



Mufson Howe Hunter

Manufacturing Update August 2024

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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 both financial and stock performance as well as recent news.

Macro-Economic Trends

	Jun-24	Jul-24	Trend
PMI	48.5	46.8	Negative
Total Unemployment	4.1	4.3	Negative
CPI Monthly Change	-0.1	0.2	Negative
PPI Monthly Change	0.2	0.1	Positive
Industrial Production	103.5	102.9	Negative
Capacity Utilization	78.4	77.8	Negative
Manufacturing Production	99.8	99.5	Negative
Manufacturing Utilization	77.5	77.2	Negative

Sector Index Performance

	3-Year	LTM	3-Month
Aerospace & Defense	23.8%	14.5%	6.4%
Components & Materials	-16.0%	1.1%	5.9%
Industrial Equipment	32.6%	24.5%	4.3%
Industrial & Technical Services	45.3%	16.7%	6.3%
NASDAQ	20.0%	22.7%	12.4%
S&P 500	25.6%	20.3%	9.7%

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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., 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.

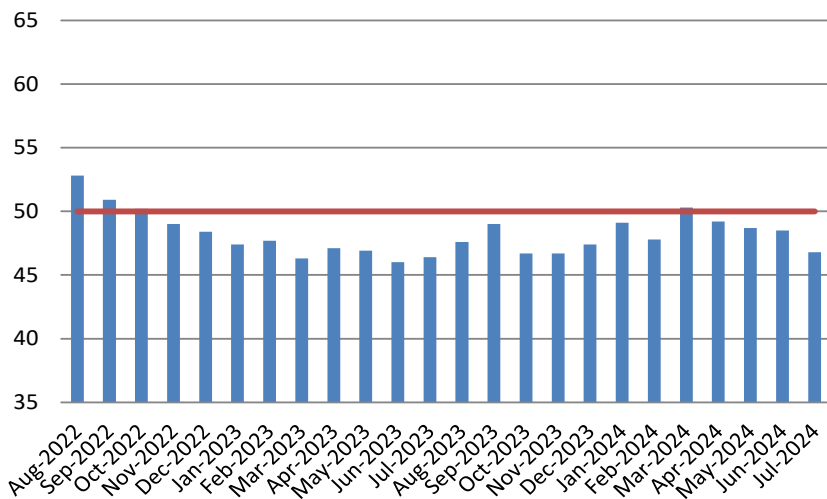
The companies that comprise each Index can change periodically as a result of a variety of reasons, including mergers, acquisitions, initial public offerings, and other transactions; therefore, comparisons to historical time periods and historical performance for each Index may not entirely correspond 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 © 2024 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.

Major U.S. Economic Indicators

Purchase Manager Index (PMI)

A PMI reading above 50 (i.e., 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)



Source: Institute for Supply Management

Commentary

Activity in the Manufacturing sector as measured by the PMI decreased by 1.7% in July, contracting for the fourth consecutive month and the 10th time in the last 20 months.

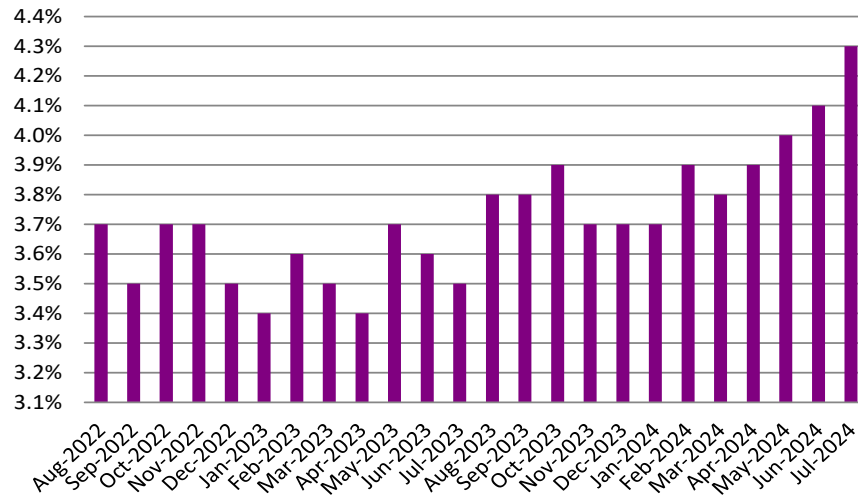
Supplier Deliveries, Prices, Exports and Imports experienced expansion during July 2024.

Whereas New Orders, Production, Employment and Inventories contracted during July 2024. Backlog remained flat.

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)



Source: United States Bureau of Labor

Commentary

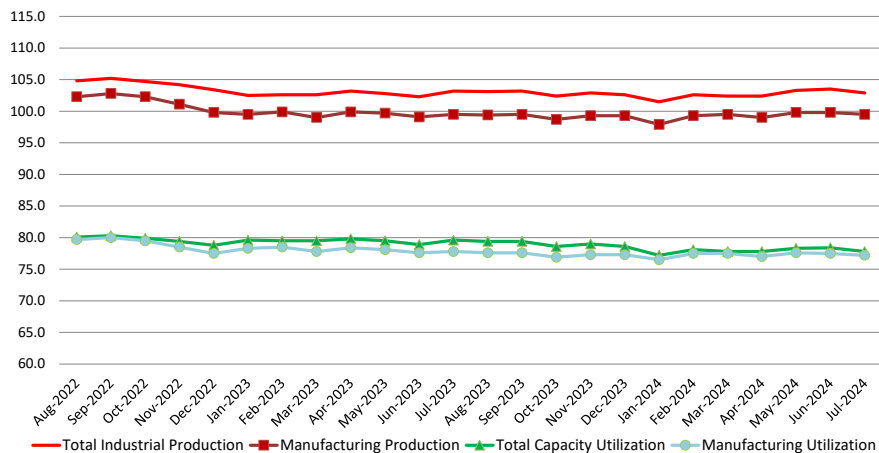
The unemployment rate increased to 4.3% and the number of unemployed people currently sits at 7.2 million in July. Notable job gains occurred in health care, construction and warehousing, partially offset by losses in transportation.

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

Industrial Production and Capacity Utilization

The Production Index (i.e., red graph) measures real output and is expressed as a percentage of real output in a base year, currently 2017. The Capacity Utilization Index (i.e., green 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)



Source: United States Federal Reserve

Commentary

Industrial Production fell 0.6% month-over-month (i.e., red line) in July and Manufacturing output posted a similar dip of 0.3% after remaining flat in the previous month (i.e., boxed red line). The Mining Index moved sideways, and the Utilities Index decreased 3.7%. Total Industrial Production in July was 0.2% lower than its year-earlier level. Capacity Utilization moved down in July to 77.8%, a rate that is 1.9% below its long-run average. Manufacturing Utilization decreased for the second straight month to 77.2%.

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)



Source: United States Bureau of Labor

Commentary

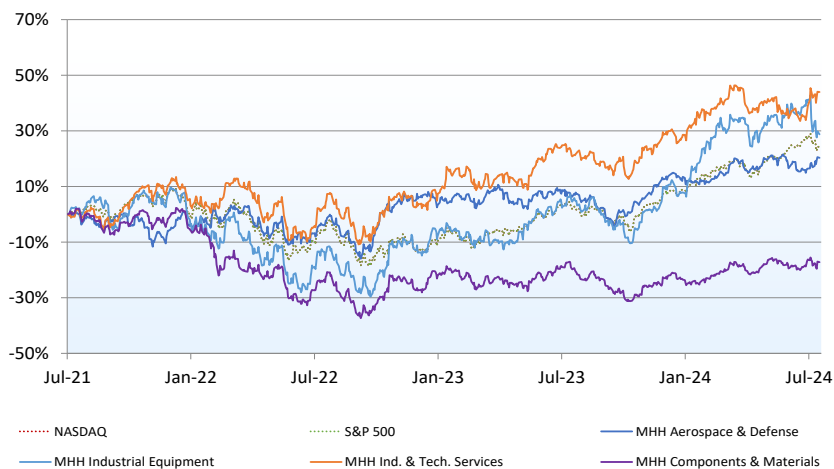
The Consumer Price Index for All Urban Consumers rose by 0.2% in July on a seasonally adjusted basis. Consumer prices for all items (except food and energy) rose 3.2% over the past 12 months; the CPI All Items index increased 2.9% for the 12 months ended in July. The Producer Price Index for final demand increased by 0.1% in July; furthermore, final demand prices rose by 2.2% during the 12 months ended in July.

