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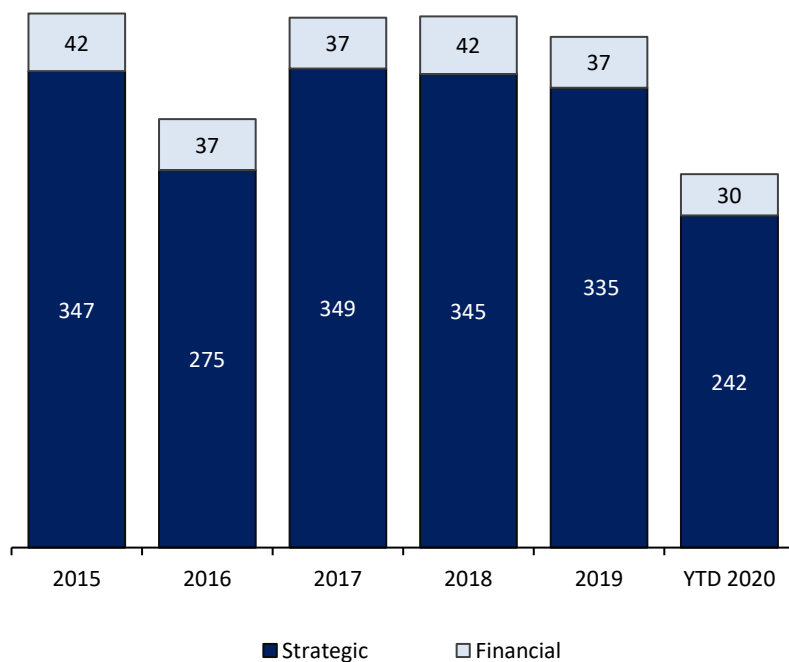
Industrials & Manufacturing
Industry Insight

September 2020

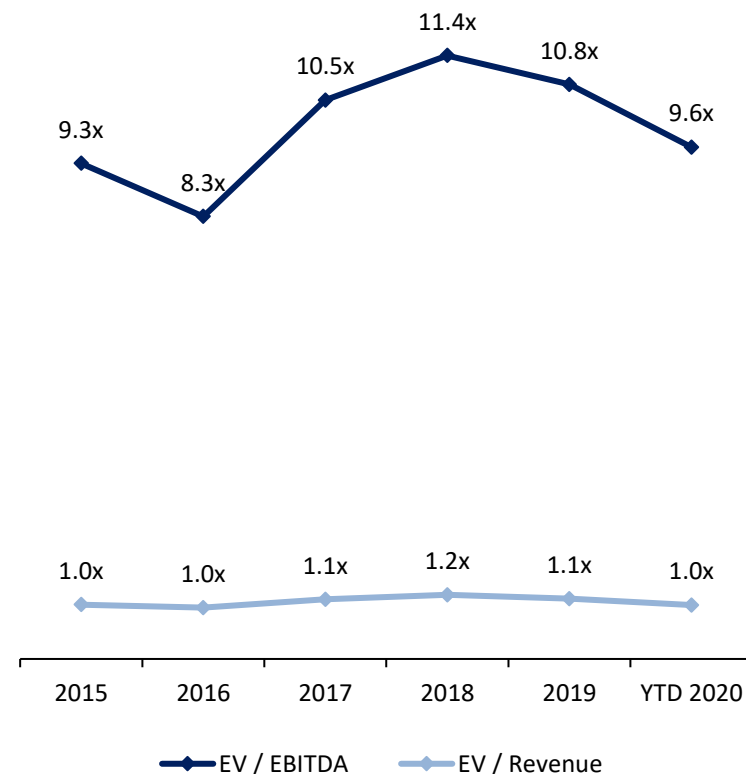
U.S. Industrials & Manufacturing Industry - M&A Market Overview

