



**OPENGATE CAPITAL**

---

OPENGATE CAPITAL PARTNERS I, LP  
OPENGATE CAPITAL PARTNERS I-A, LP

**Q1 2019 REPORT**  
**March 31, 2019**

# TABLE OF CONTENTS

Management Report	2
Portfolio Report	3
• Power Partners	4
• Bois & Matériaux	6
• ENERGI Fenestration Solutions	8
• Alfatherm	10
• EverZinc	12
• Hufcor	14
• Mersive Technologies	16
• Jotul & AICO	18
• Jotul Add-on: Ravelli / AICO	20
• Fichet Security Solutions	21

## Confidentiality Statement

This report contains confidential information that is proprietary to OpenGate Capital Partners I and its affiliates, and their current and prospective portfolio companies. By accepting this report, the recipient acknowledges the confidential nature of the information and that the recipient is required to keep such information confidential pursuant to the limited partnership agreement of the Partnership. THIS REPORT IS CONFIDENTIAL AND MAY NOT BE REPRODUCED OR FORWARDED TO ANY OTHER PARTY.

## Forward Looking Statements Disclaimer

Certain statements in this report are based on current expectations, estimates, opinions and beliefs of OpenGate Capital GP I, LP (in its capacity as the general partner of the Partnership, the “General Partner”) and its affiliates. Such statements involve known and unknown risks, uncertainties, and other factors, and undue reliance should not be placed on them. Without limiting the foregoing, certain information in this report, including projections and other estimates, constitute forward-looking statements and are based upon certain assumptions that may change due to various risks and uncertainties. Actual events, results or performance may differ materially from those reflected or contemplated in such forward-looking statements.

No person should rely on any performance information as indications of future performance. Past performance is not indicative of future performance.

Nothing in this report should be construed as legal, accounting, financial, tax or other advice.

# MANAGEMENT REPORT

**May 15, 2019**

**Dear Partners;**

Enclosed please find our report for the first quarter of 2019, ending March 31st.

We are pleased with the developments and continued progression of the nine, platform investments in our Fund I portfolio. Having completed two add-on investments, one for EverZinc and one for Jøtul, our operations teams in Europe had several workstreams in the first quarter of this year relating to the integration of the add-ons which will enhance the products and markets for each platform investment.

- Power Partners continues to improve over budget and we are pleased that the value is now at 175% of cost.
- Bois & Matériaux is continuing to perform very well despite a less robust construction market in France.
- Energi Fenestration Solutions and Alfatherm each felt the negative effects from softer market demand and continued, upward pressure on raw material costs related to PVC.
- EverZinc weathered some turbulence in the LME market and preserved its gross profit margin through its diverse product portfolio and is underway with integration efforts with G.H. Chemicals.
- Hufcor continued to improve this quarter achieving a record high book of back log orders.
- The investment in building Mersive's business through staffing and new products is tracking to plan.
- Jotul's sales across were above the prior year due to the strong results out of Norway and France, and efforts were launched to integrate synergies with AICO, the Italian-based add-on investment.
- Fichet Security Solutions, our last and final Fund I investments experienced an active quarter with the recruitment of senior personnel and the launching of many carve-out initiatives.

At the firm level, OpenGate enhanced its global sourcing efforts with the hire of Aleix Sumpsi, a Vice President based in our Paris office, and supporting Josh in our global origination efforts. Aleix brings a well-rounded background to OpenGate having been with Agilitas Private Equity and Morgan Stanley, and we're looking forward to having him represent our strategy across the corporate and banking communities across Europe and the US. We also hired Stephane Feldman and Thomas Bardet as members of our European Operations team supporting Marc Veillas. Stephane's background as a CFO for many divisions of SUEZ Group, and Thomas's experience across many industrial sectors, bring a wealth of experience and perspective to our firm.

From all of us at OpenGate Capital, we thank you for your continued support.

**ANDREW NIKOU**  
**Founder & Chief Executive Officer**

Note: Please be sure to mark your calendars for OpenGate Capital's 2019 Annual General Meeting being held on Wednesday, November 6<sup>th</sup>, 2019 in Los Angeles.



## PORTFOLIO COMPANY REPORT

As of March 31, 2019, there are nine portfolio companies in the OpenGate Capital Partners I & I-A fund. Independent valuations were conducted for each investment. Highlights of each investment's current value are listed below.

- **Power Partners Inc.: January 16, 2016**
  - Valuation: 175% of Cost
  - Total Value: \$25.2 million
- **Bois & Matériaux: March 7, 2016**
  - Valuation: 475% of Remaining Equity
  - Total Value: \$79.2 million
- **ENERGI Fenestration Solutions: March 31, 2016**
  - Valuation: 250% of Remaining Equity
  - Total Value: \$45.5 million
- **Alfatherm: June 30, 2016**
  - Valuation: 100% of Cost
  - Total Value: \$22.8 million
- **EverZinc: November 25, 2016**
  - Valuation: 230% of Cost
  - Total Value: \$138.3 million
- **Hufcor: September 1, 2017**
  - Valuation: 100% of Cost
  - Total Value: \$35.3 million
- **Mersive Technologies: December 15, 2017**
  - Valuation: 130% of Cost
  - Total Value: \$47.5 million
- **Stove Investment Holdings: February 28, 2018**
  - **Jøtul** Valuation: 160% of Cost
  - Total Value: \$36.6 million
  - **Ravelli / AICO** Valuation: 75% of Cost
  - Total Value: \$9.4 million
- **Fichet Security Solutions: December 3, 2018**
  - Valuation: 100%
  - Total Value: \$9.4 million





## Investment Summary

<b>Investment Date:</b>	January 16, 2016	<b>Invested Capital:</b>	\$14.4 M	<b>3/31/2019 Valuation:</b>	175%
<b>Deal Type:</b>	Direct, Private Seller	<b>Realized Value:</b>	\$0.0 M		
		<b>Remaining Unrealized Value:</b>	\$25.2 M		
		<b>Total Value:</b>	\$25.2 M		

## Company Description

<b>Business Summary</b>	Power Partners Inc. ("PPI") manufactures overhead, round tank, and submersible distribution transformers for customers in the US, Mexico and in the Caribbean. PPI's products are used in a variety of applications including power lines, factories, carbon-neutral buildings, retail stores, businesses, and in the construction of steel framed buildings. Long term customers include many of the larger utility companies in the United States and other industrial businesses
<b>Headquarters</b>	Athens, Georgia – USA
<b>Employees</b>	364
<b>Management</b>	Koben Miceli – CEO

## Recent Developments

- Q1 EBITDA: +\$1.551M (+220%) Favorable to AOP Plan (Actual: \$2.255 M vs. AOP: \$704K) and Q12019 EBITDA +\$975K vs. Q12018.
- Backlog remains at historic highs, \$20M+, Strong Oil and Gas Market coupled with special project work (line hardening), driving it above "normal" volumes in Q1.
- Continued solid core operational performance with respect to Safety, Quality, Delivery and Cost.
- ABB External Sales Separation Executed Per Plan, PPI now has its own external sales organization.
- Expanding capacity, large kVA size focus (100kVA+), as well as working with key customer on innovation projects in 2019 to support and enable growth.
- New product development for the single phase padmount unit on track to scheduled milestones and received 1<sup>st</sup> PO from large distributor for July 2019 Delivery, 12 months from "kick off" to 1<sup>st</sup> PO.

