



Quarterly Update

- Acquisition activity in the Industrial Distribution subsector remained strong over the prior three months. Volume was predominantly driven by strategic and financial-backed acquirers.
- Beijer Ref, a Sweden-based commercial HVAC and refrigeration distributor, completed its acquisition of Wittichen Supply Company – a US based competitor – for \$1.27 billion. This marks Beijer Ref’s third acquisition since November 2022 and seventh over the last twelve months.
- EdgePoint’s Industrial Distribution Index has outperformed the broader market by 22% during the twelve months ended February 2023.
- The ISM Purchasing Managers Index increased to 47.7 in February from 47.4 in January, following several months of declines.
- EdgePoint expects deal volume in the Industrial Distribution subsector to remain stable in 2023. Key economic issues to watch are U.S. first-quarter GDP growth and the impact of the stabilization of global supply chains.

Recent Industrials Transactions (Selected)

JML OPTICAL
Custom Optics • Precision Eyewear
a portfolio company of
Five Points CAPITAL
has been acquired by
THORLABS

SMEDE-SON STEEL
Established 1954
& Supply Company, Inc.
has been acquired by
CREDO
PRIVATE CAPITAL
and
LEELANAU
PRIVATE CAPITAL

SURPLUS CITY
HVAC & SUPPLIES
has been acquired by
FOXHOLE
EQUITY

PI PRINCE IZANT
CUSTOMER FOCUSED. SOLUTION DRIVEN.
has been
recapitalized by
INDUSTRIAL GROWTH PARTNERS

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



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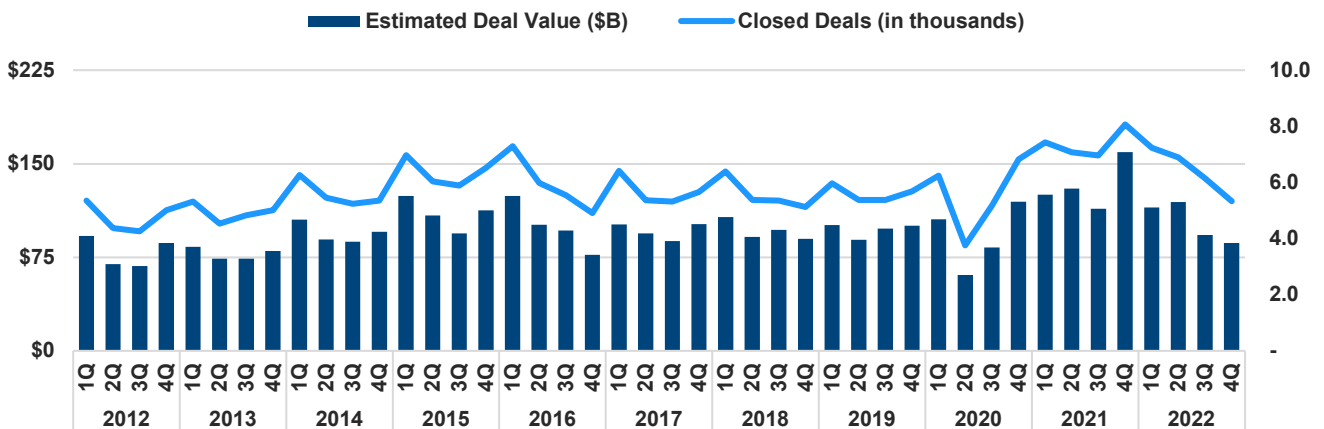
Industrials: Industrial Distribution | February 2023

Recent Industrial Distribution Transactions (Selected)

