



Industry Update
Building Products
Q3 2020

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Financial Performance

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 09/30/20	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2020 Est. Revenue	2020 Est. EBITDA
Lumber, Millwork, Plywood and Structural Wood									
Fortune Brands Home & Security, Inc.	FBHS	\$86.52	99.0%	\$14,144	\$6,519	\$5,901	\$961	\$6,044	\$997
Trex Company, Inc.	TREX	\$71.60	91.4%	\$8,973	\$718	\$817	\$237	\$868	\$254
Builders FirstSource, Inc.	BLDR	\$32.62	97.5%	\$5,594	\$4,015	\$7,792	\$521	\$8,468	\$643
UFP Industries, Inc.	UFPI	\$56.51	88.0%	\$3,345	\$2,351	\$4,758	\$381	\$4,925	\$392
American Woodmark Corporation	AMWD	\$78.54	66.7%	\$2,173	\$1,667	\$1,613	\$210	\$1,656	\$226
Refrigeration and Heating Equipment									
Lennox International Inc.	LII	\$272.61	94.0%	\$12,796	\$1,981	\$3,605	\$526	\$3,586	\$561
A. O. Smith Corporation	AOS	\$52.80	97.0%	\$8,327	\$2,971	\$2,812	\$486	\$2,811	\$509
AAON, Inc.	AAON	\$60.25	98.4%	\$3,153	\$440	\$520	\$125	\$494	\$115
Roofing, Siding and Isulation									
Owens Corning	OC	\$68.81	97.5%	\$10,313	\$9,398	\$6,822	\$1,268	\$6,885	\$1,250
Armstrong World Industries, Inc.	AWI	\$68.81	61.7%	\$3,575	\$1,634	\$945	\$285	\$929	\$327
Windows and Doors									
Masonite International Corporation	DOOR	\$98.40	98.4%	\$2,859	\$2,027	\$2,170	\$317	\$2,203	\$360
Griffon Corporation	GFF	\$19.54	71.0%	\$2,561	\$2,310	\$2,321	\$227	\$2,372	\$237
PGT Innovations, Inc.	PGTI	\$17.52	87.2%	\$1,403	\$1,041	\$796	\$125	\$884	\$146
Quanex Building Products Corporation	NX	\$18.44	90.3%	\$798	\$687	\$837	\$100	\$836	\$99

Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 09/30/20	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2020 Est. Revenue	2020 Est. EBITDA
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	\$97.16	93.1%	\$3,878	\$1,278	\$1,237	\$283	\$1,250	\$296
Gibraltar Industries, Inc.	ROCK	\$65.14	93.5%	\$1,830	\$1,102	\$1,123	\$145	\$1,147	\$153
Insteel Industries, Inc.	IIN	\$18.70	70.3%	\$375	\$337	\$448	\$26	\$478	\$48

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Valuation Metrics

Return Profile, Trading Multiples

Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Lumber, Millwork, Plywood and Structural Wood									
Fortune Brands Home & Security, Inc.	FBHS	7.9%	19.9%	3.3%	16.3%	8.3%	1.8x	2.4x	14.7x
Trex Company, Inc.	TREX	21.5%	34.7%	13.4%	29.0%	26.4%	1.6x	11.0x	37.8x
Builders FirstSource, Inc.	BLDR	6.9%	24.1%	6.3%	6.7%	3.2%	2.7x	0.7x	10.7x
UFP Industries, Inc.	UFPI	9.2%	17.2%	8.0%	8.0%	25.1%	1.5x	0.7x	8.8x
American Woodmark Corporation	AMWD	4.5%	9.4%	-1.9%	13.0%	-10.5%	2.4x	0.7x	N/A
	Mean	10.0%	21.1%	5.8%	14.6%	10.5%	2.0x	3.1x	18.0x
	Median	7.9%	19.9%	6.3%	13.0%	8.3%	1.8x	0.7x	12.7x
Refrigeration and Heating Equipment									
Lennox International Inc.	LII	13.5%	N/A	-4.3%	14.6%	-2.7%	0.9x	N/A	N/A
A. O. Smith Corporation	AOS	8.4%	18.6%	-7.9%	17.3%	-17.4%	1.1x	N/A	N/A
AAON, Inc.	AAON	15.9%	24.8%	13.4%	23.9%	49.9%	0.7x	N/A	N/A
	Mean	12.6%	21.7%	0.4%	18.6%	10.0%	0.9x	N/A	N/A
	Median	13.5%	21.7%	-4.3%	17.3%	-2.7%	0.9x	N/A	N/A
Roofing, Siding and Isulation									
Owens Corning	OC	5.2%	-12.9%	-5.1%	18.6%	-2.5%	1.6x	1.5x	8.1x
Armstrong World Industries, Inc.	AWI	8.1%	-16.6%	-8.3%	30.1%	-7.6%	1.2x	3.8x	12.6x
	Mean	6.6%	-14.8%	-6.7%	24.4%	-5.0%	1.4x	2.6x	10.3x
	Median	6.6%	-14.8%	-6.7%	24.4%	-5.0%	1.4x	2.6x	10.3x

