



T H E
J I A N
G R O U P

Mergers & Acquisition Overview Drywall Distribution

M&A Overview: Drywall Distribution

Overview

The drywall distribution is a highly fragmented industry, characterized by independently owned and operated distributors. The industry has three major active strategic acquirers and a few regional acquirers driving growth through mergers and acquisitions (M&A). In 2022, new home sales fell to 641K, comparable to 2019 levels. In 2023, housing affordability remains a challenge for the homebuilding industry, yet new housing sales remains strong compared to 2022.

The M&A market for privately-owned drywall distributors remains active. Drywall products experienced lower levels of inflation than other building products. In today's market the following are key valuation drivers for independent dealers:

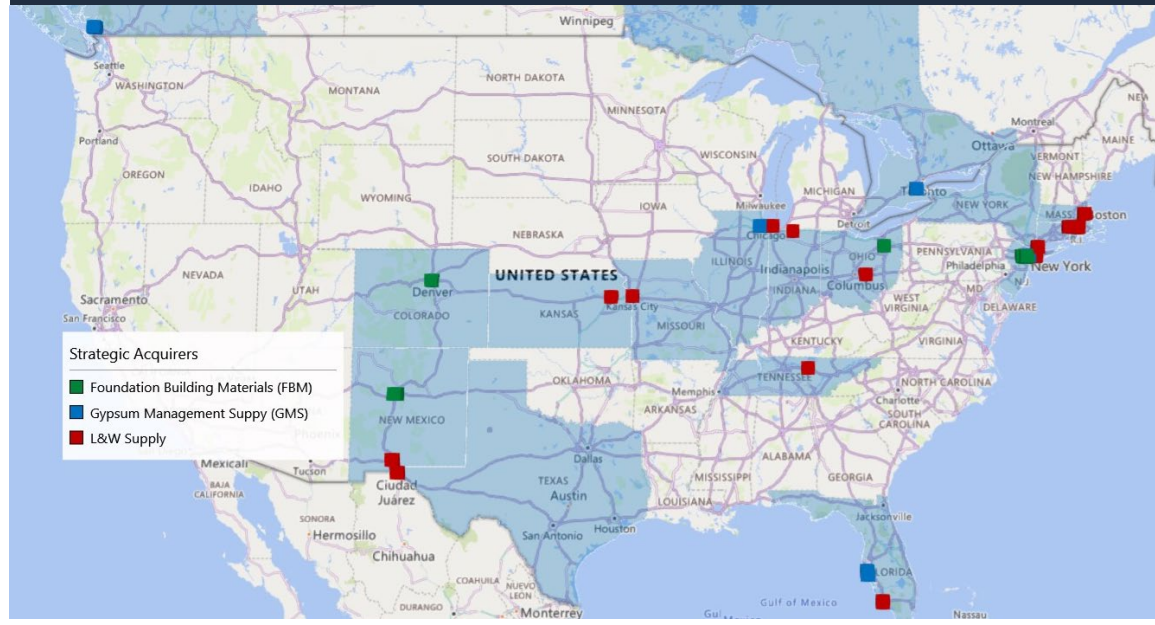
- **Customer Mix** – Drywall distributors vary in customer mix serving residential, commercial, and repair & remodel markets. Residential markets are highly correlated to housing starts, creating more cyclical to earnings. Repair & remodel is more stable than residential new construction.
- **Product Mix** – Drywall distributors are specialty building products companies and often include complimentary products, driving higher value for customers. A diverse product category portfolio drives greater value including, but not limited to ceiling products, insulation, lumber and wood products, hardware, fasteners, etc.
- **Earnings Growth** – Earnings growth has always been a strong value driver in M&A markets. In the current marketplace, a greater emphasis is placed upon sustained earnings growth. Earnings growth can come in the form of geographic expansion, customer acquisition, and market-driven growth.

