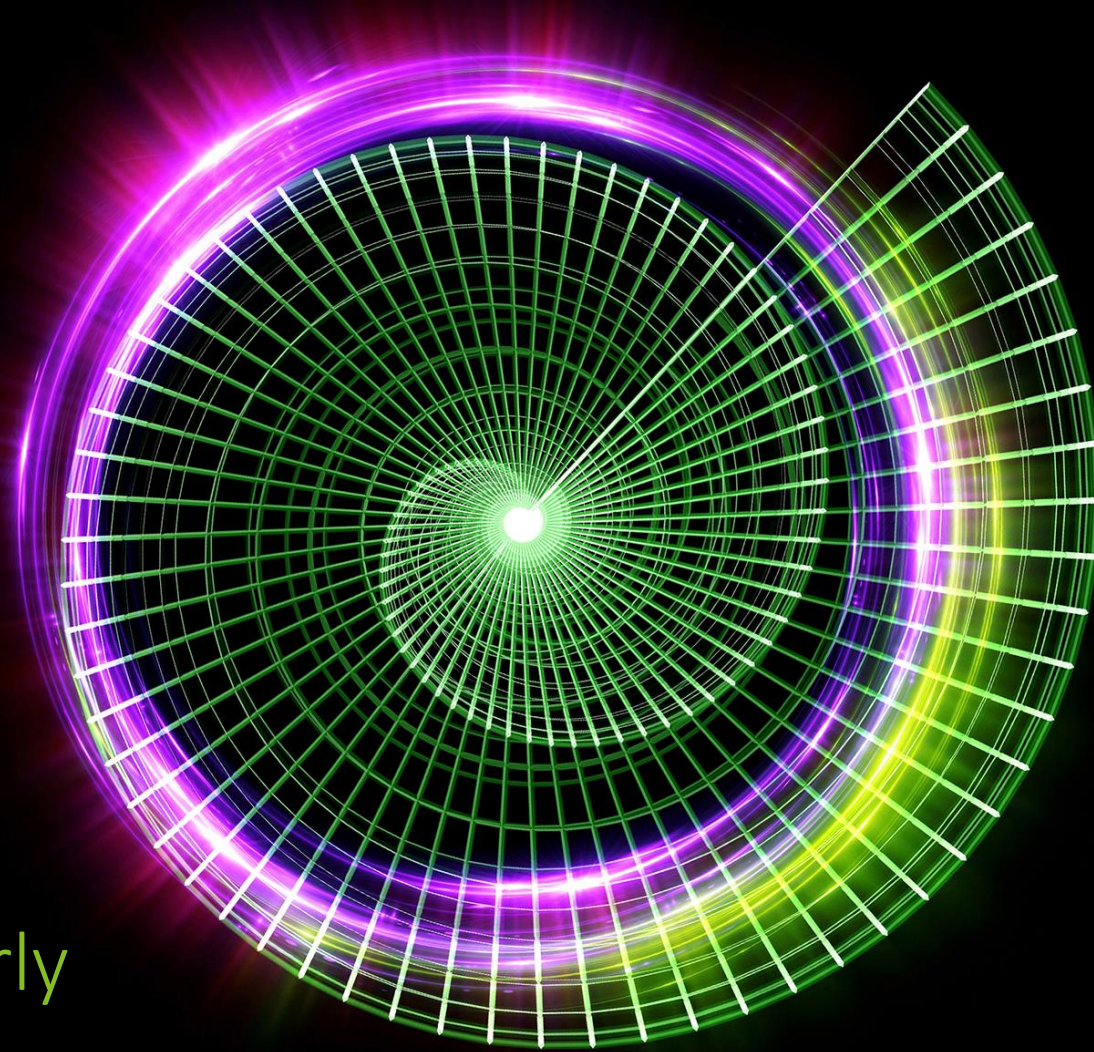


Deloitte.



Industrials Quarterly Update

Q2 2022



DCF's Industrials Practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the Industrials space and use their experience to help clients enhance value.



