



Industry Update
Building Products
Q3 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 09/30/22 | % of 52 Week High | TEV | Total Assets | LTM Revenue | LTM EBITDA | 2022 Est. Revenue | 2022 Est. EBITDA |
| Lumber, Millwork, Plywood and Structural Wood | | | | | | | | | |
| Fortune Brands Home & Security, Inc. | FBHS | \$53.69 | 49.2% | \$10,058 | \$8,334 | \$7,977 | \$1,320 | \$8,178 | \$1,428 |
| Trex Company, Inc. | TREX | \$43.94 | 31.2% | \$4,765 | \$887 | \$1,365 | \$430 | \$1,105 | \$311 |
| UFP Industries, Inc. | UFPI | \$72.16 | 76.1% | \$4,124 | \$3,807 | \$9,730 | \$1,074 | \$9,508 | \$1,044 |
| American Woodmark Corporation | AMWD | \$43.86 | 57.4% | \$1,264 | \$1,646 | \$1,957 | \$146 | \$2,106 | \$212 |
| Refrigeration and Heating Equipment | | | | | | | | | |
| Lennox International Inc. | LII | \$222.67 | 66.5% | \$9,422 | \$2,659 | \$4,404 | \$677 | \$4,645 | \$742 |
| A. O. Smith Corporation | AOS | \$48.58 | 56.0% | \$7,403 | \$3,321 | \$3,854 | \$732 | \$3,752 | \$716 |
| AAON, Inc. | AAON | \$53.88 | 64.3% | \$2,976 | \$777 | \$666 | \$101 | \$840 | \$147 |
| Roofing, Siding and Isulation | | | | | | | | | |
| Owens Corning | OC | \$78.61 | 77.7% | \$10,234 | \$10,543 | \$9,291 | \$2,134 | \$9,814 | \$2,279 |
| Armstrong World Industries, Inc. | AWI | \$79.23 | 67.1% | \$4,236 | \$1,734 | \$1,178 | \$293 | \$1,251 | \$411 |

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 09/30/22 | % of 52 Week High | TEV | Total Assets | LTM Revenue | LTM EBITDA | 2022 Est. Revenue | 2022 Est. EBITDA |
| Windows and Doors | | | | | | | | | |
| Griffon Corporation | GFF | \$29.52 | 84.5% | \$3,268 | \$3,504 | \$2,710 | \$367 | \$2,944 | \$464 |
| Masonite International Corporation | DOOR | \$71.29 | 55.3% | \$2,303 | \$2,219 | \$2,776 | \$406 | \$2,849 | \$463 |
| PGT Innovations, Inc. | PGTI | \$20.96 | 89.7% | \$1,807 | \$1,566 | \$1,370 | \$205 | \$1,501 | \$262 |
| Quanex Building Products Corporation | NX | \$18.16 | 70.0% | \$685 | \$744 | \$1,206 | \$151 | \$1,219 | \$154 |
| Building Products - Other | | | | | | | | | |
| Simpson Manufacturing Co., Inc. | SSD | \$78.40 | 55.5% | \$3,790 | \$2,485 | \$1,902 | \$524 | \$2,110 | \$498 |
| Gibraltar Industries, Inc. | ROCK | \$40.93 | 51.5% | \$1,506 | \$1,295 | \$1,389 | \$157 | \$1,410 | \$179 |

