



HWC Vertex Acquisition

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- ◆ Any forward-looking statements speak only as of the date of this presentation and the company undertakes no obligation to publicly update such statements.

Vertex Overview

- ◆ Master distributor of standard, corrosion resistant & specialty alloy fasteners
- ◆ Estimated full-year 2016 sales of \$30 million
- ◆ Estimated diluted 2017 EPS accretion of \$0.10 - \$0.12
- ◆ Approximately 80 employees
- ◆ National distribution platform – 8 leased facilities
- ◆ Experienced sales & management teams
- ◆ Industry leading suppliers

Product and Service Offering

- ◆ Industry leader with strong market position
- ◆ Diverse product offering of over 12,000 SKUs
- ◆ Large stock inventory and in-house manufacturing of special alloy fasteners
- ◆ Approximately 1,500 customers
- ◆ Quality products from approximately 100 suppliers
- ◆ Similar end markets as HWC
- ◆ Experienced management and sales teams



- ◆ Investment Thesis

- HWC believes that Vertex is a great fit for its master distribution model and national distribution platform. Vertex meets all of HWC's investment criteria which includes:

- ◆ Gross and Operating margins that exceed the base HWC business
 - ◆ Large and fragmented total available market
 - ◆ End markets similar to HWC end markets
 - ◆ Products categories do not create channel conflict with existing customers
 - ◆ Distribution platform allows for operating leverage
 - ◆ Opportunities for organic and acquisitive growth
- Strong cultural alignment

Master Distribution Fastener Market and Vertex End Markets

Gross Margin & Operating Margin Exceed HWC Base Business

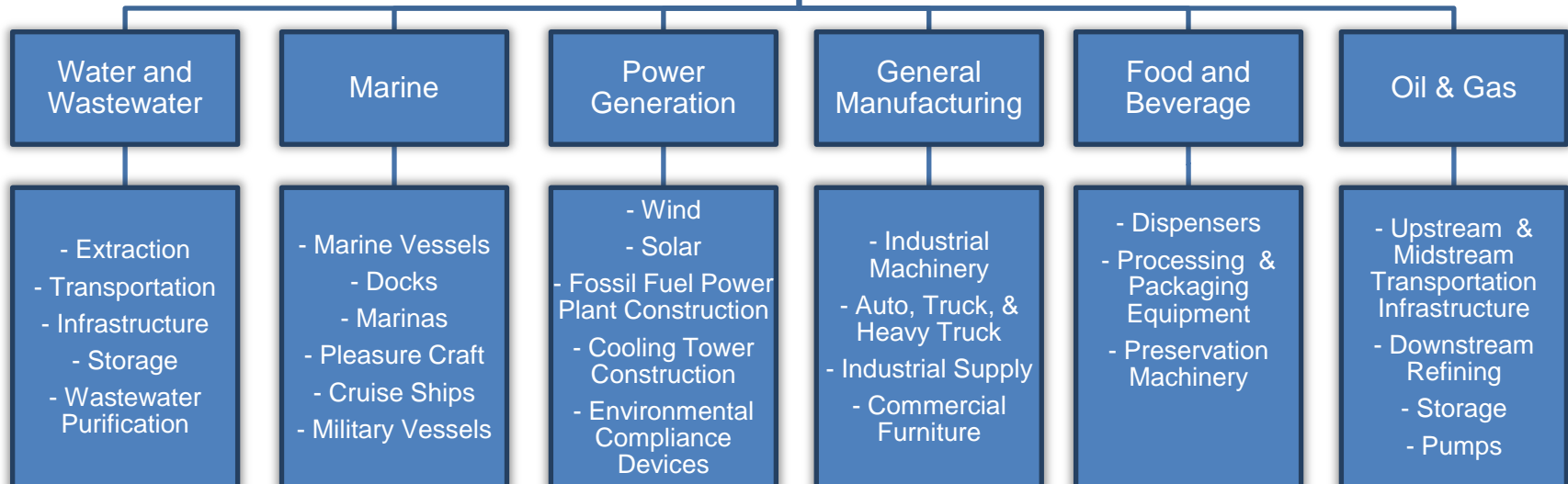
Gross Margin		Operating Margin	
HWC (1)	Vertex	HWC (1)	Vertex
21%	38%	6.5%	12%

