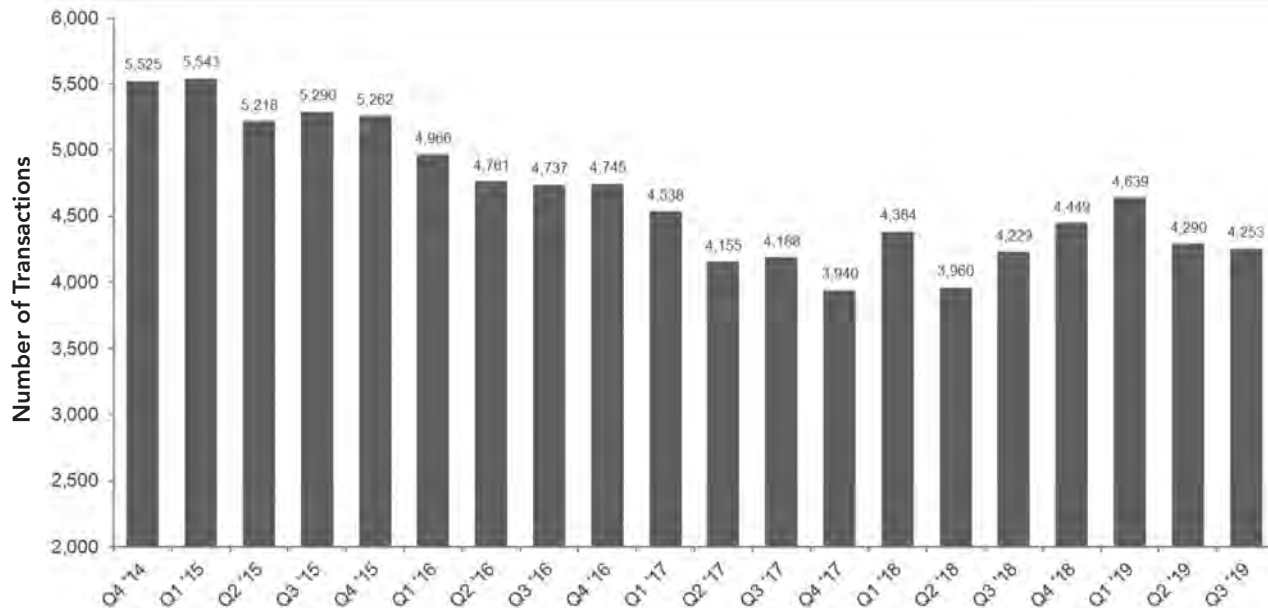


Third Quarter 2019 Financial Metrics & Trading Multiples

Domestic M&A Activity – All Industries

This chart shows the number of transactions announced each quarter for the last five years.



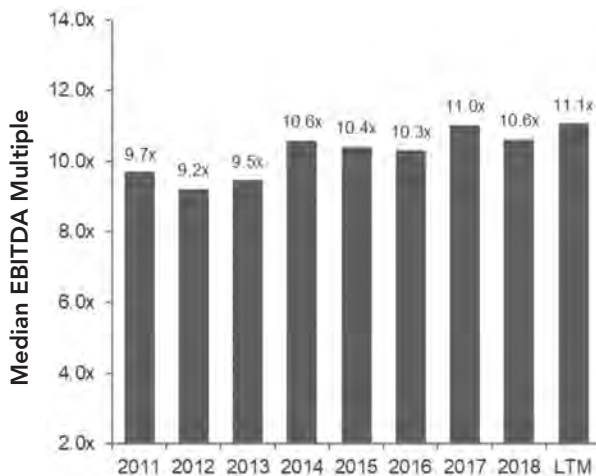
Data Source: Houlihan Lokey, Thomson Reuters, S&P Capital IQ, as of 9/30/2019.

Notes: Represents reported M&A activity across all industries, not just distribution. Excludes debt tender offers, private placements, equity carve-outs, exchange offers, loan modifications, and open market repurchases.

