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# Specialty distribution sector report



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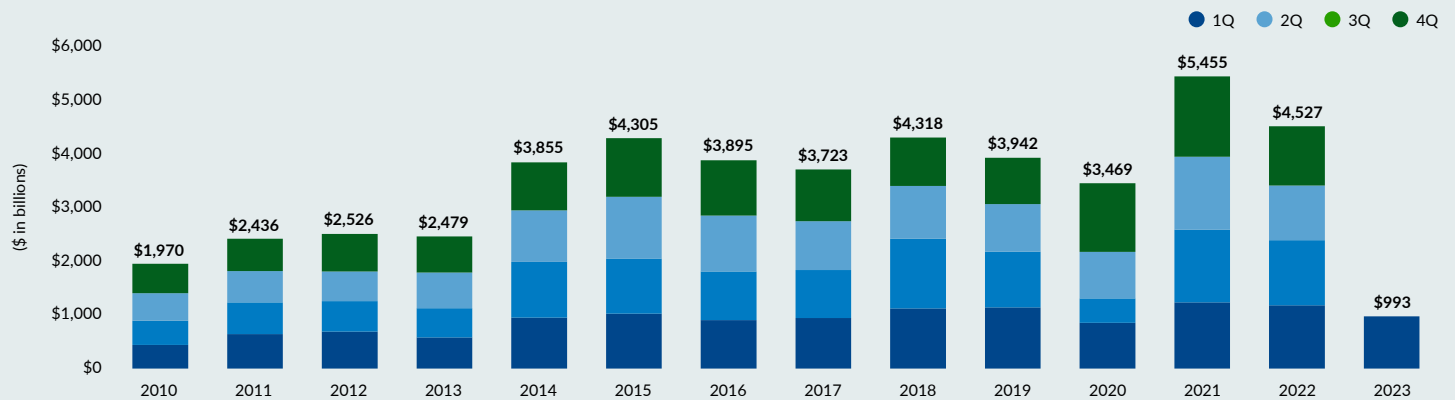


## 2023 MID-YEAR REVIEW

# General M&A market observations

- In comparison to the strong level of activity of recent years, YTD June 2023 M&A activity and completed deal volume has slowed considerably. The decline in activity and volume can largely be attributed to the limited availability of debt capital, sharp increases in financing costs and a generally cloudy near-term economic outlook. These market conditions have had a profound impact on the number of completed sale processes as buyers continue the search for “normalized EBITDA” and assess the sustainability of corporate earnings given the price vs. volume growth dynamics of the past few years.
- Overall M&A activity has slowed as many strategic and financial buyers are struggling to qualify and complete new investments in the current environment due to financing (and consequently valuation) constraints. Generally, the transactions that are trading are highly strategic transactions for very high-quality companies with strong asset bases, highly diversified customer and vendor networks, solid revenue visibility and favorable long-term industry tailwinds.
- A bright spot in the M&A market has been the overall volume of completed transactions across the middle and lower middle markets. Assets on this end of the M&A market have been less impacted by financing costs which has driven demand for smaller assets in the form of add-on acquisitions. Private equity firms are actively pursuing these smaller assets in order to deploy capital and to bolster the scale, efficiency and profitability of their existing portfolio company investments.
- Despite the uncertain near-term economic outlook and choppy debt markets, buyers are still eager to deploy capital. The growth of private equity as an asset class and the staggering amount of equity capital waiting to be deployed (currently over \$1 trillion) has created a significant amount of pent-up demand from the private equity buyer universe. However, in order for there to be an increase in M&A volume over the remainder of 2023 and into 2024, both buyers and sellers must be willing to realign expectations (i.e., valuation and structural considerations) to match the dynamics of the current economic and deal environment.

CHART 1: QUARTERLY GLOBAL M&A



Source: Pitchbook. | Note: 2Q2023 data not yet available.

## Specialty Distribution M&A market observations

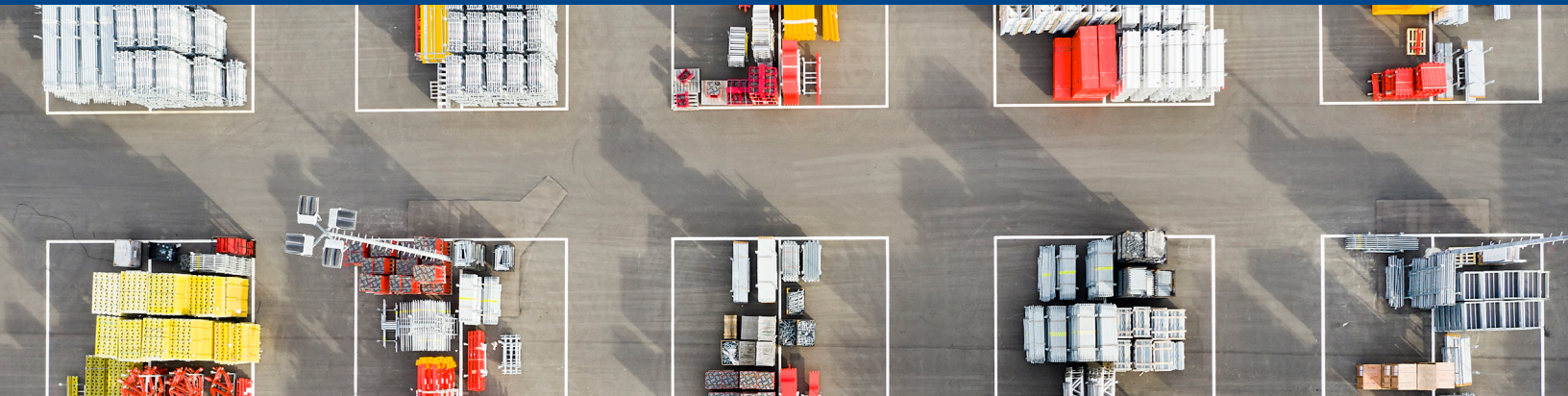
We've been encouraged by the volume of completed M&A transactions across the specialty distribution sector in the YTD June 2023 period. Some notable transactions include:

- BlackHawk Industrial's acquisition of Chattanooga, TN based Stock'd Supply
- Rexel's approximately \$500M acquisition of HVAC distributor Wasco
- Sonepar's acquisition of Billows Electric
- AFC Industries acquisition of Fastbolt
- Core & Main's acquisition of Foster Supply

Overall, a significant portion of recent M&A activity across the specialty distribution sector has been spurred by independent, privately-owned distribution business owners utilizing M&A as a tool for wealth and succession planning. Other key drivers of acquisition activity include:

- Product and service diversification
- Geographic and end market expansion
- Revenue and cost synergies
- Supply-chain consolidation
- Access to advanced technology systems and capabilities





## Key Specialty Distribution industry trends



**Technology and systems:** Distributors are actively making substantial investments in advanced software platforms, such as enterprise resource planning (“ERP”) systems and customer relationship management (“CRM”) tools. These investments aim to automate processes and enhance control over daily operations, resulting in reduced manual errors, improved decision-making capabilities, and ultimately driving efficiency and cost savings.



**Increasing power of analytics:** Numerous industry participants are actively harnessing the power of data and analytics to acquire valuable insights into customer behavior, market trends and supply chain dynamics. In fact, some firms are actively employing predictive analytics and machine learning algorithms to improve demand forecasting and to optimize inventory planning / management. We believe that distributors who heavily invest in these areas will gain substantial competitive advantages in the coming years.



**Ecommerce and omni-channel strategies:** In response to customers’ expectations for seamless interactions across different channels / mediums, distributors are increasingly embracing omni-channel commerce strategies and solutions to enhance the customer value proposition. As a result, the significance of digital platforms in the specialty distribution sector continues to grow as firms actively explore opportunities to supplement and refine their online presence in an effort to enhance brand visibility and broaden customer networks.



**Warehouses and fulfillment methods of the future:** Distributors are looking for ways to optimize warehouse space utilization, accelerate order fulfillment and reduce costs associated with manual labor to drive efficiency and improve profitability. As a result, many firms are increasingly investing substantial capital in automated inventory management and warehouse storage and retrieval systems, as well as delivery route optimization algorithms and alternative product delivery capabilities (e.g., drones and autonomous vehicles).

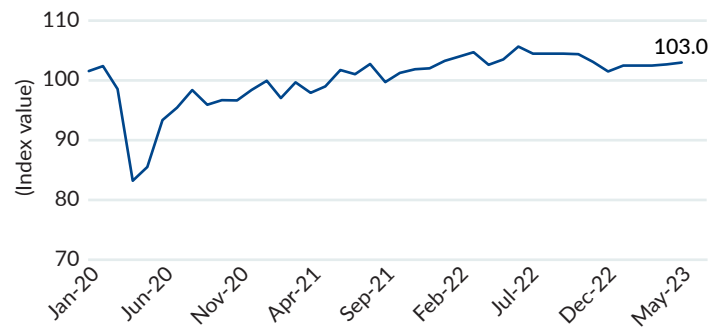
# Market data (1/3)

CHART 2: S&P 500 PERFORMANCE



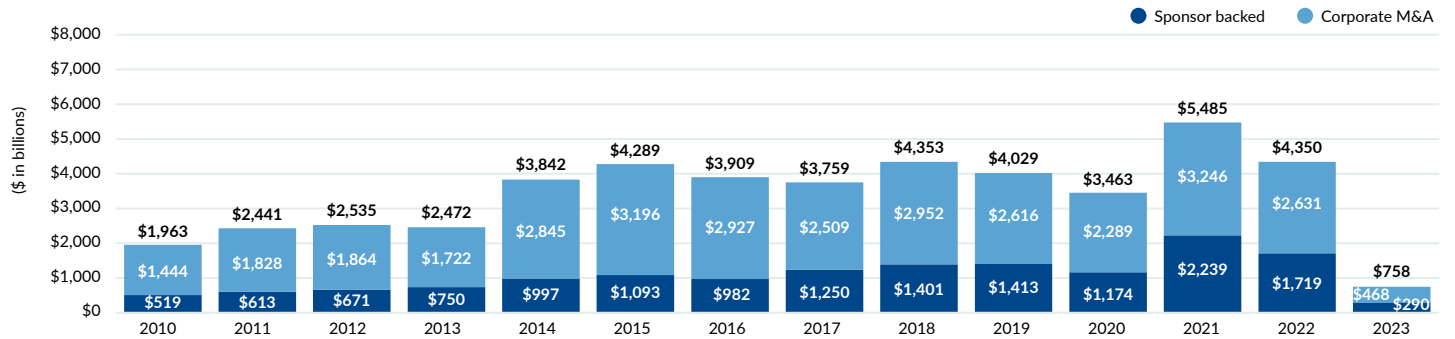
Source: Capital IQ.

