



THE JIAN GROUP

Mergers & Acquisition Overview Truss Manufacturing

M&A Overview: Truss Manufacturing

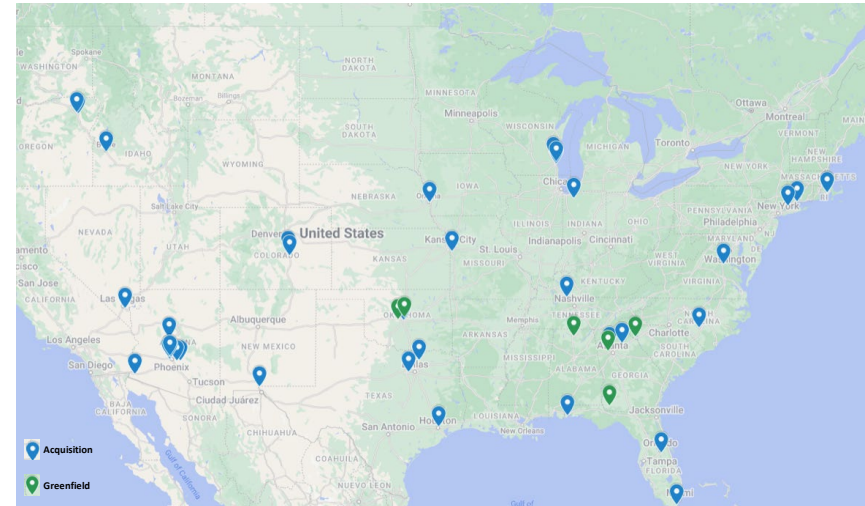
Truss and component manufacturing is a key factor in the home building process and a large value driver for LBMs. Truss manufacturers have navigated many challenges the past few years affecting their overall value. The current M&A market remains strong for value-added component manufacturers. Several considerations when assessing the value of a truss manufacturer include:

- **Effects of Lumber Volatility** – As a manufactured product, trusses and components are affected by both lumber pricing and rising labor costs. Southern Yellow Pine reached a high of \$1,455/mbf and has fallen below \$518/mbf. Disciplined pricing practices and value engineering for customers underpins the ability for a truss manufacturer to generate higher margins.
- **Customer Demographics** – The profitability of building supply companies are driven by their customer demographics. Truss and component manufacturers balance order volume and pricing. Manufacturers with sustained margin profiles create more value.
- **Automated Production** – The investments made into the manufacturing process to automate production lines is a consideration for any potential buyer. Up-to-date machinery and efficient production practices create higher value through productivity gains, particularly as the cost of labor continues to grow.
- **Geographic Market** – Since COVID-19, home building activity has increased at a national level. Not all geographies are created equal. Housing affordability has created population migrations driving higher housing growth in certain regions in the US. The top region for housing growth remains the South, with a concentration within Sunbelt states.

The industry has continued to change with national consolidation efforts from the largest building material distributors purchasing truss and component manufacturing operations to increase their value-add product segments. Investment in truss and component manufacturing is a cornerstone of all active strategic buyers.

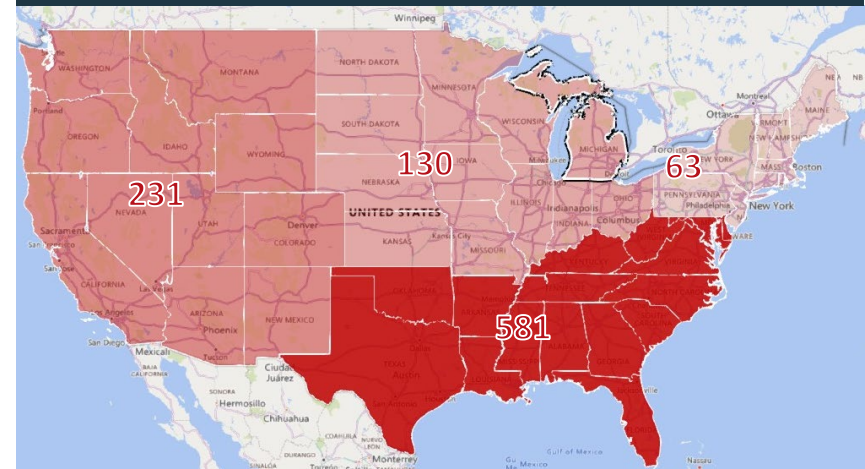
For additional information or questions on the current M&A market environment of truss and component manufacturing, please contact the JIAN Group directly.