Industrials Leadership



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Organization Overview

#2

2021 Global M&A
 Advisor by deals
 completed ⁽¹⁾.

662

Completed deals
 in the last 12
 months.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** across 60 countries that serve as value-add partners to the North American team.
- Combined with member firms of Deloitte Touche Tohmatsu Limited, **serves 79 percent of the Fortune Global 500®.**



Sector Focus

- Automotive
- Building Products, Electrical Products, and Industrial Safety
- Capital Equipment and Rental Services
- Engineering and Construction
- Distribution, Transportation and Logistics
- Metals, Plastics, and Paper Packaging
- Specialty Chemicals

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Case study

Catapult Print and Packaging LLC

Deal Contacts

Will Frame, Bill Kerkam, Ali Bandeali

Client Overview

- Founded in 2018 and headquartered in Orlando, FL, Catapult Print and Packaging, LLC (Catapult or the Company) is a value-added specialty converter of high-quality labels, including linerless and pressure sensitive.
- The Company serves leading brand names in the food, beverage, and other consumer retail markets.
- The Company has made continuous investments in cutting-edge equipment, latest print technologies, and a modern high-tech facility, resulting high quality and service levels for customers at industry leading turnaround times.

Situation Overview

- The Company engaged Deloitte Corporate Finance LLC (DCF) due to its successful track record in the print and packaging sector to find the right partner for the business for its next phase of growth.

Key Takeaways

- DCF added significant value by:
 - Crafting a compelling investment thesis backed by credible data and a robust growth plan.
 - Running a targeted, highly competitive sale process including priority strategic and financial groups with strong appetites and track records in the space.
 - Managing an efficient due diligence process, including overcoming major hurdles pre-exclusivity to allow sellers to retain maximum leverage throughout the process.
- Catapult's shareholders achieved their liquidity objectives while retaining a considerable stake in the Company and positioning the business for accelerated growth with the help of Quad-C's extensive industry insight and experience.



Catapult Print and Packaging, LLC

has sold a majority stake to



Quad-C Management, Inc.

The undersigned is acting as exclusive financial advisor to Catapult Print and Packaging

Deloitte.

Deloitte Corporate Finance LLC

Disclosure: Prior engagement performance is no guarantee of future performance and may not be representative of the experience of other clients. This communication is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security.

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Deloitte thought leadership

Deloitte thought leadership

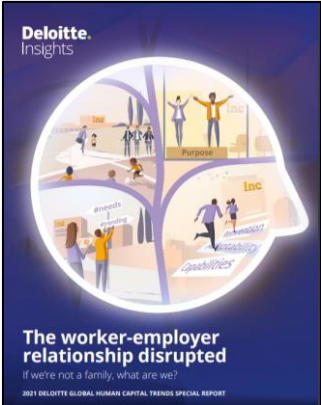
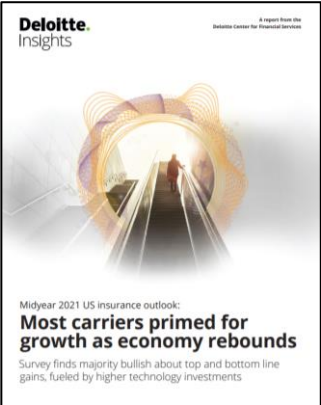
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends helps enable Deloitte to demonstrate eminence in the business services market by redefining the lens through which industry leaders operate.

Extensive knowledge network






DCF can leverage its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to drive results and provide differentiated insights for our clients.



