



Mufson Howe Hunter

Manufacturing Update

June 2024

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

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

Macro-Economic Trends

	Apr-24	May-24	Trend
PMI	49.2	48.7	Negative
Total Unemployment	3.9	4.0	Negative
CPI Monthly Change	0.3	0.0	Positive
PPI Monthly Change	0.5	-0.2	Positive
Industrial Production	102.8	103.3	Positive
Capacity Utilization	78.4	78.7	Positive
Manufacturing Production	99.4	99.8	Positive
Manufacturing Utilization	76.9	77.1	Positive

Sector Index Performance

	3-Year	LTM	3-Month
Aerospace & Defense	17.8%	18.1%	5.7%
Components & Materials	-19.5%	15.2%	6.5%
Industrial Equipment	37.5%	39.8%	2.7%
Industrial & Technical Services	36.5%	27.7%	1.3%
NASDAQ	21.8%	29.4%	4.0%
S&P 500	24.6%	26.3%	3.6%

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

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

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

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

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

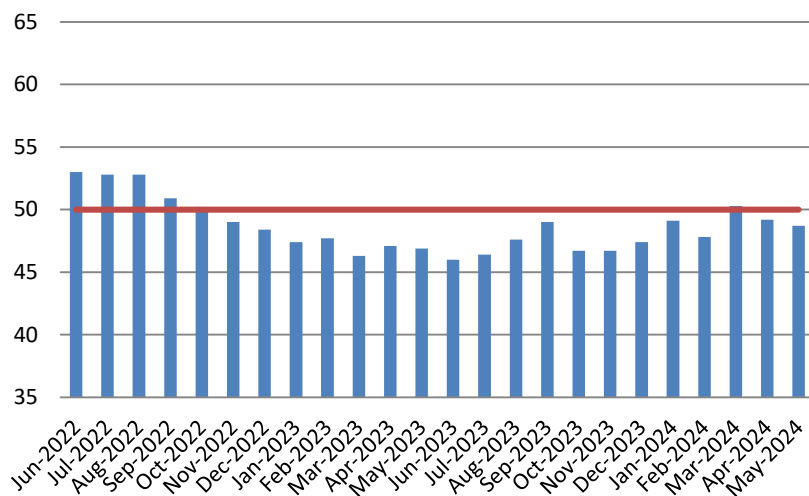
The companies that comprise each Index can change periodically as a result of a variety of reasons, including mergers, acquisitions, initial public offerings, and other transactions; therefore, comparisons to historical time periods and historical performance for each Index may not entirely correspond and correlate to the Index's current performance. In addition, historical performance is not a guarantee or prediction of future results. The information and statistical data contained herein have been obtained from sources that Mufson Howe Hunter believes are reliable, but Mufson Howe Hunter makes no representation or warranty as to the accuracy or completeness of any such information and data and expressly disclaims any and all liability relating to or resulting from your use of these materials. The information and data contained herein are current and only as of the date(s) indicated and Mufson Howe Hunter has no intention, obligation, or duty to update these materials after such date(s). ***These materials do not constitute an offer to sell or the solicitation of an offer to buy any securities.*** Copyright © 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 0.5% in May, contracting for the second consecutive month and the 18th time in the last 19 months.

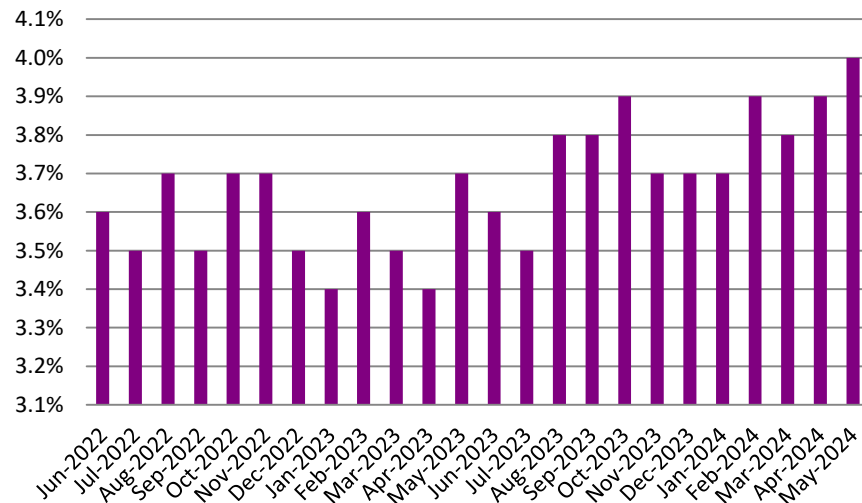
Production, Prices, Employment, Exports and Imports experienced expansion during May 2024.

Whereas New Orders, Supplier Deliveries, Inventories and Backlog contracted during May 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

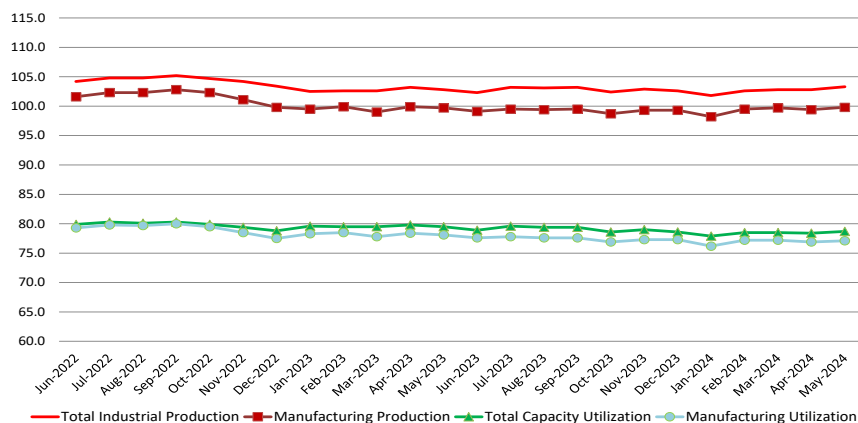
The unemployment rate changed little at 4.0% and the number of unemployed people currently sits at 6.6 million in May. Notable job gains occurred in Health Care, Government, Leisure & Hospitality, Social Assistance and Retail.

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

Industrial Production and Capacity Utilization

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

Industrial Production and Capacity Utilization - United States (Monthly)



Source: United States Federal Reserve

Commentary

Industrial Production rose 0.9% month-over-month (i.e., red line) in May while Manufacturing output posted a similar gain of 0.9% after declining in the previous two months (i.e., boxed red line). The Mining Index rose 0.3%, and the Utilities Index rose 1.6%. Total Industrial Production in May was 0.4% higher than its year-earlier level. Capacity Utilization moved up in May to 78.7%, a rate however, that is 0.9% below its long-run average. Manufacturing Utilization increased as well, reaching 77.1%.

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 did not change in May on a seasonally adjusted basis. Consumer prices for all items (except food and energy) rose 3.4% over the past 12 months; the CPI All Items index increased 3.3% for the 12 months ended in May. The Producer Price Index for final demand declined by 0.2% in May; furthermore, final demand prices rose by 2.2% during the 12 months ended in May.

