



G-SIDE CAPITAL ADVISORS

Building Products
M&A Update

March 2025

Building Products Industry Update

Trends and Outlook

- After two consecutive years of declines in announced M&A transactions, the Building Products industry showed strong growth in M&A activity in 2024 as interest rate cuts and continued strength in consumer spending provided would-be acquirors the confidence to execute upon M&A growth strategies.
- Threats of increased tariffs and the potential for a trade war to develop between the U.S. and its key trading partners has created an uncertain supply chain and inflationary environment to start 2025, leading to some companies taking a wait and see approach on new acquisition opportunities. Despite this uncertainty, the new administration's America First agenda could facilitate increased acquisition activity of U.S.-based manufacturers as large international players look to mitigate potential impacts from tariffs.
- Looking forward in 2025 and beyond, there is cautious optimism for increased M&A activity in the U.S. as companies look to shore up supply chains, re-shore manufacturing, and diversify product offerings and geographic footprints. Companies with exposure to the residential remodeling market in particular are expected to be highly sought after as persistently high mortgage rates and slowing housing sales are expected to drive increased investments in upgrading existing homes rather than consumers spending to purchase new homes.

Executive Sentiment

- "Again, I want to finish by reiterating the structural factors that remain supportive of increased repair and remodel activity in the mid- to long-term. Homeowners that took advantage of low mortgage rates are likely to remain in their homes for longer and invest in upgrades and remodels. 1.7 million more homes will reach the prime remodeling ages of 20 to 39 years old by 2027. Home equity levels are at record high levels and millennial household formation is rising. All of these structural forces provide tailwinds for our business and increase our confidence for a strong repair and remodel market in the coming years." – **Keith Allman, CEO of Masco**
- "I think that there is a fairly strong optimism that the back half of the year will see it. Again, the market indicators and the need for housing as the Fed continues or it's anticipated that they'll continue to cut rates as inflation starts flattening a little bit and hopefully turning the other way. I think we will see consumer confidence grow and the market, both R&R and new-build, there is pent-up demand that's ready to be released. And I think we're hearing that optimism from almost every customer that we talk to." – **Greg Wilson, CEO of Quanex**
- "For 2025, we expect U.S. housing starts will improve in the low single-digit range from 2024 levels with growth weighted towards the second half of the year. In addition, we expect the European housing starts will remain relatively consistent with 2024 levels with more meaningful growth delayed further into 2026 and beyond." – **Michael Olosky, CEO of Simpson**

Key M&A Themes

- **Sustainability:** Companies acquiring businesses with sustainable material technologies or eco-friendly manufacturing processes.
- **Technology:** Acquisitions focusing on firms with digital twin, AI-driven automation, or advanced building information modeling (BIM) capabilities.
- **Supply Chain Control:** Vertical integration through M&A as companies seek to secure raw material access and streamline distribution. U.S.-based manufacturing to mitigate impacts of potential tariffs.
- **Regional Expansion:** Firms pursuing strategic acquisitions to broaden their geographic footprint, particularly in high-growth markets.
- **Product Diversification:** Companies acquiring businesses with complimentary product lines to create comprehensive building solutions packages.



