



**OPENGATE CAPITAL**  
REALIZING POTENTIAL



**2018:  
YEAR  
IN REVIEW**



# A LETTER FROM ANDREW

Happy New Year, and thank you for being a part of the OpenGate Capital community. I am pleased to present this Year in Review from 2018, as well as preview our year ahead.

As Founder & CEO, I'm incredibly proud of what our team accomplished in 2018, and I'm even more excited about the deals we've signed in January to set 2019 on the right trajectory. In the last 15 months, we completed two platform acquisitions, two strategic add-on acquisitions, and realized two pre-fund investments in Europe. We also signed agreements to acquire three new platform investments across the US and Europe, and we are now working toward the completion of these acquisitions by early Q2 of 2019. In addition to our investment activity, we made two key additions to our senior leadership team: Shawn Haghghi as our General Counsel and Chief Compliance Officer, and Paul Bridwell as our Managing Director of North American Operations.

In January 2019, we formally launched OG<sup>x</sup><sup>™</sup>, our digital transformation capability as part of our firm's overall strategy to drive exponential growth in the businesses we acquire. OG<sup>x</sup> leverages technologies including 3D printing, digital manufacturing, robotics, applied AI, and advanced predictive and prescriptive analytics. These 'XPotential<sup>™</sup>' capabilities will be applied to select investments in our portfolio to maximize value.

We are committed to our mandate of realizing potential and acquiring opportunities where our vision and organization skill set can drive lasting, positive change.

On behalf of the entire team at OpenGate, I wish you all a productive and successful 2019!

Regards,



Andrew Nikou

Founder & CEO



# PORTFOLIO ACTIVITY

## 2018 / 2019 ACTIVITY SNAPSHOT

2 PLATFORMS

2 ADD-ONS

2 REALIZATIONS



- Formally Launched OG<sup>X</sup> Digital Transformation Capability
- Completed acquisition of G.H. Chemicals, a strategic add-on to EverZinc
- Signed acquisition agreement to acquire European-based silicon carbide division from Saint Gobain
- Signed acquisition agreement to acquire US-based Sargent & Greenleaf from Stanley Black & Decker
- Signed acquisition agreement to acquire SMAC, a European waterproofing business from Colas Group



# PORTFOLIO ACTIVITY



## PLATFORM ACQUISITION OF JØTUL GROUP

**OpenGate Capital Fund I**

**ACQUIRED: FEBRUARY 2018**

**SELLER: RATOS**

Jøtul is one of the world's oldest producers of stoves, inserts, and fireplaces. Built on 165 years of proud Norwegian heritage, Jøtul combines timeless designs and fine craftsmanship with a passion for warmth and products that stand the test of time. With sales in 43 countries and six continents, Jøtul stands out as a leading brand in the market.

Within the first 12 months following the acquisition, OpenGate has driven value in the investment with initiatives such as relocating operations to lower-cost EU countries, streamlining overly complex production processes, and identifying add-on opportunities to enhance Jøtul's core offering.

[jotul.com](http://jotul.com)



## PLATFORM ACQUISITION OF FICHET SECURITY SOLUTIONS

**OpenGate Capital Fund I**

**ACQUIRED: DECEMBER 2018**

**SELLER: GUNNEBO AB**

Fichet is a leading provider of security solutions, including electronic security, entrance security, cash handling, safes, vaults, and security services. With approximately 930 full-time employees across three countries in Europe, Fichet was ranked in France as the #1 brand in Security Doors & Partitions, and Safes & Vaults, as well as #3 in Electronic Security & Cash Management.

Fichet is the ninth and final platform acquisition in OpenGate Capital's first institutional fund, and represents an exciting roll-up opportunity.

[fichet-bauche.com](http://fichet-bauche.com)



# PORTFOLIO ACTIVITY



## ADD-ON ACQUISITION TO JØTUL: AICO

**Ravelli**  
il fuoco intelligente

**ELLEDI**  
la stufa amica

**OpenGate Capital Fund I**  
**ACQUIRED: NOVEMBER 2018**  
**SELLER: AMBIENTA SGR**

In November, OpenGate acquired AICO, an Italian manufacturer of home heating products, as an add-on acquisition to support Jøtul's transformation plan. This transaction included two of the company's brand divisions, Ravelli and Ellidi. AICO's synergistic capabilities will enhance the Jøtul product portfolio with pellet technology products, a growing market for consumers demanding an alternative to wood-based home heating products.