CHART 3: INDUSTRIAL PRODUCTION INDEX



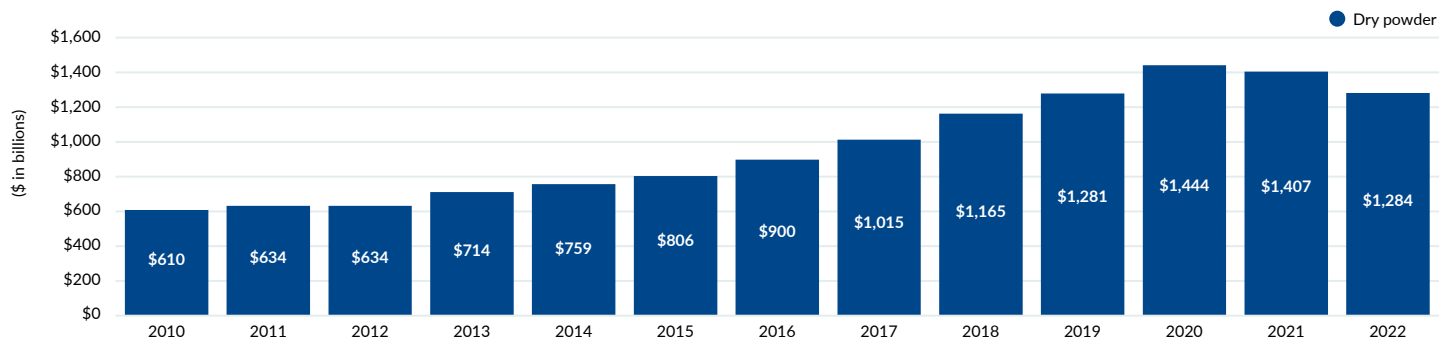
Source: Federal Reserve Bank of Chicago.

CHART 4: GLOBAL SPONSOR LED BUYOUTS



Source: Pitchbook.

CHART 5: PE DRY POWDER

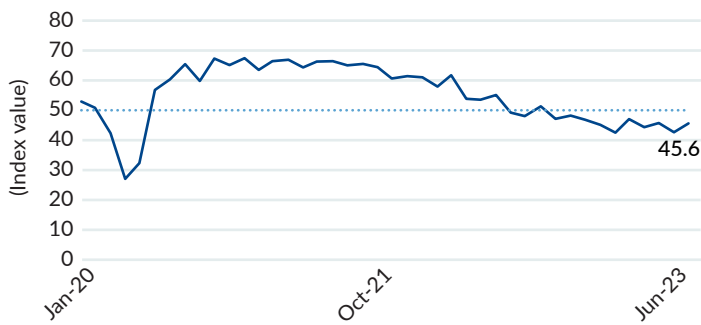


Source: Source: Pitchbook.

Past performance is not necessarily indicative of future results.

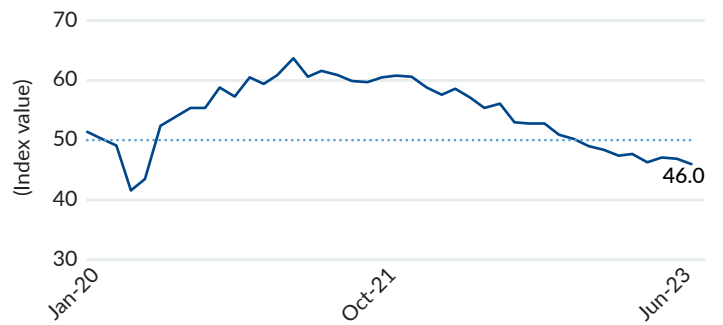
# Market data (2/3)

CHART 6: ISM NEW ORDERS INDEX



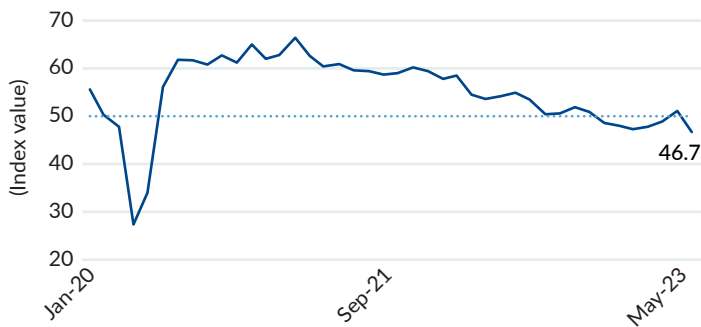
Source: ISM.

CHART 7: PURCHASING MANAGERS' INDEX



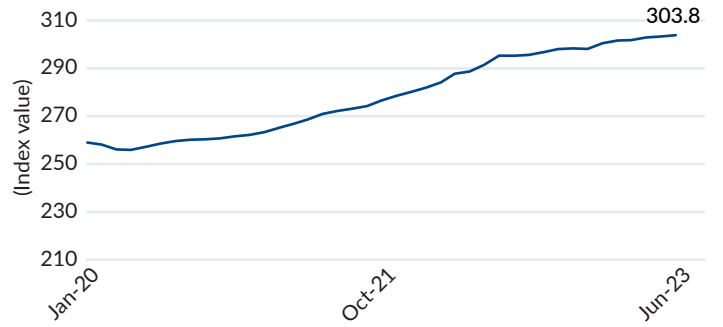
Source: ISM.

CHART 8: ISM PRODUCTION INDEX



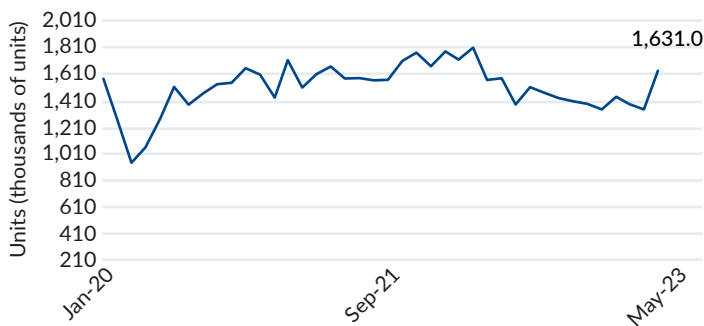
Source: ISM.

