



Mufson Howe Hunter

Manufacturing Update September 2024

Primary MHH Manufacturing Contacts

Michael J. Howe

Managing Director
Direct Dial: 215.399.5413
Mobile: 215.808.0160
mhowe@mhhco.com

Joe Golden

Managing Director
Mobile: 703.785.5525
jgolden@mhhco.com

Isabel Schaefer

Vice President
Direct Dial: 215.399.5418
Mobile: 610.888.1937
ischaef@mhhco.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 both financial and stock performance as well as recent news.

Macro-Economic Trends

	Jul-24	Aug-24	Trend
PMI	46.8	47.2	Positive
Total Unemployment	4.3	4.2	Positive
CPI Monthly Change	0.2	0.2	Neutral
PPI Monthly Change	0.1	0.2	Negative
Industrial Production	102.3	103.1	Positive
Capacity Utilization	77.4	78.0	Positive
Manufacturing Production	98.7	99.6	Positive
Manufacturing Utilization	76.6	77.2	Positive

Sector Index Performance

	3-Year	LTM	3-Month
Aerospace & Defense	28.6%	19.2%	5.4%
Components & Materials	-13.9%	8.5%	2.9%
Industrial Equipment	24.4%	22.7%	-2.0%
Industrial & Technical Services	44.7%	19.5%	5.0%
NASDAQ	16.1%	26.2%	5.9%
S&P 500	24.9%	25.3%	7.0%

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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.

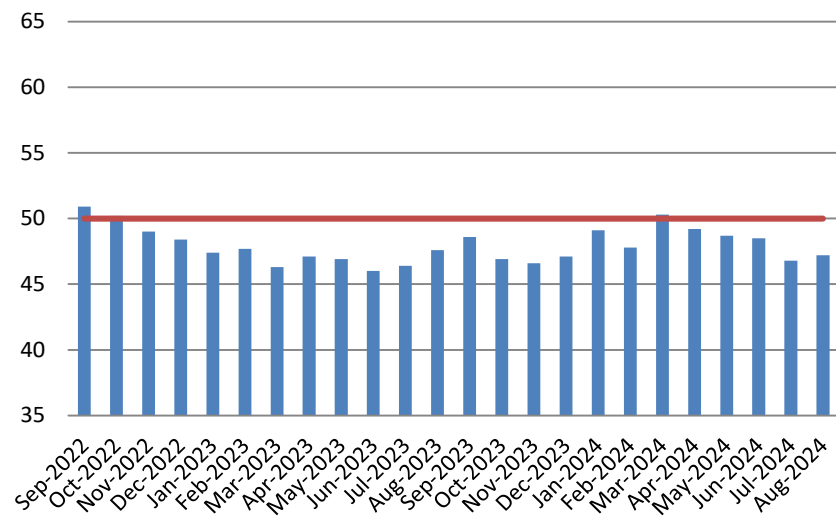
The companies that comprise each Index can change periodically as a result of a variety of reasons, including mergers, acquisitions, initial public offerings, and other transactions; therefore, comparisons to historical time periods and historical performance for each Index may not entirely correspond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

While still in contraction territory, U.S. manufacturing activity contracted slower compared to last month. The PMI registered 47.2%, up 0.4 percentage points compared to August's reading of 46.8%. After breaking a 16-month streak of contraction by expanding in March, the manufacturing sector has contracted the last five months.

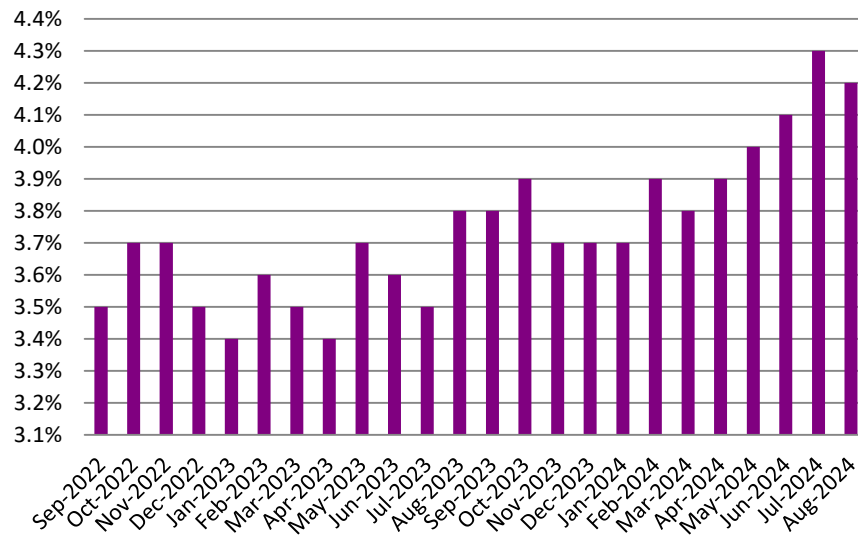
Customers' Inventories, Inventories and Prices experienced expansion during August 2024.

Whereas New Orders, Production, Employment, Supplier Deliveries, Backlog, New Export Orders and Imports contracted during August 2024.

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

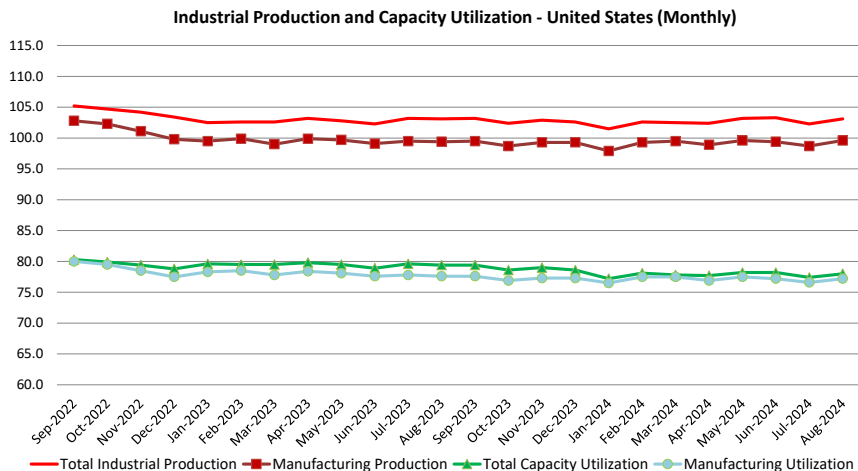
Commentary

The unemployment rate decreased to 4.2% and the number of unemployed people currently sits at 7.1 million in August. Notable job gains occurred in construction and health care, partially offset by losses in manufacturing.