Industrials & Manufacturing M&A market has seen moderate activity

Industrials & Manufacturing Transactions by Buyer Type



Industrials & Manufacturing Transaction Multiples

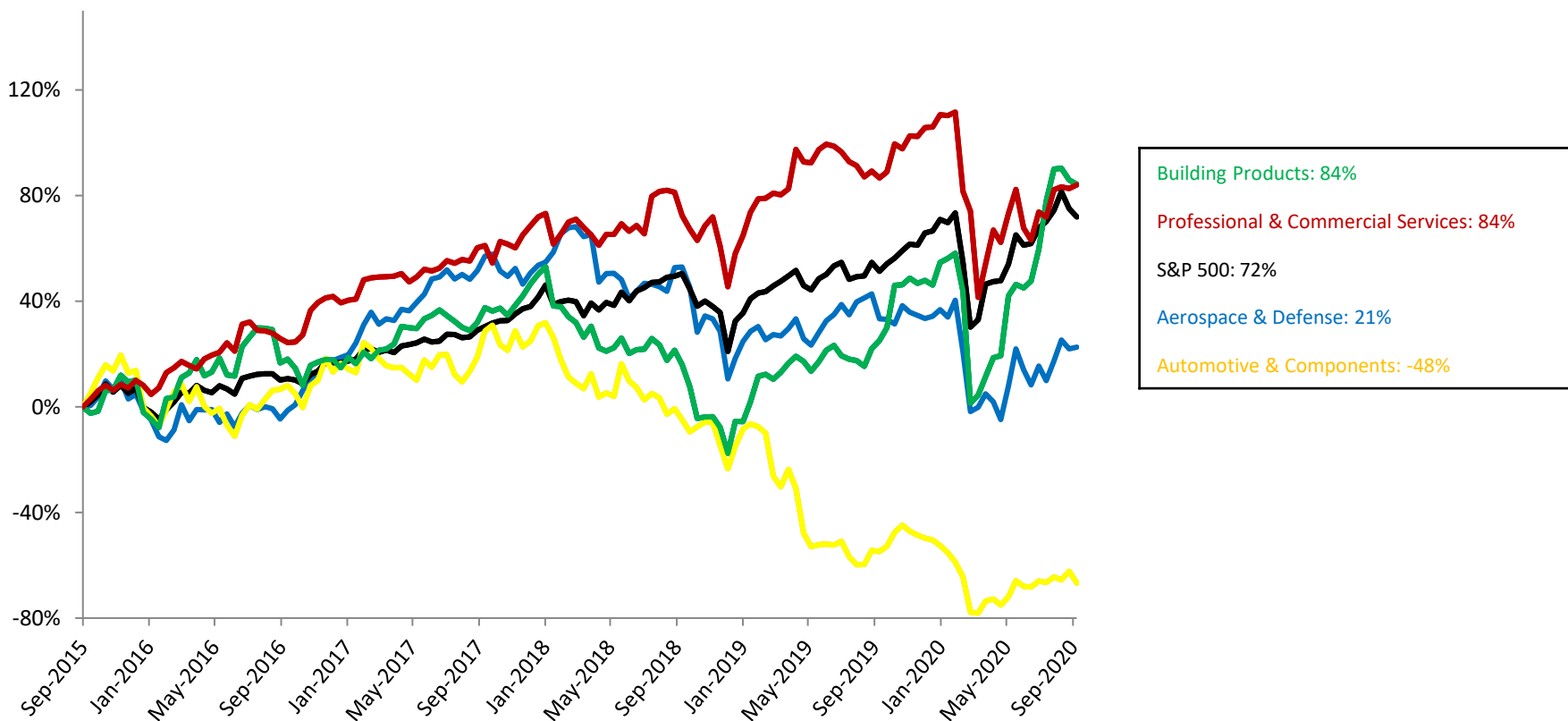


Source: Capital IQ

Peakstone Industrials & Manufacturing Index – Trading Statistics

