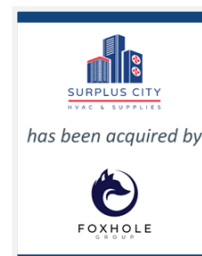




### Quarterly Update

- Precision Manufacturing deal activity accelerated in the month of May. Volume was predominantly driven by strategic acquirers.
- SPX Technologies (NYSE: SPXC), a leading manufacturer and supplier of highly engineered HVAC infrastructure and detection measurement equipment, closed acquisitions of T.A. Morrison & Co. and ASPEQ Heating Group in April and May, respectively.
- EdgePoint's Precision Manufacturing Index has maintained performance with the broader market throughout 2023.
- Manufacturing PMI registered 46.9 percent; 0.2 points lower than the 47.1 percent recorded in April. This represents the sixth month of contraction following a 30-month period of expansion.
- EdgePoint expects Precision Manufacturing deal volume to remain strong throughout 2023. Key issues to watch include customer inventories, economic growth, cooling inflation, and the Fed's ongoing management of interest rate policy.

### Recent Industrials Transactions (Selected)



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



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Email: [mkeefe@edgepoint.com](mailto:mkeefe@edgepoint.com)

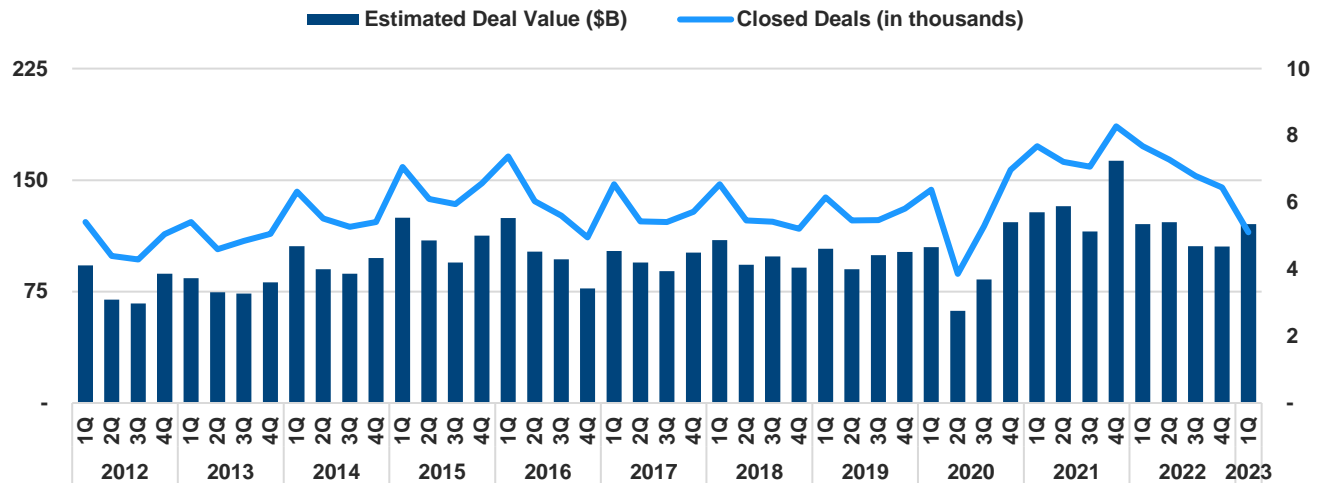
# Industrials: Precision Manufacturing | May 2023

