

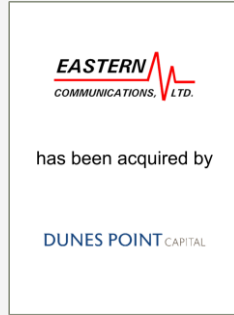


Specialty Distribution Sector Brief

Harris Williams | Q2 2025

Harris Williams Activity

Harris Williams Transaction Spotlight



Company Background

Eastern Communications is a leading national distributor and technical service provider of mission-critical communication devices and network infrastructure primarily for public safety applications.

Successful Outcome

The transaction delivered a successful outcome for Eastern Communications. Dunes Point Capital's acquisition will enable Eastern to continue to scale its dealer and customer network.

Harris Williams served as financial advisor to Eastern Communications in this transaction. Please see link below for more details.

<https://www.harriswilliams.com/transactions/adq-eastern-communications-acquired-by-dunes-point-capital-m&a-deal>

Harris Williams Transaction Spotlight



Company Background

alphabroder is a leading supply chain partner for blank and decorated apparel and hard goods in North America for a variety of purposes including uniforms, corporate apparel, promotional products, and athletics.

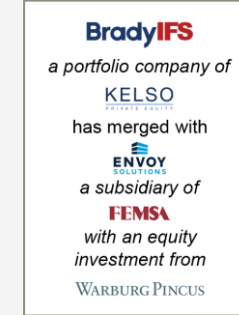
Successful Outcome

The transaction delivered a successful outcome for alphabroder and Littlejohn. S&S Activewear's acquisition will enable them to provide customers with a greater choice of products and access to an enhanced portfolio of premium brands across apparel and branded categories.

Harris Williams served as financial advisor to alphabroder, a portfolio company of Littlejohn, in this transaction. Please see link below for more details.

<https://www.harriswilliams.com/transactions/alphabroder-acquired-by-s&s-activewear-m&a-deal>

Harris Williams Transaction Spotlight



Company Background

BradyIFS is a leading distributor of foodservice disposables and janitorial and sanitation products in North America. The company sources, manages, and distributes a broad range of products in segments including education, healthcare, hospitality, restaurants, building services, and more.

Successful Outcome

The transaction delivered a successful outcome for BradyIFS and Kelso & Company. The combination of BradyIFS and Envoy will result in one of the most balanced providers of foodservice disposables and JanSan products in the country and expand BradyIFS's reach into industrial packaging.

Harris Williams served as financial advisor to BradyIFS, a portfolio company of Kelso & Company, in this transaction. Please see link below for more details.

<https://www.harriswilliams.com/transactions/m-and-a-deals-bradyifs-merging-with-envoy-solutions>

What We're Reading

In this industry update, we have included a collection of articles focused on a variety of trends that the Harris Williams team is seeing from market participants. There is an increasing push toward automation and AI within distribution given rising supply chain costs in an uncertain macroeconomic and geopolitical environment.

Revolutionizing Global Supply Chains with Agentic AI

EY

“Enter ‘agentic AI’ – the latest advancement in artificial intelligence (AI) that enables autonomous decision-making and task execution, unlocking capabilities such as proactive inventory management and ultimately boosting efficiency and resilience in supply chain operations... Agentic AI operates independently, identifying needs and executing processes seamlessly.”

Read the full article [here](#).

Supply Chain Turmoil Is Shifting U.S. Imports from Coast to Coast

The Wall Street Journal

“The recent shifts in shipping volumes show how retailers and manufacturers may turn to battle-tested playbooks as the Trump administration prepares to slap new tariffs on some of the U.S.’s biggest trading partners. The levies threaten to drive up costs and unravel the complex webs of suppliers and transportation networks companies use to bring their goods to market.”

Read the full article [here](#).

Why Supply Chain Resiliency Begins with Real-Time Data

Forbes

“If supply chain executives have learned anything over the past five years, it’s that things can change quickly—and significantly. In this environment, the need for an agile and efficient supply chain to both safeguard against disruption and insulate against pricing pressures has never been more critical.”

Read the full article [here](#).

Prologis Says Trade War Will Boost Demand for U.S. Warehouse Space

The Wall Street Journal

“The world’s largest industrial real-estate giant said the escalating global trade war will spur demand for U.S. storage space as companies stockpile inventory close to consumers. Prologis said its customers... have been rushing in merchandise, rerouting shipments and taking on overflow storage space as they seek to get ahead of President Trump’s new tariffs.”

Read the full article [here](#).

New NAW & MDM Research Shows Tariffs’ Growing Impact on Supply Chain



MDM

“The survey indicates that one-third of distributors are already facing price hikes of 25% or more. Though these increases haven’t hit store shelves yet, it’s an indication of where prices are headed... Survey results highlight nearly two-thirds (62%) of distributors expect their cost of goods sold to rise by 10% or more in 2025... Distributors are slowing inventory replenishment (48%), delaying new hiring (44%), cutting capital investments (37%), and reducing discretionary spending (60%).”

Read the full article [here](#).

