MIRUS CAPITAL ADVISORS

Q1 26

Industrial Sector

Mirus Industrial Distribution REPORT

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Industry News

Industrial Distribution

Manufacturing and Service Companies Expected to Expand Revenue in 2026

ISM Full Article

ISM's Spring forecast projects manufacturing revenue up 8.4% and services up 8.6% in 2026, with Wholesale Trade ranking fourth among services industries for expected revenue growth and appearing on the lists for capacity, capital expenditure, and hiring gains. The strain is on costs, not sales. Manufacturing input prices rose 11.9% through June and are forecast to reach 14.1% for the full year, while Wholesale Trade posts some of the lowest pricing increases in services. Layer in sharp shifts in supplier inventory strategy, with 49% of manufacturers now requiring lower inventory levels, plus continued reshoring activity, and the environment rewards distributors with sourcing leverage, inventory depth, and pricing discipline.

U.S. Industrial Distribution Market Expected to Reach $11.53 Trillion by 2031

Mordor Intelligence Full Article

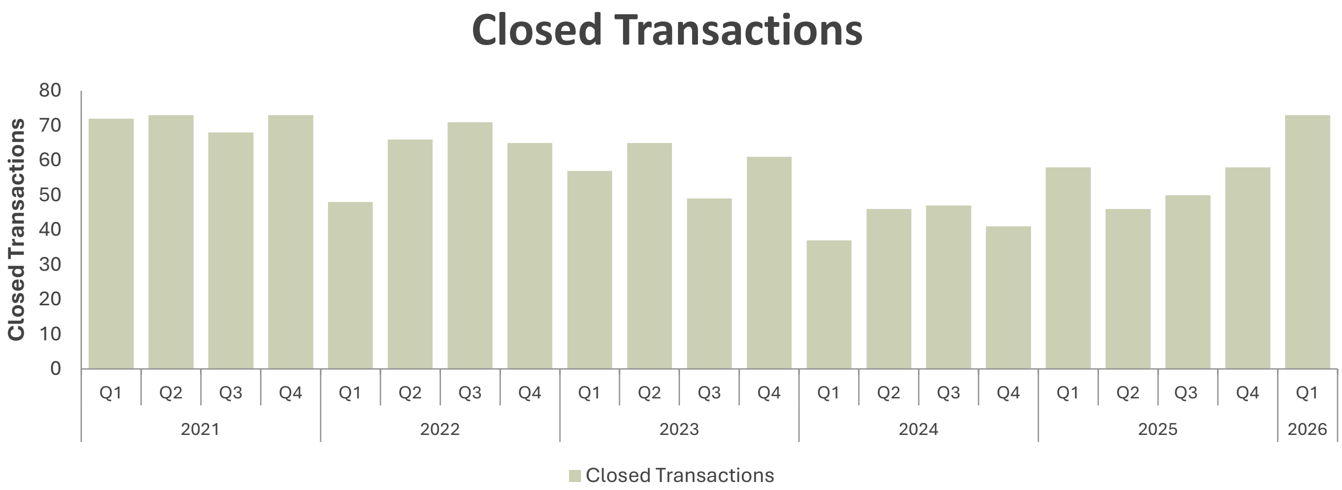
The industrial distribution market is large and steadily growing. Mordor Intelligence values it at $8.43 trillion in 2025, rising to $11.53 trillion by 2031 at a 5.4% CAGR. Growth drivers include factory automation spending, tighter safety regulations, and a fast shift to digital procurement. Electrical supplies led product categories with a 26.9% revenue share in 2025, while safety and PPE posts the fastest growth at 9.4% CAGR. Offline branch and inside sales still dominate at 71.8% of the market, but e-commerce is expanding faster at 8.2% CAGR. Manufacturing remains the largest end market at 35.6%, and Asia-Pacific leads regionally at 36.2% share. The through line for dealmakers: digital-native entrants with API-based auto-replenishment are pressuring legacy branch models, favoring scale and technology investment.

