



**Industrials
Quarterly Update**

Q4 2016

Industrials Trends

3D Opportunities¹

Additive Manufacturing, which includes subsets such as 3D printing, rapid prototyping, direct digital manufacturing, and more, is gaining traction as the technologies upon which it relies become more efficient. Additive Manufacturing has the ability to augment traditional manufacturing capabilities, disrupt current obstacles to innovation, and create new business models.



Infrastructure Investment²

A focus on infrastructure investment in the United States, signaled in part by the recent executive orders permitting the construction of the Dakota Access and Keystone XL pipelines, is expected to fuel growth in many infrastructure-related industries. The federal government is expected to seek to reduce regulatory burdens and hasten the approval process for a spate of projects intended to modernize the nation's infrastructure.

Domestic Manufacturing³

President Donald Trump has indicated he plans to strengthen domestic manufacturing as a hallmark of his administration's economic agenda. Many companies may be forced to consider whether onshoring current manufacturing and production processes is economically and commercially viable given the uncertainty surrounding the ultimate impacts of the new administration's policies.

Cyber Risk in Manufacturing⁴

The increasing reliance on smart products, the Internet of Things, and sensor technology has increased the pace of innovation in the manufacturing industry, but it has also exposed some major players to substantial cyber security risk. Firms should consider engaging senior leadership in substantial discussion to develop a business-driven cyber risk program.

In the News

November 29, 2016⁵ – Praxair, Inc. (NYSE: PX) has agreed to buy Linde AG for roughly \$43 billion to create what will be the world's largest industrial gas supplier, with a total market value of \$66.6 billion. Described as a merger of equals, the tie-up is expected to generate nearly \$1 billion in annual cost savings. The merger comes three months after Praxair unsuccessfully attempted to take over Linde after signs of weakness in the German economy. Elsewhere in the industry, Air Liquide, the former market leader in the industrial gas sector, completed its own deal in May 2016, buying Airgas Inc. for roughly \$10 billion.

October 31, 2016⁶ – GE (NYSE: GE) and Baker Hughes (NYSE: BHI) agreed to combine GE's oil and gas business with Baker Hughes to create the world's second largest oilfield services provider. The new company, a subsidiary of GE, is expected to be well-suited to maneuver in the increasingly competitive oil and gas industry, with leading technology-enabled oilfield services, streamlined operations and new service offerings. Baker Hughes will now have operations in over 120 countries and is poised for growth as the industry continues to recover from recent price troughs.

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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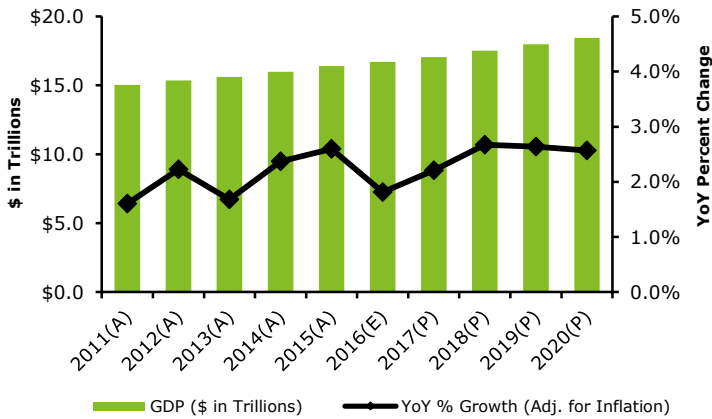
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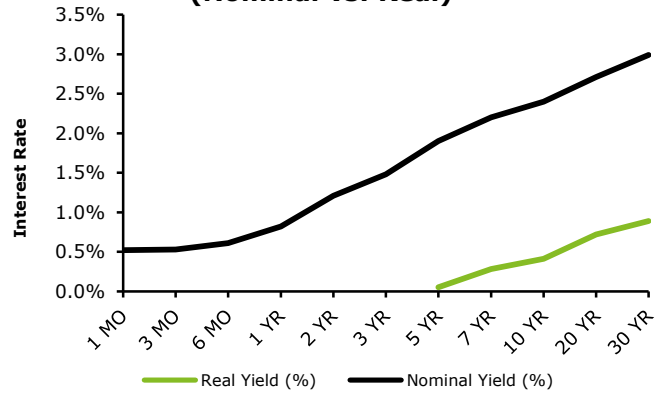
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Macroeconomic Outlook