Sector Index Performance

Comparative Index ^(a) Performance (Last Three Years)

Last Three Years

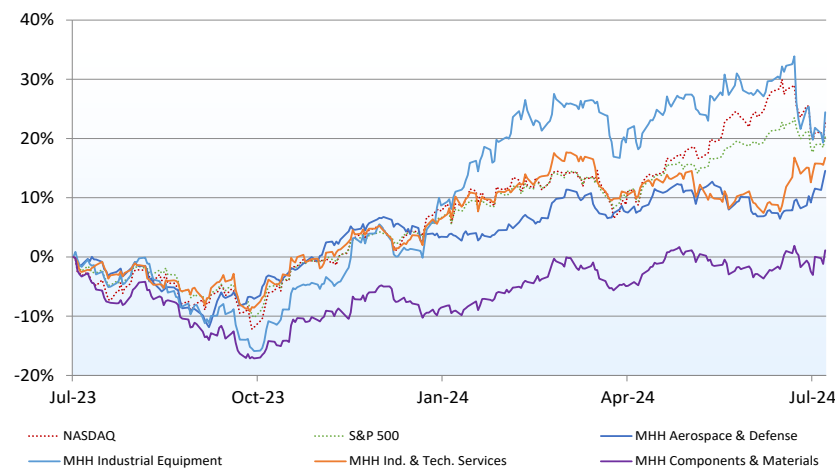
Daily from July 31, 2021 to July 31, 2024
Price as Percent of Base (July 31, 2021 = 0%)



Comparative Index ^(a) Performance (Last Twelve Months)

Last Twelve Months

Daily from July 31, 2023 to July 31, 2024
Price as Percent of Base (July 31, 2023 = 0%)



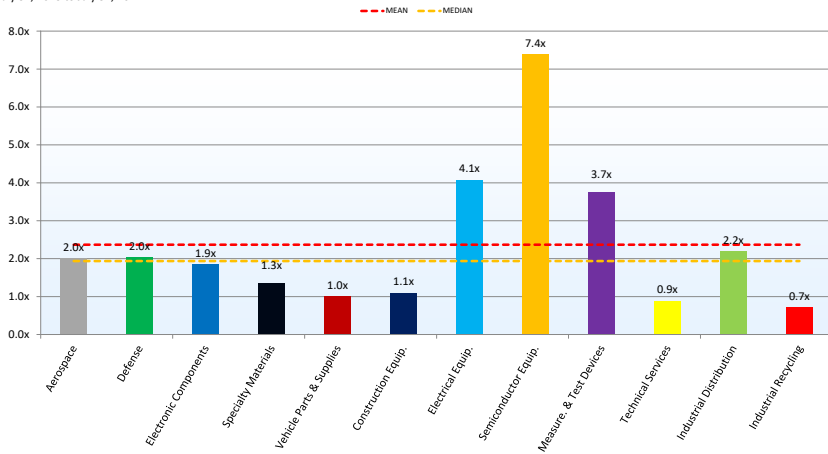
Price Performance

	3-Year	LTM	3-Month
MHH Aerospace & Defense	23.8%	14.5%	6.4%
MHH Components & Materials	-16.0%	1.1%	5.9%
MHH Industrial Equipment	32.6%	24.5%	4.3%
MHH Industrial & Technical Services	45.3%	16.7%	6.3%
NASDAQ	20.0%	22.7%	12.4%
S&P 500	25.6%	20.3%	9.7%

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

Comparative Subsector LTM EV/Revenue

Last Twelve Months EV/Revenue
July 31, 2023 to July 31, 2024

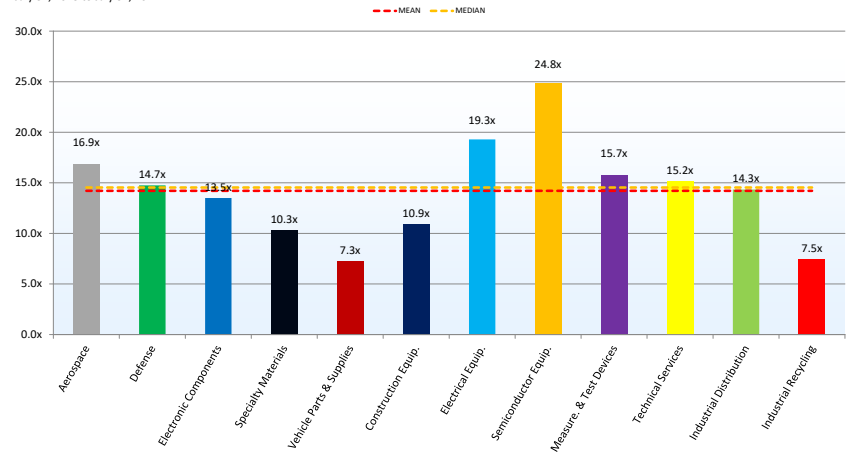


Commentary

During the last twelve months, our subsector indices had a mean EV/Revenue of 2.4x (i.e., red dashed line) and a median of 1.9x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 7.4x and Industrial Recycling had the lowest multiple at 0.7x.

Comparative Subsector LTM EV/EBITDA

Last Twelve Months EV/EBITDA
July 31, 2023 to July 31, 2024



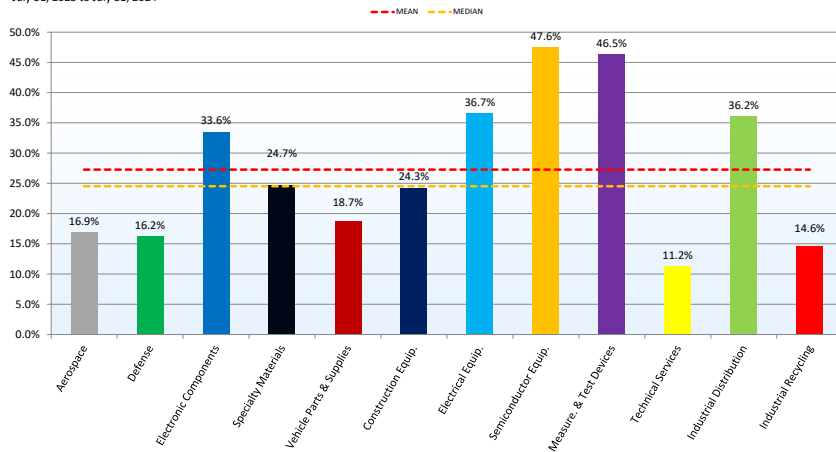
Commentary

During the last twelve months, our subsector indices had a mean EV/EBITDA of 14.2x (i.e., red dashed line) and a median of 14.5x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 24.8x and Vehicle Parts & Supplies had the lowest multiple at 7.3x.

Subsector Statistics (cont'd.)

Comparative Subsector LTM Gross Margin

Last Twelve Months Gross Margin
July 31, 2023 to July 31, 2024

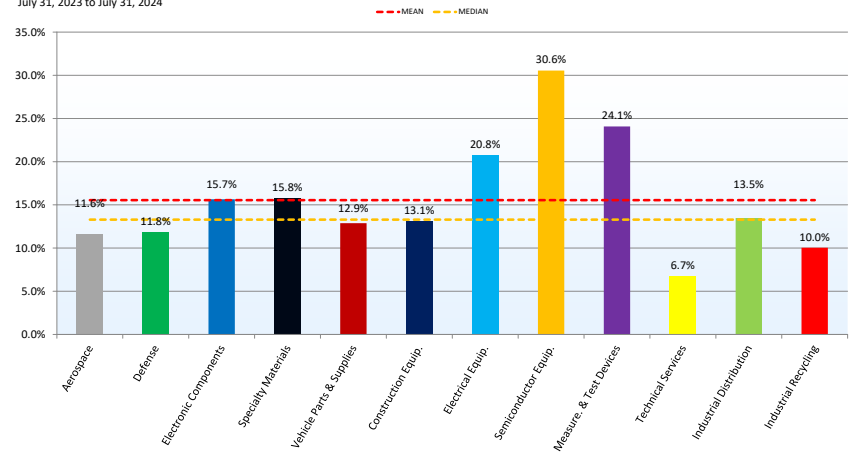


Commentary

During the last twelve months, our subsector indices had a mean Gross Margin of 27.3% (i.e., red dashed line) and a median of 24.5% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest margin at 47.6%, and Technical Services had the lowest margin at 11.2%.

