

# *Windows & Doors*

## Market Report

Oaklins

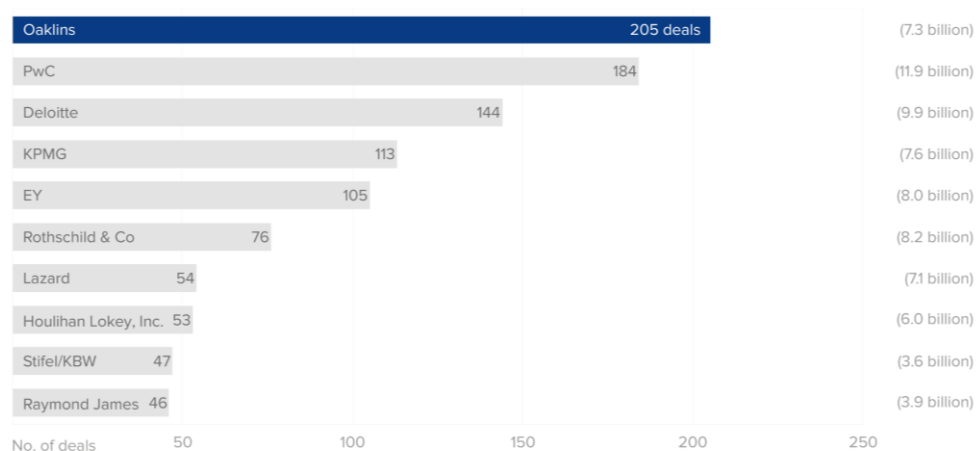
July 20





# Leading global financial advisory firm for mid-market companies

## Global mid-market 2019 by volume (in US\$)



Deals completed up to US\$5–250m  
Source: [www.mergermarket.com](http://www.mergermarket.com); Oaklins

### Global

70 offices in 45 countries

### Highly experienced

A track record of over 5,500 successfully closed transactions. Currently working on 600 active deals

### 30 year history

The foundation of Oaklins was laid in 1985

### Extensive sector expertise

850 dedicated professionals working in 15 sector groups, building materials is one of our key sector verticals

### Mid-market focus

Sweet spot transaction size is GBP 10m to GBP 250m

Deep industry expertise in 15 sector verticals including building materials

Building materials transactions in the past 5 years

### Closed deals

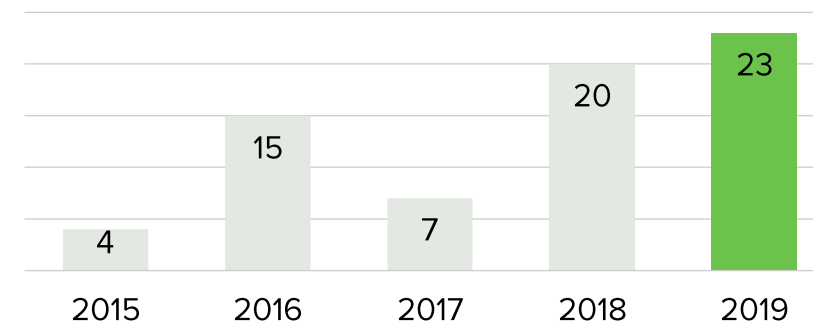
69

transactions closed  
2015–2019

31%

cross-border  
transactions

### Number of transactions per year



# Report Overview

This report covers the European and UK windows and doors markets with specific highlights to growth drivers and market trends