Harris Williams Specialty Distribution Experience

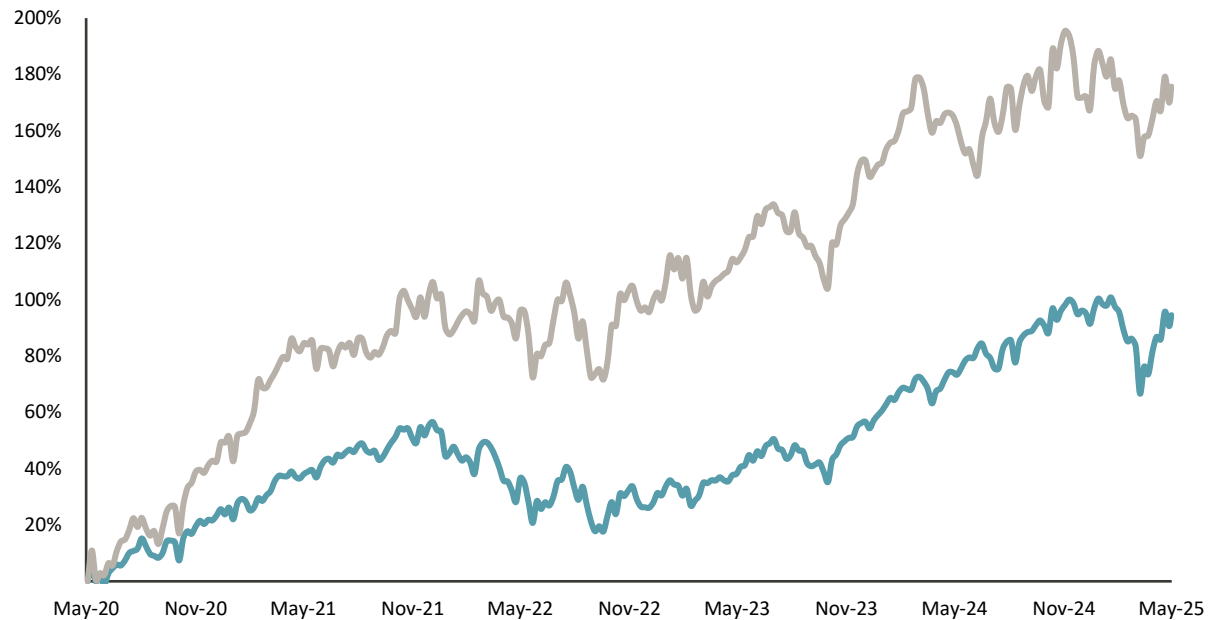
Select Specialty Distribution Experience

 <p>has been acquired by</p> 	 <p>a portfolio company of LITTLEJOHN & Co.</p> <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>a portfolio company of KELSO</p> <p>has merged with</p>  <p>a subsidiary of FEMSA</p> <p>with an equity investment from WARBURG PINCUS</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has received an investment from</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 
 <p>a portfolio company of PATRICIA INDUSTRIES</p> <p>has acquired</p>  <p>a portfolio company of Ridgmont EQUITY PARTNERS™</p>	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p> <p>Platinum Equity™</p> <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>a portfolio company of KELSO</p>	 <p>a portfolio company of</p>  <p>has received an investment from</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 
 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p> <p>THE JORDAN COMPANY</p> <p>has been acquired by</p> 	 <p>has been recapitalized by</p> 	 <p>in partnership with Markel Ventures</p>  <p>has acquired the distribution business of</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	

Specialty Distribution Public Company Performance and Trends

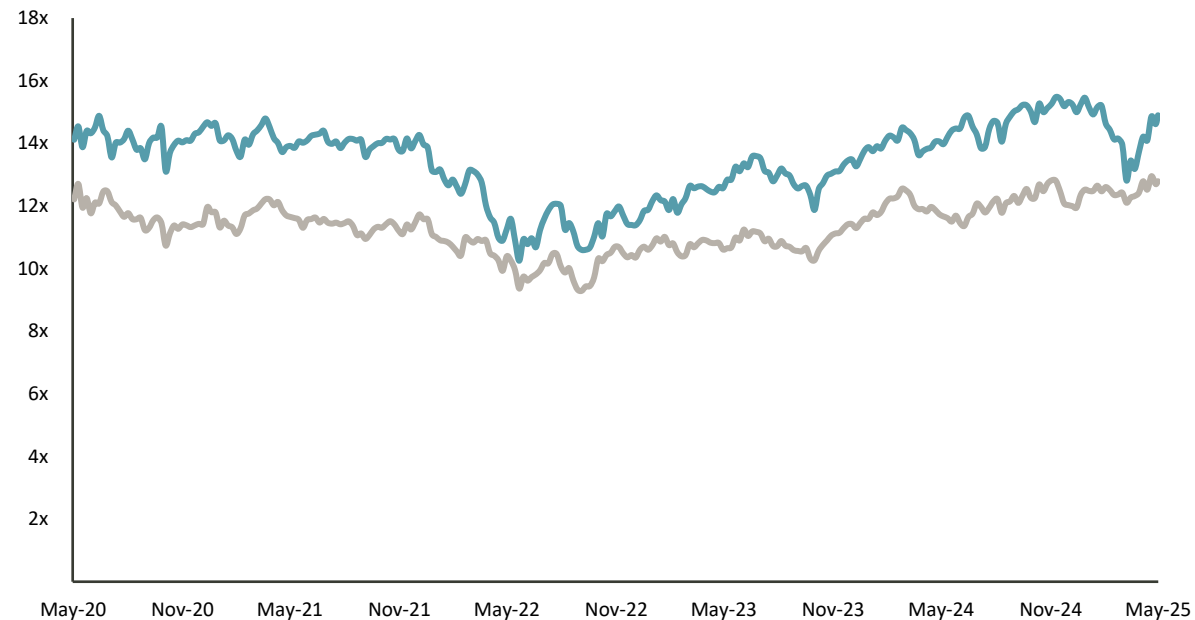
Historical Stock Prices – Last 5 Years^{1,2}

