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CAPITAL

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Industry Observations – June 30, 2020

## Building Products Industry

## Select Building Products Public Company Industry Data As of June 30, 2020

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 06/30/20	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2020 Revenue Estimate	CY 2020 EBITDA Estimate
Lumber, Millwork, Plywood and Structural Wood											
American Woodmark Corporation	AMWD	\$75.65	64.3%	\$1,281.71	\$1,864.68	51.0%	\$1,622.81	\$1,650.33	\$222.56	\$1,517.58	\$187.10
Fortune Brands Home & Security, Inc.	FBHS	\$63.93	87.2%	\$8,818.95	\$11,749.43	52.1%	\$6,300.10	\$5,839.40	\$925.20	\$5,419.35	\$806.11
Trex Company, Inc.	TREX	\$130.07	97.9%	\$7,524.97	\$7,771.65	13.1%	\$630.86	\$766.17	\$218.22	\$765.36	\$223.79
Builders FirstSource, Inc.	BLDR	\$20.70	72.8%	\$2,413.84	\$4,292.76	69.1%	\$3,561.36	\$7,436.15	\$487.22	\$7,262.16	\$428.47
UFP Industries, Inc.	UFPI	\$49.51	85.2%	\$3,025.18	\$3,342.49	16.1%	\$1,882.98	\$4,432.95	\$324.44	\$4,187.24	\$287.63
Refrigeration and Heating Equipment											
AAON, Inc.	AAON	\$54.29	90.5%	\$2,824.79	\$2,978.55	0.5%	\$395.62	\$492.99	\$107.38	\$517.79	\$125.42
Lennox International Inc.	LII	\$232.99	78.1%	\$8,911.22	\$11,239.75	117.1%	\$2,124.30	\$3,582.90	\$508.20	\$3,445.93	\$529.55
Masco Corporation	MAS	\$50.21	99.5%	\$13,243.16	\$16,565.41	106.0%	\$4,840.00	\$6,775.00	\$1,253.00	\$6,550.44	\$1,199.42
A. O. Smith Corporation	AOS	\$47.12	89.4%	\$7,592.93	\$8,067.33	19.5%	\$2,983.00	\$2,881.40	\$495.50	\$2,736.75	\$461.74
Roofing, Siding and Insulation											
Owens Corning	OC	\$55.76	81.1%	\$6,013.23	\$9,770.14	49.9%	\$9,151.00	\$7,094.00	\$1,234.00	\$6,440.51	\$1,014.07
Armstrong World Industries, Inc.	AWI	\$77.96	69.9%	\$3,728.90	\$4,384.92	68.0%	\$1,590.30	\$1,044.70	-\$42.40	\$959.40	\$364.39
Cornerstone Building Brands, Inc.	USG	\$6.06	61.9%	\$764.48	\$4,249.85	92.0%	\$5,392.43	\$4,938.73	\$587.60	N/A	N/A
Windows and Doors											
Griffon Corporation	GFF	\$18.52	72.6%	\$818.69	\$2,180.28	74.4%	\$2,318.75	\$2,263.92	\$211.00	\$2,164.98	\$187.65
PGT Innovations, Inc.	PGTI	\$15.68	84.8%	\$923.96	\$1,360.75	51.0%	\$1,025.63	\$791.42	\$128.66	\$806.29	\$131.17
Masonite International Corporation	DOOR	\$77.78	87.2%	\$1,901.67	\$2,848.04	60.8%	\$1,878.05	\$2,197.60	\$275.83	\$2,039.12	\$303.18
Quanex Building Products Corporation	NX	\$13.88	68.0%	\$452.62	\$650.84	45.7%	\$712.89	\$862.90	\$103.18	\$778.19	\$77.46
Building Products - Other											
Gibraltar Industries, Inc.	ROCK	\$48.01	84.9%	\$1,555.95	\$1,610.00	3.6%	\$984.52	\$1,069.46	\$126.31	\$1,100.95	\$127.38
Insteel Industries, Inc.	IIIN	\$19.07	71.7%	\$367.30	\$321.49	0.7%	\$336.69	\$447.79	\$26.31	\$443.47	\$37.74
Simpson Manufacturing Co., Inc.	SSD	\$84.36	88.2%	\$3,666.62	\$3,717.03	18.0%	\$1,198.25	\$1,160.96	\$232.56	\$1,051.37	\$193.91

