

2024 Recap and 2025 Outlook: Specialty Distribution

2024 Recap

- In 2024, M&A activity across the specialty distribution sector surpassed the total annual volume recorded in 2023 and 2022. The increase in completed deals was driven by several key factors, including strong public equity market performance, easing inflation, an improved financing environment, and a substantial amount of private equity capital under significant deployment pressure.
- The distribution sector remains an attractive arena for M&A. Both strategic and financial buyers have actively targeted acquisitions across the distribution sector due to the size and expected growth of the markets served, long-term economic resiliency of the distribution business model, target rich acquisition environment in fragmented sectors (geographic and end market), favorable long-term growth trends and cash flow dynamics. On a combined basis, these factors have influenced how buyers view and approach M&A across the distribution sector as buyers can leverage these characteristics to drive substantial growth and to improve the financial and operational performance of their investments.

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