



Hartland Controls



Company Profile

HEADQUARTERS:

Rock Falls, IL

INDUSTRY:

Value-added Distribution

TRANSACTION TYPE:

Buyout

INVESTMENT DATE:

February 2014

EXIT DATE:**FUND:**

III

This portfolio company case study offers summary information, is provided as an example that clarifies and typifies Incline's investment approach, and may not be representative of Incline's investments. Past results are no guarantee of future results and no representation is made that an investor or portfolio company will or is likely to achieve results that are similar to those of the company described. This investment was not chosen for its returns on investment.

Overview

Hartland Controls ("Hartland") is a market leading supplier of electrical system components to the heating, ventilation, and air conditioning market and other industrial end markets. Hartland has a top market share position in North America supplying definite purpose contactors and has a growing portfolio of complementary products including transformers, relays and capacitors.

Transaction Dynamics

A recapitalization of the company in partnership with management. The key members of management reinvested proceeds into the transaction.

Investment Thesis

- ▶ Strong prospects for continued growth in the contactor market
- ▶ Expansion into adjacent markets
- ▶ Attractive, value-added distribution model
- ▶ Significant reinvestment from proven management team
- ▶ Strong financial profile with high free cash flow conversion

Incline Value Enhancement

- ▶ Accelerate growth in product portfolio
- ▶ Improve operational relationship with joint venture partners in China
- ▶ Implement improved sales management strategies
- ▶ Facilitate management team development to support future growth