



## Industrials quarterly update

Q1 2018

## Industrials trends

### A&D spending on inorganic growth<sup>1</sup>

In 2017, the Aerospace & Defense sector experienced record levels of M&A deal value. M&A activity in the sector is expected to remain strong through 2018, as global tensions remain high and US government defense spending ramps up at the fastest pace since 2011, providing industry operators with the cash flow needed to make acquisitions.

### Section 232 and steel<sup>2</sup>

The Trump administration's section 232 probe determined that US steel and aluminum imports are a threat to national security, resulting in the proposal for 25% tariffs on the import of steel and 10% tariffs on imports of aluminum. The full effects of these tariffs are uncertain as US trade partners are only beginning to respond. Domestic metal prices have already begun to rise.



### Exponential growth in Industry 4.0<sup>3</sup>

The application of the internet of things (IoT) and advanced technologies to the manufacturing sector is becoming exponential, disruptive, and non-linear. The use of sensors, AI, cloud computing, and predictive analytics is becoming widely adopted as the industrials sector changes the way it designs, manufactures, distributes, and services products.

### Digital supply networks<sup>4</sup>

Digital supply networks (DSNs) are among the most common manifestations of the shifts happening in the Industry 4.0 revolution. DSNs allow for the integration of data from disparate sources to drive more efficient and effective physical production and distribution of manufactured goods. An executive self-assessment survey placed 64% of those interviewed at average or above average levels of DSN maturity relative to competitors.

## In the news

**January 28, 2018<sup>5</sup>** – Private equity firm Leonard Green & Partners LP has announced its acquisition of Pro Mach Group Inc from AEA Investors LP for \$2.2 billion, an estimated 15.0x multiple of TTM EBITDA. Pro Mach manufactures packaging and processing machinery for the food & beverage and pharmaceutical industries. The acquisition is the second in the packaging industry that Leonard Green & Partners have made over an eight month period.

**January 31, 2018<sup>6</sup>** - Ply Gem Holdings, a leading North American building products manufacturer, entered into a definitive agreement under which Clayton, Dubilier & Rice funds will acquire all of the outstanding shares of Ply Gem in a go-private transaction valued at \$2.4 billion. Shareholders are receiving an estimated 20% premium to the share price prior to announcement.

**March 7, 2018<sup>7</sup>** – Fortive Corporation announced that it has entered into a definitive agreement to combine four operating companies from its Automation & Specialty platform with Altra Industrial Motion Corp., creating a pure-play, global leader in the power transmission and motion control market. The transaction is valued at \$3.0 billion to be paid in a mix of cash and stock.

## In this update

- Industrials trends
- Economic outlook
- Industry analysis
- Select M&A transactions
- Appendix

This update will focus on news and trends in the following areas:

- Automotive
- Building products and industrial safety
- Capital equipment and rental services
- Distribution, transportation, and logistics
- Engineering and construction
- Metals, plastics, and packaging
- Specialty chemicals

## Who we are

Deloitte Corporate Finance LLC is a leading global middle market M&A adviser. The firm's professionals have extensive knowledge in the industrials space and use their experience to help clients create and act upon opportunities for liquidity, growth, and long-term advantages.

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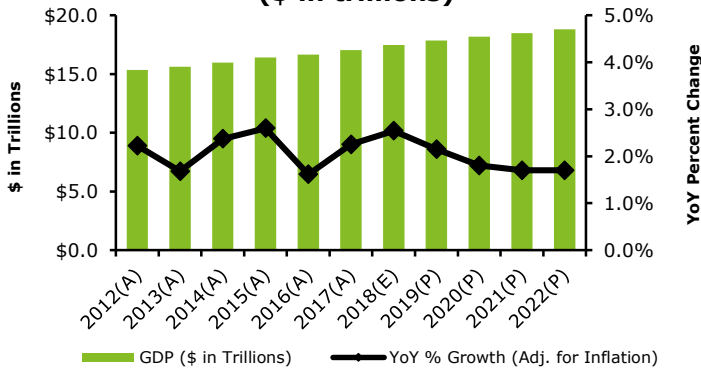
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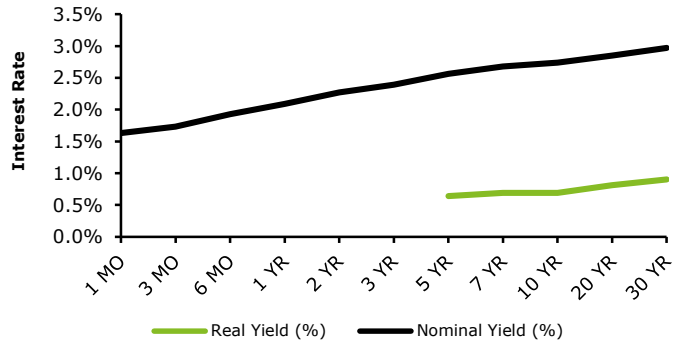
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## Macroeconomic outlook

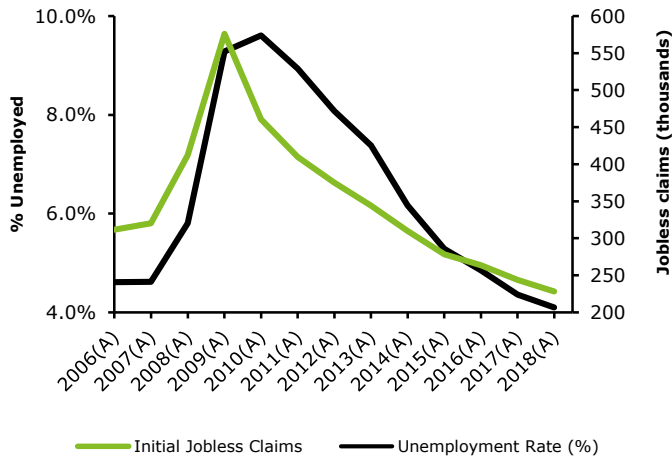
**US gross domestic product (\$ in trillions)<sup>1</sup>**



