

Pipes, Valves, and Fittings Distribution Market Update

July 2024

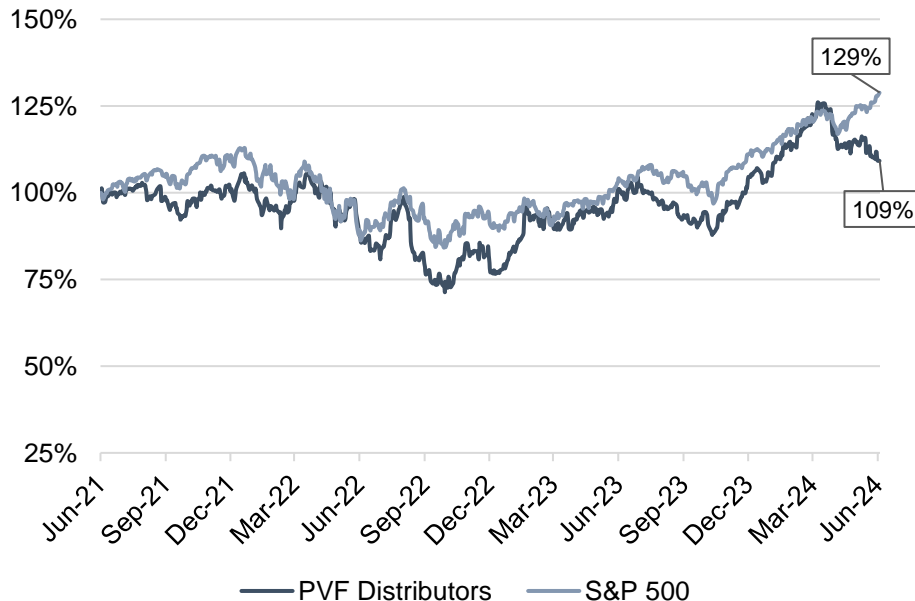
FOUNDERS
ADVISORS



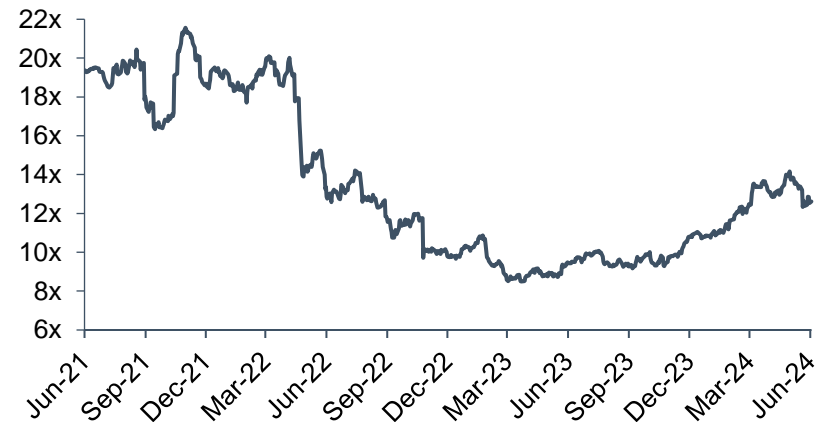
Public Market Trends

PVF wholesalers have tracked closely to the S&P 500 over the last three years

PVF Distribution Public Market Performance



PVF Distribution EV / EBITDA Multiples



Select Earnings Call Quote



Core & Main
CEO – Steve LeClair

Q1 2024 Earnings Call (June 4th, 2024)

"With an addressable market totaling \$39 billion across highly fragmented markets, we are actively managing a strong pipeline of M&A opportunities. Year-to-date, we have closed five acquisitions that offer expansion into new geographies, access to new product lines and the addition of key talent, while aligning with our strategy of advancing reliable infrastructure. The integrations of these businesses, including our largest acquisition to date, Dana Kepner, are progressing according to plan. M&A is an important component of our growth strategy and I'm proud of our team's ability to execute it so consistently."

