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M&A Facts Quarterly Q3 – 2023

Building Technologies





Building Technologies – M&A-Highlights and Market Insights

Data source: S&P Capital IQ. Analysis by Proventis Partners.

- ▶ **Trading and transaction multiples** – Trading multiples of the peer group remained relatively stable over the course of the last quarter, with a median EV/EBITDA multiple of 8.2x in Q3. Starting quiet in Q1/2023, deal activity in the sector is only slowly picking up in Q3/2023 and remains lower than in 2022. Transaction multiples (EV/EBITDA) paid in Q3 are at 8.1x, and thus slightly higher than in Q2/2023, but still lower than in 2022.
- ▶ **Review and outlook** – Overall, the underlying construction sector remains weakened when comparing to previous years as clients are facing high interest rates. Hence, year-on-year revenue growth of building technologies players is declining. However, due to the need for new and more sustainable building technologies, strategic investors are playing a key role in the current M&A environment, leading to overall more transactions and an increase of transaction values.
- ▶ **Notable transaction** – Firstly, the largest deal of the quarter was the acquisition of Argos USA Corp. by Summit Materials with a transaction value of EURm 2'990. The deal makes the combined entity the largest US-based cement producer. With the geographic diversification Summit Materials, Inc. is able to reduce the seasonality of earnings and meet the increasing demand for construction materials. Secondly, German-based Villeroy & Boch AG acquired Ideal Standard Ltd. for EURm 600. Together, the two companies are amongst Europe's largest manufacturers of bathroom products. The deal serves as a foundation for a stronger market position and enables more market capture. Thirdly, Spain-based Baldoce SA, a world leader in the manufacture of tile, is acquired by Lamosa for EURm 425. Lamosa is the second largest ceramic producer worldwide and wants to diversify its operations outside of Mexico and increase its presence on the European continent with this acquisition.

Building Technologies Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. In €m.

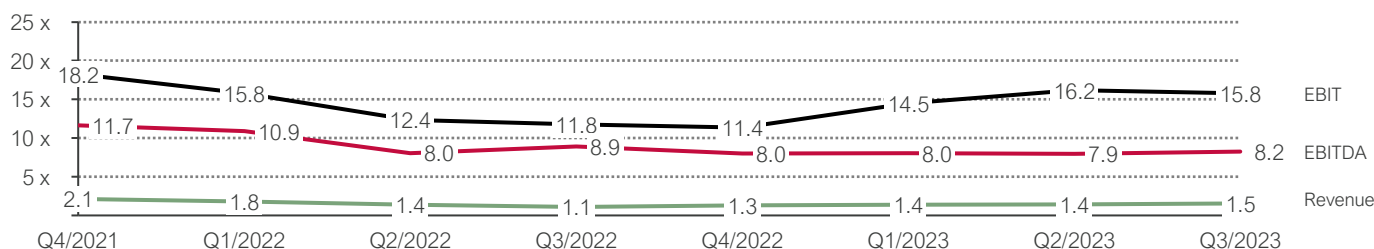
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM ¹⁾	TEV/EBITDA LTM Q2 2023 ²⁾	TEV/EBITDA LTM Q3 2023 ²⁾	Q3 vs. Q2 Trend
Trane Technologies plc	Ireland	43'786	47'926	16'371	2'876	16.3x	16.5x	▲
CRH plc	Ireland	36'515	43'690	31'017	5'459	8.0x	7.8x	▼
Holcim Ltd	Switzerland	35'169	47'642	28'226	5'182	7.1x	8.1x	▲
Johnson Controls International plc	Ireland	34'202	44'857	24'377	3'298	14.1x	10.8x	▼
Compagnie de Saint-Gobain S.A.	France	29'675	39'034	50'670	6'517	5.1x	5.3x	▲
ASSA ABLOY AB	Sweden	22'939	28'914	11'848	2'069	13.6x	13.6x	▲
Geberit AG	Switzerland	15'902	17'228	3'193	873	18.3x	19.2x	▲
Kingspan Group plc	Ireland	12'912	14'590	8'271	970	12.8x	14.3x	▲
James Hardie Industries plc	Ireland	10'889	11'734	3'417	899	13.1x	12.8x	▼
Rockwool A/S	Denmark	4'950	4'731	3'748	620	7.4x	7.3x	▼
Wienerberger AG	Austria	2'533	3'991	4'607	824	4.4x	4.5x	▲
dormakaba Holding AG	Switzerland	1'951	2'654	2'916	311	7.8x	8.4x	▲
Tarkett S.A.	France	671	1'322	3'403	151	6.9x	7.2x	▲
Arbonia AG	Switzerland	601	850	1'178	97	7.8x	7.9x	▲
Median						7.9x	8.2x	▲

1) EBITDA LTM does not include income (loss) from affiliates.