Target	Date	Buyers / Investors	Region	Strategic / Financial
J.G. Tucker & Son Inc.	Feb 28	Mallory Safety and Supply, Inc.	United States	Strategic
YESCO Electrical Supply, Inc.	Feb 15	Schaedler Yesco Distribution Inc.	United States	Strategic
BlumbergExcelsior, Inc.	Feb 14	ViaTech Publishing Solutions, Inc.	United States	Strategic
Neckar Forklifts Limited	Feb 14	Briggs Equipment UK Ltd	EMEA	Strategic
P.F. Markey, Inc.	Feb 10	AFC Industries, Inc.	United States	Financial-Backed Strategic
Petro Supply, LLC	Feb 9	SPATCO Energy Solutions, LLC	United States	Financial-Backed Strategic
Aero-Glen International, LLC	Feb 7	Wencor Group, LLC	United States	Financial-Backed Strategic
Ace Sprinkler Company	Feb 7	CertaSite	United States	Financial-Backed Strategic
Industrial Valco, Inc.	Feb 1	Texas Pipe & Supply Co. Ltd.	United States	Strategic
Focus Packaging and Supply Co.	Feb 1	Imperial Dade Intermediate Holdings, LLC	United States	Financial-Backed Strategic
Capital Paper Products Limited	Jan 31	Bunzl plc	Canada	Strategic
LED Supply Co., LLC	Jan 26	Applied UV, Inc.	United States	Strategic
FloWorks International, LLC	Jan 23	Wynnchurch Capital, L.P	United States	Financial
Pace Material Handling, Inc.	Jan 19	The Miner Corporation	United States	Financial-Backed Strategic
Motor City Industrial, LLC	Jan 16	AFC Industries, Inc.	United States	Strategic
S.P. Richards Company	Jan 11	Central National Gottesman Inc.	United States	Strategic
Dynalab Corp.	Jan 10	Calibre Scientific, Inc.	United States	Financial-Backed Strategic
Buckles-Smith Electric Co.	Jan 5	Rexel USA, Inc.	United States	Strategic
Hajoca Corporation	Jan 5	Gustave A. Larson Company, Inc.	United States	Strategic
Holt Electrical Supplies, Inc.	Jan 4	Springfield Electric Supply Company	United States	Strategic
McWaters, Inc.	Jan 1	Young Office Supply Co	United States	Strategic
Tanner Bolt & Nut Corp.	Dec 30	GMS Inc.	United States	Strategic
Unisan Ohio, LLC (nka:Indecca, LLC)	Jan 0	Acorn Distributors, Inc.	United States	Strategic
Arrow Terminal LLC	Dec 29	Federal Marine Terminal, Inc.	United States	Strategic
Wittichen Supply Company Inc.	Dec 15	Beijer Ref AB	United States	Strategic
Classic Solutions, Inc.	Dec 1	Imperial Dade Intermediate Holdings, LLC	United States	Financial-Backed Strategic
Peerless Machinery Corp.	Dec 1	Hillenbrand, Inc.	United States	Strategic

Source: S&P Capital IQ (February 28, 2023)

Global Lower-Middle Market Quarterly Deal Flow



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

Source: Pitchbook (February 28, 2023)

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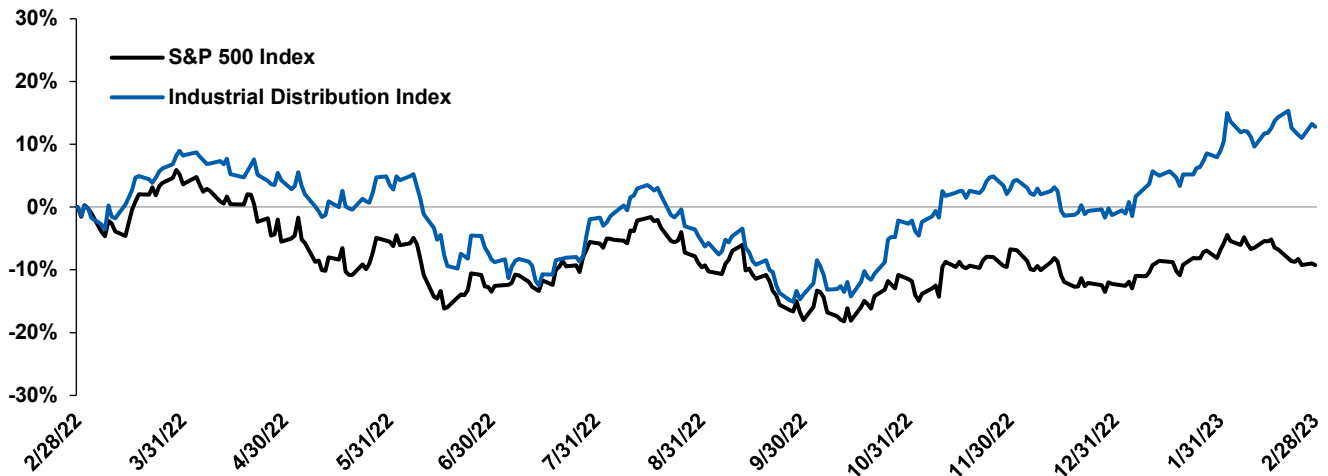
EdgePoint Public Comparable Index Constituents

