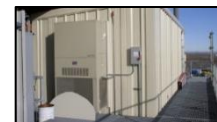


## Case Study

### Company Overview

Manufacturer of preassembled and modularized control buildings for the power transmission, energy, chemical processing, data center, and general industrial end markets.

### Transaction Overview

After nearly 100 years of family ownership, Trachte's third generation owner/operators were seeking partial liquidity and assistance in management succession. Trachte's shareholders and management chose to partner with MPE Partners due to several factors including its experience with family-owned transitions, strategic vision for an actionable growth strategy, and access to a CEO candidate to facilitate the owners' retirement and succession planning.

### Transaction Outcome

MPE helped Trachte's management team diversify the company to position it for accelerated growth while implementing operational efficiency improvements and a new ERP system, before selling the company to a financial buyer in late 2020.

### Original Investment Thesis

- Leading manufacturer of preassembled and modularized control buildings
- North American preassembled metal control buildings market expected to grow in excess of two times GDP over the upcoming years
- Opportunity to further penetrate adjacent end markets and increase market share within core segments through geographic expansion

#### Headquarters:

Oregon, WI

#### Sector:

High-Value  
Manufacturing  
(General Industrial)

#### Transaction Type:

Leveraged  
Recapitalization

#### Investment Date:

October 2015

#### Status:

Exited September 2020

## Company-Building Approach

### Human Capital Development

- Executed an agreed-upon transition plan from owner/operators to an external CEO with significant experience in operationally focused companies
- Recruited new CFO and VP of Sales to supplement incumbent team
- Aligned interests with owners and management through rollover equity investment and stock options

### Operational Improvements

- Optimized facility footprint to increase capacity and expand manufacturing floorspace
- Updated manufacturing processes by developing a material prep cell to increase throughput and optimize labor hour efficiency
- Enhanced supply chain to drive pricing improvements and material cost reductions
- Invested in ERP system to standardize process steps and increase efficiency across the organization

### Strategic Growth

- Achieved strong organic growth through capitalizing on attractive T&D sector tailwinds
- Increased market share through sales coverage expansion in the Western and Southwestern U.S.
- Expanded wallet share with current customer base through targeted initiatives
- Developed formal sales and marketing strategy to drive sales with end users, and channel partners such as OEMs, EPCs, rep agencies, and resellers

### Financial Enhancements

- Prudent financial leverage allowed for significant debt paydown, including prepayment of subordinated debt and a dividend recapitalization
- Completed accretive sale-leaseback of facilities to reduce net debt and net leverage
- Professionalized financial planning and analysis by instituting a rigorous annual budgeting process, improving monthly financial reporting, and tracking standardized operational KPIs