



EDGEPOINT

INDUSTRIALS: BUILDING PRODUCTS

- The Building Products sector, which experienced meaningful growth and strong deal volume through the first half of the year, began to normalize in the third quarter. While deal volume remains strong, the industry has been impacted by ongoing labor shortages, supply chain challenges, and material price volatility.
- EdgePoint's Building Products Index indicates that the industry underperformed the S&P 500 during the third quarter, following slight outperformance during the first half of the year. The change in performance is largely attributable to increased labor costs and the impact of inflation concerns on investor confidence.
- Building Products remains an active M&A sector with deal volume being driven by a combination of strategic, financial, and PE-backed buyers. EdgePoint anticipates continued robust activity within Building Products into 2022 as demand for new multifamily and single family housing continues to drive industry revenues and deal activity.

RECENT TRANSACTIONS (SELECTED)

| Target | Date | Buyers / Investors | Region | Strategic / Financial |
|--|--------|--|--------|----------------------------|
| Arran Isle Limited | Sep 27 | ASSA ABLOY AB (publ) | EMEA | Strategic |
| Reeb Millwork Corporation | Sep 27 | Specialty Building Products, LLC | US | Financial Backed Strategic |
| Assets in the Business of Manufacturing Vinyl Windows and Doors of Cascade Windows, Inc. | Sep 2 | PGT Innovations, Inc. | US | Strategic |
| Aluminium Frame Company Limited | Aug 20 | Cornerstone Building Brands, Inc. | US | Strategic |
| Trimlite Mfg. Inc. | Aug 8 | Calder Metal Solutions Ltd | EMEA | Strategic |
| Deli Home Holding B.V. | Jul 28 | Wynnchurch Capital, L.P | US | Financial |
| Window Nation, Inc. | Jul 19 | Ardian; Ardian Expansion Fund V | EMEA | Financial |
| NWI Enterprises, Inc. | Jul 17 | AEA Investors LP | US | Financial |
| Millwork 360, LLC | Jul 15 | PrimeSource Building Products, Inc. | US | Financial Backed Strategic |
| WERU GmbH | Jul 13 | The Marwin Company, Inc. | US | Financial Backed Strategic |
| Consolidated Timber Holdings Ltd. | Jul 6 | DOVISTA A/S | EMEA | Strategic |
| Brand-Vaughan Lumber Co., Inc. | Jul 6 | Rubicon Partners; Rubicon Partners V SCF | EMEA | Financial |
| United States Bullet Proofing, Inc. | Jul 1 | US LBM Holdings, Inc. | US | Financial Backed Strategic |
| Brush Holdings Limited | Jun 30 | Quikserv Corporation | US | Financial Backed Strategic |
| Vinylbilt Windows and Doors Corp. | Jun 18 | OEP Capital Advisors, L.P. | EMEA | Financial |
| J.P. Hart Lumber Company, LLC | Jun 14 | Vinyl Window Designs Ltd. | US | Strategic |
| Groupe Lapeyre S.A. | Jun 3 | US LBM Holdings, Inc. | US | Financial Backed Strategic |
| ENERGI Fenestration Solutions Ltd. (nka:THERMOPLAST Extrusion) | Jun 1 | Mutares SE & Co. KGaA | EMEA | Strategic |
| ENERGI Laval Extrusions | May 17 | Vision Group | US | Financial |
| Palm City Millwork, Inc. | May 17 | Thermoplast Extrusions | US | Strategic |
| PRE BUCK LLC (nka:Prebuck LLC) | May 10 | Glenn Rieder, Inc. | US | Strategic |
| John's Lumber & Hardware Company | May 7 | Tremco Incorporated | US | Strategic |
| CRI SoCal, Inc. | May 3 | Builders FirstSource, Inc. | US | Strategic |
| Prime Window Systems, LLC | May 2 | PGT Innovations, Inc. | US | Strategic |
| | Apr 30 | Cornerstone Building Brands, Inc. | US | Strategic |

For more information and insight please contact the EdgePoint Industrials team:

Matt Keefe
Managing Director
Industrials

Contact:
216-342-5863
mkeefe@edgepoint.com

M&A
Advisory
RESULTS *with*
INTEGRITY™

EdgePoint Public Comparable Index Constituents

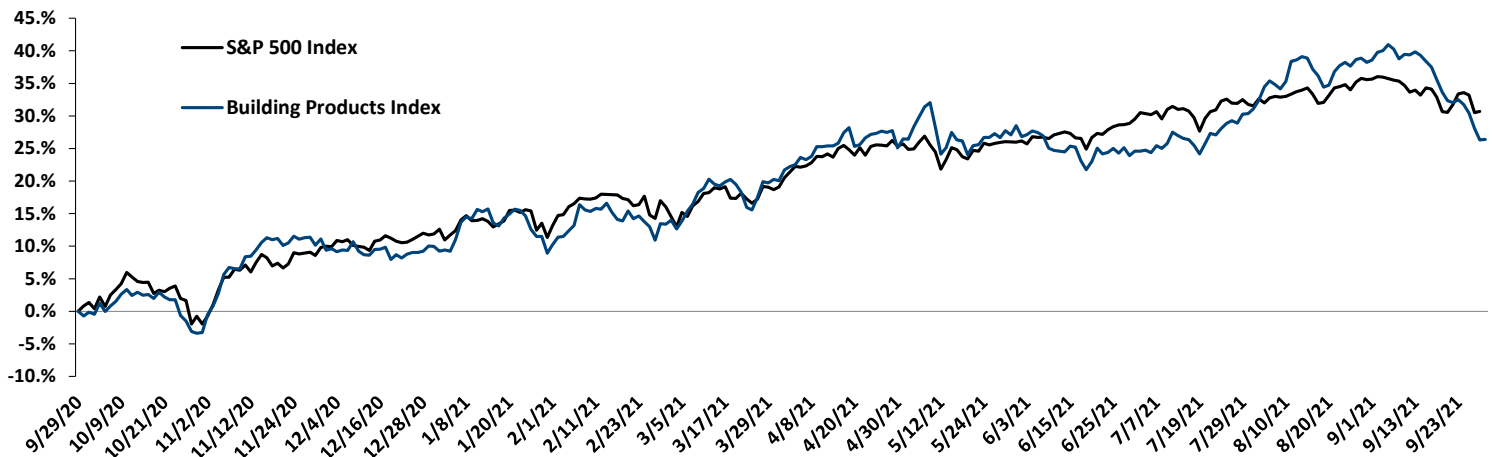
Building Products

| 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. | \$8,647 | 32.8% | 22.1% | \$473 | \$608 | 17.8x | 14.3x | \$2,143 | 21.2% | 16.4% | \$109.20 | 87.4% |
| American Woodmark Corporation | 1,684 | 16.3% | 10.2% | 183 | 162 | 8.1x | 10.5x | 1,797 | 11.4% | 8.6% | 65.81 | 60.5% |
| Apogee Enterprises, Inc. | 1,072 | 21.9% | 10.3% | 131 | 127 | 8.2x | 8.5x | 1,274 | -0.7% | -3.3% | 38.04 | 86.7% |
| Armstrong Flooring, Inc. | 132 | 13.3% | -2.7% | (17) | 0 | NM | 0.0x | 618 | 4.4% | 6.8% | 3.10 | 44.5% |
| Armstrong World Industries, Inc. | 5,219 | 36.1% | 25.8% | 263 | 376 | 15.3x | 14.0x | 1,017 | 4.2% | 3.2% | 96.56 | 84.8% |
| ASSA ABLOY AB (publ) | 35,479 | 39.4% | 16.5% | 1,758 | 2,080 | 18.8x | 17.0x | 10,635 | -0.1% | 5.1% | 29.23 | 88.0% |
| Caesarstone Ltd. | 454 | 29.2% | 13.9% | 79 | 70 | 4.6x | 6.5x | 570 | 13.5% | -1.0% | 12.54 | 63.3% |
| Comfort Systems USA, Inc. | 2,819 | 19.1% | 8.6% | 240 | 250 | 10.6x | 11.4x | 2,797 | -2.6% | 12.9% | 72.24 | 81.6% |
| Compagnie de Saint-Gobain S.A. | 45,560 | 26.8% | 13.2% | 6,664 | 7,191 | 6.2x | 6.3x | 50,385 | 9.9% | 1.0% | 67.50 | 89.7% |
| Daikin Industries, Ltd. | 63,818 | 35.0% | 15.9% | 3,878 | 3,807 | 16.5x | 16.8x | 24,426 | 10.6% | 4.7% | 219 | 82.6% |
| Fortune Brands Home & Security, Inc. | 14,792 | 36.4% | 17.4% | 1,224 | 1,322 | 11.7x | 11.3x | 7,019 | 23.0% | 9.0% | 90.55 | 79.4% |
| Georg Fischer AG | 6,355 | 38.7% | 10.4% | 396 | 458 | 16.2x | 13.9x | 3,794 | 5.0% | -8.5% | 1,489.64 | 89.7% |
| Hubbell Incorporated | 11,354 | 28.3% | 16.3% | 719 | 764 | 15.2x | 15.0x | 4,417 | 1.6% | 3.1% | 182.95 | 87.3% |
| Installed Building Products, Inc. | 3,620 | 30.4% | 14.3% | 255 | 302 | 13.3x | 12.4x | 1,787 | 12.5% | 13.3% | 108.17 | 76.9% |
| Interface, Inc. | 1,456 | 36.5% | 13.4% | 148 | 153 | 8.3x | 9.5x | 1,104 | -10.7% | 1.7% | 15.24 | 89.1% |
