

# BUILDING PRODUCTS SPACE EMERGES AS A STANDOUT AMID CHALLENGING M&A BACKDROP

BUILDING PRODUCTS SECTOR UPDATE | DECEMBER 2023



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# Building Products

## Building Products Space Emerges As a Standout Amid Challenging M&A Backdrop

### KEY SECTOR TAKEAWAYS

Capstone Partners' Building Products & Construction Services Team is pleased to share its Building Products report. Steady construction spending and project backlogs have created a favorable backdrop for sector participants. As demand has persisted, strategic and financial buyers have actively pursued acquisitions to bolster services, scale, and increase market share. Several key report takeaways are outlined below.

1. While backlogs have moderated in recent months, steady demand has persisted for Building Products sector participants, supported by persistent levels of construction spending.
2. Merger and acquisition (M&A) activity has improved through year-to-date (YTD) compared to the prior year, despite broader M&A markets recording a significant slowdown in activity.
3. Strategic buyers have driven M&A volume, however, private equity firms have maintained an active presence in the space.
4. Many leading public companies across the sector have recorded healthy public market performance, which bodes well for privately-owned businesses contemplating a liquidity event.
5. M&A activity is expected to remain robust through year end and into 2024 as strategics and financial buyers continue to eye acquisition opportunities.

Capstone Partners has developed a full suite of corporate finance solutions, including M&A advisory, debt advisory, financial advisory, and equity capital financing to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction.

To learn more about Capstone's wide range of advisory services and Building Products sector knowledge, please [contact us](#).

## SECTOR PLAYERS CAPTURE GROWTH DESPITE MACRO CHALLENGES

Persistent construction spending and robust project visibility have contributed to healthy demand for Building Products sector participants through YTD 2023. While an elevated interest rate environment has challenged project financing, high growth end markets have continued to experience significant building activity. Through September, total construction spending increased 8.7% year-over-year (YOY)—marking the largest YOY expansion since September 2022, according to the U.S. Census Bureau.<sup>1</sup> Manufacturing construction spending growth has led the sector, rising 61.9% YOY. This has been bolstered by heavy investment in areas including private plastic/rubber and computer/electronic/electrical projects, which expanded 107.2% and 134.9% YOY, respectively, in September. Favorable sector forecasts are supported by healthy levels of contracted work, although labor challenges have continued to impact project completions.

While backlogs have retreated modestly, contractors have continued to benefit from strong demand visibility. Associated Builders and Contractors' (ABC) construction backlog indicator amounted to 8.4 months in October, a 0.4 month YOY decline.<sup>2</sup> However, activity in the Heavy Industrial segment has shown few signs of abating, with backlogs rising to 10.2 months, marking a 2.8 month-over-month (MoM) increase. Much of the compression in demand has come from smaller operators while midsize and larger sector players have continued to see strong activity. Backlogs among companies with less than \$30 million in annual revenue fell 1.2 months MoM, while operators with an excess of \$100 million in revenue experienced a 1.2 month increase.

Leading sector players have capitalized on strong sector growth prospects, which has been reflected in outperformance in public equity markets. Notably, average total return in Capstone's Building Product Distribution index has amounted to 66.3% through YTD, followed by the Decking, Siding, and Drywall index at 57.9%. Beacon Roofing Supply (Nasdaq:BECN), a leading distributor of roofing and building materials increased net sales 7% YOY in Q3 to \$2.6 billion—a company record for quarterly net sales, according to its earnings release.<sup>3</sup> Moving through year end and into 2024, sector players with healthy backlogs, favorable end market exposure, and robust supply chains are poised to continue to garner steady revenues.

Sustained nonresidential construction demand has been a hallmark of the space for much of the year, with contractors expecting an expansion in sales, profit margins, and staffing over the next six months, according to ABC. However, residential building activity has lagged in recent months, with housing starts falling 4.2% YOY in October, representing the third consecutive month of YOY declines, according to the U.S. Census Bureau.<sup>4</sup> Elevated mortgage rates have pressured the Housing market throughout the year with many buyers opting to wait for more favorable conditions. With the Federal Reserve likely finished, or near complete, with its monetary tightening campaign, a loosening rate environment may provide tailwinds to the Housing market towards the second half of 2024. Sector players across end markets are expected to continue to see robust demand in the coming months, fueling an active M&A market for strategic and financial acquirers.

