

EN Engineering



Location: Woodridge, IL

Sector: Business Services

Investment Date: March 2009 - April 2012

Transaction Type: Corporate Divestiture

Portfolio Team: James Andersen, Paul Caliento, Mathias Rumilly

Company:

EN Engineering ("ENE"), now known as Entrust Solutions Group, is a professional services firm primarily providing engineering, consulting, automation and integrity management services for energy transmission and distribution as well as other industrial applications.

Background and Objective:

The company was formed as a joint venture between two corporate parents that were both seeking to divest. Management was looking for a partner that would invest in the business and allow the company to pursue organic and acquisition-led growth. The prior owners did not permit the company to pursue acquisitions or to use cash flow for reinvestment in new capabilities. The transaction closed at the height of the financial crisis when lender support was nearly non-existent. However, Clearview was able to secure attractive financing by relying on strong lender relationships built over many years.

Post Acquisition Initiatives:

Management Augmentation

- Fulfilling a pre-closing commitment, Clearview completed a CEO transition, allowing the founder to move to a part-time Chairman role as he desired.
- Created a proactive business development function.

Operational Improvements

- Upgraded the Human Resources function to remove a bottleneck to growth.

Tracking Critical Metrics

- Implemented concise monthly summary reports.
- Focused management on revenue per labor hour and critical profit drivers.

Organic Growth

- Added an office in Denver, CO to serve new customers in the Western U.S.
- Added several major customers outside the core Midwestern market.
- Reduced customer concentration from 25% to 9% by adding new relationships.
- After the acquisition of Wheatland Systems, cross-sold ENE's core services to Wheatland Systems' customer base.

Acquisition Growth

- Structured and implemented a formal acquisition search process.
- Closed and integrated the highly strategic acquisition of Wheatland Systems, which established the combined company as a market leader in pipeline automation.

Operating Results

During Clearview's three-year ownership period, revenue increased 82% while EBITDA rose 93%.

Outcome

ENE was sold to a financial sponsor in April 2012.

Total Growth Over Investment Period

Revenue

82%

EBITDA

93%

