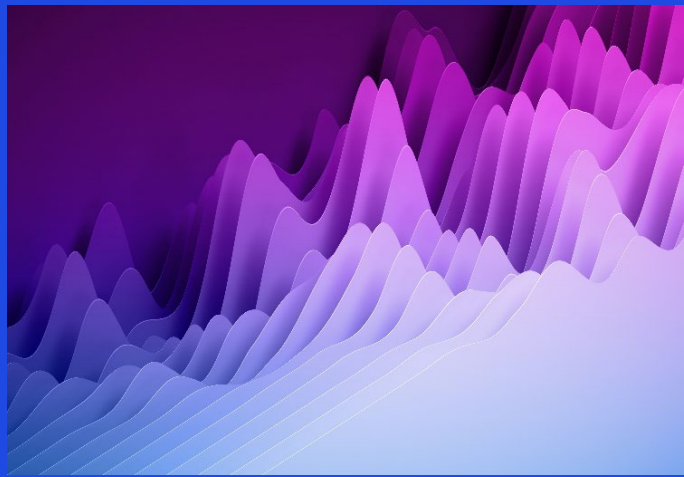


Industrial Distribution

Q2 2024 industry update
July 2024



Selected M&A highlights

- Jun-24** **MSC Industrial Direct Co Inc** acquired **Aptex Inc.**, a distributor of cutting tools, metalworking fluids, abrasives and work holding systems
- Jun-24** **Groupe Claire SAS** acquired **Hydreka SASU**, a distributor of equipment for measuring flow of water
- Jun-24** **Ingersoll Rand Inc** acquired **CAPS Australia Pty.**, a distributor of compressed air equipment
- May-24** **Iniziativa Gestione Investimenti SGR** acquired **Thermokey SpA**, a distributor of heat exchangers
- May-24** **Motion & Control Enterprises** acquired **General Machinery Co Inc.**, a distributor of automation and electrical products
- Apr-24** **Lone Star Global** acquired **ERIKS NV**, a distributor of mechanical engineering components (*announced Sep 2023, now completed following regulatory approvals*)
- Apr-24** **NVM PE Ltd** acquired **MRO+ Solutions Limited**, a manufacturer and distributor of industrial valves
- Apr-24** **Shearer Supply** acquired **Climatic Comfort Products**, a distributor of HVAC equipment
- Apr-24** **Invicta Holdings** acquired **Nationwide Bearing Co.**, a distributor of a wide range of bearings
- Apr-24** **Tenex Capital Management** acquired **RF Fager Co.**, a distributor of electrical and industrial house products

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	5,926	1.7x	1.7x	1.6x	14.5x	14.0x	13.1x	16.1x	15.6x	14.4x
Bossard Holding AG		Dec-23	1,434	1.8x	1.8x	1.7x	14.4x	13.3x	12.1x	16.6x	16.3x	14.7x
Diploma PLC		Sep-23	5,559	4.9x	4.3x	3.8x	22.5x	18.7x	16.7x	30.2x	20.9x	18.4x
DXP Enterprises, Inc.		Dec-23	589	0.7x	0.7x	0.7x	7.0x	6.9x	6.5x	8.5x	8.9x	8.2x
Fastenal Company		Dec-23	28,469	4.9x	4.7x	4.4x	21.2x	20.8x	19.2x	23.7x	23.1x	21.2x
Flowtech Fluidpower plc		Dec-23	71	0.8x	0.8x	0.7x	13.3x	8.3x	6.5x	19.8x	12.8x	9.0x
Global Industrial Company		Dec-23	947	1.0x	0.9x	0.9x	12.1x	11.8x	10.6x	12.9x	12.8x	10.9x
Klöckner & Co SE		Dec-23	467	0.2x	0.2x	0.2x	12.0x	5.4x	4.9x	26.2x	11.3x	9.2x
L'Air Liquide S.A.		Dec-23	78,842	3.8x	3.7x	3.6x	14.3x	13.0x	12.1x	21.7x	19.2x	17.6x
MRC Global Inc.		Dec-23	869	0.5x	0.5x	0.5x	8.0x	7.6x	6.9x	9.7x	9.9x	8.6x
MSC Industrial Direct C Inc.		Sep-23	3,533	1.3x	1.3x	1.3x	8.9x	10.5x	9.6x	10.3x	12.5x	11.5x
NOW Inc.		Dec-23	1,160	0.6x	0.5x	0.5x	7.8x	7.1x	6.6x	9.2x	9.2x	8.4x
TAKKT AG		Dec-23	653	0.7x	0.8x	0.8x	11.1x	9.7x	7.9x	12.8x	14.4x	10.5x
Watsco, Inc.		Dec-23	13,769	2.4x	2.3x	2.1x	21.8x	20.2x	18.3x	22.8x	21.4x	19.2x
W.W. Grainger, Inc.		Dec-23	35,031	2.8x	2.7x	2.5x	16.5x	15.9x	14.8x	17.8x	17.2x	15.9x
Min				0.2x	0.2x	0.2x	7.0x	5.4x	4.9x	8.5x	8.9x	8.2x
Median				1.3x	1.3x	1.3x	13.3x	11.8x	10.6x	16.6x	14.4x	11.5x
Mean				1.9x	1.8x	1.7x	13.7x	12.2x	11.0x	17.2x	15.0x	13.2x
Max				4.9x	4.7x	4.4x	22.5x	20.8x	19.2x	30.2x	23.1x	21.2x

