



EDGEPOINT

INDUSTRIALS: BUILDING PRODUCTS

- The Building Products sector was one of the few industrial sectors to demonstrate some relative “strength” during the COVID-19 shutdowns. The sector benefited from consumers spending to remodel their homes during shelter in place orders as well as demand from new homebuyers looking to leave densely populated urban centers for less congested suburbs.
- Despite the COVID-19 pandemic, Building Products remains a highly active M&A sector with demand being driven by both strategic and financial buyers. We anticipate continued robust activity within Building Products during 2H 2020 as additional areas of the country resume economic activity and additional construction projects come back online.

RECENT SELECT TRANSACTIONS

Target	Date	Buyers / Investors	Region	Strategic / Financial
Window and Door business of Aperture Trading	May 20	profine GmbH	Europe	Strategic
Alpha Process Controls Limited/Aldona Seals Ltd	May 12	Accedo Group Ltd.	Europe	Strategic
Assets of Durman Gas Conduction System	May 11	Aero Operating LLC	Europe	Strategic
IKS Holdings	Apr 30	USM Holdings Limited	US	Strategic
Viking Supply, Inc.	Apr 17	The C.I. Thornburg Co., Inc.	US	Strategic
May Supply Company	Apr 8	Winsupply Inc.	US	Strategic
Precision Abrasives Corporation	Apr 2	Gioia Capital	US	Financial
Window Design Center, LLC	Apr 1	Zuern Building Products, Inc.	US	Strategic
Instone Co	Mar 27	Capstone Therapeutics Corp.	US	Strategic
Invertair Air Conditioning	Mar 20	Moro Et Prato SAS	Europe	Strategic
Roof Angels, LLC	Mar 18	Restoration Builders Inc.	US	Strategic
Substantially All Assets of Strand-Tech Manufacturing, Inc.	Mar 16	Insteel Wire Products Company	US	Strategic
Maple City Woodworking Corporation	Mar 16	Patrick Industries, Inc.	US	Strategic
Lansing Building Products, Inc.	Mar 16	Markel Ventures, Inc.	US	Financial
Distribution Business of Harvey Building Products	Mar 16	Lansing Building Products, Inc.	US	Financial Backed Strategic
Donovan Heat and Air, Inc.	Mar 11	Wrench Group, LLC	US	Financial Backed Strategic
Blenker Building Systems, Inc.	Mar 5	Drexel Building Supply, Inc.	US	Strategic
Value Plus Flooring, Inc.	Mar 3	Artisan Design Group	US	Financial Backed Strategic
Royals Commercial Services, Inc.	Mar 2	Installed Building Products, Inc.	US	Strategic
Florida Cool, Inc.	Mar 2	Wrench Group, LLC	US	Financial Backed Strategic
Kleary Masonry, Inc.	Mar 2	Cornerstone Building Brands, Inc.	US	Strategic
HC Quality Doors, LLC	Mar 2	The Cook & Boardman Group, LLC	US	Financial Backed Strategic
Mantaleda Bathroom Co Ltd	Feb 28	Hartford Holdings Limited	Europe	Strategic
Hunter Insulation, Inc.	Feb 24	TopBuild Corp.	US	Strategic

