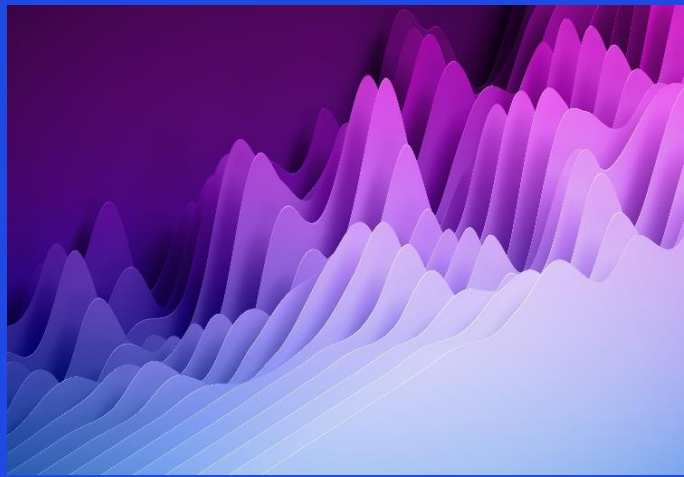


Industrial Distribution

Q1 2023 industry update

April 2023



Selected M&A highlights

- Mar-23** Rubix Espana acquired Madriferr, a specialist distributor of tools and maintenance products
- Mar-23** Barcodes Inc acquired Identbase GmbH, a card printer distributor
- Mar-23** Adolf Wuerth GmbH & Co acquired TIM S.A., a Poland based distributor of electrical and ergo-electrical equipment
- Mar 23** EFC International Inc acquired Inventory Sales Co, a US-based distributor of fastener products and components
- Mar-23** Imperial Dade LLC acquired Solutions Sherby, a distributor of product solutions across janitorial sanitation, industrial packaging and health and safety
- Feb-23** Monroe Engineering Holdings LLC acquired Fasteners Inc, a US-based industrial and construction supply distributor
- Feb-23** Wencor Group LLC acquired Aero-Glen International LLC, a distributor of aerospace fasteners, fittings, machined parts, and other specialised hardware
- Feb-23** Texas Pipe and Supply Company Ltd acquired Industrial Valco Inc, a distributor of carbon fittings, flanges, and valves
- Jan-23** Derry Enterprises Inc acquired Mid-State Bolt & Nut Co, a US-based fastener distributor
- Jan-23** GME Supply Company acquired Farwest Line Specialties LLC, a distributor of safety equipment and tools for professional line workers and utility employees

