



Q4 2022 Specialty Distribution Update

January 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 	Building Products Distributor In Process M&A Advisory	 has been acquired by portfolio company of 	Promotional Products Supplier In Process M&A Advisory
 has been acquired by 	 has been acquired by 	Paint, Body, & Equipment Distributor has been acquired by Confidential Buyer	 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 	 has been acquired by portfolio company of 	 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.

Here's How Distributors Are Growing Sales Faster **Modern Distribution Management** With Analytics

"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](#)

Rockwell Nails Big Contract from Ford to Supply Controls **Electrical Wholesaling** & Solutions to EV Plants

"Ford says Rockwell Automation, Milwaukee, will be its vehicle operations primary controls and solutions provider for its next three electric vehicle assembly sites."

Read the article [here](#)

Distributors See Green in Electric Vehicles, Batteries **Industrial Distribution**

"Global automakers are projected to spend more than \$515 billion by 2030 to develop and build electric vehicles, according to London sustainability consulting firm ERM on behalf of the Environmental Defense Fund (EDF). In the U.S. alone, 13 carmakers have announced plans to spend more than \$75 billion to open electric vehicle manufacturing..."

Read the article [here](#)

Supply Chains: To Build Resilience, Manage Proactively **McKinsey & Company**

"Supply chain upheavals show little sign of abating. Companies can address them by reconsidering outdated, short-term strategies and beginning the hard work of building structural resilience. Read the article [here](#)

Kyklo raises \$8.5M to bring electrical distributors online **TechCrunch**

"Kyklo, a startup that helps wholesale distributors of electrical and automation products launch e-commerce stores, is announcing that it has raised \$8.5 million in seed funding."

Read the article [here](#)

RECENT TRANSACTIONS

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



Buckles-Smith

has been acquired by

REXEL

Buckles-Smith, a leading electrical and industrial automations products distributor serving the Northern California market, was acquired by Rexel USA.

Rexel USA, is one of the largest distributors of electrical products, data communication, and related supplies in the United States.

Lakeside Partners acted as exclusive financial advisor to Buckles-Smith.

SureWerx

has been acquired by

Partners Group
REALIZING POTENTIAL IN PRIVATE MARKETS

SureWerx, a leading North American supplier of personal protective equipment, safety gear, and tool solutions, was sold from The Riverside Company to Partners Group.

Partners Group is a leading global private markets firm. Since 1996, the firm has invested USD 185 billion in private equity, private real estate, private debt, and private infrastructure on behalf of its clients globally.

NEDCO SUPPLY
ELECTRICAL WHOLESALER - LAS VEGAS, NEVADA

has been acquired by

CODALE
A Sonepar Company

NEDCO Supply, a full-line distributor of electrical products and services operating throughout southern Nevada, was acquired by Codale, a subsidiary of Sonepar USA.

Sonepar is an independent family-owned company with global market leadership in B-to-B distribution of electrical products, solutions and related services.

