



EverZinc

Global leader in the production of specialty zinc-based chemicals, including fine zinc powders, zinc oxides and zinc for batteries.

Products are sold globally for applications such as anti-corrosion paints, tires, pharma / chemicals, ceramics and glass, sunscreen and other products. Operations located in Belgium, Canada, the Netherlands, Norway, China and Malaysia, with recyclable materials refined across 10 production sites.



Acquired:

November 25, 2016

Transaction Type:

Cross-Border, Corporate Carve-Out

Acquired from:

Umicore

Industry:

Specialty Zinc, Chemicals

Headquarters:

Liège, Belgium

Realized:

June 1st, 2022

Sold to:

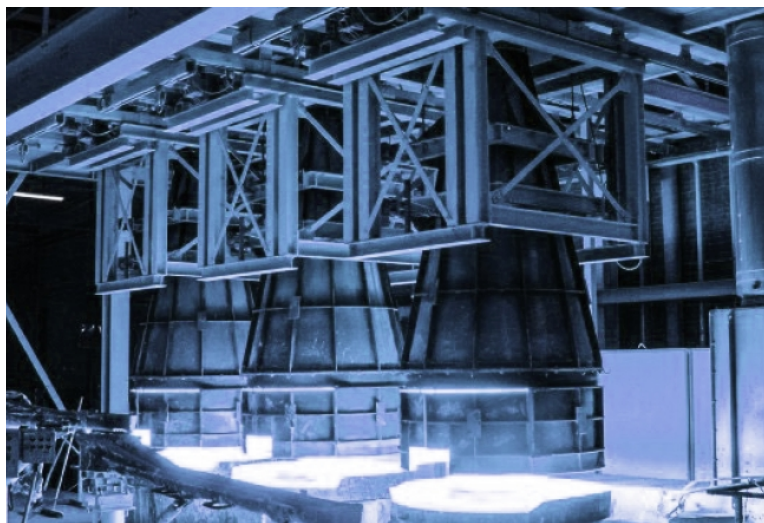
-

TRANSACTION HIGHLIGHTS

OpenGate had an active dialogue with Umicore for several years having looked at some of their prior disposals. Following a review, it was clear that EverZinc was a non-core business unit within the larger organization as they looked to move away from base metals. OpenGate proactively approached Umicore on this topic and met with the Head of M&A in March 2015 to discuss our approach and interest in the Business.

Investment Merits:

- o Market-leading position: Global footprint, leading technologies, niche market
- o Meaningful scale: Profitable business with operational upsides
- o Operational improvements: Rationalize EU footprint and improve utilization of the top performing production assets
- o Value through add-on acquisitions: Expand geographies and/or products



VALUE CREATION

- Complex carve-out of a global business;
- Upgraded senior management team including CEO, CFO, and COO
- Reorganized the business into four divisions with dedicated P&L including two new divisions focused on high growth, high margin products that are now responsible for 30% of group EBITDA
- Optimized manufacturing footprint by transferring Chinese operations from aging facility to a new site at seller's cost
- Improved financial performance through creation of strategic pricing department and new pricing methodology
- Improvement in ESG performance through increased use of recycled zinc
- Expanded North American presence and product offering through add-on acquisitions



EXIT

- EverZinc was sourced through pro-active discussions with the seller, Umicore
- On June 1st, 2022, EverZinc was sold to a PE-backed strategic, U.S. Zinc, a party identified as a likely acquirer at the original investment committee discussion
- Exit profile below original underwriting of 3.4x / 34%