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# QUARTERLY NEWSLETTER

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## Founder & CEO Message

### **A Year of Discipline, Infrastructure, and Long-Term Value Creation**

As we close out 2025, it is a good moment to step back and reflect on the year, both on what we accomplished and on what the market taught us.

While we did not complete as many private equity transactions as we originally hoped, 2025 was still a productive and foundational year for Borgman Capital. We achieved a successful private equity exit, generated strong real estate returns, and continued to build value across both portfolios. Most importantly, the one private equity exit completed this year was a home run success for both the firm and our investors, reinforcing the importance of remaining disciplined, patient, and fundamentally focused, even in a more uncertain market environment.

The broader transaction market in 2025 was defined by a persistent gap between seller expectations and buyer caution. Inflation moderated, interest rates remained restrictive for most of the year, and many lower middle-market operators experienced softer top-line growth and margin compression. We saw this firsthand. In multiple situations—both on the buy and sell side—company performance lagged original forecasts, industry peers underperformed, or diligence uncovered risks that ultimately prevented us from getting comfortable moving forward. In those cases, we chose discipline over activity, even when deals were close to the finish line.

The exit we did complete highlights why that discipline matters. The investment benefited from buying well in an off-market transaction, thoughtful structuring, and selling into a period of strong strategic demand. That said, value creation did not come from financial engineering alone. A strong management team drove margin expansion, improved product mix, and invested prudently in capacity and operations. While some elements of the original growth thesis did not materialize, execution, fundamentals, and industry tailwinds ultimately delivered an excellent outcome.

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# FOUNDER & CEO MESSAGE

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## **(Continued)**

One of the most important developments in 2025 was the continued growth of our team. We added four new professionals during the year, significantly expanding our depth, breadth, and capabilities across private equity, real estate, sourcing, and operations. This bench strength positions us well to deploy capital more actively in 2026 and supports our long-term objective of deploying \$1 billion by 2030 while responsibly managing an increasingly complex portfolio.

We also expanded our geographic footprint with the addition of an Indianapolis office, strengthened our Twin Cities presence, and continued to grow our real estate platform. Behind the scenes, we invested heavily in professionalizing our back office, enhancing fund administration, and expanding our investor onboarding and reporting platform at [passthehat.com](https://passthehat.com)—all with the goal of improving transparency, efficiency, and the overall investor experience.

Looking ahead to 2026, we are encouraged. Deal flow remains healthy, diligence remains rigorous, and while competitive auctions continue to favor larger platforms, we believe our sourcing capabilities, sector focus, and patient capital position us well for proprietary and off-market opportunities. With a larger team and stronger infrastructure, we expect to be both active and selective in the year ahead.

On behalf of the entire Borgman Capital team, thank you to our nearly 500 investors for your continued trust and partnership. We could not do this without your support. We wish you and your families a safe, healthy, and happy holiday season, and we look forward to working together in the year ahead.

**Sequoya Borgman**  
*Founder & CEO*

# 2025 HIGHLIGHTS



Expanded to Indianapolis with the addition of Matt Kreutz

**PORTCO WINS**  
Realized Portfolio Company Investment  
Platform Company Investment  
Value Creation Platform Established

**4** New team members and two interns  
(and baby James Kuborn welcomed in February)

**1,000**  
New Followers on

**REAL ESTATE WINS**  
Acquired two industrial properties  
Completed MGS Headquarters expansion project  
Divested property

**6**   
Podcast Appearances - more to come in 2026!

**1,000+ dedicated employees across our portfolio of companies**



# REALIZED INVESTMENT

## Borgman Capital Exits Investment in Durex Products, Inc.

Borgman Capital has completed the sale of Durex Products, Inc. to Gerard Daniel Worldwide (GDW), a Graycliff Partners LP portfolio company.

Borgman Capital acquired Durex Products in December 2021. During the investment period, the company's revenue and profitability increased through substantial investments in operations, equipment, product development and sales initiatives. Notably, Durex achieved industry-leading lead times and on-time delivery rates for its product portfolio of customized screen and wear parts.

"Gerard Daniel Worldwide is a great fit for Durex. They bring the right resources and experience to help the company keep growing, while maintaining operations in northwest Wisconsin," said Sequoya Borgman, founder and CEO of Borgman Capital. "Durex's expertise in urethane, long-tenured team, and strong dealer relationships make them a valuable addition to the GDW platform."

