



# Mufson Howe Hunter

## Manufacturing Update

Q3 2023

### Primary MHH Manufacturing Contacts

#### **Michael J. Howe**

Managing Director  
Direct Dial: 215.399.5413  
Mobile: 215.808.0160  
[mhowe@mhco.com](mailto:mhowe@mhco.com)

#### **Michael J. Gorman**

Director  
Direct Dial: 215.399.5416  
Mobile: 610.731.9126  
[mgorman@mhco.com](mailto:mgorman@mhco.com)

#### **Isabel Schaefer**

Vice President  
Direct Dial: 215.399.5418  
Mobile: 610.888.1937  
[ischaef@mhco.com](mailto:ischaef@mhco.com)

Mufson Howe Hunter & Company LLC is a middle-market focused investment bank providing M&A, capital raising, and financial advisory services.

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*The Mufson Howe Hunter (MHH) Manufacturing Update is designed to provide business leaders, investors, and industry professionals an update on current market trends and important developments within the manufacturing sector of the economy. This monthly report contains information on select companies in various manufacturing subsectors, emphasizing financial performance, stock performance, and recent news.*

### Macro-Economic Trends

	Aug-23	Sept-23	Trend
PMI	47.6	49.0	Positive
Total Unemployment	3.8	3.8	Neutral
CPI Monthly Change	0.6	0.4	Negative
PPI Monthly Change	0.7	0.5	Negative
Industrial Production	103.5	103.6	Positive
Capacity Utilization	79.7	79.7	Neutral
Manufacturing Production	99.7	99.8	Positive
Manufacturing Utilization	79.7	77.8	Negative

### Sector Index Performance

	3-Year	LTM	3-Month
Aerospace & Defense	32.3%	16.0%	-8.5%
Components & Materials	1.4%	16.1%	-6.2%
Industrial Equipment	60.0%	34.6%	-4.2%
Industrial & Technical Services	68.0%	21.4%	-4.7%
NASDAQ	19.3%	23.1%	-2.7%
S&P 500	28.6%	17.8%	-2.5%

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MHH's coverage of the Manufacturing Sector spans companies in the following four sectors for each of which our index has been calculated as follows:

The MMH Aerospace & Defense Index is currently comprised of Airbus Group NV, BAE Systems plc, The Boeing Company, Embraer SA, General Dynamics Corp., Honeywell International Inc., Huntington Ingalls Industries, L3Harris Technologies, Lockheed Martin Corp., Northrop Grumman Corp., Raytheon Technologies Corporation, Rolls Royce Holdings plc, Textron Inc., and Thales SA.

The MMH Components & Materials Index is currently comprised of 3M Company, Akzo Nobel NV, Alps Electric Ltd., Amphenol Corp., Aptiv plc, Autoliv Inc., BASF SE, Belden Inc., Bosch Ltd., Celanese Corp., Continental AG, Corning Inc., Denso Corp., Dow Inc., DuPont de Numours, Inc., Encore Wire Corp., Evonik Industries, Ferro Corp., Johnson Controls Inc., Lear Corp., OMRON Corp., PPG Industries Inc., Solvay SA, Stanley Electric Co. Ltd., TE Connectivity Ltd., and Vishay Intertechnology.

The MHH Industrial Equipment Index is currently comprised of Ametek Inc., Applied Materials Inc., ASML Holding NV, Axcelis Technologies Inc., Azenta, Inc., Caterpillar Inc., Cohu Inc., Cummins Inc., Danaher Corp., Deere & Company, Eaton Corp. plc, Emerson Electric Co., Entegris Inc., FARO Technologies Inc., FormFactor Inc., Hubbell Inc., Hyundai Heavy Industries Co. Ltd, KLA-Tencor Corp., LamResearch Corp., MKS Instruments Inc., Nova Measuring Instruments Ltd., Onto Innovation Inc., Oshkosh Corp., Powell Industries, Inc., Regal Rexnord Corp, Rockwell Automation Inc., Schneider Electric SE, Teradyne Inc., Terex Corp., Tokyo Electron Ltd., and Veeco Instruments Inc.

The MHH Industrial & Technical Services Index is currently comprised of AECOM Technology Corp., Aurubis AG, Balfour Beatty plc, Cardno Ltd., Clean Harbors Inc., Commercial Metals Company, Dowa Holdings Co. Ltd., Fastenal Company, Fluor Corp., HD Supply Holdings Inc., Jacobs Engineering Group Inc., John Wood Group plc, KBR Inc., MRC Global Inc., MSC Industrial Direct Co. Inc., NV5 Global Inc., Primoris Services Corp., Sims Metal Management Ltd., Tetra Tech Inc., Transcat Inc., Veolia Environnement SA, WW Grainger Inc., and WESCO International Inc.

The companies that comprise each Index can change periodically as a result of a variety of reasons, including mergers, acquisitions, initial public offerings, and other transactions; therefore, comparisons to historical time periods and historical performance for each Index may not entirely correspond and correlate to the Index's current performance. In addition, historical performance is not a guarantee or prediction of future results. The information and statistical data contained herein have been obtained from sources that Mufson Howe Hunter believes are reliable, but Mufson Howe Hunter makes no representation or warranty as to the accuracy or completeness of any such information and data and expressly disclaims any and all liability relating to or resulting from your use of these materials. The information and data contained herein are current and only as of the date(s) indicated and Mufson Howe Hunter has no intention, obligation, or duty to update these materials after such date(s). These materials do not constitute an offer to sell or the solicitation of an offer to buy any securities. Copyright © 2023 Mufson Howe Hunter & Company LLC. All rights reserved. The Manufacturing Update is produced by Mufson Howe Hunter. Mufson Howe Hunter provides a full range of investment banking services to manufacturing companies. For more information, please visit [www.mhhco.com](http://www.mhhco.com).

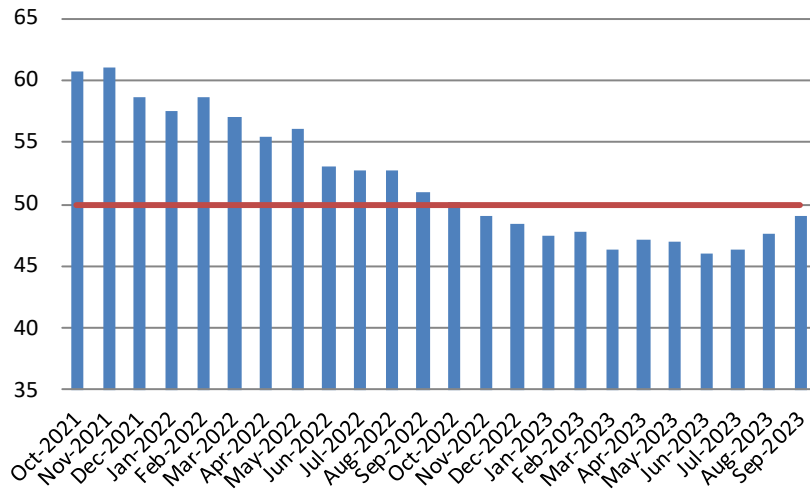
# Major U.S. Economic Indicators

## Manufacturing Update

### Purchase Manager Index (PMI)

A PMI reading above 50 (red line below) indicates that the manufacturing sector is generally expanding and below 50 means it is contracting.

ISM Manufacturing PMI Composite Index - United States (Monthly)



#### Commentary

Activity in the manufacturing sector as measured by the PMI increased by 1.4% in September, nonetheless, remaining in contraction since October 2022.

New Orders, Inventories, Backlog, New Export Orders, and Imports experienced contraction during September 2023.

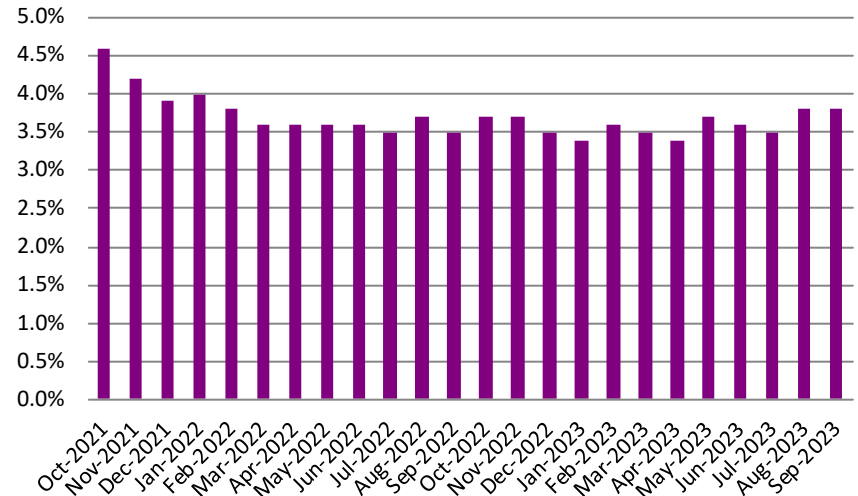
Whereas Production, Employment, and Supplier Deliveries increased during September 2023.

Source: Federal Reserve Data

### Unemployment Rate

Unemployment rate is traditionally defined as the percentage of the total labor force that is actively looking for gainful employment.

Unemployment Rate - United States (Monthly)



#### Commentary

The unemployment rate remained unchanged at 3.8% in September 2023 as did the number of unemployed persons at 6.4 million. However, notable job gains occurred in leisure & hospitality, government, healthcare, scientific/technical services and social assistance.

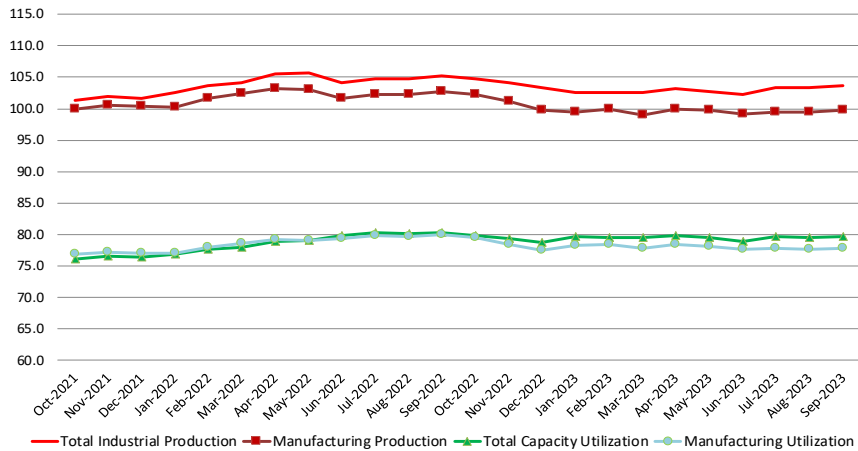
# Major U.S. Economic Indicators (cont'd)

## Manufacturing Update

### Industrial Production and Capacity Utilization

The Production Index (upper graph) measures real output and is expressed as a percentage of real output in a base year, currently 2017. The Capacity Utilization Index (lower graph), an estimate of sustainable potential output, is also expressed as a percentage of real output in 2017 base-year terms.