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.



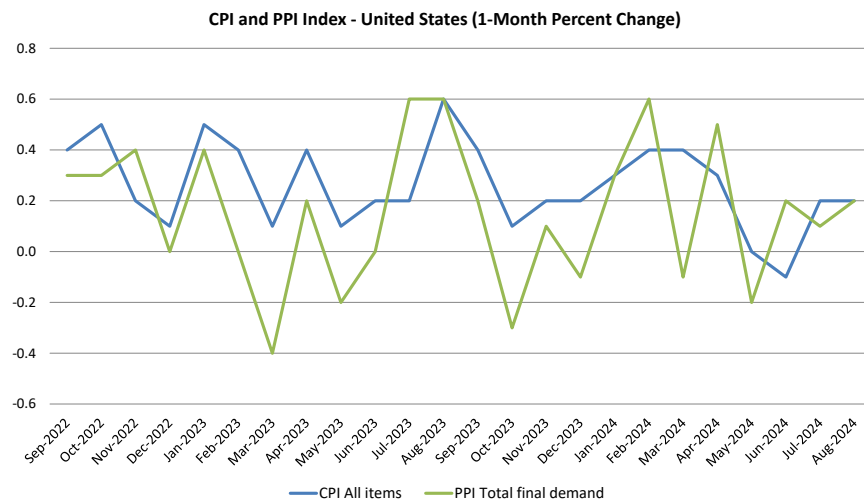
Source: United States Federal Reserve

Commentary

Industrial Production rose 0.8% month-over-month (i.e., red line) in August and Manufacturing output posted a similar bump of 0.9% after decreasing 0.7% in the previous month (i.e., boxed red line). Total Industrial Production in August was equal to its year-earlier level. Capacity Utilization moved up in August to 78.0%, a rate that is 1.7% below its long-run average. Manufacturing Utilization increased 0.6% 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.



Source: United States Bureau of Labor

Commentary

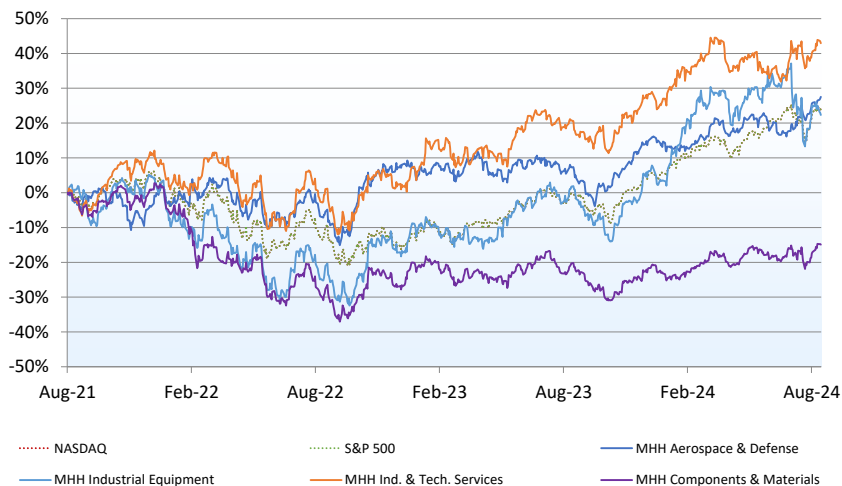
The Consumer Price Index for All Urban Consumers rose by 0.2% in August on a seasonally adjusted basis. For the 12 months ended in August, Consumer prices for all items (except food and energy) rose 3.2%, and the CPI All Items index increased 2.5%. The Producer Price Index for final demand increased by 0.2% in August; furthermore, final demand prices rose by 1.7% during the 12 months ended in August.

Sector Index Performance

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

Last Three Years

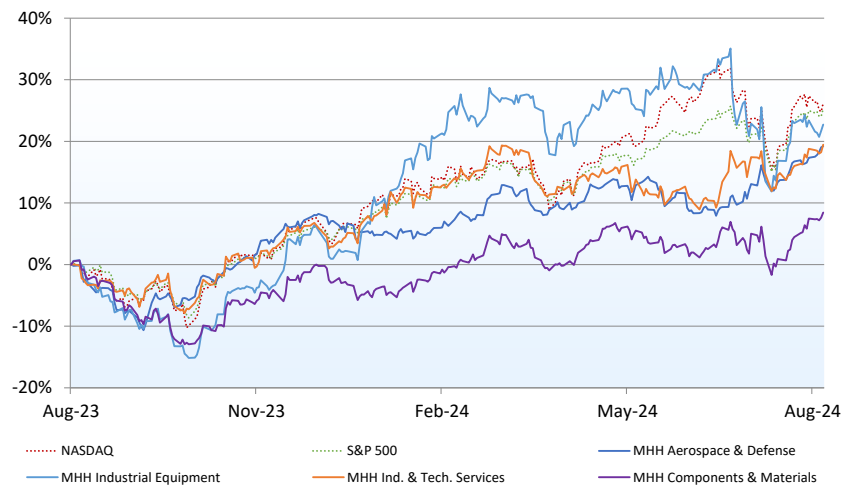
Daily from August 31, 2021 to August 31, 2024
Price as Percent of Base (August 31, 2021 = 0%)