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

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## Select Building Products Public Company Valuation Metrics As of June 30, 2020

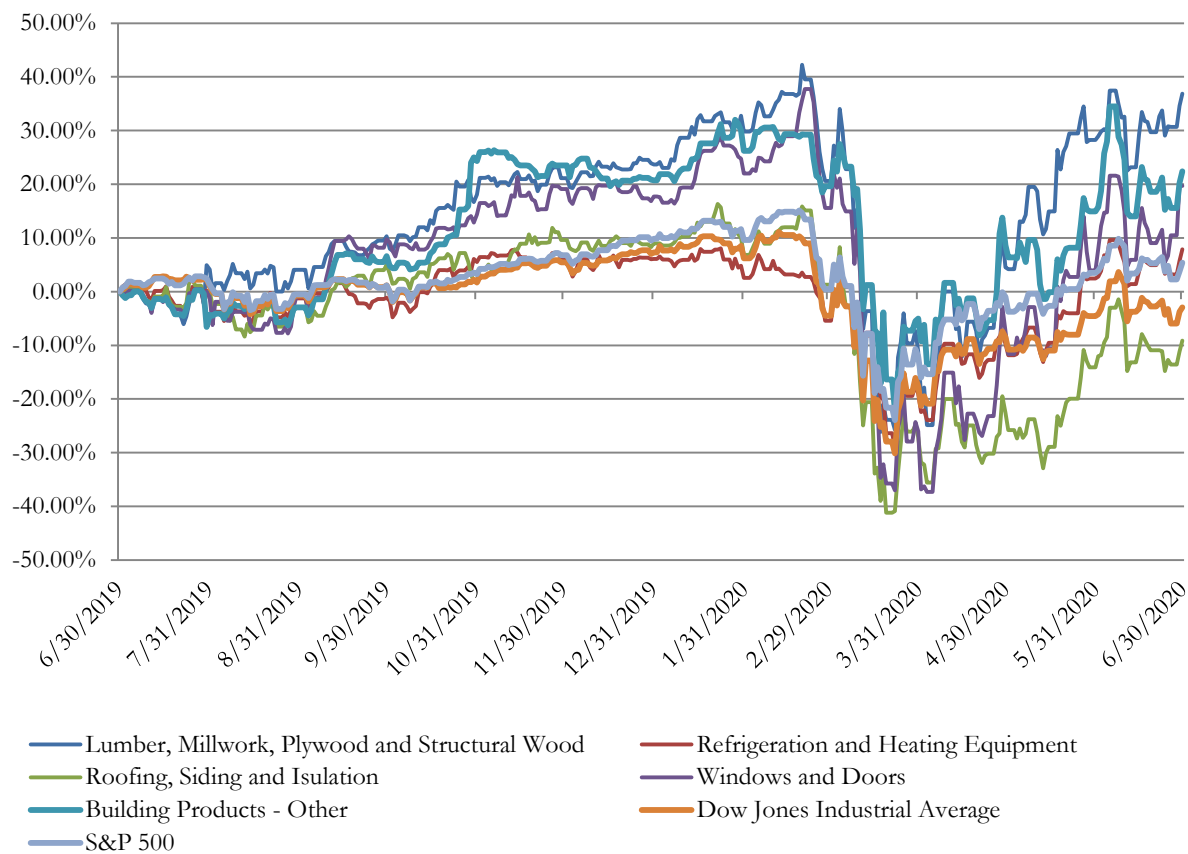
(USD in millions, except per share data)

