



Specialty Distribution Industry Update

Harris Williams | Q4 2022

Harris Williams Specialty Distribution Experience

Harris Williams Client Spotlight



a portfolio company of



has been acquired by



September 16, 2022

Company Background

D&H United Fueling Solutions is the leading supplier of both petroleum fueling and EV charging system equipment, installation, and service.

Successful Outcome

The transaction delivered a successful outcome for D&H United Fueling Solutions and KLH Capital. The investment will allow D&H to continue to add new territories, grow its technician base, and enhance its scope of services.

Harris Williams served as financial advisor to D&H United Fueling Solutions, a portfolio company of KLH Capital, in this transaction.

Harris Williams Client Spotlight



a portfolio company of



has received an investment from



June 16, 2022

Company Background

Imperial Dade is a leading distributor of foodservice packaging, facilities maintenance supplies, and equipment in North America.

Successful Outcome

The transaction delivered a successful outcome for Imperial Dade and Bain Capital Private Equity. The investment will allow Imperial Dade to continue to grow and thrive in its next chapter.

Harris Williams served as financial advisor to Imperial Dade, a portfolio company of Bain Capital Private Equity, in this transaction.

Select Specialty Distribution Experience

 a portfolio company of has been acquired by 	 a portfolio company of has received an investment from 	 a portfolio company of has been acquired by 	 has been acquired by a portfolio company of 	 a portfolio company of has been acquired by
 a portfolio company of has acquired a portfolio company of 	 a portfolio company of has been acquired by 	 a portfolio company of has been acquired by 	 a portfolio company of has been acquired by 	 has been acquired by
 a portfolio company of has been acquired by 	 a portfolio company of has been acquired by 	 a portfolio company of has been acquired by a portfolio company of 	 a portfolio company of has received an investment from 	 a portfolio company of has been acquired by
 a portfolio company of has been acquired by 	 a portfolio company of THE JORDAN COMPANY has been acquired by 	 has acquired a division of 	 in partnership with Markel Ventures has acquired the distribution business of 	 a portfolio company of BLUE SEA CAPITAL has been acquired by

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. Value-added services remains a core component of specialty distribution, and acquisitions are a top priority as companies look for growth and expansion opportunities. Implementing automation and supply chain strategies will also expedite the industry's growth as distribution companies look to create more agile processes and reduce human capital for repetitive functions.

Competing and Winning With Value-Added Services

Distribution Strategy Group

"As channels evolve, distributors face growing competition from pure digital players like marketplaces. As a result, distributors must master digital competencies. However, it's in value-added services where they can truly differentiate."

Read the full article [here](#).

Major Industry Players Still on the Acquisition Hunt

Industrial Distribution

"The quickest way to add scale in the distribution sector is to buy up another company's operations. So it should be no surprise that, as the industry consolidates, many of its largest players remain on the hunt for potential acquisitions."

Read the full article [here](#).

Wholesale Distribution Trends: Distribution Disrupted

Deloitte

"The wholesale distribution industry is at an inflection point of rapidly changing business fundamentals. To turn the inflection point into an advantage, distributors should have a framework for action."

Read the full article [here](#).

Building Resiliency and Innovation in Supply Chain Strategy

Forbes

"Agility and resilience need to become the focus of our manufacturing and distribution process. Resilience is our ability to recover quickly. Think of a marathon runner in training — her ability to recover after a long run and get started the next day again is resilience. Agility is the ability to respond quickly and nimbly to changing conditions. Together, agility and resilience are much more strategic characteristics to embed into your supply chain management (SCM) strategy, such as those below."

Read the full article [here](#).

Automation: Make It Easier for Employees to Say Yes

Modern Distribution Management

"Distributors are still only scratching the surface of automation's potential. Aside from the tangible, physical tasks in the warehouse, there are so many tasks within different departments of a distributor where automation can be applied — including sales, customer service, accounts payable, eCommerce, rebate management, pricing — that enable staff in those areas to focus on more high-value tasks."

Read the full article [here](#).

