



ARKMALIBU

M & A MARKET MONITOR

**MATERIALS & BUILDING PRODUCTS
U.S. & CANADA**

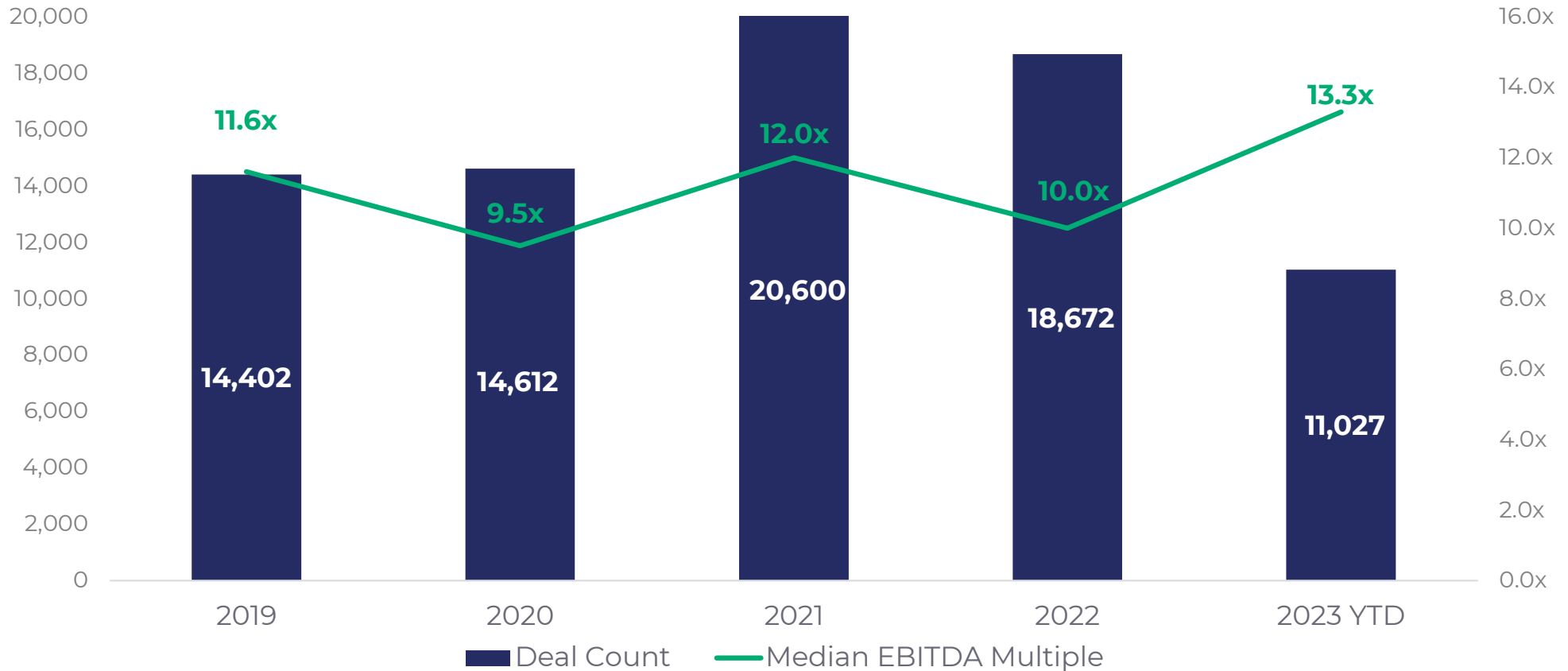
Third Quarter, 2023



Overall M&A Market Overview

Highlights:

- Q3 2023's M&A deal count **fell below** historical levels while the median EBITDA multiple **rose above** historical levels
 - Q3 2023's deal count of **3,222** was down **12%** QoQ and **28%** YoY
 - 2023's annualized deal count of **14,743** is down **21%** YoY
 - Q3 2023's median EBITDA multiple of **13.8x** was up **32%** QoQ and **26%** YoY
 - Q3 2023's high EBITDA multiple is due in part to a preponderance of larger deals



