

## The Construction Supply 150: Where We Are, Where LBM Is Going

---

Craig Webb  
President, Webb Analytics  
[www.webb-analytics.com](http://www.webb-analytics.com)

May 18, 2022

 Webb Analytics

# CONSTRUCTION SUPPLY

# 150

**SKY  
HIGH** Lumber-focused LBM dealers report  
huge sales gains in 2021, outpacing  
big boxes and specialty dealers



## The CS150 Was Made Possible by ...

---

**EPICOR**



  
**BUILDING INDUSTRY  
PARTNERS**



## Today's Speakers



Steve Yates  
President, N. America  
Buildxact  
[Stepheny@buildxact.com](mailto:Stepheny@buildxact.com)



Graham Rigby  
Sales Director  
Epicor Software  
[LBM@epicor.com](mailto:LBM@epicor.com)



Mai-Tal Kennedy  
Staff Director  
Building Industry Partners  
[mkennedy@buildingip.com](mailto:mkennedy@buildingip.com)



Craig Webb  
President  
Webb Analytics  
[cwebb@webb-analytics.com](mailto:cwebb@webb-analytics.com)



## What Is the CS150?

- It's an in-depth report on 150 of the biggest construction supply companies, from The Home Depot to small-town do-it-all lumberyards.
- The vast majority of the information came from the dealers through a Webb Analytics survey. Other sources were SEC filings, Websites, press releases and published reports. Some companies in the mid-range declined to take part.
- Top 150 is based on U.S. sales for calendar year ending Dec. 31, 2021 (with a few exceptions for fiscal years ending Jan. 31, 2022). Sales in Canada and Mexico are reported separately.
- Some numbers are estimates (explained in footnotes). Other numbers represent solely a CS150's activities in residential construction and repair. Ferguson's numbers are for its residential trade and residential showroom units, and UFP Industries' revenues are for its Construction Segment only.
- You can download the report at [www.webb-analytics.com](http://www.webb-analytics.com).



The graphic features a background of stacked lumber. The text 'CONSTRUCTION SUPPLY' is written in large, white, bold, sans-serif capital letters, slanted upwards. Below it, the number '150' is written in very large, bold, red, sans-serif digits. In the top left corner, the Webb Analytics logo is visible. In the bottom right corner, a red box contains the text 'SKY HIGH' in white, bold, sans-serif capital letters, followed by 'Lumber-focused LBM dealers report huge sales gains in 2021, outpacing big boxes and specialty dealers' in white, sans-serif text.

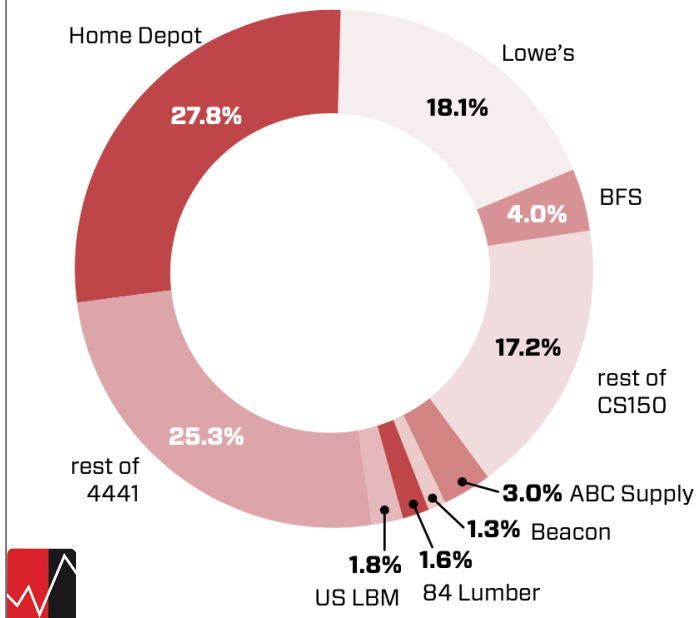
Webb Analytics

**CONSTRUCTION  
SUPPLY**

**150**

**SKY  
HIGH** Lumber-focused LBM dealers report  
huge sales gains in 2021, outpacing  
big boxes and specialty dealers

## How Representative Is It?



Our estimate is that CS150 members get about three-quarters of all the money spent at retailers on residential construction and home improvement.

## The Biggest Numbers



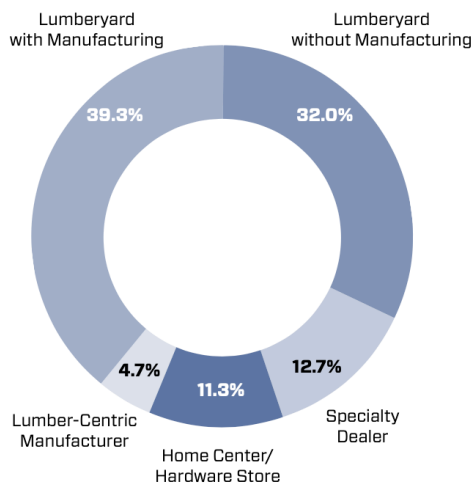
**2020 U.S. Sales: \$313.52 billion**  
**2021 U.S. Sales: \$373.73 billion**