2022 Truss and Component M&A Activity



Source: Webb Analytics

FY2022 Single-Family Housing Starts by Region



New Residential Construction Release

JIAN Overview

Founded in 1992, the JIAN Group is the first investment bank to specialize in independent building material companies. Led by Hunter Morin and Michael Turner, the JIAN Group has successfully closed over 250 transactions. With over 150 years of industry experience, the JIAN partners have extensive industry experience allowing us to maximize the value of our clients. Headquartered in Northern Virginia with offices in Florida, North Carolina and California, we have represented clients across the Nation. Our clients represent the building blocks of the homebuilding industry and span manufacturers, distributors, and specialty service providers. We manage the entire mergers & acquisitions (M&A) process to ensure a smooth transaction. The map below displays JIAN's national footprint and highlights selected transactions.



"We appreciate the support of the JIAN Group to bring this transaction to a successful conclusion. Their expertise, network of contacts and persistent attention to detail were invaluable throughout the process."

- Greg Wright, President J.P. Hart

Key Differentiators

Deep Industry & Operational Experience

Extensive Relationships with Active Buyers

Long-standing Reputation of Successful Transactions

Truss Manufacturing Transaction Experience

The JIAN Group specializes in the Building Materials sector which allows us to understand the marketplace and properly position our clients for a successful transaction. Over the past 30 years, we've closed over 250 transactions across every section of the building and materials space. The following select transactions are key clients with truss manufacturing capabilities:



NATIONAL
Lumber

Has been acquired by



Builders
FirstSource



HART J.P. HART LUMBER

Has been acquired by



U.S.
LBM



ALEXANDER
EST. 1891
LUMBER

Has been acquired by



R.P. LUMBER
ROOF TRUSS & HARDWARE



MULHERIN
LUMBER CO

Has been acquired by



HOWARD LUMBER & HARDWARE
HLH
STATESBORO, GEORGIA



RAYMOND
BUILDING SUPPLY

Has been acquired by



U.S.
LBM



A-1 ROOF TRUSSES
A FLORIDA CORPORATION

Has been acquired by



BMC



PERFECTION TRUSS
COMPANY

Has been acquired by



STOCK
Building Supply



Shelly's
THE BUILDER'S CHOICE

Has been acquired by



U.S.
LBM

Deal Team

Our unique deal team is made up of professionals with deep industry knowledge, a history of operating roles, and sell-side advisory experience. The JIAN Group has advised over 250 sell-side transactions.



R. Hunter Morin
Managing Partner

40+ Years Industry
Experience

hmorin@jiangroup.com



Michael Turner
Managing Partner

30+ Years Industry
Experience

mturner@jiangroup.com



Chuck Beringer
Partner

20+ Years Industry
Experience

cberinger@jiangroup.com



Indy Bal
Director

5+ Years Industry
Experience

ibal@jiangroup.com



Let's maximize the value of your company

Executive Office

11901 Bowman Drive
Suite 101
Fredericksburg, VA 22408
(540) 374-1439

Tampa

2909 West Bay to Bay Blvd.
Suite 300
Tampa, FL 33629
(813) 444-9894

1101 E. Cumberland Ave.
Suite 301-C
Tampa, FL 33602
(813) 765-5677

West Palm Beach

5450 Old Ocean Blvd.
Number 5
Ocean Ridge, FL 33435
(540) 374-1439

North Carolina

(704) 258-6341

Los Angeles

(818) 535-5534



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