

PEAKSTONE

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Industrial & Manufacturing Industry M&A Update

June 2016



Peakstone Industrial & Manufacturing M&A Market Overview

- The following materials provide a market overview of the Industrial & Manufacturing industry sectors

- Stock price performance and valuation trends have been strong across most sectors. The following is an overview of the selected industries and their respective stock price performance over the last three years and current valuation levels [(Relative Stock Price) (Enterprise Value to EBITDA)]
 - Aerospace & Defense (9.1%) (10.6x)
 - Automotive (50.3%) (7.5x)
 - Building Materials (9.5%) (12.6x)
 - Business Services (28.9%) (13.6x)
 - Distribution (-43.0%) (16.0x)
 - Electrical Equipment (7.7%) (12.0x)
 - Engineering Services (16.1%) (9.3x)
 - Environmental Services (22.8%) (14.8x)
 - Industrial Filtration (-12.0%) (11.9x)
 - Machinery (33.9%) (11.8x)
 - Packaging (21.4%) (10.1x)
 - Paper & Forest Products (5.6%) (8.2x)

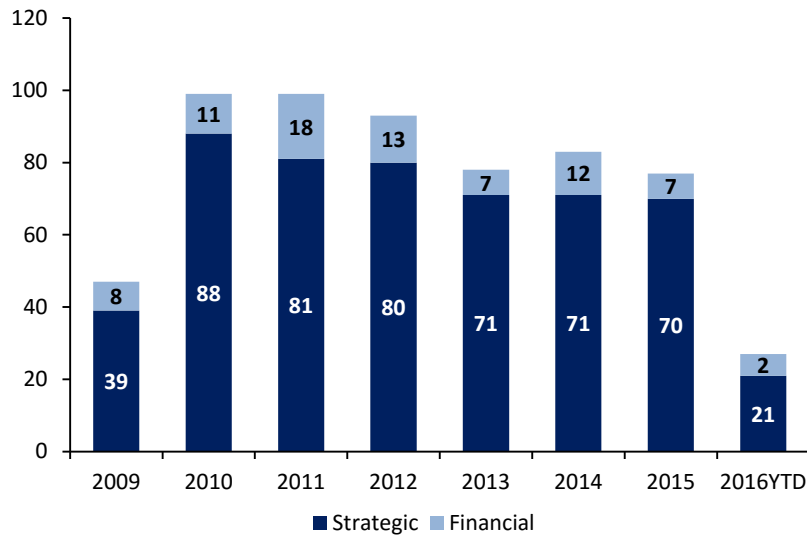
Industrial & Manufacturing Industry Update

- For year-to-date 2016, strategic buyers accounted for 91% of industrial & manufacturing M&A transactions
 - During 2015, strategic buyers accounted for just over 90% of the transactions
- For closed transactions, industrial & manufacturing transaction multiples increased from 8.4x EBITDA and 1.3x revenue in 2014 to 10.5x EBITDA and 1.1x revenue in 2015
- Notable publicly announced 2016 M&A transactions:
 - American Securities signed a definitive agreement to acquire Blount International, Inc. for \$882 million
 - Acon Investment, Fairfax Financial Holdings and Albright Capital Management made an offer to acquire APR Energy plc for approximately \$771 million
 - LKQ Corporation entered into a definitive merger agreement to acquire Pittsburgh Glass Works LLC for approximately \$635 million
 - Southern Company entered into an agreement to acquire PowerSecure International, Inc. for approximately \$445 million
 - Salini Impregilo S.p.A. agreed to acquire Lane Industries, Inc. for approximately \$410 million
- Notable IPO's include CNX Coal Resources LP, Green Plains Partners LP, Milacron Holdings, JELD-WEN Holdings, Inc. and Atkore International Group, Inc.

