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TARIFFS

A Few Words on Elasticity, the Future of Tariffs and Distributors' Response

By Lee Nyari

This piece reviews relevant pricing and tariff dynamics and describes key implications for distributors as they plot their course through a choppy environment. [Click for web version with original graphics](#) ➔

Strong comparisons can be made between elasticity in price management on one hand, and how elasticity was used in President Trump's tariff setting math on the other. In this piece, we'll review relevant dynamics and describe key implications for distributors and answer questions such as:

- Which tariffs are more likely to remain in place long-term?
- How can distributors vary their reactions to specific tariff instances?
- What approaches can distributors take in implementing tariff-driven pricing actions?

The insights here may help you plot your course for navigating what is sure to be a choppy next few months as B2B supply channels await calmer waters.

Price Elasticity in Price Management

In the pricing world, we seek to gauge how elasticity varies across different channels, products and customer markets. Some products are more competitive, and some customer segments are more likely to shop around. We price accordingly, predicting stronger volume responses in more sensitive markets.

In the pricing world, we also realize that elasticity in a given market varies across the demand curve. The curve is steeper (demand is more elastic) in the range of prevailing market price levels. For example, if a low price is raised, but if the new price is still kept significantly below that market range, then volume is less likely to respond: most buyers who are interested in the product will buy at both the pre- or post-price hike levels. More significant volume losses are projected only if the hike moves the price into the market range.

The Trump tariff calculations assumed that demand for the imported goods had an elasticity of 4 to import prices: for every 4% increase in import prices, the markets would respond by a 1% drop in imported quantities. This 4% rate was reportedly chosen because certain research papers analyzing trade tariffs of different goods across different countries found that the elasticity of imported quantities could be as high as 4.

Such widespread assumptions can be tricky. The assumed singular value may be unnecessarily high in some cases, or too low in others. Here is more color:

In the case of some goods, the elasticity of demand may be higher. This might involve goods that are widely produced in many countries, or goods for which

production can be moved easily. If acquiring goods from suppliers in country A means paying higher prices, significant volume will quickly shift to suppliers in a different country, or production may be moved to the US altogether. On the other hand, goods for which supply chains are less flexible, may have lower elasticities to import price changes.

Elasticity rates for a given group of products between two given countries might not be constant either: the curve will likely have steeper sections. For example, once the tariff (or import price) hits a high enough rate, much of the trade in question might already stop, making further tariff increases relatively ineffective. Where that steep section lies may depend on economic factors (such as ease of moving production, etc.).

Strategic Fine-Tuning in Price Management

In the pricing world, we also overlay a strategic analytics layer on top of pure elasticity/math-based pricing approaches. For example, even if two product/customer markets have similar elasticities, we may price them differently depending on applicable business strategies. These strategies may include considerations such as the importance of the segment to the business overall: Is this a desirable, growing, profitable segment? If so, we may price to prioritize growth and volume, relative to a different, similarly-elastic segment that may be declining or may be less profitable to begin with (most optimization techniques will achieve some similar results, in some cases without the need for express strategic input).

Strategic Fine-Tuning of Tariffs

In the context of international trade and tariffs, governments typically favor industries that are more beneficial for their economies: These may be growing industries, or industries that provide higher-paying/better jobs. Governments across the globe have long been using tariffs to protect and nurture the domestic growth of such strategic industries.

In applying the across-the-board 4% assumption in the Trump tariffs, the initial calculations seemed to disregard variations in elasticity rates on what is being imported from each country, and what specific rate might be needed to drive changes in import quantities. Rather, as widely reported, trade imbalances represent the only mathematical factor to effectively drive tariff rate variations in the Trump administration's formula to calculate tariff rates:

$$\Delta \tau_i = \frac{x_i - m_i}{\varepsilon * \phi * m_i}$$

Because the administration made a singular 4% across-the-board elasticity assumption for the variable ε (price elasticity of import demand), and a 0.25 across-the-board assumption for variable ϕ (the passthrough from tariffs to import prices), these two variables cancel out when they are cross-multiplied in the denominator:

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INDUSTRY NEWS DIGEST

Distributor News

QXO completed its \$11 billion purchase of building materials distributor **Beacon**, marking the company's first acquisition since launching in late 2023. [➔](#)

Electrical supplies distributor **McNaughton-McKay Group** launched as a new brand, bringing together five companies under a single, cohesive banner. [➔](#)

Wine and spirits distributor **Johnson Brothers** agreed to acquire the Texas, Arizona, Colorado and Florida operations of **Maverick Beverage Company**. [➔](#)

Fasteners and construction supplies distributor **Fastenal** announced April 23 that its board of directors has approved a two-for-one stock split of the company's outstanding common stock. [➔](#)

Shipping, industrial and packaging materials distributor **Uline** announced the planned opening of a 286,000-square-foot distribution center in August. [➔](#)

Packaging solutions distributor **TricorBraun** appointed Kevin Weadick as President and CEO, effective May 5. [➔](#)

Wire and cable products redistributor **OmniCable** combined its two Atlanta-area facilities in Suwanee and Norcross into a single, larger location in Buford, GA. [➔](#)

Santa Ana, CA-based building materials distributor **Foundation Building Materials, Inc** acquired **REW Materials** for \$600 million. The company quietly announced the news in early April. [➔](#)

Fasteners distributor **Endries International** has launched a resource page for company content pertaining to tariff insights, aimed to help its customers and suppliers navigate updates and uncertainty surrounding the topic. [➔](#)

Canadian-based independent gas distributor **Core Industrial Gases** acquired **Cobourg Welding Supply**, effective April 7. [➔](#)

Hardware and finishing products distributor and manufacturer **Richelieu Hardware** acquired **Midwest Specialty Products** from mergers and acquisitions advisory firm Generational Group. [➔](#)

Plumbing, HVAC and industrial supplies distributor **Ferguson** acquired **Independent Pipe & Supply Corp** and **National Fire Equipment Ltd and National Fire Fabrication Ltd**. [➔](#)

Lubricants distributor **FUCHS Group** acquired **IRMCO Advanced Metalforming Lubricant Technologies**. [➔](#)

Home improvement retailer **Lowe's** announced April 14 that it has agreed to acquire **Artisan Design Group** from private equity firm Sterling Group for \$1.33 billion. [➔](#)

Building materials distributor **Kodiak Building Partners** acquired Boone, NC-based **New River Building Supply & Lumber Company**. [➔](#)

The **VIPAR Heavy Duty Family of Companies** announced April 10 that its Power Heavy Duty subsidiary has added **NorthWest Bearing & Industrial Supply** to its network of independent truck parts distributors and service providers serving the commercial vehicle industry. [➔](#)

Flow control products and systems distributor and manufacturer **NIBCO** promoted Colin Crain to Vice President of Specialty and Retail Sales. [➔](#)

Dallas, TX-based electrical wholesale distributor **City Electric Supply** promoted Denton Muse to General Counsel of CES North America. [➔](#)

Building materials distributor **Builders FirstSource** acquired Nevada-based Truckee Tahoe Lumber, Co. [➔](#)

Fresh produce and specialty foods distributor **Baldor Specialty Foods** appointed David McInerney as its President. [➔](#)

Foodservice distributor **CES Family of Companies** acquired Des Moines, IA-based **Bolton & Hay, Inc.** [➔](#)

Industrial and safety supplies distributor **R.S. Hughes** announced the retirement of CEO Bill Matthews, effective May 1, as well as his successor. [➔](#)

Electrical supplies distributor **McNaughton-McKay Electric Company** appointed Steve Guidry as Executive Vice President of Sales & Marketing. [➔](#)

Electrical supplies distributor **Sonepar** launched its official rebrand of subsidiaries Springfield Electric, Richards Electric, Echo Electric, HOLT Electrical Supply and Professional Electrical Products (Pepco) under Echo Electric. [➔](#)

Pump systems and water supplies distributor **Simmons Pump & Supply** opened its third U.S. location in Willcox, AZ. [➔](#)

Industrial water and wastewater supplies distribution platform **United Flow Technologies** acquired **Moss Kelley, Quality Controls** and **GP Jager**. [➔](#)

Pharmaceutical wholesale and specialty distributor **Morris & Dickinson** acquired **Presa Solutions**. [➔](#)

Electrical supplies distributor **Border States** appointed Jody Brannock as Senior VP of Construction Core Market, effective April 1. ➔

Valparaiso, IN-based construction tools, equipment and electrical supplies distributor **PHP Distribution** promoted Marc Smith to President, and unveiled a new logo. ➔

Automotive parts distributor **National Oak Distributors** and **Integrated Supply Network** announced on April 1 that the companies have completed a merger between the two. ➔

Flow control and process equipment distributor **Tencarva Machinery** acquired **Atlantic Valve & Equipment**. ➔

St. Louis-based compressed gases, dry ice and welding equipment distributor **CK Supply** acquired **Columbia Welding and Machine**. ➔

Dallas, TX-based electrical supplies distributor **Rexel USA** acquired **Schwing Electrical Supply**. ➔

Building materials distributor **ProContractor Supply** appointed as its Abhi Singh President and Chief Operating Officer. ➔

Locks, tools, commercial hardware and specialty doors distributor **Lockmasters** — a portfolio company of Dominus Capital — acquired **Astic Signals Defenses**. ➔

Metal fabrication machinery distributor **Capital Machine Technologies, Inc.** received an investment from private equity firm **Rotunda Capital Partners**. ➔

Manufacturer News

Manufacturing collective **Manufacturers Alliance Resource Network** added **Bellofram Precision Controls, Automatic Timing and Controls** and **ATC Diversified Electronics** to its platform. ➔

Richardson, TX-based HVAC manufacturer **Lennox** is investing in its distribution, customer service and training infrastructure across the Dallas-Fort Worth area to support growth. ➔

Stainless and nickel alloy mill manufacturer and distributor **Tri Star Metals** agreed to acquire **Siri Wire**. ➔

Electrification and automation manufacturing conglomerate **ABB** announced plans to spin off its robotics division, marking its largest portfolio shift since divesting its power grids business in 2018. ➔

Pumps and industrial equipment manufacturer **Ingersoll Rand** acquired **G&D Chillers, Inc** and **Advanced Gas Technologies Inc** for a combined price of approximately \$27 million. ➔

Industrial protective packaging solutions manufacturer **FCA Packaging** — a portfolio company of Wynnchurch Capital — acquired **Viking Packing Specialist**. ➔

Manufacturer representative agency **Lawless Group** promoted Rodney Hill to Chief Sales Officer (CSO), effective April 1. ➔

Coatsville, PA-based vertical access equipment, material handling and safety products manufacturer **Ballymore Safety Products** — a portfolio company of One Equity Partners — acquired **Valley Craft Industries**. ➔

Automotive solutions provider **Continental** announced its intention to separate from its **ContiTech** business, with a sale being the most likely option. ➔

IBC added Dutton Industrial and Alatech Tool as new distributor members. ➔

Association/Buying Group/Co-op/Service Provider News

B2B distribution technology investment firm **Applico** has launched the 2025 version of its Top 50 B2B Marketplaces Report, offering a comprehensive look at the digital marketplaces redefining how businesses buy and sell physical products. ➔

Middle market private equity firm **MiddleGround Capital** appointed Jonathan La as Chief Financial Officer. ➔

Adhesives solutions distributor and manufacturer **Applied Products**, which does business as APPLIED Adhesives, was acquired by private equity firm **Bertram Capital** from Arsenal Capital Partners. ➔

Amazon is considering a \$15 billion plan to expand its warehouse network with approximately 80 new logistics facilities across U.S. cities and rural regions. The platform also launched, through its **Amazon Freight**, a less-than-truckload service. ➔

MDM unveiled its inaugural set of “Industry Titans” — a prestigious group of leading distribution companies recognized for sustained excellence, innovation and industry leadership. ➔

MDM received a Silver Azbee Award from the American Society of Business Publication Editors’ (ASBPE) for its 2024 Case Study on Fastenal. ➔

NAW partnered with AI Applied Consortium to expedite the adoption of AI within the wholesale distribution sector. ➔

ISA honored the recipients of its John J. Buckley lifetime Achievement Award and Women’s Influence Award at the association’s ISA25 annual spring conference in Nashville, TN on April 1. ➔

Economic & Regulatory News

NAW, in collaboration with MDM Research, released new **survey results April 30 on the impact of tariffs on the supply chain**. Based on responses from more than 200 distributors, the findings revealed that tariffs are driving cost increases and creating operational challenges across the wholesale distribution industry. ➔

ISM's **Manufacturing PMI edged down another 0.3 percentage points** during April to a reading of 48.7%, driven by lower production and exports. ➔

U.S. economic growth flipped to contraction during 1Q25, with the Commerce Department's initial estimate showing that **GDP decreased at an annual rate of 0.3%**, following healthy 2.4% growth in 4Q24. ➔

U.S. Wholesale inventories ended March at \$908 billion, up 0.5% from February and up 2.3% year-over-year. ➔

Total **U.S. construction spending** decreased 0.5% in March to \$2.196 trillion, which was up 2.8% year-over-year. ➔

U.S. monthly manufactured durable goods surged \$26.6 billion or 9.2% in March from February, according to an advance report from the U.S. Census Bureau. ➔

According to a survey conducted by the **Global Business Travel Association**, many of its global industry respondents expect a decline in business travel, with overall optimism slipping in recent weeks amid growing political uncertainty. ➔

U.S. housing starts (private) in March were down 11.4% from February, but up 1.9% year-over-year. Single-family starts were down 14.2% YoY. ➔

U.S. industrial production decreased in March following a major increase in February. ➔



MDM SHIFT Returns in May

SHIFT 2025 is coming at you this year with a brand new structure.

On **May 13-15 in Denver, Colorado**, in addition to the robust mainstage and breakout sessions that SHIFT is known for, SHIFT attendees will engage in NAW Executive Roundtables—a focused, strategy-driven experience that connects you with like-minded peers in your field, divided into four separate cohorts:

- **Sales:** Ideal for Sales, HR, and Finance Executives
- **Digital:** Perfect for Operations, Tech, and Finance Executives
- **Data Analytics:** Tailored for Operations, Tech, and Finance Executives
- **Culture:** Designed for HR, Sales, and Finance Executives

These smaller, more focused groups are designed to foster open dialogue and targeted best practice sharing, no matter what your company may be tackling at the time.

You'll find a network of peers ready to exchange ideas, offer insights, and identify actionable solutions.

We can't wait to welcome you back to SHIFT in May 2025!

www.mdm.com/shift2025

Continued from page 2

- A 4% tariff is assumed to cause only a 1% actual increase in import prices (0.25 pass-through assumption), because tariff costs are assumed to be largely absorbed before prices hit consumers.
- This resulting 1% actual retail price increase then reduces demand by 4% (4% elasticity assumption).
- The end result is a 1-to-1 relationship between the tariff rate change and demand quantity change, as far as the combined impact of passthrough and elasticity are concerned (4% tariff hike causing a 4% change in demand quantity).

Mathematically, this means that only x_i (exports to country x) and m_i (imports from country x) effectively impact the tariff rate τ_i . Besides exempting some “obvious” sectors from tariffs (such as energy or rare earth minerals), no factors beyond the export-import trade balance seemed to receive effective consideration in the mathematics involved. There is some controversy surrounding the Trump administration’s math (which values they used, and were they consistent in their formulaic approach) — but we will not delve into those details here.

Especially in light of the relatively low pre-tariff U.S. unemployment rate, a targeted approach focused on tariff-elastic, desirable industries could be favored. The initial tariff roll-out approach had an apparent disregard for these details — but this might not mean these details will be disregarded permanently. Perhaps the rollout was aimed to establish high starting points for country-by-country level negotiations (though imposing tariffs on uninhabited islands with no exports may still be hard to explain). Comments by Trump administration officials (they said “this is as high as tariffs will get,” and Trump is also on record of saying that the tariffs have put the U.S. in a strong negotiating position), as well as some aspects of the calculation logic, suggest this may be part of the overall picture everyone is dealing with currently.

