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Some cried. Others were speechless. How front-line workers walked away with checks averaging \$240,000, nearly equal Wall Street bonuses, when KKR sold their company

By Sharon Tully

It was showtime for the employees of CoolIT. In the late afternoon of March 25th, as an unexpected snowstorm blanketed Calgary, Canada, around 600 mainly front-line workers of CoolIT Systems gathered under an immense tent for a highly anticipated Town Hall. Less than three years earlier, private equity colossus [KKR](#) had purchased CoolIT, and as it does for all its acquisitions, awarded equity to everyone. In this case, that meant everyone from thermal mechanical engineers to security guards at the liquid cooling purveyor for big tech infrastructure. Five days earlier, these folks got the official word that KKR and its partner the sovereign wealth investor of Abu Dhabi, were selling their employer to [Ecolab](#), the industrial water treatment giant, for \$4.75 billion, or around 18 times CoolIT's roughly \$270 million valuation when KKR took charge.

The employees knew they were shareholders, and that a sale would trigger cash payouts for everyone, and the crowd was about to find out how much. The new deal, and the money it would bring them, was still another stunner in what had been a dizzying rise under KKR, a moonshot that already left the old-timers I spoke to amazed. In fact, this event was something of a celebration for one of the top niche success sagas in the AI revolution.

Founded 25 years ago by an engineer tinkering in a garage, CoolIT first specialized in liquid cooling for gaming computers. But under KKR, it went all in on outfitting the burgeoning ranks of AI data centers. The hyper-scalers deployed its technology to pack servers at far more density than is possible using air cooling, and CoolIT benefited greatly by Nvidia's insistence that its fastest GPUs be liquid cooled. Result: In the past three years, the former plodder's revenues jumped three-hundred-percent, as the hyper-scaler share soared from 5% to 60%. It's multiplied production capacity 30 times



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Workers at CoolIT watch as the employee payouts are unveiled in late March.

while mushrooming its manufacturing footprint to cover an area the size of over five football fields. “We were a small company where everyone was multi-tasking, and we were often struggling,” says Nga Morris, a supervisor who tests products for mass production. “I thought KKR would help us grow, but nothing like the explosion we’ve seen in the past three years.”

The assembled knew the huge sales price and that they’d get nicely rewarded, yet according to those I spoke to, harbored relatively modest expectations. “We had a lot of excitement and happiness going around the days before the Town Hall,” says Kenny Kong, a quality control and data analyst who joined in 2011 when CoolIT had 22 employees. “But I like most people didn’t know how the scheme worked [in determining payouts]. I’d looked at videos on [YouTube](#) from times when KKR sold other companies, and saw numbers like \$10,000, or \$30,000, or \$50,000.” Kong was expecting a nice reward, he says, but nothing that would transform

his financial standing.

The presentation opened with cheerleading for the ownership mindset that’s “getting everyone to pull together” by making employees “stewards of the business” from Pete Stavros, KKR’s global head of private equity and the figure who launched its employee ownership program. CoolIT CEO Jason Waxman, who took charge at the buyout, appeared by video from Portland where he got stuck in the snowstorm, avowed that he could “hear the shouting” from across the border. Then, Kyle Matter, KKR managing director and chairman of CoolIT, took the stage for the Main Event.

Employees had high hopes—and still got shock

The casting was impeccable. Matter—slim, dark-haired, attired in a dark blue zip-up sweater and matinee idol handsome—is a natural entertainer who savored every moment holding a mic. “I feel like a game show host,” he declared. “But on this game show, everyone is a winner!” He explained that each employee would receive cash at the closing, scheduled for Q3, based on two factors: Their annual base pay, salary, hourly or temp, and their years with CoolIT. Each category for length of service would garner a different multiple of their earnings in a lump sum, the longer the tenure, the higher the multiplier. “Should we get to the numbers?” Matter intoned. As the hearty roar displayed, this horde—featuring many attired in sweatshirts labeled “OwnIT” for the name of the CoolIT equity plan—this crowd wasn’t cooling it.

Matter proceeded to show the payday for the first group on a big screen. the slide displayed, “If you joined in 2026, you will receive a minimum of 1x annual pay... minimum payout of \$35,000 Canadian (\$25,200 U.S.; payouts to follow are expressed in Canadian). Matter didn’t step on the applause line. He took a long pause, and in fact proved a master of going slow and building suspense all during his presentation. Next came the numbers for people employed in 2025: 2.5x annual pay, and a minimum of \$95,000. An engineer earning \$80,000, for example, would get \$200,000, even if they’d arrived just a few months ago. “When I saw what people from 2025 would get, I knew something was happening,” says Kong. “I didn’t expect that we’d be getting multiples of salary. As the numbers kept coming, the excitement got more and more unbelievable.”

Folks joining as recently as 2023 got 5x annual pay. That’s quite a windfall for a lot of people, since CoolIT’s grown its workforce around 50% since the KKR purchase. Then, things got really fabulous for what CoolIT dubs the “OGs” or “old gangsters.” Anyone hired in 2016 and before got an 8 times multiplier, and at least \$490,000. Keep in mind that the minimum would apply to people making just \$61,000 or below, and the number would ramp from there.

