

Building Products and Materials

Industry Update | Q4 2024



EXCEL CAPITAL
ADVISORS

INDUSTRY HIGHLIGHTS –

Overview

- The US building products and materials industry is a vital sector that supplies the essential ingredients for building structures of all kinds. It includes a wide variety of products and materials including: 1) lumber; 2) building products including insulation, windows and doors, fasteners, flooring, and roofing products, etc. and 3) other materials including aggregates, concrete, asphalt, and steel, etc.
- The building products market is forecasted to grow at a compound annual growth rate (CAGR) of 3.8%, reaching \$1.5 trillion by 2028. This growth is fueled by ongoing construction projects in residential and non-residential sectors, coupled with an aging infrastructure that necessitates repair and renovation efforts.
- The Infrastructure Investment and Jobs Act (IIJA) has provided a massive boost to construction materials and building products industries. Federal funding ensures steady demand for highways, streets, and other public infrastructure projects through 2026, creating a favorable environment for materials producers.
- Companies are leveraging mergers and acquisitions to expand geographically, streamline supply chains, and enhance market presence. Strategic buyers and private equity investors have been active, targeting businesses with strong geographic footprints and operational resilience.
- A shift toward environmentally conscious construction has spurred innovations in green materials, including certified sustainable wood, recycled products, and energy-efficient building components.

Lumber

- The lumber sector is a key part of the broader building industry, with projected revenues reaching \$145.4 billion in 2024 and growing to \$152.6 billion by 2029. This growth is driven by demand across residential, non-residential, and remodeling markets
- Rising disposable income has led to an increase in home improvement projects, with framing, flooring, and other structural applications accounting for significant lumber usage. The trend is supported by consumers and contractors prioritizing high-quality lumber for its durability and aesthetic appeal.
- Specialized lumber products like treated wood, engineered wood, and reclaimed materials are becoming more popular due to their adaptability, strength, and sustainability. These products cater to both professional contractors and eco-conscious consumers.
- Businesses are increasingly using advanced inventory systems and digital platforms to manage stock levels and enhance customer experiences. These systems ensure timely access to materials for large-scale construction projects.

Source: IBIS World, Industry Select

INDUSTRY HIGHLIGHTS –

Building Products

- Increased urbanization and a growing global population are driving demand for new housing and commercial buildings.
- Spending on non-residential construction reached \$1.17 trillion in 2023, marking a 21% increase year-over-year.
- There is a growing emphasis on energy-efficient, impact-resistant, and environmentally sustainable products, such as fiberglass insulation, energy-efficient windows, and advanced roofing materials.
- Major brands like Owens Corning and GAF raised prices for residential roofing products by up to 6% in early 2024 due to consistent demand and cost pressures.
- Smart building products, including automated climate control and energy management systems, are gaining traction among contractors and homeowners.
- Companies and private equity investors are focusing on acquisitions of manufacturing and distribution firms to streamline supply chains, expand geographic reach, and achieve economies of scale.

Other Building Materials

- The Infrastructure Investment and Jobs Act (IIJA) provides a significant boost to aggregates, ready-mix concrete, and hot-mix asphalt producers. Federal funding ensures demand for materials in highway, street, and public infrastructure projects through 2026.
- Non-residential construction in sectors like manufacturing, healthcare, and education has seen significant investment. Manufacturing construction alone grew 32% year-over-year in 2023 due to government subsidies and efficiency-focused initiatives.
- While single-family housing activity has cooled due to rising mortgage rates, demand for materials has shifted to multifamily housing, manufacturing facilities, and data centers. These end markets continue to grow, supported by e-commerce and reshoring initiatives.
- Material costs stabilized after supply chain disruptions but remain elevated due to inflation, transportation costs, and production inefficiencies. Producers have countered these increases by raising prices, maintaining margins despite economic headwinds.
- Bolt-on acquisitions dominate M&A activity as companies expand geographic footprints and optimize supply chains. These acquisitions also allow firms to secure consistent supply channels and leverage economies of scale in competitive markets.

Source: Building Radar, Construction-Today, IBIS World,

PrimeSource Building Products announces expansion of Wolf Home Products into Southeastern U.S.

LBM Journal

Date: November 13, 2024

PrimeSource Building Products, Inc. has expanded its Wolf Home Products line into the southeastern U.S., reinforcing its position as a premier provider of outdoor living solutions. The expansion covers Florida, Georgia, North Carolina, South Carolina, and Tennessee, offering builders and homeowners high-quality decking, railing, trim, and moulding products tailored to the Southeast's lifestyle and climate. Florida will feature Wolf Serenity Decking, Wolf Trim, and Wolf Mouldings, while the remaining states will also include Wolf Perspective Decking, Wolf Serenity Porch, Wolf Railing, Wolf Outdoor Lighting, and Wolf PVC Column Wraps. By leveraging its established relationships with Southeastern retailers, PrimeSource aims to expand its network of stocking dealers and solidify Wolf Home Products as a trusted name in outdoor building solutions.

Google provides USGBC with \$3 million grant to transform building materials industry and indoor health

Pro Builder

Date: November 13, 2024

Google has awarded a \$3 million grant to the U.S. Green Building Council (USGBC) to promote healthier indoor environments and drive transformation in the building materials industry. The grant focuses on research into materials and health, developing transparency tools, and fostering collaboration across the industry to encourage market adoption of sustainable practices. While these efforts aim to improve building standards, broader economic factors introduce uncertainty. Contractors have benefited from stable input prices in 2024, with profit margins expected to grow through early 2025.

Framing Lumber Prices

National Association of Home Builders

Date: November 11, 2024

Lumber prices continue to rise, with the Random Lengths framing lumber composite price increasing by 2.6% for the week ending November 8, 2024. This marks the sixth consecutive weekly increase, bringing prices to their highest levels since August 2023 and 19.8% higher than a year ago. Structural panel composite prices also rose by 1.8%, driven by a notable 5.1% increase in OSB prices, while plywood prices remained flat. Despite these gains, lumber futures prices fell slightly by 0.1%, highlighting ongoing market volatility. The upward pressure on lumber prices stems from various factors, including increased demand, supply chain constraints, and reduced production capacity.

