



## Industrial Distribution Industry Insights

March 2014

### Overview

#### Executive Summary

The Industrial Distribution market continues to be driven by improving end markets and favorable industry dynamics. The sector has been characterized by stable revenue streams, limited customer concentration, strong free cash flow and a still fragmented marketplace. Strategic investors are acquiring well-run operating targets that help facilitate a variety of strategic initiatives such as international and domestic market share expansion, complementary product line expansion and portfolio strengthening. Financial investors on the other hand continue evaluating their next distribution platform or add-on acquisition for an

existing portfolio company. In addition, the capital markets continue to be favorable and have been particularly receptive toward the industrial distribution sector. Duff & Phelps' respective distribution indices have continued to outperform their broader performance benchmarks. These valuation dynamics may foster a healthy level of M&A dialogue and opportunities in 2014. The Duff & Phelps Industrial Distribution team remains very active in this space, having closed several significant M&A assignments and completed many other corporate finance projects for clients in the industrial distribution sector.

### Inside

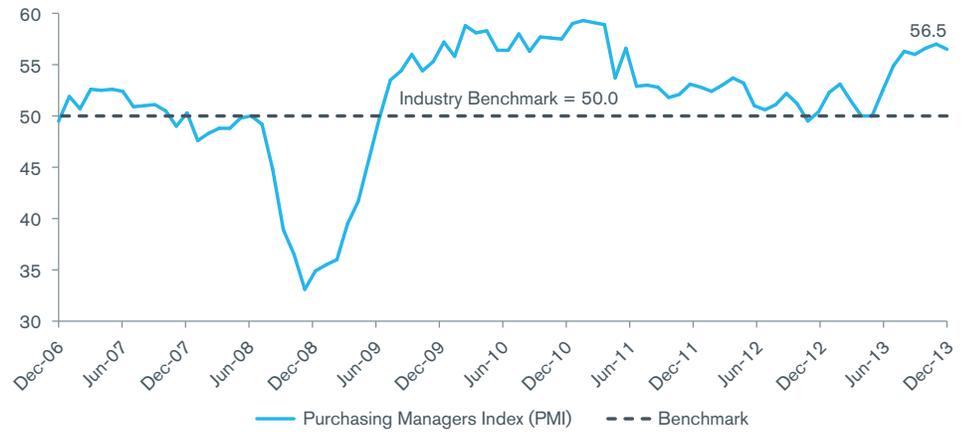
- 2 Macroeconomic Backdrop
- 3 Public Companies Valuation Trends
- 4 Public Companies Trading Analysis
- 5 Notable Commentary from the Industry (Q4 2013)
- 6 Strategic Investor Actions and Commentary
- 8 Select Recent Duff & Phelps Distribution Experience
- 9 Appendix
- 10 Contacts

## Macroeconomic Backdrop

### Manufacturing Sector Expanding

Throughout 2013, the industrial distribution end markets continued to drive demand and propel the economy forward. The purchasing managers index increased above the benchmark during the second half of 2013 indicating an expanding manufacturing sector.

### Manufacturing Sector Expanding



Source: Institute for Supply Management

### Housing in Recovery Mode

Housing demand continues to recover following the economic downturn primarily driven by rising job growth, population, and low interest rates, all of which showed strength throughout 2013.

### Housing in Recovery Mode



Source: U.S. Census Bureau, SAAB (Seasonally Adjusted Annual Rate)

### Unemployment Improving

The level of unemployment affects the industrial distribution sector because distributors rely on downstream demand. Since the economic downturn, unemployment has been improving and is expected to show continued improvement in 2014.

