

As of
May 30, 2017



Industry Insights Machinery Distribution





Public Sector – Machinery Distribution

As of May 30, 2017

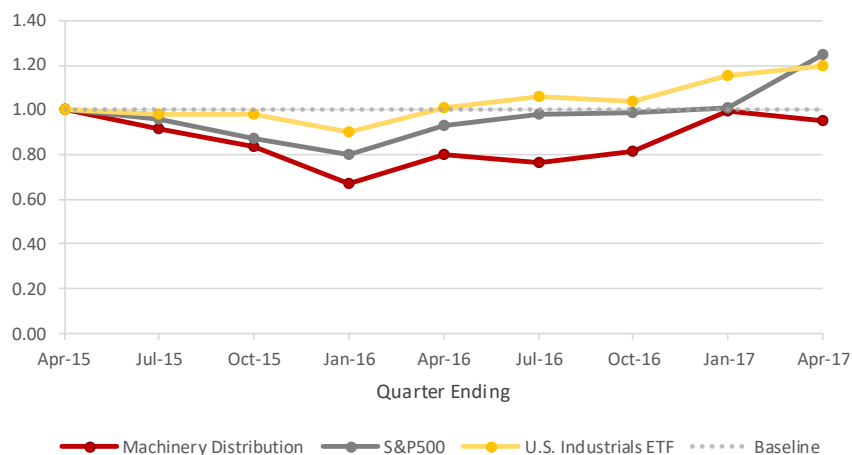
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This industry comprises establishments primarily engaged in the merchant wholesale distribution of specialized machinery, equipment, and related parts generally used in manufacturing, oil well, and warehousing activities.

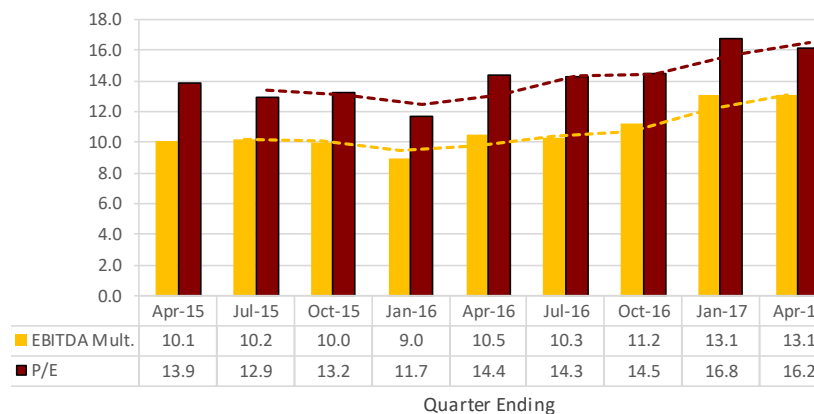
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- Business & Intangible Asset Valuation
- Financial Forensics & Damages
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Price Trend



TEV/EBITDA (ttm) & Forward P/E (ntm) (w 2-pd moving average)



Total Enterprise Value (TEV) the market value of equity + interest bearing debt & capitalized lease obligations - cash.

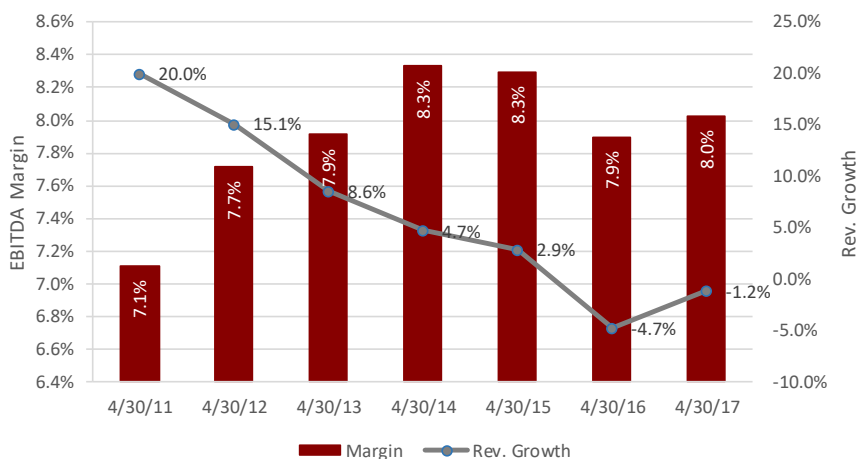
EBITDA is defined as Earnings before Interest, Taxes, Depreciation & Amortization.

