

Q3
24

Industrial Sector

Mirus Building Products REPORT

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Building Products



Three Big Stories from the Construction Cost Insight Report: Q3 2024

Gordian [Full Article](#)

Gordian, a leader in construction data, software, and services, has published its quarterly Construction Cost Insight Report. At a high level, the report found three key takeaways. First, the construction materials market was largely stable with costs holding firm from Q2 2024 to Q3 2024. Volatility was seen in a few key markets including structural steel where prices declined sharply. Secondly, the construction industry, like almost all sectors, is currently undergoing a technological revolution as it grapples with fulfilling the potential of AI. Look to real-time supply chain and resource optimization efforts to make headlines in the near term. Finally, the construction materials market has been impacted by several geopolitical events. Drought conditions and lowered water levels at the Panama Canal led to shipping vessel bottlenecks in early 2024, while Houthi attacks in the Red Sea reduced the shipping volumes in the Suez Canal. Russian sanctions and the Ukraine war have led to supply chain constraints, while the anticipation of a Canadian rail worker strike means U.S. freight handlers on the West Coast are seeing greater than usual volume.

Simpson Strong-Tie Acquires QuickFrames USA, LLC

ACHR News [Full Article](#)

Simpson Strong-Tie Company Inc., a subsidiary of Simpson Manufacturing Co. (NYSE:SSD), has acquired QuickFrames USA, a Mesa, AZ manufacturer of pre-engineered, adjustable structural support systems used for roof reinforcement in commercial construction.

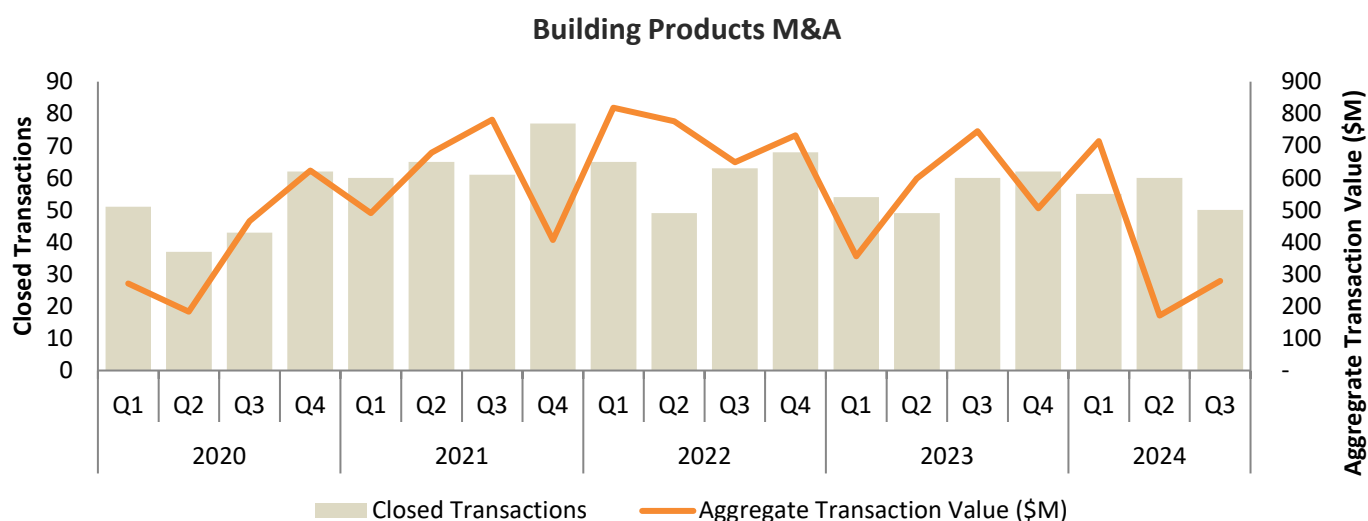
“We’re thrilled to acquire QuickFrames as it expands our product and service offerings, aligning perfectly with our goal of providing bolted solutions to the structural steel industry,” said Ryan Kaelin, Simpson Strong-Tie senior vice president market development – construction solutions. “QuickFrames, a remarkable business that has seen amazing growth since its inception, will help us deliver substantial labor and time savings to our customers.”

