



# TM Capital Building Products Report:

*Momentum Driven by Demographic Tailwinds*

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**TM CAPITAL**  
SUCCESS. REALIZED.



“TM Capital worked closely with our family/closely-held company, Snavelly Forest Products, from the beginning to the end of the process. In our case this was over ten months. We interviewed a select group of investment banks last spring and chose TM Capital based on their front end-research, exploratory visits and the fact they took the time to get to know the company, the principals and our objectives. TM Capital guided us through the transaction with a professional approach, but never lost sight of the unique sensitivities of a family business; and along the way gave us the confidence we would achieve our objectives. If we wrote the story for our desired conclusion twelve months ago, it would match the results we achieved. That is all we can ask for.”

**- Steve Snavelly, Chairman and CEO, Snavelly Forest Products**



“Selecting TM Capital to represent World Dryer Corp. in an exclusive sale process after a ten year investment was the catalyst that enabled us to realize a premium value for the business. Having known the principals of TM for over 25 years, I was very well aware of their knowledge, experience, capabilities and integrity. They were quick to grasp the corporate strategy, market trends and opportunities for growth. TM’s skill in communicating the investment thesis to potential acquirers was critical in achieving this successful outcome. TM provided efficient and flawless execution and top-level attention at every step of the process.”

**- Jack Lowden, President, NewCastle Partners**



“Our relationship began several years ago, at a time when our pro e-commerce strategy was in formation. Throughout our years of collaboration, TM leveraged their deep building products distribution and e-commerce expertise, along with their senior level industry relationships to help us envision what they call “the art of the possible.” When the time came to complete a transaction, they thoughtfully positioned our business to resonate with strategic buyers, built a fantastic set of marketing materials and then led us through a very efficient process that culminated in an incredible outcome. My team is excited to take our business to the next level with our new partner, and we could not have gotten here without the help of the entire TM team.”

**- Marcus Morgan, Co-Founder & CEO, Supply.com**



“While the private equity ownership of Midwest Wholesale Hardware had worked with the TM Capital team before, this was my first experience with them. What impressed me was the time they took to dig into and build out our company’s story in a compelling way, and then take our story effectively to the market. They prepared management well for each stage of our interactions and enabled us to focus on running the business. The senior partners were there literally every step of the way, and we enjoyed working with the whole team. In the end, they helped us find the right new partner in High Road Capital: a firm that knew our space and is excited to support us in our future growth plans.”

**- Chris Casazza, CEO, Midwest Wholesale**



“A sale of a company for an entrepreneur is both a financial event and a very intimate emotional undertaking. TM understood that what mattered to me was the sale price but equally important was the welfare of our people. They acted as my partner in the sale and my objective became theirs. At every turn, they considered only the desired outcome and completely subordinated their own financial interests. The process itself resulted in a financial outcome far beyond my highest expectations while my other objectives were also met. TM deserves and receives from me the highest possible endorsement for anyone considering a once in a lifetime sale of their business.”

**- Charles Lipman, Chairman, DiversiTech Corporation**

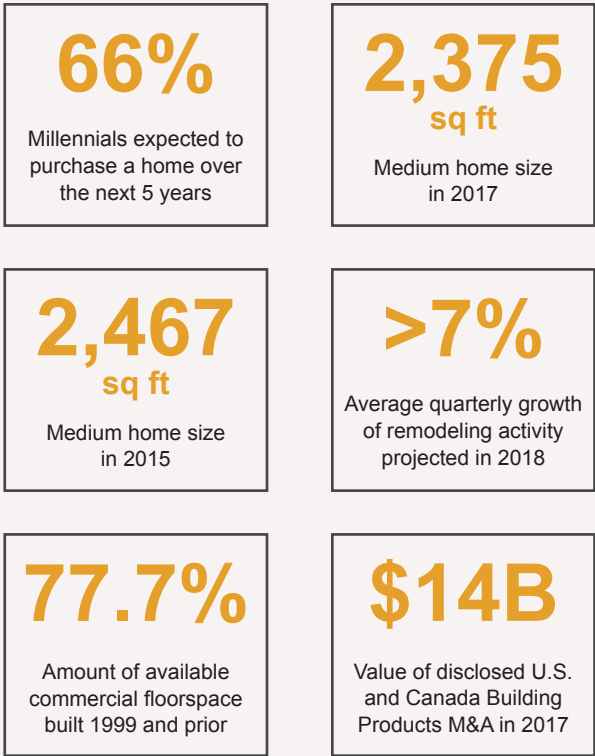


Introduction

January 2018 marked 103 months, over eight and a half years, since the Great Recession officially ended in June 2009. According to the National Bureau of Economic Research, since 1945 there have been eleven business cycles with an average duration of 69 months (just under six years), during which the average expansion period lasted 58.4 months. These can be startling headline figures, often prompting concern around the length of the current expansion and the timing and magnitude of a correction. While the consensus among economists is that some level of correction may be on the horizon, the housing sector is not expected to be the driver.

In contrast to the 2008 financial crisis, the strength of the residential and nonresidential construction markets will likely minimize the impact of any broad-based economic correction. Throughout 2017, the residential housing market continued to show signs of strength, with the biggest headwind being a lack of inventory, especially of homes in the low- and mid-price ranges. Key demographic trends, including changes in distribution channels, that are poised to continue for the foreseeable future are propelling the housing recovery. Despite how far we are into an expansion, the steady recovery and strong construction sector momentum continue to be catalysts for significant M&A transactions within the Building Products sector by both strategic and financial investors.

Building Products Spotlight by the Numbers



*We operate in a robust environment. We believe that U.S. GDP is expected to grow, supported by an improving job market and higher consumer spending. We believe that the drivers of home improvement related spending, specifically those that are related housing, are expected to continue to trend positively.”*

**- Richard McPhail, SVP of Finance, Home Depot**

Building products companies are aggressively seeking acquisitions that differentiate themselves from competitors. These strategic buyers are placing significant value on “next generation”, disruptive platforms which capitalize on consumer demands as well as on strong, established brands that enable market share expansion. Corporations are also pursuing acquisitions that enable them to meet increasing regulations of building codes with customized solutions. Financial buyers continue to sit on record levels of capital and are deploying this capital into the high growth Building Products sector seeking to ride the market strength.

While there are potential headwinds – including the impact of tax reform, rising interest and mortgage rates and a shortage of construction labor that could curtail growth – these are unlikely to overpower the greater macro trends propelling the market.



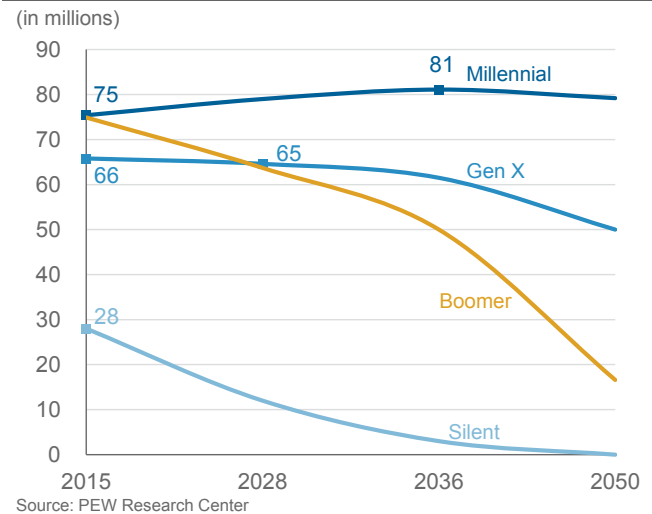
## Fundamental Demographic Shift to Millennials and Sustained Macroeconomic Tailwinds Will Continue to Propel Residential Construction and Homeownership

Millennials currently represent the largest cohort of the U.S. economy, surpassing Baby Boomers by more than four million people, and are now entering peak home-buying ages. The U.S. Census bureau estimates that the Millennial population (75.4 million as of 2015) will grow to more than 81 million people over the next 20 years. Over the next six years alone, there will be nearly one million more 30-34 year-olds compared to the prior six-year period. This shift will have a positive impact on both home ownership rates and residential construction. The Millennial impact on the economy in the coming years is going to be significant and sustained.

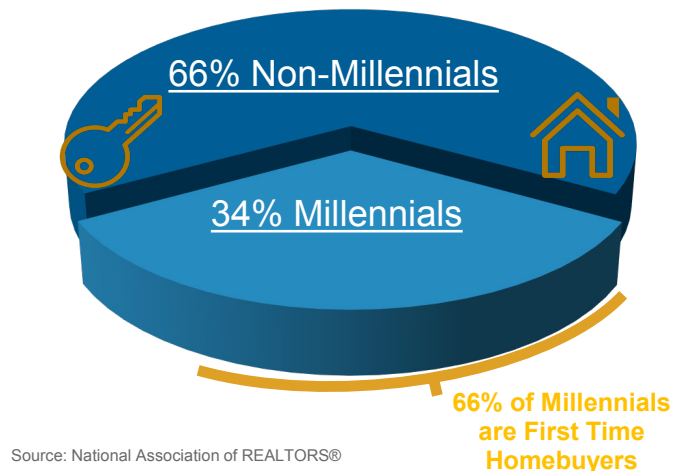
From 2005 to 2016, burdened by student loan debt, high unemployment and low wage growth, many Millennials chose to live at home, rent or otherwise delay a home purchase. The percentage of 25-34 year-olds living at home increased from 10.4% in 2005 to 16% in 2016.<sup>(1)</sup> Along with this trend came significantly delayed life milestones - namely marriage and children. Moving home was a route to financial security in an insecure economic environment - from 2009 to 2015, homeownership among adults under the age of 35 decreased from 40.4% to 34.7%.<sup>(2)</sup> We are now seeing a shift in these trends; a 2017 report by the National Association of Realtors found that 49% of Millennial home buyers have at least one child.<sup>(3)</sup> Additionally, a 2017 joint survey by Harris Interactive and RealtyShares found that over 50% of Millennials are excited about home ownership as an investment and are even interested in investing in non-primary real estate.<sup>(4)</sup>

Historically, depending on the region of the country and the economic environment, the average age for a first-time home buyer is 30-34 years old, aligning directly with the Millennial generation. Over the next five years, 66.1% of Millennials expect to purchase a home.<sup>(5)</sup> This trend is already taking shape; since 2013, Millennials age 36 or younger have been the largest group of home buyers - 34% in 2017 of which 66% were first time home buyers.<sup>(6)</sup>

### Projected Population by Generation



### All Home Buyers



<sup>1</sup> National Bureau of Economic Research

<sup>2</sup> U.S. Census Bureau

<sup>3</sup> 2017 National Association of Realtors Home Buyer and Seller Generational Trends

<sup>4</sup> REALTYSHARES 2017 Real Estate Investing Survey

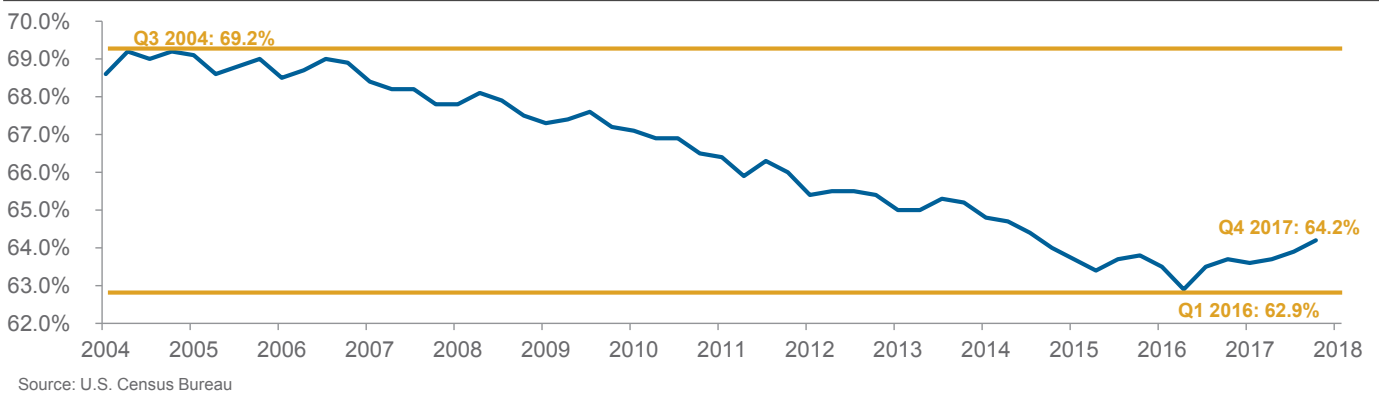
<sup>5</sup> 2017 National Association of Realtors Home Buyer and Seller Generational Trends

<sup>6</sup> 2017 National Association of Realtors Home Buyer and Seller Generational Trends



Fueled by higher consumer confidence, modest wage growth and a favorable mortgage market, first-time home buyers are returning to the market and homeownership rates continue to improve. For the first time since 2004, the annual U.S. homeownership rate rose. In Q4 2017, the Census Bureau reported that overall homeownership increased to 64.2%, the highest level since Q2 2014. This is still below the recent high of 69.2% reached in Q3 2004 and there is plenty of room for continued improvement.

