



Mufson Howe Hunter

Manufacturing Update

November 2023

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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 financial performance, stock performance, and recent news.

Macro-Economic Trends

	Sept-23	Oct-23	Trend
PMI	49.0	46.7	Negative
Total Unemployment	3.8	3.9	Negative
CPI Monthly Change	0.4	0.4	Neutral
PPI Monthly Change	0.5	0.0	Positive
Industrial Production	103.6	102.7	Negative
Capacity Utilization	79.5	78.9	Negative
Manufacturing Production	99.7	99.0	Negative
Manufacturing Utilization	77.8	77.2	Negative

Sector Index Performance

	3-Year	LTM	3-Month
Aerospace & Defense	46.1%	2.6%	-5.0%
Components & Materials	-6.1%	-1.5%	-16.5%
Industrial Equipment	41.4%	13.2%	-15.4%
Industrial & Technical Services	62.5%	15.2%	-6.9%
NASDAQ	17.3%	17.0%	-10.4%
S&P 500	26.7%	8.3%	-8.6%

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

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

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

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

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

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

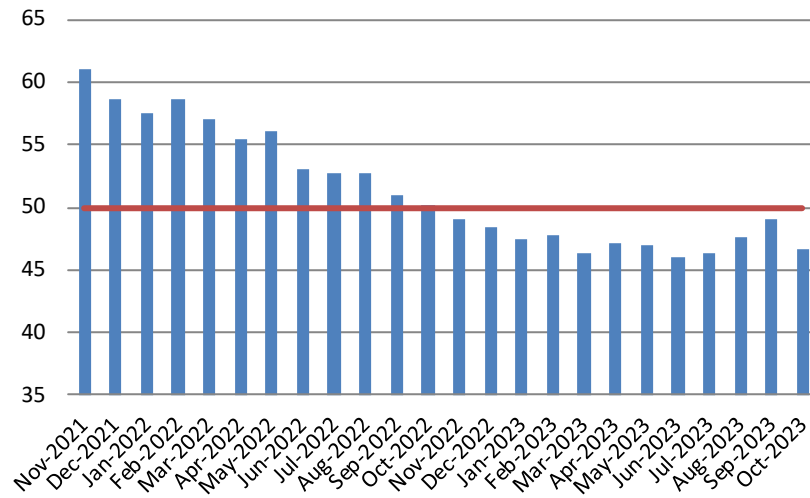
Major U.S. Economic Indicators

Manufacturing Update

Purchase Manager Index (PMI)

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

ISM Manufacturing PMI Composite Index - United States (Monthly)



Source: Institute for Supply Management

Commentary

Activity in the manufacturing sector as measured by the PMI decreased by 2.3% in October, a notable drop after three months of consecutive increases. The index has remained in contraction territory since October 2022.

New Orders, Employment, Inventories, Backlog of Orders, New Export Orders, and Imports all experienced contraction during October 2023, more than offsetting the increases in Production.

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 3.9% in October 2023 as did the number of unemployed persons at 6.5 million. However, notable job gains occurred in the government, healthcare, and social assistance sectors.

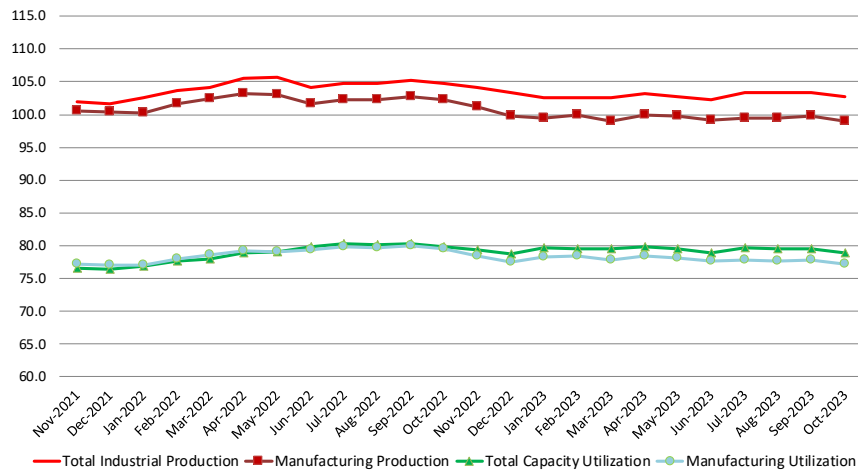
Major U.S. Economic Indicators (cont'd)

Manufacturing Update

Industrial Production and Capacity Utilization

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

Industrial Production and Capacity Utilization - United States (Monthly)



Source: United States Federal Reserve

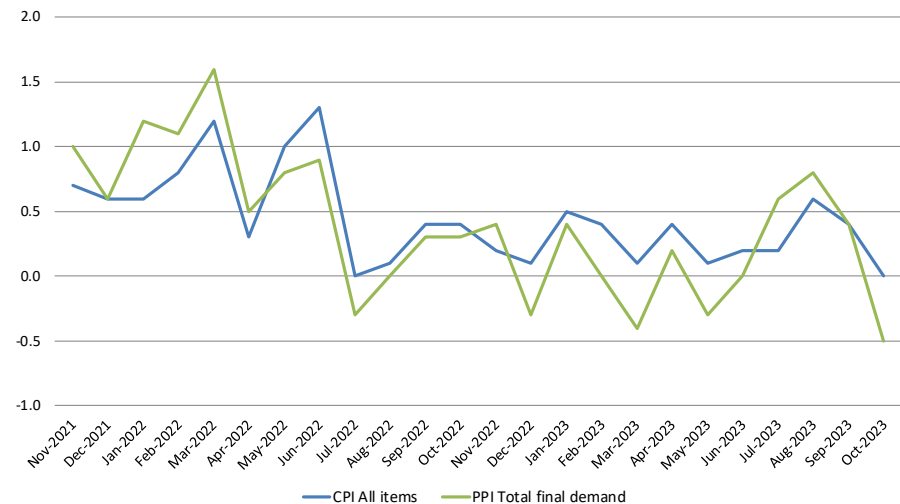
Commentary

Industrial production declined by 0.6% in October and manufacturing output fell by 0.7%. The indices for mining rose 0.4% and utilities decreased 1.6%, respectively. At 102.7% of its 2017 average, total industrial production in October was 2.0% below its year-earlier level. Capacity utilization moved down to 78.9% in October, a rate that is 0.8% below its long-run average. Manufacturing utilization decreased 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.

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 was unchanged in October 2023 on a seasonally adjusted basis. Consumer prices for all items (less food and energy) rose 0.2% over the past 12 months; the CPI All Items index increased 4.0% for the 12 months ended in October. The Producer Price Index for final demand decreased by 0.5% in October; furthermore, final demand prices rose by 1.3% during the 12 months ended in October.

Sector Index Performance

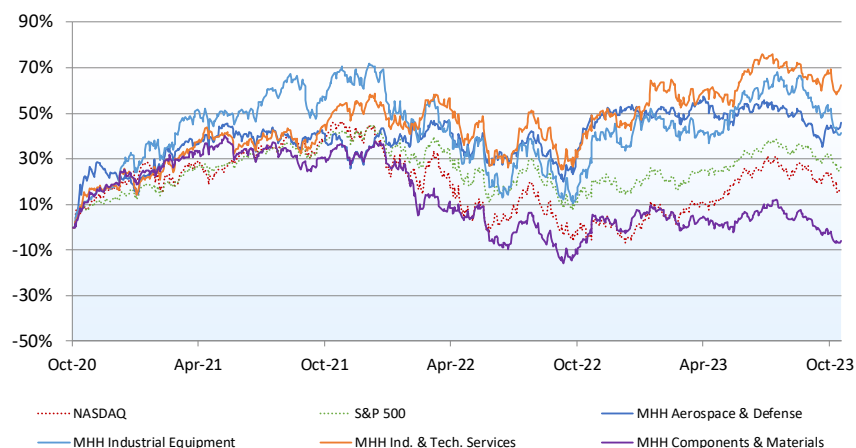
Manufacturing Update

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

Last Three Years

Daily from October 31, 2020 to October 31, 2023

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

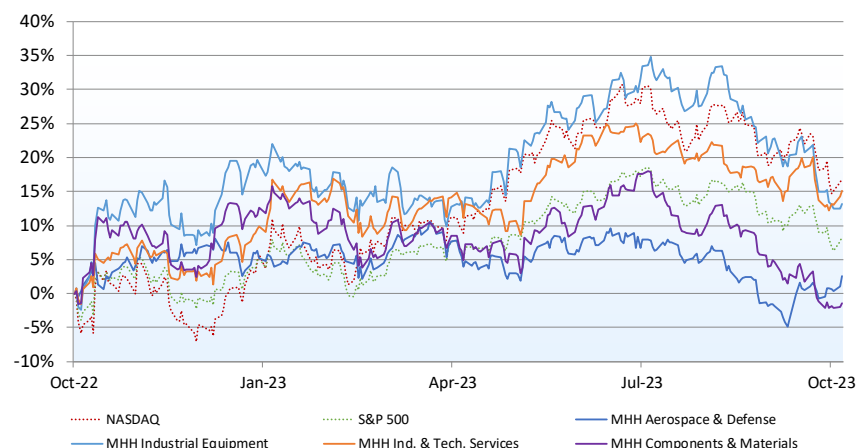


Comparative Index ^(a) Performance (Last Twelve Months)