Industrial Distribution Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E	LTM	LTM	3-Yr. CAGR		
Applied Industrial Technologies, Inc.	\$ 5,998	29.0%	11.4%	\$ 476	\$ 530	11.6x	11.3x	\$ 4,165	18.8%	6.4%	\$ 142.86	95.6%
DXP Enterprises, Inc.	937	28.9%	8.0%	110	114	7.0x	8.2x	1,368	29.8%	2.2%	28.91	83.2%
Fastenal Company	30,004	46.1%	23.4%	1,630	1,669	16.9x	18.0x	6,981	16.1%	9.4%	51.56	84.9%
Ferguson plc	4,059	30.5%	10.9%	3,235	3,226	9.1x	0.0x	29,694	22.6%	11.3%	119.45	95.9%
L'Air Liquide S.A.	91,005	53.9%	23.7%	7,083	7,643	12.8x	11.9x	29,934	28.3%	10.9%	150.56	98.1%
MRC Global Inc.	1,818	18.1%	5.4%	180	301	8.3x	6.0x	3,363	26.1%	-2.8%	11.20	80.6%
MSC Industrial Direct Co., Inc.	5,561	42.2%	15.0%	569	566	9.4x	9.8x	3,801	14.5%	4.2%	84.52	93.9%
NOW Inc.	1,257	23.7%	8.0%	170	189	6.5x	6.6x	2,136	30.9%	-10.2%	12.85	86.5%
SPX Technologies, Inc.	3,337	35.9%	13.0%	190	249	16.2x	13.4x	1,461	19.8%	9.1%	70.44	90.0%
W.W. Grainger, Inc.	36,484	38.4%	16.0%	2,441	2,657	14.4x	13.7x	15,228	16.9%	9.9%	668.43	97.5%
Watsco, Inc.	11,644	27.9%	11.6%	842	815	11.9x	14.3x	7,274	15.8%	15.1%	304.71	88.6%
WESCO International, Inc.	13,985	21.8%	7.8%	1,661	1,886	7.4x	7.4x	21,420	17.6%	36.8%	165.58	95.8%
Median		29.8%	11.5%	705	691	10.5x	10.6x	5,573	19.3%	9.3%	101.99	91.9%
Mean		33.0%	12.8%	1,549	1,654	10.9x	10.1x	10,569	21.4%	8.5%	150.92	90.9%

Source: S&P Capital IQ (February 28, 2023)