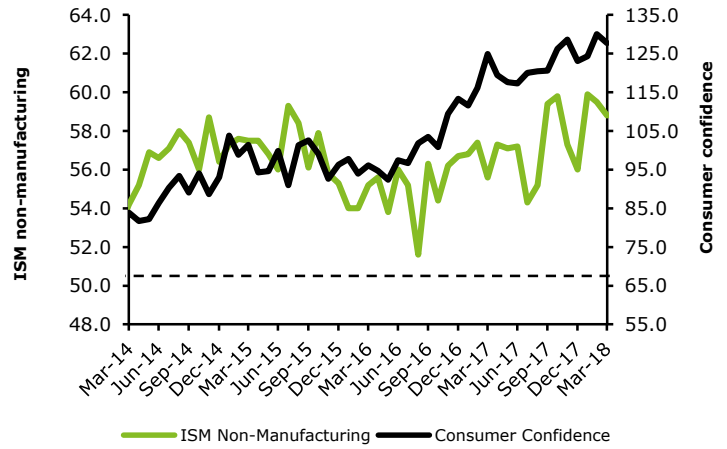
**US Treasury yield curve (nominal vs. real)<sup>2</sup>**



**US unemployment rate (% unemployed)<sup>3</sup>**

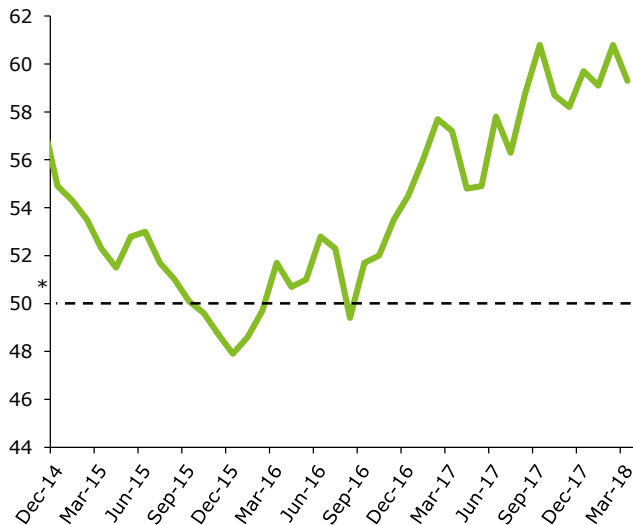


**ISM non-manufacturing index and consumer confidence index<sup>4</sup>**

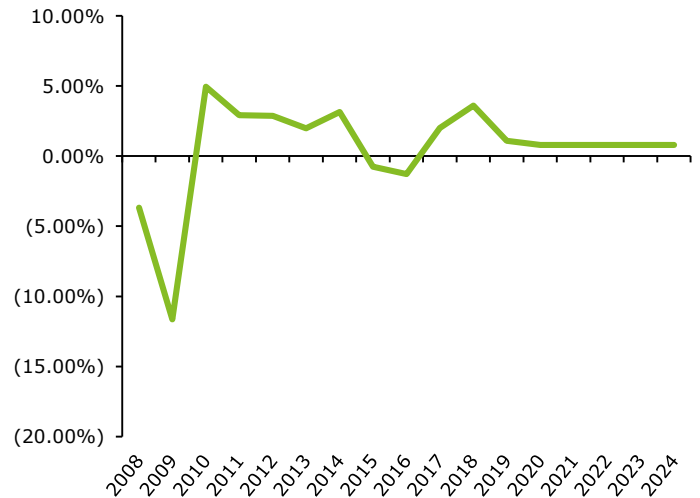


## Industrials sector outlook

**ISM purchase managers index<sup>5</sup>**



**Industrial production index (YoY growth)<sup>6</sup>**



**Note:**  
An ISM purchase managers index value above 50 signals economic expansion.

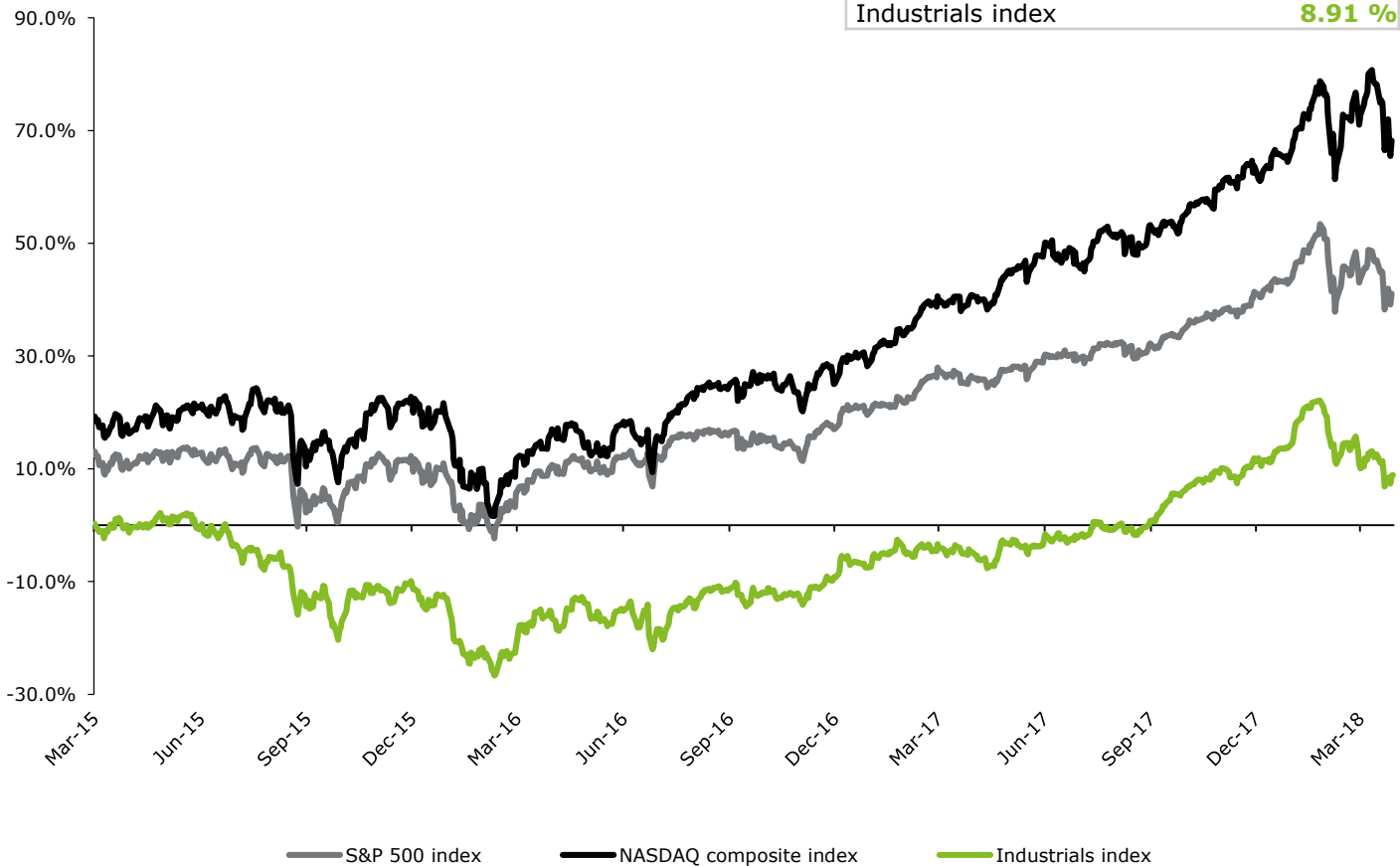
## Industrials sector Breakdown & Trading Statistics<sup>1</sup>

