



Industry Update
Building Products
Q2 2023

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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 06/30/23	% 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	\$71.95	99.4%	\$11,592	\$5,973	\$4,623	\$881	\$4,676	\$919
Trex Company, Inc.	TREX	\$65.56	98.4%	\$7,730	\$1,070	\$976	\$257	\$1,066	\$308
UFP Industries, Inc.	UFPI	\$97.05	97.6%	\$6,339	\$3,697	\$8,960	\$971	\$8,006	\$835
American Woodmark Corporation	AMWD	\$76.37	98.5%	\$1,691	\$1,519	\$2,066	\$224	\$1,874	\$231
Refrigeration and Heating Equipment									
Lennox International Inc.	LII	\$326.07	99.2%	\$14,793	\$2,981	\$4,799	\$808	\$4,825	\$884
A. O. Smith Corporation	AOS	\$72.78	99.4%	\$10,761	\$3,249	\$3,738	\$776	\$3,790	\$804
AAON, Inc.	AAON	\$94.81	90.9%	\$5,799	\$868	\$972	\$187	\$1,105	\$244
Roofing, Siding and Isulation									
Owens Corning	OC	\$130.50	98.4%	\$14,912	\$11,001	\$9,708	\$2,275	\$9,703	\$2,259
Armstrong World Industries, Inc.	AWI	\$73.46	77.4%	\$4,052	\$1,712	\$1,265	\$319	\$1,274	\$409

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 06/30/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
Windows and Doors									
Griffon Corporation	GFF	\$40.30	92.1%	\$3,902	\$2,660	\$2,837	\$474	\$2,741	\$475
Masonite International Corporation	DOOR	\$102.44	98.3%	\$3,407	\$2,581	\$2,891	\$396	\$2,856	\$436
PGT Innovations, Inc.	PGTI	\$29.15	98.3%	\$2,425	\$1,624	\$1,510	\$237	\$1,492	\$268
Quanex Building Products Corporation	NX	\$26.85	98.1%	\$1,057	\$822	\$1,167	\$137	\$1,137	\$146
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	\$138.50	98.3%	\$6,952	\$2,715	\$2,161	\$554	\$2,172	\$552
Gibraltar Industries, Inc.	ROCK	\$62.92	99.5%	\$2,027	\$1,208	\$1,365	\$173	\$1,373	\$189

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 Innovations, Inc.	FBIN	6.7%	20.0%	10.9%	19.0%	-0.1%	1.6x	2.5x	13.2x
Trex Company, Inc.	TREX	13.5%	22.6%	-28.5%	26.4%	-40.2%	1.5x	7.9x	30.0x
UFP Industries, Inc.	UFPI	14.5%	25.9%	-3.7%	10.8%	1.0%	1.5x	0.7x	6.5x
American Woodmark Corporation	AMWD	5.5%	11.4%	11.3%	10.8%	83.8%	1.9x	0.7x	N/A
	Mean	10.0%	19.9%	-2.5%	16.8%	11.1%	1.6x	3.0x	16.6x
	Median	10.1%	21.3%	3.6%	14.9%	0.4%	1.6x	1.6x	13.2x
Refrigeration and Heating Equipment									
Lennox International Inc.	LII	16.1%	N/A	9.0%	16.8%	20.6%	1.0x	3.1x	18.3x
A. O. Smith Corporation	AOS	13.3%	14.9%	-3.0%	20.8%	6.0%	1.3x	2.9x	13.9x
AAON, Inc.	AAON	11.7%	21.9%	61.6%	19.3%	71.6%	0.8x	6.0x	31.0x
	Mean	13.7%	18.4%	22.5%	19.0%	32.7%	1.0x	4.0x	21.0x
	Median	13.3%	18.4%	9.0%	19.3%	20.6%	1.0x	3.1x	18.3x
Roofing, Siding and Isulation									
Owens Corning	OC	10.2%	27.3%	4.5%	23.4%	5.4%	1.5x	1.5x	6.6x
Armstrong World Industries, Inc.	AWI	8.5%	38.5%	7.4%	25.2%	8.4%	1.1x	3.2x	12.7x
	Mean	9.3%	32.9%	5.9%	24.3%	6.9%	1.3x	2.4x	9.6x
	Median	9.3%	32.9%	5.9%	24.3%	6.9%	1.3x	2.4x	9.6x

Source: Capital IQ

Valuation Metrics (cont.)

