

# QUARTERLY NEWSLETTER

## Founder & CEO Message

### Portfolio Performance and Market Perspective Heading Into Year-End

As we close out the third quarter of 2025, I want to share where we stand across the portfolio, within the broader macro environment, and what we're focused on heading into year-end.

A common theme the past quarter is that economic uncertainty is starting to affect top-line growth in a meaningful way. Many of our companies are feeling the strain: consumer confidence is down, and buyers are deferring discretionary spending and capital expenditures. While this is disappointing relative to the ambitious targets we set, it isn't surprising and is a reminder to stay disciplined.

Margins, however, remain resilient overall. Tariff-related cost pressures have largely been passed along to customers, and our businesses have maintained cost discipline and operational rigor. However, that stability will be tested if demand weakens further or lasts longer than expected.

Most companies expect softer conditions through year-end. It's important to remember that the softness is relative to internal plans. Year-over-year, most of our businesses are still growing. Our newest investment, Harlo Corporation, is already ahead of plan, which shows what capable leadership can achieve even in a slower environment. It also reinforces our conviction that well-run businesses can thrive, especially when they don't bend to macro excuses.

The Federal Reserve's recent rate cut, and the possibility of additional easing, has not yet had a material impact on our portfolio. Most of our leverage is fixed-rate, which insulates us from immediate repricing. Over time, if rates continue to move down, the effect could be meaningful, especially in real estate where financing cost plays a bigger role. We're watching credit markets, investor sentiment, and debt availability closely.

Even with the current turbulence, I remain confident in our ability to deliver for our investors and stakeholders. We set a high bar for 2025 and have made meaningful progress against that plan. While the environment has shifted, the quality of our people, the strength of our playbook, and the alignment of our incentives continue to position us well for what's ahead.

We do not take your trust lightly. Thank you for your partnership, your patience, and your belief in what we are building at Borgman Capital.

**Sequoya Borgman**  
Founder & CEO

# FIRM NEWS

## Recent Speaking Engagements

### MBBI MN - Navigating Turbulent Waters: Manufacturing M&A in 2025

Managing Director Ben Axelrod was a featured speaker at MBBI's Navigating Turbulent Waters: Manufacturing M&A in 2025 event, held in Minneapolis on September 9th. During the Deal Makers & Deal Breakers session, Ben joined a panel of seasoned M&A experts to discuss the critical factors that influence whether a deal ultimately succeeds or falls apart. He emphasized the need for a strong leadership team that has been working together for some time in order to successfully close a deal. Ben also shared his top "deal killer:" an evolving sense during due diligence that important information/data is being withheld.



### True North 2025 M&A Summit

Ben Axelrod also participated on the M&A Negotiations panel at the True North 2025 M&A Summit in Minneapolis on September 17th. Panelists analyzed a mock business scenario and submitted LOIs. The winning proposal was discussed in detail, followed by a proceeds analysis for the hypothetical seller.

### Wisconsin Chapter of the Exit Planning Institute - The Business Forum

Founder and CEO Sequoya Borgman was a featured speaker at the Wisconsin Exit Planning Institute's recent event, The Business Forum – Owner Transitions and Actionable Ideas, held on October 9th. The forum included firsthand accounts from business owners who transitioned to the next generation or sold to strategic buyers, along with presentations from five expert advisors. Sequoya's talk, "Why Two Businesses with the Same EBITDA Sell for Very Different Prices," emphasized how owner dependence can dramatically affect valuation. He shared that businesses with strong leadership teams, institutionalized knowledge, and professional financial structures command higher prices—while those reliant on the owner see reduced value. The key, he noted, is proving the business can thrive without its owner.



# FIRM NEWS

## Latest Media Appearances



### ***What to Expect When Selling Your Business to an Independent Sponsor (30min)***

On a recently released episode of M&A Talk, the #1 Podcast on Selling a Business, Sequoya Borgman joined the President of Morgan & Westfield, Jacob Orosz, to break down what business owners need to know about independent sponsors, a growing class of buyers in the lower middle market who operate differently from traditional private equity firms.