Industrial Distributors' Hiring in 2026 Signals Strategic Investment, Not Just Job Openings

Distribution Strategy Group Full Article

In this article, Distribution Strategy Group frames 2026 hiring at major industrial distributors as a signal of where the channel is investing. Rather than a cyclical labor bump tied to an industrial upturn, the roles reflect a deeper shift in how distributors define their value. Grainger, Fastenal, and MSC Industrial are staffing around the capabilities that matter most to customers: faster and more reliable fulfillment, customer-integration roles in inside sales and inventory consulting, and analytics and planning talent that supports data-driven decisions. Branch-level hiring reinforces the local relationships many industrial buyers still prefer. The pattern shows distributors selling service and insight alongside product, treating labor as an operational lever for fulfillment performance, customer retention, and sharper decision-making.

Industrial Distribution M&A Environment



Selected Recent Industrial Distribution Transactions

DXP Enterprises, Inc. Acquires PREMIERflow, LLC and Mid Atlantic Storage Systems Inc.

PREMIERflow is a leading provider of integrated fluid handling pump systems that service the fire protection, water & wastewater supply, data center, and HVAC process industries. Mid Atlantic Storage Systems is a leading one-stop solution provider of liquid storage tank products and related services.

"These acquisitions are consistent with our growth strategy and demonstrate our commitment to expanding DXP into varied end markets as well as maintaining our leading position as the largest distributor of rotating equipment in North America," commented David Little, Chairman and Chief Executive Officer of DXP.

Applied Industrial Technologies Acquires Thompson Industrial Supply Inc.

Applied Industrial Technologies, a Cleveland-based fluid power, power transmission and automation products distributor, has acquired Los Angeles-based Thompson Industrial Supply, a distributor of industrial bearings, power transmission, hydraulics, pneumatics, linear motion and lightweight belting products and related service solutions.

President and CEO of Applied Industrial Technologies, Neil Schrimsher, said in a news release, "Thompson is a nice bolt-on acquisition that will enhance our footprint in an important industrial market."

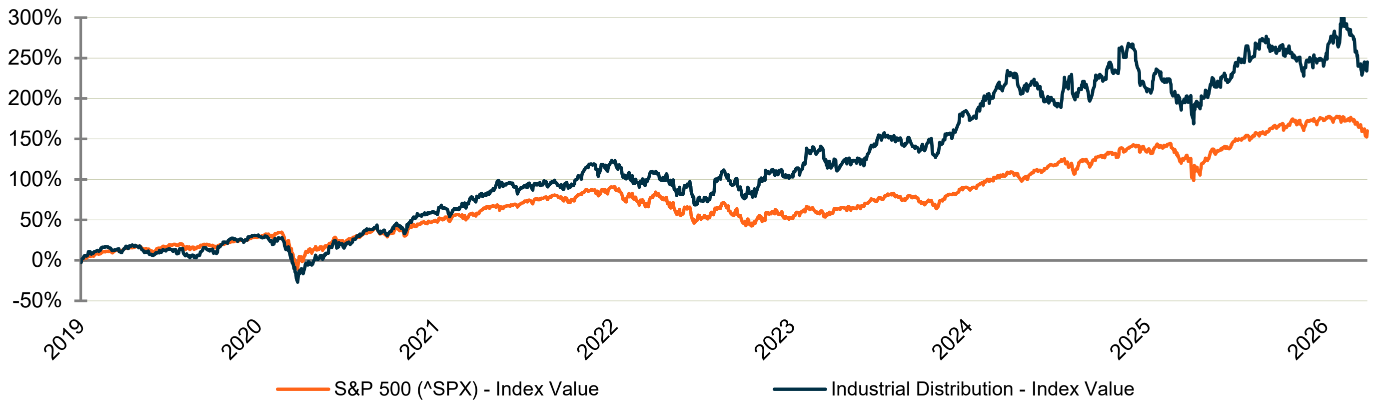
ORS Nasco Acquires AD Member Supply and Alliance Distribution Partners

AD Member Supply is a wholesaler primarily selling bearings and power transmission products, offering both branded and private label solutions. Alliance is a wholesaler serving the industrial and welding markets, with a broad product offering across multiple industrial categories.

"AD Member Supply and Alliance are highly complementary additions to the ORS platform," said Kevin Short, CEO of ORS Nasco. "Both businesses expand our product breadth and supplier relationships, while enhancing our ability to deliver value-added solutions to our distributor customers."