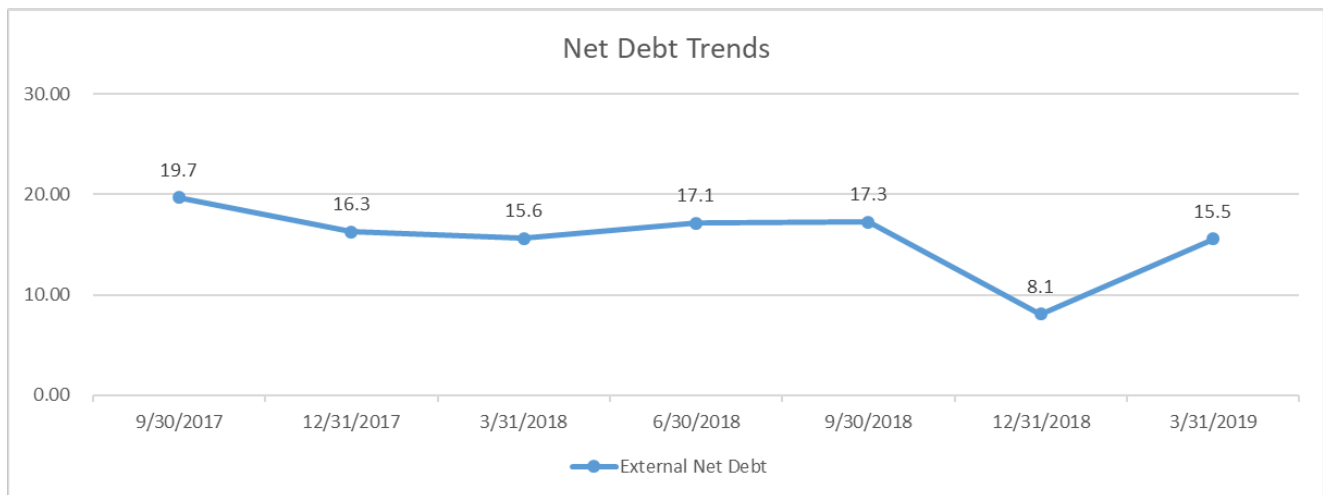
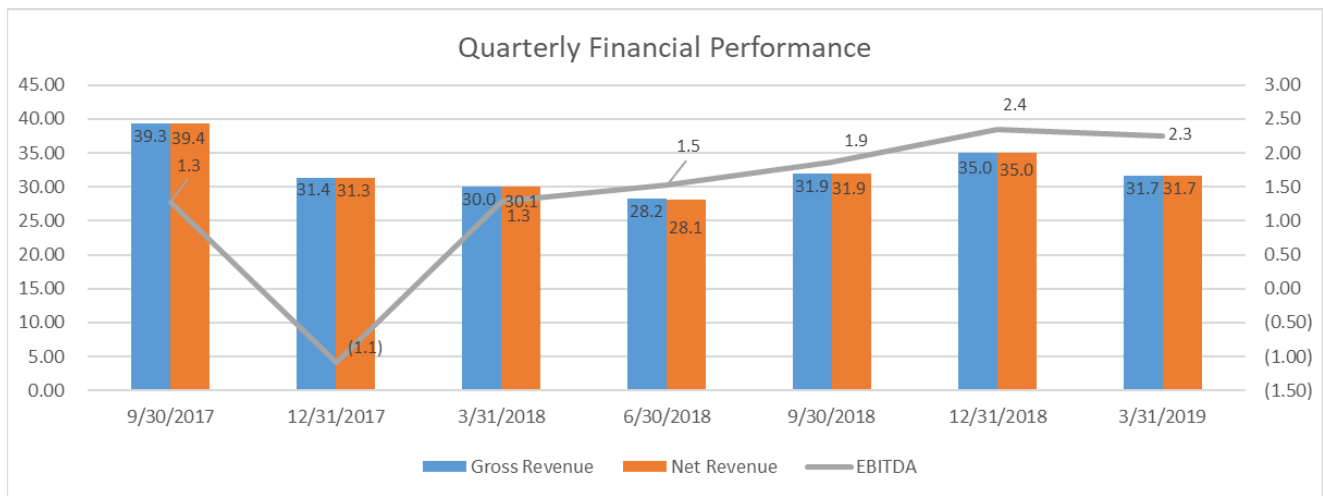
## Financial Summary (\$ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended		At
	03/31/19	03/31/18	03/31/19	03/31/19
<b>Revenue (net):</b>	\$126.8	\$30.1	\$31.7	<b>Cash &amp; Equivalents:</b> \$0.2
<b>Gross Profit:</b>	15.7	3.4	4.2	<b>Debt:</b> 15.6
<b>EBITDA:</b>	8.0	1.3	2.2	





## Q1 2019 Financial Performance and Net Debt Trends (in USD)



## Investment Summary

<b>Investment Date:</b>	March 7, 2016	<b>Invested Capital:</b>	\$29.0 M	<b>3/31/2019 Valuation:</b>	475%
<b>Deal Type:</b>	Cross Border, Corporate Carve-out	<b>Realized Value:</b>	\$15.5 M		
		<b>Remaining Unrealized Value:</b>	\$63.7 M		
		<b>Total Value:</b>	\$79.2 M		

## Company Description

<b>Business Summary</b>	Bois et Matériaux, (B&M) is one of the top three business-to-business distributors of building materials in Northern France, with two established brands: <i>Réseau Pro</i> and <i>Panofrance</i> .
<b>Headquarters</b>	Rennes, France
<b>Active Employees</b>	2,162
<b>Management</b>	Yves Martin – CEO Fred d’Ussel – CFO

