

An aerial photograph of a construction site. A large red machine, possibly a paver or spreader, is positioned on a dark, newly laid road surface. To its right, a red dump truck is parked. Below the road, a pile of dark, irregular stones or rubble sits on a sandy, uneven ground. Further down, another red machine, possibly a bulldozer or grader, is visible. The background shows more of the road and the surrounding terrain, which appears to be a mix of sand and gravel. The overall scene depicts a large-scale infrastructure project.

BUILDING PRODUCTS & SERVICES SECTOR INSIGHTS

2019 | BDO MERGERS & ACQUISITIONS

IDEAS | PEOPLE | TRUST

BDO

BDO is the **#1 M&A advisor in the World.***

A leading adviser in the Building Products and Services sector, our deep knowledge, experience and expertise helps our clients achieve their strategic objectives.

KEY THEMES

04

THE UK AND US ARE THE MOST ACTIVE M&A MARKETS FOR BUILDING PRODUCTS & SERVICES TRANSACTIONS

07

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PRIVATE EQUITY IS KEEN TO INVEST IN THE SECTOR, CREATING A HIGHLY COMPETITIVE DEAL ENVIRONMENT

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KEY FACTORS SUCH AS TECHNOLOGY AND GREEN CONSTRUCTION DRIVING INVESTOR INTEREST IN THE SECTOR

*#1 Global M&A advisor by deal volume – Pitchbook 2018 league tables
#1 European M&A advisor by deal volume – Pitchbook 2018 league tables
#1 UK M&A adviser by deal volume - Experian 2018 adviser league tables

“ The Building Products and Services sector continues to see unprecedented levels of M&A activity.

Double-digit growth in transaction volumes over the last four years has been driven by rapid technological innovation, legislative changes and evolutions of supply chains and business models. There is immense opportunity for corporates and private equity investors alike to drive value. We are looking forward to a dynamic year ahead and expect to see M&A activity levels sustained. ”

JOHN STEPHAN and MITHUN PATEL

OVER **3,300** SECTOR
TRANSACTIONS
ACROSS THE GLOBE IN THE LAST 6 YEARS

EUROPEAN
DEAL VOLUMES
INCREASED BY **43%** TO 228
IN 2018

28% OF GLOBAL TRANSACTIONS WERE
CROSS-BORDER IN THE LAST 6
YEARS

OVER **1,000** DEALS IN THE UK IN THE
LAST SIX YEARS

26% OF UK BUILDING
PRODUCT TRANSACTIONS
HAD PRIVATE EQUITY
INVOLVEMENT IN 2018
(20% IN 2017)

AVERAGE EV/EBITDA
PAID IN 2018 WAS **7.1x** (6.9x IN 2017)

MULTIPLES AND
TRANSACTION
VOLUMES
CONTINUE TO **INCREASE**
ACROSS ALL SECTORS

UK INFRASTRUCTURE CONSTRUCTION TO RISE BY
8.8% IN 2019 AND 7.7% IN 2020

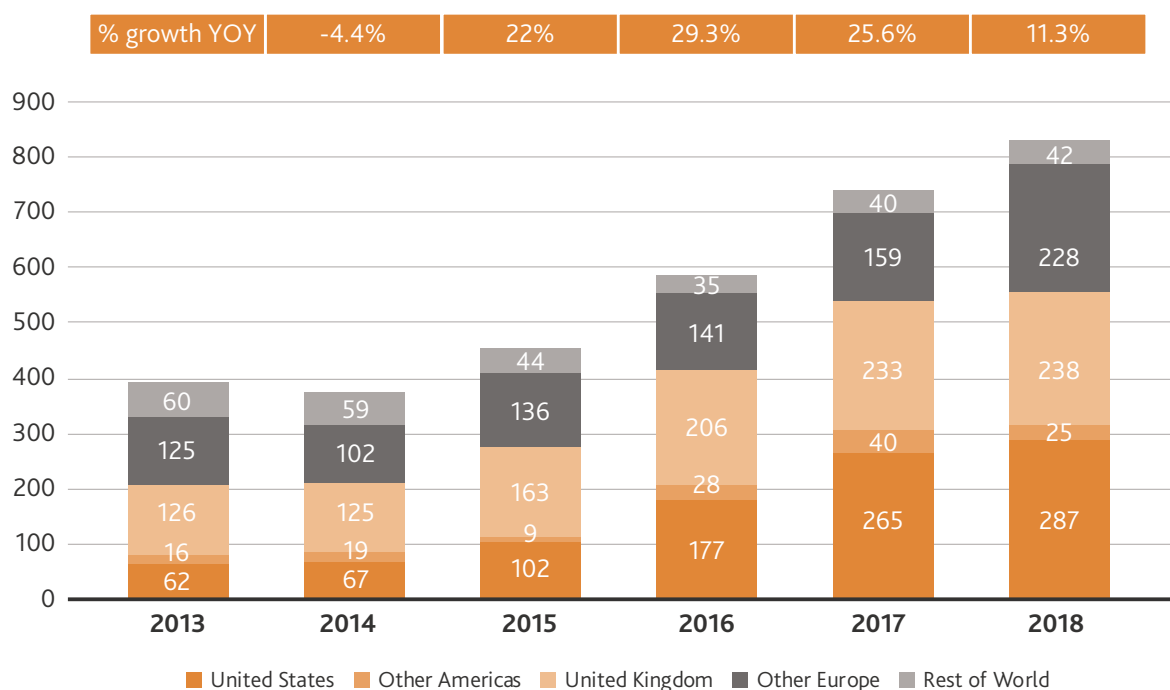


INTERNATIONAL M&A ACTIVITY

OVER 800 DEALS IN 2018 AND DOUBLE DIGIT GROWTH

NUMBER OF TRANSACTIONS BY SELLER LOCATION

SECTOR TRANSACTIONS 2013-2018



BUILDING PRODUCTS & SERVICES M&A SEES ANOTHER YEAR OF DOUBLE-DIGIT GROWTH WORLDWIDE

The Building Products & Services sector is a highly active and dynamic market for M&A transactions and has seen yet another record-breaking year for deal volumes across the globe, with 820 transactions completed in 2018.

The UK and the US remain by far the most active markets for deals, accounting for 29% and 35% of global transactions respectively in 2018. Europe (excluding UK) saw a 43% increase on deal activity in 2018, accounting for 28% of global M&A.

Cross-border deals remain a major feature of the market, representing over a quarter of all transactions. This trend is expected to remain a solid feature of the landscape as businesses seek to develop global reach and acquire sector specialisms, technology and skill-sets.

OVER A QUARTER OF M&A ACTIVITY IS CROSS BORDER

	Number of cross-border deals	Percentage of total
2018	206	25.1%
2017	188	26.2%
2016	143	25.3%
2015	136	30.0%
2014	116	31.2%
2013	128	32.9%

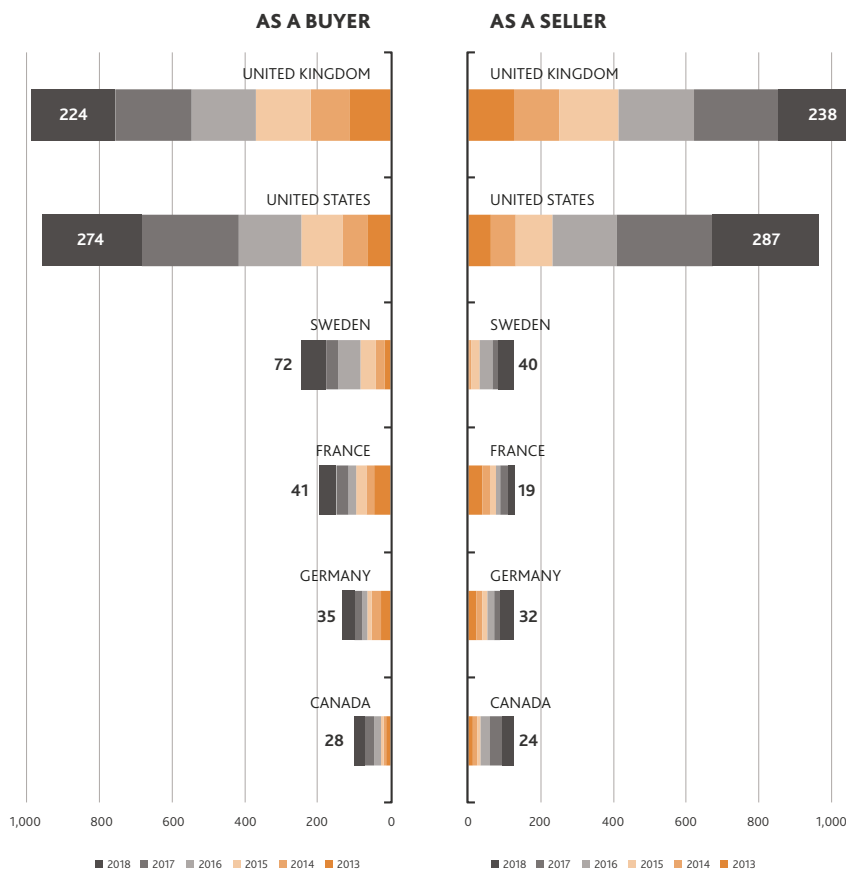
OVER **3,300** SECTOR TRANSACTIONS
ACROSS THE GLOBE IN THE LAST 6 YEARS

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INCREASED BY **43%** TO 228
IN 2018

MOST ACTIVE COUNTRY ANALYSIS

UK AND US ARE THE MOST ACTIVE M&A MARKETS

MOST ACTIVE COUNTRY ANALYSIS



Source: MarketIQ and BDO Analysis

THE UK AND THE US ARE THE MOST ACTIVE COUNTRIES FOR M&A IN THE SECTOR



Building Products & Services transactions continued to rise in the UK market in 2018. Following three years of double-digit growth in volumes, the UK saw another encouraging year in 2018, with deal volumes rising by 9.5%. The proportion of cross-border activity increased to 19% as international acquirers continue to view the UK as an important international trading partner. Financial investors have sustained interest in the sector, representing 26% of transactions in the year. Looking forward, geo-political and macro-economic uncertainties may create some market challenges. However, most business leaders we speak with are optimistic about the coming year and believe the strong underlying demand, particularly from infrastructure, will sustain the sector in 2019.



MITHUN PATEL | M&A Director, United Kingdom



We expect the US Building Products & Services sector to experience continued growth in 2019, albeit at a more modest pace. The US economy remains relatively strong and demand for new construction and remodels continues, thanks to low unemployment, gradually increasing wages, and a stabilizing interest rate environment. Forward looking indices published by industry groups such as National Association of Home Builders (NAHB) and the Joint Center for Housing Studies, as well as data gathered by Dodge Data, all support this view. There are notable headwinds however, including the increasing cost of material and labor inputs – resulting from a tight skilled labor market and the recent tariffs – which will remain a drag on sector growth this year. These inhibitors are fueling M&A activity though as industry players seek to improve efficiencies in part through synergistic acquisitions. As such, sector valuation multiples should remain high by historical standards.



DANIEL SHEA | Managing Director, United States

MOST ACTIVE COUNTRY ANALYSIS

BUOYANT M&A MARKETS EXPECT TO SEE VOLUMES SUSTAINED IN 2019



The German Building Products M&A market was very buoyant in 2018, not only compared to 2017 but also to the last five years. The number of deals involving a German target increased by 77% and those involving a German bidder increased by 66% year-on-year. This was above

wider M&A trends in Germany. Trade buyers were the most active, with international bidders predominantly originating from Europe and the US, while German bidders were primarily active in Europe with the significant exception of Gebr. Knauf's US\$7bn acquisition of United States Gypsum.