Sector	Number of companies	% of 52 week high	Median revenue CAGR (3 Yr)	Median LTM EBITDA	Median EBITDA margin	Median enterprise value	LTM		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
Automotive	21	84.0%	5.4%	\$7,091.1	10.3%	\$68,210.6	0.8x	7.7x	6.9x
Building Products, Electric Products, Industrial Safety	21	84.1	7.6	417.3	12.2	4,848.9	1.2	11.5	8.3
Capital Equipment & Rental Services	22	85.8	2.4	290.9	11.4	3,815.2	1.4	13.7	8.4
Distribution, Transportation & Logistics	20	83.4	4.2	817.9	9.1	11,100.3	1.2	13.1	10.2
Engineering & Construction	32	81.2	4.5	236.4	6.2	1,834.9	0.5	8.8	6.9
Metals, Plastics & Paper Packaging	18	85.8	0.3	804.7	15.7	9,140.9	1.4	9.8	8.5
Specialty Chemicals	12	82.9	(0.4)	813.4	18.3	9,286.5	2.3	12.1	9.9
<b>Industrials sector</b>	<b>146</b>	<b>83.9%</b>	<b>3.4%</b>	<b>\$1,496.0</b>	<b>11.9%</b>	<b>\$15,462.5</b>	<b>1.3x</b>	<b>10.9x</b>	<b>8.5x</b>

(\$ in millions)

## Public comparables three-year stock market performance<sup>2</sup>

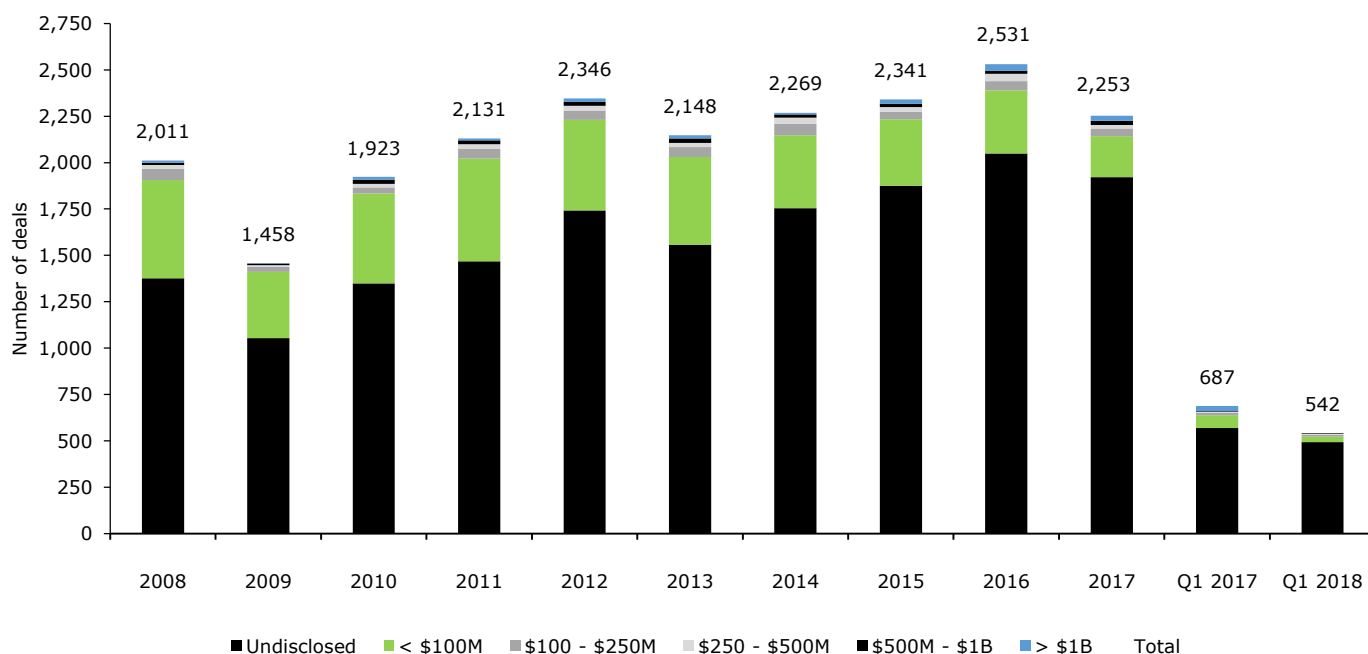
S&P 500 index	<b>41.05 %</b>
NASDAQ composite index	<b>68.22 %</b>
Industrials index	<b>8.91 %</b>



