



Q2 2023 Specialty Distribution Update

July 2023

LAKESIDE'S SPECIALTY DISTRIBUTION PRACTICE

Differentiated transaction experience across specialty distribution models and industries

MEET OUR SPECIALTY DISTRIBUTION TEAM



Josh Garner
Managing Director



MacKenzie Place
Vice President



Jacob Atkinson
Associate

- Our experience advising distribution businesses is unmatched by firms of our size who serve the lower middle market
- We have executed dozens of distribution transactions across all end markets with a combined transaction value of over \$4 billion
- We maintain regular dialogue with acquirers of distribution businesses, including corporate buyers, private equity firms, and family offices

DISTRIBUTION SUBSECTOR EXPERIENCE

Automotive Aftermarket
Building Products
Consumer Products
Electrical and Communications
Foodservice
Healthcare
Industrial / MRO
Technology

DISTRIBUTION MODEL EXPERIENCE

Branch-based
Route-based
e-Commerce
Direct marketing
Catalog

REPRESENTATIVE DISTRIBUTION TRANSACTIONS

 has been acquired by 	<p>Building Products Distributor</p> <p>In Process</p> <p>M&A Advisory</p>	 has been acquired by portfolio company of 	<p>Promotional Products Supplier</p> <p>In Process</p> <p>M&A Advisory</p>
 has been acquired by 	 has been acquired by 	<p>Paint, Body, & Equipment Distributor</p> <p>has been acquired by</p> <p>Confidential Buyer</p>	 has been acquired by
 has been acquired by portfolio company of 	 has been acquired by 	 portfolio company of has been acquired by 	 portfolio company of has been acquired by Berkshire Partners
 has been acquired by 	 portfolio company of has been acquired by 	<p>Bodek+Rhodes</p> <p>has been acquired by portfolio company of LITTLEJOHN & CO.</p>	 has been acquired by

Note: Select transactions completed by Lakeside principals while at prior firms

INDUSTRY NEWS

Lakeside is committed to keeping our finger on the pulse of the specialty distribution market

WORTHWHILE READS

The articles below are taken from various industry periodicals, websites, and blogs from around the web that highlight key themes in specialty distribution.

Retailers Are Trying to Fix Their Supply-Chain Forecasts

Wall Street Journal

"Retailers are turning to new technology and greater use of data across their supply chains in an effort to fix forecasting tools that were effectively splintered during the Covid-19 pandemic."

Read the article [here](#)

Should Distributors Trust AI to Make Product Recommendations?

Distribution Strategy Group

"Many leading distributors put a premium on high-quality, well-segmented data. Segmentation is a method of grouping data and turning large amounts of data into actionable information for better decision making and planning."

Read the article [here](#)

Tech-Enabled, Customer First

Industrial Distribution

"There are many challenges facing distributors, and tech can't solve everything — but it can come close. If there is a shortcoming, it might be the perception that comes along with being a company that was born online and eschews inventory in favor of drop shipping."

Read the article [here](#)

June Wholesale Inflation Nearly Halts at 0.1%

Modern Distribution Management

"The Producer Price Index for final demand increased 0.1% in June, showing that inflation continues to slow, the U.S. Bureau of Labor Statistics reported July 13."

Read the article [here](#)

RECENT TRANSACTIONS

The transactions highlighted below were high profile transactions completed in the most recent quarter.



has been acquired by



Dangelo Company is a full-service waterworks and fire protection supply business. The Company distributes products for water, sewer, storm drain, reclaimed water and fire protection in Southern California.

Core & Main is a specialized nationwide distributor of water, wastewater, storm drainage, and fire protection products for municipalities, private water companies, and professional contractors.



has been acquired by



Washoe Building Supply, based in Sparks, NV, specializes in the distribution of roofing materials, but also offers a wide variety of other building products such as waterproofing, tools, fasteners, pavers and other products.

