

ASIA-PACIFIC WINNER - UPPER MID-MARKET

Partners Group: Trimco International



Apparel label and brand identification solutions provider Trimco International is no stranger to private equity ownership, having previously been owned by Navis Capital Partners since 2005. Swiss investment firm Partners Group tracked the asset through its private equity business in Asia, which helped to start an early dialogue prior to acquisition in April 2012.

When it acquired the Hong Kong-based company, its operations were local but it was ready to expand beyond Asia. Over the course of the firm's more than six-year investment in Trimco, which was made from a number of funds, including the €1.5 billion Partners Group Direct Investments 2012, it transformed a strong local leader into a global leader.

Florian Marquis, senior vice-president, private equity Asia, at Partners Group says this was achieved by "helping Trimco's regional and local management teams build a global footprint in production, sales and client coverage, mainly in the UK, continental Europe and the US".

Under Partners Group the company quadrupled the business via strong organic growth and a series of meaningful add-on acquisitions. Its revenue grew at a compound annual growth rate of +33 percent between 2012 and 2017. And its workforce expanded from about 400 to 1,500 employees in the same period.

The firm also worked hard with the founder Miranda Kong and management team, spending time



*Trimco: from
Asia-centric to
global leader*



3.4x

Return multiple



28%

IRR



**+33%
CAGR**

Top-line revenue
growth between
2012-17

travelling the world together to identify add-on acquisitions and working side by side in the integration work, Marquis says. "It was a very collaborative approach."

To support international expansion, Partners Group focused on building client relationship teams in key markets in Europe and the UK. It also expanded its manufacturing footprint in key apparel hubs across Eastern Europe, Turkey, China and South Asia. The firm completed three bolt-on acquisitions of more than \$100 million: UK-headquartered Labelon (2012), Bangladesh company Enam Labels (2014) and Denmark-headquartered A-Tex (2015). These contributed meaningfully to the EBITDA margin uplift.

The firm also worked on operational improvements across the platform such as in-sourcing/

customer pricing review initiatives and cross-selling between Clotex, Labelon and A-Tex.

In terms of corporate governance, Partners Group implemented new enterprise resource planning systems across the globe as well as global transfer pricing policies.

The winning factor was "the strong international growth and strong improvement in profitability together with a focus on strategic rationale", says judge Veronique Lafon-Vinai.

Partners Group worked with Goldman Sachs in the second half of 2017 to run a targeted exit process. It sold Trimco in January this year to Hong Kong buyout firm Affinity Equity Partners for \$520 million, generating a 3.4x investment multiple that represented a 28 percent internal rate of return. ■