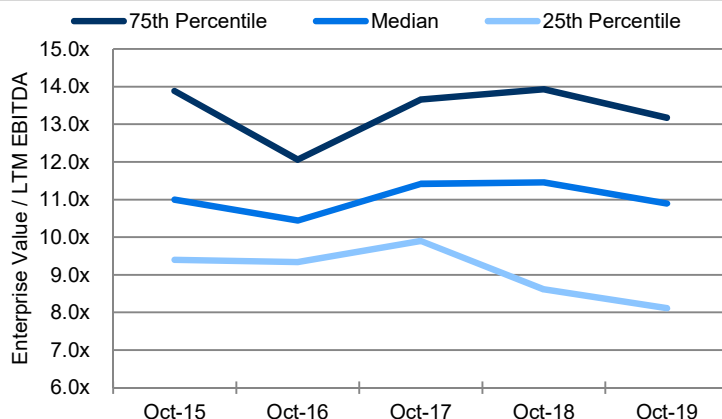


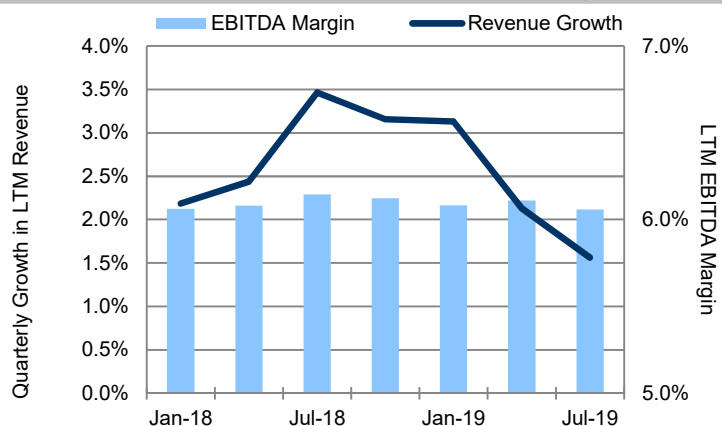
### Industry Highlights

- 2019 has been an interesting year for the distribution industry as trade disputes have had some disruption in the expected flow of business between international entities. Transactions are still being completed, although the pace and magnitude appears to have slowed from 2018. As companies continue to leverage technology, embrace expanding markets, enhance efficiencies and utilize analytics, M&A has been active with a number of multi-billion dollar deals closing in 2019.
- On September 3, 2019, HD Supply, one of the largest industrial distributors in North America, announced it has acquired Houston-based Presto Maintenance Supply.
- One deal worth mentioning that closed in early 2019 is Univar's \$2.0 billion acquisition of Nexeo Solutions. The transaction will yield a premier global chemical and ingredients distributor with one of the largest North American presences. The purchase price, post synergies, will come in at around 6.5x LTM EBITDA.
- Another transaction worthy of attention is Genuine Parts \$2.0 billion acquisition of Alliance Automotive. Between this transaction and LKQ's, two of the largest parts distribution platforms in Europe have been acquired. GPC paid approximately 10.0x EBITDA compared to LKQ's nearly 12.0x for Stahlgruber. These figures fall into our expected range of multiples as they have held at or around 10-12x.
- In May of 2018, LKQ announced the closing of its acquisition of Stahlgruber for approximately \$1.8 billion (11.9x 2017 EBITDA). The acquisition extends LKQ's footprint in Europe through the purchase of a leading wholesale distributor of aftermarket parts and accessories.
- In July of 2018, United Natural Foods (UNFI) acquired SUPERVALU INC. for approximately \$2.9 billion. The transaction provides UNFI an opportunity to combine their leading position in natural and organic foods with SUPERVALU's portfolio to provide "better for you" products to the consumer.

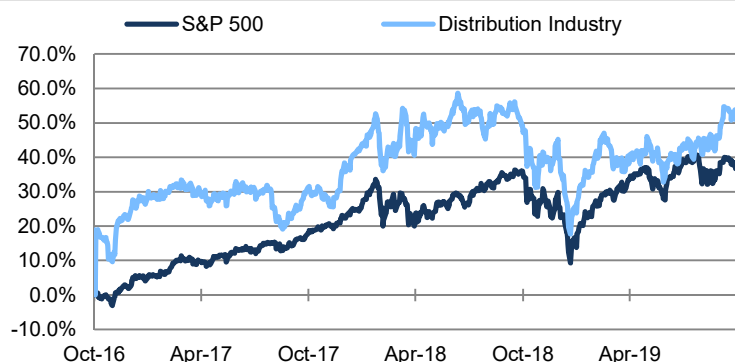
### Trend in Industry EBITDA Multiples<sup>1</sup>



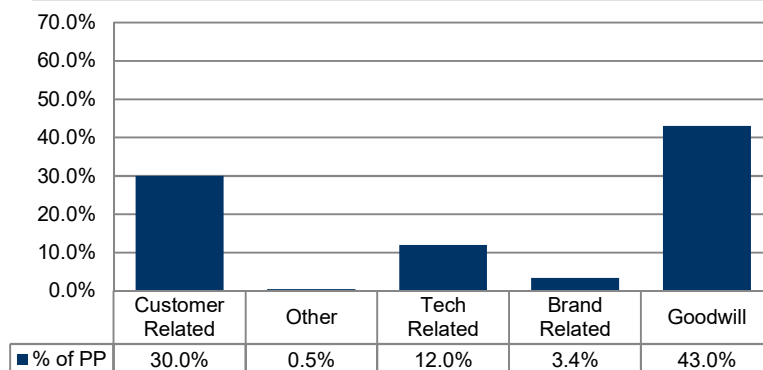
### Trends in Revenue Growth and EBITDA Margins<sup>2</sup>



### Relative Stock Price Returns<sup>1</sup>



### Purchase Price Allocation (PPA) % from Recent Transactions



<sup>1</sup> Distributor Industry is a custom, equal-weighted index constructed with the aforementioned companies.

<sup>2</sup> Calculated using aggregated data for ARW, AVT, ABC, SITE, FAST, BECN, BMCH, CAH, CDW, CHEF, CORE, GPC, GWW, HDS, HSIC, LKQ, MCK, MSM, PFGC, SYY, TECD, UNFI, UNVR, USFD, WCC, WAIR and WSO.

### Notable M&A Deals



On July 1, 2019, Performance Food Group announced it has entered into a definitive agreement to acquire Reinhart Foodservice from Reyes Holdings for \$2.0 billion. Reinhart is the second largest privately held foodservice distributor in the U.S. and is headquartered in Rosemont, IL.



On August 9, 2019, Wasco Aircraft Holdings, one of the world's leading distributors and providers of comprehensive supply chain management services to the global aerospace industry, announced it has entered a definitive merger agreement to be acquired by Pattonair, an affiliate of Platinum Equity, for \$1.9 billion.



In August of 2019, Audax Private Equity announced its carve-out acquisition of EIS from Genuine Parts. EIS is a distributor of process materials, production supplies, specialty wire and cable, and fabricated parts to customers in the electrical OEM, motor, transformer, generator repair, and assembly markets.