SRS Distribution, based in McKinney, TX, is a nationwide distributor of roofing materials and other building products.



has been acquired by



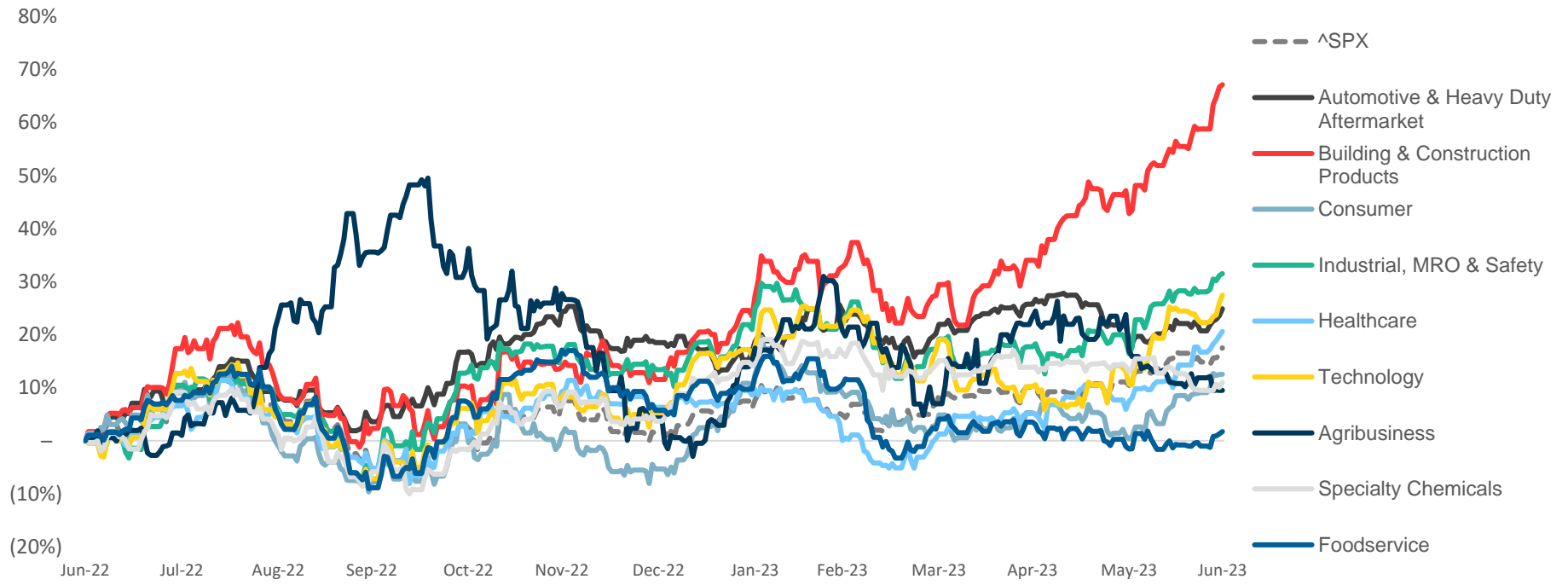
FPC Distribution is a foodservice, jan-san, and dry goods distributor serving Maryland and Virginia.

BradyIFS is the nations largest independent janitorial supply and foodservice distributor, serving a broad range of market segments including building service contractors, commercial buildings, education, food processing, grocery, government, healthcare, high traffic facilities, industrial, hospitality, religious facilities, restaurants, retail, and more.