Comparative Subsector LTM EBITDA Margin

Last Twelve Months EBITDA Margin
July 31, 2023 to July 31, 2024



Commentary

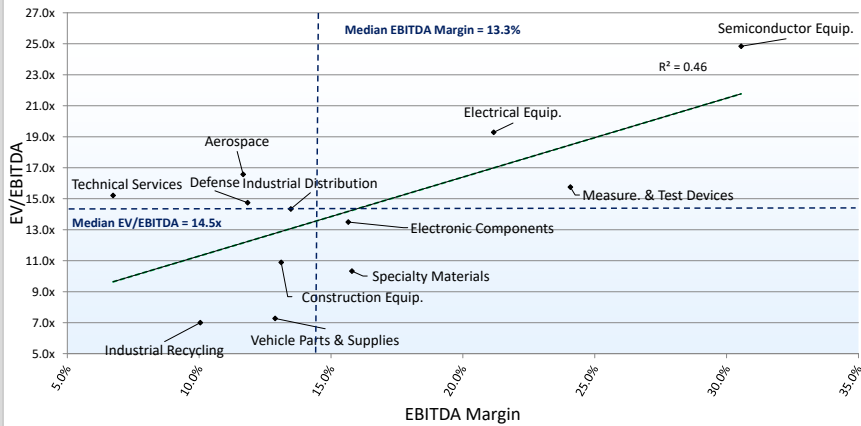
During the last twelve months, our subsector indices had a mean EBITDA Margin of 15.5% (i.e., red dashed line) and a median of 13.3% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest margin at 30.6% and Technical Services had the lowest margin at 6.7%.

Subsector Trading Multiples & Margins

Last Twelve Months from July 31, 2023 to July 31, 2024

Index Subsector LTM EV/EBITDA vs EBITDA Margin

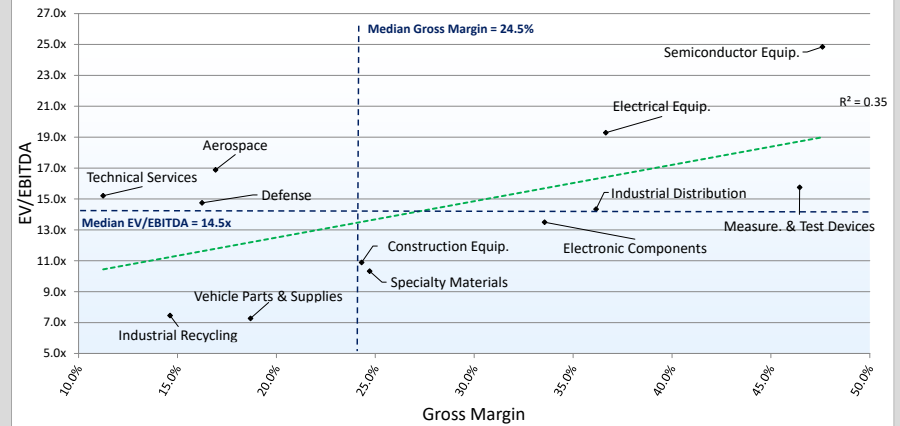
Last Twelve Months EV/EBITDA vs. EBITDA Margin
July 31, 2023 to July 31, 2024



*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
July 31, 2023 to July 31, 2024



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

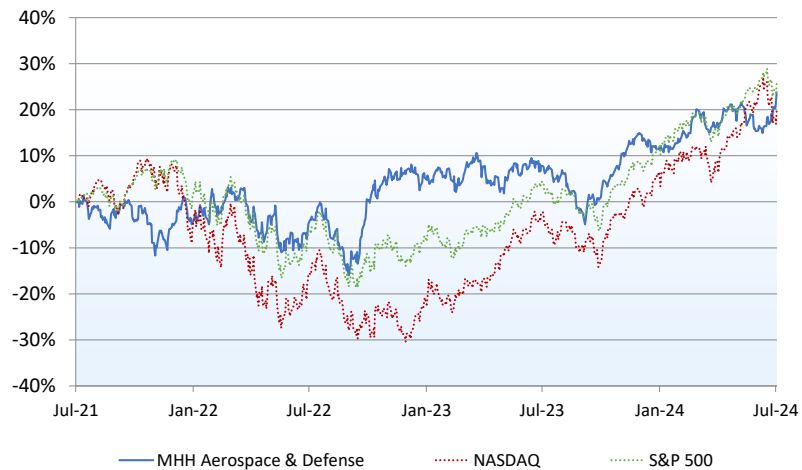
Comparative Index Performance

The MHH Aerospace & Defense Index^(a) increased by 6.4% during the three months ending July 31, 2024.

Last Three Years

Daily from July 31, 2021 to July 31, 2024

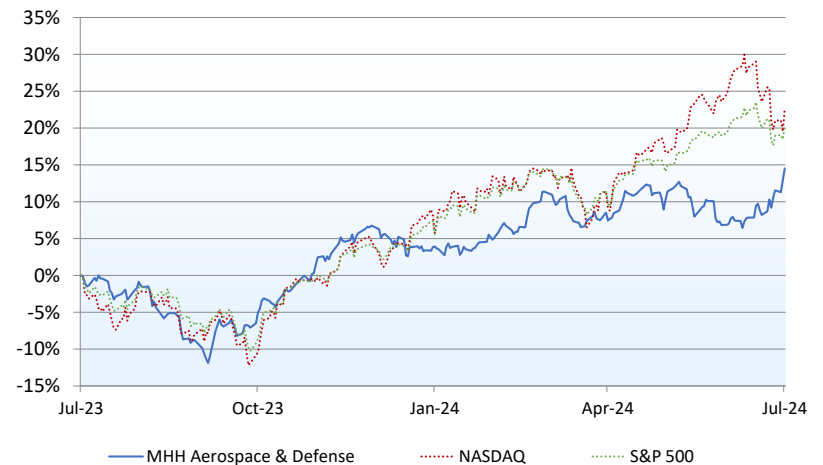
Price as Percent of Base (July 30, 2021 = 0%)



Last Twelve Months

Daily from July 31, 2023 to July 31, 2024

Price as Percent of Base (July 31, 2023 = 0%)



Price Performance

	3-Year	LTM	3-Month
MHH Aerospace & Defense ^(a)	23.8%	14.5%	6.4%
NASDAQ	20.0%	22.7%	12.4%
S&P 500	25.6%	20.3%	9.7%

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

Aerospace & Defense

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/Revenue	EBITDA/Revenue	EBIT/Revenue	Price/EPS	Gross Profit	EBITDA
Aerospace													
RTX Corporation (RTX)	\$117.49	\$156,036	\$195,287	\$72,417	\$9,217	\$4,953	\$1.58	2.70x	21.2x	39.4x	NM	16.4%	12.7%
The Boeing Company (BA)	190.60	117,441	162,762	73,557	1,322	(509)	(0.36)	2.21x	NM	NM	NM	10.5%	1.8%
Honeywell International Inc. (HON)	204.75	133,020	152,813	37,334	9,048	\$7,839	6.96	4.09x	16.9x	19.5x	29.4x	37.6%	24.2%
Airbus SE (ENXTPA:AIR)	151.47	119,891	118,509	71,368	6,196	\$3,928	3.76	1.66x	19.1x	30.2x	NM	14.6%	8.7%
Rolls-Royce Holdings plc (LSE:RR.)	5.77	48,795	51,528	22,526	3,199	\$2,922	0.20	2.29x	16.1x	17.6x	29.0x	23.0%	14.2%
Thales S.A. (ENXTPA:HO)	159.04	32,663	37,747	20,578	2,534	\$1,725	5.57	1.83x	14.9x	21.9x	28.5x	26.0%	12.3%
Textron Inc. (TXT)	92.90	17,406	20,024	13,897	1,688	\$1,308	3.97	1.44x	11.9x	15.3x	23.4x	16.5%	12.1%
Embraer S.A. (BOVESPA:EMBR3)	7.76	5,698	7,024	5,101	424	\$364	0.31	1.38x	16.6x	19.3x	25.4x	17.3%	8.3%
Mean		\$78,869	\$93,212	\$39,597	\$4,203	\$2,816	\$2.75	2.20x	16.7x	23.3x	27.2x	20.2%	11.8%
Median		83,118	85,018	29,930	2,866	2,323	2.67	2.02x	16.6x	19.5x	28.5x	16.9%	12.2%
Defense													
Lockheed Martin Corporation (LMT)	\$541.92	\$129,171	\$145,905	\$71,069	\$10,167	\$8,949	\$20.73	2.05x	14.4x	16.3x	26.1x	12.2%	14.3%
General Dynamics Corporation (GD)	298.71	81,947	91,704	44,946	5,131	4,273	9.67	2.04x	17.9x	21.5x	30.9x	15.7%	11.4%
Northrop Grumman Corporation (NOC)	484.32	70,830	85,393	40,764	4,304	2,962	10.59	2.09x	19.8x	28.8x	NM	16.8%	10.6%
L3Harris Technologies, Inc. (LHX)	226.89	43,042	55,811	20,765	3,686	2,387	5.86	2.69x	15.1x	23.4x	38.7x	26.3%	17.8%
BAE Systems plc (BA.)	16.65	50,015	53,550	31,036	3,805	3,077	0.56	1.73x	14.1x	17.4x	29.9x	61.6%	12.3%
Huntington Ingalls Industries, Inc. (HII)	279.98	11,041	13,686	11,775	1,160	827	12.25	1.16x	11.8x	16.5x	22.9x	14.6%	9.9%
Mean		\$64,341	\$74,341	\$36,726	\$4,709	\$3,746	\$9.94	1.96x	15.5x	20.7x	29.7x	24.5%	12.7%
Median		60,422	70,602	35,900	4,055	3,020	10.13	2.05x	14.7x	19.4x	29.9x	16.2%	11.8%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close July 31, 2024.

