



Specialty Distribution

ANNUAL INDUSTRY UPDATE | 2023





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Insights and Observations

Stout is pleased to present our Specialty Distribution Annual Industry Update for 2023. Through our team's national representation of leading distribution businesses, dialogue with top industry participants, and analysis of subsector performance, we have outlined key takeaways below, followed by an in-depth discussion of macroeconomic and subsector trends, recent M&A, and public company performance.

- ❖ A number of factors contributed to a subdued M&A environment in 2023. Inflation remained elevated for much of 2023, waning at the end of the year. As a result, central banks maintained interest rates to cool inflation, which increased borrowing costs for acquirors looking to finance M&A transactions.
- ❖ Strategic acquisition activity is expected to increase in 2024. Corporate balance sheets are strong, financing markets are improving, and CEO confidence, which is closely correlated with M&A activity, is also improving. CEOs say they expect higher growth in revenue and profitability in 2024, compared with 2023.
- ❖ Financial sponsors could also see increased buying and selling in 2024. In addition to the record \$1.9 trillion of dry powder that needs to be deployed, there is an ever-increasing inventory of aging private equity-owned assets that need to be monetized, creating pressure to explore exit options.
- ❖ Corporate divestiture activity was resilient in 2023 and will likely continue in 2024. Companies that are more specialized and better capitalized are better positioned to be acquirers and pursue M&A in this type of environment.

We hope that you find this edition helpful and that it serves as a valuable resource in staying up to date on the market. We look forward to staying in touch and encourage you to contact us directly if you would like to discuss our perspectives on current industry trends, M&A opportunities, or our relevant experience.

Stout Specialty Distribution Experience

TRANSACTION SPOTLIGHT



RUSSELL PLYWOOD


has been acquired by



WÜRTH


SELL-SIDE ADVISOR

- ❖ Stout served as exclusive financial advisor to Russell Plywood on its sale to Würth Baer Supply Company. Russell Plywood is a premier distributor of hardwood plywood, laminate, lumber, and other specialty products in the Northeastern U.S. market.
- ❖ The transaction closed in January 2024 and adds to Stout's track record of experience representing leading building products distribution businesses.
- ❖ Read more [here](#).



The Bodyman's First Choice

has been acquired by



PALLADIUM

SELL-SIDE ADVISOR



has been acquired by



GMS
GYPSUM MANAGEMENT & SUPPLY, INC.

SELL-SIDE ADVISOR



INVESTMENT PARTNERS

has acquired



STEIN FIBERS, LTD.

BUY-SIDE ADVISOR




has been acquired by




SVERICA

SELL-SIDE ADVISOR



has been acquired by



DISCOUNT TIRE

SELL-SIDE ADVISOR




has been acquired by




COMMERCIAL STEEL
a portfolio company of
Gupta Capital Group

SELL-SIDE ADVISOR




(Titan Australia Pty Ltd)

has been acquired by




OTR Tyres

SELL-SIDE ADVISOR




DENTAL SUPPLY

has been acquired by




PNC RIVERARCH CAPITAL


SELL-SIDE ADVISOR



has been acquired by




STALEX




TILRIDGE

SELL-SIDE ADVISOR




has been acquired by




WIND POINT PARTNERS

SELL-SIDE ADVISOR



has been acquired by



PALLADIN
CONSUMER RETAIL PARTNERS

SELL-SIDE ADVISOR



has been acquired by



MAINST
CAPITAL CORPORATION

SELL-SIDE ADVISOR

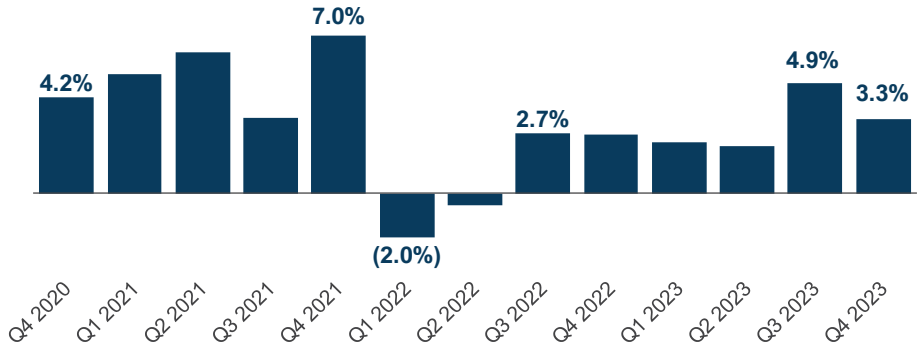
U.S. Macroeconomic Backdrop

In the Second Half of 2023, the U.S. Economy Experienced Strong Growth, Defying Initial Concerns of a Recession at the Beginning of the Year

- ❖ U.S. real GDP rose by a 3.3% annual rate in Q4 2023. The 2023 growth was driven largely by local, state, and federal government spending, nonresidential fixed investments, consumer spending, and exports.
- ❖ Reducing fears of an economic slow down, consumer confidence in the U.S. rose in 2023 as unemployment rates dropped and wages increased, finishing the year on a strong note.
- ❖ The U.S. manufacturing industry’s Purchasing Manager’s Index decreased in 2023 due to concerns around inflation, high raw material costs, declining shipping prices, and continued global trade challenges that began during COVID-19.

Real U.S. Quarterly GDP Growth

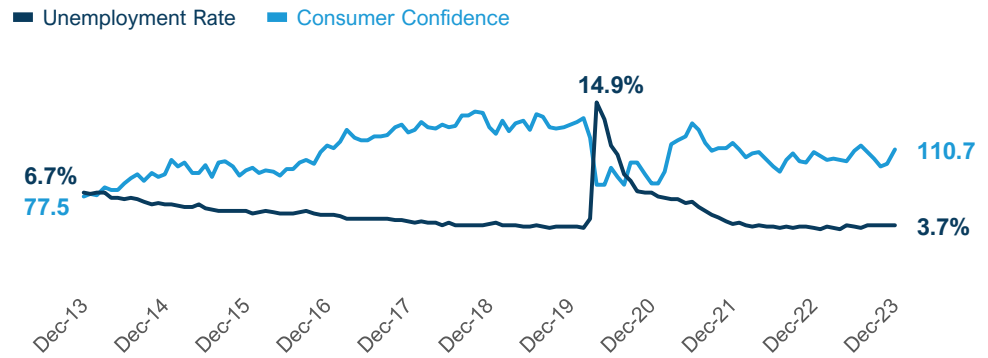
(Annualized quarterly percentage change)



Source: S&P Capital IQ

U.S. Unemployment Rate and Consumer Confidence

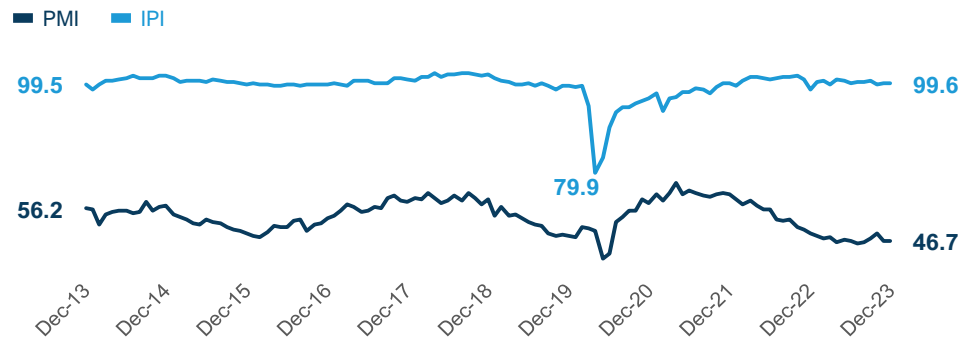
(Percentage of unemployed persons in U.S. labor force; index of consumer sentiment)



Source: Federal Reserve Economic Data

Purchasing Manager’s Index and Industrial Production Index

(PMI reflects health of manufacturing and services sectors from 0 – 100 (>50 represents expansion); IPI measures levels of industrial production indexed to 100.0 in 2017)



Source: S&P Capital IQ

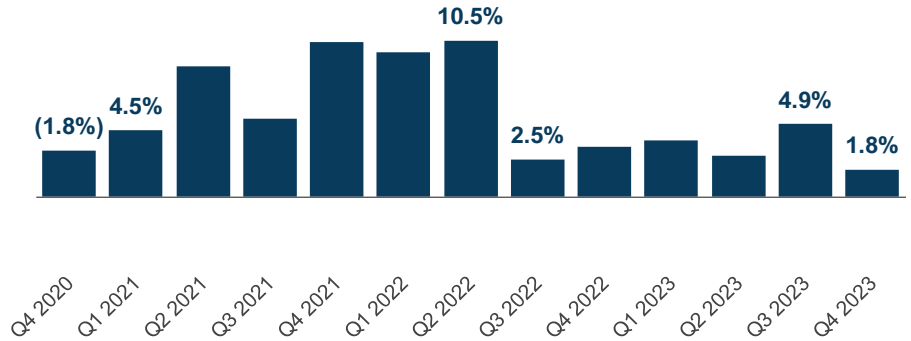
U.S. Macroeconomic Backdrop (cont.)

