

Market Update

Distribution

Q4 2015



Lincoln 2015 Recap

166 transactions completed

65% of transactions were completed with a strategic buyer

40% of transactions resulted in cross-border outcomes

360+ bankers globally

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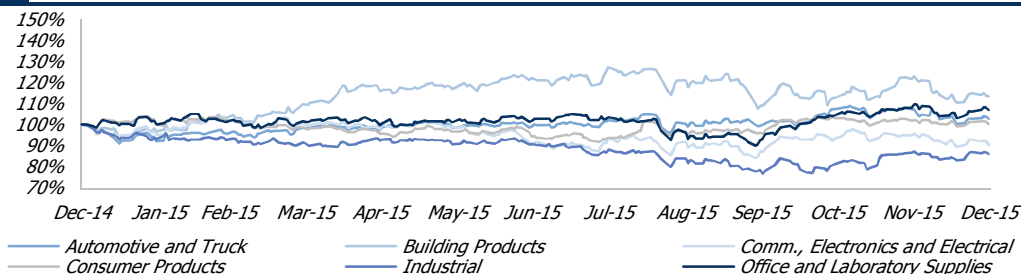
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value/LTM	
					Revenue	EBITDA			Revenue	EBITDA
Automotive and Truck										
AutoZone, Inc.	\$741.91	92.4%	\$22,412	\$26,990	\$10,313	\$2,258	7.0%	21.9%	2.6x	12.0x
Genuine Parts Company	85.89	79.5%	12,949	13,387	15,421	1,277	0.5%	8.3%	0.9x	10.5x
LKQ Corp.	29.63	91.9%	9,052	10,524	7,128	843	5.8%	11.8%	1.5x	12.6x
Building Products										
Beacon Roofing Supply, Inc.	\$41.18	93.6%	\$2,426	\$2,602	\$2,515	\$159	6.1%	6.3%	1.0x	16.3x
Builders FirstSource, Inc.	11.08	66.4%	1,211	3,137	2,505	125	56.2%	5.0%	1.3x	nmf
HD Supply Holdings, Inc.	30.03	81.6%	6,010	10,327	9,195	900	29.6%	9.8%	1.1x	11.5x
Watco, Inc.	117.13	88.0%	3,823	4,369	4,086	352	3.6%	8.6%	1.1x	12.4x
Communications, Electronics and Electrical										
Anixter International Inc.	\$60.39	67.7%	\$1,991	\$2,662	\$6,745	\$373	19.3%	5.5%	0.4x	7.1x
Arrow Electronics, Inc.	54.18	83.4%	5,067	7,619	22,928	1,049	0.7%	4.6%	0.3x	7.2x
Avnet, Inc.	42.84	90.6%	5,655	6,943	28,055	1,058	(0.2%)	3.8%	0.2x	6.6x
Ingram Micro Inc.	30.38	94.7%	4,734	4,974	45,670	786	2.9%	1.7%	0.1x	6.3x
Rexel SA	13.34	67.6%	4,001	6,866	15,275	749	(3.5%)	4.9%	0.5x	9.4x
ScanSource, Inc.	32.22	76.8%	862	916	3,298	114	8.5%	3.4%	0.3x	8.1x
Consumer Products										
Bunzl plc	\$27.80	95.7%	\$9,138	\$10,738	\$9,991	\$729	4.1%	7.3%	1.1x	15.7x
Core-Mark Holding Company, Inc.	81.94	89.3%	1,889	1,927	8,688	119	6.3%	1.4%	0.2x	16.2x
Pool Corp.	80.78	95.7%	3,441	3,814	2,325	226	3.5%	9.7%	1.6x	16.9x
SpartanNash Company	21.64	63.9%	814	1,353	7,847	223	6.7%	2.8%	0.2x	6.1x
Sysco Corporation	41.00	97.5%	23,145	25,889	48,798	2,344	1.5%	4.8%	0.5x	11.0x
United Natural Foods, Inc.	39.36	46.9%	1,981	2,468	8,269	306	15.1%	3.7%	0.3x	8.1x
Industrial										
Airgas, Inc.	\$138.32	99.4%	\$9,987	\$12,757	\$5,358	\$977	1.6%	18.2%	2.4x	13.1x
Applied Industrial Technologies, Inc.	40.49	87.9%	1,592	1,884	2,691	222	0.9%	8.2%	0.7x	8.5x
DXP Enterprises, Inc.	22.80	44.5%	328	699	1,351	105	(9.9%)	7.8%	0.5x	6.7x
Fastenal Company	40.82	84.4%	11,825	12,029	3,873	917	3.7%	23.7%	3.1x	13.1x
Kaman Corporation	40.81	93.9%	1,106	1,350	1,801	153	0.3%	8.5%	0.7x	8.8x
MSC Industrial Direct Co., Inc.	56.27	68.5%	3,465	3,855	2,886	448	1.6%	15.5%	1.3x	8.5x
W.W. Grainger, Inc.	202.59	78.8%	12,720	14,360	10,006	1,594	0.4%	15.9%	1.4x	9.1x
WESCO International Inc.	43.68	56.4%	1,840	3,206	7,652	463	(3.0%)	6.0%	0.4x	6.9x
Office and Laboratory Supplies										
Henry Schein, Inc.	\$158.19	97.9%	\$13,118	\$14,443	\$10,481	\$917	1.1%	8.8%	1.4x	15.5x
Essendant Inc.	32.51	72.4%	1,216	1,855	5,399	270	1.3%	5.0%	0.3x	6.9x
Mean		80.9%					5.9%	8.4%	1.0x	10.4x
Median		84.4%					2.9%	7.3%	0.7x	9.2x