U.S. Homeownership Rate (Quarterly, Not Seasonally Adjusted)



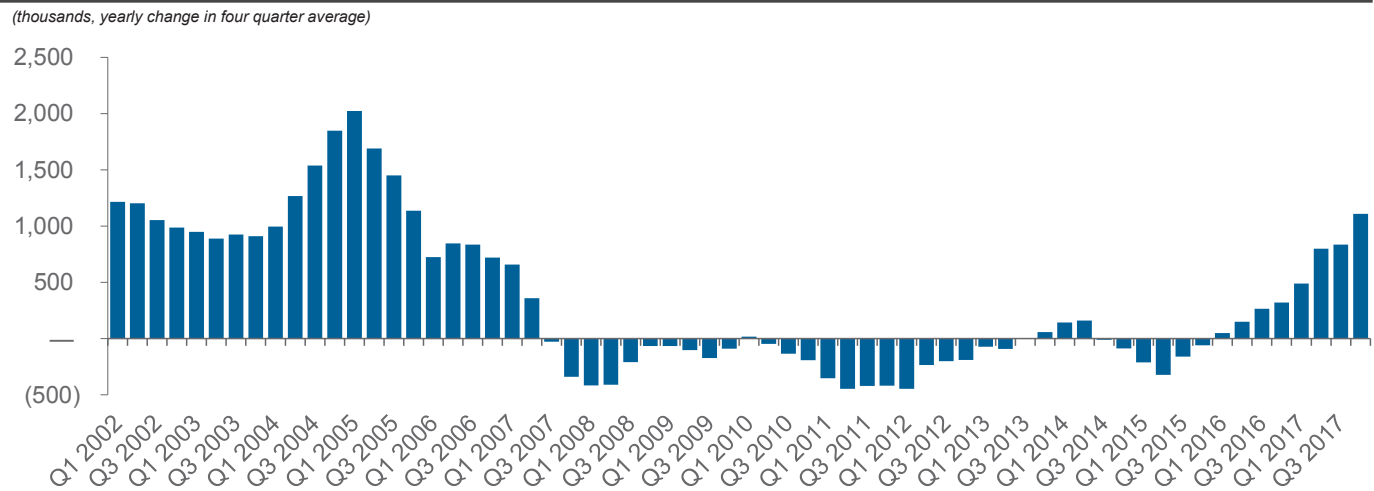
As Millennials enter the market and household formations increase, residential construction will need to keep pace to rectify current inventory shortages. 2017 was a strong year for the housing market with housing starts reaching an estimated 1.202 million units, the highest level since 2007 and 2.4% above 2016. Additionally, an estimated 1.152 million housing units were completed, 8.7% greater than in 2016. Finally, there were over 1.263 million housing starts authorized in 2017, 4.7% more starts than in 2016 and an indication of momentum leading into 2018. The U.S. continues to benefit from strong regional growth in the South as recovery from 2017’s hurricanes continues and drives the need for home construction. Similar growth should be seen in the West as it looks to recover from the devastating fires and floods of 2017.

U.S. Housing Permits and Starts (Monthly, Seasonally Adjusted)



Another key driver of housing demand is the measure of household formations. According to the U.S. Census Bureau, Housing Vacancy Survey, the number of households increased to 120.2 million in the fourth quarter of 2017, 1.4 million (1.2%) higher than in the fourth quarter of 2016. These gains are largely due to strong owner (a proxy for single-family) household formations which have been increasing since 2016. In contrast, renter households (a proxy for multi-family) have been trending downward.

Owner Household Formation (Yearly Change in Four-Quarter Average)



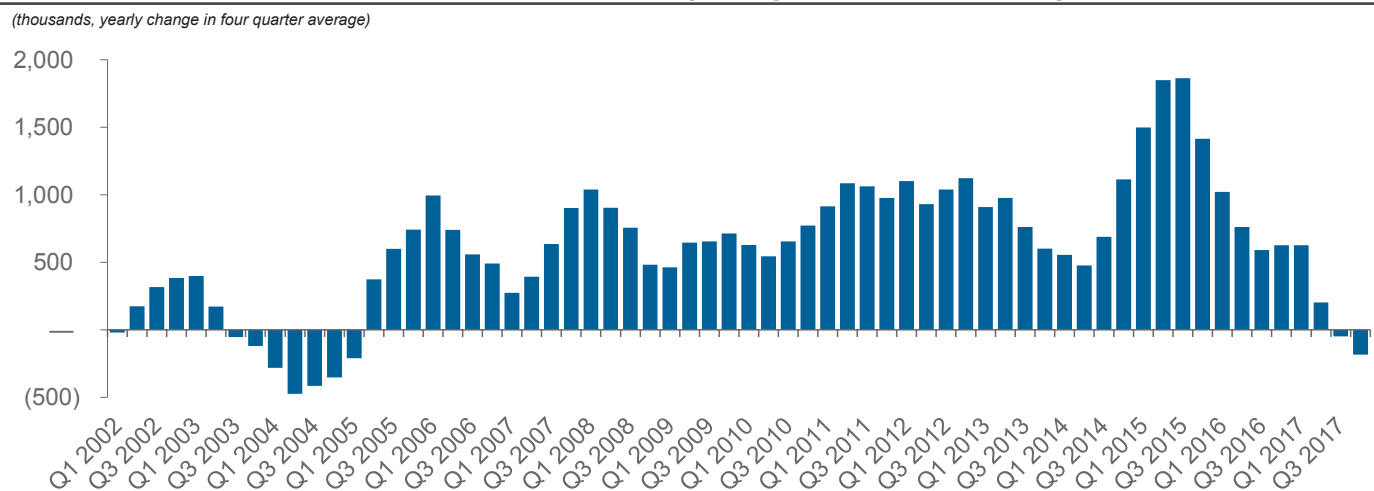
Source: U.S. Census Bureau



Steady gains in the broader economy, and in home sales and prices, are supporting growing demand for home improvements. We expect the remodeling market will also get a boost this year from ongoing restoration efforts in many areas of the country impacted by last year's record-setting natural disasters."

- Chris Herbert, JCHS Managing Director

Renter Household Formation (Yearly Change in Four-Quarter Average)

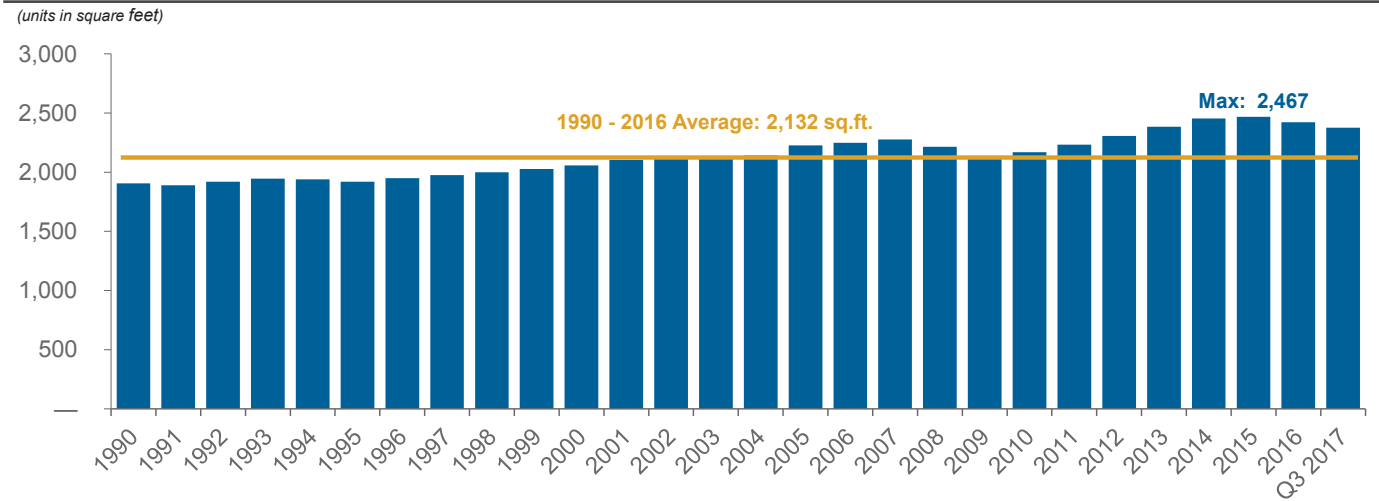


Source: U.S. Census Bureau



Single-family homebuilding and permitting continues to drive the residential housing market, with starts in November surging 5.3% to an annualized rate of 930,000 units, the highest level since September 2007 and permits increasing 1.4% to a rate of 862,000 units, the highest level since August 2007. **Millennials should also benefit from the recent trend reversal of new single-family home sizes. According to the U.S. Census Bureau, coming out of the Great Recession, the median completed single-family home size increased from 2,135 square feet in 2009 to a high of 2,467 square feet in 2015. That trend has started to reverse with the median home size decreasing to 2,422 square feet in 2016 and continuing through 2017 to a size of 2,375 square feet in Q3.** This signals a clear shift with builders starting to turn attention to the supply shortage that exists at the middle and lower end of the market and to address the demands of Millennial buyers.

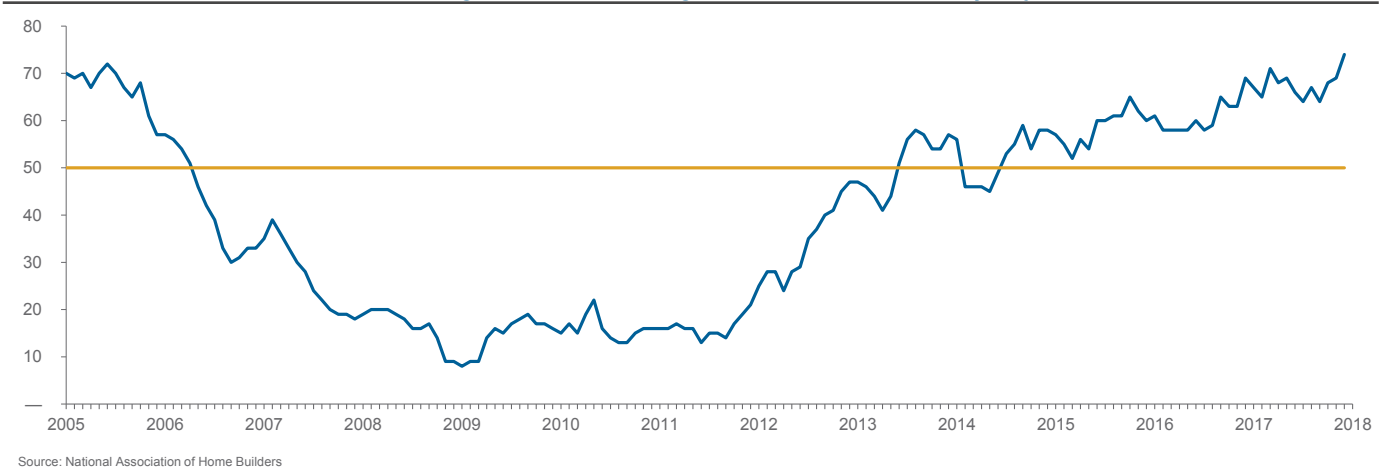
Median Square Feet of Floor Area in New Single-Family Houses Completed



## Residential Housing Trends Point Towards a Continued Steady Recovery

Overall, confidence in the housing market and among homebuilders continued to strengthen throughout 2017. The Housing Market Index is an indicator of home builder sentiment reflecting builders' outlook on single-family home sales for the next six months published by the National Association of Home Builders and Wells Fargo. Any reading above 50 is considered positive for the Index. December 2017 (HMI of 74) marked only the second time that the index reached 70 since July 2005, with the other occurrence in March 2017. The index never dropped below 64 throughout 2017 signaling sustained strength in the housing market.

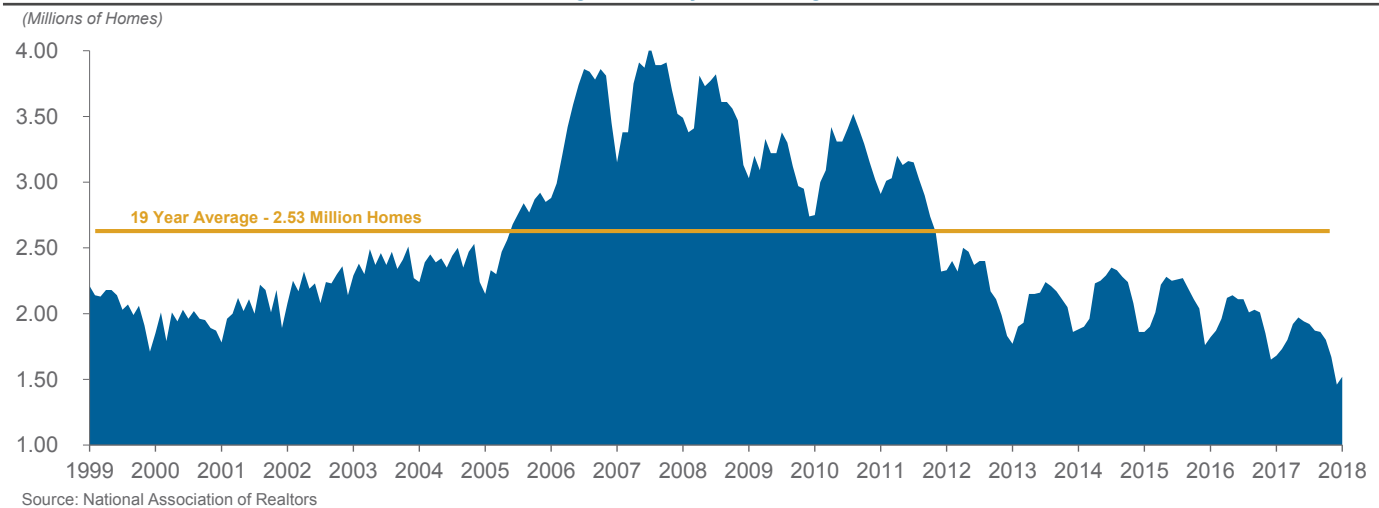
NAHB/Wells Fargo National Housing Market Index (Seasonally Adjusted)



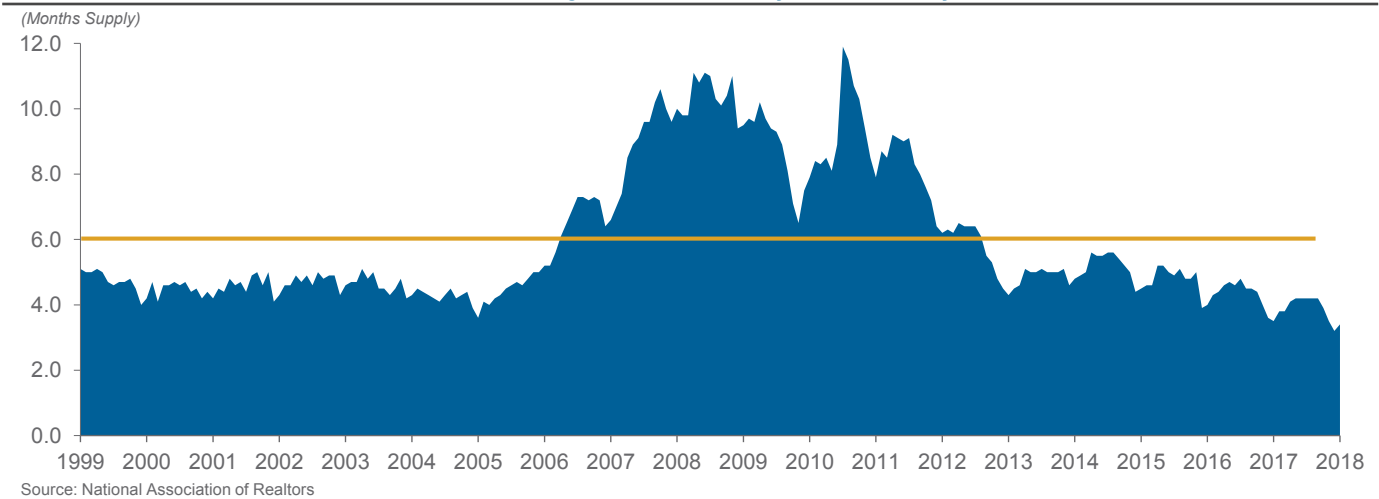


This confidence among homebuilders is critical to sustaining recovery and generating growth. **With current U.S. inventory levels near multi-decade lows, resulting in increasing prices, it remains extremely difficult for potential home buyers to both find and afford a new home. According to the National Association of Realtors®, total housing inventory at the end of January 2018 rose 4.1% to 1.52 million existing homes available for sale – 9.5% lower than in January 2018 and the 32nd consecutive month total housing inventory has fallen year-over-year.** This level represents a 3.4 month supply at the current sales pace – well below the 6.0 months considered “in balance”. Builders can no longer ignore the entry level market and there has been a recent shift by homebuilders towards smaller homes, a trend that should alleviate inventory shortages at the middle and lower end of the market.