Industrials & Manufacturing indexes have performed in line with the S&P 500

Relative Stock Performance – Group 1

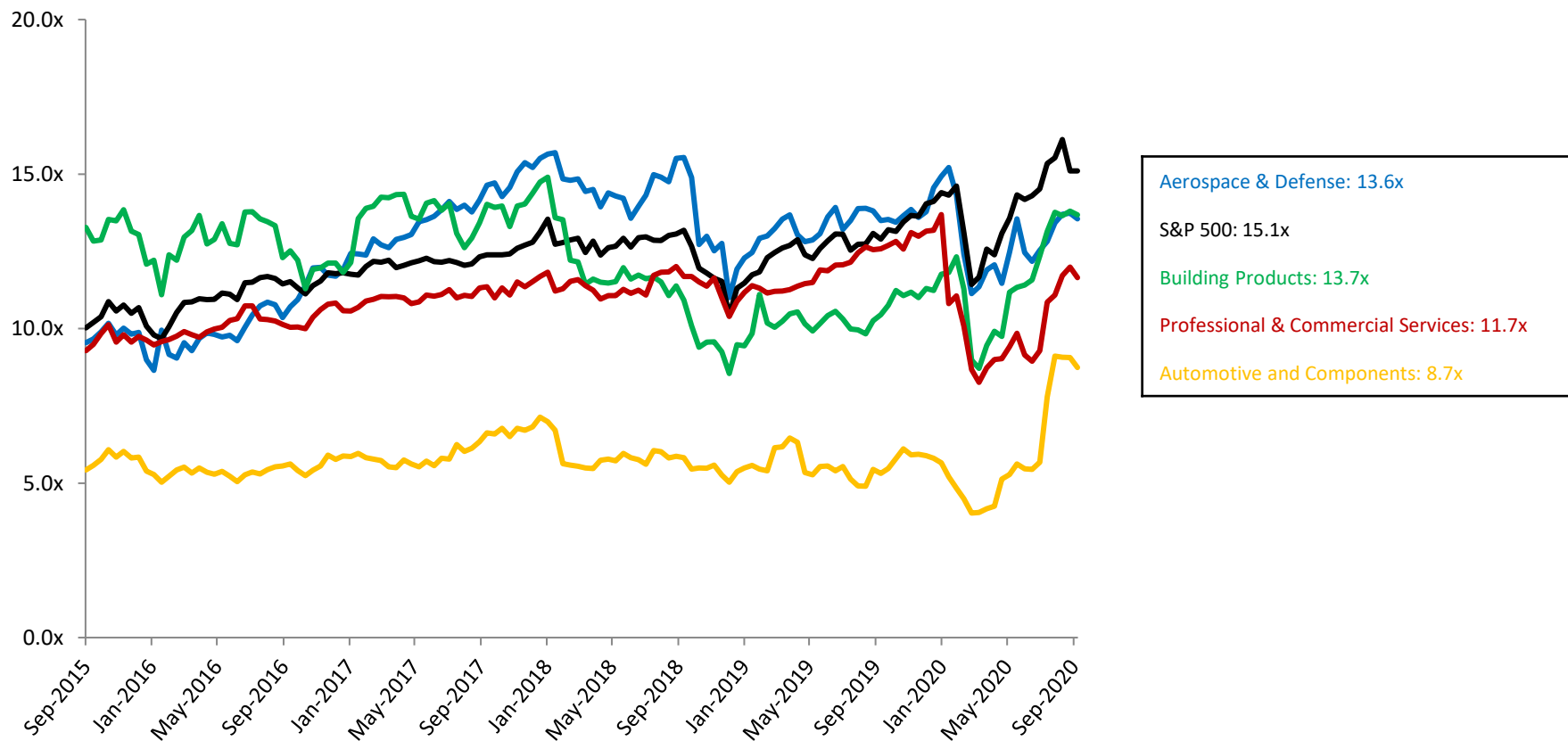


Source: Capital IQ

Peakstone Industrials & Manufacturing Index – Trading Statistics (cont.)

