

Q2
25

Industrial Sector

Mirus Building Products REPORT

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Building Products

Q2 2025 Market Report

Carroll Daniel Construction [Full Article](#)

In Q2 2025, construction material prices rose sharply due to new U.S. tariffs and domestic supply pressures. Steel saw steep increases, with Nucor raising prices across multiple product lines, while aluminum and lumber prices also surged. Concrete and asphalt prices remained high but stable, and fuel prices fluctuated slightly. These cost increases, combined with long lead times and tariff surcharges, created uncertainty across the construction supply chain.

Despite these challenges, the construction industry showed resilience. Contractor confidence remained high and backlogs grew, especially in the South, suggesting strong near-term demand. However, architectural billings declined throughout the quarter, signaling potential softness ahead. Labor costs rose modestly and inflation eased to its lowest level since 2021. The Federal Reserve held interest rates steady but hinted at cuts later in the year, reflecting cautious optimism amid a mixed economic outlook.

U.S. Homebuilders Maintain Strong Credit Despite Market Pressures

Fitch Ratings [Full Article](#)

Fitch Ratings reports that large U.S. homebuilders are maintaining strong credit profiles in 2025, even while facing affordability challenges and elevated mortgage rates. Although EBITDA margins are projected to decline by 250–300 basis points, public builders are gaining market share from smaller competitors thanks to better access to capital and strategic “land-light” development models.

Limited housing inventory continues to support demand for new builds, though speculative construction is slowing. The report also highlights risks from trade barriers and immigration policy which could raise material and labor costs. Overall, the sector remains resilient, with larger players leveraging scale and financial flexibility to weather ongoing macroeconomic headwinds.

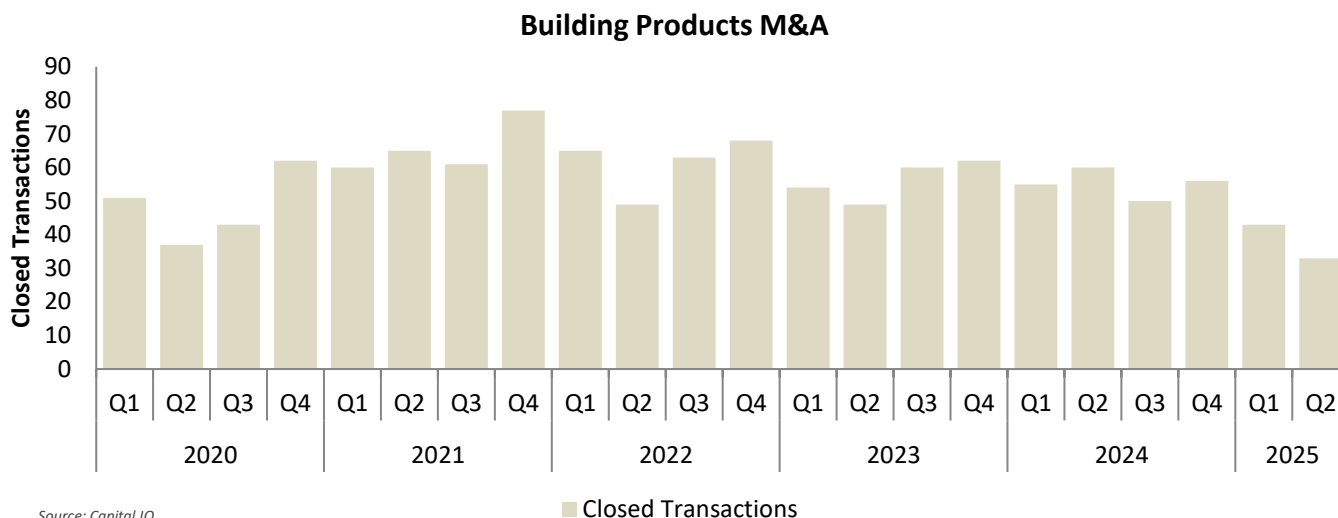
Labor and Supply Chain Trends: Q2 2025 Market Conditions Report

DPR Construction [Full Article](#)

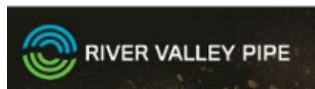
DPR Construction’s Q2 2025 report highlights a growing skilled labor shortage, particularly in large-scale commercial and data center projects. The issue is most acute in rural regions of Texas and the Southeast where mega-projects are accelerating. These labor gaps are contributing to rising project costs and extended timelines across the sector.

To mitigate delays, firms are increasingly adopting prefabrication strategies and engaging trade partners earlier in the project lifecycle. The report also notes that evolving tariff policies are adding complexity to procurement planning with uncertainty around trade rules impacting input prices and supply chain reliability. In response, workforce development efforts, like expanded trade school programs and apprenticeships, are gaining momentum as long-term solutions to the labor crunch.

