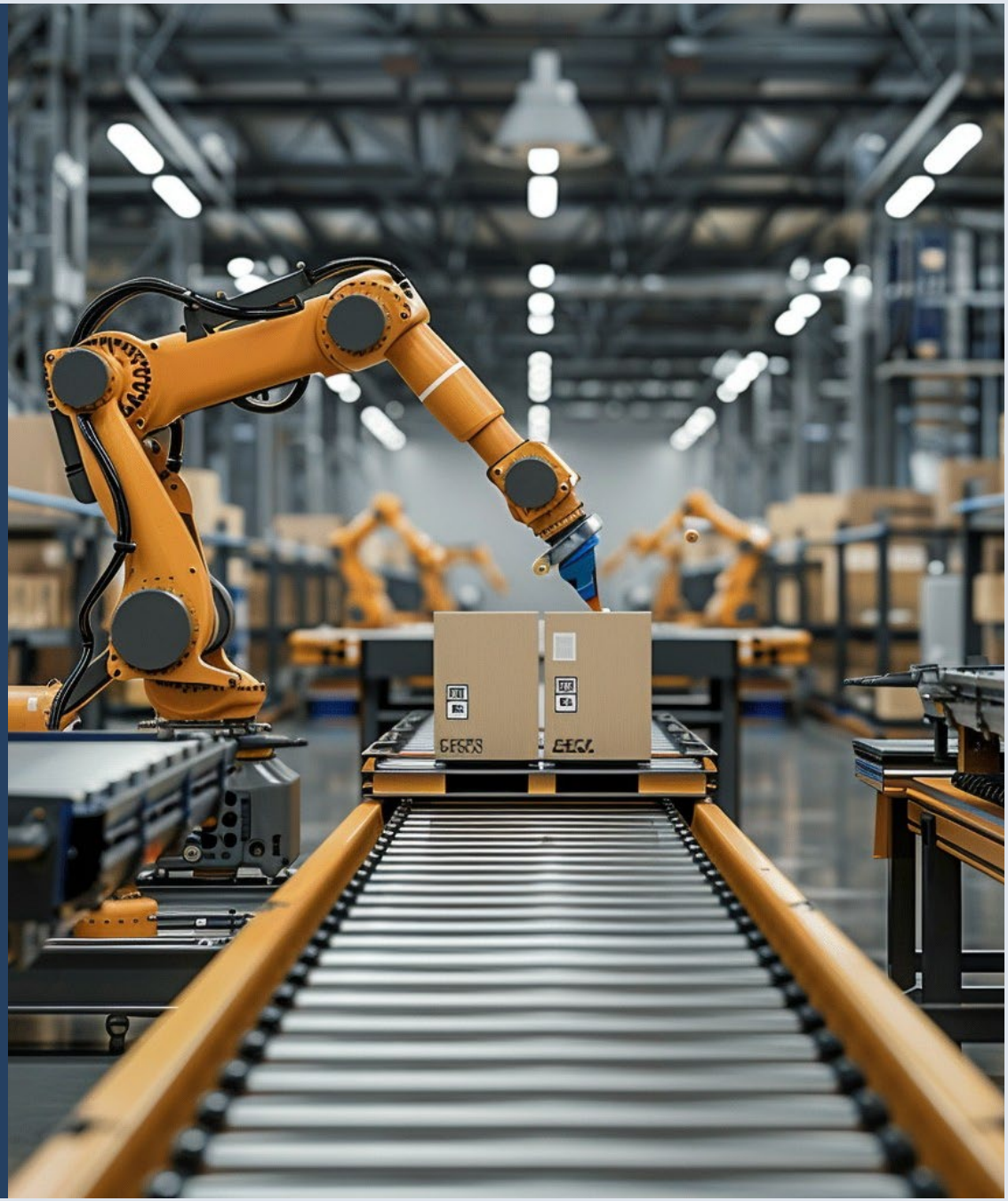
Shields & Company

INVESTMENT BANKERS

Specialty Distribution

Sector Update

Q1 2026



Shields & Company, Inc. is a FINRA Registered Broker-Dealer and a member of SIPC.

