



Specialty Distribution

INDUSTRY UPDATE | 1H 2022





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Insights and Observations

Stout is pleased to present our Specialty Distribution Industry Update for 1H 2022. Through our team's ongoing dialogue with top industry participants and analysis of subsector performance, we have outlined key takeaways below, followed by an in-depth discussion of macroeconomic and subsector trends, recent M&A activity, and public company performance.

- ❖ M&A activity remains strong and highly competitive in the first half of 2022, continuing to reach all-time highs on a transaction volume basis in the face of recent headwinds, including rising inflation and interest rates, continued labor and supply chain constraints, and ongoing impacts of COVID-19, all amidst a volatile geopolitical backdrop taking an evolving toll on the global economy.
- ❖ Specialty distributors in the U.S. face continued pressure to streamline supply chains to hedge against recent disruptions — clear winners in the market are displaying the ability to quickly adapt to rapidly evolving market conditions and leverage flexibility in their business models.
- ❖ Strategic and financial buyers remain highly active in M&A — financial buyers hold near record dry powder (capital yet to be deployed) and continue to pursue new platform, consolidation, and add-on investment opportunities.
- ❖ Company valuations and multiples in certain segments have begun to soften from the record levels achieved in 2021.

We hope that you find this edition helpful and that it serves as a valuable resource in staying up to date on the market. We look forward to staying in touch and encourage you to contact us directly if you would like to discuss our perspectives on current industry trends, M&A opportunities, or our relevant experience.

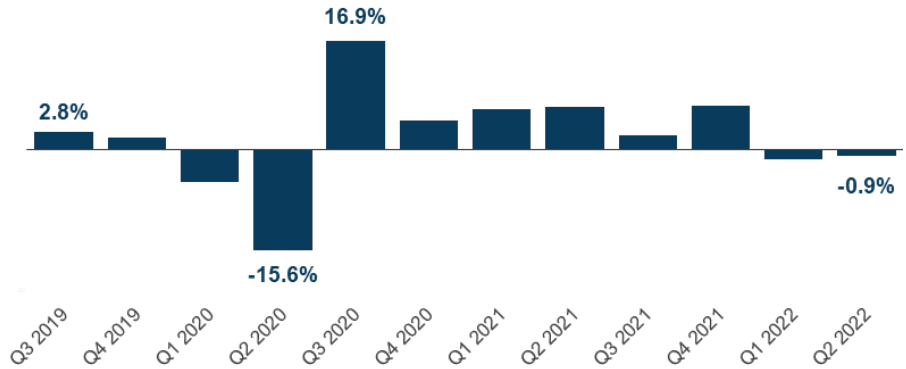
U.S. Macroeconomic Backdrop

Strong Demand Environment and Continued Recovery in Production Levels Despite Recent Supply-Side and GDP-Growth Headwinds

- ❖ U.S. GDP growth declined for a second consecutive quarter in Q2 2022, following a decline in Q1 that stemmed largely from a surge in imports and a moderate pace of consumption.
- ❖ Despite slowing GDP growth, U.S. economic activity is expected to remain strong with continued momentum in industrial production and capacity utilization driving recent optimism; new policy initiatives and potential infrastructure investment could further bolster economic growth in the second half of 2022.
- ❖ Recent material price volatility, along with labor cost and availability constraints, are expected to persist in the medium term and impact businesses across the supply chain.

Real U.S. Quarterly GDP Growth

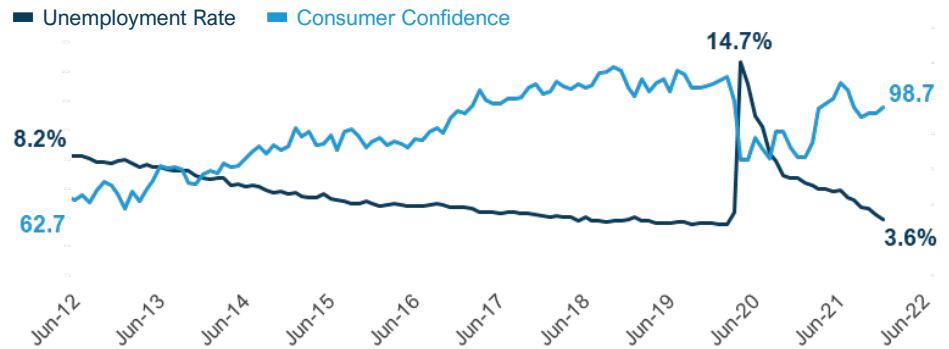
(Annualized quarterly percentage change)



Source: U.S. Bureau of Economic Analysis

U.S. Unemployment Rate and Consumer Confidence

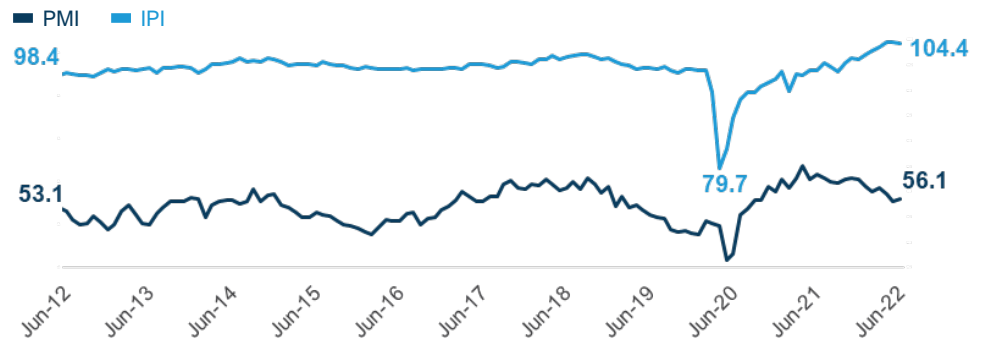
(Percentage of unemployed persons in U.S. labor force; index of consumer sentiment)



Source: University of Michigan Consumer Confidence Report, U.S. Bureau of Labor Statistics

Purchasing Manager's Index and Industrial Production Index

(PMI reflects health of manufacturing and services sectors from 0 – 100 (>50 represents expansion); IPI measures levels of industrial production indexed to 100.0 in 2017)



Source: Institute for Supply Management, St. Louis Fed

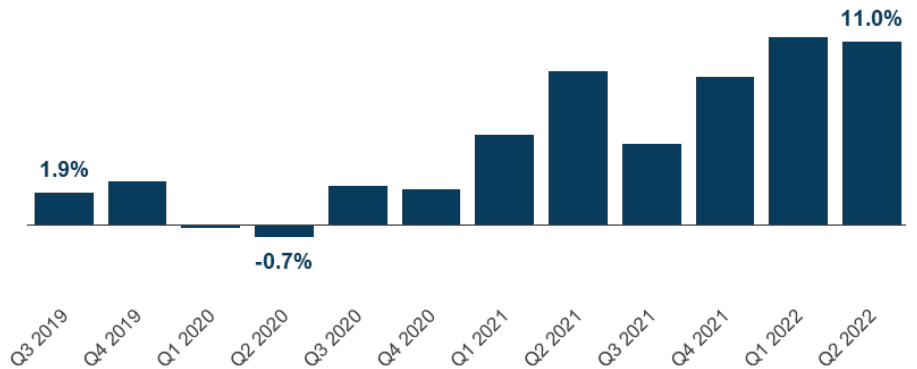
U.S. Macroeconomic Backdrop (cont.)

Continued Pressure to Streamline Supply Chains to Hedge Against the Impacts of Recent Geopolitical and Economic Disruptions

- ❖ In response to continued rising inflation (recently reaching a 40-year high), the Federal Reserve raised its benchmark interest rate by 0.75 percentage points to reflect its strong stance toward countervailing rising prices and declining purchasing power affecting consumers.
- ❖ Significant fuel surcharges, transportation constraints, as well as seasonal trends have contributed to increased freight as well as shipping and therefore landed inventory costs; distributors are preparing in advance of the holiday season to navigate this issue and avoid disruptions.
- ❖ Distributors continue to evolve their global supply chains to adapt to and hedge against new and ongoing geopolitical and economic disruptions.

