



Specialty Distribution

INDUSTRY UPDATE | Q3 2025





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Key Insights and Observations

Stout is pleased to present our Specialty Distribution Industry Update for Q3 2025. Drawing on our team's national representation of leading distribution businesses, ongoing dialogue with top industry participants, and detailed analysis of subsector performance, we have outlined key takeaways below, followed by an in-depth review of macroeconomic and subsector trends, recent M&A, and public company performance.

- ❖ October set a 2025 M&A deal value peak, driven by easing rates, tighter spreads, and a surge in megadeals. However, deal volumes only rose modestly, signaling cautious optimism about the market's momentum. YoY, total deal value expanded 146.5%, accompanied by an 8.3% increase in transaction volume. Large deals exceeding \$1B were the key growth driver, with deal value rising over 200% for the period.
- ❖ Consolidation in building products continued in Q3 as TopBuild (NYSE:BLD) announced its \$1B acquisition of Specialty Products and Insulation, adding meaningful non-cyclical revenue streams to the company's business model. In another major move, American Securities and Clayton, Dubilier & Rice sold Foundation Building Materials to Lowe's (NYSE:LOW) in an \$8.8B transaction. Together, these deals reinforce the sector's consolidation momentum and signal sustained investor interest.
- ❖ The September rate cut energized the U.S. M&A market in Q3, increasing private equity's share of overall U.S. deal volume to ~29%, a 1% MoM rise. The pattern signals a move toward middle-market and smaller deals, with corporates maintaining control of big-ticket transactions.

We hope you find this edition insightful, and that it serves as a meaningful resource for keeping pace with the evolving market landscape. As always, we look forward to staying connected and encourage you to reach out if you'd like to discuss our perspectives on current industry trends, emerging M&A opportunities, or how our experience may support your strategic objectives.

Stout Transaction Spotlight

TRANSACTION SPOTLIGHT

VOGUE TYRES
SINCE 1914

has been acquired by

STA

SAILUN TIRE AMERICAS

a portfolio company of

SAILUN

SELL-SIDE ADVISOR

- ❖ Stout served as the exclusive financial advisor to Vogue Tyre on its sale to Sailun Tire America, a portfolio company of Sailun.
- ❖ Vogue Tyre is a leading provider of custom-built luxury tires, wheels, and aftermarket accessories for a wide range of modern and classic vehicles.
- ❖ Stout was engaged amid a challenging market environment and designed a tailored sell-side process, advising on market timing to maximize buyer engagement and transaction value, capitalizing on Vogue's consistent strong performance driven by brand loyalty and a reputation for the highest-quality product.

ABC STONE

has received an investment from



CHICAGO CAPITAL PARTNERS

SELL-SIDE ADVISOR



WESTERN DRUG MEDICAL SUPPLY

has been acquired by

SG Homecare

a portfolio company of

SVERICA

SELL-SIDE ADVISOR



RUSSELL PLYWOOD

has been acquired by

WÜRTH

SELL-SIDE ADVISOR

NAP
The Bodyman's First Choice

has been acquired by

PALLADIUM

SELL-SIDE ADVISOR

safco
DENTAL SUPPLY

has been acquired by

PNC RIVERARCH CAPITAL

SELL-SIDE ADVISOR

Aterian
INVESTMENT PARTNERS

has acquired



BUY-SIDE ADVISOR

SG Homecare

has been acquired by

SVERICA

SELL-SIDE ADVISOR

TIRE RACK
.com

has been acquired by

DISCOUNT TIRE

SELL-SIDE ADVISOR

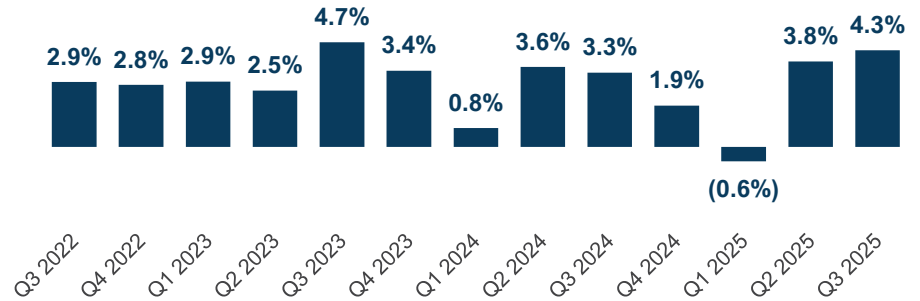
U.S. Macroeconomic Backdrop

Despite Ongoing U.S. Policy Uncertainty and Emerging Signs of a Softening Labor Market, the Economy and Markets Have Remained Resilient

- ❖ GDP increased at a 4.3% annualized rate in the third quarter, with an added bump coming from U.S. business inventories increasing slightly more than expected.
- ❖ Unemployment rose to 4.3% in Q3 amid slowing job creation and downward revisions that reflect low worker turnover and subdued hiring. Consumer confidence held steady QoQ, though signs of strain are becoming more evident among lower-income households.
- ❖ PMI inched higher QoQ but remained just below the neutral 50 threshold, while broader industrial activity held steady, underscoring the continued complexity of the macroeconomic backdrop.

Real U.S. Quarterly GDP Growth

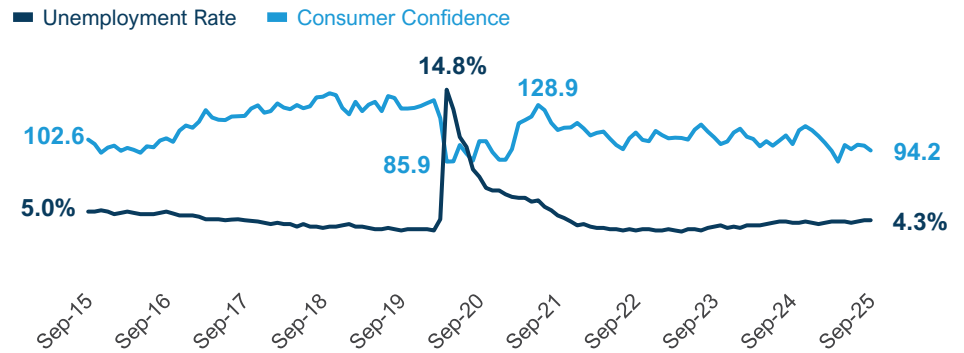
(Annualized quarterly percentage change)



Source: S&P Capital IQ

U.S. Unemployment Rate and Consumer Confidence

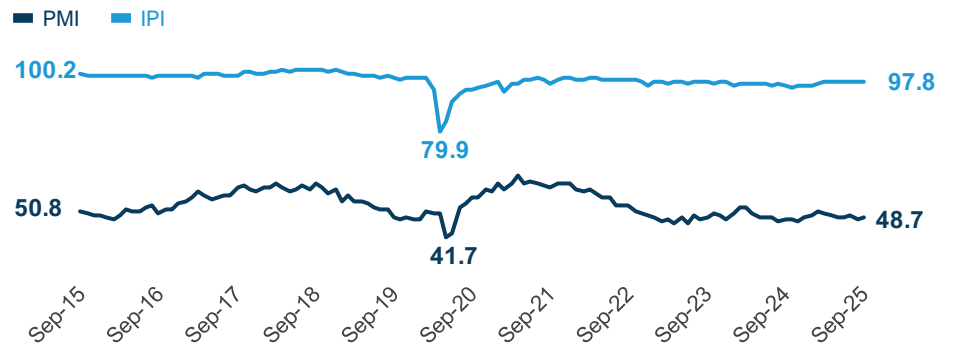
(Percentage of unemployed persons in U.S. labor force; index of consumer sentiment)



Source: S&P Capital IQ

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 and Federal Reserve Economic Data

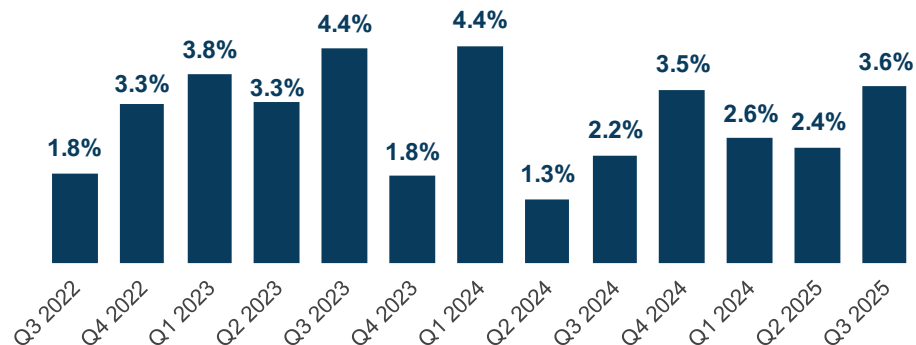
U.S. Macroeconomic Backdrop

Markets Adjusted to Key Developments, Including the First of Three Rate Cuts in 2025, but Ongoing Tariff Changes Continue to Raise Concerns About Future Growth

- ❖ The shift in concerns from inflation to labor market softness influenced the Fed's decision to implement its rate cut in Q3. However, inflation rose to an annualized 3.6%, primarily driven by higher energy and food costs.
- ❖ QoQ, long-distance freight rates edged higher, though they remain roughly 2% below the prior-year period, indicating a continued easing in supply-chain cost pressures.
- ❖ While Q3 import data has yet to be released, August 2025 continued the trends seen in Q2, with the U.S. trade deficit narrowing more than anticipated, largely due to reduced imports amid the tariff environment. This trend is expected to provide a supportive boost to economic growth in Q3.

Real U.S. Inflation Rate

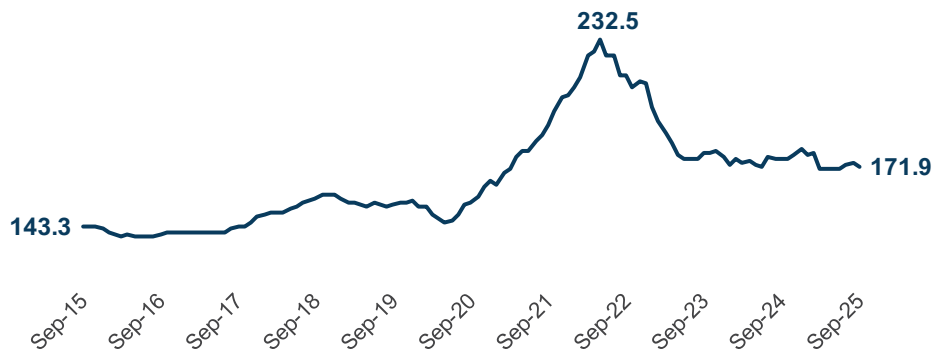
(Annualized quarterly percentage rate)



Source: S&P Capital IQ

Producer Price Index: General Long-Distance Freight

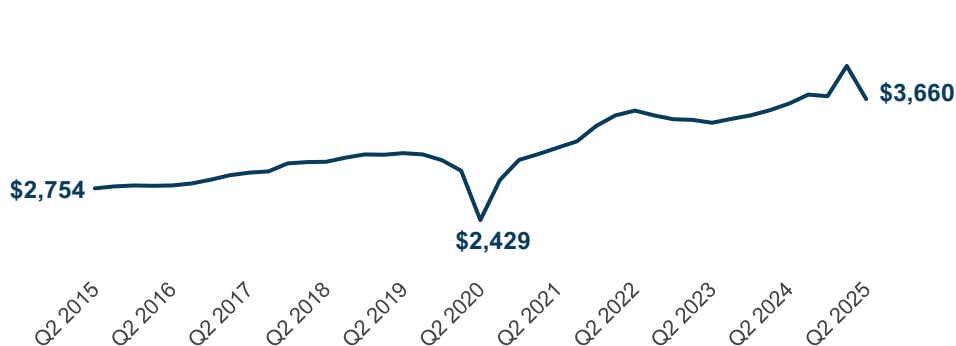
(Indexed to 100.0 as of 6/30/1992)



Source: Federal Reserve Economic Data

Real U.S. Imports of Goods and Services⁽¹⁾

(Billions of chained 2017 dollars, seasonally adjusted)



Source: Federal Reserve Economic Data

(1) The Q3 2025 data release for Real U.S. Imports of Goods and Services has been delayed; a new release date has not been publicized

U.S. Specialty Distribution M&A Update

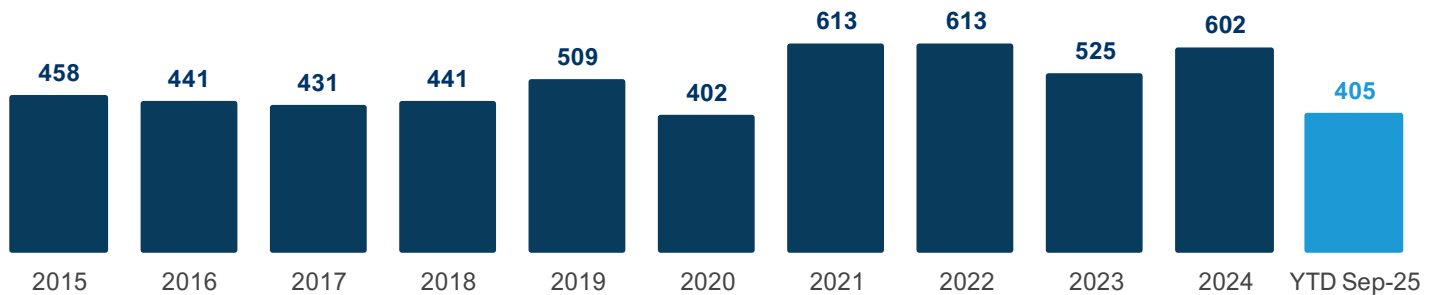
M&A deal volume within Specialty Distribution ticked up 7.0% QoQ but still lags behind the same period in 2024. Through Q3 2025, there were 405 deals announced compared to 436 announcements through Q3 2024. Average valuation multiples fell 0.1x QoQ and still remain meaningfully below the FY 2024 levels of 11.0x. As certain facets of the market show signs of strength, others require continued caution which has contributed to the modest decline in valuation multiples.