(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, 2024 excluding TXT (March 30, 2024); LHX (March 29, 2024); and BA., ENXTPA:HO & LSE:RR. (December 31, 2023).

(4) Excludes non-recurring and discontinued operations.

Aerospace & Defense

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
August 15	Terran Orbital Corporation (NYSE: LLAP)	Engages in the integrated design, manufacture and assembly of satellites as well as the management, operation and provision of information from on-orbit satellites.	Lockheed Martin Corporation (NYSE: LMT)	\$256.7

Transaction values in millions.

Airbus SE (ENXTPA:AIR) reported second quarter net income of \$246.4 million for fiscal year 2024 as compared to \$1,157.2 million for the prior year period. Earnings per share were \$0.50 versus \$1.31 for the prior year period. Revenues for the quarter decreased to \$17,138.1 million from \$17,358.1 million for the same period in fiscal year 2023.

General Dynamics Corporation (NYSE:GD) reported second quarter net income of \$905.0 million for fiscal year 2024 as compared to \$744.0 million for the prior year period. Earnings per share were \$2.45 versus \$2.01 for the prior year period. Revenues for the quarter increased to \$11,976.0 million from \$10,152.0 million for the same period in fiscal year 2023.

Honeywell International Inc. (NasdaqGS:HON) reported second quarter net income of \$1,544.0 million for fiscal year 2024 as compared to \$1,487.0 million for the prior year period. Earnings per share were \$1.88 versus \$1.77 for the prior year period. Revenues for the quarter increased to \$9,577.0 million from \$9,146.0 million for the same period in fiscal year 2023.

L3Harris Technologies, Inc. (NYSE:LHX) reported second quarter net income of \$366.0 million for fiscal year 2024 as compared to \$349.0 million for the prior year period. Earnings per share were \$1.47 versus \$1.35 for the prior year period. Revenues for the quarter increased to \$5,299.0 million from \$4,693.0 million for the same period in fiscal year 2023.

Lockheed Martin Corporation (NYSE:LMT) reported second quarter net income of \$1,641.0 million for fiscal year 2024 as compared to \$1,681.0 million for the prior year period. Earnings per share were \$5.28 versus \$5.04 for the prior year period. Revenues for the quarter increased to \$18,122.0 million from \$16,693.0 million for the same period in fiscal year 2023.

Northrop Grumman Corporation (NYSE:NOC) reported second quarter net income of \$940.0 million for fiscal year 2024 as compared to \$812.0 million for the prior year period. Earnings per share were \$4.85 versus \$4.05 for the prior year period. Revenues for the quarter increased to \$10,218.0 million from \$9,576.0 million for the same period in fiscal year 2023.

RTX Corporation (NYSE:RTX) reported second quarter net income of \$111.0 million for fiscal year 2024 as compared to \$1,327.0 million for the prior year period. Earnings per share were \$0.58 versus \$0.66 for the prior year period. Revenues for the quarter increased to \$19,721.0 million from \$18,315.0 million for the same period in fiscal year 2023.

Textron Inc. (NYSE:TXT) reported second quarter net income of \$259.0 million for fiscal year 2024 as compared to \$263.0 million for the prior year period. Earnings per share were \$1.09 versus \$1.02 for the prior year period. Revenues for the quarter increased to \$3,527.0 million from \$3,424.0 million for the same period in fiscal year 2023.

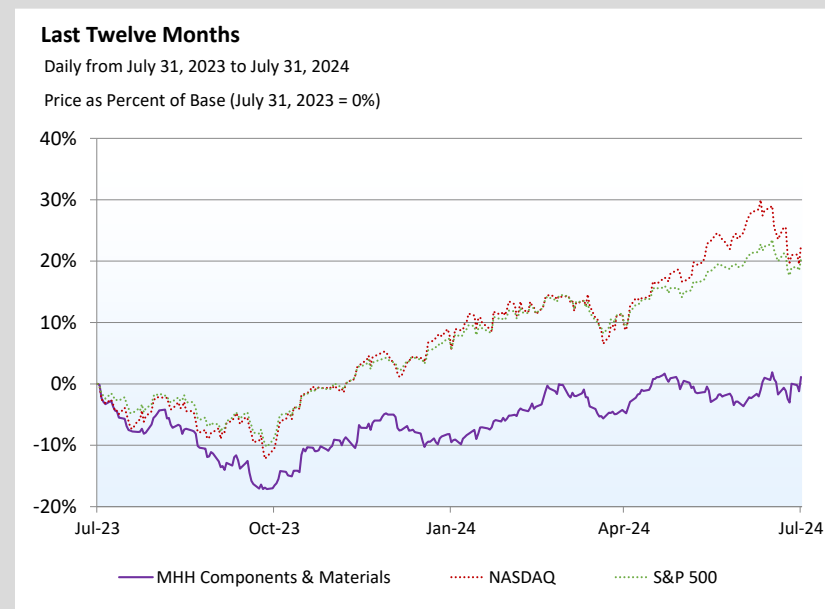
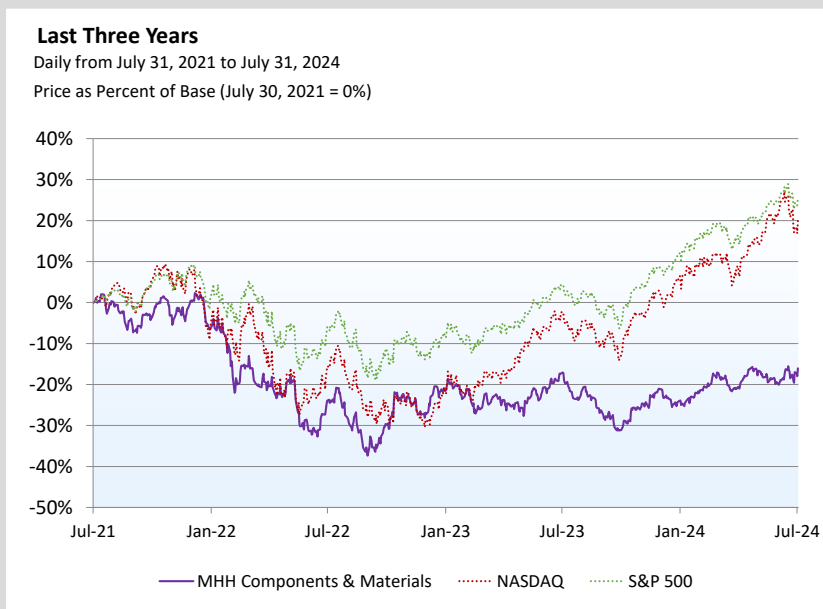
The Boeing Company (NYSE:BA) reported second quarter net income of (\$1,439.0) million for fiscal year 2024 as compared to (\$149.0) million for the prior year period. Earnings per share were (\$1.54) versus (\$0.41) for the prior year period. Revenues for the quarter decreased to \$16,866.0 million from \$19,751.0 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

Comparative Index Performance

The MHH Components & Materials Index^(a) increased by 5.9% during the three months ending July 31, 2024.



Price Performance

	3-Year	LTM	3-Month
MHH Components & Materials ^(a)	-16.0%	1.1%	5.9%
NASDAQ	20.0%	22.7%	12.4%
S&P 500	25.6%	20.3%	9.7%

