

Opportunity Overview

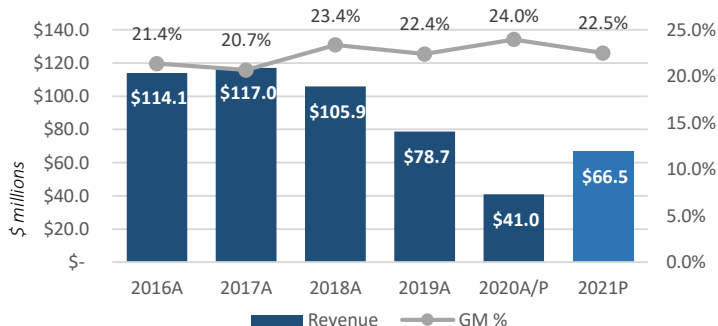
The Company is a third-generation, family-owned procurement, distribution, and supply company serving a wide range of industries around the globe. It has long-standing relationships with blue-chip customers, including Hess Exploration and Production, Drillemec, and Siemens. Revenue is primarily generated from the procurement and distribution of cable/wire and related assemblies, electrical distribution and control products, lighting, oilfield and production supplies, hazardous location materials, motors, maritime supply, tubular goods, and various industrial components. About 60% of the Company's business is domestic, with the other 40% spread across several countries, including Italy, Russia, Egypt, Kuwait, India, China, Canada, Jamaica, and Mexico.



Transaction Rationale

The Company's revenue and profitability became negatively impacted by the downturn in the oil industry several years ago. While it was in the process of expanding offerings to improve financial performance, the Company was hit with a ransomware cyber-attack, which effectively shut down operations for months. On the heels of that, the global pandemic further impacted the Company. Despite these setbacks, the Company repaid over \$25 million in debt over the past three years and is well-positioned to increase top line revenue and profitability in 2021. With ownership approaching retirement age, the Company is currently exploring several options that will allow it to execute its operating plan and achieve previous levels of success, including a restructuring of its balance sheet, a limited divestiture, or a full sale of the Company. An acquirer or investor can immediately leverage the Company's extensive customer and supplier relationships, ~90-year track record, and deeply experienced team to realize tremendous growth as the global economy begins to recover.

Historical and Projected Revenue and Gross Margin %



Select Customers



Investment Highlights

Leading provider of global purchasing and supply solutions to multiple end markets

- Leading provider of commercial, industrial, and technical purchasing and supply services, including comprehensive global logistics, delivery, inspection, customs clearance, and documentation solutions
- All-inclusive offerings to allow customers to reduce their total vendors, achieve process savings, and improve performance

Well established platform poised to take advantage of energy industry tailwinds

- The Company was a \$280 million revenue platform prior to industry headwinds in 2014
- An acquirer can leverage the Company's established platform and decades of operating history to realize tremendous growth as market dynamics begin to turn positive and demand for the Company's products increases

Expert team takes a partnership approach with its customers and vendors

- Service team with decades of experience and myriad relationships across various end-markets
- Sales executives act as product knowledge experts, representing and recommending product directly to customers and creating synergies with suppliers

Highly loyal and diverse global customer base

- The Company's sales team has long-term, embedded relationships with customers all over the globe, some spanning multiple decades, creating a barrier to entry for any potential competitors
- The top customer accounted for only 6% of revenue, with the top 10 customers accounting for less than 30% in 2019

First-class facilities and processes ensure the highest quality products and services

- Over 160,000 ft² of strategically located warehousing for fast and efficient delivery of time-critical items
- Integrated supply system inclusive of engineering support, purchasing, expediting, technical inspection, and shipping, resulting in a standard of quality that exceeds the competition's

For more information and further details, please send an executed Confidentiality Agreement (back page) to dbeall@schgroup.com



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Vice President
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410-785-8591

Confidentiality Agreement

SC&H CONSULTING has agreed to make certain disclosures to you concerning a Global Industrial Procurement and Supply Company ("the CLIENT"), which we currently represent, and requires the following nondisclosure agreement to be executed to protect the interest of the CLIENT and its affiliates.

The undersigned ("You") have an interest in refinancing, investing in, or acquiring certain assets and business of the CLIENT (the "Transaction"). In order to enable You to appraise the Transaction, SC&H CONSULTING will provide You with an information package which contains the name and location of the CLIENT and highly confidential financial and corporate historical details (the "Evaluation Material"). You agree to grant access to the Evaluation Material only to those of your directors, officers, employees, agents, accountants, attorneys, affiliates, consultants, members, advisors, funding sources, investors, and representatives (collectively, "Representatives") whose duties in connection with evaluating your interest in the Transaction require such information and who are instructed by You to maintain such information in complete confidence in accordance with the terms of this Agreement. "Evaluation Material" shall not include information that: (i) is or becomes generally available to the public other than as a result of a disclosure by You in violation of this Agreement, (ii) was within your possession prior to its being furnished to You pursuant hereto, provided that the source of such information was not known by You to be bound by a confidentiality agreement with or other contractual, legal, or fiduciary obligation of confidentiality to the CLIENT or any other party with respect to such information, or (iii) is or becomes available to You on a non-confidential basis from a source other than the CLIENT, provided that such source is not known by You to be bound by a confidentiality agreement with or other contractual, legal, or fiduciary obligation of confidentiality to the CLIENT or any other party with respect to such information, or (iv) is independently developed by You or your Representatives without violating any of your obligations hereunder. You agree to take full responsibility for compliance of the confidentiality requirements contained herein by such Representatives with whom You have shared the Evaluation Material.

You further agree that, if for any reason You do not complete the Transaction with the CLIENT You: **1)** will not at any time hereafter disclose the Evaluation Material provided to anyone whomsoever for any reason (except for disclosures to your Representatives and as may be required by law, rule or regulation, any governmental agency or other regulatory authority or in connection with any legal proceedings) and that You will instruct any Representative to whom such Evaluation Material has been disclosed to maintain such information in complete confidence (except for disclosures permitted pursuant to clause 1 above), and **2)** upon written request, You will promptly return or destroy (at your option) all written or printed Evaluation Material (and copies thereof) to SC&H CONSULTING and delete any digital copies (except as and to the extent retention of such information is required by applicable law, regulation or order, or unless Recipient's internal policies and procedures require such retention, provided that any retained Evaluation Material shall remain subject to the terms set forth in this Agreement notwithstanding its termination). At no time is the Evaluation Material to be used for any reason other than your evaluation of THE CLIENT for the purpose of assessing a value to assist You in preparing an offer for the Transaction.

This Agreement and the obligations of the parties hereunder shall terminate eighteen (18) months from the date hereof.

Prior to the parties execution of a term sheet or other agreement in respect of the Transaction, all communications regarding the Transaction or request for additional information will be submitted or directed to Matt LoCascio of SC&H CONSULTING and You agree not to make any sale related contact with the CLIENT's employees or customers, or its lender for any reason without prior permission from SC&H CONSULTING.

AGREED AND ACCEPTED:

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

Address: _____

Phone Number: _____

Email Address: _____

By: 

Matt LoCascio
Principal
SC&H Consulting

Date: 1/4/2021

The above company is, or is not publicly-traded. (check one)