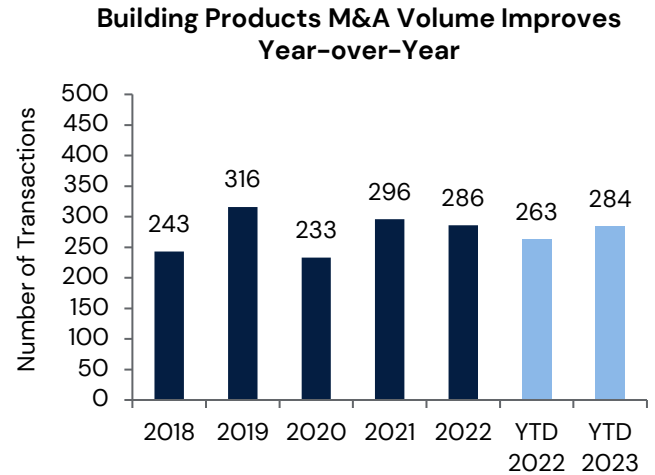


**Darin Good**  
Managing Director, Head of Building Products & Construction Services

*"The Building Products sector continues to outperform its peers despite high interest rates and a tight labor market. Transaction activity has remained robust amid a challenging M&A market for many other industries. We expect M&A appetite to persist at healthy levels into 2024."*

## M&A VOLUME CONTINUES AT RAPID PACE THROUGH YEAR-TO-DATE

M&A activity in the Building Products sector has defied broader transaction market trends, with volume growing 7.9% YOY to 284 transactions announced or completed YTD. The steady demand for construction activity has encouraged sector participants to continue to seek inorganic growth, despite an uncertain economic backdrop. Geographic expansion, addition of complementary product offerings, and attainment of cost synergies have remained key motivations for consolidation. Strategics and financial buyers have demonstrated a willingness to pay premium valuations for high-quality target companies with healthy gross margins, attractive end market exposure, and robust revenue growth. M&A volume is expected to persist at healthy levels through year end and into 2024.



Year-to-date (YTD) ended November 14  
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Strategic buyers have driven the majority of M&A volume through YTD, comprising 74.4% of total transactions. While private strategics have been most active, accounting for 49.8% of YTD transactions, public companies (24.6% of transactions) have increasingly eyed acquisition opportunities. Notably, Beacon Roofing Supply has continued its active inorganic growth strategy. In November, Beacon Roofing Supply acquired H&H Roofing Supply which provides residential and nonresidential roofing materials. Terms of the transaction were not disclosed. The acquisition marks Beacon's ninth completed acquisition through YTD 2023, according to a press release.<sup>5</sup>

TopBuild (NYSE:BLD) has also leveraged acquisitions to expand product offerings, allocating significant capital to complete transactions that add scale and capacity. TopBuild acquired Specialty Products & Insulation (SPI), a portfolio company of Incline Equity Partners, for an enterprise value of \$960 million and equivalent to 1.4x EV/Revenue and 12.5x EV/EBITDA (July). The acquisition is expected to reduce TopBuild's cyclicality through increasing its recurring revenue stream and provide run rate cost synergies between \$35 and \$40 million within two years post closing, according to a press release.<sup>6</sup> The acquisition also represents a successful realization for Incline Equity Partners, which bought SPI in December 2021 and scaled the business through eight accretive acquisitions, according to a press release.<sup>7</sup>

Elevated transaction financing costs have dissuaded many private equity firms from deploying capital towards investments. However, sponsor appetite in the Building Products space has remained robust, with financial acquirers accounting for 25.6% of YTD transaction volume. The fragmentation of the sector has created a favorable environment for buy-and-build strategies, with many sponsors adding smaller tuck-ins to portfolio holdings at low buy-in multiples.

Platinum Equity has continued its capital deployment to the space through YTD 2023. In October, Platinum acquired a 50% stake in US LBM from Bain Capital Private Equity (terms not disclosed). US LBM is a leading distributor of specialty building materials with more than 450 locations across the U.S. The acquisition demonstrates Platinum's favorable view of the space and follows its acquisition of Cook & Boardman, a specialty distributor of commercial door and security integrations (September, undisclosed). Private equity firms have also paid premium multiples for targets that align with their investment theses. In October, ShoreView Industries announced a definitive agreement to acquire P&F Industries (Nasdaq:PFIN) for an enterprise value of \$51.8 million, representing 0.9x EV/Revenue and 13.9x EV/EBITDA.

Moving through year end and into 2024, strategic and sponsor interest in the space is likely to remain robust. M&A valuations for target companies have remained healthy, averaging 9.9x EV/EBITDA through YTD—presenting valuable liquidity options for leading privately-owned sector players.

## NOTABLE TRANSACTIONS



Masonite (Nasdaq:DOOR) acquired Fleetwood Aluminum Products for an enterprise value of \$285 million, equivalent to 1.9x EV/Revenue and 7.8x EV /EBITDA (October). Fleetwood is a premier designer and manufacturer of aluminum-framed glass door and window solutions for luxury homes. Fleetwood, a family-owned business since 1961, sells its products through a network of 200 exclusive dealers throughout North America, according to a press release.<sup>8</sup> It is expected to contribute approximately \$150 million of incremental full-year revenue to Masonite in 2024.