Listen to hear more about:

- How independent sponsors structure deals
- Why they often take a long-term approach and prioritize legacy
- What makes a business attractive to an independent sponsor
- How independent sponsors differ from private equity funds

[LISTEN HERE](#)



### ***How to Respond (or Not) to an Offer to Buy Your Business - Latest Edition of Mergers & Acquisitions***

The September/October 2025 issue of Mergers & Acquisitions features Sequoya Borgman in an article on the surge of unsolicited acquisition offers. As outreach from potential buyers increases, he advises that sellers proceed carefully, research the buyers calling, gather testimonials/references, and ensure buyers have a good track record and funds to support a deal, before signing a letter of intent (LOI).

The article also highlights common pitfalls for sellers when dealing with unsolicited offers, including:

- Buyers pushing for a quick close without due diligence.
- Exclusive negotiations that limit seller leverage.
- “Too good to be true” deal terms.
- Owners engaging too late with professional advisors or bankers.

[READ HERE](#)



**“There are a lot of scammy type characters in the industry, and you really have to do a good job of vetting who you are talking to.”**

Sequoya Borgman, Borgman Capital  
sequoya.borgman@borgmancapital.com

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# FIRM NEWS

## Recent Firm Events

### INAUGURAL PORTLAND MEET & GREET

Held on September 17, this marked our inaugural event in the Pacific Northwest following the addition of Marc Hill, based in Portland, to the team last year. We're excited to continue building our presence in the area and look forward to more collaboration with the M&A community in the Pacific Northwest. If you are in the PNW and we didn't get a chance to connect, reach out to [marc.hill@borgmancapital.com](mailto:marc.hill@borgmancapital.com).



### 3RD ANNUAL TWIN CITIES FALL SOCIAL

It was a pleasure connecting with both familiar and new M&A industry colleagues, as well as investors and supporters, at our recent networking event in Minneapolis on September 24. From our start in Milwaukee in 2017 to our launch in the Twin Cities two years ago, building strong local relationships with the M&A community has always been key to our success. Thanks to everyone who joined us, and to our Twin Cities team - Ben Axelrod and Austin Uline - who represent us on the ground in Minnesota every day.



# FIRM NEWS

## Connect with Us at Industry Conferences

### OCTOBER

- 14-15 **MCGUIRE WOODS' INDEPENDENT SPONSOR CONFERENCE - DALLAS**
- 18-21 **NFRA CONVENTION - ORLANDO**
- 29-30 **ACG CHICAGO MIDWEST CAPITAL CONNECTION - CHICAGO**



### NOVEMBER

- 11-13 **ALLIANCE FOR CHEMICAL DISTRIBUTION ANNUAL MEETING - MARCO ISLAND, FL**
- 16-18 **PLMA'S 2025 PRIVATE LABEL TRADE SHOW - CHICAGO**

### DECEMBER

- 3 **MBBI WI 14<sup>TH</sup> ANNUAL PRIVATE EQUITY CONNECTION - BROOKFIELD, WI**
- 9 **14<sup>TH</sup> ANNUAL CIO ALTERNATIVE INVESTMENTS SUMMIT - NEW YORK**

## You're Invited: Indy Launch Event

Matt Kreutz recently joined the team to launch our presence in Indianapolis. If you are a lower middle market dealmaker or investor we would love to see you at our launch event.

Join Matt and Borgman Capital team members for drinks, hors d'oeuvres and conversation in honor of our recent expansion to the region. [Register here or click/scan the QR code to learn more.](#)



**Matt Kiefer**

Director of Real Estate Investments

## Congratulations Matt Kiefer on 5 Years!

Matt Kiefer joined Borgman Capital in June 2020 to launch the firm's real estate practice. As Director of Real Estate Investments, he brings deep expertise, discipline, and a hands-on approach while providing investors with diversification opportunities. Over the past five years, he has played a key role in identifying quality assets, managing and growing our real estate portfolio, and advising on real estate opportunities for portfolio companies. Please join us in thanking Matt for his dedication and meaningful contributions to the success of Borgman Capital!

