



Industry Update  
**Building Products**  
Q2 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 06/30/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2022 Est. Revenue	2022 Est. EBITDA
<b>Lumber, Millwork, Plywood and Structural Wood</b>									
Fortune Brands Home & Security, Inc.	FBHS	\$59.88	54.8%	\$12,148	\$8,334	\$7,977	\$1,320	\$8,188	\$1,429
Trex Company, Inc.	TREX	\$54.42	38.6%	\$7,312	\$972	\$1,291	\$392	\$1,384	\$420
UFP Industries, Inc.	UFPI	\$68.14	71.9%	\$5,858	\$3,611	\$9,501	\$1,001	\$9,533	\$1,044
American Woodmark Corporation	AMWD	\$45.01	54.3%	\$1,450	\$1,632	\$1,857	\$123	\$2,075	\$187
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	\$206.59	58.3%	\$10,615	\$2,659	\$4,404	\$677	\$4,672	\$743
A. O. Smith Corporation	AOS	\$54.68	63.0%	\$9,437	\$3,321	\$3,854	\$732	\$3,993	\$802
AAON, Inc.	AAON	\$54.76	65.4%	\$3,331	\$717	\$602	\$105	\$843	\$161
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	\$74.31	73.5%	\$11,354	\$10,543	\$9,291	\$2,134	\$9,817	\$2,282
Armstrong World Industries, Inc.	AWI	\$74.96	63.5%	\$4,834	\$1,734	\$1,178	\$293	\$1,251	\$413

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 06/30/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2022 Est. Revenue	2022 Est. EBITDA
<b>Windows and Doors</b>									
Griffon Corporation	GFF	\$28.03	84.0%	\$3,251	\$3,504	\$2,710	\$367	\$2,947	\$466
Masonite International Corporation	DOOR	\$76.83	59.6%	\$2,908	\$2,157	\$2,677	\$401	\$2,857	\$461
PGT Innovations, Inc.	PGTI	\$16.64	69.9%	\$1,946	\$1,499	\$1,249	\$169	\$1,502	\$259
Quanex Building Products Corporation	NX	\$22.75	87.7%	\$921	\$740	\$1,162	\$140	\$1,204	\$154
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	\$100.61	71.2%	\$5,083	\$2,485	\$1,902	\$508	\$2,111	\$499
Gibraltar Industries, Inc.	ROCK	\$38.75	48.8%	\$1,574	\$1,242	\$1,370	\$150	\$1,417	\$179

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	8.9%	25.0%	13.7%	16.6%	8.1%	1.5x	1.5x	9.0x
Trex Company, Inc.	TREX	23.5%	35.3%	39.4%	30.3%	49.3%	1.5x	5.3x	17.4x
UFP Industries, Inc.	UFPI	16.4%	33.0%	28.3%	10.5%	51.0%	1.4x	0.6x	5.6x
American Woodmark Corporation	AMWD	1.4%	-3.9%	6.5%	6.6%	-41.3%	1.9x	0.6x	N/A
	Mean	12.5%	22.4%	22.0%	16.0%	16.8%	1.6x	2.0x	10.6x
	Median	12.6%	29.0%	21.0%	13.6%	28.7%	1.5x	1.0x	9.0x
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	16.2%	N/A	11.4%	15.5%	3.8%	0.9x	2.3x	15.0x
A. O. Smith Corporation	AOS	12.3%	27.8%	23.8%	19.2%	25.2%	1.1x	2.5x	12.8x
AAON, Inc.	AAON	7.8%	14.2%	22.0%	17.4%	-8.9%	0.7x	5.2x	29.9x
	Mean	12.1%	21.0%	19.1%	17.4%	6.7%	0.9x	3.3x	19.2x
	Median	12.3%	21.0%	22.0%	17.4%	3.8%	0.9x	2.5x	15.0x
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	9.8%	26.0%	16.4%	22.8%	19.8%	1.4x	1.1x	4.9x
Armstrong World Industries, Inc.	AWI	7.5%	36.9%	15.9%	24.8%	7.1%	1.2x	3.9x	15.9x
	Mean	8.6%	31.5%	16.1%	23.8%	13.5%	1.3x	2.5x	10.4x
	Median	8.6%	31.5%	16.1%	23.8%	13.5%	1.3x	2.5x	10.4x