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

Components & Materials

Selected Valuation Metrics

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

Company ⁽⁵⁾	Market & Capitalization		LTM Performance ⁽³⁾				Valuation			Margins			
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/Revenue	EBITDA/Revenue	EBIT/Revenue	Price/EPS	Gross Profit	EBITDA
Electronic Components													
Amphenol Corporation (APH)	\$64.26	\$77,388	\$81,595	\$13,393	\$3,270	\$2,827	\$1.34	6.09x	25.0x	28.9x	NM	33.2%	24.4%
TE Connectivity Ltd. (TEL)	154.33	46,904	49,783	15,812	3,689	2,895	5.84	3.15x	13.5x	17.2x	26.4x	33.9%	23.3%
Corning Incorporated (GLW)	40.01	32,608	38,815	12,393	2,674	1,315	0.82	3.13x	14.5x	29.5x	NM	34.4%	21.6%
OMRON Corporation (TSE:6645)	37.02	7,290	8,579	4,968	354	153	0.10	1.73x	24.3x	56.2x	NM	42.5%	7.1%
Belden Inc. (BDC)	92.69	3,770	4,579	2,318	363	269	3.52	1.98x	12.6x	17.0x	26.3x	37.9%	15.7%
Vishay Intertechnology, Inc. (VSH)	24.31	3,336	3,458	3,126	463	264	1.23	1.11x	7.5x	13.1x	19.8x	24.7%	14.8%
Alps Alpine Co., Ltd. (TSE:6770)	10.65	2,190	2,251	6,087	392	136	0.51	0.37x	5.7x	16.5x	21.0x	17.6%	6.4%
National Cable And Wire Manufacturing Company (WIR)	0.18	4	18	20	(1)	(2)	(0.08)	0.90x	NM	NM	NM	-2.6%	NM
Mean		\$21,686	\$23,635	\$7,265	\$1,400	\$1,287	\$1.66	2.31x	14.7x	25.5x	23.4x	27.7%	16.2%
Median		5,530	6,579	5,527	427	792	1.03	1.85x	13.5x	17.2x	23.6x	33.6%	15.7%
Specialty Materials													
3M Company (MMM)	\$127.55	\$70,070	\$73,595	\$32,614	\$7,350	\$5,547	\$5.20	2.26x	10.0x	13.3x	24.5x	44.8%	22.5%
BASF SE (DE:BAS)	46.65	41,632	68,139	69,934	6,020	2,364	1.00	0.97x	11.3x	28.8x	NM	24.7%	8.6%
Dow Inc. (DOW)	54.47	38,179	52,542	43,031	5,248	2,602	1.62	1.22x	10.0x	20.2x	33.7x	11.8%	12.2%
DuPont de Nemours, Inc. (DD)	83.70	34,944	41,607	12,058	2,894	1,717	1.99	3.45x	14.4x	24.2x	NM	36.0%	24.0%
PPG Industries, Inc. (PPG)	126.98	29,624	35,738	18,099	2,858	2,291	5.56	1.97x	12.5x	15.6x	22.8x	42.4%	15.8%
Celanese Corporation (CE)	141.15	15,416	28,232	10,554	1,871	1,144	4.85	2.68x	15.1x	24.7x	29.1x	24.0%	17.7%
Akzo Nobel N.V. (ENXTAM:AKZA)	61.82	10,557	15,420	11,458	1,493	1,210	3.39	1.35x	10.3x	12.7x	18.2x	40.9%	13.0%
Evonik Industries AG (DE:EVK)	20.31	9,464	13,322	16,181	2,146	928	0.91	0.82x	6.2x	14.4x	22.3x	24.4%	13.3%
Solvay SA (ENXTBR:SOLB)	35.19	3,696	5,498	5,718	1,122	670	3.58	0.96x	4.9x	8.2x	9.8x	22.0%	19.6%
Mean		\$28,176	\$37,122	\$24,405	\$3,445	\$1,509	\$3.12	1.74x	10.5x	17.1x	22.9x	30.1%	16.3%
Median		29,624	35,738	16,181	2,858	1,210	3.39	1.35x	10.3x	15.6x	22.8x	24.7%	15.8%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close July 31, 2024.

(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, 2024 excluding LEA & VSH (March 30, 2024); TEL (March 29, 2024); and BSE:500530 (December 31, 2023).

(4) Excludes non-recurring and discontinued operations.

(5) Encore Wire (NasdaqGS:WIRE) has been removed from our index as the company was acquired by Prysmian S.p.A. (BIT:PRY) and delisted as of July 2, 2024.

Components & Materials

Selected Valuation Metrics (cont'd.)

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

Company ⁽⁵⁾	Market & Capitalization			LTM Performance ⁽³⁾				Valuation				Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/Revenue	EBITDA	EBIT	Price/EPS	Gross Profit	EBITDA
Vehicle Parts and Supplies													
Johnson Controls International plc (JCI)	\$71.54	\$48,195	\$60,134	\$26,930	\$3,814	\$2,900	\$2.28	2.23x	15.8x	20.7x	31.3x	32.9%	14.2%
DENSO Corporation (TSE:6902)	16.71	48,632	48,033	44,669	4,871	2,529	0.49	1.08x	9.9x	19.0x	33.9x	15.5%	10.9%
Aptiv PLC (APTV)	69.39	18,878	25,006	19,985	2,977	2,035	4.87	1.25x	8.4x	12.3x	14.3x	18.5%	14.9%
Continental Aktiengesellschaft (DB:CON)	61.82	12,273	18,629	43,372	3,734	1,792	4.34	0.43x	5.0x	10.4x	14.2x	21.1%	8.6%
Bosch Limited (BSE:500530)	417.98	12,328	11,928	2,002	259	207	5.44	5.96x	NM	57.5x	NM	33.7%	12.9%
Autoliv, Inc. (ALV)	101.14	8,099	9,867	10,568	1,357	973	6.68	0.93x	7.3x	10.1x	15.1x	18.1%	12.8%
Lear Corporation (LEA)	122.04	6,866	9,478	23,629	1,660	1,047	8.86	0.40x	5.7x	9.1x	13.8x	7.7%	7.0%
Stanley Electric Co., Ltd. (TSE:6923)	19.82	3,179	2,451	2,997	482	259	0.97	0.82x	5.1x	9.5x	20.5x	18.9%	16.1%
Mean		\$19,806	\$23,191	\$21,769	\$2,394	\$1,468	\$4.24	1.64x	8.2x	18.6x	20.4x	20.8%	12.2%
Median		12,300	15,278	21,807	2,319	1,419	4.60	1.00x	7.3x	11.3x	15.1x	18.7%	12.9%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close July 31, 2024.

(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, 2024 excluding LEA & VSH (March 30, 2024); TEL (March 29, 2024); and BSE:500530 (December 31, 2023).

(4) Excludes non-recurring and discontinued operations.

(5) Encore Wire (NasdaqGS:WIRE) has been removed from our index as the company was acquired by Prysmian S.p.A. (BIT:PRY) and delisted as of July 2, 2024.

Components & Materials

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
August 19	IP and other assets of DuPont de Nemours, Inc. (NYSE: DD)	Provides technology-based materials and solutions in the United States, Canada, the Asia Pacific, Latin America, Europe, the Middle East, and Africa	Deltech LLC	ND

ND – Not disclosed. Transaction values in millions.

Components & Materials

Selected News

3M Company (NYSE:MMM) reported second quarter net income of \$1,145.0 million for fiscal year 2024 as compared to (\$6,841.0) million for the prior year period. Earnings per share were \$0.37 versus \$1.20 for the prior year period. Revenues for the quarter decreased to \$6,255.0 million from \$6,283.0 million for the same period in fiscal year 2023.

Akzo Nobel N.V. (ENXTAM:AKZA) reported second quarter net income of \$189.6 million for fiscal year 2024 as compared to \$128.8 million for the prior year period. Earnings per share were \$0.86 versus \$0.86 for the prior year period. Revenues for the quarter decreased to \$2,983.0 million from \$2,992.4 million for the same period in fiscal year 2023.

Amphenol Corporation (NYSE:APH) reported second quarter net income of \$524.8 million for fiscal year 2024 as compared to \$460.5 million for the prior year period. Earnings per share were \$0.36 versus \$0.30 for the prior year period. Revenues for the quarter increased to \$3,609.7 million from \$3,053.9 million for the same period in fiscal year 2023.

Autoliv, Inc. (NYSE:ALV) reported second quarter net income of \$138.0 million for fiscal year 2024 as compared to \$53.0 million for the prior year period. Earnings per share were \$1.50 versus \$1.38 for the prior year period. Revenues for the quarter decreased to \$2,605.0 million from \$2,635.0 million for the same period in fiscal year 2023.

BASF SE (DE:BAS) reported second quarter net income of \$460.7 million for fiscal year 2024 as compared to \$544.8 million for the prior year period. Earnings per share were \$0.26 versus \$0.59 for the prior year period. Revenues for the quarter decreased to \$17,262.4 million from \$18,891.9 million for the same period in fiscal year 2023.

Corning Incorporated (NYSE:GLW) reported second quarter net income of \$104.0 million for fiscal year 2024 as compared to \$281.0 million for the prior year period. Earnings per share were \$0.21 versus \$0.27 for the prior year period. Revenues for the quarter increased to \$3,251.0 million from \$3,243.0 million for the same period in fiscal year 2023.

DENSO Corporation (TSE:6902) reported first quarter net income of \$587.2 million for fiscal year 2025 as compared to \$591.1 million for the prior year period. Earnings per share were \$0.17 versus \$0.17 for the prior year period. Revenues for the quarter decreased to \$10,902.5 million from \$11,846.7 million for the same period in fiscal year 2024.

Dow Inc. (NYSE:DOW) reported second quarter net income of \$439.0 million for fiscal year 2024 as compared to \$485.0 million for the prior year period. Earnings per share were \$0.50 versus \$0.61 for the prior year period. Revenues for the quarter decreased to \$10,915.0 million from \$11,420.0 million for the same period in fiscal year 2023.