There were a number of deals involving mid-market PE investors including Adcuram, Afinum, Alveus, Finatem, KAP and Odewald. While Adcuram has a history of investing in the sector the others were relative newcomers. Interestingly, two of the deals involved service providers reflecting increased interest in the sub-sector driven by full order books and the increasing complexity of buildings driven by regulation and technology including digitization. Transactions were widely spread across a large range of sub-sectors, heavy and light, manufacturing and distribution with a perceptible ongoing interest in HVAC systems and security, and new interest in specialist installers/maintenance and technical planners. Deals in HVAC are being driven by a desire to extend geographical footprint and/or gain access to new technologies.

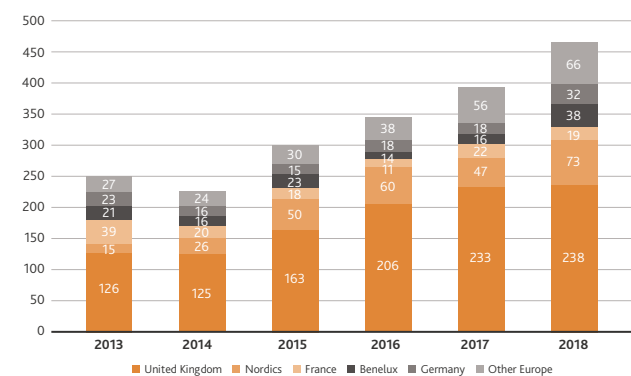
The German construction market is the largest in Europe and while growth is expected to slow in 2019, the level of output is still very high in absolute terms. The biggest perceived risk to growth is a lack of capacity and skilled workers, which is already leading to an increase in prices and delays on projects in some regions. Given these parameters, combined with technological and regulatory trends we anticipate M&A activity to remain buoyant with a strong likelihood that deal volumes will increase again in 2019.



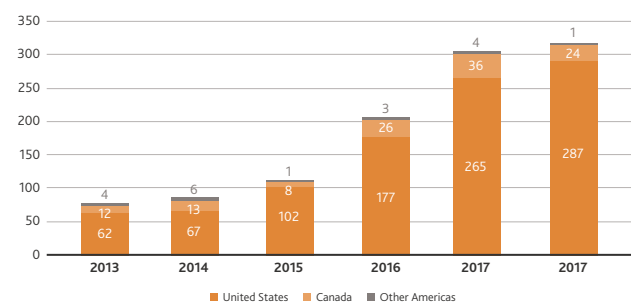
JANE EVANS | M&A Senior Manager, Germany

NUMBER OF TRANSACTIONS BY TARGET REGION

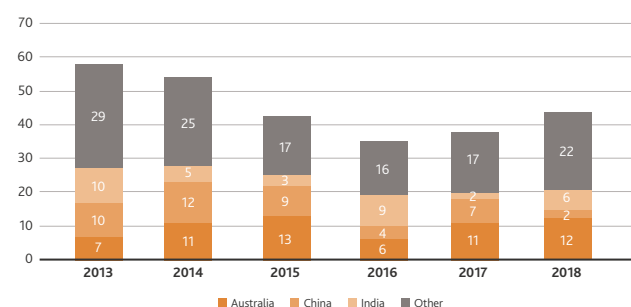
EUROPE



AMERICAS



REST OF WORLD



Source: Market IQ and BDO analysis

28% OF GLOBAL DEALS WERE CROSS-BORDER IN THE LAST SIX YEARS



M&A activity in the Building Products & Services sector in the Nordics saw a boom in 2018, with 180 deals recorded involving

a Nordic buyer or seller, up by 89% compared to 2017. Noteworthy deals in 2018 include the 49.8% stake sale of the Swedish flooring company Välinge Innovation by US-based investment firm KKR to the Danish holding and investment company Kirkbi for a value of €417m, and the sale of Blowtech Group, a Swedish developer and manufacturer of high performance blow moulded plastic components to listed Swedish company Xano Industri. The year also saw the merger between Swedish engineering consultant ÅF and Finnish engineering group Pöyry Plc. The takeover offer by ÅF represented an enterprise value of €586m (EV/EBITDA multiple of 19.5x). We anticipate M&A activity in the sector to sustain at current levels through 2019.



CLAES NORDEBÄCK |

Partner, Corporate Finance, Sweden



M&A activity in France was sustained at high levels in 2018, supported by 3.2% growth in construction output

in the year. Alongside a wide spread of mid-market deals, there have been some large transformational cross-border transactions. These include the sale of Edilians, (formerly known as Imerys Toiture, a subsidiary of Imerys group specialising in tiles and bricks), which was sold to the US Lone Star Funds for €1bn midway through the year, and more recently, the sale of The Parex Group, a specialist in dry mix mortars, which was sold to Swiss group SIKA, manufacturer of speciality chemicals in early 2019. The Parex Group was sold by CVC Capital Partners for an enterprise value of €2.2bn. Corporate carve-outs are being progressed by French building products leader Saint Gobain, whose portfolio review is leading to a divestment program with a number of subsidiaries earmarked, including Xuzhou Pipe, building distribution in Germany, a silicon carbide business, and possibly further business units. The outlook for M&A in 2019 is positive: construction output continues to develop particularly in infrastructure as opportunities arise in preparation for the Paris 2024 Olympics.



PASCAL MARLIER |

Partner, Le Bipe, BDO Advisory, France



Canadian M&A activity within the building products sector experienced strong growth in 2017 and companies are

expected to continue growing through acquisition in 2018. Despite the concerns of US tax reform and trade agreements, 2017 saw several Canadian and foreign buyers looking to capitalize on favourable economic conditions to expand geographically or expand their service offering. For example, Exchange Income Corporation, a Canadian conglomerate, acquired Quest Window Systems, a Canadian manufacturer of unitized window wall system, for 6.7x EBITDA. Further to this, Dormakaba Holding AG, a Swiss access and security solution provider, acquired Skyfold Inc., a Canadian manufacturer of automated vertical folding wall systems, for 8.5x EBITDA. Driven by a favourable economic outlook, the optic of Canada as a safe harbour for investment capital and the abundance of cash on corporate balance sheets, we expect 2018 to be positive for M&A transactions in the sector.



RYAN FARKAS |

Corporate Finance Partner, Canada



UK M&A ACTIVITY SUSTAINED

NEW RECORD FOR DEAL VOLUME IN 2018

2018 TRANSACTION VOLUMES

254 deals involving a UK buyer or a UK seller completed in 2018, an increase of 9.5% over 2017 volumes, which follows three previous years of double-digit growth. In spite of uncertainty in the wider market, M&A remains highly dynamic and competitive.

Given the strong underlying fundamentals and ongoing market demand, we expect consolidation in the UK to be sustained. Although large corporates are increasingly looking to overseas markets for M&A, the UK is still a key area for acquisitions due to the high number of quality businesses and the importance of maintaining and growing market share. Meanwhile, private equity has cash ready to invest in the market, stiffening the competition between buyers and increasing the potential to drive high values for attractive target businesses.

Manufacturers continue to make up the majority of transactions in the sector, with investors attracted to high margins, innovative products, use of technology and in particular, IP. Technology is driving the evolution of business models, creating opportunity for dynamic businesses to capitalise.

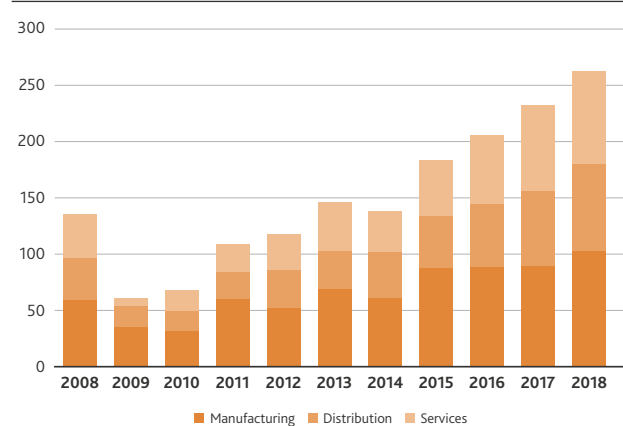
Distribution assets continue to be sought by investors and corporates seeking to build a regional or national roll-out model. Typically, building product distributors have limited or nascent online offerings, which makes for an interesting and attractive growth opportunity.

Transactions involving companies that provide services to the sector have steadily increased year on year. Service providers benefit from recurring revenues and the highly fragmented nature of the sector presents numerous opportunities for consolidation.

Building materials continued to be the most active sub-sector in 2018, maintaining its share of 15% of deals. The attraction of gaining greater control of raw materials and the supply chain through vertical integration continues to be a strong rationale.

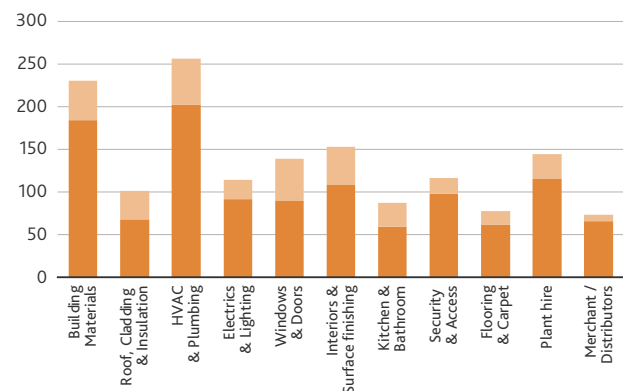
HVAC & Plumbing has been the most active sub-sector since 2008, and accounted for 14% of deals in 2018. Regulatory change and technological advancements spur ongoing interest from both trade and private equity investors.

UK TRANSACTION VOLUMES SINCE 2008



Source: Market IQ and BDO analysis

SUB-SECTOR ANALYSIS: TRADE AND FINANCIAL TRANSACTIONS SINCE 2008



Source: Market IQ and BDO analysis

OVER **1,000** DEALS IN THE UK IN
THE LAST SIX YEARS

PRIVATE EQUITY HAS A GROWING INTEREST IN THE SECTOR

CREATING A HIGHLY COMPETITIVE DEAL ENVIRONMENT

PRIVATE EQUITY DEALS SNAPSHOT

Private equity is a growing feature of the M&A landscape for Building Products & Services. Since 2008 nearly a quarter of all investments in the sector have received private equity investment. Certain sub-sectors have attracted higher levels of investor interest: since 2008 37% of Windows and Doors transactions, 35% of Kitchen & Bathroom deals, 31% of Roof, Cladding & Insulation deals, and 28% of Interiors & Surface Finishing deals have attracted private equity investment.

Private equity is attracted by the potential high returns in the sector, which can be achieved through consolidation of fragmented sub-sectors and the professionalisation of businesses. Product innovations, increased regulation and a shift in economic conditions have created opportunities for investors to create value and maximise returns. Opportunities exist throughout the supply chain, where private equity has had increasing success in bidding against trade for quality assets.

PRIMARY CAPITAL

STRATEGIC BUYS IN DISTRIBUTION AND RAIL SERVICES

Primary Capital and management acquired VJ Technology, a distributor of technical fixings, fasteners and consumables to the infrastructure, commercial and wider construction industry. Acquired from SIG, the disposal was part of a medium-term strategy of disposing of smaller non-core businesses to refocus the Group's portfolio and strengthen its balance sheet. Primary's investment will accelerate the growth plans of VJ Technology and establish the business as a leading distributor on a national basis.

In the previous year, Primary backed the MBO of Readypower, which provides rail infrastructure services. Following the MBO, Readypower acquired Terrawise to further develop the range of services and enhance its market-leading position.



26% OF UK BUILDING PRODUCT
TRANSACTIONS HAD PRIVATE EQUITY
INVOLVEMENT IN 2018

CAIRNGORM CAPITAL

ACCELERATED BUY-AND-BUILD STRATEGIES IN BUILDING PRODUCTS MANUFACTURING AND DISTRIBUTION

Cairngorm Capital is developing platforms in fragmented sub-sectors of the Building Products market where it can apply sector expertise to enable transformational growth and build industry-leading companies.