SPECIALTY DISTRIBUTION PUBLIC COMPANY PERFORMANCE

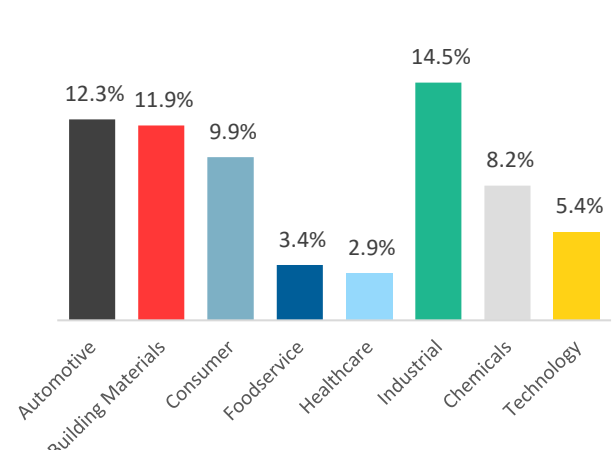
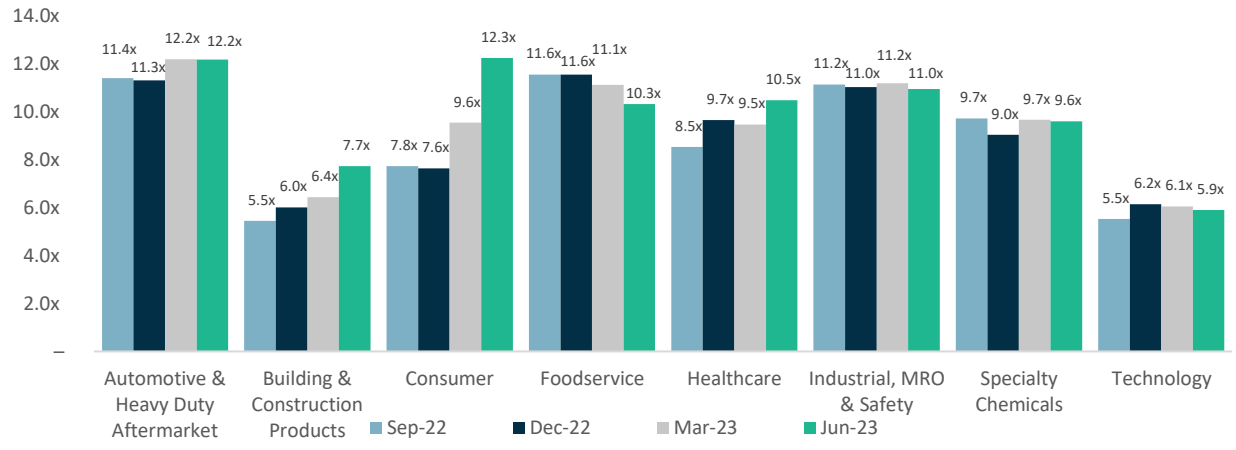
Below is a look at how publicly traded distribution companies performed by sector

ONE-YEAR HISTORICAL STOCK PRICE PERFORMANCE (AS OF 6/30/23)