Private equity activity has gradually improved since July. Despite October showing signs of moderation, private equity sponsors remain eager to deploy capital, though exit activity for sponsors remains constrained by the prevailing market environment, which some are seeing as a structural, longer-term shift. Q3 has highlighted the trend towards horizontal integration, reflecting investors' strategic focus on scale, cost control, and competitive advantage.

Specialty Distribution saw steady deal momentum, with Building Products and Industrial assets accounting for a meaningful share of completed transactions. White Cap (Clayton, Dubilier & Rice) remained one of the year's most active strategic acquirors, closing three additional Building Products deals following Q2.

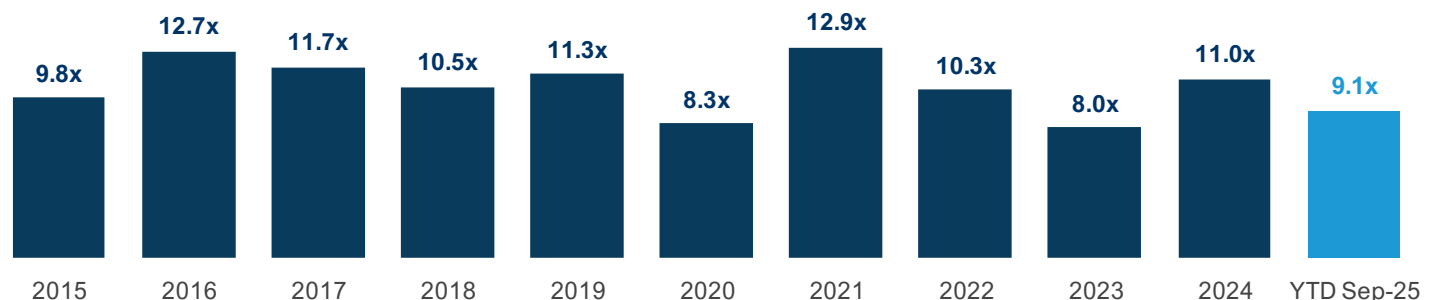
Historical Aggregate M&A Transaction Volume

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



Source: S&P Capital IQ

Historical Average EV/LTM EBITDA Multiples



Source: S&P Capital IQ, average multiple reflects TTM period ending 9/30/2025

Market Summary & Perspectives

PUBLIC MARKET

- ❖ The S&P 500 climbed 2.0% from Q2, reaching 6,688 by September 30, 2025. The index closed Q3 nearly 35% above its April lows, when early tariff headlines weighed heavily on markets. During the quarter, resilient corporate earnings and persistent excitement over AI pushed both the S&P and Nasdaq to repeated all-time highs.
- ❖ The S&P 500 and other major indexes touched yearly lows in early April following the Trump Administration's Liberation Day. Shortly thereafter, the markets began to recover, notwithstanding persistent choppiness largely stemming from the ever-changing trade policies. Private demand has exhibited softness which will need to be taken into consideration as policymakers and businesses make decisions.
- ❖ Despite progress on inflation and tariffs, and continued public market performance, the Federal Reserve continues a wait-and-see approach, preferring to balance labor market data against inflation data as it comes in.
- ❖ On a YoY basis, the Specialty Distribution Subsector Indexes experienced positive results with six of the seven indexes showing strong gains ranging from 23% to 38%. The TMT subsector was the only segment that experienced a negative result, posting a YoY 3% decline. Additionally, companies across subsectors delivered solid revenue growth QoQ.

M&A MARKET

- ❖ Easing monetary policy played a meaningful role in driving the quarter's recovery in M&A activity. Heading into 2026, factors exist to spur activity, underpinned by better financing conditions, solid balance sheets, and increasing CEO confidence. In the months ahead, momentum will likely be further fueled by AI-driven investment themes and the pursuit of greater economies of scale.
- ❖ Despite a robust Q3, private equity firms are still holding roughly \$2 trillion in dry powder as well as material backlogs of unsold companies as of late September. While LP pressure to return capital has intensified, challenges in fundraising may prompt certain groups to take a more measured and selective approach to deployment.
- ❖ The market continues to exhibit a meaningful buildup of both supply and demand that has yet to fully materialize. Sellers, in particular, remain cautious. Corporate owners and private equity firms have largely kept divestiture activity at subdued levels, choosing to defer asset sales, portfolio realignments, and carve-out transactions until the environment becomes more favorable. This wait-and-see approach has contributed to a backlog of potential deal flow.
- ❖ Although geopolitical uncertainty and shifting tariff policies have caused some dealmakers to remain sidelined, others have continued to pursue transactions with clear strategic intent. Activity in regional and semi-regional markets — particularly in the small- and mid-cap segments — has remained resilient. Deals centered on growth, capability expansion, and operational resiliency also continue to gain traction. This momentum is likely to persist as corporations and sponsors look to deploy capital and drive stronger returns.

Company Spotlight: Positive Q3 Sales & EBITDA Performance

Companies

Quarterly Highlights

Select Commentary



LTM Data:

Sales: \$17,463M
EBITDA: \$3,870M
Stores: 6,538

- MRQ sales Δ : +7.8%
- YTD sales Δ : +6.0%
- MRQ EBITDA Δ : +9.0%
- YTD EBITDA Δ : +5.5%

"We are pleased to announce our 2026 store opening target of 225 to 235 net new stores. Just as our 2025 growth has been spread across 37 US states, Puerto Rico and Mexico, we anticipate growth in all of those markets as well as in Canada in 2026. Our store growth in 2026 will continue to be concentrated in the US markets, but we will also continue our measured growth within our international markets."



LTM Data:

Sales: \$36,901M
EBITDA: \$7,294M

- MRQ sales Δ : +5.3%
- YTD sales Δ : +5.0%
- MRQ EBITDA Δ : +9.4%
- YTD EBITDA Δ : +11.4%

"We delivered a record third quarter performance with further growth across our key financial metrics. Q3 adjusted EBITDA of approximately \$2.7 billion was 10% above prior year, driven by positive underlying demand, continued pricing momentum and contributions from acquisitions."



LTM Data:

Sales: \$18,100M
EBITDA: \$378M
Gasoline Stations: 1,540

- MRQ sales Δ : +6.2%
- YTD sales Δ : +7.2%
- MRQ EBITDA Δ : -13.7%
- YTD EBITDA Δ : -1.4%

"We grew earnings and cash flow year-over-year with net income increasing 8%, adjusted EBITDA increasing 7% and adjusted DCF increasing 9% from the same period last year. That kind of performance speaks to the power of our diversified platform and our ability to execute in a dynamic market."



LTM Data:

Sales: \$29,389M
EBITDA: \$1,007M

- MRQ sales Δ : +13.0%
- YTD sales Δ : +7.1%
- MRQ EBITDA Δ : -1.2%
- YTD EBITDA Δ : -13.8%

"Sales for the third quarter increased \$890 million year-over-year to \$7.7 billion, exceeding the midpoint of our guidance range and up 13% versus prior year, or up 11% year-over-year on a constant currency basis. Third quarter consolidated non-GAAP gross margin of 10.8% was down approximately 70 basis points versus prior year, driven primarily by regional and customer mix in Global Components and by product mix."



LTM Data:

Sales: \$2,162M
EBITDA: \$472M

- MRQ sales Δ : +22.6%
- YTD sales Δ : +12.2%
- MRQ EBITDA Δ : +32.2%
- YTD EBITDA Δ : +21.0%

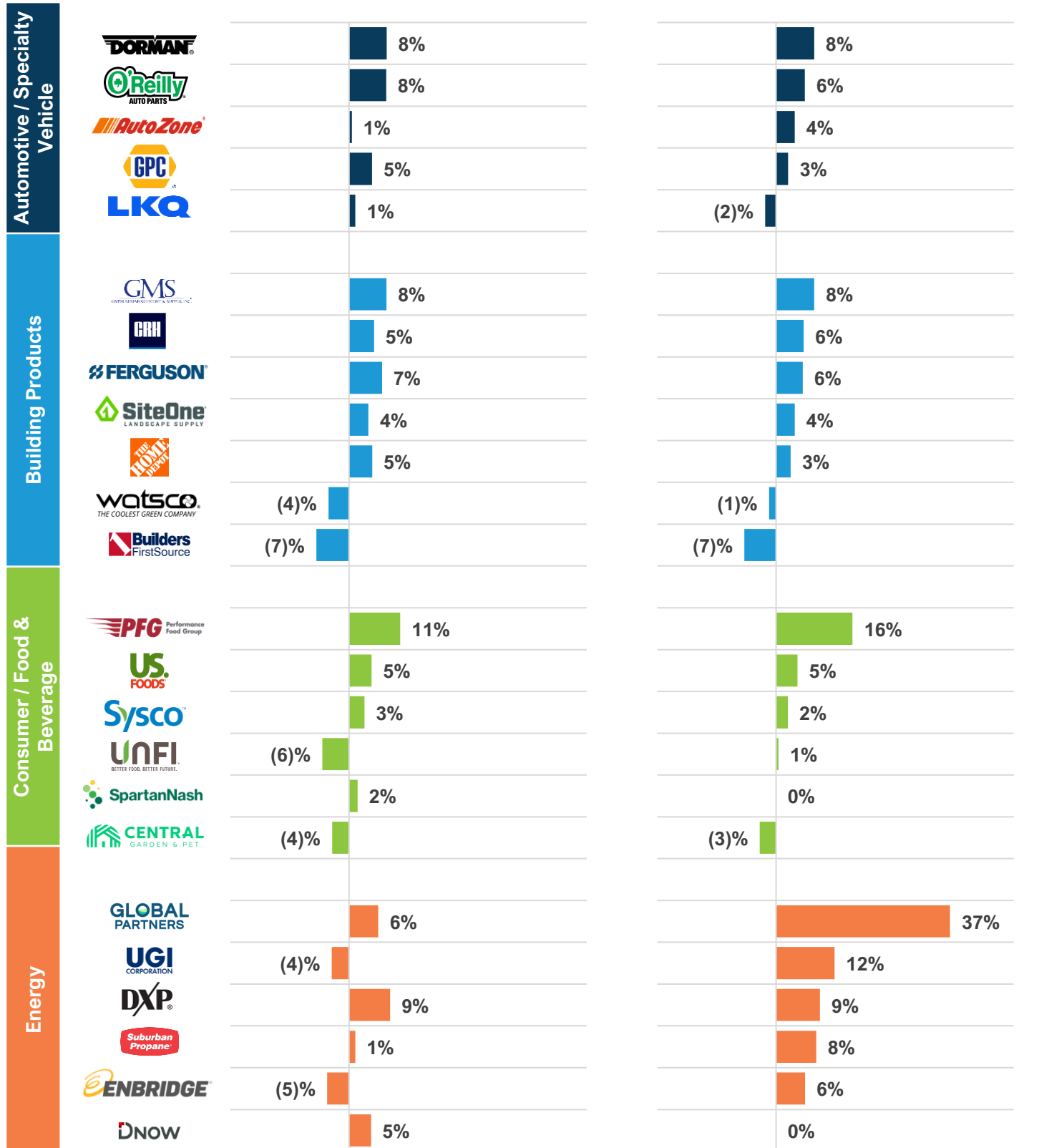
"Turning to our high-level results, in the third quarter, we grew revenue by 23%, driven by strong organic growth in both segments and the benefit of recent acquisitions. Adjusted EBITDA increased by approximately 31% year-over-year, with 150 basis points of margin expansion."

Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Revenue Growth Trends

MRQ GROWTH

2025E⁽¹⁾ GROWTH

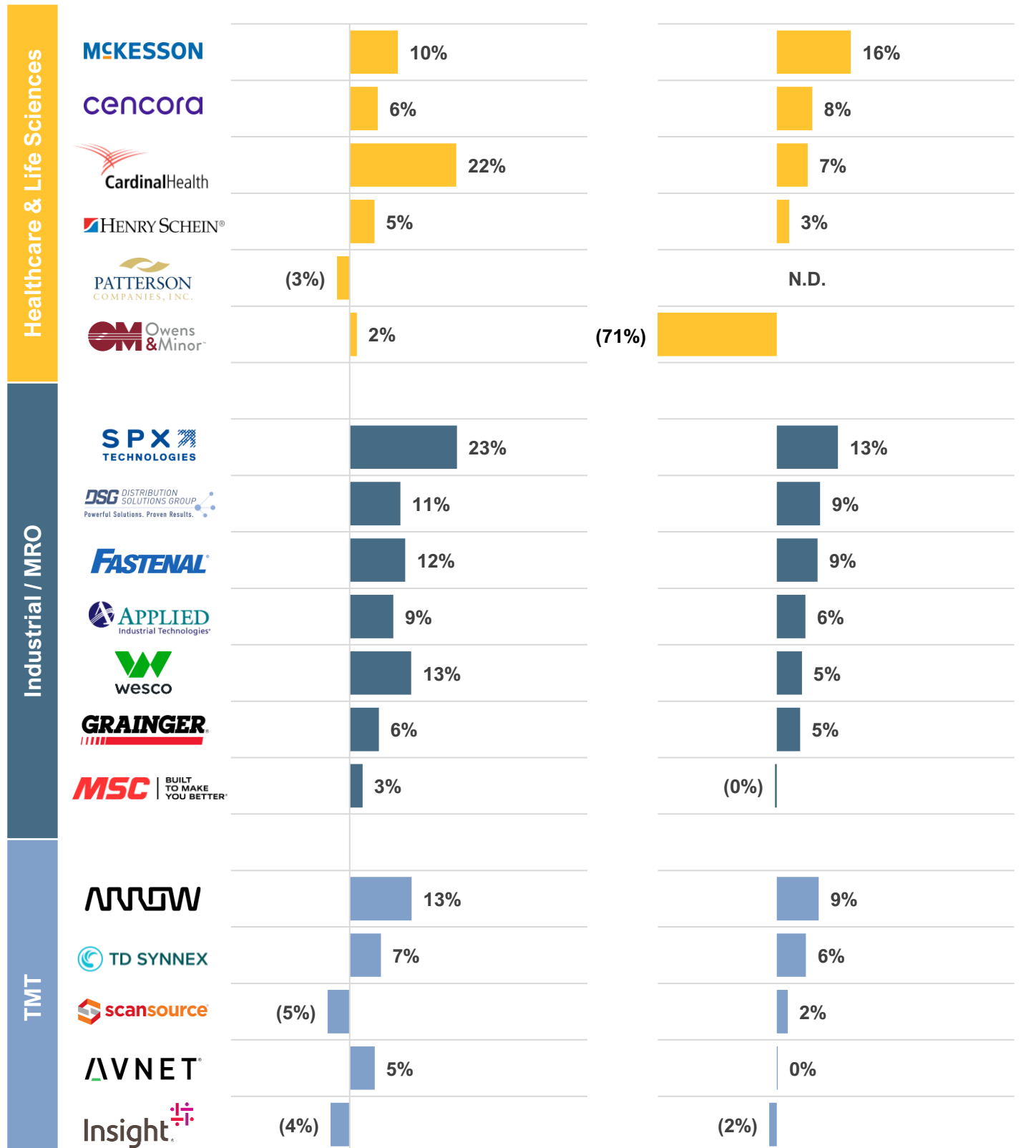


Source: S&P Capital IQ as of 9/30/2025, (1) Representative of Calendar Year 2025

Revenue Growth Trends

MRQ GROWTH

2025E⁽¹⁾ GROWTH



Source: S&P Capital IQ as of 9/30/2025, (1) Representative of Calendar Year 2025

Automotive Aftermarket Distribution

KEY SUBSECTOR DRIVERS

Regular All Formulations Gas Prices

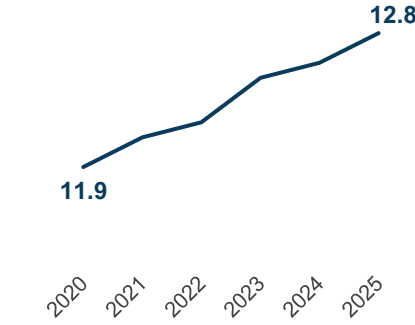
(Dollars per gallon, weekly ending Mondays)



Source: Federal Reserve Economic Data

Average Age of Automobiles and Trucks

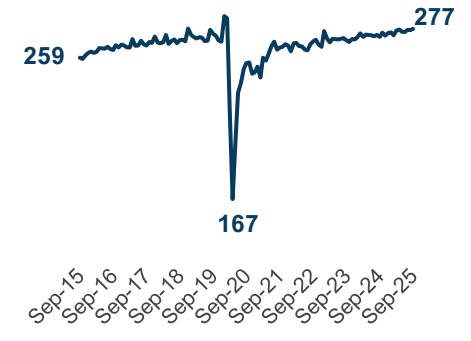
(Years)



Source: U.S. Department of Transportation

Vehicle Miles Traveled

(Millions of miles, seasonally adjusted)

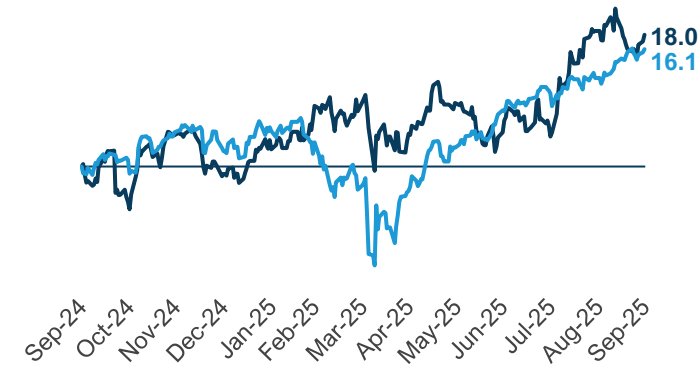


Source: Federal Reserve Economic Data

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

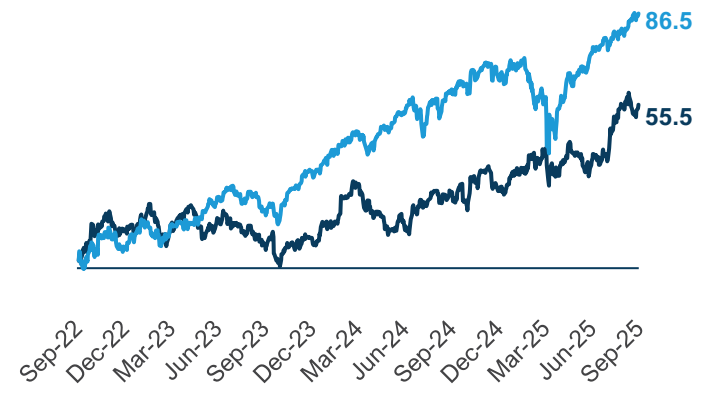
(Indexed to 0.0 as of 9/30/2024) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

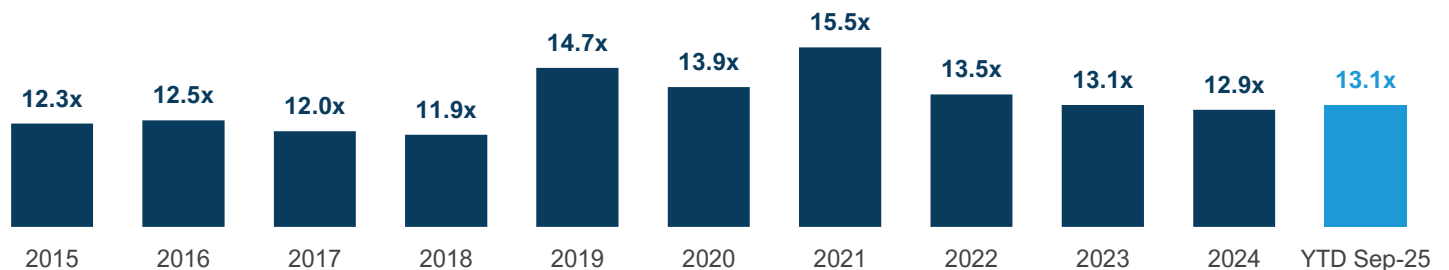
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 9/30/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



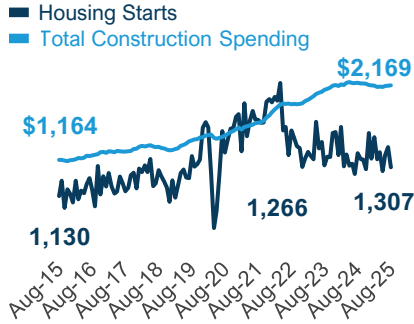
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Building Products Distribution

KEY SUBSECTOR DRIVERS

Housing Starts and Construction Spending

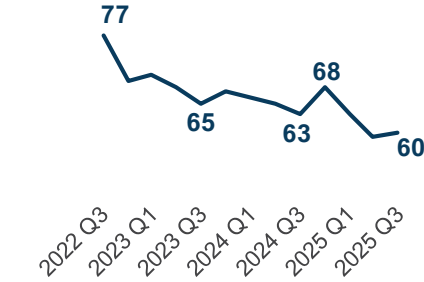
(Thousands of units, seasonally adjusted, \$ in billions)



Source: Federal Reserve Economic Data

NAHB Remodeling Index

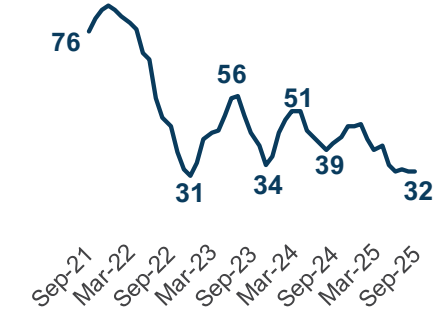
(Reflects health of current and future remodeling market from 0 – 100)



Source: National Association of Home Builders

NAHB Housing Market Index

(Reflects health of housing sales from 0 – 100)

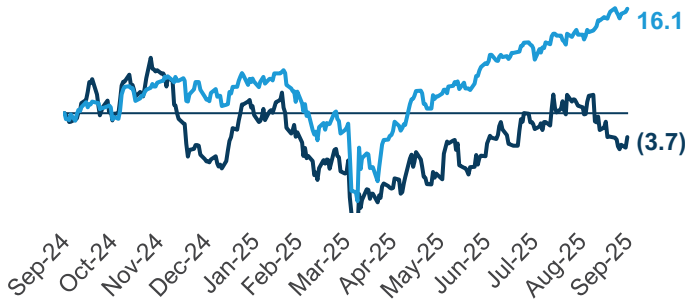


Source: National Association of Home Builders

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

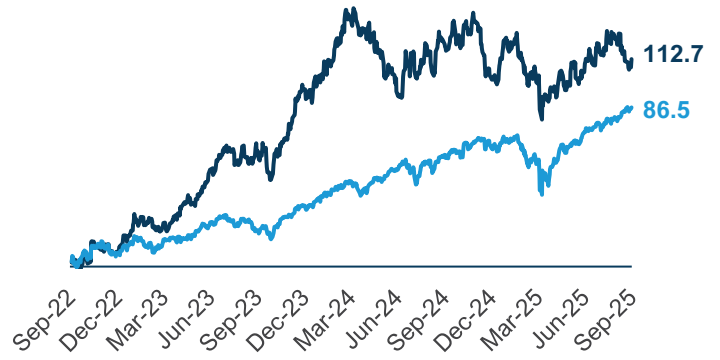
(Indexed to 0.0 as of 9/30/2024) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

