

# Quarterly Industry Update

As of December 31, 2014

Industry: Building Materials



## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Building Materials industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since December 31, 2013, the median 52-week share price return of the Building Materials industry has increased by 2.4%. In the last quarter, the median price-to-earnings multiple decreased from 39.3x to 29.1x.

## Comparable Public Company Key Statistics

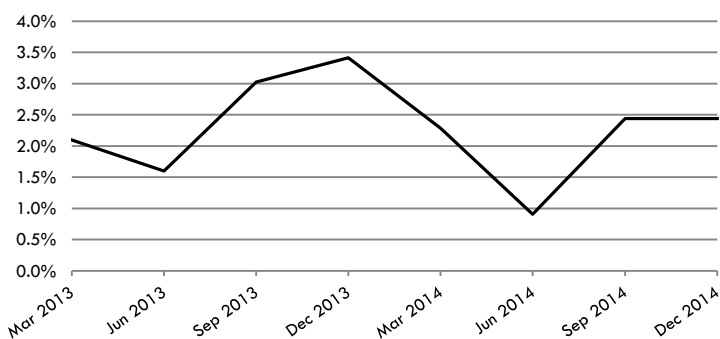
Median 52-Week Return	2.4%	Median EV/Revenue Multiple	1.2x	Median Price/Earnings Multiple	29.1x
Median 3-Year CAGR Return	36.8%	Median EV/EBITDA Multiple	11.8x	Median EV/Gross CF Multiple	23.6x

## Comparable Public Company Market Price Returns (As of December 31, 2014)

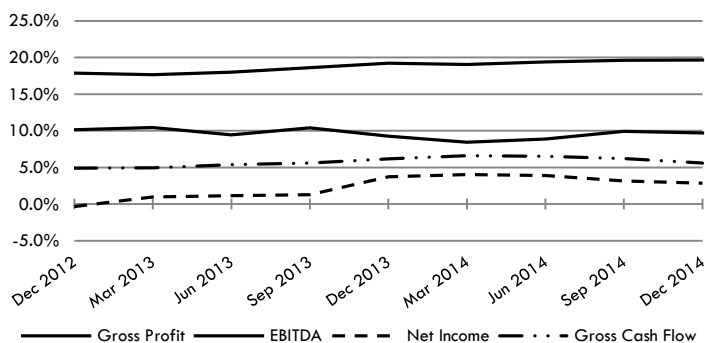
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Armstrong World Industries, Inc.	-11.3%	-8.7%	-11.3%	0.4%	5.2%	5.6%	-11.3%	13.6%	15.6%	2.0%	10.5%
Handy & Harman Ltd.	90.1%	75.3%	90.1%	74.8%	66.9%	80.5%	90.1%	60.7%	52.2%	-24.0%	442.5%
Headwaters Incorporated	53.1%	19.5%	53.1%	32.3%	89.0%	18.1%	53.1%	14.4%	285.6%	-51.5%	-29.8%
Martin Marietta Materials Inc.	10.4%	-14.4%	10.4%	8.2%	13.5%	4.3%	10.4%	6.0%	25.0%	-18.2%	3.2%
Masonite International Corporation	2.4%	11.0%	2.4%	36.5%	36.8%	11.1%	2.4%	81.8%	37.5%	-26.2%	-10.3%
Mueller Industries Inc.	8.4%	19.6%	8.4%	16.8%	21.1%	22.4%	8.4%	25.9%	30.2%	17.5%	31.6%
Owens Corning	-12.1%	12.8%	-12.1%	-1.6%	7.6%	6.9%	-12.1%	10.1%	28.8%	-7.8%	21.5%
Patrick Industries Inc.	52.0%	3.8%	52.0%	68.1%	120.5%	78.5%	52.0%	85.9%	279.5%	116.4%	-22.0%
Ply Gem Holdings, Inc	-22.5%	29.0%	-22.5%	N/A	N/A	N/A	-22.5%	N/A	N/A	N/A	N/A
Stock Building Supply Holdings, Inc.	-15.9%	-2.5%	-15.9%	N/A	N/A	N/A	-15.9%	N/A	N/A	N/A	N/A
USG Corporation	-1.4%	1.8%	-1.4%	-0.1%	40.2%	14.8%	-1.4%	1.1%	176.3%	-39.6%	19.8%
<b>Median of Industry Public Companies</b>	<b>2.4%</b>	<b>11.0%</b>	<b>2.4%</b>	<b>16.8%</b>	<b>36.8%</b>	<b>14.8%</b>	<b>2.4%</b>	<b>14.4%</b>	<b>37.5%</b>	<b>-18.2%</b>	<b>10.5%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Building Materials Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Building Materials Industry

