

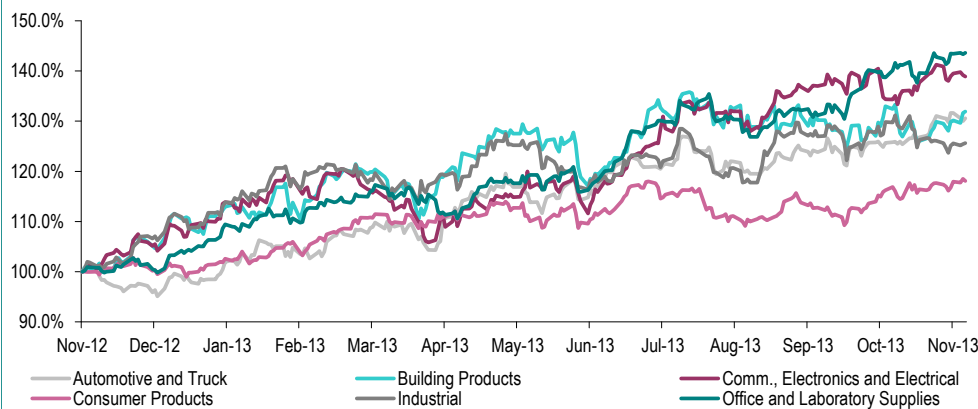
Lincoln News and Perspectives

- 11/21/2013: Lincoln acts as the exclusive sell-side advisor to Moscow, Russia-based Protein Technologies Ingredients Group in its sale to Frutarom Industries Ltd., a global leader in the flavor and fine ingredients market
- 12/04/2013: Lincoln acts as the exclusive sell-side advisor to Pfingsten Partners' portfolio company, Powervar, a supplier of power supply systems, in its sale to AMETEK

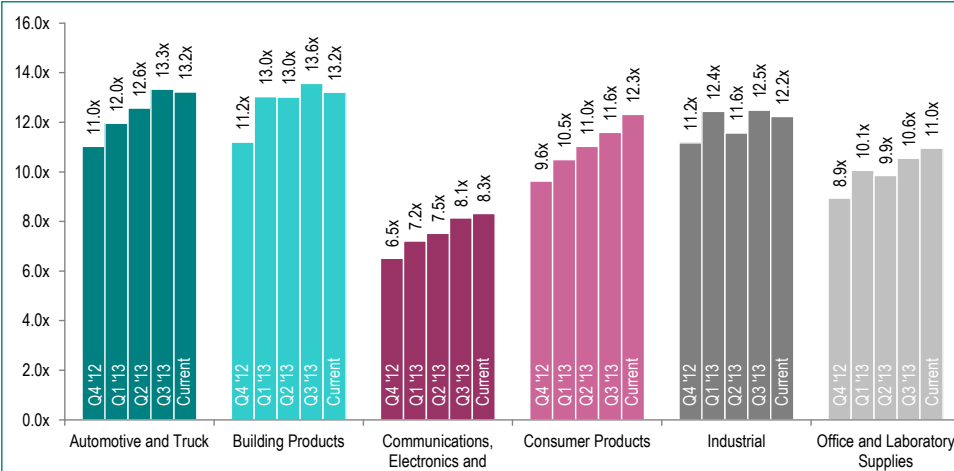
Market Intelligence

- 11/14/2013: **MRC Global Inc.** is a 97% publicly held company after its former private equity sponsor, Goldman Sachs, sold its stake in the company through a block trade
- 11/21/2013: **Avnet Inc.**, an electronic components and embedded technology distributor, is looking for acquisitions across all seven of its geographical regions of focus
- 11/25/2013: **National Oilwell Varco** will name Robert Workman CEO of its distribution business upon completion of its spin off, which will create a publicly traded entity operating under the name DistributionNOW
- 11/26/2013: **Beacon Roofing Supply**, a roofing products distributor, continues to seek acquisition opportunities despite lack of deal announcements this year after an active 2012
- 12/02/2013: **Motion Industries, Inc.** has agreed to acquire Commercial Solutions Inc., a distributor of industrial and oilfield supplies, and completed acquisitions of Paragon Service & Supply, Inc. and AST Bearings LLC
- 12/02/2013: **W.W. Grainger, Inc.** announces the divestiture of specialty brands Gempler's, Ben Meadows and AW Direct, in an effort to realign its Specialty Brands portfolio
- 12/09/2013: **Sysco** announces it will acquire rival, U.S. Foods, in an \$8.2 billion enterprise value deal, or 9.9x U.S. Foods' LTM EBITDA; the merger brings the top two U.S. foodservice distribution businesses together to form a \$65 billion / year in sales company