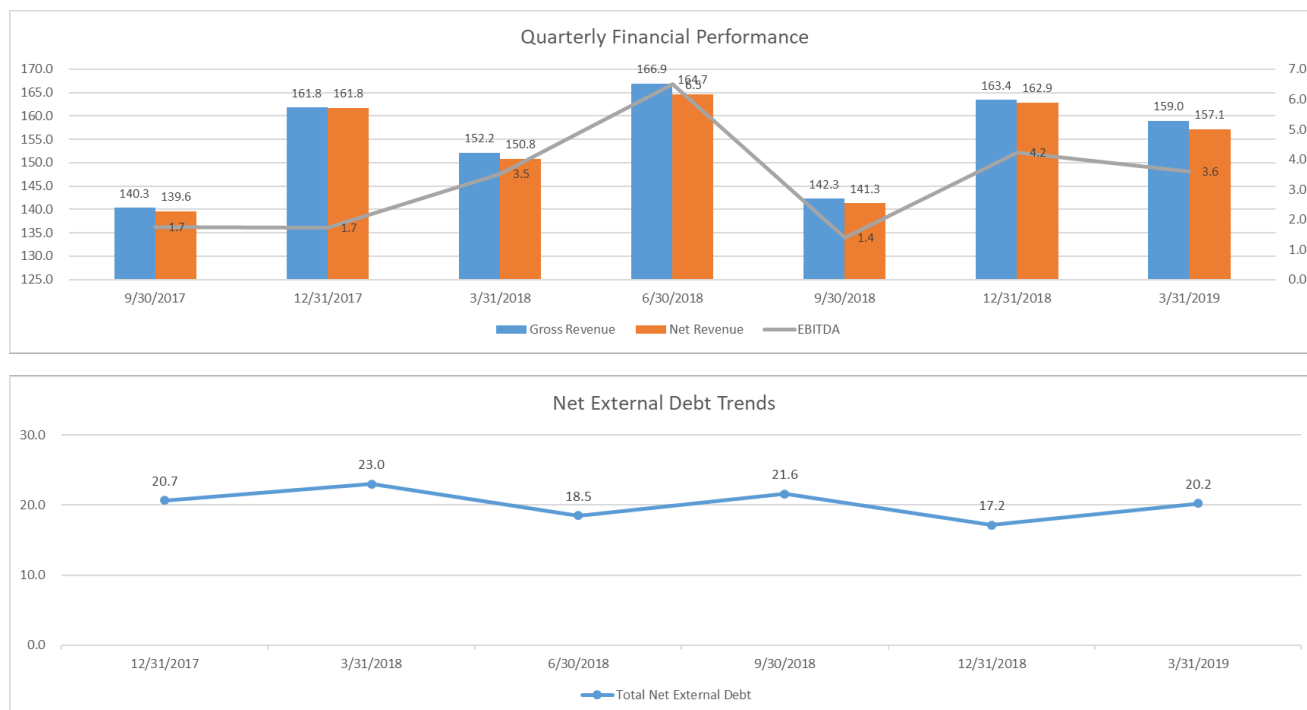
## Recent Developments

- Sales in the quarter were 4.2% above prior year generated by a positive market conditions coupled with stable market shares.
- EBITDA in the quarter was higher than prior year due to better sales while the margin rate was lower resulting from stronger competition.
- Net debt increased versus prior quarter due to business seasonality, but decreased versus prior year due to positive cash generation from operations.

## Financial Summary (€ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended		At
	3/31/19	3/31/18	3/31/19	3/31/19
<b>Revenue:</b>	€626.0	€150.8	€157.1	<b>Cash &amp; Equivalents:</b> €17.9
<b>Gross Profit:</b>	180.4	44.8	45.4	<b>Total External Debt:</b> 38.2
<b>EBITDA:</b>	15.7	3.5	3.6	

## Q1 2019 Financial Performance and Net Debt Trends (in Euros)







## Investment Summary

<b>Investment Date:</b>	March 31, 2016	<b>Invested Capital:</b>	\$26.0 M	<b>3/31/2019 Valuation:</b>	250%
<b>Deal Type:</b>	Corporate Carve-Out	<b>Realized Value:</b>	\$13.0 M		
		<b>Remaining Unrealized Value:</b>	\$32.5 M		
		<b>Total Value:</b>	\$45.5 M		

## Company Description

**Business Summary** ENERGI Fenestration Solutions ("ENERGI") is a leading manufacturer of rigid and cellular vinyl window profiles and patio doors and other extruded vinyl products. ENERGI is headquartered in Woodbridge, Ontario, Canada with six production sites in the United States and Canada.

**Headquarters** Woodbridge, Ontario – Canada

**Employees** 745

**Management** Chris Koscho – CEO  
Felice Addorisio – CFO

## Recent Developments

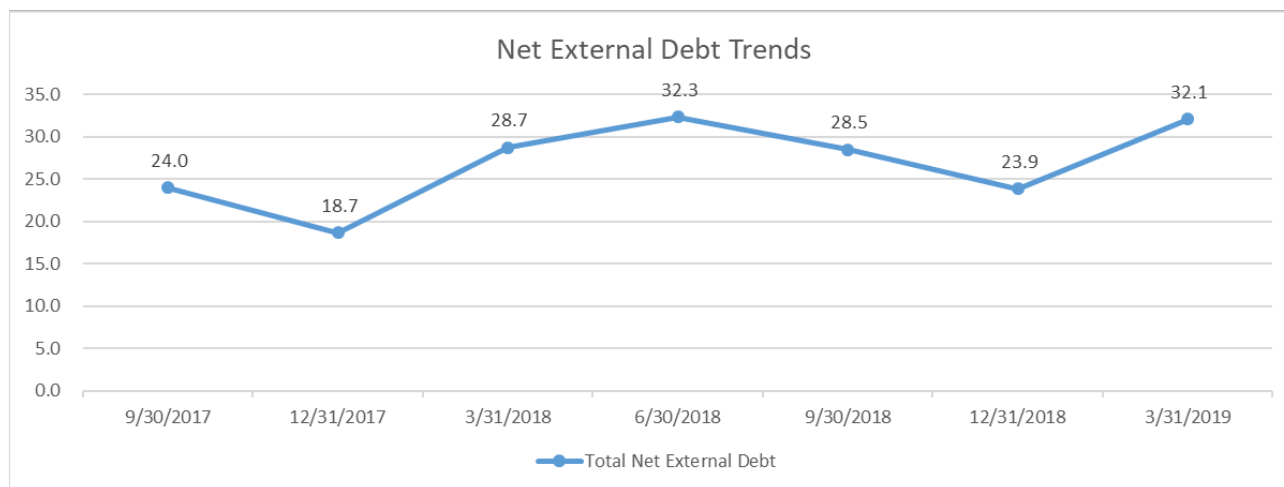
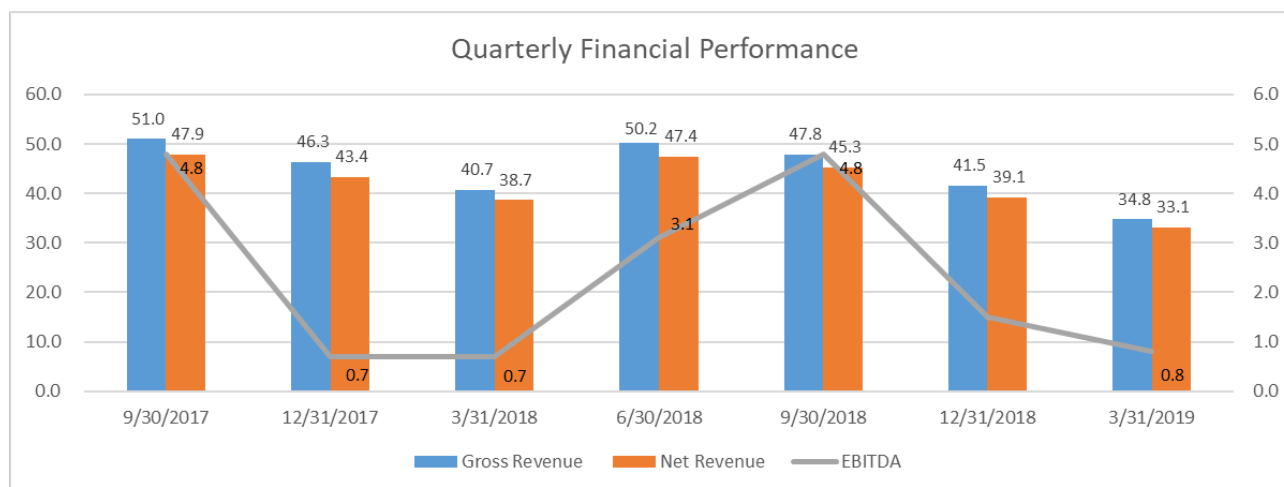
- Overall sales revenues and volumes were behind Plan and Prior Year due to softer market conditions at both Canadian and US customers impacted by the above normal winter weather conditions.
- EBITDA ahead of Plan despite lower sales revenues and volumes, due to continued focus on lower material cost inputs, optimization of labor costs and lower overhead spending across the business.
- Sales prospecting efforts continue to grow the sales pipeline throughout the business with continued focus on new business growth, particularly the Patio Door division and maximizing plant capacity utilization.
- Continued focus on operational improvements to maximize material and labor efficiencies, including manufacturing disciplines to ensure customer satisfaction is continuously maintained through on-time delivery of quality products and service.
- Supply Chain initiatives were launched to reduce material costs through alternate material global sourcing and commodity inflation offsets, as well as demand planning with the plants.
- Terrebonne turnaround plan is on target with operational improvements, cost reductions and development of commercial activities.

