



PRIVATE EQUITY IN ACTION - CASE STUDY

Permasteelisa



**PERMASTEELISA
GROUP**

Country	Italy
Region	Veneto
Investor	Investindustrial

On the face of it, investing in a business heavily exposed to the international building and construction sector, just as global economies were tanking, was an exceedingly brave move - but this typifies private equity's commercial innovation and ability to swim against the tide.

Investindustrial supported the 1 billion euro revenue Italian engineering business Permasteelisa - which creates curtain walls for some of the world's biggest buildings - at a time when the company needed support for international expansion and operational improvement to head off the ravages of recession. The investment has been an unqualified success, creating jobs, growing revenues and driving a European champion to further its international presence. The company was sold in 2011 and is now owned by Lixil.

>2x

increase in sales in Asia and the Middle East

220

jobs created in Italy during investment



What did the business need?

- Upgrade of management with focus on international expansion
- Focus on operational improvement

How did private equity backing create lasting value?

- Public-to-private transaction took Permasteelisa away from the volatility of public markets
- Modest level of debt - just 1.4x Ebitda - used to fund the acquisition, and fully paid off one year later, giving the business financial stability during uncertain times
- Built management team to bring international expertise and organisational streamlining

The co-operation with Investindustrial has allowed us to implement a successful long-term value creation strategy with a focus on larger and more profitable projects.

NICOLA GRECO
CEO
Permasteelisa

- Recovered profitability at the firm and captured growth opportunities in emerging markets
- Reorganised US operations, introduced new risk management tools, minimised loss-making contracts
- Focused R&D on environmentally energy-saving facades

What outcomes did private equity investment achieve?

- More than doubled sales from the fast-growing regions of Asia & Middle East (39% of total sales)
- Ebitda margin doubled from 4.1% in 2007 to 8.0% at the end of 2010
- During ownership period, the number of employees grew by 26%
- Created 220 jobs in Italy, despite representing less than 5% of Permasteelisa's overall sales
- Realised a return of 3x investors' money

More information

[Permasteelisa](#)

[Investindustrial](#)

