



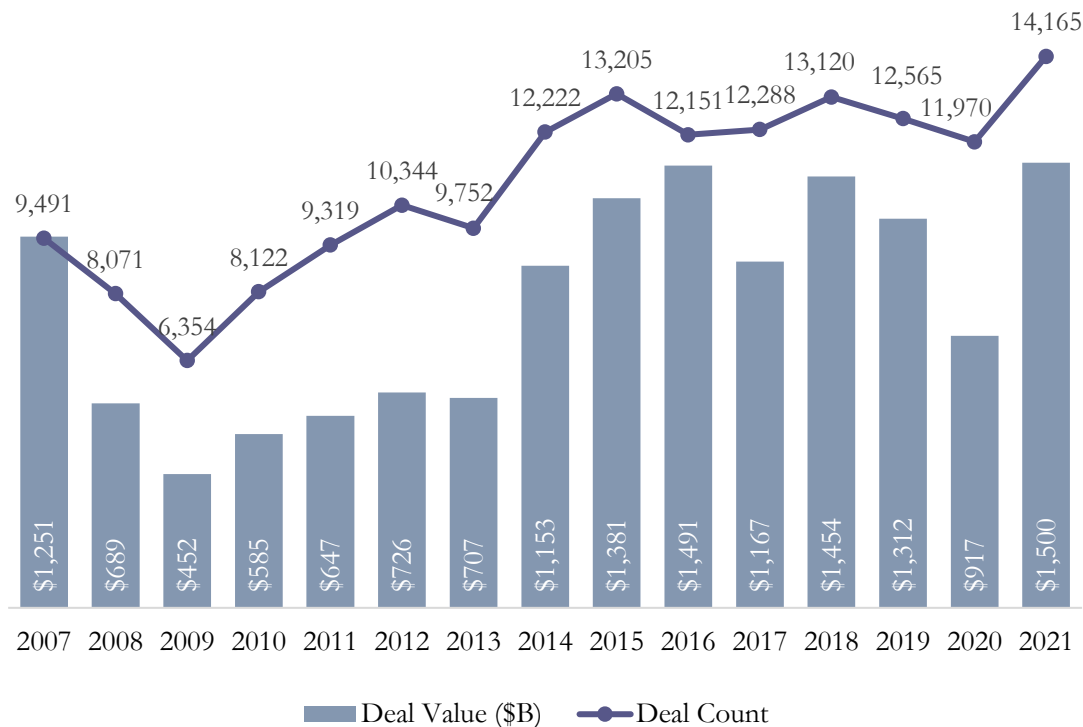
Industrial and Specialty Distribution M&A Market Update

