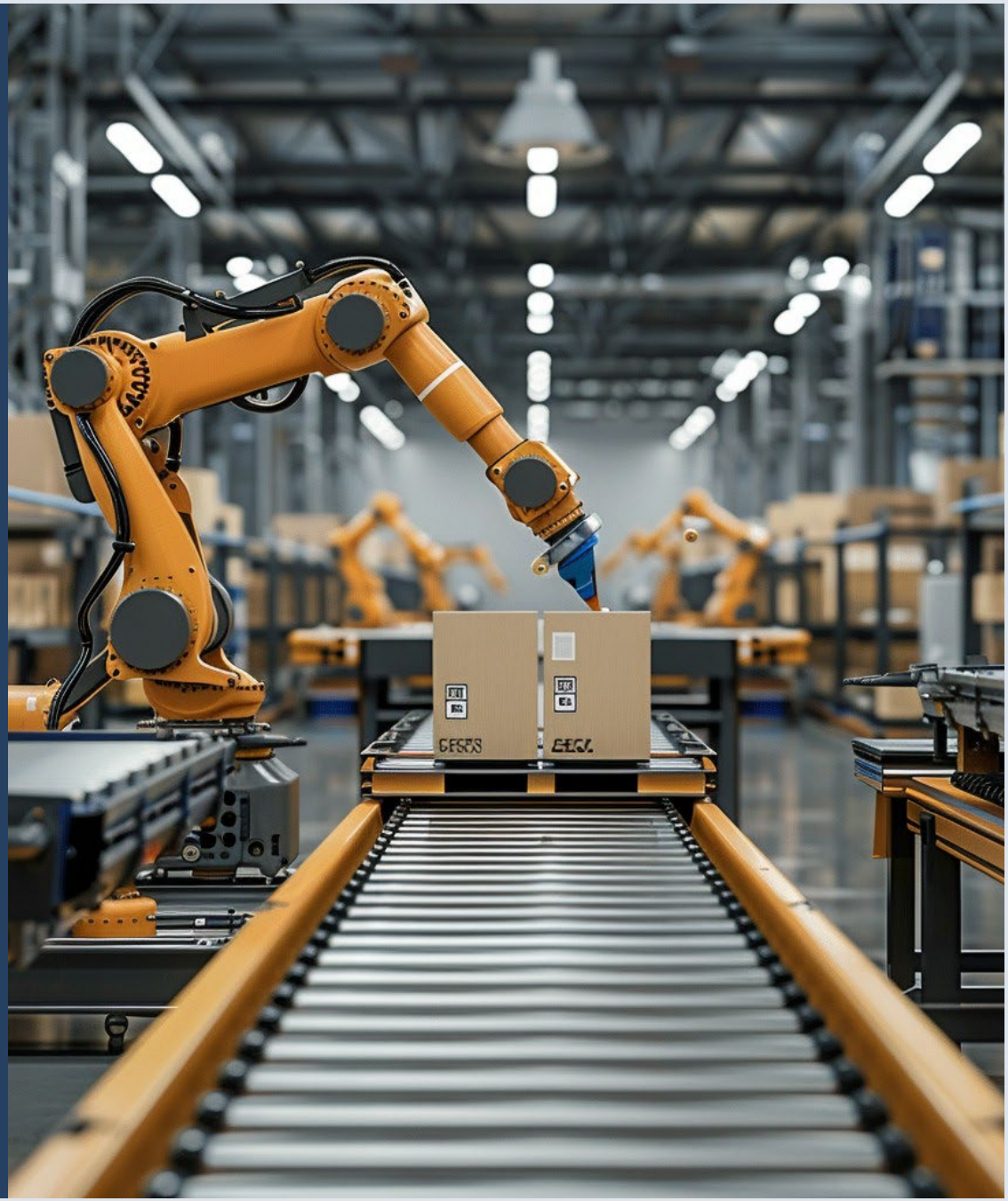
Shields & Company

INVESTMENT BANKERS

Specialty Distribution

Sector Update

Q2 2026



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

Sector M&A Activity Was Flat While Stocks Were Mixed

M&A Summary

- U.S. M&A deal volume in the first half of 2026 increased approximately 2% when compared to H1 2025. The modest YTD increase was the net result of strong activity in Q1 (up 8%) and a decline in Q2 (down 4%).