EdgePoint Comparable Index Trailing Twelve Months Stock Performance

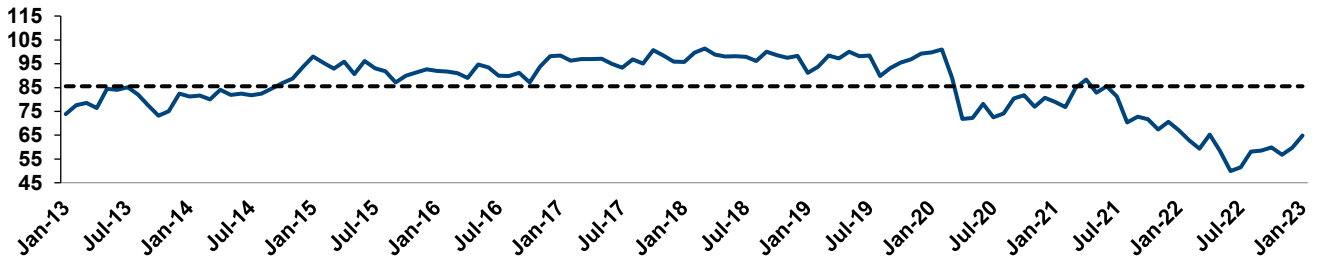


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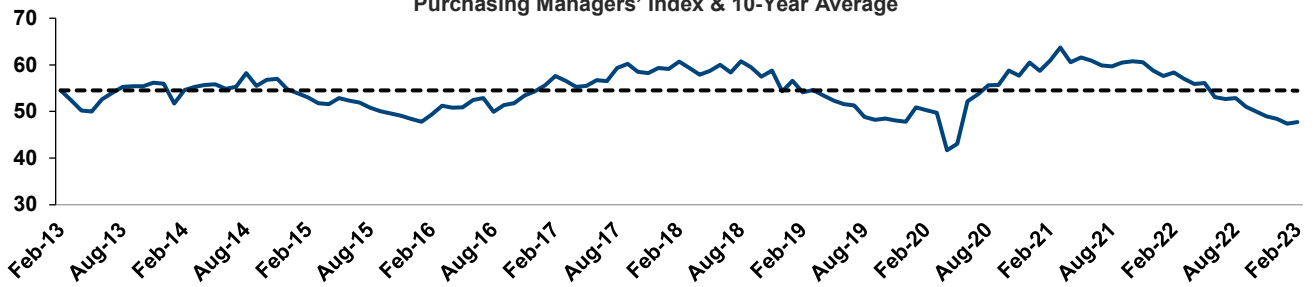
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



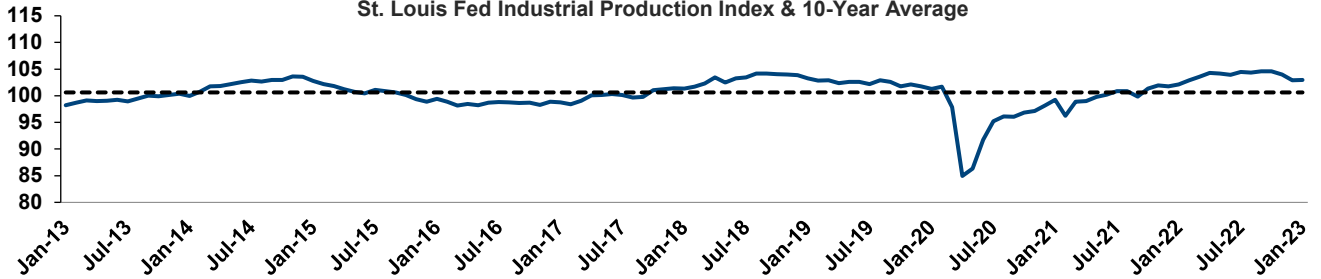
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



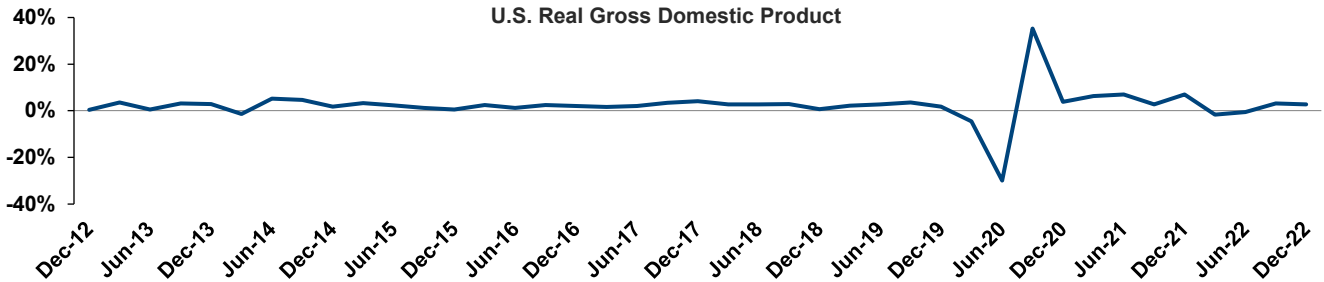
Source: Institute for Supply Management

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