Platinum Equity has agreed to acquire a co-controlling stake in US LBM, a leading distributor of specialty building materials (October). Terms of the transaction were not disclosed. Bain Capital Private Equity, the existing investor, will retain an equal ownership stake. US LBM operates through more than 450 locations throughout the U.S., offering products including windows, doors, millwork, roofing, wallboard, and siding. Over the past three years, US LBM has approximately tripled its revenue and profit due to an accretive M&A strategy, investments in data and analytics, supply chain optimization, and customer experience, according to a press release.<sup>9</sup>



ShoreView Industries, a Minneapolis-based private equity firm, has entered a definitive agreement to acquire P&F Industries for an enterprise value of \$51.8 million, equivalent to 0.9x EV/Revenue and 13.9x EV/EBITDA (October). The purchase price represents a 97% premium to the closing stock price on October 12, 2023, according to a press release.<sup>10</sup> P&F provides engineered solutions to markets including Construction and Manufacturing. “As a private company, the Company will have additional financial and operational flexibility to pursue our strategy to better serve customers across our markets,” commented Richard Horowitz, Chairman of the Board, CEO and President of P&F, in the transaction press release.



Safe-Way Garage Doors, a portfolio company of CW Industrial Partners, has entered a definitive purchase agreement to acquire 1<sup>st</sup> United Door Technologies (September). Terms of the transaction were not disclosed. 1<sup>st</sup> United is a manufacturer of residential and commercial garage doors. The acquisition bolsters Safe-Way’s geographic presence, allowing it to expand its distribution network into western markets and creates distribution opportunities for 1<sup>st</sup> United in the eastern U.S., according to a press release.<sup>11</sup> The combined organization is expected to benefit from expanded product lines, sales and procurement synergies, and greater market share in the Residential and Commercial Garage Door space.



**Brian Krehbiel**  
Director

*“As increasing interest rates have stalled Housing and overall Construction market activity in the short-term, industry participants with an understanding of the significant long-term macro level demand for construction are bolstering operations through acquisitions to gain competitive advantages and strengthen their position in the marketplace.”*



## SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise	EV / LTM	
				Value (mm)	Revenue	EBITDA
11/07/23	Mountz	Snap-On (NYSE:SNA)	Develops, manufactures, and markets high-precision tools.	\$40.0	-	-
11/01/23	H&H Roofing Supply	Beacon Roofing (Nasdaq:BECN)	Distributes residential and nonresidential roofing materials.	-	-	-
10/19/23	Fleetwood Aluminum	Masonite (NYSE:DOOR)	Designs and manufactures premium, aluminum-framed glass door and window solutions for luxury homes.	\$285.0	1.9x	7.8x
10/16/23	US LBM	Platinum Equity	Distributes building materials including lumber and engineered wood products, wallboards, and tracks.	-	-	-
10/13/23	P&F (Nasdaq:PFIN)	ShoreView	Provides pneumatic hand tools including sanders, grinders, drills, saws, and wrenches.	\$51.8	0.9x	13.9x
10/03/23	AMW Construction	GMS (NYSE:GMS)	Distributes tools and fasteners used in residential, commercial framing, and concrete projects.	-	-	-
10/03/23	Volunteer Materials	Armada Materials	Provides construction materials including sand and gravel, paving materials, and concrete.	-	-	-
09/07/23	Argos USA	Summit Materials (NYSE:SUM)	Manufactures and markets cement, ready-mix concrete, masonry, and block products.	\$3,200.0	-	10.0x
09/05/23	S&H Building Material	Beacon Roofing (Nasdaq:BECN)	Distributes building products.	-	-	-
08/30/23	Bradley	Watts	Manufactures commercial plumbing fixtures and washroom accessories.	\$303.0	1.5x	8.0x
08/17/23	MAC Metal Architecture	Cornerstone Building Brands	Designs and manufactures steel coatings and roofs for Commercial and Residential markets.	-	-	-
07/27/23	Specialty Products and Insulation	TopBuild (NYSE:BLD)	Distributes and fabricates mechanical insulation and complementary products.	\$960.0	1.4x	12.5x
07/24/23	Bok Modern	Armstrong (NYSE:AWI)	Manufactures and sells architectural metal panel systems.	\$17.1	1.4x	-
07/12/23	Barry G Lawrence	Tyman (LSE:TYMN)	Provides composite hardware for sliding and hung windows to window fabricators.	\$69.5	3.5x	-
07/01/23	LaForce	DNS Capital	Manufactures and distributes doors and frames.	-	-	-
06/21/23	Carlisle Wide Plank Floors	Switchback Capital	Provides hardwood interior flooring products for residential and commercial spaces.	-	-	-
06/12/23	Building Products of Canada	Saint-Gobain (ENXTPA:SGO)	Manufactures residential roofing shingles and wood fiber insulation panels.	\$991.3	-	11.9x
06/05/23	Sices Material Products	Foundation Building Materials	Distributes drywall, steel framing, ceiling systems, lumber, and general building products.	-	-	-
05/09/23	Tri-Boro Construction	White Cap Supply	Offers sands, stone, and building and safety supplies.	-	-	-
05/04/23	Arconic (NYSE:ARNC)	Apollo (NYSE:APO); Irenic Capital	Manufactures aluminum sheets, plates, extrusions, and architectural products.	\$4,673.4	0.5x	8.1x
05/03/23	Builders Millwork & Supply	Builders FirstSource (NYSE:BLDR)	Distributes doors, custom cabinets, windows, stair parts, and hardware products.	-	-	-
05/02/23	Jawl Lumber	GMS (NYSE:GMS)	Distributes lumber, engineered wood, doors, and other building materials.	-	-	-

