



CHARTER
Capital Partners

Q1
2024

M&A Insights
Distribution:
Industrial Products

DISTRIBUTION INDUSTRY UPDATE

Distribution M&A Insights

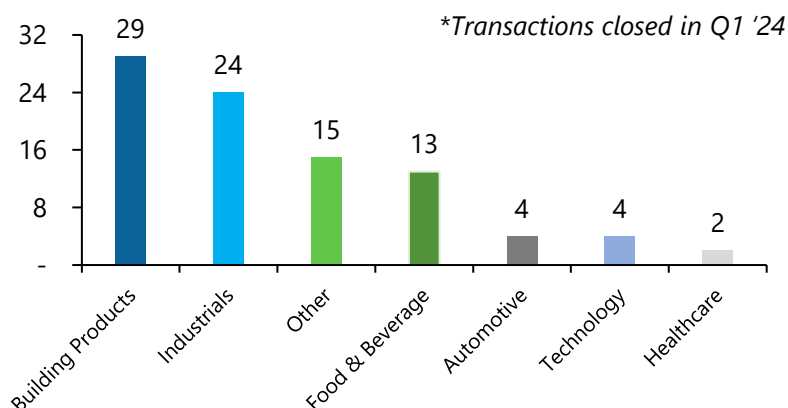
Q1 2024: Value-Added, Industrial Distribution Takes Larger Share in Distribution Industry Transactions

In Q1 of 2024, M&A activity in the distribution sector has centered around publicly traded strategic buyers. A notable example is the industrial distribution deal involving Home Depot's acquisition of SRS Distribution, as highlighted in recent headlines. These buyers have the financial flexibility needed to identify and pursue companies with exceptional profitability and growth potential, despite the challenging financial landscape. Share performance for major publicly traded distribution companies has seen strong performance in Q1 and is anticipated to continue a strong trajectory throughout 2024. Share prices for many of these companies are surfacing above 90% of their 52-week high share price (See page 7).

Of note, industrial distribution companies are attractive acquisition targets for many buyers, as they exhibit low capital expenditure needs (typically remaining under approx. 2% of sales), lower levels of existing debt (ranging from approx. 1.0x - 3.5x Debt/EBITDA), strong EBITDA margins (mean of 13%), and have a broad reach of services offered and industries served (See page 6).

The distribution sector is positioned for growth through strategic acquisitions and emerging financial platform opportunities, particularly with the stabilization of financial markets in 2024. With a persistent demand for capital deployment and growth fueled by M&A activities, we anticipate industrial distribution market valuations to remain robust throughout the year. Furthermore, we anticipate that the levels of activity in M&A will either match or exceed those observed in 2023, with buyers acknowledging and supporting the sector's favorable dynamics and positive trends.

Transaction Count by Segment



Source: FRED, Pitchbook, Capital IQ, Wall Street Research

Market Trend: Strategics Identify Synergies

"We are looking forward to combining our differentiated assets and capabilities, including our extensive branch network, experienced sales team, robust trade credit offering, and order management system, geared at serving the complex project purchase occasion, with The Home Depot's competitive advantages. We believe this will enable us to better serve pros and continue growing in our large and highly fragmented market"

Dan Tinker

President & CEO, SRS Distribution

Key Quarterly Takeaways

- Industrial distribution was the second strongest vertical for M&A activity, with 24 acquisitions in Q1 2024 and continues to be highly sought after.
- As financing remains challenging for many private equity firms, much of the financial buyer movement within the distribution space is centered around small add-ons to existing platforms.
- Buyers are willing to pay above market multiples for businesses operating in this consolidating space.

Charter Highlighted Transaction







Established in 1973, Unicoa is a top regional supplier of industrial products, headquartered in Phoenix, Arizona. NEFCO, the acquiring company, is a family-owned construction supply firm operating since 1981, supported by Bertram Capital, a private equity firm. Charter acted as the exclusive M&A advisor to Unicoa. [Click here to Read More.](#)

Buyer Spotlights

M&A activity in the distribution sector has been significantly fueled by strategic and hybrid acquisitions in Q1 2024.

