



## INDUSTRIALS: PRECISION MANUFACTURING

- Despite the impact of the COVID-19 pandemic, international public companies in the Precision Manufacturing sector have remained active on the M&A front, including divestitures and strategic acquisitions. While commercial aerospace, oil & gas, and cutting tool M&A activity has been negatively impacted by COVID-19, precision manufacturing M&A within healthcare, medical, defense, and food & beverage markets remains robust despite the global pandemic.
- We believe M&A activity within the Precision Manufacturing sector will gradually build strength in the second half of 2020 into 2021. While private equity investors are looking to deploy capital in new investments, their investment criteria has somewhat tightened as a result of COVID-19. Additionally, we believe strategic acquirers currently focused on internal operations and liquidity will begin to opportunistically re-engage in M&A for strategic growth.

## RECENT SELECT TRANSACTIONS

Target	Date	Buyers / Investors	Region	Strategic / Financial
Madison Electric Products, Inc.	Jul 27	Southwire Company, LLC	US	Strategic
EHC Global Inc.	Jul 22	Prysmian S.p.A.	Canada	Strategic
Substantially All Assets of Briggs & Stratton Corporation	Jul 20	KPS Capital Partners, LP	US	Financial
Turbocharger Solutions International	Jul 10	Cooper Machinery Services	US	Financial Backed Strategic
Performance Tool LLC (nka:Essig Manufacturing LLC)	Jul 7	Essig Research, Inc.	US	Strategic
AMF Precision Engineering Ltd	Jul 2	Aero Services Global Limited	Europe	Strategic
VS Technology Corporation	Jun 30	Ant Capital Partners Co., Ltd.	Japan	Financial
Termax Corporation	Jun 29	LISI Automotive SAS	US	Strategic
Verilux, Inc.	Jun 25	Bear Down Brands, LLC	US	Financial Backed Strategic
Environmental Dynamics International, Inc.	Jun 23	KKR & Co. Inc.; XPV Water Partners	US	Financial
Loadpoint Limited/Loadpoint Bearings Limited	Jun 18	GL Tech Co.,Ltd	Europe	Strategic
Partington Engineering Limited	Jun 17	Argent Industrial UK Limited	Europe	Strategic
Power Research Electronics BV	Jun 15	Waterland Private Equity Investments	Europe	Financial
Access Precision Tools Pte Ltd	Jun 12	Suzhou Ahno Precision Cutting Tech.	Singapore	Strategic
Rocky Mountain Hydrostatics, Inc.	Jun 11	HEICO Corporation	US	Strategic
Kortick Manufacturing, LLC	Jun 9	Sicame SA	US	Financial Backed Strategic
Urethane Specialists, Inc.	Jun 8	Green Rubber-Kennedy Ag, L.P.	US	Strategic
Aftersort, Inc.	Jun 1	FMH Conveyors LLC	US	Strategic
Everite Machine Products Co	Jun 2	Glebar Company Inc.	US	Financial Backed Strategic
Glebar Company Inc.	Jun 2	Arcline Investment Management LP	US	Financial
Tridex Technology Ltd	Jun 2	Glebar Company Inc.	US	Financial Backed Strategic
Advanced Graphite Materials LLC	Jun 2	AMSTED Industries Incorporated	US	Strategic
Industrial Services of America, Inc.	May 14	Industrial Threaded Products Inc.	US	Strategic
PSI Control Solutions Inc.	Apr 6	LFM Capital, LLC	US	Financial

For more information and insight please contact members of the EdgePoint Industrials team:

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**M&A**  
Advisory

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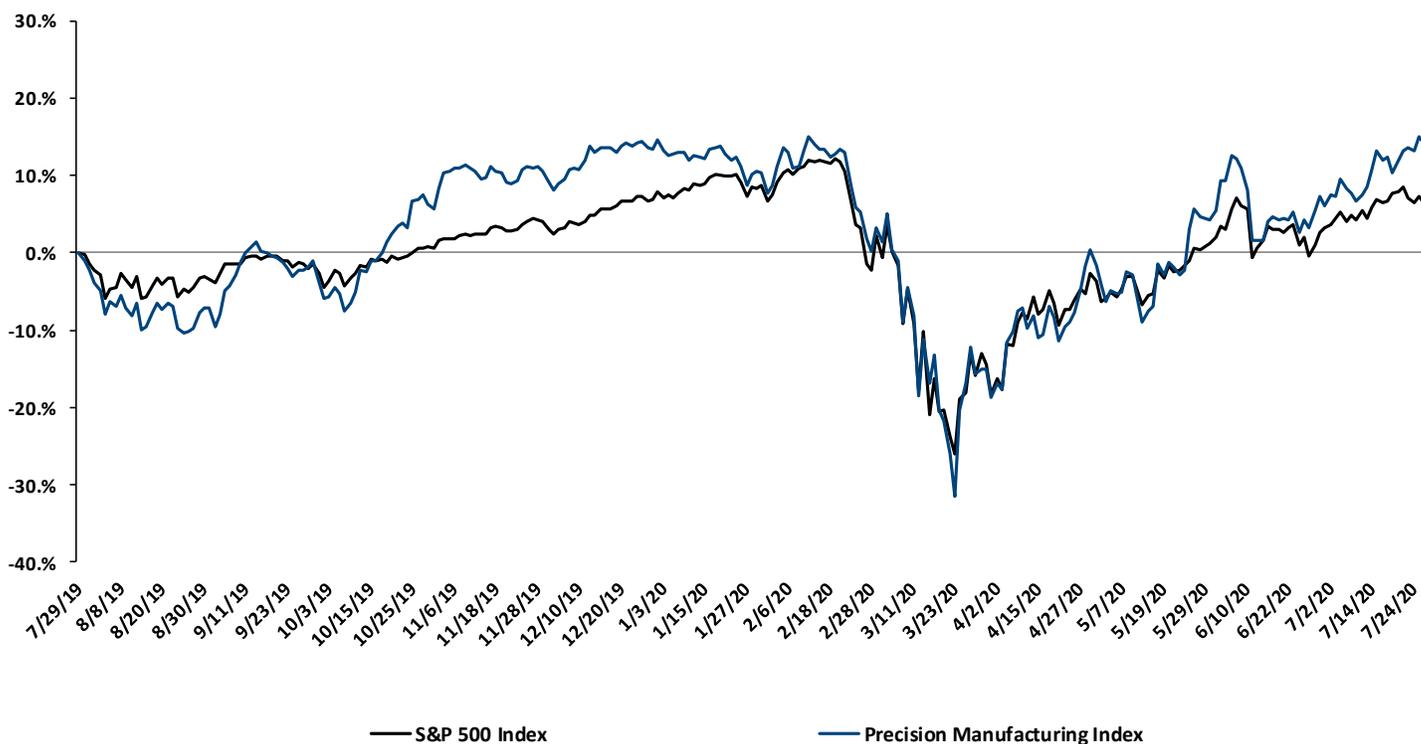
EdgePoint Public Comparable Index Constituents

Precision Manufacturing Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
AMETEK, Inc.	\$22,678	34.9%	27.2%	\$1,379	\$1,245	15.8x	18.2x	\$5,073	2.3%	9.1%	\$89.37	87.4%
Celestica Inc.	1,384	6.9%	1.9%	110	257	4.6x	4.2x	5,821	-7.9%	-2.2%	9.32	76.0%
Colfax Corporation	5,696	43.2%	17.1%	591	421	9.1x	13.5x	3,460	47.6%	4.4%	27.90	71.0%
Cummins Inc.	28,298	24.7%	12.7%	2,558	2,197	7.7x	12.9x	20,209	-16.8%	3.3%	173.26	92.8%
Illinois Tool Works Inc.	61,506	42.0%	27.3%	3,765	2,738	16.3x	22.5x	13,785	-5.4%	0.0%	174.85	91.6%
Lincoln Electric Holdings, Inc.	5,740	32.9%	15.5%	428	334	11.4x	17.2x	2,760	-8.5%	5.7%	84.24	85.7%
Sandvik AB	25,389	38.2%	20.9%	2,287	17,175	9.4x	13.4x	10,056	-6.0%	3.3%	174.10	89.6%
<b>Mean</b>		<b>31.8%</b>	<b>17.5%</b>	<b>1,588</b>	<b>3,481</b>	<b>10.6x</b>	<b>14.5x</b>	<b>8,738</b>	<b>0.7%</b>	<b>3.4%</b>	<b>104.7</b>	<b>84.9%</b>