## Financial Summary (\$ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended			At
	3/31/19	3/31/18	3/31/19		3/31/19
<b>Revenue:</b>	\$165.0	\$38.7	\$33.1	<b>Cash &amp; Equivalents:</b>	\$0.0
<b>Gross Profit:</b>	27.3	5.6	5.2	<b>Debt:</b>	32.1
<b>EBITDA:</b>	10.3	0.7	0.8		



## Q1 2019 Financial Performance and Net Debt Trends (in USD)





## Investment Summary

<b>Investment Date:</b>	June 30, 2016	<b>Invested Capital:</b>	\$22.8 M	<b>3/31/2019 Valuation:</b>	100%
<b>Deal Type:</b>	Private Seller	<b>Realized Value:</b>	\$0.00 M		
		<b>Remaining Unrealized Value:</b>	\$22.8 M		
		<b>Total Value:</b>	\$22.8 M		

## Company Description

**Business Summary** Alfatherm was established more than 50 years ago and is the fourth largest European PVC film manufacturer, focused on the production and sale of rigid, semi-rigid and flexible PVC films that are used in various applications. The business operates two manufacturing sites near Milan, Italy, and has long-term customer relations that reach across 60 countries. Alfatherm products are concentrated across five main business units including Surface decorations, capsules and sleeves, packaging, technical products and stationery.

**Headquarters** Milan, Italy - Europe  
**Active Employees** 321  
**Management** Francesco Trovato – CEO  
Pier Luigi Colombi – CFO

## Recent Developments

- Held meeting with senior lenders held in Italy in January 19 with the aim to negotiate and reschedule the long-term debt repayment scheme to align with the company's cash generation.
- New COO, Tarcisio Perini, started in February.
- Sales Manager recruitment effort was launched.
- Sales were -2% lower than prior year due to slight variation in the stationery segment.
- Quarterly EBITDA was negatively impacted by lower sales and operational inefficiencies.

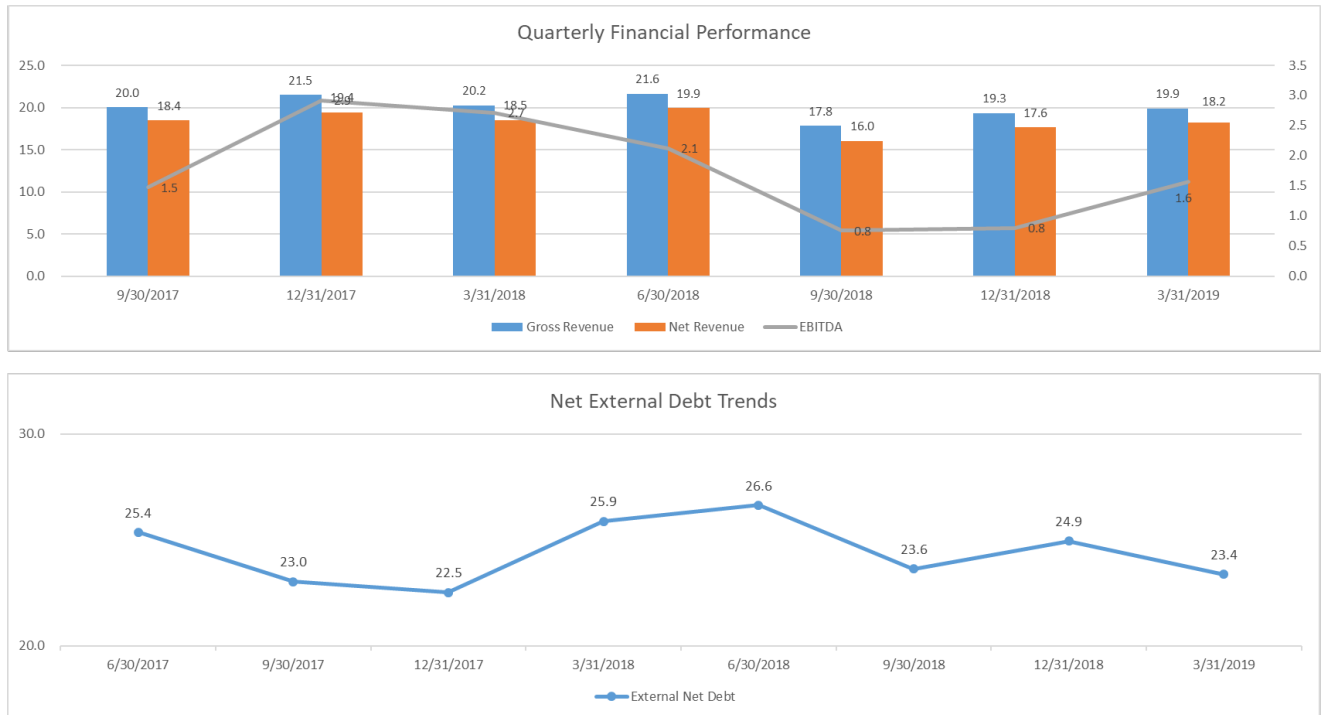
## Financial Summary (€ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended		At
	3/31/19	3/31/18	3/31/19	3/31/19
<b>Net Revenue:</b>	€71.8	€18.5	€18.2	<b>Cash &amp; Equivalents:</b> €1.1
<b>Gross Profit:</b>	10.6	4.2	3.0	<b>External Debt:</b> 24.4
<b>EBITDA:</b>	5.2	2.7	1.6	