		LTM Operating Statistics						Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2020 Revenue	TEV/ LTM EBITDA	TEV/ CY 2020 EBITDA
Company Name	Ticker										
Lumber, Millwork, Plywood and Structural Wood											
American Woodmark Corporation	AMWD	5.2%	11.3%	6.0%	0.3%	-4.0%	13.5%	1.1x	1.2x	8.4x	10.0x
Fortune Brands Home & Security, Inc.	FBHS	7.7%	19.8%	9.8%	5.1%	6.7%	15.8%	2.0x	2.2x	12.7x	14.6x
Trex Company, Inc.	TREX	21.9%	38.2%	26.5%	10.6%	19.1%	28.5%	10.1x	10.2x	35.6x	34.7x
Builders FirstSource, Inc.	BLDR	7.1%	26.6%	9.2%	-2.9%	0.0%	6.6%	0.6x	0.6x	8.8x	10.0x
UFP Industries, Inc.	UFPI	8.7%	15.5%	10.7%	-1.7%	17.9%	7.3%	0.8x	0.8x	10.3x	11.6x
	Mean	10.1%	22.3%	12.4%	2.3%	7.9%	14.3%	2.9x	3.0x	15.2x	16.2x
	Median	7.7%	19.8%	9.8%	0.3%	6.7%	13.5%	1.1x	1.2x	10.3x	11.6x
Refrigeration and Heating Equipment											
AAON, Inc.	AAON	14.8%	23.6%	18.6%	9.9%	31.1%	21.8%	6.0x	5.8x	27.7x	23.7x
Lennox International Inc.	LII	12.2%	N/A	19.7%	-4.8%	-4.5%	14.2%	3.1x	3.3x	22.1x	21.2x
Masco Corporation	MAS	13.1%	N/A	22.3%	8.5%	3.0%	18.5%	2.4x	2.5x	13.2x	13.8x
A. O. Smith Corporation	AOS	8.5%	19.8%	12.7%	-8.5%	-17.9%	17.2%	2.8x	2.9x	16.3x	17.5x
	Mean	12.1%	21.7%	18.3%	1.3%	2.9%	17.9%	3.6x	3.6x	19.8x	19.1x
	Median	13.1%	21.7%	19.1%	1.8%	-0.8%	17.8%	3.0x	3.1x	19.2x	19.3x
Roofing, Siding and Isulation											
Owens Corning	OC	5.0%	-14.2%	6.4%	0.9%	0.0%	17.4%	1.4x	1.5x	7.9x	9.6x
Armstrong World Industries, Inc.	AWI	-4.2%	-5.1%	-6.4%	5.5%	N/A	-4.1%	4.2x	4.6x	N/A	12.0x
	Mean	0.4%	-9.7%	0.0%	3.2%	0.0%	6.7%	2.8x	3.0x	7.9x	10.8x
	Median	0.4%	-9.7%	0.0%	3.2%	0.0%	6.7%	2.8x	3.0x	7.9x	10.8x
Windows and Doors											
Griffon Corporation	GFF	4.2%	8.8%	5.2%	6.7%	14.7%	9.3%	1.0x	1.0x	10.3x	11.6x
PGT Innovations, Inc.	PGTI	6.2%	12.1%	7.0%	8.1%	3.9%	16.3%	1.7x	1.7x	10.6x	10.4x
Masonite International Corporation	DOOR	6.0%	12.4%	7.3%	0.7%	5.8%	12.6%	1.3x	1.4x	10.3x	9.4x
Quanex Building Products Corporation	NX	4.7%	-4.0%	5.7%	-4.0%	16.4%	12.0%	0.8x	0.8x	6.3x	8.4x
	Mean	5.3%	7.4%	6.3%	2.9%	10.2%	12.5%	1.2x	1.2x	9.4x	9.9x
	Median	5.4%	10.5%	6.3%	3.7%	10.3%	12.3%	1.1x	1.2x	10.3x	9.9x
Building Products - Other											
Gibraltar Industries, Inc.	ROCK	7.2%	11.0%	9.9%	5.4%	7.1%	11.8%	1.5x	1.5x	12.7x	12.6x
Insteel Industries, Inc.	IIIN	2.4%	3.9%	3.0%	-3.4%	-18.4%	5.9%	0.7x	0.7x	12.2x	8.5x
Simpson Manufacturing Co., Inc.	SSD	10.9%	17.7%	12.8%	6.2%	10.3%	20.0%	3.2x	3.5x	16.0x	19.2x
	Mean	6.8%	10.9%	8.6%	2.7%	-0.3%	12.6%	1.8x	1.9x	13.6x	13.4x
	Median	7.2%	11.0%	9.9%	5.4%	7.1%	11.8%	1.5x	1.5x	12.7x	12.6x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

