

BUILDING PRODUCTS MARKET NAVIGATES TARIFF PRESSURES, M&A VALUATIONS EXPAND

BUILDING PRODUCTS SECTOR UPDATE | JUNE 2026



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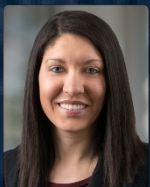
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Building Products

Building Products Market Navigates Tariff Headwinds, M&A Valuations Expand

KEY SECTOR TAKEAWAYS

Capstone Partners' Building Products & Construction Services Team is pleased to share its Building Products report. Disciplined financial and operational strategies have helped sector participants maintain margins and offset trade pressures despite weakening construction activity, tariff-based supply chain disruptions, and elevated costs. Strong data center and power infrastructure construction activity has generated meaningful tailwinds, creating growth opportunities even as macroeconomic uncertainty continues to disrupt construction planning progress across other end markets. While market share competition among leading public companies continued to drive large-scale mergers and acquisitions (M&A) in 2025, overall deal flow is expected to reaccelerate throughout 2026 as headwinds ease and private companies revamp inorganic growth efforts. Several key report takeaways are outlined below.

1. Building products M&A activity contracted 10.9% year-over-year (YOY) in 2025 as tariff-fueled macroeconomic uncertainty subdued acquisition interest sector-wide.
2. Sector M&A volume has rebounded in year-to-date (YTD) 2026, rising 28.2% YOY to 182 transactions, supported by positive M&A pipeline expectations and an eagerness to resume inorganic growth.
3. Disciplined cost management, sourcing strategies, and pricing adjustments have helped building products companies offset rising costs and supply chain disruptions caused by tariff policies in 2025.
4. Transformative, large-scale transactions from public buyers have continued to uplift sector valuations, which have averaged 10.6x EV/EBITDA from 2025 to YTD 2026, more than a full turn higher than in 2024.

Capstone Partners has developed a full suite of corporate finance solutions to help privately-owned businesses and private equity firms navigate through each stage of a company's lifecycle. These solutions include financial advisory services, merger and acquisition advisory, debt advisory, equity capital financing, and employee stock ownership plan (ESOP) advisory.

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

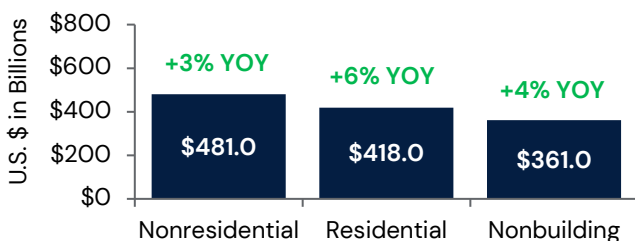
COST CONTROLS AND SUPPLIER SHIFTS HELP EASE TARIFF PRESSURES

Muted residential and nonresidential construction spending has increasingly weighed on end market demand for building products. Total construction spending declined 1.4% YOY in 2025, according to the U.S. Census Bureau.¹ While the slow deployment of Infrastructure Investment & Jobs Act (IIJA) funds will likely continue supporting infrastructure development, Manufacturing and other Nonresidential categories are expected to remain muted as Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act-related funding has waned and broad macroeconomic uncertainty has stunted construction planning to date. Easing interest rates, legislative tailwinds, and the chronic undersupply of housing may uplift residential development in 2026 despite muted homebuying activity driven by a widening gap between home prices and income levels. A more clear-cut bright spot has been artificial intelligence (AI)-fueled data center development, which saw a 31.6% YOY increase in construction spending in 2025. This momentum is expected to persist and extend to power infrastructure construction as increased AI usage continues to strain U.S. energy capacity. These pockets of construction strength—combined with improving macroeconomic conditions—are expected to encourage new development activity, with forecasts projecting total construction starts to grow 4% YOY in 2026, according to the Dodge Construction Network.²

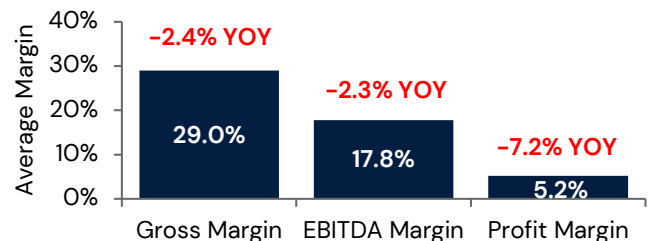
For Building Products sector participants, trade-based market uncertainty has created significant financial and operational headwinds in the form of supply chain disruptions and ballooning duty payments for raw materials and parts. Efforts to pass tariff costs onto developers have further compounded demand pressures as construction input costs have surged. This escalating cost environment, coupled with weak construction planning activity, has strained balance sheets across the sector. As a result, the average last 12-month (LTM) profit margin across Capstone’s public Building Products Index has fallen to 5.2% in YTD 2026 from 12.4% in the prior year period. Tariff-based financial headwinds have been most acute for producers sourcing from regions or materials with high duty rates. However, many building products companies have defended profitability through a mix of cost cutting initiatives, alternative sourcing strategies, reduced manufacturing output, and disciplined pricing management. Masco (NYSE:MAS), for example, faced weaker sales volume, declining revenue, and a \$200 million annualized tariff cost impact—from a mixture of Chinese, aluminum, copper, and other reciprocal duties—yet still expanded its operating profit margin by 70 basis points YOY in 2025 to 16.8%, according to its Q4 earnings call.³ Supplier adjustments, including reducing its Chinese-supplied exposure by more than 60% since 2018, along with cost cutting initiatives and disciplined pricing management helped Masco maintain its margin performance. Residual financial headwinds from tariffs will likely persist in the near term as many of the Q4 2025 duties begin to impact balance sheets in 2026, emphasizing the importance for sector participants to monitor operational and financial performance as well as maintain flexible supply chains.

