



Quarterly Update

- Acquisition activity in the Industrial Distribution sector remained steady through August 2022. Flow controls and building products distributors were attractive targets. Private equity backed strategic buyers were the primary drivers of volume.
- Strategic acquirer, Winsupply, completed another acquisition in July. This is Winsupply's fifth acquisition in the last twelve months and third in the last six months.
- EdgePoint's Industrial Distribution Index slightly outperformed the S&P 500 in June but traded in line with the broader market in July and August.
- Consumer confidence had a slight recovery in August, coming off all time lows in July. The Industrial Production index continued to be strong, above its 10-year average.
- EdgePoint expects deal volume in the industrial distribution subsector to remain steady in the second half of 2022. The Federal Reserve implemented its third consecutive rate hike this week. The 75-basis point increase should provide more certainty for buyers and lenders going forward. Key issues to watch include inflation, consumer confidence, and the coming mid-term elections.

Recent Industrials Transactions (Selected)



For more information and insights, please contact the EdgePoint Industrials Group:



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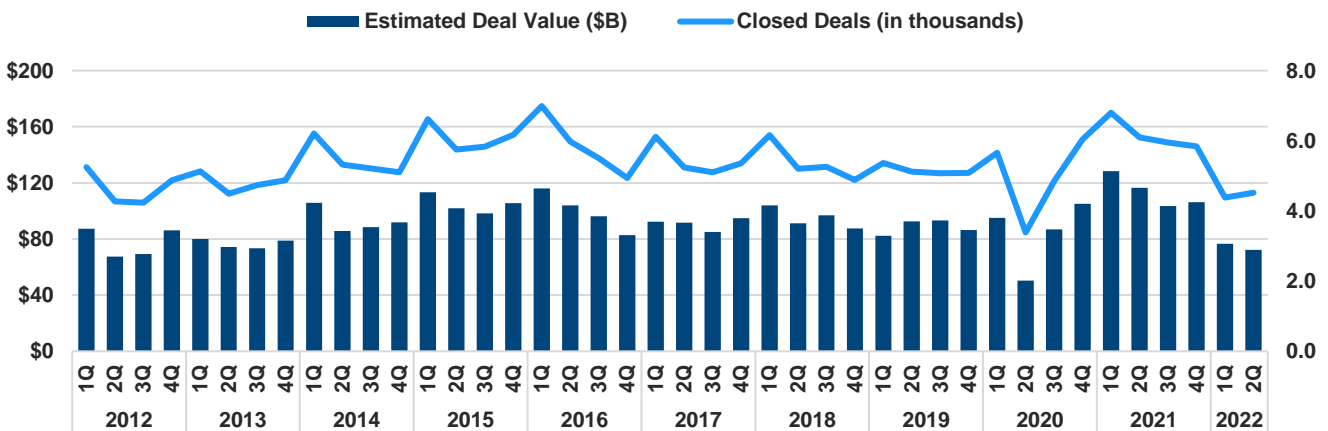
Industrials: Industrial Distribution | August 2022

