

# THE BUILDING PRODUCT ADVISOR

MERGERS, ACQUISITIONS AND CORPORATE FINANCE FOR THE BUILDING PRODUCTS INDUSTRY

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OCTOBER 2022 NEWSLETTER

also affected (see price charts on next page). That, combined with bottlenecks in manufacturing capacity, led to spiraling price increases and extended lead times for manufactured products. However, the environment made it easy to push through price increases. “How soon can I get it?” was often the only thing heard in response to a price increase. The result was a profitable pandemic for many.

So how does this affect purchase multiples in the building products M&A market? A quick glance at the public equity markets gives us a clue. Let’s look at the forest products group, where the effect is most pronounced (see page 3). The group average enterprise value to earnings before interest, taxes, depreciation and amortization (EV/EBITDA) multiple is currently 2.9x, compared to a historical average of 9.7x. This clearly demonstrates that public equity investors predict earnings for this group of companies will decline dramatically in the near term.

The impact of this situation is pricing uncertainty in some sectors of the building products M&A market. If earnings can’t be forecast with any confidence, it becomes challenging to value companies. Many buyers and some selling advisors are performing price/volume analyses. These analyses look at the relative contribution of the two components of revenue growth to determine how much was from shipping more units versus how much was from shipping higher-priced units. One can

## What’s It Worth?

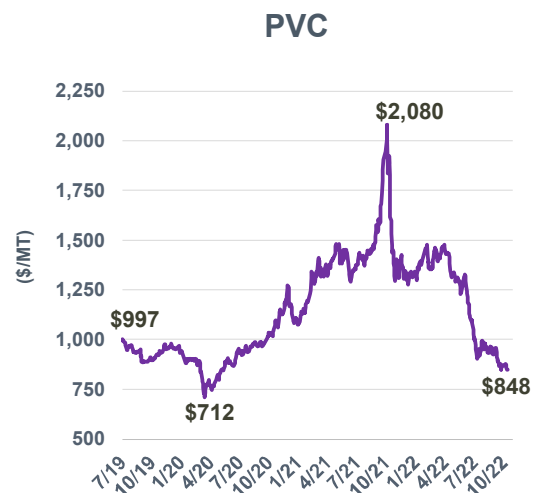
### *M&A pricing in volatile commodity markets*

Functioning markets require buyers and sellers to agree on prices; otherwise no transactions can take place. This is true at the grocery store and in the world of mergers and acquisitions (M&A). Buyers in the M&A market, however, aren’t purchasing tonight’s dinner; they’re acquiring the future profits of the target company.

In trying to come up with a purchase value on M&A targets, much time is spent analyzing and estimating what

those future profits may be. And a great deal of the analysis will be examining past performance since it’s usually a good indicator of future performance. But what happens when the recent past isn’t an accurate measure of what’s to come?

Strong demand, coupled with logistics challenges during the pandemic, created shortages in many building product material categories, increasing pricing and lead times. Price volatility was most extreme in dimensional lumber, though other commodities prevalent in construction, including steel, aluminum, hardwood lumber, PVC resin, copper and others, were



