



Industry Update  
**Building Products**  
Q1 2021

## 1

# 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 03/31/21	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Lumber, Millwork, Plywood and Structural Wood</b>									
Fortune Brands Home & Security, Inc.	FBHS	\$95.82	98.7%	\$16,162	\$7,359	\$6,090	\$1,017	\$6,948	\$1,198
Trex Company, Inc.	TREX	\$91.54	85.0%	\$11,672	\$770	\$881	\$257	\$1,061	\$324
Builders FirstSource, Inc.	BLDR	\$46.37	97.1%	\$11,456	\$4,174	\$8,559	\$660	\$14,500	\$1,361
UFP Industries, Inc.	UFPI	\$75.84	99.4%	\$4,817	\$2,405	\$5,154	\$428	\$6,641	\$494
American Woodmark Corporation	AMWD	\$98.58	90.6%	\$2,280	\$1,657	\$1,670	\$215	\$1,858	\$256
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	\$311.59	95.3%	\$13,569	\$2,033	\$3,634	\$561	\$3,852	\$640
A. O. Smith Corporation	AOS	\$67.61	96.4%	\$10,399	\$3,161	\$2,895	\$521	\$3,162	\$613
AAON, Inc.	AAON	\$70.01	86.2%	\$3,530	\$449	\$515	\$123	\$501	\$119
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	\$92.09	98.0%	\$12,778	\$9,481	\$7,055	\$1,345	\$7,656	\$1,585
Armstrong World Industries, Inc.	AWI	\$90.09	93.0%	\$5,100	\$1,719	\$937	\$263	\$1,050	\$367

Source: Capital IQ

## 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 03/31/21	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Windows and Doors</b>									
Masonite International Corporation	DOOR	\$115.24	95.7%	\$3,642	\$2,138	\$2,257	\$341	\$2,469	\$435
Griffon Corporation	GFF	\$27.17	95.4%	\$2,508	\$2,484	\$2,468	\$256	\$2,479	\$256
PGT Innovations, Inc.	PGTI	\$25.25	94.0%	\$1,887	\$1,063	\$883	\$143	\$1,048	\$184
Quanex Building Products Corporation	NX	\$26.23	94.3%	\$1,025	\$694	\$885	\$111	\$962	\$119
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	\$103.73	94.4%	\$4,411	\$1,233	\$1,268	\$291	\$1,375	\$292
Gibraltar Industries, Inc.	ROCK	\$91.51	88.8%	\$2,995	\$1,212	\$1,033	\$134	\$1,320	\$184

Source: Capital IQ

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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
<b>Lumber, Millwork, Plywood and Structural Wood</b>									
Fortune Brands Home & Security, Inc.	FBHS	7.8%	21.3%	5.7%	16.7%	15.0%	1.6x	2.7x	15.9x
Trex Company, Inc.	TREX	22.0%	33.8%	18.2%	29.2%	27.4%	1.4x	13.3x	45.4x
Builders FirstSource, Inc.	BLDR	9.2%	31.7%	17.6%	7.7%	34.1%	2.4x	1.3x	17.3x
UFP Industries, Inc.	UFPI	10.4%	18.5%	16.7%	8.3%	36.7%	1.5x	0.9x	11.2x
American Woodmark Corporation	AMWD	4.7%	9.5%	0.7%	12.9%	-8.4%	2.3x	0.9x	N/A
	Mean	10.8%	23.0%	11.8%	15.0%	21.0%	1.9x	3.8x	22.5x
	Median	9.2%	21.3%	16.7%	12.9%	27.4%	1.6x	1.3x	16.6x
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	15.0%	N/A	-4.5%	15.4%	0.2%	0.8x	3.7x	24.2x
A. O. Smith Corporation	AOS	8.9%	19.6%	-3.3%	18.0%	-3.1%	1.1x	3.6x	19.9x
AAON, Inc.	AAON	14.9%	24.7%	9.6%	23.9%	34.9%	0.6x	6.9x	28.7x
	Mean	12.9%	22.1%	0.6%	19.1%	10.7%	0.8x	4.7x	24.3x
	Median	14.9%	22.1%	-3.3%	18.0%	0.2%	0.8x	3.7x	24.2x
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	5.6%	-8.9%	-1.5%	19.1%	10.6%	1.6x	1.8x	9.5x
Armstrong World Industries, Inc.	AWI	6.9%	-20.6%	-9.7%	28.0%	-20.3%	1.2x	5.4x	19.4x
	Mean	6.3%	-14.8%	-5.6%	23.5%	-4.9%	1.4x	3.6x	14.5x
	Median	6.3%	-14.8%	-5.6%	23.5%	-4.9%	1.4x	3.6x	14.5x