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners





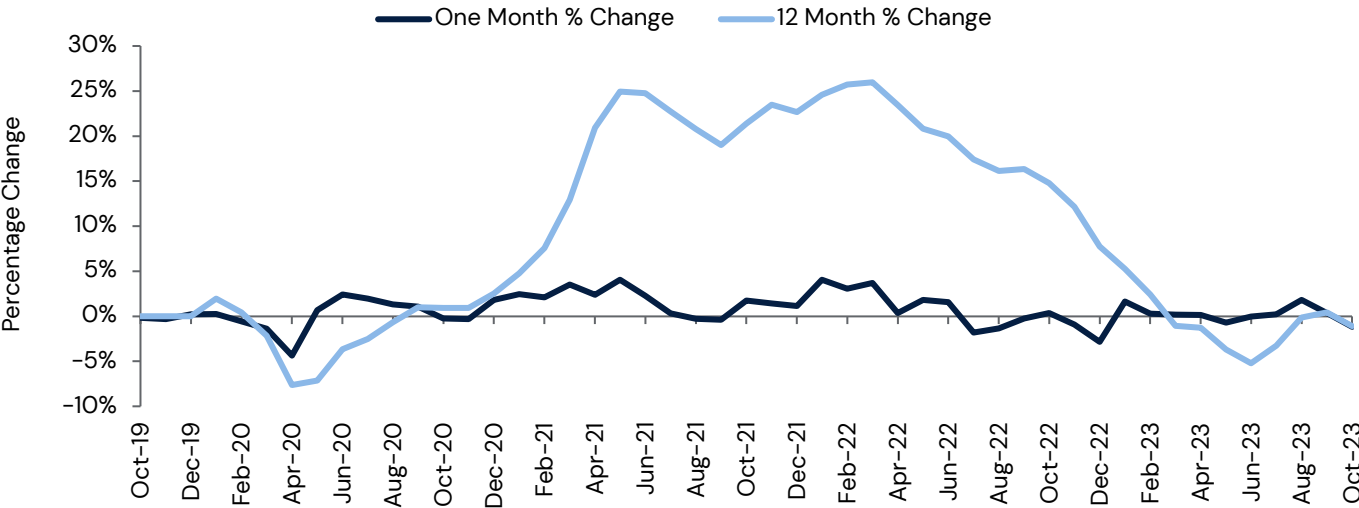
# CONSTRUCTION INPUT PRICING: UPSTREAM SUPPLY

Construction input prices have moderated through October, falling 1.2% MoM and 1.1% YOY, according to the Bureau of Labor Statistics.<sup>12</sup> Several construction inputs have registered significant declines in prices, including natural gas and softwood lumber, which have fallen 54.9% and 16.3%, respectively.

**Producer Price Index Percent Change**  
(Inputs to Construction, October 2023)

	1 Month % Change	12 Month % Change
Concrete Products	0.7%	9.7%
Crude Petroleum	-2.9%	-3.0%
Fabricated Structural Metal Products	0.8%	-0.7%
Iron and Steel Scrap	0.4%	3.6%
Natural Gas	10.9%	-54.9%
Nonferrous Wire and Cable	0.3%	0.4%
Plumbing Fixtures and Brass Fittings	0.5%	1.4%
Prepared Asphalt, Tar Roofing & Siding Products	0.7%	3.9%
Softwood Lumber	-2.8%	-16.3%
Steel Mill Products	-2.5%	-9.9%
Unprocessed Energy Materials	-0.3%	-16.2%

**Producer Price Index**  
Percent Change Inputs to Construction Industries (October 2019 - October 2023)



Source: U.S. Bureau of Labor Statistics and Associated Builders and Contractors and Capstone Partners



# CONSTRUCTION BACKLOGS RISE IN NORTHEAST AND WEST

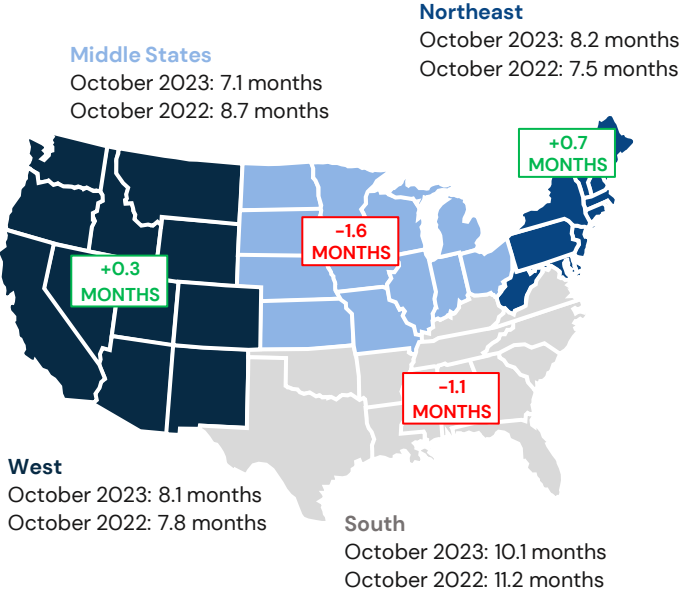
## Construction Backlog

ABC’s Construction Backlog Indicator (CBI) is a forward-looking national economic indicator that reflects the amount of work that will be performed by commercial and industrial contractors in the coming months. Through October, backlogs amounted to 8.4 months, which marked a 0.4 YOY decline and a 0.6 MoM decline.

