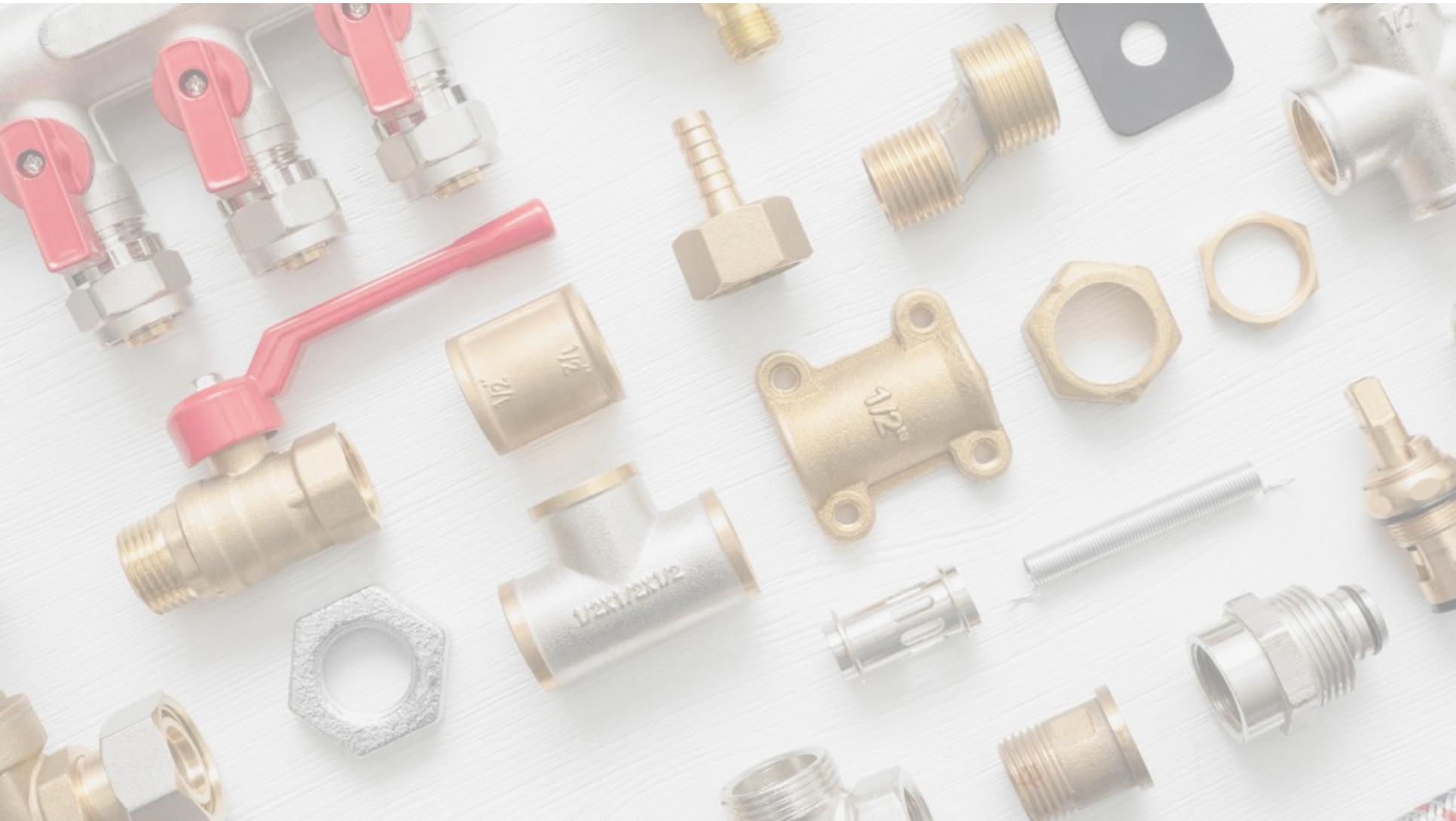


# Plumbing Distribution Market Update

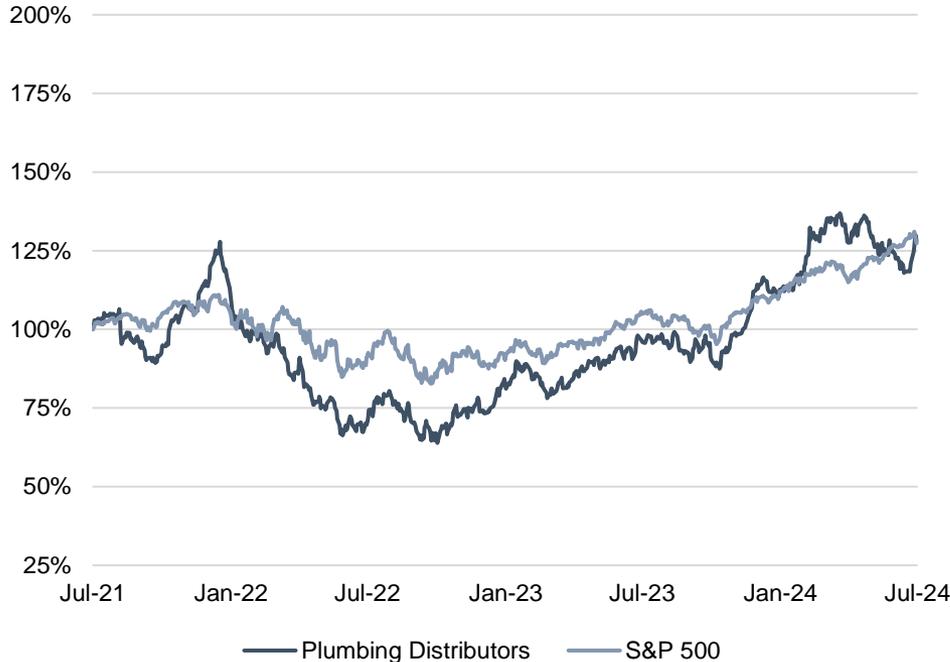
July 2024



# Public Market Trends

Plumbing wholesalers tracked closely with the S&P 500 over the last three years

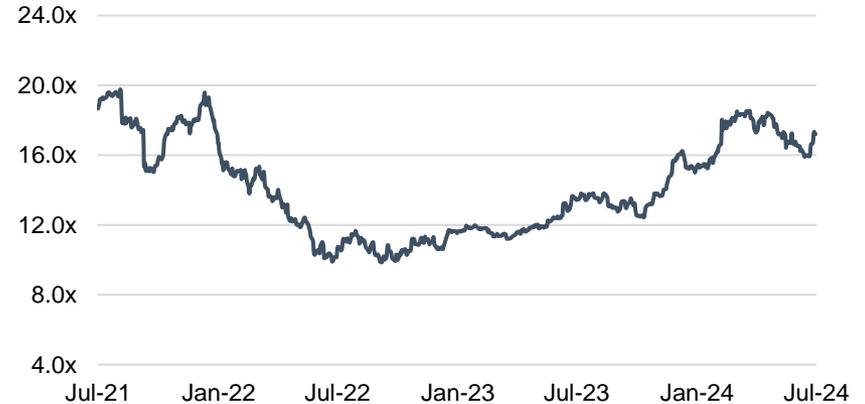
## Plumbing Wholesaling Public Market Performance



