

## Executive Summary

Delancey Street Partners (“DSP”) is pleased to present our Building Products, Materials, & Distribution (“BPMD”) Sector Review for the eighteen months ended June 2022. The BPMD industry is large, diverse, and includes the provision of a range of solutions that support the construction, maintenance, renovation, and restoration of residential, commercial, industrial, and public buildings. The industry is fueled by private and public investment and general economic growth. From January 2021 – June 2022, residential construction spending increased by 28.0% to \$932.9 billion, while nonresidential construction spending decreased by 1.0% to \$829.4 billion <sup>(1)</sup>.

Public BPMD companies broadly performed well in 2021 as the DSP BPMD Index posted an annual return of 33.7% in 2021, versus the S&P

500’s return of 26.9% during the same period. Strong performance of the BPMD industry in 2021 was realized across its sub-sectors, which all realized returns greater than 20.0%. The top performing sub-sectors in 2021 included building products distributors, flooring & decking products, and plumbing & HVAC products, which posted returns of 59.0%, 43.3%, and 38.8%, respectively.

During the first half of 2022, the DSP BPMD Index declined by 33.8%, versus the S&P 500’s 20.6% decline. Roofing, siding, & insulation and plumbing & HVAC were the BPMD sub-sectors that best minimized their losses, declining 23.6% and 31.0% respectively. However, flooring & decking products and electrical & lighting products realized the largest losses, dipping 46.3% and 37.1%, respectively.

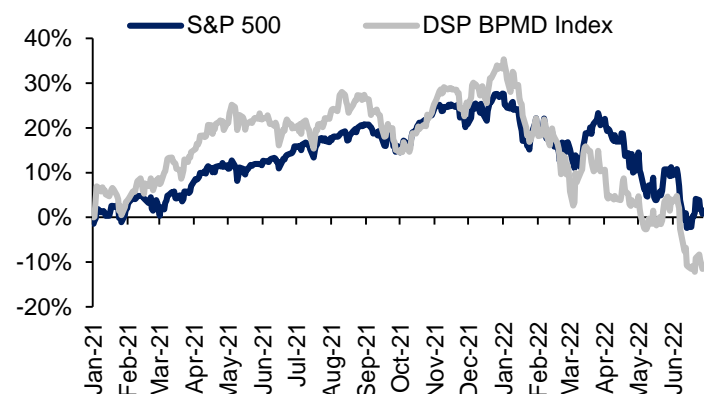
Despite public market volatility during the period from January 2021 – June 2022, M&A activity in the sector remained strong. Public strategics completed major acquisitions to expand their capabilities and private equity-backed platforms continued to execute bolt-on strategies to scale and bolster product offerings.



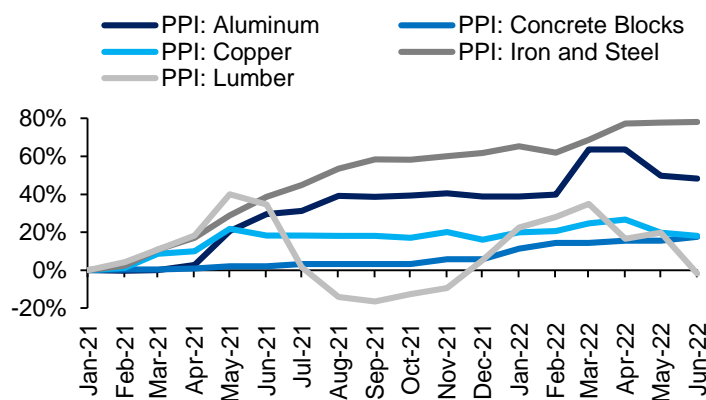
## Topics of Discussion

- Sustained Renovation & Remodeling Activity
- Ongoing Roofing Distributor Consolidation
- Strong Demand for Engineered Wood Products
- Sector Spotlight: Consolidation of Asphalt Pavers
- Review of Public Company Performance
- Notable M&A activity

**DSP BPMD Index <sup>(2)</sup>**



**Commodity Producer Price Index (% Change) <sup>(1)</sup>**



## Sector Investment Themes

DSP believes that prevailing industry tailwinds support long-term demand for building products and materials. These tailwinds include: i) strong homeowner appetite for renovation & remodeling projects, ii) an aging housing stock, iii) non-discretionary repair and maintenance expenditures, iv) a structural undersupply of new homes, and v) evolving builder and homeowner preference for specialty products that offer superior performance and aesthetic utility. As a result, manufacturers and distributors of building products and materials should see sustained demand for their offerings for the foreseeable future. Eager to capitalize on these trends, strategic buyers and financial sponsors were active acquirors in 2021 and have remained aggressive through the first half of 2022.

### Secular Trends Support Sustained Renovation & Remodeling Activity

Post-pandemic home renovation & remodeling activity remained elevated throughout 2021 and into the first half of 2022 driven by low interest rates, rising household incomes, and considerable increases in home price appreciation and homeowners' equity. While rising interest rates are expected to temper housing price appreciation in 2022, we believe that the U.S. housing shortage and the aging of the US housing stock will support strong renovation & remodeling activity for the foreseeable future (albeit at lower growth rates).

#### Housing Shortage

According to the Rosen Consulting Group, the U.S. housing sector is currently undersupplied by approximately 5.5 million homes. The study estimates that U.S. housing starts would need to accelerate to more than 2 million housing units per year over the next 10 years in order to stabilize demand. This represents an increase in current production levels by approximately 60%. The housing deficit has contributed to rapid increases in home prices and a corresponding appreciation in homeowners' equity. As a result, many homeowners will continue to renovate rather than move.

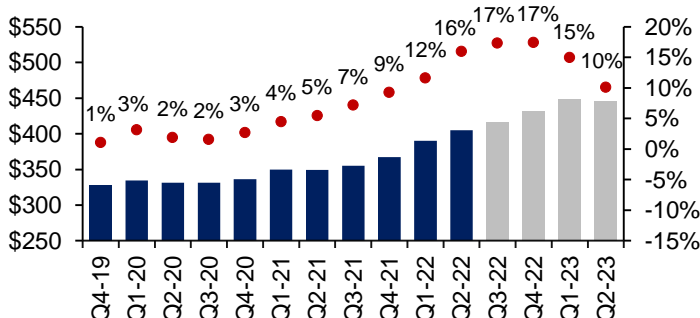
#### Aging Housing Stock

Data from the St. Louis Fed puts the median age of owner-occupied homes at 43 years compared to 23 years in 1985. The aging housing stock should support sustained demand for renovation & remodeling projects as homeowners find it necessary to both maintain and complete needed repairs on their aging homes. Suppliers of home exterior products (roofing, siding, windows, doors, etc.) are particularly well positioned to benefit from this favorable industry tailwind.

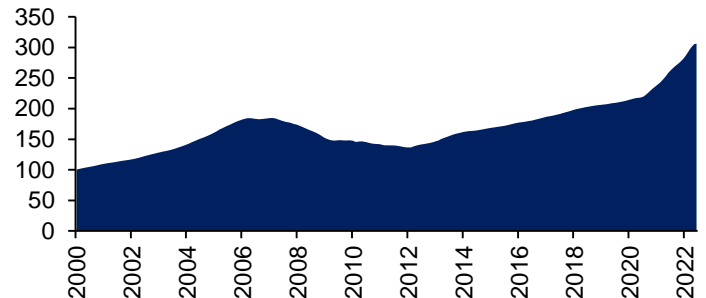
### Leading Indicator of Remodeling Activity <sup>(3)</sup>

(\$ in billions)

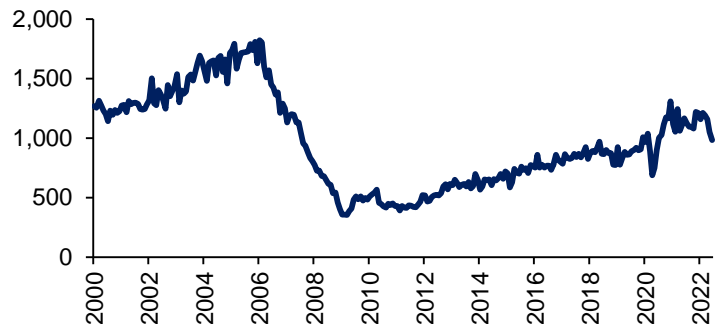
- Renovation & Remodeling Four-Quarter Moving Totals
- Four-Quarter Moving Rate of Change



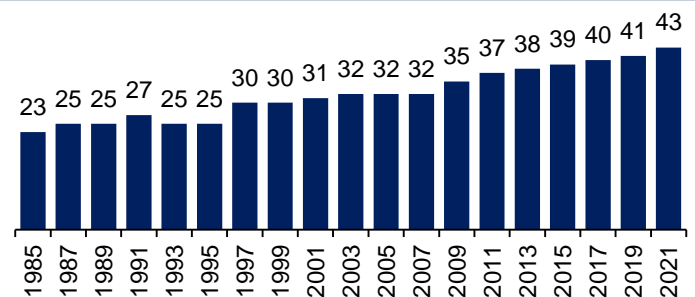
### Case-Shiller Home Price Index <sup>(1)</sup>



### Single Family Housing Starts <sup>(1)</sup>



### Median Age of Housing Stock (Years) <sup>(1)</sup>



“

While beginning to soften, growth in spending for home improvements and repairs is expected to remain well above the market's historical average of 5 percent,” says Abbe Will, Associate Project Director of the Remodeling Futures Program. “In the first half of 2023, annual remodeling expenditures are still set to expand to nearly \$450 billion.” <sup>(3)</sup>

## Sector Investment Themes (cont'd)

### Ongoing Roofing Distributor Consolidation

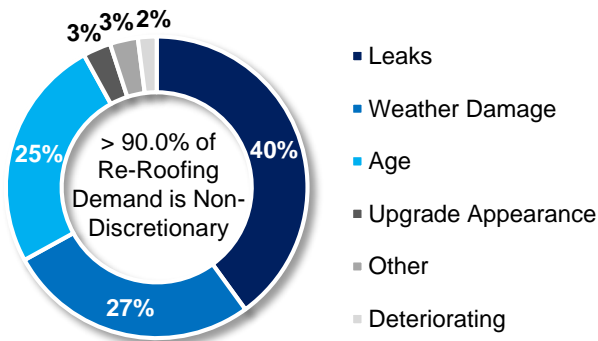
Following a flurry of M&A activity to close out 2021, with private equity at the center of much of the deal-making, consolidation activity among distributors serving the commercial, residential, and specialty construction markets has remained elevated. Despite near term economic headwinds on the horizon, the estimated \$30.0 billion roofing products distribution market appears poised for ongoing consolidation activity.

- The majority of roofing demand is driven by re-roofing activity (estimated at 80%) with the remaining demand tied to new construction.
- Re-roofing projects are typically non-discretionary, tied directly to necessary maintenance and repairs, and are therefore less likely to be postponed during periods of recession or slower economic growth.
- The industry remains largely fragmented with approximately 45% of the market represented by privately-held regional, local, and retail companies.
- After a two year hiatus from the M&A markets, 2021 marked the return of Beacon Roofing Supply (NASDAQ:BECN) ("Beacon") as an active acquiror in the sector. Following the ~\$850 million divestiture of its interior products business in February 2021, Beacon has stated its intent to focus on its core roofing markets and to use M&A as a strategic growth driver.
- Private equity-backed platforms SRS Distribution and US LBM Holdings remain active acquirors.

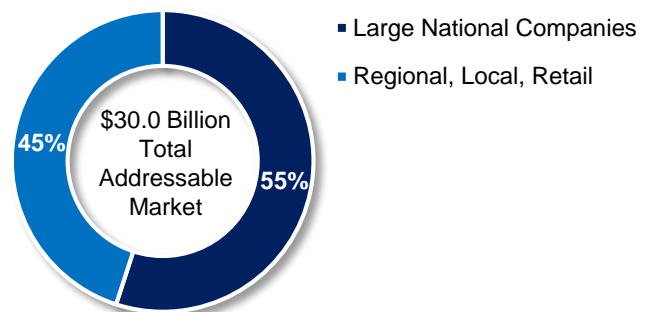
Noteworthy consolidation activity during the eighteen month period ending June 30, 2022 includes:

- SRS Distribution, backed by Leonard Green & Partners, completed 11 add-on acquisitions of regional roofing distributors.
- US LBM Holdings, backed by Bain Capital Private Equity, completed 15+ add-on investments of regional building products distributors. Six of US LBM's add-on investments distributed roofing products.
- Beacon reinvigorated its M&A strategy, acquiring four distributors of roofing and other exterior building products.

### Drivers of Re-Roofing Demand <sup>(4)</sup>



### Roofing Distribution Market Fragmentation <sup>(4)</sup>





## Sector Investment Themes (cont'd)

### Strong Demand for Engineered Wood Products

Engineered wood products (“EWP”) are made from solid wood, veneers, chips or individual fibers. They are then reconstituted using a variety of resins and manufacturing processes to produce products that perform better, or cost less, than a comparable dimension of solid wood. While EWP are primarily used in the structural frames of new home builds, the products are increasingly being used in renovation & remodel projects. As builders seek out materials that offer cost-efficient alternatives to traditional materials and homeowners continue to request the use of sustainable materials in the construction of their homes, demand for EWP has taken off.

The engineered wood distribution market was estimated to be worth \$10.3 billion in 2021, and it is projected to grow at a CAGR of 6.0% to \$11.6 billion in 2023, according to Principia Consulting. Although manufacturers have increased capacity since 2019, the inability to keep pace with the growth in demand has resulted in a scarcity of available engineered wood that is anticipated to continue through 2023.

The following are two noteworthy completed transactions involving EWP manufacturers.

### Engineered Wood Products Industry Consolidation Commentary



acquires



(EWP Division)

In August 2022, Pacific Woodtech (“PWT”), subsidiary of Daiken Corporation (TSE:7905), acquired Louisiana-Pacific Corporation’s (NYSE:LTX) EWP Division, a manufacturer of engineered wood products.



“This combining of forces positions us as an industry leader in the EWP space, at the forefront of environmental responsibility, sustainably harvested timberlands, and superior product innovation.”  
– Jim Enright, President & CEO of PWT

One Equity Partners

acquires



WYNNCHURCH | CAPITAL

In January 2022, One Equity Partners (“OEP”) acquired Wynnchurch Capital’s platform, Rosboro Company, a manufacturer of engineered wood products used in residential and light commercial construction.



“Rosboro is poised to benefit from a number of growth drivers including an increasing residential repair and remodel market.” – Matthew Hughes, Managing Director of OEP



## DSP Spotlight Trend: Asphalt Paving Market – Ripe for Consolidation

According to IBISWorld, the US asphalt paving market is estimated to be approximately \$28.9 billion and exhibits modest but consistent growth characteristics. Competition for smaller, non-highway related paving projects remains largely localized, and there are hundreds of sub-\$25 million contractors focused on serving commercial, industrial, retail, and residential end users. The sizeable market opportunity coupled with industry fragmentation has garnered the attention of financial sponsors eager to establish platforms that can be scaled to create leading regional paving solution providers.

### Consolidation to grow offerings ...

### ... to serve more customers ...

### ... for more projects.

New Paving	Striping	HOA & Real Estate	Educational Facilities	Highways	Streets
Pulverizing & Stabilization	Milling & Overlay	Industrial	Hospitals & Healthcare	Bridges	Parking Lots
Crack & Chip Sealing	Operating Asphalt Plants	Airports	Government	Sidewalks	Private Projects

During the eighteen month period ending June 30, 2022, sponsors formed 7 asphalt paving platforms in various regions.

