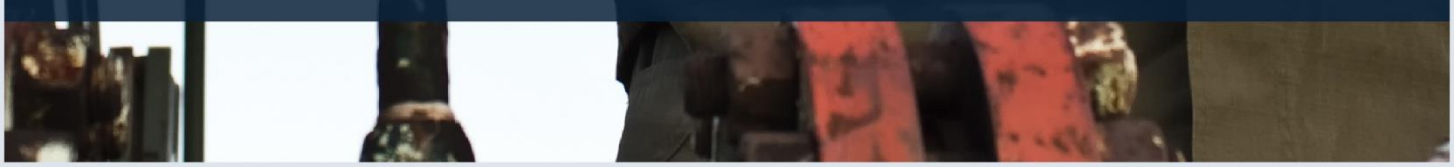
Shields & Company
INVESTMENT BANKERS



Industrial Products & Services Sector Update

Q4 2020



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

Industrials Sector Update – Q4 2020

M&A Summary & Outlook

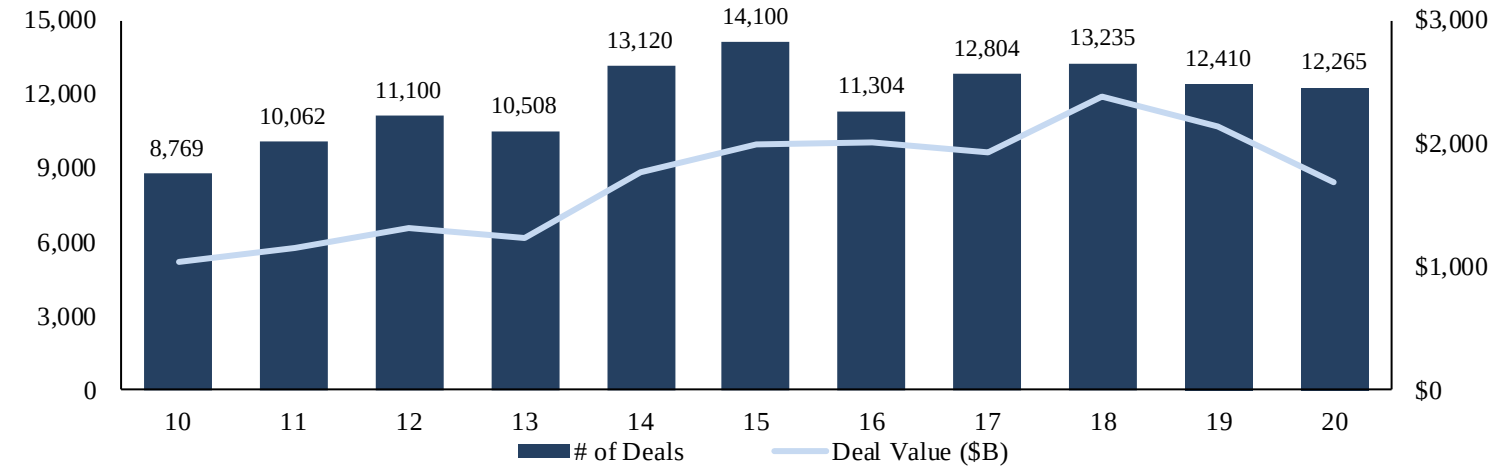
- Q4 2020 saw North American M&A volume of 3,874 transactions and total deal value of $549.9 billion.
- Within the industrial sector, there were 255 transactions in Q4 2020, compared to 274 transactions in Q4 2019, representing a 7% decrease from last year. The sector had 816 total transactions in 2020 compared to last year's total of 1,028—a substantial decrease of 21% largely due to effects of COVID-19.