The confluence of demand and tariff headwinds has further underscored the necessity of disciplined financial and operational strategies among sector participants. Building products players that maintain and effectively deliver on highly-focused organic and inorganic market share, product portfolio, and capital deployment initiatives will likely continue to outperform competitors even as headwinds converge. Moreover, additional rate cuts, easing macroeconomic conditions, and AI-driven construction should help uplift sector growth.

Forecasts Suggest Total Construction Starts to Rise in 2026



Last 12-Month Margins Shrink Across Capstone’s Public Building Products Index

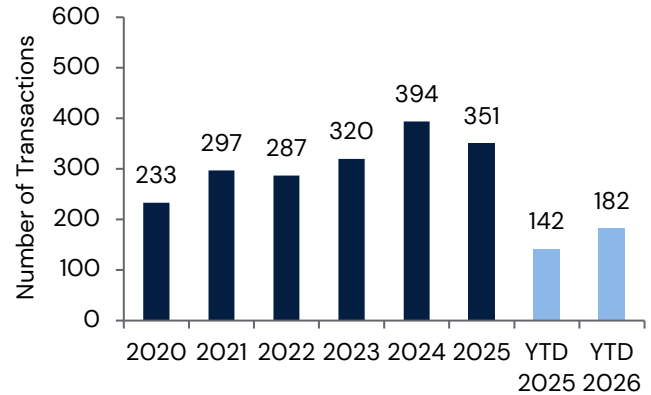


Capstone’s Building Product Index includes: AAON, AOS, APOG, AWI, BCC, BLDR, EXP, FAST, JELD, JHX, LII, LPX, MAS, NX, OC, QXO, TREX, UFPI, WSO
 Source: Dodge Construction Network, Capital IQ and Capstone Partners as of June 11, 2026

BUILDING PRODUCTS SECTOR M&A SHOWCASES VALUATION STRENGTH

After two strong years, building products M&A contracted 10.9% YOY to a total of 351 transactions announced or closed in 2025. The pullback was largely attributable to macroeconomic uncertainty as well as tariff-based operational and financial headwinds that caused buyers and sellers to delay deals. However, sector players with resilient supply chains and strong financials have continued to transact, prioritizing acquisitions of synergistic companies that enhance operations in key regions and end markets. Efforts to mitigate exposure to headwinds, such as securing alternative supply from regions with fewer duties, have uplifted the dealmaking outlook. M&A volume YTD has rebounded 28.2% YOY to 182 transactions, momentum that may continue as participants have outlined strong M&A pipelines for 2026.

2025 M&A Contracts but 2026 Deal Flow Improves YOY

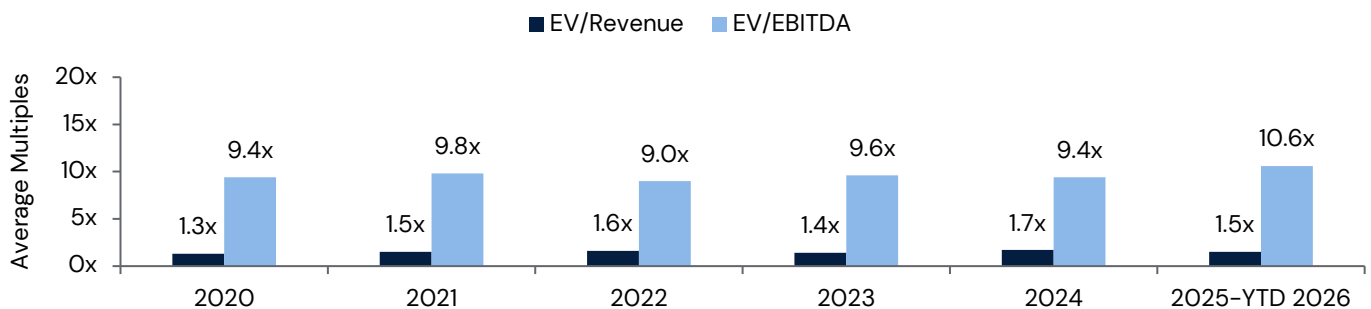


Year to date (YTD) ended June 11
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Strategic M&A activity across the Building Products sector was bifurcated in 2025. Public buyers (+11.2% YOY) remained aggressive consolidators as market share competition accelerated while private strategics (-10.3% YOY) shied away from dealmaking amid the challenging operating environment. This trend has inverted YTD; private strategic volume has risen by 23 deals as public M&A has lost two transactions YOY. Strategic deal flow will likely pick up as market volatility eases and buyers look to drive incremental growth via bolt-on M&A.

Private equity (PE) M&A was similarly split in 2025. Recent interest rate cuts, strong data center construction, and long-term residential construction tailwinds encouraged new platform formations (+17.9% YOY) while sponsor-backed activity moderated (-37.2% YOY) amid the volatile market landscape. To date, pressure to deploy dry powder and greater comfortability with market volatility will likely help uplift PE dealmaking interest, with M&A already up for add-ons (+14 deals YOY) and platforms (+five deals YOY) in YTD 2026.

Large-Scale Public Strategic Transactions Uplift Sector Valuations



Year to date (YTD) ended June 11
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Valuation Insight

Building products M&A multiples have averaged a robust 10.6x EV/EBITDA from 2025 to YTD 2026, more than a turn higher than 2024's 9.4x EV/EBITDA average. Valuation growth has been buoyed by large transactions led by public buyers paying premium prices for prime targets as market share competition within the cohort has continued to intensify. The median deal size across the Building Products sector jumped from \$185 million in 2024 to \$411.6 million in 2025. Easing market conditions in 2026 could encourage PE and private buyers to revamp M&A strategies, ultimately acting as a boon to middle market (less than \$500 million) deal flow.

CAPSTONE ADVISES LAKESIDE CONSTRUCTION FASTENERS

Capstone Partners advised Lakeside Construction Fasteners, Inc. (LCF)—a U.S.-based value-added distribution company—on its acquisition by Direct Metals Inc. (DMI), a portfolio company of Trivest Partners. The transaction closed in January 2026; deal terms are confidential.