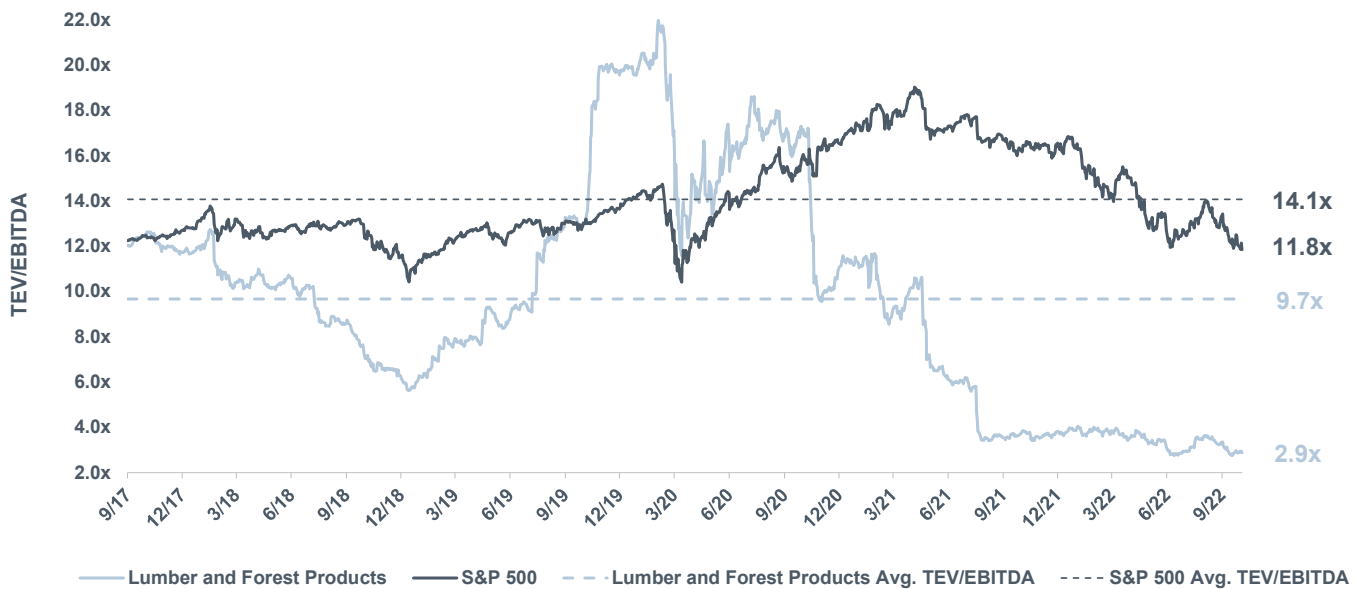
Source: CapIQ, as of 10/17/2022

then also run sensitivities on projected revenue and profit at various input costs. The results can be substantially different earnings forecasts based on different cost and pricing assumptions, and therefore company values. For this reason, we are seeing wide value ranges on proper-

ties we take to market as buyers' views on market direction have never been more divergent. Another consequence we are seeing is a sorting of the M&A market. Premium assets with high scarcity value are still commanding premium prices, while assets without such scarcity value

are commanding more moderate interest. We anticipate this asset sorting to continue until the market gets a better feel for which direction the construction market and broader economy are heading.

## Lumber and Forest Products Group vs. S&P 500



Source: CapIQ, as of 10/17/2022



## How Can You Grow If There's Nobody to Hire?

*The effect of the current tight labor market on M&A*

Labor scarcity is posing a [challenge throughout the U.S. economy](#), and the building products market is no exception. Manufacturers and distributors

have struggled recently to attract and retain enough talent to keep up with demand. It's challenging to find enough truck drivers, and you now must compete with the Amazon warehouse down the road for workers. So what does this have to do with the market for mergers and acquisitions? Plenty, it turns out.

Buyers are purchasing the future profits of target companies and acquiring all the assets necessary to generate those future

profits – machinery and equipment, working capital, intellectual property and, yes, the workforce. Simple laws of supply and demand tell us that scarcity drives an increase in value. Labor is scarce, so it stands to reason that the value of an acquired workforce should be substantially higher today. And it is, but the story is a bit more complex.

Companies seeking to grow have two primary paths to consider — build it yourself or buy it. To determine which growth option to pursue, companies typically evaluate cost, time and risk. Buying is faster and less risky, but that speed and certainty come at a premium cost. Building, or “greenfielding,” is most often the lower-cost approach, but it takes time and comes with higher execution risk.





“We reached out to FMI to represent Gen Cap in this transaction due to their well-known expertise in building and construction products. FMI’s deep experience in Newman’s markets allowed them to craft and tell a compelling story to the market. The result of which was a great transaction for the investors and the perfect home for the employees of Newman.”

Andrew Ginsberg  
Managing Director  
Gen Cap America

FMI Capital Advisors is pleased to announce the sale of Newman Associates, LLC, a portfolio company of Gen Cap America, to NEFCO, a leading partner to the professional construction trades and a portfolio company of Bertram Capital. FMI Capital Advisors served as the exclusive financial advisor to Newman for this transaction.

Headquartered in Canton, Massachusetts, Newman is a value-added distributor of pipe hangers and supports to the construction, infrastructure and water and wastewater treatment industries. The company has supplied pipe support systems to the New England area for almost 60 years.



With today’s labor market, the time and risk of staffing a new facility are higher than they have ever been. Finding the right people with the right skills is harder, takes longer and is more costly. The time, risk and cost of greenfielding are all increasing. The result is that traditional buy or build growth decisions are being reassessed and recalibrated in consideration of the current labor market. That recalibration is making acquisition comparably more attractive than greenfielding.

We are seeing the effects of this altered equation in the M&A market. Industry balance sheets are in good shape after several years of outsized profits, and

acquisition interest is extremely high among strategic acquirers. The result is that even in an environment with a [murky economic outlook](#), pricing in the M&A market for good building products companies is strong. For embedded within the price of an acquisition is the implied cost — in time, dollars and, perhaps most importantly, risk of greenfielding a similar operation. With the higher cost and greater uncertainty of greenfielding today, more companies with ambitions to grow are turning to the M&A market to achieve their growth goals. Your workforce is a strategic asset whose value has never been higher. And that value is reflected in today’s M&A market pricing.

**Cost Of  
Greenfielding**  
**+ Time Value**  
**+ Risk Value**  
**= Robust M&A  
Pricing**

## Private Equity Driving Market Consolidation

### *The “Rollup” Reborn*

Back in the late 1990s and early 2000s, rollups were the rage. These were private equity-backed consolidation plays in a slew of markets, building products included. At that time, one could mash a few companies together and go get a pile of debt from the high-yield market. Many of these vintage rollups ran into trouble as more effort was put into financial engineering than operations and integration. “Rollup” became a dirty word.

Now the concept is back with a vengeance and a new name – “Buy and Build,” albeit with some real lessons learned. A concerted focus on operations and integration has reinvigorated the strategy and made it the dominant private equity strategy. Private equity industry data from Pitchbook reported that in 2021 add-on transactions represented 72.7% of total U.S. private equity acquisitions – an all-time high.