Public Company Metrics

Building Products Manufacturers - Diversified

USD Millions, except per share data

Company	Stock Price 2/28/25	% of 52 Week High	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	Gross Margin	EBITDA Margin	Enterprise Value		Enterprise Value	
									LTM Revenue	LTM EBITDA	2025 Revenue	2025 EBITDA
<i>Armstrong World Industries, Inc.</i>	153.66	93.5%	6,679	7,201	1,446	501	40.3%	34.6%	5.0x	14.4x	4.5x	13.3x
<i>Carlisle Companies Incorporated</i>	340.76	70.8%	15,150	16,413	5,004	1,335	37.7%	26.7%	3.3x	12.3x	3.1x	11.6x
<i>Compagnie de Saint-Gobain S.A.</i>	100.63	92.3%	50,003	60,711	50,383	8,248	27.7%	16.4%	1.2x	7.4x	1.2x	7.7x
<i>Fortune Brands Innovations, Inc.</i>	64.72	71.5%	7,933	10,378	4,609	1,007	45.4%	21.9%	2.3x	10.3x	2.2x	10.6x
<i>James Hardie Industries plc</i>	31.42	79.0%	13,505	14,156	3,911	1,118	39.5%	28.6%	3.6x	12.7x	3.6x	12.7x
<i>Johnson Controls International plc</i>	85.66	94.0%	56,548	67,731	23,169	3,853	35.5%	16.6%	2.9x	17.6x	2.9x	17.2x
<i>LIXIL Corporation</i>	11.35	85.7%	3,260	7,049	9,918	698	32.5%	7.0%	0.7x	10.1x	0.7x	9.0x
<i>Owens Corning</i>	154.04	71.8%	13,177	18,475	10,975	2,690	29.8%	24.5%	1.7x	6.9x	1.7x	7.1x
<i>Simpson Manufacturing Co., Inc.</i>	164.40	75.3%	6,932	7,154	2,232	541	46.0%	24.2%	3.2x	13.2x	3.1x	12.8x
Mean		81.5%	19,243	23,252	12,405	2,221	37.1%	22.3%	2.7x	11.6x	2.6x	11.3x
Median		79.0%	13,177	14,156	5,004	1,118	37.7%	24.2%	2.9x	12.3x	2.9x	11.6x



Public Company Metrics

Building Products Manufacturers – Windows & Doors

Company	Stock Price 2/28/25	% of 52 Week High	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	Gross Margin	EBITDA Margin	Enterprise Value		Enterprise Value	
									LTM Revenue	LTM EBITDA	2025 Revenue	2025 EBITDA
<i>Apogee Enterprises, Inc.</i>	47.94	54.5%	1,052	1,349	1,377	213	27.7%	15.5%	1.0x	6.3x	1.0x	7.8x
<i>ASSA ABLOY AB (publ)</i>	30.69	89.9%	34,086	40,516	14,210	2,829	41.8%	19.9%	2.9x	14.3x	2.7x	13.5x
<i>JELD-WEN Holding, Inc.</i>	5.50	25.3%	467	1,638	3,776	218	18.1%	5.8%	0.4x	7.5x	0.5x	7.2x
<i>Kingspan Group plc</i>	82.25	82.8%	14,967	17,167	9,313	1,239	29.6%	13.3%	1.8x	13.9x	1.8x	13.3x
<i>Quanex Building Products Corporation</i>	19.29	49.1%	911	1,706	1,278	132	23.9%	10.3%	1.3x	13.0x	1.2x	8.8x
Mean		60.3%	10,296	12,475	5,991	926	28.2%	13.0%	1.5x	11.0x	1.4x	10.1x
Median		54.5%	1,052	1,706	3,776	218	27.7%	13.3%	1.3x	13.0x	1.2x	8.8x

