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Industrial & Manufacturing Industry M&A Update

October 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 (4.7%) (12.4x)
 - Automotive (45.8%) (8.0x)
 - Building Materials (33.7%) (10.5x)
 - Business Services (25.0%) (13.1x)
 - Distribution (-38.2%) (12.2x)
 - Electrical Equipment (1.2%) (12.8x)
 - Engineering Services (8.0%) (9.1x)
 - Environmental Services (24.8%) (15.1x)
 - Industrial Filtration (-12.0%) (13.0x)
 - Machinery (29.3%) (12.1x)
 - Packaging (20.1%) (10.4x)
 - Paper & Forest Products (3.0%) (8.3x)

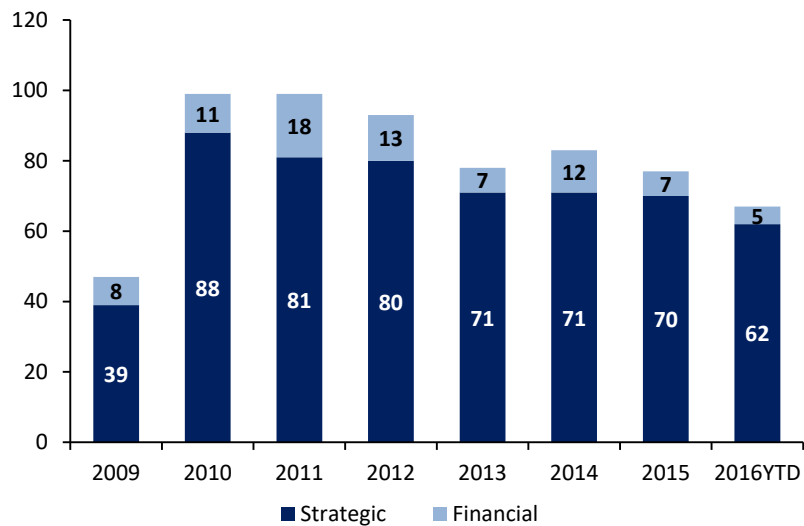
Industrial & Manufacturing Industry Update

- For year-to-date 2016, strategic buyers accounted for approximately 93% 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:
 - Tesla Motors, Inc. made a proposal to acquire SolarCity Corporation for approximately \$7.1 billion
 - Cintas Corporation entered into a definitive agreement to acquire G&K Services, Inc. for approximately of \$2.2 billion
 - Teleperformance SE entered into a definitive agreement to acquire LanguageLine Solutions, Inc. for approximately \$1.5 billion
 - Konecranes Plc agreed to acquire Terex Corporation, Material Handling and Port Solutions business for approximately \$1.3 billion
 - Sovran Acquisition LP entered into a definitive agreement to acquire Lifestorage, LP for \$1.3 billion
- Notable IPO's include Forterra, Green Plains Partners LP, Milacron Holdings, JELD-WEN Holdings, Inc. and Atkore International Group, Inc.

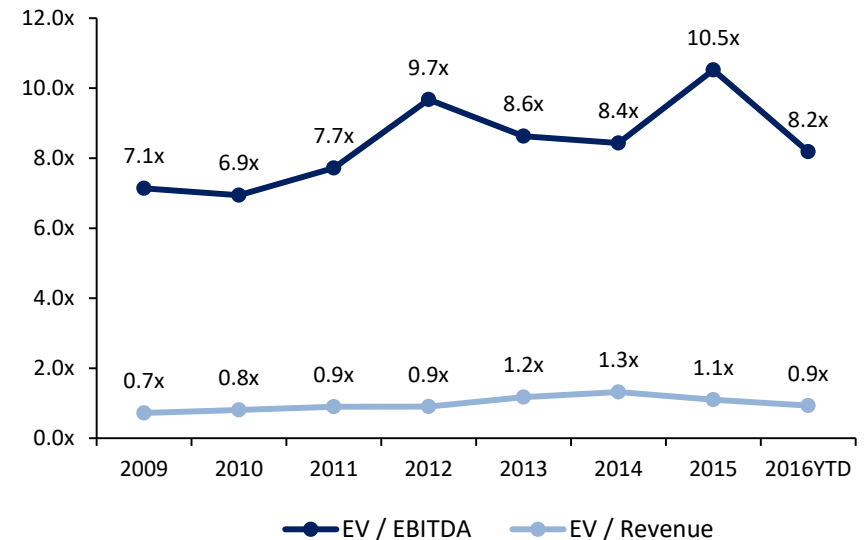
Industrial & Manufacturing Industry - M&A Market Overview

