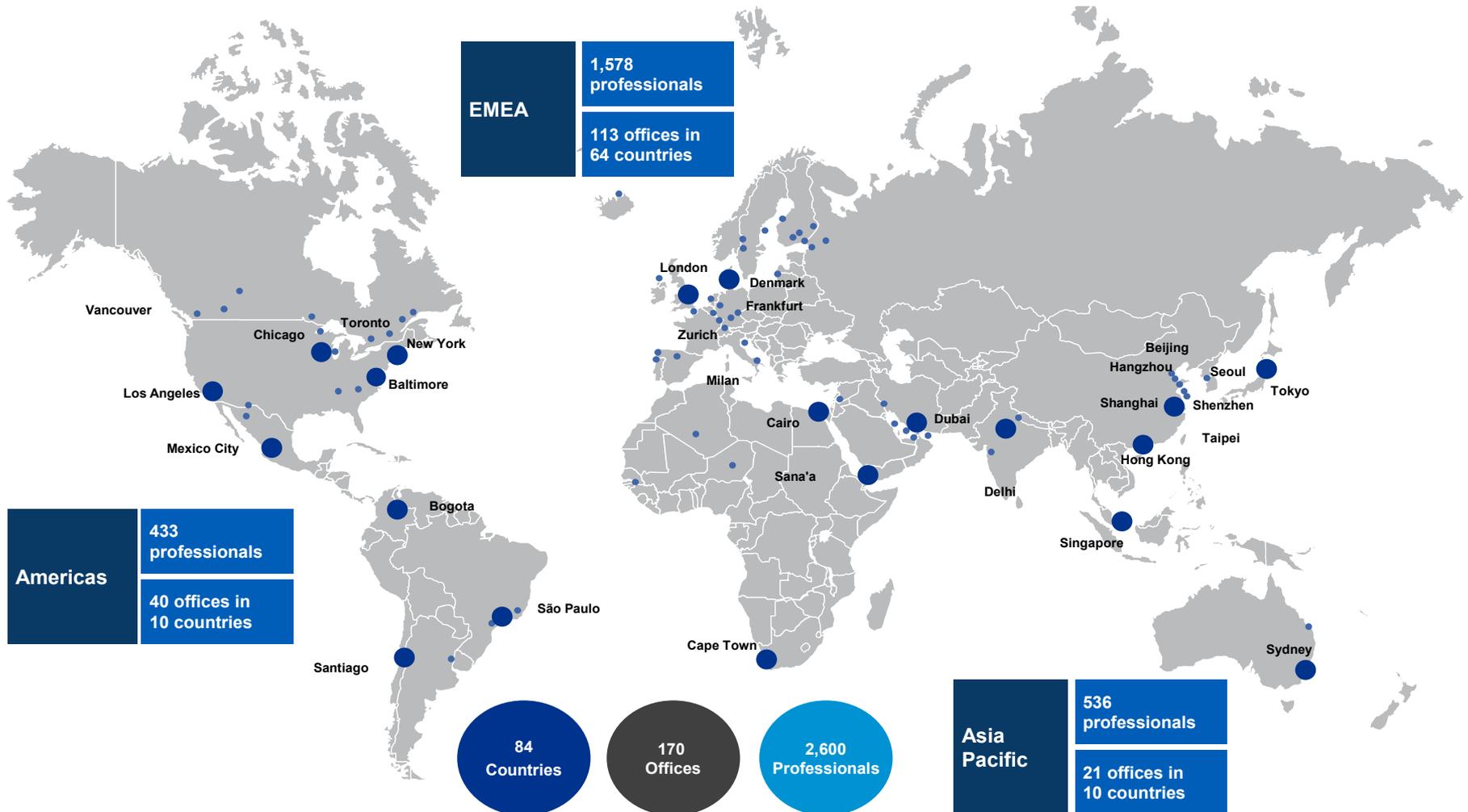




Roofing Contracting Market Update

KPMG Corporate Finance
May 2022

Integrated Global Network of Investment Banking Professionals



Note: Represents the Corporate Finance practices of KPMG International's network of independent member firms.



