



M&A INSIGHTS

Distribution

Q1 2026



Distribution M&A Insights

Q1 Update: Signals of a Market Rebound

Distribution M&A activity rebounded in Q1, breaking a four-quarter trend of declining transaction volume. The pickup in deal flow reflects not just a cyclical recovery, but early signs of normalization following an extended period of buyer caution. Quarterly data shows a clear inflection from the Q4 2025 trough, with Q1 volumes returning closer to results seen through the first half of 2025. While still below peak levels, the recovery was seen across end markets, with particular resilience in industrial and building products.

Strategics continue to account for most transaction volume, and their share of deals remains dominant relative to private equity and hybrid buyers. This reflects both stronger balance sheets and a willingness to transact despite macro uncertainty, particularly for assets that offer geographic expansion, product adjacency or margin enhancement opportunities. Financial sponsors remain active but disciplined, favoring add-on acquisitions over large-scale platform investments and often requiring clearer paths to value creation amid still-elevated cost of capital. The data suggests that while capital is available, conviction thresholds remain high.

Looking ahead, the distribution M&A environment is poised to strengthen, supported by sustained strategic buyer demand and gradually stabilizing capital markets. Well-positioned, scaled distributors with differentiated capabilities — whether through value-added services, technical expertise or defensible end-market exposure — should continue to command premium valuations and competitive processes. Transaction data indicates increasing momentum in add-on acquisitions, reinforcing the importance of platform scale and execution track record.

Bertram Capital Exits NEFCO with Sale to Leonard Green

Charter Capital Partners, a KSM Company served as exclusive financial advisor to Unicoa in its April 2024 sale to NEFCO.

[Read more about this deal online.](#)

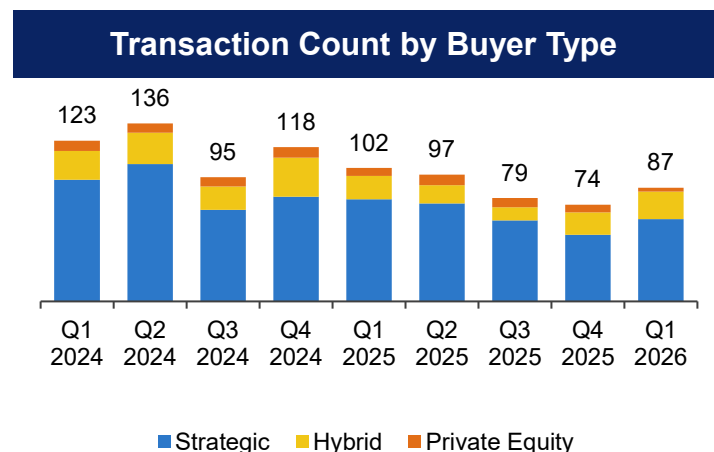
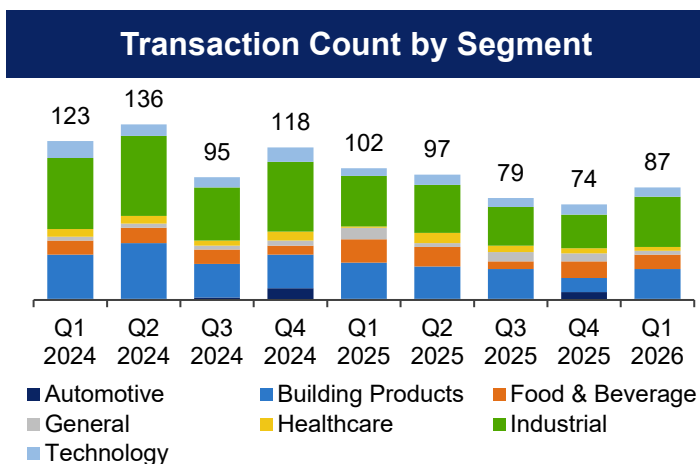
“ Supported by a fortress balance sheet and strong free cash flow through the cycle, we continue to manage capital with rigor and an intentional drive for organic growth while pursuing strategic M&A.