## Recent Precision Manufacturing Transactions (Selected)

Target	Date	Buyer / Investor	Region (Target)	Buyer / Investor Type
Southern Hydraulic Cylinder, Inc.	May 31	Miller Industries, Inc.	United States	Strategic
Yardley Enterprises, LLC	May 31	H&P Technologies, Inc.	United States	Strategic
JBT AeroTech Corporation	May 30	Oshkosh Corporation	United States	Strategic
Graphic Systems Services, Inc.	May 30	Eastman Kodak Company	United States	Strategic
Desktop Metal, Inc.	May 25	Stratasys Ltd.	United States	Strategic
Volumetric Technologies Inc.	May 24	SureKap, LLC	United States	Financial-Backed Strategic
Midwest Container	May 24	Arch Cutting Tools Corp.	United States	Financial-Backed Strategic
Valencia Pipe Company	May 23	Aliaxis SA	United States	Strategic
Schenk Process LLC	May 23	Milacron Holdings Corp.	United States	Strategic
Faurecia	May 23	Cummins Inc.	United States	Strategic
EcoCAM Canada Inc.	May 23	Ecopro BM. Co., Ltd.	Canada	Strategic
Virgin Orbit Holdings	May 23	Rocket Lab USA, Inc.	United States	Strategic
POMCube, Inc.	May 23	Savant Systems, Inc.	United States	Financial-Backed Strategic
Windar Renovables, S.A.	May 19	Bridgepoint Group plc	EMEA	Financial
PR INDUSTRIAL s.r.l.	May 3	Generac Holdings Inc.	United States	Strategic
WR Transformateurs Inc.	May 3	NCP Capital Partners	Canada	Financial
Bison Gear & Engineering Corp.	May 2	AMETEK, Inc.	United States	Strategic
ASPEQ Heating Group LLC	May 1	SPX Technologies, Inc.	United States	Strategic
Enerox GmbH	Apr 12	VRFB Holdings Limited	EMEA	Strategic
Hangzhou Steam Turbine Power	Apr 4	Hangzhou Qitong Investment Partnership	APAC	Financial
T. A. Morrison & Co. Inc.	Apr 3	SPX Technologies, Inc.	United States	Strategic
Haldux AB (publ)	Mar 1	SAF-Holland SE	EMEA	Strategic

Source: S&P Capital IQ (May 31, 2023)

## Global Lower-Middle Market Quarterly Deal Flow



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

Source: Pitchbook (April 26, 2023)

# Industrials: Precision Manufacturing | May 2023

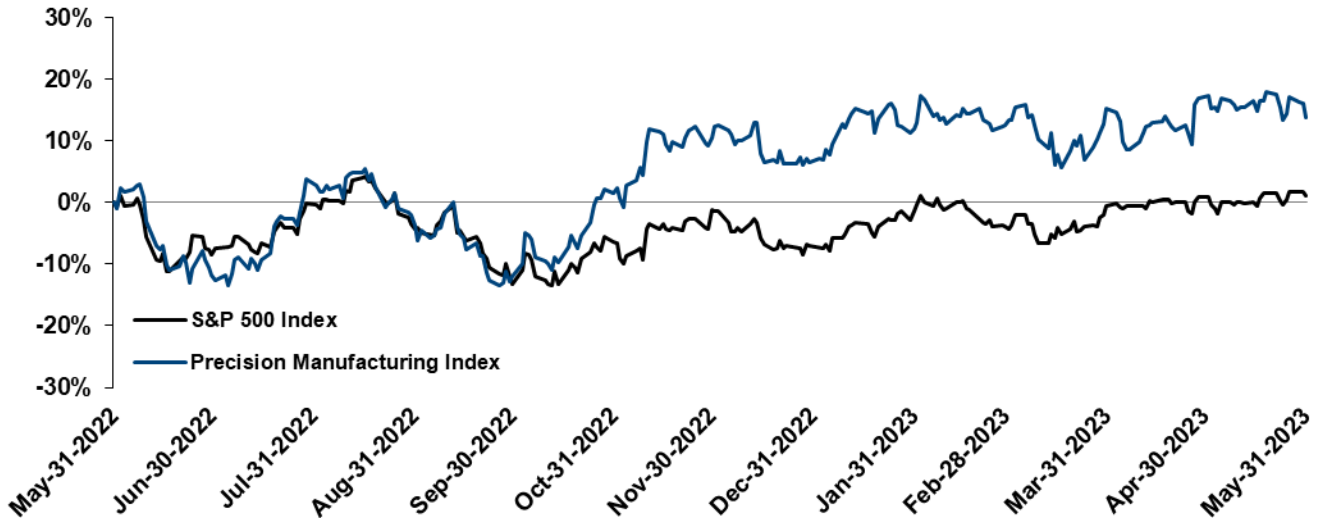
## EdgePoint Public Comparable Index Constituents