Cairngorm acquired Thornbridge in November 2017 as a platform to consolidate the specialist UK timber distribution market. This transaction was followed by three further deals in the next twelve months. North Yorkshire Timber was acquired in February 2018, bringing seven branches in the North East of England and specialist timber engineering capability. This was followed by Dundee-based Rembrand Timber in July 2018, creating the leading timber merchant in Scotland. The acquisition of Arnold Laver, headquartered in Sheffield with £140 million turnover in November 2018 was the next step in establishing the National Timber Group. Today the National Timber Group has 52 timber processing and merchant sites across the UK, revenues of more than £250 million and over 1,300 employees.

Customade Group, a £100 million revenue multi-product trade fabricator of windows and composite entry doors was created through the acquisition of four companies in a nine month period including the initial acquisition of Polyframe in July 2016. Cairngorm led five proprietary investments in ten months to build Customade's sister company, Stevenswood, into a national distributor of windows and doors from 36 trade counters across the UK.

Cairngorm led the investment in Parker Building Supplies in early 2018, a leading Builders' Merchant based in the South East of England with turnover of £67 million. Parker has an ambition to grow significantly in the next few years through a combination of further bolt-on acquisitions and organic branch openings.

More recently, Cairngorm acquired Sentry Doors in early 2019, a specialist manufacturer of timber fire and security door-sets, as an entry point into the fire protection sector.

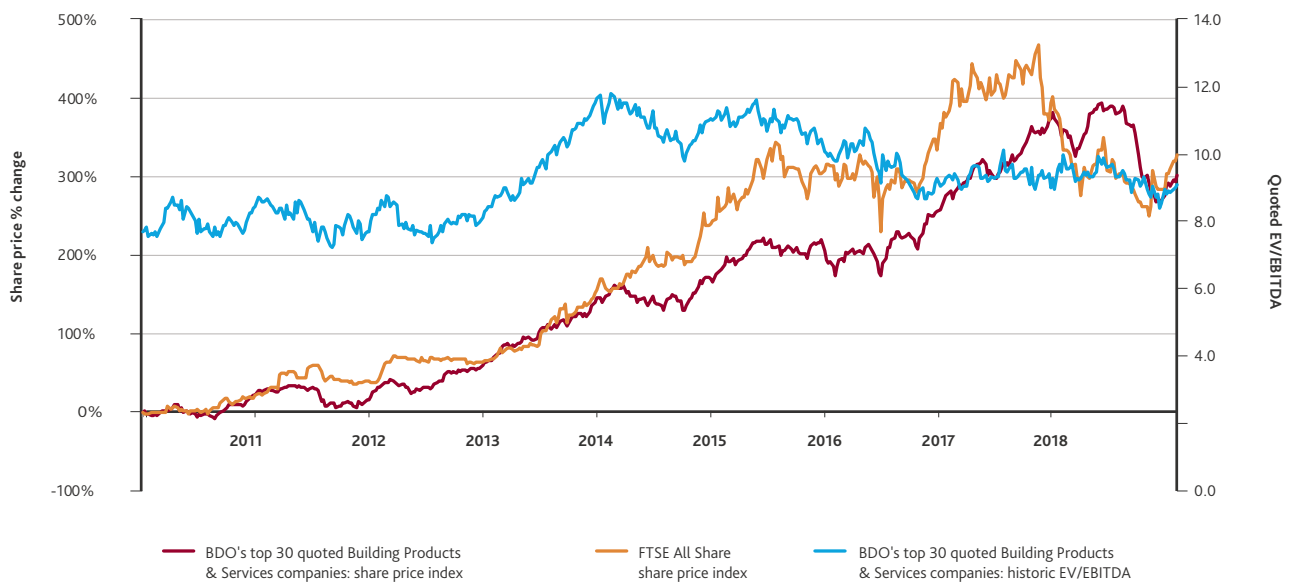
SECTOR INDEX PERFORMS STRONGLY

CAPITAL MARKET INVESTORS REMAIN INTERESTED IN THE SECTOR

BUILDING PRODUCTS INDEX OUTPERFORMED THE FTSE IN 2018

UK listed Building Products & Services companies performed strongly in 2018, with share prices maintaining a growth profile, and overtaking the FTSE all share. The dip seen in both indices at the end of 2018 started to bounce back early in 2019.

SHARE PRICE PERFORMANCE IN THE BUILDING PRODUCTS & SERVICES SECTOR



Source: Capital IQ and BDO Analysis

CHARACTERISTICS ATTRACTING HIGH VALUATION MULTIPLES

- Manufacturers with intellectual property or a defensible market position
- Distribution businesses with growing online sales
- Service providers with a strong forecast order book and recurring revenues
- Businesses with exposure to the growing off-site construction market
- "Smart" product and/or process, including digital enablers such as BIM
- Businesses operating in highly regulated sectors such as HVAC
- Businesses with contracts in the high-growth infrastructure market
- Timber-based businesses are increasingly sought after
- Flexible business models that can quickly adapt to changing supply chain dynamics
- Industry recognised brand names.

...AND VALUATIONS CONTINUE TO INCREASE

2018 SEES UK AVERAGE TRANSACTION MULTIPLE RISE TO 7.1X EV/EBITDA

COMPANY VALUATIONS HAVE STEADILY INCREASED

Average EV/EBITDA multiples for sector transactions in the UK have gradually risen from 5.7x in 2011 to 7.1x in 2018 indicating increasing attractiveness of the sector overall.

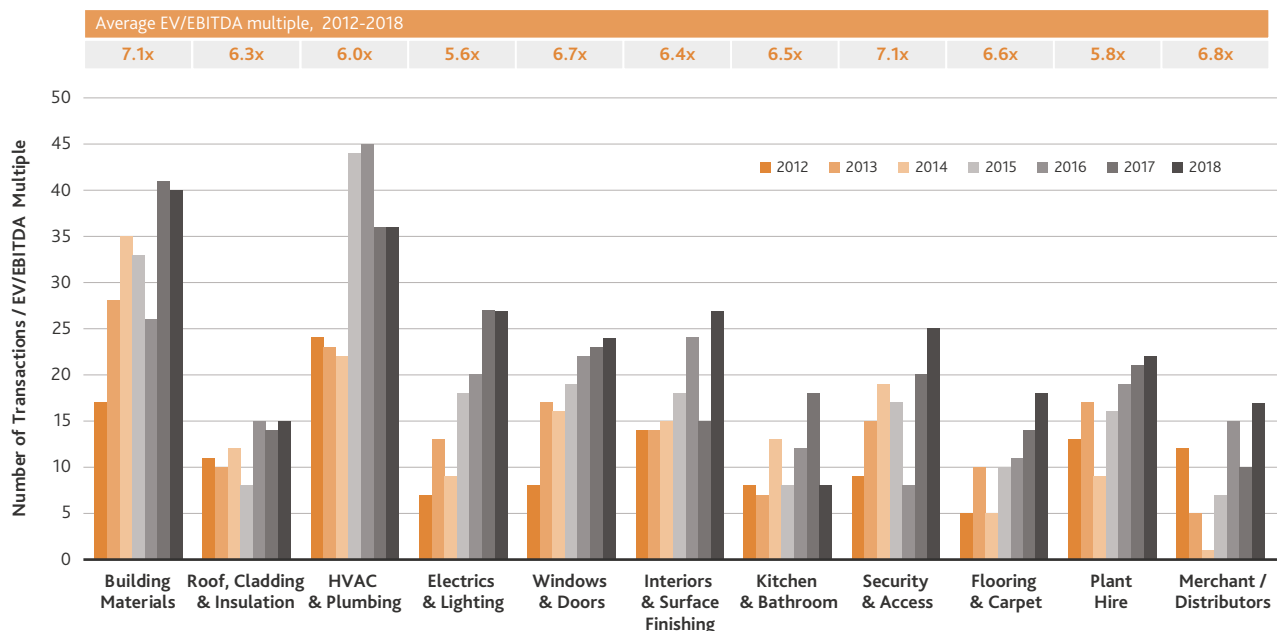
EV/EBITDA multiples average between 5.8x for plant hire, in line with valuations for capital-intensive businesses and 7.1x for building materials, reflecting the premium for scarce and highly sought-after raw materials. A multiple of 7.1x has also been the average valuation in the fast-developing security & access sector.

UK quoted company historic EV/EBITDA multiples have been consistently above 8x since mid-2012, and rose to a high point of 11.8x in 2014. Averaging 8.5x at the end of 2018, the average climbed higher to 9.1x early in 2019.

It should be noted that this average includes a number of plant hire companies which trade at between 5x and 6x EBITDA, given the higher CAPEX element of business models, therefore suppressing the sector average. Overall, the multiples mirror the upward trajectory seen in private company valuations over recent years.

Quoted company EV/EBITDA multiples remain at considerably higher levels than multiples achieved in unquoted transactions. For listed acquirers with a strong current trading multiple, this provides an opportunity to obtain multiple arbitrage on acquisitions, and more easily gain shareholder approval for ambitious buys. Private equity players may also be able to achieve multiple arbitrage on exit from businesses in the sector, which adds to a compelling investment thesis.

TRANSACTION VOLUMES AND VALUATIONS BY SECTOR



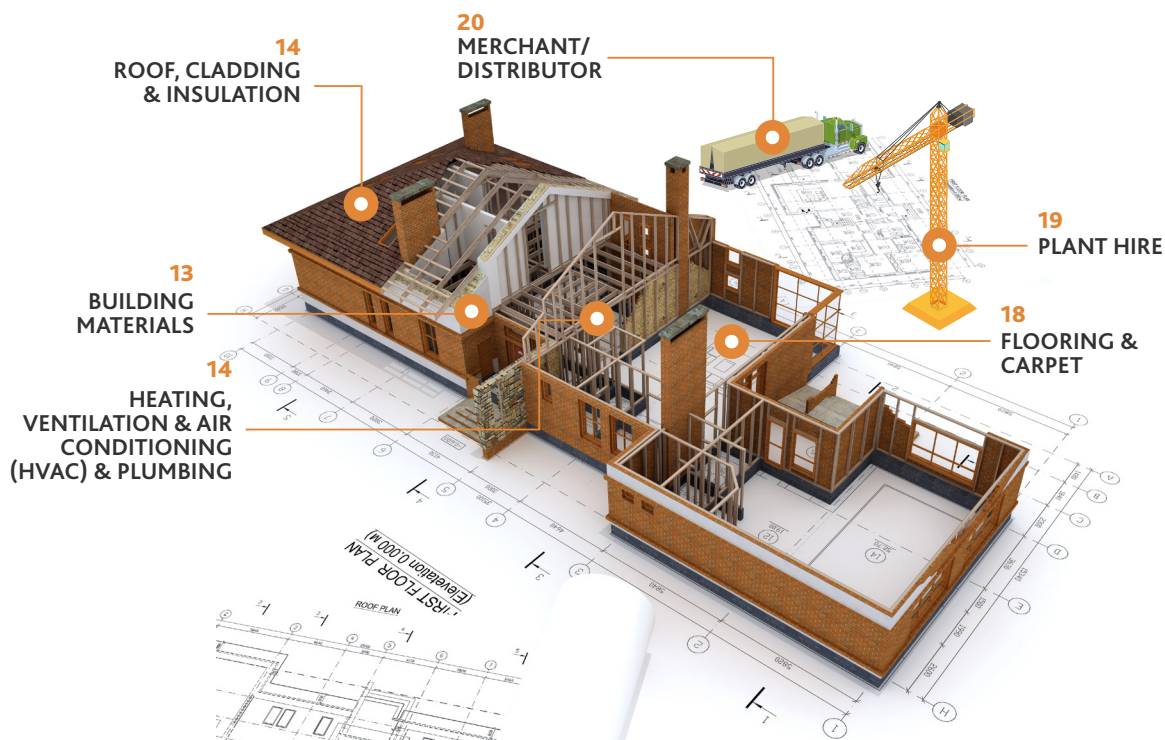
Source: Market IQ, mergermarket, Companies House, BDO Analysis

