

Windows on Wall Street

From Lincoln International

Stock prices of publicly traded window and door companies outperformed the broader market in September as the W&D Stock Index increased 1.4 percent compared to a 0.3 percent increase for the S&P 500.

Recent residential data indicates that the construction activity driving this W&D Index growth will maintain its positive momentum. For example, the National Association of Home Builders reported August housing starts increased 16.6 percent annually to 1.13 million units on a seasonally adjusted basis. Building permits reached a new cycle high of 1.17 million units in August. Moreover, new home sales rose 21.6 percent annually to a new cycle high of 552,000 units as home builders have begun to add new home inventory ahead of forecasted higher demand.

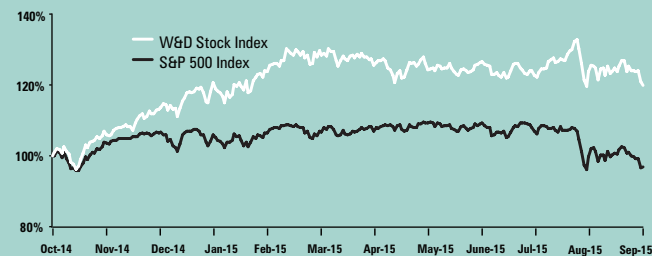
WD Stock Watch

As of September 30, 2015

Company	Current Price (\$)	52 Week		*EV/ EBITDA
		High	Low	
Builders FirstSource (BLDR)	12.68	\$16.69	\$4.85	30.4x
Drew Industries Inc. (DWE)	54.61	65.21	41.30	9.6x
Fortune Brands Home & Security Inc. (FBHS)	47.47	53.01	36.54	16.6x
Home Depot Inc., The (HD)	115.49	123.80	86.35	13.0x
Huttig Building Products Inc. (HBPI)	3.12	4.12	2.70	11.2x
Lowe's Cos. Inc. (LOW)	68.92	76.25	49.85	11.3x
Masco Corp. (MAS)	25.18	28.59	19.84	10.1x
Masonite International Corp. (DOOR)	60.58	73.26	52.08	16.2x
PGT Inc. (PGTI)	12.28	16.28	8.25	14.4x
PPG Industries Inc. (PPG)	87.69	118.95	84.40	11.2x
Quanex Building Products Corp. (NX)	18.417	21.93	17.03	14.1x

The WD Stock Watch includes a select list of publicly-traded companies involved in the window and door industry. For *EV/EBITDA: EV (enterprise value) = Market value of stock plus debt outstanding minus cash, and EBITDA = Earnings before interest, taxes, depreciation and amortization. Data provided courtesy of Lincoln International.

WD Stock Index



Note: Local currency converted to USD using historical spot rates. The WD Stock Index consists of the above stocks weighted by market cap. Data provided courtesy of Lincoln International.

Contact Information: Jeffrey Corum, Managing Director, jcorum@lincolninternational.com, 312/580-6282. Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With 16 offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at lincolninternational.com.

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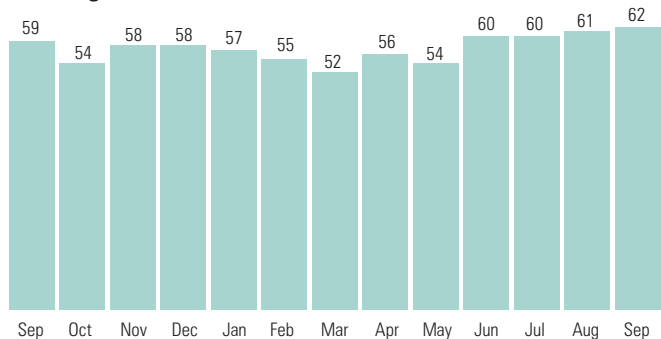
Market Snapshot—New Construction

Builder confidence in the market for newly constructed single-family homes continued its steady rise in September with a one-point increase to a level of 62 on the National Association of Home Builders/ Wells Fargo Housing Market Index. It is the highest reading since October 2005.

“The HMI shows that single-family housing is making solid progress, said NAHB Chairman Tom Woods, a home builder from Blue Springs, Mo. “However, our members continue to tell us that they are concerned about the availability of lots and labor.”

“NAHB is projecting about 1.1 million total housing starts this year,” said NAHB Chief Economist David Crowe. “Today’s report is consistent with our forecast, and barring any unexpected jolts, we expect housing to keep moving forward at a steady, modest rate through the end of the year.”

Housing Market Index



Source: National Association of Home Builders. The HMI is based on a monthly survey of builders, in which they are asked to rate the current business climate. Any number over 50 indicates that more builders view sales conditions as good than poor.

The Talk on WindowandDoor.com— Multigenerational Communication

There are a lot of misnomers flying around about our emerging millennial workforce, Jim Snyder said in his recent Talk post. Much of the collaboration and inclusivity this generation enjoys occurs, in part, because of their fluency with technology, he says. “They are tech-savvy and, though they speak the same language as the rest of us, they rely heavily on devices to both give and receive information.” So, how do we reach them? What’s the best way to communicate to our new millennial installers? How can we leverage their intensely personal connection to devices in the fenestration industry? According to the reader poll on WindowandDoor.com, the majority of respondents reported using email as the most effective communication tool with this new generation of workers.

The Last Word—An Ode to Installation

“A window is only as good as the way it’s installed.”

—Rachel Blum, Window Factory, bayareawindowfactory.com