

Fastener Distribution Market Update

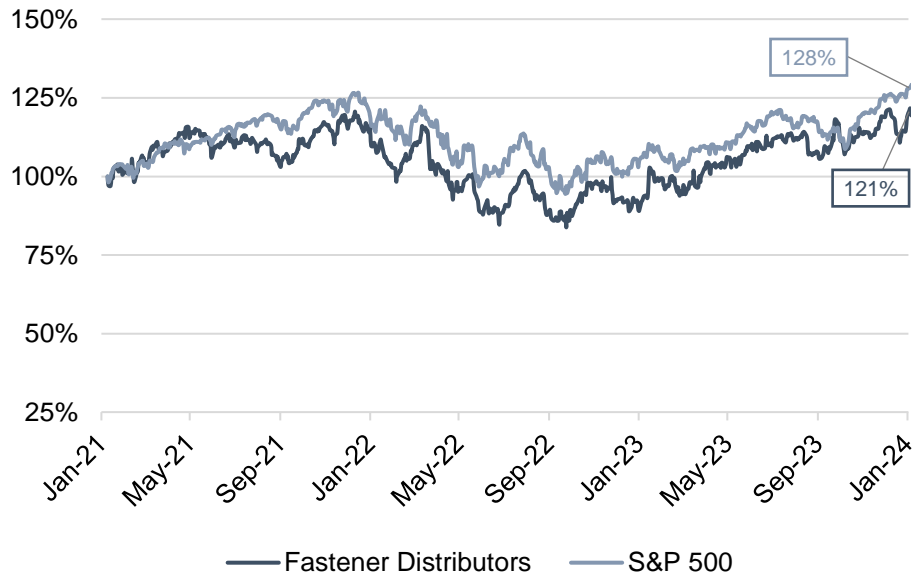
February 2024



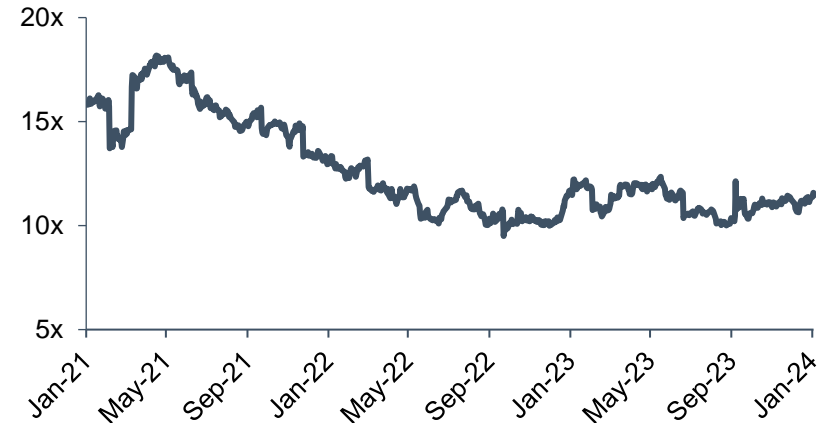
Public Market Trends

In 2023, fastener distributors demonstrated robust performance, currently trading just below the broader S&P 500

Fastener Distribution Public Market Performance



Fastener Distribution EV / EBITDA Multiples



Select Earnings Call Quote

FASTENAL

Fastenal
CFO – Holden Lewis

Fastener Distributors



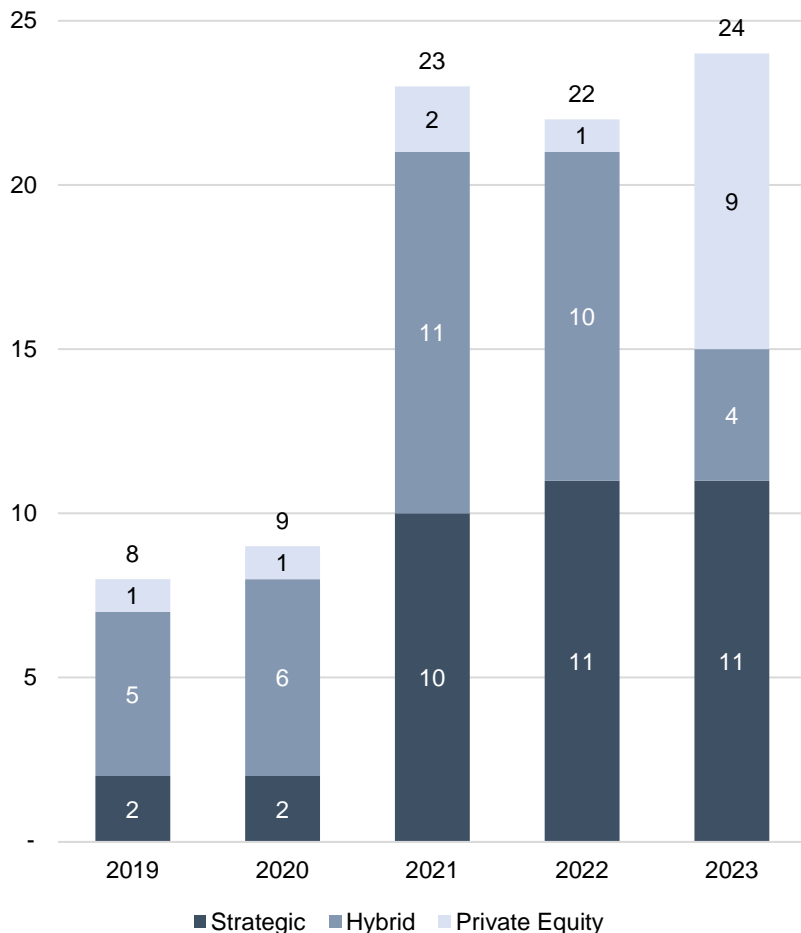
2023 Annual and Q4 Earnings Call (January 18th, 2024)

