

Q4  
24

Industrial Sector

# Mirus Industrial Distribution REPORT

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# Industrial Distribution



## Five Trends Shaping the Manufacturing and Distribution Industry in 2025

Citrin Cooperman [Full Article](#)

The U.S. manufacturing and distribution industry is constantly changing due to global challenges, economic shifts, and advancements in technology. As businesses in this space plan for 2025, they should focus on these five trends which are shaping the manufacturing and distribution landscape: digital transformation, sustainability and green manufacturing, supply chain resilience, workforce development and skills gaps, and global trade dynamics. Most importantly in a world of everchanging technologies, the integration of advanced technologies is revolutionizing the sector. In Citrin Cooperman's survey, 43% of leaders in the industry reported they are implementing technology programs to drive innovation and economic growth. As these trends continue to evolve, they will continue to shape the future of this industry as businesses strive to adapt.

## U.S. Industrial Distribution Market Expected to Reach \$4.2B by 2033

Dimension Market Research [Full Article](#)

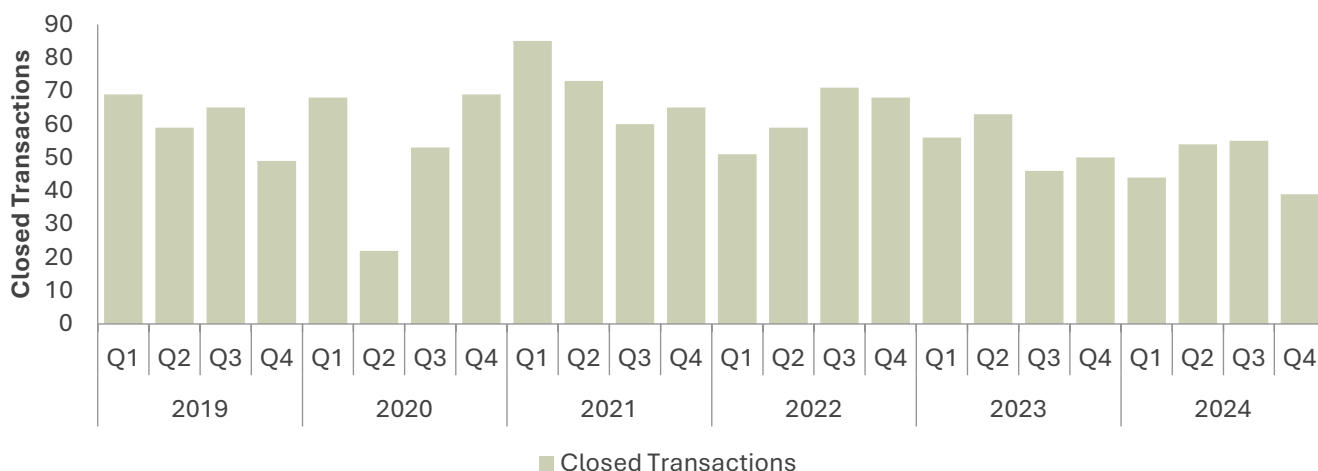
According to a press release by Dimension Market Research, the global industrial distribution market is projected to grow from \$8.2 billion in 2024 to \$13 billion by 2033, at a CAGR of 5.3%. In the United States, the market is expected to expand from \$2.7 billion in 2024 to \$4.2 billion by 2033, at a CAGR of 5.0%. The market's growth is driven by increasing industrial automation, digital transformation, and the expansion of e-commerce in industrial procurement. However, challenges such as supply chain disruptions and fluctuating raw material prices may impact this growth trajectory. This competitive market is dominated by companies such as W.W. Grainger, Fastenal, MSC Industrial Supply, and Applied Industrial Technologies. Their broad product portfolios, digital platforms, and consolidation programs have allowed them to remain major players in the space.

## Wholesale Distribution Trends 2025: Doubling Down on Transformation

The Future of Commerce [Full Article](#)

In 2025, the wholesale distribution industry is focusing on several key trends to drive growth and remain competitive in the space. Recent trends such as the growth of e-commerce, rising customer expectations, increased competition, and new technologies have put pressure on distributors—vital intermediaries in the global supply chain—to transform how they operate. These include enhancing operational efficiency through AI, helping in inventory forecasting and management, elevating B2B commerce through the adoption of personalization strategies from the B2C sector, innovating services using advanced technologies to differentiate offerings, and investing in employee training programs to attract and retain skilled talent.