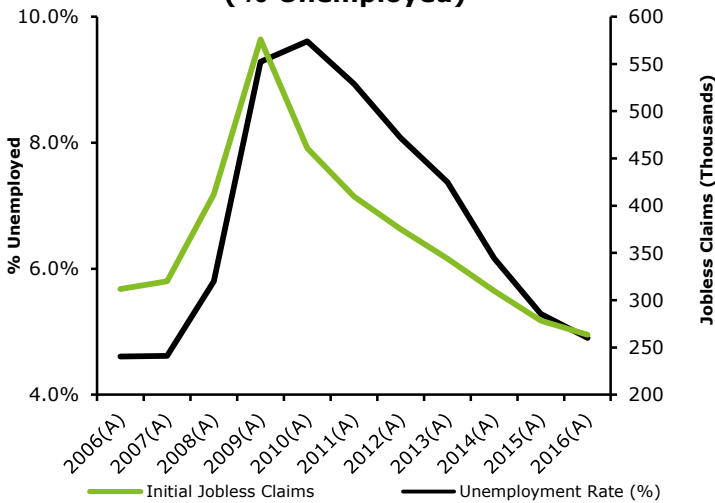
U.S. Gross Domestic Product¹



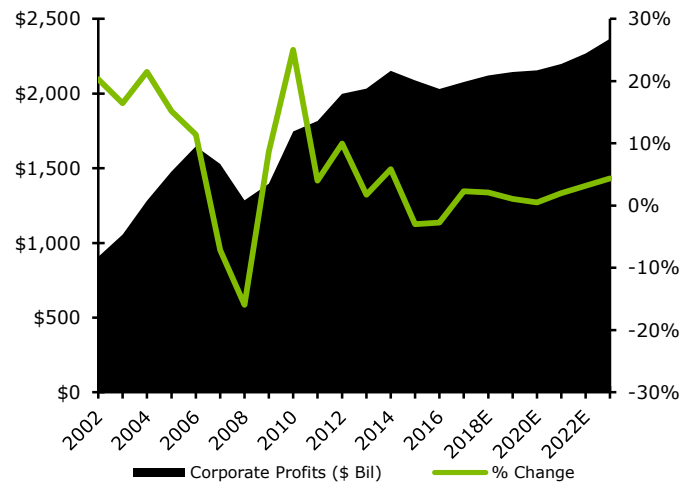
U.S. Treasury Yield Curve (Nominal vs. Real)²



U.S. Unemployment Rate (% Unemployed)³

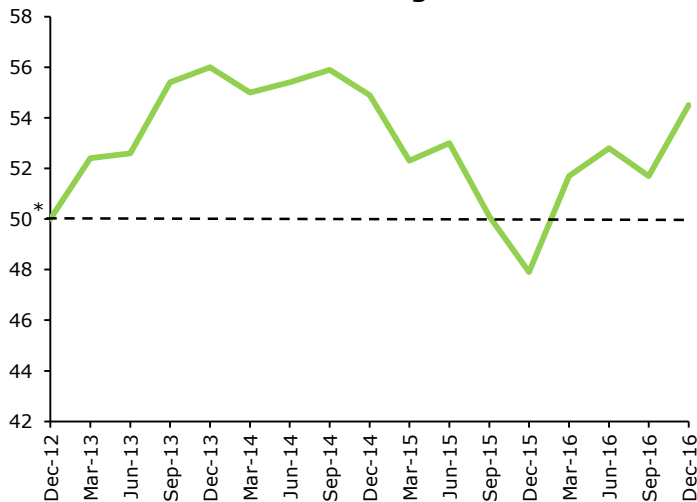


U.S. Corporate Profits (\$ in Billions) and YoY Percent Change⁴



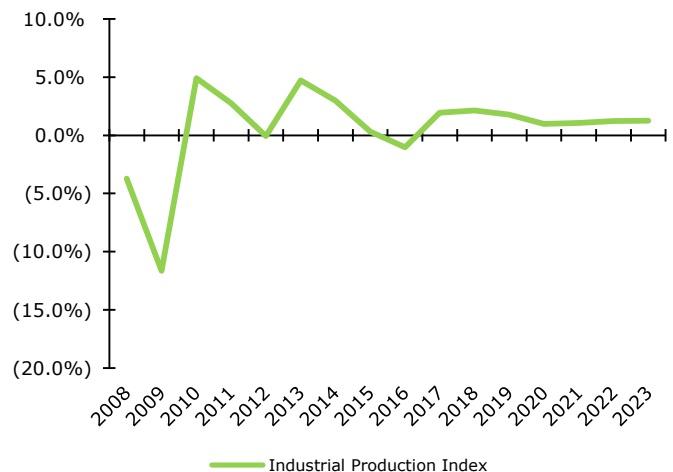
Industrials Sector Outlook

ISM Purchase Managers Index⁵



*An ISM Purchase Managers Index value above 50 signals economic expansion.

