

# STIFEL

## BUILDING PRODUCTS, FURNISHINGS & CONSTRUCTION MATERIALS

Market Update



[www.stifelib.com](http://www.stifelib.com)

**December 2020**

# Building Products, Furnishings & Construction Materials



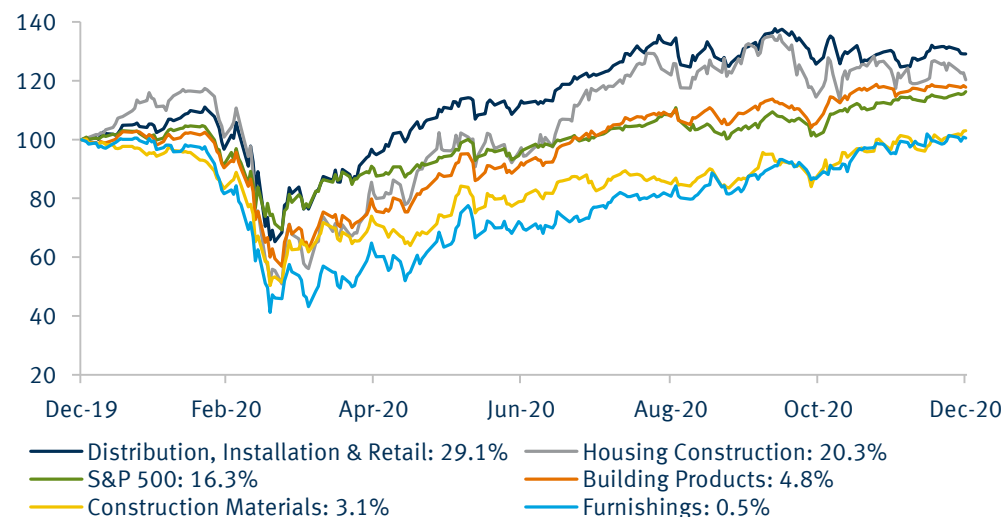
## Recent Market Activity

### Notable M&A Transactions

- **Envision Building Products**, a MO-based manufacturer of composite decking and TAM-RAIL railing, completed the acquisition of **Fairway**, a PA-based leading designer, engineer and manufacturer of a low-maintenance, high-performance railing solutions, from **Argosy Capital**, a PA-based financial sponsor; the terms of the transaction were not disclosed. Stifel served as exclusive financial advisor to Fairway (12/31/20)
- **Sunrise Windows**, a MI-based seller of vinyl windows, backed by **The Riverside Company**, a NY-based financial sponsor, to **MI Windows and Doors**, a PA-based seller of Milgard windows; the terms of the transaction were not disclosed (12/23/20)
- **American Bath Group**, a TX-based manufacturer of showers, bathtubs and related accessories backed by **Centerbridge Partners**, a NY-based financial sponsor, announced that it has closed the acquisition of **Dreamline**, a PA-based provider of premium glass showers and accessories, from **MPE Partners**, a MA-based financial sponsor; the terms of the transaction were not disclosed (12/22/20)
- **Janus International Group**, a GA-based self-storage unit components manufacturer backed by **Clearlake Capital**, a CA-based financial sponsor, announced it will merge with SPAC **Juniper Industrial Holdings** (NYSE:JIH), for enterprise valuation of \$1.9 billion (12/22/20)
- **The Jordan Company**, a financial sponsor, will acquire a majority ownership position in **Specialty Building Products**, a GA-based distributor of specialty building products in North America, from private equity firm **Madison Dearborn Partners**; the terms of the transaction were not disclosed (12/21/20)
- **Aurora Capital Partners**, a CA-based financial sponsor, has made a growth investment in **Premier Roofing**, a CO-based roofing service provider; the terms of the transaction were not disclosed (12/10/20)

Source: Company press releases, Capital IQ, MergerMarket, FactSet, Bloomberg.

### LTM Indexed Sector Performance



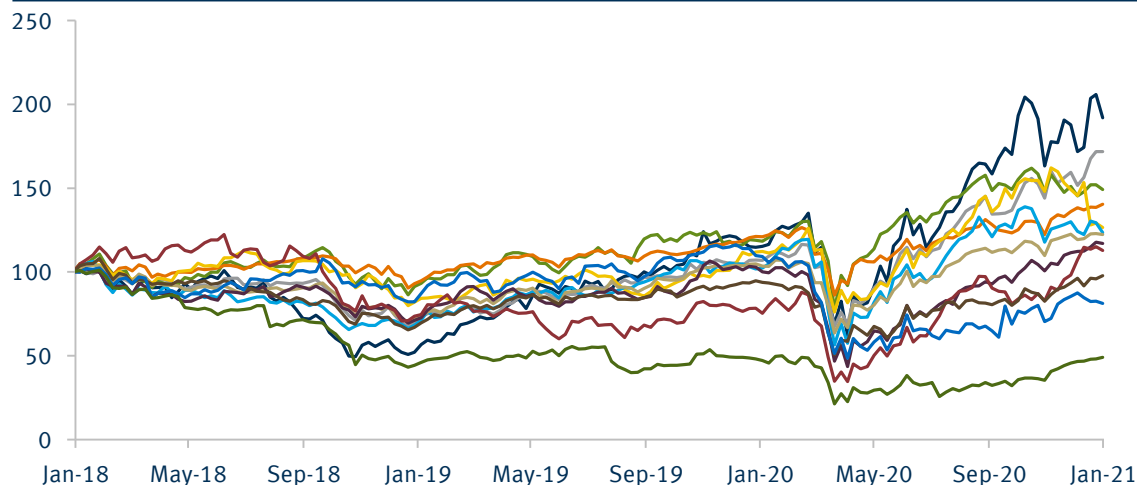
### Key Market Indicators

	Actual	Prior Month	Prior Year
Unemployment Rate (Nov-20)	6.7%	6.9%	3.5%
Consumer Confidence - Index 1985 (Dec-20)	88.6	92.9	128.2
Mortgage Rates - 30-years (Dec-20)	2.7%	2.8%	3.7%
Mortgage Rates - 15-years (Dec-20)	2.2%	2.3%	3.2%
New Housing Starts (000's) - Single-Family (Nov-20)	1,186	1,181	933
New Housing Starts (000's) - Multi-Family (Nov-20)	352	326	419
Existing Home Sales (000's) - Single-Family (Nov-20)	5,980	6,130	4,760
Existing Home Sales (000's) - Multi-Family (Nov-20)	710	730	560
S&P Case Shiller - Index Jan 2000 (Oct-20)	229.9	226.8	212.1
Architectural Billing Index (Nov-20)	46.3	47.5	51.9