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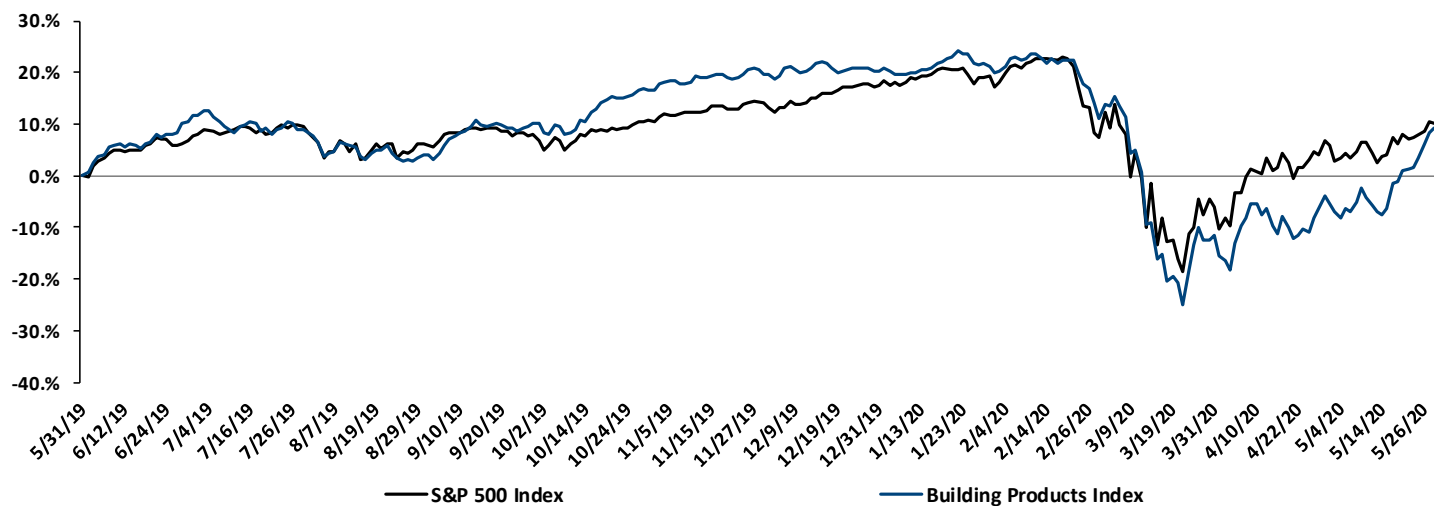
EdgePoint Public Comparable Index Constituents

Building Products

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E		LTM	3-Yr. CAGR		
Advanced Drainage Systems, Inc.	\$4,319	29.7%	17.6%	\$294	\$405	14.6x	10.7x	\$1,674	20.9%	10.0%	\$44.34	85.9%
American Woodmark Corporation	1,694	19.9%	13.9%	230	170	6.6x	10.0x	1,650	0.3%	17.0%	62.76	53.3%
Apogee Enterprises, Inc.	801	21.9%	8.6%	120	119	5.8x	6.7x	1,387	-1.1%	7.6%	20.65	44.2%
Armstrong Flooring, Inc.	115	13.9%	-2.3%	(14)	(5)	NM	NM	623	-11.7%	-19.0%	3.42	29.4%
Armstrong World Industries, Inc.	4,245	37.8%	-4.1%	(42)	355	68.9x	12.0x	1,045	5.5%	10.7%	75.39	67.6%
ASSA ABLOY AB (publ)	245,145	40.0%	17.0%	16,136	15,538	14.0x	15.8x	94,697	8.8%	8.8%	190.70	76.7%
Caesarstone Ltd.	325	28.1%	12.5%	68	34	4.8x	9.5x	544	-4.2%	-0.8%	11.14	62.4%
Comfort Systems USA, Inc.	1,632	18.5%	7.6%	210	187	6.9x	8.8x	2,777	23.1%	19.5%	37.00	69.0%
Compagnie de Saint-Gobain S.A.	26,659	25.5%	10.6%	4,533	4,199	5.1x	6.3x	42,573	1.9%	2.9%	29.07	73.5%
Daikin Industries, Ltd.	4,846,205	34.7%	15.4%	393,999	313,427	12.3x	15.5x	2,550,305	2.8%	7.7%	15,850	95.9%
Fortune Brands Home & Security, Inc.	10,620	36.0%	15.8%	925	770	10.9x	13.8x	5,839	5.1%	4.9%	60.96	83.2%
Georg Fischer AG	3,534	39.3%	10.0%	376	277	9.7x	12.8x	3,742	-18.6%	-0.2%	795.00	77.0%
Hubbell Incorporated	8,138	30.1%	16.6%	763	634	10.1x	12.8x	4,594	0.4%	9.3%	122.42	79.0%
Installed Building Products, Inc.	2,314	29.5%	12.8%	201	182	10.4x	12.7x	1,567	13.8%	19.1%	64.28	80.1%
Interface, Inc.	1,171	39.2%	14.9%	199	130	5.1x	9.0x	1,334	7.8%	11.7%	8.49	48.0%
James Hardie Industries plc	12,768	35.9%	23.8%	619	571	13.0x	15.8x	2,607	4.0%	10.7%	25.95	77.6%
JELD-WEN Holding, Inc.	2,974	20.2%	7.4%	314	289	7.7x	10.3x	4,259	-3.5%	4.6%	13.63	50.5%
Kingspan Group plc	10,895	29.1%	12.5%	584	494	17.7x	22.0x	4,659	6.6%	14.4%	55.55	85.1%
Lennox International Inc.	9,764	27.9%	14.4%	538	500	15.4x	19.5x	3,741	-2.6%	0.2%	213.84	71.6%
LIXIL Group Corporation	1,190,548	33.4%	9.6%	163,056	134,795	7.3x	8.8x	1,694,439	-7.5%	-1.7%	1,504.00	69.8%
Masco Corporation	14,653	35.4%	18.5%	1,253	1,062	11.2x	13.8x	6,775	8.5%	-3.0%	46.65	93.2%
Masonite International Corporation	2,446	22.7%	12.6%	276	251	7.7x	9.8x	2,198	0.7%	3.7%	66.38	74.4%
Mueller Industries, Inc.	1,881	16.1%	9.4%	229	0	8.4x	0.0x	2,422	-2.3%	4.9%	26.78	78.5%
NORMA Group SE	1,274	57.0%	14.7%	159	124	7.5x	10.3x	1,083	-0.9%	5.3%	26.34	62.6%
Owens Corning	8,980	22.7%	17.4%	1,234	940	6.8x	9.6x	7,094	0.9%	6.2%	52.50	76.4%
PGT Innovations, Inc.	1,198	35.4%	16.3%	129	123	8.7x	9.7x	791	8.1%	18.9%	13.61	73.6%
Quanex Building Products Corporation	592	22.4%	11.8%	105	71	5.2x	8.3x	894	-0.1%	-1.0%	12.40	60.7%
Tarkett S.A.	1,241	22.9%	7.5%	224	169	5.0x	7.4x	2,992	5.5%	3.0%	9.26	41.4%
TopBuild Corp.	4,416	26.2%	13.4%	357	302	10.5x	14.6x	2,658	5.8%	14.5%	114.69	89.8%
Tyman plc	594	33.5%	15.7%	97	73	5.7x	8.2x	614	3.8%	10.3%	1.90	65.0%
Mean		29.5%	12.4%	19,572	15,873	9.1x	11.6x	148,386	2.7%	6.7%	652.0	69.9%

