

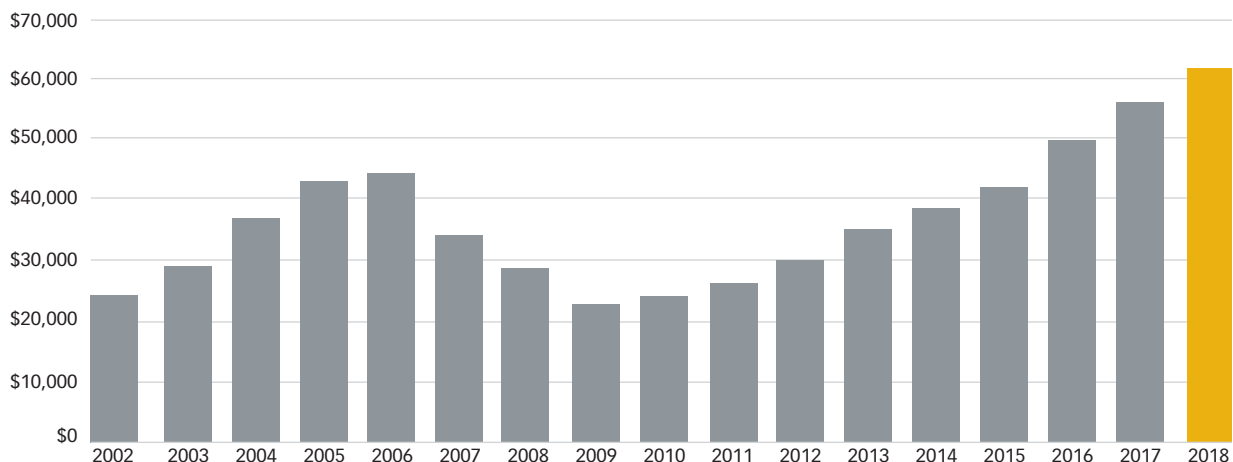
# OVERCOMING VOLATILITY

Despite significant lumber price fluctuations, sales soar to new heights

By David Myron

If there's one word that can describe the lumber and building materials (LBM) market in 2018, it's volatile. The LBM industry benefited from record-high lumber prices last spring, due partially to weather-related shipment delays from British Columbia that lowered overall lumber supply. By the fall, though, when the lumber supply surged, prices plunged nearly 50%. Yet, despite this volatility, the companies on the 2019 ProSales 100 list have much to celebrate.

TOTAL SALES BY PROSALES 100 COMPANIES (\$ MILLIONS)



First, they made the list, which, alone, is an impressive feat. Additionally, this year's list of companies generated \$61.46 billion in collective revenue, which breaks last year's combined revenue record by more than 10%. Even more impressive, this achievement represents nine consecutive years of growth for the leading pro dealers. Clearly, the companies in this year's ProSales 100 issue have not only weathered a volatile pricing storm, they continued to build on their strong foundations.

Sitting atop the ProSales 100 list by a wide margin is perennial leader ABC Supply with an overall 2018 revenue of \$10.5 billion. Despite its large size, the dealer managed to achieve double-digit annual growth of 13%, which was helped by 13 branch openings and the onboarding of new employees and pro customers when it acquired the assets of six companies in as many states.

Like last year, Builders FirstSource (BFS) grabbed the second spot on the ProSales 100 list, with 2018 revenue of \$7.7 billion, a 9.8% jump over 2017 sales. The growth was enough to enable BFS to retain the No. 2 spot with some wiggle room, despite significant growth from Beacon Roofing Supply, which saw its revenue skyrocket 58%.

Rounding out the top 10 are 84 Lumber, BMC, US LBM, SRS Distribution, GMS, Foundation Building Materials, and Carter-Jones Lumber. The top 10 dealers' combined revenue of \$44.9 billion accounted for 73% of overall sales generated by all of the dealers on the ProSales 100 list. This marks the second consecutive year that this percentage has surpassed 70%—an

TOP 10 DEALERS BY TYPE, BASED ON TOTAL SALES

PS100 Rank	Specialty Dealers	2018 Total Sales (\$ millions)
1	<b>ABC Supply</b> , Beloit, WI	\$10,541.9
3	<b>Beacon Roofing Supply</b> , Herndon, VA	\$6,841.9
7	<b>SRS Distribution</b> , McKinney, TX	\$2,750.5
8	<b>GMS</b> , Tucker, GA	\$2,657.5
9	<b>Foundation Building Materials</b> , Tustin, CA	\$2,044.3
13	<b>Lansing Building Products</b> , Richmond, VA	\$574.3
32	<b>Erie Materials</b> , Syracuse, NY	\$192.7
45	<b>Sims-Lohman</b> , Cincinnati, OH	\$139.0
94	<b>Virginia Contractors Supply</b> , Manassas Park, VA	\$44.3
100	<b>Heister House Millworks</b> , Mt. Pleasant Mills, PA	\$17.5

PS100 Rank	Dealers With Manufacturing Capabilities	2018 Total Sales (\$ millions)
2	<b>Builders FirstSource</b> , Dallas, TX	\$7,724.8
4	<b>84 Lumber</b> , Eighty Four, PA	\$3,859.6
5	<b>BMC Stock Holdings</b> , Raleigh, NC	\$3,682.4
6	<b>US LBM</b> , Buffalo Grove, IL	\$3,348.4
10	<b>Carter-Jones Lumber</b> , Kent, OH	\$1,482.0
11	<b>Kodiak Building Partners</b> , Highlands Ranch, CO	\$1,121.3
12	<b>McCoy's Building Supply</b> , San Marcos, TX	\$884.4
15	<b>Harvey Building Products</b> , Waltham MA	\$702.5
14	<b>ACS American Construction Source</b> , Springfield, MO	\$566.3
16	<b>Parr Lumber</b> , Hillsboro, OR	\$541.5