The Initial Market Response – And What The Future Might Hold

If the point of the tariffs was to disrupt the status quo, the world is certainly responding. In the immediate hours and days following Trump’s “Liberation Day” tariffs unveiled on April 2, markets crashed hard and voters’ 401(k)s accounts lost significant value. Many executives were “not thrilled,” including at U.S.-based companies, and other countries retaliated with their own reciprocal tariffs. Experts had flashed warning signs of a recession in the U.S. and across the globe. These pressures impact everyone, including the Trump administration. This led to Trump announcing on April 9 a 90-day pause on all tariffs for nations except for China — which he raised import fees on to 125%. However, Trump maintained a blanket 10% import tariff on nearly all global imports.

All parties are motivated to review and refine their trade strategies. In the course of these developments, further changes in tariff rates are widely expected.



Tariffs may change differently from one situation to another. There are many reasons for trade imbalances. They include regulatory barriers (which are viewed as the main reasons limiting American agricultural product exports to the EU for example), and currency manipulation. Imposing high tariffs on “cheaters” like China (an alleged currency manipulator, IP stealer, etc.) might make sense in the long run, especially given their status as a global adversary. If we are truly just imposing reciprocal tariffs to counter real tariffs imposed by other countries, then doing so might also make long-term sense.

That said, the administration initially announced significant tariffs on imports from generally friendly nations as well, many of whom do not actually impose real, similar tariffs on U.S. exports to them. Tariff wars with friendly countries may cause more harm than good to anyone, especially if these tariff wars involve industries with less-desirable jobs, or if it appears unreasonable to expect that the root issue causing the trade imbalance can be resolved (whether that be supply chains that are hard-to-move, or regulations that are unlikely to change). In such cases, a more refined approach may be more effective.

As the administration holds discussions internally and with trading partners across the world, refinements are expected to be made to the tariff schemes (in many cases, this may result from “tailored deals”). Such refinements may reflect the kinds of considerations outlined above. If so, the Trump tariffs may end up resembling a well thought-out, more targeted pricing strategy, supported by detailed analyses, similar to the design of a pricing action formulated by pricing experts. The results of such actions are less disruptive and more effective relative to untargeted, across-the-board pricing actions that executives who “shoot from the hip” sometimes implement.

Because the outlined considerations are likely to play a role in the new tariffs’ future evolution, distributors may find it useful to reflect on them. Such analyses may help project how likely the high tariffs affecting distributors’ particular supply chain operations or their particular customers may end up lasting.

If the tariffs are effective and if there are good reasons to keep them, they may last a long time. Even the Biden administration kept the first Trump administration's China tariffs in place, and the newly-started tariff/trade war with China seems to be escalating. In such cases, long-term strategies may be prioritized. These long-term strategies include looking for alternative suppliers to keep costs down. If switching suppliers or negotiating costs down with current suppliers prove not to be feasible, these strategies may also include straight-forward, permanent price increases to pass on tariff costs.

Having a diverse base of suppliers for key products, along with the ability to quickly negotiate new contracts with new suppliers, may provide an advantage in implementing relevant strategies. If pricing action is necessary, it may be beneficial to add a layer of analysis beyond simply passing on the tariff increase: With proper communications, customers should be relatively receptive to tariff-driven price hikes (they will largely perceive them as fair). This may open a window of opportunity for the distributor to correct past pricing errors (such as fixing unnecessarily underpriced product prices), which would be more difficult to do under normal circumstances.

On the other hand, the tariff may involve industries that are less tariff-elastic or less desirable, and it may impact suppliers from friendly nations. An example may be imports of certain goods from Canada, which were subject to the recent senate vote aiming to reverse Trump's Canadian tariffs. Tariffs on EU goods may be another example:

- Even Trump allies like Elon Musk have publicly said they are hoping these tariffs will eventually go away
- As of the time of this writing, the U.S.-EU tariff/trade war has not escalated out of control (meaning, the EU's initial reaction was to seek resolution through negotiation, and announced that they may impose only a measured/targeted tariff scheme in response, rather than harsher actions that would be more likely to substantially escalate the trade war)
- Trump has reportedly told his team to make "tailor-made" deals with countries that have reached out — and as noted before, the EU, and members of the EU, have so far been pursuing negotiations rather than escalation

High tariff rates are less likely to last indefinitely in such situations: the administration is likely to eventually reduce or eliminate such ineffective tariff schemes, though they will likely seek to get some concessions in return (such as commitments to invest in the U.S., commitments to buy more U.S. goods, relax some regulatory barriers or actual tariffs). This means that temporary and easier-to-reverse approaches (such as surcharges for tariffs, for instance) may be preferred to deal with such tariff schemes' short-term implications.

On a related note regarding the implementation of pricing actions — agile, well-informed, and well-managed execution can make a difference:

- Much like during the COVID disruption period, agile pricing systems can be useful to quickly analyze and manage changes in supply-, competitive- and demand-dynamics.
- And like during COVID, better information may be gained from proactively stepping up external communications with suppliers, and from more intense monitoring of competitors' price moves and communications.
- Pricing actions can be better managed by:
 - Prioritizing internal communications with those involved in price setting, monitoring stick rates and price realization metrics, and using controls if necessary.
 - Ensuring that the rationale behind price moves is timely communicated to external market players (to the extent possible). These market players may include:
 - » Customers: More detailed discussions with key customers may be considered to help ensure that specific tariff-related increases do not come as a surprise, and they can also be opportunities to assess possibly significant changes in future demand patterns.
 - » Other industry players: The distributor may find it useful to communicate certain details about the pricing action to them (think industry leadership-follower dynamics), and may be able to do so using appropriate channels of communication.

Parting Thoughts

My sincere hope is that refinements to the current simplistic tariff scheme are made sooner rather than later. No one living or doing business the U.S. or in friendly nations should experience short-term pain for no good reason — as in situations where there is not a realistically achievable or particularly desirable payoff in sight. The sooner the refinements are made (hopefully, within the newly-announced 90-day period, or within an extension of the same), the sooner stability and relative certainty may return, thereby creating an environment that is more conducive to investment and growth. I believe I share this view with many others. This group includes economists who are not necessarily free trade supporters but are disappointed with the simplistic manner in which Trump's "reciprocal" tariffs were initially introduced.

MERGERS & ACQUISITIONS

Prize Claimed: Here's Why QXO Relentlessly Pursued Beacon

By Mike Hockett

With QXO's acquisition of Beacon set to finalize by the end of April, let's look at what the deal does for both sides and the attributes that QXO just couldn't walk away from. [Click for web version with original graphics](#) ➡

At long last, the QXO-Beacon standoff is over.

QXO completed its landmark \$11 billion purchase of the roofing and other building materials distributor on April 29, a little more than a month after both sides shared they had agreed to the deal — ending a months-long standoff that had been testy for much of it.

QXO paid \$124.35 per share to acquire Beacon, representing a 10.8X multiple of Beacon's consensus full-year 2025 EBITDA, and 10.1X its consensus full-year 2026 EBITDA.

From first glance, we know that it gains QXO North America's largest publicly traded distributor of roofing materials and complementary building products.

The 30,000-foot view of Beacon shows that it's a company with 580 branches across the U.S. and Canada, a base of nearly 110,000 customers and approximately 8,000 employees.

Here's a financial snapshot:

- 2024 revenues of \$9.76 billion — up 7.1% vs. 2023
- 2024 gross margin of 24.7% — unchanged vs. 2023
- 2024 net profit of \$2.5 billion — up from 2023's \$2.3 billion
- 2024 adjusted EBITDA and margin of 9.5% of \$930 million — the highest total company history and flat vs. 2023, with adjusted EBITDA margin of 9.5% that slid 70 basis points

Those are the quick stats and what's been shared in the companies' news releases. Now, let's take this to ground level to discuss the attributes of Beacon that QXO found so valuable and compelling to acquire.

For starters, here's what Joe Checkler, QXO's Senior Vice President of Communications, told MDM and select other media outlets on March 20:

"We expect Beacon to be the first of many acquisitions, putting us on track toward our intended goal of \$50 billion in revenue. Beacon is a great company in a large and growing industry, and we're confident that the same playbook we used in waste management, equipment rental and transportation is completely applicable to Beacon's business."



Photo by Mike Hockett/MDM

The company reiterated those plans when the deal completed at the end of April.

Checkler cited the example of XPO Logistics — one of QXO Founder, Chairman and CEO Brad Jacobs' other publicly traded companies — and how it acquired large companies Norbert Dentressangle and Con-way in 2015 and seamlessly integrated them into a cohesive, global organization. XPO went on to double each of those company's profits between 2015 and 2018.

"We see similar opportunities with Beacon," Checkler added.

Growth Mode

As Checkler alluded to above, QXO hasn't been shy about its growth ambitions.

"We intend to make QXO very big — as quickly as possible — because it will benefit both our customers and our shareholders," the company told media members March 20.

For its part, Beacon has considerably grown its footprint in recent years. In its 4Q24 financial report on Feb. 27, the company noted that its strong balance sheet enabled the flexibility to invest in future growth that included "high levels of growth-oriented capital expenditures and enhancements to our operational capabilities, including sales productivity, working capital management and our pricing model."

In 2024, those investments supported the opening of 19 greenfield locations and the acquisition of 42 branches.

Meanwhile, Beacon outperformed the revenue target set when it announced its “Ambition 2025” in the fall of 2022. At that time, the company targeted \$9 billion in 2025 sales and \$1 billion in adjusted EBITDA — aggressive considering it was coming off of \$6.6 billion and \$655 million, respectively, in 2021.

Most recently, Beacon **acquired California-based waterproofing distributor DM Figley** earlier in March after and announced **four new greenfield branches** in late February. It made **two acquisitions in 4Q24**.

“Beacon continues to drive above market growth through footprint expansion via acquisitions and new greenfield branches,” the company said on Feb. 26. “Adding locations and teams to deepen customer service is an important element of our Ambition 2025 plan.”



Photo courtesy of Beacon.

Tech and Digitally-Driven

QXO brands itself as both a building materials distribution platform and technology solutions provider — with that latter point stated first and foremost on QXO.com. “QXO plans to become a tech-forward leader in the \$800 billion building products distribution industry, with the goal of generating outsized shareholder value,” that homepage says.

Beacon fits QXO’s tech-driven mindset very well. Accelerated by the launch of its Beacon PRO+ mobile app in 4Q 2022, the company has since continued to invest in its digital and technology offerings. On March 10, Beacon announced an investment and **partnership with Renovate Robotics** — described as a leading startup pioneering roofing automation.

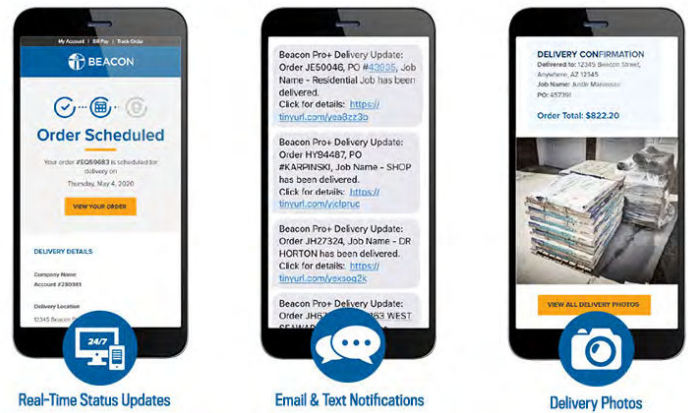
This past November, **Beacon partnered with CRM provider Leap** to integrate its offering into the Beacon PRO+ eCommerce platform. The company said that addition allows contractors to purchase products seamlessly by removing a tedious process from their daily workflow.

A month earlier, Beacon likewise **partnered with roofing and waterproofing manufacturer GAF** to integrate its QuickMeasure

reporting tool into Beacon PRO+, providing contractors with an added option to take guesswork out of measurement estimates.

And further on the eCommerce front, Beacon launched PRO+ in Canada this past September.

In 2Q24, digital sales represented about 26% of Beacon’s residential sales.



Graphic by Beacon

QXO undoubtedly saw these digital investments as a great sign of technology initiative from Beacon as a way to make its customers’ lives easier, and the infusion of QXO’s capital figures to only accelerate what Beacon can do on that front.

“Our goal is to invest in Beacon’s tech to accomplish two things: improve the customer experience and make the lives of our employees more efficient,” QXO said.

More specifically, Jacobs stated before the announced deal agreement that QXO intended to invest in several technology upgrades for Beacon that include:

- Dynamic pricing
- AI-powered demand forecasting
- Warehouse automation
- Advanced warehouse management system
- Fleet optimization
- eCommerce enhancements

That’s alongside a broader tech-boosted sales team.



Brad Jacobs

“We’d agree on a big to-do list and make it happen in a methodical way,” Jacobs said. “We’re confident that we can double Beacon’s EBITDA over the next five years and drive significant value creation.”

In an [open letter to Beacon employees on March 7](#), Jacobs wrote that QXO would begin these initiatives in the same way it approaches the rest of the company, which is by listening to the Beacon staff. Jacobs noted that the first thing he would do upon a deal is to embark on a “listening tour” to get answers to two key questions: 1) What has Beacon been doing really well? — things QXO would be crazy to change; and 2) What can be improved?

Checkler noted that this approach would likewise apply on the technology front.

Other Intangibles

Here’s some other points QXO voiced about what they saw in Beacon:

- 80% of Beacon’s business is repair & remodeling, which is highly stable, non-discretionary and less cyclical. Replacing a leaking or damaged roof is a necessity, not a decision.

- The average commercial building is over 50 years old, the average home is over 40 years old and there is a shortage of 4 million homes that need to be built. So lots of new construction is coming.
- There’s a major need for infrastructure repair across North America and Europe. In North America alone, an additional \$2 trillion of spending will be required to keep the infrastructure safe over the next two decades.
- Beacon’s business is primarily “made in the USA, sold in the USA,” making its tariffs exposure minimal

The Final Word

In Beacon, there was a lot to like for QXO that aligned with the latter’s goals for scale and tech-mindedness. The market seems to agree, with QXO’s stock jumping as much as 7.3% upon the deal news on March 20 and Beacon’s climbing 4.8% since the start of March 17.

Beacon was already well on its way to upgrading its footprint and technology, and QXO figures to take that to another level.

ECONOMIC TRENDS

MDM Forecast: April 2025 Update

By Anna Debiec

The latest MDM Forecast had a modest continuation in downward revision in April overall, with growth still expected but at a slower pace than previously projected. As always, the projection varied through the 19 different industry verticals tracked by the U.S. Census Bureau. Get your sector-specific outlook here. [Click for web version with original graphics ➔](#)

The latest monthly MDM Forecast revealed a modest downward revision in full-year revenues for both 2025 and 2026 vs. our March update. All but four of the 19 industry sectors tracked project annual growth in 2025 — the equivalent compared to March. As always, the key value in the MDM Forecast comes from the sector-specific forecasts it provides.

The MDM’s Forecast model uses the U.S. Census Bureau’s revenue data but strips out the broader inclusions of agents and brokers, manufacturer’s sales branches and offices, importers and exporters — focusing exclusively on wholesale distributors. The MDM Forecast utilizes the baseline economic forecast modeling from Moody’s Analytics and applies wholesale distribution government data to it.

Data for the MDM Forecast is compiled by the Business Research Division at the Leeds School of Business of the University of Colorado Boulder.