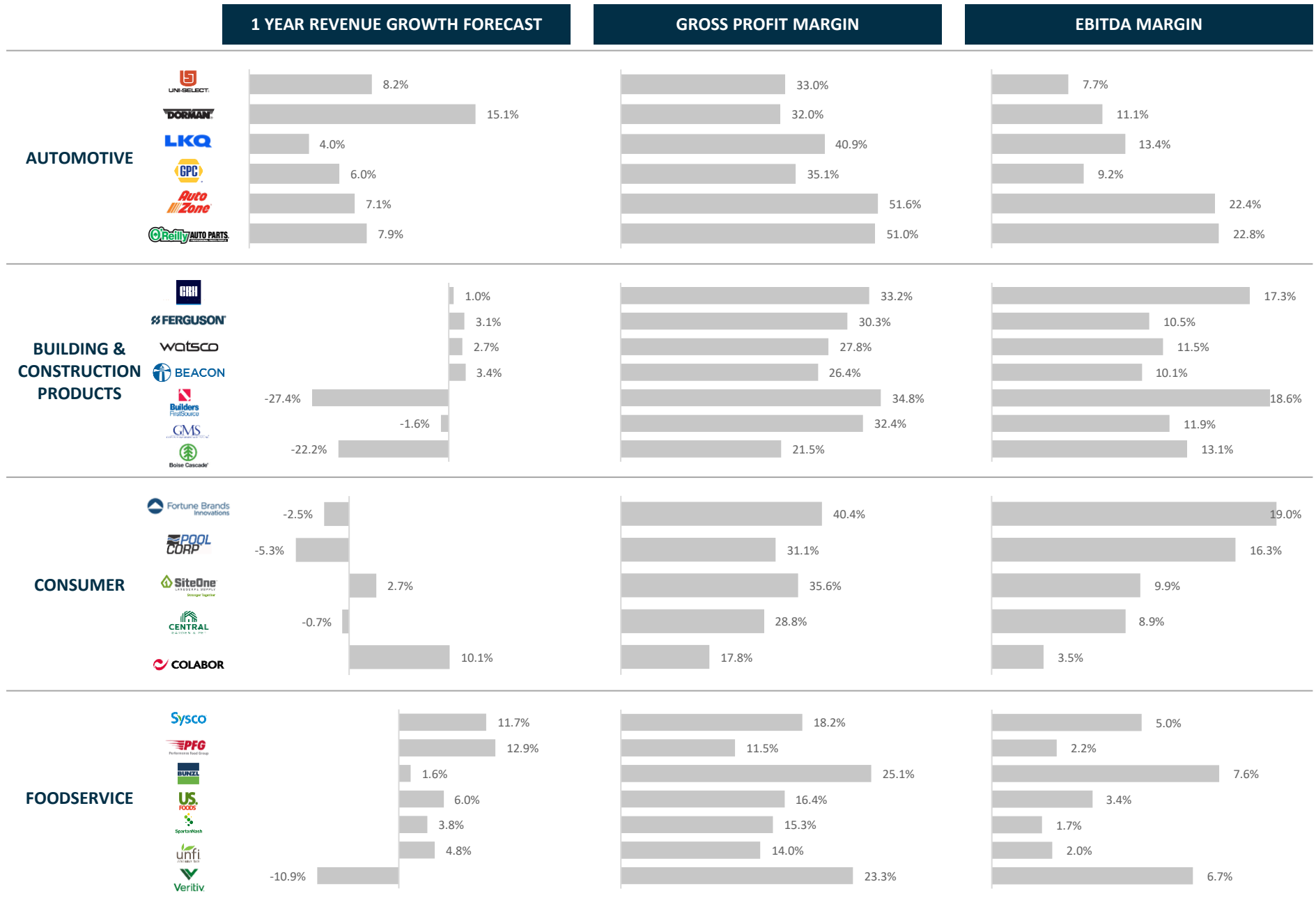
EBITDA TRADING MULTIPLES BY QUARTER-END

EBITDA MARGIN BY SECTOR



Source: Capital IQ

SPECIALTY DISTRIBUTION PUBLIC COMPANY BENCHMARKING BY SECTOR



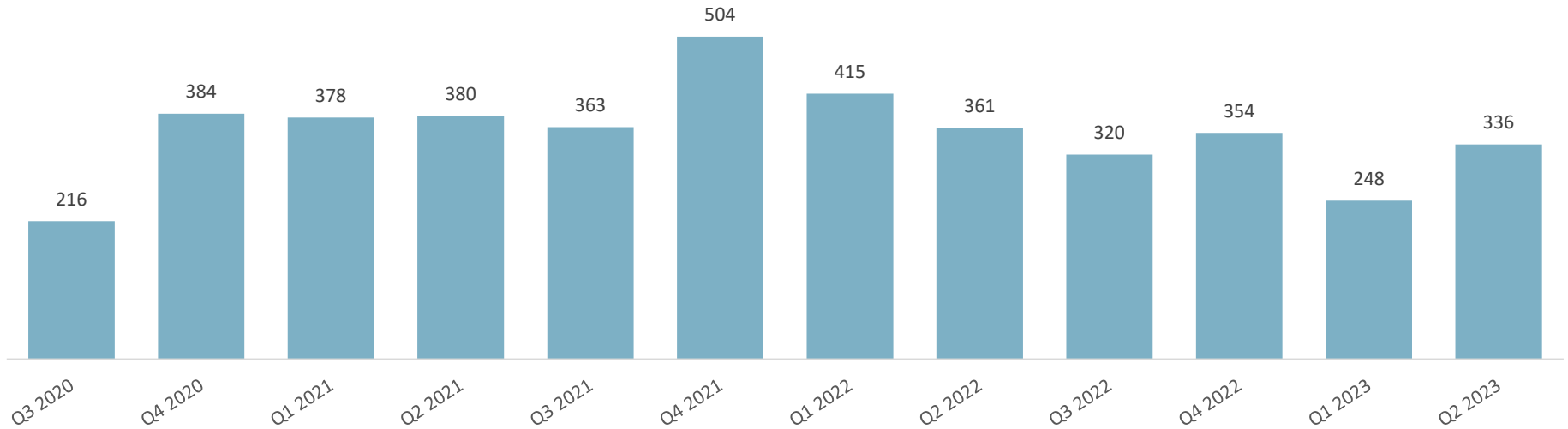
SPECIALTY DISTRIBUTION PUBLIC COMPANY BENCHMARKING BY SECTOR (CONT'D)