Industrial Production and Capacity Utilization - United States (Monthly)



#### Commentary

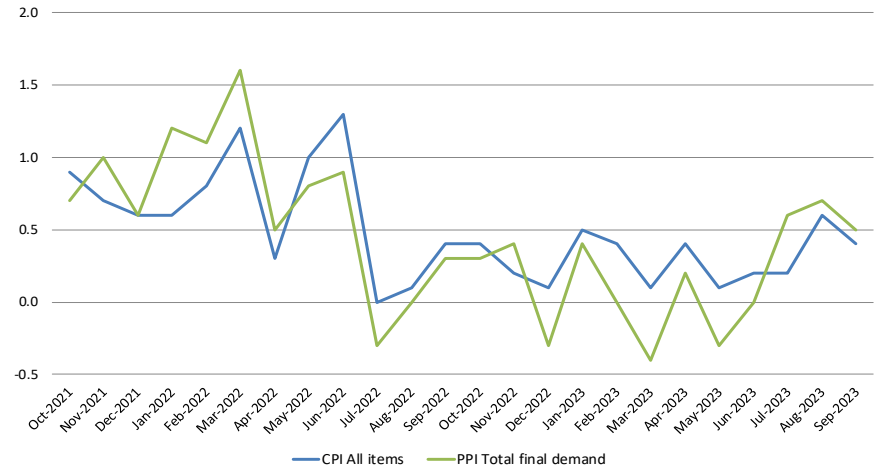
Industrial production rose by 0.3% in September, and manufacturing output rose by 0.4%. The indices for mining rose 0.4% and utilities decreased 0.3%, respectively. At 103.6% of its 2017 average, total industrial production in September was 0.1% above its year-earlier level. Capacity utilization moved up to 79.7% in September, a rate that is in line with its long-run average. Manufacturing utilization increased 0.2% to 77.8%.

Source: Federal Reserve Data

### Producer Price Index and Consumer Price Index

The PPI measures the average change over time in pricing received by producers of domestically produced goods, services and construction. The CPI measures changes in the prices paid by urban consumers for a representative basket of goods and services.

CPI and PPI Index - United States (1-Month Percent Change)



#### Commentary

The Consumer Price Index for All Urban Consumers rose another 0.4% in September 2023 (versus an increase of 0.5% in August) on a seasonally adjusted basis. Consumer prices for all items (less food and energy) rose 4.1% over the past 12 months; the CPI All Items index increased 3.7% for the 12 months ended in September. The Producer Price Index for final demand increased by 0.5% in September; furthermore, final demand prices rose by 2.2% during the 12 months ended in September.

# Sector Index Performance

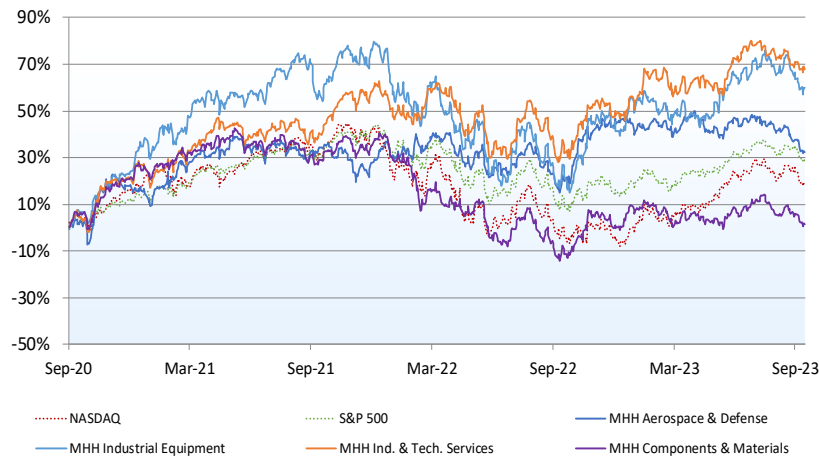
## Manufacturing Update

### Comparative Index <sup>(a)</sup> Performance (Last Three Years)

#### Last Three Years

Daily from September 30, 2020 to September 29, 2023

Price as Percent of Base (September 30, 2020 = 0%)

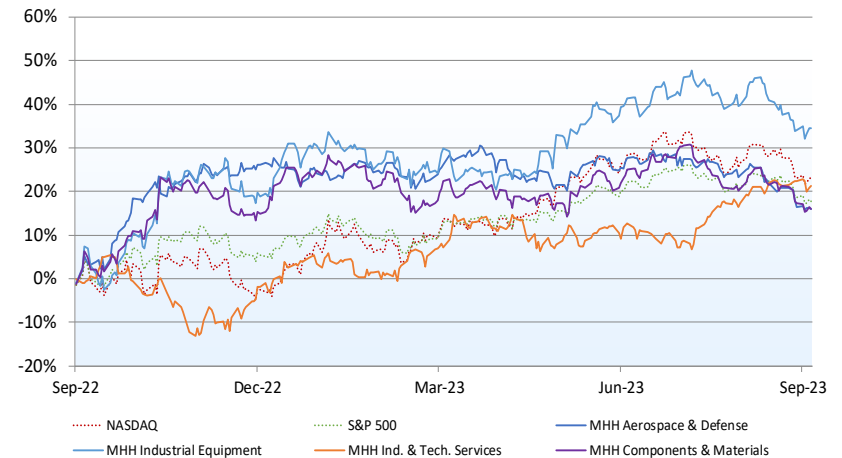


### Comparative Index <sup>(a)</sup> Performance (Last Twelve Months)

#### Last Twelve Months

Daily from September 30, 2022 to September 29, 2023

Price as Percent of Base (September 30, 2022 = 0%)



#### Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	32.3%	16.0%	-8.5%
MHH Components & Materials	1.4%	16.1%	-6.2%
MHH Industrial Equipment	60.0%	34.6%	-4.2%
MHH Industrial & Technical Services	68.0%	21.4%	-4.7%
NASDAQ	19.3%	23.1%	-2.7%
S&P 500	28.6%	17.8%	-2.5%

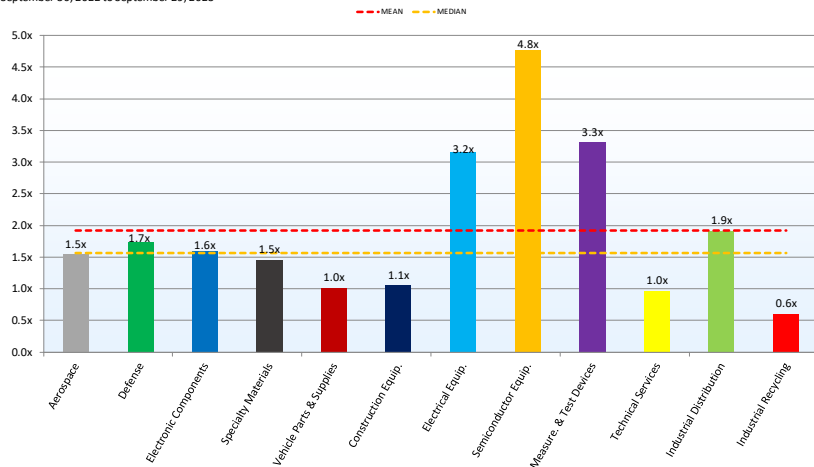
(a) Market cap weighted index assuming no dividend reinvestment.

# Subsector Statistics

## Manufacturing Update

### Comparative Subsector LTM EV/Revenue

Last Twelve Months EV/Revenue  
September 30, 2022 to September 29, 2023

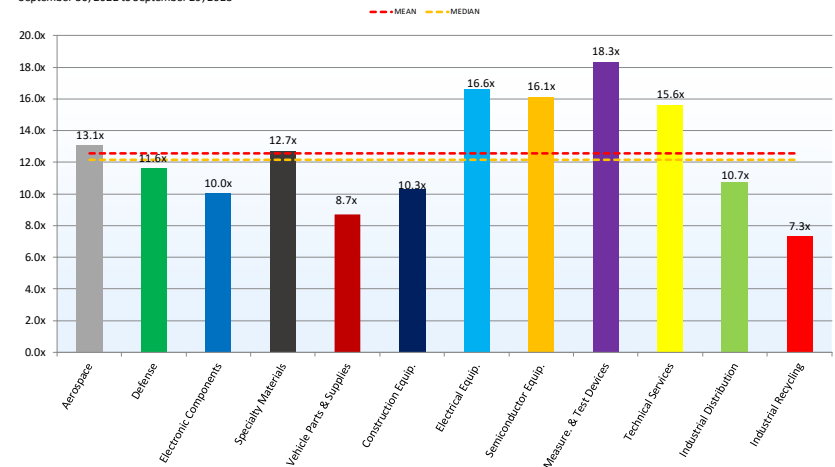


#### Commentary

During the last twelve months, our subsector indices had a mean EV/Revenue of 1.9x (i.e., red dashed line) and a median of 1.6x (i.e., yellow dashed line). Of the subsectors, Semiconductor Capital Equipment had the high multiple at 4.8x and Industrial Recycling had the low multiple at 0.6x.

### Comparative Subsector LTM EV/EBITDA

Last Twelve Months EV/EBITDA  
September 30, 2022 to September 29, 2023



#### Commentary

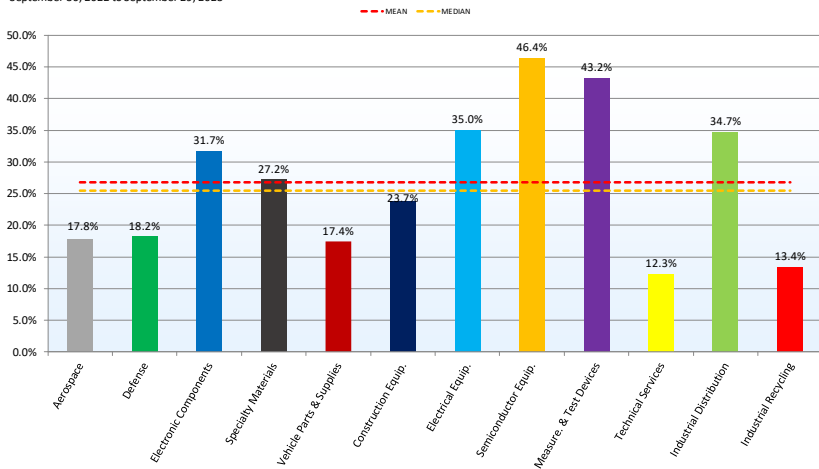
During the last twelve months, our subsector indices had a mean EV/EBITDA of 12.6x (i.e., red dashed line) and a median of 12.2x (i.e., yellow dashed line). Of the subsectors, Measurement, Control, & Testing Devices had the high multiple at 18.3x and Industrial Recycling had the low multiple at 7.3x.

