



KKR and C.H.I. Employees Prove ‘Ownership Works’ With Sale of C.H.I. Overhead Doors to Nucor

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KKR and its Investors Earn 10x Return

All Employees Earn Significant Payouts From Equity

NEW YORK & ARTHUR, Ill.--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced the signing of an agreement to sell C.H.I. Overhead Doors (“C.H.I.” or “the Company”), a leader in the garage door industry, to Nucor Corporation in a transaction valued at \$3.0 billion. The sale will represent one of KKR’s largest returns in recent history, at 10 times the original equity invested, inclusive of distributions. All C.H.I. employees will receive a substantial cash payout on their equity in the Company.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20220516005324/en/>



C.H.I. CEO Dave Bangert gifts KKR’s Pete Stavros with chicken as a thank you to KKR on behalf of all C.H.I. employees (Photo: Business Wire)

Since 2015, KKR oversaw a dramatic operational transformation of the business. On an organic basis, EBITDA increased almost 4-fold. C.H.I.’s EBITDA margin steadily improved over a seven-year period, ultimately increasing by more than 1,400 basis points from 21% to well over 30%. Revenue grew by nearly 120% organically, enabled by investments in the existing manufacturing facility in Illinois and the construction of a second plant in Indiana. Operating improvements covered nearly all aspects of the business ranging from procurement and scrap reduction to labor productivity and net working capital optimization.

KKR focuses on employee ownership and engagement as a key driver in building stronger companies and driving greater financial inclusion. Upon KKR’s acquisition of C.H.I., all 800 employees – from those who work in the factory to those who drive trucks to those who work in the corporate office – were made owners in the business. This was a free, incremental benefit for anyone earning less than \$100,000 and was not in exchange for benefits, wages or wage increases (wages increased 12.5% in 2021 and 7% in 2020).

The return on this ownership to employees was substantial due to the exceptional performance of the business. At exit, in addition to approximately \$9,000 in dividends received since 2015, hourly employees and truck drivers will receive, on average, approximately \$175,000 as a payout on their equity – with the most tenured employees earning substantially more. As part of the overall package, all 800 colleagues will receive 12 months of pre-paid personal financial coaching and tax preparation services through Goldman Sachs Ayco Personal Financial Management and Ernst & Young.

“C.H.I. is a powerful testament that creating a culture of ownership works,” said Pete Stavros, Co-Head of Americas Private Equity at KKR and Founder of the nonprofit [Ownership Works](#). “We have seen first-hand the impact that the ownership mindset can have on individual owners and the business. When you invest in employees, positive results will

follow. Thank you to every single person on the C.H.I. team and everyone who has been part of our journey. Together, we have exceeded our goals, delivered for C.H.I. customers and supported each other and our community. We are incredibly proud of our work together and the end result for all C.H.I. shareholders, including KKR’s limited partners in North America Fund XI.”

In addition to making everyone an owner, KKR and C.H.I. invested in the workforce by giving them a voice on ways to improve working conditions. These investments were directed by colleagues in the factory and included air conditioning the manufacturing plant, adding new break rooms, building a new cafeteria with healthier food options and putting up an on-site health clinic. Safety also improved substantially. Both the rate and severity of injuries declined by more than 50% since 2015. During the course of the past seven years, employees were also provided with functional training and personal financial coaching programs.

Mr. Stavros continued: “As we considered the company’s next chapter, it was of the utmost importance to not only find a strategic partner who could further build on C.H.I.’s strong performance and growth, but also one who would continue to prioritize the backbone of the business – its workforce. We were approached many times over the years by many prospective acquirers but Nucor was without question the right home for the business. By joining forces with Nucor, C.H.I. will continue to be part of an employee-centric organization that not only shares its growth ambitions but also provides all employees an opportunity to share in its success.”

With Nucor’s acquisition, C.H.I.’s leadership team, led by CEO Dave Bangert, is expected to remain in place and continue to run the business under the C.H.I name.

“We can’t thank our strategic partners at KKR enough for believing in us at C.H.I., providing a life-changing experience for us all and driving a movement not only across the industry, but across the country,” said C.H.I. CEO Dave Bangert. “Looking ahead, we’re excited to come together with Nucor who shares our cultural values and wants to keep building with us.”

The transaction, which is subject to customary regulatory approvals, is expected to close late in Q2 2022 or early in Q3 2022.

Since 2011, KKR has implemented broad-based employee ownership and alignment programs throughout its portfolio, first throughout KKR’s U.S. Industrials private equity investments and more recently expanding across sectors. To date, KKR has awarded billions of total equity value to over 45,000 non-senior employees across over 25 companies, and has committed to deploying this model in all control investments across its entire Americas Private Equity platform. In April 2022, KKR joined more than 60 organizations in becoming a founding partner of [Ownership Works](#), a nonprofit created to support public and private companies transitioning to shared ownership models.

KKR and C.H.I. were advised by Goldman Sachs as lead financial and M&A advisor, UBS as M&A co-advisor, and Kirkland and Ellis as legal advisor on the transaction.

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR’s insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR’s investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR’s website at www.kkr.com and on Twitter [@KKR_Co](https://twitter.com/KKR_Co).

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