



KPMG Corporate Finance

Roofing Contracting | Market and M&A Perspectives

2026



Dedicated Industry Team with Deep Sector Knowledge

Roofing Contracting Transaction Team



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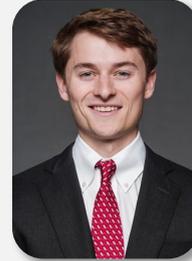
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Firmwide Support

Differentiated Advisors in the Roofing Sector

- ✔ Significant **Roofing transaction experience** ensures best-in-class execution
- ✔ Experience advising both **Commercial and Residential** roofers
- ✔ Deep relationships with leading **Corporate and Private Equity** acquirers
- ✔ **Direct pulse** on the roofing market enables highly informed M&A advisory
- ✔ Presence at **major trade shows**, including **IRE and IBS**
- ✔ The resources of a **global platform** focused on **middle-market** clients

Significant Experience Advising on Roofing Transactions



acted as the sole financial advisor to Sterling Commercial Roofing on its sale to Tecta America Corporation




acted as the sole financial advisor to Pax Services Group on its sale to New State Capital Partners




while at a prior firm, members of KPMG Corporate Finance advised Nations Roof on its investment from Acacia Partners



Active Transaction

Sell-Side M&A Advisors

actively advising the shareholders of a roofing contracting platform on a potential equity sale

Market Perspectives

Fundamentals

- Roofing Contracting is a highly fragmented industry estimated to be \$50 – \$100 billion in size. The top two operators combined represent approximately just ~4-6% of the total market.
- Demand characteristics are durable, non-discretionary, and often recurring and re-occurring, creating a compelling foundation for long-term investment.
 - The nature of re-roofing and related service work is mission critical to any facility, mitigating the impact of economic cycles.
 - Roofing is an analog-like service generally characterized by low capital intensity, attractive working capital dynamics, and high free cash flow conversion.

Operational Trends

- Across the industry, operators generally indicated normalizing revenue growth in 2025 relative to higher rates of growth in the preceding periods.
 - Following a post-COVID period of repair & remodel (R&R) exuberance, demand for facility repairs and home improvements has returned to more normal levels but remains robust.
 - U.S. foreign policy, including tariffs, disrupted the sector, resulting in project delays and increased volatility. The degree of this uncertainty appears to be subsiding.
- Looking into 2026 and beyond, the outlook is positive. Operators feel confident that the industry is stable, with indications of healthy backlogs and demand for services.
 - Broader economic uncertainty, inflation, and use of artificial intelligence are key themes that operators are monitoring.

M&A Landscape

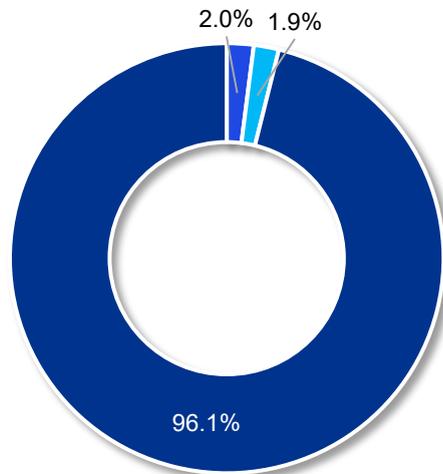
- The M&A environment continues to be active, with transaction volume in 2025 at all-time high levels.
 - Despite consolidation, the competitive landscape remains heavily fragmented, with many local, independent operators, presenting opportunities for well-capitalized, strategic platforms.
 - Sellers are facing a receptive market and notable optionality – there is interest from standalone private equity, PE-backed platforms, and strategic (corporate) acquirers.