Pete Beckmann
CFO



Key Distribution M&A Themes

- **Strategic Buyers Driving Recovery:** Strategic buyers continue to dominate transaction activity, leveraging strong cash flow and synergies to outbid sponsors.
- **Add-On Acquisitions Outpacing Platform Deals:** The shift toward smaller, add-on acquisitions persists, as strategic buyers and sponsors pursue lower-risk, synergy-driven growth.
- **Gradual Recovery Continues:** Transaction counts have improved but remain below prior peaks, suggesting a measured recovery.
- **Private Equity Remains Selective but Active:** Sponsors are still deploying capital, but with tighter underwriting discipline.










Source: Wall Street Research, Capital IQ, SEC Filings

Private Equity Spotlights

Hybrid M&A activity drove 24.1% of total distribution transactions in Q1 2026.

Active Private Equity Platforms

Platform	Ownership	Segment	Recent Transactions
		Technology	3/23/26 – Allied Inventory Systems (McKinney, TX) 7/7/25 – Cavanaugh Government Group (Brdigeview, IL) 1/9/25 – Irwin Industrial Agencies (Aurora, ON)
		Industrial	2/27/26 – Total Scale Service (Boise, ID) 2/10/26 – Greenville Scale Co. (Taylors, SC) 3/3/25 – Kris-Con Supply & Fasteners (Houston, TX)
		Industrial	2/23/26 – Seltrol, Inc. (Greenville, SC) 2/9/26 – dp Technologies Group (Saginaw, MI) 1/27/26 – Doig Corporation (Cedarburg, WI)
		Building Products	2/9/26 – Colony Hardware (Wyoming, MI) 8/6/25 – Beaver Source (Laredo, TX) 6/30/25 – Advanced Fastening Supply (Madison, WI)
		Building Products	1/20/26 – XO Windows (Phoenix, AZ) 9/16/25 – Breach Window and Door (Carolina Shores, NC)

Key Private Equity Activity

Key Private Equity Platform Acquisitions	Target:			
	Acquirer:			
	Date:	2/3/26	1/31/26	1/7/26
Key Private Equity Platform Exits	Target:	 Audax Group		
	Acquirer:	 CD&R	 LEONARD GREEN & PARTNERS	
	Date:	2/9/26	1/14/26	

Source: Wall Street Research, Capital IQ, SEC Filings

Key Deals Spotlight

Sciens Building Solutions (The Carlyle Group) Acquires ARK Systems



On March 26, 2026, **Sciens Building Solutions (“Sciens”)**, a San Francisco-based provider of commercial fire and life safety services, acquired **ARK Systems (ARK)**, a Maryland-based provider of integrated fire alarm and security solutions. Founded in 1973, ARK specializes in the design, installation, and maintenance of fire detection, fire suppression, and electronic security systems for commercial, institutional, and government facilities. Building on its growth strategy, Sciens highlighted the acquisition as an opportunity to expand its Mid-Atlantic presence and deepen its service capabilities.

[Read more about this deal online.](#)

Distribution Solutions Group (NYSE:DSGR) Acquires Eastern Valve & Control Specialties



On March 9, 2026, **Distribution Solutions Group (NYSE:DSGR)** acquired **Eastern Valve & Control Specialties (Eastern Valve)**, a Newfoundland, Canada-based provider of industrial valve products, instrumentation and flow-control solutions serving customers across eastern Canada. Founded in 2002, Eastern Valve supports a range of industrial and infrastructure applications with strong technical expertise and service capabilities. The acquisition enhances DSG’s Source Atlantic Mobile Valve platform, expanding its geographic footprint and ability to deliver integrated, lifecycle-based valve solutions to a broader customer base.

