

Blue Wolf Capital Announces Sale of Novo Building Products

June 23, 2021, NEW YORK – Blue Wolf Capital Partners (“Blue Wolf”), a New York-based private equity firm, today announced that it has entered into a definitive agreement to sell Novo Building Products LLC (“Novo”) to Hardwoods Distribution Inc. (TSX:HDI) (“HDI”), one of North America’s largest distributors of architectural grade building products to the residential, repair and remodel, and commercial construction industries.

Headquartered in Zeeland, MI, Novo is an industry leading manufacturer and value-added distributor of mouldings, millwork, stair parts and other specialty building products to national home retail centers and building material dealers throughout the United States and parts of Canada and Mexico.

Blue Wolf acquired Novo in 2016 from Tenon Limited, a New Zealand-based public company, and has since worked with the Novo team to execute on a value creation plan focused on achieving operational efficiencies and diversifying the company’s customer base and product portfolio through organic growth and M&A. In 2019, George Judd, a Strategic Advisor to Blue Wolf with a successful track record as a building products industry executive, was appointed CEO of Novo. His leadership greatly accelerated the value creation plan and has positioned Novo for long-term growth.

“This transaction represents an outstanding outcome for Blue Wolf and our LPs, as well as for Novo and its stakeholders, including its employees,” said Adam Blumenthal, Managing Partner of Blue Wolf. “Our experience with Novo demonstrates the value that Blue Wolf brings in transaction execution and as an owner. Our investment involved a highly complex carve-out from a publicly traded, international corporation. Over the course of the last five years, we leveraged our experience in the building products sector and effectively utilized our operating resources to advance the company’s position as an industry leader. I want to thank the entire Novo management team and the company’s more than 1,400 employees for their immense contributions in these efforts. We look forward to following Novo in its next phase of growth as it joins forces with HDI.”

“Under George’s leadership, the Novo management team executed a set of strategic initiatives that expanded the company’s footprint, diversified its product offering and improved its operational performance, creating a substantially larger, more diversified and more efficient enterprise,” added James Shovlin, Vice President of Blue Wolf.

Mr. Judd said, “Today marks an exciting day for Novo, and underscores the great progress we have made in partnership with Blue Wolf to significantly improve the company’s operational and financial performance and build upon its leadership position in the specialty building products sector. I am confident that HDI is the ideal long-term owner for Novo and expect that our employees will benefit from new opportunities as part of HDI’s larger platform. In addition, I am optimistic about the growth opportunities that lie ahead for Novo and HDI. Our complementary portfolio of product offerings will deliver significant value to our customers and other stakeholders.”

Transaction Details

The transaction is expected to close in late July or early August 2021, subject to completion of all necessary regulatory approvals and satisfaction of all closing conditions under the definitive agreement.

Rothschild & Co is serving as financial advisor and Holland & Knight is serving as legal advisor to Blue Wolf in connection with this transaction.

About Blue Wolf Capital Partners

Blue Wolf Capital Partners LLC is a private equity firm that specializes in control investments in middle market companies. Leading by experience, and with a commitment to excellence, Blue Wolf transforms companies strategically, operationally and collaboratively. Blue Wolf manages challenging situations and complex relationships between business, customers, employees, unions, and regulators to build value for stakeholders. For additional information, please visit www.bluewolfcapital.com.

About Novo Building Products

Novo Building Products is a value-added distributor and manufacturer of specialty building products. Novo supplies mouldings, stair parts, doors, and other specialty millwork products to customers throughout the United States and in parts of Canada and Mexico. Novo operates out of 14 facilities, primarily in the Eastern and Midwestern U.S., Florida and Texas. The company's divisions include Empire Moulding & Millwork, Southwest Moulding & Millwork, Ornamental Decorative Millwork, LJ Smith Stair Systems and Novo Direct.

Contacts

Jenny Zhu
jenny@bluewolfcapital.com
212.488.3686

Joele Frank, Wilkinson Brimmer Katcher
Steve Frankel / Ed Trissel / Arielle Rothstein
212.355.4449