



Company:	Compression Polymers Group
Location:	Scranton, PA
Sector:	Manufacturing
Investment Date:	March 2001
Exit Date:	May 2005
Transaction Type:	Leveraged Recapitalization

Company Description: Compression Polymers Group (“CPG”) is a world leader in the manufacture of highly engineered, thick gauge extruded PVC and polyolefin sheet products used primarily as replacements for metal. Through proprietary formulations, efficient manufacturing processes, and state-of-the-art equipment, CPG established itself as the world’s low-cost producer in each of its product lines.

Background: During 2000 Clearview entered into a letter-of-intent to acquire a fabricator of metal toilet partitions with \$6.0 million of EBITDA. Due diligence revealed that plastic partitions were gaining share rapidly and were likely to stunt the future growth of metal, prompting Clearview to drop the acquisition. However, Clearview recognized a possible investment opportunity and engaged an intermediary to contact every partition manufacturer in the country. After visits to each of the major plastic and several of the diversified fabricators, Clearview determined that a plastic partition specialist called Comtec was best positioned among all of the competitors. In addition, Clearview was impressed by the management team and other businesses of Comtec’s parent, Compression Polymers, and sought to acquire the entire business. Crane Group, the majority owner of Compression Polymers, responded favorably to Clearview’s approach and entered into exclusive negotiations with Clearview resulting in a successful acquisition. Crane Group subsequently became a major investor with Clearview in each of its subsequent funds.

Post-Acquisition Initiatives:

Management Augmentation

- Recruited the company’s first professional CFO.
- Hired a building products executive to spearhead the development of the AZEK® growth strategy.

Operational Improvements

- By restructuring management and making customer service a priority in the Comtec Division, the company was able to reduce production errors substantially, reduce customer complaints, and improve the overall level of customer service.

Organic Growth

- Changed the name of the Trimtec wood substitute trim product to AZEK® and instituted a heavy branding effort.
- Developed the company’s first direct sales force of 25 individuals.
- Implemented a comprehensive AZEK® growth strategy that resulted in sales for the product line increasing from \$6 million in 2000 to more than \$80 million at exit in May 2005.
- Heavy investments in capital expenditures allowed the company to more than double productive capacity and create a clear growth path for AZEK® and Comtec.

Acquisition Growth

- Acquired Capitol Partitions, the industry’s number three player, which combined with strong organic growth, resulted in market share of nearly 60%.

Tracking Critical Metrics

- Built the company’s first comprehensive division by division tracking model to track critical factors including line speeds, labor utilization, raw material costs and scrap rates.

Operating Results: As a result of the initiatives outline above, revenue and EBITDA increased 90% and 66%, respectively, during Clearview’s ownership.

Outcome: With continued participation from many members of the management team, the company was sold to an equity group led by AEA Investors in 2005.

CPG Board Members:

James Andersen, Managing Partner & Founder.....jandersen@clearviewcap.com
 Calvin Neider, Managing Partner & Founder.....cneider@clearviewcap.com