2) Multiples are calculated based on last reported LTM EBITDA including income (loss) from affiliates.

Building Technologies Peer Group Trading Multiples

Data source: S&P Capital IQ.



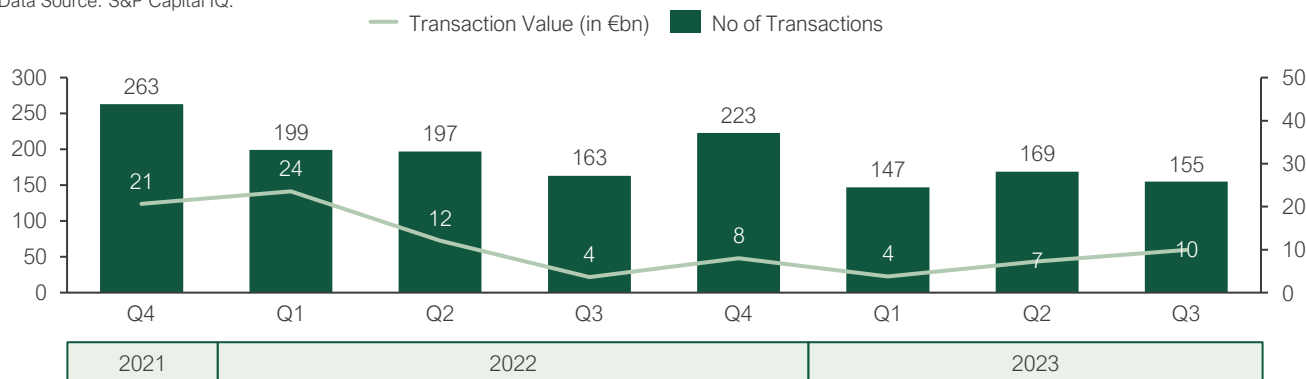
Recent Building Technologies M&A Transactions

Note: EV = Total Enterprise Value. Total Transaction Value in €m. Data source: S&P Capital IQ. Selection of transactions by Proventis Partners.

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake %	Total Transaction Value	Implied EV/ EBITDA
12/07/2023	Barry G Lawrence, Inc.	US	Tyman plc	UK	100	63	n/a
13/07/2023	Sidey Solutions Limited	UK	Inwido AB	SE	100	n/a	n/a
01/08/2023	Lansas B.V.	NL	Oatey Co.	US	100	n/a	n/a
08/08/2023	BEST SURFACE S.L.	ES	Pamesa Grupo Empresarial S.L.U.	ES	100	n/a	n/a
14/08/2023	OCL Regeneration Ltd	UK	Aggregate Industries UK Limited	UK	100	n/a	n/a
30/08/2023	Bradley Corporation	US	Watts Regulator Company	US	100	277	n/a
06/09/2023	Spray Lake Sawmills (1980) Ltd	CA	West Fraser Timber Co. Ltd.	CA	100	96	n/a
07/09/2023	Argos USA Corporation	US	Summit Materials, Inc.	US	100	2'990	n/a
11/09/2023	Rauch Spanplattenwerk GmbH	DE	FRITZ EGGER GmbH & Co. OG	AT	100	n/a	n/a
18/09/2023	IDEAL STANDARD (UK) LTD.	UK	Villeroy & Boch AG	DE	100	600	8.1
19/09/2023	Lebeau Moulages Beton SARL	FR	BNP Paribas Développement SA, SCR; UI Investissement, SAS; Rossignol Group	FR	100	n/a	n/a
22/09/2023	Baldocer SA	ES	Grupo Lamosa, S.A.B. de C.V.	MX	100	425	n/a
27/09/2023	Kiesel Bauchemie GmbH u. Co. KG	DE	CEMEX, S.A.B. de C.V.	MX	100	n/a	n/a

Building Technologies M&A Deal Count, Recorded Transaction Volume 2021-2023

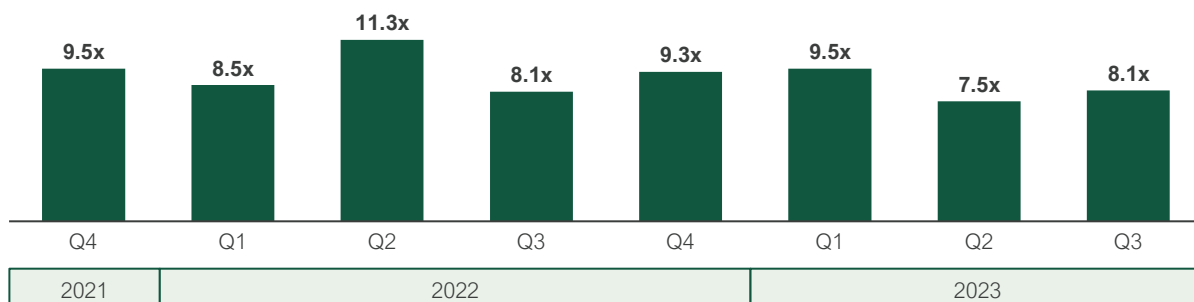
Data Source: S&P Capital IQ.