Industrials & Manufacturing indexes have performed in line with the S&P 500

Comparable Valuation Trends – Enterprise Value/EBITDA – Group 1

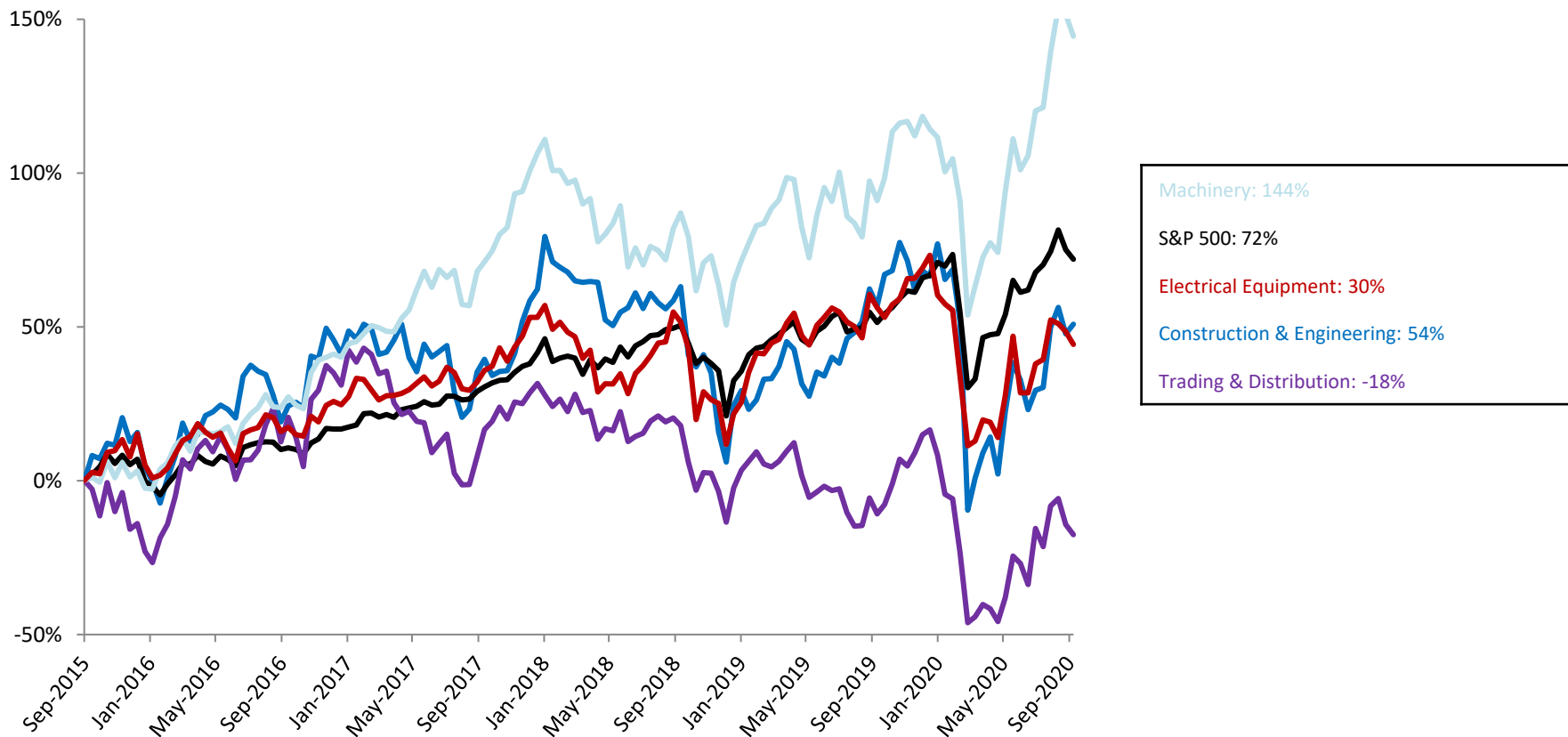


Source: Capital IQ

Peakstone Industrials & Manufacturing Index – Trading Statistics (cont.)

Industrials & Manufacturing indexes have performed in line with the S&P 500

Relative Stock Performance – Group 2



Source: Capital IQ

Peakstone Industrials & Manufacturing Index – Trading Statistics (cont.)

Industrials & Manufacturing indexes have performed in line with the S&P 500

Comparable Valuation Trends – Enterprise Value/EBITDA – Group 2



Source: Capital IQ

Public Trading Comparables by Sector

Select Industrials & Manufacturing Public Trading Comparables

(\$ in millions)