- Although M&A activity continues to be supported by high levels of capital availability and a resilient economy, several factors are negatively impacting the market. Geopolitical tensions, persistent inflation, relatively high interest rates, anticipated AI-driven disruption in certain industries, and uncertainty surrounding the upcoming midterm elections all provide headwinds to the market.

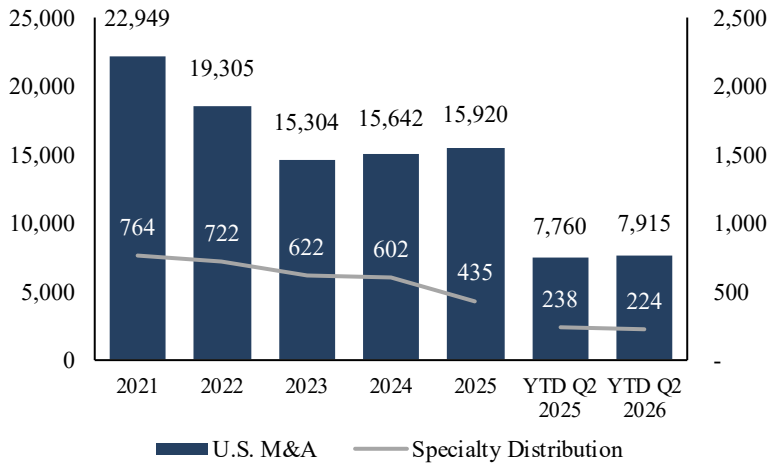
- The Specialty Distribution sector saw M&A activity in the quarter decrease 1% compared to Q2 2025, resulting in H1 2026 transaction volume declining 6% compared to H1 2025.

Public Company Performance

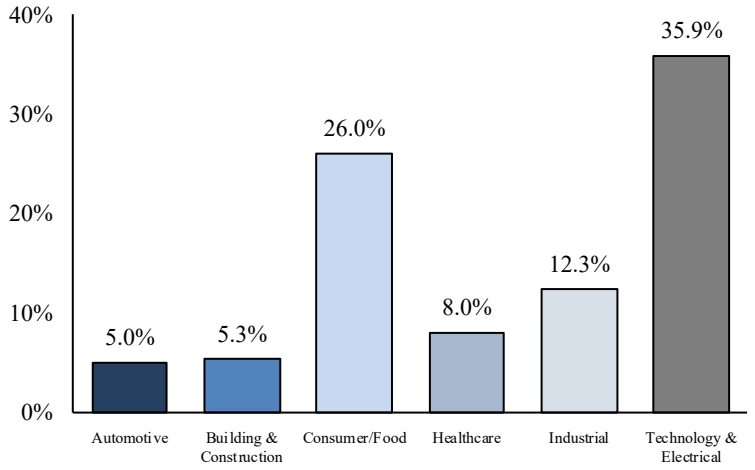
- The public company stock indexes for our Specialty Distribution peer groups all generated positive returns in Q2. Consumer/Food and Tech & Electrical outperformed the S&P 500 index, which rose 14.1%, while the other subsectors underperformed.

- At the end of Q2, the sector median TEV/LTM EBITDA multiple was 12.2x. Industrial (16.9x), Healthcare (13.4x), and Building & Construction (12.9x) remained the subsectors with the highest median EBITDA multiples.

M&A Transaction Volume



Q2 2026 Peer Group Returns [1]

