



Industry Update  
**Building Products**  
Q3 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 09/30/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
<b>Lumber, Millwork, Plywood and Structural Wood</b>									
Fortune Brands Innovations, Inc.	FBIN	\$62.16	80.6%	\$10,354	\$6,873	\$4,531	\$822	\$4,672	\$919
Trex Company, Inc.	TREX	\$61.63	81.0%	\$6,705	\$1,070	\$976	\$257	\$1,072	\$310
UFP Industries, Inc.	UFPI	\$102.40	95.2%	\$5,918	\$3,844	\$8,103	\$885	\$7,642	\$833
American Woodmark Corporation	AMWD	\$75.61	94.2%	\$1,618	\$1,531	\$2,022	\$242	\$1,870	\$247
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	\$374.44	95.3%	\$14,968	\$2,981	\$4,799	\$808	\$4,827	\$882
A. O. Smith Corporation	AOS	\$66.13	85.9%	\$9,800	\$3,249	\$3,738	\$776	\$3,788	\$800
AAON, Inc.	AAON	\$56.87	79.7%	\$4,671	\$930	\$1,047	\$224	\$1,126	\$260
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	\$136.41	92.8%	\$14,227	\$11,001	\$9,708	\$2,275	\$9,719	\$2,266
Armstrong World Industries, Inc.	AWI	\$72.00	84.6%	\$3,766	\$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 09/30/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
<b>Windows and Doors</b>									
Griffon Corporation	GFF	\$39.67	90.4%	\$3,724	\$2,571	\$2,753	\$465	\$2,658	\$491
Masonite International Corporation	DOOR	\$93.22	85.1%	\$2,977	\$2,683	\$2,871	\$397	\$2,862	\$437
PGT Innovations, Inc.	PGTI	\$27.75	93.6%	\$2,281	\$1,611	\$1,489	\$249	\$1,513	\$276
Quanex Building Products Corporation	NX	\$28.17	95.1%	\$988	\$848	\$1,143	\$142	\$1,135	\$161
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	\$149.81	90.2%	\$6,480	\$2,719	\$2,161	\$555	\$2,172	\$552
Gibraltar Industries, Inc.	ROCK	\$67.51	87.6%	\$1,995	\$1,239	\$1,363	\$178	\$1,388	\$202

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 Innovations, Inc.	FBIN	5.9%	17.8%	29.8%	18.1%	1.9%	1.6x	2.3x	12.6x
Trex Company, Inc.	TREX	13.5%	22.6%	-28.5%	26.4%	-40.2%	1.5x	6.9x	26.0x
UFP Industries, Inc.	UFPI	12.8%	22.5%	-14.7%	10.9%	-12.7%	1.5x	0.7x	6.7x
American Woodmark Corporation	AMWD	6.2%	13.2%	3.3%	12.0%	66.6%	1.8x	0.7x	N/A
	Mean	9.6%	19.0%	-2.5%	16.8%	3.9%	1.6x	2.7x	15.1x
	Median	9.5%	20.1%	-5.7%	15.1%	-5.4%	1.5x	1.5x	12.6x
<b>Refrigeration and Heating Equipment</b>									
Lennox International Inc.	LII	16.1%	N/A	9.0%	16.8%	20.6%	1.0x	3.1x	18.5x
A. O. Smith Corporation	AOS	13.3%	14.9%	-3.0%	20.8%	6.0%	1.3x	2.6x	12.6x
AAON, Inc.	AAON	13.4%	25.9%	57.1%	21.4%	110.6%	0.8x	4.5x	20.9x
	Mean	14.3%	20.4%	21.0%	19.7%	45.7%	1.0x	3.4x	17.3x
	Median	13.4%	20.4%	9.0%	20.8%	20.6%	1.0x	3.1x	18.5x
<b>Roofing, Siding and Isulation</b>									
Owens Corning	OC	10.2%	27.3%	4.5%	23.4%	5.4%	1.5x	1.5x	6.3x
Armstrong World Industries, Inc.	AWI	8.5%	38.5%	7.4%	25.2%	8.4%	1.1x	3.0x	11.8x
	Mean	9.3%	32.9%	5.9%	24.3%	6.9%	1.3x	2.2x	9.0x
	Median	9.3%	32.9%	5.9%	24.3%	6.9%	1.3x	2.2x	9.0x