LCF is a family owned and operated full service, international fastener supplier and distribution company, offering a vast array of construction fasteners, pipe flashings, sealants, snow retention, and vented/non-vented foam alternative solutions. The company also provides total supply chain management and project management, with U.S.-based warehousing and Pacific Rim and European product sourcing capabilities.

DMI has become a preeminent fastener and accessory manufacturer and master distributor in the U.S. since its founding in 1972. The acquisition of LCF marks a pivotal step in Trivest’s and DMI’s strategy to build a leading national fastener distribution platform. The combination of LCF and DMI, characterized by highly complementary product offerings, limited customer overlap, and distinct geographic coverage, offers meaningful synergistic opportunities to accelerate growth.

The investment banking professionals on Capstone Partners’ dedicated Building Products & Construction Services Team provide strategic decision making and advisory services to leading middle market companies operating in the Building Products market in order to maximize financial outcomes at every stage of the business lifecycle. To learn more about this transaction, or about the benefits of starting a relationship with our Building Products & Construction Services Banking Team, please [contact us](#).



“ The entire team was hardworking, professional, and responsive and I do not believe we would have been successful in closing the transaction without Capstone’s support and guidance. I highly recommend this team to other business owners considering strategic options including a sale. ”

Kyle Lane
Former Owner and CEO, Lakeside Construction Fasteners



Brian Krehbiel
Director

“It was truly a pleasure to advise the Lane Family and Lakeside Construction Fasteners on this milestone transaction. Over the past decade, we have watched the company evolve into a leading player in the Fastener Distribution industry, and we look forward to seeing its continued growth under Trivest and DMI.”

PUBLIC BUYERS UPHOLD LARGE-SCALE TRANSFORMATIVE M&A ACTIVITY



QXO (NYSE:QXO) announced its acquisition of Kodiak Building Partners from Court Square Capital for an enterprise value of \$2.3 billion (February 2026, 1.0x EV/Revenue). Kodiak’s market-leading building products distribution services have been highly concentrated in the Sun Belt and Mountain states, with 40% of its 2025 revenue stemming from the Texas and Florida markets where construction activity has outpaced the national average over the last decade, according to a press release.⁴ In line with its growth strategy, the deal bolsters QXO’s wallet and market share with large homebuilder clients.



Darin Good
Managing Director

“Blockbuster acquisition activity by publicly traded buyers dominated headlines in 2025. However, private equity interest will likely continue accelerating in 2026 and drive increased M&A competition across the Building Products sector.”



In January 2026, White Cap Supply—a portfolio company of Clayton, Dubilier & Rice—acquired Colony Hardware from PE firm Audax Capital Management (undisclosed). Regional distributor, Colony Hardware, offers construction tools, supplies, and safety products to Residential, Commercial, and Industrial sector contractors via its 60-store network spanning 20 states across the Eastern and Central U.S., according to a press release.⁵ The deal trails White Cap’s purchase of VoidForm Products (January 2026, undisclosed), and nine additional add-on transactions in 2025.



Middle market PE firm Truelink Capital acquired Kyocera’s (TSE:6971) U.S. subsidiary Kyocera Industrial Tools (KITI) for an enterprise value of \$480.8 million (November 2025, 0.5x EV/Revenue). The deal also included KITI’s subsidiary, Omaha-based SouthernCarlson, which Truelink established as the face and branding of the new platform. KITI and SouthernCarlson distribute fasteners and other construction tools, supplies, and critical components via its national network of eight distribution centers and 115 storefront locations, according to a press release.⁶



Netherlands-based Akzo Nobel (ENXTAM:AKZA) announced a merger of equals with fellow coatings producer Axalta Coatings Systems (NYSE:AKZA) for an enterprise value of \$12.1 billion (November 2025, 2.3x EV/Revenue, 11.4x EV/EBITDA). Both companies cited expanded geographic coverage, complementary products, and enhanced research and development (R&D) capabilities as key deal rationale. The combined company will adopt a new name after closing and tout \$600 million in post-transaction cost synergies with a \$25 billion enterprise valuation, according to a press release.⁷



In October 2025, Rayonier (NYSE:RYN) merged with PotlatchDeltic (Nasdaq:PCH) for an enterprise value of \$4.5 billion, equivalent to 4.0x EV/Revenue and 22.7x EV/EBITDA. Upon closing, the merged entity became the second-largest publicly traded timber and wood products company in North America with a combined capacity of 1.2 billion board feet of lumber and 150 million square feet of plywood manufacturing, according to a press release.⁸ The deal positions the merged business for improved housing demand and future growth within land-based and natural climate solutions.