Quarterly Construction Insights

CoreLogic [Full Article](#)

Since January, the cost of lumber has decreased by 4% in the U.S. and by 2% in Canada. During the same period, costs for carpet and clay bricks have notably increased. Single-unit housing permits, particularly in the southern U.S., have been leading all building permit authorizations in 2024. Cost growth for residential reconstruction was highest in the Pacific Northwest, with growth of 3.73% in Washington and 3.64% in Oregon. Total construction employment numbered 8,260,000 jobs in July 2024, an increase of 60,000 jobs since April 2024. As of June 2024, there were 295,000 open positions in construction and a continued high demand for workers in the industry.

Building Products M&A Environment



Source: Capital IQ

Selected Q3 2024 Building Products Transactions

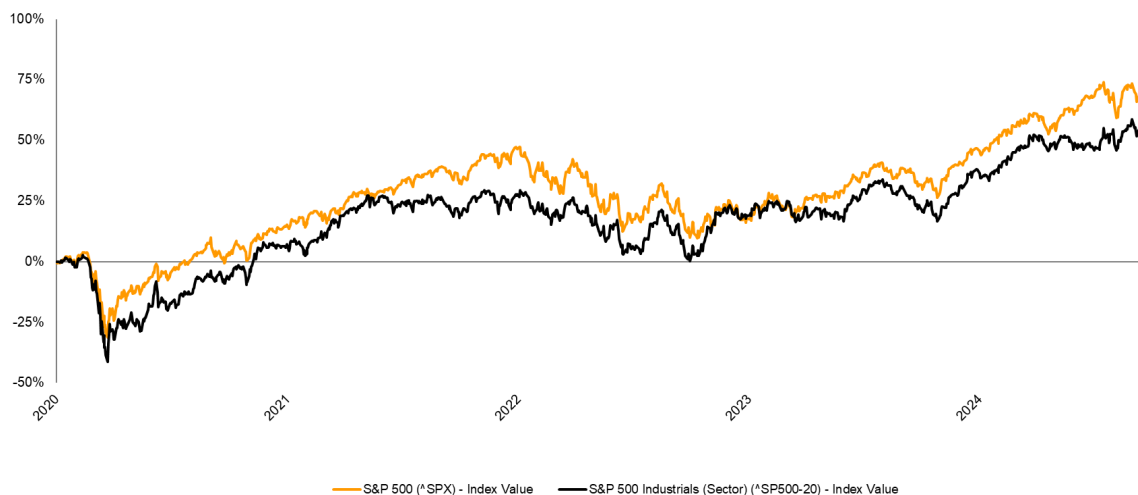
Closed Date	Target	Buyers/Investors	Value (\$M)
09/30/2024	Eco Window Systems LLC	Undisclosed buyer	-
09/24/2024	DISTRAL SAS	Groupe Janneau Industries	-
09/23/2024	Automatic Entrances of Wisconsin, Inc.	Cobalt Service Partners, LLC	-
09/16/2024	Champion Door Oy	BMP Europe s.r.l.	-
09/11/2024	Performance Glass Processing Ltd	UK Doors Online Limited	-
09/11/2024	Wecal Isolatie Techniek B.V.	Polyglass Netherlands B.V.	-
09/09/2024	Covan's Insulation Company Inc	Brandsafway	-
09/04/2024	Gregory Door & Window Company	US LBM Holdings, LLC	-
09/04/2024	QuickFrames USA, LLC	Simpson Strong-Tie Company Inc.	-
09/03/2024	Premier Double Glazed Units Limited	United Glass Group Ltd	-
09/02/2024	SELT Sp. z o.o.	Grupa Kety S.A. (WSE:KTY)	102.62
08/29/2024	Reed Minerals, LLC	Speyside Equity LLC	45.0
08/21/2024	Hytech Glass Liverpool Limited	Glasscraft Decorative Limited	-
08/12/2024	Excel Construction Group	Quick Roofing, LLC	-
08/06/2024	Timoleon Limited / Omnie Limited	Genuit Group plc (LSE:GEN)	3.44
08/05/2024	Wilsonart International Holdings, LLC	Clayton, Dubilier & Rice, LLC	398.0
08/02/2024	Elkhart Products Corporation	Mueller Industries, Inc. (NYSE:MLI)	38.1
08/02/2024	Passaic Metal & Building Supplies Co.	Beacon Roofing Supply, Inc. (NasdaqGS:BECN)	-
08/01/2024	Tyman plc	Quanex Building Products Corporation (NYSE:NX)	949.3
07/30/2024	Martin Door Manufacturing, Inc.	Midland Garage Door Manufacturing Company	-
07/23/2024	FloLogic, Inc.	Bradford White Corporation	-