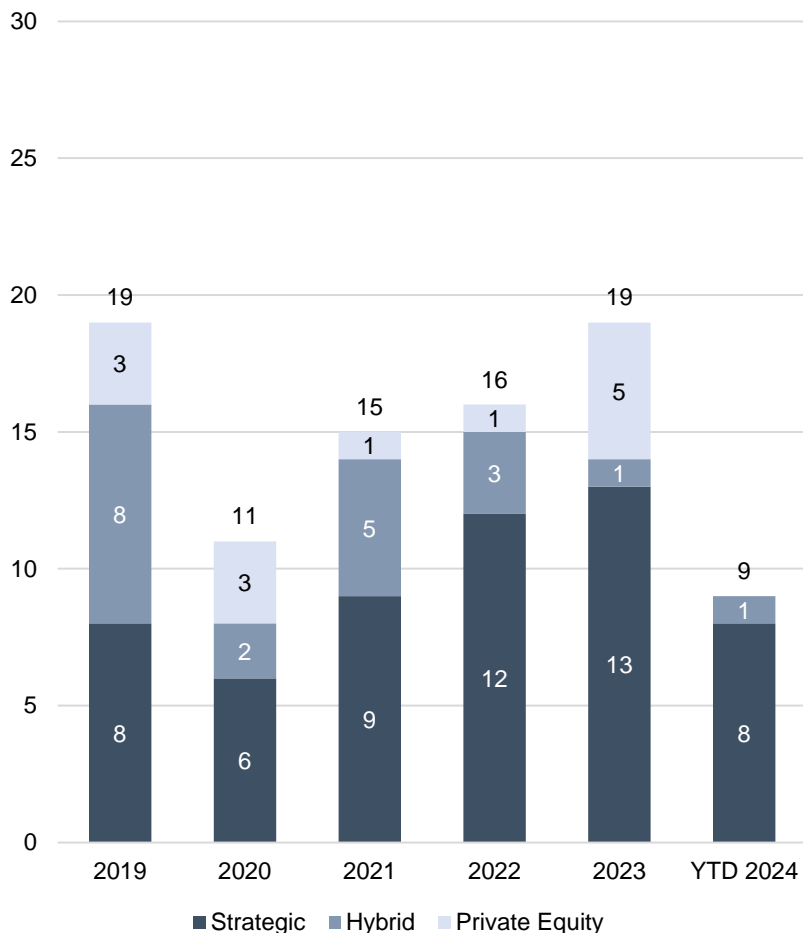
PVF Distributors



Transaction Activity

Rapid consolidation began in recent years, driven by the emergence of private equity as well as secular tailwinds increased local and municipal infrastructure investment