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

Last Twelve Months

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



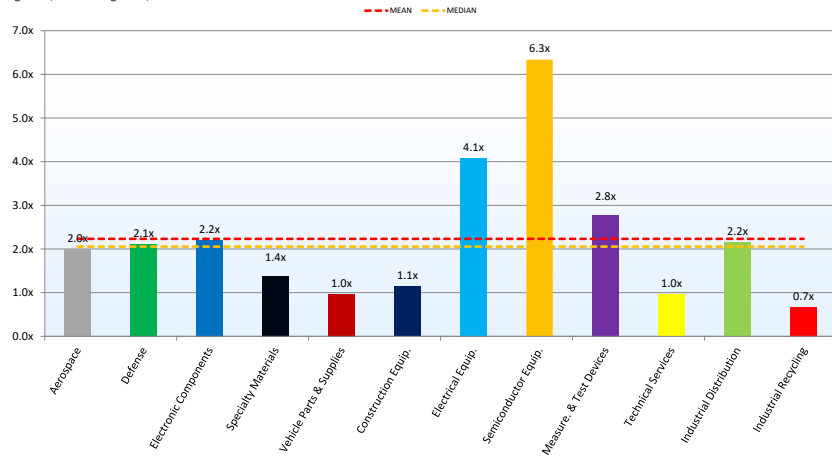
Price Performance

	3-Year	LTM	3-Month
MHH Aerospace & Defense	28.6%	19.2%	5.4%
MHH Components & Materials	-13.9%	8.5%	2.9%
MHH Industrial Equipment	24.4%	22.7%	-2.0%
MHH Industrial & Technical Services	44.7%	19.5%	5.0%
NASDAQ	16.1%	26.2%	5.9%
S&P 500	24.9%	25.3%	7.0%

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

Comparative Subsector LTM EV/Revenue

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

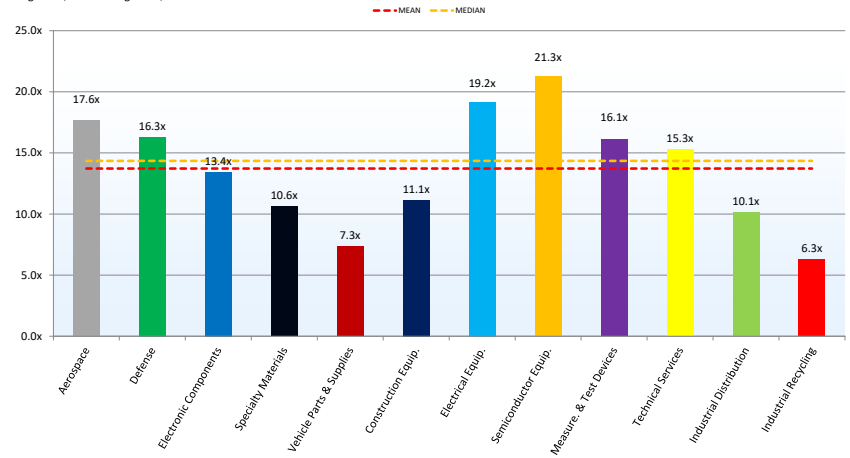


Commentary

During the last twelve months, our subsector indices had a mean EV/Revenue of 2.2x (i.e., red dashed line) and a median of 2.1x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 6.3x and Industrial Recycling had the lowest multiple at 0.7x.

Comparative Subsector LTM EV/EBITDA

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



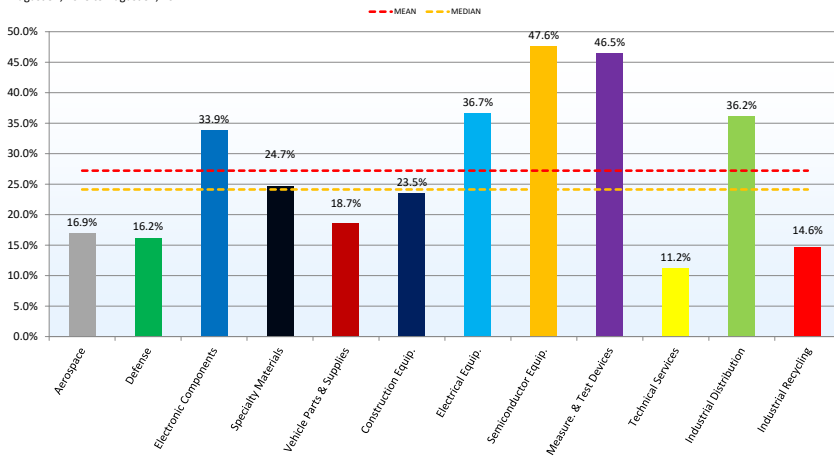
Commentary

During the last twelve months, our subsector indices had a mean EV/EBITDA of 13.7x (i.e., red dashed line) and a median of 14.4x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 21.3x and Industrial Recycling had the lowest multiple at 6.3x.

Subsector Statistics (cont'd.)

Comparative Subsector LTM Gross Margin

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

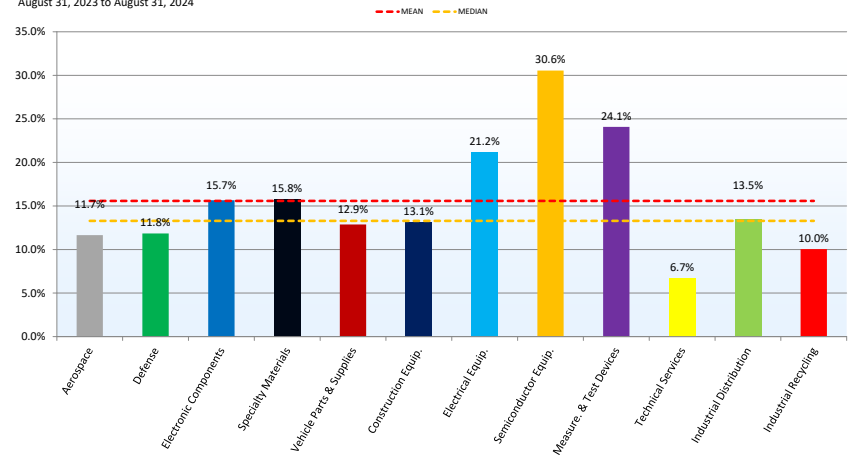


Commentary

During the last twelve months, our subsector indices had a mean Gross Margin of 27.2% (i.e., red dashed line) and a median of 24.1% (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
August 31, 2023 to August 31, 2024