Recent Harris Williams Industry Content

- **Imperial Dade: A Private Equity Growth Story**



[Link to Read](#)

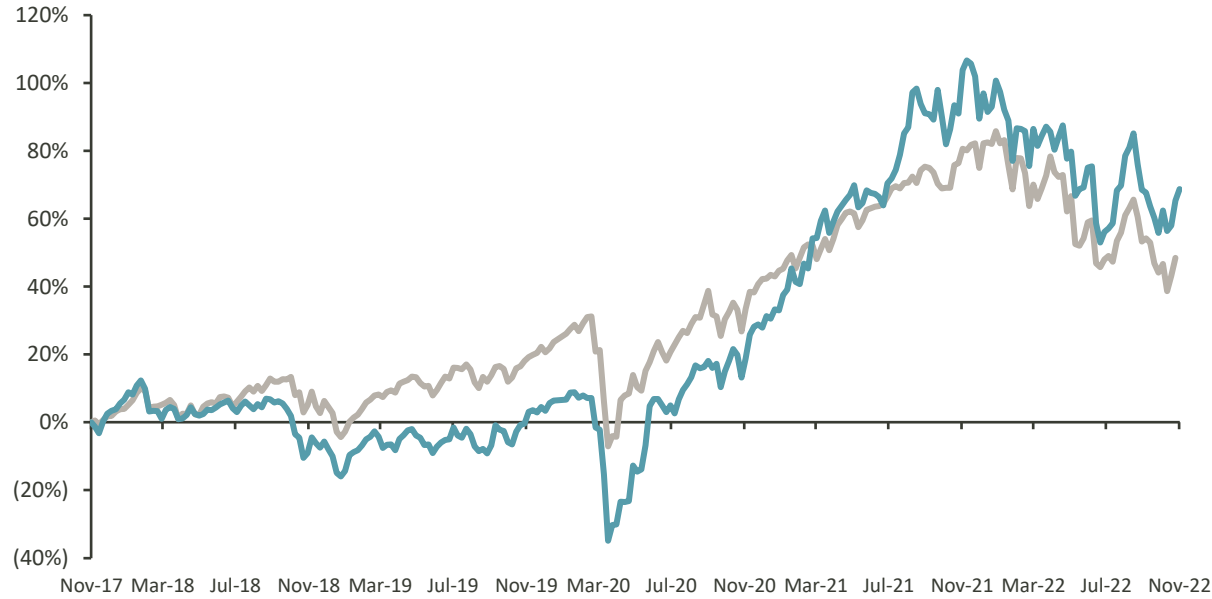
"Imperial Dade has achieved significant growth organically and via acquisition, evolving into a world-class specialty distribution business and leader in its industry. It represents a success story for its multiple private equity partners over the years, exemplifying the value-creation and growth private equity can help unlock."

"Imperial Dade has continuously demonstrated the ability to unlock operating leverage from acquired businesses. It also began its network and optimization strategy that will continue to yield substantial operating advantages."

Specialty Distribution Public Company Performance and Trends

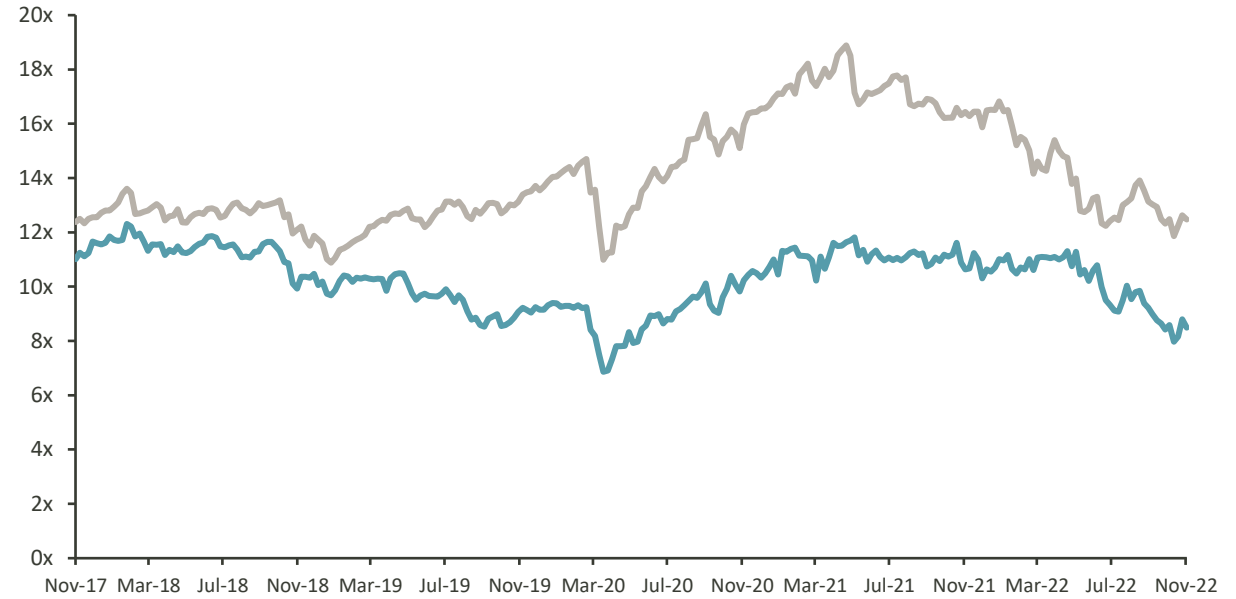
Historical Stock Prices – Last 5 Years^{1,2}