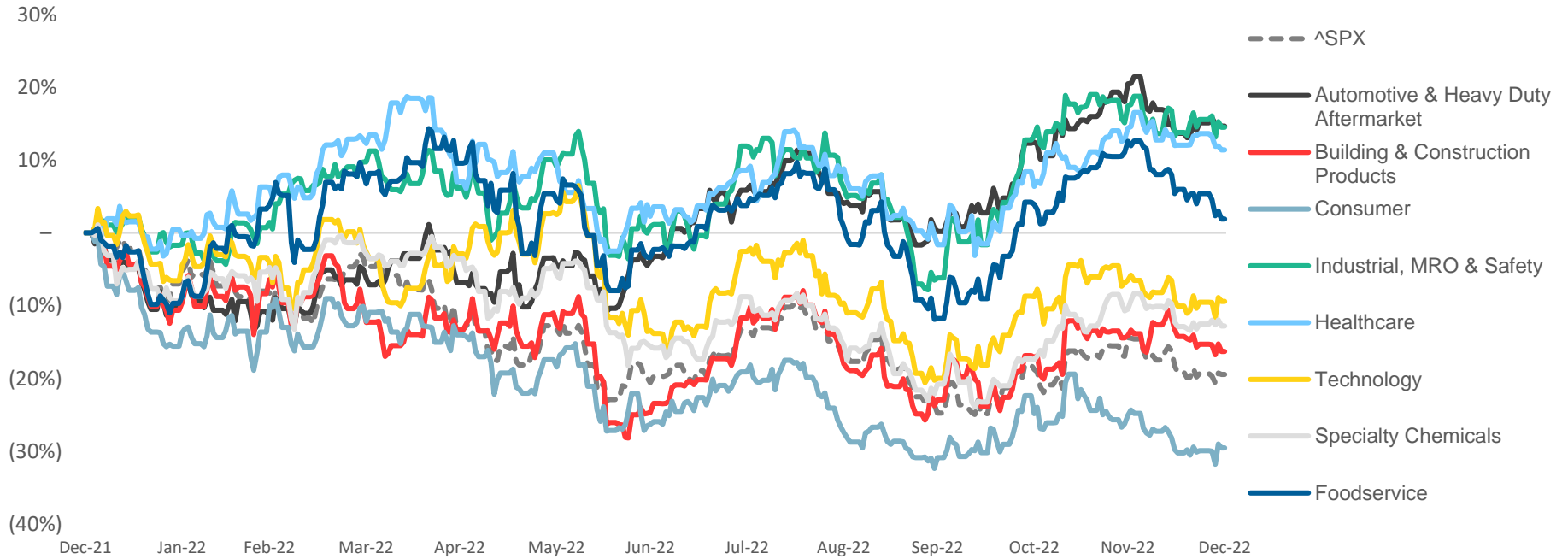


Denotes a Lakeside Partners-led transaction

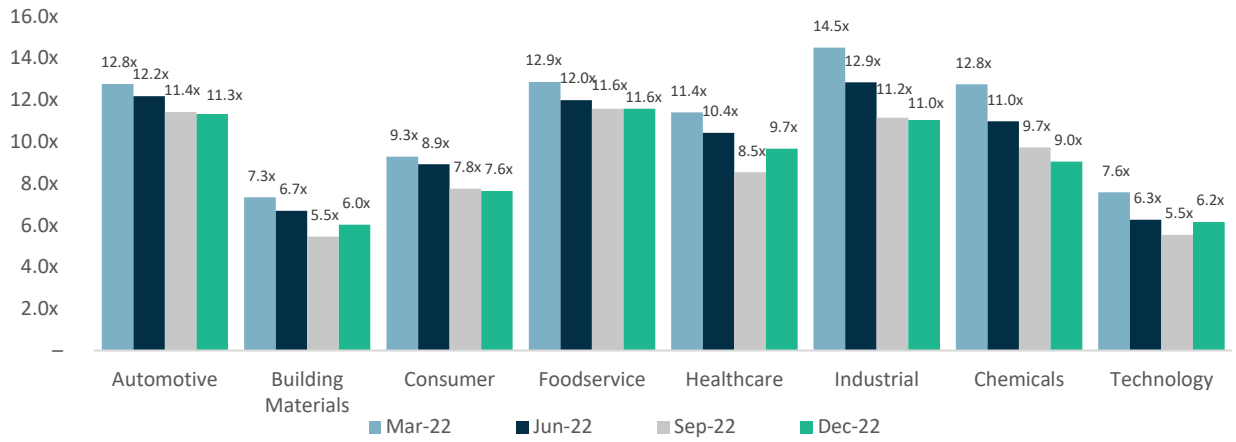
SPECIALTY DISTRIBUTION PUBLIC COMPANY PERFORMANCE

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

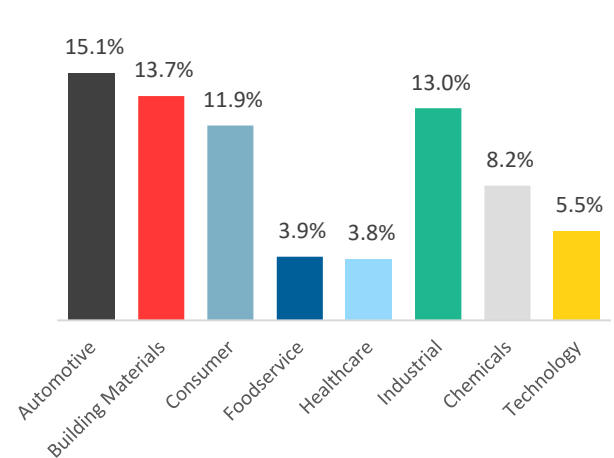
ONE-YEAR HISTORICAL STOCK PRICE PERFORMANCE (AS OF 12/31/22)