## Select large industrials M&A transactions<sup>1</sup>

Announced date	Target/Acquirer	Business description	Enterprise Value (EV)	Latest twelve months	
				EV/Revenue	EV/EBITDA
Mar-18	<b>USG Corporation</b> Gebr. Knauf Verwaltungsgesellschaft KG	USG Corporation manufactures and sells building materials worldwide to the residential, commercial, and institutional construction markets.	\$6,657.2	2.1x	11.9x
Mar-18	<b>Cedar Creek Holdings, Inc.</b> BlueLinx Corporation	Cedar Creek Holdings, Inc. engages in the distribution of lumber and building materials, including hardwood, plywood, and panel products in the United States.	413.0	0.3	6.9
Mar-18	<b>Ashland Products Inc.</b> Tyman plc	Ashland Products Inc. manufactures residential window and door hardware for the fenestration industry through North America.	101.0	1.5	9.0
Mar-18	<b>Certain Assets of Fortive Corporation</b> Altra Industrial Motion Corp.	The acquired assets include four automation and specialty platform companies including Jacobs Vehicle Systems, Kollmorgen Corporation, Poretscap US, and Thomson Industries.	3,000.0	3.3	13.6
Feb-18	<b>Layne Christensen Company</b> Granite Construction Incorporated	Layne Christensen Company operates as a water management, construction, and drilling company that provides solutions for the water, mineral, and energy markets.	490.9	1.0	16.5
Feb-18	<b>FMH Aerospace Corp.</b> AMETEK, Inc.	FMH Aerospace Corp. manufactures engineered components and assemblies for commercial aerospace, defense, space, and industrial sectors.	235.0	4.7	N/A
Jan-18	<b>Ply Gem Holdings, Inc</b> Clayton, Dubilier & Rice, Inc.	Ply Gem Holdings, Inc. manufactures and sells residential and commercial building products, including siding, fencing, and stone, as well as windows and doors, in the US and Canada.	2,260.6	1.1	9.9
Jan-18	<b>Key Technology, Inc.</b> Duravant LLC	Key Technology, Inc. manufactures, sells, and services process automation systems integrating electro-optical inspection, sorting, and process systems internationally.	172.1	1.2	17.4
Jan-18	<b>Nelson Fastener Systems</b> Stanley Black & Decker, Inc.	Nelson Fastener Systems manufactures and distributes fasteners and fastening system components worldwide.	440.0	2.2	N/A
Jan-18	<b>L.D. Kichler Co., Inc.</b> Masco Corporation	L.D. Kichler Co., Inc. provides indoor and outdoor lightings, ceiling fans, landscape lightings, lamps and mirrors, and home accessories.	550.0	1.2	N/A

## Annual US industrials M&A transaction volume<sup>2</sup>



Recent transactions<sup>1</sup>

Target/Acquirer	Sub-sector	Announced date	Close date	LTM revenue	LTM EBITDA	EBITDA margin	Latest twelve months		
							Enterprise value (EV)	EV/Revenue	EV/EBITDA
<b>USG Corporation</b> Gebr. Knauf Verwaltungsgesellschaft KG	Building Products	Mar-18	Pending	\$3,204.0	\$558.0	17.4%	\$6,657.2	2.1x	11.9x
<b>Cedar Creek Holdings, Inc.</b> BlueLinx Corporation	Materials Distributorship	Mar-18	Pending	1,420.0	60.0	4.2	413.0	0.3	6.9
<b>Ashland Products Inc.</b> Tyman plc	Building Products	Mar-18	Mar-18	67.2	11.2	16.7	101.0	1.5	9.0
<b>Gulf Stream Marine, Inc.</b> Logistec Corporation	Marine Ports and Services	Mar-18	Mar-18	68.7	8.2	11.9	65.7	1.0	8.0
<b>Kratos Public Safety &amp; Security Solutions, Inc.</b> Securitas Electronic Security Inc.	Security Services	Feb-18	Pending	149.9	4.6	3.1	69.0	0.5	15.0
<b>Layne Christensen Company</b> Granite Construction Incorporated	Construction and Engineering	Feb-18	Pending	602.2	17.4	2.9	495.8	0.8	28.5
<b>Precision Hydraulic Cylinders Inc.</b> Leggett & Platt, Incorporated	Industrial Machinery	Feb-18	Jan-18	81.0	N/A	N/A	85.0	1.0	N/A
<b>FMH Aerospace Corp.</b> AMETEK, Inc.	Aerospace and Defense	Feb-18	Feb-18	50.0	N/A	N/A	235.0	4.7	N/A
<b>Ply Gem Holdings, Inc.</b> Clayton, Dubilier & Rice, Inc.	Building Products	Jan-18	Pending	2,056.3	227.5	11.1	2,260.6	1.1	9.9
<b>Key Technology, Inc.</b> Duravant LLC	Industrial Machinery	Jan-18	Mar-18	143.8	9.9	6.9	172.1	1.2	17.4
<b>Nelson Fastener Systems</b> Stanley Black & Decker, Inc.	Industrial Machinery	Jan-18	Pending	200.0	N/A	N/A	440.0	2.2	N/A
<b>L.D. Kichler Co., Inc.</b> Masco Corporation	Electrical Components and Equipment	Jan-18	Mar-18	450.0	N/A	N/A	550.0	1.2	N/A
<b>Moretrench American Corporation</b> Keller Group plc	Construction and Engineering	Jan-18	Mar-18	168.3	15.8	9.4	90.0	0.5	5.7
<b>Stewart Superabsorbents, LLC</b> Chase Corporation	Chemicals and Specialty Materials	Jan-18	Dec-17	24.0	N/A	N/A	71.4	3.0	N/A
<b>Median</b>				\$159.1	\$15.8	6.9 %	\$203.5	1.1x	9.9x
<b>Mean</b>				\$620.4	\$101.4	7.4 %	\$836.1	1.5x	12.5x