One requires a few ingredients to execute a buy-and-build strategy. First is a fragmented market, like building products distribution, for example. Second is a platform company to provide market access and a base of expertise. And third is many smaller similar companies to provide numerous and actionable acquisition targets.

### What Is a Platform?

In private equity parlance, a platform investment is the foundation of a buy-and-build strategy. It will be the first investment in an industry and with certain characteristics that make

it suitable for this strategy. These include:

- **Fragmented market** – There must be plenty of acquisition targets.
- **Scale** – The company should be large enough to matter.
- **Management** – The leadership team should be solid and fully built out.
- **Operational excellence** – Private equity firms looking for exemplary operations in a platform.
- **IT systems** – Should be able to absorb and integrate additional operations.
- **Acquisition experience** – Prior M&A experience would be ideal, but private equity firms often fill this role themselves.

Companies that possess all these characteristics are incredibly attractive and scarce. Therefore, competition to acquire platform companies is fierce in the private equity world. That drives up the price, which is good news for sellers and not so good news for private equity buyers that need to provide a high return to their investors. Bona fide platform companies of scale in the building products sector regularly command double-digit EBITDA (earnings before interest, taxes, depreciation and amortization) purchase multiples.

### Multiple Arbitrage

Size matters. All else being equal, larger companies trade for higher EBITDA multiples than smaller companies do. Once the platform has been acquired and is in place, it’s time to go shopping for targets to acquire. It could be a geographic expansion play, as is often the case with distribution, or a product line extension strategy.

For example, let’s assume a private equity group purchases a \$20 million EBITDA platform company for 10x EBITDA, or \$200 million. It then proceeds to acquire its first smaller “add-on” company. This add-on has \$5 million in EBITDA, and let’s assume it is purchased for 7x EBITDA. The combined company now has \$25 million in EBITDA. What’s it worth?

The \$5 million in EBITDA just purchased for a 7x multiple will now be worth 10x once it is integrated into the platform, a 3x increase in value of \$15 million. And that is before the effect of any sales or cost benefits of integration. Lather, rinse, repeat.

Multiple arbitrage can also go the other way too. Remember size matters. Let’s assume that after a few more add-on acquisitions and operational improvements, we now have a \$50 million EBITDA company. At exit one would anticipate a purchase multiple higher than the 10x paid for the initial platform.

### It’s Here to Stay

A well-executed buy-and-build strategy can create significant returns for private equity investors, with three levers to create value – multiple arbitrage up and down, plus integration synergies/operational improvements. Importantly, as Bain concluded in its 2019 Global Private Equity Report, a buy-and-build strategy can be effective regardless of the prevailing economic climate, as its success is not dependent on external factors such as strong GDP growth or low interest rates, but, instead, on achieving scale and realizing operational efficiencies. So it should come as no surprise that a strategy that can create value in any market condition is becoming dominant in the private equity space.