Q1 2022

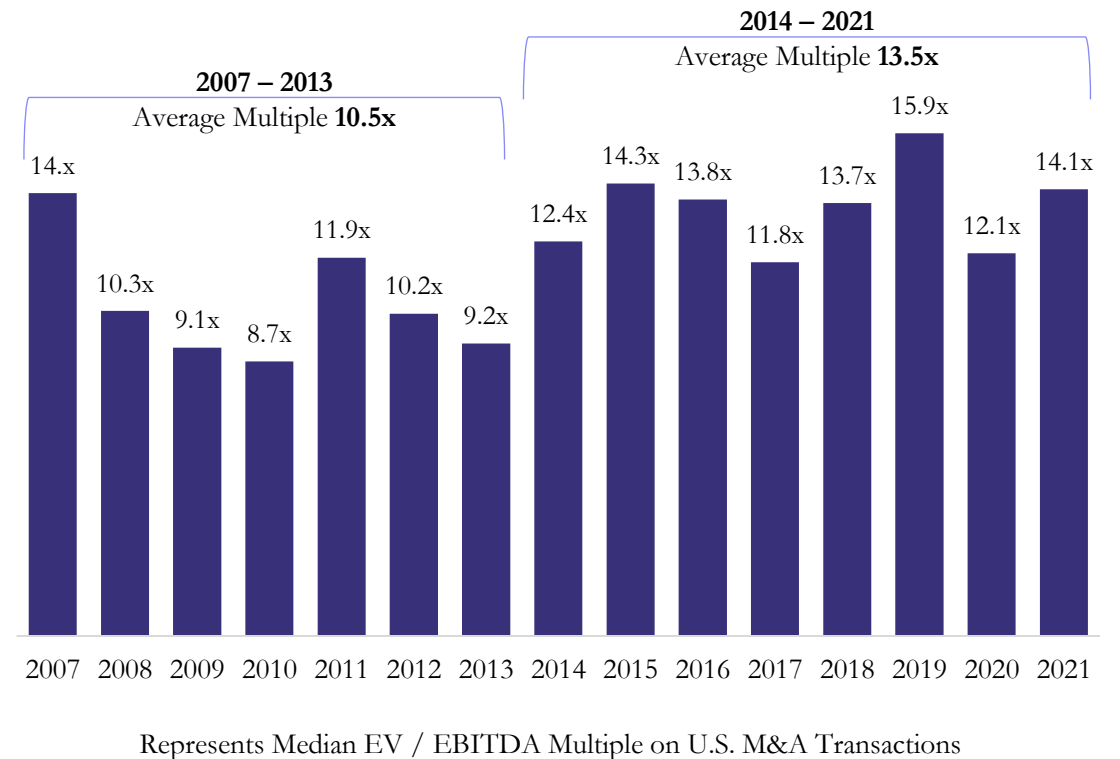
US M&A Landscape: Activity and Valuations Rebound

- Rebounding strongly from the COVID-19 shock, M&A activity reached new records in both value and deal count in 2021.
- High public market valuation multiples (S&P 500 ended 2021 with an EV/EBITDA multiple of 16.8x) versus private market multiples (14.1x) continues to drive investors expecting lower future public market returns to increase allocations to the private markets. We see this trend continuing well into 2022.
- With public market valuations remaining elevated and continued availability of relatively cheap debt, the private M&A market remains attractive and is set for another strong and competitive year as acquirers (both strategic and sponsor) compete for quality assets.