## Appendix

Public comparables analysis<sup>1</sup>

Company (ticker)	% of 52 week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value ("EV")	Last twelve months		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
<b>Automotive</b>									
Bayerische Motoren Werke Aktiengesellschaft (DB:BMW)	90.7 %	\$118,489.4	7.1 %	\$15,948.6	13.5 %	\$167,618.5	1.4 x	10.5 x	9.5 x
Daimler AG (XTRA:DAI)	90.2	197,322.3	8.2	20,805.7	10.5	226,430.6	1.1	10.9	9.0
Delphi Technologies PLC (NYSE:DLPH)	78.9	4,849.0	2.2	826.0	17.0	5,590.6	1.2	6.8	6.9
Fiat Chrysler Automobiles N.V. (BIT:FCA)	81.7	133,028.3	5.8	13,810.0	10.4	38,273.1	0.3	2.8	2.5
Ford Motor Company (NYSE:F)	82.2	156,776.0	2.9	13,505.0	8.6	172,169.3	1.1	12.7	17.8
Subaru Corporation (TSE:7270)	81.1	30,743.0	7.8	4,521.8	14.7	17,038.1	0.6	3.8	4.3
General Motors Company (NYSE:GM)	77.7	145,588.0	(2.3)	22,211.0	15.3	126,788.1	0.9	5.7	5.9
Honda Motor Co., Ltd. (TSE:7267)	88.2	135,036.6	7.1	12,625.7	9.3	108,345.1	0.8	8.6	8.3
Hyundai Motor Company (KOSE:A005380)	82.9	90,217.8	2.6	7,586.2	8.4	73,808.4	0.8	9.7	9.6
Isuzu Motors Limited (TSE:7202)	81.5	18,362.8	4.4	2,017.5	11.0	13,336.3	0.7	6.6	6.1
Kia Motors Corporation (KOSE:A000270)	76.4	50,114.9	4.4	2,357.1	4.7	10,870.7	0.2	4.6	3.4
Mazda Motor Corporation (TSE:7261)	78.9	30,307.5	5.0	1,935.4	6.4	8,061.8	0.3	4.2	4.4
Mitsubishi Corporation (TSE:8058)	86.3	65,882.8	(1.5)	5,728.4	8.7	86,868.2	1.3	15.2	13.0
Nissan Shatai Co., Ltd. (TSE:7222)	84.1	5,127.7	5.7	113.6	2.2	334.6	0.1	2.9	N/A
Peugeot S.A. (ENXTPA:UG)	93.0	78,302.1	8.1	6,956.1	8.9	18,834.8	0.2	2.7	2.4
Renault SA (ENXTPA:RNO)	97.7	70,569.2	12.7	7,226.2	10.2	76,177.1	1.1	10.5	8.7
SAIC Motor Corporation Limited (SHSE:600104)	90.3	132,091.5	11.1	5,191.5	3.9	62,612.9	0.5	12.1	9.9
Suzuki Motor Corporation (TSE:7269)	84.1	32,338.6	6.6	4,612.0	14.3	23,150.8	0.7	5.0	4.8
Tesla, Inc. (NasdaqGS:TSLA)	68.3	11,758.8	54.3	29.7	0.3	55,097.8	4.7	NM	45.4
Toyota Motor Corporation (TSE:7203)	87.4	259,594.7	3.1	34,858.1	13.4	330,661.0	1.3	9.5	12.1
Volkswagen Aktiengesellschaft (XTRA:VOW3)	83.9	276,995.7	4.4	30,446.7	11.0	263,660.3	1.0	8.7	6.4
<b>Median</b>	<b>84.0 %</b>	<b>84,260.0</b>	<b>5.4 %</b>	<b>7,091.1</b>	<b>10.3 %</b>	<b>68,210.6</b>	<b>0.8 x</b>	<b>7.7 x</b>	<b>6.9 x</b>
<b>Mean</b>	<b>84.9 %</b>		<b>5.3 %</b>		<b>10.1 %</b>		<b>0.8 x</b>	<b>7.7 x</b>	<b>7.6 x</b>
<b>Building products, electric products, industrial safety</b>									
Beacon Roofing Supply, Inc. (NasdaqGS:BECN)	79.8 %	\$4,496.5	23.8 %	\$383.5	8.5 %	\$5,583.5	1.2 x	14.6 x	8.3 x
BlueLinx Holdings Inc. (NYSE:BXC)	84.1	1,815.5	(2.8)	32.3	1.8	610.1	0.3	18.9	N/A
BMC Stock Holdings, Inc. (NasdaqGS:BMCH)	76.1	3,366.0	36.9	189.6	5.6	1,673.6	0.5	8.8	7.1
Boral Limited (ASX:BLD)	90.5	4,087.8	6.6	554.6	13.6	8,520.2	2.1	15.4	9.2
Builders FirstSource, Inc. (NasdaqGS:BLDR)	85.2	7,034.2	63.7	382.3	5.4	3,991.0	0.6	10.4	7.8
Compagnie de Saint-Gobain S.A. (ENXTPA:SGO)	81.8	49,003.4	2.1	4,947.2	10.1	36,906.8	0.8	7.5	6.8
Eagle Materials Inc. (NYSE:EXP)	84.1	1,380.5	10.2	417.3	30.2	5,559.4	4.0	13.3	10.2
Emerson Electric Co. (NYSE:EMR)	91.7	15,864.0	(13.5)	3,358.0	21.2	45,770.4	2.9	13.6	12.4
Fletcher Building Limited (NZSE:FBU)	68.7	6,868.5	4.6	58.2	0.8	4,573.9	0.7	NM	N/A
Gibraltar Industries, Inc. (NasdaqGS:ROCK)	81.8	986.9	4.6	120.4	12.2	1,062.3	1.1	8.8	8.7