### Unemployment Improving



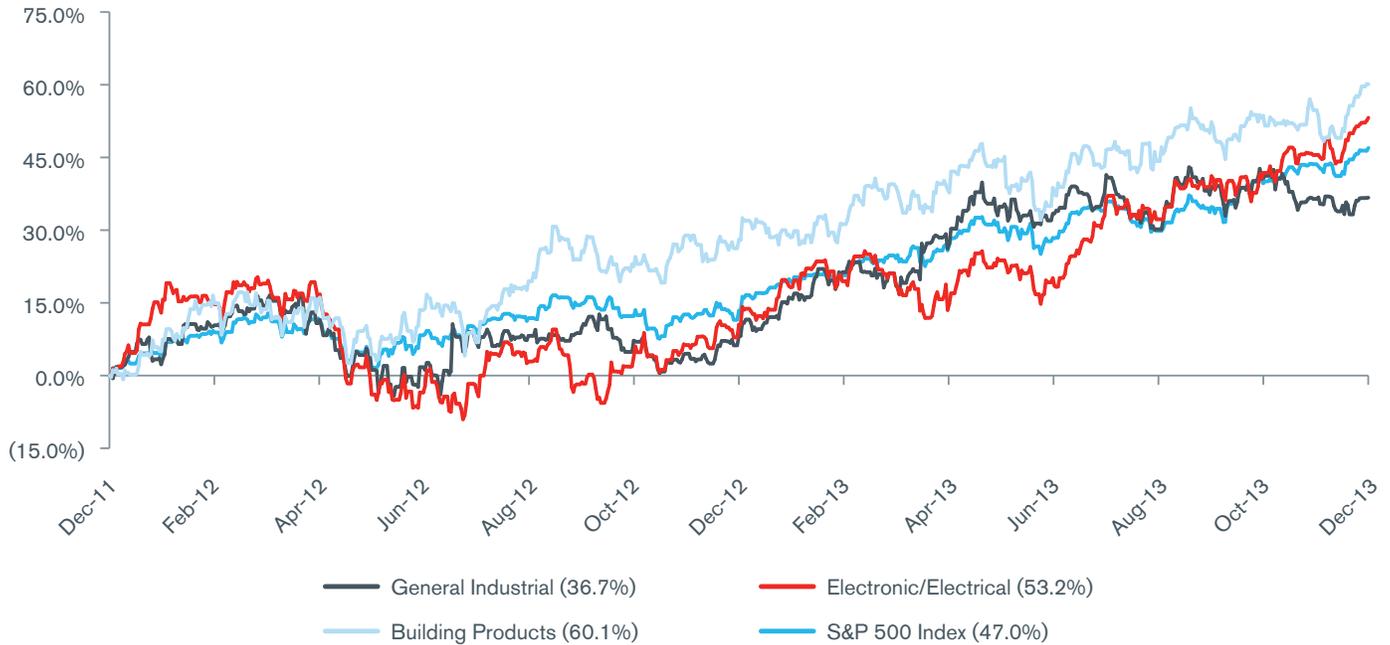
Source: U.S. Bureau of Labor Statistics

## Public Companies Valuation Trends

### Equity Market Performance

- Over the past 12 months, the Electronic / Electrical Distribution Index and Building Products Distribution Index have outperformed the S&P 500.
- The Electronic / Electrical Distribution Index grew 53.2% over the past two years compared to the Building Products Distribution Index growth of 60.1% and the S&P 500 Index growth of 47.0%

### Stock Performance over the Past Two Years

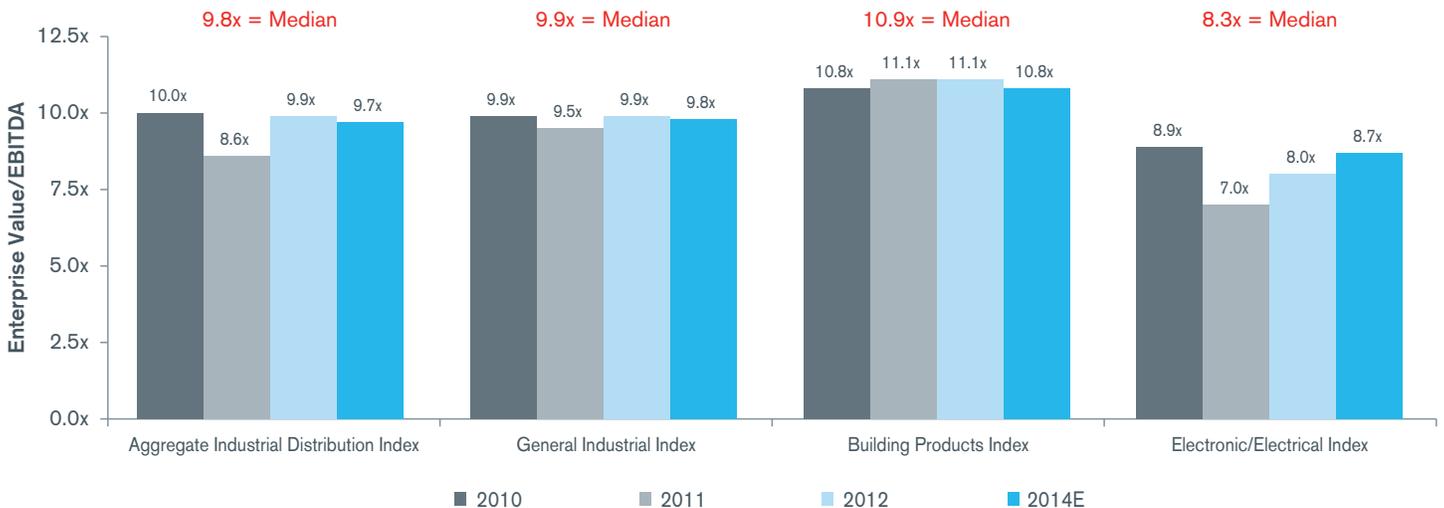


Source: Capital IQ

### Valuation Trends

- Valuation multiples as a whole for the industry have remained stable since fiscal year 2010 at a median of 9.8x.
- The Building Products index have consistently traded at a higher EV / EBITDA multiple than the other indices.