CHART 9: CONSUMER PRICE INDEX



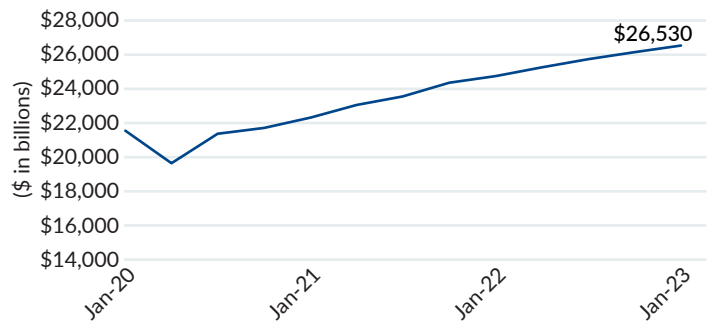
Source: St. Louis Federal Reserve.

CHART 10: HOUSING STARTS



Source: St. Louis Federal Reserve.

CHART 11: GDP

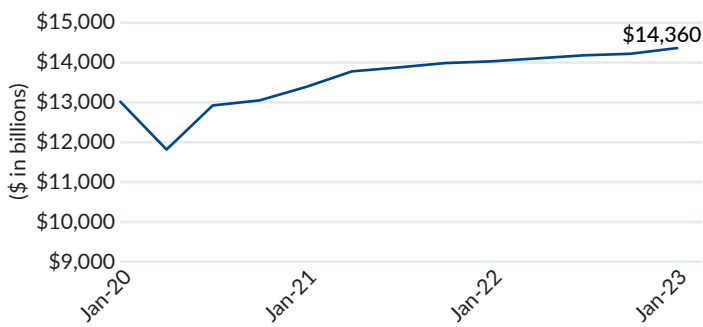


Source: St. Louis Federal Reserve.

Past performance is not necessarily indicative of future results.

# Market data (3/3)

CHART 12: PERSONAL CONSUMPTION



Source: St. Louis Federal Reserve.

CHART 13: CONSUMER CONFIDENCE



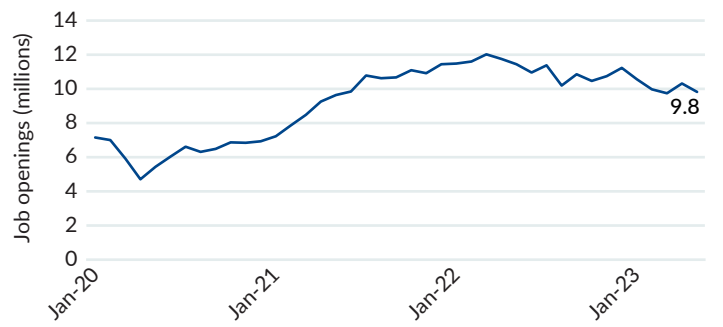
Source: University of Michigan.

CHART 14: LABOR FORCE PARTICIPATION



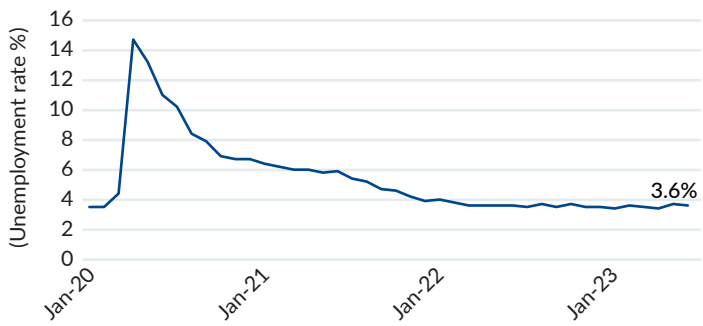
Source: U.S. Bureau of Labor Statistics.

CHART 15: JOB OPENINGS



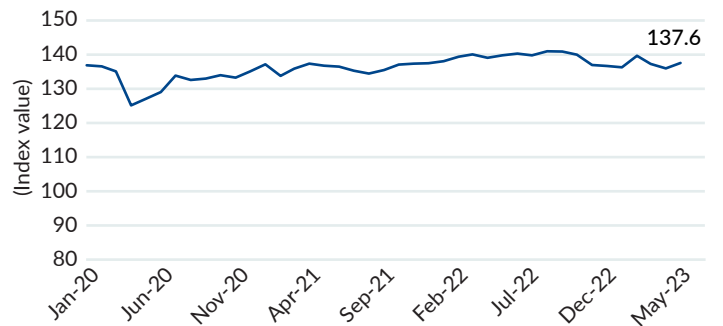
Source: U.S. Bureau of Labor Statistics.

CHART 16: UNEMPLOYMENT RATE



Source: U.S. Bureau of Labor Statistics.

CHART 17: FREIGHT TRANSPORTATION



Source: Federal Reserve Bank of St. Louis.

# Market valuation data (1/2)

## Sector valuations

(\$ in millions)