SELECT BUILDING PRODUCTS TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise	EV / LTM	
				Value (mm)	Revenue	EBITDA
06/09/26	Pinkwood	Canfor Corporation (TSX:CFP)	Manufactures wood I-joists for Residential and Commercial Construction sectors.	\$48.7	-	5.0x
05/04/26	NSI Industries	Hubbell (NYSE:HUBB)	Produces heating, ventilation, and air conditioning (HVAC) components.	\$3,000.0	-	15.5x
03/03/26	MW Industries	Rosebank Industries (AIM:ROSE)	Manufactures springs, fasteners, bellows, and related metal components.	\$950.0	1.9x	10.0x
02/11/26	Kodiak Building Partners	QXO (NYSE:QXO)	Distributes building products to residential builders, commercial builders, and remodelers.	\$2,305.4	1.0x	-
02/06/26	Sabre Industries	TPG Capital	Manufactures infrastructure solutions for Utilities, and Telecommunications industries.	\$3,500.0	-	-
01/30/26	Lakeside Construction Fasteners	Trivest Partners	Offers an array of construction screws, pipe flashings, and foam alternative solutions.	CF	CF	CF
01/30/26	PotlatchDeltic	Rayonier (NYSE:RYN)	Owns managed forestland and manufactures lumber, plywood, and other wood products.	\$4,500.1	4.0x	22.7x
01/29/26	Colony Hardware	White Cap Supply	Provides tools, equipment, fasteners, supplies, and safety products as well as repair services.	-	-	-
12/31/25	VoidForm Products	White Cap Supply	Produces corrugated paper construction products for concrete construction use cases.	-	-	-
12/16/25	LSI Group	Worthington (NYSE:WOR)	Manufactures standing-seam metal roof clips and retrofit components for metal roofs.	\$205.0	-	9.1x
11/21/25	Kyocera Industrial Tools	Truelink Capital Management	Distributes fasteners and other construction materials, components, tools, and supplies.	\$480.8	0.5x	-
11/18/25	Axalta Coating Systems (NYSE:AXTA)	Akzo Nobel (ENXTAM:AKZA)	Engages in the manufacturing, marketing, and distribution of coatings systems.	\$12,076.4	2.3x	11.4x
11/17/25	OmniMax	Gibraltar Industries (Nasdaq:ROCK)	Manufactures and distributes roofing accessories and rainware.	\$1,335.0	2.4x	8.4x
11/12/25	Leonard Valve	A. O. Smith (NYSE:AOS)	Produces and designs water temperature control valves and monitoring devices.	\$470.0	-	12.0x
10/28/25	Basler Electric	Littelfuse (Nasdaq:LFUS)	Designs and manufactures electrical products for Industrial, Power, and Commercial markets.	\$353.2	2.8x	13.5x
10/16/25	Foley Products	Commercial Metals (NYSE:CMC)	Manufactures precast concrete and metal pipe products.	\$1,840.0	-	10.3x
10/08/25	Specialty Products and Insulation	TopBuild (NYSE:BLD)	Distributes and fabricates mechanical insulation and complementary products.	\$1,000.0	1.4x	13.3x
09/18/25	Concrete Pipe & Precast	Commercial Metals (NYSE:CMC)	Manufactures concrete pipe and other precast concrete products.	\$675.0	-	~9.0x
09/02/25	Century Metals & Supplies	Friedman Industries (Nasdaq:FRD)	Distributes metal products for Industrial, Construction, and Electronics sectors.	\$59.1	0.5x	-
08/20/25	Foundation Building Materials	Lowe's Companies (NYSE:LOW)	Offers and distributes building materials and construction products in the U.S. and Canada.	\$8,800.0	1.4x	13.3x
08/18/25	Carolina Stone Distributors	Capstone Holding (Nasdaq:CAPS)	Distributes and installs stone veneer and masonry products.	\$3.9	-	5.2x

Mean	\$2,190.6	1.7x	11.0x
Median	\$950.0	1.4x	10.3x

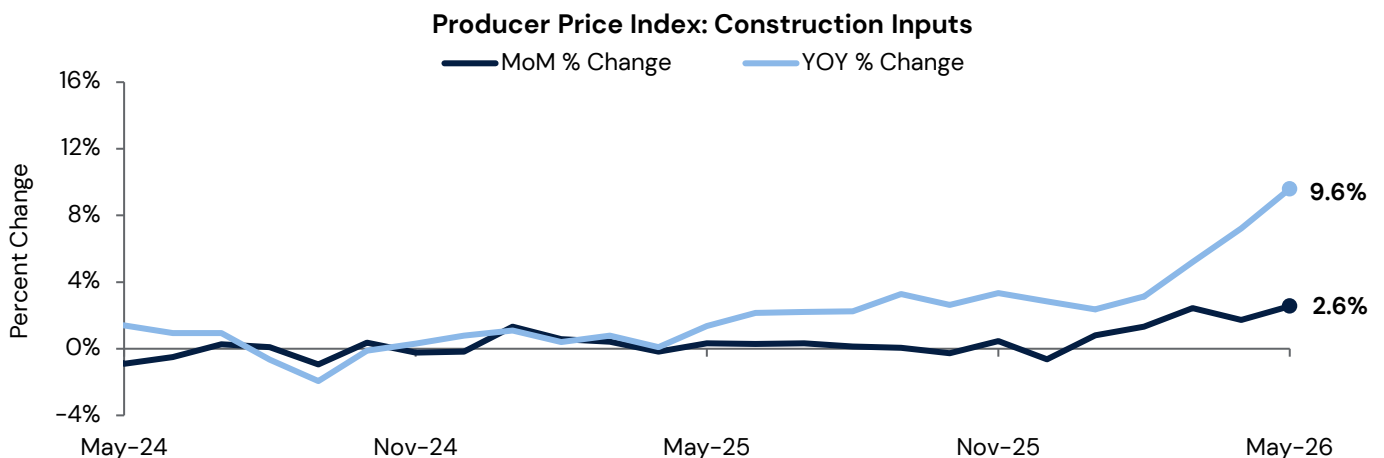
Blue shade indicates Capstone advised transaction; CF = confidential
 Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

CONSTRUCTION INPUT PRICING: UPSTREAM SUPPLY

The introduction of tariff policies saw construction input prices accelerate throughout 2025, with the average growth rate (+2.8% YOY) in H2 2025 significantly outpacing the more moderate 1% YOY average increase seen in H1 2025, according to the Bureau of Labor Statistics.⁹ Headwinds to energy prices following the start of the Iran conflict have pushed prices even higher, rising 2.6% month-over-month (MoM) and 9.6% YOY in May 2026. In addition to growth in energy-related prices, materials that are subject to 25–50% Section 232 duties—like copper and steel—have seen the largest price increases to date, evidenced by copper wire and cable prices rising 24.2% YOY. Despite near-term inflation to energy prices amid the Iran conflict, proposed legislation aiming to exclude housing construction materials from tariff policies could help mitigate input price escalation and uphold demand for sector participants serving Residential end markets.