### Historical Median EV / EBITDA Multiple Trends by Sub-Sector



Source: Capital IQ

## Public Companies Trading Analysis

(\$ in millions, except per share amounts)

Comparable Company Analysis	Price as of 3/12/14	% of 52-Week High	Enterprise Value	Operating Benchmarks					Comparable Multiples						
				Revenue	TTM Revenue Growth	TTM EBITDA Growth	EBITDA Margin	EBITDA CAGR 2012-2014	EV / Revenue		EV / EBITDA			Debt / EBITDA	Net Debt / EBITDA
									TTM	2014	TTM	2014E	2015E		
<b>General Industrial</b>															
Airgas, Inc.	\$107.71	95.2%	\$10,516	\$5,068	2.7%	5.4%	18.5%	7.6%	2.08x	1.98x	11.2x	10.3x	9.6x	2.79x	2.72x
Applied Industrial Technologies	50.25	93.8	2,057	2,449	1.0	(1.5)	8.1	7.3	0.84	0.82	10.4	9.7	8.3	0.08	(0.26)
Barnes Group Inc.	38.63	94.4	2,573	1,092	17.5	21.3	18.5	20.5	2.36	2.05	12.7	9.6	8.8	2.71	2.36
DXP Enterprises, Inc.	101.83	87.1	1,676	1,242	13.2	12.8	9.9	22.9	1.35	1.06	13.7	9.5	8.3	1.93	1.86
Fastenal Company	48.82	91.9	14,430	3,326	6.1	6.7	23.3	11.3	4.34	3.92	18.6	16.6	14.4	0.00	(0.08)
Genuine Parts Company	86.44	96.0	13,893	14,078	8.2	3.4	8.2	8.1	0.99	0.93	12.0	10.4	9.8	0.68	0.51
Kaman Corporation	40.56	98.9	1,368	1,682	5.6	10.7	8.2	11.1	0.81	0.77	9.9	8.9	8.0	2.00	1.92
MSC Industrial Direct Co. Inc.	87.50	97.9	5,711	2,559	7.2	0.3	17.9	7.6	2.23	2.01	12.5	11.8	10.0	0.70	0.60
W.W. Grainger, Inc.	253.84	91.8	17,655	9,438	5.4	14.3	15.8	11.8	1.87	1.75	11.8	10.7	9.7	0.37	0.08
		<b>Average</b>	<b>\$7,764</b>	<b>\$4,548</b>	<b>7.4%</b>	<b>8.1%</b>	<b>14.3%</b>	<b>12.0%</b>	<b>1.87x</b>	<b>1.70x</b>	<b>12.5x</b>	<b>10.8x</b>	<b>9.7x</b>	<b>1.25x</b>	<b>1.08x</b>
		<b>Median</b>	<b>\$5,711</b>	<b>\$2,559</b>	<b>6.1%</b>	<b>6.7%</b>	<b>15.8%</b>	<b>11.1%</b>	<b>1.87x</b>	<b>1.75x</b>	<b>12.0x</b>	<b>10.3x</b>	<b>9.6x</b>	<b>0.70x</b>	<b>0.60x</b>
<b>Building Products</b>															
Beacon Roofing Supply, Inc.	\$39.34	92.1%	\$2,107	\$2,279	10.2%	(7.8%)	6.9%	9.7%	0.92x	0.85x	13.4x	11.2x	9.8x	1.44x	1.08x
Builders FirstSource, Inc.	8.47	94.1	1,109	1,490	39.2	NM	NM	NM	0.74	0.62	19.3	11.3	8.3	6.17	5.22
Pool Corp.	59.37	98.1	2,911	2,080	6.4	9.4	8.6	12.5	1.40	1.30	16.2	14.0	12.4	1.37	1.33
Universal Forest Products Inc.	55.53	94.9	1,203	2,470	20.2	48.3	4.4	32.2	0.49	0.43	11.1	8.6	7.1	0.79	0.79