## Plumbing Wholesalers



## Plumbing Distribution EV / EBITDA Multiples



## Select Earnings Call Quote



**Ferguson**  
CEO – Kevin Murphy

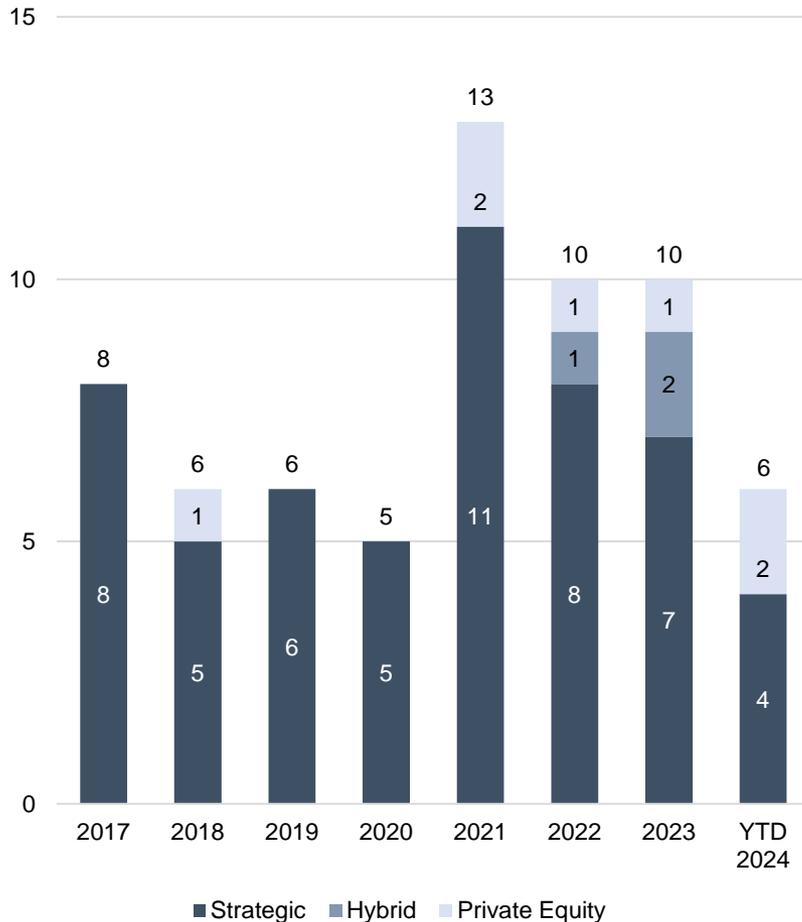
### Q1 2024 Earnings Call

“We’re consolidating our fragmented markets through bolt-on geographic and capability acquisitions. Our deal pipeline remains healthy, allowing us to continue to execute our consolidation strategy...As we consolidate our markets, we’ve reliably delivered organic market outperformance of 300 basis points to 400 basis point while bringing in 50 acquisitions in the past 5 years alone. Our scale and breadth allows us to leverage our competitive position across our customer groups in order to benefit from emerging multiyear tailwinds in our end markets We remain confident in the strength of our markets over the medium and longer term and expect to capitalize on these growth opportunities.”

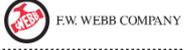
# Transaction Activity

Transaction activity has increased in recent years as the industry performs well and M&A continues to be in focus for consolidators as well as private equity

