



M&A MARKET MONITOR

DISTRIBUTION

January 2021

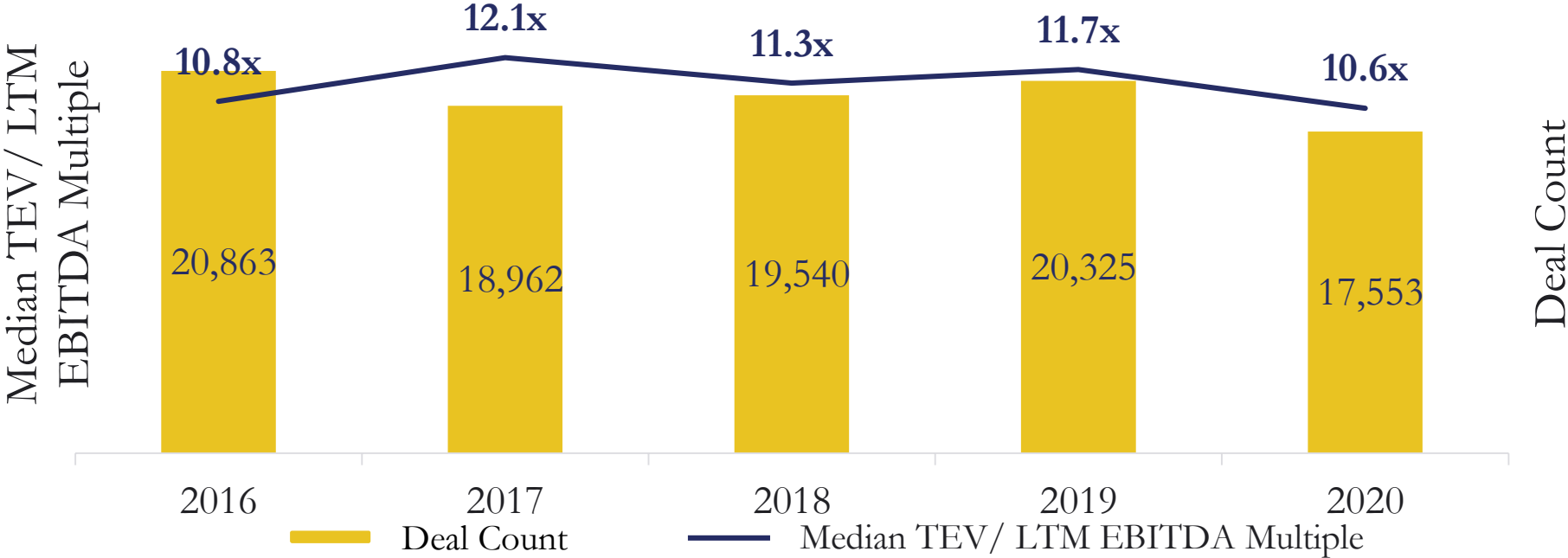
U.S. & Canada M&A Market Overview



Overall Market Transactions

Quick Highlights

- Although the pandemic affected the U.S. & Canada M&A market, volume and multiples ended the year at approximately 90% of recent historical averages
 - 2020 deal count was 88% of the previous 4-year (2016-2019) average
 - 2020 median TEV/LTM EBITDA multiple was 92% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources, As of 12/31/2020