Source: Capital IQ

## Valuation Metrics (cont.)

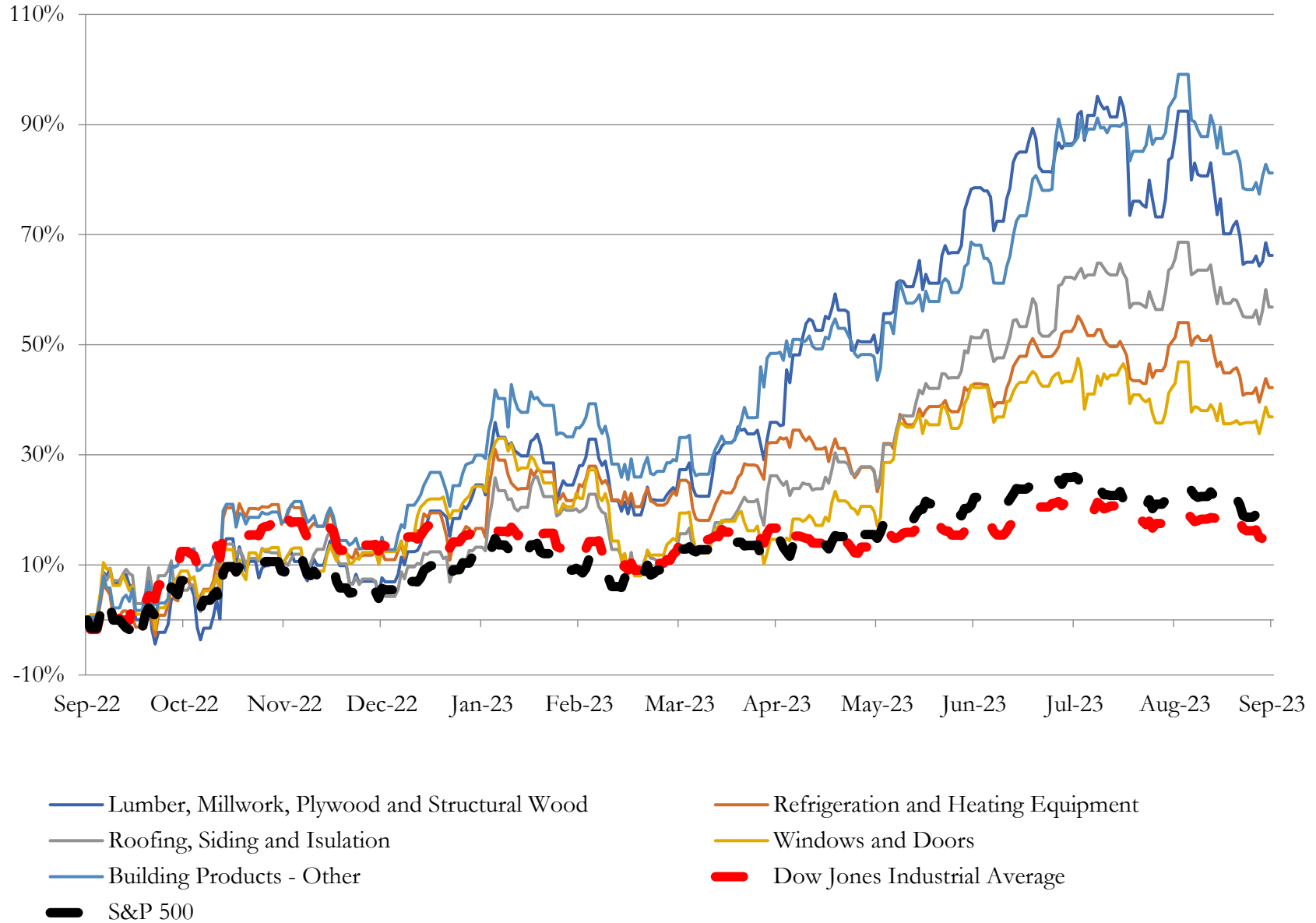
### Return Profile, Trading Metrics

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	8.2%	-61.1%	1.6%	16.9%	27.3%	1.5x	1.4x	8.0x
Masonite International Corporation	GFF	8.2%	-61.1%	1.6%	16.9%	27.3%	1.5x	1.0x	7.5x
PGT Innovations, Inc.	PGTI	7.6%	16.4%	8.6%	16.8%	22.7%	1.4x	1.5x	9.1x
Quanex Building Products Corporation	NX	7.9%	16.3%	-5.2%	12.4%	-5.8%	1.4x	0.9x	7.0x
	Mean	8.0%	-22.4%	1.6%	15.7%	17.9%	1.4x	1.2x	7.9x
	Median	8.0%	-22.4%	1.6%	16.8%	25.0%	1.5x	1.2x	7.8x
<b>Building Products - Other</b>									
Simpson Manufacturing Co., Inc.	SSD	11.7%	23.8%	13.6%	25.7%	7.7%	1.2x	3.0x	11.7x
Gibraltar Industries, Inc.	ROCK	7.5%	10.7%	-1.8%	13.1%	13.8%	1.1x	1.5x	11.2x
	Mean	9.6%	17.3%	5.9%	19.4%	10.8%	1.1x	2.2x	11.4x
	Median	9.6%	17.3%	5.9%	19.4%	10.8%	1.1x	2.2x	11.4x
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 September 30, 2023*

