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Capitala Group Commemorates 25 Years in Business

When Joe Alala, III founded CapitalSouth Partners in 1998, he had a vision: to do his part to invest in small businesses in order for them to thrive. Now, rebranded as Capitala, Alala's vision has come to life. The asset management firm has invested over \$2.1 billion in private credit and private equity capital into lower- and middle-market businesses throughout North America, which includes 175 companies in 33 states. Continued growth is on the horizon.

"These small businesses are the heart of the U.S. economy," shared Alala. "They often need access to capital, and we provide creative financing solutions to small businesses to support their growth and value creation."

When asked what makes Capitala Group stand apart from other asset management firms, Alala shares that their distinction lies in their ability to invest in all parts of the capital structure. From cash flow loans, minority or majority equity investments,

to preferred stock and more, Capitala Group is a one-stop financing solution.

"Most companies focus on one area, but we invest into any part of the capital structure that supports the small business as a whole," he said.

Responsible investing has also been a core value of the Capitala team and its investment strategy since its founding. For that reason, many of the companies that make up its portfolio consist of those that align with environmental, social, and governance (ESG) initiatives. Alala reports that out of the \$2.1 billion that has been invested, approximately \$1 billion of that has been into social impact companies that are minority-, veteran- or woman-owned/controlled, or those located in low to moderate income areas.

Capitala Group is also active in charitable giving.

Last year, Capitala worked directly with Alexander Youth Network, an

organization that provides mental and behavioral health care to children around North Carolina. Capitala has been not only an annual donor to this cause for a number of years, but they volunteer and work with select groups of children and engage them in activities that are beneficial to their physical and mental well-being. The team also participated in the Levine's Children's Hospital Holiday Toy Drive, collected over a thousand classroom necessities for local schools via a 'Classroom Central' school supply drive, and volunteered at Second Harvest Food Bank. The company also supports the Navy Seal Foundation, and one team member specifically participates in the Tampa Bay Frogman Swim each year to raise money to support military warriors and their families.

"After over two years of charities limiting in-person volunteering due to COVID, it feels so good to be back making a difference in the community,"

said Katina Jakubowski, Director of Marketing and Events at the company. "Capitala donates dollars each year to local and national charities, but what we value and cherish as a team is the time we can personally donate to making a difference."

The company is excited about what the future holds. Alala sees deglobalization happening, which will create more onshoring and reshoring of business in the United States. In turn, he anticipates a surge in small business revitalization. This means that he's planning to hire more experienced and like-minded professionals and he expects the team to grow in 2023.

"We've been around for 25 years, but I see us not even being to our midway point," Alala said. "We have world-class investors...and our proven investment success brings those investors in. It's a great time to be a small business, and it's a great time to be investing in small businesses."

*STATS AS OF SEPTEMBER 30, 2022

STRATEGY //

Capitala Group is a one-stop financing solution providing private credit and private equity capital to small businesses. We work with management teams, business owners, funded financial sponsors and independent sponsors to individually tailor private credit and private equity to support the needs of lower- and middle-market businesses.

TRANSACTION TYPES //

- Buyouts
- Recapitalizations
- Strategic Acquisitions
- Dividend Recapitalizations
- Debt Refinancings
- Add-ons

INVESTMENT SIZES //

- Senior Credit Facilities - \$10MM to \$100MM
- Unitranche Credit Facilities - \$10MM to \$100MM
- Mezzanine Investments - \$10MM to \$50MM
- Control Equity Investments - \$5MM to \$25MM
- Minority Equity Investments - \$2MM to \$10MM

STRUCTURES //

- Senior Credit Facilities
- Unitranche Credit Facilities
- Mezzanine Credit Facilities
- Control Equity Capital
- Minority Equity Capital

20+

Years Experience

\$2.1B

Invested in Small Businesses

\$1.0B

Invested in Social Impact Investments

REACH OUT //

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