



MONOMOY
CAPITAL PARTNERS

Monomoy Highway Safety Products Outlook

Clear Roads Ahead: Valtir CEO Shares
Plans for Growth

INTERVIEW WITH NICK VERSKA,
CEO OF VALTIR



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HIGHWAY SAFETY PRODUCTS OUTLOOK

INTERVIEW WITH NICK VERSKA
CEO OF VALTIR

Valtir (formerly Trinity Highway Products) is a manufacturer and lessor of highway safety products, including crash cushions, end terminals, guardrails and truck-mounted attenuators. The company supplies to contractors, distributors, government and other customers. Valtir operates 14 manufacturing and rental distribution facilities in the United States and maintains sales offices in Europe, South America and Asia.

Valtir, rebranded from Trinity Highway Products, joined the MCP portfolio in late 2021. How was 2022 for the business?

The business performed extremely well despite many challenges. Executing a corporate carveout was both fulfilling and time-consuming for the company. As the CEO, I am extremely proud of the team and the ability to execute our core business fundamentals while working through many meticulous back-office operations. Overall, the roadside safety hardware market was robust in 2022 and should continue in 2023 and beyond. The passing of the Infrastructure Investment Jobs Act (“IIJA”) in late 2021 by the Federal Government will create increased demand for highway construction for years to come.

What has the experience been like working with new directors/ PE sponsors? How well does Monomoy understand and fit into Valtir's culture and business?

Monomoy has been a great fit for the Valtir business. Our leadership team had to adjust to many new functional areas and processes transitioning from a corporate, publicly-traded environment to a private company. MCP's operational team worked hand-in-hand with ours, collaborating all the way through diligence to ensure a smooth transition. In the first five months, we established payroll functions, IT infrastructure and AP/AR functions. Valtir has a very unique culture, and Monomoy has established a great rapport with the team.

Who are Valtir's customers, and which end markets does it serve?

Our primary customers are general or specialty sub-contractors that perform roadway construction for the federal highway system or local state and county municipalities. We also sell products through a network of distributors in the domestic market and abroad to over 50+ countries – and directly to state Departments of Transportation.

What strategic initiatives are you prioritizing today?

We spent the first 12 months of Monomoy's ownership completing the carve-out and implementing all standalone business functions. We have now switched our focus to growth initiatives and creating sustainable value. We are developing our three-year strategic plan collaboratively with Monomoy. We plan to implement our new enterprise resource planning system soon, which will enable us to make more data-informed decisions.

We continue to be at the forefront of transportation research and product development for new highway safety products. At our R&D center in California, our industry-leading team of engineers is constantly developing and crash-testing new products to continue pioneering roadway safety designs. We are excited to bring several new products to market this year and expect to continue leading our industry with new innovations.

As a private company, we are turning toward new, refocused growth strategies. We are investigating new regional markets and growing existing and potential customers. We will be actively looking to add to our platform through acquisitions in the near term to achieve our growth goals.

Monomoy has implemented strategic ESG assessment and risk management processes within its portfolio companies, focusing on responsible environmental standards and sustainable investing. What are some of the ESG/safety focus areas you are concentrated on?

ESG programs and assessments are very familiar to us because of our previous position as a public company. As part of the acquisition, we worked with the Monomoy team to create a tailored ESG plan designed for Valtir, and I am pleased with our new strategic outlook for ESG and manufacturing facilities programs. Our current focus areas are employee engagement and appreciation, along with evaluating and improving energy efficiency within our facilities. Specifically, we are looking at improving our electricity and natural gas consumption.

Congratulations on the rebrand – can you tell us about the new name?

We are really excited about the Valtir name. Although we are proud of our past, creating a new brand was vital to our long-term success. We wanted to establish our new identity as a standalone business under new ownership. Our new name reinforces our commitment to being an industry leader and global supplier of commercial highway products. In fact, this commitment is so integral that we have captured it in our new tagline, “A Tier Above,” which emphasizes our vision to go beyond what is expected to deliver the dynamic products our customers know and the uncompromising service they deserve.

What are some of the challenges you’ve experienced as a private company? How has partnering with Monomoy helped alleviate some of these challenges?

I would say the main challenges have been establishing core back-office processes previously handled by our prior corporate parent. We had to hire numerous SG&A personnel to handle increased treasury, accounting and legal operations. Monomoy was a true partner in aiding new process development, along with hiring and recruiting for core leadership positions like general counsel and a CIO.

The Monomoy team brought an entire toolkit of operational expertise to our business. This included program management expertise which allowed us to manage and ultimately exit our transition service agreement with our former parent in record time, and analytical expertise that enhanced our ability to understand the drivers of our business. Monomoy were also instrumental in partnering with us to select and upgrade our ERP technology that will support our business for years to come.

Since establishing ourselves as a private company, it has been remarkable to see the difference in how the business now operates. From the accelerated speed of decision-making to the ability to focus on what matters most to our business – we've seen a renewed sense of pride and excitement within the team.

Cost inflation, supply chain issues and labor shortages were challenges that faced many in the industry last year. What is the Valtir team doing to negate these issues? How have they affected your business?

Like all businesses in 2022, we saw increased supply chain costs across the product portfolio. However, our greatest challenge stemmed from labor shortages at our manufacturing facilities. Valtir implemented new recruiting techniques to enhance employee engagement to help position us as an employer of choice in our markets.

How has the IIJA changed your business in the short term? What are your long-term expectations?

The passing of the IIJA will drive a sustainable increase in activity in the industry. Due to the nature of federal funding and subsequent state-level projects, many of our products are not needed until the end of a construction project. We expect to see the impacts of the act in our business starting in the second half of 2023, with a nice five-to-ten-year increase in our sales volumes. Any time a long-term infrastructure bill is passed, it helps drive state and local projects that ultimately require Valtir products and services. Beyond the IIJA, Valtir is well positioned as the infrastructure industry continues to benefit from favorable market dynamics that lend themselves to long-term positive growth.

What are Valtir's expectations for 2023?

Our expectations in 2023 are for a steadily growing domestic market. Despite inflationary pressures and a potential recession, our environment lends itself to continued federal spending as the government attempts to create jobs through infrastructure projects. Typically, infrastructure spending is considered a catalyst to help the nation out of a recession – this is a highly resilient industry.



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