Both Morris and Kong, who’d been at CoolIT for 12 and 15 years respectively, fit the super-veteran category. “I was expecting 9 to 18 months, and a maximum of two



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years,” says Kong. “I couldn’t believe what I was seeing. I took off my glasses and covered my mouth and started crying when I heard about my category.” Indeed, the livestream shows Kong in tears as several female colleagues sporting broad smiles pat his shoulders as if to remind him these are tears of joy. “A day later,” he says, “I was still trying to digest the event.”

As for fellow OG Morris, “I was shocked, honestly speechless. I was optimistic but didn’t expect anything large to happen.” She orchestrated her own little exercise of suspense in telling her husband. “I wanted to build in some surprise. When he came home, I stayed quiet and waited for him to ask me, ‘How did it go?’ He’s a calm guy, so he didn’t jump up and down, but he was really happy.” She plans to use the windfall to invest in a family retirement plan and pay for her son’s university education. The loot will help fund some vacation ambitions as well, she notes, specifically attending her niece’s wedding in her native Vietnam next year, and visiting countries such as Italy and France that she’s long wanted to visit.

“My reaction was, this is surreal, it’s too good to be true, it’s life-changing,” says Ibrahim Ibitoye, who manages the assembly line for CoolIT’s CDUs or cooling distribution units. “In 2017, soon after I arrived, we had 5 people on the line,” he says. “Now we have 120.” It’s a big step towards financial security, he avows. “I can rest assured I can pay for college for my three kids, ages 3, 9 and 11. When I got the envelope with my specific number after the Town Hall, the first thing I did was call my wife. Before the event, she was cautious. When I called, she was blown away.”

By the way, the CoolIT workforce is super-multicultural. Ibitoye comes from Nigeria, while Morris immigrated from Vietnam as a young adult, and Kong was born in Hong Kong.

Matter uncorked one more surprise before signing off. “Like any game show host [would say], there is more!” he announced, and went on to announce that anyone who remained at CoolIT through 2027 would get an extra half-a-year’s pay. Then, a huge curtain parted to open a party space under the tent, where the happy throng

dined on the likes of Vietnamese vermicelli noodles, pastel glazed donuts from a display wall.

KKR is leading the way in employee ownership

Measured by payout per person, the CoolIT sale marked the high point of KKR's employee ownership campaign to date: Workers on average received roughly \$240,000. That's nearly equal to the average Wall Street bonus for 2025. But the firm's been arguably the leading proponent in America for making owners of the rank-in-file. It amounts to a personal crusade for figure who's spearheaded the effort, Pete Stavros. "It's hard to get rich on your labor alone," says Stavros. "People build wealth in this country by owning things. But that hasn't been the case for front-line workers." He points out that from 1984 to 2024, productivity has grown 80%, but worker pay has lagged far behind, rising only 20% in real terms. In the same period, the stock market's rocketed 9,000%, creating immense wealth for the likes of executives who get options, restricted stock and other equity grants. Upshot: The top 0.1% of Americans measured by wealth own 24% of the stock, and the top ten 87%. The bottom 50% hold just 1%.

It was Stavros' father who inspired this inclusive vision. "He was a road grader for a union construction company. He saw that hourly workers didn't want to speed up because if you get more productive, your hours go down." Yet employers never found a way of rewarding them for working faster and better, he says, adding that "What really drove him nuts was that the company never asked for the workers' opinion. His dream was creating greater alignment between the company and the workers, and giving workers a chance to build some wealth." Stavros made analyzing employee stock plans his specialty as a student at Harvard Business School.

Stavros helped convince KKR to institute the first program in 2011, and today, the firm oversees ownership plans at 84 portfolio companies, covering 195,000 non-senior management workers, poised to pay out as much as \$14 billion when the enterprises go public or get sold a la CoolIT. It's already distributed \$1.8 billion over thirteen exits. Among the most celebrated examples: C.H.I. Overhead Doors. When KKR bought the Illinois manufacturer in 2015, only eighteen employees were shareholders. The firm extended ownership to all and sundry, and when it sold C.H.I. to [Nucor](#) in 2022, 800 workers received average checks for \$175,000, the top number pre-CoolIT. Other sales that created notable payouts: Australian environmental project developer GreenCollar (2023), hazard mitigation specialist GeoStabilization (2024), and Kito Crosby (2026), a Texas maker of lifting and rigging gear.

Stavros and the KKR team had to overcome a legal and taxation thicket to find a template that works. Employees don't have individual accounts. Instead, the portfolio company places equity reserved for workers, technically as a type of stock options, in a special trust. "Workers

don't trade wages or wage increases or other benefits for the equity, and they keep their 401k's," says Stavros. "So this is a way you can grow your wealth." When the enterprise is sold or goes public, the cash generated or stock gets distributed by the model in view at CoolIT, via a formula based on both annual pay, and length of service.

