

**KROLL**

# Specialty Distribution

Industry Insights

FALL 2025

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# Industry Highlights

## Overview

- M&A activity in the North American specialty distribution industry slowed in the Trailing Twelve Months (TTM) Aug-25 period, representing a year-on-year decrease of 21% in volume compared to TTM Aug-24.
  - Elevated interest rates, macroeconomic uncertainty and differing value expectations between buyers and sellers limited M&A activity.
  - Geopolitical concerns, including tariffs, have prompted many business owners to exercise patience before committing to an M&A process, while buyers have adopted a more risk-averse approach.
  - The recent 25 basis point interest rate cut, along with the expectation of additional rate reductions in 2025 and continued pent-up dry powder, has led to cautious optimism for increased deal activity for the remainder of 2025 and into 2026.
- The consumer discretionary distribution sector has been the most resilient, showing positive growth in TTM Aug-25 compared to TTM Aug-24.
  - In contrast, M&A activity in the consumer staples distribution sector declined approximately 21% in TTM Aug-25 vs. TTM Aug-24.

375

Deals reported in the Specialty Distribution sector in the TTM Aug-25 period

21.1%

Decrease in year-on-year (YoY) deals between TTM Aug-25 and TTM Aug-24

30.4%

Increase in healthcare subsector stock performance recorded between January 2024 and August 2025

13.0x

Aggregate average enterprise value (EV)/TTM EBITDA multiple within specialty distribution industry

# Market Update

# M&A Market Commentary

M&A activity in the North American specialty distribution sector continues to decline, mirroring broader market trends. As of August 2025, deal volume has consistently fallen compared to previous quarters. This slowdown is driven in part by uncertainty stemming from tariffs and geopolitical tensions, valuation gaps between buyers and sellers, and elevated interest rates.

Despite the downturn, there remains optimism for a rebound in M&A activity in the sector. Contributing factors include a recent interest rate cut, with further reductions anticipated; an abundance of private equity capital seeking deployment; and pent-up demand for investment. Strategic buyers with strong cash reserves also continue to view M&A as a critical growth lever.

## M&A Transaction Volume: North American Specialty Distribution Industry

455 Annual Average of Closed M&A Transactions  
2017 – Q3 2025

223 Closed M&A Transactions  
YTD August 2025



Source: Capital IQ; Note: Q3 2025 includes closed M&A transactions through August 2025

# Specialty Distribution Subsectors

Subsector	Median Public Trading Multiples <sup>1</sup>	Sector Description	Key Industry Participants
Consumer Discretionary	EV/TTM Rev: 0.9x EV/TTM EBITDA: 14.7x Avg. EBITDA Margin: 9.9%	Distributors supplying nonessential consumer goods, such as leisure products and luxury goods, catering to consumers' demands that are influenced by economic conditions and purchasing power.	
Consumer Staples	EV/TTM Rev: 0.6x EV/TTM EBITDA: 13.0x Avg. EBITDA Margin: 10.2%	Essential product distributors that supply consumers with everyday necessities regardless of economic fluctuations. Consumer staple products include food, beverages, personal care good and consumer packaged products.	
Healthcare	EV/TTM Rev: 0.2x EV/TTM EBITDA: 13.1x Avg. EBITDA Margin: 8.6%	Suppliers ensuring the timely and secure delivery of medical products, pharmaceuticals and supplies to healthcare providers, pharmacies and patients, enabling efficient and reliable access to essential healthcare resources.	
Industrial	EV/TTM Rev: 1.3x EV/TTM EBITDA: 13.5x Avg. EBITDA Margin: 10.1%	Suppliers connecting manufacturers with businesses across various end markets by ensuring the distribution of essential industrial products and components.	
Technology	EV/TTM Rev: 0.4x EV/TTM EBITDA: 9.8x Avg. EBITDA Margin: 5.1%	Intermediaries connecting manufacturers of technology products and applications with resellers, retailers and end users by managing the distribution of hardware, software and technology services.	