Sector M&A Activity Improved and Stocks Outperformed

M&A Summary

- U.S. M&A deal volume in Q1 2026 increased approximately 7% compared to Q1 2025, despite escalating geopolitical uncertainty. The M&A market continues to be supported by historically high levels of private equity dry powder, strong corporate balance sheets, and reasonable debt availability, despite turbulence in the private credit markets related to AI-driven valuation adjustments for enterprise software companies.

- M&A activity in the Specialty Distribution sector rebounded from Q4 2025 lows, with Q1 closings increasing 22% sequentially. However, Q1 closings were approximately 10% below the strong levels of Q1 2025.

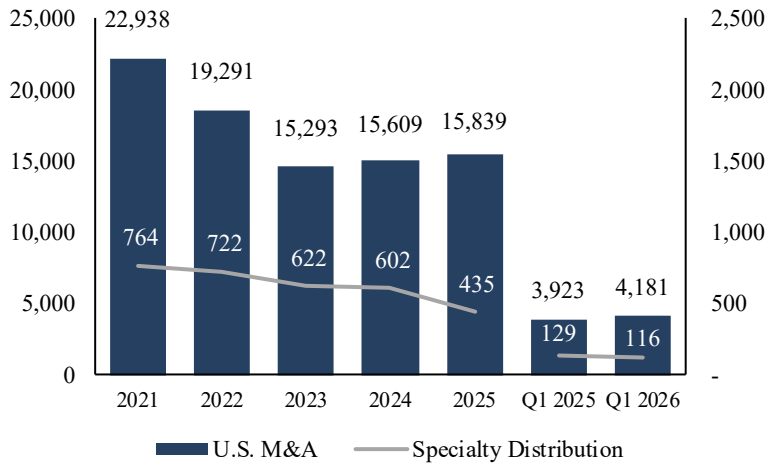
- Going forward, the overall M&A market may soften if geopolitical tensions continue to escalate or if the turmoil in the tech private debt market spreads to the broader market.

Public Company Performance

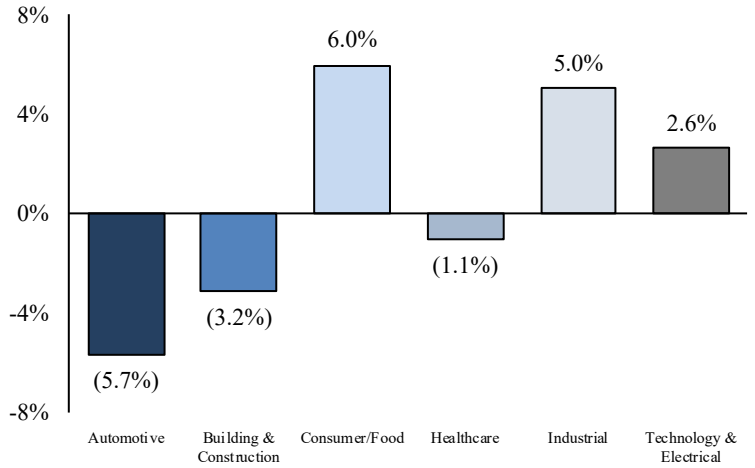
- Our Specialty Distribution peer groups showed mixed results. The Consumer/Food, Industrial, and Tech & Electrical groups generated positive returns in Q1, while Automotive, Building & Construction, and Healthcare had negative returns. All peer groups except Automotive outperformed the S&P 500 which returned -4.8% in Q1.

- At the end of Q1, the sector median TEV/LTM EBITDA multiple was 11.3x. The Healthcare (13.6x) and Industrial (13.6x) subsectors had the highest median multiples.