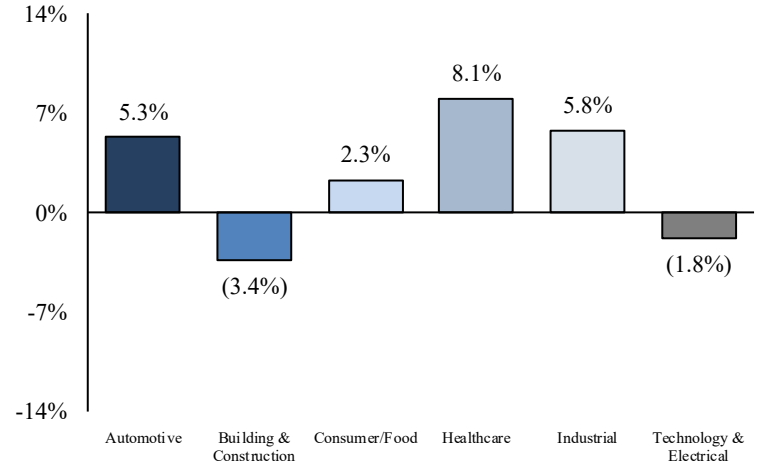


Select Specialty Distribution Transactions

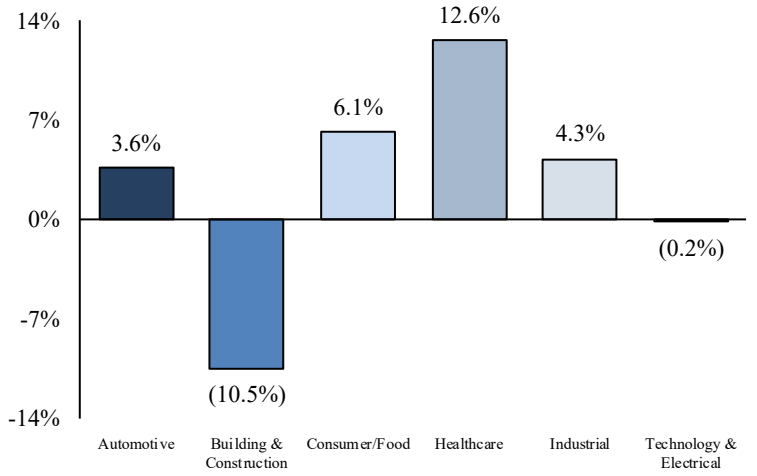
Date	Target	Description	Buyer
Jun-26	Design North Supply, Inc.	Design North Supply, Inc. distributes UPC spray foam, polyurea, coatings, and spray foam equipment.	IDI Distributors Inc.
Jun-26	Chart Distribution Group	Chart Distribution Group distributes automotive lubricants and equipment products.	RelaDyne, LLC
Jun-26	Distributor Corporation of New England	Distributor Corporation of New England operates as a distributor of commercial and residential HVAC equipment, parts, and supplies in New England.	The Master Group L.P.
Jun-26	General Repair Service	General Repair Service sells and services pumps, mechanical seals, lubricants, parts, and provides precision machining.	DXP Enterprises, Inc.
Jun-26	American Key Supply Inc.	American Key Supply Inc. operates as a distributor of hardware and supplies for professional locksmiths.	Foundation Investment Partners, LLC
Jun-26	Tallman Equipment Co., Inc.	Tallman Equipment distributes tools and equipment for linemen in the electrical transmission and distribution industry.	PRV Management, L.P.
May-26	Productivity Quality, Inc.	Productivity Quality, Inc. distributes metrology equipment and provides inspection services to the aerospace and defense, industrial, and medical technology markets.	Warren Equity Partners, LLC
May-26	cfm Distributors, Inc.	cfm Distributors, Inc. distributes heating, ventilation, and air conditioning (HVAC) products.	Advantage Distribution Holdings, LLC
May-26	American Metals Supply, LLC	American Metals Supply, LLC distributes aluminum products including extrusions, bars, coils, sheets, and plates.	Eastern Metal Supply, Inc.
May-26	Builders Supply Co.	Builders Supply Co. offers lumber and millwork inventories, with products ranging from framing material and engineered wood to window and door distribution and install services.	US LBM Holdings, LLC
May-26	Ample Supply Company	Ample Supply Company distributes industrial staplers and nailers. It offers tools, tool repair, and fastener services.	LINC Systems, LLC
May-26	Arco Welding Supply Co., Inc.	Arco Welding Supply Co., Inc. distributes welding equipment, supplies, and industrial gases.	Airgas, Inc.
Apr-26	Toll Gas & Welding Supply Inc.	Toll Gas & Welding Supply Inc. distributes welding supplies and industrial and medical gases.	CM2 Supply
Apr-26	Sanitary Solutions, Inc.	Sanitary Solutions, Inc. distributes fittings, gaskets, hoses, hangers, pumps, pump parts, tubing, and custom fabrications.	Flow Control Holdings, LLC
Apr-26	Integrity Partners Group, LLC	Integrity Partners Group is a chemical distributor of solvents, plasticizers, lubricants, and additives, offering blending, packaging, and solvent recovery services.	Colonial Chemical Solutions, Inc.
Apr-26	Birmingham Restaurant Supply, Inc.	Birmingham Restaurant Supply, Inc., doing business as Bresco, distributes wholesale restaurant equipment and supplies.	Singer Equipment Company, Inc.