(1) As of August 29, 2025

# Recent M&A Spotlight

Buyer	 	 	 
Target	<p>Industrial</p>	<p>Healthcare</p>	<p>Consumer Staples</p>
Subsector	<p>Industrial</p>	<p>Healthcare</p>	<p>Consumer Staples</p>
Transaction Close	<p>April 2025</p>	<p>April 2025</p>	<p>October 2024</p>
Enterprise Value	<p>\$11.4 Billion</p>	<p>\$3.5 Billion</p>	<p>\$2.1 Billion</p>
Transaction Multiple	<p>1.2x Revenue, 10.7x EBITDA</p>	<p>0.5x Revenue, 9.3x EBITDA</p>	<p>0.7x Revenue, 13.0x EBITDA</p>
Target Description	<p>Beacon Roofing Supply engages in the distribution of residential and nonresidential roofing and complementary building products.</p>	<p>Patterson Companies is a dental distributor and wholesaler of consumable products and equipment operating through two business segment: Patterson Dental, and Patterson Animal Health.</p>	<p>Cheney Brothers is a distributor of food and grocery products intended to provide customers with fresh produce.</p>
Transaction Commentary	<p><i>“Acquiring Beacon is a major step forward in our strategy to make QXO the leading tech-enabled company in the \$800 billion building products distribution industry.</i></p> <p>We’re excited to welcome Beacon’s talented team and, together, apply our proven playbook to accelerate growth, expand margins, and create an unmatched customer experience.”</p> <p>- Brad Jacobs, Chairman &amp; CEO, QXO, Inc</p>	<p><i>“I have closely followed Patterson for decades and long admired the value the company provides to partners and customers. Patient Square is excited to work closely with management on the next chapter of growth for the business, building on its long and proud legacy.”</i></p> <p>- Jim Momtazee, Managing Partner, Patient Square Capital</p>	<p><i>“Cheney Brothers will be an outstanding addition to our Foodservice segment. This acquisition will expand and enhance our offerings to a high-quality and diverse customer base. We have long admired the success of Cheney Brothers in the southeastern U.S. and believe that the combination of our organizations will push the business to new heights.”</i></p> <p>- George Holm, Chairman and CEO, Performance Food Group</p>

Sources: PitchBook, Capital IQ, company press releases

# Active Strategic Buyers

Buyer

Ownership

Subsector

Select Acquisitions

Acquisition Commentary



Public (NYSE:FERG)

Industrial



Ferguson maintains a strong record of successful geographic and capability bolt-on acquisitions, completing about 50 in the past five years. Ferguson’s pipeline for 2026 remains healthy. These acquisitions are intended to enhance and expand its service offerings as well as its geographical presence.



Public (NYSE:SITE)

Industrial



SiteOne has closed 50 transactions over the past five years, with 21 of those completed since 2023. SiteOne aims to continue pursuing strategic acquisitions to better serve its customers, expand market share and strengthen its leadership position across key local markets.



Public (NYSE:CNM)

Industrial



M&A is a core part of Core & Main’s growth strategy, enabling the company to expand its geographic footprint, acquire key talent and introduce new product lines. Over the past five years, Core & Main has completed 30 acquisitions—including 10 in 2024.

Sources: Capital IQ, company press releases, company annual filings

# Active Strategic Buyers

Buyer

Ownership

Subsector

Select Acquisitions

Acquisition Commentary



Private Equity

Consumer Staples

Imperial Dade, backed by Bain Capital and Advent International, takes a buy-and-build approach to growth, with 39 transactions since 2023. In August 2025, Imperial Dade announced a planned merger with BradyPLUS, a distributor of JanSan, foodservice and industrial packaging products.



Private

Industrial

Sonepar targets aggressive growth via M&A, with about 60% of growth in the past 20 years coming from acquisitions. Sonepar completed 17 acquisitions in 2024. Recent M&A targets for Sonepar have included industrial automation, cable and software distributors that expand geographical presence.



Venture Capital

Consumer Staples

GrubMarket has raised capital from multiple VC firms and holds a valuation of \$3.5 billion as of 2024. The company has been actively acquiring food distribution businesses to expand across the U.S. and globally, and plans to pursue further strategic acquisitions with the capital raised.

