



Industry Update
Building Products
Q3 2021

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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 09/30/21 | % of 52 Week High | TEV | Total Assets | LTM Revenue | LTM EBITDA | 2021 Est. Revenue | 2021 Est. EBITDA |
| Lumber, Millwork, Plywood and Structural Wood | | | | | | | | | |
| Fortune Brands Home & Security, Inc. | FBHS | \$89.42 | 78.4% | \$15,715 | \$7,696 | \$7,019 | \$1,224 | \$7,552 | \$1,316 |
| Trex Company, Inc. | TREX | \$101.93 | 88.9% | \$11,355 | \$899 | \$1,017 | \$293 | \$1,161 | \$352 |
| UFP Industries, Inc. | UFPI | \$67.98 | 75.6% | \$5,347 | \$3,010 | \$8,013 | \$731 | \$8,337 | \$741 |
| American Woodmark Corporation | AMWD | \$65.37 | 60.1% | \$1,748 | \$1,590 | \$1,797 | \$183 | \$1,847 | \$162 |
| Refrigeration and Heating Equipment | | | | | | | | | |
| Lennox International Inc. | LII | \$294.17 | 82.5% | \$12,550 | \$2,124 | \$4,143 | \$694 | \$4,137 | \$672 |
| A. O. Smith Corporation | AOS | \$61.07 | 82.7% | \$10,207 | \$3,140 | \$3,223 | \$635 | \$3,409 | \$661 |
| AAON, Inc. | AAON | \$65.34 | 80.4% | \$3,568 | \$504 | \$511 | \$118 | \$545 | \$127 |
| Roofing, Siding and Isulation | | | | | | | | | |
| Owens Corning | OC | \$85.50 | 77.8% | \$11,905 | \$9,977 | \$7,983 | \$1,735 | \$8,361 | \$1,907 |
| Armstrong World Industries, Inc. | AWI | \$95.47 | 83.9% | \$5,466 | \$1,705 | \$1,063 | \$262 | \$1,100 | \$376 |

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 09/30/21 | % of 52 Week High | TEV | Total Assets | LTM Revenue | LTM EBITDA | 2021 Est. Revenue | 2021 Est. EBITDA |
| Windows and Doors | | | | | | | | | |
| Masonite International Corporation | DOOR | \$106.13 | 80.3% | \$3,472 | \$2,157 | \$2,515 | \$383 | \$2,673 | \$434 |
| Griffon Corporation | GFF | \$24.60 | 84.3% | \$2,508 | \$2,549 | \$2,552 | \$274 | \$2,591 | \$270 |
| PGT Innovations, Inc. | PGTI | \$19.10 | 67.9% | \$1,803 | \$1,280 | \$1,016 | \$144 | \$1,150 | \$170 |
| Quanex Building Products Corporation | NX | \$21.41 | 73.8% | \$794 | \$719 | \$1,036 | \$127 | \$1,072 | \$128 |
| Building Products - Other | | | | | | | | | |
| Simpson Manufacturing Co., Inc. | SSD | \$106.97 | 89.3% | \$4,805 | \$1,374 | \$1,416 | \$342 | \$1,529 | \$378 |
| Gibraltar Industries, Inc. | ROCK | \$69.65 | 67.6% | \$2,406 | \$1,186 | \$1,198 | \$146 | \$1,349 | \$176 |

