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Mergers &
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Building Products & Materials:
Spotlight on Windows, Doors & Glass

Fall 2024

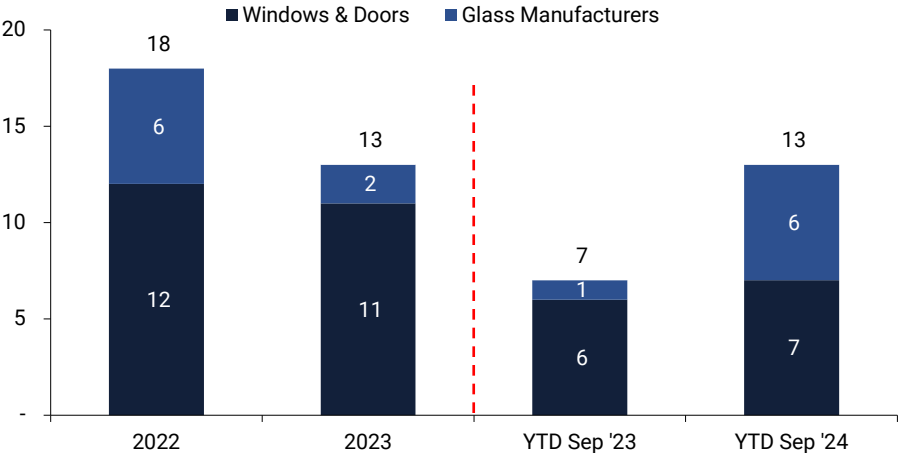


Windows, Doors & Glass (“WDG”) Transaction Activity

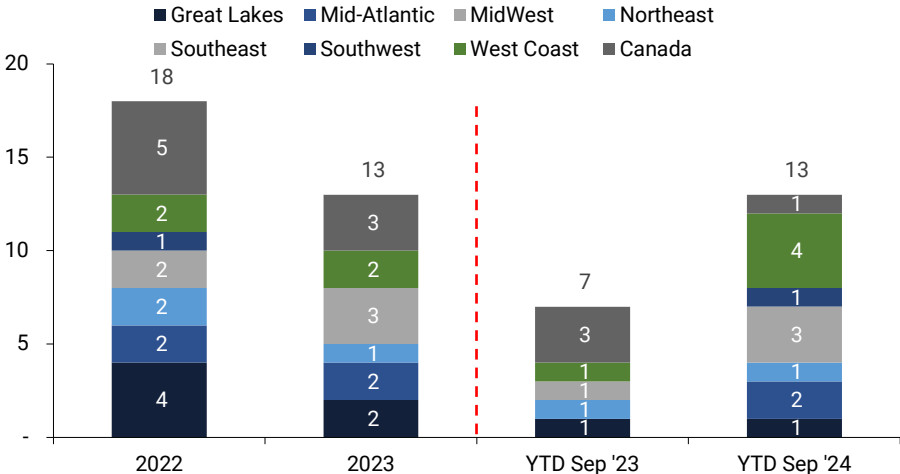
Commentary

- The North American glass market is poised for substantial growth in the coming years on the heels of the Federal Reserve’s first interest rate cut since the onset of the COVID19 Pandemic.
 - Beginning the easing campaign with an aggressive 50bps decrease emphasizes the Fed’s turning focus to jobs growth as it recalibrates its inflation vs. unemployment objectives.
- The glass manufacturing market in North America is a ~\$30+ billion revenue market and is expected to grow to \$45+ billion by 2030.
 - Well-capitalized strategic buyers continue to utilize M&A as a strategy to expand offerings, capabilities, and markets.
- Both residential and commercial window & door manufacturers are set to benefit over the coming economic easing cycle which is anticipated to spur significant additional M&A activity – a rebound that is already taking place in 2024.

