



KPMG Corporate Finance

Building Products and Solutions | Market and M&A Perspectives

2026



Dedicated Industry Team with Deep Sector Knowledge

Building Products Transaction Team



Rob White
Managing Director
 Head of U.S. Industrial & Consumer Markets

Contact:
 riwhite@kpmg.com
 Mobile: (443) 946-9713



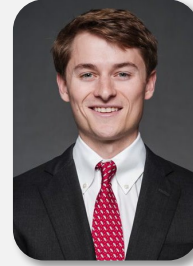
Adam Smith
Director
 Industrials

Contact:
 adamsmith@kpmg.com
 Mobile: (443) 986-2845



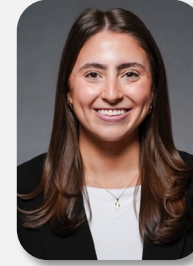
Ben Brown
Vice President
 Industrials

Contact:
 benjaminbrown@kpmg.com
 Mobile: (443) 986-2250



Miles Renwick
Senior Associate
 Industrials

Contact:
 milesrenwick@kpmg.com
 Mobile: (269) 910-0336



Logan Lurie
Associate
 Industrials

Contact:
 loganlurie@kpmg.com
 Mobile: (443) 826-7510

Firmwide Support



Stephen Guy
Managing Director
 Co-Head of U.S. M&A



Chrisanne Corbett
Managing Director
 Co-Head of U.S. M&A



Richard Prestegaard
Managing Director
 Head of Sponsor Coverage

Coverage Across the Value Chain



Contracting, Installation, and Services

Operations



Roofing & Exterior



Windows & Doors



Fencing & Security

Targeted Subsectors



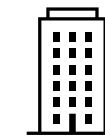
Drywall & Painting



Building Envelope & Waterproofing



Component Parts



Commercial



Industrial








Residential

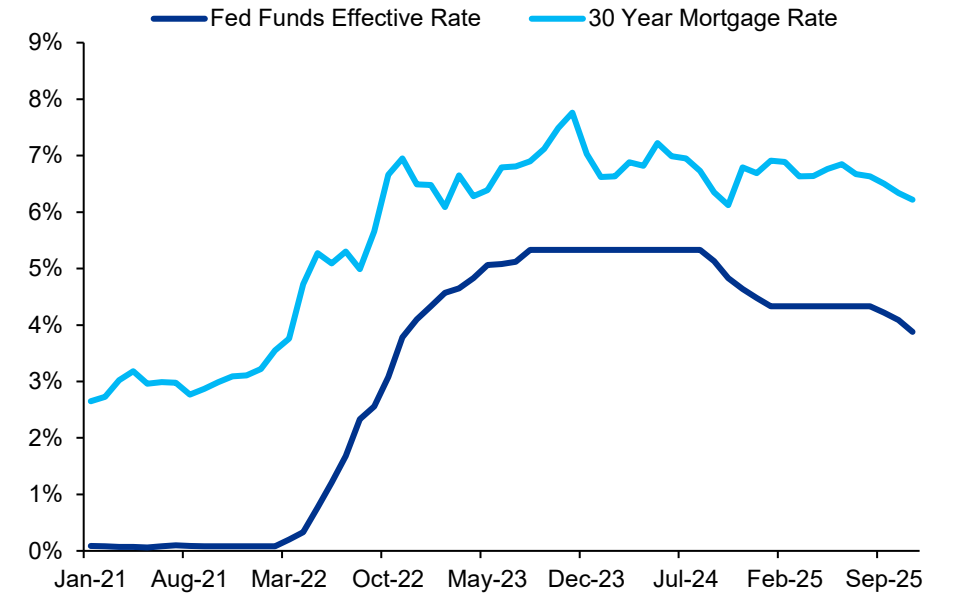
End Markets

Market Perspectives

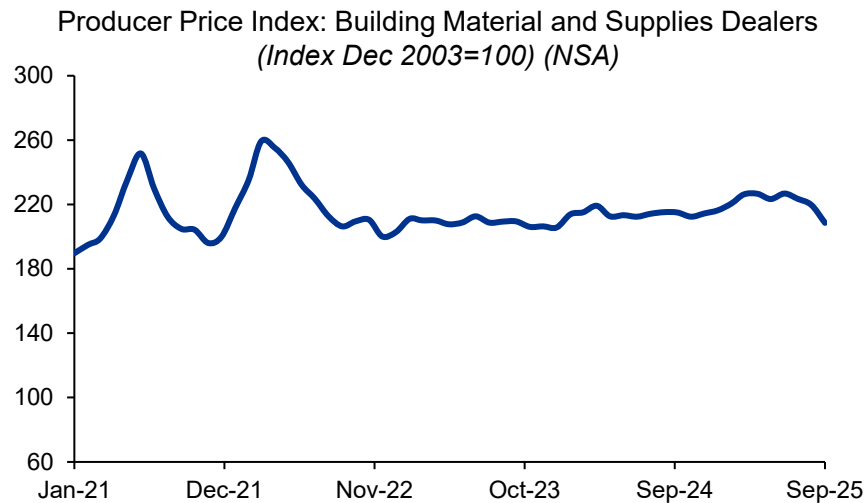
Following a period of volatility, the Building Products sector is stable and positioned for growth:

-  Cuts to the Federal Funds rate throughout 2024 and 2025 are expected to drive an increase in new construction activity, repair and remodel projects, and aid in affordability overall.
-  Repair and remodel (R&R) project demand has normalized from the elevated post-COVID environment; the current level of activity and market sentiment is positive.
-  While the US tariff strategy and foreign policy remains in flux, there are increasing levels of clarity in the market with respect to supplier channels and “normalized” pricing levels.
-  There is generally bipartisan support for federal investment in infrastructure projects in the U.S., driving activity for a vast set of commercial projects, construction services and the building products sector broadly.
-  Long term tailwinds continue to exist for the industry. On the residential side, Freddie Mac estimates there is a housing shortage of 3.7 million units. R&R spending is uniquely durable, with both residential and non-residential demand expected to persist.

