

Builders FirstSource CEO looks back, and ahead

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Floyd Sherman, right, accepts the award from Weyerhaeuser's Adrian Blocker.

Colorado Springs, Colorado -- In his 50-plus-year career in the LBM business, beginning as a teenager carrying lumber in the Catskill Mountains of New York, Builders FirstSource CEO Floyd Sherman has seen business hit soaring heights and brutal lows.

In his acceptance speech here at the Broadmoor Resort during the ProDealer Industry Summit, Sherman reflected on the company's sacrifices during the dark days of the housing "depression;" its successful emergence on the other side; and its optimism for the bigger, better post-ProBuild-acquisition company.

"When you consider the steady recovery that we've made from the housing downturn and look at the growing demand we are seeing with historically low interest rates coupled with improving credit availability and job growth," Sherman said, "I think we have some very sunny days ahead of us."

The Pro Dealer of the Year award recognizes a high-performance company with a commitment to maintaining the best practices and best values of the lumber and building material industry. It is selected by the editors of *Hardware + Building Supply Dealer* and presented at the ProDealer Industry Summit, an event hosted jointly by *HBSDealer* and the National Lumber & Building Material Dealers Association.

Sherman described the past 10 years at Builders FirstSource as an amazing ride, with highs and lows. The company announced its initial public offering in 2005, at a time when the industry enjoyed housing starts at 2 million-plus level. "Life was real good," he said. But three short years later came the dramatic housing market depression that changed everything. Starts fell to under 500,000, and head count was reduced from about 8,000 to under 2,800.

The company's stock slipped from a lofty \$26 per share, all the way down to \$1.

"Through the worst of times, our people never quit; they never lost hope," Sherman said. "Our people never stopped believing and dreaming about what we could be."

Fast forward to April 13 -- the announcement of the acquisition of ProBuild Holdings, the LBM industry's largest-ever acquisition. The combination creates a \$6 billion company operating more than 500 locations in 40 states and was the LBM industry's blockbuster story of the year.

"We are approximately 90 days into the life of our new company, and we have made incredible progress in integrating the two companies with much work yet to be done," Sherman said.

The Pro Dealer of the Year Award was sponsored by Weyerhaeuser. Adrian Blocker, senior VP wood products, presented Sherman the award and congratulated the entire team for their growth and success.

"With 50 plus years in the industry, I don't think I've seen a more exciting time to be in this industry," Sherman said.