



Industry Update
Building Products
Q1 2023

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 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Lumber, Millwork, Plywood and Structural Wood									
Fortune Brands Innovations, Inc.	FBIN	\$58.73	74.4%	\$10,466	\$6,121	\$4,723	\$941	\$4,460	\$882
Trex Company, Inc.	TREX	\$48.67	70.3%	\$7,013	\$1,133	\$1,006	\$269	\$1,037	\$280
UFP Industries, Inc.	UFPI	\$79.47	79.9%	\$4,985	\$3,697	\$8,960	\$971	\$8,011	\$810
American Woodmark Corporation	AMWD	\$52.07	85.7%	\$1,344	\$1,564	\$2,087	\$202	\$1,874	\$197
Refrigeration and Heating Equipment									
Lennox International Inc.	LII	\$251.28	90.1%	\$11,837	\$2,770	\$4,754	\$757	\$4,809	\$821
A. O. Smith Corporation	AOS	\$69.15	96.2%	\$10,308	\$3,336	\$3,743	\$735	\$3,788	\$776
AAON, Inc.	AAON	\$96.69	99.7%	\$5,334	\$868	\$972	\$187	\$1,105	\$244
Roofing, Siding and Isulation									
Owens Corning	OC	\$95.80	90.7%	\$12,055	\$10,840	\$9,746	\$2,204	\$9,337	\$1,936
Armstrong World Industries, Inc.	AWI	\$71.24	74.4%	\$3,621	\$1,688	\$1,261	\$313	\$1,274	\$404

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 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Windows and Doors									
Griffon Corporation	GFF	\$32.01	73.2%	\$3,269	\$2,660	\$2,837	\$474	\$2,735	\$471
Masonite International Corporation	DOOR	\$90.77	95.6%	\$3,126	\$2,248	\$2,892	\$420	\$2,842	\$433
PGT Innovations, Inc.	PGTI	\$25.11	97.4%	\$2,278	\$1,640	\$1,492	\$225	\$1,486	\$245
Quanex Building Products Corporation	NX	\$21.53	79.6%	\$811	\$827	\$1,216	\$143	\$1,157	\$140
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	\$109.64	95.0%	\$5,687	\$2,556	\$2,157	\$543	\$2,058	\$494
Gibraltar Industries, Inc.	ROCK	\$48.50	84.3%	\$1,732	\$1,208	\$1,365	\$173	\$1,373	\$189

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 Innovations, Inc.	FBIN	7.2%	21.0%	-1.6%	19.9%	-2.1%	1.6x	2.1x	10.5x
Trex Company, Inc.	TREX	17.7%	29.7%	-7.6%	27.7%	-14.1%	1.5x	5.6x	20.4x
UFP Industries, Inc.	UFPI	17.2%	30.5%	11.5%	11.0%	27.3%	1.5x	0.5x	4.5x
American Woodmark Corporation	AMWD	4.6%	9.8%	14.1%	9.7%	59.5%	1.8x	0.5x	N/A
	Mean	11.7%	22.7%	4.1%	17.1%	17.6%	1.6x	2.2x	11.8x
	Median	12.2%	25.3%	4.9%	15.5%	12.6%	1.5x	1.3x	10.5x
Refrigeration and Heating Equipment									
Lennox International Inc.	LII	17.2%	N/A	12.5%	15.5%	11.7%	0.9x	2.3x	15.0x
A. O. Smith Corporation	AOS	3.9%	13.2%	6.1%	7.7%	-57.6%	1.3x	2.7x	35.4x
AAON, Inc.	AAON	10.9%	19.5%	66.3%	18.3%	55.7%	0.8x	6.0x	32.8x
	Mean	10.7%	16.4%	28.3%	13.8%	3.2%	1.0x	3.7x	27.7x
	Median	10.9%	16.4%	12.5%	15.5%	11.7%	0.9x	2.7x	32.8x
Roofing, Siding and Isulation									
Owens Corning	OC	10.6%	27.7%	14.9%	23.3%	19.5%	1.4x	1.2x	5.0x
Armstrong World Industries, Inc.	AWI	8.3%	37.9%	11.4%	25.1%	9.1%	1.1x	3.2x	12.6x
	Mean	9.5%	32.8%	13.1%	24.2%	14.3%	1.3x	2.2x	8.8x
	Median	9.5%	32.8%	13.1%	24.2%	14.3%	1.3x	2.2x	8.8x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