Vintage	Platform	Financial Sponsor	Region(s) of Operation
February 2022	General Asphalt	SMC Infrastructure Partners	Greater Miami Area
December 2021	PLM Paving and Concrete	Grove Mountain Partners	Southern Wisconsin
August 2021	SurfaceCycle	Warren Equity Partners	West & Midwest
July 2021	Brothers Paving & Concrete	Lincoln Road Global Management & Trivest Partners	Northern VA
July 2021	Pinnacle Paving & Sealing	Strength Capital	Greater Cincinnati Area
June 2021	Pavement Partners	Shoreline Equity Partners	Northern VA, Central MD, and Greater Raleigh Area
January 2021	Sunland Asphalt & Construction	Huron Capital	Southwest

## Asphalt Paving Industry Consolidation Commentary

**SOUNDCORE**  
CAPITAL PARTNERS

acquires



In July 2022, Soundcore Capital Partners (“Soundcore”) acquired ACI Asphalt & Concrete, a provider of asphalt and concrete commercial parking lot and multi-family homeowner association installation, maintenance, and repair services.



“Soundcore's buy-and-build and platform creation experience will help accelerate ACI's growth through a combination of strategic add-on acquisitions and organic growth initiatives.” – *Jarrett Turner, Founder & Managing Partner of Soundcore*



acquires



In January 2021, Huron Capital announced that, in partnership with senior management, it recapitalized Sunland Asphalt & Construction, asphalt producer and paving solutions provider serving the rapidly growing southwestern United States.



“We believe we can help Sunland continue to gain market share in new and existing markets by expanding both commercial and government customer relationships as well as expanding its reach through M&A.” – *Jim Mahoney, Managing Partner of Huron Capital*

**Summary Public Company Valuation Data and Financial Metrics <sup>(2)</sup>**

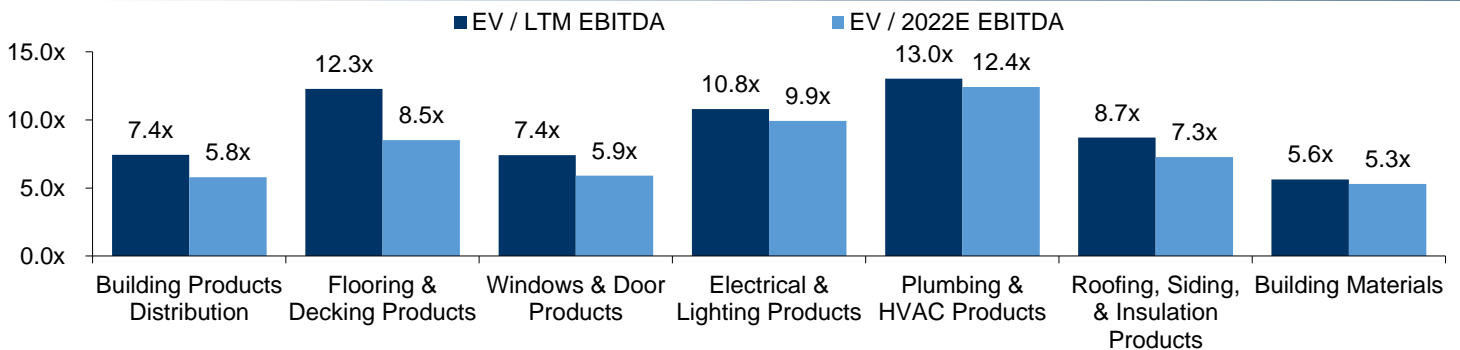
Building Products Distribution		Building Products – Flooring & Decking		Building Products – Windows & Doors		Building Products – Electrical & Lighting	
EV / LTM EBITDA	7.4x	EV / LTM EBITDA	12.3x	EV / LTM EBITDA	7.4x	EV / LTM EBITDA	10.8x
EV / 2022E EBITDA	5.8x	EV / 2022E EBITDA	8.5x	EV / 2022E EBITDA	5.9x	EV / 2022E EBITDA	9.9x
2022 P / E	7.5x	2022 P / E	12.7x	2022 P / E	8.5x	2022 P / E	14.2x
EV / LTM Revenues	0.7x	EV / LTM Revenues	1.0x	EV / LTM Revenues	0.9x	EV / LTM Revenues	1.8x
3-Yr. Revs CAGR	13.4%	3-Yr. Revs CAGR	2.2%	3-Yr. Revs CAGR	5.2%	3-Yr. Revs CAGR	1.2%
Est. 5-Yr. EPS Growth	23.8%	Est. 5-Yr. EPS Growth	9.1%	Est. 5-Yr. EPS Growth	13.2%	Est. 5-Yr. EPS Growth	10.2%
Gross Margin	26.4%	Gross Margin	32.4%	Gross Margin	28.6%	Gross Margin	34.3%
EBITDA Margin	11.0%	EBITDA Margin	16.8%	EBITDA Margin	14.3%	EBITDA Margin	15.6%
2021 Stock Price Change	48.1%	2021 Stock Price Change	51.9%	2021 Stock Price Change	12.4%	2021 Stock Price Change	34.2%
YTD Stock Price Change	-28.1%	YTD Stock Price Change	-59.7%	YTD Stock Price Change	-32.7%	YTD Stock Price Change	-20.7%

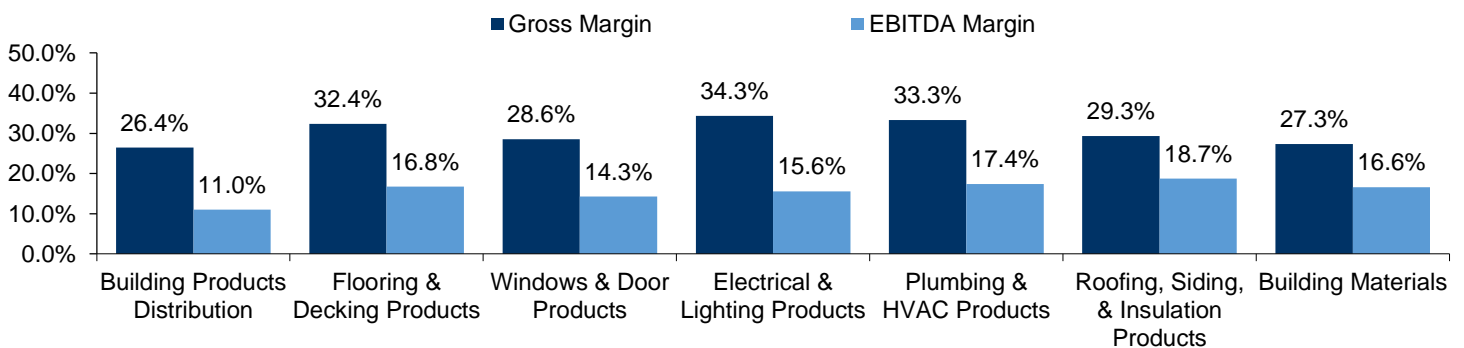
Building Products – Plumbing & HVAC		Building Products – Roofing, Siding, & Insulation		Building Materials	
EV / LTM EBITDA	13.0x	EV / LTM EBITDA	8.7x	EV / LTM EBITDA	5.6x
EV / 2022E EBITDA	12.4x	EV / 2022E EBITDA	7.3x	EV / 2022E EBITDA	5.3x
2022 P / E	15.6x	2022 P / E	12.2x	2022 P / E	9.7x
EV / LTM Revenues	2.2x	EV / LTM Revenues	1.2x	EV / LTM Revenues	1.0x
3-Yr. Revs CAGR	7.2%	3-Yr. Revs CAGR	5.0%	3-Yr. Revs CAGR	4.1%
Est. 5-Yr. EPS Growth	13.0%	Est. 5-Yr. EPS Growth	22.0%	Est. 5-Yr. EPS Growth	16.5%
Gross Margin	33.3%	Gross Margin	29.3%	Gross Margin	27.3%
EBITDA Margin	17.4%	EBITDA Margin	18.7%	EBITDA Margin	16.6%
2021 Stock Price Change	35.8%	2021 Stock Price Change	19.5%	2021 Stock Price Change	32.2%
YTD Stock Price Change	-32.0%	YTD Stock Price Change	-35.4%	YTD Stock Price Change	-34.0%

Note: Median statistics for respective metrics. As of close on June 30, 2022. Source for all public company data is S&P Capital IQ.

**Median EV / EBITDA by Sub-Sector <sup>(2)</sup>**

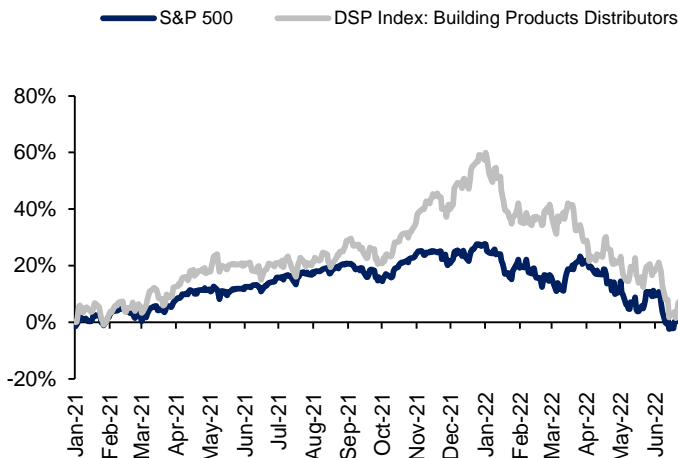


**LTM Median Margin by Sub-Sector <sup>(2)</sup>**

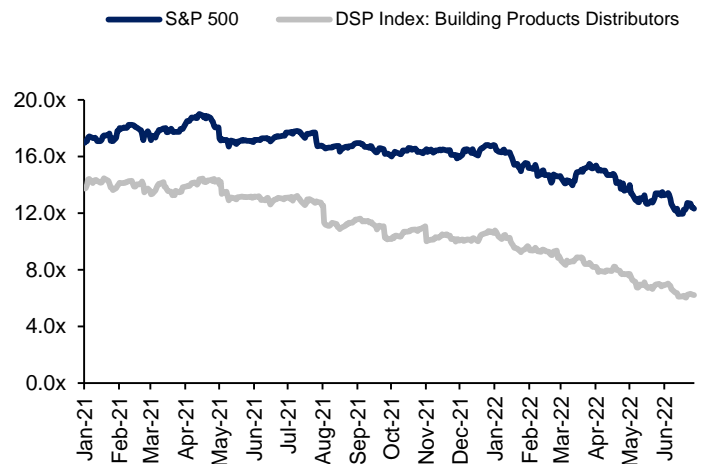


## Building Products Distributors

18-Month Stock Performance (as of 6/30/22) <sup>(2)</sup>

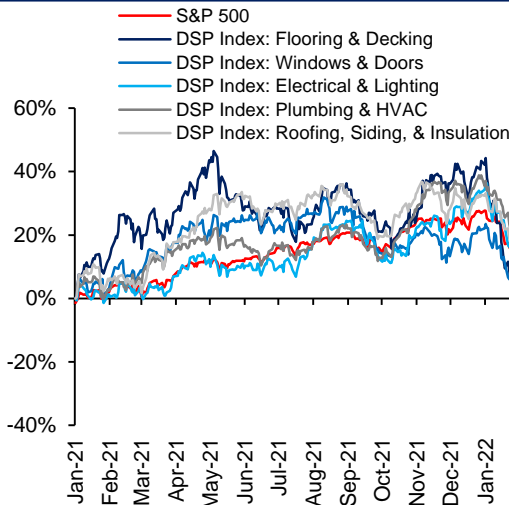


5-Year EV / EBITDA Multiple <sup>(2)</sup>

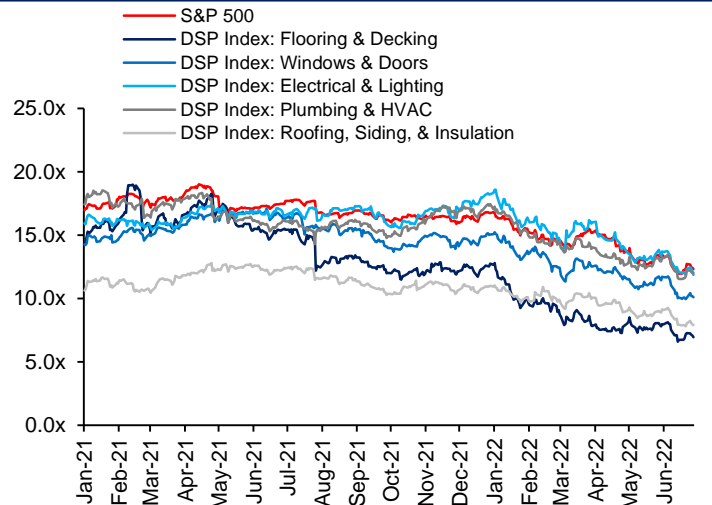


## Building Products Companies

18-Month Stock Performance (as of 6/30/22) <sup>(2)</sup>

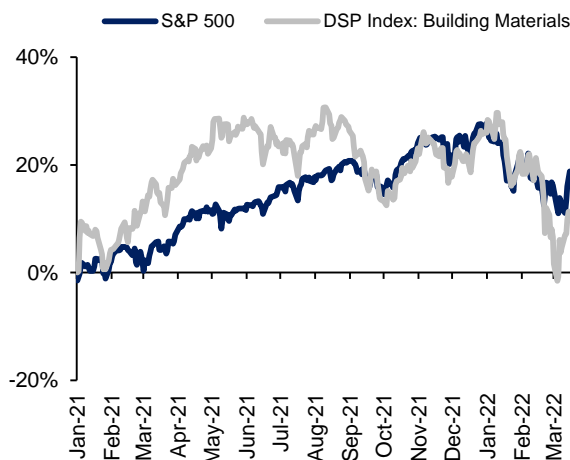


5-Year EV / EBITDA Multiple <sup>(2)</sup>

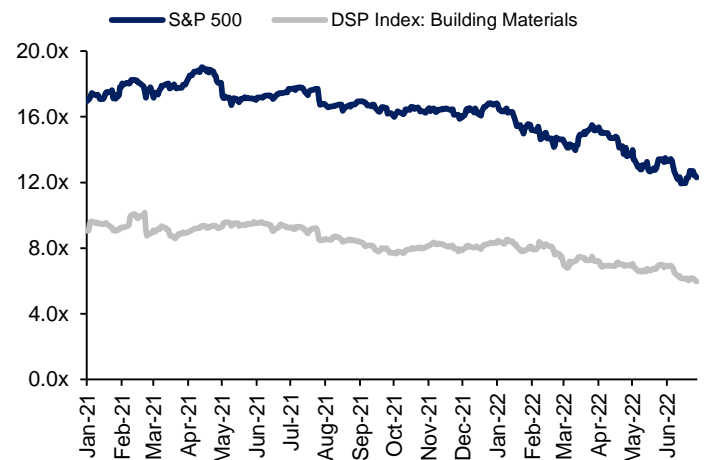


## Building Materials Companies

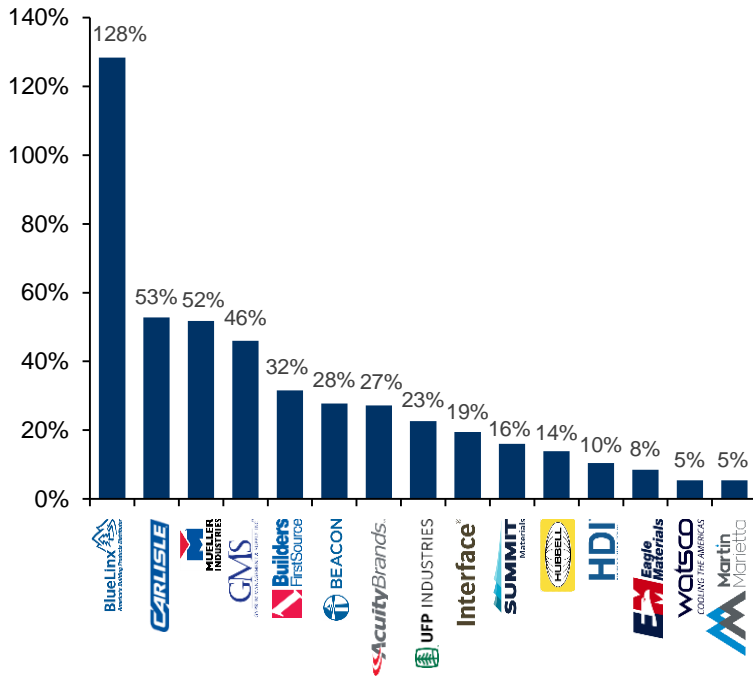
18-Month Stock Performance (as of 6/30/22) <sup>(2)</sup>



