

## Windows on Wall Street

From Lincoln International

Stock prices of publicly traded window and door companies declined in March, as the W&D Stock Index fell 2.7%. The decline was primarily related to the recent housing starts report from NAHB, which showed flat month-over-month growth. This level of growth fell short of investors' expectations and has caused some uncertainty for the 2015 consensus housing starts level of 1.2 million units. However, the decline in housing starts was primarily driven by inclement weather in the Northeast and Midwest regions. As a result, economists believe that construction activity is likely to show solid growth during the spring selling season. The W&D Index has performed well over the past 12 months, gaining 38.2% compared to 9.7% for the S&P 500.

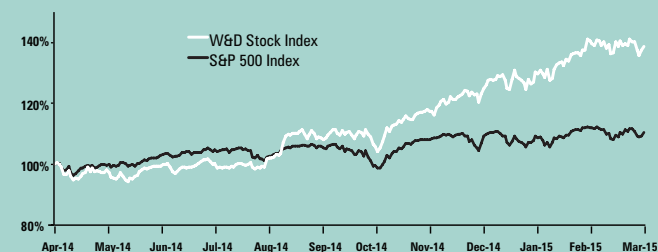
## WD Stock Watch

As of March 31, 2015

Company	Current Price (\$)	52 Week		*EV/ EBITDA
		High	Low	
Builders FirstSource (BLDR)	\$6.67	\$9.40	\$4.85	16.8x
Drew Industries Inc. (DW)	61.54	65.21	40.38	11.3x
Fortune Brands Home & Security Inc. (FBHS)	47.48	48.17	36.54	16.2x
Home Depot Inc., The (HD)	113.61	117.99	74.61	13.4x
Huttig Building Products Inc. (HBPI)	2.85	5.45	2.70	11.8x
Lowe's Cos. Inc. (LOW)	74.39	76.25	44.13	12.7x
Masco Corp. (MAS)	26.70	27.40	19.50	11.2x
Masonite International Corp. (DOOR)	67.26	67.65	48.02	20.3x
PGT Inc. (PGTI)	11.18	11.93	7.34	15.7x
PPG Industries Inc. (PPG)	225.54	237.90	171.56	14.5x
Quanex Building Products Corp. (NX)	19.74	21.79	16.50	13.5x

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.

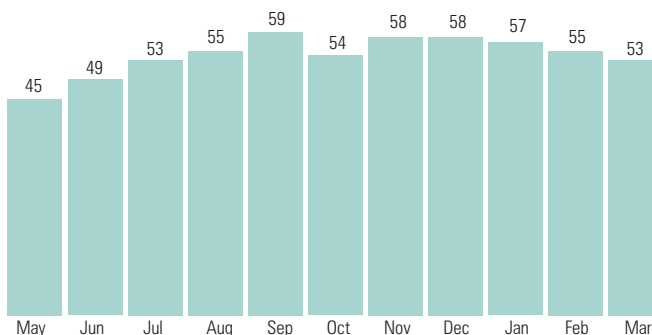
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## Market Snapshot—New Construction

Builder confidence in the market for newly built, single-family homes fell two points to a level of 53 on the National Association of Home Builders/Wells Fargo Housing Market Index released in March. Two of the three HMI components posted losses in March. The component gauging current sales conditions fell three points to 58 while the component measuring buyer traffic dropped two points to 37. The gauge charting sales expectations in the next six months held steady at 59. "Even with this slight slip, the HMI remains in positive territory and we expect the market to improve as we enter the spring buying season," said NAHB Chairman Tom Woods, a home builder from Blue Springs, Missouri.

## 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.

## Jobs People Want

"We've declared war on work, as a society, all of us," Mike Rowe, former host of the Discovery Channel's "Dirty Jobs," who is currently filming the second season of "Somebody's Gotta Do It" for CNN, said in a TED Talk. He says our culture sends the message that life would be better if you could work less, if you didn't have to work so hard and put in fewer hours. His ultimate point is that "the jobs we hope to make and the jobs we hope to create aren't going to stick unless they're jobs that people want." Is our industry creating jobs people want?

## The Last Word—Satisfying Work

"It's fun to help people enjoy their homes more. Whatever space they're trying to create, showing them how it can be done, enhancing original designs, and making people happy with it—it's satisfying work. It's a great way to stay involved with architecture and stay a part of people's lives and make them happy." —Damon Gregory, Fenescso Inc.