[Read more about this deal online.](#)

Premier ProduceOne (Shore Capital) Acquires Native Maine from RLJ Equity Partners



On Feb. 2, 2026, Shore Capital announced the formation of **Produce One**, a strategic partnership between **Premier ProduceOne (PPO)** and add-on acquisition **Native Maine Produce (Native Maine)**. Founded in 1999 and headquartered in Westbrook, Maine, Native Maine is a Northeast-focused distributor of fresh produce and specialty foods serving restaurant, institutional and wholesale customers through a multi-location distribution network across Maine, Connecticut and New York. Shore Capital intends to build Produce One into a leading multi-regional platform through continued investment in organic initiatives and add-on acquisitions, partnering with operators to expand geographic coverage, enhance product offerings and drive operational scale in a fragmented market.

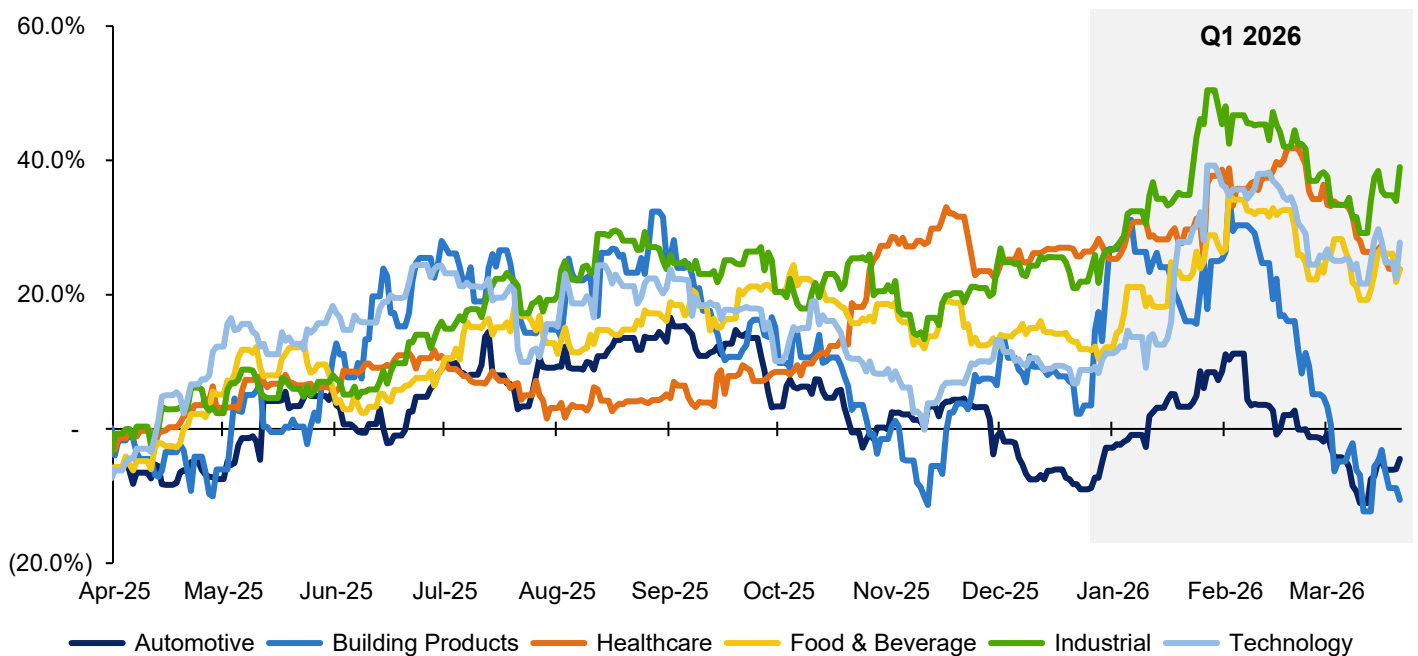
[Read more about this deal online.](#)

