



Mufson Howe Hunter

Manufacturing Update

March 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

	Jan-24	Feb-24	Trend
PMI	49.1	47.8	Negative
Total Unemployment	3.7	3.9	Negative
CPI Monthly Change	0.3	0.4	Negative
PPI Monthly Change	0.3	0.6	Negative
Industrial Production	102.2	102.3	Positive
Capacity Utilization	78.3	78.3	Neutral
Manufacturing Production	98.4	99.2	Positive
Manufacturing Utilization	76.4	77.0	Positive

Sector Index Performance

	3-Year	LTM	3-Month
Aerospace & Defense	31.3%	7.9%	4.9%
Components & Materials	(14.2%)	2.4%	5.3%
Industrial Equipment	50.1%	41.5%	26.7%
Industrial & Technical Services	58.0%	21.3%	12.7%
NASDAQ	22.0%	41.2%	12.9%
S&P 500	33.7%	28.4%	12.0%

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

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

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

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

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

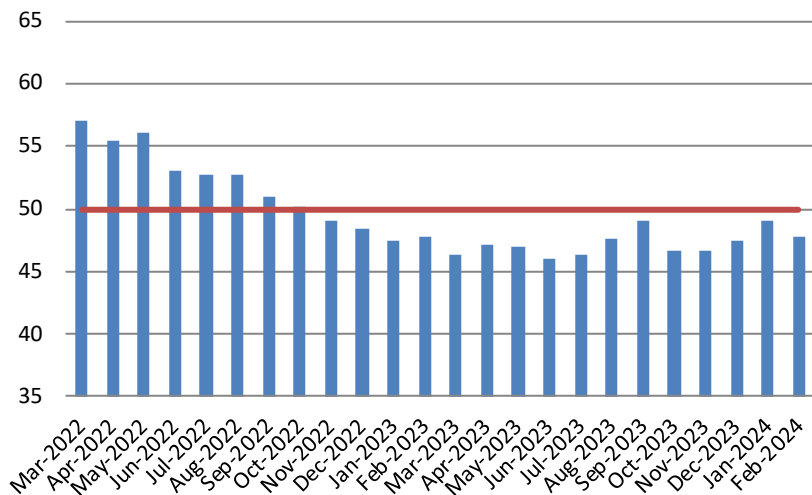
The companies that comprise each Index can change periodically as a result of a variety of reasons, including mergers, acquisitions, initial public offerings, and other transactions; therefore, comparisons to historical time periods and historical performance for each Index may not entirely correspond and correlate to the Index's current performance. In addition, historical performance is not a guarantee or prediction of future results. The information and statistical data contained herein have been obtained from sources that Mufson Howe Hunter believes are reliable, but Mufson Howe Hunter makes no representation or warranty as to the accuracy or completeness of any such information and data and expressly disclaims any and all liability relating to or resulting from your use of these materials. The information and data contained herein are current and only as of the date(s) indicated and Mufson Howe Hunter has no intention, obligation, or duty to update these materials after such date(s). *These materials do not constitute an offer to sell or the solicitation of an offer to buy any securities.* Copyright © 2024 Mufson Howe Hunter & Company LLC. All rights reserved. The Manufacturing Update is produced by Mufson Howe Hunter. Mufson Howe Hunter provides a full range of investment banking services to manufacturing companies. For more information, please visit www.mhhco.com.

Major U.S. Economic Indicators

Purchase Manager Index (PMI)

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

ISM Manufacturing PMI Composite Index - United States (Monthly)



Source: Institute for Supply Management

Commentary

Activity in the Manufacturing sector as measured by the PMI decreased by 1.3% in February, thereby remaining in contraction since October 2022.

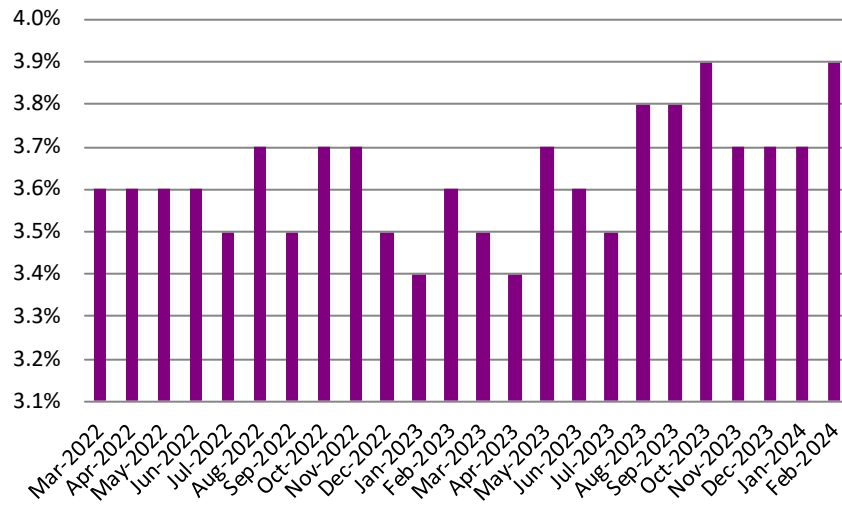
New Export Orders, Prices and Imports experienced expansion during February 2024.

Meanwhile, New Orders, Employment, Inventories and Backlog of Orders decreased during February 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

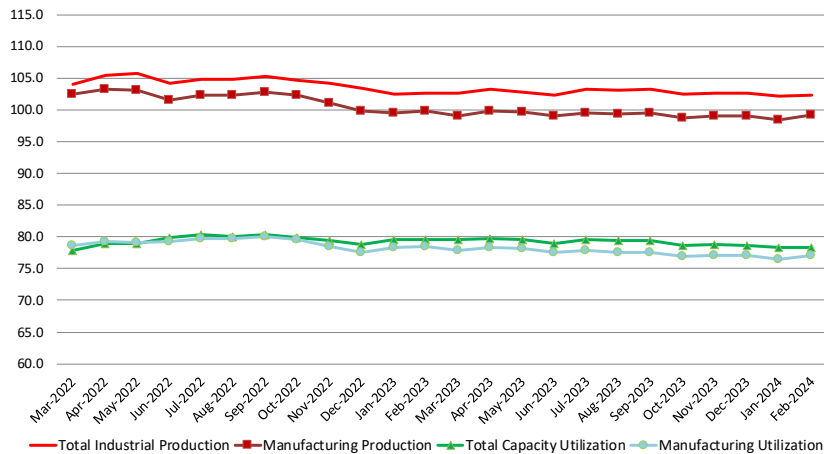
The Unemployment Rate increased to 3.9% in February 2024 and the number of unemployed persons rose to 6.5 million. Notable job gains occurred in Health Care, Government, Food Service & Drinking Places, Transportation & Warehousing and Social Assistance.

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

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

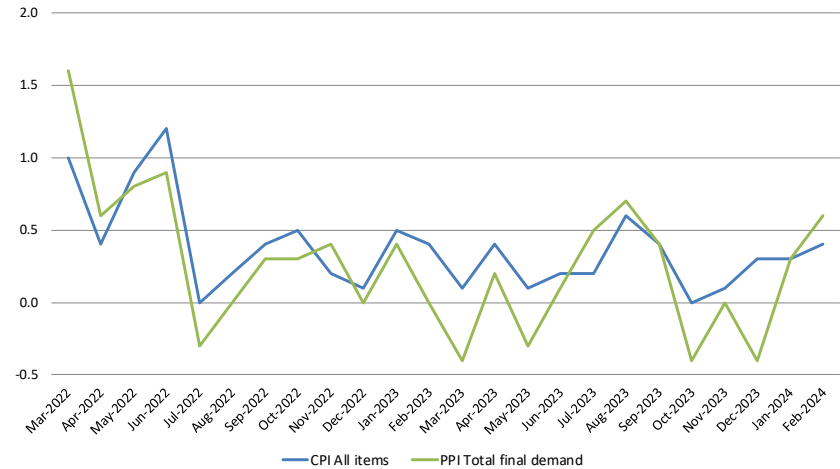
Commentary

Industrial Production rose by 0.1% in February and Manufacturing output increased by 0.8%. The Mining Index climbed 2.2%, while the Utilities Index dropped 7.5%. Total Industrial Production in February was 0.2% below its year-earlier level. Capacity Utilization remained unchanged at 78.3%, a rate that is 1.3% below its long-run average. Manufacturing Utilization, however, increased to 77.0%.

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 increased 0.4% in February on a seasonally adjusted basis. Consumer prices for all items (except food and energy) rose 3.8% over the past 12 months; the CPI All Items index increased 3.2% for the 12 months ended in February. The Producer Price Index for final demand increased by 0.6% in February; furthermore, final demand prices rose by 1.6% during the 12 months ended in February.