Lear Corporation (NYSE:LEA) reported second quarter net income of \$173.1 million for fiscal year 2024 as compared to \$168.7 million for the prior year period. Earnings per share were \$2.26 versus \$2.21 for the prior year period. Revenues for the quarter increased to \$6,012.4 million from \$5,999.2 million for the same period in fiscal year 2023.

PPG Industries, Inc. (NYSE:PPG) reported second quarter net income of \$528.0 million for fiscal year 2024 as compared to \$490.0 million for the prior year period. Earnings per share were \$1.80 versus \$1.67 for the prior year period. Revenues for the quarter decreased to \$4,794.0 million from \$4,872.0 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

Components & Materials

Selected News (cont'd.)

Stanley Electric Co., Ltd. (TSE:6923) reported first quarter net income of \$36.2 million for fiscal year 2025 as compared to \$16.2 million for the prior year period. Earnings per share were \$0.19 versus \$0.13 for the prior year period. Revenues for the quarter decreased to \$754.9 million from \$772.7 million for the same period in fiscal year 2024.

TE Connectivity Ltd. (NYSE:TEL) reported third quarter net income of \$573.0 million for fiscal year 2024 as compared to \$528.0 million for the prior year period. Earnings per share were \$1.53 versus \$1.35 for the prior year period. Revenues for the quarter decreased to \$3,979.0 million from \$3,998.0 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

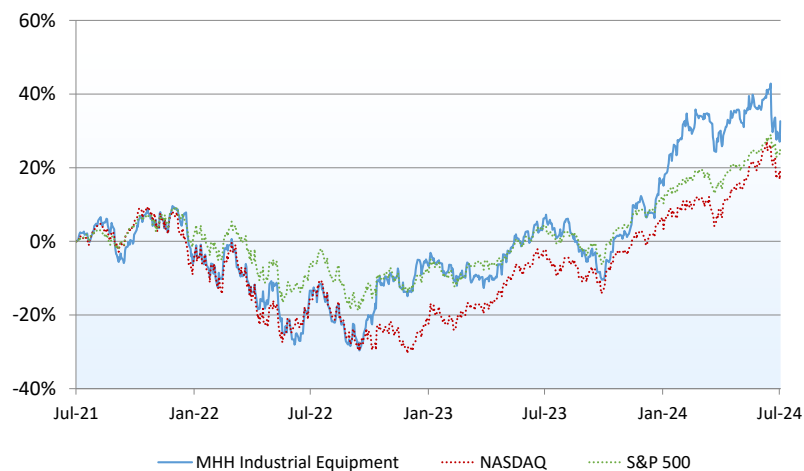
Comparative Index Performance

The MHH Industrial Equipment Index^(a) increased by 4.3% during the three months July 31, 2024.

Last Three Years

Daily from July 31, 2021 to July 31, 2024

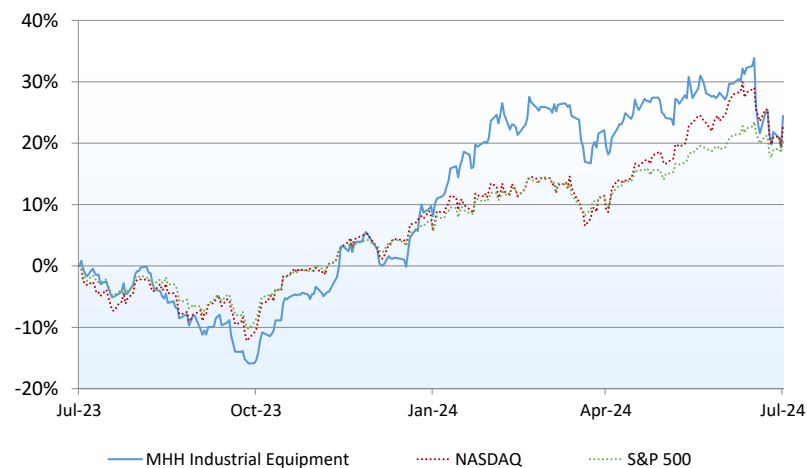
Price as Percent of Base (July 30, 2021 = 0%)



Last Twelve Months

Daily from July 31, 2023 to July 31, 2024

Price as Percent of Base (July 31, 2023 = 0%)



Price Performance

	3-Year	LTM	3-Month
MHH Industrial Equipment ^(a)	32.6%	24.5%	4.3%
NASDAQ	20.0%	22.7%	12.4%
S&P 500	25.6%	20.3%	9.7%

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

Industrial Equipment

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross		
								Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Construction Equipment													
Caterpillar Inc. (CAT)	\$346.20	\$169,310	\$202,806	\$66,368	\$16,182	\$14,132	\$17.54	3.06x	12.5x	14.4x	19.7x	32.7%	24.4%
Deere & Company (DE)	371.98	102,507	165,381	55,955	14,268	13,190	23.65	2.96x	11.6x	12.5x	15.7x	34.3%	25.5%
Cummins Inc. (CMI)	291.80	39,912	45,315	34,173	4,445	3,409	14.73	1.33x	10.2x	13.3x	19.8x	24.3%	13.0%
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	151.21	10,693	11,620	16,786	913	556	5.24	0.69x	12.7x	20.9x	28.8x	7.0%	5.4%
Oshkosh Corporation (OSK)	108.65	7,072	8,566	10,367	1,251	1,061	9.25	0.83x	6.8x	8.1x	11.7x	18.7%	12.1%
Terex Corporation (TEX)	63.26	4,257	4,604	5,187	685	624	5.18	0.89x	6.7x	7.4x	12.2x	22.8%	13.2%
Mean		\$55,625	\$73,049	\$31,473	\$6,291	\$5,495	\$12.60	1.62x	10.1x	12.8x	18.0x	23.3%	15.6%
Median		25,303	28,468	25,480	2,848	2,235	11.99	1.11x	10.9x	12.9x	17.7x	23.5%	13.1%
Electrical Equipment													
Schneider Electric S.E. (ENXTPA:SU)	\$241.18	\$135,328	\$148,416	\$39,046	\$7,479	\$6,533	\$6.47	3.80x	19.8x	22.7x	37.3x	42.3%	19.2%
Eaton Corporation plc (ETN)	304.79	121,855	129,236	24,140	5,295	4,383	6.78	5.35x	24.4x	29.5x	NM	37.5%	21.9%
Emerson Electric Co. (EMR)	117.11	66,999	81,997	16,963	4,393	2,949	2.73	4.83x	18.7x	27.8x	NM	51.6%	25.9%
AMETEK, Inc. (AME)	173.48	40,155	42,949	6,825	2,121	1,750	4.39	6.29x	20.3x	24.5x	39.5x	35.6%	31.1%
Rockwell Automation, Inc. (ROK)	278.65	31,767	35,567	8,792	1,794	1,501	8.34	4.05x	19.8x	23.7x	33.4x	39.8%	20.4%
Hubbell Incorporated (HUBB)	395.65	21,239	22,997	5,573	1,227	1,044	11.14	4.13x	18.7x	22.0x	35.5x	34.2%	22.0%
Regal Rexnord Corporation (RRX)	160.68	10,688	16,120	6,353	1,239	724	2.94	2.54x	13.0x	22.3x	NM	35.8%	19.5%
Powell Industries, Inc. (POWL)	183.63	2,201	1,828	946	160	152	8.64	1.93x	11.5x	12.0x	21.3x	25.9%	16.9%
Mean		\$53,779	\$59,889	\$13,580	\$2,963	\$2,379	\$6.43	4.12x	18.3x	23.1x	33.4x	37.9%	22.1%
Median		35,961	39,258	7,808	1,957	1,625	6.62	4.09x	19.3x	23.2x	35.5x	36.7%	21.2%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close July 31, 2024.

(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, 2024 excluding DE (April 28, 2024); COHU, ENTG, FORM, ONTO (March 30, 2024); DHR (March 29, 2024); AMAT & DE (January 28, 2024); and ENXTPA:SU & KOSE:A009540 (December 31, 2023).

(4) Excludes non-recurring and discontinued operations.

Industrial Equipment

Selected Valuation Metrics (cont'd.)

