



ACT CAPITAL
ADVISORS

Building Products

H1 2026

Industry Report

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Market Overview

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Construction | Consumer Products | Information Technology |
Healthcare | Industrials | Transportation & Logistics | Business
Services | Energy | Seafood & Agribusiness



Effective 10-year Return of Building Products



Market Performance

Historical Performance

Over the past 10 years the index for building products has underperformed in the public markets providing a total return of 237% (12.9% CAGR), whereas the market has provided a total return of 296% (14.8% CAGR). The industry succeeds when interest rates are low, and the conditions are good for new construction.

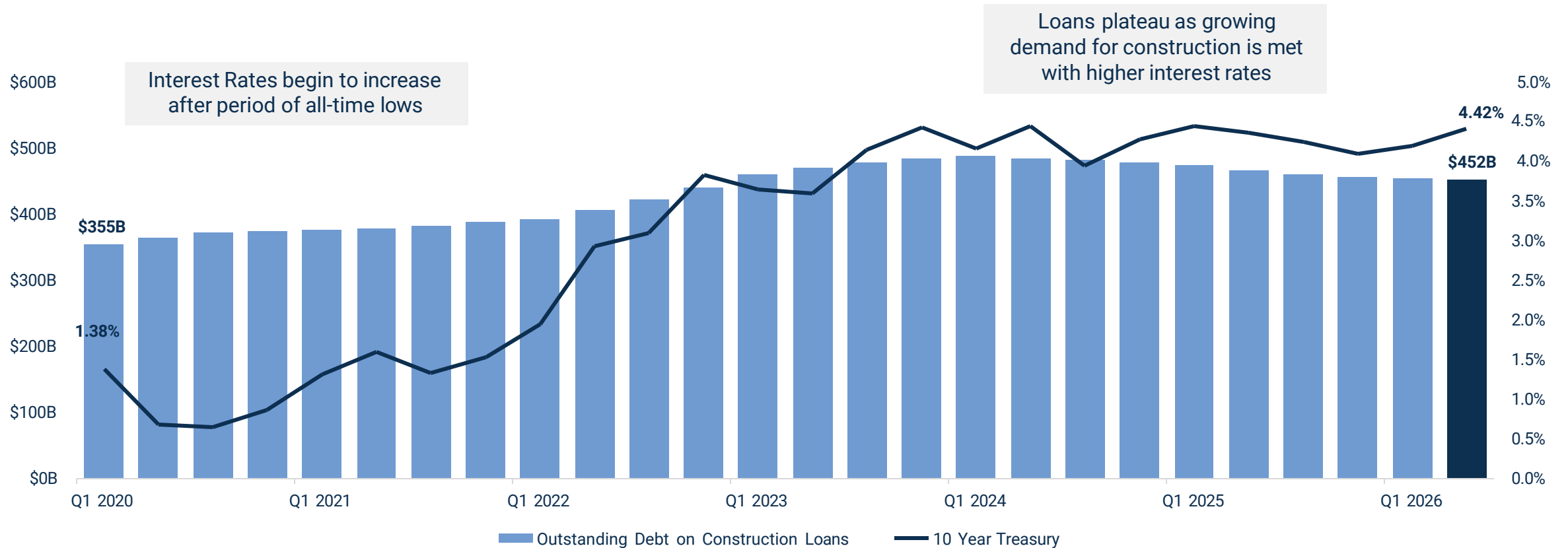
Current State

The industry was showing promising signs. As the average 30-year mortgage rate wound down reaching 6.05% in February (the lowest since 2022), the market responded with more housing starts and construction. In March, housing starts reached 1.5 million (the highest since 2024). However, mortgage rates climbed back to about 7.0% by late September, slowing early signs of momentum.

Current Trends

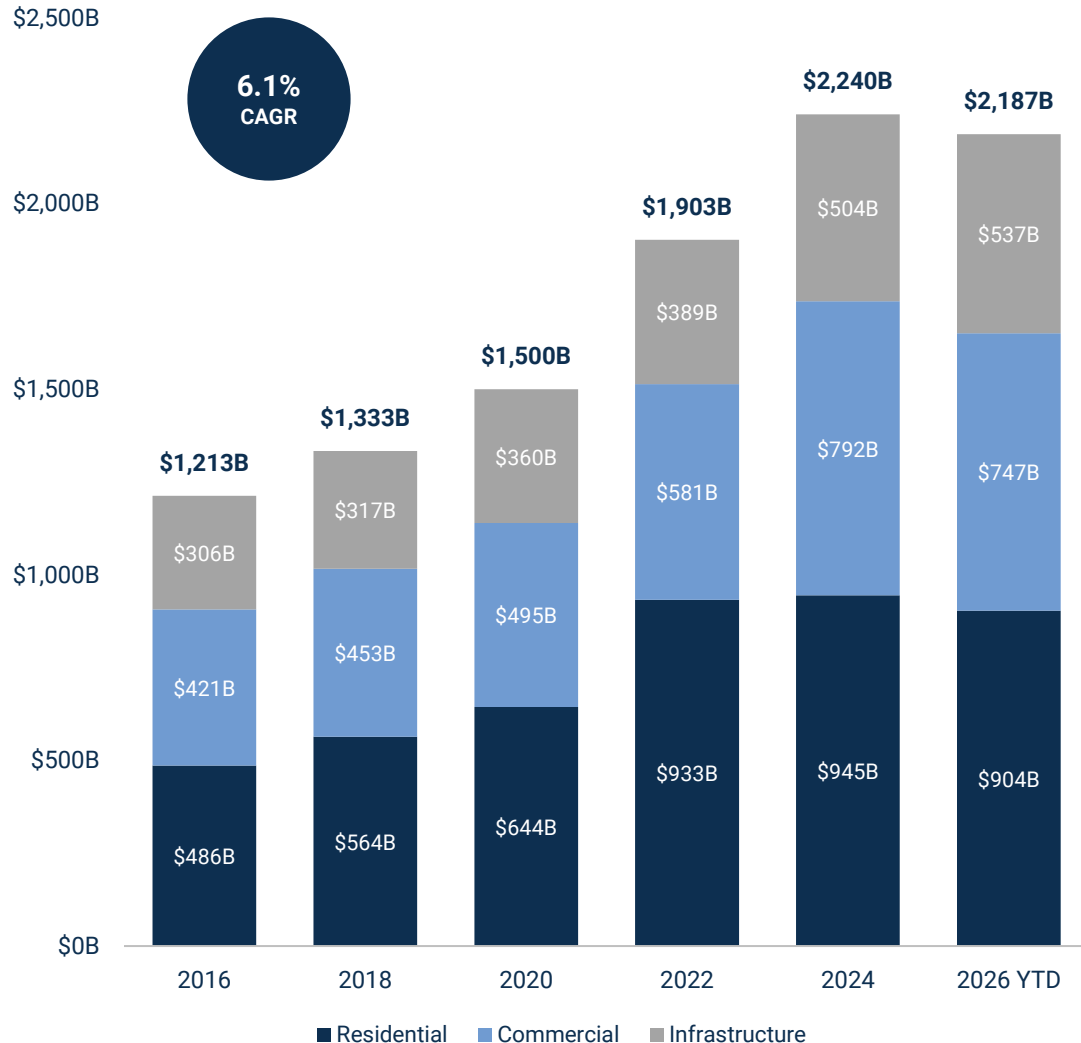
Home prices, which spent most of the past decade outrunning inflation, are cooling off — they rose just 3.0% year over year in Q2 2026, putting them back in line with the broader economy. Material costs have settled down as well. At the end of Q2, lumber increased 5.1% and plastics were up 4.3% year over year, whereas gypsum decreased 1.3%. Steel is the one holdout, with mill prices up 16.5%. These shifts will alter consumer preferences in building products in both construction and renovation.

Construction Debt Market



Outstanding construction loan debt expanded roughly 38% from \$355B in Q1 2020 to a cycle peak of \$489B in Q1 2024, as record-low borrowing costs and post-pandemic demand pulled forward project starts. The 10-year Treasury tells the other half of the story: after bottoming at 0.65% in Q3 2020, yields climbed more than 375bps to a 4.44% peak in Q4 2023 and held in a 4.0%–4.5% band through Q2 2026 before rising to about 4.75% in Q3. With capital markedly more expensive, balances have contracted every quarter since the 2024 peak, easing about 8% to \$452B by Q2 2026, a signal that new originations are no longer keeping pace with repayments, and that construction activity is likely to stay subdued until rates ease.

Total Construction Spend by End Market



Source: US Census Bureau (Oct. 1, 2026 release). 2026 YTD = Jan.–Aug. average, seasonally adjusted annual rate.

Construction Industry

Overall Market

U.S. construction spend is running at a seasonally adjusted annual rate of \$2.19 trillion in 2026 year to date, a 6.1% CAGR since 2016. Despite its cyclical nature and a softer 2026, the sector has grown substantially over the past decade, and residential has led that growth, lifting its share of total spend from 40.1% in 2016 to 41.3% today, and every end market is materially larger than it was a decade ago.

Residential

Residential remains the largest end market at \$904 billion, or 41.3% of total spend. A persistent housing shortage leaves ample room to grow, but housing starts are cooling off as rates continue to increase.

Infrastructure

Infrastructure is the smallest end market at \$537 billion, or 24.5% of spend, but the most visible. Federal transport and rail budgets have expanded sharply. Public funding makes this spend far less rate-sensitive than the private end markets.

Commercial

Commercial accounts for \$747 billion, or 34.1% of spend, and should see outsized growth through 2026 from data center capex. That pipeline points to a durable multi-year demand backlog as suppliers move to secure capacity.

Residential End Market

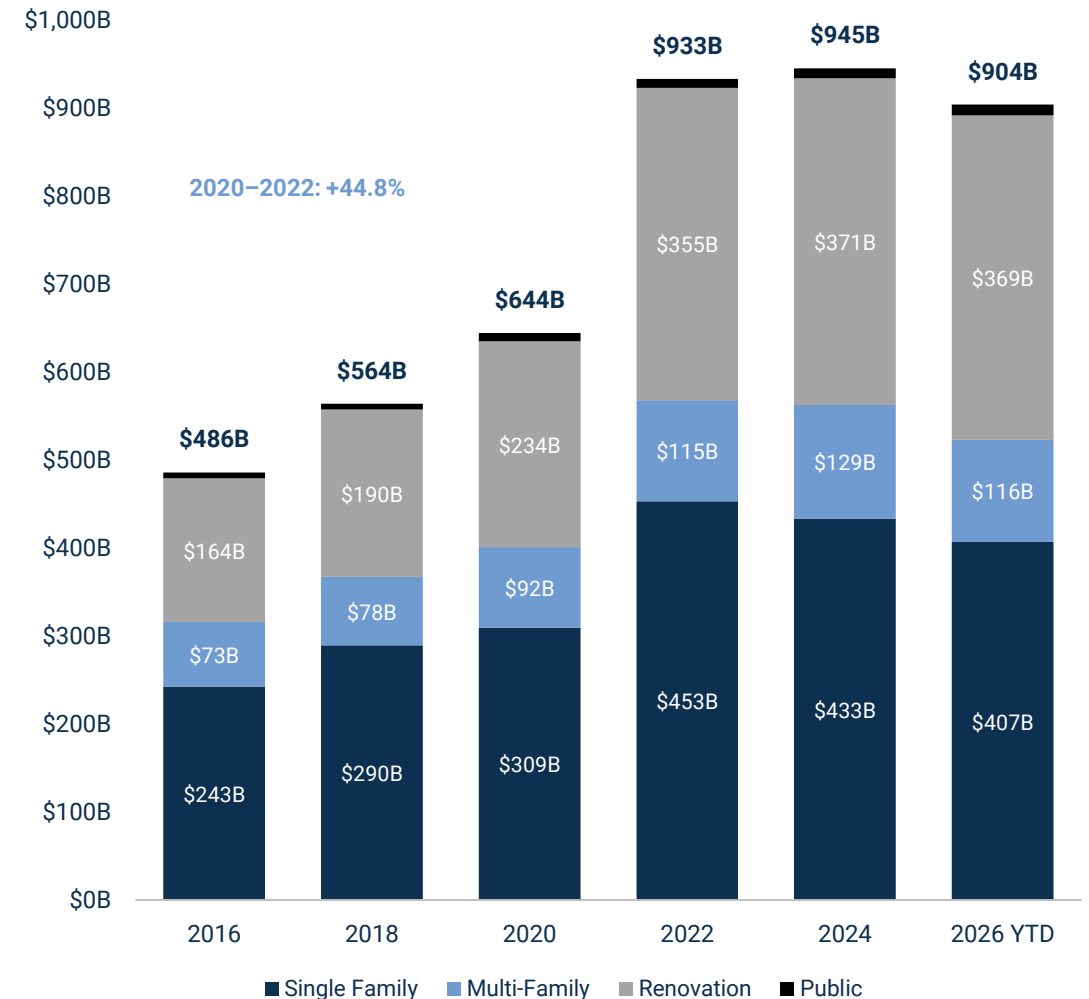
Overview

Residential has seen a massive increase going from \$486 billion to \$904 billion of construction. This totals an increase of 86% at an annual rate of 6.4%. There was a notable increase from 2020 – 2022 of 45%. During these years, interest rates hit an all-time low with SOFR near 0%. This allowed many people to receive cheap financing to build more homes and raised the price of homes substantially. In 2022, housing starts hit 1.8 million, the highest since 2006, and in the same year housing prices increased 20% YoY, causing the huge jump.