PS100 Rank	Dealers Without Manufacturing Capabilities	2018 Total Sales (\$ millions)
19	<b>Ganahl Lumber</b> , Anaheim, CA	\$444.3
17	<b>Matheus Lumber</b> , Woodinville, WA	\$437.3
61	<b>Central Network Retail Group</b> , Collierville, TN	\$350.9
26	<b>E.C. Barton &amp; Co.</b> , Jonesboro, AR	\$311.0
28	<b>Idaho Pacific Lumber</b> , Meridian, ID	\$308.0
22	<b>Professional Builders Supply</b> , Morrisville, NC	\$306.7
24	<b>Shelter Products</b> , Milwaukie, OR	\$300.3
43	<b>Reliable Wholesale Lumber</b> , Huntington Beach, CA	\$195.0
64	<b>Stine</b> , Sulphur, LA	\$192.4
60	<b>Spahn &amp; Rose Lumber</b> , Dubuque, IA	\$119.6

indication that, while the industry is growing, its concentration of wealth is narrowing.

### Acquisitions

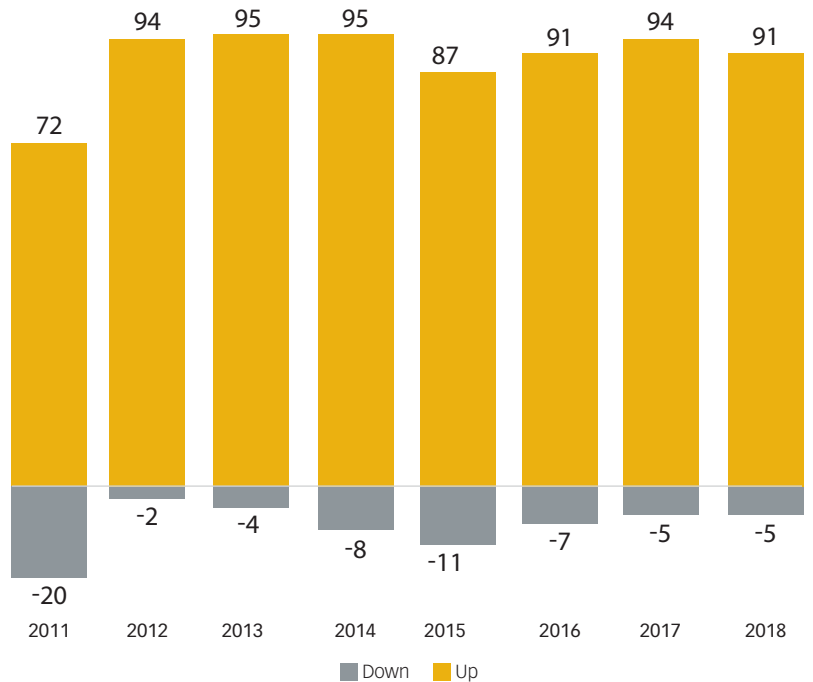
Beacon is a prime example of this. Growth like Beacon's generally doesn't happen organically within one year, especially at large organizations. The company's revenue soared to \$6.8 billion, helped largely by the completion of its \$2.6 billion acquisition of Allied Building Products in January 2018. This marked the largest one-year sales percentage spike out of all of the companies on this year's list.

To find a year-over-year sales percentage increase anywhere near Beacon's, you'd have to go further down the list to Hammond Lumber. Its revenue soared 54.6% year over year to \$252 million, largely due to its acquisition of Ellsworth Builders Supply (No. 80 on last year's list). This catapulted the company to the No. 25 spot, up from 36 last year.

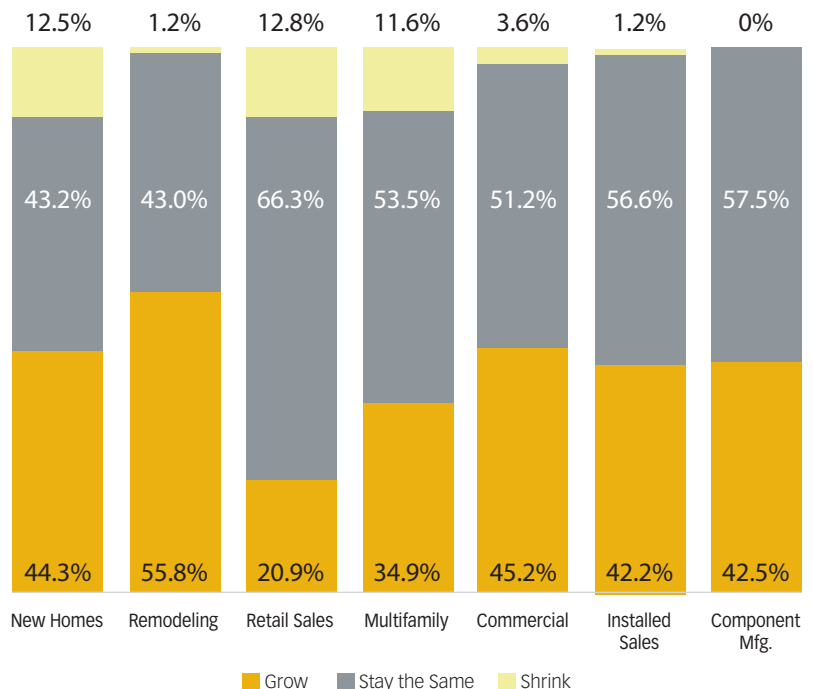
The next biggest annual sales surge comes from Kodiak Building Partners. The company joined the elite billion-dollar club after its revenue soared 49.8% last year to \$1.1 billion. To do this, Kodiak acquired five companies, which enabled it to expand into three states.

Perhaps the biggest head turner of the year, however, comes from veritable newcomer American Construction Source (ACS), which was formed to acquire Meek's Lumber (No. 22 on last year's leaderboard) in September 2018. The acquisition, along with several others by ACS, gives the company a combined revenue of \$566.3 million and enables ACS to make its debut high on the PS100 list at No. 14.