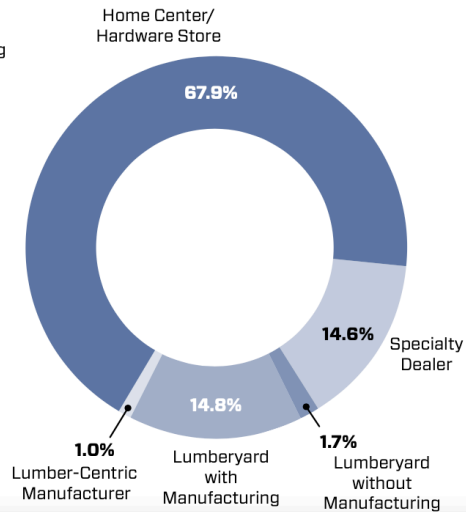
**Year-end 2020: 12,743 branches**  
**Year-end 2021: 13,711 branches**

## Big Differences Between # and \$

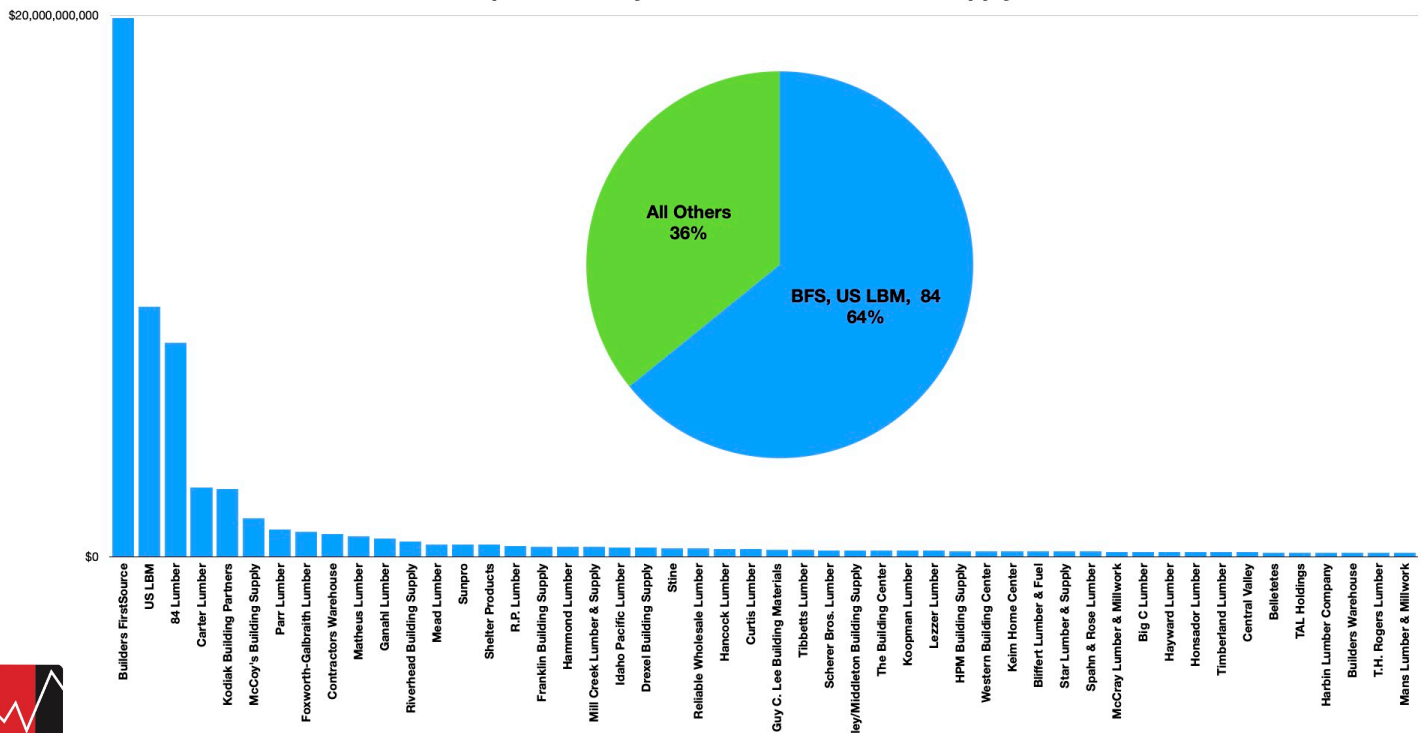
**Number of Locations  
by Business Emphasis**



**Share of Sales  
by Business Emphasis**



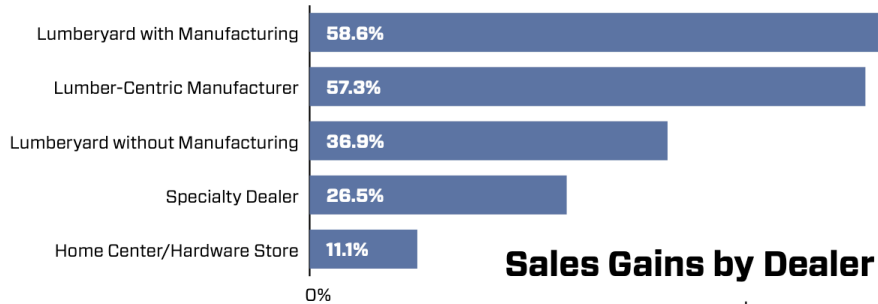
**Top 50 Lumberyards on the Construction Supply 150**