## FIRM NEWS

### Meet Maddie Brantman - Marketing & Events Intern

We're excited to welcome Maddie to the team as our Marketing & Event Intern for the Fall 2025 Semester. She is a Senior at Marquette University studying Corporate Communications, Marketing, Public Relations, and American Sign Language. On campus, she stays busy participating on the Marquette Women's Club Soccer Team, Public Relations Students Society of America, and her previous work as Vice President of Philanthropic Services for Marquette's Sigma Kappa Sorority. She brings enthusiasm, creativity, and a fresh perspective to our marketing and events efforts.



**Maddie Brantman**  
Marketing & Events Intern

### Seeking Our Private Equity 2026 Summer Analyst

We are now accepting applications for our 2026 Summer Analyst. This role supports analysis of new investment opportunities, conducts financial analysis and modeling, assists in transaction due diligence, and other firm initiatives. Rising college Juniors or Seniors in finance or related fields are encouraged to apply for this position. Financial modeling experience, whether through coursework or a previous internship, is desired. This full-time opportunity will take place June – August 2026, Monday through Friday at our Milwaukee headquarters.

[Click here to find out more about the position and how to apply.](#)

**WE ARE HIRING!**

Private Equity Analyst - Summer 2026

**Borgman**  
CAPITAL

# PORTFOLIO COMPANY UPDATES

## Investment Criteria

When evaluating a potential investment, we are opportunistic in our approach and consider companies from a broad spectrum of industries. We have an affinity toward established end markets with long-term growth prospects, proprietary products and/or services, and businesses with an identifiable competitive advantage. Our team is experienced with both off-market and marketed sale processes.

- **Revenue of \$10 to \$100 million**
- **Track record of profitability**
- **EBITDA between \$2 and \$15 million**
- **Growth-oriented leadership and sound operational management**
- **Midwest focus; open to opportunities across the U.S.**
- **Industry agnostic with proven expertise in food products, infrastructure services and products, and traditional manufacturing**
- **Strong competitive position in growing market/industry**

## Current Platform Investments



In addition to new platforms, Borgman Capital is actively seeking add-on acquisitions for each of its portfolio companies. We pride ourselves on exploring deals in a fair, flexible and creative manner.

# Gilman Cheese Corporation

**DAVID DELGADO PRESIDENT & CEO**



## Gilman Advances Strategic Growth While Celebrating Team and Community

This year has brought challenges across the cheese industry, but it has also underscored the strength and focus of the Gilman team. Even in a dynamic market, we remain centered on creating value, driving growth, and delivering for our customers. By prioritizing our people, product quality, innovation, and service, we are seeing meaningful progress.

Momentum continues to build in both the grocery and deli segments. Our Premium American Cheese, launched earlier this year through a major supermarket chain in the Southwest, is performing well. Strong consumer response led to the addition of pre-sliced products, which rolled out to stores this quarter.

We are also moving forward with our entry into the functional processed cheese category. Our partnership with a large pizza company in the Midwest is progressing, with full-scale production expected to begin in the first quarter of next year.

These initiatives are helping us add steady, year-round volume and reduce the seasonality of our gift basket business. That stability supports greater efficiency and positions us for continued growth. Looking ahead, we are confident that our focus on quality, innovation, and collaboration will drive continued success for Gilman Cheese and its customers.

This quarter also brought two milestones that speak to the heart of our culture. We celebrated the retirement of Jill Janke after more than two decades with the company, honoring her dedication and impact. We also awarded the 2025 Gilman Cheese Scholarships at the Gilman High School Senior Banquet, presented by our Director of Human Resources, Tracy Taylor-Bormann. Supporting our people and community remains central to who we are, and we are proud to celebrate both a remarkable career and the next generation.





# Southeastern Meats

**JAMIE ARDREY PRESIDENT**

## SE Meats Navigates Grocery Headwinds, Evolving Consumer Behaviors

What’s going on at the grocery store? A lot. Economic and social factors are affecting how people shop and how much they spend. For Southeastern Meats’ Pick 5 program, these cross-currents are creating both challenges and opportunities.

First, the headwinds. Foot traffic in traditional grocery stores is down as consumers shift to discount retailers like Walmart and Aldi. Most shoppers are no longer making a large weekly trip to stock up; instead, they’re making three or four smaller trips each week, buying only what they need for the next meal or two. With beef prices near all-time highs, shoppers are also spending less time in the meat department, where the Pick 5 program is often merchandised. Uncertainty around SNAP benefits has also affected many of our core consumers.

