



Mufson Howe Hunter

Manufacturing Update

January 2024

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

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

Macro-Economic Trends

	Dec-23	Jan-24	Trend
PMI	47.1	49.1	Positive
Total Unemployment	3.7	3.7	Neutral
CPI Monthly Change	0.3	0.3	Neutral
PPI Monthly Change	(0.4)	0.3	Negative
Industrial Production	102.7	102.6	Negative
Capacity Utilization	78.6	78.5	Negative
Manufacturing Production	99.1	98.6	Negative
Manufacturing Utilization	77.1	76.6	Negative

Sector Index Performance

	3-Year	LTM	3-Month
Aerospace & Defense	38.4%	6.1%	9.4%
Components & Materials	-15.4%	-5.5%	8.4%
Industrial Equipment	42.4%	22.5%	27.7%
Industrial & Technical Services	59.2%	18.7%	14.4%
NASDAQ	13.1%	30.9%	18.0%
S&P 500	28.4%	18.9%	15.5%

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

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

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

The MHH Industrial Equipment Index is currently comprised of Ametek Inc., Applied Materials Inc., ASML Holding NV, Axcelis Technologies Inc., Azenta, Inc., Caterpillar Inc., Cohu Inc., Cummins Inc., Danaher Corp., Deere & Company, Eaton Corp. plc, Emerson Electric Co., Entegris Inc., 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 © 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.

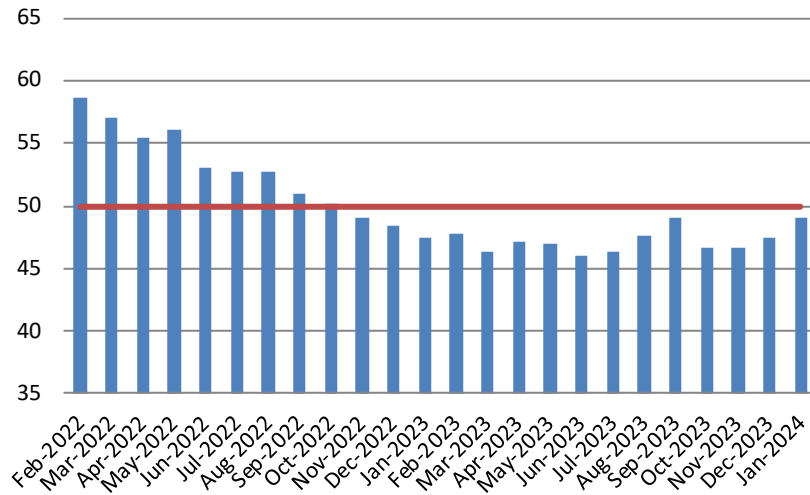
Major U.S. Economic Indicators

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 increased by 2.0% in January, nonetheless remaining in contraction since October 2022.

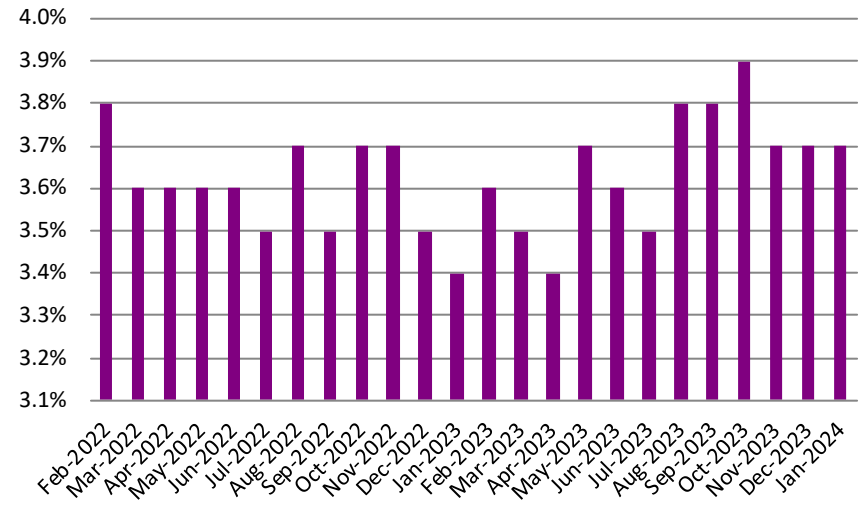
New Orders, Production, Supplier Deliveries, Inventories, Prices, and Imports experienced expansion during January 2024.

Whereas Employment, Customers' Inventories, and Backlog of Orders decreased during January 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 remained unchanged at 3.7% in January 2024 and the number of unemployed persons was 6.1 million. The notable job gains occurred in Professional & Business Services, Health Care, Retail Trade, and Social Assistance.

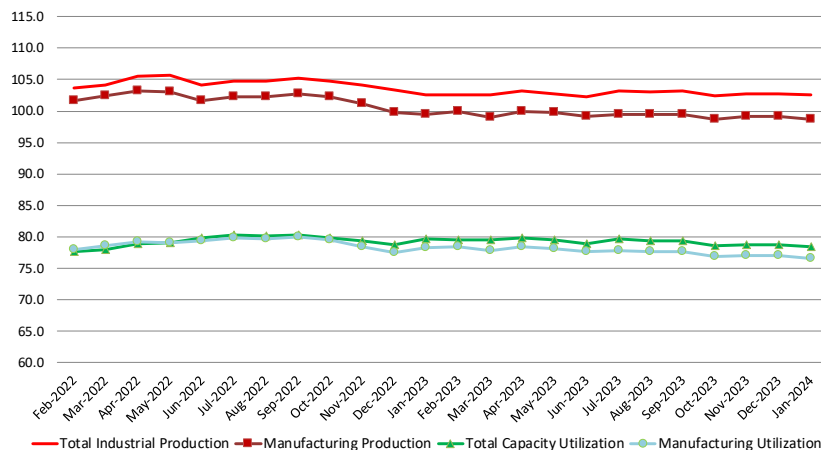
Major U.S. Economic Indicators (cont'd)

Manufacturing Update

Industrial Production and Capacity Utilization

The Production Index (i.e. upper 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. 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

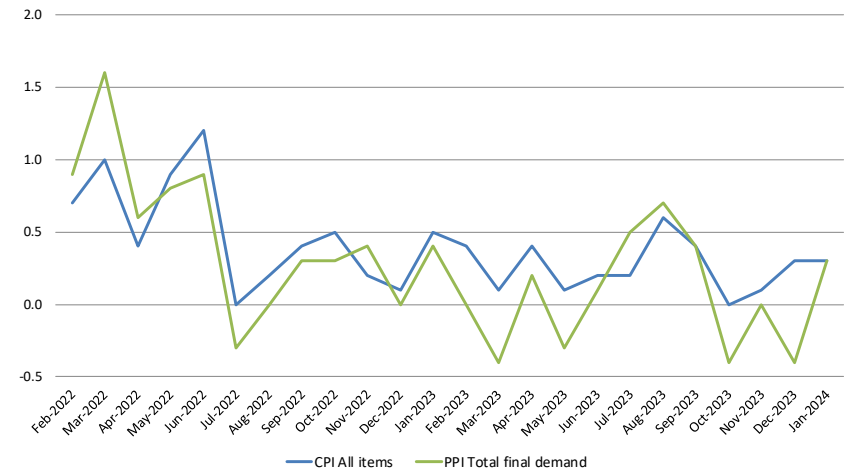
Commentary

Industrial Production rose by 0.1% in January, and Manufacturing output declined by 0.5%. The index for Mining fell 2.3%, while the index for Utilities jumped 6.0%. At 102.6% of its 2017 average, Total Industrial Production in January was identical to its year-earlier level. Capacity Utilization moved down in January at 78.5%, a rate that is 1.1% below its long-run average. Manufacturing Utilization declined to 76.6%.