Public company valuations

Industrial, MRO and safety

Company	Country	LFY date	LTM date	Market Cap (£m)	EV/Revenue			EV/EBITDA			EV/EBIT		
					LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2
Applied Industrial Technologies		Jun-22	Dec-22	4,435	1.6x	1.4x	1.3x	14.5x	11.8x	11.5x	16.7x	13.0x	12.2x
Bossard Holding AG		Dec-22	Dec-22	1,571	1.8x	1.8x	1.7x	13.3x	12.9x	11.7x	14.9x	15.4x	14.0x
Diploma PLC		Sep-22	Sep-22	3,764	4.1x	3.6x	3.4x	19.9x	17.2x	16.2x	26.7x	19.4x	18.3x
DXP Enterprises, Inc.		Dec-21	Sep-22	408	0.8x	n/a	n/a	13.4x	n/a	n/a	22.6x	n/a	n/a
Fastenal Company		Dec-22	Dec-22	24,889	4.5x	4.3x	4.0x	19.2x	18.7x	17.7x	21.6x	20.7x	19.4x
Flowtech Fluidpower plc		Dec-21	Jun-22	64	0.8x	0.8x	0.8x	13.7x	7.9x	7.0x	20.3x	10.5x	9.1x
Global Industrial Company		Dec-22	Dec-22	824	0.9x	0.9x	0.9x	10.0x	10.9x	10.2x	10.4x	10.7x	9.5x
Klöckner & Co SE		Dec-22	Dec-22	868	0.2x	0.2x	0.2x	4.5x	6.8x	5.7x	5.9x	16.7x	11.1x
L'Air Liquide S.A.		Dec-22	Dec-22	70,723	3.1x	3.1x	3.0x	13.7x	12.1x	11.2x	20.1x	18.1x	16.8x
MRC Global Inc.		Dec-22	Dec-22	662	0.5x	0.5x	0.4x	9.4x	5.6x	5.2x	12.1x	7.2x	6.5x
MSC Industrial Direct Co., Inc.		Sep-22	Dec-22	3,800	1.5x	1.4x	1.4x	10.1x	9.8x	9.7x	11.6x	11.3x	11.1x
NOW Inc.		Dec-22	Dec-22	994	0.5x	0.5x	0.4x	6.3x	5.7x	5.3x	7.1x	6.8x	6.2x
TAKKT AG		Dec-22	Dec-22	830	0.8x	0.8x	0.8x	10.7x	8.3x	7.7x	12.2x	11.5x	10.6x
Watsco, Inc.		Dec-22	Dec-22	9,320	1.6x	1.6x	1.6x	14.3x	14.6x	14.2x	14.8x	15.0x	14.6x
W.W. Grainger, Inc.		Dec-22	Dec-22	27,950	2.4x	2.3x	2.1x	15.3x	14.0x	13.2x	16.8x	15.4x	14.4x
Min					0.2x	0.2x	0.2x	4.5x	5.6x	5.2x	5.9x	6.8x	6.2x
Median					1.5x	1.4x	1.4x	13.4x	11.4x	10.7x	14.9x	14.0x	11.7x
Mean					1.7x	1.7x	1.6x	12.6x	11.2x	10.5x	15.6x	13.7x	12.4x
Max					4.5x	4.3x	4.0x	19.9x	18.7x	17.7x	26.7x	20.7x	19.4x

Source: S&P Capital IQ as at 31/03/2023

Note: LFY = Last financial year

Public company valuations

Electronics / electrical

Company	Country	LFY date	LTM date	Market Cap (£m)	EV/Revenue			EV/EBITDA			EV/EBIT		
					LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2	LFY	LFY+1	LFY+2
Arrow Electronics, Inc.	USA	Dec-22	Dec-22	5,883	0.3x	0.3x	0.3x	4.9x	6.5x	6.9x	5.4x	7.1x	8.0x
Avnet, Inc.	USA	Jul-22	Dec-22	3,339	0.3x	0.3x	0.3x	6.6x	6.0x	7.9x	7.3x	6.6x	8.9x
Rexel S.A.	France	Dec-22	Dec-22	5,840	0.5x	0.5x	0.5x	6.8x	6.0x	5.8x	7.1x	7.8x	7.6x
RS Group plc	UK	Mar-22	Sep-22	4,318	1.7x	1.5x	1.4x	13.0x	9.9x	9.5x	14.1x	11.4x	11.1x
WESCO International	USA	Dec-22	Dec-22	6,383	0.6x	0.6x	0.6x	8.1x	7.1x	6.9x	8.8x	8.0x	7.7x
Min					0.3x	0.3x	0.3x	4.9x	6.0x	5.8x	5.4x	6.6x	7.6x
Median					0.5x	0.5x	0.5x	6.8x	6.5x	6.9x	7.3x	7.8x	8.0x
Mean					0.7x	0.6x	0.6x	7.9x	7.1x	7.4x	8.5x	8.2x	8.7x
Max					1.7x	1.5x	1.4x	13.0x	9.9x	9.5x	14.1x	11.4x	11.1x