(1) Typical HWCC results prior to oil & gas recession

Large & Fragmented Market

- Est. total available market: \$2B
- Est. 2016 Vertex revenue of ~\$30MM

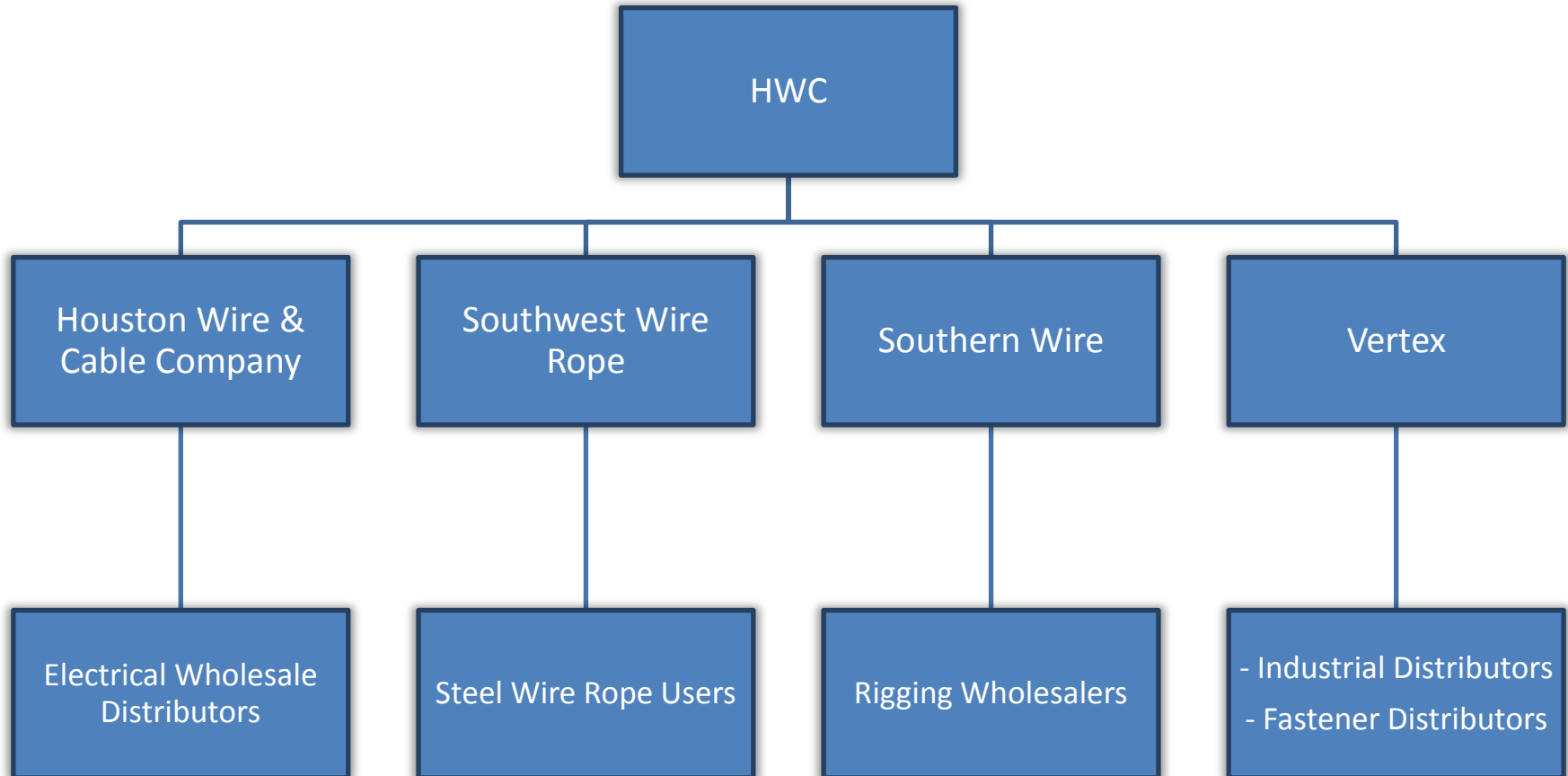
Primary End Markets



HWC and Vertex Distribution Center Locations



No Channel Conflict with Existing Customers



Financial Overview

- ◆ Total purchase price of \$32.3 million
- ◆ Estimated acquisition expenses of \$0.5 - \$0.7 million
- ◆ Sources of funding – Credit Facility
- ◆ Post close availability – approximately \$25 million
- ◆ Estimated full-year 2016 sales of \$30 million
- ◆ Estimated diluted 2017 EPS accretion \$0.10 - \$0.12

Corporate Contact Information

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