Real U.S. Inflation Rate

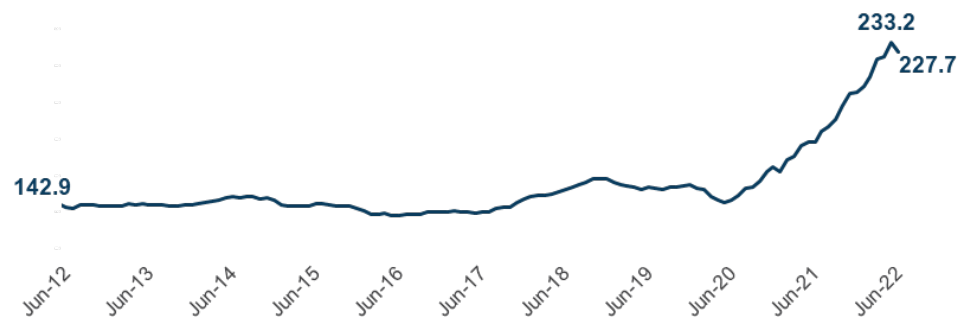
(Annualized quarterly percentage rate)



Source: U.S. Bureau of Economic Analysis

Producer Price Index: General Long-Distance Freight

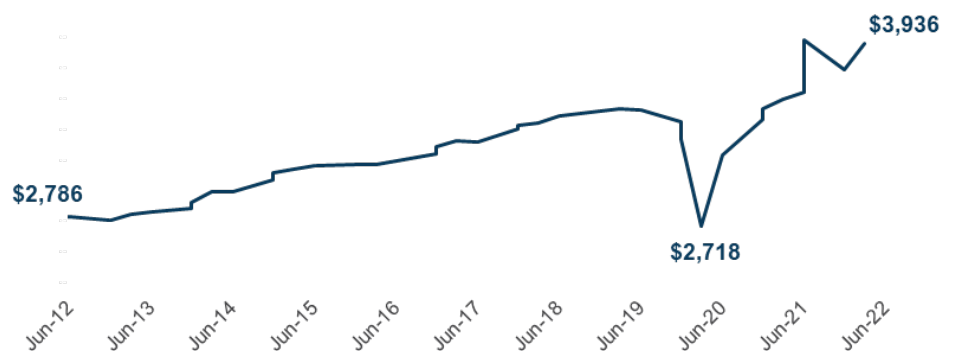
(Indexed to 100.0 as of 12/31/1992)



Source: Bureau of Transportation Statistics

Real U.S. Imports of Goods and Services

(Billions of chained 2012 dollars, seasonally adjusted)



Source: U.S. Bureau of Economic Analysis

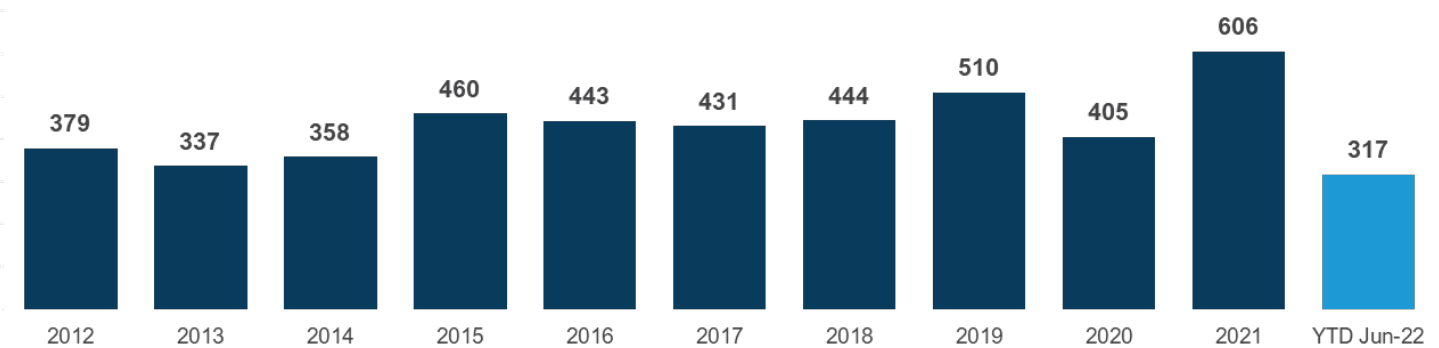
U.S. M&A Update

Specialty distribution M&A activity in 2022 remains significantly elevated relative to pre-COVID levels and continues to achieve new historical highs, with 317 deals announced in the first half of 2022, a 20% year-over-year increase from 265 deals in the first half of 2021 and a 79% year-over-year increase from 177 deals in the first half of 2020. Despite continued momentum in volume of deals closed, valuation multiples have begun to soften in certain segments from all-time highs in 2021, with an average EV/EBITDA multiple of 9.8x for distribution transactions announced in the first half of 2022.

Many large strategic and sponsor-backed specialty distribution platforms have contributed significantly to broader consolidation trends affecting multiple industry subsectors. Key strategic consolidators (e.g., SiteOne Landscape Supply [NYSE:SITE], Core & Main [NYSE:CNM], and Builders FirstSource [NYSE:BLDR], etc.) and sponsor-backed platforms (e.g., SEI Group [Quad-C Management], Aramsco [Odyssey Investment Partners], Outdoor Living Supply [Trilantic North America], and Imperial Dade [Advent International], etc.) completed numerous incremental acquisitions in the year-to-date period.

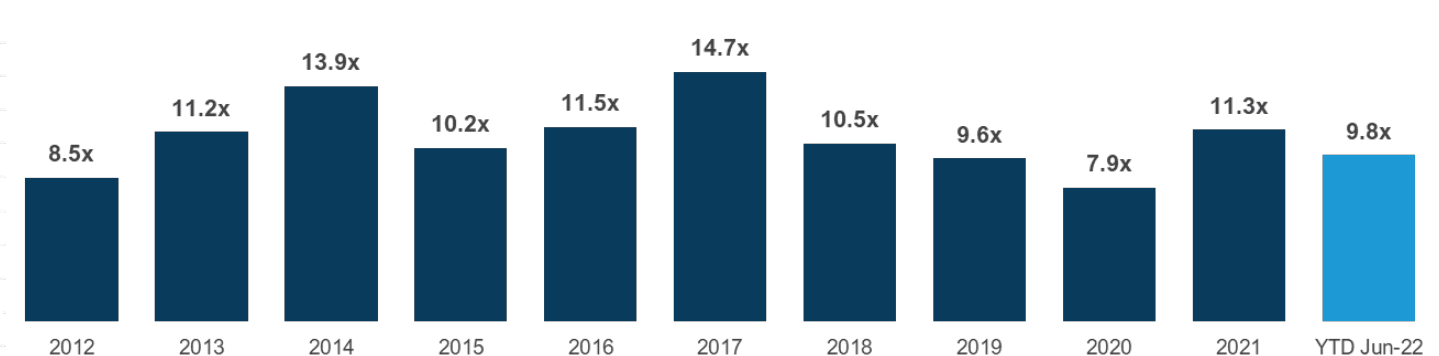
Historical Aggregate M&A Transaction Volume

(Number of announced M&A transactions annually; target based in the U.S.)



Source: S&P Capital IQ, Stout Proprietary Database

Historical Average EV/LTM EBITDA Multiples



Source: S&P Capital IQ, Stout Proprietary Database

Specialty Distribution Subsector Insights

The Ability to Adapt and Embrace New Business Fundamentals Remains Key to Capitalizing on Rapidly Evolving Market Conditions for Specialty Distributors

Since the onset of the COVID-19 pandemic, many distributors have endured and, in some cases, thrived based on their ability to quickly adapt to rapidly changing market conditions and effect change to their business models.

Among the more compelling factors influencing distributors are accelerating digitization / e-commerce uptake, increasing competition and disintermediation, new product innovation, and rapidly evolving customer demand and expectations.

Many distributors are responding to the changes they see in their business by exploring incremental growth initiatives and cost-reduction opportunities, in addition to re-evaluating their business models and go-to-market strategies more broadly.

Reshoring Efforts in the U.S. Continue to Accelerate and Drive Downstream Demand for Businesses Across the Supply Chain

Increasingly stretched and unpredictable supply chains have forced many wholesalers and retailers to look for more dependable manufacturing partners closer to home.

This trend will continue through the remainder of 2022 and thereafter as domestic manufacturing incentives kick in and investments in factory automation and digitalization will make U.S. manufacturing more cost competitive in the long run versus lower-cost labor markets overseas.

The result will be continued repatriation of manufacturing to the U.S. and North America – this in turn is expected to cause an uptick in domestic industrial distribution and customer demand, and help alleviate recent volatility in total freight and logistics costs as companies become less reliant on overseas import markets.

SPECIALTY DISTRIBUTION SUBSECTOR SPOTLIGHT: Energy

Distributors serving the energy and oil & gas markets reported strong performance in early 2022 and indicated that despite ongoing economic and geopolitical challenges, they anticipate strong performance for the remainder of the year.

The reasons for this optimistic outlook include substantial existing backlogs of business, re-evaluation of energy purchases by European customers due to the Russia/Ukraine conflict, rising oil production, and new opportunities in renewable energy.

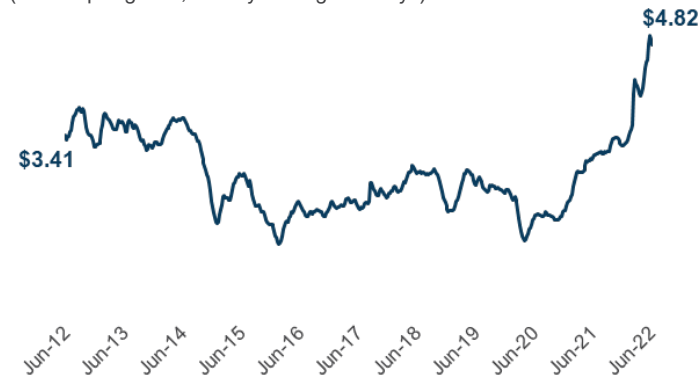
Distributors that are most attuned to the future of the rapidly reshuffling global energy transportation networks are best positioned to capitalize on recent growth trends, with additional potential upside from tangential opportunities in the renewable markets via new customers, products, and channels.

