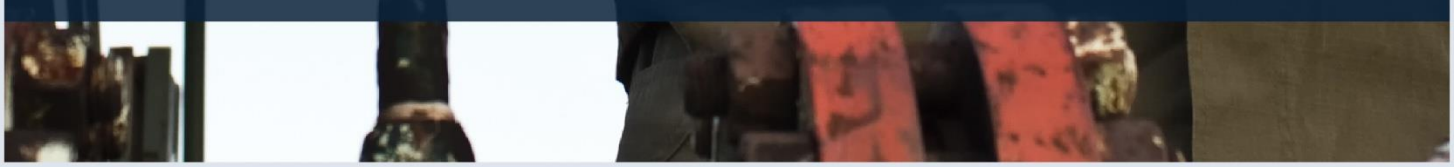
Shields & Company

INVESTMENT BANKERS



Industrial Products & Services Sector Update

Q3 2020



Shields & Company, Inc. is a FINRA Registered Broker-Dealer and a member of SIPC.

Industrials Sector Update – Q3 2020

M&A Summary & Outlook

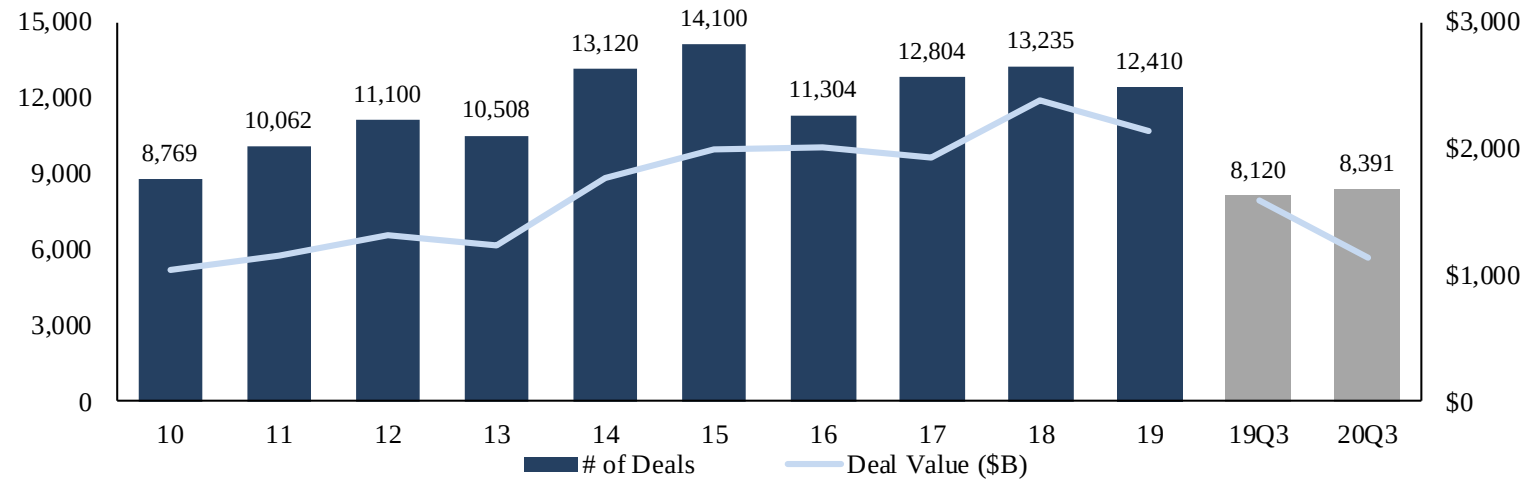
- Q3 2020 saw North American M&A volume of 2,714 transactions and total deal value of $361.1 billion.
- Within the industrial sector, there were 178 transactions in Q3 2020, compared to 223 transactions in Q3 2019, representing a 20% decrease from last year. The sector is on pace for 765 total transactions in 2020 compared to last year's total of 1,028—a substantial decrease of 27% largely due to effects of COVID-19.