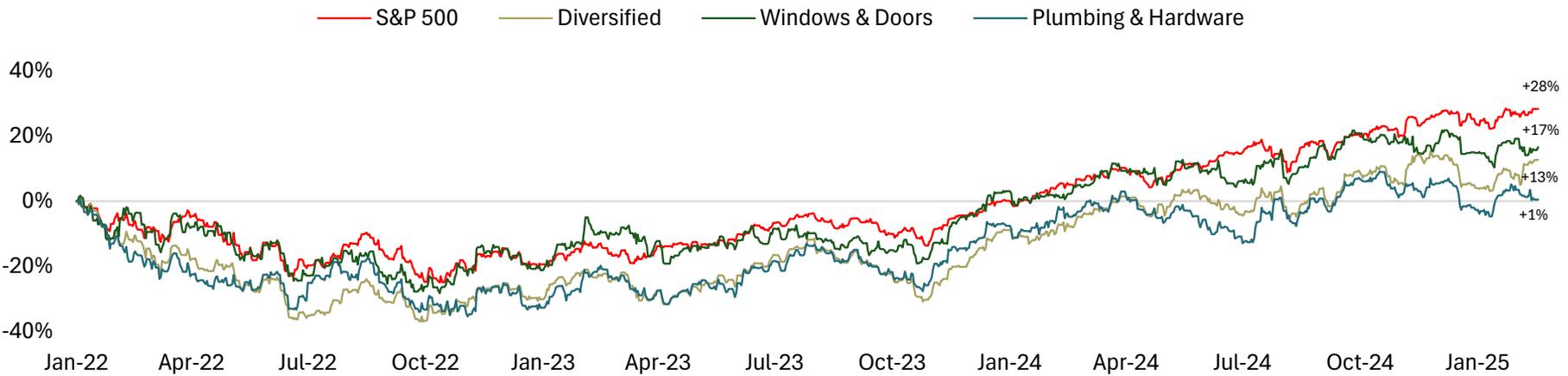
Building Products Manufacturers – Plumbing & Hardware

Company	Stock Price 2/28/25	% of 52 Week High	Market Cap	Enterprise Value	LTM Revenue	LTM EBITDA	Gross Margin	EBITDA Margin	Enterprise Value		Enterprise Value	
									LTM Revenue	LTM EBITDA	2025 Revenue	2025 EBITDA
<i>Genuit Group plc</i>	4.51	67.6%	1,118	1,308	698	140	44.5%	20.1%	1.9x	9.3x	1.9x	9.1x
<i>Masco Corporation</i>	75.18	86.7%	15,937	18,744	7,828	1,600	36.3%	20.4%	2.4x	11.7x	2.4x	12.2x
<i>NORMA Group SE</i>	15.98	74.9%	509	861	1,279	165	56.6%	12.9%	0.7x	5.2x	0.7x	5.6x
<i>TOTO LTD.</i>	26.06	70.0%	4,421	3,987	4,757	585	35.3%	12.3%	0.8x	6.8x	0.8x	6.9x
<i>Villeroy & Boch AG</i>	15.71	75.6%	417	926	1,365	88	38.5%	6.4%	0.7x	10.5x	0.6x	9.7x
<i>Watts Water Technologies, Inc.</i>	214.58	92.3%	7,149	7,010	2,252	473	47.2%	21.0%	3.1x	14.8x	3.1x	14.9x
<i>Zurn Elkay Water Solutions Corporation</i>	35.43	86.1%	6,025	6,379	1,567	366	45.1%	23.4%	4.1x	17.4x	3.9x	15.6x
Mean		79.0%	5,082	5,602	2,821	488	43.3%	16.6%	1.9x	10.8x	1.9x	10.6x
Median		75.6%	4,421	3,987	1,567	366	44.5%	20.1%	1.9x	10.5x	1.9x	9.7x