GreenFirst Plans Major Investment to Boost Lumber Production

Business Insider

Date: November 11, 2024

GreenFirst Forest Products (TSE: GFP) has announced plans to advance its strategic capital expenditure initiative to enhance its competitiveness in the lumber industry, even amid low market prices. The company is investing approximately \$50 million to increase production capacity by 20% and reduce costs by 10%. These efforts align with GreenFirst's goal of becoming a leading, low-cost lumber producer in North America. The investment focuses on modernizing equipment, improving operational efficiency, and implementing sustainable practices to align with industry trends toward environmental responsibility. By targeting cost reductions and production gains, GreenFirst aims to strengthen its position in a market increasingly defined by efficiency and scale.

US Lumber Industry Set to End Canada's Dominance as Tariffs Take Toll

Yahoo Finance

Date: November 4, 2024

The U.S. South is poised to surpass Canada in softwood lumber capacity for the first time since at least 1970, signaling a dramatic shift in the industry. Years of U.S. import duties, combined with challenges such as wildfires, land-use regulations, and insect infestations, have diminished Canada's forestry sector, particularly in British Columbia. The latest increase in tariffs—an 81% hike in August to 14.54%—has further strained Canadian producers, with analysts predicting levies could double again next year under the Commerce Department's review. The U.S. duties have also spurred investment and growth in the southern U.S. lumber industry, which has gained market share as Canadian producers face mounting closures.

Replacing Concrete Tile with Standing Seam Metal Roof

Roofing Contractor

Date: October 14, 2024

Absolute Construction of Plano, Texas, completed a standout residential roofing project in Frisco, Texas, transforming a hail-damaged concrete tile roof into a 19,000-square-foot Matte Black standing seam metal roof to address rodent issues and modernize the home's exterior. The project, one of the company's largest, required removing 25 dump trucks of old tiles, installing durable underlayment and leak barriers, and precisely crafting over 50 roof planes with 24-gauge Galvalume panels. Despite challenges like limited site access and complex cuts, the team finished two weeks ahead of schedule, showcasing Absolute's precision, adaptability, and commitment to customer satisfaction.

Lumber Market Stabilizes as Builders Plan for 2025

Builder Online

Date: September 30, 2024

The lumber market is showing signs of stabilization, with prices aligning more predictably with seasonal trends, allowing producers and buyers to plan with greater confidence. In mid-September, the price of Western Spruce-Pine-Fir 2x4 reached \$410 per thousand board feet, matching 2023 levels. By late September, prices had risen 3% month-over-month to \$394, a modest 4% decline from the same period last year. This stability is a welcome shift following years of uncertainty driven by rising mortgage rates, declining housing starts, and cautious market behavior that shifted the industry from stocking inventory to just-in-time buying.

Building material prices see highest increase since February 2023

LBM Journal

Date: July 15, 2024

Building material prices for residential construction showed mixed trends in June, reflecting broader economic shifts and ongoing pressures for home builders. Inputs to residential construction, excluding food and energy, rose 0.19% in June after a 0.26% decline in May, with year-over-year growth reaching 2.65%, the highest since February 2023. This marks a continued acceleration in material costs despite declining overall inflation. Lumber prices increased 3.41% in June, although they remain 7.41% lower than a year ago and well below the volatility seen from 2020 to 2022. Ready-mix concrete prices grew 0.45% in June, maintaining year-over-year increases exceeding 5% since late 2021, with a 6.51% rise compared to 2023.

Other materials showed contrasting trends. Steel mill product prices fell 1.18% in June, down 15.01% year-over-year, marking the fourth consecutive monthly decline. Similarly, copper prices fell 2.67% in June after several months of increases but remain up 12.64% from the prior year.

Big Investment In Building Products Promises To Transform The Industry

Forbes

Date: June 17, 2024

QXO has made waves in the building products industry with its announcement of a \$3.5 billion private placement financing, positioning the company to exceed \$5 billion in purchasing power. The move, reportedly the largest equity raise in the sector's history, aligns with Chairman and CEO Brad Jacobs's ambitious goal of transforming QXO into a \$50 billion company within the next decade. Backed by prominent investors such as Orbis Investment Management, T. Rowe Price, Morgan Stanley Investment Management, and others, QXO plans to disrupt the \$800 billion building products distribution market by leveraging technology to streamline operations and deliver value through strategic acquisitions. Experts highlight Jacobs's unparalleled track record in rapidly scaling multibillion-dollar businesses but acknowledge the challenges of achieving aggressive growth targets in a traditionally relationship-driven and fragmented industry.

Building material suppliers find growth opportunities in evolving market

Spokane Journal

Date: May 24, 2024

The distribution of construction materials in the Pacific Northwest presents challenges, yet Spokane-area suppliers like Kilgore Tec Products, Dupree Building Specialties, and Steeler Inc. are leveraging market trends and operational adjustments to drive growth. Kilgore Tec Products, specializing in niche building materials, has seen a 31% sales increase in 2024, with high-profile projects such as Spokane International Airport and Fairchild Air Force Base.

Dupree has adapted to industry changes by shifting to just-in-time inventory and embracing technology for streamlined logistics, while maintaining a focus on custom components and installation services. Steeler Inc., a steel stud manufacturer and distributor, emphasizes supply consistency and driver retention as it navigates fluctuating demand and high financing costs, with plans to expand its footprint in Washington.

Engineering low-carbon building materials

ASU News

Date: May 10, 2024

Cement, a cornerstone of modern construction, is a major contributor to global carbon emissions, accounting for over 20% of all industrial carbon output. To address this, Arizona State University's new Center for Carbon Efficient and Advanced Manufacturing of Materials and Structures (CAMMS) aims to revolutionize cement and concrete production. Led by Narayanan Neithalath, the center focuses on decarbonizing manufacturing processes, utilizing renewable energy sources, and integrating recycled materials to create sustainable and durable construction materials. CAMMS also explores cutting-edge approaches such as digital manufacturing, fiber-reinforced concrete, and solar-powered heating for chemical reactions, targeting reduced environmental impact without compromising material performance.