Plumbing Wholesaler Transactions by Type<sup>1</sup>

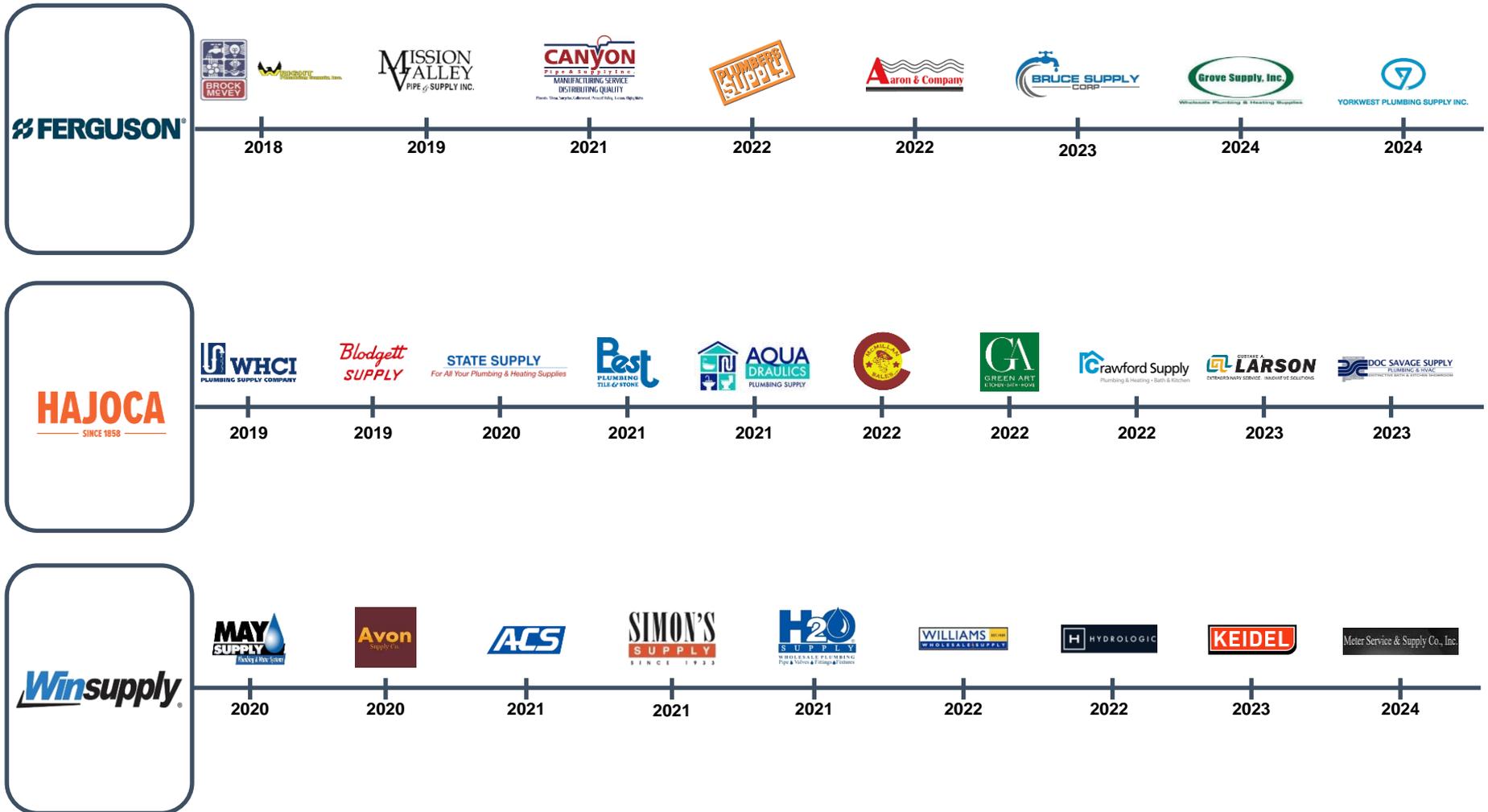


Recent Plumbing Wholesaler Transactions

Seller	Acquirer	Date
 nda SINCE 1976	 elbi of America	May 1, 2024
 R.F. FAGER WHOLESALE SUPPLY	TENEX CAPITAL MANAGEMENT	Mar. 1, 2024
 Grove Supply, Inc. Wholesale Plumbing & Heating Supplies	 FERGUSON®	Jan. 29, 2024
 Rising Sun Plumbing Supply	 FW WEBB COMPANY	Jun. 6, 2023
 Holmes Plbg & Htg Supply Co.	 PLUMBING & HEATING WHOLESALE INC. www.holmeswholesale.com	Apr. 28, 2023
 WILLIAMS WHOLESALES SUPPLY	 Winsupply®	Apr. 5, 2023
 HUBER SUPPLY®	PROSOURCE	Apr. 4, 2023
 CHRIS-MORE INCORPORATED	 Roburn's	Feb. 3, 2023
 HYDROLOGIC	 Winsupply®	Oct. 3, 2022
PROSOURCE	 BLUE SEA CAPITAL	Sep. 23, 2022
 WESTERN STEEL & PLUMBING	 DSG DAKOTA SUPPLY GROUP	Sep. 1, 2022
 Irvine Pipe & Supply, Inc.	 reece	Aug. 3, 2022
 Aaron & Company	 FERGUSON®	Jun. 2, 2022
 PARK SUPPLY COMPANY, INC. Wholesale Plumbing & Heating Supplies Since 1982	 CIDCAPITAL	Dec. 8, 2021