U.S. Total Housing Inventory – Existing Homes for Sale



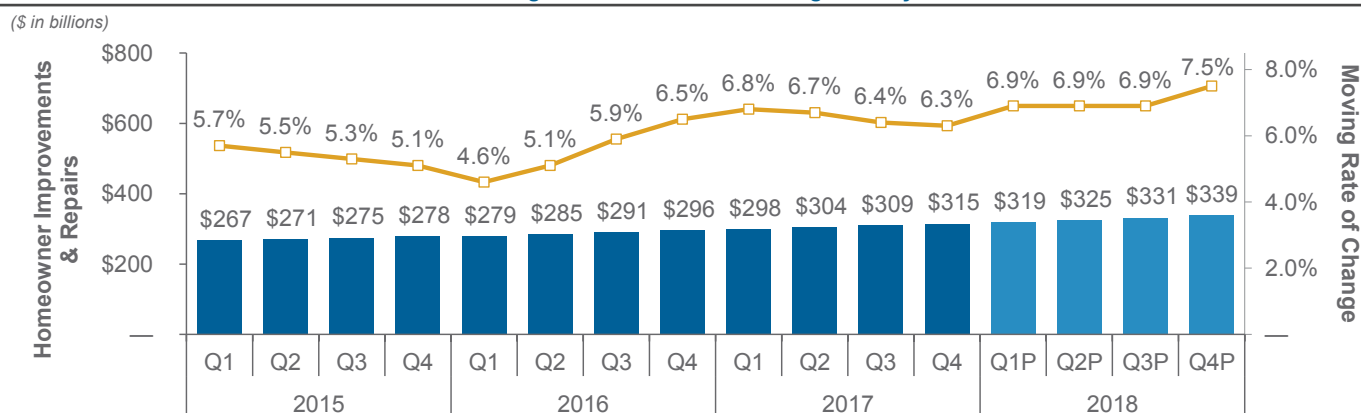
U.S. Housing, Unsold Inventory Month Supply





Limited assets and high home prices are driving home equity values to record levels. **This increased homeowner wealth, combined with reduced homeowner mobility (resulting from the same competitive market dynamics), is supporting increased spending on renovations and remodeling.** Harvard's Joint Center for Housing Studies ("JCHS") is expecting 2018 to be another robust year for renovation and repair spending. The JCHS' Leading Indicator of Remodeling Activity ("LIRA"), an indicator of demand for building products in the U.S., is projecting spending on improvements and repairs to approach \$340 million in 2018. Additionally, the JCHS expects quarterly growth in 2018 to range from 6.9% to 7.5% – annual growth rates have not exceeded 6.8% since early 2007.

### Leading Indicator of Remodeling Activity



Source: Joint Center for Housing Studies (JCHS) of Harvard University

### Nonresidential Construction Spending Will be Driven by Modernization and Repurposing

According to the U.S. Census Bureau, nonresidential construction spending in 2017 decreased 0.6% compared to 2016, reaching \$708.2 million. Throughout 2017, private nonresidential construction spending was up 0.6% compared to 2016, while public nonresidential construction decreased 2.5% over the same period. The largest nonresidential growth areas in 2017 were commercial (13.5%) and nonresidential lodging (5.7%). Manufacturing and power, two of the largest nonresidential sectors, decreased 12.6%, and 6.3%, respectively. It is important to note nonresidential spending can fluctuate significantly month-to-month as large projects come on-line.

### U.S. Nonresidential Construction Put in Place (Seasonally Adjusted Annual Rate)



Source: U.S. Census Bureau



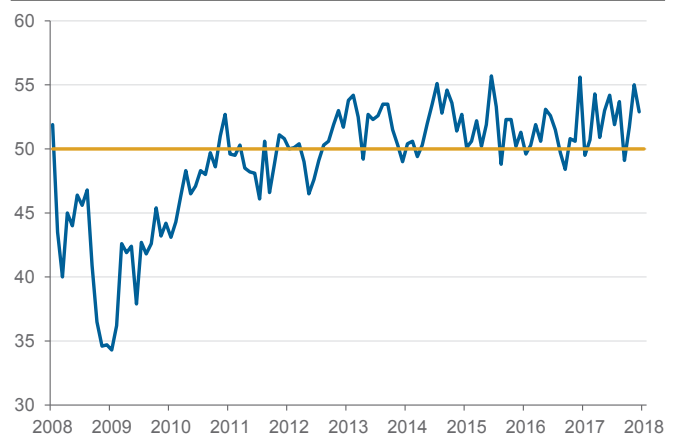
On the positive side, the Dodge Momentum Index (“DMI”) increased 3.6% in December 2017 to 153.9 and for a yearly average was up 10.7% over the full year average for 2016. The DMI measures the first report for nonresidential building in planning and often leads construction by a full year. The DMI reached a peak in 2008 of over 190 and hit a trough below 75 in 2011. Continued strengthening through 2017 suggests that nonresidential construction activity is expected to advance throughout 2018. Additionally, the Architecture Billings Index (“ABI”) ended 2017 in the positive, with the December ABI score 52.9 capping off three consecutive months of growth in design billings. Like the DMI, the ABI is another leading indicator for nonresidential construction activity – the strong fourth quarter indicates continued momentum for construction activity in 2018.

**Dodge Momentum Index**  
(Year 2000 = 100)



Source: Dodge Data & Analytics

**Architecture Billings Index**  
(Scores above 50 represent increase in billings)



Source: American Institute of Architects (AIA)

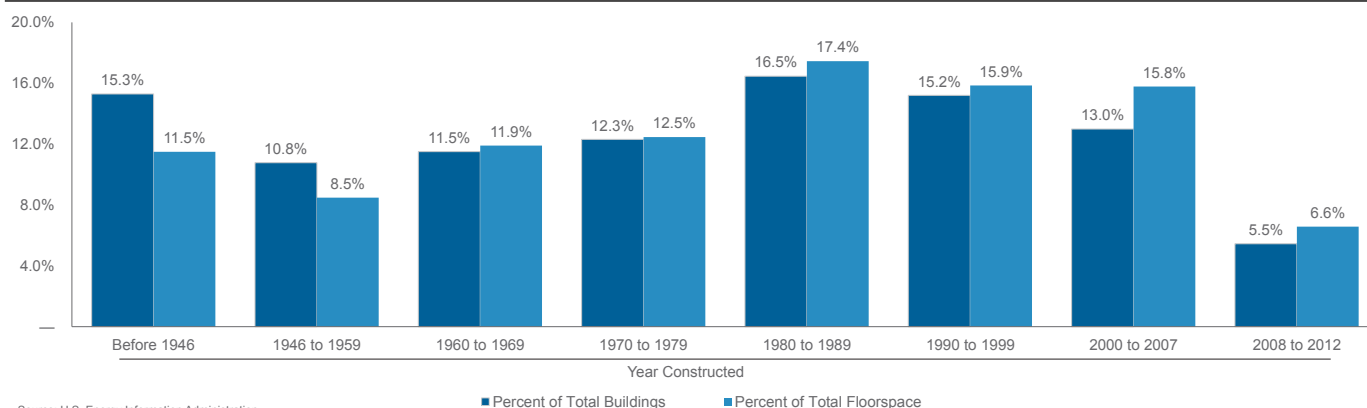
Looking forward, several trends should continue to support commercial construction. First, commercial buildings continue to need upgrades and modernization. The U.S. commercial building stock continues to age, with over 81% of commercial buildings in the U.S. having been built prior to 2000. There is significant demand to modernize these buildings, transforming them into high-performing, energy efficient, interconnected spaces. Improvements in energy efficiency through installation of smart glass, updated HVAC systems, efficient lighting and modern construction materials will reduce construction and operating costs for commercial properties.

In addition to modernization, many vacant commercial properties will need to be repurposed for alternative uses. In 2017, there were nearly 7,000 retail store closures across the U.S., a 229% increase over 2016.<sup>(7)</sup> This is a trend that is expected to continue in 2018, with Cushman & Wakefield estimating 12,000 store closures this year. These leave a significant amount of empty square footage that needs to be repurposed for real estate investors, lenders and landlords to recapture income from the property. Potential options for these vacant retail properties include conversion to: grocery stores (according to FGRT, the only category to have net positive store openings in 2017 with 1,785 locations), restaurants, health and fitness studios, medical facilities or other high-foot traffic areas. Another option that caters to larger footprints (i.e. shuttered malls) is conversion to industrial warehouse and distribution centers to take advantage of the growth in e-commerce and the proximity to population centers.

<sup>7</sup> Fung Global Retail & Technology



### U.S. Commercial Building Stock by Year of Construction



## Other Considerations

Although we remain confident that the tailwinds supporting the residential and nonresidential construction markets, underscored by significant demographic trends, will continue to drive the Building Products sector, there are other considerations that could have an impact.

### Tax Reform

The recently passed Tax Cuts and Jobs Act may have an impact that extends to the housing and construction markets. Although the decision to purchase a new home is the result of several factors, not just tax ramifications, changes to the tax code have greatest impact on those on the cusp of purchasing a new home. The doubling of the standard deduction will reduce the number of households that choose to itemize to maximize tax breaks. As a result, fewer taxpayers will take advantage of both the Mortgage Interest Deduction ("MID") and State and Local Income and Property Tax ("SALT") deductions – both of which are baked into home prices, and could ultimately result in lower home values. This could also impact the multi-family market, by reducing the incentive to purchase a single-family home and instead choosing to rent.

Changes to the SALT and MID deductions will have a larger effect on the higher income, more expensive real estate markets along the coasts and in other major market areas. By capping the SALT deduction at \$10,000 and reducing the MID from \$1,000,000 to \$750,000, combined with the doubled standard deduction, fewer taxpayers will recognize a benefit of itemizing deductions. According to Zillow, under the new tax code, it will only be financially worthwhile to itemize and claim the MID for 14.4% of homes, down from about 44% under the current tax code.<sup>(8)</sup> This creates a disincentive for people to purchase or trade-up for homes in excess of \$750,000 and may incentivize owners of million-dollar homes to stay in place and renovate in order to take advantage of the larger \$1,000,000 deduction limitation grandfathered in for existing mortgages.

A major positive of the tax reform is the maintaining of the status quo on the residency requirement to avoid capital gains tax upon the sale of a home. Homeowners who sell a home may exclude up to \$250,000 of gain from taxation (\$500,000 if jointly filing) as long as the home has been a primary residence for two of the past five years. Had earlier proposals to increase residency requirements been enacted, increasing the requirement, homeowners may have decided to hold onto homes longer, further limiting inventory.

<sup>8</sup> Zillow.com Research



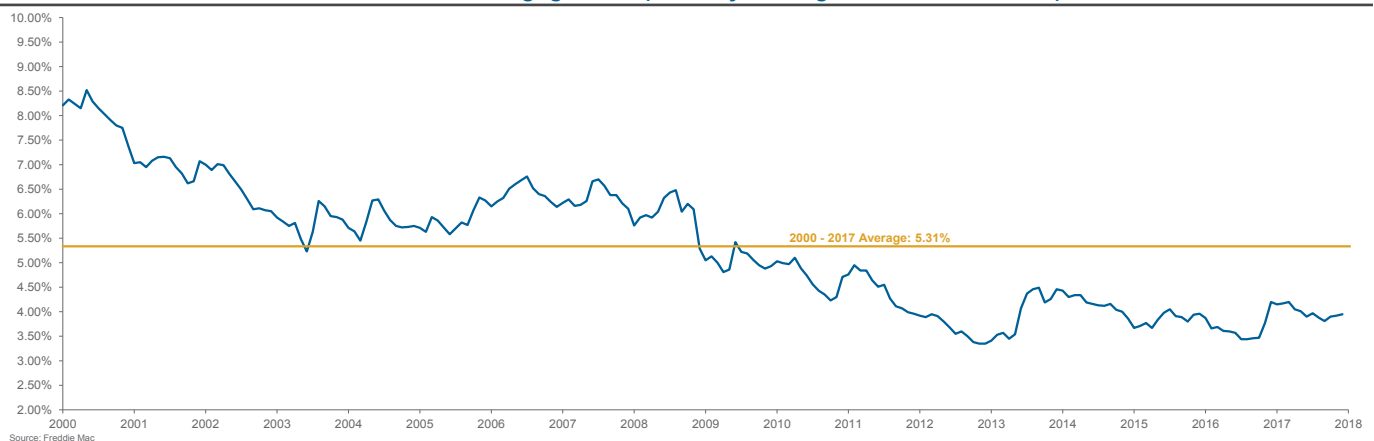
The Tax Cuts and Jobs Act appears overall positive for the commercial real estate industry. The two largest impacts are the reduction of the corporate tax rate to 21% and the 20% deduction granted to pass-through entities should aid commercial property owners and builders. Commercial property owners will also greatly benefit from the 1031 exchange remaining intact, enabling sellers of commercial real estate to defer capital gains taxes if they reinvest in other similar properties. Additionally, commercial real estate businesses can elect out of the new business interest deduction limitation, which limits the deduction for interest expense available to most businesses to 30% EBITA (through 2022) or EBIT (beginning in 2022). However, to do so the real estate business will be required to use an alternative depreciation system for residential real property, rather than the faster depreciation periods offered under the Modified Accelerated Cost Recovery System (MACRS).

