



Q3-2021 Specialty Distribution Market Update

KPMG Corporate Finance LLC

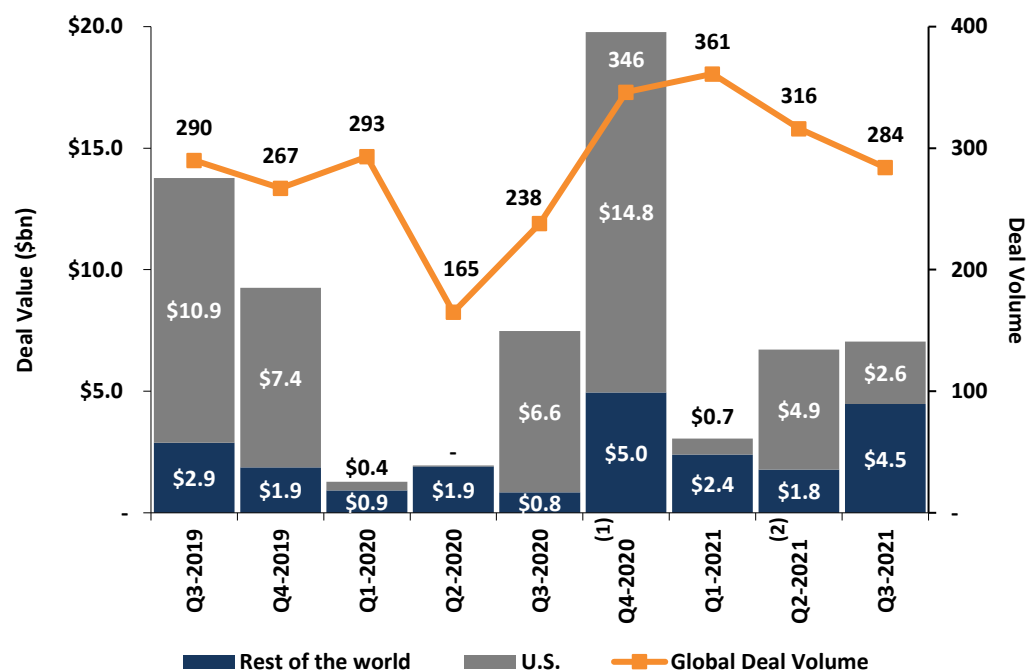
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Specialty distribution sector landscape

M&A Activity & Aggregate Deal Value: Q3-19 – Q3-21

- Global aggregate deal value for the Specialty Distribution sector increased 5.9% to \$7.1bn in Q3-21, relative to Q2-21
- During the quarter, reported U.S. aggregate M&A deal value totaled \$2.6bn, down from 4.9bn⁽²⁾ reported in the second quarter of 2021
- U.S. M&A activity for the Specialty Distribution sector witnessed a slight decline of 0.9% in Q3-21 on a quarter-over-quarter basis, while global M&A declined 10.1%
- The U.S. accounted for 40.8% of total M&A activity in Q3-21, up from 37.0% reported in Q2-21
- While commenting on the current supply chain disruptions, Jerome H. Powell, the Fed's chair said: *"It is frustrating to see the bottlenecks and supply chain problems not getting better — in fact, at the margin, apparently getting a little bit worse... We see that continuing into next year, probably, and holding inflation up longer than we had thought."*



1: The spike in Q4-20 M&A aggregate deal value is attributed to The Home Depot's acquisition of HD Supply Holdings, Inc., for \$10.3bn. The deal constituted 69.6% of the U.S. aggregate deal value and 52.0% of global deal value in Q4-20.

2: In May 2021, Performance Food Group Company acquired Core-Mark Holding, for \$2.7bn, representing 55.1% of the U.S. aggregate deal value and 40.3% of aggregate global deal value in Q2-21.

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Specialty Distribution Public Company Sector Overview

| Sector | LTM Trading Multiples | | Description |
|---------------------|-----------------------|--------------|---|
| | TEV / Revenue | TEV / EBITDA | |
| Automotive | 2.33x | 13.2x | Omni-channel suppliers of aftermarket parts and accessories |
| Building Products | 1.17x | 11.2x | Suppliers of products used in residential and commercial construction applications |
| Consumer Products | 2.28x | 15.5x | Distributors of specialty residential products |
| Food Service | 0.52x | 13.7x | Suppliers of food and non-food products to restaurants, hospitals, and schools and universities |
| Healthcare | 0.74x | 10.1x | Providers of pharmaceuticals, medical supplies, equipment and devices |
| Specialty Chemicals | 3.03x | 16.6x | Suppliers of smaller volume chemical formulations used in specific applications |
| Industrial | 1.52x | 14.8x | B2B distributors of products, equipment, and supplies to a range of industrial applications |

Notable Q3-21 U.S. specialty distribution transactions



Red Hawk



Arrowhead Engineered
Products /
Genstar Capital

Sep. 15th: Arrowhead Engineered Products acquired Red Hawk for an undisclosed sum

- Red Hawk distributes aftermarket golf car accessories, parts, and electronics to more than 2,200 dealers in N. America
- Arrowhead Engineered Products, a portfolio company of Genstar Capital, is a distributor of rotating electrical parts and their components
- Genstar Capital is a private equity firm investing in industrials, financial services, healthcare, and software sectors
- Deal rationale, per John Mosunic, CEO, Arrowhead Engineered Products: *“Red Hawk is a market leader and has a best-in-class reputation for a superior customer experience with its network of dealers. This combination positions Arrowhead firmly in the golf car parts and accessories segment and we look forward to extending Red Hawk products and service model throughout Arrowhead’s global network.”*

Penn Valley
Chemical Company



AramSCO /
Odyssey Investment
Partners

Sep. 13th: Aramsco acquired Penn Valley Chemical for an undisclosed sum

- Penn Valley Chemical distributes janitorial supplies and equipment to customers in the Northeast
- Aramsco, backed by Odyssey Investment Partners, is a distributor of personal protective equipment, specialty chemicals, plastics, and other products to specialty construction contractors
- Odyssey Investment Partners is a New York, NY based private equity firm investing in middle-market companies
- Deal Rationale, per Richard Orr, Regional Vice President, Aramsco: *“[Penn Valley is] dedicated to the success of their customers, and with the additional products and services available through Aramsco, we have a winning combination that will enhance their customers’ experience...”*

