

PITTSBURGH – December 2022

PNC Mezzanine Capital Exits The Industrial Service Group

PNC Mezzanine Capital (“PNC MC”) is pleased to announce the successful exit of their investment in The Industrial Service Group (“ISG”).

The Industrial Service Group provides services and parts to critical-to-process industrial rotating equipment for a diversified blue chip customer base comprised mainly of large industrial, power, paper, and energy companies. In 2019, PNC MC invested in ISG, partnering with Jim Richard (ISG CEO), KCM Capital and Five Points Capital to support a consolidation strategy in ISG’s markets.

“PNC has been a tremendous partner to get ISG to its current state over the past three years. The team never wavered in their support and guidance during Covid. In fact, just the opposite. We were able to position the business with new product lines, services, and acquisitions that allowed us to accelerate as we came out of the pandemic. We are thankful for the guidance from PNC and looking forward to continuing to build out ISG.” said Jim Richard, CEO of The Industrial Service Group.

“We were delighted to work with the entire PNC team on the ISG buy-and-build strategy,” said Jon Gilbert, Co-Founder and Partner of KCM Capital. “PNC was able to provide a creative and flexible capital structure at the initial investment, strategic guidance throughout the life of the investment, and plenty of capital to support the six complementary acquisitions we made along the way. We’re grateful for our partnership with PNC during the investment and look forward to working with them again.”

Robert Codol, Managing Director at PNC MC added “In 2019 we had the opportunity to support Jim and KCM in their acquisition of the original ISG platform company. The chance to actively back both an experienced CEO with a clear strategic vision and a leading independent sponsor was a perfect fit for our investment approach. Over the course of our hold period Jim and the management team transformed the company through an aggressive organic and acquisition growth strategy, with the investor group (PNC MC, KCM and Five Points Capital) supporting numerous add-on acquisitions and strategic initiatives. The strong partnership among the team and investor group was instrumental in achieving significant growth, building the business and navigating the challenges of the pandemic. We greatly appreciate all of the contributions of Jim, the management team, KCM and Five Points in this exciting transaction.”

About the Industrial Service Group

The Industrial Service Group is a family of companies providing critical-to-process rotating equipment service, repair and distribution for multiple industries. As industrial plants and facilities continue to age, the outsourcing of repair, replacement and service of critical equipment is expanding. The Industrial Service Group is quickly emerging as the fastest growing industrial service company focused on recurring, outsourced routine MRO services. For more information, please visit www.isgservice.com.

About PNC Mezzanine Capital

PNC Mezzanine Capital is a flexible junior capital provider with expertise supporting buyouts, recapitalizations and consolidation strategies. PNC MC invests in companies operating in a wide range of industries, but has particular interest in Manufacturing, Value-Added Distribution, Business Services, and Consumer Services. Since 1989, PNC MC has been a stable, thoughtful junior capital partner for private equity firms, independent sponsors, entrepreneurs, and management teams. Our approach is to underwrite the long-term business strategy of our portfolio companies, allowing us to respond constructively to the opportunities and challenges of the changing business environment. As a result, PNC MC has made 202 investments in 106 portfolio companies in support of 389 transactions. We invest \$10 million to \$50 million in subordinated debt and equity in companies with strong management, proven business models, stable cash flows, and a clear plan for growth. For more information on PNC MC please visit www.pncmezzanine.com.

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