Indexed Stock Price Performance for the Period May 2020 – May 2025



Historical Median TEV / NTM EBITDA Multiples – Last 5 Years^{1,2}

Median TEV/NTM EBITDA Multiples for the Period May 2020 – May 2025



— S&P 500 Index — Specialty Distribution Index

Representative Key Public Comparables²

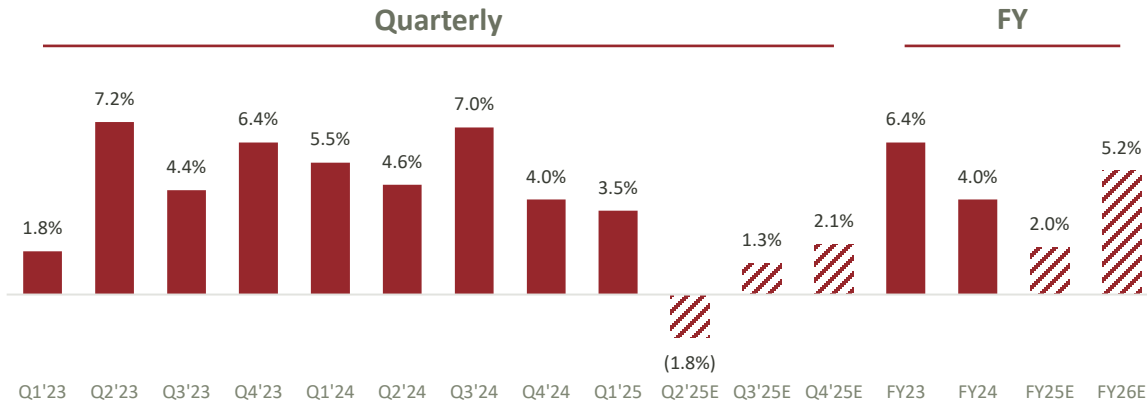


Specialty Distribution Public Company Revenue Trends

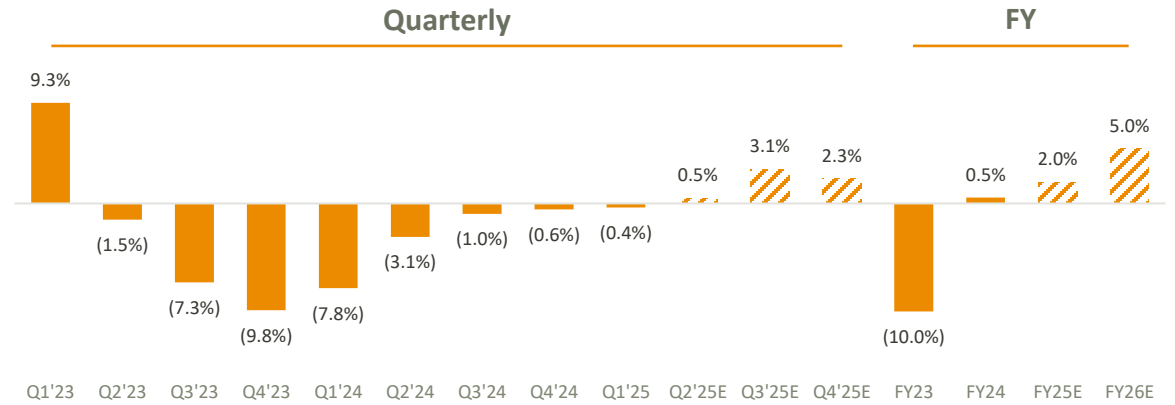
Rolling Quarterly LTM YoY Sales and Full Year Sales^{1,2}