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Aerospace & Defense								
The Boeing Company	\$94,748	\$123,982	1.9x	NM	NM	NM	5%	-2%
Raytheon Technologies Corporation	\$86,671	\$115,871	1.4x	8.4x	13.1x	19.3x	24%	16%
Honeywell International Inc.	\$114,868	\$122,816	3.6x	14.9x	17.6x	23.3x	33%	23%
Lockheed Martin Corporation	\$106,475	\$116,329	1.8x	12.3x	13.9x	15.1x	13%	15%
General Dynamics Corporation	\$39,569	\$53,239	1.4x	9.4x	12.1x	11.7x	17%	14%
Airbus SE	\$59,727	\$66,508	1.0x	120.8x	NM	30.7x	12%	0%
Northrop Grumman Corporation	\$51,983	\$64,852	1.9x	13.9x	20.1x	13.3x	21%	12%
Aerospace & Defense Median	\$86,671	\$115,871	1.8x	13.1x	13.9x	17.2x	17%	14%
Automotive & Components								
Ford Motor Company	\$26,854	\$164,112	1.3x	25.4x	NM	14.4x	5%	5%
General Motors Company	\$43,477	\$144,942	1.3x	15.8x	41.0x	6.4x	8%	7%
The Goodyear Tire & Rubber Company	\$1,939	\$8,984	0.7x	9.9x	NM	59.8x	17%	5%
BorgWarner Inc.	\$8,195	\$9,403	1.1x	7.0x	10.6x	11.9x	19%	15%
Fiat Chrysler Automobiles N.V.	\$19,183	\$26,062	0.2x	3.3x	7.7x	14.6x	13%	7%
Tenneco Inc.	\$585	\$6,428	0.4x	7.7x	35.3x	5.9x	13%	5%
Automotive & Components Median	\$13,689	\$17,732	0.9x	8.8x	23.0x	13.2x	13%	6%
Building Products								
Masco Corporation	\$14,421	\$16,434	2.5x	12.7x	15.2x	19.4x	35%	19%
Fortune Brands Home & Security, Inc.	\$12,111	\$14,098	2.5x	14.6x	18.5x	21.5x	36%	16%
Lennox International Inc.	\$10,482	\$12,004	3.4x	19.8x	26.8x	29.1x	28%	14%
Vulcan Materials Company	\$17,798	\$20,706	4.2x	14.9x	22.7x	28.6x	26%	26%
JELD-WEN Holding, Inc.	\$2,325	\$3,846	0.9x	9.7x	19.2x	14.8x	20%	8%
UFP Industries, Inc.	\$3,503	\$3,539	0.8x	9.4x	12.9x	17.2x	16%	8%
Building Products Median	\$11,297	\$13,051	2.5x	13.7x	18.9x	20.4x	27%	15%

Source: Capital IQ

Public Trading Comparables by Sector (cont.)

Select Industrials & Manufacturing Public Trading Comparables

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Professional & Commercial Services								
Waste Management, Inc.	\$47,692	\$57,819	3.8x	14.0x	22.9x	28.6x	39%	28%
Republic Services, Inc.	\$29,610	\$38,389	3.8x	13.4x	23.1x	28.6x	40%	28%
Cintas Corporation	\$36,090	\$38,373	5.5x	24.4x	31.6x	37.6x	46%	21%
ManpowerGroup Inc.	\$4,214	\$4,269	0.2x	5.7x	8.8x	20.7x	16%	3%
Aramark	\$6,846	\$14,237	1.0x	9.9x	59.7x	NM	12%	6%
Kelly Services, Inc.	\$665	\$539	0.1x	4.2x	8.6x	11.8x	18%	2%
Professional & Commercial Services Median	\$18,228	\$26,305	2.4x	11.6x	23.0x	28.6x	28%	13%
Construction & Engineering								
AECOM	\$6,775	\$8,562	0.4x	6.6x	10.5x	16.1x	5%	5%
Jacobs Engineering Group Inc.	\$11,908	\$13,722	1.0x	10.5x	14.5x	16.5x	19%	8%
Quanta Services, Inc.	\$7,436	\$8,579	0.7x	4.9x	15.1x	13.4x	14%	7%
Fluor Corporation	\$1,286	\$1,341	0.1x	NM	NM	8.3x	-3%	-4%
MasTec, Inc.	\$2,991	\$4,401	0.7x	3.6x	9.2x	8.3x	15%	10%
EMCOR Group, Inc.	\$3,740	\$3,820	0.4x	4.9x	8.3x	13.8x	15%	6%
Construction & Engineering Median	\$5,257	\$6,481	0.5x	4.9x	10.5x	13.6x	14%	7%
Trading & Distribution								
United Rentals, Inc.	\$12,639	\$23,623	2.6x	8.7x	11.4x	11.7x	39%	27%
W.W. Grainger, Inc.	\$19,180	\$21,137	1.8x	14.8x	17.4x	21.4x	37%	12%
HD Supply Holdings, Inc.	\$6,760	\$9,016	1.5x	9.7x	13.1x	24.1x	39%	13%
Univar Solutions Inc.	\$2,891	\$5,491	0.6x	8.3x	15.4x	14.3x	24%	7%
WESCO International, Inc.	\$2,235	\$7,490	0.9x	15.3x	22.2x	8.1x	19%	5%
Veritiv Corporation	\$207	\$1,190	0.2x	4.9x	13.8x	NM	20%	2%
Trading & Distribution Median	\$4,825	\$8,253	1.2x	9.2x	14.6x	14.3x	31%	9%

Source: Capital IQ

Public Trading Comparables by Sector (cont.)