The Rise of Renovation Spend

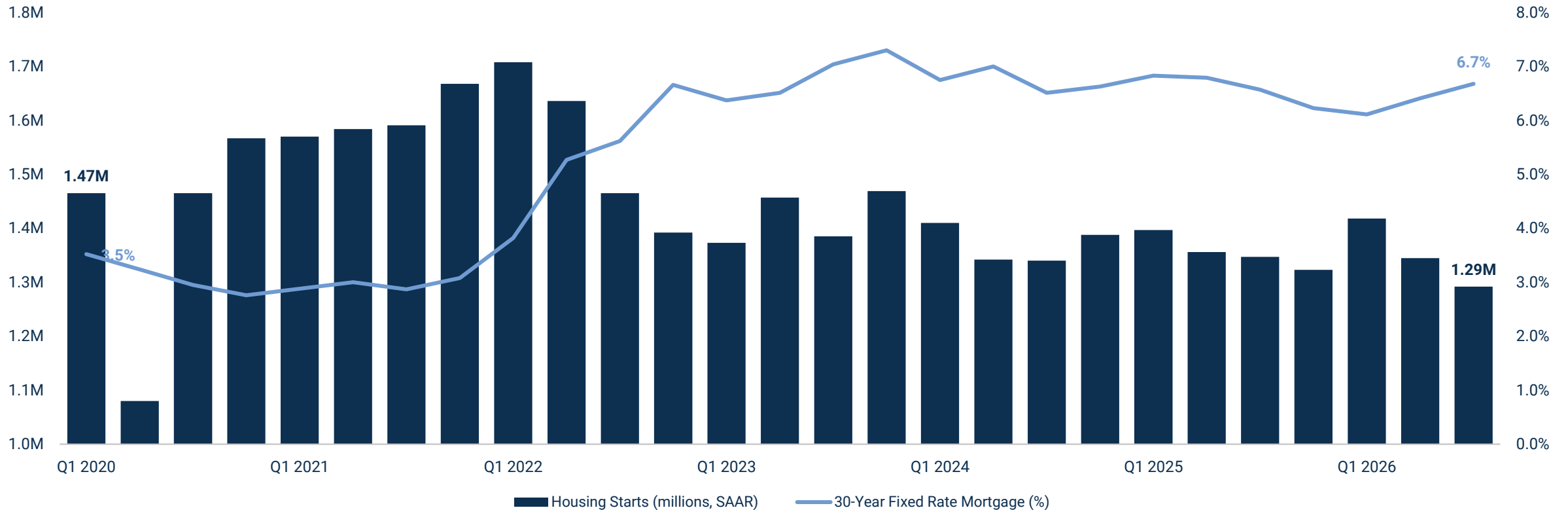
The renovate and repair market has exploded in the past decade. In 2016, it totaled \$164 billion or 33.7% of residential spend. However, in 2026, renovate and repair reached \$369 billion or 40.8% of residential spend. This massive spike in renovation activity has many potential factors, but the most likely seem to be an increase in homeownership tenure, aging housing stock, and the remote work shift. The amount of time people stay in a home has increased immensely, as the median went from 6.5 years to 12 years from 2005 to today. Many people due to difficulty selling or “rate lock” have decided to stay in their homes longer and make more frequent and larger renovations. Additionally, the inventory for homes has continuously gotten older. The median age of owner-occupied homes climbed to 42 years old in 2024, up from 31 years old in 2005. As homes get older there is a growing need for both renovation and repair.

Breakdown of Residential Market Spend



Source: US Census Bureau (Oct. 1, 2026 release). 2026 YTD = Jan.–Aug. average, SAAR.

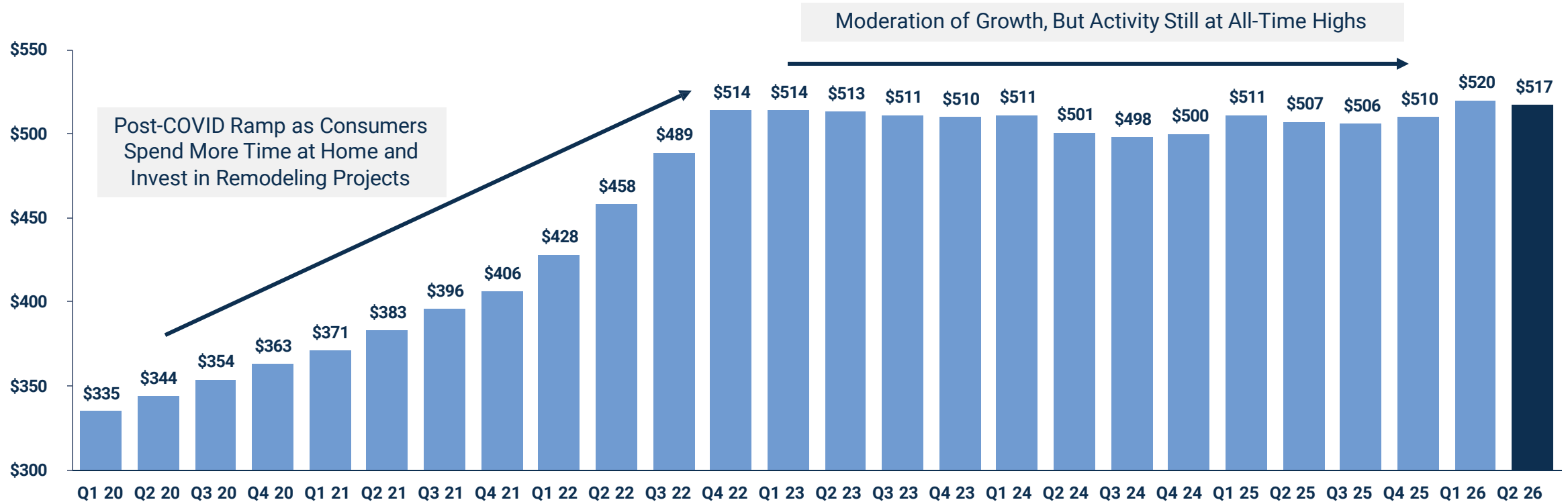
Housing Starts and Mortgage Rates, 2020 - Present



Over the last three years, housing starts have consistently been below historical averages. High inflation and borrowing rates have driven up construction costs, decreased housing affordability, and overall economic uncertainty has crushed builder confidence. This has led to a significant housing shortage of 1.5 – 5.5 million units. An annual increase in housing completions of at least 20% will be required over the next decade to close this gap, with homebuilders looking for more cost-efficient building supplies and methodologies to increase affordability.

LIRA – Q2 2026

(Four Quarter Moving R&R Spend, Billions)



Persistently high mortgage rates of 6% or more have “rate-locked” many homeowners, who are reluctant to move. Owners are therefore staying in their homes longer, and are faced with aging houses that require repairs, maintenance, remodeling, and modernization. At the same time, strong home equity gains have given households the ability to fund larger remodeling projects. These structural drivers support a durable base for R&R activity, though JCHS expects slower growth.

Commercial End Market

Overview

The commercial end market has remained strong, growing from \$421B - \$747B over the past decade, totaling a growth of 77.3% (5.9% CAGR). Additionally, the largest sector of commercial construction has shifted from education to manufacturing.

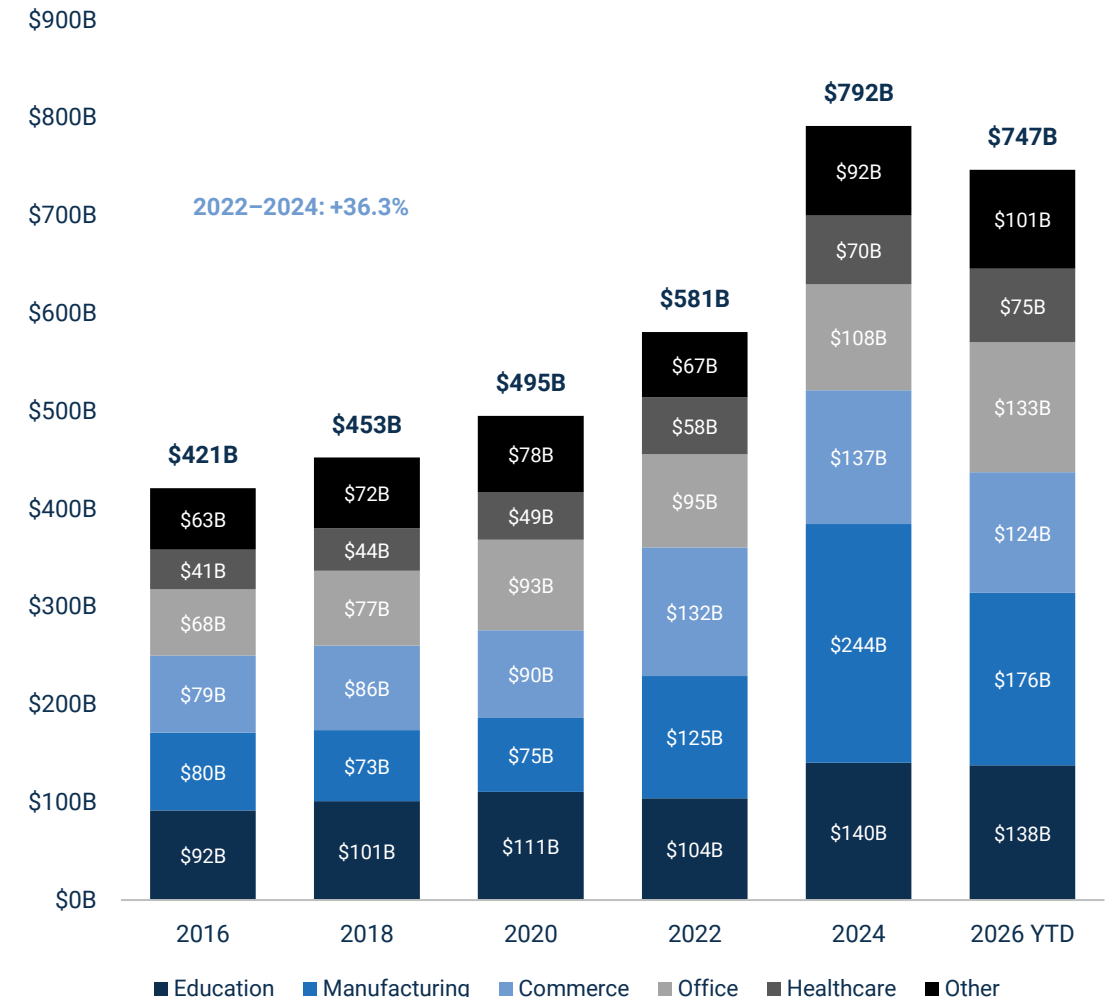
The Rise of the Data Center

After 2020, many companies allowed people to work from home and caused a steep decline in the demand for new office construction. However, office construction spend increased greatly due to data centers. In 2026, hyperscaler AI capital spending is expected to approach \$690 billion, according to PitchBook. Most of that buys chips and servers, but it is also driving record data center construction. The buildout of data centers will be an enduring trend over the next decade.