The U.S. Economy Demonstrated Impressive Resilience in 2023 Due to a Strong Job Market and Consumer Spending, Among Other Factors

- ❖ There were no additional interest rate hikes completed in Q4 2023, holding at 5.50% and marking the second quarter without an interest rate hike since the Fed began steadily increasing rates in early 2022, with inflation expected to continue tapering accordingly in future quarters.
- ❖ Shipping supply continued to outpace demand for a fourth straight quarter in 2023 despite rising imports and exports. There are still concerns for the near future around continued falling shipping rates and high inventory levels alongside weaker demand.
- ❖ Real U.S. imports decreased by ~0.2% and exports increased by ~2.0% in 2023 compared to 2022.

Real U.S. Inflation Rate

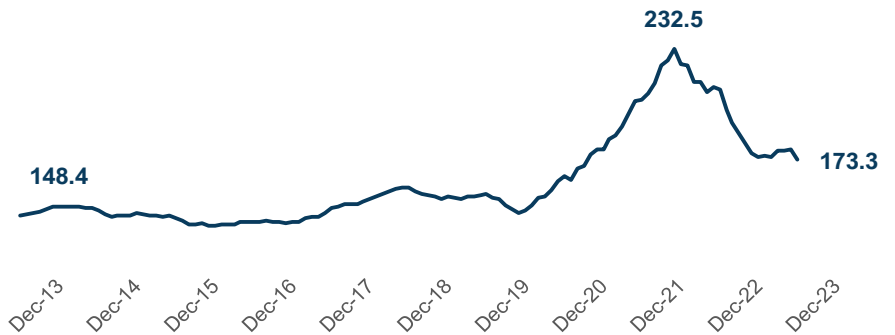
(Annualized quarterly percentage rate)



Source: S&P Capital IQ

Producer Price Index: General Long-Distance Freight

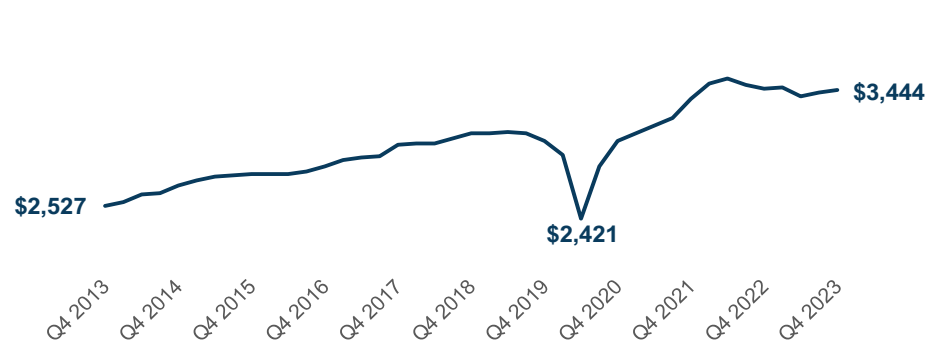
(Indexed to 100.0 as of 12/31/1992)



Source: Federal Reserve Economic Data

Real U.S. Imports of Goods and Services

(Billions of chained 2017 dollars, seasonally adjusted)



Source: Federal Reserve Economic Data

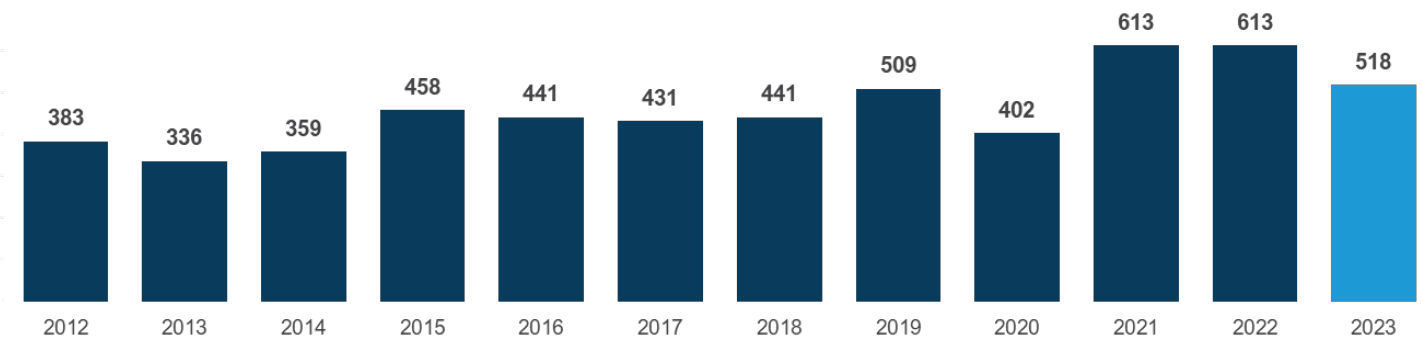
U.S. Specialty Distribution M&A Update

M&A activity within specialty distribution in 2023 has shown continued momentum yet declined from levels achieved in 2021 and 2022, with an estimated 518 deals announced throughout the year, down from 613 deals announced in 2022. Valuation multiples have also continued to soften, with an average EV/EBITDA of 8.7x for transactions in 2023, down from 10.3x for transactions announced in 2022. Despite the slowing of overall M&A activity, a bright spot within the space has been the overall number of transactions completed in the middle and lower middle markets in 2023. High-quality assets at this end of the market have proved to be less impacted by financing constraints and maintained consistent attention from buyers that are looking to access new markets, expand product offerings, bolster scale, and enhance overall market position.

Within specialty distribution, M&A activity continues to vary by subsector, with the Consumer / Food & Beverage, Building Products, and Industrial & MRO spaces remaining particularly active relative to other subsectors. Key platforms, including AFC Industries (Bertram Capital), Beacon Roofing Supply (NasdaqGS:BECN), Brady IFS / Envoy Solutions, Ferguson (NYSE:FERG), Hobbs & Associates (Madison Dearborn Partners), and Imperial Dade (Advent International), have led consolidation activity and M&A momentum, with each completing at least four transactions throughout 2023.

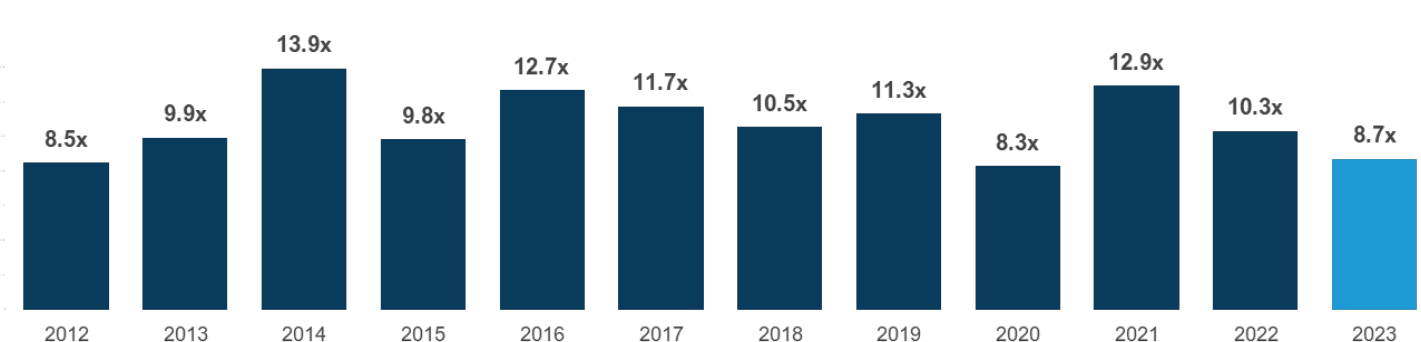
Historical Aggregate M&A Transaction Volume

(Number of announced M&A transactions; target based in the U.S.)



Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Historical Average EV/LTM EBITDA Multiples



Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Market Summary & Perspectives

PUBLIC MARKET

- ❖ Investors have plenty to celebrate since 2023 has ended, with the S&P 500 ending the year with a gain of more than 24% and the Dow Jones Industrial Average finishing near a record high.
 - Easing inflation, a resilient economy, and the prospect of lower interest rates buoyed investors, particularly in the last two months of the year.
- ❖ Inflation has come down to around 3%, and the economy has continued to perform well due to solid consumer spending and a healthy job market.
 - Wall Street is forecasting stronger earnings growth for companies in 2024 after a lackluster 2023 despite companies battling higher input and labor costs and shifting consumer spending.
- ❖ Two of the total seven Specialty Distribution Subsector Indexes experienced gains in Q4 2023 relative to the prior quarter, with the Industrial & MRO Index and the Building Products Index posting quarter-over-quarter absolute percentage point gains of 2% and 10%, respectively.
 - The Energy sector had the largest quarter-over-quarter percentage point decline of 16%.
- ❖ On a year-over-year basis, five of the total seven Specialty Distribution Subsector Indexes increased as of Q4 2023, with the Building Products Index posting the highest percentage point gain of 86%.