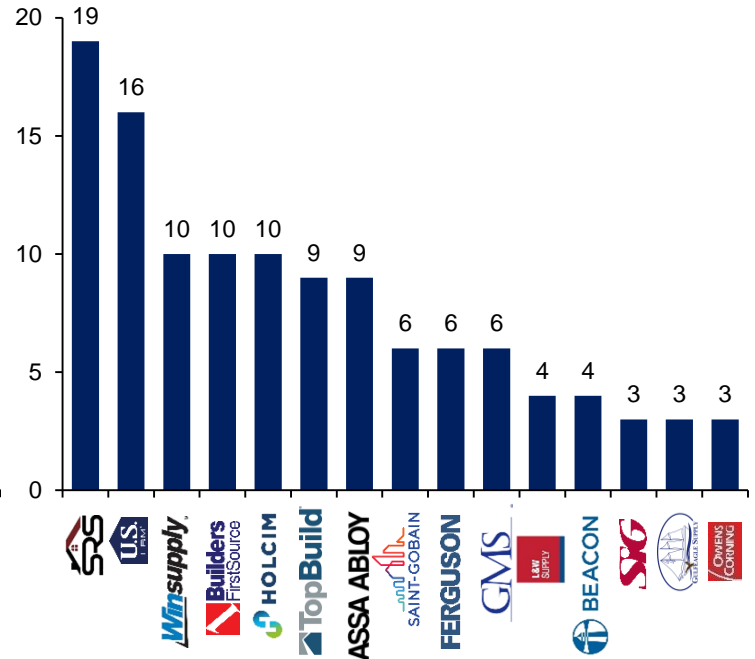
5-Year EV / EBITDA Multiple <sup>(2)</sup>



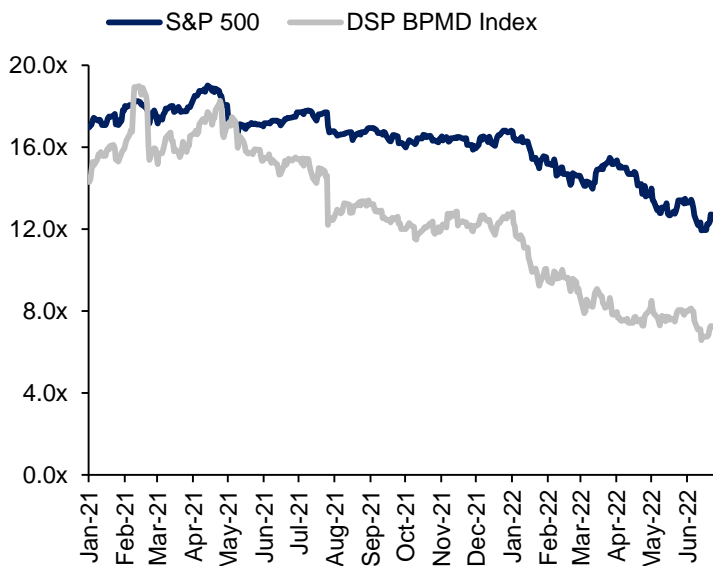
Top 15 Stock Performers (Jan 2021 – Jun 2022) <sup>(1)</sup>



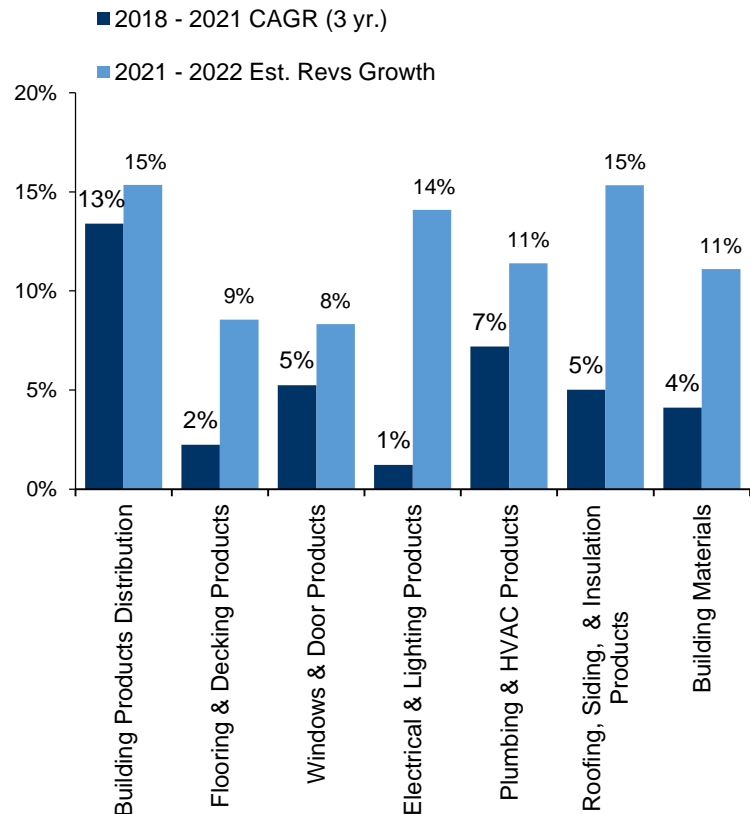
Top 15 Acquirors (Jan 2021 – Jun 2022) <sup>(1)</sup>



5-Year DSP BPMD EV / EBITDA (as of 6/30/22) <sup>(1)</sup>



Revenue Growth by Sub-Sector <sup>(1)</sup>







Top Stock Performers (Jan 2021 – Jun 2022): Building Products Distribution <sup>(2)</sup>

	
<b>Stats</b>	
Sales:	\$4,485mm
EBITDA:	\$494mm
EBITDA %:	12.0%
'21 Stock %:	227.3%
YTD Mar '22 Stock %:	-30.2%

- **BlueLinX Holdings** distributes residential and commercial building products
- **Stock return of 128.3%:** Authorized \$100 million share repurchase; record liquidity; specialty product growth; renovation & remodeling market growth (approximately 45% of sales are tied to the market)
- The building products segment grew 10.7%; the company experienced 29.4% overall EBITDA growth
- The company plans to invest more than \$30 million towards capital expenditures with a significant portion to come in Q3. The investment will improve facilities and enhance digital technologies
- BlueLinX ended Q2 2022 with the highest amount of available liquidity in the company's history of \$451 million and intends to deploy this capital to increase its mix of specialty products


	
<b>Stats</b>	
Sales:	\$4,636mm
EBITDA:	\$542mm
EBITDA %:	11.7%
'21 Stock %:	97.2%
YTD Mar '22 Stock %:	-38.0%

- **GMS** distributes wallboard, steel framing, and complementary construction products globally
- **Stock return of 46.0%:** Record sales, net income, and adjusted EBITDA; margin-accretive acquisition of Ames Taping Tools; acquisition of five specialty products distributors, including Westside Building Material
- The Wholesale Building Products segment grew 41%; the company experienced 80.6% overall EBITDA growth
- GMS invested in technology to drive efficiencies in its supply yards to improve delivery turnaround
- The board of directors announced \$200 million of share repurchases

	
<b>Stats</b>	
Sales:	\$22,750mm
EBITDA:	\$4,192mm
EBITDA %:	16.4%
'21 Stock %:	110.0%
YTD Mar '22 Stock %:	-37.3%


- **Builders FirstSource** manufactures and supplies building materials, manufactured components, and construction services throughout the United States
- **Stock return of 31.6%:** Acquired 10 companies over the last 18 months deploying \$1.6 billion of capital with the goal of building out value-added customer offerings
- The building products segment grew 107%; the company experienced 310.9% overall EBITDA growth
- Builder's FirstSource intends to deploy more than \$300 million towards M&A before 2023
- The company repurchased nearly \$1 billion of its stock in Q2 2022; since August 2021, it has repurchased approximately 25% of its total shares outstanding

Top Stock Performer (Jan 2021 – Jun 2022): Flooring & Decking Products <sup>(2)</sup>

	
<b>Stats</b>	
Sales:	\$1,287mm
EBITDA:	\$180mm
EBITDA %:	14.1%
'21 Stock %:	51.9%
YTD Mar '22 Stock %:	-21.4%


- **Interface** manufactures and sells flooring for the commercial market under the Interface brand
- **Stock return of 19.4%:** increasing backlog due to COVID-19 lockdowns in China and the Russia-Ukraine conflict; instituted selling price increases by leveraging brand power to combat inflation of input costs
- The Americas and the Europe, Africa, Asia, & Australia segments grew 28.7% and 3.76%, respectively; the company realized 21.7% overall EBITDA growth
- Structural SG&A reduction with SG&A representing 27.0% of net sales, versus 30.2% in the prior year; \$100 million share repurchase authorization granted for the year

Top Stock Performer (Jan 2021 – Jun 2022): Windows & Doors Products <sup>(2)</sup>

	
<b>Stats</b>	
Sales:	\$1,162mm
EBITDA:	\$140mm
EBITDA %:	12.0%
'21 Stock %:	11.8%
YTD Mar '22 Stock %:	-8.2%


- **Quanex Building Products Corporation** manufactures windows components sold to OEMs
- **Stock return of 2.6%:** price increases related to the pass through of raw material cost inflation; pull-forward of demand, resulting from price increase implementations
- The EU Fenestration, North America Cabinet Components, and North America Fenestration segments grew 32.7%, 16.2%, and 16.7%, respectively
- Timing of price increases, better availability of green lumber, improvements in lumber yield, and labor efficiencies were the main drivers of the positive results in Q2 2022
- Management expects margins to improve as prices catch up to inflationary pressures

Top Stock Performer (Jan 2021 – Jun 2022): Electrical & Lighting Products <sup>(2)</sup>

	
<b>Stats</b>	
Sales:	\$4,595mm
EBITDA:	\$746mm
EBITDA %:	16.1%
'21 Stock %:	32.8%
YTD Mar '22 Stock %:	-14.3%


- **Hubbell** manufactures, and sells electrical and electronic products
- **Stock return of 13.9%:** divestiture of commercial and industrial lighting business; strong demand for meter solutions continue as backlog grows; grid modernization initiatives drive robust investment
- Price realizations were up sequentially as an effective management to offset inflationary pressures
- The Electrical and Utility segments grew 15.7% and 18.2%, respectively; the company realized 10.7% overall EBITDA growth
- The acquisitions of PCX and Ripley Tools bolster Hubbell's position in strategic growth verticals of data centers, renewables, electric T&D, and communications

## Top Stock Performer (Jan 2021 – Jun 2022): Plumbing & HVAC Products <sup>(2)</sup>

<b>Stats</b>	
Sales:	\$4,098mm
EBITDA:	\$875mm
EBITDA %:	21.4%
'21 Stock %:	69.1%
YTD Mar '22 Stock %:	-10.2%


- **Mueller Industries** manufactures and sells copper, brass, aluminum, and plastic products globally
- **Stock return of 51.8%:** Divestiture of HVAC tube manufacturers; backlog growth continued despite building construction expected to see tempering according to management
- The Piping Systems, Industrial Metals, and Climate segments grew 35.1%, 19.2%, and 28.7%, respectively; the company realized 103% overall EBITDA growth
- International tube sales declined 17% in Q2 2022 due to economic softening outside the U.S.
- Zero net debt with plans to continue reinvestment into the businesses to lower costs and remain equipped for strategic acquisition opportunities

## Top Stock Performer (Jan 2021 – Jun 2022): Roofing, Siding, & Insulation Products <sup>(2)</sup>


<b>Stats</b>	
Sales:	\$6,035mm
EBITDA:	\$1,286mm
EBITDA %:	18.7%
'21 Stock %:	58.9%
YTD Mar '22 Stock %:	-3.2%

- **Carlisle Companies** diversified manufacturer of engineered building envelope products
- **Stock return of 52.8%:** Acquisition of Henry Company and deeper penetration of the North America Building Envelope market; divestiture of its Brake and Friction segment
- The Construction Materials, Interconnect Technologies, and Fluid Technologies segments grew 45.8%, 17.4% and 5.9%, respectively; the company realized 83.0% overall EBITDA growth
- Re-roofing demand continues to drive performance; served market is expanding as more insulation is being added to roofing systems
- Carlisle has made \$80 million of capital investments and \$175 million of share repurchases in 2022


## Top Stock Performers (Jan 2021 – Jun 2022): Building Materials <sup>(2)</sup>

<b>Stats</b>	
Sales:	\$9,501mm
EBITDA:	\$1,001mm
EBITDA %:	10.5%
'21 Stock %:	65.6%
YTD Mar '22 Stock %:	-25.9%

- **UFP Industries, Inc.** manufactures and sells wood and wood-alternative building materials for retail, industrial, and construction markets globally
- **Stock return of 22.7%:** Record sales and profits in Q2 2022; strong financial performance amid rapidly falling lumber market; price increases related to the pass through of raw material cost inflation
- The retail, industrial, and construction segments grew 9.8%, 43.3% and 40.6%, respectively; the company experienced 50.3% overall EBITDA growth
- The company has mitigated the softening of customer demand in the industry (more specifically, the Northeast) through gaining market share in those regions

<b>Stats</b>	
Sales:	\$1,256mm
EBITDA:	\$250mm
EBITDA %:	19.7%
'21 Stock %:	99.9%
YTD Mar '22 Stock %:	-42.0%

- **Summit Materials, Inc.** manufactures and sells construction materials and other downstream products for the public infrastructure, residential, and nonresidential end markets
- **Stock return of 16.0%:** Recent performance impacted by pricing, passing through higher input costs, divestitures holding back volumes, cement shortages, and continued supply chain constraints
- The East, West, and Cement segments exhibited losses of -6.8%, -12.1%, and -2.2% respectively; the company experienced 2.1% overall EBITDA growth
- Record low net debt to adjusted EBITDA of 2.4x

<b>Stats</b>	
Sales:	\$1,947mm
EBITDA:	\$626mm
EBITDA %:	32.3%
'21 Stock %:	64.2%
YTD Mar '22 Stock %:	-34.0%

- **Eagle Materials, Inc.** produces and supplies heavy construction materials and light building materials throughout the United States
- **Stock return of 8.5%:** Realized 24% and 10% price increases in wallboard and cement with a second round of price increases scheduled for July of this year to capitalize on its nearly sold out position
- The cement, gypsum wallboard, concrete and aggregates, and paperboard segments grew 4.6%, 29.1%, 14.5%, and 20.5%, respectively; the company experienced 20.3% overall EBITDA growth
- Management views state and federal infrastructure investment as a tailwind that will counteract the Fed's slowing of the economy and keep wallboard and cement volumes growing over the next 2 years

