

# Verdant Specialty Solutions



OPENGATE CAPITAL  
REALIZING POTENTIAL

Chemical manufacturer of surfactants, focused on the production of specialty amphoteric and ethoxylates.

- Significant sales are to the home and personal care sector which includes products that are used for body soaps, shampoos, dishwashing, and household laundry
- Five production facilities: University Park, IL, Halifax, UK, Genthin, Germany, Palestine, TX, and Liberty, TX
- Global production with a North American focus and diverse international customer base of ~100 customers



Acquired: April 30, 2021	Transaction Type: Cross-Border, Corporate Carve-Out	Acquired From: Solvay	Industry: Chemicals	Headquarters: Houston, Texas
Source: Competitive Process	Realized: December 15, 2023	Buyer: Samyang	Status: Exited	

## TRANSACTION HIGHLIGHTS

OpenGate sourced this opportunity through its continuous dialogue and longstanding relationship with Solvay (since 2012) as well as the sell-side investment bank.

### Investment Merits:

- **Growth drivers:** Long-term growth expected to be steady at GDP+, driven by secular tailwinds
- **Industry attractiveness:** Mature and stable end market with blue chip customers
- **Operational improvements:** Immediate opportunity to bottom-slice low-margin volumes and shift toward higher-margin business, longer term opportunity to also reduce raw material spend







## VALUE CREATION

- Top-graded management by recruiting and hiring a new C-level executive team including CEO, CFO, CCO, and COO
- Completed two add-on acquisitions within the first six months of ownership that expanded and diversified Verdant's product offerings, resulting in a highly attractive product and market portfolio to potential strategic acquirers
- Executed a complex, multi-national carve-out of three plants from Solvay and implemented a stand-alone organization and infrastructure in 12 months
- Implemented a disciplined approach to margin management that focused on value over volume via enhanced analytics, driving significant EBITDA uplift via pricing and service
- Drove meaningful purchasing savings by leveraging the combined purchasing power of the initial carve-out platform and add-on acquisitions
- Improved commercial and technical capabilities to focus on building a profitable, solution-driven pipeline

## EXIT

- Samyang Corporation proactively approached OpenGate in late 2022 to acquire Verdant
- Verdant fit into Samyang's expansion strategy, as it
  - i) offers specialty batch capabilities, ii) allows Samyang to geographically expand into North America and Europe, and iii) should allow for meaningful synergies through cross-selling and technology transfer