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A Leading M&A Advisor

Worldwide Completed Advisor Ranking*		
2002 - 2021		No. of deals
1	KPMG¹	8,803
2	PwC	7,852
3	Houlihan Lokey	6,061
4	Deloitte	5,480
5	Ernst & Young LLP	5,035
6	Rothschild & Co	4,907
7	JP Morgan	3,759
8	Goldman Sachs & Co	3,717
9	Lazard	3,649
10	Morgan Stanley	3,477

Middle Market Services with Deep Vertical Expertise

Advisory Services



Business Services



Consumer Markets



Energy & Natural Resources

Debt & Equity Financing



Financial Services



Healthcare & Pharmaceuticals



Industrial Markets

M&A

Special Situations



Real Estate



Private Equity



Technology, Software & Telecom

Fairness Opinions

Industry Recognition



Has awarded
KPMG Corporate Finance LLC
Middle Market Investment Bank of the Year 2021



Has awarded
KPMG Corporate Finance LLC
Global Technology Deal of the Year Award (Mid-Market) 2021



Has awarded
KPMG Corporate Finance LLC
Cross Border Deal of the Year Award (Mid-Market) 2020

Source: *Refinitiv; Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US\$500 million. Jan.1 2002 - Dec.31 2021

(1) Refers to the global Corporate Finance practices of KPMG International's network of independent member firms



Leading Global Advisor for over 20 years!

Consistent track record as a leading investment banking platform with middle market focus by number of deals globally



Unmatched vertical industry experience: Deep sector knowledge and specialist skills group provide high quality advisory services



Independent advisor: No proprietary trading, focused only on your clients needs and goals



Global offering: As part of a global network, our clients benefit from a global and local presence

- Direct relationships with C-level executives of FORTUNE 1000 domestically
- Over 2,500 investment banking professionals working in over 80 countries around the world



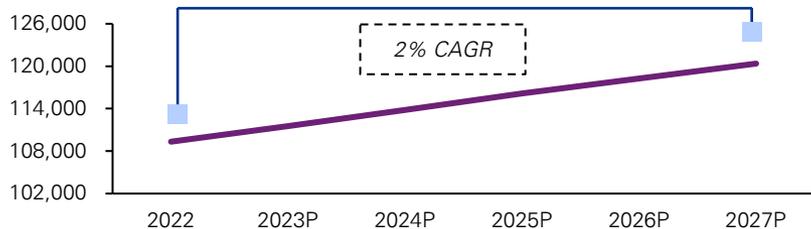
One Stop Shop: Ability to leverage across multiple service lines, a single source for all transaction needs

Roofing Contracting Industry and M&A Overview

Market Commentary

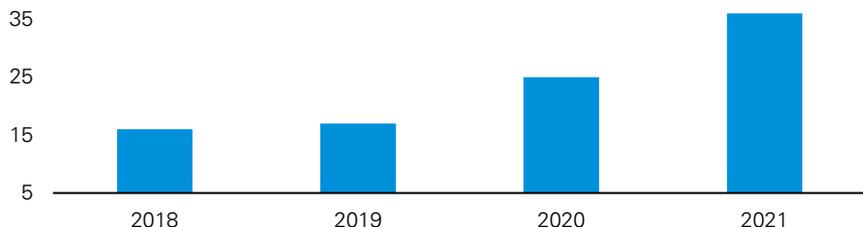
- Roofing Contracting is a highly fragmented industry, with the top five players representing less than 5% market share in the U.S.
- M&A activity in the sector has increased in recent years, as small and mid-sized independent operators seek succession strategies and financial partners to facilitate growth opportunities
- Despite recent consolidation trends, the number of roofing companies in the U.S. is expected to grow through 2027 driven by small, localized companies continuing to enter the market

Total Roofing Contractor Companies in the U.S.



