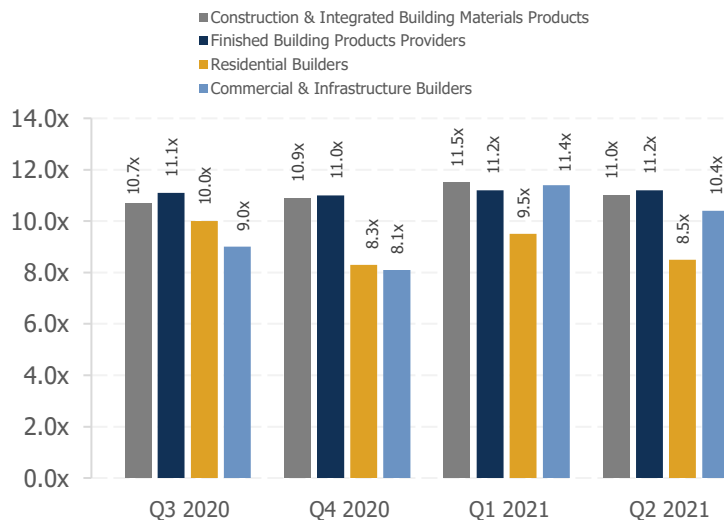


BUILDING PRODUCTS **IQ** *in brief*

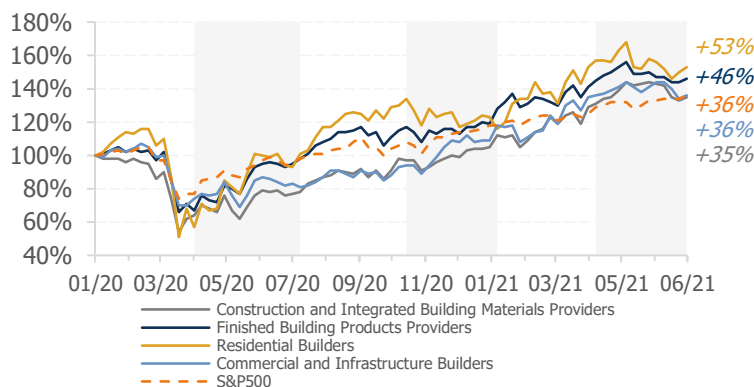
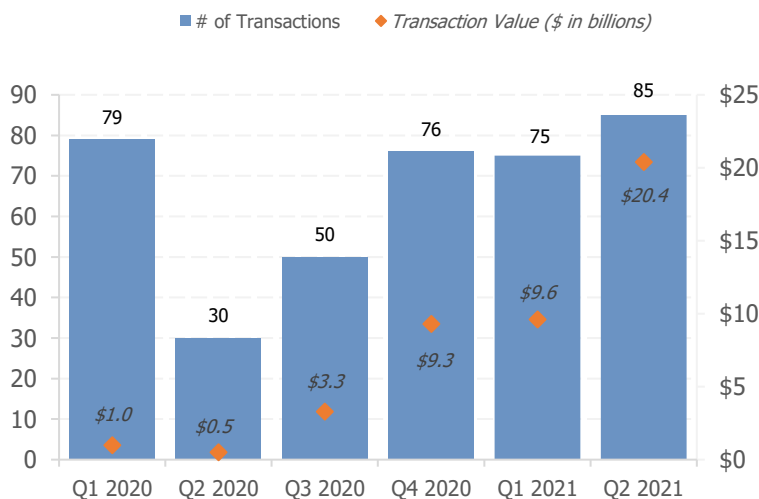
Building Products Industry M&A and Capital Markets Activity

Market Update Q2 2021

- Fueled by low interest rates and strong residential & commercial demand, Amherst Partners' building products indices have outperformed the broader market in recent quarters
 - Commodity inflation caused by supply chain shortages have been a major story for the sector as construction input prices were 24.3% higher YoY in May⁽¹⁾, although companies continue to report success in passing costs on to the consumer
 - Home prices soared for their 11th straight month, with the trailing Case-Shiller index showing a 14.6% YoY rise in April's prices⁽²⁾, the highest ever recorded
- Publicly-traded construction materials, finished building products, residential builders, and commercial and infrastructure builders are segments that are generally experiencing strong valuations, most in excess of 10x and up significantly over their March 2020 lows
- Looking at this sector's M&A activity, aggregate deal value in Q2 2021 amounted to \$20.4 billion, up ~113% compared to the previous quarter (\$9.6 billion). Deal volume also increased over Q1, with 85 deals completed in Q2 2021 (compared to 75 in Q1)
 - One of the more significant transactions in the current quarter occurred in April when Standard Industries Inc. acquired W.R. Grace & Co. (NYSE:GRA) at an announced value of \$6.7 billion, after W.R. Grace had rejected two lower bids in November and January from Standard Industries

⁽¹⁾ U.S. Bureau of Labor Statistics' Producer Price Index for May 2021⁽²⁾ S&P CoreLogic Case-Shiller Indices, June 2021**Valuation Multiples****Median Enterprise Value/LTM EBITDA**

Source: S&P Capital IQ as of June 30, 2021

Amherst Partners' Building Products Indices**Recent Performance****AMHERST BUILDING PRODUCTS INDEX****U.S. M&A Activity – Building Products**

BUILDING PRODUCTS **IQ**

in brief

About Amherst

With a track record spanning over 25 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services, primarily for closely-held businesses.

Securities related transactions are offered through Amherst's wholly owned subsidiary, One Amherst LLC, a registered broker-dealer and member of FINRA and SIPC.

For more information, visit our website at amherstpartners.com.

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