# Building Products, Furnishings & Construction Materials

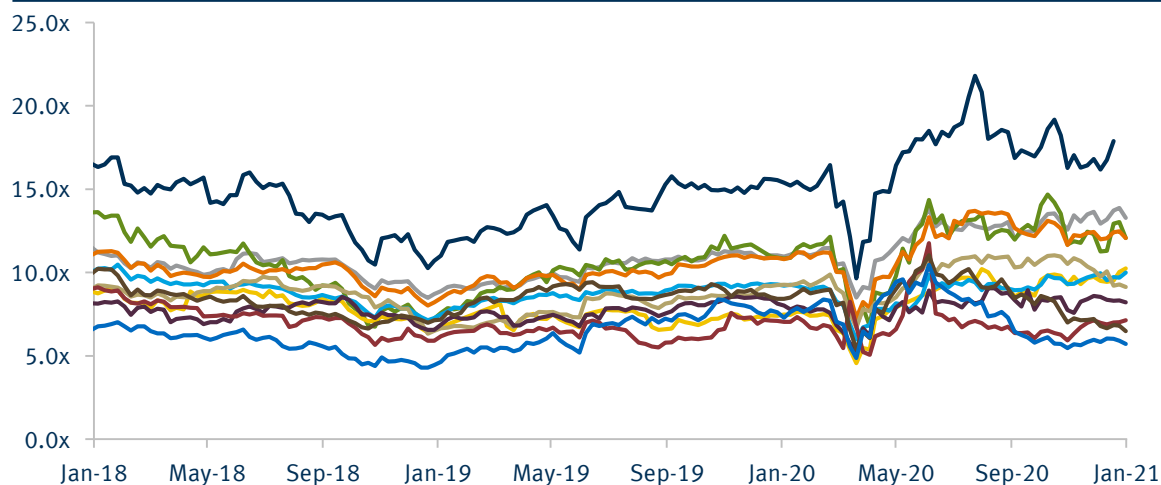
## Trading Performance Statistics

### 3-Years Indexed Stock Price Performance



	30 Days	90 Days	1-Year	3-Years
— Installation:	9.6%	21.1%	79.5%	105.9%
— Distribution:	7.8%	25.6%	60.4%	71.8%
— Retail:	0.6%	1.9%	26.1%	49.1%
— S&P 500:	2.6%	12.2%	16.3%	40.5%
— Building Envelope:	-14.1%	-17.1%	12.4%	26.5%
— Homebuilders:	-0.4%	-9.7%	21.6%	23.6%
— Manufacturing:	0.6%	6.7%	17.2%	22.3%
— Home Furnishings:	7.9%	18.3%	14.6%	17.0%
— Lumber & Forest Products:	12.0%	34.5%	45.4%	12.8%
— Construction Materials:	3.9%	17.9%	3.1%	-2.2%
— Office Furniture:	-1.9%	5.9%	-26.0%	-18.8%
— Flooring:	10.5%	37.3%	0.5%	-50.9%

### 3-Years EV / NTM EBITDA



	Dec-20	90 Days	1-Year	3-Years
— Retail:	17.9x	17.3x	16.7x	14.8x
— Distribution:	13.9x	13.3x	12.1x	10.9x
— Installation:	13.0x	12.7x	11.7x	10.7x
— Manufacturing:	12.5x	12.4x	11.7x	10.5x
— Home Furnishings:	10.0x	9.6x	8.4x	8.0x
— Construction Materials:	9.7x	9.6x	8.9x	8.8x
— Building Envelope:	9.3x	10.4x	9.8x	8.8x
— Office Furniture:	8.3x	8.3x	7.9x	7.8x
— Flooring:	7.0x	6.6x	7.0x	6.9x
— Homebuilders:	6.8x	7.4x	8.4x	8.4x
— Lumber & Forest Products:	5.9x	5.8x	7.4x	6.6x

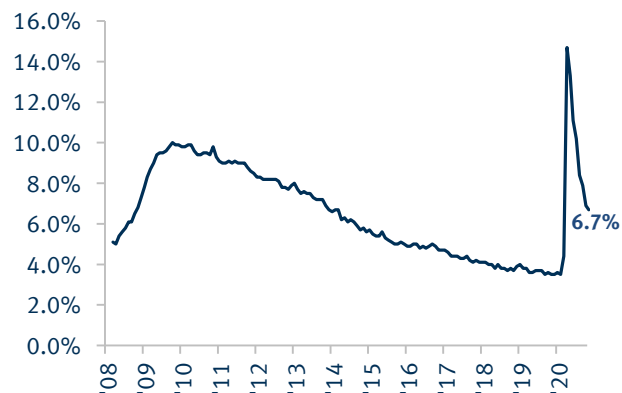
Note: Figures shown for EV / NTM EBITDA 90-Days, 1-Year and 3-Years represent average multiples. Source: FactSet

# Building Products, Furnishings & Construction Materials

## Residential Repair & Remodeling Key Indicators

Macro Indicators

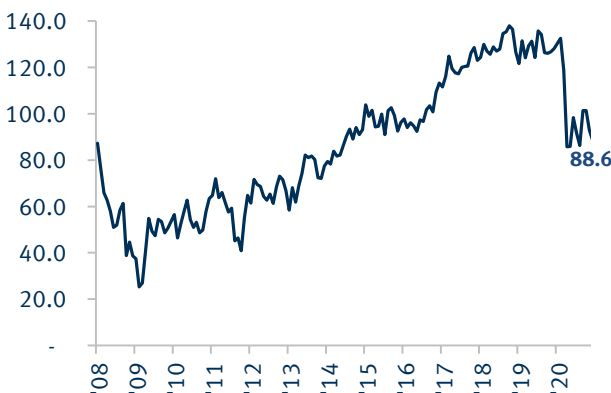
### Unemployment Rate



Source: U.S. Department of Labor.

### Consumer Confidence

(Index 1985)



Source: Conference Board.

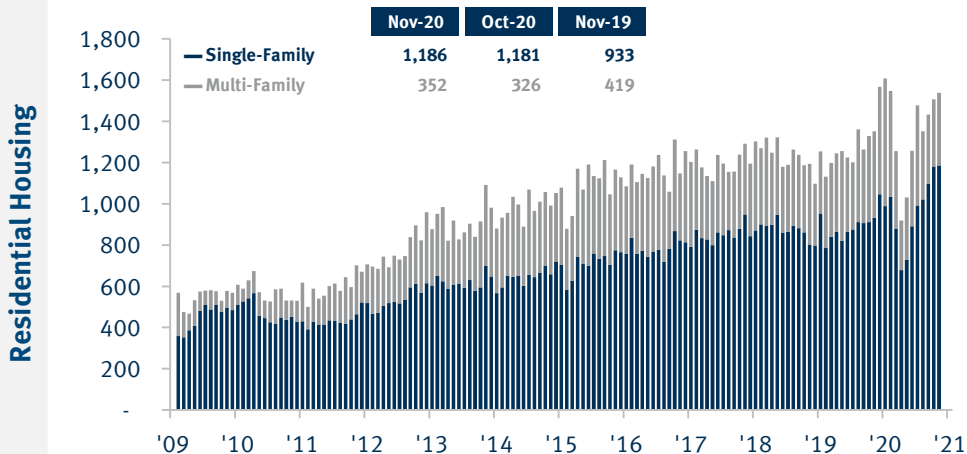
### Mortgage Rates



Source: Freddie Mac - Federal Home Loan Mortgage Corporation.

### New Housing Starts

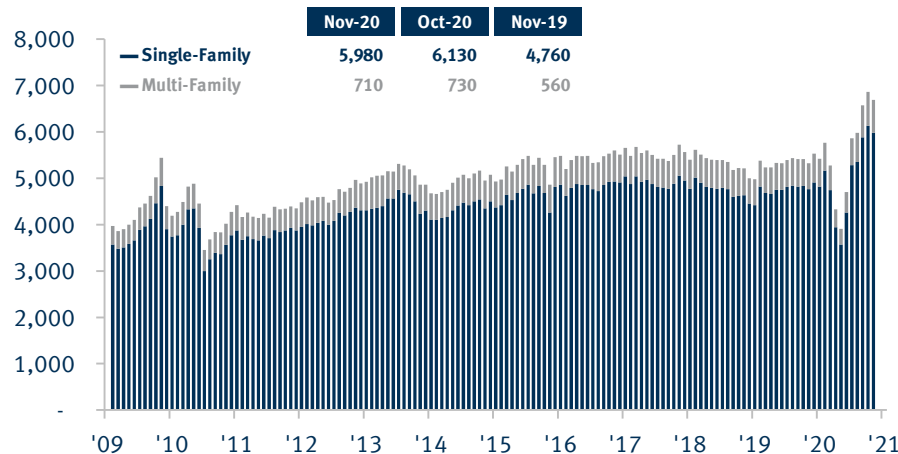
(Seasonally adjusted annual rate; home sales in thousands)



Source: U.S. Census Bureau.

### Existing Home Sales

(Seasonally adjusted annual rate; home sales in thousands)



Source: NAR - National Association of Realtors.