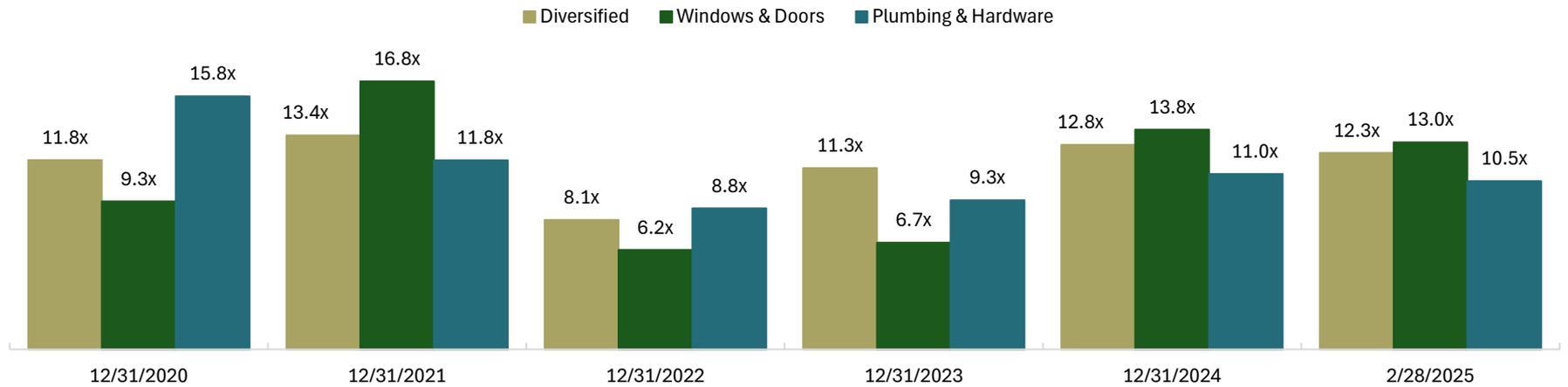


Public Company Performance & Multiples

Weighted Performance vs. S&P 500



Historical Median EV/EBITDA Multiples



Recent Transactions

USD millions

Target	Target Description	Acquiror	Date Announced	Enterprise Value	Enterprise Value	
					Revenue	EBITDA
Crane Composites, Inc. (NYSE:CR)	Offers fiberglass reinforced plastic composite wall and ceiling panels for construction and building materials industries.	KPS Capital Partners, LP	Dec-24	\$227	-	-
Summit Materials, Inc. (NYSE:SUM)	Offers aggregates, cement, ready-mix concrete, asphalt paving mixes, and other concrete products, as well as plastics components.	Quikrete Holdings, Inc.	Nov-24	\$11,487	3.1x	12.5x
Plasti-Fab Ltd.	Manufactures Expanded Polystyrene (EPS) building materials and insulation products, including roofing and wall panels, insulated concrete forms and geofoam blocks for infrastructure applications.	Carlisle Companies Incorporated (NYSE:CSL)	Oct-24	\$260	2.4x	6.7x
Elkhart Products Corporation	Manufacturer of copper fittings and related products for the plumbing, HVAC, and refrigeration industries.	Mueller Industries, Inc. (NYSE:MLI)	Aug-24	\$38	-	-
CEMIX MÉXICO SA DE CV.	Provides construction chemicals including decorative coating, waterproofing, decorative concrete products, and services.	Compagnie de Saint-Gobain S.A. (ENXTPA:SGO)	Aug-24	\$815	-	13.1x
Euroview Enterprises LLC	Provides building products and installation services for new single-family and multi-family construction projects. Its primary product offerings include shower doors, shelving, mirrors, and closets.	Installed Building Products, Inc. (NYSE:IBP)	Jul-24	\$21	1.0x	-
Mueller, Inc.	Manufactures pre-engineered metal buildings and metal roofing products. Its metal building products include backyard buildings, steel buildings, custom buildings, greenhouse kits, carports, and components.	Cornerstone Building Brands, Inc.	Jul-24	\$475	-	-
ThermaSol Steam Bath, LLC	Manufactures and sells a range of components and systems for smart showers and steam baths.	Harvia Oyj (HLSE:HARVIA)	Jul-24	\$30	2.1x	-
Rytec Corporation	Designs, manufactures, and sells a variety of doors, including fabric, rigid rolling, folding/sliding, and rubber rolling doors, along with all the necessary ancillary components.	Nucor Corporation (NYSE:NUE)	Jun-24	\$565	-	-
Internacional de Cerámica, S.A.B. de C.V.	Offers floor and wall covering products, including floors, walls, special pieces, and decorative profiles; bathroom products; kitchen products; and installation materials.	Kohler Co., Inc.	May-24	\$16,595	1.5x	10.6x
3form, LLC	Offers resin materials, such as varia ceresin, chroma, structure, and stone; infinite glasses, including pressed and monolithic glasses; and exterior materials that comprise polycarbonate panel materials.	Armstrong World Industries, Inc. (NYSE:AWI)	Apr-24	\$94	1.0x	-
Tyman plc (LSE:TYMN)	Designs, manufactures, and supplies engineered fenestration components and access solutions to the construction industry.	Quanex Building Products Corporation (NYSE:NX)	Apr-24	\$919	1.4x	9.0x
Harvey Industries, Inc.	Offers vinyl, wood, impact, acoustic, and storm windows; storm, patio, and entry doors; and custom-designed porch enclosures.	Cornerstone Building Brands, Inc.	Mar-24	\$461	1.1x	9.0x
MTL Holdings LLC	Manufactures metal edge and wall systems.	Carlisle Companies Incorporated (NYSE:CSL)	Mar-24	\$413	3.1x	8.7x
SRS Distribution Inc.	Offers fasteners, gutters, lumber, plywood, roofing products, skylights, tools, and various residential building accessories.	The Home Depot, Inc. (NYSE:HD)	Mar-24	\$22,100	2.2x	20.1x
CSR Limited (ASX:CSR)	Manufactures and supplies building products for residential and commercial constructions. It operates through Building Products, Property, and Aluminum segments.	Compagnie de Saint-Gobain S.A. (ENXTPA:SGO)	Feb-24	\$4,368	1.6x	13.9x
Masonite International Corporation (NYSE:DOOR)	Designs, manufactures, markets, and distributes interior and exterior doors and door solutions for the new construction and repair, renovation, and remodeling sectors.	Owens Corning (NYSE:OC)	Feb-24	\$4,252	1.5x	8.5x
The Eden Unit Trust	Manufactures and distributes plumbing and watering products.	Reliance Worldwide Corporation Limited (ASX:RWC)	Feb-24	\$160	0.8x	7.0x
PGT Innovations, Inc. (NYSE:PGTI)	Manufactures and supplies impact-resistant aluminum frame windows and doors.	Miter Brands	Jan-24	\$3,164	2.1x	11.2x
Signature Systems Group, LLC	Manufactures and distributes industrial composite matting, sports flooring products, turf protection systems, temporary event floors, and temporary carpets and fencing.	Myers Industries, Inc. (NYSE:MYE)	Jan-24	\$344	3.1x	7.8x
				Mean	1.9x	10.6x
				Median	1.6x	9.0x