# Industrial Distribution M&A Environment



## Selected Recent Industrial Distribution Transactions



### White Cap Acquires Site Supply (Q4 2024)

White Cap, a distributor of specialty construction supplies and safety products for professional contractors, has acquired Site Supply, Inc., a distributor of construction materials specializing in stabilization, stormwater and erosion control, serving non-residential end markets.

Alan Sollenberger, CEO of White Cap, said, “The expertise and knowledge of this team will bolster our ability to deliver quality stabilization, stormwater, and erosion control materials and services to our valued customers. I look forward to welcoming them into the White Cap family.”



### Endries International Acquires Assembly Fasteners (Q4 2024)

Endries International, Inc., a distributor of industrial fasteners, class-c components and fulfillment solutions, announced the acquisition of Assembly Fasteners, Inc. (AFI), a distributor specializing in latches, fasteners, and hardware products and solutions.

“We are thrilled to join forces with Endries International as we look to build on our strong reputation for service excellence these past 40 years,” said Hugh Watson, Founder and CEO of AFI.



### Artivo Surfaces Acquires Tom Duffy Co. (Q4 2024)

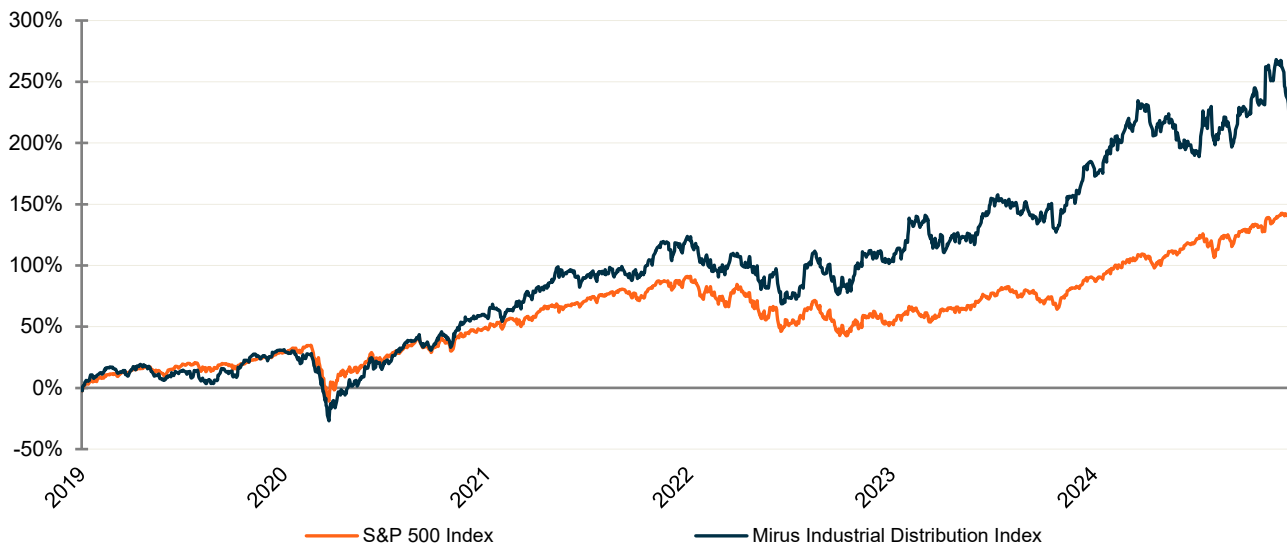
Transom Capital-backed Artivo Surfaces acquired Tom Duffy Co., its third major acquisition of a flooring distributor within the last 12 months.

Sunil Palakodati, CEO of Artivo Surfaces, said, “By bringing together Tom Duffy’s exceptional team, strong industry relationships and loyal customer base, we’re enhancing our ability to serve residential and commercial markets across the country with a broader range of flooring solutions.”