Watsco Inc.	99.62	98.5	3,718	3,743	9.1	19.1	7.7	13.4	0.99	0.93	12.9	11.6	10.5	0.80	0.73
Wolseley plc	56.72	96.4	15,635	19,974	(2.0)	7.9	6.3	13.8	0.78	0.68	12.4	9.6	8.4	0.98	0.55
		<b>Average</b>	<b>\$4,447</b>	<b>\$5,339</b>	<b>13.9%</b>	<b>15.4%</b>	<b>6.8%</b>	<b>16.3%</b>	<b>0.89x</b>	<b>0.80x</b>	<b>14.2x</b>	<b>11.0x</b>	<b>9.4x</b>	<b>1.93x</b>	<b>1.62x</b>
		<b>Median</b>	<b>\$2,509</b>	<b>\$2,375</b>	<b>9.7%</b>	<b>9.4%</b>	<b>6.9%</b>	<b>13.4%</b>	<b>0.85x</b>	<b>0.77x</b>	<b>13.2x</b>	<b>11.2x</b>	<b>9.1x</b>	<b>1.17x</b>	<b>0.94x</b>
<b>Electronic / Electrical</b>															
Anixter International Inc.	\$103.85	89.6%	\$4,160	\$6,227	(0.4%)	3.1%	6.2%	0.9%	0.67x	0.64x	10.8x	10.1x	9.2x	2.18x	2.03x
Arrow Electronics, Inc.	55.01	96.1	7,363	21,357	4.7	3.3	4.3	7.1	0.34	0.32	8.0	7.2	6.8	2.45	2.03
Avnet, Inc.	42.11	92.6	7,242	26,657	6.0	4.8	3.7	9.0	0.27	0.25	7.3	6.3	5.9	2.22	1.44
Rexel SA	25.70	90.2	10,241	17,919	(3.3)	(7.4)	5.9	3.7	0.57	0.57	9.7	9.3	8.4	4.08	2.83
WESCO International Inc.	85.98	90.7	5,218	7,513	14.2	24.7	6.7	14.6	0.69	0.67	10.4	9.5	8.6	3.04	2.79
		<b>Average</b>	<b>\$6,845</b>	<b>\$15,934</b>	<b>4.2%</b>	<b>5.7%</b>	<b>5.3%</b>	<b>7.1%</b>	<b>0.51x</b>	<b>0.49x</b>	<b>9.3x</b>	<b>8.5x</b>	<b>7.8x</b>	<b>2.80x</b>	<b>2.22x</b>
		<b>Median</b>	<b>\$7,242</b>	<b>\$17,919</b>	<b>4.7%</b>	<b>3.3%</b>	<b>5.9%</b>	<b>7.1%</b>	<b>0.57x</b>	<b>0.57x</b>	<b>9.7x</b>	<b>9.3x</b>	<b>8.4x</b>	<b>2.45x</b>	<b>2.03x</b>
		<b>High</b>	<b>\$17,655</b>	<b>\$26,657</b>	<b>39.2%</b>	<b>48.3%</b>	<b>23.3%</b>	<b>32.2%</b>	<b>4.34x</b>	<b>3.92x</b>	<b>19.3x</b>	<b>16.6x</b>	<b>14.4x</b>	<b>6.17x</b>	<b>5.22x</b>
		<b>Low</b>	<b>\$1,109</b>	<b>\$1,092</b>	<b>(3.3%)</b>	<b>(7.8%)</b>	<b>3.7%</b>	<b>0.9%</b>	<b>0.27x</b>	<b>0.25x</b>	<b>7.3x</b>	<b>6.3x</b>	<b>5.9x</b>	<b>0.00x</b>	<b>(0.26x)</b>
		<b>Average</b>	<b>\$6,539</b>	<b>\$7,632</b>	<b>8.6%</b>	<b>9.4%</b>	<b>10.0%</b>	<b>11.8%</b>	<b>1.24x</b>	<b>1.13x</b>	<b>12.2x</b>	<b>10.3x</b>	<b>9.1x</b>	<b>1.84x</b>	<b>1.53x</b>
		<b>Median</b>	<b>\$4,689</b>	<b>\$3,535</b>	<b>6.3%</b>	<b>6.7%</b>	<b>8.1%</b>	<b>11.1%</b>	<b>0.88x</b>	<b>0.83x</b>	<b>11.9x</b>	<b>9.9x</b>	<b>8.7x</b>	<b>1.68x</b>	<b>1.38x</b>