Source: Capital IQ

2

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 | 8.8% | 25.0% | 13.7% | 16.5% | 7.8% | 1.6x | 1.3x | 7.6x |
| Trex Company, Inc. | TREX | 27.2% | 40.1% | 34.3% | 31.5% | 50.6% | 1.5x | 3.5x | 11.1x |
| UFP Industries, Inc. | UFPI | 17.7% | 33.1% | 21.4% | 11.0% | 46.9% | 1.5x | 0.4x | 3.8x |
| American Woodmark Corporation | AMWD | 2.3% | -1.7% | 9.0% | 7.5% | -21.2% | 1.8x | 0.4x | N/A |
| | Mean | 14.0% | 24.2% | 19.6% | 16.6% | 21.0% | 1.6x | 1.4x | 7.5x |
| | Median | 13.3% | 29.1% | 17.5% | 13.8% | 27.3% | 1.5x | 0.8x | 7.6x |
| Refrigeration and Heating Equipment | | | | | | | | | |
| Lennox International Inc. | LII | 15.5% | N/A | 6.4% | 15.4% | -3.0% | 0.9x | 2.1x | 13.9x |
| A. O. Smith Corporation | AOS | 12.7% | 28.7% | 19.6% | 19.0% | 15.3% | 1.2x | 1.9x | 10.1x |
| AAON, Inc. | AAON | 6.8% | 12.8% | 30.4% | 15.2% | -13.8% | 0.7x | 4.5x | 29.3x |
| | Mean | 11.7% | 20.7% | 18.8% | 16.5% | -0.5% | 0.9x | 2.8x | 17.8x |
| | Median | 12.7% | 20.7% | 19.6% | 15.4% | -3.0% | 0.9x | 2.1x | 13.9x |
| Roofing, Siding and Isulation | | | | | | | | | |
| Owens Corning | OC | 9.9% | 26.0% | 16.4% | 23.0% | 23.0% | 1.5x | 1.1x | 4.8x |
| Armstrong World Industries, Inc. | AWI | 7.5% | 36.9% | 15.9% | 24.8% | 7.1% | 1.2x | 3.6x | 14.5x |
| | Mean | 8.7% | 31.5% | 16.1% | 23.9% | 15.1% | 1.3x | 2.3x | 9.6x |
| | Median | 8.7% | 31.5% | 16.1% | 23.9% | 15.1% | 1.3x | 2.3x | 9.6x |