Select Industrials & Manufacturing Public Trading Comparables

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Electrical Equipment								
Emerson Electric Co.	\$39,154	\$44,484	2.6x	11.8x	15.8x	20.4x	42%	21%
Rockwell Automation, Inc.	\$25,512	\$27,657	4.3x	19.8x	24.6x	28.8x	41%	20%
AMETEK, Inc.	\$22,846	\$24,754	5.2x	18.0x	23.1x	25.3x	35%	27%
Hubbell Incorporated	\$7,427	\$8,800	2.0x	11.1x	14.6x	18.1x	30%	17%
Acuity Brands, Inc.	\$3,985	\$3,930	1.2x	7.7x	10.1x	13.2x	42%	14%
Legrand SA	\$21,343	\$25,003	3.4x	14.9x	18.7x	22.8x	52%	22%
Electrical Equipment Median	\$22,094	\$24,879	3.0x	13.4x	17.3x	21.6x	42%	20%
Machinery								
General Electric Company	\$54,270	\$118,235	1.3x	11.9x	37.6x	37.5x	17%	10%
Caterpillar Inc.	\$79,970	\$110,632	2.4x	12.9x	17.9x	24.3x	25%	18%
Deere & Company	\$69,538	\$110,095	3.1x	18.0x	27.8x	23.7x	24%	17%
Illinois Tool Works Inc.	\$61,867	\$67,825	5.3x	20.3x	23.2x	30.6x	41%	26%
PACCAR Inc	\$29,959	\$36,239	1.8x	14.6x	17.7x	20.8x	14%	12%
Cummins Inc.	\$31,403	\$34,656	1.7x	10.9x	15.4x	20.5x	25%	13%
Parker-Hannifin Corporation	\$26,090	\$33,950	2.5x	12.7x	16.4x	18.8x	26%	18%
Stanley Black & Decker, Inc.	\$26,199	\$32,841	2.4x	14.7x	22.0x	19.1x	33%	15%
Machinery Median	\$42,836	\$52,032	2.4x	13.7x	20.0x	22.3x	25%	16%
Industrials & Manufacturing Median	\$14,755	\$18,880	2.1x	12.5x	17.9x	17.6x	26%	14%

Source: Capital IQ

Selected Industrials & Manufacturing Industry Transactions

Selected Industrials & Manufacturing Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
09/22/2020	Windy City Wire Cable & Technology Products, LLC	\$465	Diploma PLC (LSE:DPLM)	-	Diploma PLC (LSE:DPLM) entered into an agreement to acquire Windy City Wire Cable & Technology Products, LLC from Rich Galgano and others for approximately \$470 million on September 22, 2020.
08/30/2020	Shiloh Industries, Inc.	\$218	MiddleGround Capital LLC	-	MiddleGround Capital LLC entered into an agreement to acquire Substantially All assets of Shiloh Industries, Inc. (NasdaqGS:SHLO) for approximately \$220 million on August 30, 2020.
08/27/2020	BMC Stock Holdings, Inc. (NasdaqGS:BMCH)	\$3,031	Builders FirstSource, Inc. (NasdaqGS:BLDR)	9.4x	Builders FirstSource, Inc. (NasdaqGS:BLDR) entered into a definitive merger agreement to acquire BMC Stock Holdings, Inc. (NasdaqGS:BMCH) for \$2.5 billion on August 26, 2020.
08/18/2020	Vivint Solar, Inc. (NYSE:VSLR)	\$250	Coatue Management, L.L.C.	-	Coatue Management, L.L.C. entered into stock purchase agreement to acquire 9.27% stake in Vivint Solar, Inc. (NYSE:VSLR) from Blackstone Capital Partners VI, L.P., a fund managed by The Blackstone Group Inc.
08/12/2020	Ascent Vision Technologies, LLC	\$350	CACI International Inc (NYSE:CACI)	-	CACI International Inc (NYSE:CACI) entered into an agreement to acquire Ascent Vision Technologies, LLC on June 29, 2020. John Mengucci, CACI International Inc.
08/12/2020	WCA Waste Corporation	\$1,212	GFL Environmental Inc. (TSX:GFL)	-	GFL Environmental Inc. (TSX:GFL) entered into an agreement to acquire WCA Waste Corporation from Macquarie Infrastructure Partners II, fund managed by Macquarie Infrastructure and Real Assets for \$1.2 billion on August 12, 2020.
08/06/2020	Huttig Building Products, Inc. (NasdaqCM:HBP)	\$237	Mill Road Capital Management LLC	11.9x	Mill Road Capital II, L.P. managed by Mill Road Capital Management LLC made a proposal to acquire remaining 91.9% stake Huttig Building Products, Inc. (NasdaqCM:HBP) for \$70.5 million on August 6, 2020.