Source: Bloomberg, Capital IQ and company filings, as of 12/31/2015
 Note: dollars in millions, except stock price

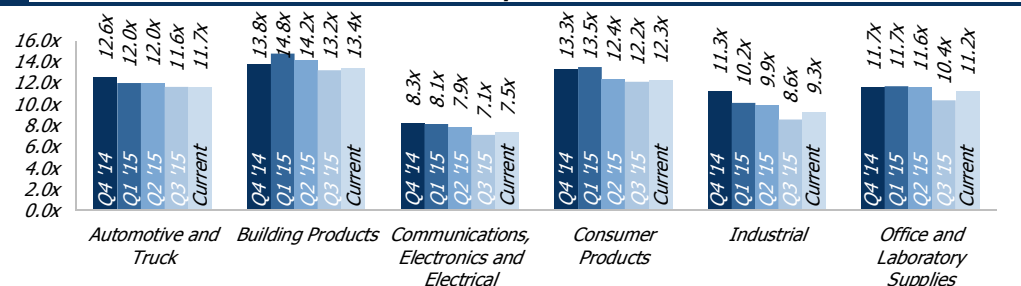
Index Performance

Lincoln's Distribution Index recorded a gain of 4.8% in Q4 2015 vs. Q3 2015. Office & Laboratory Supplies (+15.5%), Industrial (+6.5%) & Consumer Products (+5.3%) outpaced the index, while Building Products (+3.7%), Automotive & Truck (+2.7%) and Communications, Electronics & Electrical (+1.1%) recorded modest gains but lagged behind the index

Distribution Index – LTM Relative Stock Price Performance



Distribution Index – Historical EV / EBITDA Valuation Performance



M&A Transaction Recap (Selected Transactions)