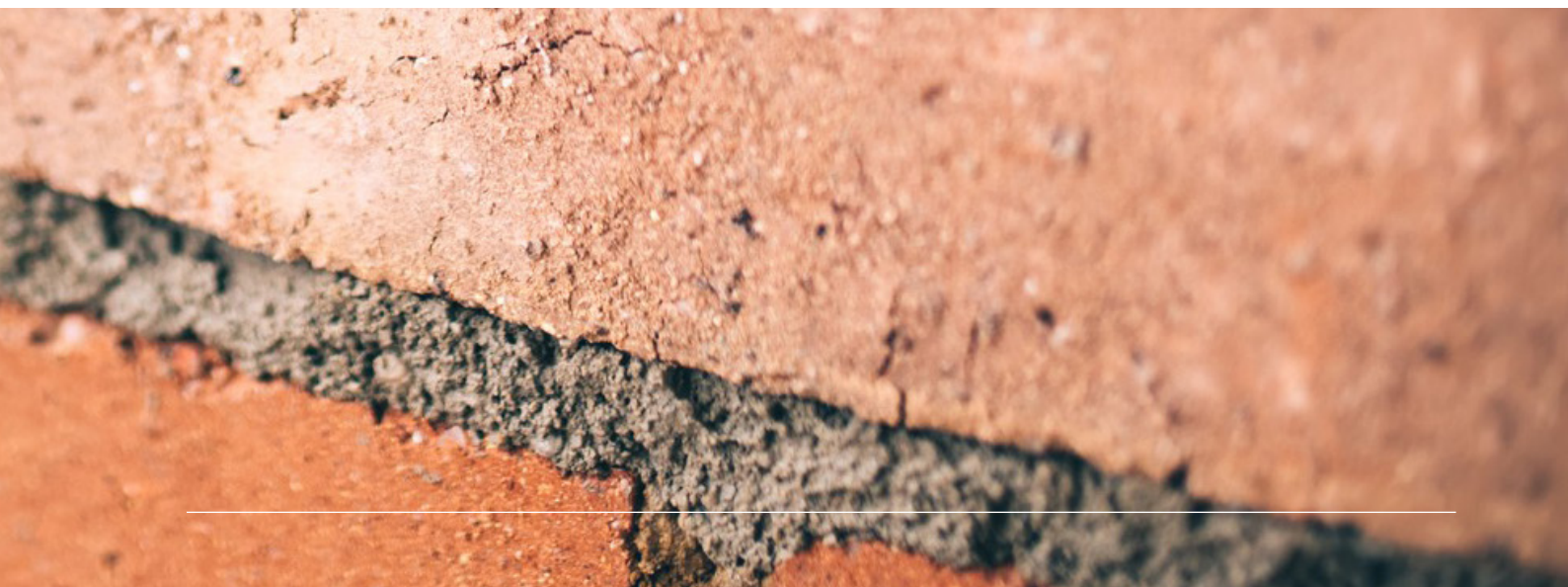
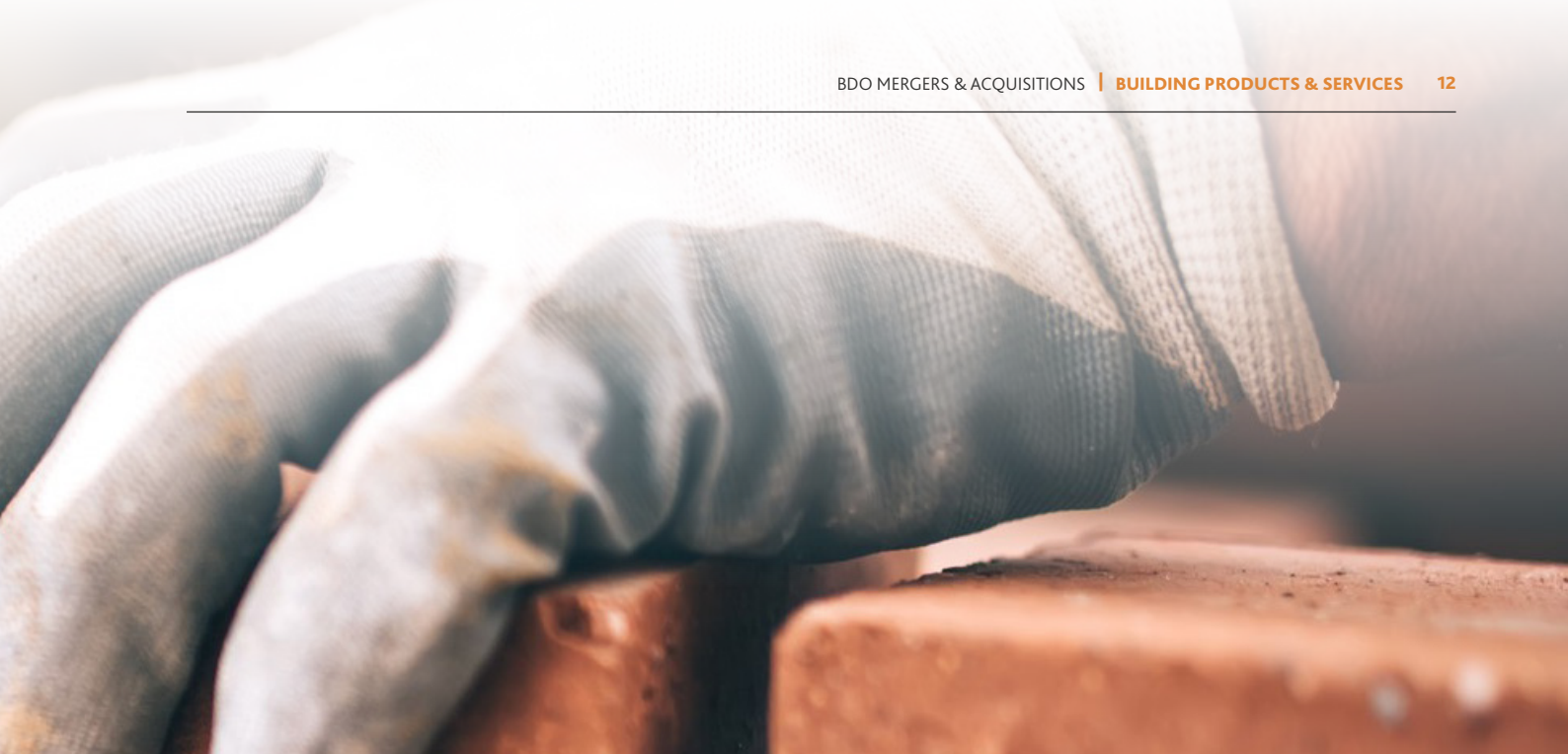
AVERAGE EV/EBITDA
PAID IN 2018 WAS **7.1x** (6.9x IN 2017)

MULTIPLES AND
TRANSACTION
VOLUMES
CONTINUE TO

INCREASE
ACROSS ALL SECTORS

SUB-SECTOR KEY THEMES AND DEAL HIGHLIGHTS





BUILDING MATERIALS

SECTOR COMMENTARY

Highly fragmented sector with further consolidation likely in the mid-market.

Disposals from larger corporations possible due to competition issues, particularly in aggregates market.

Larger companies control a significant portion of the market and have the benefits of economies of scale. This is often not available to smaller companies whose margins are tightening. They are also in a better position to pass on the increasing costs of labour inflation.

Businesses operating in the UK timber market are highly sought after and attracting robust valuations.

The departure of skilled European bricklayers as a consequence of Brexit, and the lack of local skills to replace them, could mean that construction companies will look increasingly to alternatives, such as timber. Widespread in Scotland as a building material, timber is now becoming increasingly popular in England. Sustainable and versatile, timber lends itself to the advancing off-site construction market and modular building methods, and will support the forecast growth in housing starts.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018** **7.1x**

Following a rise of over 50% in building materials transactions in 2017, volumes in 2018 were sustained as corporates and private equity continue to focus on increasing control of the vital flow of raw materials into the supply chain.

2018 DEAL HIGHLIGHTS

Aggregates

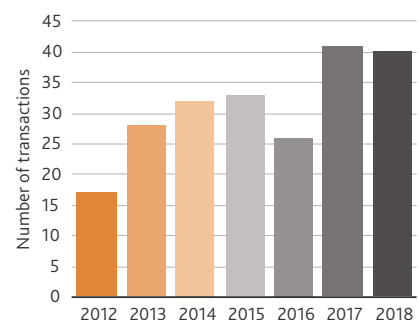
Ibstock disposed of Glen-Gery, America's fourth largest brickmaker to Brickworks for \$110m, and is now refocusing on its core UK markets.

Breedon Group made three acquisitions in the year, including a Scottish quarry, a mini-mix concrete operator in the Midlands, and Irish construction materials business Lagan, which it acquired for £455m. The combination with Lagan provides Breedon with an enhanced platform for further organic growth and bolt-on acquisitions.

Timber

Corporate investments in the year included the acquisition of Continental Wood by Swedish business Bergs Timber for £60m, and the acquisitions of SIG's timber modular building business by Urban Splash. Donaldson Timber Engineering acquired Cambridge Roof Truss, and Premier Forest Products acquired Merlwood Timber, both deals serving to extend geographical reach.

Private equity are alive to the strong growth prospects in timber. Cairngorm continued its march in the sector, adding Arnold Laver, Rembrand Timber and North Yorkshire Timber during the year. Builders merchant Huws Gray received investment from Inflexion during the year and went on to acquire five businesses, a number of which specialise in timber.



ROOF, CLADDING & INSULATION

SECTOR COMMENTARY

The sector is being increasingly driven by off-site manufacturing and speed of delivery. Companies with such capabilities are winning more tenders, in part due to reducing the risk profile of construction companies.

International businesses have been completing cross-border acquisitions to increase their foothold in the UK market, underlining confidence in the long term prospects of the UK roofing materials market.

A number of corporates have been carving out non-core subsidiaries as they seek to reshape their businesses.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 6.3x**

Growth prospects in the UK housebuilding sector, alongside environmental and regulatory drivers are creating an attractive investment thesis for businesses operating in the Roof, Cladding & Insulation market.

2018 DEAL HIGHLIGHTS

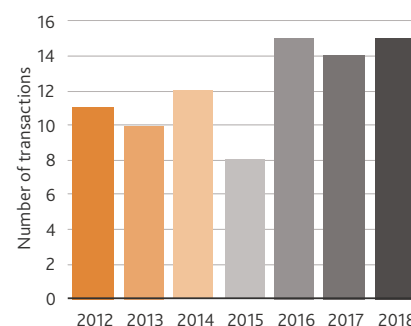
US-based GCP Applied Technologies acquired RIW for \$30m, a supplier of waterproofing products including liquid, sheet and cement systems alongside structural drainage.

CUPA Group, the Spanish company engaged in the production and distribution of roofing slate acquired Burton Roofing merchants and Brian Gow Roofing Warehouse, which consolidates its position in the UK market, adding £60m turnover.

Alumasc sold its Façades unit to Northern-Ireland based Kilwaughter Minerals, which is the UK's largest independent manufacturer of silicone render.

