



NEWSLETTER

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Borgman Capital LLC is a privately held investment firm focused on acquiring majority interests in established closely held lower-middle market companies.

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PORTFOLIO COMPANIES



Gilman Cheese Appoints New President Ronald Weltmer

Prior to joining Gilman Cheese Corporation, Ronald Weltmer was Vice President of Operations for Hilmar Cheese Company. Earlier in his career he also held leadership roles at E&J Gallo Winery as Senior Manager in production, sales, and quality and ended his time with the company as Director of Operations. Weltmer has a demonstrated history of working in the food production industry with skills in operations management, continuous improvement, Kaizen, and business process improvement. Weltmer earned his Master's degree in Business Administration from California State University.

“We could not be happier to have Ron joining the Gilman team. His industry experience combined with his leadership abilities are a perfect fit for the company.”

- Sequoia Borgman, Managing Director of Borgman Capital

BEST PRACTICES OF THRIVING BUSINESSES DURING COVID-19

We are living and working in unprecedented times. While many businesses have temporarily ceased operations, there are those who are finding and capitalizing on great opportunities. In this newsletter, we're sharing insight from AscendTek, Gilman Cheese, and Material Handling Holdings on what actions they've taken to make sure their businesses not only survive—but thrive.



AscendTek Finds News Ways to Connect



In a time when we're all encouraged to socially distance, people are relying on technological communication more than ever. AscendTek and President Rick Ploeckelmann have powered up their internal and external communications to ensure everyone stays healthy and connected.

"We're doing everything we can to keep ourselves, our employees, and our families healthy," Rick. "It's our employees' goals to keep working and providing for their families, and our organization's goal to keep delivering services that allow us all to stay connected during a very difficult time. In order to accomplish our goals, we have to remain safe and healthy."

In addition to intensified cleaning procedures and eliminating unnecessary travel, AscendTek has been diligent in sourcing necessary supplies for their team, including hand sanitizer, sanitizing wipes, and masks.

Despite ongoing fundamental challenges, AscendTek maintains consistent and positive communication with their customers. Being empathetic to their customers' circumstances –whether they're working from home or still in a conventional office – is key.

"One positive thing through this," says Rick, "is we've seen what true leaders we have in our company." I'm extremely proud of how everyone's stepped up, done the right thing, and focused on the right behaviors and strong communication to keep us healthy, profitable, and growing in a difficult time."

ascendtekllc.com



BEST PRACTICES OF THRIVING BUSINESSES DURING COVID-19

Material Handling Holdings Optimistic About What the Future Holds

LIFT PRODUCTS INC.
INNOVATIONS IN ERGONOMICS

SOLUTION DYNAMICS inc.

When David Mitchell was appointed the new President of Material Handling Holdings at the end of 2019, he never imagined he'd be leading the company through the uncharted territories of a global pandemic. Now, several weeks into the days of COVID-19, the company and its subsidiaries – Lift Products, Inc. and Solution Dynamics, Inc. – is thriving.

David credits the success of Material Handling Holdings to their collective adherence to solid safety precautions, shifting their focus to essential industries such as medical, pharmaceutical, food, and large distribution centers; consistent communication, and last but not least, their team stepping up to the plate.

In the Waukesha office, many employees are working remote. For those who are on site – including the fully operational Waupun plant – they've intensified cleaning measures with bleach-based products. They also take care to social distance as much as possible outside of work. "When we go home, we go home," says David. "There's no going out and socializing. We shop minimally and only for what we need."

Something David plans to continue even after the pandemic is leveraging technology, like Zoom software and emails, to have more consistent communication. He's also taken up emailing daily motivational quotes, which he is going to keep up.

"Who knows what the future holds," says David. "I'm positive and hopeful we'll be able to maintain our momentum, because on the other side of this, there will be a lot of pent-up demand. We need to be ready for that."

www.liftproducts.com/lifftables



BEST PRACTICES OF THRIVING BUSINESSES DURING COVID-19

Communication and High Volume the Secret Ingredients to Gilman's Success



When supply goes down, demand goes up. But what's that got to do with the price of cheese? Well, for Gilman Cheese whose shelf-stable 1-oz. and 2-oz cheese sticks are in high demand for the pandemic – used in meal kits in lieu of school lunch programs, disaster relief, and food banks – it means full speed ahead.