Industrial Production Index (YoY Growth)⁶

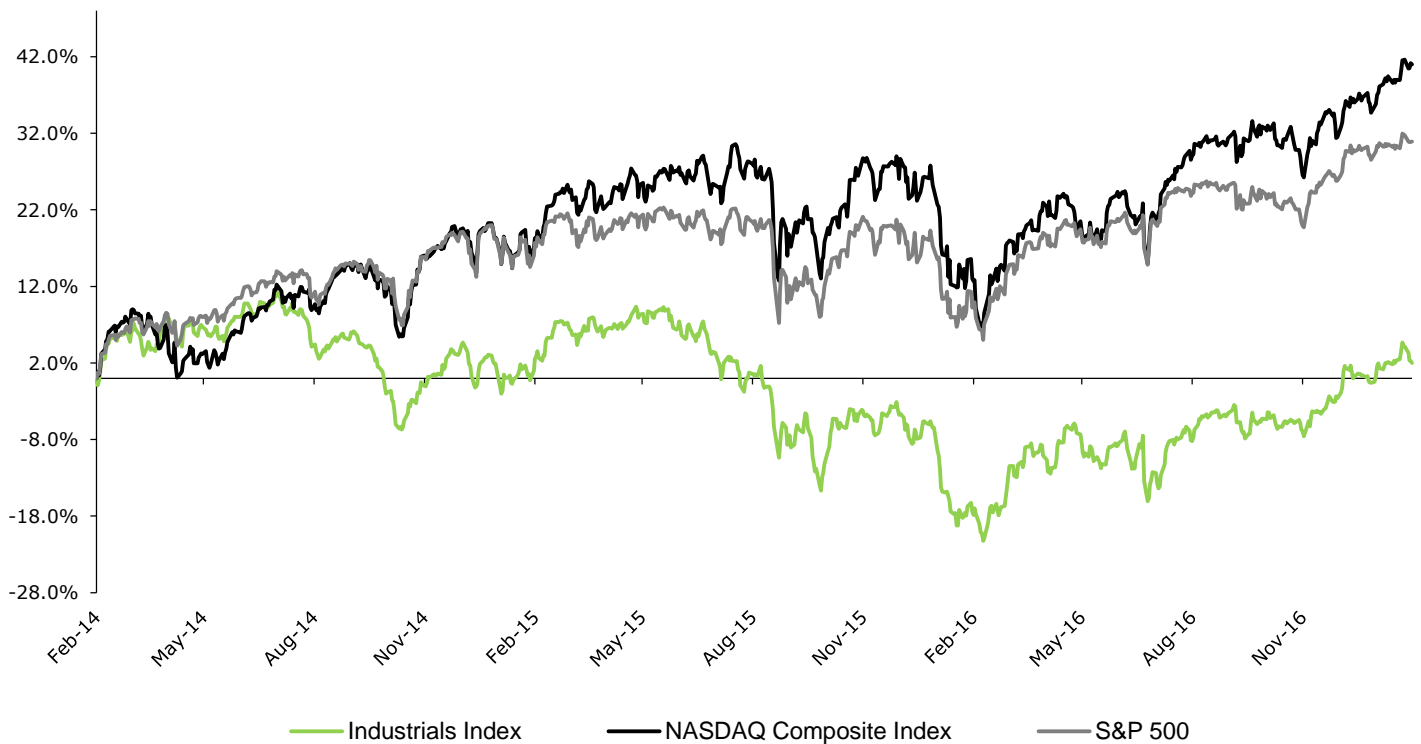


Industrials Sector Breakdown & Trading Statistics¹

Sector	Number of Companies	% of 52 Week High	Median Revenue CAGR (3 Yr)	Median LTM EBITDA	Median EBITDA Margin	Median Enterprise Value (\$)	Last Twelve Months		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
Automotive	21	94.9 %	4.9 %	\$5,394.0	9.8 %	\$40,837.4	0.8 x	8.1 x	7.9 x
Building Products, Electric Products, Industrial Safety	22	91.3	8.6	352.0	11.8	3,912.7	1.2	10.3	8.5
Capital Equipment & Rental Services	25	94.7	1.0	218.5	13.1	2,517.9	1.5	11.5	8.3
Distribution, Transportation & Logistics	22	92.9	3.9	606.7	8.6	7,273.6	1.0	10.9	10.2
Engineering & Construction	34	89.7	2.6	188.0	6.7	1,795.8	0.5	8.6	7.8
Metals, Plastics & Paper Packaging	19	93.8	(0.7)	737.5	14.8	7,604.1	1.3	10.1	8.8
Specialty Chemicals	13	93.6	(1.7)	740.0	18.3	8,745.5	2.0	11.4	10.4
Industrials Sector	156	93.0 %	2.7 %	\$1,176.7	11.9 %	\$10,383.8	1.2 x	10.1 x	8.8 x

Public Comparables Three-Year Stock Market Performance²

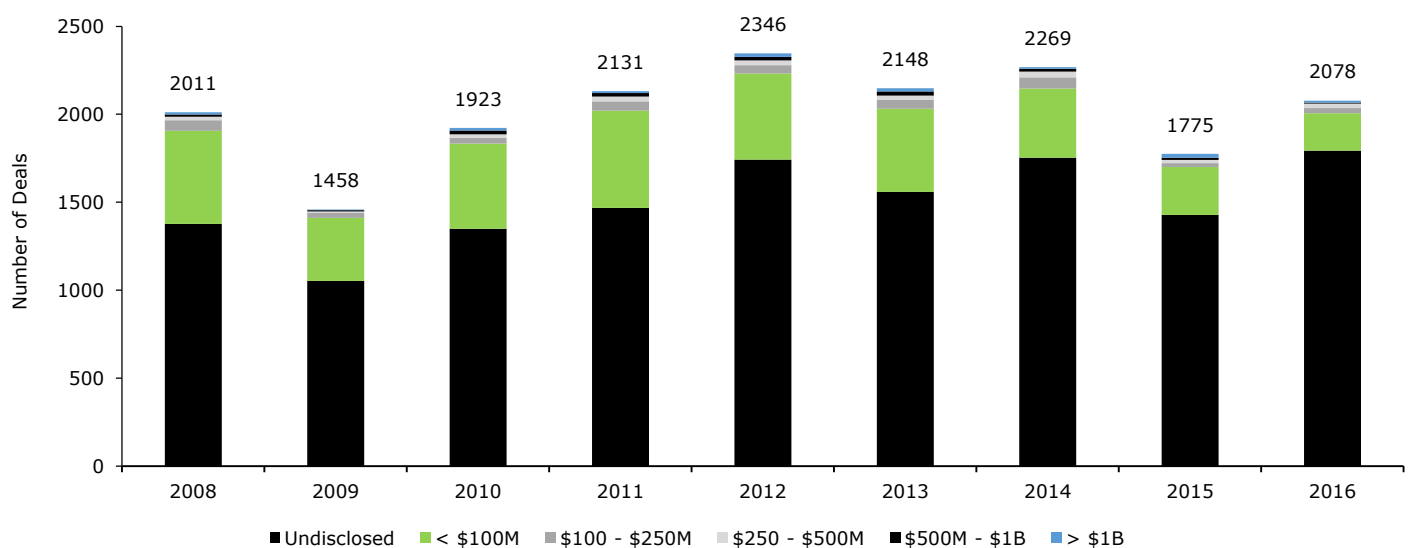
S&P 500 Index	30.94 %
NASDAQ Composite Index	41.01 %
Industrials Index ³	(2.01)%