Distribution International



TopBuild

Sep. 8th: TopBuild announced the acquisition of Distribution International for ~\$1.0b, 1.34x LTM Revenue, and 12.9x LTM EBITDA

- Distribution International is a specialty distributor and custom fabricator of mechanical insulation
- TopBuild installs and distributes insulation and building material products. The company focuses on serving specialty construction sectors
- Deal rationale: *“[The acquisition] aligns with our strategy of seeking well managed companies with experienced, talented teams with expertise in our core business of insulation and adjacent products. DI provides us with a direct entry and immediate leadership position in the \$5 billion mechanical insulation market which is a highly attractive and complementary new growth platform for TopBuild. ...”,* commented Robert Buck, President and CEO, TopBuild

Allied 100



Sarnova /
Patricia Industries

Sep. 3rd: Sarnova, through its subsidiary Cardio Partners, acquired Allied 100 for ~\$290m

- Allied 100 distributes automated external defibrillator and ancillary parts and accessories
- Sarnova, backed by Patricia Industries, is a healthcare products distributor focused on serving the emergency medical services market
- Patricia Industries seeks to invest in Nordic and North American based companies
- Deal rationale: *“...Combining these companies expands our reach and offering, creating a full sudden cardiac arrest solution enabling more customers the opportunity to respond in an emergency and increase the chances that a life is saved.”*, per Brian LaDuke, President of Emergency Preparedness, Sarnova

Source: S&P Capital IQ. Specialty distribution is defined by an internally originated list of subsectors viewed as best representing the industry.

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Notable Q3-21 U.S. specialty distribution transactions (cont.)

Core-Mark



Performance Food Group

Sep. 1st : Performance Food Group acquired Core-Mark for \$2.7b, 0.20x LTM Revenue, and 12.3x LTM EBITDA

- Core-Mark serves as a wholesale distributor to the retail convenience store industry
- Performance Food Group is a distributor of food and food-related products serving diverse end markets
- Deal rationale: *“Core-Mark is an outstanding company that we believe will significantly strengthen our business diversification and expansion into the convenience store channel... The deal comes with strong strategic and financial merits which we believe will generate significant customer benefits and help PFG continue to create long term shareholder value...”* per George Holm, Chairman, President and CEO, Performance Food Group

Painters Supply & Equipment



Odyssey Investment Partners

Aug. 17th: Odyssey Investment Partners acquired Painters Supply & Equipment for an undisclosed sum

- Painters Supply & Equipment is a specialty distributor of paint, coatings, and related consumables, serving automotive refinish, commercial and diversified industrial end markets
- Deal Rationale: *“PSE is a highly compelling investment opportunity with an outstanding business model that delivers recurring revenue as well as superior value to both vendor partners and customers... PSE is well positioned for accelerated growth through geographic and category expansion as well as continued consolidation of fragmented markets”* said Jason Cowett, Managing Principal, Odyssey Investment Partners

Dayton Parts



Dorman Products

Aug. 10th: Dorman Products acquired Dayton Parts for \$338m, 2.01x LTM Revenue

- Dayton Parts is a heavy-duty undercarriage aftermarket component supplier for commercial vehicles
- Dorman Products is a supplier of automotive aftermarket replacement parts and fasteners for passenger cars, light trucks, and heavy-duty trucks
- Deal Rationale: *“This combination aligns with our previously stated strategy to diversify our customer base and product offering by further penetrating the heavy-duty segment, providing us with a complementary and attractive platform in an industry with strong underlying demand trends. Through the combined company, we will be able to offer our increasingly diverse customer base a more expansive product offering with improved distribution efficiency...”*, said Kevin Olsen, President and CEO, Dorman Products

Rough Country



TSG Consumer Partners

Jul. 29th: TSG Consumer Partners acquired Rough Country for an undisclosed sum

- Rough Country provides branded aftermarket performance-enhancing products and accessories for truck, Jeep and SUV enthusiasts
- TSG Consumer Partners is a private equity firm focused on investing in consumer businesses
- Deal rationale: *“... Rough Country’s winning combination of robust direct-to-consumer distribution and quality brand enables it to deliver unrivaled value to its loyal customer base. We look forward to leveraging our digital and brand building expertise to help fuel the Company’s product, distribution and category expansion in the years to come”*; said Pierre LeComte, Managing Director, TSG Consumer Partners

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Specialty Distribution Deal Spotlight: KPMG Corporate Finance LLC (“KPMG CF”) acted as exclusive financial advisor to Red Hawk, L.L.C.



RED HAWK

has been acquired by



A portfolio company of



KPMG Corporate Finance LLC
September 2021

Transaction Overview

- Based in Baltimore, Maryland, Red Hawk represents the last substantial / independent pure-play B2B supplier of aftermarket parts, accessories and electronics focused exclusively on the golf car industry
- The Company designs and distributes a comprehensive suite of highly-regarded, branded products (4,300+ unique SKUs) to a network of over 2,200 retail dealers across the US and internationally
- Red Hawk’s proprietary brands provide solutions for golf car owners and enthusiasts, and cover the full car ownership lifecycle, including accessory, maintenance, and electronic products

Transaction Significance

- This acquisition adds to Arrowhead’s global footprint as the largest aftermarket hard parts supplier of mission-critical replacement parts for outdoor power equipment, powersports, golf, agriculture, industrial, and marine end markets
- The combination positions Arrowhead firmly in the golf car parts and accessories segment and it will be tactically leveraged to enhance Arrowhead’s global distribution network

KPMG CF’s Role

- The transaction emphasizes KPMG CF’s track record and commitment to advising leading specialty distribution companies and their investors
- KPMG CF leveraged its strong relationships with the relevant buyer universe to run a controlled process that maximized shareholder value



“...I’ve known Steve for well over 15 years and when the time came for me to consider a sale, I knew KPMG would be the ‘best fit’ partner. The KPMG Baltimore team showed a constant commitment to the Red Hawk executive team and provided real guidance and insight throughout the entire process, exceeding our expectations in every respect. As promised, they delivered a number of viable options and ultimately an exceptional outcome for all of Red Hawk’s stakeholders. I would strongly encourage anyone looking to sell their business to seek out this team...”