Source: Capital IQ

## Valuation Metrics (cont.)

### Return Profile, Trading Metrics

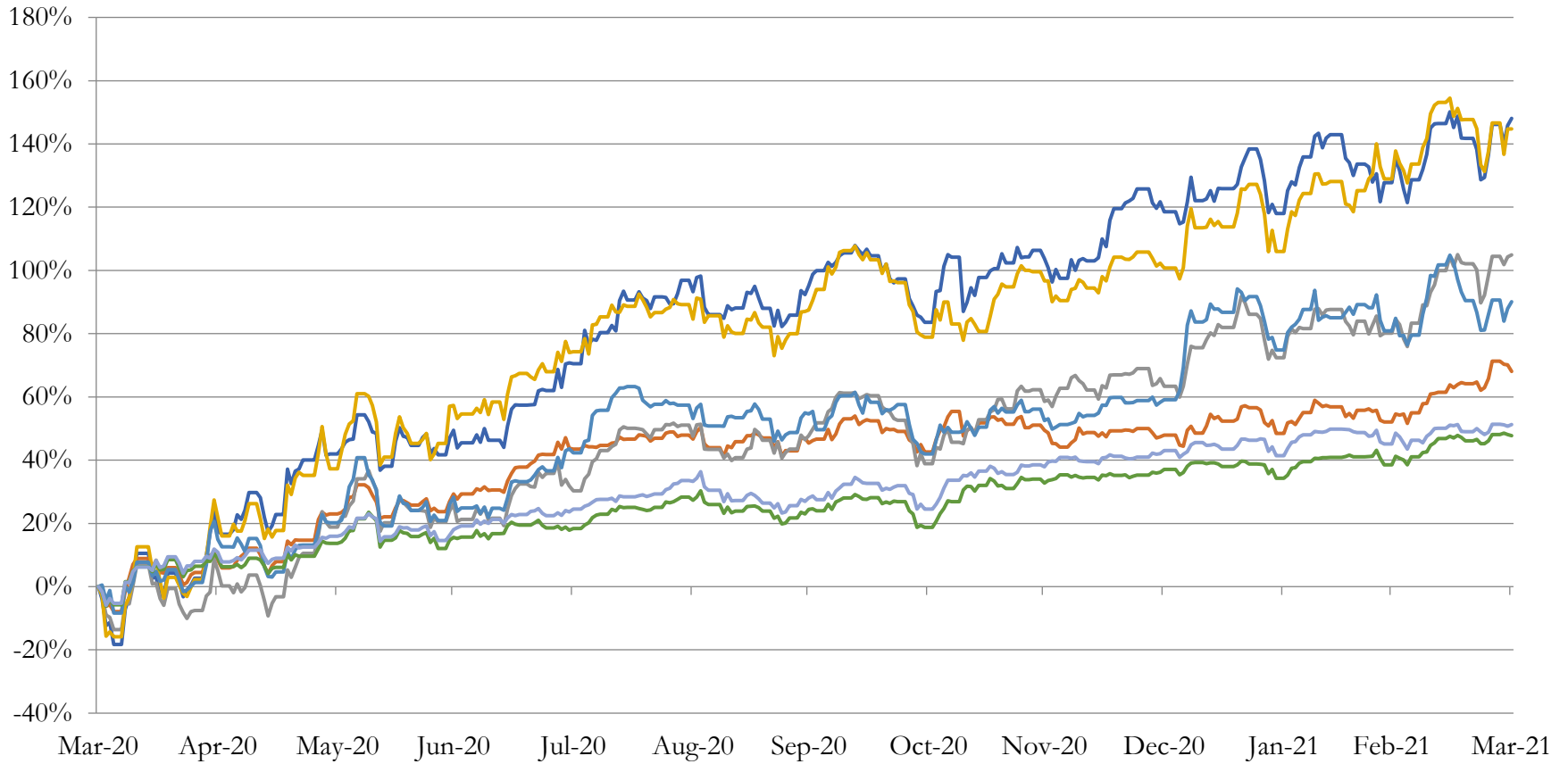
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Windows and Doors</b>									
Masonite International Corporation	DOOR	7.7%	11.1%	3.7%	15.1%	30.2%	1.7x	1.6x	10.7x
Griffon Corporation	GFF	7.7%	11.1%	3.7%	15.1%	30.2%	1.7x	1.0x	9.8x
PGT Innovations, Inc.	PGTI	6.5%	9.8%	18.5%	16.2%	20.3%	1.5x	2.1x	13.2x
Quanex Building Products Corporation	NX	6.1%	13.1%	-1.0%	12.6%	7.9%	1.7x	1.2x	9.2x
	Mean	7.0%	11.3%	6.2%	14.7%	22.2%	1.7x	1.5x	10.7x
	Median	7.1%	11.1%	3.7%	15.1%	25.3%	1.7x	1.4x	10.2x
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	13.5%	20.0%	11.6%	22.9%	36.1%	1.2x	3.5x	15.2x
Gibraltar Industries, Inc.	ROCK	6.4%	11.7%	15.0%	13.0%	27.0%	1.1x	2.9x	22.4x
	Mean	10.0%	15.9%	13.3%	18.0%	31.5%	1.2x	3.2x	18.8x
	Median	10.0%	15.9%	13.3%	18.0%	31.5%	1.2x	3.2x	18.8x