M&A Transaction Volume



Q1 2026 Peer Group Returns [1]

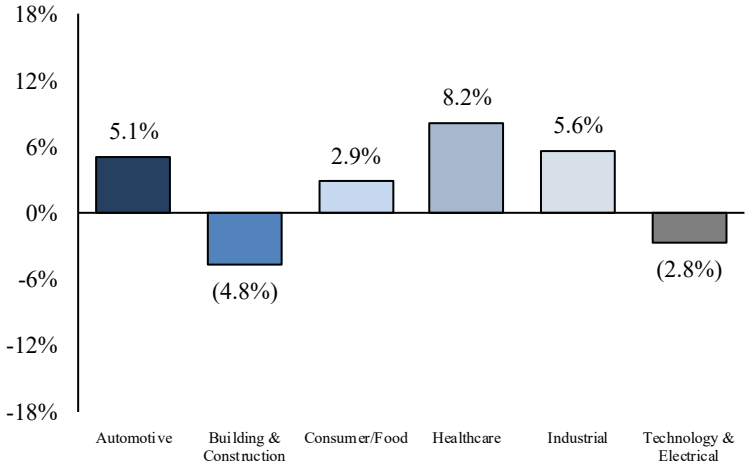


Select Specialty Distribution Transactions

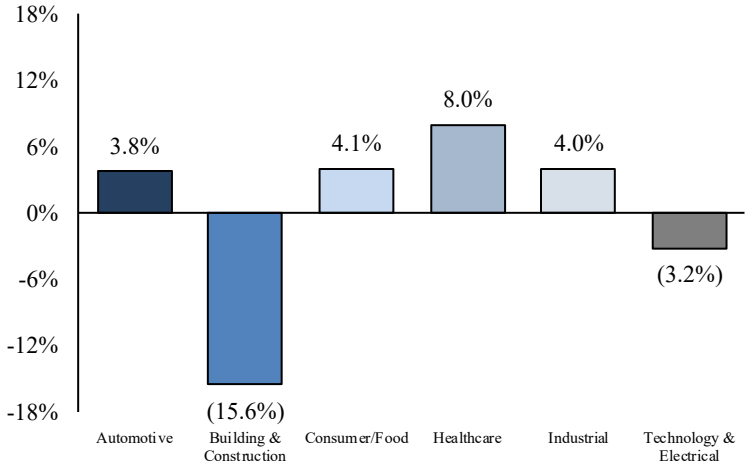
Date	Target	Description	Buyer
Mar-26	Allied Inventory Systems, Inc.	Allied Inventory Systems, Inc. provides inventory management and supply chain solutions for industrial components, including fasteners, adhesives, bearings, and tools.	AFC Industries, Inc.
Mar-26	Reinders, Inc.	Reinders, Inc. distributes lawn care products, including irrigation, turf, landscaping, lighting and audio, water features, snow and ice removal, and golf course supplies.	SiteOne Landscape Supply, Inc.
Mar-26	Specialty Packaging LLC	Specialty Packaging LLC distributes packaging products and equipment and provides package design, sourcing, logistics, and distribution services.	SupplyOne, Inc.
Mar-26	Brady Industries, LLC	Brady Industries, LLC distributes and provides janitorial/sanitation (JanSan), foodservice, and industrial packaging products.	Imperial Dade Intermediate Holdings, LLC
Mar-26	Cash-Wa Distributing Co., Inc.	Cash-Wa Distributing Co., Inc. is a foodservice distributor of groceries, frozen foods, fresh meat, produce, beverages, dairy products, and disposables.	Performance Food Group Company
Feb-26	Ambiente H2O, Inc.	Ambiente H2O, Inc. distributes pumps, process equipment, and instrumentation for the water and wastewater industries.	DXP Enterprises, Inc.
Feb-26	Pluck, LLC	Pluck, LLC, doing business as Keep Supply, distributes industrial refrigeration parts and equipment.	Kanbrick LLC
Jan-26	Car Parts, Inc.	Car Parts, Inc., now doing business as Color Systems, distributes PPG paints and related supplies to collision centers across Rhode Island, Massachusetts, and Connecticut.	Painters Supply & Equipment Co.
Jan-26	Kyocera Industrial Tools, Inc.	Kyocera Industrial Tools, Inc. distributes materials and tools for construction and industrial customers.	Truelink Capital Management, LLC
Jan-26	Atlantic Firebrick and Supply Company, Inc.	Atlantic Firebrick and Supply Company, Inc. distributes refractory materials including firebrick, precast shapes, and monolithic refractories.	Plibrico Company, LLC
Jan-26	NEFCO Holding Company, LLC	NEFCO Holding Company, LLC distributes construction products to professional contractors.	Leonard Green & Partners, L.P.
Jan-26	AZ Wire and Cable Company, Inc.	AZ Wire and Cable Company, Inc. distributes industrial, commercial, and specialty wire and cable products for electrical distribution markets and wire and cable redistributors.	LindFast Solutions Group
Jan-26	Critical Components, LLC	Critical Components, LLC distributes uninterruptible power supply devices.	Concentric, LLC
Jan-26	Design Lab, Inc.	Design Lab, Inc. distributes public safety uniforms and gear.	Galls, LLC
Jan-26	Jack Jolly & Son, Inc.	Jack Jolly & Son, Inc. operates as a regional distributor of grips, spikes, and pro shop essentials for golf courses and retailers.	GT Golf Holdings, Inc.
Jan-26	Reliable Medical Supply, Inc.	Reliable Medical Supply, Inc. engages in the distribution, servicing, and repair of home medical equipment and supplies.	Gauge Capital LLC