Gillet Boyce, Co-Founder & President – Red Hawk

Select specialty distribution M&A activity

| Date | Target | Buyer / Investors | Target Business Description | TEV | Unadjusted LTM Multiples | |
|-------------|------------------------------|---|---|-----------|--------------------------|--------------|
| | | | | | TEV / Revenue | TEV / EBITDA |
| 23-Sep-2021 | PPC Lubricants | RelaDyne / Audax | Oils and lubricants distributor | NA | NA | NA |
| 22-Sep-2021 | Premier Water | DXP Enterprises | Distributes process equipment to customers in water treatment markets | NA | NA | NA |
| 15-Sep-2021 | Red Hawk | Arrowhead Engineered Products / Genstar Capital | Distributes aftermarket golf car accessories, parts, and electronics | | | |
| 13-Sep-2021 | Genesis Systems | FloWorks International | Control valve, regulator, and valve automation products and systems distributor | NA | NA | NA |
| 13-Sep-2021 | Shipman's Fire Equipment Co. | Municipal Emergency Services | Distributes fire protection equipment | NA | NA | NA |
| 13-Sep-2021 | Penn Valley Chemical Co. | AramSCO / Odyssey Investment Partners | Distributes janitorial and cleaning supplies and equipment | NA | NA | NA |
| 8-Sep-2021 | Capitol Wholesale Fence Co. | Fencing Supply Group | Distributor of fencing materials for commercial, industrial, and residential customers | NA | NA | NA |
| 8-Sep-2021 | Distribution International | TopBuild Corp. | Specialty distributor of thermal and acoustical insulation and related supplies for MRO, industrial, marine, commercial, and governmental sectors | \$1,001.0 | 1.34x | 12.9x |
| 3-Sep-2021 | Allied 100 | Sarnova / Patricia Industries | Distributes automated external defibrillator and ancillary parts and accessories | \$290.0 | NA | NA |
| 3-Sep-2021 | Madison Aerospace | Aircraft Fasteners International | Aerospace hardware distributor | NA | NA | NA |



Source: S&P Capital IQ. Specialty distribution is defined by an internally originated list of subsectors viewed as best representing the industry.

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Select specialty distribution M&A activity (cont.)

| Date | Target | Buyer / Investors | Target Business Description | TEV | Unadjusted LTM Multiples | |
|-------------|----------------------------------|-----------------------------|---|-----------|--------------------------|--------------|
| | | | | | TEV / Revenue | TEV / EBITDA |
| 1-Sep-2021 | Core-Mark Holding Company | Performance Food Group Co. | Distributes packaged consumer products to the convenience retail industry | \$2,694.0 | 0.20x | 12.3x |
| 31-Aug-2021 | Arrowhead Engineered Products | Genstar Capital | Distributes aftermarket parts and components | NA | NA | NA |
| 17-Aug-2021 | Painters Supply & Equipment | Odyssey Investment Partners | Distributor of rotating electrical parts and their components | NA | NA | NA |
| 10-Aug-2021 | Dayton Parts | Dorman Products | Heavy-duty undercarriage aftermarket component supplier for commercial vehicles | \$338.0 | 2.01x | NA |
| 9-Aug-2021 | Pacific Pipe Company | Core & Main | Distributes engineered construction products for the agriculture, golf, irrigation, and waterworks industries | \$102.5 | 1.40x | NA |
| 2-Aug-2021 | Wittichen Supply Co. | Gryphon Investors | Distributes HVACR parts, equipment, and supplies | NA | NA | NA |
| 29-Jul-2021 | Rough Country | TSG Consumer Partners | Provides branded aftermarket performance-enhancing products and accessories for truck, Jeep and SUV enthusiasts | NA | NA | NA |
| 17-Jul-2021 | Window Nation | AEA Investors | A building products distributor | NA | NA | NA |
| 1-Jul-2021 | Westside Building Material | GMS | An interior building products distributor | \$135.0 | NA | NA |
| 1-Jul-2021 | Cornerstone Building Alliance SW | Builders FirstSource | A distributor of building materials | \$400.0 | 1.21x | NA |

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Select specialty distribution M&A activity (cont.)

| Date | Target | Buyer / Investors | Target Business Description | TEV | Unadjusted LTM Multiples | |
|-------------|---|--------------------------|---|---------|--------------------------|--------------|
| | | | | | TEV / Revenue | TEV / EBITDA |
| 24-Jun-2021 | Vak Pak Builders Supply | Pool Corp. | Distributes materials and supplies for swimming pools, spas, fountains and other aquatic facilities | NA | NA | NA |
| 23-Jun-2021 | Refrigeration Sales Co. | Rotunda Capital Partners | Distributes HVACR equipment, parts, and supplies | NA | NA | NA |
| 15-Jun-2021 | Houston Wire & Cable Co. | Omni Cable Corp. | Distributes industrial fasteners | \$138.1 | 0.48x | 30.3x |
| 3-Jun-2021 | Architectural Coatings Distributors | GMS | Distributes building products, including wallboards, suspended ceilings systems, dry walls, and fasteners | NA | NA | NA |
| 10-May-2021 | Rock & Block Hardscape Supply | SiteOne Landscape Supply | Distributes hardscapes, masonry, and landscaping supplies | NA | NA | NA |
| 7-May-2021 | Acme Refrigeration of Baton Rouge | Watsco | Distributes HVACR products | \$22.4 | 0.37x | NA |
| 3-May-2021 | John's Lumber & Hardware Co. | Builders FirstSource | A building materials distributor | \$24.9 | 0.51x | NA |
| 30-Apr-2021 | Timberwall Landscape & Masonry Products | SiteOne Landscape Supply | Distributes hardscape and landscaping products to commercial and residential end markets | NA | NA | NA |
| 16-Apr-2021 | Georgia Western | Five Points Capital | Distributes electric valve actuators, parts, and associated service equipment | NA | NA | NA |
| 12-Apr-2021 | Stellar Chemical Corp. | Sibannac | Distributes industrial chemicals | \$19.6 | 4.36x | NA |