Indexed stock price performance for the period November 2017-November 2022



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

Indexed stock price performance for the period November 2017-November 2022



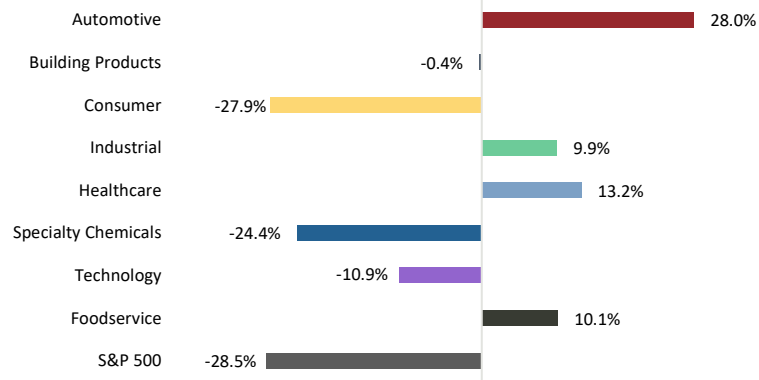
— Specialty Distribution Index — S&P 500 Index

Representative Key Public Comparables²

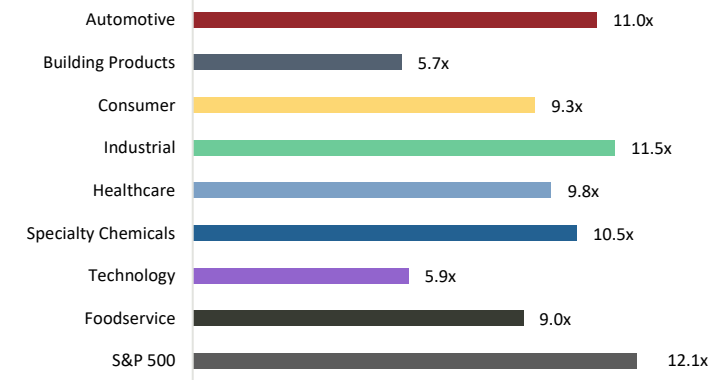


Specialty Distribution Public Company Performance and Trends (Cont.)

