



## Case Study

Industrials | Financial Sponsor

Investment Banking

Fox Paine and Company's acquisition of Wire Rope Corporation of America, a portfolio company of KPS Capital Partners.

### Background

- Fox Paine and Company, LLC ("Fox Paine") is a San Francisco-based private equity firm with \$2.7 billion under management.
- KPS Capital Partners, LP ("KPS") is a New York-based private equity firm founded in 1997 with \$600 million of committed capital.
- Wire Rope Corporation of America ("WRCA" or the "Company") is the largest manufacturer of wire rope and electromechanical cable in the Western hemisphere.
- KPS acquired WRCA for \$54 million out of bankruptcy. Prior to exiting bankruptcy, WRCA was burdened by a heavy debt load, an unsustainable cost structure and significant recurring operating losses.
- Mesirow Financial was retained as financial advisor to Fox Paine to provide an analysis of strategic alternatives.

### Challenge

- Through changes implemented at the Company by management and KPS, WRCA's financial and operational performance improved dramatically following the acquisition.
- With Mesirow Financial's assistance, WRCA acquired Aceros Camesa SA de CV, a large Mexican wire rope manufacturer, effectively doubling the size of WRCA.
- KPS was considering strategic alternatives for its successful WRCA investment and considered a wide range of options, including a public offering.

### Action

- Mesirow Financial presented an alternative exit for KPS's WRCA investment through a negotiated sale to a private equity firm.
- Mesirow Financial introduced Fox Paine to the management and ownership of WRCA and initiated discussions between the two parties.
- Mesirow Financial worked closely with Fox Paine in its historical and projected financial analysis of WRCA and its due diligence on the Company's industry and end markets. Additionally, Mesirow Financial identified numerous potential domestic and international add-on acquisition targets.

### Result

- Fox Paine completed the acquisition of WRCA.
- Fox Paine and management seek to increase WRCA's size and capabilities significantly through both external and organic growth.

FOX PAINE



KPS  
CAPITAL PARTNERS, LP

### **Additional Services offered by Mesirow Financial**

**Investment Management** Institutional money manager in the areas of hedge fund strategies, private equity, currency and commodity management, real estate, U.S. value and international equities and fixed income, as well as investment advisory services for private clients and retirement plan sponsors

**Global Markets** Well-capitalized broker/dealer with expertise in investment banking, sale-leaseback financing and non-discretionary brokerage services

**Insurance Services** Full-service insurance brokerage and consultant specializing in the areas of property and casualty, surety, employee benefits, life and disability and private client insurance, as well as structured settlement services

**Consulting** Financial advisory services including corporate recovery, litigation, investigative and intelligence services, interim management\* and valuation services, as well as real estate consulting and compensation and executive benefit strategies

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### **About Mesirow Financial Investment Banking**

Mesirow Financial's Investment Banking group focuses exclusively on middle-market transactions and serves established middle-market companies and large corporations, both public and private, in merger & acquisition advisory, capital markets advisory, restructuring and special situations, fairness and solvency opinions, board of directors advisory and special committee representation. We are a national firm with strategic initiatives in China, Southern Europe and the Middle East. Our practice combines rich industry knowledge and long-standing relationships with expert advisory services in the middle market, and our full range of services allows us to serve clients at any the stage of their business.

### **About Mesirow Financial**

Mesirow Financial is a diversified financial services firm headquartered in Chicago. Founded in 1937, we are an independent employee-owned firm with offices across the country and in London. With expertise in Investment Management, Global Markets, Insurance and Consulting, Mesirow Financial strives to meet the financial needs of institutions, public sector entities, corporations and individuals. For more information about Mesirow Financial, visit our website at [mesirowfinancial.com](http://mesirowfinancial.com).

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\* Interim Management services provided by Mesirow Financial Interim Management, LLC

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Innovative Solutions.