Producer Price Index and Consumer Price Index

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

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



Source: United States Bureau of Labor

Commentary

The Consumer Price Index for All Urban Consumers rose another 0.3% in January on a seasonally adjusted basis. Consumer prices for all items (less food and energy) rose 3.9% over the past 12 months; the CPI All Items index increased 3.1% for the 12 months ended in January. The Producer Price Index for final demand increased by 0.3% in January; furthermore, final demand prices rose by 0.9% during the 12 months ended in January.

Sector Index Performance

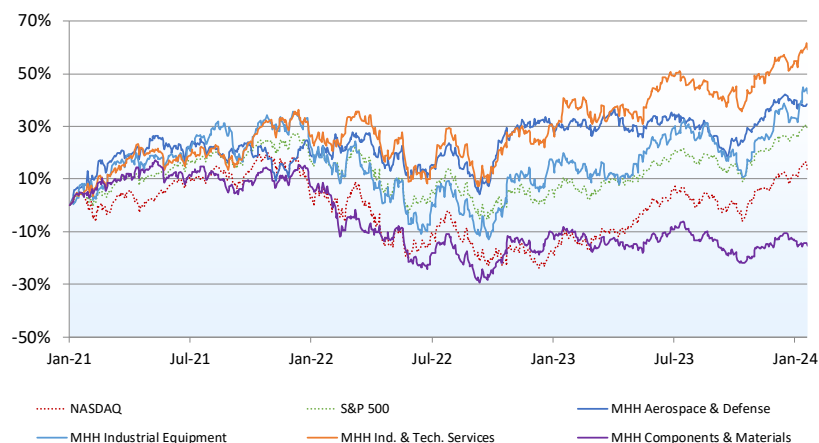
Manufacturing Update

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

Last Three Years

Daily from January 31, 2021 to January 31, 2024

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

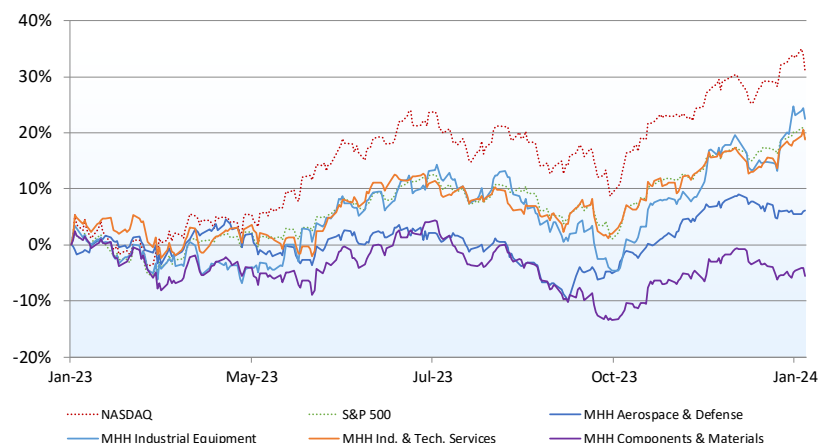


Comparative Index ^(a) Performance (Last Twelve Months)

Last Twelve Months

Daily from January 31, 2023 to January 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	38.4%	6.1%	9.4%
MHH Components & Materials	-15.4%	-5.5%	8.4%
MHH Industrial Equipment	42.4%	22.5%	27.7%
MHH Industrial & Technical Services	59.2%	18.7%	14.4%
NASDAQ	13.1%	30.9%	18.0%
S&P 500	28.4%	18.9%	15.5%

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

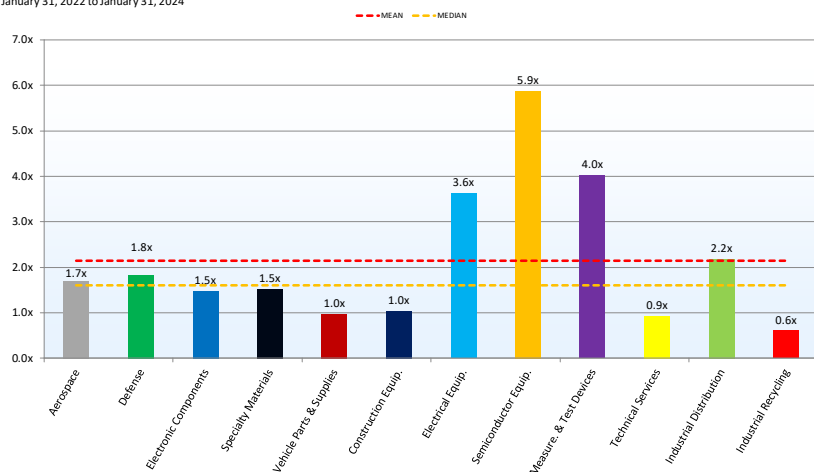
Subsector Statistics

Manufacturing Update

Comparative Subsector LTM EV/Revenue

Last Twelve Months EV/Revenue

January 31, 2022 to January 31, 2024



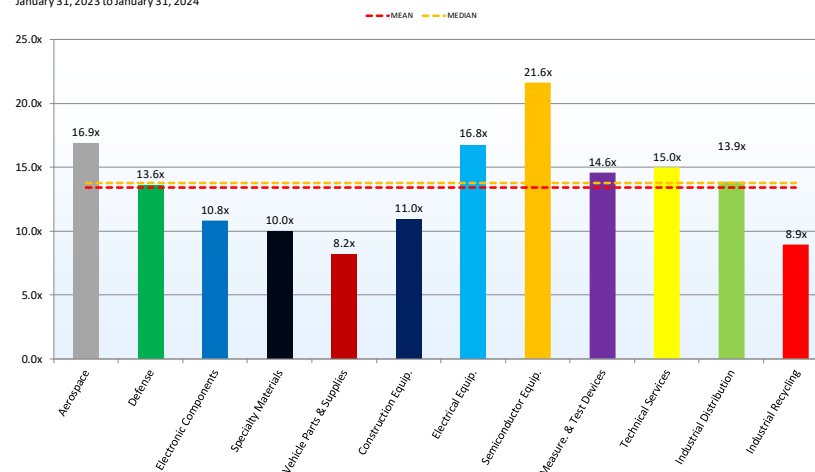
Commentary

During the last twelve months, our subsector indices had a mean EV/Revenue of 2.1x (i.e., red dashed line) and a median of 1.6x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high multiple at 5.9x and Industrial Recycling had the low multiple at 0.6x.

Comparative Subsector LTM EV/EBITDA

Last Twelve Months EV/EBITDA

January 31, 2023 to January 31, 2024



Commentary

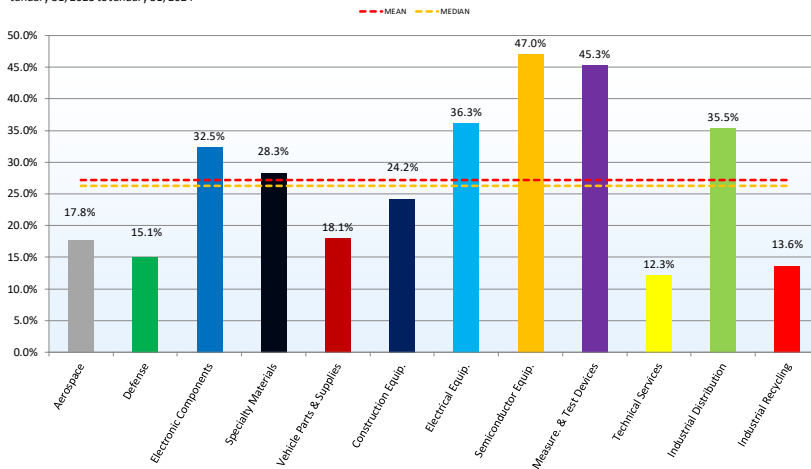
During the last twelve months, our subsector indices had a mean EV/EBITDA of 13.4x (i.e., red dashed line) and a median of 13.7x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high multiple at 21.6x and Vehicle Parts & Supplies had the low multiple at 8.2x.