**Recent M&A and Strategic Commentary from Select Executives <sup>(1)</sup>**



"Recall that our Ambition 2025 plan calls for us to invest up to 2% of our revenue in CapEx, with emphasis on driving and servicing organic growth. We continue to evaluate a full pipeline of potential acquisition targets. We have a rigorous set of criteria and will remain disciplined in order to ensure that we create shareholder value through acquisitions. Our recent tuck-ins are good examples of the types of deals that we are looking at. They must be actionable at the right price, have the right fit, benefit from the scale and capabilities we have built, and offer efficient integration to ensure the expected returns. We intend to allocate \$1 billion in capital to acquisitions within our three existing lines of business, and we are actively pursuing a healthy pipeline of targets." – *Julian G. Francis, President, CEO & Director, 8/4/2022*



"To sum up our view of the market, new home and repair demand continues to look strong for the foreseeable future and the go-forward outlook is positive from our perspective. While we are encouraged by these favorable market dynamics, it is important to underscore the strength of our unique position in the housing industry and ability to perform well through macroeconomic cycles. Due to the fragmented nature of our industry, we believe there are strategic opportunities to accelerate our growth through acquisitions that broaden our specialty product offering or expand our regional coverage." – *Dwight Gibson, Director, President & CEO, 11/3/2021*



"We're committed to investing to capture growth organically and through tuck-in M&A. Although there are certainly be some challenges over the near term, we remain very optimistic on the prospects for our industry over the long term. I am highly confident in our ability to outperform the market in any scenario, and given our bulletproof balance sheet, expect us to lean in opportunistically on M&A in a more challenged market. We have spent approximately \$230 million on M&A so far this year and we expect to invest at least \$500 million for the full year of 2022." – *David E. Flitman, President & Director, 8/1/22*



"A significant portion of our success has been driven by the multiyear process of reshaping our portfolio to pivot Carlisle to a diversified building products focus, setting the stage for accelerated and sustainable value creation. We continue to build scale with synergistic acquisitions to streamline and optimize our portfolio through acquisitions and divestitures to build scale in our highest returning building products businesses. With almost one year since our Henry purchase, the team continues to execute extremely well on delivering a smooth and efficient integration and is on pace to exceed our initial synergy targets of \$30 million. We remain excited about acquisition prospects within building envelopes." – *D. Christian Koch, Chairman, President & CEO, 7/27/2022*



"The market is active. In terms of the types of transactions we're looking at, we've been executing on our pipeline of deals for a number of years now. They're generally more small to medium size. They're very accretive. We tuck those in. We'll continue to carry on with those. Complementing that would be larger-scale acquisitions. Yes, there's opportunity for those out there today as well. As we've expanded the business and diversified it from a kind of product participation perspective, it's opened up the playing field in terms of acquisition targets that we would look at and that we've got comfort with. And by opening up the field, it's proportionately increased the number of larger transactions that you get to have a look at than we may have had traditionally in the past." – *Robert J. Brown, President, CEO & Director, 11/08/21*



"I'm super happy we entered the roofing and insulation system business. You have to imagine we now say we have about \$3.7 billion pro forma sales already through the acquisitions and a super high organic growth rate at the moment, which puts us in the number three position globally in roofing systems. At the same time, these are large markets. In the US alone, we are operating in a \$25-billion-plus market with those products and then you have similar volumes of course in Europe and some volumes in Latin America. So we entered an extremely large market segment, and I'm just talking about roofing. So, we have a lot to do in M&A and our number one priority is to further build, grow, and further acquire in this space of roofing and insulation systems." – *Jan Jenisch, Director & CEO, 7/27/22*



"We are constantly enhancing our growth and profitability profile with mergers and acquisitions. We have rotated another €2.6 billion of turnover since the beginning of this year with various acquisitions and divestitures. Kaycan, our latest acquisition, which we have acquired in North America, US and Canada, will truly strengthen our leadership in the light construction market." – *Bryan Horix Fairbanks, President & CEO & Director 2/22/22*

Comparable Company Analysis: Building Products Distributors <sup>(2)</sup>

COMPANY (Data as of 6/30/22)	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		EV / Rev LTM	VALUATION DATA		P / E	
	Price 6/30/2022	2021 %Change	YTD %Change	Market Value (\$mm)	Enterprise Value (\$mm)	LTM Gross %Margin	LTM EBITDA %Margin		EV / EBITDA LTM	2022E	2022	2023
Company												
Watsco, Inc.	238.82	38.1%	-23.7%	8,478.8	9,318.1	27.3%	10.9%	1.40x	12.8x	11.0x	16.4x	17.4x
Richelieu Hardware Ltd.	26.15	33.0%	-24.2%	1,461.5	1,578.3	16.2%	15.1%	1.29x	8.5x	7.8x	12.4x	13.9x
Ferguson plc	111.65	46.3%	-37.1%	23,611.9	27,143.9	30.9%	11.1%	1.00x	9.0x	9.0x	11.5x	11.4x
Beacon Roofing Supply, Inc.	51.36	42.7%	-10.4%	3,530.6	6,113.7	26.4%	10.1%	0.83x	8.2x	7.4x	7.9x	8.3x
BlueLinx Holdings Inc.	66.81	227.3%	-30.2%	645.2	1,181.7	19.5%	12.0%	0.26x	2.2x	2.5x	2.2x	3.5x
Doman Building Materials Group Ltd.	4.87	2.0%	-20.7%	422.7	1,152.2	15.0%	7.5%	0.50x	6.7x	6.2x	5.3x	8.6x
Builders FirstSource, Inc.	53.70	110.0%	-37.3%	9,277.4	12,851.6	30.9%	16.4%	0.60x	3.7x	4.0x	4.5x	5.9x
SIG plc	0.36	49.8%	-44.1%	416.8	862.8	26.3%	1.3%	0.27x	21.0x	4.4x	9.2x	8.3x
GMS Inc.	44.50	97.2%	-26.0%	1,897.8	3,131.8	32.2%	11.7%	0.68x	5.8x	5.4x	5.8x	5.8x
Hardwoods Distribution Inc.	21.94	78.2%	-38.0%	521.6	1,401.5	23.5%	11.2%	0.71x	6.4x	5.2x	4.0x	4.3x
Overall Group Mean		72.5%	-29.2%	5,026.4	6,473.6	24.8%	10.7%	0.75x	8.4x	6.3x	7.9x	8.0x
Overall Group Median		48.1%	-28.1%	1,679.6	2,355.0	26.4%	11.1%	0.69x	7.4x	5.8x	6.8x	8.3x
Overall Group Max		227.3%	-10.4%	23,611.9	27,143.9	32.2%	16.4%	1.40x	21.0x	11.0x	16.4x	17.4x
Overall Group Min		2.0%	-44.1%	416.8	862.8	15.0%	1.3%	0.26x	2.2x	2.5x	2.2x	3.5x

Comparable Company Analysis: Building Products Companies <sup>(2)</sup>

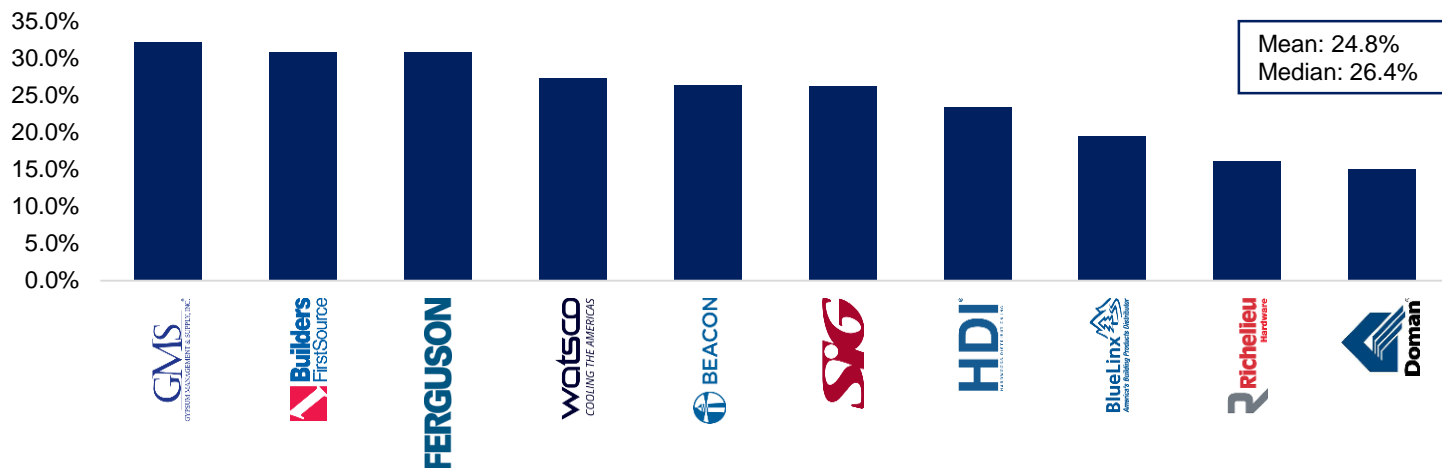
COMPANY (Data as of 6/30/22)	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		EV / Rev LTM	VALUATION DATA		P / E	
	Price 6/30/2022	2021 %Change	YTD %Change	Market Value (\$mm)	Enterprise Value (\$mm)	LTM Gross %Margin	LTM EBITDA %Margin		EV / EBITDA LTM	2022E	2022	2023
Company												
<b>Flooring &amp; Decking</b>												
The AZEK Company Inc.	16.74	20.3%	-63.8%	2,597.3	3,158.1	32.4%	20.6%	2.38x	11.6x	10.0x	16.0x	13.8x
Interface, Inc.	12.54	51.9%	-21.4%	745.7	1,283.6	36.0%	14.1%	1.04x	7.3x	7.0x	9.4x	7.6x
Mohawk Industries, Inc.	124.09	29.3%	-31.9%	7,884.6	10,383.6	28.5%	16.8%	0.90x	5.4x	5.4x	8.0x	8.0x
The Dixie Group, Inc.	1.28	124.7%	-77.7%	19.7	122.2	21.8%	3.9%	0.35x	9.0x	N.A.	N.A.	N.A.
Trex Company, Inc.	54.42	61.3%	-59.7%	6,160.3	6,083.3	38.7%	30.3%	4.71x	15.5x	14.5x	21.9x	20.0x
Group Mean		57.5%	-50.9%	3,481.5	4,206.2	31.5%	17.1%	1.88x	9.8x	10.2x	13.9x	12.4x
Group Median		51.9%	-59.7%	2,597.3	3,158.1	32.4%	16.8%	1.04x	12.3x	8.5x	12.7x	20.0x
<b>Windows &amp; Doors</b>												
ASSA ABLOY AB (publ)	21.21	23.9%	-30.6%	23,560.2	26,302.7	39.5%	17.7%	2.32x	13.0x	11.4x	17.9x	16.4x
PGT Innovations, Inc.	16.64	10.6%	-26.0%	997.0	1,654.2	35.6%	13.5%	1.32x	9.8x	6.9x	9.6x	9.6x
Masonite International Corporation	76.83	19.9%	-34.9%	1,733.6	2,612.0	23.8%	15.0%	0.98x	6.5x	5.6x	7.4x	6.7x
JELD-WEN Holding, Inc.	14.59	3.9%	-44.7%	1,270.5	3,026.1	19.4%	7.5%	0.62x	8.3x	5.9x	6.6x	6.1x
Quanex Building Products Corporation	22.75	11.8%	-8.2%	753.2	840.4	21.8%	12.0%	0.72x	6.0x	6.0x	11.3x	N.A.
Tyman plc	2.90	13.0%	-46.4%	561.4	738.5	33.3%	16.0%	0.84x	5.3x	5.0x	6.8x	7.0x
Group Mean		13.9%	-31.8%	4,812.6	5,862.3	28.9%	13.6%	1.14x	8.1x	6.8x	9.9x	9.2x
Group Median		12.4%	-32.7%	1,133.8	2,133.1	28.6%	14.3%	0.91x	7.4x	5.9x	8.5x	7.0x
<b>Electrical &amp; Lighting</b>												
LSI Industries Inc.	6.17	-19.9%	-10.1%	164.5	259.9	23.5%	6.6%	0.61x	9.3x	8.7x	13.1x	8.0x
Hubbell Incorporated	178.58	32.8%	-14.3%	9,582.8	10,784.0	27.7%	16.1%	2.45x	15.3x	13.8x	19.1x	17.5x
Schneider Electric S.E.	118.02	35.5%	-39.8%	65,516.2	77,985.4	41.0%	18.6%	2.28x	12.3x	11.2x	15.3x	14.8x
Acuity Brands, Inc.	154.04	74.8%	-27.2%	4,977.5	5,345.2	41.9%	15.1%	1.37x	9.1x	8.4x	12.8x	11.4x
Group Mean		30.8%	-22.8%	20,060.3	23,593.6	33.5%	14.1%	1.68x	11.5x	10.5x	15.1x	12.9x
Group Median		34.2%	-20.7%	7,280.2	8,064.6	34.3%	15.6%	1.83x	10.8x	9.9x	14.2x	14.8x
<b>Plumbing &amp; HVAC</b>												
AAON, Inc.	54.76	19.2%	-31.1%	2,906.2	2,982.5	25.1%	17.4%	4.96x	28.5x	18.6x	30.6x	24.1x
Lennox International Inc.	206.59	18.4%	-36.3%	7,418.5	9,206.0	28.1%	15.5%	2.15x	13.9x	12.3x	14.7x	13.6x
Ingersoll Rand Inc.	42.08	35.8%	-32.0%	17,081.5	18,613.3	38.5%	20.7%	3.47x	16.8x	13.3x	18.3x	16.3x
Masco Corporation	50.60	27.8%	-27.9%	11,938.6	15,128.6	33.3%	13.5%	1.76x	13.0x	9.0x	11.9x	11.2x
Watts Water Technologies, Inc.	122.84	59.5%	-36.7%	4,109.3	4,083.8	42.6%	16.9%	2.20x	13.0x	12.5x	20.3x	19.4x
A. O. Smith Corporation	54.68	56.6%	-36.3%	8,530.5	8,281.9	36.4%	19.2%	2.21x	11.5x	10.1x	15.6x	14.6x
Mueller Industries, Inc.	53.29	69.1%	-10.2%	3,032.3	2,952.4	25.9%	21.4%	0.75x	3.9x	N.A.	4.9x	8.4x
Group Mean		40.9%	-30.1%	7,859.6	8,749.8	32.8%	17.8%	2.50x	14.4x	12.6x	16.6x	15.4x
Group Median		35.8%	-32.0%	7,418.5	8,281.9	33.3%	17.4%	2.20x	13.0x	12.4x	15.6x	14.1x
<b>Roofing, Siding, &amp; Insulation</b>												
Armstrong World Industries, Inc.	74.96	56.1%	-35.4%	3,520.1	4,128.5	37.0%	25.4%	3.63x	14.3x	9.9x	14.8x	12.9x
Carlisle Companies Incorporated	238.61	58.9%	-3.8%	12,298.8	14,935.9	29.3%	18.7%	2.78x	14.9x	10.5x	13.5x	12.3x
Gibraltar Industries, Inc.	38.75	-7.3%	-41.9%	1,270.7	1,306.9	21.8%	11.0%	0.95x	8.7x	7.3x	11.8x	10.5x
Owens Corning	74.31	19.5%	-17.9%	7,213.9	9,636.9	27.0%	22.7%	1.08x	4.8x	4.4x	6.5x	6.8x
Rockwool A/S	224.73	16.9%	-48.6%	4,846.2	4,603.4	61.5%	18.3%	1.19x	6.5x	5.8x	12.2x	12.4x
Group Mean		28.8%	-29.5%	5,830.0	6,922.3	35.3%	19.2%	1.93x	9.8x	7.6x	11.8x	11.0x
Group Median		19.5%	-35.4%	4,846.2	4,603.4	29.3%	18.7%	1.19x	8.7x	7.3x	12.2x	12.3x
<b>Overall</b>												
Overall Group Mean		34.2%	-33.1%	7,803.4	9,127.4	32.3%	16.5%	1.85x	10.9x	9.3x	13.5x	12.4x
Overall Group Median		27.8%	-32.0%	4,109.3	4,128.5	32.4%	16.8%	1.37x	9.8x	9.0x	13.0x	12.3x
Overall Group Max		124.7%	-3.8%	65,516.2	77,985.4	61.5%	30.3%	4.96x	28.5x	18.6x	30.6x	24.1x
Overall Group Min		-19.9%	-77.7%	19.7	122.2	19.4%	3.9%	0.35x	3.9x	4.4x	4.9x	6.1x