Most Active Buyers

Buyer	Type	Q1 Deal Count	Recent Transactions
	Hybrid	4	3/11/24 – JAD Building Maintenance Supplies (Queens, NY) 3/1/24 – Brawner Paper Company (Houston, TX) 2/1/24 – Les Produits Sanitaires Royal Net (Repentigny, Quebec)
	Strategic	3	3/25/24 – EGW Utilities (Carrollton, TX) 3/7/24 – Dana Kepner Company (Denver, CO) 2/12/24 – Eastern Supply (Winchester VA)
	Hybrid	2	3/18/24 – Advanced Gases & Equipment (West Sacramento, CA) 1/11/24 – Welders Warehouse (Dallas, TX)
	Strategic	2	2/29/24 – Pro-Seal Service Group (Pontiac, MI) 2/1/24 – Kappe Associates (Frederick, MD)

Key Private Equity Activity

Key Private Equity Platform Acquisitions	Target:			
	Acquirer(s):			
	Date:	3/13/2024	3/8/2024	2/2/2024
	Target:			
	Acquirer(s):			
	Date:	2/2/2024	1/19/2024	1/9/2024

Source: FRED, Pitchbook, Capital IQ, Wall Street Research

Key Deals Spotlight

Home Depot Acquires SRS Distribution (Leonard Green and Partners)



On March 28th, **SRS Distribution ("SRS")**, a portfolio company of **Leonard Green and Partners** was acquired by **Home Depot**. SRS, headquartered in McKinney, TX, is a leading distributor of residential roofing systems, siding, windows, and other residential building products. The agreement states that Home Depot will acquire SRS for \$18.25B at an Adj. EBITDA multiple of 16.1x. SRS was acquired by Leonard Green and Partners in 2018 for \$3B and has completed 30 add-on acquisitions since. Home Depot believes this acquisition will increase its market share with residential building professionals and will enable it to better serve complex project purchase occasions with the renovator/remodeler.

[Read more.](#)

Navis Food Partners (Frontenac) Acquires Prime Source Foods



On March 14th, **Prime Source Foods ("Prime")** was acquired by **Navis Food Partners ("Navis")** via its financial sponsor the **Frontenac Company ("Frontenac")**. Prime, founded in 1975, and based in Londonderry, NH, is a market leader in food and provisions distribution. Prime's products include beef, seafood, and other meats, serving restaurants, supermarkets, butcher shops, and ethnic markets. Prime CEO, Bill Conrad, believes the partnership with Navis will drive Prime's growth in the New England and upstate New York markets. Bill states, "We believe that this partnership is completely aligned with our Company's growth goals." Navis is the largest, independent food service distribution platform in New England. Prime marks Navis's first acquisition under Frontenac ownership. [Read more.](#)

Kele (Stephens Group) Acquires ACC Controls/Technical Services



On February 26th, **AC Controls and AC Technical Services ("ACC")** was acquired by **Kele Inc. ("Kele")**, a portfolio company of **The Stephens Group ("Stephens")**. ACC is a distributor of industrial process and combustion applications intended for the commercial and industrial markets. The Company also offers integration services and technical field services for customers in the power industry. Kele President and CEO, Danny Lyons, states "ACC adds another leading industrial automation company to the Kele Companies....Along with its geographical coverage and strong line card, ACC is a natural fit with our Lesman Instrument and A-tech businesses."

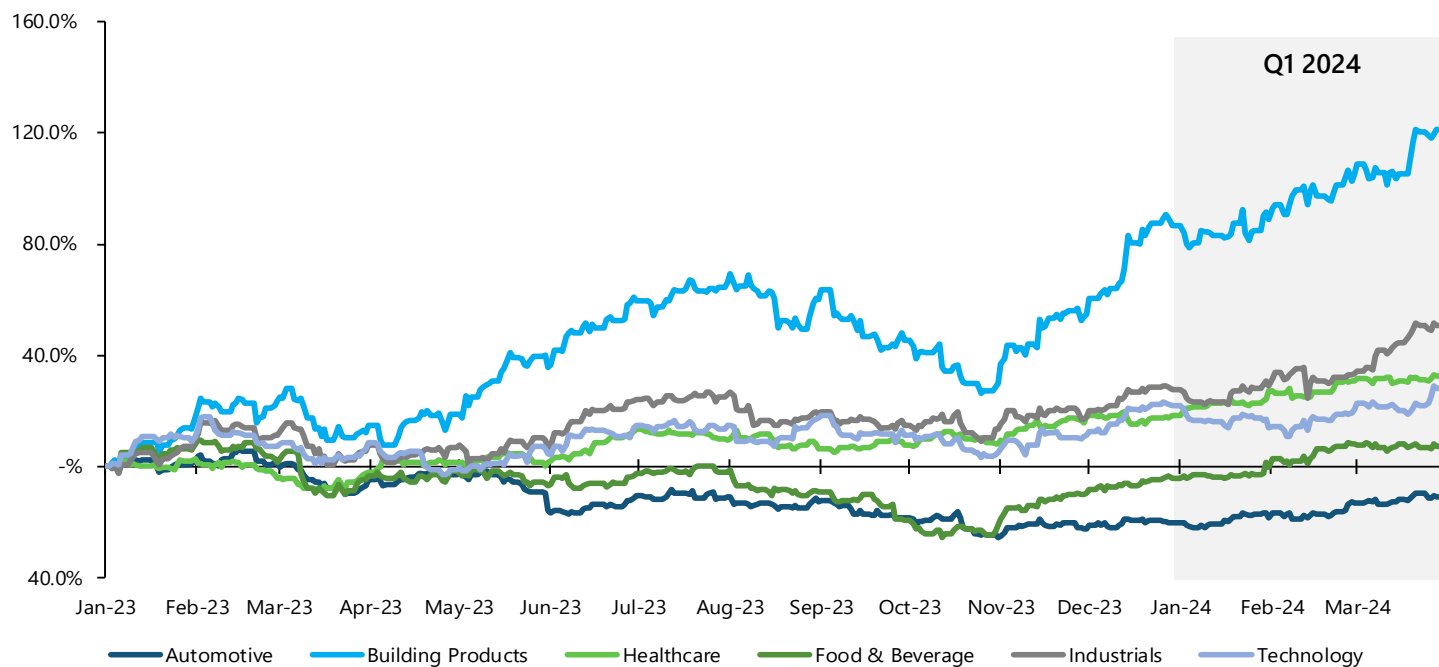
[Read more.](#)

