

INDUSTRIAL DISTRIBUTOR M&A PULSE

FIRST QUARTER 2019



Q1'19

INSIDE THIS ISSUE

What We're Discussing with Clients	PAGE 3
Q1 2019 Market Summary & Outlook	PAGE 4
Macroeconomic Trends & Signals	PAGE 5
Equity Market Valuations & Market Commentary	PAGES 6-8
Industrial Distribution M&A Activity	PAGES 9-10

Industrial Distribution Coverage Team

ABOUT PMCF

P&M Corporate Finance (“PMCF”), a U.S. registered broker/dealer, is an investment bank focused exclusively on middle market transactions with professionals in Chicago, Detroit, Denver, and across the globe through Corporate Finance International™ affiliates. Offering a depth of advisory services, PMCF helps clients worldwide meet their sale, acquisition, financing, and strategic growth objectives. Additional information on PMCF can be found by visiting our website, www.pmcf.com.

INVESTMENT BANKING SERVICES:

- Mergers & Acquisitions
- Carve-outs & Divestitures
- Strategic Assessments
- Readiness Reviews
- Capital Raising



JOE WAGNER
Managing Director
248.603.5254
joe.wagner@pmcf.com



MIKE CONGLETON
Vice President
248.603.5036
mike.congleton@pmcf.com

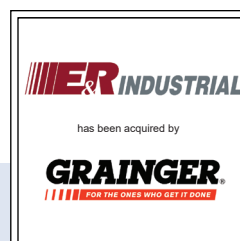


EDDIE ZUKOWSKI
Associate
248.603.5234
eddie.zukowski@pmcf.com



MATT DEVRIES
Analyst
248.603.5264
matt.devries@pmcf.com

SELECT PMCF DISTRIBUTION TRANSACTIONS



What We're Discussing with Clients



1

Despite perceived headwinds (tariffs, interest rate hikes, volatile equity markets), M&A activity in the United States remains strong. In Q1 2019, U.S. industrial distribution M&A activity volume was up 36% over Q1 2018 – indicating industrial distribution M&A markets are gaining steam.

2

Proper analysis of prior legal settlements is crucial when planning to sell a company. Understanding legal implications for a future buyer, and determining a strategy to mitigate adverse consequences, can greatly impact the probability of completing a transaction. As an example, existing royalty payments from prior legal judgments, which could extend to a potential acquirers' product line, might derail a transaction – creative solutions can keep a transaction on track.

3

Treatment of company-owned real estate in an M&A transaction has the potential to unlock incremental value. Real estate capitalization rates usually differ from traditional EBITDA multiples used to value business operations; therefore, insisting buyers value real estate separately from the business often provides incremental value to sellers.

Q1 2019 Market Summary & Outlook

2019 – OFF TO THE RACES

First quarter 2019 industrial distribution M&A volume significantly outperformed Q1 2018, increasing 36.3% in the US and 25.0% globally. This increase portends continued strong performance in M&A activity in 2019, as total deal volume is on track for a record year. Deal volumes coincide, in part, with equity markets' recovery in Q1, improving trade deal expectations with China (though those expectations have recently been tempered), and the Federal Reserve's announcement that interest rate hikes would not occur this year. Despite a strong Q1, public valuation multiples remain suppressed from 2018 highs, with the mean industrial distribution EV/EBITDA multiple decreasing from 13.0x in Q1 2018 to 10.9x in Q1 2019 (compared to the S&P 500, whose mean multiple dropped from 12.6x in Q1 2018 to 12.5x in Q1 2019).

Q1 2019 macroeconomic indicators continue to point towards expansion. The Institute for Supply Management ("ISM") New Orders Index registered above 50 (indicating economic expansion) for the 39th consecutive month in March 2019, finishing at 57.4 vis-à-vis 51.1 in December 2018. The ISM Purchasing Managers' Index closed at 55.3 in March 2019, an increase from 54.1 in December 2018. The Chicago Fed Midwest Economy Index, measuring non-farm economic indicators, increased to 0.2 in March 2019 from 0.1 in December 2018 (both values indicate expansion). The ISM Production Index finished March 2019 at 55.8, increasing from 54.3 in December 2018, and above the threshold indicating expansion. Q1 GDP grew at a faster than expected 3.2% annualized rate – contributing to analysts' generally bullish view on the economy.

PMCF PERSPECTIVES: SPOTLIGHT ON TOOL DISTRIBUTORS

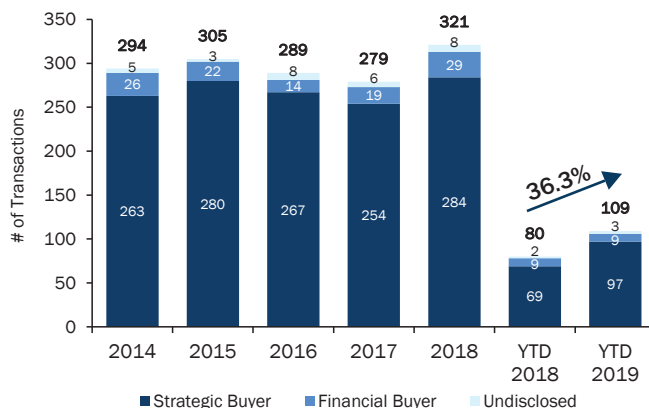
US tool distribution M&A activity in Q1 2019 remained consistent with levels in 2018. For the year-to-date ("YTD") period ending April 17, 2019, overall US M&A volume in the sector registered 12 closed transactions compared to 13 closed transactions for the equivalent YTD period in 2018. Though not at the peak volumes experienced in 2014 – 2016 (annual average of 61 closed deals), this still represents an active M&A market. Recent key deals include SFS Group's acquisition of Triangle Fastener Corporation and Audax Private Equity's acquisition of Colony Hardware. Both acquisitions illustrate common trends in the sector – strategic buyers expanding product offerings and geographic presence and financial buyers investing in platform companies or add-on acquisitions in a sector they view as attractive.