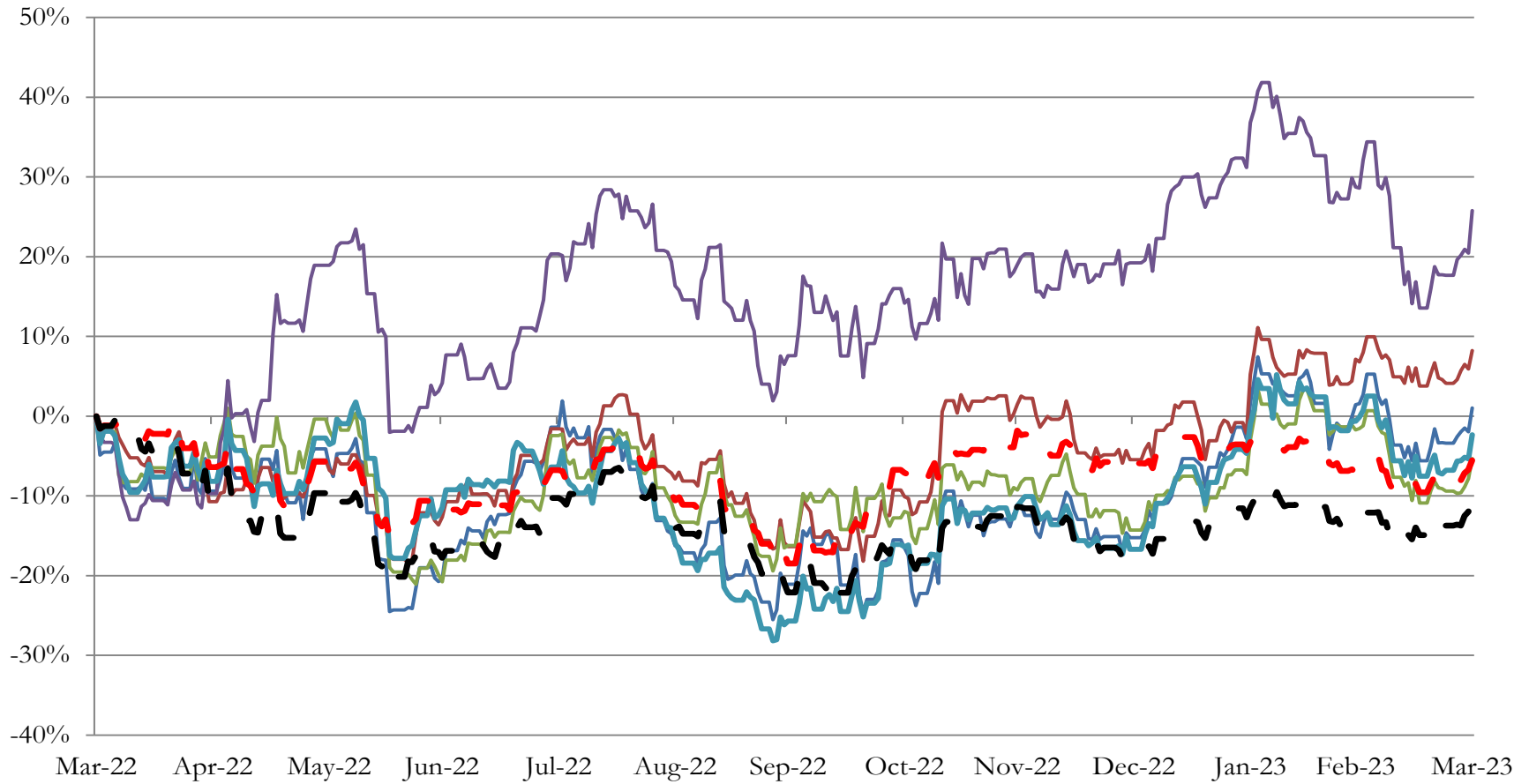
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Windows and Doors									
Griffon Corporation	DOOR	9.4%	-38.2%	25.2%	16.2%	104.3%	1.5x	1.1x	6.9x
Masonite International Corporation	GFF	9.4%	-38.2%	25.2%	16.2%	104.3%	1.5x	1.0x	6.7x
PGT Innovations, Inc.	PGTI	6.8%	16.0%	28.5%	15.1%	51.7%	1.5x	1.5x	10.2x
Quanex Building Products Corporation	NX	8.3%	17.6%	9.7%	11.7%	12.2%	1.4x	0.7x	5.8x
	Mean	8.5%	-10.7%	22.1%	14.8%	68.1%	1.5x	1.1x	7.4x
	Median	8.8%	-11.1%	25.2%	15.7%	78.0%	1.5x	1.0x	6.8x
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	12.4%	24.1%	25.5%	25.2%	15.3%	1.2x	2.4x	9.5x
Gibraltar Industries, Inc.	ROCK	7.2%	10.0%	3.7%	12.0%	13.8%	1.1x	1.2x	9.8x
	Mean	9.8%	17.0%	14.6%	18.6%	14.5%	1.2x	1.8x	9.7x
	Median	9.8%	17.0%	14.6%	18.6%	14.5%	1.2x	1.8x	9.7x