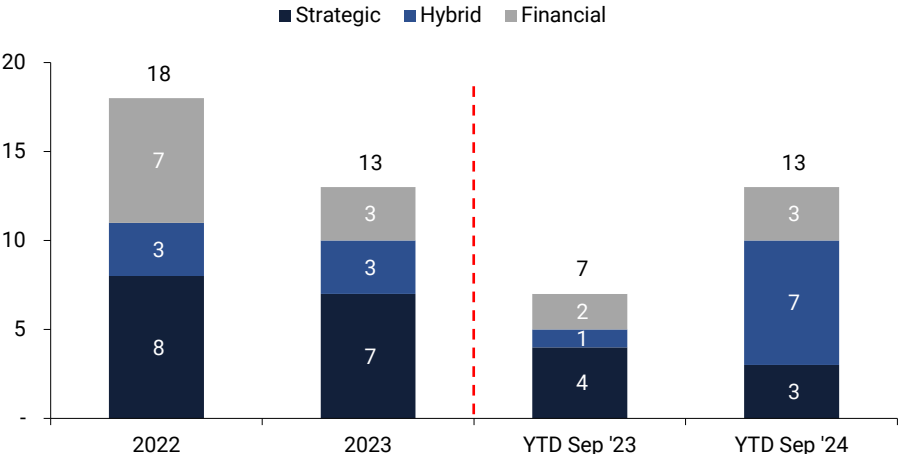
North America WDG M&A Transaction Volume by Segment



North America WDG M&A Transaction Volume by Geography



North America WDG M&A Transaction Volume by Buyer Type



Windows, Doors & Glass Public Market Valuations

WDG Enterprise Value / EBITDA Multiples (as of September 16, 2024)



MARKET DATA

Public Comps – *Building Products & Materials*

\$ in millions, except per share data		9/16/24	TTM Data							NTM	EV Multiple	
Category	Company Name	Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Adj. EBITDA	EBITDA Margin	Est. Sales Growth	TTM Sales	TTM Adj. EBITDA
Interior Building Products	Masco Corporation	\$81.04	\$17,687	\$20,690	\$7,878	\$2,881	36.6%	\$1,600	20.3%	2.0%	2.63x	12.9x
	LIXIL Corporation	12.08	3,472	7,479	9,286	2,949	31.8%	683	7.4%	18.0%	0.81x	10.9x
	MasterBrand, Inc.	16.90	2,147	2,706	2,669	889	33.3%	391	14.6%	8.8%	1.01x	6.9x
	JELD-WEN Holding, Inc.	14.75	1,247	2,396	4,043	774	19.1%	268	6.6%	(1.8%)	0.59x	8.9x
	American Woodmark Corporation	91.43	1,417	1,852	1,808	356	19.7%	250	13.8%	1.0%	1.02x	7.4x
	Quanex Building Products Corporation	27.78	1,306	1,332	1,081	269	24.8%	143	13.2%	77.6%	1.23x	9.3x
	FGI Industries Ltd.	0.85	8	30	121	34	28.3%	6	5.3%	3.8%	0.25x	4.7x
	Median		\$1,417	\$2,396	\$2,669	\$774	28.3%	\$268	13.2%	3.8%	1.01x	8.9x
	Average		\$3,898	\$5,212	\$3,841	\$1,165	27.7%	\$477	11.6%	15.6%	1.08x	8.7x
Plumbing / HVAC	Lennox International Inc.	603.50	21,505	23,017	5,019	1,612	32.1%	1,118	22.3%	6.0%	4.59x	20.6x
	A. O. Smith Corporation	81.70	11,916	11,847	3,929	1,507	38.4%	850	21.6%	3.3%	3.02x	13.9x
	AAON, Inc.	96.16	7,790	7,893	1,194	433	36.3%	305	25.5%	8.4%	6.61x	25.9x
	Median		\$11,916	\$11,847	\$3,929	\$1,507	36.3%	\$850	22.3%	6.0%	4.59x	20.6x
	Average		\$13,737	\$14,252	\$3,381	\$1,184	35.6%	\$758	23.1%	5.9%	4.74x	20.1x