DISTRIBUTION INDUSTRY UPDATE

Public Valuation Trends

Strong share performance for building products distribution companies indicates a strong resurgence for the sector in 2024.

Share Price Performance by Segment



Rolling EV/EBITDA by Segment



Note: One-year rolling EV/EBITDA chart excludes negative EV/EBITDA calculations
Source: FRED, Pitchbook, Capital IQ, Wall Street Research

DISTRIBUTION INDUSTRY UPDATE

Public Trading Data

Operating Statistics

	LTM Revenues		LTM EBITDA			LTM Net Income		LTM Capex		Debt /		Net Debt /
	\$(M)	3 yr CAGR	\$(M)	Margin	3 yr CAGR	\$(M)	Margin	\$(M)	% Sales	EBITDA	Capital	EBITDA
Automotive												
Advance Auto Parts, Inc.	\$11,288	3.8%	\$421	3.7%	(25.1%)	\$30	0.3%	\$242	2.1%	3.8x	63.8%	10.6x
AutoZone, Inc.	17,831	11.4%	4,193	23.5%	10.2%	2,621	14.7%	1,028	5.8%	2.6x	167.3%	2.9x
O'Reilly Automotive, Inc.	15,812	10.9%	3,598	22.8%	9.5%	2,347	14.8%	1,006	6.4%	1.9x	128.5%	2.2x
Genuine Parts Company	23,091	11.8%	2,148	9.3%	19.0%	1,317	5.7%	513	2.2%	2.1x	54.0%	2.4x
LKQ Corporation	13,866	6.0%	1,744	12.6%	7.6%	942	6.8%	358	2.6%	2.6x	47.7%	3.2x
Mean		8.8%		14.4%	4.2%		8.5%		3.8%	2.6x	92.3%	4.3x
Median		10.9%		12.6%	9.5%		6.8%		2.6%	2.6x	63.8%	2.9x
Building Products												
Builders FirstSource, Inc.	\$17,097	25.9%	\$2,735	16.0%	58.8%	\$1,541	9.0%	\$476	2.8%	1.3x	44.0%	1.4x
BlueLinx Holdings Inc.	3,136	0.4%	164	5.2%	1.6%	49	1.5%	28	0.9%	3.6x	49.3%	3.8x
GMS Inc.	5,393	18.0%	588	10.9%	29.4%	295	5.5%	59	1.1%	1.8x	46.3%	2.1x
Beacon Roofing Supply, Inc.	9,120	14.5%	896	9.8%	21.0%	(28)	(0.3%)	123	1.3%	2.8x	61.6%	3.3x
Mean		14.7%		10.5%	27.7%		3.9%		1.5%	2.4x	50.3%	2.6x
Median		16.3%		10.4%	25.2%		3.5%		1.2%	2.3x	47.8%	2.7x
Healthcare												
Cencora, Inc.	\$271,579	11.4%	\$3,743	1.4%	12.2%	\$1,867	0.7%	\$457	0.2%	1.5x	85.3%	1.7x
McKesson Corporation	301,506	6.2%	4,283	1.4%	2.0%	2,998	1.0%	368	0.1%	1.6x	128.2%	1.8x
Henry Schein, Inc.	12,339	6.8%	943	7.6%	7.8%	416	3.4%	147	1.2%	2.6x	34.7%	2.9x