### Precision Manufacturing Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2022E	LTM	2022E		LTM	3-Yr. CAGR		
AB SKF	\$ 93,754	25.1%	12.5%	\$12,603	\$15,772	7.0x	5.9x	\$ 100,540	18.5%	5.8%	\$ 171.90	79.0%
Atlas Copco AB	791,971	42.4%	24.6%	37,224	41,767	19.6x	18.2x	151,100	31.4%	13.0%	158.05	97.5%
Celestica Inc.	2,540	8.9%	6.1%	461	504	4.0x	3.9x	7,521	26.0%	9.2%	17.31	91.0%
Cummins Inc.	36,123	23.8%	13.6%	4,102	4,974	7.7x	7.3x	30,142	24.0%	10.1%	204.41	78.0%
Enovis Corporation	3,211	57.3%	12.3%	197	264	14.6x	12.1x	1,594	6.9%	-22.8%	52.73	77.4%
ESCO Technologies Inc.	2,495	38.8%	18.6%	169	188	14.2x	13.3x	910	18.4%	7.0%	90.00	88.7%
Jabil Inc.	14,165	7.8%	7.0%	2,444	2,644	5.5x	5.4x	35,127	14.3%	10.1%	89.52	96.6%
Melrose Industries PLC	7,922	14.3%	8.5%	641	472	10.7x	16.8x	7,537	13.3%	-11.8%	4.72	91.8%
NN, Inc.	349	14.6%	5.0%	25	47	9.2x	7.4x	498	3.9%	8.2%	1.76	48.8%
NSK Ltd.	635,176	20.4%	9.4%	88,117	98,692	7.0x	6.4x	938,098	8.4%	4.1%	845.00	94.2%
Plexus Corp.	2,760	9.5%	6.8%	291	279	8.9x	9.9x	4,270	26.9%	9.8%	90.68	78.6%
RBC Bearings Incorporated	7,142	41.4%	28.8%	424	468	16.5x	15.3x	1,469	55.8%	26.4%	198.29	74.8%
The Timken Company	7,058	29.4%	18.8%	869	968	7.9x	7.3x	4,635	9.5%	7.5%	71.55	80.0%
Westinghouse Air Brake Technologies Corporation	20,800	30.7%	17.8%	1,535	1,691	12.9x	12.3x	8,629	9.0%	0.4%	92.63	85.9%
<b>Median</b>		<b>24.4%</b>	<b>12.4%</b>	<b>755</b>	<b>736</b>	<b>9.0x</b>	<b>8.7x</b>	<b>7,529</b>	<b>16.3%</b>	<b>7.9%</b>	<b>90.3</b>	<b>83.0%</b>
<b>Mean</b>		<b>26.0%</b>	<b>13.6%</b>	<b>10,650</b>	<b>12,052</b>	<b>10.4x</b>	<b>10.1x</b>	<b>92,291</b>	<b>19.0%</b>	<b>5.5%</b>	<b>149.2</b>	<b>83.0%</b>

Source: S&P Capital IQ (May 31, 2023)

## EdgePoint Public Comparable Index Trailing Twelve Months Stock Performance

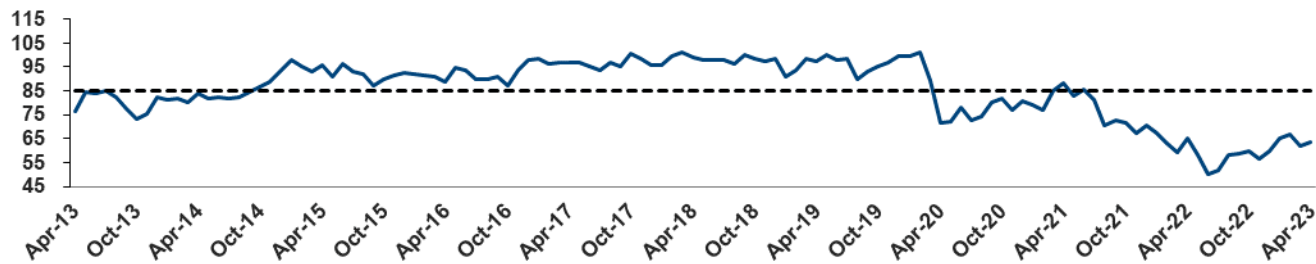


Source: S&P Capital IQ (May 31, 2023)