Last Twelve Months

Daily from October 31, 2022 to October 31, 2023

Price as Percent of Base (October 31, 2022 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	46.1%	2.6%	-5.0%
MHH Components & Materials	-6.1%	-1.5%	-16.5%
MHH Industrial Equipment	41.4%	13.2%	-15.4%
MHH Industrial & Technical Services	62.5%	15.2%	-6.9%
NASDAQ	17.3%	17.0%	-10.4%
S&P 500	26.7%	8.3%	-8.6%

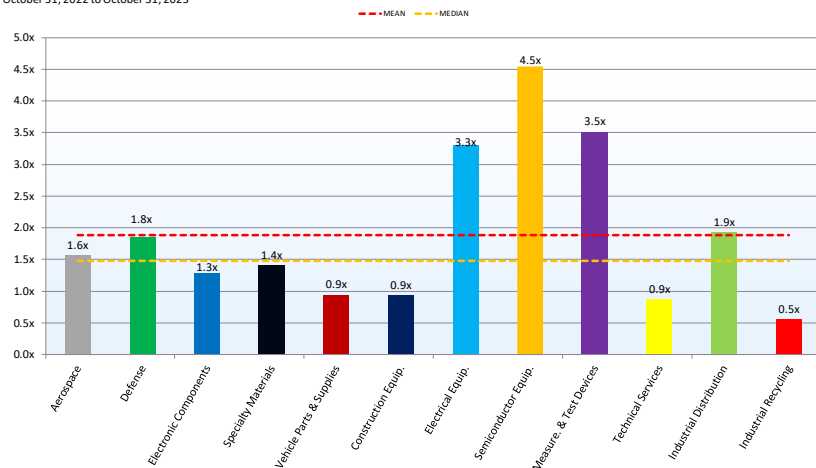
(a) Market cap weighted index assuming no dividend reinvestment.

Subsector Statistics

Manufacturing Update

Comparative Subsector LTM EV/Revenue

Last Twelve Months EV/Revenue
October 31, 2022 to October 31, 2023

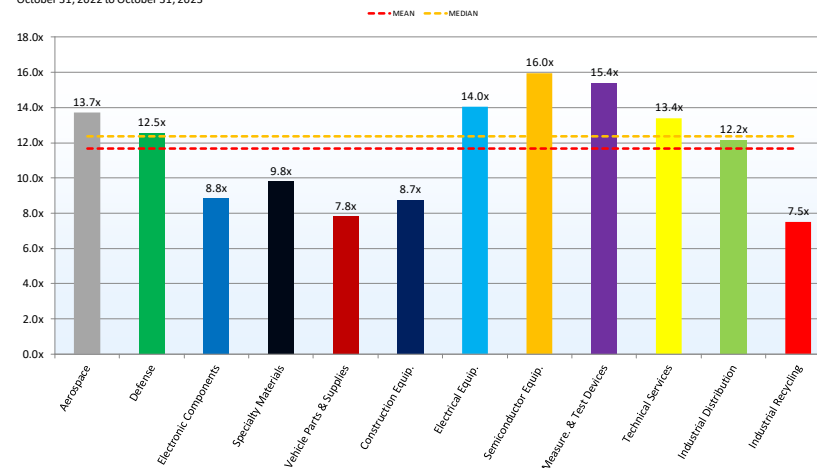


Commentary

During the last twelve months, our subsector indices had a mean EV/Revenue of 1.9x (i.e., red dashed line) and a median of 1.5x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high multiple at 4.5x and Industrial Recycling had the low multiple at 0.5x.

Comparative Subsector LTM EV/EBITDA

Last Twelve Months EV/EBITDA
October 31, 2022 to October 31, 2023



Commentary

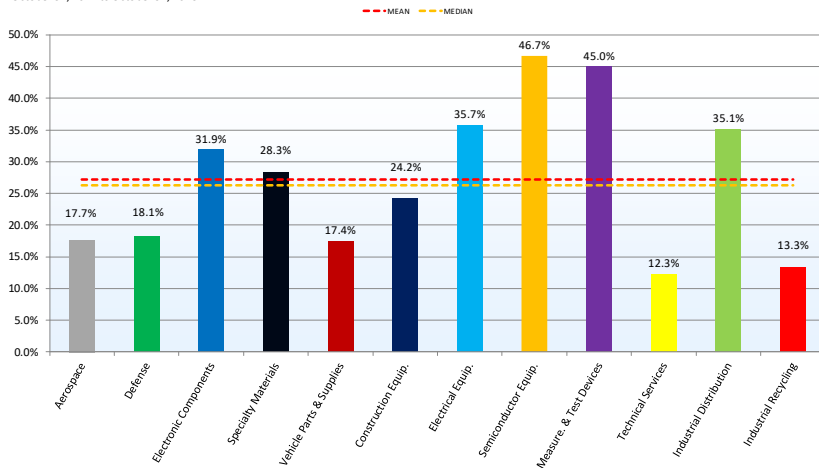
During the last twelve months, our subsector indices had a mean EV/EBITDA of 11.8x (i.e., red dashed line) and a median of 12.4x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high multiple at 16.0x and Industrial Recycling had the low multiple at 7.5x.

Subsector Statistics (cont'd)

Manufacturing Update

Comparative Subsector LTM Gross Margin

Last Twelve Months Gross Margin
October 31, 2022 to October 31, 2023

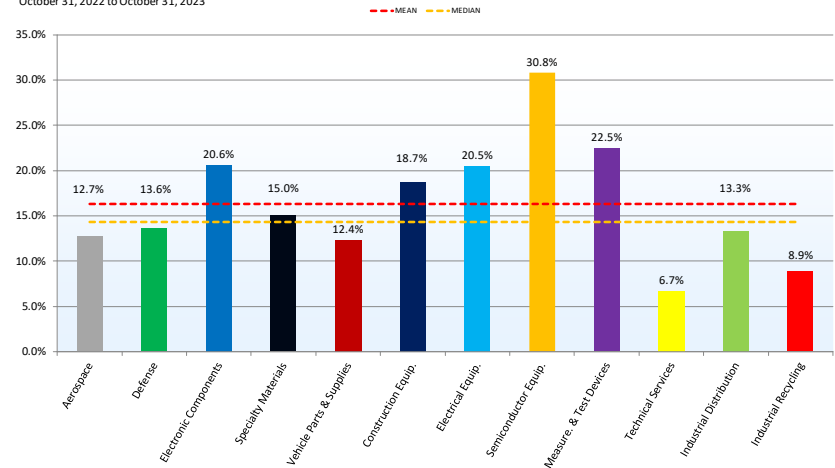


Commentary

During the last twelve months, our subsector indices had a mean Gross Margin of 27.1% (i.e., red dashed line) and a median of 26.3% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high margin at 46.7%, and Technical Services had the low margin at 12.3%.

Comparative Subsector LTM EBITDA Margin

Last Twelve Months EBITDA Margin
October 31, 2022 to October 31, 2023



Commentary

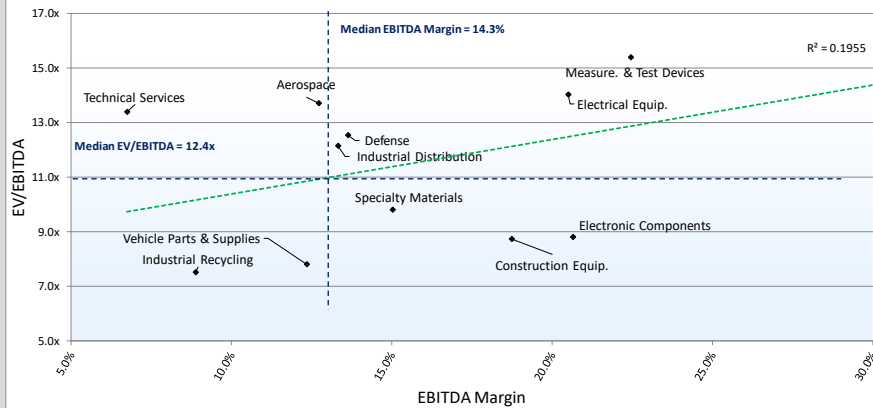
During the last twelve months, our subsector indices had a mean EBITDA Margin of 16.3% (i.e., red dashed line) and a median of 14.3% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high margin at 30.8% and Technical Services had the low margin at 6.7%.