Source: Capital IQ

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## LTM Equity Performance

### Major Indexes



— Lumber, Millwork, Plywood and Structural Wood  
— Roofing, Siding and Isulation  
— Building Products - Other  
— S&P 500

— Refrigeration and Heating Equipment  
— Windows and Doors  
— Dow Jones Industrial Average



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## Recent M&amp;A Activity

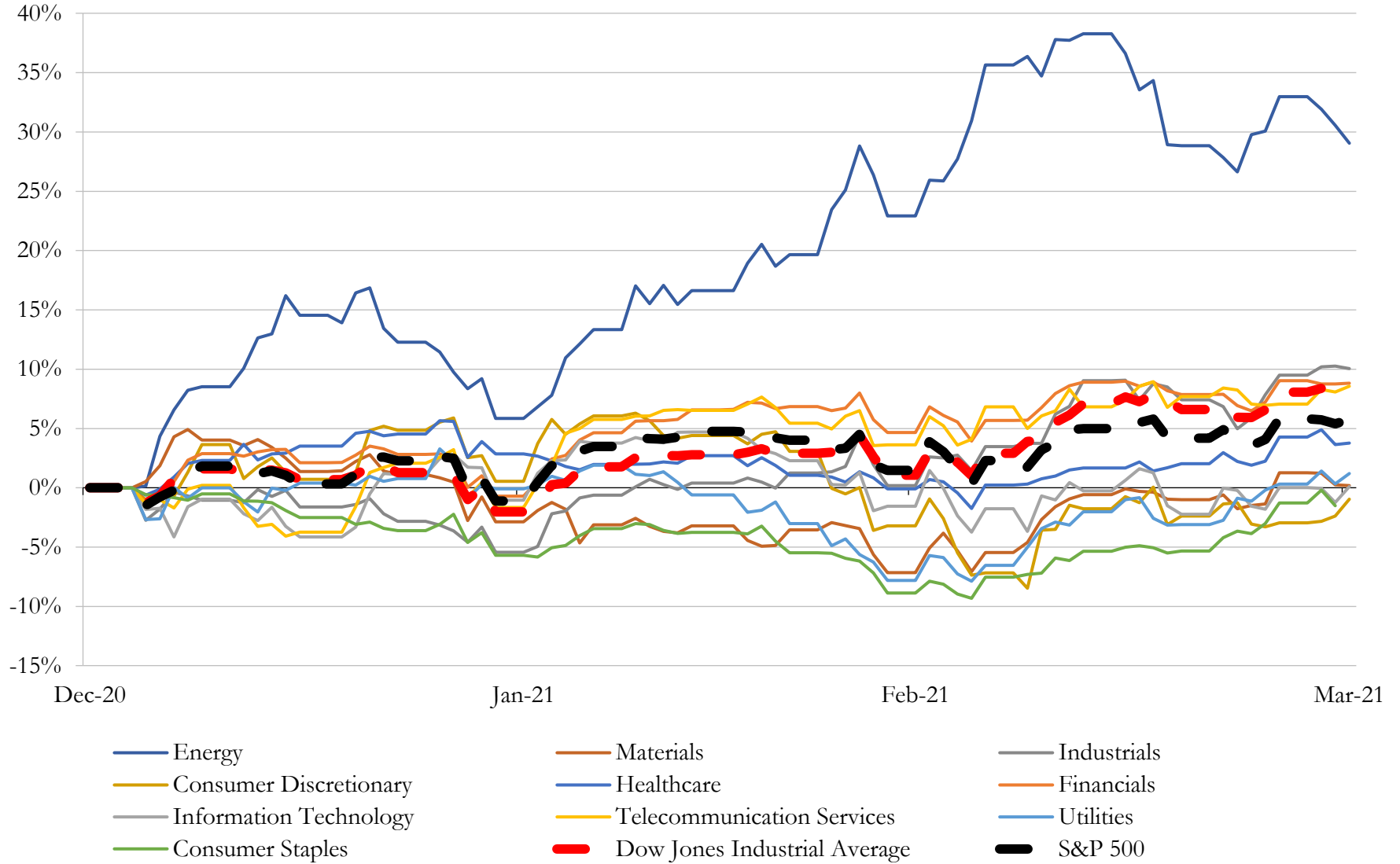
*Last Twelve (12) Months as of March 31, 2021*