Highlighted Recent Transactions



CRANE
Composites

KPS Capital Partners acquired Crane Composites, a manufacturer of fiberglass reinforced plastic products, from Crane Company for \$227 million. “The combination of Crane Composites’ manufacturing expertise, leadership position and commitment to quality, as well as KPS’ strategic, operational and financial resources on a global scale, provides an ideal foundation for Crane Composites’ future success as an independent company” – **Pierre de Villeméjane, Partner and Co-Head of KPS Mid-Cap Investments**



TYMAN

Quanex acquired Tyman plc for \$1.1 billion, creating a comprehensive building products solutions provider. The acquisition creates a larger, more diversified building products supplier with a combined revenue of roughly \$2 billion. “This transformative acquisition accelerates our journey to becoming ‘BIGGER’, creating a leading supplier of building products with a more diverse geographic footprint, product offering and customer base. With significantly enhanced scale, we are looking forward to fully optimizing our portfolio of products and assets to position Quanex as a comprehensive solutions provider for our customers.” – **George Wilson, CEO of Quanex**



HARVEY
WINDOWS + DOORS

Cornerstone Building Brands acquired Harvey Building Products for \$461 million. “Harvey Building Products has a strong reputation as a premium R&R manufacturer and is an ideal addition to Cornerstone Building Brands as we forge ahead in our journey to be a premier exterior building products company. This transaction will strengthen our presence across the Northeast and the Midwest with key leading brands. It will also enable us to be a stronger partner of choice for our customers and to better serve them.” – **Rose Lee, CEO of Cornerstone Building Brands**



