

FUND NEWS

## GHK Capital Partners Collects \$410 Million for Debut Fund

Firm was formed in 2018 by ex-Goldman Sachs deal maker Gilbert Klemann

By Preeti Singh

GHK Capital Partners LP has banked \$410 million for its first fund, surpassing its \$350 million goal.

The Greenwich, Conn.-based private-equity firm was founded in 2018 by Gilbert Klemann, who previously spent 17 years in the principal investing group at Goldman Sachs Group Inc., leading investments in midsize companies.

GHK targets investments in North American midsize industrial companies, which are crucial to the economy but can be overlooked, according to Mr. Klemann.

“They are not going anywhere, and they’re not going to [disappear] in 50 or 75 years,” he said.

The firm focuses on seven subsectors of the industrial category: manufacturing; distribution and logistics; building products; industrial services; testing, inspection and controls; automotive; and packaging.

“We’re spending a lot of time proactively focused on the environmental services and packaging spaces, both areas where we see strong secular trends we find interesting,” Mr. Klemann said.

With the money from its debut fund and co-investments from its investors, GHK expects to deploy nearly \$800 million, investing \$100 million to \$250 million in each of five or six companies with earnings

of roughly \$15 million to \$40 million before interest, taxes, depreciation and amortization, according to Mr. Klemann.

Before launching marketing efforts for its debut fund in September 2020, GHK backed two companies with capital raised from friends, family and other investors, according to Mr. Klemann.



GHK founder Gilbert Klemann.  
PHOTO: GHK CAPITAL

One of these companies, Manassas, Va.-based Brown & Settle Inc., generated a gross return of 10 times GHK’s investment, the private-equity firm said last year. GHK had recapitalized the business, which provides site-development services for data centers.

The firm’s other early investment was in Howard Lake, Minn.-based cabinet maker Dura Supreme Inc., which GHK continues to manage

separately from the debut fund, Mr. Klemann said.

“Almost all our investors in that deal came into our fund,” Mr. Klemann said, adding that the debut fund, GHK Fund I LP, has 20 institutional backers alongside individual investors including friends and family members.

So far, GHK’s first fund has backed two businesses, Mr. Klemann said. Saugus, Calif.-based Hasa Inc. manufactures and distributes water-treatment products, and Reno, Nev.-based ITS Logistics LLC is a third-party logistics provider.

GHK raised its fund at a time when disruptions from the coronavirus pandemic made fundraising particularly challenging. The firm had to adjust to conducting virtual meetings with prospective investors rather than meeting in person, according to Mr. Klemann. While videoconferencing was efficient for the first round of meetings, ultimately it couldn’t replace the ability to read investors’ body language and look people in the eye when delivering the firm’s message, he said.

“Frankly, one of the most important lessons I learned over the last four years is learning how to hear ‘no’ and not take it personally,” Mr. Klemann said. “You’ve got to turn the switch off and back on again, and start over with the next investor.”