# Industrial Distribution Public Comps

## Select Industrial Distribution Index v. S&P 500



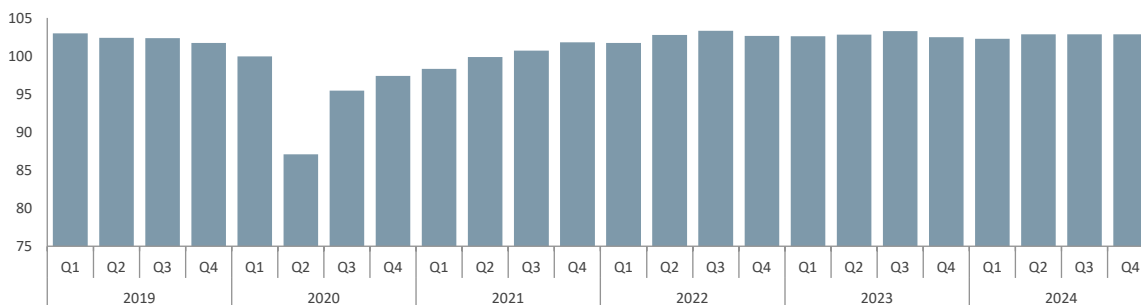
Mirus Industrial Distribution Index comprises select representative public companies from the sector  
Source: Capital IQ

Valuation Calculations as of:	12/31/2024	LTM Financials			Valuation Metrics			LTM Margins	
		Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin
<b>Maintenance, Repair, and Operations</b>									
Distribution Solutions Group, Inc.	\$2,184	\$1,638	\$617	\$163	1.3x	3.5x	13.4x	38%	10%
DNOW Inc.	\$1,433	\$2,300	\$540	\$166	0.6x	2.7x	8.6x	23%	7%
DXP Enterprises, Inc.	\$1,763	\$1,667	\$531	\$170	1.1x	3.3x	10.4x	32%	10%
Fastenal Company	\$46,092	\$7,383	\$3,402	\$1,685	6.2x	13.5x	27.3x	46%	23%
Genuine Parts Company	\$23,269	\$23,109	\$8,531	\$1,952	1.0x	2.7x	11.9x	37%	8%
MSC Industrial Direct Co., Inc.	\$5,118	\$3,979	\$1,558	\$461	1.3x	3.3x	11.1x	39%	12%
W.W. Grainger, Inc.	\$51,080	\$16,622	\$6,758	\$2,909	3.1x	7.6x	17.6x	41%	18%
WESCO International, Inc.	\$13,206	\$22,213	\$4,713	\$1,428	0.6x	2.8x	9.2x	21%	6%
				Mean:	1.9x	4.9x	13.7x	35%	12%
				Median:	1.2x	3.3x	11.5x	37%	10%
<b>Building Materials</b>									
ADENTRA Inc.	\$1,115	\$2,195	\$470	\$135	0.5x	2.4x	8.2x	21%	6%
Beacon Roofing Supply, Inc.	\$10,221	\$9,300	\$2,505	\$894	1.1x	4.1x	11.4x	27%	10%
BlueLinx Holdings Inc.	\$782	\$3,065	\$489	\$124	0.3x	1.6x	6.3x	16%	4%
Core & Main, Inc.	\$11,810	\$6,702	\$1,913	\$900	1.8x	6.2x	13.1x	29%	13%
Doman Building Materials Group Ltd.	\$1,204	\$1,835	\$295	\$118	0.7x	4.1x	10.2x	16%	6%
Ferguson Enterprises Inc.	\$38,666	\$29,359	\$9,062	\$2,913	1.3x	4.3x	13.3x	31%	10%
GMS Inc.	\$4,518	\$5,393	\$1,780	\$530	0.8x	2.5x	8.5x	33%	10%
MRC Global Inc.	\$1,573	\$3,333	\$649	\$191	0.5x	2.4x	8.2x	19%	6%
Richelieu Hardware Ltd.	\$1,530	\$1,320	\$144	\$116	1.2x	10.6x	13.2x	11%	9%
Watsco, Inc.	\$19,389	\$7,298	\$2,045	\$789	2.7x	9.5x	24.6x	28%	11%
				Mean:	1.1x	4.8x	11.7x	23%	8%
				Median:	1.0x	4.1x	10.8x	24%	9%
<b>Machinery</b>									
Alta Equipment Group Inc.	\$1,352	\$1,898	\$494	\$47	0.7x	2.7x	28.6x	26%	2%
Applied Industrial Technologies, Inc.	\$9,071	\$4,477	\$1,348	\$549	2.0x	6.7x	16.5x	30%	12%
Herc Holdings Inc.	\$8,736	\$3,346	\$1,350	\$870	2.6x	6.5x	10.0x	40%	26%
Titan Machinery Inc.	\$1,560	\$2,758	\$486	\$128	0.6x	3.2x	12.1x	18%	5%
United Rentals, Inc.	\$55,394	\$14,532	\$6,213	\$4,568	3.8x	8.9x	12.1x	43%	31%
				Mean:	1.9x	5.6x	15.9x	31%	15%
				Median:	2.0x	6.5x	12.1x	30%	12%
				Group Mean:	1.6x	5.0x	13.3x	29%	11%
				Group Median:	1.1x	3.5x	11.9x	29%	10%