Industrial & Manufacturing transaction activity has been strong

U.S. Industrial & Manufacturing Transactions by Buyer Type



U.S. Industrial & Manufacturing Transaction Multiples

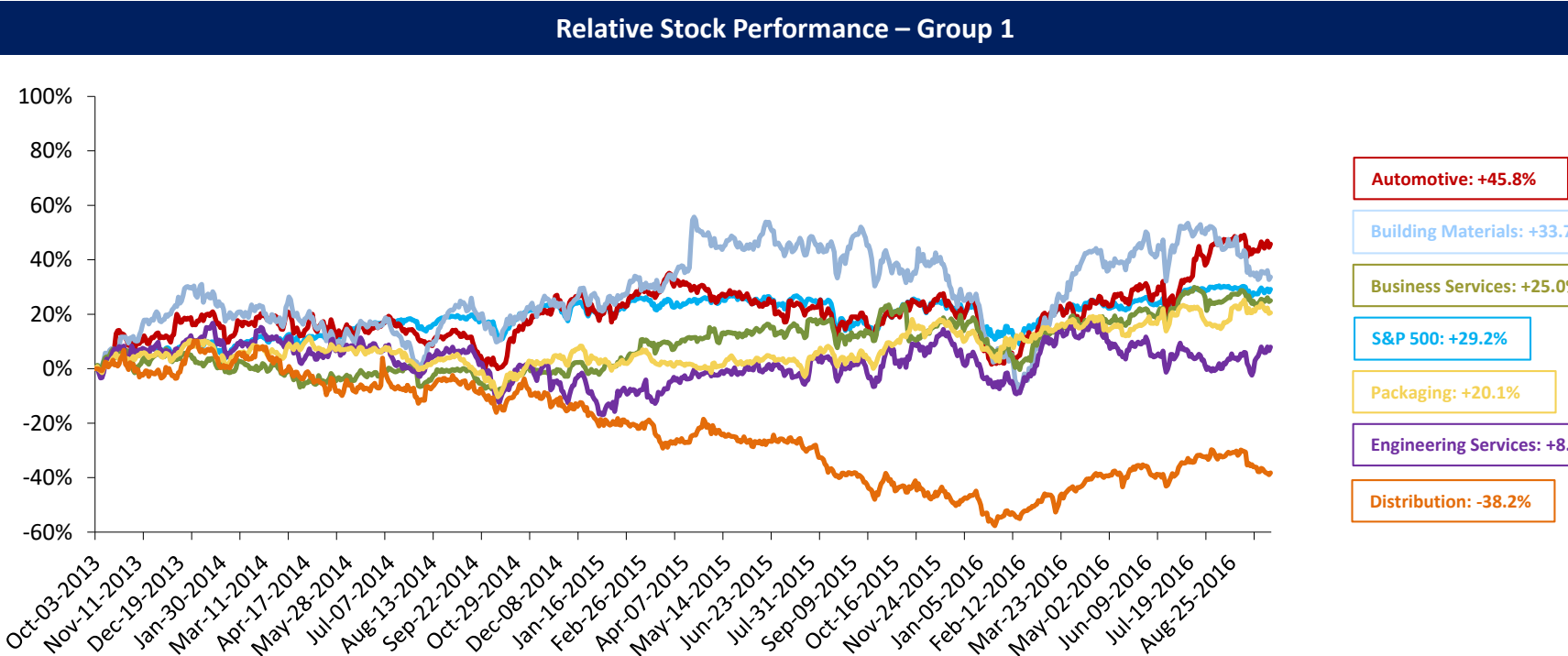


Source: Capital IQ

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



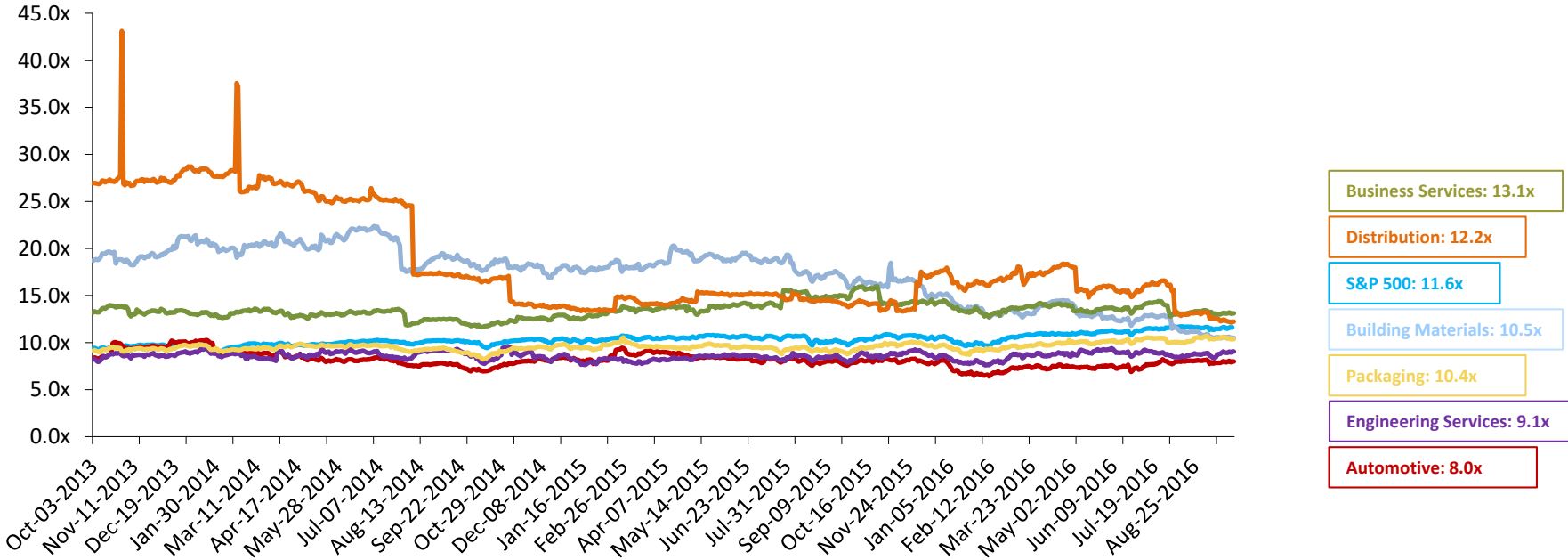
Source: Capital IQ

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

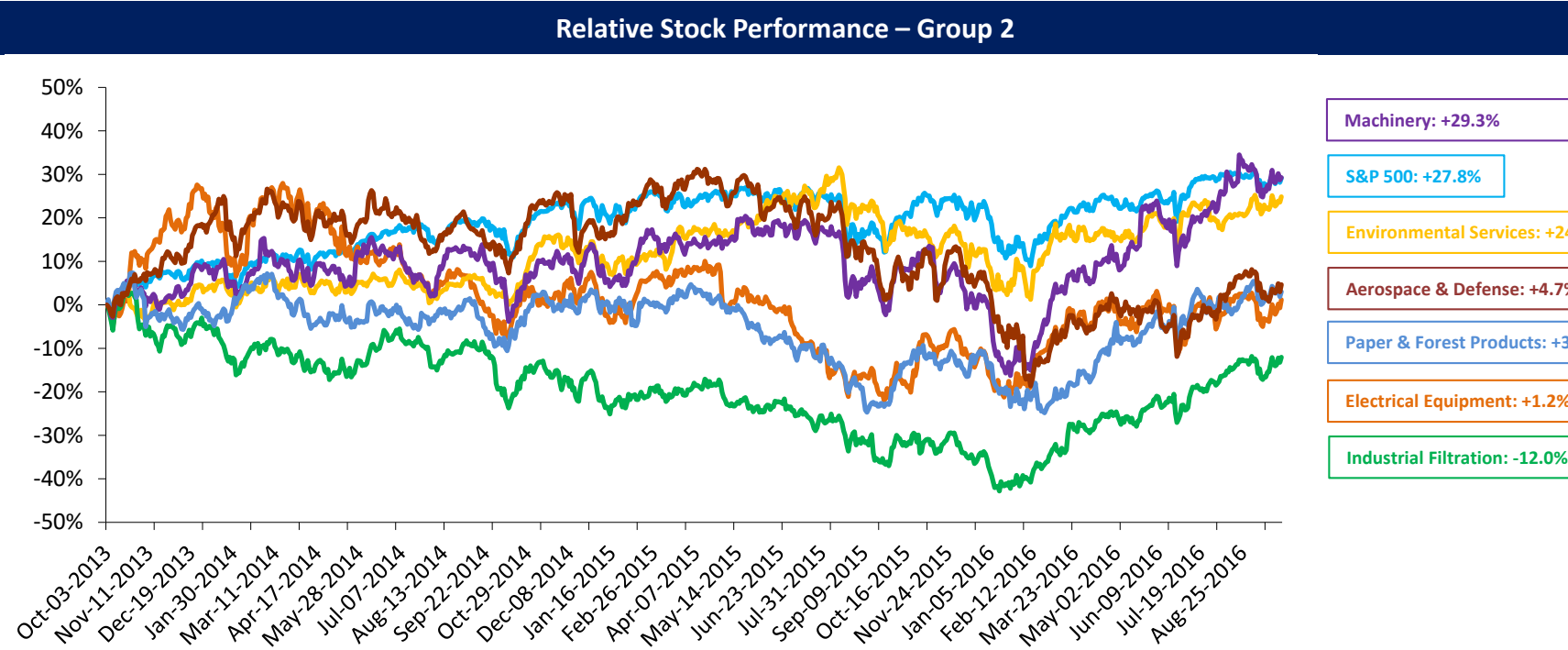


Source: Capital IQ

Notes:

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

Peakstone Industrial & Manufacturing Index - Trading Statistics (continued)

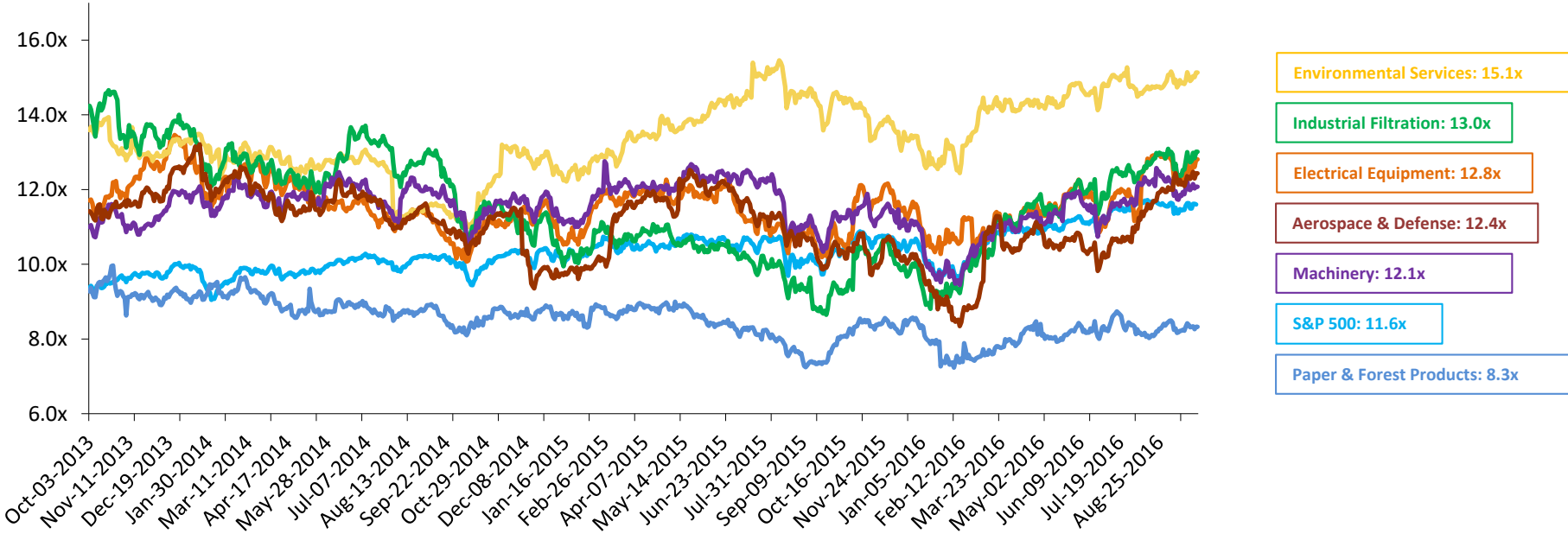


NOTES:

- 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

Industrial & Manufacturing Sectors	Enterprise Value /			Forward	Gross	EBITDA
	Revenue	EBITDA	EBIT	P/E Ratio	Margin %	Margin %
Aerospace & Defense	1.1x	11.8x	19.6x	18.9x	28.6%	8.8%
Automotive	0.9x	9.2x	11.9x	13.9x	20.5%	9.9%
Building Materials	1.2x	9.2x	14.6x	17.3x	25.3%	11.6%
Business Services	1.0x	9.7x	14.9x	17.8x	26.7%	9.2%
Engineering Services	0.6x	9.2x	14.3x	17.5x	15.0%	6.1%
Packaging	1.0x	8.8x	13.4x	19.9x	17.8%	13.0%
Distribution	0.7x	14.5x	18.4x	26.1x	22.8%	7.0%
Electrical Equipment	0.7x	10.1x	15.1x	16.4x	24.3%	2.3%
Environmental Services	1.1x	11.2x	17.5x	20.2x	29.2%	6.9%
Industrial Filtration Systems	1.7x	12.7x	16.6x	21.9x	29.5%	15.6%
Machinery	1.3x	10.4x	14.9x	21.2x	24.6%	11.8%
Paper & Forest Products	1.6x	10.6x	18.3x	14.8x	21.3%	14.9%