NUMBER OF DEALERS WHOSE SALES WENT UP OR DOWN, 2011-2018



GROWTH PROSPECTS



Looking ahead, if the economy cools in the next 18 to 24 months, as some experts predict (see “Economic Slowdown on the Horizon?” on page 9), and the valuations of attractive companies drop, it could pique the interest of some industry behemoths. In fact, during an M&A panel at the ProSales 100 conference in March, top executives from ACS, BMC, US LBM, and Kodiak Building Partners expressed optimism about their ability to acquire companies within the next 18 to 24 months.

Acquisitions have “impacted our profitability positively,” said David Flitman, president and CEO of BMC, during the panel discussion. “What we look to acquire are companies that bring in unique capabilities that are augmenting our value-added capabilities and services at or above the average profitability of our company today.”

### The Big Picture

Aside from acquisitions, the only other way to grow an organization is organically, by increasing sales and trimming waste. And that’s what the ProSales 100 report focuses on. Collectively, the group did well, but there are some outliers. The lion’s share of companies, 91 dealers, increased their revenue year over year, while five saw a decline. Three were flat and one (ACS) couldn’t be factored, because it’s so new that it didn’t generate revenue in 2017.

Taking a step back to gain a broad view of all 100 dealers on the list, it’s important to recognize the three types of companies that are represented: lumberyards with manufacturing capabilities, lumberyards without manufacturing capabilities, and specialty dealers.



#  
14

Jim Drexinger  
American Construction  
Source

One way to quickly create a heavyweight pro dealer is to buy your way to the top. At least that was the plan for private investment firms Angeles Equity Partners and Clearlake Capital Group when they formed their portfolio company American Construction Source (ACS) and then went on a three-month shopping spree.

In September 2018, ACS acquired Meek’s Lumber, a pro dealer with manufacturing capabilities, which ranked 22nd on last year’s PS100 list. Shortly afterward, in October, ACS acquired Colorado LBM businesses Edwards Building Center and Breckenridge Building Center. In November, ACS followed up with an acquisition of Arrow Building Center, also known as Consolidated Lumber (No. 48 on last year’s PS100 leaderboard).

The strategy worked with aplomb. ACS now owns 73 locations across Arkansas, California, Colorado, Minnesota, Missouri, Nevada, and Wisconsin. All told, ACS recorded a combined revenue of \$566.3 million in 2018, enabling the newly formed company to firmly land on this year’s ProSales 100 board at No. 14.

While this is about as close to an overnight success that you can get in the LBM industry, Jim Drexinger, president and CEO of ACS, and his team have their work cut out for them, especially as it aims to update and standardize various operational activities. At the ProSales 100 conference in March, he stated, “The opportunities are still tremendous in lean deployment within the building material space. It’s the underpinning of our strategic plan.”

This, according to Drexinger, includes evaluating and, in some cases, restructuring people, processes, and technologies from its newly acquired subsidiaries. If done well, these efforts will help ACS achieve the vision it publicly stated on its website “to create a leading building products distributor with a national footprint and the industry’s best customer experience.” —D.M.

## TOP 20 DEALERS, RANKED BY SALES PER FACILITY

PS100 Rank	Specialty Dealers	2018 Total Sales (\$ millions)	Locations	Sales per Location (\$ Millions)
43	<b>Reliable Wholesale Lumber</b> , Huntington Beach, CA	\$195.0	2	\$97.50
66	<b>Graves Lumber</b> , Akron, OH	\$81.7	1	\$81.66
63	<b>Gutherie Lumber</b> , Livonia, MI	\$80.1	1	\$80.09
69	<b>NorCal Lumber Company</b> , Marysville, CA	\$73.4	1	\$73.36
76	<b>Buck Lumber &amp; Building Supply</b> , Charleston, SC	\$67.4	1	\$67.36
75	<b>Oldham Lumber</b> , Dallas, TX	\$64.5	1	\$64.53
81	<b>Yoder's Building Supply</b> , Fair Play, SC	\$61.8	1	\$61.80
17	<b>Matheus Lumber</b> , Woodinville, WA	\$437.3	8	\$54.66
90	<b>Louis J. Grasmick Lumber</b> , Baltimore, MD	\$51.9	1	\$51.94
24	<b>Shelter Products</b> , Milwaukie, OR	\$300.3	6	\$50.04
89	<b>Builders Supply</b> , Lancaster, SC	\$47.2	1	\$47.21
67	<b>Mans Lumber &amp; Millwork</b> , Trenton, MI	\$89.2	2	\$44.59
35	<b>Erickson Framing Operations</b> , Chandler, AZ	\$173.6	4	\$43.41
84	<b>Ashby Lumber</b> , Concord, CA	\$86.3	2	\$43.15
19	<b>Ganahl Lumber</b> , Anaheim, CA	\$444.3	11	\$40.39
22	<b>Professional Builders Supply</b> , Morrisville, NC	\$306.7	8	\$38.34
72	<b>Christensen Lumber</b> , Fremont, NE	\$73.5	2	\$36.76
70	<b>Building Component Supply</b> , Jacksonville, FL	\$72.8	2	\$36.40
42	<b>Scherer Bros. Lumber</b> , Brooklyn Park, MN	\$156.3	5	\$31.25
82	<b>Wilson Lumber</b> , Huntsville, AL	\$58.6	2	\$29.29

If your company is only focusing on selling products and not providing additional services, business will only get tougher.

The largest group on the list consists of 65 lumberyards with manufacturing capabilities. This group generated \$31.7 billion (nearly 52%) of the group's overall revenue. There are 25 lumberyards without manufacturing capabilities, which contributed only \$3.9 billion (about 6%) to the group's overall revenue. There aren't many specialty dealers on the PS100 list—you'll find only 10. However, this small group punches well above its weight, accounting for an impressive \$25.8 billion (42%) of the PS100's overall revenue.