Subsector Trading Multiples & Margins

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

Index Subsector LTM EV/EBITDA vs EBITDA Margin

Last Twelve Months EV/EBITDA vs. EBITDA Margin
October 31, 2022 to October 31, 2023

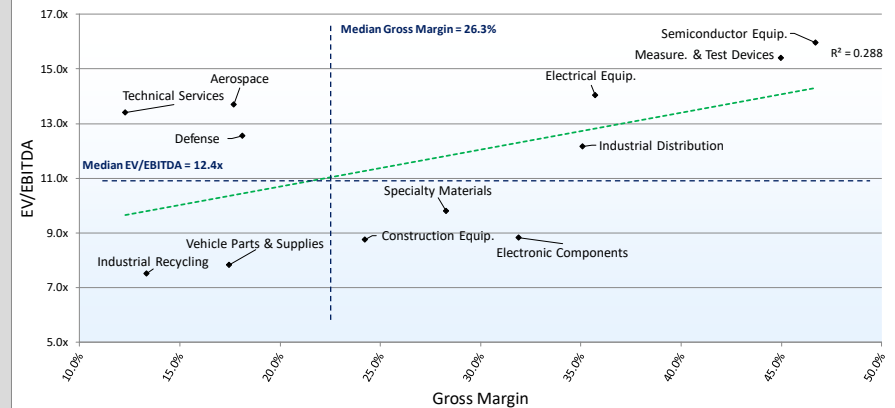


*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards

*Note: The green dotted line represents the regression line.

Index Subsector LTM EV/EBITDA vs. Gross Margin

Last Twelve Months EV/EBITDA vs. Gross Margin
October 31, 2022 to October 31, 2023



*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards

*Note: The green dotted line represents the regression line.

Comparative Index Performance

Aerospace & Defense

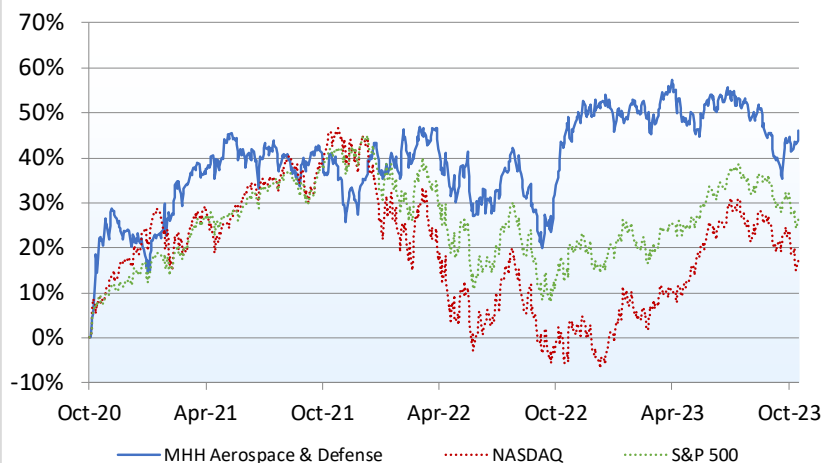
Comparative Index Performance

The MHH Aerospace & Defense Index^(a) decreased by 5.0% during the three months ending October 31, 2023.

Last Three Years

Daily from October 31, 2020 to October 31, 2023

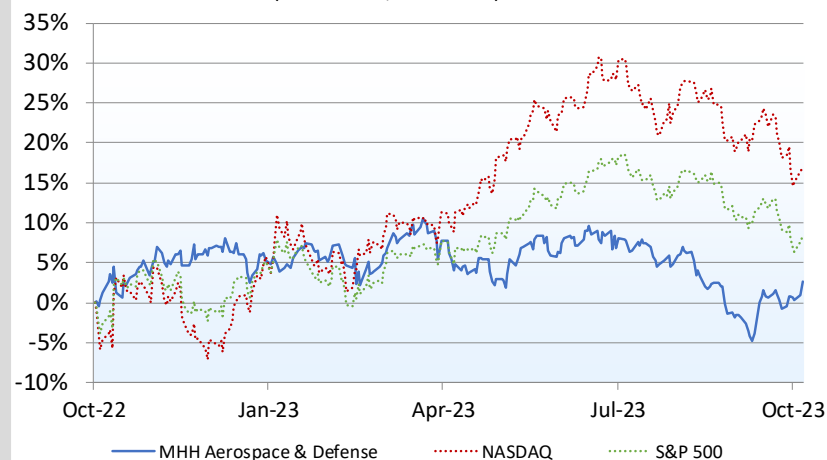
Price as Percent of Base (October 31, 2020 = 0%)



Last Twelve Months

Daily from October 31, 2022 to October 31, 2023

Price as Percent of Base (October 31, 2022 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	46.1%	2.6%	-5.0%
NASDAQ	17.3%	17.0%	-10.4%
S&P 500	26.7%	8.3%	-8.6%

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

Selected Valuation Metrics

Aerospace & Defense

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

(\$ in USD millions, except per share data)	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
		Equity	Enterprise					Enterprise Value/		Price/	Gross		
Company	Price ⁽¹⁾	Value	Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Aerospace													
The Boeing Company (BA)	\$186.82	\$113,022	\$151,934	\$75,756	\$2,873	\$991	(\$0.78)	2.01x	NM	NM	NM	11.4%	3.8%
RTX Corporation (RTX)	81.39	116,769	149,746	67,086	9,050	4,850	1.35	2.23x	16.5x	30.9x	NM	17.4%	13.5%
Honeywell International Inc. (HON)	183.26	120,814	134,732	36,408	8,713	7,539	6.27	3.70x	15.5x	17.9x	29.2x	34.0%	23.9%
Airbus SE (ENXTPA:AIR)	133.42	105,290	100,801	66,897	7,356	4,868	4.27	1.51x	13.7x	20.7x	31.3x	16.4%	11.0%
Thales S.A. (ENXTPA:HO)	147.02	30,649	31,704	19,682	2,509	1,736	5.19	1.61x	12.6x	18.3x	28.3x	26.4%	12.7%
Rolls-Royce Holdings plc (LSE:RR.)	2.61	21,846	25,447	19,625	2,176	1,666	0.16	1.30x	11.7x	15.3x	16.6x	21.7%	11.1%
Textron Inc. (TXT)	76.00	14,896	17,128	13,427	1,581	1,180	3.40	1.28x	10.8x	14.5x	22.4x	16.2%	11.8%
Embraer S.A. (BOVESPA:EMBR3)	3.48	2,556	4,157	5,374	270	248	0.05	0.77x	15.4x	16.8x	NM	18.0%	5.0%
Mean		\$65,730	\$76,956	\$38,032	\$4,316	\$2,885	\$2.49	1.8x	13.8x	19.2x	25.6x	20.2%	11.6%
Median		67,970	66,252	28,045	2,691	1,701	2.38	1.6x	13.7x	17.9x	28.3x	17.7%	12.7%
Defense													
Lockheed Martin Corporation (LMT)	\$454.64	\$112,796	\$126,634	\$67,688	\$10,262	\$9,067	\$19.88	1.87x	12.3x	14.0x	22.9x	12.7%	15.2%
Northrop Grumman Corporation (NOC)	471.43	71,088	84,281	38,685	7,161	5,841	22.30	2.18x	11.8x	14.4x	21.1x	20.4%	18.5%
General Dynamics Corporation (GD)	241.31	65,735	75,380	41,455	4,816	3,935	8.99	1.82x	15.7x	19.2x	26.9x	15.9%	11.6%
L3Harris Technologies, Inc. (LHX)	179.41	34,005	47,878	18,657	2,784	1,727	7.05	2.57x	17.2x	27.7x	25.4x	26.6%	14.9%
BAE Systems plc (BA.)	13.39	40,593	44,970	28,613	3,528	2,938	0.56	1.57x	12.7x	15.3x	24.1x	63.1%	12.3%
Huntington Ingalls Industries, Inc. (HII)	219.82	8,764	11,555	11,089	1,080	726	9.93	1.04x	10.7x	15.9x	22.1x	13.5%	9.7%
Mean		\$55,497	\$65,116	\$34,365	\$4,938	\$4,039	\$11.45	1.8x	13.4x	17.7x	23.8x	25.4%	13.7%
Median		53,164	61,629	33,649	4,172	3,437	9.46	1.8x	12.5x	15.6x	23.5x	18.1%	13.6%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close October 31, 2023.