Source: Wall Street Research, Capital IQ, SEC Filings

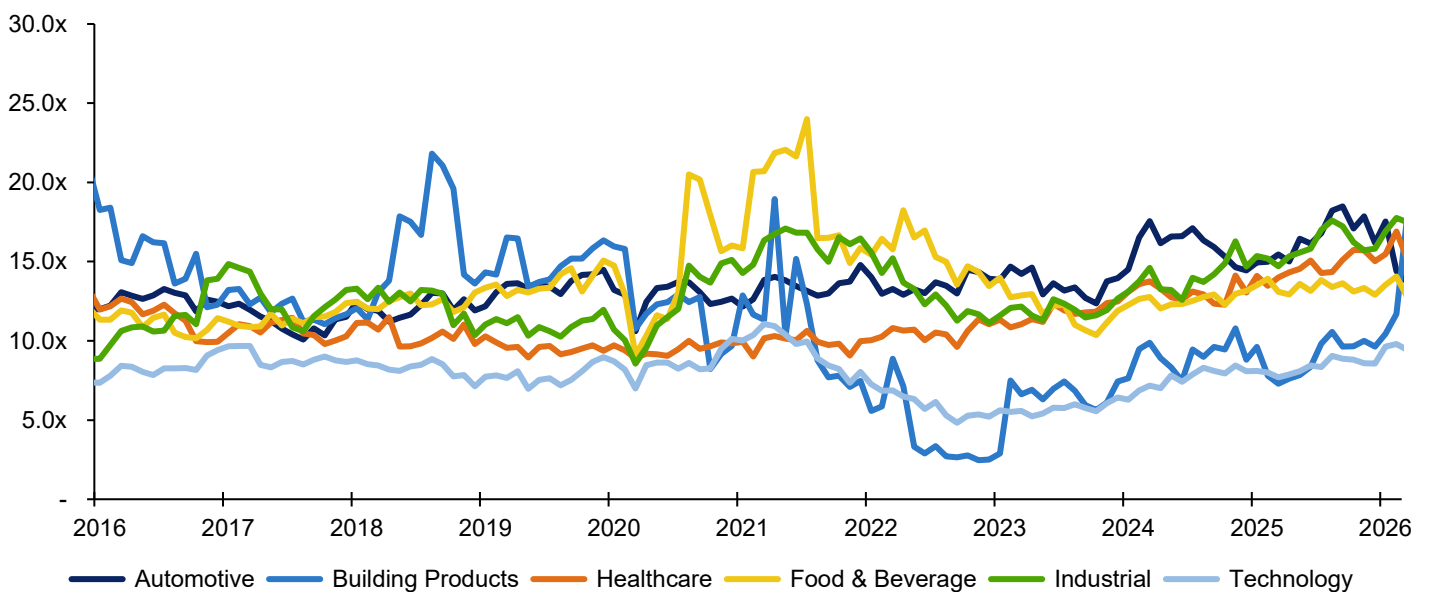
Public Valuation Trends

Valuations across the distribution industry remained generally in line with Q4 2025 in Q1 2026, with most verticals declining through the quarter. Building products distributors were the exception, outperforming on earnings-driven momentum and resilient bullish outlook on select industry subverticals.