For the companies awarding equity, the payoff comes in greater engagement, loyalty, and productivity

"The payback comes in a stronger culture," says Stavros. He asserts that two crucial measures greatly improve: Turnover, and "engagement." "The quit rates for all companies in the U.S. average around 30% on average," he says. "We've had companies start with quit rates as high as 80%. If you're losing workers that fast, why bother to train or educate them? It results in workers' staying low-skilled. And all that time and money gets wasted on constantly hiring and onboarding, plus you're losing so much knowledge." On average, Stavros finds, the pace of turnover improves around 30% once KKR achieves an ownership culture.

The second big goal, added engagement, is broad and difficult to define. But it basically amounts to getting motivating workers towards pursuing a common purpose. It can take such forms as speaking up early on when problems appear, or for assembly line crews, constantly making suggestions to improve workflow, and readily sharing knowledge with colleagues. "The idea is, 'We want you to help lead the way, and the equity plan by making you an owner, is a symbol of that,'" says Stavros.

A case study of the concept's power is [Ingersoll Rand](#). In 2013, KKR bought air compressor and pump-maker Gardner Denver, setting a slice of equity for the employees. KKR named Vicente Reynal as Gardner's new CEO in 2016. "I'd worked for big manufacturers, and I saw that the hourly workforce wasn't emotionally attached to the company. I wanted to change that by giving workers skin in the game," Reynal recalls. He marshalled ownership as a tool to promote a new mindset. "I wanted an attitude like, 'This is my company, I want to improve the process on the factory floor, I want to negotiate with suppliers for better payment terms.'" He and KKR extended \$100 million in equity to 6,000 employees just before its IPO in 2017 that handed 6,000 employees chunks of stock. KKR then awarded an additional \$150 million in shares at the to the workers. "Our goal was to unlock lots of cash," says Reynal. And it worked.

In two years, Gardner generated an enormous growth in cash flows that enabled it to purchase competitor Ingersoll Rand for \$6 billion in 2020; Gardner then took the name of its acquisition. KKR says the quit rate dropped 90% from the time it bought Gardner to single digits ten years later. Accident frequency is down 70% to a number Reynal characterizes as a "best in class." "We use kaizen events [a method pioneered at [Toyota](#) that encourages workers to volunteer improvements on assem-

bly line productivity] and instead of hiring consultants, the workers make those improvements on their own every day.” Reynal notes that he’s kept awarding equity to workers every year, and that the \$300 million in stock they’ve received is now worth over \$1 billion.

Unfortunately, Ingersoll Rand is an exception in offering equity to all employees. Though the policy’s grown in private equity (TPG is also a big practitioner), it’s still relatively rare in public companies. To spread the gospel, Stavros was the leading force in creating a non-profit called Ownership Works. Reynal is a founding member. The organization counts a long list of participants including many PE firms such as Leonard Green and Warburg Pincus and a few big public players, notably [Harley-Davidson](#) and Ingersoll Rand. The idea is for the experts who’ve made the concept work to get public companies interested and show them how the mechanics for establishing the programs work. Says Reynal, “I have the playbook on how this operates. I talk about its benefits at conferences, and coach CEOs on how to do it.” Ownership Works harbors the ambitious goal of achieving \$20 billion in employee wealth by 2030.

But Stavros believes ownership could spread to multiples of that number if America once again embraced an instrument called the ESOP, for Employee Stock Ownership Plan. The Ownership Works platform offers no tax incentives to the company, imposes an upfront cost, and it may take a long time to harvest the return. Hence, many publicly traded companies aren’t buying in. By contrast, ESOPs provide major tax breaks to both employers and employees. The rub is that ESOPs have triggered a

rush of lawsuits that have caused a sharp decline. except Stavros is spearheading an effort in Washington, D.C. to modernize the ESOP laws. An ESOP revival, he contends, could make owners of another 50 million workers.

At CoolIt, the workers I interview testify to the force of ownership as a motivator. “The company is trying very hard to treat everyone equally and make the workplace a better place,” says Morris. “Before KKR, we had good times and bad times.” She recalls that employees took pay cuts to help the company survive when the pandemic crushed production, and notes that “morale is much better now.” Kong agrees. “I was with another global company before that did give stock, but I never felt like an owner,” he says. “Here, management is constantly telling you that you are actually an owner, and that you, not just the executives, can get a spectacular return from the good work we’re doing. If our production line operators didn’t build quality products and maintain the highest standards why would Ecolab be interested in buying us?”

As for Ibrahim, he adds that “ownership” is encouraging workers to do things as simple as “eliminating any waste” and nixing anything that “doesn’t add value to production.” He adds that CoolIT takes the “no idea is too silly” approach that encourages folks to propose changes that seem so miniscule that people are reluctant to propose them, but taken together, can speed output and hone quality.

The cheers from that snowy day under the cavernous tent testified that an ownership culture can work wonders. Like CoolIT’s innovations, it’s an idea that should come out of the lab and onto the production floor.