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

(3) As of September 30, 2023 excluding GD (November 1, 2023); LHX (September 29, 2023); LMT (September 24, 2023); BA, RR & HO (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Aerospace & Defense

Announced	Target	Target Description	Acquirer	Value
Oct 04	Assets of Honeywell International	Comprises diversified aftermarket products and services.	VSE Aviation, Inc	\$105.0
Oct 24	Cybersecurity, Intelligence and Services Business Within Raytheon Segment of RTX	Comprises cybersecurity and intelligence services.	ND	\$1,300.0

ND – Not disclosed. Transaction values in millions.

Selected News

Aerospace & Defense

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

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

L3Harris Technologies, Inc. (NYSE:LHX) reported third quarter net income of \$383.0 million for fiscal year 2023 as compared to (\$300.0) million for the prior year period. Earnings per share were \$1.32 versus \$1.58 for the prior year period. Revenues for the quarter increased to \$4,915.0 million from \$4,246.0 million for the same period in fiscal year 2022.

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

Northrop Grumman Corporation (NYSE:NOC) reported third quarter net income of \$937.0 million for fiscal year 2023 as compared to \$915.0 million for the prior year period. Earnings per share were \$4.21 versus \$4.39 for the prior year period. Revenues for the quarter increased to \$9,775.0 million from \$8,971.0 million for the same period in fiscal year 2022.

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

Textron Inc. (NYSE:TXT) reported third quarter net income of \$269.0 million for fiscal year 2023 as compared to \$225.0 million for the prior year period. Earnings per share were \$0.94 versus \$0.77 for the prior year period. Revenues for the quarter increased to \$3,343.0 million from \$3,078.0 million for the same period in fiscal year 2022.

Thales S.A. (ENXTPA:HO) reported second quarter net income of \$354.2 million for fiscal year 2023 as compared to \$295.6 million for the prior year period. Earnings per share were \$1.28 versus \$1.06 for the prior year period. Revenues for the quarter increased to \$4,757.5 million from \$4,315.4 million for the same period in fiscal year 2022.

The Boeing Company (NYSE:BA) reported third quarter net income of (\$1,636.0) million for fiscal year 2023 as compared to (\$3,275.0) million for the prior year period. Earnings per share were (\$0.69) versus (\$2.74) for the prior year period. Revenues for the quarter increased to \$18,104.0 million from \$15,956.0 million for the same period in fiscal year 2022.

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

Source: S&P Capital IQ

Comparative Index Performance

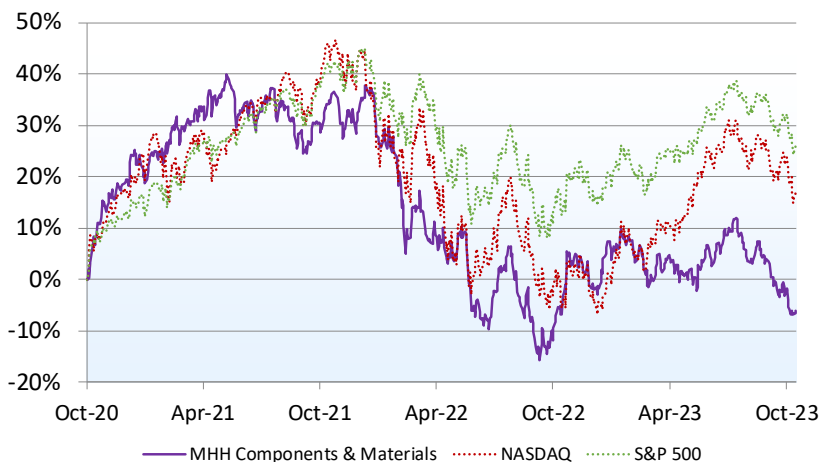
Components & Materials

Comparative Index Performance

The MHH Components & Materials index^(a) decreased by 16.5% during the three months ending October 31, 2023.

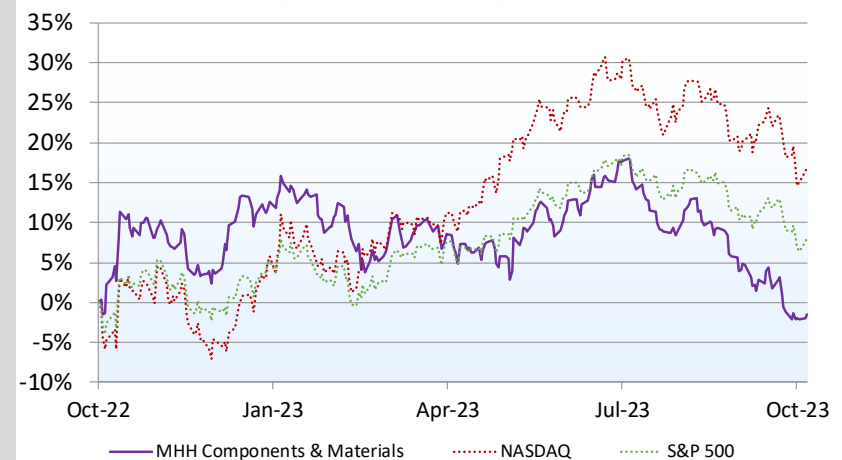
Last Three Years

Daily from October 31, 2020 to October 31, 2023
Price as Percent of Base (October 31, 2020 = 0%)



Last Twelve Months

Daily from October 31, 2022 to October 31, 2023
Price as Percent of Base (October 31, 2022 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Components & Materials ^(a)	-6.1%	-1.5%	-16.5%
NASDAQ	17.3%	17.0%	-10.4%
S&P 500	26.7%	8.3%	-8.6%

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

Selected Valuation Metrics

Components & Materials

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

(\$ in USD millions, except per share data)	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross		
Company								Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Electronic Components													
Amphenol Corp. (APH)	\$80.55	\$48,194	\$50,833	\$12,466	\$2,962	\$2,562	\$2.44	4.08x	17.2x	19.8x	33.0x	32.3%	23.8%
TE Connectivity Ltd (TEL)	117.85	36,998	40,220	16,034	3,452	2,658	5.20	2.51x	11.7x	15.1x	22.7x	31.5%	21.5%
Corning Inc. (GLW)	26.76	22,831	29,963	13,000	2,703	1,333	0.86	2.30x	11.1x	22.5x	31.2x	32.9%	20.8%
Omron Corp. (TSE:6645)	35.28	6,948	6,552	5,840	717	534	1.62	1.12x	9.1x	12.3x	21.8x	44.1%	12.3%
Belden Inc. (BDC)	70.90	2,999	3,755	2,620	442	352	4.60	1.43x	8.5x	10.7x	15.4x	38.0%	16.9%
Vishay Intertechnology (VSH)	22.24	3,092	2,765	3,472	711	535	2.36	0.80x	3.9x	5.2x	9.4x	29.5%	20.5%
Encore Wire Corp. (WIRE)	178.83	2,821	2,240	2,628	596	565	20.90	0.85x	3.8x	4.0x	8.6x	29.2%	22.7%
Alps Electric Ltd (TSE:6770)	8.11	1,667	1,910	6,386	451	161	0.50	0.30x	4.2x	11.8x	16.3x	17.1%	7.1%
Mean		\$15,694	\$17,280	\$7,806	\$1,504	\$1,329	\$4.81	1.7x	8.7x	14.3x	19.8x	31.8%	18.2%
Median		5,020	5,154	6,113	714	934	2.40	1.3x	8.8x	13.7x	19.0x	31.9%	20.6%
Specialty Materials													
BASF SE (DE:BAS)	\$46.00	\$41,052	\$62,475	\$76,582	\$7,503	\$4,046	(\$1.02)	0.82x	8.3x	15.4x	NM	23.4%	9.8%
3MCompany (MMM)	90.95	50,233	61,996	32,747	7,433	5,523	5.67	1.89x	8.3x	11.2x	16.0x	44.1%	22.7%
Dow Inc. (DOW)	48.34	33,906	46,916	45,860	5,428	2,900	1.67	1.02x	8.6x	16.2x	29.0x	11.5%	11.8%
DuPont de Nemours (DD)	72.88	33,456	37,601	12,274	2,898	1,771	2.04	3.06x	13.0x	21.2x	35.8x	34.7%	23.6%
PPG Industries, Inc. (PPG)	122.77	28,949	34,814	18,081	2,718	2,177	5.27	1.93x	12.8x	16.0x	23.3x	40.3%	15.0%
Celene Corp. (CE)	114.51	12,465	26,465	10,719	1,710	1,055	3.64	2.47x	15.5x	25.1x	31.4x	22.1%	16.0%
Akzo Nobel N.V. (ENXTAM:AKZA)	66.84	11,402	15,972	11,373	1,279	1,002	2.59	1.40x	12.5x	15.9x	25.8x	38.5%	11.2%
Solvay SA (ENXTBR:SOLB)	105.38	11,157	12,575	14,817	2,740	1,930	11.15	0.85x	4.6x	6.5x	9.5x	28.3%	18.5%
Evonik Industries AG (DE:EVK)	18.34	8,547	12,451	16,937	1,270	(70)	(0.21)	0.74x	9.8x	NM	NM	17.3%	7.5%
Mean		\$25,685	\$34,585	\$26,599	\$3,664	\$1,538	\$3.42	1.6x	10.4x	16.8x	24.4x	28.9%	15.1%
Median		28,949	34,814	16,937	2,740	1,771	2.59	1.4x	9.8x	16.1x	25.8x	28.3%	15.0%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close October 31, 2023.

