



M&A MARKET MONITOR

MATERIALS AND BUILDING
PRODUCTS

January 2021

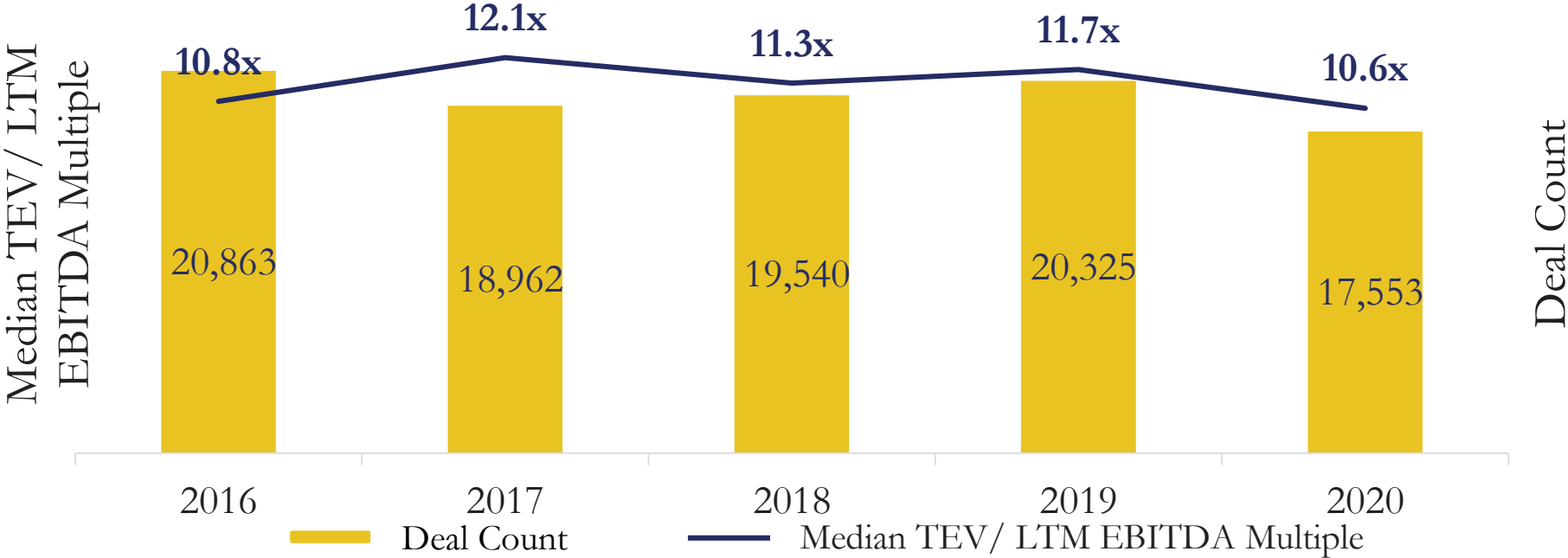
U.S. & Canada M&A Market Overview



Overall Market Transactions

Quick Highlights

- Although the pandemic affected the U.S. & Canada M&A market, volume and multiples ended the year at approximately 90% of recent historical averages
 - 2020 deal count was 88% of the previous 4-year (2016-2019) average
 - 2020 median TEV/LTM EBITDA multiple was 92% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources, As of 12/31/2020