Subsector Statistics (cont'd)

Manufacturing Update

Comparative Subsector LTM Gross Margin

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

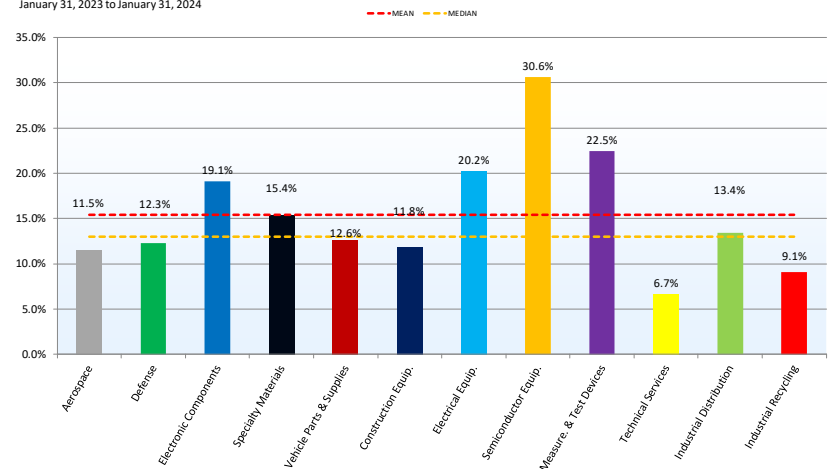


Commentary

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 47.0%, and Technical Services had the low margin at 12.3%.

Comparative Subsector LTM EBITDA Margin

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



Commentary

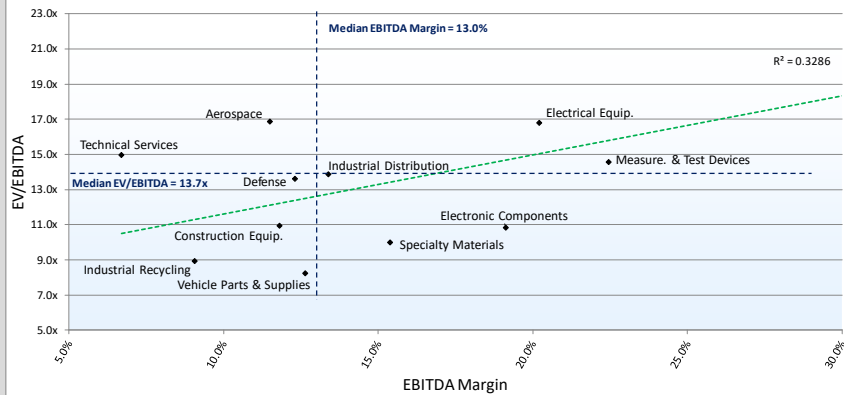
During the last twelve months, our subsector indices had a mean EBITDA Margin of 15.4% (i.e., red dashed line) and a median of 13.0% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the high margin at 30.6% and Technical Services had the low margin at 6.7%.

Subsector Trading Multiples & Margins

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

Index Subsector LTM EV/EBITDA vs EBITDA Margin

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

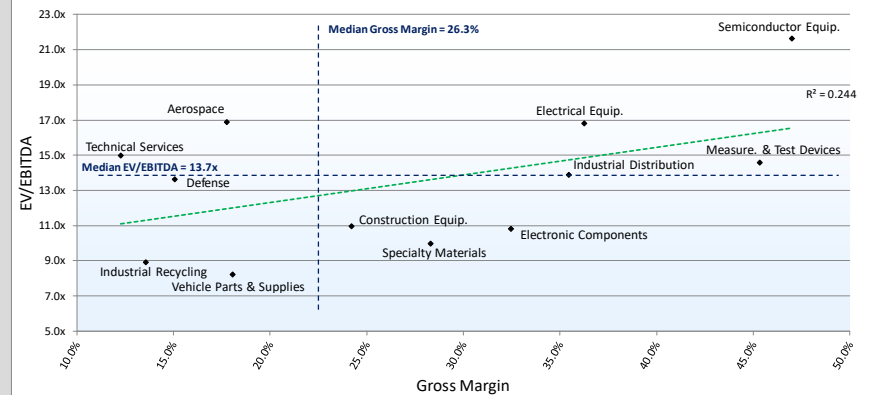


*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards

*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
January 31, 2023 to January 31, 2024



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

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

Comparative Index Performance

Aerospace & Defense

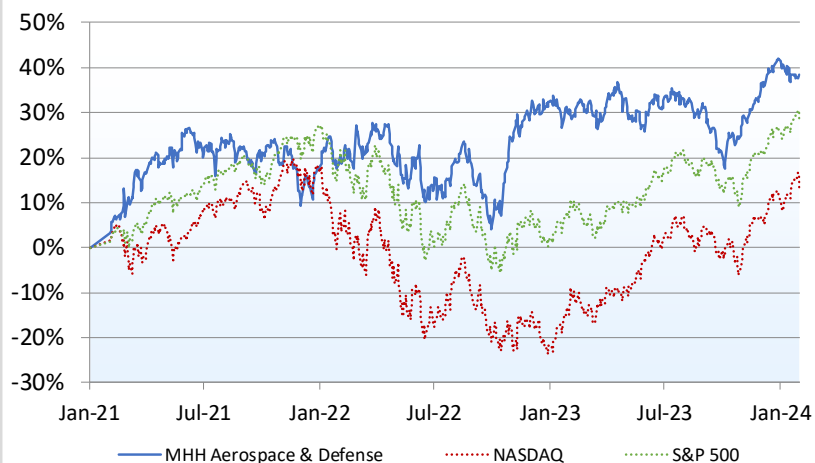
Comparative Index Performance

The MHH Aerospace & Defense Index^(a) increased by 9.4% during the three months ending January 31, 2024.

Last Three Years

Daily from January 31, 2021 to January 31, 2024

Price as Percent of Base (January 1, 2021 = 0%)



Last Twelve Months

Daily from January 31, 2023 to January 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	38.4%	6.1%	9.4%
NASDAQ	13.1%	30.9%	18.0%
S&P 500	28.4%	18.9%	15.5%

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

Selected Valuation Metrics

Aerospace & Defense

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

(\$ 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													
RTX Corporation (RTX)	\$91.12	\$130,728	\$171,027	\$68,920	\$9,611	\$5,400	\$1.51	2.48x	17.8x	31.7x	NM	17.5%	13.9%
The Boeing Company (BA)	211.04	128,763	166,946	77,794	3,154	1,293	(0.46)	2.15x	NM	NM	NM	11.9%	4.1%
Honeywell International Inc. (HON)	202.26	133,340	147,258	36,662	8,730	7,554	6.68	4.02x	16.9x	19.5x	30.3x	37.3%	23.8%
Airbus SE (ENXTPA:AIR)	160.36	126,549	123,054	72,340	6,771	4,715	4.42	1.70x	18.2x	26.1x	36.3x	15.3%	9.4%
Rolls-Royce Holdings plc (LSE:RR.)	3.83	32,025	35,800	20,999	2,786	2,164	0.23	1.70x	12.9x	16.5x	16.6x	22.0%	13.3%
Thales S.A. (ENXTPA:HO)	146.85	30,614	31,697	19,682	2,509	1,736	5.19	1.61x	12.6x	18.3x	28.3x	26.4%	12.7%
Textron Inc. (TXT)	84.71	16,604	18,427	13,683	1,670	1,275	3.76	1.35x	11.0x	14.5x	22.5x	16.5%	12.2%
Embraer S.A. (BOVESPA:EMBR3)	4.62	3,392	5,024	5,374	270	248	0.07	0.93x	18.6x	20.3x	NM	18.0%	5.0%
Mean		\$75,252	\$87,404	\$39,432	\$4,438	\$3,048	\$2.67	2.0x	15.4x	21.0x	26.8x	20.6%	11.8%
Median		79,287	79,427	28,831	2,970	1,950	2.63	1.7x	16.9x	19.5x	28.3x	17.8%	11.5%
Defense													
Lockheed Martin Corporation (LMT)	\$429.41	\$103,764	\$120,958	\$67,571	\$10,225	\$9,058	\$20.54	1.79x	11.8x	13.4x	20.9x	12.7%	15.1%
General Dynamics Corporation (GD)	264.99	72,372	79,720	42,272	4,570	3,707	9.03	1.89x	17.4x	21.5x	29.3x	15.8%	10.8%
Northrop Grumman Corporation (NOC)	446.76	67,030	79,630	39,290	3,983	2,645	9.25	2.03x	20.0x	30.1x	NM	16.7%	10.1%
L3Harris Technologies, Inc. (LHX)	208.42	39,504	52,069	19,419	3,478	2,312	6.04	2.68x	15.0x	22.5x	34.5x	26.3%	17.9%
BAE Systems plc (BA.)	14.97	45,222	49,811	29,396	4,061	3,065	0.57	1.69x	12.3x	16.3x	26.3x	9.4%	13.8%
Huntington Ingalls Industries, Inc. (HII)	258.92	10,285	12,856	11,454	1,119	772	11.12	1.12x	11.5x	16.7x	23.3x	14.4%	9.8%
Mean		\$56,363	\$65,841	\$34,900	\$4,573	\$3,593	\$9.42	1.9x	14.7x	20.1x	26.9x	15.9%	12.9%
Median		56,126	65,849	34,343	4,022	2,855	9.14	1.8x	13.6x	19.1x	26.3x	15.1%	12.3%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close January 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 December 31, 2023 excluding TXT (December 30, 2023); LHX (December 29, 2023); BOVESPA:EMBR3 (September 30, 2023); HO (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Aerospace & Defense