Alongside other disposals SIG sold the assets of Proteus, a façade panel systems manufacturing business and also UK offsite manufacturing business RoofSpace

Solutions. €20m turnover RoofSpace was sold to Saint Gobain in a deal which will accelerate its involvement in off-site manufacturing and complement existing businesses including Pasquill roof-trusses, Scotframe timber-frame houses and Saint-Gobain steel-frame systems.



HVAC & PLUMBING

SECTOR COMMENTARY

Smart technology has been widely adopted by the HVAC sector and continues to evolve fast.

Services to the HVAC sector are fast-growing, with technology-driven diagnostics driving strong recurring revenue streams.

The European market is more evolved than the UK and UK based companies often look overseas for acquisitions.

The online model in the Plumbing sector is still in its infancy but is an area with significant growth opportunities.

Larger companies still dominate the market and further consolidation in the sector is likely from businesses looking to fill-in certain geographies or from companies looking to build their presence in the online market.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 6.0x**

HVAC & Plumbing has been the most active sector for M&A deals since 2008, as buyers have sought to gain exposure to a market characterised by regulatory change and technological developments.

2018 DEAL HIGHLIGHTS

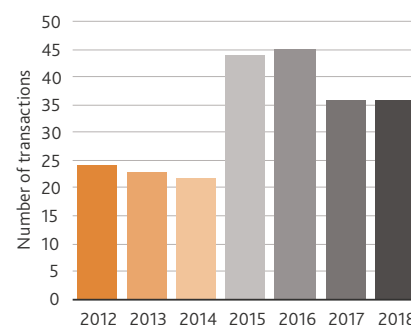
Volution continued its drive into international markets with four acquisitions: Simx, a New-Zealand-based supplier of residential ventilation products for £37.8m; Finland-based Pamon, a manufacturer of Mechanical Ventilation with Heat Recovery products for £10.2m; Denmark-based Air Connection for £2.8m; Dutch specialist distributor AirFan.

Volution aims to continue growing by acquiring value-adding businesses in new and existing markets and geographies across the residential ventilation market, and where appropriate, in the commercial ventilation market.

Reliance Worldwide acquired UK global fittings manufacturer John Guest, which specialises in plastic PTC (push to connect) fittings. Australian-based Reliance, which is the leading manufacturer in the world of brass PTC plumbing fittings paid £687.5m for John Guest, representing 10.3x EBITDA after synergies. The combined businesses have a strong strategic fit and will allow

Reliance to expand market presence strongly in Europe.

Ferguson, the specialist distributor of plumbing and heating products has been exiting a number of geographies, selling its Nordic business for €1bn and most recently its Dutch subsidiary.



ELECTRICS & LIGHTING

SECTOR COMMENTARY

The UK Electrics & Lighting sector is moving towards a European based model of online sales direct to the end-user. The European market has a more advanced and mature market for lighting and complementary products.

Faces strong foreign currency pressures due to imports of final products & parts from the Far East. Companies with a strong brand and customer relationships may be able to pass on costs at the expense of smaller competitors.

Future trends will include ongoing adoption of LEDs in the UK market, and some eventual commoditisation in the market, alongside price competition from online channels.

The relatively low average valuation for Electrics & Lighting reflects a high proportion of targets operating distribution-only business models. Companies with IP, offering design-led solutions are highly sought after and can command much higher valuations.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 5.6x**

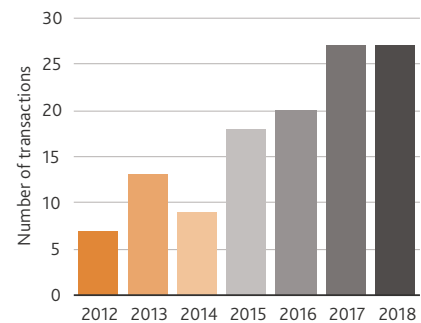
The UK lighting market is developing fast and maintaining its position within intelligent and connected built infrastructure. There is high demand for new innovations and energy efficient designs which are sustaining growth and increasing levels of M&A activity.

2018 DEAL HIGHLIGHTS

Baird Capital acquired a majority interest in Collingwood Lighting, a leading designer and supplier of residential, commercial and exterior luminaires into the professional and new-build markets in the UK and France. The investment will support the business as it drives innovation and growth.

Red Arrow Trading Group, an importer and distributor of lighting and electrical equipment to the electrical wholesale industry acquired BLE Lighting & Power from Lowe & Fletcher, which had identified it as a non-core subsidiary.

BLE Lighting & Power is a leading name in the provision of emergency lighting products & solutions and emergency power systems, supplying to a broad customer base of wholesalers, contractors and end users.



WINDOWS & DOORS

SECTOR COMMENTARY

A shifting preference towards highly efficient products such as aluminium.

Innovations in hardware components and evolving aesthetics spurring consumer demand.

Off-site fabrication is impacting the Windows & Doors sector and is an area of growth for a number of companies.

Large, international companies continue to have a strong interest in the UK market due to its strength and the imbalance between supply and demand of new housing.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018** **6.7x**

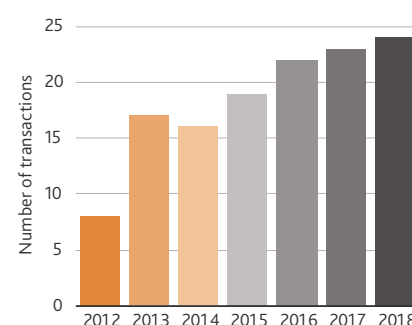
Prospects remain healthy in the Windows and Doors sector, which is underpinned by strong demand from the housebuilding market. This, alongside product innovations and evolving consumer preference, is driving increasing levels of M&A activity and robust valuations.

2018 DEAL HIGHLIGHTS

Tyman, a leading supplier of engineered components to the door & window industry acquired three businesses in the year: Ikon Hardware, which designs, develops and distributes architectural hardware products; Zoo Hardware, a designer and supplier of architectural hardware for £19m, representing an EBITDA multiple of 6.8x; US-based Ashland Hardware for \$101m, which brings to the Group an additional engineered hardware product offering for the North American residential window and door market. This sizeable deal will expand Tyman's product offering in the hung/sliding window market which represents approximately 70% of all window openings in the US residential market.

Strong interest from private equity, with Maven, CoBe Capital, Elaghmore Partners and Tosca Debt Capital all supporting MBOs in the Windows & Doors sector during the year.

Businesses also came out of investor portfolios, for example Northedge-backed DW3 Product was sold to Masonite in a £70m deal.



INTERIORS & SURFACE FINISHING

SECTOR COMMENTARY

Highly competitive sector where the B2B and B2C models are converging.

Price transparency from the B2C model presents challenges and therefore companies are trying to diversify vertically. Increasing routes to market through specification is becoming more popular.

Design/finishing sector is growing in popularity and an attractive area for M&A growth as it allows companies to provide an additional service/product to the same customer. This has formed a key basis of M&A rationale in the past year.

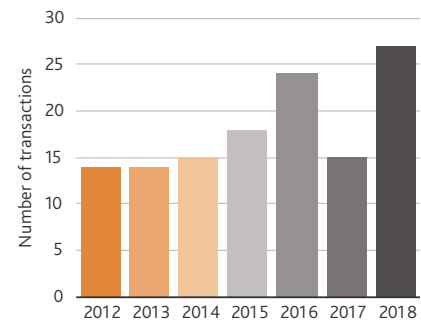
**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 6.4x**

The fashion-driven interiors market continues to attract interest from a wide range of buyers and experienced an active year for deals in 2018.

2018 DEAL HIGHLIGHTS

Fred Williamson & Sons, one of the North East's best known and long-standing decorating supplies and interior design business was acquired by South-East based C Brewer & Sons, the largest independent supplier of decorating materials in the country. The acquisition provides entry to the North East market and supports ongoing evolution of services to meet the contemporary requirements of customers.

AkzoNobel confirmed its commitment to the Chinese market with the full acquisition of its Joint Venture business with UK-based Swire Industrial. The business manufactures and distributes decorative paints in China, primarily under the Dulux brand, and is aligned with AkzoNobel's ongoing transformation into a focused paints and coatings company.



KITCHEN & BATHROOM

SECTOR COMMENTARY

Historically, companies in this sector have tended to focus their offerings on either high-end or low-end. Companies are now increasingly looking to serve more than one area of the market as a way of growing sales.

The online market is becoming increasingly important in this sector, as customers widen their outlook from traditional channels.

RMI is a key driver and recent data highlights expects levels in the private housing sector to be sustained this year and to grow by 2% in 2020.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 6.5x**

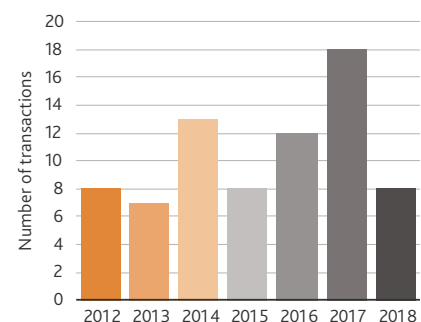
Unlike other sectors, Kitchens & Bathrooms saw a decline in the number of UK transactions in 2018, however this follows an exceptional year of deals in 2017. Businesses operating in the Kitchen & Bathroom sector continue to develop brand portfolios, aligning to consumer tastes and the recovering RMI market.

2018 DEAL HIGHLIGHTS

PE-backed businesses have been active in 2018, including Promethean-backed Brickability, which had a busy year completing 7 deals, amongst them two providers of luxury towel rails and designer radiators: Towelrads and Hamilton Heating.

Lonsdale Capital Partners-backed Mobility Group acquired Cassellie, a designer and importer of bathroom products. The acquisition is part of a wider strategy to create a bathroom supplier of significant scale. Since Lonsdale's initial investment in 2016, the Mobility Group has experienced five-fold growth, both organically and through acquisition, and will achieve revenues of £60m this year.

C P Hart, the UK's leading premium bathroom retailer acquired European Bathrooms, adding showrooms in Windsor and Amersham to its expanding network. The business continues to seek opportunities to further grow its reach in the niche premium bathroom segment.



SECURITY & ACCESS

SECTOR COMMENTARY

Similar to the HVAC sector with technology acting as a key driver of growth.

Products with innovative features such as sensors are experiencing high levels of growth, alongside capabilities that integrate with other building management systems.

Customers understand the importance of having adequate security and access products and therefore are keen to consider advances that tighten security.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 7.1x**

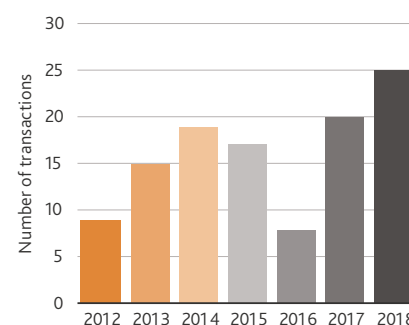
Security & Access continues to be a sought-after sector, with technological advancements and regulatory change driving interest in advanced businesses, particularly manufacturers with strong IP.

2018 DEAL HIGHLIGHTS

Lock manufacturer Assa Abloy was very active in the year, completing 13 acquisitions, including Exidor, Lorient, Dale Hardware and Excel Architectural Hardware in the UK. These deals strengthen the Group's position through adding complementary products and solutions. Lorient has a strong position in the fire protection market, extending the Group's door sealing portfolio.

Halma continued to build its fire protection portfolio with the acquisition of Limotec, a leading fire control panel designer and manufacturer in the Belgian market.

Further deals in fire protection include: A&F Sprinklers' acquisition of Hall Fire Protection from administration to create one of the country's largest independently-owned fire sprinkler companies; ADT's acquisition of Electronic Security Systems and Fire Protection; Premier Technical Services Group's acquisition of M&P Fire Protection, recently complemented with Trinity Fire & Security Systems for £10.8m.



FLOORING & CARPET

SECTOR COMMENTARY

Consumer tastes, RMI and construction activity are key drivers of the sector.