One-Year Share Price Performance by Segment



Rolling EV/EBITDA by Segment



Source: Wall Street Research, Capital IQ, SEC Filings

Public Trading Data

Operating Statistics

	LTM Revenues		LTM EBITDA			LTM Net Income		LTM Capex		Debt /		Net Debt /
	\$(M)	3 yr CAGR	\$(M)	Margin	3 yr CAGR	\$(M)	Margin	\$(M)	% Sales	EBITDA	Capital	EBITDA
Automotive												
Advance Auto Parts, Inc.	\$8,601	(2.0%)	\$473	5.5%	(15.1%)	\$68	0.8%	\$252	2.9%	5.0x	72.0%	12.0x
AutoZone, Inc.	19,610	5.2%	4,191	21.4%	3.8%	2,445	12.5%	1,439	7.3%	2.7x	129.3%	3.1x
Genuine Parts Company	24,300	3.2%	2,014	8.3%	(0.2%)	66	0.3%	470	1.9%	2.7x	60.9%	3.4x
LKQ Corporation	13,651	2.2%	1,495	11.0%	(4.3%)	596	4.4%	216	1.6%	2.6x	43.5%	3.4x
O'Reilly Automotive, Inc.	17,782	7.3%	3,972	22.3%	6.2%	2,538	14.3%	1,169	6.6%	1.9x	109.9%	2.1x
Mean		3.2%		13.7%	(1.9%)		6.4%		4.1%	3.0x	83.1%	4.8x
Median		3.2%		11.0%	(0.2%)		4.4%		2.9%	2.7x	72.0%	3.4x
Building Products												
BlueLinx Holdings Inc.	\$2,954	(12.8%)	\$71	2.4%	(46.6%)	-	0.0%	\$27	0.9%	8.5x	52.2%	9.6x
Builders FirstSource, Inc.	15,191	(12.6%)	1,378	9.1%	(31.4%)	435	2.9%	363	2.4%	3.2x	54.0%	3.7x
QXO, Inc.	6,842	-	498	7.3%	nmf	(388)	(5.7%)	78	1.1%	6.2x	28.7%	7.9x
Mean		(8.4%)		6.2%	(39.0%)		(0.9%)		1.5%	6.0x	45.0%	7.0x
Median		(12.6%)		7.3%	(39.0%)		0.0%		1.1%	6.2x	52.2%	7.9x
Food & Beverage												
Performance Food Group Company	\$62,366	8.3%	\$1,635	2.6%	16.0%	\$345	0.6%	\$494	0.8%	4.3x	63.2%	4.9x
Sysco Corporation	82,646	5.8%	4,517	5.5%	6.2%	1,798	2.2%	873	1.1%	3.1x	86.5%	3.3x
The Chefs' Warehouse, Inc.	4,150	16.7%	228	5.5%	20.1%	72	1.7%	41	1.0%	3.3x	61.7%	4.3x
US Foods Holding Corp.	39,424	5.0%	1,710	4.3%	19.0%	676	1.7%	410	1.0%	3.2x	57.1%	3.3x
United Natural Foods, Inc.	31,542	3.2%	557	1.8%	(3.3%)	(78)	(0.2%)	184	0.6%	3.3x	67.6%	5.8x
Mean		7.8%		3.9%	11.6%		1.2%		0.9%	3.4x	67.2%	4.3x
Median		5.8%		4.3%	16.0%		1.7%		1.0%	3.3x	63.2%	4.3x
Healthcare												
Cardinal Health, Inc.	\$244,673	7.1%	\$3,823	1.6%	18.9%	\$1,662	0.7%	\$597	0.2%	2.2x	142.7%	2.4x
Cencora, Inc.	325,778	10.4%	4,962	1.5%	13.8%	1,625	0.5%	681	0.2%	1.9x	82.5%	2.0x
Henry Schein, Inc.	13,184	1.4%	1,023	7.8%	(1.8%)	398	3.0%	139	1.1%	3.0x	41.8%	3.4x
McKesson Corporation	397,958	10.8%	5,928	1.5%	7.3%	4,340	1.1%	494	0.1%	1.4x	101.1%	1.5x
Mean		7.4%		3.1%	9.5%		1.3%		0.4%	2.1x	92.0%	2.3x
Median		8.8%		1.5%	10.6%		0.9%		0.2%	2.1x	91.8%	2.2x
Industrial												
DXP Enterprises, Inc.	\$2,016	10.8%	\$218	10.8%	19.9%	\$89	4.4%	\$40	2.0%	3.8x	65.0%	4.3x
Fastenal Company	8,443	5.5%	1,889	22.4%	4.3%	1,300	15.4%	249	2.9%	0.2x	10.0%	0.2x
MSC Industrial Direct Co., Inc.	3,833	0.7%	420	11.0%	(10.4%)	208	5.4%	86	2.2%	1.2x	28.7%	1.3x
WESCO International, Inc.	23,511	3.2%	1,445	6.1%	(3.2%)	646	2.7%	100	0.4%	3.8x	57.3%	4.7x
W.W. Grainger, Inc.	17,942	5.6%	2,963	16.5%	6.6%	1,706	9.5%	684	3.8%	0.9x	40.9%	1.0x
Mean		5.2%		13.4%	3.4%		7.5%		2.3%	2.0x	40.4%	2.3x
Median		5.5%		11.0%	4.3%		5.4%		2.2%	1.2x	40.9%	1.3x
Technology												
Arrow Electronics, Inc.	\$30,853	(6.0%)	\$1,056	3.4%	(22.4%)	\$571	1.9%	\$101	0.3%	2.9x	33.5%	3.2x
Avnet, Inc.	23,151	(3.0%)	696	3.0%	(18.5%)	207	0.9%	126	0.5%	4.0x	39.1%	4.5x
ScanSource, Inc.	3,024	(4.9%)	123	4.1%	(9.1%)	74	2.4%	8	0.3%	0.9x	11.1%	0.9x
Arrow Electronics, Inc.	30,853	(6.0%)	1,056	3.4%	(22.4%)	571	1.9%	101	0.3%	2.9x	33.5%	3.2x
Mean		(4.9%)		3.5%	(18.1%)		1.8%		0.4%	2.7x	29.3%	3.0x
Median		(5.4%)		3.4%	(20.5%)		1.9%		0.3%	2.9x	33.5%	3.2x