Public Company Operating Metrics

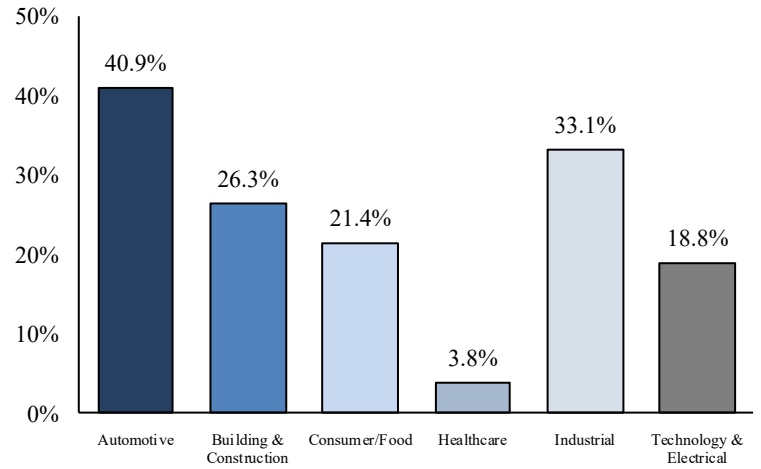
3-Year Revenue CAGR (2)



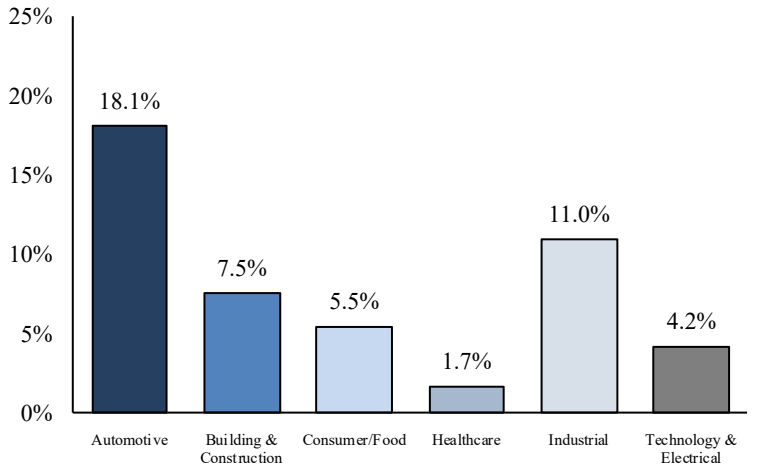
3-Year EBITDA CAGR (2)



LTM Gross Margin (2)

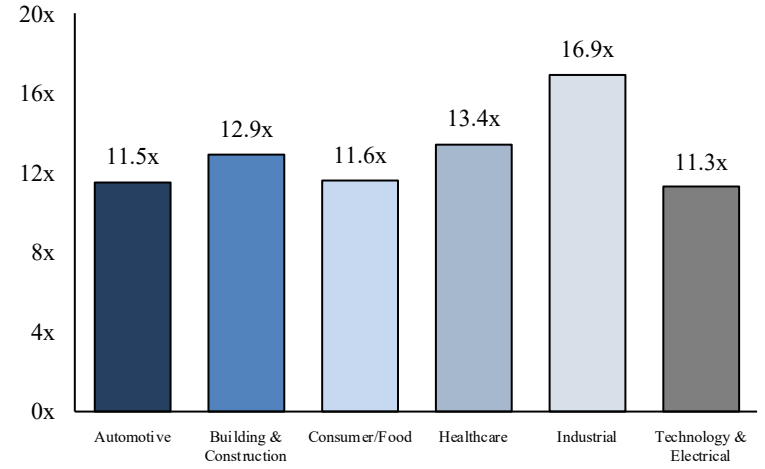


LTM EBITDA Margin (2)