Although overwhelmingly positive, there are some concerns for commercial building, especially low-income housing. The new tax law left intact the Low-Income Housing Tax Credit, an incentive behind 90% of affordable housing in the U.S.; however, with the lowering of the corporate tax rate there is less incentive to build affordable housing. Similarly, the Federal Historic Tax Credit, which enables developers to deduct up to 20% of the cost of renovating a historic building, remains intact but will be weakened by the lower corporate tax rate.

## Interest Rates

In 2017, the Federal Reserve increased the federal funds rate three times, ultimately reaching 1.5% in December. With the U.S. economy continuing to fire on all cylinders, the Fed is expected to raise rates in March followed by at least two additional increases throughout the year – the midpoint of the rate for 2018 is expected to be 2.1%, 2.7% in 2019 and 3.1% in 2020. Although not directly correlated, mortgage rates tend to rise along with federal funds rate. According to Freddie Mac data, in 2017, despite the three rate hikes, the standard 30-year mortgage rate ended the year at 3.99% roughly 33 basis points below where it ended 2016, at approximately 4.32%. In 2018, analysts are predicting mortgage rates to increase to between 4.5% and 5.0%. Even at the top of this range, mortgage rates remain below historical averages.

**Fixed 30-Year Mortgage Rate (Monthly Average Commitment Rate)**



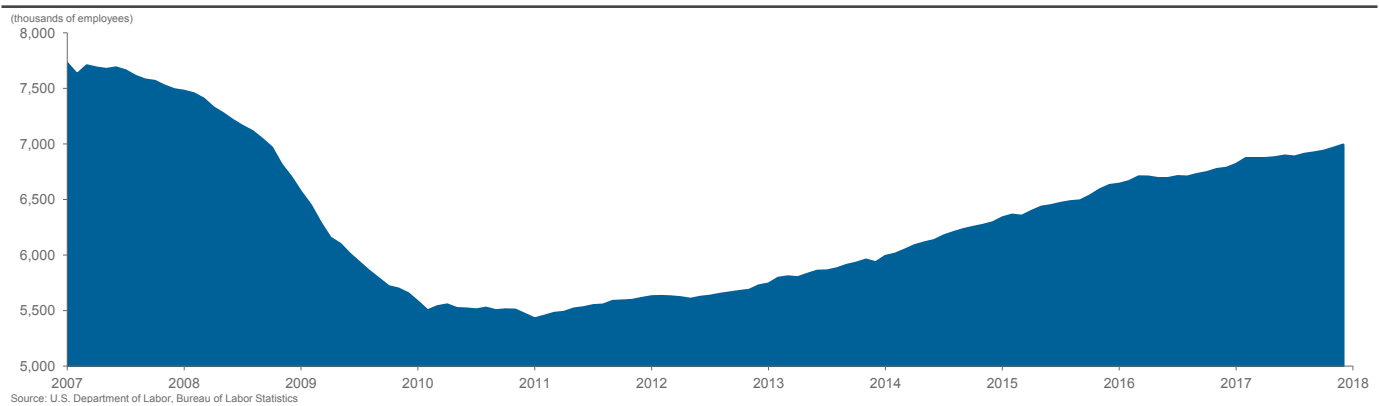
## Construction Labor Supply

Throughout 2017, access to labor was one of the biggest headwinds faced by the construction industry. Currently, U.S. unemployment rate is 4.1%, the lowest in 17 years. As the overall labor market in the U.S. continues to improve and as the economy approaches full employment, a major challenge is finding qualified workers for new jobs. This is especially true in the construction market where the number of workers, subcontractors and managers cannot keep up with the demand for new construction projects.



In December 2018, construction employment increased by 30,000 jobs – the highest level since September 2008. Most firms expect to continue hiring throughout 2018 and expect to increase pay to help draw in workers. **However, finding workers will continue to be a challenge and should lead to incentives in the construction market to increase productivity throughout the building process from the building products and materials used down to the workers on-site.**

U.S. Construction Employment (Seasonally Adjusted)



Geopolitical Risk

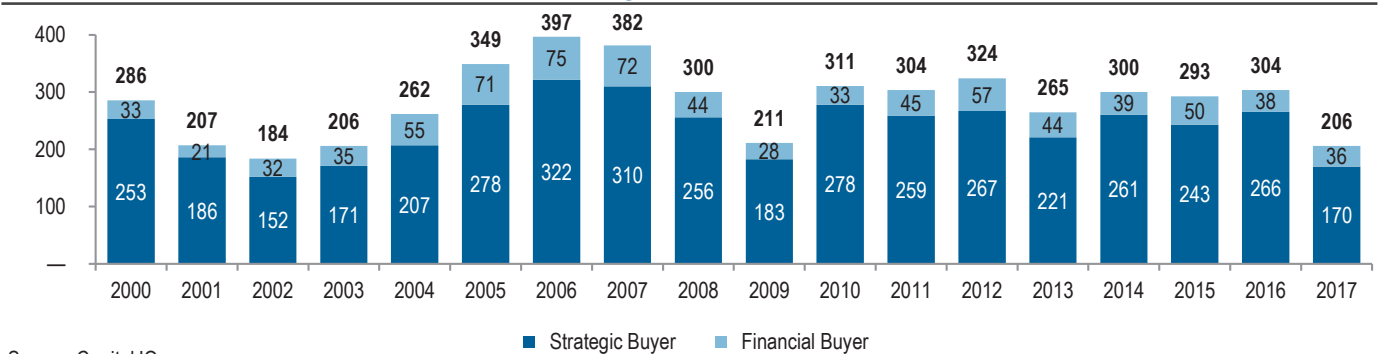
One final risk is the potential impact resulting from ongoing geopolitical tension around the world. War, acts of terrorism or other events could have a significant impact on the global economy, the overall U.S. economy and ultimately the housing and building products sectors.



M&A Trends

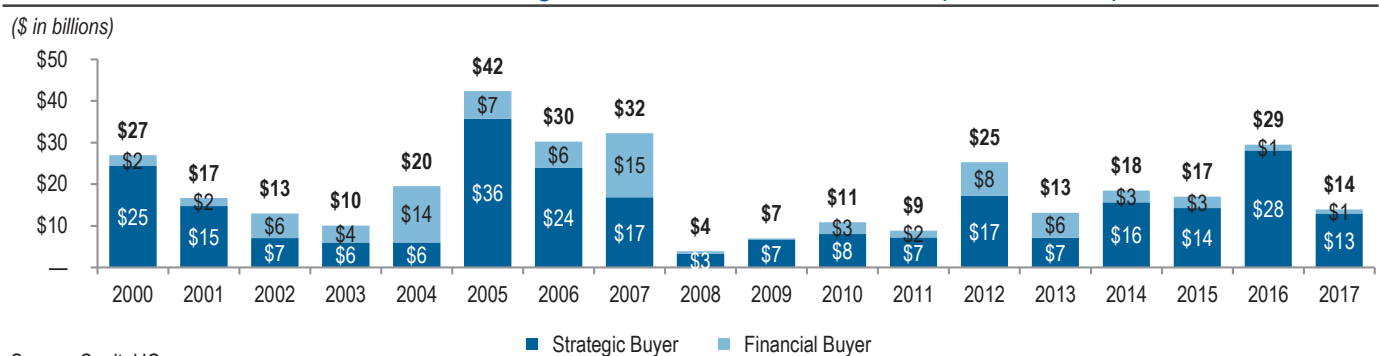
Throughout 2017, M&A activity in the Building Products sector remained robust. On the heels of a record-setting 2016, overall deal volume and aggregate transaction values of pending and closed transactions declined slightly in 2017 as some sellers’ valuation expectations outran the market. Despite slightly lower transaction volume, valuation and purchase price multiples remained strong throughout the year signaling an optimistic long-term outlook on the overall building products sector.

U.S. and Canada Building Products Announced Deal Volume



Source: Capital IQ

U.S. and Canada Building Products Disclosed Deal Volume (Dollar Amount)



Source: Capital IQ

In addition to the demographic and macro construction trends discussed on the prior pages, there are several other trends that are specifically impacting M&A activity within the Building Products sector including:

- 1. “Next generation” disruptive platforms
- 2. Leading brands with established market positions
- 3. Solutions to increasingly stringent building codes and regulations
- 4. Complete solutions providers
- 5. “Next generation” building products
- 6. Direct-to-consumer business models.



## Strategic Buyers are Seeking Disruptive Platforms

Leading global strategic buyers are actively seeking disruptive platforms that are well positioned to gain market share due to their differentiated capabilities. Companies with proprietary technology, diversified customer / channel partners and strong brand recognition command premium values. The trend towards online sales in the Building Products sector remains vibrant and companies continue to seek new avenues to engage customers directly via e-commerce. For example, in 2017 Home Depot grew online sales by 21.5% compared to 2016, while in-store sales grew by only 5.8%.

### Ferguson Acquires Supply.com



HAS BEEN ACQUIRED BY



- TM Capital served as exclusive financial advisor to Supply.com in its sale to Ferguson Enterprises
- Based outside Atlanta, GA, Supply.com is an internet technology platform revolutionizing wholesale distribution by combining the power of e-commerce with personalized full service to provide a more efficient and effective buying experience for trade professionals (e.g. plumbers, contractors, builders and facility managers)
- The Company is also the trusted outsourced e-commerce channel partner in the plumbing category for third party e-tailers, managing site content, inventory levels and national order fulfillment for companies such as Amazon and Lowe's
- Ferguson is the largest wholesale distributor of plumbing, HVAC and waterworks products in North America
- Through the acquisition, Ferguson will expand its direct relationships with an extensive family of brands, augment its nationwide same day shipping capabilities and gain access to top talent from the greater ATL area





Scarcity Value of Leading Brands with Established Market Position

Both strategic and financial acquirers ascribe premium value to companies with market leading brands, an established reputation and long legacies. Within numerous niche building product sectors, there are a limited number of recognizable brands, creating substantial opportunity for companies with reputable branded products to capitalize on its relative scarcity value. Brand power is becoming increasingly important, especially as Millennials look for branded products to renovate or furnish their homes. Millennials strongly agree that brand sites offer a more sophisticated shopping experience than the wholesalers and retailer that sell the products. On the Commercial side, architects are seeking brands that are time tested and can be specified into projects with confidence.

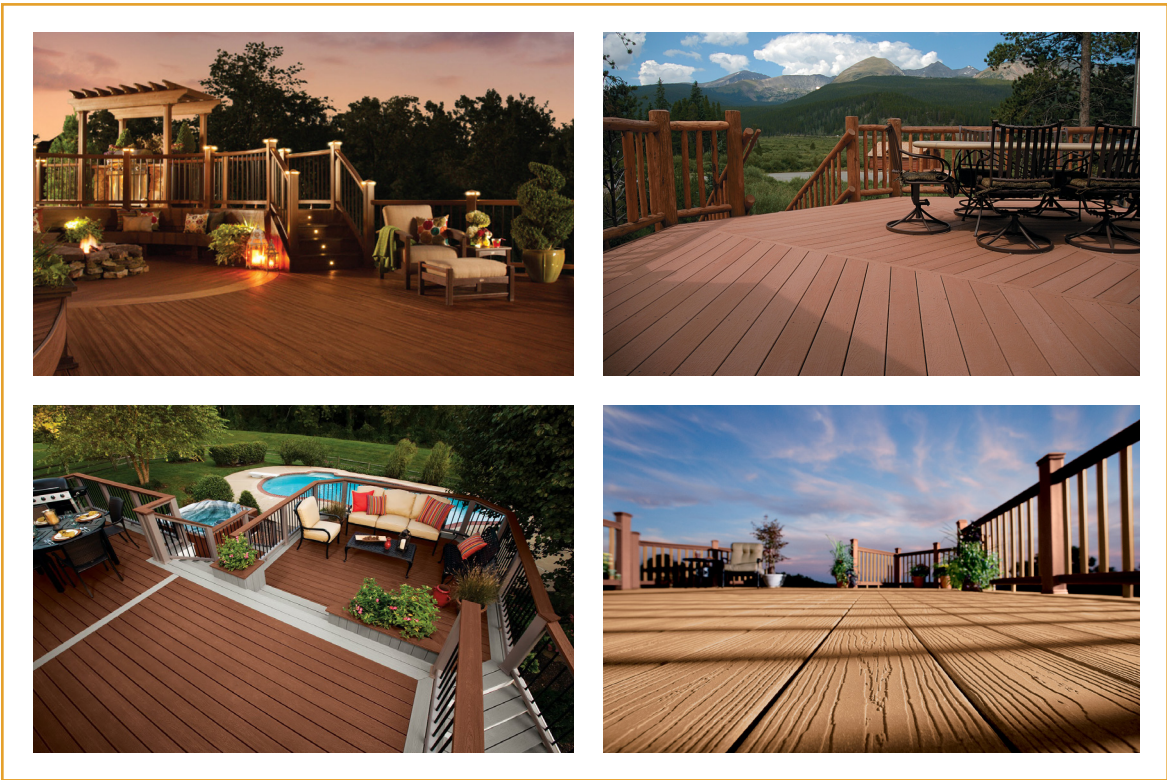
Weekes Forest Products Acquires Snavelly Forest Products



HAS BEEN ACQUIRED BY



- TM Capital served as exclusive financial advisor to Snavelly Forest Products, Inc. in its sale to Weekes Forest Products, Inc.
- Founded in 1902, Snavelly is a premier family-owned two-step distributor of high-value specialty building materials spanning composite decking & railing, engineered wood products, boards, exterior cladding and other materials
- Snavelly, with a leading service reputation and significant technical expertise, operates five autonomous distribution centers in growth markets across the U.S.
- Weekes is an employee-owned distributor of lumber and building materials including commodity and specialty lumber, panel products, engineered wood and related residential and industrial products
- With no current geographic overlap between Snavelly and Weekes, the transaction will meaningfully expand the Company's footprint across the U.S.
- The sale of Snavelly reflects TM's sustained focus on the building products sector, and further illustrates our success advising family-owned businesses through strategic transformations



## Rexnord Acquires World Dryer



- TM Capital served as exclusive financial advisor to World Dryer, a portfolio company of Newcastle and GreyRock Capital Group, in its sale to Rexnord (NYSE:RXN) for \$50 million
- Founded in 1948, World Dryer manufactures a diverse suite of commercial electric hand dryers sold under the World Dryer®, American Dryer® and Nova® brands
- The Company's recently introduced products outperform competitors' offerings in key features such as dry time, sound level, hygiene, and energy efficiency
- World Dryer's attractive product suite and iconic brand, coupled with favorable industry tailwinds, garnered significant interest from strategic and financial parties
- With the acquisition, Rexnord successfully expanded its commercial washroom product "content per square foot", further solidifying its position as a single-stop solutions provider for its customers



Increasingly Stringent Building Codes & Regulations

As building codes and regulations become more stringent, companies that offer complete, high-value solutions are gaining market share and commanding premium valuations. Builders and architects increasingly value building products providers that have design, engineering capabilities and the ability to provide a full suite of customized solutions. In many cases, builders and architects specify detailed standards for large commercial and residential projects; therefore, building products that meet specified requirements have a significant selection advantage. There continues to be significant technological strides with respect to energy efficiency, light management, and protective / decorative solutions to create long-lasting structures. Companies that are well-aligned technologically to meet the evolving regulatory requirements are poised to benefit over time.