Updated with the U.S. Census Bureau’s April 9 wholesale trade report release that reflects industry figures through February 2025, our outlook for the U.S. wholesale distribution annual revenue for 2025 continued to show growth — calling for a 4.4% increase vs. 2024 — albeit a slight step down from a month earlier.

Key Context

The overall industry revenue forecast should always be taken with a grain of salt since the broad numbers are heavily influenced by the largest industries — Oil & Gas and Pharmaceuticals — which combined to represent north of one-fourth of the industry’s total revenue.

The much bigger value of this forecast is the industry-specific outlooks as a more granular gauge for your market.

Our overall 2025 revenue forecast marks a continued downshift from the 5.7% projected during February and 4.6% in March. But the latest revised figure would still represent considerable industry growth compared to 2024's 2.0% and the 1.7% decline seen in 2023.

April's downward revision included by a 3.3-percentage-point monthly decline in the Electrical & Electronics sector, which remained highly positive at +11.8% for 2025 outlook. Meanwhile the industry's largest sector by revenue — Oil & Gas — increased in April, following a sharp decline in March.

Further out, the overall industry's updated 2026 revenue projection is 4.3% — a 0.5-point decrease from March.

April 2025 MDM Forecast: U.S. Wholesale Distribution Revenue Expectations by Sector

Reflecting U.S. Census Bureau data through February – released April 9

Industry Sector (large to small)	2023	2024	2025	2026
Oil & Gas	-11.5%	-5.1%	-0.7%	-1.8%
Pharmaceutical	12.6%	8.2%	9.9%	9.4%
Grocery & Foodservice	0.9%	3.8%	4.7%	5.6%
Electrical & Electronics	-0.7%	11.4%	11.8%	6.3%
Industrial Supplies	5.2%	0.6%	1.0%	-0.6%
Motor Vehicles & Parts	8.5%	5.3%	1.3%	6.4%
Miscellaneous Durable Goods	-8.9%	0.7%	9.0%	2.2%
Other Consumer Products	-5.5%	-3.8%	1.3%	2.5%
Computer Equipment & Software	-8.4%	6.3%	8.0%	3.4%
Commercial Equipment & Supplies	1.2%	5.5%	2.7%	3.6%
Agricultural Products	-10.9%	-12.1%	-1.8%	8.8%
Metal Service Centers	-11.1%	-10.1%	0.5%	7.7%
Building Material & Construction	-13.6%	-2.7%	-0.4%	3.5%
Hardware, Plumbing & Heating Equipment/Supplies	-0.3%	6.1%	4.1%	1.0%
Beer, Wine & Liquor	-1.5%	-1.5%	4.2%	9.1%
Apparel & Piece Goods	-9.3%	3.6%	6.1%	3.8%
Chemicals & Plastics	-6.9%	-2.0%	-1.7%	-1.0%
Furniture & Home Furnishing	-4.9%	-1.8%	1.3%	2.3%
Office Product Wholesalers & Paper	-7.0%	-2.1%	1.5%	1.6%
Total Wholesale Distribution Industry	-1.9%	2.0%	4.4%	4.3%

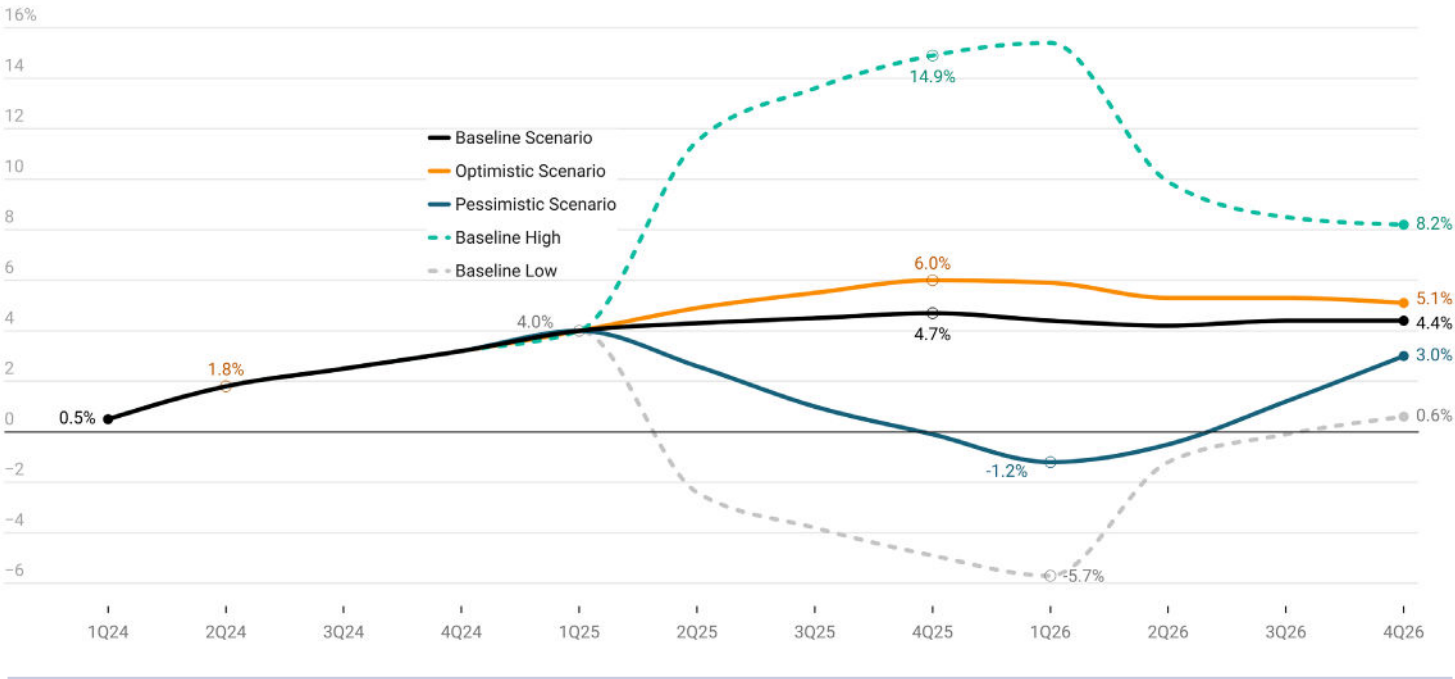
April's 2025 Month-to-Month Differences

Of the 19 wholesale trade major verticals that the MDM Forecast tracks (like the U.S. Census Bureau), nine industry sectors move more optimistically month-over-month in our April update, while nine sectors moved pessimistically. Additionally, Grocery & Foodservice remained unchanged in April vs. March. The industry's largest sector — Oil & Gas — progressed to -0.7% in April vs. -2.2% in March, while Metal Service Center increased to 0.5% vs. March — following three consecutive monthly decreases. The industry's biggest movers were Metal Service Center (+2.6%), Other Consumer Products (+2.0%), Agricultural Products (-3.6%) and Electrical and Electronics (-3.3%).

April's 2026 Month-to-Month Differences

Further ahead to 2026, notably only three sectors moved optimistic in April vs. March, while 14 moved more pessimistic and two were unchanged. The biggest movers were Hardware, Plumbing & Heating with a -1.4-point decline; Motor Vehicles & Parts -1.1; and Apparel & Piece Goods at +0.3.

April 2025 U.S. Wholesale Distribution Revenue Growth Scenarios



LEADERSHIP

Meet MDM's 2025 Women in Distribution

By MDM Staff

Our roster of 20 honorees announced in late March. Here, we profile each of these deserving leaders who will likewise be recognized at MDM's SHIFT Conference in May. [Click for web version with original graphics](#) ➔

MDM received nearly three dozen nominations for our **2025 Women in Distribution feature**, which we brought back after a four-year absence to honor a group of women who have been pivotal to their company's growth, innovation and leadership in a traditionally male-dominated industry.

MDM received nearly three dozen nominations from the industry — some more detailed than others — but we viewed them as equals. To be eligible for recognition, nominees must 1) currently work in the distribution sector — or have done so recently — at a distributor, association, buying group or service provider, and 2) must not have been honored in our previous 2021 feature. From there, our editorial team evaluated the qualifiers to select the nominees we deemed most impactful to their company or the industry, and there were some very tough decisions to make.

Once we had our 20 honorees selected, we reached out to them with a simple questionnaire asking for some basic information and then commentary on their path into distribution; what they like most about their role; their most rewarding career experience; and any initiative they are particularly proud of.

Let this feature also serve as a year-in-advance heads up that MDM will look to collect nominations for the 2026 edition, and we'll plan to issue that call for nominations in early February 2026. But you don't need to wait until then to let us know about someone you think is deserving of this recognition.

Read on for each honoree's profile, shown in alphabetical order, and stay tuned for further coverage of MDM's 2025 class of Women in Distribution, including what their advice would be to other women entering the industry.

Recognition at SHIFT

Besides publishing our 2025 Women in Distribution honorees here on the MDM website, we're also excited to recognize them at MDM's marquee event of the year, **SHIFT, to be held May 13-15 in Denver**. There, we will host a **Women in Distribution forum on the night of May 14**, emceed by one of our 2021 honorees, **Allie Copeland** of ADI Global Distribution. Pre-registration is required and is done when registering for SHIFT. Please direct any questions on the forum to events@naw.org.



Jerusha Coffin – Systems Integration Manager at ABB Optical Group

**Years in Wholesale Distribution:** 20**How did you get into this industry?**

While working in partnership with an ABB Optical Group representative during my tenure as an Account Manager for a contact lens manufacturer in South Florida, I had

the opportunity to connect with their remarkable team. I will always be profoundly grateful to ABB Optical Group's founder, Angel Alvarez, for extending an opportunity to me after I experienced a layoff.

What do you like most about your role in this industry? What I value most about my current role is the opportunity to harness technology to enhance and simplify the customer experience.

What has been your most rewarding career experience? During my early years at ABB Optical Group, I had the privilege of working alongside the founder and CEO, Angel Alvarez, as well as the President, Brad Weinbrum. Through their mentorship, they instilled in me a deep passion for distribution and the optical industry. They also provided invaluable firsthand insights into the strategies and leadership required to run a highly successful, industry-leading distribution company.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led? Early in my tenure at ABB Optical, I had the responsibility

of leading the customer support team for our first consumer-facing eCommerce fulfillment partnership. Despite facing significant challenges, including system issues and a hurricane, this initiative provided invaluable lessons and insights. These experiences continue to shape and enhance the support I provide to my customers and partners today.

Laura Dabaldo – EVP at Filter Engineering Corporation



Years in Wholesale Distribution: 17

MDM Notes: Since 2008, Laura Dabaldo has led operations at Filter Engineering — a Troy, MI-based distributor of high value air and liquid filtration products serving the commercial building, automotive, manufacturing and

industrial markets. She was nominated by Evan Coe, VP of Operations at Filter Engineering, who described her as a “multi-faceted leader, GM Scholar, a wonderful public speaker and someone who really takes care of everyone on our team. An entrepreneurial pioneer in corporate training and development who developed programs for General Motors, Apple Computer, Dominos Pizza, Chrysler Corporation and Ford Motor Company.” He added: “As an owner of Filter Engineering Corporation, she wears many hats and energizes our team to be the best people we can be.”

Melissa Gordon – President & CEO of MGX Beverage Group



Years in Wholesale Distribution: 29

How did you get into this industry? As a third-generation family business leader, I grew up very close to the industry. I chose to join the business in 1996 at a time when the industry was undergoing the very beginnings of consolidation at the supplier and

wholesaler tier and when operational efficiency became a point of differentiation.

What do you like most about your role in this industry? The opportunity to work directly with customers and help them navigate the highly complex beverage alcohol industry. This industry is highly regulated, and it's very rewarding to help our customers understand and comply with the regulations while also finding creative ways to optimize their operations.

What has been your most rewarding career experience?

Supporting employees who are early in their careers to develop and grow. Watching them build confidence, acquire new skills and then successfully take on increasing levels of responsibility is incredibly fulfilling.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

While serving as General Manager of Whitehall Co., Ltd. (a legacy business) I played a key role working with the CEO at the time, investment bankers and our legal team to develop a strategy for corporate restructuring that included assessing mergers, acquisitions and divestment. That decision – to launch a new company focused on streamlining control label program management for chain retailers – was a turning point for our business and created the foundation for growth.

Any other info we should know about your industry impact?

Beyond my work at MGX, I'm passionate about philanthropy and leadership development. I serve on the philanthropic trust at Boston Medical Center and am a member of the Katahdin Group's CEO Collective. In 2024, I was named CEO of the Year by my Katahdin peer group, the Killington CEO Collective.

Sheila Hernandez – VP of Marketing & Supplier Relations at Summit Electric Supply



Years in Wholesale Distribution: 38

How did you get into this industry?

Hired as a student intern from a local university for a summer marketing research project. First 2.5 years in the industry were as a part-time student while I was getting my MBA degree. Went full-time upon graduation and never left!

What do you like most about your role in this industry? What I love most about my role is that it is focused on our external partners. Customers and suppliers. How we can be successful together. How we can grow business together. How we can be better partners.

What has been your most rewarding career experience? When I started at Summit, we had three branches, approximately 50 associates, \$10M in sales and were celebrating our 10th anniversary in business. Today, we have 24 branches, 720 associates, almost \$800M in sales and quickly closing in on our 50th anniversary. Not only have I've seen here to see the growth and change over the years, but I've been able play a role in it. Many people today think you have to jump companies and move around to get ahead. I disagree. Summit has been a fantastic career for me, giving me so many opportunities to innovate, change and lead a range of different business areas. Summit is more than a paycheck to me and I'm proud of what we, as a company and as a team, have all accomplished together.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

Summit did not have a marketing person/department when

I joined. Everything we've done over the years has been new for the company. We have been early innovators in many areas, including our focus on eCommerce and master product data with initial launches dating back in the late 1990's. Summit has long been seen as an innovative and progressive marketing/branding company, with our team winning 60+ NAED Best of the Best marketing awards, including Best Overall Distributor. Today, we're continuing to push our marketing efforts forward with our move away from "traditional distributor marketing." We are solely focused on "marketing as a growth engine," tracking success with tangible and documented growth metrics which go beyond webpage views and click through rates.

Any other info we should know about your industry impact?

I have been active in the industry for many years at many different levels, serving on various task forces, committees, panel discussions and more. I was one of three IMARK Electrical Board Members who joined together with four AD Electrical Board Members on a special committee to provide strategic direction and leadership for the successful IMARK/AD merger. I'm proud to be a part of the **Empowering Women Mentor Program**. I was one of only 14 inaugural mentors who helped kick off the program. Today, I'm the only person who has participated in all 10 mentoring sessions to date. This program has had a positive impact on the personal and professional lives of 500+ mentoring pairs, in addition to building out a strong and vibrant network. But even more important, the program has created positive exposure for the women in our industry by increasing visibility and broadening perceptions.

Jenna Hoertz – Director of Strategic Initiatives & Project Management at APR Supply Co.



Years in Wholesale Distribution: 3 professionally

How did you get into this industry? I represent the fourth generation in our family's wholesale distribution business, giving me a 32-year connection to the industry. After spending several years developing my

career in the software sector, I made the decision to return and contribute to our family enterprise.

What do you like most about your role in this industry? What I value most is the meaningful impact our family business creates for all stakeholders — our team members, business partners, and customers. We're in a position to drive positive change and influence the lives of everyone we interact with.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led? Currently, I have the privilege of leading APR's Emerging

Leaders program. These high-potential professionals were specifically nominated by organizational leadership based on their capacity for growth and impact. Participants voluntarily commit to the program, which encompasses networking opportunities, community engagement, offsite development sessions, professional training and peer support. We recently concluded our latest offsite retreat, and I continue to be inspired by the group's enthusiasm and dedication.