Select Industrials M&A Transactions¹

Date	Target/Acquirer	Business Description	Enterprise Value ("EV")	EV/ EBITDA
Pending	Terex Corporation Zoomlion Heavy Industry Science and Technology Co.	Terex Corporation operates as a lifting and material handling solutions company.	\$4,627.6	12.3 x
Pending	Stillwater Mining Company Sibanye Gold Limited	Stillwater Mining Company engages in the development, extraction, processing, smelting, and refining of platinum group metals (PGMs).	2,027.0	23.8
Pending	CLARCOR Inc. Parker-Hannifin Corporation	CLARCOR Inc. provides filtration products, filtration systems, and services worldwide.	4,312.7	17.2
Pending	Linde Aktiengesellschaft Praxair, Inc.	Linde Aktiengesellschaft operates as a gases and engineering company worldwide.	42,562.7	10.3
Pending	Headwaters Incorporated Boral Industries, Inc.	Headwaters Incorporated, a building materials company, provides products and services to building and construction materials sectors primarily in the United States and Canada.	2,564.4	14.8
Pending	Vard Holdings Limited Fincantieri Oil & Gas S.p.A.	Vard Holdings Limited, engages in the construction and shipbuilding of offshore and specialized vessels primarily for offshore oil and gas markets internationally.	1,260.0	94.5
Pending	PostNL N.V. bpost SA/NV	PostNL N.V., through its subsidiaries, provides mail and parcel services to businesses and consumers Internationally.	496.0	1.3
Pending	SunCoke Energy Partners, L.P. SunCoke Energy, Inc.	SunCoke Energy Partners, L.P., a master limited partnership, produces and sells coke used in the blast furnace production of steel in the United States.	1,634.4	8.3
Pending	United Company RUSAL Plc SUAL Partners Limited	United Company RUSAL Plc produces and sells aluminum and related products.	14,136.3	7.6
Pending	VTG Aktiengesellschaft Morgan Stanley Infrastructure	VTG Aktiengesellschaft, together with its subsidiaries, operates as a wagon hire and rail logistics company worldwide.	2,615.4	7.6
Dec-16	Tianma Bearing Group Co., Ltd Kashgar Xinghe Venture Capital Co., Ltd.	Tianma Bearing Group Co., Ltd. manufactures and sells bearings to a range of end markets in China.	1,502.6	134.6
Nov-16	Orient Group Incorporation Tibet Orient Runlan Investment Co., Ltd.	Orient Group Incorporation, an investment holding company, primarily operates in the agriculture industry in China.	3,401.5	N/A