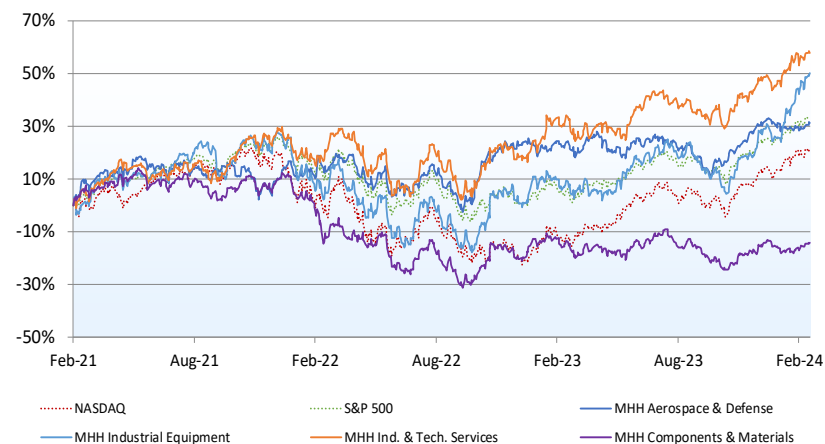
Sector Index Performance

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

Last Three Years

Daily from February 28, 2021 to February 29, 2024

Price as Percent of Base (February 28, 2021 = 0%)

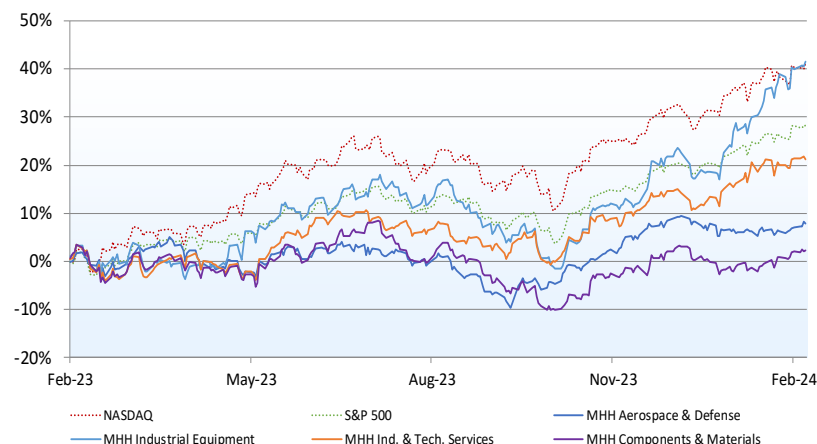


Comparative Index ^(a) Performance (Last Twelve Months)

Last Twelve Months

Daily from February 28, 2023 to February 29, 2024

Price as Percent of Base (February 28, 2023 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	31.3%	7.9%	4.9%
MHH Components & Materials	(14.2%)	2.4%	5.3%
MHH Industrial Equipment	50.1%	41.5%	26.7%
MHH Industrial & Technical Services	58.0%	21.3%	12.7%
NASDAQ	22.0%	41.2%	12.9%
S&P 500	33.7%	28.4%	12.0%

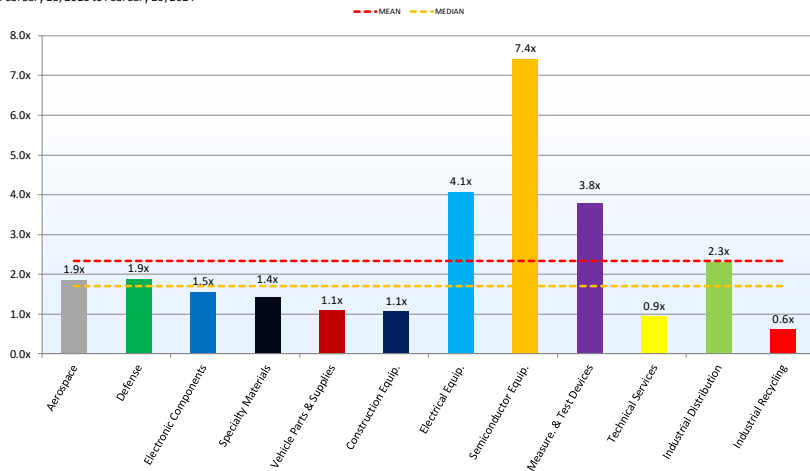
(a) Market cap weighted index assuming no dividend reinvestment.

Subsector Statistics

Last Twelve Months from February 28, 2023 to February 29, 2024

Comparative Subsector LTM EV/Revenue

Last Twelve Months EV/Revenue
February 28, 2023 to February 29, 2024

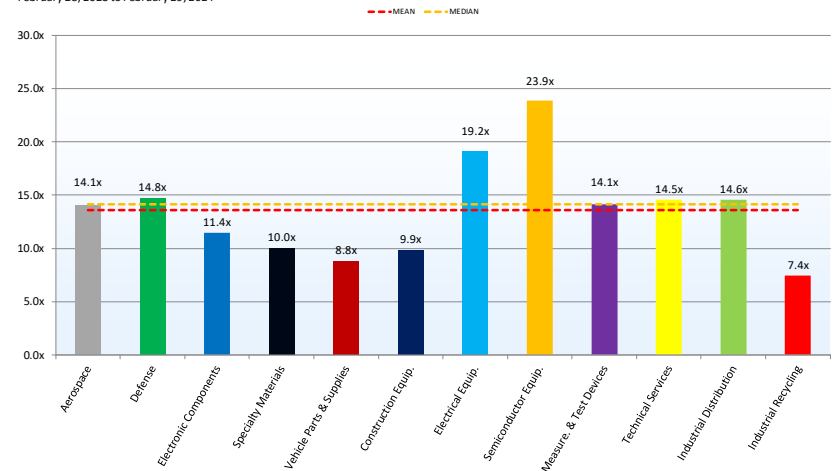


Commentary

During the last twelve months, our subsector indices had a mean EV/Revenue of 2.3x (i.e., red dashed line) and a median of 1.7x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 7.4x and Industrial Recycling had the lowest multiple at 0.6x.

Comparative Subsector LTM EV/EBITDA

Last Twelve Months EV/EBITDA
February 28, 2023 to February 29, 2024



Commentary

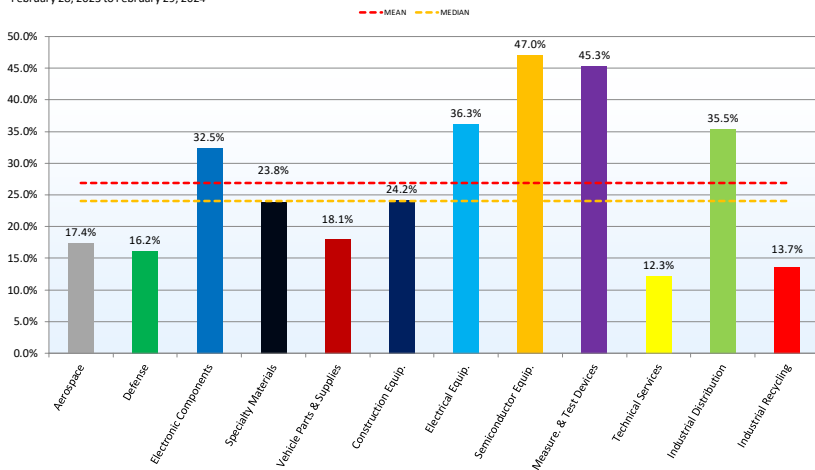
During the last twelve months, our subsector indices had a mean EV/EBITDA of 13.6x (i.e., red dashed line) and a median of 14.1x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 23.9x and Industrial Recycling had the lowest multiple at 7.4x.

Subsector Statistics (cont'd)

Last Twelve Months from February 28, 2023 to February 29, 2024

Comparative Subsector LTM Gross Margin

Last Twelve Months Gross Margin
February 28, 2023 to February 29, 2024

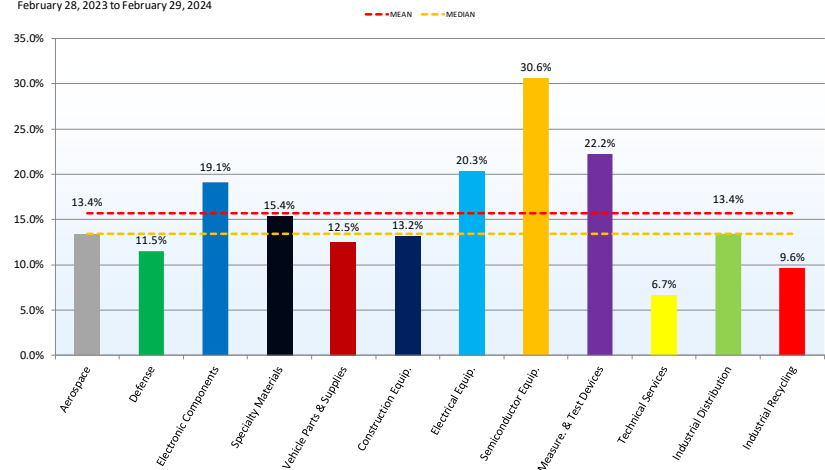


Commentary

During the last twelve months, our subsector indices had a mean Gross Margin of 26.8% (i.e., red dashed line) and a median of 24.0% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest margin at 47.0%, and Technical Services had the lowest margin at 12.3%.