Automotive & Specialty Vehicle Distribution

KEY SUBSECTOR DRIVERS

U.S. Regular All Formulations Gas Prices

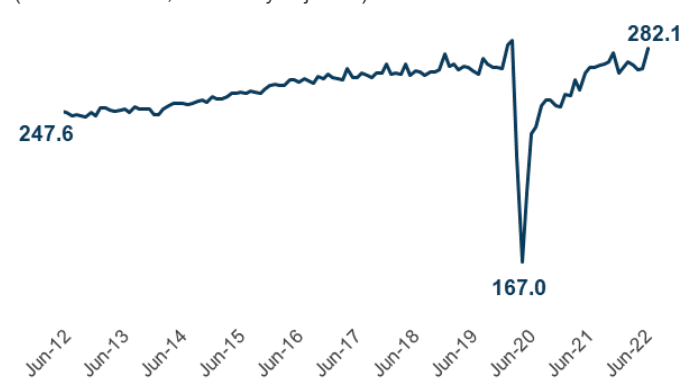
(Dollars per gallon, weekly ending Mondays)



Source: U.S. Energy Information Administration

Vehicle Miles Traveled

(Billions of miles, seasonally adjusted)

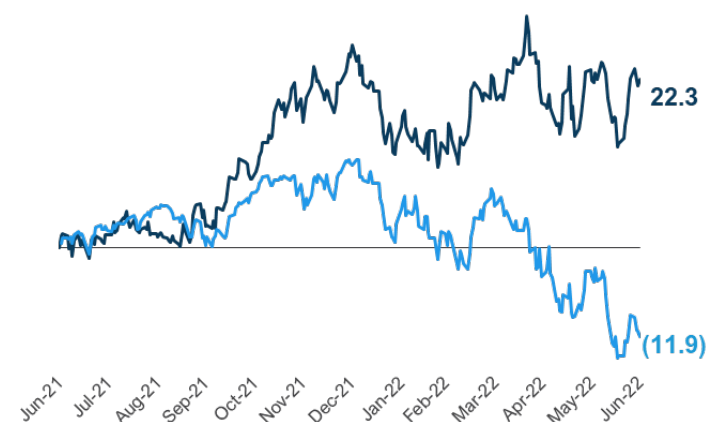


Source: U.S. Federal Highway Administration

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

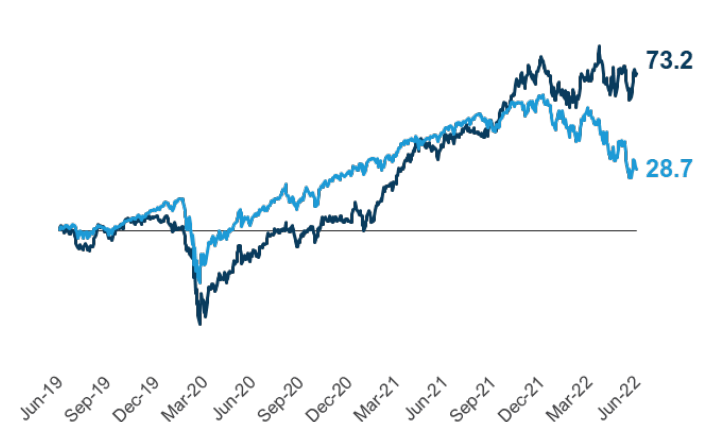
(Indexed to 0.0 as of 6/30/2021) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

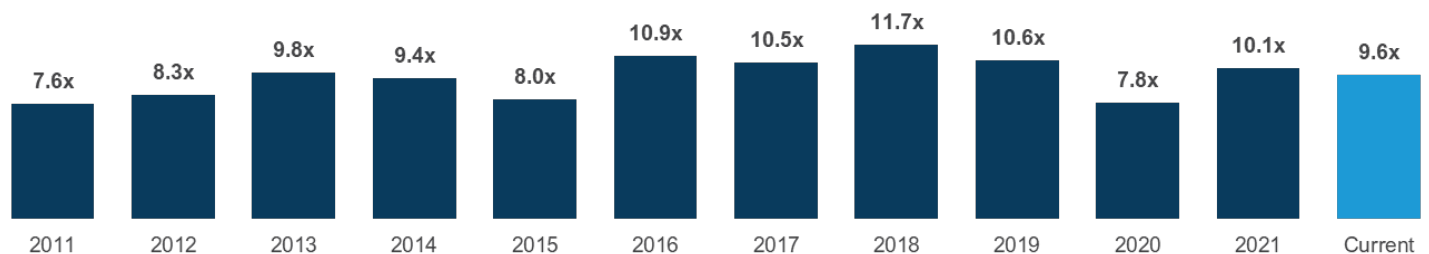
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 6/30/2019) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



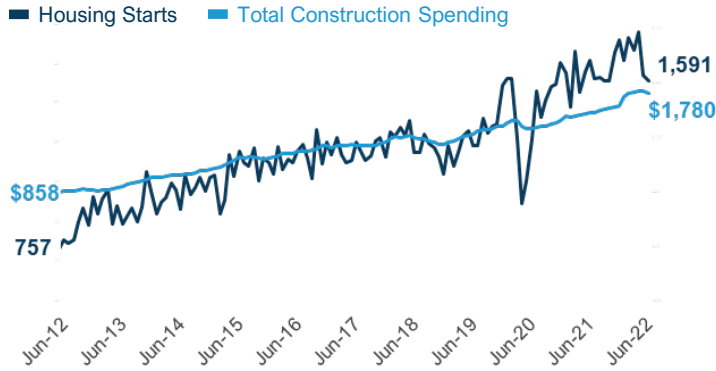
Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

Building Products Distribution

KEY SUBSECTOR DRIVERS

Housing Starts and Construction Spending

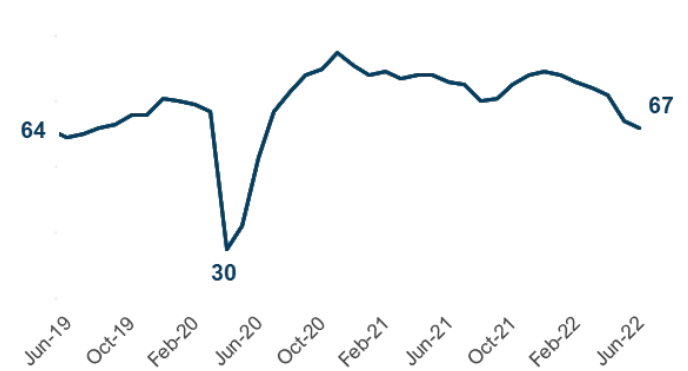
(Starts in thousands of units, seasonally adjusted, spend in \$ in billions)



Source: U.S. Department of Commerce

NAHB Remodeling Market Index (RMI)

(Reflects health of repair and remodel sector from 0 – 100)

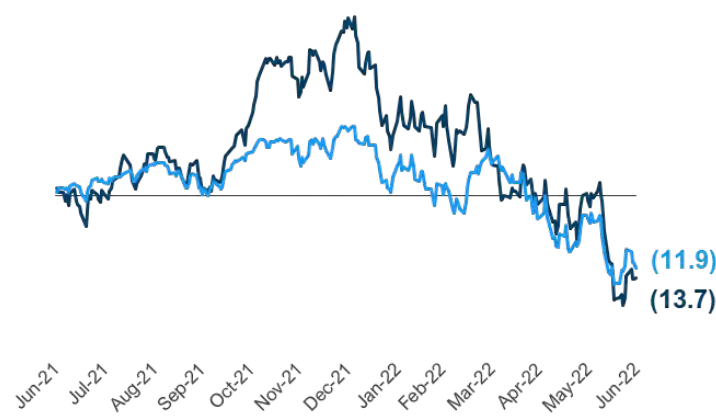


Source: National Association of Home Builders

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

(Indexed to 0.0 as of 6/30/2021) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

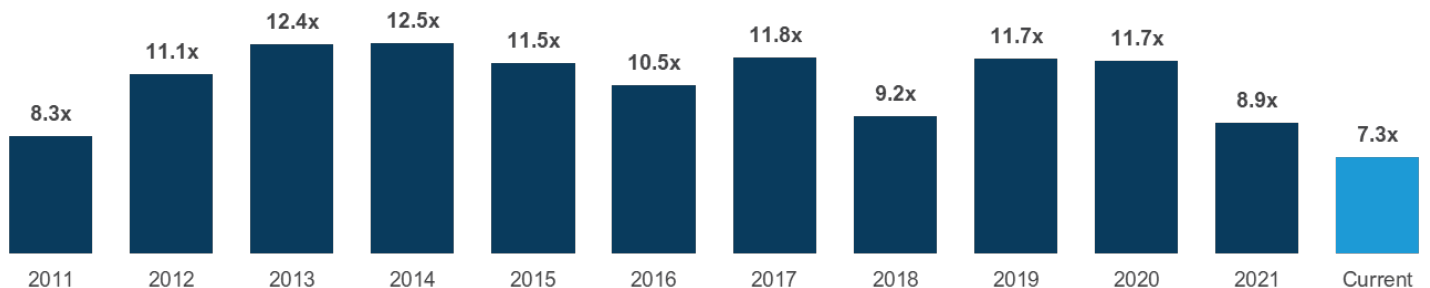
Indexed Stock Performance — Last 3 Years