Commentary

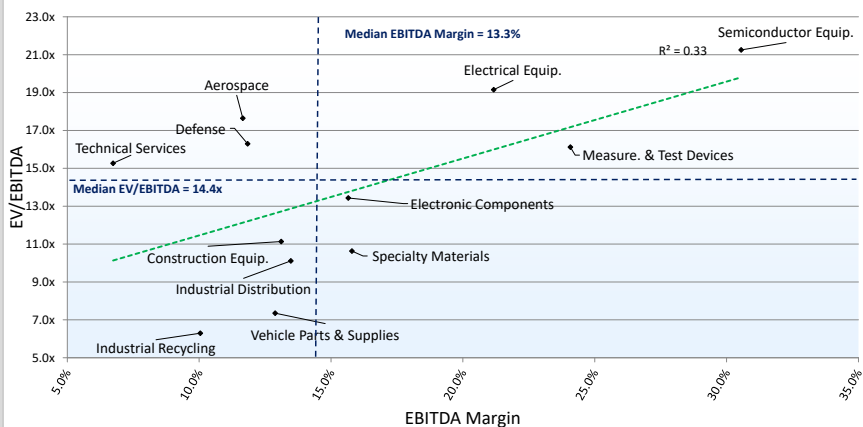
During the last twelve months, our subsector indices had a mean EBITDA Margin of 15.6% (i.e., red dashed line) and a median of 13.3% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest margin at 30.6% and Technical Services had the lowest margin at 6.7%.

Subsector Trading Multiples & Margins

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

Index Subsector LTM EV/EBITDA vs EBITDA Margin

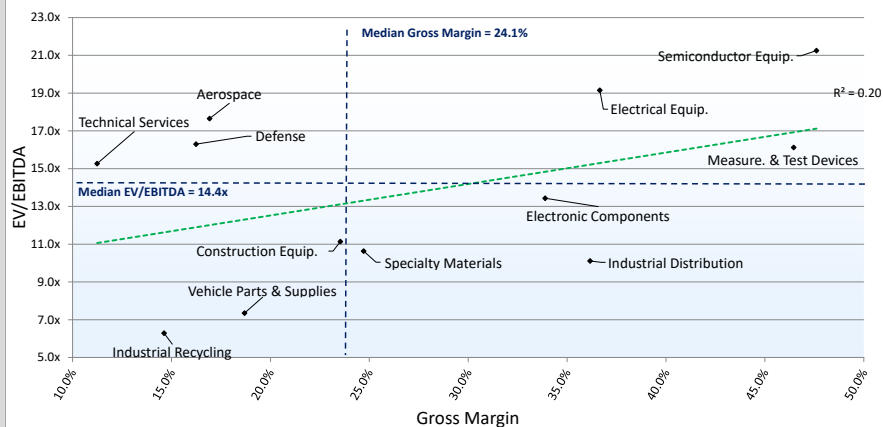
Last Twelve Months EV/EBITDA vs. EBITDA Margin
August 31, 2023 to August 31, 2024



*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
August 31, 2023 to August 31, 2024



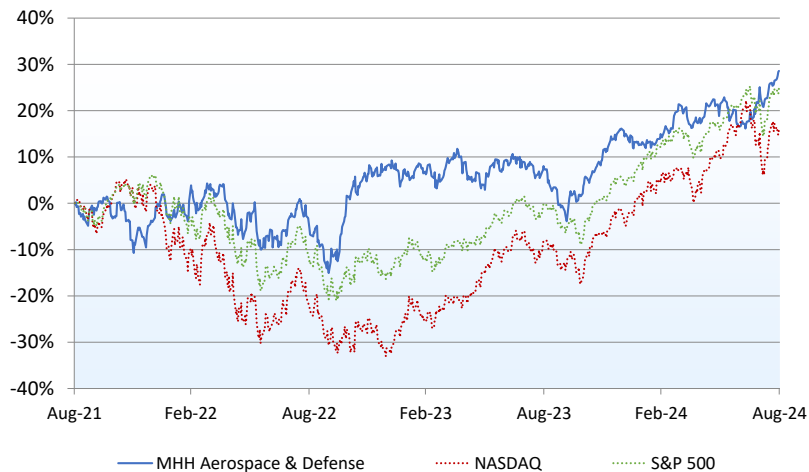
*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards
*Note: The green dotted line represents the regression line.

Comparative Index Performance

The MHH Aerospace & Defense Index^(a) increased by 5.4% during the three months ending August 31, 2024.

Last Three Years

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



Last Twelve Months

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



Price Performance

	3-Year	LTM	3-Month
MHH Aerospace & Defense ^(a)	28.6%	19.2%	5.4%
NASDAQ	16.1%	26.2%	5.9%
S&P 500	24.9%	25.3%	7.0%

