



INDUSTRIAL MACHINERY & COMPONENTS

Deal flash, June 2018

LEADING INNOVATIVE ANTI-REFLECTIVE GLASS PRODUCER TO BE TAKEN TO THE NEXT LEVEL

Deal snapshot

- The management team of GroGlass, led by the founder and CEO Alexander Sasha Kelberg and supported by Kartesia Advisor, has acquired the company from NCH Capital Inc. in an MBO.
- Founded in 2004, GroGlass, the leading anti-reflective glass producer in Latvia, has developed a new technology for glass coating that provides a competitive edge in terms of both product quality and production cost. Anti-reflective and other high-performance coatings on glass and acrylic are produced by vertical physical vapor deposition (PVD) technology and used for picture framing, cold storage, electronic displays and other high value-added markets across 45 countries.
- Kartesia Advisor is an independent and privately owned credit provider focused on small and middle-market companies across Europe. Over the past ten years, the team has invested US\$1.2 million in more than 100 companies in Europe. The firm has offices in Belgium, France, Germany, Luxembourg, Spain and the UK.
- Founded in 1993 and based in New York, NCH Capital Inc. is a global investment firm with more than US\$3 billion capital under management.



What our client said



Alexander Sasha Kelberg, Founder and CEO, GroGlass, Latvia

"The unique blend of personality and professionalism made Oaklins' team the perfect partner in this transaction. They became a natural extension of our own team, masterfully guiding us through the many turns and pivots of this complicated transaction. Their wide international reach and deep local knowledge was the key winning combination that led us to choose them from the many competing offers and remains the reason to recommend them for any future M&A deal."

Our role in the transaction

Oaklins' team in Latvia led the process as the exclusive M&A advisor to GroGlass in this cross-border transaction, with Oaklins' teams in the Netherlands, Germany and the US contributing to the deal.



Market trends and deal drivers

- GroGlass initially positioned itself in the niche market of picture framing, where it gained a strong market position in a very short period of time. In addition, the company managed to enter other markets with strong potential, such as outdoor displays and lighting.
- Its proprietary double-sided vertical coating technology has allowed the company to establish itself as a key market player in the four markets it currently serves. Cost and quality leadership, coupled with economic and environmental rationale for increasing the usage of anti-reflective and energy saving coatings in the refrigeration, electronic displays and lighting markets, provide a tremendous growth potential for the upcoming years.
- The company is a niche champion with an environmental angle and international reach. The business plan is designed to double the size of the company in the upcoming years, making it an even more exciting target for international private equity (PE) houses and strategic players.

M&A valuation aspects

- Major valuation drivers were the unique production technology coupled with a high margin and expanding niche market segments.
- The company's market share and growth perspective, as well as competitive advantages compared with other players in the industry, provided a multiple boost when valuing the company.

Oaklins industry specialists



✉ **Valērija Lieģe**, Partner, Oaklins, Latvia

"GroGlass received an incredible amount of interest from global PE players due to its value creation strategy. The company applies its distinctive technology in order to be more competitive in the picture framing and electronic display market. At the same time it exploits an environmental growth driver and energy efficiency in cold storage, outperforming its underlying markets in terms of growth and profitability."



✉ **Anna Aile**, Managing Director, Oaklins, Latvia

"We are pleased to have advised such an innovative and thriving company as GroGlass. European niche technologies with global growth potential will continue to command interest from PE firms. Record dry powder figures mean greater geographic diversification and interest in smaller sized transactions that offer higher growth."



✉ **Frederik van der Schoot**, Managing Partner, Oaklins, Netherlands

"This transaction is a great example of how the strengths of our local relationships lead to a satisfying outcome for all stakeholders. It further underlines Oaklins' expertise in originating, executing and structuring transactions involving PE firms, based on a solid track record and global presence."

OAKLINS HAS CLOSED 127 DEALS IN INDUSTRIAL MACHINERY & COMPONENTS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.