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

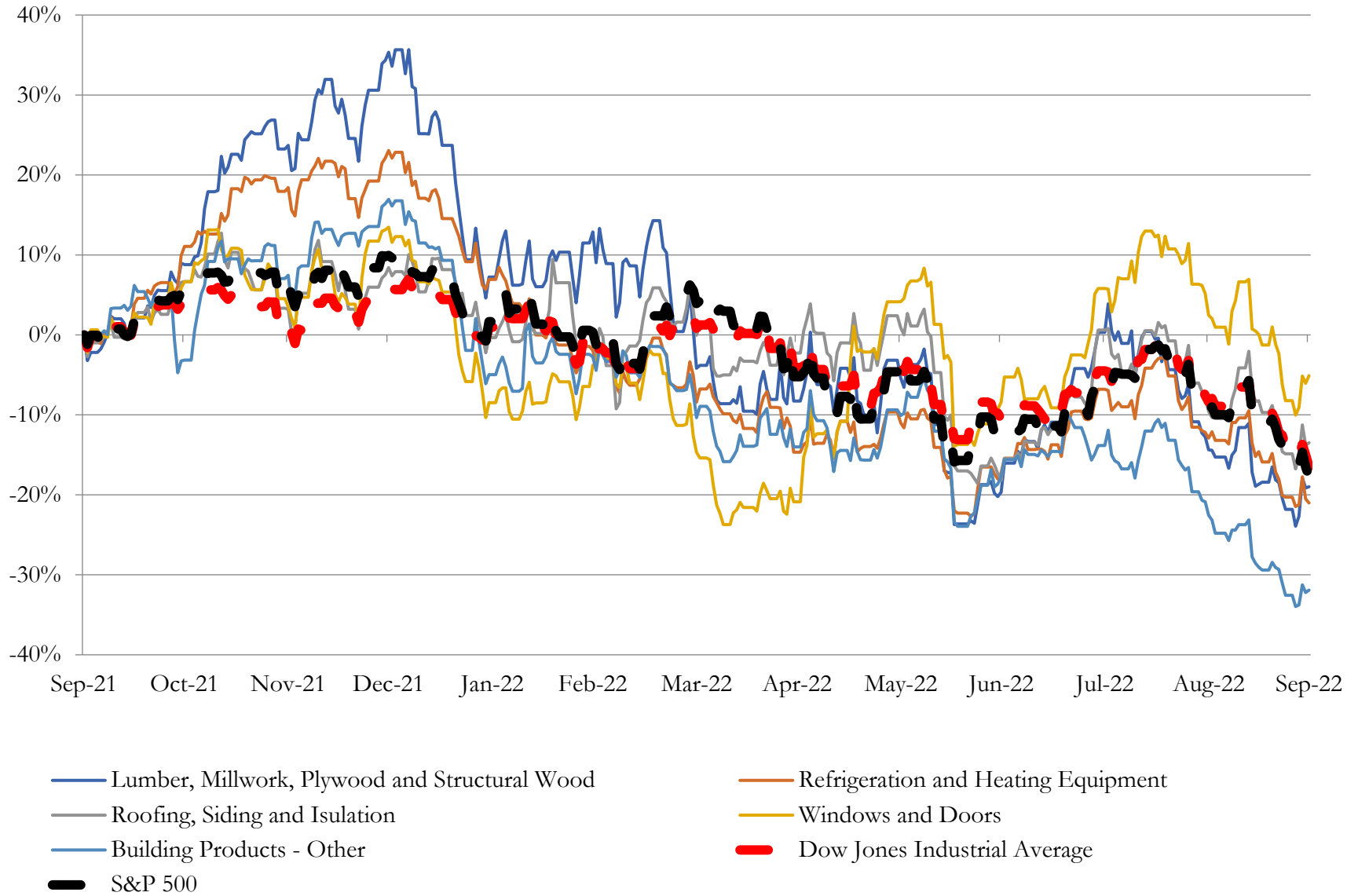
| Company Name | Ticker | Return Profile | | | | | | Trading Multiples | |
|--------------------------------------|--------|------------------|------------------|----------------|---------------|---------------|-----------|-------------------|------------------|
| | | Return on Assets | Return on Equity | Revenue Growth | EBITDA Margin | EBITDA Growth | 5-yr Beta | TEV / LTM Revenue | TEV / LTM EBITDA |
| Windows and Doors | | | | | | | | | |
| Griffon Corporation | DOOR | 6.3% | 16.7% | 34.1% | 13.5% | 58.0% | 1.5x | 1.2x | 8.9x |
| Masonite International Corporation | GFF | 6.3% | 16.7% | 34.1% | 13.5% | 58.0% | 1.5x | 0.8x | 5.7x |
| PGT Innovations, Inc. | PGTI | 6.6% | 12.3% | 34.8% | 15.0% | 48.8% | 1.4x | 1.3x | 8.8x |
| Quanex Building Products Corporation | NX | 9.5% | 19.8% | 16.4% | 12.6% | 19.0% | 1.3x | 0.6x | 4.5x |
| | Mean | 7.2% | 16.4% | 29.9% | 13.6% | 45.9% | 1.5x | 1.0x | 7.0x |
| | Median | 6.5% | 16.7% | 34.1% | 13.5% | 53.4% | 1.5x | 1.0x | 7.2x |
| Building Products - Other | | | | | | | | | |
| Simpson Manufacturing Co., Inc. | SSD | 15.4% | 28.0% | 34.3% | 27.5% | 53.0% | 1.2x | 2.0x | 7.2x |
| Gibraltar Industries, Inc. | ROCK | 6.4% | 10.3% | 15.9% | 11.3% | 8.0% | 1.1x | 1.1x | 9.6x |
| | Mean | 10.9% | 19.1% | 25.1% | 19.4% | 30.5% | 1.1x | 1.5x | 8.4x |
| | Median | 10.9% | 19.1% | 25.1% | 19.4% | 30.5% | 1.1x | 1.5x | 8.4x |