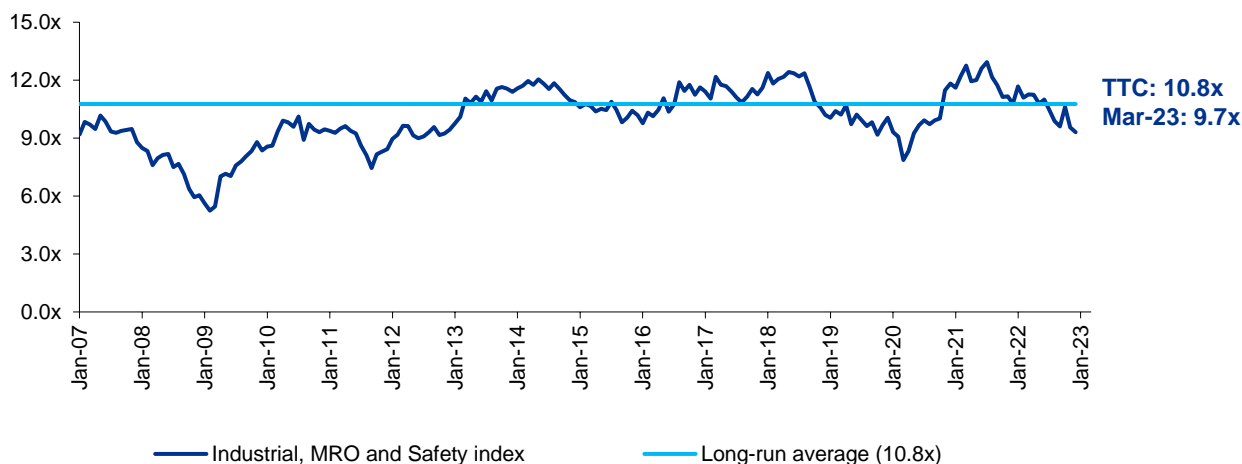
Source: S&P Capital IQ as at 31/03/2023

Note: LFY = Last financial year

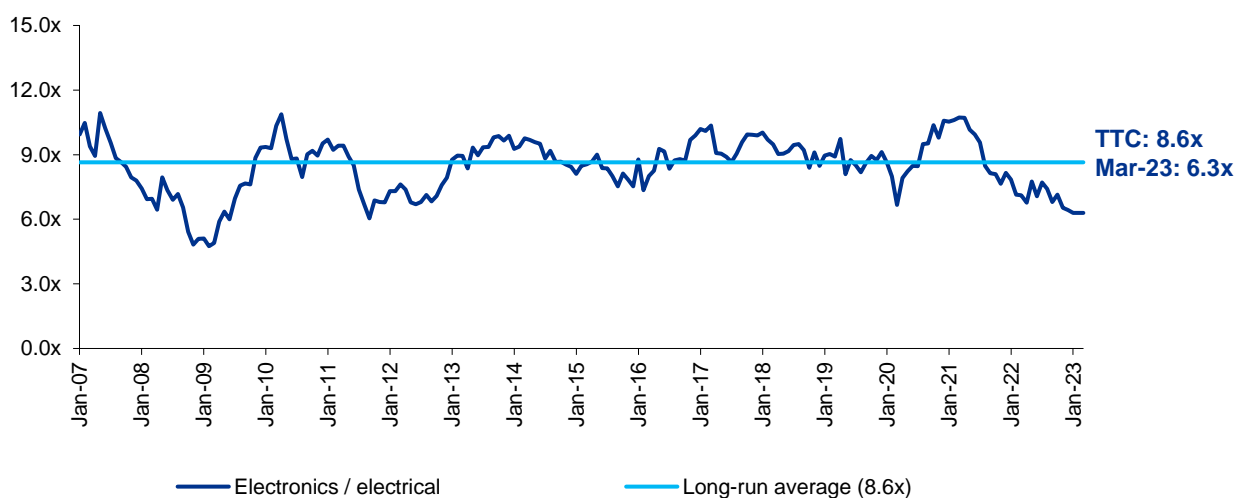
Public company valuations

Through the cycle ('TTC') Enterprise Value / LTM EBITDA multiples

Industrial, MRO and Safety



Electronics / electrical



Source: S&P Capital IQ

Note: The companies used in the public company valuations tables make up the constituents of the TTC analysis.