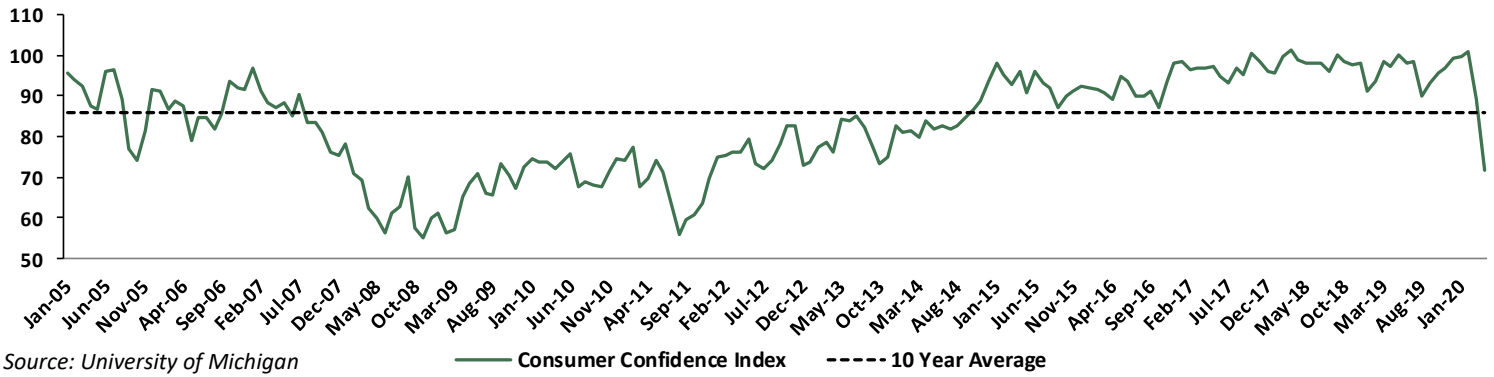
Source: S&P CapIQ (As of May 29, 2020)