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 |
| Lumber, Millwork, Plywood and Structural Wood | | | | | | | | | |
| Fortune Brands Home & Security, Inc. | FBHS | 9.3% | 26.3% | 23.0% | 17.4% | 34.8% | 1.6x | 2.2x | 12.8x |
| Trex Company, Inc. | TREX | 21.3% | 34.1% | 30.3% | 28.8% | 25.0% | 1.5x | 11.2x | 38.7x |
| UFP Industries, Inc. | UFPI | 14.9% | 28.6% | 68.4% | 9.1% | 91.7% | 1.5x | 0.7x | 7.3x |
| American Woodmark Corporation | AMWD | 3.6% | 6.3% | 11.4% | 10.2% | -12.5% | 2.2x | 0.7x | N/A |
| | Mean | 12.3% | 23.8% | 33.3% | 16.4% | 34.8% | 1.7x | 3.7x | 19.6x |
| | Median | 12.1% | 27.4% | 26.6% | 13.8% | 29.9% | 1.6x | 1.5x | 12.8x |
| Refrigeration and Heating Equipment | | | | | | | | | |
| Lennox International Inc. | LII | 19.0% | N/A | 14.9% | 16.8% | 31.9% | 0.9x | 3.0x | 18.1x |
| A. O. Smith Corporation | AOS | 11.4% | 25.4% | 16.0% | 19.7% | 38.6% | 1.1x | 3.2x | 16.1x |
| AAON, Inc. | AAON | 12.0% | 21.6% | 2.4% | 23.1% | 3.7% | 0.6x | 7.0x | 30.3x |
| | Mean | 14.1% | 23.5% | 11.1% | 19.8% | 24.7% | 0.8x | 4.4x | 21.5x |
| | Median | 12.0% | 23.5% | 14.9% | 19.7% | 31.9% | 0.9x | 3.2x | 18.1x |
| Roofing, Siding and Isulation | | | | | | | | | |
| Owens Corning | OC | 8.1% | 24.1% | 17.4% | 21.7% | 46.7% | 1.6x | 1.5x | 6.9x |
| Armstrong World Industries, Inc. | AWI | 6.1% | 36.9% | 12.5% | 24.6% | -8.8% | 1.2x | 5.1x | 20.9x |
| | Mean | 7.1% | 30.5% | 14.9% | 23.2% | 18.9% | 1.4x | 3.3x | 13.9x |
| | Median | 7.1% | 30.5% | 14.9% | 23.2% | 18.9% | 1.4x | 3.3x | 13.9x |