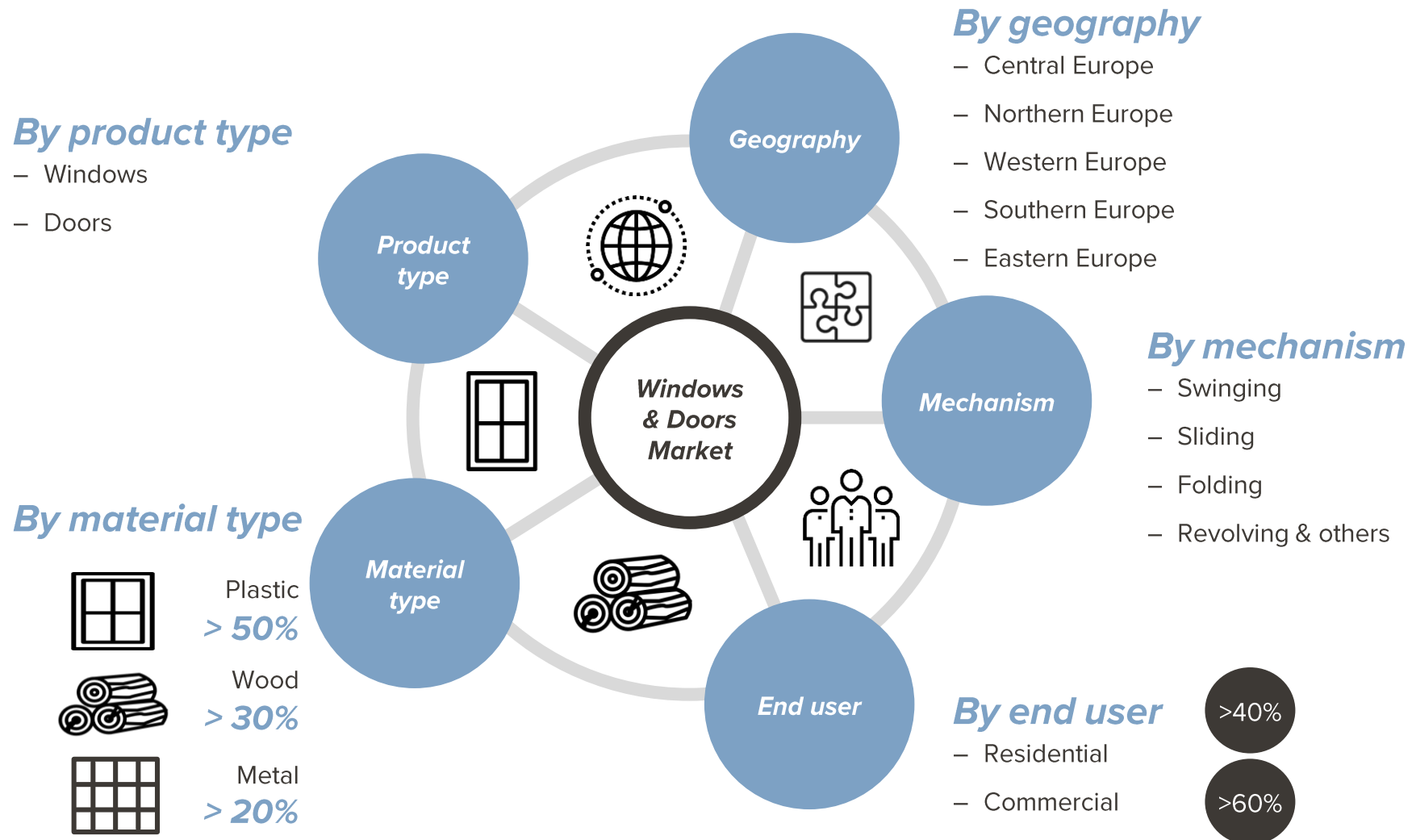
## Europe

- Market segmentation
- European growth and growth drivers
- Key market trends
- Fittings and reinforcements
- M&A transactions