Public Company Performance

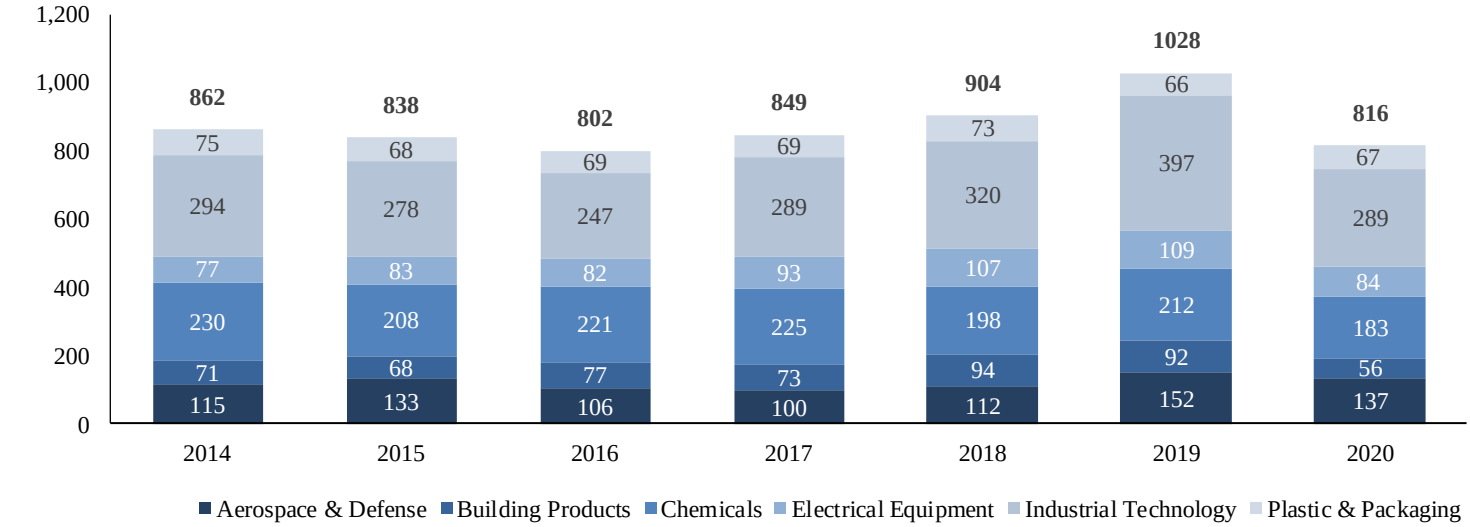
- Public company EV/EBITDA multiples continue to increase with a median industrial multiple of 13.3x in Q4 2020 compared to a median multiple of 12.2x in Q3 2020. The median EV/EBITDA multiple in Q4 2019 was 12.4x.
- After Q4 2020, four out of six industrial sub-sectors have outperformed the S&P 500 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
12/30/2020	Combustion & Control Solutions, Inc.	Combustion & Control Solutions, Inc. manufactures boilers, parts and equipment, and provides engineered solutions.	Alderman Holdings, LLC	NA
12/28/2020	Taste of BC Aquafarms Inc.	Taste of BC Aquafarms Inc. operates recirculating aquaculture systems raising salmon from egg to plate.	Blue Star Foods Corp.	NA
12/23/2020	Shawcor Ltd.	Shawcor Ltd. manufactures heat shrinkable sleeves, adhesives, and liquid coatings for pipeline joint protection applications.	Seal for Life Industries, LLC	$92
12/23/2020	Sparton Corporation	Sparton Corporation provides design, development, and manufacturing services for electromechanical devices.	Elbit Systems of America, LLC	$380
12/22/2020	AeroSpares, Inc.	AeroSpares, Inc. designs, manufactures, and sells proprietary aftermarket aircraft components.	Jet Parts Engineering, LLC	NA
12/21/2020	Genesys Aerosystems Group, Inc.	Genesys Aerosystems Group, Inc. designs and manufactures autopilot and avionics systems.	Moog Inc.	$78
12/20/2020	Aerojet Rocketdyne Holdings, Inc.	Aerojet Rocketdyne Holdings, Inc. designs, develops, manufactures, and sells aerospace and defense products.	Lockheed Martin Corporation	$5,028
12/17/2020	Henson Tech, Inc.	Henson Tech, Inc., doing business as Engineering By Design, manufactures custom industrial machines and products.	Arcline Investment Management LP	NA
12/17/2020	Packaging Horizons Corporation	Packaging Horizons Corporation manufactures and sells polyethylene alert security bags.	Primary Packaging Incorporated	NA
12/17/2020	RND Automation & Engineering, LLC	RND Automation & Engineering, LLC engineers custom automation and material handling machinery for industries.	Saw Mill Capital LLC	NA
12/16/2020	Applied Vision Corporation	Applied Vision Corporation designs and develops machine vision systems for the food and beverage industry.	Antares Vision, Inc.	$45
12/15/2020	Roof Mart, LLC	Roof Mart, LLC designs and manufactures steel roofing systems, wall panels, trims and trusses.	Trachte Building Systems, Inc.	NA
12/15/2020	Loadpath, LLC	Loadpath, LLC researches, designs and develops mechanical, structural, and thermal technologies.	RedWire, LLC	NA
12/8/2020	Pressed Paperboard Technologies, LLC	Pressed Paperboard Technologies, LLC manufactures paperboard packaging products.	May River Capital, LLC	NA
12/7/2020	Physical Optics Corporation, Inc.	Physical Optics Corporation, Inc. designs, develops, and manufactures avionics solutions.	Mercury Systems, Inc.	$310
12/7/2020	Cadence Fluidics, LLC	Cadence Fluidics, LLC designs and manufactures liquid valves and custom fluidic components.	Adaptas Solutions, LLC	NA
12/3/2020	Tufpak, Inc.	Tufpak, Inc. manufactures plastic film and bag products under the SUPROP brand.	Spartech Polycom, Inc.	NA
12/2/2020	Bright Way Group, LLC	Bright Way Group, LLC manufactures, supplies, and distributes batteries and security products in North America.	Continental Batteries Company	NA
11/30/2020	Ennis-Flint Inc.	Ennis-Flint Inc. manufactures and supplies pavement marking materials.	PPG Industries, Inc.	$1,150
11/24/2020	Gemini HDPE LLC	Gemini HDPE LLC manufactures high density polyethylene chemicals.	INEOS Olefins & Polymers USA, LLC	$404