Producer Price Index Percent Change
(Inputs to Construction, May 2026)

Input	% Change	YOY % Change
Concrete Products	0.3%	3.0%
Copper Wire and Cable	7.3%	24.2%
Crude Petroleum	11.8%	78.2%
Fabricated Structural Metal Products	1.0%	8.1%
Iron and Steel Scrap	-0.4%	10.9%
Natural Gas	-18.2%	-27.1%
Nonferrous Wire and Cable	5.6%	17.3%
Plumbing Fixtures and Fittings	-0.2%	6.6%
Prepared Asphalt, Tar Roofing & Siding Products	1.8%	-1.2%
Softwood Lumber	0.5%	4.8%
Steel Mill Products	2.1%	6.7%
Unprocessed Energy Materials	6.9%	47.3%



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

DATA CENTER BUILDOUT UNDERPINS IMPROVING BACKLOG MOMENTUM

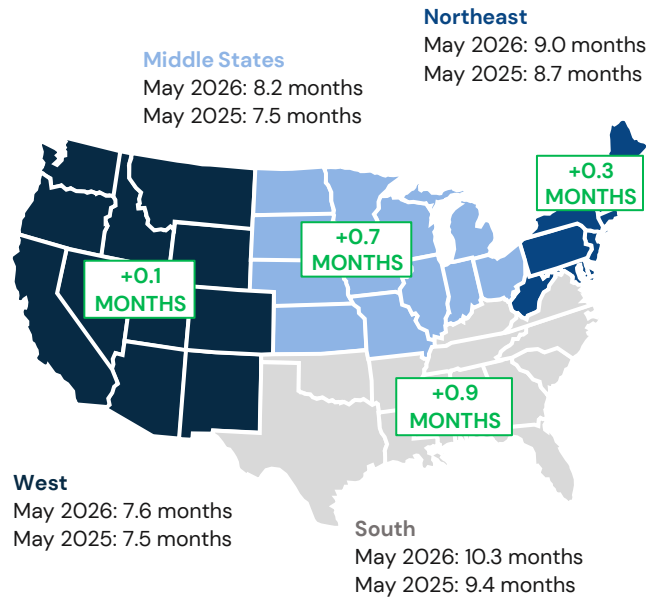
Construction Backlog

Associated Builders and Contractors' (ABC) Construction Backlog Indicator (CBI) is a forward-looking national economic indicator that reflects the level of work planned for commercial and industrial contractors in upcoming months. As of May 2026, backlogs have reached 9.1 months, climbing a notable 0.7-months YOY with a more modest 0.3-month increase from April 2026 backlogs, according to ABC's January CBI release.¹⁰

The rollout of IIJA funds has seen infrastructure backlogs lead the Nonresidential Construction market at 10.1 months in May 2026, improving by 0.2 months of backlog activity compared to April 2026. An uptick in manufacturing activity saw heavy industrial backlogs reach 10 months in May 2026 following a 0.9-month gain. Commercial & Institutional segment backlogs have remained flat YOY at 8.8 months, the stabilization was underpinned by a marginal 0.1-month decline.

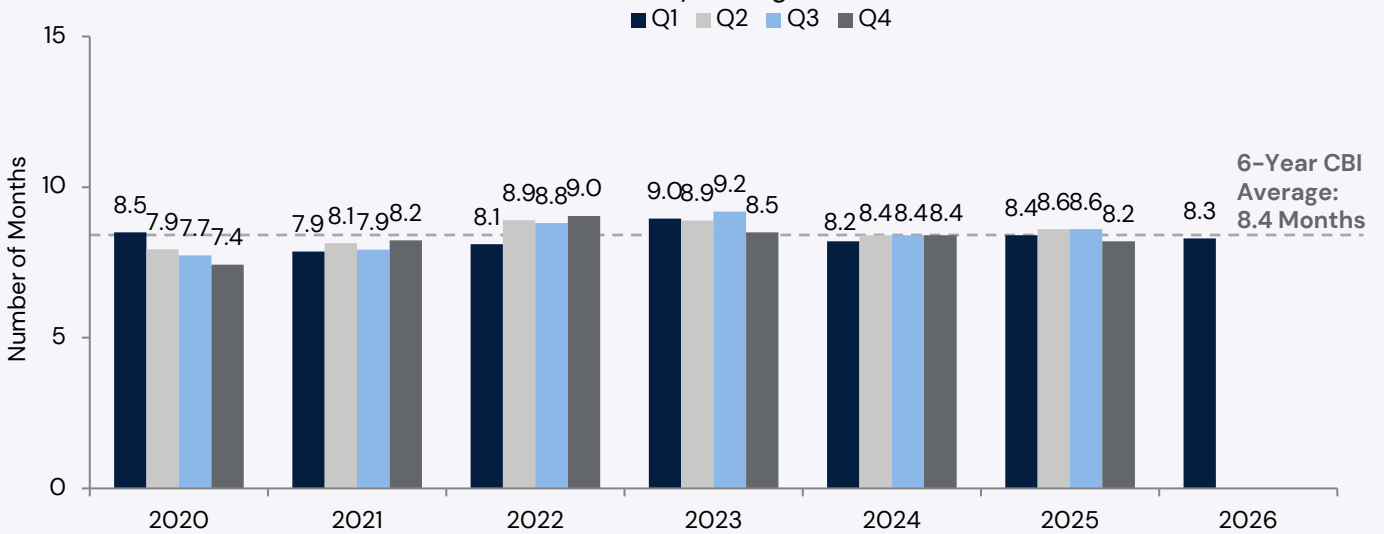
The chart below displays the national annual average, broken down by quarter. Average backlogs in 2025 were relatively stable through Q3 but began softening through year-end. Backlogs have shown signs of improvement in 2026, up by 0.1-month quarter-over-quarter (QoQ) in Q1 2026.

CBI Map of Regions and Backlog Month



Source: Associated Builders & Contractors and Capstone Partners

Construction Backlog Indicator Falls Below 6-Year Quarterly Average in Q4 2025 (National Quarterly Average in Months)



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 62 in Q1 2026, a QoQ fall from 64 in Q4 2025 that also remained below the Q1 2025 reading of 63, according to NAHB.¹¹ Current market condition sentiment 1 basis point 70 in Q1 2026. The Future Market Indicator index reached its lowest level (51) in Q2 2025 since the Q1 2020 reading of 39. This level rose to 54 in Q1 2026 but remains below Q4 2025's 56 reading.

