



The newsletter for the distribution sector

MAR/APR 2014

Lincoln News and Perspectives

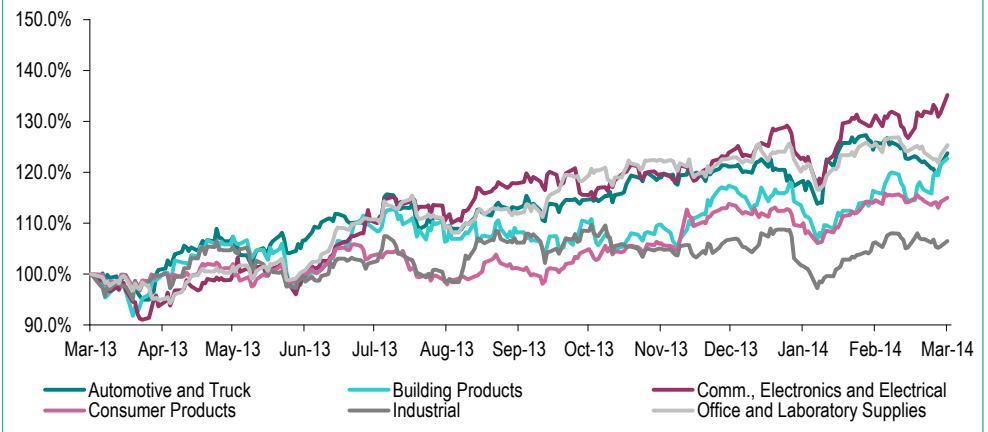
- 03/31/2014: Lincoln International is named **Investment Bank of the Year** for 2013 by Mergers & Acquisitions Magazine, after completing 130 transactions during 2013 and expanding internationally in China, Europe and South America
- 04/01/2014: Lincoln International opened its 16th office in **Zurich, Switzerland**

Market Intelligence

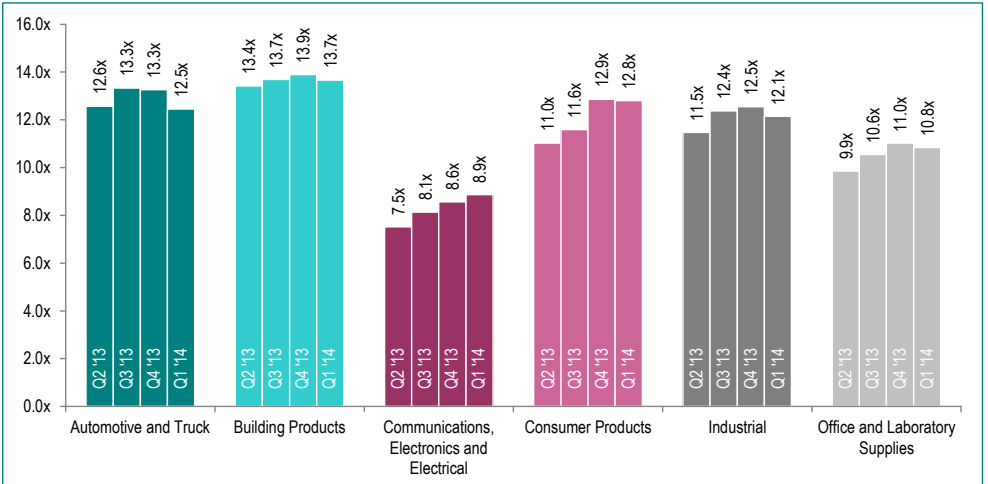
- 03/17/2014: **IMCD Group BV**, a Dutch specialty chemicals distributor, and its financial sponsor, Bain Capital, are focused on an initial public offering later this year
- 03/24/2014: **Supervalu Inc.**, a wholesale food distributor, announced its plans to consolidate its distribution business from three regions to two as part of its continued reorganization strategy to streamline operations
- 03/25/2014: **AmerisourceBergen**, a pharmaceutical products distributor, has expanded into Brazil through a minority investment in Profarma Distribuidora with plans to establish a distribution joint venture
- 03/26/2014: **Airgas, Inc.**, a distributor of specialty gases and welding supplies, announced that Andrew Cichocki has been named president of Airgas USA, LLC
- 04/02/2014: The attempted sale of **Anixter International**, a distributor of technology products, could be terminated as potential buyers disagree with the company's price expectations
- 04/03/2014: **Ingram Micro**, an information technology distributor, is looking for acquisition opportunities to expand its geographic footprint and value-added services
- 04/09/2014: **HD Supply**, a diversified industrial distributor, announced its plans to dispose of its Litemor business, a specialty lighting distributor within its HD Supply Canada segment