Comparative Subsector LTM EBITDA Margin

Last Twelve Months EBITDA Margin
February 28, 2023 to February 29, 2024



Commentary

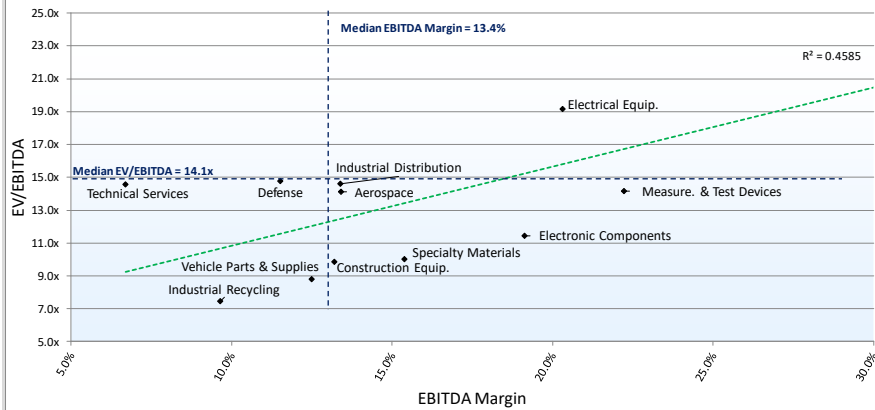
During the last twelve months, our subsector indices had a mean EBITDA Margin of 15.7% (i.e., red dashed line) and a median of 13.4% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest margin at 30.6% and Technical Services had the lowest margin at 6.7%.

Subsector Trading Multiples & Margins

Last Twelve Months from February 28, 2023 to February 29, 2024

Index Subsector LTM EV/EBITDA vs EBITDA Margin

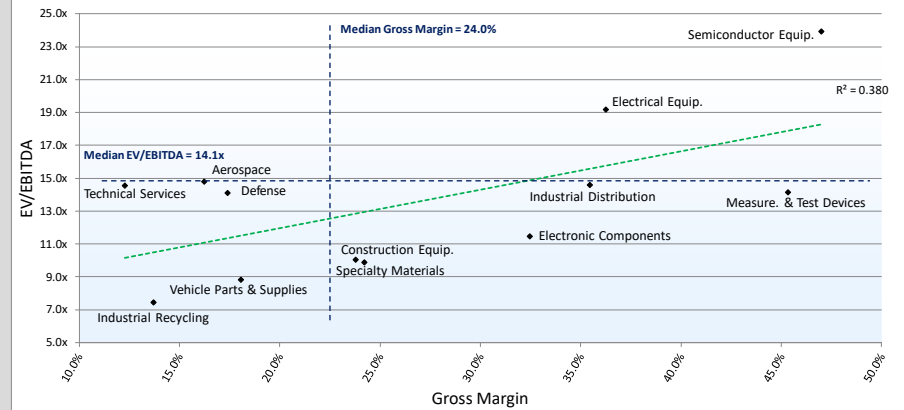
Last Twelve Months EV/EBITDA vs. EBITDA Margin
February 28, 2023 to February 29, 2024



*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
February 28, 2023 to February 29, 2024



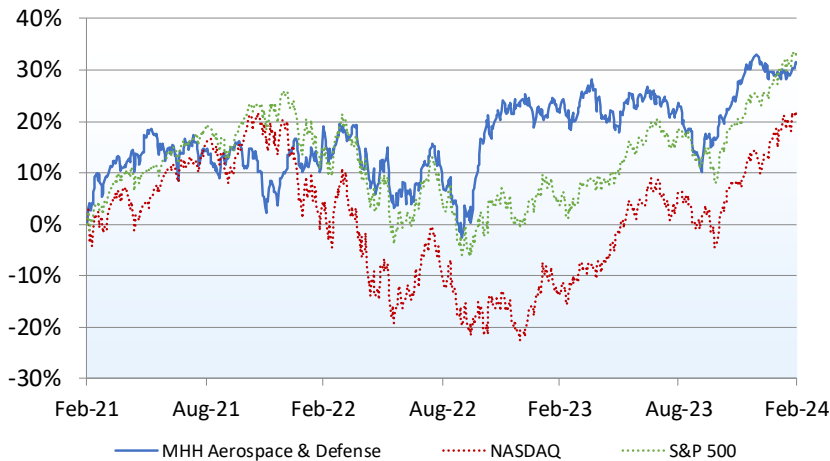
*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards
*Note: The green dotted line represents the regression line.

Comparative Index Performance

The MHH Aerospace & Defense Index^(a) increased by 4.9% during the three months ending February 29, 2024.

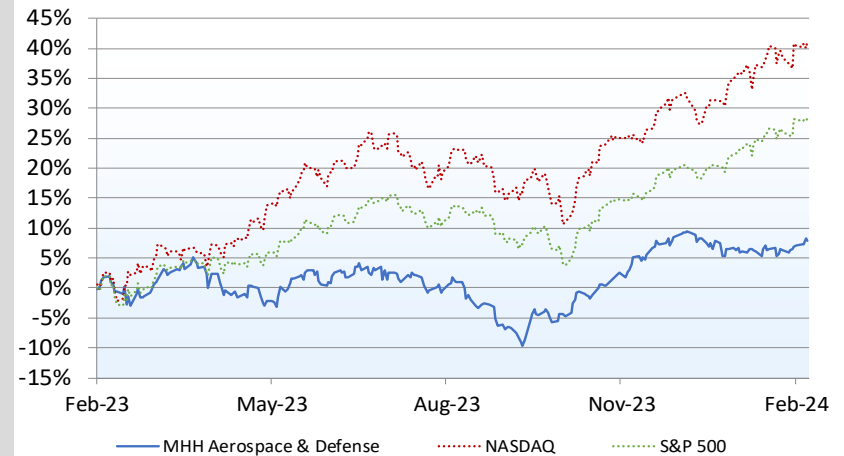
Last Three Years

Daily from February 28, 2021 to February 29, 2024
Price as Percent of Base (February 28, 2021 = 0%)



Last Twelve Months

Daily from February 28, 2023 to February 29, 2024
Price as Percent of Base (February 28, 2023 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense	31.3%	7.9%	4.9%
NASDAQ	22.0%	41.2%	12.9%
S&P 500	33.7%	28.4%	12.0%

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

Aerospace & Defense

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA EBIT		Price/ EPS	Gross Profit	EBITDA	
Aerospace													
The Boeing Company (BA)	\$203.72	\$124,297	\$162,480	\$77,794	\$3,154	\$1,293	(\$0.46)	2.09x	NM	NM	NM	11.9%	4.1%
RTX Corporation (RTX)	89.67	118,770	159,417	68,920	9,611	5,400	1.51	2.31x	16.6x	29.5x	NM	17.5%	13.9%
Honeywell International Inc. (HON)	198.73	129,608	143,634	36,662	8,730	7,554	6.68	3.92x	16.5x	19.0x	29.8x	37.3%	23.8%
Airbus SE (ENXTPA:AIR)	165.32	130,179	124,840	72,340	6,771	4,715	4.42	1.73x	18.4x	26.5x	37.4x	15.3%	9.4%
Rolls-Royce Holdings plc (LSE:RR.)	4.66	39,000	41,689	20,999	2,955	2,334	0.18	1.99x	14.1x	17.9x	25.4x	22.1%	14.1%
Thales S.A. (ENXTPA:HO)	148.15	30,885	31,964	20,370	2,638	1,742	5.59	1.57x	12.1x	18.3x	26.5x	25.9%	12.9%
Textron Inc. (TXT)	89.07	17,178	19,312	13,683	1,670	1,275	3.76	1.41x	11.6x	15.1x	23.7x	16.5%	12.2%
Embraer S.A. (BOVESPA:EMBR3)	4.91	3,607	5,226	5,381	411	297	0.12	0.97x	12.7x	17.6x	NM	17.2%	7.6%
Mean		\$74,190	\$86,070	\$39,519	\$4,492	\$3,076	\$2.72	2.0x	14.6x	20.6x	28.6x	20.5%	12.3%
Median		78,885	83,264	28,831	3,055	2,038	2.63	1.9x	14.1x	18.3x	26.5x	17.4%	13.4%
Defense													
Lockheed Martin Corporation (LMT)	\$428.24	\$103,481	\$120,675	\$67,571	\$10,225	\$9,058	\$20.54	1.79x	11.8x	13.3x	20.9x	12.7%	15.1%
General Dynamics Corporation (GD)	273.25	74,745	83,915	42,272	4,570	3,707	9.03	1.99x	18.4x	22.6x	30.3x	15.8%	10.8%
Northrop Grumman Corporation (NOC)	461.02	69,169	81,769	39,290	3,983	2,645	9.25	2.08x	20.5x	30.9x	NM	16.7%	10.1%
L3Harris Technologies, Inc. (LHX)	211.66	40,234	53,688	19,419	3,478	2,312	6.04	2.76x	15.4x	23.2x	35.0x	26.3%	17.9%
BAE Systems plc (BA.)	15.69	47,361	50,681	29,396	3,595	3,007	0.56	1.72x	14.1x	16.9x	28.2x	65.4%	12.2%
Huntington Ingalls Industries, Inc. (HII)	291.62	11,545	13,839	11,454	1,119	772	11.12	1.21x	12.4x	17.9x	26.2x	14.4%	9.8%
Mean		\$57,756	\$67,428	\$34,900	\$4,495	\$3,584	\$9.42	1.9x	15.4x	20.8x	28.1x	25.2%	12.7%
Median		58,265	67,729	34,343	3,789	2,826	9.14	1.9x	14.8x	20.3x	28.2x	16.2%	11.5%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 29, 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).