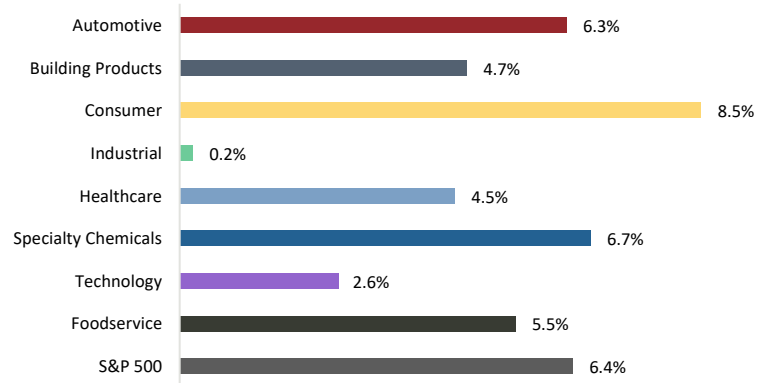
12-Month Change in Stock Price^{1,2}



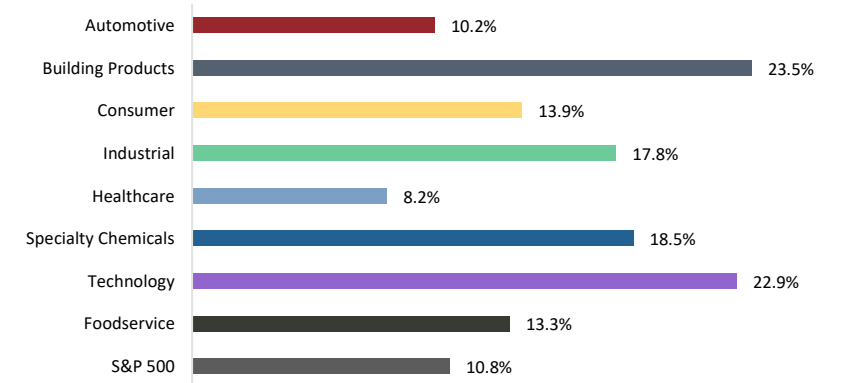
Median TEV/2022E EBITDA Multiple^{1,2}



Median 3-Year Revenue CAGR (2019 — 2022)^{1,2}

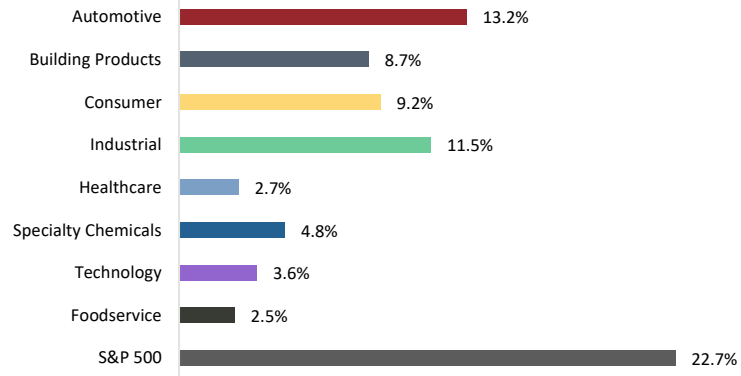


Median LTM Revenue Growth^{1,2}

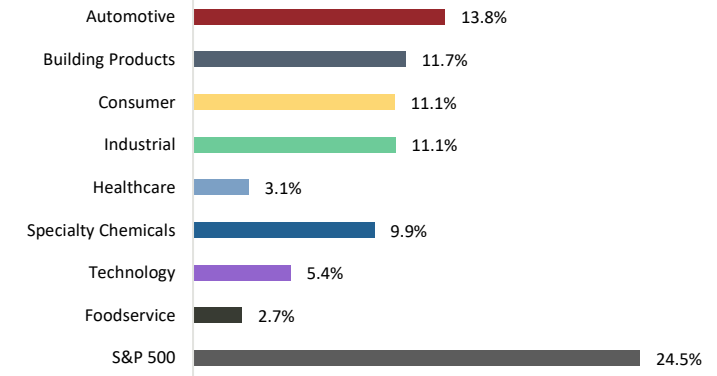


Specialty Distribution Public Company Performance and Trends (Cont.)

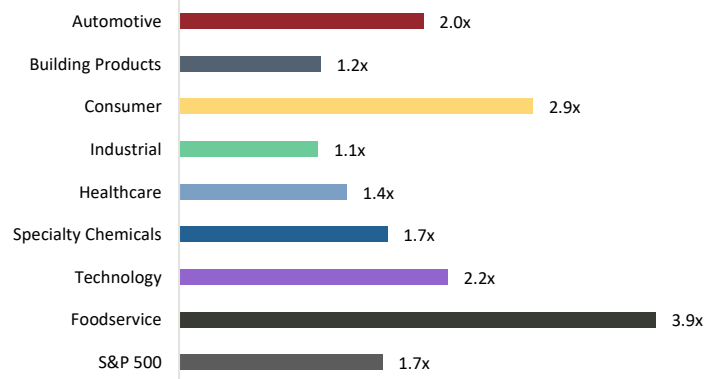
Median EBITDA Margin (2019 — 2021)^{1,2}