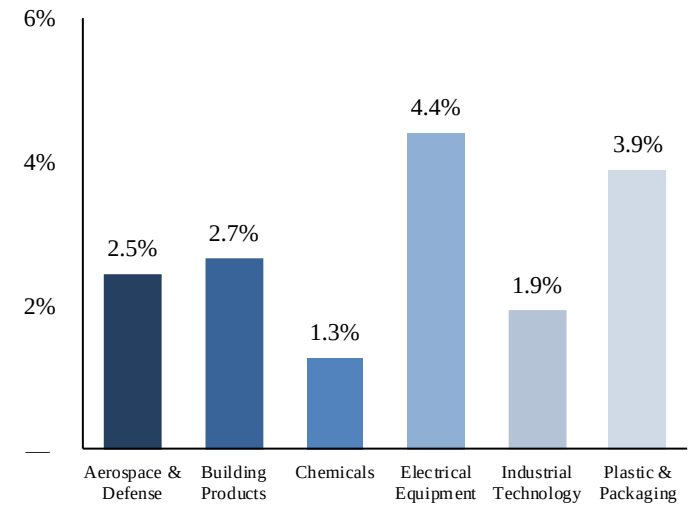
Select Recent M&A Transactions

($ in millions)

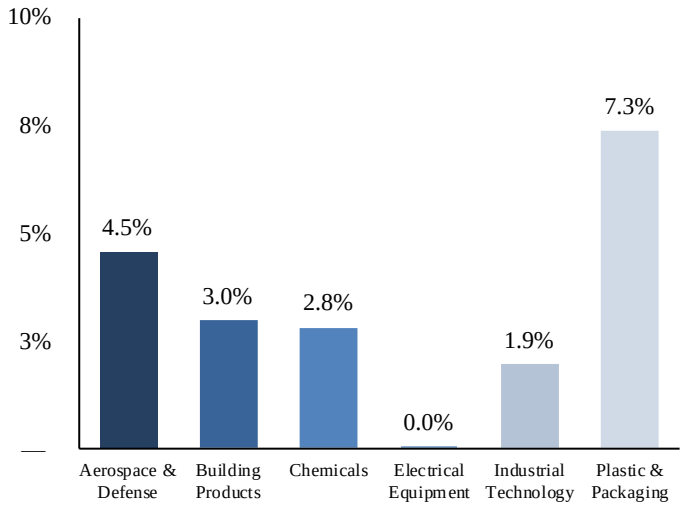
Date	Target	Description	Buyer	Transaction Value
11/20/2020	Arktura, LLC	Arktura, LLC designs and manufactures acoustic design solutions.	Armstrong World Industries, Inc.	$121
11/19/2020	Wedlake Fabricating, Inc.	Wedlake Fabricating, Inc. manufactures custom generator enclosures for data centers.	IES Infrastructure Solutions, LLC	NA
11/18/2020	Steam Turbine Alternative Resources, Inc.	Steam Turbine Alternative Resources, Inc. engages in the design, manufacturing, and installation of turbine seals.	Mangrove Equity Partners, L.P.	NA
11/16/2020	Larson Manufacturing Company, Inc.	Larson Manufacturing Company, Inc. manufactures storm doors and storm windows in the United States.	Fortune Brands Home & Security, Inc.	$740
11/13/2020	Phoenix Cars LLC	Phoenix Cars LLC designs, develops, manufactures, and services all-electric vehicles.	Edisonfuture Inc.	$23
11/10/2020	Blue Canyon Technologies, Inc.	Blue Canyon Technologies, Inc. designs and manufactures spacecraft.	Raytheon Technologies Corporation	NA
11/9/2020	Drew Foam Companies, Inc.	Drew Foam Companies, Inc. designs and manufactures building and packaging materials.	Wynnchurch Capital, L.P	NA
11/5/2020	Buy Wholesale Company, LLC	Buy Wholesale Company, LLC manufactures and distributes municipal plumbing supply products.	Egw Utilities, Inc.	NA
11/3/2020	BlueInGreen, LLC	BlueInGreen, LLC manufactures machinery for delivering dissolved oxygen, carbon dioxide, and ozone into water.	Chart Industries, Inc.	$26
11/1/2020	newterra ltd.	newterra ltd. provides decentralized water and wastewater treatment solutions.	Frontenac Company LLC	NA
10/29/2020	Sensor Concepts Inc.	Sensor Concepts Inc. manufactures measurement and testing systems for the aerospace and defense industry.	Raptor Scientific LLC	NA
10/28/2020	Innovative Ventilation Systems, Inc.	Innovative Ventilation Systems, Inc. develops air conditioning systems for confined spaces.	Onpoint Industrial Services, LLC	NA
10/26/2020	CENTRA Technology, Inc.	CENTRA Technology, Inc. provides aerospace engineering services.	Pacific Architects and Engineers, LLC	$208
10/23/2020	Polar Plastics, Inc.	Polar Plastics, Inc. produces and delivers blown plastic films and bags for packaging and logistics.	Revolution	NA
10/22/2020	Isimac Machine Company, Inc.	Isimac Machine Company, Inc. manufactures miniature to medium size precision machined parts.	VFD Technologies, Inc.	NA
10/20/2020	International Flora Technologies Ltd.	International Flora Technologies Ltd. manufactures and markets botanically-derived ingredients.	Cargill, Incorporated	NA
10/19/2020	Van's Pattern Corp.	Van's Pattern Corp. manufactures polystyrene patterns.	LNS Manufacturing Inc.	NA
10/12/2020	National Coatings Corporation	National Coatings Corporation supplies elastomeric roof coatings, wall coatings, and insulation products.	Henry Company LLC	NA
10/6/2020	Parker Freeze Dry Inc.	Parker Freeze Dry Inc. designs and manufactures custom, commercial & production-sized freeze dryers.	ProForm Fabrication, LLC	NA
10/1/2020	Poteet Printing Systems, LLC	Poteet Printing Systems, LLC manufactures and sells water-based inks for flexographic applications.	Flint Group US LLC	NA