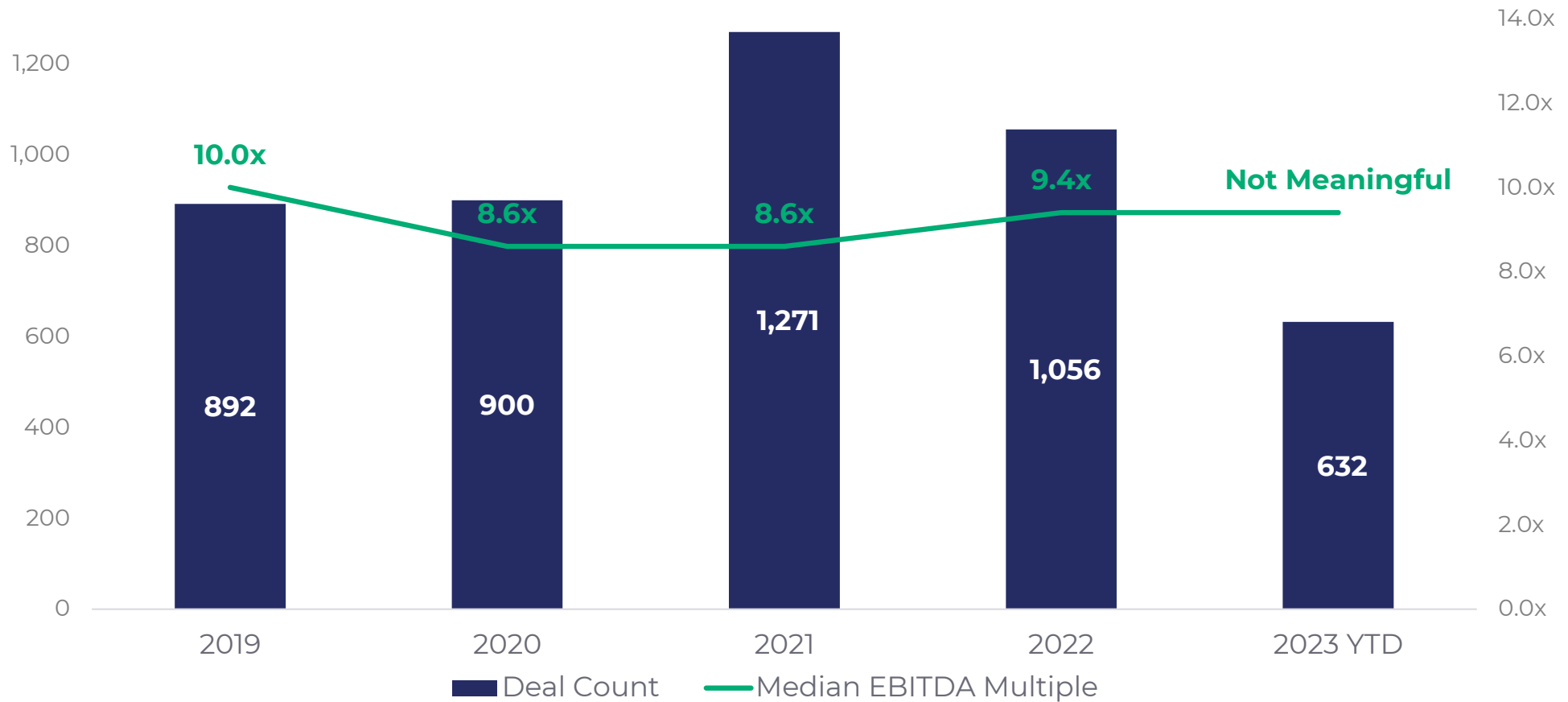
About the Data: All data is from Pitchbook, ArkMalibu, and other public sources as of 9/30/2023. The above data reflects any announced or closed M&A transaction where the target is headquartered in the United States or Canada, financial terms have been disclosed, and the target has an industry classification that falls into one of the 17 industry groups tracked by ArkMalibu and as such may not be representative of your company's market valuation. 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.