Valuation Metrics (cont.)

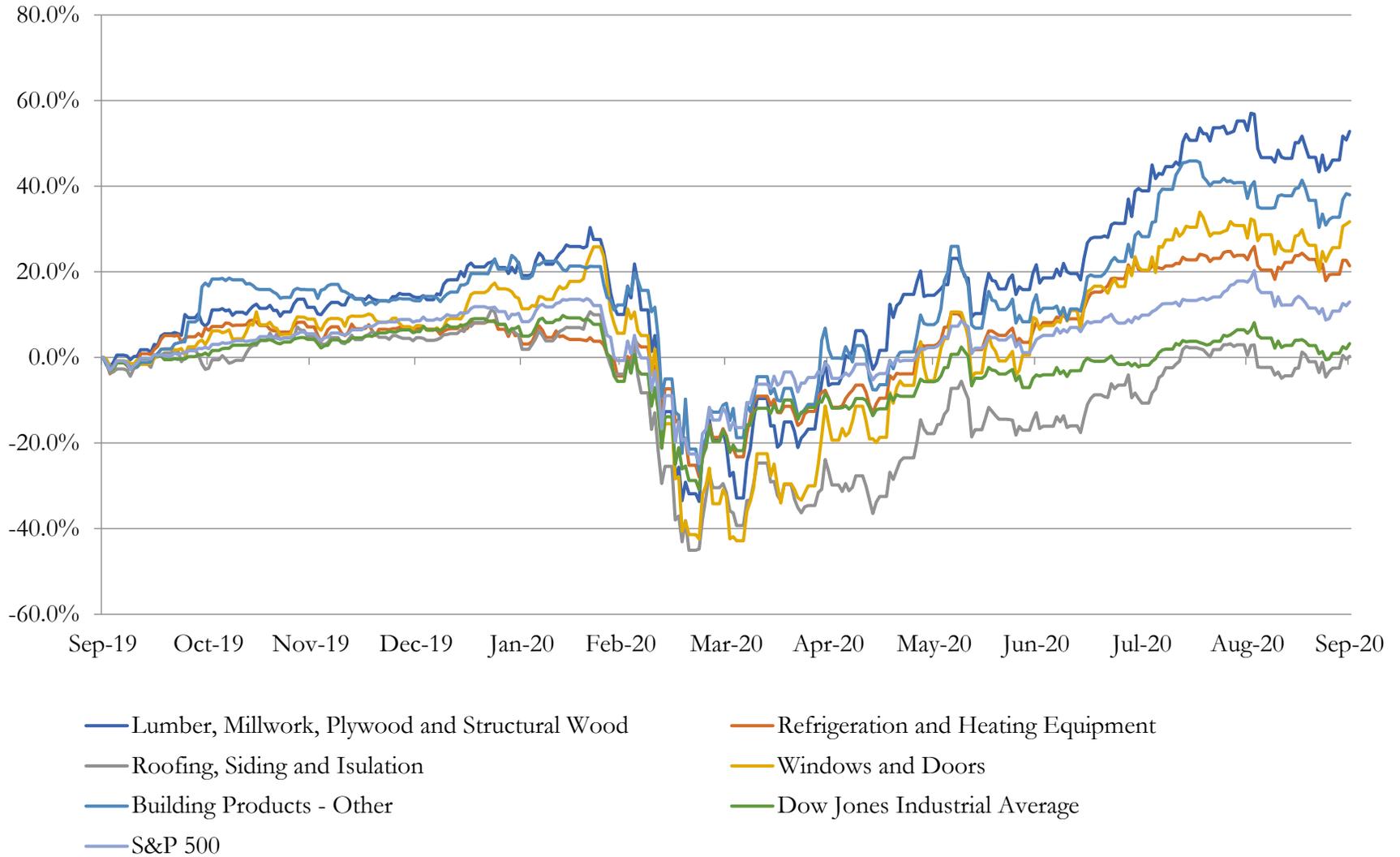
Return Profile, Trading Metrics

Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Windows and Doors									
Masonite International Corporation	DOOR	7.1%	7.6%	-0.2%	14.6%	18.9%	1.8x	N/A	N/A
Masonite International Corporation	GFF	7.1%	7.6%	-0.2%	14.6%	18.9%	1.8x	N/A	N/A
PGT Innovations, Inc.	PGTI	5.6%	8.4%	4.5%	15.7%	-2.9%	1.5x	N/A	N/A
Quanex Building Products Corporation	NX	4.7%	-4.2%	-6.8%	11.9%	10.5%	1.7x	N/A	N/A
	Mean	6.1%	4.9%	-0.7%	14.2%	11.3%	1.7x	N/A	N/A
	Median	6.4%	7.6%	-0.2%	14.6%	14.7%	1.7x	N/A	N/A
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	12.9%	20.2%	10.8%	22.9%	41.3%	1.4x	N/A	N/A
Gibraltar Industries, Inc.	ROCK	7.3%	12.5%	9.0%	12.9%	24.0%	1.2x	N/A	N/A
Insteel Industries, Inc.	IHN	2.4%	3.9%	-3.4%	5.9%	-18.4%	1.7x	N/A	N/A
	Mean	7.5%	12.2%	5.5%	13.9%	15.6%	1.4x	N/A	N/A
	Median	7.3%	12.5%	9.0%	12.9%	24.0%	1.4x	N/A	N/A

