



# ENERGI Fenestration Solutions

**ENERGI is a leading manufacturer of rigid and cellular vinyl window profiles and patio doors, interior vinyl shutters and other extruded vinyl products.**

Founded over 40 years ago, ENERGI is the leader in the Canadian market and the number two leader in North America. Customer base includes leading window and door manufacturers: Eclipse Shutter Systems; AtisConsolidated; Simonton Windows; PGT Industries; and Quaker Window Products.



Acquired:

March 31, 2016

Transaction Type:

Corporate Carve-Out

Acquired from:

Axiall Corporation

Industry:

Building Products

Headquarters:

Woodbridge, Canada

Realized:

May 17, 2021

Sold to:

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## TRANSACTION HIGHLIGHTS

OpenGate successfully built a relationship with Axiall over the past several years that resulted in the firm having an active, strategic dialogue about recent divestitures that Axiall had brought to market. This, coupled with OpenGate's legacy investments in the European PVC market and research of the overall building materials market, enabled OpenGate to engage Axiall in direct discussions about the Royal W&D business as an attractive acquisition target for the firm. Subsequently, in September 2015, Axiall brought Royal W&D to the market, assisted by Royal Bank of Canada.

### Investment Merits:

- o Market leading position: Industry leader in Canada and #2 in overall North America market
- o Underperforming: Historic EBITDA margin significantly below peers
- o Operational improvements: Plant consolidation, real estate monetization, product/customer rationalization, price increases, and continuous improvement

- Industry insight: Leveraging OpenGate Capital's industry knowledge and experience in the PVC space gained through previous acquisitions



## VALUE CREATION

- Improved manufacturing: Continuous improvements across safety, quality, delivery and profitability
- Rationalized plant footprint: Consolidated underutilized plant and monetized real estate in Quebec, de-risking invested equity by 50%
- Optimized material costs: Developed lower-cost, secondary PVC material from scrap and developed alternative resin sourcing and mix formulation with lower costs
- Commercial focus & strategy: Shifted to product platform strategy and increased commercial focus in the United States. Increased cost pass-through contracts to 80% of volume by exit



## EXIT

- Sourced through OpenGate's relationship with Axial Corporation
- On May 17th, 2021, EnergiFenestration Solutions was fully realized in a sales process to certain Canadian investors
- 62-month investment period • Outperformed original underwriting of 2.1x / 20.5%