MARKET DATA

Public Comps – *Building Products & Materials*

\$ in millions, except per share data		9/16/24	TTM Data							NTM	EV Multiple	
Category	Company Name	Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Adj. EBITDA	EBITDA Margin	Est. Sales Growth	TTM Sales	TTM Adj. EBITDA
Decking / Sliding / Drywall	James Hardie Industries plc	\$35.87	\$15,405	\$16,253	\$3,974	\$1,612	40.6%	\$1,170	29.4%	2.8%	4.09x	13.9x
	Eagle Materials Inc.	278.57	9,365	10,445	2,266	696	30.7%	829	36.6%	6.8%	4.61x	12.6x
	Trex Company, Inc.	66.22	7,199	7,299	1,250	539	43.2%	412	33.0%	(8.9%)	5.84x	17.7x
	Median		\$9,365	\$10,445	\$2,266	\$696	40.6%	\$829	33.0%	2.8%	4.61x	13.9x
	Average		\$10,656	\$11,332	\$2,497	\$949	38.1%	\$804	33.0%	0.2%	4.85x	14.7x
Building Systems	ASSA ABLOY AB (publ)	\$32.26	\$35,832	\$42,414	\$13,871	\$5,667	40.9%	\$2,861	20.6%	7.5%	3.06x	14.8x
	Owens Corning	\$167.77	\$14,587	\$20,469	\$9,872	\$2,984	30.2%	\$2,392	24.2%	22.0%	2.07x	8.6x
	Simpson Manufacturing Co., Inc.	\$183.13	\$7,721	\$7,923	\$2,209	\$1,027	46.5%	\$540	24.4%	3.8%	3.59x	14.7x
	Armstrong World Industries, Inc.	\$126.91	\$5,546	\$6,182	\$1,351	\$535	39.6%	\$470	34.8%	10.0%	4.58x	13.2x
	Gibraltar Industries, Inc.	69.41	2,116	1,969	1,365	382	28.0%	217	15.9%	7.0%	1.44x	9.1x
	Apogee Enterprises, Inc.	66.87	1,467	1,555	1,387	378	27.3%	212	15.3%	(3.1%)	1.12x	7.3x
	Median		\$6,634	\$7,052	\$1,798	\$781	34.9%	\$505	22.4%	7.2%	2.57x	11.1x
	Average		\$11,211	\$13,419	\$5,009	\$1,829	35.4%	\$1,115	22.5%	7.9%	2.64x	11.3x
Lumber/ Wood Products	Weyerhaeuser Company	\$32.51	\$23,645	\$27,741	\$7,531	\$1,603	21.3%	\$1,516	20.1%	(2.3%)	3.68x	18.3x
	UFP Industries, Inc.	\$123.47	\$7,497	\$6,866	\$6,893	\$1,349	19.6%	\$771	11.2%	2.5%	1.00x	8.9x
	West Fraser Timber Co. Ltd.	\$91.75	\$7,375	\$6,903	\$6,551	\$2,055	31.4%	\$882	13.5%	(1.8%)	1.05x	7.8x
	Louisiana-Pacific Corporation	\$99.05	\$6,961	\$7,014	\$2,925	\$851	29.1%	\$740	25.3%	(1.6%)	2.40x	9.5x
	Boise Cascade Company	134.81	5,247	4,862	6,922	1,421	20.5%	757	10.9%	1.2%	0.70x	6.4x
	Canfor Corporation	11.62	1,375	1,758	3,916	675	17.2%	NA	NA	3.8%	0.45x	NM
	Median		\$7,168	\$6,885	\$6,722	\$1,385	20.9%	\$771	13.5%	(0.2%)	1.02x	8.9x
	Average		\$8,683	\$9,191	\$5,790	\$1,326	23.2%	\$933	16.2%	0.3%	1.55x	10.2x

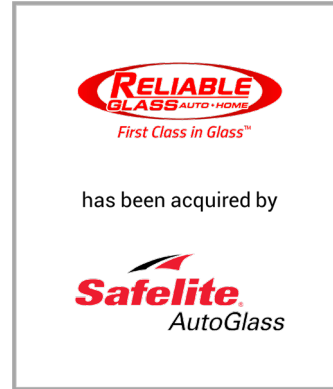
Public Comps – *Building Products & Materials*