EBITDA TRADING MULTIPLES BY QUARTER

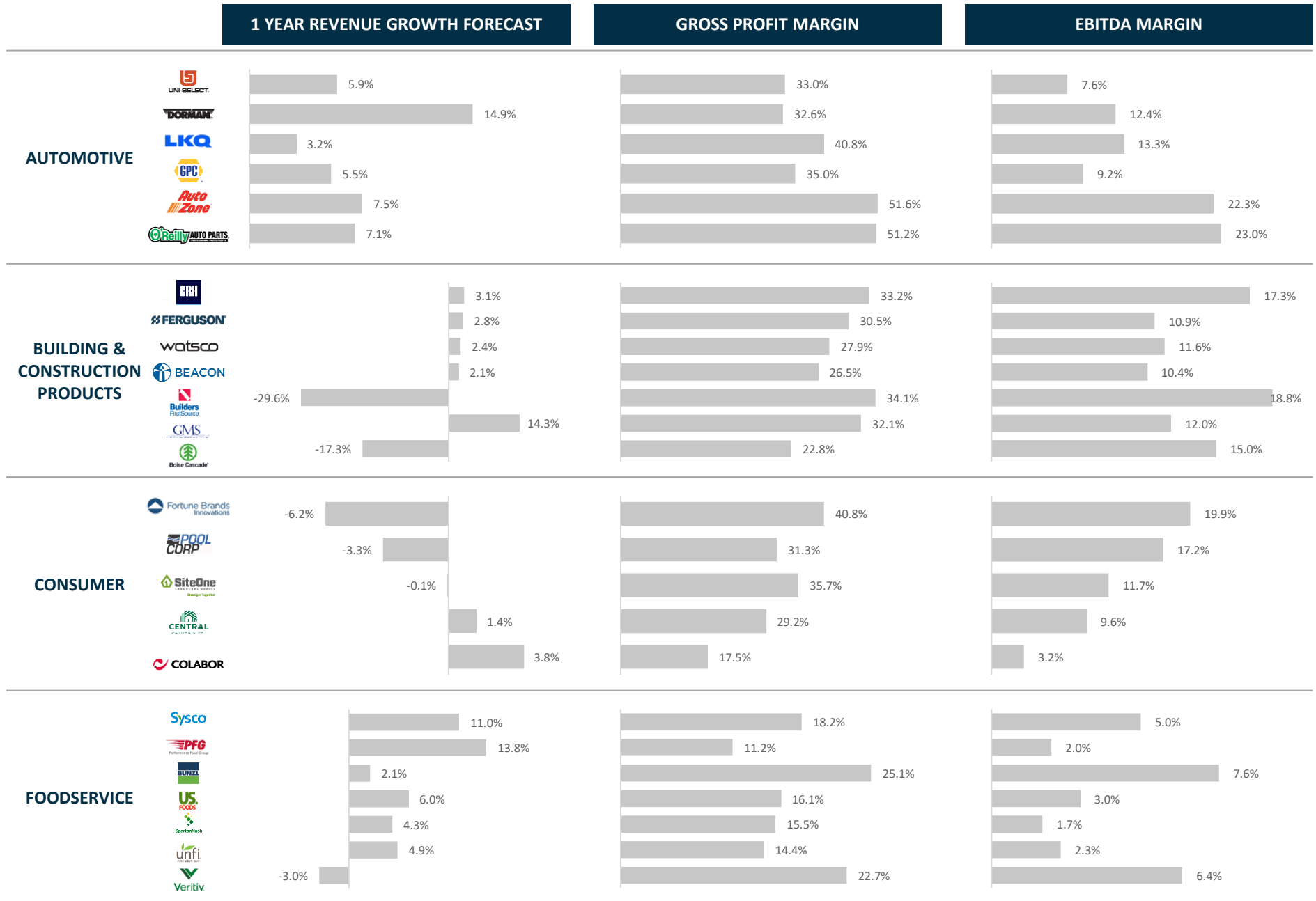


EBITDA MARGIN BY SECTOR

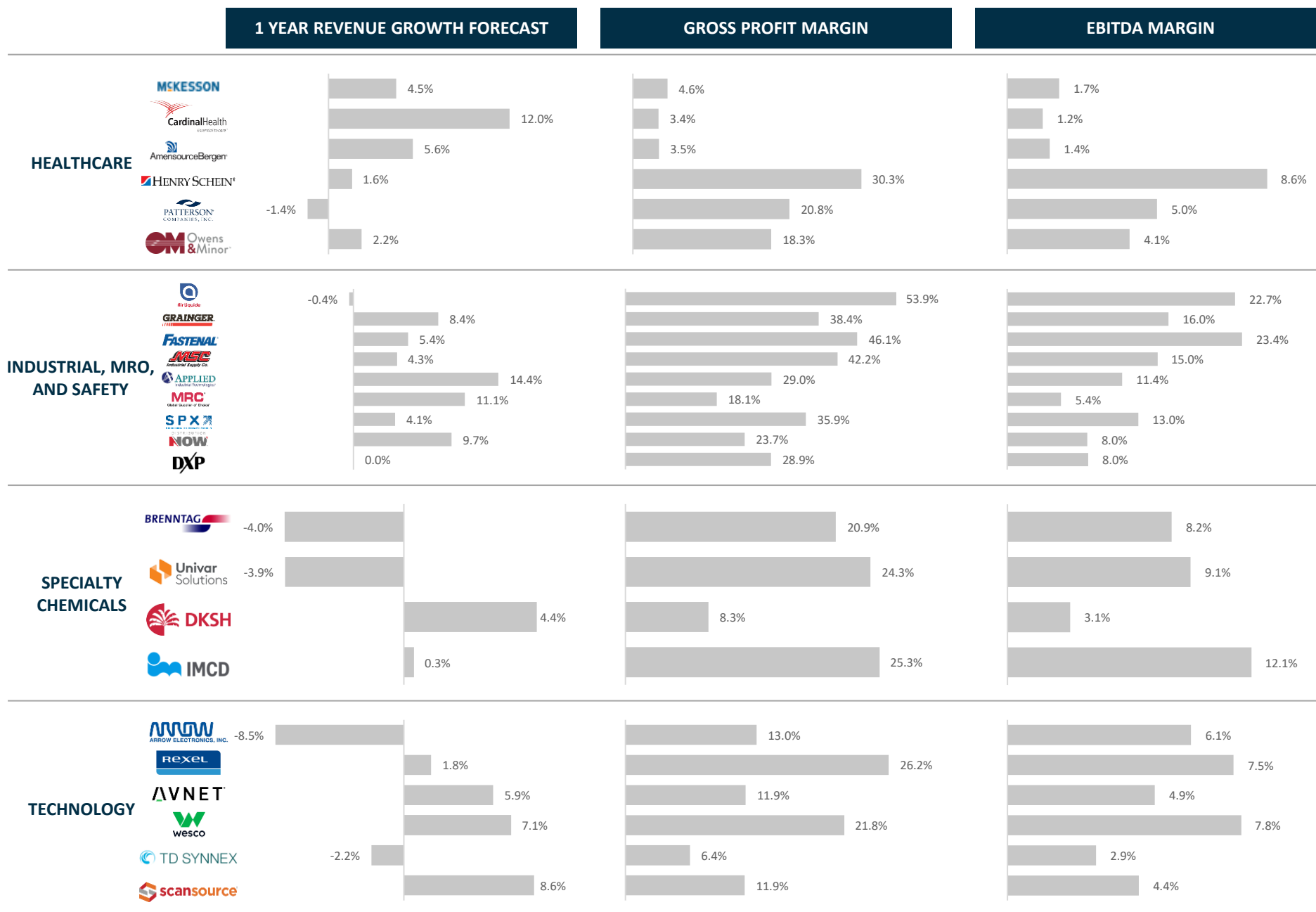


Source: Capital IQ