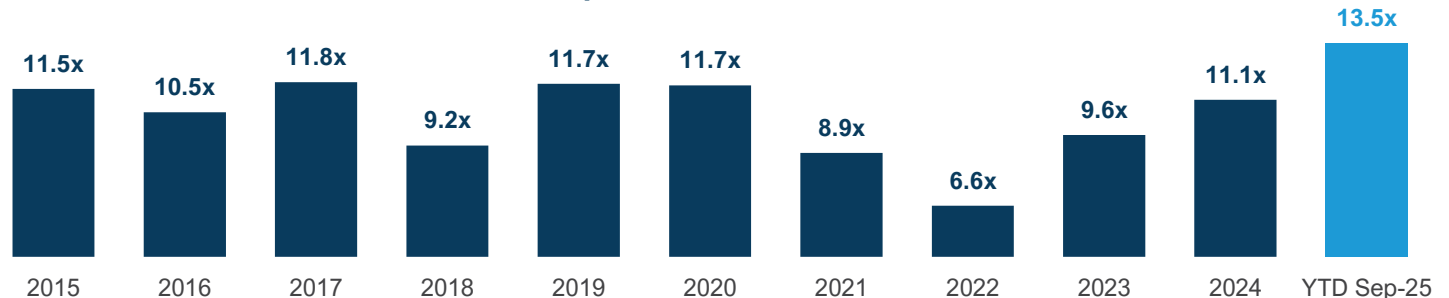
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 9/30/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



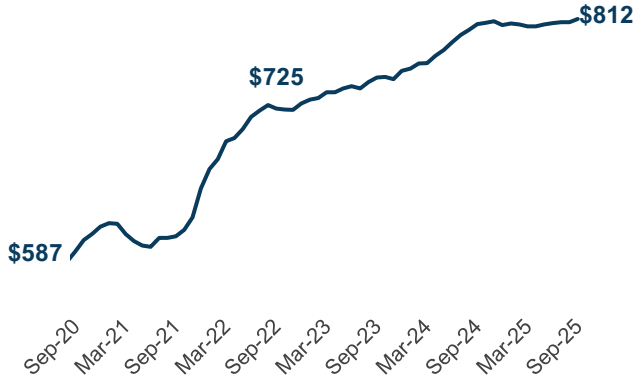
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Consumer / Food & Beverage Distribution

KEY SUBSECTOR DRIVERS

U.S. Retailers' Inventories

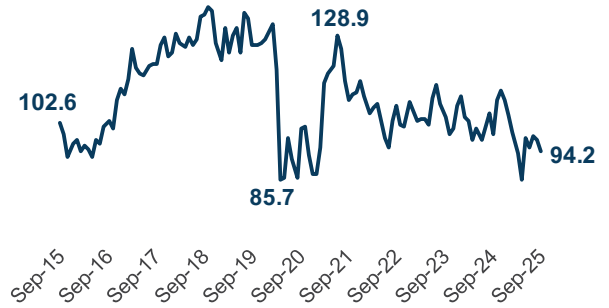
(\$s in billions, seasonally adjusted)



Source: Federal Reserve Economic Data

U.S. Consumer Confidence

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

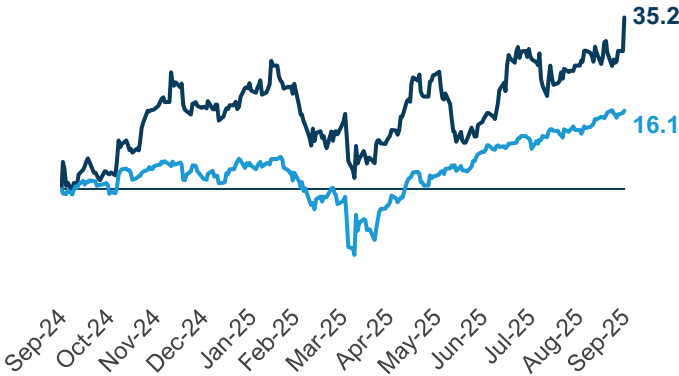


Source: S&P Capital IQ

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

(Indexed to 0.0 as of 9/30/2024) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

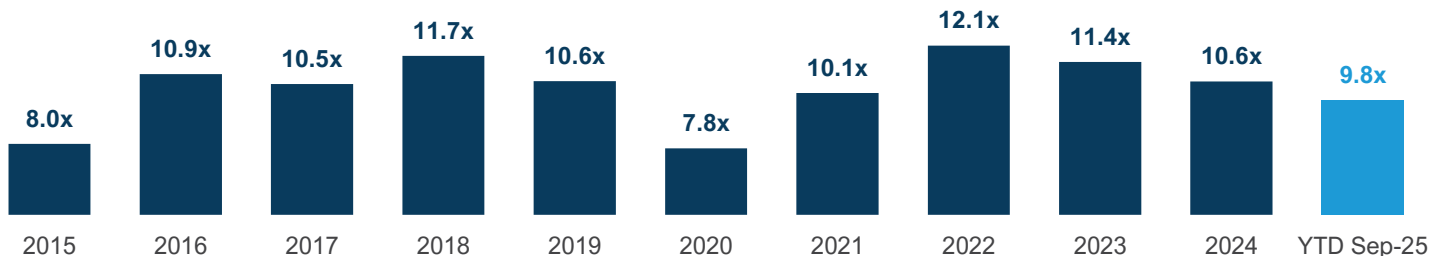
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 9/30/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples

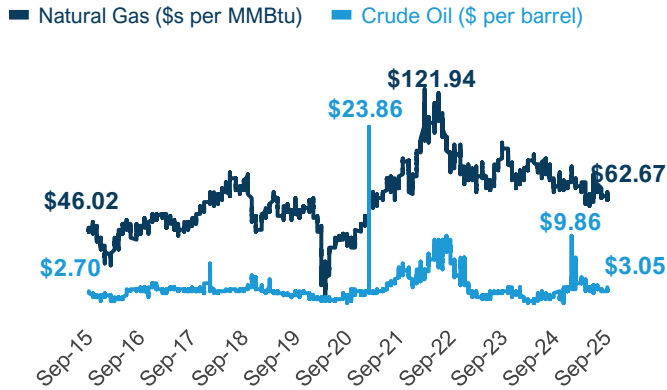


Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Energy Distribution

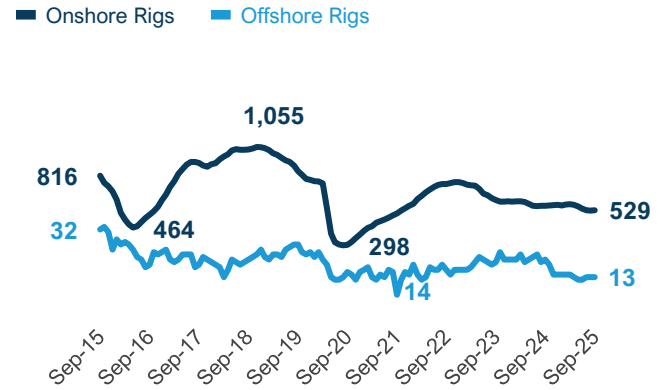
KEY SUBSECTOR DRIVERS

Natural Gas and Crude Oil Prices



Source: S&P Capital IQ

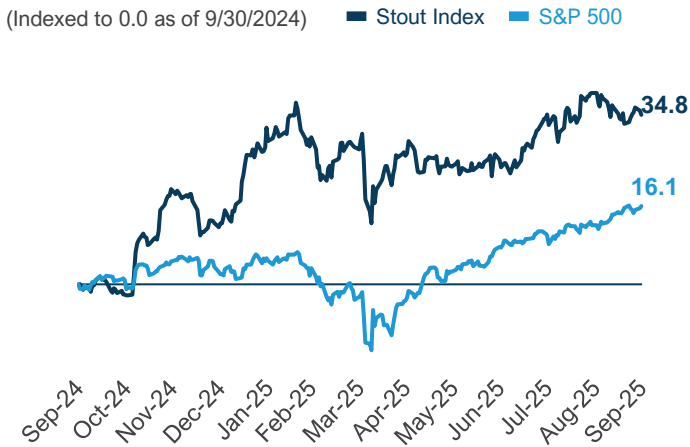
Natural Gas and Crude Oil Rigs in Operation



Source: U.S. Energy Information Administration

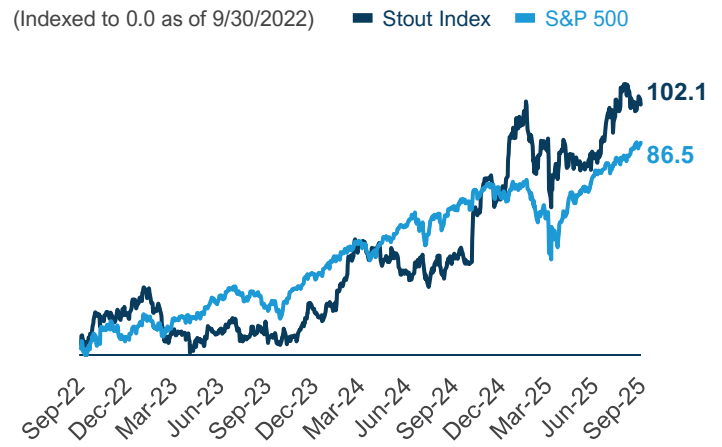
STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months



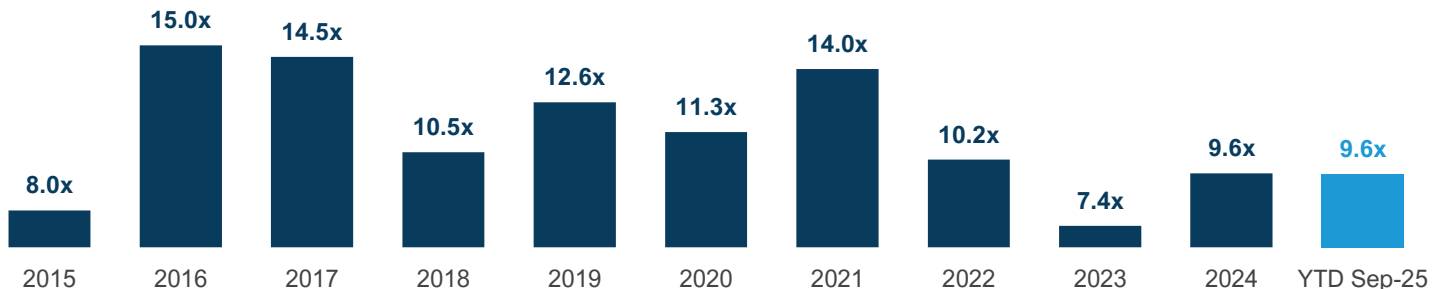
Source: S&P Capital IQ, Stout Proprietary Index

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 9/30/2025, Stout Proprietary Index

Healthcare & Life Sciences Distribution

KEY SUBSECTOR DRIVERS

Medical Equipment Production Index

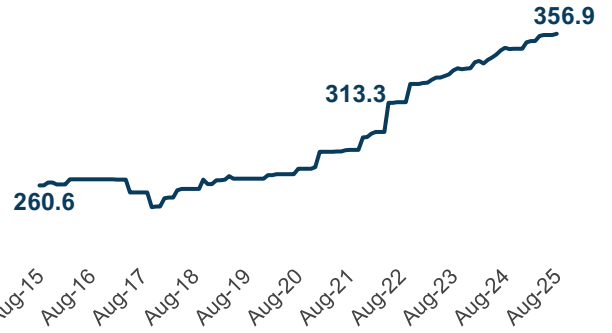
(Indexed to 100.0 as of 1/1/2017)



Source: Federal Reserve Economic Data

PPE Producer Price Index

(Indexed to 100.0 as of 1/1/1982)