# Subsector Statistics (cont'd)

## Manufacturing Update

### Comparative Subsector LTM Gross Margin

**Last Twelve Months Gross Margin**  
September 30, 2022 to September 29, 2023

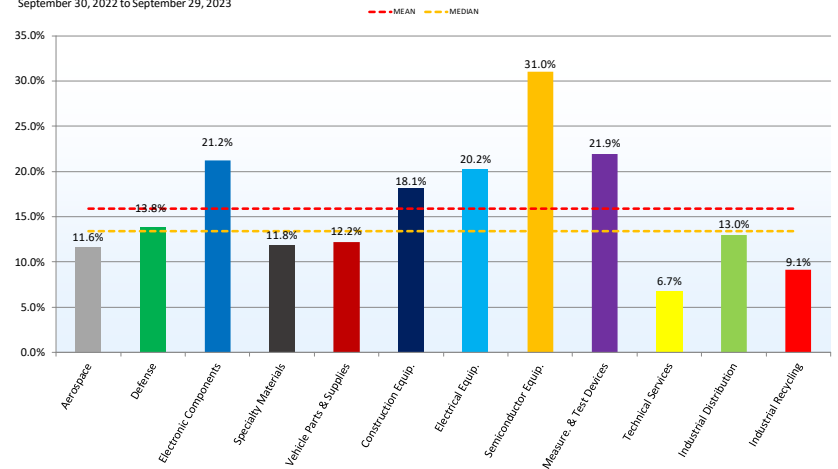


#### Commentary

During the last twelve months, our subsector indices had a mean Gross Margin of 26.8% (i.e., red dashed line) and a median of 25.5% (i.e., yellow dashed line). Of the subsectors, Semiconductor Capital Equipment had the high margin at 46.4%, and Technical Services had the low margin at 12.3%.

### Comparative Subsector LTM EBITDA Margin

**Last Twelve Months EBITDA Margin**  
September 30, 2022 to September 29, 2023



#### Commentary

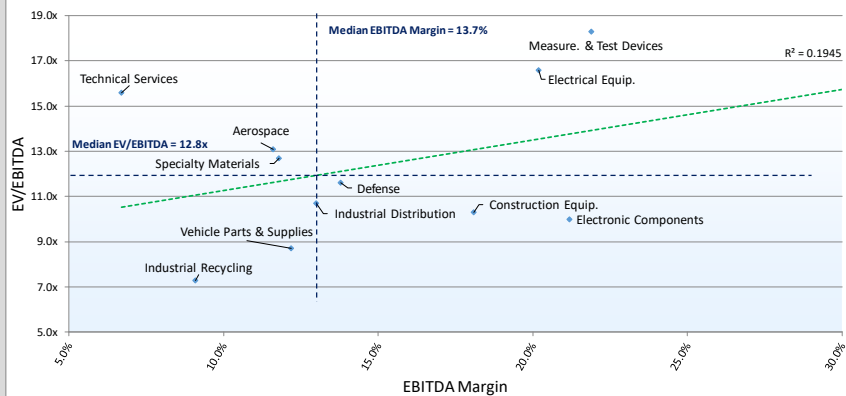
During the last twelve months, our subsector indices had a mean EBITDA Margin of 15.9% (i.e., red dashed line) and a median of 13.4% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high margin at 31.0% and Technical Services had the low margin at 6.7%.

# Subsector Trading Multiples & Margins

Last Twelve Months from September 30, 2022 to September 29, 2023

## Index Subsector LTM EV/EBITDA vs EBITDA Margin

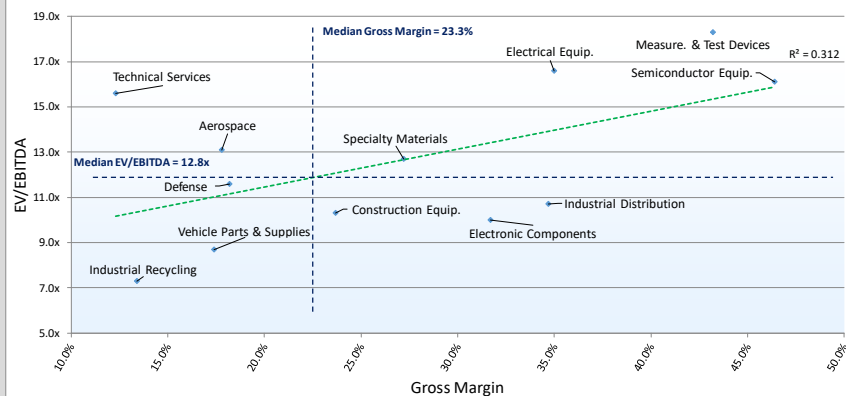
Last Twelve Months EV/EBITDA vs. EBITDA Margin  
September 30, 2022 to September 29, 2023



\*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards  
\*Note: The green dotted line represents the regression line.

## Index Subsector LTM EV/EBITDA vs. Gross Margin

Last Twelve Months EV/EBITDA vs. Gross Margin  
September 30, 2022 to September 29, 2023



\*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards  
\*Note: The green dotted line represents the regression line.



# Comparative Index Performance

## Aerospace & Defense

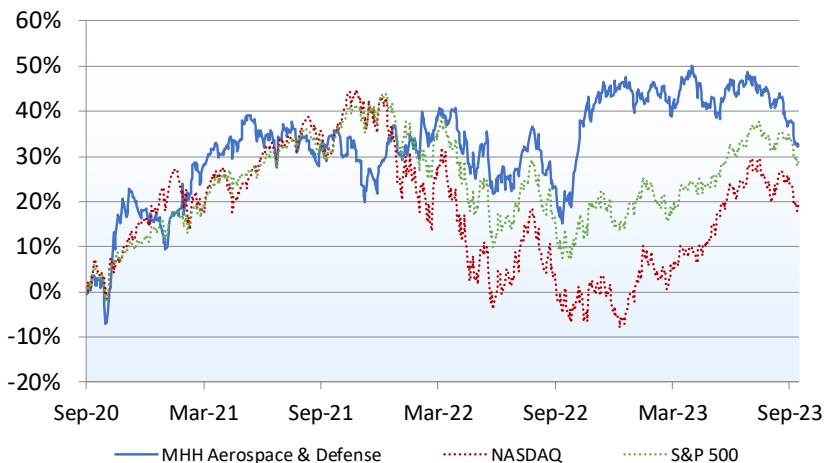
### Comparative Index Performance

The MHH Aerospace & Defense Index<sup>(a)</sup> decreased by 8.5% during the three months ending September 29, 2023.

#### Last Three Years

Daily from September 30, 2020 to September 29, 2023

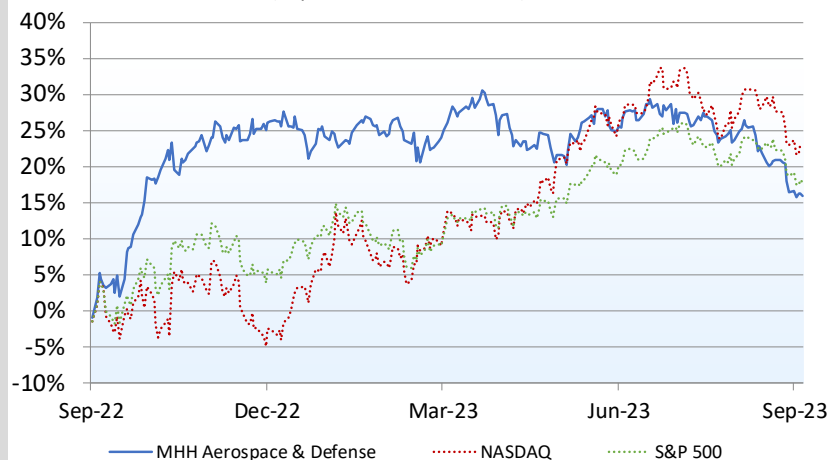
Price as Percent of Base (September 30, 2020 = 0%)



#### Last Twelve Months

Daily from September 30, 2022 to September 29, 2023

Price as Percent of Base (September 30, 2022 = 0%)



#### Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	32.3%	16.0%	-8.5%
NASDAQ	19.3%	23.1%	-2.7%
S&P 500	28.6%	17.8%	-2.5%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Aerospace & Defense index is comprised of all companies listed on the following pages.

# Selected Valuation Metrics

## Aerospace & Defense

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>				Valuation			Margins		
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBIT <sup>(4)</sup>	EPS	Enterprise Value/		Price/	Gross		
								Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
<b>Aerospace</b>													
The Boeing Company (BA)	\$191.68	\$115,622	\$154,152	\$75,756	\$3,084	\$1,202	(\$0.84)	2.03x	NM	128.2x	NM	11.4%	4.1%
RTX Corporation (RTX)	71.97	104,506	137,645	67,086	9,106	\$4,906	1.41	2.05x	15.1x	28.1x	NM	17.4%	13.6%
Honeywell International Inc. (HON)	184.74	122,660	136,857	36,147	8,656	\$7,490	6.29	3.79x	15.8x	18.3x	29.4x	33.7%	23.9%
Airbus SE (ENXTPA:AIR)	134.40	106,064	101,567	67,266	7,731	\$5,255	4.05	1.51x	13.1x	19.3x	33.2x	17.0%	11.5%
Thales S.A. (ENXTPA:HO)	140.88	29,369	30,426	19,682	2,509	\$1,736	5.19	1.55x	12.1x	17.5x	27.2x	26.4%	12.7%
Rolls-Royce Holdings plc (LSE:RR.)	2.70	22,542	26,165	19,625	2,176	\$1,666	0.16	1.33x	12.0x	15.7x	17.2x	21.7%	11.1%
Textron Inc. (TXT)	78.14	15,477	17,696	13,162	1,547	\$1,148	3.23	1.34x	11.4x	15.4x	24.2x	16.0%	11.8%
Embraer S.A. (BOVESPA:EMBR3)	3.45	2,533	4,154	5,271	254	\$205	0.01	0.79x	16.3x	20.3x	NM	18.2%	4.8%
<b>Mean</b>		<b>\$64,847</b>	<b>\$76,083</b>	<b>\$37,999</b>	<b>\$4,383</b>	<b>\$3,709</b>	<b>\$2.44</b>	<b>1.80x</b>	<b>13.7x</b>	<b>37.9x</b>	<b>26.2x</b>	<b>20.2%</b>	<b>11.7%</b>
<b>Median</b>		<b>66,937</b>	<b>65,996</b>	<b>27,914</b>	<b>2,796</b>	<b>3,321</b>	<b>2.32</b>	<b>1.53x</b>	<b>13.1x</b>	<b>18.8x</b>	<b>27.2x</b>	<b>17.8%</b>	<b>11.6%</b>
<b>Defense</b>													
Lockheed Martin Corporation (LMT)	\$408.96	\$102,989	\$116,861	\$67,688	\$10,262	\$9,067	\$19.88	1.73x	11.4x	12.9x	20.6x	12.7%	15.2%
Northrop Grumman Corporation (NOC)	440.19	66,601	80,327	37,881	7,243	5,913	22.46	2.12x	11.1x	13.6x	19.6x	20.2%	19.1%
General Dynamics Corporation (GD)	220.97	60,226	70,557	40,859	5,081	4,189	9.11	1.73x	13.9x	16.8x	24.2x	16.1%	12.4%
L3Harris Technologies, Inc. (LHX)	174.12	32,932	42,193	17,988	2,760	1,781	7.45	2.35x	15.3x	23.7x	23.4x	27.2%	15.3%
BAE Systems plc (BA.)	12.18	36,950	41,354	28,613	3,528	2,938	0.56	1.45x	11.7x	14.1x	21.9x	63.1%	12.3%
Huntington Ingalls Industries, Inc. (HII)	204.58	8,156	10,947	10,899	1,073	715	9.61	1.00x	10.2x	15.3x	21.3x	13.2%	9.8%
<b>Mean</b>		<b>\$51,309</b>	<b>\$60,373</b>	<b>\$33,988</b>	<b>\$4,991</b>	<b>\$4,101</b>	<b>\$11.51</b>	<b>1.73x</b>	<b>12.3x</b>	<b>16.1x</b>	<b>21.8x</b>	<b>25.4%</b>	<b>14.0%</b>
<b>Median</b>		<b>48,588</b>	<b>56,375</b>	<b>33,247</b>	<b>4,304</b>	<b>3,564</b>	<b>9.36</b>	<b>1.73x</b>	<b>11.6x</b>	<b>14.7x</b>	<b>21.6x</b>	<b>18.2%</b>	<b>13.8%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close September 30, 2023.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of June 30, 2023 excluding GD (October 1, 2023); BA & RXT (September 30, 2023); LMT (September 24, 2023); TXT (July 1, 2023).