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Select specialty distribution M&A activity (cont.)

| Date | Target | Buyer / Investors | Target Business Description | TEV | Unadjusted LTM Multiples | |
|-------------|--|-------------------------------|--|-----------|--------------------------|--------------|
| | | | | | TEV / Revenue | TEV / EBITDA |
| 9-Apr-2021 | Temperature Equipment Corp. | Watsco | Distributes HVAC/R products to residential and commercial end markets | \$106.7 | 0.37x | NA |
| 1-Apr-2021 | Fluid Flow Products | KKR & Co. | Distributes measurement, control, and filtration products to processing and manufacturing industries | NA | NA | NA |
| 1-Apr-2021 | Arizona Stone & Architectural Llc/Solstice Stone | SiteOne Landscape Supply | Distribution of hardscapes, natural stone, and landscaping supplies to commercial end markets | NA | NA | NA |
| 4-Mar-2021 | Northern Wholesale Supply | Wynnchurch Capital | Distributes recreational parts and accessories | NA | NA | NA |
| 17-Feb-2021 | Lucky Landscape Supply | SiteOne Landscape Supply | A plant material distributor | NA | NA | NA |
| 10-Feb-2021 | Beacon Sales Acquisition | Foundation Building Materials | Distributes construction products and insulation to both residential and commercial contractors | \$850.0 | 0.83x | 11.7x |
| 29-Jan-2021 | Foundation Building Materials | American Securities | Building products distributor | \$1,422.6 | 0.70x | 7.3x |
| 22-Jan-2021 | Transtar Industries | Blue Point Capital Partners | Distributes aftermarket transmission and drive train products | NA | NA | NA |
| 20-Jan-2021 | Continental Batteries Co. | H.I.G. Capital | Distributor of aftermarket batteries to the EUV, automotive, commercial, marine and industrial markets | NA | NA | NA |
| 31-Dec-2020 | Pumping Solutions | DXP Enterprises | Industrial and commercial pump distributor | NA | NA | NA |

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Select specialty distribution M&A activity (cont.)

| Date | Target | Buyer / Investors | Target Business Description | TEV | Unadjusted LTM Multiples | |
|-------------|---------------------------------------|-----------------------------|--|-----------|--------------------------|--------------|
| | | | | | TEV / Revenue | TEV / EBITDA |
| 31-Dec-2020 | PrimeSource Building Products | Clearlake Capital Group | Distributes building products | NA | NA | NA |
| 31-Dec-2020 | Gicon Pumps & Equipment | Headwater Companies | Wholesale supplier of pumps, water-handling, and water-processing equipment | \$27.9 | NA | NA |
| 31-Dec-2020 | Southern Wire Corporation | Southern Rigging Companies | Distributor of industrial wire ropes, aircraft cables, and related hardware products | \$20.0 | NA | NA |
| 31-Dec-2020 | Total Equipment Co. | DXP Enterprises | Distributes and provides service for pumps, compressors, blowers, and mixers | \$64.7 | NA | NA |
| 30-Dec-2020 | Dirt and Rock | SiteOne Landscape Supply | Distributor of natural and cultured stone, gravel, sand, dirt, rock, and other landscape materials | NA | NA | NA |
| 30-Dec-2020 | C & L Aqua Professionals | Hawkins | Distribution of water and wastewater treatment chemicals | \$16.0 | NA | NA |
| 24-Dec-2020 | HD Supply | The Home Depot | Distributor of MRO products in the multifamily and hospitality end markets | \$8,000.4 | 1.34x | 8.8x |
| 21-Dec-2020 | Specialty Building Products | The Jordan Company | Distributes specialty building materials | NA | NA | NA |
| 18-Dec-2020 | US LBM | Bain Capital Private Equity | Distributes specialty building materials | NA | NA | NA |
| 5-Nov-2020 | Assets of Kansas City Building Supply | Builders FirstSource | Distributor of interior and exterior doors, windows, millwork, cabinetry, and hardware products | NA | NA | NA |

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Select specialty distribution M&A activity (cont.)

| Date | Target | Buyer / Investors | Target Business Description | TEV | Unadjusted LTM Multiples | |
|-------------|--------------------|--------------------------|--|--------|--------------------------|--------------|
| | | | | | TEV / Revenue | TEV / EBITDA |
| 12-Oct-2020 | Strata Materials | Arcosa | Construction materials distributor | \$87.0 | NA | 8.5x |
| 7-Oct-2020 | Parts Authority | Kohlberg & Company | Distributes aftermarket automotive and truck parts | NA | NA | NA |
| 5-Oct-2020 | Hedberg Aggregates | SiteOne Landscape Supply | Distributes landscape hardgoods and masonry products | NA | NA | NA |

