

Window and Door Industry Snapshot

Sustainability, Smart Innovation and Consolidation



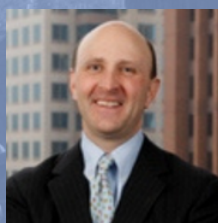
BUSINESS SERVICES INDUSTRY

Carleton McKenna & Co

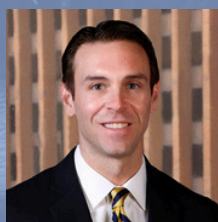
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KEY TAKEAWAYS

Carleton McKenna & Co is pleased to share its latest business services report. In this report, we explore window and door marketplace trends, consolidation activity and noteworthy transactions. We also explore what the future deal-making landscape may look like for these product and service providers to help sector participants shape their strategies for the near- to medium-term.

1. **Industry Growth Driven by Innovation & Sustainability:** The global windows and doors market is experiencing significant expansion. This growth is fueled by increasing urbanization, stringent energy efficiency regulations, and the rising demand for sustainable building materials. In North America, the market is growing around strong demand in high-growth states like Texas, Florida, and Arizona, with a particular emphasis on impact-resistant and energy-efficient solutions.
2. **Market Shifts in the Face of Economic Uncertainty:** Rising interest rates and higher borrowing costs have slowed new construction, shifting industry focus toward remodeling and replacement projects. While this presents challenges, it also creates opportunities for manufacturers and installers to cater to aging housing stock and energy-conscious consumers.
3. **M&A and Private Equity Fuel Industry Consolidation:** The windows and doors industry is seeing strong M&A activity despite economic challenges, with strategic acquisitions reshaping the competitive landscape. Private equity interest remains strong, particularly in scalable businesses with advanced manufacturing capabilities, positioning the sector for continued transformation in the coming years.

Carleton McKenna has substantive experience in the Business Services industry, with further focus in Installation and Repair services. To learn more about Carleton McKenna's wide range of transaction experiences, strategies for growth or exit, and current Business Services industry trends, please [contact us](#).

BEHIND CLOSED DOORS: PRIVATE EQUITY IN THE WINDOWS AND DOORS SECTOR

Private equity and strategic buyers remain highly interested in the window and door industry, with a significant increase in M&A activity in 2024 compared to the previous year. The hope for lower interest rates and a promising long-term outlook for the U.S. housing market have acted as helpful tail winds. Additionally, the industry has many attractive features which are ideal for a “buy-and- build” strategy. These include the following:

- **Highly Fragmented Market** – The window and door industry is highly fragmented. This is particularly true in the residential market with numerous local and regional companies.
- **Steady Demand** – Demand can come from several different places. It can be driven by new home and commercial construction as well as the replacement of existing windows for more energy efficient ones.
- **Highly Fragmented Market** – The window and door industry is highly fragmented. This is particularly true in the residential market with numerous local and regional companies.
- **Steady Demand** – Demand can come from several different places. It can be driven by new home and commercial construction as well as the replacement of existing windows for more energy efficient ones.
- **Strong Margin Profile** – Most companies in the window and door industry achieve EBITDA margins greater than 10%. The EBITDA margin is influenced by the sales channel (direct to consumer vs. B2B and wholesale), material mix (vinyl vs. wood and aluminum-clad), operational scale, and offering installation.
- **Movement to Energy Efficient Buildings and Homes** – Over the last several years, there has been a push for energy-efficient buildings with more stringent sustainability regulations. This has boosted the demand for new window and door products.
- **Multiple Exit Paths** – With a hold period of 5 to 7 years, private equity is always thinking about how to exit even before they make an acquisition. With large strategics (Pella, Andersen, etc.), existing private equity backed strategics, and public markets, there are multiple exit paths for them.



Chuck G. Fenske
Director

“M&A volatility has yet to touch buyer appetite for building products manufacturers and services in the middle market, as we regularly hear from highly active Private Equity and Strategic acquirers looking for great assets.”