Source: Capital IQ

## Valuation Metrics (cont.)

### Return Profile, Trading Metrics

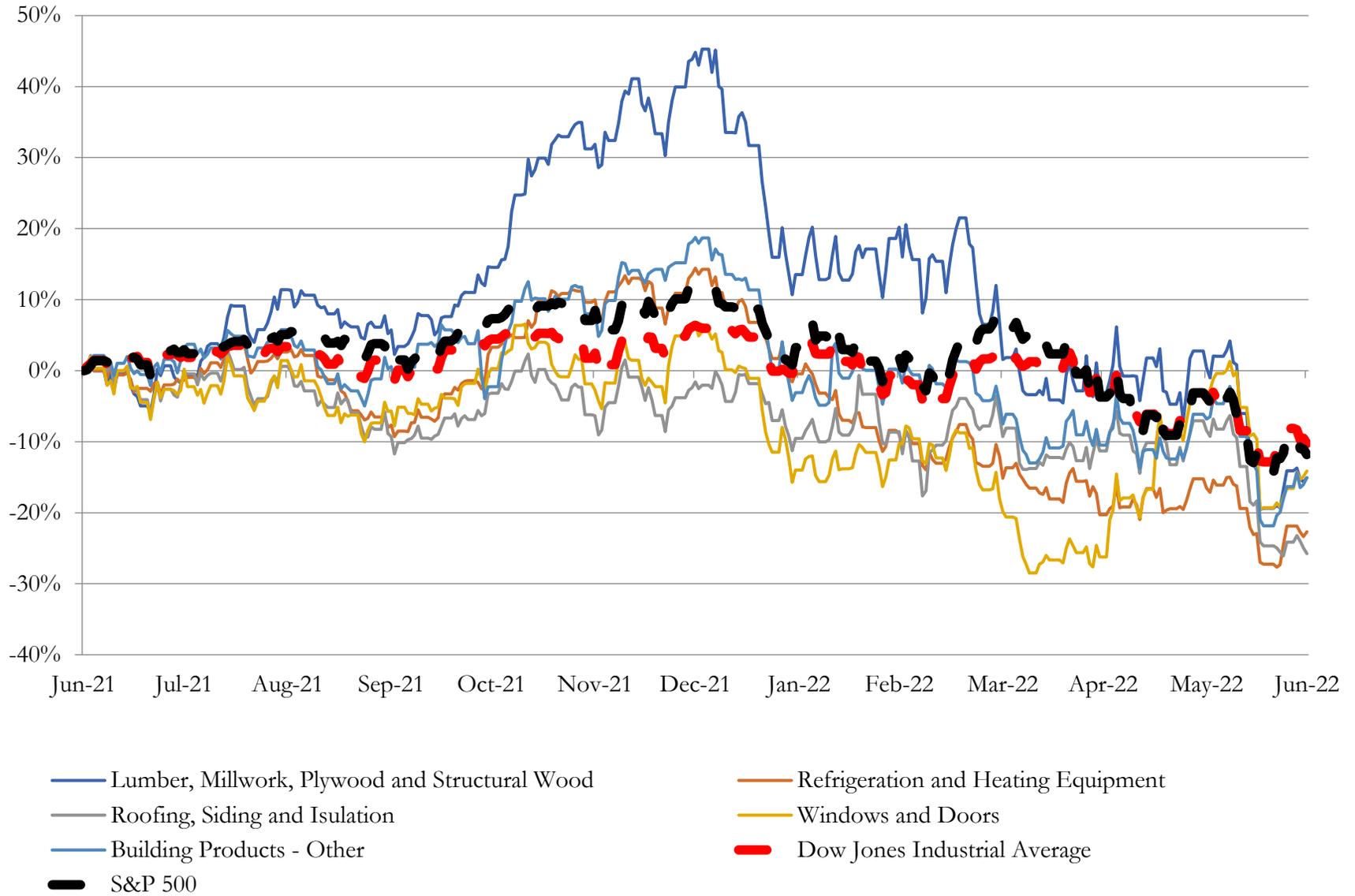
Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Windows and Doors</b>									
Griffon Corporation	DOOR	4.7%	12.5%	22.1%	11.6%	21.9%	1.7x	1.4x	11.9x
Masonite International Corporation	GFF	4.7%	12.5%	22.1%	11.6%	21.9%	1.7x	1.1x	7.2x
PGT Innovations, Inc.	PGTI	5.3%	8.1%	33.8%	13.5%	24.7%	1.4x	1.5x	10.9x
Quanex Building Products Corporation	NX	8.4%	17.4%	20.0%	12.0%	14.9%	1.3x	0.8x	6.4x
	Mean	5.8%	12.6%	24.5%	12.2%	20.8%	1.5x	1.2x	9.1x
	Median	5.0%	12.5%	22.1%	11.8%	21.9%	1.5x	1.2x	9.1x
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	15.1%	28.0%	34.3%	26.7%	48.4%	1.2x	2.6x	9.6x
Gibraltar Industries, Inc.	ROCK	6.2%	10.0%	24.0%	11.0%	6.6%	1.1x	1.1x	10.0x
	Mean	10.7%	19.0%	29.2%	18.8%	27.5%	1.1x	1.8x	9.8x
	Median	10.7%	19.0%	29.2%	18.8%	27.5%	1.1x	1.8x	9.8x