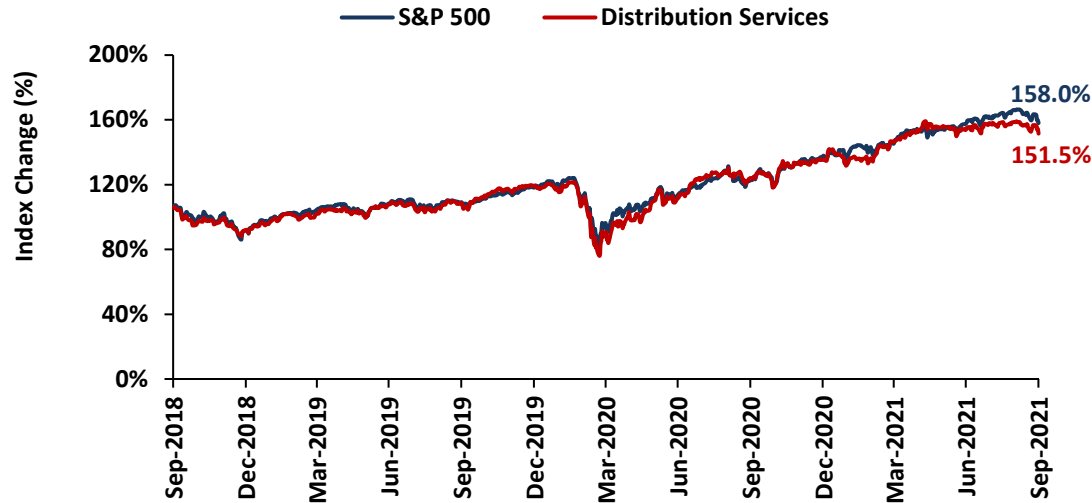
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Specialty distribution public markets update

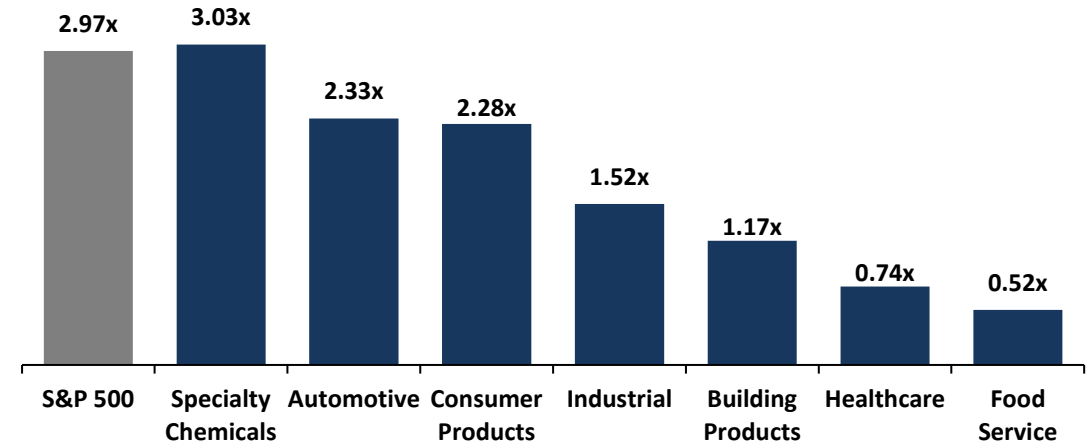
Indexed Price Performance: S&P 500 vs Specialty Distribution Sector Index

Index Change (%)