About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

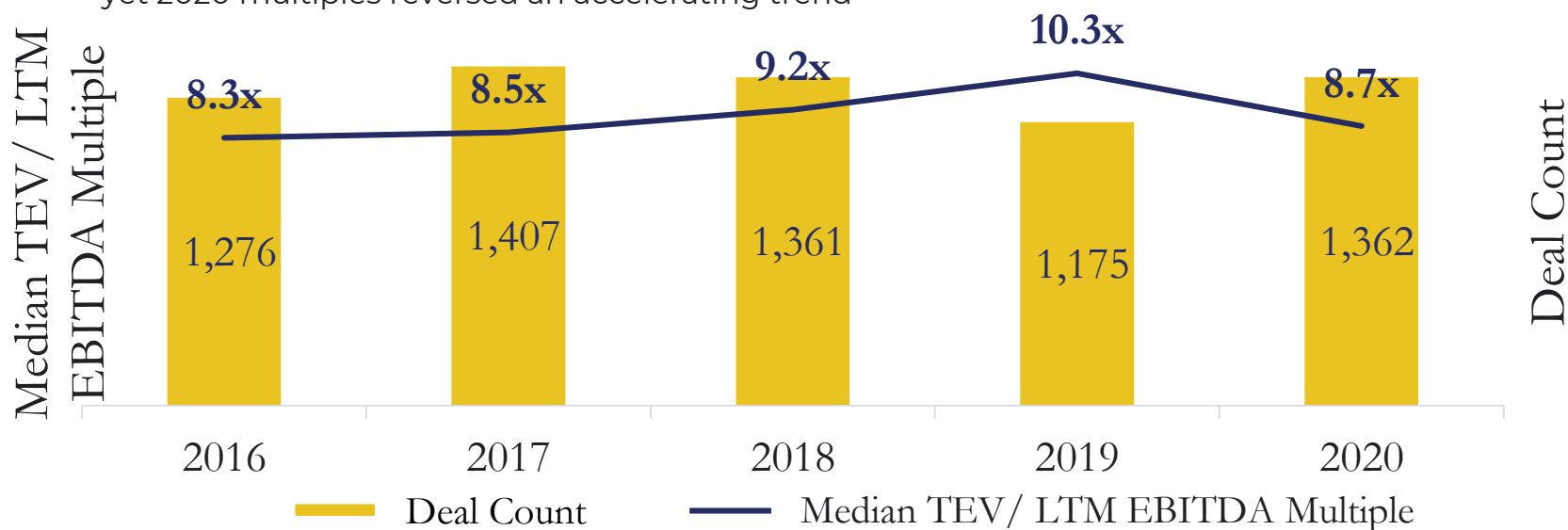
U.S. & Canada M&A Market Overview

Materials & Building Products Transactions



Quick Highlights

- The Materials & Building Products industry 2020 deal count and multiples remained relatively unchanged
 - 2020 deal count was 104% of the previous 4-year (2016-2019) average
 - 2020 median TEV/LTM EBITDA multiple was 96% of the previous 4-year (2016-2019) average and yet 2020 multiples reversed an accelerating trend



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources

As of 12/31/2020

About the Data

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Public Companies' Trading Metrics | Materials & Building Products