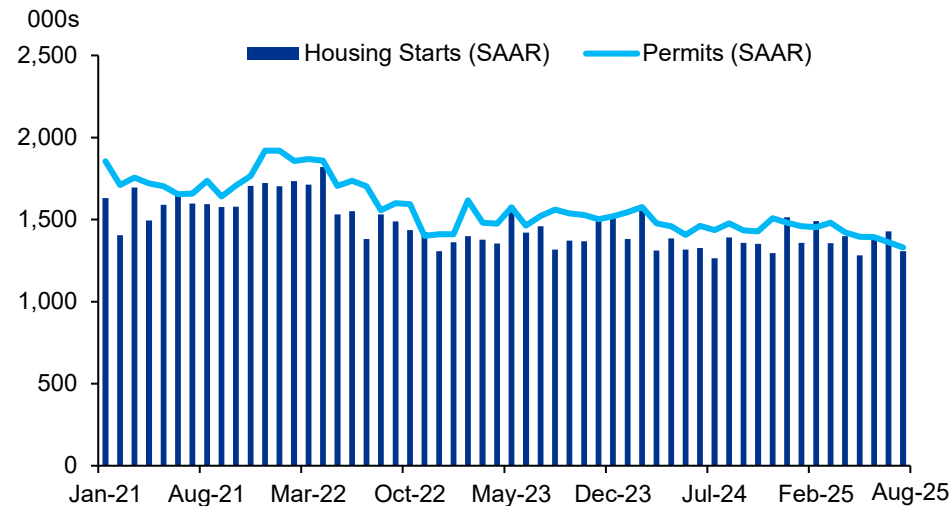
Returning Affordability



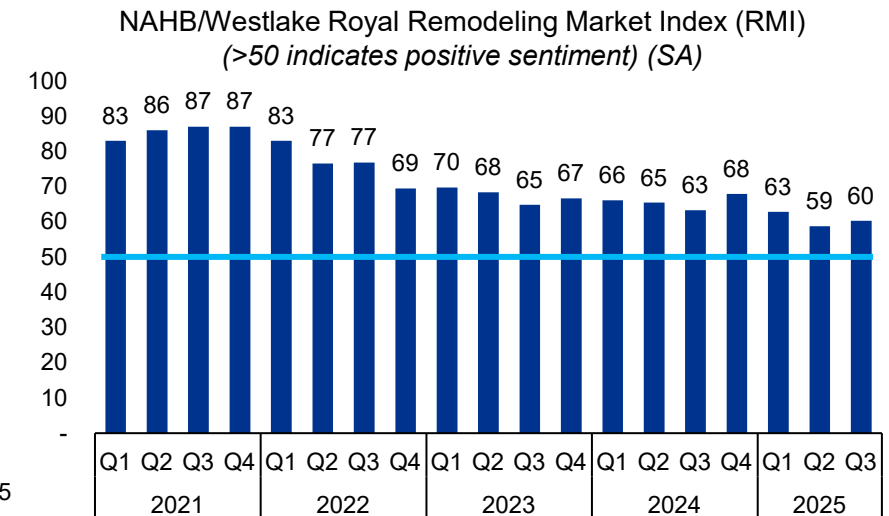
Stabilized Material Pricing



Consistency in Housing Starts & Permits



Repair & Remodel Outlook Remains Positive



Note: NSA – Not Seasonally Adjusted. SAAR – Seasonally Adjusted Annual Rate. SA – Seasonally Adjusted.