“We have no choice but to respond and fill as many orders as we can,” says President and CEO Ron Weltmer. “Cheese prices have bottomed out. If you're going to make any money, you have to do it by volume.”

Ron is right on the money. In December 2019, cheese was selling for approximately \$2.20 per pound. Now in the days of COVID-19, it's selling for a dollar per pound. To support the massive influx in orders, Gilman Cheese has added a swing shift –increasing their workforce by 32% – that may be there to stay. Leadership will reevaluate the demand at the end of the year. Besides more manpower, the swing shift has helped alleviate fears that the company is in danger.

To keep employees and customers safe, Gilman Cheese is abiding by the guidelines put in place by the CDC, including but not limited to sanitizing common areas every hour, modifying break schedules and attendance policy, wearing masks, and measuring peoples' temperatures as they come in to work.

Because of their smaller size and the fact that they are a very manual plant in comparison to their competitors, Gilman Cheese leverages their flexibility to run smaller quantities, different flavors, and even small-batch trials for new and existing customers. They're willing to get creative to fulfill their customers' needs.

“One of the great things that's come out of this,” says CFO Dave Schafer, “is that through necessity, we've gotten new customers who were happy with their supplier, but because of demand they've come to us, and we've delivered. Now they've tasted our product and experienced our quality.”

gilmancheese.com



This is our road. And we're on it together. If you need counsel or just want to connect, we are Borgman Capital, and we're here for you.

Thrive with us.

INVESTOR HIGHLIGHTS



Nicholas C. Bauer, CFA

Managing Partner Operose Advisors

Nick founded Operose in 2017. Operose Advisors is an investment adviser focused on delivering an institutional approach to individuals, families, trusts, retirement plans and closely held businesses with planning, execution and feedback of investment programs. Prior to founding Operose, Nick was Principal and Director of Geneva Capital Management in Milwaukee, WI. While at Geneva Capital Nick oversaw the growth of the Firm's institutional business from \$1 billion of assets under management to \$6.8 billion.

Nick played a key role in the sale of Geneva's business to Henderson Global Investors based in London and subsequently managed Henderson's North American institutional business development efforts.

Nick holds a B.B.A. from the University of Wisconsin-Milwaukee and has earned the right to use the Chartered Financial Analyst designation. Nick currently serves on the Finance & Investment Committee of Rogers Behavioral Health System, the Board of Directors of Concordia University – Wisconsin Foundation and the Finance & Investment Committee of Versiti Inc.

Ryan Schultz

Shareholder & Executive Vice President

Fiduciary Real Estate Development, Inc.

Ryan D. Schultz is a Shareholder & Executive Vice President, member of the Board of Directors and a principal of Fiduciary Real Estate Development, Inc. ("FRED"). Ryan joined FRED in fall of 2018 after merging HSI Properties ("HSI"); a company he founded in 2007, into the operations of FRED.

As President of HSI, Ryan led the development and construction of more than \$300 million in property asset value, including 1,100 market rate multifamily units and 500,000+ sf of commercial space comprised of industrial, office, retail and healthcare. Schultz remains the principal and controlling interest of 10 limited partnerships that include \$75 million in private-preferred equity. Combining HSI with FRED brings Fiduciary's total assets under management in excess of \$1 billion.

In his role at FRED, Schultz helps oversee business development, development operations, strategic planning and preferred equity.

Schultz earned Bachelor of Business Administration degrees in both Real Estate & Urban Land Development and Marketing from the University of Wisconsin – Milwaukee in 1999. He is an annual guest lecturer at his alma mater's Sheldon B. Lubar School of Business.

Schultz holds a Wisconsin real estate broker's license and is active in ("CARW") the Commercial Association of Realtors, and ("NAIOP") National Association of Industrial and Office Property. He has served on the board of directors for the University of Wisconsin – Milwaukee Alumni Association, United Way of Milwaukee – Emerging Leaders Council, the Zoological Society of Milwaukee, and ("FOBL") the Friends of Beaver Lake.

Schultz is married with two children and a resident of the Village of Chenequa, Wisconsin.