Industrial Distribution Public Company Comparables

Select Industrial Distribution Index v. S&P 500



Source: Capital IQ

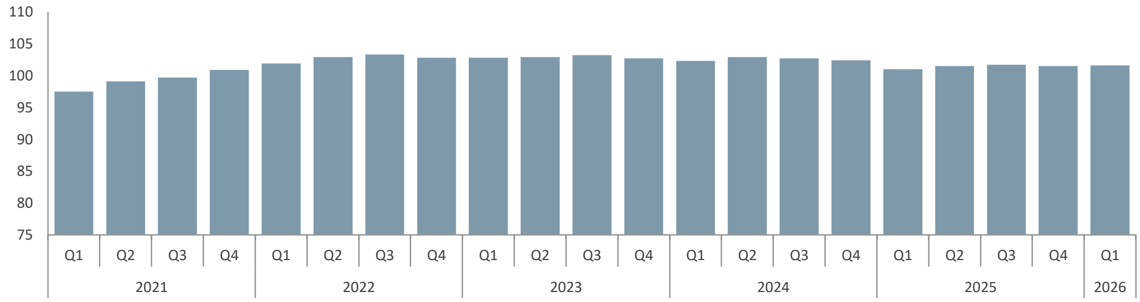
Select Industrial Distribution Public Companies

Valuation Calculations as of:	*3/31/2026*	*LTM Financials*				*Valuation Metrics*			*LTM Margins*
Company Name	**Enterprise Value**	**Revenue**	**Gross Profit**	**EBITDA**	**EV / Revenue**	**EV / Gross Profit**	**EV / EBITDA**	**Gross Margin**	**EBITDA Margin**
Maintenance, Repair, and Operations									
Distribution Solutions Group, Inc.	$1,969	$1,998	$661	$154	1.0x	3.0x	12.8x	*33%*	*8%*
DNOW Inc.	$2,674	$3,404	$709	$147	0.8x	3.8x	18.2x	*21%*	*4%*
DXP Enterprises, Inc.	$2,790	$2,061	$654	$223	1.4x	4.3x	12.5x	*32%*	*11%*
Fastenal Company	$53,448	$8,443	$3,790	$1,889	6.3x	14.1x	28.3x	*45%*	*22%*
Genuine Parts Company	$21,023	$24,699	$9,266	$2,034	0.9x	2.3x	10.3x	*38%*	*8%*
MSC Industrial Direct Co., Inc.	$5,690	$3,833	$1,563	$420	1.5x	3.6x	13.5x	*41%*	*11%*
WESCO International, Inc.	$19,437	$24,247	$5,138	$1,510	0.8x	3.8x	12.9x	*21%*	*6%*
W.W. Grainger, Inc.	$54,310	$18,378	$7,195	$3,085	3.0x	7.5x	17.6x	*39%*	*17%*
				Mean:	**1.9x**	**5.3x**	**15.8x**	***34%***	***11%***
				Median:	**1.2x**	**3.8x**	**13.2x**	***35%***	***10%***
Building Materials									
ADENTRA Inc.	$1,582	$2,269	$485	$136	0.7x	3.3x	11.6x	*21%*	*6%*
BlueLinx Holdings Inc.	$714	$2,954	$452	$71	0.2x	1.6x	10.1x	*15%*	*2%*
Core & Main, Inc.	$11,595	$7,647	$2,059	$914	1.5x	5.6x	12.7x	*27%*	*12%*
Doman Building Materials Group Ltd.	$1,837	$2,212	$360	$156	0.8x	5.1x	11.8x	*16%*	*7%*
Ferguson Enterprises Inc.	$50,804	$31,058	$9,534	$3,043	1.6x	5.3x	16.7x	*31%*	*10%*
Flowserve Corporation	$10,418	$4,653	$1,653	$741	2.2x	6.3x	14.1x	*36%*	*16%*
Gulf Marine Services PLC	$343	$188	$80	$93	1.8x	4.3x	3.7x	*42%*	*49%*
QXO, Inc.	$16,396	$8,559	$2,108	$459	1.9x	7.8x	35.7x	*25%*	*5%*
Richelieu Hardware Ltd.	$2,480	$1,456	$157	$125	1.7x	15.8x	19.9x	*11%*	*9%*
Watsco, Inc.	$14,014	$7,241	$2,028	$736	1.9x	6.9x	19.0x	*28%*	*10%*
				Mean:	**1.5x**	**6.2x**	**15.5x**	***25%***	***13%***
				Median:	**1.7x**	**5.5x**	**13.4x**	***26%***	***9%***
Machinery									
Alta Equipment Group Inc.	$1,323	$1,823	$469	$45	0.7x	2.8x	29.3x	*26%*	*2%*
Applied Industrial Technologies, Inc.	$10,035	$4,839	$1,470	$593	2.1x	6.8x	16.9x	*30%*	*12%*
Herc Holdings Inc.	$12,953	$4,654	$1,506	$914	2.8x	8.6x	14.2x	*32%*	*20%*
Titan Machinery Inc.	$1,186	$2,427	$383	$35	0.5x	3.1x	NS	*16%*	*1%*
United Rentals, Inc.	$61,027	$16,365	$6,283	$4,547	3.7x	9.7x	13.4x	*38%*	*28%*
				Mean:	**2.0x**	**6.2x**	**18.4x**	***29%***	***13%***
				Median:	**2.1x**	**6.8x**	**15.5x**	***30%***	***12%***
				Group Mean:	**1.7x**	**5.9x**	**16.1x**	***29%***	***12%***
				Group Median:	**1.5x**	**5.1x**	**13.8x**	***30%***	***10%***