Company	Market cap	% of 52 week high	Enterprise value	Enterprise value as a multiple of:				LTM – NTM				
				Revenues		EBITDA		LTM gross margin	LTM EBITDA margin	Revenue growth %	Net debt / LTM EBITDA	
				LTM	NTM	LTM	NTM					
<b>Automotive &amp; truck</b>												
AutoZone, Inc.	\$46,722.2	92.1%	\$56,807.4	3.32x	3.15x	14.8x	13.6x	51.6%	22.4%	5.4%	2.4x	
Genuine Parts Company	\$23,852.5	88.6%	\$27,443.6	1.22x	1.16x	13.2x	12.7x	35.1%	9.2%	5.0%	1.5x	
LKQ Corporation	\$15,772.8	98.5%	\$19,497.8	1.52x	1.45x	11.4x	10.7x	40.9%	13.4%	5.2%	1.8x	
O'Reilly Automotive, Inc.	\$59,005.7	98.2%	\$66,050.2	4.46x	4.19x	19.6x	18.2x	51.0%	22.8%	6.4%	1.8x	
Uni-Select Inc.	\$1,561.7	98.8%	\$1,889.9	1.07x	1.01x	13.9x	9.6x	33.0%	7.7%	5.6%	2.0x	
	<b>Average</b>	95.2%	\$34,337.8	2.32x	2.19x	14.6x	13.0x	42.3%	15.1%	5.5%	1.9x	
	<b>Median</b>	98.2%	\$27,443.6	1.52x	1.45x	13.9x	12.7x	40.9%	13.4%	5.4%	1.8x	
<b>Building Products</b>												
Beacon Roofing Supply, Inc.	\$5,368.2	99.2%	\$8,097.0	0.96x	0.92x	9.5x	9.4x	26.4%	10.1%	3.4%	2.4x	
Builders FirstSource, Inc.	\$17,851.4	98.8%	\$21,410.6	1.02x	1.29x	5.5x	11.0x	34.8%	18.6%	(20.8%)	0.9x	
CRH plc	\$41,075.0	98.9%	\$47,366.9	1.45x	1.37x	8.4x	7.9x	33.2%	17.3%	5.9%	0.9x	
Ferguson plc	\$32,759.3	98.8%	\$37,366.3	1.25x	1.27x	11.9x	12.8x	30.3%	10.5%	(1.8%)	1.3x	
SiteOne Landscape Supply, Inc.	\$7,851.1	98.0%	\$8,795.4	2.17x	2.11x	21.9x	21.0x	35.6%	9.9%	2.9%	1.9x	
Watsco, Inc.	\$13,479.5	95.2%	\$14,258.7	1.95x	1.90x	17.1x	16.1x	27.8%	11.5%	3.0%	0.4x	
	<b>Average</b>	98.1%	\$22,882.5	1.47x	1.48x	12.4x	13.0x	31.4%	13.0%	(1.2%)	1.3x	
	<b>Median</b>	98.8%	\$17,834.6	1.35x	1.33x	10.7x	11.9x	31.8%	11.0%	3.0%	1.1x	
<b>Communication, Electronics &amp; Electrical</b>												
Rexel S.A.	\$7,778.4	92.2%	\$10,751.8	0.54x	0.50x	7.2x	6.0x	26.2%	7.5%	7.3%	1.6x	
RS Group plc	\$4,677.0	64.6%	\$4,825.9	1.31x	1.17x	9.4x	8.1x	45.3%	13.9%	12.0%	0.3x	
WESCO International, Inc.	\$9,132.1	96.4%	\$14,921.6	0.68x	0.64x	8.7x	7.7x	21.9%	7.8%	6.0%	3.0x	
	<b>Average</b>	84.4%	\$10,166.4	0.84x	0.77x	8.4x	7.3x	31.1%	9.7%	8.4%	1.6x	
	<b>Median</b>	92.2%	\$10,751.8	0.68x	0.64x	8.7x	7.7x	26.2%	7.8%	7.3%	1.6x	
<b>Consumer Products</b>												
Bunzl plc	\$12,234.7	85.7%	\$14,497.1	1.00x	0.90x	13.1x	10.2x	25.1%	7.6%	10.4%	1.6x	
Pool Corporation	\$15,162.5	90.4%	\$16,780.8	2.81x	2.82x	17.2x	18.0x	31.1%	16.3%	(0.5%)	1.5x	
SpartanNash Company	\$764.7	58.1%	\$1,591.2	0.16x	0.16x	9.7x	6.3x	15.3%	1.7%	3.0%	3.7x	
Sysco Corporation	\$37,408.4	82.9%	\$48,396.8	0.64x	0.61x	12.8x	11.4x	18.2%	5.0%	4.5%	2.7x	
United Natural Foods, Inc.	\$1,208.3	42.4%	\$4,500.3	0.15x	0.15x	7.4x	8.1x	14.0%	2.0%	2.2%	3.5x	
US Foods Holding Corp.	\$10,925.8	99.5%	\$16,015.8	0.46x	0.44x	13.7x	10.4x	16.4%	3.4%	4.8%	3.8x	
	<b>Average</b>	76.5%	\$16,963.7	0.87x	0.85x	12.3x	10.7x	20.0%	6.0%	4.1%	2.8x	
	<b>Median</b>	84.3%	\$15,256.5	0.55x	0.53x	13.0x	10.3x	17.3%	4.2%	3.8%	3.1x	

Source: Capital IQ. | Note: Based on closing stock prices on July 13, 2023



# Market valuation data (2/2)

## Sector valuations

(\$ in millions)