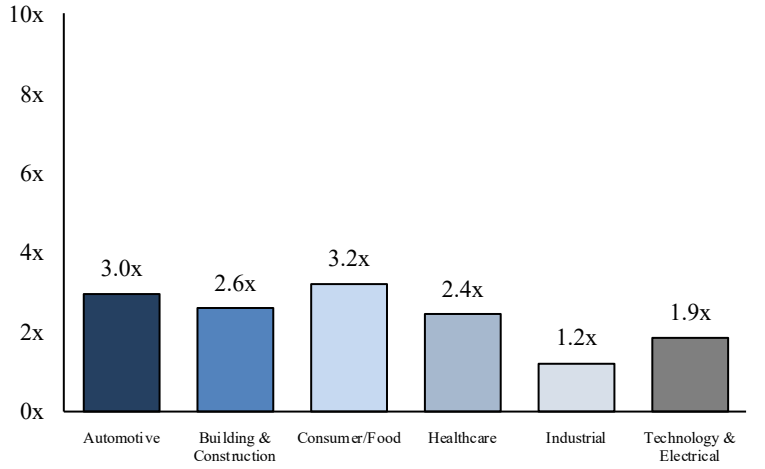


Public Company Valuation Metrics

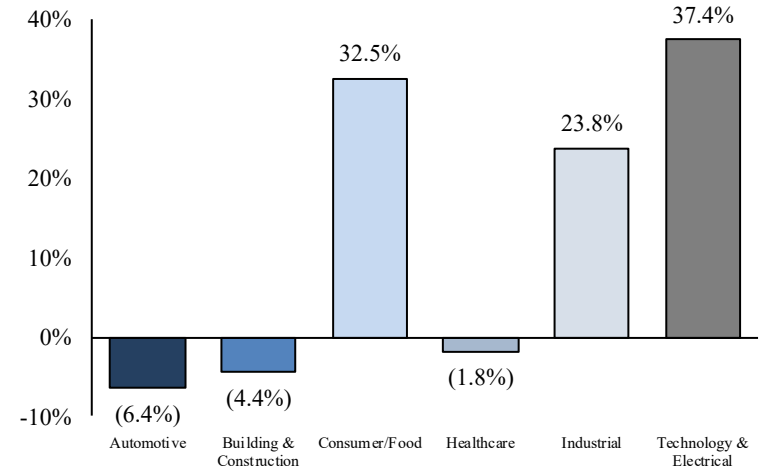
TEV/LTM EBITDA (2)



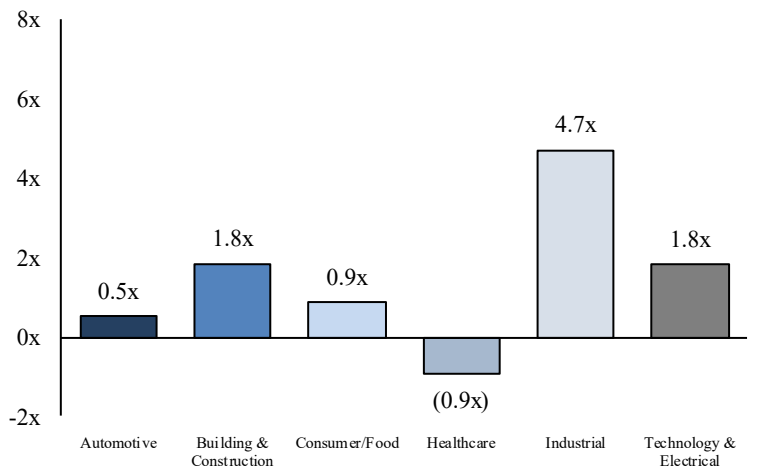
Net Debt/LTM EBITDA (2)



LTM Change in Stock Price (1)



LTM Change in EBITDA Multiple (2)