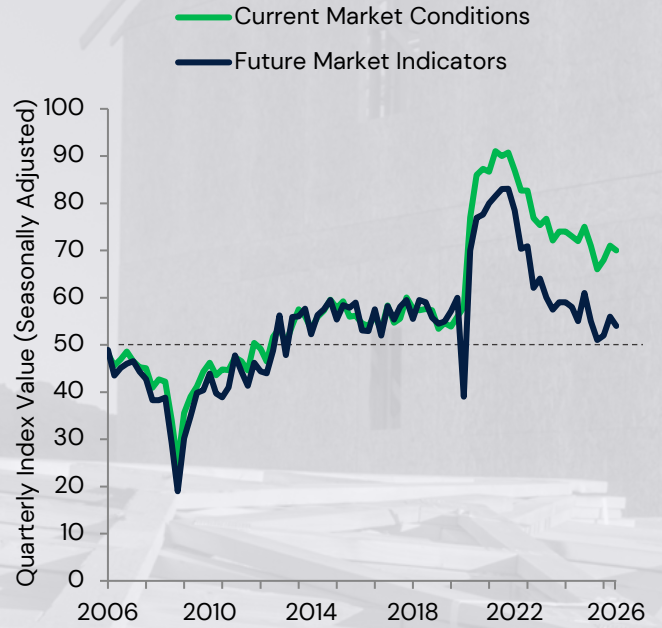
Architecture Billings Index

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 nine–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. After falling each month in 2025 as well as in January 2026, firm billings improved marginally in February but have since contracted again as of April, all while remaining below the 50-point benchmark for expansion, according to AIA.¹²

Billings by Sector



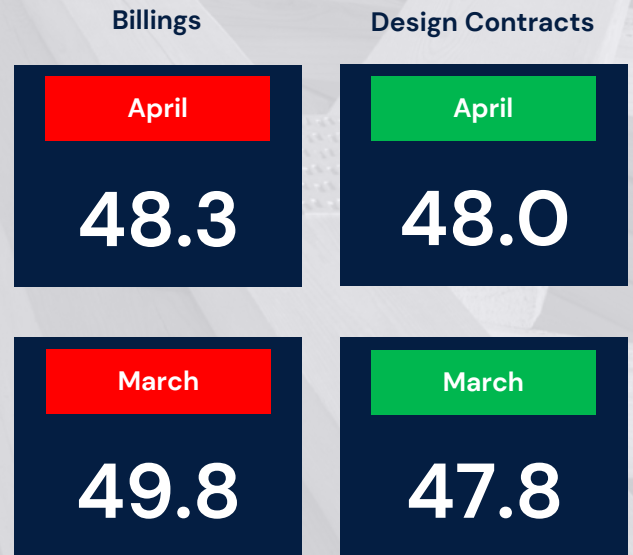
Remodeling Market Index (RMI)



Source: NAHB Remodeling Market Index and Capstone Partners

Architecture Billings Index

An index score of above 50 indicates an increase in firm billings or design contracts from the previous month, while below 50 indicates a decrease.



Source: The American Institute of Architects and Capstone Partners

HEADWINDS HINDER PUBLIC BUILDING PRODUCTS INDEX PERFORMANCES

Company	Price 06/11/26	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV/LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Plumbing & HVAC									
AAON, Inc.	\$128.64	85.5%	\$10,537.1	\$10,980.4	\$1,617.0	\$251.1	15.5%	6.8x	NM
A. O. Smith Corporation	\$58.66	71.7%	\$8,085.0	\$8,538.0	\$3,811.9	\$818.6	21.5%	2.2x	10.4x
Lennox International Inc.	\$517.03	75.0%	\$17,992.6	\$19,897.3	\$5,257.8	\$1,296.1	24.7%	3.8x	15.4x
Masco Corporation	\$73.75	93.1%	\$14,634.5	\$17,817.5	\$7,679.0	\$1,524.8	19.9%	2.3x	11.7x
Average:		81.3%	\$12,812.3	\$14,308.3	\$4,591.4	\$972.6	20.4%	3.8x	12.5x
Decking, Siding & Drywall									
Eagle Materials Inc.	\$217.06	89.1%	\$6,717.6	\$8,216.5	\$2,308.7	\$759.1	32.9%	3.6x	10.8x
James Hardie Industries plc	\$22.14	68.8%	\$12,848.1	\$17,556.9	\$4,835.8	\$1,305.7	27.0%	3.6x	13.4x
Trex Company, Inc.	\$46.34	67.4%	\$4,814.7	\$5,245.4	\$1,177.7	\$338.3	28.7%	4.5x	15.5x
Average:		75.1%	\$8,126.8	\$10,339.6	\$2,774.0	\$801.0	29.5%	3.9x	13.3x
Building Systems									
Apogee Enterprises, Inc.	\$39.83	79.7%	\$850.4	\$1,082.4	\$1,404.7	\$188.6	13.4%	0.8x	5.7x
Armstrong World Industries, Inc.	\$155.09	75.3%	\$6,619.1	\$7,109.9	\$1,648.0	\$565.1	34.3%	4.9x	12.6x
Owens Corning	\$121.41	76.2%	\$9,776.9	\$15,566.9	\$9,838.0	\$2,189.3	22.3%	1.6x	7.1x
Average:		77.0%	\$5,748.8	\$7,919.7	\$4,296.9	\$981.0	23.3%	2.4x	8.5x
Window & Door									
JELD-WEN Holding, Inc.	\$1.79	25.7%	\$154.2	\$1,510.6	\$3,157.3	\$108.1	3.4%	0.5x	14.0x
Quanex Building Products	\$16.90	73.6%	\$768.7	\$1,594.4	\$1,856.6	\$233.9	12.6%	0.9x	6.8x
Average:		49.6%	\$461.5	\$1,552.5	\$2,506.9	\$171.0	8.0%	0.7x	10.4x
Lumber & Wood Products									
Boise Cascade Company	\$70.66	74.4%	\$2,486.5	\$2,699.8	\$6,366.7	\$340.3	5.3%	0.4x	7.9x
Louisiana-Pacific Corporation	\$74.76	72.7%	\$5,223.1	\$5,437.1	\$2,558.0	\$329.5	12.9%	2.1x	16.5x
UFP Industries, Inc.	\$84.44	71.6%	\$4,769.2	\$4,399.1	\$6,186.1	\$550.2	8.9%	0.7x	8.0x
Average		72.9%	\$4,159.6	\$4,178.7	\$5,036.9	\$406.7	9.0%	1.1x	10.8x
Building Product Distribution									
Builders FirstSource, Inc.	\$78.57	52.0%	\$8,451.0	\$13,644.6	\$14,820.2	\$1,403.4	9.5%	0.9x	9.7x
Fastenal Company	\$46.39	91.6%	\$53,257.3	\$53,394.2	\$8,442.8	\$2,077.5	24.6%	6.3x	25.7x
QXO, Inc.	\$16.58	60.1%	\$12,023.3	\$13,936.2	\$8,558.9	\$640.8	7.5%	1.6x	21.7x
Watsco, Inc.	\$384.33	77.7%	\$15,431.8	\$15,778.2	\$7,241.2	\$916.9	12.7%	2.2x	17.2x
Average		70.3%	\$22,290.9	\$24,188.3	\$9,765.8	\$1,259.7	13.6%	2.8x	18.6x