Comparable Company Analysis: Building Materials Companies <sup>(2)</sup>

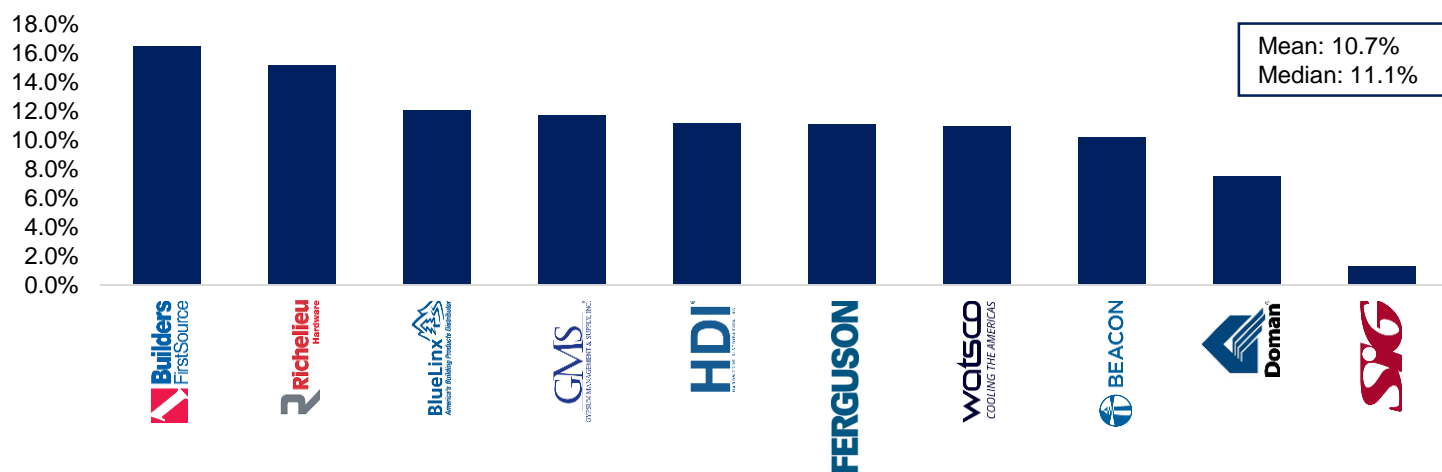
COMPANY (Data as of 6/30/22)	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		EV / Rev LTM	VALUATION DATA			
	Price 6/30/2022	2021 % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	LTM Gross % Margin	LTM EBITDA % Margin		EV / EBITDA		P / E	
Company									LTM	2022E	2022	2023
Vulcan Materials Company	142.10	40.0%	-31.5%	18,884.5	23,533.3	23.5%	24.2%	3.91x	16.1x	13.3x	24.4x	18.7x
Eagle Materials Inc.	109.94	64.2%	-34.0%	4,188.6	5,143.8	27.9%	32.3%	2.76x	8.5x	7.1x	9.7x	8.5x
Summit Materials, Inc.	23.29	99.9%	-42.0%	2,750.5	4,127.5	27.5%	19.7%	1.72x	8.7x	8.0x	18.8x	13.4x
CRH plc	34.50	27.1%	-34.8%	26,200.2	34,281.6	33.9%	16.3%	1.11x	6.8x	6.1x	10.2x	10.0x
Boral Limited	1.78	16.1%	-59.8%	1,968.4	743.2	25.6%	10.8%	0.34x	3.1x	2.4x	33.8x	19.7x
CEMEX, S.A.B. de C.V.	0.39	32.2%	-43.1%	5,713.2	14,536.1	31.2%	17.1%	0.97x	5.7x	5.0x	N.A.	N.A.
Holcim Ltd	42.78	-7.2%	-16.1%	26,181.8	40,166.9	43.0%	20.9%	1.37x	6.5x	5.6x	9.4x	9.3x
Wienerberger AG	21.41	15.3%	-41.8%	2,427.7	3,640.9	37.2%	17.3%	0.72x	4.2x	4.3x	6.3x	7.0x
HeidelbergCement AG	48.25	-9.8%	-29.3%	9,520.9	16,236.0	61.5%	16.7%	0.73x	4.4x	4.0x	5.7x	5.6x
Caesarstone Ltd.	9.13	-12.0%	-19.5%	315.8	409.0	25.6%	9.2%	0.61x	6.6x	5.3x	9.7x	7.2x
Martin Marietta Materials, Inc.	299.24	55.1%	-32.1%	18,739.9	24,057.9	25.0%	27.8%	4.53x	16.3x	13.8x	23.0x	18.0x
UFP Industries, Inc.	68.14	65.6%	-25.9%	4,145.8	4,669.6	17.7%	10.5%	0.50x	4.9x	4.9x	6.4x	6.7x
Compagnie de Saint-Gobain S.A.	42.80	53.4%	-39.2%	22,311.8	30,359.0	26.5%	12.5%	0.58x	4.7x	4.2x	6.7x	7.5x
Overall Group Mean		33.8%	-34.5%	11,026.9	15,531.1	31.2%	18.1%	1.53x	7.4x	6.5x	13.7x	11.0x
Overall Group Median		32.2%	-34.0%	5,713.2	14,536.1	27.5%	17.1%	0.97x	6.5x	5.3x	9.7x	8.9x
Overall Group Max		99.9%	-16.1%	26,200.2	40,166.9	61.5%	32.3%	4.53x	16.3x	13.8x	33.8x	19.7x
Overall Group Min		-12.0%	-59.8%	315.8	409.0	17.7%	9.2%	0.34x	3.1x	2.4x	5.7x	0.5x



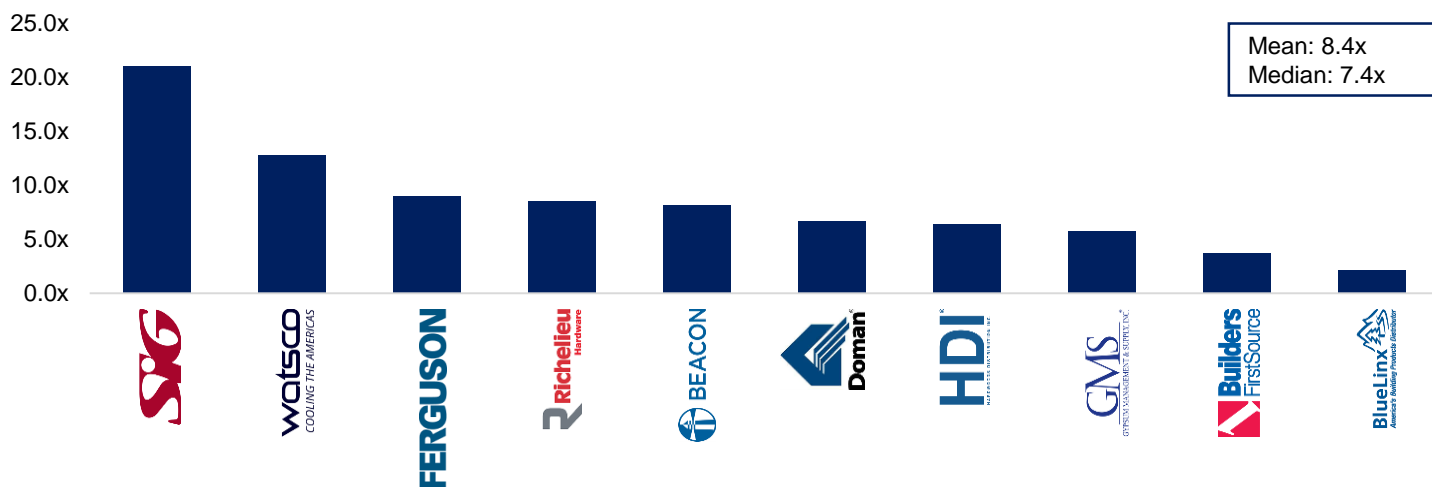
## Gross Margins of Building Products Distributors (2)



## EBITDA Margins of Building Products Distributors (2)

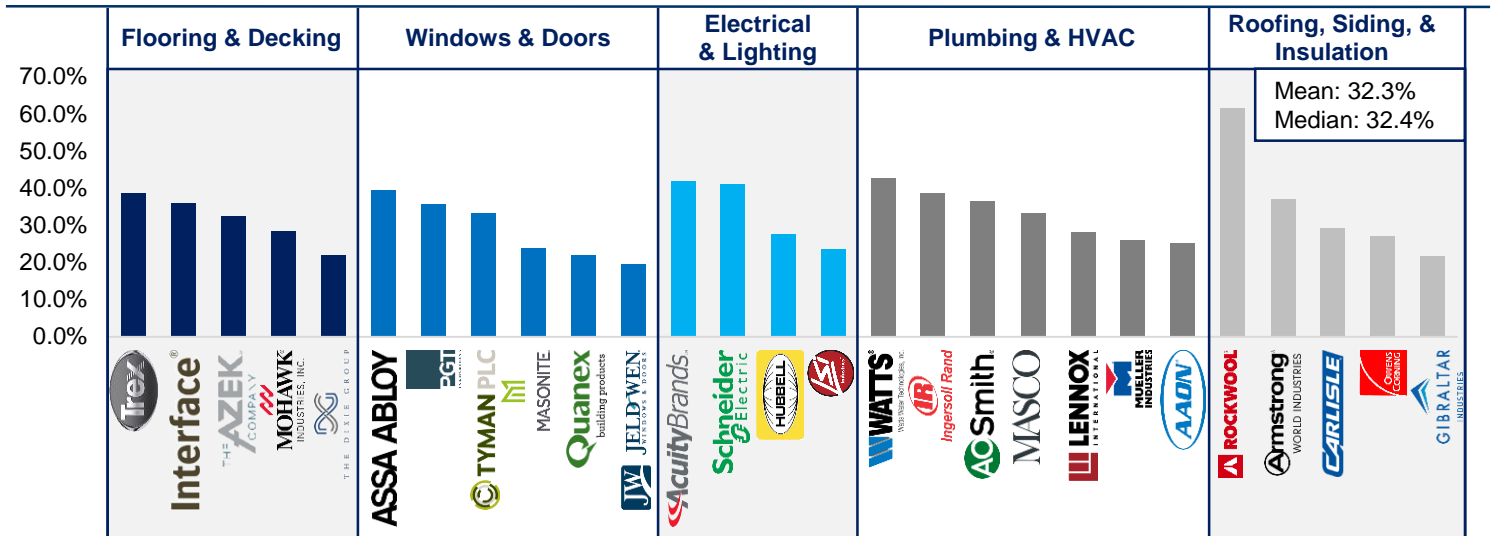


## EV / LTM EBITDA of Building Products Distributors (2)

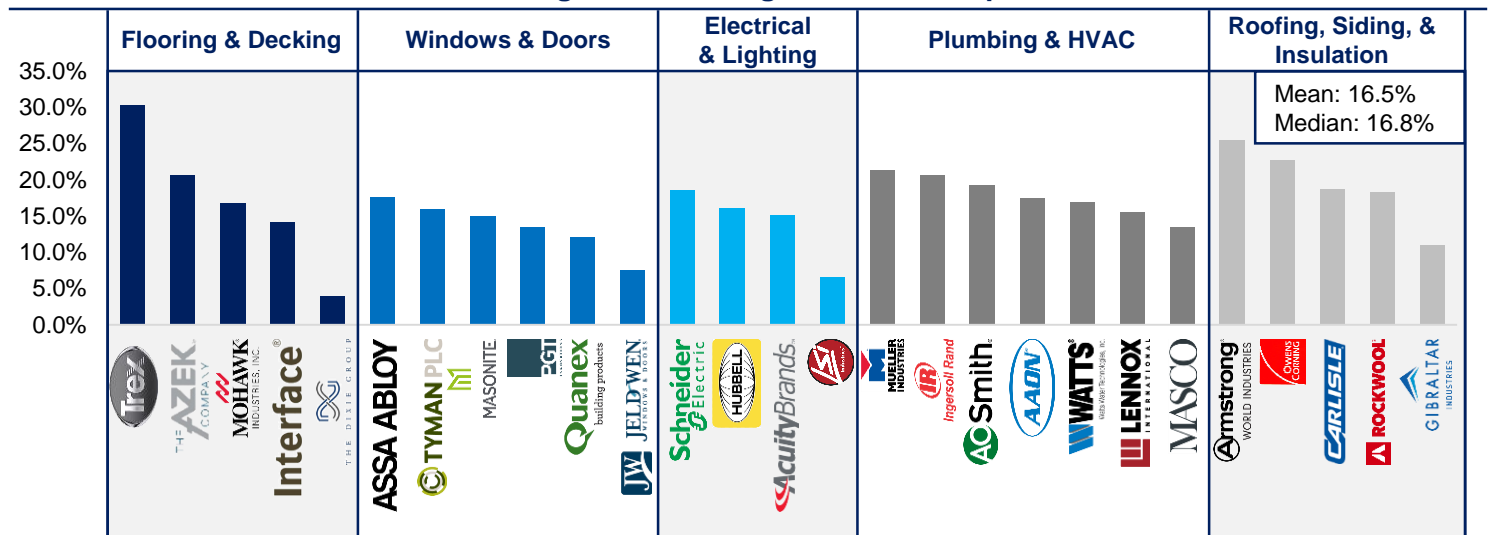


# BUILDING PRODUCTS, MATERIALS, & DISTRIBUTION SECTOR REVIEW

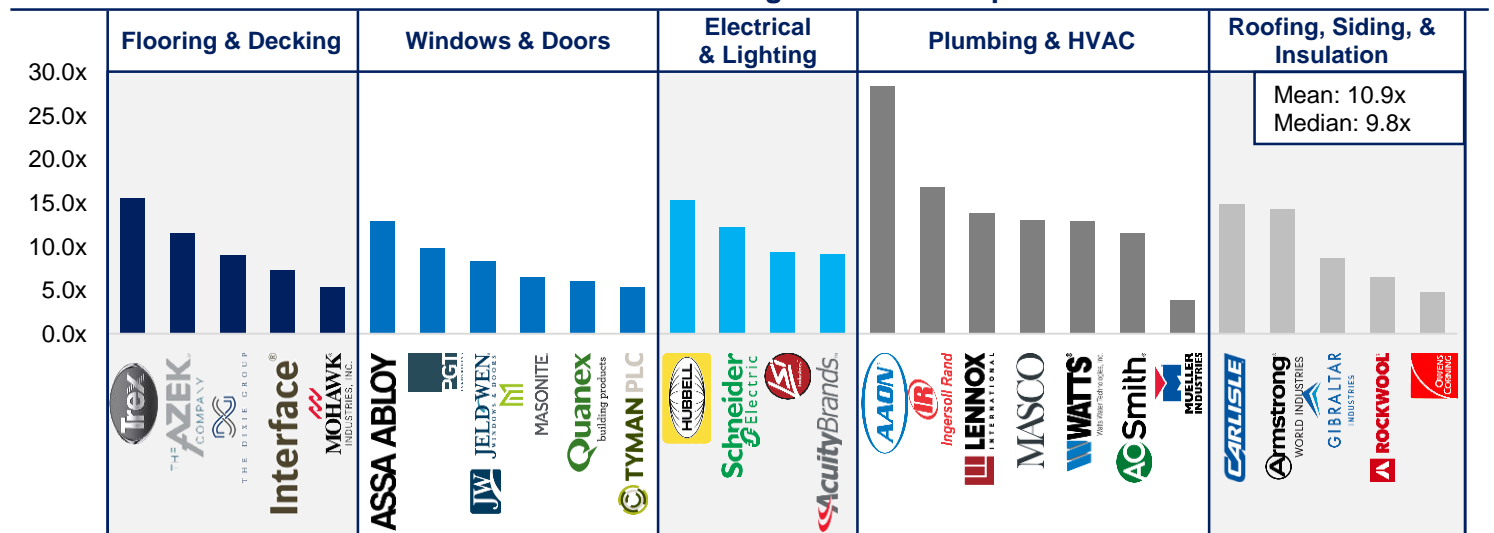
## Gross Margins of Building Products Companies (2)



