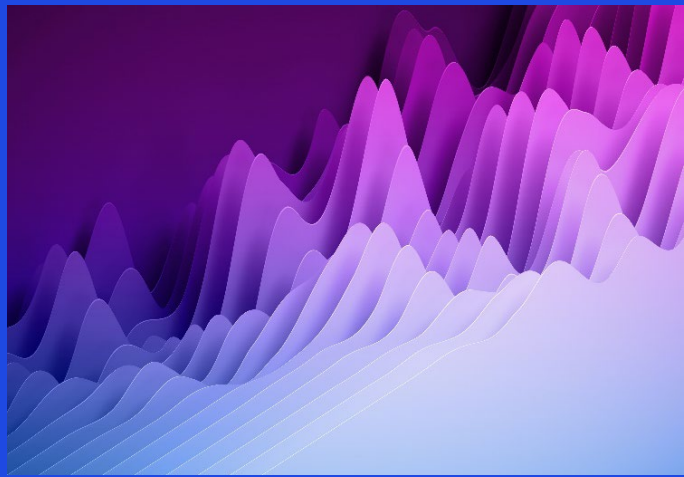


Industrial Distribution

Q3 2024 industry update
October 2024



Selected M&A highlights

- Sep-24** **Derry Enterprises Inc** acquired **Cascade Nut & Bolt Inc**, a distributor of fasteners and hardware
- Jul-24** **Sonepar SAS** acquired **Echo Group Inc**, a distributor of electrical parts
- Aug-24** **Bunzl plc** acquired **PowerVac Ltd**, a distributor of commercial and industrial cleaning equipment
- Jul-24** **Airvance Group** acquired **Mechanical Air Supplies Ltd**, a distributor of ventilation and air handing systems
- Aug-24** **Management buy out** of **RP Valves Ltd**, a distributor of specialist valves
- Jul-24** **Ambienta SGR SpA** acquired **Calpeda Pumpen Vertrieb GmbH**, a distributor of pumps
- Aug-24** **Inflexion** acquired **Cutwel Ltd**, a distributor of speciality cutting tools
- Jul-24** **Berardi Bullonerie Srl** acquired **Articoli Trasmissione Potenza Srl**, a Distributor of electronic components
- Aug-24** **Tibbetts Group Ltd** acquired **BM Fasteners Ltd**, a distributor of industrial threaded fasteners
- Jul-24** **Harvey Performance Co LLC** acquired **ATA Group**, a distributor of pneumatic air tools, carbide burrs and specialty abrasives

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-24	6,399	2.0x	2.0x	1.9x	16.1x	15.9x	15.0x	17.8x	17.7x	16.4x
Bossard Holding AG		Dec-23	1,619	1.9x	2.0x	1.9x	15.9x	15.2x	13.7x	18.4x	18.9x	16.8x
Diploma PLC		Sep-23	5,943	5.2x	4.6x	4.1x	24.0x	19.9x	17.8x	32.1x	22.2x	19.7x
DXP Enterprises, Inc.		Dec-23	629	0.8x	0.8x	0.8x	8.1x	7.6x	7.2x	9.8x	9.9x	9.1x
Fastenal Company		Dec-23	30,514	5.6x	5.4x	5.1x	24.1x	24.0x	22.3x	26.9x	26.7x	24.8x
Flowtech Fluidpower plc		Dec-23	57	0.7x	0.7x	0.6x	10.9x	10.7x	7.5x	16.3x	21.3x	11.6x
Global Industrial Company		Dec-23	968	1.1x	1.0x	0.9x	13.0x	12.5x	11.9x	13.8x	13.6x	11.9x
Klöckner & Co SE		Dec-23	428	0.2x	0.2x	0.2x	11.6x	8.9x	5.8x	25.2x	75.9x	13.8x
L'Air Liquide S.A.		Dec-23	83,096	4.1x	4.1x	3.9x	15.4x	14.1x	13.1x	23.3x	20.8x	19.0x
MRC Global Inc.		Dec-23	810	0.5x	0.5x	0.5x	7.7x	8.0x	7.5x	9.4x	11.2x	9.8x
MSC Industrial Direct Co., Inc.		Sep-23	3,604	1.3x	1.4x	1.4x	9.5x	11.2x	11.0x	10.9x	13.3x	13.3x
NOW Inc.		Dec-23	1,027	0.5x	0.5x	0.5x	7.2x	7.4x	7.1x	8.5x	10.3x	9.5x
TAKKT AG		Dec-23	519	0.7x	0.8x	0.8x	10.1x	11.2x	8.7x	11.6x	20.5x	12.9x
Watsco, Inc.		Dec-23	13,800	2.6x	2.5x	2.3x	23.3x	21.7x	19.5x	24.3x	23.1x	20.6x
W.W. Grainger, Inc.		Dec-23	37,843	3.2x	3.1x	2.9x	18.8x	18.3x	17.1x	20.3x	19.8x	18.5x
Min				0.2x	0.2x	0.2x	7.2x	7.4x	5.8x	8.5x	9.9x	9.1x
Median				1.3x	1.4x	1.4x	13.0x	12.5x	11.9x	17.8x	19.8x	13.8x
Mean				2.0x	2.0x	1.8x	14.4x	13.8x	12.4x	17.9x	21.7x	15.2x
Max				5.6x	5.4x	5.1x	24.1x	24.0x	22.3x	32.1x	75.9x	24.8x