Recent insights



Notable recent M&A transactions ⁽¹⁾

<p>Automotive</p> 	<p>Plastic Omnium Group acquisition of Varroc Lighting Systems, Inc.</p> <ul style="list-style-type: none"> • Varroc Lighting Systems, Inc. is a global automotive supplier providing custom design solutions and innovative product development for exterior vehicle lighting systems. • The acquisition of Varroc Lighting Systems is a key step towards positioning Plastic Omnium as a new major player in the lighting segment, covering the full end-to-end value chain. 	<p>Close Date: Pending EV: \$632.5 MM Rev: \$909.4 MM EV/Rev: 0.8x EV/EBITDA: N/A</p>
<p>Engineering and Construction</p> 	<p>Primoris Services Corporation acquisition of PLH Group, Inc.</p> <ul style="list-style-type: none"> • Primoris Services Corporation provides a range of construction, fabrication, maintenance, replacement, and engineering services in the United States and Canada. • PLH Group is a full-service construction and specialty contractor that serves the electric power and pipeline markets. • The transaction accelerates Primoris' ongoing portfolio transition toward higher-growth and higher-margin markets. 	<p>Close Date: Pending EV: \$470.0 MM Rev: N/A EV/Rev: 0.6x EV/EBITDA: 8.7x</p>
<p>Distribution, Transportation, and Logistics</p> 	<p>DB Schenker Logistics acquisition of USA Truck, Inc.</p> <ul style="list-style-type: none"> • DB Schenker Logistics is a leading logistics provider and operates land, air, and ocean transportation services. • USA Truck, Inc. provides truckload carrier solutions to a broad customer base throughout North America. • Upon completion of the transaction, DB Schenker aims to strengthen and expand USA Truck's presence in North America, while utilizing its international logistics expertise, air transport services, and ocean gateways. 	<p>Close Date: Pending EV: \$483.5 MM Rev: \$753.0 MM EV/Rev: 0.6x EV/EBITDA: 6.3x</p>
<p>Metals, Plastics, and Paper Packaging</p> 	<p>Clearlake Capital Group, L.P. acquisition of Intertape Polymer Group, Inc.</p> <ul style="list-style-type: none"> • Clearlake Capital Group, L.P. is a private equity firm specializing in middle market Industrials acquisitions. • Intertape Polymer Group, Inc. provides packaging and protective solutions for the industrial markets offering pressure-sensitive and water-activated tapes, packaging equipment, and industrial performance specialty tapes throughout North America and internationally. 	<p>Close Date: June 2022 EV: \$3,245.7 MM Rev: \$1,153.1 MM EV/Rev: 1.7x EV/EBITDA: 14.0x</p>
<p>Specialty Chemicals</p> 	<p>Balmoral Funds acquisition of Trecora Resources</p> <ul style="list-style-type: none"> • Trecora Resources manufactures and sells various specialty petrochemicals products and specialty waxes in the United States. • Upon closing of the merger, Trecora will operate as a privately held company and the shares of Trecora Common Stock will no longer be listed on any market. 	<p>Close Date: June 2022 EV: \$254.3 MM Rev: \$301.3 MM EV/Rev: 0.8x EV/EBITDA: 8.8x</p>

Automotive

Sector trends ⁽⁴⁾

- Automakers are reevaluating their long-held inventory strategy following the just-in-time principle, which led OEMs with no buffer inventory to fall back on during recent chip shortages. It is predicted that by 2025, 50% of the top 10 automotive OEMs will design their own chips and establish long-term working relations with chip companies.
- The availability and adoption of advanced technology solutions is driving the majority of the underlying trends in the auto industry. Connected cars, sensors, electrification, and new business models (including mobility-as-a-service) all take advantage of advanced technology solutions.
- A paradigm shift to mobility as a service, along with new entrants, will inevitably force traditional car manufacturers to compete on multiple fronts, such as costs, fuel efficiency, emissions reduction, and capital efficiency.

