



Quarterly Update

- Strategic acquirers and financial-backed strategic acquires in the United States and Europe, Middle East, and Africa (EMEA) were responsible for continued strong deal volume in the building products subsector during the first quarter of 2022. Distributors and end-market manufacturers were most active.
- Distributor US LBM Holdings was notably absent from the most recent quarter's deal activity – in December the Company completed its 16th transaction since being acquired by Bain Capital in November 2020.
- EdgePoint's Building Products Index continued its recent pullback, underperforming the overall market for the second straight quarter. The easing of inflation and supply constraints in the coming months may allow the index's performance to improve.
- The Consumer Confidence Index decreased further in the first quarter. An upward turn in sentiment as inflation stabilizes would be a positive sign for residential construction and building products spending.
- EdgePoint expects building products valuations to remain stable throughout the current period of subsector volatility and into late 2022. The market may strengthen once it has adjusted to the increasing interest rate environment.

Recent Industrials Transactions (Selected)



For more information and insights, please contact the EdgePoint Industrials Group:



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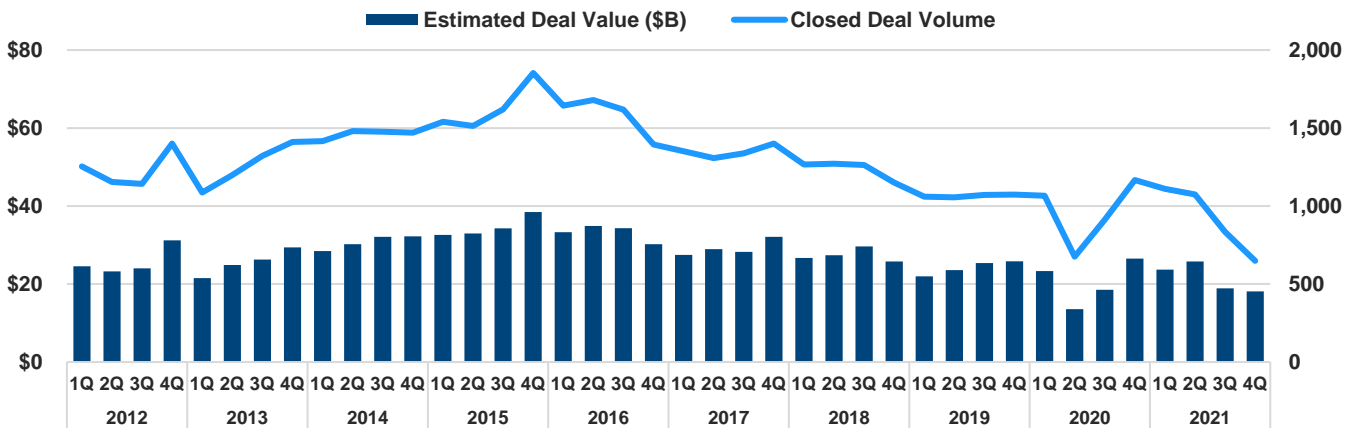
Industrials: Building Products | March 2022

Recent Building Products Transactions (Selected)

Target	Date	Buyers / Investors	Region	Strategic / Financial
ESS Modular Limited	Mar 29	ISG Limited	EMEA	Financial-Backed Strategic
Huttig Building Products, Inc.	Mar 21	Woodgrain Inc.	United States	Strategic
Associated Materials, LLC	Mar 14	Strategic Value Partners, LLC	United States	Financial
EL and EL Wood Products Corp.	Mar 11	Metrie Inc.	United States	Strategic
Stone Boutique /Allure Natural Stone	Mar 10	Architectural Surfaces Group	United States	Strategic
Moelven Danmark A/S	Mar 2	Frøslev Træ A/S	EMEA	Strategic
Gunnar Eiklid AS	Mar 1	Volati AB	EMEA	Strategic
Oldcastle BuildingEnvelope, Inc.	Feb 28	KPS Capital Partners, LP	United States	Financial
Saint-Gobain Building Distribution Limited	Feb 17	Aurelius Investments Limited	EMEA	Financial
"Dach und Wand" Handels GmbH	Feb 17	Stark Group A/S	EMEA	Financial-Backed Strategic
Elkay Manufacturing Company, Inc.	Feb 14	Zurn Water Solutions Corporation	United States	Strategic
Cornerstone Building Brands, Inc.	Feb 14	Clayton, Dubilier & Rice, LLC	United States	Financial
Capital Brick & Tile Co., Inc.	Feb 4	Glen-Gery Corporation	United States	Strategic
Mid-Am Building Supply, Inc.	Feb 4	Hardwoods Distribution Inc.	United States	Strategic
Tudors Building Supplies (Hereford) Limited	Feb 3	Robert Price (Builders' Merchants)	EMEA	Strategic
Specialty Fence Wholesale, Inc.	Feb 1	Fencing Supply Group	United States	Strategic
Solar Innovations, LLC	Jan 31	Fortune Brands Home & Security, Inc.	United States	Strategic
Cupire Padesa, S.L.	Jan 28	Brookfield Business Partners L.P.	EMEA	Financial
MÄLarmontage Glas & Metall Ab	Jan 21	GGAL Group AB	EMEA	Strategic
DOFAB AB	Jan 17	Seafire AB (publ)	EMEA	Strategic
URSA Insulation, S.A.	Jan 11	Etex N.V.	EMEA	Financial-Backed Strategic
Poupin	Jan 6	ETS Lorillard SA	EMEA	Financial

