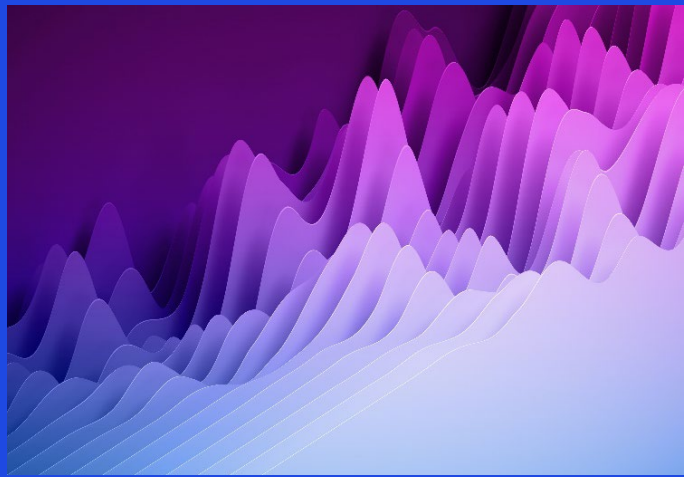


Industrial Distribution

Q1 2024 industry update
April 2024



Selected M&A highlights

- Mar-24** Diploma plc acquired Peerless Aerospace fasteners, a distributor of aerospace fasteners
- Mar-24** Existing Management acquired Industrial Pumps Limited, a UK based pump distributor
- Mar-24** DXP Enterprises Inc acquired Pro Seal Service Group, a distributor of industrial pumping equipment
- Mar-24** IKM Gruppen AS acquired MRC Global Inc (Valvewatch division), a distributor of pipe, valves and fittings
- Feb-24** Kele Inc acquired AC Controls & AC Technical Services, a distributor of industrial process and combustion applications
- Feb-24** DXP Enterprises Inc acquired Kappe Associates Inc, a distributor of pumps, controls and process equipment
- Jan-24** MSC Industrial Supply Co acquired KAR Industrial Inc, a distributor of measuring and cutting tools
- Jan-24** R&G Fluid Power acquired Abbey Hose Ltd, a supplier of hydraulic, pneumatic and industrial hose assemblies
- Jan-24** Dwyer Instruments LLC acquired Miljoco Corp, a distributor of temperature and pressure measurement instruments
- Jan-24** W.W. Grainger Inc sold E&R Industrial Sales Inc, a distributor of specialty MRO products, to Paradigm Equity Partners

Public company valuations

Industrial, MRO and safety

Company	Country	LFY 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-23	6,049	1.8x	1.7x	1.7x	14.9x	14.2x	13.4x	16.5x	15.6x	14.7x
Bossard Holding AG		Dec-23	1,480	1.8x	1.8x	1.7x	14.9x	13.8x	12.1x	17.1x	16.9x	14.6x
Diploma PLC		Sep-23	4,988	4.4x	3.9x	3.6x	20.3x	17.6x	16.1x	27.2x	19.5x	17.7x
DXP Enterprises, Inc.		Dec-23	688	0.8x	0.7x	0.7x	7.6x	6.8x	6.5x	9.2x	8.6x	8.0x
Fastenal Company		Dec-23	34,963	6.1x	5.7x	5.2x	26.1x	24.7x	22.8x	29.1x	27.1x	24.9x
Flowtech Fluidpower plc		Dec-23	50	0.6x	0.6x	0.6x	10.3x	6.4x	5.0x	15.3x	9.9x	7.0x
Global Industrial Company		Dec-23	1,352	1.4x	1.3x	1.2x	17.0x	16.8x	14.5x	18.1x	17.1x	14.5x
Klöckner & Co SE		Dec-23	575	0.2x	0.2x	0.2x	12.9x	5.7x	4.7x	28.2x	11.0x	8.6x
L'Air Liquide S.A.		Dec-23	86,199	4.1x	4.0x	3.7x	15.4x	13.9x	12.9x	23.3x	20.6x	18.8x
MRC Global Inc.		Dec-23	848	0.5x	0.5x	0.5x	8.0x	7.9x	6.6x	9.7x	10.2x	8.3x
MSC Industrial Direct Co., Inc.		Sep-23	4,326	1.5x	1.5x	1.4x	10.7x	10.8x	9.8x	12.3x	12.7x	11.5x
NOW Inc.		Dec-23	1,278	0.6x	0.6x	0.6x	8.0x	7.3x	7.0x	9.4x	9.0x	8.4x
TAKKT AG		Dec-23	739	0.8x	0.8x	0.8x	12.4x	8.8x	7.8x	14.4x	11.8x	10.0x
Watsco, Inc.		Dec-23	12,573	2.2x	2.1x	2.0x	20.2x	18.3x	16.5x	21.1x	19.1x	17.1x
W.W. Grainger, Inc.		Dec-23	39,608	3.2x	3.0x	2.8x	18.6x	17.9x	16.6x	20.1x	19.2x	17.9x
Min				0.2x	0.2x	0.2x	7.6x	5.7x	4.7x	9.2x	8.6x	7.0x
Median				1.5x	1.5x	1.4x	14.9x	13.8x	12.1x	17.1x	15.6x	14.5x
Mean				2.0x	1.9x	1.8x	14.5x	12.7x	11.5x	18.1x	15.2x	13.5x
Max				6.1x	5.7x	5.2x	26.1x	24.7x	22.8x	29.1x	27.1x	24.9x