Sources: Capital IQ, company press releases, company annual filings

# Public Companies Spotlight

Company	<b>FASTENAL</b> NASDAQ:FAST	<b>MCKESSON</b> NYSE:MCK	<b>PFG</b> Performance Food Group NYSE:PFGC	<b>US FOODS</b> NYSE:USFD
Subsector	Industrial	Healthcare	Consumer Staples	Consumer Staples
Share Price <sup>1</sup>	\$47.22	\$690.13	\$104.37	\$78.06
Market Cap <sup>1</sup>	\$56.9 Billion	\$85.4 Billion	\$15.9 Billion	\$17.4 Billion
Revenue Growth <sup>2</sup>	↑ 4.8%	↑ 20.3%	↑ 9.5%	↑ 5.3%
EBITDA Growth <sup>2</sup>	↑ 2.9%	↑ 4.4%	↑ 10.9%	↑ 12.2%
EV/EBITDA Multiple <sup>3</sup>	32.9x	17.4x	15.5x	13.6x
Market Commentary	<p>"Our goal isn't to be the greatest pricing company in the world. Our goal is to be the best supply chain organization in the world. ...</p> <p>Our goal has always been the same. Our goal is to grow in all of our categories. ... We're driving more business together in areas we may have missed in the past, especially in the nonmanufacturing sector.</p> <p>I'm pleased to say, for the first time ever, we broke 30% of sales for the quarter. So excellent performance there. And I believe we have a lot of runway on that piece as we continue to improve our e-commerce capabilities." - Dan Florness, CEO</p>	<p>"McKesson had a standout quarter, with momentum and growth across the enterprise. We continue to execute against our strategy, delivering for our customers, partners and patients. Our strong first quarter results included record revenue of \$97.8 billion, representing 23% growth compared to the previous year.</p> <p>In addition, we closed the acquisitions of PRISM Vision Holdings and Core Ventures, further expanding our differentiated capabilities in oncology and specialty solutions." - Brian Tyler, CEO</p>	<p>"Our organization finished fiscal 2025 with strong financial results driven by contributions from each of our three operating segments. ... We enter fiscal 2026 with a stable industry backdrop and significant business momentum, and we are on track to achieve the three-year financial targets. ...</p> <p>As we progress with the integration of Cheney Brothers and José Santiago, we believe the company will continue to create enhanced shareholder value." - George Holm, Chairman &amp; CEO</p>	<p>"Our second quarter performance underscores the strength of our team's continued focus on execution and delivering value to our customers. This momentum has fueled further market share gains with independent restaurant, healthcare and hospitality customers, resulting in record Adjusted EBITDA of \$548 million and a 40 basis point increase in Adjusted EBITDA margin to a record 5.4%.</p> <p>Looking ahead, we have a long runway of growth and profitability as we pursue our ambition to become the undisputed best in our industry." - Dave Flitman, CEO</p>

(1): As of August 29, 2025; (2): YoY from Last Twelve Months (LTM) Jun-24 to Jun-25; (3): LTM Aug-25. Sources: 2025 earnings transcripts, Capital IQ, Investing.com

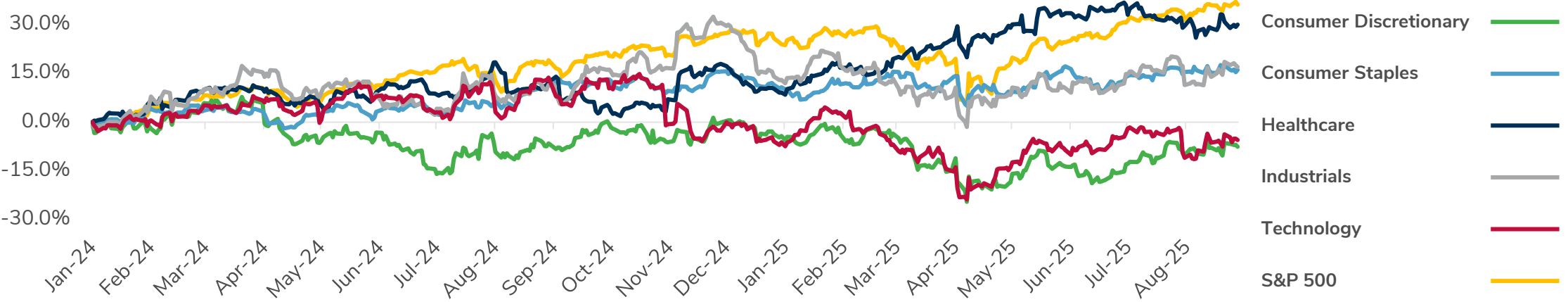
# Specialty Distribution Public Markets Update