Date:	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
EV/Revenues Multiple	1.0x	1.1x	1.3x	1.3x	1.3x	1.3x	1.1x	1.1x	1.2x
EV/EBITDA Multiple	10.6x	12.4x	11.6x	13.0x	12.9x	12.7x	13.2x	12.3x	11.8x
Price/Earnings Multiple	17.1x	24.1x	18.3x	37.5x	28.4x	18.9x	18.5x	39.3x	29.1x
EV/Gross Cash Flows Multiple	17.2x	21.0x	21.6x	21.6x	19.4x	21.2x	21.7x	22.6x	23.6x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Vanita Spaulding](mailto:Vanita.Spaulding@CogentValuation.com) at 818-905-8330 for additional information or questions in connection with this research report.

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## Industry Initial Public Offerings (dollars in millions, except share prices)

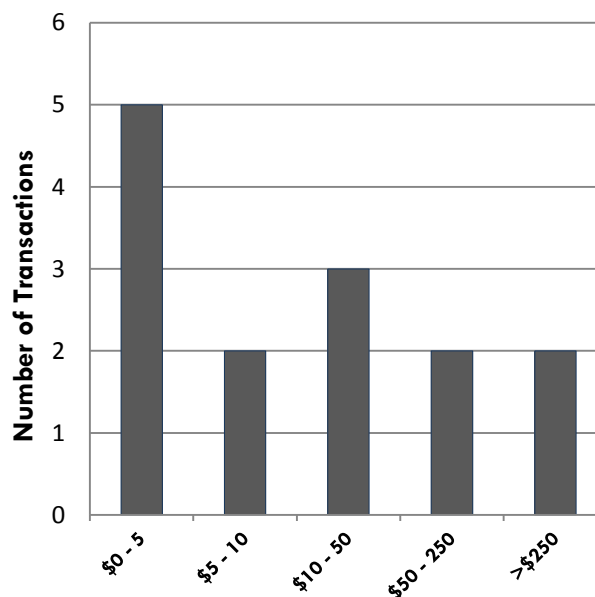
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/8/2013	Stock Building Supply Holdings, Inc.	\$14.00	7.0	\$98.0	\$350.0	\$119.1	\$1,071.3	\$10.2	(\$5.8)	\$20.0
2/5/2013	Boise Cascade Company	\$21.00	11.8	\$247.1	\$827.8	\$275.0	\$2,779.1	\$99.1	\$41.5	\$135.2
5/22/2013	Ply Gem Holdings, Inc	\$21.00	15.8	\$331.6	\$906.1	\$1,016.3	\$1,139.2	\$118.9	(\$41.5)	\$143.2
12/13/2004	Bluelinx Holdings Inc.	\$13.50	9.5	\$128.3	\$1,293.3	\$730.6	\$5,518.8	\$185.8	\$92.3	\$203.0
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$187.7</b>	<b>\$867.0</b>	<b>\$502.8</b>	<b>\$1,959.1</b>	<b>\$109.0</b>	<b>\$17.8</b>	<b>\$139.2</b>

nm: not meaningful

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
12/4/2014	Erreplast S.r.l	D&D Holding srl	\$3.4	60%
9/30/2014	Hudson Building Supplies	HTH Stores Pty Limited	\$17.3	100%
9/1/2014	Tropical Shipping	Saltchuk Resources, Inc.	\$220.0	100%
7/16/2014	Flint Hills Resources	Flint Hills Resources, LLC	\$2,121.0	100%
6/30/2014	Slone Lumber Company, Inc.	Builders FirstSource, Inc.	\$8.7	100%
6/2/2014	Huntsmans Quarries Limited	Breedon Aggregates	\$28.5	100%
5/23/2014	Citywide Holdings Pty Ltd.	N/A	\$2.3	52%
10/7/2013	Texsa S.A.	SOPREMA SAS	\$16.3	100%
10/7/2013	Tenryu Lumber Co., Ltd.	N/A	\$106.5	85%
3/31/2013	Asahi Fiber Glass Co., Ltd.	ORIX Corporation	\$320.5	96%
1/25/2013	VCW Enterprises, Inc.	Oldcastle Precast, Inc.	\$7.8	100%
12/5/2012	Harper Brush Works, Inc.	Iowa State Bank	\$4.1	100%
10/16/2012	Imperial Industries Inc.	Roberts Holding	\$2.0	100%
2/6/2012	Plebac Participations SARL	N/A	\$3.9	100%
<b>Median of All Transaction Targets</b>			<b>\$12.5</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



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