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
USD in millions except per share price								
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
Broader Building Products								
Compagnie de Saint-Gobain S.A.	\$45.87	\$24,435	\$36,840	9.7%	0.8	0.8	6.7	6.4
James Hardie Industries plc	\$29.49	\$13,097	\$14,089	24.4%	4.9	4.7	19.6	18.6
Owens Corning	\$75.76	\$8,200	\$10,844	18.2%	1.6	1.5	8.1	7.6
LIXIL Corporation	\$21.65	\$6,279	\$12,237	9.3%	0.9	0.9	9.5	10.3
Armstrong World Industries, Inc.	\$74.39	\$3,560	\$4,174	30.1%	4.4	4.4	11.8	12.5
Median	\$45.87	\$8,200	\$12,237	18.2%	1.6	1.5	9.5	10.3
Windows & Doors								
ASSA ABLOY AB (publ)	\$24.66	\$27,388	\$31,200	15.9%	2.9	2.8	16.3	14.5
JELD-WEN Holding, Inc.	\$25.36	\$2,555	\$3,932	8.5%	0.9	0.9	9.3	8.1
Masonite International Corporation	\$98.34	\$2,410	\$3,052	14.6%	1.4	1.3	8.5	7.6
PGT Innovations, Inc.	\$20.34	\$1,199	\$1,554	15.6%	1.9	1.7	10.9	9.8
Tyman plc	\$4.79	\$934	\$1,234	16.8%	1.6	1.6	8.8	9.2
Quanex Building Products Corporation	\$22.17	\$724	\$842	12.1%	1.0	0.9	7.5	7.5
Median	\$23.41	\$1,804	\$2,303	15.1%	1.5	1.4	9.0	8.6
HVAC								
Daikin Industries,Ltd.	\$222.08	\$64,987	\$65,046	14.9%	2.8	2.6	18.5	17.7
Lennox International Inc.	\$273.97	\$10,490	\$11,643	14.6%	3.2	3.1	18.6	18.5
Median	\$248.02	\$37,739	\$38,345	14.8%	3.0	2.9	18.6	18.1
Kitchen & Bath								
American Woodmark Corporation	\$93.85	\$1,595	\$2,173	12.9%	1.3	1.2	9.2	8.7
Caesarstone Ltd.	\$12.89	\$444	\$367	11.5%	0.8	0.7	4.9	6.0
Fortune Brands Home & Security, Inc.	\$85.72	\$11,909	\$13,670	16.3%	2.3	2.1	13.6	12.1
Lennox International Inc.	\$273.97	\$10,490	\$11,643	14.6%	3.2	3.1	18.6	18.5
Masco Corporation	\$54.93	\$14,309	\$16,118	19.7%	2.3	2.2	11.3	11.0
Median	\$85.72	\$10,490	\$11,643	14.6%	2.3	2.1	11.3	11.0

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

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USD in millions except per share price								
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					LTM	NTM	LTM	NTM
Building Envelope								
Apogee Enterprises, Inc.	\$31.68	\$836	\$949	9.9%	0.8	0.8	7.3	7.0
Etex N.V.	\$17.49	\$1,367	\$1,827	16.0%	0.5	NM	3.2	NM
Kingspan Group plc	\$70.21	\$12,752	\$13,561	12.4%	2.5	2.3	18.9	17.8
Cornerstone Building Brands, Inc.	\$9.28	\$1,161	\$4,489	12.7%	1.0	0.9	5.4	7.2
Median	\$24.59	\$1,264	\$3,158	12.6%	0.9	0.9	6.3	7.2
Install & Service								
Comfort Systems USA, Inc.	\$52.66	\$1,912	\$2,162	8.5%	0.8	0.8	7.9	10.2
Installed Building Products, Inc.	\$101.93	\$3,015	\$3,370	13.9%	2.1	1.8	13.7	11.8
TopBuild Corp.	\$184.08	\$6,019	\$6,501	14.7%	2.4	2.2	14.4	13.3
Median	\$101.93	\$3,015	\$3,370	13.9%	2.1	1.8	13.7	11.8
Lighting								
Acuity Brands, Inc.	\$121.09	\$4,412	\$4,326	14.3%	1.3	1.3	8.7	9.0
Hubbell Incorporated	\$156.79	\$8,504	\$9,794	17.3%	2.3	2.3	12.7	13.4
Median	\$138.94	\$6,458	\$7,060	15.8%	1.8	1.8	10.7	11.2
Flooring								
Armstrong Flooring, Inc.	\$3.82	\$83	\$136	-1.2%	0.2	NM	NM	NM
Interface, Inc.	\$10.50	\$616	\$1,211	13.6%	1.0	1.1	6.4	7.8
Mohawk Industries, Inc.	\$140.95	\$10,035	\$11,804	13.6%	1.3	1.2	8.1	7.7
Tarkett S.A.	\$17.61	\$1,149	\$2,039	4.9%	0.6	0.6	9.7	6.1
Median	\$14.06	\$883	\$1,625	9.3%	0.8	1.1	8.1	7.7