(4) Excludes non-recurring and discontinued operations.

# Selected M&A Transactions

## Aerospace & Defense

Announced	Target	Target Description	Acquirer	Value
<b>Aug 17</b>	Ball Aerospace & Technologies Corp.	A defense, aerospace, and security company, which designs, develops, and manufactures a range of electronic systems and subsystems for military and commercial applications.	BAE Systems, Inc.	\$5,550.0
<b>Jul 25</b>	Imperva, Inc.	Offers data governance and protection solutions that monitor, audit, and secure business applications and databases.	Thales S.A. (ENXTPA:HO)	\$3,600.0
<b>Jul 21</b>	Actuation and Flight Control Business of Collins Aerospace	Comprises actuation and flight control systems for commercial and military aircraft and helicopters.	Safran SA (ENXTPA:SAF)	\$1,800.0
<b>Jul 12</b>	Cobham Aerospace SAS	Manufactures avionics products, such as aircraft audio and radio management systems.	Thales S.A. (ENXTPA:HO)	\$1,100.0
<b>Jul 10</b>	SCADAfence Ltd.	Develops cyber security solutions to protect the industrial Internet of Things in manufacturing industries and critical infrastructure.	Honeywell Connected Enterprise	ND

*ND – Not disclosed. Transaction values in millions.*

# Selected News

## Aerospace & Defense

**General Dynamics Corporation (NYSE:GD)** reported third quarter net income of \$836.0 million for fiscal year 2023 as compared to \$902.0 million for the prior year period. Earnings per share were \$2.25 versus \$2.38 for the prior year period. Revenues for the quarter increased to \$10,571.0 million from \$9,975.0 million for the same period in fiscal year 2022.

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**Honeywell International Inc. (NasdaqGS:HON)** reported third quarter net income of \$1,514.0 million for fiscal year 2023 as compared to \$1,552.0 million for the prior year period. Earnings per share were \$1.84 versus \$1.81 for the prior year period. Revenues for the quarter increased to \$9,212.0 million from \$8,951.0 million for the same period in fiscal year 2022.

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**Lockheed Martin Corporation (NYSE:LMT)** reported third quarter net income of \$1,684.0 million for fiscal year 2023 as compared to \$1,778.0 million for the prior year period. Earnings per share were \$4.91 versus \$5.01 for the prior year period. Revenues for the quarter increased to \$16,878.0 million from \$16,583.0 million for the same period in fiscal year 2022.

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**Northrop Grumman Corporation (NYSE:NOC)** reported third quarter net income of \$937.0 million for fiscal year 2023 as compared to \$915.0 million for the prior year period. Earnings per share were \$4.61 versus \$4.39 for the prior year period. Revenues for the quarter increased to \$9,775.0 million from \$8,971.0 million for the same period in fiscal year 2022.

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**RTX Corporation (NYSE:RTX)** reported third quarter net income of (\$984.0) million for fiscal year 2023 as compared to \$1,387.0 million for the prior year period. Earnings per share were (\$0.61) versus \$0.70 for the prior year period. Revenues for the quarter decreased to \$13,464.0 million from \$16,951.0 million for the same period in fiscal year 2022.

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**The Boeing Company (NYSE:BA)** reported third quarter net income of (\$1,636.0) million for fiscal year 2023 as compared to (\$3,275.0) million for the prior year period. Earnings per share were (\$1.13) versus (\$2.74) for the prior year period. Revenues for the quarter increased to \$18,104.0 million from \$15,956.0 million for the same period in fiscal year 2022.

*Note: All per share results are reported on a fully-diluted basis.*

*Source: S&P Capital IQ*

# Comparative Index Performance

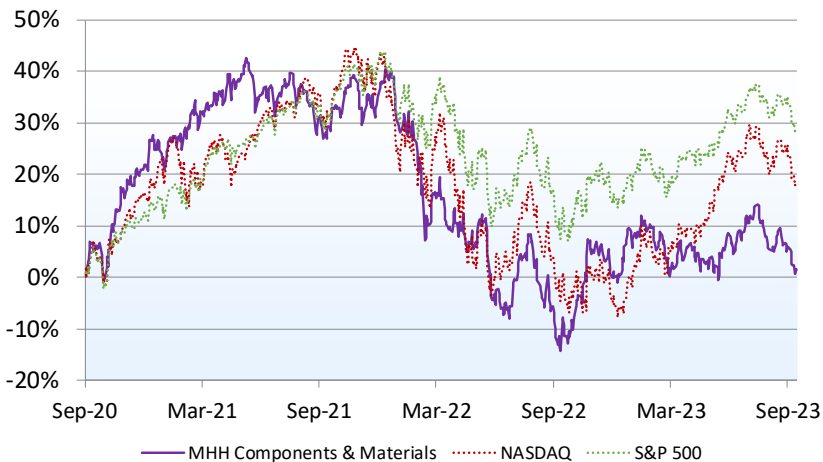
## Components & Materials

### Comparative Index Performance

The MHH Components & Materials index<sup>(a)</sup> decreased by 6.2% during the three months ending September 29, 2023.

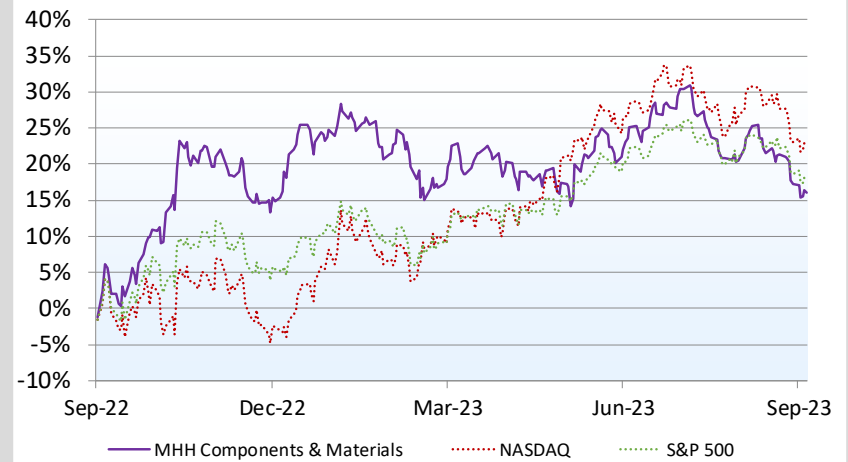
#### Last Three Years

Daily from September 30, 2020 to September 29, 2023  
Price as Percent of Base (September 30, 2020 = 0%)



#### Last Twelve Months

Daily from September 30, 2022 to September 29, 2023  
Price as Percent of Base (September 30, 2022 = 0%)



#### Price Appreciation

	3-Year	LTM	3-Month
MHH Components & Materials <sup>(a)</sup>	1.4%	16.1%	-6.2%
NASDAQ	19.3%	23.1%	-2.7%
S&P 500	28.6%	17.8%	-2.5%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Component & Materials index is comprised of all companies listed on the following pages.

# Selected Valuation Metrics

## Components & Materials

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>				Valuation			Margins		
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBIT <sup>(4)</sup>	EPS	Enterprise Value/Revenue	EBITDA/Revenue	EBIT/Revenue	Price/EPS	Gross Profit	EBITDA
<b>Electronic Components</b>													
Amphenol Corp. (APH)	\$83.99	\$50,096	\$52,991	\$12,466	\$2,962	\$2,562	\$2.44	4.25x	17.9x	20.7x	34.5x	32.3%	23.8%
TE Connectivity Ltd (TEL)	123.53	38,781	42,003	16,358	3,492	2,710	5.25	2.57x	12.0x	15.5x	23.5x	31.2%	21.3%
Corning Inc. (GLW)	30.47	25,990	33,304	13,000	2,735	1,365	0.85	2.56x	12.2x	24.4x	35.9x	32.9%	21.0%
Omron Corp. (TSE:6645)	44.64	8,787	8,461	6,190	902	713	2.37	1.37x	9.4x	11.9x	18.9x	45.1%	14.6%
Belden Inc. (BDC)	96.55	4,084	4,840	2,664	455	365	4.74	1.82x	10.6x	13.2x	20.4x	37.6%	17.1%
Vishay Intertechnology (VSH)	24.72	3,437	3,110	3,543	773	602	2.63	0.88x	4.0x	5.2x	9.4x	30.3%	21.8%
Encore Wire Corp. (WIRE)	182.46	3,066	2,399	2,628	596	565	20.90	0.91x	4.0x	4.2x	8.7x	29.2%	22.7%
Alps Electric Ltd (TSE:6770)	8.69	1,785	1,974	6,547	526	200	0.62	0.30x	3.8x	9.9x	14.1x	17.7%	8.0%
<b>Mean</b>		<b>\$17,003</b>	<b>\$18,635</b>	<b>\$7,925</b>	<b>\$1,555</b>	<b>\$1,386</b>	<b>\$4.97</b>	<b>1.83x</b>	<b>9.2x</b>	<b>15.1x</b>	<b>20.7x</b>	<b>32.0%</b>	<b>18.8%</b>
<b>Median</b>		<b>6,436</b>	<b>6,650</b>	<b>6,369</b>	<b>837</b>	<b>1,039</b>	<b>2.53</b>	<b>1.59x</b>	<b>10.0x</b>	<b>14.4x</b>	<b>19.6x</b>	<b>31.7%</b>	<b>21.2%</b>
<b>Specialty Materials</b>													
3MCompany (MMM)	\$93.62	\$51,678	\$64,323	\$32,747	\$3,233	\$1,323	\$0.92	1.96x	19.9x	48.6x	NM	44.1%	9.9%
BASF SE (DE:BAS)	45.46	40,573	63,419	85,771	9,057	5,397	0.08	0.74x	7.0x	11.7x	NM	23.2%	10.6%
Dow Inc. (DOW)	51.56	36,251	49,426	45,860	5,389	2,861	1.65	1.08x	9.2x	17.3x	31.2x	11.4%	11.8%
DuPont de Nemours (DD)	74.59	34,241	38,386	12,533	3,027	1,911	2.08	3.06x	12.7x	20.1x	35.8x	34.9%	24.2%
PPG Industries, Inc. (PPG)	129.80	30,570	37,122	18,081	2,718	2,177	5.27	2.05x	13.7x	17.1x	24.6x	40.3%	15.0%
Celanese Corp. (CE)	125.52	13,663	27,663	10,297	1,637	1,052	4.20	2.69x	16.9x	26.3x	29.9x	21.8%	15.9%
Akzo Nobel N.V. (ENXTAM:AKZA)	72.48	12,365	17,210	11,862	1,120	826	2.07	1.45x	15.4x	20.8x	35.0x	36.8%	9.4%
Solvay SA (ENXTBR:SOLB)	110.98	11,750	13,170	16,786	3,062	2,202	13.23	0.78x	4.3x	6.0x	8.4x	27.2%	18.2%
Evonik Industries AG (DE:EVK)	18.34	8,545	12,685	18,678	1,942	867	1.01	0.68x	6.5x	14.6x	18.1x	21.5%	10.4%
<b>Mean</b>		<b>\$26,626</b>	<b>\$35,934</b>	<b>\$28,068</b>	<b>\$3,465</b>	<b>\$1,699</b>	<b>\$3.39</b>	<b>1.61x</b>	<b>11.7x</b>	<b>17.4x</b>	<b>26.2x</b>	<b>29.0%</b>	<b>13.9%</b>
<b>Median</b>		<b>30,570</b>	<b>37,122</b>	<b>18,081</b>	<b>3,027</b>	<b>1,911</b>	<b>2.07</b>	<b>1.45x</b>	<b>12.7x</b>	<b>17.3x</b>	<b>29.9x</b>	<b>27.2%</b>	<b>11.8%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close September 30, 2023.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of close June 30, 2023 excluding ALV, APH, DOW, GLW, MMM, PPG, and WIRE (September 30, 2023); BDC (July 2, 2023); LEA and VSH (July 1, 2023).