Source: S&P Capital IQ (March 31, 2022)

Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook (March 31, 2022)

Industrials: Building Products | March 2022

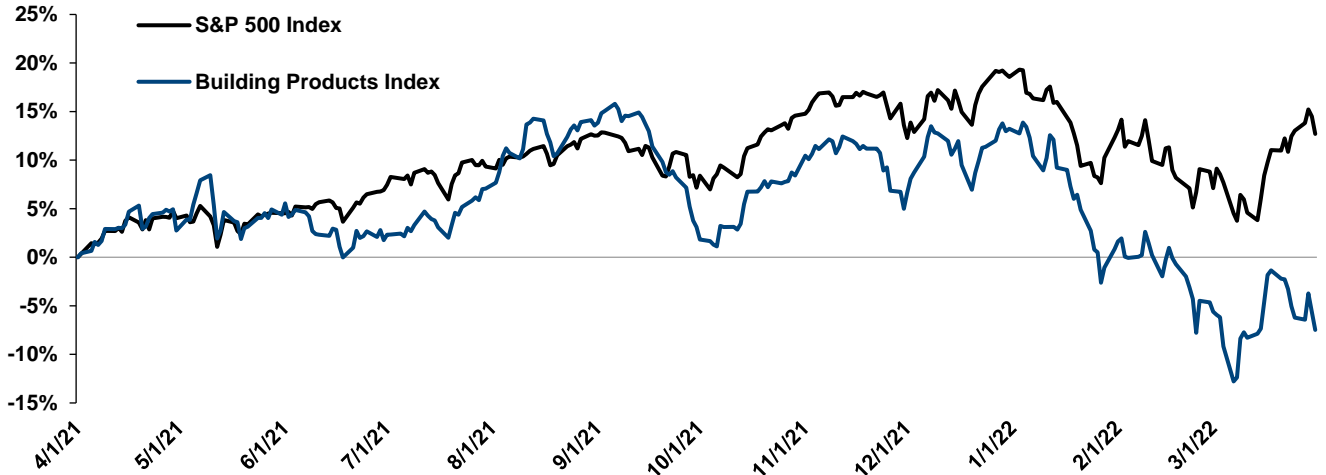
EdgePoint Public Comparable Index Constituents