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Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



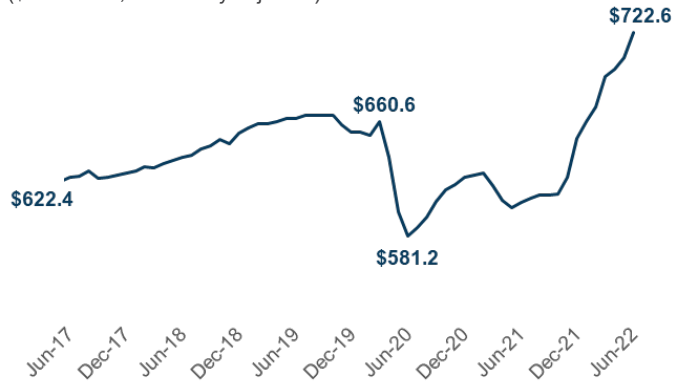
Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

Consumer / Food & Beverage Distribution

KEY SUBSECTOR DRIVERS

U.S. Retailers' Inventories

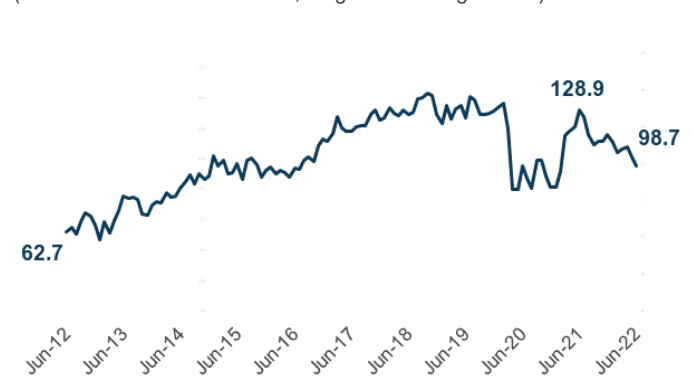
(\$ in billions, seasonally adjusted)



Source: U.S. Census Bureau

U.S. Consumer Confidence

(Index of consumer sentiment; long-term average = 100)

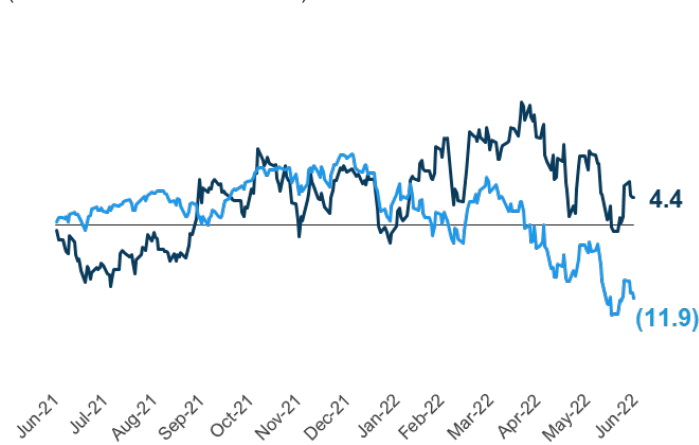


Source: University of Michigan Consumer Confidence Report

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

(Indexed to 0.0 as of 6/30/2021) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

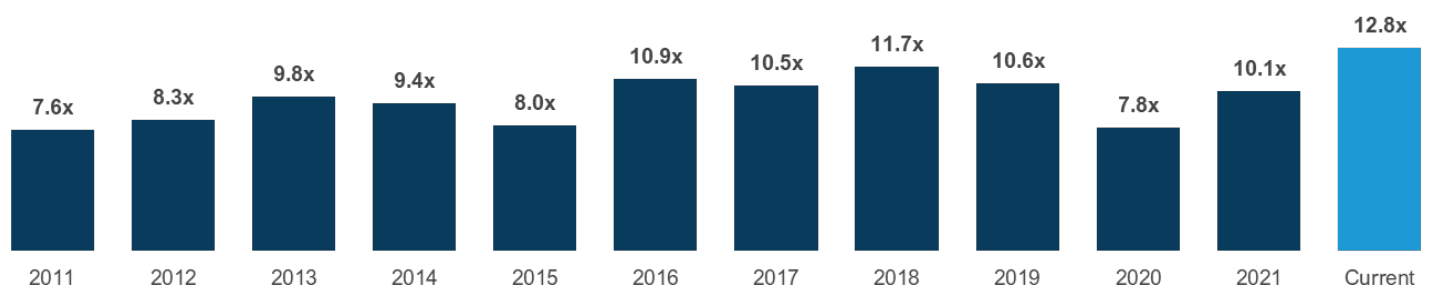
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 6/30/2019) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

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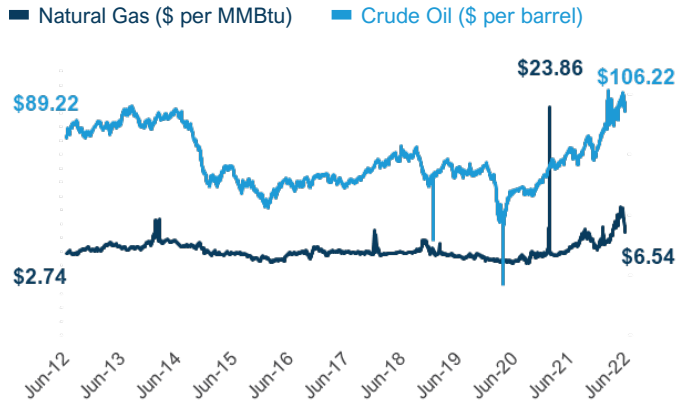


Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

Energy Distribution

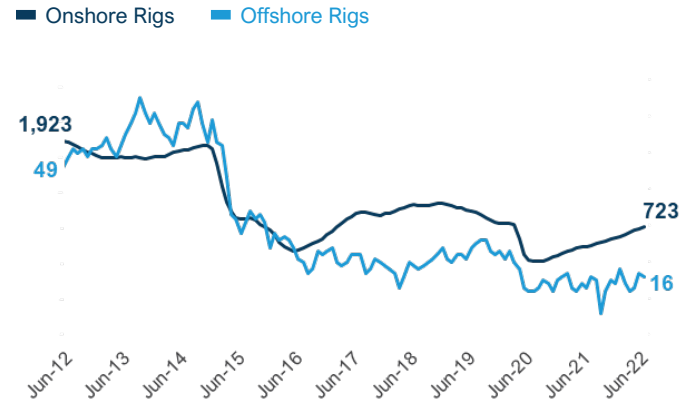
KEY SUBSECTOR DRIVERS

Natural Gas and Crude Oil Prices



Source: U.S. Energy Information Administration (Henry Hub/WTI)

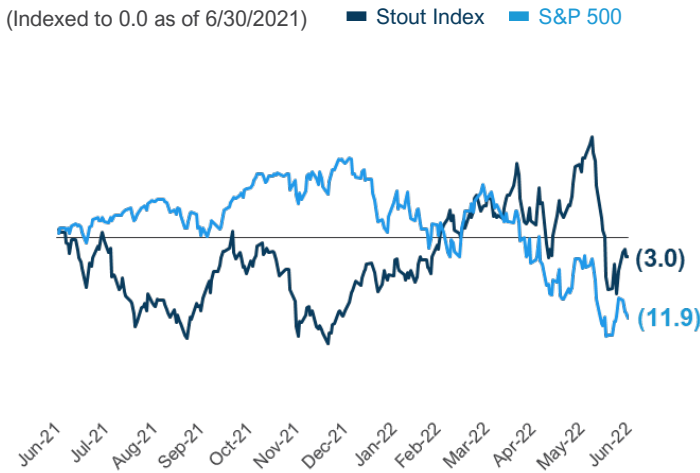
Natural Gas and Crude Oil Rigs in Operation



Source: U.S. Energy Information Administration

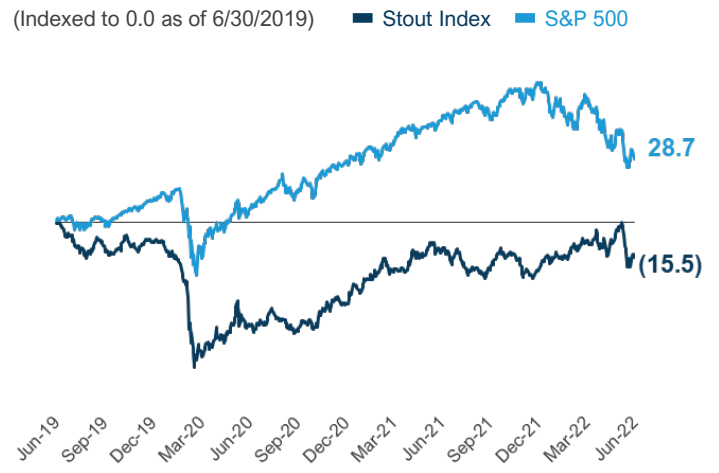
STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months