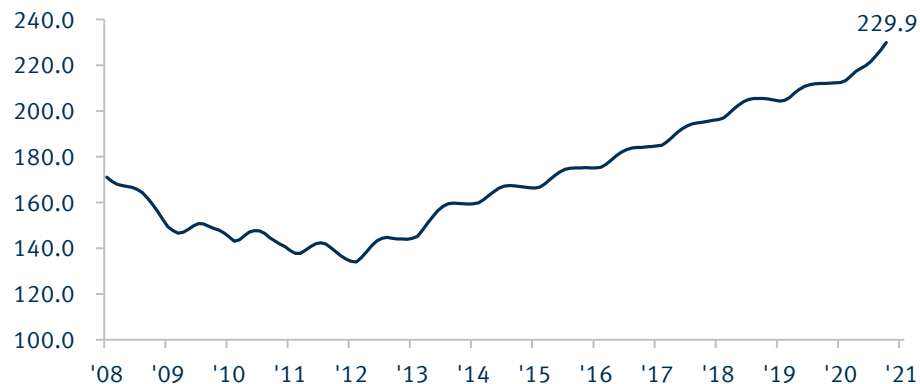
# Building Products, Furnishings & Construction Materials



## Residential Repair & Remodeling Key Indicators

### Housing Prices

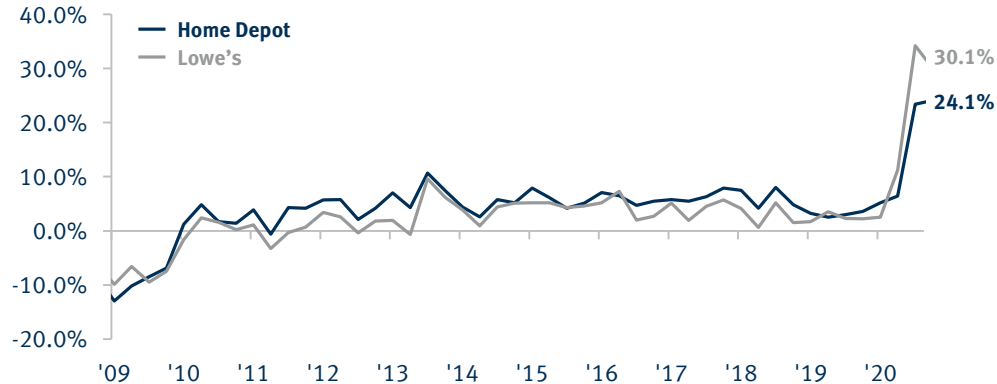
(Index January 2000)



Source: Standard & Poor's Case Shiller Index.

### Same Store Sales Growth

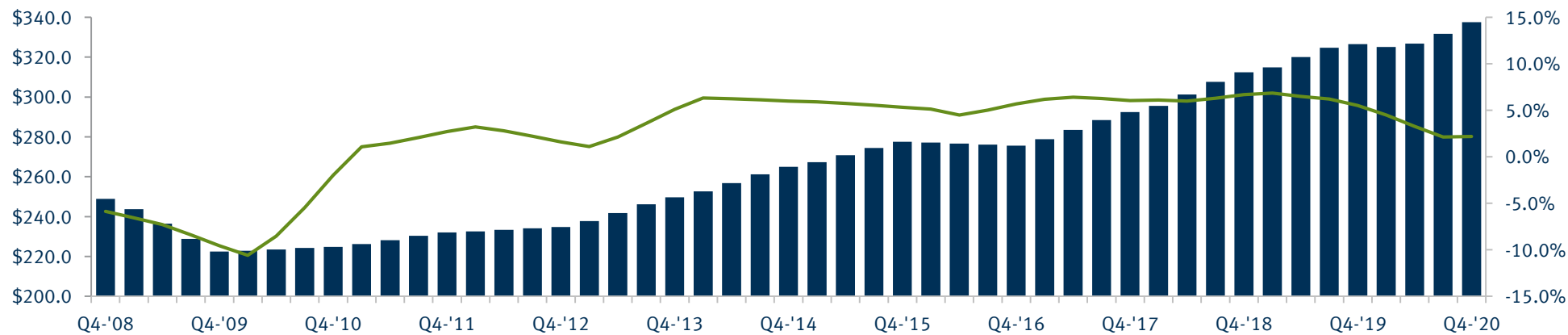
(Q/Q comparable store sales growth)



Source: Company filings.

### Repair & Remodeling Spending

(Four-quarter moving annual totals; \$s in billions)



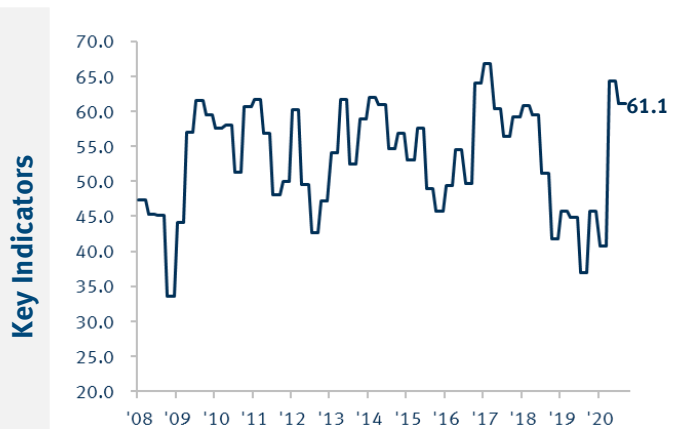
Source: Joint Center For Housing Studies of Harvard University.

# Building Products, Furnishings & Construction Materials



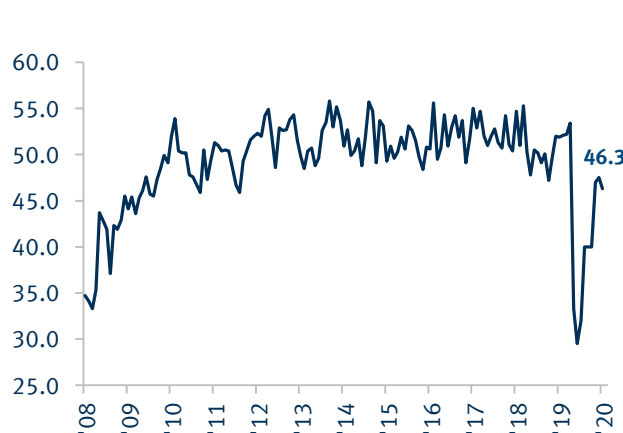
## Commercial Market Fundamentals

### Business Confidence



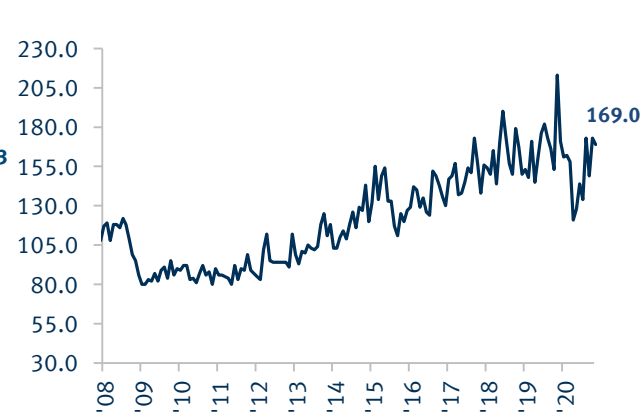
Source: Conference Board.

### Architectural Billing Index



Source: The American Institute of Architects.

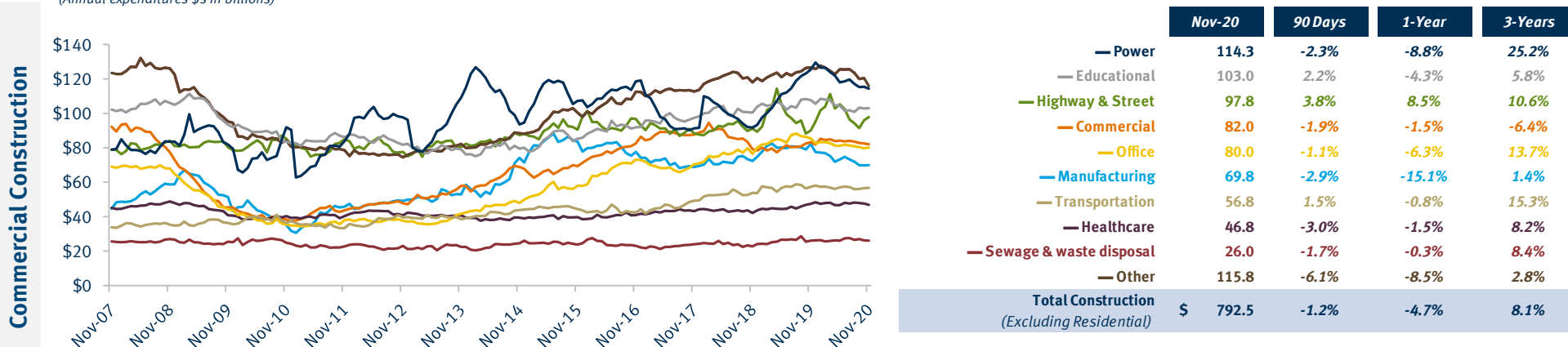
### Dodge Momentum Index



Source: Dodge Data & Analytics.