Source: Capital IQ; FRED; U.S. Census Bureau and U.S. Department of Housing and Urban Development, Survey of Construction; National Association of Home Builders, Freddie Mac.

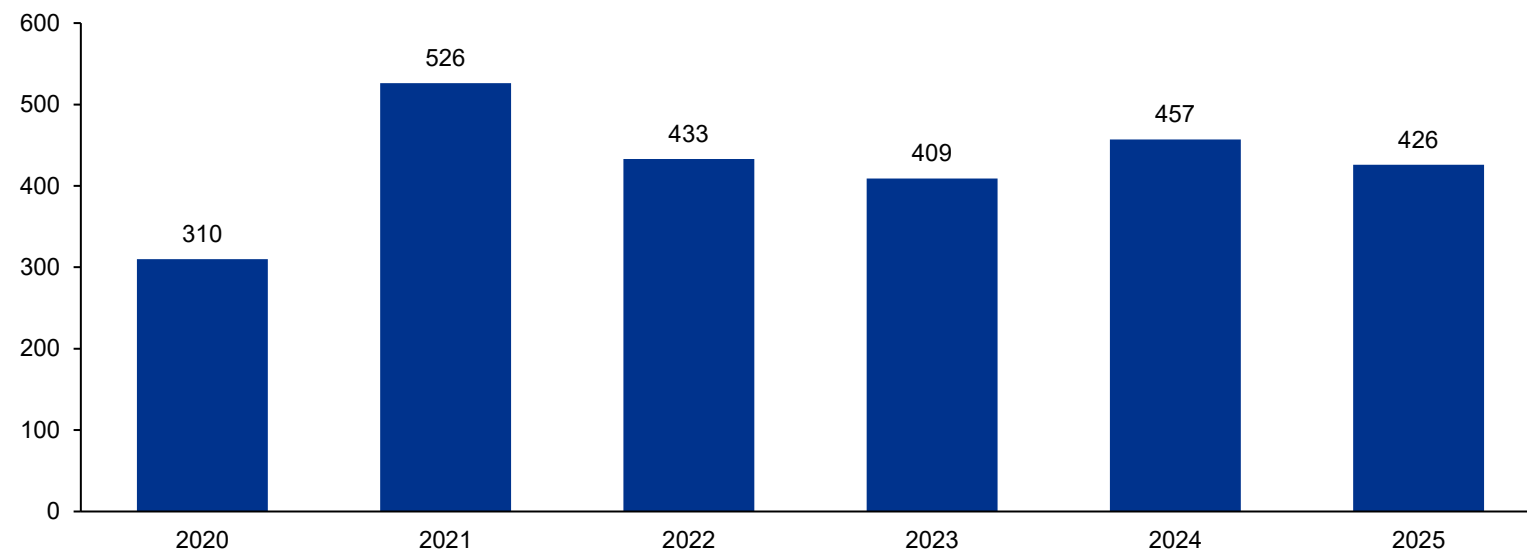


M&A Observations

While M&A volume declined overall in 2025, there was a flurry of large scale, billion dollar deals