Source: Capital IQ

Sector Update: Industrial

Total U.S. manufacturing sector productivity increased 0.6% in Q3 2024 from the same quarter a year ago, according to the [Bureau of Labor and Statistics](#). [Factset](#) data shows the Industrial sector SPDR— including building products, construction & engineering, electrical equipment, aerospace/defense, machinery and conglomerates—bounced back from a Q2 2024 dip to return 11.5% in Q3 2024.

Select Industrial Index v. S&P 500



¹Industrials Index comprises 50 select representative public companies from the sector

Select Building Products Public Companies

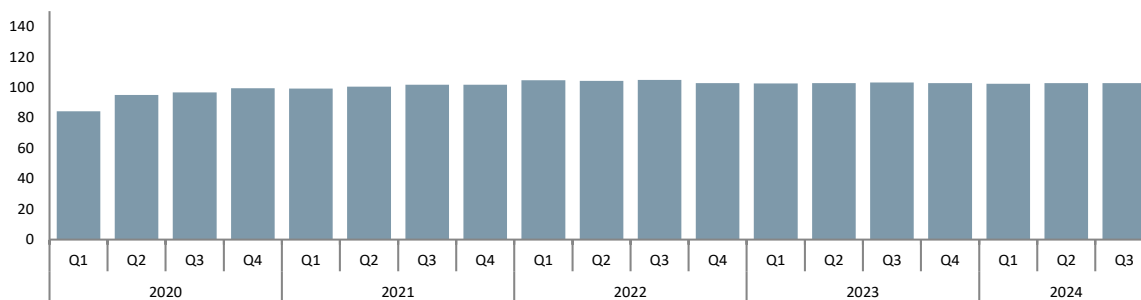
As of 9/30/2024

Company Name	Enterprise Value	LTM Financials			Valuation Metrics			LTM Margins	
		Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
Beacon Roofing Supply, Inc.	\$9,048	\$9,300	\$2,374	\$884	1.0x	3.8x	10.2x	25.5%	9.5%
Builders FirstSource, Inc.	\$29,078	\$17,105	\$5,941	\$2,645	1.7x	4.9x	11.0x	34.7%	15.5%
Carlisle Companies Incorporated	\$20,438	\$4,791	\$1,762	\$1,265	4.3x	11.6x	16.2x	36.8%	26.4%
Caterpillar Inc.	\$213,442	\$66,997	\$21,612	\$15,932	3.2x	9.9x	13.4x	32.3%	23.8%
Cavco Industries, Inc.	\$3,007	\$1,851	\$426	\$213	1.6x	7.1x	14.1x	23.0%	11.5%
Century Communities, Inc.	\$4,159	\$3,888	\$870	\$425	1.1x	4.8x	9.8x	22.4%	10.9%
CSW Industrials, Inc.	\$3,835	\$778	\$342	\$191	4.9x	11.2x	20.0x	44.0%	24.6%
D.R. Horton, Inc.	\$57,460	\$37,063	\$9,252	\$6,521	1.6x	6.2x	8.8x	25.0%	17.6%
Eagle Materials Inc.	\$10,374	\$2,253	\$701	\$789	4.6x	14.8x	13.1x	31.1%	35.0%
Ferguson plc	\$48,903	\$29,359	\$8,902	\$2,942	1.7x	5.5x	16.6x	30.3%	10.0%
Floor & Decor Holdings, Inc.	\$15,462	\$4,389	\$1,885	\$500	3.5x	8.2x	30.9x	42.9%	11.4%
Granite Construction Incorporated	\$2,672	\$3,621	\$418	\$158	0.7x	6.4x	16.9x	11.6%	4.4%
Installed Building Products, Inc.	\$7,865	\$2,812	\$955	\$479	2.8x	8.2x	16.4x	34.0%	17.0%