Public Company Performance

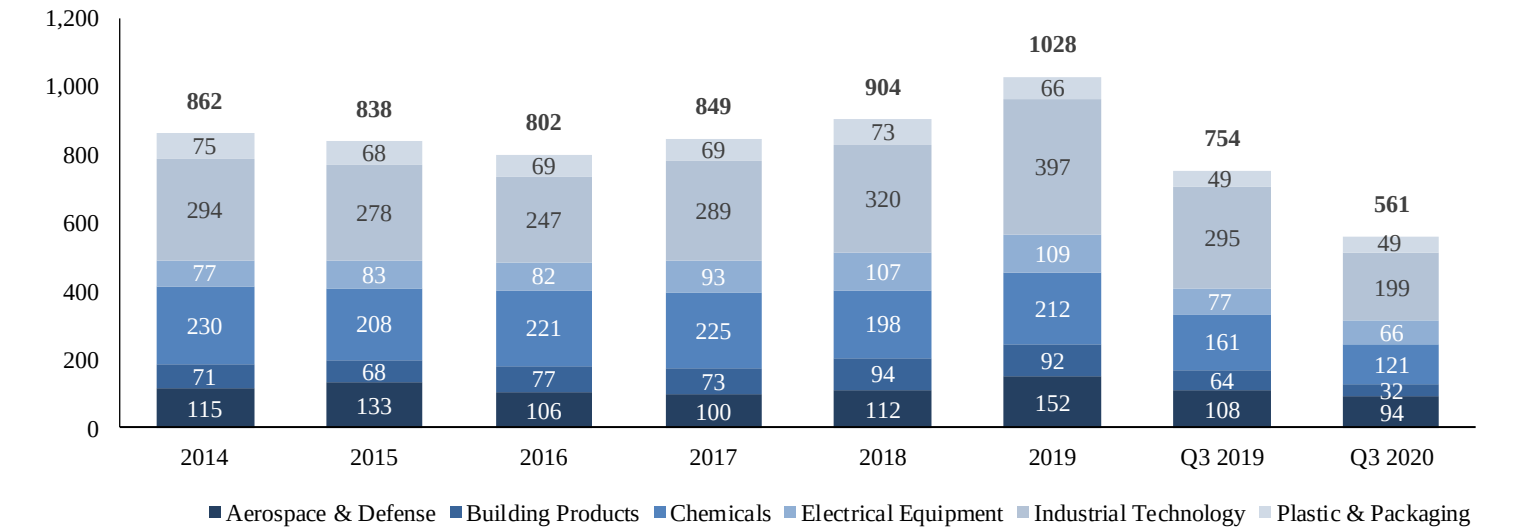
- Public company EV/EBITDA multiples continue to increase with an average industrial multiple of 12.5x in Q3 2020 compared to an average multiple of 11.5x in Q2 2020. The average EV/EBITDA multiple in Q3 2019 was 11.8x.
- After Q3 2020, four out of six industrial sub-sectors have outperformed the S&P 500 over the past five years. The two sub-sectors that returned below the S&P 500 are Plastic & Packaging and Aerospace & Defense.

North American M&A Overview

($ in billions)



M&A Deal Volume: Industrial Sector



Select Recent M&A Transactions

($ in millions)

Date	Target	Description	Buyer	Transaction Value
9/30/2020	Hart & Cooley, Inc.	Hart & Cooley, Inc. manufactures and supplies heating, ventilating, and air conditioning products.	H.I.G. Capital, LLC	NA
9/30/2020	Nanopareil, LLC	Nanopareil, LLC produces separation modules composed of functionalized nanofibers.	ProMetic BioSciences Ltd.	NA
9/28/2020	Alluxa, Inc.	Alluxa, Inc. offers precision optical thin film interference filters for laser systems and telecommunications equipment.	Vision Investment LLC	$255
9/27/2020	TAPCO, Inc.	TAPCO, Inc. manufactures and wholesales aftermarket accessories and parts for weapons.	Sportsman's Warehouse, Inc.	NA
9/24/2020	Delta Tucker Holdings, Inc.	Delta Tucker Holdings, Inc. provides aviation solutions and law enforcement training and support.	Amentum Holdings LLC	NA
9/22/2020	Windy City Wire Cable & Technology Products, LLC	Windy City Wire Cable & Technology Products, LLC manufactures and ships cables and field system solutions.	Diploma PLC	$465
9/17/2020	3C Packaging, Inc.	3C Packaging, Inc. provides pharmaceutical printing and packaging solutions.	Essentra plc	$65
9/14/2020	D & L Machine Co.	D & L Machine Co. manufactures machinery and equipment.	Summit Machine Solutions, Inc.	NA
9/9/2020	Team Wendy, LLC	Team Wendy, LLC manufactures and supplies ski helmets for military, law enforcement, and search and rescue operations.	Avon Protection Systems, Inc.	$130
9/8/2020	Fabric Images, Inc.	Fabric Images, Inc. designs and fabricates printed fabric structures for retail, exhibit, and event communities.	Orbus, LLC	NA
9/4/2020	Jacknob Corp.	Jacknob Corp. manufactures and distributes commercial toilet partition hardware and parts for public restrooms.	E. B. Bradley Co., Inc.	NA
9/1/2020	Partsmaster, Inc.	Partsmaster, Inc. manufactures and sells maintenance and repair products.	Lawson Products, Inc.	$35
9/1/2020	Construction Electrical Products	Construction Electrical Products manufactures temporary power distribution and portable lighting solutions.	Southwire Company, LLC	NA
8/28/2020	E.T. Precision Optics, Inc.	E.T. Precision Optics, Inc. manufactures precision component parts.	Fairchild Capital Partners	NA
8/26/2020	Porocel Corporation	Porocel Corporation manufactures activated alumina, inert bed supports, and specialty adsorbents.	Evonik Industries AG	$210
8/20/2020	A Better Choice Lock & Key, LLC	A Better Choice Lock & Key, LLC operates as a locksmith and security company.	Anderson Lock & Safe LLC	NA
8/18/2020	Vivint Solar, Inc.	Vivint Solar, Inc. provides distributed solar energy primarily to residential customers in the United States.	Coatue Management, L.L.C.	$250
8/17/2020	NCM Odor Control, Inc	NCM Odor Control, Inc manufactures neutralizer products and high pressure atomizing systems.	Rusmar Incorporated	NA
8/17/2020	Enviromix, LLC	Enviromix, LLC provides mixing technology solutions for municipal and industrial wastewater treatment plants.	GEF Capital Partners, LLC	NA
8/12/2020	Ascent Vision Technologies, LLC	Ascent Vision Technologies, LLC manufactures and distributes gimbal and gyro-stabilised imaging systems.	CACI International Inc	$350