Drivers of continued strength in the tool distribution M&A market include positive outlooks for the remainder of 2019 for residential / non-residential construction (2019 US construction starts projected at \$808 billion compared to \$807 billion for 2018), consumer spending (projected to increase 2.6% in 2019), and industrial production. As construction starts and consumer spending increase, demand for industry products will follow suit, as consumers (both businesses and individuals) are more apt to purchase tools or commence renovations.

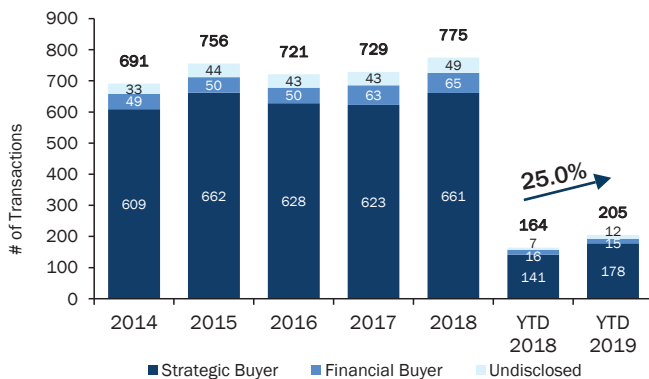
Economic headwinds risk impacting industry performance. Material cost volatility (due to tariffs) and fading fiscal stimulus remain risks to the industry. These factors could negatively affect downstream markets (i.e. residential and non-residential construction), resulting in lower tool demand. However, industry leaders remain confident economic growth will outweigh these threats in 2019. Chief Economist of Associated General Contractors of America, Ken Simonson, voiced his confidence, "Expansion will continue in 2019 but the stimulus provided by the 2017 Tax Cut and Jobs Act will fade and tariffs may be more of a drag than in 2018. I have no prediction beyond 2019, but so far see no reason to expect a recession."

Sources: IBIS World, United States Census Bureau, Dodge Data & Analytics, The Conference Board Inc.