Announced	Target	Target Description	Acquirer	Value
Jan 16	Key assets of Honeywell International Inc.	Manufactures and repairs fixed and portable emergency locator transmitters.	Sunshine Avionics LLC	ND

ND – Not disclosed. Transaction values in millions.

Selected News

Aerospace & Defense

General Dynamics Corporation (NYSE:GD) reported net income of \$3,315.0 million for fiscal year 2023 as compared to \$3,390.0 million for the prior year. Earnings per share were \$9.03 versus \$9.07 for the prior year. Revenues for the year increased to \$42,272.0 million from \$39,407.0 million for fiscal year 2022.

L3Harris Technologies, Inc. (NYSE:LHX) reported net income of \$1,227.0 million for fiscal year 2023 as compared to \$1,062.0 million for the prior year. Earnings per share were \$6.04 versus \$7.20 for the prior year. Revenues for the year increased to \$19,419.0 million from \$17,062.0 million for fiscal year 2022.

Lockheed Martin Corporation (NYSE:LMT) reported net income of \$6,920.0 million for fiscal year 2023 as compared to \$5,732.0 million for the prior year. Earnings per share were \$20.54 versus \$16.28 for the prior year. Revenues for the year increased to \$67,571.0 million from \$65,984.0 million for fiscal year 2022.

Northrop Grumman Corporation (NYSE:NOC) reported net income of \$2,056.0 million for fiscal year 2023 as compared to \$4,896.0 million for the prior year. Earnings per share were \$9.25 versus \$23.44 for the prior year. Revenues for the year increased to \$39,290.0 million from \$36,602.0 million for fiscal year 2022.

RTX Corporation (NYSE:RTX) reported net income of \$3,195.0 million for fiscal year 2023 as compared to \$5,197.0 million for the prior year. Earnings per share were \$1.51 versus \$2.53 for the prior year. Revenues for the year increased to \$68,920.0 million from \$67,074.0 million for fiscal year 2022.

Textron Inc. (NYSE:TXT) reported net income of \$921.0 million for fiscal year 2023 as compared to \$861.0 million for the prior year. Earnings per share were \$3.76 versus \$2.95 for the prior year. Revenues for the year increased to \$13,683.0 million from \$12,869.0 million for fiscal year 2022.

The Boeing Company (NYSE:BA) reported net income of (\$2,222.0) million for fiscal year 2023 as compared to (\$4,935.0) million for the prior year. Earnings per share were (\$0.46) versus (\$3.23) for the prior year. Revenues for the year increased to \$77,794.0 million from \$66,608.0 million for 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

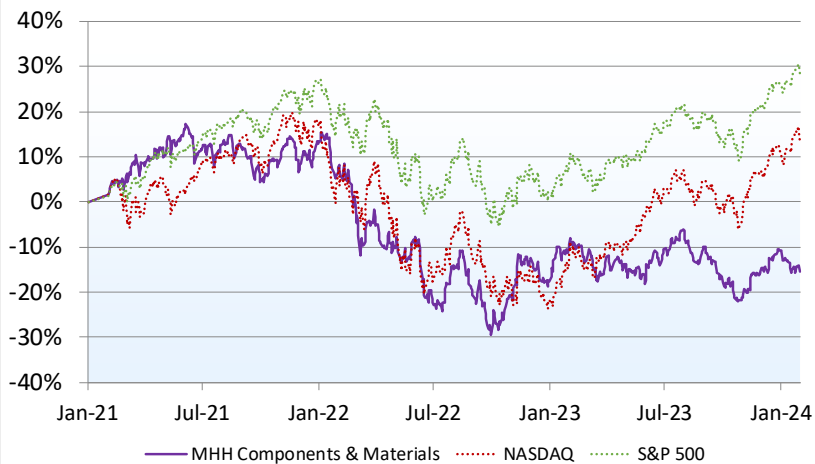
Comparative Index Performance

The MHH Components & Materials index^(a) increased by 8.4% during the three months ending January 31, 2024.

Last Three Years

Daily from January 31, 2021 to January 31, 2024

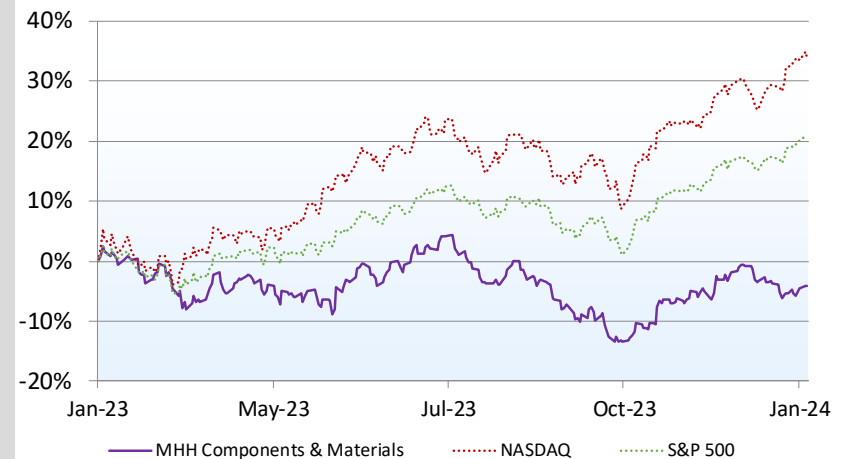
Price as Percent of Base (January 1, 2021 = 0%)



Last Twelve Months

Daily from January 31, 2023 to January 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Components & Materials ^(a)	-15.4%	-5.5%	8.4%
NASDAQ	13.1%	30.9%	18.0%
S&P 500	28.4%	18.9%	15.5%