## Q1 2019 Financial Performance and Net Debt Trends (in Euros)



## Investment Summary

<b>Investment Date:</b>	November 25, 2016	<b>Invested Capital:</b>	\$60.1 M	<b>3/31/2019 Valuation:</b>	230%
<b>Deal Type:</b>	Corporate Carve-Out	<b>Realized Value:</b>	\$0.0 M		
		<b>Remaining Unrealized Value:</b>	\$138.3 M		
		<b>Total Value:</b>	\$138.3 M		

## Company Description

<b>Business Summary</b>	<p>EverZinc is a global leader in the production of specialty zinc-based chemicals. The business is organized across four product lines: ultra-fine zinc powders, fine zinc powders, zinc oxides and zinc for batteries. EverZinc products are sold to customers around the world for use in a variety of end-applications including anti-corrosion paints, tires, pharma/chemicals, ceramics and glass, sunscreen and other products.</p> <p>EverZinc is headquartered in Liège, Belgium, has operations in Belgium, the Netherlands, Norway, China, Malaysia, USA and Canada.</p> <p>EverZinc was a division of Umicore S.A. and previously operated under the name Umicore Zinc Chemicals.</p>
<b>Headquarters</b>	EverZinc BV – Netherlands
<b>Active Employees</b>	602 FTEs
<b>Management</b>	Vincent Dujardin – CEO François de Labarre – CFO

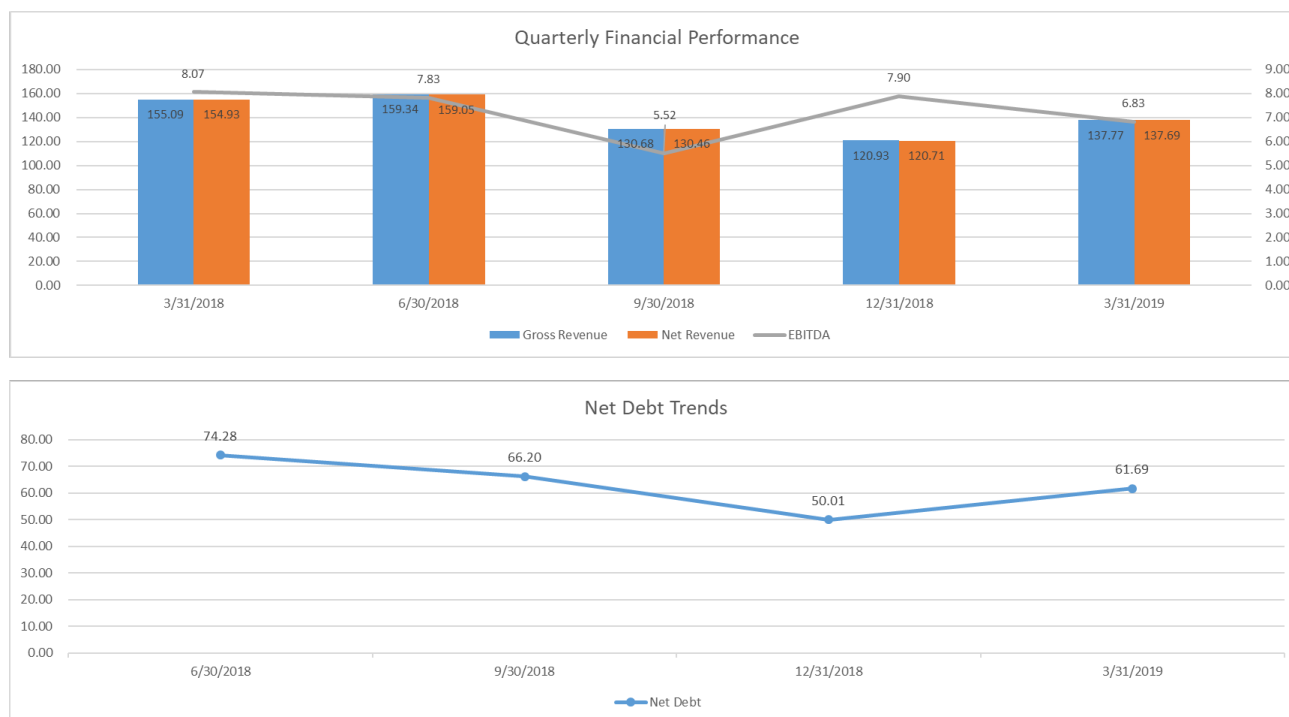
## Recent Developments

- The add-on acquisition of G.H. Chemicals, a producer of Zinc Oxide and a Zinc Recycler, with two facilities in Saint-Hyacinthe, Canada, closed in January 2019.
- Volumes were slightly higher in Q1 2019 (+1.6%), but the lower LME (\$2.7k/t vs. \$3.4k/t last year) led to sales that are 11% lower. A favorable product mix preserved Gross Profit at similar levels.
- Temporary higher OPEX led to an EBITDA variance of €-1.3 million vs. Q1 of last year (€6.8 vs. €8.1 million).
- The stronger focus on working capital management resulted in a closing cash position of €41.9 million, €2.9m higher than budget.

## Financial Summary (€ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended		At
	3/31/19	3/31/18	3/31/19	3/31/19
<b>Revenue:</b>	€547.9	€154.9	€137.7	<b>Cash &amp; Equivalents:</b> €41.9
<b>Gross Profit:</b>	54.3	14.0	14.4	<b>External Debt:</b> 103.6
<b>EBITDA:</b>	28.1	8.1	6.8	

## Q1 2019 Financial Performance and Net Debt Trends (in Euros)



## Investment Summary

<b>Investment Date:</b>	September 1, 2017	<b>Invested Capital:</b>	\$35.3 M	<b>3/31/2019 Valuation:</b>	100%
<b>Deal Type:</b>	Private Seller	<b>Realized Value:</b>	\$0.0 M		
		<b>Remaining Unrealized Value:</b>	\$35.3 M		
		<b>Total Value:</b>	\$35.3 M		

## Company Description

**Business Summary** Hufcor is a global leader in the design, manufacturing and installation of movable partitions. Its product line includes operable, vertical lift and glass partitions, accordion doors and other space management products. The company serves end markets including hospitality, commercial, education, convention center, and government. Hufcor is headquartered in Janesville, Wisconsin and has six manufacturing facilities on four continents (USA, Australia, New Zealand, Germany, Malaysia and China).