# Industrials: Precision Manufacturing | May 2023

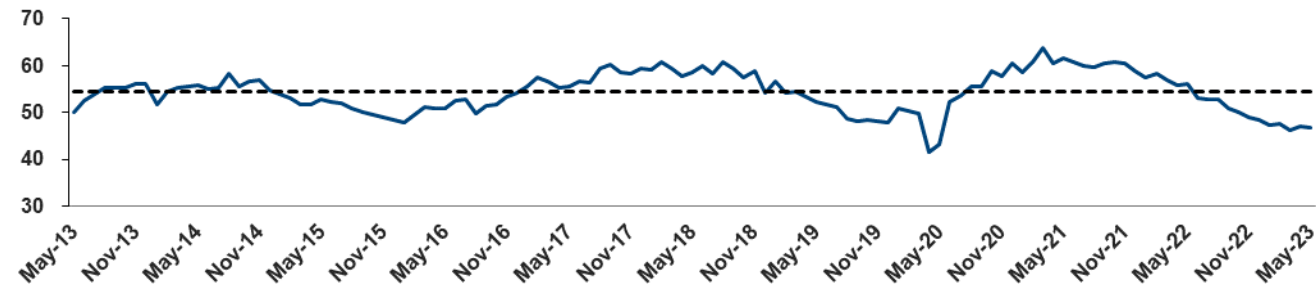
## Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



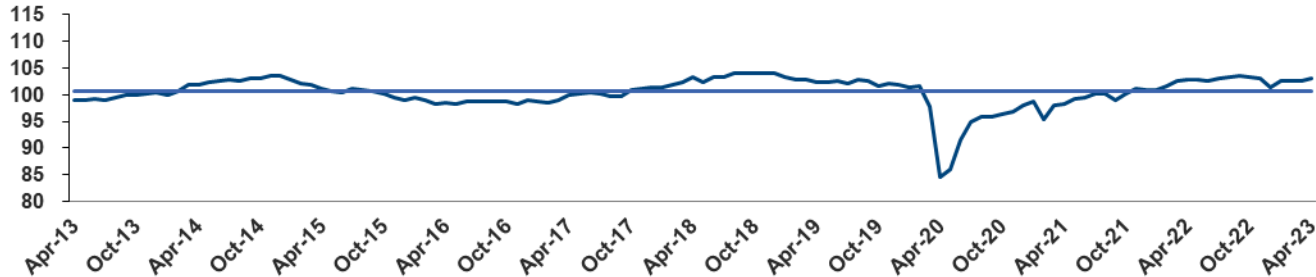
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



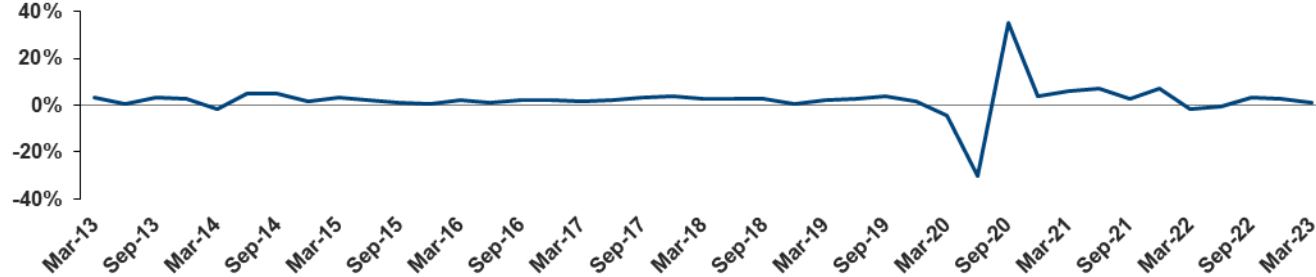
Source: Institute for Supply Management

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



Source: The Federal Reserve Bank of St. Louis

U.S. Real Gross Domestic Product Growth



Source: Bureau of Economic Analysis