Source: Capital IQ.

Selected Industrials & Manufacturing Industry Transactions (cont.)

Selected Industrials & Manufacturing Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
07/31/2020	Brake Parts Inc.	\$237	First Brands Group, LLC	-	First Brands Group, LLC acquired Brake Parts Inc. from Torque Capital Group LLC and others for \$510 million on July 31, 2020. In a related transaction, First Brands Group, LLC acquired Champion Laboratories Inc. on July 31, 2020.
07/23/2020	Americas Business Operations Of Exide Technologies, LLC	\$510	Atlas Holdings LLC	-	Atlas Holdings LLC agreed to acquire substantially all assets of Americas business operations of Exide Technologies, LLC for approximately \$180 million on July 23, 2020.
07/20/2020	Briggs & Stratton Corporation	\$179	KPS Capital Partners, LP	-	KPS Capital Partners, LP entered into a definitive stock and asset purchase agreement to acquire Substantially All Assets of Briggs & Stratton Corporation (NYSE:BGG) for approximately \$550 million on July 19, 2020.
07/16/2020	InnerWorkings, Inc. (NasdaqGS:INWK)	\$550	HH Global Limited	6.5x	HH Global Limited signed a definitive agreement to acquire InnerWorkings, Inc. (NasdaqGS:INWK) for approximately \$160 million on July 15, 2020.
07/06/2020	Vivint Solar, Inc. (NYSE:VSLR)	\$331	Sunrun Inc. (NasdaqGS:RUN)	-	Sunrun Inc. (NasdaqGS:RUN) entered into a definitive agreement to acquire Vivint Solar, Inc. (NYSE:VSLR) from The Blackstone Group Inc. (NYSE:BX) and others for \$1.5 billion on July 6, 2020.
06/26/2020	Zoox Inc.	\$6,280	Amazon.com, Inc. (NasdaqGS:AMZN)	-	Amazon.com, Inc. (NasdaqGS:AMZN) entered into a term sheet and exclusivity agreement to acquire Zoox Inc. from Jesse Levinson, Laurie Yoler, Threshold Ventures and others for \$1.3 billion on May 13, 2020. Amazon.com, Inc.
06/24/2020	Solid Waste Collection, Transfer, Recycling, Disposal & Additional Assets Portfolio	\$864	GFL Environmental Inc. (TSX:GFL)	-	GFL Environmental Inc. (TSX:GFL) entered into a definitive agreement to acquire a Portfolio of Vertically Integrated Solid Waste Collection, Transfer, Recycling and Disposal Assets from Advanced Disposal Services, Inc.

Source: Capital IQ.

Selected Industrials & Manufacturing Industry Transactions (cont.)