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

(3) As of close September 30, 2023 excluding BDC (October 1, 2023); TEL (September 29, 2023); JCI (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected Valuation Metrics (cont'd)

Components & Materials

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity	Enterprise	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross	EBITDA	
		Value	Value ⁽²⁾					Revenue	EBITDA	EBIT			EPS
Vehicle Parts and Supplies													
Johnson Controls Inc. (JCI)	\$49.02	\$33,349	\$44,627	\$26,612	\$3,600	\$2,782	\$2.21	1.68x	12.4x	16.0x	22.2x	34.0%	13.5%
Denso Corp. (TSE:6902)	14.51	43,476	44,589	46,161	5,706	3,230	0.66	0.97x	7.8x	13.8x	22.1x	14.8%	12.4%
Aptiv PLC (APTV)	87.20	24,662	30,652	19,772	2,666	1,812	2.92	1.55x	11.5x	16.9x	29.9x	16.8%	13.5%
Continental AG (DB:CON)	65.69	12,983	20,113	43,674	5,391	3,099	8.97	0.46x	3.7x	6.5x	7.3x	22.6%	12.3%
Lear Corp. (LEA)	129.76	7,560	10,179	22,997	1,628	1,044	8.99	0.44x	6.3x	9.7x	14.4x	7.9%	7.1%
Autoliv, Inc. (ALV)	91.65	7,712	9,279	10,059	1,059	688	4.43	0.92x	8.8x	13.5x	20.7x	16.8%	10.5%
Bosch Ltd. (BSE:500530)	233.79	6,895	6,573	1,904	233	185	6.71	3.45x	NM	35.6x	34.9x	34.3%	12.2%
Stanley Electric Co. Ltd. (TSE:6923)	15.77	2,587	1,805	3,019	494	228	0.87	0.60x	3.7x	7.9x	18.1x	18.1%	16.4%
Mean		\$17,403	\$20,977	\$21,775	\$2,597	\$1,634	\$4.47	1.3x	7.7x	15.0x	21.2x	20.7%	12.2%
Median		10,348	15,146	21,384	2,147	1,428	3.67	0.9x	7.8x	13.6x	21.4x	17.4%	12.4%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close October 31, 2023.

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

(3) As of close September 30, 2023 excluding BDC (October 1, 2023); TEL (September 29, 2023); JCI (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Components & Materials

Announced	Target	Target Description	Acquirer	Value
Oct 10	Aubass Co.,ltd.	Develops automotive basic software (BSW) and tools and offers peripheral engineering and maintenance services.	DENSO Corporation (TSE:6902)	ND
Oct 13	PCTEL, Inc. (NasdaqGS:PCTI)	Provides industrial Internet of Things devices (IoT), antenna systems, and test & measurement solutions worldwide.	Amphenol Corporation (NYSE:APH)	\$143.3
Oct 17	PPG's Traffic Solutions Business in Australia & New Zealand	Provides traffic solutions.	Geveko Markings Sweden AB	ND
Oct 25	XMA Corporation	Manufactures terminations, attenuators, DC blocks, power dividers, couplers, equalizers, adapters (for space, cryogenics, telecommunications applications), and test & measurement industries.	Amphenol Corporation (NYSE:APH)	ND
Oct 25	Q Microwave, Inc.	Manufactures microwave and RF filter wireless products for the military industry.	Amphenol Corporation (NYSE:APH)	ND
Oct 25	Connor Manufacturing Services, Inc.	Provides precision metal stampings, wire-forms, springs, and integrated assembly manufacturing solutions.	Amphenol Corporation (NYSE:APH)	ND

ND – Not disclosed. Transaction values in millions.

Selected News

Components & Materials

3M Company (NYSE:MMM) reported third quarter net income of (\$2,075.0) million for fiscal year 2023 as compared to \$3,859.0 million for the prior year period. Earnings per share were \$1.54 versus \$1.54 for the prior year period. Revenues for the quarter decreased to \$8,312.0 million from \$8,619.0 million for the same period in fiscal year 2022.

Akzo Nobel N.V. (ENXTAM:AKZA) reported third quarter net income of \$200.0 million for fiscal year 2023 as compared to \$82.4 million for the prior year period. Earnings per share were \$0.91 versus \$0.48 for the prior year period. Revenues for the quarter increased to \$2,901.1 million from \$2,806.4 million for the same period in fiscal year 2022.

Alps Alpine Co., Ltd. (TSE:6770) reported second quarter net income of \$60.8 million for fiscal year 2024 as compared to \$102.4 million for the prior year period. Earnings per share were \$0.29 versus \$0.41 for the prior year period. Revenues for the quarter decreased to \$1,717.3 million from \$1,723.1 million for the same period in fiscal year 2023.

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

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

BASF SE (DE:BAS) reported third quarter net income of (\$263.5) million for fiscal year 2023 as compared to \$891.4 million for the prior year period. Earnings per share were (\$0.06) versus \$0.81 for the prior year period. Revenues for the quarter decreased to \$16,654.3 million from \$21,519.9 million for the same period in fiscal year 2022.

Corning Incorporated (NYSE:GLW) reported third quarter net income of \$164.0 million for fiscal year 2023 as compared to \$208.0 million for the prior year period. Earnings per share were \$0.14 versus \$0.17 for the prior year period. Revenues for the quarter decreased to \$3,173.0 million from \$3,488.0 million for the same period in fiscal year 2022.

DENSO Corporation (TSE:6902) reported second quarter net income of \$558.8 million for fiscal year 2024 as compared to \$372.7 million for the prior year period. Earnings per share were \$0.14 versus \$0.11 for the prior year period. Revenues for the quarter increased to \$12,055.5 million from \$11,093.6 million for the same period in fiscal year 2023.

Dow Inc. (NYSE:DOW) reported third quarter net income of \$302.0 million for fiscal year 2023 as compared to \$739.0 million for the prior year period. Earnings per share were \$0.31 versus \$0.84 for the prior year period. Revenues for the quarter decreased to \$10,730.0 million from \$14,115.0 million for the same period in fiscal year 2022.

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

Source: S&P Capital IQ

Selected News (cont'd)

Components & Materials

Encore Wire Corporation (NasdaqGS:WIRE) reported third quarter net income of \$82.1 million for fiscal year 2023 as compared to \$191.8 million for the prior year period. Earnings per share were \$3.92 versus \$8.03 for the prior year period. Revenues for the quarter decreased to \$637.0 million from \$762.4 million for the same period in fiscal year 2022.

Lear Corporation (NYSE:LEA) reported third quarter net income of \$132.9 million for fiscal year 2023 as compared to \$92.3 million for the prior year period. Earnings per share were \$1.78 versus \$1.31 for the prior year period. Revenues for the quarter increased to \$5,781.0 million from \$5,241.2 million for the same period in fiscal year 2022.

OMRON Corporation (TSE:6645) reported second quarter net income of (\$49.0) million for fiscal year 2024 as compared to \$137.6 million for the prior year period. Earnings per share were (\$0.10) versus \$0.59 for the prior year period. Revenues for the quarter decreased to \$1,321.1 million from \$1,520.7 million for the same period in fiscal year 2023.

PPG Industries, Inc. (NYSE:PPG) reported third quarter net income of \$426.0 million for fiscal year 2023 as compared to \$329.0 million for the prior year period. Earnings per share were \$1.42 versus \$1.06 for the prior year period. Revenues for the quarter increased to \$4,644.0 million from \$4,468.0 million for the same period in fiscal year 2022.