SPECIALTY DISTRIBUTION PUBLIC COMPANY BENCHMARKING BY SECTOR



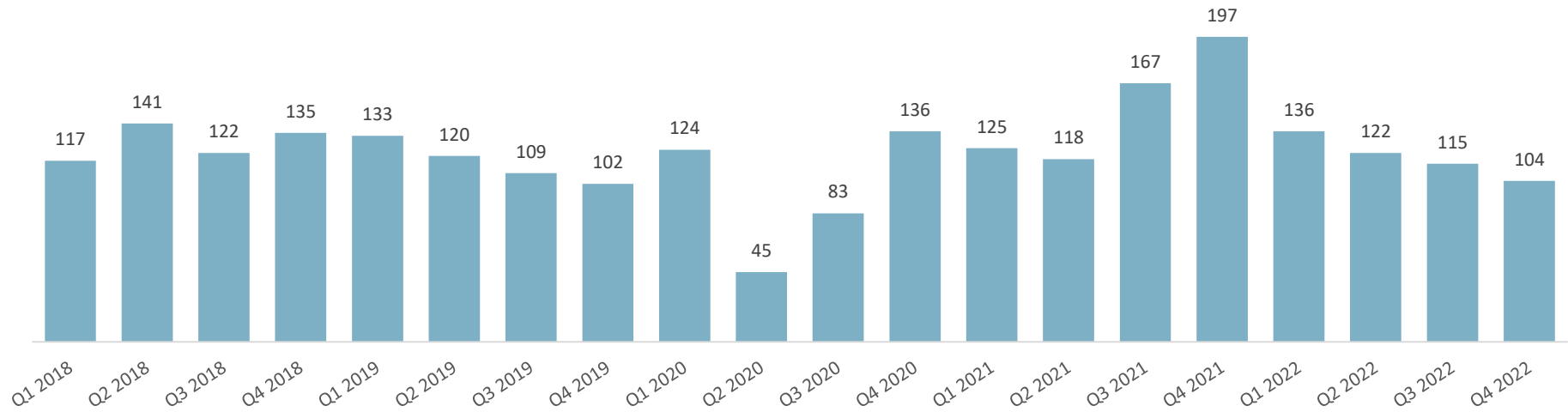
SPECIALTY DISTRIBUTION PUBLIC COMPANY BENCHMARKING BY SECTOR (CONT'D)