Huttig Building Products, Inc. (NasdaqCM:HBP)	56.6	753.2	6.5	5.0	0.7	238.6	0.3	NM	N/A
James Hardie Industries plc (ASX:JHX)	95.9	2,022.9	7.6	455.1	22.5	8,308.7	4.1	18.3	14.4
Martin Marietta Materials, Inc. (NYSE:MLM)	84.8	3,721.4	11.6	999.5	26.9	14,602.8	3.9	14.6	12.5
NCI Building Systems, Inc. (NYSE:NCS)	83.5	1,799.9	9.2	161.6	9.0	1,555.9	0.9	9.6	7.6
Owens Corning (NYSE:OC)	83.3	6,384.0	6.7	1,135.0	17.8	11,187.8	1.8	9.9	7.5
Ply Gem Holdings, Inc.	97.3	2,056.3	9.5	227.5	11.1	2,221.0	1.1	9.8	8.1
Summit Materials, Inc. (NYSE:SUM)	88.9	1,932.6	17.1	421.7	21.8	4,848.9	2.5	11.5	9.3
U.S. Concrete, Inc. (NasdaqCM:USCR)	69.9	1,336.0	23.8	168.0	12.6	1,708.4	1.3	10.2	7.1
USG Corporation (NYSE:USG)	98.2	3,204.0	3.3	499.0	15.6	6,286.1	2.0	12.6	9.9
Vulcan Materials Company (NYSE:VMC)	80.9	3,890.3	9.1	951.3	24.5	17,823.4	4.6	18.7	14.9
Wienerberger AG (WBAG:WIE)	89.3	3,746.0	3.2	457.9	12.2	3,685.8	1.0	8.0	6.7
<b>Median</b>	<b>84.1 %</b>	<b>3,366.0</b>	<b>7.6 %</b>	<b>417.3</b>	<b>12.2 %</b>	<b>4,848.9</b>	<b>1.2 x</b>	<b>11.5 x</b>	<b>8.5 x</b>
<b>Mean</b>	<b>83.4 %</b>		<b>11.6 %</b>		<b>13.5 %</b>		<b>1.8 x</b>	<b>12.3 x</b>	<b>9.3 x</b>
<b>Capital equipment &amp; rental services</b>									
Aggreko Plc (LSE:AGK)	73.8 %	\$2,338.3	3.1 %	\$711.5	30.4 %	\$3,552.0	1.5 x	5.0 x	4.8 x
Ashtead Group plc (LSE:AH7)	88.8	5,178.3	24.6	2,446.5	47.2	17,066.3	3.3	7.0	6.9
Astec Industries, Inc. (NasdaqGS:ASTE)	82.8	1,191.8	5.1	84.7	7.1	1,214.4	1.0	14.3	9.6
Caterpillar Inc. (NYSE:CAT)	85.1	48,499.0	(3.9)	10,152.0	20.9	115,646.1	2.4	11.4	12.1
Cervus Equipment Corporation (TSX:CERV)	86.5	973.8	7.6	42.6	4.4	298.7	0.3	7.0	7.2
CNH Industrial N.V. (NYSE:CNHI)	79.3	26,168.0	(5.7)	2,685.0	10.3	37,948.2	1.5	14.1	14.5
Cummins Inc. (NYSE:CM)	83.5	20,428.0	2.1	2,577.0	12.6	28,020.2	1.4	10.9	8.4
Deere & Company (NYSE:DE)	88.6	30,418.6	(4.4)	5,092.5	16.7	88,423.9	2.9	17.4	15.8
Finnish International Inc. (TSX:FTT)	85.2	4,995.7	(3.3)	448.9	9.0	4,747.3	1.0	10.6	9.3
H&E Equipment Services, Inc. (NasdaqGS:HEES)	87.0	1,030.0	(1.9)	150.9	14.7	2,173.7	2.1	14.4	6.1
Herc Holdings Inc. (NYSE:HR)	89.0	1,754.5	(0.3)	153.4	8.7	4,078.4	2.3	26.6	6.1
Hyundai Heavy Industries Co., Ltd. (KOSE:A009540)	70.4	14,480.4	(33.5)	547.6	3.8	11,363.6	0.8	20.8	27.2
Manitex International, Inc. (NasdaqCM:MNTX)	92.9	213.1	6.8	4.9	2.3	280.2	1.3	56.9	13.7
McGrath RentCorp (NasdaqGS:MGR)	96.5	462.0	4.2	104.9	22.7	1,592.3	3.4	15.2	9.4
Nishio Rent All Co., Ltd. (TSE:9699)	76.7	1,122.6	5.9	307.3	27.4	1,077.5	1.0	3.5	3.2
Oshkosh Corporation (NYSE:OSK)	77.1	7,204.5	2.8	677.1	9.4	6,221.9	0.9	9.2	9.1
Strongo Corporation (TSX:SQP)	81.2	283.9	(10.6)	4.5	1.6	150.1	0.5	NM	7.8
The Manitowoc Company, Inc. (NYSE:MTW)	64.6	1,581.3	(11.8)	67.3	4.3	1,163.9	0.7	17.3	10.9
Toromont Industries Ltd. (TSX:TI)	95.1	1,874.0	12.3	274.6	14.7	4,081.5	2.2	14.9	10.9
United Rentals, Inc. (NYSE:URI)	90.6	7,019.0	6.4	2,057.0	29.3	23,625.2	3.4	11.5	6.0
Vp plc (LSE:VP)	89.9	352.6	10.8	98.6	28.0	631.9	1.8	6.4	5.7
Wajax Corporation (TSX:WJX)	93.7	1,052.0	(3.1)	51.8	4.9	498.4	0.5	9.6	7.2
<b>Median</b>	<b>85.8 %</b>	<b>1,814.3</b>	<b>2.4 %</b>	<b>290.9</b>	<b>11.4 %</b>	<b>3,815.2</b>	<b>1.4 x</b>	<b>11.5 x</b>	<b>8.7 x</b>
<b>Mean</b>	<b>84.5 %</b>		<b>0.6 %</b>		<b>15.0 %</b>		<b>1.6 x</b>	<b>14.5 x</b>	<b>9.6 x</b>