Cardinal Health, Inc.	216,148	10.3%	2,728	1.3%	(0.1%)	639	0.3%	532	0.2%	1.7x	370.1%	1.7x
Mean		8.7%		2.9%	5.5%		1.3%		0.4%	1.8x	154.6%	2.0x
Median		8.6%		1.4%	4.9%		0.8%		0.2%	1.6x	106.8%	1.8x
Food & Beverage												
Sysco Corporation	\$77,512	13.0%	\$3,622	4.7%	26.5%	\$2,082	2.7%	\$830	1.1%	3.3x	84.2%	3.6x
US Foods Holding Corp.	35,597	15.9%	1,438	4.0%	40.4%	499	1.4%	309	0.9%	3.4x	52.3%	3.6x
The Chefs' Warehouse, Inc.	3,434	45.6%	161	4.7%	74.2%	35	1.0%	57	1.7%	4.1x	67.1%	5.7x
Performance Food Group Company	53,971	30.5%	1,346	2.5%	72.0%	429	0.8%	319	0.6%	3.2x	56.6%	3.7x
United Natural Foods, Inc.	30,251	4.5%	378	1.2%	(20.8%)	(115)	(0.4%)	313	1.0%	5.1x	68.5%	9.7x
Mean		21.9%		3.4%	38.5%		1.1%		1.0%	3.8x	65.7%	5.3x
Median		15.9%		4.0%	40.4%		1.0%		1.0%	3.4x	67.1%	3.7x
Industrials												
MSC Industrial Direct Co., Inc.	\$3,979	7.9%	\$536	13.5%	7.7%	\$314	7.9%	\$96	2.4%	1.1x	30.5%	1.1x
W.W. Grainger, Inc.	16,478	11.8%	2,823	17.1%	25.9%	1,829	11.1%	445	2.7%	0.9x	44.6%	1.0x
Fastenal Company	7,347	9.2%	1,706	23.2%	9.4%	1,155	15.7%	173	2.4%	0.3x	13.8%	0.3x
WESCO International, Inc.	22,385	22.0%	1,623	7.3%	36.5%	708	3.2%	92	0.4%	3.3x	54.9%	3.8x
MRC Global Inc.	3,412	10.1%	227	6.7%	100.9%	90	2.6%	15	0.4%	1.9x	38.2%	2.3x
DXP Enterprises, Inc.	1,679	18.6%	169	10.1%	45.6%	69	4.1%	12	0.7%	3.1x	60.7%	3.5x
Mean		13.3%		13.0%	37.7%		7.4%		1.5%	1.8x	40.4%	2.0x
Median		10.9%		11.8%	31.2%		6.0%		1.5%	1.5x	41.4%	1.7x
Technology												
TD SYNNEX Corporation	\$56,405	42.3%	\$1,695	3.0%	41.5%	\$627	1.1%	\$0	0.0%	2.2x	33.1%	2.4x
ScanSource, Inc.	3,594	7.5%	143	4.0%	19.9%	86	2.4%	11	0.3%	1.2x	15.9%	1.3x
Avnet, Inc.	25,610	14.6%	1,183	4.6%	48.0%	670	2.6%	241	0.9%	2.9x	42.5%	3.1x
Arrow Electronics, Inc.	33,107	4.9%	1,768	5.3%	17.0%	904	2.7%	83	0.3%	2.2x	41.0%	2.3x
Mean		17.3%		4.2%	31.6%		2.2%		0.4%	2.1x	33.1%	2.3x
Median		11.1%		4.3%	30.7%		2.5%		0.3%	2.2x	37.1%	2.3x

