



Quarterly Update

- Contractors continue to grapple with labor shortages and elevated material prices. However, certain segments of construction, like manufacturing construction, are expected to retain positive momentum through the end of 2023. Building products manufacturers and distributors serving these end markets are seeing heightened M&A interest and activity.
- Manufacturing-related construction, bolstered by the Inflation Reduction Act, the CHIPS Act, and the reshoring movement, continues to increase.
- Two manufacturing-related construction projects recently broke ground in Louisiana and North Carolina.
- First Solar, a solar panel manufacturer, recently broke ground on its \$1.1B facility in Louisiana. On the East Coast, Wolfspeed, a North Carolina-based chip maker, broke ground on its \$2.5B materials manufacturing facility.
- Despite the weakness induced by high borrowing costs, residential construction is slowly rebounding and is expected to continue its recovery. Single-family construction has increased from a low earlier in 2023, Multifamily-related construction spending is up more than 20% year over year.

Recent Industrials Transactions (Selected)

MPS
MULTI PARTS
*has been
recapitalized by*
RADIAL

JML OPTICAL
Custom Optics - Protologist to Production
a portfolio company of
Five Points
CAPITAL
has been acquired by
THORLABS

SMEDE-SON STEEL
& Supply Company, Inc.
Established 1954
has been acquired by
CREDO
PRIVATE CAPITAL
and
LEELANAU
PRIVATE CAPITAL

SURPLUS CITY
HWAC & SUPPLIES
has been acquired by
FOXHOLE
GROUP

For more information and insights, please contact the EdgePoint Industrials Group:



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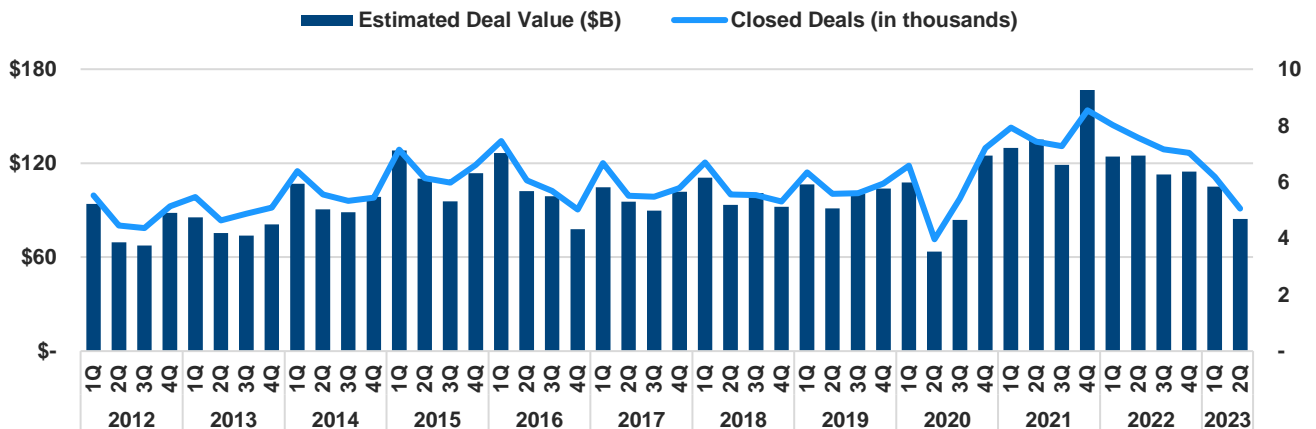
Building Products | October 2023

Recent Building Products Transactions (Selected)