Lauren Lanter – Co-CEO of B&D Industrial



Years in Wholesale Distribution: 17

How did you get into this industry? We are a family business that I grew up being a part of.

What do you like most about your role in this industry? My favorite part of my job is being part of a customer or business solution. There is no greater satisfaction than helping solve an issue.

What has been your most rewarding career experience? Being able to work with and learn from my father for the last 17 years has by far been the most rewarding part of my career. From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led? Fostering the B&D culture will always be a passion of mine. Our core values started with my grandfather and were built by many others commitment to B&D over the last 78 years. Protecting B&D's culture will always be my number one priority. As far as a specific recent initiative, I led the selection and implementation of our last ERP. It was a difficult and rewarding experience to execute.

Any other info we should know about your industry impact? I've been involved with the Bearing Specialists Association for the last 10 years. I currently serve on the board and as vice chair of a committee. I have also been involved with the Power Transmission Distributors Association on various committees and previously served on the Foundation Board. I currently serve on the board of the Georgia Mining Association, as well.

Nichole Leonard – Sales Executive at Leonard Paper Company



Years in Wholesale Distribution: 13

How did you get into this industry? I began my career selling educational services into school districts in California. When I was re-transferred back to Maryland, I made the decision to join my family's business, Leonard Paper Company.

We specialize in foodservice disposables for restaurants and caterers, as well as janitorial supplies. Leonard Paper is an 85-year-old family business, and I represent the fourth generation, with family members still actively involved across various areas of the company.

What do you like most about your role in this industry? What I enjoy most about my role is the level of innovation and the breadth of customers I have the opportunity to work with — from hospitals and school systems to contract cleaners. I love the consulting side of the business, especially when advising on environmentally friendly cleaning procedures, and I appreciate working with such a diverse range of people and industries.

What has been your most rewarding career experience? One of my most rewarding experiences was implementing a 100% compostable product program for a university in the Baltimore area. The student body advocated for a full transition to compostable foodservice disposables across campus, and within a one-month timeframe, we successfully launched the program in time for the new school year.

From your career, is there a company initiative or accomplishment you are particularly proud of? I'm proud of helping foster a collaborative, team-oriented culture within our sales force. Over the years, I helped establish monthly sales group meetings where team members share best practices, offer insights and support each other's growth. Creating a culture of collaboration has made a meaningful difference in both morale and performance.

Any other info we should know about your industry impact? I've been recognized internally for consistent month-to-month sales growth and continue to be a trusted resource for sustainable product expertise. Referrals from satisfied customers are a continual reminder of the value I bring to the partnerships I build.

Heidi Levitt – Co-CEO at Levitt Safety Ltd.



Years in Wholesale Distribution: 28+

How did you get into this industry?

I did not come out of the womb destined for the family business because I was not the first-born male. To be clear, my brother Bruce was! Other than a couple of summer jobs when I was under 10, packing

bandages and doing whatever chores the First Aid department ladies could save up for the Levitt Kids, Levitt-Safety was never in my plans. Nor was it in my family's plans for me.

Bruce had become president a few years earlier, and Levitt-Safety was coming out of the impacts of a recession and was ready to bring in some new talent. I took a significant pay cut and started in a combined role of purchasing and marketing. I justified the pay cut because I was going to be learning new skills. Looking back at this time, the lesson I learned was that sometimes you need to take a big risk or a step back, to move forward in your career. The other lesson I learned looking back now, was that I should have done a better job negotiating my salary!

What do you like most about your role in this industry? I like that people who are in it really care about making Canada a safer place to live and work, I like the variety and the ability to charter my own course, I love the culture at our company and our people, I like being a role model and mentor, hopefully making a difference in and outside my industry.

What has been your most rewarding career experience? I did a turnaround at our sister company Northern Light Technologies/NLT Digital in 2007 and that company has gone on to become an very important player in underground mining and tunnelling technology industries.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

I am very proud of our company alignment around the 35 Fundamentals that serve as our guiding principles. We talk to a different fundamental every week and open every meeting that has three or more people attending with an insight on that Fundamental. Because this is a women's recognition, I would say that our Fundamental *Embrace Diversity in People and Perspectives* is a fitting one here. It says "Honour and respect everyone's value as unique individuals, regardless of background, age, appearance or beliefs. Leverage what every colleague brings to the table, no matter what roles they have, their prior experiences or their tenure with our company." We use our Fundamentals during in our hiring initiatives and this helps us pre-sell our culture for people interested in joining our company. It's amazing how many candidates want to talk about what resonates with them from our Fundamentals and how they want to become part of a company that has this culture.

Any other info we should know about your industry impact? I serve on the NAWI, which is the board within NAW that covers everything Innovation; I have served across many YPO (Young President's Organization) chapter, regional and international boards; I served on a U.S. Industrial paint, scaffolding and roofing company in Michigan; I mentor Rotman MBA students; and when it existed, I was a long time board member and chair of the board of the Safety Equipment Distributors Association.

Robin McGuire – CIO of Reinders**Years in Wholesale Distribution:** 26**How did you get into this industry?**

I didn't set out to work in the distribution industry, but like many, I found my way here through a combination of opportunity, curiosity and a drive to solve business challenges. My background is rooted

in IT, analytics and digital transformation, and I've always been passionate about leveraging technology to improve operations, efficiency and customer experience. By chance — or perhaps by good fortune — I found myself stepping into a system administrator role, not even fully realizing what the distribution industry was at the time. What started as an entry into IT quickly became a career spanning 25+ years, where I've had the opportunity to grow, evolve and gain a deep understanding of the business from multiple angles.

Looking back, I may have stumbled into distribution, but I stayed because of the people, the innovation and the ability to make a real impact. It's an industry that challenges you to adapt, problem-solve and think ahead — and that's exactly what keeps me motivated every day.

What do you like most about your role in this industry? The ability to bridge technology, business strategy and customer experience. Distribution is evolving rapidly, and technology is a key driver of efficiency, growth and innovation. I enjoy transforming how we operate — whether it's modernizing ERP systems, optimizing supply chain processes, or leveraging AI and automation — to ensure we stay agile and competitive. Another rewarding aspect is the people — the teams I work with, the relationships I build and the impact I can have on helping others succeed. Technology is a powerful enabler, but at its core, it's about empowering people to work smarter, solve challenges and drive the business forward.

What has been your most rewarding career experience?

Mentoring and developing teams, fostering a culture of innovation and seeing individuals grow in their careers. Whether it's helping employees embrace new technology, guiding teams through an implementation, a digital or business change or finding ways to make work more efficient and fulfilling, I thrive on the connections I make and the ability to bring people together around shared goals. Leading change is never just about the technology — it's about helping people adapt, learn and succeed in an evolving industry. One of my proudest moments was seeing a team member grow from an entry-level role into a leadership position, gaining confidence and expertise along the way. It's incredibly rewarding to watch people step into new challenges, develop new skills, and realize their potential — knowing that I played a role in creating an environment where they could thrive.

From your career, is there a company initiative or accomplishment you are particularly proud of?

Or any key initiative that you led? One of the biggest accomplishments in my career has been leading the migration of our ERP system, Infor CSD, from on-premise to the cloud — a massive undertaking that required careful planning, coordination and execution. This wasn't just about moving a system; it involved migrating all associated software, integrations, add-ons, training and new processes, ensuring business continuity, and minimizing disruption. To add to the challenge, we also transitioned our eCommerce platform to Adobe Commerce — and we successfully completed both projects in one long weekend. It was an incredible team effort and seeing everything come together seamlessly was a defining moment in my career.

As if that wasn't enough, right after the dust settled, we integrated an acquired company into our CSD platform, ensuring a smooth transition with minimal impact to daily operations.

Any other info we should know about your industry impact?

I have been deeply involved in the distribution and technology community, not only through my leadership roles within my organization but also through my contributions to industry groups and professional networks. For over four years, I have served on the TUG Board of Directors, helping shape member experiences, knowledge sharing, discussions and initiatives that support distribution professionals leveraging Infor ERP solutions. In addition, I lead two networking groups for TUG — Reporting & Analytics and Women in Distribution — both of which provide spaces for professionals to connect, share insights and drive meaningful conversations around data, technology and leadership.

Teesee Murray – Group President of Turtle**Years in Wholesale Distribution:** 25**How did you get into this industry?**

I was recruited to join global software developer QAD who serves manufacturing and distribution.

What do you like most about your role in this industry?

Distribution touches every aspect of life — from work, home and play. It takes a tremendous effort to bring all these products where they are needed in the proper quality and quantity, with thoughtful customer experience. There is a vast ecosystem of partner ecosystem of manufacturers and distributors who keep the world running.

What has been your most rewarding career experience? Joining Turtle as it turned 100 years old, with the amazing leadership and vision of Executive Chair Jayne Millard is a highlight for me. Jayne embodies the power of a knowledgeable trusted

Distributor combined with the emotional intelligence of a visionary who is leading through this time of accelerated transformation. I chose to join Turtle and Jayne's vision because she values the vital capabilities of technology aligned with the power of ordinary people united with a common purpose who achieve extraordinary results, together. Serving our customers, partners and Turtle team by leading the way forward with is exciting, challenging and fun.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

I've led so many successful initiatives with incredible teammates — it is hard to choose only one. I love being a serial innovator, inspiring teams to unite and transform to achieve ambitious goals. I've done many turnarounds, new product launches and scale ups. One initiative I am most proud of was in 2014 when AWS was selected as the infrastructure platform for our Infor CloudSuite solutions. This was the first enterprise software application to run on public cloud platform. We validated the many benefits before all competitors yet there were many skeptical public comments from prominent tech leaders. Within two years, they all adopted a similar approach to our bold plan. AWS is now a household name but very few knew it in 2014. I'm proud that we led the market and built industry-specific functionality collaboratively, using microservices and modern architecture to advance all sectors.

Any other info we should know about your industry impact? I have received numerous internal and external awards, with external awards including: IDG CIO Council's Ones to Watch award; Women in Technology's Digital Transformation Leader Finalist; HBSDealer's Top Women in Hardware and Building Supply. With Jayne Millard, I lead Turtle's sustainable accelerator called TurtleX. I currently serve on 2 Boards: Board of Trustee Member – Applied AI Consortium; Board Member – Triangle Digital.

Kathryn Poehling Seymour – CEO & President of First Supply



Years in Wholesale Distribution: 13

How did you get into this industry? As the CEO of a family business, I often joke that I have been in business as long as I can remember, but in reality I did not always see myself being in the role I am today. I am a tax attorney by trade and had a career

I loved there, then the opportunity for me to come back to First Supply and work under my father and my passion for the industry grew. Thirteen years later and I haven't looked back.

What do you like most about your role in this industry? My role in the industry allows me to connect with so many different people who play different roles in the distribution industry, all

roles that are key to the success of their companies. Through these connections I have been able to have conversations that spark ideas and changes to better our industry. The knowledge of our manufacturers, vendors, other distributors, customers and, of course, my own team has taught me so much on how to lead and improve our business and industry for good.

What has been your most rewarding career experience? The most rewarding experience in my career has been the opportunity to be one of the cofounders of the American Supply Association's Women in Industry division. I didn't know it at the time, but this division would grow to be an amazing tool for our industry to attract and retain women at all stages of their careers. What started as a small idea has turned into something that has exceeded our wildest hopes in how it would create a space for women in all areas of the industry.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

In my leadership roles at First Supply I was able to identify some of our key policies around working parents that were not going to make the modern day parent be able to be not only an active and successful team member but also a present and active parent. It was important to me to address these policies to allow working mothers and fathers to be able to balance and blend their work and home lives in a way that worked for them. We did so by addressing our maternity and paternity leave policies, our PTO policies, creating mother's rooms, and improving our culture of understanding around the unexpected interruptions of parenthood.

Any other info we should know about your industry impact? National Association of Wholesaler-Distributor's Board Member, Wisconsin Manufacturers & Commerce Boards Board Member, 2023 American Supply Association President, ASA Allison A. Martin Women of the Year 2020, 2024 Top Workplace Award and 2024 Top Women Lead Workplace Award.

Melissa Shute – Director of Regional Sales at MSC Industrial Supply



Years in Wholesale Distribution: 37

How did you get into this industry?

I received a degree in industrial distribution from Texas A&M University, and was recruited by Almac Electronics in Portland, Oregon, as a Product Manager. Thank you, Don Campbell, for giving me my

start. After 21 years in electronics, MSC Industrial Supply gave me the opportunity to move into a different industry which was a fantastic career move for me to a great culture and boundless opportunity for growth.

What do you like most about your role in this industry? Industrial distribution touches all facets of customers, suppliers, products and innovative technologies. The opportunity to meet incredibly gifted and curious individuals both internally and externally continually allows us as professionals to grow in thought and deed. My role allows me to constantly challenge myself and my thinking while also allowing me to reach back and pull others up alongside me, often celebrating their moving beyond.

What has been your most rewarding career experience? My most rewarding career experience was when I was scheduled to ride along with a sales representative and was to our meeting point. He called to say he was not going to be able to make it because they were foreclosing on his house. I referred him to our associate assistance legal program, and he was able to save his home for his family. Being present and accessible as a leader to our people and respecting that they have lives and families has humbled me. We work on important projects with important clients. It is our interaction with people and finding ways to make them better each day that gives me purpose.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

During a company realignment with the sales team which restructured how accounts would be supported based on size and complexity, I was tasked to lead the training, mentoring and coaching of our Key Accounts sales managers on how to lead a seasoned team. They would be responsible for the largest, most complex customers nationwide. Sales managers might not be able to be with sellers in person at a moment's notice if a significant customer issue arose. They had to learn new systems, reporting and how to manage remotely. It was a tremendous experience to collaborate with managers across the company and to celebrate their successes as they grew into their new roles — a collaborative network that continues to this day.

Any other info we should know about your industry impact?

FY24 MSC Sid's Club Top Regional Director; MSC Women's Inclusion Network Mentor and Contributing Presenter; Volunteer at Denver Senior Support Center; Lifelong blood donor.

Birte von Schwarzenfeld – SVP of Commercial Solutions at Beacon Building Products



Years in Wholesale Distribution: 3

How did you get into this industry? I joined Beacon to lead its efforts to strengthen the go-to-market and operating model of commercial roofing products.

What do you like most about your role in this industry? In particular, the roofing distribution industry has been very welcoming in helping me learn the ways of doing business, the technical aspects and the key players. It was a pleasure to learn from so many passionate and friendly individuals. What has been your most rewarding career experience? Beacon launched private label roofing insulation (TriBuilt) in mid 2024 under my leadership and it was amazing to see how quickly the team rallied around it, customers became interested, and we exceeded the initial projections many fold. I'm very proud of what the team has accomplished.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

Well, the above, but I'm also very excited about a pilot we are currently conducting in Southern California. We are offering the service of pre-cutting tapered roofing insulation there, after many years of offering it in Canada. The service is called PosiSlope. It's the first trial in the U.S. and I'm curious if the labor and waste savings will be value added for contractors in the U.S. as well.

Any other info we should know about your industry impact? I'm a proud member of National Women in Roofing and those ladies are always a great bunch to have fun with!

Melissa Thompson – CFO at Uline



Years in Wholesale Distribution: 19

MDM Notes: Melissa Thompson's career started at food and beverage packaging company Pactiv Evergreen before spending five years at Thermo Fisher Scientific. She joined Uline in 2006 and spent her first 15 years there in the role of controller before

becoming a vice president in 2019 and has been CFO since 2021. Thompson also serves as Vice Chair on the Kenosha Area Business Alliance.

Sonia Timmons – CFO of Vallen Distribution



Years in Wholesale Distribution: 18

How did you get into this industry?

Recruited to Vallen Distribution Finance to support diligence related to sell side transaction from public to private equity.

What do you like most about your role in this industry?