## Building Products Public Company LTM Equity Performance As of June 30, 2020



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

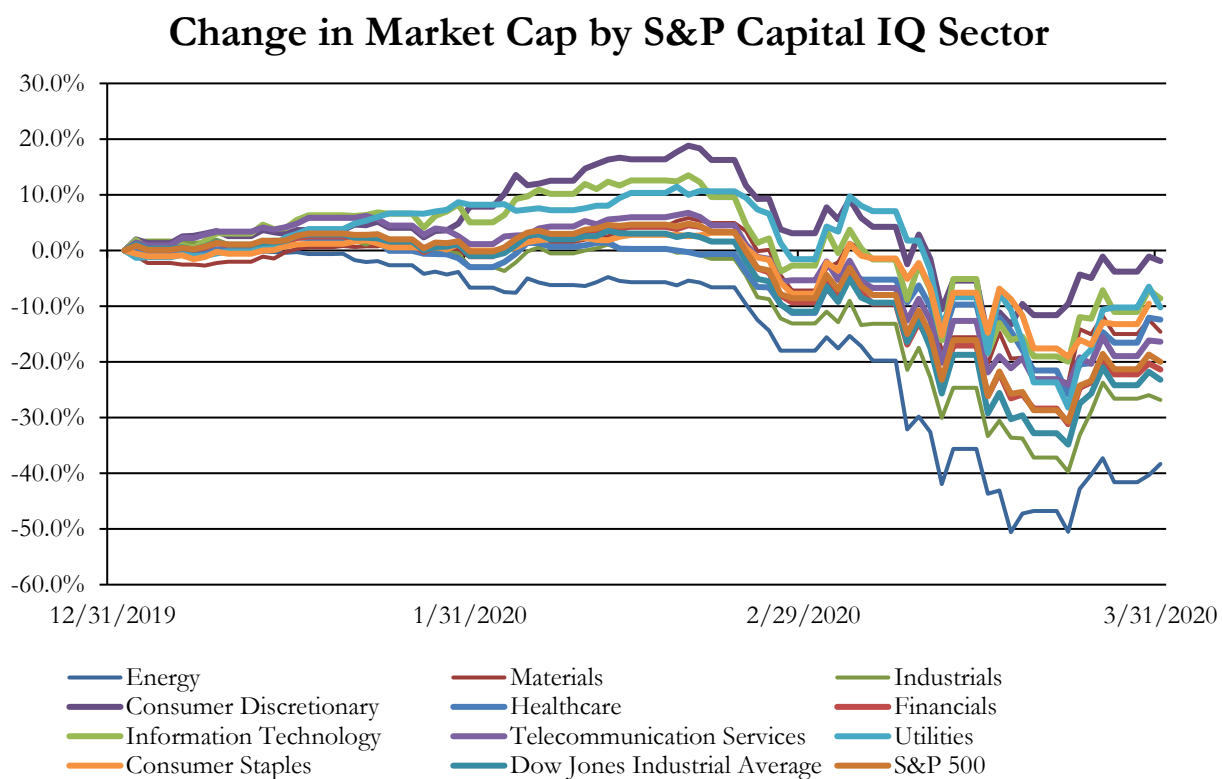
## Recent M&A Activity in the Building Products Industry YTD as of June 30, 2020