(4) Excludes non-recurring and discontinued operations.

Aerospace & Defense

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
Feb 02	Malloy Aeronautics Ltd.	Designed and supplies all-electric uncrewed aerial systems (UAS) to both civil and military customers.	BAE Systems plc (LSE:BA)	\$ 75.8

ND – Not disclosed. Transaction values in millions.

Airbus SE (ENXTPA:AIR) reported net income of \$4,188.1 million for fiscal year 2023 as compared to \$4,538.8 million for the prior year. Earnings per share were \$4.42 versus \$3.95 for the prior year. Revenues for the year increased to \$72,340.0 million from \$62,801.1 million for fiscal year 2022.

BAE Systems plc (LSE:BA.) reported net income of \$2,365.4 million for fiscal year 2023 as compared to \$1,917.0 million for the prior year. Earnings per share were \$0.56 versus \$0.42 for the prior year. Revenues for the year increased to \$29,395.7 million from \$25,613.6 million for fiscal year 2022.

Honeywell International Inc. (NasdaqGS:HON) reported net income of \$5,658.0 million for fiscal year 2023 as compared to \$4,966.0 million for the prior year. Earnings per share were \$6.68 versus \$6.21 for the prior year. Revenues for the year increased to \$36,662.0 million from \$35,466.0 million for fiscal year 2022.

Huntington Ingalls Industries, Inc. (NYSE:HII) reported net income of \$681.0 million for fiscal year 2023 as compared to \$579.0 million for the prior year. Earnings per share were \$11.12 versus \$11.60 for the prior year. Revenues for the year increased to \$11,454.0 million from \$10,676.0 million for fiscal year 2022.

Rolls-Royce Holdings plc (LSE:RR.) reported net income of \$3,072.3 million for fiscal year 2023 as compared to (\$1,529.0) million for the prior year. Earnings per share were \$0.18 versus \$0.02 for the prior year. Revenues for the year increased to \$20,999.1 million from \$16,290.1 million for fiscal year 2022.

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

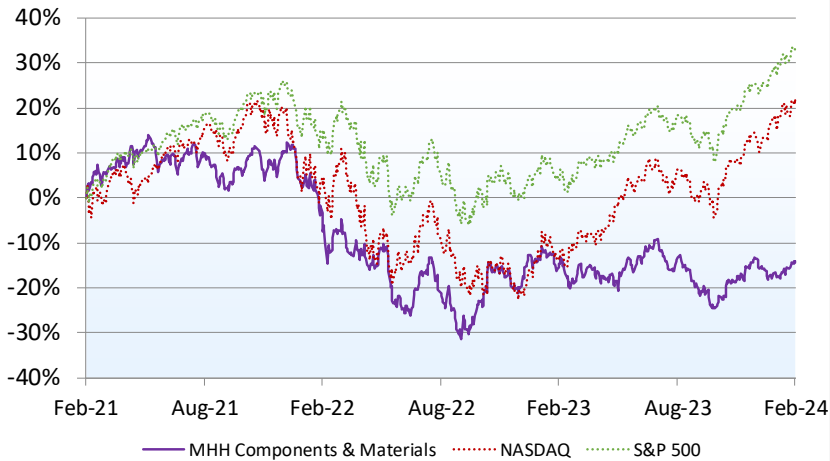
Source: S&P Capital IQ

Comparative Index Performance

The MHH Components & Materials index^(a) increased by 5.3% during the three months ending February 29, 2024.

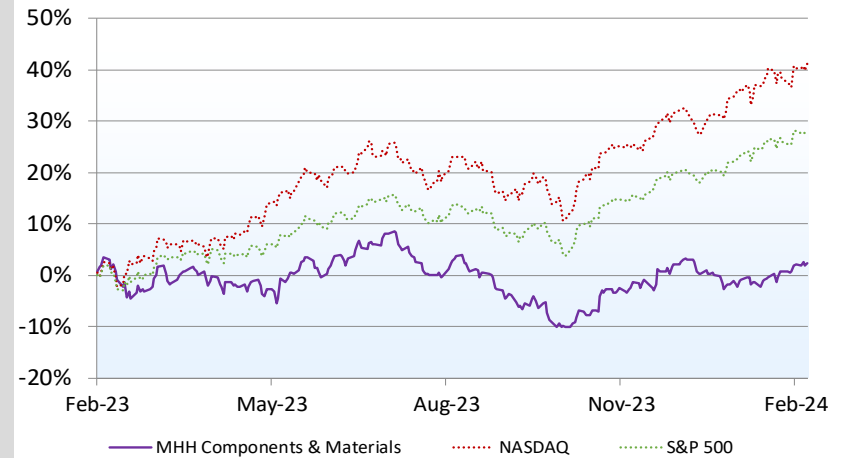
Last Three Years

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Price as Percent of Base (February 28, 2021=0%)



Last Twelve Months

Daily from February 28, 2023 to February 29, 2024
Price as Percent of Base (February 28, 2023=0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Components & Materials ^(a)	(14.2%)	2.4%	5.3%
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S&P 500	33.7%	28.4%	12.0%

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

Components & Materials

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA		EBIT	Price/ EPS	Gross Profit	EBITDA
Electronic Components													
Amphenol Corp. (APH)	\$109.24	\$65,528	\$68,589	\$12,555	\$3,000	\$2,594	\$2.47	5.46x	22.9x	26.4x	NM	32.5%	23.9%
TE Connectivity Ltd (TEL)	143.56	44,331	47,540	16,024	3,564	2,763	5.47	2.97x	13.3x	17.2x	26.2x	32.4%	22.2%
Corning Inc. (GLW)	32.24	27,516	34,538	12,588	2,693	1,324	0.86	2.74x	12.8x	26.1x	37.5x	33.5%	21.4%
Omron Corp. (TSE:6645)	37.05	7,296	8,531	6,002	592	386	1.10	1.42x	14.4x	22.1x	33.8x	43.2%	9.9%
Belden Inc. (BDC)	85.18	3,500	4,207	2,512	418	326	4.27	1.67x	10.1x	12.9x	20.0x	38.1%	16.6%
Encore Wire Corp. (WIRE)	241.00	3,799	3,238	2,568	483	451	17.59	1.26x	6.7x	7.2x	13.7x	25.5%	18.8%
Vishay Intertechnology (VSH)	21.75	2,991	2,934	3,402	662	477	2.15	0.86x	4.4x	6.1x	10.1x	28.6%	19.5%
Alps Electric Ltd (TSE:6770)	7.34	1,509	1,671	6,866	478	139	0.47	0.24x	3.5x	12.0x	15.7x	16.7%	7.0%
Mean		\$19,559	\$21,406	\$7,815	\$1,486	\$1,307	\$4.30	2.1x	11.0x	16.3x	22.4x	31.3%	17.4%
Median		5,548	6,369	6,434	627	888	2.31	1.5x	11.4x	15.1x	20.0x	32.5%	19.1%
Specialty Materials													
BASF SE (DE:BAS)	\$50.89	\$45,417	\$65,846	\$76,160	\$6,867	\$3,170	\$1.44	0.86x	9.6x	20.8x	35.4x	23.8%	9.0%
3MCompany (MMM)	92.12	50,915	61,932	32,681	7,871	5,884	5.85	1.90x	7.9x	10.5x	15.7x	43.8%	24.1%
Dow Inc. (DOW)	55.88	39,244	51,926	44,622	5,176	2,635	1.47	1.16x	10.0x	19.7x	37.9x	11.3%	11.6%
PPG Industries, Inc. (PPG)	141.60	33,312	38,720	18,246	2,807	2,249	5.43	2.12x	13.8x	17.2x	26.1x	41.4%	15.4%
DuPont de Nemours (DD)	69.19	28,893	35,293	12,068	2,855	1,708	1.93	2.92x	12.4x	20.7x	35.9x	35.1%	23.7%
Celanese Corp. (CE)	151.97	16,551	29,305	10,940	1,831	1,149	4.27	2.68x	16.0x	25.5x	35.6x	23.8%	16.7%
Akzo Nobel N.V. (ENXTAM:AKZA)	72.79	12,418	16,752	11,792	1,459	1,174	3.08	1.42x	11.5x	14.3x	23.6x	39.7%	12.4%
Evonik Industries AG (DE:EVK)	18.44	8,594	12,588	16,875	1,983	670	0.59	0.75x	6.3x	18.8x	31.4x	22.2%	11.8%
Solvay SA (ENXTBR:SOLB)	25.40	2,690	4,393	6,659	2,010	911	5.03	0.66x	2.2x	4.8x	5.1x	22.9%	30.2%
Mean		\$26,448	\$35,195	\$25,560	\$3,651	\$1,499	\$3.23	1.6x	10.0x	17.3x	27.4x	29.3%	17.2%
Median		28,893	35,293	16,875	2,807	1,174	3.08	1.4x	10.0x	18.8x	31.4x	23.8%	15.4%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 29, 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).

