



Quarterly Update

- The Precision Manufacturing subsector continued to generate strong deal volume from late 2021 into early 2022. Volume in the period December 2021-February 2022 was primarily driven by strategic acquirers and private equity groups seeking to establish new platforms.
- Notable acquirers during the period include Cummins, Mercedes-Benz Group, Windjammer Capital Investors, and Gemspring Capital.
- EdgePoint's Precision Manufacturing Index fell more than 10% in the first two months of 2022 but continued to materially outperform the broader market.
- The Purchasing Managers' Index continued to recede from its 2021 highs, suggesting declining sentiment among companies with respect to the overall business environment. This trend will be important to watch as the Federal Reserve Open Market Committee (FOMC) determines the path forward for U.S. interest rates and the impact of global sanctions on Russia are felt throughout the global business community.
- EdgePoint expects strong deal volume to continue into mid-2022 with valuations maintaining recent levels.

Recent EdgePoint Industrials Transactions (Selected)



For more information and insights, please contact the EdgePoint Industrials Group:



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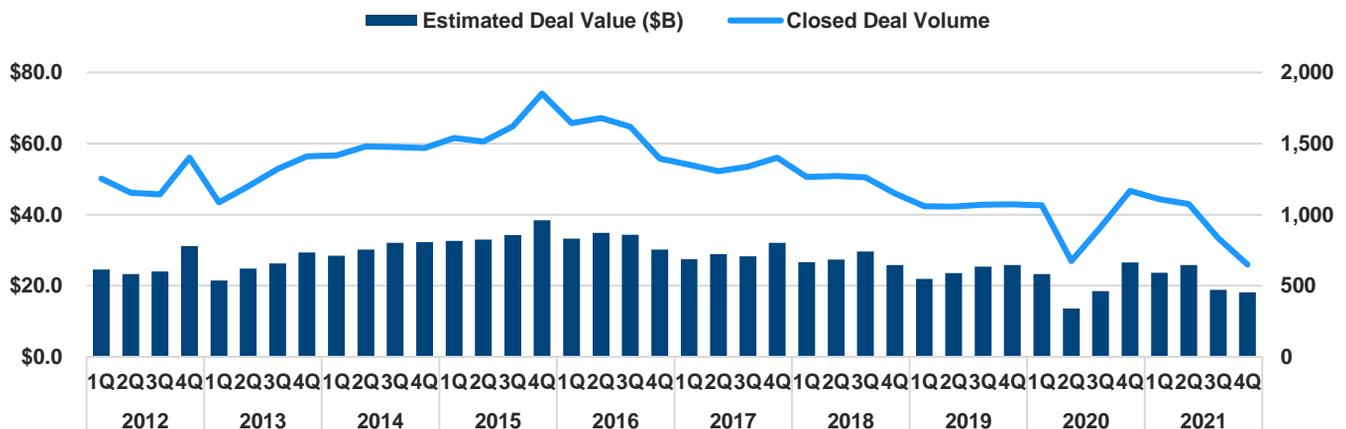
Industrials: Precision Manufacturing | February 2022

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyer / Investor	Region (Target)	Buyer / Investor Type
Titan Robotics, Ltd.	Feb 23	3D Systems Corporation	United States	Strategic
Meritor, Inc.	Feb 22	Cummins Inc.	United States	Strategic
Century Die Company, LLC	Feb 15	Altamont Capital Management	United States	Financial
Standardair Limited	Feb 14	Mercedes-Benz Group AG	EMEA	Strategic
ALSTOM ESPAÑA IB, S.L.U.	Feb 10	Alstom Transporte, S.A.	EMEA	Strategic
TexTrace AG	Feb 1	Quantum Capital Partners AG	EMEA	Financial
Bishop Lifting Products, Inc.	Feb 1	Altamont Capital Management, LLC	United States	Financial
ProLogium Technology Co., Ltd.	Jan 27	Mercedes-Benz Group AG	APAC	Strategic
West Country Tool Company Ltd	Jan 26	Rubix Group International Limited	EMEA	Financial-Backed Strategic
Eckhart USA	Jan 18	Arsenal Capital Partners	United States	Financial
JMI Instrument Company	Jan 18	Allied Valve, Inc.	United States	Strategic
Fecon Inc.	Dec 31	Windjammer Capital Investors LLC	United States	Financial
Nook Industries, Inc.	Dec 31	Thomson Industries, Inc.	United States	Strategic
Accurate Industrial Inc.	Dec 30	Belt Power LLC	United States	Financial-Backed Strategic
Plastic Design Corporation	Dec 22	Vance Street Management LLC	United States	Financial
JTI Electrical & Instrumentation, LLC	Dec 22	Gemspring Capital LLC	United States	Financial
Advanced Handling Systems, Inc.	Dec 21	Hy-Tek Material Handling Inc.	United States	Financial-Backed Strategic
Bayless Manufacturing Inc	Dec 21	Tide Rock Holdings LLC	United States	Financial
Safe-Way Garage Doors LLC	Dec 20	CW Industrial Partners, LLC	United States	Financial
Machine Specialties, Inc.	Dec 20	Calvert Street Capital Partners, Inc.	United States	Financial
Bearings Limited	Dec 15	Solve Industrial Motion Group	United States	Financial-Backed Strategic
CableMaster Corporation	Dec 15	Tide Rock Holdings LLC	United States	Financial
Excell Battery Company	Dec 13	Ultralife Corporation	Canada	Strategic
Denver Gasket, Inc.	Dec 13	JBC Technologies, Inc.	United States	Financial-Backed Strategic
Ideal Fasteners, Inc.	Dec 10	MW Industries, Inc.	United States	Financial-Backed Strategic