The Return of Domestic Manufacturing

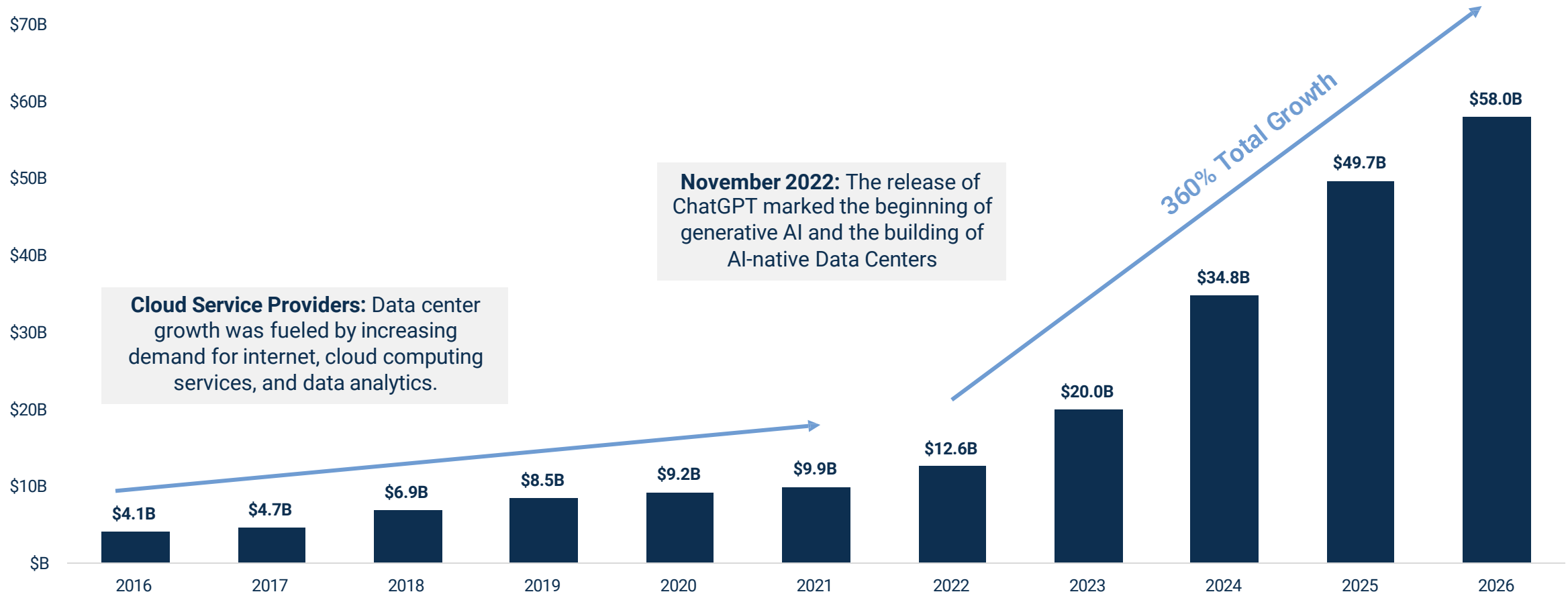
The sector that has seen the most growth has overwhelmingly been manufacturing which has grown 2.2x in just 10 years and has become the largest sector in commercial construction. The manufacturing industry in the United States has grown immensely. One reason is the tariff environment, which has caused many companies to on-shore. Additionally, supply chain bottlenecks have become more frequent and costly. Legislation such as the IRA, CHIPS, and IIJA acts incentivized manufacturing in sectors such as electronics, energy, and industrial equipment, culminating to the massive growth that we are seeing.

Breakdown of Commercial Market Spend



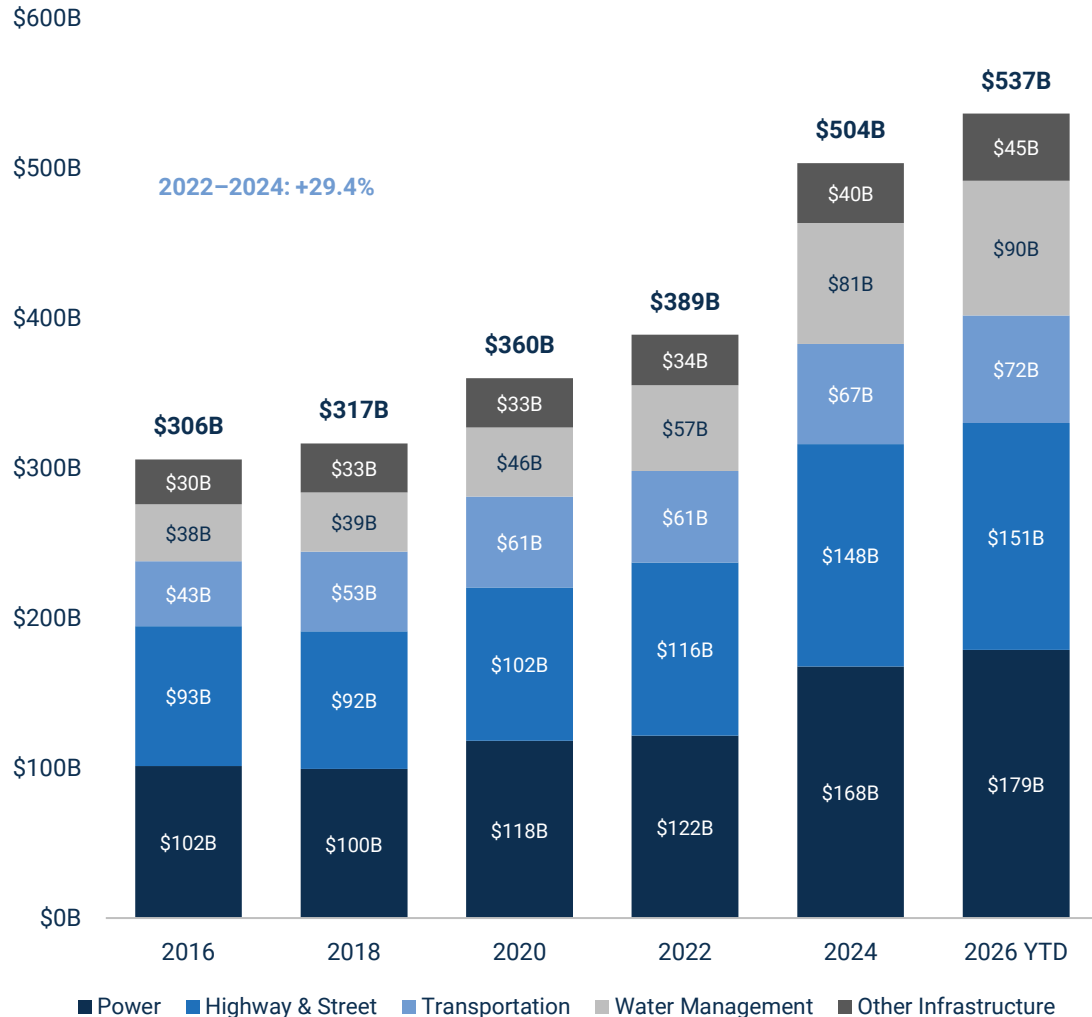
Source: US Census Bureau (Oct. 1, 2026 release); PitchBook. 2026 YTD = Jan. - Aug. average SAAR.

Data Center Construction Spend



Data Centers are at the epicenter of various technology waves causing different phases of growth. From 2016 – 2021, data centers were primarily built by companies such as Amazon, Google, or Oracle to provide cloud computing services. These data centers have specific requirements such as reliable powering, extreme cooling, and fast connecting. However, in 2022, a new type of data center was needed: AI-native data centers. These data centers need even more intense cooling, and volatile swings in energy loads, requiring niche expertise in the construction process.

Breakdown of Infrastructure Market Spend



Source: US Census Bureau (Oct. 1, 2026 release). 2026 YTD = Jan.–Aug. average, SAAR.

Infrastructure End Market

Overview

Infrastructure construction spend has seen tremendous growth going from \$306B - \$537B from 2016 – 2026. This comes out to 75.3% growth over 10 years or 5.8% annually. There was a jump from 2022-2024 of 29.4%. This increase was caused by the lagging impact of the Infrastructure Investment and Jobs Act (IIJA), which authorized \$1.2 trillion in government spending that will be spent over the next decade.

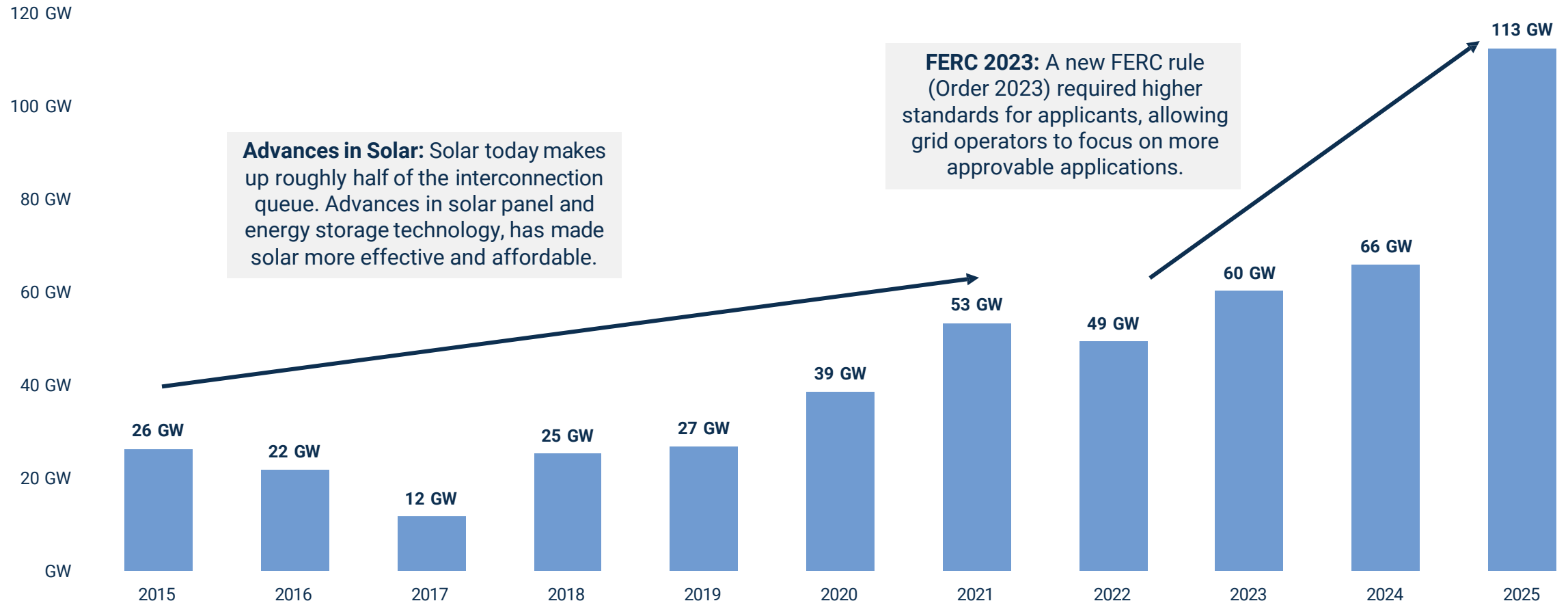
Public Sector Reliance

Over the past decade infrastructure construction spend on average was 58.5% public whereas residential and commercial were 1.2% and 26.4% respectively. The infrastructure sector is reliant on different factors and fluctuates with government spending as opposed to market behavior.

Massive Changes in Power

Power/ Energy related infrastructure has been the largest and most influential part of infrastructure construction. Many plants are in the process of being built to meet growing demand. The interconnection queue (the waiting list for projects to be approved and connected to the grid) saw about 600 GW of new requests in 2025, even as more than 750 GW withdrew. This steady pipeline of new generation should continue to support power construction spend.

Total Capacity of Approved Projects



The interconnection queue is a waiting list for proposed energy projects to gain approval to join the grid before starting construction. Historically, power/ energy has been a sector that grows at a very slow and steady pace. However, the capacity of all approved projects in 2025 rose by 71% hitting 113 GW. This massive increase in approvals functions as a leading indicator for power construction spend. This influx of projects demonstrates spending that will be dispersed over the next couple years as many of these projects are nearing completion.

Political Factors

Changes in the FED

On September 16th, 2026, the FED increased the target federal funds rate by 25bps to 3.75% - 4.00%. The Fed cited elevated inflation and geopolitical uncertainty. However, markets currently believe that more rate hikes will occur by the end of the year. According to the CME fed watch tool majority believe that rates will see an additional 50bps increase to 4.25% - 4.5% by the FED's December meeting. Combined with the rising treasury yield, and construction is faced with heavy financing costs.

