



Quarterly Update

- Fourth quarter building products deal volume was down in 2022 relative to the same period in 2021 as the market continued to adjust to higher interest rates and lower material costs.
- Notably, SiteOne Landscape Supply closed its 16th acquisition of 2022 in December, acquiring Telluride Natural Stone, a manufacturer of natural stone, reclaimed wood, and reclaimed brick products.
- EdgePoint's Building Products Index underperformed the broader market by more than 10% in 2022, reflecting investors' views of the slowdown in construction and renovation activity.
- The U.S. consumer confidence index continued to trend upward in December, following a recent rise that was attributed to decreasing unemployment and moderating gas prices.
- EdgePoint expects deal volume in the building products subsector to continue its current performance due to persistent weakness in the housing market, however slowing interest rate increases, the country's long-term housing shortage, and low supply of for-sale homes will likely aid in the subsector's recovery and the return of dealmaking by the second half of 2023.

Recent Industrials Transactions (Selected)



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



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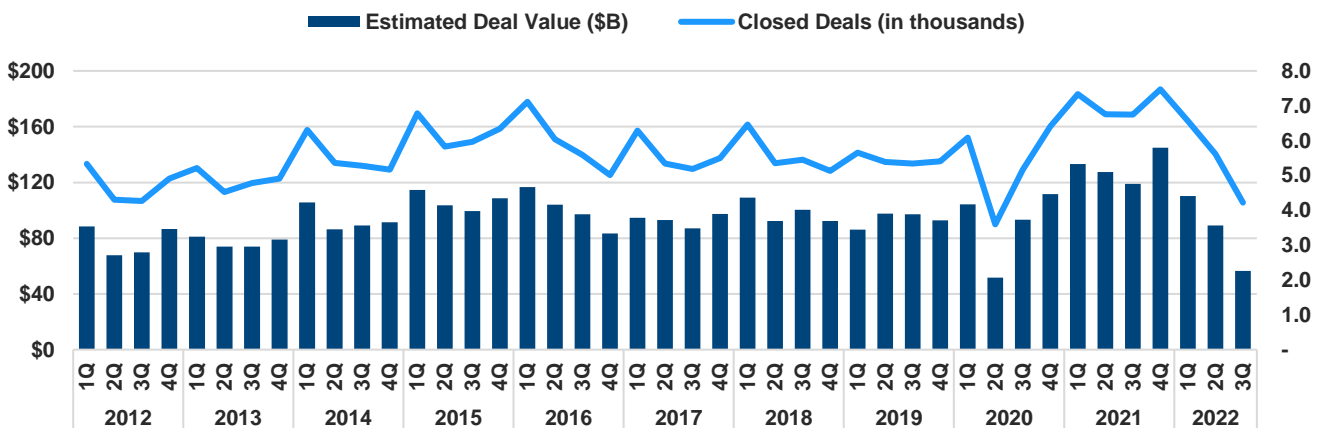
Industrials: Building Products | December 2022

Recent Building Products Transactions (Selected)