Date	Target Company	Target Description	Acquiring Company
Pending	Bright Electrical Supply Company, Inc.	Lighting and electrical products	Van Meter Inc.
Pending	Calkins Fluid Power, Inc.	Fluid power products	Kaman Corporation
Pending	Dierks Waukesha Foods	Produce, meat and poultry, seafood, dry goods and dairy	US Foods, Inc.
Pending	J.A.M. Distributing Company, LLC	Fuel and lubricant products	Brenntag AG
Pending	Rhiag - Inter Auto Parts Italia S.p.A.	Auto, truck and tractor components	LKQ Corp.
Dec-15	Comatec SAS	Hospitality tableware	Bunzl plc
Dec-15	Dental Trey s.r.l.	Healthcare products and software	Henry Schein, Inc.
Dec-15	KODA Distribution Group, Inc.	Specialty chemicals	Azelis Holding S.A.
Dec-15	RHEM, LLC	Insulation and HVAC products and accessories	Distribution International, Inc.
Dec-15	Stock Building Supply Holdings, Inc.	Lumber and building materials	Building Materials Holding Corporation
Dec-15	Udike Supply, Inc.	Industrial maintenance, repair and operating supplies	NOW Inc.
Nov-15	Casa do Epi Ltda and Cemelim and ICB Cleaning Supplies	Personal protection equipment and hygiene supplies	Bunzl plc
Nov-15	Gebr. Reinfurt GmbH & Co. KG	Aerospace and industrial miniature ball bearings	Kaman Aerospace Group, Inc.
Nov-15	Kele, Inc.	Building automation products	Snow Phipps Group, LLC
Nov-15	Needham Electric Supply Corporation	Electrical components, fixtures and systems	WESCO International Inc.
Nov-15	Orchestra Service GmbH	Storage solutions and services	Avnet, Inc.
Nov-15	PharMEDium Healthcare Holdings, Inc.	Compounded sterile preparations	AmerisourceBergen Drug Corporation
Oct-15	Colony Hardware Corporation	Construction power equipment, accessories and safety supplies	Tailwind Capital Group, LLC
Oct-15	Des Moines Bolt Supply Inc.	Fasteners and industrial supplies	Wurth Group Of North America Inc.
Oct-15	Fasteners, Inc.	Industrial and construction supplies	Fastenal Company
Oct-15	Forest Hills Electrical Supply, Inc.	Photoluminescent path markings	Turtle & Hughes Inc.
Oct-15	Future Transfer and BlueStar Distribution	Agriculture logistics, warehousing, packaging and formulation	Univar Canada Ltd.
Oct-15	GBS Building Supply	Building and construction supplies	US LBM Holdings, LLC
Oct-15	Grabber Construction Products, Inc.	Fasteners and fastening systems	Svoboda Capital Partners LLC; Dot Foods, Inc.
Oct-15	HD Supply Power Solutions	Utility, electrical and industrial MRO products	Anixter International Inc.
Oct-15	Malt Industries, Inc.	Protective apparel	Impact Products, LLC
Oct-15	Ohio Transmission Corporation	Mechanical power transmission equipment and pumps	Irving Place Capital
Oct-15	Planet Clean Canada Inc.	Cleaning and hygiene supplies and equipment	Bunzl plc
Oct-15	Precision Engineered Products LLC	Metal stampings and formed metal parts	NN Inc.
Oct-15	Roofing Supply Group, LLC	Roofing materials and related building products	Beacon Roofing Supply, Inc.
Oct-15	Stackpole International Inc.	Powertrain systems and components	Johnson Electric International (UK) Limited
Oct-15	Timken Alcor Aerospace Technologies, Inc.	Aviation engine parts and components	Kaman Aerospace Group, Inc.

Lincoln News

12/31/2015: Lincoln acted as the exclusive sell-side advisor to Netech Corporation, the Grand Rapids, Michigan-based IT services and solutions integrator, in its announced sale to Presidio, a \$2.8 billion leading IT solutions provider

Market Intelligence

12/31/2015: Bunzl plc completed 25 acquisitions in 2015. The international distribution and outsourcing group continues to look for opportunities to expand its geographic footprint.

12/22/2015: LKQ Corp. announced that it has signed a definitive agreement to acquire the holding company of Rhiag-Inter Auto Parts Italia S.p.A ("Rhiag"), a leading European distributor of aftermarket auto parts for \$1.13 billion.

12/9/2015: The NAM Manufacturing Outlook Index lost five points to drop to 40.5, the index's lowest level since 2012. Manufacturers cited an unfavorable business

climate as the most prominent business challenge leading into 2016.

11/25/2015: Anixter International, the wire and cable, communications and security products distributor, will focus on reducing leverage and integrating recent acquisitions before becoming more acquisitive in the first half of 2017.

11/24/2015: The MAPI Quarterly Forecast predicts increased manufacturing production through 2017, driven by job growth and strong consumer demand. MAPI anticipates 2.9% and 2.7% increases in inflation-adjusted GDP in 2016 and 2017, respectively.

Source: Mergermarket, Capital IQ, company filings, investor presentations, and earnings transcripts

Global Industry Groups

Aerospace & Defense
Automotive & Truck
Building & Infrastructure
Business Services
Chemicals
Consumer
Distribution
Electronics
Energy & Power
Financial Institutions
Food & Beverage
Healthcare
Industrials
Packaging
Technology & Media

Global Locations

Amsterdam
Beijing
Chicago
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
New York
Paris
São Paulo
Tokyo
Vienna
Zurich

Advisory Services

Mergers & Acquisitions
Debt Advisory
Valuations & Opinions
Special Situations

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