On the positive side, our positioning as a value brand helps us navigate these changes. As grocery prices continue to rise, more shoppers are paying close attention to the cost of individual items. With our focus on quality and value, Southeastern Meats continues to appeal to our traditional consumers while also resonating with this growing “value” shopper.

We’re not alone in targeting the value-focused customer. Fast-food chains are heavily promoting or reintroducing value meals, and many of the grocery retailers that carry the Pick 5 program are finding new ways to feature it (see below). One chain is testing \$5 line pricing with no minimum purchase. Firelake Discount Foods, a new customer, has hung a six-foot banner over our freezer case, and another retailer is running biweekly ads in its circular. This renewed focus on value by our retail partners should continue to support the growth of our business.



# Durex Products, Inc.

**BILL FEIERABEND** PRESIDENT



## Urethane Growth Fuels Steady Quarter at Durex

Despite industry headwinds in the third quarter, Durex Products continued to perform steadily. The team stayed focused on execution, quality, and customer satisfaction, keeping the company on track toward its 2025 goals.

Urethane products remain a key growth driver, with sales up 10% year to date compared to the same period last year. Strong performance by the sales and technical teams has helped expand market share in screen media and liner products and reinforced Durex's reputation for reliability and innovation.

The third quarter also included our Annual Steak Feed, a longstanding company tradition that brings employees together to celebrate their hard work and shared progress. Events like this continue to support a positive culture and strong engagement across the team.

As the year wraps up, Durex is focused on sustaining momentum in urethane growth, improving operational efficiency across all manufacturing lines, supporting employees, and advancing strategic initiatives for 2026.



The Annual Steak Feed is a longstanding company tradition to celebrate employees.

# K.G. Stevens

**JASON GAARE** PRESIDENT



## **KG Stevens Reports Strong Residential Sales and Twin Cities Market Activity**

KG Stevens continues to build momentum across both Wisconsin and Minnesota. In Milwaukee, the updated residential sales strategy is delivering results, bringing in new customers and re-engaging past partners who are returning based on renewed focus on service, quality, and relationships.

This quarter also included a company picnic in August, giving team members a chance to relax and connect outside of work. A dunk tank added some lighthearted fun and good-natured competition, making it a memorable afternoon for the entire staff.

In the Twin Cities, at Minnesota Tile and Stone, the team relocated its showroom within International Market Square in Minneapolis to better showcase fabrication capabilities and connect with designers, builders, and architects. The refreshed space balances the company's tile roots with its high-end fabrication work. Sales activity remained strong, with new customer relationships and project opportunities building a solid pipeline. One standout example is a large custom home project (60,000 square feet) now underway in the Twin Cities, a reflection of the team's reputation for craftsmanship and service.

As the next quarter begins, the company is encouraged by the progress across both regions and grateful for the employees, partners, and customers who make continued growth possible.



Team gathering in Milwaukee before the company picnic



Entrance to Minnesota Tile & Stone's new showroom in Minneapolis

# Technical Products, Inc.

**TOM PEROVSEK** PRESIDENT



## Q3 Highlights and Welcoming Two Key Hires

Technical Products delivered a steady third quarter, continuing to outperform larger multinational competitors. The company remains on track for increased volume in 2025, and margins are trending above 2024 levels. Sales and profit are in line with last year, reflecting stable performance and operational consistency.

The team also grew this quarter with two key hires. Tom Piechota joined as controller, bringing extensive experience working with companies of similar size. His financial background and leadership have already made a positive impact.

To support geographic growth, the company welcomed Chase Ternai to the sales team. Chase will focus on expanding Technical Products' footprint in central and southern Ohio. He joined us with significant industry experience and has already begun generating new opportunities.

With strong performance and the right team in place, Technical Products is well-positioned heading into next year.



The TPI team at headquarters in Cleveland, Ohio.

# Buck Bone Organics

**JACKIE STEIGLEMAN CO-FOUNDER & CEO**



## **New Retail Wins and Product Innovation Ahead of the Holiday Season**

The third quarter brought another strong stretch for the Buck Bone team, marked by new partnerships, continued sales growth, and steady momentum heading into year-end. Margins remain healthy, demand is consistent across all product lines, and retail expansion continues nationwide with new doors opening regularly.

