

INDUSTRIAL DISTRIBUTOR M&A PULSE

FIRST QUARTER 2020



Q1'20

INSIDE THIS ISSUE

What We're Discussing with Clients	PAGE 3
Q1 2020 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
- Transaction Readiness Planning
- 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



SPIRO PLIAKOS
Analyst
248.603.5378
spiro.pliakos@pmcf.com

SELECT PMCF DISTRIBUTION TRANSACTIONS



What We're Discussing with Clients



1

Developing, adjusting, and pursuing action plans in the face of COVID-19 is of critical importance for every business. Ensuring your business is navigating the crisis is paramount. Prioritizing business action plans, near-term cash management challenges, and go-forward cost structures are means in which PMCF is assisting clients navigating the current economic turmoil.

2

While many M&A transactions have been put on hold until there is greater clarity in the economic outlook post-COVID-19, select transactions are being completed – including acquisitions providing long-term strategic advantages. These transactions require buyers and sellers willing to look past the near-term impact of the pandemic, focusing on the long-term benefits of the transaction.

3

If you are contemplating an exit from your business, and depending on your time horizon, specific actions can be taken to properly prepare for a sale – now is an opportune time to ensure your company and your personal readiness are best positioned to secure a great transaction outcome against the backdrop of any recovery scenario.

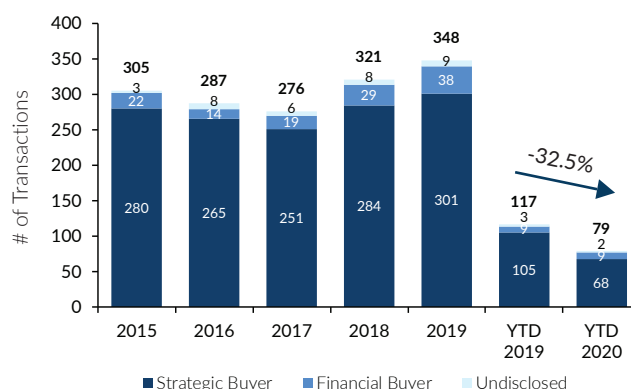
Q1 2020 Market Summary & Outlook

2020 – COVID-19 HEADWINDS

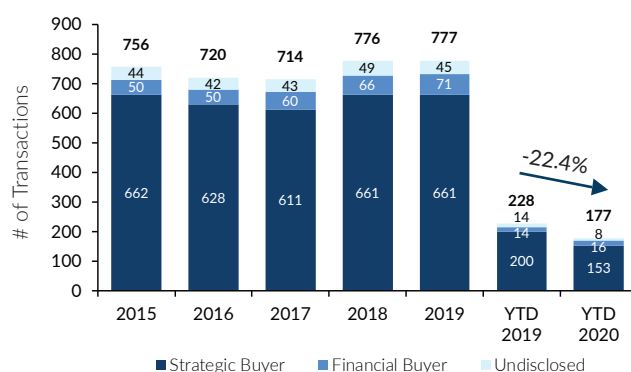
Domestic industrial distribution M&A activity in Q1 2020 lagged behind Q1 2019 levels, decreasing 32.5% to 79 total transactions for the quarter. Global industrial distribution M&A activity also fell short of Q1 2019 levels, decreasing 22.4% to 177 transactions. Global and domestic M&A volumes reflect a market environment that has slowed as the world reacts to the novel coronavirus. Both strategic and private equity acquirers await greater clarity on the long-term impact of the pandemic. Mirroring the low M&A start to the year, public equity valuations decreased to early-2016 levels. S&P 500 valuation multiples decreased from 12.5x EV/EBITDA in Q1 2019 to 11.7x in Q1 2020, while the mean industrial distribution EV/EBITDA decreased to 8.6x in Q1 2020 from 10.9x in Q1 2019.

Manufacturing sector indicators ended in contractionary territory, after some strength in the beginning of the year. The Institute for Supply Management (“ISM”) New Orders Index declined to 42.2 in March 2020, indicating contraction after starting the year in expansionary territory. The ISM Purchasing Managers’ Index decreased to 49.1, down from 50.1 in February 2020 (lowest reading since January 2016). The ISM Production Index decreased to 47.7 in March 2020 after expansionary levels in both January and February 2020. The Chicago Fed Midwest Economy Index, which measures non-farm economic indicators, decreased to -1.0 in March 2020, indicating below-average growth for the Midwest economy. The Consumer Price Index, a measure of inflation, decreased to 258.0 in March 2020 (0.2% decline over December 2019).