M&A MARKET

- ❖ While the distribution sector outperformed the broader M&A market in terms of the number of transactions in 2023, it still had to navigate uncertainty from both credit investors and acquirors.
- ❖ Despite the market uncertainty, businesses with particular attributes continued to perform throughout 2023, and in some cases attracted noteworthy investor interest, including businesses with:
 - Reliable and diversified supply chains not reliant on any single supplier or region.
 - Resilient end markets with clear long-term demand and industry tailwinds / growth drivers.
 - Strong internal reporting to track and analyze historical metrics and forecasted sustainability.
- ❖ As 2023 has concluded and we look forward to what is in store for the year ahead, emphasis will be placed on several areas that will impact distributors' performance and M&A activity, including:
 - Interest Rates – A decline in interest rates would see M&A activity pick up significantly.
 - Geopolitical Concerns – Supply chains continue to near-shore and are seeking new supply partners in the Americas versus abroad to secure their supply chains and create product / financial stability.
 - Demand & Pricing – Producers and distributors that can pass along pricing increases and have negotiating power that allow increases in margin without sacrificing unit volume.

Automotive Aftermarket

KEY SUBSECTOR DRIVERS

Regular All Formulations Gas Prices

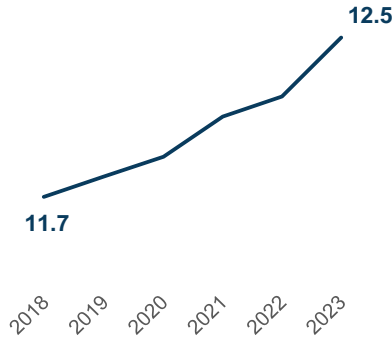
(Dollars per gallon, weekly ending Mondays)



Source: Federal Reserve Economic Data

Average Age of Automobiles and Trucks

(Years)



Source: U.S. Department of Transportation

Vehicle Miles Traveled

(Billions of miles, seasonally adjusted)

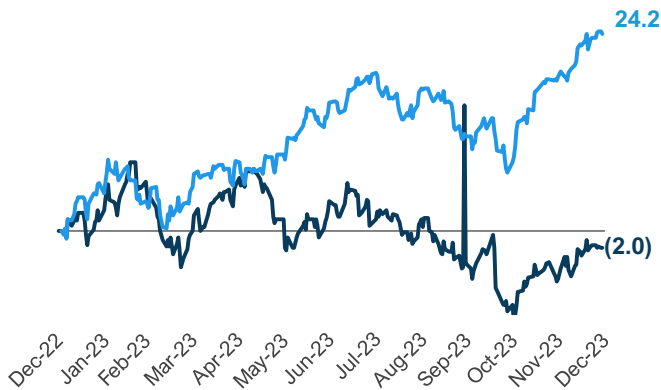


Source: Federal Reserve Economic Data

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

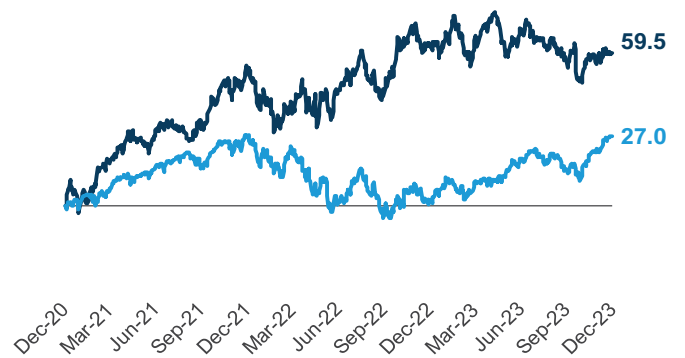
(Indexed to 0.0 as of 12/31/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

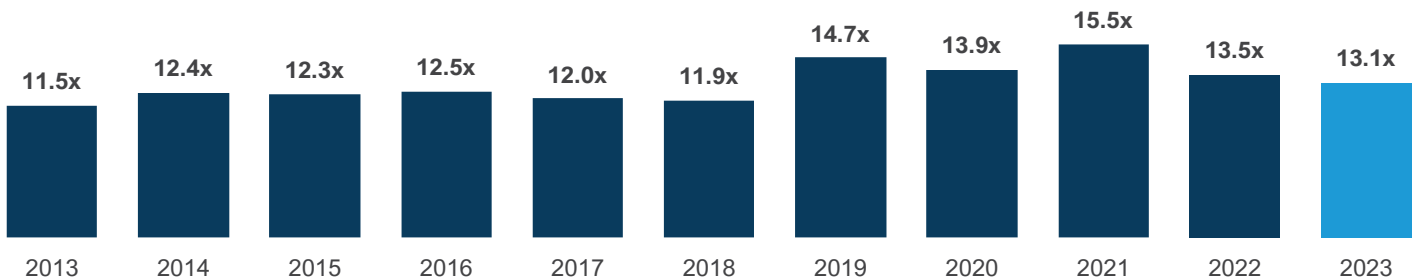
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 12/31/2020) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



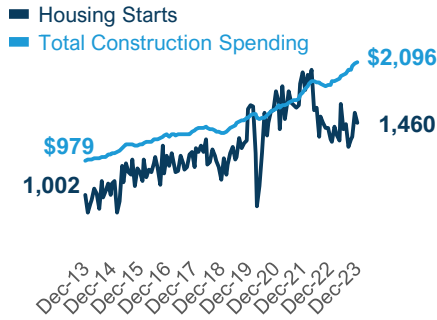
Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Building Products Distribution

KEY SUBSECTOR DRIVERS

Housing Starts and Construction Spending

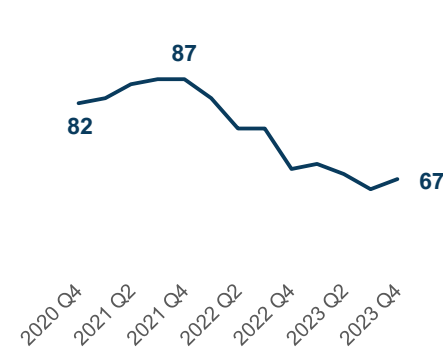
(Thousands of units, seasonally adjusted, spend in \$ in billions)



Source: Federal Reserve Economic Data

NAHB Remodeling Index

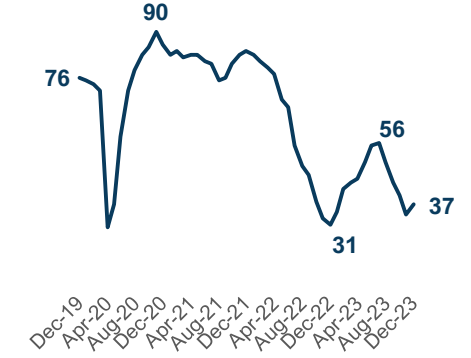
(Reflects health of current and future remodeling market from 0 – 100)



Source: National Association of Home Builders

NAHB Housing Market Index

(Reflects health of housing sales from 0 – 100)

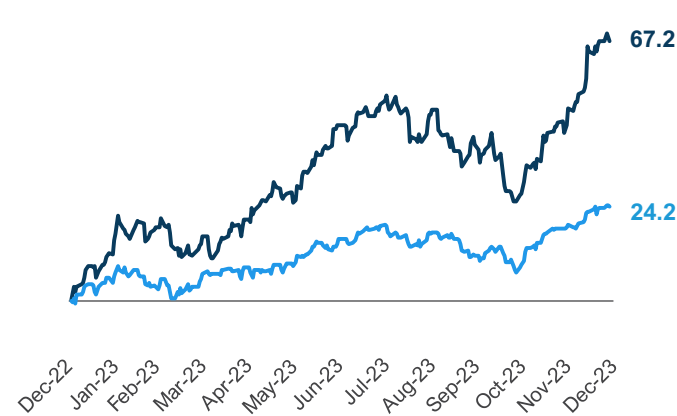


Source: National Association of Home Builders

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

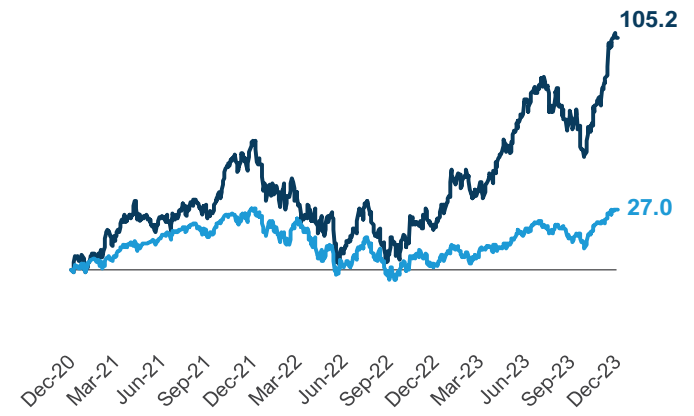
(Indexed to 0.0 as of 12/31/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

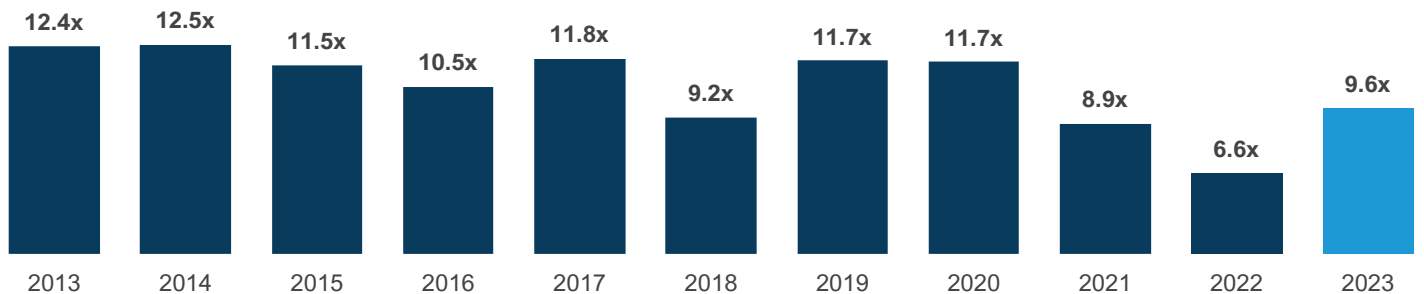
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 12/31/2020) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