EV = enterprise value; LTM = last 12-months
 \$ in millions, except per share data
 NM = Not Meaningful

Source: Capital IQ and Capstone Partners as of June 11, 2026

Average Last 12-Month Total Returns

S&P 500	Dow Jones Industrial Average	Plumbing & HVAC	Decking, Siding & Drywall	Building Systems	Window & Door	Lumber & Wood Products	Building Product Distribution
+22.8%	+18.6%	+8.7%	-10.9%	-6.7%	-25.9%	-16.0%	-4.4%

Capstone's Plumbing & HVAC Index includes: AAON, AOS, LII, MAS
 Capstone's Decking, Siding, & Drywall Index includes: EXP, JHX, TREX
 Capstone's Building Systems Index includes: APOG, AWI, OC
 Capstone's Window & Door Index includes: JELD, NX
 Capstone's Lumber & Wood Products Index includes: BCC, LPX, UFP
 Capstone's Building Product Distribution Index includes: BLDR, FAST, QXO, WSO
 Source: Capital IQ and Capstone Partners as of June 11, 2026

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 28 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.



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Managing 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 P&L 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.



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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 is a CFA Charterholder.



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Izzy serves as a Market Intelligence Associate at Capstone Partners covering the Transportation & Logistics, Building Products & Construction Services, and Agriculture industries. Prior to joining Capstone, Izzy was a Research and Insights Associate for the PR Agency Racepoint Global, where she conducted secondary research to help guide brand communication strategies for clients in industries such as Consumer Technology. Izzy graduated with a Bachelor of Arts degree in Business from Southwestern University.

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.



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HAS BEEN RECAPITALIZED VIA AN ESOP BY




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AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)



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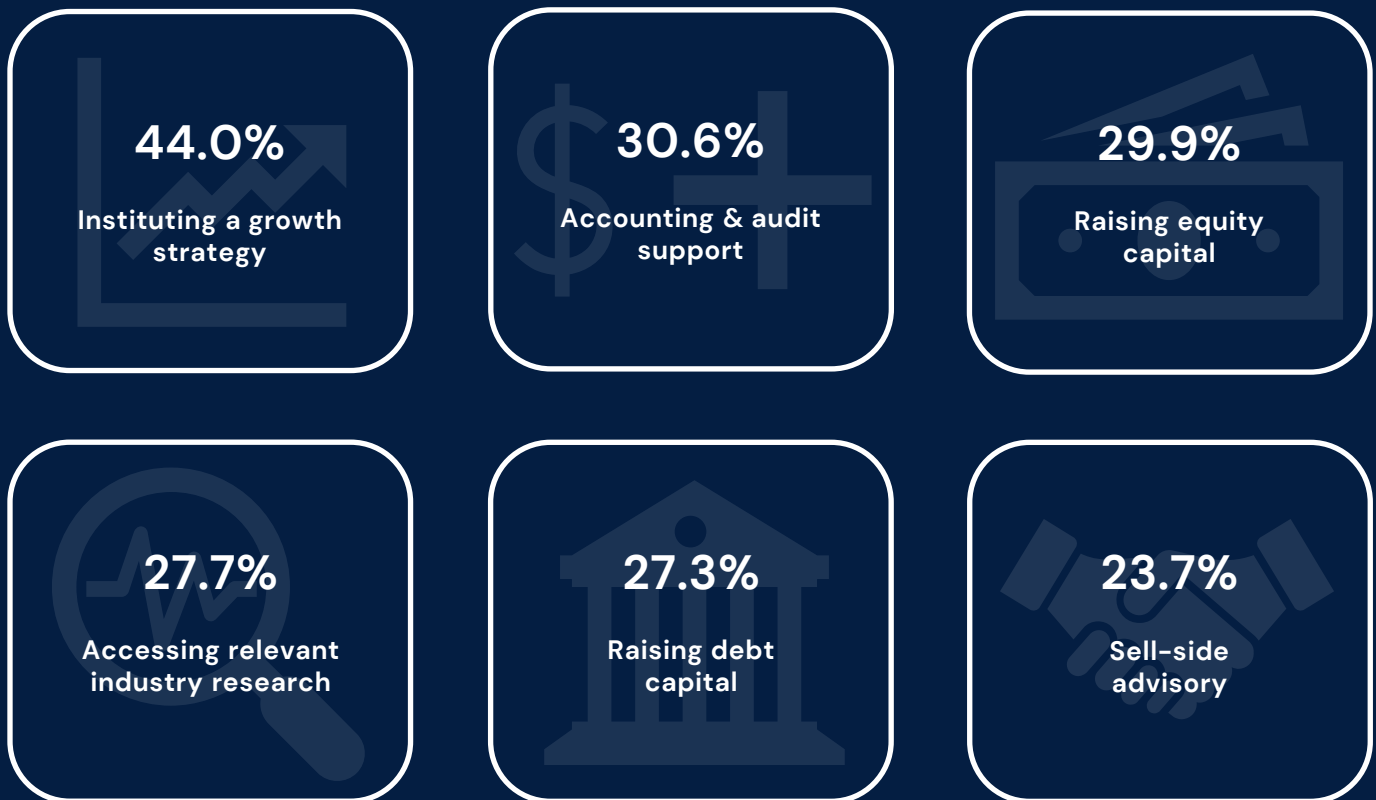
AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The stage and initiatives of a business often dictate which financial services are in demand. As the bulk of CEOs polled in Capstone’s 2025 Middle Market Business Owners Survey indicated growth strategies are a priority for 2026, the lion’s share (44.0%) of owners anticipate a need for growth strategy support services. Similarly, nearly one-third of CEOs require equity capital advisory services to support operational initiatives and business expansion. Notably, 27.7% 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. In addition, 23.7% of business owners have sought sell-side advisory support as they plan for retirement or position themselves for a liquidity event.