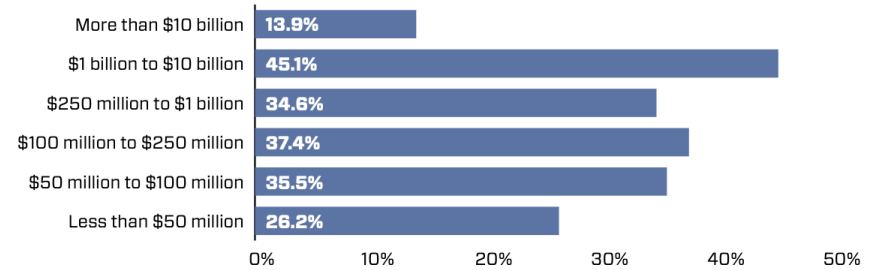


## Who Gained the Most in 2021

### Revenue Change by Business Emphasis



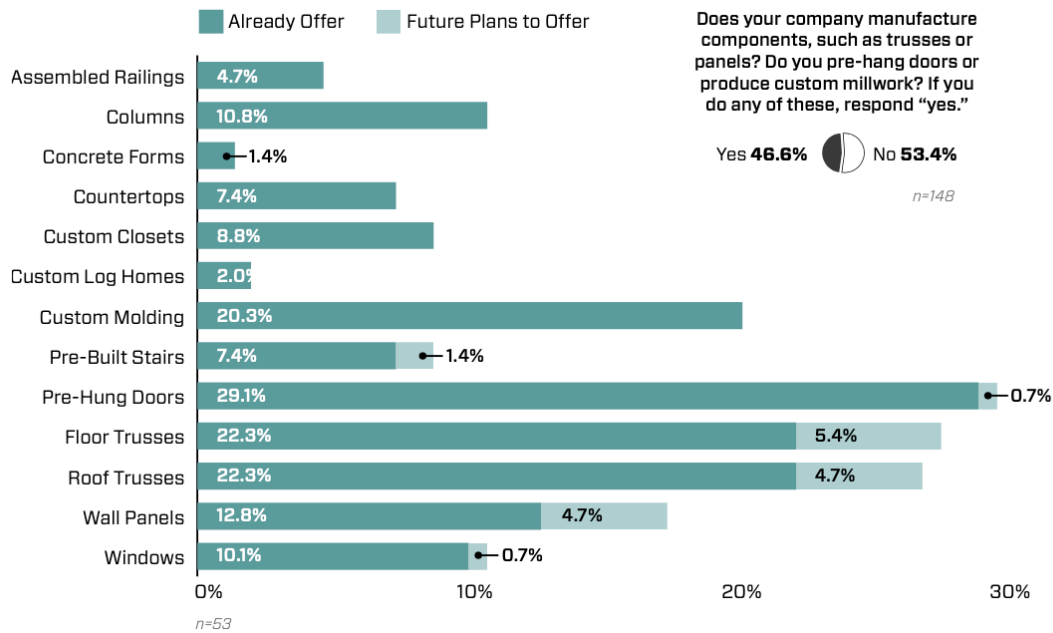
### Sales Gains by Dealer Size



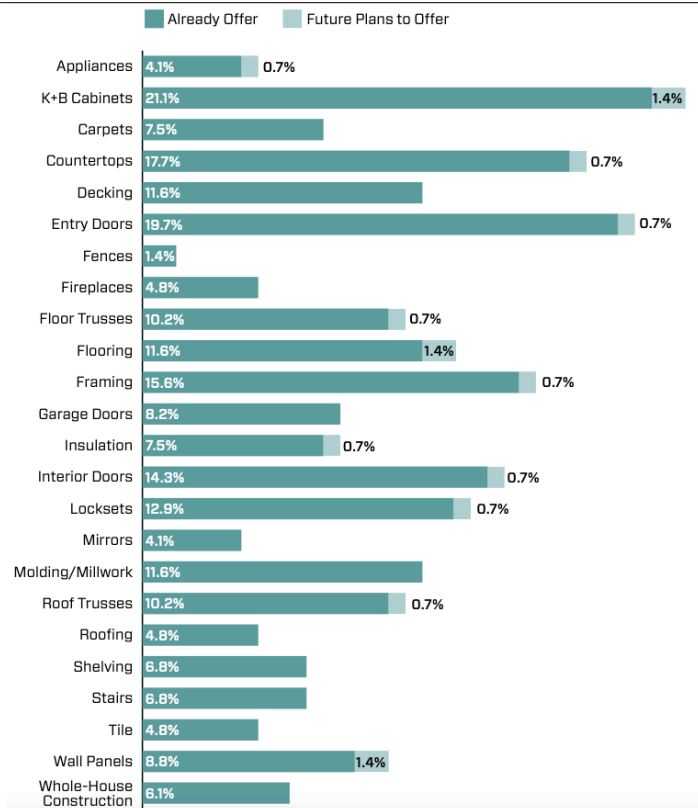
Why? One  
Huge Reason



## A Lesser (but Growing) Reason: Manufactured Components

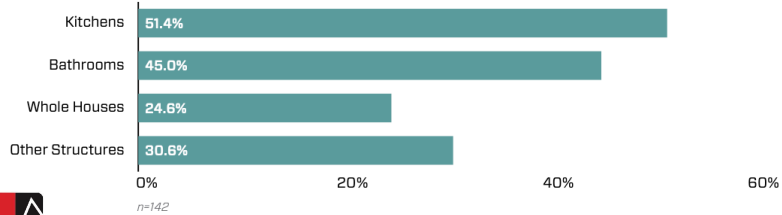


## Don't Forget Installed Sales ...



## ... or Design and Takeoff Work

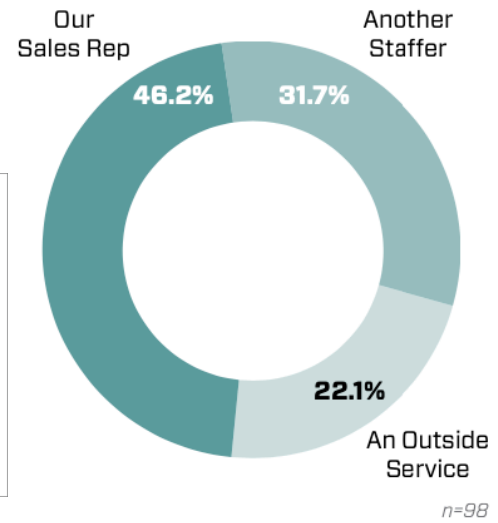
### Do You Have Employees Who Design...



