

**INDUSTRY NEWS | MANUFACTURING**

# Appvion sells much-touted Encapsys division, names new CEO

Aug 5, 2015, 2:17pm CDT



**David Schuyler**  
Digital Producer  
*Milwaukee Business Journal*

Fox Valley paper maker Appvion Inc., the former Appleton Papers Inc., said Tuesday that it has sold its much-touted Encapsys division for \$208 million and that its chief executive officer has retired from the position.

The Appvion board of directors appointed Kevin Gilligan, president of the company's paper division, to succeed the retiring Mark Richards as CEO effective Tuesday. Richards will remain as chairman of the company until his full retirement from Appvion Dec. 31. Gilligan joined Appvion in June 2014, coming from H.B. Fuller Co., a St. Paul, Minn., specialty chemical company, where he most recently served as vice president of global operations.

Baltimore private investment firm Sherman Capital Holdings LLC is buying Appvion's 10-year-old Encapsys business, which was once touted as the future of the Appleton-based company. Encapsys provides what the company calls microencapsulation technology, which allows for the production of carbonless paper that releases dyes under pressure. The company was using the technology to expand its sources of revenue beyond the production of paper because of the technology's potential for a variety of applications, including the building and construction, paper, bedding, and personal and household care industries.

The company's 2013 name change from Appleton Papers to Appvion was part of that evolution. The Appvion name combines the words "applied" and "innovation," reflecting the company's transformation from a paper company to a business focused on coating formulations and



PAUL TAGGART/BLOOMBERG

Appvion has sold its Encapsys division and will focus on its technical papers and... more

applications, and specialty chemicals.

Net sales for Encapsys topped \$61 million in 2014. The business employs about 90 workers at offices and research labs in Appleton and at a plant in Portage. After the sale, Mary Goggans, vice president and general manager of the Encapsys division under Appvion ownership, will serve as president of the independent company.

Appvion said it will use proceeds of the transaction to significantly reduce company debt and to invest in its technical papers and coatings business.