US INDUSTRIAL DISTRIBUTION M&A ACTIVITY



GLOBAL INDUSTRIAL DISTRIBUTION M&A ACTIVITY



Sources: Capital IQ, PMCF proprietary research

PMCF PERSPECTIVES: UTILIZING TOOLS TO NAVIGATE THE EFFECTS OF COVID-19

COVID-19 has brought unprecedented uncertainty to businesses globally. The economic impact has been swift and severe, and the long-term impact remains cloudy. Effectively navigating this crisis requires businesses to be nimble; routinely assessing the situation, understanding the tools and programs available for relief, operating to maximize near-term cash flow, focusing on solvency, and adjusting as circumstances change. While the recently approved CARES Act provides some relief for companies that qualify, other measures can be taken to effectively navigate the COVID-19 impact:

- Consistent, direct communication with stakeholders
- Exploring alternate financing options
- Optimizing the cash conversion cycle
- Managing the supply chain
- Leveraging financing facilities
- Identifying downside risks
- Understand exempt business statuses in shelter-in-place states
- Examining variable and fixed costs
- Eliminating non-essential capital investments
- Comprehending business interruption insurance policies

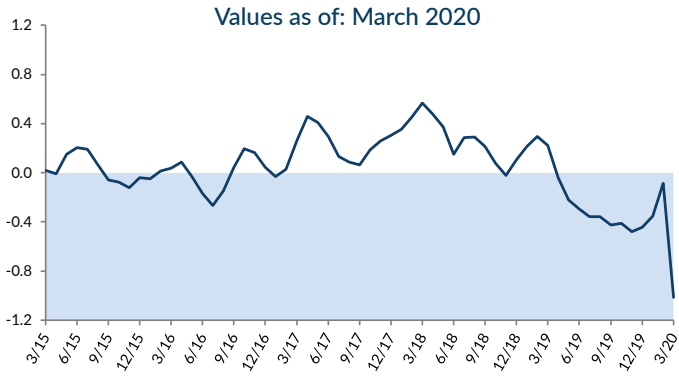
Companies should utilize all available tools, including a combination of the action items above and the CARES Act, to address transparency, efficiency, and optimization issues their businesses face. Open, direct conversations with suppliers, customers, financiers, and shareholders can help minimize financial burdens and communication miscues.

Well-positioned businesses with strong balance sheets are in a unique position. These companies may consider utilizing this time to build and strengthen for the future by pursuing actions to increase market share, either organically or through opportunistic acquisition strategies. Optimizing marketing spend while competitors are cutting back, implementing strategic service line expansions, and pursuing a strategic acquisition may provide outsized benefit and market share capture as the economy returns to normalcy.

There is not a “one-size-fits-all” solution for companies when addressing the current environment; each company must fully understand their market and business processes and implement an action plan that positions them as favorably as possible –that could be a focus on survival or, if positioned well, a focus on growth and market share capture post COVID-19.