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Controlled Temp Supply, LLC	Aug 29	Ed's Supply Company, Inc.	United States	Strategic
Prime Surfactants Limited	Aug 23	Brenntag SE	EMEA	Strategic
Fischer Pump & Valve Company	Aug 22	Tencarva Machinery Company Inc.	United States	Financial-Backed Strategic
Jergens Industrial Supply, Inc.	Aug 22	Berkshire Production Supply LLC	United States	Financial-Backed Strategic
Cape Cod Stone & Masonry Supply, Inc.	Aug 12	SiteOne Landscape Supply, Inc.	United States	Strategic
Distribution Business of Avient Corporation	Aug 12	H.I.G. Capital, LLC	United States	Financial
Risoul y Cia, S.A. de C.V.	Aug 10	Allied Electronics, Inc.	Mexico	Strategic
Southern Fasteners & Supply, LLC	Aug 2	Park-Ohio Holdings Corp.	United States	Strategic
Waterpro Supplies, Inc.	Aug 2	Dakota Supply Group, Inc.	United States	Strategic
Walker Industrial Products Inc.	Aug 2	Graybar Electric Company, Inc.	United States	Strategic
Kiwi Pipe and Fittings Limited	Aug 1	Steel & Tube Holdings Limited	EMEA	Strategic
Tower Fasteners Co., Inc.	Aug 1	All Integrated Solutions	United States	Strategic
Cheminée Lining.E inc.	Jul 26	ICC Industrial Chimney Company Inc.	Canada	Strategic
Cornerstone Supply Inc.	Jul 14	BlackHawk Industrial Distribution, Inc.	United States	Financial-Backed Strategic
Vacuum Pump Spares Limited	Jul 13	Vacuum and Atmosphere Services Ltd.	EMEA	Strategic
Horizon Solutions LLC	Jul 8	Rexel USA, Inc.	United States	Strategic
Romar Supply, Inc.	Jul 1	Winsupply Inc.	United States	Strategic
Total Temperature Instrumentation, Inc.	Jun 30	Fluid Flow Products, Inc.	United States	Financial-Backed Strategic
Hughes Enterprises	Jun 22	Envoy Solutions, LLC	United States	Strategic
Ipotec LLC	Jun 22	Marco Rubber & Plastics, LLC	United States	Financial-Backed Strategic
Skarda Equipment Company, Inc.	Jun 15	Certified Power Solutions, Inc.	United States	Strategic
A. P. Supply Co.	Jun 14	Ferguson Enterprises, LLC	United States	Strategic
Store Room Fasteners, Inc.	Jun 13	Endries International, Inc.	United States	Financial-Backed Strategic
Specialty Valve Group, LLC	Jun 9	Marshall Excelsior Company	United States	Financial-Backed Strategic
W.A.Bragg & Company, Inc.	Jun 2	Plumbing Distributors, Inc.	United States	Strategic
Complete Supply, Inc.	Jun 1	Beacon Roofing Supply, Inc.	United States	Strategic
Ace Steel Supply, Inc.	May 31	Commercial Steel Products LLC	United States	Strategic

Source: S&P Capital IQ (August 31, 2022)

Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook (August 31, 2022)

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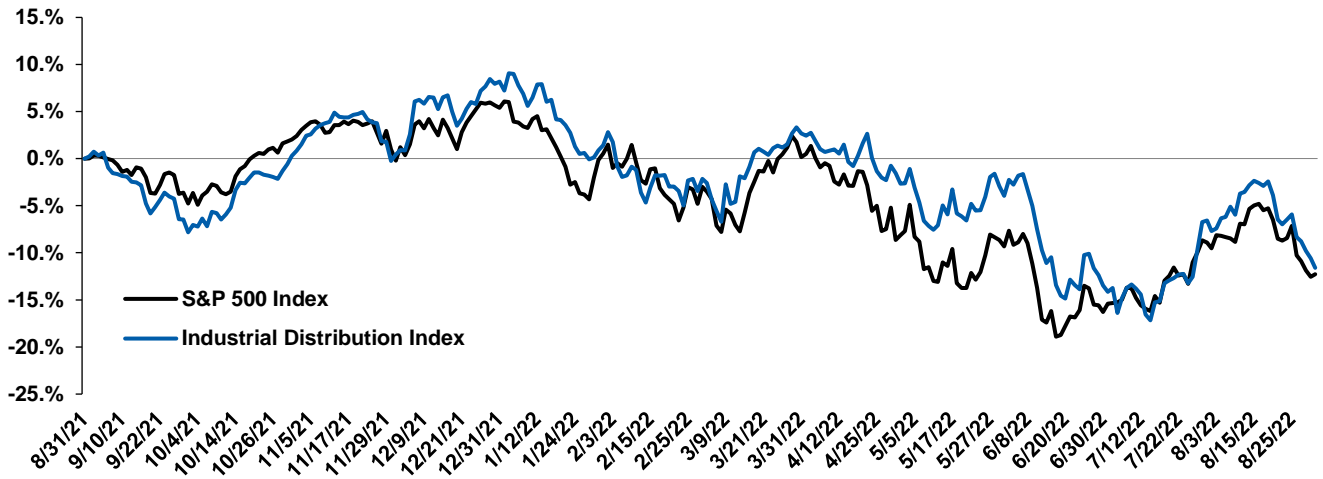
EdgePoint Public Comparable Index Constituents