Source: Capital IQ

3

LTM Equity Performance

Major Indexes



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

Source: Capital IQ

4

Recent M&A Activity

Last Twelve (12) Months as of March 31, 2023

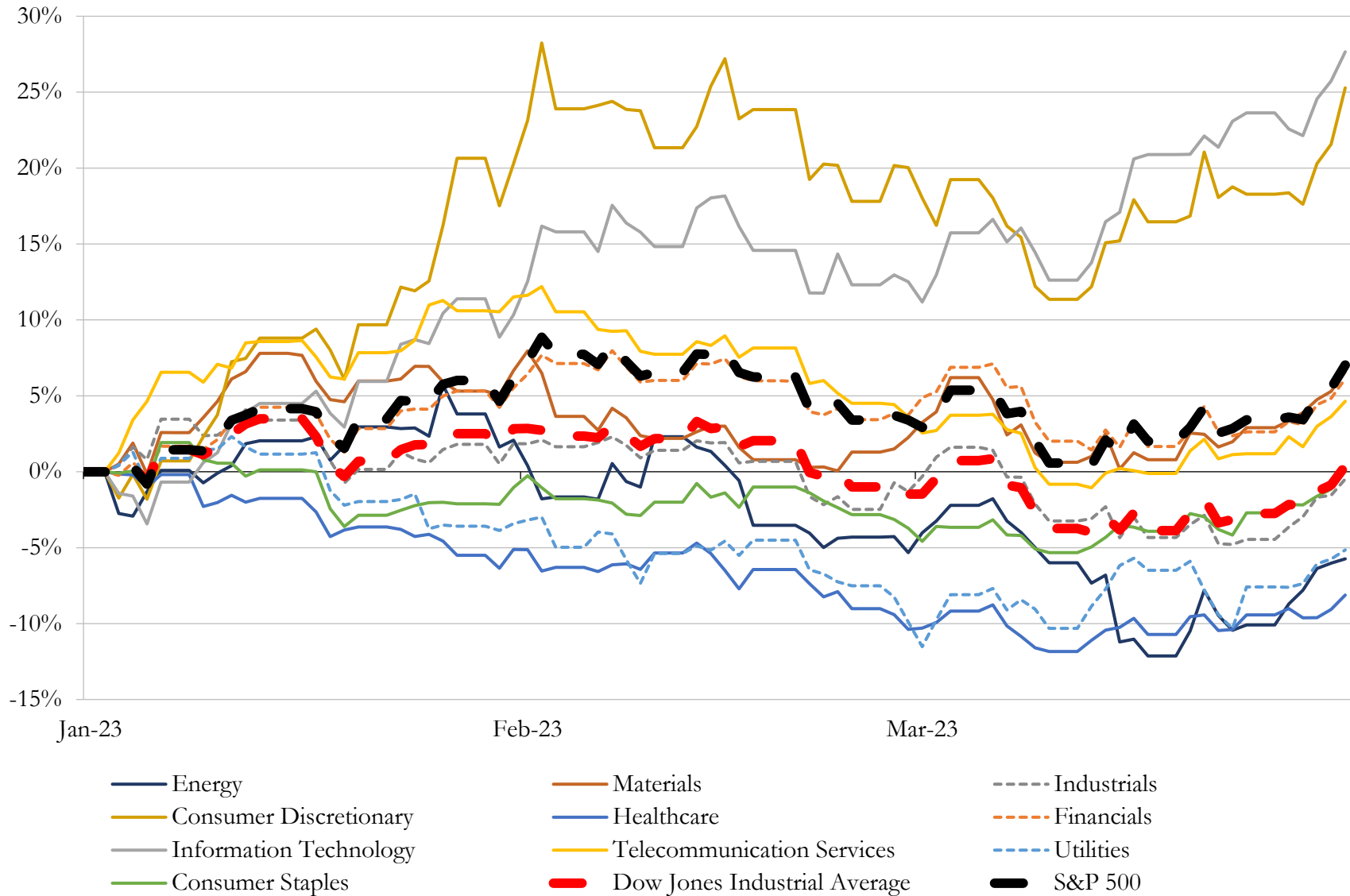
(USD in millions)