The specification market has increased in competitiveness which creates the need to explore further routes to market.

Faces labour challenges, especially with installation. Companies that do not outsource installation are better placed to overcome this challenge.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 6.6x**

The Flooring & Carpet sector is seeing deals that broaden routes to market, diversify product portfolios and align to emerging consumer trends. The sector has seen rising levels of interest for M&A over recent years.

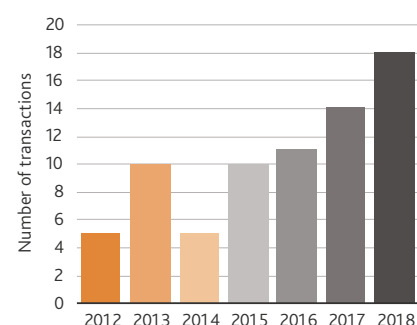
2018 DEAL HIGHLIGHTS

Victoria stayed true to its intention to focus only on larger deals, acquiring Ceramica Saloni for €97m, a European manufacturer of mid to high-end ceramic and porcelain tiles, aimed primarily at new construction or commercial offices. Victoria, which specialises in floor carpets, aims to double its turnover to £1bn by 2020, and would next like to enter the market for luxury vinyl tiles.

Headlam, Europe's largest distributor of floorcoverings acquired 5 further businesses in 2018: Garrod Bros, Ashmount and Rackhams all consolidating the Group's position within the Greater London area; CECO Flooring based near Belfast, which will expand Headlam's presence in North Ireland as well as increasing its specification-led sales channel; Dersimo

based in the Netherlands which increases the weight of the Group in the residential and commercial sectors.

Shaw Industries, the largest carpet tile manufacturer in North America acquired Scotland based Sanquhar Tile Services. The combination positions Shaw as a global carpet tile provider.



PLANT HIRE

SECTOR COMMENTARY

Private equity have long been attracted to the plant, equipment & tool hire sector, with its asset-backed profile providing investment security and EBITDA profile ensuring attractive returns.

International companies have a strong interest in the sector, much of which is underpinned by the volume and value of infrastructure projects.

New emissions legislation expected this year could force operators to seek investment to upgrade their equipment fleet.

Customers are increasingly demanding more flexible rental options and service, which is spurring the emergence of new business models, including same-day delivery and brokerage.

Telematics are increasingly used in the sector to drive benefits, including operational improvements and increased flexibility.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 5.8x**

The Plant Hire sector is experiencing strong demand from the infrastructure market, and has seen consolidation continue apace, with high interest from private equity and overseas players.

2018 DEAL HIGHLIGHTS

BGF provided £4.7m investment to heavy equipment rentals business Plantforce Rentals.

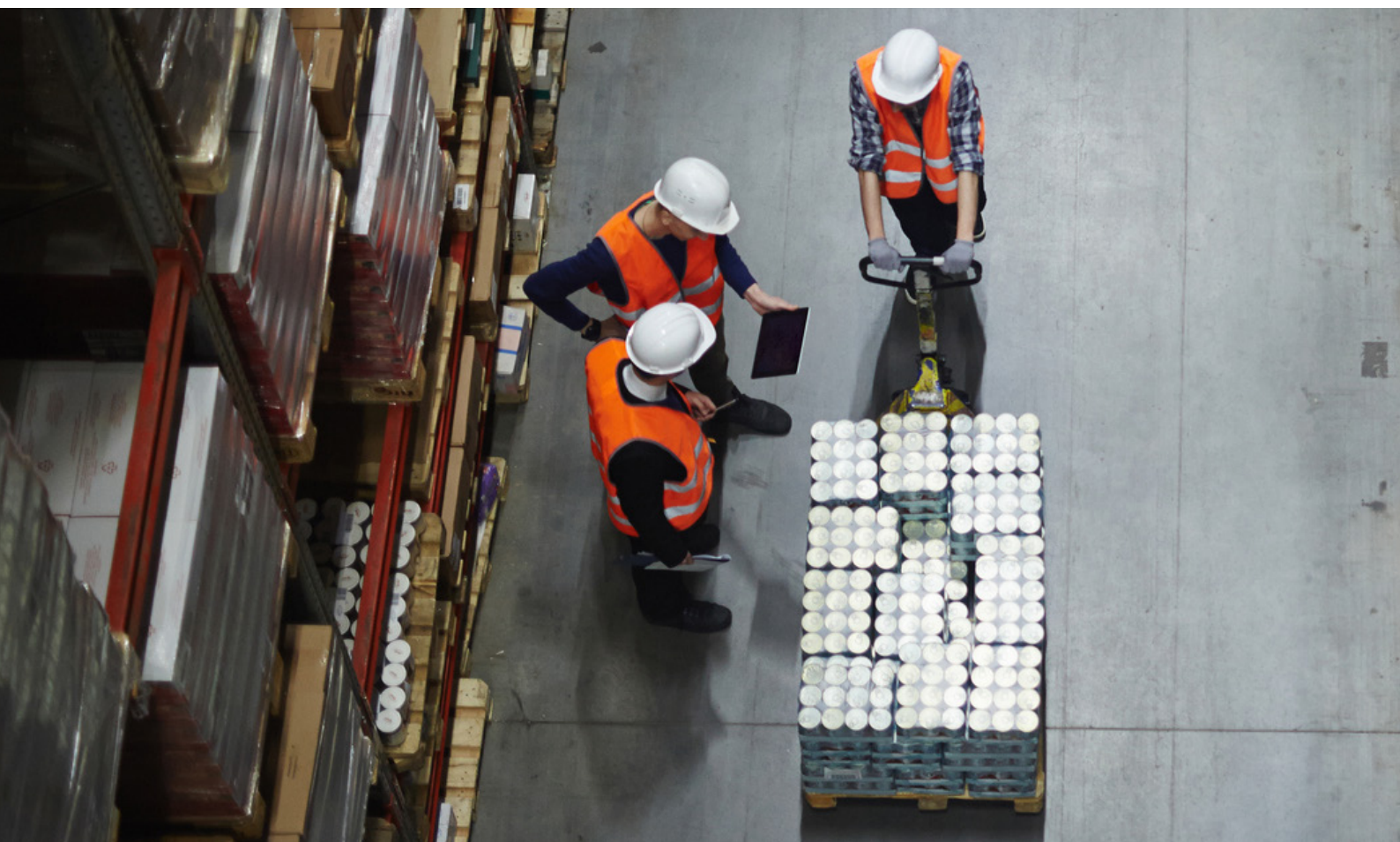
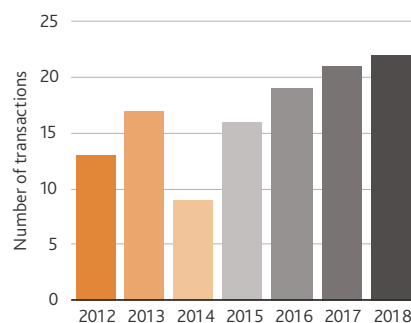
Elaghmore Partners acquired McPhee Bros, a provider of truck-mounted concrete mixer units.

Recent secondary buy-outs include: Alinda Capital's acquisition of infrastructure-focused Kelling Group from Elysian Capital; The Carlyle Group's acquisition of EnerMech from Lime Rock Partners; Ashtead Technology's buyout by a consortium of investors from Phoenix.

HSS Hire sold UK Platforms to Loxam for £60.5m, which, combined with its Nationwide Hire business will position

Loxam as a market leader for working at height solutions.

Dutch business Boels Rental acquired UK business Artisan Hire Centre and sister company SAS which operate in the south-west of England. These additions bring the total number of Boels branches in the UK to 38, building on the acquisitions of Already Hire earlier in the year and Supply UK Hire Shops in 2017. Boels, which had revenue of €445m last year has set its sights on reaching €1bn within a few years.



MERCHANTS / DISTRIBUTORS

SECTOR COMMENTARY

High levels of consolidation continue in the sector. Regional merchants with less than ten branches are of particular interest.

A number of large businesses in the sector have come under margin pressure in recent years and have initiated strategic reviews to realign their businesses.

Challenges come from the migration to online sales, however the UK has strong loyalty to a branch-based operating model.

**AVERAGE EV/EBITDA
MULTIPLE
2012-2018 6.8x**

In the UK, the merchant market remains highly fragmented, and a number of businesses have been resolutely consolidating. We expect this to be an ongoing theme.

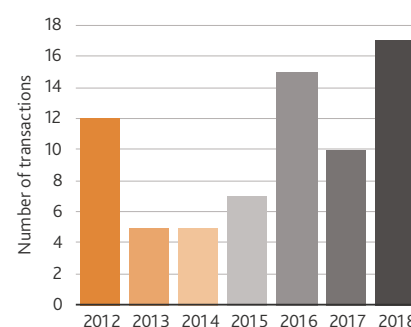
2018 DEAL HIGHLIGHTS

Saint-Gobain, SIG, Travis Perkins, Ferguson and CRH have all progressed carve-outs and disposals of non-core businesses, with more expected going forwards.

Huws Gray received investment from Inflexion in April 2018 and went on to acquire 7 business in six months. These deals include: Penrith Building Supplies, PH Timber, Armstrongs Builders Merchants and Southport Timber, all based in the North West; Audley Builders Merchants, Wheelers Timber and Builders Merchants based in the Midlands.

In October, Huws Gray acquired Ridgeons, an independently owned timber and builders merchants trading from over 40 mixed branches in East Anglia. The transformational acquisition will significantly increase Huws Gray's store base and broaden its national

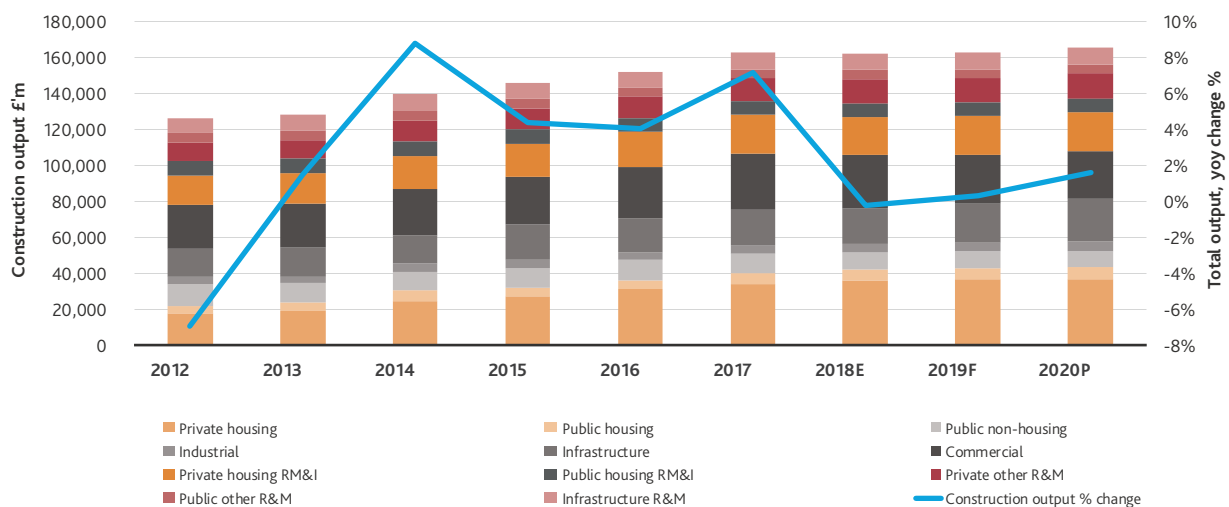
presence, making it the UK's largest independent builders merchants. Like Huws Gray, Ridgeons has a strong focus on the growing repair, improvement and maintenance segment, as well as a large and diversified customer base of over 16,000 clients.