## EBITDA Margins of Building Products Companies (2)

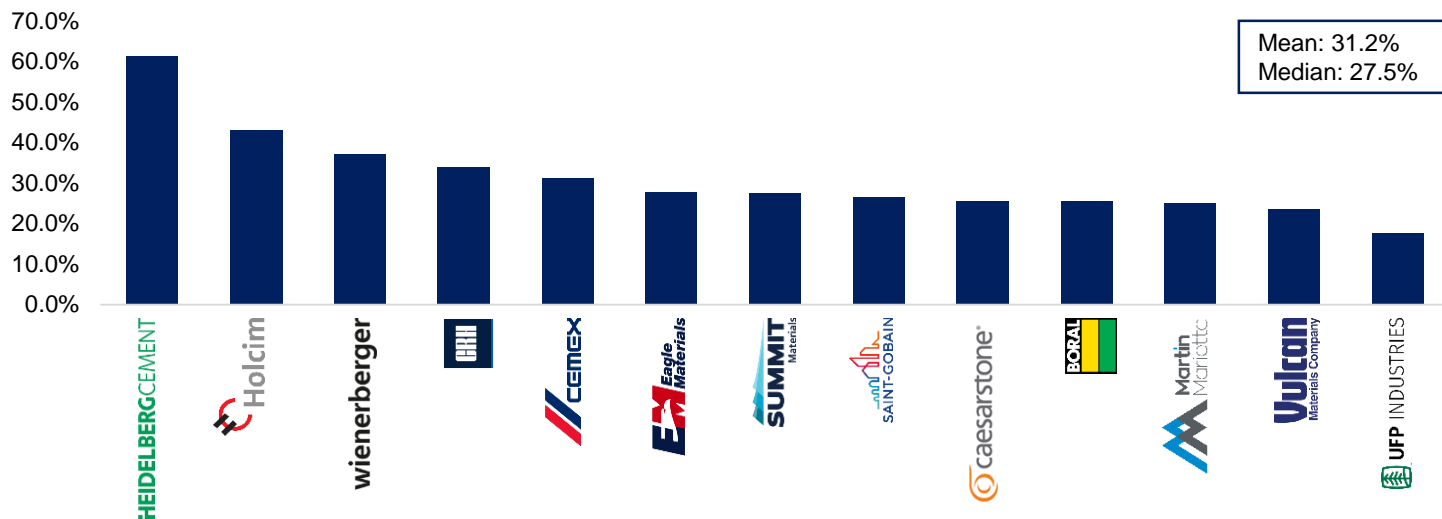


## EV / LTM EBITDA of Building Products Companies (2)

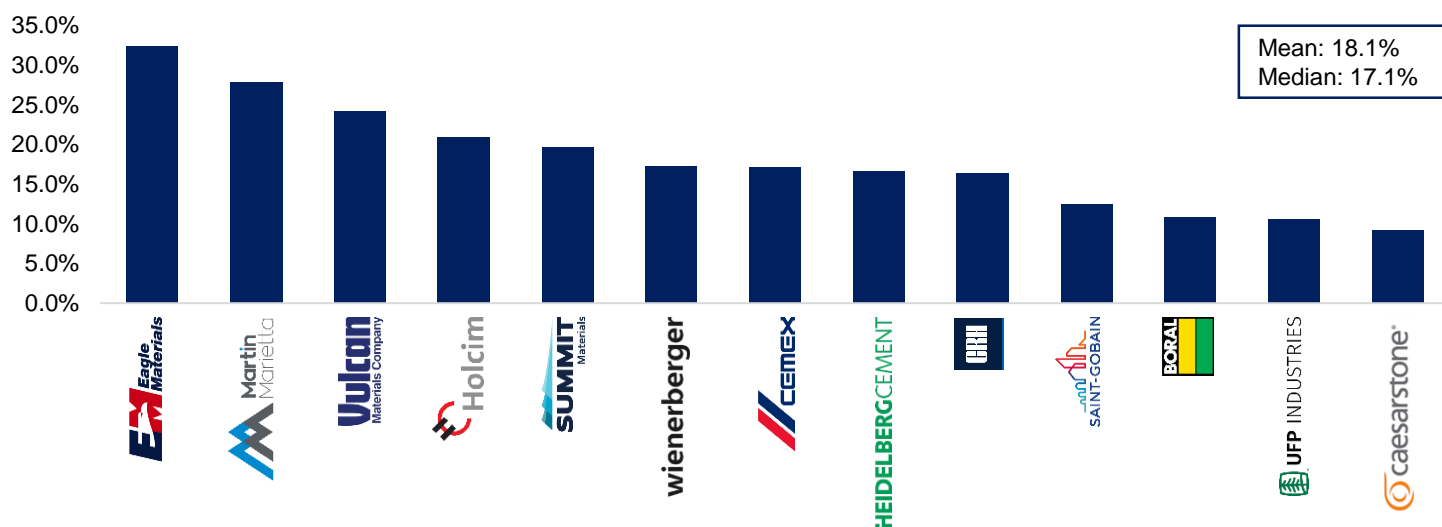


# BUILDING PRODUCTS, MATERIALS, & DISTRIBUTION SECTOR REVIEW

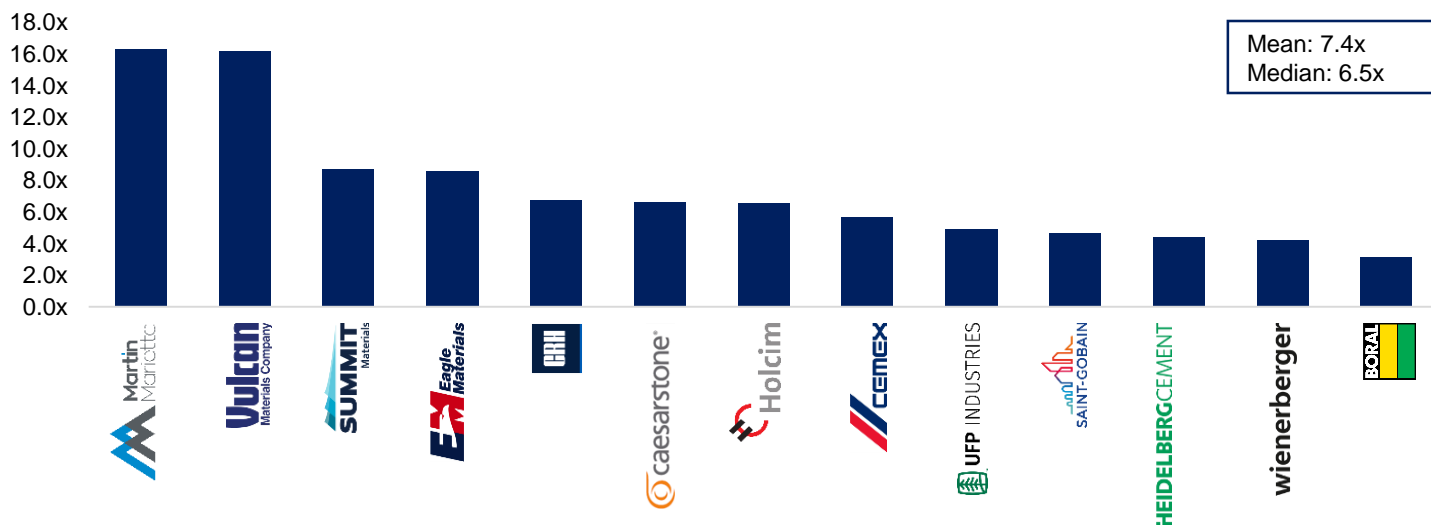
## Gross Margins of Building Materials Companies (2)



## EBITDA Margins of Building Materials Companies (2)



## EV / LTM EBITDA of Building Materials Companies (2)



## Notable M&A Activity – Saint-Gobain Acquires Kaycan

- On May 31, 2022, Saint Gobain (ENXTPA:SGO), announced the acquisition of Kaycan and subsequently announced the closing of the transaction on July 29, 2022
- The closing of the acquisition enables Saint-Gobain to become the top siding provider in Canada and deepens its vinyl siding offering across the United States with complementary solutions in aluminum and engineered wood. Kaycan will broaden Saint-Gobain's light and sustainable construction solutions offered within Canada. Kaycan strengthens and expands Saint Gobain's channel coverage to reach new customers in the light commercial market
- A divestiture of Kaycan's U.S. distribution business is underway and is expected to close in Q3 2022

“

“Not only does this acquisition allow us to strengthen our presence in siding both in Canada and in the United States, but it also allows us to broaden our offering into the exciting growth areas of aluminum and engineered wood siding, largely made with recycled materials and thus helping to drive the circular economy ecosystem in construction.” – *Benoit Bazin, Chief Executive Officer of Saint-Gobain*

“

“Ever since my family founded Kaycan in 1974, our team has been laser-focused on providing the best customer service possible throughout Canada and the United States, all while pushing the boundaries of imagination and innovation to expand our product portfolio over the past decades. Now we have the opportunity to join Saint-Gobain, a renowned leader in light and sustainable construction.” – *Lionel Dubrofsky, President of Kaycan*

## Financial Terms

Enterprise Value	\$928 million *
LTM Revenue	\$472 million
EBITDA Multiple	11.2x LTM Adj. EBITDA

Source: Saint-Gobain Press Release dated July 29, 2022

\* Excludes \$30 million post run-rate synergies and \$70 million planned division divestiture

### Overview of Saint-Gobain

- Saint-Gobain is a manufacturer and distributor of materials and services for the construction and industrial markets
- Saint-Gobain offers integrated solutions for the renovation of public and private buildings, light construction, and the decarbonization of the construction industry



### Overview of Kaycan

- Kaycan is a manufacturer of siding products in Canada. The company sells through its strong channel coverage in big box retail
- The company operates 12 manufacturing plants (9 in Canada) and employs approximately 1,300 people



## Notable M&A Activity – Holcim Completes Two Acquisitions

- On April 1, 2021, Holcim (SWX:HOLN), completed the acquisition of Firestone Building Products (“FSBP”). FSBP is a manufacturer and supplier of trusted roofing and building envelope solutions in the United States. Holcim will benefit from FSBP’s position in the repair & refurbishment segment, accounting for the majority of its sales today. Holcim aims to globalize the business by leveraging its European and Latin American footprint



“I am excited to be entering the highly attractive roofing business. With Firestone Building Products we are strengthening our biggest market, the US, while also building a global growth and innovation platform for the company.” – Jan Jenisch, CEO of Holcim

- On March 1, 2022, Holcim, announced that it had completed the acquisition of Malarkey Roofing Products (“Malarkey”). Malarkey provides complete solutions for residential roofing, from shingles to ice and water barriers. Malarkey’s portfolio and footprint complement Firestone Building Products’ products. The transaction expands Holcim’s range of roofing systems within the highly profitable \$19 billion United States residential roofing market <sup>(5)</sup>



“With Malarkey Roofing Products we enter the highly profitable and fast-growing residential roofing market, driven by repair and refurbishment as well as shifting customer preferences towards more sustainable and resilient building materials.” – Jamie Gentoso, Global Head of Holcim’s Solutions & Products Business

## Financial Terms

Target	Enterprise Value	Revenue	EBITDA Multiple
Firestone Building Products	\$3.4 billion	LTM Apr. 2021: \$1.8 billion	12.6x LTM Adj. EBITDA April 2021
Malarkey Roofing Products	\$1.4 billion	2022E: \$600 million	11.3x 2022E Adj. EBITDA excl. run-rate synergies *

\* Holcim Malarkey Roofing Products Transaction Investor Presentation identifies an EBITDA Multiple of 8.4x 2022E Adj. EBITDA post run rate synergies

## Overview of Holcim

- Holcim is a manufacturer of construction products and materials. Historically, Holcim is known for its Cement, Aggregates, and Ready-Mix Concrete however its Solutions and Products revenue segment, which houses its roofing products, now represents over 24% of its pro-forma revenue
- The company set a goal of \$4 billion net sales in roofing by 2025 with 30% of its revenue represented by its Solutions and Products Business. Holcim management announced that it identified additional roofing targets to increase its exposure within the roofing market.



### Overview of Firestone Building Products

- Formerly a subsidiary of Bridgestone Americas, Firestone Building Products is a manufacturer and supplier of roofing and building envelope solutions for roofing, wall and lining solutions products
- The company operates over 16 manufacturing locations strategically located throughout the United States



### Overview of Malarkey Roofing Products

- Malarkey Roofing Products distributes products to dealers serving the repair & remodel and new construction marketplace with 38 distribution centers serving 42 states and all of Canada
- The company provides complete solutions for residential roofing, from shingles to ice and water barriers. With production facilities in Oregon, California, and Oklahoma, Malarkey has a strong presence in the west and south U.S.





## Notable M&A Activity – Carlisle Companies Acquires Henry Company

- On September 1, 2021, Carlisle Companies (NYSE:CSL) completed the acquisition of Henry Company (“Henry”) from American Securities for a total enterprise value of approximately \$1.6 billion. Henry Company is a provider of building envelope systems that serve both new construction and repair & restoration projects within the residential, light commercial, and commercial end markets
- The acquisition of Henry Company is expected to position Carlisle for growth and innovation within commercial construction and to increase its presence in residential construction in North America. Henry’s complementary solutions strengthen Carlisle’s existing building envelope solutions

“

“These portfolio moves are consistent with our stated strategy to invest in Carlisle Construction Materials (“CCM”) and diversify into a broader building products platform with a focus on the building envelope. More than half of Henry’s revenue is derived from products that improve energy efficiency, elevating Carlisle’s existing ESG narrative.” – *Chris Koch, Chairman, President and Chief Executive Officer, Carlisle Companies*

“

“Henry accelerates our growth strategy and is highly complementary to our core CCM business as it expands our range of building envelope products into residential construction. The combination will benefit from strong secular tailwinds as demand for energy efficient building solutions continues to increase.” – *Nick Shears, Group President of CCM*

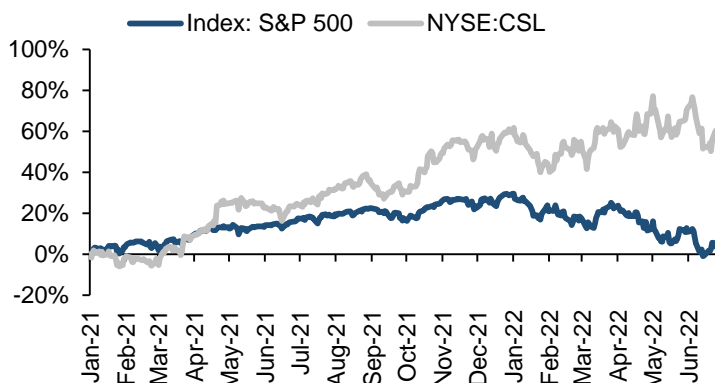
- Henry Company has a long history of private equity ownership. In 2005, AEA Investors acquired Henry and sold the business to Graham Partners and OceanBridge Partners in 2012. American Securities acquired Henry in 2016.