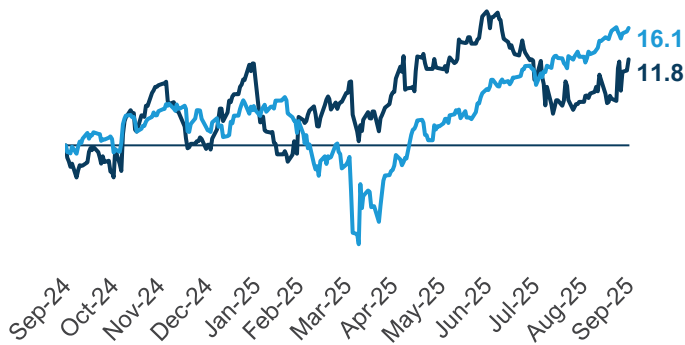


Source: Federal Reserve Economic Data

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

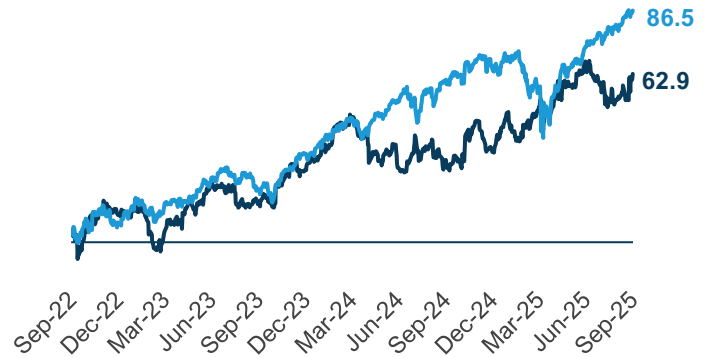
(Indexed to 0.0 as of 9/30/2024) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

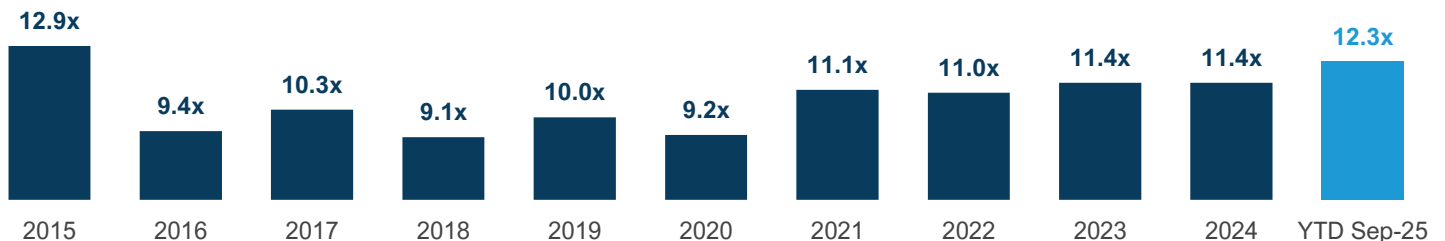
Indexed Stock Performance — Last 3 Years

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Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



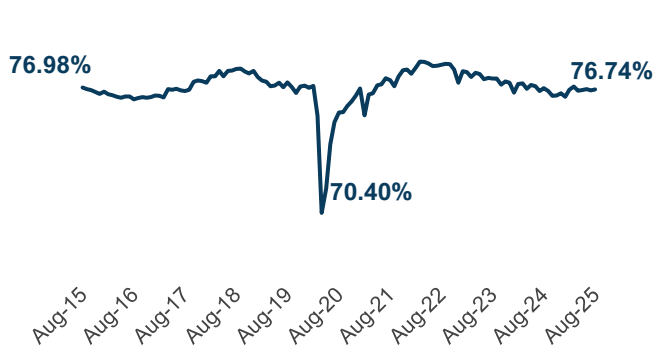
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

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)

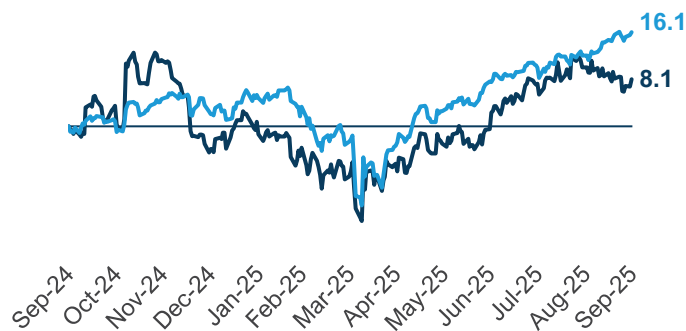


Source: Institute for Supply Management

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

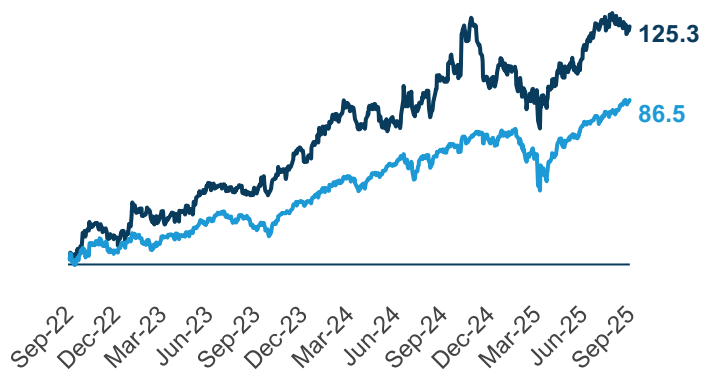
(Indexed to 0.0 as of 9/30/2024) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

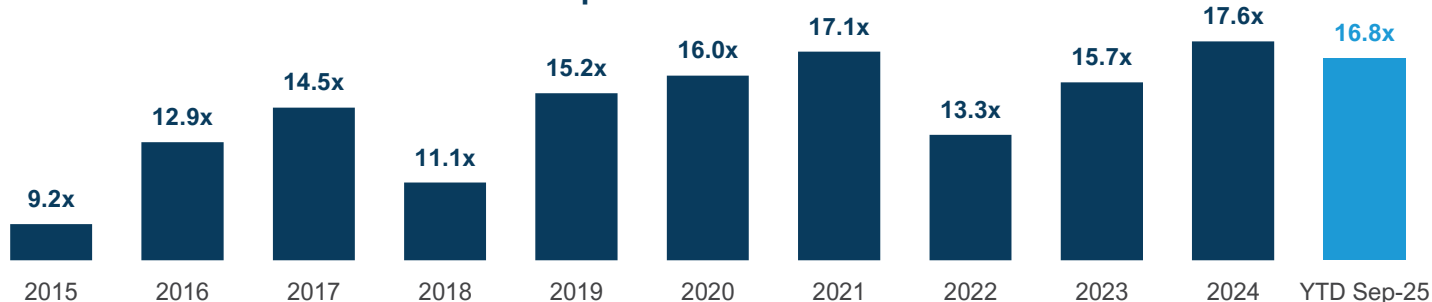
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 9/30/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



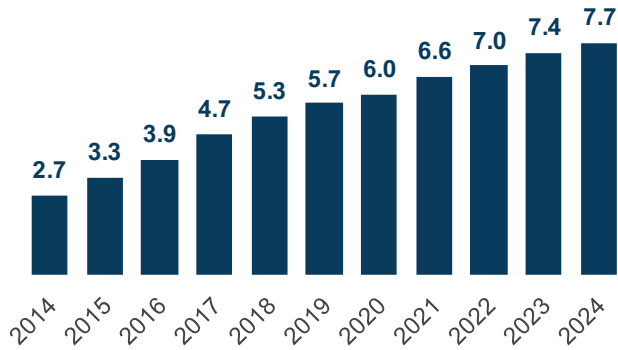
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Technology, Media, & Telecom Distribution

KEY SUBSECTOR DRIVERS

Global Mobile Broadband Subscriptions

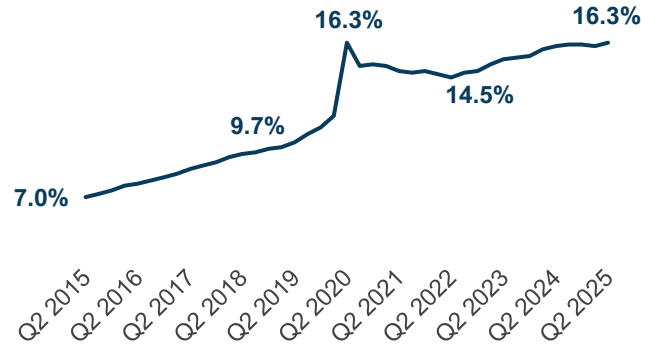
(Billions)



Source: International Telecommunication Union, Ericsson

E-Commerce Percent of Retail Sales⁽¹⁾

(Share of total retail sales globally)

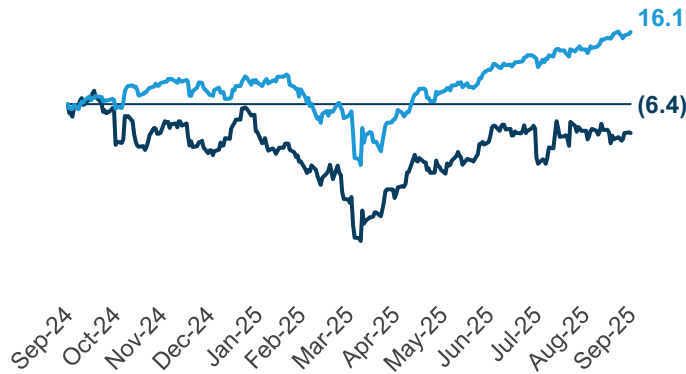


Source: Federal Reserve Economic Data

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

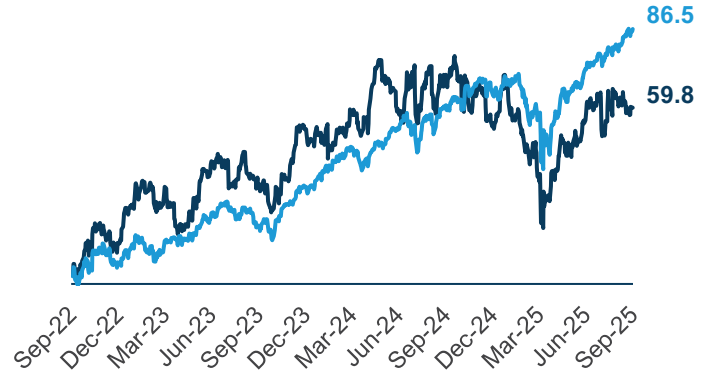
(Indexed to 0.0 as of 9/30/2024) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

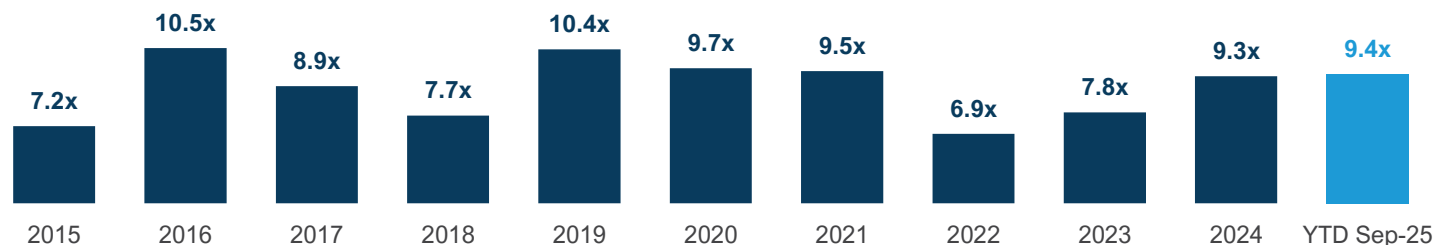
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 9/30/2022) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples

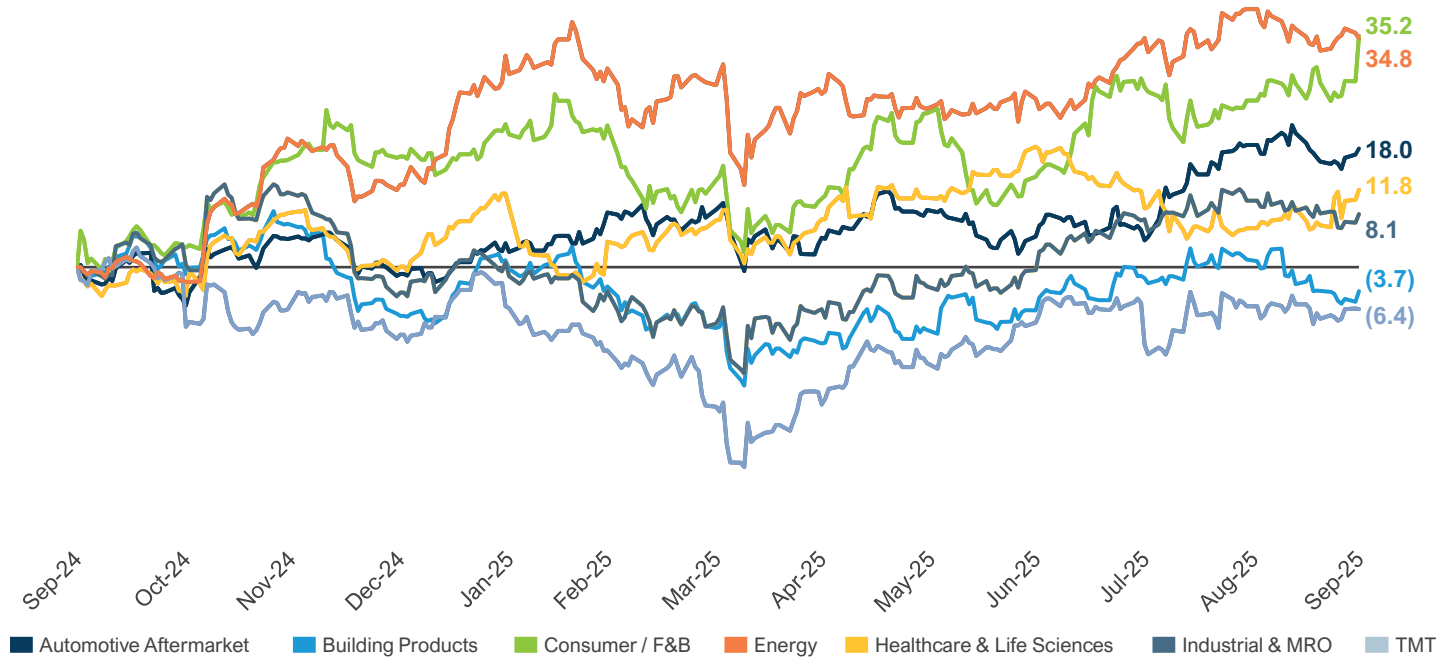


(1) The Q3 2025 data release has been delayed; Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Indexed Stock Performance by Subsector