Public Company Operating Metrics

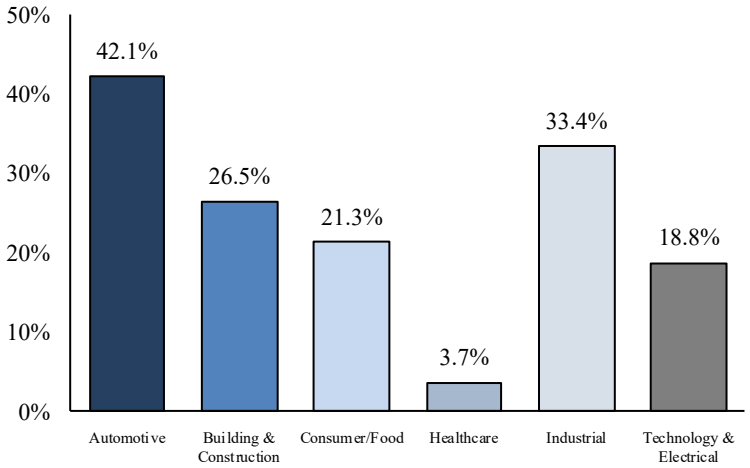
3-Year Revenue CAGR (2)



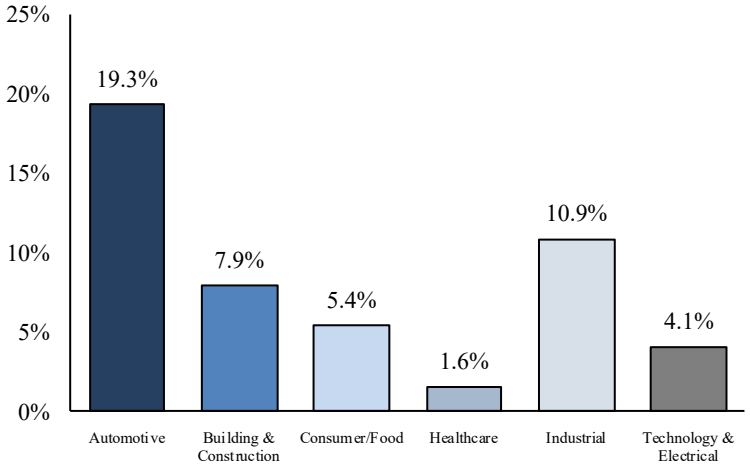
3-Year EBITDA CAGR (2)