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

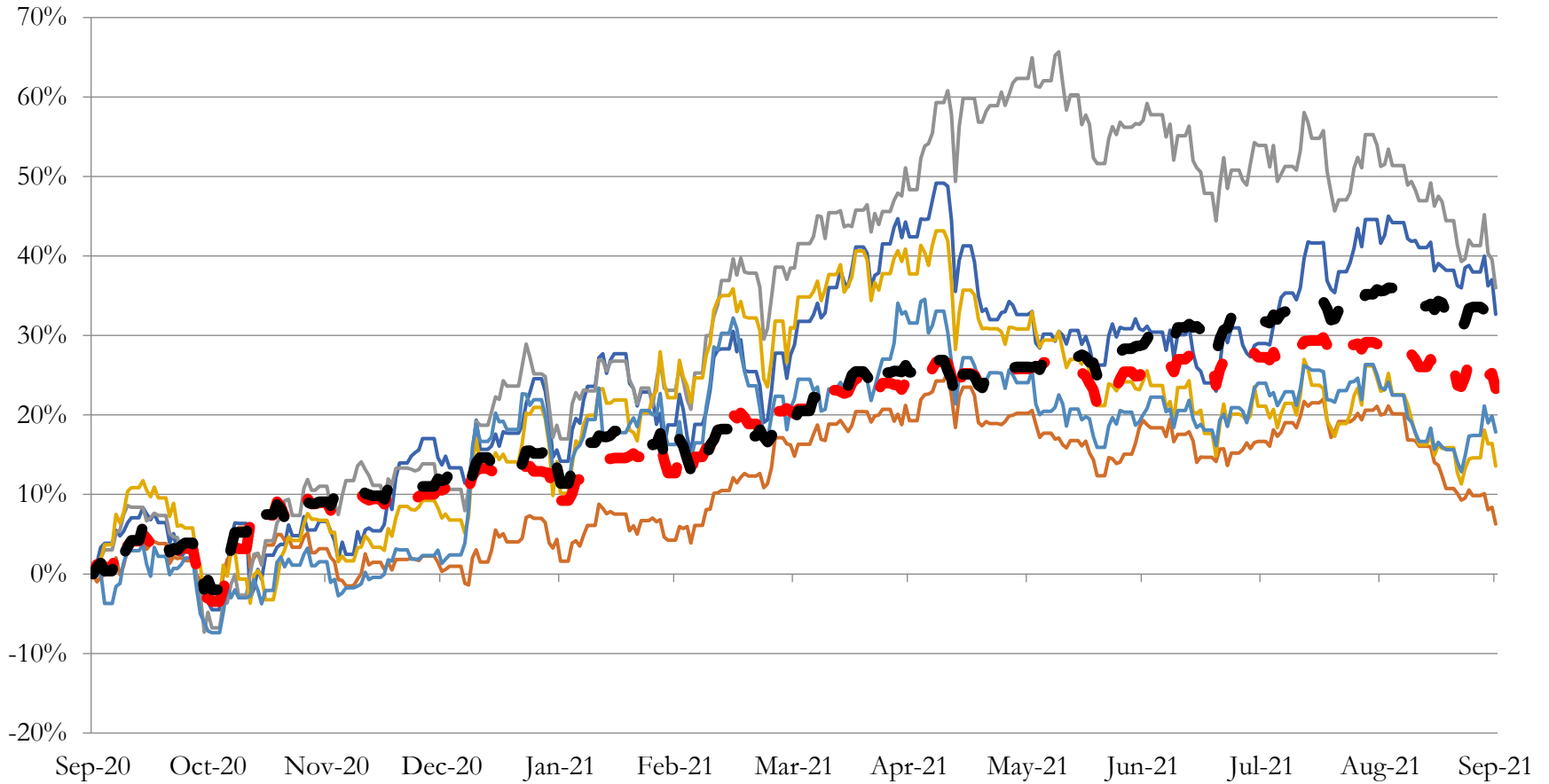
| Company Name | Ticker | Return Profile | | | | | Trading Multiples | | |
|--------------------------------------|--------|------------------|------------------|----------------|---------------|---------------|-------------------|-------------------|------------------|
| | | Return on Assets | Return on Equity | Revenue Growth | EBITDA Margin | EBITDA Growth | 5-yr Beta | TEV / LTM Revenue | TEV / LTM EBITDA |
| Windows and Doors | | | | | | | | | |
| Masonite International Corporation | DOOR | 8.8% | 13.2% | 17.8% | 15.2% | 32.9% | 1.7x | 1.4x | 9.1x |
| Griffon Corporation | GFF | 8.8% | 13.2% | 17.8% | 15.2% | 32.9% | 1.7x | 1.0x | 9.2x |
| PGT Innovations, Inc. | PGTI | 5.5% | 10.1% | 27.7% | 14.2% | 15.7% | 1.5x | 1.8x | 12.5x |
| Quanex Building Products Corporation | NX | 7.4% | 15.6% | 23.8% | 12.3% | 30.3% | 1.7x | 0.8x | 6.2x |
| | Mean | 7.6% | 13.0% | 21.8% | 14.2% | 27.9% | 1.7x | 1.2x | 9.2x |
| | Median | 8.1% | 13.2% | 20.8% | 14.7% | 31.6% | 1.7x | 1.2x | 9.1x |
| Building Products - Other | | | | | | | | | |
| Simpson Manufacturing Co., Inc. | SSD | 14.1% | 22.2% | 19.8% | 24.2% | 35.9% | 1.2x | 3.4x | 14.0x |
| Gibraltar Industries, Inc. | ROCK | 6.7% | 11.5% | 36.3% | 12.2% | 29.4% | 1.1x | 2.0x | 16.5x |
| | Mean | 10.4% | 16.8% | 28.1% | 18.2% | 32.7% | 1.2x | 2.7x | 15.3x |
| | Median | 10.4% | 16.8% | 28.1% | 18.2% | 32.7% | 1.2x | 2.7x | 15.3x |

Source: Capital IQ

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LTM Equity Performance

Major Indexes



- Lumber, Millwork, Plywood and Structural Wood
- Roofing, Siding and Insulation
- Building Products - Other
- S&P 500
- Refrigeration and Heating Equipment
- Windows and Doors
- Dow Jones Industrial Average