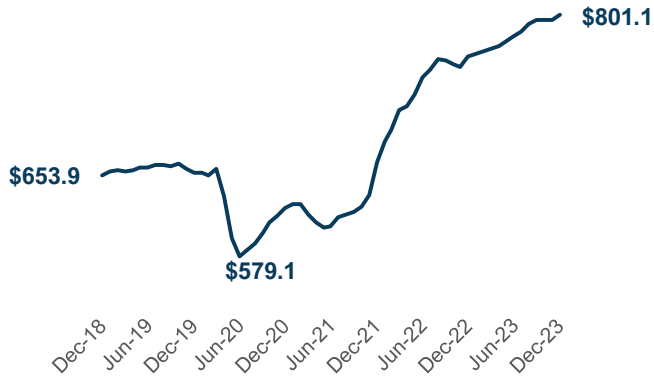
Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Consumer / Food & Beverage Distribution

KEY SUBSECTOR DRIVERS

U.S. Retailers' Inventories

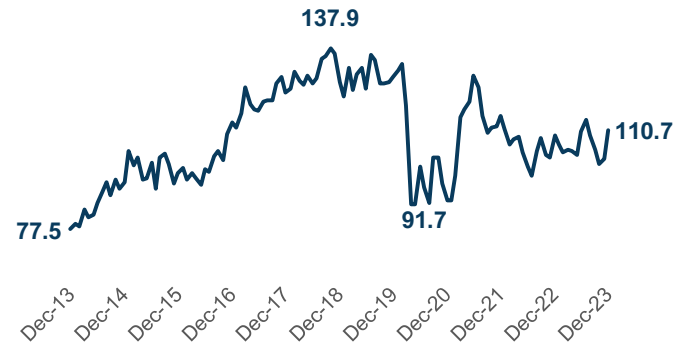
(\$ in billions, seasonally adjusted)



Source: Federal Reserve Economic Data

U.S. Consumer Confidence

(Index of consumer sentiment; long-term average = 100)

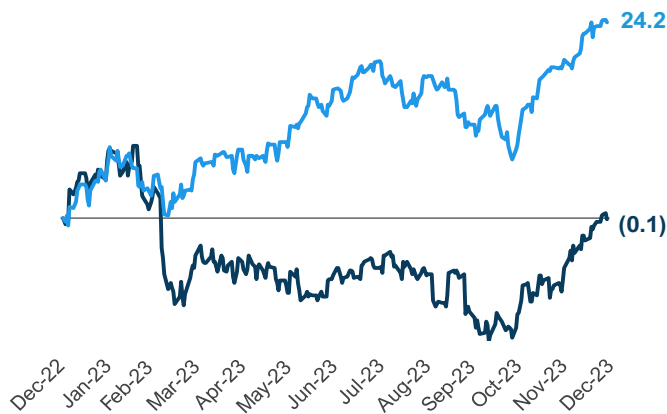


Source: S&P Capital IQ

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

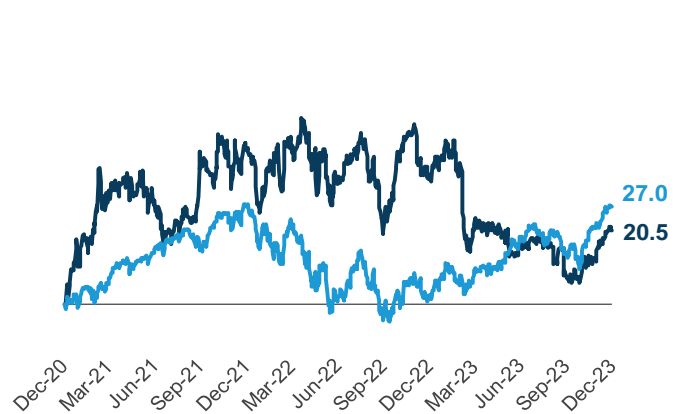
(Indexed to 0.0 as of 12/31/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

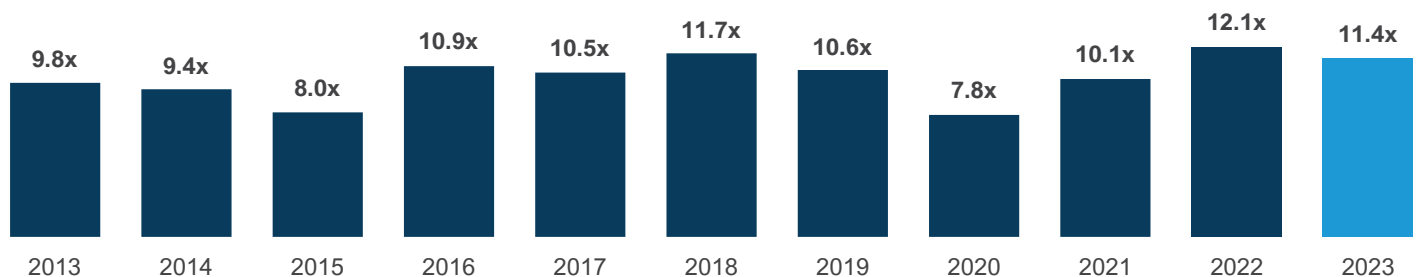
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 12/31/2020) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples

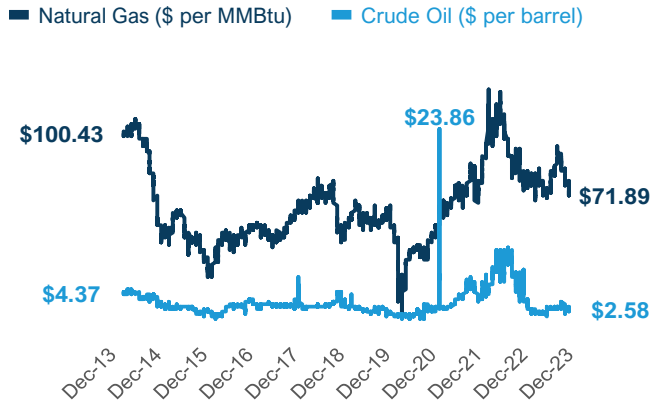


Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Energy Distribution

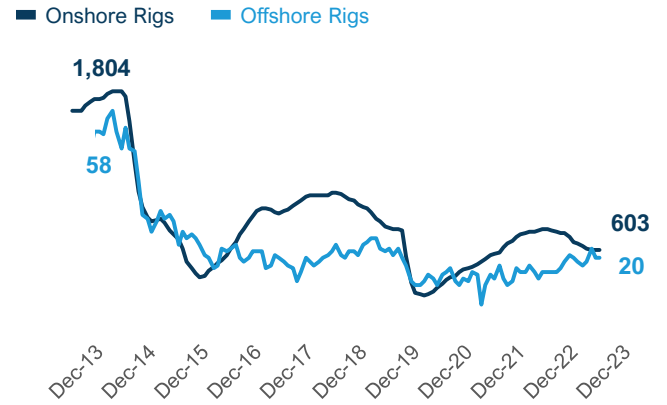
KEY SUBSECTOR DRIVERS

Natural Gas and Crude Oil Prices



Source: S&P Capital IQ

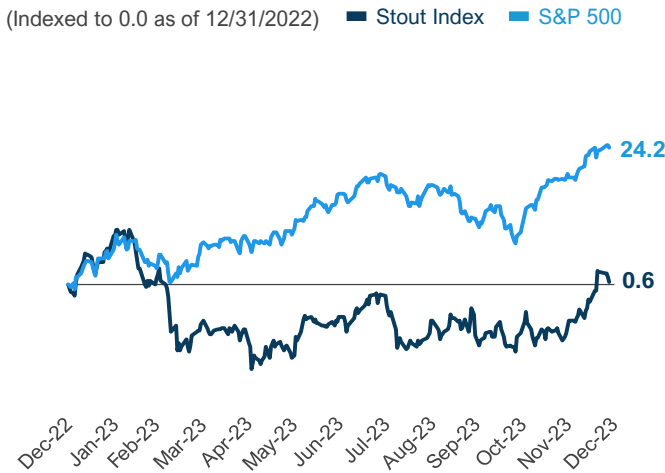
Natural Gas and Crude Oil Rigs in Operation



Source: U.S. Energy Information Administration

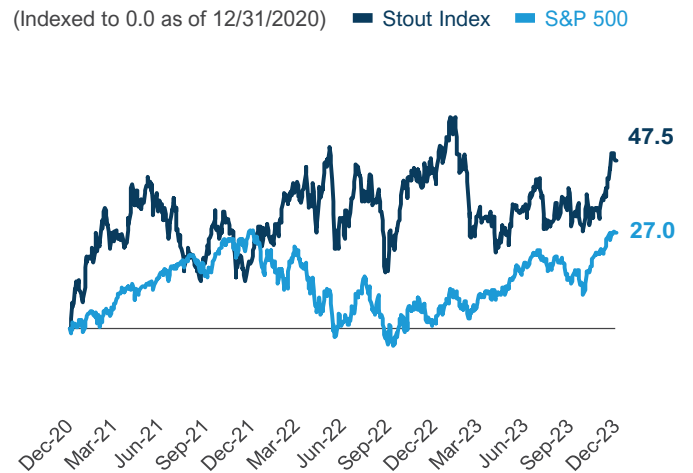
STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months



