



Quarterly Update

- Nonresidential construction spending, up 20% year over year, is driving growth in the building products industry. Manufacturing-related construction and elevated infrastructure activity are driving much of the nonresidential construction spending.
- Strong hiring trends in the construction industry is a positive indicator for the building products industry. Contractors have added jobs in each of the past ten months. Only once in the past two years - March 2023 - has contractor employment dropped during a month.
- Strategic acquirers in the space continue to explore opportunities to deploy excess cash and expand market share through acquisitions.
- Financial buyers are especially attracted to assets serving the home repair and renovation market. However, they are being more selective for targets focused on new residential construction.
- Looking towards the balance of 2024, we expect consistent M&A activity in the building products space as stocking levels and commodity prices continue to normalize.

Source: Bureau of Labor Statistics' Job Openings & Labor Turnover Survey

Selected Recent Industrials Transactions



For more information and insights, please contact us:



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Recent Selected Building Products Transactions

U.K. Strategic Acquires BMC Enterprises



Target



Buyer

- **March 2024** – Breedon Group, a construction materials group located in the U.K., acquired BMC Enterprises in a deal valued at \$300M.
- BMC is a supplier of aggregates, ready-mixed concrete, and building products headquartered in St. Louis, MO.
- BMC is Breedon's third platform in the U.S.

US LBM Acquires Homestead Building Systems



Target



Buyer



Sponsor

- **March 2024** – US LBM, a leading distributor of specialty building materials, has acquired Homestead Building Systems.
- Homestead Building Systems is a turnkey structural building component manufacturer and distributor in the Mid-Atlantic region.

GMC Completes Acquisition of Kamco



Target



Buyer

- **March 2024** – GMS, a leading North American specialty building products distributor, completed its previously announced acquisition of Kamco Supply Corporation.
- Kamco is a leading supplier of ceilings, wallboard, steel, lumber, and other products in the New York City metropolitan area.

Groundworks Acquires Select



Target



Buyer

- **February 2024** – R.P. Lumber, a family-owned retail home center and building materials supplier, has acquired Schrock Lumber Co.
- Schrock Lumber is a 60-year-old family-owned hardware, lumber, and building materials retailer in Mediapolis, Iowa.

US LBM Acquires Old Mission Windows



Target



Buyer



Sponsor

- **February 2024** – US LBM has acquired Old Mission Windows, located in Traverse City, MI.
- Founder in 1985, Old Mission Windows distributes windows and doors to residential homebuilders and contractors throughout northern Michigan.

Beacon Acquires Roofers Supply of Greenville



Target



Buyer

- **February 2024** – Beacon has completed the acquisition of Roofers Supply of Greenville headquartered in Greenville, SC with two additional branches in Charlotte and Raleigh.
- Roofers Supply has a 40-year history in commercial roofing throughout the Southeast.

Building Products | March 2024

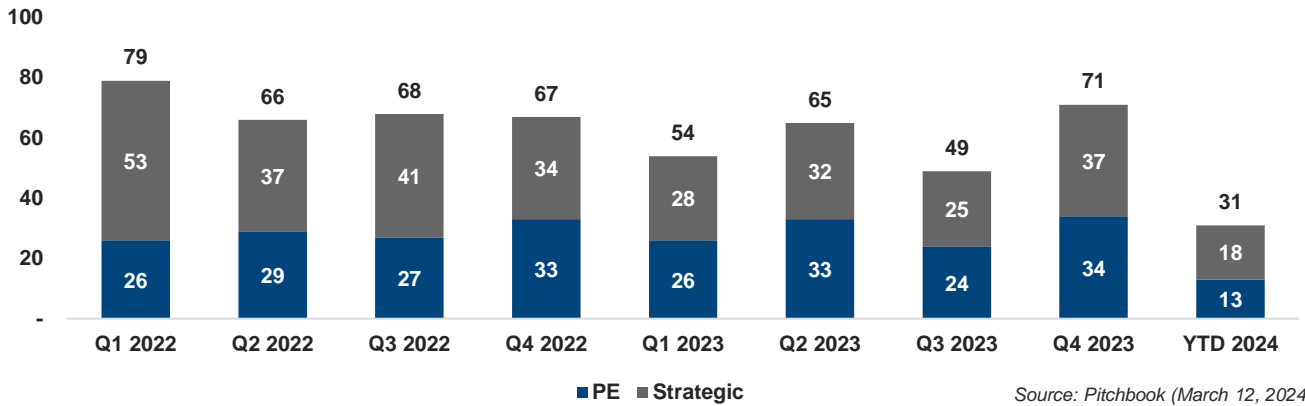
EdgePoint Public Comparable Index Constituents

Building Products

| Company Name | Enterprise Value (EV) | LTM Margins | | EBITDA | | EV/EBITDA | | Revenue | Revenue Growth | | Stock Price | % of 52 Wk High |
|------------------------------------|-----------------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|----------------|--------------|---------------|-----------------|
| | | Gross | EBITDA | LTM | 2024E | LTM | 2024E | LTM | LTM | 3-Yr. CAGR | | |
| Advanced Drainage Systems, Inc. | \$ 13,047 | 39.3% | 30.0% | \$ 851 | \$ 908 | 14.8x | 14.4x | \$ 2,838 | -9.4% | 14.1% | \$ 157.97 | 99.0% |
| Armstrong World Industries, Inc. | 5,199 | 38.4% | 26.3% | 340 | 446 | 12.0x | 12.3x | 1,295 | 5.0% | 11.4% | 104.61 | 99.6% |
| Beacon Roofing Supply, Inc. | 8,404 | 25.7% | 9.8% | 896 | 950 | 8.5x | 9.1x | 9,120 | 8.2% | 14.5% | 86.33 | 96.6% |
| BlueLinx Holdings Inc. | 1,177 | 16.8% | 5.2% | 164 | 175 | 6.0x | 6.5x | 3,136 | -29.5% | 0.4% | 117.71 | 98.1% |
| Builders FirstSource, Inc. | 26,676 | 35.2% | 16.0% | 2,735 | 2,528 | 9.0x | 9.6x | 17,097 | -24.8% | 25.9% | 185.25 | 99.9% |
| GMS Inc. | 4,664 | 32.4% | 10.9% | 588 | 595 | 6.8x | 7.5x | 5,393 | 1.5% | 19.8% | 87.32 | 99.0% |
| Installed Building Products, Inc. | 6,416 | 33.5% | 16.8% | 468 | 502 | 13.0x | 13.5x | 2,779 | 4.1% | 18.9% | 205.44 | 99.8% |
| Masonite International Corporation | 3,061 | 23.5% | 15.3% | 432 | 448 | 6.8x | 7.3x | 2,831 | -2.1% | 7.8% | 96.61 | 88.2% |
| Median | | 35.2% | 16.0% | 851 | 908 | 9.0x | 9.6x | 3,136 | -9.4% | 14.1% | 117.71 | 99.0% |
| Mean | | 31.1% | 17.5% | 997 | 1,002 | 10.1x | 10.4x | 6,697 | -10.1% | 13.3% | 130.37 | 98.7% |

Source: S&P CapIQ (March 12, 2024)

Recent Building Products M&A Activity



Select Building Products Platforms (Date of Investment & Sponsor if Applicable)