Building Technologies M&A Transaction Multiples 2021-2023

Implied median Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.

Data Source: S&P Capital IQ.



Building Technologies Operating Financial Metrics

Q2 23 data only. Q3 23 data not yet released. In €m or % where indicated. Data source: S&P Capital IQ

Company Size

Small Cap



- ▶ Market Cap in €m 1 to 250
- ▶ Average Market Cap in €m 58
- ▶ Number of companies 770

Mid Cap



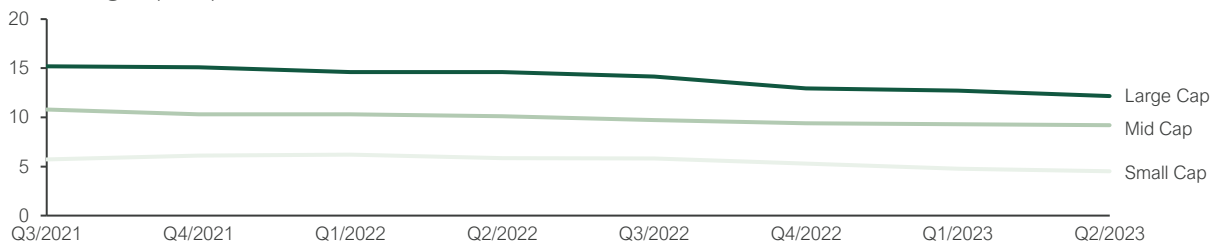
- ▶ Market Cap in €m 251 to 2,500
- ▶ Average Market Cap in €m 827
- ▶ Number of companies 386

Large Cap

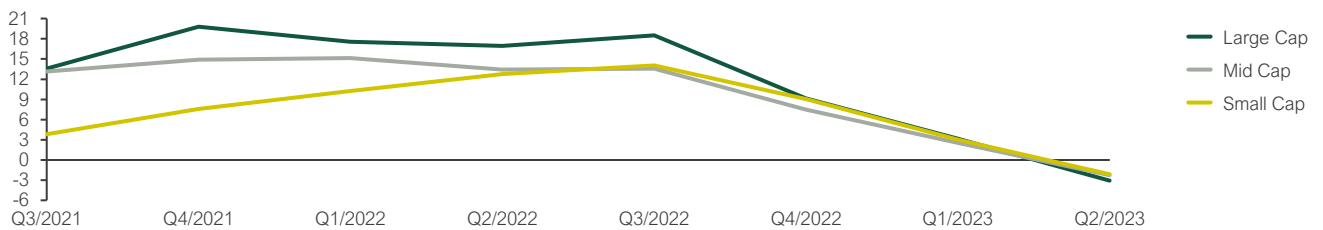


- ▶ Market Cap in €m >2,500
- ▶ Average Market Cap in €m 11'492
- ▶ Number of companies 104

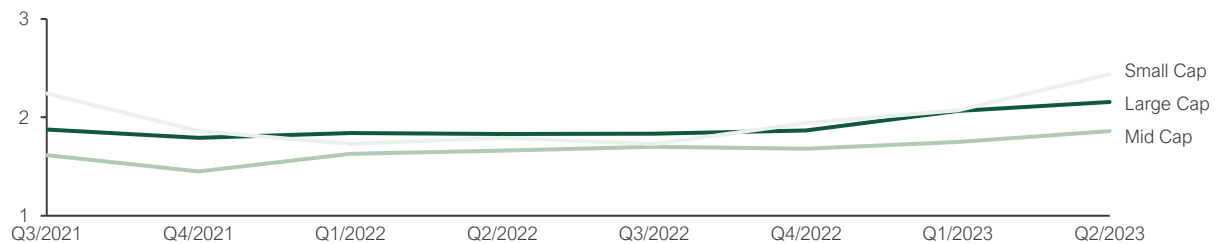
EBIT Margin (in %)