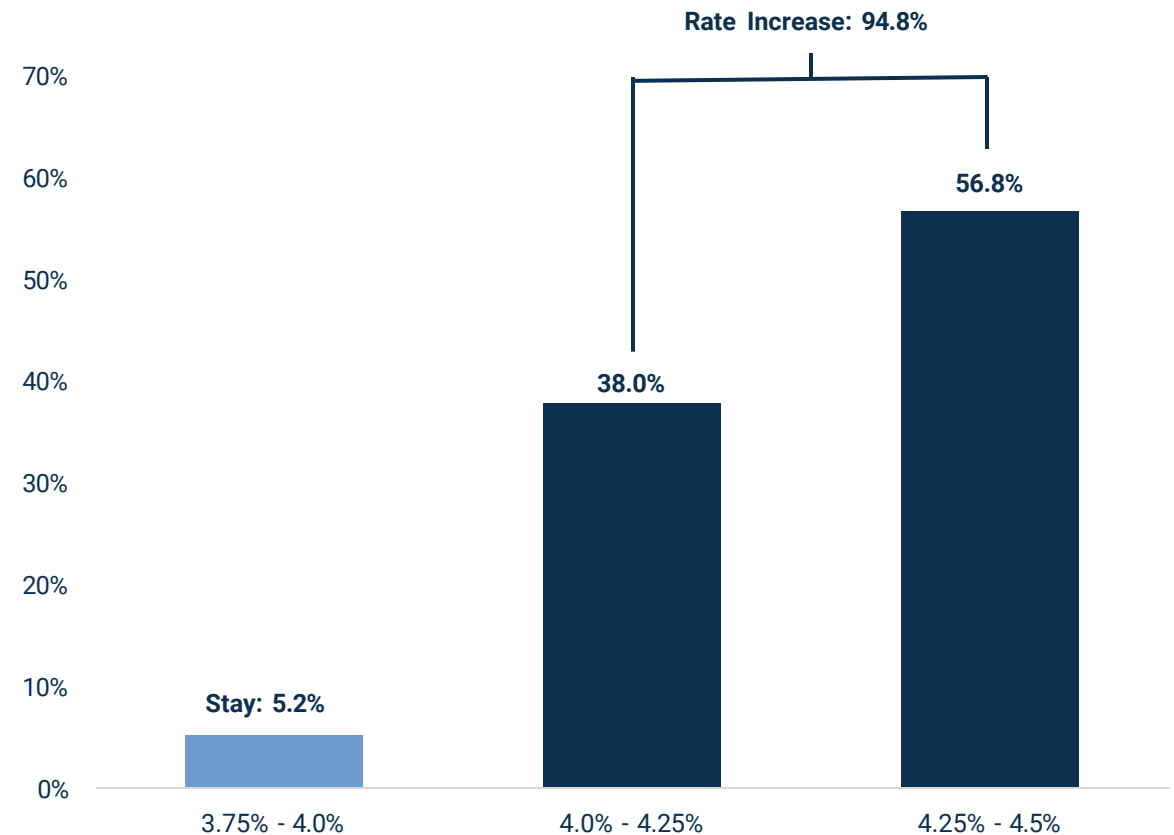
Current Tariff Environment

Section 232 is product-specific and does not expire. Primary steel, aluminum, and copper are at 50%. Since April 6, 2026 duties apply to full customs value, not metal content, by classification: 25% most derivatives; 15% industrial, grid, agricultural, HVAC and mobile equipment through 2027; 10% at 85%+ U.S. metal; none below 15% metal content.

Section 301 has two layers: legacy 2018–19 China tariffs of 7.5%–25%, raised in 2024 to 25%–100% on select goods, plus July 24, 2026 forced-labor tariffs of 10–12.5% on 60 economies (~99% of imports; EU at 10–12.5% net of MFN), now in court.

Section 338 adds 50% on listed Canadian goods (Aug. 22); Section 232 adds 10% on lumber, 25% on cabinets.

Federal Reserve Rate Predictions by End of the Year





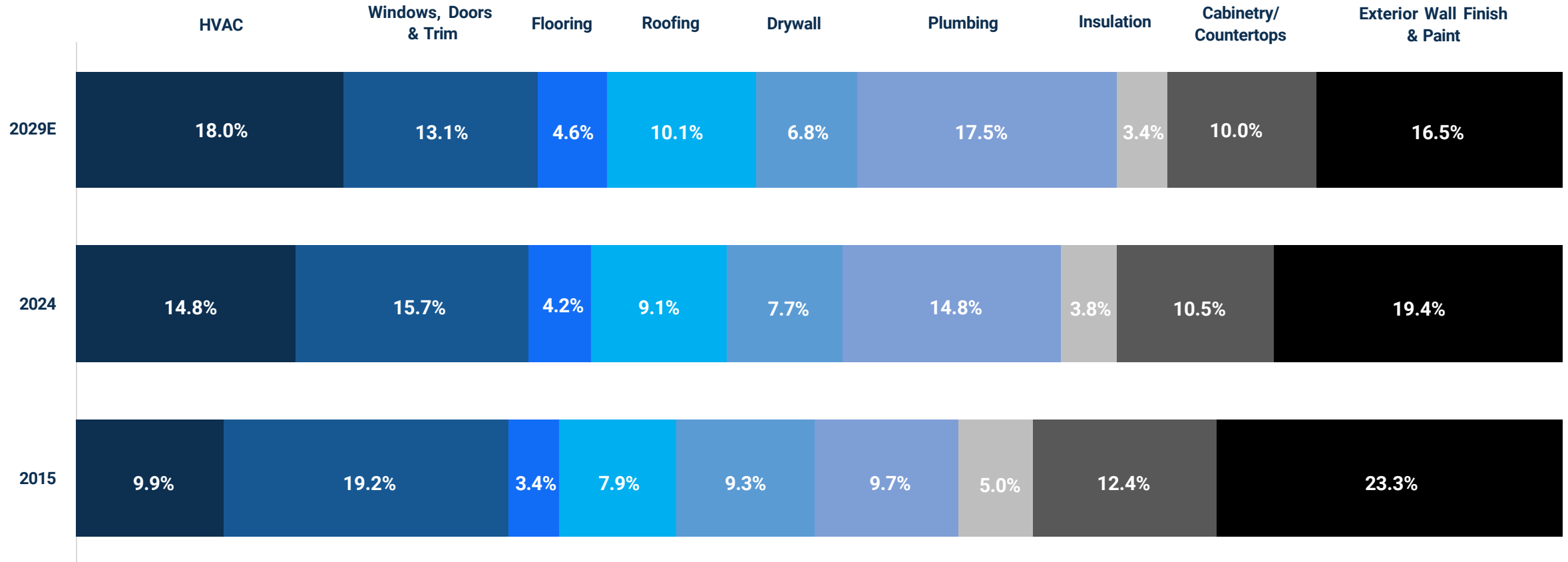
Product Overview

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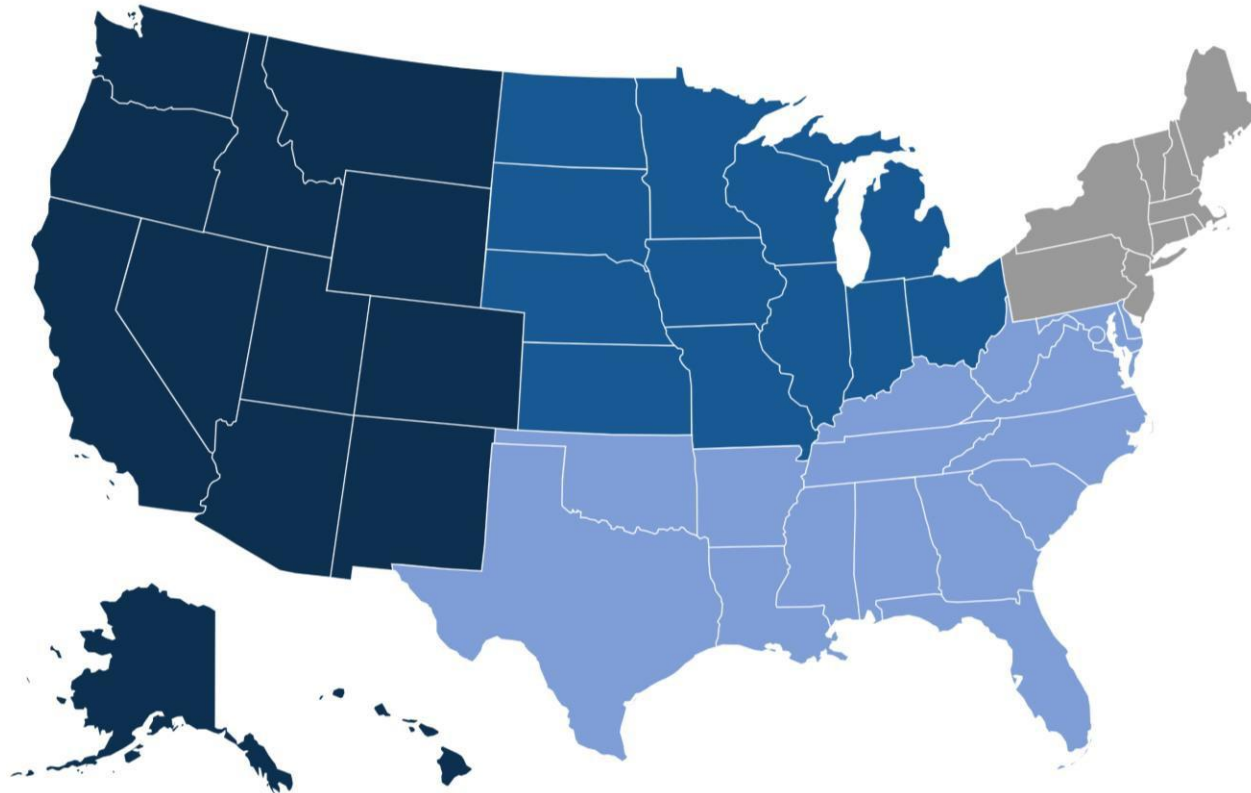


Product Mix for Residential Homes



Over the past decade home prices have massively outpaced inflation, increasing by 6.7% annually. Additionally, the median size of new single-family homes was 2,153 sqft in 2025 down from 2,466 sqft in 2015. This more expensive housing market has altered the purchasing of building products as consumers are demanding cheaper products and reducing aesthetic building product spend. It is for this reason that we see the largest increases coming in the form of necessary and functional elements such as HVAC and Plumbing. Products in general are trending towards cheaper price points and easier installation.

Geography of Residential Homes



Construction of New Residential Buildings

(Single Family + Multi Family), (000s)

		2016	2026 YTD (Aug)	% Change
	West	292	296	+1.4%
	Midwest	185	203	+9.7%
	South	585	717	+22.6%
	Northeast	116	142	+22.4%

The geography of residential spend is critical to the building products industry, as new construction is likely to take both the aesthetic and functional trends of the region. We can see that the regions with the largest amount of growth in residential buildings in absolute terms come from the South, with states such as Texas and Florida leading the charge. Notable trends in the South include slightly higher square footage, fewer floors, and more air-conditioning and heat pumps. Many trends in individual products stem from the shifting housing demographics.

HVAC

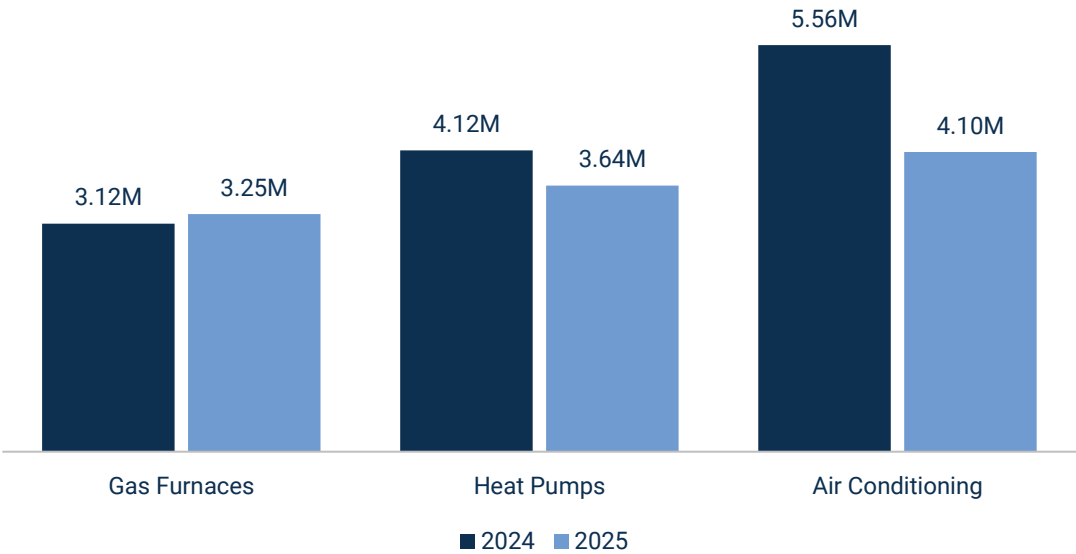
Overview

In the residential market HVAC has become the most dominant sector of building product spend. AHRI data show about 11.0 million furnaces, central air conditioners and heat pumps shipped in 2025, down 14% from 2024, and air conditioner and heat pump shipments are up through July 2026 (5.63 million vs. 5.34 million a year earlier). Demand is supported by two major factors: homes built in the early-2000s housing boom now have HVAC systems reaching the age of replacement, and modern heat pumps and air conditioners are far more energy efficient, making them a more economic long-term option for new construction.