With over 70 years of experience, Gerard Daniel Worldwide is a leading global supplier of wire, wire cloth, wire mesh, and filtration products, which through multiple companies and brands such as Sunset Wire, Gerard Daniel, Rhodius, and Wire Cloth Man has focused on a uniquely customer first approach. With a strong focus on innovation and customer satisfaction, GDW operates multiple facilities across North America and Europe.

"We wish everyone at Durex and GDW the very best as they move forward together," added Borgman.

Northborne Partners served as financial advisor to Borgman Capital and Reinhart Boerner van Deuren served as legal counsel to Borgman Capital on the transaction.

**Investment Date:**

December 2021

**Exit Date:**

November 2025

**Location:**

Luck, Wisconsin

**Industry:**

Manufacturer of wire and synthetic screening products

**Transaction Outcome:**

During the hold period, revenue and profitability increased through substantial investments in operations, equipment, product development and sales initiatives.

**Buyer:**

Gerard Daniel Worldwide,  
a portfolio company of  
Graycliff Partners

# FIRM NEWS

## Season of Giving Back

In keeping with our year-end tradition, employees were each granted \$500 to donate to a nonprofit organization of their choosing on behalf of the firm. Below are just some of the organizations our employees are actively involved in and/or selected:



ALZHEIMER'S ASSOCIATION

ST. AUGUSTINE PREP

TEENS GROW GREENS

CHARLES E. KUBLY  
FOUNDATION

OPERATION WARM

NATIONAL MS SOCIETY

UNITED WAY

SECURE FUTURES

IMMACULATE HEART OF  
MARY PARISH

HUNGER TASK FORCE

OREGON JEWISH MUSEUM &  
CENTER FOR HOLOCAUST EDUCATION

TEAM RUBICON

SPECIAL OLYMPICS

LETTERS OF LOVE GLOBAL

JUNIOR ACHIEVEMENT

## Meet Kendall Penfield - Finance Administrator



**Kendall Penfield**  
Finance Administrator

Kendall Penfield joined Borgman Capital in November as the firm's Finance Administrator. She holds a Master's in Accounting from Northern Illinois University and brings nine years of diverse accounting experience to the role. Throughout the nine years she has held various roles with two years as an associate for Baker Tilly commercial tax department and the remainder in the banking industry supporting the financial operations, working her way up from bank teller to assistant controller within six years. She currently resides in a small town in Illinois and is a huge Chicago sports fan who loves attending sporting events, traveling, and being outdoors in her free time.

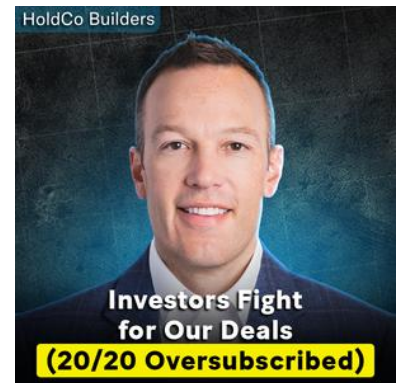
# FIRM NEWS

## Latest Media Appearances

### **How We Acquired 20 Companies - HoldCo Builders Podcast (1 hour)**

In a recent episode of the HoldCo Builders podcast hosted by Mikk Markus, Sequoya Borgman breaks down what we've learned after acquiring 20 companies supported primarily by retail investors. So far, every deal has been oversubscribed, backed by a network of more than 500 individual investors. In this episode, Sequoya shares the principles behind Borgman Capital's independent-sponsor model and why retail-backed private equity is creating new opportunities in the lower middle market. Learn about:

- Why we “fish” in second-tier cities and why those markets often hold the most overlooked value.
- Why Borgman Capital fundraises from retail investors instead of a traditional fund,
- How founder transitions and leadership fit can become the biggest risks in private equity
- The state of private equity today



[LISTEN HERE](#)



### **Caution is the Trend - Longer Lead Times and Increasingly Slow Mergers and Acquisition Market - Milwaukee Business Journal: Table of Experts Feature**

The Milwaukee Business Journal's November 21 Table of Experts feature explores how caution, longer timelines, and more deliberate processes are shaping the current M&A market. Sequoya joined the discussion as the moderator with Joe Braier, Gregory Larson, and Erica Walker to share perspectives on what business owners can expect in today's environment.

