



NorPaper

NorPaper is a leading producer of white top testliner paper that is made 100% from recycled fibers and used for a wide variety of packaging products sold to European packaging manufacturers.

- NorPaper is headquartered in northern France
- The business employs over 200 people



Acquired:

February 28, 2011

Transaction Type:

Cross-Border,
Corporate Carve-Out

Industry:

Packaging, Paper, &
Specialty Materials

Headquarters:

Blendecques, France

Source:

Competitive
Auction Process

Buyer:

Gemayel &
Chaoui Industriel Group

Status:

Exited

Realized:

June 22, 2018

TRANSACTION HIGHLIGHTS

OpenGate sourced NorPaper directly through its relationship with Cascades.

Investment Merits

- Corporate carve-out of non-core asset from Cascades
- Motivated management team with a clear vision and direction for the business
- Market-leading manufacturer as France's leading independent producer of white-top testliner
- Long-standing, blue-chip customer base
- Underinvested operations with an opportunity to improve profitability through improved manufacturing productivity, product quality and mix
- Geographically well-positioned to access raw materials and downstream markets
- Attractive and highly competitive energy costs due to local cogeneration partnership

Value Creation

- Established the business as a complete standalone entity; rolled out a new brand identity
- Reconfigured the structure and composition of the management team, shifted from a divisional structure to a fully autonomous standalone company structure – changes implemented in Sales, HR, Procurement, and Operations
- Expanded the product line and facilitated the conversion of existing manufacturing capacity to the production of brown testliner in response to growing demand
- Implemented significant capex initiatives to increase production efficiency, improve yield and overall product quality, and improve the characteristics of certain products to better adapt to the evolving market demand
- Achieved additional growth through the development of “swap” paper supply partnerships with several European corrugated cardboard manufacturers, achieving an improved sales mix as well as improved margins
- Pursued an aggressive bolt-on expansion strategy, which resulted in acquiring in 2015 a mill in France from DS Smith that, as a strategic add-on, provides greater volume and capacity, and more specifically, larger paper widths to expand the product offering and to increase NorPaper's addressable market. This acquisition strengthened the overall health of the business and positioned it as one of the top five independent testliner producers in Europe