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	\$2,841
Jul-22	Elkay Manufacturing Company, Inc.	Zurn Water Solutions Corporation (nka:Zurn Elkay Water Solutions	\$1,537
Feb-23	Duro-Last, Inc.	Holcim Ltd	\$1,293
Jul-22	Stanley Access Technologies, LLC/Automatic Entrance Solutions Assets	Allegion US Holding Company Inc.	\$900
Apr-22	Tensar Corporation	Commercial Metals Company	\$550
Jan-23	Endura Products, Inc.	Masonite Corporation	\$375
Sep-22	Trussway Manufacturing, LLC	Builders FirstSource, Inc.	\$275
Jun-22	Certain West Coast Cement and Ready Mixed Concrete Operations of Martin	CalPortland Company	\$250
Jun-22	United Poly Systems, LLC	Atkore International, Inc.	\$216
Oct-22	Martin Door Manufacturing, Inc.	WWS Acquisition, LLC	\$188
Dec-22	Eagle Ford sand mining operations of Monarch Silica, LLC	ProFrac Holding Corp.	\$164
Apr-22	Concrete and Aggregates Assets	Eagle Materials Inc.	\$120
Aug-22	Natural Polymers, LLC	Owens Corning	\$111
Mar-23	23 concrete plants in North Carolina and Southwest Florida	Smyrna Ready Mix, LLC	\$93
Jul-22	SP Silica of Monahans, LLC/SP Silica Sales, LLC	ProFrac Holdings II, LLC	\$90
Jun-22	Level5 Tools, LLC	Worthington Industries, Inc.	\$81
May-22	Recycled Aggregate Materials Company, Inc.	Arcosa, Inc.	\$76
Aug-22	Quality Aluminum Products, Inc.	Gibraltar Industries, Inc.	\$51
Aug-22	Operating Assets of Vanhooseco Precast, LLC	CXT, Inc.	\$51
Apr-22	One Business in the East Segment of Summit Materials, Inc.	N/A	\$48
Jan-23	Molekule, Inc.	AeroClean Technologies, Inc. (nka:Molekule Group, Inc.)	\$44
Oct-22	Falcon Stainless, Inc.	CSW Industrials, Inc.	\$36
Nov-22	Daurity Springs Quarry	Blue Water Industries LLC	\$24
May-22	NB Legacy Corporation	SageHome Inc.	\$23
Aug-22	INTEX Millwork Solutions, LLC	The AZEK Company Inc.	\$21
Apr-22	Tri-State Paving & Sealcoating, LLC	Energy Services of America Corporation	\$10
Aug-22	Assets of Ozark's Modern Insulation	Installed Building Products, Inc.	\$2
Nov-22	JDS Manufacturing, inc.	Pfudler US Inc.	\$1