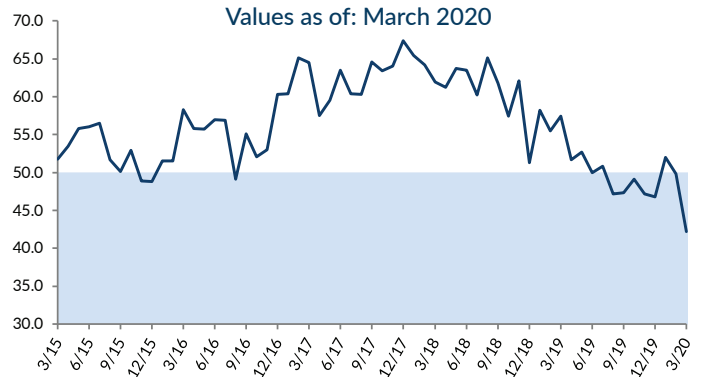
Macroeconomic Trends & Signals

CHICAGO FED MIDWEST ECONOMY INDEX



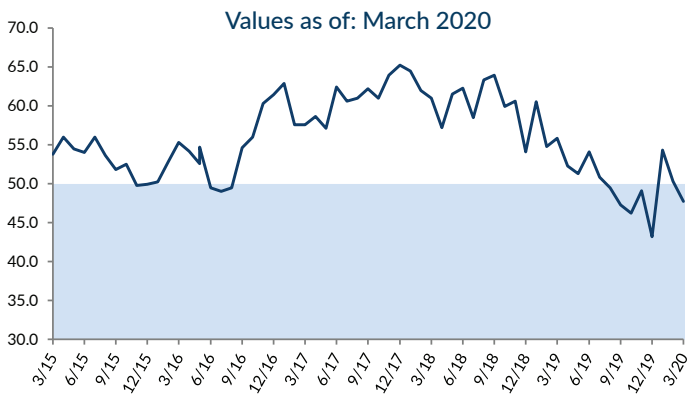
Source: Federal Reserve Bank of Chicago

ISM NEW ORDERS INDEX



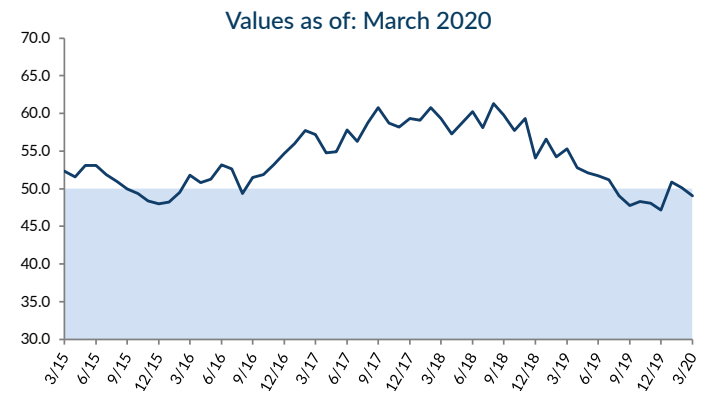
Source: Institute for Supply Management

ISM PRODUCTION INDEX



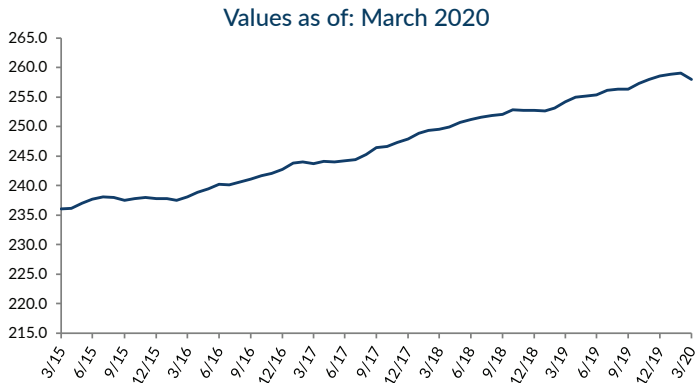
Source: Institute for Supply Management

PURCHASING MANAGERS' INDEX



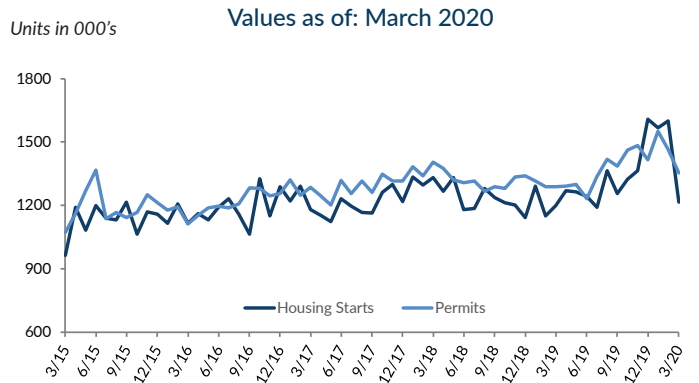
Source: Institute for Supply Management

CONSUMER PRICE INDEX



Source: Federal Reserve Bank of St. Louis

HOUSING STARTS



Source: Federal Reserve Bank of St. Louis

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 '20	Q1 '19
<i>\$ in Millions</i>												
Industrial/MRO/Safety												
Fastenal Company	United States	\$17,950	\$18,366	\$5,334	\$2,515	\$1,205	47.2%	22.6%	0.3x	3.4x	13.5x	16.5x
W.W. Grainger, Inc.	United States	13,338	15,627	11,486	4,397	1,636	38.3%	14.2%	1.3x	1.4x	9.1x	11.6x
HD Supply Holdings, Inc.	United States	4,605	7,160	6,146	2,403	825	39.1%	13.4%	3.1x	1.2x	7.4x	11.8x
MSC Industrial Direct Co., Inc.	United States	3,045	3,488	3,319	1,400	472	42.2%	14.2%	1.5x	1.0x	7.2x	9.7x
Applied Industrial Technologies, Inc.	United States	1,768	2,679	3,458	1,006	323	29.1%	9.3%	2.8x	0.8x	7.8x	9.9x
MRC Global Inc.	United States	350	1,425	3,662	653	178	17.8%	4.9%	4.0x	0.4x	6.5x	12.4x
Bossard Holding AG	Switzerland	894	1,092	905	282	116	31.2%	12.8%	1.7x	1.2x	9.4x	10.5x
Kaman Corporation	United States	1,071	797	762	241	104	31.6%	13.6%	(2.6x)	1.0x	7.3x	11.8x
DXP Enterprises, Inc.	United States	216	467	1,267	347	91	27.4%	7.2%	2.7x	0.4x	4.0x	9.3x
NOW Inc.	United States	564	453	2,951	586	86	19.9%	2.9%	(1.3x)	0.2x	3.6x	13.4x
Median							31.4%	13.1%	1.6x	1.0x	7.3x	11.7x
Electrical Products												
Arrow Electronics, Inc.	United States	\$4,183	\$7,228	\$28,917	\$3,298	\$1,026	11.4%	3.5%	2.9x	0.2x	6.4x	7.1x
Rexel S.A.	France	2,252	5,524	15,422	3,860	806	25.0%	5.2%	4.1x	0.4x	5.6x	8.0x
Anixter International Inc.	United States	2,988	4,250	8,846	1,776	436	20.1%	4.9%	2.9x	0.5x	7.9x	7.7x
Avnet, Inc.	United States	2,506	4,000	18,545	2,289	615	12.3%	3.3%	2.4x	0.2x	5.6x	8.0x
Electrocomponents plc	United Kingdom	2,867	3,142	2,400	1,060	263	44.2%	11.0%	1.0x	1.3x	11.4x	12.9x