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
2/3/2020	Continental Building Products, Inc.	CertainTeed Gypsum & Ceiling USA, Inc.	Building Products	\$1,437.76
11/6/2019	Milgard Manufacturing Incorporated	MI Windows and Doors, LLC	Building Products	\$725.00
3/6/2020	Kosmos Cement Plant and Related Assets of Kosmos Cement	Eagle Materials Inc.	Construction Materials	\$665.00
1/6/2020	Cherry Industries, Inc.	Arcosa, Inc.	Construction Materials	\$284.10
2/24/2020	Coram Materials Inc.	U.S. Concrete, Inc.	Construction Materials	\$142.00
4/17/2020	Western Aggregates LLC/Mathews Readymix LLC	Teichert, Inc.; Hammonton Farms, LLC	Construction Materials	\$93.50
1/31/2020	Geneva Pipe, Inc.	Northwest Pipe Company	Construction Materials	\$49.40
2/10/2020	Substantially all assets of Redland Brick Inc.	Glen-Gery Corporation	Construction Materials	\$48.00
3/2/2020	Kleary Masonry, Inc.	Cornerstone Building Brands, Inc.	Construction Materials	\$40.00
6/2/2020	Substantially All Assets Of Phase I And Phase II Operations In	Saint-Gobain ADFORS America, Inc.	Construction Materials	\$17.50
3/23/2020	Two Hot-Mix Asphalt Plants Located In Pensacola And Defuniak	Construction Partners, Inc.	Construction Materials	\$12.40
2/29/2020	Royals Commercial Services, Inc.	Installed Building Products, Inc.	Building Products	\$10.09
1/28/2020	Missouri Refractories Co., Inc.	RHI Magnesita N.V.	Construction Materials	\$9.80
2/24/2020	Hunter Insulation, Inc.	TopBuild Corp.	Building Products	\$9.10
2/5/2020	Two Specialty Building Products Branches of Insulation Distributors,	Foundation Building Materials, Inc.	Building Products	\$8.60
12/20/2019	The Delaney Co.	Sargent and Greenleaf, Inc.	Building Products	N/A
6/26/2020	The Quapaw Company	Dolese Bros. Co., Inc.	Construction Materials	N/A
5/9/2020	Business segments and brands of LDR Global Industries, LLC	Homewerks Worldwide, LLC	Building Products	N/A
3/4/2020	Sealcoating Supplies	GemSeal, Inc.	Construction Materials	N/A
4/1/2020	Window Design Center, LLC	Zuern Building Products, Inc.	Building Products	N/A
6/9/2020	Greenplay Organics, LLC	Sprinturf, LLC	Building Products	N/A
10/8/2019	Prefinishing Assets Located at Granite City, Illinois and Prefinish	Louisiana-Pacific Corporation	Building Products	N/A
11/20/2019	C-Thru Sunrooms	Latium USA Trading, Inc.	Building Products	N/A
4/21/2020	Bowman Ready Mix Inc.	Dickinson Ready Mix Co. & Concrete Products	Construction Materials	N/A
7/31/2019	All Manufacturing Assets in the U.S. of Molding Acquisition Corp.	Tank Holdings Corp.	Building Products	N/A
6/30/2020	Majestic Kitchen & Bath Creations Inc.	N/A	Building Products	N/A
6/22/2020	ProbePoints Business Assets of Jmicro Technology Inc.	Modelithics, Inc.	Building Products	N/A
5/31/2020	Consolidated Glass Holdings, Inc.	Czech Asset Management, L.P.	Construction Materials	N/A
4/17/2020	AmesburyTruth Division of Functional Fenestration, Inc.	Pierangeli Group, Inc.	Building Products	N/A