LTM Gross Margin (2)

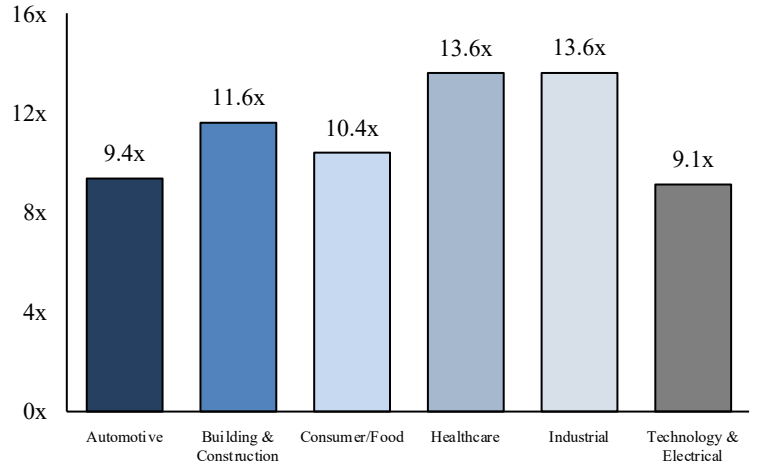


LTM EBITDA Margin (2)

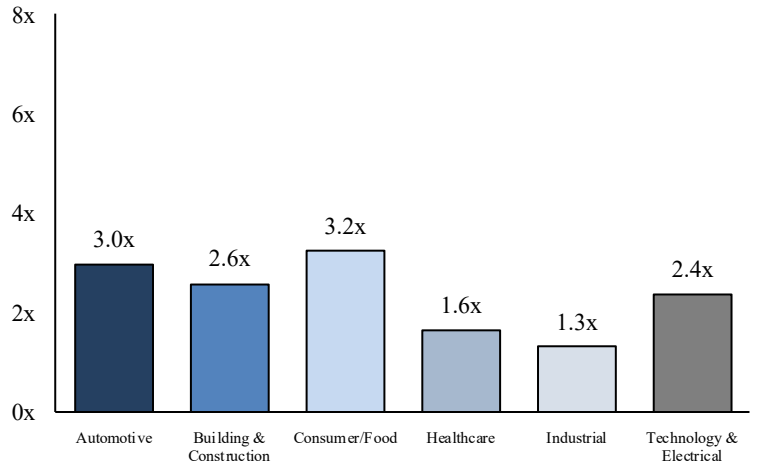


Public Company Valuation Metrics

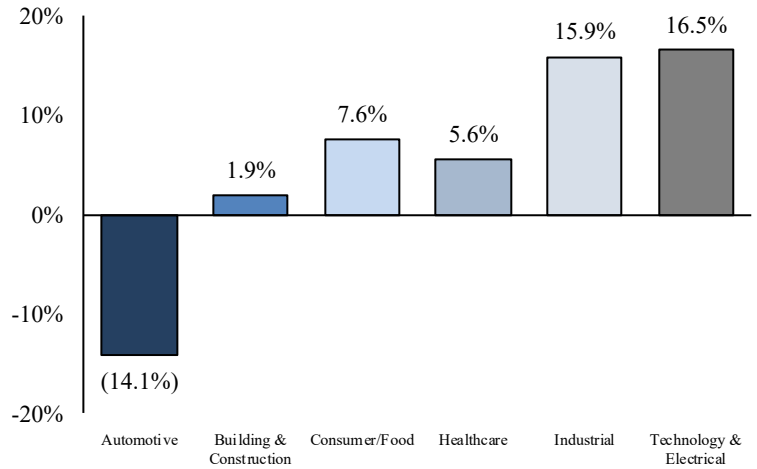
TEV/LTM EBITDA (2)