(4) Excludes non-recurring and discontinued operations.

# Selected Valuation Metrics (cont'd)

## Components & Materials

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>				Valuation			Margins		
	Price <sup>(1)</sup>	Equity	Enterprise	Revenue	EBITDA <sup>(4)</sup>	EBIT <sup>(4)</sup>	EPS	Enterprise Value/		Price/	Gross		
		Value	Value <sup>(2)</sup>					Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
<b>Vehicle Parts and Supplies</b>													
Denso Corp. (TSE:6902)	\$16.08	\$48,151	\$49,519	\$46,334	\$5,697	\$3,158	\$0.64	1.07x	8.7x	15.7x	25.2x	14.4%	12.3%
Johnson Controls Inc. (JCI)	53.21	36,200	47,478	26,612	3,600	2,782	2.21	1.78x	13.2x	17.1x	24.1x	34.0%	13.5%
Aptiv PLC (APTV)	98.59	27,884	33,874	19,272	2,564	1,751	2.94	1.76x	13.2x	19.3x	33.5x	16.5%	13.3%
Continental AG (DB:CON)	71.46	14,133	21,275	45,217	5,101	2,708	7.51	0.47x	4.2x	7.9x	9.5x	22.5%	11.3%
Lear Corp. (LEA)	134.20	7,884	10,565	22,457	1,594	1,023	8.23	0.47x	6.6x	10.3x	16.3x	7.8%	7.1%
Autoliv, Inc. (ALV)	96.48	8,170	9,627	10,059	1,059	688	4.43	0.96x	9.1x	14.0x	21.8x	16.8%	10.5%
Bosch Ltd. (BSE:500530)	228.97	6,753	6,430	1,871	228	181	4.65	3.44x	NM	35.5x	NM	34.8%	12.2%
Stanley Electric Co. Ltd. (TSE:6923)	15.82	2,595	1,840	3,157	542	246	0.90	0.58x	3.4x	7.5x	17.5x	18.1%	17.2%
<b>Mean</b>		<b>\$18,971</b>	<b>\$22,576</b>	<b>\$21,872</b>	<b>\$2,548</b>	<b>\$1,567</b>	<b>\$3.94</b>	<b>1.32x</b>	<b>8.3x</b>	<b>15.9x</b>	<b>21.1x</b>	<b>20.6%</b>	<b>12.2%</b>
<b>Median</b>		<b>11,151</b>	<b>15,920</b>	<b>20,864</b>	<b>2,079</b>	<b>1,387</b>	<b>3.69</b>	<b>1.01x</b>	<b>8.7x</b>	<b>14.8x</b>	<b>21.8x</b>	<b>17.4%</b>	<b>12.2%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close September 30, 2023.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of close June 30, 2023 excluding ALV, APH, DOW, GLW, MMM, PPG, and WIRE (September 30, 2023); BDC (July 2, 2023); LEA and VSH (July 1, 2023).

(4) Excludes non-recurring and discontinued operations.

# Selected M&A Transactions

## Components & Materials

Announced	Target	Target Description	Acquirer	Value
<b>Sept 29</b>	BASF Schwarzheide GmbH (German Subsidiary of BASF SE [NYSE: BASF])	Manufactures and supplies chemicals in Europe.	Knauf Industries Deutschland GmbH	ND
<b>Aug 21</b>	Delrin® acetal homopolymer (H-POM) business of DuPont de Nemours, Inc.	Comprises homopolymer business.	TJC LP	\$1,997.5
<b>Aug 17</b>	Schaffner Holding AG (SWX:SAHN)	Together with its subsidiaries, develops, manufactures, and sells solutions for power electronic systems worldwide.	TE Connectivity Ltd. (NYSE:TEL)	\$309.5

*ND – Not disclosed. Transaction values in millions.*



# Selected News

## Components & Materials

**3M Company (NYSE:MMM)** reported third quarter net income of (\$2,075.0) million for fiscal year 2023 as compared to \$3,859.0 million for the prior year period. Earnings per share were \$8.42 versus \$2.85 for the prior year period. Revenues for the quarter decreased to \$8,312.0 million from \$8,619.0 million for the same period in fiscal year 2022.

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**Akzo Nobel N.V. (ENXTAM:AKZA)** reported third quarter net income of \$200.0 million for fiscal year 2023 as compared to \$82.4 million for the prior year period. Earnings per share were (\$0.00) versus \$0.48 for the prior year period. Revenues for the quarter increased to \$2,901.1 million from \$2,806.4 million for the same period in fiscal year 2022.

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**Amphenol Corporation (NYSE:APH)** reported third quarter net income of \$513.9 million for fiscal year 2023 as compared to \$496.6 million for the prior year period. Earnings per share were \$0.64 versus \$0.66 for the prior year period. Revenues for the quarter decreased to \$3,199.2 million from \$3,295.2 million for the same period in fiscal year 2022.

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**Autoliv, Inc. (NYSE:ALV)** reported third quarter net income of \$134.0 million for fiscal year 2023 as compared to \$105.0 million for the prior year period. Earnings per share were \$1.47 versus \$1.09 for the prior year period. Revenues for the quarter increased to \$2,596.0 million from \$2,302.0 million for the same period in fiscal year 2022.

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**Corning Incorporated (NYSE:GLW)** reported third quarter net income of \$164.0 million for fiscal year 2023 as compared to \$208.0 million for the prior year period. Earnings per share were \$0.19 versus \$0.17 for the prior year period. Revenues for the quarter decreased to \$3,173.0 million from \$3,488.0 million for the same period in fiscal year 2022.

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**Dow Inc. (NYSE:DOW)** reported third quarter net income of \$302.0 million for fiscal year 2023 as compared to \$739.0 million for the prior year period. Earnings per share were \$0.39 versus \$0.89 for the prior year period. Revenues for the quarter decreased to \$10,730.0 million from \$14,115.0 million for the same period in fiscal year 2022.

*Note: All per share results are reported on a fully-diluted basis.*

*Source: S&P Capital IQ*

# Comparative Index Performance

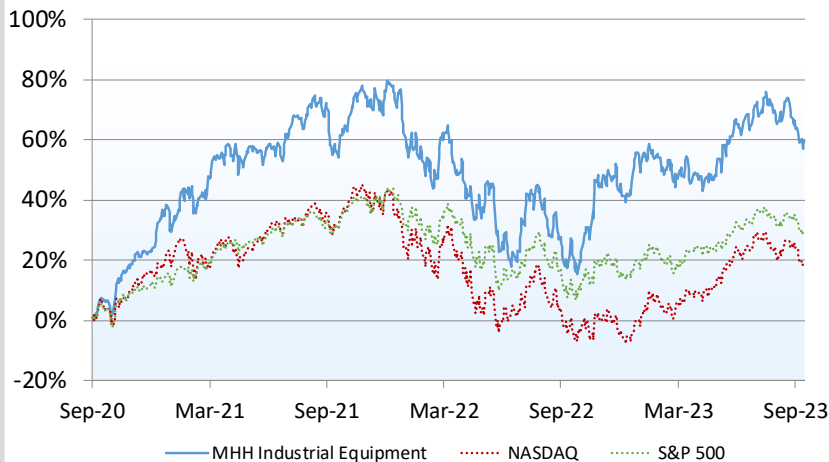
## Industrial Equipment

### Comparative Index Performance

The MHH Industrial Equipment index<sup>(a)</sup> decreased by 4.2% during the three months September 29, 2023.

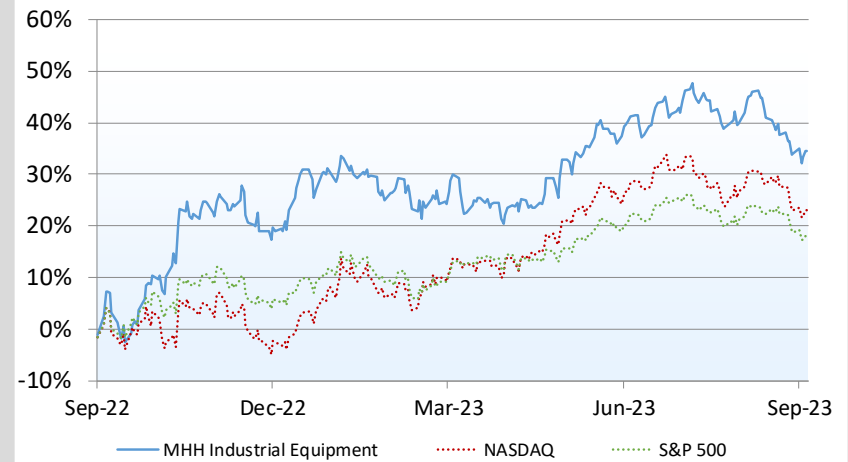
#### Last Three Years

Daily from September 30, 2020 to September 29, 2023  
Price as Percent of Base (September 30, 2020 = 0%)



#### Last Twelve Months

Daily from September 30, 2022 to September 29, 2023  
Price as Percent of Base (September 30, 2022 = 0%)



#### Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial Equipment <sup>(a)</sup>	60.0%	34.6%	-4.2%
NASDAQ	19.3%	23.1%	-2.7%
S&P 500	28.6%	17.8%	-2.5%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Industrial Equipment Index is comprised of all companies listed on the following pages.