Building Products

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue		Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E	LTM	LTM	3-Yr. CAGR			
Advanced Drainage Systems, Inc.	\$ 9,720	29.1%	19.3%	\$ 490	\$ 776	19.2x	12.5x	\$ 2,535	32.7%	23.0%	\$ 118.81	86.1%	
American Woodmark Corporation	\$ 1,441	12.5%	6.8%	\$ 123	\$ 198	9.5x	7.3x	\$ 1,829	9.5%	3.6%	\$ 48.95	46.2%	
Apogee Enterprises, Inc.	\$ 1,320	23.0%	11.6%	\$ 152	\$ 145	11.0x	9.1x	\$ 1,314	6.8%	-2.2%	\$ 47.46	94.1%	
Armstrong Flooring, Inc.	153	12.1%	-4.5%	(30)	-	NM	0.0x	650	11.1%	-3.7%	1.43	21.2%	
Armstrong World Industries, Inc.	4,826	36.7%	25.6%	283	423	12.8x	11.4x	1,107	18.1%	4.3%	90.01	76.2%	
ASSA ABLOY AB (publ)	33,011	39.8%	17.9%	1,884	2,342	16.8x	14.1x	10,507	8.4%	4.2%	27.29	87.7%	
Caesarstone Ltd.	472	26.6%	10.3%	66	77	5.0x	6.0x	644	32.4%	3.8%	10.52	53.1%	
Comfort Systems USA, Inc.	3,646	18.3%	8.3%	256	310	12.6x	11.8x	3,074	7.6%	12.1%	89.01	85.8%	
Compagnie de Saint-Gobain S.A.	40,180	26.5%	12.5%	6,269	7,259	5.8x	5.5x	50,222	15.8%	1.9%	60.29	80.9%	
Daikin Industries, Ltd.	53,401	34.4%	15.2%	3,896	3,935	14.4x	13.6x	25,653	21.0%	6.5%	184.54	75.7%	
Fortune Brands Home & Security, Inc.	12,271	36.0%	17.1%	1,310	1,456	9.0x	8.4x	7,656	25.7%	11.8%	74.28	65.2%	
Georg Fischer AG	5,010	38.9%	11.1%	454	510	11.1x	9.8x	4,107	17.0%	-6.6%	1,203.18	71.5%	
Hubbell Incorporated	11,206	27.5%	16.1%	676	791	15.8x	14.2x	4,194	13.9%	-2.2%	183.77	86.5%	
Installed Building Products, Inc.	3,097	29.9%	13.8%	272	348	10.3x	8.9x	1,969	19.1%	13.8%	84.49	59.7%	
Interface, Inc.	1,323	36.0%	13.2%	159	179	7.2x	7.4x	1,200	8.8%	0.6%	13.57	75.3%	
James Hardie Industries plc	14,403	36.3%	26.7%	922	1,198	14.9x	12.0x	3,454	24.5%	12.8%	30.46	69.9%	
JELD-WEN Holding, Inc.	3,347	20.4%	8.5%	405	536	6.9x	6.2x	4,772	12.7%	3.2%	20.28	64.4%	
Kingspan Group plc	19,074	28.6%	13.3%	984	1,067	19.0x	17.9x	7,389	42.0%	14.1%	98.91	83.5%	
Lennox International Inc.	10,848	28.3%	15.7%	659	747	14.3x	14.5x	4,194	15.4%	2.6%	257.86	72.4%	
LIXIL Corporation	9,194	34.8%	10.9%	1,347	1,375	7.0x	6.5x	12,308	6.3%	-7.6%	18.86	68.1%	
Masco Corporation	14,563	34.2%	14.0%	1,171	1,688	11.7x	8.6x	8,375	16.5%	8.0%	51.00	71.8%	
Masonite International Corporation	2,782	23.6%	14.5%	376	459	6.5x	6.1x	2,597	15.1%	6.2%	88.94	67.3%	
Mueller Industries, Inc.	3,076	22.0%	17.2%	648	-	4.7x	0.0x	3,769	57.2%	14.5%	54.17	85.9%	
NORMA Group SE	1,306	55.6%	13.8%	172	213	7.2x	6.1x	1,245	14.5%	0.2%	28.95	52.8%	
Owens Corning	11,277	26.3%	22.1%	1,875	2,091	5.8x	5.4x	8,498	20.5%	6.4%	91.50	83.3%	
PGT Innovations, Inc.	1,740	34.7%	12.9%	150	230	9.9x	7.6x	1,161	31.6%	18.5%	17.98	64.0%	
Quanex Building Products Corporation	794	21.8%	11.5%	127	139	5.7x	5.7x	1,109	25.3%	7.4%	20.99	72.3%	
Tarkett S.A.	1,463	20.0%	6.2%	197	310	6.3x	4.7x	3,175	6.0%	-0.5%	14.15	59.5%	
TopBuild Corp.	7,530	27.9%	16.4%	571	808	11.7x	9.3x	3,486	28.3%	13.5%	181.39	63.9%	
Tyman plc	1,007	33.3%	16.0%	137	149	7.0x	6.7x	861	11.0%	2.4%	4.18	62.4%	
Median		28.5%	13.8%	430	485	9.9x	8.0x	3,314	16.2%	4.2%	52.59	71.7%	
Mean		29.2%	13.8%	867	992	10.3x	8.6x	6,102	19.2%	5.7%	107.24	70.2%	

Source: S&P Capital IQ (March 31, 2022)