[jotul.com](http://jotul.com)



## ADD-ON ACQUISITION TO EVERZINC: GH CHEMICALS

**OpenGate Capital Fund I**  
**ACQUIRED: JANUARY 2019**  
**SELLER: PRIVATE**

OpenGate Capital's portfolio company, EverZinc, acquired G.H. Chemicals Ltd. and Microzinc Inc., collectively referred to as "GHC." Established in 1974, GHC is based in Saint Hyacinthe, Quebec and is a global leader in the production of zinc materials.

This company is an opportune investment for EverZinc, providing product and market expansion opportunities through its world class facilities. GHC produces zinc oxide for use in pharmaceutical and food products, fertilizer and feed grades, and rubber compounding processes.

[ghchemicals.com](http://ghchemicals.com)



# PORTFOLIO ACTIVITY

**nakan**  
INNOVATIVE BLENDS

## REALIZATION OF NAKAN

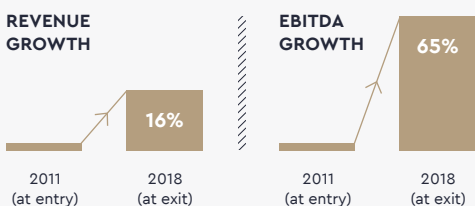
**OpenGate Capital Pre-Fund**

**REALIZED: JANUARY 2019**

**BUYER: WESTLAKE CHEMICAL CORPORATION**

OpenGate acquired NAKAN as one of three business lines within IVY Group. NAKAN is a leader in PVC compounding, with world leadership in automotive applications and a strong position in Medical, Building & Construction, and other applications. With over 620 employees across eight plants, a sales office, a research facility, and its headquarters, NAKAN has a unique portfolio of technologies which allows the company to access major customers all over the world, and deliver bespoke products designed for customers' specific needs.

In Q3 of 2018, OpenGate agreed to sell the business to Westlake Chemical Corporation.



[nakan.com](http://nakan.com)

**NORPAPER**

## REALIZATION OF NORPAPER

**OpenGate Capital Pre-Fund**

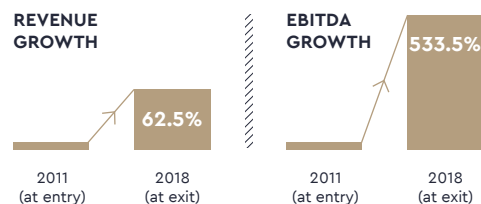
**REALIZED: JUNE 2018**

**BUYER: GEMAYEL & CHAOUI INDUSTRIEL GROUP**

Headquartered in northern France with over 200 employees, NorPaper is a leading producer of white top testliner paper that is sold to European packaging manufacturers.

In 2015, OpenGate completed an accretive add-on acquisition of a complementary paper business and integrated the business into NorPaper. This propelled NorPaper to become the number one independent testliner paper producer in France and among the top five in Europe.

In June of 2018, NorPaper Group was sold to Gemayel & Chaoui Industriel Group.



[norpaper.com](http://norpaper.com)



# CALLING ALL ADD-ON OPPORTUNITIES

At OpenGate Capital, we believe that potential is power. We continuously seek businesses that are strategic to our platform investments and those that are well-suited for our investment strategies in our four core sectors:



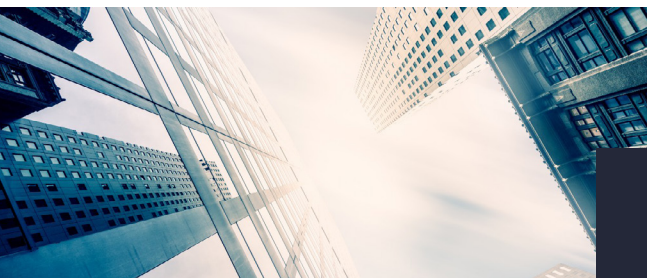
## INDUSTRIALS



## TECHNOLOGY



## CONSUMER



## BUSINESS SERVICES

To discuss divestiture opportunities on your company's horizon, please contact:



# PORTFOLIO COMPANIES IN THE NEWS



## EVERZINC + XPOTENTIAL LABS PARTNERSHIP

**DATE:** October 2018

EverZinc, an OpenGate Capital portfolio company and the leading global provider of specialty zinc materials, announced the formation of EverZinc Digital, a dedicated innovation and transformation unit, with a clear mandate to accelerate the development of sustainable, scalable, and economical zinc-based products and applications.