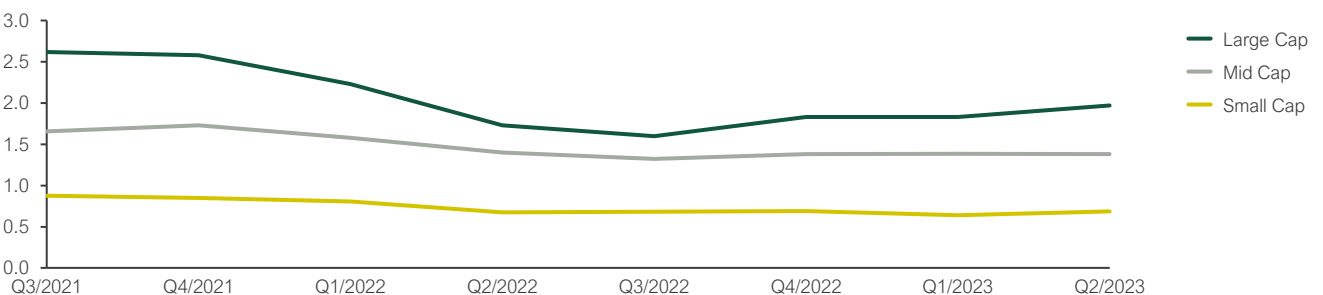
Year-on-Year Revenue Growth (in %)



Debt/EBITDA



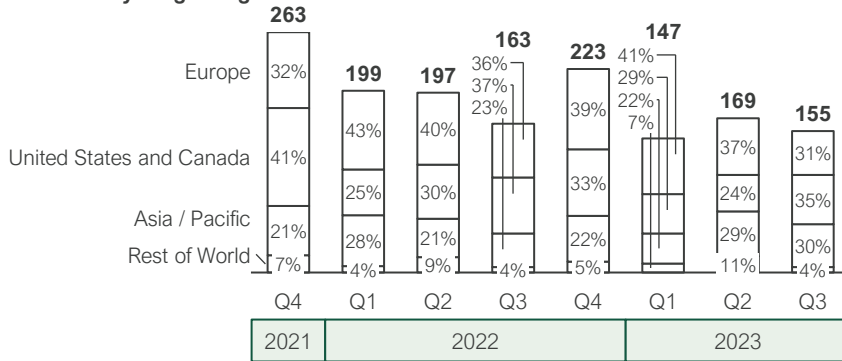
Market Capitalization/Revenue



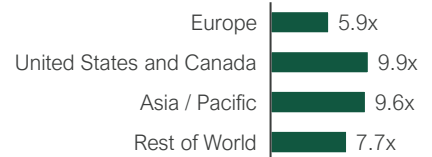
Building Technologies M&A Deal Analysis

Announced transactions LTM: Implied M&A Enterprise Value / LTM EBITDA with disclosed multiple.
 Data Source: S&P Capital IQ.

Deal count by Target Region

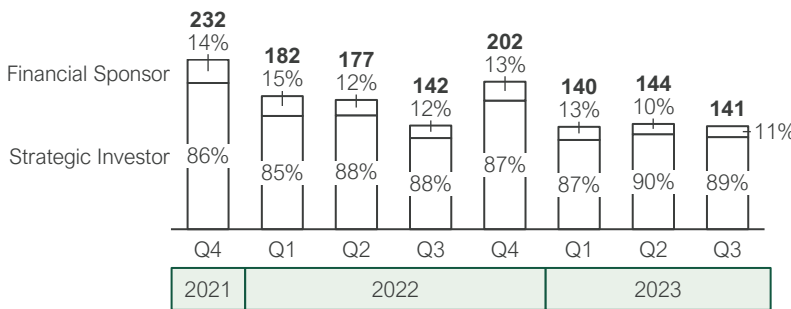


EBITDA Multiple (LTM) by Target Region



Deal count by Investor Type

Announced transaction with identified investors.

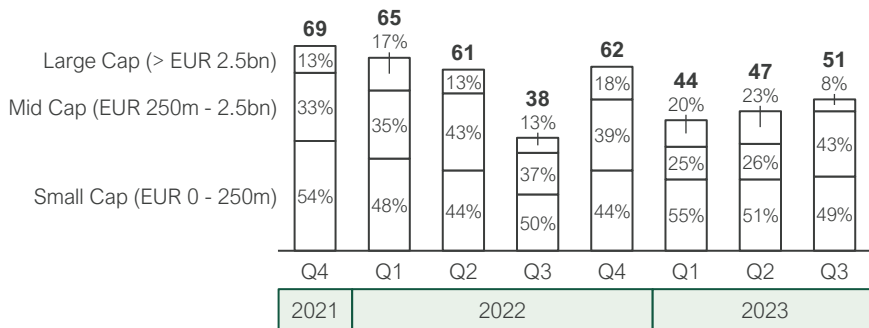


EBITDA Multiple (LTM) by Investor Type

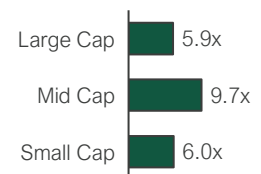


Deal count by Company Size

Announced transactions with disclosed annual pre-transaction revenues.



EBITDA Multiple (LTM) by Company Size



Notes

The analysis considers announced transactions only. Recent Transactions and Quarterly Multiples only include transactions with available Enterprise Values (EV). As Capital IQ constantly updates its database, the values might differ from previous M&A Facts.

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