KB Home	\$6,386	\$6,494	\$1,423	\$809	1.0x	4.5x	7.9x	21.9%	12.5%
Lennar Corporation	\$42,878	\$35,056	\$8,409	\$5,733	1.2x	5.1x	7.5x	24.0%	16.4%
LGI Homes, Inc.	\$3,948	\$2,262	\$540	\$234	1.7x	7.3x	16.9x	23.9%	10.3%
Lowe's Companies, Inc.	\$185,052	\$86,377	\$28,844	\$13,480	2.1x	6.4x	13.7x	33.4%	15.6%
M/I Homes, Inc.	\$3,971	\$4,080	\$1,057	\$629	1.0x	3.8x	6.3x	25.9%	15.4%
Martin Marietta Materials, Inc.	\$41,611	\$6,674	\$1,992	\$2,034	6.2x	20.9x	20.5x	29.8%	30.5%
Masco Corporation	\$20,193	\$7,914	\$2,865	\$1,523	2.6x	7.0x	13.3x	36.2%	19.2%
Meritage Homes Corporation	\$6,487	\$6,328	\$1,609	\$997	1.0x	4.0x	6.5x	25.4%	15.8%
NVR, Inc.	\$23,710	\$9,847	\$2,590	\$2,009	2.4x	9.2x	11.8x	26.3%	20.4%
Owens Corning	\$16,212	\$9,646	\$2,875	\$2,222	1.7x	NM	7.3x	29.8%	23.0%
PulteGroup, Inc.	\$26,311	\$16,435	\$4,875	\$3,625	1.6x	5.4x	7.3x	29.7%	22.1%
Skyline Champion Corporation	\$4,517	\$1,980	\$529	\$268	2.3x	8.5x	16.9x	26.7%	13.5%
Summit Materials, Inc.	\$9,750	\$2,989	\$857	\$640	3.3x	11.4x	15.2x	28.7%	21.4%
Taylor Morrison Home Corporation	\$7,938	\$7,456	\$1,822	\$1,109	1.1x	4.4x	7.2x	24.4%	14.9%
The AZEK Company Inc.	\$7,730	\$1,395	\$482	\$303	5.5x	16.0x	25.5x	34.5%	21.7%
The Home Depot, Inc.	\$429,495	\$152,669	\$50,960	\$24,936	2.8x	8.4x	17.2x	33.4%	16.3%
Tile Shop Holdings, Inc.	\$444	\$367	\$238	\$34	1.2x	1.9x	13.1x	64.8%	9.2%
Toll Brothers, Inc.	\$15,585	\$10,163	\$2,778	\$1,927	1.5x	5.6x	8.1x	27.3%	19.0%
TopBuild Corp.	\$14,811	\$5,208	\$1,621	\$1,046	2.8x	9.1x	14.2x	31.1%	20.1%
Trane Technologies plc	\$72,396	\$18,227	\$6,174	\$3,325	4.0x	11.7x	21.8x	33.9%	18.2%
Vulcan Materials Company	\$39,647	\$7,679	\$1,951	\$1,988	5.2x	20.3x	19.9x	25.4%	25.9%
W.W. Grainger, Inc.	\$52,458	\$16,622	\$6,530	\$2,818	3.2x	8.0x	18.6x	39.3%	17.0%
Median					1.9x	7.1x	13.7x	29.8%	17.0%
Mean					2.5x	8.1x	14.1x	30.7%	17.6%