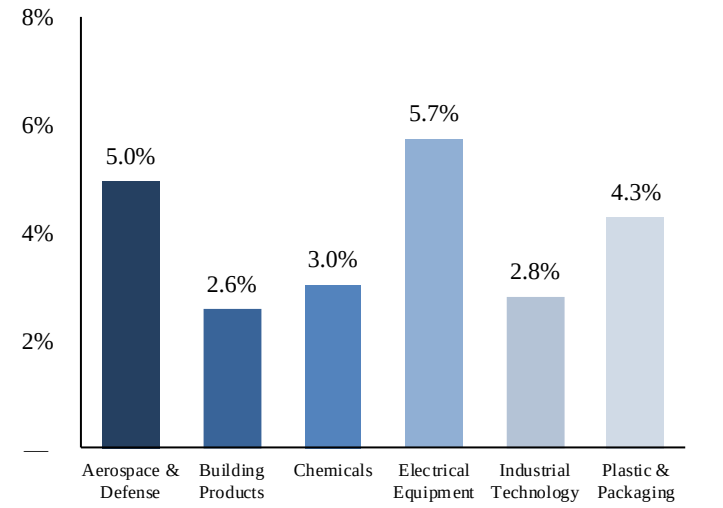
Select Recent M&A Transactions

($ in millions)

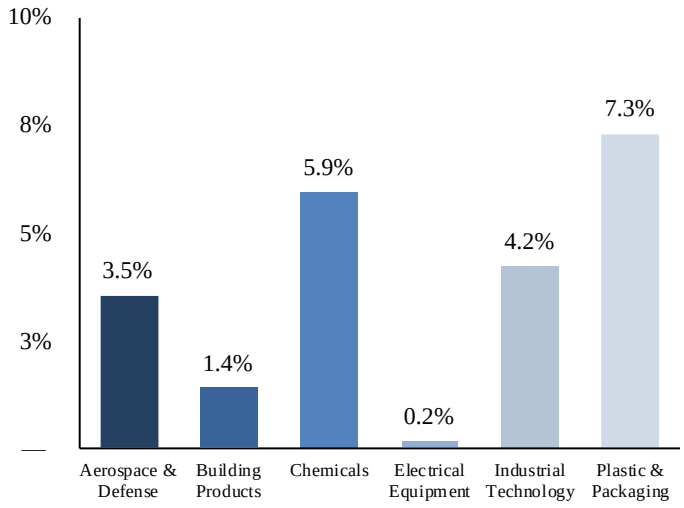
Date	Target	Description	Buyer	Transaction Value
8/10/2020	DMP Corporation	DMP Corporation designs and develops industrial wastewater treatment solutions.	Element Solutions Inc	NA
8/6/2020	Sonny's Enterprises, LLC	Sonny's Enterprises, LLC manufactures and supplies carwash equipment, parts, and software.	Genstar Capital, LLC	NA
8/6/2020	Fogg Filler Company, Inc.	Fogg Filler Company, Inc. designs and manufactures rotary filling, rinsing, capping, and enclosure systems.	ProMach Inc.	NA
8/3/2020	Heroes Energy Solutions, LLC	Heroes Energy Solutions, LLC manufactures and packages modular gas treating and conditioning equipment.	Reset Energy, LLP	NA
7/31/2020	TechniDrill Systems, Inc.	TechniDrill Systems, Inc. designs and manufactures drilling machines.	Kays Engineering, Inc.	NA
7/29/2020	IPL Plastics Inc.	IPL Plastics Inc. provides various packaging solutions.	Madison Dearborn Partners, LLC	$1,089
7/27/2020	Baker Hughes Company (nka:NuCera Solutions)	Baker Hughes Company is a polymer manufacturing business.	SK Capital Partners	NA
7/27/2020	Field Aerospace, Inc.	Field Aerospace, Inc., through its subsidiary, provides aircraft modification, design engineering, and avionics services.	Trive Capital	NA
7/22/2020	AM General LLC	AM General LLC designs, engineers, manufactures, supplies, and supports specialized vehicles.	KPS Capital Partners, LP	NA
7/20/2020	The Matrixx Group, Inc. (nka:MDT Replas)	MDT Replas manufactures and supplies general purpose and custom compounded thermoplastic resins.	Material Difference Technologies, LLC	NA
7/16/2020	Greenville Colorants, LLC	Greenville Colorants, LLC engages in the manufacture and supply of colors, dyes, and specialty chemicals.	ChromaScape, LLC	NA
7/14/2020	All Packaging Company Inc.	All Packaging Company Inc. designs and manufactures rigid set-up boxes and corrugated packaging products.	B2B Industrial Packaging LLC	NA
7/13/2020	Donnelly Custom Manufacturing Company	Donnelly Custom Manufacturing Company manufactures injected, molded, and engineered thermoplastic products.	Trinity Private Equity Group	NA
7/9/2020	Allied Construction Products, LLC	Allied Construction Products, LLC designs, manufacturers, and distributes attachments and safety-enhancing equipment.	Sandvik Mining and Rock Technology	NA
7/9/2020	Modern Packaging, Inc.	Modern Packaging, Inc. designs and manufactures automatic custom packaging machines.	ProMach Inc.	NA
7/9/2020	Panoramic, Inc.	Panoramic, Inc. provides thermoformed rigid plastic products.	Anchor Packaging LLC	NA
7/8/2020	Coast 2 Coast, LLC	Coast 2 Coast, LLC manufactures fiber-optic and copper cable assemblies.	Lynn Electronics, LLC	NA
7/2/2020	Rex Materials, Inc.	Rex Materials, Inc. manufactures ceramic fiber and fused silica material systems.	Unifrax I LLC	NA
7/2/2020	E-Chem, LLC	E-Chem, LLC manufactures and distributes epoxy polymer products for concrete.	Meridian Adhesives Group LLC	NA
7/1/2020	Meggitt Training Systems, Inc.	Meggitt Training Systems, Inc. develops, manufactures, and distributes live-fire and virtual weapons training systems.	Pine Island Capital Partners LLC	$146