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

Selected Valuation Metrics

Components & Materials

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

(\$ 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)	\$101.10	\$60,489	\$63,246	\$12,555	\$3,000	\$2,594	\$2.47	5.04x	21.1x	24.4x	NM	32.5%	23.9%
TE Connectivity Ltd (TEL)	142.19	43,908	47,117	16,024	3,564	2,763	5.47	2.94x	13.2x	17.1x	26.0x	32.4%	22.2%
Corning Inc. (GLW)	32.49	27,720	33,784	12,588	2,693	1,324	0.86	2.68x	12.5x	25.5x	37.8x	33.5%	21.4%
Omron Corp. (TSE:6645)	45.86	9,032	8,622	6,002	592	386	1.10	1.44x	14.6x	22.3x	NM	43.2%	9.9%
Belden Inc. (BDC)	74.18	3,092	3,794	2,512	418	326	4.27	1.51x	9.1x	11.6x	17.4x	38.1%	16.6%
Encore Wire Corp. (WIRE)	225.50	3,558	2,976	2,568	483	451	17.59	1.16x	6.2x	6.6x	12.8x	25.5%	18.8%
Vishay Intertechnology (VSH)	21.73	3,006	2,783	3,402	662	477	2.15	0.82x	4.2x	5.8x	10.1x	28.6%	19.5%
Alps Electric Ltd (TSE:6770)	7.53	1,548	1,713	6,866	478	139	0.47	0.25x	3.6x	12.3x	16.1x	16.7%	7.0%
Mean		\$19,044	\$20,504	\$7,815	\$1,486	\$1,307	\$4.30	2.0x	10.6x	15.7x	20.0x	31.3%	17.4%
Median		6,295	6,208	6,434	627	888	2.31	1.5x	10.8x	14.7x	16.7x	32.5%	19.1%
Specialty Materials													
BASF SE (DE:BAS)	\$48.24	\$43,053	\$65,052	\$76,160	\$6,846	\$3,170	\$1.44	0.85x	9.5x	20.5x	33.5x	23.8%	9.0%
3MCompany (MMM)	94.35	52,136	62,410	32,681	7,871	5,884	5.85	1.91x	7.9x	10.6x	16.1x	43.8%	24.1%
Dow Inc. (DOW)	53.60	37,643	50,325	44,622	5,176	2,635	1.47	1.13x	9.7x	19.1x	36.4x	11.3%	11.6%
PPG Industries, Inc. (PPG)	141.04	33,257	39,122	18,246	2,807	2,249	5.43	2.14x	13.9x	17.4x	26.0x	41.4%	15.4%
DuPont de Nemours (DD)	61.80	26,577	34,492	12,068	2,855	1,708	1.93	2.86x	12.1x	20.2x	32.0x	35.1%	23.7%
Celenese Corp. (CE)	146.29	15,924	29,146	10,940	1,831	1,149	4.27	2.66x	15.9x	25.4x	34.3x	23.8%	16.7%
Akzo Nobel N.V. (ENXTAM:AKZA)	77.29	13,186	17,880	11,792	1,568	1,174	2.90	1.52x	11.4x	15.2x	26.7x	39.7%	13.3%
Evonik Industries AG (DE:EVK)	18.60	8,668	12,677	16,937	1,270	(70)	(0.21)	0.75x	10.0x	NM	NM	17.3%	7.5%
Solvay SA (ENXTBR:SOLB)	27.60	2,922	4,632	14,817	2,740	1,930	11.15	0.31x	1.7x	2.4x	2.5x	28.3%	18.5%
Mean		\$25,930	\$35,082	\$26,474	\$3,663	\$1,539	\$3.80	1.6x	10.2x	16.6x	25.9x	29.4%	15.5%
Median		26,577	34,492	16,937	2,807	1,708	2.90	1.5x	10.0x	18.2x	29.4x	28.3%	15.4%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close January 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 December 31, 2023 excluding TEL (December 29, 2023); CON, EVL & SOLB (September 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/ EPS	Gross		
		Value	Value ⁽²⁾					Revenue	EBITDA		EBIT	Profit	EBITDA
Vehicle Parts and Supplies													
Denso Corp. (TSE:6902)	\$16.00	\$47,794	\$48,818	\$50,514	\$5,450	\$2,812	\$0.56	0.97x	9.0x	17.4x	28.7x	15.2%	10.8%
Johnson Controls Inc. (JCI)	52.69	35,908	47,326	26,819	3,665	2,789	2.22	1.76x	12.9x	17.0x	23.7x	33.1%	13.7%
Aptiv PLC (APTV)	81.33	23,005	28,327	20,051	2,744	1,840	2.94	1.41x	10.3x	15.4x	27.7x	17.2%	13.7%
Continental AG (DB:CON)	82.65	16,535	23,429	43,674	5,391	3,099	8.97	0.54x	4.3x	7.6x	9.2x	22.6%	12.3%
Autoliv, Inc. (ALV)	107.12	8,853	10,404	10,475	1,266	888	6.03	0.99x	8.2x	11.7x	17.8x	17.4%	12.1%
Lear Corp. (LEA)	132.90	7,743	10,362	23,467	1,657	1,054	8.80	0.44x	6.3x	9.8x	15.1x	7.9%	7.1%
Bosch Ltd. (BSE:500530)	283.85	8,372	8,012	1,966	254	204	5.17	4.08x	NM	39.2x	NM	33.9%	12.9%
Stanley Electric Co. Ltd. (TSE:6923)	19.41	3,144	2,403	3,338	615	292	1.13	0.72x	3.9x	8.2x	17.2x	18.8%	18.4%
Mean		\$18,919	\$22,385	\$22,538	\$2,630	\$1,622	\$4.48	1.4x	7.8x	15.8x	19.9x	20.7%	12.6%
Median		12,694	16,916	21,759	2,200	1,447	4.06	1.0x	8.2x	13.6x	17.8x	18.1%	12.6%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close January 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 December 31, 2023 excluding TEL (December 29, 2023); CON, EVL & SOLB (September 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Components & Materials

Announced	Target	Target Description	Acquirer	Value
Jan 30	Carlisle Interconnect Technologies Inc.	Designs, manufactures, and distributes wire and cable products.	Amphenol Corporation (NYSE: APH)	\$2,025.0
Jan 24	TPC Engineering Holdings, Inc	Manufactures and supplies wires and cables for industrial, exacting, and mission-critical applications.	Amphenol Corporation (NYSE: APH)	ND
Jan 24	LID Technologies SASU	Operates as a manufacturer and supplier of smart and wireless embedded electronic systems and pressure sensor products for the industrial and automotive markets.	Amphenol Corporation (NYSE: APH)	ND
Jan 24	Airmar Technology Corporation	Designs, manufactures, and supplies ultrasonic sensor technology products for marine and industrial applications in the United States and internationally.	Amphenol Corporation (NYSE: APH)	ND

ND – Not disclosed. Transaction values in millions.

Selected News

Components & Materials

3M Company (NYSE:MMM) reported net income of (\$6,995.0) million for fiscal year 2023 as compared to \$5,777.0 million for the prior year. Revenues for the year decreased to \$32,681.0 million from \$34,229.0 million for fiscal year 2022.

Alps Alpine Co., Ltd. (TSE:6770) reported third quarter net income of (\$192.2) million for fiscal year 2024 as compared to \$28.0 million for the prior year period. Earnings per share were \$0.15 versus \$0.22 for the prior year period. Revenues for the quarter decreased to \$1,847.0 million from \$1,867.9 million for the same period in fiscal year 2023.

Amphenol Corporation (NYSE:APH) reported net income of \$1,928.0 million for fiscal year 2023 as compared to \$1,902.3 million for the prior year. Earnings per share were \$2.47 versus \$2.48 for the prior year. Revenues for the year decreased to \$12,554.7 million from \$12,623.0 million for fiscal year 2022.

Aptiv PLC (NYSE:APTV) reported net income of \$2,938.0 million for fiscal year 2023 as compared to \$594.0 million for the prior year. Earnings per share were \$2.94 versus \$2.20 for the prior year. Revenues for the year increased to \$20,051.0 million from \$17,489.0 million for fiscal year 2022.

Autoliv, Inc. (NYSE:ALV) reported net income of \$488.0 million for fiscal year 2023 as compared to \$423.0 million for the prior year. Earnings per share were \$6.03 versus \$3.62 for the prior year. Revenues for the year increased to \$10,475.0 million from \$8,842.0 million for fiscal year 2022.

Corning Incorporated (NYSE:GLW) reported net income of \$581.0 million for fiscal year 2023 as compared to \$1,316.0 million for the prior year. Earnings per share were \$0.86 versus \$1.53 for the prior year. Revenues for the year decreased to \$12,588.0 million from \$14,189.0 million for fiscal year 2022.