Source: S&P Capital IQ as at 30/06/2024
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	5,086	0.3x	0.4x	0.3x	5.5x	8.2x	6.9x	6.2x	9.2x	7.5x
Avnet, Inc.		Jul-23	3,682	0.3x	0.3x	0.3x	6.0x	7.7x	8.2x	6.4x	8.6x	8.9x
Rexel S.A.		Dec-23	6,096	0.6x	0.5x	0.5x	8.0x	6.5x	6.2x	8.4x	8.4x	7.9x
RS Group plc		Mar-24	3,321	1.3x	1.3x	1.2x	11.4x	10.4x	9.1x	13.2x	12.4x	10.7x
WESCO International		Dec-23	6,375	0.6x	0.6x	0.6x	8.0x	7.7x	7.3x	8.7x	8.8x	8.3x
Min				0.3x	0.3x	0.3x	5.5x	6.5x	6.2x	6.2x	8.4x	7.5x
Median				0.6x	0.5x	0.5x	8.0x	7.7x	7.3x	8.4x	8.8x	8.3x
Mean				0.6x	0.6x	0.6x	7.8x	8.1x	7.5x	8.6x	9.5x	8.7x
Max				1.3x	1.3x	1.2x	11.4x	10.4x	9.1x	13.2x	12.4x	10.7x

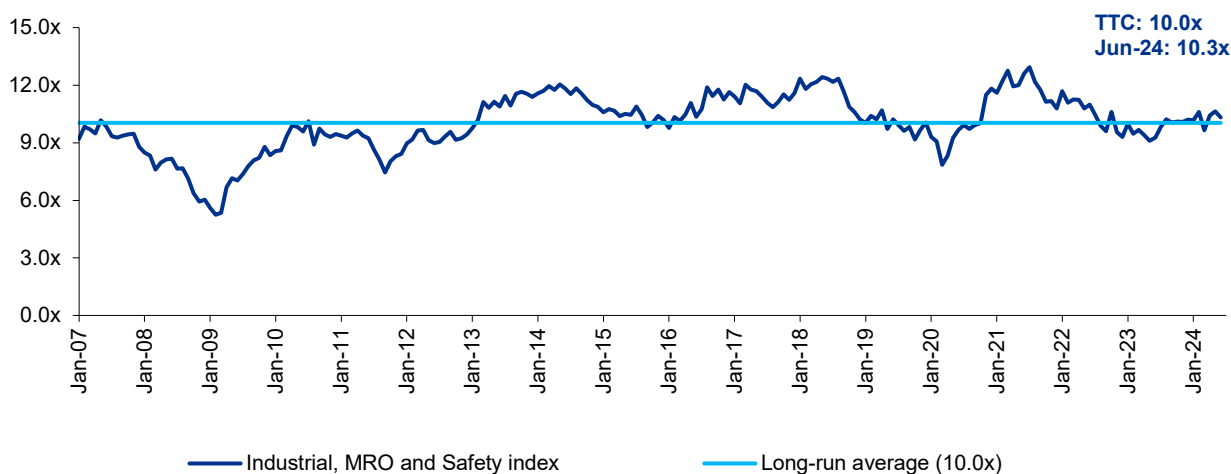
Source: S&P Capital IQ as at 30/06/2024

Note: LFY = Last financial year

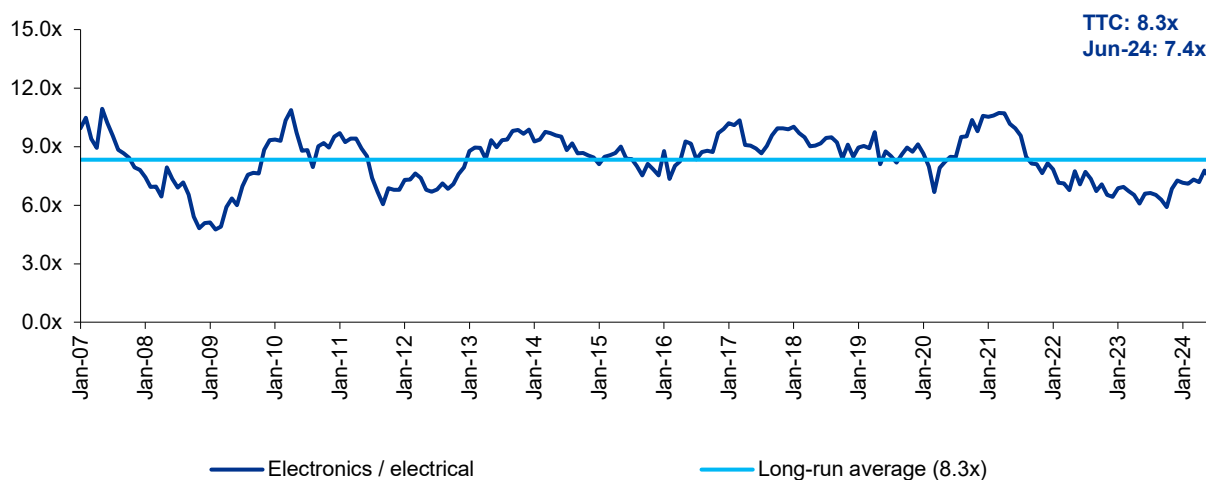
Public company valuations

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	10.0x
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							10.2x
Max							14.3x

Source: Mergermarket and KPMG intelligence

* - Private Equity investor

© 2024 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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>

Contact us



Surinderpal Matharu

Managing Director

T: +44 (0) 7507 351779
E: surinderpal.matharu@kpmg.co.uk

KPMG UK



Robert White

Managing Director

T: +1 4109 498500
E: riwhite@kpmg.com

KPMG USA



Adam Rathbone

Associate Director

T: +44 (0) 7880 053083
E: adam.rathbone@kpmg.co.uk

KPMG UK



Aaron Shergill

Associate

T: +44 (0) 7825 902750
E: aaron.shergill@kpmg.co.uk

KPMG UK

kpmg.com/uk



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization

Document classification: KPMG Public