Source: FRED, Pitchbook, Capital IQ, Wall Street Research

DISTRIBUTION INDUSTRY UPDATE

Public Trading Data

Trading Multiples

	Price 03/28/24	% 52-Wk High	Market Cap	Net Debt	Tot. Ent. Value	Total Enterprise Value /					
						Revenues		EBITDA		P / E	
						LTM	NFY	LTM	NFY	LTM	NFY
Automotive											
Advance Auto Parts, Inc.	\$85.09	66%	\$5,067	\$3,944	\$9,011	0.8x	0.8x	21.4x	13.1x	nmf	22.3x
AutoZone, Inc.	3,151.65	97%	54,533	11,669	66,202	3.7x	3.5x	15.8x	14.6x	22.1x	19.7x
O'Reilly Automotive, Inc.	1,128.88	97%	66,645	7,562	74,207	4.7x	4.4x	20.6x	19.2x	29.3x	26.6x
Genuine Parts Company	154.93	89%	21,601	4,099	25,699	1.1x	1.1x	12.0x	11.6x	16.6x	15.8x
LKQ Corporation	53.41	90%	14,239	5,355	19,594	1.4x	1.3x	11.2x	10.1x	15.3x	13.1x
Mean		87%				2.3x	2.2x	16.2x	13.7x	20.8x	19.5x
Median		90%				1.4x	1.3x	15.8x	13.1x	19.3x	19.7x
Building Products											
Builders FirstSource, Inc.	\$208.55	97%	\$25,431	\$3,647	\$29,078	1.7x	1.6x	10.6x	11.1x	17.5x	15.8x
BlueLinx Holdings Inc.	130.24	98%	1,127	96	1,223	0.4x	0.4x	7.4x	8.1x	24.2x	16.0x
GMS Inc.	97.34	98%	3,877	1,134	5,012	0.9x	0.9x	8.5x	7.9x	13.6x	11.3x
Beacon Roofing Supply, Inc.	98.02	99%	6,218	2,830	9,048	1.0x	0.9x	10.1x	9.5x	nmf	12.8x
Mean		98%				1.0x	1.0x	9.2x	9.1x	18.4x	14.0x
Median		98%				1.0x	0.9x	9.3x	8.8x	17.5x	14.3x
Healthcare											
Cencora, Inc.	\$242.99	99%	\$48,421	\$3,454	\$51,875	0.2x	0.2x	13.9x	12.7x	26.5x	17.8x
McKesson Corporation	536.85	99%	70,547	6,029	76,576	0.3x	0.2x	17.9x	13.4x	24.3x	18.5x
Henry Schein, Inc.	75.52	88%	9,705	4,068	13,773	1.1x	1.0x	14.6x	11.8x	23.9x	14.9x
Cardinal Health, Inc.	111.90	96%	27,218	134	27,352	0.1x	0.1x	10.0x	9.2x	44.2x	14.9x
Mean		96%				0.4x	0.4x	14.1x	11.8x	29.7x	16.5x
Median		98%				0.2x	0.2x	14.2x	12.3x	25.4x	16.3x
Food & Beverage											
Sysco Corporation	\$81.18	98%	\$40,414	\$12,041	\$52,454	0.7x	0.6x	14.5x	11.9x	19.8x	18.0x
US Foods Holding Corp.	53.97	98%	13,217	4,932	18,149	0.5x	0.5x	12.6x	10.6x	26.7x	17.3x
The Chefs' Warehouse, Inc.	37.66	97%	1,499	876	2,376	0.7x	0.6x	14.7x	11.1x	43.0x	29.2x
Performance Food Group Comp	74.64	95%	11,613	5,022	16,635	0.3x	0.3x	12.4x	10.6x	27.2x	16.1x
United Natural Foods, Inc.	11.49	41%	683	3,634	4,317	0.1x	0.1x	11.4x	7.8x	nmf	38.9x
Mean		86%				0.5x	0.4x	13.1x	10.4x	29.2x	23.9x
Median		97%				0.5x	0.5x	12.6x	10.6x	27.0x	18.0x
Industrials											
MSC Industrial Direct Co., Inc.	\$97.04	92%	\$5,463	\$606	\$6,069	1.5x	na	11.3x	10.3x	17.4x	15.9x
W.W. Grainger, Inc.	1,017.30	98%	50,024	2,434	52,458	3.2x	3.0x	18.6x	17.9x	28.1x	25.8x
Fastenal Company	77.14	98%	44,157	314	44,471	6.1x	5.7x	26.1x	24.7x	38.2x	35.6x
WESCO International, Inc.	171.28	88%	8,727	5,591	14,318	0.6x	0.6x	8.8x	8.3x	12.6x	11.9x
MRC Global Inc.	12.57	98%	1,071	745	1,816	0.5x	0.5x	8.0x	7.9x	12.0x	11.9x
DXP Enterprises, Inc.	53.73	98%	869	415	1,284	0.8x	0.7x	7.6x	6.8x	13.8x	15.1x
Mean		95%				2.1x	2.1x	13.4x	12.6x	20.4x	19.4x
Median		98%				1.1x	0.7x	10.1x	9.3x	15.6x	15.5x
Technology											
TD SYNNEX Corporation	\$113.10	97%	\$9,822	\$2,978	\$12,800	0.2x	0.2x	7.5x	7.2x	16.5x	9.3x
ScanSource, Inc.	44.04	98%	1,109	135	1,244	0.3x	0.3x	8.7x	7.4x	12.6x	11.8x
Avnet, Inc.	49.58	96%	4,480	3,424	7,904	0.3x	0.3x	6.7x	8.6x	6.8x	10.3x
Arrow Electronics, Inc.	129.46	88%	6,988	3,946	10,934	0.3x	0.4x	6.2x	8.4x	8.2x	11.0x
Mean		95%				0.3x	0.3x	7.3x	7.9x	11.0x	10.6x
Median		97%				0.3x	0.3x	7.1x	7.9x	10.4x	10.6x