Backlog levels in the Heavy Industrial segment have led the Nonresidential Construction market, amounting to 10.2 months, a 2.8 MoM increase. The Infrastructure segment registered declines in forecasted work, with backlogs falling to 6.9 months in October from 8.6 months in September. The Commercial and Institutional segment recorded a modest MoM decline, falling to 8.6 months from 9.3 months.

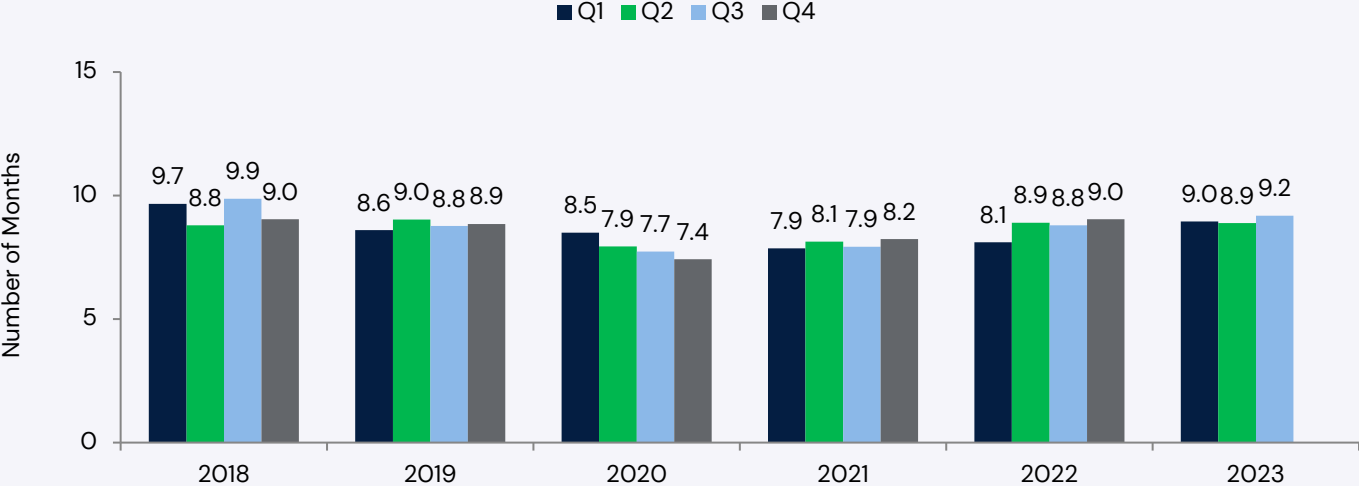
The chart below displays the national annual average, broken down by quarter. Average backlogs in Q3 have demonstrated a healthy trend towards year end.

## CBI Map of Regions and Backlog Month



Source: Associated Builders & Contractors and Capstone Partners

## CBI - National Backlog Average 2012 - Q3 2023



Source: Associated Builders & Contractors and Capstone Partners



# CONSTRUCTION INDICES

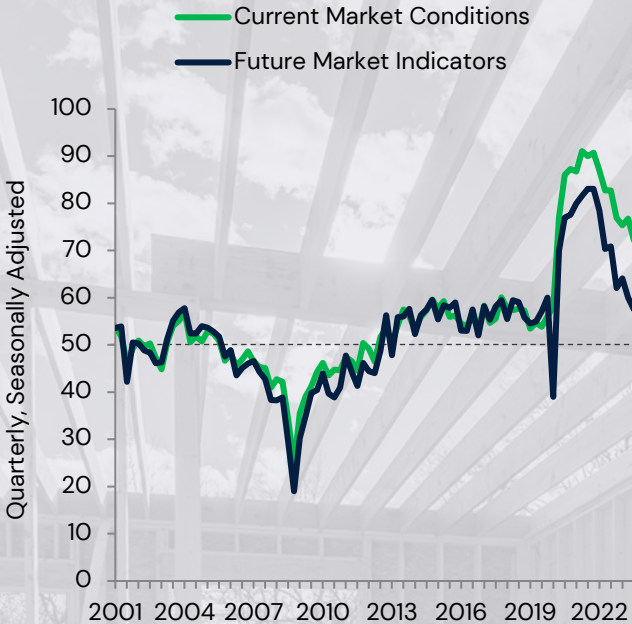
## Remodeling Market Index

The Remodeling Market Index (RMI) is based on a quarterly survey of National Association of Home Builders (NAHB) remodeler members that provides insight on current market conditions as well as future indicators for the Remodeling market.