| James Hardie Industries plc | 17,080 | 36.5% | 26.5% | 828 | 898 | 20.8x | 19.0x | 3,126 | 21.3% | 12.5% | 36.41 | 90.7% |
| JELD-WEN Holding, Inc. | 3,859 | 22.1% | 9.8% | 452 | 526 | 7.4x | 7.4x | 4,602 | 11.4% | 4.0% | 25.49 | 81.0% |
| Kingspan Group plc | 19,030 | 29.6% | 13.5% | 871 | 955 | 21.4x | 19.9x | 6,430 | 20.8% | 11.3% | 99.68 | 86.8% |
| Lennox International Inc. | 12,481 | 29.9% | 17.1% | 706 | 722 | 15.5x | 17.4x | 4,138 | 15.5% | 1.5% | 298.63 | 83.8% |
| LIXIL Corporation | 12,759 | 35.2% | 11.3% | 1,435 | 1,395 | 8.9x | 9.1x | 12,738 | -9.4% | -6.1% | 29.18 | 96.7% |
| Masco Corporation | 16,505 | 36.3% | 15.4% | 1,233 | 1,611 | 12.6x | 10.1x | 7,992 | 19.3% | 1.5% | 56.33 | 82.2% |
| Masonite International Corporation | 3,232 | 24.8% | 15.2% | 383 | 442 | 7.7x | 7.4x | 2,515 | 17.8% | 6.0% | 107.92 | 81.6% |
| Mueller Industries, Inc. | 2,678 | 19.3% | 13.8% | 431 | 0 | 6.1x | 0.0x | 3,126 | 38.6% | 9.6% | 41.59 | 86.5% |
| NORMA Group SE | 1,794 | 56.4% | 12.4% | 159 | 200 | 10.7x | 8.9x | 1,279 | 9.5% | 0.9% | 42.44 | 74.2% |
| Owens Corning | 11,438 | 25.6% | 21.7% | 1,735 | 1,916 | 6.4x | 6.0x | 7,983 | 17.4% | 5.4% | 87.03 | 79.2% |
| PGT Innovations, Inc. | 1,699 | 35.1% | 14.2% | 144 | 171 | 10.6x | 10.0x | 1,016 | 27.7% | 21.2% | 19.39 | 69.0% |
| Quanex Building Products Corporation | 807 | 23.4% | 12.3% | 127 | 128 | 6.0x | 6.4x | 1,036 | 23.8% | 5.7% | 21.67 | 74.7% |
| Tarkett S.A. | 2,162 | 22.6% | 8.8% | 277 | 302 | 7.0x | 7.1x | 3,150 | -5.7% | -1.7% | 23.64 | 95.3% |
| TopBuild Corp. | 7,344 | 27.9% | 16.4% | 492 | 589 | 13.5x | 12.7x | 2,996 | 13.3% | 12.8% | 207.81 | 88.2% |
| Tyman plc | 1,311 | 35.0% | 17.8% | 155 | 148 | 8.1x | 8.8x | 872 | 11.5% | 5.5% | 5.67 | 82.5% |

| | | | | | | | | | | | |
|--------|-------|-------|-----|-----|-------|-------|-------|-------|------|-------|-------|
| Median | 29.8% | 14.0% | 414 | 450 | 10.6x | 10.1x | 3,061 | 11.5% | 5.2% | 61.1 | 83.2% |
| Mean | 30.0% | 14.4% | 861 | 922 | 11.5x | 11.3x | 5,893 | 11.2% | 5.4% | 123.4 | 81.5% |

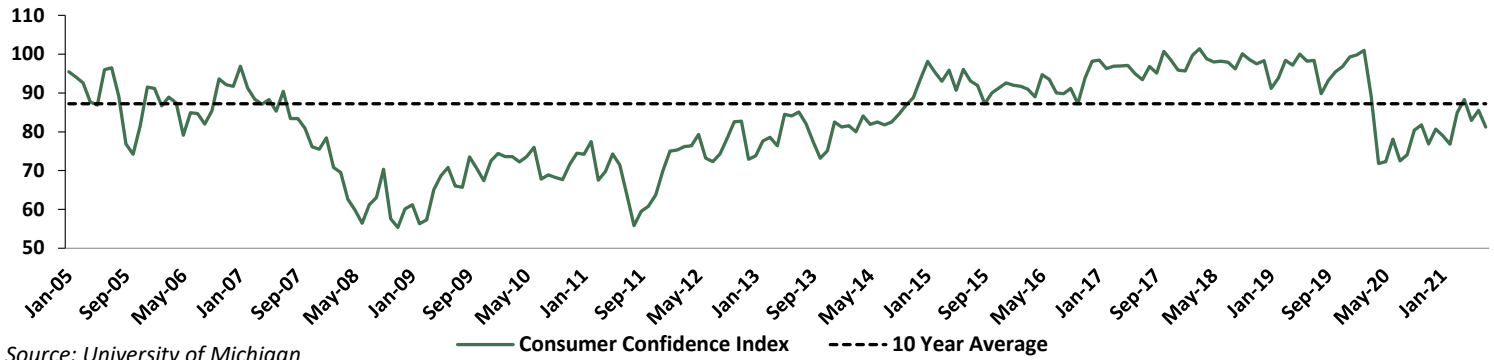
Source: S&P CapIQ (As of September 30, 2021)

