

OAK STREAM PARTNERS

PRIVATE INVESTMENT FIRM

Acquisition criteria

U.S. businesses with $1–15M of EBITDA

FINANCIAL & DEAL CRITERIA

Oak Stream Partners is a private investment firm that acquires and invests in profitable lower-middle-market companies. These guidelines are a starting point, not a checklist. If a company is close, contact us and we can usually tell you quickly whether there is a fit.

EBITDA

$1–15M

Typical range for new platform investments.

REVENUE

$5–150M

A guideline, not a rule. Margin and quality of earnings matter more.

HISTORY

5+ yrs

A consistent record of profitability and positive cash flow.

GEOGRAPHY

U.S.

Headquartered in the United States. No preference on state or city.

We will also review smaller tuck-in opportunities in the sectors below, and larger companies in our focus sectors when they are a strong fit. Founder- and family-owned businesses are of particular interest.

QUALITATIVE

What we look for

- ✓ Recurring or repeat revenue and a defensible position
- ✓ A diversified customer base
- ✓ Trustworthy, capable leadership and staff already in place
- ✓ Solid employee relations and retention
- ✓ Room to grow organically and through add-on acquisitions

TRANSACTIONS

How we buy

- ✓ Full buyouts and majority recapitalizations
- ✓ Management buyouts
- ✓ Founder succession and retirement
- ✓ Partner and shareholder buyouts
- ✓ Corporate carve-outs

FILTERS

Less likely to fit

- × Start-ups and turnarounds without profits
- × Medical practices
- × Capital-intensive sectors such as retail, heavy manufacturing and restaurants

INDUSTRIES

SPECIAL FOCUS

Insurance and warranty

Typically $1–15 million of EBITDA, with recurring or repeat revenue and a diversified customer base.

- ✓ Managing general agents and program administrators
- ✓ Warranty administrators and service-contract providers
- ✓ Protection-plan and extended-warranty companies
- ✓ Claims, TPA and insurance-services businesses
- ✓ Insurance agencies, brokerages and distribution platforms

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Investment criteria

INDUSTRIES

Professional services

SECTOR	SIZE THRESHOLD	KEY QUALIFIERS
Multifamily property management	**$1.5M+ EBITDA (typically 8,000+ doors)**	Third-party, primarily multifamily; top U.S. MSAs
Infrastructure & municipal engineering	**Platforms 200–1,000 staff; add-ons 15–200 staff or $500K+ EBITDA**	Mostly public clients
Managed IT / MSPs	**$3M+ revenue and $500K+ EBITDA**	60%+ recurring; SMB customers
ERP implementation partners	**$3M+ revenue and $500K+ EBITDA**	Microsoft, Acumatica, NetSuite or Sage; mid-market customers
Government IT support	**Platforms $2M+ EBITDA; tuck-ins $500K+**	Outsourced IT for government, SLED and cleared work; 60%+ recurring
Independent RIAs	**Platforms $500M–$3B AUM; tuck-ins $50–$600M AUM**	Fee-only
CPA and accounting	**Platforms $10M+ revenue; tuck-ins $2M+ nearby**	Tax-heavy, limited audit, no SEC work
Vacation rental management	**New markets $10M+ revenue and 300+ units; existing markets from about $500K**	90%+ unit retention; coastal and mountain markets

Field and commercial services

SECTOR	SIZE THRESHOLD	KEY QUALIFIERS
Residential HVAC, plumbing & electrical	**$3M+ revenue**	More than 80% residential; mostly service, not new construction; 15+ years in business
Commercial HVAC & plumbing	**$5M+ revenue**	Smaller-ticket, self-performed work; more than 80% commercial or industrial
Commercial multi-trade facilities maintenance	**Platforms $10–12M+ revenue ($20M+ for a new trade); tuck-ins $6–8M+**	Multi-site commercial accounts preferred
Commercial paving	**$3M+ EBITDA**	Majority asphalt maintenance, limited new construction; direct customers; top 100 U.S. MSAs
Critical power & electromechanical services	**$1M+ EBITDA**	Testing, maintenance and repair of medium- and high-voltage and electromechanical equipment
Water infrastructure services	**$3M+ EBITDA**	Trenchless rehabilitation, inspection and cleaning; majority municipal; less than 10% oil and gas

Other industries

We also look at tech-enabled, outsourced, compliance and other B2B services with recurring revenue, as well as specialty and light manufacturing and value-added distribution, typically $1–15 million of EBITDA.

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