# Selected Valuation Metrics

## Industrial Equipment

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>				Valuation			Margins		
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBIT <sup>(4)</sup>	EPS	Enterprise Value/Revenue	EBITDA/Revenue	EBIT/Revenue	Price/EPS	Gross Profit	EBITDA
<b>Construction Equipment</b>													
Caterpillar Inc. (CAT)	\$273.00	\$139,269	\$170,166	\$64,771	\$14,847	\$9,017	\$15.14	2.63x	11.5x	18.9x	18.0x	29.4%	22.9%
Deere & Company (DE)	377.38	108,686	166,693	61,361	14,486	5,149	27.19	2.72x	11.5x	32.4x	13.9x	30.3%	23.6%
Cummins Inc. (CMI)	228.46	32,361	39,425	32,194	4,298	1,939	15.07	1.22x	9.2x	20.3x	15.2x	23.7%	13.4%
Korea Shipbuilding & Offshore Engineering Co.	82.46	5,831	7,435	14,807	613	1886	1.00	0.50x	12.1x	3.9x	NM	NM	NM
Oshkosh Corp. (OSK)	95.43	6,232	6,473	8,952	788	390	5.49	0.72x	8.2x	16.6x	17.4x	15.2%	NM
Terex Corp. (TEX)	57.62	3,883	4,322	4,977	645	394	4.92	0.87x	6.7x	11.0x	11.7x	22.0%	13.0%
<b>Mean</b>		<b>\$49,377</b>	<b>\$65,752</b>	<b>\$31,177</b>	<b>\$5,946</b>	<b>\$3,129</b>	<b>\$11.47</b>	<b>1.44x</b>	<b>9.9x</b>	<b>17.2x</b>	<b>15.2x</b>	<b>24.1%</b>	<b>18.2%</b>
<b>Median</b>		<b>19,296</b>	<b>23,430</b>	<b>23,500</b>	<b>2,543</b>	<b>1,912</b>	<b>10.28</b>	<b>1.05x</b>	<b>10.3x</b>	<b>17.7x</b>	<b>15.2x</b>	<b>23.7%</b>	<b>18.1%</b>
<b>Electrical Equipment</b>													
Schneider Electric SE (ENXTPA:SU)	\$166.15	\$93,187	\$108,448	\$39,009	\$7,372	\$4,391	\$6.62	2.78x	14.7x	24.7x	25.1x	41.5%	18.9%
Eaton Corporation plc (ETN)	213.28	85,099	93,587	22,047	4,384	1,752	4.99	4.24x	21.3x	53.4x	NM	34.5%	19.9%
Emerson Electric Co. (EMR)	96.57	55,190	59,869	20,792	5,181	4,112	4.20	2.88x	11.6x	14.6x	23.0x	43.9%	24.9%
Rockwell Automation Inc. (ROK)	285.87	32,835	36,763	8,621	1,774	1,017	7.72	4.26x	20.7x	36.1x	37.0x	41.2%	20.6%
Ametek Inc. (AME)	147.76	34,090	35,852	6,421	1,923	746	4.11	5.58x	18.6x	48.1x	36.0x	35.5%	30.0%
Hubbell Inc. (HUBB)	313.41	16,808	17,865	5,187	1,064	472	10.01	3.44x	16.8x	37.9x	31.3x	33.2%	20.5%
Regal Rexnord Corporation (RRX)	142.88	9,475	15,708	5,563	957	313	3.37	2.82x	16.4x	50.2x	NM	32.7%	17.2%
Powell Industries, Inc. (POWL)	82.90	983	775	653	52	59	2.53	1.19x	15.0x	13.1x	32.7x	19.7%	7.9%
<b>Mean</b>		<b>\$40,958</b>	<b>\$46,108</b>	<b>\$13,537</b>	<b>\$2,838</b>	<b>\$1,608</b>	<b>\$5.44</b>	<b>3.40x</b>	<b>16.9x</b>	<b>37.8x</b>	<b>30.9x</b>	<b>35.3%</b>	<b>20.0%</b>
<b>Median</b>		<b>33,463</b>	<b>36,308</b>	<b>7,521</b>	<b>1,849</b>	<b>881</b>	<b>4.59</b>	<b>3.16x</b>	<b>16.6x</b>	<b>37.9x</b>	<b>32.0x</b>	<b>35.0%</b>	<b>20.2%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close September 30, 2023.

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(3) As of close June 30, 2023 excluding ASML (October 1, 2023); KLAC (September 30, 2023); DHR (September 29, 2023); LRCX (September 24, 2023); AMAT and DE (July 30, 2023); TER (July 2, 2023); COHU, ENTG, FORM, and ONTO (July 1, 2023).

(4) Excludes non-recurring and discontinued operations.

# Selected Valuation Metrics (cont'd)

## Industrial Equipment

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>				Valuation			Margins		
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBIT <sup>(4)</sup>	EPS	Enterprise Value/Revenue	EBITDA	EBIT	Price/EPS	Gross Profit	EBITDA
<b>Measurement, Control, and Testing Devices</b>													
Danaher Corporation (DHR)	\$248.10	\$183,185	\$195,593	\$29,566	\$9,272	\$3,106	\$5.89	6.62x	21.1x	63.0x	NM	58.7%	31.4%
Entegris, Inc. (ENTG)	93.91	14,097	19,058	3,763	868	97	0.50	5.06x	21.9x	196.8x	NM	41.5%	23.1%
MKS Instruments, Inc. (MKS)	86.54	5,786	10,152	3,837	840	53	1.17	2.65x	12.1x	192.8x	NM	43.8%	21.9%
Onto Innovation Inc. (ONTO)	127.52	6,257	5,667	897	246	31	2.42	6.31x	23.1x	181.6x	NM	53.9%	27.4%
Axcelis Technologies, Inc. (ACLS)	163.05	5,351	4,975	1,023	231	(22)	4.29	4.86x	21.5x	NM	38.0x	42.7%	22.6%
Nova Measuring Instruments Ltd. (NVM)	112.44	3,225	2,903	550	159	10	3.09	5.28x	18.3x	283.7x	36.4x	56.4%	28.8%
FormFactor, Inc. (FORM)	34.94	2,713	2,526	670	43	(56)	0.07	3.77x	NM	NM	NM	35.9%	6.4%
Azenta, Inc. (NasdaqGS:AZTA) <sup>(5)</sup>	50.19	3,019	1,798	630	(8)	2	(0.38)	2.85x	NM	1108.8x	NM	40.2%	NM
Cohu, Inc. (COHU)	34.44	1,639	1,331	746	145	(20)	1.30	1.78x	9.2x	NM	26.4x	47.9%	19.4%
FARO Technologies, Inc. (FARO)	15.23	289	290	362	(22)	29	(1.27)	0.80x	NM	10.1x	NM	46.2%	NM
<b>Mean</b>		<b>\$4,708</b>	<b>\$5,411</b>	<b>\$1,387</b>	<b>\$278</b>	<b>\$14</b>	<b>\$1.24</b>	<b>3.71x</b>	<b>17.7x</b>	<b>329.0x</b>	<b>33.6x</b>	<b>45.4%</b>	<b>21.4%</b>
<b>Median</b>		<b>3,225</b>	<b>2,903</b>	<b>746</b>	<b>159</b>	<b>10</b>	<b>1.17</b>	<b>3.77x</b>	<b>19.9x</b>	<b>194.8x</b>	<b>36.4x</b>	<b>43.8%</b>	<b>22.6%</b>
<b>Semiconductor Capital Equipment</b>													
ASML Holding NV (ASML)	\$591.77	\$233,504	\$232,700	\$28,228	\$9,953	\$1,528	\$15.11	8.24x	23.4x	152.3x	39.2x	51.3%	35.3%
Applied Materials, Inc. (AMAT)	138.45	115,818	115,382	26,543	8,223	796	5.64	4.35x	14.0x	145.0x	24.6x	46.4%	31.0%
Lam Research Corp. (LRCX)	626.77	82,873	82,747	15,836	4,987	127	21.37	5.23x	16.6x	651.0x	29.3x	45.3%	31.5%
KLA-Tencor Corp. (KLAC)	458.66	62,526	65,346	10,169	4,196	860	15.94	6.43x	15.6x	76.0x	28.8x	59.4%	41.3%
Tokyo Electron Ltd (TSE:8035)	136.85	63,364	60,679	14,712	4,338	133	5.43	4.12x	14.0x	455.5x	25.2x	44.5%	29.5%
Teradyne Inc. (TER)	100.46	15,472	14,777	2,861	773	241	2.52	5.17x	19.1x	61.3x	39.9x	58.2%	27.0%
Veeco Instruments Inc. (VECO)	28.11	1,584	1,608	641	81	3	0.51	2.51x	19.8x	579.1x	NM	40.9%	12.7%
<b>Mean</b>		<b>\$82,163</b>	<b>\$81,891</b>	<b>\$14,141</b>	<b>\$4,650</b>	<b>\$527</b>	<b>\$9.50</b>	<b>4.63x</b>	<b>15.9x</b>	<b>302.9x</b>	<b>31.1x</b>	<b>49.4%</b>	<b>29.7%</b>
<b>Median</b>		<b>63,364</b>	<b>65,346</b>	<b>14,712</b>	<b>4,338</b>	<b>241</b>	<b>5.64</b>	<b>4.76x</b>	<b>16.1x</b>	<b>152.3x</b>	<b>29.0x</b>	<b>46.4%</b>	<b>31.0%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close September 30, 2023.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of close June 30, 2023 excluding ASML (October 1, 2023); KLAC (September 30, 2023); DHR (September 29, 2023); LRCX (September 24, 2023); AMAT and DE (July 30, 2023); TER (July 2, 2023); COHU, ENTG, FORM, and ONTO (July 1, 2023).

(4) Excludes non-recurring and discontinued operations.

# Selected M&A Transactions

## Industrial Equipment

Announced	Target	Target Description	Acquirer	Value
<b>Sept 25</b>	Industrial Motors and Generators business from Regal Rexnord Corporation	Comprises power transmission equipment manufacturing business.	WEG S.A. (BOVESPA:WEGE3)	ND
<b>Sept 18</b>	FormFactor, Inc. (NasdaqGS:FORM)	Distributes hardscapes, nursery products, and bulk materials.	Camtek Ltd. (NasdaqGM:CAMT)	\$100.0
<b>Sept 05</b>	Clearpath Robotics Inc.	Designs and manufactures robotic vehicles for industrial purpose.	Rockwell Automation, Inc. (NYSE:ROK)	ND
<b>Aug 17</b>	Afag Automation AG	Develops and manufactures assembly components.	Emerson Electric Co. (NYSE:EMR)	NA

ND – Not disclosed. Transaction values in millions.