### Do You Do Takeoffs?



### What percent of the time are the takeoffs done by ...

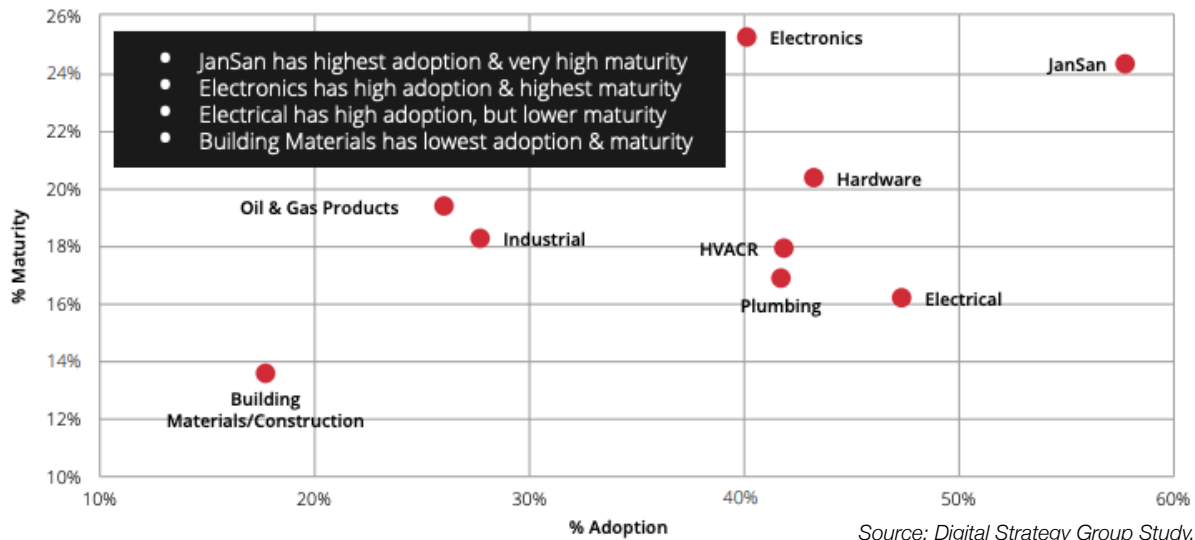


## Technology



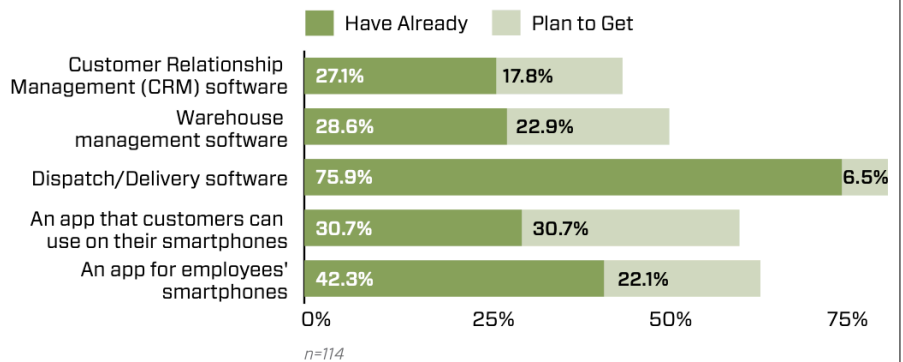
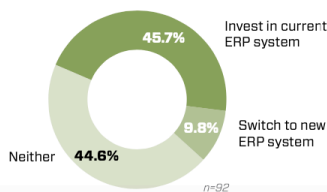
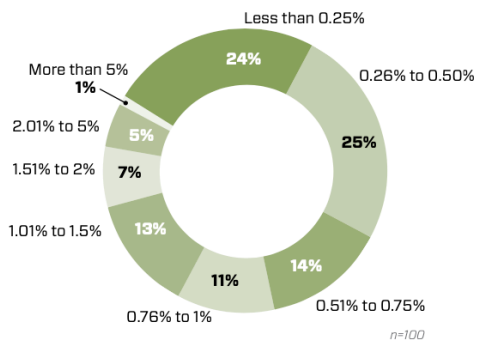