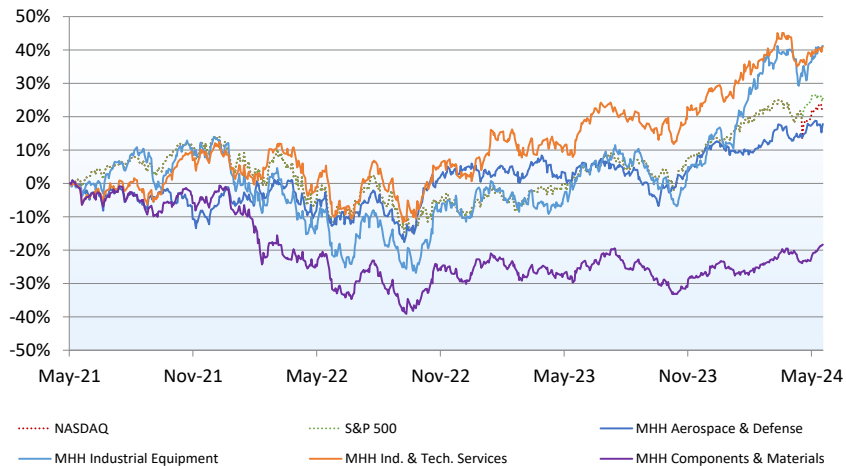
Sector Index Performance

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

Last Three Years

Daily from May 31, 2021 to May 31, 2024

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

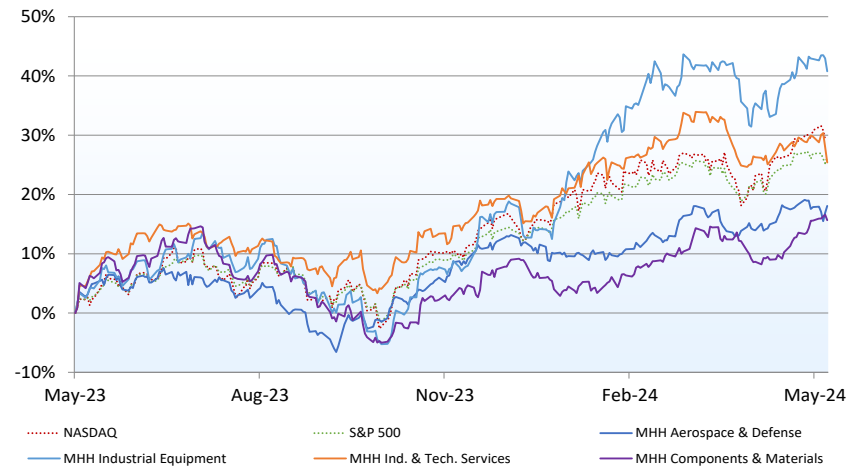


Comparative Index ^(a) Performance (Last Twelve Months)

Last Twelve Months

Daily from May 31, 2023 to May 31, 2024

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



Price Appreciation

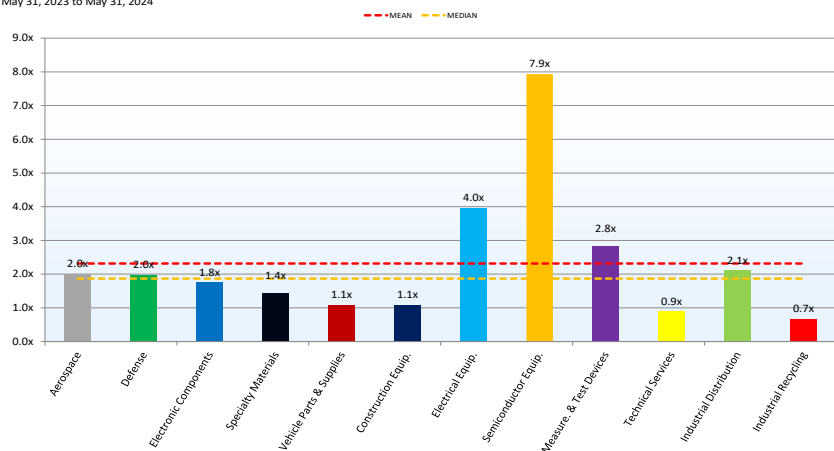
	3-Year	LTM	3-Month
MHH Aerospace & Defense	17.8%	18.1%	5.7%
MHH Components & Materials	-19.5%	15.2%	6.5%
MHH Industrial Equipment	37.5%	39.8%	2.7%
MHH Industrial & Technical Services	36.5%	27.7%	1.3%
NASDAQ	21.8%	29.4%	4.0%
S&P 500	24.6%	26.3%	3.6%

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

Subsector Statistics

Comparative Subsector LTM EV/Revenue

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

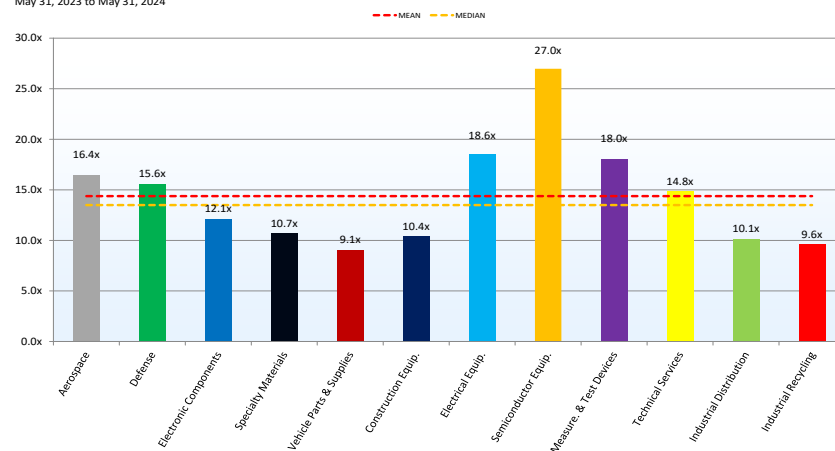


Commentary

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 1.9x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 7.9x and Industrial Recycling had the lowest multiple at 0.7x.

Comparative Subsector LTM EV/EBITDA

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



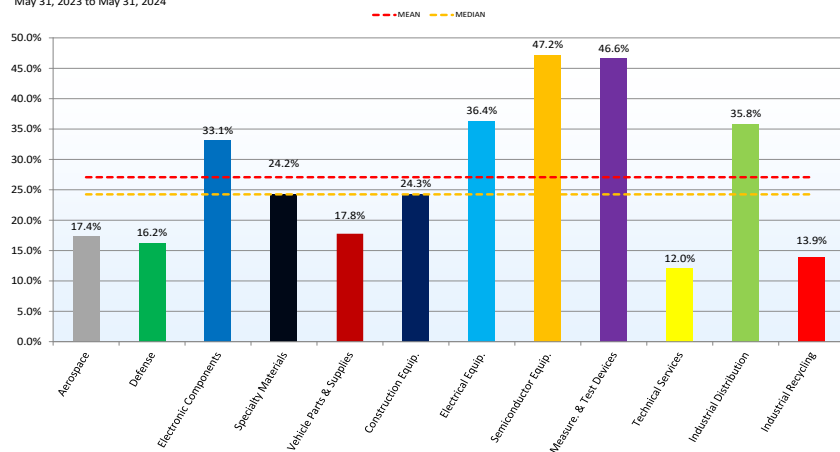
Commentary

During the last twelve months, our subsector indices had a mean EV/EBITDA of 14.4x (i.e., red dashed line) and a median of 13.5x (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest multiple at 27.0x and Vehicle Parts & Supplies had the lowest multiple at 9.1x.

Subsector Statistics (cont'd.)

Comparative Subsector LTM Gross Margin

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

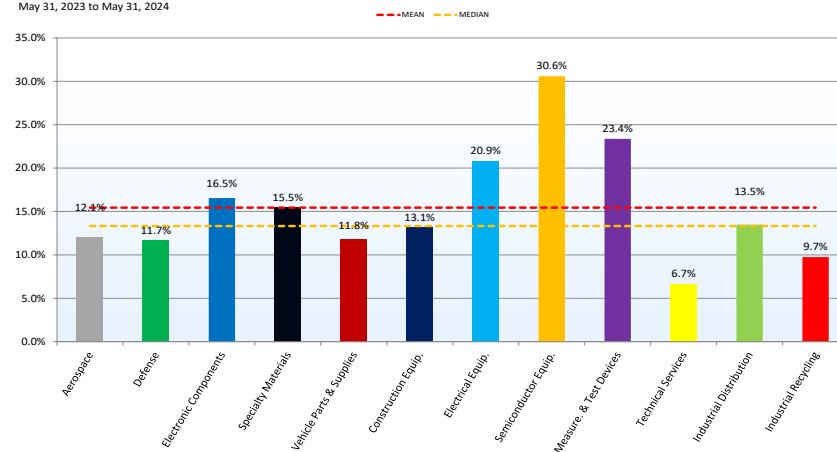


Commentary

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 24.3% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest margin at 47.2%, and Technical Services had the lowest margin at 12.0%.

