

# BEACON ROOFING SUPPLY ANNOUNCED ACQUISITION OF ALLIED BUILDING PRODUCTS

## Transaction Overview

**August 24<sup>th</sup>, 2017** - Beacon Roofing Supply, Inc. (Nasdaq: BECN) ("Beacon" or the "Company"), the largest publicly traded distributor of roofing and complementary building products in North America, announced that the Company has entered into a definitive purchase agreement to acquire Allied Building Products Corp. ("Allied"), one of the country's largest exterior and interior building products distributors, from global diversified building products group CRH plc (NYSE: CRH) ("CRH") for \$2.625 billion in cash.

Beacon expects to finance the acquisition with approximately \$2.2 billion of debt financing through an upsized ABL revolving credit facility, an upsized term loan B facility, a new unsecured senior note and approximately \$500 million of committed convertible preferred equity financing from an entity affiliated with the investment firm Clayton, Dubilier & Rice ("CD&R"), which in October 2015 sold Roofing Supply Group ("RSG") to Beacon. The parties currently expect to consummate the transaction on or around January 2, 2018, subject to satisfaction of customary closing conditions.

■ Beacon published the following details regarding the transaction:

- Total consideration of \$2.625 billion
- ~1.0x LTM revenue / ~13.6x LTM EBITDA
- The trailing twelve month June 30, 2017 Adjusted EBITDA of Allied coupled with significant run rate synergies of \$110 million results in a pro forma purchase multiple of 8.7x
- Transaction is expected to be immediately accretive to Beacon's adjusted EPS and accretive to GAAP EPS in year two
- Strengthens Beacon's position as the largest publicly traded wholesale roofing and building materials distributor in North America with \$7 billion in revenue across 593 locations

## Transaction Commentary



"We are thrilled to partner with such a loyal and dedicated workforce that shares our commitment to superior customer service and high levels of performance. We are also excited to become a significant player in the robust, growing and still-consolidating interior products market."

-Paul Isabella, *CEO*



"When we look at the value we could crystallize through this transaction, no way could we create that value for our shareholders if we were to hang onto the business. We will redeploy that (cash) in the years ahead into higher growth and better opportunities. It doesn't change the strategy of CRH overall, our U.S. distribution accounted for 5% of group EBITDA, it doesn't shift the needle."

-Albert Manifold, *CEO*

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## Beacon Roofing Supply, Inc. (Nasdaq: BECN)

- Beacon Roofing Supply, Inc., together with its subsidiaries, distributes residential and non-residential roofing materials, and other complementary building materials to contractors, home builders, retailers, and building materials suppliers
- As of Q3 2017, the company operated through a network of 593 branches (including 208 locations acquired through Allied transaction) in 48 states of the United States and 6 provinces in Canada
- Beacon Roofing Supply, Inc. was founded in 1928 and is headquartered in Herndon, Virginia



### BECN 1-Year Stock Performance



<b>Ticker:</b>	NasdaqGS:BECN
<b>Revenue:</b>	\$4,261
<b>Gross Margin:</b>	24.8%
<b>EBITDA Margin:</b>	8.8%
<b>EV / LTM EBITDA:</b>	9.6x

## Allied Building Products Corp.

- Allied Building Products Corp. distributes building materials for residential, commercial, and industrial customers
- The company offers exterior products, such as residential roofing, siding and soffits, windows and doors, waterproofing, tools and accessories, and more; interior products, including acoustic tile and accessories, drywall and accessories, and insulation
- The company was founded in 1950 and is based in East Rutherford, New Jersey
- Allied Building Products Corp. operates as a subsidiary of Oldcastle Distribution, Inc. and CRH plc



### CRH 1-Year Stock Performance



<b>Ticker:</b>	NYSE:CRH
<b>Revenue:</b>	\$31,270
<b>Gross Margin:</b>	32.5%
<b>EBITDA Margin:</b>	11.5%
<b>EV / LTM EBITDA:</b>	10.1x