



### Lincoln News and Perspectives

- 9/12/13: Lincoln acts as the exclusive sell-side advisor to San Jose, CA-based Sunwize Technologies Inc., a division of Mitsui & Co. (U.S.A.) Inc., in its sale to SWT Acquisition Holding, LLC; Sunwize is a distributor of sustainable energy products and solutions

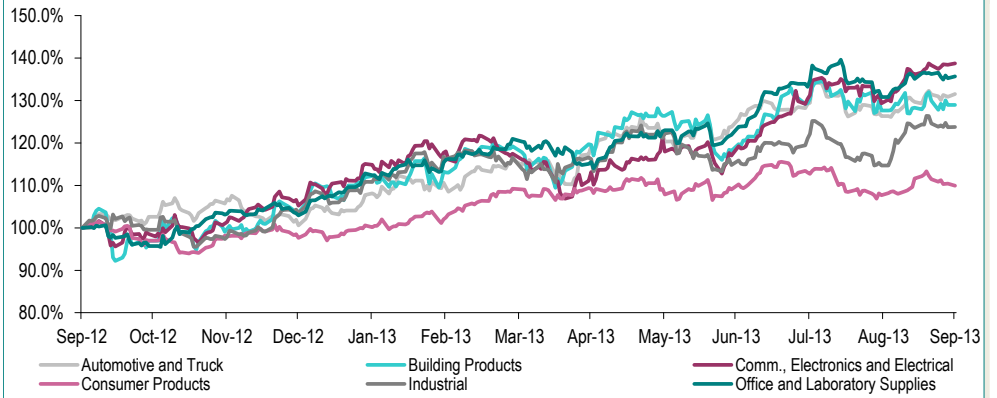
### Market Intelligence

- 9/11/2013: **Distribution International**, an insulation distributor, is aggressively seeking acquisition targets to expand its geographic footprint in the U.S. and Canada, focusing on mechanical insulation products for industrial, commercial and marine applications
- 9/13/2013: **Wurth Service Supply**, an Indianapolis, IN-based fastener distributor, has made two executive appointments to support growth in its core business; Jason Talley was appointed Vice President of Sales and Ken Misch was appointed Vice President of Operations
- 9/24/2013: **National Oilwell Varco's** Board of Directors has authorized management to move forward with plans to spin-off its distribution business, creating two separate, publicly traded companies
- 9/26/2013: **Air Products**, an industrial gases distributor, will commence a search to identify a successor to chairman and CEO John McGlade, who will retire in 2014

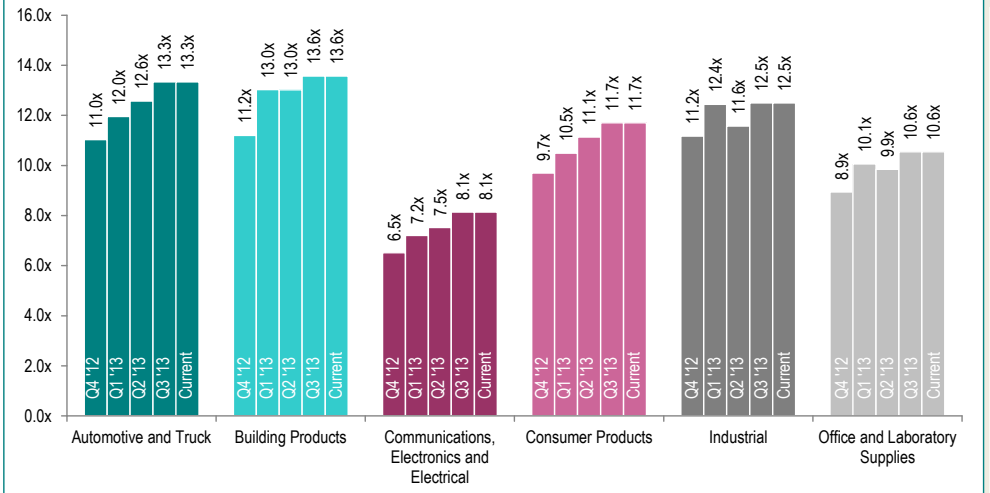
- 10/01/2013: **KODA Distribution Group**, a specialty chemical distributor, acquired Specialty Professional Products with plans to establish an agricultural chemicals division
- 10/02/2013: **Border States Electric**, an electrical distributor, names Jason Stein as Chief Operating Officer
- 10/02/2013: **Motion Industries**, a MRO replacement parts distributor, names Tim Breen as President and Chief Operating Officer