Consolidated Glass, a Portfolio Company of Grey Mountain Partners, Acquires J.E. Berkowitz

JEBERKOWITZ,LP

ARCHITECTURAL GLASS SINCE 1920

HAS BEEN ACQUIRED BY

CG+

CONSOLIDATED  
GLASS • HOLDINGS

A PORTFOLIO COMPANY OF

Grey Mountain

PARTNERS

TM

CAPITAL

- TM Capital served as exclusive financial advisor to J.E. Berkowitz, L.P. in its sale to Consolidated Glass Holdings, Inc., a portfolio company of Grey Mountain Partners, LLC
- J.E. Berkowitz fabricates a full suite of architectural glass products including insulating, engineered, tempered and laminated glass for a range of commercial buildings
- The Company is a critical value-added glass fabricator providing premium products, coupled with design and project management services
- Consolidated Glass Holdings, Inc., through its subsidiaries, operates in the architectural, security and custom glass and metal fabrication businesses
- Grey Mountain Partners, LLC is a middle-market private equity firm with approximately \$700 million of assets under management





## High Road Capital Partners Acquires Midwest Wholesale Hardware



- TM Capital served as exclusive financial advisor to Midwest Wholesale Hardware, an investment holding of Olympus Partners, in its sale to High Road Capital Partners
- Midwest Wholesale Hardware is a premier national wholesale distributor of commercial and institutional fire and life safety door hardware, electronic access controls and security solutions
- With the industry's largest next-day fulfillment platform, the Company provides expert customer service and offers an extensive inventory for immediate-need applications
- This is the second transaction completed by TM Capital professionals for a middle market investment holding from Olympus Partners' portfolio
- Management and High Road Capital Partners plan to accelerate the Company's growth by expanding its distribution coverage and pursuing strategic acquisitions



### Strategic Focus on Complete Solutions

Global strategic acquirers are seeking platforms that provide a complete, one-stop offering for their customer bases. To further differentiate themselves and establish long-lasting, entrenched customer relationships companies need to offer a complete suite of products and services, providing a differentiated wholistic solution that is unmatched by competitors. This differentiation drives M&A activity. Preferred acquisition targets currently provide a complete solution; however, strategic acquirers are also seeking businesses in adjacent product or service categories. Expansion into adjacent product or service categories further help companies provide complete solutions to their customers.



On January 31, 2018, Ply Gem and Atrium Windows & Doors announced they will be simultaneously acquired by the private equity firm Clayton, Dubilier & Rice (“CD&R”). CD&R will acquire all of the outstanding shares of Ply Gem common stock in a go-private transaction valued at approximately \$2.4 billion (\$21.64 per share). The closing of the acquisition of Ply Gem is not subject to closing the acquisition of Atrium Windows & Doors. Assuming both transactions close, CD&R will own approximately 70% of the combined entity with Atrium shareholders (including funds management by Golden Gate Capital) will hold the remaining amount. This combination will create one of the largest exterior building products companies with a combined revenue of over \$2.4 billion. Both transactions are expected to close in the second quarter of 2018.

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## Growth of “Next Generation” Building Products

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Recent trends in “next generation” building products, including energy saving, environmentally friendly and other green products have contributed to the strength of M&A activity in 2017. According to a study by Market Research Future, the global green building material market is expected to exceed \$245 billion by 2022, a 17% CAGR from \$158 billion in 2015. One of the largest factors driving this robust growth is increasing consumer awareness regarding energy efficiency. Millennials are leaders in this trend with purchasing patterns highlighting environmental responsibility and the perception of a greater social good. Additionally, increased commercial demand is being driven by lower maintenance costs, reduced operating costs and lower water requirements. As a result, acquirers are seeking platforms that will inject them into the rapid growth anticipated in the green building market over the coming years.

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## Direct-to-Consumer Models

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Buyers are actively seeking companies that engage with customers via a direct-to-consumer business model. These companies often disrupt the industry’s current go-to-market paradigm and enable significant market share growth driven by e-commerce sales. This paradigm shift is becoming increasingly important as Millennials make purchases for their homes. Millennials’ use of technology is reshaping the retail world as they utilize online channels to read reviews, compare prices and ultimately make purchases. To capture its share of this market, building products companies will need direct access to consumers.














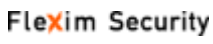
























On December 21, 2017, The Home Depot (NYSE: HD) announced the acquisition of The Company Store, a leading online retailer of textiles and home décor products – the acquisition is only of The Company Store’s online business and does not include its five brick-and-mortar locations. This acquisition enables Home Depot to further expand its online presence in “soft home” goods and décor, helping Home Depot compete more broadly with the likes of Amazon and other go-to soft-goods e-retailers.



















*“...[W]e completed extensive research on customer shopping intent and found we have the authority to play and the right to win in several home decor categories. We believe we are well positioned to help our customers... complete their decor-oriented projects with items like housewares, tabletop, interior furniture, wall decor and textiles. And consumers are increasingly purchasing decor categories online, so our efforts will largely be digital, where we will leverage our traffic and customer base for a natural scale advantage... We’re also investing in our interconnected decor shopping experience, with enhanced photography, shop-by-room or collection capabilities and style guides.”*

**- Edward Decker, Executive Vice President, Home Depot**



Windows, Doors & Cabinetry					
Core Brand / Acquirer	Acquired Brands / Companies (Year Acquired)				
 Apogee enterprises, inc. 3 Transactions Since 2014	 EFCO 2017	 SOTAYALL® 2016	 heliotrope 2016		
 ASSA ABLOY 37 Transactions Since 2014	 August 2017	 MERCURY SECURITY part of HID Global 2017	 Arjo Systems part of HID Global 2017	 atlantic door control YOUR ENTRANCEWAY SOLUTION. OPEN AND SHUT. 2017	 NASSAU 2016
	 TROJAN 2016	 MAUER® LOCKING SYSTEMS 2016	 PROMETAL INDUSTRIES TECHNOLOGY 2015	 Flexim Security 2015	 TEAMWARE 2015
 Fortune Brands Home & Security 5 Transactions Since 2014	 Riobel 2016	 ROHL Authentic Luxury for Kitchen and Bath 2016	 NORCRAFT COMPANIES 2015	 SentrySafe 2014	 MOEN® 2014
 JW JELD-WEN 10 Transactions Since 2014	 MMI DOOR Your Doorway to a Smarter Home® 2017	 kolder sophisticated living 2017	 breezway 2016	 TREND WINDOWS & DOORS 2016	 LaCANTINA DOORS 2015
 Masonite® 5 Transactions Since 2014	 A&P 2017	 usa wood door, inc. 2015	 NATIONAL HICKMAN 2015	 PDS PERFORMANCE EXTERIOR SOLUTIONS 2015	 door-stop INTERNATIONAL 2014
 Pella 4 Transactions Since 2014	 BONELLI WINDOWS & DOORS 2017	 Duratherm WINDOW CORPORATION 2016	 REILLY WINDOWS & DOORS 2016	 GRABILL WINDOWS & DOORS 2015	



HVAC & Lighting						
Core Brand / Acquirer	Acquired Brands / Companies (Year Acquired)					
 5 Transactions Since 2014	 2016	 2016	 2015	 2015	 2015	
 12 Transactions Since 2014	 Pending	 2017	 2016	 2016	 2016	
 14 Transactions Since 2014	 Pending	 2017	 2017	 2016	 2015	 2014
 12 Transactions Since 2014	 2016	 Inspire the Next Home & Life Solutions and Global AC Segment 2016		 2015	 2014	

Plumbing & Hardware					
Core Brand / Acquirer	Acquired Brands / Companies (Year Acquired)				
 3 Transactions Since 2014	 2017	 2015	 2015		
 5 Transactions Since 2014	 2017	 2016	 2015	 2014	 2014
 5 Transactions Since 2014	 2017	 an Amesbury Truth company 2016	 2016	 2016	 2014
 3 Transactions Since 2014	 2016	 2015	 2014		





Surfaces						
Core Brand / Acquirer	Acquired Brands / Companies (Year Acquired)					
 (1) 11 Transactions Since 2014	 2017	 (Select Assets) 2017	 2016	 2016	 2016	
 10 Transactions Since 2014	 Pending	 2017	 2017	 2015	 2015	 2015
 7 Transactions Since 2014	 2017	 2015	 2015	 2014	 2014	 2014

(1) Represents combined acquisitions between Boral Industries and Headwaters Inc. (acquired by Boral in May 2017)



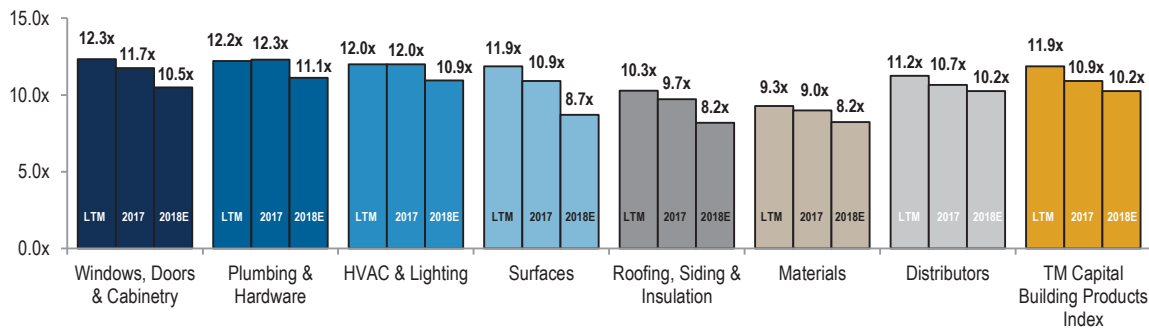
Distributors						
Core Brand / Acquirer	Acquired Brands / Companies (Year Acquired)					
 32 Transactions Since 2014	 2017	<b>Acoustical Ceiling Supply</b>  BUILDING SUPPLY CORE 2016	 2016	 2016	<b>Side-Winder™</b> 2016	 2015
	 2016	2016	<b>T&amp;C Supply, Inc.</b> 2016	<b>Rooftek Roofing Supplies, Inc.</b> 2015	2015	2015
 18 Transactions Since 2014	 2017	 2017	 2017	 2017	<b>BJ BUILDING MATERIAL SUPPLY CO</b> 2016	 2016
	 2016	 2016	 2016	 2015	 2015	2015
 6 Transactions Since 2014	 2017	<b>Code Plus Components</b> 2017	 2016	<b>Guilford Builders Supply Co.</b> 2016	 2015	2015
 10 Transactions Since 2014	 Pending	 2017	 2017	 2016	 2016	 2016
 38 Transactions Since 2014	 2017	 2016	 2016	 2016	<b>Barby Boors, Inc.</b> 2016	2016
	<b>Seifer Distributors, Inc.</b> 2016	 2016	 2015	 2015	 2015	2015
	 2015	 2015	 2015	 2015	 2015	2015
 24 Transactions Since 2014	 2017	 2017	 2016	 2016	2016	2016
	 2016	 2016	 2016	 2016	2016	2016
	 2016	 2015	 2015	 2015	2015	2015



Valuation Considerations

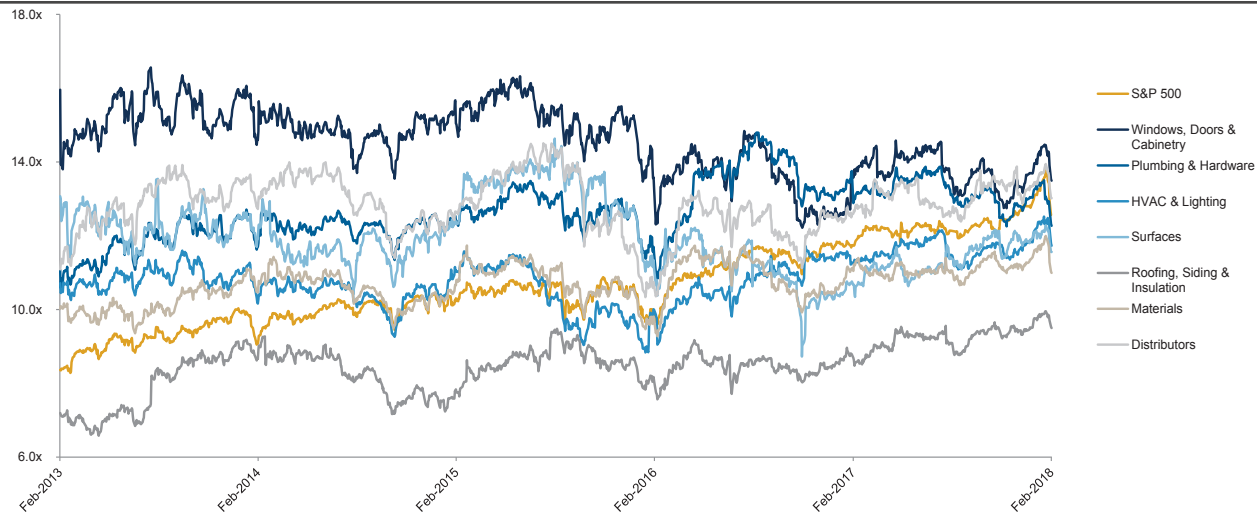
The charts below provide valuation metrics and stock performance for the major sub-segments within the Building Products industry. Since the release of TM Capital’s 2017 Building Products Report, valuation multiples across all sub-sectors saw TEV / EBITDA multiple expansion – building products companies have continued to generate sales and earnings growth and buyers remain willing to pay higher premiums to take advantage of industry tailwinds. Forward multiples continue to point to sustained growth in the sectors and projected EBITDA growth.