It brings me great joy building high-performing teams and watching talent develop and grow within Vallen and the industry. I have the luxury of surrounding myself with leaders that bring diverse skill

sets and ideas that supports Vallen's strategic initiatives and financial health.

What has been your most rewarding career experience? My entire career trajectory at Vallen over the last 18 years has been exceptionally rewarding through mentorship, solving problems, engaging in industry networks like MDM, building teams, and continuous education and professional development.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

Over the last 18 months, I led the finance team through workforce planning and working capital initiatives that resulted in an improvement of \$24M enterprise value. Key skills used for these projects included strategic planning, talent upgrades, project management, and scorecard development.

Any other info we should know about your industry impact?

Founding member of both Vallen's Black Employee Resource Group and Women's Employee Resource Group, Board Member of ISA Women in Industry, Committee Leader in ISA Emerging Leaders, speaker at National Industrial Supply Conference on the topic of "Distributor Analytics – Changing the Way you Assess and Drive Performance," speaker/collaborator at NAW Management Academy on Finance Literacy.

Katy Vu – CFO of Bunzl North America



Years in Wholesale Distribution: 13

How did you get into this industry?

I started out my career at KPMG with Bunzl being one of my clients. Despite being the least glamorous client I had (compared to Kering (Gucci) and Rolls Royce as my other main clients), I fell in love with

the culture at Bunzl and got fascinated with the distribution industry. So, when offered a job at Bunzl, I jumped at the chance and have loved being in the industry since.

What do you like most about your role in this industry? I love the people working in distribution. I think our industry attracted a certain type of talent who sought out results but happy to leave their ego aside, "high impact, low ego." Our place in the supply chain means that we have to work in tandem with both our customers and suppliers and I love being in that delicate balancing act which not all other industries require. As we are a very acquisitive business, my role takes me to meet many businesses within our industry, from small, family-owned to large multinational, and I love the variety of businesses I get to see and the different types of leadership. I feel inspired every day.

What has been your most rewarding career experience? I have worked in distribution in three different countries as it has been fascinating to learn and adapt to the differences in each, not just culturally but how the industry differs depending on the wider macro economy. In each place, I find it such a privilege to be able to mentor and guide others through their career and it has been so rewarding to see how my former teams continue to blossom into their potential even after I have left.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

I am by far most proud of the teams that I have built and led and how they have continued to progress in their career, especially the female leaders I have mentored over the years, either organically or as part of our organized mentorship program or our 'Inspiring Woman in Bunzl' (IWIB) network, an initiative that I am heavily involved with. I have also just recently launched (as an executive sponsor) our NextGen group, targeting young talent (under 35) entering our company. Our industry can be at times difficult to navigate for the younger generation and seems less attractive than others, so this new group is aiming to boost networking, education (better understanding of the crucial role we play in the economy) which in turn will help with retention and further recruit talents into the industry, which is something I am very passionate about.

Sarah Weiss – Former CEO & President of Elite Roofing Supply



Years in Wholesale Distribution: 12

How did you get into this industry?

My father was in the industry his whole career and we started the company together alongside other partners.

What did you like most about your role in this industry?

My favorite part of my job was watching people grow in their careers and starting operations from scratch.

What has been your most rewarding career experience? I can think of many employees who grew tremendously in their roles, took on promotions, and were in a better financial position to support their families because of the roles we created and because of their initiative and drive and determination. Starting an entrepreneurial minded business allowed us to create roles that were different than what they would have looked like at a much larger business and that provided broader experiences for a lot of employees who were able to get involved in a lot of projects and gain a lot of experience.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led? I knew early on that HR needed to report to the President/CEO because we sold commodities and what made us special was our people. Therefore, the HR function needed to not simply be compliance based but instead compliance plus culture and I needed to directly manage the leader of that area to make sure we stayed in alignment and sent the message that how our employees were treated was of the utmost importance to me.

Any other info we should know about your industry impact?

Supporter of National Women in Roofing; Former Board Member of IDAC (the Independent Distributor Alliance Corp); Former Board Member of Arizona Roofing Contractor Association; Former Member of National Association of Wholesale Distribution; Former Member of the Greater Phoenix Economic Development Council.

Debbie Weitzman – Pharma Segment CEO at Cardinal Health



Years in Wholesale Distribution: 20

MDM notes: Debbie Weitzman joined Cardinal Health in 2005 as a general manager before spending more than 17 years in vice president roles for its Puerto Rico pharmaceutical operations. She became president of the pharmaceutical distribution

in 2017 and the CEO of the pharma segment in 2022. Prior to Cardinal Health, Debbie had management stops at L&F Products, Reckitt Benckiser and Reckitt & Collman before a 10-year as corporate business director at Johnson & Johnson.

Sonya Wells – CIO and SVP of IT at SRS Distribution



Years in Wholesale Distribution: 30+

How did you get into this industry?

In 2004, I had the honor of being asked to join Shelter Distribution out of Indianapolis, where I led them through a reset of their ERP and then lead to a new ERP. Shelter like SRS was very M&A heavy which grew my

passion of acquisition integration.

What do you like most about your role in this industry?

Interaction with contractors and seeing their evolution into utilizing technology. Leading a highly functional team in a very fast paced company is extremely rewarding. As an organization we are very innovative, and not afraid to try something new, if we fail, fail fast and try again.

What has been your most rewarding career experience? Creating shareholder value for our teams, leading our Employee Resource Group for women (WISE, Women In Search of Excellence) and giving back through our Raise the Roof Foundation.

From your career, is there a company initiative or accomplishment you are particularly proud of? Or any key initiative that you led?

Leading our team through over 150 acquisitions where we grew SRS from 12 locations to 800+, creating a playbook for integration that allows for day one go live to ERP and many other platforms including our digital offerings.

Any other info we should know about your industry impact?

I serve on the SRS Raise the Roof Foundation board, the NAW Institute Board and the Children's Advocacy of Collin County Board. I have received the Ron Ross (former CEO and Chairman of the Board) leadership award and as mentioned honored to lead the SRS Women's Employee Resource Group.

Aundrea Young – President & CEO of Competitive Choice



Years in Wholesale Distribution: 25

How did you get into this industry?

I got into the industry right after the dot-com bubble burst and the Enron scandal. Shortly after, the company I was working for folded and I was hired by a specialty chemical company.

What do you like most about your role in this industry? One of the aspects I most appreciate about my role in this industry is the inherent diversity it offers, particularly in terms of the wide range of challenges, stakeholders, and market opportunities. The ability to continuously explore and enter new markets is incredibly motivating. I find it fascinating how the operational and construction aspects of the industry are evolving, particularly in their integration with digital technologies. The industry has made significant strides in leveraging digital tools to improve productivity, optimize workflows, and enhance the efficiency of critical infrastructures. The intersection of innovation with foundational services creates an exciting and dynamic environment where constant learning and growth are encouraged.

What has been your most rewarding career experience? The most rewarding aspect of my career has been the strong, long-lasting relationships I've cultivated with customers and strategic partners. These relationships have allowed me to not only provide value but also gain invaluable insights from those with deep expertise in the field. The opportunity to learn from others, absorb their wisdom, and apply it to my own growth has been incredibly fulfilling. In addition, seeing the tangible impact of those relationships on both my personal

development and the broader success of the business has been incredibly gratifying.

From your career, is there a company initiative or accomplishment you are particularly proud of? I am particularly proud of an initiative where I was able to create a new revenue stream by leveraging relationships with both my existing customers and strategic partner to expand our product offering to include electrical distribution. This not only enhanced the value we provided to our clients but also opened doors to new opportunities and further strengthened our market position.

Additionally, it demonstrated the importance of strategic thinking and collaboration in identifying and executing on growth opportunities. Being able to contribute to the company's evolution and success in such a tangible way was truly rewarding.

***Editor's Note:** Debbie Weitzman opted to pass on having a profile created from questionnaire responses. The brief profiles for her, as well as Laura Dabaldo and Melissa Thompson were gathered from available information.*

TARIFFS

How Are Distributors Combatting Higher Costs from Tariffs? Here's What They Told Us

By Mike Hockett

We polled nearly 300 distributors and manufacturers in early April about the methods they are using in response to a higher cost of goods sold brought on by tariffs. See our detailed breakdown of the results, including by revenue size, along with plenty of respondent commentary. [Click for web version with original graphics](#)

Various tariffs implemented by the Trump administration have impacted nearly the entire U.S. wholesale distribution sector, with 99% of distributors in the 1Q25 Baird-MDM Industrial Distribution Survey indicating they expect a higher cost of goods sold (COGS) in 2025 vs. 2024.

The amount of that higher cost varies across the industry market-to-market and is dependent on companies' product sources, but in aggregate, the vast majority — 71% — of the 168 distributors we surveyed said they expect their COGS to increase by 1 to 10% this year.

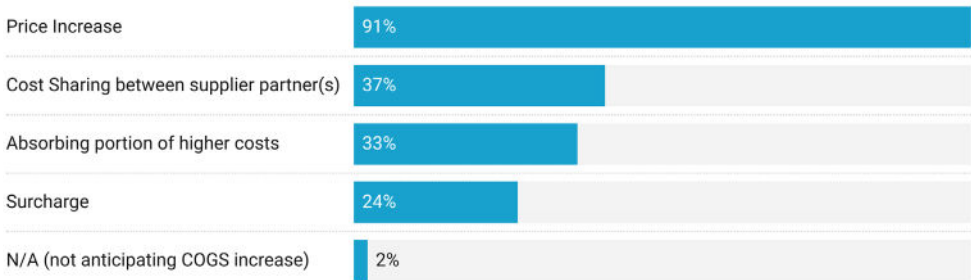
The good news is that you should have muscle memory for how to navigate whatever cost impacts come out of tariffs,

given how costs were passed along to customers or absorbed during 2021-2022 amid rapid price increases brought on by strained supply chain conditions coming out of the COVID-19 pandemic. A little further back, President Trump's first term tariffs — particularly on steel and aluminum products — implemented during 2018 means this likely isn't your first rodeo in dealing with tariffs. It's just that the scale and breadth of tariffs in Trump 2.0 are far more substantial.

To gain insight into how distributors and manufacturers are dealing with higher costs brought on by the current tariff environment, we polled them about it during early April in the Baird-MDM survey.

All Respondents (291): What methods are you using in response to higher costs of goods sold? (select all that apply)

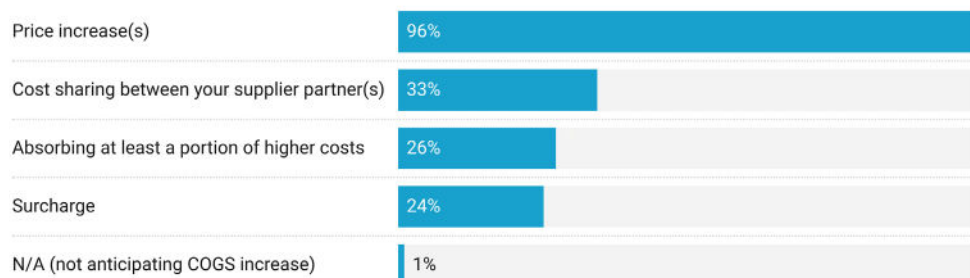
The 1Q25 Baird-MDM Survey asked distributors and manufacturers how they are responding to tariffs.



Granted, the survey was deployed during the week when Trump's "Liberation Day" tariffs were announced on April 2, which included a laundry list of nations and specific tariff percentages upon each of them, only for most of them to be paused a week later for 90 days. But even with those monkey wrenches thrown in, our survey results provide a valuable snapshot of how distributors and manufacturers plan to combat higher costs any tariffs would bring them.

Distributor Respondents (168): What methods are you using in response to higher costs of goods sold? (select all that apply)

The 1Q25 Baird-MDM Survey asked distributors how they are responding to tariffs.



Let's dive into the results, broken down by all respondents (291) — encompassing distributors, manufacturers and those who identified as 'Other'.

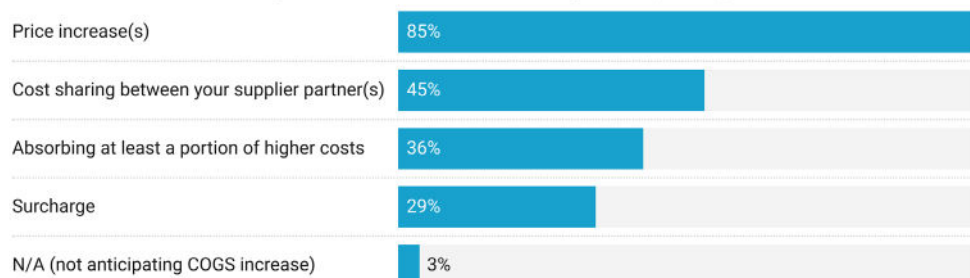
The remaining 29 respondents identified as 'Other'. Their response breakdown was similar at 83% price increase; but absorbing at least a portion of higher costs' was second at 59% — far higher than distributors or manufacturers.

Go Deeper

To get more granular into distributors' responses, here's a bar chart breakdown of them by revenue grouping.

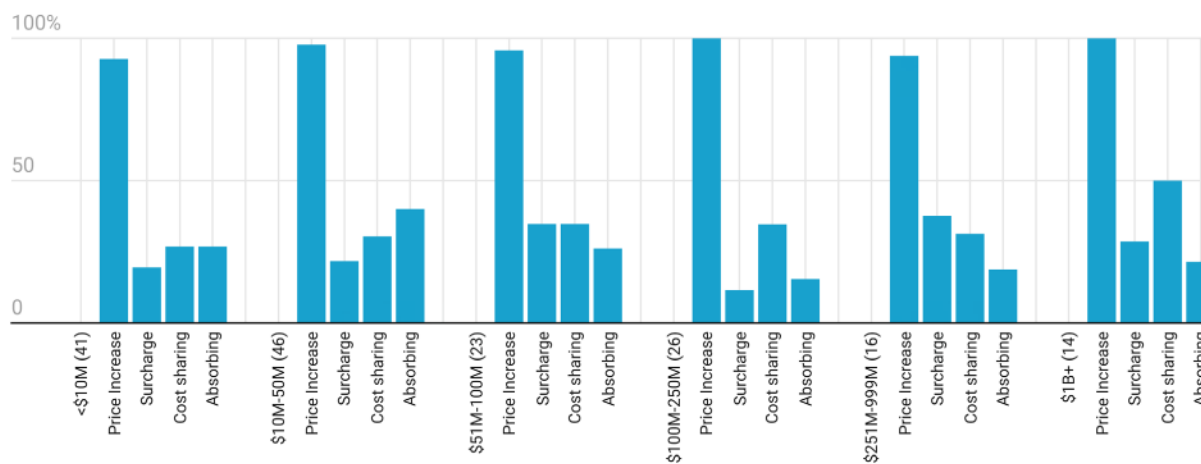
Manufacturer Respondents (94): What methods are you using in response to higher costs of goods sold? (select all that apply)

The 1Q25 Baird-MDM Survey asked manufacturers how they are responding to tariffs.



How Distributors of Different Revenue Size Are Responding to Tariffs

The 1Q25 Baird-MDM Industrial Distribution Survey - conducted during the first week of April, asked distributors, "What methods are you using/planning to use in response to a higher cost of goods sold from tariffs?" Response options (all that apply) were: Price increase(s); Surcharge; Cost sharing with supplier(s); and Absorbing at least a portion of higher COGS. Here's how the results panned out, broken down by revenue group.



From left, the results show results for revenues <\$10M; \$10M-50M; \$51M-100M; \$101M-250M; \$251M-999M; \$1B+, with the number of respondents in each revenue range shown in parentheses. The vertical column shows the percentage of respondents who selected each response method.