Major Strategic Acquirers

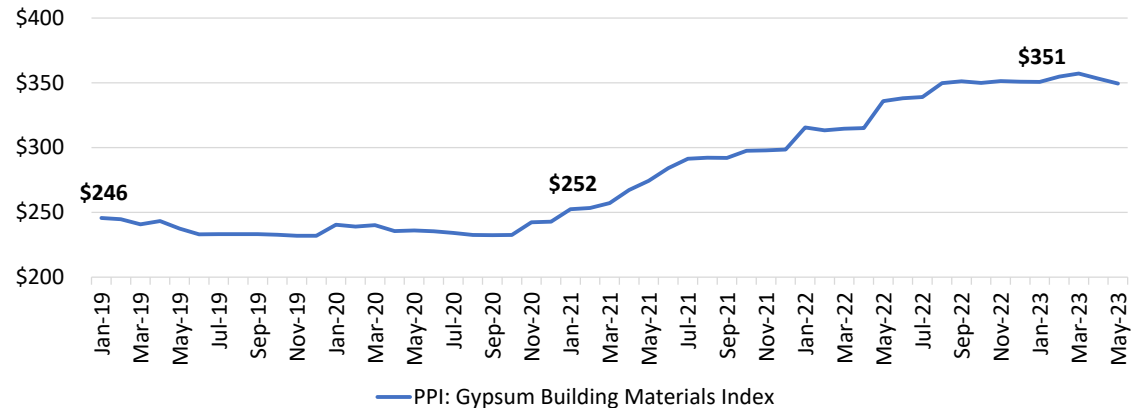


Foundation Building Materials

2022-2023 Strategic Acquisitions



Gypsum Pricing Trends



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 and are involved in the entire mergers & acquisitions (M&A) process to ensure a smooth transaction.



"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

Drywall 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 drywall distribution capabilities:

Note: Rosen Materials was recently sold to L&W Supply



Killingly Building Products
Building On Service

Has been acquired by



**L&W
SUPPLY**

DIFFERENCE DELIVERED



**NATIONAL
Lumber**

Has been acquired by



**Builders
FirstSource**



**ROSEN
MATERIALS**

Has been acquired by



**U.S.
LBM**



**MULHERIN
LUMBER CO**

Has been acquired by



HLH
HOWARD LUMBER & HARDWARE
STATESBORO, GEORGIA



**Bright
VIEW**

Has been acquired by



GULFEAGLE SUPPLY



GOODRICH
LUMBER • MILLWORK • SHOWROOM
Since 1906

Has been acquired by



KODIAK
BUILDING PARTNERS



H.P. HART LUMBER

Has been acquired by



**U.S.
LBM**



Barrons

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.



Michael Turner
Managing Partner

Michael Turner brings decades of operational and deal experience to guide clients through successful transactions. Mr. Turner co-founded the JIAN Group in 1992 as a national investment banking firm focusing on middle-market M&A in the building material industry. Mr. Turner has led the JIAN Group to become the largest and most influential M&A firms in the industry. Prior to co-founding the JIAN Group, Mr. Turner was with McDonough Company, a NYSE Fortune 500 conglomerate.

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Steve Burns
Partner

Steve Burns has been serving the building products industry for more than 30 years. Mr. Burns has been involved with several mergers and acquisitions during this period as well as product innovations and personnel development. Mr. Burns career has allowed him to make vast contacts throughout many sectors of the building products industry from coast to coast.

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Chuck Beringer
Partner

Charles Beringer brings a combination of operating experience and expertise in corporate finance to counsel clients during all phases of a transaction, from initial valuation through integration. Mr. Beringer has advised clients in transactions across a broad array of industries including manufacturing, distribution, and construction services throughout his career with the JIAN Group.

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Indy Bal
Director

Indy Bal has a very competent blend of consulting, investment banking, and knowledge of the building material industry. Mr. Bal brings a unique perspective to his analysis and understands the value drivers and opportunities for companies in the industry. Mr. Bal's investment banking experience includes advising companies through mergers and acquisitions and capital sourcing. He also helped guide management teams through business planning and forecasting. He is a CFA level 3 candidate.

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