## Technology

**Chart 2: 2021 eCommerce Adoption & Maturity by Sector**



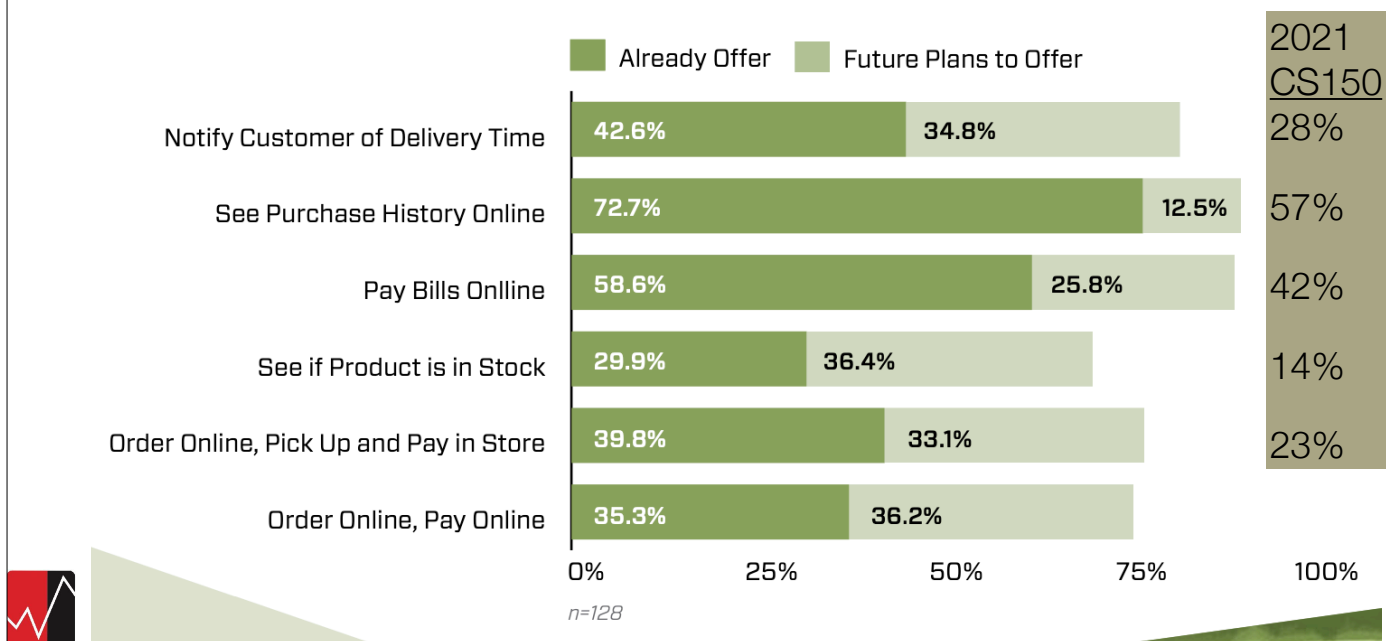
## Investment Plans

What percentage of revenue do you plan to spend on technology in 2021? Please include the cost of laptops, servers, software rental, cloud storage, and support staff.



