL4; Kevin Hickey, Chief Operations Officer, ALL4; Colin McCall, Chief Technical Officer, ALL4; and John Nies, Managing Partner, JMH Capital.

EBJ: What was the major objective behind the transaction? What was JMH Capital looking for and how will this transaction support the company's strategy to meet their goals?

Nies: As an investor, JMH is in it for the "long dollar, not the short nickel," so in the same way as the ALL4 team, we are looking for partners who are committed to aggressive and sustained growth. What we saw in ALL4 is that commitment to challenging themselves to do the exceptional things necessary to grow; while building on the core values that are essential to their success. We were very much aligned with that organic growth strategy and committed to providing the financing necessary for a prudent acquisition strategy. It was very important to us that Kevin Hickey and Bill Straub made big investments in the transaction and were committed to the future. Having committed partners is very important to JMH.

EBJ: Can you give us an overview of ALL4's growth strategy? Why did you decide to raise capital through Private Equity?

Straub: ALL4 plans to accelerate organic growth initiatives while seeking additional growth through acquisition. We had two primary objectives from our transaction: (1) to successfully transition ownership from two founding partners, and (2) to position ALL4 to execute our growth plan. We chose JMH as we wanted to build on ALL4's foundational culture and we wanted to have a partner that was aligned with our growth plan and timeline.

EBJ: Will JMH Capital provide additional resources to ALL4 besides investment? How is JMH Capital unique and how will these characteristics support ALL4's growth?

Straub: JMH was a unique partner for ALL4 based on two key distinctions: First, JMH principals themselves are former

consultants and helped grow a consulting practice from startup to over 150 professionals. As such, they have hands-on experience that will support ALL4 achieve similar growth. Second, JMH's investment strategy is based on a longer investment timeline than many private equity firms. This really resonated with our ALL4 leadership team as this timeline will enable us to grow both organically and through acquisition and will enable us to grow our leadership team and to implement an organic leadership succession plan.

EBJ: Does JMH Capital have similar companies within their portfolio? Why have they decided to invest in this type of companies?

Nies: JMH does have an investment in a similar firm, a water infrastructure engineering firm in San Diego, named **Richard Brady & Associates**. JMH believes that our country's infrastructure and environmental needs are an important and attractive place for long-term investment. Similar to our investment in ALL4, because we are long-term investors, we are less concerned about market cycles and market timing. We are also very attuned to the key people concerns of professional services firms, and very experienced with navigating all of the challenges that come with growth in people-centric businesses.

EBJ: What was ALL4's basic ownership structure prior to the transaction and how has that changed?

ALL4: We founded ALL4 as an equal partnership among four (4) founding partners. The transaction with JMH cashed out two of the founders and provided an ownership opportunity for one of our rising internal leaders.

EBJ: How did you find JMH Capital? How long did the process take?

Straub: We were introduced to JMH through a mutual friend in the environmental industry. Our process took almost

JMH Capital Partners Recapitalizes All4

In March 2018, JMH Capital Partners recapitalized All4 LLC (ALL4), an air quality consulting firm headquartered in Philadelphia, with offices in Atlanta, Washington DC, and Houston. ALL4 was founded in 2002 and serves diverse industries including pulp and paper, oil and gas, food and beverage, data center, waste management, power generation, and automotive. Bill Straub, founder and CEO of ALL4, said the support of JMH Capital would allow ALL4 to “continue our aggressive organic growth model” and consider acquisitions. Managing partner of JMH Capital John Nies said, “The team at ALL4 has sustained long term growth trends since its founding in 2002 due to their technical leadership and unparalleled client service. Our research found it to have industry-leading customer feedback scores along both those dimensions.”

12 months – it was thorough and deliberate! We engaged with a consultant to help facilitate personal and team assessments and our current relationship with JMH was a “natural conclusion” to the process.

EBJ: What have been the biggest challenges in getting to “yes” during the deal and how have you overcome them?