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Recent M&A Activity

Last Twelve (12) Months as of September 30, 2021

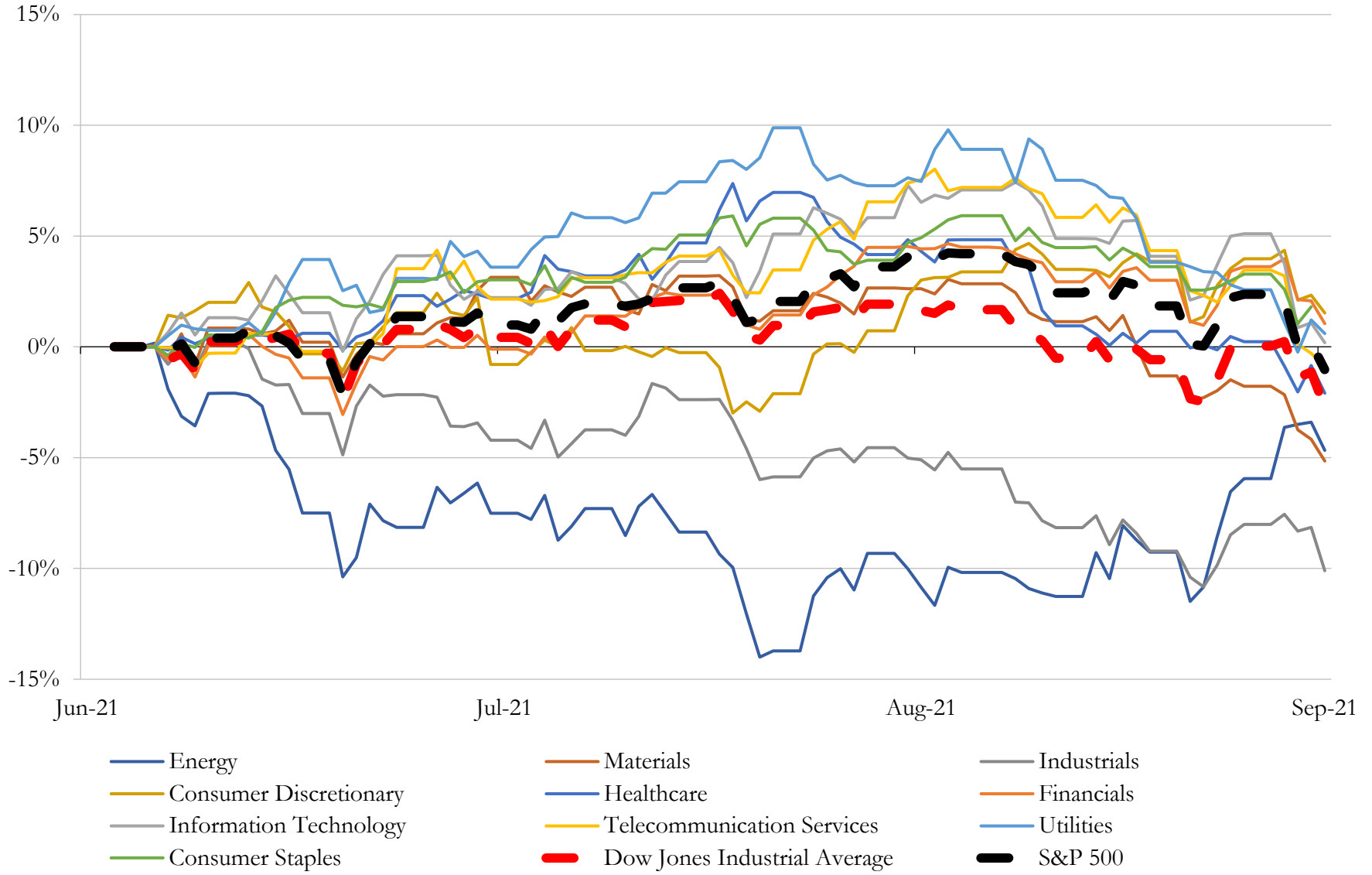
(USD in millions)