Sector Update: Industrial

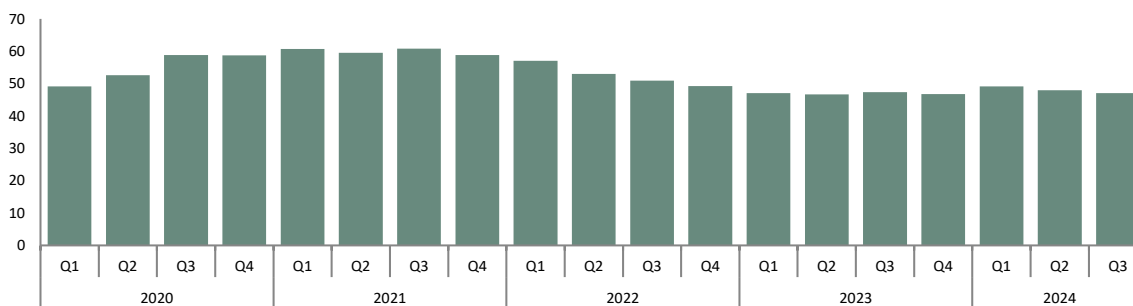
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



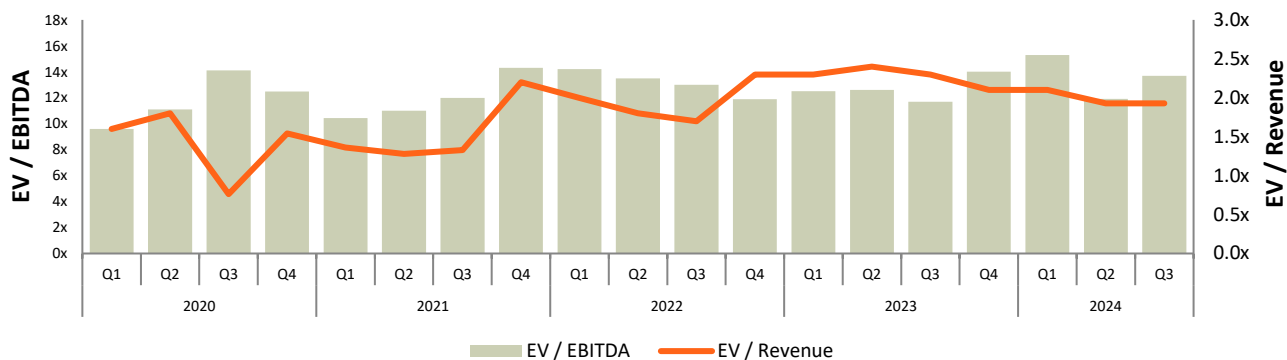
Source: Federal Reserve

Purchasing Managers Index



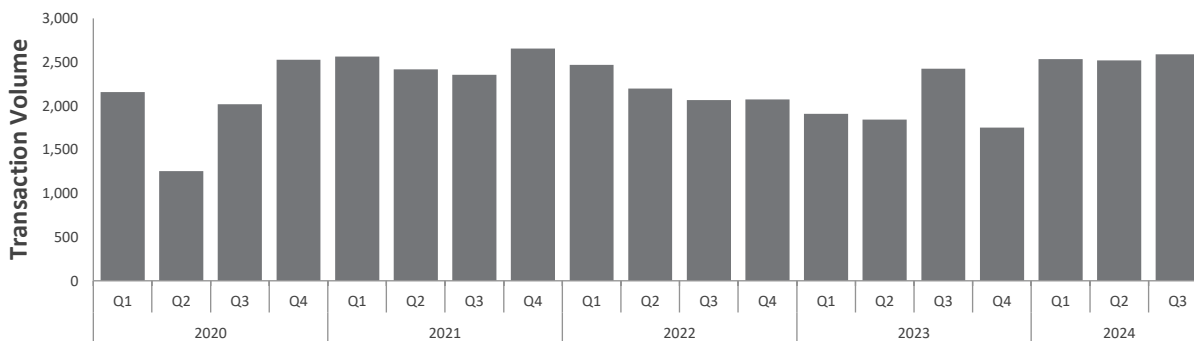
Source: Institution for Supply Management

Industry Valuations



Source: Capital IQ

Industrials Transaction Volume



Source: Capital IQ



35 Years. 350 Deals.

The Value of Accomplishment

About Mirus

Mirus' Industrial team has experience working with owners of growth industrial businesses and distressed industrials, executing corporate carve-outs, strategic sales and leveraged buy-outs. Much of our work is with closely-held companies – niche leaders who have the industry leading solution in a sub \$500 million market. The companies often have strategic value to large corporations serving the broader market - acquirers who can integrate a product line into their portfolio. For larger industrial companies, Mirus has advised buyers and sellers on M&A, including leveraged buy-outs, and has executed corporate divestitures and restructurings.