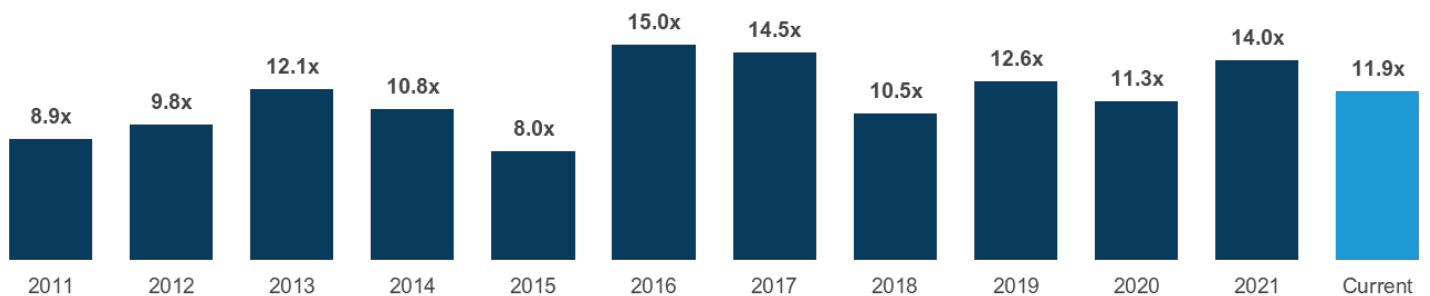
Source: S&P Capital IQ, Stout Proprietary Index

Indexed Stock Performance — Last 3 Years



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



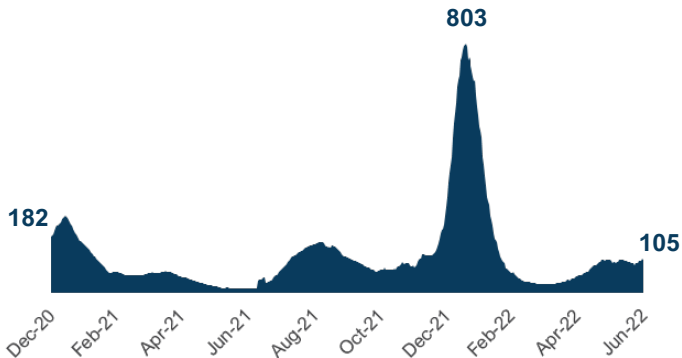
Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

Healthcare & Life Sciences Distribution

KEY SUBSECTOR DRIVERS

U.S. Daily New COVID-19 Cases

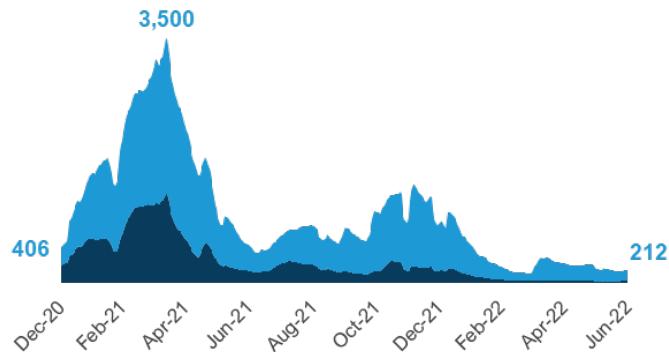
(People in thousands, seven-day rolling average)



Source: Statista

U.S. COVID-19 Vaccinations Administered

(Thousands, seven-day average) ■ First Doses ■ Total Doses

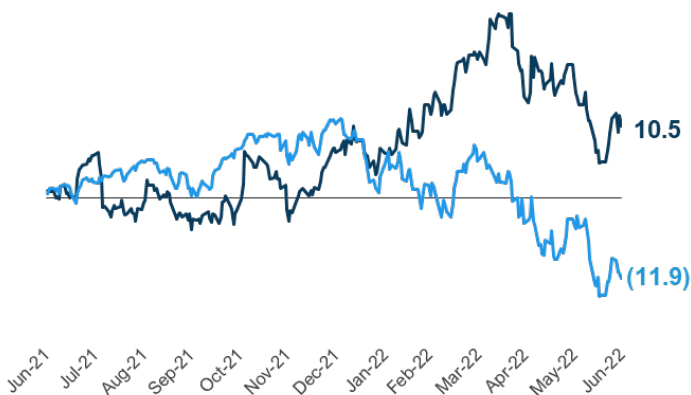


Source: Centers for Disease Control and Prevention

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

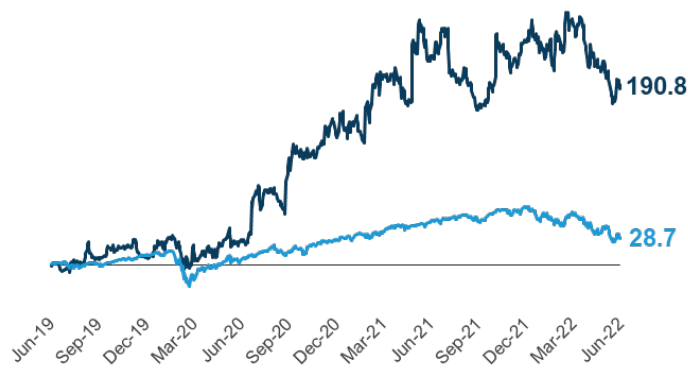
(Indexed to 0.0 as of 6/30/2021) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

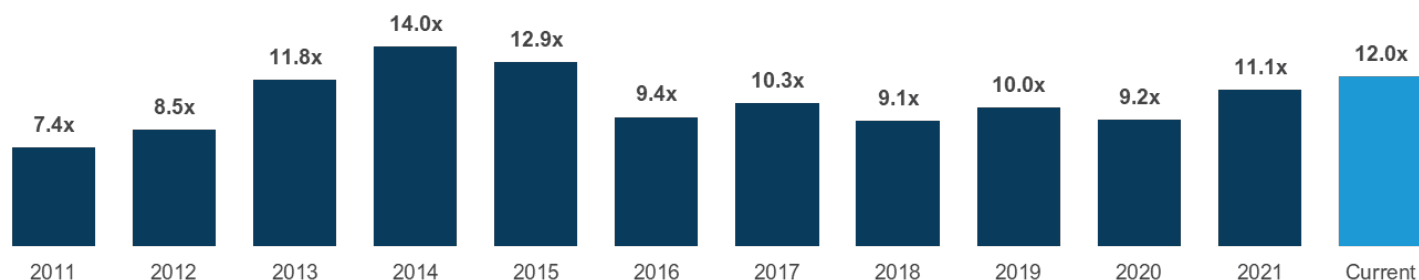
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 6/30/2019) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples



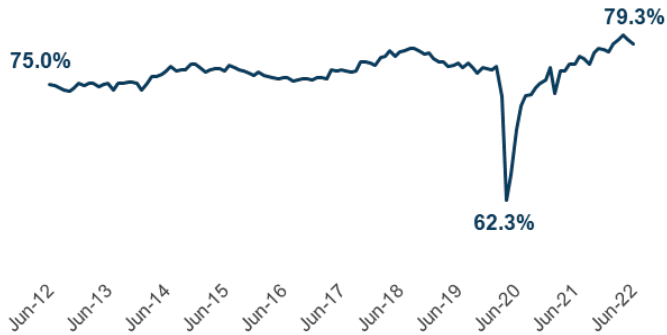
Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

Industrial & MRO Distribution

KEY SUBSECTOR DRIVERS

U.S. Manufacturing Capacity Utilization

(Percent of capacity, seasonally adjusted)



Source: Board of Governors of the Federal Reserve System

Manufacturing Purchasing Managers' Index

(Measures health of manufacturing sector 0 – 100)

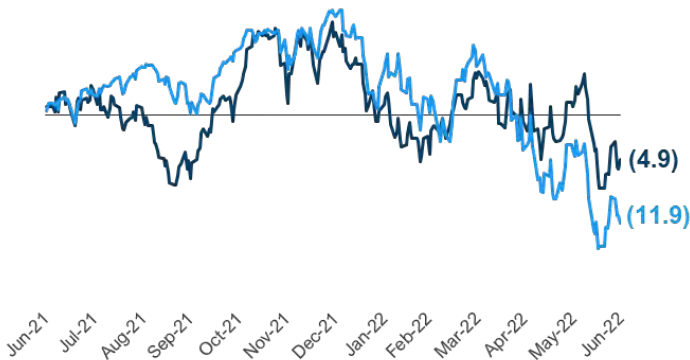


Source: Institute for Supply Management

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

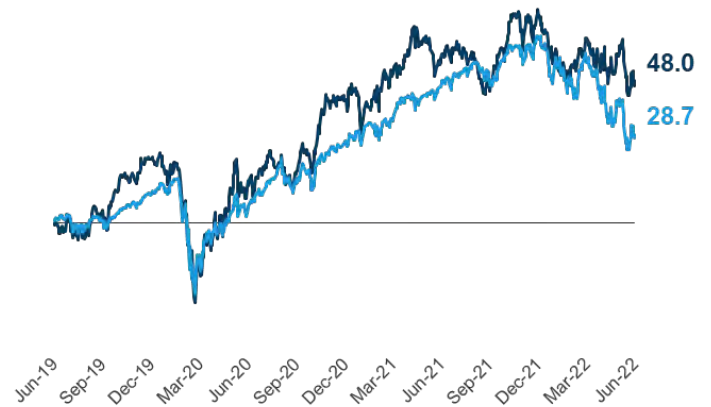
(Indexed to 0.0 as of 6/30/2021) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