## Public Update by Sector

During the YTD August 2025<sup>1</sup> period, the S&P 500 index outperformed the specialty distribution sector by 3.4%

Subsector	2024 – Q3 2025 Performance <sup>1</sup>	Median EV/LTM EBITDA Multiple <sup>1</sup>
Consumer Discretionary	-7.5%	14.7x
Consumer Staples	16.1%	13.3x
Healthcare	30.4%	12.6x
Industrial	16.9%	13.5x
Technology	-5.5%	9.8x
S&P 500	36.2%	15.8x

## January 2024 – August 2025 Indexed Stock Performance



Source: Capital IQ  
 (1): As of August 29, 2025

# Specialty Distribution Public Comparable Company Analysis

## Selected Public Company Analysis

(\$ in millions, except per share data)

Company Name	MARKET DATA				LTM OPERATING PERFORMANCE						ENTERPRISE VALUE AS MULTIPLE OF					
	Price at 08/29/25	% of 52-Week High	Equity Value	Enterprise Value	Revenue	EBITDA	Revenue Growth	EBITDA Growth	EBITDA Margin	Net Debt/EBITDA	LTM EBITDA	2024A EBITDA	2025P EBITDA	LTM Revenue	2024A Revenue	2025P Revenue
<b>Consumer Discretionary</b>																
Alliance Entertainment Holding Corporation	\$6.67	57.6%	\$271	\$371	\$1,063	\$36	(3.4%)	62.7%	3.4%	2.5x	10.2x	15.1x	9.0x	0.3x	0.3x	0.3x
A-Mark Precious Metals, Inc.	\$25.76	57.7%	\$576	\$1,456	\$10,979	\$77	13.2%	(11.5%)	0.7%	NM	19.0x	20.4x	15.0x	0.1x	0.1x	0.1x
V.F. Corporation	\$14.50	50.0%	\$5,910	\$10,943	\$9,496	\$771	(2.3%)	10.0%	8.1%	6.5x	14.2x	16.2x	14.7x	1.2x	1.1x	1.2x
Pool Corporation	\$307.29	77.7%	\$11,595	\$13,065	\$5,276	\$634	(1.7%)	(8.9%)	12.0%	2.3x	20.6x	19.7x	19.7x	2.5x	2.5x	2.5x
PVH Corp.	\$85.11	75.0%	\$4,054	\$8,091	\$8,778	\$958	(1.1%)	(20.8%)	10.9%	4.2x	8.4x	8.0x	7.7x	0.9x	0.9x	0.9x
Capri Holdings Limited	\$21.18	48.9%	\$2,451	\$5,046	\$4,391	\$243	(8.3%)	(49.9%)	5.5%	NM	20.8x	15.7x	22.9x	1.1x	1.1x	1.4x
Tapestry, Inc.	\$115.49	98.1%	\$21,191	\$23,971	\$7,011	\$1,571	5.1%	9.9%	22.4%	1.8x	15.3x	15.9x	14.8x	3.4x	3.5x	3.4x
The Chefs' Warehouse, Inc.	\$54.61	79.2%	\$2,574	\$3,407	\$3,951	\$207	7.9%	19.7%	5.2%	4.0x	16.5x	18.3x	13.8x	0.9x	0.9x	0.8x
Weyco Group, Inc.	\$29.34	71.5%	\$286	\$215	\$281	\$35	(6.4%)	(14.9%)	12.5%	NM	6.1x	5.5x	NM	0.8x	0.7x	NM
<b>Mean</b>		<b>68.4%</b>	<b>\$5,434</b>	<b>\$7,396</b>	<b>\$5,692</b>	<b>\$504</b>	<b>0.3%</b>	<b>(0.4%)</b>	<b>9.0%</b>	<b>3.6x</b>	<b>14.6x</b>	<b>15.0x</b>	<b>14.7x</b>	<b>1.2x</b>	<b>1.3x</b>	<b>1.3x</b>
<b>Median</b>		<b>71.5%</b>	<b>\$2,574</b>	<b>\$5,046</b>	<b>\$5,276</b>	<b>\$243</b>	<b>(1.7%)</b>	<b>(8.9%)</b>	<b>8.1%</b>	<b>3.2x</b>	<b>15.3x</b>	<b>15.9x</b>	<b>14.7x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>1.0x</b>
<b>Consumer Staples</b>																
Colgate-Palmolive Company	\$77.45	75.5%	\$67,947	\$75,643	\$19,998	\$4,824	0.0%	0.0%	24.1%	1.5x	15.7x	15.6x	15.1x	3.8x	3.8x	3.7x
HF Foods Group Inc.	\$2.63	53.3%	\$180	\$398	\$1,217	\$37	4.9%	17.0%	3.1%	5.8x	10.7x	11.8x	8.0x	0.3x	0.3x	0.3x
Kimberly-Clark Corporation	\$120.54	80.1%	\$42,846	\$49,622	\$19,718	\$3,827	5.7%	7.1%	19.4%	1.7x	13.0x	12.6x	14.0x	2.5x	2.5x	3.0x
Performance Food Group Company	\$101.55	93.1%	\$15,871	\$23,788	\$59,899	\$1,534	9.5%	10.9%	2.6%	5.2x	15.5x	16.6x	12.7x	0.4x	0.4x	0.4x
Sysco Corporation	\$80.83	96.8%	\$38,482	\$51,933	\$81,370	\$4,415	3.2%	2.6%	5.4%	3.0x	11.8x	11.6x	11.8x	0.6x	0.6x	0.6x
The Procter & Gamble Company	\$150.41	83.4%	\$367,550	\$395,569	\$84,284	\$24,455	0.3%	2.6%	29.0%	1.1x	16.2x	16.4x	16.7x	4.7x	4.7x	4.6x
United Natural Foods, Inc.	\$41.37	98.7%	\$1,713	\$5,243	\$31,784	\$498	2.6%	6.9%	1.6%	6.8x	10.5x	10.3x	9.1x	0.2x	0.2x	0.2x
US Foods Holding Corp.	\$75.51	88.7%	\$17,473	\$22,424	\$38,652	\$1,652	5.3%	12.2%	4.3%	3.0x	13.6x	14.4x	11.6x	0.6x	0.6x	0.6x
<b>Mean</b>		<b>83.7%</b>	<b>\$69,008</b>	<b>\$78,077</b>	<b>\$42,115</b>	<b>\$5,155</b>	<b>3.9%</b>	<b>7.4%</b>	<b>11.2%</b>	<b>3.5x</b>	<b>13.4x</b>	<b>13.7x</b>	<b>12.4x</b>	<b>1.6x</b>	<b>1.6x</b>	<b>1.7x</b>
<b>Median</b>		<b>86.0%</b>	<b>\$27,978</b>	<b>\$36,705</b>	<b>\$35,218</b>	<b>\$2,740</b>	<b>4.0%</b>	<b>7.0%</b>	<b>4.8%</b>	<b>3.0x</b>	<b>13.3x</b>	<b>13.5x</b>	<b>12.2x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>0.6x</b>