US INDUSTRIAL DISTRIBUTION M&A ACTIVITY

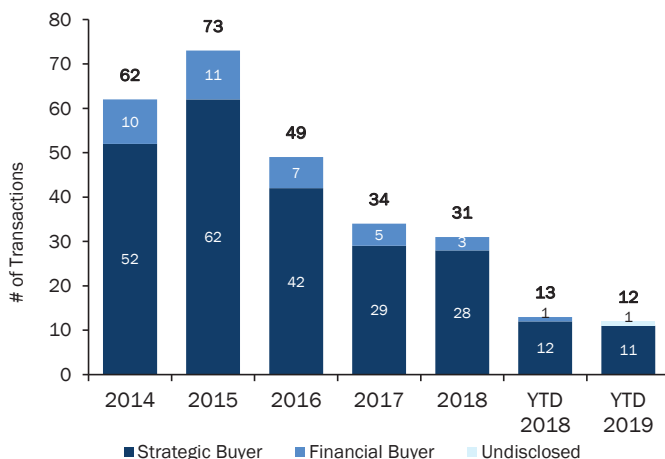


GLOBAL INDUSTRIAL DISTRIBUTION M&A ACTIVITY



Sources: Capital IQ, proprietary research

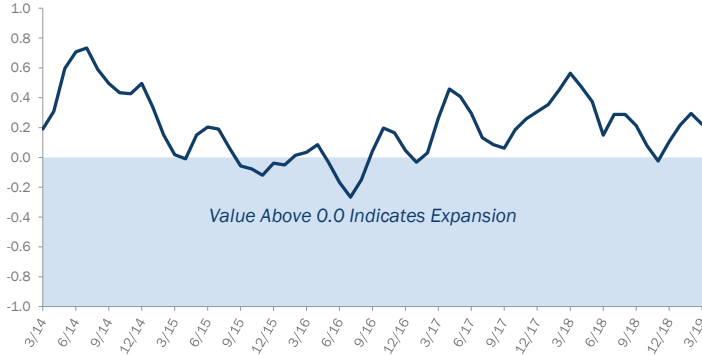
US TOOL DISTRIBUTION M&A ACTIVITY



Macroeconomic Trends & Signals

CHICAGO FED MIDWEST ECONOMY INDEX

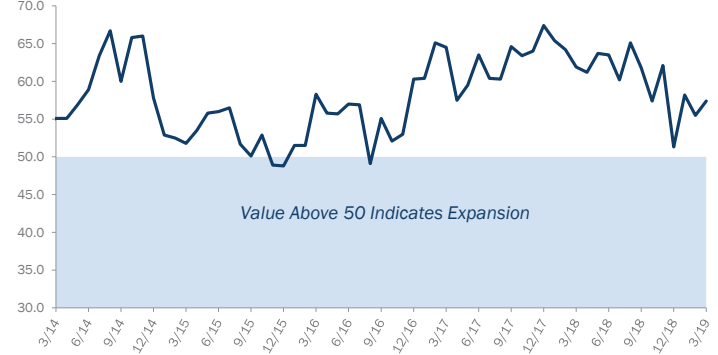
Values as of: March 2019



Source: Federal Reserve Bank

ISM NEW ORDERS INDEX

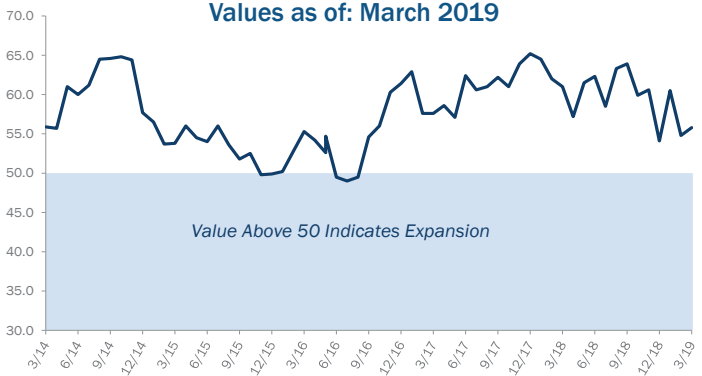
Values as of: March 2019



Source: Institute for Supply Management

ISM PRODUCTION INDEX

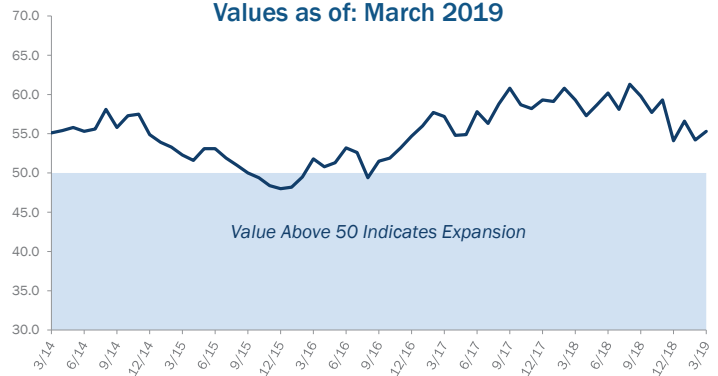
Values as of: March 2019



Source: Institute for Supply Management

PURCHASING MANAGERS' INDEX

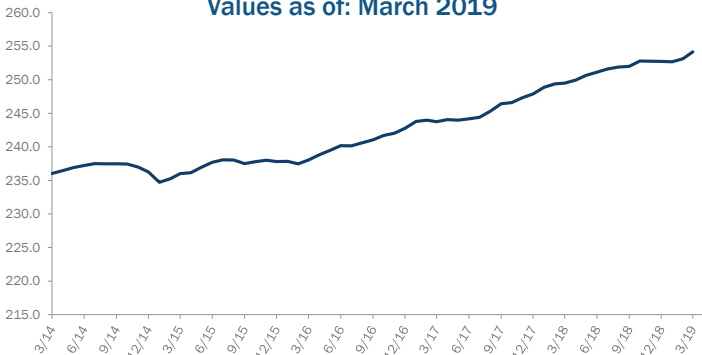
Values as of: March 2019



Source: Institute for Supply Management

CONSUMER PRICE INDEX

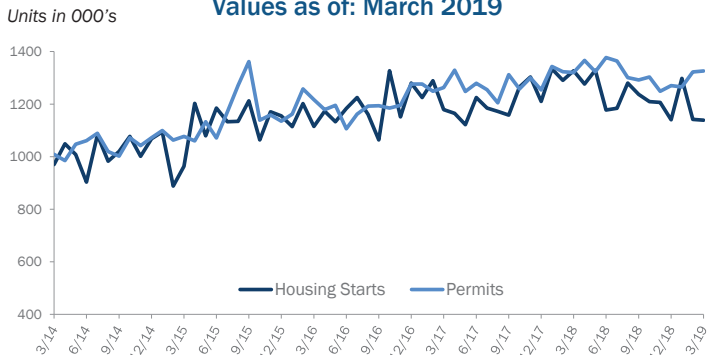
Values as of: March 2019



Source: Federal Reserve Bank

HOUSING STARTS

Units in 000's
Values as of: March 2019



Source: Federal Reserve Bank

PMCF Industrial Distributor Index

Company Name	Headquarters Location	Market Cap.	Enterprise Value	TTM Revenue	TTM Gross Profit	Adjusted EBITDA	TTM Gross Margin	TTM EBITDA Margin	Net Debt/ EBITDA	EV/ Revenue	EV/EBITDA ⁽¹⁾		
												Q1 '19	Q1 '18
<i>\$ in Millions</i>													
Industrial/MRO/Safety													
Fastenal Company	United States	\$18,403	\$18,736	\$5,089	\$2,446	\$1,166	48.1%	22.9%	0.5x	3.8x	16.5x	15.9x	
W.W. Grainger, Inc.	United States	16,733	18,587	11,254	4,352	1,635	38.7%	14.5%	1.2x	1.7x	11.6x	12.9x	
HD Supply Holdings, Inc.	United States	7,404	9,613	6,047	2,375	816	39.3%	13.5%	2.7x	1.6x	11.8x	12.5x	
MSC Industrial Direct Co., Inc.	United States	4,577	5,088	3,321	1,430	527	43.1%	15.9%	1.0x	1.6x	9.7x	12.3x	
Applied Industrial Technologies, Inc.	United States	2,305	3,193	3,488	1,014	331	29.1%	9.5%	2.8x	0.9x	9.8x	13.1x	
MRC Global Inc.	United States	1,477	2,473	4,132	694	202	16.8%	4.9%	4.6x	0.6x	12.4x	17.7x	
Kaman Corporation	United States	1,628	1,903	1,869	549	159	29.3%	8.5%	2.2x	1.0x	11.7x	13.0x	
NOW Inc.	United States	1,514	1,530	3,148	640	129	20.3%	4.1%	0.8x	0.5x	13.4x	NM	
Bossard Holding AG	Switzerland	1,171	1,304	885	280	125	31.7%	14.2%	1.1x	1.5x	10.5x	14.7x	
DXP Enterprises, Inc.	United States	684	886	1,241	340	98	27.4%	7.9%	2.9x	0.7x	9.4x	14.6x	
Median							30.5%	11.5%	1.7x	1.3x	11.7x	13.1x	
Electrical Products													
Arrow Electronics, Inc.	United States	\$6,564	\$9,592	\$29,957	\$3,694	\$1,361	12.3%	4.5%	2.7x	0.3x	7.1x	7.9x	
Avnet, Inc.	United States	4,703	6,184	19,897	2,550	769	12.8%	3.9%	1.8x	0.3x	8.0x	8.6x	