Industrial Distribution Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E		LTM	3-Yr. CAGR		
Applied Industrial Technologies, Inc.	\$ 4,697	29.0%	10.8%	\$ 411	\$ 433	10.3x	10.8x	\$ 3,811	17.8%	3.1%	\$ 106.02	87.5%
DXP Enterprises, Inc.	886	29.2%	7.4%	94	113	7.5x	7.8x	1,270	29.0%	0.2%	26.58	73.3%
Fastenal Company	29,440	46.5%	23.4%	1,535	1,605	17.6x	18.3x	6,569	15.3%	8.2%	50.33	77.7%
Ferguson plc	27,882	30.9%	11.1%	3,009	3,083	9.7x	9.0x	27,162	27.8%	7.6%	116.23	73.2%
L'Air Liquide S.A.	80,658	55.7%	23.5%	6,550	7,146	12.2x	11.2x	27,907	26.8%	7.0%	126.10	81.6%
MRC Global Inc.	1,718	16.5%	3.2%	96	231	12.7x	7.4x	2,961	20.4%	-9.8%	9.73	72.4%
MSC Industrial Direct Co., Inc.	5,268	42.2%	14.4%	503	565	10.0x	9.3x	3,501	10.8%	1.4%	79.21	90.0%
NOW Inc.	1,138	22.9%	5.4%	102	147	8.9x	7.7x	1,883	33.9%	-15.7%	12.12	90.4%
SPX Technologies, Inc.	2,630	35.0%	9.5%	124	214	19.2x	12.3x	1,297	8.3%	-5.2%	57.06	83.6%
W.W. Grainger, Inc.	30,931	37.5%	15.1%	2,145	2,274	13.9x	13.6x	14,215	16.0%	8.0%	554.94	94.3%
Watsco, Inc.	10,438	27.9%	11.5%	799	874	11.5x	12.2x	6,952	22.5%	14.8%	272.03	85.3%
WESCO International, Inc.	12,008	21.3%	6.6%	1,328	1,646	7.6x	7.3x	19,996	18.3%	34.7%	131.68	91.2%
Median		30.0%	10.9%	651	720	10.9x	10.1x	5,190	19.3%	5.1%	92.62	84.4%
Mean		32.9%	11.8%	1,391	1,528	11.8x	10.6x	9,794	20.6%	4.5%	128.50	83.4%

Source: S&P Capital IQ (August 31, 2022)

EdgePoint Comparable Index Trailing Twelve Months Stock Performance

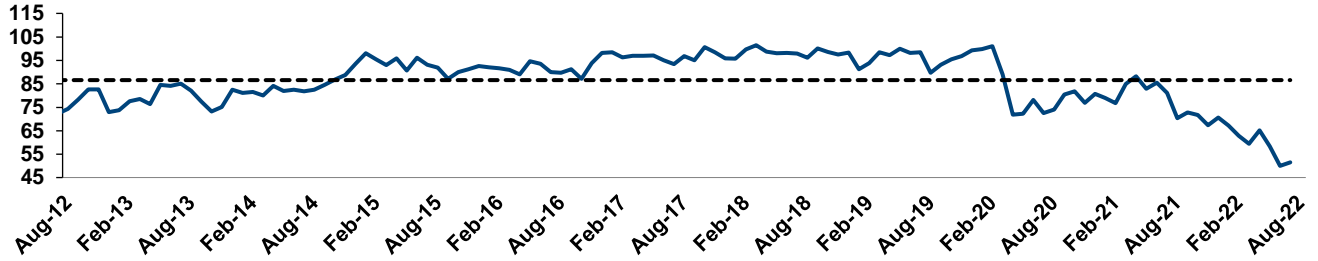


Source: S&P Capital IQ (August 31, 2022)