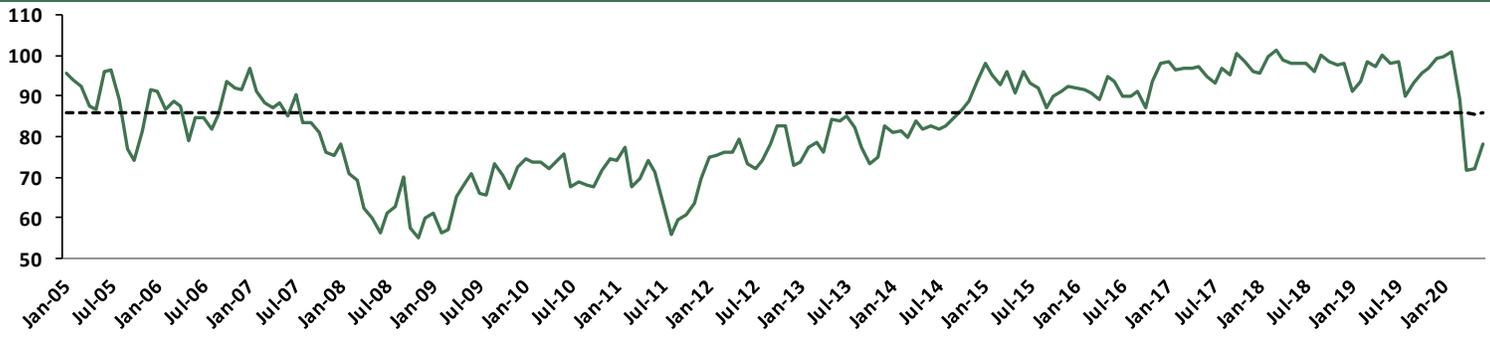
Source: S&P CapIQ (As of July 30, 2020)

Trailing Twelve Months Stock Performance



Source: S&P CapIQ (As of July 30, 2020)

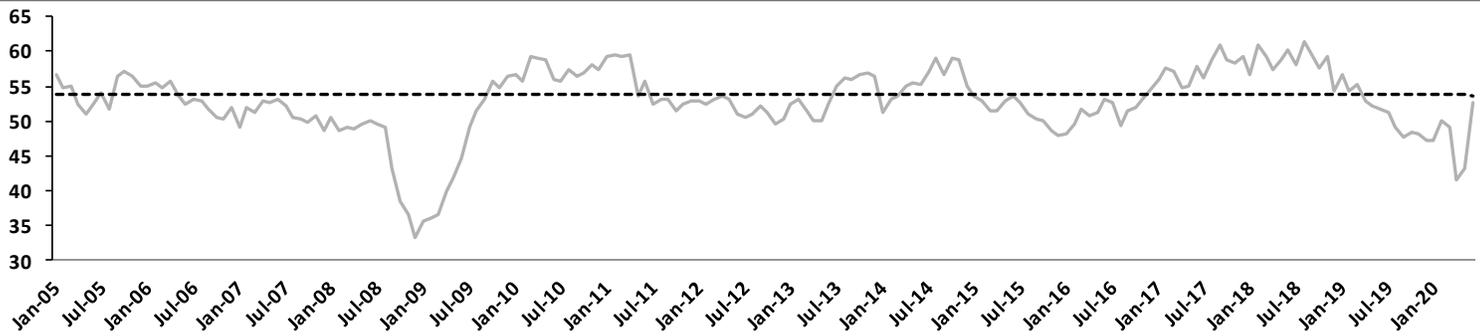
## Consumer Confidence Index (2005 - 2Q 2020)