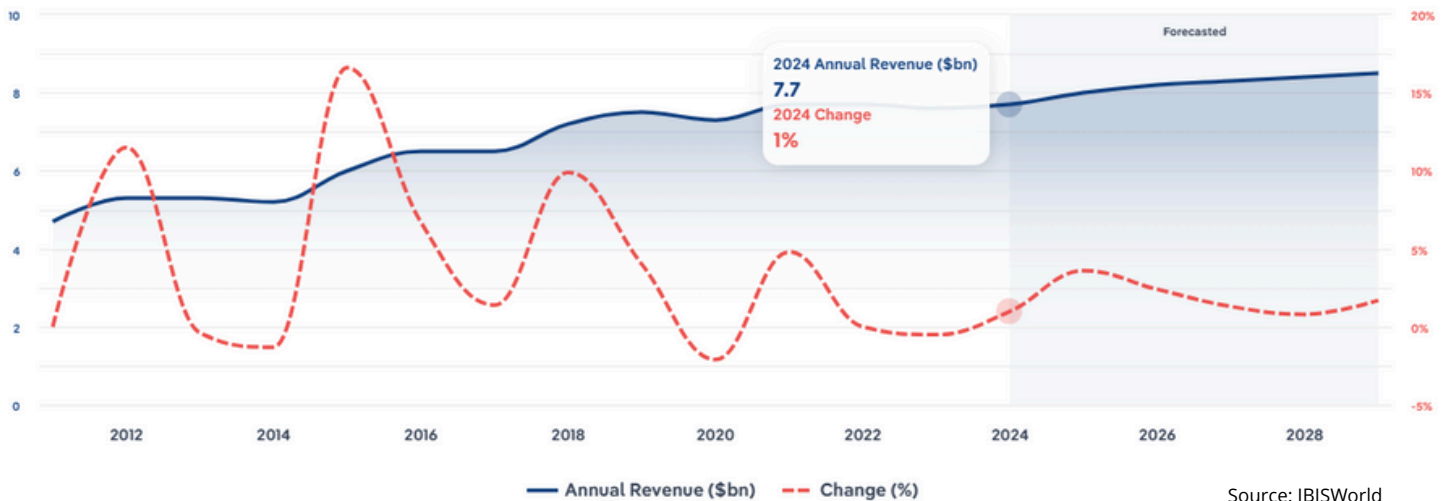
— Chuck Fenske

Global Market Growth

The global windows and doors market is undergoing significant growth, projected to expand from \$221.9 billion in 2023 to \$348.4 billion in 2032. This growth is fueled by a combination of urbanization, population growth, energy efficiency regulations, renovation needs and evolving architectural trends. In the United States, the door installation and repair services industry has grown at a compound annual growth rate (CAGR) of 0.6% over the past five years, reaching an estimated \$7.7 billion in 2024.