Compared to last year's list, the share of lumberyards without manufacturing dropped from 30% to 25% this year. On the contrary, yards with manufacturing edged up from 59% last year to 65% of

the companies in this year's group. Specialty dealers changed slightly from 11% of last year's list to 10% of this year's group. Considering the growth of the overall industry in recent years, the numbers suggest that if your company is only focusing on selling products and not providing additional services, business will only get tougher, especially during an economic downturn.

And that's exactly what many pro dealers are expecting. The most ominous-looking chart of all in this report is the Growth Prospects chart (see page 36). By itself, the chart doesn't look so bad. In fact, only modest declines are expected in the various categories measured in this chart. The largest declines as a

## TOP 20 COMPANIES RANKED BY SALES PER EMPLOYEE

PS100 Rank	Specialty Dealers	2018 Total Sales (\$ millions)	Employees	Sales per Employee (\$ Thousands)
24	<b>Shelter Products</b> , Milwaukie, OR	\$300.3	82	\$3,661.72
17	<b>Matheus Lumber</b> , Woodinville, WA	\$437.3	120	\$3,644.26
28	<b>Idaho Pacific Lumber</b> , Meridian, ID	\$308.0	145	\$2,124.14
31	<b>Bridgewell Resources</b> , Tigard, OR	\$192.8	100	\$1,927.63
94	<b>Virginia Contractors Supply</b> , Manassas Park, VA	\$44.3	31	\$1,428.94
43	<b>Reliable Wholesale Lumber</b> , Huntington Beach, CA	\$195.0	144	\$1,354.17
75	<b>Oldham Lumber</b> , Dallas, TX	\$64.5	56	\$1,152.23
76	<b>Buck Lumber &amp; Building Supply</b> , Charleston, SC	\$67.4	73	\$922.73
22	<b>Professional Builders Supply</b> , Morrisville, NC	\$306.7	341	\$899.52
66	<b>Graves Lumber</b> , Akron, OH	\$81.7	95	\$859.53
90	<b>Louis J. Grasmick Lumber</b> , Baltimore, MD	\$51.9	62	\$837.69
63	<b>Gutherie Lumber</b> , Livonia, MI	\$80.1	96	\$834.28
54	<b>Central Valley</b> , Napa, CA	\$138.9	168	\$826.83
3	<b>Beacon Roofing Supply</b> , Herndon, VA	\$6,841.9	8,356	\$818.80
37	<b>Hancock Lumber</b> , Casco, ME	\$179.9	240	\$749.55
1	<b>ABC Supply</b> , Beloit, WI	\$10,541.9	14,220	\$741.35
92	<b>Howard Lumber &amp; Hardware</b> , Statesboro, GA	\$46.7	63	\$741.02
7	<b>SRS Distribution</b> , McKinney, TX	\$2,750.5	3,750	\$733.47
46	<b>Guy C Lee Building Materials</b> , Smithfield, NC	\$149.9	214	\$700.36
4	<b>84 Lumber</b> , Eighty Four, PA	\$3,859.6	5,529	\$698.07

percentage of overall revenue expected this year are in retail sales and new home sales, with 12.8% and 12.5% of dealers forecasting declines in these areas, respectively. But, when you compare this year's numbers to last year's, the chart looks noticeably bleaker.

For example, this year, 44.3% of dealers expect revenue from new home sales to grow as a percentage of their overall sales in 2019. This might sound good, but it's a sharp decline from 82.1% last year. Additionally, last year, 64.6% of dealers expected remodeling sales to grow as a portion of their overall sales. However, this year, that number dropped to 55.8%.

## About the ProSales 100

The ProSales 100 comprises the country's top professional-oriented full-line lumberyards and specialty dealers ranked by the dollar value of their sales to pros in the United States. This is the 27th year that we have published such a list.

Most of the data contained in the report, as well as in the graphs and charts, comes from information turned in by the companies via a survey conducted this spring. In a few cases, the data used here were gleaned from publicly available earnings documents, such as SEC filings, or from the firm's website. The numbers are meant to show activity during 2018, so in a few cases where fiscal years differ, the companies' figures were adjusted to cover the calendar year.

