

Major announcements at Chamberlain and Nice CEOs reveal details in D+AS interviews

The Duchossois Group sells Chamberlain to Blackstone

By Vicki Jones, Editor

On November 3, 2021, Chamberlain Group was sold by The Duchossois Group to Blackstone, the world's largest alternative asset manager. Effective January 1, 2022, former Chamberlain Group CEO JoAnna Sohovich assumed the role of chair of the new board of directors, and Chamberlain Group President and COO Jeff Meredith was appointed to CEO.

Editor's Note:

Sohovich and Meredith are working collaboratively to ensure a seamless transition period. In this exclusive interview with D+AS, they took time together to answer some questions we have about this new chapter for the company.

In 2016, we reported that Chamberlain Group had a strong presence in virtually every market throughout North America with over 4,000 employees

worldwide. How would you describe Chamberlain Group's presence today?

JoAnna: We continue to grow and shape the markets where we operate in North America and internationally. We now have 6,000 employees worldwide and more than 20,000 points of distribution across the globe.

How does the Blackstone transaction potentially broaden Chamberlain Group's presence?

Jeff: This transaction will help accelerate our next phase of growth and

transformation. Blackstone will provide additional resources and expertise for Chamberlain Group to scale its hardware, software, and connected services businesses into new products and markets.

With Blackstone's partnership, we will capitalize on new market opportunities, build meaningful new industry relationships, and continue to meet our customers' needs.

Blackstone is "the world's largest alternative asset manager." What key factors put Chamberlain Group on their radar?

JoAnna Sohovich,
Chair of the Board of Directors

Jeff Meredith,
New CEO of Chamberlain Group

Jeff: Blackstone has proven success partnering with family-led companies while honoring their cultures and legacies. Blackstone was attracted to Chamberlain Group because of our strong business performance and highly successful transformation strategy, our talented workforce, and our significant growth potential.

What new markets will be targeted in the first two years and why?

Jeff: Chamberlain Group plans to leverage Blackstone's significant portfolio across residential, commercial, and industrial real estate to help expand our customer base into new market segments and new geographies. We also plan to extend our research and development and product innovation to create a broad collection of access solutions for our customers.

How has your leadership influenced Chamberlain Group's focus on technology and connected services?

JoAnna: When we spoke in 2016, I talked about the importance of connecting our access control products to give customers the smart access solutions they need to go about their day. Since then, we have continued to transform from a company that opens doors to one that creates seamless access journeys by connecting people, points of entry, and events.

By creating smarter connected hardware, we are building an access ecosystem that expands access points in homes, businesses, and communities. It's working, too. We've grown our myQ connected user base by several million over the last few years.

Under Jeff's leadership, I anticipate continued growth around our connected services and a deep focus on providing customer-centric access solutions across our residential, commercial, community, and automotive verticals.

How will managing Chamberlain Group be different with the change from Duchossois to Blackstone?

JoAnna: I look forward to continuing our work together from my new position as

chair of the board. The Duchossois Group will maintain meaningful ownership in the company, hold two seats on the company's Board of Directors, and will continue to play an important role supporting our business. Between Jeff and I, our collective knowledge, experience, and guidance will continue to positively benefit our company.

As the newly appointed CEO of Chamberlain Group, what are you excited about?

Jeff: I plan to take the baton from JoAnna and continue to improve on how we deliver quality access control solutions for our customers.

We're excited to officially get started with Blackstone's team. They bring a large-scale capital base, market-tested strategic insights and guidance, a broad network of relevant relationships, and a vast portfolio of residential, commercial, and industrial real estate. Their strengths complement

CHAMBERLAIN GROUP

what we've built at Chamberlain Group and are aligned with our long-term strategic growth plans.

Do you anticipate different goals or expectations under the new ownership?

Jeff: Chamberlain Group will continue to build on our strong foundation, execute our business strategy, develop new innovations, and reach more customers.

We are working closely with Blackstone to identify opportunities where Chamberlain Group can collaborate across their network, especially with a global focus. This combination is all about taking Chamberlain Group to the next level.

What are the "connectivity megatrends" referenced in the press release? How is Chamberlain Group uniquely positioned to capitalize on them?

JoAnna: Three megatrends are helping to shape our industry: connected homes and communities, smart vehicles, and e-commerce and delivery solutions.

We are uniquely positioned to capitalize on these megatrends because our myQ smart technology is integrated throughout our entire suite of access products, and we are continuing to grow our smart, seamless access solutions for customers.

As part of the agreement, Chamberlain Group will remain a privately held company. How important was this for the future and culture of the company?

Jeff: With JoAnna leading the Board of Directors, two Duchossois Group members on the Board, and the remaining leadership remaining intact, we will help to preserve the values-driven, customer-oriented, and long-term focused culture that is core to our success. Plus, Blackstone has a long history of investing and growing businesses of all sizes. Their track record supporting privately held and family-led businesses is impressive.

JoAnna and I have talked about how to successfully carry our company culture through to this new chapter of business. We both agree that the best way to accomplish this is by building on the existing culture and making it better. We're the same great organization operating as one team for the benefit of our customers.

Do you anticipate that the sale of Chamberlain Group will have any effect on inventory or operations for your retailers or distributors?