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA EBIT		Price/ EPS	Gross Profit	EBITDA	
Measurement, Control, and Testing Devices													
Danaher Corporation (DHR)	\$277.08	\$200,111	\$215,952	\$23,568	\$7,460	\$5,203	\$4.37	9.16x	28.9x	41.5x	NM	59.8%	31.7%
Entegris, Inc. (ENTG)	118.29	17,859	21,717	3,284	901	527	1.14	6.61x	24.1x	41.2x	NM	43.8%	27.4%
MKS Instruments, Inc. (MKS)	125.90	8,460	12,595	3,580	862	489	1.42	3.52x	14.6x	25.8x	NM	46.6%	24.1%
Onto Innovation Inc. (ONTO)	191.30	9,426	8,704	897	218	151	2.24	9.70x	NM	57.8x	NM	51.3%	24.2%
Nova Ltd. (NVM)	206.47	5,997	5,549	562	168	151	3.43	9.88x	NM	36.8x	NM	57.3%	29.9%
FormFactor, Inc. (FORM)	53.56	4,133	3,819	706	65	32	0.34	5.41x	NM	NM	NM	40.8%	9.2%
Axcelis Technologies, Inc. (ACLS)	126.35	4,110	3,607	1,111	269	260	5.26	3.24x	13.4x	13.9x	24.0x	44.6%	24.2%
Azenta, Inc. (NasdaqGS:AZTA)	62.29	3,359	2,468	659	21	(69)	(0.33)	3.75x	NM	NM	NM	40.4%	3.1%
Cohu, Inc. (COHU)	31.99	1,506	1,265	500	27	(24)	(0.27)	2.53x	NM	NM	NM	46.5%	5.5%
FARO Technologies, Inc. (FARO)	17.10	328	317	352	19	4	(0.02)	0.90x	16.9x	NM	NM	53.8%	5.3%
Mean		\$6,131	\$6,671	\$1,295	\$283	\$672	\$1.47	5.06x	17.3x	35.1x	24.0x	47.2%	17.0%
Median		4,133	3,819	706	168	151	1.14	3.75x	15.7x	36.8x	24.0x	46.5%	24.1%
Semiconductor Capital Equipment													
ASML Holding N.V. (ASML)	\$920.45	\$361,923	\$361,478	\$27,261	\$9,158	\$8,358	\$13.58	NM	NM	43.3x	NM	51.4%	33.6%
Applied Materials, Inc. (AMAT)	212.20	175,696	174,137	26,854	8,204	7,792	6.08	6.48x	21.2x	22.3x	34.9x	47.4%	30.6%
Lam Research Corporation (LRCX)	921.24	120,109	119,244	14,905	4,685	4,325	20.94	8.00x	25.5x	27.6x	NM	47.6%	31.4%
KLA Corporation (KLAC)	823.07	110,818	112,944	9,812	4,035	3,633	15.97	NM	28.0x	31.1x	NM	60.0%	41.1%
Tokyo Electron Limited (TSE:8035)	206.15	94,963	91,823	12,394	3,696	3,354	4.58	7.41x	24.8x	27.4x	NM	46.7%	29.8%
Teradyne, Inc. (TER)	131.16	20,476	19,972	2,704	628	514	2.04	7.39x	NM	38.9x	NM	57.1%	23.2%
Veeco Instruments Inc. (VECO)	41.41	2,345	2,359	702	111	85	0.92	3.36x	21.3x	27.7x	NM	43.7%	15.8%
Mean		\$126,619	\$125,994	\$13,519	\$4,360	\$4,009	\$9.16	6.53x	24.9x	31.2x	34.9x	50.6%	29.4%
Median		110,818	112,944	12,394	4,035	3,633	6.08	7.39x	24.8x	27.7x	34.9x	47.6%	30.6%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close July 31, 2024.

(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, 2024 excluding DE (April 28, 2024); COHU, ENTG, FORM, ONTO (March 30, 2024); DHR (March 29, 2024); AMAT & DE (January 28, 2024); and ENXTPA:SU & KOSE:A009540 (December 31, 2023).

(4) Excludes non-recurring and discontinued operations.

Industrial Equipment

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
August 19	Genedata AG	Offers data analysis and management platforms/systems that support biologics research and development operations for protein therapeutics discovery and development needs	Danaher Corporation (NYSE: DHR)	ND
August 14	UK extrusion and assembly business of Schneider Electric (ENXTPA:SU)	Engages in the energy management and industrial automation businesses worldwide	Goodfish Group Limited	ND

ND – Not disclosed. Transaction values in millions.

ASML Holding N.V. (ENXTAM:ASML) reported second quarter net income of \$1,690.7 million for fiscal year 2024 as compared to \$2,119.8 million for the prior year period. Earnings per share were \$4.30 versus \$5.38 for the prior year period. Revenues for the quarter decreased to \$6,689.0 million from \$7,535.3 million for the same period in fiscal year 2023.

Caterpillar Inc. (NYSE:CAT) reported second quarter net income of \$2,681.0 million for fiscal year 2024 as compared to \$2,922.0 million for the prior year period. Earnings per share were \$5.48 versus \$5.67 for the prior year period. Revenues for the quarter decreased to \$16,689.0 million from \$17,318.0 million for the same period in fiscal year 2023.

Danaher Corporation (NYSE:DHR) reported second quarter net income of \$907.0 million for fiscal year 2024 as compared to \$1,106.0 million for the prior year period. Earnings per share were \$0.96 versus \$0.97 for the prior year period. Revenues for the quarter decreased to \$5,743.0 million from \$5,912.0 million for the same period in fiscal year 2023.

Eaton Corporation plc (NYSE:ETN) reported second quarter net income of \$993.0 million for fiscal year 2024 as compared to \$744.0 million for the prior year period. Earnings per share were \$1.86 versus \$1.40 for the prior year period. Revenues for the quarter increased to \$6,350.0 million from \$5,866.0 million for the same period in fiscal year 2023.

HD Korea Shipbuilding & Offshore Engineering Co., Ltd. (KOSE:A009540) reported second quarter net income of \$212.0 million for fiscal year 2024 as compared to \$37.8 million for the prior year period. Earnings per share were \$2.23 versus \$0.48 for the prior year period. Revenues for the quarter increased to \$4,800.8 million from \$4,140.7 million for the same period in fiscal year 2023.

Hubbell Incorporated (NYSE:HUBB) reported second quarter net income of \$213.6 million for fiscal year 2024 as compared to \$206.8 million for the prior year period. Earnings per share were \$3.26 versus \$3.16 for the prior year period. Revenues for the quarter increased to \$1,452.5 million from \$1,365.9 million for the same period in fiscal year 2023.

KLA Corporation (NasdaqGS:KLAC) reported net income of \$2,761.9 million for fiscal year 2024 as compared to \$3,387.3 million for the prior year. Earnings per share were \$15.97 versus \$16.82 for the prior year. Revenues for the year decreased to \$9,812.2 million from \$10,496.1 million for fiscal year 2023.

Lam Research Corporation (NasdaqGS:LRCX) reported net income of \$3,827.8 million for fiscal year 2024 as compared to \$4,510.9 million for the prior year. Earnings per share were \$20.94 versus \$24.06 for the prior year. Revenues for the year decreased to \$14,905.4 million from \$17,428.5 million for fiscal year 2023.

Oshkosh Corporation (NYSE:OSK) reported second quarter net income of \$168.6 million for fiscal year 2024 as compared to \$175.0 million for the prior year period. Earnings per share were \$2.60 versus \$2.20 for the prior year period. Revenues for the quarter increased to \$2,846.9 million from \$2,413.1 million for the same period in fiscal year 2023.

Powell Industries, Inc. (NasdaqGS:POWL) reported third quarter net income of \$46.2 million for fiscal year 2024 as compared to \$18.5 million for the prior year period. Earnings per share were \$3.16 versus \$1.22 for the prior year period. Revenues for the quarter increased to \$288.2 million from \$192.4 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

Industrial Equipment

Selected News (cont'd.)

Schneider Electric S.E. (ENXTPA:SU) reported second quarter net income of \$1,008.3 million for fiscal year 2024 as compared to \$1,104.3 million for the prior year period. Earnings per share were \$1.68 versus \$1.60 for the prior year period. Revenues for the quarter increased to \$9,735.9 million from \$9,625.0 million for the same period in fiscal year 2023.

Teradyne, Inc. (NasdaqGS:TER) reported second quarter net income of \$186.3 million for fiscal year 2024 as compared to \$120.1 million for the prior year period. Earnings per share were \$0.62 versus \$0.56 for the prior year period. Revenues for the quarter increased to \$729.9 million from \$684.4 million for the same period in fiscal year 2023.

