

M&A MARKET MONITOR

MATERIALS AND BUILDING
PRODUCTS

April 2021

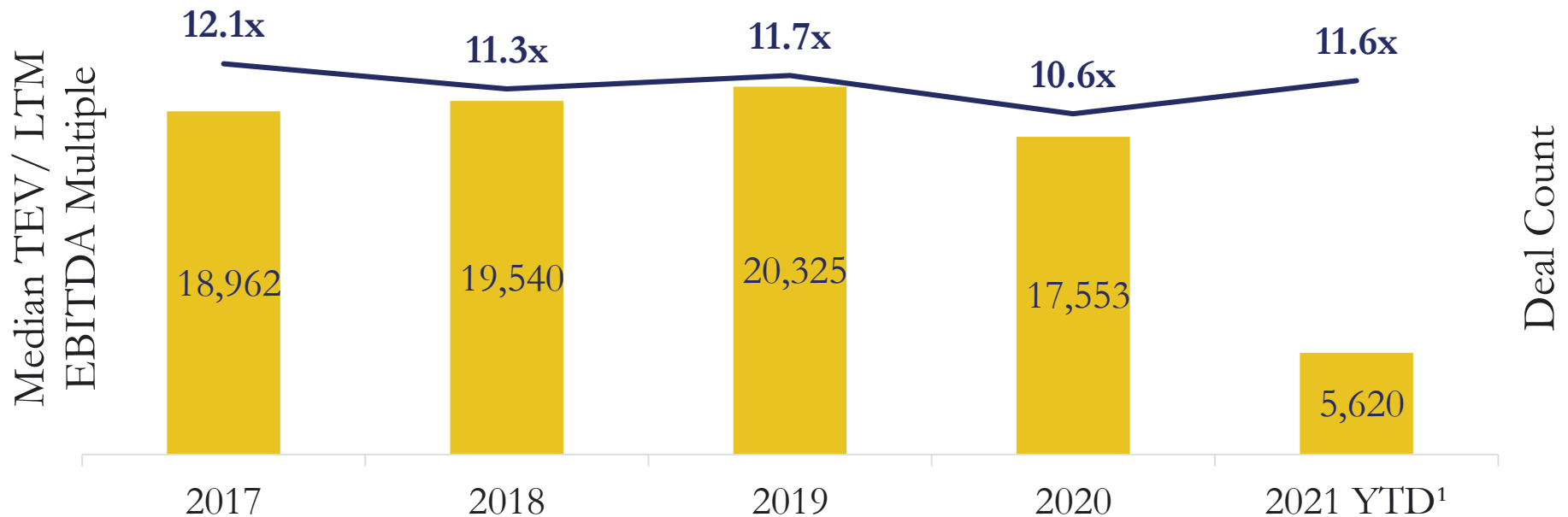
U.S. & Canada M&A Market Overview



Overall Market Transactions

Quick Highlights

- The M&A market surged during the first quarter demonstrated by strong deal count and recovering valuation multiples
 - Annualized 2021 deal count was 118% of the previous 4-year (2017-2020) average
 - Q1 2021 median TEV/LTM EBITDA multiple was in line with the previous 4-year (2017-2020) average



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

¹YTD as of 03/31/2021

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.