Stanley Electric Co., Ltd. (TSE:6923) reported second quarter net income of \$37.9 million for fiscal year 2024 as compared to \$53.4 million for the prior year period. Earnings per share were \$0.27 versus \$0.29 for the prior year period. Revenues for the quarter decreased to \$766.2 million from \$829.6 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

Industrial Equipment

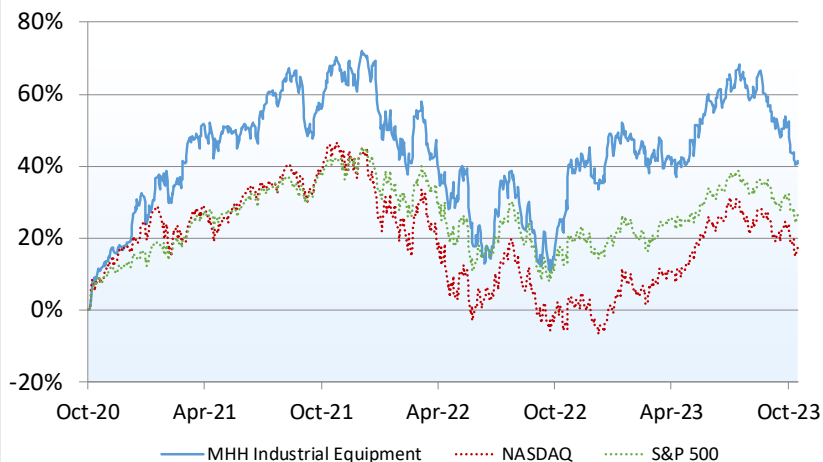
Comparative Index Performance

The MHH Industrial Equipment index^(a) decreased by 15.4% during the three months ending October 31, 2023.

Last Three Years

Daily from October 31, 2020 to October 31, 2023

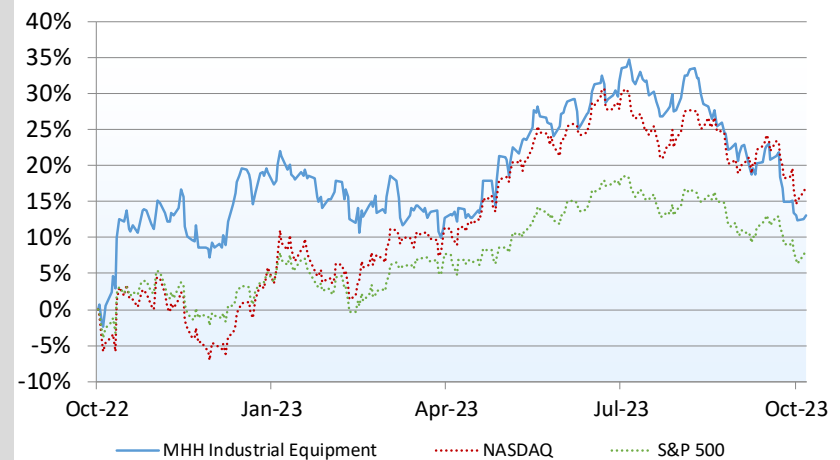
Price as Percent of Base (October 31, 2020 = 0%)



Last Twelve Months

Daily from October 31, 2022 to October 31, 2023

Price as Percent of Base (October 31, 2022 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial Equipment ^(a)	41.4%	13.2%	-15.4%
NASDAQ	17.3%	17.0%	-10.4%
S&P 500	26.7%	8.3%	-8.6%

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

Selected Valuation Metrics

Industrial Equipment

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

(\$ in USD millions, except per share data)	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
		Equity	Enterprise					Enterprise Value/		Price/	Gross		
Company	Price ⁽¹⁾	Value	Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Construction Equipment													
Deere & Company (DE)	\$365.36	\$105,224	\$163,231	\$61,251	\$15,305	\$5,149	\$28.17	2.7x	10.7x	31.7x	13.0x	35.2%	25.0%
Caterpillar Inc. (CAT)	226.05	115,318	146,601	66,587	15,738	9,017	16.35	2.2x	9.3x	16.3x	13.8x	30.5%	23.6%
Cummins Inc. (CMI)	216.30	30,638	37,702	33,292	4,609	1,939	16.04	1.1x	8.2x	19.4x	13.5x	24.2%	13.8%
Korea Shipbuilding & Offshore Engineering Co.	87.73	5,739	6,735	9,395	952	390	6.91	0.7x	7.1x	17.3x	12.7x	16.4%	NM
Korea Shipbuilding & Offshore Engineering Co., Ltd. (KC	66.73	4,719	6,314	15,042	521	1,886	(0.30)	0.4x	12.1x	3.3x	NM	NM	NM
Terex Corp. (TEX)	45.80	3,082	3,530	5,147	687	394	5.30	0.7x	5.1x	9.0x	8.6x	22.3%	13.4%
Mean		\$44,120	\$60,686	\$31,785	\$6,302	\$3,129	\$12.08	1.3x	8.7x	16.2x	12.3x	25.7%	19.0%
Median		18,189	22,219	24,167	2,781	1,912	11.47	0.9x	8.7x	16.8x	13.0x	24.2%	18.7%
Electrical Equipment													
Schneider Electric SE (ENXTPA:SU)	\$153.17	\$85,909	\$101,142	\$39,009	\$7,372	\$4,391	\$6.62	2.6x	13.7x	23.0x	23.2x	41.5%	18.9%
Eaton Corporation plc (ETN)	207.91	83,018	90,783	22,613	4,654	1,752	5.54	4.0x	19.5x	51.8x	37.5x	35.5%	20.6%
Emerson Electric Co. (EMR)	88.97	50,846	55,525	15,165	3,869	4,112	2.94	3.7x	14.4x	13.5x	30.3x	49.0%	25.5%
Rockwell Automation Inc. (ROK)	262.81	30,186	34,115	9,058	1,850	1,017	8.98	3.8x	18.4x	33.5x	29.3x	41.0%	20.4%
Ametek Inc. (AME)	140.77	32,490	33,978	6,492	1,977	746	4.23	5.2x	17.2x	45.6x	33.3x	35.9%	30.5%
Hubbell Inc. (HUBB)	270.10	14,486	15,349	5,247	1,132	472	10.70	2.9x	13.6x	32.5x	25.2x	34.4%	21.6%
Regal Rexnord Corporation (RRX)	118.41	7,852	14,085	5,887	1,069	313	3.14	2.4x	13.2x	45.0x	37.7x	33.1%	18.2%
Powell Industries, Inc. (POWL)	76.65	909	701	653	52	59	2.53	1.1x	13.5x	11.9x	30.2x	19.7%	7.9%
Mean		\$38,212	\$43,210	\$13,015	\$2,747	\$1,608	\$5.59	3.2x	15.4x	35.0x	30.8x	36.3%	20.4%
Median		31,338	34,046	7,775	1,913	881	4.88	3.3x	14.0x	33.5x	30.3x	35.7%	20.5%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close October 31, 2023.

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

(3) As of close September 30, 2023 excluding AMAT and DE (October 29, 2023); ASML and TER (October 1, 2023); DHR (September 29, 2023); LRCX (September 24, 2023); POWL and SU (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected Valuation Metrics (cont'd)