Industrial & Manufacturing Sectors Median:

1.0x	10.2x	15.0x	18.3x	24%	10%
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As of October 20, 2016

Source: Capital IQ

Selected Industrial & Manufacturing Industry Transactions

Date	Target/Issuer	Size		EV/	
		(\$ mm)	Buyers/Investors	EBITDA	Transaction Comments
10/12/2016	Transamerican Auto Parts Company, LLC	\$665.0	Polaris Industries Inc. (Delaware)	9.x	Polaris Industries Inc. (Delaware) entered into an agreement to acquire Transamerican Auto Parts Company, LLC from group of shareholders for approximately \$670 million on October 11, 2016.
10/05/2016	EdgeBuilder Wall Panels, Inc. and Glenbrook Lumber & Supply, Inc.	\$5.2	ATRM Holdings, Inc. (OTCPK:ATRM)		- ATRM Holdings, Inc. (OTCPK:ATRM) acquired EdgeBuilder Wall Panels, Inc. and Glenbrook Lumber & Supply, Inc. for \$5.2 million on October 4, 2016.
10/03/2016	Grand Design RV	\$503.1	Octavius Corporation	8.4x	Octavius Corporation entered into a definitive agreement to acquire Grand Design RV from Summit Partners LLP and others for approximately \$500 million on October 2, 2016.
10/03/2016	Frankel Loughran Starr & Vallone LLP	\$65.1	Sanne Group plc (LSE:SNN)	13.x	Sanne Group plc (LSE:SNN) entered into an agreement to acquire Frankel Loughran Starr & Vallone LLP from Jeffrey Hahn and Brenda Grayson for £50.7 million on October 3, 2016. The consideration for the acquisition is structured with an initial amount due at completion of 40.5 million.
09/28/2016	Irvin Automotive Products, Inc.	\$175.0	Piston Automotive, LLC		- Piston Automotive, LLC acquired Irvin Automotive Products, Inc. from Takata Corporation (TSE:7312) for approximately \$180 million on September 28, 2016. Irvin Automotive will operate as a separate company within the Piston Group. Irvin Automotive had annual sales of \$500 million.
09/22/2016	Kurt Salmon US Inc.	\$166.4	Accenture plc (NYSE:ACN)		- Accenture plc (NYSE:ACN) entered into an agreement to acquire Kurt Salmon US Inc. from Management Consulting Group PLC (LSE:MMC) for approximately £130 million in cash on September 21, 2016.
09/20/2016	Howco Distributing Co. Inc.	\$3.5	Drone USA, Inc. (OTCPK:DRUS)	2.x	Drone USA, Inc. (OTCPK: DRUS) entered into a stock purchase agreement to acquire Howco Distributing Co. Inc. from Paul Joy and Kathy Joy for \$3.5 million on August 4, 2016.
09/13/2016	Associates for International Research, Inc.	\$20.4	Relo Group, Inc. (TSE:8876)		- Relo Group, Inc. (TSE:8876) entered into share purchase agreement to acquire 92.99% stake in Associates for International Research, Inc. from The Venture Capital Fund of New England and others for approximately ¥2.1 billion (\$20.4 million) on September 13, 2016.
09/09/2016	Wescon Controls, LLC	\$44.4	Suprajit USA Inc.	6.3x	Suprajit USA Inc acquired Wescon Controls, LLC from a fund managed by Nova Capital Management Limited for an enterprise value of \$44.4 million on September 9, 2016. This transaction was funded through Suprajit's cash balances and debt in an approximate ratio of 50:50.
09/02/2016	Accuride Corp. (NYSE:ACW)	\$460.9	Crestview Partners, L.P.	6.3x	Crestview Partners III, L.P. managed by Crestview Partners, L.P. entered into an agreement to acquire Accuride Corp. (NYSE:ACW) from a group of sellers for approximately \$120 million in cash on September 2, 2016. Under the terms of agreement, 48.3 million shares of Accuride Corp. shall be purchased for \$2.58 each. Crestview will also acquire 2.9 million RSU at \$2.58 per RSU.
09/02/2016	Logistics & Distribution Services Corporation	\$25.0	ABF Logistics II, Inc.		- ABF Logistics II, Inc. acquired Logistics & Distribution Services, LLC for \$25 million on September 2, 2016. As per terms, consideration comprised of \$17 million on closing and \$8 million in cash upon achieving certain financial targets over the next two years