US M&A Activity Regains Pre-Pandemic Strength



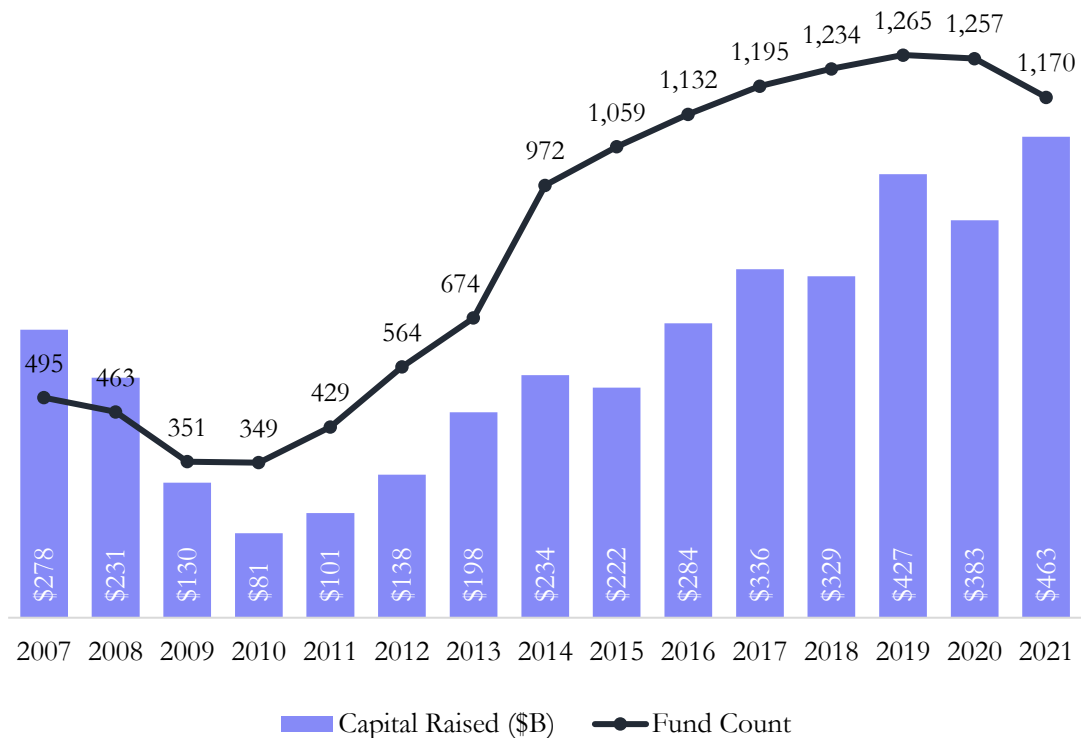
...And Valuations Steadily Climbing



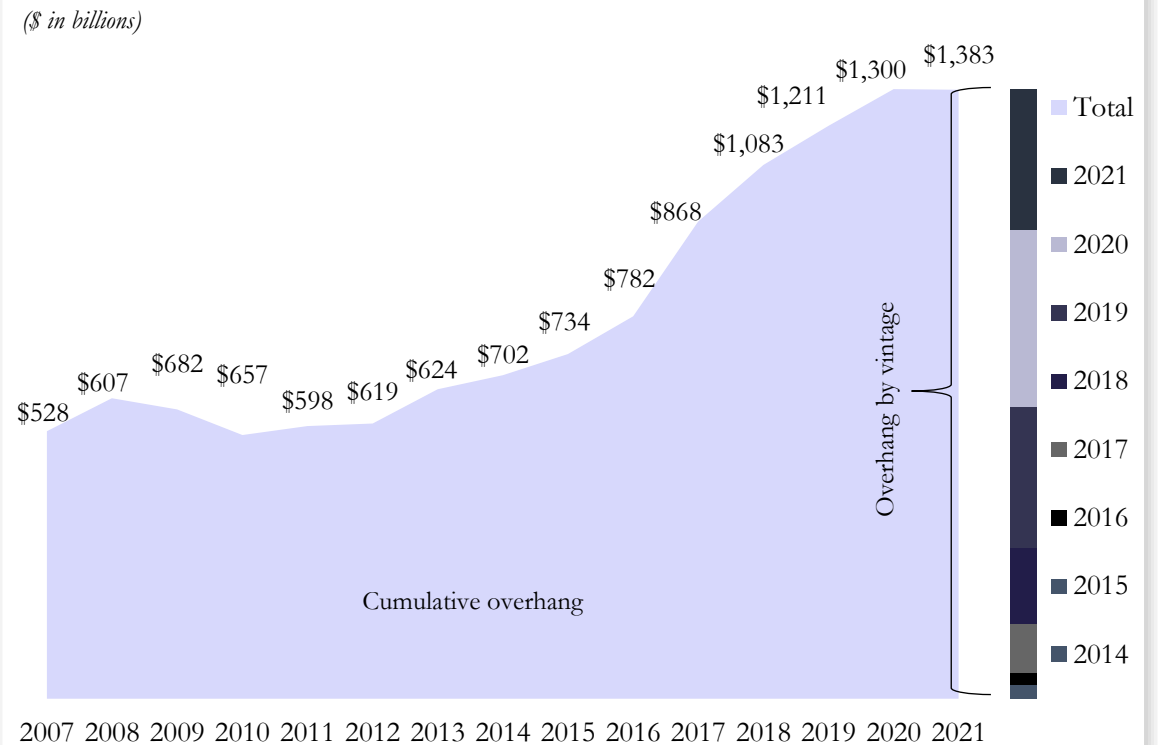
US Private Equity Landscape: Sponsor Activity Breaking Records

- Private Equity Sponsors raised a record \$463B in 2021 while sitting atop an already record levels of dry powder (\$1.4T). The US deal making environment is primed for another strong performance as firms seek to execute on pipelines and deploy capital.
- Though we expect a strong 2022, risks remain. Supply chain challenges, inflation, continued impact of COVID and subsequent variants, and the possibility of multiple interest rate hikes in the US are just a few concerns that could cool down the hot deal environment.
- However, investors and LPs have successfully navigated these challenges over the prior two years and have built the necessary backstop for success in 2022.