Comparative Subsector LTM EBITDA Margin

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



Commentary

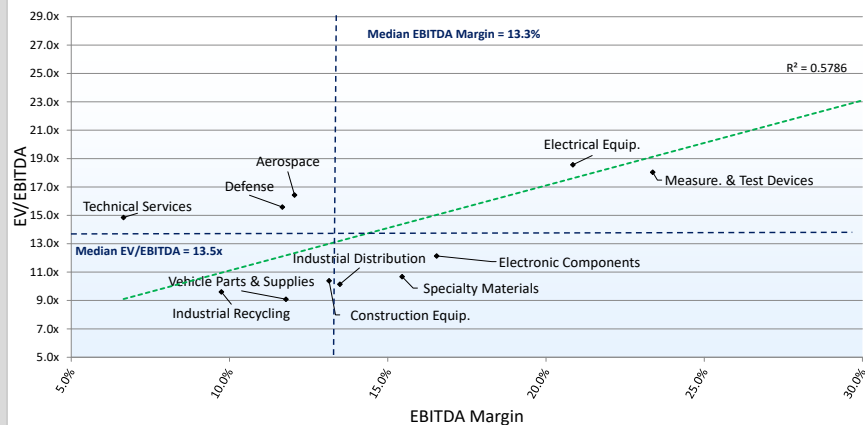
During the last twelve months, our subsector indices had a mean EBITDA Margin of 15.4% (i.e., red dashed line) and a median of 13.3% (i.e., yellow dashed line). Of the subsectors, Semiconductor Equipment had the highest margin at 30.6% and Technical Services had the lowest margin at 6.7%.

Subsector Trading Multiples & Margins

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

Index Subsector LTM EV/EBITDA vs EBITDA Margin

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

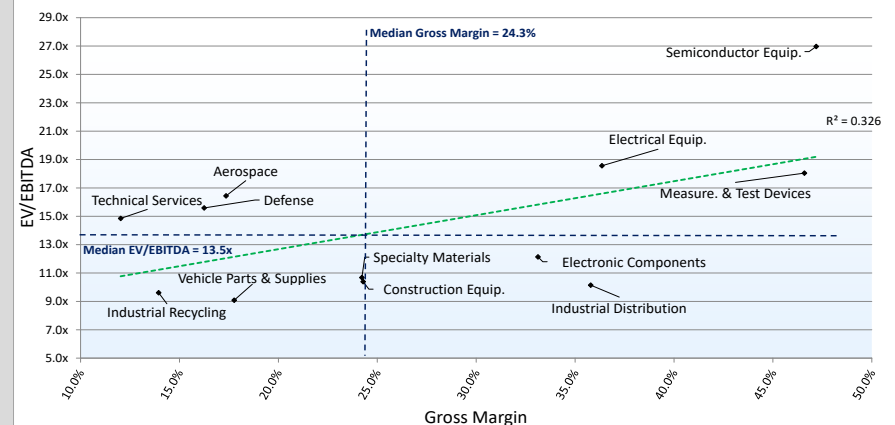


*Upper Right ("Northeast") Quadrant: Leaders; Lower Left ("Southwest") Quadrant: Laggards

*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
May 31, 2023 to May 31, 2024



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

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

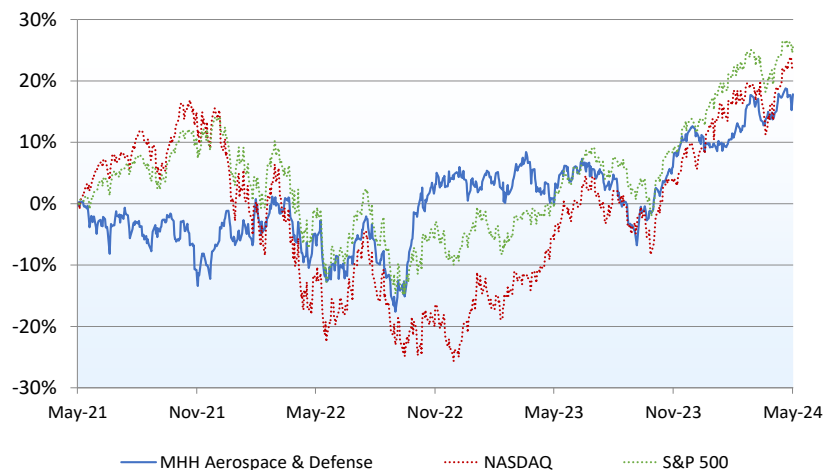
Comparative Index Performance

The MHH Aerospace & Defense Index^(a) increased by 5.7% during the three months ending May 31, 2024.

Last Three Years

Daily from May 31, 2021 to May 31, 2024

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



Last Twelve Months

Daily from May 31, 2023 to May 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Aerospace & Defense ^(a)	17.8%	18.1%	5.7%
NASDAQ	21.8%	29.4%	4.0%
S&P 500	24.6%	26.3%	3.6%

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

Aerospace & Defense

Selected Valuation Metrics

(\$ 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)	\$107.81	\$143,101	\$183,400	\$71,011	\$9,346	\$5,110	\$1.58	2.58x	19.6x	35.9x	NM	17.0%	13.2%
The Boeing Company (BA)	177.61	109,032	149,436	76,442	2,675	\$829	(0.36)	1.95x	NM	NM	NM	11.5%	3.5%
Honeywell International Inc. (HON)	202.19	131,663	146,610	36,903	8,921	\$7,737	6.83	3.97x	16.4x	18.9x	29.6x	37.5%	24.2%
Airbus SE (ENXTPA:AIR)	169.07	133,643	130,844	71,759	6,773	\$4,747	4.59	1.82x	19.3x	27.6x	36.8x	15.5%	9.4%
Rolls-Royce Holdings plc (LSE:RR.)	5.77	48,250	50,958	20,999	2,955	\$2,334	0.18	2.43x	17.2x	21.8x	31.4x	22.1%	14.1%
Thales S.A. (ENXTPA:HO)	180.73	37,351	42,224	20,370	2,638	\$1,742	5.59	2.07x	16.0x	24.2x	32.3x	25.9%	12.9%
Textron Inc. (TXT)	87.61	16,707	19,227	13,794	1,688	\$1,297	3.89	1.39x	11.4x	14.8x	22.5x	16.6%	12.2%
Embraer S.A. (BOVESPA:EMBR3)	6.91	5,078	6,507	5,350	429	\$339	0.23	1.22x	15.2x	19.2x	30.4x	17.7%	8.0%
Mean		\$78,103	\$91,151	\$39,578	\$4,428	\$3,017	\$2.82	2.18x	16.5x	23.2x	30.5x	20.5%	12.2%
Median		78,641	90,901	28,951	2,815	2,038	2.74	2.01x	16.4x	21.8x	30.9x	17.4%	12.6%
Defense													
Lockheed Martin Corporation (LMT)	\$470.34	\$112,853	\$129,481	\$69,640	\$10,154	\$8,961	\$20.49	1.86x	12.8x	14.4x	23.0x	12.2%	14.6%
General Dynamics Corporation (GD)	299.77	82,114	92,141	43,122	4,790	3,942	9.23	2.14x	19.2x	23.4x	32.5x	15.8%	11.1%
Northrop Grumman Corporation (NOC)	450.77	66,709	81,459	40,122	4,144	2,805	9.86	2.03x	19.7x	29.0x	NM	16.7%	10.3%
BAE Systems plc (BA.)	17.71	53,302	56,805	29,396	3,595	3,007	0.56	1.93x	15.8x	18.9x	31.8x	65.4%	12.2%
L3Harris Technologies, Inc. (LHX)	224.83	42,646	55,941	20,159	3,640	2,404	6.12	2.77x	15.4x	23.3x	36.8x	26.3%	18.1%
Huntington Ingalls Industries, Inc. (HII)	253.10	9,981	12,626	11,585	1,132	792	11.48	1.09x	11.2x	15.9x	22.0x	14.4%	9.8%
Mean		\$61,267	\$71,409	\$35,671	\$4,576	\$3,652	\$9.62	1.97x	15.7x	20.8x	29.2x	25.1%	12.7%
Median		60,006	69,132	34,759	3,892	2,906	9.54	1.98x	15.6x	21.1x	31.8x	16.2%	11.7%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