Building Products M&A Environment



Selected Q2 2025 Building Products Transactions



Advanced Drainage Systems Acquires River Valley Pipe

Advanced Drainage Systems, Inc. (NYSE: WMS), a provider of stormwater and onsite septic wastewater solutions, has acquired River Valley Pipe, LLC, a Midwestern manufacturer of high-performance corrugated plastic pipe systems serving the agriculture market. Headquartered in Lacon, Illinois, River Valley Pipe operates manufacturing facilities in both Illinois and Iowa.

“This acquisition advances our strategic priority to grow our market-leading position in the stormwater and agriculture drainage markets in key states like Illinois and Iowa,” said Scott Barbour, CEO of ADS.



Abrisa Technologies Acquires Agama Glass Technologies

Abrisa Technologies, a HEF Photonics company and a provider of custom glass optics and thin film coatings, has acquired Agama Glass Technologies, a U.S.-based manufacturer specializing in etched anti-glare and technical glass processing. The acquisition enhances Abrisa’s domestic manufacturing footprint and adds vertically integrated capabilities for chemically etched display glass.



Allegion Acquires Triangle Brass Mfg. Co. Inc.

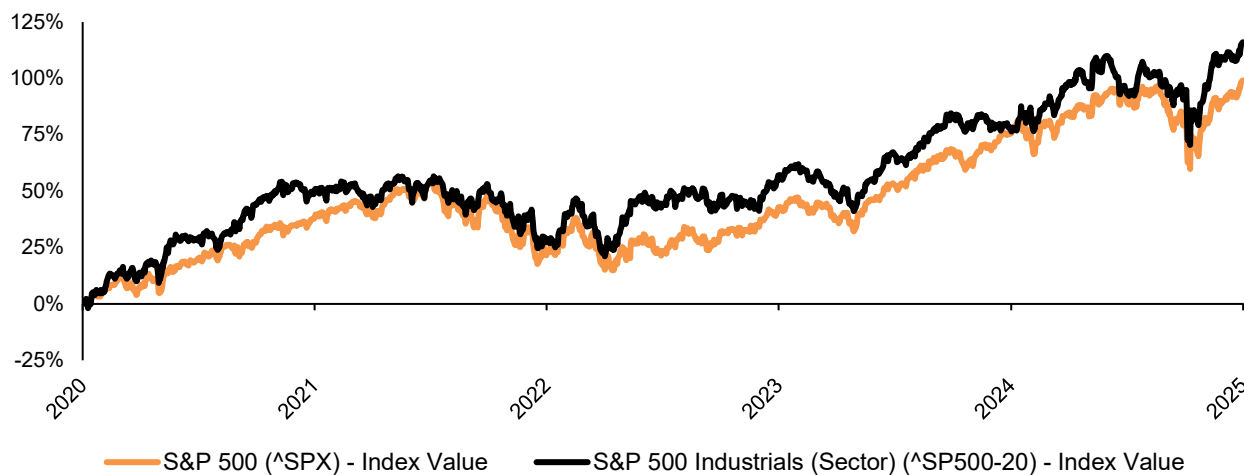
Allegion plc (NYSE: ALLE), a global provider of security products and solutions, has acquired Triangle Brass Mfg. Co. Inc. (Trimco), a U.S.-based manufacturer of high-performance and custom-designed door hardware for commercial and institutional markets. Trimco is known for its innovative product lines, including Healthy Hardware™ and Identity Hardware™, which serve healthcare, education, and branded environments.

Jason Bennett, owner of Trimco, will join Allegion as general manager of the business to support a smooth transition and drive future growth.

Sector Update: Industrial

U.S. manufacturing productivity rose 4.4% year-over-year in Q1 2025, the strongest quarterly gain since mid-2021 according to the [Bureau of Labor Statistics](#). In Q2, industrial sentiment softened due to rising input costs and global trade uncertainty. The S&P Industrials index posted modest gains, supported by continued investment in automation and supply chain resilience despite ongoing market volatility.