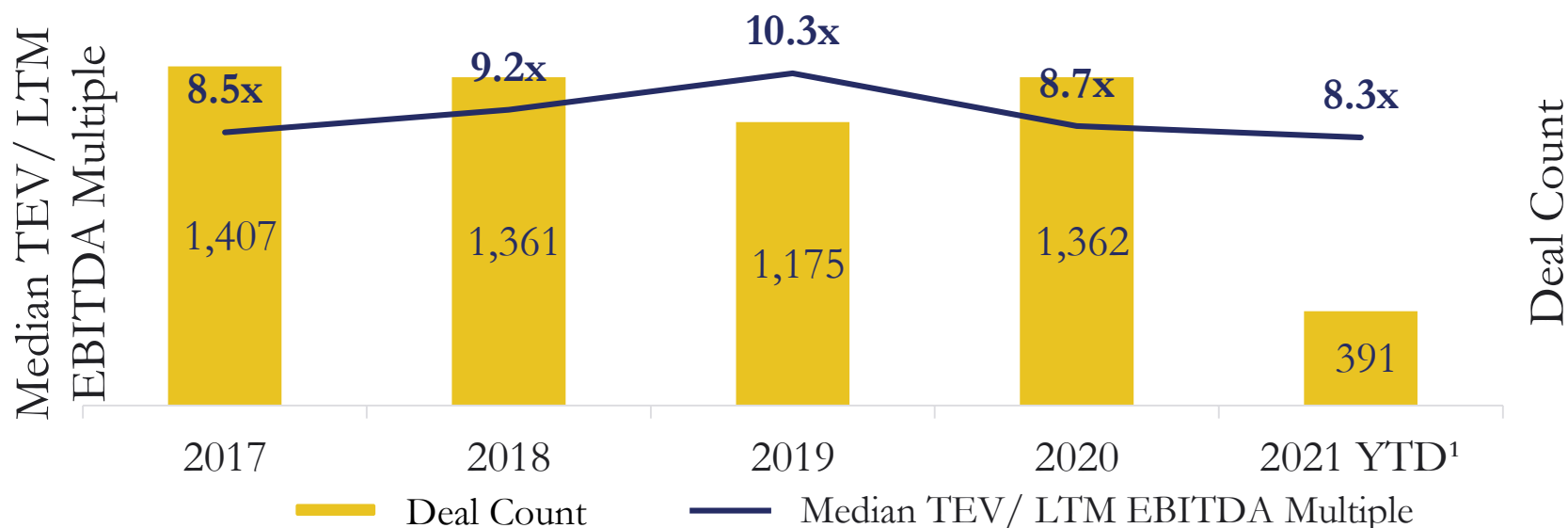
U.S. & Canada M&A Market Overview

Materials & Building Products Transactions



Quick Highlights

- The Materials & Building Products industry Q1 2021 deal count exceeded historical averages while multiples lagged
 - Annualized 2021 deal count was 118% of the previous 4-year (2017-2020) average
 - Q1 2021 median TEV/LTM EBITDA multiple was 91% of the previous 4-year (2017-2020) average



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

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Public Companies' Trading Metrics | Materials & Building Products

As of: 3/31/2021

Category / Company	Valuation Statistics				Multiples Data					
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)		
					2020A	LTM	NTM	2020A	LTM	NTM
USD in millions except per share price										
Broader Building Products										
Compagnie de Saint-Gobain S.A.	\$59.06	\$31,461	\$40,254	10.7%	0.8	0.9	0.9	6.7	7.2	6.7
James Hardie Industries plc	\$30.32	\$13,472	\$14,197	25.7%	4.9	5.2	4.4	19.6	19.7	17.1
Owens Corning	\$92.09	\$9,663	\$12,286	19.1%	1.6	1.7	1.6	8.1	8.6	7.8
LIXIL Corporation	\$27.80	\$8,066	\$12,740	10.3%	0.9	1.1	1.0	9.5	10.3	9.6
Armstrong World Industries, Inc.	\$90.09	\$4,305	\$4,953	28.0%	4.4	5.3	4.7	11.8	14.9	13.5
Median	\$59.06	\$9,663	\$12,740	19.1%	1.6	1.7	1.6	9.5	10.3	9.6
Windows & Doors										
ASSA ABLOY AB (publ)	\$28.78	\$31,967	\$35,003	14.8%	2.9	3.5	3.3	16.3	21.0	17.3
JELD-WEN Holding, Inc.	\$27.69	\$2,799	\$4,055	9.2%	0.9	1.0	0.9	9.3	8.7	7.9
Masonite International Corporation	\$115.24	\$2,828	\$3,452	15.1%	1.4	1.5	1.4	8.5	9.0	7.9
PGT Innovations, Inc.	\$25.25	\$1,500	\$1,853	16.2%	1.9	2.1	1.8	10.8	11.9	10.1
Tyman plc	\$5.13	\$1,001	\$1,212	15.9%	1.6	1.5	1.5	9.0	8.9	8.7
Quanex Building Products Corporation	\$26.23	\$877	\$1,000	12.6%	1.0	1.1	1.0	7.5	8.2	8.4
Median	\$26.96	\$2,150	\$2,652	15.0%	1.5	1.5	1.5	9.1	9.0	8.5
HVAC										
Daikin Industries,Ltd.	\$201.81	\$59,058	\$58,921	15.3%	2.8	2.7	2.5	18.5	17.4	16.3
Lennox International Inc.	\$311.59	\$11,757	\$12,807	15.4%	3.2	3.5	3.3	18.6	19.3	20.0
Median	\$256.70	\$35,408	\$35,864	15.4%	3.0	3.1	2.9	18.6	18.4	18.2
Kitchen & Bath										
American Woodmark Corporation	\$98.58	\$1,676	\$2,230	12.9%	1.3	1.3	1.2	9.2	9.2	8.7
Caesarstone Ltd.	\$13.73	\$473	\$515	12.2%	0.8	1.1	0.9	4.9	6.5	7.6
Fortune Brands Home & Security, Inc.	\$95.82	\$13,264	\$15,596	16.7%	2.3	2.6	2.2	13.6	14.7	13.0
Lennox International Inc.	\$311.59	\$11,757	\$12,807	15.4%	3.2	3.5	3.3	18.6	19.3	20.0
Masco Corporation	\$59.90	\$15,209	\$17,092	19.4%	2.3	2.4	2.2	11.3	11.8	11.3
Median	\$95.82	\$11,757	\$12,807	15.4%	2.3	2.4	2.2	11.3	11.8	11.3