Source: S&P Capital IQ (February 28, 2022)

Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook (February 28, 2022)

Industrials: Precision Manufacturing | February 2022

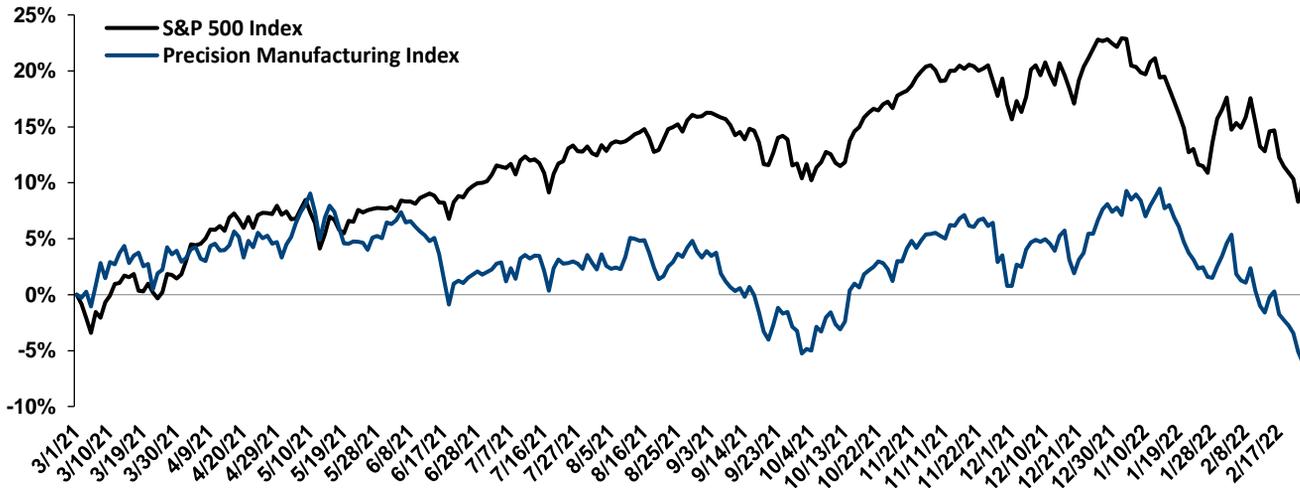
EdgePoint Public Comparable Index Constituents

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	2022E	LTM	2022E	LTM	LTM	3-Yr. CAGR		
AMETEK, Inc.	\$ 28,574	35.0%	29.2%	\$ 1,327	\$ 1,420	21.1x	20.1x	\$ 4,540	-12.0%	1.8%	\$ 117.97	93.8%
Celestica Inc.	1,211	7.2%	3.7%	211	279	4.9x	4.3x	5,748	-2.4%	-2.2%	8.31	88.0%
Collfax Corporation	7,615	42.2%	14.8%	453	596	15.5x	12.8x	3,071	-7.7%	16.6%	44.35	95.5%
Cummins Inc.	39,110	24.7%	13.0%	2,582	3,446	12.1x	11.4x	19,811	-16.0%	-1.0%	253.20	97.3%
Illinois Tool Works Inc.	69,770	41.3%	26.4%	3,322	3,900	20.7x	17.9x	12,574	-10.9%	-4.2%	202.18	90.0%
Lincoln Electric Holdings, Inc.	7,554	32.8%	15.4%	408	490	17.4x	15.4x	2,655	-11.6%	0.4%	118.11	94.3%
Sandvik AB (publ)	34,135	37.3%	19.1%	2,009	2,749	16.4x	12.4x	10,521	-16.3%	-1.7%	26.93	96.5%
Median		35.0%	15.4%	1,327	1,420	16.4x	12.8x	5,748	-11.6%	-1.0%	118.0	94.3%
Mean		31.5%	17.4%	1,473	1,840	15.4x	13.5x	8,417	-11.0%	1.4%	110.1	93.6%