**READ THE FULL ARTICLE**  
[businesswire.com](https://www.businesswire.com)



## THE LONGEST INSTALL

**DATE:** November 2018

OpenGate portfolio company Jøtul, a leading producer of stoves, inserts, and fireplaces, collaborated with co-owner and president of Fireside Stone & Patio, Tom Gross, to provide two wood stoves for a remote, high-altitude Tanzanian orphanage. The successful installation of the stoves represents a significant global community contribution and achievement for Jøtul.

**READ THE FULL ARTICLE**  
[hearthandhome.com](https://www.hearthandhome.com)







# STRATEGIC NEW HIRES

OpenGate Capital is proud to announce recent additions to our team:

## SHAWN HAGHIGHI

General Counsel & Chief Compliance Officer

JOINED: OCTOBER 2018



**Experience:** Mr. Haghighi is based in OpenGate Capital's Los Angeles office, and oversees legal matters for the firm and its portfolio of companies. He supports global M&A efforts during the negotiations and diligence processes, and he oversees legal matters for the firm's portfolio.

Additionally, Mr. Haghighi leads all corporate compliance and legal affairs for OpenGate Capital's global investment activities and serves as Chief Compliance Officer for the firm and its institutional funds.

[read more](#)

## PAUL BRIDWELL

Managing Director, North America Operations

JOINED: NOVEMBER 2018



**Experience:** Mr. Paul Bridwell is based in OpenGate Capital's Los Angeles office as Managing Director, and is responsible for the operations and portfolio management of OpenGate's North American investments.

Paul is a tenured professional with 15 years of private equity experience and has a proven track record of delivering operating results leading to superior investor returns.

[read more](#)



# 2018 CEO CONFERENCE

OpenGate Capital hosted a three-day conference in Los Angeles for the CEOs of its portfolio companies and the firm's team from its Los Angeles and Paris offices. The event began with a welcome reception for OpenGate CEOs on December 2nd, and was followed by two days of presentations and workshops from several well-regarded authors and thought leaders. It ultimately challenged conventional methods of thinking and inspired new strategies for traditional businesses.



## FEATURED SPEAKERS

- Peter Diamandis, Founder & Chairman of X Prize Foundation
- Avi Reichental Founder, Chairman & CEO of XPotential Works
- General George W. Casey Jr., US Army, Retired
- Keith Ferrazzi, Chairman & Founder of Greenlight
- Eric Pulier, Entrepreneur & Founder of vAtomic Systems



## PROGRAM SPOTLIGHT

- Tour of OG<sup>x</sup> lab in Ventura, CA hosted by XPotential Works





# OG<sup>X</sup>: TAKING FULL POTENTIAL TO ITS "XPOTENTIAL"

Developed in 2018 and officially launched in 2019, OG<sup>X</sup> is OpenGate's digital transformation growth capability that leverages modern technologies to help businesses within OpenGate's portfolio achieve maximum potential.

We have specifically developed technology-enabled capabilities to drive exponential growth for our portfolio companies.

## 3D PRINTING

3D printing empowers portfolio companies to reduce the length of their manufacturing processes from years to months, while also giving them the ability to customize for every client and produce efficiently at low volumes.

## DIGITAL MANUFACTURING

Companies can model, simulate, and analyze all machines, tooling, and input materials, resulting in operational optimization of legacy production processes.

## ROBOTICS AND APPLIED AI

Industrial businesses can realize significant financial benefits through incorporating robotics and autonomous manufacturing systems.

## ADVANCED PREDICTIVE AND PRESCRIPTIVE ANALYTICS

Multi-sensor data acquisition and applied AI advanced analytics harvest the mass data available to small- and medium-sized businesses, helping to draw conclusions that enable optimal profits.



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