UK CONSTRUCTION FORECASTS

INFRASTRUCTURE PROJECTS SUSTAIN CONSTRUCTION OUTPUT

TOTAL CONSTRUCTION OUTPUT BY SECTOR



Source: CPA

Mixed outlook for the construction sector with infrastructure activity being a key driver

UK construction output remained resilient in 2018 in spite of rising political uncertainty, with particularly strong growth in the North West, Midlands and Yorkshire. 5% growth in private housing was enough to counter a 2% decline in public housing, leading to 3.9% increase in housing output in the year. Growth in other sectors was hampered by slower UK economic growth, and rising uncertainty around the Brexit Withdrawal Agreement. This has particularly impacted prime residential apartments in London, commercial offices and industrial factories. But overall, 2018 output was sustained at the high levels seen in 2017.

Infrastructure activity is expected to be the key driver of growth over the next two years, as the Thames Tideway Tunnel project continues, work on HS2 accelerates and main work at Hinkley Point C gets underway. By the end of the forecast period, infrastructure output is projected to be £23.2bn, 18.2% higher than in 2017, and the highest level on record. This is supported by the National Productivity

Investment Fund, which the Government has increased from £31bn to £37bn, and extended by one year to 2023/24. Foreign investors see infrastructure as an attractive prospect, especially following the weakening of Sterling.

Output in the private housing sector reached a record high in Q3 2017 and is expected to rise by 2% in 2019 and 1% in 2020, driven by new builds outside London and the incentive of the Help to Buy scheme. Help to Buy, which accounts for just under a third of private house building starts, has been extended to 2023 in England (2021 in Wales and Scotland), and is expected to maintain demand for new build housing. The Government has set an annual housebuilding target of 300,000 new homes a year by the mid-2020s, which has resulted in a raft of policy measures. The £5.5bn Housing Infrastructure Fund was topped up with a further £500m in the 2018 Budget, and the Chancellor unveiled a new £3bn scheme in his spring statement to fund the building of 30,000 affordable homes. Alongside this, the private housing

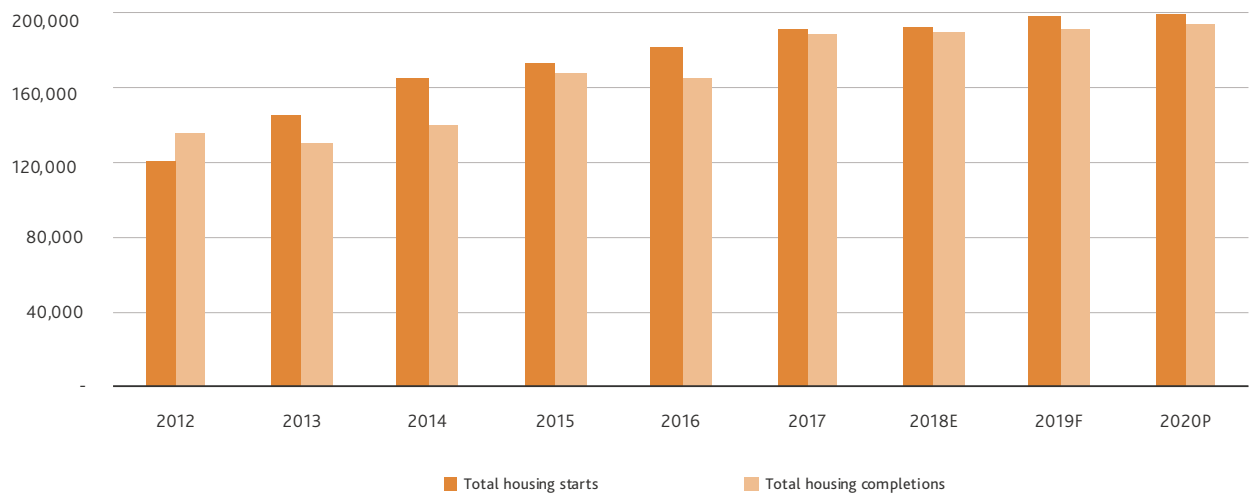
RM&I market is expected to recover, with 2% growth projected in 2020, which will drive demand in many underlying Building Products & Services sectors.

The subdued outlook for growth in other sub-sectors comes against a backdrop of sustained year-on-year growth to 2017. In the commercial sector output rose by 7.6% in 2016 and by a further 7.8% in 2017. As expected, the uncertainty following the EU Referendum means that major new investments have become increasingly difficult to justify, and this decline in new orders is now translating to lower commercial output. There are however bright spots in the forecasts, including pent-up demand for office space in Manchester and major office and mixed-use developments in the pipeline, including 12 large developments planned above Crossrail stations.



Data referenced from the CPA's Construction Industry Forecasts. The CPA is the leading voice to promote and campaign for construction product manufacturers and suppliers.

PRIVATE AND PUBLIC STARTS / COMPLETIONS



Source: CPA

CONSTRUCTION OUTPUT
TO REMAIN BROADLY FLAT
IN 2019 AND RISE

1.6% IN 2020

PRIVATE HOUSING
STARTS TO RISE

2.0% IN 2019 AND
1.0% IN 2020

INFRASTRUCTURE
CONSTRUCTION TO RISE

8.8% IN 2019 AND
7.7% IN 2020



OUTLOOK FROM EUROCONSTRUCT

CONSTRUCTION OUTPUT TO GROW BY 2% IN 2019 AND 1.6% IN 2020

INFRASTRUCTURE TO DRIVE GROWTH ACROSS EUROPE

Thanks to simultaneous construction output growth across the 19 Euroconstruct countries, 2017 recorded a growth peak of 4.1% (volume). The construction market is expected to grow by 2.8% in 2018 and slow down at a yearly average rate of 1.6% (in volume) over the forecast period (2019-2021) supported by smoothing but still positive GDP evolution. 2021 construction market volumes are expected to be 15% behind 2007's peak for the EC19 countries, however when Ireland, Spain and Portugal are excluded from the analysis, the sum of output levels across the remaining countries show recovery.

In the very short term, confidence for households is reaching a peak in 2018 fuelling the new-residential sector. Collective housing progressively overrides individual dwellings with 58% of collective vs. 42% of individual completions expected in 2021. The population across Euroconstruct countries is expected to continue growing over the 3 next years but at a slower pace than in the past. Despite this dynamic, household growth does not necessarily lead to housing completions growth, leading to an imbalance between supply and demand in

some countries. In the short term, supply and policy drivers have a stronger impact on the residential markets.

As a whole, non-residential construction output (new and renovation) is growing at a pace of 1.5% per year across 14 growing countries over the 2019-2021 period. But it should be noted that public buildings and offices are reversing the non-residential market in the UK and Germany. This is mainly due to public budget allocation and anticipated effects of Brexit. An abrupt halt in activity is expected in the offices sector in the UK.

Civil engineering is expected to become the new driving force during the forecast period with annual growth rates between 2.5 and 5% in volume. Civil engineering will benefit from European Commission infrastructure's plans and from national plans, especially highways and rail renovation.

In summary, although the outlook for construction activity is mixed across the UK and Europe as a whole, there are many bright spots in the forecasts, which alongside the other drivers discussed in this report, will continue to underpin robust levels of M&A activity.

EUROCONSTRUCT IS EUROPE'S LEADING CONSTRUCTION MARKET FORECASTING NETWORK

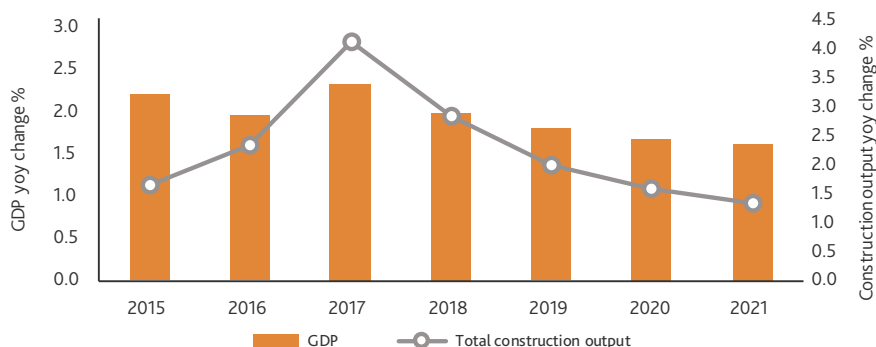


Euroconstruct, created in 1974 by 5 national establishments representing the construction sector (BIPE (France), CSTC (Belgium), IFO (Germany), EIB (The Netherlands) and NEDO (United Kingdom)), has today members from 19 European countries, representing almost the whole European zone.

Euroconstruct's members, whose counselling services enable them to remain in constant contact with makers of national policy and private companies, are experts on public policies, company strategy and the main trends influencing the construction market.

Euroconstruct provides national-level analysis and forecasts on the construction sector.

EC19 - TOTAL CONSTRUCTION OUTPUT AND GDP (YOY CHANGE %)



PASCAL MARLIER
Le Bipe – BDO ADVISORY





SECTOR THEMES

FACTORS DRIVING INVESTOR INTEREST IN BUILDING PRODUCTS & SERVICES

2018 was a year in which Construction hit the headlines for the wrong reasons. The collapse of Carillion sent shockwaves through the sector and shed a spotlight on issues to be overcome if necessary structural change is going to take place.

The skills shortage, the imbalance of power in the supply chain, and thin profit margins are all piling on pressure on businesses operating in the sector, but innovations and opportunities do exist to overcome these, to spur productivity, and position the sector to deliver the huge amount of building required. These factors continue to drive attractive investments in the sector.

TECHNOLOGY

The Building Products & Services sector has been slow to embrace innovation and change due to both cultural and commercial pressures. There are a number of significant opportunities that are driving benefits to improve productivity, including Building Information Modelling (BIM), cloud computing, the Internet of Things (IoT), automation and online distribution channels.

Awareness and adoption of BIM are rising steadily. NBS estimate that adoption has risen from 10% in 2011 to over 70% in 2018. The creation of identifiers for building products has been seen as the missing link in BIM, and a key area that must be addressed to drive value from the process. The CPA came together with the NBS and CBI to research and develop an Identifier for construction products to feed into BIM, which led to the development of Digital Object Identifiers (DOIs). These have been successfully piloted and are expected to bring significant benefits to the building lifecycle.

The growing potential of data analytics, Artificial Intelligence (AI), machine-learning, IoT and integration with GIS platforms will broaden the possibilities beyond BIM towards an increasingly diverse 21st century digital built environment where infrastructure, buildings, digital media and systems must all converge if we are going to create smarter cities and communities.

OFF-SITE CONSTRUCTION

The Government is pushing offsite construction as a means of tackling the £15bn productivity gap in construction.

It is well-known that the residual value of a building is little more than half the cost of its construction: around 30% of building materials and 40% of working hours are wasted. The solution is not squeezing the supply chain, nor can there be compromise on the performance of the assets, networks and systems. So efficiencies can only be achieved through a fundamental shift in process, where construction becomes much more like manufacturing, and the use of raw materials is minimised, as is processing and handling. This produces a new way of working, where integrated solutions use standard components configured using standard processes to give bespoke assets.

While this all makes excellent sense, the reality is that the transition to off-site construction requires large upfront investment, is currently suitable for standardised projects only and requires widespread participation.

For this reason the Government is putting the weight of its construction portfolio and its purchasing power behind the drive for innovation. Five key government organisations will adopt 'a presumption in favour of offsite construction' by 2019, which is expected to renew impetus.

UK SECTOR DEAL OBJECTIVES TO 2025

33%

REDUCTION IN THE COST OF CONSTRUCTION AND THE WHOLE LIFE COST OF ASSETS.

50%

REDUCTION IN THE TIME TAKEN FROM BEGINNING TO END OF NEW BUILD AND REFURBISHED ASSETS.