### Commercial & Non-Building Structures Construction Put-in-Place

(Annual expenditures \$s in billions)



Source: U.S. Census Bureau.

Note: Gross growth rates shown.

# Building Products, Furnishings & Construction Materials

## Key Performance & Valuation Stats

Company	Stock Performance & Company Data							Margins		Growth		Debt	Valuation Data			
	12/31/20	% of 52-week		Revenue LTM	EBITDA LTM	Market Value	Enterprise Value	LTM Gross % Margin	LTM EBITDA % Margin	2-Year CAGR		Net Debt/ EBITDA LTM	EV / EBITDA		P / E	
		High	Low	(\$mm)	(\$mm)	(\$mm)	(\$mm)	% Margin	% Margin	Revs % Change	EBITDA % Change		2020E	2021E	2020E	2021E
<b>Building Products</b>																
<b>Manufacturing</b>																
Acuity Brands, Inc. (AYI)	\$ 121.09	84.4%	179.5%	\$ 3,283.6	\$ 469.6	\$ 4,795.2	\$ 4,709.6	42.0%	14.3%	NEG	NEG	NMF	9.3x	9.9x	15.2x	15.0x
American Woodmark Corporation (AMWD)	93.85	79.7%	265.9%	1,633.6	209.9	1,599.9	2,178.4	19.4%	12.9%	2.6%	NEG	2.76x	9.4x	8.6x	14.3x	12.6x
Armstrong World Industries, Inc. (AWI)	74.39	66.7%	128.3%	945.1	284.7	3,570.7	4,154.0	35.9%	30.1%	NEG	5.1%	2.05x	12.7x	12.2x	20.6x	18.9x
ASSA ABLOY AB (ASSA.B)	24.66	94.6%	160.1%	9,969.3	1,587.6	27,388.8	31,199.7	39.7%	15.9%	4.6%	0.3%	2.40x	16.5x	14.3x	27.0x	22.1x
Caesarstone Ltd. (CSTE)	12.89	81.3%	168.5%	483.4	55.5	444.1	376.3	27.0%	11.5%	NEG	NEG	NMF	6.8x	6.3x	23.0x	19.8x
Compagnie de Saint-Gobain SA (SGO)	45.88	94.3%	261.3%	43,506.6	4,222.4	24,696.3	36,666.1	24.5%	9.7%	NEG	NEG	2.83x	6.9x	6.2x	15.2x	11.5x
Fortune Brands Home & Security, Inc. (FBHS)	85.72	92.6%	252.9%	5,901.1	961.1	12,043.7	13,805.0	35.6%	16.3%	4.1%	7.1%	1.83x	13.8x	11.8x	20.9x	17.8x
GCP Applied Technologies, Inc. (GCP)	23.65	85.6%	166.1%	918.8	120.1	1,731.2	1,645.0	38.8%	13.1%	NEG	NEG	NMF	12.6x	10.9x	32.8x	27.1x
Gibraltar Industries, Inc. (ROCK)	71.94	97.2%	235.1%	1,123.0	144.5	2,371.8	2,215.3	25.0%	12.9%	5.0%	8.4%	NMF	14.5x	12.2x	23.9x	20.6x
Griffon Corporation (GFF)	20.38	74.0%	222.7%	2,407.5	236.0	917.4	1,914.2	26.8%	9.8%	10.3%	21.5%	4.22x	8.0x	9.3x	12.7x	13.1x
James Hardie Industries PLC (JHX)	29.66	98.9%	330.3%	2,653.0	648.5	13,192.8	14,053.8	35.9%	24.4%	7.0%	9.9%	1.33x	20.5x	18.1x	41.5x	27.9x
JELD-WEN Holding, Inc. (JELD)	25.36	92.8%	418.5%	4,153.0	352.9	2,581.1	3,955.4	20.7%	8.5%	NEG	NEG	3.89x	8.9x	7.9x	17.2x	13.5x
LCI Industries (LCII)	129.68	94.7%	234.5%	2,577.2	294.1	3,282.6	3,951.7	24.8%	11.4%	1.8%	2.5%	2.28x	12.8x	10.5x	20.4x	15.4x
Masco Corporation (MAS)	54.93	91.3%	203.1%	6,967.0	1,375.0	14,336.7	15,991.7	35.8%	19.7%	NEG	4.5%	1.20x	11.1x	11.0x	17.9x	17.0x
Masonite International Corp. (DOOR)	98.34	89.5%	281.9%	2,169.8	316.9	2,408.9	3,034.5	25.0%	14.6%	0.5%	10.5%	1.97x	8.4x	7.4x	16.3x	13.0x
Owens Corning (OC)	75.76	95.9%	265.3%	6,822.0	1,242.0	8,295.7	10,872.7	22.4%	18.2%	NEG	5.4%	2.07x	8.6x	7.6x	16.8x	13.5x
Patrick Industries, Inc. (PATK)	68.35	93.8%	409.3%	2,263.4	216.0	1,577.0	2,299.9	18.4%	9.5%	1.3%	NEG	3.35x	10.0x	8.3x	17.0x	12.2x
PGT Innovations, Inc. (PGTI)	20.34	94.6%	295.6%	835.8	130.5	1,209.1	1,563.4	35.7%	15.6%	14.0%	6.4%	2.71x	10.6x	9.4x	21.4x	18.1x
Quanex Building Products Corporation (NX)	22.17	96.7%	280.6%	851.6	103.4	727.6	845.8	22.6%	12.1%	NEG	7.2%	1.14x	8.1x	8.7x	17.5x	16.6x
Simpson Manufacturing Co., Inc. (SSD)	93.45	89.6%	198.7%	1,236.6	283.0	4,082.2	3,888.3	45.5%	22.9%	7.6%	15.7%	NMF	13.2x	13.1x	22.0x	21.6x
Stanley Black & Decker, Inc. (SWK)	178.56	91.6%	255.1%	13,841.2	2,227.7	28,207.3	34,202.9	33.6%	16.1%	0.1%	1.1%	2.69x	13.6x	12.3x	20.6x	18.6x
Sherwin-Williams Company (SHW)	734.91	97.0%	225.8%	17,987.3	3,323.3	67,692.7	77,164.8	47.0%	18.5%	1.5%	7.0%	2.85x	22.3x	20.6x	30.3x	27.6x
The AZEK Company Inc (AZEK)	38.45	91.2%	145.9%	899.3	79.7	5,944.4	6,204.2	33.0%	8.9%	67.2%	12.1%	3.26x	28.0x	30.6x	61.5x	52.0x
Trex Company, Inc. (TREX)	83.72	95.3%	297.8%	817.3	237.3	9,722.8	9,740.9	41.4%	29.0%	10.7%	12.3%	0.08x	38.5x	31.9x	54.4x	46.4x
UFP Industries, Inc. (UFPI)	55.55	86.5%	190.4%	4,758.3	381.5	3,322.9	3,353.2	16.2%	8.0%	3.2%	22.7%	0.08x	8.6x	8.7x	15.0x	14.9x
<b>Group Mean</b>		90.1%	245.1%	5,593.6	796.7	10,117.5	11,943.1	31.5%	15.7%	9.2%	8.1%	2.36x	13.5x	12.5x	24.2x	20.5x
<b>Group Median</b>		92.7%	244.0%	2,335.5	289.4	3,826.4	4,054.7	33.3%	14.5%	4.6%	7.1%	2.40x	11.8x	10.7x	20.6x	17.9x

Note: NA: Not Available, NEG: Negative, NMF: Not Meaningful. Company financials, net debt and valuation metrics may not include the pro forma effect for recently completed acquisitions.  
Source: Company filings, Stifel estimates, FactSet.  
\* Excluded from mean calculation.