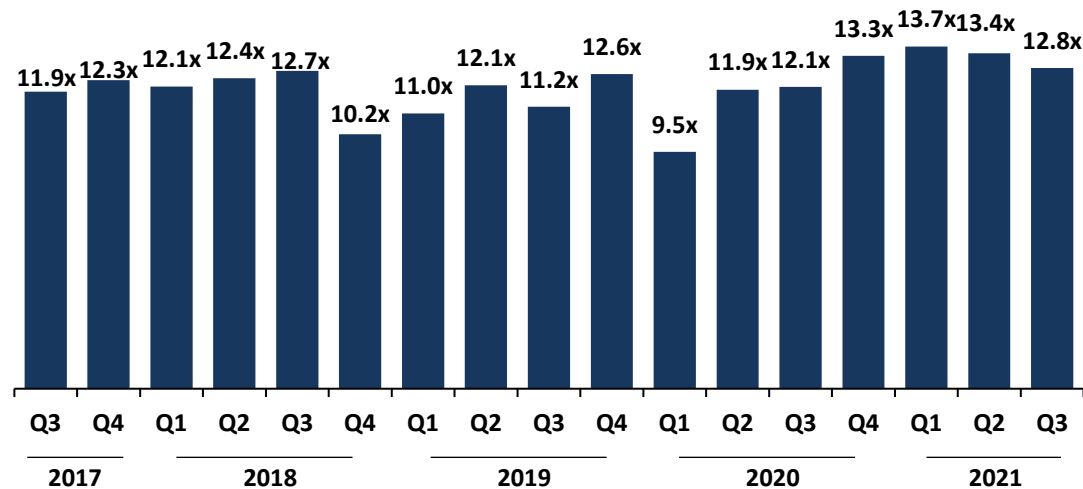


Market Based Valuation

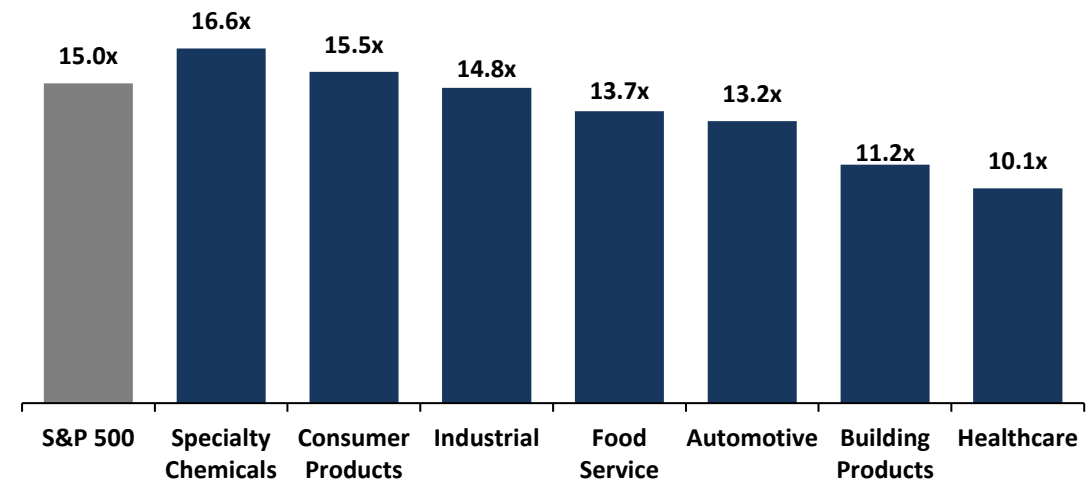
TEV / LTM Revenue



Historical Median TEV / EBITDA Multiples for the Specialty Distribution Sector



TEV / LTM EBITDA



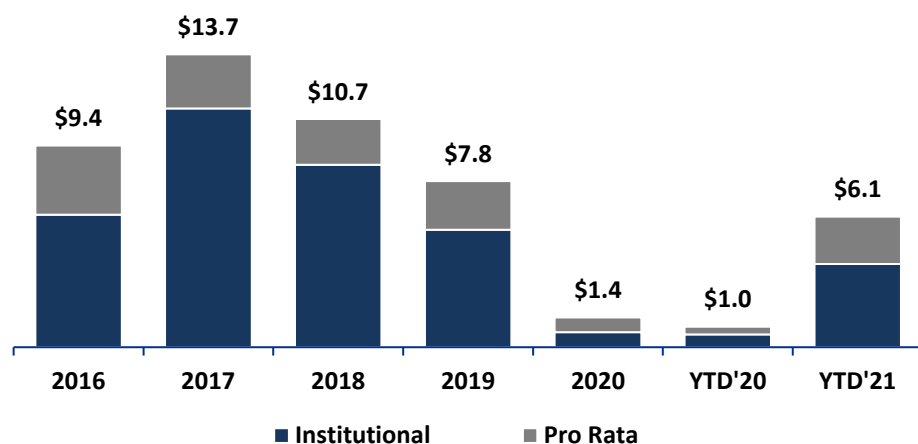
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Debt capital markets update

Debt Capital Markets in 2021

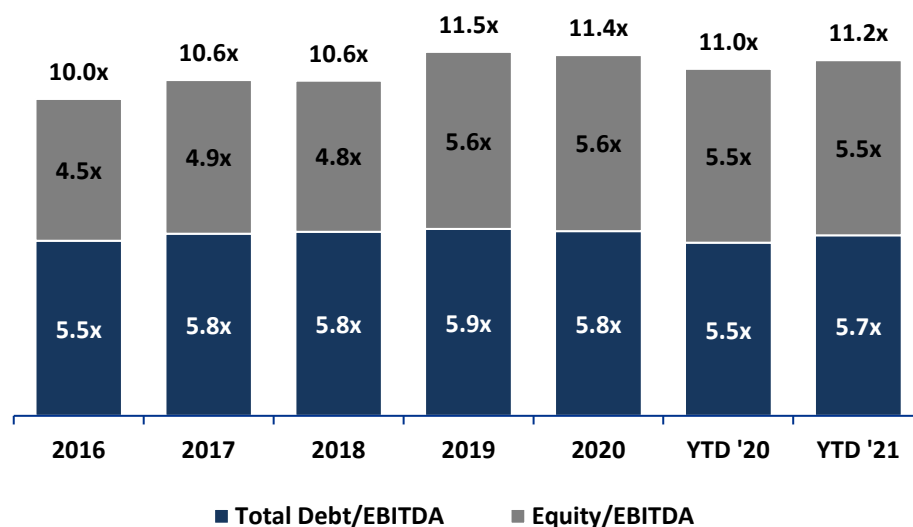
Middle Market Leveraged Loan Volume (\$bn)⁽¹⁾



Market Commentary

- Deal volume in the credit markets continued at a robust pace through the end of the third quarter of 2021 as markets continue to experience aggressive liquidity conditions
- Middle market leveraged loan volume has gained strong momentum in 2021, and has rebounded to reach \$6.1bn YTD compared to \$1.0bn YTD in 2020
- Driving market activity is strong M&A volume and sponsored dividend recapitalizations

Average Purchase Price & Debt Multiples - LBO



Libor Transition Update

- Libor is expected to phase out and be replaced by SOFR (“Secured Overnight Financing Rate”) by the end of 2021. SOFR is based on overnight “repo” funding rates on transactions collateralized by Treasury securities, one of the deepest and most liquid markets in the world
- One-month and three-month Libor benchmark rates will continue to be published solely for use with legacy contracts
- Banks can face supervisory actions if they delay replacing the Libor benchmark in pricing new loans and financial contracts in 2022

Source: Standard & Poor | Leveraged Commentary & Data.

1. Middle market refers to companies with EBITDA of \$50 million or less.

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Specialty distribution public markets overview

Automotive

| | Market Cap ^{(1), (2)} | Relative 52-Wk | Enterprise Value ⁽³⁾ | LTM | | | | | |
|---------------------------|--------------------------------|----------------|---------------------------------|----------|-----------------------|---------------|----------------|---------------|--------------|
| | | | | Revenue | EBITDA ⁽⁴⁾ | EBITDA Margin | Revenue Growth | TEV / Revenue | TEV / EBITDA |
| O'Reilly Automotive, Inc. | \$42,134 | 91.1% | \$47,358 | \$12,593 | \$3,071 | 24.4% | 17.5% | 3.76x | 15.4x |
| AutoZone, Inc. | 35,892 | 93.8% | 42,623 | 14,630 | 3,358 | 23.0% | 15.8% | 2.91x | 12.7x |
| Genuine Parts Company | 17,362 | 68.7% | 19,705 | 17,870 | 1,485 | 8.3% | 6.9% | 1.10x | 13.3x |
| LKQ Corporation | 14,788 | 89.0% | 18,367 | 12,607 | 1,737 | 13.8% | 7.0% | 1.46x | 10.6x |
| Dorman Products, Inc. | 3,013 | 33.2% | 2,894 | 1,200 | 203 | 16.9% | 22.0% | 2.41x | 14.3x |
| Mean | | 75.1% | | | | 17.3% | 13.8% | 2.33x | 13.2x |
| Median | | 89.0% | | | | 16.9% | 15.8% | 2.41x | 13.3x |