YoY Sales for the Period January 2023 – Fiscal Year 2026

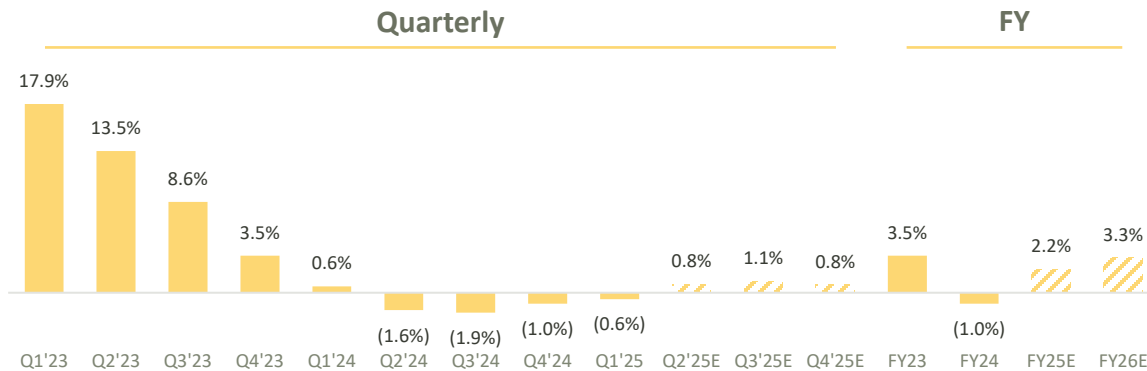
Automotive & Heavy-Duty Aftermarket



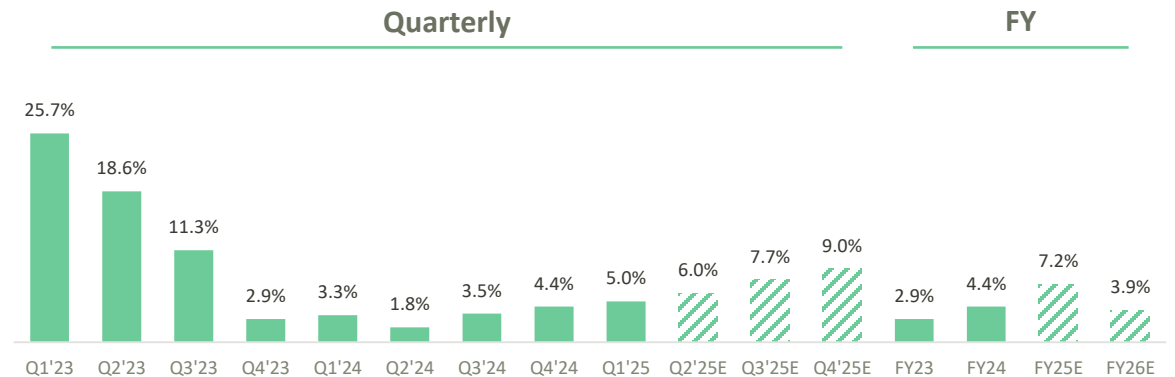
Building & Construction Products



Electrical



Foodservice

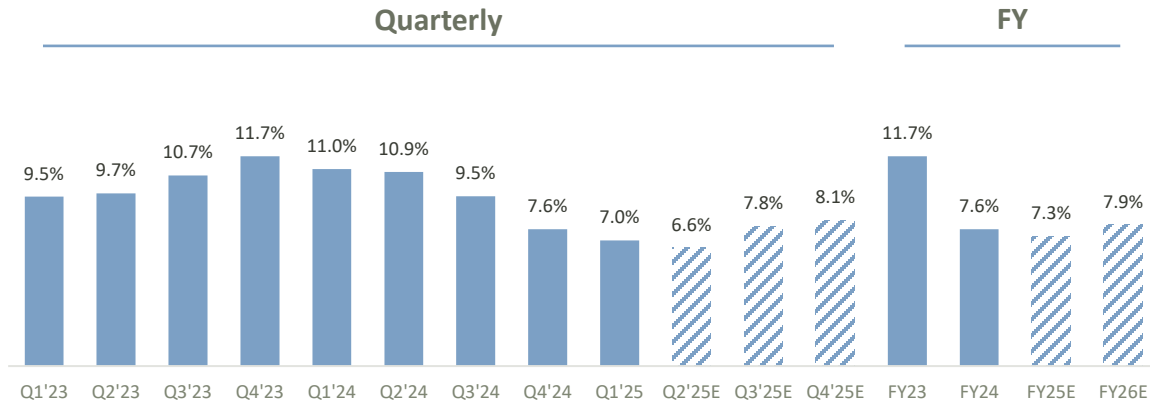


Specialty Distribution Public Company Revenue Trends (Cont.)

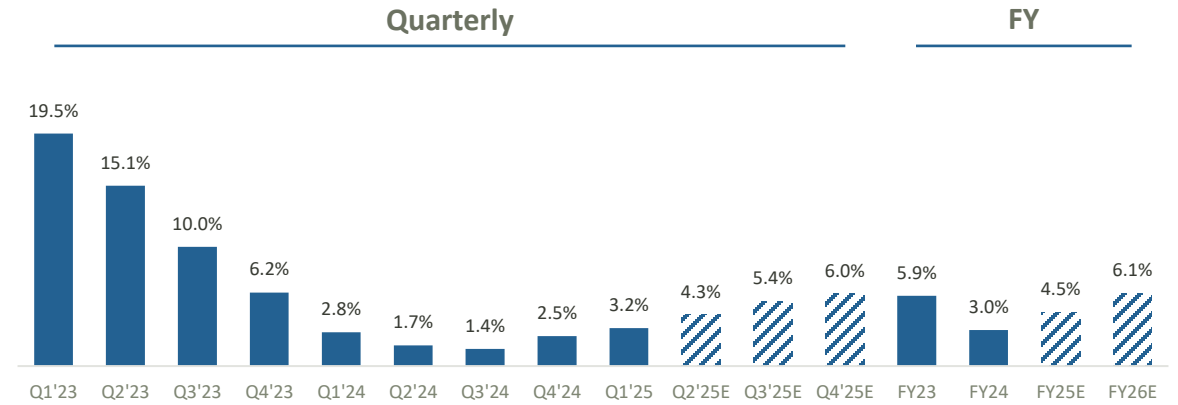
Rolling Quarterly LTM YoY Sales and Full Year Sales^{1,2}