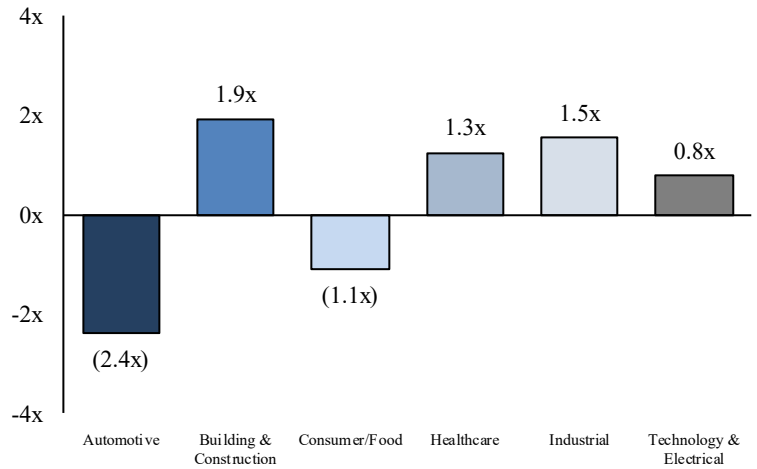
Net Debt/LTM EBITDA (2)



LTM Change in Stock Price (1)



LTM Change in EBITDA Multiple (2)



3-Year Stock Return [1]



Industrial
188.6

Healthcare
162.5

S&P 500
158.3

Consumer/Food
131.6

Technology & Electrical
124.1

Building & Construction
108.7

Automotive
106.1

3-Year LTM EBITDA Multiple (2)



Industrial
13.6x

Healthcare
13.6x

Building & Construction
11.6x

Consumer/Food
10.4x

Automotive
9.4x

Technology & Electrical
9.1x

Public Comparable Companies

($ in millions)	TEV	Latest Twelve Months Revenue	Latest Twelve Months Gross Profit	Latest Twelve Months EBITDA	TEV / LTM Revenue	TEV / LTM EBITDA	TEV / EBITDA 2026P	TEV / EBITDA 2027P
Automotive								
AutoZone, Inc.	$64,570	$19,610	$10,173	$4,191	3.3x	15.4x	14.2x	13.0x
Dorman Products, Inc.	$3,540	$2,130	$898	$412	1.7x	8.6x	8.8x	8.1x
Genuine Parts Company	$18,889	$24,300	$9,101	$2,014	0.8x	9.4x	8.8x	8.1x
LKQ Corporation	$10,863	$13,651	$5,265	$1,495	0.8x	7.3x	7.3x	6.9x
O'Reilly Automotive, Inc.	$82,991	$17,782	$9,174	$3,972	4.7x	20.9x	19.5x	18.3x
			Automotive Median		**1.7x**	**9.4x**	**8.8x**	**8.1x**
Building & Construction								
ADENTRA Inc.	$1,133	$2,249	$488	$139	0.5x	8.2x	6.1x	5.8x
BlueLinx Holdings Inc.	$658	$2,954	$452	$71	0.2x	9.3x	8.2x	6.6x
Boise Cascade Company	$2,705	$6,405	$1,054	$338	0.4x	8.0x	7.4x	6.1x
Builders FirstSource, Inc.	$13,366	$15,191	$4,616	$1,378	0.9x	9.7x	9.3x	8.0x
Doman Building Materials Group Ltd.	$1,316	$2,233	$362	$163	0.6x	8.1x	7.2x	6.6x
Ferguson Enterprises Inc.	$48,913	$30,799	$9,432	$2,986	1.6x	16.4x	14.5x	13.3x
Pool Corporation	$8,520	$5,289	$1,572	$631	1.6x	13.5x	12.8x	12.0x
QXO, Inc.	$15,726	$6,842	$1,704	$539	2.3x	29.2x	14.5x	8.5x
SiteOne Landscape Supply, Inc.	$6,272	$4,705	$1,635	$374	1.3x	16.8x	14.1x	12.7x
Watsco, Inc.	$13,551	$7,239	$2,030	$738	1.9x	18.4x	17.2x	15.6x
			Building & Construction Median		**1.1x**	**11.6x**	**11.1x**	**8.2x**

