



## Equicapita Announces Acquisition of ESP Salon Sales

CALGARY, ALBERTA (July 9, 2018) - Equicapita Income Trust and Equicapita Investment Corp. (collectively "Equicapita") are pleased to announce the completion of the acquisition of ESP Salon Sales ("ESP") by a wholly-owned subsidiary of Equicapita (the "Acquisition").



ESP was founded in 1990 by Gerry Titus and Sharon Sharpe-Titus and is headquartered in Saskatoon, Saskatchewan, with 7 additional locations across Canada. ESP, which is an acronym for education, service and product, is a leading wholesale distributor of hair and beauty products to professional stylists and salons across five provinces. ESP has developed a long-term sustainable business model with over four thousand active customers, best in class suppliers and approximately 100 top tier employees.

"The opportunity to acquire a successful wholesale distribution business with recurring income derived from the sale of consumable hair and beauty products adds both geographic, industry and business model diversification to Equicapita's investment portfolio. Gerry and Sharon and the whole ESP team have consistently demonstrated their commitment to building their business and supporting their extensive customer base" said Equicapita co-founder, Michael Cook. "Wholesale distribution businesses have always been of keen interest to Equicapita due to their diverse customer networks and multiple suppliers. ESP has both of these characteristics coupled with a very strong leadership team. We are fortunate to have the opportunity to work with Sharon and her team going forward to continue to strengthen the business".

ESP will continue to be managed under the leadership of Sharon Sharpe-Titus as President. Gerry Titus has agreed to provide ESP and Equicapita his expertise as an advisor to the Board of Directors. "We were made aware of the strength of ESP's culture early on in the process and under Sharon's leadership we will continue to remain focused on preserving that culture" said Michael Cook.

Equicapita is committed to the long-term success of the ESP business which includes ESP's strong customer relationships and its long term employees.

Consistent with Equicapita's investment mandate of assembling a diversified portfolio of long-established Canadian businesses, ESP has 28 years of operating history serving salon customers in many communities across Canada. ESP's consistent history of strong profitability, along with the continuity of operations by its dedicated staff and excellent customer and supplier relationships, represent cornerstones of Equicapita's investment strategy.

The Acquisition closed on July 1, 2018. Following completion of the Acquisition, the business will operate under the name "ESP Salon Sales Inc.". The Acquisition represents Equicapita's eighth portfolio company acquisition, its first wholesale distribution business, its first investment in a Saskatchewan based company and its first proprietary acquisition.

Equicapita led the deal process internally with key contributions from James Hirsch, Hass Keshavji, Kerri Furlong, Matt Barr and George Kovac. Equicapita retained Norton Rose Fulbright Canada LLP as legal advisors in connection with the Acquisition. ESP retained McDougall Gauley LLP as legal advisors in connection with the Acquisition.

### **About Equicapita**

Founded in 2013, Equicapita is a private company buyout fund based in Calgary, Alberta with over \$150 million in AUM focused on acquiring private, Canadian businesses with enterprise values ranging from \$5 million to \$50+ million.

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### **Forward-looking information**

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