Materials & Building Products M&A Market Overview



Highlights:

- Q3 2023's M&A deal count **fell below** historical levels
 - Q3 2023's deal count of **194** was down **5%** QoQ and **30%** YoY
 - Annualized 2023 deal count is down **20%** YoY
 - Not enough EBITDA multiples were published in Q3 2023 to provide reliable data



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Materials & Building Products Public Trading Metrics



As of: 9/30/2023

Category / Company	Valuation Statistics				Multiples Data					
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)			EV / EBITDA (x)		
					2022A	LTM	NTM	2022A	LTM	NTM
USD in millions except per share price										
Broader Building Products										
Saint-Gobain	\$60.08	\$30,612	\$40,291	12.5%	0.6	0.8	0.8	4.8	6.1	5.2
James Hardie Industries	\$26.21	\$11,535	\$12,457	25.3%	2.3	3.3	3.2	9.8	13.2	NA
Owens Corning	\$136.41	\$12,254	\$14,559	24.3%	1.1	1.5	1.5	4.4	6.2	6.4
Lixil Group	\$11.66	\$3,348	\$7,170	6.5%	0.7	0.7	0.7	7.8	10.2	8.3
Armstrong World Industries	\$72.00	\$3,220	\$3,818	31.1%	3.1	3.0	2.9	10.6	9.7	8.9
Median		\$11,535	\$12,457	24.3%	1.1	1.5	1.5	7.8	9.7	7.4
Windows & Doors										
Assa Abloy	\$21.79	\$24,203	\$30,544	19.2%	2.2	2.5	2.2	12.0	12.8	11.4
Jeld-Wen	\$13.36	\$1,138	\$2,769	6.0%	0.5	0.6	0.6	8.6	9.6	7.6
Masonite	\$93.22	\$2,051	\$3,055	13.4%	0.9	1.1	1.0	7.4	7.9	6.6
PGT Innovations	\$27.75	\$1,619	\$2,363	15.4%	1.1	1.6	1.5	7.1	10.3	8.3
Tyman	\$3.53	\$692	\$904	14.1%	0.8	1.1	1.1	5.0	7.8	6.7
Quanex Building Products	\$28.17	\$929	\$1,012	12.4%	0.7	0.9	0.9	5.4	7.1	6.4
Median		\$1,379	\$2,566	13.8%	0.9	1.1	1.1	7.2	8.8	7.1
HVAC										
Daikin Industries	\$157.17	\$46,007	\$48,008	14.2%	1.6	1.6	1.6	10.5	11.3	NA
Lennox International	\$374.44	\$13,298	\$15,041	17.0%	2.2	3.1	3.0	14.8	18.4	15.6
Median		\$29,652	\$31,525	15.6%	1.9	2.4	2.3	12.6	14.9	15.6
Kitchen & Bath										
American Woodmark	\$75.61	\$1,242	\$1,626	12.5%	0.7	0.8	0.9	10.9	6.5	6.9
Caesarstone Sdot-Yam	\$4.28	\$148	\$219	-13.1%	0.4	0.3	0.4	5.3	NA	8.5
Lennox International	\$374.44	\$13,298	\$15,041	17.0%	2.2	3.1	3.0	14.8	18.4	15.6
Masco	\$53.45	\$12,022	\$15,139	15.0%	1.6	1.8	1.9	10.4	12.2	10.1
Median		\$6,632	\$8,334	13.8%	1.1	1.3	1.4	10.7	12.2	9.3

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					2022A	LTM	NTM	2022A	LTM	NTM
USD in millions except per share price										
Building Envelope										
Apogee Enterprises	\$47.08	\$1,039	\$1,211	11.6%	0.9	0.8	0.9	9.2	6.7	6.9
Kingspan Group	\$74.95	\$13,636	\$15,460	12.3%	1.3	1.8	1.7	10.1	14.5	13.6
Median		\$7,338	\$8,335	11.9%	1.1	1.3	1.3	9.7	10.6	10.2
Install & Service										
Comfort Systems USA	\$170.41	\$6,096	\$6,298	8.2%	1.2	1.3	1.2	14.8	16.2	13.4
Installed Building Products	\$124.89	\$3,548	\$4,242	17.7%	1.3	1.5	1.5	7.8	8.7	9.0
TopBuild	\$251.60	\$7,990	\$9,121	19.4%	1.4	1.8	1.7	7.8	9.1	8.9
Median		\$6,096	\$6,298	17.7%	1.3	1.5	1.5	7.8	9.1	9.0
Lighting										
Acuity Brands	\$170.31	\$5,312	\$5,546	15.0%	1.4	1.4	1.4	9.3	9.1	9.0
Hubbell (Electrical Equipment)	\$313.41	\$16,808	\$17,865	20.3%	3.1	3.4	3.2	17.5	17.0	14.1
Median		\$11,060	\$11,705	17.6%	2.3	2.4	2.3	13.4	13.1	11.5
Flooring										
Interface	\$9.81	\$570	\$1,035	7.3%	0.8	0.8	0.8	6.5	11.1	5.3
Mohawk Industries	\$85.81	\$5,465	\$8,368	4.1%	0.8	0.7	0.7	8.9	18.1	5.2
Tarkett	\$10.83	\$705	\$1,413	4.7%	0.5	0.4	0.4	6.6	8.4	NA
Median		\$705	\$1,413	4.7%	0.8	0.7	0.7	6.6	11.1	5.2
Pipe, Valves, & Fittings										
Advanced Drainage Systems	\$113.83	\$8,958	\$9,930	29.3%	2.4	3.4	3.4	9.5	11.5	11.1
Mueller Industries	\$75.16	\$4,266	\$3,427	24.2%	0.7	0.9	1.1	3.2	3.8	NA
Norma Group	\$18.54	\$591	\$1,038	12.1%	0.7	0.8	0.7	5.8	6.5	5.4
Median		\$4,266	\$3,427	24.2%	0.7	0.9	1.1	5.8	6.5	8.3