Selected Industrial & Manufacturing Industry Transactions

Date	Target/Issuer	Size		EV/	
		(\$ mm)	Buyers/Investors	EBITDA	Transaction Comments
09/01/2016	Rigid Plastics Blow Molding Operations	\$280.0	Amcor Rigid Plastics USA, Inc.; Amcor Packaging Canada Inc.	8.x	Amcor Rigid Plastics USA, Inc. and Amcor Packaging Canada, Inc. entered into definitive agreement to acquire rigid plastics blow molding operations from Sonoco Plastics, Inc., Sonoco Plastics Canada ULC, and Sonoco Development, Inc. for \$280 million on September 1, 2016.
08/25/2016	AEP Industries Inc. (NasdaqGS:AEPI)	\$768.9	Berry Plastics Group, Inc. (NYSE:BERY)	6.6x	Berry Plastics Group, Inc. (NYSE:BERY) entered into a definitive merger agreement to acquire AEP Industries Inc. (NasdaqGS:AEPI) for approximately \$560 million on August 24, 2016.
08/22/2016	LanguageLine Solutions, Inc.	\$1,522.0	Teleperformance SE (ENXTPA:RCF)	10.4x	Teleperformance SE (ENXTPA:RCF) entered into a definitive agreement to acquire LanguageLine Solutions, Inc. from ABRY Partners IV, L.P., a fund managed by ABRY Partners, LLC and others for \$1.5 billion on August 22, 2016. The transaction will be fully financed through a debt financing provided by Crédit Agricole, HSBC and Société Générale.
08/16/2016	G&K Services Inc. (NasdaqGS:GK)	\$2,158.3	Cintas Corporation (NasdaqGS:CTAS)	13.4x	Cintas Corporation (NasdaqGS:CTAS) entered into a definitive agreement to acquire G&K Services Inc. (NasdaqGS:GK) for \$1.9 billion in cash on August 15, 2016.
08/02/2016	Motors, Drives and Electric Power Generation Businesses	\$1,200.0	Nidec Corporation (TSE:6594)	6.9x	Nidec Corporation (TSE:6594) entered into an asset and stock purchase agreement to acquire Motors, Drives and Electric Power Generation business from Emerson Electric Co. (NYSE:EMR) for \$1.2 billion on July 30, 2016.
07/25/2016	Crimson Trace Corporation	\$95.0	Smith & Wesson Holding Corporation (NasdaqGS:SWHC)	5.9x	Smith & Wesson Holding Corporation (NasdaqGS:SWHC) signed a definitive agreement to acquire Crimson Trace Corporation from Peninsula Capital Partners, LLC, VergePointe Capital, Lewis Danielson, certain members of management and other shareholders for \$95 million in cash on July 25, 2016.
07/13/2016	Utility Partners, LLC	\$17.0	H2O Innovation USA Holding Inc.	7.7x	H2O Innovation USA Holding Inc. entered into a binding agreement to acquire Utility Partners, LLC from Carl J. Pope, Robert Monette, and Theresa Calvert for \$17 million on July 13, 2016. Under the terms, the consideration to be paid is \$17 million on a cash-free and debt-free basis.
07/08/2016	Lovejoy, Inc.	\$66.0	The Timken Company (NYSE:TKR)	-	The Timken Company (NYSE:TKR) acquired Lovejoy, Inc. from Hennessy family for approximately \$66 million on July 8, 2016. Lovejoy, Inc. reported sales of approximately \$56 million for the 12 months ending March 31, 2016.
07/07/2016	Residex, LLC	\$30.0	Rentokil Initial plc (LSE:RTO)	-	Rentokil Initial plc (LSE:RTO) acquired LLC for \$30 million Residex, on July 7, 2016. Residex, LLC had revenues of \$113 million.
07/06/2016	Tim-Bar Corporation	\$386.0	Packaging Corporation of America (NYSE:PKG)	4.3x	Packaging Corporation of America (NYSE:PKG) entered into a definitive agreement to acquire substantially all of the assets of Tim-Bar Corporation for approximately \$390 million on July 6, 2016. The transaction is cash-free and debt-free transaction.
07/05/2016	Vacuplast, LLC	\$11.0	Patrick Industries Inc. (NasdaqGS:PATK)	-	Patrick Industries Inc. (NasdaqGS:PATK) acquired L.S. Manufacturing, Inc. for \$11 million on July 5, 2016. Post acquisition Patrick Industries will continue to operate the business on a stand-alone basis under the LS Mfg. brand name in its existing facility.