Leverage Ratio is based on DuPont analysis, Equity / Assets. This is a measure of financial leverage.

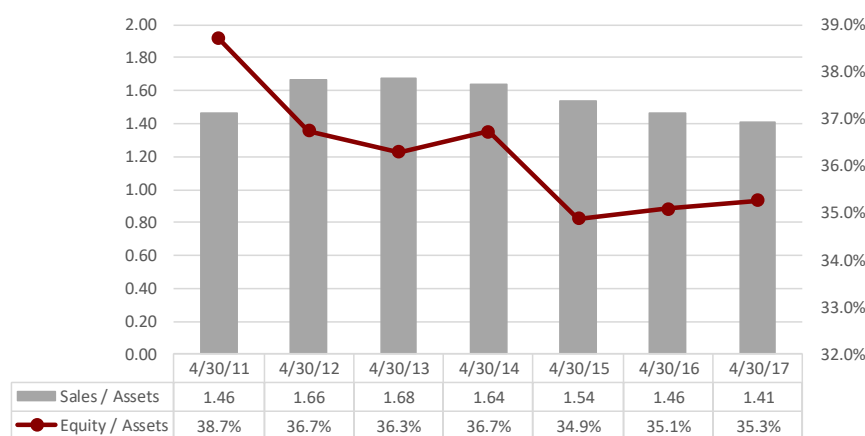
Forward P/E Ratio is the current share price over estimated earnings for the next twelve months.

Estimated revenue growth, EBITDA and earnings per share (EPS) over the next 12-month period are based on Wall Street Analysts' Consensus Estimates as reported by S&P Capital IQ.

Revenue Growth & EBITDA Margin (ttm)



Asset Utilization & Leverage



We have value related consulting experience in more than 100 industries.

Balance Sheet

| <u>ASSETS</u> | <u>12/31/15</u> | <u>12/31/16</u> | <u>4/30/17</u> |
|---|-----------------|-----------------|----------------|
| Total Current Assets | 43.4% | 44.6% | 45.6% |
| Property, Plant & Equipment (net) | 14.5% | 14.3% | 13.9% |
| Intangible Assets | 3.1% | 3.0% | 2.2% |
| Other | 39.0% | 38.1% | 38.3% |
| Total Assets | 100.0% | 100.0% | 100.0% |
| | | | |
| <u>LIABILITIES & EQUITY</u> | <u>12/31/15</u> | <u>12/31/16</u> | <u>4/30/17</u> |
| Total Current Liabilities | 28.9% | 28.8% | 30.2% |
| Long-Term Debt | 33.7% | 34.9% | 32.8% |
| Other Liabilities | 5.7% | 6.2% | 6.2% |
| Total Liabilities | 68.2% | 69.8% | 69.1% |
| Equity | 31.8% | 30.2% | 30.9% |
| Total Liabilities & Stockholders' Equity | 100.0% | 100.0% | 100.0% |

| | <u>12/31/15</u> | <u>12/31/16</u> | <u>4/30/17</u> |
|--|-----------------|-----------------|----------------|
| Current Ratio | 1.50 | 1.55 | 1.51 |
| Payout Ratio (Div / Earnings) | 53.2% | 50.9% | 49.4% |
| EBITDA / Total Assets | 0.05 | 0.05 | 0.05 |
| Return on Equity (avg. Net Inc/Equity) | 6.3% | 0.9% | 3.6% |