Source: Capital IQ

3

LTM Equity Performance

Major Indexes



Source: Capital IQ

4

Recent M&A Activity

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

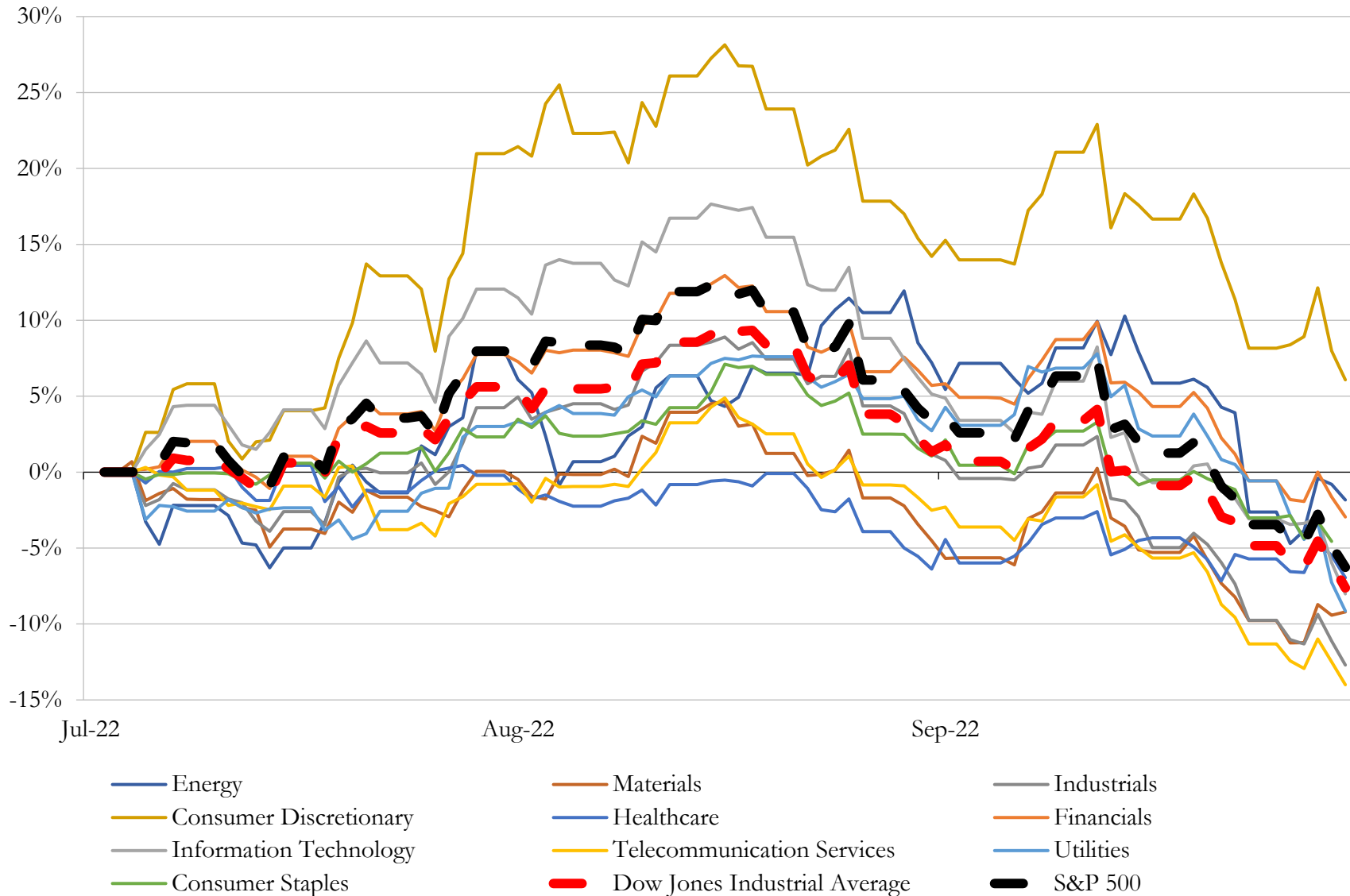
(USD in millions)