5 Stocks to Buy From a Booming Building Products Industry

Smart Cities Dive

Date: February 28, 2024

The Zacks Building Products - Miscellaneous industry is experiencing a positive outlook, driven by increased government infrastructure spending and momentum in repair and remodeling (R&R) projects. The industry encompasses manufacturers and distributors of a broad range of home improvement and building products, including ceiling systems, doors, windows, and specialized solutions for aging infrastructure. Key players like Masco Corporation, TopBuild Corp., Advanced Drainage Systems, Knife River Corporation, and Arcosa, Inc. are positioned to benefit from infrastructure modernization, improved residential construction, and strategic acquisitions. While rising raw material and labor costs, as well as inflationary pressures, present challenges, these companies are mitigating risks through operational efficiencies, product innovation, and cost-saving measures.

Building Products and Materials Industry Update

VALUATION TRENDS

PUBLIC COMPARABLES

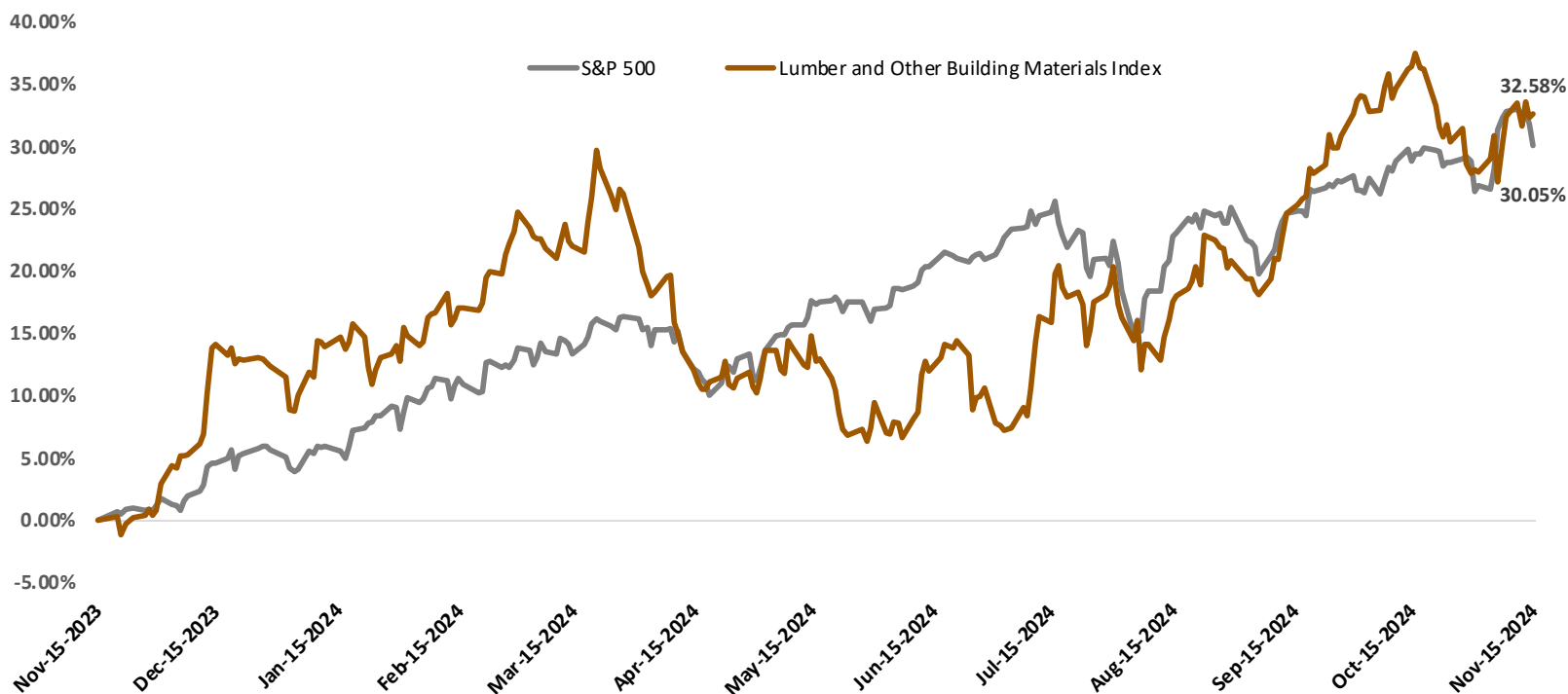
Lumber and Other Building Materials Industry

Public Comparables

\$ in millions, as of 11/15/2024

Ticker	Company	Size Metrics		LTM Financials			Trading Multiples		
		EV	Market Cap	Revenue	Gross Profit	EBITDA	EV/Rev	EV/GP	EV/EBITDA
NYSE:BLDR	Builders FirstSource, Inc.	24,569.2	20,559.9	16,731.0	5,613.8	2,349.1	1.5x	4.4x	10.5x
NYSE:BXC	BlueLinx Holdings Inc.	1,129.8	1,020.5	2,954.4	494.2	137.8	0.4x	2.3x	8.2x
NYSE:BCC	Boise Cascade Company	5,186.3	5,420.0	6,801.1	1,367.2	669.6	0.8x	3.8x	7.7x
NYSE:LOW	Lowe's Companies, Inc.	188,765.0	152,829.0	84,023.0	27,903.0	12,433.0	2.2x	6.8x	15.2x
NYSE:HD	The Home Depot, Inc.	467,289.5	405,442.5	154,596.0	51,782.0	24,758.0	3.0x	9.0x	18.9x
Max		467,289.5	405,442.5	154,596.0	51,782.0	24,758.0	3.0x	9.0x	18.9x
Median		24,569.2	20,559.9	16,731.0	5,613.8	2,349.1	1.5x	4.4x	10.5x
Min		1,129.8	1,020.5	2,954.4	494.2	137.8	0.4x	2.3x	7.7x
Mean		137,388.0	117,054.4	53,021.1	17,432.0	8,069.5	1.6x	5.2x	12.1x

PUBLIC MARKET RELATIVE STOCK PERFORMANCE



M&A OUTLOOK AND INVESTMENT TRENDS

Overview

- Increased government spending on infrastructure projects, notably under the Bipartisan Infrastructure Law (BIL), is a significant driver for the industry. This funding directly boosts demand for materials like aggregates, cement, and lumber.
- Aging U.S. infrastructure, including roads, bridges, and water facilities, continues to demand long-term investment, making the building materials sector attractive for both strategic and financial investors.
- The rise in sustainable building practices is pushing investors to target companies producing green and energy-efficient products.
- Population shifts toward suburban and low-tax regions like the Southeast are increasing demand for residential construction and renovation.