# Building Products, Furnishings & Construction Materials

## Key Performance & Valuation Stats (cont.)

Company	Stock Performance & Company Data							Margins		Growth		Debt	Valuation Data			
Company	12/31/20	% of 52-week		Revenue LTM	EBITDA LTM	Market Value	Enterprise Value	LTM Gross % Margin	LTM EBITDA % Margin	2-Year CAGR		Net Debt/ EBITDA LTM	EV / EBITDA		P / E	
		High	Low	(\$mm)	(\$mm)	(\$mm)	(\$mm)	% Margin	% Margin	Revs % Change	EBITDA % Change		2020E	2021E	2020E	2021E
<b>Building Products (Cont.)</b>																
<b>Flooring</b>																
Armstrong Flooring, Inc. (AFI)	\$ 3.82	68.2%	341.1%	\$ 582.2	\$ (7.2)	\$ 83.9	\$ 137.4	15.6%	NEG	19.5%	NEG	NMF	NA	NA	NA	NA
Interface, Inc. (TILE)	10.50	59.8%	207.5%	1,165.8	158.1	615.2	1,196.6	38.1%	13.6%	2.5%	0.2%	3.68x	7.9x	7.6x	9.4x	9.5x
Mohawk Industries, Inc. (MHK)	140.95	97.6%	248.9%	9,334.9	1,266.2	10,060.7	11,827.2	26.2%	13.6%	NEG	NEG	1.40x	9.0x	7.7x	17.3x	14.0x
Tarkett SA (TKTT)	17.62	94.9%	216.7%	3,169.7	156.8	1,145.5	2,035.7	21.6%	4.9%	NEG	NEG	5.68x	6.9x	5.9x	56.9x *	13.9x
<b>Group Mean</b>		80.1%	253.6%	3,563.2	393.5	2,976.3	3,799.2	25.3%	10.7%	11.0%	0.2%	3.58x	8.0x	7.1x	13.4x	12.4x
<b>Group Median</b>		81.6%	232.8%	2,167.8	157.4	880.4	1,616.1	23.9%	13.6%	11.0%	0.2%	3.68x	7.9x	7.6x	13.4x	13.9x
<b>Lumber &amp; Forest Products</b>																
Boise Cascade Co. (BCC)	\$ 47.80	94.9%	238.0%	\$ 5,104.3	\$ 354.1	\$ 1,889.3	\$ 1,929.1	16.9%	6.9%	0.8%	17.9%	0.11x	5.0x	7.0x	9.5x	15.4x
Canfor Corporation (CFP)	18.04	96.2%	429.2%	3,708.9	465.3	2,258.7	2,737.6	31.9%	12.5%	NEG	NEG	1.03x	3.8x	3.9x	6.6x	8.8x
Interfor Corporation (IFP)	18.66	98.5%	568.1%	1,484.7	261.4	1,255.6	1,359.6	20.6%	17.6%	NEG	NEG	0.40x	3.5x	4.1x	5.8x	7.5x
Louisiana-Pacific Corporation (LPX)	37.17	91.2%	286.6%	2,465.0	485.0	4,200.2	4,157.2	23.8%	19.7%	NEG	NEG	NMF	5.8x	6.6x	9.5x	11.1x
Norbord Inc. (OSB)	43.14	94.8%	481.8%	1,986.0	493.0	3,494.3	3,945.2	26.2%	24.8%	NEG	NEG	0.91x	4.9x	5.8x	7.6x	9.3x
West Fraser Timber Co. Ltd. (WFT)	64.19	94.8%	432.1%	3,970.4	607.2	4,408.3	4,694.0	36.2%	15.3%	NEG	NEG	0.47x	4.6x	5.6x	8.1x	9.9x
Western Forest Products Inc. (WEF)	1.00	94.4%	251.8%	545.0	10.7	377.3	488.0	11.8%	2.0%	NEG	NEG	10.31x	9.2x	5.5x	64.0x	10.9x
<b>Group Mean</b>		95.0%	384.0%	2,752.1	382.4	2,554.8	2,758.7	23.9%	14.1%	0.8%	17.9%	2.21x	5.3x	5.5x	15.9x	10.4x
<b>Group Median</b>		94.8%	429.2%	2,465.0	465.3	2,258.7	2,737.6	23.8%	15.3%	0.8%	17.9%	0.69x	4.9x	5.6x	8.1x	9.9x
<b>Building Envelope</b>																
Apogee Enterprises, Inc. (APOG)	\$ 31.68	91.7%	230.1%	\$ 1,259.3	\$ 130.2	\$ 830.8	\$ 943.9	21.3%	10.3%	NEG	NEG	0.87x	7.5x	6.9x	15.3x	13.1x
Kingspan Group Plc (KRX)	70.23	70.3%	175.3%	5,051.4	626.0	12,817.2	13,580.2	29.4%	12.4%	5.0%	7.1%	1.22x	18.4x	17.2x	27.5x	25.7x
Cornerstone Building Brands Inc (CNR)	9.28	91.0%	365.4%	4,670.4	593.8	1,162.7	4,399.7	23.3%	12.7%	61.1%	98.3%	NA	7.3x	7.1x	NEG	12.6x
Tecnoglass Inc. (TGLS)	6.91	83.4%	321.4%	373.9	78.7	318.7	493.5	35.2%	21.1%	2.3%	9.0%	2.22x	5.1x	5.0x	8.9x	7.2x
<b>Group Mean</b>		84.1%	273.0%	2,838.8	357.2	3,782.3	4,854.3	27.3%	14.1%	22.8%	38.1%	1.44x	9.6x	9.1x	17.2x	14.7x
<b>Group Median</b>		87.2%	275.8%	2,964.8	362.0	996.7	2,671.8	26.4%	12.6%	5.0%	9.0%	1.22x	7.4x	7.0x	15.3x	12.8x

Note: NA: Not Available, NEG: Negative, NMF: Not Meaningful. Company financials, net debt and valuation metrics may not include the pro forma effect for recently completed acquisitions.

Source: Company filings, Stifel estimates, FactSet.

\* Excluded from mean calculation.



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## Key Performance & Valuation Stats (cont.)

Company	Stock Performance & Company Data						Margins		Growth		Debt	Valuation Data				
	12/31/20	% of 52-week		Revenue LTM (\$mm)	EBITDA LTM (\$mm)	Market Value (\$mm)	Enterprise Value (\$mm)	LTM Gross % Margin	LTM EBITDA % Margin	2-Year CAGR Revs % Change	2-Year CAGR EBITDA % Change	Net Debt/ EBITDA LTM	EV / EBITDA		P / E	
Company		High	Low									2020E	2021E	2020E	2021E	
<b>Construction Materials</b>																
<b>Concrete, Cement &amp; Aggregates</b>																
Boral Limited (BLD-AU)	\$ 3.82	98.2%	382.5%	\$ 3,915.6	\$ 431.2	\$ 4,564.3	\$ 6,554.9	30.1%	11.0%	NEG	NEG	4.62x	10.7x	9.0x	52.3x *	22.5x
Cemex SAB de CV (CEMEXCPO)	0.52	90.6%	325.6%	12,691.4	1,952.5	7,681.3	20,702.4	32.4%	15.4%	NEG	NEG	6.67x	8.6x	8.0x	NEG	17.2x
Construction Partners, Inc. (ROAD)	29.11	97.1%	243.4%	785.7	94.8	1,503.2	1,454.5	15.6%	12.1%	7.5%	16.8%	NMF	14.3x	12.5x	36.5x	31.4x
CRH Plc (CRH)	41.80	97.2%	236.9%	27,647.3	4,215.7	33,031.4	41,852.7	32.8%	15.2%	NEG	4.5%	2.09x	8.8x	8.4x	19.1x	16.3x
Eagle Materials Inc. (EXP)	101.35	98.7%	242.3%	1,569.6	461.6	4,221.2	5,312.2	23.5%	29.4%	5.2%	4.5%	2.36x	10.2x	9.8x	15.3x	14.7x
HeidelbergCement AG (HEI)	74.91	97.0%	241.4%	20,203.5	3,248.7	14,862.5	26,096.7	62.0%	16.1%	NEG	1.4%	3.46x	5.8x	5.8x	10.6x	8.9x
LafargeHolcim Ltd. (LHN)	55.00	98.8%	188.5%	25,717.5	5,073.6	33,725.4	46,105.8	41.4%	19.7%	NEG	68.7%	2.44x	7.0x	6.7x	15.6x	14.2x
Martin Marietta Materials, Inc. (MLM)	283.97	98.8%	210.2%	4,345.9	1,276.2	17,719.7	20,625.5	27.4%	29.4%	5.1%	9.2%	2.28x	15.4x	15.5x	27.5x	27.0x
Summit Materials, Inc. (SUM)	20.08	79.7%	267.4%	2,264.3	441.4	2,298.6	4,003.1	32.2%	19.5%	3.8%	4.8%	3.86x	8.6x	8.4x	27.1x	24.2x
U.S. Concrete, Inc. (USCR)	39.97	94.7%	592.1%	1,400.5	173.7	663.5	1,435.2	20.9%	12.4%	NEG	3.1%	4.44x	7.5x	7.3x	22.9x	19.6x
Vulcan Materials Company (VMC)	148.31	96.4%	226.2%	4,867.9	1,284.7	19,765.0	22,410.5	26.1%	26.4%	6.7%	10.7%	2.06x	17.2x	16.7x	32.3x	30.1x
<b>Group Mean</b>		95.2%	286.9%	9,582.7	1,695.8	12,730.6	17,868.5	31.3%	18.8%	5.7%	13.7%	3.43x	10.4x	9.8x	23.0x	20.5x
<b>Group Median</b>		97.1%	242.3%	4,345.9	1,276.2	7,681.3	20,625.5	30.1%	16.1%	5.2%	4.8%	2.95x	8.8x	8.4x	22.9x	19.6x