Public Company Trading Statistics

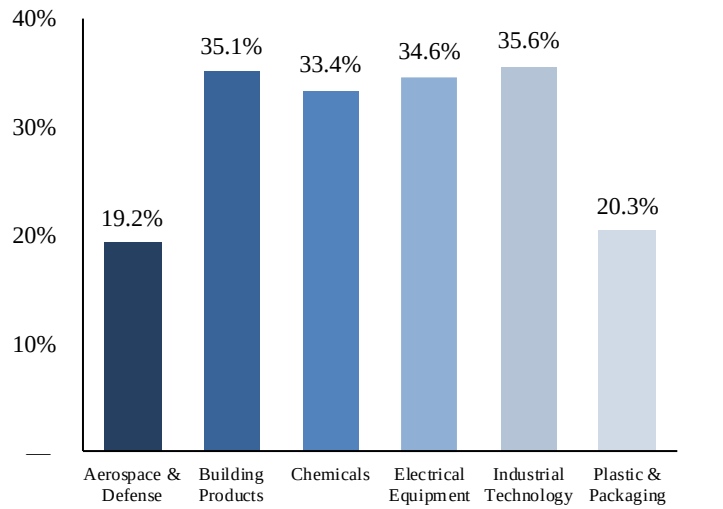
3-Year Revenue CAGR



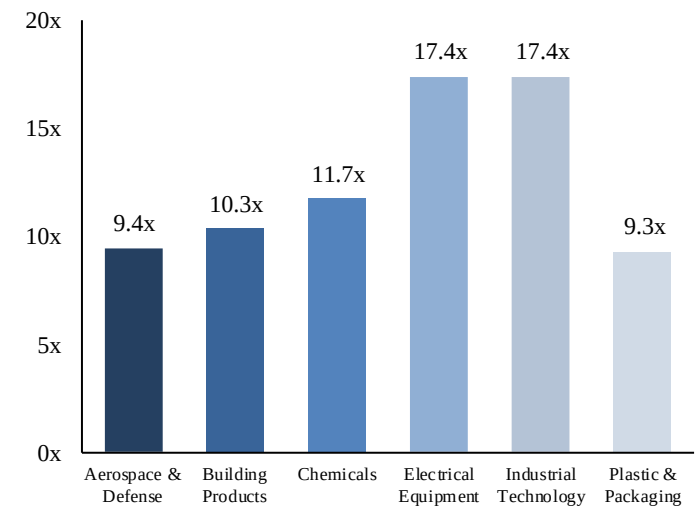
3-Year EBITDA CAGR