Source: S&P Capital IQ as at 31/03/2024
Note: LFY = Last financial year

Public company valuations

Electronics/electrical

Company	Country	LFY 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.		Dec-23	5,533	0.3x	0.4x	0.3x	6.1x	8.3x	7.2x	6.9x	9.4x	7.9x
Avnet, Inc.		Jul-23	3,547	0.3x	0.3x	0.3x	6.2x	7.9x	7.9x	6.7x	8.6x	8.1x
Rexel S.A.		Dec-23	6,359	0.6x	0.6x	0.5x	8.1x	6.7x	6.5x	8.6x	8.5x	8.3x
RS Group plc		Mar-23	3,443	1.3x	1.4x	1.3x	9.6x	10.7x	9.5x	10.4x	12.8x	11.3x
WESCO International		Dec-23	6,910	0.6x	0.6x	0.6x	8.8x	8.3x	7.9x	9.7x	9.5x	9.0x
Min				0.3x	0.3x	0.3x	6.1x	6.7x	6.5x	6.7x	8.5x	7.9x
Median				0.6x	0.6x	0.5x	8.1x	8.3x	7.9x	8.6x	9.4x	8.3x
Mean				0.6x	0.6x	0.6x	7.8x	8.4x	7.8x	8.4x	9.8x	8.9x
Max				1.3x	1.4x	1.3x	9.6x	10.7x	9.5x	10.4x	12.8x	11.3x