Target	Date	Buyer / Investor	Region (Target)	Buyer / Investor Type
The Cook & Boardman Group, LLC	Sep 29	Platinum Equity, LLC	United States	Financial
Sunniland Corporation	Sep 29	SRS Distribution Inc.	United States	Financial-Backed Strategic
Amsco Supply	Sep 26	Heritage Distribution Holdings	United States	Strategic
Francis-Schulze Company	Sep 22	Trimlite LLC	United States	Financial-Backed Strategic
City Lumber Co., Inc.	Sep 12	Spahn & Rose Lumber Co.	United States	Strategic
Brownco Manufacturing and Sales LLC	Sep 12	White Cap Supply Holdings, LLC	United States	Financial-Backed Strategic
Wholesale Floors, LLC	Sep 11	Diverzify	United States	Financial-Backed Strategic
All Assets of 1st United Door Technologies	Sep 6	Safe-Way Garage Doors LLC	United States	Financial-Backed Strategic
RENO Hardware and Supply, Inc.	Sep 5	White Cap Supply Holdings, LLC	United States	Financial-Backed Strategic
S&H Building Material Corporation	Sep 5	Beacon Roofing Supply, Inc.	United States	Strategic
Mid-America Lumbermens Association	Sep 1	Northwestern Lumbermen, Inc.	United States	Strategic
Gateway Supply Company, Inc.	Sep 1	Watsco, Inc.	United States	Strategic
Mountain Lumber Company, Inc.	Aug 29	The Building Center, Inc.	United States	Strategic
Interior 2000 Products, LLC	Aug 28	Installed Building Products, Inc.	United States	Strategic
GL Forest LLC	Aug 28	Installed Building Products, Inc.	United States	Strategic
Brockway-Smith Company	Aug 23	Boise Cascade Company	United States	Strategic
Trajus Surfaces, LLC	Aug 22	International Designs Group LLC	United States	Financial-Backed Strategic
MAC Metal Architectural Inc.	Aug 17	Cornerstone Building Brands, Inc.	Canada	Financial-Backed Strategic
DIY Home Center, LLC	Aug 4	DecksDirect, LLC	United States	Financial
AGT&L, Inc.	Aug 2	Installed Building Products, Inc.	United States	Strategic
AMA Roofing Supplies	Aug 1	Roofmart	Canada	Strategic
All American Vinyl Siding Supply, LLC	Aug 1	Beacon Roofing Supply, Inc.	United States	Strategic
Stone Truss LLC	Aug 1	West Coast Lumber Inc.	United States	Financial-Backed Strategic

Source: S&P Capital IQ (October 2, 2023)

Global Lower-Middle Market Quarterly Deal Flow



- Though global lower-middle market deal activity is down from historical levels due to increased cost of debt and macroeconomic uncertainty caused by inflation, building products activity is robust.
- Nonresidential building products targets, particularly those serving manufacturing-related construction end markets, are seeing increased M&A activity and interest

Source: Pitchbook (October 2, 2023); Lower-middle market refers to deals valued at \$100 million or less

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EdgePoint Public Comparable Index Constituents

Plumbing Fixtures & Equipment

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue		Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2023E	LTM	2023E	LTM	LTM	3-Yr. CAGR			
Advanced Drainage Systems, Inc.	\$ 9,945	37.4%	28.5%	\$ 836	\$ 856	11.5x	11.6x	\$ 2,935	-2.6%	18.4%	\$ 114.02	83.5%	
Fortune Brands Innovations, Inc.	10,397	40.2%	18.1%	822	919	12.1x	11.3x	4,531	29.8%	-7.4%	60.85	78.9%	
Masco Corporation	14,944	32.9%	17.6%	1,445	1,415	9.9x	10.6x	8,233	-6.2%	7.1%	52.58	82.3%	
Zum Elkay Water Solutions Corporation	5,202	37.3%	16.6%	255	339	19.0x	15.3x	1,533	55.5%	0.0%	27.17	88.0%	
Median		37.4%	17.8%	829	887	11.8x	11.5x	3,733	13.6%	3.6%	56.72	82.9%	
Mean		37.0%	20.2%	839	882	13.1x	12.2x	4,308	19.1%	4.5%	63.66	83.2%	

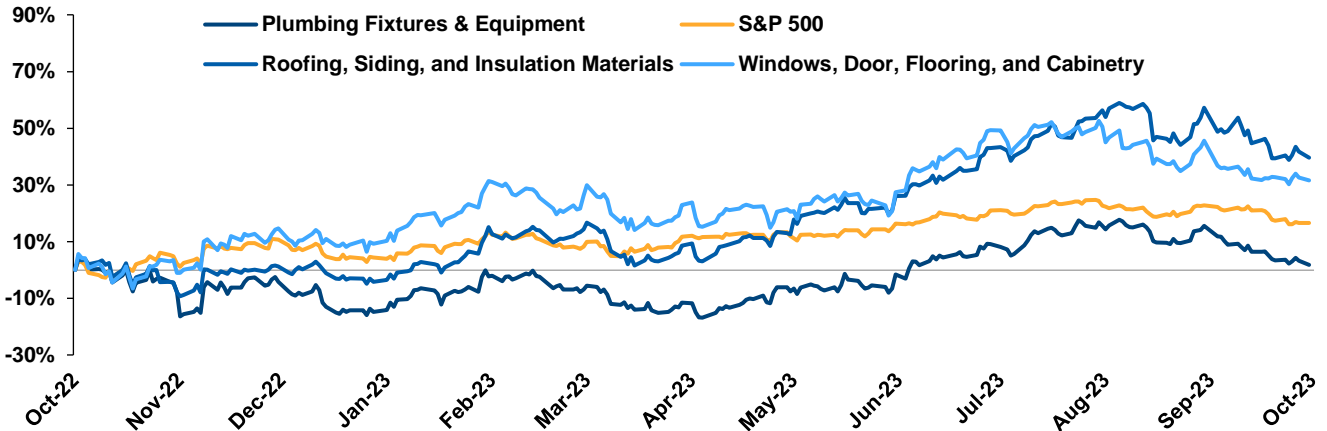
Roofing, Siding, and Insulation Materials