DOOR INSTALLATION & REPAIR TOTAL VALUE AND ANNUAL CHANGE

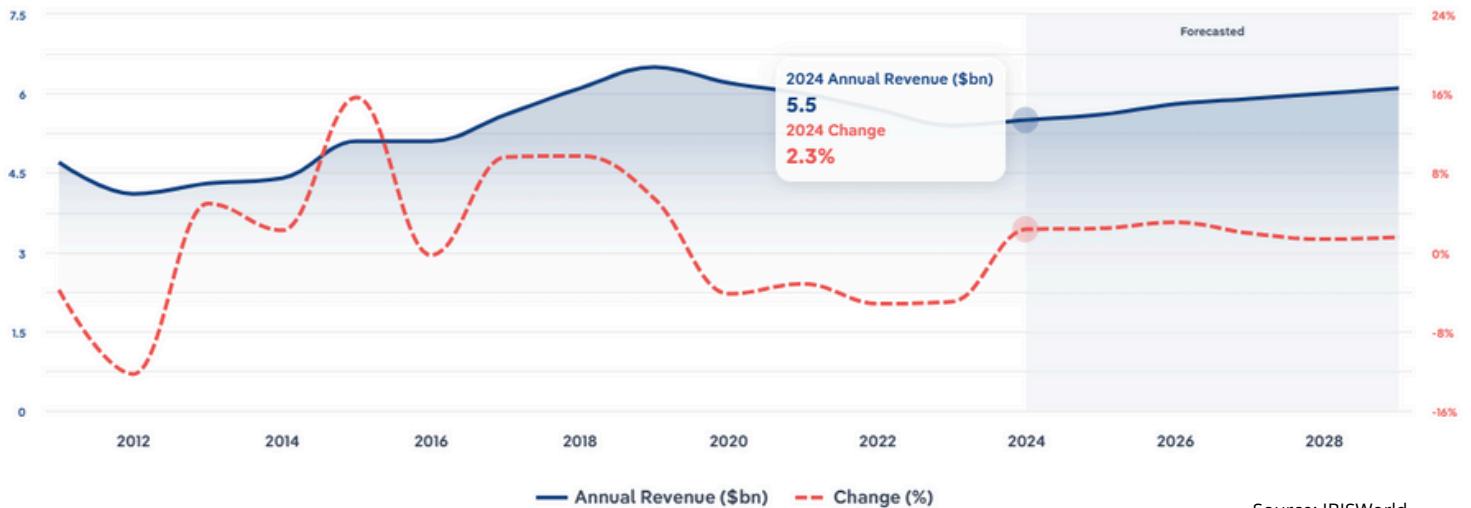
2011 - 2029



Conversely, the window installation industry has seen a decline, with revenue decreasing at a CAGR of 3.1% over the same period, resulting in an estimated \$4.4 billion in 2024. The overall market value stands at \$199.47 billion in 2024 and is anticipated to grow to \$224.21 billion by 2029. In North America, the market was valued at \$64.08 billion in 2023 and is expected to reach \$83.22 billion by 2029, growing at a CAGR of 4.45%.

WINDOW INSTALLATION TOTAL VALUE AND ANNUAL CHANGE

2011 - 2029



Regional Market Growth

Regional window and door installation markets show varying growth patterns. Arizona is projected to be the fastest-growing segment with a CAGR of 3.9%. However, Texas leads the US market with a 9.8% revenue share in 2023, supported by rapid population growth and an expanding housing market. Florida accounted for \$1.97 billion in 2023, driven by high demand for impact-resistant products due to severe weather conditions. Meanwhile, Utah is experiencing robust growth, fueled by its strong residential construction sector and increasing demand for energy-efficient solutions.

Market Leaders

The window and door installation industry in the United States is led by several prominent companies, each contributing unique innovations and high-quality products. Andersen Windows & Doors stands out as the largest manufacturer in North America, known for its proprietary Fibrex composite material and extensive product range, including custom designs. Similarly, Pella Corporation has built a reputation for energy-efficient solutions and premium wood windows, supported by its industry-first research and testing lab.

Jeld-Wen, another major player, offers a broad selection of customizable windows and doors with advanced energy-efficient features like AuraLast wood protection. Marvin Windows and Doors excels in custom-made products using Ultrex fiberglass for durability and low maintenance, catering to both residential and commercial needs.

Milgard Windows & Doors focuses on innovation and customer satisfaction with energy-efficient patio doors and wall systems distributed widely through retailers like Home Depot. Lastly, Masonite International is a leader in door manufacturing, offering diverse options such as fiberglass and steel doors with cutting-edge designs that enhance both aesthetics and functionality. These companies collectively drive the industry forward through their commitment to quality, sustainability, and customer-centric solutions.

Key 2025 Industry Trends

Current trends in the windows and doors industry reflect a preference for modern and innovative solutions.

1. Minimalist frame designs are identified as a leading trend by 68% of experts.
2. 64% of professionals emphasize the growing popularity of windows that enhance indoor and outdoor living spaces.
3. Energy-efficient solutions are also gaining prominence, driven by Energy Star 7.0 requirements.
4. Tall doors, favored by 60% of experts, represent a significant trend for front doors.
5. Smart technology integration in products is on the rise, alongside the use of sustainable materials such as uPVC and aluminum.
6. Durable, low-maintenance materials like fiberglass, aluminum, and composites are also gaining traction.

These trends indicate a broader shift towards energy-efficient, sustainable, and technologically advanced solutions.

Future Outlook

Looking ahead, the housing market is expected to improve in 2025, with increases in single-family and multi-family housing starts. Demand for window-replacement projects in high-wind-speed zones is expanding, presenting opportunities for growth. Moreover, the industry's focus on sustainable and recyclable materials continues to drive research and development efforts.