Source: S&P Capital IQ as at 30/09/2024
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	5,247	0.3x	0.4x	0.4x	6.0x	8.8x	7.5x	6.7x	10.2x	8.4x
Avnet, Inc.		Jun-24	3,570	0.3x	0.3x	0.3x	7.6x	8.9x	7.4x	8.3x	10.3x	8.0x
Rexel S.A.		Dec-23	6,432	0.6x	0.6x	0.6x	8.9x	7.5x	7.1x	9.4x	9.8x	9.2x
RS Group plc		Mar-24	3,837	1.5x	1.4x	1.4x	13.0x	11.8x	10.5x	15.0x	14.2x	12.4x
WESCO International		Dec-23	6,161	0.6x	0.6x	0.6x	8.3x	8.7x	8.2x	9.0x	10.2x	9.5x
Min				0.3x	0.3x	0.3x	6.0x	7.5x	7.1x	6.7x	9.8x	8.0x
Median				0.6x	0.6x	0.6x	8.3x	8.8x	7.5x	9.0x	10.2x	9.2x
Mean				0.7x	0.7x	0.6x	8.8x	9.2x	8.1x	9.7x	10.9x	9.5x
Max				1.5x	1.4x	1.4x	13.0x	11.8x	10.5x	15.0x	14.2x	12.4x