Source: S&P Capital IQ; ArkMalibu

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Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
Pipe, Valves, & Fittings								
Advanced Drainage Systems, Inc.	\$83.58	\$5,890	\$6,911	23.9%	3.8	3.7	15.8	13.1
Georg Fischer AG	\$1,288.50	\$5,275	\$5,783	8.3%	1.5	1.6	19.8	16.1
Mueller Industries, Inc.	\$35.11	\$2,004	\$2,285	11.1%	1.0	1.0	9.5	NM
NORMA Group SE	\$50.72	\$1,632	\$2,084	10.2%	1.8	NM	15.8	NM
Polypipe Group plc	\$8.15	\$1,857	\$1,973	16.4%	3.6	3.7	21.0	25.3
Median	\$50.72	\$2,004	\$2,285	11.1%	1.8	2.6	15.8	16.1
Building Products Distributors								
Beacon Roofing Supply, Inc.	\$40.19	\$2,773	\$5,761	6.4%	0.8	0.8	10.0	11.4
BlueLinx Holdings Inc.	\$29.26	\$277	\$904	4.6%	0.3	NM	6.3	NM
Builders FirstSource, Inc.	\$40.81	\$4,767	\$6,314	6.7%	0.8	0.7	10.2	8.7
CanWel Building Materials Group Ltd.	\$6.02	\$469	\$749	6.8%	0.6	0.5	7.7	6.9
Ferguson plc	\$121.29	\$27,159	\$29,649	8.4%	1.3	1.3	13.6	12.8
Foundation Building Materials, Inc.	\$19.21	\$830	\$1,397	7.5%	0.7	0.7	7.2	8.7
GMS Inc.	\$30.48	\$1,301	\$2,326	8.8%	0.7	0.7	7.0	8.1
Hardwoods Distribution Inc.	\$19.87	\$420	\$567	5.4%	0.6	0.5	8.3	7.3
Pool Corporation	\$372.50	\$14,959	\$15,421	12.3%	4.2	3.7	29.5	29.9
Richelieu Hardware Ltd.	\$25.93	\$1,449	\$1,453	11.9%	1.7	1.6	14.5	12.3
SIG plc	\$0.43	\$508	\$988	-9.8%	0.4	0.4	NM	12.4
SiteOne Landscape Supply, Inc.	\$158.63	\$7,016	\$7,465	8.7%	2.9	2.6	25.5	29.1
Watsco, Inc.	\$226.55	\$8,032	\$8,484	8.0%	1.7	1.6	17.1	19.2
Median	\$30.48	\$1,449	\$2,326	7.5%	0.8	0.8	10.1	11.8

Source: S&P Capital IQ; ArkMalibu

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Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
Construction Materials --								
Aggregates & Cement								
CEMEX, S.A.B. de C.V.	\$0.52	\$7,591	\$19,874	15.4%	1.4	1.5	7.8	7.7
CRH plc	\$41.61	\$32,658	\$42,032	15.2%	1.4	1.4	8.5	8.6
Eagle Materials Inc.	\$101.35	\$4,238	\$5,334	29.4%	3.4	3.3	10.3	9.9
HeidelbergCement AG	\$75.69	\$14,859	\$27,699	16.1%	1.3	NM	6.6	NM
LafargeHolcim Ltd	\$54.95	\$33,725	\$48,934	19.7%	1.8	1.8	7.6	7.2
Martin Marietta Materials, Inc.	\$283.97	\$17,684	\$20,669	29.4%	4.8	4.4	14.6	16.1
Summit Materials, Inc.	\$20.08	\$2,292	\$4,012	19.5%	1.8	1.9	8.1	8.7
U.S. Concrete, Inc.	\$39.97	\$658	\$1,452	12.4%	1.0	1.0	7.4	7.6
Vulcan Materials Company	\$148.31	\$19,653	\$22,299	26.4%	4.6	4.6	16.1	17.2
Median	\$54.95	\$14,859	\$20,669	19.5%	1.8	1.9	8.1	8.7
Heavy Construction Materials								
Advanced Drainage Systems, Inc.	\$83.58	\$5,890	\$6,911	23.9%	3.8	3.7	15.8	13.1
Boral Limited	\$3.82	\$4,681	\$6,667	11.0%	1.5	1.6	12.7	9.7
Forterra, Inc.	\$17.20	\$1,129	\$2,275	14.8%	1.4	1.4	8.8	7.9
Mueller Industries, Inc.	\$35.11	\$2,004	\$2,285	11.1%	1.0	1.0	9.5	NM
Polypipe Group plc	\$8.15	\$1,857	\$1,973	16.4%	3.6	3.7	21.0	25.3
Median	\$17.20	\$2,004	\$2,285	14.8%	1.5	1.6	12.7	11.4
Forest Products								
Boise Cascade Company	\$47.80	\$1,874	\$1,914	6.9%	0.4	0.4	5.1	6.7
Canfor Corporation	\$18.03	\$2,258	\$3,065	12.5%	0.8	0.7	6.1	3.5
Louisiana-Pacific Corporation	\$37.17	\$4,064	\$4,035	19.7%	1.6	1.4	7.7	4.9
Norbord Inc.	\$43.13	\$3,481	\$3,930	24.8%	1.9	1.5	7.5	3.9
UFP Industries, Inc.	\$55.55	\$3,399	\$3,440	8.0%	0.7	0.7	8.3	9.0
West Fraser Timber Co. Ltd.	\$64.18	\$4,408	\$4,701	15.3%	1.1	1.0	7.4	5.3
Weyerhaeuser Company	\$33.53	\$25,028	\$30,245	23.3%	4.3	4.1	18.2	15.0
Median	\$43.13	\$3,481	\$3,930	15.3%	1.1	1.0	7.5	5.3