Return Profile, Trading Metrics

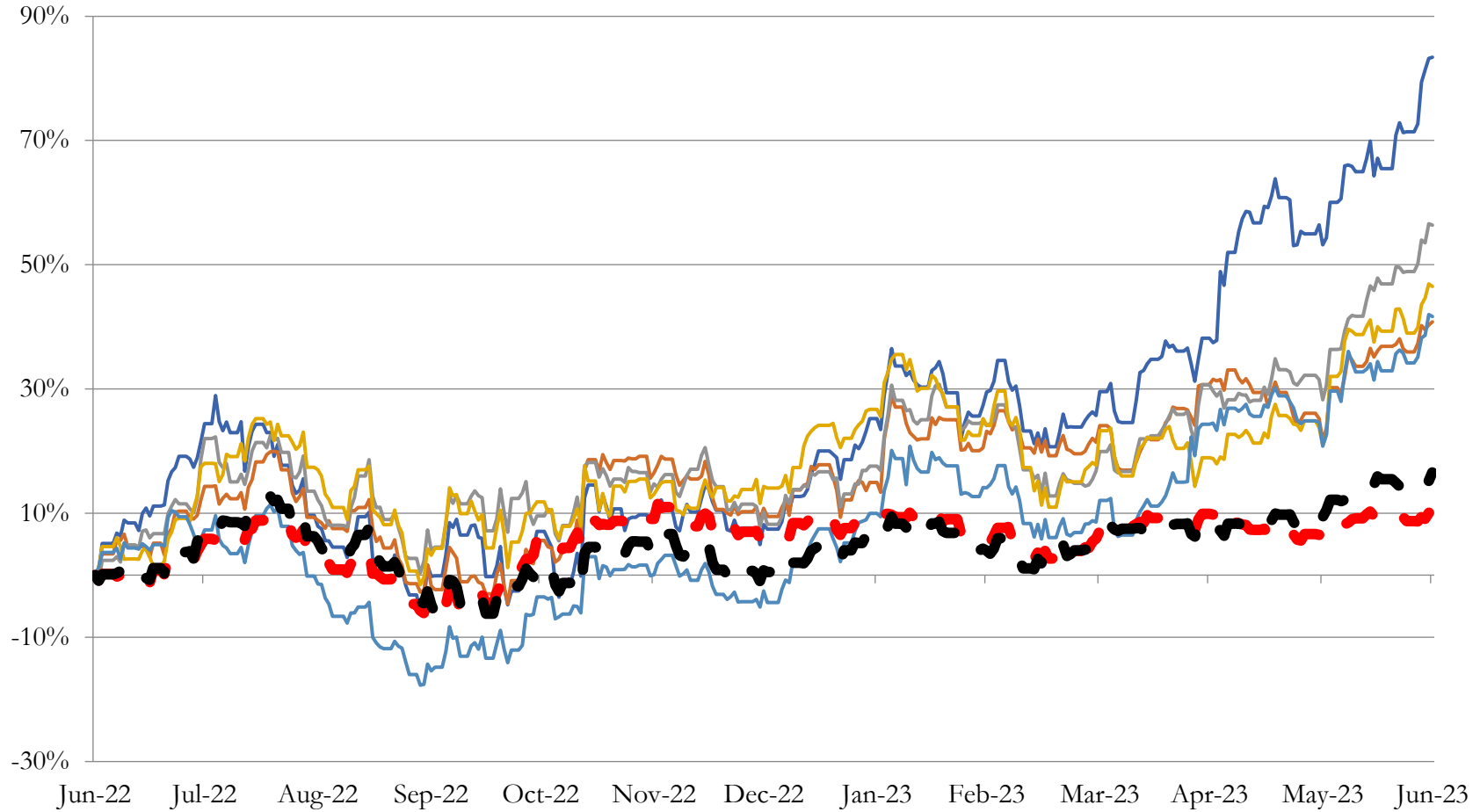
Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Windows and Doors									
Griffon Corporation	DOOR	7.8%	-55.7%	12.3%	16.7%	61.1%	1.6x	1.4x	8.2x
Masonite International Corporation	GFF	7.8%	-55.7%	12.3%	16.7%	61.1%	1.6x	1.2x	8.6x
PGT Innovations, Inc.	PGTI	7.2%	17.2%	20.9%	15.7%	42.0%	1.5x	1.6x	10.2x
Quanex Building Products Corporation	NX	7.8%	15.9%	0.5%	11.8%	-1.3%	1.4x	0.9x	7.7x
	Mean	7.7%	-19.5%	11.5%	15.2%	40.7%	1.5x	1.3x	8.7x
	Median	7.8%	-19.9%	12.3%	16.2%	51.6%	1.5x	1.3x	8.4x
Building Products - Other									
Simpson Manufacturing Co., Inc.	SSD	11.7%	23.8%	13.6%	25.6%	5.7%	1.2x	3.2x	12.5x
Gibraltar Industries, Inc.	ROCK	7.5%	10.5%	-0.3%	12.7%	15.4%	1.2x	1.5x	11.7x
	Mean	9.6%	17.2%	6.6%	19.2%	10.5%	1.2x	2.4x	12.1x
	Median	9.6%	17.2%	6.6%	19.2%	10.5%	1.2x	2.4x	12.1x