# Active Consolidators

The sector has multiple consolidators expanding through acquisitions



# Specialty Distribution Coverage

Founders has focused coverage efforts on the specialty distribution sector

## Specialty Distribution Coverage

### Commercial and Industrial

Automotive & Heavy-Duty Aftermarket



Equipment Dealers



Fastener / MRO



Fluid Power



Foodservice



Gases & Welding Equipment



Hoses & Fittings



Janitorial & Sanitation



Specialty Chemical



### Building Products

Electrical



HVACR



Landscape Supplies



Lumber & Building Materials



Pipes, Valves, & Fittings



Plumbing



Pool & Spa



Roofing



Wallboard / Gypsum



## Recent Specialty Distribution Transactions



**April 2024**

Provider of contract packaging and turnkey fulfillment service and delivery



**December 2023**

Provider of parts, systems, and equipment for aggregate and mineral producer end markets



**October 2023**

Distributes and services heavy-duty truck and trailer parts for a regional customer base



**March 2023**

Distributes fasteners and strut accessories to OEM and construction end markets



**March 2023**

Distributes refrigeration parts and equipment to restaurants, bars, and supermarkets



**September 2022**

Distributes lumber and building materials to residential construction end markets



**July 2022**

Distributes and services industrial valves and other flow control products across the Southeast



**June 2022**

Distributes heavy-duty truck parts and accessories to enthusiasts via the e-commerce channel



**December 2021**

Distributes plumbing supplies and fixtures to residential repair and construction end markets



**October 2021**

Distributes pool and spa products to dealers in the Southeast

# Industrials Group Overview

With expertise across many Industrial sectors, our group brings valuable knowledge, contacts, and resources to our clients

## Overview

- Founders' Industrials Group consists of 15 professionals who bring a wealth of knowledge, industry expertise, and commitment to our clients
- Our Senior Bankers have over 90 years of collective experience in industry and investment banking providing expert M&A advisory services to founder-owned companies
- Our deal teams are typically comprised of four professionals that are dedicated to helping our clients navigate complex M&A transactions and achieve their strategic and personal goals

## Experience Across a Wide Array of Sectors

Advanced Mfg. and Process Equipment

Facility and Industrial Services

Advanced Materials

Plastics & Packaging

Automation & IIoT

Power and Infrastructure

Connectors and Electronics

Specialty Distribution

Construction and Building Materials

Test & Measurement

## Recent Transactions



April 2024



February 2024



December 2023



November 2023



October 2023



August 2023



March 2023

# Founders Overview

Founders utilizes proven expertise and process-based solutions to produce exceptional outcomes for our clients

- Independent merger and acquisition advisory firm focused on private businesses for the last 20 years
- Expertise across five industries that include Consumer, Healthcare, Industrials, and Technology & Business Services
- Senior bankers with decades of experience in investment banking, private equity, business development, and industry
- Headquartered in Birmingham, AL, with an additional office in Dallas, TX

# FOUNDERS ADVISORS

2003

*Year founded*

45+

*Professionals*

90%+

*Percentage of clients that are family owned*

## INDUSTRY COVERAGE

Industrials



Technology



Consumer



Healthcare



Business Services



# FOUNDERS

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## ADVISORS

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