PVF Distribution Transactions by Type¹

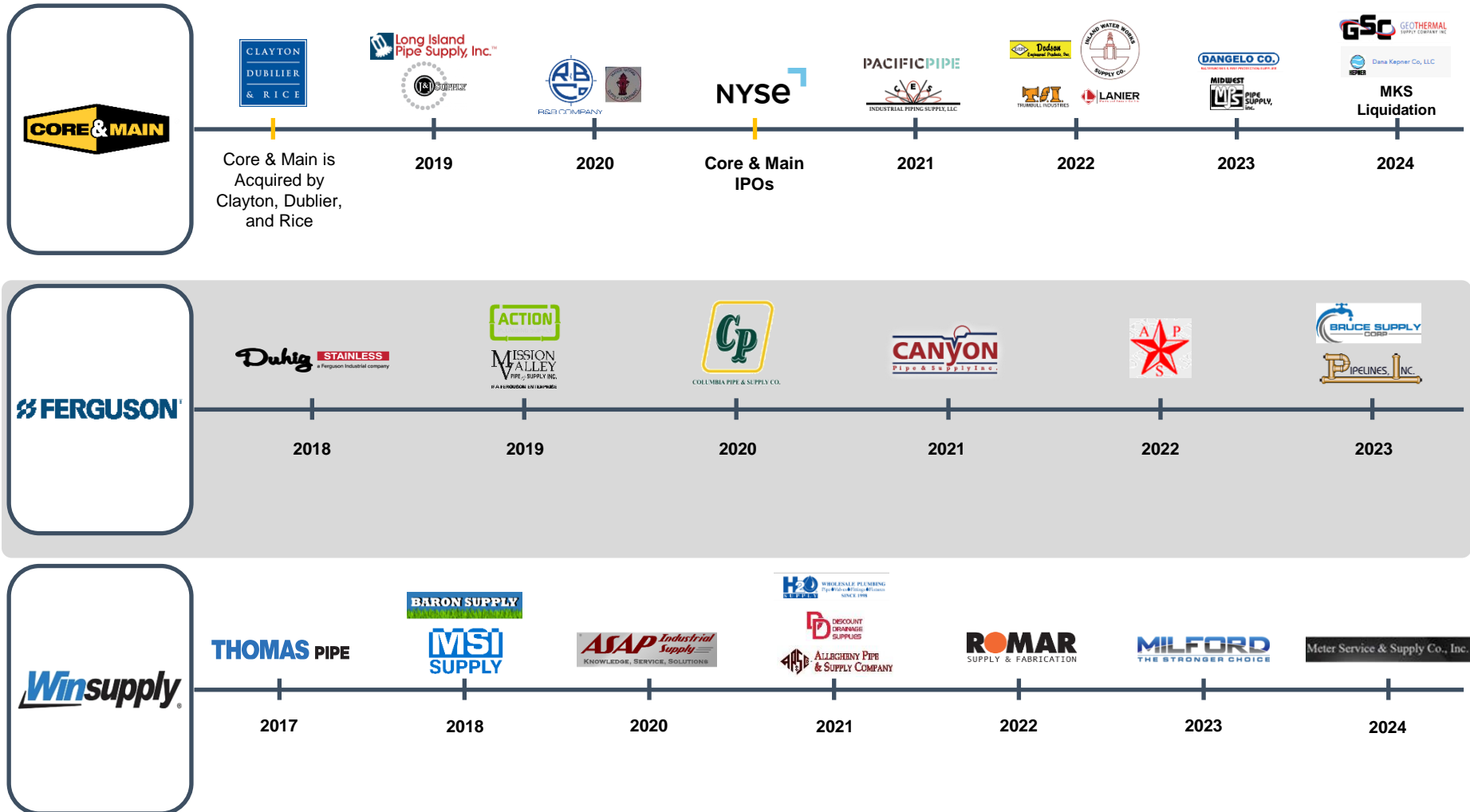


Recent PVF Distribution Transactions

Seller	Acquirer	Date
Meter Service & Supply Co., Inc.	Winsupply THE WHOLESALE PARTS & SUPPLY	May 20, 2024
WOODHILL SUPPLY, INC.	THE MACDONALD GROUP	May 13, 2024
GSC GEOTHERMAL SUPPLY COMPANY INC.	CORE & MAIN	May 6, 2024
CRYOWORKS INDUSTRIAL & COMMERCIAL SUPPLY	CRANE	Apr 22, 2024
monumental supply company	TRIVE CAPITAL	Apr 11, 2024
WHITCO SUPPLY	DNOW	Mar 12, 2024
HEPNER	CORE & MAIN	Mar 7, 2024
MKS Liquidation	CORE & MAIN	Jan 16, 2024
JOSAM	WATTS	Jan 3, 2024
VENTURI ² SUPPLY	TRIVE CAPITAL	Dec 20, 2023
MILFORD THE STRONGER CHOICE	Winsupply THE WHOLESALE PARTS & SUPPLY	Dec 3, 2023
MIDLAND INDUSTRIES	GEMSPRING	Sep 1, 2023
BRUCE SUPPLY CORP.	FERGUSON	Jul 24, 2023
DANGELO CO. A CORE & MAIN COMPANY	CORE & MAIN	Jul 12, 2023

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 15 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



April 2024



February 2024



December 2023



November 2023



October 2023



August 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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