Rexel S.A.	France	3,409	5,703	15,303	3,772	731	24.7%	4.8%	3.2x	0.4x	8.0x	10.2x	
WESCO International, Inc.	United States	2,396	3,535	8,144	1,570	404	19.3%	5.0%	3.3x	0.4x	8.7x	11.2x	
Electrocomponents plc	United Kingdom	3,240	3,423	2,339	1,040	271	44.5%	11.6%	0.7x	1.5x	12.6x	16.8x	
Anixter International Inc.	United States	1,879	3,049	8,545	1,692	405	19.8%	4.7%	3.8x	0.4x	7.8x	9.6x	
Houston Wire & Cable Company	United States	105	175	357	86	17	24.1%	4.7%	NM	0.5x	10.9x	NM	
Median							19.8%	4.7%	3.0x	0.4x	8.0x	9.9x	
Building Products													
CRH plc	Ireland	\$25,081	\$33,554	\$30,673	\$9,931	\$3,831	32.4%	12.5%	2.1x	1.1x	8.8x	9.2x	
Ferguson plc	United Kingdom	14,665	16,543	21,572	6,314	1,711	29.3%	7.9%	1.1x	0.8x	9.7x	12.4x	
Pool Corporation	United States	6,533	7,181	3,010	879	346	29.2%	11.5%	2.4x	2.4x	21.0x	20.7x	
Watsco, Inc.	United States	5,381	5,688	4,551	1,123	386	24.7%	8.5%	0.6x	1.3x	14.4x	17.0x	
Beacon Roofing Supply, Inc.	United States	2,201	5,613	7,021	1,756	493	25.0%	7.0%	6.0x	0.8x	11.3x	14.6x	
Builders FirstSource, Inc.	United States	1,539	3,090	7,656	1,954	487	25.5%	6.4%	3.8x	0.4x	6.6x	10.4x	
Universal Forest Products, Inc.	United States	1,833	2,036	4,510	616	275	13.7%	6.1%	1.2x	0.5x	7.8x	9.1x	
Median							25.5%	7.9%	2.1x	0.8x	9.7x	12.4x	
Chemicals & Gases													
Air Liquide S.A.	France	\$54,384	\$68,932	\$24,057	\$14,581	\$5,680	60.6%	23.6%	2.5x	2.9x	12.4x	11.5x	
Brenntag AG	Germany	7,959	9,955	14,318	2,962	952	20.7%	6.6%	2.5x	0.7x	10.6x	12.1x	
Univar Inc.	United States	3,761	6,007	8,635	1,914	591	22.2%	6.8%	5.3x	0.7x	10.1x	10.9x	
IMCD N.V.	Netherlands	3,994	4,679	2,735	625	237	22.8%	8.7%	2.9x	1.7x	20.1x	18.7x	
Median							22.5%	7.8%	2.7x	1.2x	11.5x	11.8x	
Transportation / Logistics													
C.H. Robinson Worldwide, Inc.	United States	\$11,905	\$12,873	\$16,457	\$1,403	\$1,027	8.5%	6.2%	1.1x	0.8x	12.9x	16.7x	
J.B. Hunt Transport Services, Inc.	United States	11,014	12,160	8,756	1,489	1,130	17.0%	12.9%	1.2x	1.4x	10.9x	13.8x	
Expeditors International of Washington, Inc.	United States	13,044	12,121	8,304	1,071	845	12.9%	10.2%	(1.0x)	1.5x	14.3x	13.6x	
Old Dominion Freight Line, Inc.	United States	11,717	11,572	4,109	1,383	1,086	33.7%	26.4%	(0.2x)	2.9x	11.0x	15.4x	
XPO Logistics, Inc.	United States	5,868	10,152	17,207	2,572	1,522	14.9%	8.8%	4.7x	0.6x	6.7x	13.2x	
Ryder System, Inc.	United States	3,302	9,858	8,685	1,678	2,120	19.3%	24.4%	3.4x	1.2x	4.9x	5.2x	
Knight-Swift Transportation Holdings Inc.	United States	5,654	6,502	5,277	1,385	991	26.2%	18.8%	0.9x	1.2x	6.7x	NM	
Median							17.0%	12.9%	1.1x	1.2x	10.9x	13.7x	
Median							24.7%	8.5%	2.3x	0.9x	10.6x	13.0x	
Mean							26.3%	10.5%	2.2x	1.2x	10.9x	13.0x	

