

Quarterly Industry Update

As of September 30, 2015

Industry: Building Materials

Industry Summary

Cogent Valuation identified Building Materials publicly traded companies, IPOs, and recent M&A transactions within the Building Materials industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since September 30, 2014, the median 52-week share price return of the Building Materials industry was 9.4%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple decreased from 12.9 to 12.3. However, the median price-to-earnings multiple increased from 22.4 to 25.4 over the same period.

Comparable Public Company Key Statistics

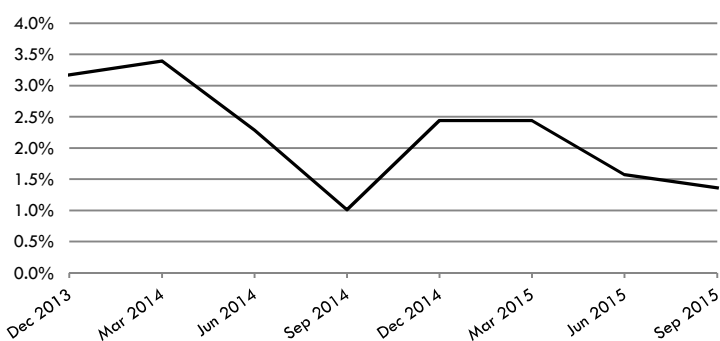
Median 52-Week Return	9.4%	Median EV/Revenue Multiple	1.2x	Median Price/Earnings Multiple	25.4x
Median 3-Year CAGR Return	17.5%	Median EV/EBITDA Multiple	12.3x	Median EV/Gross CF Multiple	20.3x

Comparable Public Company Market Price Returns As of September 30, 2015

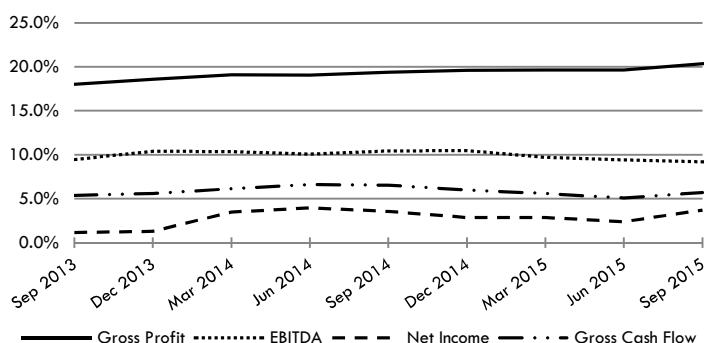
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Armstrong World Industries, Inc.	-11.3%	-10.4%	-14.8%	-6.8%	1.0%	2.8%	-11.3%	13.6%	15.6%	2.0%	10.5%
Handy & Harman Ltd.	90.1%	-30.8%	-8.7%	0.2%	17.5%	23.5%	90.1%	60.7%	52.2%	-24.0%	442.5%
Headwaters Incorporated	53.1%	3.2%	49.9%	44.6%	41.9%	39.2%	53.1%	14.4%	285.6%	-51.5%	-29.8%
Martin Marietta Materials, Inc.	10.4%	7.4%	17.8%	24.4%	22.4%	14.6%	10.4%	6.0%	25.0%	-18.2%	3.2%
Masonite International Corporation	2.4%	-13.6%	9.4%	11.3%	20.1%	10.4%	2.4%	81.8%	37.5%	-26.2%	-10.3%
Mueller Industries Inc.	8.4%	-14.8%	3.6%	3.1%	9.2%	17.4%	8.4%	25.9%	30.2%	17.5%	31.6%
Owens Corning	-12.1%	1.6%	32.0%	5.0%	7.8%	10.3%	-12.1%	10.1%	28.8%	-7.8%	21.5%
Patrick Industries Inc.	52.0%	3.8%	39.8%	40.4%	56.4%	94.5%	52.0%	85.9%	279.5%	116.4%	-22.0%
Ply Gem Holdings, Inc	-22.5%	-0.8%	7.9%	-8.5%	N/A	N/A	-22.5%	N/A	N/A	N/A	N/A
Stock Building Supply Holdings, Inc.	-15.9%	-9.9%	12.1%	15.8%	N/A	N/A	-15.9%	N/A	N/A	N/A	N/A
USG Corporation	-1.4%	-4.2%	-3.2%	-3.5%	6.6%	15.1%	-1.4%	1.1%	176.3%	-39.6%	19.8%
Median of Industry Public Companies	2.4%	-4.2%	9.4%	5.0%	17.5%	15.1%	2.4%	14.4%	37.5%	-18.2%	10.5%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Building Materials Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Building Materials Industry

Date:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	1.3x	1.3x	1.2x	1.2x	1.1x	1.2x	1.3x	1.4x	1.2x
EV/EBITDA Multiple	12.9x	13.5x	13.6x	14.3x	13.1x	12.6x	12.9x	13.0x	12.3x
Price/Earnings Multiple	22.4x	34.0x	27.9x	19.9x	16.9x	35.9x	34.0x	31.5x	25.4x
EV/Gross Cash Flows Multiple	21.4x	20.6x	22.9x	23.2x	22.2x	22.9x	26.3x	21.5x	20.3x