A major highlight this quarter was securing product placements with the Southeast Region of Costco. The team also advanced development of new antler-based products, with pilot testing now underway. These efforts support our focus on value creation through efficient scaling, margin enhancement, and strategic growth across key customer channels. Strengthening retail relationships and growing brand recognition remain central priorities.

To support production needs and maintain quality, we are actively recruiting for positions within our antler production department. Company culture also remains a point of pride. This fall, the team continued to stay engaged locally, including sponsoring a Corgi Halloween event at a Bozeman animal shelter — a fun way to support the community and connect as a team.

External market dynamics continue to evolve, but consumer demand for natural pet products remains strong. We are navigating industry shifts by staying agile in production planning, reinforcing supplier partnerships, and maintaining consistent product quality to keep retailer confidence high.

With the holiday season approaching, we expect strong demand and are well-positioned to deliver. Upcoming industry events will provide valuable opportunities to showcase our products, deepen relationships, and carry current momentum into the fourth quarter.

Thank you for your continued support. We're proud of the progress made this quarter and energized by the opportunities ahead.

# Continuus

**MATT MOESER** FOUNDER & CEO



## **Building the Future of Data: Expanding Partnerships in Q3**

The third quarter of 2025 was a season of continued growth and connection at Continuus. From deepening relationships with clients to representing our team on major industry stages, Q3 marked another step forward in our mission to help organizations unlock real business value through data.

We closed out the quarter on the road, attending SimCorp in Miami and the Snowflake Data World Tour in New York City, where our teams connected with data leaders across financial services to explore how cloud innovation and AI are shaping the next generation of data strategies. These events reaffirmed Continuus' role as a trusted partner within the Snowflake ecosystem and a go-to advisor for firms navigating modernization and AI enablement.

We also celebrated the conclusion of several cornerstone programs launched earlier this year — including the Alteryx Data School and our Snowflake Infusion Workshops. Both initiatives exceeded expectations, helping clients accelerate adoption, improve collaboration, and identify new areas for growth. The success of these programs has already translated into several key client extensions for the remainder of 2025 and into 2026, a strong indicator of the trust and long-term value we continue to build with our partners and clients.

Internally, Q3 was another reminder of the strength of our team and community. We've continued to invest in our people and their professional development, while also looking ahead to our year-end charity initiatives, where we'll once again come together to support causes that matter to our employees.

With momentum building toward the close of 2025, we remain focused on what has always set Continuus apart, our ability to translate complex data challenges into measurable business outcomes, while fostering a culture of collaboration, excellence, and impact.

# HARLO

MIKE BIRKMEIER PRESIDENT

# HARLO®

## Growth, Efficiency, and Safety Lead the Way at Harlo

Harlo closed out the third quarter on a strong note, shipping 10% more rough-terrain forklifts than during the same period last year. Year to date, shipments are up more than 30% compared to the first three quarters of 2024, and the team expects to finish the year well ahead of last year's totals.

A key operational initiative this year has been the installation of a robotic weld station for the forklift underframe. This investment is designed to address skilled-labor constraints and improve efficiency by reducing weld time from 12 hours to just over 4.

Since joining the Borgman Capital portfolio in late May, Harlo has focused heavily on value creation. External partners are helping identify cost-saving opportunities in areas such as supplies, labor, and logistics. Another group is working with the team to streamline paint and assembly operations. Early work is centered on a sequenced pull system that uses visual signals and lean principles to reduce assembly wait times and increase paint department utilization.

Safety has also been a key focus. Following a recent Human Capital Best Practices Roundtable hosted by Borgman Capital, Harlo is working with peer companies to enhance its programs, with added emphasis on prevention, near-miss tracking, and celebrating positive safety practices.

Like many U.S. manufacturers, Harlo continues to navigate tariff volatility. Core components sourced internationally have been affected by recent policy changes. Tariff-related cost increases were added to product pricing in June and will be adjusted again in November. The company is actively monitoring developments and communicating clearly with distributors and customers.

Looking ahead, Harlo expects to outperform 2024 and continue advancing its operational and safety initiatives. The team is energized by the momentum and the opportunities underway.