# Selected News

## Industrial Equipment

**KLA Corporation (NasdaqGS:KLAC)** reported first quarter net income of \$741.4 million for fiscal year 2024 as compared to \$1,026.0 million for the prior year period. Earnings per share were \$3.88 versus \$4.62 for the prior year period. Revenues for the quarter decreased to \$2,397.0 million from \$2,724.4 million for the same period in fiscal year 2023.

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**HD Korea Shipbuilding & Offshore Engineering Co., Ltd. (KOSE:A009540)** reported second quarter net income of \$37.8 million for fiscal year 2023 as compared to (\$90.0) million for the prior year period. Earnings per share were \$0.48 versus (\$1.11) for the prior year period. Revenues for the quarter increased to \$4,140.7 million from \$3,232.9 million for the same period in fiscal year 2022.

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**Lam Research Corporation (NasdaqGS:LRCX)** reported first quarter net income of \$887.4 million for fiscal year 2024 as compared to \$1,425.9 million for the prior year period. Earnings per share were \$4.86 versus \$7.54 for the prior year period. Revenues for the quarter decreased to \$3,482.1 million from \$5,074.1 million for the same period in fiscal year 2023.

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**Danaher Corporation (NYSE:DHR)** reported third quarter net income of \$1,129.0 million for fiscal year 2023 as compared to \$1,572.0 million for the prior year period. Earnings per share were \$1.22 versus \$1.69 for the prior year period. Revenues for the quarter decreased to \$6,873.0 million from \$7,663.0 million for the same period in fiscal year 2022.

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**ASML Holding N.V. (ENXTAM:ASML)** reported third quarter net income of \$2,004.0 million for fiscal year 2023 as compared to \$1,668.5 million for the prior year period. Earnings per share were \$5.09 versus \$4.21 for the prior year period. Revenues for the quarter increased to \$7,062.9 million from \$5,666.1 million for the same period in fiscal year 2022.

*Note: All per share results are reported on a fully-diluted basis.*

*Source: S&P Capital IQ*

# Comparative Index Performance

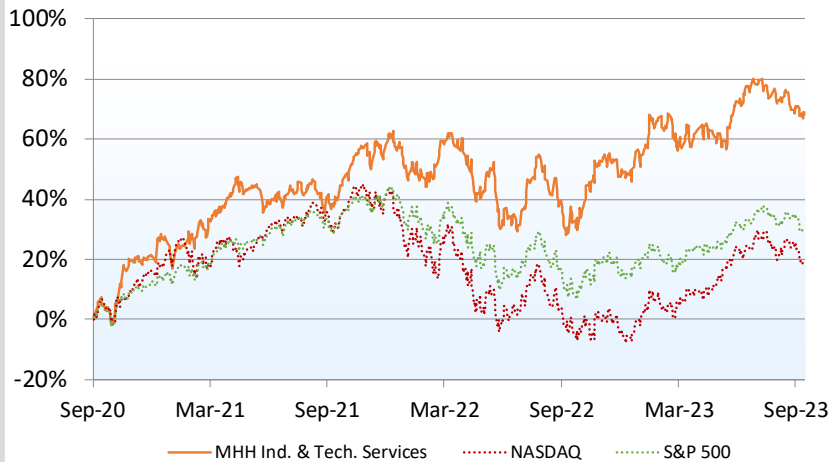
## Industrial & Technical Services

### Comparative Index Performance

The MHH Industrial & Technical Services index<sup>(a)</sup> decreased by 4.7% during the three months ending September 29, 2023.

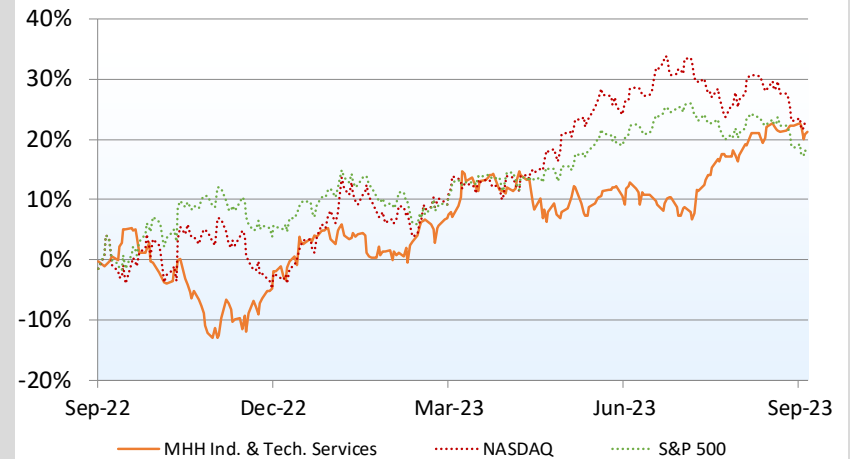
#### Last Three Years

Daily from September 30, 2020 to September 29, 2023  
Price as Percent of Base (September 30, 2020 = 0%)



#### Last Twelve Months

Daily from September 30, 2022 to September 29, 2023  
Price as Percent of Base (September 30, 2022 = 0%)



#### Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial & Technical Services index <sup>(a)</sup>	68.0%	21.4%	-4.7%
NASDAQ	19.3%	23.1%	-2.7%
S&P 500	28.6%	17.8%	-2.5%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Industrial & Technical Services Index is comprised of all companies listed on the following pages.

# Selected Valuation Metrics

## Industrial & Technical Services

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>				Valuation				Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBIT <sup>(4)</sup>	EPS	Enterprise Value/Revenue	EBITDA	EBIT	EPS	Gross Profit	EBITDA
<b>Industrial Distribution</b>													
W.W. Grainger, Inc. (GWW)	\$691.84	\$34,593	\$37,152	\$16,017	\$2,713	\$2,497	\$28.34	2.32x	13.7x	14.9x	24.4x	39.4%	16.9%
Fastenal Company (FAST)	54.64	31,218	31,592	7,284	1,687	1,508	1.63	4.34x	18.7x	21.0x	33.5x	45.6%	23.2%
WESCO International, Inc. (WCC)	143.82	7,392	12,949	22,272	1,709	1,572	14.19	0.58x	7.6x	8.2x	10.1x	21.9%	7.7%
MSC Industrial Direct Co., Inc. (MSM)	98.15	5,502	5,982	4,009	559	484	5.07	1.49x	10.7x	12.4x	19.3x	41.0%	13.9%
MRC Global Inc. (MRC)	10.25	861	1,779	3,529	223	184	1.10	0.50x	8.0x	9.7x	9.3x	19.2%	6.3%
Transcat, Inc. (TRNS)	97.97	853	913	237	29	17	1.14	3.86x	NM	52.3x	NM	30.0%	12.1%
<b>Mean</b>		<b>\$13,403</b>	<b>\$15,061</b>	<b>\$8,891</b>	<b>\$1,153</b>	<b>\$1,515</b>	<b>\$8.58</b>	<b>2.18x</b>	<b>11.7x</b>	<b>14.1x</b>	<b>19.3x</b>	<b>32.8%</b>	<b>13.4%</b>
<b>Median</b>		<b>6,447</b>	<b>9,465</b>	<b>5,646</b>	<b>1,123</b>	<b>1,540</b>	<b>3.35</b>	<b>1.91x</b>	<b>10.7x</b>	<b>13.6x</b>	<b>19.3x</b>	<b>34.7%</b>	<b>13.0%</b>
<b>Industrial Recycling</b>													
Veolia Environnement SA (ENXTPA:VIE)	\$29.03	\$20,469	\$43,127	\$49,612	\$5,237	\$2,752	\$0.92	0.87x	8.2x	15.7x	31.4x	16.2%	10.6%
Clean Harbors, Inc. (CLH)	167.36	9,063	11,320	5,346	997	647	6.20	2.12x	11.4x	17.5x	27.0x	31.1%	18.7%
Commercial Metals Company (CMC)	49.41	5,770	6,627	8,800	1,387	1,168	5.95	0.75x	4.8x	5.7x	8.3x	20.6%	15.8%
Aurubis AG (XTRA:NDA)	74.24	3,234	3,232	18,816	508	290	4.30	0.17x	6.4x	11.2x	17.3x	7.2%	2.7%
Dowa Holdings Co., Ltd. (TSE:5714)	31.14	1,854	2,344	5,264	397	226	2.80	0.45x	5.9x	10.4x	11.1x	10.5%	7.5%
Sims Limited (ASX:SGM)	8.73	1,674	1,981	5,380	100	10	0.37	0.37x	19.8x	198.4x	23.5x	10.4%	1.9%
<b>Mean</b>		<b>\$7,011</b>	<b>\$11,438</b>	<b>\$15,536</b>	<b>\$1,438</b>	<b>\$1,017</b>	<b>\$3.42</b>	<b>0.79x</b>	<b>9.4x</b>	<b>12.1x</b>	<b>19.8x</b>	<b>16.0%</b>	<b>9.5%</b>
<b>Median</b>		<b>4,502</b>	<b>4,929</b>	<b>7,090</b>	<b>752</b>	<b>647</b>	<b>3.55</b>	<b>0.60x</b>	<b>7.3x</b>	<b>11.2x</b>	<b>20.4x</b>	<b>13.4%</b>	<b>9.1%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close September 30, 2023.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of close June 30, 2023 excluding FAST (September 30, 2023); MSM (September 30, 2023); CMC (August 31, 2023); TTEK (July 2, 2023); NVEE (July 1, 2023); TRNS (June 24, 2023).

(4) Excludes non-recurring and discontinued operations.

(5) Excluding Cardno Limited (ASX:CDD) due to continuous negative Enterprise Value.