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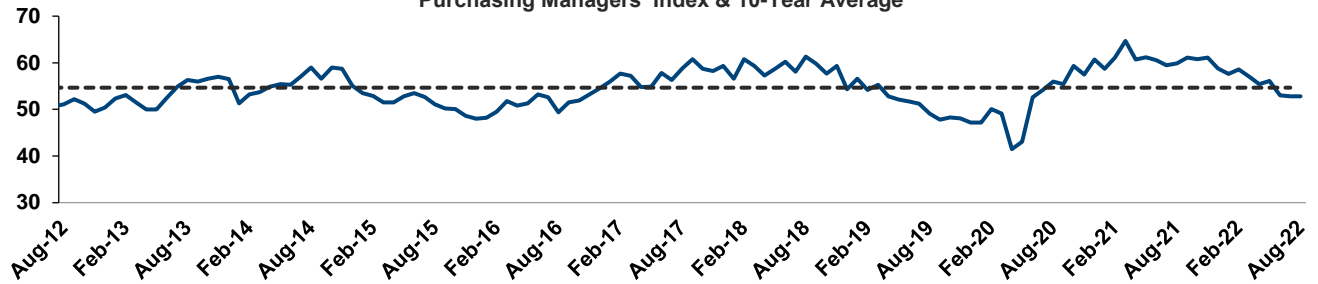
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



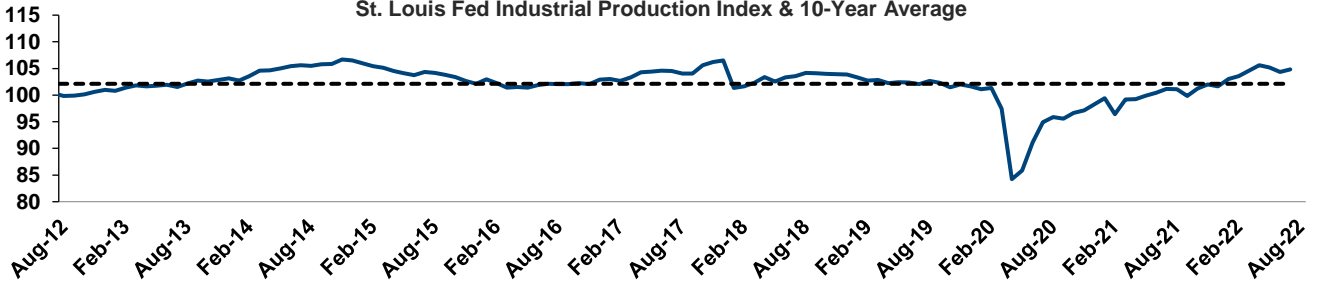
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



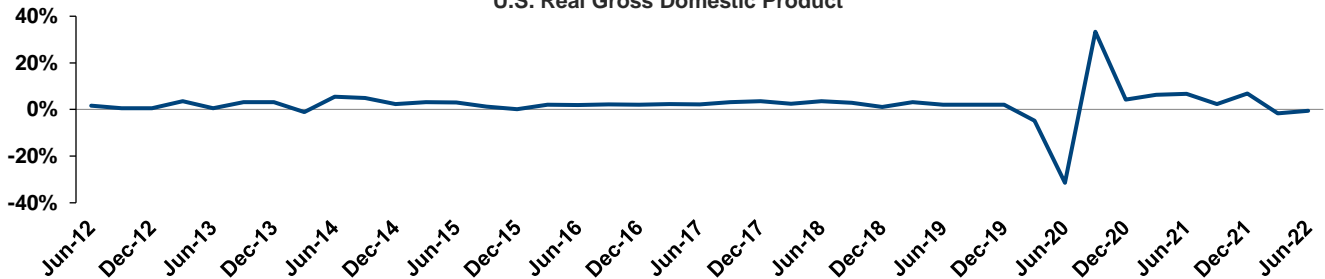
Source: Institute for Supply Management

St. Louis Fed Industrial Production Index & 10-Year Average



Source: The Federal Reserve Bank of St. Louis

U.S. Real Gross Domestic Product



Source: Bureau of Economic Analysis