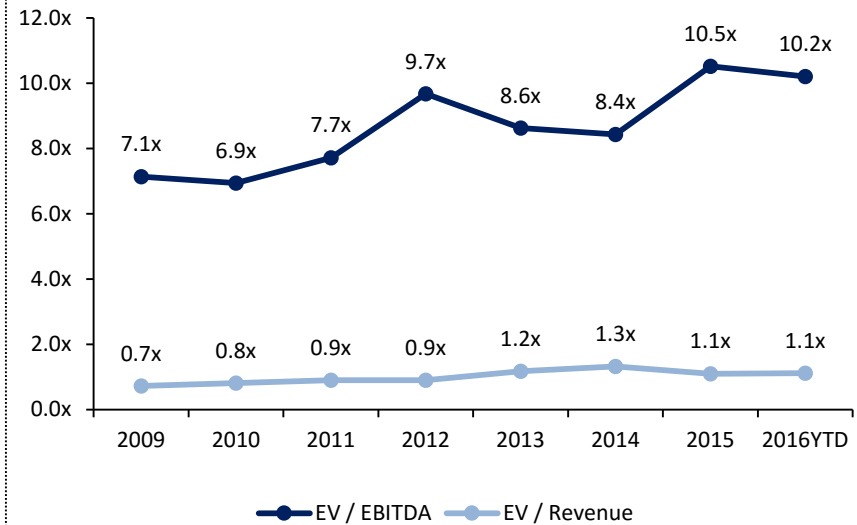
Industrial & Manufacturing Industry - M&A Market Overview

Industrial & Manufacturing transaction activity has been strong, with valuation trends increasing

U.S. Industrial & Manufacturing Transactions by Buyer Type



U.S. Industrial & Manufacturing Transaction Multiples



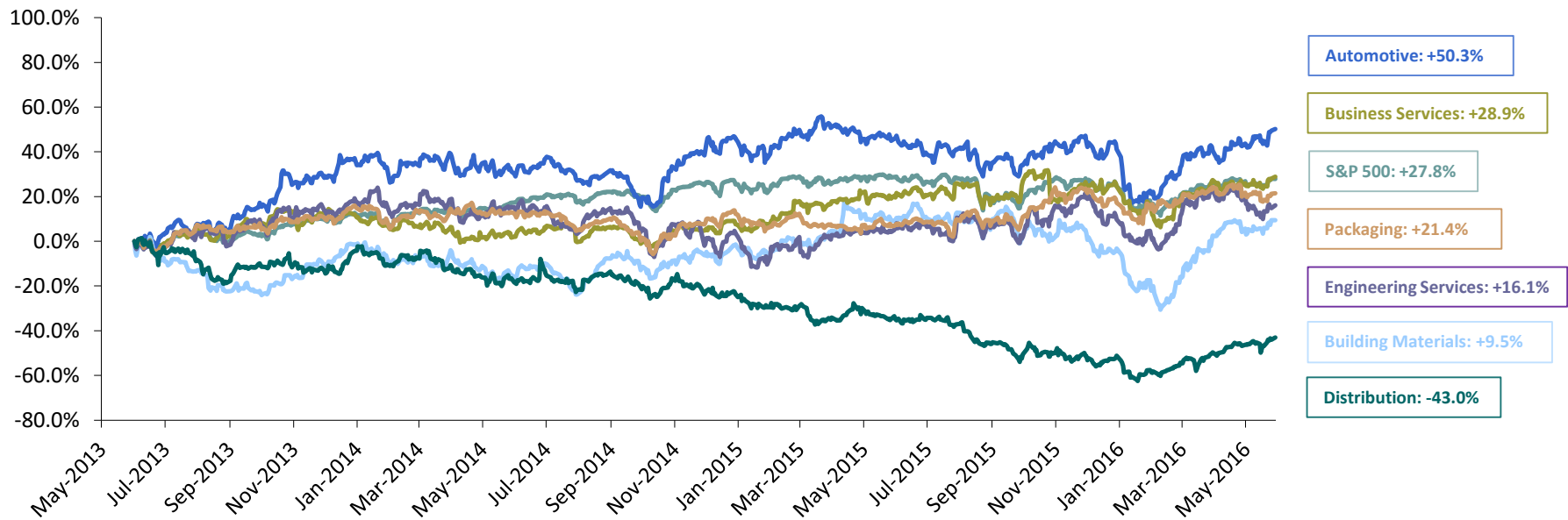
Source: Capital IQ

Notes:

- US Industrial Manufacturing data represents middle market companies with revenues between \$10 million and \$2 billion
- US Industrial Manufacturing Transactions by Buyer Type only includes categorized transactions
- US Industrial Manufacturing Multiple excludes data outliers