Market capitalizations and total enterprise values as of March 31, 2019; income statement and balance sheet data as of last period reported

(1) Multiple of EBITDA based on EBITDA inclusive of equity income from affiliates

Currency conversions assume historical rate

Source: Capital IQ

Public Company Equity Performance & Trends

VALUATION TRENDS:

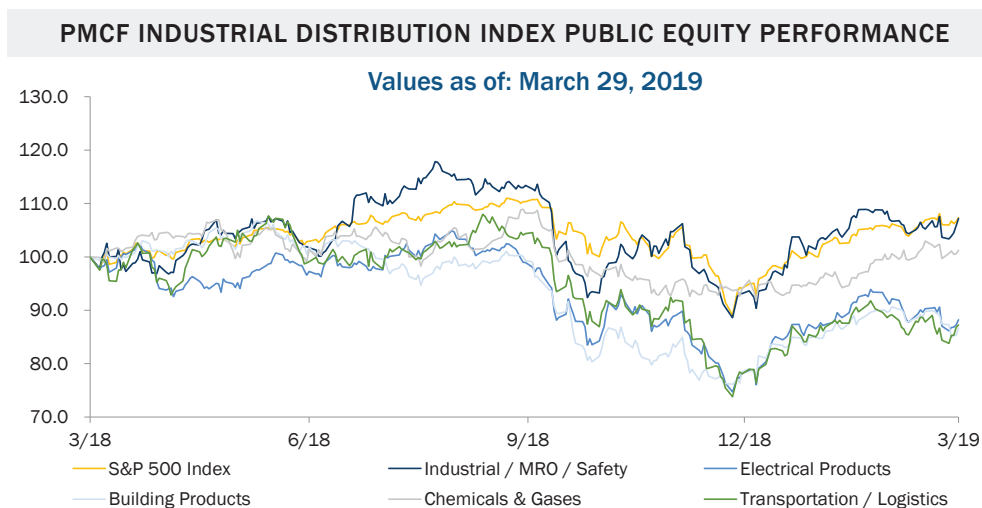
- Overall median EV/EBITDA multiples for the Q1 2019 Industrial Distributor Index decreased from Q1 2018, underscoring concerns over U.S. trade policy and potential economic uncertainty. While multiples for the S&P 500 decreased only 0.1x during Q1, EV/EBITDA multiples of Industrial Distributor companies decreased by ~2.0x. Performance declined across all Industrial Distribution sectors, with the Building Products sector experiencing the largest decline (21.3%), and the Chemicals & Gases sector experiencing the smallest decline (2.8%) in Q1 2019 vis-à-vis Q1 2018.

PMCF INDUSTRIAL DISTRIBUTION INDEX PUBLIC VALUATIONS								
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Revenue Multiple								
Median	1.0x	1.1x	1.1x	1.2x	1.2x	1.2x	0.9x	0.9x
Mean	1.2x	1.4x	1.5x	1.4x	1.3x	1.3x	1.1x	1.2x
EBITDA Multiple⁽¹⁾								
Median	11.4x	12.4x	12.7x	13.0x	13.3x	13.2x	10.0x	10.6x
Mean	12.9x	13.0x	13.2x	13.0x	13.4x	13.0x	10.3x	10.9x

(1) Multiple of EBITDA based on EBITDA inclusive of equity income from affiliates
 Quarterly figures based on the last trading day of each quarter shown
 Source: Capital IQ

EQUITY PERFORMANCE:

- In aggregate, the market capitalization of industrial distributors decreased 5.9% from Q1 2018 to Q1 2019, while the S&P 500 increased 7.3%. The Real Estate, Information Technology, and Utilities sectors drove the increase for the S&P 500, while the Building Products, Transportation / Logistics, and Electrical Products sectors negatively impacted industrial distribution.
- Despite industrial distribution's poor Q1 2019 trailing-twelve-months ("TTM") performance, Q1 2019, as a standalone quarter, registered a 10.5% increase from Q4 2018, reflecting a substantial recovery from the volatile ending to 2018. During the same period, the S&P 500 increased 13.1%, highlighting a resurgence of confidence in the economy.
- Industrial / MRO / Safety distribution companies tracked more in-line with the S&P 500, increasing 7.2% from Q1 2018 to Q1 2019.
- The Transportation / Logistics sector decreased 12.8% from Q1 2018 to Q1 2019. This can be partially explained by the "Amazon Effect" within the sector. Amazon's increasing transportation assets, and public acknowledgement that it competes with "transportation and logistics service" providers has led most analysts to conclude more logistic services will be brought in-house, affecting equities in the space.