Selected M&A transaction history

Date	Target	Country	Target Description	Acquirer	Country	EV (£m)	EV/EBITDA
Apr-23	Pirtek Europe		Distributor of fluid power products	Franchise Brands plc		200	n/a
Mar-23	Madriferr		Specialist distributor of tools and maintenance products	Rubix Group		n/a	n/a
Mar-23	Hydraquip Group		Distributor and manufacturer of mobile hydraulic services	Finning International Inc		65	14.3x
Oct-22	Ecopac Power		Distributor of power supplies and LED drivers	TTI, Inc		n/a	n/a
Jul-22	Horizon Solutions LLC		Distributor of automation, electrical, industrial, energy and safety products and related services	Rexel USA, Inc		n/a	n/a
Apr-22	R&G Fluid Power		Distributor of a diverse range of industrial, hydraulic and pneumatic products.	Diploma Plc		108	16.1x
Jan-22	Hoskin Scientific		Value added distributor of essential test & measurement equipment	River Associates Investments*		n/a	n/a
Sep-21	Goodfellow		Distributor of high quality industrial materials	Battery Ventures		n/a	n/a
Mar-21	Incorporatewear		Distributor of workwear	Direct Corporate Clothing		n/a	n/a
Feb-21	Wolseley UK		Distributor of plumbing and heat products for contractors and the construction market	Clayton, Dubilier & Rice, LLC*		308	6.0x
Oct-19	The Fluid Power House		Distributor of hydraulic systems and solutions	Motion Canada		n/a	n/a
Feb-19	Ahlsell AB		Industrial wholesaler of plumbing, heating, electrical, refrigeration and do-it-yourself products	CVC Advisers Ltd*		2,808	11.9x
Mar-19	Sanistal A/S (steel distribution business)		Steel distribution business of Sanistal A/S	Tibnor AB		53	n/a
Sep-18	Pirtek		Distributor of fluid power products	PNC Riverarch Capital*		n/a	n/a
May-17	Rubix		Distributor of industrial maintenance, repair and overhaul products and services	Advent International*		416	9.8x
Min							6.0x
Mean							11.6x
Max							16.1x

Source: Mergermarket and KPMG intelligence

* - Private Equity investor

KPMG's global industrial distribution credentials

    <p>Advised on the sale of Ecopac Power to TTI, Inc</p> <p>Electrical products distributor</p> <p>2022</p>	    <p>Advised on the sale of Horizon Solutions to Rexel USA, Inc.</p> <p>Distributor of automation products</p> <p>2022</p>	   <p>DIPLOMA PLC</p> <p>Advised R&G Fluid Power on their sale to Diploma Plc</p> <p>Fluid power distributor</p> <p>2022</p>	   <p>River Associates</p> <p>Advised Hoskin Scientific on their sale to River Associates</p> <p>Distributor of test & measurement equipment</p> <p>2022</p>	   <p>Battery</p> <p>Advised Goodfellow on the sale of the business to Battery Ventures</p> <p>Industrial materials distributor</p> <p>2021</p>
    <p>Advised Direct Corporate Clothing on acquisition of IncorporateWear</p> <p>Distributor of workwear</p> <p>2021</p>	    <p>Advised on the sale of Lockmasters, Inc to Dominus Capital</p> <p>Security products distributor</p> <p>2021</p>	    <p>Advised The Fluid Power House on acquisition by Motion Canada</p> <p>Fluid power distributor</p> <p>2019</p>	    <p>Advised 700 Valve Supply on its recapitalisation by Brown Brothers Harriman</p> <p>Master valve distributor</p> <p>2019</p>	    <p>Advised Pirtek on its acquisition by PNC Riverarch Capital</p> <p>Fluid power distributor</p> <p>2018</p>

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