Dow Inc. (NYSE:DOW) reported net income of \$589.0 million for fiscal year 2023 as compared to \$4,582.0 million for the prior year. Earnings per share were \$1.47 versus \$4.77 for the prior year. Revenues for the year decreased to \$44,622.0 million from \$56,902.0 million for fiscal year 2022.

Johnson Controls International plc (NYSE:JCI) reported first quarter net income of \$374.0 million for fiscal year 2024 as compared to \$118.0 million for the prior year period. Earnings per share were \$0.36 versus \$0.41 for the prior year period. Revenues for the quarter increased to \$6,094.0 million from \$6,068.0 million for the same period in fiscal year 2023.

PPG Industries, Inc. (NYSE:PPG) reported net income of \$1,270.0 million for fiscal year 2023 as compared to \$1,026.0 million for the prior year. Earnings per share were \$5.43 versus \$4.24 for the prior year. Revenues for the year increased to \$18,246.0 million from \$17,652.0 million for fiscal year 2022.

Stanley Electric Co., Ltd. (TSE:6923) reported third quarter net income of \$41.2 million for fiscal year 2024 as compared to \$28.5 million for the prior year period. Earnings per share were \$0.32 versus \$0.12 for the prior year period. Revenues for the quarter increased to \$916.8 million from \$830.8 million for the same period in fiscal year 2023.

TE Connectivity Ltd. (NYSE:TEL) reported first quarter net income of \$1,803.0 million for fiscal year 2024 as compared to \$397.0 million for the prior year period. Earnings per share were \$1.45 versus \$1.18 for the prior year period. Revenues for the quarter decreased to \$3,831.0 million from \$3,841.0 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

Industrial Equipment

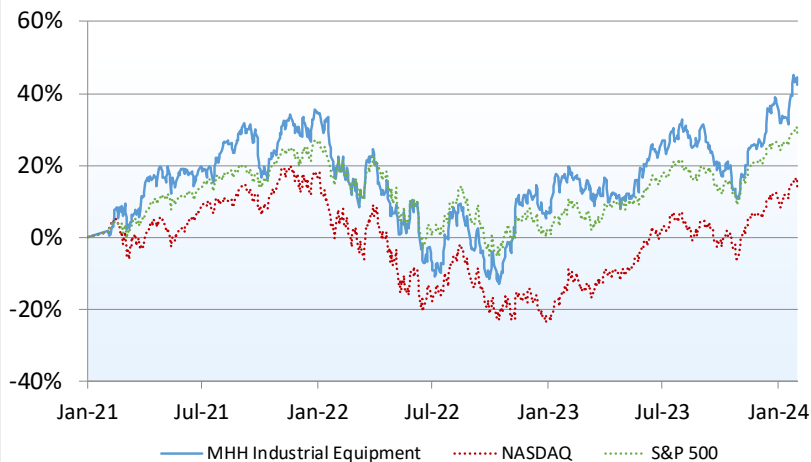
Comparative Index Performance

The MHH Industrial Equipment index^(a) increased by 27.7% during the three months January 31, 2024.

Last Three Years

Daily from January 31, 2021 to January 31, 2024

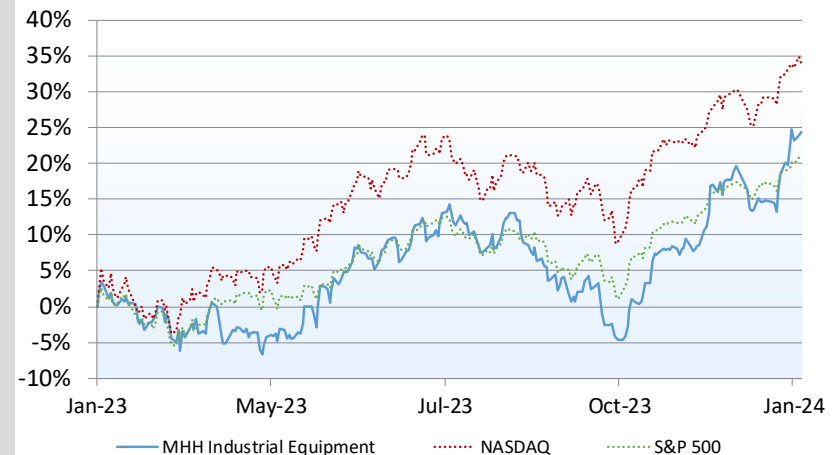
Price as Percent of Base (January 1, 2021 = 0%)



Last Twelve Months

Daily from January 31, 2023 to January 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial Equipment ^(a)	42.4%	22.5%	27.7%
NASDAQ	13.1%	30.9%	18.0%
S&P 500	28.4%	18.9%	15.5%