Market capitalization indices with mixed currencies are converted into USD using historical spot rates
 Local currency quotes converted to USD using historical spot rates
 Source: Capital IQ

Market Commentary

After a tumultuous end to 2018, markets rebounded in Q1 2019 and economic indicators continue to point towards growth. M&A activity significantly increased during the quarter, spurred by improved trade negotiations with China and improved interest rate expectations. Industry leaders have expressed tentative concerns over slowing economic growth, but remain optimistic for the remainder of 2019.

April 2019: “From a macro standpoint the PMI averaged 55.4 in the first quarter of 2019. This is the lowest level in 9 quarters, which is what is getting a lot of the print, but it does still constitute a healthy level as reflected in continued low to mid-single-digit growth in industrial production. Relatedly, our manufacturing end markets were up 13.4% with recent trends remaining in force. Most sub-verticals that we track are healthy. The main exception being oil and gas, which remained soft. Construction was up 13.1% in the first quarter of 2019. The January comparison was easy, but February and March also continued to grow double digits as a result of healthy markets and strong internal selling energy.”

Holden Lewis, Executive VP & CFO, Fastenal Company

April 2019: “Conditions generally remained solid in the industrial economy, although the last couple of months were softer than we’ve seen in recent quarters. Sentiment indices like the MBI remain in positive territory but have come down from previous levels. The last 2 months’ readings for February and March were identical at 53.6. The rolling 12-month average for the MBI is now 56.2 which is still very healthy. However, a combination of some weather, destocking, softness in automotive and oil and gas and some ripple effects from the prior government shutdown were factors.”

Erik D. Gershwind, President, CEO, & Director, MSC Industrial Direct Co., Inc.

March 2019: “As with all acquisitions, the hard work starts with integration. We’ve had over 100 associates working hard on integrating acquisitions this year. And we’ll incur acquisition and integration costs of \$15 million. But looking through all the short-term pain, what are we doing? We’re building the best plumbing and heating business in this fantastic market which will yield substantial returns in the years ahead.”

John W. Martin, Group Chief Executive & Executive Director, Ferguson plc

March 2019: “In conclusion, we are pleased with our ability to have 9 sequential quarters of increases in quarterly sales per business day. This has included organic sales and acquisition growth, EBITDA margin expansion with room for improvement and significant diluted EPS growth. Momentum has been good, and we look forward to pushing this through the entirety of 2019. DXP is on its path of its financial goals, driving organic and acquisition sales growth, EBITDA margin improvement and EPS increases.”

Kent Yee, Senior VP of Finance, CFO, & Secretary, DXP Enterprises, Inc.

Sources: Company SEC Filings and conference call transcripts

Key Deal Highlights

Geographical Diversification

Purvis Industries Acquires Ready Bearing Supply

On January 4, Purvis Industries (“Purvis”), one of the nation’s largest distributors of bearings and power transmission, announced the acquisition of Texas-based Ready Bearing Supply for an undisclosed amount. Ready Bearing Supply operates as a bearings distributor serving customers in Texas, New Mexico, Arizona, Oklahoma, and Kansas since 1978. The acquisition provides Purvis a key market in West Texas, and further expands its presence in the Southwest US. Cameron Barker, VP of Corporate Operations at Purvis commented, “Purvis Industries is proud to be able to join with a strong independent distributor like Ready Bearing Supply. Like us, they have a long history of solid customer service and strong relationships.”

Distribution Network Expansion

Steel Dynamics Acquires a Majority Interest in United Steel Supply, LLC

On March 1, Steel Dynamics, one of the largest domestic steel producers and metals recyclers, announced the acquisition of 75 percent of the equity interests of Austin, Texas-based United Steel Supply (“USS”) for \$134 million (representative of a 5.0x multiple of USS’ 2018 EBITDA). USS is a distributor of painted and coated flat roll steel coils to the niche regional roll-former market, serving the roofing and siding industry. The acquisition will allow Steel Dynamics to expand its painted Galvalume® distribution network. Steel Dynamics President and CEO, Mark Millett, remarked, “This partnership provides an exciting opportunity to expand our painted Galvalume® distribution network. We look forward to growing with United Steel Supply and to providing our high-quality flat roll steel directly to this important market segment.”

Marketing Group Consolidation

Affiliated Distributors Completes Mergers with The Drake Group and IDI Independent Distributors Inc.

Effective April 1, Affiliated Distributors (“AD”), a member-owned buying / marketing group, announced two mergers with Canadian-based IDI Independent Distributors, Inc. (initially announced on February 12) and Tampa, Florida-based The Drake Group. IDI Independent Distributors, Inc. brings 103 independent industrial Canadian distributors with over 364 locations into the AD family, while the union with The Drake Group brings together two of the largest US gypsum supply buying groups to form the AD Gypsum Supply Division. AD Gypsum Supply now comprises 153 members with 387 locations. The two mergers enhance the group’s private label and redistribution capabilities and endorses AD’s commitment to North American independent industrial distribution.