**Headquarters** Janesville, Wisconsin – USA  
**Employees** 655  
**Management** Koben Miceli – CEO  
 Lesley Swain - Director, Finance

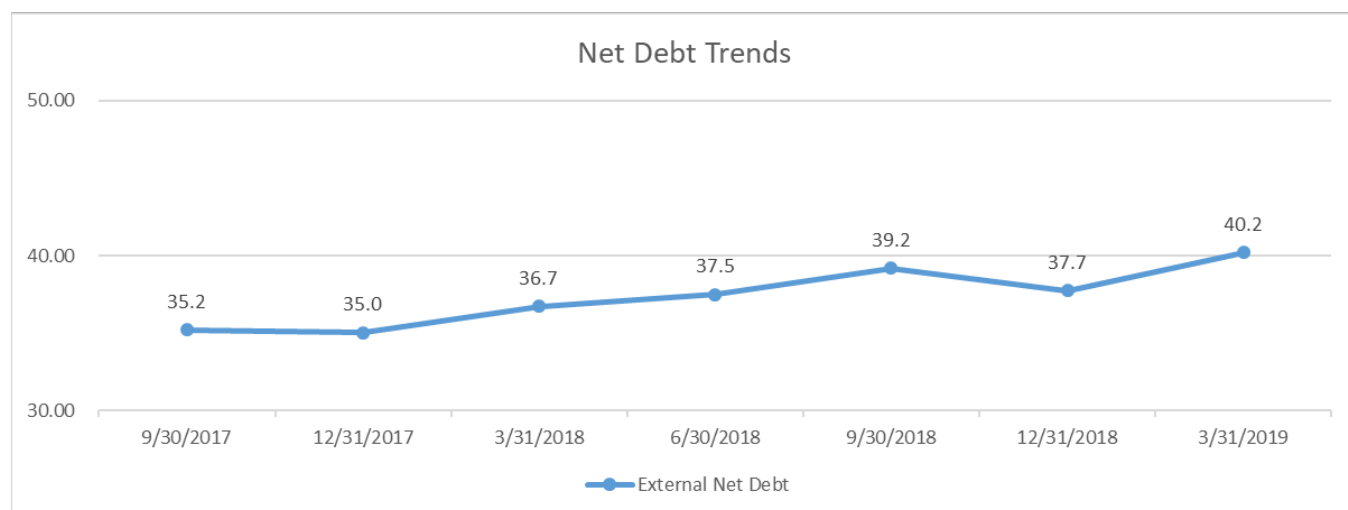
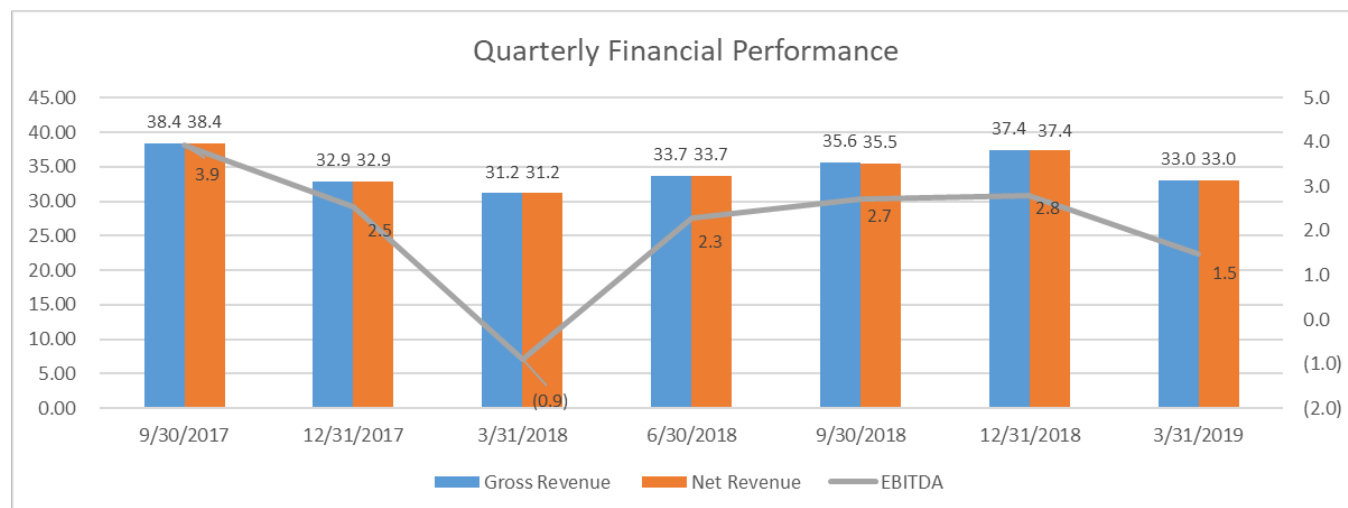
## Recent Developments

- Rebuilding (people, global processes, global capacity) continued.
- Q1 EBITDA: \$1.48M (4.5% of Rev) vs. PY Q1 -\$888K (-2.9% of Rev), \$2.4M swing YOY
  - Variable cost control, Q1 2019 COS 75.6% vs. Q1 2018 at 78.1%
  - OPEX spend control, Q1 2019 19.9% vs. 25% in 2018
  - 2019 Q1 SG&A salaries were ~\$700K lower vs. PY Q1
- 12 month rolling backlog reached new record high of \$93.9M/Total backlog \$100.7M.
- YOY Janesville output up 29%, Q1 2019: 19,298 units vs. Q1 2018: 14,961 units.
- Staffing A&D sellers, ramping capacity in Texas & California.
- Domestic price increase executed in Q4 2018, European pricing increase efforts launched in Q1 2019.
- Efforts launched toward rebuilding finance functional team to ensure scalability.

## Financial Summary (\$ in millions) (EBITDA excludes one-time transaction and deal fees)

	LTM	Quarter Ended			At
	3/31/19	3/31/18	3/31/19		3/31/19
<b>Revenue (net):</b>	\$139.7	\$31.2	\$33.0	<b>Cash &amp; Equivalents:</b>	\$1.6
<b>Gross Profit:</b>	35.2	6.8	8.1	<b>Debt:</b>	41.8
<b>EBITDA:</b>	9.2	(0.9)	\$1.5		

## Q1 2019 Financial Performance and Net Debt Trends (in USD)







## Investment Summary

<b>Investment Date:</b>	December 15, 2017	<b>Invested Capital:</b>	\$36.8 M	<b>3/31/2019 Valuation:</b>	130%
<b>Deal Type:</b>	Auction	<b>Realized Value:</b>	\$1.0 M		
		<b>Remaining Unrealized Value:</b>	\$46.5 M		
		<b>Total Value:</b>	\$47.5 M		

## Company Description

**Business Summary** Mersive Technologies, Inc. ("Mersive") is a leading provider of wireless collaboration software. Mersive transforms meeting and learning spaces by enabling multiple users to share content and collaborate from laptops and mobile devices to in-room displays. Mersive's "Solstice" solution is installed in more than 4,000 corporate and higher education customers and 30 of the Fortune 100 companies.