Source: University of Michigan

— Consumer Confidence Index    - - - - 10 Year Average

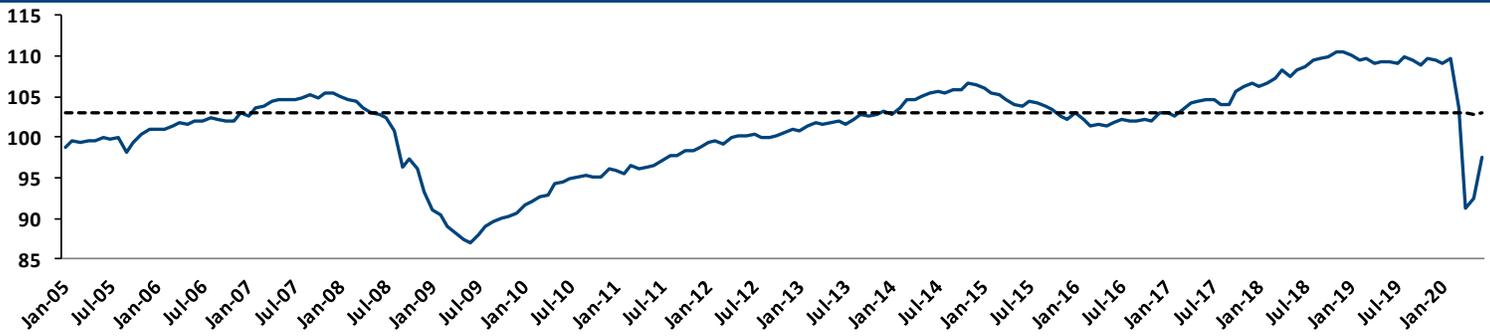
## Purchasing Managers Index (2005—2Q 2020)



Source: Institute for Supply Management

— Purchasing Managers Index    - - - - 10 Year Average

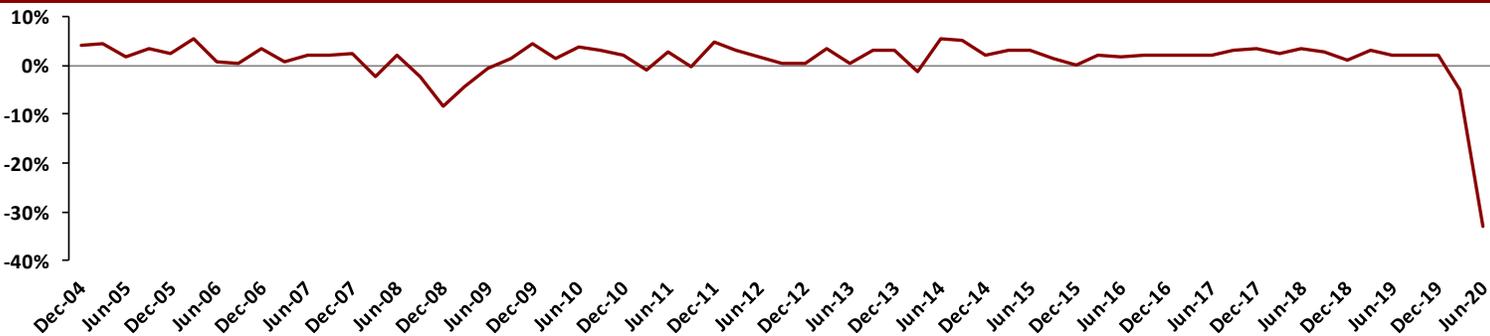
## Industrial Production Index (2005 - 2Q 2020)



Source: Federal Reserve

— Industrial Production Index    - - - - 10 Year Average

## U.S. Real GDP Growth (2004 - 2Q 2020)



Source: Bureau of Economic Analysis

— U.S. Real GDP Growth