Specialty Distribution Indexed Stock Performance — Last 12 Months

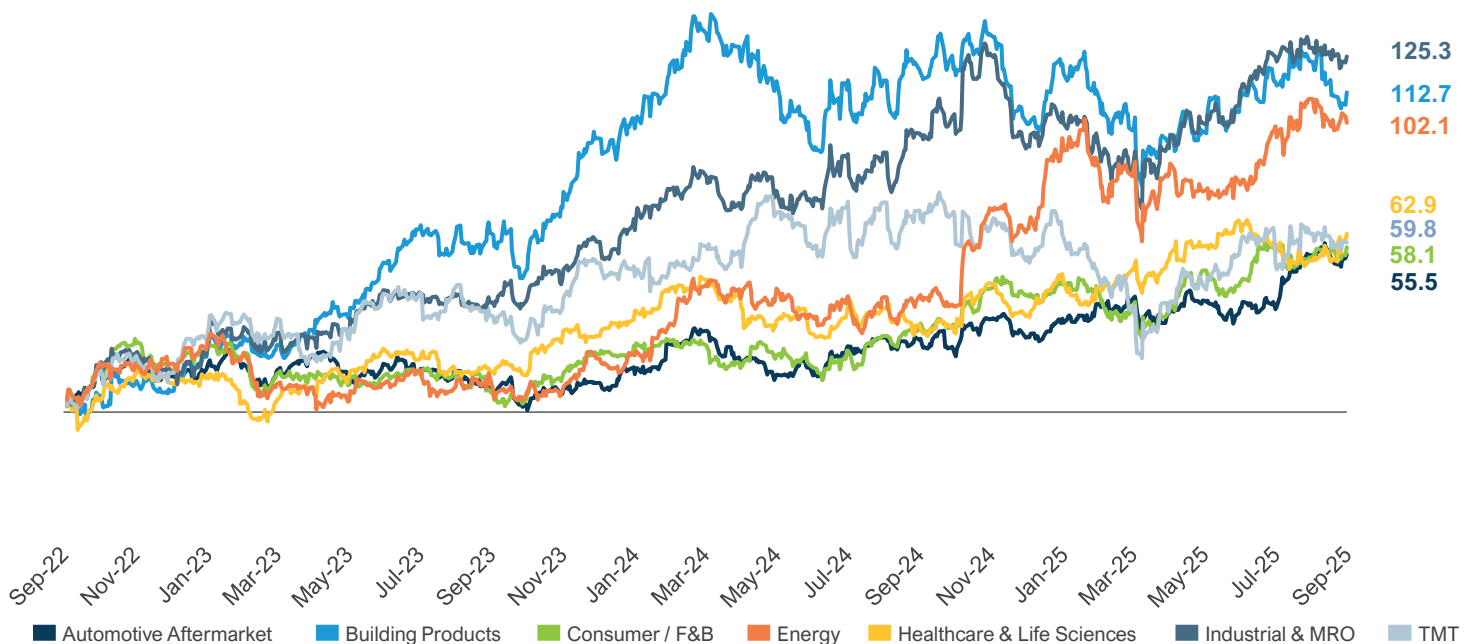
(Indexed to 0.0 as of 9/30/2024)



Source: S&P Capital IQ, Stout Proprietary Index

Specialty Distribution Indexed Stock Performance — Last 3 Years

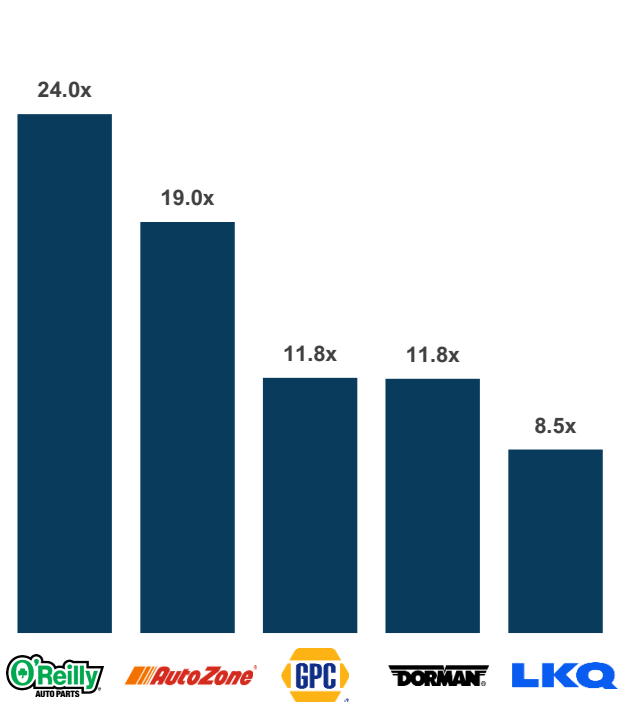
(Indexed to 0.0 as of 9/30/2022)



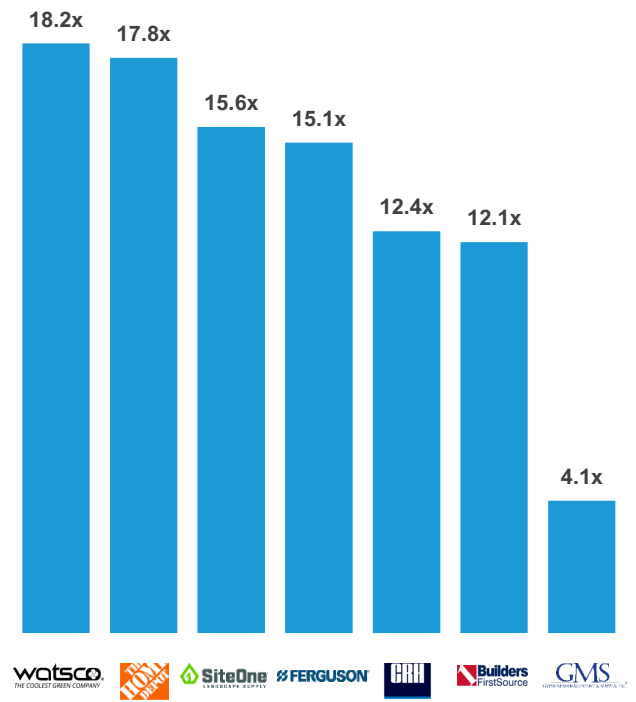
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Valuations by Sector (TEV / Forward EBITDA)

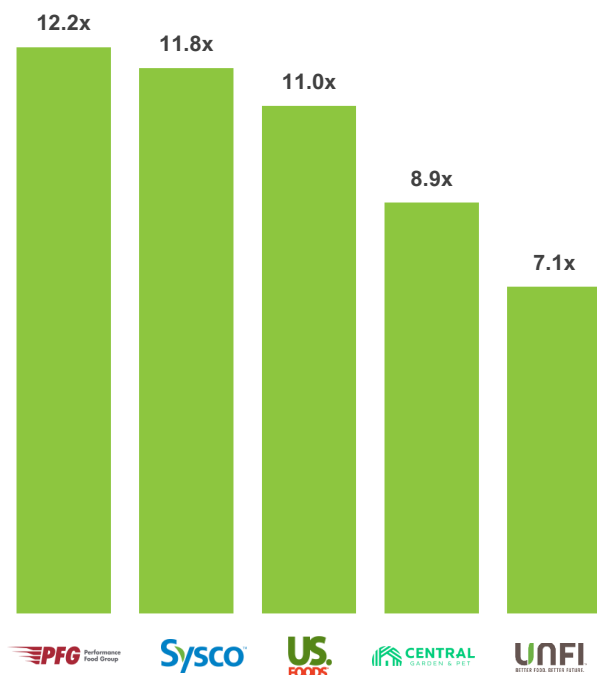
AUTOMOTIVE / SPECIALTY VEHICLE



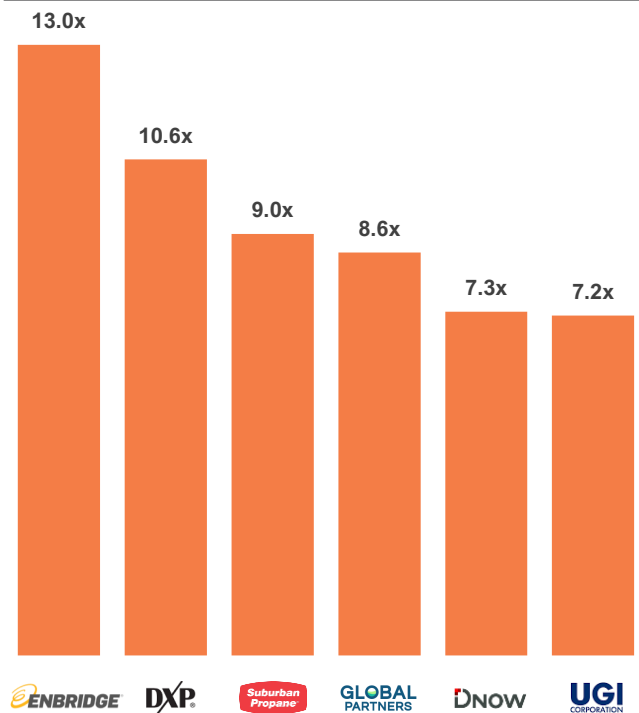
BUILDING PRODUCTS



CONSUMER / FOOD & BEVERAGE



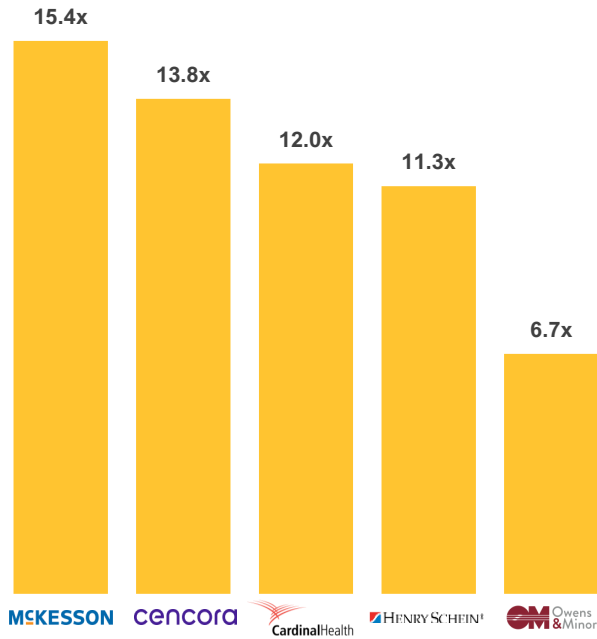
ENERGY



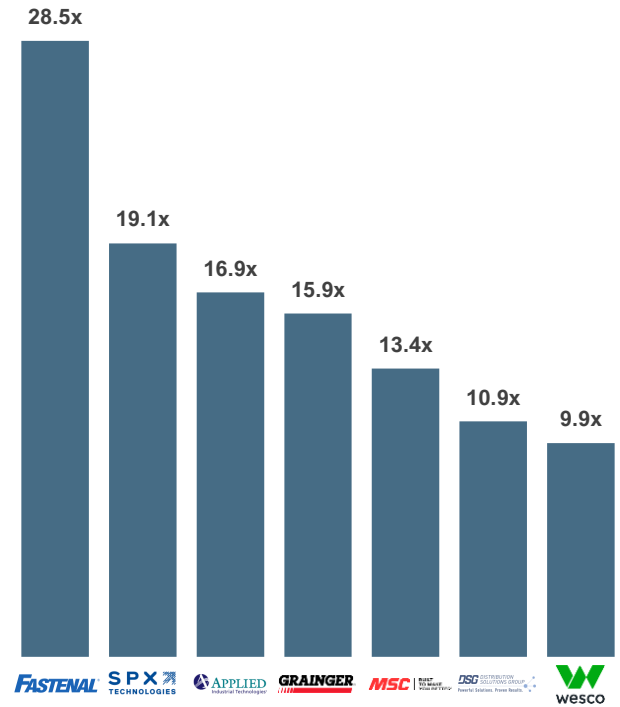
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Valuations by Sector (TEV / Forward EBITDA)