Enterprise Value = Market Capitalization + Net Debt + Preferred Equity + Minority Interest

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization

TTM = Trailing Twelve Months

CAGR = Compounded Annual Growth Rate

Source: Capital IQ

## Notable Commentary from the Industry (Q4 2013)

Suppliers	Public Distribution Comments	Large Customers
<p>“From a macroeconomic perspective, forecast through GDP and industrial production are about the same as they were a quarter ago and they continue to call for higher growth rates in 2014. Almost all of the PMIs are higher than they were a quarter ago, so that’s encouraging.</p> <p>From a Company perspective, a stable front log, second half fiscal 2013 growth rates and a higher solutions backlog entering the year all caused us to expect higher year-over-year growth in fiscal 2014 than we saw last year. By region, we expect the U.S. to have about the same growth rates as 2013.”</p> <p><b>– Keith Nosbusch, Chairman and CEO of Rockwell Automation</b></p>	<p>“Considering the current industrial macroeconomic indicators, we are well positioned to serve our customers’ needs in this improving marketplace throughout calendar 2014.</p> <p>All across Applied, we have a great opportunity to improve our growth and profitability, organically, via acquisition and through our technology investments. We see some signs of improvement and some key markets and the broader industrial economic indicators, which will be positive for our sales and business results as we move throughout 2014.”</p> <p><b>– Neil F. Schrimsher, CEO of Applied Industrial Technologies</b></p>	<p>“Our competitive operations have been challenged not by operational performance, but by capacity in energy markets that do not support investment in, or in some instances, the operation of generating units. While we can debate for reasons this is occurring, the fact is, power prices have been weak for the last couple of quarters and we may be facing continued soft power prices for at least the next several years. As a result, we began to reposition our competitive business in 2012 and now through a series of even more aggressive actions have better positioned this business for the future.”</p> <p><b>– Anthony Alexander, CEO of First Energy</b></p>
<p>“Our belief this year ... is the U.S. would go through gradual continual improvement, not a break out, but would be better in 2014 than 2013.</p> <p>Overall we think that global GDP is going to get better, manufacturing industrial production is going to get an even bigger increase than the increase simply in global GDP.”</p> <p><b>– Alexander Cutler, CEO and Executive Chairman of Eaton Corp</b></p>	<p>“Despite a challenging economic environment, this was a solid year for Grainger as we continued to invest in infrastructure and growth designed to accelerate our share gains within the MRO market and increase our size and scale.</p> <p>We also updated our guidance. We now expect 2014 earnings per share of \$12.10 to \$12.85 and sales of 5% to 9% growth.”</p> <p><b>– Laura D. Brown, Senior VP of Communications and Investor Relations of W.W. Grainger, Inc.</b></p>	<p>“We believe the housing market remains in a period of recovery and our expectation continues to be that the pace of the recovery will vary across our local operating markets ... as measured by growth in jobs, household incomes, household formations, and increases in consumer confidence ... demand still remains below normal historical levels across most of our markets, which leaves opportunity for further improvement. Pricing has recovered sharply in certain markets, but still has room to increase in many other markets.”</p> <p><b>– Bill Wheat, EVP and CFO of DR Horton</b></p>
<p>“Metals pricing ... was weaker than we had expected with our average selling price per ton sold down 2.3% from the prior quarter and down 9.5% compared to the third quarter last year.</p> <p>Despite the challenges in the market, we continue to supplement organic growth by profitably expanding through successful M&amp;A activity, including acquisitions that were completed in 2012 and 2013.</p> <p>Looking ahead, we expect to continue to selectively acquire companies that are well-managed, complement our product offerings, grow our presence in targeted end markets, and fit our strategy for profitable growth.”</p> <p><b>– David Hannah, CEO of Reliance Steel &amp; Aluminum</b></p>	<p>“Over the past quarter, we’ve seen definite signs of stabilization and potential improvement in the manufacturing economy ... feedback from our manufacturing customers confirms the current theme of stabilization and gives to us some cause for greater optimism about 2014.</p> <p>This sentiment is reflected in recent metalworking-related surveys, such as the Metalworking Business Index. Readings for the past three months have hovered around 50. While only indicative of a flat metalworking environment, it’s nonetheless a significant improvement over the below 50 readings to most of last year, and it’s consistent with what we’re hearing from customers.”</p> <p><b>– Erik Gershwind, President and CEO of MSC Industrial Direct Co.</b></p>	<p>“Our view, and the primary driver of our business strategy, is that the housing recovery is still very much intact and that the fundamentals of that recovery remain solid. Currently, we are seeing, in the field, traffic patterns that indicate that buyers are coming to the market and finding short supplies. While this time of the year is our seasonal slow – seasonally slow time of year for actually closing sales, we are continuing to see healthy interest in the field, which indicates that the 2014 selling season will prove to be very healthy for those who are well positioned with well-located assets and product.”</p> <p><b>– Stuart A. Miller, CEO of Lennar Corp.</b></p>

Note: Industry commentary represents the latest earnings call for each respective company as of 2/14/2014.

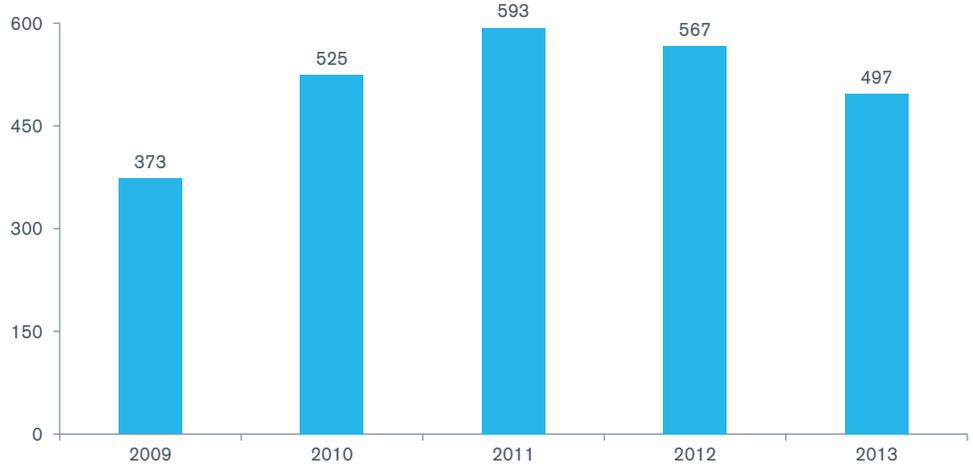
## Strategic Investor Actions and Commentary

### 2013 Industrial Distribution M&A Activity

#### Industrial Distribution M&A Trends

- Overall 2013 U.S. M&A activity declined comparative to 2012, resulting in a low period since the economic rebound. The reduced M&A activity was negatively affected by various market dynamics including the government shutdown in Q4 2013.
- Strategic buyers accounted for the vast majority of M&A transaction activity (~86%) in this space, although financial investors continue to increase their share of M&A deals.