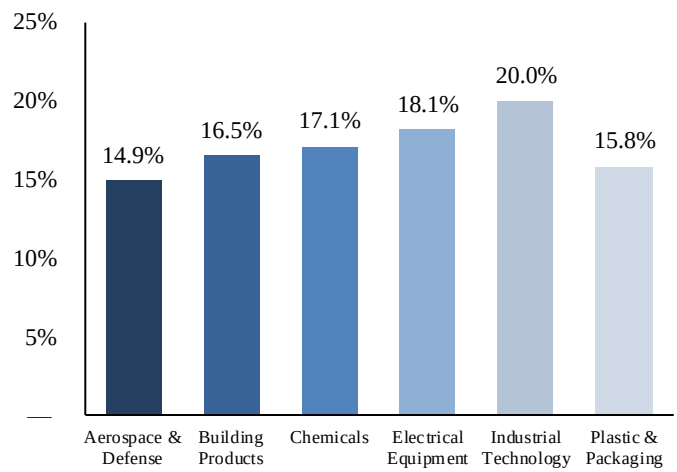
Gross Margin



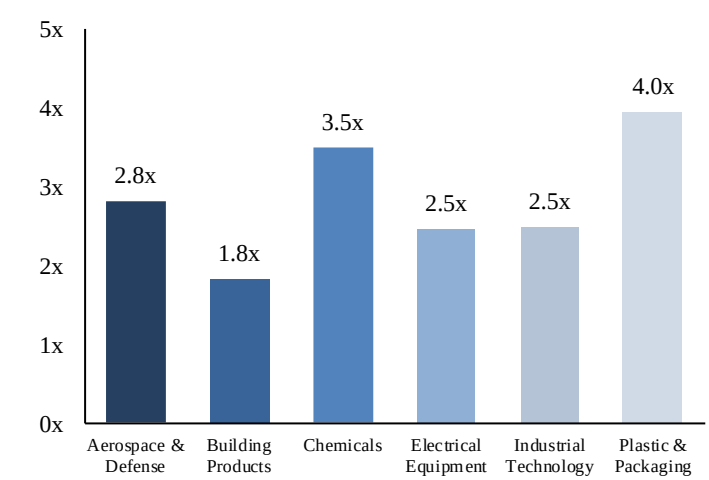
TEV/EBITDA



EBITDA Margin