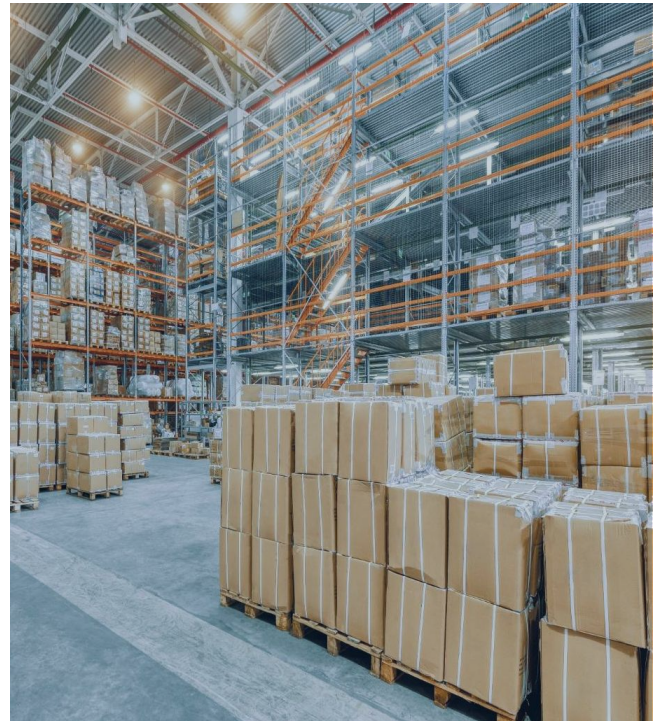
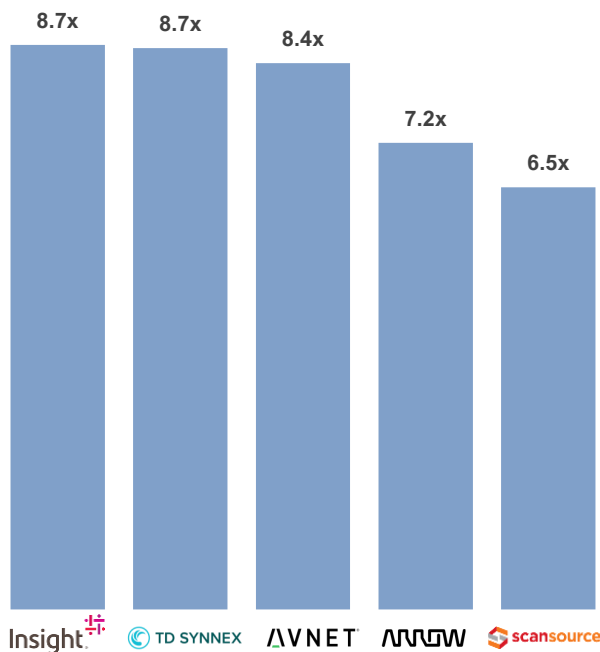
HEALTHCARE & LIFE SCIENCES



INDUSTRIAL / MRO



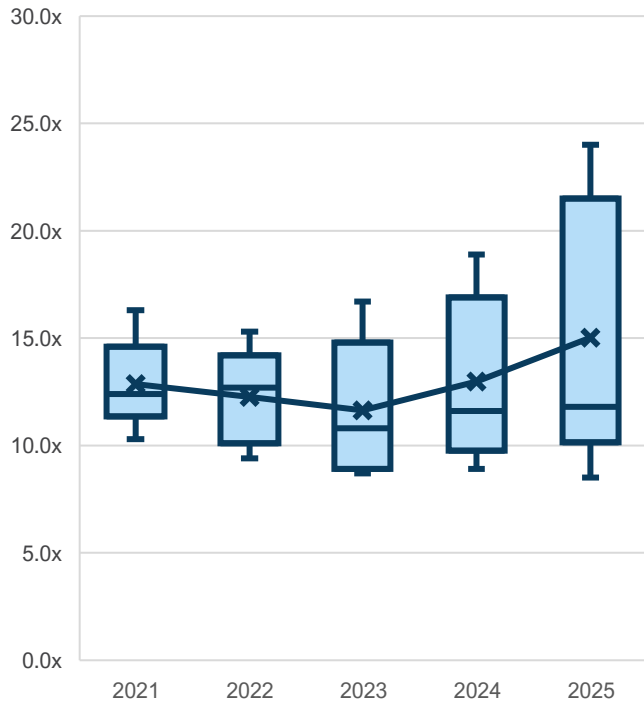
TMT



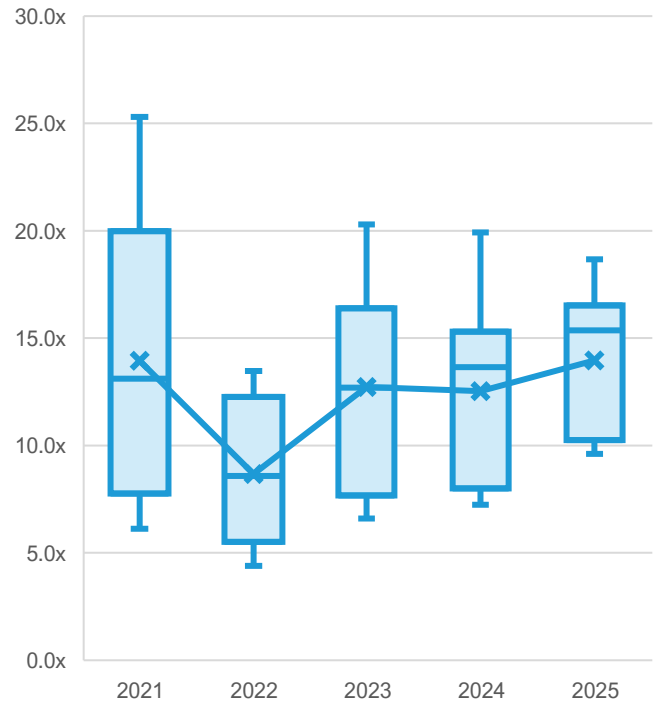
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Sector Valuation Trends (TEV / Forward EBITDA)

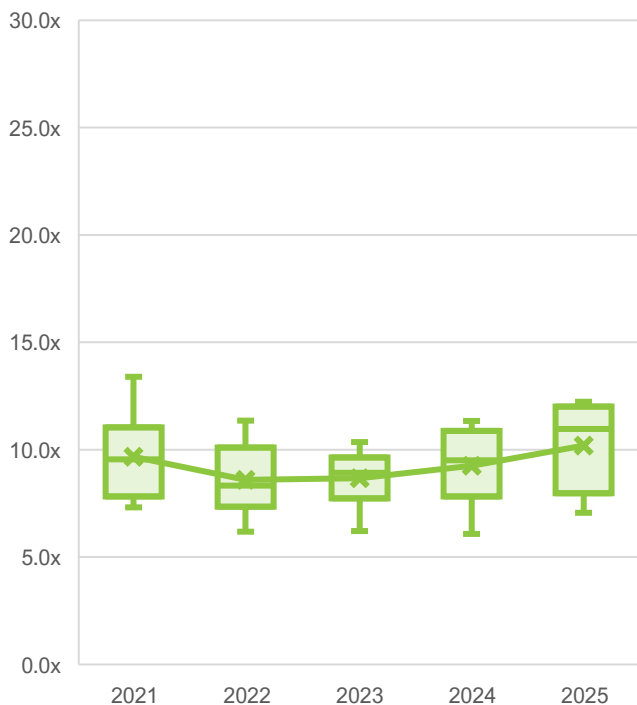
AUTOMOTIVE / SPECIALTY VEHICLE



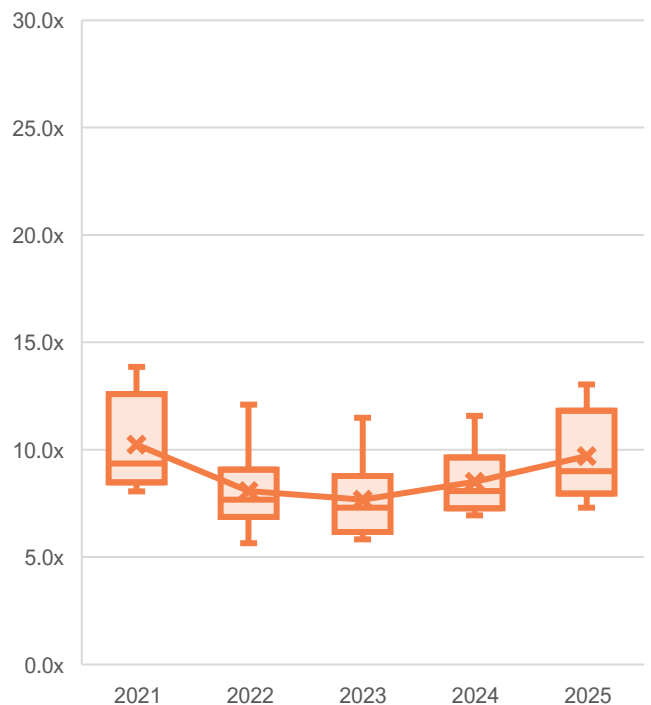
BUILDING PRODUCTS



CONSUMER / FOOD & BEVERAGE



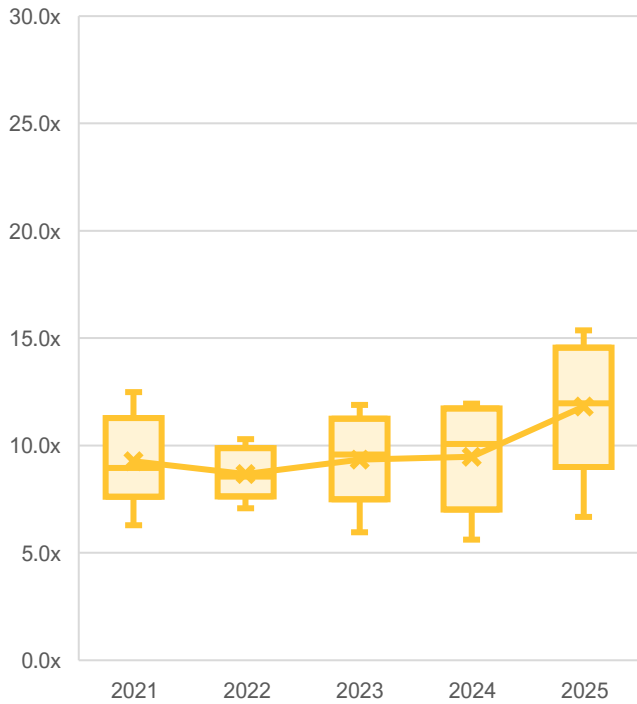
ENERGY



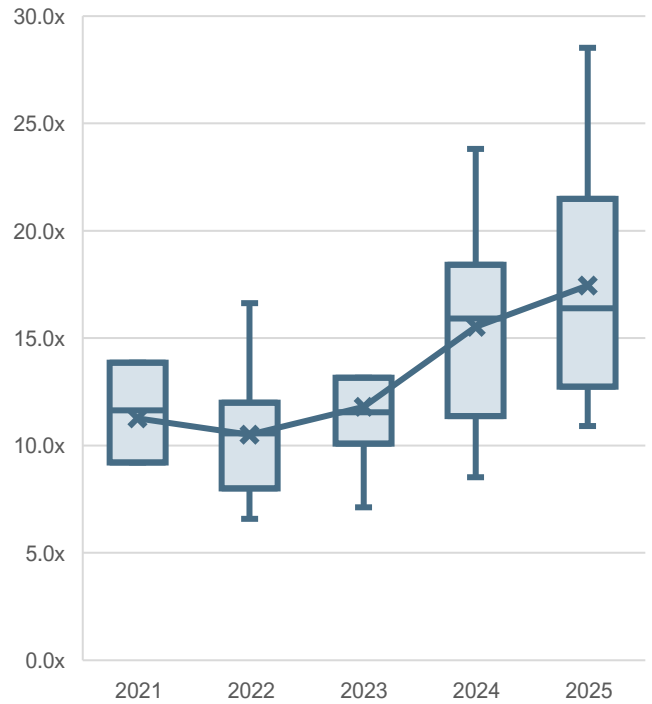
Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Sector Valuation Trends (TEV / Forward EBITDA)