Public Company Trading Statistics

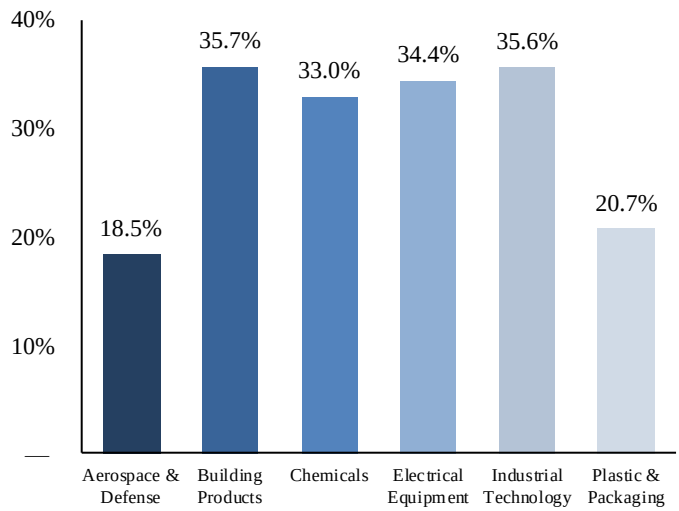
3-Year Revenue CAGR



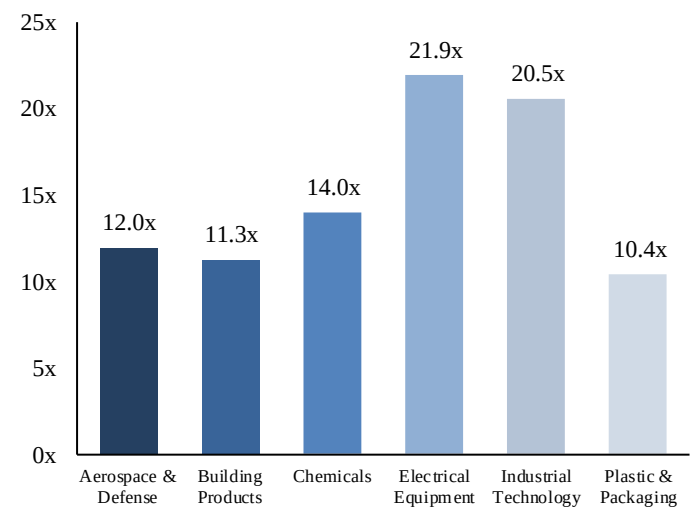
3-Year EBITDA CAGR



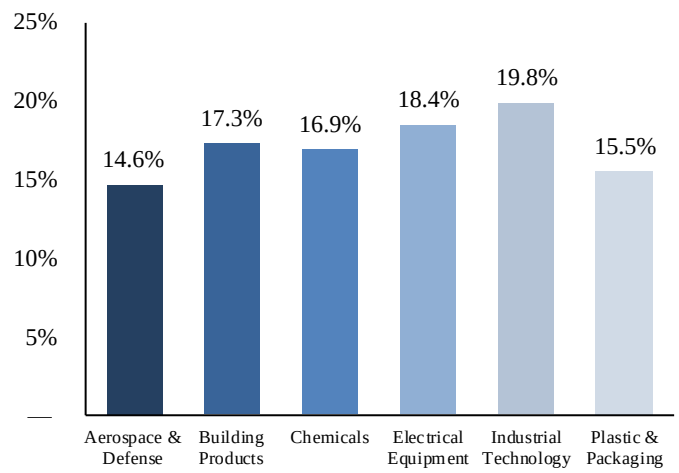
Gross Margin



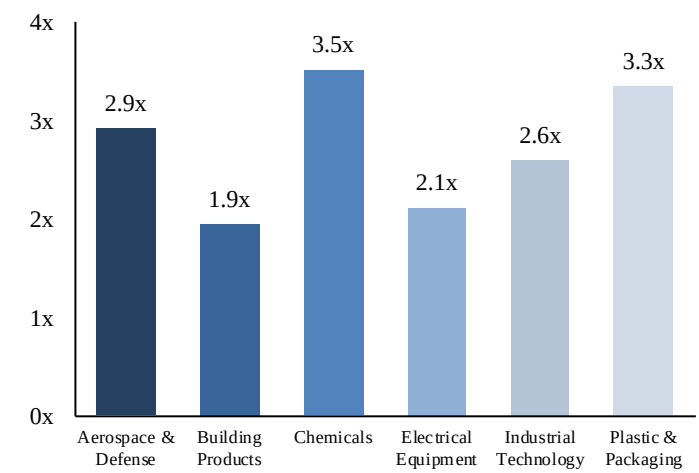
TEV/EBITDA



EBITDA Margin



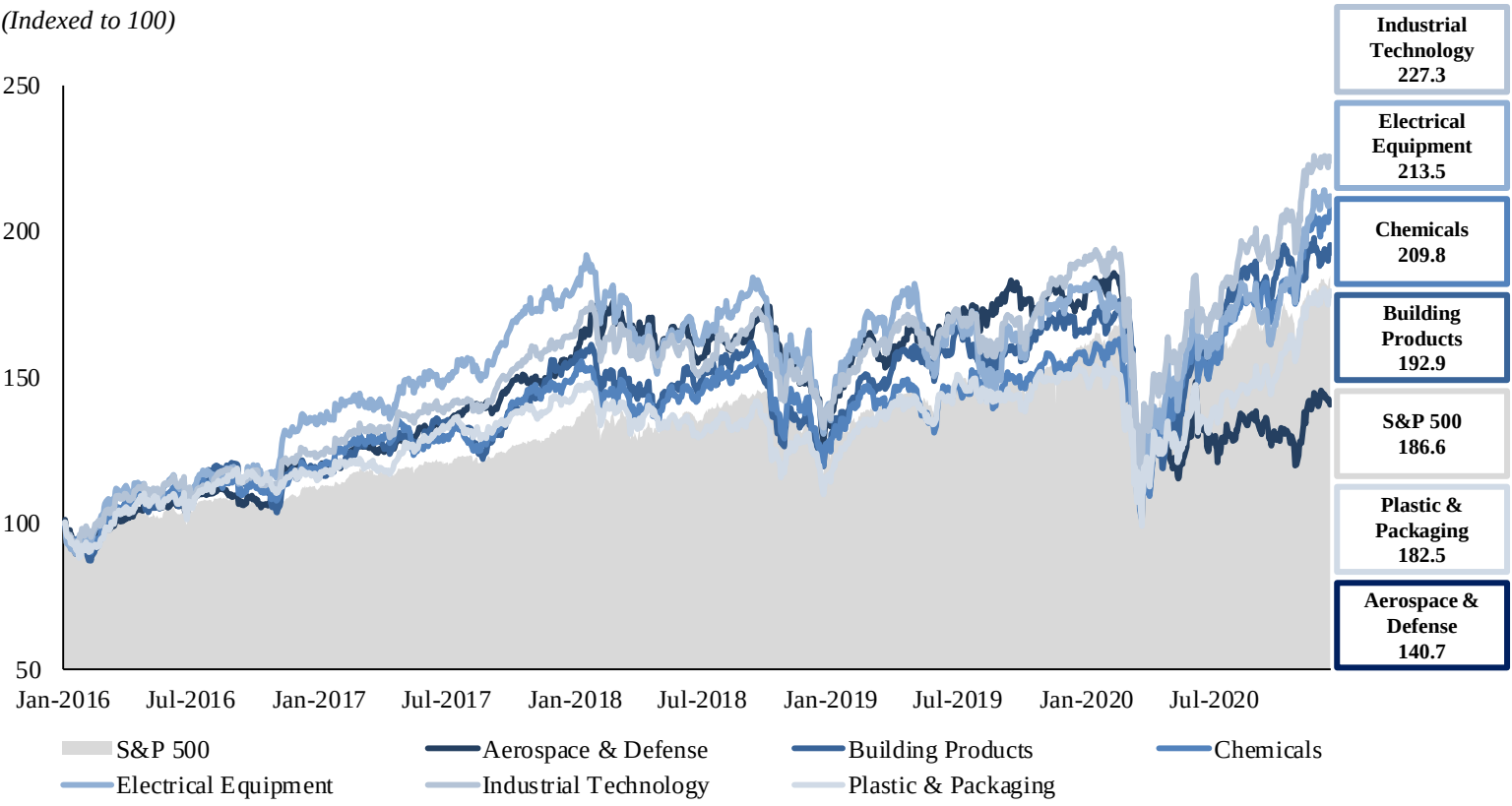
Total Debt/EBITDA



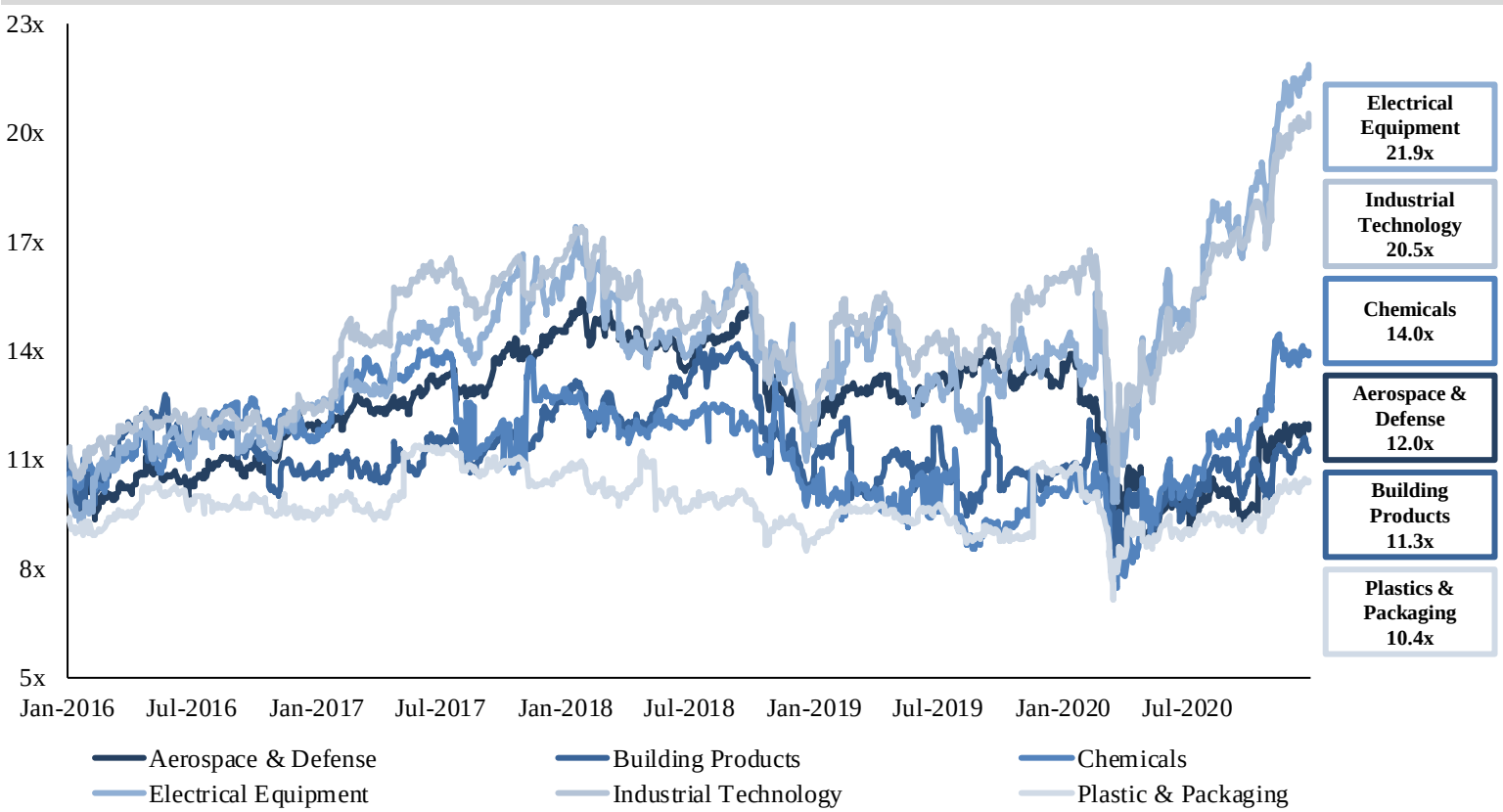
Public Company Trading History

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 2021P	TEV / EBITDA 2022P
Aerospace & Defense								
General Dynamics Corporation	$55,931	$38,217	$6,432	$5,565	1.5x	10.1x	10.0x	9.4x
Hexcel Corporation	$4,982	$1,771	$356	$317	2.8x	15.7x	20.6x	15.0x
Honeywell International Inc.	$157,485	$33,233	$10,712	$7,874	4.7x	20.0x	18.3x	16.8x