Note: NA: Not Available, NEG: Negative, NMF: Not Meaningful. Company financials, net debt and valuation metrics may not include the pro forma effect for recently completed acquisitions.  
Source: Company filings, Stifel estimates, FactSet.  
\* Excluded from mean calculation.

# Building Products, Furnishings & Construction Materials

## Key Performance & Valuation Stats (cont.)

Company	Stock Performance & Company Data							Margins		Growth		Debt	Valuation Data			
	12/31/20	% of 52-week		Revenue LTM (\$mm)	EBITDA LTM (\$mm)	Market Value (\$mm)	Enterprise Value (\$mm)	LTM Gross % Margin	LTM EBITDA % Margin	2-Year CAGR		Net Debt/ EBITDA LTM	EV / EBITDA		P / E	
Company		High	Low							Revs % Change	EBITDA % Change		2020E	2021E	2020E	2021E
<b>Housing Construction</b>																
<b>Homebuilders</b>																
Beazer Homes USA, Inc. (BZH)	\$ 15.15	87.9%	345.4%	\$ 2,127.1	\$ 93.6	\$ 453.7	\$ 1,257.3	44.6%	4.4%	0.5%	12.8%	8.59x	5.9x	6.0x	7.2x	7.7x
D.R. Horton, Inc. (DHI)	68.92	84.9%	270.2%	20,311.1	3,019.3	25,514.2	26,801.2	24.4%	14.9%	12.4%	19.3%	0.43x	7.9x	6.2x	10.1x	8.4x
KB Home (KBH)	33.52	79.4%	341.3%	4,547.6	452.3	3,154.4	4,213.5	19.6%	9.9%	NEG	7.8%	2.34x	8.2x	5.9x	11.3x	7.5x
Lennar Corporation (LEN)	76.23	87.8%	299.9%	22,488.9	3,190.4	23,586.1	26,825.2	25.1%	14.2%	4.6%	12.5%	1.02x	7.9x	6.0x	10.3x	7.9x
M.D.C. Holdings, Inc. (MDC)	48.60	92.6%	308.6%	3,780.5	426.4	3,199.1	3,886.4	22.3%	11.3%	14.0%	25.2%	1.61x	7.4x	5.7x	9.5x	7.1x
M/I Homes, Inc. (MHO)	44.29	88.7%	460.4%	2,881.9	288.8	1,297.1	1,940.4	21.4%	10.0%	14.8%	29.2%	2.23x	NA	NA	5.6x	6.4x
Meritage Homes Corporation (MTH)	82.82	70.8%	328.1%	4,227.1	487.7	3,180.7	3,620.3	21.0%	11.5%	10.4%	28.7%	0.90x	5.9x	4.9x	8.0x	6.5x
NVR, Inc. (NVR)	4,079.86	90.1%	199.7%	7,209.1	1,075.7	16,070.6	15,072.1	21.6%	14.9%	1.4%	4.3%	NMF	13.8x	10.2x	17.5x	13.0x
PulteGroup, Inc. (PHM)	43.12	86.8%	251.9%	10,860.6	1,750.1	11,597.6	12,605.7	26.0%	16.1%	4.3%	6.4%	0.58x	6.5x	5.5x	9.2x	7.9x
Toll Brothers, Inc. (TOL)	43.47	86.2%	327.3%	7,077.7	672.4	5,705.3	8,417.4	20.8%	9.5%	NEG	NEG	4.03x	9.5x	7.6x	12.4x	8.8x
<b>Group Mean</b>		85.5%	313.3%	8,551.2	1,145.7	9,375.9	10,463.9	24.7%	11.7%	7.8%	16.3%	2.41x	8.1x	6.4x	10.1x	8.1x
<b>Group Median</b>		87.3%	318.0%	5,812.6	580.0	4,452.2	6,315.5	22.0%	11.4%	7.5%	12.8%	1.61x	7.9x	6.0x	9.8x	7.8x
<b>Manufactured Housing</b>																
Cavco Industries, Inc. (CVCO)	\$ 175.45	74.3%	176.2%	\$ 1,041.8	\$ 79.5	\$ 1,630.9	\$ 1,318.1	21.6%	7.6%	4.6%	NEG	NMF	16.8x	12.7x	27.2x	21.8x
Skyline Champion Corp. (SKY)	30.94	83.6%	286.0%	1,239.0	90.4	1,760.8	1,612.8	19.8%	7.3%	0.0%	NA	NMF	17.0x	13.1x	34.0x	24.0x
<b>Group Mean</b>		78.9%	231.1%	1,140.4	85.0	1,695.8	1,465.4	20.7%	7.5%	2.3%	NMF	NMF	16.9x	12.9x	30.6x	22.9x
<b>Group Median</b>		78.9%	231.1%	1,140.4	85.0	1,695.8	1,465.4	20.7%	7.5%	2.3%	NMF	NMF	16.9x	12.9x	30.6x	22.9x

Note: NA: Not Available, NEG: Negative, NMF: Not Meaningful. Company financials, net debt and valuation metrics may not include the pro forma effect for recently completed acquisitions.  
Source: Company filings, Stifel estimates, FactSet.  
\* Excluded from mean calculation.