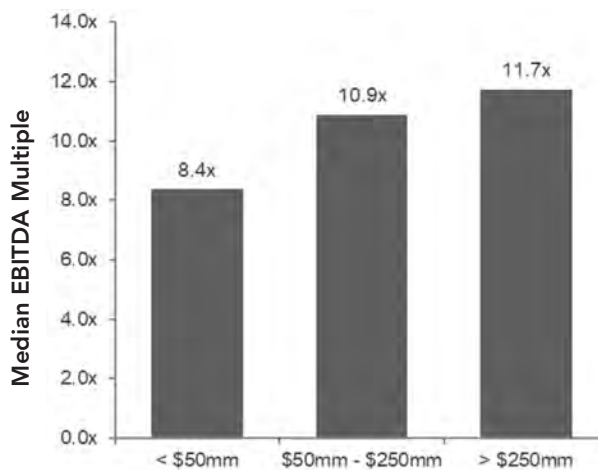
Median EBITDA Transaction Multiples – All Industries

The charts below shows the median EBITDA transaction multiples by year, as well as segmentation of multiples by enterprise value for the last 12 months.

By Year



By Deal Size - 2019



Data Source: Houlihan Lokey, Thomson Reuters, S&P Capital IQ, as of 9/30/2019.

Notes: Represents reported M&A activity across all industries, not just distribution. Based on U.S. deals and excludes multiples below 0.0x and above 25.0x.

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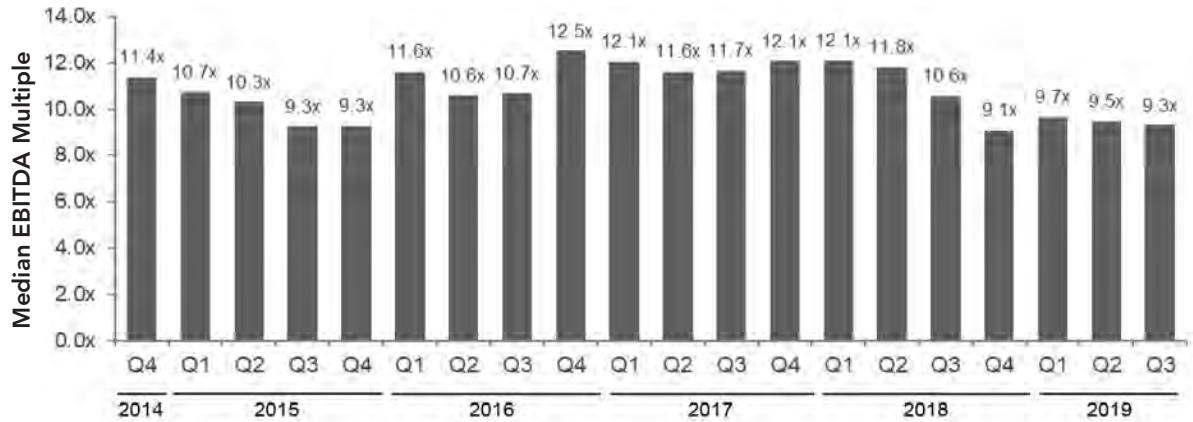
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Distribution Financial Metrics and Trading Multiples

(Data as of September 30, 2019)

The chart below illustrates historical median EBITDA multiples for the below companies calculated using LTM EBITDA as of the quarter shown and the enterprise value as of the last day of the quarter.



The table below highlights key financial metrics and trading multiples for 32 distributors across diverse end markets. LTM means latest 12 months. Enterprise Value means market capitalization of a company's equity plus preferred stock plus total interest bearing debt net of any cash or cash equivalents. EBITDA means earnings before interest, taxes, depreciation and amortization. In certain cases earnings have been adjusted for certain disclosed income or expense items considered to be non-recurring.