Large, Fragmented Market

Top companies represent a relatively small portion of the total market

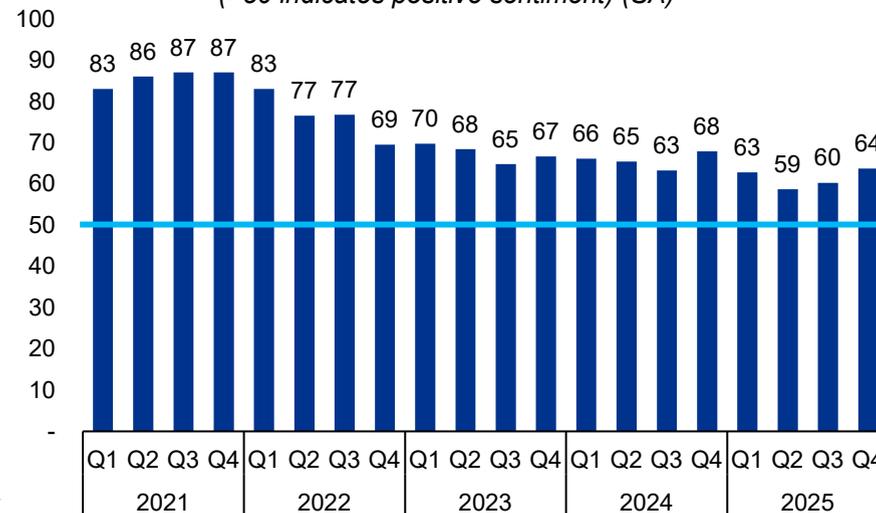
Significant fragmentation and M&A “white space” despite consolidation activity

- Tecta America
- CentiMark Corporation
- All Others



Normalizing Repair & Remodel Activity

NAHB/Westlake Royal Remodeling Market Index (RMI)
(>50 indicates positive sentiment) (SA)



Outlook & Trends – By the Numbers

#	Description
64%	Share of Roofers indicating that 2025 sales exceeded 2024 levels
89%	Share of Roofers expecting total sales volumes to grow over the next three years
49%	Share of Roofers who view the broader economy and inflation as top challenges in the industry
55%	Share of Roofers reporting increasing labor costs
40%	Share of Roofers currently using artificial intelligence, compared to 29% a year prior

Note: SA=Seasonally Adjusted. The “market share” chart above assumes a \$75 billion total market size.
Sources: IBIS, RoofingContractor, NAHB

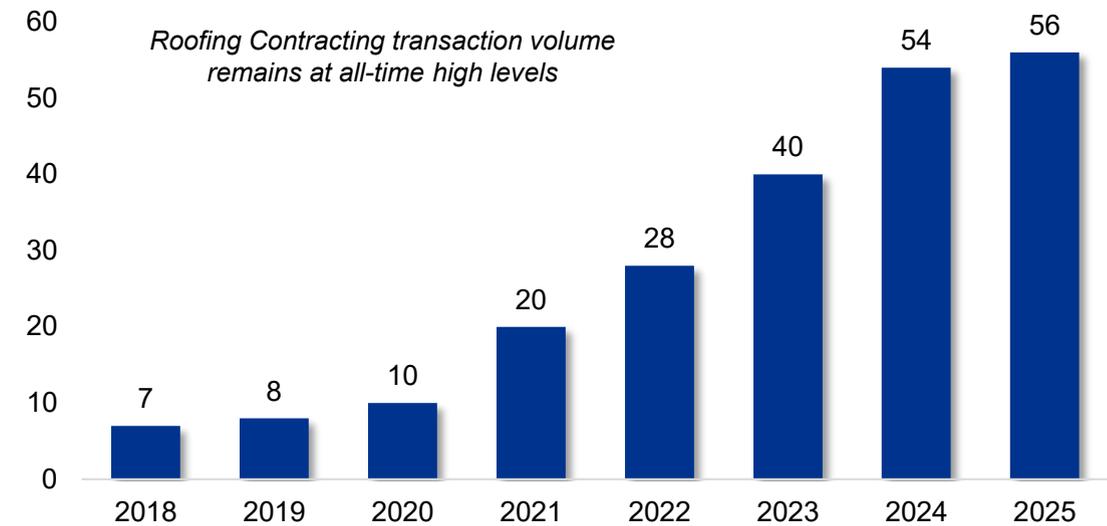


M&A Observations

M&A activity remains at all-time high levels, with notable trends as the sector evolves:

- Since 2020, there has been a rush of M&A activity in the roofing sector notably driven by private equity acquirers drawn to the industry’s compelling fundamental characteristics.
 - Fragmentation, non-discretionary demand, and opportunities for professionalization serve as primary rationale.
- Through 2025, the M&A market activity has included local and regional independent operators, as well as sizeable PE-backed platforms.
- The M&A landscape continues to evolve, with emerging trends pointing to a maturing market with precedence for successful buy-and-build strategies, but with long-term runway for continued growth.
 - Despite the high M&A activity, there remains significant consolidation “white space.”
 - Platforms with differentiated go-to-market or operational strategies continue to earn premium value.