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

(4) Excludes non-recurring and discontinued operations.

Announced	Target	Target Description	Acquirer	Value
May 30	Lockhead Martin Commercial Engine Solutions	Provides engine modification, repair, and overhaul services. The company was founded in 1997 and is based in Montreal, Canada. Lockheed Martin Commercial Engine Solutions operates as a subsidiary of Lockheed Martin Corporation (NYSE:LMT).	FTAI Aviation Ltd. (NasdaqGS:FTAI)	\$170.0

Transaction values in millions.

Airbus SE (ENXTPA:AIR) reported first quarter net income of \$641.9 million for fiscal year 2024 as compared to \$506.3 million for the prior year period. Earnings per share were \$0.78 versus \$0.50 for the prior year period. Revenues for the quarter increased to \$13,841.8 million from \$12,780.3 million for the same period in fiscal year 2023.

General Dynamics Corporation (NYSE:GD) reported first quarter net income of \$799.0 million for fiscal year 2024 as compared to \$730.0 million for the prior year period. Earnings per share were \$2.18 versus \$1.99 for the prior year period. Revenues for the quarter increased to \$10,731.0 million from \$9,881.0 million for the same period in fiscal year 2023.

Honeywell International Inc. (NasdaqGS:HON) reported first quarter net income of \$1,463.0 million for fiscal year 2024 as compared to \$1,394.0 million for the prior year period. Earnings per share were \$1.78 versus \$1.63 for the prior year period. Revenues for the quarter increased to \$9,105.0 million from \$8,864.0 million for the same period in fiscal year 2023.

L3Harris Technologies, Inc. (NYSE:LHX) reported first quarter net income of \$283.0 million for fiscal year 2024 as compared to \$337.0 million for the prior year period. Earnings per share were \$1.49 versus \$1.41 for the prior year period. Revenues for the quarter increased to \$5,211.0 million from \$4,471.0 million for the same period in fiscal year 2023.

Lockheed Martin Corporation (NYSE:LMT) reported first quarter net income of \$1,545.0 million for fiscal year 2024 as compared to \$1,689.0 million for the prior year period. Earnings per share were \$4.73 versus \$4.80 for the prior year period. Revenues for the quarter increased to \$17,195.0 million from \$15,126.0 million for the same period in fiscal year 2023.

Northrop Grumman Corporation (NYSE:NOC) reported first quarter net income of \$944.0 million for fiscal year 2024 as compared to \$842.0 million for the prior year period. Earnings per share were \$4.73 versus \$4.07 for the prior year period. Revenues for the quarter increased to \$10,133.0 million from \$9,301.0 million for the same period in fiscal year 2023.

RTX Corporation (NYSE:RTX) reported first quarter net income of \$1,709.0 million for fiscal year 2024 as compared to \$1,426.0 million for the prior year period. Earnings per share were \$0.65 versus \$0.73 for the prior year period. Revenues for the quarter increased to \$19,305.0 million from \$17,214.0 million for the same period in fiscal year 2023.

Textron Inc. (NYSE:TXT) reported first quarter net income of \$201.0 million for fiscal year 2024 as compared to \$191.0 million for the prior year period. Earnings per share were \$0.81 versus \$0.69 for the prior year period. Revenues for the quarter increased to \$3,135.0 million from \$3,024.0 million for the same period in fiscal year 2023.

The Boeing Company (NYSE:BA) reported first quarter net income of (\$343.0) million for fiscal year 2024 as compared to (\$414.0) million for the prior year period. Earnings per share were (\$0.28) versus \$0.06 for the prior year period. Revenues for the quarter decreased to \$16,569.0 million from \$17,921.0 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

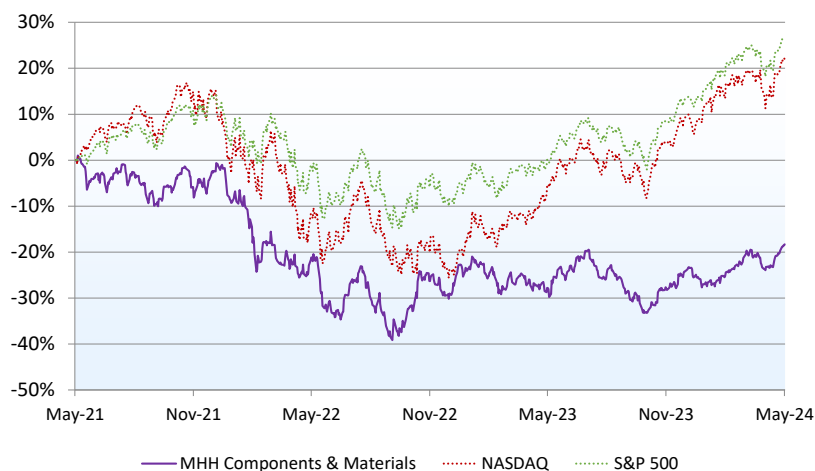
Comparative Index Performance

The MHH Components & Materials index^(a) increased by 6.5% during the three months ending May 31, 2024.

