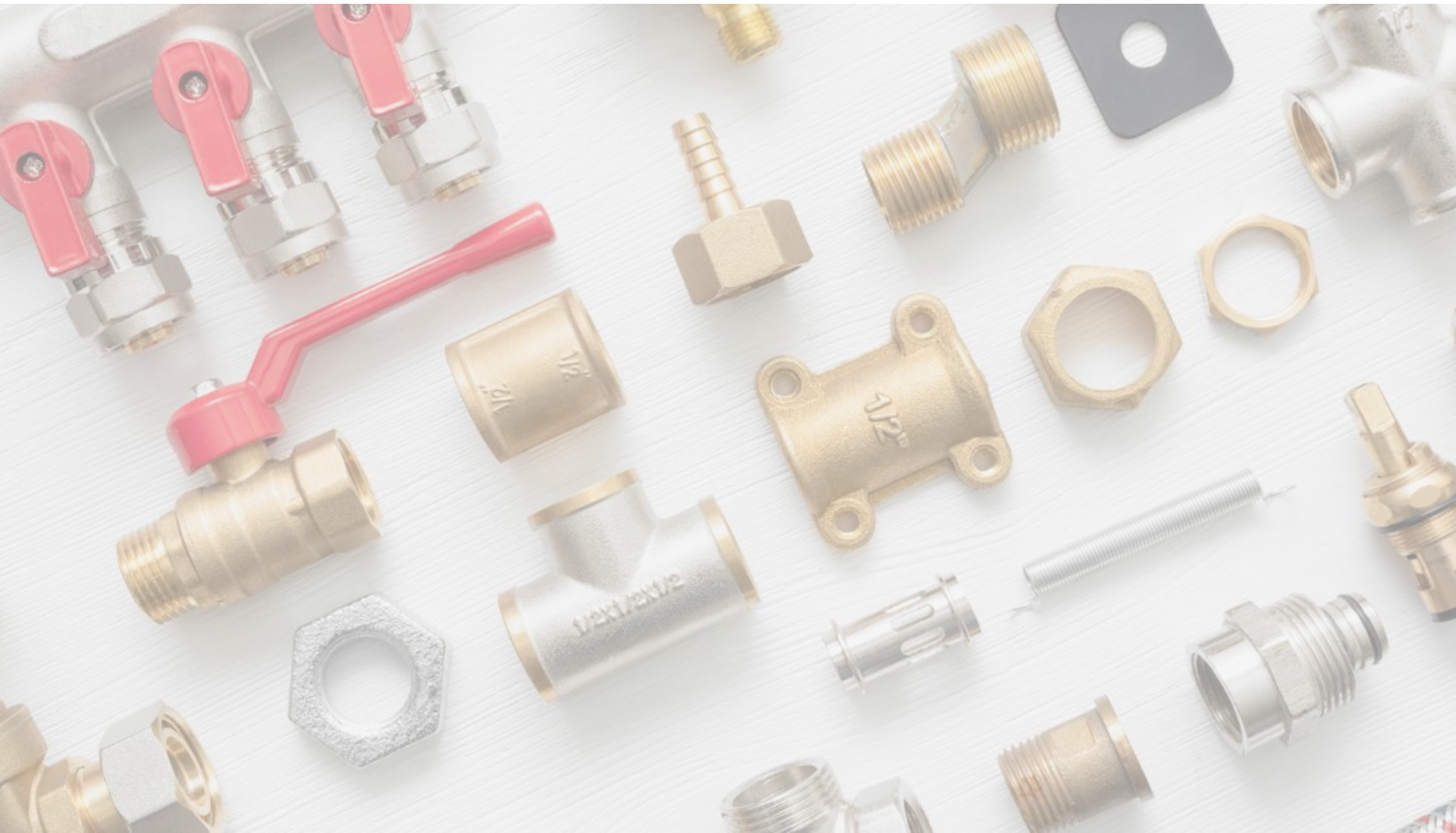


Plumbing Distribution Market Update

July 2024



Public Market Trends

Plumbing wholesalers tracked closely with the S&P 500 over the last three years

Plumbing Wholesaling Public Market Performance



Plumbing Wholesalers



Plumbing Distribution EV / EBITDA Multiples



Select Earnings Call Quote



Ferguson
CEO – Kevin Murphy

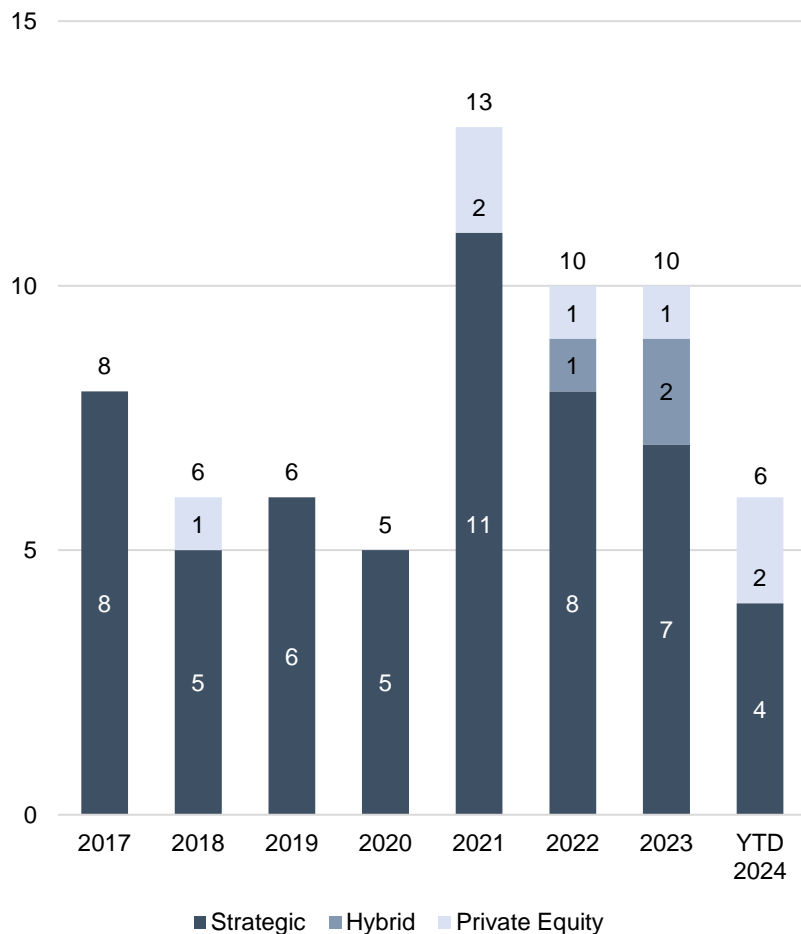
Q1 2024 Earnings Call

"We're consolidating our fragmented markets through bolt-on geographic and capability acquisitions. Our deal pipeline remains healthy, allowing us to continue to execute our consolidation strategy...As we consolidate our markets, we've reliably delivered organic market outperformance of 300 basis points to 400 basis point while bringing in 50 acquisitions in the past 5 years alone. Our scale and breadth allows us to leverage our competitive position across our customer groups in order to benefit from emerging multiyear tailwinds in our end markets We remain confident in the strength of our markets over the medium and longer term and expect to capitalize on these growth opportunities."

Transaction Activity

Transaction activity has increased in recent years as the industry performs well and M&A continues to be in focus for consolidators as well as private equity

Plumbing Wholesaler Transactions by Type¹



Recent Plumbing Wholesaler Transactions

Seller	Acquirer	Date
 nda SINCE 1976	 elbi of America	May 1, 2024
 R.F. FAGER EST. 1972	TENEX CAPITAL MANAGEMENT	Mar. 1, 2024
 Grove Supply, Inc. Commercial Plumbing & Heating Supplies	 FERGUSON®	Jan. 29, 2024
 Rising Sun Plumbing Supply	 FW WEBB COMPANY	Jun. 6, 2023