## Public Company Valuation Analysis

Company	Share Price (\$)	% of 52-week High	Equity Value (\$mm)	Enterprise Value (\$mm)	TTM Revenue (\$mm)	TTM EBITDA (\$mm)	3-Yr Revenue CAGR	EV / TTM Revenue	EV / TTM EBITDA
<b>Building Supply Distributors</b>									
Builders FirstSource, Inc.	\$ 58.0	67.0%	\$ 9,046	\$ 12,934	\$ 22,751	\$ 4,192	45.0%	0.6x	3.1x
Beacon Roofing Supply, Inc.	54.5	83.4%	3,539	6,439	7,875	826	0.0%	0.8x	7.8x
GMS Inc.	40.8	66.0%	1,730	3,018	4,952	585	15.9%	0.6x	5.2x
Hardwoods Distribution Inc.	16.8	47.0%	388	1,200	2,332	255	37.4%	0.5x	4.7x
BlueLinx Holdings Inc.	63.4	63.4%	588	1,095	4,485	494	15.9%	0.2x	2.2x
Doman Building Materials Group Ltd.	4.0	63.3%	350	974	2,321	130	32.6%	0.4x	7.5x
Taiga Building Products Ltd.	1.8	80.5%	193	276	1,674	79	17.0%	0.2x	3.5x
Median		66.0%	588	1,200	4,485	494	17.0%	0.5x	4.7x
Mean		67.2%	2,262	3,705	6,627	937	23.4%	0.5x	4.9x
<b>Specialty Distributors</b>									
Ferguson plc	\$ 106.6	68.4%	\$ 22,137	\$ 26,225	\$ 28,566	\$ 3,136	13.1%	0.9x	8.4x
Pool Corporation	307.0	52.7%	12,156	13,898	5,915	1,052	24.4%	2.3x	13.2x
WESCO International, Inc.	117.8	80.1%	5,985	11,303	19,996	1,328	34.7%	0.6x	8.5x
Watsco, Inc.	241.5	75.7%	8,755	9,527	6,952	799	14.8%	1.4x	11.9x
Reece Limited	8.8	49.2%	5,696	6,754	5,274	487	11.9%	1.3x	13.9x
Core & Main, Inc.	22.7	69.6%	3,810	6,198	6,110	828	0.0%	1.0x	7.5x
SiteOne Landscape Supply, Inc.	101.1	38.9%	4,552	5,299	3,764	456	19.2%	1.4x	11.6x
Richelieu Hardware Ltd.	25.0	67.3%	1,397	1,549	1,333	201	19.0%	1.2x	7.7x
Median		67.9%	5,840	8,140	6,013	813	16.9%	1.2x	10.1x
Mean		62.8%	8,061	10,094	9,739	1,036	17.1%	1.3x	10.3x
<b>Retail Distributors</b>									
The Home Depot, Inc.	\$ 276.4	65.7%	\$ 282,989	\$ 329,636	\$ 155,239	\$ 26,942	12.2%	2.1x	12.2x
Lowe's Companies, Inc.	189.0	71.8%	117,288	148,801	95,392	14,313	9.9%	1.6x	10.4x
Floor & Decor Holdings, Inc.	67.3	46.1%	7,135	8,699	3,909	482	27.9%	2.2x	18.0x
LL Flooring Holdings, Inc.	7.1	37.1%	204	348	1,145	46	1.5%	0.3x	7.6x
Tile Shop Holdings, Inc.	3.8	42.9%	199	324	392	46	4.0%	0.8x	7.1x
Median		46.1%	7,135	8,699	3,909	482	9.9%	1.6x	10.4x
Mean		52.7%	81,563	97,562	51,216	8,366	11.1%	1.4x	11.1x
<b>Diversified</b>									
CRH plc	\$ 33.1	72.0%	\$ 24,802	\$ 29,552	\$ 32,812	\$ 5,455	8.5%	0.9x	5.4x
Compagnie de Saint-Gobain S.A.	38.9	59.1%	20,128	28,672	49,665	6,244	3.7%	0.6x	4.6x
Masco Corporation	46.9	66.0%	10,575	13,975	8,779	1,544	12.5%	1.6x	9.1x
Fortune Brands Home & Security, Inc.	55.5	50.8%	7,176	10,323	7,977	1,320	12.3%	1.3x	7.8x
Median		62.5%	15,351	21,323	20,796	3,500	10.4%	1.1x	6.6x
Mean		62.0%	15,670	20,630	24,808	3,641	9.2%	1.1x	6.7x
<b>Millwork</b>									
Trex Company, Inc.	\$ 45.2	32.1%	\$ 4,986	\$ 5,006	\$ 1,365	\$ 430	25.4%	3.7x	11.6x
The AZEK Company Inc.	16.2	34.9%	2,471	2,990	1,397	292	0.0%	2.1x	10.2x
JELD-WEN Holding, Inc.	8.8	31.0%	738	2,555	4,936	326	4.2%	0.5x	7.8x
Masonite International Corporation	67.7	52.5%	1,507	2,337	2,776	406	8.4%	0.8x	5.8x
PGT Innovations, Inc.	21.9	91.9%	1,312	1,921	1,370	205	21.6%	1.4x	9.4x
American Woodmark Corporation	43.7	57.2%	726	1,295	1,957	146	6.0%	0.7x	8.8x
Quanex Building Products Corporation	19.6	75.5%	645	698	1,206	151	10.3%	0.6x	4.6x
Tyman plc	2.3	46.6%	442	650	830	125	3.4%	0.8x	5.2x
Median		49.5%	1,025	2,129	1,384	248	7.2%	0.8x	8.3x
Mean		52.7%	1,603	2,181	1,980	260	9.9%	1.3x	7.9x
<b>Water &amp; Plumbing</b>									
Advanced Drainage Systems, Inc.	\$ 119.8	78.1%	\$ 10,008	\$ 10,876	\$ 3,014	\$ 719	28.8%	3.6x	15.1x
Pentair plc	40.8	51.0%	6,717	7,574	4,022	746	11.0%	1.9x	10.1x
A. O. Smith Corporation	49.0	56.5%	7,574	7,446	3,854	732	7.8%	1.9x	10.2x
Toto Ltd.	31.8	81.0%	5,391	4,935	4,805	571	3.5%	1.0x	8.6x
Zurn Elkay Water Solutions Corporation	23.9	62.4%	4,246	4,685	986	197	0.0%	4.8x	23.7x
Watts Water Technologies, Inc.	123.1	58.1%	4,101	4,071	1,919	342	6.6%	2.1x	11.9x
Mueller Water Products, Inc.	10.3	59.5%	1,618	1,938	1,212	199	8.2%	1.6x	9.7x
Uponor Oyj	13.3	55.9%	966	1,112	1,460	197	7.1%	0.8x	5.6x
Villeroy & Boch AG	15.2	62.0%	402	302	1,030	126	6.0%	0.3x	2.4x
Median		59.5%	4,246	4,685	1,919	342	7.1%	1.9x	10.1x
Mean		62.7%	4,558	4,771	2,478	426	8.8%	2.0x	10.8x
<b>Building Envelope</b>									
Carlisle Companies Incorporated	\$ 281.6	88.4%	\$ 14,523	\$ 17,100	\$ 6,035	\$ 1,287	9.1%	2.8x	13.3x
Kingspan Group plc	49.5	47.3%	8,984	10,411	8,081	1,025	18.8%	1.3x	10.2x
James Hardie Industries plc	19.7	54.1%	8,800	9,535	3,772	1,007	14.5%	2.5x	9.5x
Gibraltar Industries, Inc.	44.3	55.7%	1,400	1,495	1,389	157	11.2%	1.1x	9.6x
Apogee Enterprises, Inc.	41.6	82.4%	923	1,197	1,391	179	-0.6%	0.9x	6.7x
Tecnoglass Inc.	19.6	56.2%	935	1,016	567	165	10.9%	1.8x	6.2x
Median		56.0%	5,100	5,515	2,582	593	11.0%	1.5x	9.5x
Mean		64.0%	5,928	6,792	3,539	636	10.7%	1.7x	9.2x