Lincoln International Distribution Index



Historical Enterprise Value / EBITDA Valuation Performance



M&A Transaction Recap (Selected Transactions)

Date	Target Company	Target Description	Acquiring Company
Pending	River North Sales and Service LLC	Alcoholic beverages	BDT Capital Partners
Pending	SPF Energy Inc.	Refined petroleum products	Parkland Fuel Corporation
Pending	Medivet S.A.	Animal health products and services	Henry Schein, Inc.
Pending	State Electric Supply Company	Electrical products	Steiner Electric Company
Pending	Gempler's Inc. and The Ben Meadows Co., Inc. and AWDirect, Inc.	Outdoor supplies and towing equipment	Ariens Company Inc.
Pending	U.S. Foods	Food and foodservice products	Sysco Corporation
Pending	B27, LLC	Pumping products and packaged systems	DXP Enterprises, Inc.
Pending	Stream AS	Pipe, valves, fittings and other flow control products	MRC Global Inc.
Pending	Allied Beverages	Alcoholic beverages	Reyes Holdings LLC
Dec-13	J&S Medical Associates, Inc.	Clinical laboratory and medical / surgical products	Laboratory Supply Company, Inc.
Dec-13	Musselman Lumber, Inc.	Building materials	US LBM Holdings, LLC
Dec-13	FlangeIt Stainless Ltd.	Pipes, flanges and fittings	MRC Global Inc.
Dec-13	Medical Specialties Distributors, LLC	Infection related products and biomedical equipment	New Mountain Capital, LLC
Dec-13	Safety Solutions, Inc.	Personal protective equipment and other safety products	W.W. Grainger, Inc.
Dec-13	Commercial Solutions Inc.	Industrial and oilfield supplies	Motion Industries (Canada), Inc.
Dec-13	Paragon Service & Supply, Inc.	Specialty tooling and industrial products	Motion Industries, Inc.
Nov-13	The Encompass Gas Group	Industrial, medical and specialty gases	Airgas, Inc.
Nov-13	Edgen Group	Specialty energy and infrastructure products	Sumitomo Corporation
Nov-13	Tungsten Materials Business	Tungsten metallurgical powders and tooling technologies	Kennametal Inc.
Nov-13	Bushnell Inc.	Sports optics, outdoor accessories and performance eyewear	Alliant Technologies Inc
Nov-13	Nash Finch Co.	Food and foodservice products	Spartan Stores Inc.
Nov-13	Quality Trading	Electrical products	Rexel SA
Nov-13	Lenn International	Electrical cables & accessories	Rexel SA
Nov-13	Western Building Specialties of Sacramento, Inc.	Commercial building supplies	Building Materials Holding Corporation
Nov-13	Interactive Ideas	Enterprise software and solutions	CMS Distribution
Nov-13	PLC Sales	Outrigger pads and mats	Independent Parts Specialists
Nov-13	Bates Holding Company	Industrial power transmission equipment and parts	Purvis Industries
Nov-13	Wholesale Electric	Electrical supplies	Consolidated Electrical Distributors
Nov-13	WesClean Equipment & Cleaning Supplies Ltd	Cleaning and hygiene equipment and supplies	Bunzl plc.
Nov-13	Central Electric Supply	Electrical components and supplies	Summit Electric Supply
Nov-13	Oakwell Distribution	Electrical and mechanical products	Sonepar