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue		Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2023E	LTM	2023E	LTM	LTM	3-Yr. CAGR			
Armstrong World Industries, Inc.	\$ 3,773	36.8%	25.2%	\$ 319	\$ 409	9.2x	9.2x	\$ 1,265	7.4%	9.0%	\$ 71.13	83.6%	
Builders FirstSource, Inc.	19,474	34.9%	16.9%	3,128	2,778	5.9x	7.0x	18,531	-18.5%	35.3%	123.00	78.4%	
Carlisle Companies Incorporated	14,740	32.2%	22.2%	1,335	1,276	10.7x	11.5x	6,024	2.2%	11.5%	251.73	83.4%	
Gibraltar Industries, Inc.	2,039	25.3%	13.1%	178	202	10.5x	10.1x	1,363	-1.8%	15.8%	66.70	86.5%	
Owens Corning	14,425	27.4%	23.4%	2,275	2,266	6.1x	6.4x	9,708	4.5%	12.6%	134.57	91.5%	
Simpson Manufacturing Co., Inc.	6,570	46.2%	25.7%	555	552	11.5x	11.9x	2,161	13.6%	22.3%	148.74	89.6%	
Quanex Building Products Corporation	1,001	23.2%	12.4%	142	161	6.6x	6.2x	1,143	-5.2%	11.0%	28.03	94.6%	
Median		32.2%	22.2%	555	552	9.2x	9.2x	2,161	2.2%	12.6%	123.00	86.5%	
Mean		32.3%	19.8%	1,133	1,092	8.6x	8.9x	5,742	0.3%	16.8%	117.70	86.8%	

Windows, Door, Flooring, and Cabinetry

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue		Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2023E	LTM	2023E	LTM	LTM	3-Yr. CAGR			
American Woodmark Corporation	\$ 1,628	18.8%	12.0%	\$ 242	\$ 247	6.1x	6.6x	\$ 2,022	3.3%	7.8%	\$ 75.72	94.3%	
Griffon Corporation	3,738	37.5%	16.9%	465	491	7.0x	7.6x	2,753	1.6%	5.9%	39.54	90.1%	
Interface, Inc.	1,032	33.0%	10.8%	140	152	6.4x	6.8x	1,289	0.1%	1.4%	9.64	78.4%	
Janus International Group, Inc.	2,149	39.5%	24.9%	266	282	7.8x	7.6x	1,065	18.3%	0.0%	10.61	85.2%	
JELD-WEN Holding, Inc.	2,752	19.2%	7.1%	362	362	6.2x	7.6x	5,111	9.7%	7.3%	13.27	71.6%	
Masonite International Corporation	3,048	23.0%	13.8%	397	437	6.7x	7.0x	2,871	3.4%	10.4%	92.93	84.8%	
PGT Innovations, Inc.	2,321	38.6%	16.8%	249	276	8.3x	8.4x	1,489	8.6%	23.2%	27.04	91.2%	
Tecnoglass Inc.	1,628	51.5%	38.1%	320	329	5.0x	4.9x	841	48.3%	30.4%	32.95	60.6%	
Median		35.2%	15.3%	293	306	6.5x	7.3x	1,755	6.0%	7.6%	30.00	85.0%	
Mean		32.6%	17.5%	305	322	6.7x	7.1x	2,180	11.7%	10.8%	37.71	82.0%	