Last Three Years

Daily from May 31, 2021 to May 31, 2024

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



Last Twelve Months

Daily from May 31, 2023 to May 31, 2024

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



Price Appreciation

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S&P 500	24.6%	26.3%	3.6%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Component & Materials index is comprised of all companies listed on the following two 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 Corporation (APH)	\$66.19	\$79,502	\$81,931	\$12,837	\$3,095	\$2,682	\$1.28	6.38x	NM	30.6x	NM	32.9%	24.1%
TE Connectivity Ltd. (TEL)	149.70	45,842	49,010	15,831	3,617	2,831	5.66	3.10x	13.6x	17.3x	26.5x	33.3%	22.8%
Corning Incorporated (GLW)	37.26	31,918	39,177	12,385	2,650	1,285	0.91	3.16x	14.8x	30.5x	NM	33.9%	21.4%
OMRON Corporation (TSE:6645)	32.68	6,418	7,652	5,413	431	227	0.37	1.41x	17.8x	33.7x	NM	42.3%	8.0%
Belden Inc. (BDC)	95.69	3,893	4,701	2,406	387	293	3.84	1.95x	12.1x	16.0x	24.9x	37.9%	16.1%
Encore Wire Corporation (WIRE)	288.73	4,559	3,945	2,540	413	380	15.42	1.55x	9.6x	10.4x	18.7x	23.1%	16.3%
Vishay Intertechnology, Inc. (VSH)	23.63	3,243	3,365	3,277	552	361	1.66	1.03x	6.1x	9.3x	14.2x	26.4%	16.8%
Alps Alpine Co., Ltd. (TSE:6770)	9.41	1,934	1,987	6,374	394	120	0.49	0.31x	5.0x	16.6x	19.2x	17.2%	6.2%
Mean		\$22,164	\$23,971	\$7,633	\$1,442	\$1,283	\$3.70	2.36x	11.3x	20.5x	20.7x	30.9%	16.5%
Median		5,489	6,177	5,894	491	832	1.47	1.75x	12.1x	16.9x	19.2x	33.1%	16.5%
Specialty Materials													
BASF SE (DE:BAS)	\$52.50	\$46,857	\$69,958	\$71,706	\$6,565	\$2,936	\$1.28	0.98x	10.7x	23.8x	NM	24.2%	9.2%
3M Company (MMM)	100.14	55,414	66,766	32,653	8,146	6,195	6.24	2.04x	8.2x	10.8x	16.0x	44.6%	24.9%
Dow Inc. (DOW)	57.63	40,526	54,338	43,536	5,087	2,474	1.42	1.25x	10.7x	22.0x	NM	11.3%	11.7%
DuPont de Nemours, Inc. (DD)	82.16	34,351	41,166	11,981	2,837	1,676	1.93	3.44x	14.5x	24.6x	NM	35.4%	23.7%
PPG Industries, Inc. (PPG)	131.41	30,929	36,850	18,177	2,809	2,243	5.47	2.03x	13.1x	16.4x	24.0x	42.0%	15.5%
Celanese Corporation (CE)	152.04	16,606	29,422	10,698	1,821	1,101	4.44	2.75x	16.2x	26.7x	34.2x	23.6%	17.0%
Akzo Nobel N.V. (ENXTAM:AKZA)	69.56	11,869	16,493	11,491	1,510	1,230	3.39	1.44x	10.9x	13.4x	20.5x	40.7%	13.1%
Evonik Industries AG (DE:EVK)	21.87	10,193	14,059	16,246	2,068	836	0.78	0.87x	6.8x	16.8x	27.9x	23.4%	12.7%
Solvay SA (ENXTBR:SOLB)	36.47	3,830	5,615	6,009	1,386	765	4.28	0.93x	4.1x	7.3x	8.5x	22.3%	23.1%
Mean		\$27,842	\$37,185	\$24,722	\$3,581	\$1,475	\$3.25	1.75x	10.6x	18.2x	21.9x	29.7%	16.8%
Median		30,929	36,850	16,246	2,809	1,230	3.39	1.44x	10.7x	16.8x	22.3x	24.2%	15.5%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

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

(4) Excludes non-recurring and discontinued operations.

Components & Materials

Selected Valuation Metrics (cont'd.)

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

(\$ in USD millions, except per share data)	Market & Capitalization			LTM Performance ⁽³⁾				Valuation			Margins		
Company	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross	EBITDA	
								Revenue	EBITDA	EBIT	EPS		Profit
Vehicle Parts and Supplies													
Johnson Controls International plc (JCI)	\$71.91	\$48,444	\$60,863	\$26,832	\$2,963	\$2,057	\$1.54	2.27x	20.5x	29.6x	NM	32.8%	11.0%
DENSO Corporation (TSE:6902)	16.18	47,082	48,817	47,236	4,991	2,516	0.51	1.03x	9.8x	19.4x	31.7x	15.3%	10.6%
Aptiv PLC (APTV)	83.26	22,652	28,780	20,134	2,871	1,953	3.19	1.43x	10.0x	14.7x	26.1x	17.8%	14.3%
Continental Aktiengesellschaft (DB:CON)	67.32	13,500	19,869	44,128	3,577	1,631	4.04	0.45x	5.6x	12.2x	16.7x	20.7%	8.1%
Autoliv, Inc. (ALV)	127.57	10,381	12,140	10,597	1,336	954	6.57	1.15x	9.1x	12.7x	19.4x	17.8%	12.6%
Bosch Limited (BSE:500530)	363.96	10,734	10,333	2,008	251	200	5.95	5.15x	NM	51.7x	NM	35.2%	12.5%
Lear Corporation (LEA)	125.35	7,118	9,746	23,616	1,672	1,061	8.91	0.41x	5.8x	9.2x	14.1x	7.8%	7.1%
Stanley Electric Co., Ltd. (TSE:6923)	18.35	2,944	2,182	3,123	482	237	0.94	0.70x	4.5x	9.2x	19.5x	17.5%	15.4%
Mean		\$20,357	\$24,091	\$22,209	\$2,268	\$1,326	\$3.95	1.57x	9.3x	19.8x	21.2x	20.6%	11.5%
Median		12,117	16,005	21,875	2,271	1,346	3.61	1.09x	9.1x	13.7x	19.4x	17.8%	11.8%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

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

(4) Excludes non-recurring and discontinued operations.

Components & Materials

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
May 02	Motional Ad LLC	Engages in the research, development, manufacturing, and commercialization of autonomous vehicles that perform all driving tasks.	Hyundai Motor Company (KOSE:A005380)	\$448.0
May 02	Precision Optical Transceivers, Inc.	Manufactures and markets optical transceivers and related active/passive optical components. Additionally, it offers system engineering, optical monitoring, remote assistance, and transceiver tuning services.	Belden Inc. (NYSE:BDC)	\$290.0

ND – Not disclosed. Transaction values in millions.

3M Company (NYSE:MMM) reported first quarter net income of \$928.0 million for fiscal year 2024 as compared to \$976.0 million for the prior year period. Earnings per share were \$1.90 versus \$1.51 for the prior year period. Revenues for the quarter decreased to \$8,003.0 million from \$8,031.0 million for the same period in fiscal year 2023.

Akzo Nobel N.V. (ENXTAM:AKZA) reported first quarter net income of \$195.3 million for fiscal year 2024 as compared to \$102.1 million for the prior year period. Earnings per share were \$0.91 versus \$0.53 for the prior year period. Revenues for the quarter decreased to \$2,848.2 million from \$2,886.8 million for the same period in fiscal year 2023.

Amphenol Corporation (NYSE:APH) reported first quarter net income of \$548.7 million for fiscal year 2024 as compared to \$439.2 million for the prior year period. Earnings per share were \$0.33 versus \$0.28 for the prior year period. Revenues for the quarter increased to \$3,256.3 million from \$2,974.0 million for the same period in fiscal year 2023.

Autoliv, Inc. (NYSE:ALV) reported first quarter net income of \$126.0 million for fiscal year 2024 as compared to \$74.0 million for the prior year period. Earnings per share were \$1.30 versus \$0.78 for the prior year period. Revenues for the quarter increased to \$2,615.0 million from \$2,493.0 million for the same period in fiscal year 2023.

BASF SE (DE:BAS) reported first quarter net income of \$1,475.9 million for fiscal year 2024 as compared to \$1,697.1 million for the prior year period. Earnings per share were \$1.30 versus \$1.43 for the prior year period. Revenues for the quarter decreased to \$18,937.3 million from \$21,719.9 million for the same period in fiscal year 2023.

Corning Incorporated (NYSE:GLW) reported first quarter net income of \$209.0 million for fiscal year 2024 as compared to \$176.0 million for the prior year period. Earnings per share were \$0.20 versus \$0.15 for the prior year period. Revenues for the quarter decreased to \$2,975.0 million from \$3,178.0 million for the same period in fiscal year 2023.

DENSO Corporation (TSE:6902) reported net income of \$2,068.0 million for fiscal year 2024 as compared to \$2,366.8 million for the prior year. Earnings per share were \$0.51 versus \$0.63 for the prior year. Revenues for the year decreased to \$47,236.3 million from \$48,154.1 million for fiscal year 2023.

Dow Inc. (NYSE:DOW) reported first quarter net income of \$516.0 million for fiscal year 2024 as compared to (\$93.0) million for the prior year period. Earnings per share were \$0.40 versus \$0.45 for the prior year period. Revenues for the quarter decreased to \$10,765.0 million from \$11,851.0 million for the same period in fiscal year 2023.