| Close Date | Target | Acquirer | Implied TEV |
|------------|---|--|-------------|
| Jul-22 | Cornerstone Building Brands, Inc. | Clayton, Dubilier & Rice, LLC; Clayton, Dubilier & Rice VIII, L.P.; CD&R | \$6,159 |
| 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 |
| Jul-22 | Elkay Manufacturing Company, Inc. | Zurn Water Solutions Corporation (nka:Zurn Elkay Water Solutions | \$1,537 |
| Feb-22 | Malarkey Roofing Products Co. | Holcim Group Services Limited | \$1,350 |
| Mar-22 | Associated Materials, LLC | Strategic Value Partners, LLC | \$950 |
| Jul-22 | Stanley Access Technologies, LLC/Automatic Entrance Solutions Assets from | Allegion US Holding Company Inc. | \$900 |
| 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 |
| Nov-21 | EZ-FLO International, Inc. | Reliance Worldwide Corporation Limited | \$325 |
| 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 |
| Jun-22 | United Poly Systems, LLC | Atkore Inc. | \$215 |
| 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 |
| Jul-22 | SP Silica of Monahans, LLC/SP Silica Sales, LLC | ProFrac Holdings II, LLC | \$90 |
| Nov-21 | Reflectix, Inc. | Balcan Innovations Inc. | \$83 |
| Jun-22 | Level5 Tools, LLC | Worthington Industries, Inc. | \$81 |
| May-22 | Recycled Aggregate Materials Company, Inc. | Arcosa, Inc. | \$75 |
| Jan-22 | Solar Innovations, LLC | Fortune Brands Home & Security, Inc. | \$62 |
| Aug-22 | Quality Aluminum Products, Inc. | Gibraltar Industries, Inc. | \$54 |
| Aug-22 | Operating Assets of Vanhooseco Precast, LLC | CXTI, Inc. | \$51 |
| Apr-22 | One Business in the East Segment of Summit Materials, Inc. | N/A | \$48 |
| Jul-22 | HomCo Lumber & Hardware | Builders FirstSource, Inc. | \$31 |
| May-22 | NB Legacy Corporation | SageHome Inc. | \$23 |
| Aug-22 | INTEX Millwork Solutions, LLC | The AZEK Company Inc. | \$15 |

