Verdant Specialty Solutions



Chemical manufacturer of surfactants, focused on the production of specialty amphoterics 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: Transaction Type: Acquired From: Industry: Headquarters:

April 30, 2021 Cross-Border, Corporate Carve-Out Solvay Chemicals Houston, Texas

Source: Realized: Buyer: Status: Competitive Process December 15, 2023 Samyang Exited

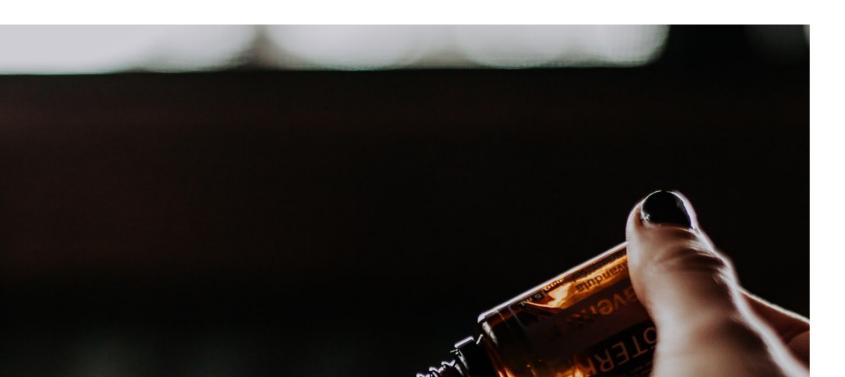
TRANSACTION HIGHLIGHTS

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

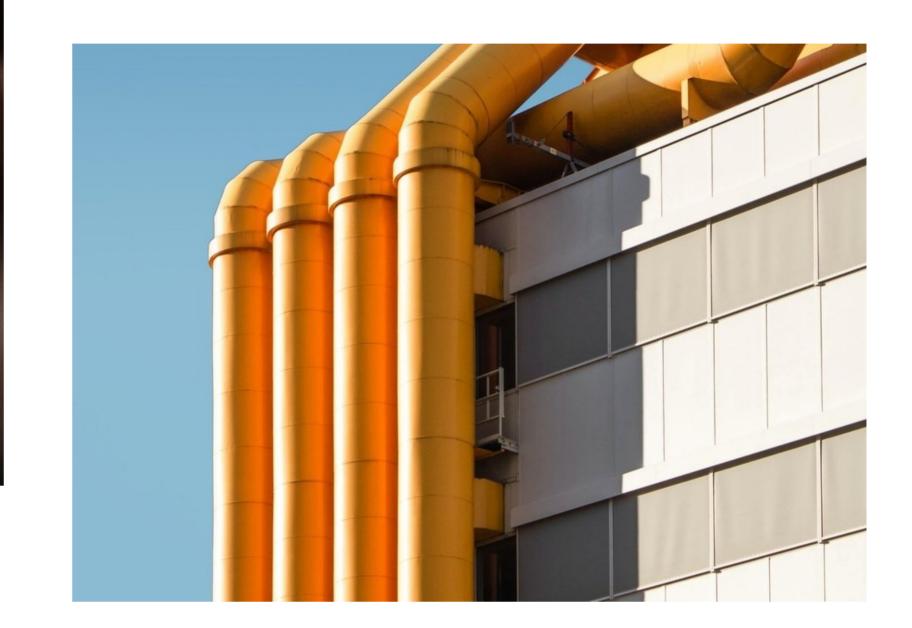
Investment Merits:

- **Growth drivers:** Long-term growth expected to be steady at GDP+, driven by secular tailwinds
- o 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