Industrial Equipment

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

(\$ in USD millions, except per share data)	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
		Equity	Enterprise					Enterprise Value/		Price/	Gross		
Company	Price ⁽¹⁾	Value	Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Measurement, Control, and Testing Devices													
Danaher Corporation (DHR)	\$192.02	\$141,889	\$152,780	\$29,566	\$9,272	\$3,106	\$5.89	5.2x	16.5x	49.2x	32.6x	58.7%	31.4%
Entegris, Inc. (ENTG)	88.04	13,216	18,177	3,658	890	97	0.72	5.0x	20.4x	NM	NM	42.6%	24.3%
MKS Instruments, Inc. (MKS)	65.66	4,390	8,756	3,816	835	53	0.66	2.3x	10.5x	NM	NM	45.0%	21.9%
Onto Innovation Inc. (ONTO)	112.37	5,514	4,923	850	221	31	2.15	5.8x	22.2x	NM	NM	53.1%	26.0%
Axcelis Technologies, Inc. (ACLS)	127.50	4,184	3,809	1,086	250	(22)	4.84	3.5x	15.2x	NM	26.4x	42.6%	23.0%
FormFactor, Inc. (FORM)	33.88	2,631	2,443	661	35	(56)	0.02	3.7x	NM	NM	NM	36.6%	5.3%
Nova Measuring Instruments Ltd. (NVM)	94.97	2,724	2,402	535	154	10	3.05	4.5x	15.6x	NM	31.1x	56.4%	28.9%
Azenta, Inc. (NasdaqGS:AZTA)(5)	45.45	2,734	1,513	665	3	2	(0.37)	2.3x	NM	NM	NM	39.6%	0.5%
Cohu, Inc. (COHU)	30.14	1,435	1,126	690	119	(20)	0.96	1.6x	9.5x	NM	31.4x	47.7%	17.3%
FARO Technologies, Inc. (FARO)	12.87	244	246	364	(12)	29	(0.98)	0.7x	NM	8.5x	NM	47.8%	NM
Mean		\$4,119	\$4,822	\$1,369	\$277	\$323	\$1.23	3.3x	15.6x	8.5x	29.7x	45.7%	18.4%
Median		2,734	2,443	690	154	20	0.72	3.5x	15.4x	8.5x	31.1x	45.0%	22.5%
Semiconductor Capital Equipment													
ASML Holding NV (ASML)	\$597.25	\$235,670	\$235,693	\$28,315	\$9,948	\$1,528	\$15.15	8.3x	23.7x	NM	39.4x	51.3%	35.1%
Applied Materials, Inc. (AMAT)	132.35	110,715	110,279	26,517	8,169	796	5.69	4.2x	13.5x	NM	23.3x	46.7%	30.8%
Lam Research Corp. (LRCX)	588.22	77,523	77,350	15,836	4,987	127	21.37	4.9x	15.5x	NM	27.5x	45.3%	31.5%
KLA-Tencor Corp. (KLAC)	469.70	63,847	66,564	10,169	4,196	860	16.07	6.5x	15.9x	77.4x	29.2x	59.4%	41.3%
Tokyo Electron Ltd (TSE:8035)	130.36	60,293	57,647	12,357	3,299	133	4.05	4.7x	17.5x	NM	32.2x	43.8%	26.7%
Teradyne Inc. (TER)	83.27	12,825	12,115	2,738	689	241	2.23	4.4x	17.6x	50.3x	37.3x	57.6%	25.2%
Veeco Instruments Inc. (VECO)	23.94	1,349	1,373	646	86	3	0.64	2.1x	16.1x	NM	37.6x	41.7%	13.2%
Mean		\$80,317	\$80,146	\$13,797	\$4,482	\$527	\$9.31	4.5x	16.0x	63.8x	32.4x	49.4%	29.1%
Median		63,847	66,564	12,357	4,196	241	5.69	4.5x	16.0x	63.8x	32.2x	46.7%	30.8%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close October 31, 2023.

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(3) As of close September 30, 2023 excluding AMAT and DE (October 29,2023); ASML and TER (October 1, 2023); DHR (September 29, 2023); LRCX (September 24, 2023); POWL and SU (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Industrial Equipment

Announced	Target	Target Description	Acquirer	Value
Oct 23	Verve Industrial Protection	It provides data processing, hosting, and related services.	Rockwell Automation, Inc. (NYSE:ROK)	\$185.0
Oct 31	Paragon Medical	Designs and develops surgical instruments, implantable components, and cases and trays for the medical device marketplace.	AMETEK, Inc. (NYSE:AME)	\$1,900.0
Oct 31	AR Worldwide	Designs and manufactures amplifier and radio frequency (RF) test instruments.	AMETEK, Inc. (NYSE:AME)	\$105.0

ND – Not disclosed. Transaction values in millions.

Selected News

Industrial Equipment

AMETEK, Inc. (NYSE:AME) reported third quarter net income of \$340.4 million for fiscal year 2023 as compared to \$297.6 million for the prior year period. Earnings per share were \$1.47 versus \$1.29 for the prior year period. Revenues for the quarter increased to \$1,622.8 million from \$1,551.8 million for the same period in fiscal year 2022.

Caterpillar Inc. (NYSE:CAT) reported third quarter net income of \$2,794.0 million for fiscal year 2023 as compared to \$2,041.0 million for the prior year period. Earnings per share were \$5.45 versus \$3.87 for the prior year period. Revenues for the quarter increased to \$16,810.0 million from \$14,994.0 million for the same period in fiscal year 2022.

Eaton Corporation plc (NYSE:ETN) reported third quarter net income of \$891.0 million for fiscal year 2023 as compared to \$607.0 million for the prior year period. Earnings per share were \$1.68 versus \$1.12 for the prior year period. Revenues for the quarter increased to \$5,880.0 million from \$5,313.0 million for the same period in fiscal year 2022.

Oshkosh Corporation (NYSE:OSK) reported third quarter net income of \$183.7 million for fiscal year 2023 as compared to \$66.9 million for the prior year period. Earnings per share were \$2.38 versus \$0.96 for the prior year period. Revenues for the quarter increased to \$2,509.9 million from \$2,066.7 million for the same period in fiscal year 2022.

Terex Corporation (NYSE:TEX) reported third quarter net income of \$119.2 million for fiscal year 2023 as compared to \$81.8 million for the prior year period. Earnings per share were \$1.37 versus \$0.98 for the prior year period. Revenues for the quarter increased to \$1,290.1 million from \$1,120.5 million for the same period in fiscal year 2022.

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

HD Korea Shipbuilding & Offshore Engineering Co., Ltd. (KOSE:A009540) reported third quarter net income of \$250.3 million for fiscal year 2023 as compared to \$158.8 million for the prior year period. Earnings per share were \$0.69 versus \$1.84 for the prior year period. Revenues for the quarter increased to \$3,722.6 million from \$2,969.6 million for the same period in fiscal year 2022.

Schneider Electric S.E. (ENXTPA:SU) reported second quarter net income of \$1,104.3 million for fiscal year 2023 as compared to \$794.0 million for the prior year period. Earnings per share were \$1.60 versus \$1.42 for the prior year period. Revenues for the quarter increased to \$9,625.0 million from \$8,403.2 million for the same period in fiscal year 2022.

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

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

Source: S&P Capital IQ

Selected News (cont'd)

Industrial Equipment

Teradyne, Inc. (NasdaqGS:TER) reported third quarter net income of \$128.1 million for fiscal year 2023 as compared to \$183.5 million for the prior year period. Earnings per share were \$0.58 versus \$0.86 for the prior year period. Revenues for the quarter decreased to \$703.7 million from \$827.1 million for the same period in fiscal year 2022.

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

Hubbell Incorporated (NYSE:HUBB) reported third quarter net income of \$200.1 million for fiscal year 2023 as compared to \$139.1 million for the prior year period. Earnings per share were \$3.04 versus \$2.25 for the prior year period. Revenues for the quarter increased to \$1,375.8 million from \$1,316.2 million for the same period in fiscal year 2022.

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

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

Source: S&P Capital IQ

Comparative Index Performance

Industrial & Technical Services

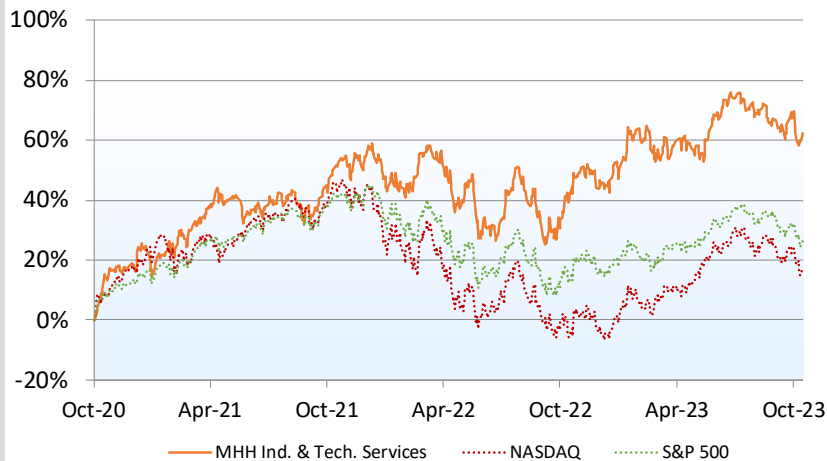
Comparative Index Performance

The MHH Industrial & Technical Services index^(a) decreased by 6.9% during the three months ending October 31, 2023.