## 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	PT Primetek Technologies	Fibre optics and electric cabling	DKSH Holding Ltd.
Pending	G&H Engineering Services Ltd.	Gaskets, studs/bolts and fasteners	Eriks NV
Pending	Blue Dot Energy Services, LLC	Oil and gas tools and equipment	B/E Aerospace Inc.
Pending	CompuLink AG	IT security and internet technology products	Arrow Electronics Inc.
Pending	Bushnell Inc.	Sports optics, outdoor accessories and performance eyewear	Alliant Techsystems Inc
Pending	Tungsten Materials Business	Tungsten metallurgical powders and tooling technologies	Kennametal Inc.
Pending	Molex Inc.	Electronic components	Koch Industries, Inc.
Pending	Boise Inc.	Packaging and paper	Packaging Corporation of America
Pending	Shifting Sands Stereo Distributing, Inc.	Installation products	Dow Electronics Inc.
Pending	Petropius Marketing	Petroleum products	Rubis Terminal
Pending	Trudeau Foods LLC	Natural, organic and specialty foods	United Natural Foods Inc.
Pending	Edgen Group	Specialty energy and infrastructure products	Sumitomo Corporation
Pending	The Encompass Gas Group	Industrial, medical and specialty gases	Airgas, Inc.
Oct-13	NetAccess AB	Electrical computer and telecommunications components	Ahlsell
Oct-13	Precision Supply	Cutting tools, abrasives and engineered products	BlackHawk Industrial Distribution, Inc.
Oct-13	Specialty Professional Products	Agricultural chemicals	KODA Distribution Group
Oct-13	Jackovich Industrial and Construction Supply Inc.	Petroleum, timber and mining and construction products	Motion and Flow Control Products, Inc.
Sep-13	Sooner, Inc.	Oil country tubular goods	Marubeni-Hochu Tubulars America, Inc.
Sep-13	Intermec, Inc.	Wired and wireless automated ID and data collection products	Honeywell International Inc.
Sep-13	Wildcat Minerals LLC	Oilfield consumables and material handling solutions	Platts River Equity
Sep-13	Roy Tailors Uniform Co. Inc	Public safety, transit and postal uniforms and equipment	Galls, LLC
Sep-13	Interstate Electric Supply	Electrical components and supplies	Crescent Electric Supply Company
Sep-13	Pneumatic Holdings Inc.	Pneumatic light construction tools	Atlas Copco
Sep-13	SoCom Inc.	Web hosting and cloud infrastructure services	Ingram Micro Inc.
Sep-13	Electrical Wholesale Supply of Utah	Electrical apparatus, wiring and construction materials	Border States Electric
Sep-13	G.W. Palmer Logistics, LLC	Logistics	Roadrunner Transportation Systems, Inc.
Sep-13	The Bolt Company of New Mexico, LLC	Fasteners	Southwest Fastener LLC