“Our manufacturing end market continues to grow but at moderating rates, while our fastener product line experienced contraction in MRO, and for the first time this cycle, OEM products. Trends in these markets and product categories tend to be more reflective of cyclical trends and are being impacted by PMI readings.”

Transaction Activity

Rapid consolidation began in recent years, driven by the emergence of private equity as well as secular tailwinds such as the reshoring of manufacturing to the US

Fastener Distribution Transactions by Type¹

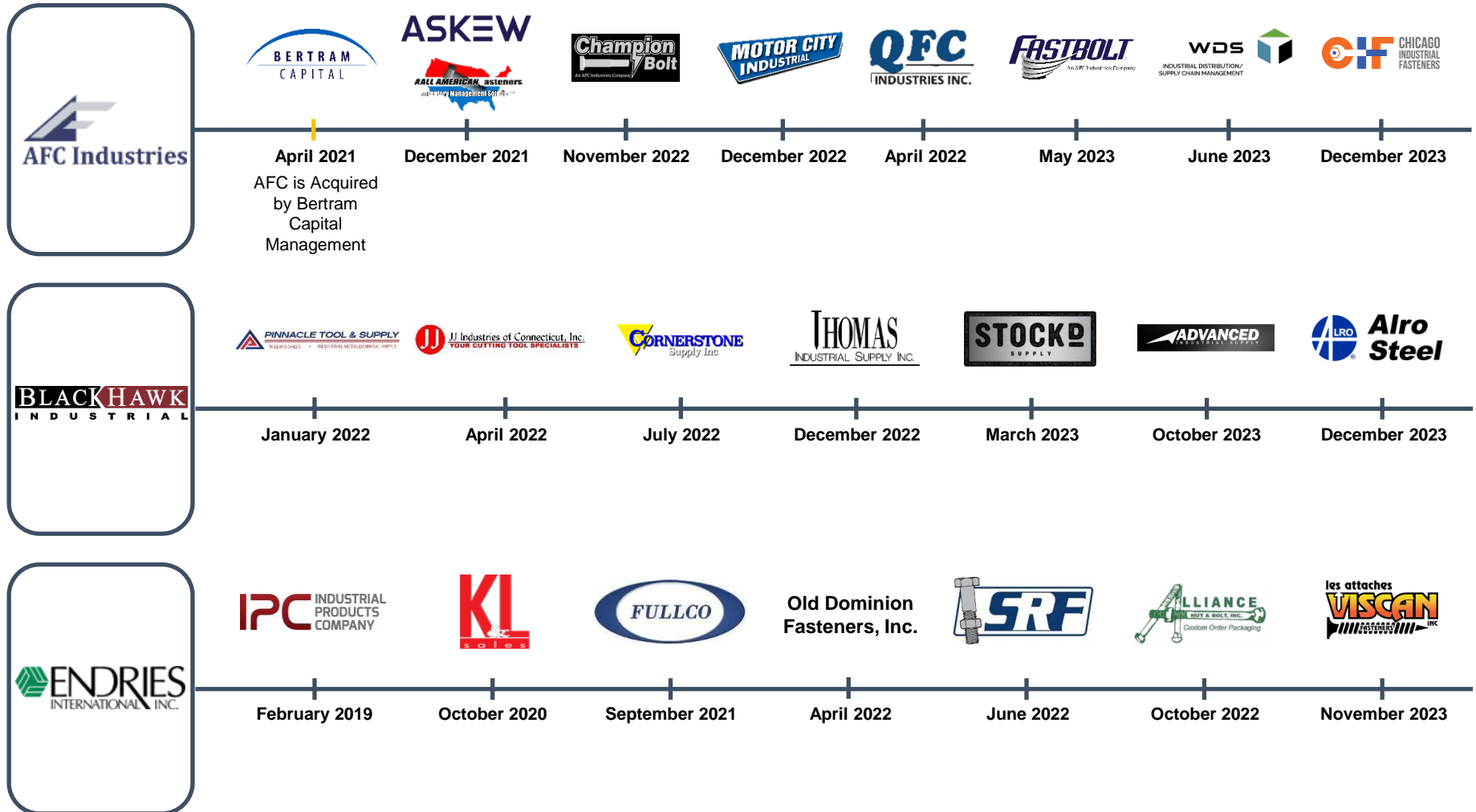


Recent Fastener Distribution Transactions

Seller	Acquirer	Date	EV / EBITDA
HI-Q FASTENERS	LINDSTROM BY JMW SPURGE	Dec. 27, 2023	Confidential
CHICAGO INDUSTRIAL FASTENERS	AFC Industries	Dec. 19, 2023	Confidential
FASCO	NEFCO	Dec. 06, 2023	Confidential
MOBILE FASTENERS	HUYETT	Dec. 01, 2023	Confidential
ClimpLizard	Curveco PRODUCTS	Nov. 01, 2023	Confidential
GILBERT & JONES	Shrieve	Oct. 24, 2023	Confidential
TIV	Earnest	Sep. 30, 2023	Confidential
ELECTRIC SUPPLY	WORLD electric A Borgeson Company	Sep. 29, 2023	Confidential
Cangro Industries, Inc.	APPLIED Industrial Technologies	Sep. 05, 2023	Confidential
ONE MONROE ELECTRONIC FASTENERS INC.	MONROE	Jul. 08, 2023	Confidential
GM	Fastener Supply	Jul. 31, 2023	Confidential
EDSCO	CNC Commercial Metals	Jul. 13, 2023	Confidential
CONNECTION SERVICE COMPANY	GREAT LAKES FASTENERS	Jul. 11, 2023	Confidential

Active Consolidators

The sector has multiple consolidators expanding through acquisitions



Specialty Distribution Coverage

Founders has focused coverage efforts on the specialty distribution sector

Specialty Distribution Coverage

Commercial and Industrial

Automotive & Heavy-Duty Aftermarket



Equipment Dealers



Fastener / MRO



Fluid Power



Foodservice



Gases & Welding Equipment



Hoses & Fittings



Janitorial & Sanitation



Specialty Chemical



Building Products

Electrical



HVACR



Landscape Supplies



Lumber & Building Materials



Pipes, Valves, & Fittings



Plumbing



Pool & Spa



Roofing



Wallboard / Gypsum



Recent Specialty Distribution Transactions



October 2023

Distributes and services heavy-duty truck and trailer parts for a regional customer base



March 2023

Distributes fasteners and strut accessories to OEM and construction end markets



March 2023

Distributes refrigeration parts and equipment to restaurants, bars, and supermarkets



September 2022

