



Duraco Specialty Materials

US-based manufacturer of engineered specialty materials.

- o Market leader in engineered specialty tapes serving attractive end markets: Point-of-Purchase (PoP), appliance, transit packaging, industrial and flexible packaging
- o Over 70 years of experience and differentiates itself by having integrated coating converting and distribution capabilities
- o Customer base includes WestRock, Menasha, Imagine Print, RR Donnelley, Whirlpool, GE Appliance, Hennessy Industries, ProAmpac, Mixtiles, Stoughton Trailer, Donaldson Co.



Investment Date:
June 28, 2019

Source:
Competitive Auction Process

Deal Type:
Cross-Border, Corporate Carve-Out

Headquarters:
Forest Park, Illinois

TRANSACTION HIGHLIGHTS

Investment Merits

- o **Growth opportunity:** Non-core asset with numerous restructurings, sales forcere-organizations and poor IT systems
- o **Market leading position:** #1 in niche NA PoP market-based service orientation and cost position
- o **Operational improvements:** Potential to realize significant pricing, sourcing, and manufacturing efficiencies by 2024
- o **Acquisitions:** Potential add-ons could increase scale, create cost synergies, and diversify the end-market concentration outside of PoP

Value Creation

- o **Complete carve-out frm parent:** Running on independent ERP, network, and website platform
- o **Enter new markets to diversify outside of PoP:** Five add-on acquisitions completed including Infinity Tapes, Filmquest, Rayven, 3 Sigma, and Strata-Tac
- o **Upgrade commercial organization and improve salesforce effectiveness:** New sales leader joined in July 2020, commercial team has been re-organized by geography
- o **Drive operational cost savings:** Right-size footprint via facility consolidations, network optimization; leverage scale to drive sourcing savings

Exit

- o Sourced through OpenGate's 10+ year relationship with the seller, Essentra Plc
- o Following a discussion with Essentra in Q4'18, a sales process was launched under new Essentra leadership

Investment Status:

Owned