Lumber

- Larger distributors and manufacturers are acquiring smaller, regional players to solidify supply chains and expand geographic coverage. This is particularly critical in areas like the Southeast U.S., where housing demand is accelerating.
- Consolidation is also aimed at countering market fragmentation and achieving economies of scale, enabling cost synergies and streamlined operations.
- Buyers, particularly in construction and manufacturing, are targeting upstream lumber suppliers to secure raw material availability and stabilize costs amidst fluctuating timber prices.
- Vertical integration strategies are prevalent among companies aiming to mitigate risks posed by volatile lumber markets and external supply chain disruptions.
- Acquisitions of forestry companies with sustainable practices and certifications (e.g., FSC-certified timber) are becoming common as ESG factors increasingly influence investment decisions. Buyers view these assets as essential for meeting corporate sustainability goals.
- Rising demand for sustainable building materials has pushed investors to fund companies producing engineered wood products, cross-laminated timber (CLT), and other eco-friendly solutions.
- Carbon sequestration efforts in forestry are attracting investment, as buyers look to align with regulatory pressures and sustainability metrics.

Source: IBIS Worlds, Pitchbook, Wells Fargo U.S. Housing Forecast

M&A OUTLOOK AND INVESTMENT TRENDS

Building Products

- Building product manufacturers and distributors are prime targets for M&A due to their essential role in supporting both residential and commercial construction markets.
- Roll-up strategies by private equity and strategic players are evident, with firms focusing on acquiring smaller manufacturers to achieve regional dominance or product diversification.
- Companies specializing in sustainable products, such as energy-efficient insulation and roofing systems, are receiving premium valuations as buyers focus on aligning with green initiatives.
- There is strong interest in prefabrication and modular construction solutions, which reduce labor dependency and project timelines. This technology is particularly appealing for large-scale commercial projects.
- Building product companies are expanding their offerings to include materials that support green construction, like advanced insulation and solar-compatible roofing systems.
- Persistent supply chain constraints have prompted investments in localized production facilities to ensure consistent material availability and reduce lead times.

Other Building Materials

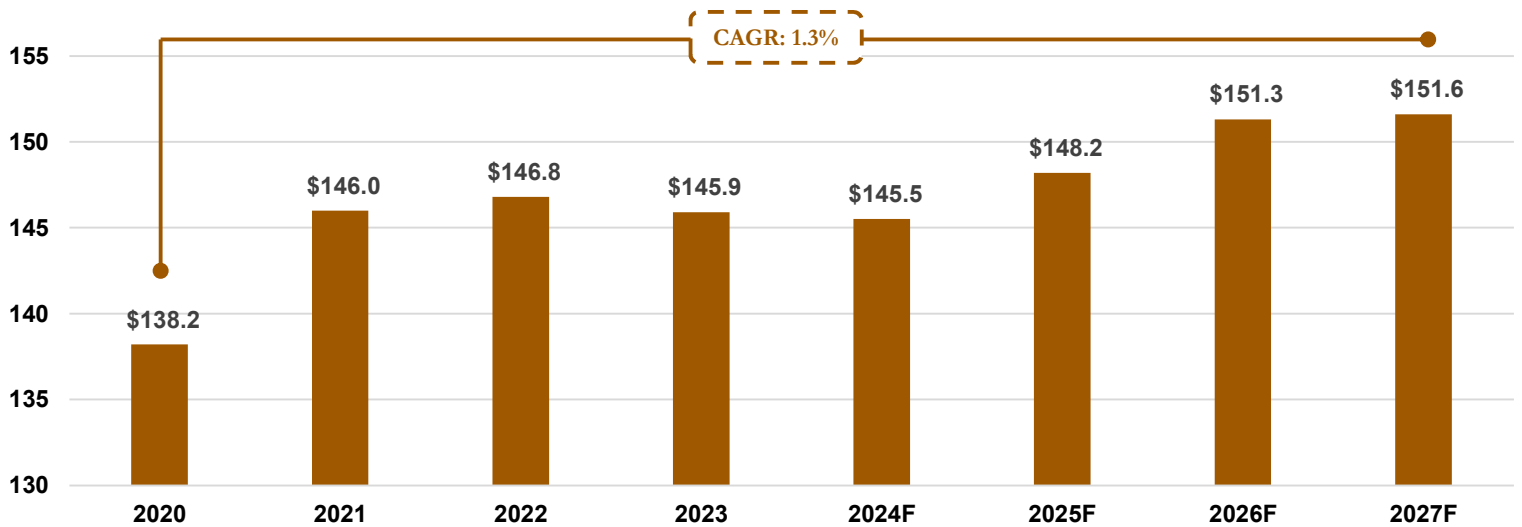
- Infrastructure-focused materials like cement, aggregates, and asphalt are in high demand due to federal and state funding for public works. These sectors are experiencing heightened consolidation as players seek to lock in raw material supply.
- Vertical integration is a growing trend, with companies acquiring upstream raw material suppliers to reduce input costs and ensure price stability.
- Localized firms with strong regional footprints and steady project backlogs are particularly attractive to acquirers.
- Innovations in building materials, such as low-carbon concrete and recycled aggregates, are gaining traction as the industry moves toward reducing its carbon footprint.
- Significant investments are being directed toward materials for specialized markets, including data center construction, EV infrastructure, and renewable energy projects.
- Automation and digitalization are reshaping material processing, from production to delivery, enhancing efficiency and reducing waste.