Source: Capital IQ

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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

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Recent M&A Activity

Last Twelve (12) Months as of June 30, 2023

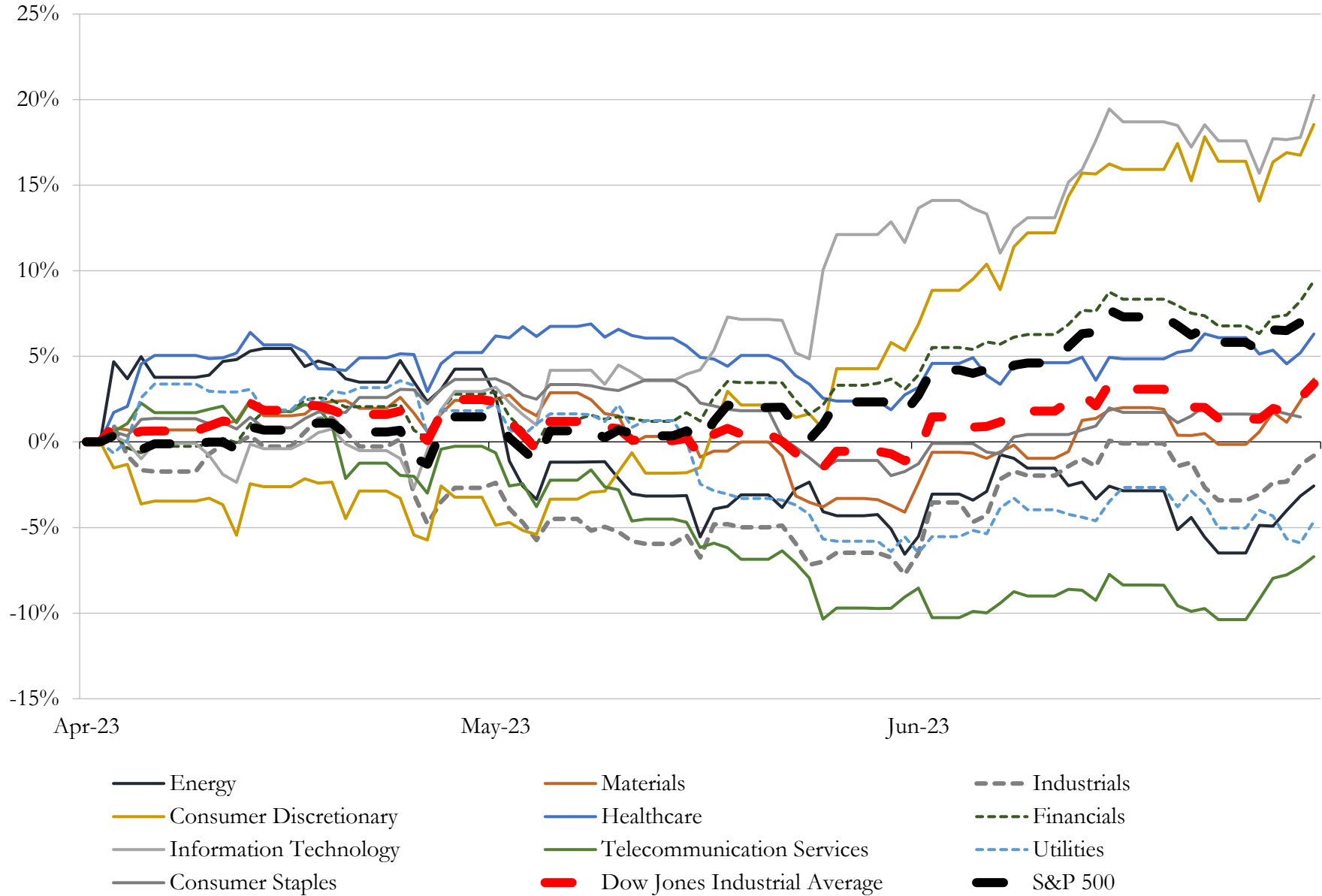
(USD in millions)