(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		Price/ EPS	Gross Profit	EBITDA	
Aerospace													
RTX Corporation (RTX)	\$123.34	\$163,805	\$203,056	\$72,417	\$9,217	\$4,953	\$1.58	2.80x	22.0x	41.0x	NM	16.4%	12.7%
Honeywell International Inc. (HON)	207.91	135,073	154,866	37,334	9,048	7,839	6.96	4.15x	17.1x	19.8x	29.9x	37.6%	24.2%
The Boeing Company (BA)	173.74	107,053	152,374	73,557	1,322	(509)	(0.36)	2.07x	NM	NM	NM	10.5%	1.8%
Airbus SE (ENXTPA:AIR)	153.54	121,531	120,119	71,368	6,196	3,928	3.76	1.68x	19.4x	30.6x	NM	14.6%	8.7%
Rolls-Royce Holdings plc (LSE:RR.)	6.52	55,134	56,451	22,526	3,199	2,922	0.20	2.51x	17.6x	19.3x	32.8x	23.0%	14.2%
Thales S.A. (ENXTPA:HO)	168.12	34,529	39,725	20,578	2,534	1,725	5.57	1.93x	15.7x	23.0x	30.2x	26.0%	12.3%
Textron Inc. (TXT)	91.20	17,087	19,705	13,897	1,688	1,308	3.97	1.42x	11.7x	15.1x	23.0x	16.5%	12.1%
Embraer S.A. (BOVESPA:EMBR3)	8.28	6,082	7,848	5,101	418	358	0.30	1.54x	18.8x	21.9x	27.5x	17.3%	8.2%
Mean		\$80,037	\$94,268	\$39,597	\$4,203	\$2,816	\$2.75	2.26x	17.5x	24.4x	28.7x	20.2%	11.8%
Median		81,094	88,285	29,930	2,866	2,323	2.67	2.00x	17.6x	21.9x	29.9x	16.9%	12.2%
Defense													
Lockheed Martin Corporation (LMT)	\$568.10	\$135,411	\$152,145	\$71,069	\$10,167	\$8,949	\$20.73	2.14x	15.0x	17.0x	27.4x	12.2%	14.3%
General Dynamics Corporation (GD)	299.36	82,125	91,882	44,946	5,131	4,273	9.67	2.04x	17.9x	21.5x	31.0x	15.7%	11.4%
Northrop Grumman Corporation (NOC)	523.21	76,517	91,080	40,764	4,304	2,962	10.59	2.23x	21.2x	30.7x	NM	16.8%	10.6%
BAE Systems plc (BA.)	17.91	53,737	64,495	31,036	3,805	3,077	0.56	2.08x	16.9x	21.0x	32.2x	61.6%	12.3%
L3Harris Technologies, Inc. (LHX)	236.67	44,898	57,667	20,765	3,686	2,387	5.86	2.78x	15.6x	24.2x	NM	26.3%	17.8%
Huntington Ingalls Industries, Inc. (HII)	282.77	11,089	13,959	11,775	1,160	827	12.25	1.19x	12.0x	16.9x	23.1x	14.6%	9.9%
Mean		\$67,296	\$78,538	\$36,726	\$4,709	\$3,746	\$9.94	2.08x	16.4x	21.9x	28.4x	24.5%	12.7%
Median		65,127	77,788	35,900	4,055	3,020	10.13	2.11x	16.3x	21.2x	29.2x	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 August 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
August 1	Callen Lenz Associates Limited	Develops, designs, and manufactures vehicles, components, and software for unmanned aerial vehicles.	BAE Systems plc (LSE:BA.)	ND

ND – Not disclosed. 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.

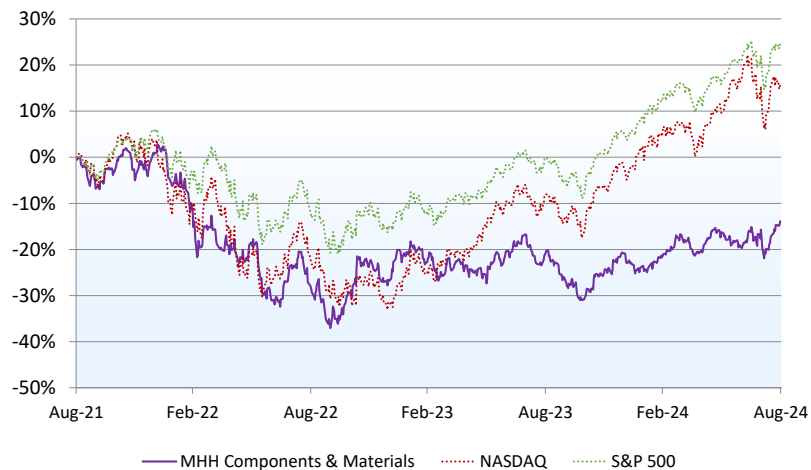
Source: S&P Capital IQ

Comparative Index Performance

The MHH Components & Materials Index^(a) increased by 2.9% during the three months ending August 31, 2024.

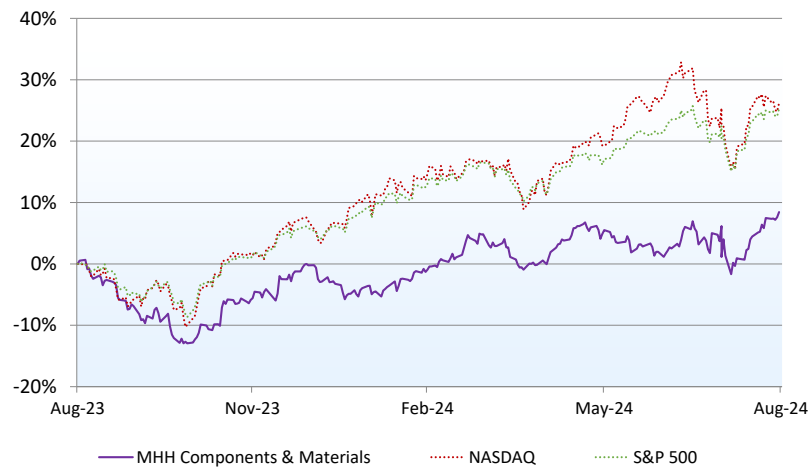
Last Three Years

Daily from August 31, 2021 to August 31, 2024
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Last Twelve Months

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



Price Performance

	3-Year	LTM	3-Month
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NASDAQ	16.1%	26.2%	5.9%
S&P 500	24.9%	25.3%	7.0%