[READ HERE](#)



**JOE BRAIER**  
President & CEO  
Lake Country Advisors



**GREG LARSON**  
CEO  
Ixon Bank



**ERICA WALKER**  
Attorney  
Reinhart Boerner Van Deuren



**SEQUOYA BORGMAN**  
Founder & CEO  
Borgman Capital

# FIRM NEWS

## Recent Firm Events

### **ANNUAL INVESTOR APPRECIATION NIGHT** October 23, 2025

Hosted every October in Milwaukee, Borgman Capital's Investor Appreciation Night provides the opportunity to say thank you to our valued investor network. With the support of nearly 500 accredited investors across the United States, we're grateful for the trust and partnerships that continue to fuel our success. The event also aligns with our founding anniversary in October 2017. We look forward to continuing to strengthen these relationships and to building on the momentum heading into the year ahead.



### **INDIANAPOLIS LAUNCH EVENT** October 22, 2025

Our Indianapolis launch event marked an important milestone as we continue to broaden Borgman Capital's footprint across key secondary markets. The event brought together the who's who of Indy's M&A and investment community, creating a valuable forum to share who we are, how we operate, and the opportunities we are pursuing in the region. Establishing a presence in Indianapolis is an exciting next chapter for our team, and we're eager to build lasting partnerships. If you are located in the Indianapolis area and we haven't had the chance to meet yet, we welcome the opportunity to connect! Contact Matt Kreutz: [matt.kreutz@borgmancapital.com](mailto:matt.kreutz@borgmancapital.com).



# FIRM NEWS

## Connect with Us in Q1 2026!



### JANUARY

- 28-29 **ACG ST LOUIS' DEALSOURCE - ST. LOUIS, MO**
- 29 **MBBI ANNUAL CONFERENCE - OAK BROOK, IL**

### FEBRUARY

- 5-6 **NORTHSTAR CAPITAL ICE FISHING - UP NORTH, MN**
- 9-10 **ROCKY MOUNTAIN CORPORATE GROWTH CONFERENCE 2026 - DENVER, CO**
- 10-12 **WORLD AG EXPO - TULARE, CA**
- 19-20 **SBIA 2026 SOUTHERN PRIVATE EQUITY CONFERENCE - NASHVILLE, TN**
- 21-24 **AFFI-CON - SAN DIEGO, CA**

### MARCH

- 25-27 **GLOBAL PET EXPO - ORLANDO, FL**

## Borgman Capital Team Holiday Party



# PORTFOLIO COMPANIES

## 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.

# REAL ESTATE

## Investment Criteria

When it comes to transitioning out of real estate assets, we understand that each seller's needs are unique. Borgman Capital's real estate strategy offers a tailored, partnership-driven approach to satisfy the objectives of our business partners. By evaluating each transaction from a unique perspective, we can identify and seize opportunities that others might overlook.

- **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

## Representative Investments



Single Tenant  
Industrial Building



60-Unit Multifamily  
Community



Expansion & Renovation of  
Corporate Headquarters

### Learn More

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

# INVESTOR HIGHLIGHT

## Tom & Kristi Gildersleeve

Tom and Kristi Gildersleeve live on a family farm near Lancaster, WI. Tom was a partner and manager of Southwest Accounting for 40 years, retiring from the practice in 2023. Agriculture has been an integral part of Tom's life, and he continues to work on the family's dairy and grain farm. Tom is board chair of Community First Bank and recently retired as board chair from Grant Regional Health Center. Kristi manages the dairy farm along with Garrett. Brennen is attending UW-Platteville.



**“In early 2021 I sold a commercial property, and I was looking for a way to reinvest the proceeds to get an above average return. At the time interest rates were near zero and I was wary of putting more in the stock market. I came across private equity investments and started looking for a way to invest in that area. I found a list of private equity firms and focused on Midwest firms that invested in companies that I understand such as manufacturing and food production. I sent emails to several firms, but Borgman Capital is the only firm that responded. I am quite pleased with the outcome to date. I especially appreciate the quarterly communication. Thank you for the excellent outcome of the Durex Products Investment. I look forward to other opportunities to continue to work with Borgman Capital.”**

## 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

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