# Selected Valuation Metrics (cont'd)

## Industrial & Technical Services

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance <sup>(3)</sup>				Valuation				Margins	
	Price <sup>(1)</sup>	Equity Value	Enterprise Value <sup>(2)</sup>	Revenue	EBITDA <sup>(4)</sup>	EBIT <sup>(4)</sup>	EPS	Enterprise Value/Revenue	EBITDA	EBIT	EPS	Gross Profit	EBITDA
<b>Technical Services</b>													
Jacobs Solutions Inc. (J)	\$136.50	\$17,188	\$20,715	\$15,945	\$1,332	\$1,051	\$4.06	1.30x	15.6x	19.7x	33.6x	21.3%	8.4%
AECOM (ACM)	83.04	11,520	13,349	13,962	932	762	1.44	0.96x	14.3x	17.5x	NM	6.5%	6.7%
KBR, Inc. (KBR)	58.94	7,952	9,397	6,690	572	478	0.63	1.40x	16.4x	19.7x	NM	13.9%	8.6%
Tetra Tech, Inc. (TTEK)	152.03	8,095	9,071	3,430	431	380	5.28	2.64x	21.0x	24	28.8x	19.5%	12.6%
Fluor Corporation (FLR)	36.70	5,262	4,109	15,014	150	75	1.08	0.27x	27.4x	54.8x	34.0x	1.9%	1.0%
Primoris Services Corporation (PRIM)	32.73	1,745	2,984	5,284	348	235	1.96	0.56x	8.6x	12.7x	16.7x	10.7%	6.6%
John Wood Group PLC (LSE:WG.)	1.90	1,284	2,228	5,858	155	72	(0.02)	0.38x	14.4x	31.0x	NM	12.3%	2.6%
Balfour Beatty plc (LSE:BBY)	3.92	2,158	1,780	9,960	269	216	0.32	0.18x	6.6x	8.2x	12.4x	5.5%	2.7%
NV5 Global, Inc. (NVEE)	96.23	1,529	1,767	801	108	59	2.11	2.21x	16.3x	29.9x	NM	49.8%	13.5%
<b>Mean</b>		<b>\$6,304</b>	<b>\$7,267</b>	<b>\$8,549</b>	<b>\$478</b>	<b>\$370</b>	<b>\$1.87</b>	<b>1.10x</b>	<b>15.6x</b>	<b>24.2x</b>	<b>25.1x</b>	<b>15.7%</b>	<b>7.0%</b>
<b>Median</b>		<b>5,262</b>	<b>4,109</b>	<b>6,690</b>	<b>348</b>	<b>235</b>	<b>1.44</b>	<b>0.96x</b>	<b>15.6x</b>	<b>19.7x</b>	<b>28.8x</b>	<b>12.3%</b>	<b>6.7%</b>

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months  
‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close September 30, 2023.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of close June 30, 2023 excluding FAST (September 30, 2023); MSM (September 30, 2023); CMC (August 31, 2023); TTEK (July 2, 2023); NVEE (July 1, 2023); TRNS (June 24, 2023).

(4) Excludes non-recurring and discontinued operations.

(5) Excluding Cardno Limited (ASX:CDD) due to continuous negative Enterprise Value.

# Selected M&A Transactions

## Industrial & Technical Services

Announced	Target	Target Description	Acquirer	Value
<b>Aug 28</b>	Abcam plc (NasdaqGS:ABCM)	A life science company, focuses on identifying, developing, and distributing reagents and tools for scientific research, diagnostics, and drug discovery.	Danaher Corporation (NYSE:DHR)	\$5,889.5
<b>Aug 15</b>	Assets of Baltimore Scrap Corporation	Metal recycling business.	Sims Limited (ASX:SGM)	\$177.0

*ND – Not disclosed. Transaction values in millions.*

# Selected News

## *Industrial & Technical Services*

**Fastenal Company (NasdaqGS:FAST)** reported third quarter net income of \$295.5 million for fiscal year 2023 as compared to \$284.6 million for the prior year period. Earnings per share were \$0.42 versus \$0.41 for the prior year period. Revenues for the quarter increased to \$1,845.9 million from \$1,802.4 million for the same period in fiscal year 2022.

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**MSC Industrial Direct Co., Inc. (NYSE:MSM)** reported net income of \$339.8 million for fiscal year 2022 as compared to \$216.9 million for the prior year. Earnings per share were \$5.09 versus \$3.95 for the prior year. Revenues for the year increased to \$3,691.9 million from \$3,243.2 million for fiscal year 2021.

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**Commercial Metals Company (NYSE:CMC)** reported net income of \$859.8 million for fiscal year 2023 as compared to \$1,217.3 million for the prior year. Earnings per share were \$5.95 versus \$6.44 for the prior year. Revenues for the year decreased to \$8,799.5 million from \$8,913.5 million for fiscal year 2022.

*Note: All per share results are reported on a fully-diluted basis.*

*Source: S&P Capital IQ*

# MHH Manufacturing Universe Directory

## Manufacturing Update

Company	Sector
<b>3M Company</b>	Components & Materials
<b>AECOM</b>	Ind. & Tech. Services
<b>Airbus Group SE</b>	Aerospace & Defense
<b>Akzo Nobel N.V.</b>	Components & Materials
<b>Alps Electric Co. Ltd.</b>	Components & Materials
<b>AMETEK, Inc.</b>	Industrial Equipment
<b>Amphenol Corporation</b>	Components & Materials
<b>Applied Materials, Inc.</b>	Industrial Equipment
<b>Aptiv PLC</b>	Components & Materials
<b>ASML Holding N.V.</b>	Industrial Equipment
<b>Aurubis AG</b>	Ind. & Tech. Services
<b>Autoliv, Inc.</b>	Components & Materials
<b>Axcelis Technologies, Inc.</b>	Industrial Equipment
<b>Azenta, Inc.</b>	Industrial Equipment
<b>BAE Systems plc</b>	Aerospace & Defense
<b>Balfour Beatty plc</b>	Ind. & Tech. Services
<b>BASF SE</b>	Components & Materials
<b>Belden Inc.</b>	Components & Materials
<b>Bosch Ltd</b>	Components & Materials
<b>Cardno Ltd.</b>	Ind. & Tech. Services
<b>Caterpillar Inc.</b>	Industrial Equipment
<b>Celanese Corporation</b>	Components & Materials
<b>Clean Harbors, Inc.</b>	Ind. & Tech. Services
<b>Cohu, Inc.</b>	Industrial Equipment
<b>Commercial Metals Company</b>	Ind. & Tech. Services
<b>Continental Aktiengesellschaft</b>	Components & Materials
<b>Corning Inc.</b>	Components & Materials
<b>Cummins Inc.</b>	Industrial Equipment
<b>Danaher Corporation</b>	Industrial Equipment
<b>Deere &amp; Company</b>	Industrial Equipment
<b>Delphi Automotive PLC</b>	Components & Materials
<b>DENSO Corporation</b>	Components & Materials
<b>Dowa Holdings Co., Ltd.</b>	Ind. & Tech. Services

Company	Sector
<b>Dow Inc.</b>	Components & Materials
<b>DuPont de Nemours, Inc.</b>	Components & Materials
<b>Eaton Corporation plc</b>	Industrial Equipment
<b>Embraer S.A.</b>	Aerospace & Defense
<b>Emerson Electric Co.</b>	Industrial Equipment
<b>Encore Wire Corp.</b>	Components & Materials
<b>Entegris, Inc.</b>	Industrial Equipment
<b>Evonik Industries AG</b>	Components & Materials
<b>FARO Technologies, Inc.</b>	Industrial Equipment
<b>Fastenal Company</b>	Ind. & Tech. Services
<b>Fluor Corporation</b>	Ind. & Tech. Services
<b>FormFactor, Inc.</b>	Industrial Equipment
<b>General Dynamics Corporation</b>	Aerospace & Defense
<b>HD Supply Holdings, Inc.</b>	Ind. & Tech. Services
<b>Honeywell International Inc.</b>	Aerospace & Defense
<b>Hubbell Incorporated</b>	Industrial Equipment
<b>Huntington Ingalls Industries, Inc</b>	Aerospace & Defense
<b>Jacobs Engineering Group Inc.</b>	Ind. & Tech. Services
<b>John Wood Group plc</b>	Ind. & Tech. Services
<b>Johnson Controls Inc.</b>	Components & Materials
<b>KBR, Inc.</b>	Ind. & Tech. Services
<b>KLA-Tencor Corporation</b>	Industrial Equipment
<b>Korea Shipbuilding Co. Ltd.</b>	Industrial Equipment
<b>L3Harris Technologies</b>	Aerospace & Defense
<b>Lam Research Corporation</b>	Industrial Equipment
<b>Lawson Products, Inc.</b>	Ind. & Tech. Services
<b>Lear Corp.</b>	Components & Materials
<b>Lockheed Martin Corporation</b>	Aerospace & Defense
<b>MKS Instruments, Inc.</b>	Industrial Equipment
<b>MRC Global Inc.</b>	Ind. & Tech. Services
<b>MSC Industrial Direct Co., Inc.</b>	Ind. & Tech. Services
<b>Nanometrics Incorporated</b>	Industrial Equipment
<b>Northrop Grumman Corporation</b>	Aerospace & Defense

Company	Sector
<b>Nova Measuring Instruments Ltd.</b>	Industrial Equipment
<b>NV5 Global, Inc.</b>	Ind. & Tech. Services
<b>OMRON Corporation</b>	Components & Materials
<b>Onto Innovation Inc.</b>	Industrial Equipment
<b>Oshkosh Corporation</b>	Industrial Equipment
<b>Powell Industries, Inc.</b>	Industrial Equipment
<b>PPG Industries, Inc.</b>	Components & Materials
<b>Primoris Services Corporation</b>	Ind. & Tech. Services
<b>Raytheon Technologies Corporation</b>	Aerospace & Defense
<b>Regal Rexnord Corporation</b>	Industrial Equipment
<b>Rockwell Automation Inc.</b>	Industrial Equipment
<b>Rolls Royce Holdings plc</b>	Aerospace & Defense
<b>Schneider Electric S.E.</b>	Industrial Equipment
<b>Sims Metal Management Limited</b>	Ind. & Tech. Services
<b>Solvay SA</b>	Components & Materials
<b>Stanley Electric Co. Ltd.</b>	Components & Materials
<b>TE Connectivity Ltd.</b>	Components & Materials
<b>Teradyne, Inc.</b>	Industrial Equipment
<b>Terex Corporation</b>	Industrial Equipment
<b>Tetra Tech, Inc.</b>	Ind. & Tech. Services
<b>Textron Inc.</b>	Aerospace & Defense
<b>Thales SA</b>	Aerospace & Defense
<b>The Boeing Company</b>	Aerospace & Defense
<b>Tokyo Electron Limited</b>	Industrial Equipment
<b>Transcat, Inc.</b>	Ind. & Tech. Services
<b>Veeco Instruments Inc.</b>	Industrial Equipment
<b>Veolia Environnement S.A.</b>	Ind. & Tech. Services
<b>Vishay Intertechnology Inc.</b>	Components & Materials
<b>W.W. Grainger, Inc.</b>	Ind. & Tech. Services
<b>WESCO International, Inc.</b>	Ind. & Tech. Services

**Mufson Howe Hunter & Co.** is an independent investment bank for middle-market companies. We focus on mergers, acquisitions, recapitalizations, and raising capital.

### **Mergers & Acquisitions**

- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, management buy-outs and industry build-ups

### **Raise Capital**

- Equity (control and non-control)
- Mezzanine financing
- Senior and junior debt
- Typically raise capital from banks, finance companies, private investment funds, and private equity groups

### **Financial Advisory Services**

- Analysis of business strategies and options
- Fairness opinions
- Valuations

Broker dealer services provided by our wholly-owned subsidiary:

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## Contact us

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### Mufson Howe Hunter

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#### **Michael J. Howe**

Managing Director  
Direct Dial: 215.399.5413  
Mobile: 215.808.0160  
[mhowe@mhhco.com](mailto:mhowe@mhhco.com)

#### **Michael J. Gorman**

Director  
Direct Dial: 215.399.5416  
Mobile: 610.731.9126  
[mgorman@mhhco.com](mailto:mgorman@mhhco.com)

#### **Isabel Schaefer**

Vice President  
Direct Dial: 215.399.5418  
Mobile: 610.888.1937  
[ischaefer@mhhco.com](mailto:ischaefer@mhhco.com)