## Public Company Valuation Analysis

Company	Share Price (\$)	% of 52-week High	Equity Value (\$mm)	Enterprise Value (\$mm)	TTM Revenue (\$mm)	TTM EBITDA (\$mm)	3-Yr Revenue CAGR	EV / TTM Revenue	EV / TTM EBITDA
<b>HVAC</b>									
Daikin Industries,Ltd.	\$ 147.7	81.2%	\$ 43,217	\$ 43,242	\$ 24,122	\$ 3,454	9.4%	1.8x	12.5x
Trane Technologies plc	142.0	69.5%	32,904	36,666	14,835	2,408	1.1%	2.5x	15.2x
Carrier Global Corporation	34.6	59.6%	29,094	35,430	20,339	2,902	0.0%	1.7x	12.2x
AAON, Inc.	54.2	64.7%	2,878	2,972	666	101	13.3%	4.5x	29.3x
Burnham Holdings, Inc.	13.0	86.9%	60	103	242	12	5.0%	0.4x	8.9x
Median		69.5%	29,094	35,430	14,835	2,408	5.0%	1.8x	12.5x
Mean		72.4%	21,631	23,682	12,041	1,775	5.7%	2.2x	15.6x
<b>Lighting &amp; Electrical</b>									
Hubbell Incorporated	\$ 217.7	91.1%	\$ 11,684	\$ 12,811	\$ 4,596	\$ 747	-0.1%	2.8x	17.2x
Acuity Brands, Inc.	164.9	73.4%	5,330	5,620	4,006	605	2.9%	1.4x	9.3x
LSI Industries Inc.	7.9	88.4%	212	300	455	32	11.4%	0.7x	9.4x
Orion Energy Systems, Inc.	1.7	37.4%	54	48	107	3	4.4%	0.4x	13.8x
Energy Focus, Inc.	0.4	6.8%	4	8	9	(9)	-15.7%	1.0x	n.m.
Median		73.4%	212	300	455	32	2.9%	1.0x	11.6x
Mean		59.4%	3,457	3,757	1,835	276	0.6%	1.2x	12.4x
<b>Tile &amp; Flooring</b>									
Mohawk Industries, Inc.	\$ 96.3	48.3%	\$ 6,115	\$ 8,601	\$ 11,747	\$ 1,888	5.4%	0.7x	4.6x
Tarkett S.A.	12.5	62.0%	812	1,577	3,235	165	1.8%	0.5x	9.6x
Interface, Inc.	10.2	56.4%	597	1,144	1,287	180	-0.6%	0.9x	6.3x
Internacional de Cerámica, S.A.B. de C.V.	3.5	100.0%	490	707	663	95	9.2%	1.1x	7.4x
Q.E.P. Co., Inc.	19.8	79.1%	73	142	448	16	4.4%	0.3x	8.9x
Median		62.0%	597	1,144	1,287	165	4.4%	0.7x	7.4x
Mean		69.1%	1,618	2,434	3,476	469	4.0%	0.7x	7.4x
<b>Hardware &amp; Tools</b>									
ASSA ABLOY AB	\$ 18.9	74.4%	\$ 20,957	\$ 23,624	\$ 10,306	\$ 1,822	5.7%	2.3x	13.0x
Stanley Black & Decker, Inc.	76.5	38.4%	11,312	23,246	16,939	2,144	6.0%	1.4x	10.8x
Allegion plc	89.9	65.3%	7,900	9,114	2,923	610	1.4%	3.1x	14.9x
Simpson Manufacturing Co., Inc.	77.4	54.8%	3,341	3,833	1,902	524	20.4%	2.0x	7.3x
Griffon Corporation	29.0	83.2%	1,603	3,246	2,710	367	7.5%	1.2x	8.9x
Hillman Solutions Corp.	7.1	57.1%	1,382	2,389	1,466	186	0.0%	1.6x	12.9x
The L.S. Starrett Company	8.7	64.2%	63	86	254	30	3.6%	0.3x	2.9x
Median		64.2%	3,341	3,833	2,710	524	5.7%	1.6x	10.8x
Mean		62.5%	6,651	9,363	5,214	812	6.4%	1.7x	10.1x
<b>Adhesives &amp; Coatings</b>									
The Sherwin-Williams Company	\$ 201.7	57.0%	\$ 51,987	\$ 64,182	\$ 20,780	\$ 3,043	5.5%	3.1x	21.1x
PPG Industries, Inc.	110.3	62.2%	25,927	32,883	17,561	2,142	5.1%	1.9x	15.4x
RPM International Inc.	89.6	88.3%	11,572	14,470	6,990	868	7.8%	2.1x	16.7x
H.B. Fuller Company	64.2	78.6%	3,423	5,319	3,688	485	8.0%	1.4x	11.0x
Median		70.4%	18,750	23,676	12,275	1,505	6.6%	2.0x	16.0x
Mean		71.5%	23,228	29,214	12,255	1,634	6.6%	2.1x	16.0x
<b>Lumber &amp; Forest Products</b>									
Weyerhaeuser Company	\$ 29.0	67.4%	\$ 21,469	\$ 24,821	\$ -	\$ 4,005	15.6%	n.m.	6.2x
West Fraser Timber Co. Ltd.	74.4	77.6%	6,438	5,744	10,393	4,022	34.7%	0.6x	1.4x
UPF Industries, Inc.	70.2	74.0%	4,325	4,637	9,501	1,001	28.7%	0.5x	4.6x
Louisiana-Pacific Corporation	53.1	66.6%	3,923	3,813	4,788	1,909	24.3%	0.8x	2.0x
Boise Cascade Company	58.7	68.9%	2,314	1,824	8,266	1,158	20.9%	0.2x	1.6x
Canfor Corporation	14.7	60.0%	1,797	1,331	5,926	1,681	16.6%	0.2x	0.8x
Interfor Corporation	17.9	55.6%	918	1,017	3,166	1,015	27.4%	0.3x	1.0x
Western Forest Products Inc.	1.0	57.1%	315	271	1,147	184	8.3%	0.2x	1.5x
Median		67.0%	3,118	2,819	5,357	1,420	22.6%	0.3x	1.5x
Mean		65.9%	5,187	5,432	5,398	1,872	22.1%	0.4x	2.4x