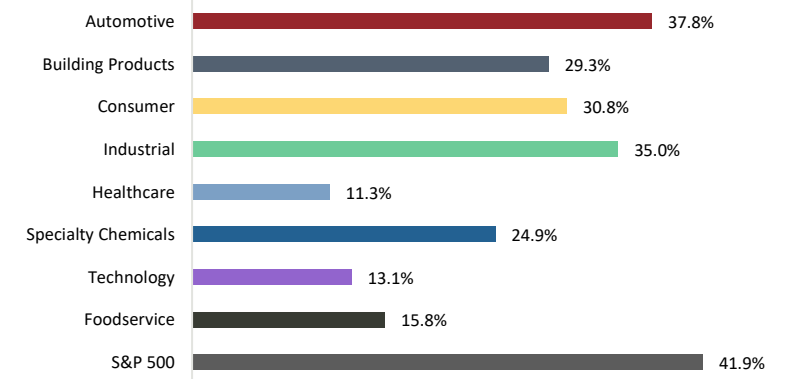
Median LTM EBITDA Margin^{1,2}



Net Debt / LTM EBITDA^{1,2}

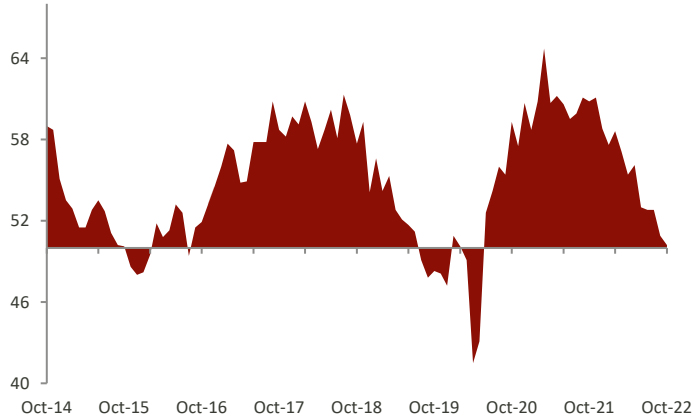


Median LTM Gross Margin^{1,2}

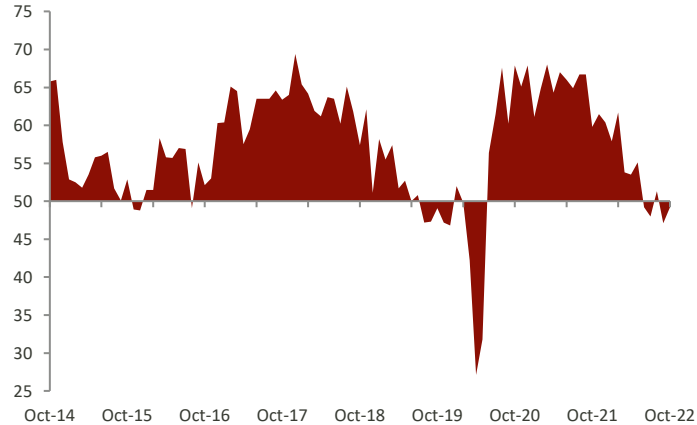


Economic Trends

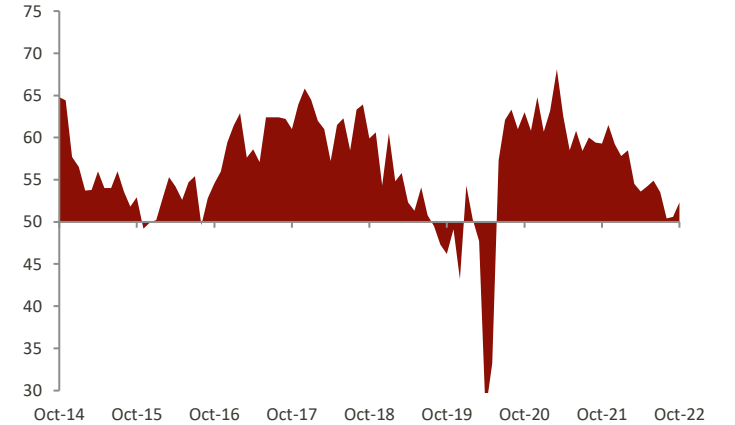
PMI Index¹



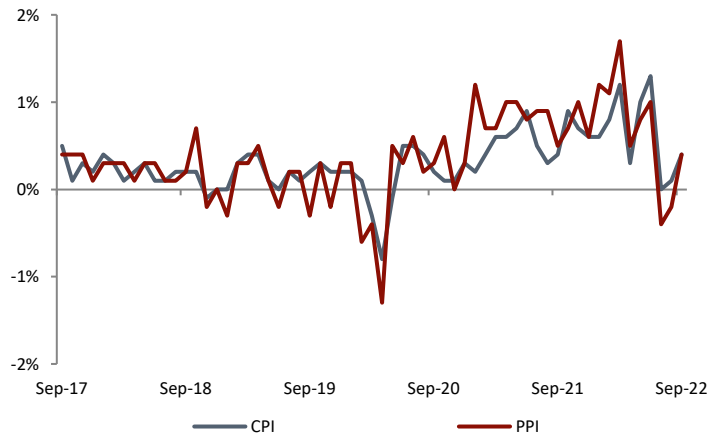
ISM New Orders Index¹



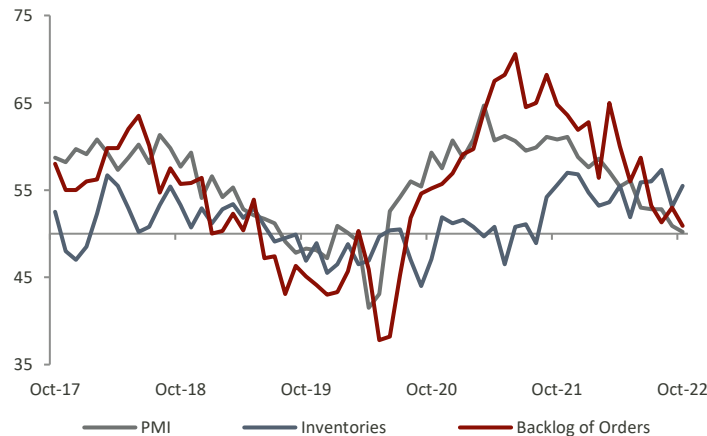
Production Index¹



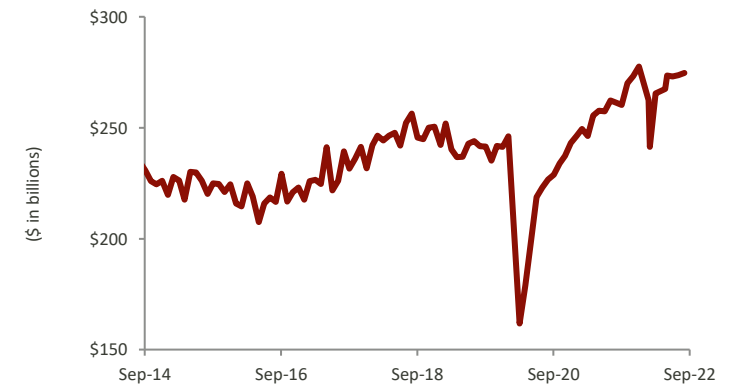
CPI & PPI Index (% Change)²



Manufacturing Inventories & Backlog¹



Durable Goods New Orders³



Recent Specialty Distribution Transactions Detail

Date	Target	Business Description	Acquirer(s)
10/31/22	Lipari Foods (H.I.G. Capital)	Specialty food distributor, importer, and manufacturer serving independent and specialty grocers, national chains, and convenience stores	Littlejohn & Co.
10/21/22	Accucam (Fulcrum Capital)	Ontario-based supplier of steel parts to equipment manufacturers	EQI (Atlas)
10/20/22	Bedrock Landscape Supply	Independent distributor of natural stone, pavers, bulk materials, and landscape supplies based in Las Vegas, NV	Outdoor Living Supply (Trilantic North America)
10/20/22	Great Plains/Pool & Spa Products	Pool and spa equipment and parts distributor serving the Midwest and Gulf Coast regions	Marcone (Genstar Capital)
10/17/22	Madison Block & Stone	Wholesale distributor of natural stone, pavers, bulk materials, and landscape supplies	SiteOne Landscape Supply
10/12/22	Wiseway Supply	Florence, KY-based distributor of electrical, plumbing, and lighting products to contractors	CID Capital
10/12/22	Coastal Supply Company	Family-owned distributor with six branch locations in and around Knoxville and Johnson City, TN	Heritage Distribution Holdings (Gryphon Investors)
10/10/22	Mobile Janitorial & Paper	Distributor of janitorial sanitation and foodservice products based in Mobile, AL	Imperial Dade (Advent International & Bain Capital)
10/07/22	Gläser & Flaschen GmbH	German glass packaging distributor	TricorBraun (Ares Management)
10/07/22	Silver State Wire Rope and Rigging	Leading supplier of rigging and safety critical equipment for the entertainment industry	Bishop Lifting Products (Altamont Capital Partners)
10/06/22	Medical Imaging Solutions International	MSI is a supplier of computed tomography, magnetic resonance imaging, and cardio/angiogram vascular injector syringe disposables	Canadian Hospital Specialties (Flexpoint Ford)