Source: IBIS Worlds, Pitchbook, Wells Fargo U.S. Housing Forecast

KEY METRICS

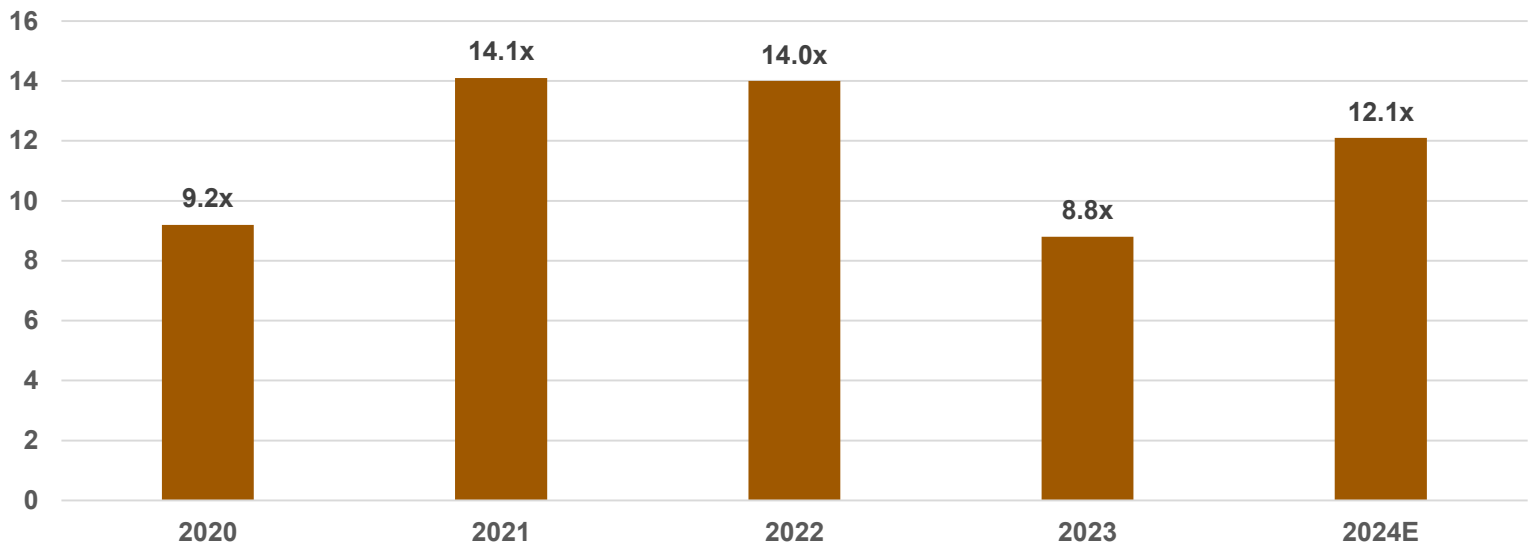
U.S. LUMBER AND BUILDING MATERIALS REVENUE GROWTH

(\$ in billions)