(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/		Price/	Gross		
								Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Electronic Components													
Amphenol Corporation (APH)	\$67.45	\$81,229	\$85,437	\$13,393	\$3,270	\$2,827	\$1.34	6.38x	NM	30.2x	NM	33.2%	24.4%
TE Connectivity Ltd. (TEL)	153.60	46,682	49,561	15,812	3,689	2,895	5.84	3.13x	13.4x	17.1x	26.3x	33.9%	23.3%
Corning Incorporated (GLW)	41.85	35,811	42,931	12,393	2,674	1,315	0.82	3.46x	16.1x	32.6x	NM	34.4%	21.6%
OMRON Corporation (TSE:6645)	41.34	8,140	9,517	4,968	354	153	0.10	1.92x	NM	NM	NM	42.5%	7.1%
Belden Inc. (BDC)	107.28	4,378	5,115	2,318	363	269	3.52	2.21x	14.1x	19.0x	30.4x	37.9%	15.7%
Vishay Intertechnology, Inc. (VSH)	20.15	2,756	3,020	3,126	463	264	1.23	0.97x	6.5x	11.4x	16.4x	24.7%	14.8%
Alps Alpine Co., Ltd. (TSE:6770)	10.67	2,194	2,256	6,087	392	136	0.51	0.37x	5.8x	16.6x	21.0x	17.6%	6.4%
Mean		\$25,884	\$28,263	\$8,300	\$1,601	\$1,287	\$1.91	2.63x	11.2x	21.2x	23.5x	32.0%	16.2%
Median		8,140	9,517	6,087	463	792	1.23	2.21x	13.4x	18.1x	23.7x	33.9%	15.7%
Specialty Materials													
3M Company (MMM)	\$134.69	\$73,992	\$77,517	\$32,614	\$7,350	\$5,547	\$5.20	2.38x	10.5x	14.0x	25.9x	44.8%	22.5%
BASF SE (DE:BAS)	50.71	45,263	72,354	69,934	6,020	2,364	1.00	1.03x	12.0x	30.6x	NM	24.7%	8.6%
Dow Inc. (DOW)	53.58	37,555	51,918	43,031	5,248	2,602	1.62	1.21x	9.9x	20.0x	33.1x	11.8%	12.2%
DuPont de Nemours, Inc. (DD)	84.25	35,188	41,851	12,058	2,894	1,717	1.99	3.47x	14.5x	24.4x	NM	36.0%	24.0%
PPG Industries, Inc. (PPG)	129.73	30,266	36,380	18,099	2,858	2,291	5.56	2.01x	12.7x	15.9x	23.3x	42.4%	15.8%
Celanese Corporation (CE)	130.60	14,270	26,931	10,554	1,871	1,144	4.85	2.55x	14.4x	23.5x	26.9x	24.0%	17.7%
Akzo Nobel N.V. (ENXTAM:AKZA)	63.82	10,899	15,869	11,458	1,493	1,210	3.39	1.38x	10.6x	13.1x	18.8x	40.9%	13.0%
Evonik Industries AG (DE:EVK)	22.18	10,334	14,317	16,181	2,146	928	0.91	0.88x	6.7x	15.4x	24.3x	24.4%	13.3%
Solvay SA (ENXTBR:SOLB)	35.06	3,676	5,517	5,718	1,122	670	3.58	0.96x	4.9x	8.2x	9.8x	22.0%	19.6%
Mean		\$29,049	\$38,073	\$24,405	\$3,445	\$1,509	\$3.12	1.77x	10.7x	17.2x	23.2x	30.1%	16.3%
Median		30,266	36,380	16,181	2,858	1,210	3.39	1.38x	10.6x	15.9x	24.3x	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 August 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.

Source: S&P Capital IQ

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)	\$72.85	\$48,665	\$60,604	\$26,930	\$3,814	\$2,900	\$2.28	2.25x	15.9x	20.9x	31.9x	32.9%	14.2%
DENSO Corporation (TSE:6902)	15.37	44,740	44,122	44,669	4,871	2,529	0.49	0.99x	9.1x	17.4x	31.1x	15.5%	10.9%
Aptiv PLC (APTIV)	71.53	19,010	24,697	19,985	2,977	2,035	4.87	1.24x	8.3x	12.1x	14.7x	18.5%	14.9%
Continental Aktiengesellschaft (DB:CON)	67.65	13,512	20,433	43,372	3,734	1,792	4.34	0.47x	5.5x	11.4x	15.6x	21.1%	8.6%
Bosch Limited (BSE:500530)	385.93	11,382	10,983	2,002	259	207	5.44	5.49x	NM	NM	NM	33.7%	12.9%
Autoliv, Inc. (ALV)	102.47	8,206	9,974	10,568	1,357	973	6.68	0.94x	7.3x	10.3x	15.3x	18.1%	12.8%
Lear Corporation (LEA)	116.65	6,562	9,175	23,629	1,660	1,047	8.86	0.39x	5.5x	8.8x	13.2x	7.7%	7.0%
Stanley Electric Co., Ltd. (TSE:6923)	19.12	3,066	2,314	2,997	482	259	0.97	0.77x	4.8x	8.9x	19.7x	18.9%	16.1%
Mean		\$19,393	\$22,788	\$21,769	\$2,394	\$1,468	\$4.24	1.57x	8.1x	12.8x	20.2x	20.8%	12.2%
Median		12,447	15,708	21,807	2,319	1,419	4.60	0.97x	7.3x	11.4x	15.6x	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 August 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 29	Silicas Products Business of PPG Industries, Inc. (NYSE: PPG)	Comprises precipitated silica products in the United States.	Qemetica S.A.	\$310.0
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) decreased by 2.0% during the three months August 31, 2024.

Last Three Years

Daily from August 31, 2021 to August 31, 2024

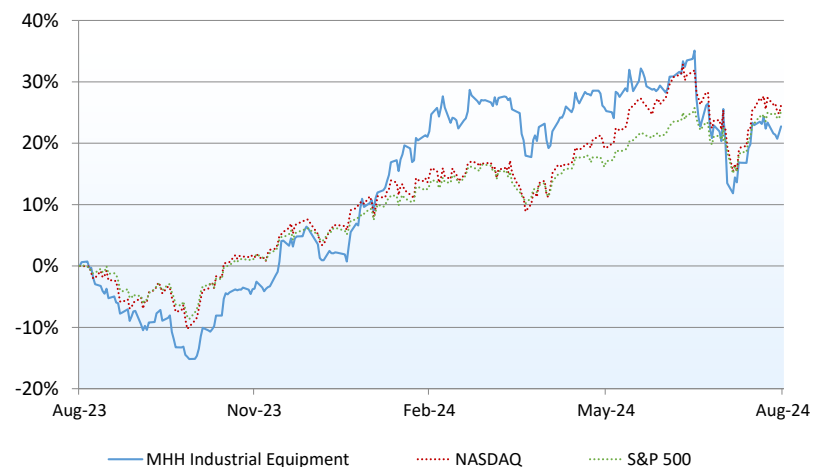
Price as Percent of Base (August 31, 2021 = 0%)



Last Twelve Months

Daily from August 31, 2023 to August 31, 2024

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



Price Performance

	3-Year	LTM	3-Month
MHH Industrial Equipment ^(a)	24.4%	22.7%	-2.0%
NASDAQ	16.1%	26.2%	5.9%
S&P 500	24.9%	25.3%	7.0%

