

The QXO Trade Story: Brad Jacobs' Billion-Dollar Blueprint for Dominating Building Supply

Founder Spotlight: Brad Jacobs – The Industry Roll-Up King

Brad Jacobs is a proven business builder with a four-decade track record:

- **United Waste Systems** (sold to Waste Management)
- **United Rentals** (NYSE: URI): now the world's largest equipment rental firm
- **XPO Logistics** (NYSE: XPO): built from a small trucking firm into a global logistics leader
- **QXO Inc. (NYSE: QXO)**: launched in 2024 to consolidate the \$800B building products distribution industry

Jacobs' playbook is simple but effective: find fragmented, analog sectors and scale through tech-enabled roll-ups. His vision for QXO: grow from \$0 to \$50B in revenue within a decade.

Big Backers: Kushner's Affinity Partners Bets \$150M

In July 2024, **Affinity Partners** (Jared Kushner's private equity fund) invested **\$150M** at **\$9.14/share**, joining QXO's board.

Affinity's support helped fund QXO's \$11.2B acquisition of Beacon Roofing Supply — the first move in Jacobs' scale-up strategy. This capital base gives QXO a war chest for further M&A.

The Strategic Landscape: Ripe for Disruption

The \$800B building products distribution industry is:

- Highly fragmented
- Under-digitized
- Dominated by regional players

QXO targets 12 verticals, including:

- Roofing
- HVAC
- Doors & Windows
- Lumber
- Plumbing
- Wallboard
- Waterworks

This is another "XPO moment" — tech, capital, and scale will reshape the landscape.



🎯 Public Company Acquisition Targets

Company	Ticker	Market Cap	Fit for QXO
BlueLinX Holdings	BXC	~\$900M	National footprint, scalable products
GMS Inc.	GMS	~\$3.4B	Wallboard/interiors; strong footprint
SiteOne Landscape	SITE	~\$6B	Specialty landscaping; regional leader
Builders FirstSource	BLDR	~\$20B	Sector giant; possible long-term partner

⚠️ Public Companies That May Be Disrupted

Company	Ticker	Risk Factor
GMS Inc.	GMS	At risk from QXO's pricing power and tech integration
SiteOne Landscape	SITE	Faces margin pressure from QXO's scale
Watsco, Inc.	WSO	HVAC dominance may erode under QXO pressure
Pool Corp.	POOL	Could lose share in niche construction supply chains

🧠 Why This Trade Works

- **Founder with Proven Playbook:** Jacobs has done this multiple times
- **Enormous TAM:** \$800B industry with minimal digital transformation
- **Aggressive Capital:** Backed by Affinity and Sequoia
- **First-Mover Advantage:** No comparable public roll-up in the space
- **Multiple Expansion:** Consolidation typically rerates share prices

📈 Bottom Line

At ~\$16 per share, QXO offers a rare chance to invest early in a Jacobs-led consolidation engine. With institutional capital, a massive M&A pipeline, and a clear disruption roadmap, QXO has the potential to reshape one of the last analog industries in America.