**Note:**

Tesla Motors excluded from Automotive mean and median calculations due to abnormally high growth and low profitability.

Public comparables analysis (cont.)<sup>1</sup>

Company (ticker)	% of 52 week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value ("EV")	Last twelve months		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
<b>Distribution, transportation &amp; logistics</b>									
ArcBest Corporation (NasdaqGS:ARCB)	80.7 %	\$2,826.5	2.7 %	\$159.2	5.6 %	\$914.1	0.3 x	5.7 x	4.9 x
C.H. Robinson Worldwide, Inc. (NasdaqGS:CHRW)	93.5	14,869.4	3.3	854.2	5.7	14,227.0	1.0	16.7	14.5
Deutsche Post AG (XTRA:DPW)	85.9	73,019.9	2.1	5,397.5	7.4	56,802.9	0.8	10.5	7.9
Echo Global Logistics, Inc. (NasdaqGS:ECHO)	83.8	1,943.1	18.3	42.8	2.2	960.9	0.5	22.5	12.3
Expeditors International of Washington, Inc. (NasdaqGS:EXPD)	93.6	6,920.9	1.8	745.6	10.8	10,126.5	1.5	13.6	12.7
FedEx Corporation (NYSE:FDX)	87.4	63,864.0	10.6	8,388.0	13.1	78,952.0	1.2	9.4	8.2
Forward Air Corporation (NasdaqGS:FWRD)	81.6	1,100.8	12.1	149.2	13.6	1,600.9	1.5	10.7	9.9
Hapag-Lloyd Aktiengesellschaft (DB:HLA)	77.3	11,975.7	13.6	1,175.9	9.8	13,712.9	1.1	11.7	9.2
Hub Group, Inc. (NasdaqGS:HUBG)	80.1	4,034.9	4.2	160.4	4.0	1,712.8	0.4	10.7	9.8
J.B. Hunt Transport Services, Inc. (NasdaqGS:JBHT)	92.6	7,508.7	6.6	1,033.5	13.8	13,930.2	1.9	13.5	10.8
Knight-Swift Transportation Holdings Inc. (NYSE:KNX)	88.6	2,425.5	30.1	438.8	18.1	9,095.4	3.7	20.7	8.9
Kuehne + Nagel International AG (SWX:KNIN)	82.7	19,079.4	2.0	1,171.8	6.1	18,068.1	0.9	15.4	14.3
Landstar System, Inc. (NasdaqGS:LSTR)	92.5	3,648.9	4.6	283.8	7.8	4,483.6	1.2	15.8	12.5
Nippon Yusen Kabushiki Kaisha (TSE:9101)	70.9	18,998.9	(3.3)	938.9	4.9	12,178.9	0.6	13.0	11.2
Old Dominion Freight Line, Inc. (NasdaqGS:ODFL)	96.4	3,358.1	6.4	781.6	23.3	12,074.1	3.6	15.4	13.0
Panalpina Welttransport (Holding) AG (SWX:PWTN)	73.1	5,946.3	(5.0)	142.7	2.4	2685.5	0.5	18.8	10.2
Ryder System, Inc. (NYSE:R)	80.6	7,496.1	4.4	1,739.7	23.2	9,198.5	1.2	5.3	5.0
United Parcel Service, Inc. (NYSE:UPS)	77.2	65,872.0	4.2	9,811.0	14.9	110,433.1	1.7	11.3	10.5
Werner Enterprises, Inc. (NasdaqGS:WERN)	83.0	2,178.2	0.5	363.3	16.7	2,705.9	1.2	7.4	6.0
XPO Logistics, Inc. (NYSE:XPO)	95.9	15,380.8	86.9	1,281.6	8.3	16,927.9	1.1	13.2	10.7
<b>Median</b>	<b>83.4 %</b>	<b>7,208.5</b>	<b>4.3 %</b>	<b>817.9</b>	<b>9.1 %</b>	<b>11,100.3</b>	<b>1.2 x</b>	<b>13.1 x</b>	<b>10.3 x</b>
<b>Mean</b>	<b>84.9 %</b>		<b>10.3 %</b>		<b>10.6 %</b>		<b>1.3 x</b>	<b>13.1 x</b>	<b>10.1 x</b>
<b>Engineering &amp; construction</b>									
ACS, Actividades de Construcción y Servicios, S.A. (BME:ACS)	86.1 %	\$41,887.5	(0.0) %	\$2,552.1	6.1 %	\$15,226.0	0.4 x	6.0 x	5.5 x
Aegion Corporation (NasdaqGS:AEGN)	81.3	1,359.0	0.7	114.3	8.4	996.6	0.7	8.7	9.1
Arcadis NV (ENXTAM:ARCAD)	79.5	3,865.1	6.9	245.0	6.3	2,213.5	0.6	9.0	7.6
Babcock International Group plc (LSE:BAB)	64.9	6,289.0	8.4	741.7	11.8	6,799.8	1.1	9.2	7.8
Balfour Beatty plc (LSE:BBY)	85.9	9,347.8	(1.6)	102.7	1.1	2,709.9	0.3	NM	9.3
Billfinger SE (DB:GBF)	90.3	4,856.1	(13.5)	20.3	0.4	1,627.4	0.3	NM	9.4
CIMIC Group Limited (ASX:CIM)	84.4	10,498.3	(5.7)	1,247.6	11.9	10,370.9	1.0	8.3	8.4
Comfort Systems USA, Inc. (NYSE:FIX)	92.1	1,787.9	8.2	137.6	7.7	1,554.2	0.9	11.3	9.7
Costain Group PLC (LSE:COST)	93.9	2,276.1	16.3	67.7	3.0	442.4	0.2	6.5	5.4
Daelim Industrial Co., Ltd. (KOSE:A000210)	78.6	11,547.3	9.9	414.0	3.6	4,078.6	0.4	9.9	6.9
Daewoo Engineering & Construction Co., Ltd. (KOSE:A047040)	63.3	11,015.0	5.6	525.9	4.8	3,303.6	0.3	6.3	4.7
Ebara Corporation (TSE:6361)	81.5	4,885.4	0.0	493.3	10.1	3,485.4	0.7	7.1	7.7
Fluor Corporation (NYSE:FLR)	92.2	19,521.0	(3.2)	671.6	3.4	7,809.6	0.4	11.6	8.7
Fomento de Construcciones y Contratas, S.A. (BME:FCC)	97.8	7,163.4	(3.1)	976.2	13.6	9,121.9	1.3	9.3	9.0
GS Engineering & Construction Corporation (KOSE:A006360)	85.1	10,933.2	7.2	182.6	1.7	3,126.6	0.3	17.1	5.1
Interserve plc (LSE:IRV)	32.3	4,233.1	9.3	249.4	5.9	809.5	0.2	3.2	4.8
Keller Group plc (LSE:KLR)	81.2	2,798.7	9.0	227.7	8.1	1,206.2	0.4	5.3	5.3
Kier Group plc (LSE:KIE)	67.2	5,601.9	10.7	261.4	4.7	1,649.9	0.3	6.3	6.6
Koninklijke BAM Groep nv (ENXTAM:BAMNB)	68.7	7,929.5	(3.3)	96.7	1.2	1,040.6	0.1	10.8	4.5
Maire Tecnimont S.p.A. (BIT:MT)	77.1	4,218.8	31.5	220.8	5.2	1,579.6	0.4	7.2	6.7
Matrix Service Company (NasdaqGS:MTRX)	67.7	1,095.9	(7.6)	18.4	1.7	344.2	0.3	18.7	7.4
Monadelphous Group Limited (ASX:MND)	76.7	1,149.5	(11.3)	85.2	7.4	941.6	0.8	11.1	10.6
Morgan Sindall Group plc (LSE:MGNS)	77.0	3,774.7	8.0	94.7	2.5	455.3	0.1	4.8	4.9
Oil States International, Inc. (NYSE:OIS)	75.5	670.6	(28.3)	37.7	5.6	1,522.7	2.3	NM	14.9
Penta-Ocean Construction Co., Ltd. (TSE:1893)	87.7	4,574.8	10.0	307.1	6.7	2,020.0	0.4	6.6	6.2
Primoris Services Corporation (NasdaqGS:PRIM)	83.3	2,380.0	4.5	172.1	7.2	1,381.7	0.6	8.0	7.8
Quanta Services, Inc. (NYSE:PWR)	85.7	9,466.5	6.9	657.3	6.9	5,835.5	0.6	8.9	6.8
RPC, Inc. (NYSE:RES)	66.6	1,595.2	(12.0)	385.2	24.1	3,798.5	2.4	9.9	6.9
STRABAG AG (OTCPK:STAG.F)	100.0	2,635.8	2.3	166.1	6.3	1,619.2	0.6	9.7	N/A
Sumitomo Heavy Industries, Ltd. (TSE:6302)	77.3	6,670.8	4.5	768.5	11.5	4,830.7	0.7	6.3	5.8
Team, Inc. (NYSE:TISI)	45.5	1,200.2	13.9	11.2	0.9	773.5	0.6	NM	11.0
VINCI SA (ENXTPA:DG)	90.0	49,324.0	1.6	7,866.2	15.9	73,577.7	1.5	9.4	9.1
<b>Median</b>	<b>81.2 %</b>	<b>4,715.5</b>	<b>4.5 %</b>	<b>236.4</b>	<b>6.2 %</b>	<b>1,834.9</b>	<b>0.5 x</b>	<b>8.8 x</b>	<b>7.4 x</b>
<b>Mean</b>	<b>78.6 %</b>		<b>2.7 %</b>		<b>6.8 %</b>		<b>0.7 x</b>	<b>8.8 x</b>	<b>7.5 x</b>