CSR

Saint-Gobain acquired CSR Limited for \$4.4 billion. CSR, a leading player in Australian building materials with strong brands and a substantial market share, was a natural fit for Saint-Gobain’s strategic expansion. “We are delighted with the timely completion of this major transaction in Australia’s attractive high-growth construction market which is underpinned by solid macroeconomic fundamentals. The acquisition will strengthen our presence in the fast-growing Asia-Pacific markets and is fully aligned with our “Grow & Impact” strategy and our worldwide leadership in light and sustainable construction.” – **Benoit Bazin, CEO of Saint-Gobain**



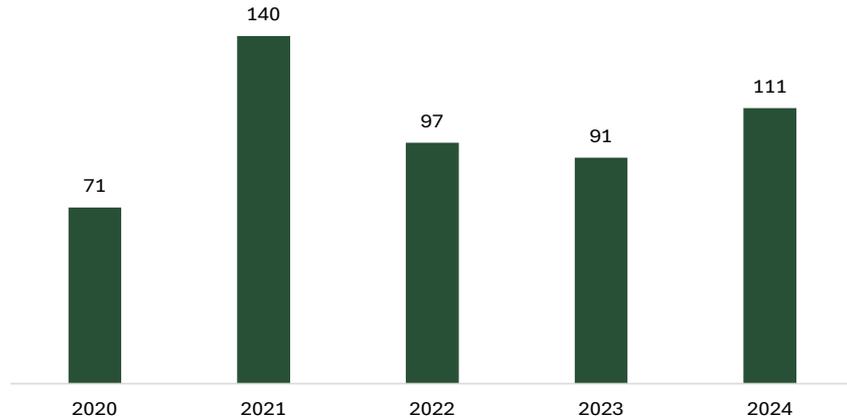
MASONITE

Owens Corning acquired Masonite International for approximately \$3.9 billion. “Over the past several years, Owens Corning has been on a journey to transform and grow our company through strategic choices and strong execution. The completion of this acquisition represents the start of an exciting next chapter that allows us to leverage our proven commercial, operational, and innovation capabilities to increase our offering of highly valued branded building materials for our customers.” – **Brian Chambers, CEO of Owens Corning**



