



Industry Update
Building Products
Q4 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 12/31/21	% 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	\$106.90	93.8%	\$15,086	\$7,869	\$7,353	\$1,279	\$8,069	\$1,431
Trex Company, Inc.	TREX	\$135.03	95.8%	\$10,989	\$953	\$1,121	\$335	\$1,385	\$442
UFP Industries, Inc.	UFPI	\$92.01	98.4%	\$5,148	\$3,014	\$8,013	\$731	\$7,993	\$707
American Woodmark Corporation	AMWD	\$65.20	59.9%	\$1,604	\$1,596	\$1,801	\$149	\$1,998	\$211
Refrigeration and Heating Equipment									
A. O. Smith Corporation	AOS	\$85.85	99.0%	\$11,615	\$3,474	\$3,539	\$687	\$4,146	\$827
Lennox International Inc.	LII	\$324.36	91.0%	\$11,561	\$2,124	\$4,143	\$694	\$4,505	\$758
AAON, Inc.	AAON	\$79.43	94.8%	\$3,244	\$516	\$515	\$113	\$716	\$158
Roofing, Siding and Isulation									
Owens Corning	OC	\$90.50	82.4%	\$11,293	\$9,981	\$8,292	\$1,922	\$8,860	\$1,955
Armstrong World Industries, Inc.	AWI	\$116.12	98.3%	\$5,252	\$1,705	\$1,063	\$259	\$1,216	\$427

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 12/31/21	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
Windows and Doors									
Masonite International Corporation	DOOR	\$117.95	89.2%	\$3,063	\$2,270	\$2,579	\$380	\$2,820	\$474
Griffon Corporation	GFF	\$28.48	96.8%	\$2,141	\$2,583	\$2,321	\$232	\$2,685	\$298
PGT Innovations, Inc.	PGTI	\$22.49	80.0%	\$1,707	\$1,356	\$1,079	\$143	\$1,339	\$212
Quanex Building Products Corporation	NX	\$24.78	85.4%	\$801	\$717	\$1,072	\$125	\$1,120	\$135
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	\$139.07	98.4%	\$4,672	\$1,422	\$1,449	\$352	\$1,922	\$392
Gibraltar Industries, Inc.	ROCK	\$66.68	64.7%	\$1,850	\$1,232	\$1,271	\$145	\$1,439	\$201

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	9.5%	26.8%	24.6%	17.4%	34.7%	1.6x	2.1x	11.8x
Trex Company, Inc.	TREX	22.8%	35.9%	37.2%	29.9%	41.2%	1.5x	9.8x	32.8x
UFP Industries, Inc.	UFPI	14.9%	28.6%	68.4%	9.1%	91.7%	1.5x	0.6x	7.0x
American Woodmark Corporation	AMWD	2.3%	3.3%	10.3%	8.3%	-29.9%	2.1x	0.6x	N/A
	Mean	12.4%	23.6%	35.1%	16.2%	34.4%	1.7x	3.3x	17.2x
	Median	12.2%	27.7%	30.9%	13.3%	38.0%	1.6x	1.3x	11.8x
Refrigeration and Heating Equipment									
A. O. Smith Corporation	LII	11.5%	26.5%	22.2%	19.4%	31.8%	1.2x	3.3x	16.9x
Lennox International Inc.	AOS	19.0%	N/A	14.9%	16.8%	31.9%	0.9x	2.8x	16.7x
AAON, Inc.	AAON	10.9%	19.2%	-1.1%	21.9%	-10.1%	0.7x	6.3x	28.7x
	Mean	13.8%	22.8%	12.0%	19.4%	17.9%	0.9x	4.1x	20.8x
	Median	11.5%	22.8%	14.9%	19.4%	31.8%	0.9x	3.3x	16.9x
Roofing, Siding and Isulation									
Owens Corning	OC	9.3%	24.5%	21.5%	23.2%	60.4%	1.5x	1.4x	5.9x
Armstrong World Industries, Inc.	AWI	6.1%	36.9%	12.5%	24.3%	-8.6%	1.2x	4.9x	20.3x
	Mean	7.7%	30.7%	17.0%	23.8%	25.9%	1.4x	3.2x	13.1x
	Median	7.7%	30.7%	17.0%	23.8%	25.9%	1.4x	3.2x	13.1x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