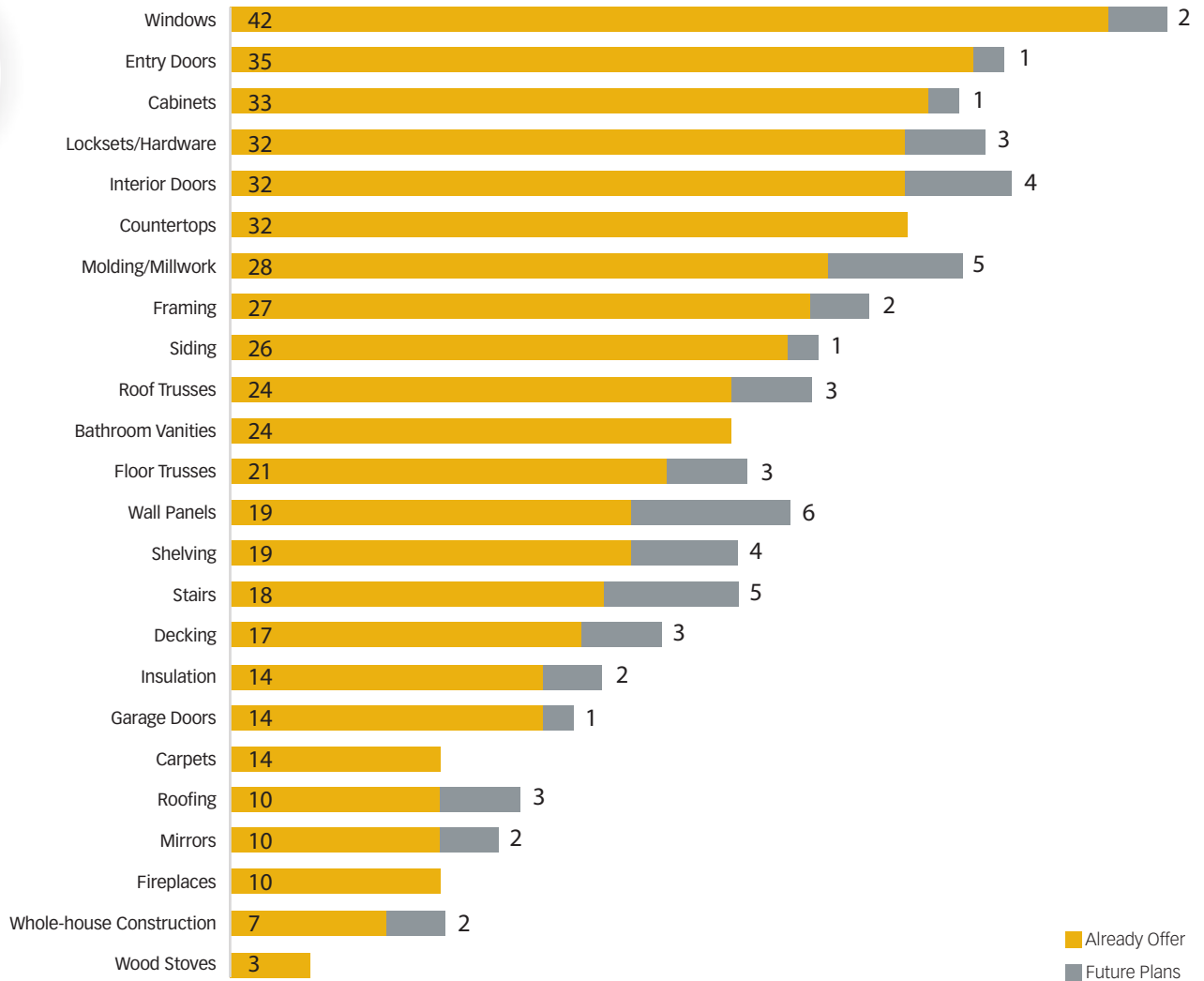
None of the numbers represent estimates made by ProSALES of a company's sales, facilities, or personnel.

Percentages shown in the tables and charts throughout this report are based on the number of dealers responding to the related survey questions.

With a few exceptions, participants needed to have at least 50% of their sales come from professional builders, remodelers, or other contractors to be included on the list.

To be included in 2020's PS100 survey, please contact ProSALES Editor David Myron at [dmyron@hanleywood.com](mailto:dmyron@hanleywood.com) or 516.984.4864.

INSTALLED SALES: CURRENT AND PLANNED



While overall confidence in remodeling sales are down from last year, it's the brightest spot on this year's chart, which is consistent with what experts forecast. At the ProSales 100 conference, Mark Boud, chief economist at Metrostudy (owned by PROSALES' parent company, Hanley Wood), stated there are various factors preventing retiring baby boomers from selling their homes, such as the high cost to buy a new house and the reluctance to surrender low-interest mortgages on their existing homes. As a result, he stated,

they are, instead, choosing to stay put and remodel their homes.

Efficiency Gains

So, what are the smart companies doing to become more profitable? For starters, they're focusing on what's directly in front of them by eliminating waste. Overall, this year's lot of pro dealers averaged \$13.4 million in sales per location, which represents nearly a 7.5% improvement over last year. Additionally, sales per employee increased a little more

than 5% year over year, from \$514,000 to \$541,000.

To make a company more profitable, it doesn't have to only focus on making sales more efficient. In addition to top-line growth, efficiency measures can also focus on bottom-line growth. For example, recognizing the value of hiring, training, and retaining valuable employees can go a long way in improving a company's overall efficiency.

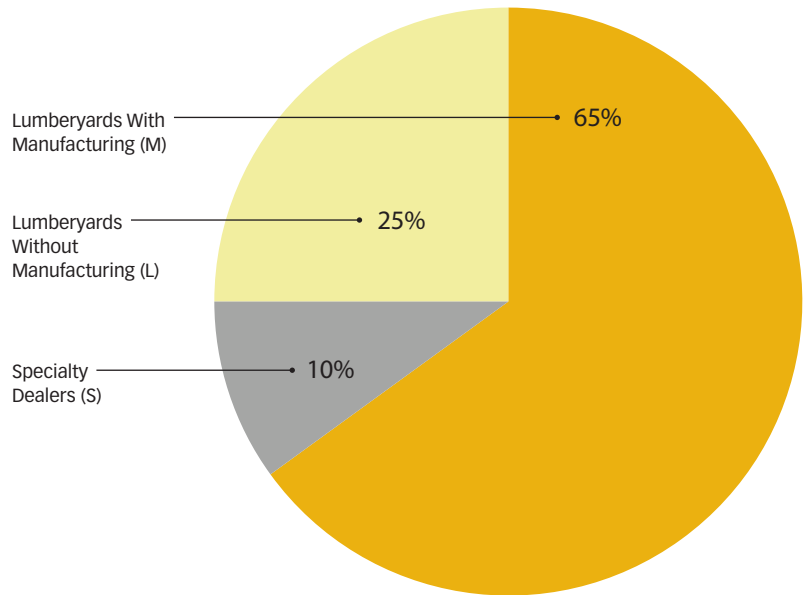
"As a high-performance organization, we need to continue to invest in our people. This industry runs a 35% to 40% turnover rate—that's just a high cost of our business from a safety standpoint and a product knowledge standpoint," said Jim Drexinger, CEO of ACS, at the ProSales 100 conference.

And while it might sound like a soft benefit to employees, there could be some hard dollars saved by companies that make their organization a desirable place to work. When we asked dealers to list their major accomplishments for the year, 84 Lumber (No. 4) boasted that it was "named a Top Workplace in the Greater Pittsburgh region by the Pittsburgh *Post-Gazette*."