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of March 31, 2023

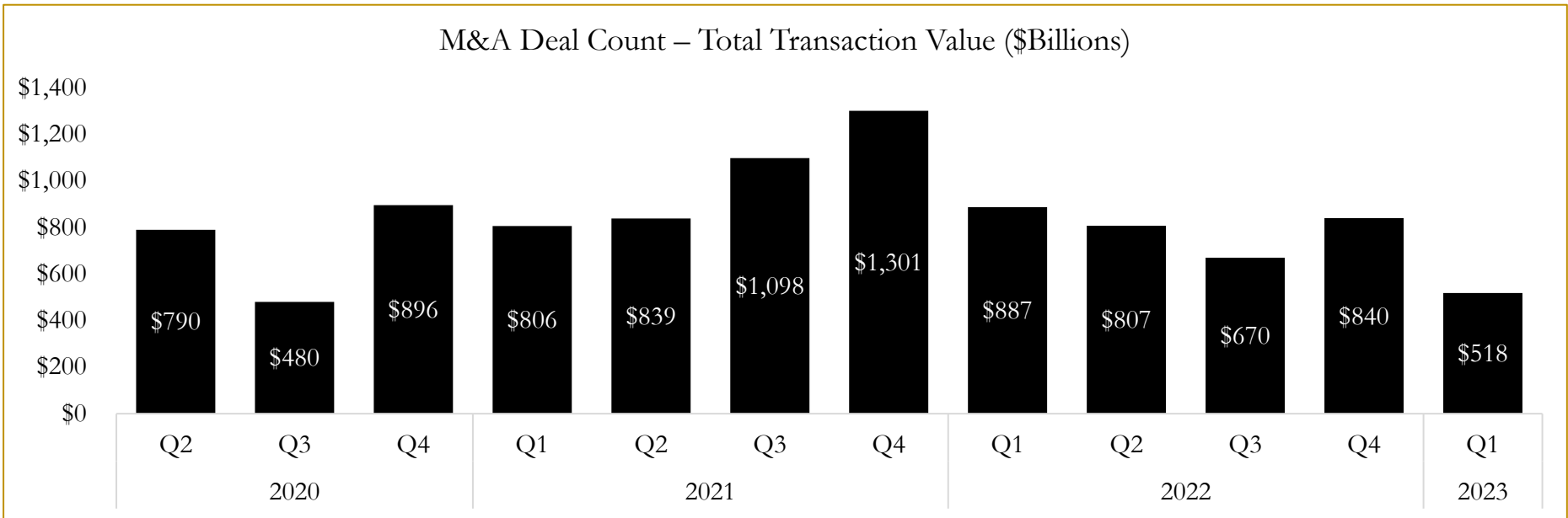
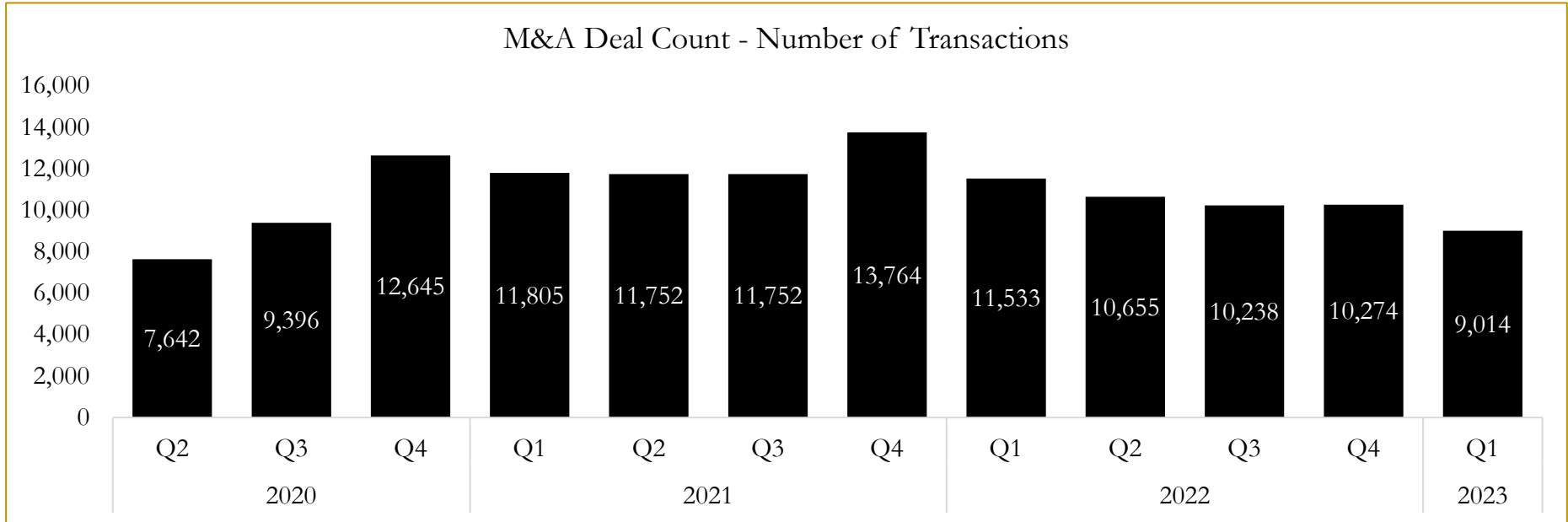


Source: Capital IQ

6

M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2023



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.

Contact:

Andrew Smith

President

asmith@houlihancapital.com

(312) 450-8610

Paul Clark

Managing Director

pclark@houlihancapital.com

(312) 450-8656

Michael Norton

Director, Business Development

mnorton@houlihancapital.com

(312) 450-8628

Monica Blocker

Director, Business Development

mblocker@houlihancapital.com

(312) 450-8699