

Case Study



Headquarters:
Eureka, MO

Sector:
High-Value
Manufacturing
(Printing & Packaging)

Transaction Type:
Complete Liquidity &
New Management

Investment Date:
March 2008

Status:
Exited in November
2014

Company Overview

Global technology leader and manufacturer of precision rotary tooling for the converting, printing, and nonwoven industries

Transaction Overview

When the family trust that owned RotoMetrics decided to seek liquidity, they sought advice from the CEO of a Morgenthaler legacy portfolio company. After the trust expressed a strong desire to maintain confidentiality, the CEO recommended they work with MPE's Investment Professionals due to their industry knowledge and experience with family-owned transitions, ultimately leading to a privately negotiated transaction

Transaction Outcome

MPE's Investment Professionals helped globalize RotoMetrics and professionalize its management team, before selling the company to a financial buyer in late 2014

Original Investment Thesis

- Consumable product with large installed base creates recurring revenue streams
- Global market leadership in core solid tooling applications and well-positioned to capitalize on long-term trend towards flexible tooling
- Flexible manufacturing capabilities enable quick-turn delivery of rotary tooling on a global basis

Company-Building Approach

Human Capital Development

- **Facilitated required management succession** by immediately utilizing an interim CEO and an interim CFO from MPE's Executive Council
- **Bolstered executive leadership team** with CEO, CFO, and European MD hires to lead global expansion and product innovation efforts
- **Realigned organizational structure** by region, including North America, Europe, Asia, and Australia

Strategic Growth

- **Entered new end markets** including fast-growing carton, hygiene, and craft segments
- **Expanded sales organization** to pursue emerging markets
- **Launched greenfield manufacturing facility in Thailand** to expand Asia-Pacific market share
- **Completed strategic acquisition in Europe** which expanded product line and geographic reach and enhanced RotoMetrics' technical capabilities

Operational Improvements

- **Implemented global lean manufacturing and Six Sigma tools** in North America, Europe, and Asia
- **Enhanced global sourcing** through strategic partnership in Europe and greenfield facility in Asia
- **Consolidated global manufacturing footprint**
- **Implemented MRP system** to forecast product capacity and standardize process steps
- **Invested in production technology upgrades**

Financial Enhancements

- **Refinanced balance sheet** to lower RotoMetrics' cost of capital
- **Recruited new CFO and corporate controller** to bolster finance team
- **Instituted the company's first annual budgeting process**
- **Developed formal monthly reporting packages and KPIs**, including P&L by geography