Distributes lumber and building materials to residential construction end markets



July 2022

Distributes and services industrial valves and other flow control products across the Southeast



June 2022

Distributes heavy-duty truck parts and accessories to enthusiasts via the e-commerce channel



December 2021

Distributes plumbing supplies and fixtures to residential repair and construction end markets



October 2021

Distributes pool and spa products to dealers in the Southeast

Industrials Group Overview

With expertise across many Industrial sectors, our group brings valuable knowledge, contacts, and resources to our clients

Overview

- Founders' Industrials Group consists of 16 professionals who bring a wealth of knowledge, industry expertise, and commitment to our clients
- Our Senior Bankers have over 90 years of collective experience in industry and investment banking providing expert M&A advisory services to founder-owned companies
- Our deal teams are typically comprised of four professionals that are dedicated to helping our clients navigate complex M&A transactions and achieve their strategic and personal goals

Experience Across a Wide Array of Sectors

Advanced Mfg. and Process Equipment

Facility and Industrial Services

Advanced Materials

Plastics & Packaging

Automation & IIoT

Power and Infrastructure

Connectors and Electronics

Specialty Distribution

Construction and Building Materials

Test & Measurement

Recent Transactions



December 2023



November 2023



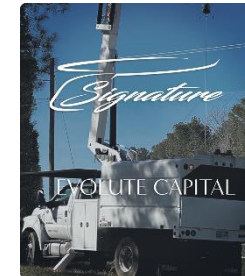
October 2023



August 2023



August 2023



March 2023



March 2023

Founders Overview

Founders utilizes proven expertise and process-based solutions to produce exceptional outcomes for our clients

- Independent merger and acquisition advisory firm focused on private businesses for the last 20 years
- Expertise across five industries that include Consumer, Healthcare, Industrials, and Technology & Business Services
- Senior bankers with decades of experience in investment banking, private equity, business development, and industry
- Headquartered in Birmingham, AL, with an additional office in Dallas, TX

FOUNDERS ADVISORS

2003

Year founded

INDUSTRY COVERAGE

Industrials



Technology



Consumer



Healthcare



Business Services



45+

Professionals

90%+

*Percentage of
clients that are
family owned*

FOUNDERS

ADVISORS

BIRMINGHAM | DALLAS

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