YoY Sales for the Period January 2023 – Fiscal Year 2026

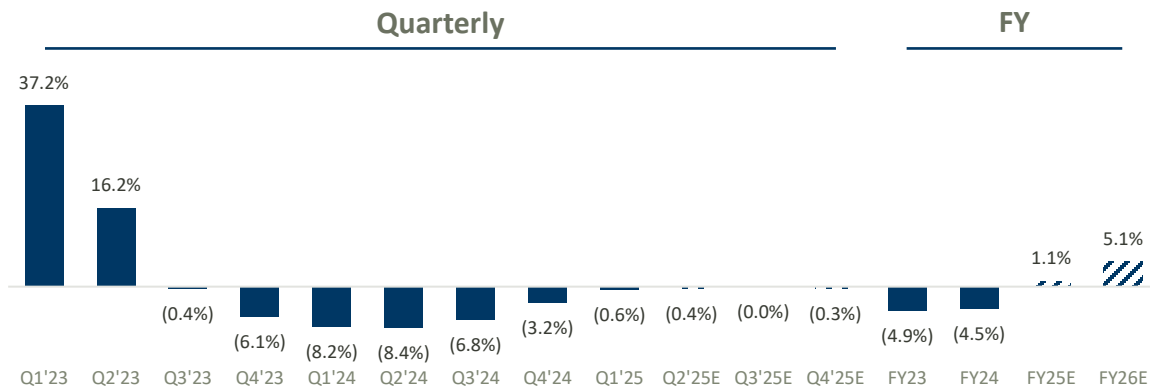
Healthcare



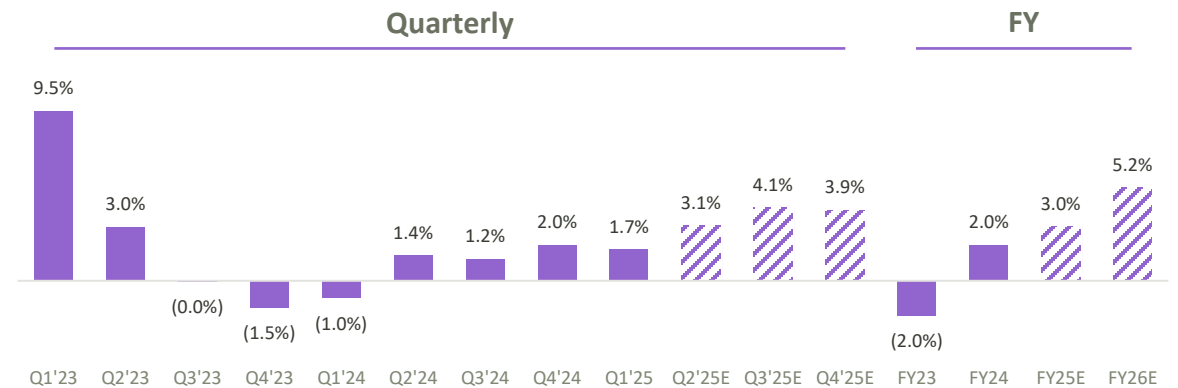
Industrial



Technology

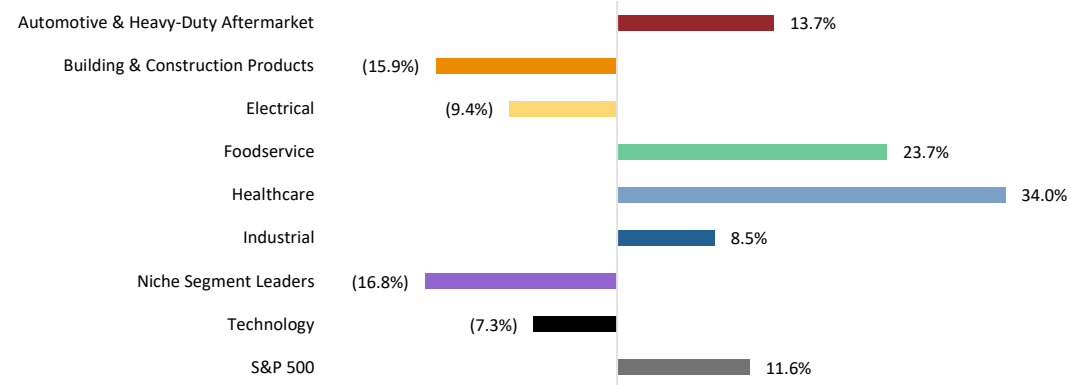


Niche Segment Leaders

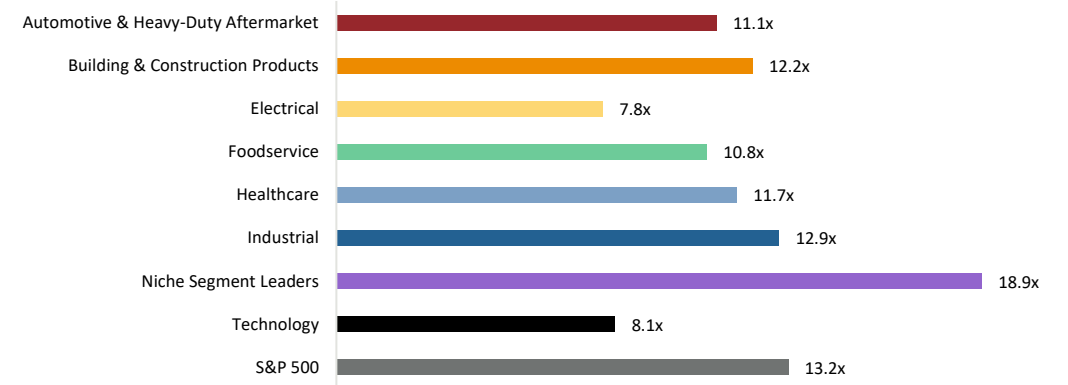


Specialty Distribution Public Company Performance and Trends

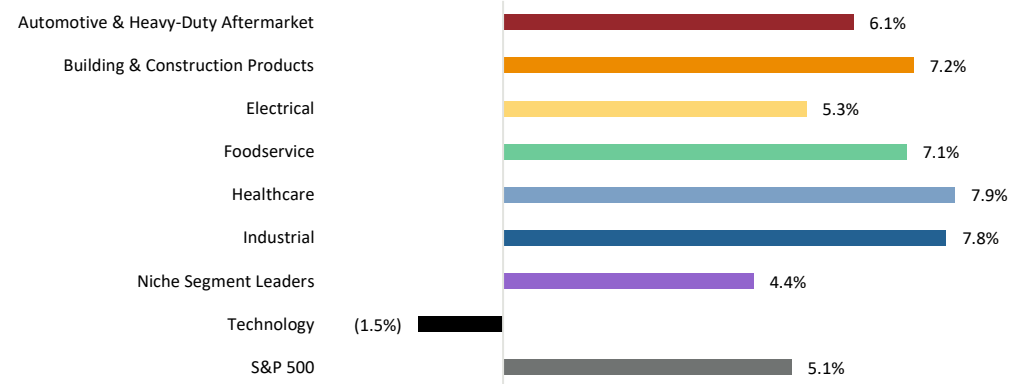
12-Month Change in Stock Price^{1,2}



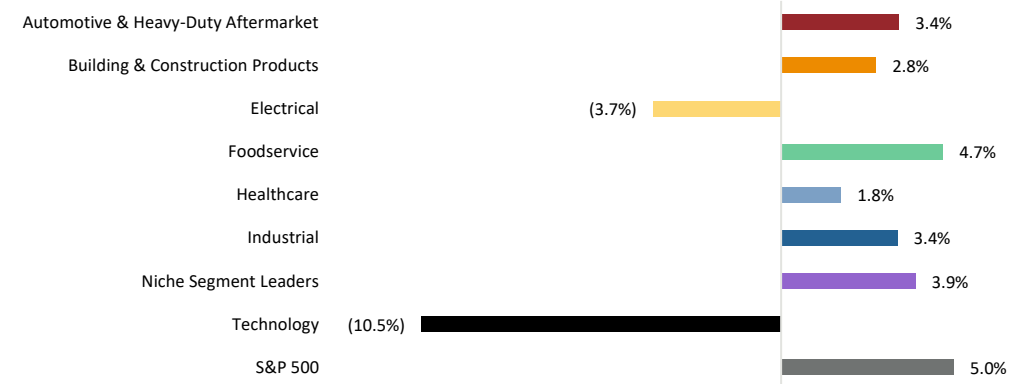
Median TEV / 2025E EBITDA Multiple^{1,2}