Growth in Heat Pumps & Air Conditioning

Heat pumps and air conditioners make up roughly 70% of the HVAC units shipped each year. Demand for cooling has grown primarily due to the changes in residencies. The states with the largest amount of population growth in the past 5 years have been Texas, Florida, North Carolina, and Georgia all of which have warmer summertime climates that require indoor cooling. As regions with more extreme weather continue to grow, there will be a steady increase in cooling solutions. Secondly, heat pumps have become an increasingly cost-effective solution. As opposed to furnaces or air conditioning, heat pumps are capable of both heating and cooling a home, allowing many homes to need only a heat pump with no additional units, allowing customers to receive heating and cooling at a cheaper price.

U.S. HVAC Equipment Shipped
(million units)



	2024	2025	% Change
Gas Furnaces	3.12M	3.25M	+ 4.1%
Heat Pumps	4.12M	3.64M	- 11.6%
Air Conditioning	5.56M	4.10M	- 26.2%
Total	12.80M	11.00M	- 14.1%

Source: AHRI shipment data (Dec. 2025 and Jul. 2026 releases)

Plumbing

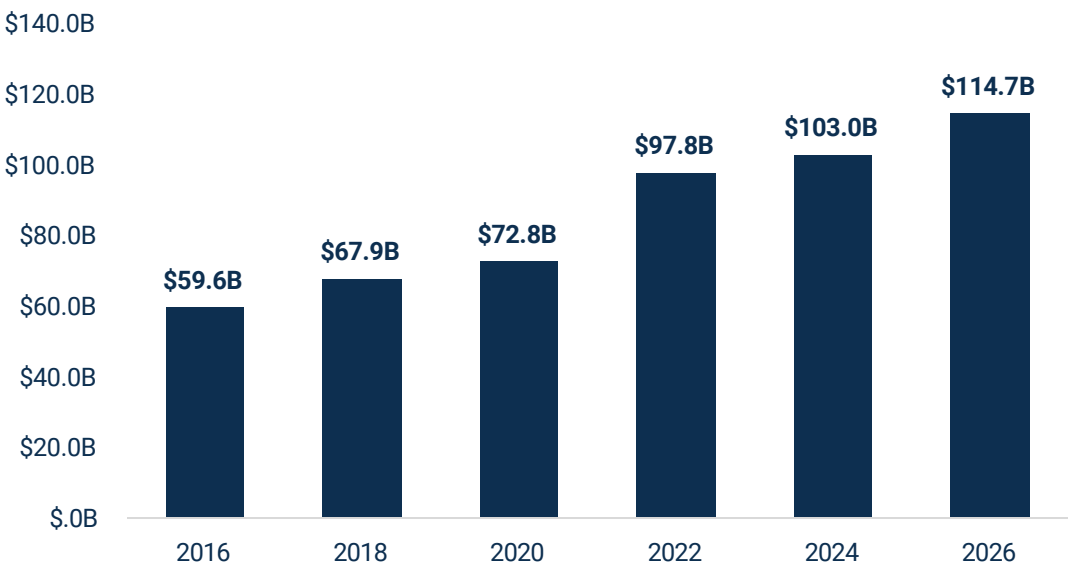
Overview

The industry for plumbing products has been a durable competitor in the building products space most notably for its necessity and functionality. Over the past 10 years sales from plumbing products have grown from \$59.6 billion to \$114.7 billion, or total growth of 92.4% which has outpaced the growth of the overall construction industry. The plumbing industry contains various product types such as Pipes, Valves & Fittings (PVF), Water Heating Systems, Water Management & Treatment, Drainage, and fixtures. As homes become more expensive to construct and builders are attempting to cut costs, these essential elements will maintain strong demand and prices.

Price Increase from Labor

Plumbing prices have increased greatly over the past decade in the residential market. This increase captures not only the rising cost of products captured by distributor and manufacturers but also the increase in labor costs captured by installers. The blue-collar labor shortage is driving up costs in construction and more specifically driving up costs in more skill-intensive fields such as plumbing. For that reason, plumbing systems have seen a more drastic price increase than fixtures due to the extra amount of labor required to install it. As the labor market continues to see large shortages the price of plumbing installment will continue to rise. For this reason, many manufacturers are trending towards easier-to-install products that will allow many people to save on labor costs and pay a premium to the manufacturer.

Sales of Plumbing Products from Distributors



Source: Calculations derived off data from the US Census Bureau

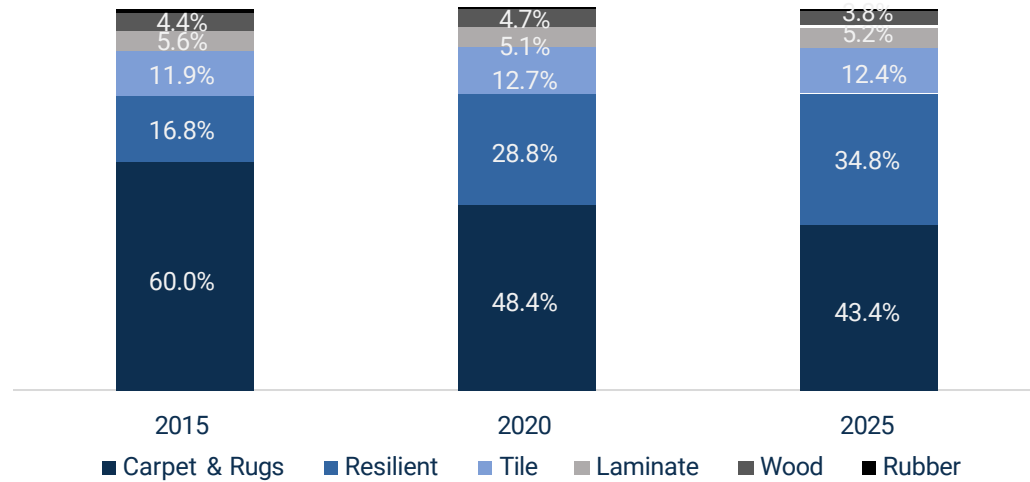
Average Plumbing Spend for New Residential Homes

	2015	2017	2019	2022	2024	% Change
Plumbing System	\$12,445	\$10,937	\$14,840	\$22,750	\$26,978	+116.8%
Fixtures	\$4,341	\$3,091	\$4,155	\$5,099	\$8,136	+87.4%

Source: NAHB (National Association of Home Builders)

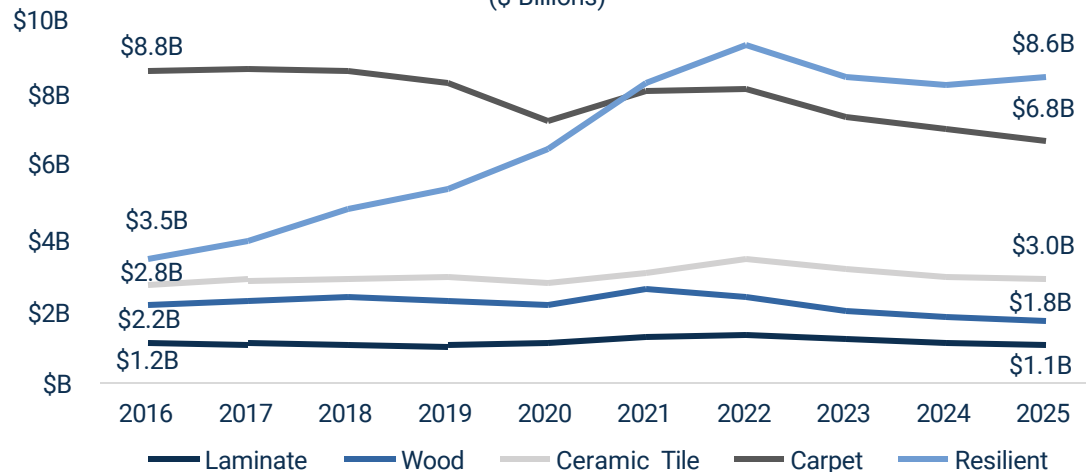
Flooring Purchased Breakdown

(% Based on Total Square Footage Purchased)



Total Flooring Sales

(\$ Billions)



Source: Floor Covering News

Flooring

Overview

The flooring industry is one that is heavily influenced by both stylistic and functional trends. This leads to market share of specific products to be heavily shifted by public perception and functional needs. As a very necessary part of any building, flooring has maintained stable growth in both residential and commercial.

The Decline of Carpet

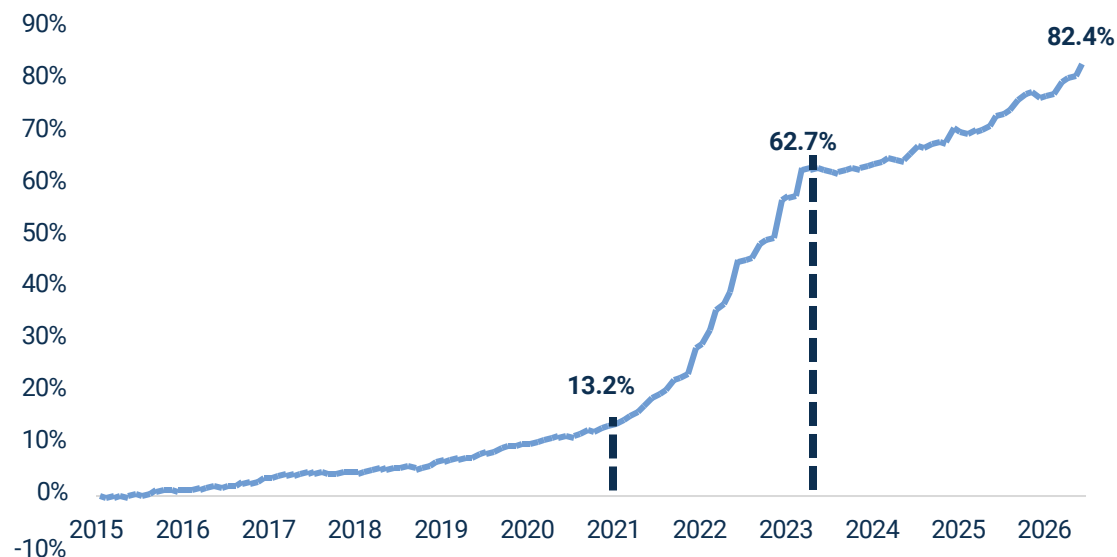
The decline in carpet stems mostly from the residential market. Over time the public perception of carpet has worsened as the public believes that it is dirty and difficult to clean. Additionally, many believe that dust, allergens, and dirt get caught in the fibers making it a suboptimal type of flooring for any space in the home besides the bedroom. Although modern fiber technology has advanced and improved upon many of these problems, the current perception stands and keeps people from using carpet in more parts of the home.

Rise of Resilient

Since 2021, resilient has become the dominant sector of flooring by total dollar amount of sales. This is partially due to the increase in resilient prices from tariffs. However, the increase in volume has come from the growing popularity of rigid core flooring, which makes up more than 50% of resilient flooring. Rigid Core is very durable waterproof flooring that has high value in non-residential construction in areas such as healthcare, education, and office space.

Roofing Prices

(Nonresidential Roofing Contractor PPI, Change Since 2015)



Source: FRED (Federal Reserve Bank of St. Louis)

Roofing Renovation Spend

Total 2017 (\$M)	Total 2023 (\$M)	% Change	Implied CAGR
\$25,962	\$45,825	+76.5%	9.9%

Source: JCHS (Joint Center for Housing Studies)

Roofing

Overview

Roofing is a vital part of any building to be protected from external elements such as weather and debris. This means roofing can be maintenance-heavy compared to other residential building products. This allows roofing to remain stable through boom-and-bust construction cycles.

Rapid Price Increases

Using an index starting in 2015, from the beginning of 2021 to mid-2023 prices rose 49.5 index points, a 43.7% increase. This rapid increase in prices is due to both a massive influx in demand and a constraint on supply. During this time, both housing starts and renovation activity skyrocketed. However, coming out of 2020 many factories and imports were slowed or shut down. Additionally, many contractors report experiencing some form of labor shortage.