Building Products

| | Market Cap ^{(1), (2)} | Relative 52-Wk | Enterprise Value ⁽³⁾ | LTM | | | | | |
|--------------------------------|--------------------------------|----------------|---------------------------------|----------|-----------------------|---------------|----------------|---------------|--------------|
| | | | | Revenue | EBITDA ⁽⁴⁾ | EBITDA Margin | Revenue Growth | TEV / Revenue | TEV / EBITDA |
| CRH plc | \$36,503 | 69.0% | \$43,224 | \$29,416 | \$4,327 | 14.7% | 7.0% | 1.47x | 10.0x |
| Ferguson plc | 30,905 | 85.0% | 33,299 | 22,792 | 2,293 | 10.1% | 14.3% | 1.46x | 14.5x |
| Builders FirstSource, Inc. | 10,721 | 85.3% | 13,125 | 14,577 | 1,620 | 11.1% | 94.9% | 0.90x | 8.1x |
| SiteOne Landscape Supply, Inc. | 8,886 | 86.9% | 9,417 | 3,161 | 338 | 10.7% | 28.2% | 2.98x | 27.9x |
| Beacon Roofing Supply, Inc. | 3,345 | 57.1% | 5,587 | 7,549 | 665 | 8.8% | 21.9% | 0.74x | 8.4x |
| Boise Cascade Company | 2,123 | 41.2% | 2,007 | 7,326 | 946 | 12.9% | 53.1% | 0.27x | 2.1x |
| GMS Inc. | 1,890 | 68.4% | 3,066 | 3,538 | 346 | 9.8% | 10.7% | 0.87x | 8.9x |
| Hardwoods Distribution Inc. | 618 | 76.8% | 815 | 1,179 | 87 | 7.4% | 33.8% | 0.69x | 9.4x |
| Mean | | 71.2% | | | | 10.7% | 33.0% | 1.17x | 11.2x |
| Median | | 72.9% | | | | 10.4% | 25.1% | 0.88x | 9.1x |

Notes:

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2. Market Capitalization is based on foreign exchange listed securities and converted to \$USD.

3. Total Enterprise Value (TEV) is defined as Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents.

4. EBITDA is defined as Earnings before Interest, Taxes, Depreciation, and Amortization.

Source: S&P Capital IQ. Specialty distribution is defined by an internally originated list of subsectors viewed as best representing the industry.

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Specialty distribution public markets overview (cont.)

Consumer Products

| | Market Cap ^{(1), (2)} | Relative 52-Wk | Enterprise Value ⁽³⁾ | LTM | | | | | |
|--------------------------------------|--------------------------------|----------------|---------------------------------|---------|-----------------------|---------------|----------------|---------------|--------------|
| | | | | Revenue | EBITDA ⁽⁴⁾ | EBITDA Margin | Revenue Growth | TEV / Revenue | TEV / EBITDA |
| Pool Corporation | \$17,420 | 66.0% | \$18,016 | \$4,827 | \$719 | 14.9% | 40.4% | 3.73x | 25.1x |
| Fortune Brands Home & Security, Inc. | 12,329 | 30.1% | 14,636 | 7,019 | 1,224 | 17.4% | 23.0% | 2.09x | 12.0x |
| Central Garden & Pet Company | 2,460 | 43.5% | 3,283 | 3,241 | 341 | 10.5% | 26.6% | 1.01x | 9.6x |
| Mean | | 46.5% | | | | 14.3% | 30.0% | 2.28x | 15.5x |
| Median | | 43.5% | | | | 14.9% | 26.6% | 2.09x | 12.0x |

Food Service

| | Market Cap ^{(1), (2)} | Relative 52-Wk | Enterprise Value ⁽³⁾ | LTM | | | | | |
|--------------------------------|--------------------------------|----------------|---------------------------------|----------|-----------------------|---------------|----------------|---------------|--------------|
| | | | | Revenue | EBITDA ⁽⁴⁾ | EBITDA Margin | Revenue Growth | TEV / Revenue | TEV / EBITDA |
| Sysco Corporation | \$40,198 | 75.0% | \$49,046 | \$51,298 | \$2,329 | 4.5% | (3.0%) | 0.96x | 21.1x |
| Bunzl plc | 11,081 | 56.6% | 13,371 | 13,993 | 1,150 | 8.2% | 17.2% | 0.96x | 11.6x |
| US Foods Holding Corp. | 7,712 | 66.6% | 13,240 | 25,944 | 729 | 2.8% | 6.5% | 0.51x | 18.2x |
| Performance Food Group Company | 6,228 | 52.4% | 9,223 | 30,399 | 577 | 1.9% | 21.2% | 0.30x | 16.0x |
| United Natural Foods, Inc. | 2,733 | 89.7% | 6,193 | 26,950 | 772 | 2.9% | 1.5% | 0.23x | 8.0x |
| SpartanNash Company | 787 | 78.8% | 1,513 | 9,072 | 208 | 2.3% | 0.4% | 0.17x | 7.3x |
| Mean | | 69.8% | | | | 3.8% | 7.3% | 0.52x | 13.7x |
| Median | | 70.8% | | | | 2.8% | 4.0% | 0.41x | 13.8x |

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Specialty distribution public markets overview (cont.)

Healthcare

| | Market Cap ^{(1), (2)} | Relative 52-Wk | Enterprise Value ⁽³⁾ | LTM | | | | | |
|-------------------------------|--------------------------------|-------------------|------------------------------------|-----------|-----------------------|------------------|-------------------|------------------|-----------------|
| | | | | Revenue | EBITDA ⁽⁴⁾ | EBITDA Margin | Revenue Growth | TEV / Revenue | TEV / EBITDA |
| McKesson Corporation | \$30,839 | 84.5% | \$38,546 | \$245,223 | \$4,210 | 1.7% | 6.2% | 0.16x | 9.2x |
| AmerisourceBergen Corporation | 24,820 | 74.3% | 31,030 | 204,321 | 3,160 | 1.5% | 9.7% | 0.15x | 9.8x |
| Cardinal Health, Inc. | 14,035 | 25.2% | 17,346 | 162,467 | 2,774 | 1.7% | 6.2% | 0.11x | 6.3x |
| Henry Schein, Inc. | 10,639 | 72.7% | 12,829 | 11,898 | 994 | 8.4% | 28.1% | 1.08x | 12.9x |
| AdaptHealth Corp. | 3,049 | 11.1% | 4,784 | 1,732 | 338 | 19.5% | 144.1% | 2.76x | 14.2x |
| Patterson Companies, Inc. | 2,931 | 48.0% | 3,516 | 6,281 | 300 | 4.8% | 16.2% | 0.56x | 11.7x |
| Owens & Minor, Inc. | 2,361 | 35.1% | 3,473 | 9,366 | 534 | 5.7% | 11.3% | 0.37x | 6.5x |
| Mean | | 50.1% | | | | 6.2% | 31.7% | 0.74x | 10.1x |
| Median | | 48.0% | | | | 4.8% | 11.3% | 0.37x | 9.8x |