Lockheed Martin Corporation	$108,441	$64,244	$8,563	$9,765	1.7x	11.1x	10.2x	9.7x
Northrop Grumman Corporation	$62,802	$35,308	$7,494	$4,781	1.8x	13.1x	10.9x	10.4x
Textron Inc.	$13,541	$11,958	$1,641	$1,131	1.1x	12.0x	10.1x	8.8x
The Boeing Company	$154,954	$60,765	$1,868	($2,212)	2.6x	NM	24.6x	15.5x
Raytheon Technologies Corporation	$134,025	$83,559	$18,566	$12,921	1.6x	10.4x	12.0x	10.2x
				Aerospace & Defense Median	**1.7x**	**12.0x**	**11.4x**	**10.3x**
Building Products								
A. O. Smith Corporation	$8,503	$2,812	$1,079	$505	3.0x	16.8x	13.8x	12.8x
Apogee Enterprises, Inc.	$949	$1,259	$268	$130	0.8x	7.3x	7.0x	6.3x
Armstrong World Industries, Inc.	$4,174	$945	$339	$353	4.4x	11.8x	12.0x	10.7x
Lennox International Inc.	$11,643	$3,605	$1,013	$625	3.2x	18.6x	16.3x	15.4x
Masco Corporation	$16,118	$6,967	$2,492	$1,432	2.3x	11.3x	10.7x	10.1x
Masonite International Corporation	$3,052	$2,170	$542	$358	1.4x	8.5x	6.8x	6.3x
Owens Corning	$10,844	$6,822	$1,526	$1,335	1.6x	8.1x	7.2x	6.7x
PGT Innovations, Inc.	$1,554	$836	$299	$142	1.9x	10.9x	8.7x	8.1x
Quanex Building Products Corporation	$842	$852	$193	$113	1.0x	7.5x	6.8x	NA
Simpson Manufacturing Co., Inc.	$3,864	$1,237	$563	$293	3.1x	13.2x	12.6x	12.0x
Trex Company, Inc.	$9,712	$817	$338	$246	11.9x	39.5x	30.9x	26.4x
				Building Products Median	**2.3x**	**11.3x**	**10.7x**	**10.4x**
Chemicals								
Albemarle Corporation	$18,882	$3,242	$1,070	$1,014	5.8x	18.6x	21.3x	18.2x
Ashland Global Holdings Inc.	$6,344	$2,326	$707	$483	2.7x	13.1x	10.0x	9.2x
Cabot Corporation	$3,731	$2,614	$506	$409	1.4x	9.1x	6.9x	6.3x
Eastman Chemical Company	$19,074	$8,492	$1,953	$1,729	2.2x	11.0x	9.3x	8.8x
Huntsman Corporation	$7,111	$6,007	$1,048	$532	1.2x	13.4x	7.7x	6.9x
Quaker Chemical Corporation	$5,292	$1,423	$511	$208	3.7x	25.4x	18.5x	16.8x
RPM International Inc.	$14,140	$5,726	$2,249	$879	2.5x	16.1x	13.6x	12.3x
The Scotts Miracle-Gro Company	$12,781	$4,132	$1,363	$714	3.1x	17.9x	15.3x	14.6x
The Sherwin-Williams Company	$69,204	$17,987	$8,448	$3,891	3.8x	17.8x	16.1x	15.4x
W. R. Grace & Co.	$5,407	$1,764	$660	$387	3.1x	14.0x	9.7x	8.9x
Westlake Chemical Corporation	$13,891	$7,422	$950	$1,180	1.9x	11.8x	9.3x	8.9x
				Chemicals Median	**2.7x**	**14.0x**	**10.0x**	**9.2x**