(4) Excludes non-recurring and discontinued operations.

Components & Materials

Selected Valuation Metrics (cont'd)

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA EBIT		Price/ EPS	Gross Profit	EBITDA	
Vehicle Parts and Supplies													
Denso Corp. (TSE:6902)	\$18.38	\$54,272	\$56,196	\$50,514	\$5,450	\$2,812	\$0.56	1.11x	10.3x	20.0x	33.0x	15.2%	10.8%
Johnson Controls Inc. (JCI)	59.27	40,392	51,810	26,819	3,665	2,789	2.22	1.93x	14.1x	18.6x	26.7x	33.1%	13.7%
Aptiv PLC (APTV)	79.49	22,181	27,624	20,051	2,744	1,840	2.94	1.38x	10.1x	15.0x	27.0x	17.2%	13.7%
Continental AG (DB:CON)	80.06	16,016	22,885	45,784	4,559	2,165	5.83	0.50x	5.0x	10.6x	13.7x	21.3%	10.0%
Autoliv, Inc. (ALV)	116.03	9,589	11,140	10,475	1,266	888	6.03	1.06x	8.8x	12.5x	19.3x	17.4%	12.1%
Lear Corp. (LEA)	137.35	7,834	10,251	23,467	1,657	1,054	8.80	0.44x	6.2x	9.7x	15.6x	7.9%	7.1%
Bosch Ltd. (BSE:500530)	344.64	10,165	9,804	1,966	254	204	5.17	4.99x	NM	48.0x	NM	33.9%	12.9%
Stanley Electric Co. Ltd. (TSE:6923)	17.10	2,742	2,018	3,338	615	292	1.13	0.60x	3.3x	6.9x	15.2x	18.8%	18.4%
Mean		\$20,399	\$23,966	\$22,802	\$2,526	\$1,506	\$4.08	1.5x	8.3x	17.7x	21.5x	20.6%	12.3%
Median		13,090	17,013	21,759	2,200	1,447	4.06	1.1x	8.8x	13.8x	19.3x	18.1%	12.5%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 29, 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).

(4) Excludes non-recurring and discontinued operations.

Components & Materials

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
Feb 08	Industrial Products Division of Trexon	Designs, manufactures, and markets electrical, electronic, and fiber optic connectors.	Amphenol Corporation (NYSE:APH)	ND

ND – Not disclosed. Transaction values in millions.

Components & Materials

Selected News

Akzo Nobel N.V. (ENXTAM:AKZA) reported net income of \$488.6 million for fiscal year 2023 as compared to \$376.2 million for the prior year. Earnings per share were \$3.08 versus \$2.21 for the prior year. Revenues for the year increased to \$11,791.8 million from \$11,591.3 million for fiscal year 2022.

BASF SE (DE:BAS) reported net income of \$248.7 million for fiscal year 2023 as compared to (\$670.1) million for the prior year. Earnings per share were \$0.22 versus (\$0.72) for the prior year. Revenues for the year decreased to \$76,160.1 million from \$93,328.0 million for fiscal year 2022.

Belden Inc. (NYSE:BDC) reported net income of \$242.8 million for fiscal year 2023 as compared to \$254.7 million for the prior year. Earnings per share were \$4.27 versus \$4.24 for the prior year. Revenues for the year decreased to \$2,512.1 million from \$2,606.5 million for fiscal year 2022.

Bosch Limited (BSE:500530) reported third quarter net income of \$62.3 million for fiscal year 2024 as compared to \$38.6 million for the prior year period. Earnings per share were \$1.56 versus \$1.09 for the prior year period. Revenues for the quarter increased to \$505.2 million from \$442.2 million for the same period in fiscal year 2023.

Celanese Corporation (NYSE:CE) reported net income of \$1,960.0 million for fiscal year 2023 as compared to \$1,894.0 million for the prior year. Earnings per share were \$4.27 versus \$8.74 for the prior year. Revenues for the year increased to \$10,940.0 million from \$9,673.0 million for fiscal year 2022.

DENSO Corporation (TSE:6902) reported third quarter net income of \$47.5 million for fiscal year 2024 as compared to \$697.7 million for the prior year period. Earnings per share were \$0.03 versus \$0.18 for the prior year period. Revenues for the quarter increased to \$13,063.0 million from \$12,250.9 million for the same period in fiscal year 2023.

DuPont de Nemours, Inc. (NYSE:DD) reported net income of \$423.0 million for fiscal year 2023 as compared to \$5,868.0 million for the prior year. Earnings per share were \$1.09 versus \$2.05 for the prior year. Revenues for the year decreased to \$12,068.0 million from \$13,017.0 million for fiscal year 2022.

Encore Wire Corporation (NasdaqGS:WIRE) reported net income of \$372.4 million for fiscal year 2023 as compared to \$717.8 million for the prior year. Earnings per share were \$17.59 versus \$29.72 for the prior year. Revenues for the year decreased to \$2,567.7 million from \$3,017.6 million for fiscal year 2022.

Lear Corporation (NYSE:LEA) reported net income of \$572.5 million for fiscal year 2023 as compared to \$327.7 million for the prior year. Earnings per share were \$8.80 versus \$6.02 for the prior year. Revenues for the year increased to \$23,466.9 million from \$20,891.5 million for fiscal year 2022.

OMRON Corporation (TSE:6645) reported third quarter net income of \$12.5 million for fiscal year 2024 as compared to \$171.7 million for the prior year period. Earnings per share were \$0.08 versus \$0.74 for the prior year period. Revenues for the quarter decreased to \$1,470.7 million from \$1,771.1 million for the same period in fiscal year 2023.

Vishay Intertechnology, Inc. (NYSE:VSH) reported net income of \$323.8 million for fiscal year 2023 as compared to \$428.8 million for the prior year. Earnings per share were \$2.15 versus \$2.63 for the prior year. Revenues for the year decreased to \$3,402.0 million from \$3,497.4 million for fiscal year 2022.

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

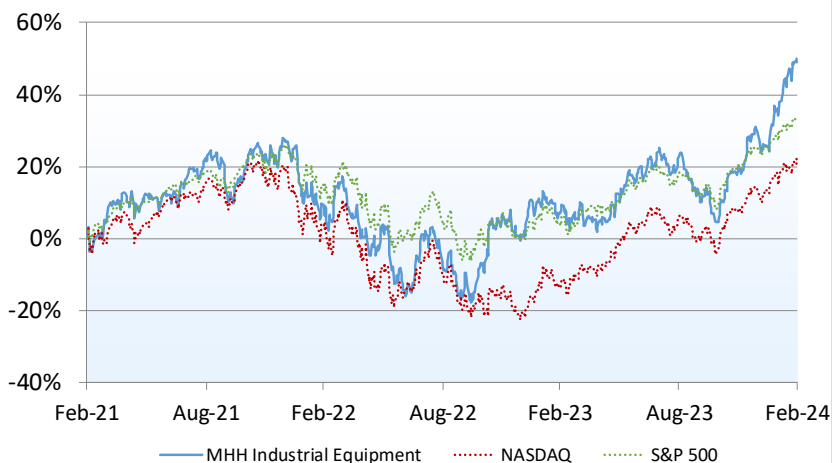
Source: S&P Capital IQ

Comparative Index Performance

The MHH Industrial Equipment index^(a) increased by 26.7% during the three months February 29, 2024.