Impact of Rising Interest Rates

Rising interest rates are creating challenges for the market, including reduced investment in construction and a slowdown in demand for window installation services. Higher borrowing costs have made large remodeling projects more expensive, leaving many homeowners on the sidelines. However, high interest rates have also created opportunities in the repair and replacement market for older homes, as existing homeowners opt to renovate rather than move. While persistent inflation may delay rate cuts until late 2025, stabilizing economic conditions are expected to drive a rebound in the housing market, supported by the housing supply deficit and aging housing stock.

Manufacturer Strategies

Manufacturers are adopting a range of strategies to navigate economic challenges. Many are focusing on the remodeling market, as new home construction slows. They are emphasizing energy-efficient products to leverage tax rebates and consumer interest in reducing energy costs. Strategic mergers and acquisitions are helping companies expand their market share and geographic presence. Businesses that increased capacity during the COVID-19 period are now optimizing those investments.

Some manufacturers are diversifying into new business segments to bolster their positions amid downturns, while others are prioritizing high-quality products, on-time deliveries, and complete orders to remain competitive. Investments in energy-efficient technologies, such as triple-pane windows, fourth-surface low-E, and gas fill, are also a priority. Additionally, manufacturers are focusing on clear communication and marketing to highlight the benefits of their products and justify higher prices.

Mergers and Acquisitions

Mergers and acquisitions (M&A) are playing a critical role in shaping the industry. Despite economic challenges, M&A activity surged in 2024, demonstrating a bullish outlook. Strategic consolidation through deals like the \$3.2 billion acquisition of PGT Innovations ("PGT") by MITER Brands in March 2024 is creating stronger, more resilient companies.

However, this merger underscores the volatility of M&A opportunities following the cancelled acquisition by Masonite. Had the deal closed in December 2023, Masonite would have reportedly acquired PGT Innovations for around \$3 billion before being outbid by MITER. Koch Equity Development acted as an Add-on Sponsor in Miter's acquisition, highlighting private equity firms actively investing in this market, bringing fresh capital and expertise.

Companies are adapting to higher interest rates by pursuing smaller deals, exploring creative financing structures, and accelerating value creation plans. Enhanced due diligence processes are resulting in stronger post-merger entities, driving industry consolidation and creating larger, more efficient companies better positioned to navigate economic challenges.

Merchant Wholesalers, Durable Goods

(2012 - Present)

TEV Range (in Millions)	TEV \$	Revenues \$	TTM Rev Growth %	EBITDA Margin %	TEV/Revs	TEV / EBITDA N	
10 - 25	\$16.0	\$22.9	12.4%	16.5%	0.9x	5.6x	134
25 - 50	\$34.8	\$51.8	14.1%	16.4%	1.0x	6.2x	126
50 - 100	\$69.8	\$81.7	17.4%	14.9%	1.1x	7.8x	72
100 - 250	\$152.6	\$219.3	11.0%	14.6%	1.2x	7.9x	59
Total	\$68.3	\$93.9	13.7%	15.6%	1.1x	6.9x	391

Merchant Wholesalers, Nondurable Goods

(2012 - Present)

TEV Range (in Millions)	TEV \$	Revenues \$	TTM Rev Growth %	EBITDA Margin %	TEV/Revs	TEV / EBITDA N	
10 - 25	\$17.0	\$29.0	9.9%	12.6%	0.8x	6.2x	53
25 - 50	\$37.3	\$57.8	12.4%	14.2%	1.0x	7.2x	42
50 - 100	\$64.4	\$114.7	14.0%	13.2%	1.0x	7.5x	32
100 - 250	\$157.0	\$122.1	15.4%	19.9%	1.8x	9.1x	22
Total	\$53.6	\$69.3	12.3%	14.3%	1.0x	7.2x	149

Building Material and Supplies Dealers

(2012 - Present)

TEV Range (in Millions)	TEV \$	Revenues \$	TTM Rev Growth %	EBITDA Margin %	TEV/Revs	TEV / EBITDA N	
10 - 25	\$17.8	\$40.7	12.5%	10.0%	0.6x	6.4x	12
25 - 50	\$33.4	\$38.3	1.3%	15.1%	0.9x	6.4x	7
50 - 250	\$101.9	\$215.0	14.2%	11.2%	0.9x	7.0x	6
Total	\$42.6	\$82.4	12.3%	14.3%	0.8x	6.4x	26