Income Statement

| | <u>12/31/15</u> | <u>12/31/16</u> | <u>4/30/17</u> |
|---------------------------------|-----------------|-----------------|----------------|
| Total Revenue | 100.0% | 100.0% | 100.0% |
| Cost of Goods Sold | 82.8% | 83.2% | 82.7% |
| Gross Profit | 17.2% | 16.8% | 17.3% |
| Selling & Admin Expenses | 11.0% | 11.5% | 11.2% |
| Other Expenses | 3.1% | 2.1% | 2.2% |
| Total Operating Expenses | 14.1% | 13.6% | 13.4% |
| Operating Income | 3.1% | 3.2% | 3.9% |
| EBITDA | 6.2% | 5.9% | 6.4% |
| Net Income | 2.6% | 0.3% | 1.5% |

Executive Directors

Dan Cenatempo CVA, MAFF
888-212-0495 ext. 101
dan@fairvalueadvisors.com

Kevin Couillard ASA, CFA
888-212-0495 ext. 102
kevin@fairvalueadvisors.com

Rich Goeldner ASA, CBA, CVA
888-212-0495 ext. 103
rich@fairvalueadvisors.com

Dan Gallogly CPA, CFF
888-212-0495 ext. 106
dan.gallogly@fairvalueadvisors.com

Offices In:

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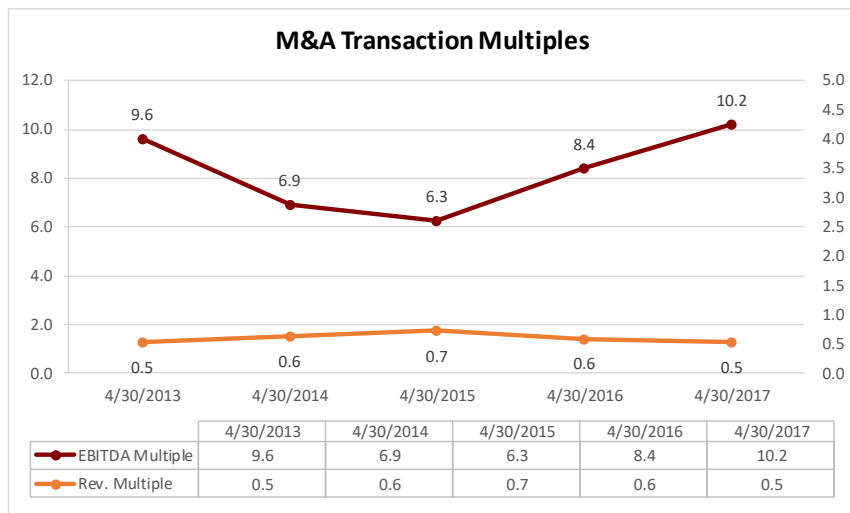
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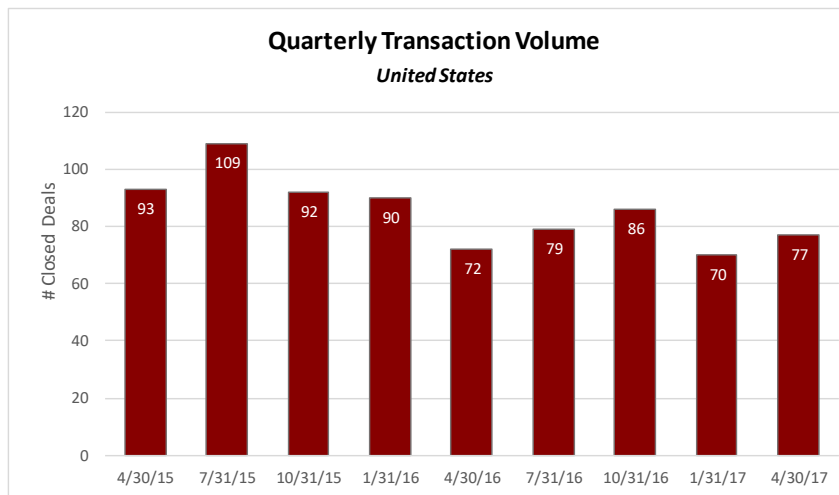


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Median data used for multiples



Based on US target companies

Data based on Capital IQ as of May 30, 2017 and FVA analyses

Smaller businesses may exhibit higher risk, resulting in lower price multiples. Businesses experiencing low growth may also experience lower price multiples.

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- Goodwill Testing
- Impairments
- Options Expensing

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