4/1/2020	Precision Abrasives Corporation	Gioia Capital	Building Products	N/A
3/2/2020	US MIX Co.	Oldeastle APG, Inc.	Construction Materials	N/A
2/18/2020	Assets of Semco Windows and Doors	Sierra Pacific Windows, Inc.	Building Products	N/A
2/14/2020	Assets of Oldeastle Infrastructure Spokane	Knife River Corporation	Construction Materials	N/A
2/10/2020	Triangle Brass Mfg. Co. Inc.	N/A	Building Products	N/A
1/31/2020	Bella Pietra Design	N/A	Construction Materials	N/A
1/28/2020	All Assets of Just Manufacturing Company Inc.	Zurn Industries, LLC	Building Products	N/A
1/17/2020	Amerimax Windows & Doors	Cascade Windows, Inc.	Building Products	N/A
1/15/2020	Carstin Brands, Inc.	The Wolf Organization, LLC	Construction Materials	N/A
1/8/2020	ECP Safe-Way Door, LLC	Brixey & Meyer Capital; BMC Growth Fund II	Building Products	N/A
1/7/2020	A.L. Smith Glass Company, Inc.	American Insulated Glass, LLC	Building Products	N/A
1/2/2020	JSL Materials Inc.	Peckham Industries, Inc.	Construction Materials	N/A
12/31/2019	Concrete Business of Continental Materials Corporation	N/A	Construction Materials	N/A
12/31/2019	Two Asphalt Plants of Hamm, Inc.	Superior Bowen Asphalt Company, L.L.C.	Construction Materials	N/A
12/30/2019	Assets of Northwestern Industries	Glasswerks, Inc.	Building Products	N/A
12/27/2019	Quality Acrylic Baths, Inc.	Royal Baths Manufacturing Company	Building Products	N/A
12/23/2019	Topline Counters, LLC	Patrick Industries, Inc.	Construction Materials	N/A
12/19/2019	AVO Fence & Supply, Inc.	N/A	Building Products	N/A
12/17/2019	Swisstrax Corporation	The Recreational Group LLC	Building Products	N/A
12/17/2019	Speedway Tile	The Recreational Group LLC	Building Products	N/A
12/11/2019	TrueCore, LLC	Nucor Corporation	Building Products	N/A
12/2/2019	Builders' Hardware and Specialty Company, Inc.	The Cook & Boardman Group, LLC	Building Products	N/A
11/27/2019	Ascension Ready Mix, Inc.	Quality Concrete Group LLC	Construction Materials	N/A
11/25/2019	Built Strong Exteriors LLC	Restoration Builders Inc.	Building Products	N/A
11/20/2019	Specified Fittings, Inc.	The Harrington Corporation	Building Products	N/A
11/6/2019	Any Old Stone, LLC	Construction Resources, Inc.	Construction Materials	N/A
11/5/2019	Certain Assets of The Keeney Manufacturing Company	Oatey Company, Inc.	Building Products	N/A
11/4/2019	Silver-Line Plastics Corporation	IPEX USA LLC	Building Products	N/A
10/31/2019	Foster Lumber Yard, Inc.	Central Valley Builders Supply, Inc.	Building Products	N/A
10/28/2019	Substantially all of the Assets of Pacific Mutual Door Company Inc.	Hardwoods Distribution Inc.	Building Products	N/A
10/11/2019	AZZ Coatings LLC	TGM Coatings, LLC	Building Products	N/A
8/14/2019	Carolina Counter's, Inc.	Majestic Kitchen & Bath Creations Inc.	Building Products	N/A
7/1/2019	Shaw Alloy Piping Products, LLC	N/A	Building Products	N/A