#### Industrial Distribution M&A Trends



Note: Above data represents all deals involving a U.S. distribution target  
Source: Capital IQ and Mergermarket

#### Notable M&A Activity – 2013

(\$ in millions)

Announced Date	Target Name	Target Business Description	Acquirer Name	Enterprise Value	
				LTM Revenue	LTM EBITDA
12/9/2013	B27, LLC	Distributes pumps and integrated flow control solutions for the oil and gas, power generation, air quality and other industrial markets	DXP Enterprises, Inc.	1.88x	12.0x
12/5/2013	Keystone Automotive Operations, Inc.	Distributes and markets aftermarket automotive equipment and accessories in the U.S., Canada and internationally	LKQ Corp.	0.64x	6.4x
11/15/2013	General Electric Company, Advanced Sensors Business	Distributes lubricants and specialty chemicals to natural gas pipelines, gas processors and industrial and commercial companies	Amphenol Corporation	NA	NA
10/26/2013	John Deere Landscapes, Inc.	Supplies wholesale irrigation, landscape lighting, nursery, and landscape supplies for green industry contractors in the U.S. and Canada	Clayton, Dubilier & Rice, Inc.	0.50x	NA
10/15/2013	General Parts International, Inc.	Distributes auto parts, paint and body supplies, cleaning supplies, and equipment in the U.S. and Canada	Advance Auto Parts Inc.	0.70x	8.8x
10/8/2013	MSN Communications, Inc.	A professional services organization providing networking solutions	TDS Hosted & Managed Services, LLC	0.40x	NA
9/25/2013	Edgen Group Inc.	Distributes specialty steel products to the energy sector	Sumitomo Corporation of America	0.43x	6.8x
8/30/2013	Complete Medical Homecare, Inc. And Midwest Medical Services, Inc.	Distributes pumps and integrated flow control solutions for the oil and gas, power generation, air quality and other industrial markets	Concordia Healthcare USA, Inc.	0.32x	NA
8/27/2013	ComputerLinks AG	Distributes various information technology security and Internet technology solutions in Europe, Australia, the Middle East, Asia and North America	Arrow Electronics, Inc.	0.37x	13.3x
8/1/2013	Western Fluid Components, Inc.	Offers fluid connector products for use in agriculture, marine, industrial, high tech, logging and construction industries in Western Washington	Kaman Industrial Technologies Corporation	NA	NA
7/12/2013	Cytec Industries Inc., Former Umeco Distribution Product Line	Cytec Industries' industrial materials distribution segment, formerly known as the Umeco distribution product line	Cathay Investments Limited	0.18x	NA
5/31/2013	Cummins Rocky Mountain, LLC	Distributes engines, power generation systems and filtration products	Cummins Inc.	0.43x	NA
5/30/2013	Northwest Hose & Fittings, Inc.	Distributes hoses, fittings, and fluid connectors in eastern Washington, northern Idaho, western Montana and northeast Oregon areas	Kaman Industrial Technologies Corporation	NA	NA
5/17/2013	Tucker Tool Company, Inc.	Distributes cutting tools, abrasives, coolants and machine shop supplies	DXP Enterprises, Inc.	0.63x	5.0x
5/17/2013	Starasia Group Private Limited	Distributes engines, power generation equipment and filtration products	Coty Inc.	NA	NA
4/23/2013	Sator Holding B.V.	Distributes cutting tools, abrasives, coolants and machine shop supplies	LKQ Corp.	0.72x	8.6x
4/1/2013	Hi-Way Equipment Company, LLC	Distributes new, pre-owned, and rental construction and agricultural equipment throughout Texas	Associated Supply Company, Inc.	NA	NA
3/12/2013	Lubrication Services, L.L.C.	Distributes spare parts for the automotive aftermarket	Coastal Chemical Co., LLC	0.31x	5.6x
3/11/2013	Exego Group Pty Ltd	Supplier of automotive parts and accessories in Australia and New Zealand	Genuine Parts Company	1.43x	12.0x
2/22/2013	Barnes Group Inc., North American Distribution Business	North American distribution business of Barnes Group Inc. located in the U.S.	MSC Industrial Direct Co. Inc.	1.83x	NA
1/31/2013	Cummins Northwest, LLC	Distributes engines, power generation systems and filtration products	Cummins Inc.	0.26x	NA
			Mean	0.69x	8.7x

Source: Capital IQ, Company Filings, and other public sources  
EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization  
LTM = Last Twelve Months

## Strategic Investor Actions and Commentary

### Summary of Selected Key Deals in 2013

---

**Expanding Product Portfolio:** On September 22, 2013, MSC Industrial Direct Co. Inc. (NYSE:MSM), completed the acquisition of Barnes Group., North American Distribution Business (“BDNA”), for an implied enterprise value of \$550.0 million (1.83x EV/Revenue). With this acquisition, MSC extends its inventory management solutions, product offering in fasteners and other high gross margin consumable products and establishes a significant presence in the Canadian market. BDNA is a leading distributor of fasteners and other high margin, low cost consumables with a broad distribution footprint throughout the U.S. and Canada with approximately 31,000 customers.