| Target | Date | Buyers / Investors | Region | Strategic / Financial |
|--|--------|---|---------------|----------------------------|
| Telluride Natural Stone, Inc. | Dec 20 | SiteOne Landscape Supply, Inc. | United States | Strategic |
| Da Vinci Marble Inc. | Dec 20 | Architectural Surfaces Group, LLC | United States | Financial-Backed Strategic |
| Win-Dor, LLC | Dec 19 | Pella Corporation | United States | Financial-Backed Strategic |
| Forslund Building Supply, Inc. | Dec 15 | Nation's Best Holdings LLC | United States | Strategic |
| Eclipse Awning Systems, LLC | Dec 15 | Rainier Industries, Ltd. | United States | Financial-Backed Strategic |
| Basco Manufacturing Company | Dec 14 | LIXIL Corporation | United States | Strategic |
| Resource 4 Floors | Dec 14 | Lynx Equity Limited | United States | Financial |
| Mid-States Wholesale Lumber Co. | Dec 13 | Snavelly Forest Products, Inc. | United States | Strategic |
| Saint-Gobain Building Distribution Limited | Dec 12 | Stark Group A/S | EMEA | Financial-Backed Strategic |
| Sexton Group Ltd. | Dec 5 | BDC Capital Inc.; PFM Capital, Inc. | Canada | Strategic |
| Emtek and Schaub Door & Cabinet Hardware | Dec 1 | Fortune Brands Home & Security, Inc. | United States | Strategic |
| Palight Trimboard Business | Nov 30 | Boral Building Products, Inc. | United States | Strategic |
| Fabspeed Holdings Ltd | Nov 24 | Michelmersh Brick Holdings plc | EMEA | Strategic |
| A. Stucki Company | Nov 23 | Stellex Capital Management LLC | United States | Financial |
| Tahoe Sand & Gravel | Nov 21 | Outdoor Living Supply, LLC | United States | Strategic |
| Sprouse Building Products, Inc. | Nov 16 | Santiago Investment Group, LLC | United States | Financial |
| Kildare Builders Providers Limited | Nov 4 | Brooks Timber and Building Supplies Ltd | EMEA | Strategic |

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

Global Lower-Middle Market Quarterly Deal Flow



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

Source: Pitchbook (November 16, 2022)

Industrials: Building Products | December 2022

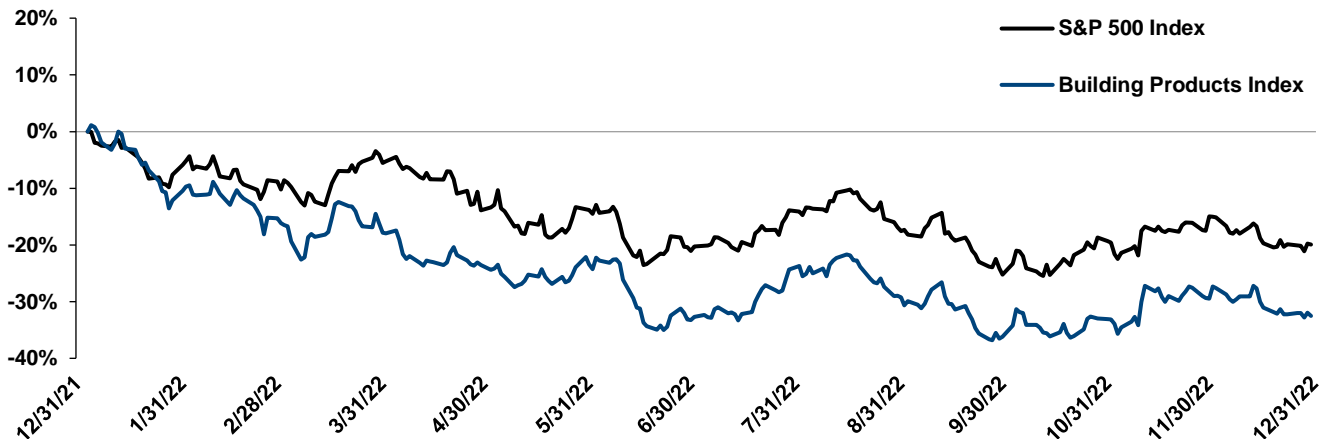
EdgePoint Public Comparable Index Constituents