Public comparables analysis (cont.)<sup>1</sup>

Company (ticker)	% of 52 week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value ("EV")	Last twelve months		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
<i>(\$ in Millions)</i>									
<b>Metals, plastics &amp; paper packaging</b>									
Alcoa Corporation (NYSE:AA)	78.2 %	\$12,087.0	0.0 %	\$2,335.0	19.3 %	\$10,692.5	0.9 x	4.6 x	3.6 x
AptarGroup, Inc. (NYSE:ATR)	97.3	2,469.3	(1.7)	476.8	19.3	6,145.3	2.5	12.9	12.0
ArcelorMittal (ENXTAM:MT)	83.6	68,679.0	(4.7)	8,055.0	11.7	44,813.8	0.7	5.6	5.2
Avery Dennison Corporation (NYSE:AVY)	85.9	6,613.8	1.5	881.3	13.3	10,685.8	1.6	12.1	11.4
Ball Corporation (NYSE:BLL)	91.8	10,983.0	8.6	1,752.0	16.0	20,548.4	1.9	11.7	11.1
Bemis Company, Inc. (NYSE:BMS)	86.2	4,046.2	(2.3)	550.3	13.6	5,452.2	1.3	9.9	9.7
Berry Global Group, Inc. (NYSE:BERY)	88.8	7,369.0	13.5	1,310.0	17.8	12,524.1	1.7	9.6	8.7
Commercial Metals Company (NYSE:CMC)	76.6	4,985.3	(9.1)	263.5	5.3	3,017.7	0.6	11.5	6.4
Crown Holdings, Inc. (NYSE:CCK)	81.5	8,994.0	(0.4)	1,393.0	15.5	12,056.8	1.3	8.7	6.7
Graphic Packaging Holding Company (NYSE:GPK)	91.7	4,818.2	4.9	745.8	15.5	6,961.2	1.4	9.3	7.0
Greif, Inc. (NYSE:GEF)	79.6	3,723.0	(3.5)	457.0	12.3	3,700.6	1.0	8.1	8.1
Multi-Color Corporation (NasdaqGS:LABL)	73.6	1,095.2	11.1	180.9	16.5	2,880.8	2.6	15.9	9.9
Owens-Illinois, Inc. (NYSE:OI)	83.6	6,990.0	2.1	1,019.0	14.6	8,455.9	1.2	8.3	6.3
Packaging Corporation of America (NYSE:PKG)	85.9	6,444.9	3.3	1,344.8	20.9	12,983.7	2.0	9.7	9.1
Sealed Air Corporation (NYSE:SEE)	85.7	4,461.6	(16.8)	728.1	16.3	9,826.0	2.2	13.5	11.1
Silgan Holdings Inc. (NasdaqGS:SLGN)	85.7	4,089.9	1.5	564.6	13.8	5,568.0	1.4	9.9	8.9
Sonoco Products Company (NYSE:SON)	87.0	5,036.7	0.9	631.4	12.5	6,044.2	1.2	9.6	8.4
WestRock Company (NYSE:WRK)	89.7	15,306.5	15.1	2,423.4	15.8	22,530.2	1.5	9.3	7.4
<b>Median</b>	<b>85.8 %</b>	<b>5,740.8</b>	<b>1.2 %</b>	<b>813.6</b>	<b>15.5 %</b>	<b>9,140.9</b>	<b>1.4 x</b>	<b>9.6 x</b>	<b>8.5 x</b>
<b>Mean</b>	<b>85.1 %</b>		<b>1.3 %</b>		<b>15.0 %</b>		<b>1.5 x</b>	<b>10.0 x</b>	<b>8.4 x</b>
<b>Specialty chemicals</b>									
Albemarle Corporation (NYSE:ALB)	64.0 %	\$3,072.0	7.9 %	\$875.1	28.5 %	\$11,112.2	3.6 x	12.7 x	11.7 x
Ashland Global Holdings Inc. (NYSE:ASH)	54.4	3,398.0	(17.6)	567.0	16.7	6,680.9	2.0	11.8	9.5
Axalta Coating Systems Ltd. (NYSE:AXTA)	79.0	4,377.0	(0.1)	840.2	19.2	10,679.8	2.4	12.7	11.1
BASF SE (DB:BAS)	83.4	77,419.5	(4.6)	13,970.9	18.0	108,296.8	1.4	7.8	7.2
Celanese Corporation (NYSE:CE)	87.9	6,520.0	(0.1)	1,406.0	21.6	17,074.8	2.6	12.1	10.0
H.B. Fuller Company (NYSE:FUL)	84.7	2,515.8	6.4	269.5	10.7	4,772.8	1.9	17.7	10.2
Platform Specialty Products Corporation (NYSE:PAH)	65.0	3,775.9	64.8	786.6	20.8	7,893.1	2.1	10.0	9.1
PolyOne Corporation (NYSE:POL)	89.6	3,229.9	(5.6)	380.6	11.8	4,505.7	1.4	11.8	10.7
PPG Industries, Inc. (NYSE:PPG)	91.4	15,050.0	(0.7)	2,509.0	16.7	30,590.4	2.0	12.2	11.1
Sensient Technologies Corporation (NYSE:SXT)	83.1	1,362.3	(2.0)	252.8	18.6	3,612.9	2.7	14.3	12.4
DowDuPont Inc. (NYSE:DWDP)	82.7	62,484.0	2.4	11,218.0	18.0	169,571.0	2.7	15.1	9.4
W. R. Grace & Co. (NYSE:GRA)	79.1	1,716.5	(0.8)	394.3	23.0	5,527.8	3.2	14.0	10.5
<b>Median</b>	<b>82.9 %</b>	<b>3,587.0</b>	<b>(0.4) %</b>	<b>813.4</b>	<b>18.3 %</b>	<b>9,286.5</b>	<b>2.3 x</b>	<b>12.1 x</b>	<b>10.2 x</b>
<b>Mean</b>	<b>78.7 %</b>		<b>4.2 %</b>		<b>18.6 %</b>		<b>2.3 x</b>	<b>12.1 x</b>	<b>10.1 x</b>

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