



Industry Update  
**Building Products**  
Q1 2022

## 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 03/31/22	% 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	\$74.28	65.2%	\$12,039	\$7,936	\$7,656	\$1,310	\$8,161	\$1,448
Trex Company, Inc.	TREX	\$65.33	46.3%	\$7,171	\$920	\$1,197	\$356	\$1,379	\$419
UFP Industries, Inc.	UFPI	\$77.16	81.4%	\$4,987	\$3,245	\$8,636	\$823	\$8,529	\$839
American Woodmark Corporation	AMWD	\$48.95	46.2%	\$1,417	\$1,592	\$1,829	\$123	\$1,981	\$198
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	\$257.86	72.4%	\$10,439	\$2,172	\$4,194	\$659	\$4,516	\$749
A. O. Smith Corporation	AOS	\$63.89	73.7%	\$10,010	\$3,474	\$3,539	\$687	\$4,138	\$824
AAON, Inc.	AAON	\$55.73	66.5%	\$2,883	\$650	\$535	\$100	\$722	\$156
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	\$91.50	83.3%	\$10,943	\$10,015	\$8,498	\$1,875	\$9,268	\$2,077
Armstrong World Industries, Inc.	AWI	\$90.01	76.2%	\$5,057	\$1,710	\$1,107	\$283	\$1,241	\$423

Source: Capital IQ

## Financial Performance (cont.)

Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			Total Assets	LTM Operating Data		Forward Estimates	
		Price at 03/31/22	% of 52 Week High	TEV		LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Windows and Doors</b>									
Masonite International Corporation	DOOR	\$88.94	67.3%	\$2,578	\$2,247	\$2,597	\$376	\$2,817	\$459
Griffon Corporation	GFF	\$20.03	68.1%	\$2,073	\$2,583	\$2,321	\$231	\$2,890	\$345
PGT Innovations, Inc.	PGTI	\$17.98	64.0%	\$1,722	\$1,461	\$1,161	\$150	\$1,407	\$230
Quanex Building Products Corporation	NX	\$20.99	72.3%	\$807	\$718	\$1,109	\$127	\$1,150	\$139
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	\$109.04	77.2%	\$4,506	\$1,484	\$1,573	\$410	\$2,039	\$436
Gibraltar Industries, Inc.	ROCK	\$42.95	44.6%	\$1,360	\$1,215	\$1,340	\$146	\$1,416	\$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	9.2%	26.5%	25.7%	17.1%	28.7%	1.6x	1.6x	9.2x
Trex Company, Inc.	TREX	23.7%	31.8%	35.9%	29.8%	41.9%	1.4x	6.0x	20.1x
UFP Industries, Inc.	UFPI	16.1%	31.6%	67.6%	9.5%	90.9%	1.5x	0.6x	6.1x
American Woodmark Corporation	AMWD	1.4%	-5.7%	9.5%	6.8%	-43.1%	2.1x	0.6x	N/A
	Mean	12.6%	21.0%	34.7%	15.8%	29.6%	1.7x	2.2x	11.8x
	Median	12.6%	29.0%	30.8%	13.3%	35.3%	1.6x	1.1x	9.2x
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	17.4%	N/A	15.4%	15.7%	17.6%	0.9x	2.5x	15.8x
A. O. Smith Corporation	AOS	11.5%	26.5%	22.2%	19.4%	31.8%	1.2x	2.8x	14.6x
AAON, Inc.	AAON	8.0%	14.4%	3.9%	18.8%	-18.5%	0.7x	5.4x	28.7x
	Mean	12.3%	20.4%	13.8%	18.0%	10.3%	0.9x	3.6x	19.7x
	Median	11.5%	20.4%	15.4%	18.8%	17.6%	0.9x	2.8x	15.8x
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	8.9%	24.0%	20.5%	22.1%	39.4%	1.5x	1.3x	5.8x
Armstrong World Industries, Inc.	AWI	6.8%	38.2%	18.1%	25.6%	4.0%	1.2x	4.6x	17.9x
	Mean	7.8%	31.1%	19.3%	23.8%	21.7%	1.3x	2.9x	11.9x
Source: Capital IQ	Median	7.8%	31.1%	19.3%	23.8%	21.7%	1.3x	2.9x	11.9x