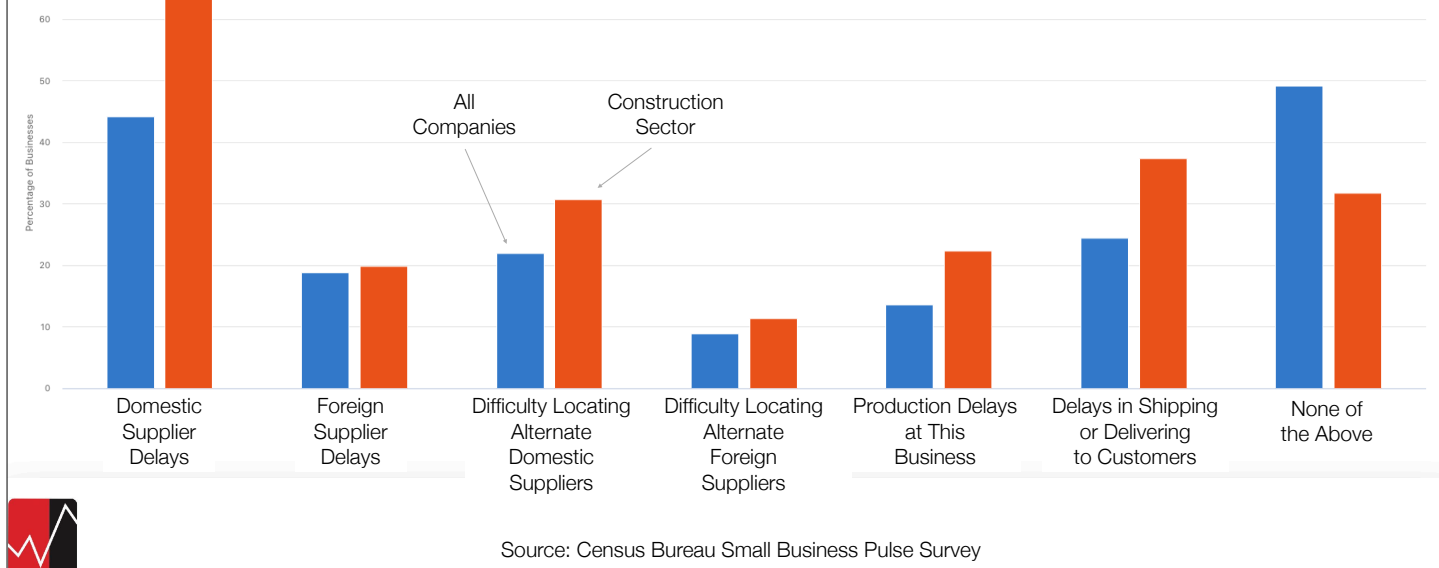


## Services in Place or On the Way

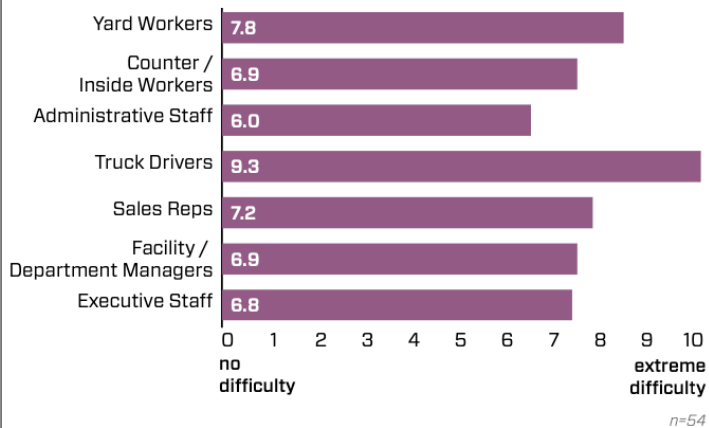


## Knowing What's in Stock Could Be the Next Big Thing

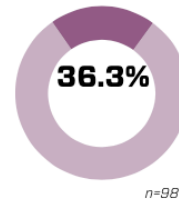
Between March 28 and April 3, did your small business have any of the following?