### Financial Terms

<b>Enterprise Value</b>	\$1.6 billion
<b>LTM Revenue</b>	\$511 million
<b>EBITDA Multiple</b>	13.2x LTM Adj. EBITDA <sup>(2)</sup>

Source: Carlisle Companies Press Release

### 18-Month Stock Performance (as of 6/30/22) <sup>(2)</sup>



### Overview of Carlisle Companies

- Carlisle Companies is a leading supplier of innovative building envelope products and energy-efficient solutions for customers creating sustainable buildings
- Carlisle’s Construction Materials business is a diversified manufacturer and supplier of premium building products and related technologies for the commercial and residential construction markets.



### Overview of Henry Company

- Henry Company is manufacturer of building envelope systems such as integrated air / vapor barriers, roofing, and waterproofing systems
- In 1998, Henry Company expanded through the acquisition of Monsey Bakor Inc., making Henry one of the largest manufacturers of roof coatings and cements in North America. In 2018, Henry Company acquired Fortifiber Corporation, establishing the company as a one-stop-shop for building envelope systems



## Notable M&A Activity – The Jordan Company Acquires Specialty Building Products and Three Add-ons

- On January 21, 2021, The Jordan Company (“TJC”), completed its acquisition of Specialty Building Products (“SBP”), a distributor of specialty products from Madison Dearborn Partners
- On October 15, 2021, SBP announced its acquisition of Reeb Millwork, a door fabricator in the eastern United States. The transaction represents SBP’s entry into the growing door market
- On November 1, 2021, SBP announced its acquisition of DW Distribution, a regional distributor of building materials and millwork products in the southwest United States. The acquisition expands SBP’s geographic reach while complementing the product portfolio of SBP’s prior acquisition of Reeb Millwork
- On December 2, 2021, SBP announced the acquisition of Millwork Sales, a wholesale distributor of doors, door components, moulding, and millwork products in the southeast United States. This acquisition represents a continuation of SBP’s efforts to expand its door manufacturing and distribution capabilities in both product segmentation and new markets



“Our expansion into the Door Category underscores our longstanding commitment to bring the best brands and highest value specialty building products to our dealers serving the repair & remodel and new construction marketplaces. Additionally, it is consistent with SBP’s strategy to grow by investing in and making acquisitions of high-performing and complementary businesses that enable geographic and market segment expansion.” – Jeff McLendon, President and CEO of SBP

### M&A Financial Terms At Close

Target	Enterprise Value	LTM Revenue	EBITDA Multiple
Specialty Building Products	\$1.1 billion	\$1.7 billion	8.7x LTM Adj. EBITDA
Reeb Millwork	\$575 million	\$450 million	11.1x LTM Adj. EBITDA
DW Distribution	\$225 million	\$335 million	8.7x LTM Adj. EBITDA
Millwork Sales	\$192 million	\$170 million	5.7x LTM Adj. EBITDA

Source: SEC Filings, SBP S-1

#### Overview of Specialty Building Products

- SBP is a distributor of specialty building products, including engineered wood, millwork, moulding, decking, and railing in North America
- The company distributes products to dealers serving the repair & remodel and new construction marketplace with 38 distribution centers serving 42 states and all of Canada
- On October 4, 2021, SBP filed for a \$100 million IPO with the SEC



#### Overview of DW Distribution

- DW Distribution is a wholesale distributor of an industry-leading array of building materials, millwork products and specialty door units
- The company operates five facilities in Texas and Oklahoma



#### Overview of Reeb Millwork

- Reeb Millwork is fabricator and supplier of pre-finished and unfinished exterior and interior doors and millwork, providing highly customized products to a diversified customer base that spans over twenty states along the East Coast
- The company operates five facilities, one specialty high-speed pre-finishing plant, and a large fleet of delivery vehicles



#### Overview of Millwork Sales

- Millwork Sales is a distributor of millwork, hardware, and related products to commercial dealers and retailers
- The company operates facilities in Orlando and Royal Palm Beach, Florida



## Representative M&A Transactions <sup>(2)</sup>

Date	Target	Acquiror	Enterprise Value (\$mm)	EV / Revenue	EV / EBITDA
4/29/2022	Building Envelope Business of CRH (LSE:CRH)	KPS Capital Partners	\$3,450.0	--	10.2x
3/31/2021	Firestone Building Products Company, LLC	Holcim (SWX:HOLN)	3,400.0	1.9x	12.6x
8/26/2021	U.S. Concrete, Inc.	Vulcan Materials Company (NYSE:VMC)	2,175.1	1.6x	14.8x
4/5/2022	Henry Company LLC	Carlisle Companies Incorporated (NYSE:CSL)	1,575.0	3.1x	13.2x
1/29/2021	Foundation Building Materials, Inc. (NYSE:FBM)	American Securities LLC	1,422.6	0.7x	7.3x
10/15/2021	Distribution International, Inc.	TopBuild Corp. (NYSE:BLD)	1,001.0	1.3x	12.9x
3/14/2022	Associated Materials	Strategic Value Partners	950.0	0.6x	6.6x
4/29/2022	Marley Limited	Marshalls plc (LSE:MSLH)	614.9	3.9x	10.7x
10/15/2021	REEB Millwork Corp.	Specialty Building Products	577.0	1.3x	11.1x
5/2/2022	Huttig Building Products, Inc.	Woodgrain Inc.	400.0	0.4x	5.8x

## Select Transaction Notes

Target	Acquiror	Notes
		<ul style="list-style-type: none"> <li>The building envelope business of CRH ("Oldcastle BuildingEnvelope") is a manufacturer and distributor of architectural hardware, glass, and glazing systems</li> <li>KPS Capital Partners stated its interest in the company's strong ability to integrate synergistic acquisitions over the past several decades</li> </ul>
		<ul style="list-style-type: none"> <li>Firestone Building Products Company is a leading manufacturer and supplier of roofing and building envelope solutions</li> <li>The acquisition enables Holcim to grow its Solutions and Products segment and helps reach its 2025 Strategy of roofing net sales of \$4 billion and 30% of overall revenue</li> </ul>
		<ul style="list-style-type: none"> <li>U.S. Concrete is a supplier of aggregates and concrete for infrastructure, residential and commercial projects, most importantly holding top positions in key metropolitan areas</li> <li>The acquisition allows Vulcan to own more of its value chain as U.S. Concrete is a customer in a number of key areas which will further bolster its geographic footprint</li> </ul>
		<ul style="list-style-type: none"> <li>Henry Company is a developer of building envelope systems such as integrated air / vapor barriers, roofing, and waterproofing systems to ensure building performance</li> <li>The acquisition positions Carlisle for growth and innovation within commercial construction and increases its presence in residential construction in North America</li> </ul>
		<ul style="list-style-type: none"> <li>Foundation Building Materials is a distributor of specialty building products such as wallboard, suspended ceiling systems, and complementary and other products</li> <li>The acquisition gives FBM common stock shareholders a premium of 27% to the last trading day prior to the transaction announcement</li> </ul>
		<ul style="list-style-type: none"> <li>Distribution International is a specialty distributor of mechanical insulation solutions for the industrial and commercial end markets</li> <li>The acquisition strategically expands TopBuild's capabilities as a supplier of energy saving insulation products in three growing end markets and provides entry into mechanical insulation</li> </ul>
		<ul style="list-style-type: none"> <li>Associated Materials is a vertically integrated building products company that offers vinyl windows, vinyl cladding, and metal siding &amp; trim</li> <li>Associated Materials offers premier brands in North American siding and windows and has realized strong tailwinds from the home product market</li> </ul>
		<ul style="list-style-type: none"> <li>Marley is a manufacturer and supplier of pitched roof systems to the British construction market</li> <li>The acquisition of Marley represents a significant step towards achieving Marshall's strategic goal to become the UK's leading manufacturer of sustainable building products</li> </ul>
		<ul style="list-style-type: none"> <li>Reeb Millwork is a fabricator and supplier of pre-finished and unfinished exterior and interior doors and millwork, providing highly customized products along the East Coast</li> <li>The transaction represents SBP's entry into the growing door market</li> </ul>
		<ul style="list-style-type: none"> <li>Huttig is a distributor of millwork, building materials and wood products</li> <li>The acquisition will significantly increase Woodgrain's distribution network, its product offering, and its value-added services</li> </ul>

New Private Equity Backed Platforms

Financial Sponsor	Portfolio Company	Month of Investment	Business Description
KPS CAPITAL PARTNERS, LP	 Oldcastle BuildingEnvelope	April 2022	Manufacturer, fabricator and distributor of architectural hardware, glass and glazing systems
SVPGLOBAL	 ASSOCIATED MATERIALS	March 2022	Manufacturer and distributor of vinyl windows, vinyl, and composite siding and accessories
 PACELINE	 AHE PRODUCTS	February 2022	Manufacturer and distributor of wood, vinyl plank, laminate and commercial flooring products
 INDUSTRIAL OPPORTUNITY PARTNERS	 applegate insulation	January 2022	Manufacturer and distributor of cellulose insulation
 BUILDING INDUSTRY PARTNERS	 WEST COAST LUMBER	January 2022	Distributor of lumber and building materials
 MONUMENT MICROCAP PARTNERS	 RENOVATE AMERICA HOLDINGS, LLC	November 2021	Distributor of specialty interior building products through its brands San Benito Shutter and Lewis Cabinet Specialties
 SUN CAPITAL PARTNERS, INC.	 SELECT INTERIOR CONCEPTS	October 2021	Distributor of interior building products and most notably, natural and engineered stone through a national network of distribution centers
 PNC RIVERARCH CAPITAL	 SHEARER SUPPLY	September 2021	Distributor of HVAC equipment and supplies
 ARROW MOVING FORWARD	 ARROW MOVING FORWARD	September 2021	Manufacturer and supplier of overhead garage door hardware components
 GRYPHON INVESTORS		August 2021	Distributor of HVAC / R to residential and commercial sectors
 WYNNECHURCH CAPITAL	 TRIMLITE	July 2021	Manufacturer and distributor of residential doors and related door products
ARDIAN	 DELI HOME	July 2021	Manufacturer and distributor of high-quality timber-based products such as doors and floors
 AEA	 WINDOW NATION	July 2021	Provider of windows and related products for the residential repair and replacement market
 Platinum Equity	 PARAMOUNT	July 2021	Distributor of premium, porcelain tile and other hard surface floor coverings
 BOYNE CAPITAL	 Masters Building Products	June 2021	Manufacturer and distributor of interior and exterior building products such as mouldings, siding, decking, and pavers
 AMERICAN SECURITIES	 FBM	January 2021	Distributor of specialty building products such as wallboard, suspended ceiling systems, and other products
TJC	 SBP	January 2021	Distributor of specialty building products, including product categories such as engineered wood, millwork, moulding, decking, and railing in North America

New Platform Profile: Specialty Building Products (The Jordan Company)

Specialty Building Products ("SBP")

- SBP Distributor of specialty building products, including product categories such as engineered wood, millwork, moulding, decking, and railing in North America
- The company distributes products to dealers serving the repair & remodel and new construction markets with 38 distribution centers serving 42 states and all of Canada
- Specialty Building Products was formed in Duluth, Georgia in 2017



The Jordan Company

- The Jordan Company is a private equity firm specializing in late stage, mature, emerging growth, and other large transactions
- The firm invests in companies with an enterprise value between \$100 million and \$2 billion preferring to take majority stake in its portfolio companies acting as a co-investor

THE JORDAN COMPANY

Private Equity and M&A History



New Platform Profile: Foundation Building Materials (American Securities)

Foundation Building Materials ("FBM")

- FBM is a specialty building products distributor of wallboard, suspended ceiling systems, metal framing, and complementary other products throughout North America
- The company employs more than 4,600 employees and operates more than 250 branches across North America

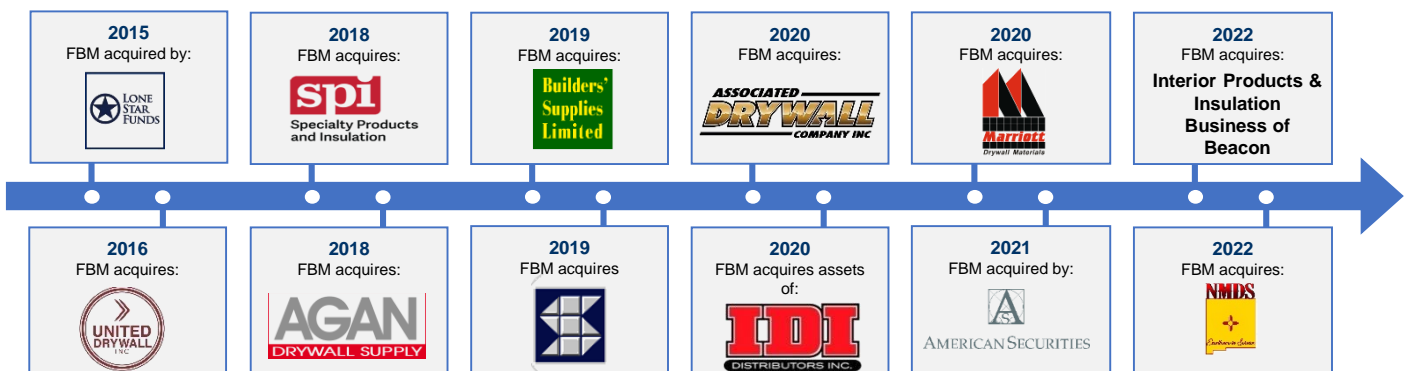


American Securities

- American Securities is a private equity firm that invests in companies with annual revenues generally ranging from \$200 million to \$2 billion and / or \$50 million to \$250 million of EBITDA
- American Securities and its affiliates have approximately \$23 billion under management