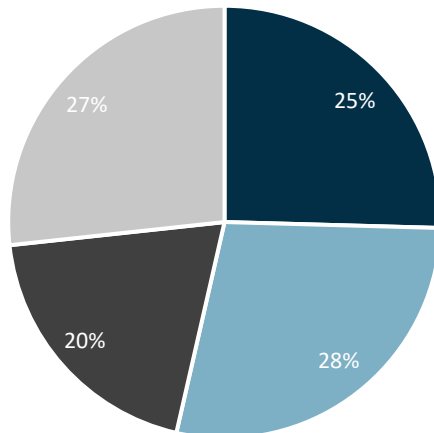
SPECIALTY DISTRIBUTION M&A STATISTICS

Below is an overview of M&A volume by quarter for Specialty Distribution

NUMBER OF DISTRIBUTION TRANSACTIONS BY QUARTER FOR PAST 3 YEARS

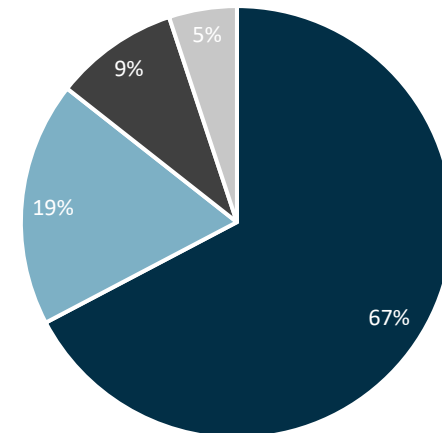


PERCENT OF TRANSACTION VOLUME COMPLETED BY QUARTER



■ Q3 2022 ■ Q4 2022 ■ Q1 2023 ■ Q2 2023

DISTRIBUTION OF TRANSACTIONS BY EV FOR PAST 3 YEARS¹



■ \$0-\$50M ■ \$51-\$250M ■ \$251-\$1,000M ■ \$1,000+M

SELECT RECENT SPECIALTY DISTRIBUTION TRANSACTIONS

Transaction Date	Target Name	Business Description	Acquirer
6/30/2023	AMACO Construction Equipment Inc.	AMACO Construction Equipment Inc. engages in the distribution of heavy equipment that provides new and used heavy equipment leasing, renting, parts, service, and sales options to the ontario construction market.	Chadwick BaRoss Ontario Ltd
6/29/2023	Amity Holdings, LLC	Amity Holdings, LLC, doing business as MediCore Medical Supply, manufactures and distributes blood collection and diabetes-related products.	ASP Global LLC
6/28/2023	Michigan Petroleum Technologies, Inc.	Michigan Petroleum Technologies, Inc. engages in distribution of petrochemical products.	RelaDyne, Inc.
6/28/2023	U.S. Uniform & Supply, Inc.	U.S. Uniform & Supply, Inc. sells law enforcement and EMS uniforms, equipment, and supplies for emergency service personnel.	Municipal Emergency Services, Inc.
6/28/2023	GNB Ventures, LLC	GNB Ventures, LLC doing business as Sisco Safety distributes fire safety products.	Rosewood Private Investments
6/27/2023	Murphy Supply Company	Murphy Supply Company, LLC distributes janitorial supply products, such as trash liners, paper products, carpet care products, and dispensers.	RKCA, Inc.
6/26/2023	Bix Produce Company, LLC	Bix Produce Company, LLC is engaged in the distribution of bulk and pre-cut fruits and vegetables, dairy, and related food items.	FreshPoint, Inc.
6/26/2023	New Energy Distributing, Inc.	New Energy Distributing, Inc. operates as a supplier of hearth products.	Copperfield Chimney Supply, Inc.
6/26/2023	Mid-States Supply Company Inc.	Mid-States Supply Company Inc. supplies pipes, valves, and fittings to ethanol, pipeline, and power industries in the United States.	Ilion Capital Partners
6/26/2023	American Olean Midwest LLC	American Olean Midwest LLC distributes tiles in Northern Illinois, Central and Southern Wisconsin, and Northern Indiana.	Louisville Tile Distributors, Inc.
6/24/2023	FPC Holdings, Inc.	FPC Holdings, Inc. distributes paper and plastic packaging products to the food service, health care, lodging, education, building services, and industrial markets.	BradyFS Holdings, LLC