# Sector Update: Industrial

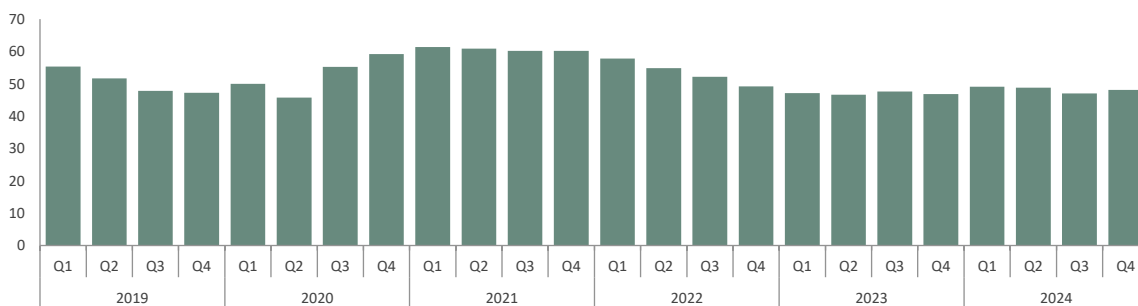
## State of the Industry

### U.S. Industrial Production Index (Seasonally Adjusted)



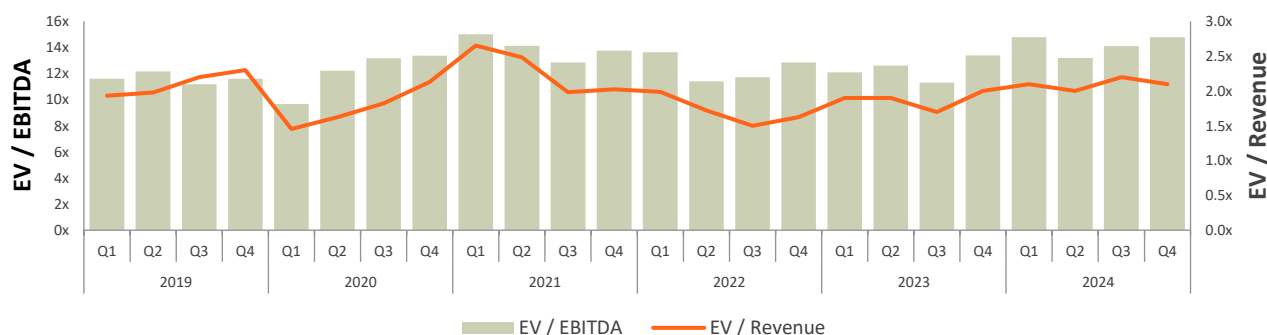
Source: Federal Reserve

### Purchasing Managers Index



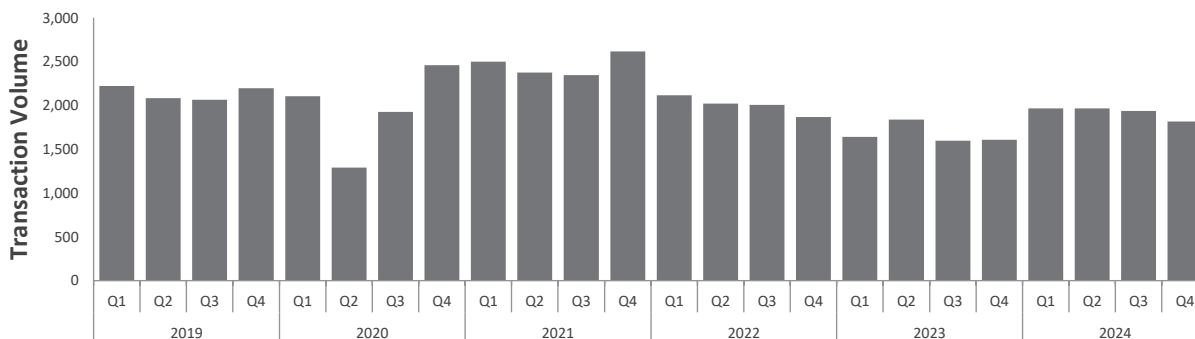
Source: Institution for Supply Management

### Industry Valuations



Source: Capital IQ

### Industrials Transaction Volume



Source: Capital IQ



# 35 Years. 350 Deals.

## The Value of Accomplishment

### About Mirus

Mirus Capital Advisors works with owners of growing businesses in the Industrial, Business Services, Healthcare, Technology, and Consumer sectors. We execute both sell-side and buy-side programs on behalf of our clients and also provide corporate advisory services. Much of our work is with closely-held companies – family or entrepreneur-owned businesses that are niche leaders in their particular sectors. These types of growing companies often have strategic value to large corporations serving the broader market and to private equity buyers. Mirus also works with larger strategic players in our core sectors, providing a range of M&A services including advising on acquisitions, corporate divestitures, restructurings and leveraged buy-outs.

### 35 Years. 350 Deals.

The highest level of expertise and hard work is what accomplishment requires.

#### It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- Celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."

Then and only then, will we know that we've accomplished something meaningful, too.



# Partner Spotlight

*“The Mirus team successfully guided us through every aspect of the transaction, from identifying prospective buyers through closing. They conducted a thorough process and we are delighted by the outcome.”*



**Alan Fullerton**  
Partner  
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**Andrew Crain**  
Partner  
[crain@merger.com](mailto:crain@merger.com)



**Greg Fanikos**  
Partner  
[fanikos@merger.com](mailto:fanikos@merger.com)



**Kate Soto**  
Partner  