| Close Date | Target | Acquirer | Implied TEV |
|------------|--|--|-------------|
| Mar-21 | Firestone Building Products Company, LLC | Holcim Participations (US) Inc. | \$3,400 |
| Aug-21 | U.S. Concrete, Inc. | Vulcan Materials Company | \$2,129 |
| Sep-21 | Henry Company LLC | Carlisle Companies Incorporated | \$1,575 |
| Aug-21 | Insulated Metal Panels Business of Cornerstone Building Brands, Inc. | Vulcraft Canada, Inc.; Nucor Insulated Panel Group Inc | \$1,000 |
| Dec-20 | Larson Manufacturing Company, Inc. | Fortune Brands Doors, Inc. | \$718 |
| Dec-20 | Potters Borrower LP | The Jordan Company, L.P. | \$650 |
| Aug-21 | North American Architectural Glass Business of AGC Inc. | Cardinal Glass Industries, Inc. | \$450 |
| Apr-21 | StonePoint Materials, LLC | Arcosa, Inc. | \$375 |
| Dec-20 | T.A. Industries, Inc. | The RectorSeal Corporation | \$360 |
| Aug-21 | LASCO Fittings, Inc. | North American Pipe Corporation | \$253 |
| Aug-21 | Cascade Windows, Inc. | Cornerstone Building Brands, Inc. | \$245 |
| Aug-21 | Doors & Building Components Inc. | Janus International Group, Inc. | \$168 |
| Aug-21 | Southwest Rock Products, L.L.C./Midwest Land Trust, LLC/White Mountain | Arcosa MS5, LLC | \$150 |
| Jul-21 | Southern Crushed Concrete, LLC | Martin Marietta Materials, Inc. | \$140 |
| Dec-20 | Arktura, LLC | Armstrong World Industries, Inc. | \$121 |
| Jan-21 | General Tools & Instruments LLC | Worthington Industries, Inc. | \$120 |
| Jun-21 | Cali Bamboo, LLC | Victoria plc | \$104 |
| Dec-20 | Hadrian Inc. | Zurn Industries, LLC | \$102 |
| Jun-21 | Spartan Surfaces, Inc. | Floor and Decor Outlets of America, Inc. | \$90 |
| 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 |
| 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 |
| Dec-20 | Veloce Innovation Inc. | XPEL, Inc. | \$1 |
| Mar-21 | Certain assets of Clio Holdings, LLC | KC Solid Surfaces, LLC | \$1 |
| Jul-21 | Mobile Tint, LLC | C-Bond Systems, Inc. | \$1 |
| Sep-21 | Galeno and Associates, Inc. | The Cook & Boardman Group, LLC | NA |
| Sep-21 | A-Atherton Plumbing | The Waterworks, LLC | NA |
| Sep-21 | Minnesota Diversified Products Inc. | Kingspan Insulation LLC | NA |