Encore Wire Corporation (NasdaqGS:WIRE) reported first quarter net income of \$63.3 million for fiscal year 2024 as compared to \$119.5 million for the prior year period. Earnings per share were \$3.18 versus \$5.29 for the prior year period. Revenues for the quarter decreased to \$632.7 million from \$660.5 million for the same period in fiscal year 2023.

Lear Corporation (NYSE:LEA) reported first quarter net income of \$109.6 million for fiscal year 2024 as compared to \$143.6 million for the prior year period. Earnings per share were \$2.14 versus \$2.04 for the prior year period. Revenues for the quarter increased to \$5,994.6 million from \$5,845.5 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

Components & Materials

Selected News (cont'd.)

PPG Industries, Inc. (NYSE:PPG) reported first quarter net income of \$400.0 million for fiscal year 2024 as compared to \$264.0 million for the prior year period. Earnings per share were \$1.41 versus \$1.37 for the prior year period. Revenues for the quarter decreased to \$4,311.0 million from \$4,380.0 million for the same period in fiscal year 2023.

Stanley Electric Co., Ltd. (TSE:6923) reported net income of \$175.2 million for fiscal year 2024 as compared to \$199.3 million for the prior year. Earnings per share were \$0.94 versus \$0.93 for the prior year. Revenues for the year decreased to \$3,123.2 million from \$3,293.3 million for fiscal year 2023.

TE Connectivity Ltd. (NYSE:TEL) reported second quarter net income of \$541.0 million for fiscal year 2024 as compared to \$433.0 million for the prior year period. Earnings per share were \$1.46 versus \$1.28 for the prior year period. Revenues for the quarter decreased to \$3,967.0 million from \$4,160.0 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

Comparative Index Performance

The MHH Industrial Equipment index^(a) increased by 2.7% during the three months May 31, 2024.

Last Three Years

Daily from May 31, 2021 to May 31, 2024

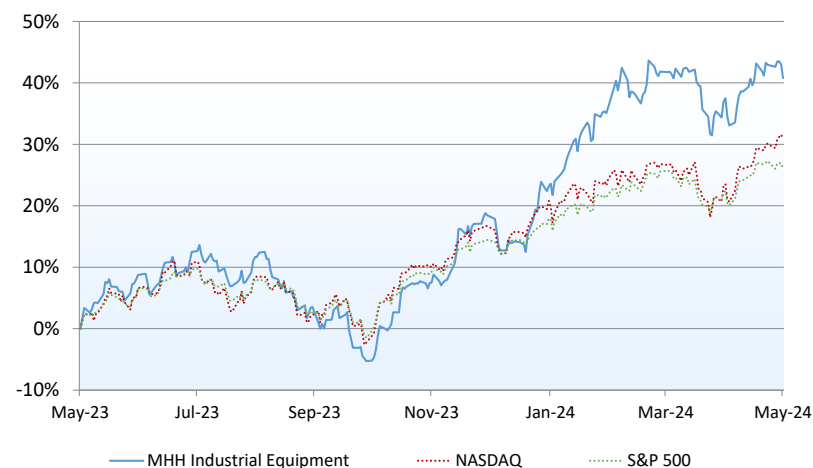
Price as Percent of Base (May 31, 2021 = 0%)



Last Twelve Months

Daily from May 31, 2023 to May 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial Equipment ^(a)	37.5%	39.8%	2.7%
NASDAQ	21.8%	29.4%	4.0%
S&P 500	24.6%	26.3%	3.6%

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

Industrial Equipment

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation				Margins	
	Equity		Enterprise					Enterprise Value/		Price/		Gross	
	Price ⁽¹⁾	Value	Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Construction Equipment													
Caterpillar Inc. (CAT)	\$338.52	\$165,554	\$199,050	\$66,997	\$15,932	\$13,871	\$17.23	2.97x	12.5x	14.4x	19.7x	32.3%	23.8%
Deere & Company (DE)	374.76	103,273	166,147	58,604	15,472	14,415	26.07	2.84x	10.7x	11.5x	14.4x	34.8%	26.4%
Cummins Inc. (CMI)	281.73	38,535	43,938	34,015	4,373	3,340	14.54	1.29x	10.0x	13.2x	19.4x	24.3%	12.9%
Oshkosh Corporation (OSK)	113.73	7,438	8,608	9,934	1,159	983	8.86	0.87x	7.4x	8.8x	12.8x	18.3%	11.7%
HD Korea Shipbuilding & Offshore Engineering Co., Ltd. (KOSE:A009540)	94.29	6,668	7,586	16,347	702	343	3.57	0.46x	10.8x	22.1x	26.4x	NM	4.3%
Terex Corporation (TEX)	59.67	4,016	4,375	5,208	700	641	5.34	0.84x	6.3x	6.8x	11.2x	22.9%	13.4%
Mean		\$54,247	\$71,617	\$31,851	\$6,390	\$5,599	\$12.60	1.54x	9.6x	12.8x	17.3x	26.5%	15.4%
Median		22,987	26,273	25,181	2,766	2,162	11.70	1.08x	10.4x	12.3x	16.9x	24.3%	13.1%
Electrical Equipment													
Schneider Electric S.E. (ENXTPA:SU)	\$246.67	\$138,034	\$150,120	\$39,684	\$7,499	\$6,570	\$6.45	3.78x	20.0x	22.8x	38.3x	41.8%	18.9%
Eaton Corporation plc (ETN)	332.85	133,073	140,454	23,656	5,050	4,137	6.32	5.94x	27.8x	34.0x	NM	37.1%	21.3%
Emerson Electric Co. (EMR)	112.16	64,156	79,154	16,529	4,658	3,371	3.00	4.79x	17.0x	23.5x	37.4x	51.0%	28.2%
AMETEK, Inc. (AME)	169.58	39,253	42,046	6,736	2,074	1,721	4.34	6.24x	20.3x	24.4x	39.1x	35.6%	30.8%
Rockwell Automation, Inc. (ROK)	257.53	29,359	33,160	8,980	1,828	1,551	8.63	3.69x	18.1x	21.4x	29.9x	40.1%	20.4%
Hubbell Incorporated (HUBB)	388.89	20,878	22,754	5,487	1,199	1,029	11.05	4.15x	19.0x	22.1x	35.2x	34.6%	21.8%
Regal Rexnord Corporation (RRX)	149.54	9,947	15,914	6,574	1,247	722	2.68	2.42x	12.8x	22.1x	NM	34.6%	19.0%
Powell Industries, Inc. (POWL)	179.86	2,156	1,792	850	124	117	6.70	2.11x	14.4x	15.4x	26.9x	24.2%	14.6%
Mean		\$54,607	\$60,674	\$13,562	\$2,960	\$2,402	\$6.14	4.14x	18.7x	23.2x	34.4x	37.4%	21.9%
Median		34,306	37,603	7,858	1,951	1,636	6.38	3.97x	18.6x	22.5x	36.3x	36.4%	20.9%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

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

(4) Excludes non-recurring and discontinued operations.

Industrial Equipment

Selected Valuation Metrics (cont'd.)