Lincoln International Distribution Index

LTM Relative Stock Price Performance



Historical Enterprise Value / EBITDA Valuation Performance



M&A Transaction Recap (Selected Transactions)

Date	Target Company	Target Description	Acquiring Company
Pending	Puukeskus Oy	Timber and building materials	Wolseley plc
Pending	Victor Technologies Group Inc	Cutting, welding and gas control equipment	Collax Corporation
Pending	Ashland Water Technologies, Inc.	Specialty chemicals and water treatment applications	Clayton, Dubilier & Rice, Inc.
Pending	Eastern Fish Company	Seafood and other food products	Marubeni Corporation
Pending	B.W. Rogers Company, Inc., Certain Assets	Fluid power products	Kaman Industrial Technologies Corporation
Pending	Imaging Equipment Ltd	Diagnostic medical imaging equipment	Advanced Accelerator Applications SA
Pending	Sport Truck USA, Inc.	Aftermarket suspensions and off road products	Fox Factory Holding Corp
Pending	Value Lighting, Inc. and AL Enterprises, Inc.	Lighting fixtures and ceiling fans	Revolution Lighting Technologies, Inc.
Pending	Canal Supplies, Inc.	Protective and marine coatings	PPG Industries Inc.
Pending	Vision Oil Tools, LLC	Compact trailer mounted units and power swivels	B/E Aerospace Inc.
Pending	Gabr Distribuidora Ltda.	Specialty chemicals and solvents	Brenntag AG
Apr-14	J. K. Distributors, Inc.	Automotive replacement and maintenance parts	Uni-Select Inc.
Apr-14	Lake Welding Supply Company Inc.	Gas and welding products	Praxair Inc.
Apr-14	SoftBank Commerce & Services Corp.	Mobile device accessories and IT-related products	Brightstar Corp.
Apr-14	MGM Electric Limited	Electrical components and supplies	Sonepar Canada, Inc.
Apr-14	Archway Sales, Inc. and Jacaab LLC	Specialty chemicals	Nexeo Solutions, LLC
Apr-14	National Pump & Compressor	Pumps, compressors and dryers for oil and gas	United Rentals
Mar-14	Glazier Foods Company	Food and foodservice products	Gordon Food Service, Inc.
Mar-14	Jones Lumber Company Inc.	Building materials, including lumber, doors and flooring	US LBM Holdings, LLC
Mar-14	Terry's Tire Town Inc.	Tires and related products	American Tire Distributors, Inc.
Mar-14	Delta Rigging & Tools, Inc.	Lifting solutions and rigging products	Bishop Lifting Products, Inc.
Mar-14	PACK Pharmaceuticals, LLC	Generic drugs and medications	Rising Pharmaceuticals, Inc.
Mar-14	SunWize Technologies	Solar equipment	Soligent
Mar-14	Certified Power, Inc.	Hydraulic, pneumatic and electronic components and controls	Brinkmire Capital Partners, LLC
Mar-14	Lamedid Comercial e Servicos Ltda.	Medical and healthcare consumable products	Bunzl plc
Mar-14	Hazmasters Environmental Controls Inc.	Employee health and safety products and protective gear	WESCO Distribution, Inc.
Mar-14	Messer Italia S.p.A., certain businesses	Oxygen, nitrogen, argon and other packaged gases	Rivolta S.p.A.
Mar-14	United Welding Supplies, LLC and Best Welders Supply, Inc.	Packaged gas and welding supplies	Praxair Inc.
Mar-14	Advanced Industrial Products, Inc.	Electrical, hydraulic and pneumatic products	Ohio Transmission Corporation
Mar-14	Welding & Therapy Service, Inc.	Industrial and medical gas and welding equipment	Airgas, Inc.

Lincoln International Distribution Index (Continued)

Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Automotive and Truck										
AutoZone, Inc.	\$ 537.10	95.6%	\$ 17,846	\$ 22,009	\$ 9,385	\$ 2,054	7.6%	21.9%	2.3x	10.7x
Genuine Parts Company	86.85	96.5%	13,351	13,956	14,078	1,159	8.0%	8.2%	1.0x	12.0x
LKQ Corp.	26.35	76.8%	7,951	9,115	5,063	624	18.1%	12.3%	1.8x	14.6x
Building Products										
Beacon Roofing Supply, Inc.	\$ 38.66	90.5%	\$ 1,904	\$ 2,073	\$ 2,279	\$ 157	9.1%	6.9%	0.9x	13.2x
Builders FirstSource, Inc.	9.10	99.3%	885	1,185	1,490	57	27.2%	3.8%	0.8x	nmf
HD Supply Holdings, Inc.	26.15	96.8%	5,076	10,505	8,487	707	6.8%	8.3%	1.2x	14.9x
Watsco, Inc.	99.91	98.8%	3,229	3,727	3,743	289	6.6%	7.7%	1.0x	12.9x
Communications, Electronics and Electrical										
Anixter International Inc.	\$ 101.52	87.6%	\$ 3,305	\$ 4,084	\$ 6,227	\$ 383	0.1%	6.2%	0.7x	10.7x
Arrow Electronics, Inc.	59.36	99.7%	5,934	7,798	21,357	917	4.9%	4.3%	0.4x	8.4x
Avnet, Inc.	46.53	99.5%	6,436	7,853	26,657	987	5.9%	3.7%	0.3x	8.0x
Ingram Micro Inc.	29.56	98.0%	4,569	4,687	42,554	679	7.9%	1.6%	0.1x	6.9x
Rexel SA	26.24	92.7%	7,389	10,409	18,083	996	(2.7%)	5.5%	0.6x	10.5x
ScanSource, Inc.	40.77	93.4%	1,162	1,010	2,868	116	(1.7%)	4.0%	0.4x	8.7x
Consumer Products										
Bunzl plc	\$ 26.60	98.5%	\$ 8,703	\$ 10,129	\$ 10,199	\$ 731	10.2%	7.2%	1.0x	13.9x
Core-Mark Holding Company, Inc.	72.60	90.8%	837	907	7,717	99	10.6%	1.3%	0.1x	9.2x
Pool Corp.	61.32	97.6%	2,766	3,004	2,080	180	6.0%	8.6%	1.4x	16.7x
Spartan Stores Inc.	23.21	90.2%	876	1,471	3,190	120	22.3%	3.8%	0.4x	12.2x
Sysco Corporation	70.92	89.1%	21,135	23,890	45,480	2,424	3.7%	5.3%	0.5x	9.9x
United Natural Foods, Inc.	70.92	89.1%	3,519	3,779	6,457	251	15.6%	3.9%	0.6x	15.0x
Industrial										
Airgas, Inc.	\$ 106.51	94.1%	\$ 7,878	\$ 10,427	\$ 5,068	\$ 937	2.2%	18.5%	2.1x	11.1x
Applied Industrial Technologies, Inc.	48.24	90.1%	2,024	1,973	2,449	198	0.3%	8.1%	0.8x	10.0x
DXP Enterprises, Inc.	94.93	81.2%	1,376	1,565	1,242	120	9.4%	9.6%	1.3x	13.1x
Fastenal Company	49.30	92.8%	14,631	14,572	3,396	783	7.1%	23.0%	4.4x	18.8x
Kaman Corporation	40.68	97.4%	1,107	1,372	1,682	138	5.3%	8.2%	0.8x	9.9x
MSC Industrial Direct Co., Inc.	86.52	96.8%	5,376	5,650	2,651	447	10.7%	16.9%	2.2x	12.4x
W.W. Grainger, Inc.	252.66	91.4%	17,348	17,540	9,438	1,491	4.4%	15.8%	1.9x	11.8x
WESCO International Inc.	83.22	87.8%	3,694	5,095	7,513	502	10.8%	6.7%	0.7x	10.2x
Office and Laboratory Supplies										
Henry Schein, Inc.	\$ 119.37	98.9%	\$ 10,199	\$ 10,996	\$ 9,561	\$ 805	4.7%	8.4%	1.2x	13.5x
United Stationers Inc.	41.07	87.6%	1,627	2,139	5,085	261	0.5%	5.1%	0.4x	8.2x
Mean		93.1%					7.6%	8.4%	1.1x	11.7x
Median		93.4%					6.8%	7.2%	0.8x	11.4x

Source: Bloomberg, Capital IQ and company filings, as of 03/31/2014
Note: dollars in millions, except stock price

About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With sixteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at www.lincolninternational.com.

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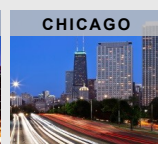
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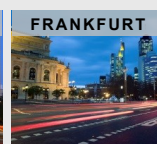
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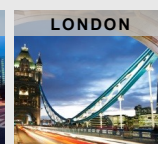
BEIJING



CHICAGO



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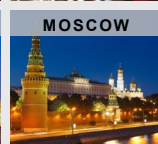
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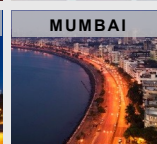
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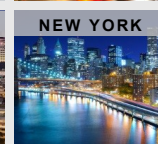
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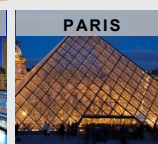
MOSCOW



MUMBAI



NEW YORK



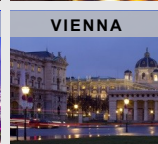
PARIS



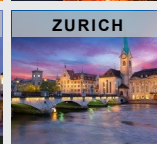
SÃO PAULO



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