Respondent Commentary

All of the above was the quantitative results of this survey question. But we also collected a wealth of commentary for the qualitative side.

Here's a collection of responses from each respondent bucket between distributors, manufacturers and other. Overall, sentiment slanted more pessimistic among the smallest distributors compared to their larger counterparts.

Distributors

<\$10M in Revenue

- "We have no choice but to pass the price along and hope that competitors remain disciplined."
- "Paring back on investments and staff — will have layoffs. Difficulty is there are few domestic suppliers. Cost of production will rise and we'll have to pass the costs along to the OEMs."
- "Where possible, we will review how the tariff is being passed along and mitigate some of the increase where we have room to move. If the tariff is just being added to the cost and not a line addition, we are planning that those increases will be permanent."
- "We cannot be the gooey part of the Oreo that absorbs the increases. It must be covered by suppliers and primarily customers."
- "I see a major slowdown coming due to the COGS."

\$10M-\$25M in Revenue

- "Some things can be accomplished with more stock, more transparency, but some we just can't go back on our word."
- "Adding a tariff line to our invoices to show customers the effect of tariffs on the cost of their purchases from us."
- "Too much uncertainty, but our competition is in the same boat. Inflation is going to happen, we will absorb very little of the tariffs, 95% of the increases will be passed on to customers."
- "We are currently limiting as much price increase as we can by reviewing country of origin and then passing on increases."

\$26M-\$50M in Revenue

- "We are seeing more and more customers demand cost breakdowns of tariffs we need to pass along. We are not in a position to share all of the information they are asking for. It is putting a burden on staff and cash flow trying to sort it all out. Overall, we are trying to pass on all tariffs, but the volume makes it difficult."
- "Some companies will not accept a tariff, so we are building an end to the list price, even if the vendor doesn't."

\$51M-\$100M in Revenue

- "All the wild tariff swings are causing pricing turmoil in our systems. It has also delayed a strategic pricing program we were trying to launch this year."

\$101M-\$250M in Revenue

- "We intend to fully pass along any supplier price increases, tariffs or surcharges as increases to our CoGS and will add our margin to that new cost."
- "We are having to educate suppliers as to how to reprice tariff impacted items. Some are using tariffs as an excuse for larger than necessary increases."
- "We will pass 100% of any tariff on to the consumer. Conversations have been had with manufacturers, but they're unable to take on much, if any, of the burden that tariffs will create. Sadly, many people at our locations will likely become unemployed as a result of what is assumed to be a major loss in business. Albeit, considering the administration's wavering in the face of imposing tariffs (think Canada & Mexico), I'm not sure what the outcome of any tariffs will be once announced."
- "Best way for us to implement tariffs for our customers is through price increases. No one wants to hear about tariffs and few organizations can process additional fees. What they can process easily are cost increases."

\$251M-\$500M in Revenue

- "Lots of Price Resistance from customers... Also, a trend of customers seeking Country of Origin (CoO) information, which we equate to Tariff Related Triggered Shopping Events, placing our business at risk, and also providing quoting activity for new business we can earn if we have the right CoO Manufacturing Partner."
- "We are being pushed by our customers to source Non-U.S. made goods. This could be a long-term play going forward with the lack of trust in the current U.S. administration."

Manufacturers

<\$10M in Revenue

- "Most customers do not want to see a separate line item for tariff costs, so we will roll them into price increases instead."

\$10M-25M in Revenue

- "These tariffs needed to happen and will ultimately pay off and balance out trade between nations."

\$26M-50M in Revenue

- "Tariffs fall into two categories for us: 1) Products we import and resell and 2) stainless steel. The response to imported items for resale will depend on market conditions. For stainless steel, we are anticipating increases coming through in 2Q, These will be passed on in price increases."
- "Margins are already compressed due to imported products we compete against. There is no ability to absorb the added cost of the tariffs."
- "We have stocked inventory in anticipation of tariffs. Our inventory build started in September 2024. We have enough low / non-tariffed inventory to last until December. Tariff-affected products only comprise 9% of total revenue."

\$51M-100M in Revenue

- “We are applying across-the-board price increases. This will prevent more drastic price increases on some of the most heavily impacted items and allow us to spread the cost across our entire organization.”

\$101M-250M in Revenue

- “Very hard to keep track of tariffs – hard data from government is slow vs actual charge implementation. Import planning is almost impossible to cost. Smaller companies with tight cash flow will really suffer.”
- “One product category will continue to be sold in the USA with 25% price increase while two modest categories will be withdrawn.”

- “We will not absorb any portion of the tariff fee. It will either be accepted or we will not ship the product. As always, a domestic version is available.”

\$251M-\$999M in Revenue

- “Pushing through pricing aggressively and walking away from customers who will not accept it.”

\$1B-3B in Revenue

- “We have done surcharges in the past but have been asked by distribution to change to price increase.”

TARIFFS

Distributors Forecast Shaky 1-10% COGS Increase with Tariffs Influence

By Vesna Brajkovic

Most distributors and manufacturers surveyed in the 1Q25 Baird-MDM Industrial Distribution Survey indicated a 1-10% increase in the cost of goods sold in 2025, though uncertainty colored commentary. Get our deep dive analysis here.

[Click for web version with original graphics →](#)

An early April survey of distributor and manufacturers, conducted just ahead of President Trump’s sweeping tariffs policies, found that most expect the cost of goods sold (COGS) to increase between 1-10% in 2025 compared to 2024.

Uncertainty keeps those expectations shaky and evolving. Both distributors and manufacturers held similar expectations in regard to rising COGS, according to the 1Q25 Baird-MDM Industrial Distribution Survey. Of the 291 combined respondents surveyed, 67% of respondents indicated they expected a 1-10% increase, followed by 22% who expect steeper increase of 11-20%.

“The current tariffs will only add about 10% to our COGS, which in the grand scheme of things is not all that bad,” wrote one distributor with \$10-\$25 million in annual revenue. “Do I like it ... NO. Can I deal with it ... YES. We are all in the same boat, just trying to keep it afloat!!”

Here’s how our survey shook out across all respondents — distributors, manufacturers and ‘Other’ (master distributors, manufacturers’ rep agencies, consultants, buying groups, etc.):

Expected COGS Increases in 2025 (as of early April)

The 1Q25 Baird-MDM Industrial Distribution Survey asked nearly 300 distributors and manufacturers in early April 2025: “Barring any new major tariff surprises, how much do you currently expect your cost of goods sold to increase in 2025 vs. 2024?” The majority of respondents selected 1-10%.



Distributors' Expected COGS Increases in 2025 (as of early April)

Of the nearly 300 polled in the 1Q25 Baird-MDM Industrial Distribution Survey, 168 identified as distributors. In early April 2025, 71% of those distributors indicated COGS are expected to increase 1-10% in 2025 vs. 2024, "barring any new major tariff surprises."



Notably, of the 168 distributors surveyed, small-to-medium sized distributors with up to \$500 million in annual revenue expect greater COGS increases, while large distributors (over \$500 million in revenue) had more modest expectations, likely due to factors such as purchasing power, inventory reserves and more diversified supply chains.

Much of the commentary in the survey suggests forecasting the COGS remains a challenge no matter the size of distributor. "Uncertainty" around policy developments and tariffs was the most common theme among distributors, leaving some reluctant to give expectations of real permanence.

- "Too early to tell, lots of confusion." (Distributor with \$251-\$500 million in annual revenue)
- "At the moment it's a real circus. Some manufacturers have changed their pricing due to tariffs three times. I don't think they have any idea yet what pricing will be by end of April." (\$51-\$100M)
- "Every day it changes. Ask me tomorrow." (\$26-\$50M)
- "Manufacturers have been more liberal with price increases. It changes day-to-day." (<\$10M)

A few distributors called out that tariff-related increases by suppliers will have a more significant impact in the second quarter or later into the year.

"Not expecting to see the increase until 2H2025 when they cycle through current inventory levels," said one distribution with <\$10 million in annual revenue.

Below is highlighted survey commentary related to pricing, categorized by company revenue:

<\$10 million in Revenue

- "Tariffs, while challenging, will work themselves out, the increased opportunity for manufacturing and distribution far outweigh short-term pricing concerns."

\$10-\$25 million in Revenue

- "For existing contracts, tariffs are putting our margins in RED. For new quotes and orders, margins are greatly decreased."
- "Our domestic manufacturers have taken this opportunity to increase costs minimally as a strategy to gain back lost margin due to low-cost imported product."
- "Tariffs will push back our ability to recoup margins that suffered in late 2023 and all of 2024. The bulk of our purchased product is manufactured domestically; the impact we are feeling is from domestic sources increasing prices in to take advantage of the tariffs on imports. We will have difficulty passing along additional price adjustments to key customers."

\$26-\$50M in Revenue

- "Tariffs won't have a negative impact on our business. If anything, it will raise prices and therefore our sales will increase. More likely to be positive for us than negative for us."

\$101-\$250M in Revenue

- "Barring any unexpected tariff changes or major supply chain disruptions, we anticipate moderate COGS inflation in 2025, though at a more stabilized rate compared to the past few years ... At this stage, we anticipate low-to-mid single-digit percentage increases in COGS for 2025, though we are actively managing pricing strategies to offset inflationary pressures where possible."

\$501-\$999M in Revenue

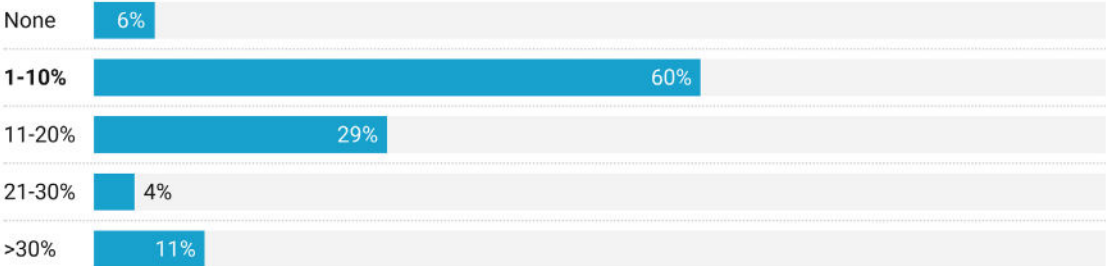
- "Huge impact – we have over 5x the amount of tariff costs to manage in our business now and to pass through to make sure that we protect our margins."

\$1-\$3B in Revenue

- "American-made products are not increasing due to tariffs yet. Items coming from overseas are getting a tariff pass-through line added I assume in hopes that they can get it to

Manufacturers' Expected COGS Increases in 2025 (as of early April)

Of the nearly 300 polled in the 1Q25 Baird-MDM Industrial Distribution Survey, 94 identified as manufacturers. In early April 2025, 60% of those manufacturers indicated COGS are expected to increase 1-10% in 2025 vs. 2024, "barring any new major tariff surprises."



disappear just as easily if they were to back off. We typically see 3% product price increases anyway during Q1 or beginning Q2. More the previous 3 years of course."

Manufacturer Expectations

Of the survey respondents, a larger percent of distributors (71%) expect the 1-10% increase, while 60% of 94 manufacturers surveyed expect the same.

Highlighted commentary from manufacturers related to pricing:

- "25% of our good sold will be impacted by the tariffs and consequently, sale price will increase by 25%" (Manufacturer with \$101-\$250 million in annual revenue)
- "Dramatic increases in some cases – between 5 and 20%" (\$101-\$250M)
- "As a manufacturer, we saw a decrease in standard cost from 2024 to 2025 due to improving volume that we now expect to be completely wiped out and then some as many of the items we make that were previously tariff mitigated are now subject to across-the-board tariffs. Even items made domestically typically have some components that are imported, meaning nearly everything we make will be impacted in some form or fashion." (\$51-\$100M)
- "We have already seen the decrease in profit margins." (\$51-\$100M)
- "We are 100% U.S.-sourced. In the short-term I expect a decrease in our cost due to slowing demand for raw materials, but by year end, costs will likely be higher. Raw materials and competition for good labor." (\$10-\$25M)
- "They will have a 1:1 impact on our cost of imported goods. It remains to be seen how much of that increase steel mills and foundries pass along to the marketplace for domestically produced materials." (<\$10M)

Product Category Vulnerabilities

Several distributors and manufacturers shared insights into the cost concerns for specific product categories, those comments are highlighted below.

- **Building Materials:**
 - "Not expecting tariffs to impact forest products much but other building materials that are [manufactured] overseas will increase overall COGS by 5-10%" (Distributor with \$3 billion in annual revenue)
 - "This will prove to be extremely inflationary in building materials." (Distributor, \$51-\$100M)
- **Steel Products:**
 - "Steel price expected to increase by 10-15% at least." (Distributor, \$3B)
 - "Steel is our largest cost after wages. There are many grades of steel that are not produced in the United States that are now subject to tariffs. Our Section 232 Exemptions on those grades of steel will not be allowed to be renewed when they expire." (Manufacturer, \$26-\$50M)
 - "Huge increase in raw material costs on high-speed steel from China with the removal of exemptions and additional tariffs." (Manufacturer, \$10-\$25M)
 - "Steel raw materials spiked but now seem to be stabilizing at about 25% over the start of the year." (Manufacturer, <\$10M)
- **MRO/Safety Products:** "...in the range of 5-10%." (Distributor, \$3B)
- **HVAC:** "We are [seeing] quite a few HVAC manufacturers increasing price due to tariffs." (Distributor, <\$10M)

- **Wire & Cable:** “Wire and Cable has a SERIOUS issue with overseas companies that have formed “conglomerates” stateside but have truly monopolized the materials market” (Manufacturer, <\$10M)
- **Imported Materials:**
 - “Tariffs are putting pressure on low-cost imported raw materials and this is supporting premium prices from domestic suppliers” (Distributor, \$10-\$25M)
 - “Machine repair costs up 25-30%. Materials [are] a wild card. Most suppliers are domestic but their raw material prices are controlled by China. Will have to increase labor costs at least 5% for employees to cover rising prices.” (Manufacturer, <\$10M)

Market Uncertainty Colors Expectations

See below highlighted commentary from the survey related to uncertainty:

Distributor commentary

- “Minimal impact thus far, but things could change quickly based on the elevated tariffs that were announced last week.” (>\$3 billion in annual revenue)
- “As of this date, some suppliers have implemented price increases in anticipation of increased costs for them based on proposed tariffs. Others are holding awaiting firm information on tariffs.” (\$101-\$250M)
- “Most of our major OEMs have announced price increases by now but the impact is not large, yet...” (\$101-\$250M)
- “So far very limited impact on a relatively small percentage of the items we sell, but that is likely to change as the year goes on. It is creating a lot of busy work for our procurement team and adding to uncertainty on bids.” (\$101-\$250M)
- “The uncertainty of the tariffs has caused some Canadian suppliers to freeze their shipments, thus disrupting our supply chain. The potential tariff-induced price increases will push inflation higher and sales lower than would be expected without them.” (\$51-\$100M)
- “Still to be seen, but so far price increases from suppliers have been between 3% and 25%” (\$10-\$25M)
- “I think it’s a long-term benefit with potentially significant short term (1-3 years) pain.” (<\$10M)

- “Products sourced from outside the U.S. will clearly be impacted which is not many for our company. Others are based on manufacturing having some rising costs of imported raw materials but that should be impacted at a lower rate than the full tariff amount.” (<\$10M)

Manufacturer commentary

- “Not clear now, supply chains are integrated and globalized.” (\$501-\$999 million in annual revenue)
- “The fluidity of the tariffs is making it difficult to project costs in 2-3 months.” (\$101-\$250M)
- “No telling where this lands, we are watching for gouging in the market too” (\$51-\$100M)
- “Approximately 25-30% of our total revenue is derived from the automotive OEM supply chain. We (literally) have no idea as to what the level of North American auto production will be from June through December...and neither does anyone else” (\$26-\$50M)
- “If I could understand the impact of the myriad of tariffs that have been implemented across all of our imported products from multiple countries, I would provide commentary. I am unable to and I’m not sure if anyone can.” (\$26-\$50M)
- “Difficult to plan with an ever-changing landscape” (\$10-\$25 million)
- “Too soon to tell” (<\$10 million)
- “A recession may change our costs going forward, however we are factoring in large supplier increases over the next 3-6 months” (<\$10M)

Distributors and Manufacturers’ Response to Tariffs

So, all of the above covers how these respondents expected tariffs to impact their cost of goods sold. How are they combatting these higher costs? [We tackled that in this Premium article published April 18.](#)

QUARTERLY MDM-BAIRD DISTRIBUTION SURVEY

Research: Distributors, Manufacturers Split on Signs of Pullback & Investment

By Anna Debiec

Respondents in the 1Q25 Baird-MDM Industrial Distribution Survey were divided on 2025 demand and investment outlooks, as tariff uncertainty clouds confidence and prompts cautious strategic planning. See our full breakdown of the results. [Click for web version with original graphics](#)

With macroeconomic uncertainty the name of the game across wholesale distribution so far in 2025, Baird and MDM sought to poll an audience of distributors and manufacturers about how tariffs are impacting their outlook for product demand for the rest of 2025, as well as their plans for capital investment and growth plans.