3-Year Stock Return (1)



Industrial
183.5

S&P 500
168.3

Consumer/Food
163.2

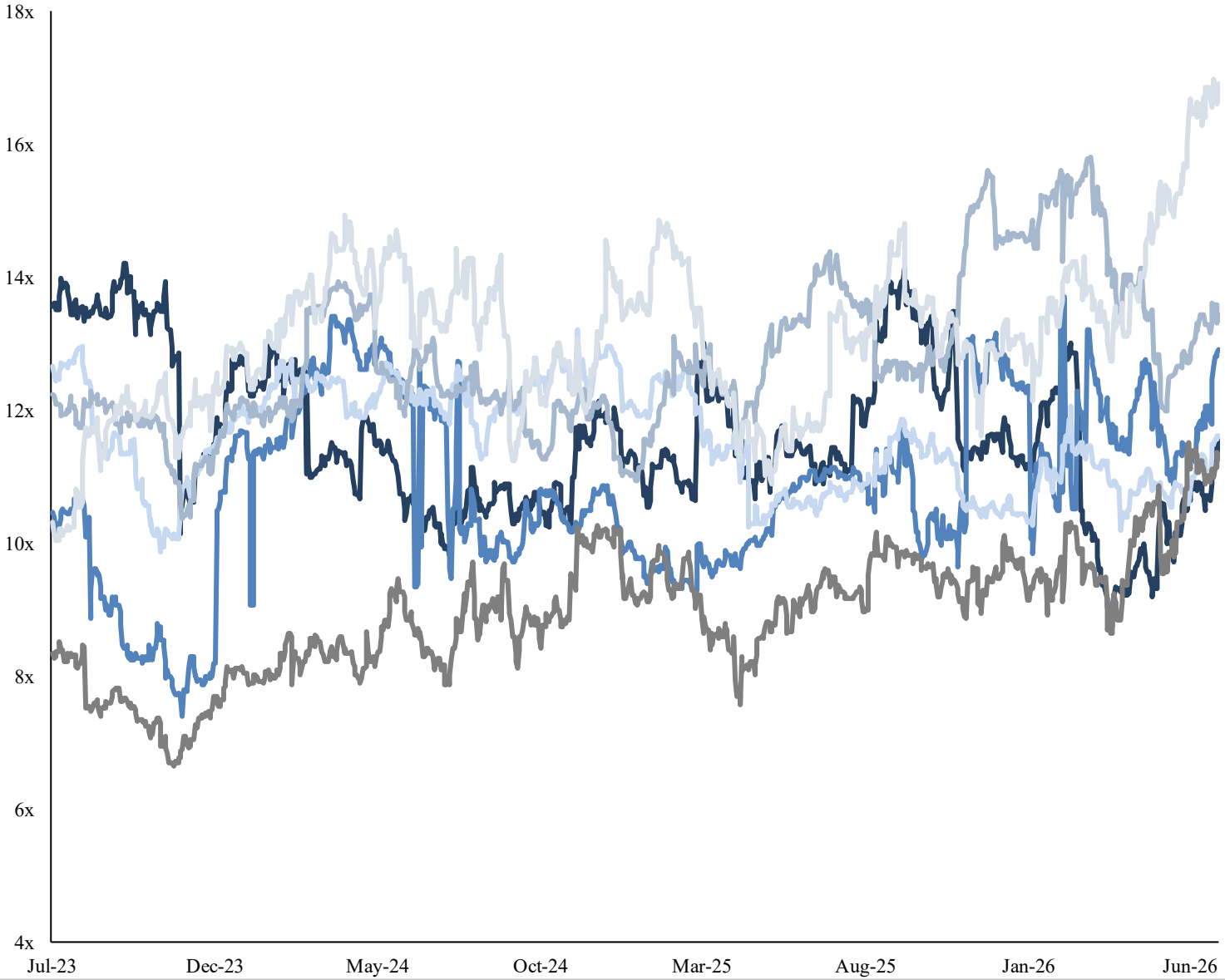
Technology & Electrical
161.5

Healthcare
140.4

Automotive
112.5

Building & Construction
94.2

3-Year LTM EBITDA Multiple (2)