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	
			Cap	Value	Revenue	EBITDA			Revenue	EBITDA
<u>Automotive and Truck</u>										
AutoZone, Inc.	\$ 458.80	97.5%	\$ 15,614	\$ 19,675	\$ 9,148	\$ 2,002	5.5%	21.9%	2.2x	9.8x
Genuine Parts Company	81.84	95.8%	12,633	13,156	13,679	1,217	6.0%	8.9%	1.0x	10.8x
LKQ Corp.	33.18	97.4%	9,975	11,189	4,814	588	20.5%	12.2%	2.3x	19.0x
<u>Building Products</u>										
Beacon Roofing Supply, Inc.	\$ 37.14	87.0%	\$ 1,820	\$ 2,043	\$ 2,241	\$ 161	9.6%	7.2%	0.9x	12.7x
Builders FirstSource, Inc.	7.42	93.5%	710	1,014	1,408	44	44.3%	3.2%	0.7x	nmf
HD Supply Holdings, Inc.	21.06	84.0%	4,045	9,624	8,465	691	20.4%	8.2%	1.1x	13.9x
Watsco, Inc.	96.46	98.3%	3,101	3,675	3,682	282	11.2%	7.7%	1.0x	13.0x
<u>Communications, Electronics and Electrical</u>										
Anixter International Inc.	\$ 87.87	98.1%	\$ 2,859	\$ 3,599	\$ 6,172	\$ 360	(0.6%)	5.8%	0.6x	10.0x
Arrow Electronics, Inc.	51.32	94.1%	5,170	6,868	20,607	854	0.8%	4.1%	0.3x	8.0x
Avnet, Inc.	40.08	93.5%	5,514	6,728	25,934	951	3.1%	3.7%	0.3x	7.1x
Ingram Micro Inc.	23.25	95.8%	3,584	3,920	42,101	647	15.7%	1.5%	0.1x	6.1x
Rexel SA	25.39	97.9%	7,150	10,667	13,164	775	(1.4%)	5.9%	0.6x	10.1x
ScanSource, Inc.	41.63	97.4%	1,171	983	2,875	113	(3.5%)	3.9%	0.3x	8.7x
<u>Consumer Products</u>										
Bunzl plc	\$ 22.69	97.3%	\$ 7,470	\$ 8,906	\$ 5,704	\$ 403	7.2%	7.1%	1.0x	13.6x
Core-Mark Holding Company, Inc.	73.77	96.8%	850	906	7,460	90	9.2%	1.2%	0.1x	10.1x
Pool Corp.	56.46	95.9%	2,594	2,832	2,046	176	6.7%	8.6%	1.4x	16.1x
Spartan Stores Inc.	22.90	92.4%	879	1,015	2,645	107	0.3%	4.0%	0.4x	9.5x
Sysco Corporation	33.81	93.8%	19,663	22,432	45,039	2,475	5.0%	5.5%	0.5x	9.1x
United Natural Foods, Inc.	68.96	90.9%	3,412	3,565	6,256	240	15.2%	3.8%	0.6x	15.5x
<u>Industrial</u>										
Airgas, Inc.	\$ 109.80	97.7%	\$ 8,097	\$ 10,541	\$ 5,032	\$ 923	3.1%	18.3%	2.1x	11.4x
Applied Industrial Technologies, Inc.	48.15	89.9%	2,030	1,953	2,457	198	2.1%	8.1%	0.8x	9.9x
DXP Enterprises, Inc.	97.40	99.4%	1,385	1,613	1,221	119	19.4%	9.8%	1.3x	13.5x
Fastenal Company	46.42	87.0%	13,775	13,682	3,270	775	6.4%	23.7%	4.2x	17.7x
Kaman Corporation	40.08	99.9%	1,087	1,363	1,643	138	5.9%	8.4%	0.8x	9.9x
MSC Industrial Direct Co., Inc.	76.90	87.5%	4,876	5,076	2,458	451	4.3%	18.3%	2.1x	11.3x
W.W. Grainger, Inc.	258.47	93.5%	17,941	18,033	9,287	1,485	5.5%	16.0%	1.9x	12.1x
WESCO International Inc.	86.74	99.6%	3,834	5,313	7,278	438	11.5%	6.0%	0.7x	12.1x
<u>Office and Laboratory Supplies</u>										
Henry Schein, Inc.	\$ 114.41	99.1%	\$ 9,823	\$ 10,638	\$ 9,443	\$ 801	6.4%	8.5%	1.1x	13.2x
United Stationers Inc.	44.90	95.8%	1,792	2,270	5,106	260	1.4%	5.1%	0.4x	8.7x
Mean		94.7%					8.3%	8.5%	1.1x	11.5x
Median		95.8%					6.0%	7.2%	0.8x	11.0x

Source: Bloomberg, Capital IQ and company filings, as of 11/27/2013
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 fifteen 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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