Sector Update: Industrials

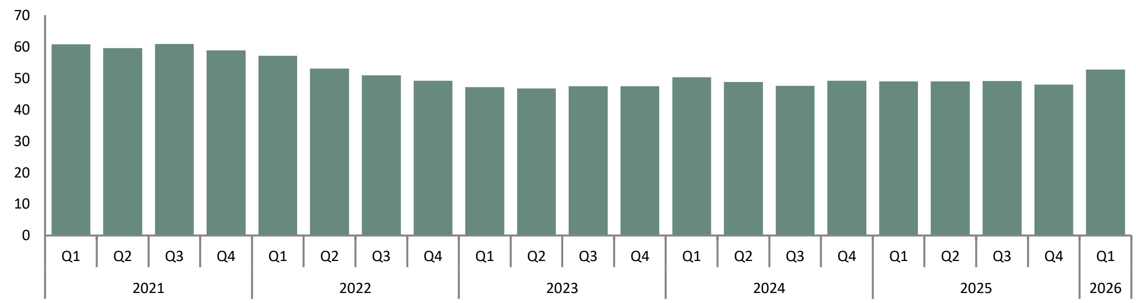
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



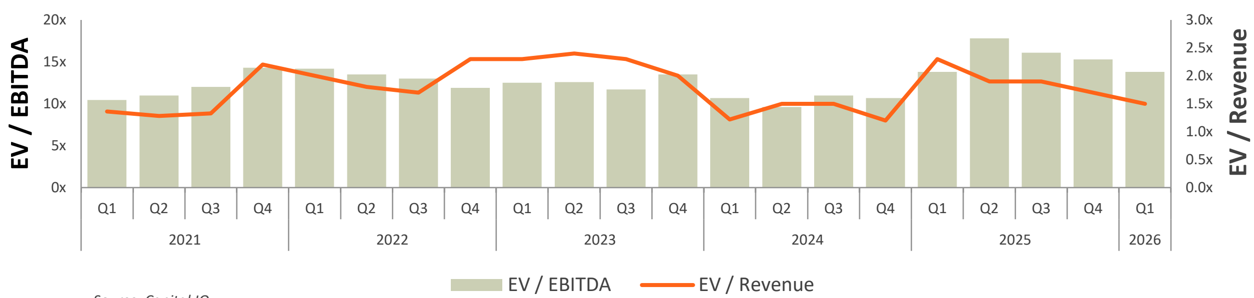
Source: Board of Governors of the Federal Reserve System