- ✓ Rising interest rates, tariffs and general uncertainty impacted the building products M&A market overall, leading to reduced transaction volume since the post-COVID market peak of 2021.
- ✓ Despite the overall reduction, there has been a flurry of large-scale, billion-dollar transactions as major companies across the sector jockey for positioning and growth.
- ✓ Starting with Home Depot's acquisition of SRS and the emergence of QXO as a consolidator, the Distribution sector has been transformed, leading to consolidation across different home services sectors (ex. roofing, drywall, insulation) and end users, from DIY to professional contractors.
- ✓ This changing landscape may signal a market shift as larger national distributors hold greater negotiating power affecting both manufacturers and the service providers.
- ✓ The end of 2025 saw some large transactions in the the manufacturing sector, as large strategics seek to expand their product set and/or geographic reach.

M&A Activity Across the Building Products Sector

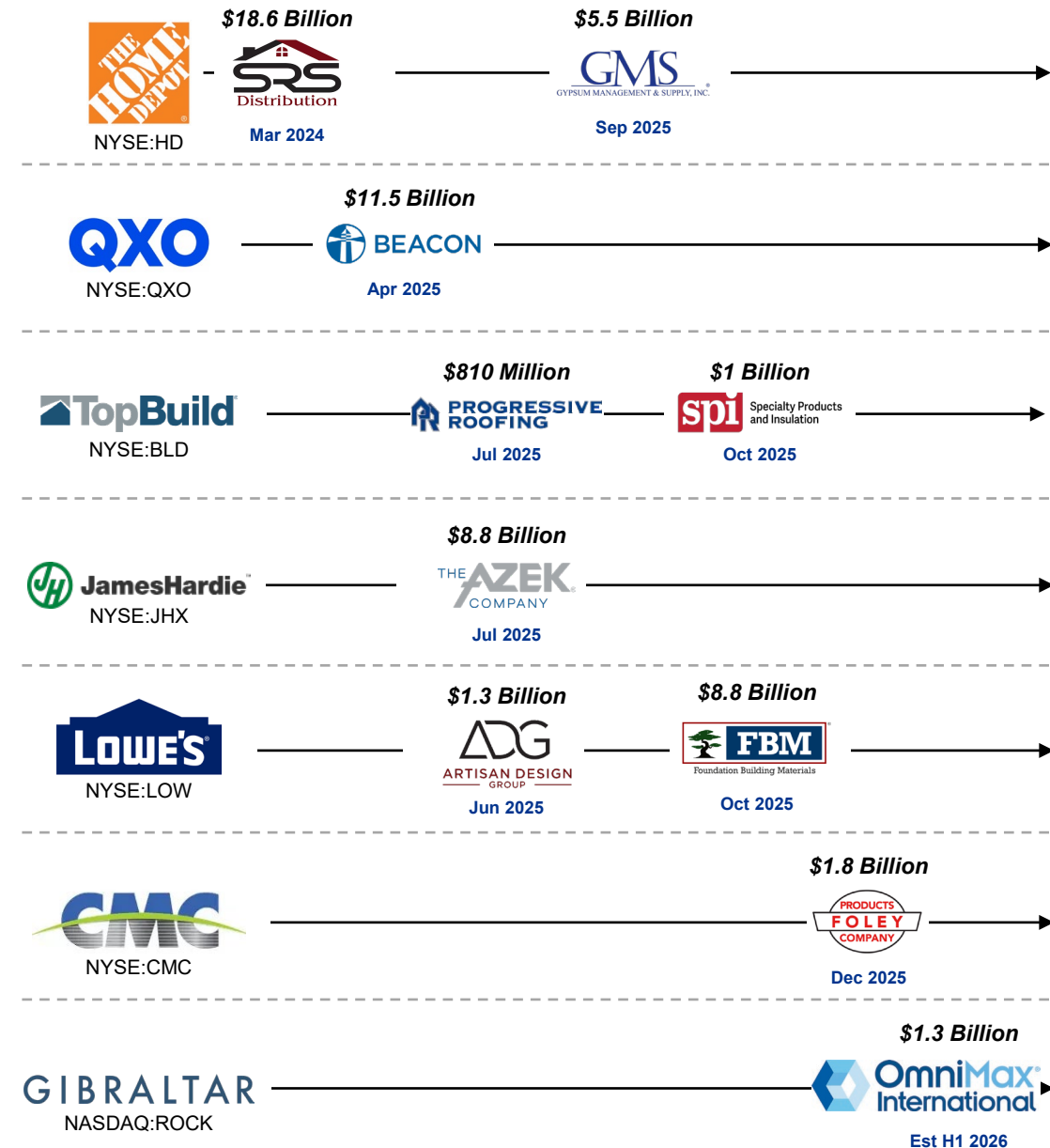


Source: Capital IQ; Pitchbook.