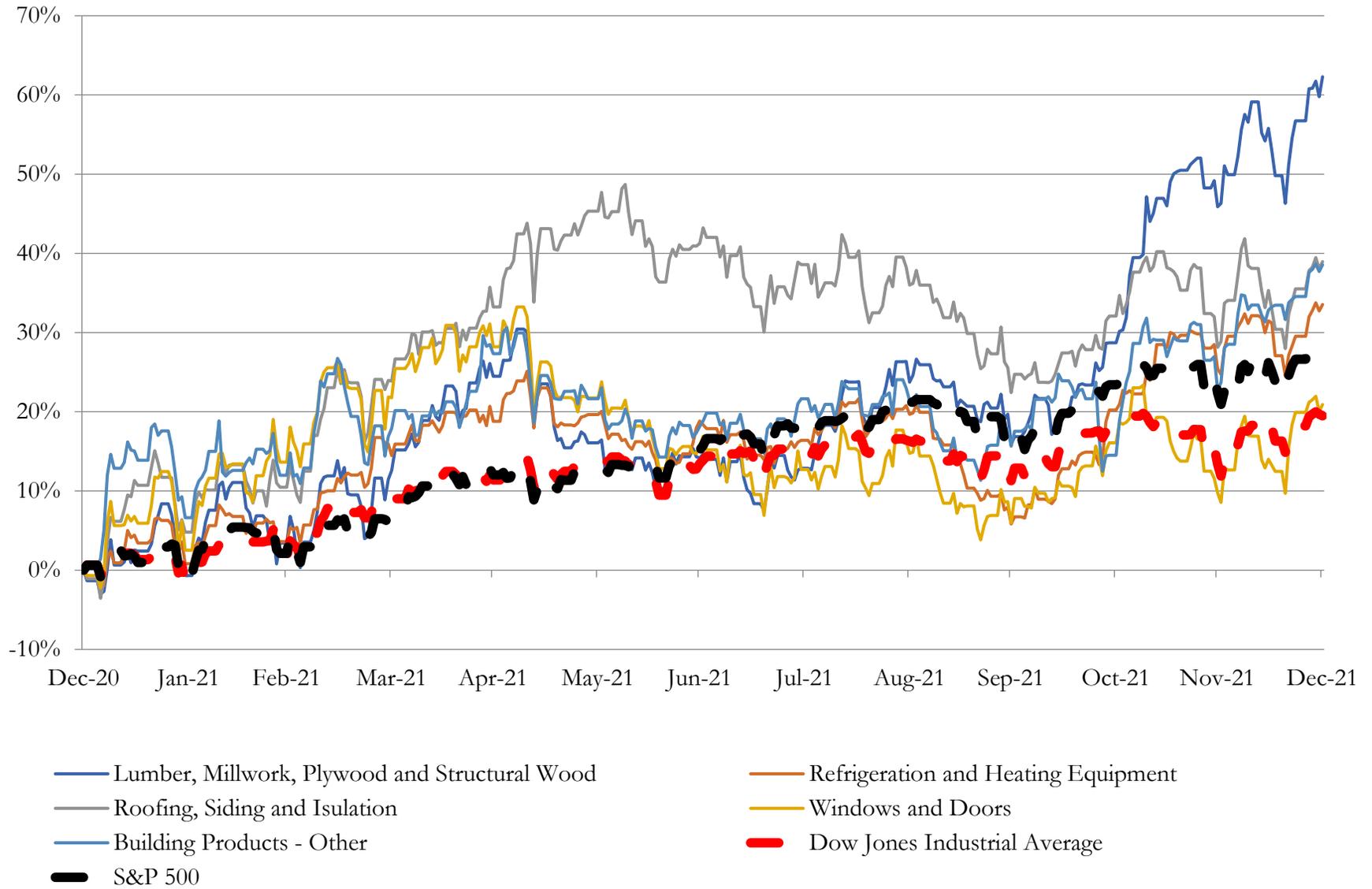
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Windows and Doors									
Masonite International Corporation	DOOR	8.4%	21.9%	18.9%	14.7%	18.8%	1.8x	1.2x	8.1x
Griffon Corporation	GFF	8.4%	21.9%	18.9%	14.7%	18.8%	1.8x	0.9x	9.2x
PGT Innovations, Inc.	PGTI	5.1%	5.5%	29.0%	13.2%	8.5%	1.5x	1.6x	12.0x
Quanex Building Products Corporation	NX	7.3%	14.7%	25.9%	11.7%	21.4%	1.6x	0.7x	6.4x
	Mean	7.3%	16.0%	23.2%	13.6%	16.9%	1.7x	1.1x	8.9x
	Median	7.8%	18.3%	22.4%	14.0%	18.8%	1.7x	1.1x	8.6x
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	14.4%	21.7%	17.1%	24.3%	24.3%	1.3x	3.2x	13.3x
Gibraltar Industries, Inc.	ROCK	6.2%	10.5%	45.0%	11.4%	22.2%	1.0x	1.5x	12.7x
	Mean	10.3%	16.1%	31.1%	17.9%	23.3%	1.2x	2.3x	13.0x
	Median	10.3%	16.1%	31.1%	17.9%	23.3%	1.2x	2.3x	13.0x