About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

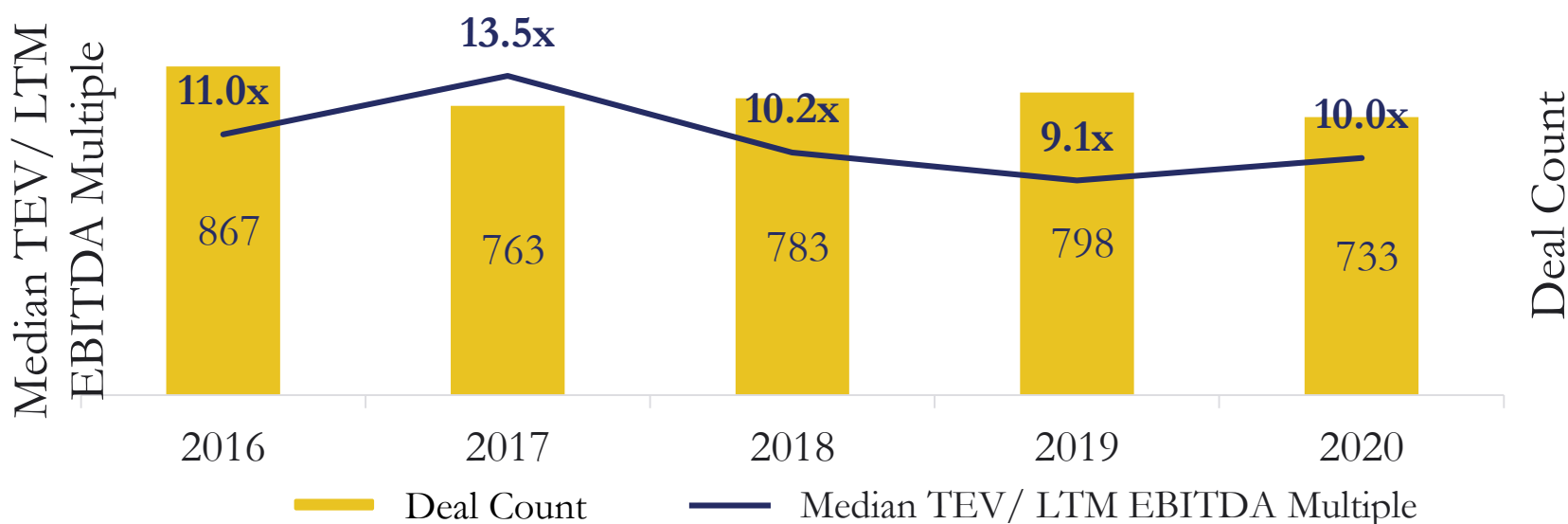
U.S. & Canada M&A Market Overview

Distribution Transactions



Quick Highlights

- The Distribution industry 2020 deal count and multiples lagged historical averages
 - 2020 deal count was 91% of the previous 4-year (2016-2019) average
 - 2020 median TEV/LTM EBITDA multiple was 91% of the previous 4-year (2016-2019) average but in line with the previous two years



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources

As of 12/31/2020

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Public Companies' Trading Metrics | Distribution

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
Broadline								
AutoZone, Inc.	\$1,185.44	\$26,980	\$33,692	23.2%	2.6	2.6	10.0	11.8
Bunzl plc	\$33.35	\$11,127	\$13,431	7.4%	1.0	1.0	11.6	11.5
Dorman Products, Inc.	\$86.82	\$2,785	\$2,649	15.6%	2.6	2.4	15.3	14.3
Genuine Parts Company	\$100.43	\$14,488	\$17,296	7.4%	0.9	1.0	11.9	12.2
O'Reilly Automotive, Inc.	\$452.57	\$32,788	\$37,707	23.4%	3.3	3.3	12.6	14.6
Uni-Select Inc.	\$6.36	\$270	\$772	4.0%	0.5	0.5	8.5	7.3
Median	\$93.63	\$12,808	\$15,364	11.5%	1.8	1.7	11.7	12.0
Building Products & Construction								
Beacon Roofing Supply, Inc.	\$40.19	\$2,773	\$5,761	6.4%	0.8	0.8	10.0	11.4
Builders FirstSource, Inc.	\$40.81	\$4,767	\$6,314	6.7%	0.8	0.7	10.2	8.7
Ferguson plc	\$121.29	\$27,159	\$29,649	8.4%	1.3	1.3	13.6	12.8
Foundation Building Materials, Inc.	\$19.21	\$830	\$1,397	7.5%	0.7	0.7	7.2	8.7
Houston Wire & Cable Company	\$2.79	\$46	\$123	1.6%	0.4	NM	12.3	NM
Pool Corporation	\$372.50	\$14,959	\$15,421	12.3%	4.2	3.7	29.5	29.9
SiteOne Landscape Supply, Inc.	\$158.63	\$7,016	\$7,465	8.7%	2.9	2.6	25.5	29.1
Watsco, Inc.	\$226.55	\$8,032	\$8,484	8.0%	1.7	1.6	17.1	19.2
Median	\$81.05	\$5,892	\$6,890	7.8%	1.1	1.3	12.9	12.8

Source: S&P Capital IQ; ArkMalibu
 EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