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LTM Equity Performance

Major Indexes



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Recent M&A Activity

Last Twelve (12) Months as of September 30, 2020

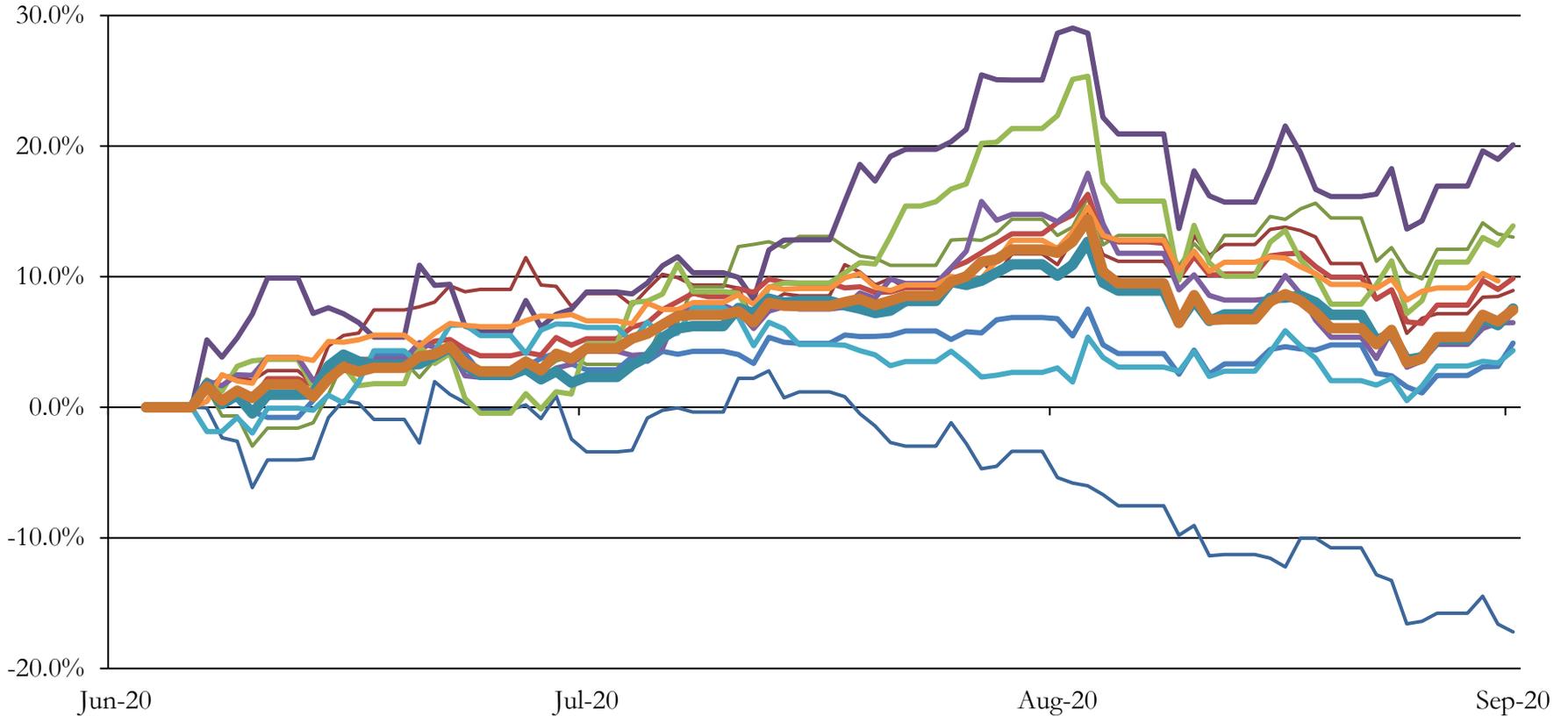
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Jan-20	Cherry Industries, Inc.	Arcosa, Inc.	\$284
Feb-20	Coram Materials Inc.	U.S. Concrete, Inc.	\$142
Jul-20	Turf Design Inc.	Armstrong World Industries, Inc.	\$118
Apr-20	Western Aggregates LLC/Mathews Readymix LLC	Teichert, Inc.; Hammonton Farms, LLC	\$94
Jan-20	Geneva Pipe, Inc.	Northwest Pipe Company	\$49
Feb-20	Substantially all assets of Redland Brick Inc.	Glen-Gery Corporation	\$48
Mar-20	Kleary Masonry, Inc.	Cornerstone Building Brands, Inc.	\$40
Oct-19	Substantially all of the Assets of Pacific Mutual Door Company Inc.	Hardwoods Distribution Inc.	\$36
Oct-19	Advanced Window, Inc.	Exchange Income Corporation	\$18
Jun-20	Substantially All Assets Of Phase I And Phase II Operations In Dublin, Georgia,	Saint-Gobain ADFORS America, Inc.	\$18
Mar-20	Two Hot-Mix Asphalt Plants Located In Pensacola And Defuniak Springs, Florida	Construction Partners, Inc.	\$12
Feb-20	Royals Commercial Services, Inc.	Installed Building Products, Inc.	\$10