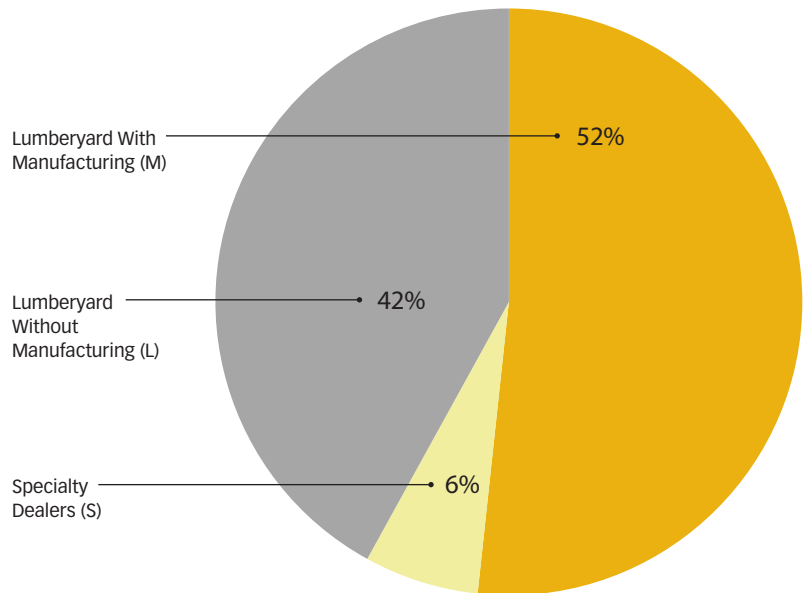
Hancock Lumber (No. 37) listed one of its best accomplishments this year was winning "Best Place to Work in Maine for the fifth year in a row" by the Society for Human Resource Management – Maine State Council (MESHRM) and Best Companies Group.

Keeping qualified and valued employees should be a priority for organizations, as the costs associated with losing them can be

PROSALES 100 BY PRIMARY BUSINESS EMPHASIS



PROSALES 100 BY EACH GROUP'S SHARE OF TOTAL SALES



"This industry runs a 35% to 40% turnover rate—that's just a high cost of our business from a safety standpoint and a product knowledge standpoint."



exorbitant. The loss of productivity as a result of unfilled positions, the costs to hire and train new employees to fill those positions, and the learning curve for new employees all weigh on a company's productivity and profitability.

Therefore, once ideal candidates are hired, it's imperative that organizations focus on keeping them. A competitive benefits package is a good place to start. Some LBM dealers might be the largest, or the only, LBM employer in their particular market and assume that they don't need to be as competitive with their benefits package to keep employees, but that would be a mistake. Pro dealers must realize they are not only competing with other LBM dealers to keep their valued employees. People change careers, which means dealers must also compete against employers across multiple industries in their area.

In addition to hiring and retaining valuable employees, it's essential to train them as well. Employees in the LBM industry are often required to operate machinery, move heavy materials, and use various tools to perform their duties on the job. Training them on how to safely and effectively operate their equipment is not only important for the safety of employees and customers, it can also mitigate damages and potential lawsuits filed against the company.

### Digital Disruption

As the LBM industry becomes more digitally connected, the amount of information that can be captured, tracked, and analyzed will soar exponentially, enabling companies, partners, and customers to make smart business decisions faster than ever. Already, progressive companies



# 35

Reed Graham  
Erickson Framing  
Operations

Some pro dealers are only dabbling in component manufacturing and installed sales, but Erickson Framing Operations is betting the farm on it. And, despite some turbulence after the Great Recession, this effort is paying off. The company made its debut on the ProSales 100 list this year at No. 35 by growing 2018's revenue 31.5% to \$173.6 million.

Founded in 1975, Erickson designs, sources, and manufactures complete panelized framing systems—including wall panels, floor panels, and roof systems—that are shipped and installed at job sites in the western United States. This combination of products and services helps home builders reduce construction time, material waste, labor inputs, and carrying costs.

To carry this out, Erickson operates computer-assisted production facilities in Chandler, Ariz., and Roseville, Calif., and provides doorways, trim, and millwork through Door Sales & Installations (DSI), a Chandler-based division of Erickson. The company's more than 1,000 employees serve customers ranging from single-family local and regional home builders to large-scale residential and multifamily builders.

When asked how the company was able to grow its revenue more than 30% in one year, Reed Graham, chief operating officer at Erickson, cites the company's ability to "accommodate changing needs in market dynamics," as well as its focus on hiring and developing a highly skilled workforce.

The company's success captured the interest of the U.S. subsidiary of Asahi Kasei Homes (AKH), which acquired Erickson in November, making it AKH's first investment in the new-home-construction industry in the United States.

Moving forward, Reed states, "We will continue to invest in solution-minded human capital to help us overcome industry hurdles and look to grow our line of advanced equipment and automation to drive efficiency, quality, and consistency further through the construction cycle. Our customer's needs are continuing to change, and we intend to continue to evolve to provide them with solutions that fit their needs." —D.M.

are investing in various enterprise software solutions that will accelerate these efforts.

“The technology side has greatly changed and has been a very big topic of discussion with a lot of lumber dealers,” states Lonnie Kvasnicka, territory manager and outside sales rep at Dealers Choice, a Beacon Roofing Supply company and one of this year’s Four Under 40 winners. For its part, Dealers Choice offers clients its e-commerce platform, Dealer Pro+, which enables customers to access their account online, order material, view order history, and track orders.