WESCO International, Inc.	United States	957	2,343	8,359	1,581	402	18.9%	4.8%	3.5x	0.3x	4.7x	8.7x
Houston Wire & Cable Company	United States	36	132	338	80	12	23.6%	3.6%	NM	0.4x	7.5x	10.9x
Median							20.1%	4.8%	2.9x	0.4x	6.4x	8.0x
Building Products												
CRH plc	Ireland	\$21,425	\$29,477	\$28,200	\$9,302	\$4,169	33.0%	14.8%	1.8x	1.1x	6.6x	8.8x
Ferguson plc	United Kingdom	14,062	17,273	22,129	6,510	1,804	29.4%	8.2%	1.9x	0.8x	9.5x	9.7x
Pool Corporation	United States	7,921	8,583	3,200	925	370	28.9%	11.6%	1.8x	2.7x	19.3x	21.0x
Watsco, Inc.	United States	5,536	6,122	4,770	1,157	382	24.3%	8.0%	0.8x	1.3x	12.8x	14.4x
Beacon Roofing Supply, Inc.	United States	1,138	4,676	7,059	1,712	423	24.2%	6.0%	7.4x	0.7x	11.1x	11.3x
Builders FirstSource, Inc.	United States	1,420	2,996	7,280	1,977	492	27.2%	6.8%	3.2x	0.4x	5.1x	6.6x
UFP Industries, Inc.	United States	2,297	2,368	4,416	686	313	15.5%	7.1%	0.2x	0.5x	6.9x	7.8x
Median							27.2%	8.0%	1.8x	0.8x	9.5x	9.7x
Chemicals & Gases												
Air Liquide S.A.	France	\$60,412	\$76,015	\$24,599	\$15,449	\$6,079	62.8%	24.7%	2.5x	3.2x	12.2x	12.4x
Brenntag AG	Germany	5,744	8,069	14,389	3,078	978	21.4%	6.8%	2.4x	0.6x	7.5x	10.6x
IMCD N.V.	Netherlands	3,734	4,542	3,035	689	251	22.7%	8.3%	3.3x	1.5x	17.2x	20.1x
Univar Solutions Inc.	United States	1,810	4,380	9,287	2,153	582	23.2%	6.3%	4.7x	0.5x	6.6x	10.1x
Median							22.9%	7.5%	2.9x	1.1x	9.8x	11.5x
Transportation / Logistics												
Old Dominion Freight Line, Inc.	United States	\$15,692	\$15,400	\$4,109	\$1,394	\$1,072	33.9%	26.1%	(0.3x)	3.7x	14.2x	11.0x
XPO Logistics, Inc.	United States	4,502	11,854	16,648	2,669	1,617	16.0%	9.7%	4.4x	0.7x	4.7x	6.6x
J.B. Hunt Transport Services, Inc.	United States	9,800	11,186	9,165	1,637	1,256	17.9%	13.7%	1.1x	1.2x	8.6x	10.9x
Expeditors International of Washington, Inc.	United States	11,208	10,372	8,175	1,048	818	12.8%	10.0%	(1.0x)	1.3x	11.2x	14.3x
C.H. Robinson Worldwide, Inc.	United States	8,695	9,803	15,310	1,288	873	8.4%	5.7%	1.3x	0.6x	10.3x	13.0x
Ryder System, Inc.	United States	1,381	9,456	8,926	1,594	2,171	17.9%	24.3%	3.7x	1.1x	4.2x	4.9x
Knight-Swift Transportation Holdings Inc.	United States	5,569	6,506	4,844	1,286	897	26.6%	18.5%	1.0x	1.3x	6.4x	6.7x
Median							17.9%	13.7%	1.1x	1.2x	8.6x	10.9x
Median							24.3%	8.3%	2.1x	0.8x	7.5x	10.6x
Mean							26.4%	10.5%	2.1x	1.1x	8.6x	10.9x