Source: S&P Capital IQ; ArkMalibu

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

Public Companies' Trading Metrics | Materials & Building Products

As of: 3/31/2021

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)		
					2020A	LTM	NTM	2020A	LTM	NTM
Building Envelope										
Apogee Enterprises, Inc.	\$40.88	\$1,063	\$1,241	6.3%	0.8	1.0	1.0	7.3	8.7	9.1
Etex N.V.	\$16.78	\$1,312	\$1,753	18.1%	0.5	0.5	NM	3.2	3.2	NM
Kingspan Group plc	\$84.86	\$15,413	\$15,904	13.2%	2.5	3.0	2.6	18.9	21.3	20.2
Cornerstone Building Brands, Inc.	\$14.03	\$1,757	\$5,017	12.5%	1.0	1.1	1.0	5.4	6.6	7.7
Median	\$28.83	\$1,535	\$3,385	12.8%	0.9	1.0	1.0	6.3	7.6	9.1
Install & Service										
Comfort Systems USA, Inc.	\$74.77	\$2,697	\$2,975	8.7%	0.8	1.0	1.0	7.9	10.7	12.1
Installed Building Products, Inc.	\$110.88	\$3,259	\$3,650	14.2%	2.1	2.2	1.9	13.7	14.1	12.0
TopBuild Corp.	\$209.43	\$6,925	\$7,389	15.4%	2.4	2.7	2.3	14.4	15.5	13.8
Median	\$110.88	\$3,259	\$3,650	14.2%	2.1	2.2	1.9	13.7	14.1	12.1
Lighting										
Acuity Brands, Inc.	\$165.00	\$5,878	\$5,947	14.8%	1.3	1.8	1.8	8.7	11.9	11.6
Hubbell Incorporated	\$186.89	\$10,151	\$11,595	16.6%	2.3	2.8	2.6	12.7	15.8	15.2
Median	\$175.95	\$8,015	\$8,771	15.7%	1.8	2.3	2.2	10.7	13.8	13.4
Flooring										
Armstrong Flooring, Inc.	\$4.89	\$106	\$181	-2.1%	0.2	0.3	NM	NM	NM	NM
Interface, Inc.	\$12.48	\$732	\$1,310	13.0%	1.0	1.2	1.2	6.6	7.6	9.1
Mohawk Industries, Inc.	\$192.31	\$13,505	\$15,239	14.4%	1.3	1.6	1.5	8.1	9.7	9.0
Tarkett S.A.	\$15.97	\$1,042	\$1,598	7.5%	0.6	0.5	0.5	9.7	5.9	4.7
Median	\$14.23	\$887	\$1,454	10.2%	0.8	0.9	1.2	8.1	7.6	9.0