Peakstone Industrial & Manufacturing Index - Trading Statistics

Relative Stock Performance – Group 1



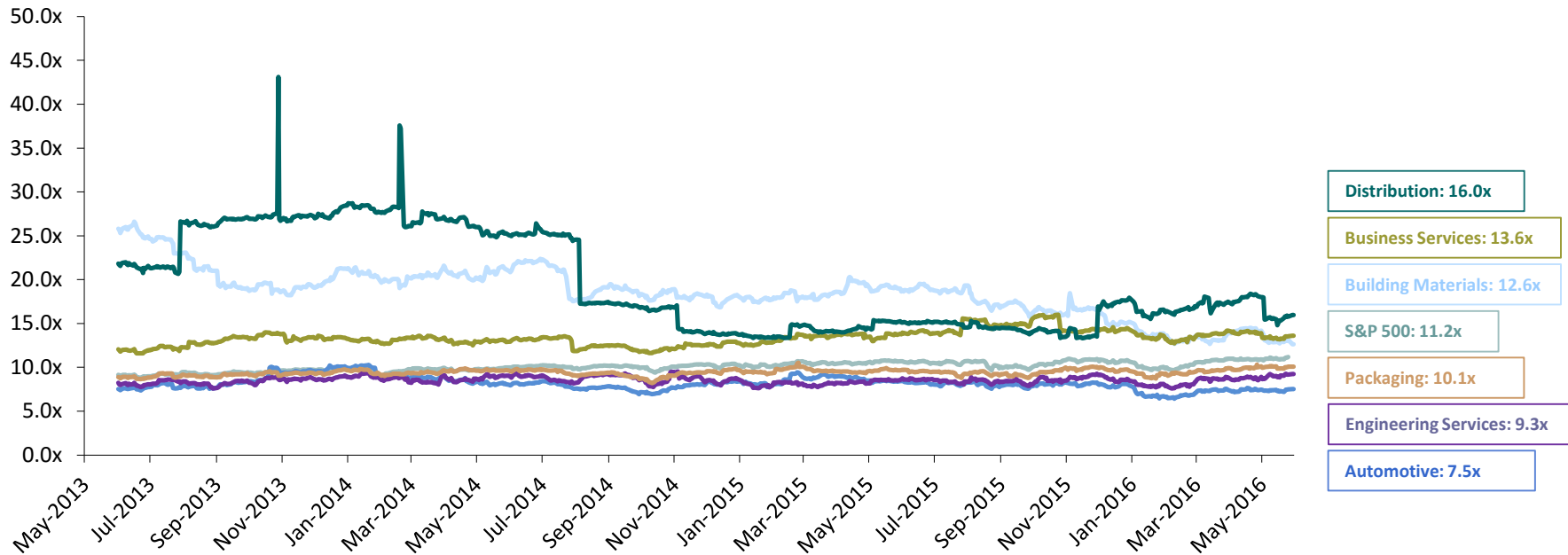
Source: Capital IQ

Notes:

- Peakstone Industrial & Manufacturing Indexes represent middle market companies with revenue between \$10 million and \$2 billion

Peakstone Industrial & Manufacturing Index - Trading Statistics (continued)