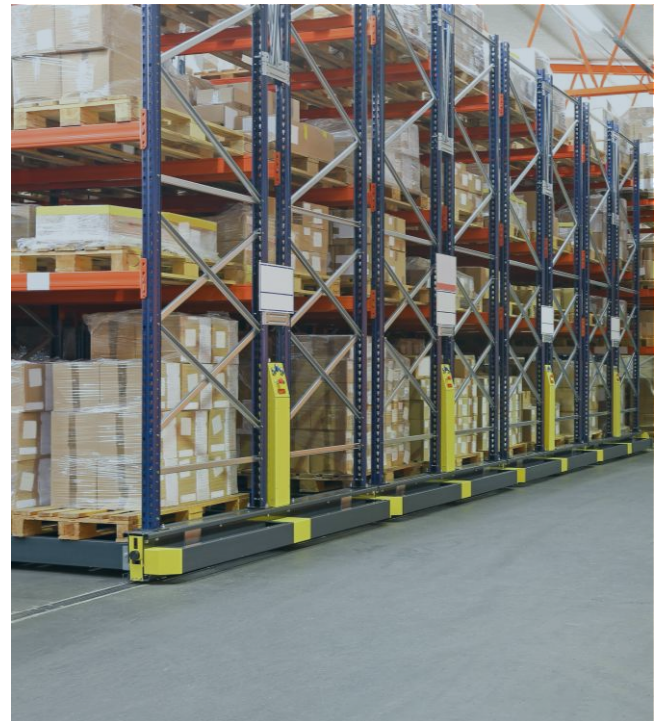
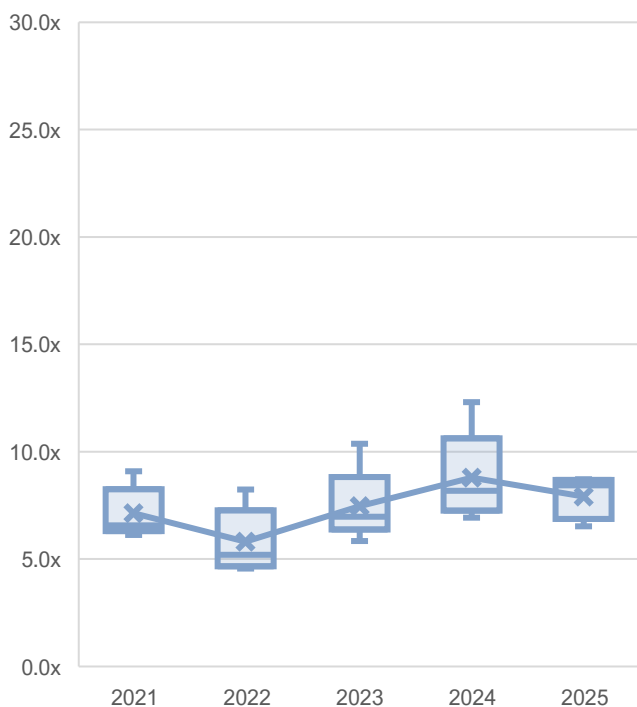
HEALTHCARE & LIFE SCIENCES



INDUSTRIAL / MRO



TMT



Source: S&P Capital IQ as of 9/30/2025, Stout Proprietary Index

Recent M&A Highlights

Select notable transactions from Q3 2025 are highlighted below



CONCRETE PIPE & PRECAST ACQUIRED BY COMMERCIAL METALS COMPANY

Formed in 2012 as a joint venture between Americast and Hanson Pipe & Precast, Concrete Pipe & Precast is a supplier of precast concrete and pipe products to the Mid-Atlantic and South Atlantic regions, selling into seven core states from 17 strategically located facilities. The company offers a complete line of standard and highly engineered precast and reinforced concrete pipe solutions to infrastructure, non-residential, and residential construction markets. The company has established a strong competitive position through scale in local geographies



GMS ACQUIRED BY SRS DISTRIBUTION, A SUBSIDIARY OF THE HOME DEPOT

Founded in 1971, GMS operates a network of over 300 distribution centers with extensive product offerings of wallboard, ceilings, steel framing, and complementary products. In addition, GMS operates ~100 tool sales, rental, and service centers, providing a comprehensive selection of building products and solutions for its residential and commercial contractor customer base across the U.S. and Canada. GMS's unique operating model combines the benefits of a national platform and strategy with a local GTM focus, enabling it to generate significant economies of scale



HVAC DIVISION OF NSI INDUSTRIES, A PORTFOLIO COMPANY OF SENTINEL CAPITAL PARTNERS, ACQUIRED BY LENNOX

The HVAC division of NSI Industries primarily comprises brands Duro Dyne and Supco, which offer branded HVAC components and accessories for diverse commercial and residential applications. Duro Dyne operates as a manufacturer of HVAC components and accessories, while Supco operates as a provider of technician-focused HVAC parts



AMERICAN WOODMARK ENTERED INTO AN ALL-STOCK MERGER AGREEMENT WITH MASTERBRAND

Founded in 1951, American Woodmark manufactures and distributes cabinets and vanities for the remodeling and new home construction markets. It offers several product lines, including kitchen cabinetry, bath cabinetry, office cabinetry, home organization, and hardware. The products are sold under brands such as American Woodmark, Timberlake, Shenandoah Cabinetry, and Waypoint Living Spaces



SUIT-KOTE CORPORATION ACQUIRED BY COLAS, A SUBSIDIARY OF BOUYGUES GROUP

Founded in 1921, Suit-Kote is a producer, provider, and advisor of asphalt emulsions, road preservation services, and construction services from twenty-one strategic locations throughout New York and Pennsylvania. Suit-Kote also sells and distributes a variety of asphaltic materials throughout the Northeastern U.S. from terminals and storage facilities in New York, Pennsylvania, and Ontario. In addition, Suit-Kote offers road building, aggregates, and hot mix asphalt in central New York

Source: S&P Capital IQ, Stout Proprietary Database

M&A Transaction Highlights

Date	Acquiror (Ownership)	Target (Seller)	Industry Subsector
30-Sep	Core & Main (NYSE:CNM)	Canada Waterworks	Flow Control
22-Sep	Kinderhook Industries	Advanced Digital Cable	Electrical
22-Sep	Sailun Tire USA (Sailun Group)	Vogue Tyre & Rubber	Automotive Aftermarket
Annc'd ¹	Specialty Building Products (Clayton Dubilier & Rice)	OrePac Building Products	Building Products
Annc'd ²	Commercial Metals Company (NYSE:CMC)	Concrete Pipe & Precast	Building Products
9-Sep	Decks & Docks (Guardian Capital Partners)	Service Wholesale	Building Products
4-Sep	White Cap (Clayton Dubilier & Rice)	Reinforcing Steel Supply	Building Products
4-Sep	White Cap (Clayton Dubilier & Rice)	Stuart Building Products	Building Products
4-Sep	SRS Distribution (The Home Depot)	GMS (NYSE:GMS)	Building Products
20-Aug	Capstone Building Products (CID Capital)	Carolina Stone Products	Building Products
Annc'd ³	Lennox (NYSE:LII)	HVAC Division of NSI Industries (Sentinel Capital Partners)	HVAC
14-Aug	Wilmar (Rainier Partners)	EZRED (Bob Cacciabeve & Family)	Automotive & Specialty Vehicle
14-Aug	XL Parts (Marubeni Corp)	Alliance Auto Body Parts	Automotive Aftermarket
11-Aug	Cook & Boardman Group (Platinum Equity, Littlejohn & Co)	A.J. Labourdette	Electrical
11-Aug	Sun Auto Tire & Service (Leonard Green & Partners)	Martin's Automotive	Automotive & Specialty Vehicle
Annc'd ⁴	MasterBrand (NYSE:MBC)	American Woodmark (NASDAQGS:AMWD)	Building Products
6-Aug	White Cap (Clayton Dubilier & Rice)	Beaver's Source	Building Products
Annc'd ⁵	Colas (Bouygues Group)	Suit-Kote	Building Products
5-Aug	Fenix Parts (Stellex Capital Management)	Grade A Auto Parts (Algar)	Automotive Aftermarket
5-Aug	SCI Flooring (Rainier Partners)	Flooring Partners	Building Products
28-Jul	GreatWater 360 Auto Care (MidOcean Partners)	Summit Automotive	Automotive Aftermarket
28-Jul	Les Schwab Tire Centers	Staley's Tire & Automotive	Automotive Aftermarket
28-Jul	Sun Auto Tire & Service (Leonard Green & Partners)	Barrett's Tire	Automotive Aftermarket
28-Jul	Sun Auto Tire & Service (Leonard Green & Partners)	Miller's OK Tire	Automotive Aftermarket
9-Jul	Victory Tire & Auto	Pod's Complete Car Care	Automotive Aftermarket
7-Jul	PrimeSource Brands (Clearlake Capital Group)	Fortress Building Products – Railing Division	Building Products

Source: S&P Capital IQ, Stout Proprietary Database; (1) Announced on 20-Sep, completion pending; (2) Announced on 19-Sep, completion pending; (3) Announced on 18-Aug, completion pending; (4) Announced on 8-Aug, completion pending; (5) Announced on 5-Aug, completion pending

What We're Reading

Energy Department Launches Speed to Power Initiative

U.S. Department of Energy

The U.S. Department of Energy (DOE) announced the Speed to Power initiative to accelerate the speed of large-scale grid infrastructure project development for both transmission and generation. The initiative seeks information on multi-gigawatt generation, transmission, and grid infrastructure projects that enable the power needed to win the AI race.

Read the full article [here](#).

U.S. Implements EU Trade Deal, 15% Autos Tariffs Retroactive to August 1

Reuters

President Donald Trump's administration said on Wednesday it was formally implementing the U.S. trade agreement with the European Union, confirming that a 15% duty rate for EU autos and auto parts began on August 1 and listing tariff exemptions for generic pharmaceuticals, aircraft, and aircraft parts.

Read the full article [here](#).

Industrial Distribution Sector Consolidation

Alinvest

The industrial distribution sector is undergoing a seismic shift in 2025, driven by a perfect storm of consolidation, strategic divestitures, and operational efficiency gains. For investors, this is a golden opportunity to capitalize on a sector that's not just surviving but thriving in the face of macroeconomic headwinds.

Read the full article [here](#).

How Tariff Spikes Make Big MRO Distributors Change With The Times

Distribution Strategy Group

U.S. industrial distributors are grappling with a surge in tariffs not seen since the Great Depression. Average U.S. tariff rates hit 18.6% in Q2 2025 after the administration's sweeping "Liberation Day" trade measures, with steel, aluminum, and fasteners taking the brunt.

Read the full article [here](#).

Rising Materials Costs Test Construction's Breaking Point

Construction Dive

Impacts from tariff hikes keep fueling a high level of volatility across construction materials, according to the Associated General Contractors of America [...] About 43% of contractors reported at least one project in the past six months had been canceled, postponed, or scaled back because of higher costs, according to an AGC-NCCER survey.

Read the full article [here](#).

Americans Are Reliant on the Aftermarket to Keep Their 291 Million Vehicles Operating Safely

AAPEX

Amid high interest rates, falling credit scores, and new car payments topping \$1,000 a month, Americans are holding on to their vehicles longer. The average age of the 291M vehicles in the U.S. has grown to 12.8 years – up from 11.9 years in 2024. As the average age of vehicles rises, Americans are increasingly reliant on aftermarket to keep their 291M vehicles operating safely.

Read the full article [here](#).

Source: Industry Research

Specialty Distribution Practice Overview

ABOUT

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.

FOCUS AREAS



Automotive Aftermarket



Building Products



Consumer /
Food & Beverage



Energy



Healthcare & Life Sciences



Industrial & MRO



Technology, Media, &
Telecom

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ABOUT STOUT INVESTMENT BANKING

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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