Platform Investment

Providence Equity Announces Intent to Acquire GlobalTranz Enterprises, Inc.

On April 3, Providence Equity, a global asset management and private equity firm, announced its intent to acquire Scottsdale, Arizona-based GlobalTranz Enterprises, Inc. (“GlobalTranz”) for an undisclosed amount. Previously owned by The Jordan Company, GlobalTranz is a technology company providing cloud-based multi-modal Transportation Management System products to shippers, carriers, and brokers. David Phillips, Managing Director at Providence Equity, commented, “The company is poised for continued success and we are excited to be part of the next stage of the company’s evolution. GlobalTranz is a very strong fit with our model, and we expect to leverage our relationships and resources to help management continue to grow the business.”

Industrial Distribution M&A Activity

\$ in Millions

SELECT INDUSTRIAL DISTRIBUTION TRANSACTIONS

Closed Date	Target	Buyer	Industry Segment	Implied EV	EV/TTM Revenue	EV/TTM EBITDA
Pending	Ulusoy Elektrik Imalat Taahhüt ve Ticaret A.S.	Eaton Capital Unlimited Company	Electrical Products	\$241.8	2.5x	7.7x
Pending	Schäfer Technik GmbH	Rubix Group International Limited	Industrial / MRO / Safety	-	-	-
Pending	GlobalTranz Enterprises, Inc.	Providence Equity Partners LLC	Transportation & Logistics	-	-	-
Pending	Mill-Log Equipment Co., Inc.	Palmer Johnson Power Systems, LLC	Industrial / MRO / Safety	7.5	-	-
Pending	Reliable Bearing Co. Ltd.	Ficodis Inc.	Industrial / MRO / Safety	-	-	-
Pending	HEPAC	Solar A/S	Building Products	-	-	-
Pending	American Lumber Distributors & Brokers, Inc.	Boise Cascade Company	Building Products	-	-	-
Pending	Abcana Industries, Inc.	Hasa, Inc.	Chemicals & Gases	-	-	-
Apr-19	The Drake Group, LLC	Affiliated Distributors, Inc.	Industrial / MRO / Safety	-	-	-
Apr-19	Bailey Lumber & Supply Co.	US LBM Holdings, Inc.	Building Products	-	-	-
Apr-19	Triangle Fastener Corporation	SFS Group AG	Building Products	-	-	-
Apr-19	IDI Independent Distributors Inc.	Affiliated Distributors, Inc.	Industrial / MRO / Safety	-	-	-
Mar-19	Plastics Distribution Business of Nexeo Solutions, Inc.	One Rock Capital Partners, LLC	Chemicals & Gases	-	-	-
Mar-19	TWLC, INC.	Mid-Cape Home Centers	Building Products	-	-	-
Mar-19	Santa Barbara Plumbing Supplies, Ltd.	Capitol Hardware, Inc.	Building Products	-	-	-
Mar-19	Tech Air of Connecticut, Inc.	Airgas, Inc.	Chemicals & Gases	-	-	-
Mar-19	Platinum Tools Inc.	NSi Industries, LLC	Electrical Products	-	-	-
Mar-19	Comfort Air Distributing, Inc.	Munch's Supply LLC	Building Products	-	-	-
Mar-19	West Chester Holdings, Inc.	Protective Industrial Products, Inc.	Industrial / MRO / Safety	-	-	-
Mar-19	Woodward Compressor Sales, Inc.	Atlas Copco Compressors, LLC	Industrial / MRO / Safety	-	-	-
Mar-19	Snake River Supply, Inc.	Purvis Industries Ltd.	Industrial / MRO / Safety	-	-	-
Mar-19	New England Resins & Pigments Corporation	Brenntag AG	Chemicals & Gases	-	-	-
Mar-19	United Steel Supply, LLC	Steel Dynamics, Inc.	Building Products	165.0	-	5.0x
Mar-19	Appleton Compressor Service & Supply, Inc.	Atlas Copco Compressors, LLC	Industrial / MRO / Safety	-	-	-
Mar-19	Whitford Corporation	PPG Industries, Inc.	Industrial / MRO / Safety	-	-	-
Feb-19	Mid-America Fittings, Inc.	Wynnchurch Capital, LLC	Industrial / MRO / Safety	-	-	-
Feb-19	Florida Lifts LLC	Savaria Corporation	Industrial / MRO / Safety	5.6	0.9x	3.7x
Feb-19	Buffalo Abrasives, Inc.	Sak Abrasives Limited	Building Products	-	-	-
Feb-19	Joseph Cory Warehouses, Inc.	J.B. Hunt Transport, Inc.	Transportation & Logistics	100.0	-	-
Feb-19	Scott Logistics Corp.	FLS Transportation Services (USA) Inc.	Transportation & Logistics	-	-	-
Feb-19	Baron Distributors, Inc.	Winsupply Inc.	Industrial / MRO / Safety	-	-	-
Feb-19	Aquion, Inc.	Pentair plc	Fluid Control Products	160.0	-	-
Feb-19	Enviro Water Solutions, Inc.	Pentair plc	Fluid Control Products	120.0	-	-
Feb-19	Filter and Coating Technology, Inc.	Ohio Transmission Corporation	Industrial / MRO / Safety	-	-	-
Feb-19	Quest Building Products Inc.	Jon-Don, Inc.	Building Products	-	-	-
Feb-19	PAC Industries, Inc.	EVI Industries, Inc.	Electrical Products	12.9	-	-
Feb-19	Maskell Pipe and Supply, Inc.	Core & Main LP	Fluid Control Products	-	-	-
Feb-19	ElMako Pty Ltd	Klein Tools, Inc.	Industrial / MRO / Safety	-	-	-
Feb-19	AAC Building Materials	Heritage Landscape Supply Group, Inc.	Building Products	-	-	-
Feb-19	Techniks Tool Group	Z Capital Management LLC	Industrial / MRO / Safety	-	-	-
Feb-19	Kitchen Art Design Center	Ferguson Enterprises, Inc.	Building Products	-	-	-
Feb-19	DCL Fabrication & Supply Inc.	Core & Main LP	Industrial / MRO / Safety	-	-	-
Feb-19	Wood's Logging Supply, Inc.	Bishop Lifting Products, Inc.	Industrial / MRO / Safety	-	-	-
Feb-19	United Pipe & Steel Corp.	Merfish Pipe & Supply, L.P.	Building Products	-	-	-
Feb-19	Industrial Products Company	Endries International, Inc.	Industrial / MRO / Safety	-	-	-
Jan-19	Power Transfer Products, LLC	Valin Corporation	Industrial / MRO / Safety	-	-	-
Jan-19	Smith Fastener Co, Inc.	Motor City Industrial, LLC	Industrial / MRO / Safety	-	-	-
Jan-19	Sherrill, Inc.	Platte River Equity	Industrial / MRO / Safety	-	-	-
Jan-19	SemiTorr Group, Inc.	Transom Capital Group, LLC	Fluid Control Products	-	-	-
Jan-19	Boro Supply Co., Inc.	A&M Industrial Inc.	Industrial / MRO / Safety	-	-	-
Jan-19	Ready Bearing Supply, Inc.	Purvis Industries Ltd.	Industrial / MRO / Safety	-	-	-
Jan-19	KOM Automation, Inc.	Shingle & Gibb Company, Inc.	Industrial / MRO / Safety	-	-	-
Jan-19	Tri-Star Gases LLC	Tech Air of Connecticut, Inc.	Building Products	-	-	-
Median				\$110.0	1.7x	5.0x
Mean				\$102.1	1.7x	5.8x