Last Three Years

Daily from October 31, 2020 to October 31, 2023

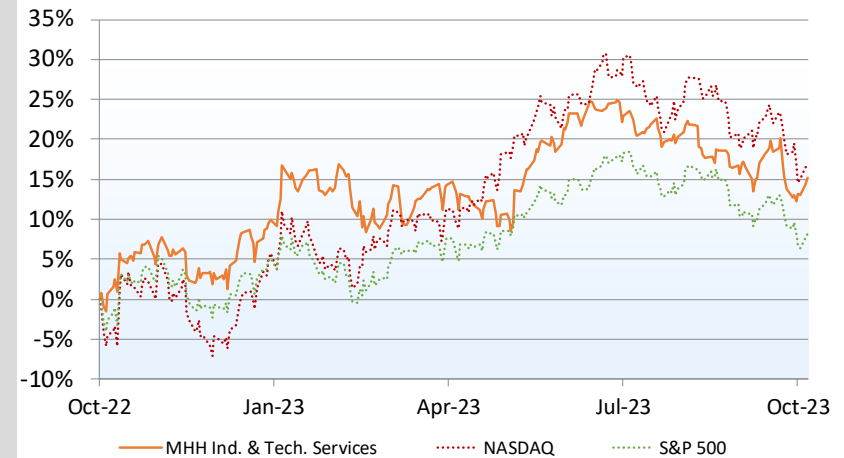
Price as Percent of Base (October 31, 2020 = 0%)



Last Twelve Months

Daily from October 31, 2022 to October 31, 2023

Price as Percent of Base (October 31, 2022 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial & Technical Services index ^(a)	62.5%	15.2%	-6.9%
NASDAQ	17.3%	17.0%	-10.4%
S&P 500	26.7%	8.3%	-8.6%

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

Selected Valuation Metrics

Industrial & Technical Services

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

(\$ in USD millions, except per share data)	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
		Equity	Enterprise					Enterprise Value/		Price/	Gross		
Company	Price ⁽¹⁾	Value	Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Industrial Distribution													
W.W. Grainger, Inc. (GWW)	\$729.83	\$36,224	\$38,666	\$16,283	\$2,781	\$2,561	\$29.27	2.4x	13.9x	15.1x	24.9x	39.5%	17.1%
Fastenal Company (FAST)	58.34	33,336	33,578	7,284	1,687	1,508	1.63	4.6x	19.9x	22.3x	35.7x	45.6%	23.2%
WESCO International, Inc. (WCC)	128.20	6,589	12,146	22,470	1,695	1,555	13.74	0.5x	7.2x	7.8x	9.3x	21.8%	7.5%
MSC Industrial Direct Co., Inc. (MSM)	94.75	5,424	5,908	4,009	567	492	5.17	1.5x	10.4x	12.0x	18.3x	41.0%	14.1%
MRC Global Inc. (MRC)	10.51	883	1,801	3,513	236	196	1.02	0.5x	7.6x	9.2x	10.3x	19.8%	6.7%
Transcat, Inc. (TRNS)	90.02	718	785	243	30	19	1.20	3.2x	25.9x	41.9x	NM	30.6%	12.5%
Mean		\$13,862	\$15,481	\$8,967	\$1,166	\$1,055	\$8.67	2.1x	14.2x	18.1x	19.7x	33.1%	13.5%
Median		6,006	9,027	5,646	1,127	1,000	3.40	1.9x	12.2x	13.6x	18.3x	35.1%	13.3%
Industrial Recycling													
Veolia Environnement SA (ENXTPA:VIE)	\$27.29	\$19,237	\$41,855	\$49,612	\$5,237	\$2,752	\$0.92	0.8x	8.0x	15.2x	29.5x	16.2%	10.6%
Clean Harbors, Inc. (CLH)	153.67	8,321	10,579	5,349	947	593	5.55	2.0x	11.2x	17.9x	27.7x	30.6%	17.7%
Commercial Metals Company (CMC)	42.29	4,944	5,671	8,800	1,387	1,168	5.95	0.6x	4.1x	4.9x	7.1x	20.6%	15.8%
Aurubis AG (XTRA:NDA)	82.05	3,575	3,573	18,816	508	290	4.30	0.2x	7.0x	12.3x	19.1x	7.2%	2.7%
Dowa Holdings Co., Ltd. (TSE:5714)	30.21	1,799	2,281	5,015	361	193	2.48	0.5x	6.3x	11.8x	12.2x	10.3%	7.2%
Sims Limited (ASX:SGM)	7.90	1,483	1,784	5,380	100	10	0.37	0.3x	17.8x	NM	21.3x	10.4%	1.9%
Mean		\$6,560	\$10,957	\$15,495	\$1,423	\$834	\$3.26	0.7x	9.1x	12.4x	19.5x	15.9%	9.3%
Median		4,259	4,622	7,090	727	441	3.39	0.5x	7.5x	12.3x	20.2x	13.3%	8.9%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close October 31, 2023.

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

(3) As of close September 30, 2023 excluding TTEK (October 1, 2023); MSM (September 2, 2023); CMC (August 31, 2023); WG, BBY, VIE, NDA, GM (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

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

Selected Valuation Metrics (cont'd)

Industrial & Technical Services

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity	Enterprise	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross	EBITDA	
		Value	Value ⁽²⁾					Revenue	EBITDA	EBIT			EPS
Technical Services													
Jacobs Solutions Inc. (J)	\$133.30	\$16,785	\$20,312	\$16,352	\$1,473	\$1,182	\$4.83	1.2x	13.8x	17.2x	27.6x	21.4%	9.0%
AECOM (ACM)	76.55	10,620	12,449	14,378	969	798	1.48	0.9x	12.9x	15.6x	NM	6.6%	6.7%
KBR, Inc. (KBR)	58.15	7,845	9,290	6,834	568	473	0.17	1.4x	16.4x	19.6x	NM	13.8%	8.3%
Tetra Tech, Inc. (TTEK)	150.91	8,035	9,011	3,751	481	420	5.39	2.4x	18.7x	21.5x	28.0x	19.3%	12.8%
Fluor Corporation (FLR)	33.29	4,773	3,620	15,364	392	317	2.03	0.2x	9.2x	11.4x	16.4x	3.5%	2.6%
Primoris Services Corporation (PRIM)	30.06	1,603	2,842	5,529	357	246	1.99	0.5x	8.0x	11.6x	15.1x	10.6%	6.5%
John Wood Group PLC (LSE:WG.)	1.72	1,166	2,105	5,858	155	72	(0.02)	0.4x	13.6x	29.3x	NM	12.3%	2.6%
NV5 Global, Inc. (NVEE)	94.35	1,499	1,737	836	109	56	1.85	2.1x	15.9x	31.1x	NM	49.6%	13.1%
Balfour Beatty plc (LSE:BBY)	3.75	2,051	1,675	9,960	269	216	0.32	0.2x	6.2x	7.8x	11.9x	5.5%	2.7%
Mean		\$6,042	\$7,005	\$8,763	\$530	\$420	\$2.00	1.0x	12.7x	18.3x	19.8x	15.9%	7.1%
Median		4,773	3,620	6,834	392	317	1.85	0.9x	13.6x	17.2x	16.4x	12.3%	6.7%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close October 31, 2023.

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

(3) As of close September 30, 2023 excluding TTEK (October 1, 2023); MSM (September 2, 2023); CMC (August 31, 2023); WG, BBY, VIE, NDA, GM (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

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

Selected M&A Transactions

Industrial & Technical Services

Announced	Target	Target Description	Acquirer	Value
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No selected M&A transactions for the month of October 2023

Selected News

Industrial & Technical Services

Transcat, Inc. (NasdaqGM:TRNS) reported second quarter net income of \$0.5 million for fiscal year 2024 as compared to \$2.4 million for the prior year period. Earnings per share were \$0.33 versus \$0.27 for the prior year period. Revenues for the quarter increased to \$62.8 million from \$56.4 million for the same period in fiscal year 2023.

W.W. Grainger, Inc. (NYSE:GWW) reported third quarter net income of \$476.0 million for fiscal year 2023 as compared to \$426.0 million for the prior year period. Earnings per share were \$7.79 versus \$6.87 for the prior year period. Revenues for the quarter increased to \$4,208.0 million from \$3,942.0 million for the same period in fiscal year 2022.

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

MSC Industrial Direct Co., Inc. (NYSE:MSM) reported net income of \$343.2 million for fiscal year 2023 as compared to \$339.8 million for the prior year. Earnings per share were \$5.17 versus \$5.08 for the prior year. Revenues for the year increased to \$4,009.3 million from \$3,691.9 million for fiscal year 2022.

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

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

Source: S&P Capital IQ

MHH Manufacturing Universe Directory

Manufacturing Update

Company	Sector
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
Encore Wire Corp.	Components & Materials
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

Company	Sector
Nova Measuring Instruments Ltd.	Industrial Equipment
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

Financial Advisory Services

- 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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