50%

REDUCTION IN GREENHOUSE GAS EMISSIONS IN THE BUILT ENVIRONMENT.

50%

REDUCTION IN THE TRADE GAP BETWEEN TOTAL EXPORTS AND TOTAL IMPORTS OF CONSTRUCTION PRODUCTS AND MATERIALS.

GREEN CONSTRUCTION

Regulatory changes are evolving the dynamics of the sector, creating opportunities for forward thinking businesses that embrace innovation.

HVAC has experienced the greatest developments in regulatory environment in recent years, which has been mirrored by the high levels of private equity and trade interest in the sector.

The plant hire sector will be affected by the new emissions legislation expected this year. The UK Government's Clean Air Strategy will be finalised in 2019, alongside legislation to tackle air pollution. A register of off-road machinery has also been touted, which would enable local enforcement, including compliance checks, information on retrofitted equipment, together with an emissions labelling scheme. A number of businesses in the sector are likely to seek investment to upgrade to a compliant fleet.

RIISING DEMAND

The UK Government is committed to sustaining the construction sector, which contributes 8% of UK GDP and employs over 3.1m workers.

The Sector Deal sees the Government investing £170m in R&D and innovation to boost productivity and meet environmental targets, with industry match-funding £250m.

Alongside investment, public sector infrastructure projects are expected to drive growth in coming years, and many businesses will be seeking to align with this market.

In addition, the Government continues to underline commitment to new-build housing, and is supporting the construction of affordable housing and starter homes across the country. Developer friendly policies will continue to put a floor on housing construction levels and pressure for growth will help to drive sales in the companies supplying the sector.

EFFICIENCIES AND FRAGMENTED MARKET

Alongside the market factors creating demand for investment, the general landscape of the Building Products & Services sector presents enormous opportunity for the shrewd trade or financial investor.

The sector remains very fragmented, with a large population of smaller businesses, many of which offer an attractive investment case due to a unique product, a defensible route to market, alignment with macro trends or early adoption of technological innovation.

Many businesses are inefficient and could benefit from operational improvements that an investor can bring. Opportunities to add strategic bolt-ons, to buy & build or consolidate abound.



BDO IN THE SECTOR: DEAL SNAPSHOTS



SALE OF TROJAN MANUFACTURING GROUP TO ASSA ABLOY

Manufacture of hardware solutions for the fenestration sector



SALE OF BILCO TO TYMAN

Manufacture of access products



SALE OF TECSEDO TO RE PANELS BACKED BY THE RIVERSIDE COMPANY

Manufacturer of panels for overhead doors



SALE OF SCRIGNO GROUP TO CLESSIDRA CAPITAL PARTNERS

Manufacturer of frames for sliding doors and windows



SALE OF A MAJORITY INTEREST IN SÄLZER TO SCHÜCO

Manufacturer of high security products for buildings



SALE OF TECHNOCOVER TO HILL & SMITH HOLDINGS

Manufacture and installation of high security steel access products



SALE OF CMS WINDOW SYSTEMS BY LDC TO MAVEN CAPITAL PARTNERS

Manufacture of windows and doors



MBO OF GYSI

Manufacturer of traffic security and signalling equipment



MBI OF ELECTROVOLET

Manufacturer of industrial and security shutters



SALE OF SMART TO ACPI (ARMSTRONG CABINETS)

One of the largest kitchen cabinet manufacturers in the US



SALE OF PRAESIDIAD'S UK WIRE BUSINESS TO HAMPTON STEEL

Manufacturer of steel perimeter security systems for the agricultural sector



MERGER OF TECNIBO AND WOOD CAM

Manufacturers of wooden office furniture and partitions



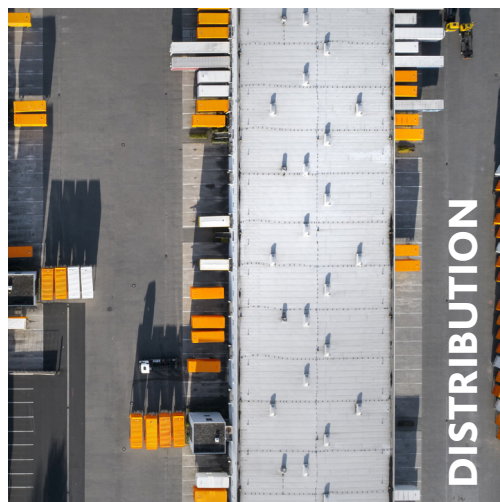
SALE OF BOJSO DORE & VINDUER TO INWIDO

Manufacturer of doors and windows



MBI OF HANS GREUB

Manufacturer of fireplaces



MBO OF SNOWS TIMBER FROM BRADFORD & SONS

Processor and distributor of timber



ACQUISITION OF VJ TECHNOLOGY BY PRIMARY CAPITAL FROM SIG PLC

Distributor of technical fixings, fasteners and consumables



SALE OF CATHCART BUILDERS MERCHANTS TO MURDOCK BUILDERS MERCHANTS

Builders merchant based in Northern Ireland



SALE OF ML ACCESSORIES TO SLV

Design and distribution of lighting products



SALE OF TERRAFIX TO LEGGETT & PLATT

Distributor of geosynthetic construction materials



SALE OF TUTARIUS TO HEMMINK

Importer of tools 'True Tools'



DELIVERING QUALITY ADVICE WHERE IT MATTERS



SERVICES

MBO OF READYPOWER ENGINEERING BY PRIMARY CAPITAL

Plant hire and services
for the rail sector



ACQUISITION OF TERRAWISE BY READYPOWER ENGINEERING

Construction services
for the rail sector



MBO OF SHUTTERCRAFT BY BEECHBROOK CAPITAL

Installer of
made-to-measure
shutters and blinds



ACQUISITION OF TONI MUELLER HAUSESTECHNIK BY ALOIS BAETTIG

HVAC and
plumbing installation



SHARE BUY-BACK OF CARMAC

Groundworks
contractor



SALE OF AUSTIN ARRENDAMIENTOS

Crane
hire



SALE OF GILDEN GROUP TO DEUTSCHE PRIVATE EQUITY MANAGEMENT

Leading Dutch
roofing business



SALE OF HOUBEN TO FUTURE CLIMA

HVAC design
and installation



We are proud of our **broad and deep sector experience** which drives demonstrable results

We are **global leaders in the M&A market**, focused on maximising value for our clients

A strong track record with **over 50 sector transactions** completed globally in the last 3 years

We achieved an **average EV/EBITDA multiple of 7.6x** for our clients in the sector over the last 3 years

A DEDICATED TEAM: SECTOR INSIGHT AND THOUGHT LEADERSHIP

EXPERTS IN THE SECTOR

Our Building Products & Services team was established to work with leading midmarket privately owned businesses and private equity who, like us, believe strongly in the opportunities available in the sector.

Our UK team has mapped over 2,000 building product and services companies within the UK, analysing historical financial trends, profitability by sub-sector and high growth companies. Previously, we have published sector dedicated publications (including HVAC, Plant Hire and Windows & Doors) and four further annual publications, analysing and providing insight into M&A activity, active companies, valuations and market drivers.

With deep expertise in the sector we understand company strategy, market and commercial drivers and have advised private equity and portfolio companies at all stages of the investment life cycle.

#1 M&A ADVISER IN THE WORLD BY DEAL VOLUME

* #1 Global M&A adviser – Pitchbook 2018 league tables

1,440 COMPLETED
DEALS
GLOBALLY IN 2018

36% PRIVATE
EQUITY
DEAL INVOLVEMENT

2,000 CORPORATE
FINANCE
PROFESSIONALS GLOBALLY

\$81.4bn DEAL
VALUE

28% OF OUR
DEALS ARE
CROSS-BORDER

100 COUNTRIES
PROVIDING
DEDICATED CORPORATE
FINANCE SERVICES



YOUR UK CONTACTS



**JOHN
STEPHAN**

PARTNER
SECTOR CO-LEAD

+44 (0)7979 706 731
john.stephan@bdo.co.uk



**MITHUN
PATEL**

DIRECTOR
SECTOR CO-LEAD

+44 (0)7794 059 291
mithun.patel@bdo.co.uk



**ALAN
CHAN**

**ASSISTANT
DIRECTOR**

+44 (0)7800 682 871
alan.chan@bdo.co.uk



**SAPNA
SANDHER**

**ASSISTANT
DIRECTOR**

+44 (0)7800 682 898
sapna.sandher@bdo.co.uk



**MATTHEW
GOODLIFFE**

**SENIOR
MANAGER**

+44 (0)7800 682 418
matthew.goodliffe@bdo.co.uk



**SUSANNAH
PERKINS**

**SENIOR RESEARCH
MANAGER**

+44 (0)7800 682 066
susannah.perkins@bdo.co.uk



**EMMA
LEVELLE**

**RESEARCH
ANALYST**

+44 (0)121 352 6236
emma.levelle@bdo.co.uk

YOUR INTERNATIONAL CONTACTS

**AUSTRALIA**
SEBASTIAN STEVENS
M&A PARTNER

T: +61 2 9240 9725
M: +61 413 218 555
E: sebastian.stevens@bdo.com.au

**AUSTRIA**
BERND WINTER
M&A AND TAX PARTNER

T: +43 1 537 37 406
M: +43 664 800 37 406
E: bernd.winter@bdo.at

**BELGIUM**
GEERT SCHOUKENS
M&A SUPERVISOR

T: +32 3 230 58 40
M: +32 484 760 131
E: geert.schoukens@bdo.be

**CANADA**
RYAN FARKAS
M&A MANAGING DIRECTOR

T: +1 416 775 7804
M: +1 416 577 4953
E: rfarkas@bdo.ca

**CHINA**
KENNETH YEO
M&A DIRECTOR

T: +852 2218 8268
M: +852 9169 8483
E: kennethyeo@bdo.com.hk

**DENMARK**
GERT MORTENSEN
M&A DIRECTOR

T: +45 39 15 52 00
M: +45 41 89 02 10
E: gmo@bdo.dk

**FRANCE**
PASCAL MARLIER
PARTNER – LE BIPE, BDO ADVISORY

T: +33 1 70 37 23 01
M: +33 6 30 99 48 06
E: pascal.marlier@bipe.fr

**GERMANY**
JANE EVANS
M&A SENIOR MANAGER

T: +49 211 1371 192
M: +49 170 4204 226
E: jane.evans@bdo.de

**IRELAND**
KATHARINE BYRNE
M&A PARTNER

T: +353 1 470 0524
M: +353 86 384 4534
E: kbyrne@bdo.ie

**ITALY**
STEFANO VARIANO
M&A PARTNER

T: +39 02 5820 1152
M: +39 335 364 439
E: stefano.variano@bdo.it

**NETHERLANDS**
BART RECEVEUR
M&A SENIOR MANAGER

T: +31 40 26 98 168
M: +31 6 25 07 59 49
E: bart.receveur@bdo.nl

**SPAIN**
JUAN VEGA DE SEOANE
PALLARES
M&A DIRECTOR

T: +34 917 022 212
M: +34 675 540 768
E: juan.vegaseoane@bdo.es

**SWEDEN**
CLAES NORDEBÄCK
CORPORATE FINANCE PARTNER

T: +46 8 120 11 894
E: claes.nordeback@bdo.se

**SWITZERLAND**
JÜRG GLESTI
M&A PARTNER

T: +41 44 444 35 93
E: juerg.glesti@bdo.ch

**UNITED STATES**
DANIEL SHEA
MANAGING DIRECTOR

T: +1 310 557 8205
M: +1 310 903 2163
E: dshea@bdocap.com





FOR MORE INFORMATION:

JOHN STEPHAN

john.stephan@bdo.co.uk

MITHUN PATEL

mithun.patel@bdo.co.uk

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