Last Three Years

Daily from February 28, 2021 to February 29, 2024
Price as Percent of Base (February 28, 2021 = 0%)



Last Twelve Months

Daily from February 28, 2023 to February 29, 2024
Price as Percent of Base (February 28, 2023 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial Equipment ^(a)	50.1%	41.5%	26.7%
NASDAQ	22.0%	41.2%	12.9%
S&P 500	33.7%	28.4%	12.0%

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

Industrial Equipment

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA EBIT		Price/ EPS	Gross Profit	EBITDA	
Construction Equipment													
Caterpillar Inc. (CAT)	\$333.96	\$166,772	\$197,227	\$67,060	\$15,736	\$9,017	\$16.77	2.9x	12.5x	21.9x	19.9x	31.7%	23.5%
Deere & Company (DE)	365.05	101,615	162,041	60,755	16,323	5,149	27.60	2.7x	9.9x	31.5x	13.2x	34.7%	26.9%
Cummins Inc. (CMI)	268.61	38,104	43,742	34,065	4,464	1,939	15.28	1.3x	9.8x	22.6x	17.6x	24.2%	13.1%
Oshkosh Corp. (OSK)	110.86	7,270	8,193	9,658	1,026	390	7.81	0.8x	8.0x	21.0x	14.2x	17.4%	10.6%
Korea Shipbuilding & Offshore Engineering Co.	83.76	5,923	7,086	16,423	581	1,886	1.09	0.4x	12.2x	3.8x	NM	NM	3.5%
Terex Corp. (TEX)	57.35	3,842	4,216	5,152	686	394	5.29	0.8x	6.1x	10.7x	10.8x	22.8%	13.3%
Mean		\$53,921	\$70,417	\$32,185	\$6,469	\$3,129	\$12.31	1.5x	9.8x	18.6x	15.2x	26.2%	15.2%
Median		22,687	25,967	25,244	2,745	1,912	11.54	1.1x	9.9x	21.5x	14.2x	24.2%	13.2%
Electrical Equipment													
Schneider Electric SE (ENXTPA:SU)	\$226.79	\$126,619	\$138,666	\$39,684	\$7,499	\$4,391	\$6.45	3.5x	18.5x	31.6x	35.2x	41.8%	18.9%
Eaton Corporation plc (ETN)	289.00	115,456	122,820	23,196	4,859	1,752	5.95	5.3x	25.3x	70.1x	NM	36.4%	20.9%
Emerson Electric Co. (EMR)	106.85	61,086	76,372	15,909	4,309	4,112	3.03	4.8x	17.7x	18.6x	35.3x	50.0%	27.1%
Ametek Inc. (AME)	180.18	41,624	44,771	6,597	2,045	746	4.34	6.8x	21.9x	60.0x	NM	36.1%	31.0%
Rockwell Automation Inc. (ROK)	285.08	32,668	36,151	9,129	1,798	1,017	8.58	4.0x	20.1x	35.5x	33.2x	40.5%	19.7%
Hubbell Inc. (HUBB)	380.67	20,414	22,368	5,373	1,189	472	11.33	4.2x	18.8x	47.4x	33.6x	35.2%	22.1%
Regal Rexnord Corporation (RRX)	171.49	11,391	17,388	6,251	1,175	313	2.78	2.8x	14.8x	55.5x	NM	33.8%	18.8%
Powell Industries, Inc. (POWL)	185.24	2,217	1,863	766	95	59	5.00	2.4x	19.5x	31.5x	37.0x	23.0%	12.4%
Mean		\$51,434	\$57,550	\$13,363	\$2,871	\$1,608	\$5.93	4.2x	19.6x	43.8x	34.9x	37.1%	21.4%
Median		37,146	40,461	7,863	1,921	881	5.48	4.1x	19.2x	41.5x	35.2x	36.3%	20.3%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 29, 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 AMAT & DE (January 28, 2024); COHU, FORM & ONTO (December 30, 2023); LCRX (December 24, 2023).

(4) Excludes non-recurring and discontinued operations.

Industrial Equipment

Selected Valuation Metrics (cont'd)

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA EBIT		Price/ EPS	Gross Profit	EBITDA	
Measurement, Control, and Testing Devices													
Danaher Corporation (DHR)	\$253.14	\$187,248	\$200,924	\$23,890	\$7,547	\$3,106	\$4.54	8.4x	26.6x	64.7x	NM	59.1%	31.6%
Entegris, Inc. (ENTG)	134.36	20,207	24,391	3,524	904	97	0.86	6.9x	27.0x	NM	NM	42.5%	25.6%
MKS Instruments, Inc. (MKS)	122.76	8,232	12,381	3,622	796	53	0.31	3.4x	15.6x	NM	NM	45.3%	22.0%
Onto Innovation Inc. (ONTO)	184.16	9,048	8,369	816	183	31	1.68	NM	NM	NM	NM	51.5%	22.5%
Nova Measuring Instruments Ltd. (NVM)	173.45	5,033	4,643	518	148	10	3.01	9.0x	NM	NM	NM	56.6%	28.7%
Axcelis Technologies, Inc. (ACLS)	112.67	3,676	3,246	1,131	273	(22)	5.25	2.9x	11.9x	NM	21.5x	43.5%	24.2%
FormFactor, Inc. (FORM)	43.03	3,339	3,059	663	50	(56)	0.15	4.6x	NM	NM	NM	39.1%	7.5%
Azenta, Inc. (NasdaqGS:AZTA)(5)	65.15	3,633	2,653	641	15	2	(0.30)	4.1x	NM	NM	NM	40.6%	2.4%
Cohu, Inc. (COHU)	32.13	1,513	1,236	636	97	(20)	0.65	1.9x	12.7x	NM	NM	47.6%	15.2%
FARO Technologies, Inc. (FARO)	22.39	425	418	359	(9)	29	(0.97)	1.2x	NM	14.5x	NM	48.6%	NM
Mean		\$6,123	\$6,711	\$1,323	\$273	\$323	\$1.18	4.3x	16.8x	14.5x	21.5x	46.1%	18.5%
Median		3,676	3,246	663	148	20	0.65	3.8x	14.1x	14.5x	21.5x	45.3%	22.2%
Semiconductor Capital Equipment													
ASML Holding NV (ASML)	\$940.98	\$370,004	\$367,820	\$30,461	\$10,720	\$1,528	\$16.26	NM	NM	NM	NM	51.3%	35.2%
Applied Materials, Inc. (AMAT)	201.62	167,526	166,023	26,485	8,137	796	5.85	6.3x	20.4x	NM	34.5x	47.0%	30.7%
Lam Research Corp. (LRCX)	938.25	123,007	122,353	14,317	4,387	127	18.98	8.5x	27.9x	NM	NM	45.9%	30.6%
Tokyo Electron Ltd (TSE:8035)	246.06	113,901	111,549	13,064	3,639	133	4.47	8.5x	NM	NM	NM	44.8%	27.9%
KLA-Tencor Corp. (KLAC)	682.30	92,270	95,011	9,671	3,945	860	15.05	9.8x	24.1x	110.4x	NM	59.8%	40.8%
Teradyne Inc. (TER)	103.59	15,858	15,003	2,676	628	241	2.05	5.6x	23.9x	62.3x	NM	57.4%	23.4%
Veeco Instruments Inc. (VECO)	36.21	2,041	2,046	666	95	3	0.80	3.1x	21.6x	NM	NM	42.8%	14.2%
Mean		\$126,372	\$125,686	\$13,906	\$4,507	\$527	\$9.06	7.0x	24.1x	86.3x	34.5x	49.9%	29.0%
Median		113,901	111,549	13,064	3,945	241	5.85	7.4x	23.9x	86.3x	34.5x	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 February 29, 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 & ONTO (December 30, 2023); LCRX (December 24, 2023).

(4) Excludes non-recurring and discontinued operations.

Industrial Equipment

Selected M&A Transactions

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

Industrial Equipment

Selected News

AMETEK, Inc. (NYSE:AME) reported net income of \$1,313.2 million for fiscal year 2023 as compared to \$1,159.5 million for the prior year. Earnings per share were \$5.67 versus \$5.01 for the prior year. Revenues for the year increased to \$6,597.0 million from \$6,150.5 million for fiscal year 2022.

Applied Materials, Inc. (NasdaqGS:AMAT) reported first quarter net income of \$2,019.0 million for fiscal year 2024 as compared to \$1,717.0 million for the prior year period. Earnings per share were \$2.41 versus \$2.02 for the prior year period. Revenues for the quarter decreased to \$6,707.0 million from \$6,739.0 million for the same period in fiscal year 2023.

Axcelis Technologies, Inc. (NasdaqGS:ACLS) reported net income of \$246.3 million for fiscal year 2023 as compared to \$183.1 million for the prior year. Earnings per share were \$7.43 versus \$5.46 for the prior year. Revenues for the year increased to \$1,130.6 million from \$920.0 million for fiscal year 2022.

Azenta, Inc. (NasdaqGS:AZTA) reported first quarter net income of (\$15.7) million for fiscal year 2024 as compared to (\$11.2) million for the prior year period. Earnings per share were (\$0.28) versus (\$0.15) for the prior year period. Revenues for the quarter decreased to \$154.3 million from \$178.4 million for the same period in fiscal year 2023.

Caterpillar Inc. (NYSE:CAT) reported net income of \$10,335.0 million for fiscal year 2023 as compared to \$6,705.0 million for the prior year. Earnings per share were \$20.12 versus \$12.64 for the prior year. Revenues for the year increased to \$67,060.0 million from \$59,427.0 million for fiscal year 2022.

Cohu, Inc. (NasdaqGS:COHU) reported net income of \$28.2 million for fiscal year 2023 as compared to \$96.8 million for the prior year. Earnings per share were \$0.59 versus \$1.98 for the prior year. Revenues for the year decreased to \$636.3 million from \$812.8 million for fiscal year 2022.

Cummins Inc. (NYSE:CMI) reported net income of \$735.0 million for fiscal year 2023 as compared to \$2,151.0 million for the prior year. Earnings per share were \$5.15 versus \$15.12 for the prior year. Revenues for the year increased to \$34,065.0 million from \$28,074.0 million for fiscal year 2022.