## Valuation Metrics (cont.)

### Return Profile, Trading Metrics

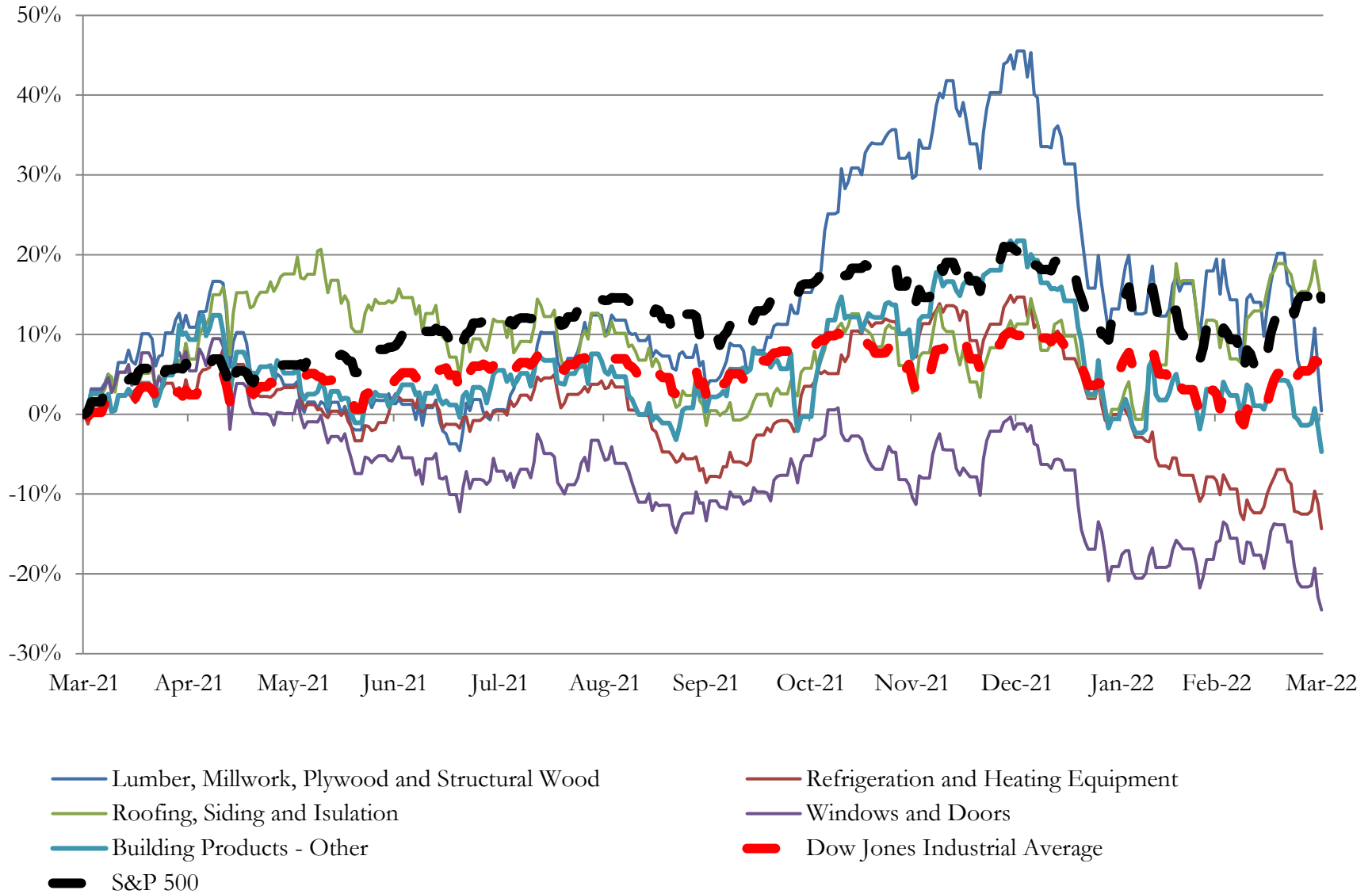
Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Windows and Doors</b>									
Masonite International Corporation	DOOR	8.1%	14.2%	15.1%	14.5%	10.6%	1.7x	1.0x	6.8x
Griffon Corporation	GFF	8.1%	14.2%	15.1%	14.5%	10.6%	1.7x	0.9x	9.0x
PGT Innovations, Inc.	PGTI	5.1%	6.7%	31.6%	12.9%	9.9%	1.4x	1.5x	11.5x
Quanex Building Products Corporation	NX	7.5%	15.1%	25.3%	11.5%	14.0%	1.5x	0.7x	6.4x
	Mean	7.2%	12.5%	21.8%	13.3%	11.3%	1.6x	1.0x	8.4x
	Median	7.8%	14.2%	20.2%	13.7%	10.6%	1.6x	0.9x	7.9x
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	16.9%	24.6%	24.1%	26.1%	41.0%	1.2x	2.9x	11.0x
Gibraltar Industries, Inc.	ROCK	5.9%	9.5%	29.8%	10.9%	9.1%	1.1x	1.0x	9.3x
	Mean	11.4%	17.1%	26.9%	18.5%	25.0%	1.2x	1.9x	10.1x
	Median	11.4%	17.1%	26.9%	18.5%	25.0%	1.2x	1.9x	10.1x