Close Date	Target	Acquirer	Implied TEV
Dec-20	Larson Manufacturing Company, Inc.	Fortune Brands Home & Security, Inc.	\$740
Dec-20	Potters Borrower LP	The Jordan Company, L.P.	\$650
Dec-20	T.A. Industries, Inc.	The RectorSeal Corporation	\$360
Dec-20	Arktura, LLC	Armstrong World Industries, Inc.	\$121
Jan-21	General Tools & Instruments LLC	Worthington Industries, Inc.	\$121
Jul-20	Turf Design Inc.	Armstrong World Industries, Inc.	\$118
Dec-20	Hadrian Inc.	Zurn Industries, LLC	\$102
Apr-20	Western Aggregates LLC/Mathews Readymix LLC	Teichert, Inc.; Hammonton Farms, LLC	\$94
Feb-21	Industrial business of Gibraltar Industries, Inc.	Pacific Avenue Capital Partners, LLC	\$38
Oct-20	Architectural Mailboxes, LLC	Gibraltar Industries, Inc.	\$27
Oct-20	Facility Located in McCook, Illinois	Apogee Enterprises, Inc.	\$25
Jun-20	Substantially All Assets Of Phase I And Phase II Operations In Dublin,	Saint-Gobain ADFORS America, Inc.	\$18
Jul-20	Quarry segment of Americold Realty Trust	N/A	\$9
Jul-20	ART Quarry TRS LLC	United States Lime & Minerals, Inc.	\$8
Nov-20	Assets of Sugar City Building Materials Co	U.S. Concrete, Inc.	\$8
Feb-21	All Assets of Wall to Wall Tile & Stone	Ginn Surfaces, LLC	\$7
Mar-21	Certain assets of Clio Holdings, LLC	KC Solid Surfaces, LLC	\$1
Mar-21	United Construction Products, Inc.	Fibergrate Composite Structures, Inc.	NA
Mar-21	Discount Drainage Supplies LLC	Winsupply Inc.	NA
Mar-21	Nemo Tile Company Inc.	Saw Mill Capital LLC; Saw Mill Capital Partners II, LP	NA
Mar-21	Hancock Concrete Products, LLC	Oldcastle Infrastructure, Inc.	NA
Mar-21	James Doorcheck, Inc.	The Cook & Boardman Group, LLC	NA
Mar-21	Blenker Building Systems, Inc.	Drexel Building Supply, Inc.	NA
Mar-21	Binford Supply LLC	Fencing Supply Group	NA
Mar-21	Glass Factory in Monaca, Pennsylvania of Anchor Hocking, LLC	Stoelzle Masnières Parfumerie SAS	NA
Mar-21	Assets of LockeyUSA	NWI Enterprises, Inc.	NA
Mar-21	Altaflo LLC	Pexco LLC	NA
Feb-21	BMMS Diversified, Inc.	S.R. Smith LLC	NA
Feb-21	Assets of the Building Services Division of Oldcastle Infrastructure, Inc.	Fabcon Incorporated	NA
Feb-21	Ready-mix assets of BECK READYMIX CONCRETE COMPANY, LTD	CEMEX, S.A.B. de C.V.	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