Source: Wall Street Research, Capital IQ, SEC Filings

Public Trading Data

Trading Multiples

	Price 12/31/25	% 52-Wk High	Market Cap	Net Debt	Tot. Ent. Value	Total Enterprise Value /				P / E	
						Revenues		EBITDA		P / E	
						LTM	NFY	LTM	NFY	LTM	NFY
Automotive											
Advance Auto Parts, Inc.	\$52.75	75.4%	\$3,170	\$2,536	\$5,706	0.7x	0.7x	12.1x	9.1x	71.9x	19.2x
AutoZone, Inc.	\$3,377.78	77.0%	55,655	12,530	68,185	3.5x	3.2x	16.3x	14.7x	23.6x	21.0x
Genuine Parts Company	\$105.75	69.8%	14,712	6,470	21,182	0.9x	0.8x	10.5x	10.0x	nmf	13.7x
LKQ Corporation	\$29.37	67.6%	7,495	4,766	12,261	0.9x	0.9x	8.2x	8.2x	12.5x	9.7x
O'Reilly Automotive, Inc.	\$92.31	84.9%	77,236	8,298	85,533	4.8x	4.5x	21.5x	20.1x	31.1x	28.7x
Mean		74.9%				2.1x	2.0x	13.7x	12.4x	34.8x	18.5x
Median		75.4%				0.9x	0.9x	12.1x	10.0x	27.4x	19.2x
Building Products											
BlueLinx Holdings Inc.	\$54.18	61.4%	\$426	\$288	\$714	0.2x	0.2x	10.1x	8.9x	nmf	99.4x
Builders FirstSource, Inc.	\$82.33	54.5%	9,106	4,919	14,025	0.9x	0.9x	10.2x	9.9x	21.2x	14.2x
QXO, Inc.	\$19.42	70.3%	13,786	2,610	16,396	2.4x	1.4x	nmf	15.4x	nmf	56.7x
Mean		62.1%				1.2x	0.9x	10.2x	11.4x	21.2x	56.8x
Median		61.4%				0.9x	0.9x	10.2x	9.9x	21.2x	56.7x
Food & Beverage											
Performance Food Group Company	\$85.66	78.6%	\$13,457	\$7,945	\$21,402	0.3x	0.3x	13.1x	10.5x	38.8x	16.7x
Sysco Corporation	\$71.33	77.7%	34,108	13,798	47,906	0.6x	0.6x	10.6x	10.4x	19.2x	15.0x
The Chefs' Warehouse, Inc.	\$59.45	80.4%	2,424	854	3,278	0.8x	0.7x	14.4x	11.5x	35.5x	27.7x
US Foods Holding Corp.	\$92.21	90.3%	20,336	5,682	26,018	0.7x	0.6x	15.2x	12.1x	31.4x	19.3x
United Natural Foods, Inc.	\$45.06	94.7%	2,737	3,188	5,925	0.2x	0.2x	10.6x	8.2x	nmf	15.6x
Mean		84.3%				0.5x	0.5x	12.8x	10.6x	31.2x	18.9x
Median		80.4%				0.6x	0.6x	13.1x	10.5x	33.4x	16.7x
Healthcare											
Cardinal Health, Inc.	\$211.31	90.5%	\$49,725	\$6,434	\$56,159	0.2x	0.2x	14.7x	13.4x	30.4x	19.4x
Cencora, Inc.	\$314.14	83.2%	61,110	8,340	69,450	0.2x	0.2x	14.0x	12.8x	37.7x	17.6x
Henry Schein, Inc.	\$73.70	82.5%	8,454	4,832	13,286	1.0x	1.0x	13.0x	11.5x	22.5x	13.9x
McKesson Corporation	\$865.36	86.6%	105,996	6,975	112,971	0.3x	0.3x	19.1x	15.2x	24.9x	20.0x
Mean		85.7%				0.4x	0.4x	15.2x	13.2x	28.9x	17.7x
Median		84.9%				0.3x	0.2x	14.3x	13.1x	27.7x	18.5x
Industrial											
DXP Enterprises, Inc.	\$139.73	81.4%	\$2,169	\$637	\$2,806	1.4x	1.3x	12.9x	11.0x	26.0x	22.8x
Fastenal Company	\$46.40	91.6%	53,282	137	53,419	6.3x	5.9x	28.3x	25.2x	41.1x	36.3x
MSC Industrial Direct Co., Inc.	\$92.27	95.1%	5,149	514	5,663	1.5x	1.4x	13.5x	11.9x	24.8x	20.0x
WESCO International, Inc.	\$273.62	85.6%	13,315	6,123	19,437	0.8x	0.8x	13.5x	11.3x	21.0x	17.5x
W.W. Grainger, Inc.	\$1,090.81	89.5%	51,675	2,682	54,357	3.0x	2.9x	18.3x	16.9x	30.8x	25.0x
Mean		88.7%				2.6x	2.4x	17.3x	15.2x	28.7x	24.3x
Median		89.5%				1.5x	1.4x	13.5x	11.9x	26.0x	22.8x
Technology											
Arrow Electronics, Inc.	\$143.41	88.2%	\$7,326	\$3,116	\$10,442	0.3x	0.3x	9.9x	8.3x	13.1x	10.5x
Avnet, Inc.	\$61.62	90.2%	5,044	2,881	7,925	0.3x	0.3x	11.4x	8.2x	25.2x	10.6x
ScanSource, Inc.	\$36.30	78.5%	780	30	810	0.3x	0.3x	6.6x	5.4x	11.2x	8.6x
Arrow Electronics, Inc.	\$143.41	88.2%	7,326	3,116	10,442	0.3x	0.3x	9.9x	8.3x	13.1x	10.5x
Mean		86.3%				0.3x	0.3x	9.4x	7.5x	15.7x	10.1x
Median		88.2%				0.3x	0.3x	9.9x	8.2x	13.1x	10.5x