Annual Private Equity Fundraising – Continuing to Grow

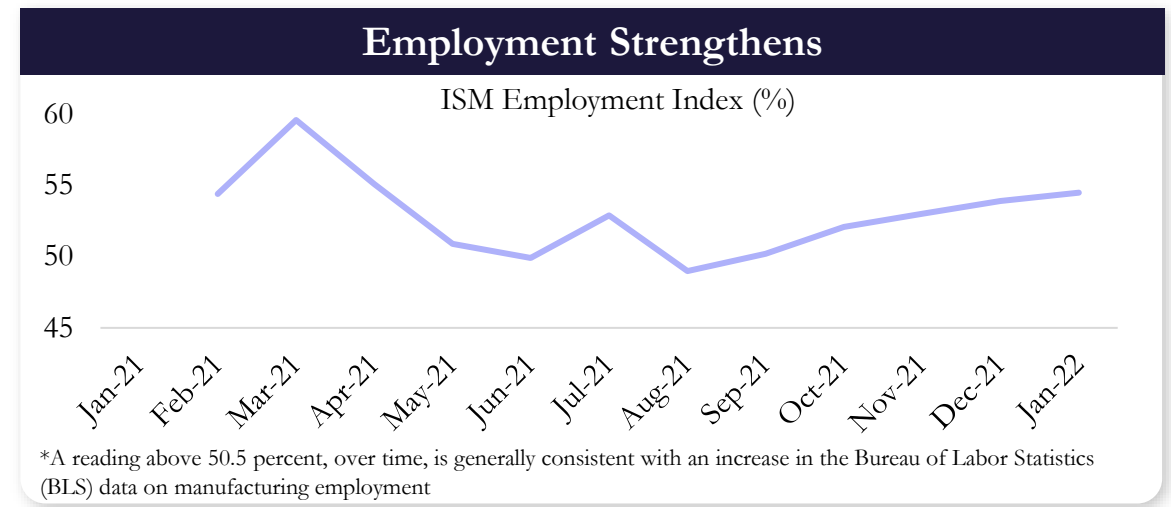