Selected Industrial & Manufacturing Industry Transactions

Date	Target/Issuer	Size		EV/	
		(\$ mm)	Buyers/Investors	EBITDA	Transaction Comments
07/01/2016	Jayco, Inc.	\$582.0	Thor Industries Inc. (NYSE:THO)		- Thor Industries Inc. (NYSE:THO) acquired substantially all of the assets of Jayco, Inc. from Bontrager family for approximately \$580 million in cash on June 30, 2016. Under the terms of the agreement, the consideration price will comprise of cash consideration of \$572.5 million
07/01/2016	Engineered Printing Solutions, Inc.	\$18.5	Xaar plc (LSE:XAR)		- Xaar plc (LSE:XAR) acquired Engineered Printing Solutions for \$18.5 million on July 1, 2016. Initial consideration for the acquisition is \$11 million with deferred consideration of \$7.5 million based on revenue and profit performance over a 3 year period.
06/21/2016	SolarCity Corporation (NasdaqGS:SCTY)	\$7,067.1	Tesla Motors, Inc. (NasdaqGS:TSLA)		- Tesla Motors, Inc. (NasdaqGS:TSLA) made a proposal to acquire SolarCity Corporation (NasdaqGS:SCTY) from Elon Musk and others for \$2.8 billion on June 20, 2016. Tesla Motors, Inc. (NasdaqGS:TSLA) entered into an agreement to acquire SolarCity Corporation (NasdaqGS:SCTY) from Elon Musk and others for \$2.5 billion on July 30, 2016.
06/21/2016	American Science & Engineering Inc.	\$264.1	OSI Systems, Inc. (NasdaqGS:OSIS)		- OSI Systems, Inc. (NasdaqGS:OSIS) signed a definitive agreement to acquire American Science & Engineering Inc. (NasdaqGS:ASEI) for approximately \$260 million in cash on June 20, 2016. Under the terms of the agreement, OSI Systems, Inc. will acquire American Science & Engineering Inc. for \$37 per share in cash.
06/21/2016	Idaho Western, Inc.	\$11.5	Universal Forest Products Inc. (NasdaqGS:UFPI)		- Universal Forest Products Inc. (NasdaqGS:UFPI) entered into an agreement to acquire Idaho Western, Inc. for \$11.5 million on June 21, 2016. Idaho Western, Inc. reported annual net sale approximately \$21 million.
06/16/2016	Dejana Truck & Utility Equipment Co., Inc.	\$206.0	Douglas Dynamics, Inc. (NYSE:PLOW)		- Douglas Dynamics, Inc. (NYSE:PLOW) entered into a definitive agreement to acquire substantially all of the assets of Dejana Truck & Utility Equipment Co., Inc. from Dejana family for approximately \$210 million on June 15, 2016.
06/15/2016	Weyerhaeuser NR Company, Liquid Packaging Board Business	\$285.0	Nippon Paper Industries Co., Ltd. (TSE:3863)		- Nippon Paper Industries Co., Ltd. (TSE:3863) entered into an agreement to liquid packaging board business from Weyerhaeuser NR Company for approximately \$290 million on June 15, 2016. The transaction includes one mill located in Longview, Washington.
06/14/2016	DST Systems Inc., North American Customer Communications Business	\$410.0	Broadridge Investor Communications Corporation; Broadridge Output Solutions, Inc.		- Broadridge Investor Communications Corporation and Broadridge Output Solutions, Inc. entered into a definitive agreement to acquire North American Customer Communications business from DST Systems Inc. (NYSE:DST) for \$410 million on June 14, 2016.
06/13/2016	Rugby IPD Corp.	\$119.8	Hardwoods Specialty Products US LP	9.4x	Hardwoods Specialty Products US LP entered into an agreement to acquire substantially all of the assets of Rugby IPD Corp. for approximately CAD 150 million in cash and shares on June 13, 2016.
05/31/2016	Kreisler Manufacturing Corp.	\$34.5	United Flexible, Inc.	7.6x	United Flexible, Inc. entered into an agreement to acquire Kreisler Manufacturing Corporation (OTC:KRSL) for \$33.9 million on May 27, 2016. Consideration is of \$18 per share. Transaction is expected to close in the second quarter of 2016 and is subject to certain closing conditions.
05/27/2016	Blue Bird Corporation (NasdaqGM:BLBD)	\$70.7	American Securities	6.7x	American Securities entered into a purchase and sale agreement to acquire 33.34% stake in Blue Bird Corporation (NasdaqGM:BLBD) from The Traxis Group B.V. for \$70.7 million on May 26, 2016.