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
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
Jun-23	Emtek and Schaub Door And Cabinet Hardware and U.S. And Canadian	Fortune Brands Home & Security, Inc. (nka:Fortune Brands Innovations,	\$805
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
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
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
May-23	Cement import and distribution business of in Northern California of Martin	Eagle Materials Inc.	\$55
Aug-22	Quality Aluminum Products, Inc.	Gibraltar Industries, Inc.	\$51
Aug-22	Operating Assets of Vanhooseco Precast, LLC	CXT, Inc.	\$51
Jan-23	Molekule, Inc.	AeroClean Technologies, Inc. (nka:Molekule Group, Inc.)	\$49
Oct-22	Falcon Stainless, Inc.	CSW Industrials, Inc.	\$36
Nov-22	Daurity Springs Quarry	Blue Water Industries LLC	\$24
Aug-22	INTEX Millwork Solutions, LLC	The AZEK Company Inc.	\$22
Feb-23	Eagle Granite Company, Inc.	Matthews International Corporation	\$18
Aug-22	Assets of Ozark's Modern Insulation	Installed Building Products, Inc.	\$2
Nov-22	JDS Manufacturing, inc.	Pfandler US Inc.	\$1
Jun-23	Eureka Materials Co.	BMC Enterprises, Inc.	NA
Jun-23	Blue Grass Ready Mix, L.L.C.	BMC Enterprises, Inc.	NA
Jun-23	LaForce, Inc.	DNS Capital, LLC	NA
Jun-23	Carlisle Wide Plank Floors, Inc.	Switchback Capital LLC	NA
Jun-23	Syracuse Glass Company, Inc.	Oldcastle BuildingEnvelope, Inc.	NA
Jun-23	U.S. operations of Strahman Holdings, Inc.	Flow Control Holdings, LLC	NA
Jun-23	Killingly Building Products Co. Inc.	L&W Supply Corporation	NA