[soto@merger.com](mailto:soto@merger.com)

Our industrial team brings decades of experience and perspective to our clients. Collectively, the Mirus team has managed and closed over 100 successful engagements with distributors and other industrial businesses. All of our partners have a decade or more of experience working in the M&A industry and the team has completed deals ranging from \$20 million to over \$250 million in value. We have worked with clients on both sell-side mandates and acquisition programs, providing us with a balanced perspective on what attributes drive value for industrial clients. Please feel free to contact any member of our team to set up an initial meeting to discuss your business or to address any questions you may have about our services.

# Trusted advisors to businesses just like yours

Mirus' Industrial team draws on our unique experience working with owners of growth industrial businesses and closely held companies to uncover your personal, business, and financial objectives. We use this knowledge to guide you towards the most appropriate transaction. Whether advising on succession planning strategy, executing a targeted strategic sale, or navigating a broad sale process, Mirus will help you realize the value of your accomplishments.

## Relevant recent transaction experience from Mirus partners



**ALL METALS**  
has been acquired by  
 Salt Creek Capital

Distributor of rolled and coiled steel products



has been acquired by  
  
(NYSE: JBL)

Microchannel liquid cooling solutions for datacenters



has been acquired by  
  
(NYSE: FERG)

Wholesale distributor of HVAC products and accessories




has been acquired by  



Distributor of aluminum and steel bar stock and plate



has been acquired by  
  
a portfolio company of  


Marketer of chemical raw materials; developer/distributor of specialty fertilizers



has been acquired by  


Distributor of chemical / specialty ingredients

*Note: Includes transactions completed by Mirus partners at prior firms*

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