Select recent M&A activity ⁽¹⁾

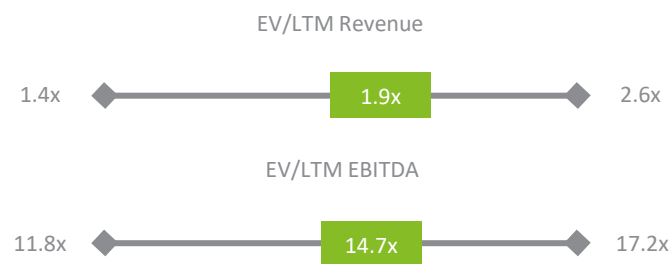
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
April 2022	PGW Auto Glass, LLC	One Equity Partners, LLC	\$362.0	9.1x
April 2022	Total Coolant Management Solutions Pty. Ltd.	DGL Group Limited	\$98.7	2.7x
Pending	SAMMI Metal Products Co. Ltd.	KSP Co. Ltd.	\$7.9	6.3x
May 2022	Skeppsbrons Jonkoping AB	Relais Group Oyj	\$8.9	6.0x



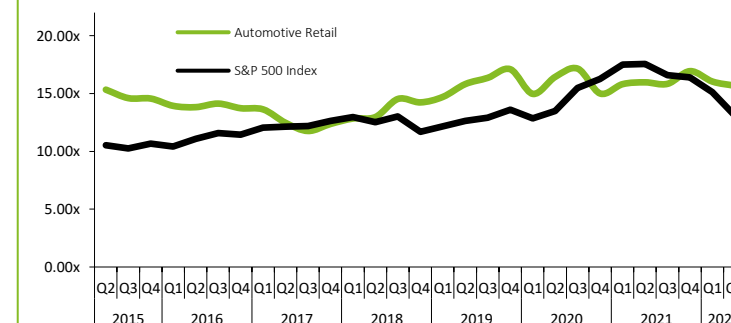
Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Daimler AG	\$165,284.8
Ford Motor Company	\$151,827.0
General Motors Company	\$140,476.7
Honda Motor Co., Ltd.	\$76,984.1
Toyota Motor Corporation	\$384,810.9
Volkswagen AG	\$253,754.8

Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Engineering and Construction

Sector trends ⁽⁴⁾

- Drone use in the construction industry is one of the fastest-growing trends as drones provide real-time data that can be used for rapid decision-making and monitoring of an entire construction process.
- COVID-19 forced teams to continue to collaborate without physical access to materials, spaces, or even other teammates. Mobile applications in the construction industry allow worksite access like never before. The applications provide real-time inspections, on-site accountability, and accurate measurements taken from a mobile phone camera.
- The US Bureau of Labor Statistics reported that the Producer Price Index for construction goods increased by 17% year over year in 2021. Rising interest rates are likely to result in further pressure on total construction. Technologies like drones, artificial intelligence, and building information modeling will likely be key in helping to maintain project volume and combat this cost pressure.

Select public comparables ⁽²⁾

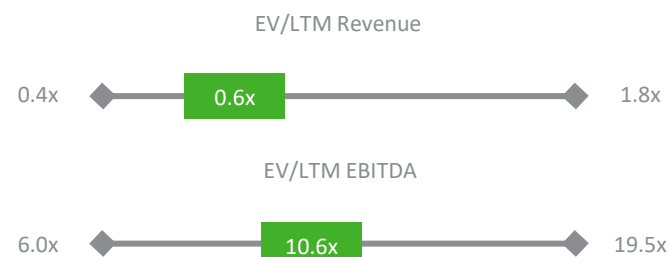
Company Name	Enterprise Value (MM)
Quanta Services, Inc.	\$21,860.3
MasTec, Inc.	\$7,282.6
WSP Global, Inc.	\$14,987.9
AECOM	\$11,351.0
Vulcan Materials Company	\$23,533.3
EMCOR Group, Inc.	\$5,297.7