Deere & Company (NYSE:DE) reported first quarter net income of \$1,751.0 million for fiscal year 2024 as compared to \$1,959.0 million for the prior year period. Earnings per share were \$4.94 versus \$5.22 for the prior year period. Revenues for the quarter decreased to \$12,185.0 million from \$12,652.0 million for the same period in fiscal year 2023.

Eaton Corporation plc (NYSE:ETN) reported net income of \$3,218.0 million for fiscal year 2023 as compared to \$2,462.0 million for the prior year. Earnings per share were \$5.95 versus \$4.54 for the prior year. Revenues for the year increased to \$23,196.0 million from \$20,752.0 million for fiscal year 2022.

Emerson Electric Co. (NYSE:EMR) reported first quarter net income of \$142.0 million for fiscal year 2024 as compared to \$2,331.0 million for the prior year period. Earnings per share were \$0.25 versus \$0.52 for the prior year period. Revenues for the quarter increased to \$4,117.0 million from \$3,373.0 million for the same period in fiscal year 2023.

Entegris, Inc. (NasdaqGS:ENTG) reported net income of \$180.7 million for fiscal year 2023 as compared to \$208.9 million for the prior year. Earnings per share were \$0.86 versus \$2.03 for the prior year. Revenues for the year increased to \$3,523.9 million from \$3,282.0 million for fiscal year 2022.

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

Source: S&P Capital IQ

Industrial Equipment

Selected News (cont'd)

FARO Technologies, Inc. (NasdaqGS:FARO) reported net income of (\$56.6) million for fiscal year 2023 as compared to (\$26.8) million for the prior year. Earnings per share were (\$0.97) versus (\$0.58) for the prior year. Revenues for the year increased to \$358.8 million from \$345.8 million for fiscal year 2022.

FormFactor, Inc. (NasdaqGS:FORM) reported net income of \$82.4 million for fiscal year 2023 as compared to \$50.7 million for the prior year. Earnings per share were \$0.15 versus \$0.59 for the prior year. Revenues for the year decreased to \$663.1 million from \$747.9 million for fiscal year 2022.

MKS Instruments, Inc. (NasdaqGS:MKSI) reported net income of (\$1,841.0) million for fiscal year 2023 as compared to \$333.0 million for the prior year. Earnings per share were (\$27.56) versus \$5.56 for the prior year. Revenues for the year increased to \$3,622.0 million from \$3,547.0 million for fiscal year 2022.

Nova Ltd. (NasdaqGS:NVMI) reported net income of \$136.3 million for fiscal year 2023 as compared to \$140.2 million for the prior year. Earnings per share were \$3.01 versus \$3.11 for the prior year. Revenues for the year decreased to \$517.9 million from \$570.7 million for fiscal year 2022.

Onto Innovation Inc. (NYSE:ONTO) reported net income of \$121.2 million for fiscal year 2023 as compared to \$223.3 million for the prior year. Earnings per share were \$1.68 versus \$3.03 for the prior year. Revenues for the year decreased to \$815.9 million from \$1,005.2 million for fiscal year 2022.

Regal Rexnord Corporation (NYSE:RRX) reported net income of (\$57.4) million for fiscal year 2023 as compared to \$488.9 million for the prior year. Earnings per share were (\$0.87) versus \$7.29 for the prior year. Revenues for the year increased to \$6,250.7 million from \$5,217.9 million for fiscal year 2022.

Schneider Electric S.E. (ENXTPA:SU) reported net income of \$4,424.7 million for fiscal year 2023 as compared to \$3,715.9 million for the prior year. Earnings per share were \$6.45 versus \$6.24 for the prior year. Revenues for the year increased to \$39,683.9 million from \$36,524.5 million for fiscal year 2022.

Terex Corporation (NYSE:TEX) reported net income of \$518.0 million for fiscal year 2023 as compared to \$300.0 million for the prior year. Earnings per share were \$5.29 versus \$3.31 for the prior year. Revenues for the year increased to \$5,151.5 million from \$4,417.7 million for fiscal year 2022.

Tokyo Electron Limited (TSE:8035) reported third quarter net income of \$720.3 million for fiscal year 2024 as compared to \$648.9 million for the prior year period. Earnings per share were \$1.29 versus \$1.18 for the prior year period. Revenues for the quarter decreased to \$3,289.3 million from \$3,547.6 million for the same period in fiscal year 2023.

Veeco Instruments Inc. (NasdaqGS:VECO) reported net income of (\$30.4) million for fiscal year 2023 as compared to \$166.9 million for the prior year. Earnings per share were (\$0.57) versus \$2.71 for the prior year. Revenues for the year increased to \$666.4 million from \$646.1 million for fiscal year 2022.

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

Source: S&P Capital IQ

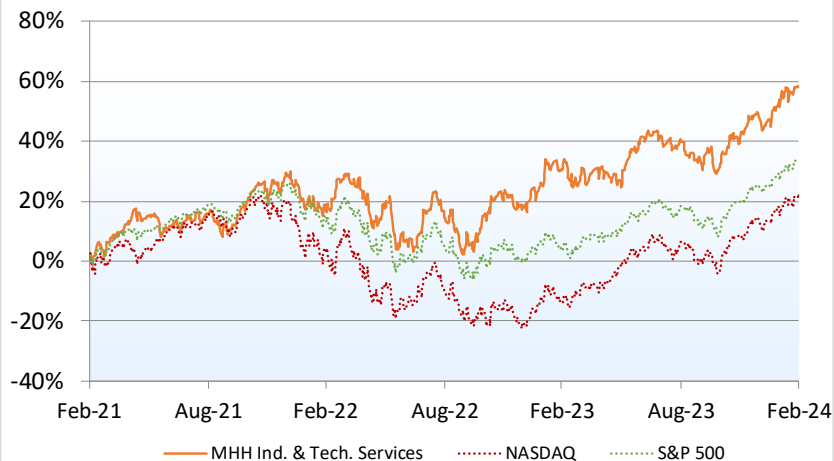
Comparative Index Performance

The MHH Industrial & Technical Services index^(a) increased by 12.7% during the three months ending February 29, 2024.

Last Three Years

Daily from February 28, 2021 to February 29, 2024

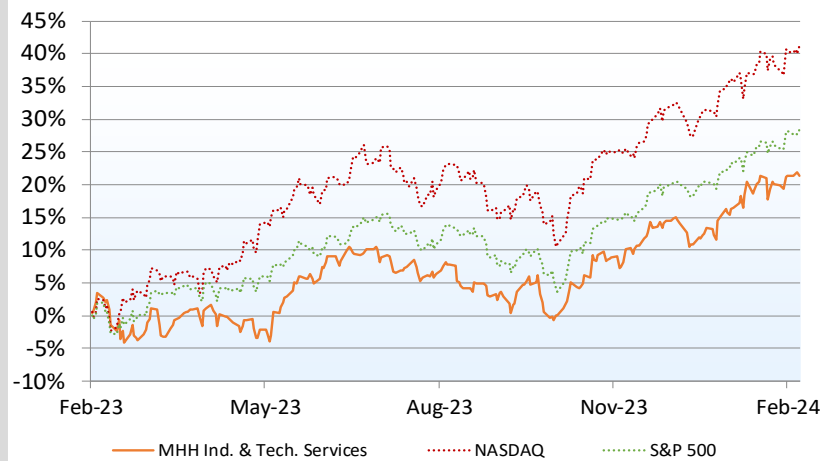
Price as Percent of Base (February 28, 2021 = 0%)



Last Twelve Months

Daily from February 28, 2023 to February 29, 2024

Price as Percent of Base (February 28, 2023 = 0%)



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial & Technical Services index ^(a)	58.0%	21.3%	12.7%
NASDAQ	22.0%	41.2%	12.9%
S&P 500	33.7%	28.4%	12.0%