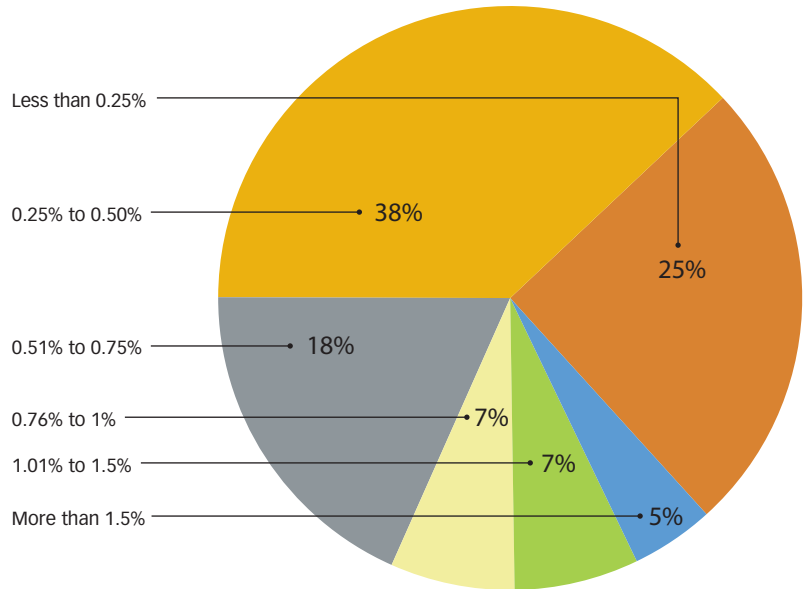
This type of automation is only the beginning. The next generation of business automation will do more than automate data collection and management. It will automate next-best actions to achieve desired business outcomes. Using artificial intelligence, organizations can already make product recommendations based on search, order history, and other parameters, or automatically update driving routes based on changing traffic patterns.

Some LBM leaders expect enterprise software to soon have a profound effect on the industry. “This industry is going to change more in the next 10 years than it has in the last 100,” said LT Gibson, president and CEO of US LBM at this year’s ProSales 100 conference, adding that his company is “constantly investing and looking at what’s next.”

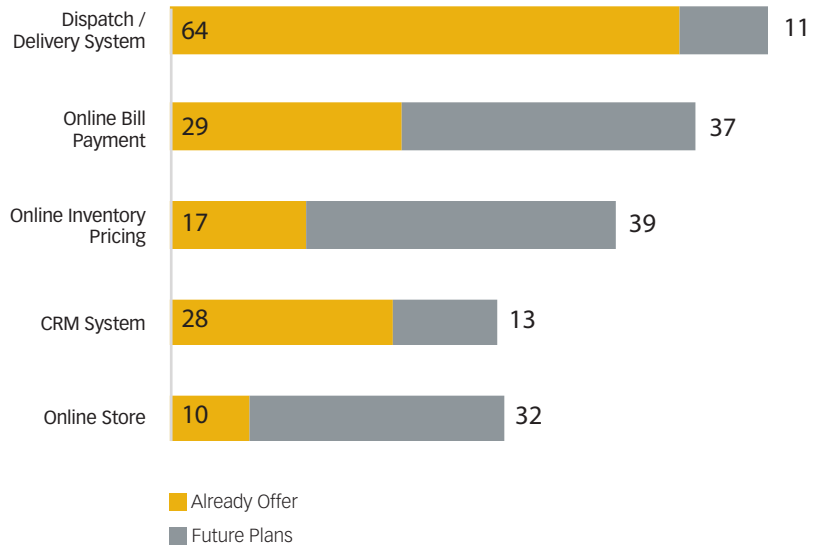
### Growth

The majority of pro dealers (80%) have a showroom. Of those, nearly all (about 94%) display windows and doors, 83% offer decking and railing products, as well as

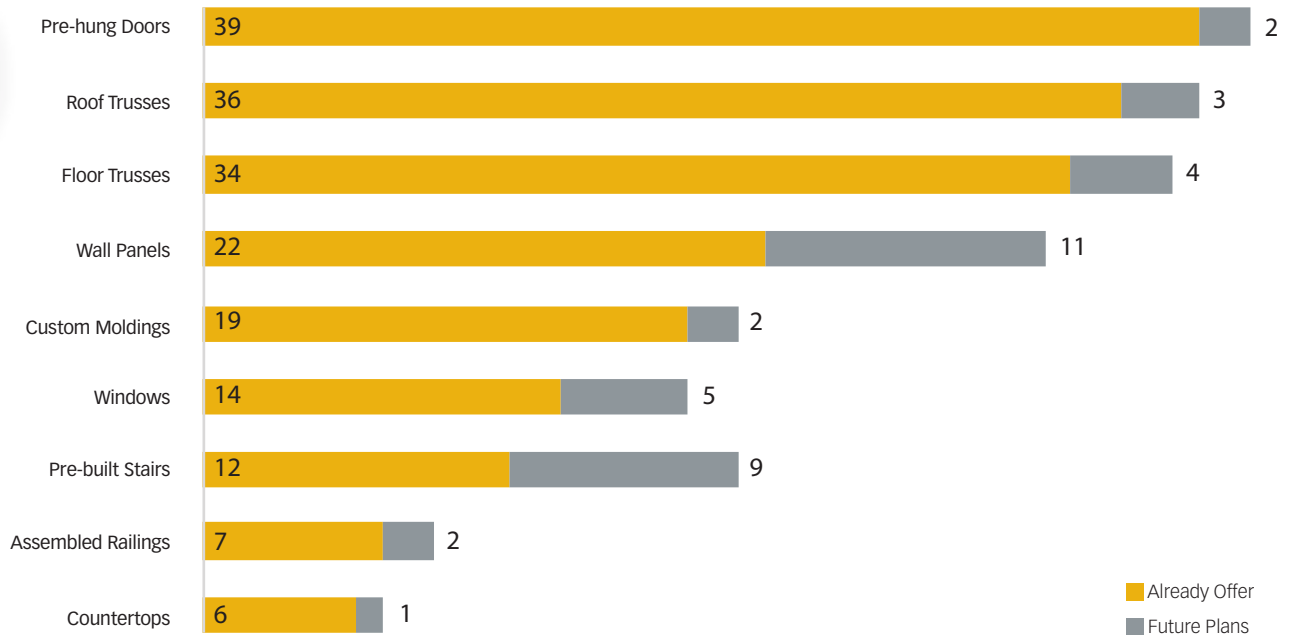
2019 IT SPENDING PLANS AS A PERCENTAGE OF REVENUE