Select recent M&A activity ⁽¹⁾

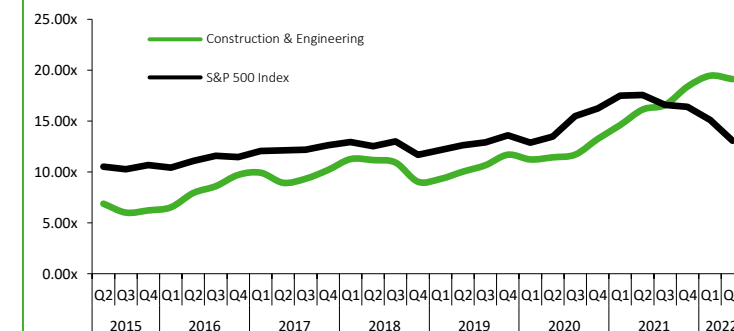
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
May 2022	Huttig Building Products	Woodgrain Millwork, Inc.	\$498.5	8.5x
June 2022	Pine Gate Renewables, LLC	Generate Capital, Inc.	\$200.0	N/A
May 2022	CIMIC Group Limited	Hochtief AG	\$5,520.7	11.4x
April 2022	Civeo Corporation	Conversant Capital, LLC	\$21.8	4.9x



Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Distribution, Transportation, and Logistics

Sector trends ⁽⁴⁾

- In response to rising labor costs, logistics providers are creating operational cost efficiencies by cutting back their labor forces.
- Robotic solutions are gaining dominance in the warehousing and delivery sectors. Robots are increasingly being utilized in inventory activities with their automated systems to pick, move, and organize packages.
- Until recently, supplier relationship management (SRM) was not widespread, but more companies have started to consider the importance of building a long-term relationship with suppliers and service providers.
- The ongoing development and distribution of new cloud-based systems and integrations is helping logistics businesses to streamline their workflows, store and transfer information quicker and more securely, and even have better control over their finances.

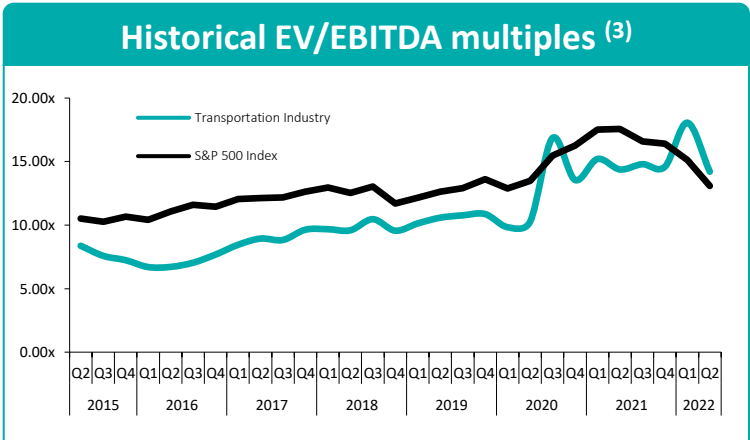
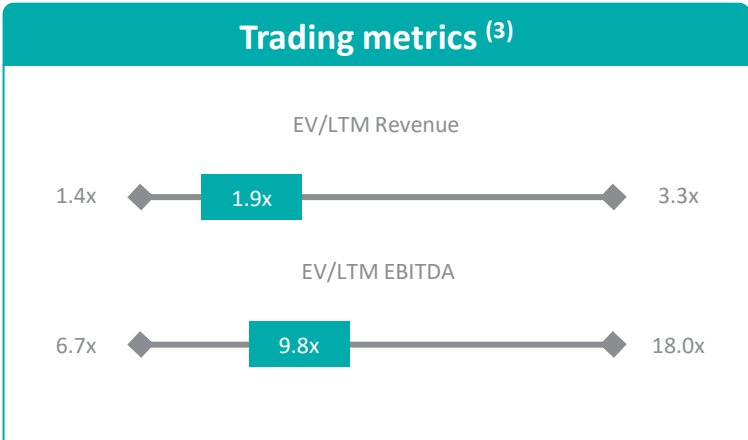
Select recent M&A activity ⁽¹⁾

Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
April 2022	Alexandria Container Handling	Abu Dhabi Development Holding Company	\$443.8	5.2x
Pending	Ryder System, Inc.	HG Vora Capital Management, LLC	\$11,059.4	4.0x
May 2022	Plurima S.p.A.	Poste Welfare Servizi Srl	\$143.8	13.0x
June 2022	Smith Transport, Inc.	Heartland Express, Inc.	\$170.0	N/A



Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Hub Group, Inc.	\$2,573.2
Werner Enterprises, Inc.	\$2,882.4
XPO Logistics, Inc.	\$8,910.3
C.H. Robinson Worldwide, Inc.	\$15,079.9
DSV A/S	\$35,915.8
A.P. Møller - Mærsk A/S	\$60,159.4



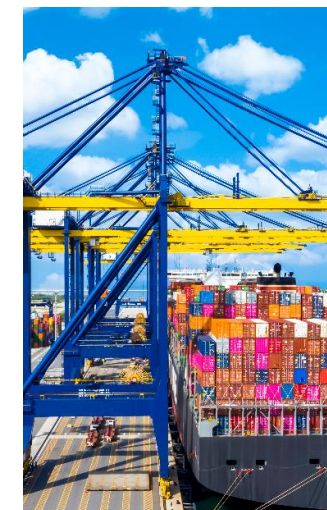
Metals, Plastics, and Paper Packaging

Sector trends ⁽⁴⁾

- Smart packaging is gaining market share quickly with its added functionality, durability, and convenience to efficiently package products. Smart packaging leverages technology such as QR codes, smart labels, RFID, and near field communication (NFC) chips.
- The demand for flexible plastic packaging solutions increased across various end-user industry sectors including food, retail, consumer goods, and pharmaceuticals. The demand has been catalyzed by the continued rise in the levels of urbanization, a large expatriate population, and changing dietary habits of the resident citizens.
- While digital printing has been around for a while, the popularity of using this printing method for e-commerce packaging has started to gain much more popularity in 2022.

Select recent M&A activity ⁽¹⁾

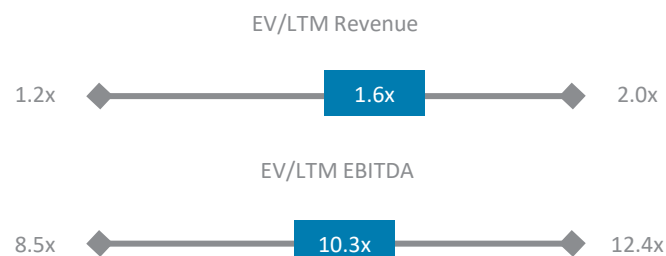
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
April 2022	Raven Engineered Films, Inc.	Industrial Opportunity Partners, LLC	\$350.0	N/A
May 2022	Alma Products Limited	Coral Products Plc	\$3.0	7.1x
June 2022	IGO Nickel Holdings Pty. Ltd.	Western Areas Limited	\$1,141.1	9.9x
Pending	Yamana Gold, Inc.	Gold Fields Limited	\$8,189.7	8.2x



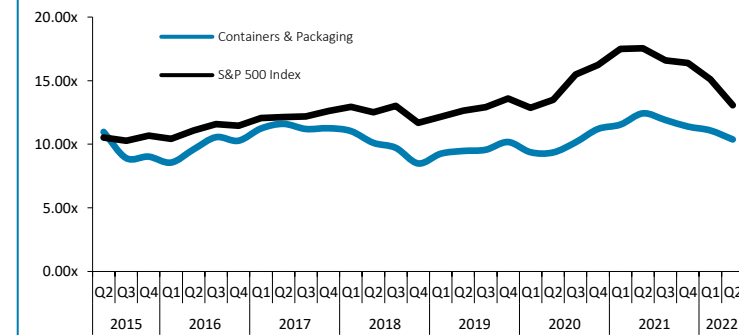
Select public comparables ⁽²⁾

Company Name	Enterprise Value (MM)
Ball Corporation	\$30,617.9
Berry Global Group, Inc.	\$16,986.6
Sonoco Products Company	\$8,909.8
Cascades, Inc.	\$2,032.8
Graphic Packaging Holding Co.	\$12,142.3
Crown Holdings, Inc.	\$18,351.2

Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Specialty Chemicals

Sector trends ⁽⁴⁾

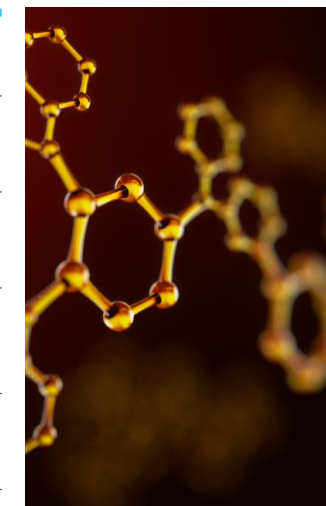
- In the past, chemical businesses have implemented advanced data analytics and digital initiatives in silos, resulting in slower processes and higher costs. However, chemical firms are now realizing that digital transformation is about implementing better technologies and involves aligning culture, people, structure, and tasks.
- Strong demand for both commodity and specialty chemicals should keep prices robust throughout the year. The industry should also experience increased capital expenditure as leading industry players focus on building capacity and expanding into growing end markets through both organic and inorganic routes.
- Chemical market consumers are increasingly valuing sustainability and prioritizing products based on circularity and carbon footprint, thus driving chemical companies to accelerate their decarbonization technologies, reexamine their existing assets, and begin to diversify away from hydrocarbons wherever possible.

Select public comparables ⁽²⁾

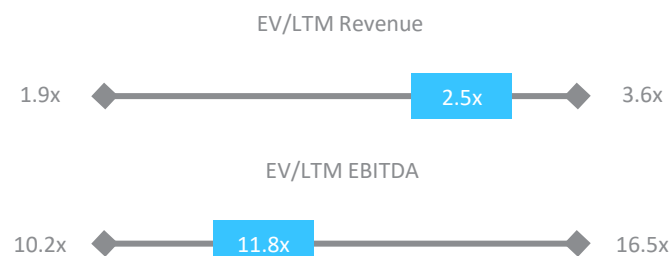
Company Name	Enterprise Value (MM)
H.B. Fuller Company	\$5,103.6
RPM International, Inc	\$12,859.7
American Vanguard Corporation	\$794.5
Arkema S.A.	\$8,708.7
Clariant AG	\$8,054.8
Avient Corporation	\$5,452.3

Select recent M&A activity ⁽¹⁾

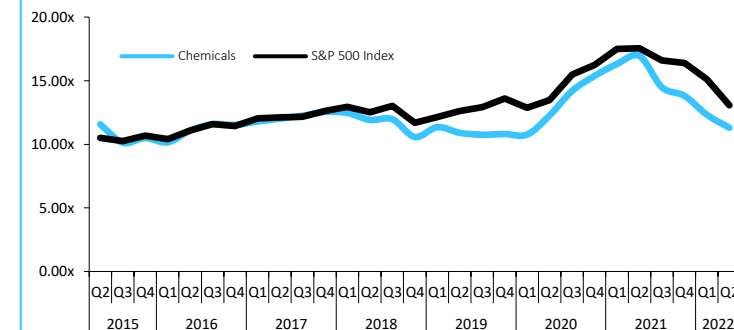
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Pending	Quality Synthetic Rubber, Inc.	Dätwyler Holding AG	\$625.0	14.2x
June 2022	Aker Clean Hydrogen As	AH Seksten As	\$1,076.0	N/A
June 2022	Evolved By Nature, Inc.	Mousse Partners; Chanel S.A.; Kraft Group, LLC	\$120.0	N/A
May 2022	MedicaNatumin AB	Humble Group AB	\$12.7	10.4x



Trading metrics ⁽³⁾



Historical EV/EBITDA multiples ⁽³⁾



Appendix

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