 Holmes Plbg & Htg Supply Co.	 PLUMBING & HEATING WHOLESALE INC. <small>Central Indiana's Largest</small>	Apr. 28, 2023
 WILLIAMS WHOLESALE SUPPLY	 Winsupply®	Apr. 5, 2023
 HUBER SUPPLY®	PROSOURCE	Apr. 4, 2023
 CHRIS-MORE INCORPORATED	 Roburn's	Feb. 3, 2023
 HYDROLOGIC	 Winsupply®	Oct. 3, 2022
PROSOURCE	 BLUE SEA CAPITAL	Sep. 23, 2022
 WESTERN STEEL & PLUMBING	 DSG DAKOTA SUPPLY GROUP	Sep. 1, 2022
 Irvine Pipe & Supply, Inc.	 reece	Aug. 3, 2022
 Aaron & Company	 FERGUSON®	Jun. 2, 2022
 PARK SUPPLY COMPANY, INC. <small>ESTABLISHED 1962</small>	 CID CAPITAL	Dec. 8, 2021

Active Consolidators

The sector has multiple consolidators expanding through acquisitions

FERGUSON



HAJOCA
— SINCE 1858 —



Winsupply



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



April 2024

Provider of contract packaging and turnkey fulfillment service and delivery



October 2023

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



March 2023

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



July 2022

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



December 2021

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



December 2023

Provider of parts, systems, and equipment for aggregate and mineral producer end markets



March 2023

Distributes fasteners and strut accessories to OEM and construction end markets



September 2022

Distributes lumber and building materials to residential construction end markets



June 2022

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



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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