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					LTM	NTM	LTM	NTM
USD in millions except per share price								
Diversified Industrial								
Applied Industrial Technologies, Inc.	\$77.99	\$3,023	\$3,610	9.0%	1.2	1.2	12.9	13.2
DXP Enterprises, Inc.	\$22.23	\$395	\$569	4.5%	0.5	0.6	7.7	15.0
Fastenal Company	\$48.83	\$28,031	\$28,351	22.9%	5.1	5.0	19.8	21.7
Kaman Corporation	\$57.13	\$1,581	\$1,731	16.9%	2.1	2.1	12.2	12.3
Lawson Products, Inc.	\$50.91	\$460	\$454	7.1%	1.3	1.1	15.6	11.2
MRC Global Inc.	\$6.63	\$545	\$1,463	2.3%	0.5	0.6	14.3	18.4
MSC Industrial Direct Co., Inc.	\$84.39	\$4,710	\$5,266	13.6%	1.6	1.6	11.4	12.3
Vallourec S.A.	\$32.72	\$374	\$3,803	6.9%	0.9	0.9	11.8	11.4
Veritiv Corporation	\$20.79	\$360	\$1,262	2.0%	0.2	0.2	5.0	7.7
W.W. Grainger, Inc.	\$408.34	\$21,915	\$23,700	13.3%	2.0	2.0	15.3	14.8
Median	\$49.87	\$1,063	\$2,670	8.0%	1.2	1.1	12.5	12.8
Electrical								
Rexel S.A.	\$15.77	\$4,767	\$8,072	4.6%	0.5	0.5	8.4	8.0
WESCO International, Inc.	\$78.50	\$3,928	\$8,895	5.4%	0.9	0.5	13.7	9.2
Median	\$47.14	\$4,348	\$8,484	5.0%	0.7	0.5	11.1	8.6
Energy/Oil & Gas								
DCP Midstream, LP	\$18.52	\$3,859	\$10,482	10.5%	1.7	1.2	9.0	8.7
Enbridge Inc.	\$31.95	\$64,705	\$126,282	28.5%	3.9	4.5	12.4	11.6
EnerSys	\$83.06	\$3,536	\$4,267	10.9%	1.4	1.4	11.7	10.7
Global Partners LP	\$16.62	\$565	\$2,112	3.0%	0.2	0.2	5.3	10.3
Martin Midstream Partners L.P.	\$1.43	\$56	\$653	14.4%	0.9	0.8	5.0	6.4
NOV Inc.	\$13.73	\$5,331	\$6,475	3.2%	0.9	1.2	47.6	24.8
Suburban Propane Partners, L.P.	\$14.86	\$929	\$2,255	23.1%	2.0	2.0	7.8	8.5
Median	\$16.62	\$3,536	\$4,267	10.9%	1.4	1.2	9.0	10.3

Source: S&P Capital IQ; ArkMalibu
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					LTM	NTM	LTM	NTM	
USD in millions except per share price									
Food Services									
Core-Mark Holding Company, Inc.	\$29.37	\$1,319	\$1,980	1.2%	0.1	0.1	8.4	10.0	
SpartanNash Company	\$17.41	\$624	\$1,449	2.3%	0.2	0.2	5.4	6.6	
Sysco Corporation	\$74.26	\$37,825	\$46,142	4.2%	0.9	0.8	20.8	15.7	
United Natural Foods, Inc.	\$15.97	\$896	\$4,775	2.6%	0.2	0.2	4.4	6.9	
US Foods Holding Corp.	\$33.31	\$7,356	\$13,083	2.8%	0.6	0.5	18.0	12.8	
Median	\$29.37	\$1,319	\$4,775	2.6%	0.2	0.2	8.4	10.0	
Specialty chemicals									
Air Products and Chemicals, Inc.	\$273.22	\$60,395	\$62,702	38.8%	7.1	6.5	16.6	15.6	
Brenntag AG	\$77.48	\$11,971	\$13,948	7.2%	0.9	0.9	11.7	10.7	
Hawkins, Inc.	\$52.31	\$558	\$639	12.8%	1.2	1.1	8.8	8.7	
L'Air Liquide S.A.	\$164.22	\$77,526	\$95,792	25.7%	3.7	3.6	13.7	12.8	
Linde plc	\$263.51	\$137,919	\$152,940	31.1%	5.7	5.4	18.0	16.6	
Univar Solutions Inc.	\$19.01	\$3,215	\$5,833	6.7%	0.7	0.7	9.1	9.0	
Median	\$120.85	\$36,183	\$38,325	19.3%	2.4	2.4	12.7	11.8	
Technology									
Arrow Electronics, Inc.	\$97.30	\$7,368	\$9,462	3.5%	0.3	0.3	9.9	7.8	
Avnet, Inc.	\$35.11	\$3,470	\$4,671	2.0%	0.3	0.3	10.4	12.0	
Insight Enterprises, Inc.	\$76.09	\$2,671	\$3,347	4.1%	0.4	0.4	8.8	9.1	
ScanSource, Inc.	\$26.38	\$670	\$803	3.0%	0.3	0.3	8.4	8.1	
Median	\$55.60	\$3,070	\$4,009	3.2%	0.3	0.3	9.4	8.6	

Source: S&P Capital IQ; ArkMalibu
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	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
Transportation & Heavy Equipment								
AAR Corp.	\$36.22	\$1,264	\$1,464	3.2%	0.8	0.8	17.0	12.2
Finning International Inc.	\$21.21	\$3,439	\$4,545	8.1%	0.9	0.9	9.4	8.1
HEICO Corporation	\$132.40	\$16,660	\$17,303	26.1%	9.7	9.0	35.6	33.8
LKQ Corporation	\$35.24	\$10,725	\$14,848	11.0%	1.3	1.2	8.7	10.3
Titan Machinery Inc.	\$19.55	\$434	\$837	4.5%	0.6	0.6	9.9	12.8
Triumph Group, Inc.	\$12.56	\$655	\$2,300	9.1%	1.0	1.3	9.2	12.6
Median	\$28.23	\$2,352	\$3,423	8.6%	0.9	1.1	9.6	12.4

Source: S&P Capital IQ; ArkMalibu
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ARKMALIBU

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