Building Products

| Company Name | Enterprise Value (EV) | LTM Margins | | EBITDA | | EV/EBITDA | | Revenue LTM | Revenue Growth | | Stock Price | % of 52 Wk High |
|--------------------------------------|-----------------------|--------------|--------------|------------|------------|-------------|-------------|--------------|----------------|-------------|--------------|-----------------|
| | | Gross | EBITDA | LTM | 2022E | LTM | 2022E | | LTM | 3-Yr. CAGR | | |
| Advanced Drainage Systems, Inc. | \$ 7,663 | 34.2% | 25.9% | \$ 827 | \$ 919 | 9.0x | 8.3x | \$ 3,192 | 38.4% | 28.6% | \$ 81.97 | 53.4% |
| American Woodmark Corporation | 1,366 | 14.9% | 8.8% | 182 | 225 | 6.5x | 6.1x | 2,066 | 14.7% | 7.8% | 48.86 | 71.4% |
| Apogee Enterprises, Inc. | 1,216 | 25.1% | 13.4% | 190 | 162 | 5.9x | 7.5x | 1,425 | 10.0% | 0.7% | 44.46 | 88.1% |
| Armstrong Flooring, Inc. | 122 | 12.1% | -4.5% | (30) | - | NM | 0.0x | 650 | 11.1% | -3.7% | 0.01 | 0.4% |
| Armstrong World Industries, Inc. | 3,765 | 36.3% | 25.0% | 303 | 391 | 9.6x | 9.6x | 1,211 | 14.0% | 5.5% | 68.59 | 58.3% |
| ASSA ABLOY AB (publ) | 26,378 | 39.5% | 17.9% | 1,829 | 2,131 | 12.8x | 12.5x | 10,221 | 22.5% | 7.2% | 21.46 | 78.9% |
| Caesarstone Ltd. | 297 | 24.5% | 8.0% | 56 | 57 | 3.3x | 5.2x | 702 | 15.2% | 8.2% | 5.71 | 44.5% |
| Comfort Systems USA, Inc. | 4,547 | 17.6% | 7.8% | 302 | 323 | 13.1x | 14.1x | 3,879 | 33.0% | 16.0% | 115.08 | 89.4% |
| Compagnie de Saint-Gobain S.A. | 34,698 | 26.1% | 12.6% | 6,244 | 7,398 | 4.9x | 4.7x | 49,665 | 11.8% | 3.7% | 48.79 | 68.0% |
| Daikin Industries, Ltd. | 44,933 | 33.3% | 14.2% | 3,513 | 3,823 | 11.6x | 11.8x | 24,674 | 26.5% | 12.1% | 153.18 | 75.6% |
| Fortune Brands Home & Security, Inc. | 10,508 | 35.8% | 16.7% | 1,344 | 964 | 7.5x | 10.9x | 8,045 | 9.4% | 12.1% | 57.11 | 52.7% |
| Georg Fischer AG | 5,119 | 39.3% | 11.5% | 466 | 530 | 10.6x | 9.7x | 4,062 | 10.6% | -1.8% | 61.21 | 76.0% |
| Hubbell Incorporated | 13,788 | 29.1% | 16.8% | 811 | 870 | 16.3x | 15.8x | 4,828 | 33.1% | 1.4% | 234.68 | 89.1% |
| Installed Building Products, Inc. | 3,145 | 30.5% | 15.3% | 385 | 428 | 7.6x | 7.3x | 2,517 | 34.1% | 19.8% | 85.60 | 60.8% |
| Interface, Inc. | 1,101 | 35.0% | 13.7% | 178 | 175 | 5.5x | 6.3x | 1,302 | 14.4% | -1.0% | 9.87 | 59.4% |
| James Hardie Industries plc | 8,899 | 35.4% | 26.4% | 1,022 | 1,034 | 8.1x | 8.7x | 3,867 | 17.5% | 15.2% | 17.94 | 46.1% |
| JELD-WEN Holding, Inc. | 2,608 | 18.1% | 6.6% | 337 | 409 | 6.2x | 6.4x | 5,085 | 9.7% | 5.6% | 9.65 | 35.0% |
| Kingspan Group plc | 11,342 | 27.6% | 12.7% | 1,025 | 1,068 | 10.4x | 10.7x | 8,081 | 42.5% | 18.8% | 54.06 | 47.4% |
| Lennox International Inc. | 10,239 | 27.3% | 15.3% | 702 | 735 | 12.9x | 13.9x | 4,589 | 10.8% | 6.8% | 239.23 | 73.4% |
| LIXIL Corporation | 7,773 | 32.2% | 7.9% | 803 | 890 | 9.2x | 9.1x | 10,125 | 3.6% | -7.8% | 15.17 | 63.8% |
| Masco Corporation | 13,866 | 31.7% | 17.2% | 1,510 | 1,517 | 8.8x | 9.1x | 8,779 | 6.9% | 13.7% | 46.67 | 65.7% |
| Masonite International Corporation | 2,599 | 23.3% | 14.5% | 412 | 451 | 5.5x | 5.8x | 2,852 | 10.6% | 9.5% | 80.61 | 67.6% |
| Mueller Industries, Inc. | 2,927 | 26.9% | 22.1% | 899 | - | 3.2x | 0.0x | 4,061 | 16.4% | 18.4% | 59.00 | 83.8% |
| NORMA Group SE | 963 | 52.9% | 10.9% | 128 | 169 | 6.6x | 5.9x | 1,178 | 9.4% | 2.7% | 18.17 | 47.2% |
| Owens Corning | 10,425 | 27.4% | 23.5% | 2,258 | 2,311 | 4.5x | 4.5x | 9,607 | 15.9% | 10.1% | 85.30 | 84.4% |
| PGT Innovations, Inc. | 1,625 | 38.4% | 15.8% | 230 | 252 | 6.3x | 6.4x | 1,455 | 34.9% | 24.2% | 17.96 | 75.4% |
| Quanex Building Products Corporation | 812 | 22.0% | 12.5% | 152 | 155 | 5.0x | 5.2x | 1,222 | 13.9% | 11.0% | 23.68 | 91.3% |
| Tarkett S.A. | 1,616 | 19.3% | 5.1% | 165 | 265 | 8.0x | 6.2x | 3,235 | 16.5% | 1.8% | 12.29 | 58.4% |
| TopBuild Corp. | 6,488 | 29.0% | 17.6% | 847 | 926 | 6.8x | 7.0x | 4,808 | 52.9% | 22.7% | 156.49 | 55.7% |
| Tyman plc | 747 | 32.1% | 15.1% | 125 | 136 | 5.6x | 5.5x | 830 | 8.2% | 3.4% | 2.72 | 52.5% |
| Median | | 29.0% | 14.3% | 439 | 440 | 7.5x | 7.2x | 3,873 | 14.6% | 8.0% | 48.82 | 64.8% |
| Mean | | 29.2% | 14.2% | 907 | 957 | 8.0x | 7.8x | 6,274 | 18.9% | 9.1% | 62.52 | 63.8% |