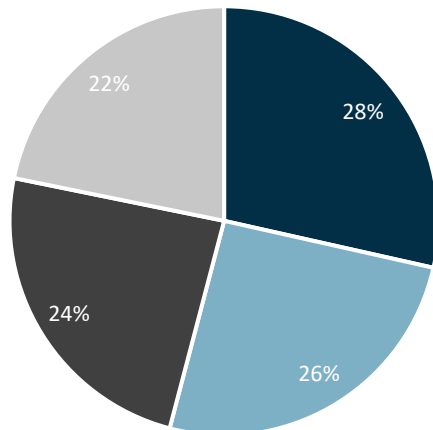
SPECIALTY DISTRIBUTION M&A STATISTICS

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

NUMBER OF SPECIALTY DISTRIBUTION TRANSACTIONS BY QUARTER

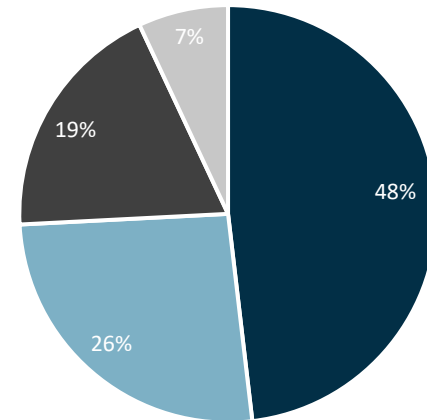


PERCENT OF TRANSACTION VOLUME COMPLETED BY QUARTER



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

DISTRIBUTION OF TRANSACTIONS BY EV FOR PAST 3 YEARS¹



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

SELECT RECENT SPECIALTY DISTRIBUTION TRANSACTIONS

Closed Date	Target Name	Business Description	Acquirer
1/6/2023	Buckles-Smith Electric	Buckles-Smith Electric is a distributor of electrical and industrial automation products and services in Northern California and an authorized Rockwell Automation distributor.	Rexel USA
12/27/2022	All American Glass Distributors, Inc.	All American Glass Distributors, Inc. engages in the distribution of automotive glass.	PGW Auto Glass, LLC
12/14/2022	West-Lite Supply Company, Inc.	West-Lite Supply Company, Inc. distributes lighting products.	Facility Solutions Group Ltd.
12/2/2022	Airefco, Inc.	Airefco, Inc. distributes HVAC equipment to commercial and residential markets in the Northwest. It also supplies a line of parts and supplies to support the HVAC market.	Ferguson plc (NYSE:FERG)
11/30/2022	Intech Equipment & Supply, L.L.C.	Intech Equipment & Supply, L.L.C. supplies spray foam machinery, mobile spray foam rigs, and spray foam parts and equipment.	Specialty Products & Insulation Co.
11/15/2022	A-Z Industries, Inc.	A-Z Industries, Inc. distributes industrial, commercial, and specialty wires and cables for electrical distribution markets, and wire and cable redistributors markets.	MFG Partners LLC
11/8/2022	Mill Supplies, Inc.	Mill Supplies, Inc. provides products for the construction and industrial markets.	The Bostwick-Braun Company
11/2/2022	Automation, Inc.	Automation, Inc. operates as a value-added stocking distributor of motion, vision, pneumatic, fluid power, and industrial control components in the United States.	Applied Industrial Technologies, Inc. (NYSE:AIT)
11/10/2022	The Bell Pump Service Company, Inc.	The Bell Pump Service Company, Inc. engages in the distribution of heating, air conditioning, refrigeration, and plumbing supplies.	Munch's Supply LLC.
11/1/2022	Coastal Construction Products, Inc.	Coastal Construction Products, Inc. distributes caulking and sealants, waterproofing, concrete repair, and fire protection products in the United States.	Beacon Roofing Supply, Inc. (NasdaqGS:BECN)
11/1/2022	Lowe Electric Supply Company	Lowe Electric Supply Company provides electrical products and services for homes and businesses in Georgia and South Carolina.	Crescent Electric Supply Co., Inc.