Comparable Valuation Trends – Enterprise Value/EBITDA – Group 1

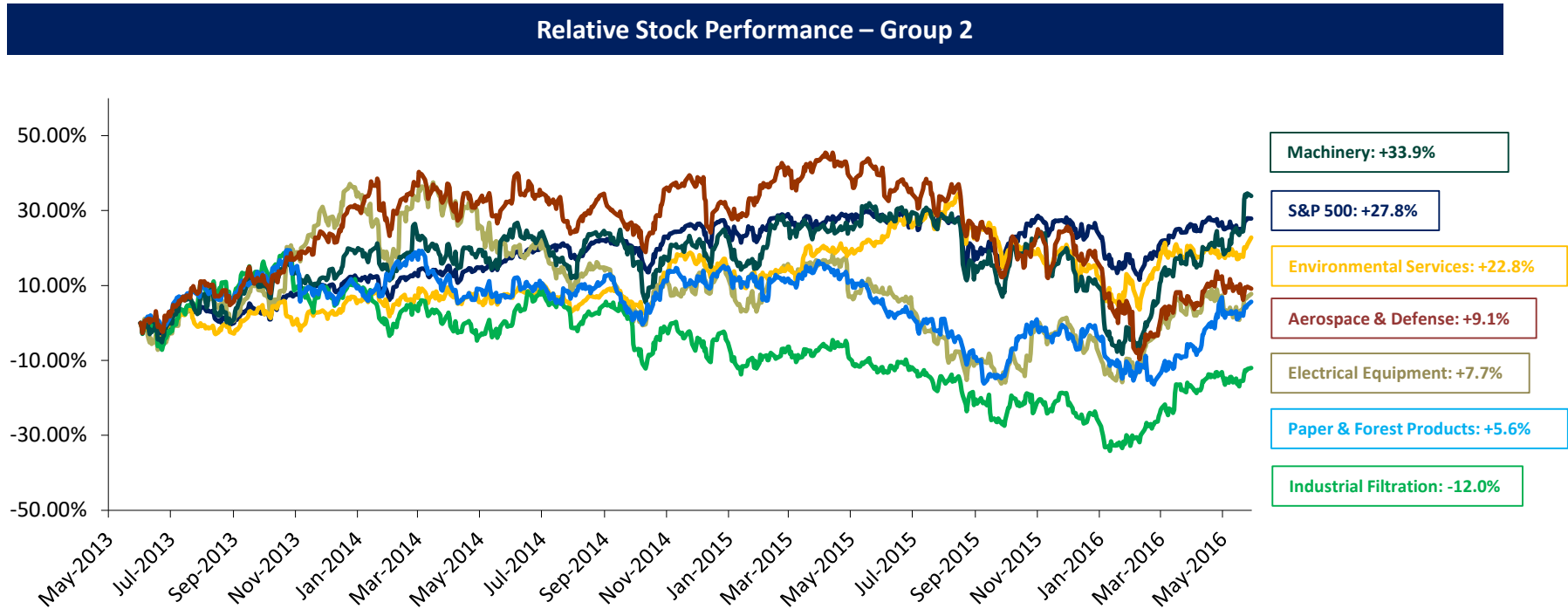


Source: Capital IQ

Notes:

- Peakstone Industrial & Manufacturing Indexes represent middle market companies with revenue between \$10 million and \$2 billion

Peakstone Industrial & Manufacturing Index - Trading Statistics (continued)



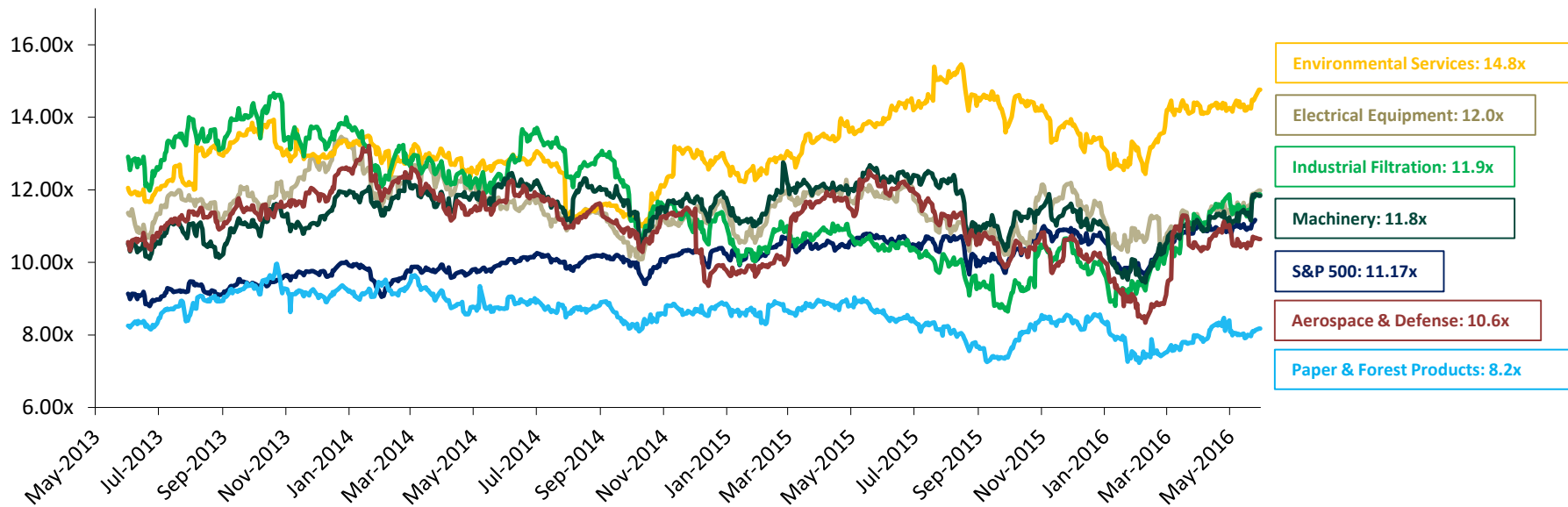
Source: Capital IQ

Notes:

- Peakstone Industrial & Manufacturing Indexes represent middle market companies with revenue between \$10 million and \$2 billion