Public Companies' Trading Metrics | Materials & Building Products

As of: 3/31/2021

Category / Company	Valuation Statistics				Multiples Data					
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)		
					2020A	LTM	NTM	2020A	LTM	NTM
USD in millions except per share price										
Pipe, Valves, & Fittings										
Advanced Drainage Systems, Inc.	\$103.39	\$7,328	\$8,216	25.0%	3.8	4.3	4.0	15.8	17.2	13.5
Georg Fischer AG	\$1,340.08	\$5,485	\$5,648	9.0%	1.5	1.7	1.5	19.8	19.0	14.0
Mueller Industries, Inc.	\$41.35	\$2,362	\$2,623	11.5%	1.0	1.1	0.9	9.5	9.5	NM
NORMA Group SE	\$48.19	\$1,515	\$1,930	8.5%	1.8	1.7	NM	15.8	17.9	NM
Median	\$75.79	\$3,923	\$4,135	10.2%	1.7	1.7	1.5	15.8	17.5	13.7
Building Products Distributors										
Beacon Roofing Supply, Inc.	\$52.32	\$3,631	\$6,610	7.2%	0.8	0.9	1.0	10.0	10.3	12.6
BlueLinX Holdings Inc.	\$39.19	\$371	\$1,018	5.1%	0.3	0.3	0.3	6.3	6.0	8.1
Builders FirstSource, Inc.	\$46.37	\$9,572	\$11,054	7.7%	0.8	1.3	0.8	10.2	14.5	8.2
CanWel Building Materials Group Ltd.	\$7.15	\$558	\$834	7.5%	0.6	0.6	0.6	7.7	7.4	7.3
Ferguson plc	\$119.41	\$26,733	\$29,017	8.6%	1.3	1.3	1.3	13.6	13.3	12.7
GMS Inc.	\$41.75	\$1,789	\$2,782	8.7%	0.7	0.9	0.8	7.0	8.5	8.7
Hardwoods Distribution Inc.	\$25.16	\$534	\$702	5.3%	0.6	0.7	0.6	8.3	9.8	8.4
Pool Corporation	\$345.24	\$13,863	\$14,465	12.7%	4.2	3.7	3.3	29.5	24.9	25.6
Richelieu Hardware Ltd.	\$32.83	\$1,834	\$1,844	12.2%	1.7	2.1	1.9	14.5	15.8	14.8
SIG plc	\$0.53	\$622	\$955	-8.1%	0.4	0.4	0.3	NM	NM	8.5
SiteOne Landscape Supply, Inc.	\$170.74	\$7,573	\$8,094	9.0%	2.9	3.0	2.7	25.6	25.8	27.7
Watsco, Inc.	\$260.75	\$9,168	\$9,532	8.2%	1.7	1.9	1.8	17.1	18.4	21.1
Median	\$44.06	\$2,733	\$4,696	8.0%	0.8	1.1	0.9	10.2	13.3	10.6

Public Companies' Trading Metrics | Materials & Building Products

As of: 3/31/2021

Category / Company	Valuation Statistics				Multiples Data					
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)		
					2020A	LTM	NTM	2020A	LTM	NTM
USD in millions except per share price										
Construction Materials --										
Aggregates & Cement										
CEMEX, S.A.B. de C.V.	\$0.71	\$10,377	\$21,238	16.8%	1.4	1.7	1.5	7.8	8.8	7.9
CRH plc	\$46.91	\$36,879	\$43,438	14.2%	1.4	1.6	1.5	8.7	11.1	9.1
Eagle Materials Inc.	\$134.41	\$5,645	\$6,553	30.1%	3.4	4.0	3.9	10.3	12.0	11.2
HeidelbergCement AG	\$90.70	\$18,039	\$27,791	17.6%	1.3	1.3	NM	6.6	6.4	NM
LafargeHolcim Ltd	\$58.93	\$36,048	\$47,860	20.9%	1.8	1.9	1.8	7.6	8.0	7.4
Martin Marietta Materials, Inc.	\$335.82	\$20,917	\$23,822	30.2%	4.8	5.4	4.8	14.6	16.3	17.1
Summit Materials, Inc.	\$28.02	\$3,241	\$4,826	19.1%	1.8	2.1	2.1	8.1	9.7	9.6
U.S. Concrete, Inc.	\$73.32	\$1,245	\$2,038	12.5%	1.0	1.5	1.4	7.4	10.5	10.1
Vulcan Materials Company	\$168.75	\$22,367	\$24,901	26.7%	4.6	5.1	5.0	16.1	17.8	18.0
Median	\$73.32	\$18,039	\$23,822	19.1%	1.8	1.9	2.0	8.1	10.5	9.8
Heavy Construction Materials										
Advanced Drainage Systems, Inc.	\$103.39	\$7,328	\$8,216	25.0%	3.8	4.3	4.0	15.8	17.2	13.5
Boral Limited	\$4.18	\$5,121	\$6,593	11.1%	1.5	1.6	1.6	12.7	13.2	9.3
Forterra, Inc.	\$23.25	\$1,542	\$2,634	15.5%	1.4	1.7	1.6	8.8	9.6	8.7
Mueller Industries, Inc.	\$41.35	\$2,362	\$2,623	11.5%	1.0	1.1	0.9	9.5	9.5	NM
Median	\$32.30	\$3,742	\$4,614	13.5%	1.5	1.6	1.6	11.1	11.4	9.3
Forest Products										
Boise Cascade Company	\$59.83	\$2,353	\$2,491	7.5%	0.4	0.5	0.4	5.1	5.8	6.6
Canfor Corporation	\$20.69	\$2,591	\$3,212	20.0%	0.8	0.7	0.6	6.1	3.6	2.5
Louisiana-Pacific Corporation	\$55.46	\$5,909	\$5,772	28.0%	1.6	2.1	1.8	7.5	7.3	5.4
UFP Industries, Inc.	\$75.84	\$4,683	\$4,635	8.3%	0.7	0.9	0.7	8.4	10.2	9.5
Weyerhaeuser Company	\$35.60	\$26,655	\$31,768	27.2%	4.3	4.2	3.9	18.2	15.3	11.7
Median	\$55.46	\$4,683	\$4,635	20.0%	0.8	0.9	0.7	7.5	7.3	6.6