Building Material and Supplies Dealers

(2012 - Present)

TEV Range (in Millions)	TEV \$	Revenues \$	TTM Rev Growth %	EBITDA Margin %	TEV/Revs	TEV / EBITDA N	
10 - 25	\$15.5	\$17.4	11.0%	20.0%	1.3x	6.3x	53
25 - 50	\$34.9	\$41.5	17.9%	17.5%	1.2x	7.1x	32
50 - 100	\$65.3	\$53.1	12.7%	21.8%	1.9x	8.5x	18
100 - 250	\$150.1	\$63.0	9.4%	30.1%	3.0x	10.4x	5
Total	\$35.8	\$32.6	12.3%	14.3%	1.4x	7.2x	108

SELECT TRANSACTION ACTIVITY

Date	Target	Buyer	Deal Size
Mar-25	Senior Architectural Systems	Assa Abloy (STO: ASSA B)	
Mar-25	Beach Window and Door	US LBM Holdings	
Mar-25	Alunet Systems	Eurocell	\$30.3m
Jan-25	Eden Windows	Joedan Windows and Doors	
Nov-24	Engineering Industries	AIF Holding	\$33m
Oct-24	Topline Windows	Joedan Windows and Doors	
Aug-24	Nix Door and Hardware	US LBM Holdings	
Jul-24	Westeck Windows Mfg.	All Weather Windows	\$25.6m
Jul-24	Lingis	Arbonia	\$23.1m
May-24	Masonite Architectural	Industrial Opportunity Partners	\$75m
Jan-24	Riikku Group	Balco Group	\$43.8m
Oct-23	Fleetwood Windows and Doors	Masonite	\$279.1m
Sep-21	Henry Company	Carlisle Companies	\$1.5b
Jan-21	BMC Stock Holdings	Builders FirstSource	\$3.0b

STRATEGIC DEAL ACTIVITY SPOTLIGHT



The company was acquired by All Weather Windows for CAD 35 million on July 22, 2024.

The acquisition of Westeck Windows aligns perfectly with All Weather Windows' strategic vision for growth and expansion and enables it to deliver top-tier solutions to its customers and enhance its market presence.

"This acquisition strategically enhances our manufacturing footprint and strengthens our ability to deliver high-quality products required by our customers. It reflects AWG's relentless commitment to vitalizing spaces and building communities while expanding our market presence," said All Weather's Co-CEO, Jillene Lakevold.



Alunet Systems was acquired by Eurocell (LON: ECEL) for approximately \$30.32M on March 7, 2025.

The acquisition advances Eurocell's strategy, significantly strengthening its position in residential aluminium systems and composite doors, and adding garage doors to its product portfolio.

"Alunet Group has always been an agile customer-driven business, which is one of the reasons why our brands have grown so quickly. Becoming a part of Eurocell's market-leading manufacturing and distribution capabilities will provide incredible opportunities for both Alunet Group and Eurocell customers," said Alunet Group's CEO, Steve Hudson.



Paul H. Carleton
Managing Partner

Paul is founder and Managing Partner of Carleton McKenna & Company. He has more than 40 years of experience in corporate and investment banking focusing on mergers and acquisitions and capital raising activities for both private and public corporations. Prior to establishing Carleton McKenna, Paul was founder and Senior Managing Director of Carleton, McCreary, Holmes & Company, which was acquired by KeyCorp. Paul was previously Senior Managing Director and Head of Corporate Finance at the regional investment banking firm of McDonald & Company.

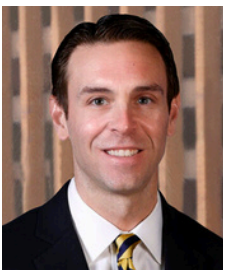
Paul has extensive corporate governance experience serving on corporate boards and not-for-profit boards. He has served on over 15 private company boards and currently sits on the Boards of E & H Family Group, Inc. and Breuer Premium Pet Food, Inc. Paul earned his bachelor's degree from Baldwin Wallace University and his master's in business administration from Northwestern University. He also received an honorary doctorate degree from Baldwin Wallace University.