EdgePoint Comparable Index Trailing Twelve Months Stock Performance

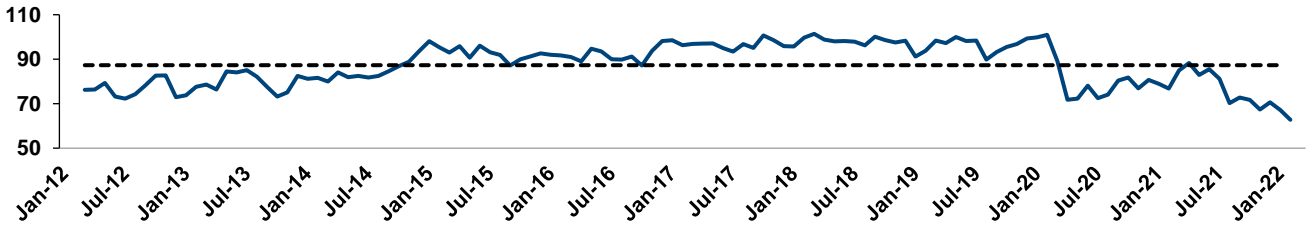


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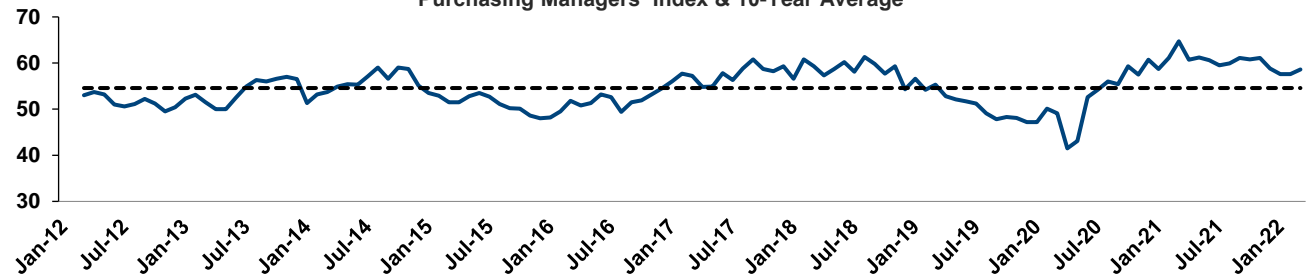
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



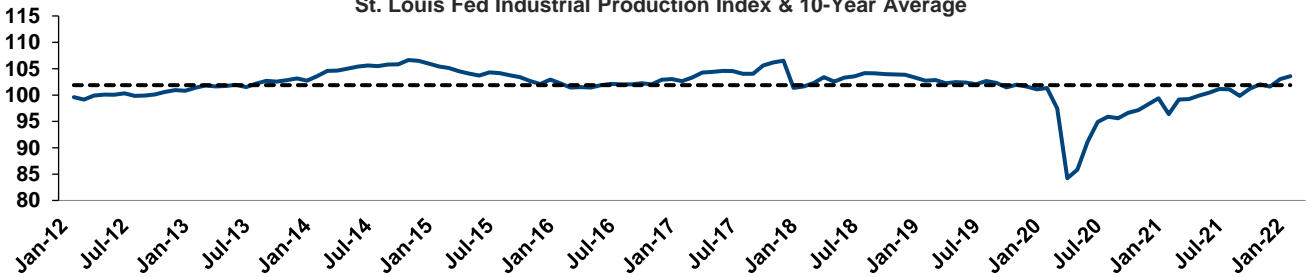
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



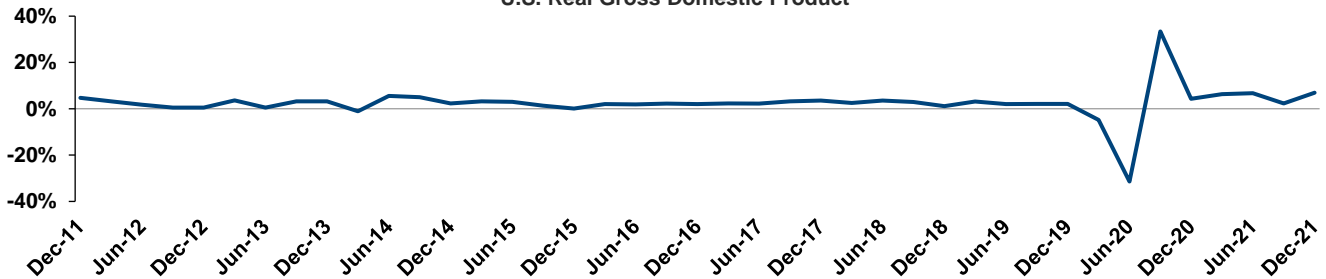
Source: Institute for Supply Management

St. Louis Fed Industrial Production Index & 10-Year Average



Source: The Federal Reserve Bank of St. Louis

U.S. Real Gross Domestic Product



Source: Bureau of Economic Analysis