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Industry: Building Materials



Industry Initial Public Offerings (dollars in millions, except share prices)

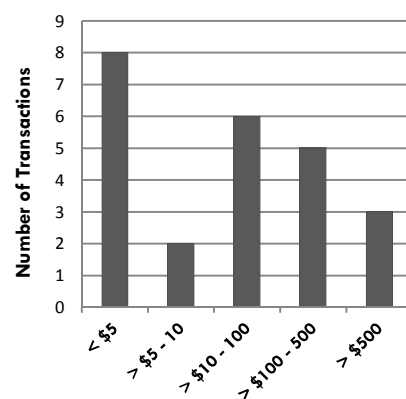
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/8/2013	Stock Building Supply Holdings, Inc.	\$14.00	7.0	\$98.0	\$320.5	\$100.3	\$1,003.2	\$3.2	(\$10.0)	\$13.2
2/5/2013	Boise Cascade Company	\$21.00	11.8	\$247.1	\$1,031.5	\$219.6	\$2,631.9	\$82.0	\$26.4	\$117.9
5/22/2013	Ply Gem Holdings, Inc.	\$21.00	15.8	\$331.6	\$906.1	\$1,016.3	\$1,139.2	\$119.3	(\$41.5)	\$143.6
12/13/2004	Bluelinx Holdings Inc.	\$13.50	9.5	\$128.3	\$1,293.3	\$730.6	\$5,518.8	\$185.4	\$92.3	\$202.6
Median of All IPOs		nm	nm	\$187.7	\$968.8	\$475.1	\$1,885.6	\$100.7	\$8.2	\$130.7

nm: not meaningful

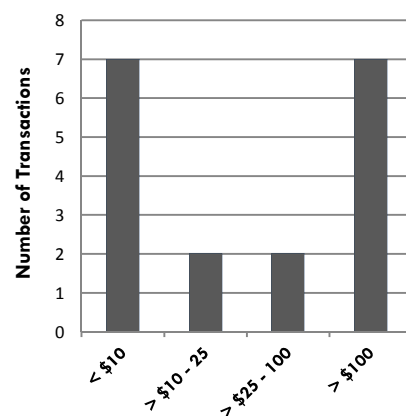
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
8/31/2015	N/A	Confidential	\$3.0	100%	\$5.5	0.5x
8/17/2015	Lomond Industrier AB	Volati AB	\$63.2	100%	\$125.9	0.5x
8/5/2015	National Hickman	Masonite International	\$82.0	100%	\$110.0	0.7x
7/31/2015	ProBuild Holdings, Inc.	Builders FirstSource, Inc.	\$3,448.1	100%	\$4,483.4	0.8x
7/17/2015	Carlton Manufacturing Limited	CPI Mortars Limited	\$5.1	100%	\$5.1	1.0x
7/3/2015	Lafarge S.A.	Holcim Ltd.	\$31,979.3	88%	\$14,591.2	2.2x
4/1/2015	Ferrara Brothers Bldg. Mats.	U.S. Concrete, Inc.	\$60.0	100%	N/A	N/A
3/18/2015	Hitachi Metals Techno, Ltd.	The Carlyle Group LP	\$236.2	97%	\$210.9	1.1x
2/13/2015	Hafary Holdings Limited	Hap Seng Consolidated	\$112.7	51%	\$73.1	2.0x
2/2/2015	(Sawmills/Planing Company)	N/A	\$0.6	100%	\$1.6	0.4x
12/4/2014	Erreplast S.r.l	D&D Holding srl	\$3.4	60%	N/A	N/A
9/22/2014	Hudson Building Supplies	HTH Stores Pty Limited	\$17.3	100%	N/A	N/A
9/1/2014	Tropical Shipping	Saltchuk Resources, Inc.	\$220.0	100%	N/A	N/A
7/16/2014	Flint Hills Resources	Flint Hills Resources, LLC	\$2,121.0	100%	\$768.8	2.7x
6/30/2014	Slone Lumber Company, Inc.	Builders FirstSource, Inc.	\$8.7	100%	\$17.0	0.5x
6/6/2014	(Wood Pallets Company)	N/A	\$0.9	100%	\$4.1	0.2x
6/1/2014	Huntsmans Quarries Limited	Breedon Aggregates	\$28.5	100%	\$13.4	2.1x
5/31/2014	(Cabinet Company)	N/A	\$0.2	100%	\$0.5	0.3x
5/23/2014	Citywide Holdings Pty Ltd.	N/A	\$2.3	52%	N/A	N/A
10/7/2013	Texsa S.A.	SOPREMA SAS	\$16.3	100%	\$88.3	0.2x
10/7/2013	Tenryu Lumber Co., Ltd.	N/A	\$106.5	85%	\$185.3	0.6x
4/1/2013	(Cabinet Company)	N/A	\$0.6	100%	\$1.4	0.4x
3/31/2013	Asahi Fiber Glass Co., Ltd.	ORIX Corporation	\$320.5	96%	\$395.3	0.8x
3/1/2013	(Cabinet Company)	N/A	\$0.5	100%	\$1.1	0.4x
Median of the 24 M&A Transaction Targets			\$22.9	100%	\$73.1	0.6x

Size of M&A Transactions



LTM Revenues Reported



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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