Source: Capital IQ

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LTM Equity Performance

Major Indexes



Source: Capital IQ

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Recent M&A Activity

Last Twelve (12) Months as of December 31, 2021

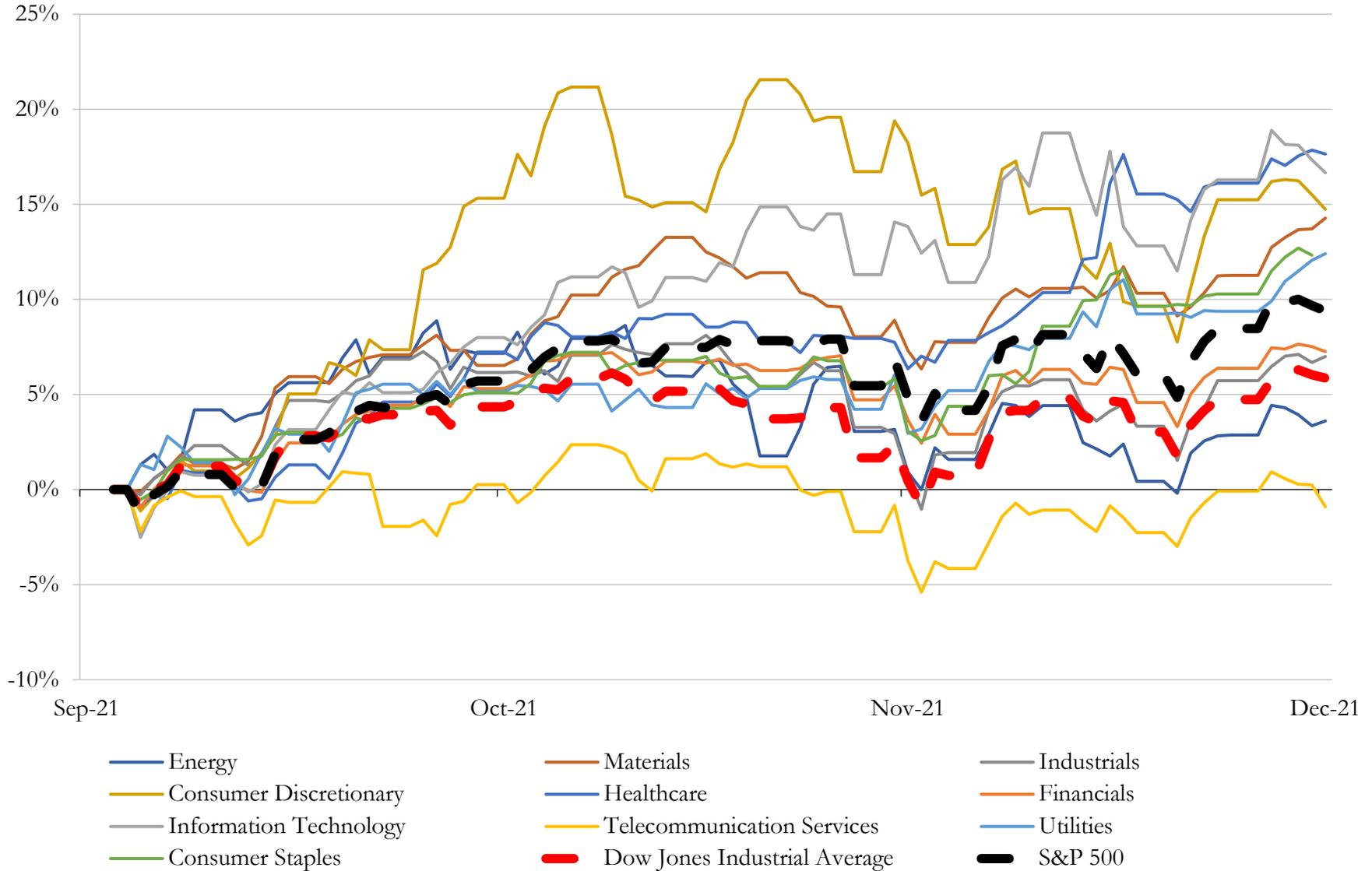
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Mar-21	Firestone Building Products Company, LLC	Holcim Participations (US) Inc.	\$3,400
Oct-21	Lehigh West Region Business	Martin Marietta Materials, Inc.	\$2,300
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Oct-21	North American building products businesses of Boral Industries Inc.	Westlake Chemical Corporation	\$2,150
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
Aug-21	North American Architectural Glass Business of AGC Inc.	Cardinal Glass Industries, Inc.	\$450
Apr-21	StonePoint Materials, LLC	Arcosa, Inc.	\$375
Nov-21	EZ-FLO International, Inc.	Reliance Worldwide Corporation Limited	\$325
Aug-21	LASCO Fittings, Inc.	North American Pipe Corporation	\$253