Select Industrial Index¹ v. S&P 500



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

Select Building Products Public Companies

As of 6/30/2025

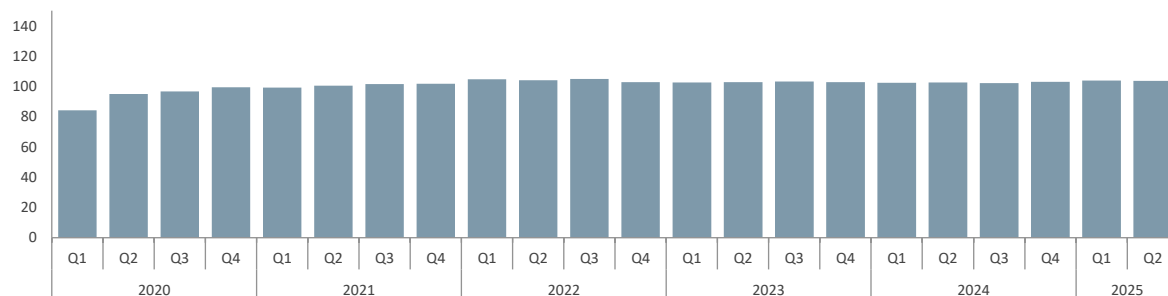
Company Name	Enterprise Value	LTM Financials			Valuation Metrics			LTM Margins	
		Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
Builders FirstSource, Inc.	\$17,890	\$16,167	\$5,198	\$1,973	1.1x	3.4x	9.1x	32.2%	12.2%
Carlisle Companies Incorporated	\$17,788	\$5,003	\$1,875	\$1,265	3.6x	9.5x	14.1x	37.5%	25.3%
Cavco Industries, Inc.	\$3,183	\$2,015	\$443	\$220	1.6x	7.2x	14.5x	22.0%	10.9%
Century Communities, Inc.	\$3,177	\$4,353	\$933	\$435	0.7x	3.4x	7.3x	21.4%	10.0%
CSW Industrials, Inc.	\$4,685	\$878	\$393	\$228	5.3x	11.9x	20.6x	44.8%	25.9%
D.R. Horton, Inc.	\$44,543	\$35,315	\$8,542	\$5,640	1.3x	5.2x	7.9x	24.2%	16.0%
Eagle Materials Inc.	\$7,851	\$2,261	\$673	\$758	3.5x	11.7x	10.4x	29.8%	33.5%
Ferguson plc	\$48,246	\$30,211	\$9,202	\$2,937	1.6x	5.2x	16.4x	30.5%	9.7%
Floor & Decor Holdings, Inc.	\$9,940	\$4,519	\$1,998	\$488	2.2x	5.0x	20.3x	44.2%	10.8%
Granite Construction Incorporated	\$4,309	\$4,035	\$602	\$330	1.1x	7.2x	13.0x	14.9%	8.2%
Installed Building Products, Inc.	\$5,628	\$2,933	\$984	\$475	1.9x	5.7x	11.8x	33.5%	16.2%
KB Home	\$5,191	\$6,674	\$1,399	\$762	0.8x	3.7x	6.8x	21.0%	11.4%
Lennar Corporation	\$27,112	\$35,372	\$7,281	\$4,365	0.8x	3.7x	6.2x	20.6%	12.3%
LGI Homes, Inc.	\$2,779	\$2,163	\$520	\$201	1.3x	5.3x	13.8x	24.0%	9.3%
Lowe's Companies, Inc.	\$160,284	\$83,240	\$27,773	\$12,477	1.9x	5.8x	12.8x	33.4%	15.0%
M/I Homes, Inc.	\$3,205	\$4,434	\$1,155	\$676	0.7x	2.8x	4.7x	26.0%	15.2%
Martin Marietta Materials, Inc.	\$38,803	\$6,638	\$1,961	\$2,123	5.8x	19.8x	18.3x	29.5%	32.0%
Masco Corporation	\$16,753	\$7,703	\$2,799	\$1,487	2.2x	6.0x	11.3x	36.3%	19.3%
Meritage Homes Corporation	\$5,692	\$6,285	\$1,523	\$910	0.9x	3.7x	6.3x	24.2%	14.5%
NVR, Inc.	\$20,818	\$10,743	\$2,685	\$2,094	1.9x	7.8x	9.9x	25.0%	19.5%
Owens Corning	\$17,342	\$11,488	\$3,365	\$2,591	1.5x	5.2x	6.7x	29.3%	22.6%
PulteGroup, Inc.	\$22,087	\$17,890	\$5,117	\$3,853	1.2x	4.3x	5.7x	28.6%	21.5%
Skyline Champion Corporation	\$3,140	\$2,483	\$664	\$288	1.3x	4.7x	10.9x	26.7%	11.6%
Taylor Morrison Home Corporation	\$7,957	\$8,364	\$2,060	\$1,323	1.0x	3.9x	6.0x	24.6%	15.8%
The AZEK Company Inc.	\$8,246	\$1,520	\$566	\$367	5.4x	14.6x	22.4x	37.2%	24.2%
The Home Depot, Inc.	\$425,363	\$162,952	\$54,334	\$25,498	2.6x	7.8x	16.7x	33.3%	15.6%
Tile Shop Holdings, Inc.	\$398	\$343	\$226	\$18	1.2x	1.8x	22.6x	65.7%	5.1%
Toll Brothers, Inc.	\$13,464	\$10,660	\$2,849	\$1,922	1.3x	4.7x	7.0x	26.7%	18.0%
TopBuild Corp.	\$10,457	\$5,284	\$1,603	\$1,034	2.0x	6.5x	10.1x	30.3%	19.6%
Trane Technologies plc	\$101,488	\$20,311	\$7,298	\$3,934	5.0x	13.9x	25.8x	35.9%	19.4%
Vulcan Materials Company	\$39,832	\$7,507	\$2,060	\$2,133	5.3x	19.3x	18.7x	27.4%	28.4%
W.W. Grainger, Inc.	\$52,352	\$17,239	\$6,800	\$2,917	3.0x	7.7x	17.9x	39.4%	16.9%
Median					1.6x	5.5x	11.6x	29.4%	15.9%
Mean					2.2x	7.1x	12.7x	30.6%	17.1%

