

# Quarterly Industry Update

As of June 30, 2015

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 June 30, 2014, the median 52-week share price return of the Building Materials industry has increased by 16.7%. In the last quarter, the median price-to-earnings multiple decreased from 30.4x to 26.6x.

## Comparable Public Company Key Statistics

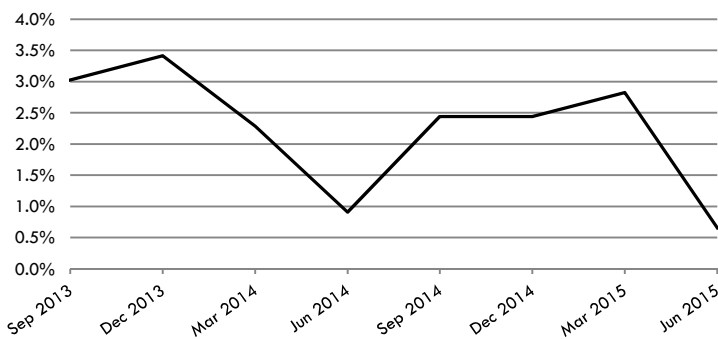
Median 52-Week Return	16.7%	Median EV/Revenue Multiple	1.3x	Median Price/Earnings Multiple	26.6x
Median 3-Year CAGR Return	21.5%	Median EV/EBITDA Multiple	12.6x	Median EV/Gross CF Multiple	20.3x

## Comparable Public Company Market Price Returns (As of June 30, 2015)

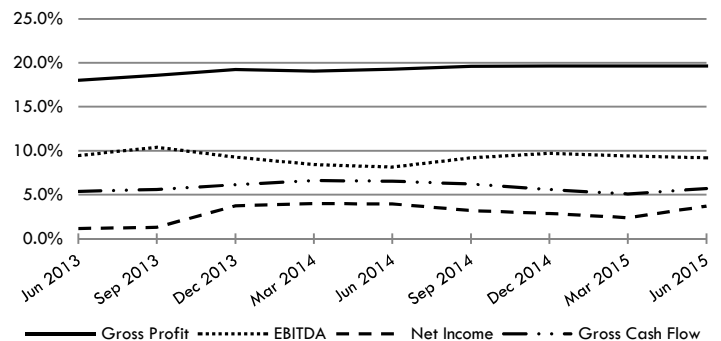
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Armstrong World Industries, Inc.	4.2%	-7.3%	-7.2%	5.6%	2.7%	12.0%	-11.3%	13.6%	15.6%	2.0%	10.5%
Handy & Harman Ltd.	-24.7%	-15.6%	29.4%	39.2%	37.0%	52.1%	90.1%	60.7%	52.2%	-24.0%	442.5%
Headwaters Incorporated	21.5%	-0.7%	31.2%	43.6%	52.4%	45.0%	53.1%	14.4%	285.6%	-51.5%	-29.8%
Martin Marietta Materials Inc.	28.3%	1.2%	7.2%	19.9%	21.5%	10.8%	10.4%	6.0%	25.0%	-18.2%	3.2%
Masonite International Corporation	14.1%	4.2%	24.6%	16.1%	35.0%	10.3%	2.4%	81.8%	37.5%	-26.2%	-10.3%
Mueller Industries Inc.	1.7%	-3.9%	18.1%	17.3%	17.7%	23.1%	8.4%	25.9%	30.2%	17.5%	31.6%
Owens Corning	15.2%	-5.0%	6.6%	2.7%	13.1%	6.6%	-12.1%	10.1%	28.8%	-7.8%	21.5%
Patrick Industries Inc.	-13.5%	-8.3%	22.5%	65.7%	64.8%	98.5%	52.0%	85.9%	279.5%	116.4%	-22.0%
Ply Gem Holdings, Inc	-15.7%	-9.3%	16.7%	-23.3%	N/A	N/A	-22.5%	N/A	N/A	N/A	N/A
Stock Building Supply Holdings, Inc.	27.6%	8.3%	-0.9%	N/A	N/A	N/A	-15.9%	N/A	N/A	N/A	N/A
USG Corporation	-0.7%	4.1%	-7.8%	9.8%	13.4%	18.1%	-1.4%	1.1%	176.3%	-39.6%	19.8%
<b>Median of Industry Public Companies</b>	<b>4.2%</b>	<b>-3.9%</b>	<b>16.7%</b>	<b>16.7%</b>	<b>21.5%</b>	<b>18.1%</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:	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
EV/Revenues Multiple	1.3x	1.3x	1.3x	1.3x	1.1x	1.1x	1.2x	1.3x	1.3x
EV/EBITDA Multiple	11.6x	13.0x	12.9x	12.7x	13.1x	12.4x	11.8x	13.0x	12.6x
Price/Earnings Multiple	18.3x	37.5x	28.4x	18.9x	18.5x	39.3x	29.1x	30.4x	26.6x
EV/Gross Cash Flows Multiple	21.6x	21.6x	19.4x	21.2x	21.6x	22.5x	23.6x	20.2x	20.3x

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

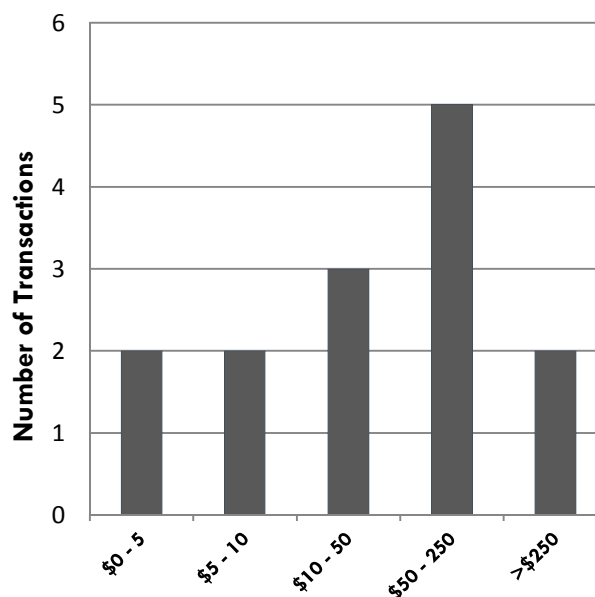
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/8/2013	Stock Building Supply Holdings, Inc.	\$14.00	7.0	\$98.0	\$350.0	\$119.1	\$1,071.3	\$10.2	(\$5.8)	\$20.0
2/5/2013	Boise Cascade Company	\$21.00	11.8	\$247.1	\$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
4/1/2015	Ferrara Brothers Bldg. Mats.	U.S. Concrete, Inc.	\$60.0	100%
3/18/2015	Hitachi Metals Techno, Ltd.	The Carlyle Group LP	\$236.2	97%
2/13/2015	Hafary Holdings Limited	Hap Seng Consolidated	\$112.7	51%
12/4/2014	Erreplast S.r.l	D&D Holding srl	\$3.4	60%
9/22/2014	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%
6/1/2014	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%
<b>Median of All Transaction Targets</b>			<b>\$44.2</b>	<b>100%</b>

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



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