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

EdgePoint Comparable Index Trailing Twelve Months Stock Performance

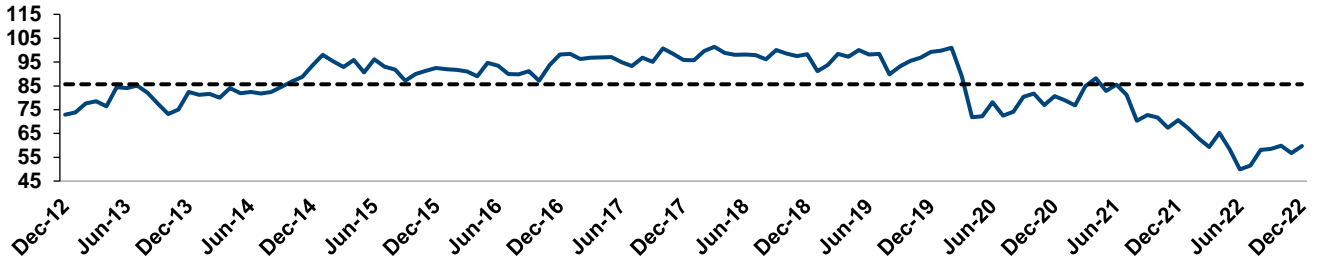


Source: S&P Capital IQ (December 31, 2022)