Selected Industrials & Manufacturing Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
06/18/2020	Georgia Biomass Holding LLC	\$175	Enviva Partners, LP (NYSE:EVA)	-	Enviva Partners, LP (NYSE:EVA) entered into agreement to acquire Georgia Biomass Holding LLC from innogy SE (XTRA:IGY) for approximately \$180 million on June 18, 2020. The consideration will be paid in cash and is subject to customary adjustments.
04/30/2020	Allied Universal	\$196	Warburg Pincus LLC	-	An investor group controlled by Warburg Pincus acquired the approximately 6% ownership interest in Allied Universal from Wendel (ENXTPA:MF) for approximately \$200 million on April 29, 2020.
04/14/2020	Center for Toxicology and Environmental Health, LLC	\$200	Montrose Planning & Permitting, LLC	-	Montrose Planning & Permitting, LLC entered into purchase agreement to acquire Center for Toxicology and Environmental Health, LLC from CTEH Holdings, LLC for \$200 million on March 28, 2020.
04/02/2020	SitelogIQ, Inc.	\$433	AEA Investors LP	-	AEA Investors LP through its fund agreed to acquire SitelogIQ, Inc. from Oaktree Capital Group, LLC on April 2, 2020. AEA Investors financed the transaction with a senior secured credit facility.
03/28/2020	Plug Power Inc. (NasdaqCM:PLUG)	\$241	Smart Hydrogen Inc.	-	Smart Hydrogen Inc. agreed to acquire 35% stake in Plug Power Inc. (NasdaqCM:PLUG) for approximately \$240 million on March 25, 2020. The transaction is subject to the approval of the US regulatory authorities.
03/09/2020	AEVEX Aerospace, LLC	\$450	Madison Dearborn Partners, LLC; CoVant Management, Inc.	-	Funds affiliated with Madison Dearborn Partners, LLC and CoVant Management, Inc. entered into definitive agreement to acquire majority stake in AEVEX Aerospace from Trive Capital for on March 9, 2020.
03/09/2020	TAS Energy Inc.	\$450	Madison Dearborn Partners, LLC; CoVant Management, Inc.	-	Funds affiliated with Madison Dearborn Partners, LLC and CoVant Management, Inc. entered into definitive agreement to acquire majority stake in AEVEX Aerospace from Trive Capital for on March 9, 2020.

Source: Capital IQ.

Selected Industrials & Manufacturing Industry Transactions (cont.)

Selected Industrials & Manufacturing Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
03/09/2020	TAS Energy Inc.	\$169	Comfort Systems USA, Inc. (NYSE:FIX)	-	Comfort Systems USA, Inc. (NYSE:FIX) entered into a definitive agreement to acquire TAS Energy Inc. from Element Partners II, L.P. and others for approximately \$120 million on March 9, 2020.
03/02/2020	Mobile Mini, Inc.	\$1,901	WillScot Mobile Mini Holdings Corp. (NasdaqCM:WSC)	-	WillScot Corporation (NasdaqCM:WSC) entered into a definitive merger agreement to acquire Mobile Mini, Inc. (NasdaqGS:MINI) for \$1.9 billion in a merger of equals transaction on March 1, 2020.
02/20/2020	IWG High Performance Conductors, Inc.	\$260	Teleflex Incorporated (NYSE:TFX)	-	Teleflex Incorporated (NYSE:TFX) acquired IWG High Performance Conductors, Inc. for \$260 million on February 18, 2020. The transaction was funded through Teleflex's borrowings under its revolver borrowings.
02/12/2020	Southern Comfort Conversions, Inc.	\$341	FOX Factory, Inc.	-	FOX Factory, Inc. signed a definitive agreement to acquire Southern Comfort Conversions, Inc. (SCA) from Kinderhook Industries, LLC for an enterprise value of approximately \$340 million on February 11, 2020.
02/07/2020	Domestic Environmental Solutions Business of Stericycle Environmental Solutions, Inc.	\$463	Harsco Corporation (NYSE:HSC)	-	Harsco Corporation (NYSE:HSC) entered into a definitive agreement to acquire Environmental Solutions business of Stericycle Environmental Solutions, Inc. for approximately \$460 million on February 6, 2020.
01/30/2020	Navistar International Corporation (NYSE:NAV)	\$9,323	Traton SE (XTRA:8TRA)	19.17	Traton SE (XTRA:8TRA) offered to acquire the remaining 83.28% stake in Navistar International Corporation (NYSE:NAV) for \$2.9 billion on January 30, 2020. Under the terms of the offer, Traton SE will acquire the shares of Navistar International Corporation at \$35 per share in cash.
01/28/2020	Prime Distribution Services, Inc.	\$222	C.H. Robinson Worldwide, Inc. (NasdaqGS:CHRW)	-	C.H. Robinson Worldwide, Inc. (NasdaqGS:CHRW) entered into a definitive stock purchase agreement to acquire Prime Distribution Services, Inc. from Roadrunner Transportation Systems, Inc. (NYSE:RRTS) for approximately \$230 million on January 28, 2020.

Source: Capital IQ.

Peakstone Momentum

 M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE	 M&A Advisor PEAKSTONE
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About Peakstone

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.

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