Source: Wall Street Research, Capital IQ, SEC Filings

Distribution Industry Practice Team



Mike Brown
Partner & Managing Director
mike.brown@ksmcpa.com

Mike has more than 20 years of experience as a financial advisor to business owners, capital providers, and executive teams in a variety of M&A and financing transactions. Mike earned a Bachelor of Science degree in finance from the Leeds School of Business at the University of Colorado and received a Master of Business Administration degree with honors from the Booth School of Business at the University of Chicago. He holds FINRA securities registrations Series 7, 63, and 82.



Justin Pinto
Vice President
justin.pinto@ksmcpa.com

Justin is a vice president in the investment banking practice. In his role, Justin is responsible for managing and executing M&A client engagements and assists in leading KSMCF's distribution practice. Justin received his Bachelor of Arts degree in Business with a minor in organizational leadership from Hope College in 2018 and is a member of ACG Western Michigan and the Van Andel Institute JBoard.



Patrick Burns
Analyst
patrick.burns@ksmcpa.com

Patrick joined KSM Corporate Finance as an intern in 2024 and started full-time in the summer of 2025. He supports KSMCF's M&A advisory and capital raise activities. His responsibilities include industry research, financial modeling, material creation, and more. He earned his Bachelor of Science degree in finance from the University of Dayton in 2025.