Source: S&P Capital IQ; ArkMalibu

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Public Companies' Trading Metrics | Materials & Building Products

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
LTM					NTM	LTM	NTM	
USD in millions except per share price								
Homebuilders --								
Homebuilders								
Beazer Homes USA, Inc.	\$15.15	\$452	\$1,271	4.6%	0.6	0.6	12.4	6.1
D.R. Horton, Inc.	\$68.92	\$25,130	\$26,785	14.9%	1.3	1.1	8.8	6.6
Hovnanian Enterprises, Inc.	\$32.86	\$189	\$1,737	6.1%	0.7	NM	10.2	NM
KB Home	\$33.52	\$3,035	\$4,096	9.7%	0.9	0.8	8.5	6.3
Lennar Corporation	\$76.23	\$23,274	\$26,631	14.2%	1.2	1.0	8.4	6.0
M.D.C. Holdings, Inc.	\$48.60	\$3,153	\$3,931	11.3%	1.0	0.8	9.0	6.1
M/I Homes, Inc.	\$44.29	\$1,273	\$1,905	10.0%	0.7	0.6	6.4	NM
Meritage Homes Corporation	\$82.82	\$3,115	\$3,555	11.5%	0.8	0.7	7.1	4.8
NVR, Inc.	\$4,079.86	\$15,179	\$14,233	14.9%	2.0	1.6	12.6	9.9
PulteGroup, Inc.	\$43.12	\$11,560	\$12,595	16.1%	1.2	1.0	7.0	5.7
Toll Brothers, Inc.	\$43.47	\$5,427	\$8,191	9.5%	1.2	1.0	11.8	7.9
Median	\$44.29	\$3,153	\$4,096	11.3%	1.0	0.9	8.8	6.1

Source: S&P Capital IQ; ArkMalibu

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ARKMALIBU

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- We pursue the highest possible value because we're unconflicted.



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- All of ArkMalibu's clients receive care and attention from our senior-level advisors and principals.
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- Our approach: understand, capture, and communicate your company's culture – the asset that can't be duplicated – and work to identify buyers whose goals and values align with yours, negotiating tirelessly on your behalf in order to complete the deal with the best partner.
- Our proprietary Four Boxes Analysis delivers prospective buyers a compelling investment story with undeniable upside.



We are Anchored to Increasing Your Value

- ArkMalibu is tied to your destiny; we are anchored to the goal of bringing you unparalleled value while navigating the personalities and interests of the people involved.
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