*Last Three (3) Months as of March 31, 2021*

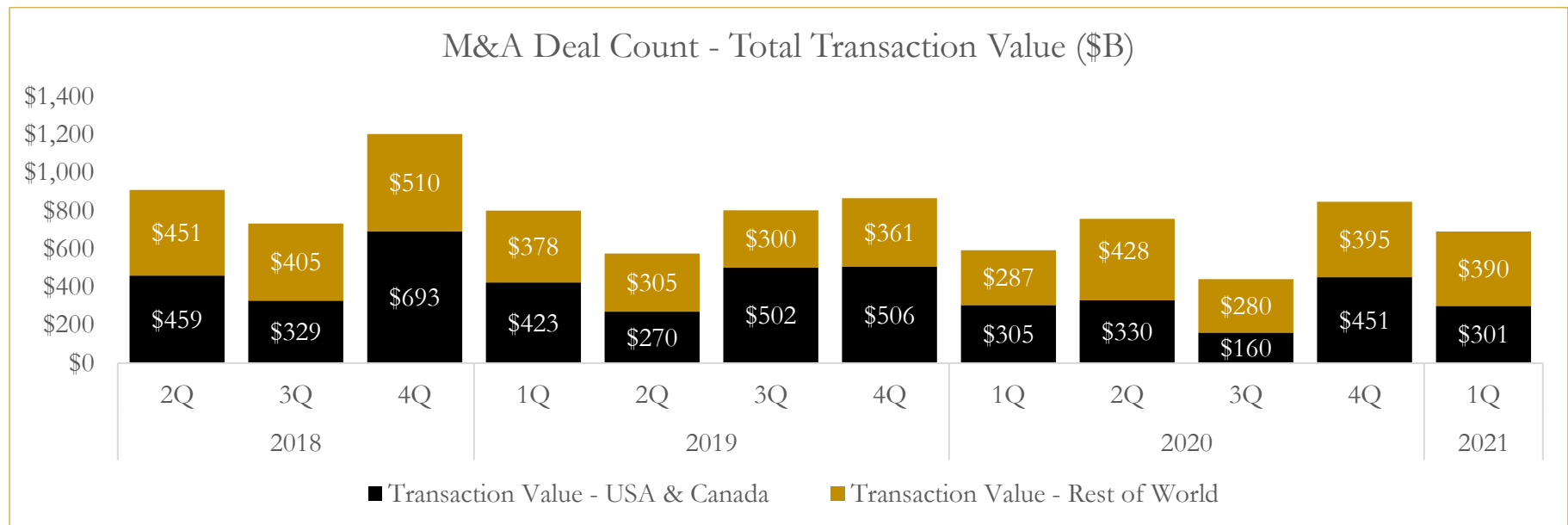
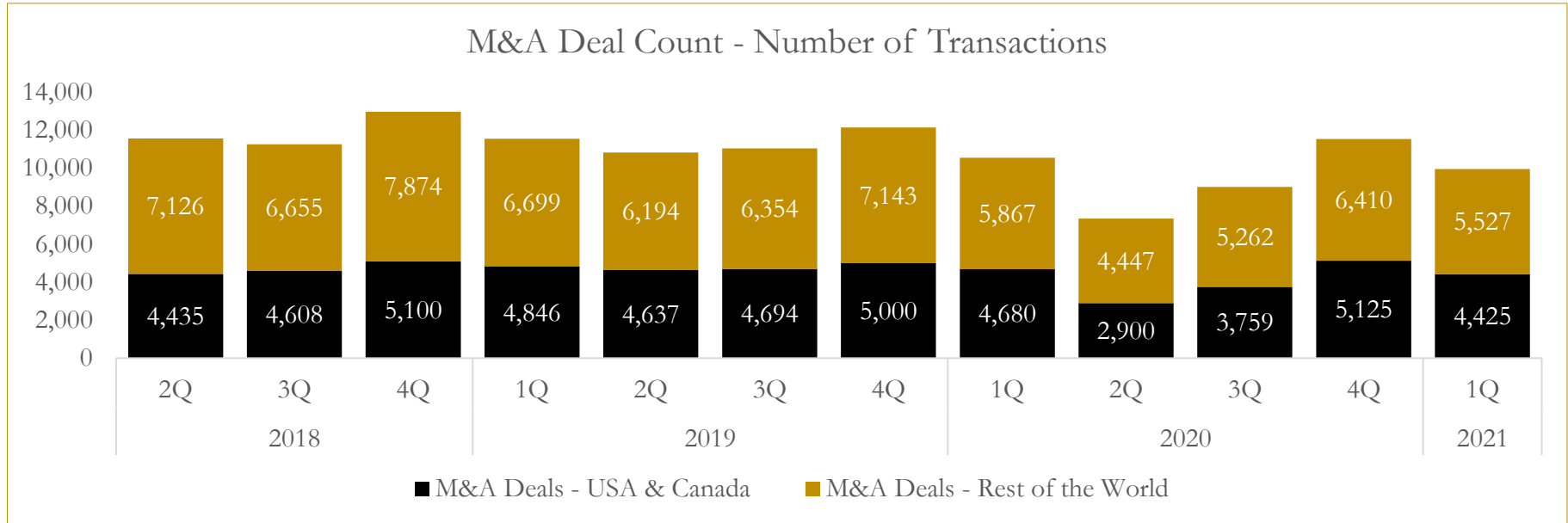




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## M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2021



## 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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