Guideline Public Company TEV/EBITDA Multiples

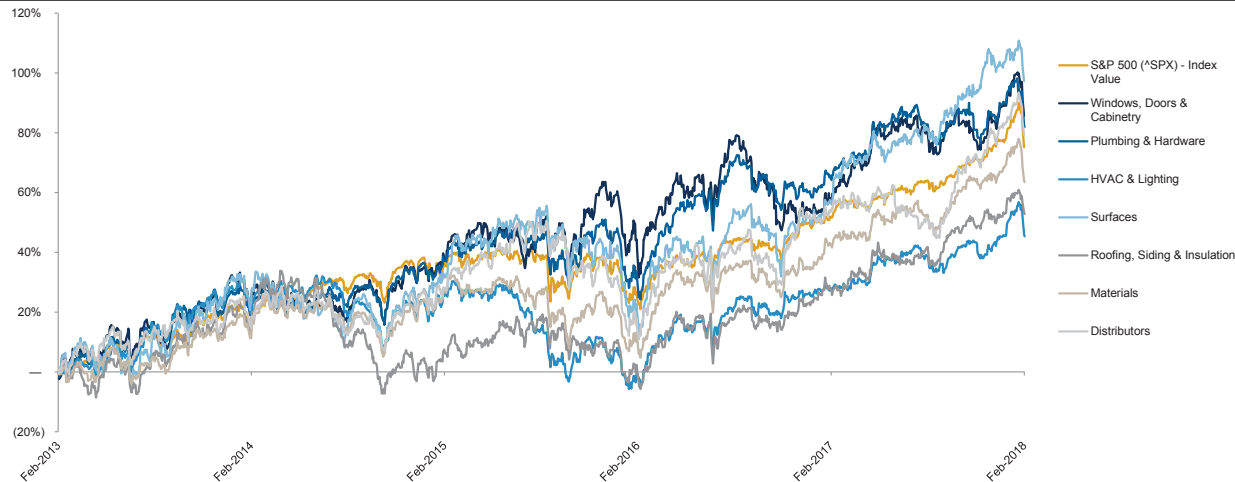


Source: Capital IQ

Historical TEV/EBITDA Multiples



5 Year Stock Performance



## Selected Public Companies – Windows, Doors &amp; Cabinetry

(\$ in millions)

Company	Enterprise Value	Revenue			EBITDA			Enterprise Value / EBITDA			Revenue Growth		EBITDA Margins	
		LTM	2017	2018E	LTM	2017	2018E	LTM	2017	2018E	5 yr. CAGR	2017	LTM	2018E
American Woodmark Corporation	\$2,134	\$1,060	\$1,030	\$1,186	\$127	\$124	\$162	16.8x	17.3x	13.1x	18.1%	15.1%	12.0%	13.7%
ASSA ABLOY AB (publ)	26,142	9,418	9,418	9,784	1,719	1,719	1,800	15.2	15.2	14.5	11.6%	3.9%	18.3%	18.4%
Fortune Brands Home & Security, Inc.	10,554	5,283	5,283	5,625	856	856	935	12.3	12.3	11.3	12.4%	6.5%	16.2%	16.6%
Masco Corporation	15,222	7,644	7,644	8,367	1,296	1,296	1,451	11.7	11.7	10.5	2.2%	9.5%	17.0%	17.3%
Masonite International Corporation	2,403	2,005	2,036	2,159	230	254	281	10.4	9.5	8.6	5.2%	6.1%	11.5%	13.0%
PGT Innovations, Inc.	942	486	495	541	75	81	97	12.6	11.6	9.8	25.4%	9.3%	15.4%	17.8%
Ply Gem Holdings, Inc.	2,306	2,002	2,038	2,185	222	234	277	10.4	9.9	8.3	14.3%	7.2%	11.1%	12.7%
<b>Median</b>	<b>\$2,403</b>	<b>\$2,005</b>	<b>\$2,038</b>	<b>\$2,185</b>	<b>\$230</b>	<b>\$254</b>	<b>\$281</b>	<b>12.3x</b>	<b>11.7x</b>	<b>10.5x</b>	<b>12.4%</b>	<b>7.2%</b>	<b>15.4%</b>	<b>16.6%</b>
<b>Mean</b>	<b>8,529</b>	<b>3,986</b>	<b>3,992</b>	<b>4,264</b>	<b>647</b>	<b>652</b>	<b>715</b>	<b>12.8</b>	<b>12.5</b>	<b>10.9</b>	<b>12.7%</b>	<b>8.2%</b>	<b>14.5%</b>	<b>15.7%</b>

## Selected Public Companies – Plumbing &amp; Hardware

(\$ in millions)

Company	Enterprise Value	Revenue			EBITDA			Enterprise Value / EBITDA			Revenue Growth		EBITDA Margins	
		LTM	2017	2018E	LTM	2017	2018E	LTM	2017	2018E	5 yr. CAGR	2017	LTM	2018E
ASSA ABLOY AB (publ)	\$26,142	\$9,418	\$9,418	\$9,784	\$1,719	\$1,719	\$1,800	15.2x	15.2x	14.5x	11.6%	3.9%	18.3%	18.4%
Fortune Brands Home & Security, Inc.	10,554	5,283	5,283	5,625	856	856	935	12.3	12.3	11.3	12.4%	6.5%	16.2%	16.6%
Ingersoll-Rand Plc	24,793	14,198	14,198	14,998	2,019	2,019	2,266	12.3	12.3	10.9	4.6%	5.6%	14.2%	15.1%
Masco Corporation	15,222	7,644	7,644	8,367	1,296	1,296	1,451	11.7	11.7	10.5	2.2%	9.5%	17.0%	17.3%
Mueller Water Products, Inc.	1,860	837	826	877	151	151	184	12.3	12.3	10.1	(3.1%)	6.2%	18.1%	21.0%
Newell Brands Inc.	24,250	15,135	14,677	14,032	2,517	2,504	2,441	9.6	9.7	9.9	20.6%	(4.4%)	16.6%	17.4%
Rexnord Corporation	3,876	1,994	1,918	2,032	357	321	384	10.9	12.1	10.1	0.9%	5.9%	17.9%	18.9%
Richelieu Hardware Ltd.	1,371	747	747	819	82	82	91	16.8	16.8	15.0	12.5%	9.6%	10.9%	11.1%
Spectrum Brands Holdings, Inc.	10,058	5,052	5,007	5,178	855	860	662	11.8	11.7	15.2	(0.5%)	(36.5%)	16.9%	20.8%
Stanley Black & Decker, Inc.	26,848	12,747	12,747	13,760	2,053	2,053	2,315	13.1	13.1	11.6	6.5%	7.9%	16.1%	16.8%
Toto Ltd.	7,983	5,466	5,286	5,516	658	624	666	12.1	12.8	12.0	6.5%	4.4%	12.0%	12.1%
Tyman plc	1,100	714	720	734	124	125	132	8.9	8.8	8.3	18.9%	2.0%	17.4%	18.0%
Villeroy & Boch AG	553	1,027	1,064	1,064	85	85	102	6.5	6.5	5.4	3.7%	3.6%	8.3%	9.6%
Watts Water Technologies, Inc.	2,763	1,432	1,456	1,516	212	224	239	13.1	12.3	11.6	1.2%	4.2%	14.8%	15.8%
<b>Median</b>	<b>\$9,020</b>	<b>\$5,167</b>	<b>\$5,145</b>	<b>\$4,347</b>	<b>\$757</b>	<b>\$740</b>	<b>\$664</b>	<b>12.2x</b>	<b>12.3x</b>	<b>11.1x</b>	<b>5.5%</b>	<b>5.0%</b>	<b>16.4%</b>	<b>17.1%</b>
<b>Mean</b>	<b>11,241</b>	<b>5,835</b>	<b>5,782</b>	<b>5,879</b>	<b>927</b>	<b>923</b>	<b>976</b>	<b>11.9</b>	<b>12.0</b>	<b>11.2</b>	<b>7.0%</b>	<b>2.0%</b>	<b>15.3%</b>	<b>16.4%</b>

## Selected Public Companies – HVAC &amp; Lighting

(\$ in millions)

Company	Enterprise Value	Revenue			EBITDA			Enterprise Value / EBITDA			Revenue Growth		EBITDA Margins	
		LTM	2017	2018E	LTM	2017	2018E	LTM	2017	2018E	5 yr. CAGR	2017	LTM	2018E
Acuity Brands, Inc.	\$6,068	\$3,497	\$3,505	\$3,545	\$598	\$606	\$649	10.2x	10.0x	9.3x	12.9%	1.2%	17.1%	18.3%
Daikin Industries Ltd.	34,528	20,023	18,828	20,939	3,045	2,909	3,063	11.3	11.9	11.3	14.1%	11.2%	15.2%	14.6%
Eaton Corporation plc	42,280	20,404	20,404	21,301	3,416	3,416	3,818	12.4	12.4	11.1	5.5%	4.4%	16.7%	17.9%
Ingersoll-Rand Plc	24,793	14,198	14,198	14,998	2,019	2,019	2,266	12.3	12.3	10.9	4.6%	5.6%	14.2%	15.1%
Johnson Controls International plc	46,748	30,521	30,172	31,001	4,593	4,571	4,965	10.2	10.2	9.4	(5.3%)	2.7%	15.0%	16.0%
Koninklijke Philips N.V.	37,831	21,829	21,829	22,263	3,132	3,132	3,767	12.1	12.1	10.0	(3.4%)	2.0%	14.3%	16.9%
Lennox International Inc.	9,210	3,840	3,840	4,047	551	551	641	16.7	16.7	14.4	6.5%	5.4%	14.3%	15.8%
Schneider Electric S.E.	53,865	30,846	30,441	31,390	4,659	4,980	5,426	11.6	10.8	9.9	1.9%	3.1%	15.1%	17.3%
United Technologies Corporation	120,438	59,837	59,837	63,581	10,043	10,043	10,772	12.0	12.0	11.2	2.0%	6.3%	16.8%	16.9%
<b>Median</b>	<b>\$37,831</b>	<b>\$20,404</b>	<b>\$20,404</b>	<b>\$21,301</b>	<b>\$3,132</b>	<b>\$3,132</b>	<b>\$3,767</b>	<b>12.0x</b>	<b>12.0x</b>	<b>10.9x</b>	<b>4.6%</b>	<b>4.4%</b>	<b>15.1%</b>	<b>16.9%</b>
<b>Mean</b>	<b>41,751</b>	<b>22,777</b>	<b>22,562</b>	<b>23,674</b>	<b>3,562</b>	<b>3,581</b>	<b>3,930</b>	<b>12.1</b>	<b>12.0</b>	<b>10.8</b>	<b>4.3%</b>	<b>4.7%</b>	<b>15.4%</b>	<b>16.6%</b>

## Selected Public Companies – Surfaces

(\$ in millions)

Company	Enterprise Value	Revenue			EBITDA			Enterprise Value / EBITDA			Revenue Growth		EBITDA Margins	
		LTM	2017	2018E	LTM	2017	2018E	LTM	2017	2018E	5 yr. CAGR	2017	LTM	2018E
Armstrong World Industries, Inc.	\$3,869	\$1,296	\$1,098	\$1,086	\$262	\$348	\$368	14.8x	11.1x	10.5x	(14.9%)	(1.1%)	20.2%	33.9%
Caesarstone Ltd.	630	588	588	623	95	95	104	6.6	6.6	6.1	16.0%	5.9%	16.2%	16.7%
Interface, Inc.	1,557	970	986	1,029	143	145	158	10.9	10.7	9.8	2.0%	4.4%	14.8%	15.4%
Louisiana-Pacific Corporation	3,504	2,573	2,675	2,776	527	624	568	6.6	5.6	6.2	10.4%	3.8%	20.5%	20.5%
Mohawk Industries, Inc.	21,253	9,491	9,491	10,229	1,792	1,792	2,052	11.9	11.9	10.4	12.1%	7.8%	18.9%	20.1%
Panariagroup Industrie Ceramiche S.p.A.	405	479	498	539	52	58	69	7.8	6.9	5.8	9.9%	8.3%	10.8%	12.8%
Tarkett S.A.	3,004	3,488	3,488	3,545	141	141	398	21.3	21.3	7.6	5.3%	1.6%	4.0%	11.2%
The Dixie Group, Inc.	189	410	412	423	14	NA	NA	13.6	NA	NA	9.7%	2.6%	3.4%	NA
Trex Company, Inc.	3,161	538	561	642	154	159	184	20.5	19.9	17.1	15.9%	14.4%	28.7%	28.7%
<b>Median</b>	<b>\$3,004</b>	<b>\$970</b>	<b>\$986</b>	<b>\$1,029</b>	<b>\$143</b>	<b>\$145</b>	<b>\$276</b>	<b>11.9x</b>	<b>10.9x</b>	<b>8.7x</b>	<b>9.9%</b>	<b>4.4%</b>	<b>16.2%</b>	<b>18.4%</b>
<b>Mean</b>	<b>4,175</b>	<b>2,204</b>	<b>2,200</b>	<b>2,321</b>	<b>353</b>	<b>374</b>	<b>488</b>	<b>12.7</b>	<b>11.8</b>	<b>9.2</b>	<b>7.4%</b>	<b>5.3%</b>	<b>15.3%</b>	<b>19.9%</b>

Source: Capital IQ. As of Dec. 31, 2017



## Selected Public Companies – Roofing, Siding &amp; Insulation

(\$ in millions)