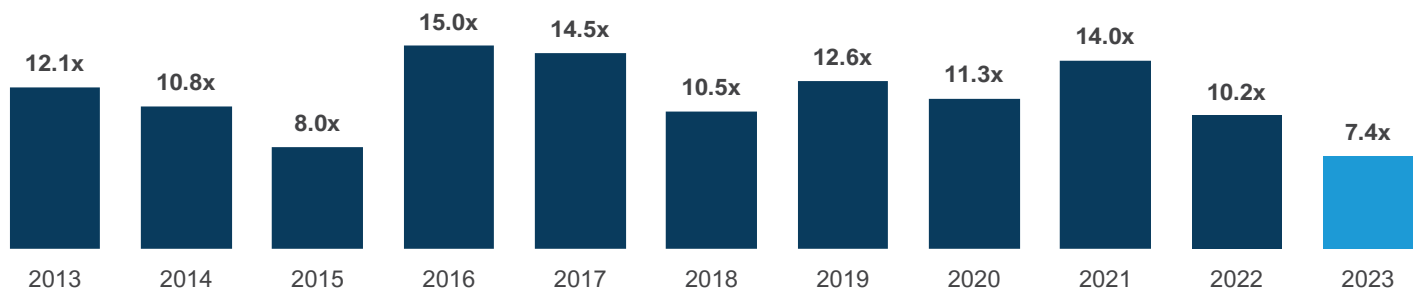
Source: S&P Capital IQ, Stout Proprietary Index

Indexed Stock Performance — Last 3 Years



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Healthcare & Life Sciences Distribution

KEY SUBSECTOR DRIVERS

Medical Equipment Production Index

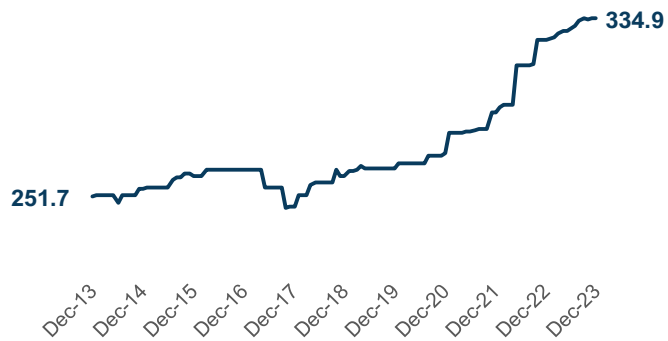
(Indexed to 100.0 as of 12/31/2017)



Source: Federal Reserve Economic Data

PPE Producer Price Index

(Indexed to 100.0 a of 12/31/1982)

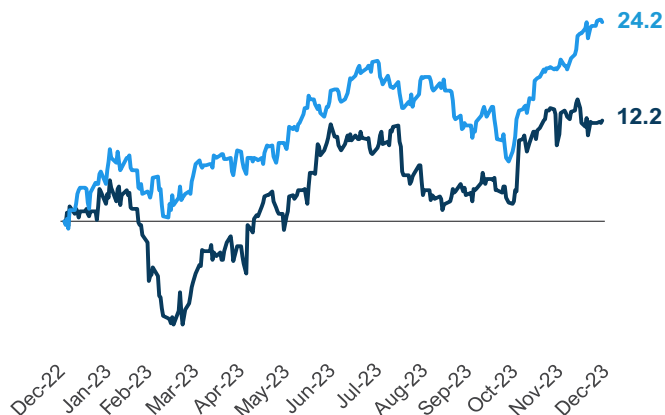


Source: Federal Reserve Economic Data

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

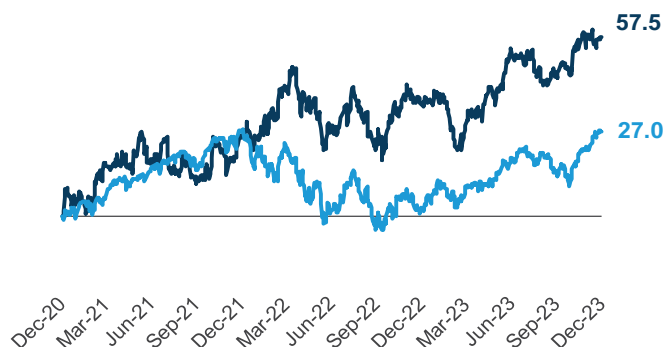
(Indexed to 0.0 as of 12/31/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

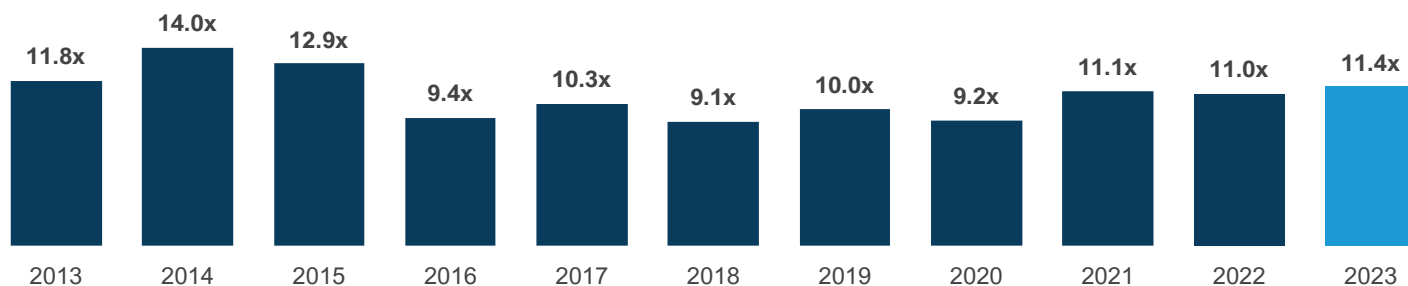
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 12/31/2020) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Industrial & MRO Distribution

KEY SUBSECTOR DRIVERS

U.S. Manufacturing Capacity Utilization

(Percent of capacity, seasonally adjusted)



Source: Federal Reserve Economic Data

Manufacturing Purchasing Managers' Index

(Measures health of manufacturing sector 0 – 100)

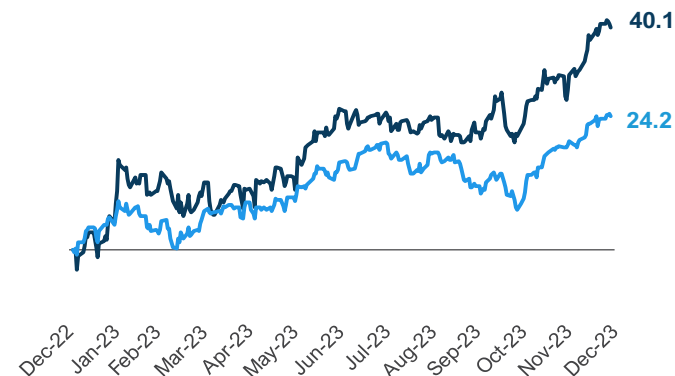


Source: Institute for Supply Management

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

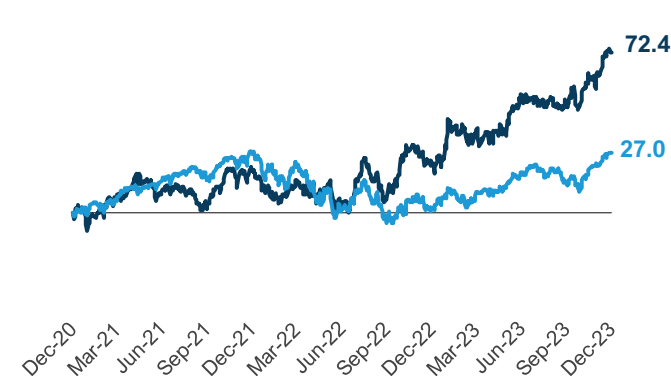
(Indexed to 0.0 as of 12/31/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

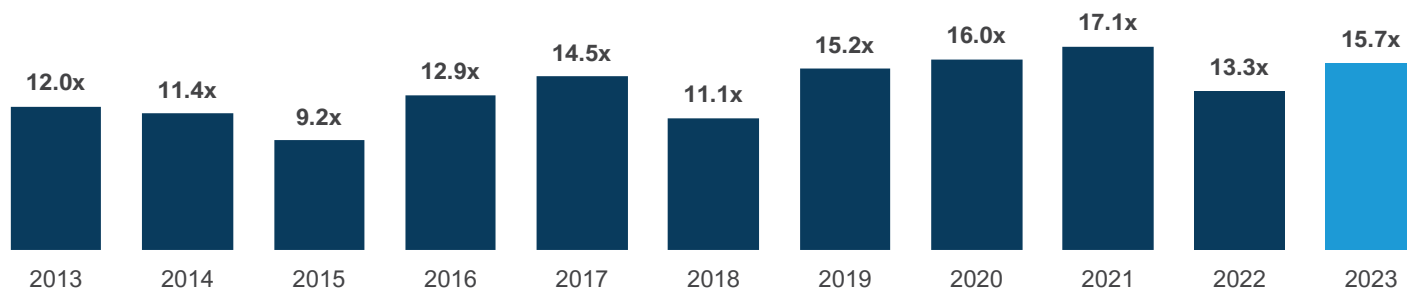
Indexed Stock Performance — Last 3 Years