Purchasing Managers Index



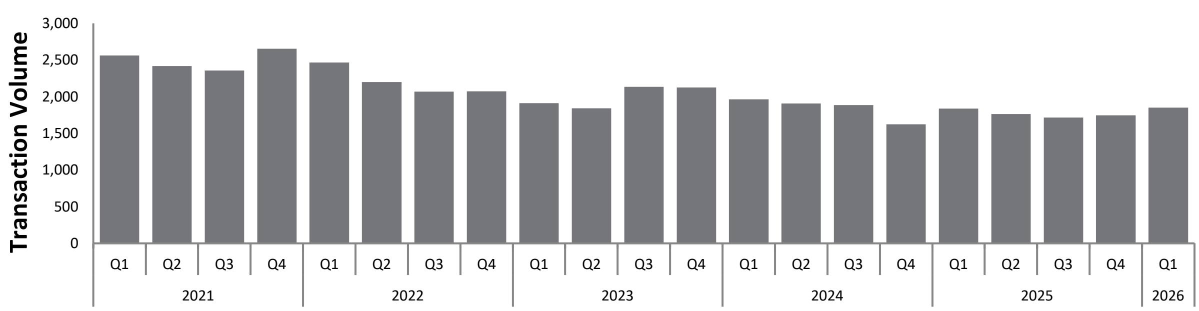
Source: Institution for Supply Management

Industrial Distribution Transaction Valuations



Source: Capital IQ

Industrial Transaction Volume



Source: Capital IQ

35+ Years. 450 Deals.

Broadening Possibilities

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.

Work with an investment bank that:

- Delivers **sophisticated transaction advice** to close deals in your industry
- Is built on close to **40 years of experience** and 450+ completed transactions
- Has helped clients raise **$2B+ in capital** across its five core sectors
- Garners **national recognition** for excellence in the middle market
- Provides **global reach** through its international network
- **Focuses on your success**, enabling premium outcomes for your business and stakeholders

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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
CEO
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Andrew Crain
President
crain@merger.com

Greg Fanikos
Partner
fanikos@merger.com

Kate Soto
Partner
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

Notable Mirus industrial transactions

Aero Dynamics
has been acquired by
TALICA
a portfolio company of
JLL Partners

Mirus advised AeroDynamics, a leading provider of highly technical metal finishing services, on its acquisition by Talica, a portfolio company of JLL Partners. Located in Seabrook, NH, AeroDynamics provides precision surface treatments to leading OEMs and their supply chain partners in the aerospace, defense, medical device, and other high-performance and technically demanding industries. Operating under AS9100, ISO9001, ISO13485 and NADCAP standards, the AeroDynamics team is recognized for best-in-class quality and responsive service that meets the most demanding schedules.

LidoChem
Partners in Growth
has been acquired by
Valudor Products, LLC
a portfolio company of
Monroe Capital

Founded over 40 years ago and based in Hazlet, NJ, LidoChem, Inc. markets chemical raw materials, and through its Performance Nutrition® division, develops and distributes specialty fertilizers. LidoChem has a national presence selling bio pesticides, patented chelated micronutrient solutions, specialty performance fertilizers, lawn fertilizers, turf fertilizers, soil amendments and surfactants that are not only unique and highly effective, but environmentally friendly. Valudor Products is a market leader in the sourcing and distribution of chemical raw materials in the Agricultural and Industrial space in Canada, the U.S. and Latin America.

S. G. TORRICE
YOUR HVAC PARTNER SINCE 1958
has been acquired by
FERGUSON
(NYSE: FERG)

Mirus served as exclusive financial advisor to S.G. Torrice Co., Inc., a leading wholesale distributor of heating, ventilation and air conditioning (HVAC) products throughout New England, in its sale to Ferguson plc (NYSE: FERG; LSE: FERG). Founded in 1958 and headquartered in Wilmington, MA, S.G. Torrice operates 15 locations in Maine, Massachusetts, New Hampshire, Rhode Island and Vermont from which it distributes residential and commercial HVAC equipment, parts, and accessories from Trane, American Standard, Mitsubishi and other OEMs to over 2,000 HVAC contractors.

BRADFORD
has been acquired by
Prince
a portfolio company of
HC

Mirus advised Bradford Machine, a fully automated, tight tolerance precision machining business, on its acquisition by Prince Industries, a leading precision machining and sheet metal fabrication company which is an HC Private Investments portfolio company. Bradford Machine, based in Brattleboro, VT, is a leading provider of precision machining services with sophisticated machining capabilities including 5-axis CNC milling, turning, EDM wire, and finishing. The company excels at producing complex parts with tight tolerances for a variety of large and growing end markets.

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