Industrial
16.9x

Healthcare
13.4x

Building & Construction
12.9x

Consumer/Food
11.6x

Automotive
11.5x

Technology & Electrical
11.3x

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.	$61,252	$19,986	$10,344	$4,264	3.1x	14.4x	13.4x	12.3x
Dorman Products, Inc.	$4,489	$2,151	$880	$389	2.1x	11.5x	11.2x	10.1x
Genuine Parts Company	$20,750	$24,699	$9,266	$2,034	0.8x	10.2x	9.8x	9.0x
LKQ Corporation	$10,243	$13,793	$5,283	$1,470	0.7x	7.0x	6.9x	6.4x
O'Reilly Automotive, Inc.	$82,194	$18,206	$9,400	$4,085	4.5x	20.1x	19.1x	18.0x
			Automotive Median		2.1x	11.5x	11.2x	10.1x
Building & Construction								
ADENTRA Inc.	$1,238	$2,269	$485	$136	0.5x	9.1x	6.8x	6.4x
BlueLinx Holdings Inc.	$776	$2,976	$457	$72	0.3x	10.8x	8.6x	7.6x
Boise Cascade Company	$2,888	$6,367	$1,037	$313	0.5x	9.2x	8.3x	6.8x
Builders FirstSource, Inc.	$14,164	$14,820	$4,430	$1,208	1.0x	11.7x	11.5x	9.8x
Doman Building Materials Group Ltd.	$1,529	$2,235	$364	$158	0.7x	9.7x	8.2x	7.8x
Ferguson Enterprises Inc.	$49,334	$31,058	$9,534	$3,043	1.6x	16.2x	14.4x	13.4x
Pool Corporation	$9,007	$5,356	$1,590	$638	1.7x	14.1x	13.5x	12.7x
QXO, Inc.	$13,782	$8,559	$2,108	$459	1.6x	30.0x	11.5x	6.0x
SiteOne Landscape Supply, Inc.	$5,680	$4,706	$1,644	$377	1.2x	15.1x	12.7x	11.5x
Watsco, Inc.	$15,547	$7,241	$2,028	$736	2.1x	21.1x	19.1x	17.5x
			Building & Construction Median		1.1x	12.9x	11.5x	8.8x

PUBLIC COMPARABLE COMPANIES (CONTINUED)

($ 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
Consumer/Food								
Bunzl plc	$14,417	$15,625	$4,508	$1,256	0.9x	11.5x	9.3x	9.1x
Central Garden & Pet Company	$3,029	$3,163	$1,019	$362	1.0x	8.4x	8.0x	8.2x
Fortune Brands Innovations, Inc.	$9,040	$4,441	$1,998	$815	2.0x	11.1x	11.4x	10.6x
Performance Food Group Company	$24,394	$63,350	$7,924	$1,627	0.4x	15.0x	12.0x	10.6x
Sysco Corporation	$52,092	$83,567	$15,491	$4,432	0.6x	11.8x	11.4x	10.7x
The Chefs' Warehouse, Inc.	$4,546	$4,258	$1,035	$240	1.1x	18.9x	15.7x	14.3x
United Natural Foods, Inc.	$4,398	$31,206	$4,211	$575	0.1x	7.6x	6.1x	5.7x
US Foods Holding Corp.	$27,794	$39,683	$6,903	$1,712	0.7x	16.2x	13.1x	12.0x
			Consumer/Food Median		**0.8x**	**11.6x**	**11.4x**	**10.6x**
Healthcare								
Accendra Health, Inc.	$2,027	$2,716	$1,248	$324	0.7x	6.3x	5.9x	5.5x
Cardinal Health, Inc.	$60,777	$250,735	$9,416	$3,997	0.2x	15.2x	14.2x	13.0x
Cencora, Inc.	$65,453	$328,680	$12,478	$5,300	0.2x	12.3x	11.9x	10.9x
Henry Schein, Inc.	$14,340	$13,384	$4,175	$1,048	1.1x	13.7x	12.3x	11.5x
McKesson Corporation	$92,525	$403,430	$14,527	$6,884	0.2x	13.4x	12.7x	11.4x
			Healthcare Median		**0.2x**	**13.4x**	**12.3x**	**11.4x**