## UK

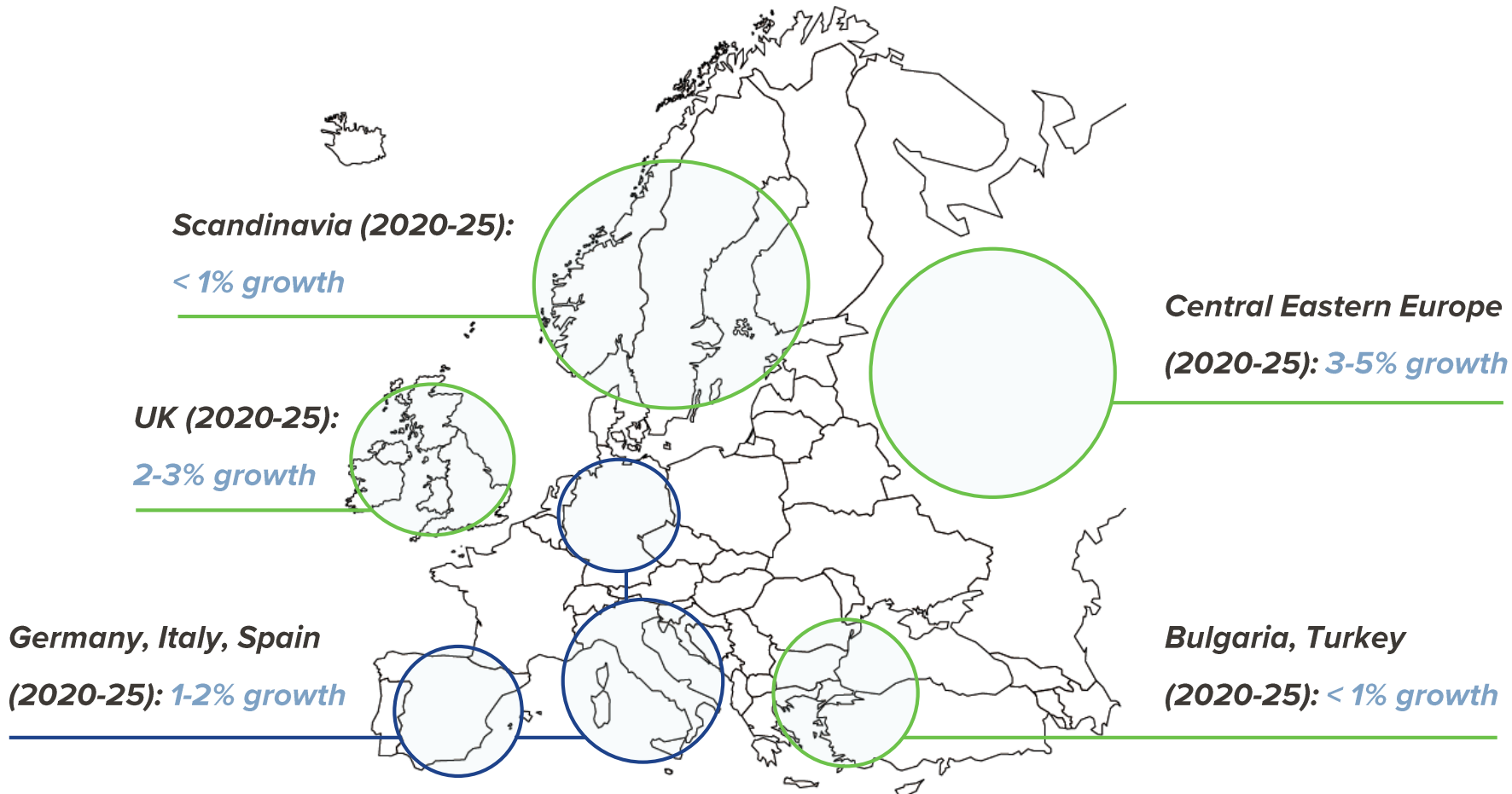
- UK market overview and insights
- M&A transactions

# Understanding the European market



# European growth

Rising commercial development has lead to substantial growth



# Key growth drivers

The windows and doors market is at a mature stage

## ***Commercial sector to follow a positive growth trend in the coming years***

- Rising infrastructural investment in commercial spaces such as hotels, schools, hospitals and other commercial buildings is the key driver behind increasing demand from this segment.
- Many emerging trends in commercial windows & doors market is anticipated to drive the demand. For instance, invisible security is an emerging trend in commercial spaces which includes many invisible security measures that has to pass through while entering any building.
- Few other commercial door trends include classic revival, mid-century modern, modern farmhouse etc.

## ***Rising demand for smart buildings to influence European market***

- In Europe, almost 40% of the overall energy demand is consumed by buildings. Hence, in order to improve energy efficiency, wall and roof insulation is a major discussion topic recently.
- Windows and doors play a significant role in providing energy efficient buildings.
- Windows and doors demand in Europe is not only driven by increasing funding for energy efficient buildings but also by a large extent by energetic renovation of existing buildings.

## ***New and innovative product launches to influence industry growth***

- Windows and doors with less frame and more glass were on the high demand.
- The incorporation of thermal efficiency codes in commercial buildings is expected to increase the application of technologically advanced windows and doors in the building architecture.
- Advanced products provide two significant benefits
  - Structural strength to the outer layer of the building; and
  - Decrease electricity expenditures by minimizing heat losses.



# *The European market is highly fragmented*

## Market trends

**Market size: \$83bn by 2024**

**CAGR (2018-24): > c. 5%**

### **Plastic**



**50% market share**

**4% CAGR**

### **Key players in Europe**

**inwido**

**Internorm**

**arbonia**

**DRUTEX**  
ENGINEERED FOR YOU

**profine**  
INTERNATIONAL PROFILE GROUP

**JW**  
JELD-WEN

**VKR**

### **Growth**

- The growth in construction activities, the rise in disposable incomes, and the high public spend on infrastructure are driving the demand for windows and doors.
- The integration of energy-efficient windows and doors at the design stage is the most significant opportunity to induce positive environmental changes. Glazed doors and windows drastically reduce heat loss and increase thermal efficiency of buildings.

### **Region**

- The European windows and doors market is highly fragmented with over 5000 manufacturers.
- Poland and Germany are expected to emerge as leading centres for the production of doors and windows in Europe.