**Strengthening International and North American Market Position:** On May 1, 2013, LKQ Corp (NasdaqGS:LKQ), the largest supplier of aftermarket and recycled collision replacement parts and refurbished collision replacement products in the U.S. and Canada, completed the acquisition of Sator Holdings B.V., a market leading automotive aftermarket parts distributor, for an implied enterprise value of \$268.0 million (8.6x EV/EBITDA, 0.72x EV/Revenue). The merger creates one of Europe’s largest vehicle parts aftermarket distribution groups, continues LKQ Corp’s expansion in Europe and springboards future international acquisitions.

On January 4, 2014, LKQ completed the acquisition of Keystone Automotive Operations, Inc., a leading distributor and marketer of specialty aftermarket equipment and accessories in North America for \$450.0 million (6.4x EV/EBITDA, 0.64x EV/Revenue). The acquisition provides LKQ an additional 25 locations that serve more than 20,000 retailers and equipment installers throughout North America solidifying LKQ’s presence in this highly fragmented industry.

**Dominant Market Share:** On October 15, 2013, Advanced Auto Parts, Inc. (NYSE:AAP), the leading automotive parts provider in North America, announced the acquisition of General Parts International, Inc., a leading distributor of original equipment and aftermarket products for commercial markets, for an implied enterprise value of \$2,040.0 million (8.8x EV/EBITDA, 0.70x EV/Revenue). General Parts International, Inc. will provide an additional 1,246 company operated stores and 1,418 independently owned locations expanding Advanced Auto Parts geographic presence. The acquisition creates the #1 automotive aftermarket parts provider, #1 distributor of import automotive parts and the largest automotive aftermarket business-to-business e-commerce platform in North America.

**Acquiring a Complementary Business:** On November 15, 2013, Amphenol Corporation (NYSE:APH), one of the world’s largest suppliers of electronic components, announced the acquisition of General Electric Company, Advanced Sensors Business (“ASB”), supplier of highly engineered sensors and sensor-based instruments, for \$318.0 million. ASB provides additional product offerings complementary to Amphenol’s core interconnect product portfolio. This acquisition represents a significant long-term expansion opportunity driven by the increased use of the combined technologies in supporting electronics functionality across a broad set of applications and markets. The acquisition is expected to be accretive to Amphenol’s earnings per share in the first year post acquisition.

**Establishing a Comprehensive Product Offering:** On January 2, 2014, DXP Enterprises, Inc. (NasdaqGS:DXPE), a leading products and service distributor, completed the acquisition of B27, LLC, global supplier of sophisticated pump and integrated flow control solutions serving the oil & gas, power generation, air quality and other industrial markets, for \$316.4 million (12.0x EV/EBITDA, 1.88x EV/Revenue). With the addition of B27, DXP will quickly become a global rotating equipment distributor with operations reaching as far as the Middle East and Africa growing DXP’s Rotating Equipment product division to over \$700 million in revenue.

## Select Recent Duff & Phelps Distribution Experience

### Sell Side Advisor



has been recapitalized by



Financial advisor to Universal Turbine Parts, Inc.

### Transaction Description

- Universal Turbine Parts, Inc. (“UTP” or the “Company”) is a leading supplier of turboprop aircraft engine products and related services to maintenance repair and overhaul facilities, fleet operators and engine parts dealers across the globe. UTP specializes in the procurement of engines and the subsequent sale or exchange of engine parts, whole engines and accessories. In addition, the Company provides parts inspection and light engine repair services. UTP specializes in the Pratt & Whitney Canada PT6 and PW100 engine platforms that power more than 14,000 active turboprop aircraft worldwide. These engines power the Beechcraft King Air and 1900, Twin Otter, Bombardier Dash-8 and the ATR 42/72, as well as many other turboprop airframes.
- Duff & Phelps acted as exclusive financial advisor to UTP in connection with the recapitalization of the Company.

### Sell Side Advisor



has been acquired by



Financial advisor to Porteous Fastener Company

### Transaction Description

- Porteous Fastener Company (“PFC” or the “Company”), headquartered in Carson, California, is one of the largest master distributors and supply chain management solutions providers of industrial fasteners in North America. Founded in 1966, the Company has assembled a unique combination of capabilities, including packaging, kitting, assembly, testing and logistics solutions and has accumulated an unparalleled product offering that consists of over 30,000 standard stock keeping units of industrial fasteners that are sourced predominately from Asia. Through its 15 warehouse facilities, sales offices and distribution centers throughout the U.S. and Canada, PFC exclusively focuses on selling products to other distributors that serve a diverse range of end markets.
- Duff & Phelps acted as exclusive financial advisor to PFC in connection with the sale of the Company.