To do so, we included a quartet of tariffs-focused questions in the 1Q25 Baird-MDM Industrial Distribution Survey, which was conducted during the first week of April and polled hundreds of respondents across all demographics and product lines in industrial, commercial and building supply verticals.

The respondents of this survey are closely monitoring tariff policies and their potential impact on 2025 capital investments and customer demand. Of the 334 write-in responses collected from the 1Q25 Baird-MDM Industrial Distribution Survey, some respondents voiced concerns about customer reluctance to make large investments, while others maintained a cautious approach toward new project investments.

We already detailed the results of our questions that asked about respondents' input on increasing cost of goods sold and how they plan to address those higher costs:

- [How Are Distributors Combatting Higher Costs from Tariffs? Here's What They Told Us](#) – April 18
- [Distributors Forecast Shaky 1-10% COGS Increase with Tariffs Influence](#) – April 21

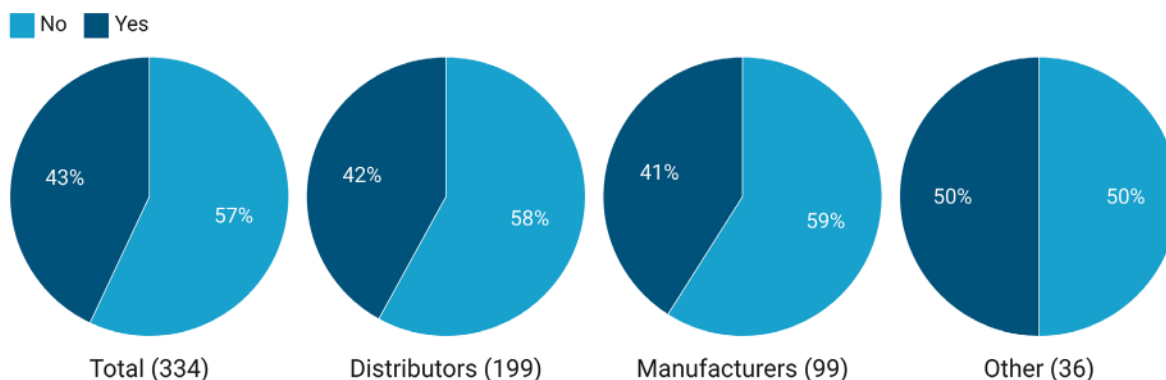
Here, we break down the survey's two questions regarding demand and capital investments.

Respondents Divided on 2025 Demand Outlook

We polled respondents to gauge whether they're seeing signs from customers that suggest a sharp demand slowdown through the rest of 2025. Here's how that shook out between respondents of different types – distributors, manufacturers and those who identified as other (manufacturer rep agencies, master distributors, consultants, buying groups, etc.):

Are you seeing signs among your customers (inbound orders, etc.) that would lead you to believe demand is set to pull back sharply over the remainder of 2025?

We sought to find how the onset of tariffs was impacting demand outlook for distributors and manufacturers in the 1Q25 Baird-Industrial Distribution Survey conducted in early April.



57% of all respondents said they do not expect a sharp pullback in demand. While clear signs of a significant slowdown have not emerged, many noted that customers remain cautious about making large investments — pointing to ongoing hesitancy and lingering uncertainty in the market.

Meanwhile, 43% of all respondents indicated they are seeing signs suggesting a sharp demand pullback may be on the horizon. Some noted that while customer orders haven't slowed yet, they anticipate a significant decline soon. Others expect a more modest slowdown, forecasting a slight to moderate dip in demand in the coming months.

Let's dive deeper with the results by respondent type.

Distributors

Of the 334 respondents to this question, 199 were distributors. 42% of them reported seeing signs among their customers that suggest a sharp decline in demand may be on the horizon for the remainder of the year.

Some distributors noted that consumer spending has remained steady despite broader economic uncertainty. Others said that while customers had not significantly reduced their spending, there was growing hesitation around making large investments. With that in mind, while some distributors are not forecasting a sharp pullback, they are not ruling one out either.

Manufacturers

Around 30% of respondents — 99 of the 334 — were manufacturers. Echoing the sentiment among distributors, 41% of manufacturers anticipate a sharp decline in demand over the coming year, while 59% do not expect a significant drop.

Some manufacturers indicated they believe product demand will remain stable, with pricing becoming the central concern — specifically, whether companies can increase prices to protect profit margins. However, others expect demand to weaken and continue to express concern over a potential recession.

Respondent commentary from both distributors and manufacturers reflected uncertainty surrounding the impact of tariffs on customer demand for the remainder of the year. While most respondents don't foresee a drastic pullback from customers, many do anticipate a moderate slowdown, driven by ongoing caution and market unpredictability.

Other

The “other” category included 36 respondents, and they reflected an even split in sentiment, with half of these respondents anticipating no decline in demand and the other half expecting pullback in the months ahead.

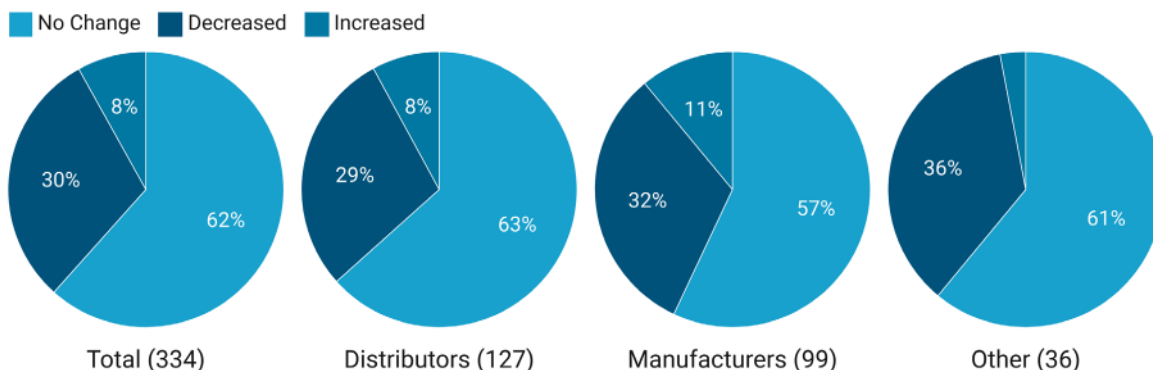
One Other respondent noted that uncertainty surrounding tariffs is pushing customers into “survival mode,” drawing parallels to the economic dynamics experienced during the COVID era. However, others remain optimistic, believing that the current situation may ultimately lead to a positive long-term impact. Overall, the responses emphasize a clear divide in outlook within this group.

Capital Investment Amid Economic Uncertainty

Our survey asked a follow-up question regarding asking respondents about how their capital investment and growth plans for 2025 have changed since the start of the year, if at all, to get an idea of how tariff-induced anxiety has affected their rest-of-year planning. Here's how that showed by respondent type:

Relative to your initial expectations coming into 2025, has there been any change to your expected capital investment and/or growth investment given recent market volatility/tariff news?

We sought to find how the impacts of tariffs have changed CapEx or growth plans of distributors and manufacturers for the remainder of 2025.



Overall, 61% of respondents indicated that there has been no change to their investments, while 30% reported a decline and 8% noted a potential increase in their investments.

Below is a more granular breakdown:

Distributors

Of the 199 distributors, 64% indicated they do not expect any change in their investment plans. However, a meager 8% anticipate an increase in their investments, while 30% expect a decrease, suggesting a cautious outlook due to market uncertainty.

Many distributors report that the optimism they had heading into 2025 has faded, leading some to cut operating expenses. However, increased inventory has been used as a hedge against tariffs, providing a buffer against potential impacts. Meanwhile, others have decided to delay new project investments until the market stabilizes in response to global tariff uncertainties.

Manufacturers

Among the 99 manufacturers who responded, 57% expect no change in capital spending and growth investments, while 11% foresee an increase and 32% anticipate a decrease.

Some manufacturers are reporting a reduction in inventory across all levels of the supply chain, driven partly by heightened recession risks, with some drawing comparisons to pre-election economic conditions. Others believe it is too early to assess the full impact of these changes, as the effects have not yet been fully realized. Meanwhile, a number of manufacturers are adjusting their market expectations for 2025 downward.

Other

The 36 respondents identifying as Other offered additional insight into investment expectations. Of these respondents, 61% expect no change in their investment plans, while 3% anticipate an increase, and 36% foresee a decline.

Many respondents noted that the effects may become more apparent in the third and fourth quarters of 2025, while others expressed that the numerous variables at play make it difficult to fully assess the long-term impact on investments and capital.

Selected Commentary

Here is a selection of 15 survey responses we found particularly interesting or well thought out that warranted sharing:

Distributors

- “Some think we are headed toward a recession because tariffs are causing the uncertainty that is the root cause of people reducing their capital spending. I think things are pretty flat for a lot of companies out there.”
- “While we haven’t seen signs that demand will pull back sharply over the remainder of 2025, we have seen signs from some customers that they are hesitant to make large investments. Because we’re not seeing it across the board, we’re not predicting a sharp pullback, but it’s a scenario that we cannot discount.”
- “We had a substantially weaker Q1 than the same period last year but that was coming off a very strong H1 in 2024. Q1 revenues were stronger than our Q3 and Q4 of 2024. To date, we have not seen a pullback in the number of orders we receive, but we have not had the number of “move the needle” big wins that we had in 2024. I am very concerned about the impact of the rhetoric of Trump on our future business, but it hasn’t YET really manifested itself.”
- “General optimism remains despite the slow start to the year. Much more of a traditional Q1 like it was prior to Covid on top of a more difficult winter weather season.”
- “We currently are seeing a lot of uncertainty with our OEM customers supplying automotive and heavy industry. There is an increase in our RFQ output. Closing them has slowed considerably.”
- “Our custom home building customers say that interest in their products has declined markedly beginning in the later part of last year and continues today. We have decided to make major expense investments in our ERP system and website.”
- “We are entering a growth season and investing a lot in growth regardless of what the macro environment does. We have seen the slowdown starting last year and are fighting back.”
- “While sales are down, we are winning new business in some areas. I have been in Industrial sales for over 40 years, selling is by far the toughest it has ever been. People want to save, but they do not have the employees to make the changes needed. No one has time to see you, and no one answers their phone. AI will help but then there will be challenges with all of the cheating and misrepresentation.”
- “Our single-family home builders with rising costs are predicting a slower 2nd & 3rd quarter -unless interest rates decline. Our capital expenditures are going to be slow, and we pace with our revenue forecast.”
- “There is still a level of uncertainty as to what the second half of the year will look like. Originally, we were hearing people expected the growth to come in the second half of the year but now I’m starting to believe that the growth comes in the first half, followed by a pullback in the second half of the year. Tariffs, copper prices, vendor price increases, operating cost increases, etc. are among the things our customers are still concerned about. So, long-term visibility is still cloudy.”

Manufacturers

- “Demand will decrease over the remainder of 2025, but I don’t believe that it will pull back sharply unless the government continues to implement risky, haphazard and not well thought out policies.”
- “Tariffs provide obstacles in rising prices and slower demand from recession and opportunities as a lower cost domestic supplier. Not sure which will have more effect.”
- “Growing concern for achieving full year expectation (w/o tariff effects) due to potential tariff and tax paralysis. Many customers across multiple industries are signaling a more cautious tone. Due to completion of survey timing, I will include yesterday’s tariff announcement in Q5.”
- “Seeing inventory reductions at all levels of the supply chain, driven in part by increased recession risk. We can’t commit the same CAPEX in an environment with this much uncertainty and chaos.”

- “The recent tariff announcements are going to have a profound impact on share shift between different manufacturers and purchase channels. Brand exclusivity arrangements that were once beneficial may now hamper growth as some brands are more exposed to tariffs that are unevenly applied to different countries of origin. Even domestic manufacturers who rely heavily on imported raw materials (such as steel in grades or thicknesses that U.S. steel mills are unable or unwilling to provide) such as us are going to be impacted. Different brands will have to adjust their pricing in different manners, which is likely to cause end users to change their shopping habits and preferences, possibly forcing them to evaluate new channels altogether. We are bracing for an extremely volatile demand environment and cutting planned investments until we gain more clarity on consumer demand.”

MERGERS & ACQUISITIONS

April M&A Roundup: Another Sluggish Month Illustrates PE’s Hesitation

By Mike Hockett

April tied March for the weakest month of distributor M&A activity that we’ve tracked since September 2023. Get a full recap of April’s distributor dealmaking here, including our year-to-date breakdown of deals by product category.

[Click for web version with original graphics](#) ➔

Merger and acquisition activity in wholesale distribution tends to follow the ebb-and-flow of the U.S. economy, and with uncertainty being the word of the day so far in 2025, it’s no surprise that dealmaking volume has likewise retracted.

MDM reported on 18 different transactions during April — either pending or completed — involving at least one distributor predominantly in building supply, industrial or commercial hardgood sectors. That figure matched March as having the lowest monthly volume since September 2023 (also 18). It trailed the 24 of April 2024, and was well off the pace of 28.8 deals per month seen in 2024.

Year-to-date through April, MDM tracked 80 distributor M&A transactions in 2025, with that pace of 20 per month likewise well short of 2024’s.