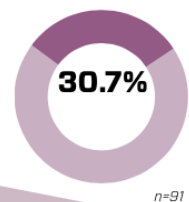
## Recruiting and Retaining Your Team



**Share of Women Employees at CS150 Companies Except The Home Depot and Lowe's**



**Share of Black, Asian, or Hispanic Employees at CS150 Companies Except The Home Depot and Lowe's**

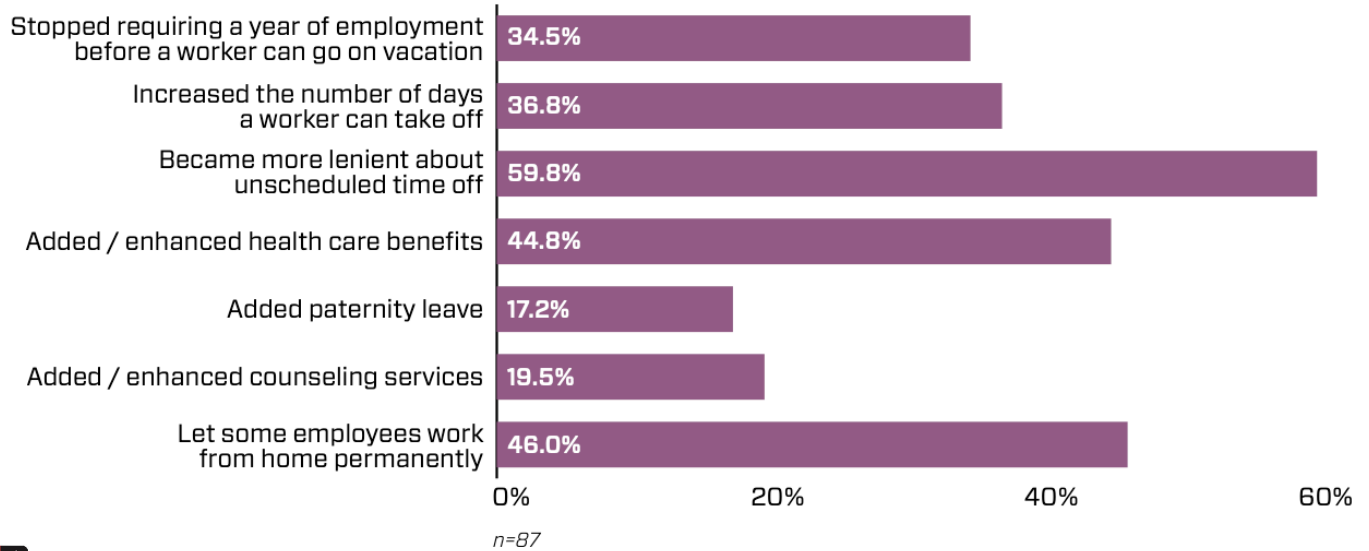


## Measuring Progress

In contrast, the NAHB estimates only 10.9% of all construction workers are women and 11% of the total are Black, Asian, or Hispanic.



## How Benefits Are Evolving



## Trouble Ahead?

Average Increase  
for Companies That  
Didn't Buy Firms or  
Add Yards

**19.6%**

n=69

Average  
post-COVID payroll  
increase for  
the CS150

**18.5%**

n=65





## 8 Predictions for What to Expect Next

No. 1: Lumber prices won't produce in 2022 the percentage sales increase they did in 2021.



## COVID's Not Finished Yet

Even if we don't have a surge in deaths, you can expect more workers calling in sick ... and China to continue more shutdowns.



WSJ

[\\* MASK Q&A](#) [GETTING COVID TWICE](#) [VACCINATING CHILDREN](#) [BA.2 VARIANT](#) [TREATING COVID](#) [COVID TRACKER](#)

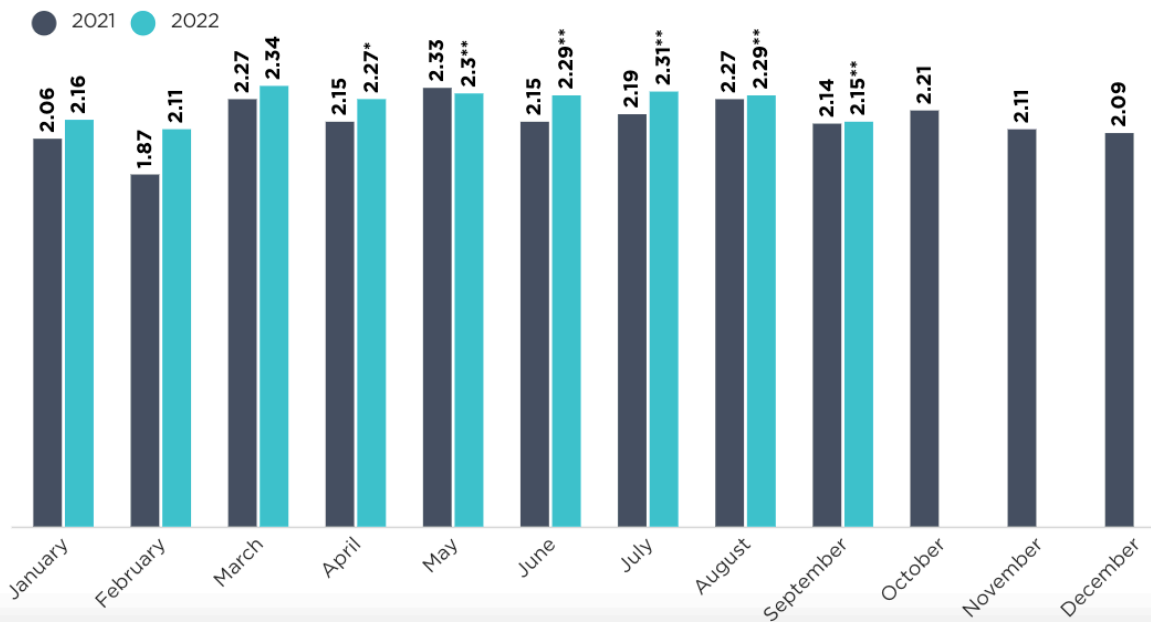
HEALTH

### White House Warns of Fall, Winter Surge Without Additional Covid-19 Funding

The Biden administration said without new pandemic funding from Congress, a million Americans a day could develop Covid-19 during the fall and winter