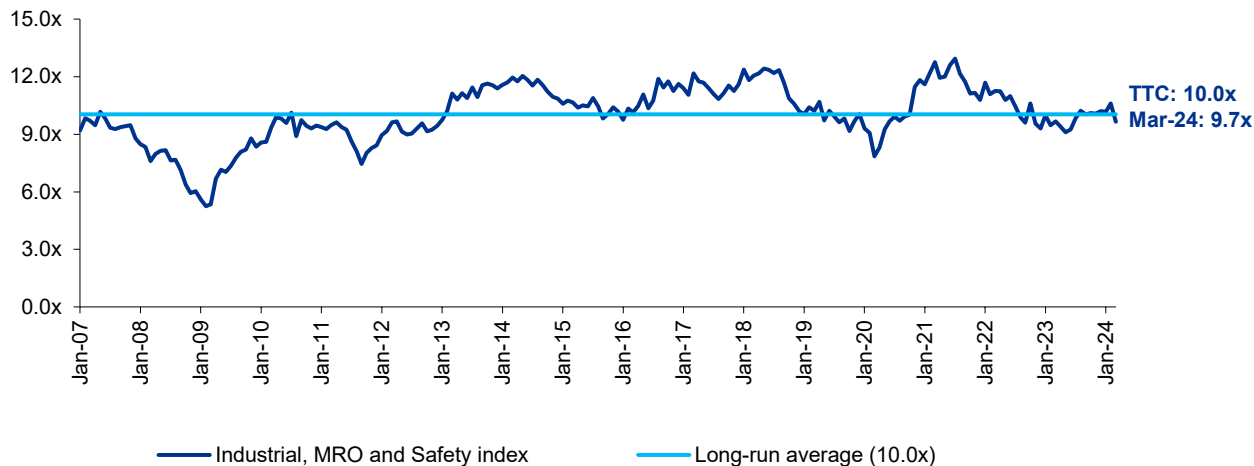
Source: S&P Capital IQ as at 31/03/2024

Note: LFY = Last financial year

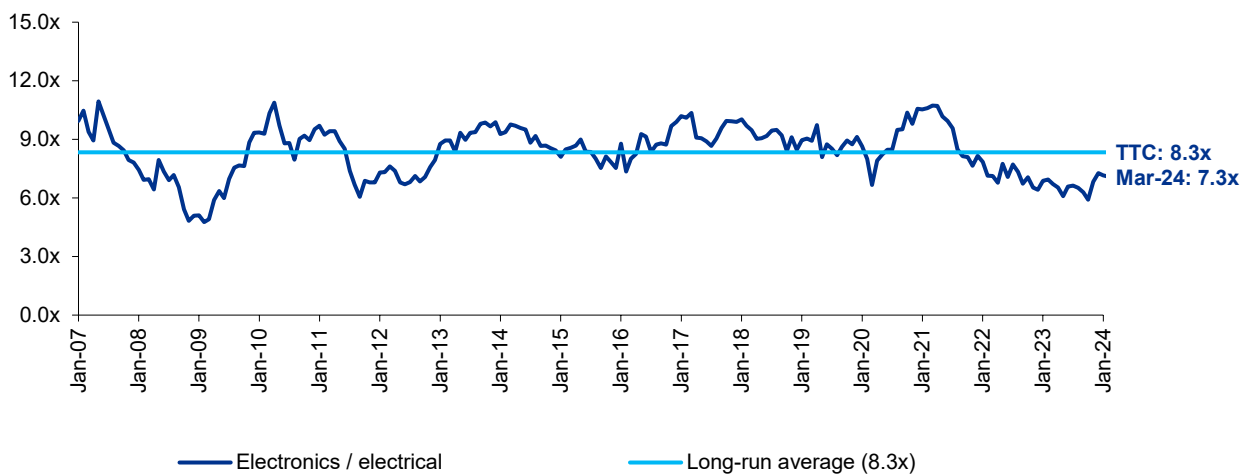
Public company valuations

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

Note: LTM = Last twelve months

Selected M&A transaction history

Date	Target	Country	Target Description	Acquirer	Country	EV (£m)	Reported EV/EBITDA
Mar-24	Peerless Aerospace Fasteners		Distributor of aerospace fasteners	Diploma plc		236	n/a
Jan-24	E&R Industrial Sales		Distributor of specialty MRO products	Paradigm Equity*		n/a	n/a
Oct-23	GSF Car Parts		Distributor of automotive parts for the independent aftermarket in the UK	Epiris LLP*		n/a	n/a
Sep-23	ERIKS NV		Distributor of industrial parts	Lone Star*		n/a	n/a
Jul-23	DICSA		Distributor of fluid power solutions	Diploma Plc		189	9.0x
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 MRO products and services	Advent International*		416	9.8x
Min							6.0x
Mean							11.2x
Max							16.1x

Source: Mergermarket and KPMG intelligence

* - Private Equity investor

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KPMG Public

KPMG's global industrial distribution credentials

  <p>GRAINGER ER INDUSTRIAL</p> <p>PARADIGM EQUITY PARTNERS</p> <p>Advised W.W. Grainger on their sale of E&R Industrial To Paradigm Equity Partners</p> <p>MRO products distributor</p> <p>2023</p>	  <p>LONE STAR FUNDS</p> <p>ERIKS</p> <p>Advised Lone Star on its acquisition of ERIKS N.V.</p> <p>Industrial parts distributor</p> <p>2023</p>	  <p>DICSA</p> <p>DIPLOMA PLC</p> <p>Advised DICSA on their sale to Diploma Plc</p> <p>Fluid power distributor</p> <p>2023</p>	  <p>DEXIS CZECH REPUBLIC</p> <p>KLATT SVAZIČKA</p> <p>Advised DEXIS Czech Republic on their acquisition of Klatt</p> <p>Distributor of PPE</p> <p>2023</p>	  <p>FASTBOLT The Fastener Connection</p> <p>AFC Industries</p> <p>Advised Fastbolt Corporation on their sale to AFC Industries, Inc</p> <p>Distributor of fasteners and related electro-mechanical products</p> <p>2023</p>
  <p>NORCAN</p> <p>FSC Fluid System Components</p> <p>Advised Norcan Fluid Power on their sale to Fluid Systems Components Inc</p> <p>Hydraulic parts distributor</p> <p>2023</p>	  <p>ECOPAC POWER</p> <p>tti</p> <p>Advised on the sale of Ecopac Power to TTI, Inc</p> <p>Electrical products distributor</p> <p>2022</p>	  <p>HORIZON SOLUTIONS</p> <p>REXEL</p> <p>Advised on the sale of Horizon Solutions to Rexel USA, Inc.</p> <p>Distributor of automation products</p> <p>2022</p>	  <p>R&G FLUID POWER GROUP</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>HOSKIN SCIENTIFIC</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>

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