Annual Industrials M&A Transaction Volume²



Appendix

Public Comparables Analysis¹

Company (Ticker)	Last Twelve Months							NTM		
	% of 52 Week High	LTM Revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA Margin	Enterprise Value ("EV")	EV/Revenue	EV/EBITDA	EV/EBITDA	
<i>(\$ in Millions)</i>										
Automotive (21)										
Bayerische Motoren Werke Aktiengesellschaft (DB:BMW)	94.8 %	\$105,892.2	7.2 %	\$14,576.5	13.8 %	\$155,380.7	1.5 x	10.7 x	9.9 x	
Daimler AG (XTRA:DAI)	96.5	171,627.0	9.7	18,412.9	10.7	178,356.9	1.0	9.7	8.8	
Delphi Automotive PLC (NYSE:DLPH)	92.9	16,227.0	0.4	2,706.0	16.7	23,413.0	1.4	8.7	8.0	
Fiat Chrysler Automobiles N.V. (BIT:FCA)	83.7	124,234.2	9.5	10,082.2	8.1	23,112.9	0.2	2.3	1.7	
Ford Motor Company (NYSE:F)	87.6	153,397.0	1.9	15,444.0	10.1	162,338.8	1.1	10.5	14.4	
Fuji Heavy Industries Ltd. (TSE:7270)	96.2	31,680.4	14.4	5,858.3	18.5	24,999.1	0.8	4.3	4.2	
General Motors Company (NYSE:GM)	98.5	162,083.0	1.7	18,663.0	11.5	114,549.9	0.7	6.1	6.3	
Honda Motor Co., Ltd. (TSE:7267)	96.8	138,334.3	8.7	10,751.3	7.8	94,031.3	0.7	8.7	7.9	
Hyundai Motor Company (KOSE:A005380)	95.0	85,358.7	2.1	7,377.6	8.6	66,255.6	0.8	9.0	8.3	
Isuzu Motors Limited (TSE:7202)	99.6	18,406.2	2.1	2,135.2	11.6	11,842.6	0.6	5.5	5.8	
Kia Motors Corporation (KOSE:A000270)	80.3	47,818.6	3.7	3,266.4	6.8	11,773.9	0.2	3.6	3.2	
Mazda Motor Corporation (TSE:7261)	79.6	32,114.6	10.1	2,654.0	8.3	9,432.5	0.3	3.6	4.1	
Mitsubishi Corporation (TSE:8058)	97.4	61,742.0	(3.0)	3,826.3	6.2	72,520.0	1.2	19.0	15.7	
Nissan Shatai Co., Ltd. (TSE:7222)	88.1	4,920.0	5.9	206.3	4.2	337.3	0.1	1.6	0.0	
Peugeot S.A. (ENXTPA:UG)	97.4	60,435.3	0.0	5,394.0	8.9	11,715.9	0.2	2.2	2.0	
Renault SA (ENXTPA:RNO)	94.9	53,656.5	5.8	5,254.0	9.8	58,378.1	1.1	11.1	9.1	
SAIC Motor Corporation Limited (SHSE:600104)	94.9	107,465.0	9.4	3,600.1	3.4	40,837.4	0.4	11.3	9.8	
Suzuki Motor Corporation (TSE:7269)	98.5	30,847.6	4.7	3,726.4	12.1	15,158.1	0.5	4.1	4.3	
Testa Motors, Inc. (NasdaqGS:TSLA) ⁽¹⁾	90.3	5,929.9	51.5	102.9	1.7	38,431.3	6.5	373.5	25.3	
Toyota Motor Corporation (TSE:7203)	93.2	270,374.4	4.9	39,453.0	14.6	286,310.1	1.1	7.3	10.3	
Volkswagen Aktiengesellschaft (XTRA:VOW3)	97.1	239,376.2	3.1	24,791.8	10.4	200,034.0	0.8	8.1	6.4	
Median	95.0 %	\$73,550.4	4.8 %	\$5,626.1	9.9 %	\$49,607.7	0.7 x	7.7 x	7.2 x	
Mean	93.2 %	\$95,799.5	5.1 %	\$9,909.0	10.1 %	\$78,038.9	0.7 x	7.4 x	7.0 x	
Building Products, Electric Products, and Industrial Safety (22)										
Beacon Roofing Supply, Inc. (NasdaqGS:BECN)	89.7 %	\$4,127.1	22.6 %	\$357.1	8.7 %	\$3,740.4	0.9 x	10.5 x	9.8 x	
Bluebird Holdings Inc. (NYSE:BXC)	68.0	1,887.5	(3.6)	30.0	1.6	433.8	0.2	14.5	0.0	
BMC Stock Holdings, Inc. (NasdaqGS:BMCH)	83.8	2,856.3	-	169.9	5.9	1,609.1	0.6	9.5	7.3	
Boral Limited (ASX:BLD)	75.1	3,211.7	1.2	378.7	11.8	5,581.7	1.7	14.7	11.3	
Builders FirstSource, Inc. (NasdaqGS:BLDR)	78.8	6,276.2	64.6	342.0	5.4	3,181.0	0.5	9.3	7.5	
Compagnie de Saint-Gobain S.A. (ENXTPA:SGO)	99.8	43,658.2	(2.4)	4,406.7	10.1	34,254.0	0.8	7.8	7.8	
Eagle Materials Inc. (NYSE:EXP)	95.3	1,159.7	13.0	344.8	29.7	5,148.4	4.4	14.9	11.7	
Emerson Electric Co. (NYSE:EMR)	100.6	14,522.0	(16.2)	3,111.0	21.4	40,389.4	2.8	13.0	12.8	
Fletcher Building Limited (NZSE:FBU)	93.2	6,419.7	1.9	614.6	9.6	6,156.3	1.0	10.0	8.7	
Gibraltar Industries, Inc. (NasdaqGS:ROCK)	87.6	1,058.2	9.3	118.6	11.2	1,373.1	1.3	11.6	10.8	