## Even More Containers Are Coming in This Year



## A Rapidly Inflating Concern





## DeJoy: 'Uncomfortable' Postal Hikes Coming

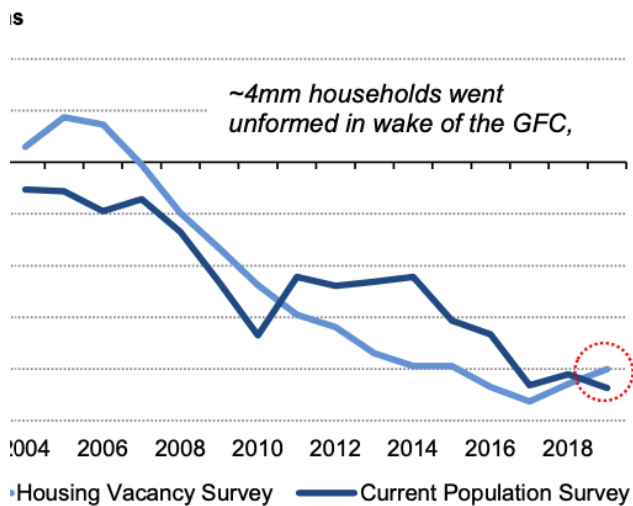


DeJoy by Tom Williams/Getty Images via Associated Press



## We Remain Massively Underbuilt

Figure 12: Shortfall in Household Formation



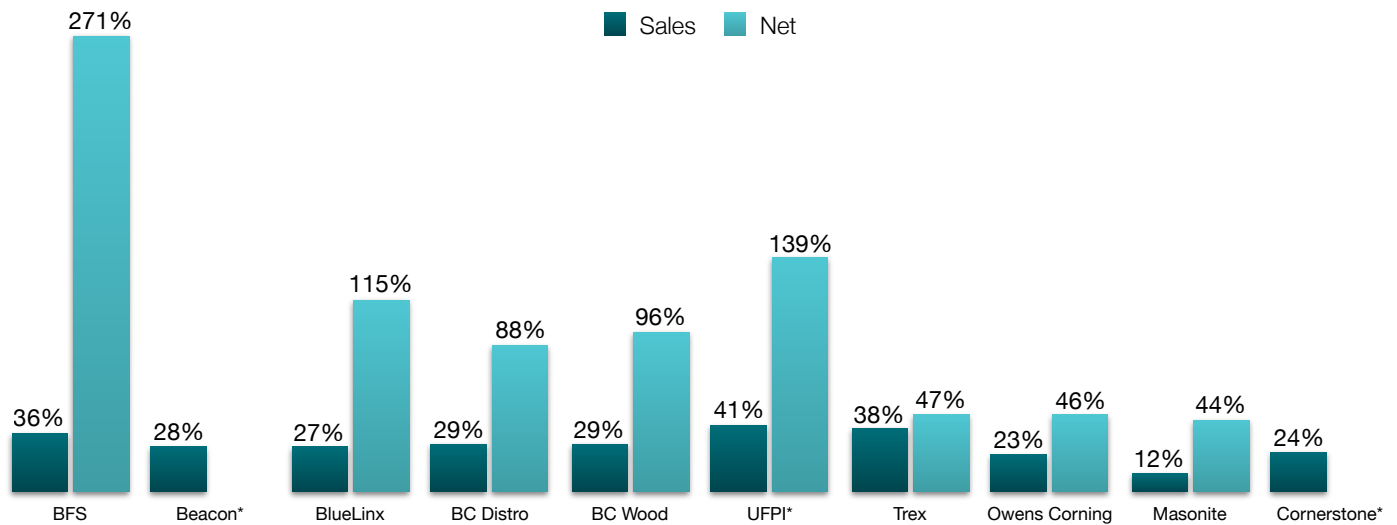
Census Bureau, Evercore ISI Research

Figure 13: Housing Supply and Demand Forecast

Demand factors:	2019	2020	2021E	2022E	2023E	2024E	2025E
Household Growth	1,395	1,753	1,753	1,800	1,800	1,800	1,800
Plus Demolitions	200	200	200	200	200	200	200
Vacation/2nd Homes	126	150	200	200	200	100	100
<b>Total Demand</b>	<b>1,721</b>	<b>2,103</b>	<b>2,153</b>	<b>2,200</b>	<b>2,200</b>	<b>2,100</b>	<b>2,100</b>
Supply factors:							
Single-Family Starts	888	990	1,112	1,116	1,213	1,300	1,400
Multi-Family Starts	402	390	462	500	500	500	500
<b>Total Housing Starts</b>	<b>1,290</b>	<b>1,380</b>	<b>1,573</b>	<b>1,616</b>	<b>1,713</b>	<b>1,800</b>	<b>1,900</b>
Mobile Homes	95	94	105	110	115	115	115
<b>Total Supply</b>	<b>1,385</b>	<b>1,474</b>	<b>1,678</b>	<b>1,726</b>	<b>1,828</b>	<b>1,915</b>	<b>2,015</b>
Over (Under) production	(336)	(629)	(474)	(474)	(373)	(185)	(85)

Source: Census Bureau, Evercore ISI Research

## How Public Dealers, Distributors and Manufacturers Did in Q1



Source: Company reports.

\* Beacon and Cornerstone posted losses in 1Q21.

\* UFPI's numbers are revenue and operating profit for its construction segment.

## Unless a Recession Is Really Bad, You'll Still Be in Over Your Head



Drown proofing exercise for Navy SEALs

Thanks for Coming!

---

... and thanks to our sponsors:

**EPICOR**



**BUILDXACT**



**BUILDING INDUSTRY  
PARTNERS**

Webb Analytics

# CONSTRUCTION SUPPLY

# 150

**SKY HIGH** Lumber-focused LBM dealers report huge sales gains in 2021, outpacing big boxes and specialty dealers