Source: Capital IQ

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## LTM Equity Performance

### Major Indexes



Source: Capital IQ



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## Recent M&amp;A Activity

Last Twelve (12) Months as of March 31, 2022

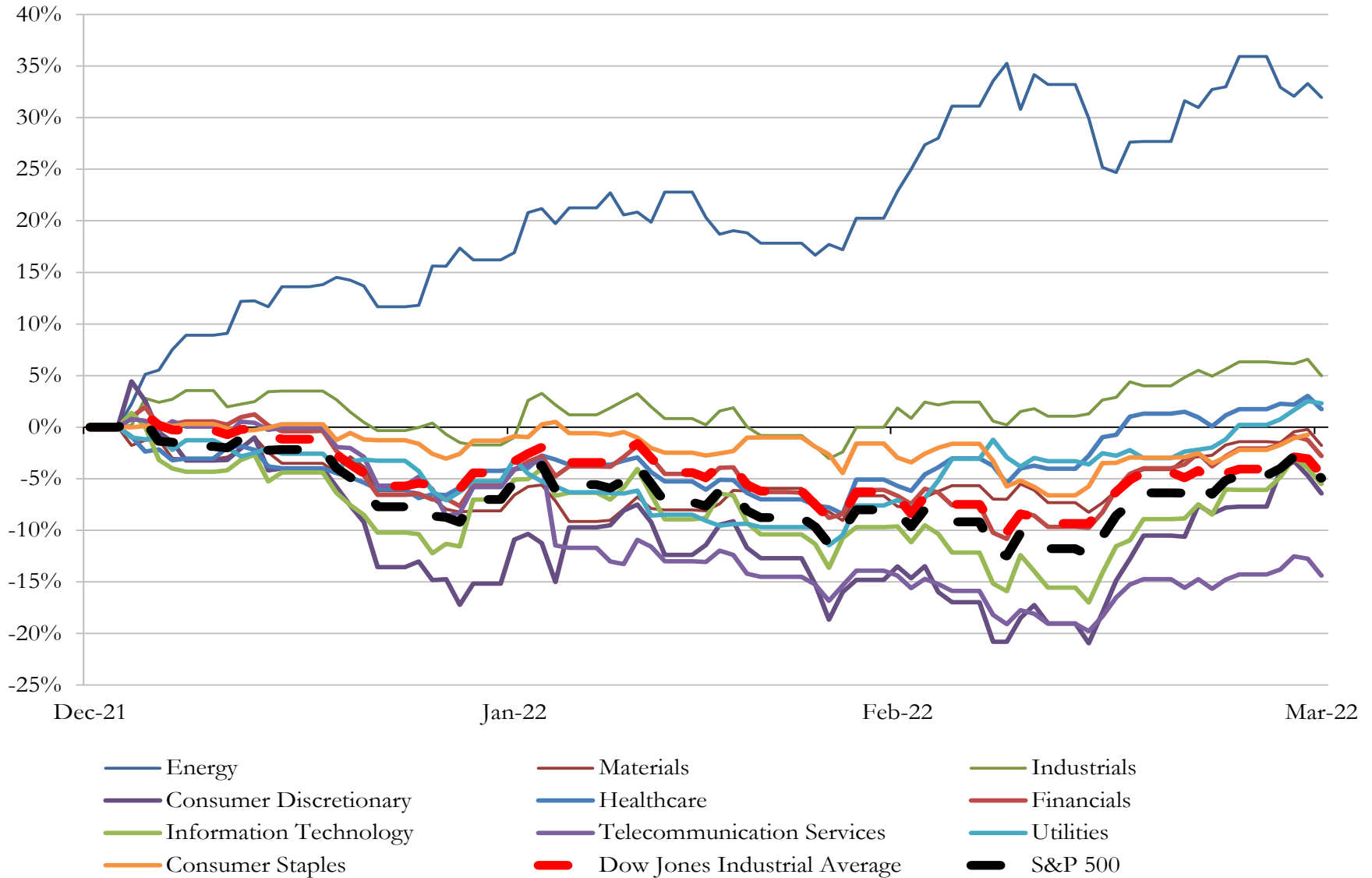
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Mar-21	Firestone Building Products Company, LLC	Holcim Participations (US) Inc.	\$3,400
Mar-22	Forterra, Inc.	Quikrete Holdings, Inc.	\$2,792
Oct-21	Lehigh West Region Business	Martin Marietta Materials, Inc.	\$2,300
Oct-21	North American building products businesses of Boral Industries Inc.	Westlake Chemical Corporation (nka:Westlake Corporation)	\$2,150
Aug-21	U.S. Concrete, Inc.	Vulcan Materials Company	\$2,129
Sep-21	Henry Company LLC	Carlisle Companies Incorporated	\$1,575
Mar-22	Malarkey Roofing Products Co.	Holcim Group Services Limited	\$1,350
Aug-21	Insulated Metal Panels Business of Cornerstone Building Brands, Inc.	Vulcraft Canada, Inc.; Nucor Insulated Panel Group Inc	\$1,000
Mar-22	Associated Materials, LLC	Strategic Value Partners, LLC	\$950
Feb-22	North American Fly Ash Business of Boral Limited	Eco Material Technologies Inc	\$755
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
Aug-21	Southwest Rock Products, L.L.C./Midwest Land Trust, LLC/White Mountain	Arcosa MS5, LLC	\$150
Oct-21	Assets in the Business of Manufacturing Vinyl Windows and Doors of Anlin	PGT Innovations, Inc.	\$126
Jun-21	Cali Bamboo, LLC	Victoria plc	\$104
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
Jan-22	Solar Innovations, LLC	Fortune Brands Home & Security, Inc.	\$63
Nov-21	Wade Drains Product Line of McWane, Inc.	Zurn Water Solutions Corporation	\$14
Jul-21	Barbour Concrete Company/Barbour Building Systems L.L.C.	Forterra, Inc.	\$7
Feb-22	Mill Creek Dolomite, LLC	United States Lime & Minerals, Inc.	\$6
Jul-21	Mobile Tint, LLC	C-Bond Systems, Inc.	\$1
Mar-22	Resco Products, Inc.	Balmoral Funds LLC	NA
Mar-22	Calstone Company Inc.	Oldcastle APG, Inc.	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