Terex Corporation (NYSE:TEX) reported second quarter net income of \$140.7 million for fiscal year 2024 as compared to \$159.4 million for the prior year period. Earnings per share were \$1.61 versus \$1.76 for the prior year period. Revenues for the quarter decreased to \$1,381.7 million from \$1,403.1 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

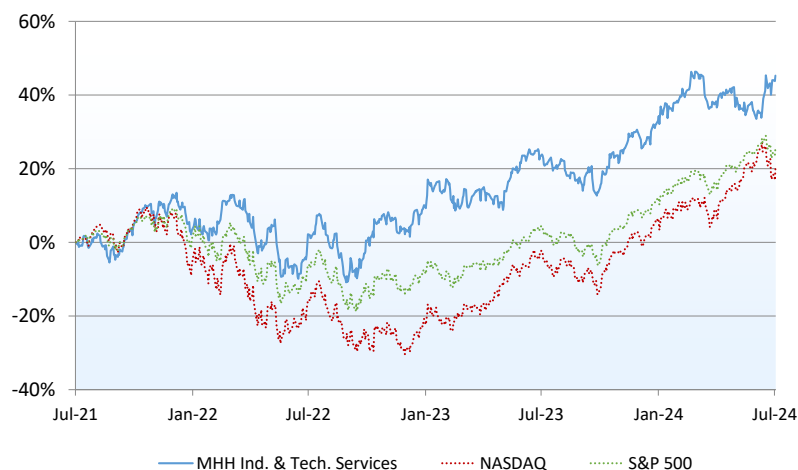
Comparative Index Performance

The MHH Industrial & Technical Services Index^(a) increased by 6.3% during the three months ending July 31, 2024.

Last Three Years

Daily from July 31, 2021 to July 31, 2024

Price as Percent of Base (July 30, 2021 = 0%)



Last Twelve Months

Daily from July 31, 2023 to July 31, 2024

Price as Percent of Base (July 31, 2023 = 0%)



Price Performance

	3-Year	LTM	3-Month
MHH Industrial & Technical Services Index ^(a)	45.3%	16.7%	6.3%
NASDAQ	20.0%	22.7%	12.4%
S&P 500	25.6%	20.3%	9.7%

^(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 two pages.

Industrial & Technical Services

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation				Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA		EBIT	Price/ EPS	Gross Profit	EBITDA
Industrial Distribution													
W.W. Grainger, Inc. (GWW)	\$976.81	\$47,931	\$50,165	\$16,752	\$2,814	\$2,586	\$30.19	2.99x	17.8x	19.4x	32.4x	39.3%	16.8%
Fastenal Company (FAST)	70.75	40,515	40,775	7,416	1,692	1,518	1.65	5.50x	24.1x	26.9x	NM	45.5%	22.8%
WESCO International, Inc. (WCC)	174.95	8,892	13,742	21,948	1,496	1,351	11.19	0.63x	9.2x	10.2x	15.6x	21.5%	6.8%
MSC Industrial Direct Co., Inc. (MSM)	88.95	4,992	5,547	3,904	511	432	4.41	1.42x	10.8x	12.8x	20.2x	41.0%	13.1%
MRC Global Inc. (MRC)	14.48	1,232	1,947	3,294	214	174	1.06	0.59x	9.1x	11.2x	13.7x	20.4%	6.5%
Transcat, Inc. (TRNS)	115.24	1,054	1,050	266	37	22	1.55	3.95x	28.5x	47.9x	NM	33.0%	13.9%
Mean		\$17,436	\$18,871	\$8,930	\$1,127	\$1,014	\$8.34	2.51x	16.6x	21.4x	20.5x	33.5%	13.3%
Median		6,942	9,644	5,660	1,004	892	3.03	2.21x	14.3x	16.1x	17.9x	36.2%	13.5%
Industrial Recycling													
Veolia Environnement SA (ENXTPA:VIE)	\$31.43	\$22,499	\$44,097	\$47,934	\$5,572	\$3,077	\$0.87	0.92x	7.9x	14.3x	36.2x	17.1%	11.6%
Clean Harbors, Inc. (CLH)	238.73	12,876	15,538	5,633	1,030	643	6.01	2.76x	15.1x	24.2x	39.7x	31.2%	18.3%
Commercial Metals Company (CMC)	60.10	6,911	7,413	8,139	1,060	790	3.96	0.91x	7.0x	9.4x	15.2x	17.9%	13.0%
Aurubis AG (XTRA:NDA)	77.98	3,404	3,374	18,322	600	383	5.58	0.18x	5.6x	8.8x	14.0x	9.2%	3.3%
Dowa Holdings Co., Ltd. (TSE:5714)	36.82	2,192	2,303	4,446	376	214	2.93	0.52x	6.1x	10.8x	12.6x	12.2%	8.5%
Sims Limited (ASX:SGM)	6.64	1,282	1,721	4,820	56	(60)	(0.09)	0.36x	NM	NM	NM	10.3%	1.2%
Mean		\$8,194	\$12,408	\$14,882	\$1,449	\$841	\$3.21	0.94x	8.3x	13.5x	23.5x	16.3%	9.3%
Median		5,158	5,394	6,886	815	513	3.45	0.71x	7.0x	10.8x	15.2x	14.6%	10.0%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close July 31, 2024.

(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

(3) As of close June 30, 2024 excluding NVEE (March 30, 2024); J & KBR (March 29, 2024); MSM (March 2, 2024); and ASX:SGM, LSE:BBY, & LSE:WG (December 31, 2023).

(4) Excludes non-recurring and discontinued operations.

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

Industrial & Technical Services

Selected Valuation Metrics (cont'd.)

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation				Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA		EBIT	Price/ EPS	Gross Profit	EBITDA
Technical Services													
Jacobs Solutions Inc. (J)	\$146.35	\$18,325	\$21,725	\$16,949	\$1,476	\$1,195	\$4.99	1.28x	14.7x	18.2x	29.3x	21.3%	8.7%
AECOM (ACM)	90.61	12,335	14,173	15,837	1,067	893	3.10	0.89x	13.3x	15.9x	29.2x	6.6%	6.7%
Tetra Tech, Inc. (TTEK)	213.24	11,408	12,252	4,235	568	493	5.23	2.89x	21.6x	24.9x	NM	19.7%	13.4%
KBR, Inc. (KBR)	66.59	8,860	10,540	7,173	600	504	2.33	1.47x	17.6x	20.9x	28.6x	13.9%	8.4%
Fluor Corporation (FLR)	48.10	8,234	7,067	15,743	450	379	2.71	0.45x	15.7x	18.6x	17.8x	3.8%	2.9%
Primoris Services Corporation (PRIM)	56.47	3,029	4,189	6,021	399	297	2.53	0.70x	10.5x	14.1x	22.3x	10.8%	6.6%
John Wood Group PLC (LSE:WG.)	2.62	1,801	2,909	5,735	49	(23)	(0.10)	0.51x	NM	NM	NM	11.2%	0.9%
Balfour Beatty plc (LSE:BBY)	5.41	2,778	2,235	10,195	221	172	0.34	0.22x	10.1x	13.0x	15.8x	5.0%	2.2%
NV5 Global, Inc. (NVEE)	103.14	1,665	1,909	904	117	52	1.43	2.11x	16.4x	36.6x	NM	50.9%	12.9%
Mean		\$7,604	\$8,555	\$9,199	\$550	\$440	\$2.51	1.17x	15.0x	20.3x	23.8x	15.9%	7.0%
Median		8,234	7,067	7,173	450	379	2.53	0.89x	15.2x	18.4x	25.5x	11.2%	6.7%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close July 31, 2024.

(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

(3) As of close June 30, 2024 excluding NVEE (March 30, 2024); J & KBR (March 29, 2024); MSM (March 2, 2024); and ASX:SGM, LSE:BBY, & LSE:WG (December 31, 2023).

(4) Excludes non-recurring and discontinued operations.

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

Industrial & Technical Services

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
August 12	UK Metal business of Sims Metal Management (ASX: SGM)	Comprises ferrous and non-ferrous recycled metal sales	Unimetal Group Limited	\$249.3
August 01	Storeroom Logix, LLC	Designs and develops cloud-based inventory management software that brings inventory data, inputs, and outputs together to one central space	WESCO International, Inc. (NYSE: WCC)	ND

ND – Not disclosed. Transaction values in millions.

Fastenal Company (NasdaqGS:FAST) reported second quarter net income of \$292.7 million for fiscal year 2024 as compared to \$298.0 million for the prior year period. Earnings per share were \$0.42 versus \$0.43 for the prior year period. Revenues for the quarter increased to \$1,916.2 million from \$1,883.1 million for the same period in fiscal year 2023.

KBR, Inc. (NYSE:KBR) reported second quarter net income of \$106.0 million for fiscal year 2024 as compared to (\$351.0) million for the prior year period. Earnings per share were \$0.68 versus \$0.57 for the prior year period. Revenues for the quarter increased to \$1,855.0 million from \$1,753.0 million for the same period in fiscal year 2023.

W.W. Grainger, Inc. (NYSE:GWW) reported second quarter net income of \$470.0 million for fiscal year 2024 as compared to \$470.0 million for the prior year period. Earnings per share were \$7.67 versus \$7.62 for the prior year period. Revenues for the quarter increased to \$4,312.0 million from \$4,182.0 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

MHH Manufacturing Universe Directory

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

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

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

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- 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

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

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C o n t a c t u s

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