Company	Enterprise Value	Revenue			EBITDA			Enterprise Value / EBITDA			Revenue Growth		EBITDA Margins	
		LTM	2017	2018E	LTM	2017	2018E	LTM	2017	2018E	5 yr. CAGR	2017	LTM	2018E
Carlisle Companies Incorporated	\$7,320	\$4,090	\$4,090	\$4,409	\$667	\$667	\$765	11.0x	11.0x	9.6x	9.1%	7.8%	16.3%	17.4%
Compagnie de Saint-Gobain S.A.	37,898	49,052	49,909	51,533	5,004	5,195	5,608	7.6	7.3	6.8	0.0%	3.3%	10.2%	10.9%
James Hardie Industries plc	8,447	2,023	1,922	2,068	455	437	487	18.6	19.4	17.3	10.8%	7.6%	22.5%	23.6%
Louisiana-Pacific Corporation	3,504	2,573	2,675	2,776	527	624	568	6.6	5.6	6.2	10.4%	3.8%	20.5%	20.5%
Owens Corning	11,497	6,161	6,303	6,970	1,130	1,202	1,427	10.2	9.6	8.1	6.1%	10.6%	18.3%	20.5%
Ply Gem Holdings, Inc	2,306	2,002	2,038	2,185	222	234	277	10.4	9.9	8.3	14.3%	7.2%	11.1%	12.7%
<b>Median</b>	<b>\$7,884</b>	<b>\$3,332</b>	<b>\$3,382</b>	<b>\$3,593</b>	<b>\$597</b>	<b>\$645</b>	<b>\$667</b>	<b>10.3x</b>	<b>9.7x</b>	<b>8.2x</b>	<b>9.8%</b>	<b>7.4%</b>	<b>17.3%</b>	<b>18.9%</b>
<b>Mean</b>	<b>11,829</b>	<b>10,984</b>	<b>11,156</b>	<b>11,657</b>	<b>1,334</b>	<b>1,393</b>	<b>1,522</b>	<b>10.7</b>	<b>10.4</b>	<b>9.4</b>	<b>8.5%</b>	<b>6.7%</b>	<b>16.5%</b>	<b>17.6%</b>

## Selected Public Companies – Materials

(\$ in millions)

Company	Enterprise		Revenue		EBITDA			Enterprise Value / EBITDA			Revenue Growth		EBITDA Margins	
	Value	LTM	2017	2018E	LTM	2017	2018E	LTM	2017	2018E	5 yr. CAGR	2017	LTM	2018E
Architectural Paint														
Masco Corporation	\$15,222	\$7,644	\$7,644	\$8,367	\$1,296	\$1,296	\$1,451	11.7x	11.7x	10.5x	2.2%	9.5%	17.0%	17.3%
PPG Industries, Inc.	31,076	14,750	14,750	15,675	2,516	2,516	2,725	12.3	12.3	11.4	4.3%	6.3%	17.1%	17.4%
The Sherwin-Williams Company	48,040	14,984	14,984	17,725	2,143	2,143	3,201	22.4	22.4	15.0	13.2%	18.3%	14.3%	18.1%
Median	\$31,076	\$14,750	\$14,750	\$15,675	\$2,143	\$2,143	\$2,725	12.3x	12.3x	11.4x	4.3%	9.5%	17.0%	17.4%
Mean	31,446	12,459	12,459	13,923	1,985	1,985	2,459	15.5	15.5	12.3	6.6%	11.3%	16.1%	17.6%
Building Boards														
Canfor Corporation	\$3,221	\$3,584	\$3,710	\$3,779	\$533	\$595	\$549	6.0x	5.4x	5.9x	12.2%	1.9%	14.9%	14.5%
Interfor Corporation	1,369	1,578	1,578	1,623	232	232	221	5.9	5.9	6.2	18.9%	2.9%	14.7%	13.6%
Louisiana-Pacific Corporation	3,504	2,573	2,675	2,776	527	624	568	6.6	5.6	6.2	10.4%	3.8%	20.5%	20.5%
West Fraser Timber Co. Ltd.	5,404	3,857	4,098	4,423	699	836	821	7.7	6.5	6.6	12.9%	7.9%	18.1%	18.6%
Weyerhaeuser Company	31,198	7,197	7,268	7,523	2,075	2,075	2,165	15.0	15.0	14.4	4.7%	3.5%	28.8%	28.8%
Median	\$3,504	\$3,584	\$3,710	\$3,779	\$533	\$624	\$568	6.6x	5.9x	6.2x	12.2%	3.5%	18.1%	18.6%
Mean	8,939	3,758	3,866	4,025	813	872	865	8.3	7.7	7.8	11.8%	4.0%	19.4%	19.2%
Flat Glass														
Apogee Enterprises, Inc.	\$1,441	\$1,287	\$1,115	\$1,339	\$172	\$158	\$177	8.4x	9.1x	8.1x	15.1%	20.2%	13.4%	13.2%
Asahi Glass Co., Ltd.	14,785	13,481	13,481	13,969	2,214	2,214	2,409	6.7	6.7	6.1	5.7%	3.6%	16.4%	17.2%
Central Glass Co., Ltd.	1,421	2,174	2,108	2,087	177	217	180	8.0	6.5	7.9	7.0%	(1.0%)	8.1%	8.6%
CRH plc	36,607	33,650	33,905	33,865	3,881	3,987	4,487	9.4	9.2	8.2	9.5%	(0.1%)	11.5%	13.3%
Nippon Sheet Glass Co., Ltd.	3,859	5,522	5,350	5,506	579	600	630	6.7	6.4	6.1	2.3%	2.9%	10.5%	11.4%
PPG Industries, Inc.	31,076	14,750	14,750	15,675	2,516	2,516	2,725	12.3	12.3	11.4	4.3%	6.3%	17.1%	17.4%
Median	\$9,322	\$9,502	\$9,416	\$9,738	\$1,397	\$1,407	\$1,519	8.2x	7.9x	8.0x	6.4%	3.3%	12.5%	13.2%
Mean	14,865	11,811	11,785	12,074	1,590	1,615	1,768	8.6	8.4	8.0	7.3%	5.3%	12.8%	13.5%
Other Materials														
BlueScope Steel Limited	\$6,841	\$8,342	\$8,342	\$8,723	\$1,110	\$1,110	\$1,142	6.2x	6.2x	6.0x	5.6%	4.6%	13.3%	13.1%
Compagnie de Saint-Gobain S.A.	37,898	49,052	49,909	51,533	5,004	5,195	5,608	7.6	7.3	6.8	0.0%	3.3%	10.2%	10.9%
Eagle Materials Inc.	5,516	1,380	1,211	1,416	417	373	478	13.2	14.8	11.5	23.4%	16.9%	30.2%	33.8%
Fletcher Building Limited	5,331	6,807	6,807	6,822	507	507	560	10.5	10.5	9.5	1.4%	0.2%	7.4%	8.2%
Gibraltar Industries, Inc.	1,001	961	961	1,008	116	120	132	8.6	8.4	7.6	5.0%	4.8%	12.1%	13.1%
Insteel Industries, Inc.	530	393	389	442	45	46	57	11.7	11.5	9.2	4.0%	13.7%	11.5%	13.0%
NCI Building Systems, Inc.	1,404	1,770	1,770	1,848	155	155	195	9.1	9.1	7.2	9.9%	4.4%	8.7%	10.6%
Owens Corning	11,497	6,161	6,303	6,970	1,130	1,202	1,427	10.2	9.6	8.1	6.1%	10.6%	18.3%	20.5%
Quanex Building Products Corporation	890	867	867	896	92	92	104	9.6	9.6	8.5	13.4%	3.5%	10.7%	11.7%
Simpson Manufacturing Co., Inc.	2,474	977	977	1,050	175	175	211	14.1	14.1	11.7	9.9%	7.5%	17.9%	20.1%
USG Corporation	5,306	3,204	3,204	3,377	499	499	636	10.6	10.6	8.3	0.9%	5.4%	15.6%	18.8%
Vulcan Materials Company	18,649	3,786	3,860	4,295	953	991	1,246	19.6	18.8	15.0	10.8%	11.3%	25.2%	29.0%
Median	\$5,318	\$2,487	\$2,487	\$2,612	\$458	\$436	\$519	10.3x	10.1x	8.4x	5.9%	5.1%	12.7%	13.1%
Mean	8,111	6,975	7,050	7,365	850	872	983	10.9	10.9	9.1	7.5%	7.2%	15.1%	16.9%
Median	\$7,320	\$6,543	\$6,563	\$6,758	\$965	\$1,015	\$1,044	9.3x	9.0x	8.2x	6.1%	4.3%	14.8%	15.3%
Mean	15,840	8,751	8,790	9,346	1,310	1,336	1,519	10.8	10.6	9.3	8.3%	7.0%	15.9%	16.8%

## Selected Public Companies – Distributors

(\$ in millions)

Company	Enterprise Value	Revenue			EBITDA			Enterprise Value / EBITDA			Revenue Growth		EBITDA Margins	
		LTM	2017	2018E	LTM	2017	2018E	LTM	2017	2018E	5 yr. CAGR	2017	LTM	2018E
Beacon Roofing Supply, Inc.	\$5,720	\$4,496	\$4,377	\$6,747	\$383	\$380	\$581	14.9x	15.0x	9.9x	27.0%	54.2%	8.5%	8.6%
Boise Cascade Company	1,853	4,260	4,380	4,727	195	223	249	9.5	8.3	7.4	11.2%	7.9%	4.6%	5.3%
Builders FirstSource, Inc.	4,078	6,802	6,946	7,456	367	411	493	11.1	9.9	8.3	47.4%	7.3%	5.4%	6.6%
Ferguson plc	18,473	21,033	21,033	22,051	1,623	1,623	1,735	11.4	11.4	10.6	4.0%	4.8%	7.7%	7.9%
HD Supply Holdings, Inc.	8,284	7,643	7,439	5,149	891	874	728	9.3	9.5	11.4	(5.8%)	(30.8%)	11.7%	14.1%
SIIG plc	1,427	4,019	3,928	4,052	(146)	160	176	(9.8)	8.9	8.1	2.6%	3.1%	(3.6%)	4.3%
Pool Corporation	5,705	2,723	2,757	2,957	302	308	340	18.9	18.5	16.8	8.6%	7.3%	11.1%	11.5%
Watsco, Inc.	5,612	4,342	4,342	4,558	376	376	403	14.9	14.9	13.9	5.8%	5.0%	8.7%	8.8%
<b>Median</b>	<b>\$5,658</b>	<b>\$4,419</b>	<b>\$4,378</b>	<b>\$4,938</b>	<b>\$372</b>	<b>\$378</b>	<b>\$448</b>	<b>11.2x</b>	<b>10.7x</b>	<b>10.2x</b>	<b>7.2%</b>	<b>6.1%</b>	<b>8.1%</b>	<b>8.2%</b>
<b>Mean</b>	<b>6,394</b>	<b>6,915</b>	<b>6,900</b>	<b>7,212</b>	<b>499</b>	<b>544</b>	<b>588</b>	<b>10.0</b>	<b>12.1</b>	<b>10.8</b>	<b>12.6%</b>	<b>7.4%</b>	<b>6.7%</b>	<b>8.4%</b>

Source: Capital IQ. As of Dec. 31, 2017



## Acquisitions of North American Building Products Companies by Private Equity Firms (2017)

(\$ in millions)			
Announced Date	Target	Acquiror	Target Description
11/6/2017	Galleher Corporation	Quad-C Management, Inc.	Distributes floor covering products for residential/commercial projects
10/24/2017	American Insulated Glass, LLC	AV Capital	Manufactures, fabricates, and distributes glass products in the Southeast United States
10/22/2017	Hansons Holdings LLC	Huron Capital Partners, LLC	Distributes and installs vinyl replacement windows and door walls
10/17/2017	Strategic Materials, Inc.	Littlejohn & Co. LLC	Provides glass and plastic recycling services in North America
9/20/2017	Arden Inc.	AAVIN Private Equity Advisors and MSI Capital Partners	Manufactures sand for roofing, sand blasting, and foundry industry
9/7/2017	FloWorks International, LLC	TowerBrook Capital Partners and Clearlake Capital Group	Supplies pipes, valves, fittings, and related products
9/5/2017	Hufcor, Inc.	OpenGate Capital, LLC	Engages in the manufacture and distribution of flexible space management solutions
7/20/2017	Armtec LP, Ottawa Operations and Brooklin Operations	Ironbridge Equity Partners Limited	Manufactures precast concrete products for roads and highways
7/12/2017	Viskon-Aire Corp.	The Edgewater Funds	Manufacturer and marketer of disposable filtration products
7/10/2017	Walcro, Inc.	WILsquare Capital LLC	Distributes tools, supplies, accessories and building products for the installation of carpet, ceramic, stone, resilient, laminate and wood flooring in the United States
6/6/2017	The Marwin Company, Inc.	Validor Capital LLC	Manufactures attic stairways, pocket door frames and other specialty building products
5/22/2017	Bestworth-Rommel, Inc.	OneAccord Capital	Designs, manufactures, and installs canopies, wall panel systems, and other products
5/17/2017	Endries International Inc.	Nautic Partners, LLC	Distributes fasteners and related production components to original equipment manufacturers
5/12/2017	McGregor & Thompson Hardware Ltd.	Speyside Equity LLC	Manufactures doors, frames, finishing hardware and construction products
4/27/2017	Canam Group Inc.	American Industrial Partners and members of the Dutil family	Designs construction solutions and fabricates customized products
4/25/2017	Cast-Crete USA, Inc.	Stonebridge Partners	Manufactures precast and pre-stressed concrete U-lintels for residential, commercial, and institutional construction industries in the United States
4/17/2017	Sunrise Fiberglass Corporation	North Central Equity LLC	Sunrise Fiberglass Corporation manufactures and markets fiberglass components and assemblies
4/6/2017	General LED, Inc.	The CapStreet Group, LLC; Capstreet IV, L.P.	General LED, Inc., through its subsidiaries, manufactures and supplies light-emitting-diode (LED) lighting products in the Middle East, North Africa, and Asia.
4/4/2017	Eastern Wholesale Fence Co., Inc.	Corinthian Capital Group, LLC	Eastern Wholesale Fence Co., Inc. engages in the manufacture, wholesale, and supply of fence and related products to the fence trade.
3/21/2017	Shanahan's Limited Partnership	Speyside Equity LLC	Manufactures and supplies commercial construction specialty products
3/2/2017	IOTA Engineering, L.L.C.	Industrial Growth Partners	IOTA Engineering, L.L.C. designs and manufactures emergency lighting equipment for commercial, institutional, national, and international applications.
1/27/2017	Polar Window Of Canada Ltd.	Morris Capital Management, LLC and Henry & Wallace, LLC	Designs, manufactures and installs windows and doors for homes