Public Companies' Trading Metrics | Materials & Building Products

As of: 3/31/2021

Category / Company	Valuation Statistics				Multiples Data						
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)			
					2020A	LTM	NTM	2020A	LTM	NTM	
USD in millions except per share price											
Homebuilders --											
Homebuilders											
Beazer Homes USA, Inc.	\$20.92	\$626	\$1,529	5.2%	0.6	0.7	0.7	12.4	13.2	7.2	
D.R. Horton, Inc.	\$89.12	\$32,413	\$34,611	16.0%	1.3	1.6	1.3	8.8	9.6	7.2	
Hovnanian Enterprises, Inc.	\$105.74	\$592	\$2,246	7.3%	0.7	0.9	NM	10.2	11.0	NM	
KB Home	\$46.53	\$4,268	\$5,445	11.0%	0.9	1.3	0.9	8.5	11.4	6.4	
Lennar Corporation	\$101.23	\$30,885	\$34,561	15.6%	1.2	1.5	1.2	8.4	9.3	7.2	
M.D.C. Holdings, Inc.	\$59.40	\$4,175	\$5,044	12.4%	1.0	1.3	0.9	9.0	10.2	6.4	
M/I Homes, Inc.	\$59.07	\$1,720	\$2,381	10.9%	0.7	0.8	0.7	6.4	6.9	NM	
Meritage Homes Corporation	\$91.92	\$3,448	\$3,751	13.0%	0.8	0.8	0.8	7.1	6.3	5.5	
NVR, Inc.	\$4,710.93	\$17,318	\$16,209	15.4%	2.0	2.1	1.7	12.6	13.3	10.3	
PulteGroup, Inc.	\$52.44	\$13,869	\$14,611	16.7%	1.2	1.3	1.1	7.0	7.8	6.1	
Toll Brothers, Inc.	\$56.73	\$6,985	\$9,940	10.3%	1.2	1.4	1.1	11.7	13.0	8.6	
Median	\$59.40	\$4,268	\$5,445	12.4%	1.0	1.3	1.0	8.8	10.2	7.2	



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We're not like other banks – we don't have conflicted business relationships with buyers, leaving our senior advisors and principals unhindered and unyielding in their pursuit of your goals. From the first meeting to dry ink, we are dedicated to exceeding your expectations and surpassing industry valuation benchmarks during one of life's most prodigious events. Selling a company requires both psychological intelligence and financial rigor, and that is ArkMalibu. We're a steady ship in stormy seas – here to guide you through uncharted territory with experience, integrity, and confidentiality at every turn.



Unconflicted. Loyalty to You is our Livelihood

- We only represent sellers; we're not incentivized to encourage you to accept less than your company's true maximum value.
- We pursue the highest possible value because we're unconflicted.



Unorthodox. Senior-Level Service is Our Standard

- 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.
- Selling a business requires as much EQ as IQ; with our depth of experience and understanding of the complex human dynamics at play, we coach you through the challenges so you can enjoy your hard-earned and well-deserved prosperity.



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