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Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



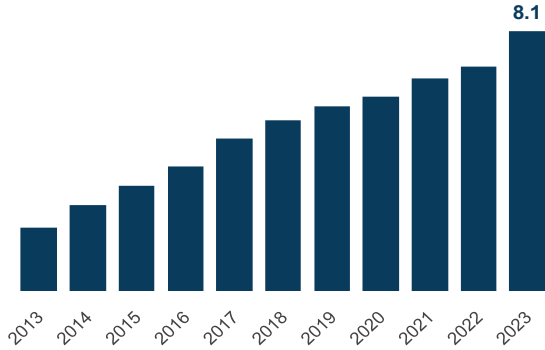
Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Technology, Media, & Telecom Distribution

KEY SUBSECTOR DRIVERS

Global Mobile Broadband Subscriptions

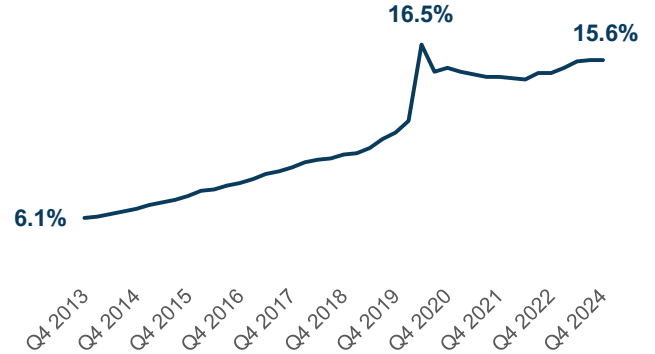
(Billions)



Source: International Telecommunication Union, Ericsson

E-Commerce Percent of Retail Sales

(Share of total retail sales globally)

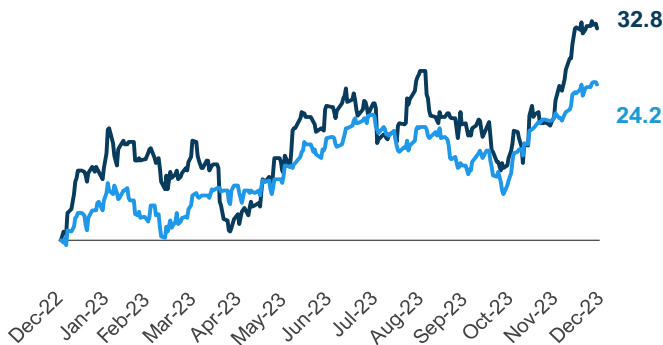


Source: Federal Reserve Economic Data

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

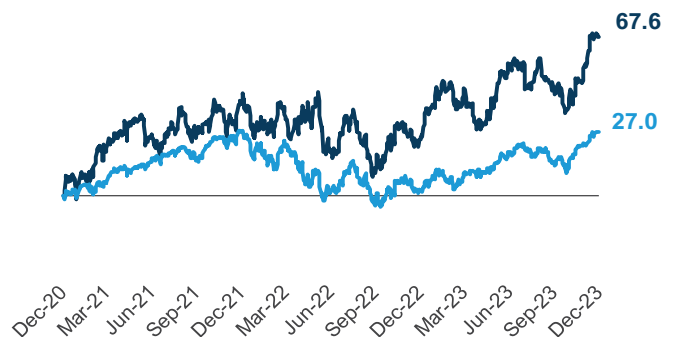
(Indexed to 0.0 as of 12/31/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

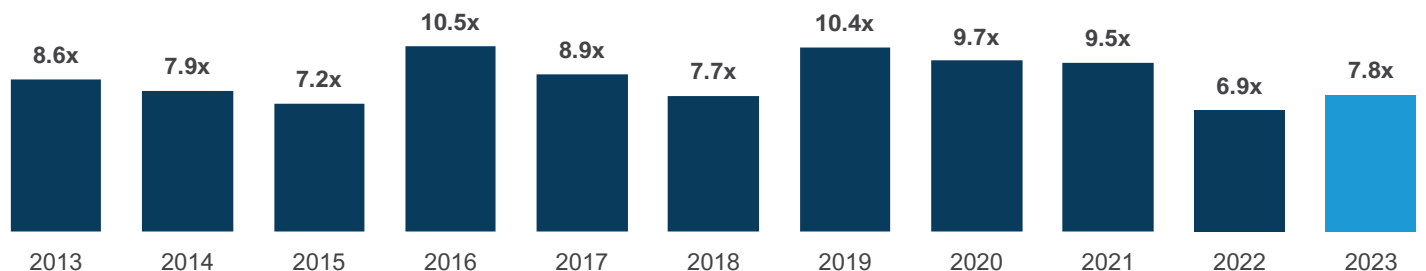
Indexed Stock Performance — Last 3 Years

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Historical Median EV/LTM EBITDA Multiples