PUBLIC COMPARABLE COMPANIES (CONTINUED)

		Latest Twelve Months			TEV / LTM		TEV / EBITDA	
($ in millions)	**TEV**	**Revenue**	**Gross Profit**	**EBITDA**	**Revenue**	**EBITDA**	**2026P**	**2027P**
Consumer/Food								
Bunzl plc	$12,761	$15,625	$4,508	$1,256	0.8x	10.2x	8.4x	8.1x
Central Garden & Pet Company	$2,539	$3,090	$997	$346	0.8x	7.3x	7.0x	6.9x
Fortune Brands Innovations, Inc.	$6,951	$4,463	$2,022	$890	1.6x	7.8x	8.2x	7.7x
Performance Food Group Company	$20,392	$62,366	$7,808	$1,635	0.3x	12.5x	10.0x	8.9x
Sysco Corporation	$46,527	$82,646	$15,259	$4,384	0.6x	10.6x	10.1x	9.6x
The Chefs' Warehouse, Inc.	$3,047	$4,150	$1,004	$228	0.7x	13.4x	10.7x	9.7x
United Natural Foods, Inc.	$4,419	$31,542	$4,243	$557	0.1x	7.9x	6.1x	5.7x
US Foods Holding Corp.	$25,663	$39,424	$6,864	$1,710	0.7x	15.0x	11.9x	11.0x
				Consumer/Food Median	**0.7x**	**10.4x**	**9.2x**	**8.5x**
Healthcare								
Accendra Health, Inc.	$1,942	$2,762	$1,289	$361	0.7x	5.4x	5.7x	5.3x
Cardinal Health, Inc.	$56,159	$244,673	$9,041	$3,826	0.2x	14.7x	13.4x	11.6x
Cencora, Inc.	$67,466	$325,778	$11,767	$4,958	0.2x	13.6x	12.3x	11.2x
Henry Schein, Inc.	$12,957	$13,184	$4,105	$1,023	1.0x	12.7x	11.2x	10.5x
McKesson Corporation	$110,904	$397,958	$13,857	$6,044	0.3x	18.3x	14.9x	13.6x
				Healthcare Median	**0.3x**	**13.6x**	**12.3x**	**11.2x**

PUBLIC COMPARABLE COMPANIES (CONTINUED)