### Sell Side Advisor



has been acquired by



Financial advisor to Trans World Alloys Company

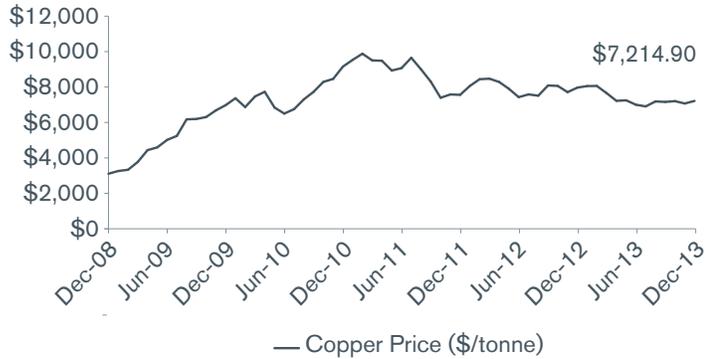
### Transaction Description

- Trans World Alloys Company, (“TWA” or the “Company”) headquartered in Gardena, California, distributes and supplies aerospace and commercial grade metallic raw materials. Its product line includes titanium, aluminum, aircraft stainless steel, nickel, cobalt, and high temperature alloys. The Company offers its products in various forms, including RCS, sheets, plates, bars, rods, tubes, extrusions, billets, slabs, wires, welding wires, forging open dies, rings and forgings. The Company serves companies in Europe and the Pacific Rim.
- Duff & Phelps acted as exclusive financial advisor to TWA in connection with the sale of the Company.

## Appendix

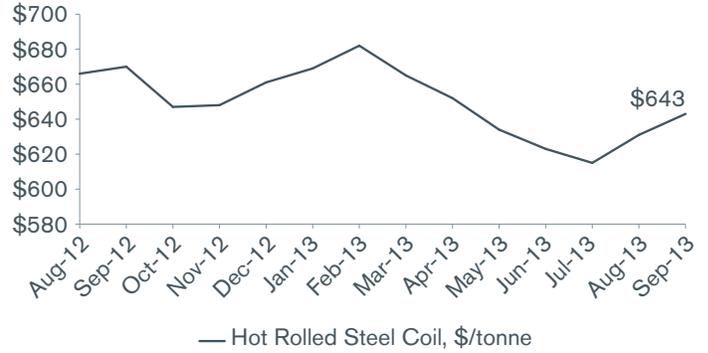
### Key Pricing Indicators

#### Copper



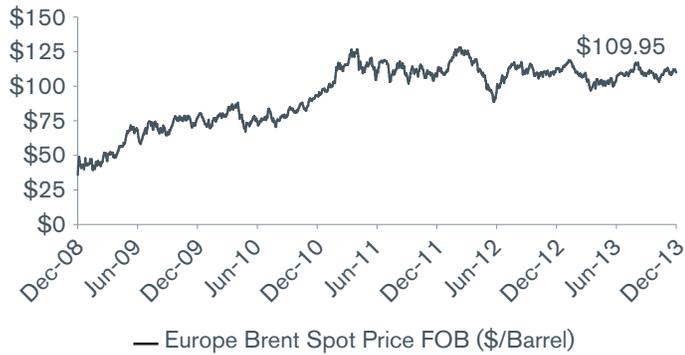
Source: London Metal Exchange

#### Steel



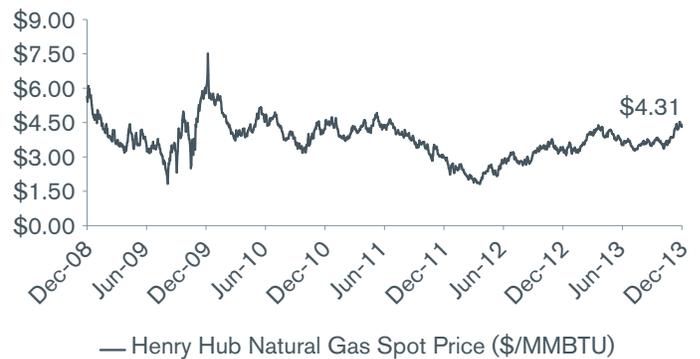
Source: MEPS (International) Ltd.

#### Crude Oil



Source: U.S. Energy Information Administration (EIA)

#### Natural Gas



Source: U.S. Energy Information Administration (EIA)

## For more information about our global locations and expertise visit:

[www.duffandphelps.com](http://www.duffandphelps.com)

Duff & Phelps is the premier global valuation and corporate finance advisor with expertise in complex valuation, dispute consulting, M&A and restructuring. The firm's more than 1,000 employees serve a diverse range of clients from offices in North America, Europe and Asia.

*M&A advisory, capital raising and restructuring services in the United States are provided by Duff & Phelps Securities, LLC. Member FINRA/SIPC. Pagemill Partners is a Division of Duff & Phelps Securities, LLC. M&A advisory and capital raising services in the United Kingdom and Germany are provided by Duff & Phelps Securities Ltd., which is authorized and regulated by the Financial Conduct Authority.*

## Contacts:

### David Althoff

Managing Director  
+1 312 697 4625  
david.althoff@duffandphelps.com

### Quinn Carlson

Director  
+1 312 697 4780  
quinn.carlson@duffandphelps.com

### Nicholas Clemens

Director  
+1 312 697 4570  
nicholas.clemens@duffandphelps.com

### Nicholas Collins

Vice President  
+1 312 697 4965  
nicholas.collins@duffandphelps.com

### Brett Millard

Analyst  
+1 312 697 4704  
brett.millard@duffandphelps.com