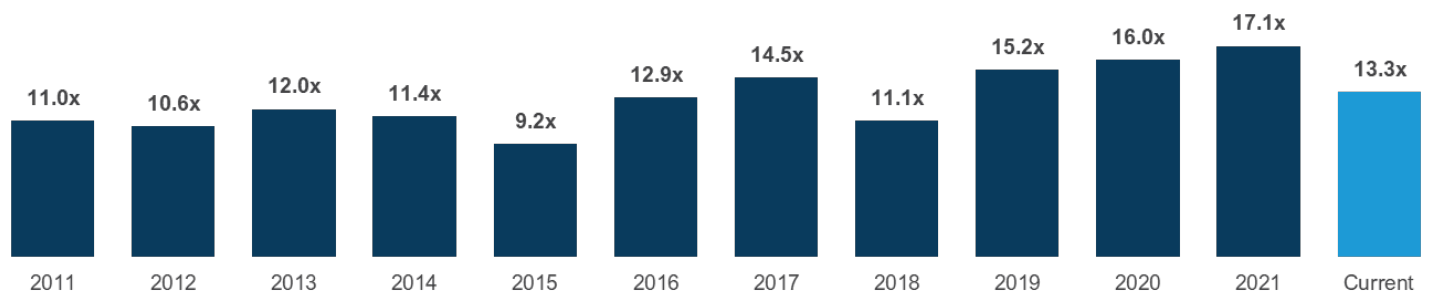
Indexed Stock Performance — Last 3 Years

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Historical Median EV/LTM EBITDA Multiples



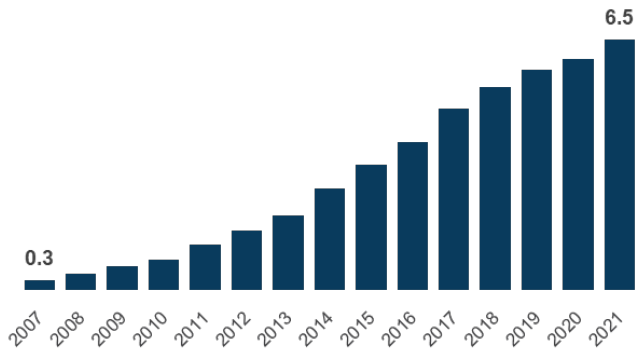
Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

Technology, Media & Telecom Distribution

KEY SUBSECTOR DRIVERS

Global Mobile Broadband Subscriptions

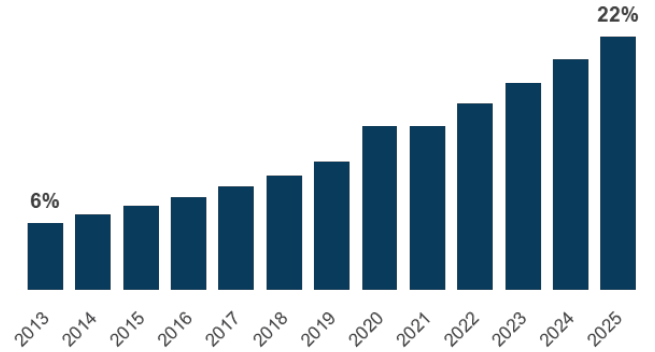
(Billions)



Source: International Telecommunication Union

E-Commerce Percent of U.S. Retail Sales

(Share of total retail sales in U.S.)

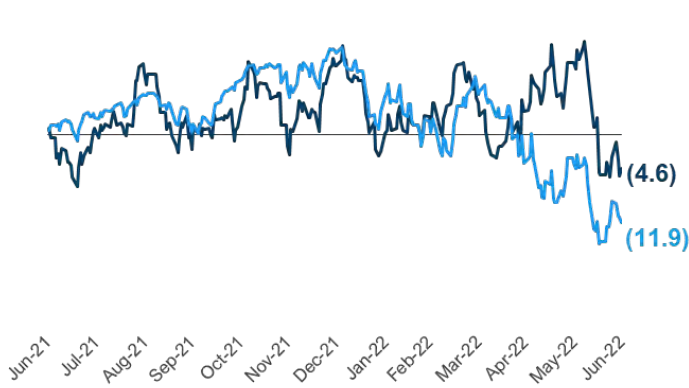


Source: Statista

STOUT SUBSECTOR INDEX PERFORMANCE

Indexed Stock Performance — Last 12 Months

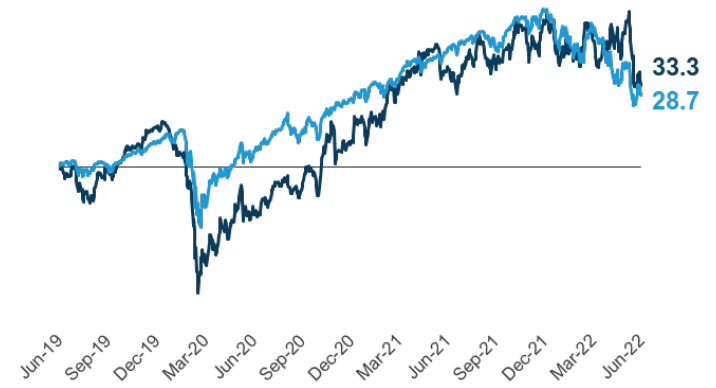
(Indexed to 0.0 as of 6/30/2021) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

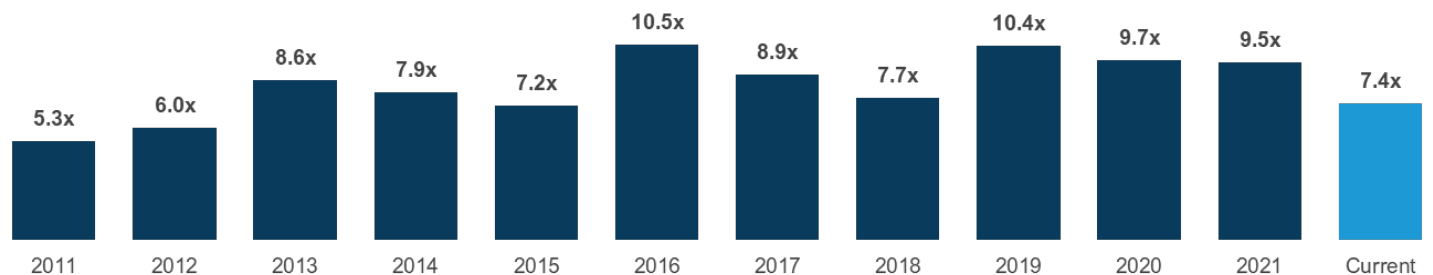
Indexed Stock Performance — Last 3 Years