Notes:
NM = Not Meaningful

Sector Update: Industrial

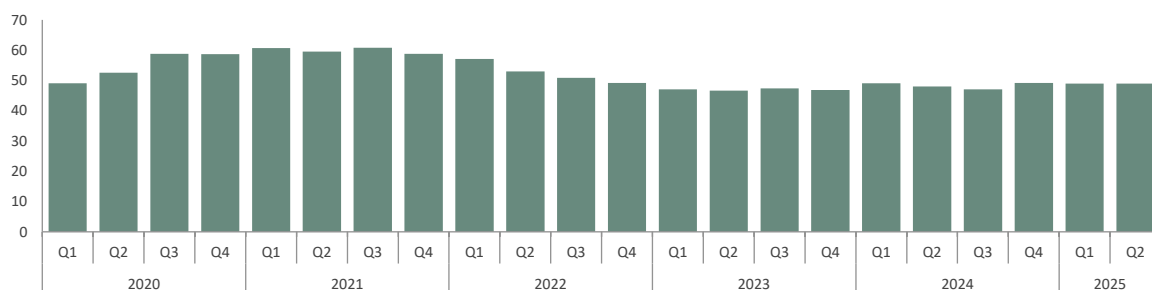
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



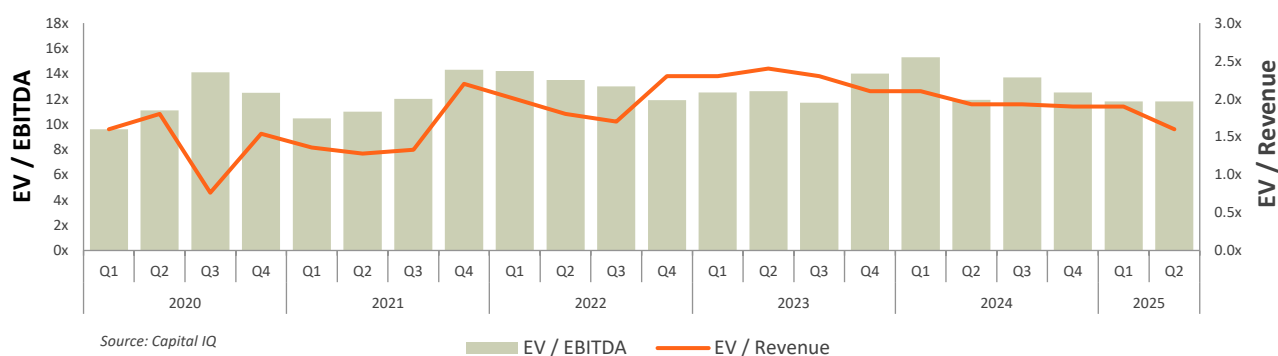
Source: Federal Reserve

Purchasing Managers Index



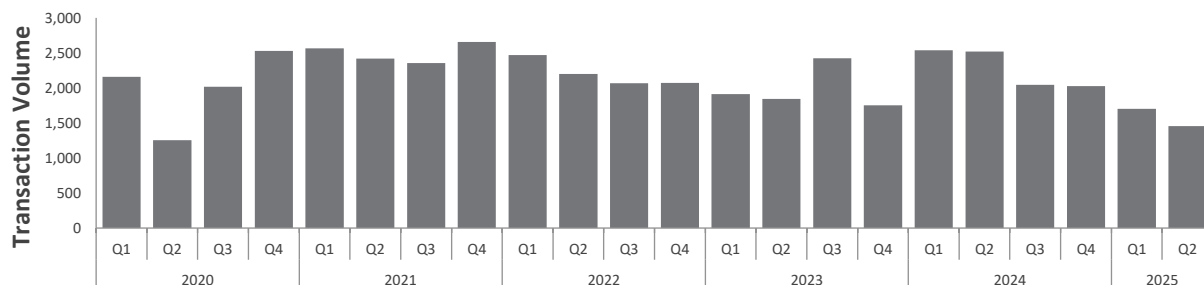
Source: Institute for Supply Management

Select Building Products Industry Valuations



Source: Capital IQ

Industrial 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.



PartnerSpotlight



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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crain@merger.com

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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