Christopher J. McKenna
Managing Partner

Christopher McKenna is Managing Partner at Carleton McKenna & Company. Before joining Carleton McKenna, Chris partnered with a private equity firm to buy a Cleveland manufacturing business where he was President and CEO. Previously, Chris was the Director of Financial Analysis with the MacLean-Fogg Company in Chicago where he executed on financial transactions and acquisitions and also managed a business unit.

Chris was an Associate with the investment banking firm of Rodman & Renshaw in New York, where he was involved with private and public transactions to raise equity, subordinated and senior debt. He began his career in commercial banking in New York with Manufacturers Hanover Trust and Security Pacific Business Credit. Chris received his B.A. in Economics from Dartmouth College and his M.B.A. with High Distinction from the University of Michigan Business School.

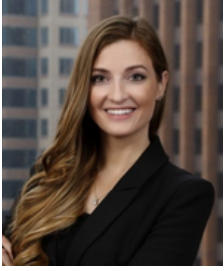


Chuck G. Fenske
Director

Chuck is a Director at Carleton McKenna and is responsible for leading day-to-day transaction execution efforts with a focus on the engineering and construction industry. Chuck has advised on a variety of engagements and transaction types including valuation analyses, buyouts, and strategic M&A.

Prior to joining Carleton McKenna, Mr. Fenske held positions with Pepper Construction, Knoch Construction, Pease Capital, and most recently Houlihan Capital, where he led their Cleveland Office and advised on sell- and buy-side transactions.

Mr. Fenske holds a Master of Business Administration from Case Western Reserve University and a Bachelor of Science in Accounting and Construction Management from The Ohio State University. Mr. Fenske is a Certified Valuation Analyst. As a registered member of FINRA, he currently holds Series 79 and Series 63 certifications.



Nora T. Mahoney
Managing Director

Nora T. Mahoney has experience with securities regulation, corporate governance, commercial litigation and broker dealer registrations. Nora is primarily responsible for the execution of capital raisings and private placement assignments across a variety of industries, as well as M&A advisory for business owners, specifically focused in B2B Services, Manufacturing & Industrials.

Prior to joining Carleton McKenna, Nora worked for Attorney General Mike DeWine and then practiced Commercial Litigation with a national law firm where she was involved in pre-trial practice for securities litigation.

Nora was awarded her Juris Doctor and Masters from Vermont Law School and serves as a Board Member for First Federal of Lakewood and as an executive Board Member for the Union Club of Cleveland. She also serves on the Board of Trustees for Baldwin Wallace University, from which she received her Bachelors in Biology and Sustainability.



Joseph G. Belz III
Associate

Joe is an Associate at Carleton McKenna & Company. Joe works alongside the Carleton McKenna senior management team and is responsible for developing and reviewing transaction materials for M&A and capital raise opportunities, conducting financial and valuation analysis, identifying strategic and financial buyers for clients and facilitating due diligence processes. Joe is also actively involved in building and maintaining client and partner relationships for Carleton McKenna.

Prior to joining Carleton McKenna, Joe was a Senior Associate within BDO USA's Transaction Advisory Services group, where he performed buy-side and sell-side financial due diligence for clients operating in the Manufacturing, Distribution and Business Services industries. In this role, Joe also acted as an advisor during the negotiation process, assisting with working capital discussions and defending quality of earnings adjustments to counterparties. Joe was an auditor at PwC prior to his role with BDO.

Joe received his B.S. in Business Administration with a concentration in Accounting from The Ohio State University and holds an active CPA license in the state of Ohio.



Emily A. Kuznik
Marketing & Communications Manager

Emily is the Marketing & Communications Manager at Carleton McKenna & Company. Her primary responsibilities include researching and developing marketing content and industry reports, enacting website development, maintaining a social media strategy and regulating web-based management services.

Prior to joining Carleton McKenna, Emily worked as a Leadership Development Fellow for Baldwin Wallace University's Carmel Boyer School of Business. As a member of the pilot program, she coordinated a variety of marketing initiatives for both graduate and undergraduate programs including social media and email marketing campaigns, advertising, event planning, and recruiting.

She graduated magna cum laude from Baldwin Wallace University in 2021 where she earned a B.A. in Digital Marketing and again in 2022 with an M.B.A. in Management.

ENDNOTES

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