Headwaters Incorporated (NYSE:HW)	97.2	974.8	11.5	173.2	17.8	2,454.8	2.5	14.2	10.1	
Huttig Building Products, Inc. (NasdaqCM:HBP)	93.4	704.9	8.5	26.0	3.7	233.8	0.3	9.0	0.0	
James Hardie Industries plc (ASX:JHX)	88.7	1,823.2	8.9	454.7	24.9	7,366.8	4.0	16.2	14.6	
Martin Marietta Materials, Inc. (NYSE:MLM)	95.7	3,468.5	22.0	917.7	26.5	16,010.0	4.6	17.4	14.2	
NCI Building Systems, Inc. (NYSE:NCS)	88.1	1,684.9	8.8	149.6	8.9	1,494.5	0.9	10.0	8.1	
Owens Corning (NYSE:OC)	91.5	5,591.0	2.6	1,041.0	18.6	8,079.3	1.4	7.8	7.6	
Ply Gem Holdings, Inc. (NYSE:PGEM)	94.1	1,880.0	13.0	227.0	12.1	1,952.8	1.0	8.6	8.0	
Summit Materials, Inc. (NYSE:SUM)	94.8	1,604.6	-	346.9	21.6	4,085.0	2.5	11.8	10.1	
U.S. Concrete, Inc. (NasdaqCM:USCR)	86.6	1,113.0	23.9	132.0	11.9	1,331.8	1.2	10.1	7.0	
USG Corporation (NYSE:USG)	88.2	3,864.0	3.7	607.0	15.7	5,434.9	1.4	9.0	8.3	
Vulcan Materials Company (NYSE:VMC)	91.0	3,577.0	9.8	977.2	27.3	18,691.4	5.2	19.1	15.8	
Wienerberger AG (WBAG:WIE)	95.4	3,336.9	3.9	393.3	11.8	2,721.4	0.8	6.9	6.2	
Median	91.3 %	\$3,034.0	8.6 %	\$352.0	11.8 %	\$3,912.7	1.2 x	10.3 x	8.5 x	
Mean	89.9 %	\$5,218.2	9.4 %	\$696.3	14.4 %	\$7,805.6	1.8 x	11.6 x	9.0 x	
Capital Equipment and Rental Services (25)										
Aggreko plc (LSE:AGK)	78.9 %	\$1,947.6	(3.1) %	\$686.0	35.2 %	\$4,020.7	2.1 x	5.9 x	6.0 x	
Ashtead Group plc (LSE:AHT)	94.9	3,455.7	22.7	1,639.1	47.4	12,943.1	3.7	7.9	6.7	
Astec Industries, Inc. (NasdaqGS:ASTE)	92.5	1,035.9	3.4	97.4	9.4	1,512.1	1.5	15.5	11.8	
Caterpillar Inc. (NYSE:CAT)	96.0	39,993.0	(11.3)	5,365.0	13.4	86,892.8	2.2	16.2	19.0	
Cervus Equipment Corporation (TSX:CVL)	90.8	834.8	11.1	40.2	4.8	369.4	0.4	9.2	9.1	
CNH Industrial N.V. (NYSE:CNHI)	97.6	23,856.0	(10.4)	1,989.0	8.3	33,967.6	1.4	17.1	16.3	
Cummins Inc. (NYSE:CMII)	95.8	17,772.0	1.5	2,325.0	13.1	24,222.4	1.4	10.4	10.1	
Deere & Company (NYSE:DE)	98.8	26,549.0	(11.1)	3,812.0	14.4	65,762.8	2.5	17.3	18.2	
Finning International Inc. (TSX:FTT)	95.4	4,258.2	(5.9)	353.5	8.3	4,229.1	1.0	12.0	10.0	
H&E Equipment Services, Inc. (NasdaqGS:HEES)	94.6	1,007.0	1.0	137.9	13.7	1,675.7	1.7	12.2	5.6	
Herc Holdings Inc. (NYSE:HRI)	98.3	1,572.0	NA	166.6	10.6	3,307.7	2.1	19.9	5.8	
Hyundai Heavy Industries Co., Ltd. (KOSE:A009540)	84.3	36,474.4	(9.2)	1,690.9	4.6	15,030.5	0.4	8.9	7.0	
Joy Global Inc. (NYSE:JOY)	98.6	2,371.4	(22.1)	182.0	7.7	3,509.1	1.5	19.3	13.5	
Lavendon Group plc (LSE:LVD)	99.1	350.7	4.1	90.3	25.8	760.0	2.2	8.4	6.8	
Manitex International, Inc. (NasdaqCM:MNTX)	106.9	370.6	16.2	15.9	4.3	324.7	0.9	20.5	16.2	
McGrath Rentcorp (NasdaqGS:MGRC)	93.6	424.1	3.1	87.2	20.6	1,252.7	3.0	14.4	7.6	
Neff Corporation (NYSE:NEFF)	92.3	400.8	NA	101.0	25.2	812.1	2.0	8.0	4.1	
Nishio Rent All Co., Ltd. (TSE:9699)	91.8	1,144.8	7.9	313.2	27.4	971.6	0.8	3.1	3.4	
Oshkosh Corporation (NYSE:OSK)	94.7	6,279.2	(6.4)	517.6	8.2	5,643.9	0.9	10.9	10.4	
Strongco Corporation (TSX:SQP)	76.1	358.7	(1.0)	0.6	0.2	141.3	0.4	252.8	8.1	
The Manitowoc Company, Inc. (NYSE:MTW)	34.7	3,348.1	(6.2)	305.4	9.1	1,099.4	0.3	3.6	36.3	
Toromont Industries Ltd. (TSX:TIH)	94.0	1,416.0	4.7	218.5	15.4	2,517.9	1.8	11.5	11.0	
United Rentals, Inc. (NYSE:URI)	99.3	5,762.0	5.8	1,717.0	29.8	17,055.6	3.0	9.9	6.2	
Vp plc (LSE:VP)	102.8	293.5	8.9	82.7	28.2	535.6	1.8	6.5	6.5	
Wajax Corporation (TSX:WJX)	89.2	939.1	(4.2)	31.3	3.3	463.3	0.5	14.8	8.3	
Median	94.7 %	1,572.0	1.0 %	218.5	13.1 %	2,517.9	1.5 x	11.5 x	8.3 x	
Mean	91.6 %	7,288.6	0.0 %	878.6	15.5 %	11,560.8	1.6 x	21.4 x	10.6 x	