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 2021P	TEV / EBITDA 2022P
Electrical Equipment								
AMETEK, Inc.	$29,493	$4,646	$1,605	$1,356	6.3x	21.8x	19.5x	18.3x
Amphenol Corporation	$41,544	$8,324	$2,577	$1,870	5.0x	22.2x	19.4x	18.1x
Belden Inc.	$3,048	$1,914	$694	$259	1.6x	11.8x	10.6x	9.6x
EnerSys	$4,267	$2,959	$735	$365	1.4x	11.7x	9.4x	NA
Hubbell Incorporated	$9,794	$4,251	$1,271	$773	2.3x	12.7x	12.0x	11.6x
Littelfuse, Inc.	$6,300	$1,384	$474	$285	4.6x	22.1x	17.7x	16.0x
Rockwell Automation, Inc.	$31,114	$6,330	$2,595	$1,362	4.9x	22.8x	19.4x	17.8x
Rogers Corporation	$2,783	$786	$275	$88	3.5x	31.5x	14.5x	12.2x
			Electrical Equipment Median		**4.0x**	**21.9x**	**16.1x**	**16.0x**
Industrial Technology								
ABB Ltd	$59,068	$26,020	$7,977	$3,358	2.3x	17.6x	14.1x	12.4x
AMETEK, Inc.	$29,493	$4,646	$1,605	$1,356	6.3x	21.8x	19.5x	18.3x
Curtiss-Wright Corporation	$5,594	$2,379	$853	$517	2.4x	10.8x	9.5x	9.0x
Danaher Corporation	$178,156	$20,392	$11,642	$5,813	8.7x	30.6x	23.0x	21.3x
Honeywell International Inc.	$157,485	$33,233	$10,712	$7,874	4.7x	20.0x	18.3x	16.8x
IDEX Corporation	$15,356	$2,343	$1,029	$646	6.6x	23.8x	21.8x	20.3x
Parker-Hannifin Corporation	$42,268	$13,592	$3,538	$2,642	3.1x	16.0x	15.3x	13.6x
Pentair plc	$9,637	$2,977	$1,055	$567	3.2x	17.0x	15.2x	13.9x
Rockwell Automation, Inc.	$31,114	$6,330	$2,595	$1,362	4.9x	22.8x	19.4x	17.8x
Xylem Inc.	$19,906	$4,874	$1,846	$944	4.1x	21.1x	18.1x	16.6x
			Industrial Technology Median		**4.4x**	**20.5x**	**18.2x**	**16.7x**
Plastic & Packaging								
AptarGroup, Inc.	$9,893	$2,851	$1,044	$600	3.5x	16.5x	14.5x	13.6x
Avery Dennison Corporation	$14,781	$6,754	$1,837	$970	2.2x	15.2x	13.6x	12.8x
Ball Corporation	$37,769	$11,398	$2,364	$1,980	3.3x	19.1x	17.0x	15.5x
Braemar Shipping Services Plc	$114	$120	$97	$14	1.0x	7.9x	6.1x	5.6x
Berry Global Group, Inc.	$18,063	$11,709	$2,408	$2,265	1.5x	8.0x	7.7x	7.4x
Crown Holdings, Inc.	$21,544	$11,404	$2,284	$1,683	1.9x	12.8x	11.2x	10.5x
Graphic Packaging Holding Company	$8,631	$6,428	$1,136	$857	1.3x	10.1x	7.9x	7.6x
Packaging Corporation of America	$14,625	$6,664	$1,429	$1,376	2.2x	10.6x	10.2x	10.1x
Sealed Air Corporation	$10,606	$4,861	$1,614	$1,018	2.2x	10.4x	9.6x	9.3x
Sonoco Products Company	$7,632	$5,170	$1,018	$864	1.5x	8.8x	8.5x	8.3x
WestRock Company	$21,368	$17,579	$3,197	$3,034	1.2x	7.0x	6.0x	6.1x
			Plastic & Packaging Median		**1.9x**	**10.4x**	**9.6x**	**9.3x**
			TOTAL INDUSTRY MEDIAN		**2.5x**	**13.3x**	**12.0x**	**12.0x**

Source: Capital IQ.
Market Inputs as of December 31, 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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