### **Material**

- Plastic is the favoured material for manufacturing windows, wood and hardened uPVC remain a preferred choice for internal doors in Western and Northern Europe.
- Plastic, fiberglass doors, and uPVC materials are in high demand in Europe due to low-cost installation, durability, minimal discoloration, termite resistant, recyclability, and high-energy efficiency.
- Demand for manufacturing materials varies across the continent, depending on economic conditions and traditional architectural requirements.

# Fittings and Reinforcements

The market is highly consolidated

## Fittings

- Mature market which has shown steady growth in recent years
- Safety and security are of significant importance when choosing supplier for fittings, therefore window and door manufacturers use a small number of fittings suppliers for their products.
- There has been little change to the product mix for door and window fittings in recent years.

### Key European players - fittings



## Reinforcements





















- Energy efficiency is the key factor in reinforcements due to the transmission of heat through the profile.
- Aluminium reinforcements of uPVC make up over 95% of the reinforcements market share. Recent developments in the market include the use of carbon fibre reinforcements, however this is under 5% of the total market share.

### Key European players - reinforcements





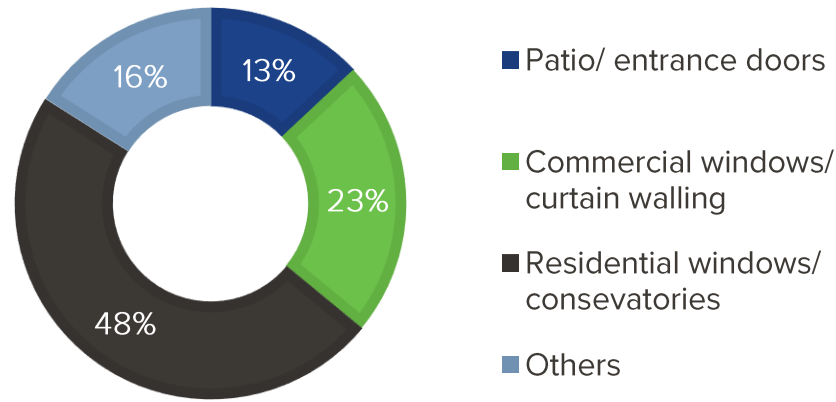
# European M&A transactions

Date	Target	Country	Target Description	Bidder	Country
May 2020			Window, door and conservatory fabrication division and uPVC extrusion		
Oct 2019			Manufactures metal doors and windows, sash and trim		
Jun 2018			Manufactures and supplies windows and doors for homes and the construction industry		
Feb 2018			Manufactures and sells steel frames and doors		
Feb 2018			Engages in production and sale of sectional doors and aluminium profiles		

# The UK Market is the second largest market in Europe

## UK doors & windows fabricators

Product mix 2015 - % by value (trade prices)



- The social housing projects in the UK grew by over 12% by the end of 2018.
- uPVC windows and doors have gained popularity as an environmentally sustainable option.
- Manufacturers have continuously introduced new products; however, this has not significantly increased demand among customers due to the infrequent product updates and a long replacement cycle of doors and windows.

## Key players






















## PE owned



## Market insights

- The likely direction of future development of the UK doors and windows market remains unclear in the short-medium term, largely influenced by the uncertainty surrounding the UK economy, the housing market and the potential effects of Brexit.
- Continued over-capacity in the industry, especially in the PVCu sector, is resulting in intense competition for business mainly amongst the larger retail suppliers.
- Significant investment from Private Equity in recent years in window and door fabrication companies.

# UK M&A transactions

Date	Target	Country	Target Description	Bidder	Country
Mar 2019			Design, manufactures, and installs PVCu, aluminium, and timber composite window, door, and curtain walling systems		
Sep 2019			Produces uPVC windows, doors and conservatories		
Aug 2019			Manufactures, distributes, and recycles windows, doors, and roofline polyvinyl chloride (PVC) building products		
Oct 2019			Manufactures and sells metal doors and windows	Literacy Capital plc	
Feb 2019			Manufactures timber fire and security door-sets		