Source: FRED, Pitchbook, Capital IQ, Wall Street Research

DISTRIBUTION INDUSTRY UPDATE

Select Transactions

Ann. Date	Target (ownership)	Acquirer (ownership)	Segment
3/28/2024	Business Innovations	Brandability	Strategic
3/28/2024	SRS Distribution	The Home Depot	Strategic
3/28/2024	Texas Corrugators	Race Rock	Strategic
3/28/2024	Phase 1 Technology	Stemmer Imaging	Strategic
3/27/2024	Pace International	AgroFresh (Paine Schwartz Partners)	Hybrid
3/26/2024	All Canadian Building Products	ABC Supply Company	Strategic
3/25/2024	EGW Utilities	Core & Main (NYS: CNM)	Strategic
3/25/2024	Ironstone Building Materials	G R Mitchell	Strategic
3/20/2024	Standard Electric Company	Sonepar	Strategic
3/18/2024	Advanced Gases & Equipment	Meritus Gas Partners (AEA Investors)	Hybrid
3/18/2024	Appalachian Insulation Supply	Cameron Ashley Building Products (Pacific Avenue Capital Partners)	Hybrid
3/18/2024	Ron Paley Broadcast	G.S. Broadcast Technical Services	Strategic
3/18/2024	Wheelco Truck and Trailer Parts and Service	FleetPride (American Securities)	Hybrid
3/14/2024	Prime Source Foods	Navis Food Partners (Frontenac Company)	Hybrid
3/13/2024	Allied Trading	Neos Partners	Private Equity
3/13/2024	Door Supply of N.J.	Unified Door & Hardware Group (Dunes Point Capital)	Hybrid
3/13/2024	The Office Shop	Advanced Business Methods	Strategic
3/12/2024	Titanium Medical	DirectMed Imaging (Mercury Partners)	Hybrid
3/11/2024	JAD Building Maintenance Supplies	Imperial Dade (Advent International)	Hybrid
3/11/2024	Performance Produce	GrubMarket	Strategic
3/11/2024	Spartan Tool Supply	Foundation Investment Partners	Private Equity
3/8/2024	Globe International (Philadelphia)	AFC Industries (Bertram Capital Management)	Hybrid
3/7/2024	Dana Kepner Company	Core & Main (NYS: CNM)	Strategic
3/6/2024	Dependable Dock & Door Service	The Miner	Strategic
3/6/2024	Turning Point Supply	GranQuartz (The Stephens Group)	Hybrid
3/5/2024	Greenville Produce	Foster-Caviness	Strategic
3/5/2024	Richmond Master Distributors	Smoker Friendly (Main Street Capital BDC)	Hybrid
3/4/2024	Ace Bolt & Screw	Endries International	Strategic
3/4/2024	Electric Lighting Agencies	Synergy Electrical Sales	Strategic
3/4/2024	Pacific Air Compressors	Atlas Copco (STO:ATCO)	Strategic
3/4/2024	Parrish-Hare Electrical Supply	Consolidated Electrical Distributors	Strategic
3/1/2024	Blazer Electric Supply Company 2.0	Graybar Electric Company	Strategic
3/1/2024	Brawner Paper Company	Imperial Dade (Advent International)	Hybrid
3/1/2024	Eletrical Wholesale Supply	Ideal Supply	Strategic
3/1/2024	Great West Equipment	Nors Group	Strategic
3/1/2024	Schrock Lumber	R.P. Lumber	Strategic
2/29/2024	Caseywood	Central Valley Builders Supply	Strategic
2/29/2024	Pro-Seal Service Group	DXP Enterpirses (NAS:DXPE)	Strategic
2/28/2024	Air-Flow Technologies	Ambient Enterprises (Intermediate Capital Group)	Hybrid
2/28/2024	CenSea	Captain Fresh	Strategic

[Represents platform acquisition](#)