Jeff: None at all. Like many companies, we are working through supply chain issues, leveraging our relationships, and managing through the challenges.

Why did Duchossois decide to sell Chamberlain Group now?

JoAnna: There were three primary reasons that drove the timing:

- First, to continue The Duchossois Group's diversification strategy;
- Second, a reflection of Chamberlain Group's strong transformation and business performance; and
- Third, strong buyer interest.

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Nice acquires Nortek Security & Control

Editor's Note:

In October, Nice announced that it had acquired Nortek Security & Control from Melrose Industries. D+AS had the opportunity to interview Nortek President and CEO Edoardo Malfè, who answered 10 key questions we had about the transaction, Linear products, and more.

1. How did the acquisition come about?

For Nice, being a leader in the US market has always been our long-term objective. It is not only the biggest market, but also part of a major innovation hub in the global smart home, security, and home and building automation industries.

Nortek Security & Control has a long history of delivering smart home, AV, access control, and security innovations to global customers. The experience, know-how, and expertise of our team, coupled with the technology and capabilities of Nortek solutions, are complementary to the Nice portfolio.

2. What advantages and/or opportunities does this transaction offer Nortek?

This acquisition allows Nortek to expand its portfolio and geographical footprint, and provides an opportunity to deliver better products, services, and solutions to our partner ecosystem and end-user customers.

3. In what ways was the timing right for Nice to make this acquisition?

Nice entered the North American market in 2005, then expanded over the years through the strategic acquisitions of Apollo, HySecurity, and Abode in the United States, and Micanan Systems in Canada.

With this acquisition, Nice takes a significant step forward in this market thanks to Nortek's strong distribution network, impressive pool of

commercial brands, and cutting-edge technology.

4. How does this compare to past acquisitions such as HySecurity in 2016 and Micanan in 2019?

This acquisition is the largest and most important in the history of the company. Both HySecurity and Micanan enabled Nice to grow in North America through their focused offering and competences which were complementary to the Nice core.

The acquisition of Nortek is unique for its size, range of products, and number of brands. As the largest acquisition, it doubles our global R&D capacity in North America and further accelerates innovation of platform-based integrated solutions for our customers worldwide.

5. What percentage of Nice's business will likely come from the door and gate operator business?

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Edoardo Malfè
CEO of Nortek Security & Control

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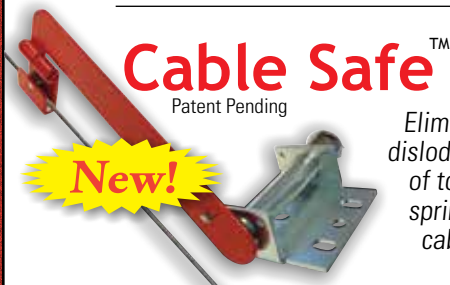
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As a private company we do not provide specific financial or share of business details. However, each brand and commercial offering adds to the overall value across the entire portfolio.

Our North American partners and customers can rest reassured that their experience with will not change, unless it is for the better.

6. Why should Linear/Nortek dealers be excited about this purchase?

Dealers and all stakeholders should be excited because Nice acquires companies to invest and integrate them into the group, not to harvest technology and offload the rest. This is inclusive of people and experiences. All Nortek and Nice partners will continue to be assisted by their trusted contacts and eventually have access to a broader portfolio.

As a single company, we offer a complete portfolio of solutions, and we have a successful track record of development and growth from each company we acquire and integrate. As a channel focused, customer-centric company, this is also something dealers can be excited about.

7. With so many different headquarters now, how will the global footprint and/or management roles change going forward (if at all)?

Nice is a truly multinational company made up of over 3,000 very talented individuals. We manage 14 specialized factories and 16 technical centers in different regions, including two in the United States and one in Canada, and we operate in over 100 countries.

With this acquisition, the Nice vision of a world without barriers is deployed through a global mindset executed via 24 regional offices. It is the beginning of a new chapter for everyone in the Nice world.

8. How do the Nice and Nortek product lines overlap? What unique product offerings or services does this acquisition provide your dealers?

Actually, there is very little overlap. The combined portfolio will allow us to leverage each other's strengths, including IntelliVision video analytics, Numera PERS, and AV/IR, to offer the best solution for customers and partners.

The overlap that does exist is through the different go-to-market channels or market segments. For example, Abode is a direct-to-consumer DIY Smart Home Security offering positioned to compete in a different part of the home security market. 2GiG is a robust home security offering sold through the professional dealer channel.

Over time, we will progressively integrate portfolios leveraging Nice and Nortek offerings to develop holistic solutions for dealers to offer their customers. These solutions will interoperable across brands and lines.

9. Do you anticipate phasing out and/or expanding any product line? If yes, can you elaborate on which products?

No phase-out is planned. Each brand has its own positioning and preferred channel and is part of a consistent portfolio that offers the right integrated solution to partners and end users.

10. What excites you most about this acquisition?

Our people, the joint Nice-Nortek Control team, and the high expectations from our key customers and partners. It's thrilling, and it's a huge responsibility. On both sides, I see enthusiasm, passion, true commitment to making our partnership a success, and excitement about our plans. With the contribution of all parties and the support of Nice group, we will be up to the challenge. ■