As of 10/17/2022



## Recent Transactions in the Building Products Market

Date	Target	Target Description	Buyer	Implied Ent. Value
Oct-22	Vandermeer Forest Products	Distributor of building products	BlueLinX Holdings (NYSE: BXC)	\$67
Sep-22	ProSource (CID Capital)	Provider of plumbing supplies, lighting, fixtures and hardware	Blue Sea Capital	n/d
Sep-22	Sinak Plumbing Company	Provider of HVAC, plumbing, remodeling, electrical and home services	CPS HVAC Partners (CPS Capital)	n/d
Sep-22	Citadel Architectural Products	Mfr. of composite panels and systems for commercial cladding	MTL Holdings (GreyLion Capital)	n/d
Sep-22	Distributors, Inc.	Distributor of fire protection products	Core & Main (NYSE:CNM)	n/d
Sep-22	D & M Truss Co.	Mfr. of roof and floor trusses	Tibbetts Lumber Co.	n/d
Sep-22	Georgia Metals	Mfr. of metal paneling primarily used in roofing	CID Capital	n/d
Sep-22	Northridge Lumber	Distributor of lumber from single location	Ganahl Lumber Company	n/d
Sep-22	Industrial Fire and Safety Equipment	Provider of fire alarm and suppression systems	Pye-Barker Fire & Safety (LGP)	n/d
Sep-22	Total Air Supply / Spiral Air Mfr.	Distributor of custom sheet metal; Mfr. of metal fabrication products	Munch's Supply LLC (Genstar Capital)	n/d
Sep-22	Southwest Builder Supply	Retailer of hardware and building materials from single location	R.P. Lumber Co.	n/d
Sep-22	Kaknes Landscape Supply	Distributor of nursery products	SiteOne Landscape Supply (NYSE:SITE)	n/d
Sep-22	Briscoe Protective Systems (Novidam)	Provider of fire alarms, intrusion alarms, access control, and CCTV	Pye-Barker Fire & Safety (LGP)	n/d
Sep-22	Western Interior Supply	Distributor of building products including ceilings and wall products	Kodiak Building Partners	n/d
Sep-22	Fulham Co.	Mfr. of lighting components	Graycliff Partners LP	n/d
Sep-22	Allegiant Fire Protection	Provider of fire alarm and suppression systems	Endeavor Fire Protection (BIP)	n/d
Sep-22	Western Steel & Plumbing	Distributor of plumbing and HVAC products	Dakota Supply Group	n/d
Sep-22	Trussway Manufacturing	Provider of pre-fabricated roof and floor trusses	Builders FirstSource (NYSE:BLDR)	n/d
Aug-22	Buettner Brothers Lumber Company	Supplier of lumber, building materials, and custom millwork	Southeast Building Supply Interests (BIP)	n/d
Aug-22	Industrial Lumber Sales	Mfr. of banding boards, chock blocks, precut OSB and plywood	Weston Forest Products (Watermill)	n/d
Aug-22	Valley Fire Protection Systems	Provider of fire protection system installations, services and repairs	Endeavor Fire Protection (BIP)	n/d
Aug-22	Fischer Process Industries	Distributor of pumps, valves and process equipment	Tencarva Machinery Company (Bessemer)	n/d
Aug-22	Trumbull Industries Waterworks	Distributor of waterworks products	Core & Main (NYSE:CNM)	n/d
Aug-22	Quality Aluminum Products (Blackford Capital)	Mfr. of aluminum and steel products	Gibraltar Industries (NasdaqGS:ROCK)	\$54
Aug-22	Jergens Industrial Supply (Jergens)	Distributor of metalworking consumables and related products	Berkshire Production Supply	n/d
Aug-22	CEMCO	Mfr. and distributor of steel-framing and metal-lath products	JFE Shoji America (JFE Holdings)	n/d
Aug-22	Blakely Products Company	Distributor of flooring and flooring installation products	Crown Products	n/d
Aug-22	Robover	Mfr. of insulated glass	ODL, Inc.	n/d
Aug-22	De Bel Roofing Supply	Distributor of roofing and related building products	SRS Distribution (LGP, Berkshire)	n/d
Aug-22	Deco Truss Company	Mfr. and supplier of structural roof and floor trusses	US LBM Holdings (Bain Capital)	n/d
Aug-22	Brown Supply Company	Distributor of water/sewer pipes, fire hydrants, equipment, and supplies	Dakota Supply Group	n/d
Jul-22	Haywood Builders Supply Company	Distributor of lumber, millwork and building materials	Southeast Building Supply Interests (BIP)	n/d
Jul-22	Cornerstone (Golden Gate Capital)	Provider of external building products	Clayton, Dubilier & Rice	\$6,158
Jul-22	Armstrong Flooring	North American assets	AHF, LLC (Paceline Equity Partners)	\$107
Jul-22	Inland Water Works Supply	Distributor of water and sewer construction, maintenance and repair products	Core & Main (NYSE:CNM)	n/d