Peakstone Industrial & Manufacturing Index - Trading Statistics (continued)

Comparable Valuation Trends – Enterprise Value/EBITDA – Group 2



Source: Capital IQ

Notes:

- Peakstone Industrial & Manufacturing Indexes represent middle market companies with revenue between \$10 million and \$2 billion

Public Trading Comparables by Sector

(\$, in Millions) Industrial Manufacturing Sectors	Enterprise Value /			Forward	Gross	EBITDA
	Revenue	EBITDA	EBIT	P/E Ratio	Margin %	Margin %
Aerospace & Defense	1.1x	11.1x	18.3x	16.5x	27.4%	8.8%
Automotive	0.7x	8.3x	10.6x	13.8x	23.2%	8.5%
Building Materials	1.3x	11.1x	13.9x	20.1x	23.8%	10.5%
Business Services	0.9x	9.8x	12.8x	17.2x	19.7%	8.7%
Engineering Services	0.6x	9.8x	12.7x	16.7x	14.5%	6.7%
Packaging	1.0x	7.3x	11.6x	20.3x	17.7%	11.9%
Distribution	0.7x	11.9x	16.2x	19.1x	23.1%	7.5%
Electrical Equipment	0.8x	10.2x	14.0x	19.1x	26.1%	4.7%
Environmental Services	1.0x	10.3x	15.8x	17.7x	27.7%	6.6%
Industrial Filtration Systems	1.6x	12.0x	15.6x	20.8x	33.1%	14.2%
Machinery	1.2x	8.9x	13.9x	19.3x	24.0%	11.4%
Paper & Forest Products	1.5x	9.8x	14.4x	14.1x	21.5%	13.4%

Industrial Manufacturing Sectors Median:

1.0x	10.0x	14.0x	18.4x	0.2x	0.1x
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As of May 31, 2016

Source: Capital IQ

Selected Industrial & Manufacturing Industry Transactions

Date	Target/Issuer	Size		EV/	
		(\$ mm)	Buyers/Investors	EBITDA	Transaction Comments
05/04/2016	J.J. Plank Corporation	\$18.0	Xerium Technologies Inc. (NYSE:XRM)		- Xerium Technologies Inc. (NYSE:XRM) signed an agreement to acquire J.J. Plank Corporation for \$18 million on May 3, 2016. Under the terms, Xerium will pay \$16.25 million in cash upon closing and the remainder at certain post-closing milestones.
05/03/2016	Danya International, Inc.	\$38.9	DLH Holdings Corp. (NasdaqCM:DLHC)	7.3x	DLH Holdings Corp. (NasdaqCM:DLHC) acquired Danya International, Inc. from Jeff Hoffman and others for \$38.9 million in cash and stock on May 3, 2016.
05/02/2016	TNT Energy, LLC	\$15.1	Revolution Lighting Technologies, Inc. (NasdaqCM:RVLT)	6.4x	Revolution Lighting Technologies, Inc. (NasdaqCM:RVLT) entered into a membership interest purchase agreement to acquire TNT Energy, LLC from Timothy M. Blanchard and Theodore A. Carmone for \$15 million on May 2, 2016.
04/13/2016	Waterworks Operating Company LLC	\$117.0	Restoration Hardware Holdings, Inc. (NYSE:RH)		- Restoration Hardware Holdings, Inc. (NYSE:RH) agreed to acquire Waterworks Operating Company LLC from Peter Sallick, Ralph Bennett and others for approximately \$120 million on April 12, 2016.
04/01/2016	Downhole Technology LLC	\$103.0	Schoeller-Bleckmann Oilfield Equipment AG (WBAG:SBO)		- Schoeller-Bleckmann Oilfield Equipment AG (WBAG:SBO) acquired 68% stake in Downhole Technology LLC from Pelican Energy Partners LP and the management team of Downhole Technology for approximately \$100 million on April 1, 2016.
03/23/2016	The Paslin Company	\$302.0	Zhejiang Wanfeng Technology Development Co., Ltd.		- Zhejiang Wanfeng Technology Development Co. acquired The Paslin Company from Tower Three Partners LLC and other shareholders for approximately \$300 million on March 23, 2016.
03/21/2016	Airco Industries, Inc.	\$2.7	FTG Aerospace		- FTG Aerospace acquired all of the assets of Airco Industries, Inc. for \$2.7 million on March 21, 2016. For the fiscal year ending 2015, Airco Industries, Inc. had revenues of \$6.2 million.
03/10/2016	Bloom Energy Corporation	\$3.0	-		- GSV Capital Corp. (NasdaqCM:GSVC), a fund managed by GSV Asset Management, LLC sold an unknown stake in Bloom Energy Corporation for \$3 million on March 4,
03/01/2016	IntegraColor, LLC	\$77.0	Orora Limited (ASX:ORA)		- Orora Limited (ASX:ORA) acquired IntegraColor, Ltd. for \$77 million on March 1, 2016. Up-front price of \$70 million was paid on completion while reps and warranties holdback of \$7 million will be paid in equal instalments after 12 months and 18 months from the date of acquisition.
02/29/2016	API Technologies Corp.	\$310.5	J.F. Lehman & Company	15.1x	J.F. Lehman & Company (JFLCO) signed a definitive agreement to acquire API Technologies Corp. (NasdaqCM:ATNY) for approximately \$110 million in cash on February 28, 2016.
02/29/2016	Pittsburgh Glass Works LLC	\$635.0	LKQ Corp. (NasdaqGS:LKQ)		- LKQ Corp. (NasdaqGS:LKQ) entered into a definitive agreement to acquire Pittsburgh Glass Works LLC from Kohlberg & Company, L.L.C. and PPG Industries, Inc. (NYSE:PPG) for an enterprise value of approximately \$640 million