Footnote:

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

Public Comparables Analysis (Cont.)¹

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>									
Distribution, Transportation, and Logistics (22)									
ArcBest Corporation (NasdaqGS:ARCB)	90.9 %	\$2,660.1	5.6 %	\$132.2	5.0 %	\$845.1	0.3 x	6.4 x	5.2 x
Celadon Group, Inc. (NYSE:CGI)	72.3	1,064.3	18.8	96.5	9.1	683.9	0.6	7.1	N/A
C.H. Robinson Worldwide, Inc. (NasdaqGS:CHRW)	94.9	12,940.3	1.0	918.5	7.1	11,494.9	0.9	12.5	12.4
Deutsche Post AG (XTRA:DPW)	98.5	64,840.1	1.3	4,339.9	6.7	44,780.7	0.7	10.3	8.4
Echo Global Logistics, Inc. (NasdaqGS:ECHO)	86.2	1,716.5	25.2	52.1	3.0	898.2	0.5	17.2	11.7
Expeditors International of Washington, Inc. (NasdaqGS:EXPD)	95.4	6,052.3	0.3	722.4	11.9	8,650.9	1.4	12.0	11.6
FedEx Corporation (NYSE:FDX)	92.9	55,227.0	7.2	7,859.0	14.2	60,435.5	1.1	7.7	6.8
Forward Air Corporation (NasdaqGS:FWRD)	96.4	974.2	15.8	140.3	14.4	1,522.4	1.6	10.9	10.2
Hapag-Lloyd Aktiengesellschaft (DB:HLAG)	100.0	8,710.8	4.9	537.4	6.2	7,116.8	0.8	13.2	8.3
Hub Group, Inc. (NasdaqGS:HUBG)	97.9	3,484.5	1.9	171.4	4.9	1,558.7	0.4	9.1	9.8
J.B. Hunt Transport Services, Inc. (NasdaqGS:JBHT)	93.9	6,555.5	5.5	1,080.6	16.5	11,935.7	1.8	11.0	10.5
Knight Transportation, Inc. (NYSE:KNX)	87.6	1,119.7	5.2	261.6	23.4	2,787.2	2.5	10.7	10.1
Kuehne + Nagel International AG (SWX:KNIN)	92.9	17,071.3	(1.4)	1,095.3	6.4	15,189.7	0.9	13.9	13.2
Landstar System, Inc. (NasdaqGS:LSTR)	93.6	3,124.9	5.7	252.9	8.1	3,489.2	1.1	13.8	13.2
Nippon Yusen Kabushiki Kaisha (TSE:9101)	90.8	19,773.9	(0.7)	871.0	4.4	10,194.0	0.5	11.7	13.0
Old Dominion Freight Line, Inc. (NasdaqGS:ODFL)	95.6	2,980.4	9.4	665.2	22.3	7,430.4	2.5	11.2	10.4
Panalpina World Transport (Holding) Ltd. (SWX:PWTN)	86.8	5,476.3	(7.5)	144.5	2.6	2500.7	0.5	17.3	12.6
Ryder System, Inc. (NYSE:R)	87.7	6,730.6	1.8	1,814.0	27.0	9,495.4	1.4	5.2	5.1
Swift Transportation Company (NYSE:SWFT)	87.7	4,082.7	(0.1)	548.1	13.4	4,275.4	1.0	7.8	7.7
United Parcel Service, Inc. (NYSE:UPS)	95.3	60,029.0	2.9	10,161.0	16.9	110,358.4	1.8	10.9	10.2
Werner Enterprises, Inc. (NasdaqGS:WERN)	92.6	2,018.9	(0.0)	337.7	16.7	2,081.9	1.0	6.2	6.1
XPO Logistics, Inc. (NYSE:XPO)	88.8	14,285.0	195.5	1,102.7	7.7	10,390.7	0.7	9.4	7.9
Median	92.9 %	\$5,764.3	4.4 %	\$606.7	9.2 %	\$7,273.6	0.9 x	9.4 x	8.8 x
Mean	88.3 %	\$13,678.1	15.0 %	\$1,513.8	11.4 %	\$14,914.4	1.0 x	9.9 x	8.8 x
Engineering and Construction (34)									
ACS, Actividades de Construcción y Servicios, S.A. (BME:ACS)	95.7 %	\$37,281.3	(5.2) %	\$2,254.7	6.0 %	\$14,223.3	0.4 x	6.3 x	6.0 x
Aegion Corporation (NasdaqGS:AEGN)	83.9	1,230.8	5.5	105.6	8.6	984.4	0.8	9.3	6.8
ARCADIS NV (ENXTAM:ARCAD)	67.9	3,780.6	10.1	261.1	6.9	1,788.5	0.5	6.9	7.5
Babcock International Group plc (LSE:BBB)	84.0	5,588.9	10.7	714.5	12.8	7,641.7	1.4	10.7	9.0
Balfour Beatty plc (LSE:BBY)	88.5	9,035.1	(7.2)	(115.4)	N/A	2,900.8	0.3	N/A	16.6
Bilfinger SE (DB:GBF)	87.0	6,706.3	(8.5)	573.0	8.5	1,183.5	0.2	2.1	8.4
CIMIC Group Limited (ASX:CIM) ⁽¹⁾	90.0	8,095.1	(19.1)	975.1	12.0	8,386.8	1.0	8.6	9.8
Comfort Systems USA, Inc. (NYSE:FIX)	93.5	1,626.1	6.6	125.1	7.7	1,222.6	0.8	9.8	8.8
Costain Group plc (LSE:COST)	97.1	1,890.7	19.2	51.3	2.7	397.0	0.2	7.7	7.7
Daelim Industrial Co., Ltd. (KOSE:A000210)	89.4	9,068.6	(1.4)	436.1	4.8	3,938.3	0.4	9.0	7.4
Daewoo Engineering & Construction Co., Ltd. (KOSE:A047040)	70.3	10,015.7	7.9	433.5	4.3	3,619.8	0.4	8.3	7.9
Ebara Corporation (TSE:6361)	97.5	4,651.9	2.5	474.1	10.2	3,004.2	0.6	6.3	7.0
Fluor Corporation (NYSE:FLR)	91.7	18,417.6	(13.1)	853.2	4.6	7,303.8	0.4	8.6	8.0
Fomento de Construcciones y Contratas, S.A. (BME:FCC)	85.8	7,034.2	(4.1)	586.2	8.3	7,877.5	1.1	13.4	8.9
GS Engineering & Construction Corporation (KOSE:A006360)	83.0	9,908.4	5.2	169.8	1.7	2,293.8	0.2	13.5	7.7
Interserve plc (LSE:IRV)	69.7	4,310.6	16.7	182.4	4.2	1,020.5	0.2	5.6	4.9
Keller Group plc (LSE:KLR)	80.5	2,202.0	7.1	213.5	9.7	1,168.1	0.5	5.5	6.3
Kier Group plc (LSE:KIE)	95.0	5,467.1	28.4	193.7	3.5	1,803.0	0.3	9.3	8.6
Koninklijke BAM Groep NV (ENXTAM:BAMNB)	86.0	8,121.1	1.0	100.1	1.2	1,252.0	0.2	12.5	5.6
Maire Tecnimont S.p.A. (BIT:MT)	95.4	2,501.9	12.4	166.8	6.7	984.2	0.4	5.9	5.8
Matrix Service Company (NasdaqGS:MTRX)	92.4	1,334.4	13.6	62.2	4.7	562.8	0.4	9.0	7.1
Monadelphous Group Limited (ASX:MND)	88.0	1,019.7	(19.4)	84.2	8.3	602.8	0.6	7.2	8.4
Morgan Sindall Group plc (LSE:MGNS)	100.0	3,165.1	4.8	51.3	1.6	416.5	0.1	8.1	6.3
Oil States International, Inc. (NYSE:OIS) ⁽²⁾	93.2	759.0	(26.3)	70.1	9.2	2,011.6	2.7	28.7	33.4
Penta-Ocean Construction Co., Ltd. (TSE:1893)	87.5	4,975.8	10.9	289.4	5.8	1,515.8	0.3	5.2	5.6
Primoris Services Corporation (NasdaqGS:PRIM)	91.5	1,892.2	0.1	124.9	6.6	1,322.5	0.7	10.6	7.5
Quanta Services, Inc. (NYSE:PWR)	92.9	7,447.6	5.3	475.9	6.4	5,556.1	0.7	11.7	8.1
RPC, Inc. (NYSE:RES)	96.7	776.1	(25.1)	(27.7)	N/A	4,581.1	5.9	N/A	40.6
STRABAG AG (DB:STB1)	97.8	2,408.7	(0.6)	174.1	7.2	1,204.1	0.5	6.9	0.0
Sumitomo Heavy Industries, Ltd. (TSE:6302)	95.0	6,873.8	7.2	700.6	10.2	4,014.1	0.6	7.2	6.8
Team, Inc. (NYSE:TISI)	83.5	1,185.6	0.0	72.4	6.1	1,311.2	1.1	18.1	9.8
VINCI SA (ENXTPA:DG)	93.4	43,288.4	(0.9)	6,487.9	15.0	55,904.4	1.3	8.6	8.6
Willbros Group, Inc. (NYSE:WG)	80.5	785.0	(26.1)	(2.0)	N/A	226.8	0.3	N/A	13.3
WS Atkins plc (LSE:ATK)	81.7	2,541.8	2.6	215.5	8.5	1,851.3	0.7	8.6	7.9
Median	89.4 %	\$4,651.9	2.6 %	\$193.7	6.6 %	\$1,788.5	0.5 x	8.6 x	7.7 x
Mean	88.3 %	\$7,109.9	1.4 %	\$529.2	6.8 %	\$4,608.0	0.7 x	8.6 x	8.7 x