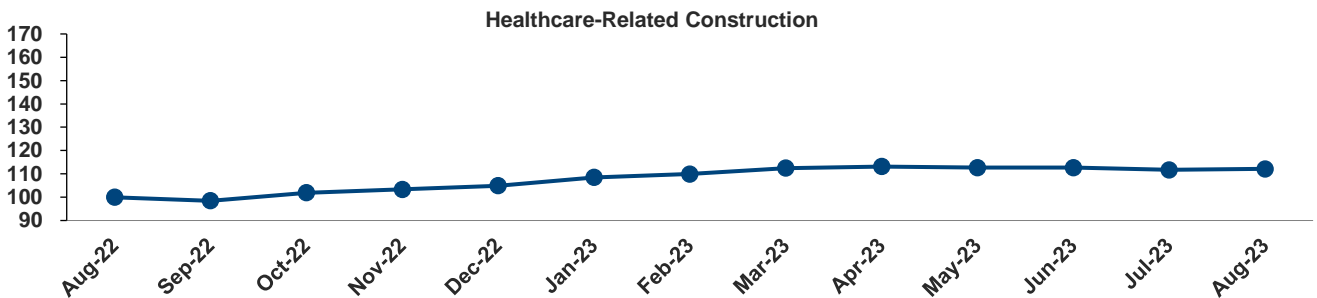
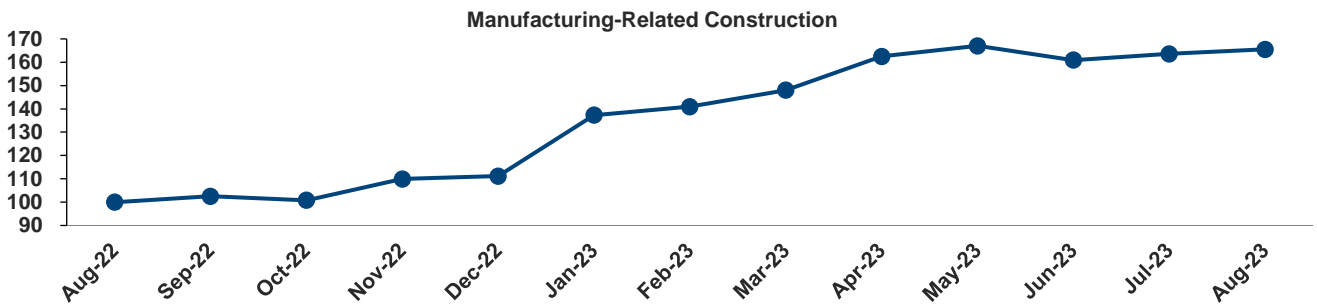
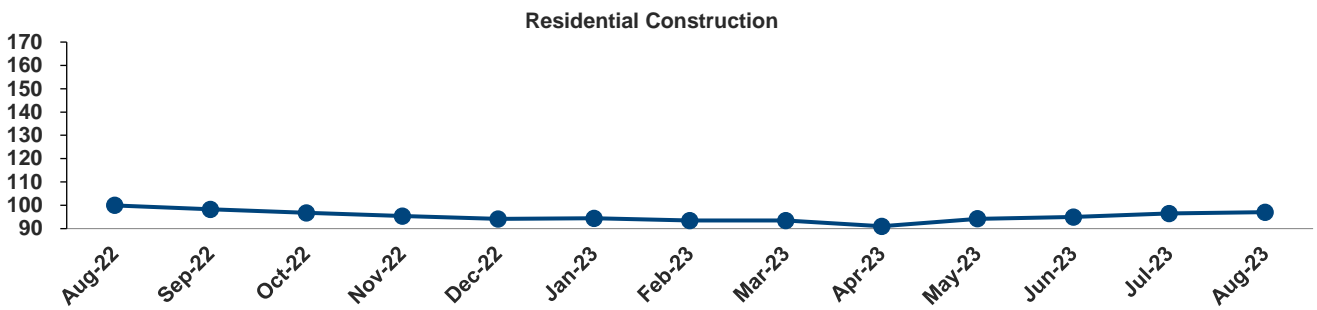
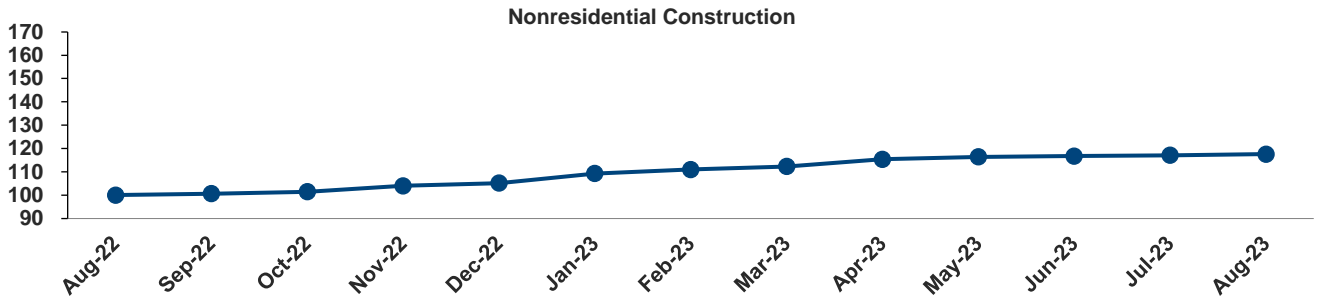
EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance



Source: S&P Capital IQ (October 2, 2023)

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Commercial Construction – Index (Scale Value to 100 for August 2022)



Source: U.S. Census Bureau; Note: Seasonally Adjusted