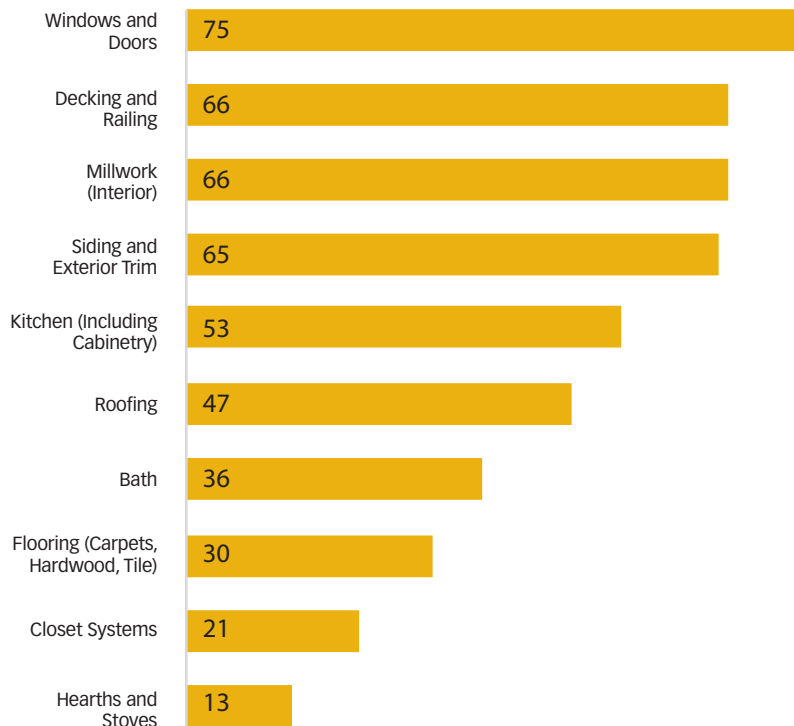
### SYSTEMS AND SERVICES



### COMPONENT MANUFACTURING ACTIVITIES AND PLANS



### WHAT'S DISPLAYED IN 2019 SHOWROOMS



millwork, and 81% have siding and exterior trim in their showrooms.

Understanding which products are most popular with pro dealers is certainly helpful, but it's also helpful to look at how each SKU is performing against other products in its segment. This is where enterprise software can help. For example, Michelle Valdez, category business manager at Central Valley (No. 54), and a PROSALES magazine Four Under 40 winner, encourages her replenishment managers to use analytics to more closely evaluate sell-through data and space-to-sales information to make sure they focus on keeping top-selling items in stock. These efforts enabled the company to increase sales close to 20%, Valdez states.

When it comes to innovation, Central Valley hasn't stopped there. Recognizing the potential that additional services can have on its bottom line, the company

opened a prefab wall manufacturing facility in May 2018.

The move toward additional services, such as component manufacturing and installed sales, has become a compelling one for many pro dealers. Already, a sizeable portion of PS100 members offer installed sales, with windows, entry doors, and cabinets being the three most popular installations. The biggest year-over-year jump was in window installations, with 42% of dealers offering this service, up from 37% last year. Moving forward, the items pro dealers most plan to install include stairs, molding/millwork, and wall panels.

### Made of Mettle

There's no doubt that last year was a volatile one, thanks largely to the significant swings in lumber prices. Naturally, this rattled a few nerves. "Markets don't like uncertainty. What we've seen in the industry over the past six to 12 months is a lot of uncertainty," BMC's Flitman said at the ProSales 100 conference.

In fact, John Ganahl, CFO of Ganahl Lumber (No. 19), stated that a big accomplishment for his company this year was that it "survived the most turbulent commodity market that I have seen in my career."

But not only did Ganahl survive, the company thrived, growing revenue 15.6% in 2018 to \$444.3. Ganahl is a prime example of the industry's resilience being tested during a challenging business climate.

So, even if the LBM industry is on the precipice of an economic downturn, as some industry experts suggest, this year's PS100 leaders have proven they have the mettle to carry them through it. **PS**



# #54

Steve Patterson  
Central Valley

To be successful, pro dealers must pay attention to customers' changing needs. Central Valley, founded in 1955, is a prime example of this.

The company serves pro builders in Northern California with nine locations. Its focus on customers' needs enabled the Napa, Calif.-based company to grow revenue 18.6% to \$138.9 million in 2018, which boosted its ranking five spots to No. 54 on this year's PS100 leaderboard.

What specifically made the company so successful? According to Garret Ippolito, chief marketing officer at Central Valley, it was the company's focus on driving lumber growth and profit. "We had a particular focus on the 2017 post-fire rebuild in Sonoma and Napa Counties to further penetrate those markets," he states.

Helping to drive lumber growth was the company's decision to open a prefab wall manufacturing facility in May 2018. "Market dynamics precipitated the need for a prefab facility," Ippolito states. "Customers had aggressive build schedules and labor shortages. They approached us, asking how we could help. Prefab walls [were] the natural conclusion. The facility was up and running within a month. As with any start-up, we are now past the early growth stage and are focusing on operational efficiencies to help us scale further."

Its growth efforts didn't stop there. In the fourth quarter of last year, Central Valley acquired Solano County, Calif.-based building supply company Foster Lumber Yard. "We're bringing two forces together with similar cultures and many of the same builder clients," said Steve Patterson, CEO of Central Valley, in a public statement. "For Foster Lumber, Central Valley brings new investment to grow the business and operational opportunities, like purchasing and distribution, to enhance Foster's dedicated service to its customers. For Central Valley, we are able to expand our product offering and our presence in the greater San Francisco Bay Area."

As for this year, the company will "continue to invest in operational efficiencies," Ippolito states. —D.M.