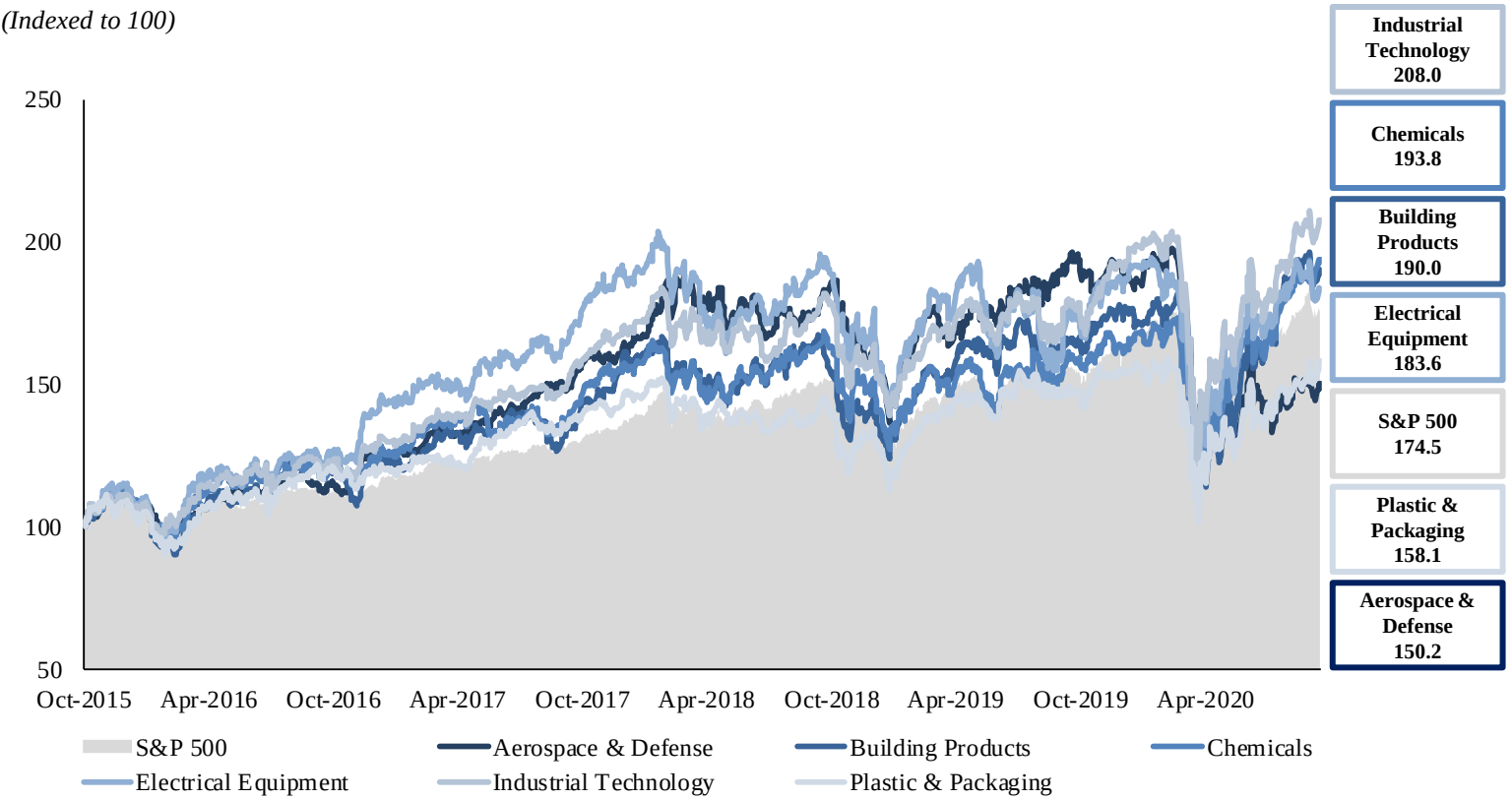
Total Debt/EBITDA



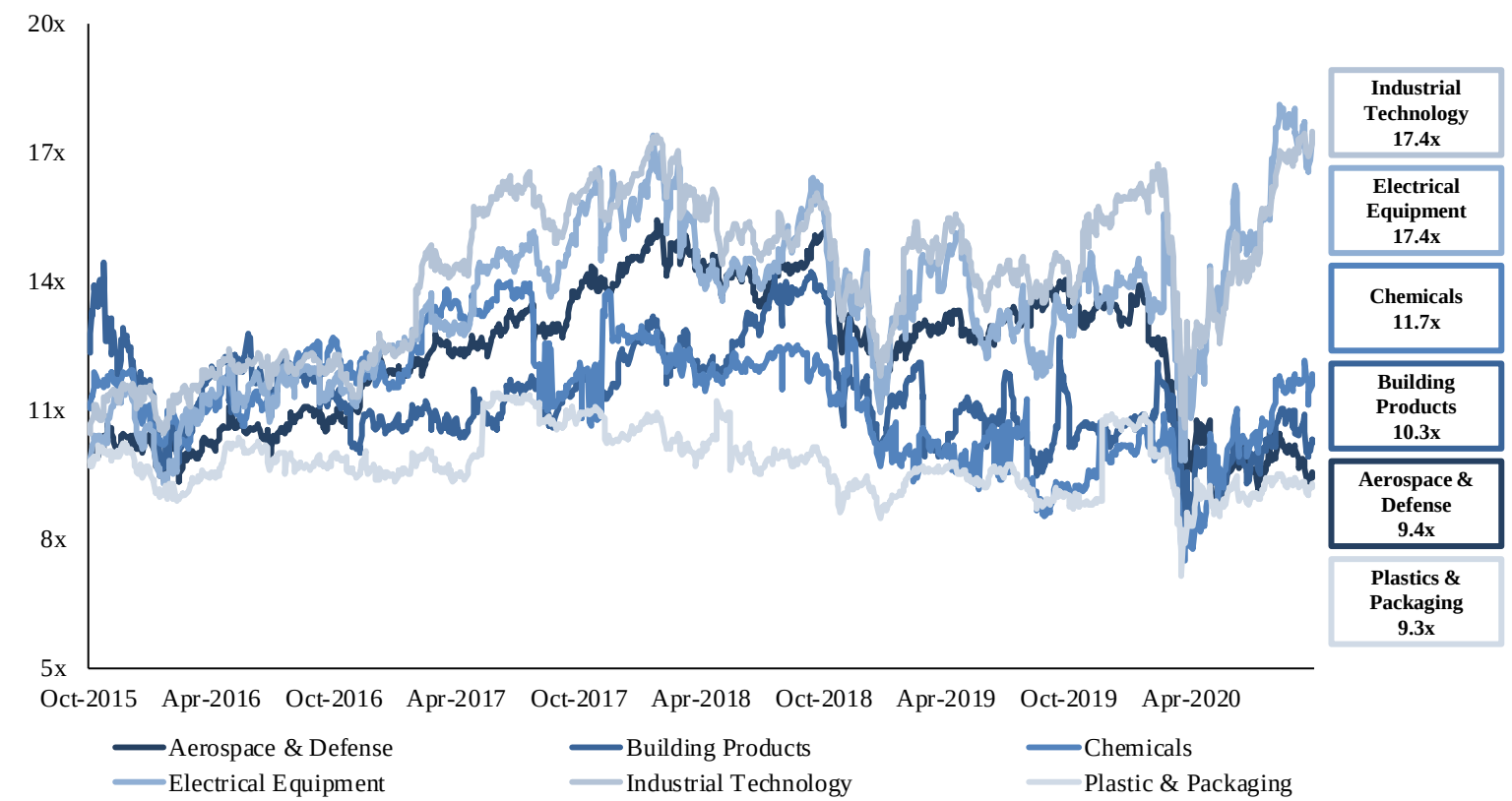
Public Company Trading History

5-Year Stock Return

(Indexed to 100)