**Headquarters** Denver, Colorado – USA

**Employees** 119

**Management** Rob Balgley – CEO  
Chris Jaynes – CTO  
Dan Hudspeth – CFO

## Recent Developments

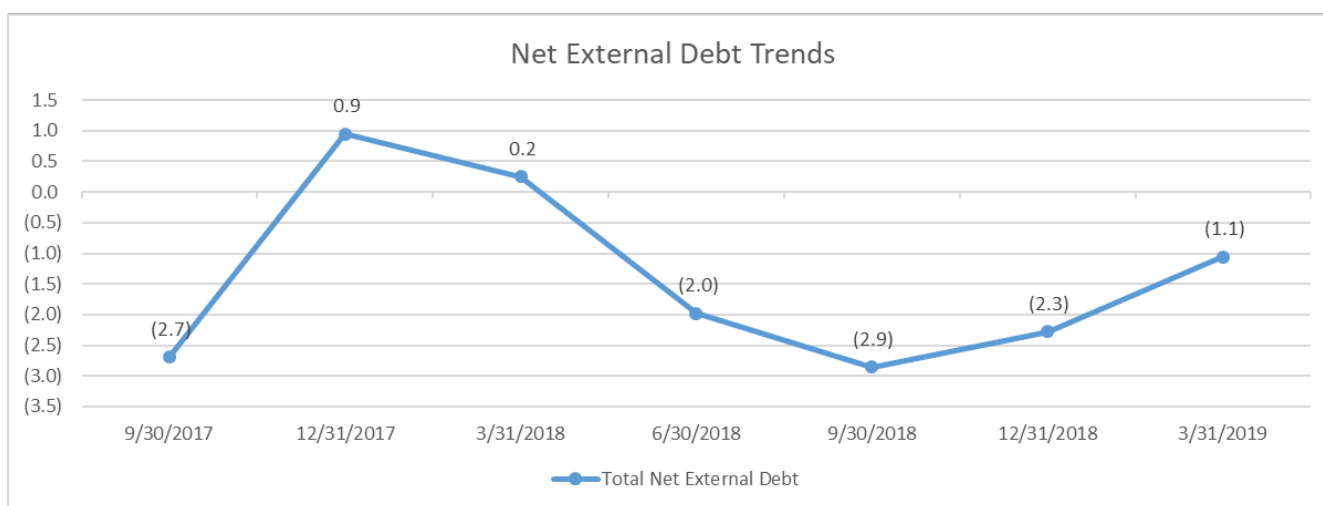
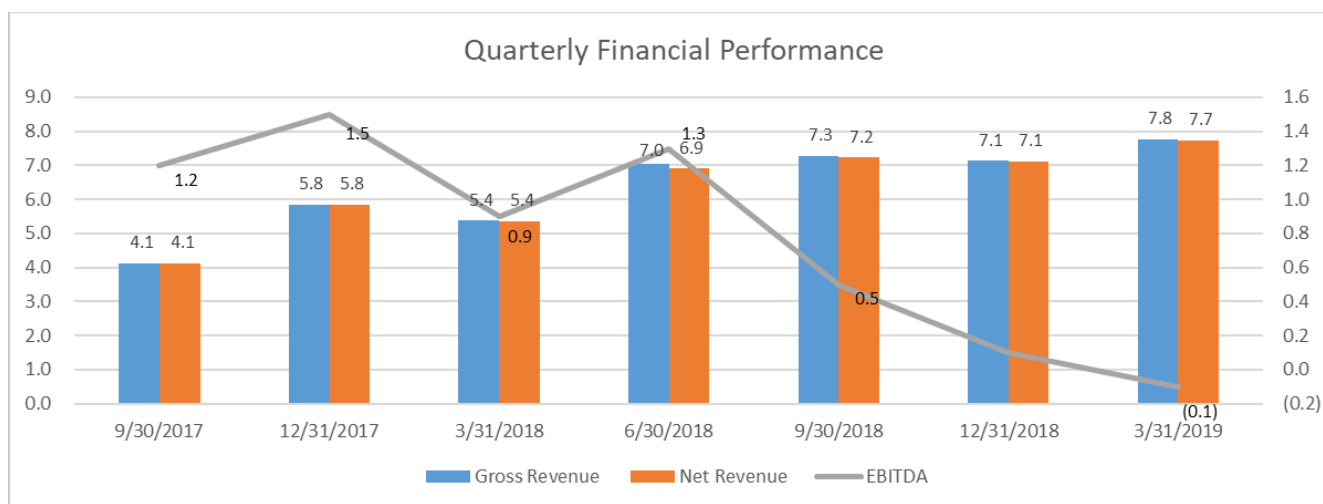
- Mersive continued to make progress on its strategic plan; top initiatives were global sales expansion and accelerated investment in product development
- YTD 2019 revenue and EBITDA ahead of plan and improved over prior year due to maturation of sales channels
- Mersive launched next generation Gen3 pod and related software
- Added new VP of Engineering to the Executive Team
- Completed new facility lease and office expansion to accommodate employee growth

## Financial Summary (\$ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended			At
	03/31/19	3/31/18	03/31/19		03/31/19
<b>Revenue:</b>	\$29.1	\$5.4	\$7.7	<b>Cash &amp; Equivalents:</b>	\$4.6
<b>Gross Profit:</b>	\$22.3	\$4.1	\$5.9	<b>Debt:</b>	\$3.5
<b>EBITDA:</b>	\$1.8	\$1.0	\$(0.1)		



## Q1 2019 Financial Performance and Net Debt Trends (in USD)





## Investment Summary

<b>Investment Date:</b>	February 28, 2018	<b>Invested Capital:</b>	\$22.9 M <sup>1</sup>	<b>3/31/2019 Valuation:</b>	160%
<b>Deal Type:</b>	Auction	<b>Realized Value:</b>	\$0.0 M		
		<b>Remaining Unrealized Value:</b>	\$36.6 M		
		<b>Total Value:</b>	\$36.6 M		

## Company Description

<b>Business Summary</b>	Jøtul was founded in 1853 and is one of the most well-known and respected brands globally in the home comfort heating industry today. Jøtul products include cast iron and metal sheet stoves, inserts and fireplaces fueled by wood, gas and pellets. Products are sold under the brand names Jøtul, Scan, Atra and Ild, and are distributed in 45 countries across Europe, North America and Asia through exclusive and multi-brand specialty dealers.
<b>Headquarters</b>	Fredrikstad, Norway Europe
<b>Active Employees</b>	487
<b>Management</b>	Nils Agnar Brunborg – CEO Amund Skaaden - CFO

## Recent Developments

- Sales in the quarter were 4.3% above prior year due strong order intake in Norway and France
- EBITDA in the quarter was higher than prior year due higher sales and a change in accounting standards (IFRS 16). The change in accounting standards increased EBITDA by NOK 9.7m in Q1
- Net debt increased versus prior quarter as a result of starting to build safety stock for the relocation project of operations to Poland
- Additional bond financing of NOK 85m was raised in February to cover financing needs of the relocation project