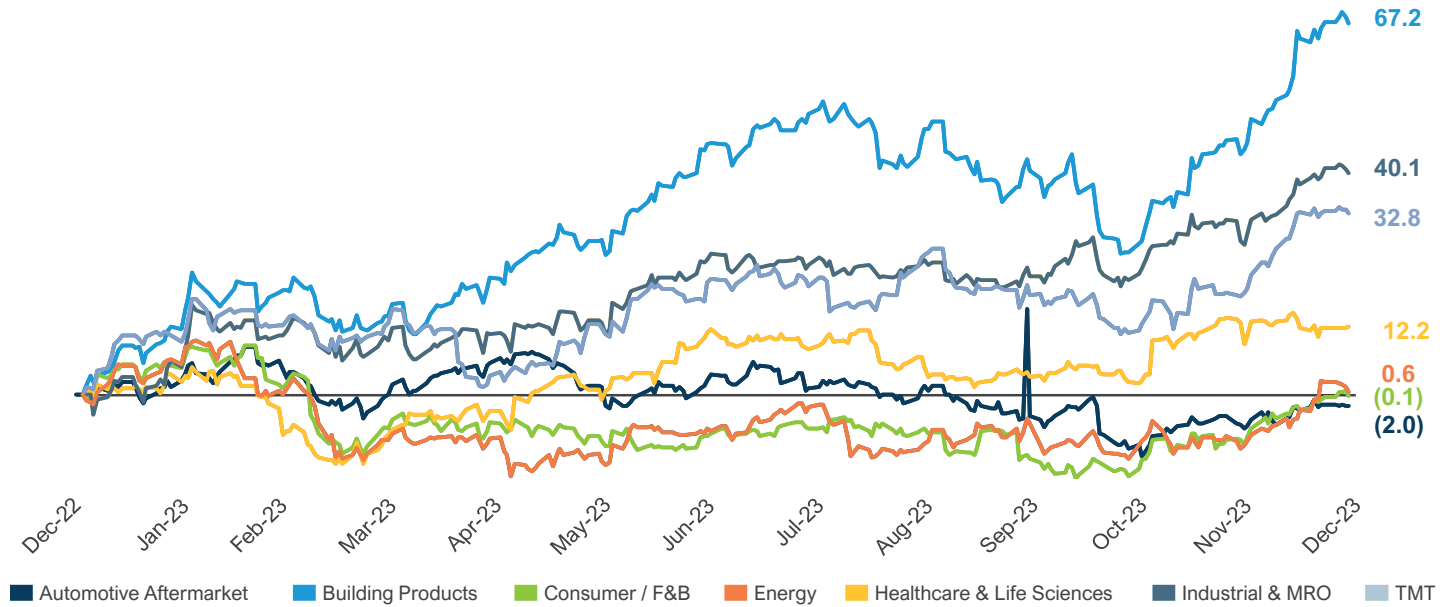


Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

Indexed Stock Performance by Subsector

Specialty Distribution Indexed Stock Performance — Last 12 Months

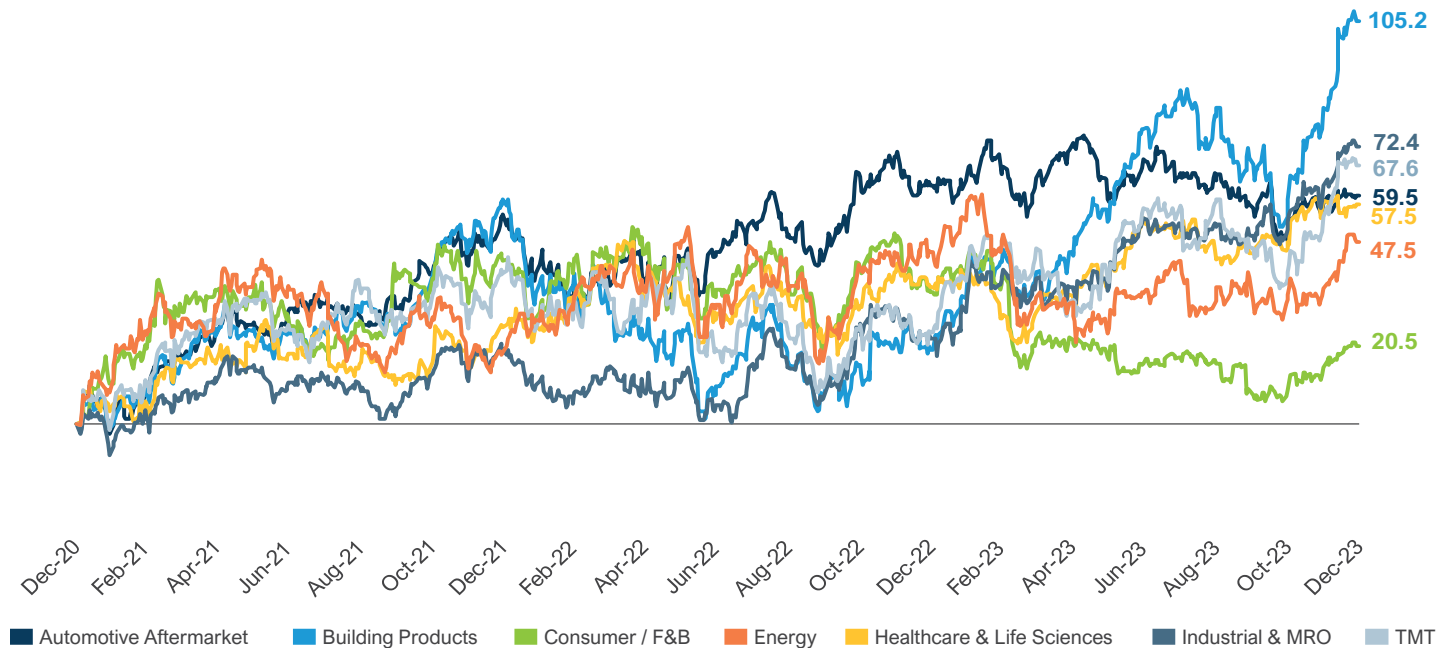
(Indexed to 0.0 as of 12/31/2022)



Source: S&P Capital IQ, Stout Proprietary Index

Specialty Distribution Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 12/31/2020)



Source: S&P Capital IQ as of 12/31/2023, Stout Proprietary Index

M&A Transaction Highlights

Date	Acquiror (Ownership)	Target (Seller)	Industry Subsector
Dec-23	Gypsum Management and Supply (NYSE:GMS)	Kamco Building Supply Corp.	Building Products
Dec-23	Transom Capital Group	Galleher Corporation (Boyne Capital)	Building Products
Dec-23	Imperial Dade (Advent International)	Wedge Supply	Consumer / Food & Beverage
Dec-23	Paradigm Equity Partners	E&R Industrial Sales (W.W. Grainger)	Industrial & MRO
Dec-23	GlacierPoint Enterprises (Mill Point Capital)	Cool River Beverages	Consumer / Food & Beverage
Dec-23	Cork Distributors Holdings	Encore Beverage	Consumer / Food & Beverage
Dec-23	Harbour Group	Trelltex, Inc.	Industrial & MRO
Dec-23	National HME (New Mountain Capital)	Hospice Source (Transition Capital)	Healthcare & Life Sciences
Dec-23	NEFCO (Bertram Capital)	Fasco Fasteners and Supply Company	Industrial & MRO
Dec-23	Motion & Control Enterprises (Frontenac)	Filter Resources (PECO Facet)	Industrial & MRO
Nov-23	WILsquare Capital	Automotive Color & Supply Corp.	Automotive Aftermarket
Nov-23	RoadSafe Traffic Systems (Investcorp)	Dobie Supply	Automotive Aftermarket
Nov-23	Brady IFS & Envoy Solutions	Sierra Packaging, Inc.	Consumer / Food & Beverage
Nov-23	Auto-Vehicle Parts Co. (GHK Capital Partners)	ClipLizard Systems	Automotive Aftermarket
Nov-23	Patten Seed Co. (Heartwood Partners)	All Green Outdoor Center	Building Products
Nov-23	Brady IFS & Envoy Solutions	Qualmax Supplies Inc.	Consumer / Food & Beverage
Nov-23	US Foods (NYSE:USFD)	Saladino's Inc.	Consumer / Food & Beverage
Nov-23	Vivify Specialty Ingredients (Gryphon Investors)	Access Ingredients, Inc.	Consumer / Food & Beverage
Nov-23	Road Tested Parts (Incline Equity Partners)	Mullins Auto Parts & Services	Automotive Aftermarket
Nov-23	EIS (Audax Private Equity)	Power Grid Supply	Industrial & MRO
Nov-23	Beacon Roofing Supply (Nasdaq:BECN)	H&H Roofing Supply	Building Products
Oct-23	Belt Power (Platte River Equity)	Blankenship Belting	Industrial & MRO
Oct-23	Inline Electric Supply Co.	TVW Electrical Supplies	Industrial & MRO
Oct-23	Outdoor Living Supply (Trilantic Capital)	Apache Stone (Halquist Stone Company)	Building Products
Oct-23	Viking Electric Supply (Sonepar)	Sunrise Electric Supply	Industrial & MRO
Oct-23	Atlantic Street Capital	Brown's Medical Imaging	Healthcare & Life Sciences
Oct-23	Rhino Tool House (Blue Sea Capital)	BoMar Pneumatics	Industrial & MRO
Oct-23	Platinum Equity	US LBM (Bain Capital Partners)	Building Products
Oct-23	Sysco Corporation (NYSE:SYU)	Edward Don & Company (Vestar Capital)	Consumer / Food & Beverage
Oct-23	Schaedler Yesco Distribution	Clarion Electric Supply	Industrial & MRO
Oct-23	Hobbs & Associates (Madison Dearborn)	Energy Transfer Solutions	Industrial & MRO
Oct-23	Gypsum Management and Supply (NYSE:GMS)	AMW Construction Supply	Building Products
Oct-23	Winsupply	Keidel Supply Co	Building Products
Oct-23	Imperial Dade (Advent International)	The Janton Company	Consumer / Food & Beverage
Oct-23	AZ Wire and Cable Company (MFG Company)	Maney Wire & Cable, Inc.	Industrial & MRO

Source: S&P Capital IQ, Stout Proprietary Database

M&A Transaction Highlights (cont.)

Date	Acquiror (Ownership)	Target (Seller)	Industry Subsector
Sep-23	Singer Industrial (AEA Investors)	Capital Rubber & Gasket	Industrial & MRO
Sep-23	SRS Distribution (Leonard Green & Partners)	Sunniland Corporation	Building Products
Sep-23	SiteOne Landscape Supply (NYSE:SITE)	Regal Chemical Company	Building Products
Sep-23	SiteOne Landscape Supply (NYSE:SITE)	Timothy's Center for Gardening	Building Products
Sep-23	SiteOne Landscape Supply (NYSE:SITE)	New England Silica	Building Products
Sep-23	Fencing Supply Group (The Sterling Group)	Atlantic Fence Supply, Inc.	Building Products
Sep-23	Trimlite (Wynnchurch Capital)	Francis-Schulze Company	Building Products
Sep-23	GS Foods (A&M Capital)	Lamm Food Service, LLC	Consumer / Food & Beverage
Sep-23	DirectMed Parts & Service (NMS Capital)	Technical Prospects LLC	Healthcare & Life Sciences
Sep-23	Legacy Food Group (Audax)	Keck's Food Service, Inc.	Consumer / Food & Beverage
Sep-23	Legacy Food Group (Audax)	E.B. Thomsen Inc.	Consumer / Food & Beverage
Sep-23	Staple Street Capital	Delaware Valley Floral Group, Inc.	Consumer / Food & Beverage
Sep-23	Applied Industrial Technologies (NYSE:AIT)	Cangro Industries, Inc.	Technology, Media, & Telecom
Sep-23	Frontenac Company	City Line Distributors	Consumer / Food & Beverage
Sep-23	Imperial Dade (Advent International)	Prime Paper & Packaging	Consumer / Food & Beverage
Sep-23	Imperial Dade (Advent International)	Supreme Paper Supplies	Consumer / Food & Beverage
Sep-23	Artisan Design Group (The Sterling Group)	KB Kitchen & Bath	Building Products
Aug-23	Singer Industrial (AEA Investors)	American Hose & Hardware, Inc.	Industrial & MRO
Aug-23	Brady IFS (Kelso & Company)	Envoy Solutions	Consumer / Food & Beverage
Aug-23	Dunes Point Capital	Warshaw Inc.	Building Products
Aug-23	Roland Foods (Harvest Partners)	ifiGourmet, LLC	Consumer / Food & Beverage
Aug-23	Motion & Control Enterprises (Frontenac)	Ultimation Industries LLC	Industrial & MRO
Aug-23	Imperial Dade (Advent International)	The Ohio & Michigan Paper Company	Consumer / Food & Beverage
Aug-23	Apollo Global Management	Accent Family of Companies (Crossplane)	Industrial & MRO
Aug-23	DecksDirect (Harbour Group)	DIY Home Center	Building Products
Aug-23	Ferguson (NYSE:FERG)	The Kennedy Companies	Building Products
Aug-23	Ferguson (NYSE:FERG)	Bruce Supply Corp	Building Products
Aug-23	New Water Capital	Norwood Paper	Building Products
Aug-23	Thomas Scientific (Broad Sky Partners)	Quintana Supply	Healthcare & Life Sciences
Jul-23	TopBuild (NYSE:BLD)	Specialty Products & Insulation (Incline)	Building Products
Jul-23	ASA Safety Supply (Trivest Partners)	SafetyMax Corporation	Industrial & MRO
Jul-23	Kinderhook Industries	Continental Auto Parts	Automotive Aftermarket
Jul-23	Incline Equity Partners	GME Supply	Industrial & MRO
Jul-23	Imperial Dade (Advent International)	Atlantis Packaging	Consumer / Food & Beverage
Jul-23	Palladium Equity Partners	National Auto Parts	Automotive Aftermarket

Source: S&P Capital IQ, Stout Proprietary Database

M&A Transaction Highlights (cont.)