5-Year Historical EBITDA Multiple



Public Comparable Companies

($ in millions)	TEV	Latest Twelve Months Revenue	Latest Twelve Months Gross Profit	Latest Twelve Months EBITDA	TEV / LTM Revenue	TEV / LTM EBITDA	TEV / EBITDA 2020P	TEV / EBITDA 2021P
Aerospace & Defense								
General Dynamics Corporation	$53,299	$38,217	$6,432	$5,657	1.4x	9.4x	9.8x	9.2x
Hexcel Corporation	$3,810	$1,771	$356	$447	2.2x	8.5x	13.2x	11.1x
Honeywell International Inc.	$123,469	$33,233	$10,712	$8,263	3.7x	14.9x	16.0x	14.6x
Lockheed Martin Corporation	$116,997	$64,244	$8,563	$9,494	1.8x	12.3x	11.9x	10.9x
Northrop Grumman Corporation	$65,466	$35,308	$7,494	$4,651	1.9x	14.1x	12.1x	11.3x
Textron Inc.	$11,047	$12,481	$1,750	$1,256	0.9x	8.8x	11.3x	8.3x
The Boeing Company	$122,515	$60,765	($501)	($1,033)	2.0x	NM	NM	13.8x
Raytheon Technologies Corporation	$115,992	$83,559	$18,747	$13,870	1.4x	8.4x	11.7x	9.3x
				Aerospace & Defense Median	**1.8x**	**9.4x**	**11.9x**	**11.0x**
Building Products								
A. O. Smith Corporation	$8,284	$2,812	$1,079	$478	2.9x	17.3x	16.5x	14.2x
Apogee Enterprises, Inc.	$712	$1,284	$273	$101	0.6x	7.0x	4.9x	4.8x
Armstrong World Industries, Inc.	$3,899	$945	$339	$398	4.1x	9.8x	11.8x	11.0x
Lennox International Inc.	$11,951	$3,605	$1,013	$606	3.3x	19.7x	19.4x	17.5x
Masco Corporation	$16,431	$6,967	$2,492	$1,294	2.4x	12.7x	12.0x	11.6x
Masonite International Corporation	$3,160	$2,134	$507	$326	1.5x	9.7x	8.0x	7.5x
Owens Corning	$10,485	$6,822	$1,526	$1,275	1.5x	8.2x	8.4x	7.4x
PGT Innovations, Inc.	$1,397	$796	$282	$135	1.8x	10.3x	8.8x	8.1x
Quanex Building Products Corporation	$763	$837	$184	$111	0.9x	6.9x	7.0x	6.6x
Simpson Manufacturing Co., Inc.	$4,097	$1,237	$563	$262	3.3x	15.7x	15.8x	15.0x
Trex Company, Inc.	$8,314	$780	$336	$243	10.7x	34.2x	33.3x	28.5x
				Building Products Median	**2.4x**	**10.3x**	**11.8x**	**11.0x**
Chemicals								
Albemarle Corporation	$12,617	$3,375	$1,126	$1,050	3.7x	12.0x	16.1x	13.7x
Ashland Global Holdings Inc.	$6,015	$2,326	$821	$548	2.6x	11.0x	10.7x	9.5x
Cabot Corporation	$3,277	$2,782	$541	$421	1.2x	7.8x	8.3x	6.4x
Eastman Chemical Company	$16,246	$8,492	$1,946	$1,789	1.9x	9.1x	9.6x	8.5x
Huntsman Corporation	$6,412	$6,007	$1,048	$547	1.1x	11.7x	10.8x	7.6x
Quaker Chemical Corporation	$4,031	$1,381	$486	$190	2.9x	21.3x	18.5x	14.1x
RPM International Inc.	$13,353	$5,641	$2,189	$798	2.4x	16.7x	14.6x	13.1x
The Scotts Miracle-Gro Company	$10,363	$3,739	$1,238	$665	2.8x	15.6x	12.9x	12.7x
The Sherwin-Williams Company	$67,469	$17,987	$8,448	$3,720	3.8x	18.1x	17.2x	16.1x
W. R. Grace & Co.	$4,429	$1,764	$660	$416	2.5x	10.6x	10.3x	8.2x
Westlake Chemical Corporation	$11,710	$7,590	$1,073	$1,283	1.5x	9.1x	9.4x	8.3x
				Chemicals Median	**2.5x**	**11.7x**	**10.8x**	**9.5x**