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 specialty advisory practices to provide financial performance, buy-side, employee stock ownership plan (ESOP), and equity and debt services. All of these capabilities are supported by 12 industry banking groups, an active sponsor coverage group, and a dedicated Market Intelligence Team.

Top Financial Services Required by Business Owners in 2026



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, Rebased Sample Size (N): 300

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Disclosure

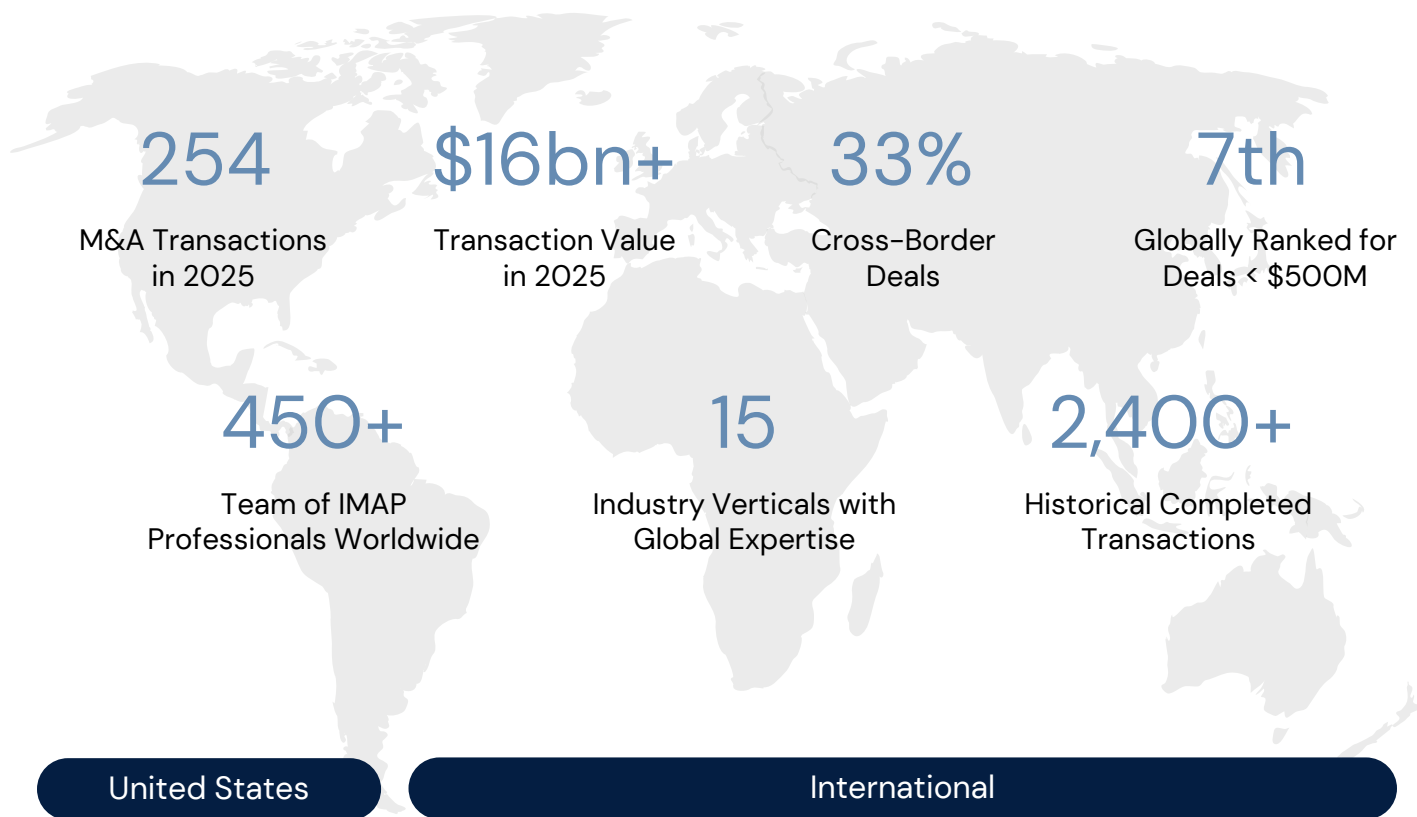
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With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~300+ professionals in the U.S. with 550+ professionals across 51 countries.



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

~550+ professionals
60+ offices in 51 countries

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Africa: Congo · Cameroon · Ghana · Mauritius · Morocco · Senegal · South Africa ·
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