Source: Capital IQ

5 Change in Market Capitalization by Sector

Last Three (3) Months as of June 30, 2023

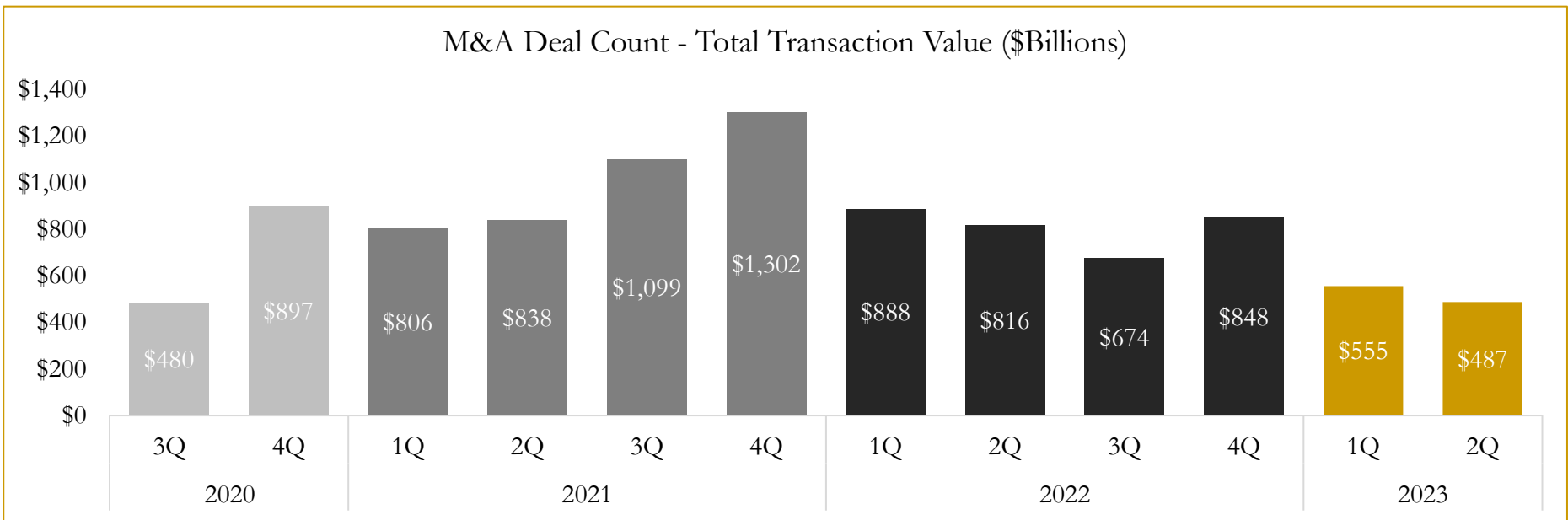
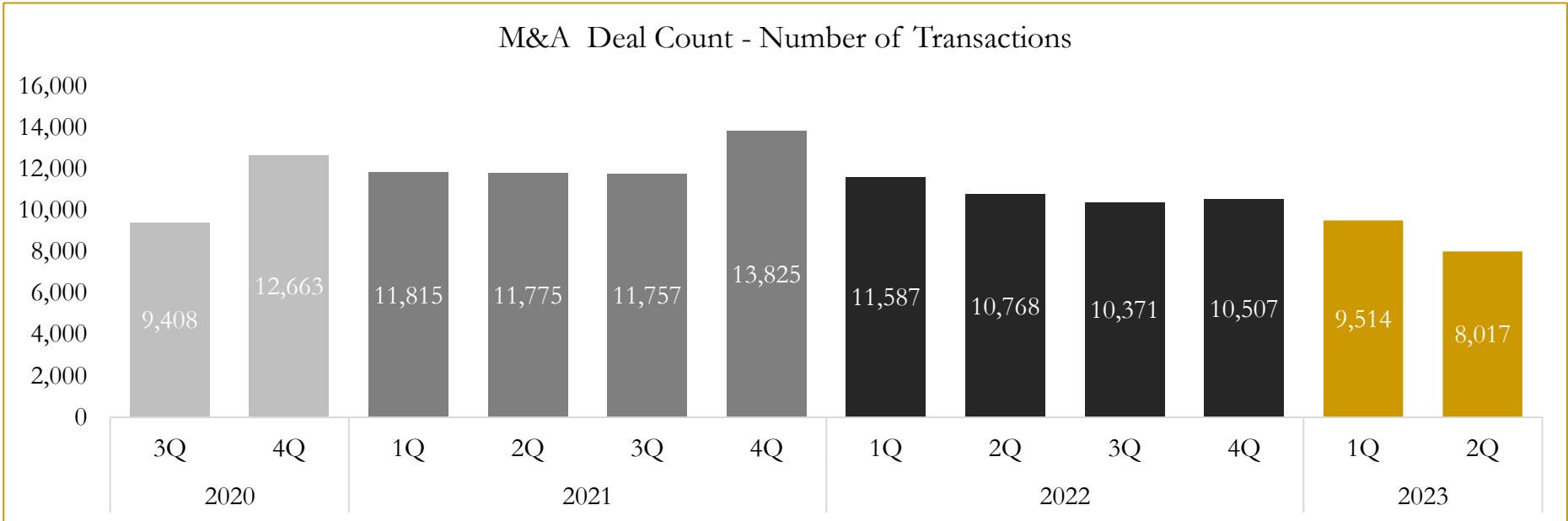


Source: Capital IQ

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M&A Deal Flow Statistics

Last Three (3) Years as of June 30, 2023



Source: Capital IQ

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- **Portfolio Valuation (ASC 820)**
- **Complex & Illiquid Securities (Level 3)**
- **Cryptoasset /Blockchain Valuations**
 - Locked Token Valuations
- **Enterprise Valuations**
- **Fairness & Solvency Opinions**
 - SPAC Fairness
- **Estate & Gift Valuations**
- **Purchase Price Allocation (ASC 805)**
- **Goodwill Impairment Testing (ASC 350)**
- **Stock-based Compensation (ASC 718, IRC 409A)**

Investment Banking

- **Mergers & Acquisitions**
 - Sell-Side Advisory
 - Sale of Minority Ownership Positions
 - Leveraged Buyouts
 - Majority Recapitalizations
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- **Corporate Financial Services**
 - Financial Modeling
 - Investor Presentation
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 - Strategic Advisory

For questions or inquiries regarding our services, please contact:

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