Selected Industrial & Manufacturing Industry Transactions (continued)

Date	Target/Issuer	Size	EV/	Transaction Comments
		(\$ mm)	Buyers/Investors	
02/29/2016	Flair Interiors, Inc.	\$8.1	Lippert Components, Inc.	- Lippert Components, Inc. acquired certain assets and business of Flair Interiors Inc for \$8.1 million on February 29, 2016. The transaction is funded from borrowings under Drew Industries Incorporated's \$100 million line of credit.
02/24/2016	PowerSecure International, Inc.	\$444.6	Southern Company (NYSE:SO)	18.6x Southern Company (NYSE:SO) entered into an agreement to acquire PowerSecure International, Inc. (NYSE:POWR) for \$420 million on February 24, 2016. Southern Company will acquire 22.5 million shares of PowerSecure at \$18.75 per share and 0.44 million options in the deal.
02/24/2016	Prestone Products Corporation	\$230.0	KIK Custom Products, Inc.	- KIK Custom Products Inc. signed an agreement to acquire Prestone Products Corporation from Autoparts Holdings Limited and UCI Holdings Limited for \$230 million on February 24, 2016. Funding for the purchase comes from Centerbridge
02/23/2016	NWP Services Corporation	\$70.0	RealPage, Inc. (NasdaqGS:RP)	11.3x RealPage, Inc. (NasdaqGS:RP) agreed to acquire NWP Services Corporation for \$70 million in cash on February 23, 2016. RealPage will pay \$68 million in cash, \$70 million less expected cash acquired.
02/16/2016	AFX Industries L.L.C.	\$77.0	Exco Technologies Limited (TSX:XTC)	- Exco Technologies Limited (TSX:XTC) entered into an agreement to acquire AFX Industries L.L.C. for \$77 million on February 16, 2016. Consideration will be satisfied \$73 million in cash and \$4 million in debt assumed liabilities.
02/16/2016	Aerex Industries Inc.	\$7.7	Consolidated Water U.S. Holdings, Inc.	- Consolidated Water U.S. Holdings, Inc. entered into stock purchase agreement to acquire 51% stake in Aerex Industries Inc. from Thomas Donnick for \$7.7 million in cash on February 11, 2016.
02/05/2016	Akron Brass Company	\$224.2	IDEX Corporation (NYSE:IEX)	8.8x IDEX Corporation (NYSE:IEX) entered into a conditional agreement to acquire Akron Brass Company from Celdis Limited and Premier Farnell Corporation for approximately \$220 million in cash on February 4, 2016.
02/03/2016	Kurion, Inc.	\$350.0	Veolia Environnement S.A. (ENXTPA:VIE)	- Veolia Environnement S.A. (ENXTPA:VIE) agreed to acquire Kurion, Inc. from Lux Capital Management, Firelake Capital Management, LLC, Acadia Woods Partners, LLC and others for \$350 million on February 3, 2016. The consideration excludes Kurion's cash position.
02/03/2016	AIM Aerospace, Inc.	\$220.0	Northwestern Mutual Capital LLC; BlackRock Private Equity Partners; Farol Asset Management, LP; Liberty Hall Capital Partners, L.P.	- Liberty Hall Capital Partners, L.P., Farol Asset Management, LP, funds managed by BlackRock Private Equity Partners, Northwestern Mutual Capital and other leading institutional investors acquired AIM Aerospace, Inc. from AIM Aviation Ltd. for \$220 million on February 3, 2016.
02/02/2016	MICO, Incorporated	\$74.5	WABCO Holdings Inc. (NYSE:WBC)	- WABCO Holdings Inc. (NYSE:WBC) acquired MICO, Inc. for \$74.5 million on February 1, 2016. Consideration included \$7.3 million of cash acquired.
01/05/2016	Gemcor II, LLC	\$44.0	Ascent Aerospace	- Ascent Aerospace entered into an entered into an asset purchase agreement to acquire substantially all of the assets of Gemcor II, LLC from Rand Capital SBIC, L.P. and others for \$44 million in cash on December 29, 2015.