Source: Capital IQ

5 Change in Market Capitalization by Sector

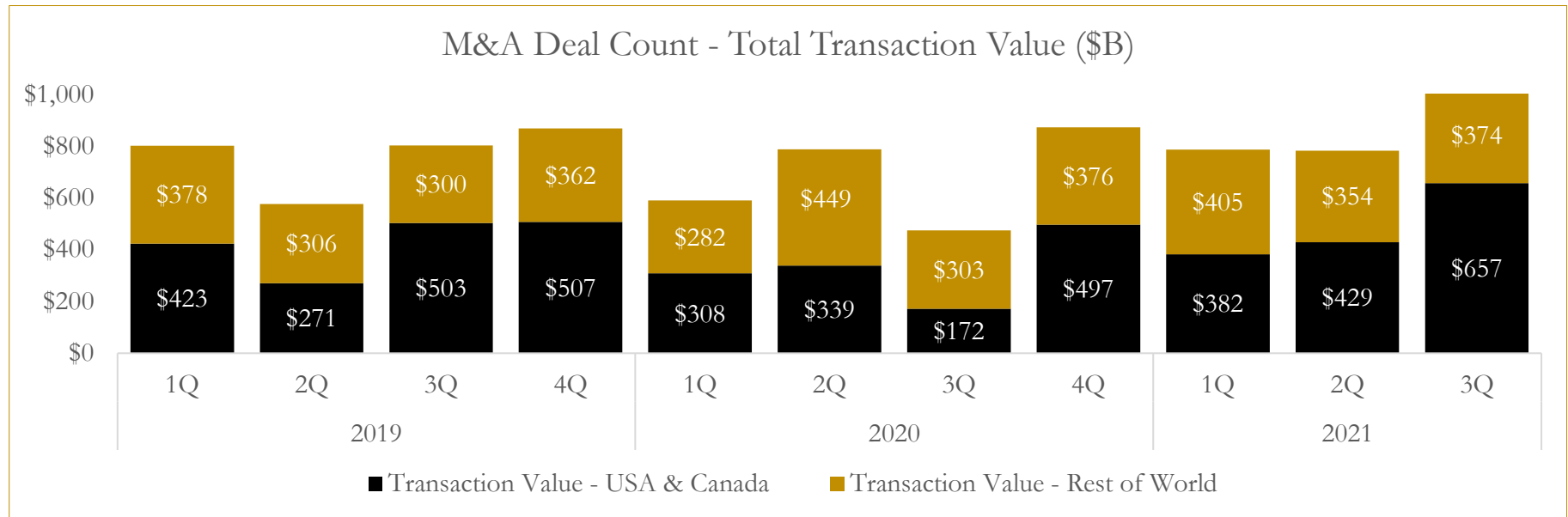
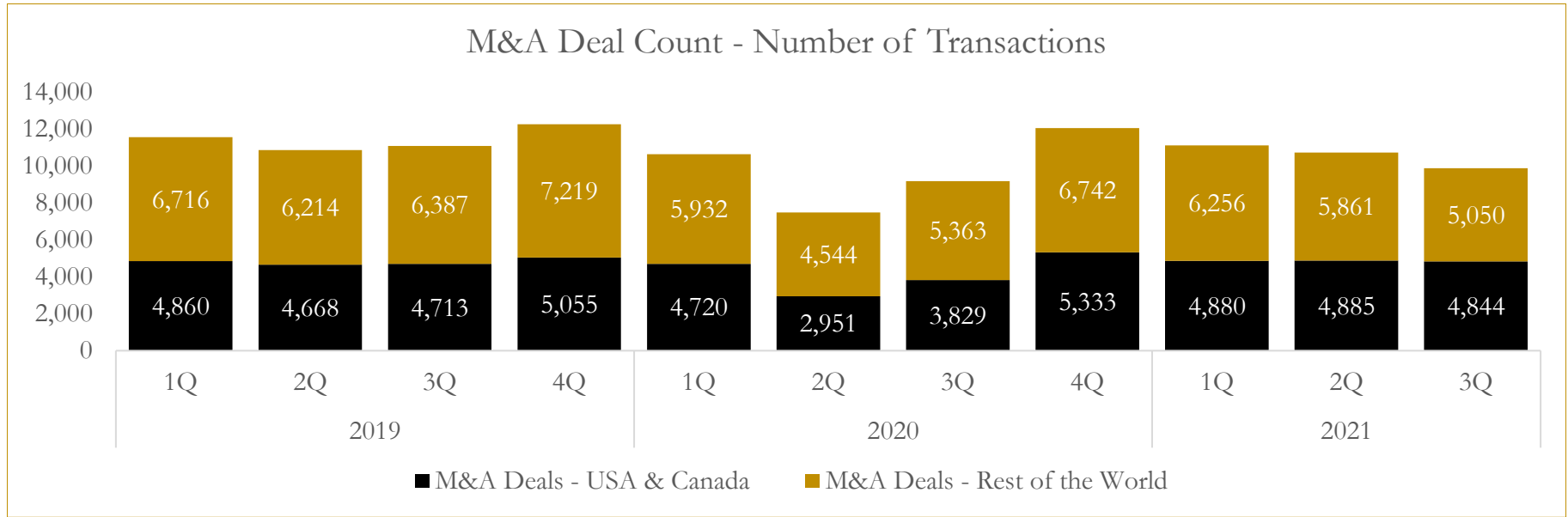
Last Three (3) Months as of September 30, 2021



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M&A Deal Flow Statistics

Last Three (3) Years as of September 30, 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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