# Building Products, Furnishings & Construction Materials

## Key Performance & Valuation Stats (cont.)

Company	Stock Performance & Company Data							Margins		Growth		Debt	Valuation Data			
	12/31/20	% of 52-week		Revenue LTM	EBITDA LTM	Market Value	Enterprise Value	LTM Gross % Margin	LTM EBITDA % Margin	2-Year CAGR		Net Debt/ EBITDA LTM	EV / EBITDA		P / E	
Company		High	Low	(\$mm)	(\$mm)	(\$mm)	(\$mm)	% Margin	% Margin	% Change	% Change	LTM	2020E	2021E	2020E	2021E
<b>Distribution, Installation &amp; Retail</b>																
<b>Distribution</b>																
Beacon Roofing Supply, Inc. (BECN)	\$ 40.19	97.7%	344.5%	\$ 6,943.9	\$ 442.3	\$ 2,765.1	\$ 5,738.2	24.5%	6.4%	4.0%	NEG	NA	11.6x	10.9x	13.7x	13.3x
BlueLinX Holdings Inc. (BXC)	29.26	96.4%	812.8%	2,845.4	131.2	281.8	908.5	15.3%	4.6%	4.1%	63.5%	4.78x	NA	NA	NA	NA
BMC Stock Holdings, Inc. (BMCH)	53.68	95.4%	401.2%	3,881.7	284.7	3,648.5	3,858.0	25.7%	7.3%	2.9%	12.2%	0.74x	11.4x	10.7x	20.4x	18.8x
Builders FirstSource, Inc. (BLDR)	40.81	95.3%	453.4%	7,791.7	520.7	4,816.6	6,363.5	26.1%	6.7%	0.7%	9.0%	2.97x	9.9x	9.1x	15.1x	13.9x
CanWel Building Materials Group Ltd. (CWX)	6.02	98.0%	320.6%	1,129.7	77.1	469.4	755.8	15.5%	6.8%	5.8%	22.1%	3.71x	7.3x	8.2x	10.9x	11.8x
Foundation Building Materials, Inc. (FBM)	19.21	96.2%	240.4%	2,046.5	154.1	836.9	1,393.8	30.4%	7.5%	1.9%	5.9%	3.61x	8.7x	8.5x	20.0x	17.6x
GMS Inc. (GMS)	30.48	88.2%	293.4%	3,147.6	276.5	1,315.9	2,313.6	32.8%	8.8%	5.4%	7.6%	3.61x	8.1x	7.9x	10.5x	9.6x
Hardwoods Distribution Inc. (HDI)	19.87	88.9%	390.3%	919.2	49.3	427.0	575.7	19.0%	5.4%	3.5%	6.0%	3.02x	7.9x	7.3x	13.3x	12.0x
Pool Corporation (POOL)	372.50	95.1%	232.3%	3,679.6	451.6	15,212.5	15,659.7	28.6%	12.3%	11.4%	16.6%	0.99x	32.8x	29.0x	44.7x	40.4x
Richelieu Hardware Ltd (RCH)	25.93	82.4%	182.6%	822.4	97.5	1,472.3	1,469.2	11.9%	11.9%	3.9%	9.5%	NMF	13.0x	12.5x	23.6x	22.2x
Select Interior Concepts, Inc. (SIC)	7.15	76.1%	572.0%	565.6	28.8	184.2	348.0	24.5%	5.1%	11.2%	12.2%	5.70x	8.1x	6.4x	NEG	21.0x
SiteOne Landscape Supply, Inc. (SITE)	158.63	98.0%	297.7%	2,564.4	223.9	7,068.8	7,507.0	33.1%	8.7%	11.8%	20.7%	1.96x	31.8x	28.6x	62.2x	57.3x
<b>Group Mean</b>		92.3%	378.4%	3,028.1	228.1	3,208.3	3,907.6	24.0%	7.6%	5.6%	16.8%	3.11x	13.7x	12.6x	23.4x	21.6x
<b>Group Median</b>		95.4%	332.6%	2,704.9	189.0	1,394.1	1,891.4	25.1%	7.1%	4.1%	12.2%	3.31x	9.9x	9.1x	17.6x	17.6x
<b>Installation</b>																
Installed Building Products, Inc. (IBP)	\$101.93	83.8%	351.2%	\$ 1,613.0	\$ 223.7	\$ 3,027.1	\$ 3,382.2	30.7%	13.9%	12.1%	24.0%	1.59x	13.8x	11.3x	23.5x	18.3x
TopBuild Corp. (BLD)	184.08	91.9%	335.7%	2,658.9	390.0	6,113.4	6,595.6	27.1%	14.7%	8.8%	27.4%	1.24x	15.5x	13.1x	26.2x	20.9x
<b>Group Mean</b>		87.8%	343.5%	2,135.9	306.9	4,570.3	4,988.9	28.9%	14.3%	10.5%	25.7%	1.41x	14.6x	12.2x	24.8x	19.6x
<b>Group Median</b>		87.8%	343.5%	2,135.9	306.9	4,570.3	4,988.9	28.9%	14.3%	10.5%	25.7%	1.41x	14.6x	12.2x	24.8x	19.6x
<b>Retail</b>																
Floor & Decor Holdings, Inc. (FND)	\$ 92.85	91.4%	381.2%	\$ 2,229.1	\$ 278.5	\$ 9,877.3	\$10,823.2	42.9%	12.5%	15.8%	21.8%	3.40x	35.2x	28.7x	63.4x	51.2x
Lowe's Companies, Inc. (LOW)	160.51	88.8%	267.5%	85,313.0	10,803.0	121,024.5	137,154.5	33.1%	12.7%	9.5%	18.4%	1.49x	12.4x	12.3x	18.4x	17.3x
Lumber Liquidators Holdings, Inc. (LL)	30.74	87.9%	815.4%	1,067.3	71.5	901.7	933.8	39.6%	6.7%	NEG	38.4%	0.45x	12.0x	13.0x	17.9x	25.4x
Home Depot, Inc. (HD)	265.62	90.7%	188.9%	125,631.0	21,929.0	286,338.4	312,730.4	34.0%	17.5%	9.1%	11.5%	1.20x	15.2x	14.7x	22.5x	21.6x
<b>Group Mean</b>		89.7%	413.2%	53,560.1	8,270.5	104,535.5	115,410.5	37.4%	12.3%	11.5%	22.5%	1.64x	18.7x	17.2x	30.6x	28.9x
<b>Group Median</b>		89.8%	324.3%	43,771.1	5,540.8	65,450.9	73,988.9	36.8%	12.6%	9.5%	20.1%	1.35x	13.8x	13.8x	20.5x	23.5x

Note: NA: Not Available, NEG: Negative, NMF: Not Meaningful. Company financials, net debt and valuation metrics may not include the pro forma effect for recently completed acquisitions.

Source: Company filings, Stifel estimates, FactSet.

\* Excluded from mean calculation.