Source: Capital IQ

5 Change in Market Capitalization by Sector

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

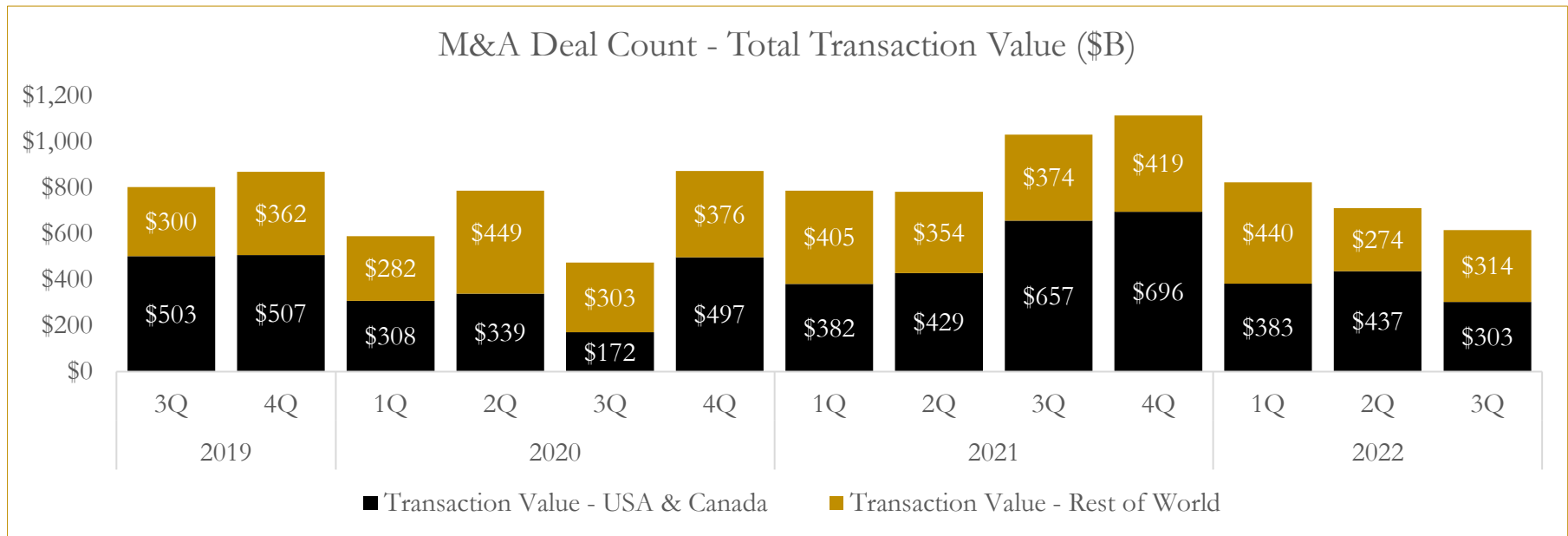
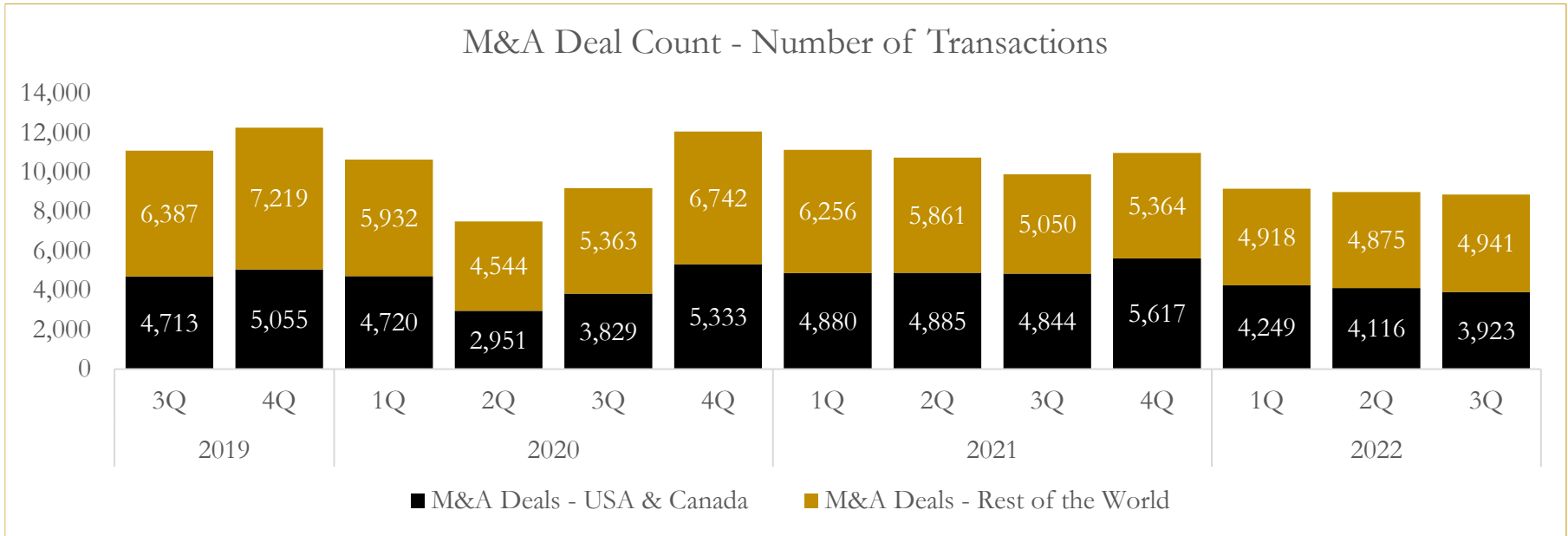


Source: Capital IQ

6

M&A Deal Flow Statistics

Last Three (3) Years as of September 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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