Source: Capital IQ

Selected Industrial & Manufacturing Industry Transactions

Date	Target/Issuer	Size (\$ mm)	Buyers/Investors	EV/ EBITDA	Transaction Comments
05/27/2016	Blue Bird Corporation (NasdaqGM:BLBD)	\$55.0	American Securities	7.x	American Securities entered into a purchase and sale agreement to acquire 23.81% stake in Blue Bird Corporation (NasdaqGM:BLBD) from The Traxis Group B.V. for \$55 million on May 26, 2016.
05/23/2016	General Cable Corporation, Automotive Ignition Wire Business	\$71.0	Standard Motor Products Inc. (NYSE:SMP)		- Standard Motor Products Inc. (NYSE:SMP) signed a definitive agreement to acquire automotive ignition wire business from General Cable Corporation (NYSE:BGC) for approximately \$71 million on May 23, 2016.
05/23/2016	Cana Holdings, Inc.	\$16.8	Patrick Industries Inc. (NasdaqGS:PATK)		- Patrick Industries Inc. (NasdaqGS:PATK) acquired business and certain assets of Cana Holdings, Inc. for \$16.8 million on May 23, 2016. The purchase price was funded from Patrick Industries 's existing credit facility.
05/19/2016	Lifestorage, LP	\$1,300.0	Life Storage LP		- Sovran Acquisition Limited Partnership entered into definitive agreement to acquire Lifestorage, LP from TPG Real Estate and others for \$1.3 billion for cash on May 18, 2016. Out of total consideration, \$467.8 million will be paid to discharge existing indebtedness of LifeStorage.
05/17/2016	Herndon Aerospace & Defense Company	\$210.0	KLX Inc. (NasdaqGS:KLXI)	10.3x	KLX Inc. (NasdaqGS:KLXI) acquired Herndon Aerospace & Defense Company from HCI Equity Partners and others for \$210 million on May 17, 2016. The consideration is subject to a standard working capital adjustment and represents a multiple of approximately 10.5 times Herndon's fiscal year ended December 31, 2015 adjusted EBITDA.
05/16/2016	Terex Corporation, Material Handling and Port Solutions business	\$1,332.3	Konecranes Plc (HLSE:KCR1V)	12.x	Konecranes Plc (Helsinki: KCR1V.HE) agreed to acquire material handling and port solutions business (MHPS) from Terex Corporation (NYSE:TEX) for approximately €1.1 billion on May 16, 2016.
05/16/2016	Armed Forces Services Corporation	\$127.5	Magellan Healthcare, Inc.		- Magellan Healthcare, Inc. entered into a share purchase agreement to acquire Armed Forces Services Corporation (AFSC) for approximately \$130 million on May 15, 2016. Under the terms of the agreement, Magellan will pay \$117.5 million cash purchase price at closing
05/12/2016	The Climate Control Group, Inc.	\$364.0	NIBE Energy Systems Inc.	14.6x	NIBE Energy Systems Inc. entered into a definitive agreement to acquire assets of The Climate Control Group, Inc. from Consolidated Industries L.L.C. for approximately \$360 million in cash on May 11, 2016. The consideration will be paid on a debt-free/cash-free basis.
05/12/2016	Dade Moeller & Associates, Inc.	\$20.0	NV5 Global, Inc. (NasdaqCM:NVEE)		- NV5 Global, Inc. (NasdaqCM:NVEE) signed a non binding term sheet to acquire Dade Moeller & Associates, Inc. for \$20 million on May 12, 2016.
05/09/2016	Commonwealth Dynamics, Inc.	\$6.0	Global Dominion Access, S.A. (BME:DOM)		- Global Dominion Access, S.A. (BME:DOM) agreed to acquire Commonwealth Dynamics, Inc. for \$6 million on May 9, 2016. A first payment of \$2.1 million upon closing of the transaction and a second within a period of three to five years depending on certain financial and business parameters of the acquired.

Peakstone Selected Industrial & Manufacturing Transactions



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EQUIPMENT

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