Median Revenue CAGR (2021 — 2025 YTD)^{1,2}

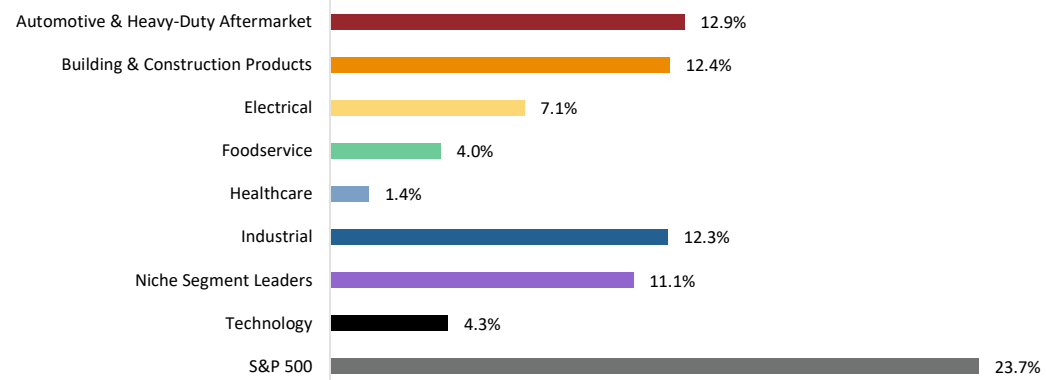


Median LTM Revenue Growth^{1,2}

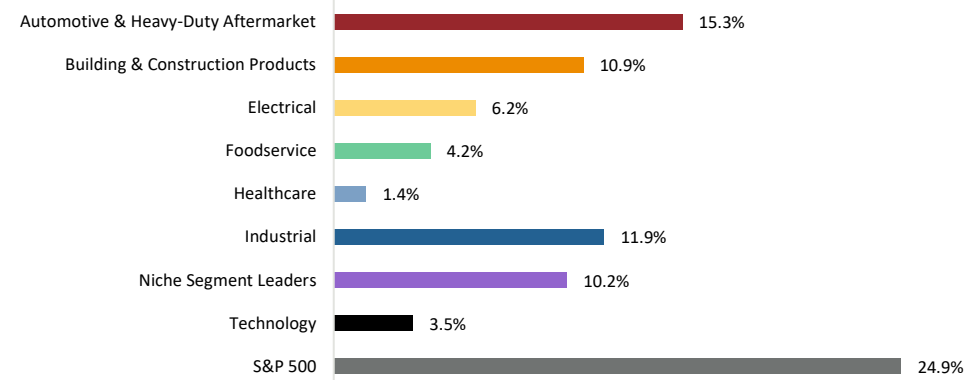


Specialty Distribution Public Company Performance and Trends (Cont.)

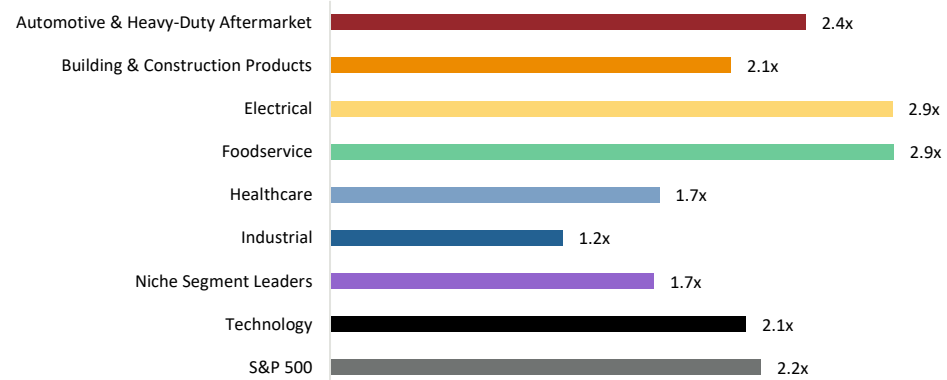
Median EBITDA Margin (2021 — 2025 YTD)^{1,2}