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					2022A	LTM	NTM	2022A	LTM	NTM
USD in millions except per share price										
Building Products Distributors										
Beacon Roofing Supply	\$77.17	\$4,869	\$7,465	9.5%	0.7	0.9	0.8	7.3	9.1	8.1
BlueLinx Holdings	\$82.09	\$739	\$930	6.9%	0.2	0.3	0.3	2.0	3.9	4.4
Ferguson (UK)	\$165.54	\$33,532	\$38,189	10.0%	1.0	1.3	1.3	9.5	12.9	12.6
Gypsum Management & Supply	\$63.97	\$2,598	\$3,807	11.8%	0.6	0.7	0.7	5.2	6.0	6.5
POOLCORP	\$356.10	\$13,906	\$15,322	15.3%	2.2	2.7	2.7	12.5	17.4	17.0
Richelieu Hardware	\$29.48	\$1,648	\$1,843	14.8%	1.2	1.4	1.4	7.4	9.2	10.8
SIG	\$0.44	\$520	\$1,113	4.6%	0.3	0.3	0.3	5.6	7.2	6.6
SiteOne Landscape Supply	\$163.45	\$7,365	\$8,123	9.4%	1.5	1.9	1.8	12.9	20.6	17.3
Watsco	\$377.72	\$14,787	\$15,734	11.7%	1.4	2.2	2.1	12.1	18.8	17.0
Median		\$4,869	\$7,465	10.0%	1.0	1.3	1.3	7.4	9.2	10.8
Construction Materials --										
Aggregates & Cement										
Cemex	\$0.65	\$9,373	\$9,222	10.2%	0.4	0.6	0.5	3.6	5.5	NA
CRH	\$55.43	\$38,831	\$46,303	17.5%	1.1	1.4	1.3	6.1	7.8	7.1
Eagle Materials	\$166.52	\$5,900	\$7,034	36.1%	2.9	3.2	3.0	8.6	8.9	8.4
Heidelberg Materials	\$77.65	\$14,458	\$23,031	17.5%	0.9	1.0	1.0	4.3	5.8	5.2
Martin Marietta	\$410.48	\$25,369	\$30,383	29.2%	4.3	4.7	4.2	15.4	16.1	13.4
Summit Materials (Building Products)	\$31.14	\$3,703	\$5,024	21.9%	1.8	2.0	2.0	6.6	9.3	8.3
Vulcan Materials Company	\$202.02	\$26,842	\$31,111	23.1%	3.9	4.1	3.8	18.1	17.8	14.3
Median		\$14,458	\$23,031	21.9%	1.8	2.0	2.0	6.6	8.9	8.4
Heavy Construction Materials										
Advanced Drainage Systems	\$113.83	\$8,958	\$9,930	29.3%	2.4	3.4	3.4	9.5	11.5	11.1
Boral	\$2.86	\$3,154	\$3,376	13.8%	1.1	1.5	1.4	13.3	10.5	9.8
Mueller Industries	\$75.16	\$4,266	\$3,427	24.2%	0.7	0.9	1.1	3.2	3.8	NA
Median		\$4,266	\$3,427	24.2%	1.1	1.5	1.4	9.5	10.5	10.4