35 Years. 350 Deals.

The highest level of expertise and hard work is what accomplishment requires.

It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- Celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."

Then and only then, will we know that we've accomplished something meaningful, too.



Partner Spotlight



Alan Fullerton
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Alan has been a leading middle market deal maker for more than 25 years, representing publicly traded companies, professional investors and boards, and closely held businesses. An advocate for his clients, Alan has led business owners and boards of directors through over forty sell side transactions, as well as multiple buy-side, equity and debt transactions. He has been nationally recognized by the M&A Advisor and M&A Atlas for deals across multiple industries. Alan holds an MBA from Ecole des Ponts (France), an MS in Electrical Engineering from Brown University, and a BS in Mechanical Engineering from MIT.



Andrew Crain
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Andrew Crain brings to Mirus a diverse skillset of transactional, executive and legal acumen. Andy is an experienced dealmaker, and his prior experience as a food manufacturing business owner and CEO gives him a unique vantage point from which to successfully guide clients through the financial, operational and emotional aspects of the transaction process. An investment banker since 2005, Andy provides merger & acquisition and corporate finance advisory services to owners of industrial and business services, manufacturing and distribution, consumer products, and food & beverage companies throughout New England and nationwide.



Greg Fanikos
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Greg Fanikos joined Mirus as a Partner in 2023. He has 20+ years of experience as an investment banker serving domestic and international mid-market clients in a range of end markets, including industrial businesses, specialty materials, and food/nutritional ingredients companies. Greg has executed sell-side programs, capital raising efforts and acquisition searches for family-owned companies, public corporations and private equity backed clients. Over the course of his career, Greg has closed over 40 transactions for clients with an aggregate value in excess of \$2 billion.

Trusted advisors to businesses just like yours

Notable Mirus industrial transactions



has been acquired by



a portfolio company of



Founded over 40 years ago and based in Hazlet, NJ, LidoChem, Inc. markets chemical raw materials, and through its Performance Nutrition® division, develops and distributes specialty fertilizers. LidoChem has a national presence selling bio pesticides, patented chelated micronutrient solutions, specialty performance fertilizers, lawn fertilizers, turf fertilizers, soil amendments and surfactants that are not only unique and highly effective, but environmentally friendly. Valudor Products is a market leader in the sourcing and distribution of chemical raw materials in the Agricultural and Industrial space in Canada, the U.S. and Latin America.



has been acquired by



(NYSE: FERG)

Mirus served as exclusive financial advisor to S.G. Torrice Co., Inc., a leading wholesale distributor of heating, ventilation and air conditioning (HVAC) products throughout New England, in its sale to Ferguson plc (NYSE: FERG; LSE: FERG). Founded in 1958 and headquartered in Wilmington, MA, S.G. Torrice operates 15 locations in Maine, Massachusetts, New Hampshire, Rhode Island and Vermont from which it distributes residential and commercial HVAC equipment, parts, and accessories from Trane, American Standard, Mitsubishi and other OEMs to over 2,000 HVAC contractors.



has been acquired by



a portfolio company of



Mirus advised Bradford Machine, a fully automated, tight tolerance precision machining business, on its acquisition by Prince Industries, a leading precision machining and sheet metal fabrication company which is an HC Private Investments portfolio company. Bradford Machine, based in Brattleboro, VT, is a leading provider of precision machining services with sophisticated machining capabilities including 5-axis CNC milling, turning, EDM wire, and finishing. The company excels at producing complex parts with tight tolerances for a variety of large and growing end markets.



has been acquired by



a portfolio company of



Mirus served as exclusive financial advisor to Bergeron Machine in its sale to Compass Precision, a portfolio company of Main Street Capital Holdings. Located in Westford, MA, Bergeron Machine is the first Compass division to focus on high-precision Swiss-style machining. Compass purchased the company from Mark Kelly and Sidney Kuo, who bought the firm in 2008. Bergeron services customers in the semiconductor, aerospace, and defense end-markets. "This acquisition continues our strategy of building a decentralized group of high-quality precision machine shops that service high growth end markets across the United States."



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