6/23/2023	West Florida Supply Co.	West Florida Supply Co. distributes janitorial supply products.	City Maintenance Supply
6/23/2023	Washoe Building Supply, Inc.	Washoe Building Supply, Inc. distributes residential and commercial roofing products.	SRS Distribution Inc.
6/15/2023	A&A Global Industries, Inc.	A&A Global Industries, Inc. distributes toys, novelties, candy, plush, and merchandiser kits for the bulk vending, amusement, and family entertainment industries.	Acacia Partners, LLC
6/14/2023	Tom Barrow Co., Inc.	Tom Barrow Co., Inc. engages in the distribution of heating, ventilation, and air conditioning products.	Ardian; Ardian North America Fund
6/14/2023	Cumberland Diversified Metals, Inc.	Cumberland Diversified Metals, Inc. distributes specialty metals with particular product strength in prime and secondary stainless steel, prime and secondary aluminum, titanium and nickel.	Slate Capital Group
6/13/2023	CNR Air Conditioning Inc	CNR Air Conditioning Inc provides heating, ventilating, and air conditioning services.	Conditioned Air Mechanical Services, Inc.
6/13/2023	Jobbers Automotive, LLC	Jobbers Automotive, LLC operates as a supplier of auto parts, janitorial supplies, equipment, bulk oil, and WeatherTech products.	DealerShop, Inc.
6/13/2023	Gorm, Inc	Gorm, Inc distributes foodservice disposables and janitorial and sanitation services.	Brady Industries, Inc.
6/12/2023	Silver State Building Materials, Inc.	Silver State Building Materials, Inc. engages in the distribution of residential roofing materials and complementary products.	Beacon Roofing Supply, Inc.
6/12/2023	J.W.D'angelo Company Inc.	J.W.D'angelo Company Inc. provides fire protection and waterworks products.	Core & Main, Inc.
6/12/2023	Northern States Supply Inc.	Northern States Supply Inc. operates as a distributor of industrial and construction supply products and tools.	B&F Fastener Supply Inc.
6/12/2023	4 Rivers Equipment - Ag, LLC	4 Rivers Equipment - Ag, LLC distributes construction machinery and equipment.	21st Century Equipment, LLC
6/8/2023	Competition Specialties, Inc.	Competition Specialties, Inc. engages in the wholesale distribution of high performance parts and off-road accessories.	Banyan Technologies Group
6/8/2023	White Distribution & Supply, LLC	White Distribution & Supply, LLC distributes products for maintenance, repair, and operation needs.	AFC Industries, Inc.
6/7/2023	Medsmart Dispensary Inc.	Medsmart Dispensary Inc. engages in the distribution of herbal medicine that is designed to detoxify the human body.	Nirvana Life Sciences Inc.