Source: IBIS World

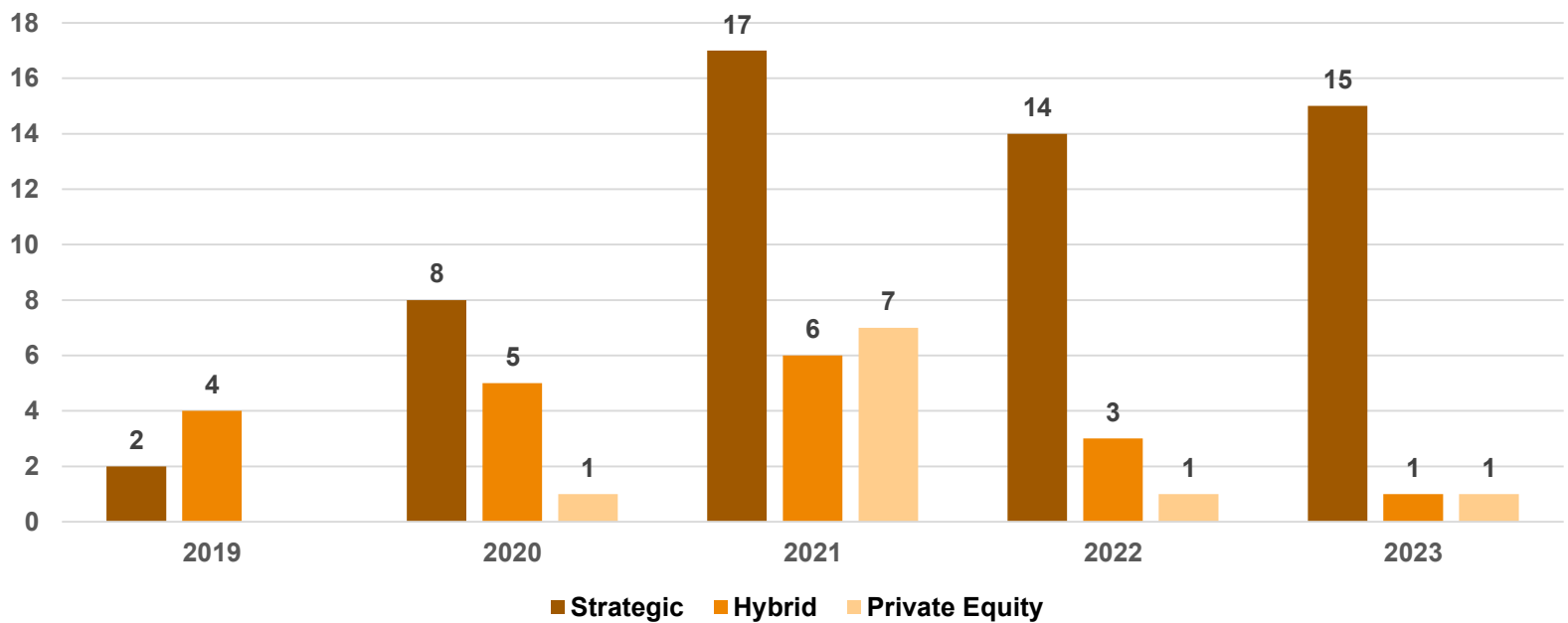
CONSTRUCTION MATERIALS MEDIAN EV/EBITDA



Source: Publicly available data

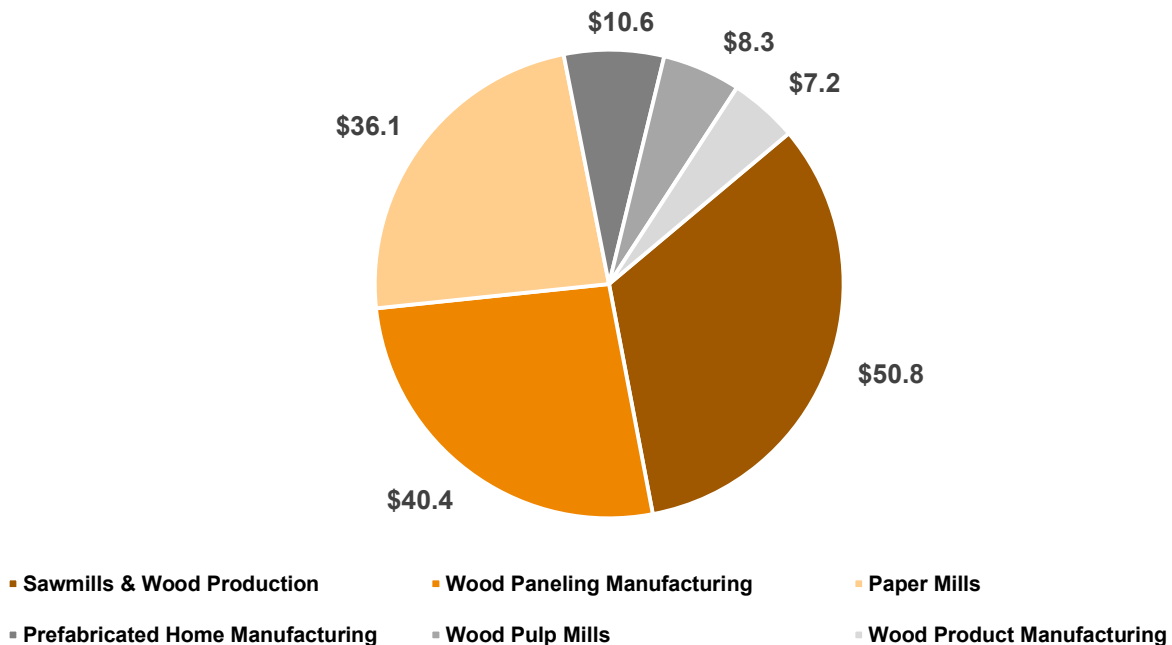
KEY METRICS

LUMBER & BUILDING MATERIALS DISTRIBUTION TRANSACTIONS BY TYPE



Source: Pitchbook

LUMBER AND WOOD PRODUCTS REVENUES BY INDUSTRY



Source: Camoin Associates

IN THE NEWS – ACQUISITION ACTIVITY

Installed Building Products Announces the Acquisition of Tatum Insulation III, LLC

Business Wire

Date: November 12, 2024

Installed Building Products, Inc. (IBP), a leading installer of insulation and building products, has acquired Tatum Insulation III, LLC, expanding its operations in North Carolina. Tatum, based near Wilmington, generates over \$17 million in annual revenue and provides insulation, shower doors, shelving, mirrors, and other interior products to residential and commercial markets. This acquisition enhances IBP's geographic reach and strengthens its presence across single-family, multi-family, and commercial customer segments in the state. Jeff Edwards, IBP's Chairman and CEO, highlighted the company's commitment to growth through acquisitions, with over \$90 million in annual revenue added so far in 2024.

Carter Lumber Acquires Townsend Building Supply, Expanding into Florida and Alabama

Carter Lumber

Date: October 21, 2024

Carter Lumber, one of the nation's largest building materials suppliers, has acquired Townsend Building Supply, a dealer with six locations in southern Alabama and the Florida Panhandle. This acquisition furthers Carter Lumber's strategic expansion into key southern markets and positions the company for continued growth in these regions. Townsend Building Supply will join the Carter Lumber Family of Companies while maintaining its distinct brand identity. The acquisition enhances Townsend's operations with access to greater capital, increased purchasing power, and expanded industry relationships. Carter Lumber President and COO Jeff Donley highlighted the alignment between the two companies, noting shared values of exceptional customer service and family-oriented cultures.

Doman Building Materials Group Ltd. Announces Acquisition of CM Tucker Lumber Assets

Global Newswire

Date: October 01, 2024

Doman Building Materials Group Ltd. has acquired CM Tucker Lumber Companies, LLC, a South Carolina-based building materials manufacturer, for approximately \$255 million in cash. The acquisition, funded through Doman's existing cash and credit facilities, includes Tucker Lumber's three facilities, which feature a vertically integrated operation in Pageland, South Carolina, as well as treating plants in Henderson, North Carolina, and Rock Hill, South Carolina. With 425 employees, Tucker Lumber produces a wide range of products, including treated lumber, decking materials, fencing, and specialty wood products, serving Eastern U.S. markets efficiently. This acquisition expands Doman's geographic footprint into ten new states, complementing its U.S. Central and West Coast operations without overlap. The deal will be immediately accretive, broadening the company's product offerings while advancing its growth strategy.

Thomas Building Center is Acquired by Kodiak Building Partners. 1stWest M&A Served as Thomas' Advisor in the Transaction.

Business Wire

Date: July 24, 2024

1stWest Mergers and Acquisitions has successfully advised Thomas Building Center in its acquisition by Kodiak Building Partners. Located in Sequim, Washington, Thomas Building Center has been a trusted provider of building materials for over 50 years, serving both professionals and DIY customers across the Olympic Peninsula. In addition to its comprehensive "foundation to finish" product offerings, Thomas operates a power equipment division, "Power by Thomas," and a rental center, "Rentals by Thomas," further enhancing its value to the local market. This acquisition strengthens Kodiak's presence in the Pacific Northwest and aligns with its strategic growth in the lumber and building materials sector.

IN THE NEWS – ACQUISITION ACTIVITY

The Home Depot Completes Acquisition of SRS Distribution

Home Depot

Date: June 18, 2024

The Home Depot, the world's largest home improvement retailer, has finalized its acquisition of SRS Distribution, Inc., a leading specialty trade distributor serving professional roofers, landscapers, and pool contractors, for approximately \$18.25 billion. Announced in March 2024, the acquisition expands The Home Depot's total addressable market by \$50 billion, bringing it to an estimated \$1 trillion. This strategic move strengthens The Home Depot's position in the residential professional customer segment and enhances its ability to address complex purchasing needs. The integration of SRS's capabilities complements The Home Depot's offerings and establishes the retailer as a leading specialty trade distributor across multiple verticals.