Jul-22	Calvert Company, Inc. (certain assets)	Mfr. of glulam beams for industrial, commercial and residential markets	Western Forest Products (TSX:WEF)	\$12
Jul-22	McCoy's Building Supply (4 stores)	Distributor of building supplies with four stores	Central Network Retail Group	n/d
Jul-22	O'Connor Lumber	Distributor of lumber and home improvement supplies	Big Creek Lumber Company	n/d
Jul-22	Foxworth-Galbraith Lumber Company	Mfr. and supplier of building products with 28 locations	US LBM Holdings (Bain Capital)	n/d
Jul-22	Tinder Wholesale	Distributor of interior and exterior millwork	Metrie	n/d
Jul-22	Simmons Stairways	Mfr. of custom curved hardwood stairs and handrails	Viewrail	n/d
Jul-22	Romar Supply	Distributor of mechanical and industrial pipe, valve and fittings	Winsupply Inc.	n/d
Jul-22	Miller Lumber	Distributor of lumber and hardware supplies with two locations	Kodiak Building Partners	n/d
Jul-22	Advanced Window Systems	Provider of high-end residential and commercial windows and doors	Nation's Best Holdings LLC	n/d
Jun-22	Sun Mountain Custom Doors	Mfr. of high-end custom interior and exterior doors	Kodiak Building Partners	CF
Jun-22	American Building Materials	Distributor of drywall and related accessories and tools	L&W Supply Corporation (ABC Supply)	n/d
Jun-22	C.H.I. Overhead Doors (KKR)	Mfr. of garage and overhead doors	Nucor Corporation (NYSE:NUE)	\$3,000
Jun-22	Southwest Valve & Equipment	Provider of flow control products and services to muni (waste)water markets	United Flow Technologies (H.I.G. Capital)	n/d
Jun-22	Louisiana-Pacific Engineered Wood Products	LP's I-Joist and laminated veneer lumber division	Pacific Woodtech Corporation (Daiken)	\$210
Jun-22	Wallace Building Supply	Distributor of lumber and building products	Southeast Building Supply Interests (BIP)	n/d
Jun-22	Adirondack Piping Solutions	Distributor of piping, valves, and other waterworks-related products	Ferguson (LSE:FERG)	n/d
Jun-22	Coastal Plywood (Coastal Forest Resources)	Mfr. of plywood, lumber, engineered and treated wood products	Boise Cascade Company (NYSE:BCC)	\$512
Jun-22	Kaycan	Mfr. and distributor of exterior building materials	Saint-Gobain S.A. (ENXTPA:SGO)	\$928
Jun-22	Vitromex Ceramic Tile	Mfr. of ceramic and porcelain floor, wall, decorative and mosaic tiles	Mohawk Industries	\$293
Jun-22	Barrette Outdoor Living (TorQuest, CDPQ)	Mfr. of fencing, railing, decking, and complementary outdoor products	CRH (LSE:CRH)	\$1,900
Jun-22	Level 5 Tools	Provider of automatic drywall taping and finishing tools and accessories	Worthington Industries (NYSE:WOR)	\$80
Jun-22	Calaveras Lumber and Sonora Lumber	Distributor of building materials and hardware supply with two locations	Nation's Best Holdings LLC	n/d
Jun-22	Complete Supply	Distributor of residential roofing and exterior building supplies	Beacon Roofing Supply (NasdaqGS:BECN)	n/d
Jun-22	Truss Fab Companies	Mfr. of wall panels and structural roof and floor trusses	US LBM Holdings (Bain Capital)	\$12
May-22	Evergreen Fire and Security	Provider of fire and life safety systems and services	Performance Systems Integration (Riverside)	n/d
May-22	Electronic Systems Group	Provider of security, alarm and intrusion systems	The Cook & Boardman Group (Littlejohn)	n/d
May-22	Aaron & Company	Distributor of plumbing, heating and cooling products	Ferguson (LSE:FERG)	n/d
May-22	Panel Truss Texas	Distributor of building components to single- and multi-family markets	Builders FirstSource (NYSE:BLDR)	\$150
May-22	Cancos Tile	Distributor and retailer of ceramic tile and natural stone	Mill Point Capital	n/d
May-22	Axxis, LLC	Mfr. and distributor of fastening tools and fasteners	PrimeSource (Clearlake Capital)	n/d
May-22	Somerset Hardwood Flooring	Mfr. of hardwood flooring	Bauwerk Group	n/d
May-22	Huttig Building Products	Distributor of millwork, building materials, and wood products	Woodgrain Inc.	\$350
Apr-22	Sparr Building and Farm Supply	Distributor of lumber, farm supplies, and hardware with four retail stores	Nation's Best Holdings LLC	n/d
Apr-22	Wichita Falls Builders Wholesale	Distributor of complementary residential exterior building supplies	Beacon Roofing Supply (NasdaqGS:BECN)	n/d
Apr-22	Oldcastle BuildingEnvelope	Mfr. and distributor of architectural hardware, glass, and glazing systems	KPS Capital Partners	\$3,450