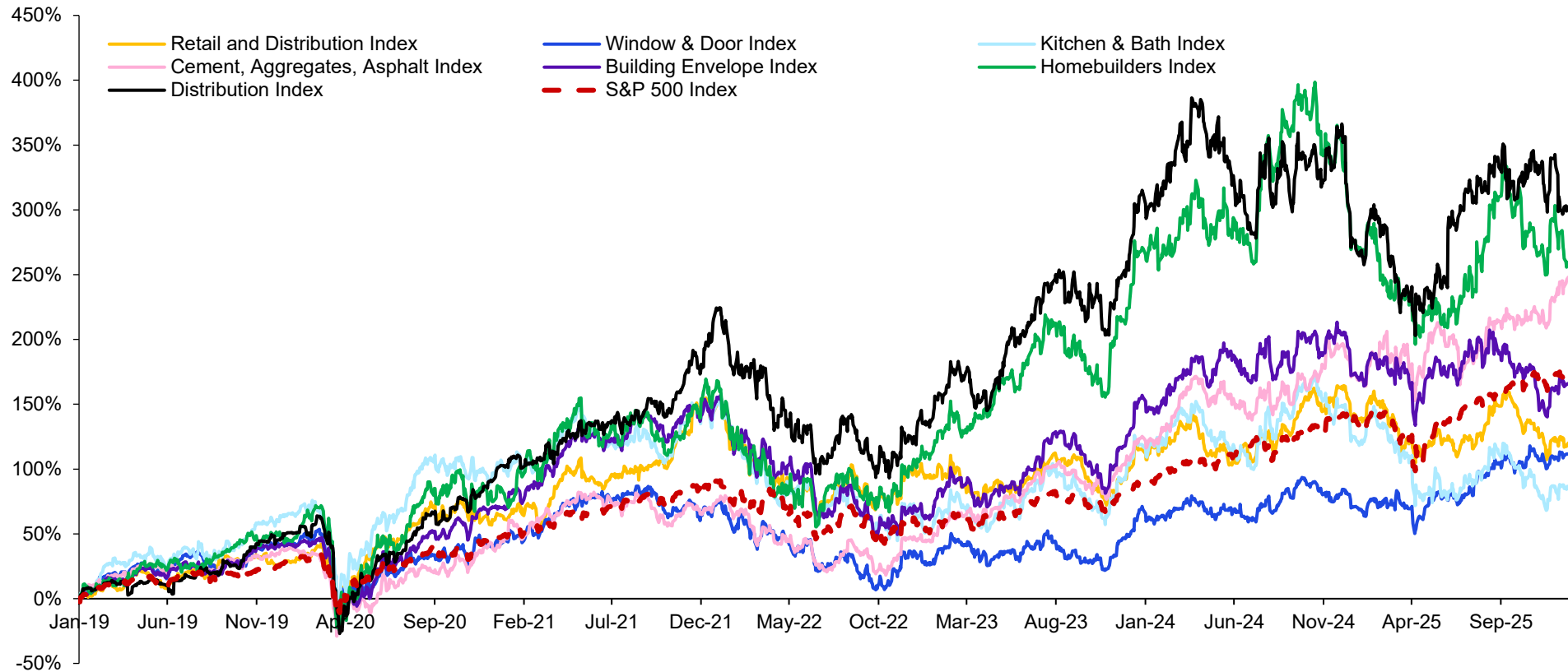
©2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the business of public accountancy. All rights reserved.