(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)	\$356.10	\$172,672	\$206,508	\$66,368	\$16,182	\$14,132	\$17.54	3.11x	12.8x	14.6x	20.3x	32.7%	24.4%
Deere & Company (DE)	385.74	105,538	166,502	55,955	14,364	13,286	23.95	2.98x	11.6x	12.5x	16.1x	34.4%	25.7%
Cummins Inc. (CMI)	312.85	42,875	49,804	34,173	4,445	3,409	14.73	1.46x	11.2x	14.6x	21.2x	24.3%	13.0%
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	143.38	10,139	10,107	16,786	913	556	5.24	0.60x	11.1x	18.2x	27.3x	7.0%	5.4%
Oshkosh Corporation (OSK)	107.91	7,023	8,518	10,367	1,251	1,061	9.25	0.82x	6.8x	8.0x	11.7x	18.7%	12.1%
Terex Corporation (TEX)	56.77	3,798	4,144	5,187	685	624	5.18	0.80x	6.0x	6.6x	11.0x	22.8%	13.2%
Mean		\$57,008	\$74,264	\$31,473	\$6,307	\$5,511	\$12.65	1.63x	9.9x	12.4x	17.9x	23.3%	15.6%
Median		26,507	29,956	25,480	2,848	2,235	11.99	1.14x	11.1x	13.6x	18.2x	23.5%	13.1%
Electrical Equipment													
Schneider Electric S.E. (ENXTPA:SU)	\$254.06	\$142,558	\$155,934	\$39,046	\$7,479	\$6,533	\$6.47	3.99x	20.8x	23.9x	39.3x	42.3%	19.2%
Eaton Corporation plc (ETN)	306.93	122,189	129,936	24,140	5,295	4,383	6.78	5.38x	24.5x	29.6x	NM	37.5%	21.9%
Emerson Electric Co. (EMR)	105.39	60,294	74,651	16,963	4,393	2,949	2.73	4.40x	17.0x	25.3x	38.6x	51.6%	25.9%
AMETEK, Inc. (AME)	171.05	39,604	42,090	6,825	2,121	1,750	4.39	6.17x	19.8x	24.0x	39.0x	35.6%	31.1%
Rockwell Automation, Inc. (ROK)	272.03	30,867	34,744	8,792	1,794	1,501	8.34	3.95x	19.4x	23.2x	32.6x	39.8%	20.4%
Hubbell Incorporated (HUBB)	399.92	21,468	23,226	5,573	1,227	1,044	11.14	4.17x	18.9x	22.2x	35.9x	34.2%	22.0%
Regal Rexnord Corporation (RRX)	167.81	11,166	16,598	6,353	1,239	724	2.94	2.61x	13.4x	22.9x	NM	35.8%	19.5%
Powell Industries, Inc. (POWL)	167.44	2,007	1,634	946	160	152	8.64	1.73x	10.2x	10.7x	19.4x	25.9%	16.9%
Mean		\$53,769	\$59,852	\$13,580	\$2,963	\$2,379	\$6.43	4.05x	18.0x	22.7x	34.1x	37.9%	22.1%
Median		35,235	38,417	7,808	1,957	1,625	6.62	4.08x	19.2x	23.5x	37.3x	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 August 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/Revenue	EBIT/Revenue	Price/EPS	Gross Profit	EBITDA
Measurement, Control, and Testing Devices													
Danaher Corporation (DHR)	\$269.31	\$194,499	\$210,340	\$23,568	\$7,460	\$5,203	\$4.37	8.92x	28.2x	40.4x	NM	59.8%	31.7%
Entegris, Inc. (ENTG)	115.87	17,494	21,351	3,284	901	527	1.14	6.50x	23.7x	40.5x	NM	43.8%	27.4%
MKS Instruments, Inc. (MKS)	119.23	8,023	12,293	3,580	862	489	1.42	3.43x	14.3x	25.1x	NM	46.6%	24.1%
Onto Innovation Inc. (ONTO)	213.22	10,530	9,761	897	218	151	2.24	NM	NM	64.8x	NM	51.3%	24.2%
Nova Ltd. (NVMI)	223.55	6,493	5,983	562	168	151	3.43	NM	NM	39.7x	NM	57.3%	29.9%
FormFactor, Inc. (FORM)	48.77	3,774	3,460	706	65	32	0.34	4.90x	NM	NM	NM	40.8%	9.2%
Axcelis Technologies, Inc. (ACLS)	109.33	3,566	3,091	1,111	269	260	5.26	2.78x	11.5x	11.9x	20.8x	44.6%	24.2%
Azenta, Inc. (NasdaqGS:AZTA)	49.52	2,422	1,750	659	21	(69)	(0.33)	2.66x	NM	NM	NM	40.4%	3.1%
Cohu, Inc. (COHU)	26.91	1,263	1,034	500	27	(24)	(0.27)	2.07x	NM	NM	NM	46.5%	5.5%
FARO Technologies, Inc. (FARO)	18.00	351	337	352	19	4	(0.03)	0.96x	18.0x	NM	NM	53.8%	5.3%
Mean		\$5,991	\$6,562	\$1,295	\$283	\$672	\$1.47	3.33x	16.9x	36.4x	20.8x	47.2%	17.0%
Median		3,774	3,460	706	168	151	1.14	2.78x	16.1x	39.7x	20.8x	46.5%	24.1%
Semiconductor Capital Equipment													
ASML Holding N.V. (ASML)	\$898.13	\$352,991	\$352,536	\$27,261	\$9,158	\$8,358	\$13.58	NM	NM	42.2x	NM	51.4%	33.6%
Applied Materials, Inc. (AMAT)	197.26	162,622	160,190	26,854	8,204	7,792	6.08	5.97x	19.5x	20.6x	32.5x	47.4%	30.6%
KLA Corporation (KLAC)	819.43	110,152	112,468	9,812	4,035	3,633	15.97	NM	27.9x	31.0x	NM	60.0%	41.1%
Lam Research Corporation (LRCX)	821.01	106,629	106,053	14,905	4,685	4,325	20.94	7.12x	22.6x	24.5x	39.2x	47.6%	31.4%
Tokyo Electron Limited (TSE:8035)	177.03	81,552	78,544	12,394	3,696	3,354	4.58	6.34x	21.3x	23.4x	38.6x	46.7%	29.8%
Teradyne, Inc. (TER)	136.73	22,311	21,807	2,704	628	514	2.04	8.06x	NM	42.4x	NM	57.1%	23.2%
Veeco Instruments Inc. (VECO)	35.49	2,015	2,025	702	111	85	0.92	2.89x	18.3x	23.8x	38.6x	43.7%	15.8%
Mean		\$119,753	\$119,089	\$13,519	\$4,360	\$4,009	\$9.16	6.07x	22.8x	29.7x	37.2x	50.6%	29.4%
Median		106,629	106,053	12,394	4,035	3,633	6.08	6.34x	21.3x	24.5x	38.6x	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 August 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 5.0% during the three months ending August 31, 2024.