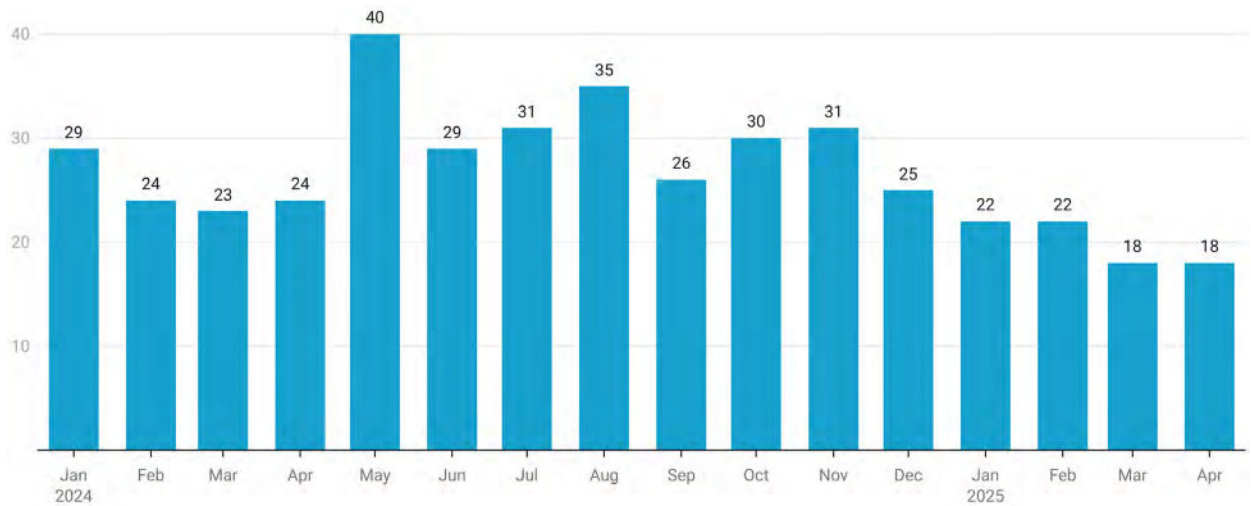
Market uncertainty tied to tariff impacts is undoubtedly the leading cause of the weaker activity. Investment banks MDM is regularly in talks with tell us that economic uncertainty

has made private equity firms — responsible for at least half of all industry M&A volume — very gun-shy about where to invest funds. They add that these PE firms are still sitting on plenty of dry powder, but tariff impacts have made finding an accurate valuation for companies in any industry extremely difficult.

Coming Aug. 13: MDM’s 2025 Virtual M&A Summit

If you’re looking for distribution M&A insights — both buy-side and sell-side — mark your calendars for Aug. 13, as that’s when MDM is hosting our 2025 Virtual M&A Summit. The half-day event will be filled with panels and 1-on-1s with experts well-versed in industry dealmaking, including distribution executives involved with buying and selling firms, investment banks with a wealth of knowledge on what private equity is looking for; advisory firms and consults who have guided distributors through the transaction process; and more. REGISTRATION IS FREE, and opens soon!

Distributor Deals Published Per Month by MDM



Year-to-Date Deal Count by Product Category (New!)

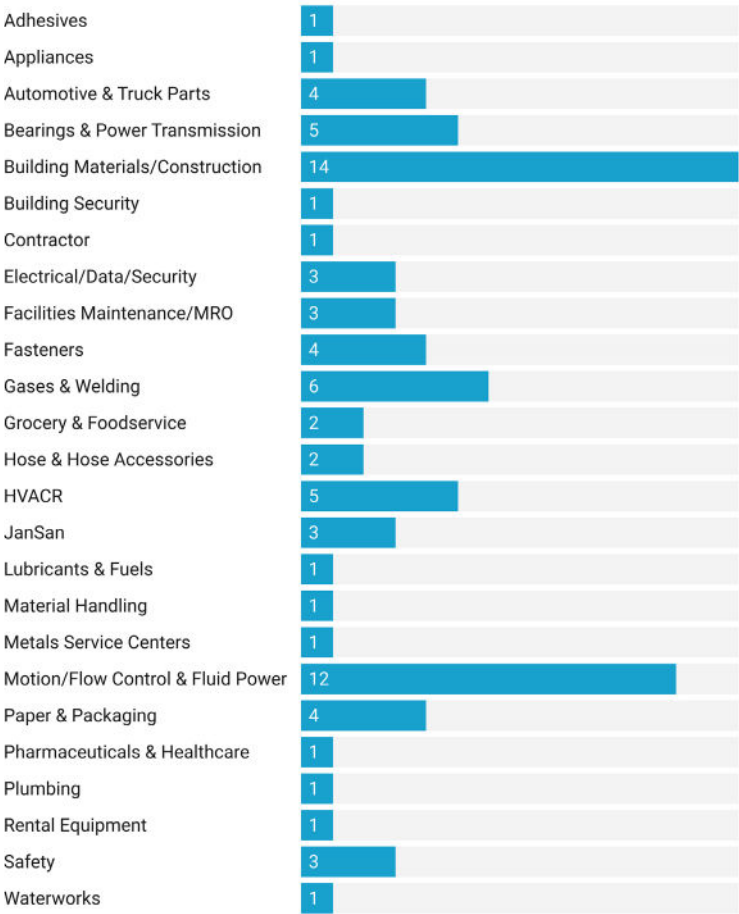
New to this roundup article is our breakdown of all deals we’ve reported on this year, tallied by product category. It’s something we’ve meant to provide for a long time, and did so for the first time in our [1Q25 M&A Report](#). We’ll also include it here in this monthly article, which is why we’re making our M&A roundups a Premium item starting with this one due to the additional research element.

Showing the tally of deals by product category provides a valuable visual for which verticals are seeing the most investment.

Building Materials & Construction led the way during April as the most active product category, tallying four deals. The largest, by far, was Foundation Building Materials buying REW Materials for \$600 million. That category leads all in 2025 so far with 14 deals tracked by MDM, with Motion/Flow Control & Fluid Power second with 12. Gases & Welding is a distant third with six, including two in April.

2025 Year-to-Date Distributor M&A Count by Product Category

MDM's 2025 year-to-date count for announced M&A deals involving at least one distributor in industrial, commercial and building supply product verticals. MDM counts deals that have been announced as pending or completed, but won't count them in each instance to avoid counting the same deal twice.



Source: MDM • Created with Datawrapper

MDM's April 2025 Distributor M&A News Coverage

Find our rundown of April distributor M&A news below, mostly in reverse chronological order.

Worth noting: We're not including QXO's now-completed acquisition of Beacon — announced April 29 — in our count because we already counted it when both companies confirmed the deal was pending back mid-March.

(click links to view news briefs)

Wine and spirits distributor **Johnson Brothers** will acquire the Texas, Arizona, Colorado and Florida operations of **Maverick Beverage Company**.

Santa Ana, CA-based building materials distributor **Foundation Building Materials, Inc** acquired **REW Materials** for \$600 million.

Canadian-based independent gas distributor **Core Industrial Gases** acquired **Cobourg Welding Supply**, effective April 7.

Hardware and finishing products distributor and manufacturer **Richelieu Hardware** acquired **Midwest Specialty Products** from M&A advisory firm Generational Group.

Plumbing, HVAC and industrial supplies distributor **Ferguson** acquired **Independent Pipe & Supply Corp** and **National Fire Equipment Ltd and National Fire Fabrication Ltd**.

Lubricants distributor **FUCHS Group** acquired **IRMCO Advanced Metalforming Lubricant Technologies**.

Home improvement retailer **Lowe's** is set to acquire **Artisan Design Group** from private equity firm Sterling Group for \$1.33 billion.

Building materials distributor **Kodiak Building Partners** acquired Boone, NC-based **New River Building Supply & Lumber Company**.

Building materials distributor **Builders FirstSource** acquired Nevada-based Truckee Tahoe Lumber, Co.

Pharmaceutical wholesale and specialty distributor **Morris & Dickinson** acquired **Presa Solutions**.

Automotive parts distributor **National Oak Distributors** and **Integrated Supply Network** have completed a merger.

Flow control and process equipment distributor **Tencarva Machinery** acquired **Atlantic Valve & Equipment**.

Foodservice distributor **CES Family of Companies** acquired Des Moines, IA-based **Bolton & Hay**.

St. Louis-based compressed gases, dry ice and welding equipment distributor **CK Supply** acquired **Columbia Welding and Machine**.

Dallas, TX-based electrical supplies distributor **Rexel USA** acquired **Schwing Electrical Supply**.

Adhesives solutions distributor and manufacturer **Applied Products**, which does business as APPLIED Adhesives, was acquired by private equity firm **Bertram Capital** from Arsenal Capital Partners.

Metal fabrication machinery distributor **Capital Machine Technologies, Inc.** received an investment from private equity firm **Rotunda Capital Partners**.

Locks, tools, commercial hardware and specialty doors distributor **Lockmasters** — a portfolio company of Dominus Capital — acquired **Astic Signals Defenses**.

What'd We Miss?

Of course, the list above doesn't encompass every M&A deal announced during December for relevant distributors. There will always be deals that weren't on our radar. If you don't see one here you think should be included, please let us know at editor@mdm.com.

MDM's Quarterly and Monthly M&A Reports

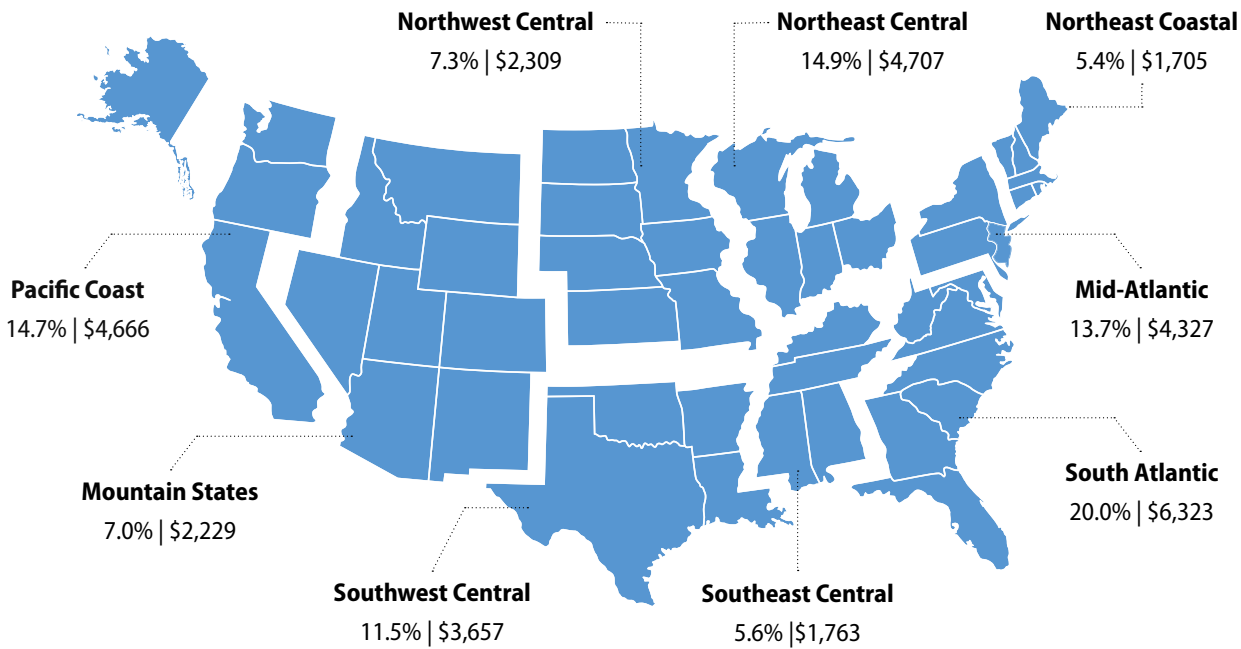
- [Here's our M&A Playbook](#)
- [Here's our 1Q25 M&A Report](#)
- [4Q24 M&A Report](#)
- [March 2025 M&A Roundup](#)
- [February 2025 M&A Roundup](#)
- [January 2025 M&A Roundup](#)

U.S. MARKET PROFILE

Janitorial Supplies

The estimated demand for janitorial supplies in the U.S. in 2025 is \$31.7 billion, according to MDM Analytics data. Estimates are end-user demand, in U.S. dollars, including distributor margin.

U.S. END-USER MARKET DEMAND FOR JANITORIAL SUPPLIES BY REGION, \$ MILLIONS (2025 EST.)



U.S. END-USER MARKET DEMAND FOR JANITORIAL SUPPLIES: TOP 10 END MARKETS

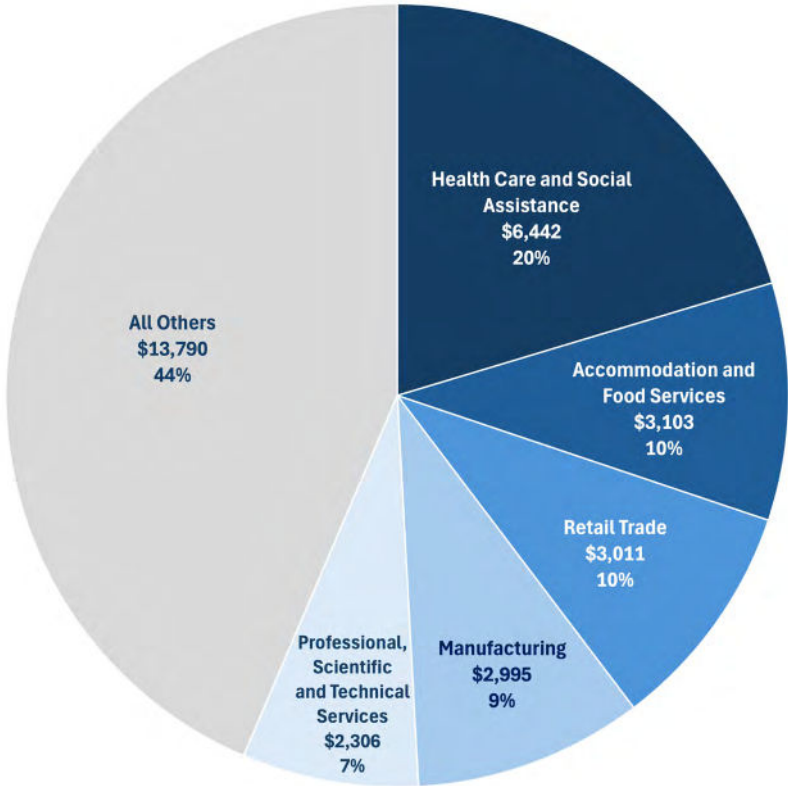
Industry Sector	Total Demand	% of Total	Accounts
General Medical and Surgical Hospitals	\$2,951,852,987	9.3%	43,778
Elementary and Secondary Schools	\$1,422,318,207	4.5%	203,130
Full-Service Restaurants	\$1,019,653,220	3.2%	379,471
Hotels (except Casino Hotels) and Motels	\$846,104,769	2.7%	97,018
Limited-Service Restaurants	\$793,236,225	2.5%	283,801
Janitorial Services	\$738,828,634	2.3%	97,519
Offices of Physicians (except Mental Health Specialists)	\$562,106,504	1.8%	394,753
Colleges, Universities, and Professional Schools	\$507,806,067	1.6%	40,907
Supermarkets and Other Grocery (except Convenience) Stores	\$498,032,819	1.6%	86,094
Nursing Care Facilities (Skilled Nursing Facilities)	\$479,043,086	1.5%	34,999

This market profile and segmentation was compiled by MDM Analytics, Washington, D.C. Learn more about MDM Analytics at www.mdm.com/analytics. Source: www.mdm.com/mdm-analytics. © 2025 MDM Analytics. All rights reserved. Permission to reprint/share: info@mdm.com

U.S. MARKET PROFILE

Janitorial Supplies (cont.)

U.S. JANITORIAL SUPPLIES TOTAL \$31.7 BILLION



U.S. END-USER MARKET DEMAND FOR JANITORIAL SUPPLIES: TOP END MARKETS

Industry Sector	Estimated Demand	% of Total	Accounts
Health Care and Social Assistance	\$6.442 billion	20.3%	1,674,494
Accommodation and Food Services	\$3.103 billion	9.8%	924,082
Retail Trade	\$3.011 billion	9.5%	1,847,583
Manufacturing	\$2.995 billion	9.4%	1,847,583
Professional, Scientific and Technical Services	\$2.306 billion	7.3%	2,448,153
All Others	\$13.790 billion	43.5%	9,904,011

This market profile and segmentation was compiled by MDM Analytics, Washington, D.C. Learn more about MDM Analytics at www.mdm.com/analytics. Source: www.mdm.com/mdm-analytics. © 2025 MDM Analytics. All rights reserved. Permission to reprint/share: info@mdm.com