Industrials: Building Products | December 2022

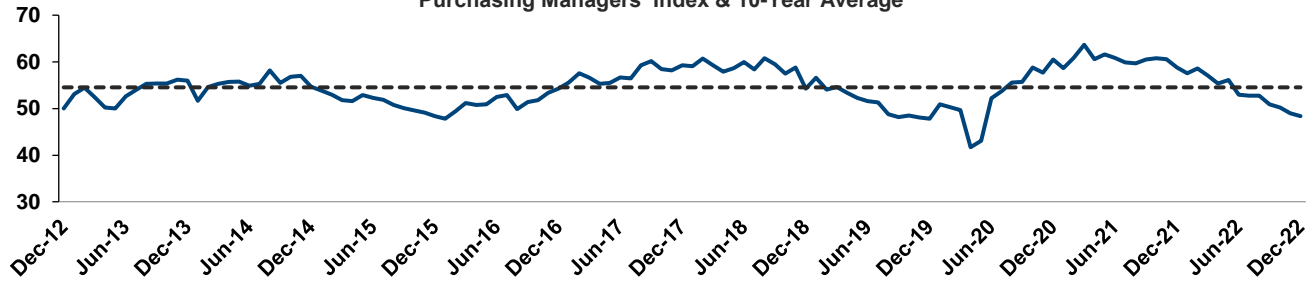
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



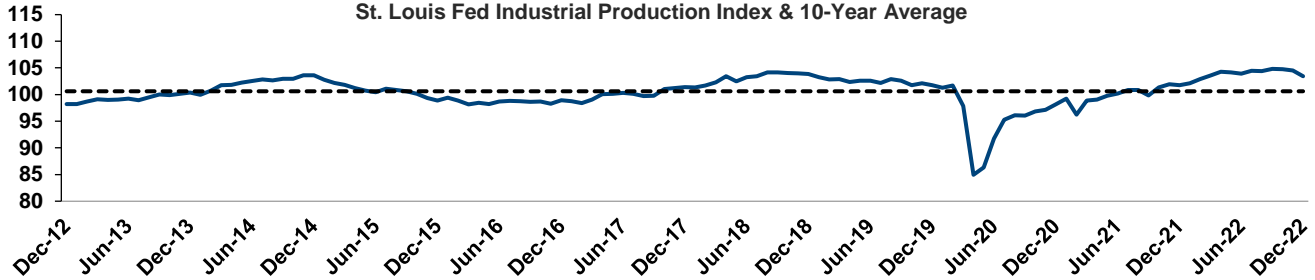
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



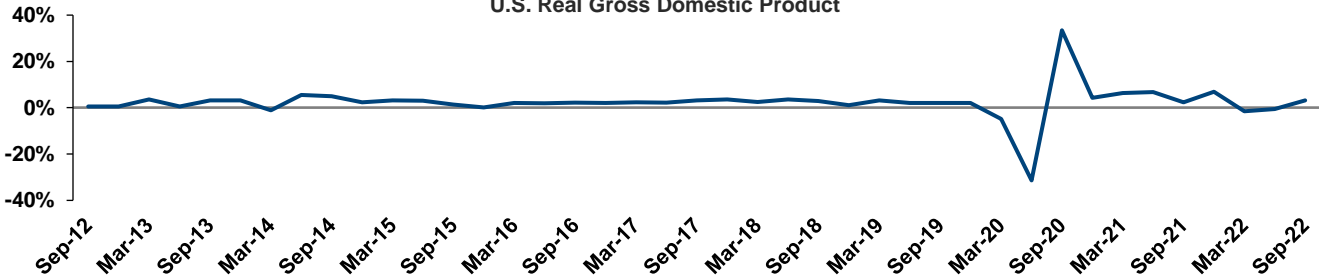
Source: Institute for Supply Management

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