Market capitalizations and total enterprise values as of March 31, 2020; income statement and balance sheet data as of last period reported

(1) Multiple of EBITDA based on EBITDA inclusive of equity income from affiliates. Reflects stock market valuations

Currency conversions assume historical rate

Source: Capital IQ

Public Company Equity Performance & Trends

VALUATION TRENDS:

- Median public equity EV/EBITDA multiples decreased in the Q1 2020 Industrial Distributor Index compared to Q1 2019, as investor confidence decreased due to the novel coronavirus pandemic and concerns over a near-term recession increasing. Mean EBITDA multiples for both S&P 500 and industrial distribution companies decreased year-over-year, decreasing 0.8x and 2.3x, respectively. Median EBITDA multiples decreased across all industrial distribution sectors, with the Industrial / MRO / Safety sector seeing the largest decrease of 4.4x, from 11.7x in Q1 2019 to 7.3x in Q1 2020.

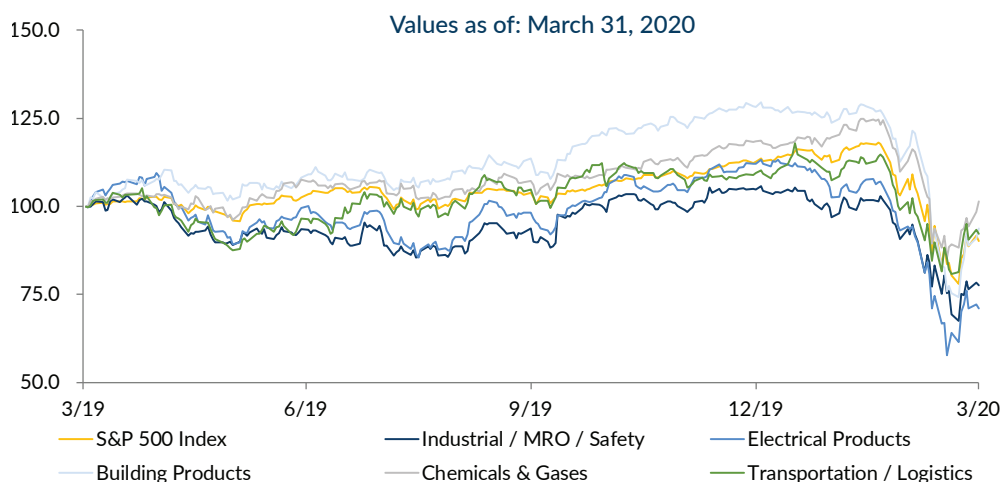
PMCF INDUSTRIAL DISTRIBUTION INDEX PUBLIC VALUATIONS								
	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Revenue Multiple								
Median	1.2x	1.2x	0.9x	0.9x	0.9x	0.9x	0.9x	0.8x
Mean	1.3x	1.3x	1.1x	1.2x	1.2x	1.2x	1.3x	1.1x
EBITDA Multiple⁽¹⁾								
Median	13.5x	13.3x	10.0x	10.6x	10.5x	10.1x	10.2x	7.5x
Mean	14.4x	13.5x	10.3x	10.9x	11.3x	10.6x	10.8x	8.6x

(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:

- Industrial distributor market capitalization decreased 12.8% from Q1 2019 to Q1 2020, with four out of five sectors decreasing by at least 6.0% year-over-year. S&P 500 market capitalization decreased 9.9% over the same period, attributed to the debilitating effects of novel coronavirus spreading throughout the market.
- The Chemical and Gases sector was the only industrial distribution sector to see its market capitalization increase. The sector's market capitalization increased by 1.4% from Q1 2019 to Q1 2020, as a result of the contribution of Air Liquide S.A. to the market-weighted index. All other index constituents showed a decline between Q1 2019 and Q1 2020. The sector's essential-to-modern-life products maintained a strong value chain position, buoying sector performance in the face of a broad market downturn.
- Overall, industrial distributor public equity performance in Q1 2020 fell as the Industrial / MRO / Safety, Electrical Products, Building Products, and Transportation & Logistics sectors decreased 22.4%, 29.0%, 6.3%, and 7.9%, respectively. This is attributed to a decreased demand for products as governments attempt to mitigate the spread of the novel coronavirus.

PMCF INDUSTRIAL DISTRIBUTION INDEX PUBLIC EQUITY PERFORMANCE



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

Market performance slumped in Q1 2020 after a strong ending to Q4 2019. The market was negatively affected by coronavirus market effects, which brought about social and business restrictions and sweeping market pessimism. Industrial distribution M&A, in turn, also felt these effects in Q1 2020. In spite of this difficult environment, companies have quickly streamlined operations and remain optimistic for the remainder of 2020.

March 2020: “We remain committed to a long-term mid-single digit sales growth target, both on a combined basis and by individual company. However, due to the uncertainty created by the coronavirus and its disruption on economic activity, we will not be providing 2020 guidance at this time. To date, we have not seen a reduction in demand within our Facilities Maintenance end markets including hospitality. But given the severity of the crisis, this can change quickly.”

Evan J. Levitt, Senior Vice President, CFO & CAO, HD Supply Facilities Maintenance

April 2020: “Given that we are providing essential services to many organizations on the frontlines of the response to COVID-19, we do not have any plans at this time to shut down our customer fulfillment centers. However, we will, of course, follow the guidance of health officials and we are in close contact with them across our operating footprint. In terms of end markets, the weakness in industrial demand brought in further with pockets of softness in areas like automotive, heavy truck, oil and gas, and agriculture. Aerospace has also weakened due to the Boeing developments and the building concerns around COVID-19.”

Erik Gershwind, CEO, MSC Industrial Direct Co.

April 2020: “Obviously, our commentary on this quarter and the balance of this year will be disrupted by the impact of the COVID-19 situation in many ways. Please be advised that senior management across the company meets via conference twice daily on all macro issues relating to staffing, human resources, safety and customer dynamics to stay very current and agile. We clearly cannot predict the timing or depth of the coming cycles, but by covering this data frequently, we do get a sense for direction and potential magnitude of change.”

John Roberts, CEO, J.B. Hunt Transport Services, Inc.

April 2020: “We have both a sales organization and a sourcing organization that is based in China, and it was back in January that we learned firsthand from our teams in China, from our leaders in China about COVID-19. At that point in time, we started to lock down and monitor specific SKUs as we had a goal in mind, and that was to maintain a great and reliable supply chain for our customers. Later in the week of March 15, we expanded our employee benefits program to specifically address COVID-19 issues and expand our paid days off.”

Dan Florness, President & CEO, Fastenal Company

Sources: Company SEC Filings and conference call transcripts

Key Deal Highlights

Regional Expansion

Imperial Dade acquires
American Paper & Plastics

On January 8, Imperial Dade, a distributor of disposable foodservice and janitorial supplies, acquired California-based American Paper & Plastics (“APP”) for an undisclosed amount. APP is a distributor of foodservice and janitorial products. The acquisition strengthens Imperial Dade’s presence in California and enhances the company’s differentiated value proposition to customers in the region. Robert Tillis, CEO of Imperial Dade, commented, “APP’s strong reputation and track record of outstanding customer service make the company a great addition to the Imperial Dade family.”

Platform Investment

The Stephens Group acquires
Kele, Inc.

On February 25, The Stephens Group acquired Tennessee-based Kele, Inc., a distributor of building automation peripherals and controls solutions, for an undisclosed amount. Clay Hunter, Managing Director of The Stephens Group, commented, “We’ve been searching for the ideal platform to capitalize on long-term systemic trends toward automation in all areas. Kele is a well-recognized and critical supply partner to the fragmented building automation industry. We have tracked the business for over a decade, and the opportunity arose to partner with this team as a result of this highly targeted approach.”