Oct-21	Meridian Brick LLC	General Shale Brick, Inc.	\$250
Aug-21	Cascade Windows, Inc.	Cornerstone Building Brands, Inc.	\$241
Aug-21	Doors & Building Components Inc.	Janus International Group, Inc.	\$169
Dec-20	Assets of Kraus	Masco Corporation Of Indiana Inc.	\$153
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
Oct-21	Assets in the Business of Manufacturing Vinyl Windows and Doors of Anlin	PGT Innovations, Inc.	\$126
Jan-21	General Tools & Instruments LLC	Worthington Industries, Inc.	\$120
Jun-21	Cali Bamboo, LLC	Victoria plc	\$104
Dec-20	Depleted Sand and Gravel Location in Austin, Texas	N/A	\$100
Apr-21	Prime Window Systems, LLC	Cornerstone Building Brands, Inc.	\$94
Jun-21	Spartan Surfaces, Inc.	Floor and Decor Outlets of America, Inc.	\$90
Nov-21	Reflectix, Inc.	Balcan Innovations Inc.	\$83
Feb-21	Work Tools International, Inc./The Muralo Company, Inc	Masco Corporation	\$53
Feb-21	Industrial business of Gibraltar Industries, Inc.	Pacific Avenue Capital Partners, LLC	\$38
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