(Indexed to 0.0 as of 6/30/2019) ■ Stout Index ■ S&P 500



Source: S&P Capital IQ, Stout Proprietary Index

Historical Median EV/LTM EBITDA Multiples

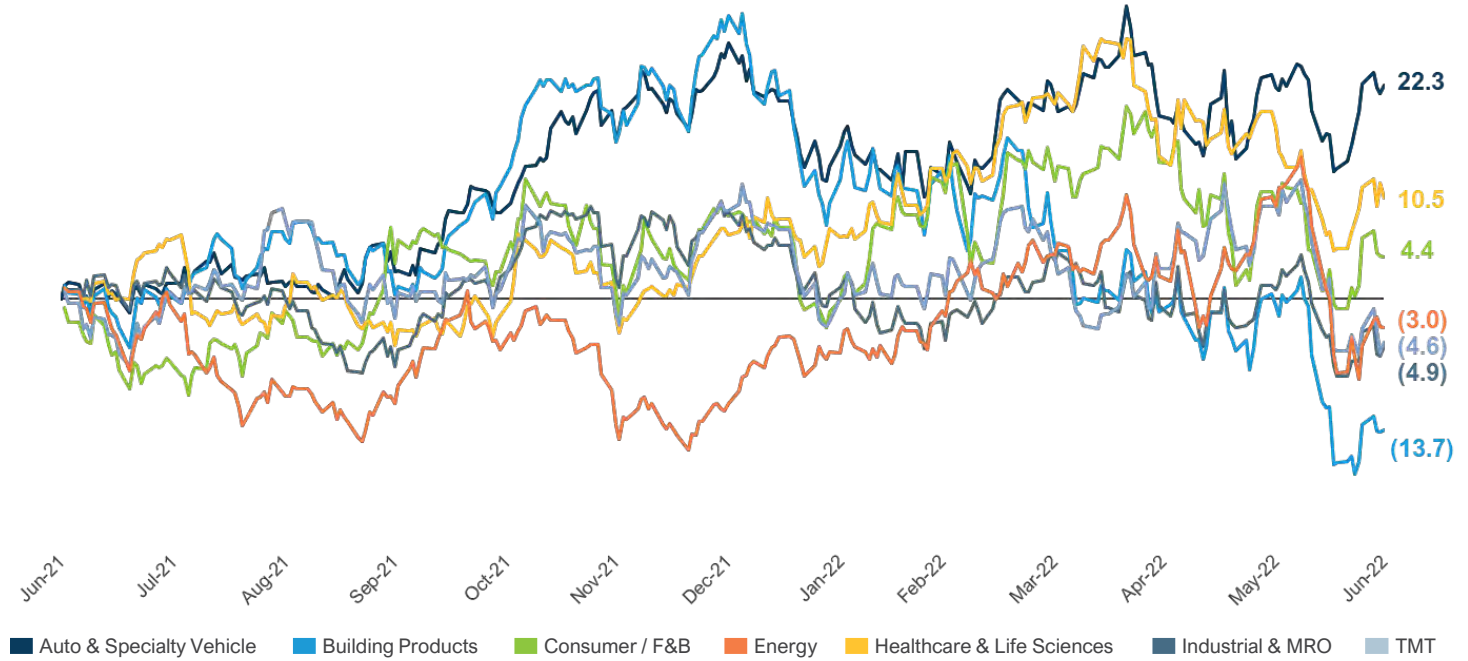


Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

Indexed Stock Performance by Subsector

Specialty Distribution Indexed Stock Performance — Last 12 Months

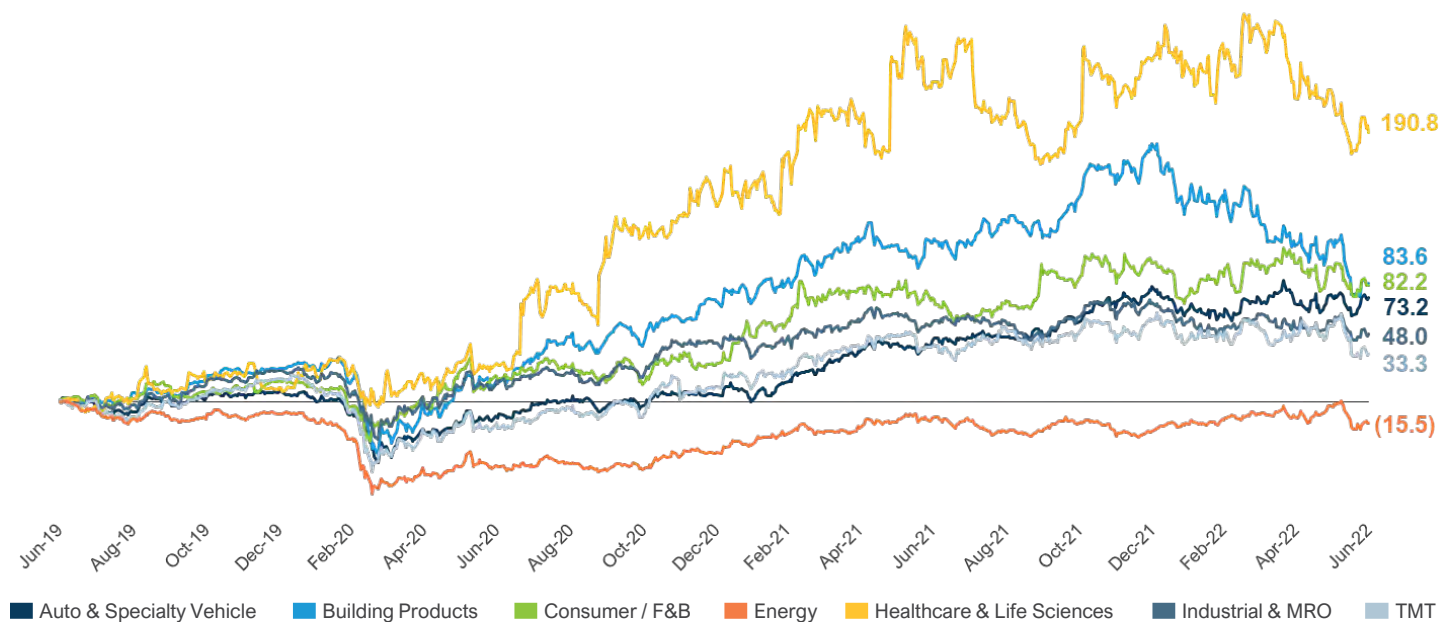
(Indexed to 0.0 as of 6/30/2021)



Source: S&P Capital IQ, Stout Proprietary Index

Specialty Distribution Indexed Stock Performance — Last Three Years

(Indexed to 0.0 as of 6/30/2019)



Source: S&P Capital IQ as of 6/30/2022, Stout Proprietary Index

M&A Transaction Highlights

Date	Acquirer (Ownership)	Target (Seller)	Industry Subsector
Jun-22	FloWorks (Clearlake Capital Group)	netMercury, Inc.	Industrial & MRO
Jun-22	Imperial Dade (Advent International Corporation)	Russell Hall Company	Consumer / Food & Beverage
Jun-22	SiteOne Landscape Supply (NYSE:SITE)	Yard Works	Building Products
Jun-22	Envoy Solutions, LLC (FEMSA)	Hughes Enterprises	Industrial & MRO
Jun-22	SiteOne Landscape Supply (NYSE:SITE)	Across The Pond, Inc.	Building Products
Jun-22	Sverica Capital	SG Homecare	Healthcare & Life Sciences
Jun-22	48forty Solutions (Audax Private Equity)	Girard Wood Products (Pallet Recycling)	Building Products
Jun-22	Outdoor Living Supply (Trilantic North America)	The Rock Garden	Building Products
Jun-22	MSC Industrial Direct (NYSE:MSM)	Engman-Taylor Company	Industrial & MRO
Jun-22	Beacon Roofing Supply (NasdaqGS:BECN)	Complete Supply, Inc.	Building Products
Jun-22	TestEquity (Luther King Capital Management)	National Test Equipment	Technology, Media & Telecom
May-22	Envoy Solutions, LLC (FEMSA)	American Paper Towel Company	Industrial & MRO
May-22	AramSCO (Odyssey Investment Partners)	Retailers Supply Company	Industrial & MRO
May-22	Imperial Dade (Advent International Corporation)	North Alabama Chemical Company	Consumer / Food & Beverage
May-22	Commercial Steel Products (Gupta Capital)	Ace Steel Supply	Industrial & MRO
May-22	Industrial Opportunity Partners	N.B. Handy Company	Industrial & MRO
May-22	Imperial Dade (Advent International Corporation)	Tepe Sanitary Supply	Consumer / Food & Beverage
May-22	All States Ag Parts (Kinderhook Industries)	Dominion Equipment Parts	Automotive & Specialty Vehicle
May-22	GHK Capital Partners	Auveco (Tenex Capital Management)	Automotive & Specialty Vehicle
May-22	SiteOne Landscape Supply (NYSE:SITE)	Preferred Seed Company	Building Products
May-22	Advent International Corporation	Imperial Dade (Bain Capital)	Consumer / Food & Beverage
May-22	SEI Group (Quad-C Management)	Energy Conservation Insulation Company	Building Products
Apr-22	Beacon Roofing Supply (NasdaqGS:BECN)	Wichita Falls Builders Wholesale	Building Products
Apr-22	AramSCO (Odyssey Investment Partners)	Sovereign Industries	Industrial & MRO
Apr-22	SiteOne Landscape Supply (NYSE:SITE)	BellStone Masonry Supply	Building Products
Apr-22	Outdoor Living Supply (Trilantic North America)	Backyard Living	Building Products
Apr-22	Novvia Group (Kelso & Company)	Southern Container	Industrial & MRO
Apr-22	Coastal (Supply Chain Equity Partners)	Sealant Engineering Construction Supply	Building Products
Apr-22	Echelon Supply and Service (HCI Equity)	Berg-Nelson Company	Industrial & MRO
Apr-22	Envoy Solutions, LLC (FEMSA)	Sigma Supply of North America	Industrial & MRO
Apr-22	Gexpro Services (Rexel S.A. (ENXTPA:RXL))	Frontier Technologies Brewton	Technology, Media & Telecom
Apr-22	Gexpro Services (Rexel S.A. (ENXTPA:RXL))	Resolux Group	Technology, Media & Telecom
Apr-22	Audax Private Equity	Flow Control Holdings	Consumer / Food & Beverage
Apr-22	Parts Town (Leonard Green & Partners)	Encompass Supply Chain Solutions	Consumer / Food & Beverage
Apr-22	CVC Capital Partners	Radwell	Industrial & MRO
Mar-22	Core & Main (NYSE:CNM)	Lock City Supply	Industrial & MRO
Mar-22	Fortune International LLC (Investcorp)	D'Artagnan Inc.	Consumer / Food & Beverage
Mar-22	Olympus Partners	Auto Air Export (AEA Investors)	Automotive & Specialty Vehicle

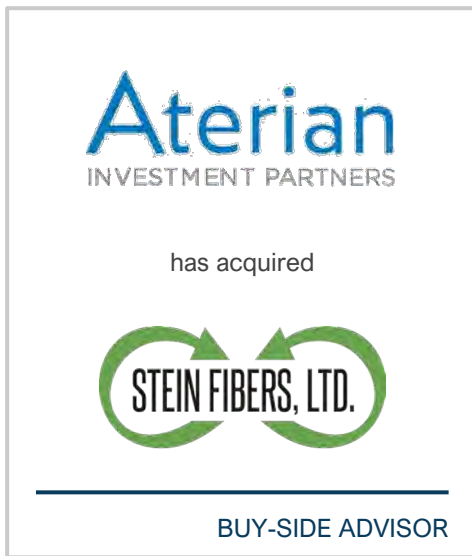
Source: S&P Capital IQ, Stout Proprietary Database

M&A Transaction Highlights (cont.)