Trailing Twelve Months Stock Performance

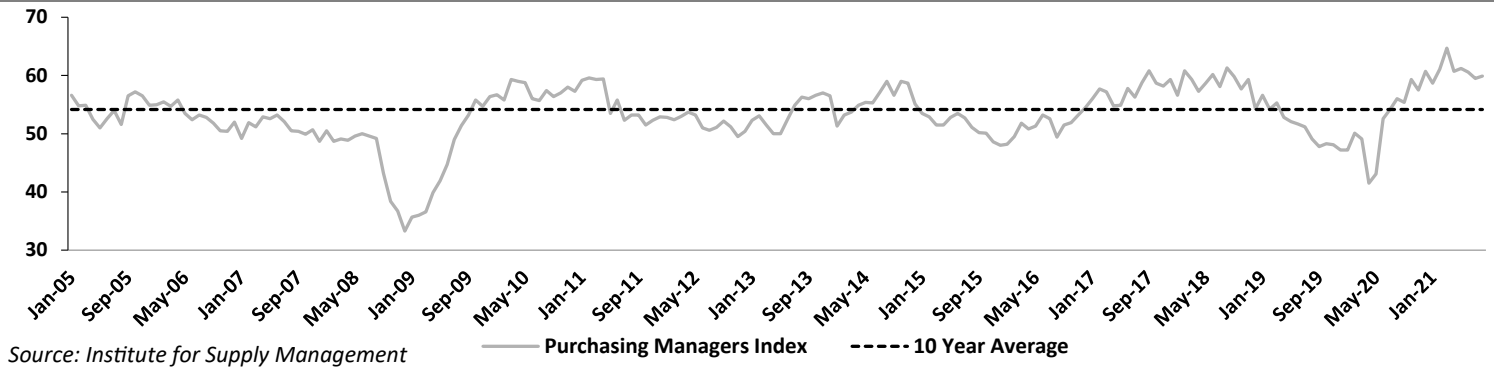


Source: S&P CapIQ (As of September 30, 2021)

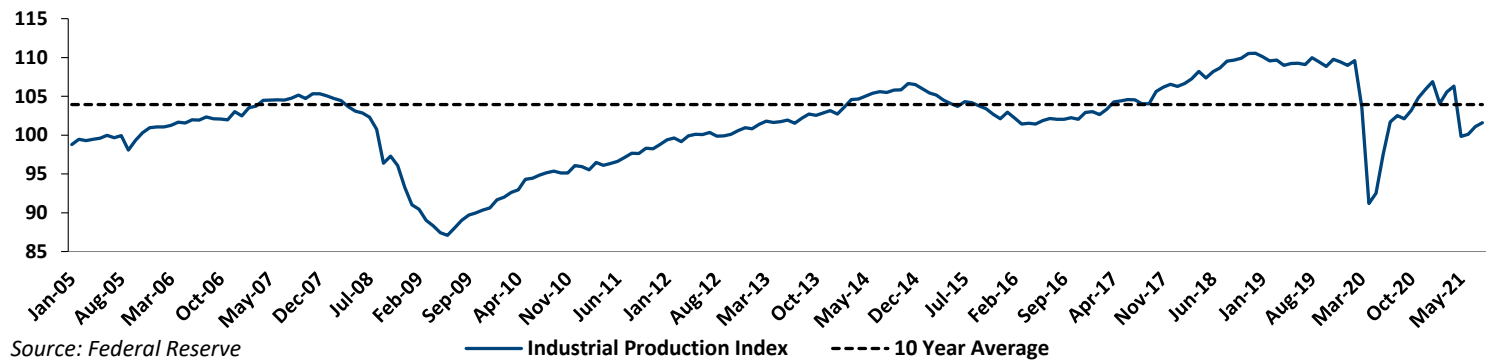
Consumer Confidence Index (2005 - YTD 2021)



Purchasing Managers Index (2005 - YTD 2021)



Industrial Production Index (2005 - YTD 2021)



U.S. Real GDP Growth (2004 - YTD 2021)