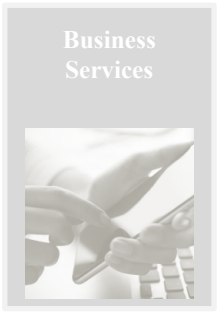
		Latest Twelve Months			TEV / LTM		TEV / EBITDA	
($ in millions)	TEV	Revenue	Gross Profit	EBITDA	Revenue	EBITDA	2026P	2027P
Industrial								
Applied Industrial Technologies, Inc.	$10,035	$4,754	$1,445	$585	2.1x	17.2x	16.0x	15.0x
Core & Main, Inc.	$11,306	$7,647	$2,059	$914	1.5x	12.4x	11.7x	10.8x
Distribution Solutions Group, Inc.	$1,851	$1,980	$662	$161	0.9x	11.5x	9.9x	9.2x
DNOW Inc.	$2,500	$2,820	$613	$171	0.9x	14.6x	8.0x	7.0x
DXP Enterprises, Inc.	$2,713	$2,016	$636	$218	1.3x	12.5x	10.6x	9.4x
Fastenal Company	$53,131	$8,201	$3,691	$1,835	6.5x	29.0x	25.8x	23.6x
Global Industrial Company	$1,136	$1,379	$490	$105	0.8x	10.8x	11.0x	10.2x
MSC Industrial Direct Co., Inc.	$5,641	$3,807	$1,551	$414	1.5x	13.6x	12.3x	11.1x
W.W. Grainger, Inc.	$53,936	$17,942	$7,009	$2,963	3.0x	18.2x	16.7x	15.5x
				Industrial Median	**1.5x**	**13.6x**	**11.7x**	**10.8x**
Technology & Electrical								
Arrow Electronics, Inc.	$10,179	$30,853	$3,457	$1,057	0.3x	9.6x	8.1x	7.4x
Avnet, Inc.	$7,696	$23,151	$2,459	$696	0.3x	11.1x	8.0x	7.8x
CDW Corporation	$20,851	$22,424	$4,873	$1,967	0.9x	10.6x	9.7x	9.1x
ePlus inc.	$1,774	$2,407	$640	$227	0.7x	7.8x	8.7x	7.5x
Insight Enterprises, Inc.	$3,305	$8,247	$1,761	$553	0.4x	6.0x	5.9x	5.5x
PC Connection, Inc.	$1,067	$2,873	$539	$117	0.4x	9.1x	8.1x	7.3x
ScanSource, Inc.	$799	$3,024	$416	$123	0.3x	6.5x	5.4x	NA
TD SYNNEX Corporation	$16,624	$65,138	$4,623	$2,027	0.3x	8.2x	8.1x	7.6x
WESCO International, Inc.	$18,486	$23,511	$4,972	$1,445	0.8x	12.8x	10.8x	9.9x
				Technology & Electrical Median	**0.4x**	**9.1x**	**8.1x**	**7.6x**
				TOTAL INDUSTRY MEDIAN	**0.8x**	**11.3x**	**10.0x**	**9.1x**

About Shields & Company

Founded in 1991, Shields & Company, Inc. is a leading, independent, middle-market investment bank located in the Boston area providing corporate finance advisory services to privately-owned and closely-held businesses in North America. While our services include a full range of corporate finance advisory services, our focus is on sell-side merger and acquisition advisory and valuation services. Our M&A practice focuses on six key industries (Business Services; Consumer, Food, & Beverage; Healthcare & Human Services; Industrial Products & Services; Niche Manufacturing; and Specialty Distribution) and our typical client generates $5–30 million of EBITDA.

The Shields & Company team utilizes its deep experience and knowledge to provide creative, thorough, and professional financial advice. We are committed to providing senior-level attention and objective financial advice for our clients. We embrace a philosophy where our clients' goals come first and, as a result, we design and execute tailored sale processes that maximize shareholder outcomes and exceed client expectations.

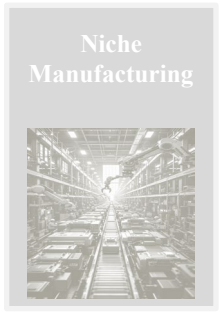
INDUSTRIES

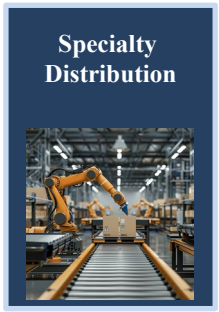












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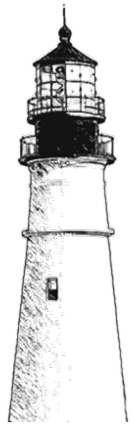
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Sources

Sources: S&P Capital IQ data as of March 31, 2026, and Shields & Company.

Footnotes

(1) Peer group returns calculated based on equal-weighted indices, indexed to 100.

(2) Metrics are peer group medians.