Date	Acquiror (Ownership)	Target (Seller)	Industry Subsector
Jun-23	Commercial Foodservice Repair Co. (HCI Equity)	Harris Warren Commercial Kitchens	Industrial & MRO
Jun-23	RelaDyne (American Industrial Partners)	Michigan Petroleum Technologies	Energy
Jun-23	SRS Distribution (Leonard Green & Partners)	Washoe Building Supply	Building Products
Jun-23	Ferraro Foods (Kelso & Co.)	GDS Foods	Consumer / Food & Beverage
Jun-23	MiddleGround Capital	A.M. Castle & Co.	Industrial & MRO
Jun-23	Guardian Capital Partners	Northwest Fuel Systems	Automotive & Specialty Vehicle
Jun-23	Core & Main (Clayton Dubilier & Rice)	J.W. D'angelo Company	Industrial & MRO
Jun-23	Beacon Roofing Supply (Nasdaq:BECN)	Silver State Building Materials	Building Products
Jun-23	Medical Technology Associates (PNC RiverArch)	Premier Medical	Healthcare & Life Sciences
Jun-23	AFC Industries (Bertram Capital)	White Distribution & Supply	Industrial & MRO
Jun-23	Solar Art Window Film (Tregaron Capital)	American Window Film	Building Products
Jun-23	Motion & Control Enterprises (Frontenac Company)	Industrial Control Service	Industrial & MRO
Jun-23	Motion & Control Enterprises (Frontenac Company)	Power & Pumps	Industrial & MRO
Jun-23	Incline Equity Partners	GMES, LLC	Industrial & MRO
Jun-23	Kian Capital Partners	Team Air Distributing	Industrial & MRO
May-23	KeHE Distributors (Towerbrook Capital Partners)	DPI Specialty Foods (Arbor Investments)	Consumer / Food & Beverage
May-23	FreshEdge (Wind Point Partners)	Panama Banana Distributing Company	Consumer / Food & Beverage
May-23	Lipari Foods (Littlejohn & Co.)	Comercializadora Del Midwest	Consumer / Food & Beverage
May-23	BlueAlly Technology Solutions (Source Capital)	Corporate Armor Technologies	Technology, Media, & Telecom
May-23	Advent Home Medical (New Harbor Capital)	Med Emporium	Healthcare & Life Sciences
May-23	Imperial Dade (Advent International)	Columbus Paper Company	Consumer / Food & Beverage
May-23	Probo Medical (Avista Capital)	National Ultrasound	Healthcare & Life Sciences
May-23	AFC Industries (Bertram Capital)	Fastbolt Corporation	Industrial & MRO
May-23	Sterling Investment Partners	Florida Veg (Shoreline Equity)	Consumer / Food & Beverage
May-23	AramSCO (Odyssey Investment Partners)	Transafe, Inc.	Building Products
Apr-23	Calibre Scientific (StoneCalibre)	Greenwood Products	Healthcare & Life Sciences
Apr-23	Magneto & Diesel Injector Service (Gridiron Capital)	Turbo Diesel & Electric Systems	Automotive & Specialty Vehicle
Apr-23	Investcorp	Shearer Supply	Industrial & MRO
Apr-23	BlackHawk Industrial Distribution (TruArc Partners)	Stock'd Supply	Industrial & MRO
Apr-23	Prosource (Blue Sea Capital)	Huber Supply Co	Industrial & MRO
Apr-23	Gypsum Management and Supply (NYSE:GMS)	EMJ Companies	Building Products
Apr-23	Audax Private Equity	Krayden (Quad-C Management)	Industrial & MRO
Apr-23	Montgomery DME (Incline Equity Partners)	Advantage Home Medical	Healthcare & Life Sciences
Apr-23	Foundation Building Materials (American Securities)	MarJam Supply Co.	Building Products
Mar-23	SiteOne Landscape Supply (NYSE:SITE)	Triangle Landscape Supplies	Building Products

Source: S&P Capital IQ, Stout Proprietary Database

M&A Transaction Highlights (cont.)

Date	Acquiror (Ownership)	Target (Seller)	Industry Subsector
Mar-23	RelaDyne (American Industrial Partners)	Allied Oil & Supply	Energy
Mar-23	AramSCO (Odyssey Investment Partners)	EZ Concrete	Building Products
Mar-23	Ziyad Brothers (Peak Rock Capital)	Vintage Food Corporation	Consumer / Food & Beverage
Mar-23	B2B Industrial Packaging (GenNx360)	Brown Industrial Packaging	Industrial & MRO
Mar-23	Lipari Foods (Littlejohn & Co.)	Swiss American	Consumer / Food & Beverage
Mar-23	Fortune International (Investcorp)	Boston Sword & Tuna	Consumer / Food & Beverage
Mar-23	W.W. Williams Company (One Equity Partners)	Power Products Systems	Industrial & MRO
Mar-23	Kinderhook Industries	Auto-Wares	Automotive & Specialty Vehicle
Mar-23	Ascent Lifting (Shorehill Capital)	Cargo Control USA	Industrial & MRO
Mar-23	Transtar (Blue Point Capital Partners)	C&M Auto Parts	Automotive & Specialty Vehicle
Mar-23	EFC International (Frontenac Company)	Inventory Sales Company	Industrial & MRO
Feb-23	AmerCareRoyal (HCI Equity Partners)	Team Three Group	Consumer / Food & Beverage
Feb-23	Flow Control Holdings (Audax)	Flowtrend, Inc.	Industrial & MRO
Feb-23	BPS Supply Group (Trive Capital)	Tri STAR Industrial	Building Products
Feb-23	Solve Industrial Motion Group (Audax)	SPB-USA	Industrial & MRO
Feb-23	Envoy Solutions, LLC (FEMSA)	Mooney-General Paper	Consumer / Food & Beverage
Feb-23	Monroe Engineering (AEA Investors)	Fasteners, Inc.	Industrial & MRO
Feb-23	Flexpak (Shorehill Capital)	Preferred Packaging Products	Industrial & MRO
Feb-23	Groff Tractor & Equipment (Prophet Equity)	Plasterer Equipment Company	Industrial & MRO
Feb-23	Platte River Equity	Womack Machine Supply Company	Technology, Media, & Telecom
Feb-23	Imperial Dade (Advent International)	Focus Packaging & Supply	Consumer / Food & Beverage
Jan-23	Galco Industrial Electronics (Freeman Spogli)	Zesco Incorporated	Technology, Media, & Telecom
Jan-23	Radon Medical Imaging (Avante Capital Partners)	Premier Imaging Medical Systems	Healthcare & Life Sciences
Jan-23	Wynnchurch Capital	FloWorks (Clearlake Capital Group)	Industrial & MRO
Jan-23	AFC Industries (Bertram Capital)	Motor City Industrial (Kian Capital)	Industrial & MRO
Jan-23	GME Supply Co. (Platte River Equity)	Farwest Line Specialties	Industrial & MRO
Jan-23	Brady IFS (Kelso & Company)	YPV Distribution	Consumer / Food & Beverage
Jan-23	Kinzie Capital Partners	GT Golf Holdings	Consumer / Food & Beverage
Jan-23	Specialty Building Products (The Jordan Company)	Amerhart	Building Products
Jan-23	Calibre Scientific (StoneCalibre)	Dynalab Corp.	Healthcare & Life Sciences
Jan-23	SpartanNash Company (NasdaqGS:SPTN)	Great Lakes Foods	Consumer / Food & Beverage
Jan-23	Beacon Roofing Supply (Nasdaq:BECN)	Whitney Building Products	Building Products
Jan-23	Gypsum Management and Supply (NYSE:GMS)	Tanner Bolt & Nut	Building Products
Jan-23	Belt Power (Platte River Equity)	Dunham Rubber & Belting	Industrial & MRO
Jan-23	Fencing Supply Group (The Sterling Group)	Hartford Fence Supply	Building Products

Source: S&P Capital IQ, Stout Proprietary Database

Specialty Distribution Practice

PRACTICE OVERVIEW

The Stout Specialty Distribution team leverages deep advisory experience as well as dedicated coverage and expertise across a range of business models and key distribution subsectors. The team maintains strong, long-standing relationships with highly active financial sponsors and key strategic consolidators in the space, alongside a deep understanding of the broader value chain, which enables Stout to provide superior outcomes for our clients.

DEEP SUBSECTOR COVERAGE



Automotive Aftermarket



Building Products



Consumer / Food & Beverage



Energy



Healthcare & Life Sciences



Industrial & MRO



Technology, Media, & Telecom

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Stout's Investment Banking group provides mergers and acquisitions (M&A) advisory, capital market financing, and other financial advisory services to portfolio companies of private equity firms, closely held or family-owned businesses, and divisions of large corporate parents. Learn more about our [Investment Banking services](#).

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