## FMI Capital Advisors specializes in sell-side mergers and acquisitions for the built environment.

With more than 800 completed transactions, FMI's industry focus provides maximum value through deep market knowledge, strong technical expertise and an unparalleled network of industry relationships. [Click here](#) to view all FMI Capital Advisors transactions.



**Porter Wiley**, Managing Director,  
Building Products

Porter leads FMI Capital Advisor's Building Products team, which focuses on manufacturers and distributors of products and materials used in residential, commercial and infrastructure construction. With two decades of investment banking experience in the industry, he has worked with producers and suppliers of all types of products from the tiles on the floor to the shingles on the roof to the pipes underground.

He brings deep industry knowledge to each client engagement and is adept at isolating the key drivers of company value and communicating a compelling story that resonates with investors.

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### Recent FMI Capital Advisors building products transactions include:

**NEWMAN ASSOCIATES**  
a portfolio company of  
 **GENCAP AMERICA**  
has been acquired by  
 **NEFCO**  
a portfolio company of  
 **BERTRAM CAPITAL**

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**SUN MOUNTAIN**  
CUSTOM DOORS  
has been acquired by  
 **KODIAK**  
BUILDING PARTNERS  
a portfolio company of  
 **COURT SQUARE**

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**PACIFIC PIPE**  
has been acquired by  
 **CORE & MAIN**

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**BISON**  
Innovative Products  
has been acquired by  
 **Fibergrate**  
Composite Structures  
a division of  
 **RPM**

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**R&B COMPANY**  
has been acquired by  
 **CORE & MAIN**

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**Kovach Enclosure Systems, LLC**  
has acquired the assets of  
 **KOVACH**  
BUILDING ENCLOSURES

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**Drexel Metals**  
Roofing Systems • Custom Fabrication  
a portfolio company of  
 **ARBORVIEW**  
CAPITAL  
has been acquired by  
 **CARLISLE**

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**EcoFasten Solar**  
has been acquired by  
 **ESDEC**  
INNOVATIVE MOUNTING SYSTEMS  
a portfolio company of  
 **Gilde**  
Buy Out  
Partners

**FMI Capital Advisors**  
SELL-SIDE ADVISOR

**Uponor**  
has sold the assets of  
**Uponor Infra Ltd.**  
to  
 **WC**  
WYNNCHURCH | CAPITAL

**FMI Capital Advisors**  
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FMI is a leading provider of investment banking and consulting services to the built environment. FMI's Building Products Group provides M&A advisory, capital formation and corporate finance services for manufacturers, distributors and installers of residential and commercial building products. We have experience creating value at every stage of the supply chain for companies in:

- Window, Doors and Millwork
- Bath and Plumbing Products
- Roofing, Siding and Insulation
- Lighting and Electrical Products
- Carpet, Flooring and Tiles
- HVAC and Energy Efficiency
- Paints, Adhesives and Coatings
- Hardware and Tools
- Waterworks and Infrastructure Products
- Wholesale and Retail Distribution
- Metal, Glass and Building Envelope
- Engineered Materials and Composites
- Lumber and Forest Products
- Outdoor Living

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