Company	Market cap	% of 52 week high	Enterprise value	Enterprise value as a multiple of:				LTM - NTM				
				Revenues		EBITDA		LTM gross margin	LTM EBITDA margin	Revenue growth %	Net debt / LTM EBITDA	
LTM	NTM	LTM	NTM									
<b>Energy, Oil &amp; Gas</b>												
DXP Enterprises, Inc.	\$655.6	98.7%	\$1,066.6	0.67x	0.56x	7.6x	6.0x	28.5%	8.9%	19.9%	2.5x	
MRC Global Inc.	\$874.1	75.0%	\$1,803.1	0.51x	0.47x	8.7x	5.7x	18.6%	5.9%	9.4%	2.3x	
NOW Inc.	\$1,199.2	74.9%	\$1,071.2	0.48x	0.45x	5.8x	5.9x	23.9%	8.2%	5.6%	NM	
	<b>Average</b>	82.9%	\$1,313.6	0.55x	0.49x	7.4x	5.8x	23.7%	7.7%	11.6%	2.4x	
	<b>Median</b>	75.0%	\$1,071.2	0.51x	0.47x	7.6x	5.9x	23.9%	8.2%	9.4%	2.4x	
<b>Healthcare</b>												
Cardinal Health, Inc.	\$23,822.9	98.8%	\$24,568.9	0.12x	0.11x	10.5x	9.1x	3.4%	1.2%	10.0%	0.3x	
Henry Schein, Inc.	\$10,680.7	91.1%	\$13,438.7	1.07x	1.04x	12.8x	11.8x	30.5%	8.4%	3.6%	1.3x	
McKesson Corporation	\$55,393.6	95.7%	\$58,394.6	0.21x	0.20x	11.8x	11.0x	4.4%	1.8%	6.5%	0.5x	
Owens & Minor, Inc.	\$1,408.3	50.7%	\$3,933.3	0.39x	0.38x	9.9x	6.9x	19.4%	3.9%	4.1%	4.8x	
	<b>Average</b>	84.1%	\$25,083.9	0.45x	0.43x	11.3x	9.7x	14.4%	3.8%	6.0%	1.7x	
	<b>Median</b>	93.4%	\$19,003.8	0.30x	0.29x	11.1x	10.1x	11.9%	2.9%	5.3%	0.9x	
<b>Industrial</b>												
L'Air Liquide S.A.	\$93,458.3	95.2%	\$107,343.6	3.36x	3.27x	14.8x	12.4x	53.9%	22.7%	2.5%	1.6x	
Applied Industrial Technologies, Inc.	5,662.8	96.4%	\$6,085.5	1.41x	1.36x	12.0x	11.3x	29.1%	11.7%	3.4%	0.8x	
Fastenal Company	33,532.5	96.5%	\$33,940.8	4.69x	4.55x	20.2x	19.8x	45.6%	23.2%	3.0%	0.2x	
MSC Industrial Direct Co., Inc.	5,535.7	98.6%	\$6,016.3	1.51x	1.48x	10.3x	10.1x	41.3%	14.6%	1.7%	0.8x	
W.W. Grainger, Inc.	38,994.8	94.6%	\$41,585.8	2.65x	2.47x	16.1x	14.8x	38.9%	16.5%	7.3%	0.8x	
	<b>Average</b>	96.3%	\$38,994.4	2.72x	2.63x	14.7x	13.7x	41.8%	17.7%	3.6%	0.8x	
	<b>Median</b>	96.4%	33,940.8	2.65x	2.47x	14.8x	12.4x	41.3%	16.5%	3.0%	0.8x	
<b>Technology</b>												
Arrow Electronics, Inc.	\$8,215.7	98.8%	\$11,943.1	0.32x	0.36x	5.5x	7.2x	12.9%	5.9%	(8.8%)	1.6x	
Avnet, Inc.	\$4,570.9	98.5%	\$7,738.5	0.29x	0.32x	6.0x	7.6x	11.9%	4.9%	(8.8%)	2.3x	
ScanSource, Inc.	\$732.8	83.3%	\$1,021.2	0.27x	0.28x	6.2x	6.2x	11.9%	4.3%	(3.6%)	1.7x	
TD SYNnex Corporation	\$9,146.6	88.0%	\$12,400.1	0.20x	0.21x	6.9x	7.1x	6.6%	2.9%	(2.9%)	1.7x	
	<b>Average</b>	92.1%	\$8,275.7	0.27x	0.29x	6.2x	7.0x	10.8%	4.5%	(6.0%)	1.8x	
	<b>Median</b>	93.2%	\$9,840.8	0.28x	0.30x	6.1x	7.1x	11.9%	4.6%	(6.2%)	1.7x	
	<b>Average</b>	89.2%		1.29x	1.24x			27.6%	10.1%			
	<b>Median</b>	95.5%		1.01x	0.97x			28.1%	8.6%			

Source: Capital IQ. | Note: Based on closing stock prices on July 13, 2023

## Recent specialty distribution M&A activity (1/4)

Closed Date	Acquirer	Target	Target Description
Pending	Rexel S.A. (ENXTPA:RXL)	Wasco Holding B.V.	Operates as a distributor of HVAC products and services
Pending	SRS Distribution Inc.	Washoe Building Supply, Inc.	A distributor of residential & commercial roofing products
Pending	The Collins Companies	Washburn-Garfield	A supplier of industrial and commercial pipe, valves and fittings
Jun-23	Ilion Capital	Mid States-Supply Company	Distributor of valves, pipes, and fittings
Jun-23	City Maintenance Supply	West Florida Supply Co	Operates a distributor of jan/san products
Jun-23	BradyIFS	FPC Distribution, Inc	A foodservice, dry goods and jan/san distributor serving the U.S.
Jun-23	Meritus Gas Partners	Global Calibration Gases	An independent manufacturer and distributor of specialty gases
Jun-23	B&F Fastener Supply Inc.	Northern States Supply Inc.	A distributor of industrial and construction supply products
Jun-23	BradyIFS	Gorm, Inc	Operates as a distributor of JanSan, foodservice and packaging products
Jun-23	Beacon Roofing Supply, Inc. (Nasdaq:BECN)	Silver State Building Materials	A residential roofing and complementary product distributor in the U.S.
Jun-23	Ingersoll Rand Inc. (NYSE:IR)	Howden Group Limited	Provider of low-pressure compression and vacuum technologies
Jun-23	L&W Supply Corporation	Killingly Building Products Co. Inc.	Engages in the supply of building materials
Jun-23	AFC Industries	White Distribution & Supply, LLC	Provides industrial distribution and supply chain management services
Jun-23	Distribution Solutions Group, Inc. (Nasdaq:DSGR)	Hisco, Inc	Distributor serving electronic assembly, A&D, medical and industrial markets
Jun-23	White Cap	Tri-Boro Construction Supplies	Provides tools, equipment and services for residential and commercial job sites
Jun-23	Womack Machine Supply Co.	Morrell, LLC	Provides automation and motion control solutions for industrial and mobile applications
Jun-23	F.W. Webb Company, Inc	Rising Sun Plumbing Supply and Steinberg Plumbing Supply	Operates as a plumbing, heating and industrial supply distributors
Jun-23	KKR	Circor International, Inc	Provides flow control products and services for the industrial and A&D markets
Jun-23	Motion & Control Enterprises (MCE)	Power & Pumps Inc. (P&P) and Industrial Control Services Inc.	Offers pumps, blowers, vacuum, power transmission and specialty automation products
Jun-23	Sonepar	Billows Electric	Supplies electrical products and services across the U.S.
Feb-23	Mallory Safety and Supply, Inc.	J.G. Tucker & Son Inc.	Operates as a distributor of safety products

Source: S&P Capital IQ.