## Financial Summary (NOK in millions) (EBITDA does not include one-time transaction and deal fees)

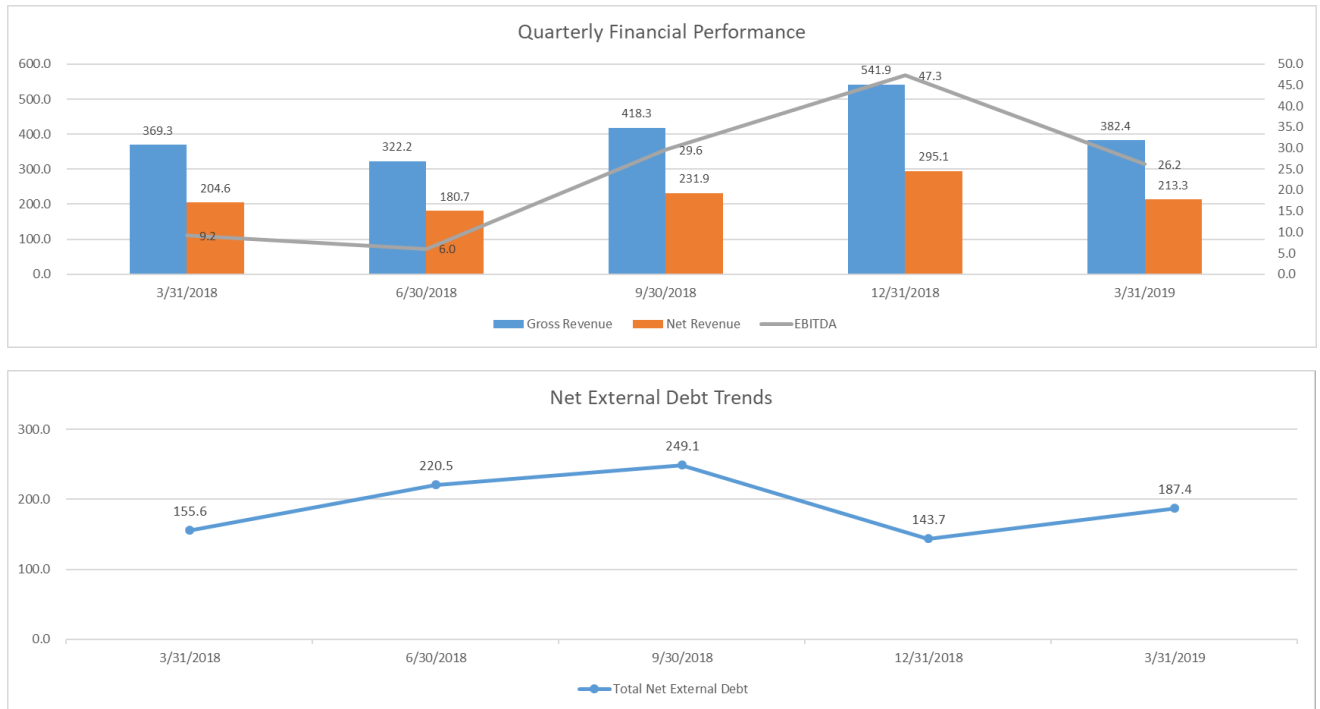
	LTM	Quarter Ended			At
	3/31/19	3/31/18	3/31/19		3/31/19
<b>Revenue:</b>	NOK 921.0	NOK 204.6	NOK 213.3	<b>Cash &amp; Equivalents:</b>	NOK 181.2
<b>Gross Profit:</b>	287.8	56.5	66.8	<b>Total External Debt:</b>	368.6
<b>EBITDA:</b>	109.1	9.2	26.2		

<sup>1</sup> Investment made through Stove Investment Holdings S.a.r.l., which also owns the Ravelli / AICO investment.





## Q1 2019 Financial Performance and Net Debt Trends (in NOK)



## Investment Summary

<b>Investment Date:</b>	November 12, 2018	<b>Invested Capital:</b>	\$12.5 M <sup>1</sup>	<b>3/31/2019 Valuation:</b>	75%
<b>Deal Type:</b>	Auction	<b>Realized Value:</b>	\$0.0 M		
		<b>Remaining Unrealized Value:</b>	\$9.4M		
		<b>Total Value:</b>	\$9.4 M		

## Company Description

<b>Business Summary</b>	AICO is an Italian designer and manufacturer of pellet stoves and fireplaces, relying on a broad range of technologies. The business features two well-established brands: Ravelli (sold to specialized distributors) and Elledi (sold through DIY). AICO's products are sold in more than 40 countries.
<b>Headquarters</b>	Palazzolo sull'Oglio, Italy – Europe
<b>Active Employees</b>	106
<b>Management</b>	Alfredo Pedetti – CEO Pawel Janowski - CFO

## Recent Developments

- The financial reporting of AICO is still in its implementation, therefore financial information is limited.
- Management has started work on the implementation of operational synergies between Jøtul and AICO (supply, distribution, development etc.).
- Sales in Q1 2019 underperformed prior year by -13.8% due to a decline in the Italian pellet market and unfavorable warm weather conditions.
- EBITDA losses increased versus prior year due to lower sales volumes and a depressed margin level.

## Financial Summary (€ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended			At
	3/31/19	3/31/18	3/31/19		3/31/19
<b>Revenue:</b>	n.a	€6.9	€6.0	<b>Cash &amp; Equivalents:</b>	n.a
<b>Gross Profit:</b>	n.a	1.2	0.9	<b>Total External Debt:</b>	n.a
<b>EBITDA:</b>	n.a	0.6	(1.4)		

<sup>1</sup> Investment made through Stove Investment Holdings S.a.r.l., which also owns the Jøtul investment.



## Investment Summary

<b>Investment Date:</b>	December 3, 2018	<b>Invested Capital:</b>	\$9.4 M	<b>3/31/2019 Valuation:</b>	100%
<b>Deal Type:</b>	Auction	<b>Realized Value:</b>	\$0.0 M		
		<b>Remaining Unrealized Value:</b>	\$9.4 M		
		<b>Total Value:</b>	\$9.4 M		

## Company Description

**Business Summary** Fichet Security Solutions is a provider of integrated electronic security solutions, with a product offer that encompasses electronic security, security doors & partitions, entrance control, safes & vaults and cash management.

Products are manufactured in 2 plants both located in France (Bazancourt and Baldenheim) and sold through 3 sales companies (France, Belgium and Luxembourg) with an extensive commercial network across the 3 countries.

**Headquarters** Paris, France - Europe  
**Active Employees** 911  
**Management** Michael Gass – CEO  
Jean-Bernard Lagneau – CFO

## Recent Developments

- Establishment of the new management team is a priority:
  - HR Director, C. Charpentier, joined in February
  - New CFO, J. Lagneau, recruited. Start date agreed for April
  - New COO, H. de Sazilly, recruited. Start date agreed for May
- Carve out activities kicked-off, with IT separation to be completed in April
- Reorganization plan being drafted to realign the organization, the operating cost base and the commercial strategy
- 2018 closing accounts were finalized and adjustments are being negotiated with the seller
- Gross margin improved compared to last year. Quarterly EBITDA is 14% better than budget, but its negative deviation vs. last year is attributed to the new Management Team and Sales organization

## Financial Summary (€ in millions) (EBITDA does not include one-time transaction and deal fees)

	LTM	Quarter Ended		At
	3/31/19	3/31/18	3/31/19	3/31/19
<b>Net Revenue:</b>	€125.8	€29.9	€30.9	<b>Cash &amp; Equivalents:</b> €24.6
<b>Gross Profit:</b>	26.5	6.2	6.8	<b>External Debt:</b> 7.6
<b>EBITDA:</b>	4.3	(1.6)	(1.9)	



## Q1 2019 Financial Performance and Net Debt Trends (in Euros)