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

Selected Valuation Metrics

Industrial Equipment

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

(\$ 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
Construction Equipment													
Caterpillar Inc. (CAT)	\$300.31	\$152,883	\$181,616	\$67,060	\$15,736	\$9,017	\$16.77	2.7x	11.5x	20.1x	17.9x	31.7%	23.5%
Deere & Company (DE)	393.58	110,198	169,243	60,755	16,323	5,149	27.60	2.8x	10.4x	32.9x	14.3x	34.7%	26.9%
Cummins Inc. (CMI)	239.30	33,920	40,226	34,065	2,428	1,939	6.36	1.2x	16.6x	20.7x	37.6x	24.2%	7.1%
Oshkosh Corp. (OSK)	110.10	7,202	7,849	9,658	998	390	7.48	0.8x	7.9x	20.1x	14.7x	17.4%	10.3%
Korea Shipbuilding & Offshore Engineering Co.	85.31	6,033	7,201	15,042	521	1,886	(0.30)	0.5x	13.8x	3.8x	NM	NM	3.5%
Terex Corp. (TEX)	61.43	4,134	4,582	5,152	686	394	5.29	0.9x	6.7x	11.6x	11.6x	22.8%	13.3%
Mean		\$52,395	\$68,453	\$31,955	\$6,115	\$3,129	\$10.53	1.5x	11.1x	18.2x	19.2x	26.2%	14.1%
Median		20,561	24,037	24,553	1,713	1,912	6.92	1.0x	11.0x	20.1x	14.7x	24.2%	11.8%
Electrical Equipment													
Schneider Electric SE (ENXTPA:SU)	\$198.44	\$111,295	\$126,938	\$39,684	\$7,499	\$4,391	\$6.45	3.2x	16.9x	28.9x	30.8x	41.8%	18.9%
Eaton Corporation plc (ETN)	246.08	98,260	106,025	23,196	4,812	1,752	5.95	4.6x	22.0x	60.5x	NM	36.4%	20.7%
Emerson Electric Co. (EMR)	91.73	52,426	58,989	15,909	4,309	4,112	3.03	3.7x	13.7x	14.3x	30.3x	50.0%	27.1%
Ametek Inc. (AME)	162.05	37,401	38,889	6,597	2,045	746	4.34	5.9x	19.0x	52.1x	37.4x	36.1%	31.0%
Rockwell Automation Inc. (ROK)	253.28	29,024	32,507	9,129	1,798	1,017	8.58	3.6x	18.1x	32.0x	29.5x	40.5%	19.7%
Hubbell Inc. (HUBB)	335.57	17,994	19,798	5,373	1,189	472	11.33	3.7x	16.6x	42.0x	29.6x	35.2%	22.1%
Regal Rexnord Corporation (RRX)	133.46	8,855	15,004	6,251	1,023	313	1.38	2.4x	14.7x	47.9x	NM	33.1%	16.4%
Powell Industries, Inc. (POWL)	118.53	1,418	1,063	766	95	59	5.00	1.4x	11.1x	18.0x	23.7x	23.0%	12.4%
Mean		\$44,584	\$49,902	\$13,363	\$2,846	\$1,608	\$5.76	3.6x	16.5x	37.0x	30.2x	37.0%	21.0%
Median		33,212	35,698	7,863	1,921	881	5.48	3.6x	16.8x	37.0x	30.0x	36.3%	20.2%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close January 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 December 31, 2023 excluding AMAT & DE (January 28, 2024); COHU & FORM (December 30, 2023); LCRX (December 24, 2023); FARO & KOSE (September 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)	\$239.91	\$177,341	\$189,883	\$23,890	\$7,547	\$3,106	\$4.54	7.9x	25.2x	61.1x	NM	59.1%	31.6%
Entegris, Inc. (ENTG)	117.70	17,674	22,545	3,524	904	97	0.86	6.4x	24.9x	NM	NM	42.5%	25.6%
MKS Instruments, Inc. (MKS)	106.45	7,119	11,369	3,622	781	53	0.15	3.1x	14.6x	NM	NM	45.3%	21.6%
Onto Innovation Inc. (ONTO)	161.50	7,927	7,318	816	191	31	1.77	9.0x	NM	NM	NM	52.4%	23.4%
Axcelis Technologies, Inc. (ACLS)	130.05	4,259	3,874	1,131	273	(22)	5.25	3.4x	14.2x	NM	24.8x	43.5%	24.2%
Nova Measuring Instruments Ltd. (NVM)	144.81	4,153	3,787	518	148	10	3.01	7.3x	25.5x	NM	NM	56.6%	28.7%
FormFactor, Inc. (FORM)	38.77	3,018	2,821	663	50	(56)	0.15	4.3x	NM	NM	NM	39.1%	7.5%
Azenta, Inc. (NasdaqGS:AZTA)(5)	65.20	3,633	2,576	641	15	2	(0.30)	4.0x	NM	NM	NM	40.6%	2.4%
Cohu, Inc. (COHU)	31.86	1,514	1,186	636	97	(20)	0.65	1.9x	12.2x	NM	NM	47.6%	15.2%
FARO Technologies, Inc. (FARO)	22.64	429	439	364	(12)	29	(0.98)	1.2x	NM	15.2x	NM	47.8%	NM
Mean		\$5,525	\$6,213	\$1,324	\$272	\$323	\$1.17	4.5x	18.3x	15.2x	24.8x	46.2%	18.6%
Median		4,153	3,787	663	148	20	0.65	4.0x	14.6x	15.2x	24.8x	45.3%	22.5%
Semiconductor Capital Equipment													
ASML Holding NV (ASML)	\$866.01	\$340,707	\$338,561	\$30,461	\$10,720	\$1,528	\$16.26	NM	NM	NM	NM	51.3%	35.2%
Applied Materials, Inc. (AMAT)	164.30	136,708	135,838	26,485	8,137	796	6.05	5.1x	16.7x	NM	27.2x	47.0%	30.7%
Lam Research Corp. (LRCX)	825.17	108,182	107,528	14,317	4,387	127	18.98	7.5x	24.5x	NM	NM	45.9%	30.6%
Tokyo Electron Ltd (TSE:8035)	190.46	88,151	85,672	13,064	3,639	133	4.47	6.6x	23.5x	NM	NM	44.8%	27.9%
KLA-Tencor Corp. (KLAC)	594.04	80,334	83,075	9,671	3,945	860	15.05	8.6x	21.1x	96.6x	39.5x	59.8%	40.8%
Teradyne Inc. (TER)	96.59	14,767	13,912	2,676	628	241	2.05	5.2x	22.2x	57.7x	NM	57.4%	23.4%
Veeco Instruments Inc. (VECO)	31.88	1,796	1,820	666	95	3	0.80	2.7x	19.2x	NM	39.9x	42.8%	14.2%
Mean		\$110,092	\$109,487	\$13,906	\$4,507	\$527	\$9.09	6.0x	21.6x	77.1x	35.5x	49.9%	29.0%
Median		88,151	85,672	13,064	3,945	241	6.05	5.9x	21.6x	77.1x	39.5x	47.0%	30.6%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close January 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 December 31, 2023 excluding AMAT & DE (January 28, 2024); COHU & FORM (December 30, 2023); LCRX (December 24, 2023); FARO & KOSE (September 30, 2023).

(4) Excludes non-recurring and discontinued operations.

Selected M&A Transactions

Industrial Equipment

Announced	Target	Target Description	Acquirer	Value
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No selected M&A transactions for January 2024

Selected News

Industrial Equipment

Oshkosh Corporation (NYSE:OSK) reported net income of \$598.0 million for fiscal year 2023 as compared to \$173.9 million for the prior year. Earnings per share were \$7.48 versus \$2.84 for the prior year. Revenues for the year increased to \$9,657.9 million from \$8,282.0 million for fiscal year 2022.

Powell Industries, Inc. (NasdaqGS:POWL) reported first quarter net income of \$24.1 million for fiscal year 2024 as compared to \$1.2 million for the prior year period. Earnings per share were \$1.53 versus \$0.08 for the prior year period. Revenues for the quarter increased to \$194.0 million from \$126.9 million for the same period in fiscal year 2023.

Rockwell Automation, Inc. (NYSE:ROK) reported first quarter net income of \$215.2 million for fiscal year 2024 as compared to \$384.0 million for the prior year period. Earnings per share were \$1.41 versus \$1.82 for the prior year period. Revenues for the quarter increased to \$2,052.1 million from \$1,981.0 million for the same period in fiscal year 2023.

KLA Corporation (NasdaqGS:KLAC) reported second quarter net income of \$582.5 million for fiscal year 2024 as compared to \$978.8 million for the prior year period. Earnings per share were \$4.18 versus \$5.03 for the prior year period. Revenues for the quarter decreased to \$2,486.7 million from \$2,983.9 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.

Lam Research Corporation (NasdaqGS:LRCX) reported second quarter net income of \$954.3 million for fiscal year 2024 as compared to \$1,468.5 million for the prior year period. Earnings per share were \$5.22 versus \$7.57 for the prior year period. Revenues for the quarter decreased to \$3,758.3 million from \$5,277.6 million for the same period in fiscal year 2023.

Teradyne, Inc. (NasdaqGS:TER) reported net income of \$448.8 million for fiscal year 2023 as compared to \$715.5 million for the prior year. Earnings per share were \$2.05 versus \$3.19 for the prior year. Revenues for the year decreased to \$2,676.3 million from \$3,155.0 million for fiscal year 2022.

Danaher Corporation (NYSE:DHR) reported net income of \$4,764.0 million for fiscal year 2023 as compared to \$7,209.0 million for the prior year. Earnings per share were \$4.54 versus \$6.29 for the prior year. Revenues for the year decreased to \$23,890.0 million from \$26,643.0 million for fiscal year 2022.

Hubbell Incorporated (NYSE:HUBB) reported net income of \$759.8 million for fiscal year 2023 as compared to \$545.9 million for the prior year. Earnings per share were \$11.33 versus \$7.61 for the prior year. Revenues for the year increased to \$5,372.9 million from \$4,947.9 million for fiscal year 2022.

ASML Holding N.V. (ENXTAM:ASML) reported net income of \$8,664.8 million for fiscal year 2023 as compared to \$6,010.7 million for the prior year. Earnings per share were \$21.99 versus \$15.10 for the prior year. Revenues for the year increased to \$30,461.5 million from \$22,628.4 million for 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) increased by 14.4% during the three months ending January 31, 2024.