## Recent specialty distribution M&A activity (2/4)

Closed Date	Acquirer	Target	Target Description
Feb-23	Bunzl plc.	Arbeitsschutz-Express	Operates as a fast-growing online distributor of workwear and PPE in Germany
Feb-23	Bunzl plc.	Capital Paper	Provides foodservice and industrial packaging, cleaning & hygiene supplies in Canada
Feb-23	Hospesco Brands Group	Innocore	Manufactures and distributes surface and personal wipes and other hand care products
Feb-23	FleetPride	TAM Truck & Trailer Service	Provides heavy-duty truck and trailer service, mobile on-site maintenance and parts
Feb-23	Schaebler Yesco	Yesco Electrical Supply	Operates as a distributor of complete connected solutions for the electrical industry
Feb-23	Solve Industrial Motion Group LLC	SPB-USA, LLC	Provides EZO high precision miniature, thin section and radial ball bearings
Feb-23	AFC Industries	PF Markey	Engages in distributing cutting tools, abrasives, coolants and diamonds
Feb-23	Envoy Solutions	Mooney-General Paper Co.	Operates as an industrial, foodservice and sanitation supplies and equipment
Feb-23	Envoy Solutions	Detroit Chemical & Paper Supply	Operates as a distributor of high-quality cleaning and sanitary products
Feb-23	Flexpak LLC	Preferred Packaging Products Inc.	Distributes corrugated, foam, bags, crating, bubble, wrap, tapes and labels
Feb-23	Coburn Supply Company, Inc.	Assets And Three Locations Of Chris-More, Inc.	Operates as a plumbing wholesaler with three locations in Tennessee
Feb-23	Motion & Control Enterprises	Precision Pump & Valve	Distributes valves, pumps and related process equipment
Feb-23	Seco Tools	PMT Premier Machine Tools Ltd	Supplies machining solutions for the medical industry
Feb-23	Imperial Dade	Focus Packaging & Supply	Provides industrial packaging and supplies for the public and private sectors
Jan-23	Johnson Controls International plc	Hybrid Energy AS	A provider of high-temperature energy management solutions
Jan-23	NIBCO	Matco-Norca	Plumbing & PVF products for residential and commercial applications
Jan-23	ARCH Cutting Tools Corp.	Custom Carbide Cutter Inc.	Provides high-quality cutting tools to manufacturers and distributors
Jan-23	Field Fastener	Mid-State Bolt & Nut Company	Operates as a full-line fastener distributor
Jan-23	SRS Distribution Inc.	Marsh Building Products, Inc.	Operates as a distributor of residential and commercial building products
Jan-23	Wynnchurch Capital, L.P.	FloWorks International, LLC	Distributor of flow control products and technical solutions for MRO-focused applications
Jan-23	Envoy Solutions, LLC	Royal Paper Corp	Distributes consumables and equipment in jan/san and foodservice applications

Source: S&P Capital IQ.

## Recent specialty distribution M&A activity (3/4)

Closed Date	Acquirer	Target	Target Description
Jan-23	Flow Control Holdings, LLC	Andron Stainless Ltd / Andron Stainless Corporation	Provides sanitary stainless steel fittings, valves, tubing and accessories
Jan-23	Mill Steel Co.	Cleveland Metal Exchange	Offers a full range of stainless steel and aluminum products
Jan-23	Tribologix	AIM MRO (AE Industrial Partners)	A provider of engineered surface coatings solutions
Jan-23	GME Supply	Farwest Line Specialties LLC	Distributes safety equipment and tools to line workers and utility employees
Jan-23	Rexel USA, Inc.	Lineman's Testing Laboratories Of Canada	Distributor of industrial utility products
Jan-23	AFC Industries	Motor City Industrial	Distributor of industrial products and solutions
Jan-23	Triad Technologies, LLC	Industrial Service Products, LLC	Distributes hoses, valves and fittings for industrial liquid and dry good transfer
Jan-23	BradyIFS	YPV Distribution, Inc.	Operates as a foodservice and jan-san distributor serving the Midwest
Jan-23	ERIKS North America, Inc	DeeTag, Ltd.	Operates as a distributor and fabricator of hydraulic and industrial hose assemblies
Jan-23	MSC Industrial Supply Co.	Buckeye Industrial Supply Co. and Tru-Edge Grinding Inc.	Operates as an independent metalworking distributor and a custom tool manufacturer
Jan-23	Specialty Building Products, LLC	Amerhart	Distributes building materials from ten locations in the Midwest
Jan-23	Envoy Solutions, LLC	Delta Packaging & Supply, LLC	Distributor of packaging materials, equipment and solutions
Jan-23	The Descartes Systems Group Inc.	Supply Vision, LLC	Provides shipment management solutions for US Logistics Services Providers
Jan-23	Progressive Plumbing Supply Co.	Delwood Supply Company	Supplies plumbing, pipe, valves and fittings
Jan-23	Rexel USA, Inc.	Buckles-Smith Electric Co.	Operates as an electrical distributor in Northern California
Jan-23	Beacon Roofing Supply, Inc.	Whitney Building Products	Operates as distributor of waterproofing and restoration products
Jan-23	Beacon Roofing Supply, Inc.	First Coastal Exteriors	Distributor of residential and commercial building products
Jan-23	Offen Petroleum	Gas Depot, Inc. and Gas Depot Oil Company	Distributes motor fuels throughout the Midwest
Jan-23	Springfield Electric Supply Company (Sonepar SAS)	Holt Electrical Supplies, Inc.	Commercial and residential electrical products and services distributor
Jan-23	Codale Electric (Sonepas SAS)	Nedco Supply	Distributes electrical products and services
Jan-23	Partners Group Holdings	SureWex	Distributes personal protective equipment, safety gear and tool solutions

Source: S&amp;P Capital IQ.