Specialty Chemicals

| | Market Cap ^{(1), (2)} | Relative 52-Wk | Enterprise Value ⁽³⁾ | LTM | | | | | |
|----------------------------------|--------------------------------|-------------------|------------------------------------|----------|-----------------------|------------------|-------------------|------------------|-----------------|
| | | | | Revenue | EBITDA ⁽⁴⁾ | EBITDA Margin | Revenue Growth | TEV / Revenue | TEV / EBITDA |
| Linde plc | \$150,643 | 77.0% | \$164,449 | \$28,954 | \$9,622 | 33.2% | 6.5% | 5.68x | 17.1x |
| Air Products and Chemicals, Inc. | 56,694 | 12.6% | 58,979 | 9,802 | 3,591 | 36.6% | 11.1% | 6.02x | 16.4x |
| Brenntag SE | 14,429 | 79.6% | 16,439 | 14,637 | 1,090 | 7.4% | 4.7% | 1.12x | 15.1x |
| IMCD N.V. | 10,898 | 87.9% | 11,844 | 3,629 | 378 | 10.4% | 18.7% | 3.26x | 31.3x |
| Univar Solutions Inc. | 4,071 | 64.6% | 6,415 | 8,594 | 637 | 7.4% | (1.9%) | 0.75x | 10.1x |
| Hawkins, Inc. | 740 | 71.6% | 842 | 635 | 85 | 13.4% | 18.5% | 1.33x | 9.9x |
| Mean | | 65.6% | | | | 18.1% | 9.6% | 3.03x | 16.6x |
| Median | | 74.3% | | | | 11.9% | 8.8% | 2.30x | 15.8x |

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Specialty distribution public markets overview (cont.)

Industrial

| | Market Cap ^{(1), (2)} | Relative 52-Wk | Enterprise Value ⁽³⁾ | LTM | | | | | |
|---------------------------------------|--------------------------------|-------------------|------------------------------------|----------|-----------------------|------------------|-------------------|------------------|-----------------|
| | | | | Revenue | EBITDA ⁽⁴⁾ | EBITDA Margin | Revenue Growth | TEV / Revenue | TEV / EBITDA |
| L'Air Liquide S.A. | \$75,828 | 50.5% | \$91,738 | \$24,968 | \$6,509 | 26.1% | 4.5% | 3.67x | 14.1x |
| Fastenal Company | 29,662 | 65.4% | 30,008 | 5,837 | 1,349 | 23.1% | 4.9% | 5.14x | 22.3x |
| W.W. Grainger, Inc. | 20,468 | 35.6% | 22,569 | 12,250 | 1,666 | 13.6% | 5.3% | 1.84x | 13.5x |
| Watsco, Inc. | 9,391 | 52.8% | 10,037 | 5,677 | 537 | 9.5% | 17.5% | 1.77x | 18.7x |
| Rexel S.A. | 5,927 | 82.2% | 8,892 | 16,131 | 894 | 5.5% | 10.4% | 0.55x | 9.9x |
| WESCO International, Inc. | 5,809 | 92.8% | 10,576 | 16,908 | 972 | 5.7% | 103.6% | 0.63x | 10.9x |
| NOV Inc. | 5,122 | 52.4% | 6,006 | 5,377 | (99) | (1.8%) | (30.9%) | 1.12x | NM |
| MSC Industrial Direct Co., Inc. | 4,462 | 54.1% | 5,242 | 3,160 | 427 | 13.5% | (3.9%) | 1.66x | 12.3x |
| Applied Industrial Technologies, Inc. | 3,473 | 67.8% | 4,118 | 3,236 | 318 | 9.8% | (0.3%) | 1.27x | 13.0x |
| SPX Corporation | 2,422 | 45.1% | 2,770 | 1,629 | 188 | 11.6% | 23.5% | 1.70x | 14.7x |
| Global Industrial Company | 1,430 | 65.5% | 1,472 | 1,083 | 87 | 8.1% | 15.8% | 1.36x | 16.9x |
| Veritiv Corporation | 1,336 | 90.0% | 2,209 | 6,451 | 195 | 3.0% | (6.1%) | 0.34x | 11.3x |
| Kaman Corporation | 993 | 6.7% | 1,095 | 753 | 116 | 15.4% | (6.5%) | 1.45x | 9.4x |
| NOW Inc. | 846 | 45.5% | 613 | 1,406 | 13 | 0.9% | (40.5%) | 0.44x | NM |
| MRC Global Inc. | 607 | 41.2% | 1,407 | 2,459 | 73 | 3.0% | (20.8%) | 0.57x | 19.3x |
| DXP Enterprises, Inc. | 568 | 68.8% | 864 | 984 | 42 | 4.2% | (16.3%) | 0.88x | 20.7x |
| Mean | | 57.3% | | | | 9.5% | 3.8% | 1.52x | 14.8x |
| Median | | 53.5% | | | | 8.8% | 2.1% | 1.32x | 13.8x |
| Total Mean | | 62.1% | | | | 10.6% | 15.8% | 1.54x | 13.5x |
| Total Median | | 66.6% | | | | 9.5% | 10.7% | 1.10x | 12.7x |

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KPMG Corporate Finance Overview