Trailing Twelve Months Stock Performance

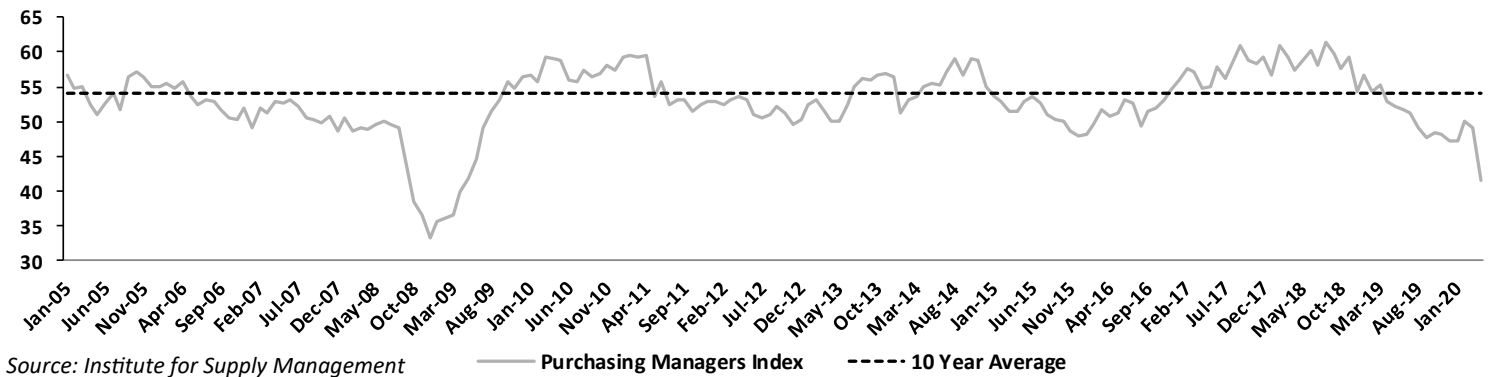


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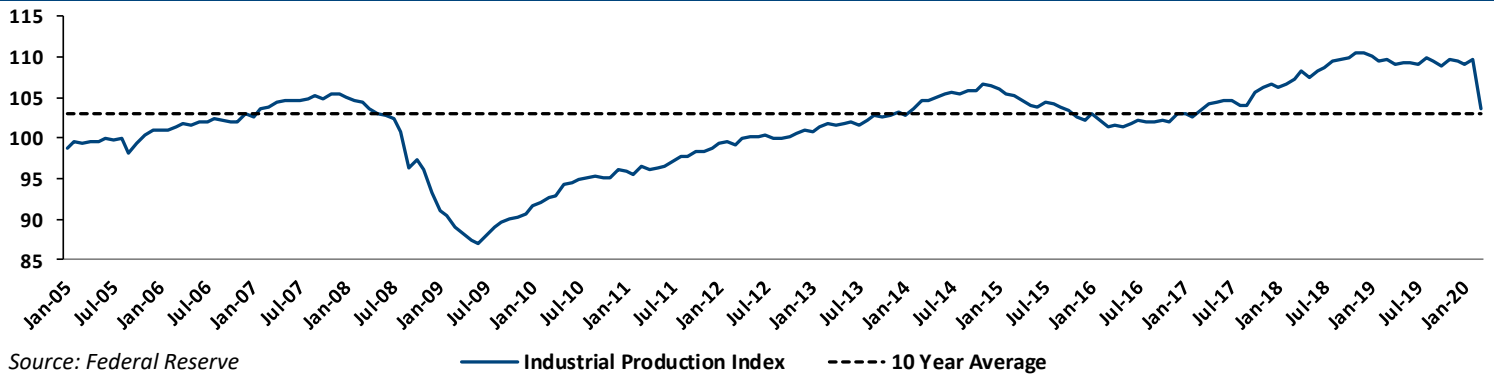
Consumer Confidence Index (2005 - YTD 2020)



Purchasing Managers Index (2005 - YTD 2020)



Industrial Production Index (2005 - YTD 2020)



U.S. Real GDP Growth (2004 - YTD 2020)