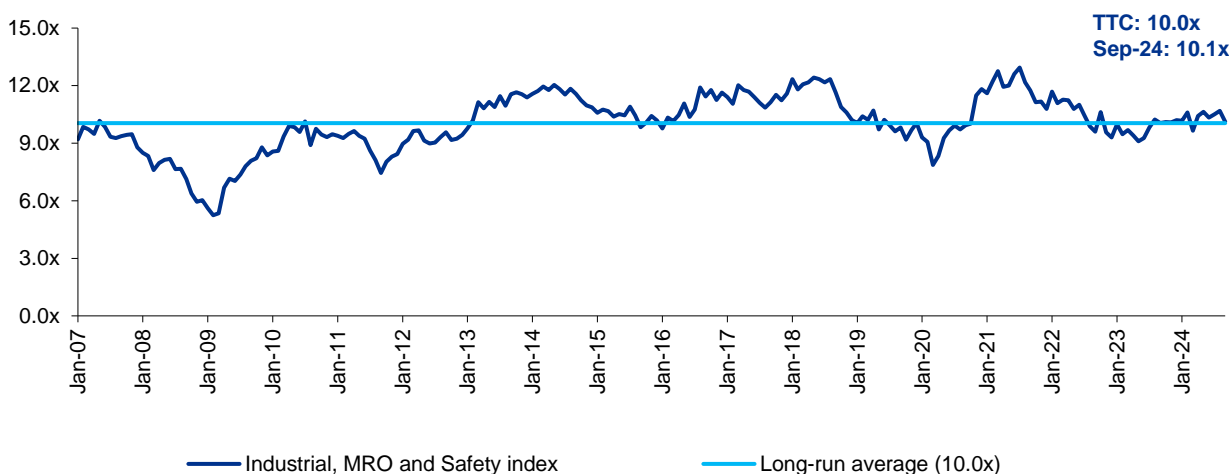
Source: S&P Capital IQ as at 30/09/2024

Note: LFY = Last financial year

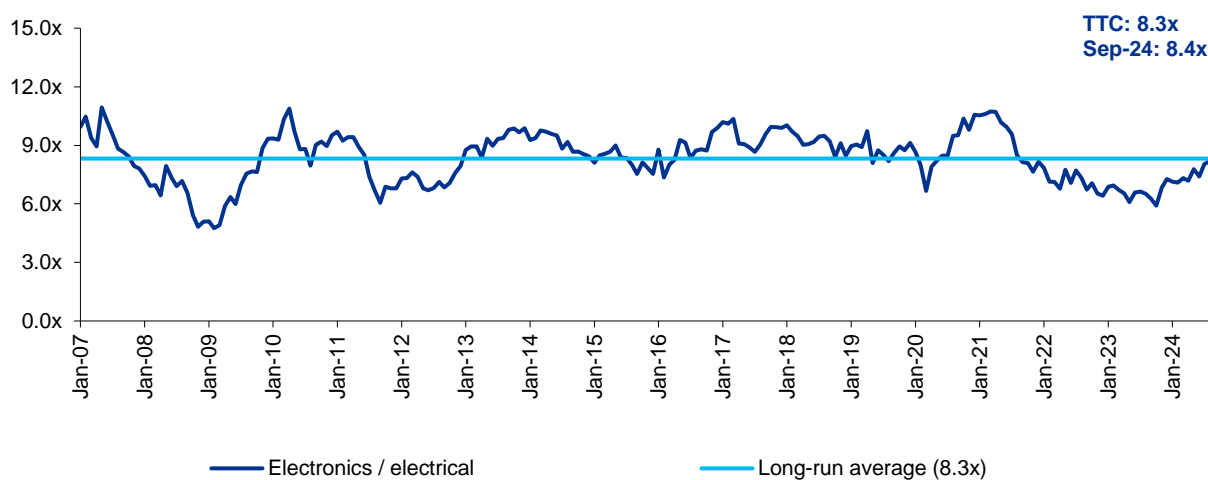
Public company valuations

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
Aug-20	Anixter International Inc		Distributor of hydraulic systems and solutions	WESCO International		3,351	9.9x
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
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							10.1x
Max							14.3x

Source: Mergermarket and KPMG intelligence

* - Private Equity investor

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KPMG Public

KPMG's global industrial distribution credentials

 <p>CAAPS IR Ingersoll Rand</p> <p>Advised CAAPS Australia on its sale to Ingersoll Rand</p> <p>Distributor of air compressor equipment</p> <p>2024</p>	 <p>ELECTROZAD sonepar</p> <p>Advised Electrozad Supply on its sale to Sonepar</p> <p>Electrical products distributor</p> <p>2024</p>	 <p>GRAINGER IER INDUSTRIAL PARADIGM EQUITY PARTNERS</p> <p>Advised W.W. Grainger on its sale of E&R Industrial To Paradigm Equity Partners</p> <p>MRO products distributor</p> <p>2023</p>	 <p>LONE STAR FUNDS ERIKS</p> <p>Advised Lone Star on its acquisition of ERIKS N.V.</p> <p>Industrial parts distributor</p> <p>2023</p>	 <p>DICSA 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 KLATT</p> <p>Advised DEXIS Czech Republic on their acquisition of Klatt</p> <p>Distributor of PPE</p> <p>2023</p>	 <p>FASTBOLT 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 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 tti</p> <p>Advised on the sale of Ecopac Power to TTI, Inc</p> <p>Electrical products distributor</p> <p>2022</p>	 <p>R&G FLUID POWER DIPLOMA PLC</p> <p>Advised R&G Fluid Power on their sale to Diploma Plc</p> <p>Fluid power distributor</p> <p>2022</p>

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