*Last Three (3) Months as of March 31, 2022*



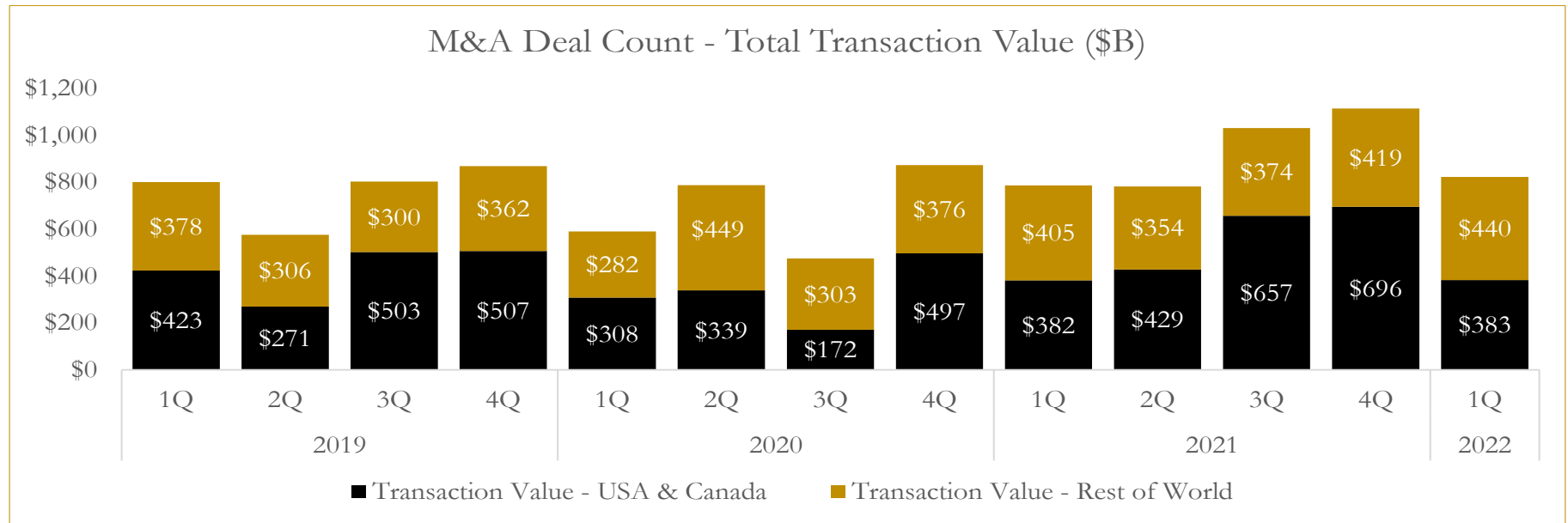
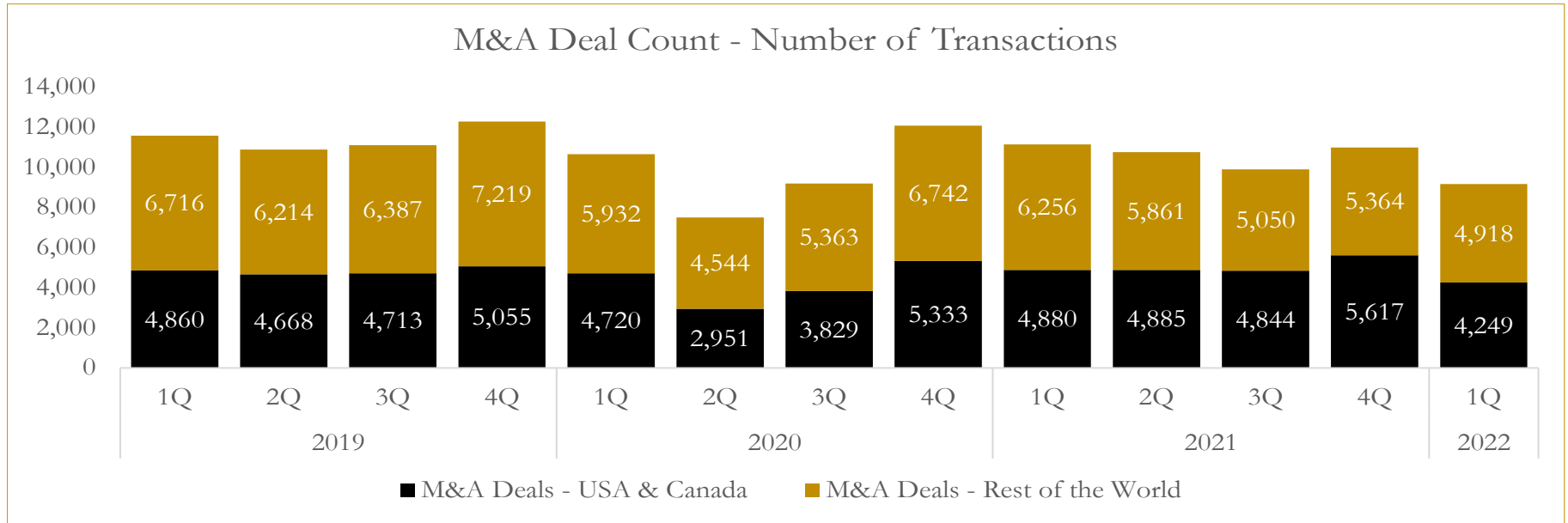
Source: Capital IQ



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## M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2022



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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