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of December 31, 2021

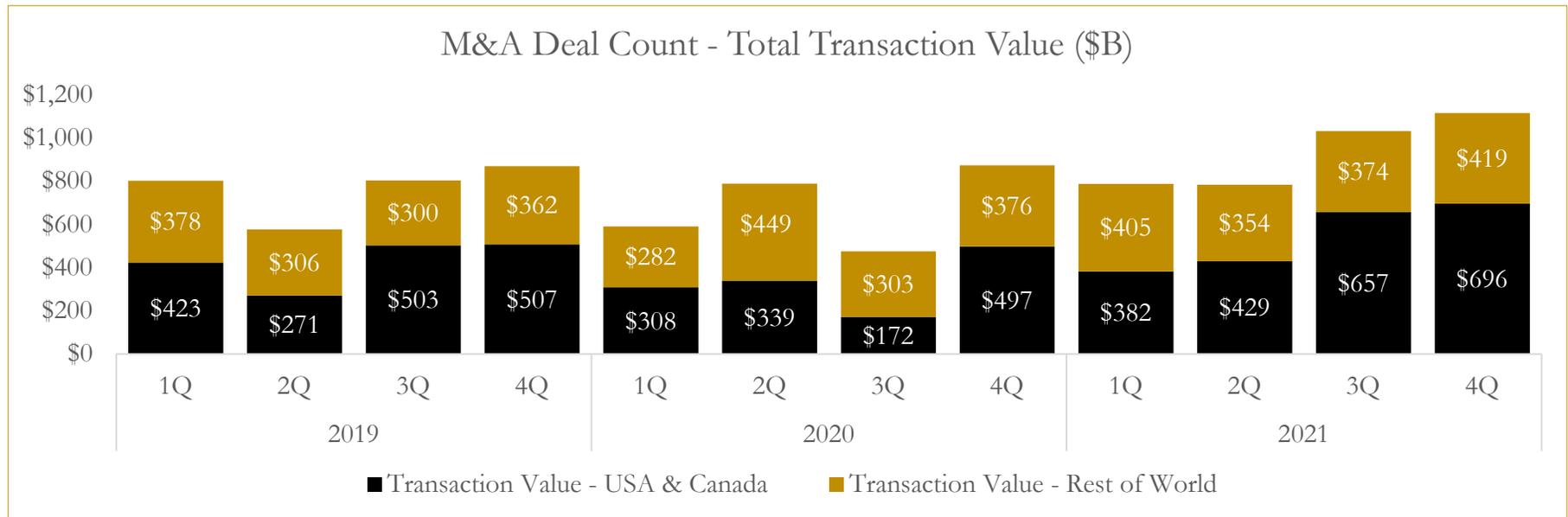
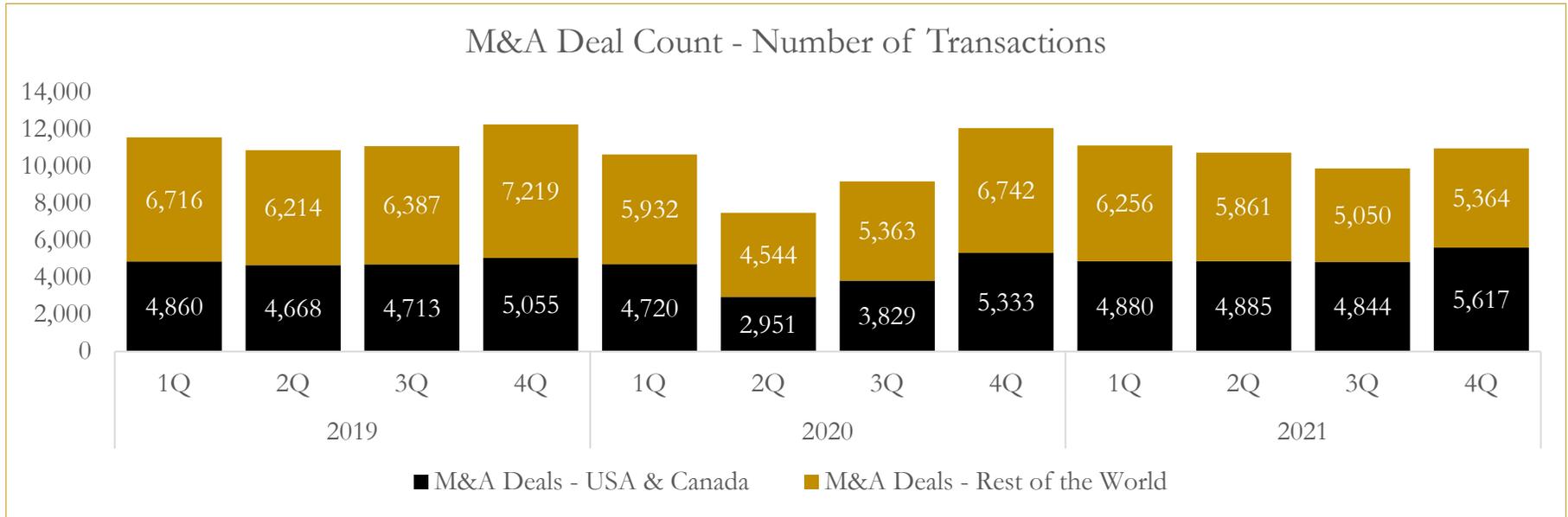


Source: Capital IQ

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M&A Deal Flow Statistics

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



Source: Capital IQ

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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