Source: S&P Capital IQ (February 28, 2022)

EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance

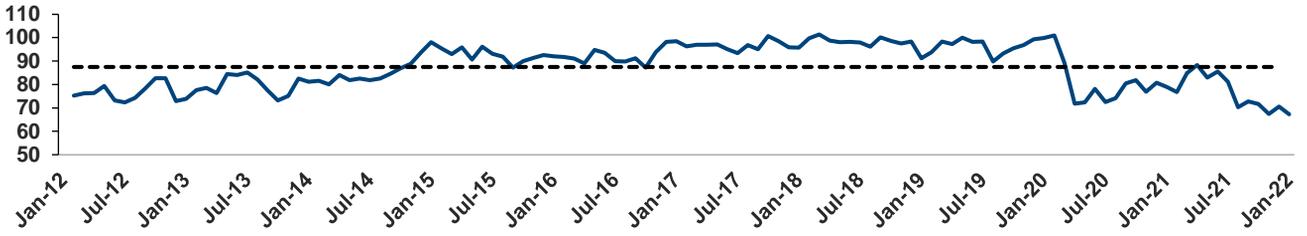


Source: S&P Capital IQ (February 28, 2022)

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Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



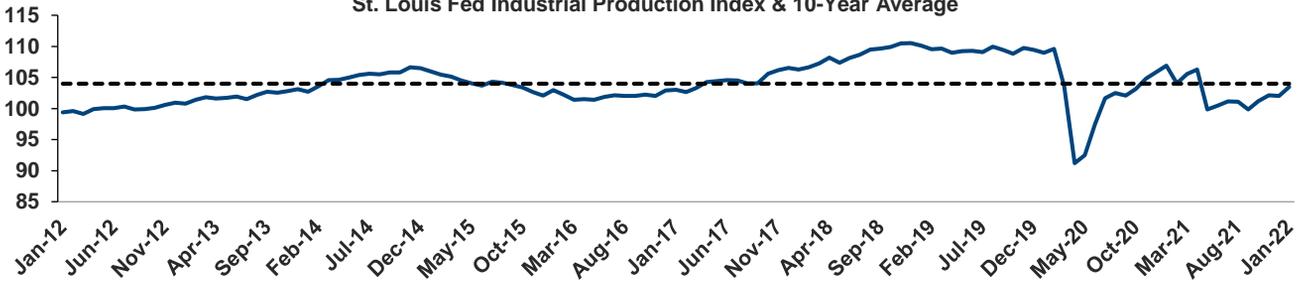
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



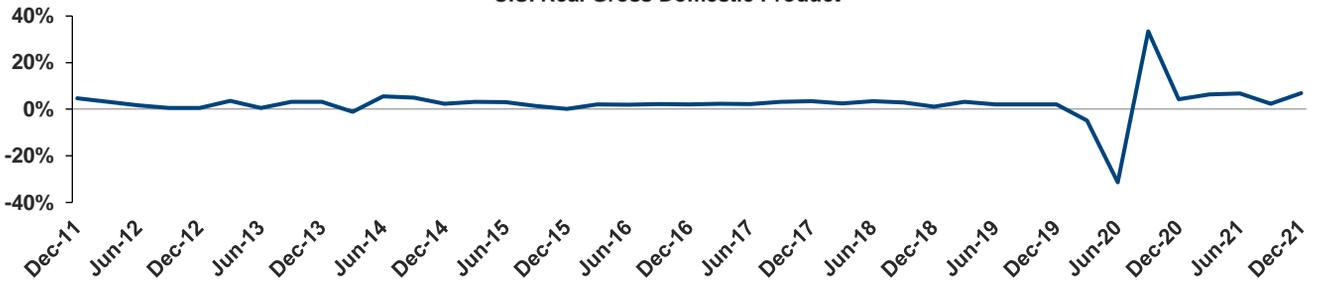
Source: Institute for Supply Management

St. Louis Fed Industrial Production Index & 10-Year Average



Source: The Federal Reserve Bank of St. Louis

U.S. Real Gross Domestic Product



Source: Bureau of Economic Analysis