Source: Capital IQ

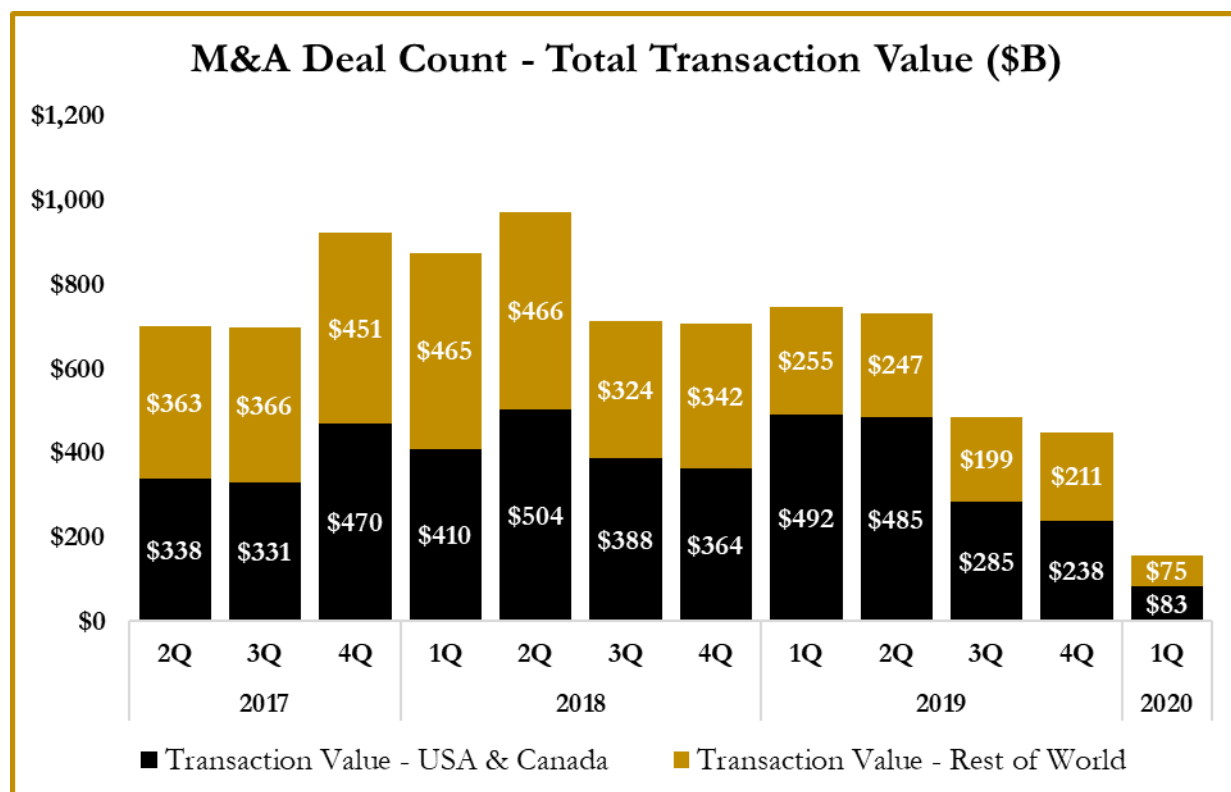
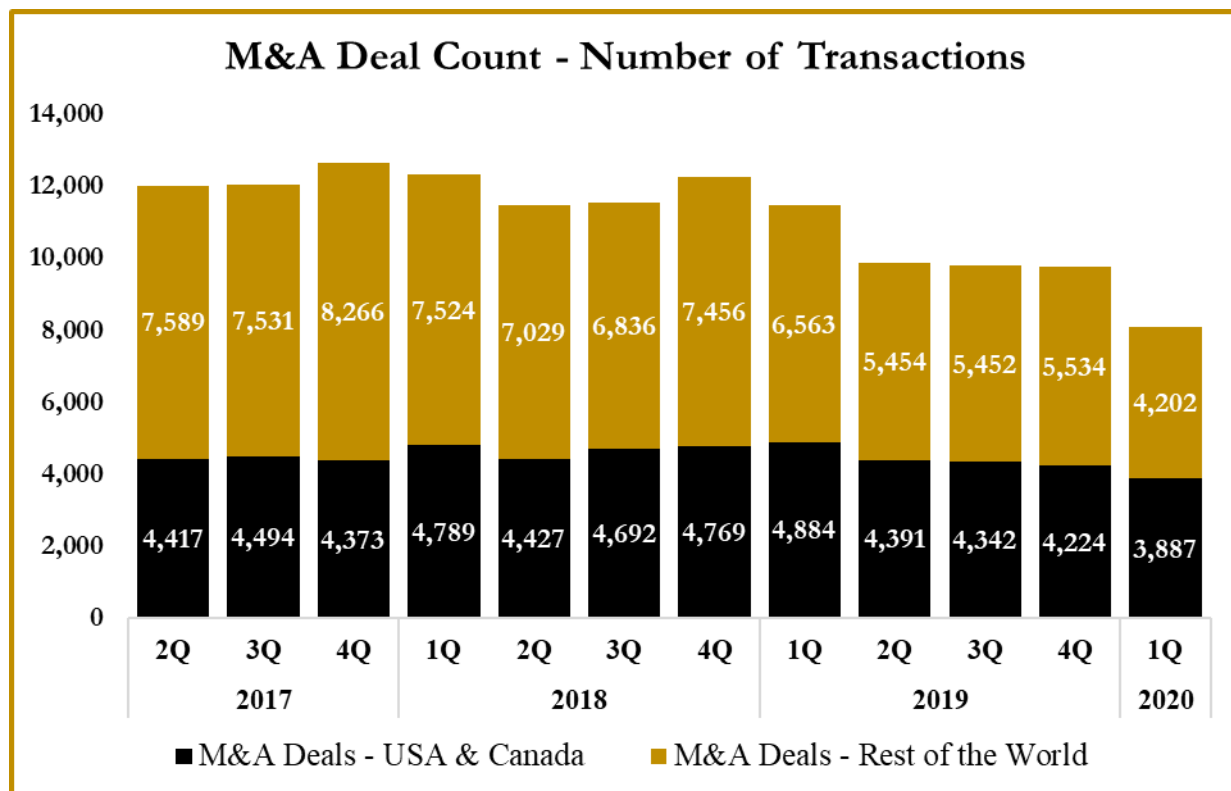
## S&P Capital IQ - Sector Last 3 Month Equity Performance As of June 30, 2020



Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

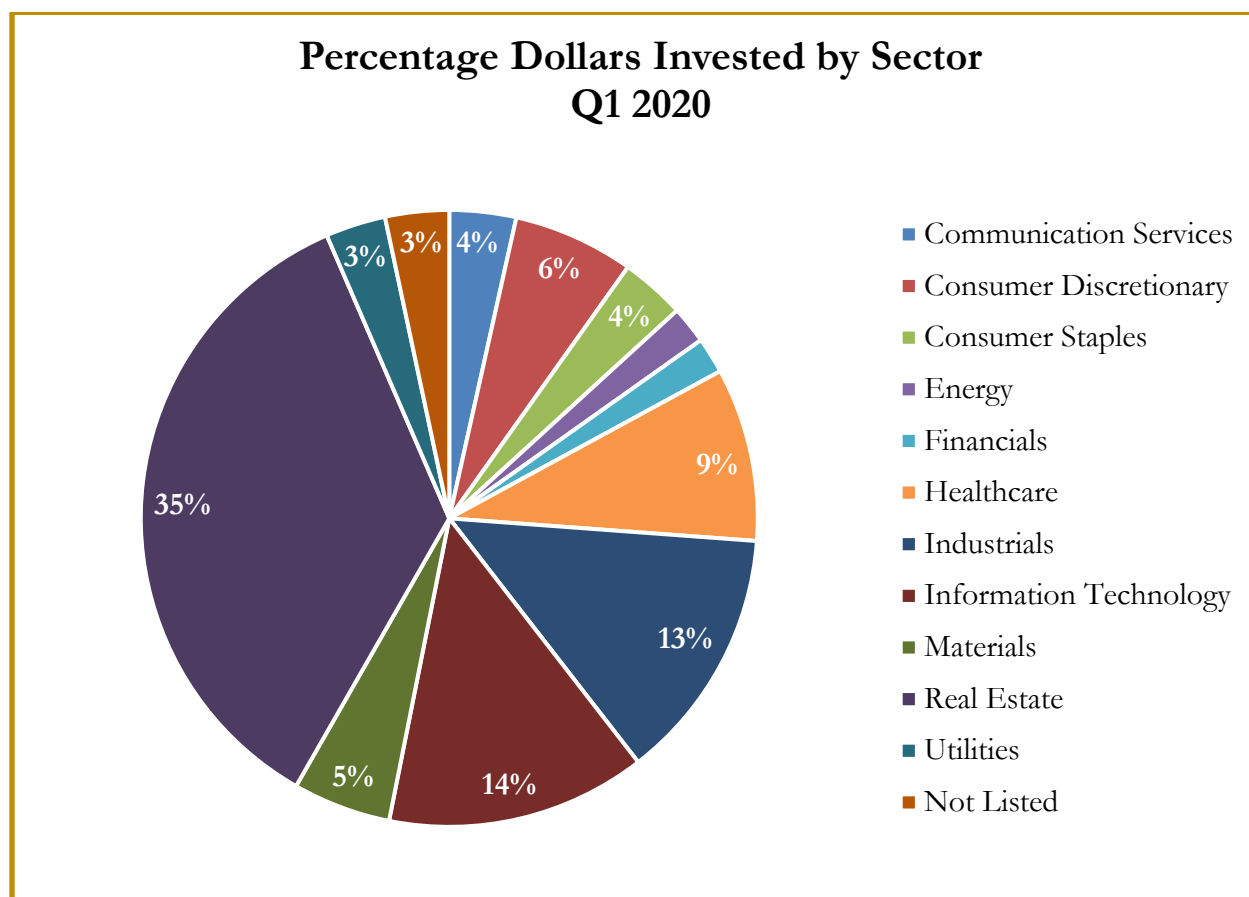
## M&A Deal Flow Statistics by S&P Capital IQ Sector

As of June 30, 2020





M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of June 30, 2020







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