Date	Acquirer (Ownership)	Target (Seller)	Industry Subsector
Mar-22	Homewerks Worldwide, LLC	Waxman (Shower & Plumbing business)	Building Products
Mar-22	OTR Tyres	Titan Australia (NYSE:TWI)	Automotive & Specialty Vehicle
Mar-22	Marco Rubber & Plastics (Align Capital Partners)	Anchor Rubber Products	Industrial & MRO
Mar-22	Trive Capital	BPS Supply Group	Industrial & MRO
Mar-22	All States Ag Parts (Kinderhook Industries)	Gaston Glass & Truck Accessories	Automotive & Specialty Vehicle
Mar-22	SiteOne Landscape Supply (NYSE:SITE)	JK Enterprise Landscape Supply	Building Products
Mar-22	Pearlman Industries (The Stephens Group)	CleanSource	Industrial & MRO
Mar-22	Envoy Solutions, LLC (FEMSA)	ATRA Janitorial Supply Company	Industrial & MRO
Mar-22	AramSCO (Odyssey Investment Partners)	Casey Engineered Products	Industrial & MRO
Mar-22	Imperial Dade (Bain Capital)	Veritiv Canada	Consumer / Food & Beverage
Mar-22	Huron Capital Partners	Rago Fabrication	Automotive & Specialty Vehicle
Mar-22	One Equity Partners	PGW Auto Glass (LKQ Corporation)	Automotive & Specialty Vehicle
Mar-22	Metrie Inc.	EL & EL Wood Products	Building Products
Mar-22	Investcorp	S&S Truck Parts	Automotive & Specialty Vehicle
Mar-22	Core & Main (NYSE:CNM)	Dodson Engineered Products	Industrial & MRO
Feb-22	MidOcean Partners	Cloyes (Hidden Harbor Capital Partners)	Automotive & Specialty Vehicle
Feb-22	Gryphon Investors	Benoist Brothers Supply Company	Industrial & MRO
Feb-22	Resideo Technologies, Inc. (NYSE:REZI)	Arrow Wire & Cable	Technology, Media & Telecom
Feb-22	Envoy Solutions, LLC (FEMSA)	Bio-Shine Inc.	Industrial & MRO
Feb-22	Hardwoods Distribution (TSE:HDI)	Mid-Am Building Supply, Inc.	Building Products
Feb-22	Outdoor Living Supply (Trilantic North America)	Woodward Landscape Supply	Building Products
Feb-22	Altamont Capital Partners	Bishop Lifting Products (SPB Holdings)	Industrial & MRO
Feb-22	SEI Group (Quad-C Management)	Cool Insulation Company	Building Products
Feb-22	SEI Group (Quad-C Management)	Coastal Insulation & Fireplaces	Building Products
Jan-22	Monterey Bay Herb (Frontenac)	AmeriHerb	Consumer / Food & Beverage
Jan-22	Warren Equity Partners	MacQueen Equipment (Rotunda Capital)	Industrial & MRO
Jan-22	Parts Town (Leonard Green & Partners)	REPA Group	Consumer / Food & Beverage
Jan-22	Rosewood Private Investments	American Petroleum Sales and Service	Energy
Jan-22	Compass Group Equity Partners	KGM	Industrial & MRO
Jan-22	Kele (The Stephens Group)	A-tech	Industrial & MRO
Jan-22	Marcone (Genstar Capital)	Munch's Supply (Ridgemont Equity)	Industrial & MRO
Jan-22	Pfingsten Partners	Fairbank Equipment (Great Range Capital)	Energy
Jan-22	FloWorks (Clearlake Capital Group)	SemiTorr Group (Transom Capital)	Industrial & MRO
Jan-22	Rotunda Capital Partners	Siegel Egg Co	Consumer / Food & Beverage
Jan-22	Builders FirstSource (NYSE:BLDR)	National Lumber	Building Products
Jan-22	CID Capital	Park Supply	Building Products
Jan-22	Imperial Dade (Bain Capital)	Hylon Koburn Chemicals	Consumer / Food & Beverage
Jan-22	Fortune International LLC (Investcorp)	Ocean Harvest Wholesale	Consumer / Food & Beverage

Source: S&P Capital IQ, Stout Proprietary Database

Recent Stout Transaction Spotlight



Stout Advises Aterian Investment Partners on Acquisition of Stein Fibers

CLIENT PROFILE

- ❖ Aterian Investment Partners is a New-York-based private equity firm investing in industry-leading, middle-market businesses – in collaboration with management, Aterian supports investments throughout an organization, from people to processes, equipment, technology, and social governance, among others
- ❖ Aterian has raised equity commitments of more than \$1.5 billion since its founding in 2009

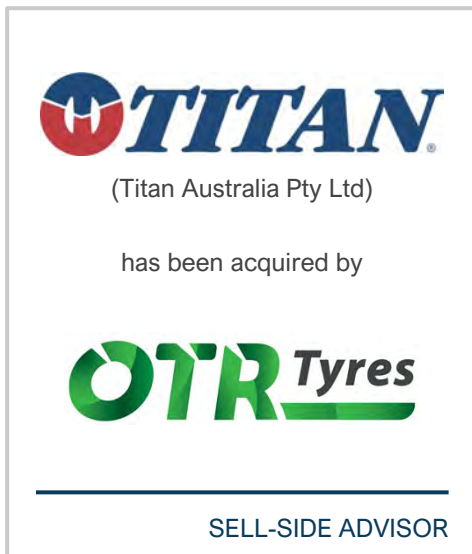
TARGET PROFILE

- ❖ Founded in 1976 and headquartered in Albany, New York, Stein Fibers is a leading North American distributor and manufacturer of specialty fiber solutions, serving a diverse breadth of customers, end markets, and product applications
- ❖ The Company offers an extensive portfolio of fiber and fabric products through its nationwide distribution network in addition to a suite of value-added services and supply chain solutions

PROCESS SUMMARY AND OUTCOME

- ❖ Stout served as financial advisor to Aterian Investment Partners, leading to a successful closing in July 2022

Recent Stout Transaction Spotlight



Stout Advises Titan Australia on Sale to OTR Tyres

CLIENT PROFILE

- ❖ Operating as a subsidiary of Titan International, Titan Australia is a leading distributor and manufacturer of off-the-road wheels and tires to a diverse array of OEMs and aftermarket customers across mining, agriculture, construction, and consumer end markets in Australia
- ❖ Previously only serving Western Australia, the acquisition of Titan Australia by OTR Tyres represents a transformational transaction for the buyer, expanding OTR's geographic footprint with the addition of eight locations and ~135 employees

BUYER PROFILE

- ❖ OTR Tyres is a leading independent value-added service provider and distributor of specialty tires and wheels to the mining, agriculture, construction, and transportation industries

PROCESS SUMMARY AND OUTCOME

- ❖ Stout served as exclusive financial advisor to Titan International and its subsidiary, Titan Australia, through proprietary negotiations with OTR Tyres, leading to a successful closing in March 2022
- ❖ Critical industry insight and strong proprietary relationships with key industry executives positioned Stout as the trusted advisor to Titan

Select Stout Transaction Experience

 <p>has acquired</p>  <p>BUY-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>SELL-SIDE ADVISOR</p>	 <p>(Titan Australia Pty Ltd)</p> <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>
 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>WILLRIDGE GROUP</p> <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>
 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>SELL-SIDE ADVISOR</p>
 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has been acquired by</p>  <p>SELL-SIDE ADVISOR</p>	 <p>has acquired</p>  <p>BUY-SIDE ADVISOR</p>	 <p>has acquired</p>  <p>a portfolio company of</p>  <p>BUY-SIDE ADVISOR</p>

Note: Includes transactions completed at prior firms

Specialty Distribution Practice Overview

The Stout Specialty Distribution group leverages deep advisory experience as well as dedicated coverage and expertise across a range of business models and key distribution subsectors. Our team leverages strong, long-standing relationships with the key strategic consolidators and highly active financial sponsors in the space, coupled with a deep understanding of the broader value chain, which enables us to provide superior outcomes for our clients.

DEEP SUBSECTOR COVERAGE



Automotive & Specialty Vehicle



Healthcare & Life Sciences



Building Products



Industrial & MRO



Consumer / Food & Beverage



Technology, Media & Telecom



Energy

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ABOUT STOUT INVESTMENT BANKING

Stout's Investment Banking group provides mergers and acquisitions (M&A) advisory, capital market financing, and other financial advisory services to portfolio companies of private equity firms, closely held or family-owned businesses, and divisions of large corporate parents. Learn more about our [Investment Banking services](#).

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