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation				Margins	
	Price ⁽¹⁾	Equity	Enterprise	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/	Gross	Profit	EBITDA
		Value	Value ⁽²⁾					Revenue	EBITDA				
Measurement, Control, and Testing Devices													
Danaher Corporation (DHR)	\$256.80	\$190,208	\$202,445	\$23,737	\$7,417	\$5,200	\$4.38	8.53x	27.3x	38.9x	NM	58.9%	31.2%
Entegris, Inc. (ENTG)	126.35	19,053	22,939	3,373	881	503	0.93	6.80x	26.0x	NM	NM	42.9%	26.1%
MKS Instruments, Inc. (MKS)	126.59	8,506	12,641	3,696	882	504	1.28	3.42x	14.3x	NM	NM	46.6%	23.9%
Onto Innovation Inc. (ONTO)	216.70	10,678	9,955	846	193	127	1.87	NM	NM	NM	NM	51.1%	22.9%
Nova Ltd. (NVMI)	208.65	6,061	5,613	528	151	134	3.06	NM	NM	NM	NM	56.7%	28.5%
FormFactor, Inc. (FORM)	54.72	4,223	3,919	664	48	13	0.17	5.90x	NM	299.6x	NM	39.3%	7.3%
Axcelis Technologies, Inc. (ACLS)	112.49	3,660	3,204	1,129	279	271	5.38	2.84x	11.5x	11.8x	20.9x	44.6%	24.7%
Azenta, Inc. (NasdaqGS:AZTA)	50.51	2,723	1,833	652	16	(72)	(0.30)	2.81x	NM	NM	NM	40.7%	2.4%
Cohu, Inc. (COHU)	32.24	1,518	1,283	565	59	8	0.15	2.27x	21.8x	158.3x	NM	47.1%	10.4%
FARO Technologies, Inc. (FARO)	18.73	360	348	358	(1)	(16)	(0.68)	0.97x	NM	NM	NM	49.7%	NM
Mean		\$6,309	\$6,860	\$1,312	\$279	\$667	\$1.32	3.57x	18.4x	156.6x	20.9x	46.5%	18.3%
Median		4,223	3,919	664	151	130	0.93	2.84x	18.0x	158.3x	20.9x	46.6%	23.4%
Semiconductor Capital Equipment													
ASML Holding N.V. (ASML)	\$944.37	\$371,162	\$370,301	\$28,161	\$9,633	\$8,878	\$14.49	NM	NM	NM	NM	51.4%	34.2%
Applied Materials, Inc. (AMAT)	215.08	178,081	176,522	26,501	8,105	7,652	5.91	6.66x	21.8x	NM	36.4x	47.2%	30.6%
Lam Research Corporation (LRCX)	932.44	121,908	121,219	14,241	4,423	4,062	19.48	8.51x	27.4x	NM	NM	47.2%	31.1%
KLA Corporation (KLAC)	759.53	102,263	104,792	9,599	3,885	3,480	15.13	NM	27.0x	30.1x	NM	59.6%	40.5%
Tokyo Electron Limited (TSE:8035)	213.91	99,033	96,027	12,102	3,363	3,017	4.11	7.93x	28.6x	NM	NM	45.4%	27.8%
Teradyne, Inc. (TER)	140.94	22,002	21,215	2,659	615	504	1.97	7.98x	NM	42.1x	NM	57.2%	23.1%
Veeco Instruments Inc. (VECO)	40.65	2,302	2,316	687	108	83	0.94	3.37x	21.5x	NM	NM	43.4%	15.7%
Mean		\$128,107	\$127,485	\$13,421	\$4,305	\$3,954	\$8.86	6.89x	26.2x	36.1x	36.4x	50.2%	29.0%
Median		102,263	104,792	12,102	3,885	3,480	5.91	7.93x	27.0x	36.1x	36.4x	47.2%	30.6%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

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

(4) Excludes non-recurring and discontinued operations.

Industrial Equipment

Selected M&A Transactions

Announced	Target	Target Description	Acquirer	Value
May 21	Exertherm Limited	Operates as an electrical components and equipment (heavy) company.	Eaton Corporation plc (NYSE:ETN)	ND
May 08	AUSACORP S.L	Engages in the design, manufacturing, and sale of compact all-terrain industrial vehicles for the residential, civil, and road construction industry and for the transportation and handling of industrial and agricultural materials.	Oshkosh Corporation	\$123.6

ND – Not disclosed. Transaction values in millions.

ASML Holding N.V. (ENXTAM:ASML) reported first quarter net income of \$1,320.3 million for fiscal year 2024 as compared to \$2,124.9 million for the prior year period. Earnings per share were \$3.36 versus \$5.38 for the prior year period. Revenues for the quarter decreased to \$5,707.2 million from \$7,329.6 million for the same period in fiscal year 2023.

Caterpillar Inc. (NYSE:CAT) reported first quarter net income of \$2,856.0 million for fiscal year 2024 as compared to \$1,943.0 million for the prior year period. Earnings per share were \$5.75 versus \$3.74 for the prior year period. Revenues for the quarter decreased to \$15,799.0 million from \$15,862.0 million for the same period in fiscal year 2023.

Danaher Corporation (NYSE:DHR) reported first quarter net income of \$1,088.0 million for fiscal year 2024 as compared to \$1,450.0 million for the prior year period. Earnings per share were \$1.11 versus \$1.27 for the prior year period. Revenues for the quarter decreased to \$5,796.0 million from \$5,949.0 million for the same period in fiscal year 2023.

Eaton Corporation plc (NYSE:ETN) reported first quarter net income of \$821.0 million for fiscal year 2024 as compared to \$638.0 million for the prior year period. Earnings per share were \$1.55 versus \$1.19 for the prior year period. Revenues for the quarter increased to \$5,943.0 million from \$5,483.0 million for the same period in fiscal year 2023.

HD Korea Shipbuilding & Offshore Engineering Co., Ltd. (KOSE:A009540) reported first quarter net income of \$140.6 million for fiscal year 2024 as compared to (\$107.2) million for the prior year period. Earnings per share were \$1.66 versus (\$0.88) for the prior year period. Revenues for the quarter increased to \$4,104.1 million from \$3,713.8 million for the same period in fiscal year 2023.

Hubbell Incorporated (NYSE:HUBB) reported first quarter net income of \$147.8 million for fiscal year 2024 as compared to \$181.9 million for the prior year period. Earnings per share were \$2.43 versus \$2.70 for the prior year period. Revenues for the quarter increased to \$1,399.1 million from \$1,285.4 million for the same period in fiscal year 2023.

KLA Corporation (NasdaqGS:KLAC) reported third quarter net income of \$601.5 million for fiscal year 2024 as compared to \$697.8 million for the prior year period. Earnings per share were \$3.55 versus \$3.61 for the prior year period. Revenues for the quarter decreased to \$2,359.8 million from \$2,432.6 million for the same period in fiscal year 2023.

Lam Research Corporation (NasdaqGS:LRCX) reported third quarter net income of \$965.8 million for fiscal year 2024 as compared to \$814.0 million for the prior year period. Earnings per share were \$5.34 versus \$4.83 for the prior year period. Revenues for the quarter decreased to \$3,793.6 million from \$3,869.6 million for the same period in fiscal year 2023.

Oshkosh Corporation (NYSE:OSK) reported first quarter net income of \$179.4 million for fiscal year 2024 as compared to \$88.5 million for the prior year period. Earnings per share were \$2.21 versus \$1.16 for the prior year period. Revenues for the quarter increased to \$2,543.8 million from \$2,268.1 million for the same period in fiscal year 2023.

Powell Industries, Inc. (NasdaqGS:POWL) reported second quarter net income of \$33.5 million for fiscal year 2024 as compared to \$8.5 million for the prior year period. Earnings per share were \$2.25 versus \$0.56 for the prior year period. Revenues for the quarter increased to \$255.1 million from \$171.4 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

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.

Teradyne, Inc. (NasdaqGS:TER) reported first quarter net income of \$64.2 million for fiscal year 2024 as compared to \$83.5 million for the prior year period. Earnings per share were \$0.28 versus \$0.36 for the prior year period. Revenues for the quarter decreased to \$599.8 million from \$617.5 million for the same period in fiscal year 2023.