Notable, Large-Scale Consolidation



Public Market Performance and Sentiment

Public Market Performance by Subsector



Commentary

- Distribution stocks have considerably outperformed the S&P 500 despite periods of volatility. Sector strength is driven by robust investment in infrastructure and non-residential markets, while challenges include margin pressures, tariff concerns, and an uncertain interest rate environment, with recent stock appreciation following the high-profile deals of 2024 and 2025.
- The Homebuilder sector has been bolstered by the significant housing supply shortage, decline in existing home sales, and recent favorable mortgage rate trends that will support affordability for homebuyers.
- Window & Door and Kitchen & Bath stocks have underperformed the S&P 500, with heightened challenges in the past 12-24 months driven by global supplier dynamics and related cost pressures, as well as normalizing R&R activity relative to the post-COVID surge.
- Thematically, the investment fundamentals and long-term drivers of the sector remain compelling. Housing shortages and affordability challenges, the need for infrastructure development and upkeep, and a durable repair and remodel demand profile are catalysts for industry growth. Generally, there is optimism going into 2026.

Index Key: Cement, Aggregates, Asphalt: AMRZ, ACA, CEMEX CPO, CRH, EXP, HEI, HOLN, MLM, VMC; Building Envelope: APOG, AWI, CSL, JHX, KRX, LPX, OC, SGO, MHK, SSD, BLD, TREX, ROCK, CMC; Kitchen & Bath: FBIN, MAS, MBC; Window & Door: ALLE, ASSA B, GFF, JELD, NX; Retail and Distribution: FND, HD, LOW; Homebuilders: DHI, LEN, NVR, PHM, TOL; Distribution: BXC, BLDR, QXO, BCC, FERG
Source: Capital IQ

©2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the business of public accountancy. All rights reserved.

Executive Sentiment and Outlook

“We are excited about what could happen with the funding from home equity. We’ve seen 150 basis points of rate cuts from the Fed here over the last 18 months. The consensus would suggest we’re going to see more.”

– Brandon Sink, Lowe’s Companies Inc, CFO, Q3 2025 Earnings Call

“Going forward into 2026, as the government enters its second year in office, we expect to see a pick-up in infrastructure spending as well as potential benefits from the upcoming renegotiation of the USMCA trade agreement.”

– CEMEX Q3 2025 Investor Presentation

“Our long-term view continues to be favorable as the underlying fundamentals for the residential housing market remain positive.”

– George Wilson, Quanex Building Products, Q4 2025 Earnings News Release

“We’re seeing a modest decrease in construction costs in most parts of the country. It’s either flat or it’s down slightly, and maybe \$2, maybe \$3 a square foot in reduction in building costs.”





– Douglas C. Yearley, Chairman & CEO, Toll Brothers, Inc., Q4 2025 Earnings Call

Transaction Considerations

Key Diligence Considerations – “What Buyers Want to Know”

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

Analysis of these characteristics is critical in both driving value, as well as preparing for due diligence

 Competitive Positioning	 Customers & End Markets	 People & Operations	 Quality of Earnings
<ul style="list-style-type: none"> Geographic Location and Scale: regional, super-regional, or national reach; location demographics and growth profile Competitive Differentiators: product superiority and level of customization, service capabilities, market niche and reputation Historical growth compared to the broader market 	<ul style="list-style-type: none"> Customer Relationships: national vs. regional customers; repeat vs. one-time sales; tenure; concentration Contracts: written contracts vs. POs; cost pass-through ability Seasonality and economic cycle exposure and trends End Markets: repair and remodel vs. new construction; residential vs. commercial 	<ul style="list-style-type: none"> Labor Strategy and Composition: self-perform vs. subcontract; union vs. non-union; skilled vs. unskilled; 1099 vs. W2 Supplier Relationships: purchasing power, rebate programs, domestic vs. cross-border, tariff exposure Production Record: efficiency, levels of automation, safety 	<ul style="list-style-type: none"> Revenue and Margin: growth, run rate, and sustainability Percentage of Completion Accounting for project-based operations KPIs: inventory turnover, project duration, OTIF deliveries, DSO, DPO Working Capital Levels: consistent vs. seasonal Cap Ex: required annual spend

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	<ul style="list-style-type: none"> Agreement and mutual incentives by the shareholders to sell Clear “why” for the sale
2	Company Performance	<ul style="list-style-type: none"> Strong historical financial performance Positive outlook – driven by backlog, leading indicators, and growth plans
3	Market Status	<ul style="list-style-type: none"> Are there or have there been any material disruptions in the market, either from an operational or capital markets standpoint?
4	Leadership and Continuity	<ul style="list-style-type: none"> Is there an established leadership team in place to operate post-transaction? Do the shareholders intend to exit or remain in the operations?
5	Reporting Capabilities and Readiness	<ul style="list-style-type: none"> An optimal M&A process requires significant data collection, reporting, and analysis Is the Company equipped to provide necessary data and KPIs?
6	Legal or Compliance Issues	<ul style="list-style-type: none"> 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 Corporate Finance – Leading Middle-Market M&A Advisor