10/06/22	Star Flooring (Enterprises Group)	The Enterprises Group of companies specializes in facility supplies, foodservice, and commercial flooring	Envoy Solutions
10/05/22	Westech Rigging Supply	Leading source for web slings, wire rope slings, wire rope, hoists, winches, shackles, and spreader bars	Bishop Lifting Products (Altamont Capital Partners)
10/04/22	Susquehanna Wire Rope & Rigging, LLC	Value-added distributors and fabricators of lifting and rigging products including wire rope, chain, synthetic slings, and other related hardware	Ascent Lifting, Inc. (Shorehill Capital)
10/04/22	Advantage Sales & Supply Co., LLC	Value-added distributors and fabricators of lifting and rigging products including wire rope, chain, synthetic slings, and other related hardware (combined with Susquehanna Wire Rope & Rigging, LLC)	Ascent Lifting, Inc. (Shorehill Capital)
09/30/22	StyleGlass	A company that specializes in the decoration of glass packaging for the food, beverage, beauty, and pharmaceutical end markets	Berlin Packaging (Oak Hill Capital Partners)
09/21/22	Mark's Barrel Company	Las Vegas, NV-based independent distributor of natural stone, pavers, bulk materials, and landscape supplies	TricorBraun (Ares Management)
09/20/22	HLC, Inc.	Distributor of more than 170 leading brands in the cycling world including SRAM, Shimano, Garmin, ABUS, RockShox, Kuat, Tacx, and Muc-Off	MiddleGround Capital
09/16/22	D&H United Fueling Solutions	The leading supplier of both petroleum fueling and EV charging system equipment, installation, and service	Wind Point Partners
09/14/22	Total Air Supply / Spiral Air Manufacturing	Total Air Supply: Nashua, NH-based HVAC distributor and custom fabricator, Spiral Air Manufacturing: Derry, NH-based metal fabricator of HVAC components	Munch's Supply (Marcone, Genstar Capital)
09/07/22	SandBox Medical LLC	Neonatal products maker	Canadian Hospital Specialties (Flexpoint Ford)
09/07/22	Kaknes Landscape Supply	Wholesale distributor of nursery products with one location in Naperville, IL	SiteOne Landscape Supply
09/02/22	Knight Marketing Corporation	Queens, NY-based solutions-driven distributor with a reputation for reliability and customer service excellence	Envoy Solutions
09/02/22	International Sales & Marketing	Puerto Rico-based distributor of foodservice and janitorial sanitation products	Imperial Dade (Advent International & Bain Capital)