Roofing Contracting M&A Transaction Count



Note: Represents count of select roofing transactions based on KPMG research

Emerging M&A Trends

 Emergence of Strategic Buyers and Upmarket Transactions	 Broadening into Unions and New Construction	 Continued Formation of New Platforms	 Focus on Services and Differentiated Strategies
<ul style="list-style-type: none"> • As the M&A landscape evolves, there is precedent for existing platforms selling to both Strategic buyers and other upmarket PE funds. • TopBuild’s \$810 million acquisition of Progressive Roofing in July 2025 represents a new, well capitalized market entrant and strategy. • FirstService Corporation has been an active add-on acquirer since its initial acquisition of Roofing Corp of America in 2023. • There have also been multiple instances of existing PE platforms that have been sold to other PE funds, validating institutional investment theses. 	<ul style="list-style-type: none"> • Roofing companies with primarily union labor are being acquired, signaling that private equity is gaining comfort with union dynamics and attracted to the well-trained, loyal, W2 workforces. • Acquirers are also supporting greater mix of new construction revenue. While re-roofing is still prioritized, investors recognize the large addressable market and opportunity for success through a disciplined new construction strategy. • On the residential side, Freddie Mac estimates a shortage of 3.7 million housing units – a historically underbuilt environment that will take years of new construction to fix. 	<ul style="list-style-type: none"> • While private equity investments have boomed in recent years, new platforms continue to be formed in both residential and commercial. • In 2025, several new private equity platforms were established, signaling confidence in the long-term fundamentals of the sector. • Investors recognize the industry remains highly fragmented, with significant opportunities to rapidly gain scale and outperform independent operators. • Precedent recent sales of existing PE-backed platforms are encouraging to new private equity entrants and reassuring of a proven M&A thesis. 	<ul style="list-style-type: none"> • Roofing is a large, diverse, and fragmented sector. Within that context, establishing a differentiated strategy and properly integrating add-ons are both critical in driving value. • Platforms with a unique strategy – i.e., an end market niche, consistent ability to achieve high margins, or specializations in certain facility types – are sought after and highly valued. • Operators with proven Service divisions, driven by recurring maintenance, repairs, and other small-scope projects, continue to command highest value in the market.

Source: Freddie Mac



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Breaking Down the Market: Commercial and Residential

While operating against the backdrop of similar industry fundamentals – large addressable markets, high levels of fragmentation, and primarily non-discretionary demand for services – there are considerable differences between the Commercial and Residential roofing markets that should be considered by both Sellers in positioning for a sale and for Acquirers in evaluating investment targets

	 Commercial	 Residential
Go-to-Market Strategy	<p>Characteristics & Observations</p> <ul style="list-style-type: none"> • Bid-and-proposal; typically a competitive bid process • Relationships with asset owners and key decision makers can insulate contractors from competition and create a pipeline of recurring projects • Maintaining a “localized” operation is key, as brand reputation, labor dynamics, and roof type vary by geography 	<p>Characteristics & Observations</p> <ul style="list-style-type: none"> • Digital marketing and other tech-enabled business development strategies are increasingly utilized and proving successful • Proven, repeatable, and institutionalized sales strategies drive the highest value • “One-to-many” relationship channels (i.e., HOAs, asset managers) enable recurring revenue and cross-sell opportunities for an array of building envelope services
End Customer / Payor Profiles	<ul style="list-style-type: none"> • Commercial (private sector), institutional, or government entities • Contractors with a proven niche or core competency are viewed as durable and differentiated • The ability to repeat core competencies across geographic markets is a key determination in evaluating the scalability of platform 	<ul style="list-style-type: none"> • Primarily either consumer (retail) pay or insurance pay • Proven retail-focused businesses tend to be the most sought after in the market • While there is precedence for successful M&A around insurance pay / storm-driven businesses, determining the “normalized” earnings is the key valuation consideration
Labor and Operations	<ul style="list-style-type: none"> • Project management, sales, estimating, and supervisory production roles tend to be in-house, W2 employees • Production labor models vary by company between self-perform and subcontract, with most operators utilizing a mixed labor strategy of some degree • Union labor is gaining more acceptance in the M&A markets 	<ul style="list-style-type: none"> • Traditionally, production labor is predominantly subcontracted. Project oversight, quality, and reputation are key operational and due diligence factors • While sales roles have historically been independent contractors for many businesses, there is a trend towards more in-house, W2 salespeople • Training and consistency of execution among both sales and production roles are scrutinized by the market, particularly with heavier subcontractor models
Project Sizes and Types	<ul style="list-style-type: none"> • Larger, fewer projects, with longer durations to complete • Contractors that execute complex, high-skill projects tend to produce higher margins, making them particularly attractive acquisition targets • Re-roofing and service work are prioritized by acquirers; however, there is growing value placed on new construction given the large TAM and potential profitability 	<ul style="list-style-type: none"> • High volume of smaller, “quick turn” projects • Typically single-family homes; may also include multifamily (sometimes referred to as “commercial”) • Re-roofing and service work are prioritized by acquirers; however, there is growing value placed on new construction given the large TAM and potential profitability