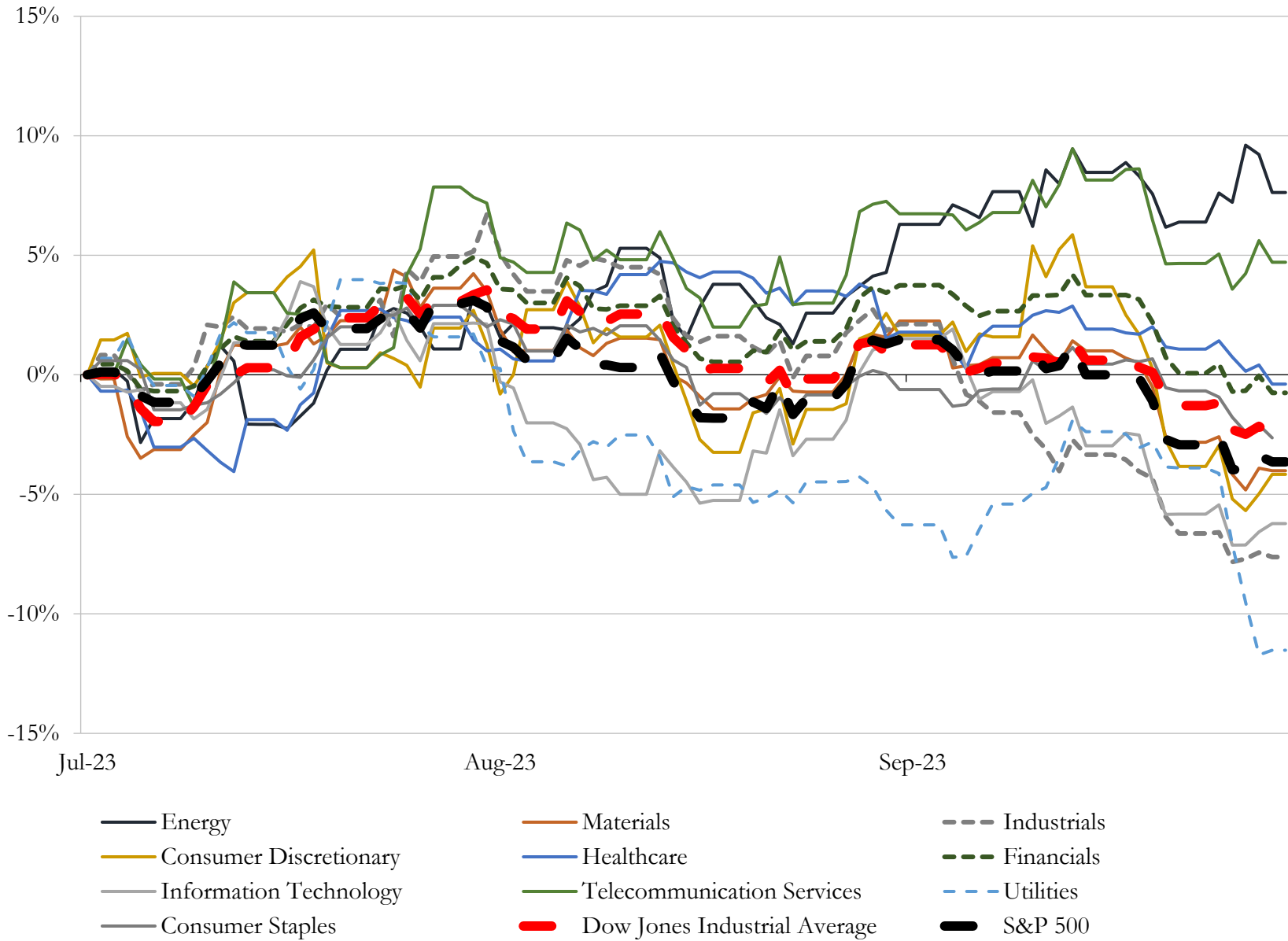
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Feb-23	Duro-Last, Inc.	Holcim Ltd	\$1,293
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
Jun-23	Manufacturing division of Valencia Pipe Company	Aliaxis SA	\$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
Mar-23	23 concrete plants in North Carolina and Southwest Florida	Smyrna Ready Mix, LLC	\$93
May-23	Cement import and distribution business of in Northern California of Martin	Eagle Materials Inc.	\$55
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
Feb-23	Eagle Granite Company, Inc.	Matthews International Corporation	\$18
Aug-23	Hot-mix asphalt plant in Myrtle Beach	Construction Partners, Inc.	\$10
Aug-23	Operating assets of Fortress Iron, LP	Eva-Last USA, Inc.	\$5
Nov-22	JDS Manufacturing, inc.	Pfudler US Inc.	\$1
Sep-23	Evolve Technologies, LLC	AM Conservation Group, Inc.	NA