Source: Capital IQ

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## LTM Equity Performance

### Major Indexes



Source: Capital IQ

## 4

## Recent M&amp;A Activity

Last Twelve (12) Months as of June 30, 2022

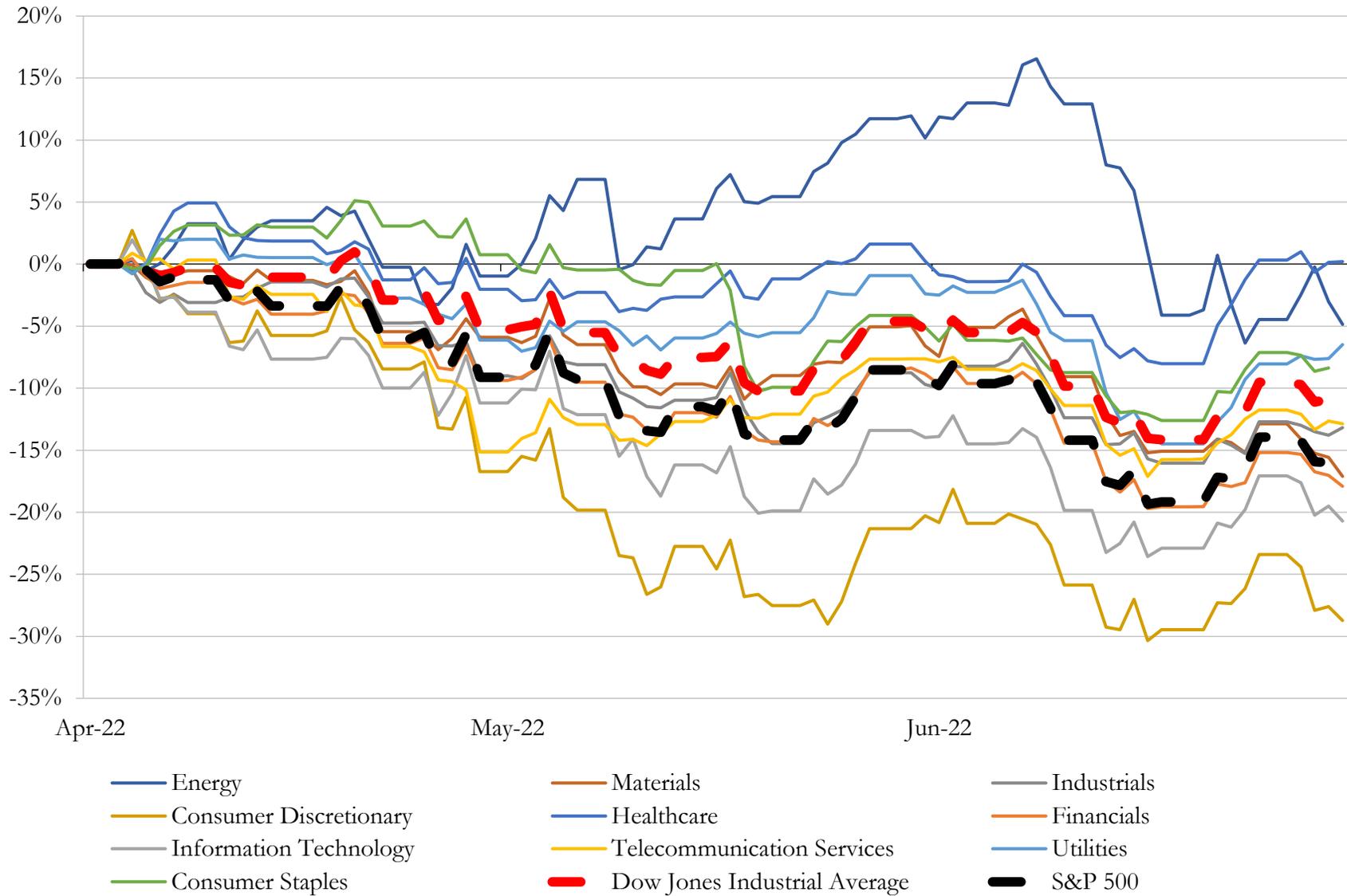
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Apr-22	Oldcastle BuildingEnvelope, Inc.	KPS Capital Partners, LP	\$3,800
Jun-22	C.H.I. Overhead Doors, Inc.	Nucor Corporation	\$3,000
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
Feb-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
Dec-21	Metromont Corporation	Markel Corporation	\$554
Apr-22	Tensor Corporation	Commercial Metals Company	\$550
Aug-21	North American Architectural Glass Business of AGC Inc.	Cardinal Glass Industries, Inc.	\$450
Nov-21	EZ-FLO International, Inc.	Reliance Worldwide Corporation Limited	\$325
Aug-21	LASCO Fittings, Inc.	North American Pipe Corporation	\$253
Jun-22	Certain West Coast Cement and Ready Mixed Concrete Operations of Martin	CalPortland Company	\$250
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
Apr-22	Concrete and Aggregates Assets	Eagle Materials Inc.	\$121
Nov-21	Reflectix, Inc.	Balcan Innovations Inc.	\$83
Jun-22	Level5 Tools, LLC	Worthington Industries, Inc.	\$80
Jan-22	Solar Innovations, LLC	Fortune Brands Home & Security, Inc.	\$63
Apr-22	One Business in the East Segment of Summit Materials, Inc.	N/A	\$48
May-22	NB Legacy Corporation	SageHome Inc.	\$23
Nov-21	Wade Drains Product Line of McWane, Inc.	Zurn Water Solutions Corporation (nka:Zurn Elkay Water Solutions	\$14
May-22	Tri-State Paving & Sealcoating, LLC	Energy Services of America Corporation	\$10