Source: Capital IQ  
(1): As of August 29, 2025

# Specialty Distribution Public Comparable Company Analysis

## Selected Public Company Analysis

(\$ in millions, except per share data)

Company Name	MARKET DATA				LTM OPERATING PERFORMANCE						ENTERPRISE VALUE AS MULTIPLE OF					
	Price at 08/29/25	% of 52-Week High	Equity Value	Enterprise Value	Revenue	EBITDA	Revenue Growth	EBITDA Growth	EBITDA Margin	Net Debt/EBITDA	LTM EBITDA	2024A EBITDA	2025P EBITDA	LTM Revenue	2024A Revenue	2025P Revenue
<b>Health Care Distribution</b>																
Avantor, Inc.	\$14.09	53.9%	\$9,183	\$12,976	\$6,666	\$1,066	(2.3%)	(7.9%)	16.0%	3.6x	12.2x	11.5x	11.7x	1.9x	1.9x	2.0x
Cardinal Health, Inc.	\$155.19	92.1%	\$35,528	\$41,189	\$222,578	\$3,273	(1.9%)	14.4%	1.5%	1.7x	12.6x	13.8x	12.0x	0.2x	0.2x	0.2x
Cencora, Inc.	\$305.30	96.9%	\$56,537	\$64,682	\$316,654	\$4,569	11.6%	13.3%	1.4%	1.7x	14.2x	15.5x	13.8x	0.2x	0.2x	0.2x
Henry Schein, Inc.	\$66.04	80.1%	\$8,438	\$13,105	\$12,773	\$998	2.3%	8.2%	7.8%	3.2x	13.1x	12.9x	12.0x	1.0x	1.0x	1.0x
McKesson Corporation	\$741.29	95.5%	\$85,407	\$94,038	\$377,595	\$5,401	20.3%	4.4%	1.4%	1.4x	17.4x	17.2x	14.6x	0.2x	0.3x	0.2x
Owens & Minor, Inc.	\$4.64	29.9%	\$378	\$2,443	\$10,758	\$528	64.3%	12.3%	4.9%	3.9x	4.6x	4.9x	6.5x	0.2x	0.2x	0.9x
STERIS plc	\$240.64	95.1%	\$24,136	\$25,938	\$5,571	\$1,505	6.4%	11.8%	27.0%	1.2x	17.2x	18.2x	16.3x	4.7x	4.8x	4.5x
<b>Mean</b>		<b>77.6%</b>	<b>\$31,372</b>	<b>\$36,339</b>	<b>\$136,085</b>	<b>\$2,477</b>	<b>14.4%</b>	<b>8.1%</b>	<b>8.6%</b>	<b>2.4x</b>	<b>13.0x</b>	<b>13.4x</b>	<b>12.4x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>1.3x</b>
<b>Median</b>		<b>92.1%</b>	<b>\$24,136</b>	<b>\$25,938</b>	<b>\$12,773</b>	<b>\$1,505</b>	<b>6.4%</b>	<b>11.8%</b>	<b>4.9%</b>	<b>1.7x</b>	<b>13.1x</b>	<b>13.8x</b>	<b>12.0x</b>	<b>0.2x</b>	<b>0.3x</b>	<b>0.9x</b>
<b>Industrial Distribution</b>																
Applied Industrial Technologies, Inc.	\$259.04	91.5%	\$9,951	\$10,302	\$4,563	\$560	1.9%	2.3%	12.3%	0.6x	18.4x	18.8x	17.6x	2.3x	2.3x	2.2x