- The essential and re-occurring nature of roof replacements, as well as recurring service offerings, creates a durable revenue profile
- Given elevated levels of historical construction spend and 15 – 25 year roof replacement cycles, industry participants expect a significant near and medium-term backlog of roofs requiring replacement

Roofing Contracting & Services Transaction Volume



Notes: Represents transactions globally
Source: Pitchbook



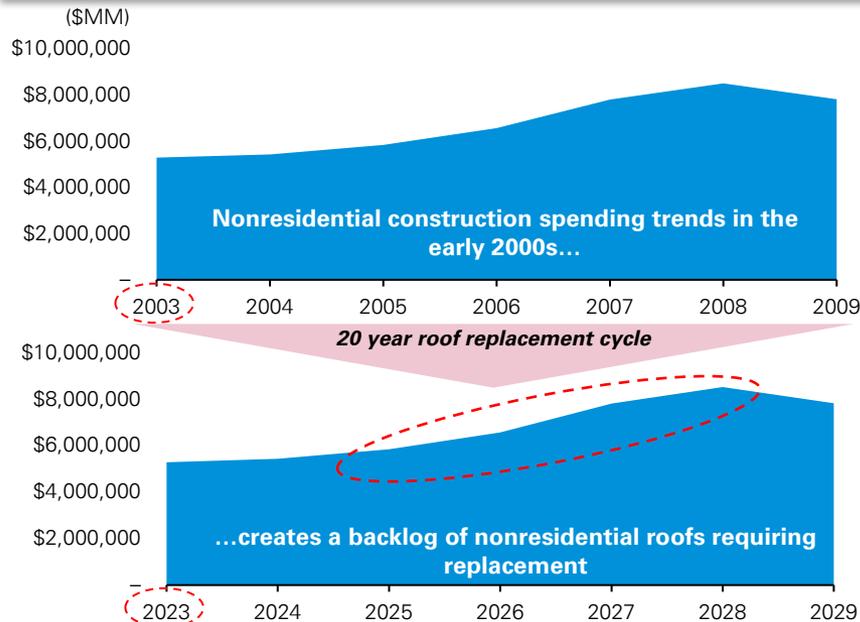
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Industry Fragmentation



Source: IBISWorld, Roofing Contractor

U.S. Nonresidential Roof Replacement Backlog



Source: Federal Reserve Economic Data

Transaction Experience



received a majority equity investment from



April 2022

Transaction Highlights

- KPMG Corporate Finance LLC acted as the sole financial advisor to Patuxent Roofing & Contracting on its sale to New State Capital Partners
- Patuxent is a leading provider of roofing installation and replacement, waterproofing, and related services
 - HQ in Laurel, MD
 - Focus on re-roofing services for government, institutional, industrial, and multi-family end markets



Transaction Highlights

- While at a prior firm, members of the KPMGCF team served as the sole financial advisor to Nations Roof on its recapitalization by Acacia Partners
- Nations Roof is a nationwide provider of roofing repair and replacement solutions, as well as related services
 - HQ in Mobile, AL; operates out of 30+ locations in the U.S.
 - Provides new construction, re-roofing, and roofing services to customers in all 50 states



Experienced Roofing Team

Dedicated Transaction Team



Ian Pemberton

Managing Director

- Over 15 years of industry experience advising middle-market clients
- Advised Patuxent Roofing & Contracting Inc., on its majority equity recapitalization by New State Capital Partners
- Advised Nations Roof on its sale to Acacia Partners

Contact:
 ipemberton@kpmg.com
 mobile: 443-826-7655



Adam Smith

Vice President

- Over 5 years of industry experience in M&A, restructuring, and financings
- Advised Patuxent Roofing & Contracting Inc., on its majority equity recapitalization by New State Capital Partners
- Advised Nations Roof on its sale to Acacia Partners

Contact:
 adamsmith@kpmg.com
 mobile: 443-472-5853



Garrett Cannon

Associate

- Joined the KPMGCF team in January 2021
- Advised Patuxent Roofing & Contracting Inc., on its majority equity recapitalization by New State Capital Partners

Contact:
 garrettcannon@kpmg.com
 mobile: 302-358-9053





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