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					2022A	LTM	NTM	2022A	LTM	NTM	
USD in millions except per share price											
Forest Products											
Boise Cascade	\$103.04	\$4,079	\$3,519	12.5%	0.3	0.5	0.5	1.8	3.9		5.1
Canfor	\$12.50	\$1,502	\$1,502	-0.7%	0.2	0.3	0.3	1.1	NA		3.3
Louisiana-Pacific	\$55.27	\$3,985	\$4,324	10.5%	1.0	1.6	1.6	2.7	14.9		8.7
UFP Industries	\$102.40	\$6,335	\$6,020	10.9%	0.5	0.7	0.8	4.5	6.8		7.0
Weyerhaeuser Company	\$30.66	\$22,405	\$26,462	18.6%	2.5	3.3	3.2	7.2	17.8		13.4
Median		\$4,079	\$4,324	10.9%	0.5	0.7	0.8	2.7	10.9		7.0
Homebuilders --											
Homebuilders											
Beazer Homes	\$24.91	\$781	\$1,503	10.1%	0.5	0.6	0.6	4.1	6.2		5.3
D.R. Horton	\$107.47	\$36,357	\$39,555	19.1%	1.0	1.1	1.1	4.5	6.0		6.6
Hovnanian Enterprises	\$101.66	\$543	\$1,528	10.5%	0.5	0.6	NA	3.6	5.3		NA
KB Home	\$46.28	\$3,731	\$4,809	14.7%	0.7	0.7	0.8	4.4	4.7		7.1
Lennar	\$112.23	\$31,571	\$32,055	15.8%	0.8	1.0	0.9	4.3	6.1		5.8
MDC Holdings	\$41.23	\$3,074	\$2,885	9.7%	0.6	0.6	0.6	3.7	5.8		NA
M/I Homes	\$84.04	\$2,336	\$2,607	14.9%	0.5	0.6	0.6	3.4	4.1		NA
Meritage Homes	\$122.39	\$4,500	\$4,517	17.1%	0.7	0.7	0.7	3.3	4.1		4.8
NVR	\$5,963.30	\$19,466	\$17,791	20.6%	1.4	1.8	1.8	6.4	8.6		11.1
PulteGroup	\$74.05	\$16,250	\$16,870	21.8%	0.8	1.0	1.0	4.0	4.6		5.0
Toll Brothers	\$73.96	\$7,949	\$9,907	20.0%	0.7	0.9	1.0	4.3	4.6		6.3
Median		\$4,500	\$4,809	15.8%	0.7	0.7	0.8	4.1	5.3		6.1

About ArkMalibu

UNORTHODOX



Senior-level service is our standard

Our **senior bankers actively guide your sale** alongside M&A advisors with \$100B+ in transaction value experience.

Decades of experience from former public company CEOs, Wall Street bankers, seasoned executives, and Fortune 500 consultants advocate on your behalf.

UNCONFLICTED



Loyalty to you is our livelihood

We advocate **ONLY** for sellers in order to avoid any conflict of interest, and to encourage you **not to settle for less than maximum value**.

We only seek to represent **one-time sellers**, both family and founder owned.

UNRELENTING



Our unique strategy sells your story

You benefit from our proprietary **'Four Boxes' methodology** which minimizes buyers' perceived risks and **unlocks value** for your company and its unique culture.

We balance rigorous evaluation with creativity to find the best path and the right partner to meet your goals.



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**.

We coach you through the challenges so you can enjoy your hard-earned and well-deserved prosperity.

Client Testimonial - Wiseway Supply

“ I **could not have expected more** from a financial advisor than that which ArkMalibu provided in our transaction. They **worked very closely with me** to ensure that **the value of Wiseway Supply was evident** when we were ready to find a partner. Working with **ArkMalibu ensured that we found, out of many interested, the right partner** that valued our team and would provide additional fuel to turn my family-owned company into a platform that will grow even more aggressively than we have in our first 50 years. **Without hesitation, I would recommend ArkMalibu to business owners contemplating a transaction.** ”



WISEWAY
Integrity. Experience. Innovation. Results.

John Cain, CEO – Wiseway Supply



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