Harlo employees outside of headquarters in Grandville, Michigan

# REAL ESTATE PRACTICE UPDATES

Among several notable achievements in the third quarter of 2025, we are proud to announce that we have successfully closed on another single-tenant industrial acquisition in Menomonee Falls, WI. The Property comprises 75,000 square feet of manufacturing and warehouse space with flexible multi-tenant configurations and heavy power capacity, making it well-suited for a wide range of manufacturing and industrial users. The facility is strategically located less than one mile from I-41, offering seamless logistics access, along with a skilled workforce from both the greater Milwaukee area and the Fox Valley. Schunk Carbon Technology currently occupies 100% of the facility and has operated in this location for over 40 years. The investment reflects our continued focus on acquiring high-quality industrial assets in supply-constrained markets with strong fundamentals.



Our latest real estate acquisition in Menomonee Falls, Wisconsin

Additionally, we have finalized plans to provide a significant investment to support building improvements for one of the portfolio's anchor tenants. This initiative underscores our ongoing commitment to being a strong, collaborative partner that supports our tenant's business objectives. These improvements are expected to generate cost savings for the tenant while enhancing the quality and long-term value of the underlying real estate.

Our real estate portfolio remains well-positioned, with above-market occupancy, strong tenant performance, and durable contractual rent growth. While the broader market still reflects pockets of volatility, we believe the current environment favors disciplined buyers with patient capital. Our strategy remains unchanged: target high-value opportunities that deliver superior risk-adjusted returns and strengthen the long-term partnerships at the center of our approach.

If you are interested in learning more about Borgman Capital's real estate practice, or have a deal to share, please reach out to us. We look forward to hearing from you.

**Matt Kiefer**  
*Director - Real Estate Investments*

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# REAL ESTATE PRACTICE UPDATES

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## Real Estate Investment Criteria

- **Property Types:** Industrial, Multi-Family, Retail and Office
- **Deal Size:** \$5 - \$65 million
- **Return Profile:** Core-plus and value-add investments
- **Structure:**
  - Direct acquisitions with property owners
  - Sale leasebacks with business owners
  - Sale leasebacks with a building expansion
  - Joint ventures with developers
- **Location:** Agnostic with a primary focus in the Midwest

### Learn More

Contact Matt Kiefer, Director - Real Estate Investments: [matt.kiefer@borgmancapital.com](mailto:matt.kiefer@borgmancapital.com)

# INVESTOR HIGHLIGHT

## Adam Erickson and Chris Lanyk-Erickson

Adam Erickson has spent 25 years in commercial banking in the Minneapolis–St. Paul area, working with small business owners and private equity sponsors like Borgman Capital. He is currently a Senior Vice President and Commercial Banker at EntreBank, an entrepreneurial bank launched 3½ years ago by local Minnesota investors and seasoned bankers.

Chris Lanyk-Erickson spent 15 years in marketing roles with several Fortune 500 companies in the Twin Cities before pausing her career to raise their twin daughters, now eighth graders.



**“We were introduced to Borgman Capital six years ago through a banker Adam worked with, and our first investment with them in 2018 made a strong impression. The team provided a thorough analysis and engaged in open, thoughtful dialogue with potential investors from the start. One of the things we value most is the flexibility to choose which opportunities we want to participate in as they come up.**

**Communication throughout the life of an investment is excellent. It is organized, transparent, and the team is always open to talking through financial performance if we want to. It feels like a true partnership and not a large corporate investment platform. We feel fortunate to have found Borgman Capital and to be able to invest in businesses and real estate through a firm that shares our values.”**

## How it Works: Your Step-By-Step Guide to Investing in Private Equity

New to private equity? Our visual guide walks potential investors through each step of our investment process - from initial deal review to closing, to K-1s and quarterly updates. No signup required. Just click and learn.

[View our 10-Step Investing Guide →](#)





# Borgman CAPITAL

**Milwaukee headquarters:**

111 E. Kilbourn Ave.  
Suite 2600  
Milwaukee, WI 53202  
(414) 973-2127

**Indianapolis:**

(312) 448 1300

**Portland, OR:**

(704) 488 8106

**Twin Cities:**

(612) 501 4889

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