Straub: I think John Nies said it best once the deal was complete – “While I don’t think we have ever had a deal take that long to close, I have also never felt so comfortable about the team and strategy moving forward.” I can say that John accurately summed up the feelings of each of us. We had done our homework to evaluate various ownership transition options and we were clear in what we were looking for in a partner. When we found JMH, there was integrity to every step of the process and there was a shared vision of a long-term objective. We worked through various “what if scenarios” as part of the process to ensure that our values, our vision, and our actions would be aligned. Eight months into the relationship, our

team has been challenged to stretch our thinking, but never surprised.

EBJ: Are private equity firms more demanding today? Could you provide some examples?

Straub: Since this is our first experience with a private equity firm, I’m not sure I’m the most qualified to answer this question. What I can say is that we first took on an outside advisory board as we wanted to experience the feeling of other parties contributing to our decision-making at ALL4. What we learned is that our advisory board, and now our partner in JMH, both provided outstanding insights and challenged us to think and act in ways that we probably would not have without their respective input. As a leadership team and company that is pretty competitive, this challenge has motivated us to be more demanding of ourselves and to expand what we thought was possible.

EBJ: What type of acquisitions will ALL4 be considering in the near future?

Straub: I know that it can sound cliché, but there must be a cultural fit. Having a “best in class” culture has been foundational to ALL4 since our beginning so cultural alignment is a must. Our core values are ownership, accountability, authenticity and culture so we will be seeking companies that share these values. We will be looking to grow based on geographic opportunities, complimentary air quality

services, and to expand into other environmental media.

EBJ: What would attract a seller to consider ALL4?

Straub: We acknowledge that diversifying an owner’s risk is fundamental in any transaction; however, we are looking for those ownership teams and companies that are equally mindful of the future for their people and their clients. We are looking to build upon the values and culture that have been the foundation of the seller’s company to create new opportunities – for the team, existing clients, and new clients and markets that they may not have even considered. If the future of a seller’s people and clients are a primary consideration of the ownership transition strategy, we believe the ALL4 story will resonate with them.

EBJ: How is ALL4 unique in the environmental consulting arena?

Hickey: I think our philosophy on sharing knowledge and expertise is unique. If you look at our web site, you can see that we share our knowledge and learnings at a fairly unprecedented level. This is aligned

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with our vision to be nationally recognized and to shape environmental responsibility. Internally, our RegTech Group structure is deliberately designed to teach and share technical learnings and expertise across the company for the benefit of all of our clients. Also, the openness of our consultants to invest in the growth and development of others is a major differentiator. Any time that you have consultants who willingly transition clients to provide opportunities for rising consultants, and you have clients that openly accept and support this investment in others, you are creating a culture where people see, and experience, a future together.

EBJ: What are some market trends of the air pollution segment of the environmental industry?

McCall: As we look at the current trends and define the market drivers that we see for 2019 and beyond, there are limited new federal regulatory drivers. We see it as an opportunity for companies to

position themselves for future growth by strategically considering their environmental permits and how they could benefit from recent and upcoming EPA construction permitting reforms. We are seeing state and local regulatory drivers that can be impactful. One of the most impactful considerations that we see is the need for legacy planning. Much of the historical air quality expertise and knowledge in the industry is connected with folks that are approaching retirement age. We believe that the companies that can best transition this institutional knowledge will have a strategic advantage in the future.

EBJ: Why has ALL4 decided to concentrate its efforts in Philadelphia, Atlanta, Houston and Washington, DC? How will this change in the near future?

Straub: Philadelphia is where the original four Principals were located. We developed an office in Atlanta based on our high concentration of pulp and paper clients in the Southeast and our response to

clients looking for us to expand beyond the high-end strategic permitting support to also support their routine compliance and reporting needs. Our office in Washington, DC was the result of high quality consultants from that area wanting to be part of the ALL4 team and the benefits we see when folks are connected and are intentional in their desire to invest in the growth and development of one another. Our Houston office was an investment to grow our presence in the oil & gas and chemical markets. We will continue to expand geographically based on client needs, expanding market needs, and our success recruiting consultants with "ALL4 Type" values. □