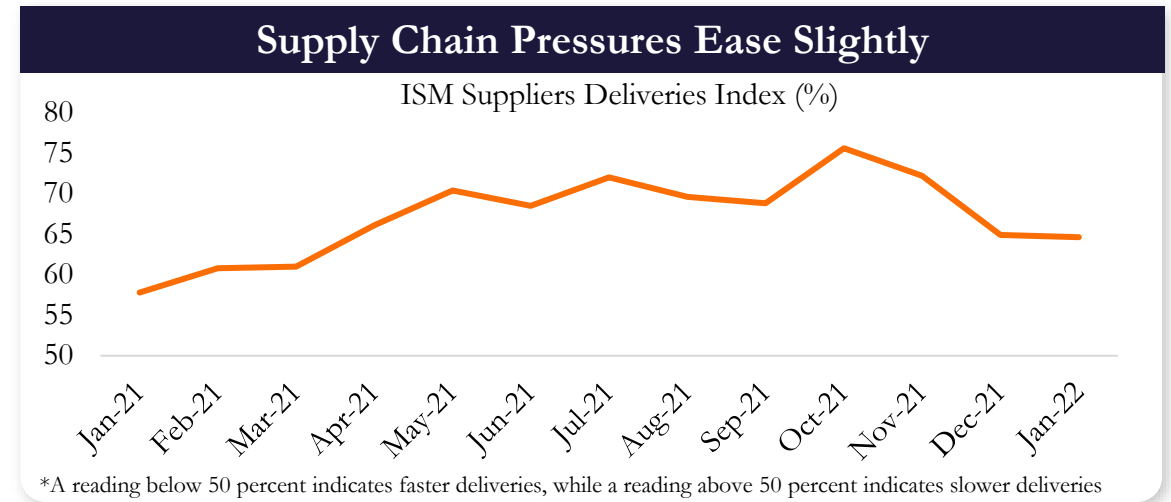
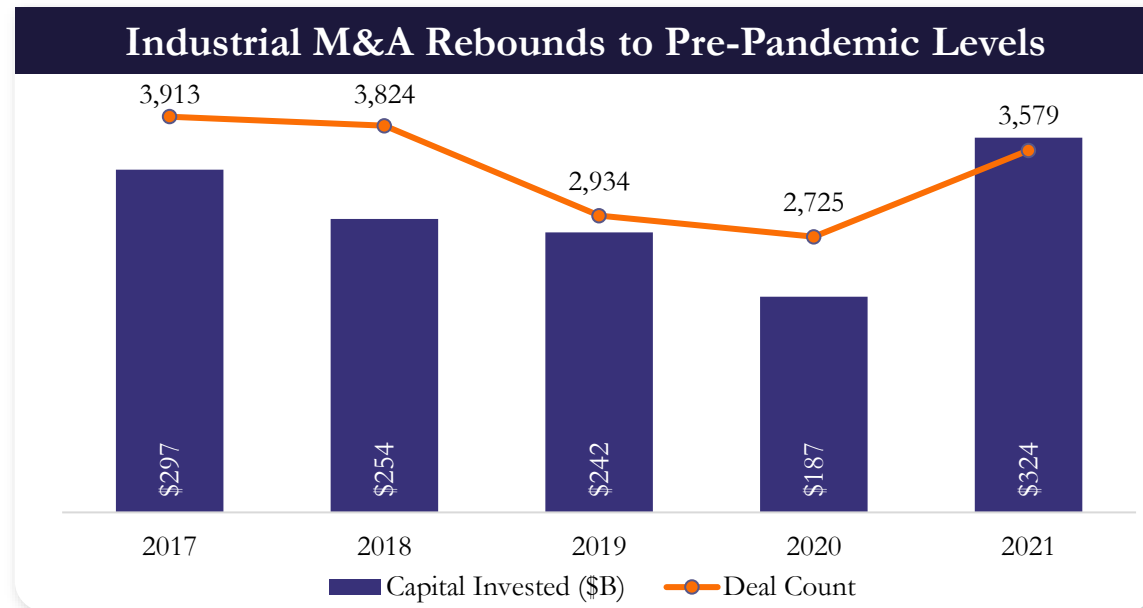