Recent Distribution Industry Experience

Allied Vision Group
National Lens • Opticon Inc. • FL LLC

A leading wholesaler of contact lens, optical, and pet medication products based in Fort Lauderdale, Florida

Completed a recapitalization through

Mercantile
 Bank of Michigan

Charter principals served as exclusive financial advisor to Allied Vision Group.

CHARTER

UNICOR
CONSTRUCTION PIPELINE INDUSTRIAL SUPPLY

A leading regional supplier of industrial products and repair services headquartered in Phoenix, Arizona.

Has been acquired by

NEFCO

A portfolio company of

BERTRAM CAPITAL

Charter principals served as exclusive M&A advisor to UNICOR.

CHARTER

JOHN A. VAN DEN BOSCH CO.

A leading wholesale distributor of premium pet food, supplies, livestock feed, and related products headquartered in Holland, MI.

Has been acquired by

RUBELMANN
CAPITAL

Charter principals served as exclusive M&A advisor to John A. Van Den Bosch.

CHARTER

FLEET ENGINEERS

A manufacturing and distribution company headquartered in Muskegon, Michigan.

Has been acquired by

TRAMEC SLOAN

Charter principals served as exclusive M&A advisor to Fleet Engineers.

CHARTER

Underground Pipe & Valve, Inc.

A plumbing and waterworks distribution company based in South Bend, Indiana.

Has been acquired by

FERGUSON

Charter principals served as exclusive M&A advisor to Underground Pipe and Valve.

CHARTER

Transactions were performed by principals of Charter acting in their capacity as registered representatives of M&A Securities Group, Inc., Member FINRA/SIPC, a separate entity from Charter Capital Partners and Katz, Sapper & Miller.



KSM Corporate Finance (formerly Charter Capital Partners)

Selling a business, buying a company, or raising capital are big decisions. You need advice that’s practical, informed, and grounded in how businesses actually run.

KSM Corporate Finance provides lower-middle-market investment banking with a hands-on, straightforward approach that is backed by the expanded resources, industry depth, and integrated capabilities of KSM.

Formerly Charter Capital Partners, our team brings deep M&A experience combined with KSM’s national advisory platform – giving clients more perspective, more connectivity, and more support, without losing the high-touch experience clients have long valued.

One team. Integrated support. Practical advice.

Type	Expertise
Sell-Side Advisory	<ul style="list-style-type: none"> Exit readiness and planning Positioning and value narrative development Buyer identification and outreach Process management and negotiations
Buy-Side Advisory	<ul style="list-style-type: none"> Acquisition strategy and target screening Financial analysis and diligence support Valuation, structuring, and negotiations
Capital Advisory	<ul style="list-style-type: none"> Debt and equity alternatives Lender and investor preparation Recapitalizations and minority investments
Valuation & Strategic Alternatives	<ul style="list-style-type: none"> Business and transaction valuation Strategic alternatives assessments Ownership and shareholder planning

Broker dealer services offered through M&A Securities Group, Inc., Member FINRA/SIPC, a separate entity from Charter Capital Partners and Katz, Sapper & Miller. The testimonials presented may not be representative of the experience of other clients and are not indicative of future performance or success.

M&A Advisory Team

Mike Brown

Partner & Managing Director
mike.brown@ksmcpa.com

Mark Streekstra

Partner & Managing Director
mark.streekstra@ksmcpa.com

Jenny Dakoske

Director
jenny.dakoske@ksmcpa.com

Zach Wiersma

Director
zach.wiersma@ksmcpa.com

Justin Pinto

Vice President
justin.pinto@ksmcpa.com

Matt Miller

Associate
matt.miller@ksmcpa.com

Cam Gugel

Associate
cameron.gugel@ksmcpa.com

Patrick Burns

Analyst
patrick.burns@ksmcpa.com

Thomas DeVries

Analyst
thomas.devries@ksmcpa.com

Gavin Houtkooper

Analyst
gavin.houtkooper@ksmcpa.com