Last Three Years

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



Last Twelve Months

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



Price Performance

	3-Year	LTM	3-Month
MHH Industrial & Technical Services Index ^(a)	44.7%	19.5%	5.0%
NASDAQ	16.1%	26.2%	5.9%
S&P 500	24.9%	25.3%	7.0%

^(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)	\$984.92	\$48,089	\$50,353	\$16,752	\$2,814	\$2,586	\$30.19	3.01x	17.9x	19.5x	32.6x	39.3%	16.8%
Fastenal Company (FAST)	68.28	39,100	39,361	7,416	1,692	1,518	1.65	5.31x	23.3x	25.9x	NM	45.5%	22.8%
WESCO International, Inc. (WCC)	165.38	8,130	13,264	21,948	1,496	1,351	11.19	0.60x	8.9x	9.8x	14.8x	21.5%	6.8%
MSC Industrial Direct Co., Inc. (MSM)	82.24	4,616	5,170	3,904	511	432	4.41	1.32x	10.1x	12.0x	18.7x	41.0%	13.1%
MRC Global Inc. (MRC)	13.16	1,122	1,789	3,294	214	174	1.06	0.54x	8.4x	10.3x	12.5x	20.4%	6.5%
Transcat, Inc. (TRNS)	123.46	1,129	1,129	266	37	22	1.55	4.25x	NM	51.5x	NM	33.0%	13.9%
Mean		\$17,031	\$18,511	\$8,930	\$1,127	\$1,014	\$8.34	2.51x	13.7x	21.5x	19.6x	33.5%	13.3%
Median		6,373	9,217	5,660	1,004	892	3.03	2.17x	10.1x	15.7x	16.7x	36.2%	13.5%
Industrial Recycling													
Veolia Environnement SA (ENXTPA:VIE)	\$33.12	\$23,707	\$47,955	\$47,934	\$5,572	\$3,077	\$0.87	1.00x	8.6x	15.6x	38.2x	17.1%	11.6%
Clean Harbors, Inc. (CLH)	245.90	13,272	15,934	5,633	1,030	643	6.01	2.83x	15.5x	24.8x	NM	31.2%	18.3%
Commercial Metals Company (CMC)	53.59	6,162	6,665	8,139	1,060	790	3.96	0.82x	6.3x	8.4x	13.5x	17.9%	13.0%
Aurubis AG (XTRA:NDA)	75.54	3,298	3,668	18,322	600	383	5.58	0.20x	6.1x	9.6x	13.5x	9.2%	3.3%
Dowa Holdings Co., Ltd. (TSE:5714)	34.63	2,062	2,287	4,446	376	214	2.93	0.51x	6.1x	10.7x	11.8x	12.2%	8.5%
Sims Limited (ASX:SGM)	7.43	1,434	1,888	4,820	41	(60)	(0.09)	0.39x	NM	NM	NM	10.3%	0.9%
Mean		\$8,323	\$13,066	\$14,882	\$1,446	\$841	\$3.21	0.96x	8.5x	13.8x	19.3x	16.3%	9.3%
Median		4,730	5,166	6,886	815	513	3.45	0.67x	6.3x	10.7x	13.5x	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 August 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)	\$150.88	\$18,747	\$21,869	\$16,949	\$1,476	\$1,195	\$4.99	1.29x	14.8x	18.3x	30.2x	21.3%	8.7%
AECOM (ACM)	100.14	13,425	15,120	15,837	1,067	893	3.10	0.95x	14.2x	16.9x	32.3x	6.6%	6.7%
Tetra Tech, Inc. (TTEK)	47.55	12,727	13,571	4,235	568	493	1.05	3.20x	23.9x	27.5x	NM	19.7%	13.4%
KBR, Inc. (KBR)	69.36	9,228	10,908	7,173	600	504	2.33	1.52x	18.2x	21.6x	29.8x	13.9%	8.4%
Fluor Corporation (FLR)	50.07	8,576	7,105	15,743	450	379	2.71	0.45x	15.8x	18.7x	18.5x	3.8%	2.9%
Primoris Services Corporation (PRIM)	56.44	3,029	4,169	6,021	399	297	2.53	0.69x	10.4x	14.0x	22.3x	10.8%	6.6%
John Wood Group PLC (LSE:WG.)	1.72	1,184	2,507	5,735	49	(23)	(0.10)	0.44x	NM	NM	NM	11.2%	0.9%
Balfour Beatty plc (LSE:BBY)	5.51	2,815	2,365	10,195	221	172	0.34	0.23x	10.7x	13.8x	16.1x	5.0%	2.2%
NV5 Global, Inc. (NVEE)	96.13	1,565	1,833	904	117	52	1.43	2.03x	15.7x	35.1x	NM	50.9%	12.9%
Mean		\$7,922	\$8,827	\$9,199	\$550	\$440	\$2.04	1.20x	15.5x	20.8x	24.9x	15.9%	7.0%
Median		8,576	7,105	7,173	450	379	2.33	0.95x	15.3x	18.5x	26.0x	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 August 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

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

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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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- Fairness opinions
- Valuations

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Contact us

Mufson Howe Hunter

www.mhhco.com

Michael J. Howe

Managing Director
Direct Dial: 215.399.5413
Mobile: 215.808.0160
mhowe@mhhco.com

Joe Golden

Managing Director
Mobile: 703.785.5525
jgolden@mhhco.com

Isabel Schaefer

Vice President
Direct Dial: 215.399.5418
Mobile: 610.888.1937
ischaefer@mhhco.com