Source: Capital IQ

SELECT RECENT SPECIALTY DISTRIBUTION TRANSACTIONS

Transaction Date	Target Name	Business Description	Acquirer
6/7/2023	Salesmaster Associates, Inc.	Salesmaster Associates, Inc. distributes floor covering solutions to floor covering retailers and contractors.	Spartan Surfaces, Inc.
6/6/2023	S. G. Torrice Co., Inc.	S. G. Torrice Co., Inc. provides distribution of heating and cooling equipment, parts, and accessories.	Ferguson plc
6/6/2023	Power Equipment Leasing Company, Inc.	Power Equipment Leasing Company, Inc. distributes, installs, leases, and rents new and used truck-mounted aerial lifts and cranes for lifting, access, and material handling customers.	Utility Sales and Service, Inc.
6/5/2023	Impladent Ltd.	Impladent Ltd. develops, manufactures, and distributes regenerative materials.	Solmetex, LLC
6/5/2023	Tire Wholesalers Inc.	Tire Wholesalers Inc. distributes tires.	Turbo Wholesale Tires, Inc.
6/5/2023	Express Parts and Services	Express Parts and Services engages in the distribution of commercial laundry products.	EVI Industries, Inc.
6/5/2023	American Window Film, Inc.	American Window Film, Inc. operates as a distributor of window films catering to commercial, residential, and national retail sectors.	Solar Art Window Film, Inc.
6/5/2023	Sices Material Products, Inc.	Sices Material Products, Inc. distributes drywall, steel framing, ceiling systems, lumber, and general building products.	Foundation Building Materials, Inc.
6/5/2023	Tri-State Companies	Tri-State Companies operates as a food ingredients broker, distributor, and logistics provider.	Batory Foods, Inc.
6/4/2023	Power & Pumps, Inc.	Power & Pumps, Inc. operates as a distributor of pumps, electric motors, variable frequency drives, mechanical power transmission, and related products.	Motion & Control Enterprises, LLC
6/4/2023	Industrial Control Service, Inc.	Industrial Control Service, Inc. operates as a distributor of specialty automation products, including robotics, motion control, machine vision, barcoding systems, controls and networking, and safety solutions.	Motion & Control Enterprises, LLC
6/1/2023	Team Air Distributing, Inc.	Team Air Distributing, Inc. distributes HVAC, plumbing, and electrical equipment to residential and commercial contractors.	Kian Capital Partners, LLC
6/1/2023	NDI, Inc.	NDI, Inc. operates as a distributor of apparel and custom promotional products.	Wallace Graphics Inc.
5/30/2023	Link Outdoor Lighting, Inc.	Link Outdoor Lighting, Inc. distributes outdoor lighting products.	SiteOne Landscape Supply, Inc.
5/22/2023	Indoff Incorporated	Indoff Incorporated distributes material handling, commercial interiors, energy solutions, and business and promotional products.	Global Industrial Company
5/22/2023	Middle Atlantic Wholesale Lumber, Inc.	Middle Atlantic Wholesale Lumber, Inc. distributes and sells lumber and building supplies for construction, packaging, and industrial applications.	Sherwood Lumber Corporation
5/19/2023	Renzi Bros., Inc.	Renzi Bros., Inc. distributes fresh meats and frozen seafood.	US Foods Holding Corp.
5/11/2023	Adams Wholesale Supply, Inc.	Adams Wholesale Supply, Inc. engages in the distribution of landscape supplies and agronomics.	SiteOne Landscape Supply, Inc.
5/3/2023	Builders Millwork & Supply, Inc.	Builders Millwork & Supply, Inc. distributes doors, custom cabinets, windows, stair parts, and hardware products.	Builders FirstSource, Inc.
5/1/2023	Southern Steel & Supply, LLC	Southern Steel & Supply, LLC distributes pipes, valves, fittings, flanges, steel, and piping related materials related to oil and gas, refinery and petrochemical, construction/fabrication, EPC, and shipbuilding industries.	Siskin Steel & Supply Company Inc.
4/27/2023	Arrowhead Steel Company	Arrowhead Steel Company engages in the distribution of flat-rolled steel products.	Lapham-Hickey Steel Corporation
4/25/2023	Valin Corporation	Valin Corporation distributes automation, filtration, fluid handling, fluid power, process heating, precision measurement, and process control products and systems for a range of purity and industry applications.	Graybar Electric Company, Inc.
4/19/2023	Turbo Diesel & Electric Systems, Inc.	Turbo Diesel & Electric Systems, Inc. engages in trading and distribution of electrical and diesel parts.	Magneto & Diesel Injector Service, Inc.
4/18/2023	General Work Products, LLC	General Work Products, LLC operates as a distributor and supplier of protective equipment and fabricated products for workers' safety.	Bishop Lifting Products, Inc.
4/16/2023	Demand Safety, Inc.	Demand Safety, Inc. distributes safety products and equipment.	Thompson Safety LLC
4/13/2023	Capitol District Supply Co. Inc.	Capitol District Supply Co. Inc. supplies plumbing and kitchen equipment.	N&S Supply LLC

ABOUT LAKESIDE PARTNERS



Lakeside Partners is a boutique investment bank specializing in M&A advisory services. We serve founder & family-owned businesses in the lower middle market by advising their owners through transactions. We leverage decades of experience and relationships to execute processes that unlock exceptional value.

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OUR INDUSTRY EXPERIENCE