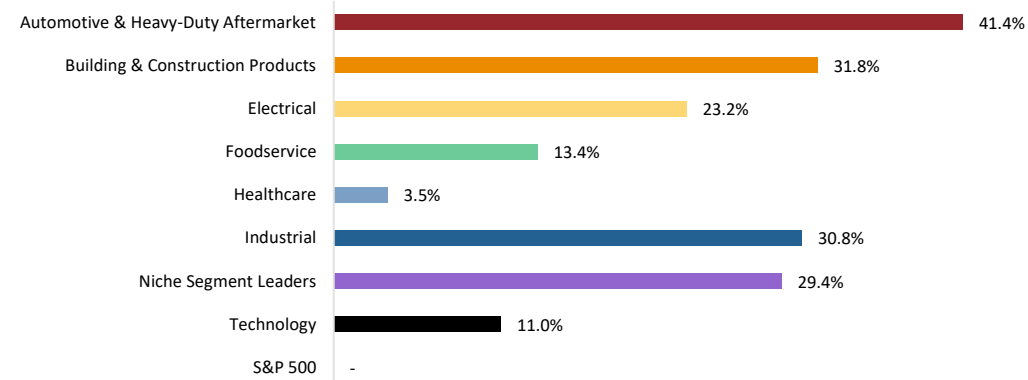
Median LTM EBITDA Margin^{1,2}



Net Debt / LTM EBITDA^{1,2}

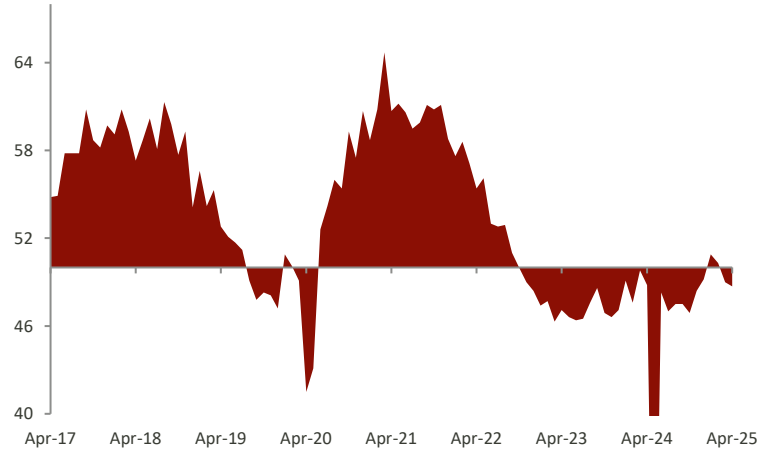


Median LTM Gross Margin^{1,2}

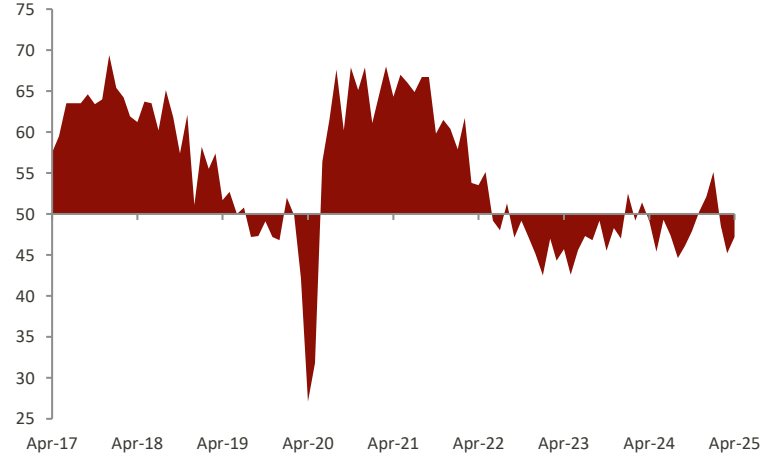


Economic Trends

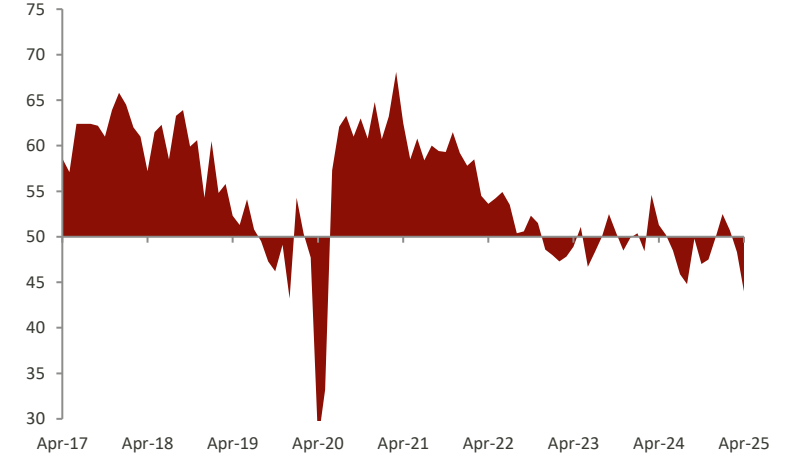
PMI Index¹



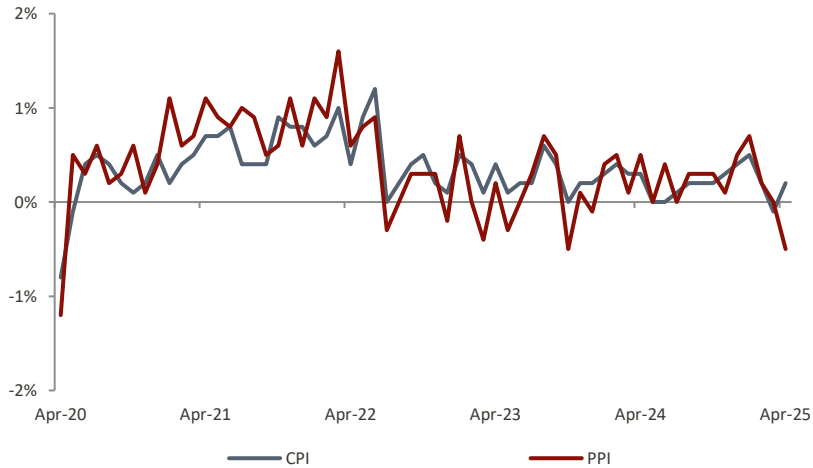
ISM New Orders Index¹



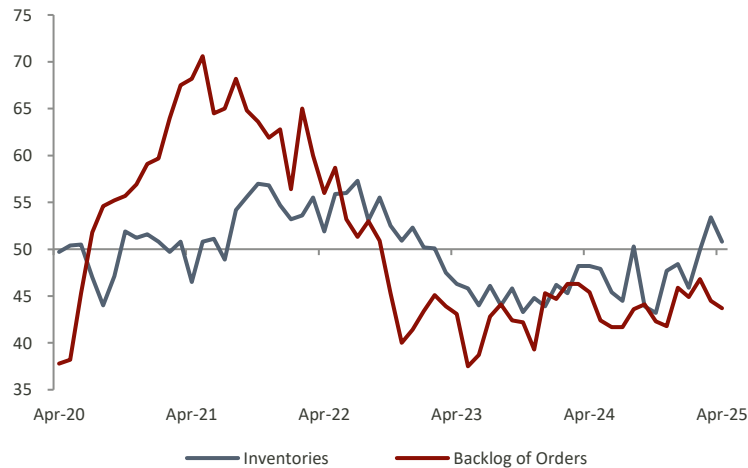
Production Index¹



CPI & PPI Index (% Change)²



Manufacturing Inventories & Backlog¹



Durable Goods New Orders³



Recent Specialty Distribution Transactions Detail

Date	Target	Business Description	Acquirer(s)
05/12/25	Jek's Finer Foods	Distributor of food products	US Foods (NYSE: USFD)
05/02/25	Garrett Hewitt International	Distributor of plastic and glass containers and other cosmetic packaging solutions	Novvia Group (Kelso & Company)
04/15/25	Applied Adhesives	Supplier of adhesive solutions for the packaging, product assembly, paper converting, and automotive industries	Bertram Capital
04/15/25	Artisan Design Group	Provider of design, distribution, and installation services for flooring, cabinets, and countertops	Lowe's (NYSE: LOW)
04/04/25	Astic Signals Defenses	Supplier of radio frequency and infrared shielding solutions	Lockmasters (Dominus Capital)
03/19/25	Beacon Roofing Supply, Inc. (NASDAQ: BECN)	Distributor of residential and commercial roofing and building products	QXO, Inc. (NASDAQ: QXO)
03/18/25	Potter Associates	Distributor of hydraulics, gaskets, valves, fittings, and other components	TIPCO Technologies (Platte River Equity)
03/10/25	Oxygen Service Company	Distributor of packaged gases and welding supplies	Merit Gas Partners (AEA Small Business Fund)
03/03/25	Kris-Con	Distributor of specialized construction materials and equipment rentals	White Cap (Clayton, Dubilier & Rice)
03/03/25	Brozelco	Distributor of industrial automation solutions	Galco Industrial Electronics (Freeman Spogli)
02/25/25	Wheeler Fleet Solutions	Distributor of parts and engineering solutions serving the medium and heavy-duty fleet market	One Equity Partners
02/24/25	Athens Janitor Supply	Distributor of janitorial supplies, equipment, and services	Imperial Dade (Bain Capital and Advent International)
02/10/25	R&B Wholesale Distributors	Distributor of major home appliances with an emphasis on kitchen and laundry products	Platinum Equity LLC
02/06/25	Goodrich Brothers	Distributor of millwork, stairways, interior and exterior doors, and windows	US LBM (Bain Capital)
02/04/25	Walker Lumber & Supply	Distributor of building products for residential and commercial builders	US LBM (Bain Capital)