Sep-23	Lawrence Hardware, Inc.	ASSA ABLOY AB (publ)	NA
Aug-23	Isolatek International Corporation	SK Capital Partners, LP	NA
Aug-23	Pioneer Sand Company, Inc.	SiteOne Landscape Supply, Inc.	NA
Aug-23	Mountain Lumber Company, Inc.	The Building Center, Inc.	NA
Aug-23	Spartan Shielding LLC	MXR Imaging, Inc.	NA
Aug-23	Fortress Deck Products, LLC	Eva-Last Hong Kong Ltd.	NA
Aug-23	Professional Pipe, Inc.	PremiStar, LLC	NA
Aug-23	Fence, Railing and Decking Business (FRD)	Oldcastle APG, Inc.	NA
Jul-23	Ready mix concrete business of Allied Concrete Company	Chaney Enterprises, LP	NA
Jul-23	Load Transfer Products Division of OCM, Inc.	American Highway	NA
Jul-23	Raineri Building Materials, Inc.	BMC Enterprises, Inc.	NA
Jul-23	Blue Grass Ready Mix, L.L.C.	BMC Enterprises, Inc.	NA
Jul-23	Alpine Products, Inc.	Aramsco, Inc.	NA
Jul-23	Form Tech Concrete Forms, Inc.	White Cap Supply Holdings, LLC	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