Terex Corporation (NYSE:TEX) reported first quarter net income of \$108.5 million for fiscal year 2024 as compared to \$112.6 million for the prior year period. Earnings per share were \$1.26 versus \$1.21 for the prior year period. Revenues for the quarter increased to \$1,292.5 million from \$1,235.7 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

Comparative Index Performance

The MHH Industrial & Technical Services index^(a) increased by 1.3% during the three months ending May 31, 2024.

Last Three Years

Daily from May 31, 2021 to May 31, 2024

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



Last Twelve Months

Daily from May 31, 2023 to May 31, 2024

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



Price Appreciation

	3-Year	LTM	3-Month
MHH Industrial & Technical Services index ^(a)	36.5%	27.7%	1.3%
NASDAQ	21.8%	29.4%	4.0%
S&P 500	24.6%	26.3%	3.6%

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

Industrial & Technical Services

Selected Valuation Metrics

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation				Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/		Gross Profit	EBITDA
								Revenue	EBITDA	EBIT	EPS		
Industrial Distribution													
W.W. Grainger, Inc. (GWW)	\$921.46	\$45,215	\$47,449	\$16,622	\$2,818	\$2,598	\$30.13	2.85x	16.8x	18.3x	30.6x	39.3%	17.0%
Fastenal Company (FAST)	65.98	37,777	38,023	7,383	1,701	1,526	1.66	5.15x	22.3x	24.9x	39.8x	45.6%	23.0%
WESCO International, Inc. (WCC)	179.49	9,123	13,972	22,213	1,529	1,385	11.49	0.63x	9.1x	10.1x	15.6x	21.5%	6.9%
MSC Industrial Direct Co., Inc. (MSM)	85.90	4,836	5,442	3,979	536	458	4.72	1.37x	10.1x	11.9x	18.2x	41.0%	13.5%
MRC Global Inc. (MRC)	13.29	1,131	1,846	3,333	208	168	0.97	0.55x	8.9x	11.0x	13.7x	20.2%	6.2%
Transcat, Inc. (TRNS)	127.40	1,164	1,150	259	35	21	1.51	4.43x	NM	53.6x	NM	32.3%	13.5%
Mean		\$16,541	\$17,980	\$8,965	\$1,138	\$1,026	\$8.41	2.50x	13.5x	21.6x	23.6x	33.3%	13.3%
Median		6,980	9,707	5,681	1,033	921	3.19	2.11x	10.1x	15.1x	18.2x	35.8%	13.5%
Industrial Recycling													
Veolia Environnement SA (ENXTPA:VIE)	\$33.29	\$23,833	\$45,475	\$50,128	\$5,868	\$3,108	\$0.90	0.91x	7.7x	14.6x	36.9x	16.5%	11.7%
Clean Harbors, Inc. (CLH)	216.59	11,682	14,368	5,478	993	617	5.77	2.62x	14.5x	23.3x	37.5x	30.9%	18.1%
Commercial Metals Company (CMC)	56.32	6,517	7,040	8,139	1,060	790	3.96	0.87x	6.6x	8.9x	14.2x	17.9%	13.0%
Aurubis AG (XTRA:NDA)	84.21	3,677	3,646	17,883	318	101	1.45	0.20x	11.5x	36.3x	NM	7.5%	1.8%
Dowa Holdings Co., Ltd. (TSE:5714)	36.99	2,202	2,308	4,742	369	198	2.92	0.49x	6.3x	11.6x	12.7x	11.4%	7.8%
Sims Limited (ASX:SGM)	7.04	1,359	1,806	5,705	61	(38)	0.15	0.32x	29.4x	NM	NM	9.4%	1.1%
Mean		\$8,212	\$12,441	\$15,346	\$1,445	\$796	\$2.53	0.90x	12.7x	18.9x	25.3x	15.6%	8.9%
Median		5,097	5,343	6,922	681	408	2.18	0.68x	9.6x	14.6x	25.5x	13.9%	9.7%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

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

(4) Excludes non-recurring and discontinued operations.

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

Industrial & Technical Services

Selected Valuation Metrics (cont'd.)

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

Company	Market & Capitalization			LTM Performance ⁽³⁾				Valuation				Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EBIT ⁽⁴⁾	EPS	Enterprise Value/		Price/		Gross	
								Revenue	EBITDA	EBIT	EPS	Profit	EBITDA
Technical Services													
Jacobs Solutions Inc. (J)	\$139.34	\$17,447	\$20,847	\$16,904	\$1,404	\$1,123	\$4.60	1.23x	14.8x	18.6x	30.3x	21.0%	8.3%
AECOM (ACM)	87.34	11,889	13,727	15,350	1,021	851	1.57	0.89x	13.4x	16.1x	NM	6.6%	6.7%
Tetra Tech, Inc. (TTEK)	209.49	11,207	12,158	4,113	538	464	4.84	2.96x	22.6x	26	NM	19.4%	13.1%
KBR, Inc. (KBR)	65.66	8,817	10,528	7,071	589	494	2.22	1.49x	17.9x	21.3x	29.6x	13.9%	8.3%
Fluor Corporation (FLR)	43.40	7,430	6,263	15,456	472	398	2.38	0.41x	13.3x	15.7x	18.2x	4.0%	3.1%
Primoris Services Corporation (PRIM)	54.76	2,937	4,097	5,871	386	282	2.39	0.70x	10.6x	14.5x	22.9x	10.6%	6.6%
John Wood Group PLC (LSE:WG.)	2.25	1,547	2,646	5,901	160	85	0.01	0.45x	16.5x	31.2x	NM	12.0%	2.7%
Balfour Beatty plc (LSE:BBY)	4.73	2,454	1,916	10,181	237	186	0.33	0.19x	8.1x	10.3x	14.2x	5.2%	2.3%
NV5 Global, Inc. (NVEE)	93.98	1,517	1,761	891	115	53	1.51	1.98x	15.3x	33.1x	NM	50.2%	12.9%
Mean		\$7,250	\$8,216	\$9,082	\$547	\$437	\$2.21	1.14x	14.7x	20.8x	23.0x	15.9%	7.1%
Median		7,430	6,263	7,071	472	398	2.22	0.89x	14.8x	18.6x	22.9x	12.0%	6.7%

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

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

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

(4) Excludes non-recurring and discontinued operations.

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

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

Fastenal Company (NasdaqGS:FAST) reported first quarter net income of \$297.7 million for fiscal year 2024 as compared to \$295.1 million for the prior year period. Earnings per share were \$0.42 versus \$0.43 for the prior year period. Revenues for the quarter increased to \$1,895.1 million from \$1,859.1 million for the same period in fiscal year 2023.

KBR, Inc. (NYSE:KBR) reported first quarter net income of \$93.0 million for fiscal year 2024 as compared to \$86.0 million for the prior year period. Earnings per share were \$0.56 versus \$0.47 for the prior year period. Revenues for the quarter increased to \$1,818.0 million from \$1,703.0 million for the same period in fiscal year 2023.

W.W. Grainger, Inc. (NYSE:GWW) reported first quarter net income of \$478.0 million for fiscal year 2024 as compared to \$488.0 million for the prior year period. Earnings per share were \$7.90 versus \$7.80 for the prior year period. Revenues for the quarter increased to \$4,235.0 million from \$4,091.0 million for the same period in fiscal year 2023.

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

Source: S&P Capital IQ

MHH Manufacturing Universe Directory

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

Company	Sector
Dow Inc.	Components & Materials
DuPont de Nemours, Inc.	Components & Materials
Eaton Corporation plc	Industrial Equipment
Embraer S.A.	Aerospace & Defense
Emerson Electric Co.	Industrial Equipment
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

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

Mergers & Acquisitions

- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, management buy-outs and industry build-ups

Raise Capital

- Equity (control and non-control)
- Mezzanine financing
- Senior and junior debt
- Typically raise capital from banks, finance companies, private investment funds, and private equity groups

Financial Advisory Services

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

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