BlueLinx Holdings Inc.	\$70.66	52.4%	\$652	\$931	\$2,947	\$98	(2.3%)	(17.1%)	3.3%	2.8x	9.5x	7.5x	11.0x	0.3x	0.3x	0.3x
Builders FirstSource, Inc.	\$127.11	63.1%	\$15,331	\$20,558	\$15,944	\$1,799	(6.4%)	(29.7%)	11.3%	2.9x	11.4x	9.5x	12.8x	1.3x	1.3x	1.3x
DNOW Inc.	\$15.91	86.2%	\$1,680	\$1,506	\$2,404	\$173	2.8%	(1.1%)	7.2%	NM	8.7x	9.1x	7.8x	0.6x	0.6x	0.6x
DXP Enterprises, Inc.	\$127.60	97.4%	\$1,960	\$2,536	\$1,919	\$204	13.9%	23.8%	10.6%	2.8x	12.4x	14.1x	11.6x	1.3x	1.4x	1.3x
Fastenal Company	\$47.78	94.4%	\$56,992	\$57,299	\$7,774	\$1,742	4.8%	2.9%	22.4%	0.2x	NM	NM	NM	7.4x	7.6x	7.0x
Ferguson Enterprises Inc.	\$234.49	96.3%	\$45,578	\$50,888	\$30,762	\$2,970	3.8%	(0.3%)	9.7%	1.8x	17.1x	17.7x	17.1x	1.7x	1.7x	1.6x
Genuine Parts Company	\$138.45	96.0%	\$19,380	\$25,360	\$23,771	\$1,889	2.7%	(12.7%)	7.9%	3.2x	13.4x	13.0x	12.4x	1.1x	1.1x	1.1x
Global Industrial Company	\$35.35	91.1%	\$1,433	\$1,484	\$1,325	\$96	(1.6%)	(5.0%)	7.2%	0.5x	15.5x	16.8x	13.9x	1.1x	1.1x	1.1x
MRC Global Inc.	\$15.03	96.4%	\$1,282	\$1,839	\$2,945	\$136	(4.6%)	(35.5%)	4.6%	4.1x	13.5x	10.5x	9.0x	0.6x	0.6x	0.6x
MSC Industrial Direct Co., Inc.	\$92.10	97.7%	\$5,024	\$5,536	\$3,744	\$408	(4.1%)	(20.2%)	10.9%	1.2x	13.6x	12.0x	13.7x	1.5x	1.5x	1.5x
W.W. Grainger, Inc.	\$958.90	78.1%	\$48,478	\$51,019	\$17,481	\$2,950	4.4%	4.8%	16.9%	0.7x	17.3x	17.5x	17.3x	2.9x	3.0x	2.8x
Watsco, Inc.	\$409.99	71.7%	\$15,441	\$16,064	\$7,508	\$783	1.0%	1.9%	10.4%	0.2x	20.5x	20.4x	19.0x	2.1x	2.1x	2.1x
WESCO International, Inc.	\$219.50	96.1%	\$10,698	\$16,411	\$22,232	\$1,392	1.3%	(6.7%)	6.3%	4.1x	11.8x	11.5x	10.7x	0.7x	0.8x	0.7x
<b>Mean</b>		<b>86.3%</b>	<b>\$16,706</b>	<b>\$18,695</b>	<b>\$10,380</b>	<b>\$1,086</b>	<b>1.3%</b>	<b>(6.6%)</b>	<b>10.1%</b>	<b>1.9x</b>	<b>14.1x</b>	<b>13.7x</b>	<b>13.4x</b>	<b>1.8x</b>	<b>1.8x</b>	<b>1.7x</b>
<b>Median</b>		<b>93.0%</b>	<b>\$10,324</b>	<b>\$13,183</b>	<b>\$6,035</b>	<b>\$672</b>	<b>1.6%</b>	<b>(3.0%)</b>	<b>10.0%</b>	<b>1.8x</b>	<b>13.5x</b>	<b>13.0x</b>	<b>12.8x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>1.3x</b>