FCA Packaging Invests in Greentree Packaging and Lumber

Wynnchurch Capital

Date: April 24, 2024

FCA, LLC, a Wynnchurch Capital portfolio company, has acquired Greentree Packaging and Lumber, a Fort Worth, Texas-based manufacturer of custom wood packaging and distributor of lumber products. The acquisition strengthens FCA's ability to serve customers in the Dallas/Fort Worth area and across its 40-location network. FCA CEO David Wilsted expressed excitement about the partnership, emphasizing its potential to enhance service offerings and expand the company's reach. Robert Payne, President of Greentree, echoed this sentiment, noting that the collaboration would accelerate growth and broaden solutions for customers.

Home Depot buying supplier to professional contractors in a deal valued at about \$18.25 billion

AP News

Date: March 28, 2024

Home Depot has announced its largest acquisition to date, agreeing to purchase SRS Distribution, a supplier of materials for professionals such as roofers, landscapers, and pool contractors, in a deal valued at approximately \$18.25 billion, including debt. This move underscores Home Depot's strategic shift toward the professional builder and contractor market as retail sales, which surged during the pandemic, have slowed.

By acquiring SRS Distribution, Home Depot positions itself to capitalize on the fast-growing professional segment amid a challenging housing market characterized by a severe shortage of new homes and surging prices

MITER Brands Completes Acquisition of PGT Innovations, Inc.

Business Wire

Date: March 28, 2024

PGT Innovations, Inc. (PGTI) has officially been acquired by MIWD Holding Company LLC (MITER Brands) in a transaction valued at \$42.00 per share in cash. Announced on January 17, 2024, and approved by PGTI stockholders on March 18, 2024, the deal marks the delisting of PGTI's common stock from the NYSE. The acquisition was partially financed by an equity investment from Koch Equity Development LLC, the investment arm of Koch Industries, which is a current investor in MITER Brands. This acquisition strengthens MITER Brands' portfolio and underscores Koch Industries' continued investment in high-value industrial partnerships. With the transaction finalized, PGTI transitions under MITER Brands, further advancing its position in the building materials sector.

Building Products and Materials Industry Update

SELECT M&A TRANSACTIONS

TARGET	BUYER	LOCATION	DEAL DATE	DEAL SIZE (mm)	DESCRIPTION
Frank B. Marks & Son	Knife River (NYS: KNF)	Newman, CA	03-Nov-2024		Distributor of lumber and other construction materials intended for durable wholesale trade. The company offers a range of essential construction materials, including sand, gravel and various durable goods, to meet the needs of construction projects of different scales.
Townsend Building Supply	Carter Lumber Company	Dothan, AL	21-Oct-2024		Distributor of building materials intended for construction and renovation purposes. The company offers a wide range of products including lumber and building materials, exterior siding, doors and windows, paint, tools, decking, plumbing and electrical equipment.
Falls City Lumber	ECMD	Louisville, KY	03-Sep-2024		Distributor of building products located in Louisville, Kentucky. The company offers lumber, fiber cement, PVC trim, decking products, columns, railings, and railings for outdoor projects, providing specialty products at cost-effective prices.
Sovereign Supply	American Securities	Bartow, FL	01-Jul-2024		Distributor of building materials based in Bartow, Florida. The company offers residential drywall.
Reece's Building Supply	Nation's Best Holdings	Narrows, VA	04-Jun-2024		Distributor of building products focused on remodeling. The company offers lumber, roofing, siding, decking, railing and door products as well as remodeling and planning services.
Forest Products Sales	Master Halco	West Jordan, UT	03-Jun-2024		Distributor of lumber products and building materials based in West Jordan, Utah. The company offers a wide range of pressure-treated lumber, plywood, cedar fencing, rough lumber, preservative-treated lumber, and timbers, as well as interior and exterior fire-retardant-treated lumber and plywood for residential, commercial, and agricultural applications.
Ironstone Building Materials	G R Mitchell	Lancaster, PA	25-Mar-2024		Distributor of building products based in Lancaster, Pennsylvania. The company offers decking, railing, exterior trim, kitchen cabinets, flooring, doors, windows, siding, roofing, lumber and other products.
Schrock Lumber	R.P. Lumber	Mediapolis, IA	01-Mar-2024		Distributor and retailer of building products catering to Des Moines, Henry and Louisa counties. The company offers lumber, windows, doors and plumbing, electrical and painting supplies as well as custom home design services to customers.

Building Products and Materials Industry Update

SELECT M&A TRANSACTIONS

TARGET	BUYER	LOCATION	DEAL DATE	DEAL SIZE (mm)	DESCRIPTION
Portage Lumber	Bliffert Lumber & Hardware(Portage, WI	31-Jan-2024		Distributor and operator of lumber and hardware products store catering to the building material, hardware, and home decor industries. The company offers a wide range of products including windows, doors, hardware, tools, paint, plumbing and electrical supplies.
Encore Building Products	Builders Firstsource (NYS: BLDR)	Springdale, AR	15-Dec-2023		Distributor and retailer of lumber, flooring, and other building materials with an initial core market in Northwest Arkansas, Oklahoma, Missouri, and Kansas. The company offers home improvement products and flooring materials such as floorings, doors, windows, fireplaces, hardware, lumber, siding, composite decking, molding, and stair parts.
R-Y Timber	Sun Mountain Lumber	Livingston, MT	20-Nov-2023		Distributor of wood products based in Livingston, Montana. The company offers lumber and firewood along with forest management services.
Valleywood Industries		Baltimore, MD	31-Oct-2023		The company's services include wholesale and distribution of new, recycled, and repaired pallets and plywood along with custom pallets, enabling customers to get custom-sized pallets using new and/or recycled lumber.
Francis-Schulze Co.	Trimlite (Wynnchurch Capital)	Russia, OH	20-Sep-2023		Distributor of wholesale building materials for lumber dealers, home centers and door specialists. The company supplies exterior doors, hardware and lock sets, door components, fiberglass columns, fiberglass pergolas, aluminum columns, railings and fences, storm doors, garage doors, and attic stairs.
Adams Building Supplies	Nation's Best Holdings	Hartwell, GA	05-Sep-2023		Distributor of plywood and building products based in Hartwell, Georgia. The company offers lumber, plywood, siding materials and allied wood building as well as insulation, masonry and paint.
S&H Building Material	Beacon Roofing Supply (NAS: BECN)	Medford, NY	05-Sep-2023		Distributor of building materials catering to residential builders, contractors and homeowners. The company offers roofing, siding materials and accessories, composite decking and railing, window and doors, skylights and wood shingles products.
Iverson's Lumber Company	The Schockman Lumber Company	Highland, MI	01-Sep-2023		Distributor of lumber, building materials, hardware, and equipment catering to construction sectors. The company's services include moulding and millwork, flooring, home decor, paint, plumbing and fixtures, flooring and decking.