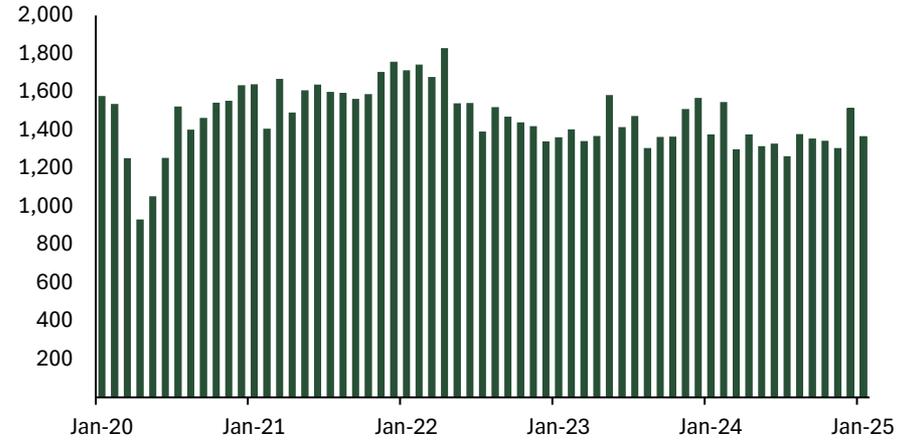
Building Products Industry Metrics

Total Announced Deals – North America



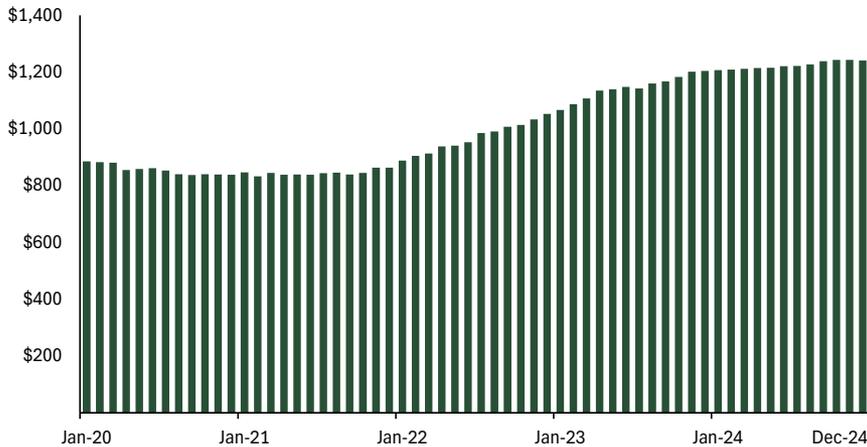
Source: S&P Capital IQ

National Housing Starts (USD billions)



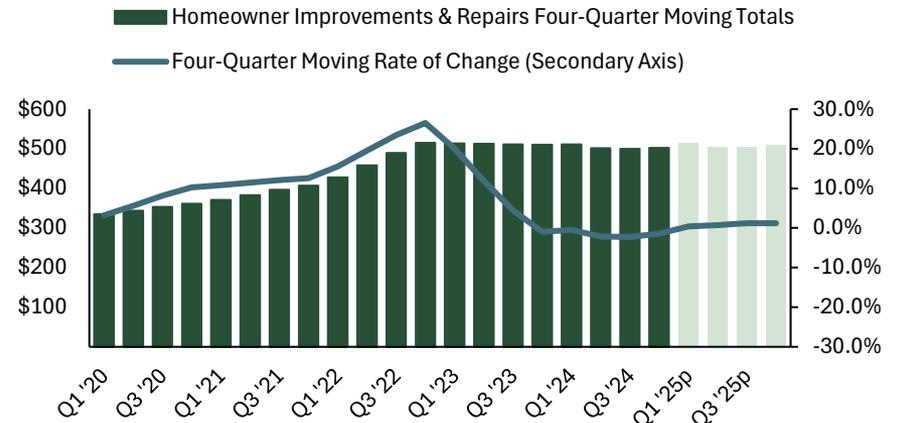
Source: U.S. Census Bureau

Non-Residential Construction Put in Place (USD billions)



Source: U.S. Census Bureau

Leading Indicator of Remodeling Activity (USD billions)



Source: Joint Center For Housing Studies



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FAIRNESS OPINION




BOARD ADVISORY

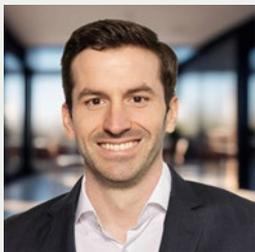


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Sell-Side M&A	Buy-Side M&A	Board Advisory	Business Valuation
✓ Exclusive Sales	✓ Targeting	✓ Exit Readiness	✓ Pricing Analyses
✓ Divestitures	✓ Courtship	✓ Strategic Alternatives	✓ Valuation Letters
✓ Leveraged Recapitalizations	✓ Due Diligence	✓ Fairness Opinions	✓ Fairness Opinions
✓ Sale of Minority Interests	✓ Valuation	✓ Dividend Recaps	
✓ ESOPs	✓ Structuring	✓ Situational Analysis	
✓ Mergers	✓ Negotiation	✓ Corporate Development	
✓ Privately Negotiated Sales	✓ Financing	✓ Market Intelligence	
✓ Carve-Outs		✓ Special Situations	
✓ 363 Sales			

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