The Renovation and Repair Market

From 2017–2023 the renovation market for roofing has grown enormously from \$26.0B - \$45.8B. Firstly, residential customers have become more price sensitive and have reduced spend on discretionary building products. As such, roofing is a mandatory building product that may need emergency fixes at any given moment. Additionally, much roofing damage is covered by insurance. This ease of financing and necessity to fix allows roofing to perform very well in the renovation market.

Exterior Wall Finish

Overview

Exterior Wall finish is not only a stylistic element for maintaining curb appeal but has functional properties in terms of climate control. For this reason, siding tends to vary mostly based on region of construction. Region impacts the accessibility of materials, the climate, and architectural style. The trends of siding are most heavily influenced by the geography of residential construction.

Growing Popularity of Cement

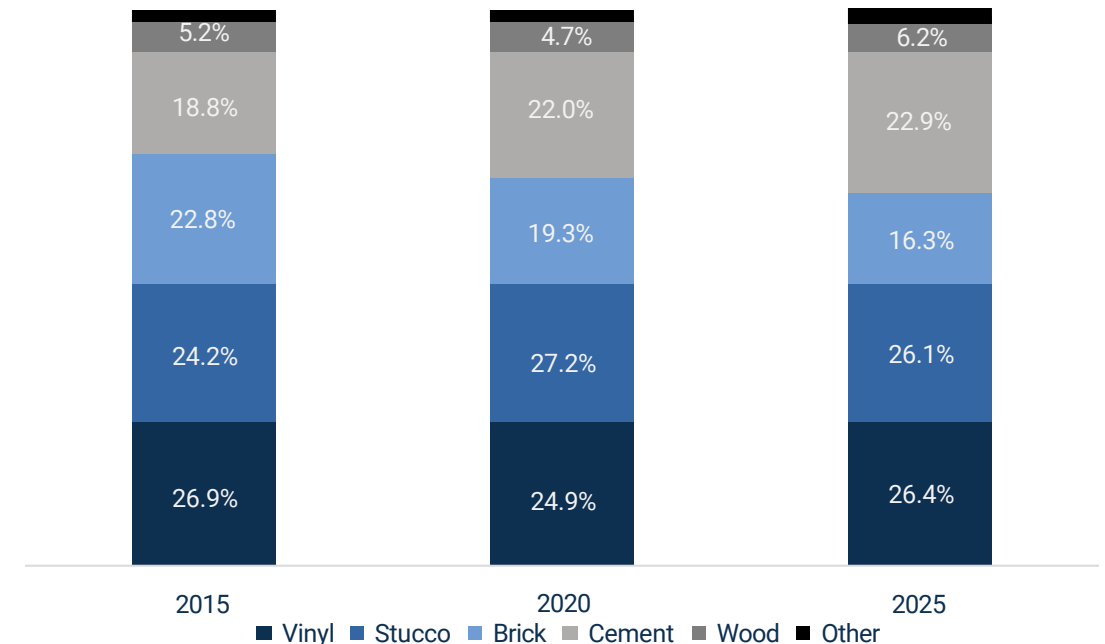
Fiber cement siding is gaining share as builders prioritize durability and resilience. It resists fire, rot, pests, and moisture far better than vinyl or wood, which has made it popular in wildfire-prone regions and areas with harsh weather. For this reason, fiber cement has become most popular in the south, which has seen the most home growth. As insurers increasingly factor exterior materials into premiums, cement's durability is becoming a meaningful cost advantage over its lifetime.

Growth in Renovation and Repair

The exterior siding industry has many factors that work in its favor in the renovation market. Siding can change the heat of a space and is often covered by insurance. Additionally, in the residential market siding creates extremely noticeable curb appeal. This allows much of the renovation cost to increase the eventual sale value of a home. We expect the siding industry to continue strong in the near future.

Breakdown of New Construction Siding

(% of new homes with a given siding)



Source: US Census Bureau

Exterior Siding Renovation Spend

Total 2017 (\$M)	Total 2023 (\$M)	% Change	Implied CAGR
\$4,893	\$9,445	+93.0%	11.6%

Source: JCHS (Joint Center for Housing Studies)



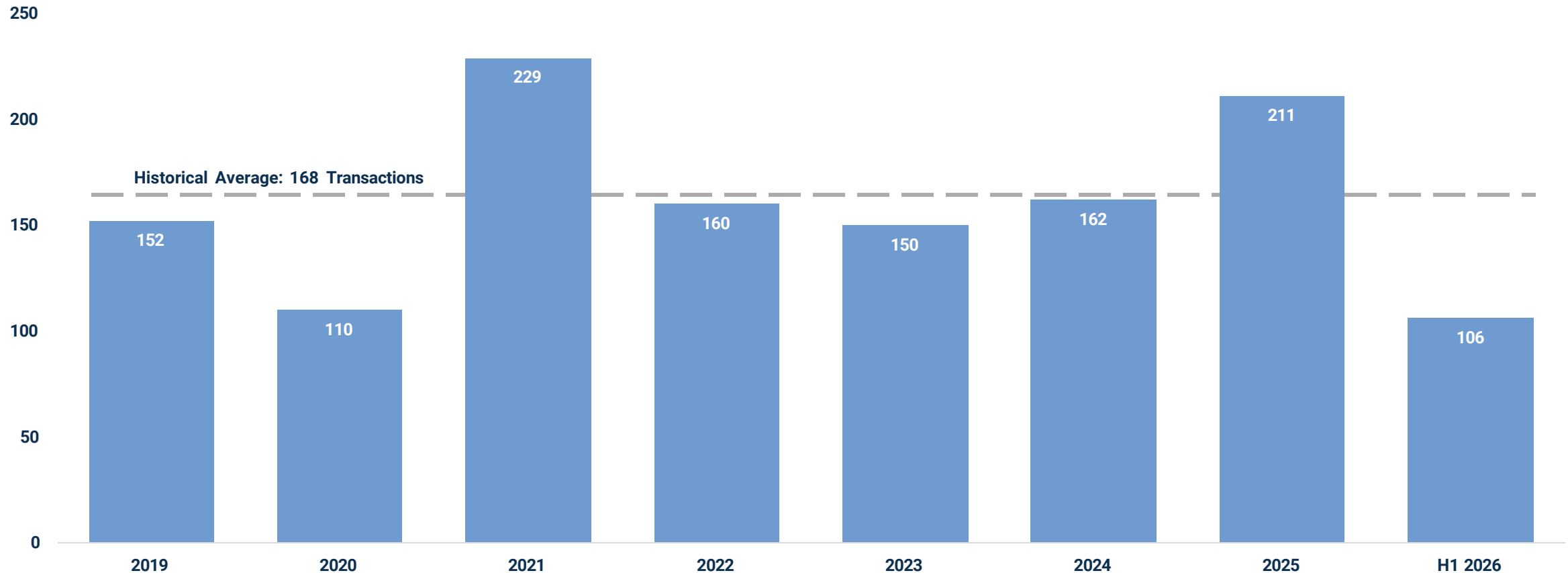
Mergers & Acquisitions

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M&A Activity: Building Products



2025 brought a surge of deal volume in the building products industry, with significant purchasing activity by both strategic buyers and financial sponsors. While not quite hitting the 2021 record high, 2025 nonetheless had materially more transactions than the historical average and a 30% year-over-year increase, bolstered by the prevailing conditions in the U.S. housing market. Additionally, the expectations for rate cuts boosted M&A activity throughout Q2 and Q3 which began arriving in September. In H1 2026 there have been **106 M&A transactions**, which puts the market on pace to see **212 deals** by the end of the year.

Notable Deals – Strategic Buyers

Date	Target	Description	Geography	Buyer/ Investor
July 1 st , 2026	TopBuild	Installer and distributor of insulation products	Daytona Beach, FL	QXO
June 22 nd , 2026	Koch Building Products	Provider of building product distribution and installation for residential and commercial properties.	Sandusky, OH	ABC Supply Company
June 8 th , 2026	Wallboard	Supplier of building products targeted towards residential contractors.	Butler, WI	L&W Supply
May 29 th , 2026	AM Distributors	Distributor of HVAC parts and equipment intended to serve residential and commercial.	Miami, FL	Beijer Ref
May 28 th , 2026	American Woodmark	Manufactures and distributes cabinets and vanities	Winchester, VA	MasterBrand
May 20 th , 2026	United States Building Supply	Distributor of building materials and accessories	Denver, CO	Richards Building Supply
May 4 th , 2026	Gaster Lumber & Hardware	Distributor of building materials and lumber products for professional builders	Savannah, GA	Carter Lumber Company
April 1 st , 2026	Kodiak Building Partners	Operator of companies in the building materials and products space.	Englewood, CO	QXO
February 27 th , 2026	LS Building Products	Distributor of various building products for contractors and builders	East Peoria, IL	SRS Distribution
January 2 nd , 2026	J&T Components	Manufacturer of prefabricated wall panels and roof trusses	Queensbury, NY	Builders FirstSource

Notable Deals – Financial Buyers

Date	Target	Description	Geography	Buyer/ Investor
July 1 st , 2026	GroovJoint	Manufacturer of stainless-steel piping products	Green Bay, WI	ASC Engineered Solutions (Stephens-backed)
June 30 th , 2026	P&E Mechanical Contractors	Provider of HVAC systems and maintenance services.	Waco, TX	Ares Capital Corporation
June 11 th , 2026	Southeastern Overhead Door	Manufacturer of residential and commercial garage doors	Baton Rouge, LA	Halle Capital Management
May 31 st , 2026	Oldcastle APG	Manufacturer of building materials and products for outdoor environments	Atlanta, GA	Pacific Avenue Capital
May 15 th , 2026	Builders Supply Company	Distributor of building materials and products for residential and commercial	Lancaster, SC	Platinum Equity
May 12 th , 2026	Safe Air Technology	Manufacturer of mission critical HVAC systems for extreme situations	Baton Rouge, LA	Milton Street Capital, EA Advisors & Stephens
April 28 th , 2026	Elmwood Reclaimed Timber	Manufacturer of reclaimed timber products for residential and commercial design	Peculiar, MO	Perry Capital Asset Management
April 22 nd , 2026	Exclusive Trim	Manufacturer of Interior Finishing Products	Coral Springs, FL	Benefit Street Partners
March 6 th , 2026	The Wells Companies	Manufacturer of concrete products	Albany, MN	KPS Capital Partners
January 12 th , 2026	Arch Street Glass	Provider of interior glass products and services for design and construction experts	Boston, MA	Benefit Street Partners

Active Strategic Buyers

Investor	Total Investments	TTM Investments	Last Investment	Date	Acquisition Details
	117	8	Reinders 	March 16 th , 2026	This acquisition provides the opportunity for SiteOne to distribute their current product line up to Reinders customer. Strengthening their presence in the Midwest market.
	93	7		May 29 th , 2026	SRS Distribution acquires Industrial Cork's roofing division (CORCO), Corco is known as an industry leader of commercial roofing distribution in the Chicago area which will bolster SRS's presence in the Midwest.
	91	5		January 2 nd , 2026	J&T Components, which operates as Premium Building Components (PBC), makes prefabricated wall panels and trusses in Queensbury, NY. The deal gives Builders FirstSource its first truss and wall panel operations in New York.
	87	6		May 29 th , 2026	Beijer Ref is an international company purchasing a Florida-based distributor of HVAC products. This will allow Beijer Ref to expand AM Distributors' product line to their existing customer base in the south Florida area.
	6	2		July 1 st , 2026	\$17 billion acquisition, one of the largest ever in the building products space. This acquisition has made QXO the leading distributor of insulation and waterproofing, and second leading in roofing and building materials.

Active Financial Buyers

Investor	Investments in last 12 months	Total Investments	Last Investment	Date	Acquisition Details
	3	563		May 15 th , 2026	Builders Supply Company is a distributor based out of south Carolina. Platinum Equity has amassed multiple brands and manufacturers through its subsidiaries that can now gain a new distribution network.
	2	2,853		May 11 th , 2026	Marmite is a Polish manufacturer of aesthetic stone bathroom products. Blackstone's current portfolio already consists of siding, HVAC, and roofing, allowing Marmite to balance out their line up to distributors.
	2	211		Jul 1 st , 2026	GroovJoint, a maker of stainless-steel piping products, was acquired by ASC Engineered Solutions, in which Stephens holds a minority stake. Stephens also co-invested in Safe Air Technology (HVAC) alongside Milton Street Capital and EA Advisors.
	2	83		May 11 th , 2026	Builders Supply Co is a Tennessee based distributor focused on lumber and millwork. This combines with a previous acquisition of a southern lumber company to give their portfolio a supplier and distributor.
	2	40		Jan 28 th , 2026	Jorban Riscoe is a Midwest distributor of HVAC equipment. This fits nicely into Air Control Concepts' HVAC strategy of purchasing manufacturing, distributors, and installers across the country.

