



# CYPRIMUM

PARTNERS

Non-Control Capital for the Middle Market

## Cyprium Partners Completes Subordinated Debt Investment in Kustom US, Inc.

October 28, 2020



### KUSTOM

Cyprium Partners has completed a subordinated debt investment in Kustom US, Inc., to support the acquisition of Zion Restoration Inc. and provide capital for future acquisitions. This recent investment from Cyprium Investors V, marks the group's 92nd investment during its 22-year history and second since the beginning of the COVID-19 crisis.

Kustom US is one of the leading property restoration companies in North America, providing 24-hour emergency response, full-service property restoration, and turn-key reconstruction services to commercial and residential customers. The Orlando, Florida based company has locations across nine states and serves property owners, managers, and insurers in response to fire, water, wind, environmental, mold, and structural damages caused by weather, system failure, or other incident. Projects range from simple remediation of damage events to complex commercial rebuilds with mission critical timelines for return operations.

Zion, based in Pasco, Washington, is a water and mold remediation business serving the Pacific Northwest. It represents Kustom's eighth add-on acquisition and will complement Kustom's existing operations in the region. The transaction closed on July 1.

The Zion acquisition is consistent with Kustom's long-term strategy of completing acquisitions of companies with a strategic fit and combining the quality service developed by the local relationships with the size, reach and expertise of its national enterprise," said Cindy Babitt, a Partner at Cyprium. "Zion brings several talented managers that have an extraordinarily good fit with Kustom's culture and team. We are proud to support Kustom in this acquisition and future opportunities."

"It is important to keep Kustom a privately owned and controlled company to execute its long-term strategic growth plan. The completion of the transaction with Cyprium Partners and the addition of mezzanine financing provides additional capital and flexibility to continue Kustom's long term strategic growth plan on a non-control basis. We have always been selective as to who we do business with, and both Cyprium and Kustom are Midwest founded firms, sharing similar cultural fit and values." said Andrew Zavodney, CEO Kustom US.

#### **Kustom is actively looking for add-on acquisitions that meet the following criteria:**

- Remediation and restoration service providers with \$2 million or more in revenue
- Sellers who are interested in remaining involved after the transaction with a continuing role in the day-to-day operations of their division and an equity stake in the national platform
- Companies located in the United States

#### **ABOUT CYPRIMUM PARTNERS**

Cyprium Partners is a private equity and mezzanine firm focused on non-controlling investments in profitable middle-market companies, allowing company owners and their management teams to retain a controlling interest in their businesses. Cyprium provides common equity, preferred stock, subordinated debt, or any combination thereof, offering flexibility and increasing the certainty of close.

With offices in Cleveland, New York, and Chicago, the firm invests \$10 million to \$60 million per transaction in U.S. and Canadian companies with \$8 million or more of EBITDA.

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