Last Three Years

Daily from January 31, 2021 to January 31, 2024

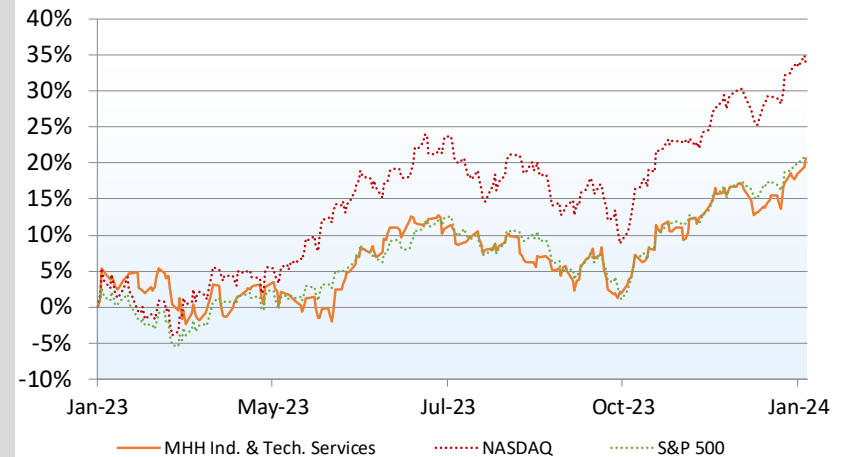
Price as Percent of Base (January 1, 2021 = 0%)



Last Twelve Months

Daily from January 31, 2023 to January 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial & Technical Services index(a)	59.2%	18.7%	14.4%
NASDAQ	13.1%	30.9%	18.0%
S&P 500	28.4%	18.9%	15.5%

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

Selected Valuation Metrics

Industrial & Technical Services

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

(\$ in USD millions, except per share data)	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity	Enterprise	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross		
		Value	Value ⁽²⁾					Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Company													
Industrial Distribution													
W.W. Grainger, Inc. (GWW)	\$895.64	\$44,454	\$46,896	\$16,478	\$2,823	\$2,609	\$30.03	2.8x	16.6x	18.0x	29.8x	39.4%	17.1%
Fastenal Company (FAST)	68.23	39,026	39,340	7,347	1,706	1,529	1.66	5.4x	23.1x	25.7x	NM	45.7%	23.2%
WESCO International, Inc. (WCC)	173.52	8,863	14,194	22,385	1,623	1,480	12.72	0.6x	8.7x	9.6x	13.6x	21.6%	7.3%
MSC Industrial Direct Co., Inc. (MSM)	98.68	5,566	6,154	4,006	553	476	4.96	1.5x	11.1x	12.9x	19.9x	40.9%	13.8%
MRC Global Inc. (MRC)	10.66	899	1,727	3,412	227	187	1.12	0.5x	7.6x	9.2x	9.5x	20.2%	6.7%
Transcat, Inc. (TRNS)	110.04	972	958	251	33	20	1.34	3.8x	29.4x	47.9x	NM	31.5%	13.0%
Mean		\$16,630	\$18,211	\$8,980	\$1,161	\$1,050	\$8.64	2.5x	16.1x	20.6x	18.2x	33.2%	13.5%
Median		7,214	10,174	5,676	1,088	978	3.31	2.2x	13.9x	15.4x	16.8x	35.5%	13.4%
Industrial Recycling													
Veolia Environnement SA (ENXTPA:VIE)	\$32.84	\$23,483	\$46,710	\$49,612	\$5,237	\$2,752	\$0.92	0.9x	8.9x	17.0x	35.5x	16.2%	10.6%
Clean Harbors, Inc. (CLH)	167.96	9,084	11,261	5,409	978	612	5.82	2.1x	11.5x	18.4x	28.9x	30.7%	18.1%
Commercial Metals Company (CMC)	52.22	6,078	6,528	8,575	1,290	1,053	5.35	0.8x	5.1x	6.2x	9.8x	19.9%	15.0%
Aurubis AG (XTRA:NDA)	72.76	3,176	2,801	18,691	300	77	1.14	0.1x	9.3x	36.3x	NM	6.8%	1.6%
Dowa Holdings Co., Ltd. (TSE:5714)	35.36	2,105	2,319	5,241	397	217	2.98	0.4x	5.8x	10.7x	11.9x	10.9%	7.6%
Sims Limited (ASX:SGM)	9.59	1,801	2,115	5,705	61	(38)	0.15	0.4x	NM	NM	NM	9.4%	1.1%
Mean		\$7,621	\$11,956	\$15,539	\$1,377	\$779	\$2.73	0.8x	8.1x	17.7x	21.5x	15.7%	9.0%
Median		4,627	4,664	7,140	688	415	2.06	0.6x	8.9x	17.0x	20.4x	13.6%	9.1%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close January 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 December 31, 2023 excluding NVEE (December 30, 2023); KBR & J (December 29, 2023); TRNS (December 23, 2023); MSM (December 2, 2023); CMC (November 30, 2023); BBY, WG & VIE (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/ EPS	Gross		
		Value	Value ⁽²⁾					Revenue	EBITDA		EBIT	Profit	EBITDA
Technical Services													
Jacobs Solutions Inc. (J)	\$134.77	\$17,024	\$20,354	\$16,713	\$1,482	\$1,196	\$4.88	1.2x	13.7x	17.0x	27.6x	21.2%	8.9%
AECOM (ACM)	88.19	11,996	13,781	14,896	998	828	1.43	0.9x	13.8x	16.7x	NM	6.5%	6.7%
Tetra Tech, Inc. (TTEK)	158.18	8,457	9,412	4,030	508	434	4.71	2.3x	18.5x	21.7x	33.6x	18.9%	12.6%
KBR, Inc. (KBR)	52.11	7,035	8,680	6,956	580	485	2.19	1.2x	15.0x	17.9x	23.8x	14.0%	8.3%
Fluor Corporation (FLR)	37.71	6,425	5,408	15,474	334	260	1.74	0.3x	16.2x	20.8x	21.7x	3.1%	2.2%
Primoris Services Corporation (PRIM)	32.80	1,750	3,000	5,715	366	259	2.11	0.5x	8.2x	11.6x	15.5x	10.3%	6.4%
John Wood Group PLC (LSE:WG.)	2.00	1,357	2,341	5,858	155	72	(0.02)	0.4x	15.1x	32.6x	NM	12.3%	2.6%
NV5 Global, Inc. (NVEE)	104.89	1,667	1,893	862	115	57	1.80	2.2x	16.4x	32.9x	NM	49.9%	13.4%
Balfour Beatty plc (LSE:BBY)	4.22	2,251	1,857	9,960	269	216	0.32	0.2x	6.9x	8.6x	13.4x	5.5%	2.7%
Mean		\$6,440	\$7,414	\$8,940	\$534	\$423	\$2.13	1.0x	13.8x	20.0x	22.6x	15.8%	7.1%
Median		6,425	5,408	6,956	366	260	1.80	0.9x	15.0x	17.9x	22.8x	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 January 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 December 31, 2023 excluding NVEE (December 30, 2023); KBR & J (December 29, 2023); TRNS (December 23, 2023); MSM (December 2, 2023); CMC (November 30, 2023); BBY, WG & VIE (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
Jan 26	Chapelle Darblay (subsidiary of Veolia Environnement S.A. [ENXTPA:VIE])	Comprises a recycling site for paper and cardboard.	Fibre Excellence Energie SAS	ND

ND – Not disclosed. Transaction values in millions.

Selected News

Industrial & Technical Services

Transcat, Inc. (NasdaqGM:TRNS) reported third quarter net income of \$3.3 million for fiscal year 2024 as compared to \$1.6 million for the prior year period. Earnings per share were \$0.34 versus \$0.19 for the prior year period. Revenues for the quarter increased to \$65.2 million from \$57.4 million for the same period in fiscal year 2023.

Fastenal Company (NasdaqGS:FAST) reported net income of \$1,155.0 million for fiscal year 2023 as compared to \$1,086.9 million for the prior year. Earnings per share were \$1.66 versus \$1.56 for the prior year. Revenues for the year increased to \$7,346.7 million from \$6,980.6 million for fiscal year 2022.

MSC Industrial Direct Co., Inc. (NYSE:MSM) reported first quarter net income of \$69.4 million for fiscal year 2024 as compared to \$81.3 million for the prior year period. Earnings per share were \$1.02 versus \$1.23 for the prior year period. Revenues for the quarter decreased to \$954.0 million from \$957.7 million for the same period in fiscal year 2023.

Commercial Metals Company (NYSE:CMC) reported first quarter net income of \$176.3 million for fiscal year 2024 as compared to \$261.8 million for the prior year period. Earnings per share were \$1.19 versus \$1.78 for the prior year period. Revenues for the quarter decreased to \$2,003.1 million from \$2,227.3 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

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

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- 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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