Transaction Considerations for Roofing Operators

Key Diligence Considerations – “What Buyers Want to Know”

Acquirers will focus on key areas that are common themes among companies in the Roofing sector

Analysis of these characteristics is critical in both driving value and preparing for due diligence



Competitive Positioning

- Geographic Location and Scale:** regional, super-regional, or national reach; location demographics and growth profile
- Competitive Differentiators:** service capabilities, market niche and reputation; go-to-market strategy and advantages
- Historical growth** compared to the broader market



Project Mix & End Markets

- Project Mix:** re-roofing vs. new construction; service & maintenance; large project concentration
- Seasonality and economic cycle** exposure
- End Markets:** residential vs. commercial
- Customer Profiles:** national vs. regional customers; recurring vs. one-time; tenure; concentration



People & Operations

- Labor Strategy and Composition:** self-perform vs. subcontract; union vs. non-union; 1099 vs. W2
- Supplier Relationships:** purchasing power, rebate programs, domestic vs. cross-border, tariff exposure
- Production Record:** efficiency, safety, operational oversight and quality



Quality of Earnings

- Revenue and Margin:** growth, run rate, and sustainability
- Percentage of Completion Accounting** for larger projects (highly relevant in commercial markets)
- Working Capital Levels:** consistent vs. seasonal; inventory levels and management
- Cap Ex:** required annual spend, efficiency of cash management

Shareholder Considerations – “Is Now the Right Time to Sell?”

Prior to initiating a transaction process, Sellers should carefully evaluate certain aspects of the business

Through proactive evaluation, Sellers minimize disruptions throughout the sale process, expedite timing to close, and maximize chances for an optimal outcome

1

Shareholders' Alignment

- Agreement and mutual incentives by the shareholders to sell
- Clear “why” for the sale

4

Leadership and Continuity

- Is there an established leadership team in place to operate post-transaction?
- Do the shareholders intend to exit or remain in the operations?

2

Company Performance

- Strong historical financial performance
- Positive outlook – driven by backlog, leading indicators, and growth plans

5

Reporting Capabilities and Readiness

- An optimal M&A process requires significant data collection, reporting, and analysis
- Is the Company equipped to provide necessary data and KPIs?

3

Market Status

- Are there or have there been any material disruptions in the market, either from an operational or capital markets standpoint?

6

Legal or Compliance Issues

- Is the Company facing any material outstanding legal or compliance issues?
- Evaluate customer, vendor, and employee relationships

KPMG Corporate Finance: Global Platform, Middle-Market Focus

KPMG LLP – Global Platform Snapshot


KPMG LLP

276,000+

Professionals Worldwide
operating in 138 countries

Headcount 40,000+ in the U.S. with offices in 50 states	We serve  80% of the Fortune Global 500	Revenue  \$32.1B Global	Revenue  \$10.0B U.S.
Services  Tax Audit Advisory			