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

Industrial & Technical Services

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA EBIT		Price/ EPS	Gross Profit	EBITDA	
Industrial Distribution													
W.W. Grainger, Inc. (GWW)	\$973.46	\$47,868	\$50,302	\$16,478	\$2,823	\$2,609	\$30.03	3.1x	17.8x	19.3x	32.4x	39.4%	17.1%
Fastenal Company (FAST)	73.01	41,786	42,100	7,347	1,706	1,529	1.66	5.7x	24.7x	27.5x	NM	45.7%	23.2%
WESCO International, Inc. (WCC)	149.49	7,617	13,208	22,385	1,623	1,480	12.72	0.6x	8.1x	8.9x	11.7x	21.6%	7.3%
MSC Industrial Direct Co., Inc. (MSM)	100.94	5,693	6,281	4,006	553	476	4.96	1.6x	11.4x	13.2x	20.4x	40.9%	13.8%
MRC Global Inc. (MRC)	11.53	973	1,718	3,412	227	187	1.12	0.5x	7.6x	9.2x	10.3x	20.2%	6.7%
Transcat, Inc. (TRNS)	105.16	928	915	251	33	20	1.34	3.7x	28.1x	45.7x	NM	31.5%	13.0%
Mean		\$17,478	\$19,087	\$8,980	\$1,161	\$1,050	\$8.64	2.5x	16.3x	20.6x	18.7x	33.2%	13.5%
Median		6,655	9,744	5,676	1,088	978	3.31	2.3x	14.6x	16.2x	16.1x	35.5%	13.4%
Industrial Recycling													
Veolia Environnement SA (ENXTPA:VIE)	\$30.97	\$22,149	\$43,721	\$50,128	\$5,869	\$3,108	\$0.90	0.9x	7.4x	14.1x	34.3x	16.5%	11.7%
Clean Harbors, Inc. (CLH)	182.10	9,823	11,892	5,409	978	612	5.82	2.2x	12.2x	19.4x	31.3x	30.7%	18.1%
Commercial Metals Company (CMC)	54.00	6,285	6,735	8,406	1,191	937	4.74	0.8x	5.7x	7.2x	11.4x	19.1%	14.2%
Aurubis AG (XTRA:NDA)	63.32	2,765	2,887	18,691	300	77	1.14	0.2x	9.6x	37.4x	NM	6.8%	1.6%
Dowa Holdings Co., Ltd. (TSE:5714)	34.90	2,078	2,232	5,241	397	217	2.98	0.4x	5.6x	10.3x	11.7x	10.9%	7.6%
Sims Limited (ASX:SGM)	7.96	1,536	1,973	5,705	61	(38)	0.15	0.3x	NM	NM	NM	9.4%	1.1%
Mean		\$7,439	\$11,573	\$15,597	\$1,466	\$819	\$2.62	0.8x	8.1x	17.7x	22.2x	15.6%	9.0%
Median		4,525	4,811	7,055	688	415	2.06	0.6x	7.4x	14.1x	21.5x	13.7%	9.6%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 29, 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 CMC (February 29, 2024); NVEE (December 30, 2023); KBR & J (December 29, 2023); TRNS (December 23, 2023); MSM (December 2, 2023); WG (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

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

Industrial & Technical Services

Selected Valuation Metrics (cont'd)

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/ Revenue EBITDA EBIT		Price/ EPS	Gross Profit	EBITDA	
Technical Services													
Jacobs Solutions Inc. (J)	\$146.65	\$18,427	\$21,561	\$16,713	\$1,482	\$1,196	\$4.88	1.3x	14.5x	18.0x	30.1x	21.2%	8.9%
AECOM (ACM)	88.83	12,083	13,928	14,896	998	828	1.43	0.9x	14.0x	16.8x	NM	6.5%	6.7%
Tetra Tech, Inc. (TTEK)	177.32	9,481	10,435	4,030	508	434	4.71	2.6x	20.5x	24.0x	37.6x	18.9%	12.6%
KBR, Inc. (KBR)	60.03	8,108	9,892	6,956	580	485	2.19	1.4x	17.1x	20.4x	27.4x	14.0%	8.3%
Fluor Corporation (FLR)	36.80	6,271	5,094	15,474	334	260	1.74	0.3x	15.3x	19.6x	21.2x	3.1%	2.2%
Primoris Services Corporation (PRIM)	39.51	2,111	3,212	5,715	366	259	2.11	0.6x	8.8x	12.4x	18.7x	10.3%	6.4%
John Wood Group PLC (LSE:WG.)	1.86	1,262	2,239	5,858	155	72	(0.02)	0.4x	14.4x	31.2x	NM	12.3%	2.6%
Balfour Beatty plc (LSE:BBY)	4.29	2,271	1,880	10,181	224	171	0.31	0.2x	8.4x	11.0x	13.6x	5.0%	2.2%
NV5 Global, Inc. (NVEE)	101.71	1,619	1,829	862	115	57	1.80	2.1x	15.8x	31.8x	NM	49.9%	13.4%
Mean		\$6,848	\$7,785	\$8,965	\$529	\$418	\$2.13	1.1x	14.3x	20.6x	24.8x	15.7%	7.0%
Median		6,271	5,094	6,956	366	260	1.80	0.9x	14.5x	19.6x	24.3x	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 February 29, 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 CMC (February 29, 2024); NVEE (December 30, 2023); KBR & J (December 29, 2023); TRNS (December 23, 2023); MSM (December 2, 2023); WG (June 30, 2023).

(4) Excludes non-recurring and discontinued operations.

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

Industrial & Technical Services

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
Feb 06	HEPACO, LLC	Provides environmental and emergency services in the Eastern United States.	Clean Harbors, Inc. (NYSE:CLH)	\$ 400.0

ND – Not disclosed. Transaction values in millions.

Industrial & Technical Services

Selected News

AECOM (NYSE:ACM) reported first quarter net income of \$94.4 million for fiscal year 2024 as compared to \$87.9 million for the prior year period. Earnings per share were \$0.60 versus \$0.64 for the prior year period. Revenues for the quarter increased to \$3,899.9 million from \$3,382.4 million for the same period in fiscal year 2023.

Aurubis AG (XTRA:NDA) reported first quarter net income of \$64.1 million for fiscal year 2024 as compared to \$60.9 million for the prior year period. Earnings per share were \$1.14 versus \$1.09 for the prior year period. Revenues for the quarter decreased to \$4,313.0 million from \$4,382.8 million for the same period in fiscal year 2023.

Clean Harbors, Inc. (NYSE:CLH) reported net income of \$377.9 million for fiscal year 2023 as compared to \$411.7 million for the prior year. Earnings per share were \$5.82 versus \$6.07 for the prior year. Revenues for the year increased to \$5,409.2 million from \$5,166.6 million for fiscal year 2022.

Dowa Holdings Co., Ltd. (TSE:5714) reported third quarter net income of \$76.9 million for fiscal year 2024 as compared to \$34.4 million for the prior year period. Earnings per share were \$0.87 versus \$0.55 for the prior year period. Revenues for the quarter decreased to \$1,283.4 million from \$1,449.2 million for the same period in fiscal year 2023.

Fluor Corporation (NYSE:FLR) reported net income of \$139.0 million for fiscal year 2023 as compared to \$145.0 million for the prior year. Earnings per share were (\$0.54) versus (\$0.73) for the prior year. Revenues for the year increased to \$15,474.0 million from \$13,744.0 million for fiscal year 2022.

Jacobs Solutions Inc. (NYSE:J) reported first quarter net income of \$171.6 million for fiscal year 2024 as compared to \$135.6 million for the prior year period. Earnings per share were \$1.06 versus \$1.01 for the prior year period. Revenues for the quarter increased to \$4,159.2 million from \$3,798.7 million for the same period in fiscal year 2023.

KBR, Inc. (NYSE:KBR) reported net income of (\$265.0) million for fiscal year 2023 as compared to \$190.0 million for the prior year. Earnings per share were \$1.96 versus \$1.26 for the prior year. Revenues for the year increased to \$6,956.0 million from \$6,564.0 million for fiscal year 2022.

MRC Global Inc. (NYSE:MRC) reported net income of \$114.0 million for fiscal year 2023 as compared to \$75.0 million for the prior year. Earnings per share were \$1.12 versus \$0.82 for the prior year. Revenues for the year increased to \$3,412.0 million from \$3,363.0 million for fiscal year 2022.

NV5 Global, Inc. (NYSE:NVEE) reported net income of \$44.6 million for fiscal year 2023 as compared to \$50.0 million for the prior year. Earnings per share were \$1.80 versus \$2.78 for the prior year. Revenues for the year increased to \$861.7 million from \$786.8 million for fiscal year 2022.

Sims Limited (ASX:SGM) reported second quarter net income of \$22.4 million for fiscal year 2024 as compared to \$34.3 million for the prior year period. Earnings per share were \$0.11 versus \$0.17 for the prior year period. Revenues for the quarter increased to \$1,406.9 million from \$1,305.5 million for the same period in fiscal year 2023.

Primoris Services Corporation (NYSE:PRIM) reported net income of \$126.1 million for fiscal year 2023 as compared to \$133.0 million for the prior year. Earnings per share were \$2.11 versus \$1.57 for the prior year. Revenues for the year increased to \$5,715.3 million from \$4,420.6 million for fiscal year 2022.

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

Source: S&P Capital IQ

Industrial & Technical Services

Selected News (cont'd)

Veolia Environnement SA (ENXTPA:VIE) reported net income of \$1,035.7 million for fiscal year 2023 as compared to \$765.0 million for the prior year. Earnings per share were \$0.90 versus \$0.95 for the prior year. Revenues for the year increased to \$50,128.2 million from \$45,832.3 million for fiscal year 2022.

W.W. Grainger, Inc. (NYSE:GWW) reported net income of \$1,829.0 million for fiscal year 2023 as compared to \$1,547.0 million for the prior year. Earnings per share were \$30.03 versus \$25.21 for the prior year. Revenues for the year increased to \$16,478.0 million from \$15,228.0 million for fiscal year 2022.

WESCO International, Inc. (NYSE:WCC) reported net income of \$765.5 million for fiscal year 2023 as compared to \$860.5 million for the prior year. Earnings per share were \$12.72 versus \$14.45 for the prior year. Revenues for the year increased to \$22,385.2 million from \$21,420.1 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

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

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

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C o n t a c t u s

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