End Market Expansion

Blackhawk Industrial acquires
Machine Tools Supply

On February 3, Blackhawk Industrial, an Oklahoma-based distributor of metalworking, industrial, MROP, and packaging supplies, acquired California-based Machine Tools Supply (“MTS”), a cutting tools distributor and industrial vending service provider, for an undisclosed amount. With this acquisition, Blackhawk Industrial expanded its service capabilities to large manufacturing markets, gaining 248 MTS associates across seven facilities and multiple customer sites. John Mark, CEO of BlackHawk, commented, “The addition of the MTS team bolsters our ‘Big Enough to Serve – Small Enough to Care’ service model and reinforces our unique position in the market.”

Product Line Expansion

Ohio Transmission Corporation
acquires Laron, Inc.

On January 22, Ohio Transmission Corporation (“OTC”), an industrial equipment service provider and distributor, acquired Arizona-based Laron, Inc., a provider of mechanical and electrical motor repair and engineering solutions to the US Southwest. With this acquisition, Laron will operate as a division of OTP Industrial Solutions, providing Laron with access to OTP’s product and service offerings and resources. Matt Piatt, COO of OTC, said, “This acquisition is an important part of our rapidly evolving repair and engineering services capabilities.”

Industrial Distribution M&A Activity

SELECT INDUSTRIAL DISTRIBUTION TRANSACTIONS

\$ in Millions

Closed Date	Target	Buyer	Industry Segment	Implied EV	EV/TTM Revenue	EV/TTM EBITDA
Pending	Hertz Equipment Rental Co.,Ltd.	Guangxi Liugong Machinery Co., Ltd.	Industrial / MRO / Safety	\$40	-	-
Pending	Lansing Building Products, Inc.	Markel Ventures, Inc.	Building Products	-	-	-
Pending	H.I.S. Hose Pty Ltd.	Coventry Group Ltd	Fluid Control Products	3	0.4x	4.3x
Pending	Newman Loss Prevention Inc.	INEO Tech Corp.	Electrical Products	0	-	-
Pending	Paper Business of ChemSystems Pty Ltd	Solenis International LLC	Chemicals & Gases	-	-	-
Pending	Sandbäcken Utveckling AB	Litorina Capital Advisors AB; Bragnum Invest AB	Industrial / MRO / Safety	-	-	-
Pending	Distribution Business of Harvey Building Products	Lansing Building Products, Inc.	Building Products	-	-	-
Pending	Wiesecker Werkzeugvermietung E. K., Inh. Udo Heinrich	Kiloutou Deutschland GmbH	Industrial / MRO / Safety	-	-	-
Pending	Columbia Pipe & Supply Co.	Ferguson plc	Industrial / MRO / Safety	-	-	-
Pending	Nathan Holding B.V.	NIBE Industrier AB	Industrial / MRO / Safety	-	-	-
Pending	Anixter International Inc.	WESCO International, Inc.	Electrical Products	4,486	0.5x	8.5x
Pending	Primaflow Limited	Newbury Investments (UK) Limited	Industrial / MRO / Safety	57	-	-
Pending	Stemcor Global Holdings Limited	Cedar Holdings Group Co., Ltd.	Industrial / MRO / Safety	-	-	-
Mar-20	Lizzy Lift, Inc.	BigRentz, Inc.	Industrial / MRO / Safety	-	-	-
Mar-20	Thermoflex S.A.	Groupe Guillin S.A.	Industrial / MRO / Safety	-	-	-
Mar-20	U Plastics Ltd	Brickability Group Plc	Industrial / MRO / Safety	8	0.8x	-
Mar-20	R&B Company LLC	Core & Main LP	Fluid Control Products	-	-	-
Mar-20	Diamond Hardwoods & Architectural Products, Inc.	Hardwoods Specialty Products US LP	Building Products	3	0.5x	-
Mar-20	ASAP Industrial Supply, Inc.	Winsupply Inc.	Building Products	-	-	-
Mar-20	Nortronic As	Indutrade AB	Electrical Products	-	-	-