Private Precedent Transactions of Manufacturers

LMM Manufacturers (EBITDA: \$1 - \$10 Million)

Precedent Transaction Parameters	
Parameter	Range
Sale Date	2021 – Present
LTM Revenue	\$2.5M - \$111.9M
LTM Adjusted EBITDA	\$1.2M - \$9.1M

EBITDA Multiples	
90 th Percentile	9.9x
75 th Percentile	6.5x
Median	5.0x
25 th Percentile	4.2x
10 th Percentile	3.8x

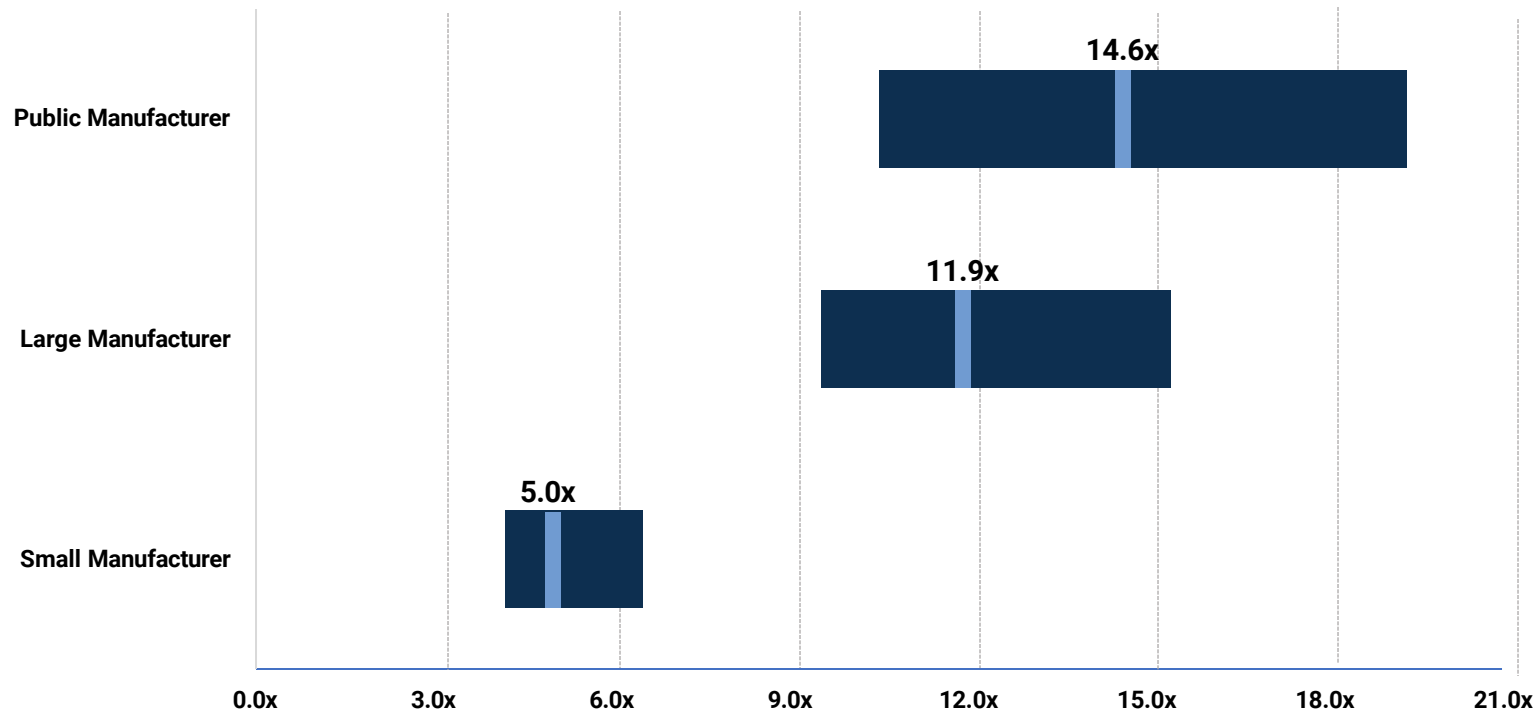
Middle Market Manufacturers (EBITDA: \$10 Million - \$250 Million)

Precedent Transaction Parameters	
Parameter	Range
Sale Date	2016 – Present
LTM Revenue	\$99.5M - \$2,056M
LTM Adjusted EBITDA	\$12.5M - \$227.5M

EBITDA Multiples	
90 th Percentile	17.0x
75 th Percentile	15.4x
Median	11.9x
25 th Percentile	9.5x
10 th Percentile	8.9x

Private Precedent Transactions of Manufacturers

LMM Manufacturers	Middle Market Manufacturers	Public Comps
Range: 4.2x – 6.5x Median: 5.0x <i>2021 – Present</i>	Range: 9.5x – 15.4x Median: 11.9x <i>2016 – Present</i>	Range: 10.5x – 19.4x Median: 14.6x <i>Present</i>



Value Enhancers

- Valuable intellectual property, defended by robust and long-enduring patents
- Activity in the repair and renovation space
- Strong management teams
 - Teams that can operate the company in a transition of ownership

Value Constraints

- Customer/ Supplier concentration
 - Maximum concentration of 15% from your largest customer/ supplier.
- Cyclical end markets
 - Industries such as residential housing, office construction, and discretionary projects.

Private Precedent Transactions of Distributors

LMM Distributors (EBITDA: \$1 - \$10 Million)

Precedent Transaction Parameters	
Parameter	Range
Sale Date	2017 – Present
LTM Revenue	\$3.0M - \$48.5M
LTM Adjusted EBITDA	\$1.0M - \$3.5M

EBITDA Multiples	
90 th Percentile	8.6x
75 th Percentile	7.6x
Median	4.6x
25 th Percentile	2.8x
10 th Percentile	2.2x

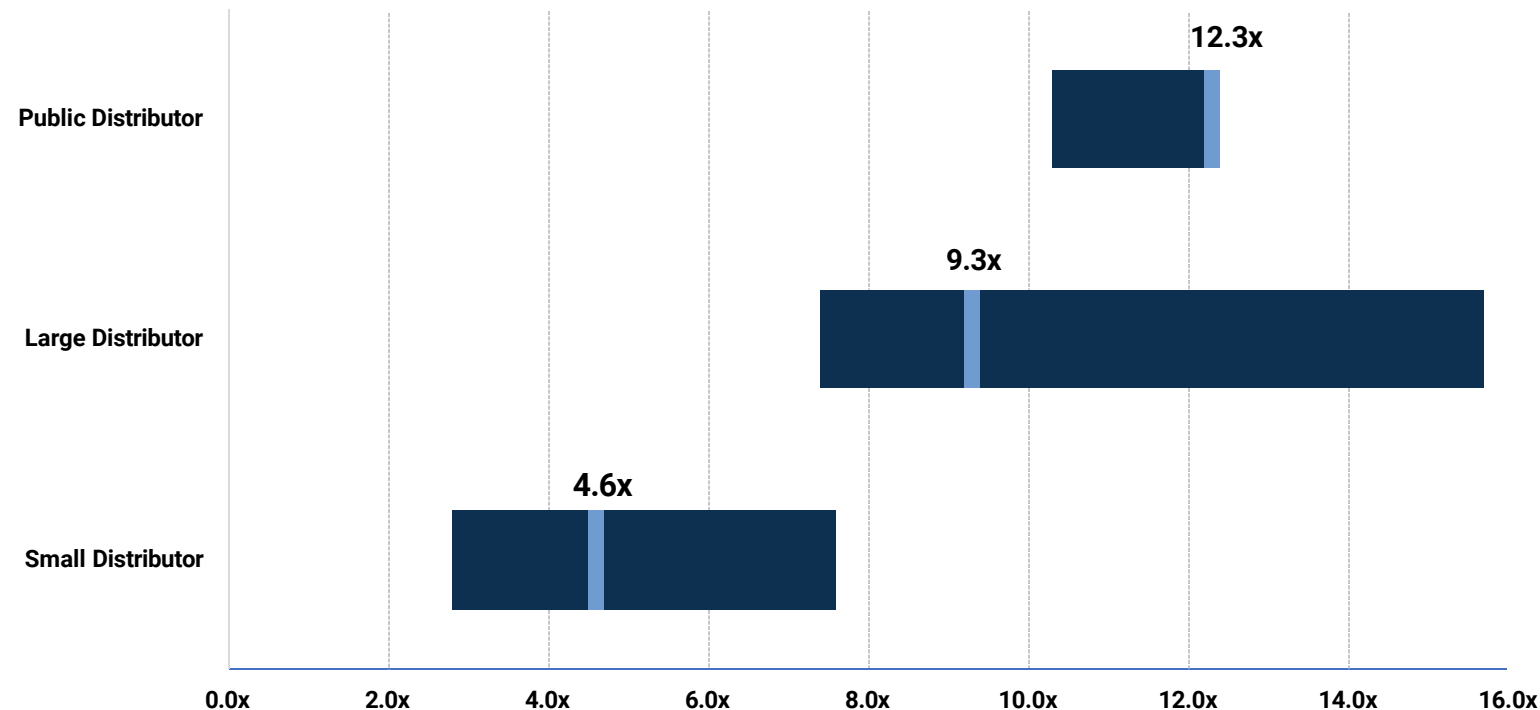
Middle Market Distributors (EBITDA: \$10 Million - \$250 Million)

Precedent Transaction Parameters	
Parameter	Range
Sale Date	2018 – Present
LTM Revenue	\$41.6M - \$1,420M
LTM Adjusted EBITDA	\$10.2M - \$56.8M

EBITDA Multiples	
90 th Percentile	20.6x
75 th Percentile	15.7x
Median	9.3x
25 th Percentile	7.4x
10 th Percentile	6.2x

Private Precedent Transactions of Distributors

LMM Distributors	Middle Market Distributors	Public Comps
Range: 2.8x – 7.6x Median: 4.6x <i>2017 – Present</i>	Range: 7.4x – 15.7x Median: 9.3x <i>2018 – Present</i>	Range: 10.3x – 12.4x Median: 12.3x <i>Present</i>



Value Enhancers

- Market dominance, companies that can control a niche product, geography, or customer.
- Strong management teams with little or no reliance on ownership.
 - Teams that can operate the company in a transition of ownership.
- Diversified end-markets exposure.

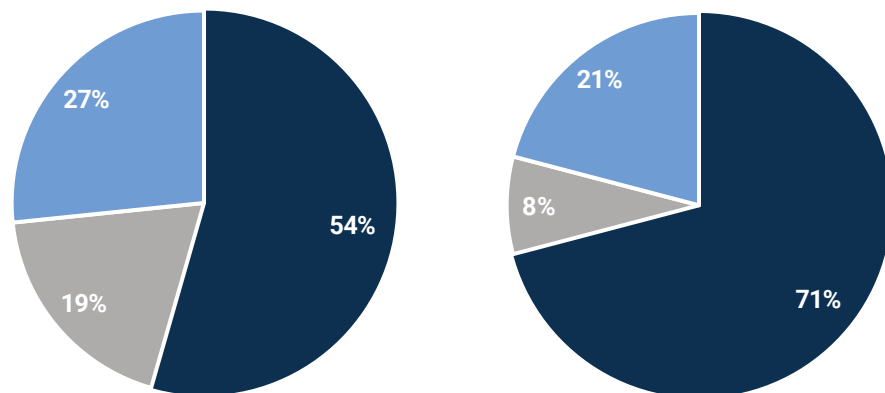
Value Constrainers

- Customer / Supplier concentration
 - Maximum concentration of 15% from your largest customer/ supplier.
- Over-reliance on distribution to new construction end markets.