Harris Williams: At a Glance



- **30 years** and thousands of deals closed
- **100%** of revenue is from M&A advisory
- **10** Industry Groups with deep sector expertise
- **70%** of revenue from repeat clients
- **8** offices across the U.S. and Europe

The Harris Williams Business Services & Specialty Distribution Coverage Areas

- Specialty Distribution
- Commercial & Industrial Services
- Professional Services
- IT Services

Specialty Distribution Subsectors

- Automotive
- Building Products
- Consumer
- Foodservice
- Healthcare
- Industrial
- Specialty Chemicals
- Technology

Harris Williams Specialty Distribution Group Contacts

Bob Baltimore
Managing Director
bbaltimore@harriswilliams.com
(804) 915-0129

Brian Lucas
Managing Director
blucas@harriswilliams.com
(804) 932-1323

Graham Gillam
Director
ggillam@harriswilliams.com
(804) 887-6074

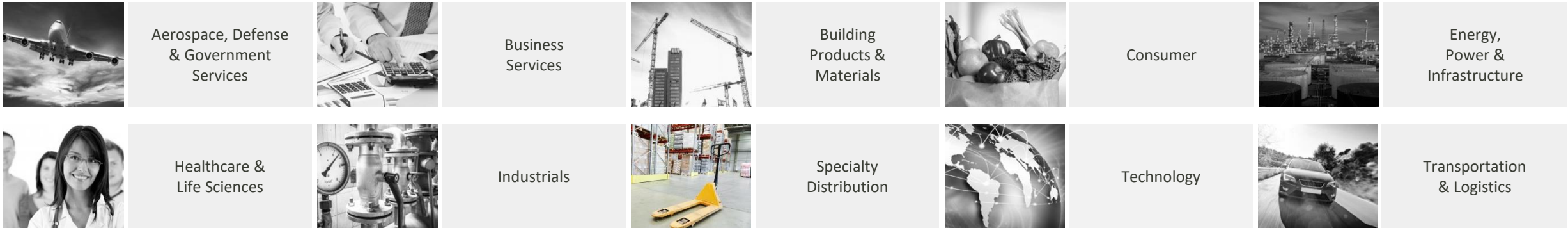
Rob Devlin
Vice President
rdevlin@harriswilliams.com
(804) 887-6037

Katie Baskind
Business Development Manager
kbaskind@harriswilliams.com
(804) 915-0121

Harris Williams Capabilities and Locations



Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com.



Office Locations

United States

Boston

One International Place
Suite 2620
Boston, Massachusetts 02110
Phone: +1 (617) 482-7501

Minneapolis

222 South 9th Street
Suite 3350
Minneapolis, Minnesota 55402
Phone: +1 (612) 359-2700

San Francisco

One Market Plaza, Steuart Tower
11th Floor
San Francisco, California 94105
Phone: +1 (415) 288-4260

Cleveland

1900 East 9th Street
25th Floor
Cleveland, Ohio 44114
Phone: +1 (216) 689-2400

Richmond

1001 Haxall Point
9th Floor
Richmond, Virginia 23219
Phone: +1 (804) 648-0072

Washington, DC

800 17th Street NW
2nd Floor
Washington, DC 20006
Phone: +1 (202)-207-2300

Europe

Frankfurt

Bockenheimer Landstrasse 33-35
60325 Frankfurt
Germany
Phone: +49 069 3650638 00

London

25 Savile Row
4th Floor
London, England W1S 2ER
Phone: +44 20 7518 8900

Sources & Disclaimers

Sources

Public Comparable Companies: (Pages 3-5)