Overhang (“PE Deal Backlog”)



US Industrial M&A Activity: Poised to Continue Momentum

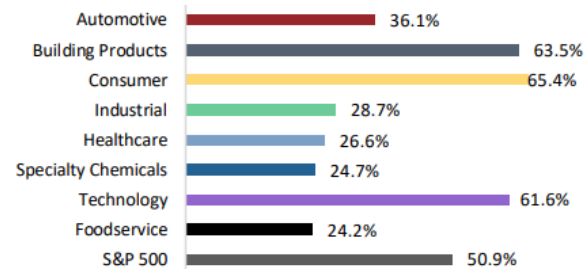
- After years of declining deal activity, Industrial M&A activity reached \$324B in total value across 3,500 deals in 2021.
- The rebound in M&A activity was fueled by companies pursuing M&A to drive scale, expand product portfolios and extend into new markets.
- The broader market has begun to see an ease in supply chain pressures and slight improvement in the labor market, but firms will need to rely on improving speed and internal processes to remain competitive.
- We anticipated further investment in automation as firms seek to increase speed to market and reduce costs.



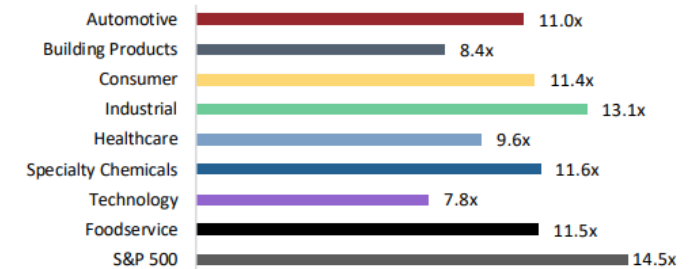
Benchmarking Across Distribution Sectors

- Strong market outperformance across building, consumer and technology verticals
- Revenue performance was generally stronger than the S&P benchmark index
- Market is expecting strong growth from Industrial distributors as evidenced by its premium TEV / EBITDA multiple trading level

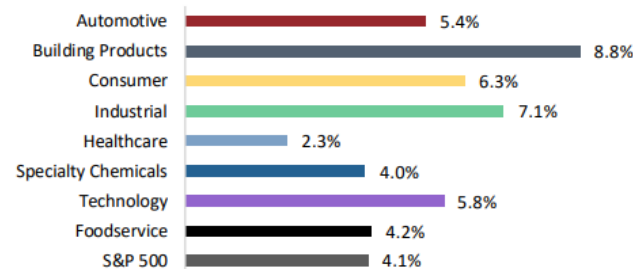
12-MONTH % CHANGE IN STOCK PRICE



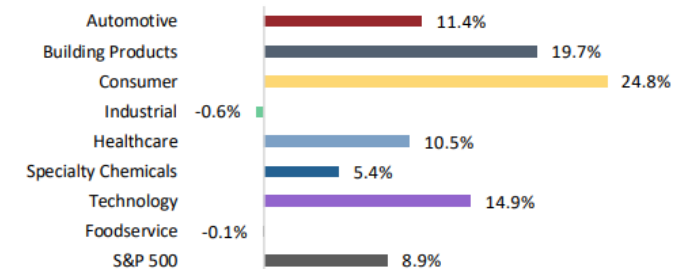
MEDIAN TEV / 2021E EBITDA MULTIPLE



MEDIAN 3-YEAR REVENUE CAGR (2018-2021)



MEDIAN LTM REVENUE GROWTH



Uplift Partners: Industrial Distribution

“We are independent, dedicated advisors to family-owned and entrepreneur businesses.”

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Benoist Bros. Supply Company

Sold to



GRYPHON INVESTORS

Uplift Partners acted as sole advisor to Benoist Bros. Supply Company

- Benoist is a full-service wholesale distributor of heating and air conditioning products. The company has 13 locations and serves customers across Illinois, Indiana, Kentucky, Missouri, and Tennessee
- Uplift Partners advised the shareholders of Benoist on its sale to Gryphon Investors, a leading private equity firm that has managed over \$7.5 billion of equity investments and capital since 1997



AtlasRFID

Recapitalized



B.C.P.

Uplift Partners acted as sole advisor to AtlasRFID

- Atlas is one of the largest RFID and related industrial technology product distributors in North America
- Uplift Partners advised the ownership group of Atlas through a successful sale transaction. BCP is a family investment office based in Chicago and partnered with a senior executive to support the post-transaction growth strategy



Wittichen Supply Co.


Sold to



GRYPHON INVESTORS


Uplift Partners acted as sole advisor to Wittichen Supply Co.

- Wittichen is a leading distributor providing best in class HVACR equipment, parts, supplies and service to contractors, dealers, and institutions in the Southern United States
- Uplift Partners advised Wittichen's ownership on its sale to Gryphon Investors, a leading private equity firm that has managed over \$7.5 billion of equity investments and capital since 1997



CASK INDUSTRIES
A subsidiary of
CORTLAND
CASK

Merged with



AZ PARTSMASTER

Uplift Partners acted as sole advisor to Cortland

- CASK Industries is a premier value-added supplier of high-quality interior products to the multifamily renovation market in the US and abroad. Cortland Partners is a large multi-family institutional investor in the US AZ Partsmaster is a full line maintenance supply company to the multi-family housing and property management industries serving clients across the US
- Uplift Partners advised Cortland Partners on the merger