# Building Products, Furnishings & Construction Materials

## Key Performance & Valuation Stats (cont.)

Company	Stock Performance & Company Data							Margins		Growth		Debt	Valuation Data			
Company	12/31/20	% of 52-week		Revenue LTM	EBITDA LTM	Market Value	Enterprise Value	LTM Gross	LTM EBITDA	2-Year CAGR		Net Debt/ EBITDA	EV / EBITDA		P / E	
		High	Low	(\$mm)	(\$mm)	(\$mm)	(\$mm)	% Margin	% Margin	Revs % Change	EBITDA % Change	LTM	2020E	2021E	2020E	2021E
<b>Furnishings</b>																
<b>Home Furnishing &amp; Bedding</b>																
Bassett Furniture Industries, Inc. (BSET)	\$ 20.08	93.6%	472.5%	\$ 381.1	\$ 3.9	\$ 200.2	\$ 298.1	58.5%	1.0%	NEG	NEG	NMF	NA	12.4x	NEG	14.6x
Casper Sleep Inc (CSPR)	6.15	38.8%	195.2%	473.6	(74.5)	246.7	166.5	50.5%	NEG	37.4%	NEG	NMF	NEG	NEG	NEG	NEG
Culp, Inc. (CULP)	15.87	91.9%	300.6%	257.2	12.6	195.6	142.0	15.1%	4.9%	NEG	NEG	NMF	11.1x	5.8x	NEG	22.8x
Dorel Industries Inc. (DII.B)	11.72	95.7%	1,362.4%	2,711.6	157.2	385.3	928.4	20.3%	5.8%	1.9%	9.8%	3.46x	4.3x	5.6x	21.2x	25.7x
Ethan Allen Interiors Inc. (ETH)	20.21	97.8%	241.2%	567.0	34.5	509.4	574.3	55.8%	6.1%	NEG	NEG	1.88x	10.2x *	7.8x	25.1x *	17.1x
Hooker Furniture Corporation (HOFT)	32.25	88.4%	262.2%	549.7	33.8	385.0	354.6	20.1%	6.1%	NEG	NEG	NMF	9.2x *	10.6x	15.8x *	12.3x
LaZBoy Incorporated (LZB)	39.84	93.3%	255.2%	1,587.7	199.9	1,845.5	1,835.5	44.4%	12.6%	NEG	10.1%	NMF	11.7x *	8.0x	17.3x *	12.5x
Leggett & Platt, Incorporated (LEG)	44.30	85.6%	201.1%	4,243.1	586.7	6,029.2	7,911.8	21.4%	13.8%	0.4%	2.0%	3.21x	12.6x	11.1x	21.4x	16.9x
Purple Innovation, Inc. (PRPL)	32.94	91.0%	745.2%	598.9	74.7	1,818.3	1,763.4	47.1%	12.5%	48.8%	NEG	NMF	20.3x	17.4x	41.4x	35.0x
Sleep Number Corporation (SNBR)	81.86	91.0%	536.1%	1,729.8	206.0	2,344.0	2,718.4	62.2%	11.9%	8.0%	23.6%	1.82x	12.2x	12.8x	20.0x	20.0x
Tempur Sealy International Inc (TPX)	27.00	94.2%	490.9%	3,491.2	538.1	5,713.2	7,349.5	44.2%	15.4%	14.6%	23.9%	3.04x	9.9x	9.5x	15.4x	13.8x
<b>Group Mean</b>		87.4%	460.2%	1,508.3	161.2	1,788.4	2,185.7	40.0%	9.0%	18.5%	13.9%	2.68x	11.7x	10.1x	23.9x	19.1x
<b>Group Median</b>		91.9%	300.6%	598.9	74.7	509.4	928.4	44.4%	9.0%	11.3%	10.1%	3.04x	11.6x	10.1x	21.2x	17.0x
<b>Office Furniture</b>																
Herman Miller, Inc. (MLHR)	\$ 33.80	80.0%	234.9%	\$ 2,394.4	\$ 312.6	\$ 2,003.2	\$ 2,147.8	37.7%	13.1%	NEG	10.9%	0.46x	7.4x	6.8x	12.8x	11.7x
HNI Corporation (HNI)	34.46	80.3%	207.5%	2,009.3	191.7	1,482.1	1,629.0	37.1%	9.5%	NEG	3.4%	0.77x	9.1x	8.3x	20.0x	17.1x
Kimball International, Inc. (KBAL)	11.95	54.9%	145.9%	674.4	73.4	444.8	348.7	34.5%	10.9%	NEG	7.9%	NMF	5.4x	6.8x	12.6x	17.8x
Knoll, Inc. (KNL)	14.68	55.7%	189.7%	1,295.0	136.5	725.8	1,317.4	36.8%	10.5%	1.2%	NEG	4.33x	10.3x	9.6x	13.5x	15.4x
Steelcase Inc. (SCS)	13.55	65.3%	193.0%	2,865.3	215.3	1,559.6	1,791.3	30.9%	7.5%	NEG	NEG	1.08x	7.9x	13.4x *	17.2x	58.9x *
<b>Group Mean</b>		67.3%	194.2%	1,847.7	185.9	1,243.1	1,446.9	35.4%	10.3%	1.2%	7.4%	1.66x	8.0x	7.9x	15.2x	15.5x
<b>Group Median</b>		65.3%	193.0%	2,009.3	191.7	1,482.1	1,629.0	36.8%	10.5%	1.2%	7.9%	0.92x	7.9x	7.5x	13.5x	16.2x

Note: NA: Not Available, NEG: Negative, NMF: Not Meaningful. Company financials, net debt and valuation metrics may not include the pro forma effect for recently completed acquisitions.

Source: Company filings, Stifel estimates, FactSet.

\* Excluded from mean calculation.

# Building Products, Furnishings & Construction Materials

## Who We Are

Stifel is a premier middle-market investment bank providing a full range of financing and advisory services. Stifel's dedicated building products industry coverage team is supported by product specialists in debt capital markets, equity capital markets, M&A, restructuring, and a financial sponsors team covering the most active private equity investors in the sector.

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## Recent Stifel Building Products Investment Banking Transactions

 <b>FAIRWAY</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of  <b>ARGOSY</b> Has Been Acquired by  <b>Envision</b> Advisor to Seller December 2020	 <b>Omicron</b> <small>Granite &amp; Tile</small> a portfolio company of  <b>unipro</b> Has Been Acquired by  <b>caesarstone</b> Advisor to Seller December 2020	\$1,325,000,000  <b>AMERICAN</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of Centerbridge Senior Secured Credit Facility Joint Lead Arranger November 2020	\$335,000,000  <b>AMERICAN</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of Centerbridge Senior Notes Joint Bookrunning Manager November 2020	\$955,937,500 <b>THE AZEK</b> <small>COMPANY</small> a portfolio company of   <b>ARES</b>  Follow-on Offering Co-Manager September 2020
\$879,462,500 <b>THE AZEK</b> <small>COMPANY</small> a portfolio company of   <b>ARES</b>  Initial Public Offering Co-Manager June 2020	\$80,750,000  <b>New South</b> <small>WINDOW SOLUTIONS</small> Has Been Acquired by  <b>CGI</b> Advisor to Seller February 2020*	\$80,750,000  <b>OmniMax</b> <small>International, Inc.</small> a portfolio company of  <b>HIGHLAND CAPITAL PARTNERS</b> Has Sold Amerimax to <b>CASCADE</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of  <b>CENTEROAK</b> Advisor to Seller January 2020	\$80,750,000  <b>FBM</b> <small>Foundation Building Materials</small> a portfolio company of  <b>LONE STAR FUNDS</b> Follow-On Offering Co-Manager September 2019*	\$71,250,000  <b>CSF CONSTRUCTION PARTNERS, INC.</b> <small>CONSTRUCTION MATERIALS</small> a portfolio company of  <b>SUTIX</b> <small>NATURAL PARTNERS</small> Follow-On Offering Joint Bookrunning Manager September 2019*
 <b>LOWE'S</b> Has Sold Alacritty Services to  <b>WORLEY</b> Advisor to Seller March 2019	\$38,859,961  <b>TECNOGLASS</b> Follow-On Offering Joint Bookrunning Manager March 2019*	\$315,000,000  <b>ABC Arrow</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of  <b>AIGLON CAPITAL</b> Has Been Acquired by  <b>ACS</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of  <b>ANGELLE and PARTNERS</b> Advisor to Seller November 2018*	\$315,000,000  <b>CGI</b> <small>INNOVATIONS</small> Senior Notes Co-Manager August 2018*	\$315,000,000  <b>CSF CONSTRUCTION PARTNERS, INC.</b> <small>CONSTRUCTION MATERIALS</small> a portfolio company of  <b>SUTIX</b> <small>NATURAL PARTNERS</small> Initial Public Offering Joint Bookrunning Manager May 2018*
 <b>MEA</b> Has Agreed to be Acquired by  <b>ADCURAM</b> <small>OPERATIONAL SUSTAINABLE FINANCIALLY SOUND</small> Advisor to Seller July 2018*	 <b>Hester Hook Suits</b> Has Been Acquired by  <b>acpi</b> a portfolio company of  <b>AMERICAN INDUSTRIAL PARTNERS</b> Advisor to Seller June 2018*	\$50,000,000  <b>AMERICAN</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of  <b>LONE STAR FUNDS</b> Term Loan B Joint Lead Arranger June 2018	\$450,000,000  <b>FBM</b> <small>Foundation Building Materials</small> Term Loan B Joint Lead Arranger May 2018	\$143,400,000  <b>CSF CONSTRUCTION PARTNERS, INC.</b> <small>CONSTRUCTION MATERIALS</small> a portfolio company of  <b>SUTIX</b> <small>NATURAL PARTNERS</small> Initial Public Offering Joint Bookrunning Manager May 2018*
 <b>Rowe Furniture</b> <small>INDUSTRIAL BUILDING PRODUCTS</small> a portfolio company of  <b>SUN CAPITAL</b> Has Been Acquired by  <b>MARKOR</b> Advisor to Seller March 2018	 <b>American Insulated Glass</b> Has Been Acquired by  <b>AVCapital</b> Advisor to Seller October 2017*	<b>CLASSIC BRANDS</b> Has Been Acquired by  <b>A&amp;M CAPITAL OPPORTUNITIES</b> Advisor to Seller September 2017	\$345,503,125  <b>Beacon</b> Follow-On Offering Co-Manager August 2017*	 <b>CARTER WATERS</b> <small>CONSTRUCTION MATERIALS</small> a portfolio company of  <b>MERIT</b> <small>CAPITAL PARTNERS</small> and  <b>AIGLON CAPITAL</b> Has Been Acquired by  <b>CONSTRUCTION SUPPLY GROUP</b> a portfolio company of  <b>THE STERLING GROUP</b> Advisor to Seller June 2017*

\* Worked on transaction while at a previous, unrelated firm.

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