Jan-20	Missouri Refractories Co., Inc.	RHI Magnesita N.V.	\$10
Feb-20	Hunter Insulation, Inc.	TopBuild Corp.	\$9
Jul-20	Quarry segment of Americold Realty Trust	N/A	\$9
Jul-20	ART Quarry TRS LLC	United States Lime & Minerals, Inc.	\$9
Feb-20	Two Specialty Building Products Branches of Insulation Distributors, Inc.	Foundation Building Materials, Inc.	\$9
Sep-20	TLC Surfaces LLC	N/A	NA
Sep-20	River Aggregates, LLC	StonePoint Materials, LLC	NA
Sep-20	Beric-Davis Companies International, LTD.	Industrial Valco, Inc.	NA
Sep-20	Jacknob Corp.	E. B. Bradley Co., Inc.	NA
Sep-20	Ali Industries, LLC	Rust-Oleum Corporation	NA
Sep-20	Marriott Drywall Materials, Inc.	Foundation Building Materials, Inc.	NA
Aug-20	A Better Choice Lock & Key, LLC	Anderson Lock & Safe LLC	NA
Jun-20	The Quapaw Company	Dolese Bros. Co., Inc.	NA
Jul-20	Ecolibrium Solar, Inc.	Unirac, Inc.	NA
Jun-20	Majestic Kitchen & Bath Creations Inc.	N/A	NA
Jun-20	ProbePoints Business Assets of Jmicro Technology Inc.	Modelithics, Inc.	NA
Jun-20	Greenplay Organics, LLC	Sprinturf, LLC	NA
May-20	Consolidated Glass Holdings, Inc.	Czech Asset Management, L.P.	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of September 30, 2020