11/1/2022	Curry Fluid Power	Curry Fluid Power engages in distribution of industrial products.	Dakota Fluid Power, Inc.
11/1/2022	The Fontanesi And Kann Company	The Fontanesi And Kann Company distributes heating, ventilation, air conditioning, and architectural equipment.	Prospect Partners, L.L.C.
11/4/2022	Tiefenbach North America, LLC	Tiefenbach North America, LLC, distributes hydraulic products for longwall roof supports and underground mining clients.	Swanson Industries, Inc.
10/29/2022	Bond Fluidaire, Inc.	Bond Fluidaire, Inc. distributes pneumatic and hydraulic hardware, components, and systems in the United States.	Exotic Rubber & Plastics Corporation
10/25/2022	Quality Mill Supply Co., Inc.	Quality Mill Supply Co., Inc. operates as a general line wholesale distributor of MRO supplies primarily in Indiana, Kentucky, and Illinois.	Martin Supply
10/25/2022	NAPAC, Inc.	NAPAC, Inc. distributes fittings and accessories for the waterworks, PVF/industrial, and fire protection industries.	Power Utility Products Company
10/21/2022	Metro Roofing & Metal Supply Co., Inc.	Metro Roofing & Metal Supply Co., Inc. engages in the distribution of roofing products for commercial and residential sectors.	SRS Distribution Inc.
10/14/2022	Imperial Sprinkler Supply, Inc.	Imperial Sprinkler Supply, Inc. markets and distributes landscape irrigation, drainage, and lighting products.	Heritage Landscape Supply Group, Inc.
10/12/2022	Coastal Supply Co., Inc.	Coastal Supply Co., Inc. distributes heating, ventilation, and air conditioning (HVAC) parts to serve customers across the east Tennessee market.	Wittichen Supply Company Inc
10/3/2022	Vandermeer Forest Products, Inc.	Vandermeer Forest Products, Inc. engages in the distribution of building products, such as lumber, studs and plywood, OSB sheathing, and sub-flooring.	BlueLinx Corporation
10/3/2022	Hydrologic Distribution Company	Hydrologic Distribution Company supplies plumbing and lighting products.	Winsupply Inc.
9/20/2022	The Hiller Companies, Inc.	The Hiller Companies, Inc. supplies, designs, installs, monitors, and services fire protection products for protecting life and property.	Littlejohn & Co., LLC
9/2/2022	Knight Marketing Corp.	Knight Marketing Corp. distributes building cleaning supplies and products for sanitation in the United States.	Envoy Solutions, LLC
9/1/2022	Western Steel & Plumbing, Inc.	Western Steel & Plumbing, Inc. operates as a distributor of plumbing and HVAC products in Bismarck and Minot, North Dakota.	Dakota Supply Group, Inc.
9/1/2022	Quest Engineering, Inc.	Quest Engineering, Inc. distributes hydraulic and industrial valves, gauges, and instrumentation products.	Motion & Control Enterprises, 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