## Recent specialty distribution M&A activity (4/4)

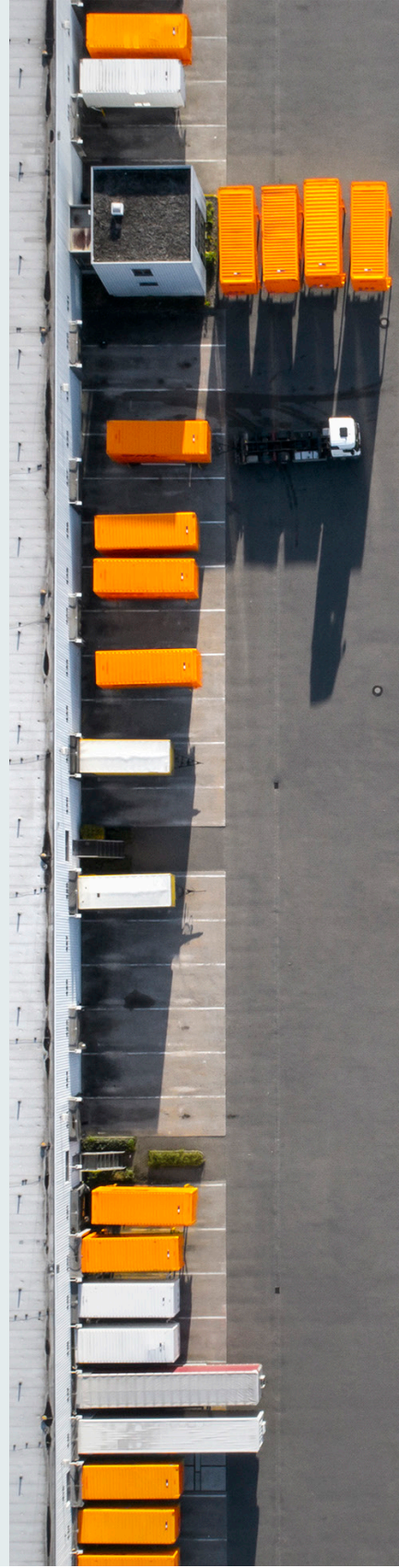
Closed Date	Acquirer	Target	Target Description
Jan-23	Belt Power LLC	Dunham Rubber & Belting Corporation	Lightweight belting products and services with three locations in Indiana
Jan-23	GenServe, Inc.	Illini Power Products Company	Generators and backup power solutions, maintenance and repair
Jan-23	GMS Inc.	Tanner Bolt and Nut, Inc.	Distributes fasteners, tools and related products
Jan-23	Hy-Tek Material Handling Inc.	Winchester Industrial Controls, LLC	Provides control systems for automated material handling systems
Jan-23	Ingersoll Rand Inc.	Air Treatment business of SPX FLOW, Inc.	Manufacturer of air treatment systems
Jan-23	Masonite International Corporation	Endura Products	A manufacturer of high-performance door frames and door system components
Jan-23	The M. K. Morse Company	PJ Wiseman Ltd	A welding supplies distributor and welding center in North Yorkshire, U.K.

Source: S&P Capital IQ.

# Specialty Distribution

Mesirow's recent distribution transaction experience<sup>1</sup>

<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p> 	<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p> 	<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS PARTNERED WITH</p> 	<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p> 
<p>BUY-SIDE ADVISOR</p>  <hr/> <p>HAS ACQUIRED</p> <p>the Foodservice Distribution Business of</p>  <p>a portfolio company of</p> 	<p>BUY-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <hr/> <p>HAS ACQUIRED</p> 	<p>SELL-SIDE ADVISOR</p>  <p>a portfolio company of</p>  <hr/> <p>HAS BEEN ACQUIRED BY FUNDS ASSOCIATED WITH</p>  <p>combines with existing investments in</p> 	<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p> 
<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p>  <p>a portfolio company of</p> 	<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p> 	<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p>  <p>a portfolio company of</p> 	<p>SELL-SIDE ADVISOR</p>  <hr/> <p>HAS BEEN ACQUIRED BY</p>  <p>a portfolio company of</p> 



1. As of 6.30.2023.

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## Mesirow Specialty Distribution Investment Banking Solutions

Mesirow Investment Banking is consistently focused on elevating the experience for our clients. With extensive sector-specific expertise and deep long-standing relationships, our dedicated Specialty Distribution team has a proven track record of completing highly tailored and successful transactions. Our highest priority is helping individuals and organizations achieve their financial and strategic goals.

For business owners contemplating a potential transaction, failing to plan early may mean leaving significant value on the table. If you are contemplating a potential sale of your business, specific actions should be taken to properly prepare for a sale. Do not discount the value premium that a professional advisor / investment banker can create through early preparation in a sale process.

If you have any questions regarding the trends and opportunities specific to your business, or if you would like to discuss planning for an eventual transaction, please contact Mesirow's Specialty Distribution investment bankers.

To learn more, visit [mesirow.com/investmentbanking](https://mesirow.com/investmentbanking).

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