Source: Capital IQ

Note: Market data as of August 29, 2025; EV/revenue range: 0.0x to 10.0x; EV/EBITDA range: 0.0x to 25.0x, values outside these ranges are considered not meaningful (NM)

# Specialty Distribution Public Comparable Company Analysis

## Selected Public Company Analysis

(\$ in millions, except per share data)

Company Name	MARKET DATA				LTM OPERATING PERFORMANCE						ENTERPRISE VALUE AS MULTIPLE OF					
	Price at 08/29/25	% of 52-Week High	Equity Value	Enterprise Value	Revenue	EBITDA	Revenue Growth	EBITDA Growth	EBITDA Margin	Net Debt/EBITDA	LTM EBITDA	2024A EBITDA	2025P EBITDA	LTM Revenue	2024A Revenue	2025P Revenue
<b>Technology Distribution/Value-Added Resellers</b>																
Arrow Electronics, Inc.	\$122.89	89.2%	\$6,506	\$9,181	\$28,500	\$1,010	(4.0%)	(21.7%)	3.5%	2.6x	9.1x	8.2x	8.4x	0.3x	0.3x	0.3x
Avnet, Inc.	\$52.39	88.4%	\$4,555	\$7,240	\$22,201	\$706	(6.6%)	(29.4%)	3.2%	3.8x	10.3x	8.9x	10.7x	0.3x	0.3x	0.3x
CDW Corporation	\$157.35	69.4%	\$21,594	\$27,302	\$21,878	\$2,006	4.5%	1.7%	9.2%	2.8x	13.6x	14.0x	13.2x	1.2x	1.3x	1.2x
ePlus inc.	\$73.37	68.6%	\$1,908	\$1,557	\$2,111	\$180	(1.2%)	3.9%	8.5%	NM	8.6x	9.5x	10.3x	0.7x	0.7x	0.8x
Insight Enterprises, Inc.	\$110.64	49.1%	\$4,096	\$5,333	\$8,356	\$489	(7.6%)	(9.5%)	5.8%	2.5x	10.9x	10.4x	10.0x	0.6x	0.6x	0.6x
PC Connection, Inc.	\$59.79	78.8%	\$1,630	\$1,287	\$2,894	\$113	4.9%	(3.7%)	3.9%	NM	11.3x	11.6x	10.2x	0.4x	0.5x	0.4x
ScanSource, Inc.	\$42.71	79.2%	\$955	\$976	\$3,041	\$125	(6.7%)	0.1%	4.1%	0.2x	7.8x	8.3x	6.8x	0.3x	0.3x	0.3x
TD SYNEX Corporation	\$157.84	94.1%	\$12,211	\$15,550	\$60,974	\$1,758	6.9%	4.6%	2.9%	1.9x	8.8x	9.3x	8.2x	0.3x	0.3x	0.3x
<b>Mean</b>		<b>77.1%</b>	<b>\$6,682</b>	<b>\$8,553</b>	<b>\$18,744</b>	<b>\$798</b>	<b>(1.2%)</b>	<b>(6.8%)</b>	<b>5.2%</b>	<b>2.3x</b>	<b>10.1x</b>	<b>10.0x</b>	<b>9.7x</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.5x</b>
<b>Median</b>		<b>79.0%</b>	<b>\$4,325</b>	<b>\$6,286</b>	<b>\$15,117</b>	<b>\$597</b>	<b>(2.6%)</b>	<b>(1.8%)</b>	<b>4.0%</b>	<b>2.6x</b>	<b>9.7x</b>	<b>9.4x</b>	<b>10.1x</b>	<b>0.4x</b>	<b>0.4x</b>	<b>0.4x</b>
<b>Aggregate Mean</b>		<b>79.4%</b>	<b>\$24,085</b>	<b>\$27,733</b>	<b>\$35,566</b>	<b>\$1,841</b>	<b>3.1%</b>	<b>(0.8%)</b>	<b>9.0%</b>	<b>2.6x</b>	<b>13.2x</b>	<b>13.3x</b>	<b>12.6x</b>	<b>1.3x</b>	<b>1.4x</b>	<b>1.4x</b>
<b>Aggregate Median</b>		<b>81.7%</b>	<b>\$8,810</b>	<b>\$11,959</b>	<b>\$9,137</b>	<b>\$871</b>	<b>2.1%</b>	<b>2.1%</b>	<b>7.2%</b>	<b>2.6x</b>	<b>13.1x</b>	<b>13.0x</b>	<b>12.2x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>0.9x</b>