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SELECT M&A TRANSACTIONS

TARGET	BUYER	LOCATION	DEAL DATE	DEAL SIZE (mm)	DESCRIPTION
Cain Hardware & Lumber	Nation's Best Holdings	Carthage, TX	01-Aug-2023		Distributor of hardware and lumber products based in Carthage, Texas.
Silver State Building Materials	Beacon Roofing Supply (NAS: BECN)	Gardnerville, NV	12-Jun-2023		Distributor of building materials catering to contractors as well as retail clients. The company specializes in the supply and distribution of roofing products, lumber, siding, building supplies, shingles, roofing accessories.
Middle Atlantic Wholesale Lumber	Sherwood Lumber	Baltimore, MD	22-May-2023		Distributor of wooden plywood and panels catering to government, home centers, manufacturers and other businesses.
Beaverhead Home Center	TAL Building Centers	Dillon, MT	01-May-2023		Distributor of building products catering to professional contractors and homeowners. The company offers lumber and composites, millwork, window and door repair services.
Feldman Lumber	L&W Supply	Brooklyn, NY	03-Apr-2023		Distributor and supplier of building products intended to serve professional contractors, remodelers, manufacturing and industrial companies. The company offers lumber, drywall, board products, building supplies and specialty products.
Rosen Materials	L&W Supply	Sunrise, FL	03-Apr-2023		Manufacturer and distributor of drywall and related products to commercial and residential building markets. The company offers lumber, drywall, board products, building supplies and specialty products.
Wallboard Supply	L&W Supply	Londonderry, NH	03-Apr-2023		Distributor of wallboard and associated building materials catering to professional contractors. The company offers drywall products, metal framing, acoustical ceiling, insulation, lumber, caulking guns, mixers and mud pans.
Madison Lumber	ECMD	Huntsville, AL	31-Mar-2023		Distributor of building materials intended to offer lumber products to lumber retailers, cabinet manufacturers and the millwork industry. The company's product includes spruce boards, western cedar, eastern white pine, hardwood plywood, hardwood lumber.

Building Products and Materials Industry Update

SELECT M&A TRANSACTIONS

TARGET	BUYER	LOCATION	DEAL DATE	DEAL SIZE (mm)	DESCRIPTION
Marjam Supply Company	American Securities	Farmingdale, NY	31-Mar-2023		Distributor of building materials and construction products intended to serve builders, contractors, architects and other customers. The company offers lumber, steel studs, siding, tools, adhesives, cleaning products acoustical ceilings.
Prince Building Systems	Beacon Roofing Supply (NAS: BECN)	Atlanta, GA	31-Mar-2023		Distributor of building materials catering to building material dealers, retail lumber yards and manufactured housing. The company offers agricultural products, connectors, fasteners, deck, railing, doors, drainage system items, roofing products, stone products and ventilation products.
Mid-States Wholesale Lumber	Snavely Forest Products	Oklahoma City, OK	13-Dec-2022		Distributor of lumber and building products manufacturing and distribution services based in Oklahoma City, Oklahoma.
Palmetto Home Center	Nation's Best Holdings(Summerville, SC	02-Nov-2022		Distributor of hardware and home improvement products catering to businesses and households. The company offers full-service hardware, lawn and garden, lumber and home improvement products.
Sunrise Builders Supply	Building Partners (Court Square Capital Management)	Arlington, TN	19-Oct-2022		Distributor of building materials and supplies intended to serve builders, contractors and homeowners in the construction industry. The company supplies lumber, engineered wood, trusses, hardware, tools paint and other products.
Kaycan (US Distribution Business)	ABC Supply Company	US	18-Oct-2022		Distributor of exterior building materials intended for professionals or homeowners. The company produces and distributes exterior building products, including vinyl, aluminum and engineered wood siding as well as related accessories, coil, windows and patio doors.
Dana Wallboard Supply	L&W Supply	Tyngsboro, MA	03-Oct-2022		Distributor of wallboard and associated building materials catering to professional contractors throughout the Northeast. The company specializes in gypsum and veneer wallboard, metal framing, commercial insulation, fire-treated lumber, plaster and drywall finishing products.
Vandermeer Forest Products	BlueLinx Holdings (NYS: BXC)	Lynnwood, WA	03-Oct-2022	69.27	Distributor of building products intended to serve the Pacific Northwest. The company offers lumber, studs and plywood along with oriented standards boards, engineered wood sidings, barrier panels and high-performance building wraps.

Excel Capital Advisors, LLC (“Excel”) is a leading boutique investment bank, working with businesses operating in the lower middle market.

OUR APPROACH

- Excel Capital Advisors (ECA) is a financial and sell-side advisory firm specializing in serving family- founder – owned businesses in the lower middle market.
- Leveraging our long-standing relationships with both strategic and financial buyers and capital sources, combined with our proven expertise in deal structuring and financing, ECA excels in navigating even the most complex transactions.
- Deep industry experience across construction and building materials sectors, along with adaptive bankers experienced in executing all kinds of transactions.

TRANSACTION SIZES

- EBITDA of \$1M - \$20M
- EV of \$10M to \$200M

ADVISORY SERVICES

- Growth Financings
- Mergers, Acquisitions, & Divestitures
- Restructuring & Recapitalizations
- Management Buyouts


MORE ON EXCEL CAPITAL ADVISORS

- Excel Capital Advisors is an industry agnostic investment bank; however, possesses industry experts across a variety of fields enabling us to pursue a flexible, yet focused mandate.
- Independent investment banking advisory firm focused on the middle and lower middle market since 2007.
- Based in St. Petersburg, FL, but works with clients across the country.

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