Selected Industrial & Manufacturing Industry Transactions (continued)

Date	Target/Issuer	Size		EV/	
		(\$ mm)	Buyers/Investors	EBITDA	Transaction Comments
01/04/2016	Underground Solutions, Inc.	\$85.0	Aegion Corporation (NasdaqGS:AEGN)		- Aegion Corporation (NasdaqGS:AEGN) entered into a definitive agreement to acquire Underground Solutions, Inc. (OTCPK:UGSI) from UGSI, Inc. for \$85 million in cash on January 4, 2016. Aegion will acquire 622 million shares at \$0.14 per share.
01/04/2016	Deluxe Packages	\$45.0	Amcors Limited (ASX:AMC)		- Amcor Limited (ASX:AMC) acquired Deluxe Packages from Paperboard Packaging Corporation for \$45 million on January 4, 2016. The acquired Deluxe Packages business of Paperboard Packaging Corporation will form part of Amcor's Flexibles Americas business group.
12/31/2015	Paladin Consulting, Inc.	\$6.5	General Employment Enterprises Inc. (AMEX:JOB)	15.6x	General Employment Enterprises Inc. (AMEX:JOB) acquired Paladin Consulting, Inc. from Enoch S. Timothy and Dorothy Timothy for \$4 million on December 31, 2015. Under the terms, General Employment will pay \$1.75 million in cash, \$1.25 as earnout and \$1 million in promissory note.
12/30/2015	Load King, LLC	\$6.5	Utility One Source Forestry Equipment LLC	8.2x	Utility One Source Forestry Equipment LLC acquired Manitex Load King, Inc. from Manitex International, Inc. (NasdaqCM:MNTX) for \$6.5 million in cash on December 28, 2015. Utility One will pay \$6.53 million in cash minus \$1.67 million which will be used to pay Load King bank indebtedness.
12/22/2015	Red Valve Company, Inc.	\$128.4	Process Equipment Group, Inc.	10.6x	Process Equipment Group, Inc. entered into an agreement to acquire Red Valve Company, Inc. from its shareholders for approximately \$130 million in cash on December 18, 2015. The aggregate purchase price of \$131 million in cash is subject to certain post-closing adjustments.
12/21/2015	Robertson Fuel Systems, LLC	\$255.0	HEICO Electronic Technologies Corp.		- HEICO Electronic Technologies Corp. entered into an agreement to acquire Robertson Fuel Systems, LLC from American Securities LLC for approximately \$260 million in cash on December 18, 2015.
12/15/2015	Whitehouse Analytical Laboratories, LLC	\$57.4	Albany Molecular Research Inc. (NasdaqGS:AMRI)	10.5x	Albany Molecular Research Inc. (NasdaqGS:AMRI) acquired Whitehouse Laboratories for \$56 million in cash and stock on December 15, 2015. As a part of consideration, Albany Molecular Research Inc. is paying \$54 million in cash and additional \$2 million in stock.
12/10/2015	Blount International Inc.	\$882.0	American Securities; P2 Capital Partners, LLC	8.3x	American Securities, P2 Capital Master Fund I, LP managed by P2 Capital Partners, LLC, Josh Collins and David Willmott signed a definitive agreement to acquire Blount International Inc. (NYSE:BLT) from P2 Capital Partners, LLC.
12/08/2015	The Bartech Group, Inc.	\$126.0	Impellam Group PLC (AIM:IPEL)		- Impellam Group PLC (AIM:IPEL) entered into an agreement to acquire The Bartech Group, Inc. from Sverica International and others for approximately \$130 million in cash and stock on December 8, 2015.
12/07/2015	UpWind Solutions, Inc.	\$60.0	Vestas Wind Systems A/S (CPSE:VWS)		- Vestas Wind Systems A/S (CPSE:VWS) acquired UpWind Solutions, Inc. from MissionPoint Capital Partners and Green Growth Fund I, L.P. managed by Kleiner Perkins Caufield & Byers for \$60 million in cash on December 7, 2015. The purchase