02/03/25	Building Controls & Solutions	Distributor of building automation solutions, providing a wide range of products and services	Platte River Equity
01/28/25	Air Filtration Company	Distributor and manufacturer of air filter products and accessories	Rensa Filtration (Audax)
01/14/25	S. Freedman & Sons, Inc.	Distributor of cleaning supplies, paper products, packaging supplies, and printed materials	Imperial Dade (Bain Capital and Advent International)
01/09/25	Irwin Industrial	Distributor of electronic components, hardware, and fasteners in Canada	AFC Industries (Bertram Capital)
01/09/25	Detroit Pump & Manufacturing Co.	Distributor of process pumping and fluid handling equipment for municipalities and manufacturers	Tencarva Machinery (Bessemer Investors)
01/09/25	Glaspack	Distributor of rigid packaging solutions, specializing in the wine, beer, and food sectors in Europe	TricorBraun (Ares & Ontario Teachers' Pension Plan)
01/09/25	Euroglas	Distributor of rigid packaging solutions, specializing in glass packaging for the food, beverage, and spirit industries	TricorBraun (Ares & Ontario Teachers' Pension Plan)
01/02/25	Tessman Seed Company	Distributor of pest control, turf and ornamental, public health, and vegetation management products	Veseris (AEA Investors)

Business Services Coverage Areas

- › Commercial & Industrial Services
- › IT Services
- › Professional & Tech-Enabled Services
- › Specialty Distribution Services

Specialty Distribution Coverage Areas

- › Automotive
- › Building Products
- › Consumer
- › Foodservice
- › Healthcare
- › Industrials
- › Specialty Chemicals
- › Technology

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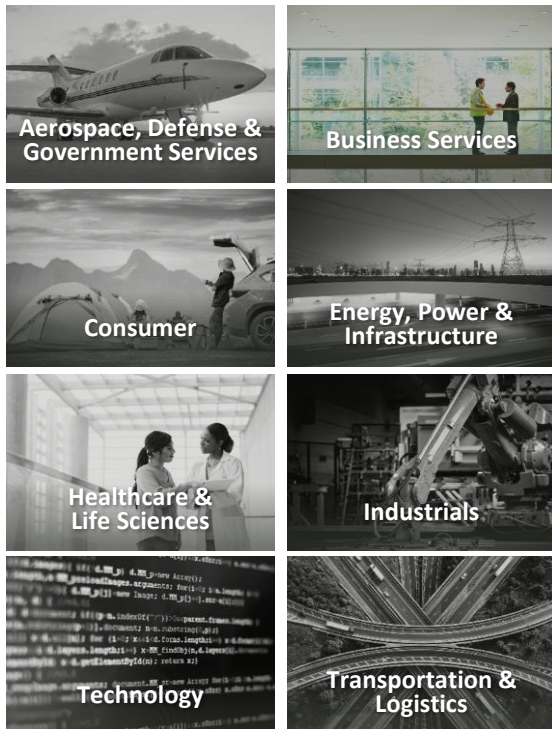
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Proven Expertise

MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT

Core Values That Drive Success



75% Revenue from repeat clients
 87% Managing Directors promoted from within
 30+ Year history

Sources

Public Comparable Companies:

Automotive & Heavy-Duty Aftermarket: Advanced AutoParts, AutoZone, Dorman Products, Genuine Parts Company, LQK, O'Reilly Automotive

Building & Construction Products: Builder's FirstSource, Ferguson, GMS, SPX Technologies

Electrical: Rexel, Wesco

Foodservice: Bunzl, Performance Food Group, Sysco, United Natural Foods, US Foods

Healthcare: Cardinal Health, Cencora, Henry Schein

Industrial: Applied Industrial Technologies, Core & Main, DXP Enterprises, Fastenal, W.W. Grainger, MRC Global, MSC Industrial Direct, NOW

Niche Segments: Pool Corporation, SiteOne Landscape Supply, Watsco

Technology: Avnet, Scansource, TD Synnex

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