## Acquisitions of North American Building Products Companies by Private Equity Firms (2017)

(\$ in millions)			
Announced Date	Target	Acquiror	Target Description
1/26/2017	Arrow Tru-Line, Inc.	Sun Capital Partners, Inc.	Arrow Tru-Line, Inc. manufactures and distributes garage door hardware, springs, weather-stripping products, and windows.
1/18/2017	Denver Glass Interiors, Inc.	Bay Capital Investment Partners	Designs, fabricates and installs interior glass products for commercial and residential markets
1/11/2017	Union Corrugating Company	Industrial Opportunity Partners LLC	Manufactures and distributes metal roofing and siding products and accessories
1/9/2017	Anvil International, LLC	OEP Capital Advisors, L.P.	Manufactures pipe fittings, pipe hangers and piping support systems
1/3/2017	Bentley Mills, Inc.	Lone Star Funds	Manufactures and markets broadloom, carpet tile, walk off tiles, luxury vinyl tile, fast track and area rug products for commercial interiors
12/23/2016	Floors, Inc. and Malibu Acceptance Corp.	Dunes Point Capital, LLC	Designs, installs and retails floor coverings
12/22/2016	Clad Rex, LLC	Main Street Capital Corporation	Manufactures and supplies vinyl clad metal, and pre-painted steel and aluminum coils, sheets and blanks
12/19/2016	Soft-Lite Windows	Harvey Industries	Manufacturer of vinyl replacement windows
12/14/2016	Innocor Inc.	Bain Capital Private Equity, LP	Designs and manufactures home furnishings
12/6/2016	Delta Door and Hardware	The Cook & Boardman Group	Distributor and supplier of doors and related hardware
12/1/2016	Luminis Montreal	The Luminaires Group	Designer and manufacturer of decorative interior and exterior lighting
11/21/2016	Lasko Products, Inc.	Comvest Partners	Designs and manufactures home comfort and convenience products to customers in the United States and internationally
11/17/2016	Empire Today	HIG Capital	Provider of flooring and window products
11/14/2016	Majestic Stone, Inc., Chattanooga Stone Center and Creative Stone Works, Inc.	Alderman Holdings, LLC	Wholesales natural stone and material products
11/3/2016	Northeast Wholesale Nail & Fastener Supply	PrimeSource Building Products (Platinum Equity)	Provider of fasteners and building materials
11/3/2016	Lighting Technologies International LLC	Saratoga Partners	Manufactures xenon light bulbs
11/3/2016	PoolPak® LLC	The Sterling Group, L.P.	Manufactures indoor pool dehumidification equipment
11/2/2016	J.E. Berkowitz	Consolidated Glass Holdings (Grey Mountain Partners)	Fabricator of a full suite of glass products including insulating, engineered, tempered and laminated glass
11/2/2016	Brock White Company	The Sterling Group	Supplier and distributor of construction and building materials including brick, stone and masonry accessories
11/1/2016	Border Construction Specialties, LLC	The Sterling Group, L.P.	Retails concrete accessories, masonry supplies, fabricated rebars, and industrial maintenance and building products
10/21/2016	Southland Flooring Supplies, Inc.	Centre Lane Partners, LLC	Distributes commercial, residential and industrial floor covering and supplies for professional installers
10/19/2016	American De Rosa Lamparts, LLC	Resilience Capital Partners LLC	Manufactures and distributes lighting solutions for residential and commercial customers





## Acquisitions of North American Building Products Companies by Private Equity Firms (2017)

(\$ in millions) Announced Date	Target	Acquiror	Target Description
10/13/2016	RBC Tile & Stone	Virginia Tile Company (Fidus Investment; Harren Equity Partners)	Wholesaler and distributor of tiles and stones
10/6/2016	Dealers Building Supply	The Firefly Group	Distributor of building products including doors, door hardware and fireplaces
10/6/2016	Henry Company (Graham Partners; OceanBridge Partners)	American Securities	Manufacturer of roofing and building-envelope products and systems
10/1/2016	Border Construction Specialties (Svodoba Capital Partners)	The Sterling Group	Provider of construction products including concrete accessories, masonry supplies and sustainable building products
10/1/2016	Trimlite	TriWest Capital Partners	Manufacturer of decorative glass inserts for steel door fabricators
10/1/2016	The Delaney Co.	HCI Equity Partners	Manufactures residential and commercial door locks, builder's hardware, bath accessories and door hinges
9/30/2016	NILCO, LLC	Platinum Equity, LLC	Manufactures building material solutions
9/16/2016	Swenson Granite Company	Polycor (PNC Mezzanine Capital; TorQuest Partners)	Manufacturer and supplier of granite products
9/6/2016	Fabcon	Platinum Equity	Manufacturer of precast concrete products including wall panels, wind-turbine towers and other related structures
8/11/2016	Winroc	Foundation Building Materials (Lone Star Funds; PennantPark Investment Corporation)	Wholesaler and distributor of construction materials including drywall and building and mechanical insulation
8/9/2016	Superior Plus (construction products distribution)	Foundation Building Materials (Lone Star Funds; PennantPark Investment Corporation)	Distributor of construction products including wall and ceiling products
8/3/2016	American Platform & Scaffolding	Safway Group Holding (Odyssey Investment Partners; Twin Bridge Capital Partners)	Distributor and marketer of mast climbing platforms
8/2/2016	Door Engineering and Manufacturing	Senneca Holdings (Audax Group)	Manufacturer of doors and fitting systems
8/1/2016	Keene Lumber Company	US LBM Holdings (Kelso & Company)	Provider of building materials including cabinetry, hardware, decking, flooring, roofing, siding and windows
6/29/2016	Fabcon Incorporated	Platinum Equity, LLC	Designs, manufactures and installs precast and prestressed concrete wall panels
6/6/2016	Kith Kitchens	Pfingsten Partners	Manufacturer of semi-custom framed and frameless kitchen and bath cabinetry
6/2/2016	Exteria Building Products (Graham Partners)	Novik (Clearview Capital)	Designer and manufacturer of composite exteriors
6/2/2016	Panolam Industries International (Apollo Global Management)	Insight Equity	Designer and manufacturer of decorative laminate panels for commercial, institutional and residential applications
6/1/2016	Ken/API Supply	Foundation Building Materials (Lone Star Funds; PennantPark Investment Corporation)	Provider of construction materials and supplies including drywall and plaster items, wall and ceiling systems, steel framing and other related products
6/1/2016	Kent Gypsum	Foundation Building Materials (Lone Star Funds; PennantPark Investment Corporation)	Distributor of drywall and related building materials
6/1/2016	Raymond Building Supply	US LBM Holdings (Kelso & Company)	Supplier of residential and commercial building products including lumber, trusses, garage doors, windows, doors, cabinets and custom millwork
5/25/2016	Generation Brands LLC	AEA Investors LP	Designs, manufactures and distributes decorative lighting products and ceiling fans



## Acquisitions of North American Building Products Companies by Private Equity Firms (2017)

(\$ in millions) Announced Date	Target	Acquiror	Target Description
5/9/2016	Split Rail Fence & Supply	Breakwater Investment Management; Building Industry Partners	Provider of fence services
5/6/2016	SEI Group	Narrow Gauge Capital; Siguler Guff & Company; The Goldman Sachs Group	Provider of building products installation services
4/30/2016	Wall & Ceiling Supply Company	GMS (AEA Investors)	Provider of building material and applications including wallboard and construction
4/25/2016	Twin-Star International (TriVest Partners)	Z Capital Partners	Manufacturer of home furnishings and bathroom vanity products
4/14/2016	Moulure Alexandria Moulding	Industrial Opportunity Partners	Manufacturer and distributor of solid wood and wood composite mouldings
4/5/2016	ISC Surfaces	Virginia Tile Company (Harren Equity Partners)	Distributor of flooring and surface-covering products
4/5/2016	San Benito Shutter Co.	LongWater Opportunities	Manufacturer of wood shutter and panel components including wood, poly panels, draperies, blinds and other shutter hardware components
4/5/2016	Tierra Sol Ceramic Tile	Shnier-Gesco (Blue Point Capital Partners)	Distributor of ceramics and stones products
4/4/2016	M.R. Lee Building Materials	GMS (AEA Investors)	Provider of residential and commercial building materials including drywall, metal studs, insulation and access doors
4/4/2016	Royal Building Products (Window and Door Profiles Business)	OpenGate Capital	Manufactures and distributes home remodeling products
4/4/2016	Hoodmart, Inc.	Weinberg Capital Group	Manufactures, sells and installs commercial and restaurant kitchen exhaust, grease, odor and fume ventilation equipment
4/1/2016	Homewood Building Supply	Building Industry Partners	Manufacturer and supplier of wood products
4/1/2016	Professional Handling & Distribution	GMS (AEA Investors)	Distributor of drywall and related products
3/31/2016	Alco Doors	US LBM Holdings (Kelso & Company)	Manufacturer and installer of interior and exterior doors
3/31/2016	Kenseal Construction Products	Frontenac Company; Navigation Capital Partners	Distributor of building and construction materials including waterproofing, sealants, stucco, glazing and concrete masonry restoration products
3/31/2016	Wilway Lumber Sales	Fraser Valley Building Supplies (Krystal Financial)	Provider of various types of building products including lumber, plywood, roofing, electrical, plumbing, drywall and fencing products
3/30/2016	Design and Direct Source	Materials Marketing (RAF Industries)	Distributor of building products including ceramic tile, natural stone, wood and porcelain
3/29/2016	Chauvet & Sons	Cortec Group	Manufacturer, developer and innovator of entertainment lighting products
3/25/2016	Dimora Brands, Inc.	The Jordan Company, L.P.	Designs, distributes and manufactures decorative hardware, functional hardware and other products for kitchen and bath industries
3/7/2016	3i Supply	Distribution International (Advent International; Audax Group)	Distributor of mechanical and industrial insulation products
3/6/2016	Safe-Way Garage Doors (Equity Capital Partners)	The Ellis Company	Manufacturer of garage doors
2/12/2016	Nationwide Industries Inc.	Argosy Capital	Designs and manufactures hardware products and components for the building materials industry



## Exits of U.S. Based Building Products Companies by Private Equity Firms (2017)

(\$ in millions)					
Announced Date	Company Name (Exiting P.E. Sponsor)	Exit Type	Acquiror	Company Description	Value
11/28/2017	Smith Cooper International, Inc. (Blue Point Capital)	M&A	Tailwind Capital Group, LLC	Manufactures valves, tubes, pipes and fittings	—
11/7/2017	IPS Corporation (Nautic Partners)	M&A	Encapsys, LLC	Manufactures solvent cements, primers, sealants, and components and supplies for plumbing, construction, and plastic fabrication industries	\$700.0
11/6/2017	American Builders Supply, Inc. (Blue Wolf Capital)	M&A	Kodiak Building Partners	Manufactures and distributes building products	—
10/31/2017	Comtrad Strategic Sourcing Inc. (Royat Equity Partners)	M&A	Ardenton Capital	Imports and distributes hardware and component products to furniture, kitchen, and bath cabinet manufacturers and distributors	—
10/9/2017	World Dryer Corporation (Newcastle Partners / Greyrock Capital Group)	M&A	Rexnord	Manufacturer of commercial electric hand dryers sold under the World Dryer®, American Dryer® and Nova® brands	—
10/2/2017	MW Industries, Inc. (Genstar Capital)	M&A	American Securities LLC	MW Industries, Inc. designs, manufactures, and distributes industrial springs, fasteners, machined parts, and flat-stamped spring-related products.	—
9/18/2017	Ames Taping Tools (Saybrook Capital)	M&A	Sun Capital Partners, Inc.	Provides automatic taping and finishing tools, supplies, and training to the professional drywall finishing industry	—
9/14/2017	NILCO, LLC (Platinum Equity)	M&A	U.S. LUMBER GROUP, LLC	Manufactures building material solutions in the Continental United States	—
9/13/2017	Codel Entry Systems, Inc. (Prospect Partners)	M&A	Trimlite Mfg. Inc.	Fabricates, assembles, markets, and distributes pre-hung steel, smooth fiberglass, and textured fiberglass entry doors	—
9/5/2017	Honsador Holding, LLC (Grey Mountain Partners)	M&A	CanWel Building Materials Group Ltd.	Distributes building products and electrical supplies to residential and light commercial market segments	\$82.3
8/2/2017	Sigma International Group, Inc. (Frontenac Company)	M&A	Fairfax Financial Holdings Limited	Manufactures water and wastewater infrastructure products, fire protection and OEM products	—
7/28/2017	Mathey Investments, Inc. (Gladstone Investment Corporation)	M&A	SBS Industries, LLC	Develops, manufactures, and markets pipe cutting and beveling machines	—
7/28/2017	Wildcat Minerals LLC (Platte River Equity)	M&A	Eagle Materials Inc.	Distributes frac sands and ceramic proppants	\$37.0
7/19/2017	JPW Industries, Inc. (Tenex Capital Management)	M&A	Gamut Capital Management, L.P.	Manufactures and imports metalworking, woodworking and material handling products in North America	—
7/5/2017	Drexel Metals Inc. (Arborview Capital)	M&A	Carlisle Construction Materials	Manufactures engineered metal roofing systems and equipment	—
6/30/2017	Carter-Waters LLC (Merit Capital Partners)	M&A	Construction Supply Holdings, LLC	Distributes construction materials and tools to commercial, highway, municipal, residential and multi-family builders	—
6/29/2017	Kyocera Senco Industrial Tools, Inc. (Wynnchurch Capital)	M&A	Kyocera Corporation	Manufactures tools, fasteners, compressors, and parts and accessories.	\$28,312.0
5/5/2017	Pearlman Industries Inc. (Harbour Group)	M&A	The Stephens Group	Supplies stone cutting and fabrication equipment in North America	—
4/18/2017	DiversiTech (The Jordan Company)	M&A	Permira	Manufacturer and supplier of highly-engineered components for residential and light commercial HVACR	—
3/23/2017	Chieftain Sand and Proppant, LLC (Energy Capital Partners)	M&A	Mammoth Energy Services, Inc.	Produces and distributes frac sand and proppant	\$35.3



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