

## Windows on Wall Street

From Lincoln International

Stock prices of publicly traded window and door companies declined in January 2015, as the W&D Stock Index fell 1.7%. The decline in stock prices in January was primarily related to the continued fall in oil prices as investors and industry participants believe that weakness in the oil and gas sector could lead to a slow-down in construction activity in states that have exposure to the space. The index outperformed the S&P 500, which fell 3.6%. Despite the recent decrease in market prices, the W&D Index has performed well since February 2014, gaining 36.9% compared to 14.5% for the S&P 500.

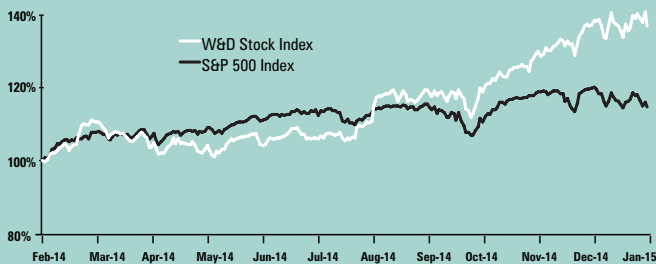
## WD Stock Watch

As of January 30, 2015

Company	Current Price (\$)	52 Week		*EV/ EBITDA
		High	Low	
Builders FirstSource (BLDR)	\$5.92	\$9.40	\$4.85	14.8x
Drew Industries Inc. (DW)	50.28	55.35	40.38	9.5x
Fortune Brands Home & Security Inc. (FBHS)	44.79	47.52	36.54	14.2x
Home Depot Inc., The (HD)	104.42	107.74	73.96	12.9x
Huttig Building Products Inc. (HBPI)	3.17	5.45	2.70	13.4x
Lowe's Cos. Inc. (LOW)	67.76	71.11	44.13	12.1x
Masco Corp. (MAS)	24.84	25.94	19.50	11.3x
Masonite International Corp. (DOOR)	62.72	64.36	48.02	21.6x
PGT Inc. (PGTI)	8.59	12.61	7.34	13.2x
PPG Industries Inc. (PPG)	222.88	233.98	171.56	13.1x
Quanex Building Products Corp. (NX)	18.83	21.42	16.50	10.9x

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 15 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 [www.lincolninternational.com](http://www.lincolninternational.com).

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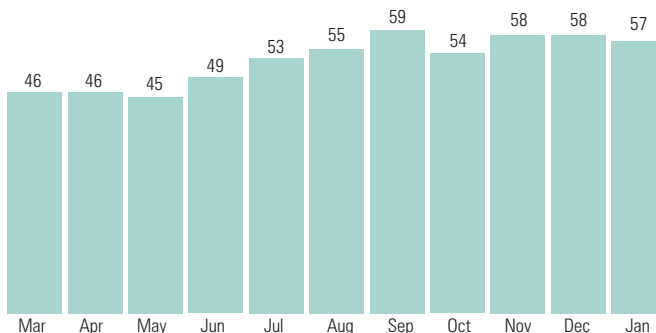
## Market Snapshot—New Construction

Builder confidence in the market for newly built single-family homes declined one point to 57, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index released in January 2015. This marks the third straight month that the index has hovered in the upper 50s range.

“After seven months above the key 50 benchmark, builder sentiment is reflecting the gradual improvement that is occurring in many markets throughout the nation,” said NAHB Chairman Kevin Kelly, a home builder and developer from Wilmington, Del.

“January’s HMI reading is in line with our forecast as we head into the new year,” said NAHB Chief Economist David Crowe. “Steady economic growth, rising consumer confidence and a growing labor market will help the housing market continue to move forward in 2015.”

## 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.

## A Shift in Attitude

Over the past 20-or-so years, resistance to changes such as the shift to more energy efficient products has given way to innovation. The market demand for energy efficient products has increased and manufacturers that responded well to this change have, in turn, profited. As Nick Bottaro, Bottaro Associates, states, “The vision, insight, and comprehension of those working in the industry have definitely changed for the better over time.”

## The Last Word—Loyal Partnerships

“Always take ownership of your business. Knowledge in the products you carry is everything to your customers and, of course, going above and beyond in customer service will grant you a wonderful business reputation, return customers, and increased business traffic.”—Becky Ocasio, Optimum Window Manufacturing Corp.