Mar-20	Abrasive Products & Equipment, LLC	Marco Group International, Inc.	Industrial / MRO / Safety	-	-	-
Mar-20	Joe Picco & Associates, Inc.	Unified Door And Hardware Group LLC	Building Products	-	-	-
Mar-20	Kellstrom Defense Aerospace, Inc.	Aero Precision Holdings LP	Industrial / MRO / Safety	-	-	-
Mar-20	HC Quality Doors, LLC	The Cook & Boardman Group, LLC	Building Products	-	-	-
Mar-20	Harrington Industrial Plastics LLC	Nautic Partners, LLC	Fluid Control Products	-	-	-
Feb-20	Pit N Portal Mining Services Pty Ltd	Emeco Holdings Limited	Industrial / MRO / Safety	47	0.7x	3.6x
Feb-20	Kele, Inc.	The Stephens Group, LLC	Electrical Products	-	-	-
Feb-20	Homewood Holdings LLC	American Construction Source LLC	Building Products	-	-	-
Feb-20	Acces Industrie	Equistone Partners Europe	Industrial / MRO / Safety	-	-	-
Feb-20	Cole Supply Company, Inc.	Individual FoodService	Industrial / MRO / Safety	-	-	-
Feb-20	Valco Equipment Ltd.	Leppo Inc.	Industrial / MRO / Safety	-	-	-
Feb-20	Jarl Elmgren AB	NORRES Schlauchtechnik GmbH	Fluid Control Products	-	-	-
Feb-20	Liftech Equipment Companies, Inc	Alta Equipment Group Inc.	Industrial / MRO / Safety	-	-	-
Feb-20	FlaglerCE Holdings, LLC	Alta Equipment Group Inc.	Industrial / MRO / Safety	-	-	-
Feb-20	Agile Sourcing Partners, Inc.	Post Capital Partners LLC	Industrial / MRO / Safety	-	-	-
Feb-20	CP Company	The W.W. Williams Company	Industrial / MRO / Safety	-	-	-
Feb-20	J&S Tool Company, Inc.	BlackHawk Industrial Distribution, Inc.	Industrial / MRO / Safety	-	-	-
Feb-20	Winsupply of Daytona Beach, FL Co.	Winsupply Inc.	Fluid Control Products	-	-	-
Jan-20	MT Supply, Inc.	BlackHawk Industrial Distribution, Inc.	Industrial / MRO / Safety	28	-	-
Jan-20	Hub Construction Specialties, Inc.	Construction Supply Holdings, LLC	Industrial / MRO / Safety	-	-	-
Jan-20	VarioDrive Aandrijf- en Besturingstechniek B.V.	Indutrade AB	Building Products	-	-	-
Jan-20	Generator Source, LLC	Regent Square Capital LLC; Galtney Partners	Industrial / MRO / Safety	-	-	-
Jan-20	Laron Incorporated	Ohio Transmission Corporation	Industrial / MRO / Safety	-	-	-
Jan-20	Assets of Midwest Wholesale Material Co., Inc.	ABC Supply Co., Inc.	Building Products	-	-	-
Jan-20	Flow-Tech, Inc.	Cross Company	Fluid Control Products	-	-	-
Jan-20	Hydra Flow West Inc.	Atlas Copco AB	Fluid Control Products	-	-	-
Jan-20	SEC Scandinavia A/S	Relais Group Oyj	Electrical Products	1	0.5x	5.7x
Jan-20	Lubricant Business of Commercial Distributing Inc.	PetroChoice Holdings, Inc.	Industrial / MRO / Safety	-	-	-
Jan-20	NorthPoint Technical Services ULC	Wajax Corporation	Industrial / MRO / Safety	14	0.4x	-
Jan-20	APP Inc.	BCPE Empire Holdings, Inc.	Industrial / MRO / Safety	-	-	-
Jan-20	Assets of Rosen Supply Company, Inc.	Winsupply Inc.	Industrial / MRO / Safety	-	-	-
Jan-20	Thermaltek Inc.	Kanthal Corporation	Industrial / MRO / Safety	-	-	-
Jan-20	Wagner Supply Co., Inc.	BCPE Empire Holdings, Inc.	Industrial / MRO / Safety	-	-	-
Median				\$13.8	0.5x	5.0x
Mean				\$426.0	0.5x	5.5x

Sources: Capital IQ, company websites, and PMCF 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



2019 MiBiz DEAL OF THE YEAR WINNER
MANUFACTURING DEAL OF THE YEAR

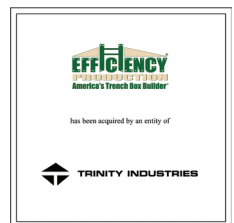


2019 M&A ADVISORS AWARD FINALIST
BOUTIQUE INVESTMENT BANK OF THE YEAR

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.