Source: FRED, Pitchbook, Capital IQ, Wall Street Research

DISTRIBUTION INDUSTRY UPDATE

Select Transactions

Ann. Date	Target (ownership)	Acquirer (ownership)	Segment
2/26/2024	AC Controls	Kele (The Stephens Group)	Hybrid
2/22/2024	Gator Supply	DCL Mooring & Rigging	Strategic
2/15/2024	Fleet Parts & Service	Galleher Industries (Boyne Capital)	Hybrid
2/15/2024	TGV Distribution	Phoenix Partners Management	Strategic
2/15/2024	Wash Pros	Sonny's Enterprises (Genstar Capital)	Hybrid
2/12/2024	Bacon & Graham	SupplyOne (Wellspring Capital Management)	Hybrid
2/12/2024	Eastern Supply	Core & Main (NYS: CNM)	Strategic
2/5/2024	Old Mission Windows	US LBM Holdings (Bain Capital & Platinum Equity)	Hybrid
2/5/2024	The Rock Place	Outdoor Living Supply (Tritanic North America)	Hybrid
2/2/2024	Cooksey Iron & Metal	Reliance Steel & Aluminum (NYSE: RS)	Strategic
2/2/2024	SurfacePrep	Nautic Partners	Private Equity
2/2/2024	Technical Products (Cleveland)	Borgman Capital	Private Equity
2/1/2024	All American Building Products (Tulsa)	R/W Specialities (Strength Capital)	Hybrid
2/1/2024	Discovery Door	The Cook & Boardman Group (Littlejohn & Co.)	Hybrid
2/1/2024	Integrated Pest Supplies	Veseria (AEA Investors)	Hybrid
2/1/2024	JLM Wholesale	Lockmasters (Dominus Capital)	Hybrid
2/1/2024	Kappe Associates	DXP Enterprises (NAS:DXPE)	Strategic
2/1/2024	Les Produits Sanitaires Royal Net	Imperial Dade (Advent International)	Hybrid
2/1/2024	Obvious Wines (California Distribution Company)	Serendipity Wines (Turning Point Venture Partners)	Hybrid
1/31/2024	McGee Storage and Handling	Toyota Forklifts of Atlanta	Strategic
1/31/2024	Portage Lumber	Bliffert Lumber & Hardware	Strategic
1/31/2024	WholesalePet.com	Tiny (Canada) (TSX: Tiny)	Strategic
1/26/2024	B&B Food Distributors	Raydia Food Group	Strategic
1/26/2024	Diamond Foods (New Orleans)	Good Source Solutions (Highview Capital)	Hybrid
1/23/2024	UTV Canada	Mountain Sports Distribution (KV Capital)	Hybrid
1/22/2024	Emergent Saftey Supply	Lawson Products (NAS: DSGR)	Strategic
1/22/2024	KAR Industrial	MSC Industrial Supply (NYS: MSM)	Strategic
1/19/2024	Electrical Cable Specialists	Camp Lake Capital	Private Equity
1/19/2024	LocalSodFarm.com	Forge Equity Partners	Private Equity
1/18/2024	Precision Bolting	Nord-Lock Group (Latour)	Hybrid
1/16/2024	AED4Life	Safe Life (Sweden)	Strategic
1/16/2024	JC Cheyne	GrubMarket	Strategic
1/16/2024	Proheat	Thermal Technology Distribution Solutions (Gryphon Investors)	Hybrid
1/16/2024	Target Marketing Group	Banyan Tehcnologies Group	Strategic
1/15/2024	Rocky Mountian Industrial Supply	Mallory Saftey & Supply	Strategic
1/12/2024	Albert Frei & Sons	Martin Marietta	Strategic
1/11/2024	Bobby Taylor Oil Company	Parker Oil Company	Strategic
1/11/2024	Welders Warehouse	Meritus Gas Partners (AEA Investors)	Hybrid
1/9/2024	Grove Supply	Ferguson (NYS: FERG)	Strategic
1/9/2024	Specialty Pipe & Tube	Crest Rock Partners	Private Equity

Represents platform acquisition

Source: FRED, Pitchbook, Capital IQ, Wall Street Research

Select Transactions

Ann. Date	Target (ownership)	Acquirer (ownership)	Segment
1/8/2024	Slocum & Sons	Allan S Goodman and Eder Brothers Inc.	Strategic
1/8/2024	TLC Ingredients	Shrieve (Gemspring Capital)	Hybrid
1/8/2024	Tradewind Hawaii	Foundation Building Materials (American Securities)	Hybrid
1/5/2024	Clarion Electric Supply	Schaedler Yesco Distribution	Strategic
1/2/2024	Friendship Brick and Stone	Credo Private Capital	Private Equity
1/2/2024	Insight Distributing	Imperial Dade (Advent International)	Hybrid
1/2/2024	Kovalsky-Carr Electric Supply	United Electric Supply	Strategic
1/2/2024	Portland Safe	Everon (GTCR)	Hybrid
1/2/2024	Stucco Master Supply	Foundation Building Materials (American Securities)	Hybrid
1/1/2024	Edge (Marketing & Procurment)	Affiliated Distributors	Strategic
1/1/2024	Groupe Del Vasto	O'Reilly Automotive Stores	Strategic

Represents platform acquisition

Source: FRED, Pitchbook, Capital IQ, Wall Street Research

DISTRIBUTION INDUSTRY UPDATE

Distribution Leadership Team



Mike Brown
Managing Director
mbrown@chartercapitalpartners.com

Mike has 20 years of experience as a financial advisor to business owners, capital providers, and executive teams in a variety of M&A and financing transactions. He has advised both publicly and privately held businesses ranging in size from \$10 million to \$500 million of Enterprise Value.

Mike leads the M&A team at Charter, representing business owners through the most important transaction of their lives. He has significant investment banking experience and has advised on transactions valued at \$3 billion in aggregate. Mike has excelled in executing complex transactions to meet short deadlines. Prior to Charter Capital Partners, Mike worked for a bulge bracket investment bank in Chicago for 10 years with a focus on large (> \$300 million revenue) privately held businesses.