The RMI survey asks remodelers to rate five aspects of the remodeling market as "good," "fair," or "poor." Each question is measured on a scale from 0 to 100, where an index number of 50 indicates a higher share of remodelers' view conditions as good rather than poor.

The RMI posted a reading of 65 in Q3, a continued deceleration from Q1 and Q2, according to NAHB.<sup>8</sup> Current market condition sentiment has also fallen, recording a reading of 72 in Q3 compared to 77 in Q2. Future market conditions have followed a similar trend, with the reading amounting to 57, a slight decline from 60 in the prior quarter.

## Remodeling Market Index (RMI)



Source: NAHB Remodeling Market Index and Capstone Partners

## Architecture Billings Index

The American Institute of Architects' (AIA) monthly Architecture Billings Index (ABI) is a leading economic indicator for nonresidential construction activity, with a lead time of approximately 9–12 months. The index is derived from AIA's Work-on-the-Boards survey, which has gathered data on shifts in billings from architectural firm leaders for over 20 years. Market conditions for architecture firms slowed through October with more firms reporting decreasing firm billings and design contracts, according to AIA.<sup>13</sup>

## Architecture Billings Index



Source: The American Institute of Architects and Capstone Partners

### Billings by Sector





## PUBLIC COMPANY DATA

Company	Price 11/27/23	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
<b>Plumbing / HVAC</b>									
AAON, Inc.	\$63.83	89.4%	\$5,185.9	\$5,276.6	\$1,116.5	\$262.0	23.5%	NM	20.1x
A. O. Smith Corporation	\$76.01	98.7%	\$11,304.2	\$11,127.4	\$3,800.8	\$829.5	21.8%	2.9x	13.4x
Lennox International Inc.	\$416.43	99.6%	\$14,799.8	\$16,364.1	\$4,920.9	\$986.7	20.1%	3.3x	16.6x
Masco Corporation	\$59.19	92.7%	\$13,282.2	\$16,217.2	\$8,008.0	\$1,557.3	19.4%	2.0x	10.4x
<b>Average:</b>		<b>95.1%</b>	<b>\$11,143.0</b>	<b>\$12,246.3</b>	<b>\$4,461.5</b>	<b>\$908.9</b>	<b>21.2%</b>	<b>2.8x</b>	<b>15.1x</b>
<b>Decking / Siding / Drywall</b>									
Eagle Materials Inc.	\$179.32	91.5%	\$6,255.9	\$7,329.2	\$2,205.4	\$811.9	36.8%	3.3x	9.0x
James Hardie Industries plc	\$30.86	94.9%	\$13,483.6	\$14,388.0	\$3,731.7	\$1,029.1	27.6%	3.9x	14.0x
Trex Company, Inc.	\$68.23	89.7%	\$7,409.5	\$7,488.9	\$1,091.2	\$334.1	30.6%	6.9x	22.4x
<b>Average:</b>		<b>92.1%</b>	<b>\$9,049.7</b>	<b>\$9,735.4</b>	<b>\$2,342.8</b>	<b>\$725.0</b>	<b>31.7%</b>	<b>4.7x</b>	<b>15.1x</b>
<b>Building Systems</b>									
Apogee Enterprises, Inc.	\$46.11	89.2%	\$1,017.8	\$1,187.4	\$1,427.3	\$192.8	13.5%	0.8x	6.2x
Armstrong World Industries, Inc.	\$83.34	98.9%	\$3,682.0	\$4,259.6	\$1,287.4	\$433.9	33.7%	4.9x	9.8x
Owens Corning	\$133.06	90.5%	\$11,825.7	\$13,796.7	\$9,658.0	\$2,103.0	21.8%	1.4x	6.6x
<b>Average:</b>		<b>92.9%</b>	<b>\$5,508.5</b>	<b>\$6,414.6</b>	<b>\$4,124.2</b>	<b>\$909.9</b>	<b>23.0%</b>	<b>2.4x</b>	<b>7.5x</b>
<b>Window / Door</b>									
Masonite International Corporation	\$87.62	80.0%	\$1,919.4	\$2,871.1	\$2,846.1	\$447.6	15.7%	1.0x	6.4x
Quanex Building Products	\$30.37	97.4%	\$994.4	\$1,077.4	\$1,142.6	\$152.3	13.3%	0.9x	7.1x
<b>Average:</b>		<b>88.7%</b>	<b>\$1,456.9</b>	<b>\$1,974.3</b>	<b>\$1,994.4</b>	<b>\$300.0</b>	<b>14.5%</b>	<b>1.0x</b>	<b>6.7x</b>
<b>Lumber / Wood Products</b>									
Boise Cascade Company	\$114.48	99.0%	\$4,532.2	\$3,789.0	\$6,822.3	\$809.9	11.9%	0.6x	4.7x
Louisiana-Pacific Corporation	\$61.46	77.2%	\$4,432.2	\$4,654.2	\$2,628.0	\$434.0	16.5%	1.8x	10.7x
UFP Industries, Inc.	\$110.78	97.1%	\$6,847.6	\$6,275.4	\$7,607.7	\$869.3	11.4%	0.8x	7.2x
<b>Average</b>		<b>91.1%</b>	<b>\$5,270.7</b>	<b>\$4,906.2</b>	<b>\$5,686.0</b>	<b>\$704.4</b>	<b>13.3%</b>	<b>1.1x</b>	<b>7.5x</b>
<b>Building Product Distribution</b>									
Beacon Roofing Supply, Inc.	\$83.09	95.0%	\$5,247.8	\$8,181.3	\$8,789.7	\$989.9	11.3%	0.9x	8.3x
Builders FirstSource, Inc.	\$134.71	85.9%	\$16,616.0	\$20,442.3	\$17,304.0	\$2,956.3	17.1%	1.2x	6.9x
GMS Inc.	\$67.52	88.7%	\$2,740.8	\$3,945.9	\$5,379.3	\$708.5	13.2%	0.7x	5.6x
Watsco, Inc.	\$395.23	97.3%	\$14,434.6	\$15,190.2	\$7,261.8	\$982.5	13.5%	2.1x	15.5x
<b>Average</b>		<b>91.7%</b>	<b>\$9,759.8</b>	<b>\$11,939.9</b>	<b>\$9,683.7</b>	<b>\$1,409.3</b>	<b>13.8%</b>	<b>1.2x</b>	<b>9.1x</b>