## 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	
<b>Automotive and Truck</b>											
AutoZone, Inc.	\$ 422.73	93.5%	\$ 14,497	\$ 18,541	\$ 9,148	\$ 1,981	6.3%	21.7%	2.0x	9.4x	
Genuine Parts Company	80.89	94.7%	12,527	13,240	13,370	1,203	3.6%	9.0%	1.0x	11.0x	
LKQ Corp.	31.87	98.7%	9,565	10,790	4,532	549	13.5%	12.1%	2.4x	19.6x	
<b>Building Products</b>											
Beacon Roofing Supply, Inc.	\$ 36.87	86.3%	\$ 1,803	\$ 2,054	\$ 2,155	\$ 159	5.5%	7.4%	1.0x	12.9x	
Builders FirstSource, Inc.	5.88	80.2%	563	891	1,297	24	32.9%	1.9%	0.7x	nmf	
HD Supply Holdings, Inc.	21.97	87.7%	4,220	9,799	8,465	691	20.4%	8.2%	1.2x	14.2x	
Watsco, Inc.	94.27	96.6%	3,031	3,699	3,620	271	9.3%	7.5%	1.0x	13.6x	
<b>Communications, Electronics and Electrical</b>											
Anixter International Inc.	\$ 87.66	97.8%	\$ 2,852	\$ 3,648	\$ 6,224	\$ 363	0.3%	5.8%	0.6x	10.1x	
Arrow Electronics, Inc.	48.53	98.9%	4,862	6,618	20,521	842	0.4%	4.1%	0.3x	7.8x	
Avnet, Inc.	41.71	99.3%	5,734	6,770	25,459	896	1.2%	3.5%	0.3x	7.6x	
Ingram Micro Inc.	23.05	97.5%	3,521	3,629	40,984	610	12.6%	1.5%	0.1x	6.0x	
Rexel SA	25.44	98.4%	7,153	10,669	13,350	782	(0.0%)	5.9%	0.6x	10.0x	
ScanSource, Inc.	34.59	94.1%	971	828	2,877	111	(3.4%)	3.9%	0.3x	7.4x	
<b>Consumer Products</b>											
Bunzl plc	\$ 21.66	94.0%	\$ 7,112	\$ 8,540	\$ 5,704	\$ 403	7.2%	7.1%	0.9x	13.1x	
Core-Mark Holding Company, Inc.	66.44	97.7%	766	833	7,190	87	5.2%	1.2%	0.1x	9.6x	
Nash Finch Co.	26.41	89.5%	325	757	4,946	112	2.4%	2.3%	0.2x	6.8x	
Pool Corp.	56.07	95.2%	2,614	2,889	1,996	170	4.1%	8.5%	1.4x	17.0x	
Sysco Corporation	31.83	88.3%	18,891	21,364	44,411	2,478	3.6%	5.6%	0.5x	8.6x	
United Natural Foods, Inc.	67.26	97.0%	3,318	3,472	6,064	230	15.8%	3.8%	0.6x	15.1x	
<b>Industrial</b>											
Airgas, Inc.	\$ 106.05	98.4%	\$ 7,795	\$ 10,336	\$ 4,980	\$ 897	2.0%	18.0%	2.1x	11.5x	
Applied Industrial Technologies, Inc.	51.50	96.1%	2,173	2,100	2,462	202	2.3%	8.2%	0.9x	10.4x	
DXP Enterprises, Inc.	78.97	100.0%	1,122	1,357	1,181	118	15.5%	9.9%	1.1x	11.6x	
Fastenal Company	50.27	94.2%	14,924	14,800	3,214	759	4.5%	23.6%	4.6x	19.5x	
Kaman Corporation	37.86	94.9%	1,025	1,311	1,629	130	4.6%	8.0%	0.8x	10.1x	
MSC Industrial Direct Co., Inc.	81.35	92.5%	5,157	5,392	2,419	458	2.7%	18.9%	2.2x	11.8x	
W.W. Grainger, Inc.	261.71	94.7%	18,188	18,328	9,169	1,387	4.2%	15.1%	2.0x	13.2x	
WESCO International Inc.	76.53	95.3%	3,381	4,892	7,003	411	7.3%	5.9%	0.7x	11.9x	
<b>Office and Laboratory Supplies</b>											
Henry Schein, Inc.	\$ 103.77	96.3%	\$ 8,975	\$ 9,832	\$ 9,325	\$ 789	5.1%	8.5%	1.1x	12.4x	
United Stationers Inc.	43.44	98.7%	1,732	2,230	5,058	256	0.4%	5.1%	0.4x	8.7x	
<b>Mean</b>		<b>94.7%</b>					<b>6.5%</b>	<b>8.3%</b>	<b>1.1x</b>	<b>11.5x</b>	
<b>Median</b>		<b>95.3%</b>					<b>4.5%</b>	<b>7.4%</b>	<b>0.9x</b>	<b>11.3x</b>	

Source: Bloomberg, Capital IQ and company filings, as of 09/30/2013  
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 15 offices and strategic partnerships with leading institutions, Lincoln International has strong local knowledge and contacts in the 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](http://www.lincolninternational.com).

### Officer Contacts



Brad Keyworth  
Director  
bkeyworth@lincolninternational.com  
+1-312-506-2710



Curt Tatham  
Managing Director  
ctatham@lincolninternational.com  
+1-312-580-8329

### Contributors

Hillary Borg  
hborg@lincolninternational.com  
Erica Lester  
elester@lincolninternational.com

<b>AMSTERDAM</b> 	<b>BEIJING</b> 	<b>CHICAGO</b> 	<b>FRANKFURT</b> 	<b>LONDON</b> 	<b>LOS ANGELES</b> 
<b>MADRID</b> 	<b>MILAN</b> 	<b>MOSCOW</b> 	<b>MUMBAI</b> 	<b>NEW YORK</b> 	<b>PARIS</b> 
<b>SÃO PAULO</b> 	<b>TOKYO</b> 	<b>VIENNA</b> 			