Private Equity and M&A History





**Select M&A Transactions**

<b>Date</b>	<b>Target (Seller)</b>	<b>Acquiror</b>	<b>Target Business Description</b>
6/1/2022	Complete Supply, Inc.	Beacon Roofing Supply, Inc. (NASDAQ:BECN)	Distributor of exterior building products to contractors and homebuilders
6/1/2022	Truss Fab, LLC	US LBM Holdings, Inc. (Bain Capital)	Manufacturer of structural roof and floor trusses, wall panels and supplier of lumber
6/1/2022	WearDeck	Owens Corning (NYSE:OC)	Manufacturer of weather-resistant decking
5/23/2022	Cajun Ready Mix Concrete	Holcim Ltd (SWX:HOLN)	Manufacturer and supplier of ready-mix concrete products
5/17/2022	N.B. Handy Company, Inc.	Industrial Opportunity Partners	Distributor of HVAC products and architectural metal roofing and machinery
5/2/2022	CCOM Group, Inc.	Goodman Distribution, Inc.	Distributor of HVAC products, plumbing and electrical supplies, and accessories
5/2/2022	Huttig Building Products	Woodgrain Inc.	Distributor of millwork, building materials, and wood products
4/29/2022	Oldcastle Building Envelope	KPS Capital Partners, LP	Manufacturer and supplier of building envelope solutions
4/29/2022	Wichita Falls Builders Wholesale, Inc.	Beacon Roofing Supply, Inc. (NASDAQ:BECN)	Distributor of complementary residential exterior building supplies, including windows, doors, and siding
4/29/2022	Marley Limited	Marshalls plc (LSE:MSLH)	Manufacturer and supplier of roof systems, roof tiles and fittings, timber battens, and roof accessories
4/25/2022	DWS Building Supply	L&W Supply Corporation	Distributor of drywall, ceilings, paint, insulation, plaster, and more for commercial and residential contractors
4/25/2022	Ed's Supply Company, Inc.	Wittichen Supply Company	Distributor of HVAC / R equipment, parts and supplies
4/4/2022	Crown Components, L.L.C.	US LBM Holdings, Inc. (Bain Capital)	Manufacturer of pre-assembled roof and floor wood
4/1/2022	Florence Corporation	SRS Distribution Inc. (Leonard Green Partners)	Distributor of building products, including lumber, roofing, siding, and windows & doors
4/1/2022	Associated Materials, LLC	Strategic Value Partners, LLC	Manufacturer and distributor of exterior residential building products
2/28/2022	Malarkey Roofing Products	Holcim Ltd (SWX:HOLN)	Provider of complete solutions for residential roofing needs from roofing shingles to ice and water barriers
2/4/2022	Mid-Am Building Supply, Inc.	Hardwoods Distribution Inc. (TSX:HDI)	Distributor of building products
2/2/2022	AHF, LLC	Paceline Equity Partners	Manufacturer of wood, vinyl plank, laminate, and commercial flooring products
1/11/2022	Applegate Holdings, LLC	Industrial Opportunity Partners	Manufacturer and distributor of cellulose insulation
1/6/2022	Rosboro Company, LLC	OEP Capital Advisors, L.P.	Manufacturer of engineered wood products
1/3/2022	R & S Supply, Inc.	Gulfside Supply, Inc.	Distributor of roofing materials
1/1/2022	West Coast Lumber	Building Industry Partners	Distributor of lumber and building materials
12/31/2021	Insulating Products Inc.	TopBuild Corp. (NYSE:BLD)	Distributor of residential and light commercial insulation
12/31/2021	National Lumber Company	Builders FirstSource, Inc. (NYSE:BLDR)	Distributor of cabinets, decking, doors, drywall, flooring, and roofing products
12/17/2021	PFB Corporation	The Riverside Company	Manufacturer and distributor of insulation building products for residential and commercial structures
12/6/2021	Truss Technologies, Inc.	Builders FirstSource, Inc. (NYSE:BLDR)	Designer and manufacturer of customized roof and floor trusses
12/2/2021	Millwork Sales, Inc.	Specialty Building Products (The Jordan Company)	Distributor of millwork, hardware, and related products
12/1/2021	Kimco Supply, LLC	GMS Inc. (NYSE:GMS)	Distributor of drywall and related construction products and architectural elements
12/1/2021	Professional Builders Supply	US LBM Holdings, Inc. (Bain Capital)	Distributor of residential and commercial building materials such as lumber, siding, doors, decking and railing
11/22/2021	SBS Holdings, LLC	Monument MicroCap Partners LLC	Distributor of specialty interior building products components for residential interior renovations
11/9/2021	Mayer Electric Supply Co.	Rexel USA, Inc.	Distributor of electrical products and services
11/1/2021	DW Distribution Inc.	Specialty Building Products (The Jordan Company)	Distributor of building materials, millwork products and door units
11/1/2021	Midway Sales & Distributing	Beacon Roofing Supply, Inc. (NASDAQ:BECN)	Distributor of residential and commercial exterior building and roofing supplies
10/26/2021	Penlaw & Company Limited	SIG plc (LSE:SHI)	Supplier of building materials to contractors, builders and developers
10/21/2021	Select Interior Concepts, Inc.	Sun Capital Partners, Inc.	Distributor of interior building products such as natural and engineered stone
10/15/2021	Distribution International, Inc.	TopBuild Corp. (NYSE:BLD)	Specialty distributor and custom fabricator of mechanical insulation and accessories
10/15/2021	Wimsatt Building Materials Corporation	SRS Distribution Inc. (Leonard Green Partners)	Distributor of residential and commercial roofing, siding, windows, and doors
10/15/2021	REEB Millwork Corp.	Specialty Building Products (The Jordan Company)	Fabricator and supplier of interior and exterior doors

**Select M&A Transactions (cont'd)**

<b>Date</b>	<b>Target (Seller)</b>	<b>Acquiror</b>	<b>Target Business Description</b>
10/8/2021	Marvic Supply Company, Inc.	SRS Distribution Inc. (Leonard Green Partners)	Distributor of residential roofing, windows & doors, siding, and other related products
10/1/2021	Lehigh West Region Business	Martin Marietta Materials, Inc. (NYSE:MLM)	Manufacturer of aggregates, stabilized sand, cement, ready-mixed concrete, and asphalt
10/1/2021	Building Products of Boral Industries Inc.	Westlake Corporation (NYSE:WLK)	Manufacturer of roofing; siding, trim and shutters; decorative stone; and windows
10/1/2021	Oldham Lumber Co., Inc.	US LBM Holdings, Inc. (Bain Capital)	Distributor of lumber, plywood, engineered wood and framing materials
9/30/2021	Shearer Supply, Inc.	PNC RiverArch Capital	Distributor of HVAC equipment and supplies
9/20/2021	Arrow Tru-Line, Inc.	MiddleGround Capital LLC	Manufacturer and supplier of garage door hardware components
9/10/2021	RSB Holdings LLC	SRS Distribution Inc. (Leonard Green Partners)	Distributor of residential and commercial roofing and other related products
9/2/2021	Clausen Supply of Iowa, Inc.	Winsupply Inc.	Distributor of HVAC products for regional contractors and industries
9/2/2021	Northern Building Supply LLC	US LBM Holdings, Inc. (Bain Capital)	Distributor of lumber and specialty building products, including windows, doors, decking, and cabinetry
9/1/2021	Henry Company LLC	Carlisle Companies Incorporated (NYSE:CSL)	Provider of building envelope systems that control the flow of water, vapor, air and energy in a building
9/1/2021	California TrusFrame LLC	Builders FirstSource, Inc. (NYSE:BLDR)	Manufacturer of structural building components such as floor trusses and wall panels
9/1/2021	Mid-Cape Home Centers	US LBM Holdings, Inc. (Bain Capital)	Distributor and retailer of building products and specialty building materials for home improvement
9/1/2021	Tri-Supply and Equipment	White Cap Supply Holdings	Distributor of construction and building materials
8/26/2021	U.S. Concrete, Inc.	Vulcan Materials Company (NYSE:VMC)	Supplier of aggregates and concrete
8/20/2021	Cascade Windows, Inc.	Cornerstone Building Brands (Clayton, Dubilier & Rice)	Manufacturer of vinyl windows and doors
8/2/2021	Wittichen Supply Company Inc.	Gryphon Heritage Partners	Distributor of HVAC / R equipment, and supplies
7/30/2021	Novo Building Products, LLC	Hardwoods Specialty Products US LP	Distributor of architectural grade building products to home centers and to home builder distribution yards
7/28/2021	Trimlite Mfg. Inc.	Wynnchurch Capital, L.P	Manufacturer and distributor of exterior and interior doors, decorative glass, and millwork products
7/20/2021	Mid-Atlantic Roofing Supply, Inc.	Carolina Atlantic Roofing Supply LLC	Distributor of roofing products and materials
7/19/2021	Deli Home Holding B.V.	Ardian	Manufacturer and distributor of high-quality timber-based products such as doors and floors
7/17/2021	Window Nation, Inc.	AEA Investors LP	Provider of windows and related products for the residential repair and replacement market
7/15/2021	NWI Enterprises, Inc.	PrimeSource Building Products, Inc.	Provider of specialty hardware for outdoor residential applications, including fencing and railing systems
7/6/2021	American Construction Source LLC	US LBM Holdings, Inc. (Bain Capital)	Distributor of building materials for custom home builders and repair and remodel contractors
7/2/2021	Lathrop-Trotter LLC	Koch Air, LLC	Distributor of industrial and commercial HVAC products
7/1/2021	Westside Building Material	GMS Inc. (NYSE:GMS)	Supplier of steel framing, wallboard, acoustical ceilings, insulation and related building products
6/23/2021	Cali Bamboo, LLC	Victoria plc (AIM:VCP)	Manufacturer and distributor of flooring, fencing, plywood, poles, and recycled composite decking products
6/23/2021	Master's Lumber and Hardware, LLC	Boyne Capital Partners, LLC	Manufacturer and distributor of mouldings and flooring supplies and related building materials
6/3/2021	Architectural Coatings Distributors, Inc.	GMS Inc. (NYSE:GMS)	Distributor of wallboards, suspended ceilings systems, dry walls, fasteners, and other building products
5/4/2021	Stark Group A/S	CVC Capital Partners	Distributor of heavy building materials for the construction industry
5/3/2021	John's Lumber & Hardware Company	Builders FirstSource, Inc. (NYSE:BLDR)	Supplier of building products, prefabricated components, and value-added services
4/30/2021	Prime Window Systems, LLC	Cornerstone Building Brands (Clayton, Dubilier & Rice)	Manufacturer of vinyl window and door products
4/19/2021	OZCO Building Products	Hillman Companies Inc.	Manufacturer of decks, patios, pergolas, gazeebos, fencing, and stain
3/31/2021	Firestone Building Products Company, LLC	Holcim Ltd (SWX:HOLN)	Manufacturer and supplier of trusted roofing and building envelope solutions
3/4/2021	Rocky Mountain Construction Wholesale, LLC	Specialty Products & Insulation Co.	Distributor of building insulation
2/26/2021	Louis T. Ollesheimer & Son, Inc.	SRS Distribution Inc. (Leonard Green Partners)	Distributor of commercial and residential roofing materials and equipment
2/10/2021	Interior Products & Insulation Business of Beacon	Foundation Building Materials (American Securities)	Distributor of construction products including wallboard, acoustical ceilings, steel framing, and insulation
1/21/2021	Specialty Building Products,	The Jordan Company, L.P.	Distributor of specialty building products

## Representative DSP Transactions



- DSP represented Storti Quality Services ("Storti"), a provider of inspection, consulting and construction support services, in its sale to Magnolia River, a portfolio company of Warren Equity Partners
- Storti services electric and gas utility pipelines throughout the Northeast and Mid-Atlantic regions
- Magnolia River provides inspection, engineering, GIS, and technology solutions for utility and natural gas pipeline infrastructure and operations across the Southeast, Southwest, and Midwest regions
- Warren Equity Partners is a private equity firm based in Jacksonville Beach, FL



- DSP represented the Southern Division of Seven D Wholesale ("Seven D Southern Division"), a roofing materials distributor, in its sale to Carolina Atlantic Roofing Supply
- Seven D Southern Division distributes residential roofing materials and complementary building products
- Seven D Southern Division offers products such as lumber, plywood, engineered wood, architectural railing, fasteners, moulding & trim, insulation, lattice, drywall, decking and siding
- Carolina Atlantic Roofing Supply is a two-step wholesaler of roofing and siding products



- DSP represented LSC, a global environmental products producer and portfolio company of L2 Capital, in its sale to Ancor Capital Partners
- LSC produces premier products and equipment designed to address the growing regulatory and environmental challenges associated with erosion, odor, soil reclamation, short and long-term cover, seeding, and dust
- L2 Capital is a private equity firm based in Devon, PA
- Ancor Capital Partners is a private equity firm based in Southlake, TX



- DSP represented Surface Preparation Technologies ("SPT"), a provider of roadway safety products and services and a portfolio company of L2 Capital, in its sale to Branford Castle Partners
- SPT is the nation's leading provider of rumble strips and safety-related roadway surface preparation and maintenance services
- L2 Capital is a private equity firm based in Devon, PA
- Branford Castle Partners is a private equity firm based in New York, NY



- DSP represented A.E. Stone, a provider of hot mix asphalt and aggregates and other construction materials, in its sale to J.F. Kiely Group ("Kiely")
- A.E. Stone is one of the largest providers of construction materials, principally hot mix asphalt and aggregates, in its served market and operates multiple strategically located hot mix asphalt plants with rail access
- Kiely manages multiple companies focused on different disciplines of utility infrastructure including construction, engineering, equipment, and manufacturing

## Delancey Street Partners Transaction Experience

 has been acquired by  a portfolio company of  Advisor to Seller	 a portfolio company of  has been acquired by an entity formed by  Advisor to Seller	 a portfolio company of  has been acquired by  Advisor to Seller	 has been acquired by  Advisor to Seller	 a portfolio company of  has been acquired by  Advisor to Seller	 has completed a debt recapitalization with  Advisor to Easton Coach Company	 has been acquired by  Advisor to Seller	 has divested certain assets of  to  Advisor to Seller
 a portfolio company of  has been acquired by  Advisor to Seller	 a portfolio company of  has completed a senior debt financing with  Advisor to FST Technical Services	 has divested Seven D - Southern Division to  Advisor to Seller	 has completed a senior debt financing with  Advisor to Crystal Steel Fabricators Inc.	 a portfolio company of  has been acquired by  Advisor to Seller	 Majority Recapitalization with  Special Advisor to Company	 has been acquired by  Advisor to Seller	 has divested  to  Advisor to Seller Fairness Opinion
 has received an investment from  Advisor to Herspiegel	 has acquired  Advisor to Buyer	 has completed a senior debt financing with  Advisor to KPS Life	 has received an investment from  Advisor to Deerfield	 has been acquired by  a portfolio company of  Advisor to Seller	 has merged with  a portfolio company of  Advisor to Pyxa	 has completed a majority recapitalization with  Advisor to Emmes	 has been acquired by  Advisor to Seller
 has been acquired by  a portfolio company of  Advisor to Seller	 has been acquired by  Advisor to Seller	 has completed a minority recapitalization and growth equity financing with  Advisor to GLOBO	 has been acquired by  Advisor to Seller	 a portfolio company of  has completed a majority growth recapitalization with  Advisor to RIVS	 a portfolio company of  has been acquired by  Advisor to Seller	 a portfolio company of  has been acquired by  Advisor to Seller	 has completed a majority recapitalization and growth equity financing with  Advisor to Seller

## Delancey Street Partners

Delancey Street Partners is an independent, industry-focused investment bank. We serve CEOs, Entrepreneurs, Shareholders and Boards of Directors of high growth and middle market private and public companies. Our services include strategic advisory, capital raising and independent board advice. We advise on sell-side and buy-side M&A, growth capital financings and recapitalizations. Our focus sectors include Healthcare, Business Services & Technology, Industrial & Industrial Technology, and Infrastructure.

## Delancey Street Partners Leadership

**B. Andrew Schmucker**  
Managing Partner  
484.533.6313  
aschmucker@delanceyallc.com

**Patrick E. Dolan**  
Managing Director  
484.533.6311  
pdolan@delanceyallc.com

**William J. Filip**  
Managing Director  
484.533.6312  
wfip@delanceyallc.com

**Steven D. Higgins**  
Managing Director  
484.533.6308  
shiggins@delanceyallc.com

**James R. McNaughton**  
Managing Director  
484.533.6307  
jmcnaughton@delanceyallc.com

---

**Sources**

---

1. Federal Reserve Bank of St. Louis
2. CapIQ and public company filings (10-Ks, 10-Qs, investor presentations, and earnings calls)
3. Joint Center for Housing Studies (of Harvard University). "Leading Indicator Of Remodeling Activity (LIRA)." <https://jchs.harvard.edu/research-areas/remodeling/lira>.
4. Beacon Roofing Supplies June 2022 Investor Presentation. Beacon Roofing Supply, Inc., <https://ir.beaconroofingsupply.com/financials-and-presentations/events-and-presentations/default.aspx>.
5. Holcim Malarkey Roofing Products Transaction Presentation. Holcim Ltd, [https://www.holcim.com/sites/holcim/files/2022-03/holcim\\_to\\_acquire\\_malarkey\\_roofing\\_products\\_0.pdf](https://www.holcim.com/sites/holcim/files/2022-03/holcim_to_acquire_malarkey_roofing_products_0.pdf).