Mike earned a BS in Finance from the University of Colorado, Leeds School of Business, and received an MBA with Honors, from the University of Chicago, Booth School of Business. He has attained FINRA securities registrations including the Series 7, 63, and 82.



Justin Pinto
Vice President
jpinto@chartercapitalpartners.com

Justin is a Vice President in the Mergers and Acquisitions practice. In his current role, Justin is responsible for managing and executing M&A client engagements and assists in leading Charter's distribution practice.

Justin's investment banking experience includes advising clients in M&A advisory, private capital raising, and strategic consulting for businesses across a variety of industries including distribution, industrial services, and healthcare. He has advised businesses ranging in size from \$10 million to \$100 million in enterprise value.

A native of Michigan, Justin received his BA in Business with a minor in Organizational Leadership from Hope College in 2018. Justin is an active member in the community and is currently a member of ACG Western Michigan and the Van Andel Institute JBoard.

Select Charter Distribution Expertise

A leading regional supplier of industrial products and repair services headquartered in Phoenix Arizona

Has been acquired by

A portfolio company of

Charter principals served as the exclusive M&A advisor to Unicoa

A leading wholesaler of contact lens, optical, and pet medication products based in Fort Lauderdale, Florida.

Completed a recapitalization through

Charter principals served as exclusive M&A advisor to Allied Vision Group.

JOHN A. VAN DEN BOSCH CO.

A leading wholesale distributor of premium pet food, supplies, livestock feed, and related products headquartered in Holland, MI.

Has been acquired by

Charter principals served as exclusive M&A advisor to John A. Van Den Bosch.

A manufacturing and distribution company headquartered in Muskegon, Michigan.

Has been acquired by

Charter principals served as exclusive M&A advisor to Fleet Engineers.

A plumbing and waterworks distribution company based in South Bend, Indiana.

Has been acquired by

Charter principals served as exclusive M&A advisor to Underground Pipe and Valve.

Some of the transactions listed were performed by principals of Charter acting in their capacity as registered representatives of M&A Securities Group, Inc., Member FINRA/SIPC, a separate entity from Charter Capital Partners.



About Charter

Founded in 1989, Charter Capital Partners is a premier investment banking firm headquartered in Grand Rapids, Michigan. We offer a comprehensive range of investment banking advisory services, including buy-side and sell-side M&A, succession planning, business valuation, and capital raise.

Charter was named one of the top 100 most referred middle-market advisory firms in the US, according to a survey of 1,000 private equity firms, strategic acquirers, and family offices compiled by Axial, a network of middle market investors, advisors, and CEOs. Our mission is to deliver superior professional guidance throughout the complete business lifecycle.

Advisory Services Snapshot

Type	Expertise
M&A Advisory	<ul style="list-style-type: none">Go-to-market sell-side advisoryBuy-side growth strategiesExit planningFairness opinions
Capital Raise	<ul style="list-style-type: none">Equity or debt capital raiseDividend recapitalizationSolvency opinionsMinority investors
Valuation Opinions	<ul style="list-style-type: none">Buy-sell agreementsGift, estate, and income tax mattersShareholder disputesPurchase price allocations
Capital Management	<ul style="list-style-type: none">Licensed Fund ManagementRegistered Investment Advisers

Broker dealer services offered through M&A Securities Group, Inc., Member FINRA/SIPC, a separate entity from Charter Capital Partners. The testimonials presented may not be representative of the experience of other clients and are not indicative of future performance or success.

Charter Advisory Team

John Kerschen

*President and Managing Partner
jkerschen@chartercapitalpartners.com*

Mike Brown

*Partner and Managing Director
mbrown@chartercapitalpartners.com*

Mike Palm

*Partner and Managing Director
mpalm@chartercapitalpartners.com*

Mark Streekstra

*Partner and Managing Director
mstreekstra@chartercapitalpartners.com*

Hector Bultynck

*Managing Director
hbultynck@chartercapitalpartners.com*

Jenny Dakoske

*Director
jdakoske@chartercapitalpartners.com*

Zach Wiersma

*Director
zwiersma@chartercapitalpartners.com*

Elisa Berger

*Vice President
eberger@chartercapitalpartners.com*

AJ Ebels

*Vice President
aebels@chartercapitalpartners.com*

Justin Pinto

*Vice President
jpinto@chartercapitalpartners.com*

Michael Pohl

*Associate
mpohl@chartercapitalpartners.com*

Keegan Ensing

*Sr. Analyst
kensing@chartercapitalpartners.com*

Drew Dow

*Analyst
ddow@chartercapitalpartners.com*

Travis Read

*Analyst
tread@chartercapitalpartners.com*

Dylan Stenzinger

*Analyst
dstenzinger@chartercapitalpartners.com*