LTM = Latest Twelve Months

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization

Source: Capital IQ

Source: Capital IQ

Note: Market data as of August 29, 2025; EV/revenue range: 0.0x to 10.0x; EV/EBITDA range: 0.0x to 25.0x, values outside these ranges are considered not meaningful (NM)

# **Sector Spotlight: Intelligent Transportation Systems (ITS) Distribution**

# Consolidation of the North American ITS Distribution Market

Driven by sustained government investment in U.S. infrastructure, such as the 2021 \$1.2 trillion Infrastructure Investment and Jobs Act, the ITS market has attracted heightened investor interest.

Traditionally, traffic infrastructure purchasing decisions occur at the state or municipal level, placing emphasis on regional relationships and distribution models. This dynamic has resulted in a historically fragmented ITS distribution landscape across the United States. However, recent investor momentum has fueled the formation of platforms aimed at market consolidation.

Large diversified strategic players and private equity–backed platforms are responding to growing demand from Departments of Transportation (DOTs) and other agencies for one-stop-shop solutions. This trend is driving increased activity in the distribution market, including manufacturers acquiring companies within their own distribution networks to gain greater control over the supply chain and improve margins.



# **Relevant Kroll Specialty Distribution Experience**


# Select Kroll Specialty Distribution Experience

## Recently Closed Deals Spotlight

**SELL-SIDE ADVISOR**




received an investment from




Exclusive financial advisor to Atex Distributing

ATEX Distributing and affiliated companies (“ATEX”) is a specialty distributor of HVAC equipment for commercial modular construction, offering a comprehensive suite of HVAC products, technical expertise and services. ATEX’s extensive product range is supported by tenured relationships with its suppliers and is further enhanced by value-added services and technical capabilities, such as conceptual engineering, customizable units, repair and post-sale services.

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was acquired by




Exclusive financial advisor to TAPCO


Traffic and Parking Control Co., Inc. (“TAPCO”) is a leading manufacturer, distributor and service provider of intelligent transportation systems. TAPCO distributes and services systems nationwide through regional dispatch hubs, offering product-agnostic preventive and corrective maintenance. TAPCO serves both the private and public sector, including DOTs, municipalities, counties, design firms and industrial customers.

## Additional Specialty Distribution Experience

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