EV = enterprise value; LTM = last twelve months  
 \$ in millions, except per share data  
 NM = Not Meaningful

Source: Capital IQ and Capstone Partners as of November 27, 2023

### Average Year-to-Date Total Returns

S&P 500	Dow Jones Industrial Average	Plumbing / HVAC	Decking / Siding / Drywall	Building Systems	Window / Door	Lumber / Wood Products	Building Product Distribution
20.5%	8.8%	41.9%	57.9%	29.9%	20.2%	41.3%	66.3%

Source: FactSet and Capstone Partners as of November 27, 2023

## BUILDING PRODUCTS REPORT CONTRIBUTORS



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Darin is an advocate for his clients, guiding them through the complex process of raising debt, equity or selling their company. During the past 25 years, Darin has led business owners and their board of directors through this process over 80 times. Courts, trade groups and national publications recognize Darin's expertise where he provides testimony as an expert witness and speaks about topics involving mergers and acquisitions. Prior to joining Capstone, Darin started, operated, made acquisitions and sold three successful companies in construction, import and distribution, and commercial real estate management. Three sell side transactions that Darin performed are published and taught in business schools around the globe. Darin teaches these cases at the University of Denver, where he received his Bachelor of Science in Finance.



### **Crista Gilmore**

Director  
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Crista started her career at KPMG LLP then accepted a Senior Associate role with a \$12 billion multi-strategy hedge fund managing the monthly PnL close process for several funds. She was promoted to Vice President, Valuations responsible for pricing the portfolio of over 8,000 securities monthly, as well as reporting to the Valuation Committee on a bi-monthly basis. At Capstone, Crista works with clients to improve their financial metrics and reporting capabilities. Additionally, she performs research, valuation analysis, prepares marketing documentation, manages client data rooms and responds to due diligence inquiries. Crista graduated summa cum laude from Drake University with a degree in Finance and Accounting. She also earned a Master's of Accounting degree from Drake University and is a CFA Charterholder.



### **Brian Krehbiel**

Director  
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Prior to joining Capstone Partners in 2011, Brian spent five years with a boutique investment bank performing sell-side transactions, financial modeling and value-add client services. At Capstone, Brian is a member of the Building Products & Construction Services team assisting clients with sell-side, buy-side and debt and equity raise transactions. Prior to his career in Investment Banking, Brian developed construction industry and operations experience owning and managing a successful family-owned residential construction company. His education and industry expertise are resources used in all aspects of the transaction process. Brian graduated from the University of Northern Colorado with a BS degree in Finance, and he is a CFA Charterholder.



### **Connor McLeod**

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Connor currently serves as Vice President of Market Intelligence at Capstone Partners. Connor provides M&A insights, capital markets analysis, and macroeconomic updates for C-suite middle market executives. Prior to joining the Market Intelligence Team at Capstone, Connor was a specialist with the Investor Services team at BlackRock. Connor holds a BA in Economics from Bates College. He is a Series 7 Registered Securities Representative and is a CFA charterholder.



# FIRM TRACK RECORD

Capstone Partners' Building Products & Construction Services Team has represented clients across various construction specialties. Our deep industry focus allows us to provide our clients with real-time transaction feedback and immediate access to key decision makers among the most active acquirers and investors in the Construction industry. A sampling of closed transactions is shown below.



HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY

AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)



HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY

AN UNDISCLOSED STRATEGIC BUYER



HAS BEEN ACQUIRED BY




HAS RECAPITALIZED WITH




HAS BEEN ACQUIRED BY



a portfolio company of




a portfolio company of



HAS BEEN ACQUIRED BY



a portfolio company of




HAS RECAPITALIZED WITH




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HAS BEEN RECAPITALIZED BY





HAS BEEN ACQUIRED BY



Building communities through play

a portfolio company of





# CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

## Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?  
Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435



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PARTNERS**

Common Goals. Uncommon Results.

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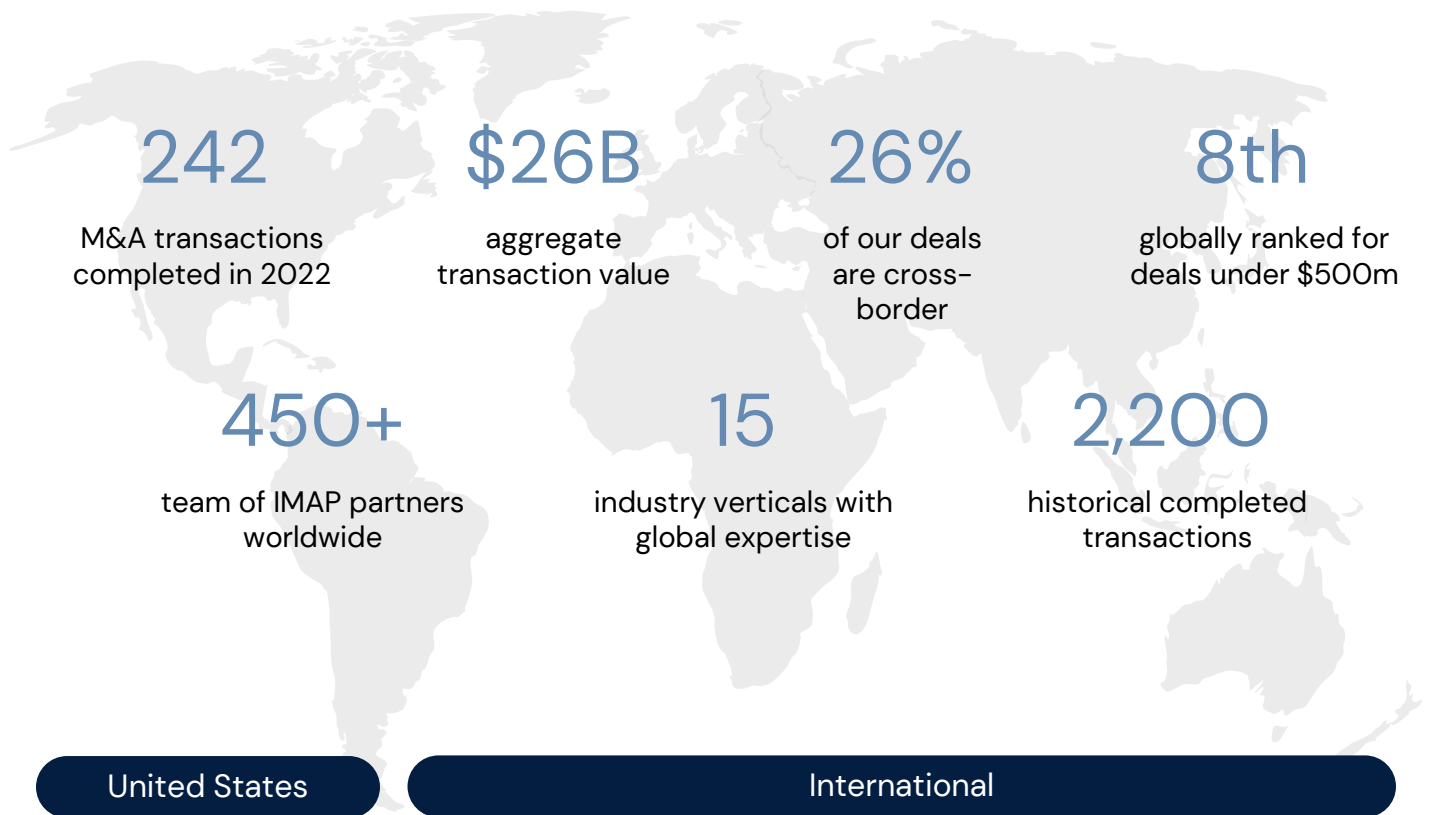




# CAPSTONE PARTNERS

## Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ partners across 41 countries.



~200 professionals  
8 offices

Boston · Chicago · Dallas ·  
Denver · Detroit · Irvine ·  
New York · Tampa

450+ partners  
60+ offices in 41 countries

Asia: China · India · Japan · Thailand  
Africa: Congo · Egypt · Ghana · Ivory Coast · Mauritius · Morocco · Nigeria · Senegal · South Africa  
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Panama & Central America · Peru  
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany · Hungary · Ireland  
Italy · Netherlands · Poland · Portugal · Russia · Serbia · Slovakia · Slovenia · Spain · Sweden · United Kingdom