KPMG Corporate Finance – Leading Middle-Market M&A Advisor

KPMG Corporate Finance*

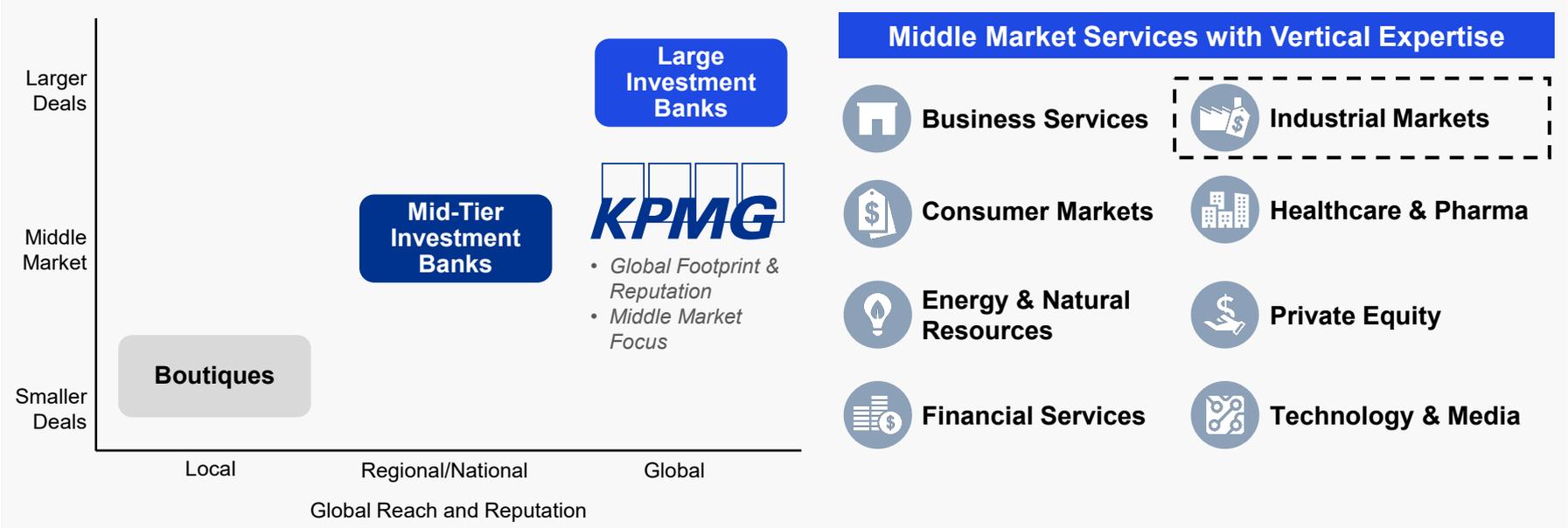
Our practice combines the focus of an elite boutique investment bank with the resources of a global investment banking platform.

- We are consistently ranked as a **leading global middle market M&A advisory platform** by number of deals globally
 - **4,500+** closed M&A transactions since 2011
 - **2,500** M&A professionals worldwide
 - **84** Countries **174** Offices globally
 - Dedicated industry verticals

Focused M&A Advisory

- Sell-side advisory
- Corporate divestitures
- Buy-side advisory
- Debt capital advisory
- Distressed M&A
- International M&A desk
- Fairness opinions

Unmatched Global Network with Dedicated Vertical Expertise and Unique Positioning



Note: The global Corporate Finance practice of KPMG International's network of independent member firms was ranked #1 as the top M&A middle-market advisor globally by Refinitiv, based on number of completed transactions, for the past 20 years and as the #2 advisor globally within the Business Services sector for the past 10 years.

**Represents the global Corporate Finance practices of KPMG's international network of independent member firms. "KPMG CF" refers to the U.S. broker / dealer.*

Broader Track Record of Success in Building Products

Longstanding success advising on a variety of transactions across the Building Products sector enables a holistic view of the market and a differentiated advisory perspective

KPMG CF Transactions



has received a majority investment from



Window & Door Manufacturer & Installer



has been acquired by



Roofing Contracting & Service



has been acquired by

ASSA ABLOY

Window & Door Component Manufacturer



has been acquired by



Roofing Contracting & Service



has been acquired by



Roofing & Exterior Distribution



has been acquired by



a portfolio company of



Components and Fasteners Distribution



has been acquired by



Component Parts Distribution



has been acquired by



Equipment Rental and Building Product Distribution



has been acquired by



Wall and Floor Manufacturer



has been acquired by



Security Products Manufacturer



has been acquired by



A subsidiary of



Metal Building Solutions Manufacturer



has been acquired by



Scaffolding Services



has been acquired by



Window, Curtain, and Wall Systems Manufacturer



has been acquired by




Cabinets Manufacturer

Advised by Members of KPMG CF while with a Prior Firm

Prior Firm

Nations Roof

has been acquired by

Acacia Partners

Roofing Contracting & Service

Prior Firm

Ciesco

has been acquired by

Foundation Building Materials (FBM)

Drywall, Insulation, and Ceiling Distribution

Prior Firm

Elgen Manufacturing Company

has been acquired by

Merit Capital Partners
and
MFG Partners

HVAC Component Parts Manufacturer

Prior Firm

Virginia Abrasives

has been acquired by

Brookstone Partners

Construction Abrasives Products Manufacturer

Prior Firm

B&L Wholesale Supply

has been acquired by

SRS Distribution

Roofing & Exterior Distribution

Note: "Prior Firm" deals represent transactions that were completed by members of KPMG CF while with a prior firm



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