Acquisitions by Buyer Type

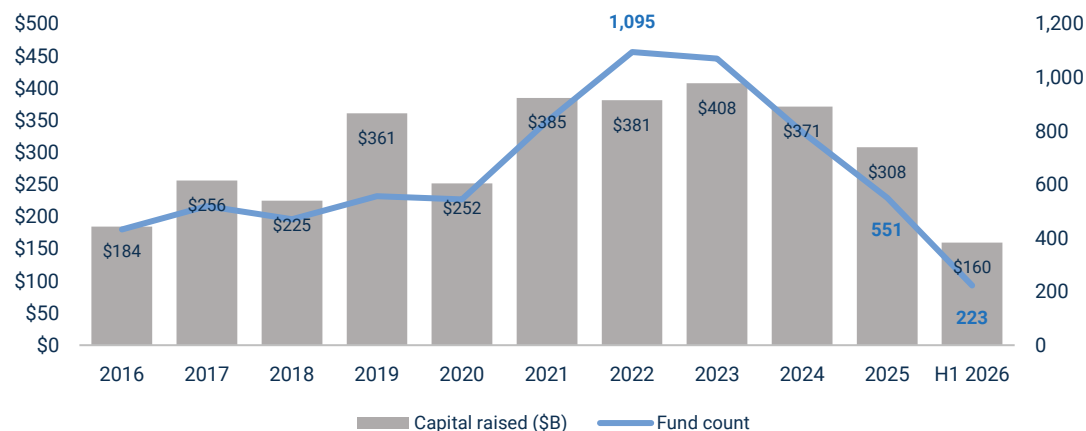
2016

H1 2026



■ Strategic ■ Platform ■ Add-On

PE Fund Raising



Source: PitchBook, Q2 2026 US PE Breakdown

Acquirer Breakdown

Deal Type

M&A transactions have increasingly favored strategic buyers, as pure strategic buyers have dominated in H1 2026. Additionally, add-ons now make up a larger share of private equity deals. This more strategic approach reflects the market sentiment of financial buyers. In the years after 2016, financial markets saw periods of decreasing rates and multiple expansion allowing leveraged buyouts to reap high returns. However, in 2026 interest rates are anticipated to increase and M&A multiples are expected to compress. These market conditions favor strategic acquisitions that seek to generate returns from synergies and long-term expansion as opposed to a quick sale.

Private Equity Fund Raising

Capital raised climbed from \$184B in 2016 to a peak of \$408B in 2023, then eased to \$308B in 2025 as exits slowed. Fund count tells a sharper story: after peaking at 1,095 funds in 2022, the number of funds raised has since fallen by roughly half, to 551 in 2025, as capital increasingly concentrates with fewer, larger, brand-name managers rather than spreading across a long tail of smaller and first-time funds. The widening gap between capital raised and fund count also points to a growing amount of dry powder sitting with mega-funds, which will need to be deployed as financing conditions stabilize and valuations stabilize. In H1 2026 private equity raised \$159.6 billion over 223 funds. That pace is roughly in line with 2025's muted total, and fundraising remains well below the 2022-2023 peak.



About ACT Capital

ACT CAPITAL
ADVISORS

Construction | Consumer Products | Information Technology |
Healthcare | Industrials | Transportation & Logistics | Business
Services | Energy | Seafood & Agribusiness



Relevant Closed Transactions

CLOSED DEAL



has been acquired by
SoftBank Robotics America
a North American
division of
SoftBank
Robotics

Green Clean
Commercial

CLOSED DEAL



has been acquired by
ORION

J.E. McAmis, Inc.

CLOSED DEAL



has been acquired by
MILES/AHEAD
BRANDS

Statewide Materials

CLOSED DEAL



has been acquired by
A Strategic Buyer

ProGlass

CLOSED DEAL

A Commercial
Door Provider
has been acquired by
A Strategic Buyer

A Commercial Door
Provider

CLOSED DEAL



has been acquired by
SOLETANCHE FREYSSINET
and becomes a new member of
The Menard Business Line

Geotech Drilling
Services Ltd.

CLOSED DEAL



has been acquired by
ROOTS EQUITY GROUP
MANUFACTURING | INDUSTRIAL | COMMERCE | GOLF

Pacific Building
Systems

CLOSED DEAL



has been acquired by
an Individual Buyer

Acoustical Designs,
Inc.

CLOSED DEAL



has been acquired by
MAGNOLIA BRIDGE
CAPITAL

American Patio Covers
Plus

CLOSED DEAL



has been acquired by
FIRECLAY
TILE

Quarry Tile

CLOSED DEAL



has been acquired by
IPS
CORPORATION
a portfolio company of
Centerbridge

OnSite PRO, Inc.

CLOSED DEAL



has merged with
GRAHAM

Milender White, Inc.

ACT Capital Advisors

Sell-Side M&A Advisory

As our name suggests, we are M&A advisors – not business brokers. ACT handles complex transactions with strategic financial and operational expertise. We are actively involved in every step of the transaction, from document creation and buyer outreach to negotiation and due diligence. ACT ensures a smooth process with consistent communication to achieve a maximal outcome while protecting you from unnecessary stress.

Consistent Team

Unlike other M&A companies that hand you off to various individuals throughout the stages of a sale, you'll work with one team at ACT, a group of hand-selected individuals familiar with your industry. They'll be with you start to finish, working toward your goals and looking out for your best interest.

White-Glove Service

ACT is not a volume house that generates its income from retainers by signing on as many clients as possible. We are selective about the groups with which we engage, only taking on clients when we are highly confident that we can execute a successful sale. This is a key driver of our 89.7% success rate.

1986

Founded

89.7%

Success Rate

\$2.5B+

Aggregate Transaction
Value

250+

Years of Combined
M&A Experience

250+

Deals Closed

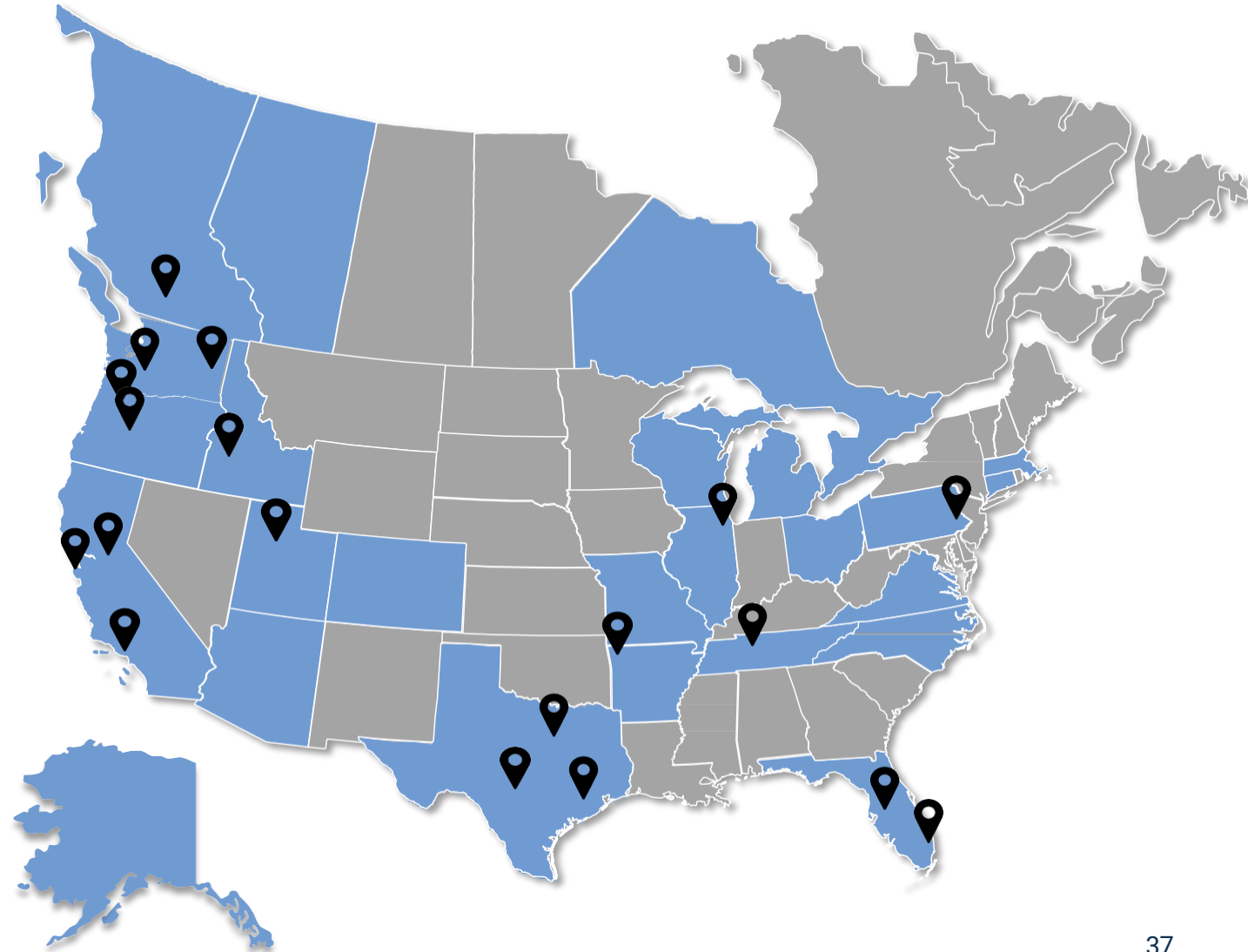
35+

Team Members

Geographic Reach

ACT's Current Locations

- Austin, TX
- Bentonville, AR
- Boise, ID
- Chicago, IL
- Dallas, TX
- Houston, TX
- Los Angeles, CA
- Miami, FL
- Nashville, TN
- Philadelphia, PA
- Portland, OR
- Salt Lake City, UT
- San Francisco, CA
- Seattle, WA (HQ)
- Silicon Valley, CA
- Spokane, WA
- Tacoma, WA
- Tampa, FL
- Vancouver, BC, Canada



About the Building Products Team



Robert Hild
Chairman & CEO

Robert Hild brings over 25 years of experience in the private equity sector. Prior to ACT, Bob co-founded Invest West Capital, LLC, a West Coast-oriented private equity firm. During his tenure with IWC, he served as CEO of five portfolio companies and conducted over 20 mergers, acquisitions, and sales, representing an aggregate of over \$200M in transaction value. His senior management leadership experience includes light manufacturing, industrial recycling, and critical power. Previously, Bob was a senior manager of Corporate Finance for E&Y, providing advisory services to both buyers and sellers of mid-market companies. Bob holds an MBA from the Marriott School of Business at Brigham Young University.



David Pickard
Managing Director

Dr. David Pickard is an accomplished speaker, business leader, M&A sell-side advisor, and professor. With over 20 years of experience, David advises business owners and executives on succession planning, exit strategies, and valuation services. Before joining ACT, David held a senior role for an industry-leading investment bank and management positions for Black & Decker for over 10 years. Additionally, he has owned several successful businesses. David holds a Doctor of Business Administration (DBA) in Marketing and an MBA in Marketing from the Muma College of Business at the University of South Florida.



Chris Sheppard
Managing Director

Prior to joining ACT, Chris served as a combat engineer officer in the United States Marine Corps and achieved the rank of Major. Chris graduated from the University of Washington in 1997 with a bachelor's degree in economics and a bachelor's degree in political science. While in the Marine Corps, Chris earned a Master of Mass Communication from the Walter Cronkite School of Journalism and Mass Communication. In 2008, Chris returned to the University of Washington to earn a Juris Doctorate from the University of Washington School of Law, an MBA from the Foster School of Business, and an LL.M. in Taxation from the University of Washington School of Law.

About the Building Products Team



Trevor Hill
Managing Director

Over the course of his investment banking career, Trevor Hill has advised clients in a number of industry segments, including manufacturing and distribution, consumer products, technology and heavy construction. He has successfully advised on over 25 sell-side, recapitalization and debt restructuring transactions. Prior to joining ACT, he was the Chief Operations Officer for over ten years at Members Insurance, Inc., a financial services firm focused on risk management advisory for banks and credit unions. Trevor earned a BS in Biomedical Engineering from the University of Southern California and holds an MBA from the Albers School of Business and Economics at Seattle University, with certificates in Finance and Investments.



Ivan Trindev
Vice President

Ivan Trindev brings more than half a decade of sell-side M&A experience, advising business owners on valuation, financial preparation, and exit strategies. He has successfully closed transactions across a wide variety of sectors, including manufacturing, construction, industrial services, and business services, amongst others. Prior to joining ACT, Ivan worked in Private Wealth Management at Ameriprise Financial in Bellevue, Washington. Ivan holds a BA in Finance and Information Systems from the Michael G. Foster School of Business at the University of Washington.



Madison Brown
Vice President

Madison Brown is currently a Vice President with ACT Capital Advisors. Prior to joining ACT, Madison held several internships in both Business Analytics and Marketing. Since joining ACT in 2019, Madison has worked on several deals in industries such as construction and business services. She holds a Bachelor's of Arts in Business Administration with a focus in both Finance and Marketing from the University of Washington's Foster School of Business.

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