



Craig Enenstein  
Transforming My World

February 10, 2015

## IMMIGRANT MOTHER

- Immigrant mother
- Grew up in Los Angeles
- Medical family
- Soccer, cub scouts
- One business family friend

NETWORKING SAVED ME

- Moved at 10
- 6 schools in 7 years
- Great at meeting people
- Great at moving on

PRECOCIOUS KID



## NETWORK OF BUSINESSES, MODEL 1: JAPANESE TRADING COMPANY

- At 15, learned about zaibatsu and keiretsu
- Studied Japanese
- Majored in political economy and international business
- Joined Inabata America
- Founded Enenstein International

NETWORK OF BUSINESSES, MODEL 2: US PRIVATE EQUITY

- Wharton School
- Alumni resources
- Discovered Private Equity
- Developed my model

## TRANSFORMATIONAL PRIVATE EQUITY

- Three drivers of value:
  - Buy low / sell high (multiple arbitrage)
  - The leverage in the buyout (capital structure)
  - Change in earnings
- Financial engineering vs. operational transformation

## JOBS

- Bain & Co. / LEK Consulting
- Knowledge Universe
- Liberty Digital
- Omninet Capital
- Corridor Capital

BAIN & COMPANY  L.E.K. Consulting

Knowledge  
Universe



OMNINET



## CORRIDOR CAPITAL

- Transformational private equity
- Corridor Capital 1
  - \$21 million deployed
  - 3 investments



- Corridor Capital 2
  - \$47 million fund plus \$5 million side fund
  - 6 investments to date



## CORRIDOR CAPITAL

Origination	Execution	Operations	Fundraising / Fund Administration
<ul style="list-style-type: none"> <li>• Broad sourcing network</li> <li>• ~200 deals reviewed per year</li> <li>• Marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Deal screening</li> <li>• Deal structuring and negotiation</li> <li>• Financing</li> </ul>	<ul style="list-style-type: none"> <li>• Core infrastructure</li> <li>• Cost reduction</li> <li>• Revenue enhancement</li> <li>• Acquisition integration</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;250 investors</li> <li>• High net worth, endowment, family office, fund-to-funds</li> <li>• Quarterly reporting</li> </ul>

## DEAL PROFILE #1 – CONTROL DEVICES

- Family owned and underperforming
- Bought control in 2007 for \$12.1 million
- Changed: management, systems, operations, sales
- Grew earnings through the Great Recession
- Acquired 4 other related businesses
- Sold in 2013 for 2.4x cash-on-cash return



## DEAL PROFILE #2 – INNOVATIVE OFFICE PRODUCTS

- Family owned and underperforming
- Bought control in 2013 for \$5.5 million
- Changed: some management, reporting, innovation, operations, sales
- Grew earnings by 20% through 12/31/2014
- Currently held in our portfolio at 2.2x initial investment