Selected Industrial & Manufacturing Industry Transactions (continued)

Date	Target/Issuer	Size		EV/	
		(\$ mm)	Buyers/Investors	EBITDA	Transaction Comments
12/04/2015	TRC Acquisition, LLC	\$17.5	Argan, Inc. (NYSE:AGX)		- Argan, Inc. (NYSE:AGX) acquired TRC Acquisition, LLC from MSR Fund II, L.P., a fund of Main Street Resources and Ironwood Mezzanine Fund II, L.P., a fund of Ironwood Capital and others for \$17.5 million on December 4, 2015.
12/02/2015	ESCO Energy Services Company	\$3.5	PowerSecure International, Inc.		- PowerSecure International, Inc. (NYSE:POWR) acquired ESCO Energy Services Company from ForceField Energy Inc. (OTCPK:FNRG) for \$3.5 million on December 1, 2015.
12/01/2015	SIMOS Insourcing Solutions, Inc.	\$67.5	TrueBlue, Inc. (NYSE:TBI)		- TrueBlue, Inc. (NYSE:TBI) acquired SIMOS Insourcing Solutions for \$67.5 million on December 1, 2015. The purchase price is expected to be funded from existing credit facility. An additional cash payment may be payable in 2017 based on SIMOS achieving certain performance criteria in 2016.
11/25/2015	EMCO High Voltage Corporation	\$12.0	XP Power Ltd. (LSE:XPP)		- XP Power Ltd. (LSE:XPP) acquired the assets of Emco High Voltage Corporation for \$12 million in cash on November 24, 2015. The deal was financed with a new \$12 million term debt facility.
11/24/2015	Torqued-Up Energy Services, Inc.	\$9.5	Cougar Pressure Control LLC		- Cougar Pressure Control LLC signed a letter of intent to acquire substantially all of the assets of Torqued-Up Energy Services, Inc. from Cadent Energy Partners, LLC, Torqued-Up Enterprises, LLC and other shareholders on November 10, 2015.
11/19/2015	Breeze-Eastern Corporation	\$142.8	TransDigm Group Incorporated (NYSE:TDG)	7.9x	TransDigm Group Incorporated (NYSE:TDG) entered into a definitive agreement to acquire Breeze-Eastern Corporation (AMEX:BZC) for approximately \$190 million on November 18, 2015.
11/12/2015	Lane Industries Incorporated	\$406.0	Salini Impregilo S.p.A. (BIT:SAL)		- Salini Impregilo S.p.A. (BIT:SAL) agreed to acquire Lane Industries Incorporated for \$410 million on November 11, 2015. Under the terms of the agreement, the consideration will be net of adjustments that will be defined at closing and takes into account the value of Lane Industries Incorporated's stakes in Joint Ventures.
11/06/2015	Canterbury Engineering Company, Inc.	\$22.2	Milacron Holdings Corp. (NYSE:MCRN)		- Milacron Holdings Corp. (NYSE:MCRN) agreed to acquire Canterbury Engineering Company, Inc. from CHB Capital Partners III, L.P. managed by CHB Capital Partners, Northstar Mezzanine Partners III, L.P. managed by Northstar Capital, LLC and others for \$22.2 million on November 5, 2015.
11/02/2015	Furmanite Corporation	\$359.7	Team, Inc. (NYSE:TISI)	9.2x	Team, Inc. (NYSE:TISI) signed a definitive agreement to acquire Furmanite Corporation (NYSE:FRM) for approximately \$290 million in stock on November 1, 2015. Under the terms of the agreement, Furmanite stockholders will receive 0.215 shares of Team
10/28/2015	Aqua-Aerobic Systems, Inc.	\$87.0	Metawater USA, INC.		- Metawater USA, INC. entered into a agreement to acquire Aqua-Aerobic Systems, Inc. from a group of sellers for \$87 million on October 28, 2015. The group of sellers includes John D. Brubaker holding 51.84%, Robert J. Wimmer holding 23.13% and 17

Peakstone Selected Industrial & Manufacturing Transactions



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Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com or contact Carolyn Henson at chenson@peakstone.com or 312-204-7300.