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



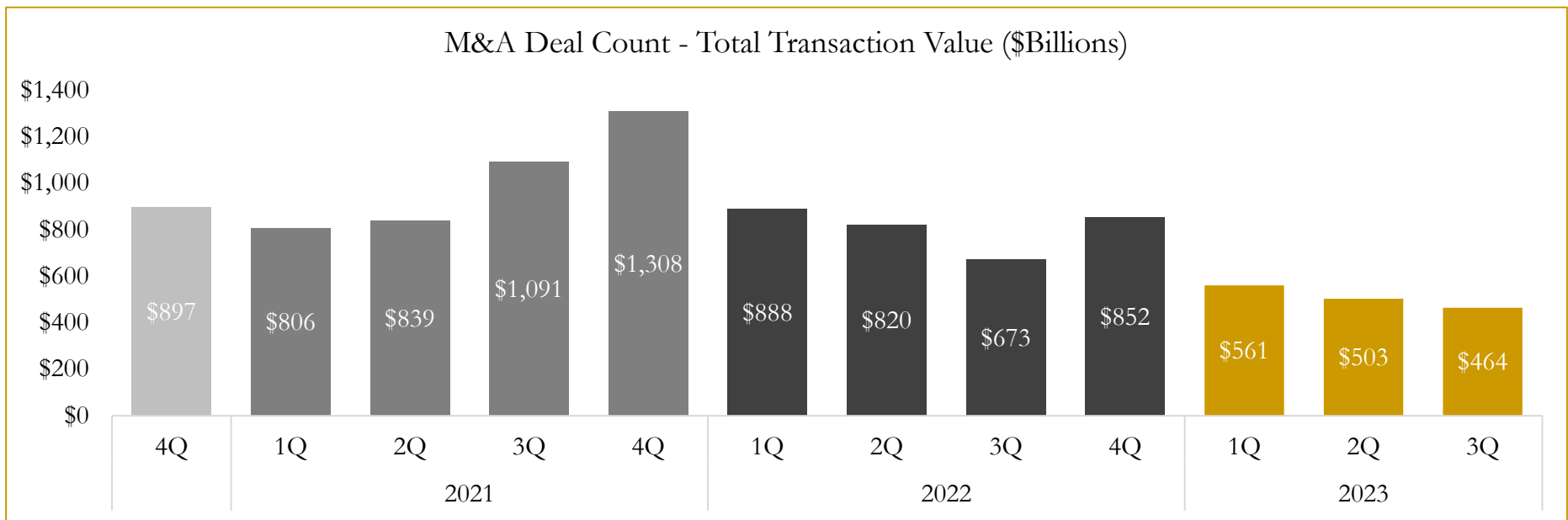
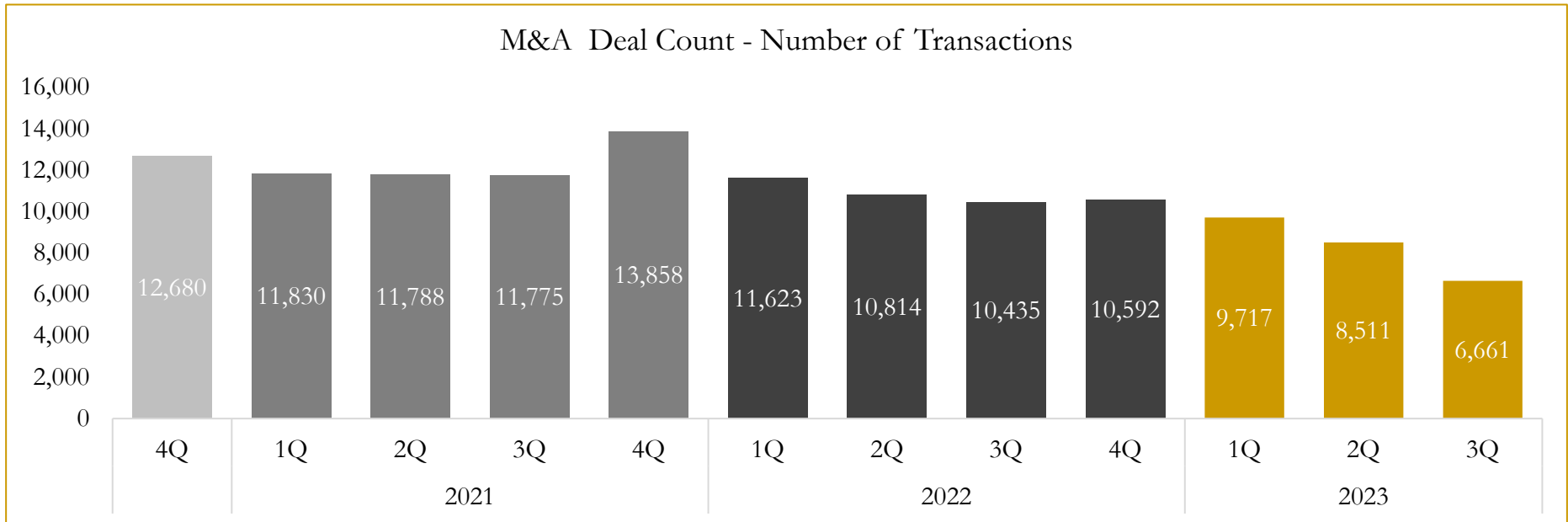
Source: Capital IQ



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## M&A Deal Flow Statistics

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



Source: Capital IQ

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### Valuation & Financial Advisory

- **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
  - Corporate Divestitures
- **Corporate Financial Services**
  - Financial Modeling
  - Investor Presentation
  - Valuation Analysis
  - Strategic Advisory

**For questions or inquiries regarding our services, please contact:**

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