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of June 30, 2022

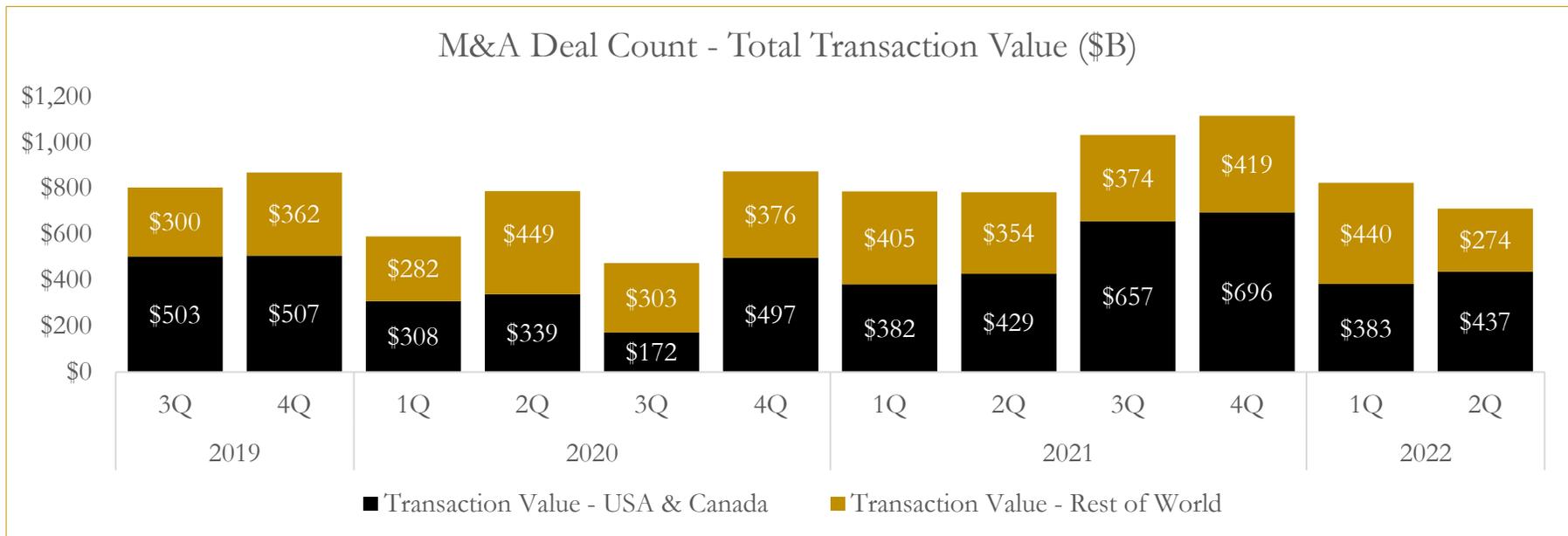
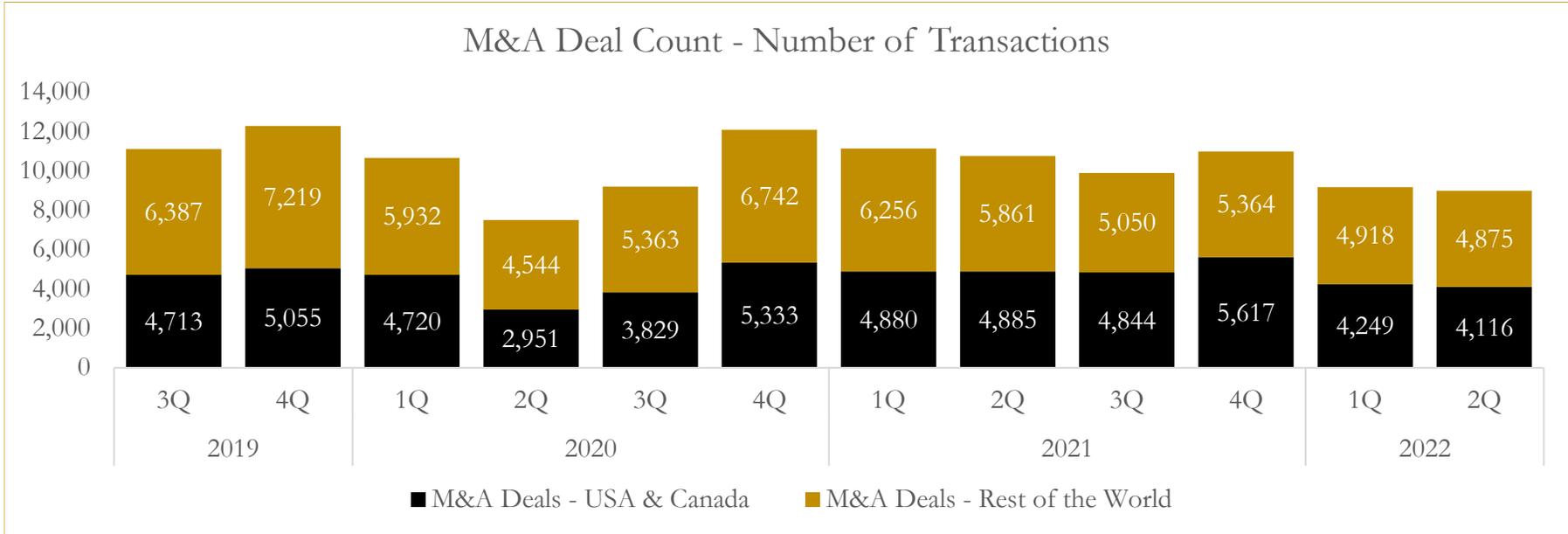


Source: Capital IQ

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## M&A Deal Flow Statistics

Last Three (3) Years as of June 30, 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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