Public Comparable Companies

($ in millions)	TEV	Latest Twelve Months Revenue	Latest Twelve Months Gross Profit	Latest Twelve Months EBITDA	TEV / LTM Revenue	TEV / LTM EBITDA	TEV / EBITDA 2020P	TEV / EBITDA 2021P
Electrical Equipment								
AMETEK, Inc.	$24,733	$4,646	$1,605	$1,373	5.3x	18.0x	18.4x	16.6x
Amphenol Corporation	$34,819	$8,324	$2,577	$1,805	4.2x	19.3x	19.8x	17.3x
Belden Inc.	$2,633	$1,914	$694	$291	1.4x	9.0x	10.9x	8.7x
EnerSys	$3,671	$3,013	$755	$370	1.2x	9.9x	9.1x	8.1x
Hubbell Incorporated	$8,794	$4,251	$1,271	$790	2.1x	11.1x	12.3x	11.1x
Littelfuse, Inc.	$4,463	$1,384	$474	$267	3.2x	16.7x	17.3x	13.8x
Rockwell Automation, Inc.	$27,737	$6,490	$2,679	$1,399	4.3x	19.8x	20.3x	18.0x
Rogers Corporation	$1,767	$786	$275	$91	2.2x	19.5x	12.4x	9.7x
			Electrical Equipment Median		**2.7x**	**17.4x**	**14.9x**	**12.4x**
Industrial Technology								
ABB Ltd	$64,439	$26,020	$7,977	$3,756	2.5x	17.2x	22.4x	16.6x
AMETEK, Inc.	$24,733	$4,646	$1,605	$1,373	5.3x	18.0x	18.4x	16.6x
Curtiss-Wright Corporation	$4,694	$2,379	$853	$529	2.0x	8.9x	8.8x	8.3x
Danaher Corporation	$173,778	$18,887	$10,440	$4,887	9.2x	35.6x	29.0x	24.7x
Honeywell International Inc.	$123,469	$33,233	$10,712	$8,263	3.7x	14.9x	16.0x	14.6x
IDEX Corporation	$14,183	$2,343	$1,029	$662	6.1x	21.4x	22.9x	20.7x
Parker-Hannifin Corporation	$33,921	$13,696	$3,538	$2,666	2.5x	12.7x	14.0x	12.8x
Pentair plc	$8,601	$2,977	$1,055	$543	2.9x	15.8x	15.8x	14.3x
Rockwell Automation, Inc.	$27,737	$6,490	$2,679	$1,399	4.3x	19.8x	20.3x	18.0x
Xylem Inc.	$16,870	$4,874	$1,846	$958	3.5x	17.6x	18.2x	15.2x
			Industrial Technology Median		**3.6x**	**17.4x**	**18.3x**	**15.9x**
Plastic & Packaging								
AptarGroup, Inc.	$8,403	$2,851	$1,044	$586	2.9x	14.3x	14.0x	12.6x
Avery Dennison Corporation	$12,645	$6,754	$1,837	$943	1.9x	13.4x	13.3x	12.4x
Ball Corporation	$34,491	$11,258	$2,291	$1,929	3.1x	17.9x	17.5x	16.2x
Braemar Shipping Services Plc	$120	$121	$97	$13	1.0x	9.2x	7.9x	7.3x
Berry Global Group, Inc.	$17,221	$11,720	$2,239	$2,105	1.5x	8.2x	7.6x	7.3x
Crown Holdings, Inc.	$18,646	$11,404	$2,284	$1,616	1.6x	11.5x	11.0x	10.3x
Graphic Packaging Holding Company	$7,917	$6,428	$1,136	$853	1.2x	9.3x	7.4x	7.2x
Packaging Corporation of America	$12,025	$6,664	$1,426	$1,425	1.8x	8.4x	10.3x	10.2x
Sealed Air Corporation	$9,632	$4,861	$1,614	$981	2.0x	9.8x	9.0x	8.8x
Sonoco Products Company	$6,847	$5,170	$1,018	$875	1.3x	7.8x	7.8x	7.6x
WestRock Company	$19,505	$17,759	$3,333	$3,118	1.1x	6.3x	6.4x	6.4x
			Plastic & Packaging Median		**1.6x**	**9.3x**	**9.0x**	**8.8x**
			TOTAL INDUSTRY MEDIAN		**2.2x**	**12.2x**	**12.2x**	**11.1x**

Source: Capital IQ.
Market Inputs as of September 30, 2020.
NA - Not Available.
NM - Not Meaningful.

Shields & Company

Shields & Company, Inc., founded in 1991, is a leading middle-market investment bank located in the Boston area providing corporate finance advisory services to privately-owned and closely-held businesses in North America. The Shields & Company team utilizes its in-depth experience and knowledge to provide creative, thorough, and professional financial advice. We are committed to providing senior-level, objective financial advice for our clients. We embrace a corporate philosophy where our clients' goals come first and, as a result, we design and execute tailored processes that maximize shareholder outcomes and exceed client expectations more than 90% of the time.

Our partners have Wall Street experience and sit on the Boards of Directors of various public and private companies, and are therefore sensitive to the fiduciary and governance responsibilities confronting leaders in the current era of increased corporate responsibility.

SERVICES

Mergers & Acquisitions	Debt Raising	Corporate Advisory	Valuations
Due Diligence Processes	Bank Debt	Acquisitions	409A & ASC 718
Selective Buy-Side Advisory	Mezzanine Debt	Corporate Divestitures	Fairness Opinions
Sell-Side Advisory		Corporate Governance	Goodwill Impairment
		Joint Ventures	Purchase Allocation
			Securities Valuation

INDUSTRIES

Business Services



Consumer, Food, & Beverage



Healthcare & Human Services



Industrial Products & Services



Niche Manufacturing



Specialty Distribution



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