\$ in millions, except per share data		9/16/24	Market Cap	Enterprise Value	TTM Data					NTM	EV Multiple	
Category	Company Name	Share Price			Sales	Gross Profit	Gross Margin	Adj. EBITDA	EBITDA Margin	Est. Sales Growth	TTM Sales	TTM Adj. EBITDA
Building Products Distribution	Ferguson Enterprises Inc.	\$197.22	\$39,631	\$44,145	\$29,527	\$8,994	30.5%	\$3,492	11.8%	3.5%	1.50x	12.6x
	Builders FirstSource, Inc.	187.65	21,853	26,130	17,033	5,809	34.1%	2,742	16.1%	1.2%	1.53x	9.5x
	Pool Corporation	358.49	13,715	15,051	5,368	1,591	29.6%	820	15.3%	(0.1%)	2.80x	18.3x
	TopBuild Corp.	392.02	11,753	12,892	5,257	1,623	30.9%	1,166	22.2%	5.1%	2.45x	11.1x
	Installed Building Products, Inc.	226.24	6,351	6,942	2,858	974	34.1%	528	18.5%	6.9%	2.43x	13.1x
	Beacon Roofing Supply, Inc.	84.59	5,234	8,845	9,471	2,422	25.6%	1,021	10.8%	5.0%	0.93x	8.7x
	GMS Inc.	89.17	3,503	5,121	5,541	1,778	32.1%	638	11.5%	3.4%	0.92x	8.0x
	BlueLinx Holdings Inc.	103.50	882	1,023	3,017	508	16.8%	156	5.2%	0.3%	0.34x	6.6x
	Median		\$9,052	\$10,869	\$5,454	\$1,700	30.7%	\$921	13.6%	3.4%	1.51x	10.3x
	Average		\$12,865	\$15,019	\$9,759	\$2,962	29.2%	\$1,320	13.9%	3.2%	1.61x	11.0x
Building Product Retailers	The Home Depot, Inc.	\$382.01	\$379,448	\$443,243	\$152,089	\$51,095	33.6%	\$26,526	17.4%	6.9%	2.91x	16.7x
	Lowe's Companies, Inc.	256.64	145,590	181,526	84,023	27,903	33.2%	13,233	15.7%	(0.7%)	2.16x	13.7x
	Floor & Decor Holdings, Inc.	116.63	12,498	14,052	4,386	1,898	43.3%	766	17.5%	7.0%	3.20x	18.3x
	Median		\$145,590	\$181,526	\$84,023	\$27,903	33.6%	\$13,233	17.4%	6.9%	2.91x	16.7x
	Average		\$179,179	\$212,941	\$80,166	\$26,965	36.7%	\$13,509	16.9%	4.4%	2.76x	16.3x

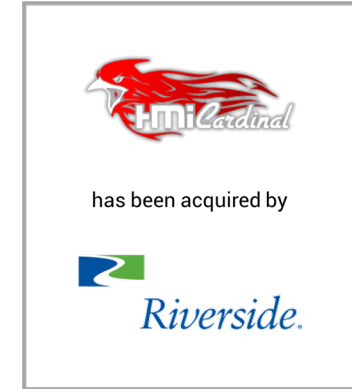
Proven Track Record of Successful Outcomes



Insulated Glass Units



Automotive Glass



Specialty Glass Enclosures

“ I interviewed several investment banks and determined that HCA was the best advisor to assist in this important life event. The HCA team prepared me well from pre-transaction diligence through and after the closing event. Their knowledge of the most logical class participants was essential throughout the transaction process and has created an even stronger glass company with the AGNORA and Kensington partnership. ”

– Rusty Neubauer
Owner
West Coast Glass

“ I enjoyed working with the Hexagon Capital Alliance team in this once-in-a-lifetime event. HCA constructed a competitive process, negotiated excellent terms, and end-to-end managed a complex transaction that separated the Automotive Glass division from the Residential & Commercial Glass operations. ”

– Greg Tornga
Owner
Reliable Glass

“ From start to finish it was so much more than I expected. Rich, Andrew Suen and the team of Hexagon Capital Alliance exuded integrity, professionalism, and an incredible work ethic. I enjoyed every part of the experience. It was exciting, fun, intense and in the end an incredible success. They are masters at negotiating the deal while keeping their client's needs, wishes and values as the number one priority. ”

– Joann Serafini
Owner
HMI Cardinal

What We are About

An Alliance With Our Clients

Experienced Professionals

A 25-year firm with professionals that have 140 years of combined experience in middle-market mergers & acquisitions and corporate finance advisory services

The Right Capital

Capital is a commodity ... the investor behind the capital is targeted based on our client's objectives

Results Driven

Meticulously craft a transaction blueprint with steadfast commitment to achieve our client's goals

Senior Banker Immersion

From engagement inception through post-closing transaction functions, our senior bankers lead the charge to achieve a successful outcome

Objective Advice

We provide frank advice, backed with analysis and perspective, to map out and execute a process to reach our clients' transaction objectives

Industry Expertise

Real-time pulse of sector activity, corporate and private equity participants and enterprise valuation metrics



Services & Industries

With more than 300 completed transactions, HCA's investment bankers maintain relationships with key decision-makers among strategic buyers and investors and comprehensive coverage of relevant private equity groups and family offices

- Merger and Acquisition Advisory
- Equity and Debt Capital Placement
- Strategic Alternatives Assessment
- Exclusive Sales and Divestitures
- Strategic Planning
- Management Buy-outs
- Recapitalizations



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A modern living room with large windows and a white hexagonal overlay containing text. The room features a dark wood coffee table, a black side table with a silver vase, and a blue armchair. The text is centered within the hexagon.

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