# Track record in the building materials sector

<p>CapMan</p> <p>has sold</p> <p>LUNAWOOD</p> <p>to</p> <p>accentequity</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>maxi READYMIX CONCRETE</p> <p>has been acquired by</p> <p>AGGREGATE INDUSTRIES</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>THE JORDAN COMPANY</p> <p>has sold</p> <p>DIVERSiTECH</p> <p>to</p> <p>PERMIRA</p> <p>M&amp;A SELL-SIDE</p> <p>Other Industries/Private Equity</p>	<p>COASTAL CONSTRUCTION PRODUCTS</p> <p>has partnered with</p> <p>SUPPLY CHAIN EQUITY PARTNERS</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Logistics/Private Equity</p>	<p>BM BYGGMAKKER</p> <p>has acquired</p> <p>BM BYGGMAKKER Gipling</p> <p>M&amp;A BUY-SIDE</p> <p>Construction &amp; Engineering Services/Consumer &amp; Retail</p>	<p>MIRACLE Sealants Company</p> <p>has been acquired by</p> <p>RUST-OLEUM</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>eurobond</p> <p>has been acquired by</p> <p>Kingspan.</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>EUROCLAD</p> <p>has been acquired by</p> <p>Kingspan.</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>T. Brewer Enfield</p> <p>has been acquired by</p> <p>Grafton Group plc</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>TGLynes</p> <p>has been acquired by</p> <p>Grafton Group plc</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Industrial Machinery &amp; Components</p>
<p>Oldcastle BuildingEnvelope</p> <p>has sold</p> <p>AMERON</p> <p>to</p> <p>O<sub>3</sub> Industries</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Industrial Machinery &amp; Components</p>	<p>Arranisle</p> <p>has sold</p> <p>LaSalle Bristol</p> <p>to</p> <p>PATRICK INDUSTRIES, INC.</p> <p>US\$54m</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>L.J. Smith Stair Systems</p> <p>has been acquired by</p> <p>NOVO Building Products</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Private Equity</p>	<p>OWENS CORNING</p> <p>has acquired</p> <p>James Group</p> <p>M&amp;A BUY-SIDE</p> <p>Construction &amp; Engineering Services/Other Industries/Private Equity</p>	<p>yella</p> <p>has sold</p> <p>STONE</p> <p>to</p> <p>UBlock International HK Company</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>dlh.</p> <p>has been acquired by</p> <p>TRESCHOW-FRITZDE</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>MONTAGE MASTER</p> <p>has been acquired by</p> <p>AAC</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Private Equity</p>	<p>GARDENDREAMS INTERNATIONAL</p> <p>has been acquired by The Outdoor Living Group backed by</p> <p>AAC</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Consumer &amp; Retail/Private Equity</p>	<p>MPL Company</p> <p>has been acquired by</p> <p>WC WYNNCHURCH   CAPITAL</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>CG+</p> <p>has sold</p> <p>NASG</p> <p>to</p> <p>CUSTOM GLASS SOLUTIONS stellex</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Industrial Machinery &amp; Components</p>
<p>bauhof</p> <p>has been acquired by Ermi Group, a subsidiary of</p> <p>VILNIUS PREKYBA</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Consumer &amp; Retail</p>	<p>BM BYGGMAKKER</p> <p>has acquired</p> <p>BM BYGGMAKKER Skattum</p> <p>M&amp;A BUY-SIDE</p> <p>Construction &amp; Engineering Services/Consumer &amp; Retail</p>	<p>REESINK</p> <p>has successfully divested</p> <p>REESINK Staal bv</p> <p>to</p> <p>Veerhaven CAPITAL PARTNERS</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Private Equity</p>	<p>A group of Chilean investors</p> <p>has acquired</p> <p>CONSTRUMART</p> <p>US\$80m</p> <p>M&amp;A BUY-SIDE</p> <p>Construction &amp; Engineering Services/Consumer &amp; Retail</p>	<p>DIVERSiTECH</p> <p>has been acquired by</p> <p>THE JORDAN COMPANY</p> <p>M&amp;A SELL-SIDE</p> <p>Logistics/Other Industries/Private Equity</p>	<p>SRKF</p> <p>has sold</p> <p>WGC WINDOWGLASS</p> <p>to</p> <p>Jana Čulíková</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Private Equity</p>	<p>FORT WAYNE ROOFING AND SHEET METAL CORPORATION</p> <p>has been acquired by</p> <p>TECTA AMERICA</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>	<p>SHAVELY FOREST PRODUCTS</p> <p>has been acquired by</p> <p>weekes FOREST PRODUCTS, INC.</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services/Industrial Machinery &amp; Components</p>	<p>ROYO GROUP</p> <p>has acquired</p> <p>fiora</p> <p>US\$44m</p> <p>M&amp;A BUY-SIDE</p> <p>Construction &amp; Engineering Services/Consumer &amp; Retail/Private Equity</p>	<p>RSI Home Products</p> <p>has been acquired by</p> <p>AMERICAN WOODMARK CORPORATION</p> <p>US\$1.1bn</p> <p>M&amp;A SELL-SIDE</p> <p>Construction &amp; Engineering Services</p>



# Together *we can achieve the extraordinary*

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The information provided in this report has been sourced from the internet and through discussions with key market players.

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