

Beacon Announces Strategic Acquisition of Coastal Construction Products

Creates Specialty Waterproofing Division with Nationwide Footprint

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HERNDON, Va.--(BUSINESS WIRE)--Beacon (Nasdaq: BECN) (the “Company”) announced today that it has acquired Jacksonville, Florida based Coastal Construction Products (“Coastal”), one of the largest independent distributors of specialty waterproofing products in the U.S., from the Company’s majority owner, Supply Chain Equity Partners (“SCEP”), a leading private equity firm focused on the distribution sector, and members of current and prior management. This is Beacon’s fifth acquisition in the last 12 months, and the third since the launch of its [Ambition 2025](#) goals in February 2022.

Beacon currently sells waterproofing products throughout its commercial and residential roofing branches as well as 13 specialty waterproofing locations in the Western U.S. Coastal has 18 locations dedicated to waterproofing serving the Southeast and Midwest. The resulting combination, a new platform for future growth, creates an unparalleled opportunity to leverage a coast-to-coast footprint to better serve customers locally, regionally, and nationally, including in storm-exposed regions where waterproofing is essential to protecting buildings, adapting to stricter building codes and meeting heightened maintenance standards. Beacon’s new specialty waterproofing division will be led by Coastal’s CEO, Martin Harrell.

“SCEP has been a great partner and we are grateful for their help in achieving our Vision 2025,” commented Mr. Harrell. “They allowed us to grow much faster than we could have done on our own by funding and supporting our internal growth initiatives as well as fast-tracking our greenfield and acquisition program. Now, the entire Coastal team is excited to be joining Beacon. This partnership allows us to bring our customers the benefits of Beacon’s North American footprint and specialized capabilities designed to accelerate growth and enhance profitability. The team and I believe partnering with Beacon provides the best opportunity to continue to build on our 45-year history and bring additional value to customers.”

“We are thrilled to welcome Coastal’s over 200 employees to the Beacon team. Their core values, customer-focused service model and depth of waterproofing expertise are an ideal fit as we continue progress toward the [Ambition 2025](#) goals we announced in February,” commented Julian Francis, Beacon’s President & CEO. “Expanding nationwide access to waterproofing products enhances our value proposition to our commercial and multifamily customers and provides the opportunity to build more together. I am particularly pleased that Martin Harrell will be reporting to me and leading Beacon’s new specialty waterproofing division to enhance our focus and capitalize on the above-market growth opportunities we see for waterproofing products.”

Coastal's estimated full year 2022 revenue and EBITDA are expected to be approximately \$250 million and \$25 million, respectively. Beacon expects to continue to report waterproofing revenues as part of its Complementary line of business going forward. Pro forma net debt leverage remains below Beacon's 2.5x target and the synergized transaction multiple is expected to be lower than Beacon's current trading multiple. The Company intends to provide additional perspective on this transaction during its Third Quarter 2022 earnings call.

Forward-Looking Statements

This press release contains information about management's view of Beacon's future expectations, plans and prospects that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by the fact that they do not relate strictly to historic or current facts and often use words such as "anticipate", "estimate", "expect", "believe", "will likely result", "outlook", "project" and other words and expressions of similar meaning. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including, but not limited to, those set forth in the "Risk Factors" section of Beacon's latest Form 10-K and subsequent filings with the U.S. Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent Beacon's views as of the date of this press release and these views could change. However, while Beacon may elect to update these forward-looking statements at some point, Beacon specifically disclaims any obligation to do so, other than as required by applicable law. These forward-looking statements should not be relied upon as representing Beacon's views as of any date subsequent to the date of this press release.

About Beacon

Founded in 1928, Beacon is a Fortune 500, publicly traded distributor of building products, including roofing materials and complementary products such as siding and waterproofing. With this acquisition, the company operates over 470 branches throughout all 50 states in the U.S. and 6 provinces in Canada. Beacon serves an extensive base of over 80,000 customers, utilizing its vast branch network and diverse service offerings to provide high-quality products and support throughout the entire business lifecycle. Beacon offers its own private label brand, TRI-BUILT®, and has a proprietary digital account management suite, Beacon PRO+, which allows customers to manage their businesses online. Beacon's stock is traded on the Nasdaq Global Select Market under the ticker symbol BECN. To learn more about Beacon, please visit www.becn.com.

About Supply Chain Equity Partners

Based in Tampa, Florida, Supply Chain Equity Partners is the only committed-capital private equity firm in North America that invests exclusively in the distribution and logistics space. Founded by industry veterans and backed by leading institutional investors, the fund works to help build and support industry-leading distribution companies. SCEP has invested in 54 distribution businesses since 2007. For more information, visit www.supplychainequity.com.