Company	Ticker	Enterprise Value	LTM Sales	LTM Sales Growth	LTM Margins		Working Capital/LTM Sales	ROIC	EV/LTM EBITDA
					Gross	EBITDA			
Anixter International Inc.	AXE	\$3,817	\$8,669	6.6%	19.9%	4.8%	19.3%	7.3%	9.1x
Applied Industrial Technologies, Inc.	AIT	3,045	3,473	13.0%	29.0%	9.5%	19.2%	9.2%	9.2x
Arrow Electronics, Inc.	ARW	9,794	29,909	4.3%	12.0%	4.1%	16.0%	7.5%	8.0x
Avnet, Inc.	AVT	5,709	19,519	2.5%	12.7%	4.1%	20.8%	6.4%	7.2x
Beacon Roofing Supply, Inc.	BECN	5,613	7,011	NM	19.0%	6.6%	19.0%	2.4%	12.1x
Bluelinx Holding Inc.	BXC	1,001	2,878	NM	11.9%	3.8%	16.0%	1.7%	9.0x
BMC Stock Holdings, Inc.	BMCH	2,061	3,622	1.9%	25.7%	6.7%	11.1%	8.5%	8.5x
Builders FirstSource, Inc.	BLDR	4,078	7,470	0.3%	26.4%	6.7%	8.7%	10.3%	8.2x
Bunzl	BNZL	11,652	11,652	5.2%	24.5%	7.1%	8.7%	8.5%	13.4x
DXP Enterprises, Inc.	DXPE	896	1,264	13.4%	27.4%	7.9%	19.2%	8.0%	8.9x
Fastenal Company	FAST	19,295	5,288	9.7%	47.4%	22.6%	35.0%	22.0%	16.1x
Ferguson	WOS	18,444	22,010	6.1%	29.4%	8.0%	8.8%	14.7%	10.5x
Foundation Building Materials	FBM	1,366	2,133	3.5%	29.4%	8.0%	14.3%	5.3%	8.0x
Genuine Parts Company	GPC	18,939	18,998	7.3%	32.3%	7.5%	12.4%	9.6%	13.3x
GMS, Inc.	GMS	2,462	3,185	NM	32.4%	9.1%	16.2%	5.5%	8.5x
HD Supply	HDS	9,002	6,175	11.4%	39.2%	13.4%	16.2%	11.9%	10.9x
Houston Wire & Cable Company	HWCC	164	349	1.9%	24.1%	4.4%	38.4%	4.5%	10.7x
Lawson Products	LAWS	364	362	9.4%	53.6%	4.5%	15.2%	5.4%	NM
MRC Global Inc.	MRC	2,267	4,034	10.6%	17.3%	5.0%	23.0%	4.5%	11.2x
MSC Industrial Direct Co., Inc.	MSM	4,501	3,359	7.7%	42.8%	15.7%	27.9%	14.8%	8.5x
NOW Inc.	DNOW	1,305	3,147	8.3%	20.2%	4.0%	21.4%	3.9%	10.3x
Park-Ohio Holdings Corp.	PKOH	987	1,656	6.4%	16.2%	8.5%	25.0%	6.9%	7.0x
Pool Corp.	POOL	8,859	3,073	6.1%	29.3%	11.6%	22.7%	18.9%	24.8x
Reliance Steel & Aluminum Co.	RS	8,709	11,629	10.0%	28.1%	10.0%	22.2%	8.4%	7.5x
Rexel	RXL	6,674	14,998	3.1%	25.5%	4.8%	12.6%	5.2%	9.3x
SiteOne	SITE	3,896	2,223	12.4%	32.7%	7.5%	25.5%	6.6%	23.5x
W.W. Grainger	GWW	18,506	11,286	3.6%	38.6%	14.6%	16.6%	19.8%	11.2x
Watsco Inc.	WSO	7,042	4,590	3.1%	24.6%	8.4%	24.4%	11.9%	18.3x
Wesco Aircraft Holdings	WAIR	1,879	1,671	9.6%	24.6%	8.4%	57.7%	4.5%	13.4x
WESCO International, Inc.	WCC	3,634	8,190	1.2%	19.3%	5.0%	18.2%	6.1%	8.9x
Median		3,987	4,312	6.4%	26.1%	7.5%	19.1%	7.4%	9.3x

Data Source: Houlihan Lokey, Thomson Reuters, S&P Capital IQ, Bloomberg & company financials.