KPMG Corporate Finance*

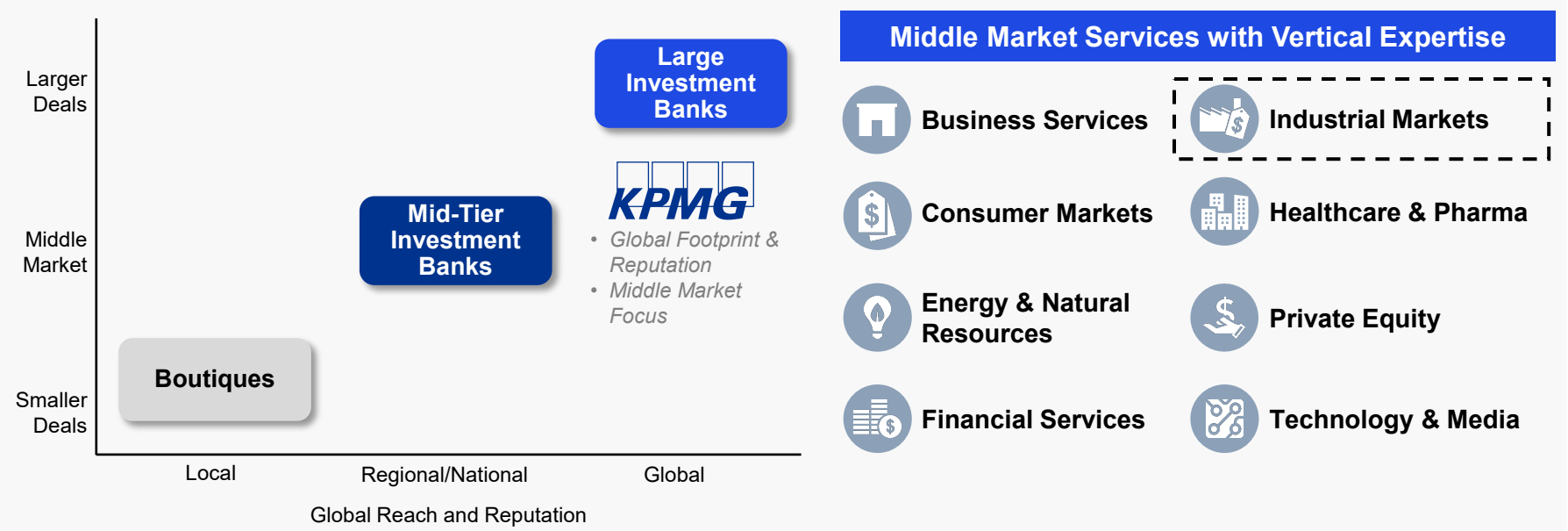
Our practice combines the focus of an elite boutique investment bank with the resources of a global investment banking platform.

- 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.



©2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the business of public accountancy. All rights reserved.

Document Classification: KPMG Confidential

Track Record of Exceptional Outcomes

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



has been acquired by



Roofing Contracting & Service

Prior Firm



has been acquired by



Drywall, Insulation, and Ceiling Distribution

Prior Firm




has been acquired by




HVAC Component Parts Manufacturer

Prior Firm



has been acquired by



Construction Abrasives Products Manufacturer

Prior Firm



has been acquired by



Roofing & Exterior Distribution

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



IMPORTANT NOTICE

The information contained in this newsletter is of a general nature and is not intended to address the circumstances of any particular individual or entity including their investment objectives or financial needs. In preparing this newsletter, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act or rely on the information in this newsletter without appropriate professional advice after a thorough examination of the particular situation. The information contained in this newsletter does not constitute a recommendation, offer, or solicitation to buy, sell or hold any security of any issuer. Past performance does not guarantee future results.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

©2026 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the business of public accountancy. All rights reserved.