Automotive & Heavy Duty Aftermarket: AutoZone, O'Reilly Automotive, LKQ Corp., Genuine Parts Company, Dorman Products, Uni-Select

Building & Construction Products: CRH, Watsco, Beacon Roofing Supply, Builders FirstSource, Boise Cascade, GMS, Ferguson, Hardwoods Distribution

Consumer: Fortune Brands Home & Security, Pool Corp., SiteOne Landscape Supply, Central Garden & Pet Co., Colabor Group, AMCON Distributing

Industrial, MRO & Safety: L'Air Liquide, Fastenal, WW Grainger, MSC Industrial, Applied Industrial Tech, MRC Global, SPX Corp., NOW, DXP Enterprises

Healthcare: McKesson, Cardinal Health, AmerisourceBergen, Henry Schein, Patterson Companies, Owens & Minor

Specialty Chemicals: Burning Rock Biotech Limited, Univar Solutions, DKSH Holding, IMCD NV

Technology: Arrow Electronics, Rexel, TD SYNEX Corp., Avnet, WESCO International, Archer Materials, ScanSource

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

Disclosures and Disclaimers

Harris Williams LLC is a registered broker-dealer and member of FINRA and SIPC. Harris Williams & Co. Ltd is a private limited company incorporated under English law with its registered office at 8th Floor, 20 Farringdon Street, London EC4A 4AB, UK, registered with the Registrar of Companies for England and Wales (registration number 07078852). Harris Williams & Co. Ltd is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. Corporate Finance Advisors GmbH is registered in the commercial register of the local court of Frankfurt am Main, Germany, under HRB 107540. The registered address is Bockenheimer Landstrasse 33-35, 60325 Frankfurt am Main, Germany (email address: hwgermany@harriswilliams.com). Geschäftsführer/Directors: Jeffery H. Perkins, Paul Poggi. (VAT No. DE321666994). Harris Williams is a trade name under which Harris Williams LLC, Harris Williams & Co. Ltd and Harris Williams & Co. Corporate Finance Advisors GmbH conduct business.

Investment banking services are provided by Harris Williams LLC ("Harris Williams"). Harris Williams is a registered broker-dealer and member of FINRA and SIPC. Harris Williams & Co. Ltd is a private limited company incorporated under English law with its registered office at 8th Floor, 20 Farringdon Street, London EC4A 4AB, UK, registered with the Registrar of Companies for England and Wales, registration number 07078852. Harris Williams & Co. Ltd is authorized and regulated by the Financial Conduct Authority. Harris Williams & Co. Corporate Finance Advisors GmbH is registered in the commercial register of the local court of Frankfurt am Main, Germany, under HRB 107540. The registered address is Bockenheimer Landstrasse 33-35, 60325 Frankfurt am Main, Germany (email address: hwgermany@harriswilliams.com). Geschäftsführers/Directors: Jeffery H. Perkins, Paul Poggi, VAT No. DE321666994. Harris Williams is a trade name under which Harris Williams LLC, Harris Williams & Co. Ltd and Harris Williams & Co. Corporate Finance Advisors GmbH conduct business.

The information and views contained in this content have been prepared in part by Harris Williams. This content does not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate any investment or potential transaction. This content is not a research report, as such term is defined by applicable law and regulations, and is provided for informational purposes only. Any and all information, including estimates, projections and other forward-looking statements, presented in this document may involve various assumptions and significant elements of subjective judgment and analysis that may or may not be correct. Harris Williams has not independently verified, and neither Harris Williams nor any other person will independently verify, any of the information, estimates, projections or forward-looking statements contained herein or the assumptions on which they are based. The information contained in this document is made as of the date hereof unless stated otherwise. Harris Williams does not expect to update or otherwise revise this document nor provide any additional information, nor correct any inaccuracies herein which may become apparent.

This content is intended for institutional use only and should not be relied upon by retail investors or members of the general public. The information contained herein is believed by Harris Williams to be reliable but Harris Williams makes no representation or warranty as to the accuracy or completeness of such information, and information contained herein that is based on material prepared by others may involve significant elements of subjective judgment and analysis which may or may not be correct. Opinions, estimates and projections contained herein constitute Harris Williams' judgment and are subject to change without notice.

This content is not to be construed as investment advice an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular transaction, nor shall this content form the basis of any contract. It does not constitute and should not be construed as an endorsement or recommendation of any entities' products or services.

No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Harris Williams' prior written consent.