PUBLIC COMPARABLE COMPANIES (CONTINUED)

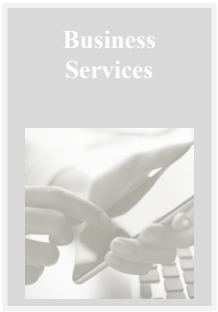
($ in millions)	TEV	Latest Twelve Months Revenue	Latest Twelve Months Gross Profit	Latest Twelve Months EBITDA	TEV / LTM Revenue	TEV / LTM EBITDA	TEV / EBITDA 2026P	TEV / EBITDA 2027P
Industrial								
Applied Industrial Technologies, Inc.	$12,664	$4,839	$1,470	$593	2.6x	21.4x	20.1x	18.6x
Core & Main, Inc.	$11,102	$7,646	$2,069	$919	1.5x	12.1x	11.4x	10.7x
Distribution Solutions Group, Inc.	$1,944	$1,998	$661	$154	1.0x	12.6x	10.8x	10.0x
DNOW Inc.	$2,828	$3,404	$709	$147	0.8x	19.2x	12.7x	8.5x
DXP Enterprises, Inc.	$3,229	$2,061	$654	$223	1.6x	14.5x	12.7x	11.6x
Fastenal Company	$54,957	$8,443	$3,790	$1,889	6.5x	29.1x	26.6x	24.2x
Global Industrial Company	$1,219	$1,409	$500	$108	0.9x	11.3x	11.9x	10.8x
MSC Industrial Direct Co., Inc.	$7,109	$3,833	$1,563	$420	1.9x	16.9x	15.2x	13.5x
W.W. Grainger, Inc.	$66,358	$18,378	$7,195	$3,085	3.6x	21.5x	19.8x	18.4x
				Industrial Median	**1.6x**	**16.9x**	**12.7x**	**11.6x**
Technology & Electrical								
Arrow Electronics, Inc.	$13,166	$33,512	$3,773	$1,284	0.4x	10.3x	7.5x	7.0x
Avnet, Inc.	$10,026	$24,955	$2,611	$765	0.4x	13.1x	9.1x	8.3x
CDW Corporation	$23,385	$22,905	$4,941	$1,982	1.0x	11.8x	10.6x	10.0x
ePlus inc.	$1,865	$2,443	$616	$194	0.8x	9.6x	9.1x	8.4x
Insight Enterprises, Inc.	$4,967	$8,272	$1,817	$582	0.6x	8.5x	8.5x	8.1x
PC Connection, Inc.	$1,430	$2,894	$545	$123	0.5x	11.7x	10.6x	9.8x
ScanSource, Inc.	$1,040	$3,086	$423	$122	0.3x	8.5x	7.1x	6.4x
TD SYNNEX Corporation	$25,011	$69,766	$4,916	$2,220	0.4x	11.3x	9.9x	9.1x
WESCO International, Inc.	$21,884	$24,247	$5,138	$1,510	0.9x	14.5x	12.6x	11.4x
				Technology & Electrical Median	**0.5x**	**11.3x**	**9.1x**	**8.4x**
				TOTAL INDUSTRY MEDIAN	**0.9x**	**12.2x**	**11.5x**	**10.3x**

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.

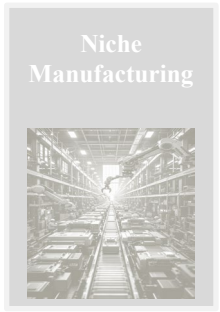
INDUSTRIES

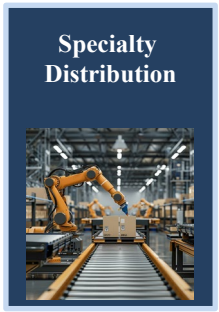












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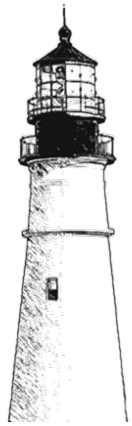
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Sources

Sources: S&P Capital IQ data as of June 30, 2026, and Shields & Company.

Footnotes

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

(2) Metrics are peer group medians.