Sources: Capital IQ, company websites, and proprietary research

Contact Info



DETROIT

Two Towne Square
Suite 425
Southfield, MI 48076
Phone: 248.223.3300



CHICAGO

120 S. Riverside Plaza
Suite 2100
Chicago, Illinois 60606
Phone: 312.602.3600



DENVER

8181 E. Tufts Avenue
Suite 600
Denver, CO 80237
Phone: 720.370.8181

Recent PMCF Awards



2017 M&A ATLAS AWARD WINNER
2017 USA BOUTIQUE INVESTMENT BANK OF THE YEAR

PMCF | INVESTMENT BANKING



2017 M&A ATLAS AWARD WINNER
CORPORATE DEAL OF THE YEAR



2017 M&A ADVISORS AWARD WINNER
INDUSTRIALS DEAL OF THE YEAR



THE M&A ADVISOR INTERNATIONAL M&A AWARDS
CROSS-BORDER M&A DEAL OF THE YEAR
(\$50MM - \$100MM)

AND

CROSS-BORDER CORPORATE AND STRATEGIC
ACQUISITION DEAL OF THE YEAR
(\$10MM - \$25MM)



Two Towne Square
Suite 425
Southfield, MI 48076

This market overview is not an offer to sell or a solicitation of an offer to buy any security. It is not intended to be directed to investors as a basis for making an investment decision. This market overview does not rate or recommend securities of individual companies, nor does it contain sufficient information upon which to make an investment decision.

P&M Corporate Finance, LLC will seek to provide investment banking and/or other services to one or more of the companies mentioned in this market overview.

P&M Corporate Finance, LLC, and/or the analysts who prepared this market update, may own securities of one or more of the companies mentioned in this market overview.

The information provided in this market overview was obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. It is not to be construed as legal, accounting, financial, or investment advice. Information, opinions, and estimates reflect P&M Corporate Finance, LLC's judgment as

of the date of publication and are subject to change without notice. P&M Corporate Finance, LLC undertakes no obligation to notify any recipient of this market overview of any such change.

The charts and graphs used in this market overview have been compiled by P&M Corporate Finance, LLC solely for illustrative purposes. All charts are as of the date of issuance of this market overview, unless otherwise noted.

The PMCF Industrial Distribution Index may not be inclusive of all companies in the industrial distribution industry and is not a composite index of the industrial distribution industry sector returns. Index and sector returns are past performance which is not an indicator of future results.

This market overview is not directed to, or intended for distribution to, any person in any jurisdiction where such distribution would be contrary to law or regulation, or which would subject P&M Corporate Finance, LLC to licensing or registration requirements in such jurisdiction.