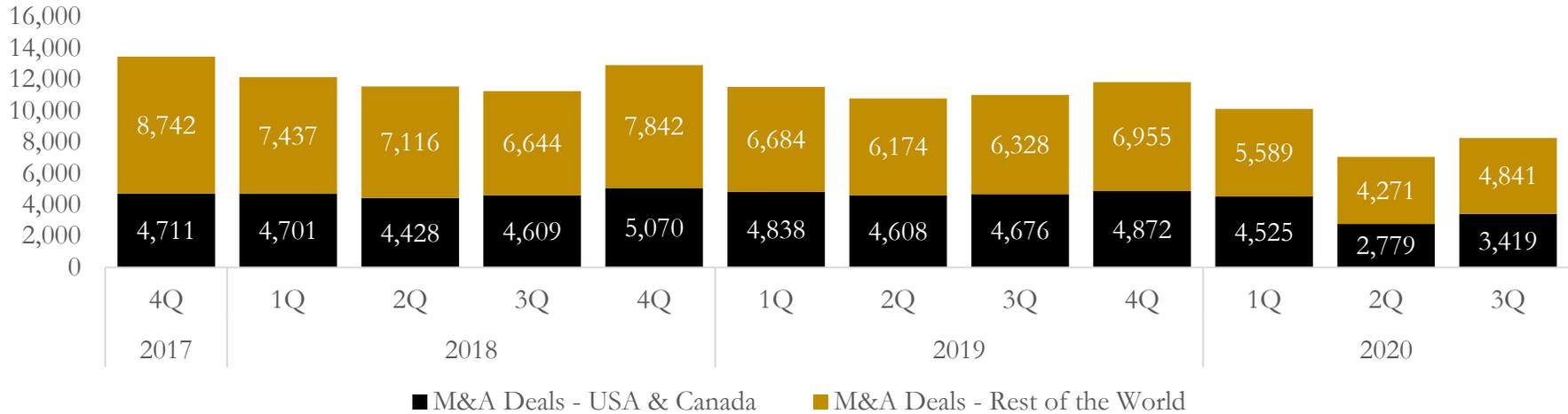
- Energy
- Consumer Discretionary
- Information Technology
- Consumer Staples
- Materials
- Healthcare
- Telecommunication Services
- Dow Jones Industrial Average
- Industrials
- Financials
- Utilities
- S&P 500

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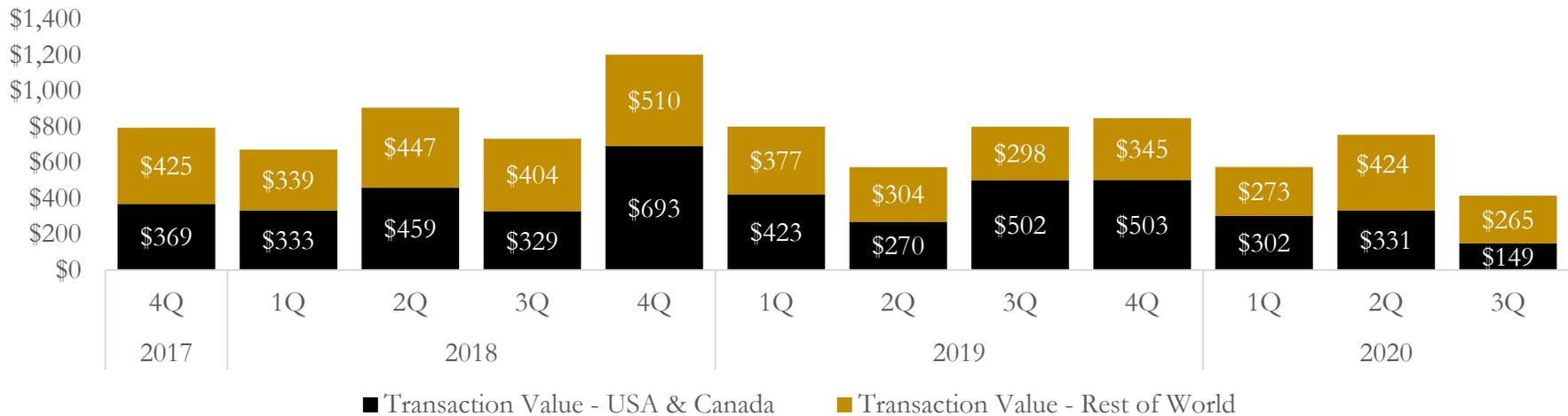
M&A Deal Flow Statistics

Last Three (3) Years as of September 30, 2020

M&A Deal Count - Number of Transactions



M&A Deal Count - Total Transaction Value (\$B)



About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

Investment Banking

Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

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