Footnotes:

(1) CIMIC Group officially acquired UGL Limited on December 21, 2016, for a total transaction value of \$480.2 million.

(2) Oil States International Inc. excluded from mean and median calculations due to headwinds in the oil and gas space.

Public Comparables Analysis (Cont.)¹

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>									
Metals, Plastics, and Paper Packaging (19)									
Alcoa Corporation (NYSE:AA) ⁽¹⁾	100.3 %	\$9,232.0	NA	\$1,110.0	12.0 %	\$9,748.7	1.1 x	8.8 x	7.3 x
AptarGroup, Inc. (NYSE:ATR)	89.3	\$2,338.8	(1.6) %	\$473.5	20.2	\$5,092.9	2.2	10.8	10.5
ArcelorMittal (ENXTAM:MT)	93.8	56,646.0	(10.5)	3,875.0	6.8	39,039.0	0.7	10.1	5.9
Avery Dennison Corporation (NYSE:AVY)	91.8	5,990.5	(0.3)	707.6	11.8	7,604.1	1.3	10.7	9.1
Ball Corporation (NYSE:BLL)	92.5	8,405.0	(0.7)	1,243.4	14.8	21,015.6	2.5	16.9	12.0
Bemis Company, Inc. (NYSE:BMS)	91.0	3,999.1	(4.7)	588.1	14.7	6,094.8	1.5	10.4	9.7
Berry Plastics Group, Inc. (NYSE:BERY)	98.1	6,489.0	11.8	1,138.0	17.5	11,789.9	1.8	10.4	8.8
Commercial Metals Company (NYSE:CMC)	81.3	4,530.7	(12.5)	291.6	6.4	3,015.2	0.7	10.3	8.0
Crown Holdings Inc. (NYSE:CCK)	94.4	8,388.0	(0.9)	1,329.0	15.8	12,696.5	1.5	9.6	9.4
Graphic Packaging Holding Company (NYSE:GPK)	86.2	4,265.8	(1.4)	737.5	17.3	6,258.4	1.5	8.5	8.0
Greif, Inc. (NYSE:GEF)	90.5	3,323.6	(7.7)	435.8	13.1	3,845.2	1.2	8.8	8.3
Multi Packaging Solutions International Limited (NYSE:MPX)	75.0	1,610.2	0.0	199.9	12.4	1,951.6	1.2	9.8	8.2
Multi-Color Corporation (NasdaqGS:LABL)	97.9	901.8	10.5	152.7	16.9	1,801.3	2.0	11.8	10.7
Owens-Illinois, Inc. (NYSE:OI)	94.9	6,686.0	(1.3)	1,160.0	17.3	8,581.1	1.3	7.4	6.5
Packaging Corporation of America (NYSE:PKG)	95.9	5,693.3	22.0	1,123.5	19.7	10,486.9	1.8	9.3	8.4
Sealed Air Corporation (NYSE:SEE)	91.1	6,788.1	(3.6)	1,082.5	15.9	13,723.6	2.0	12.7	11.2
Silgan Holdings Inc. (NasdaqGS:SLGN)	98.2	3,636.6	(0.6)	460.3	12.7	4,787.2	1.3	10.4	9.8
Sonoco Products Company (NYSE:SON)	96.5	4,907.8	0.7	654.0	13.3	6,329.7	1.3	9.7	9.7
WestRock Company (NYSE:WRK)	96.1	14,171.8	14.1	2,259.7	15.9	18,370.3	1.3	8.1	7.6
Median	91.2 %	\$5,693.3	(1.2) %	\$737.5	14.6 %	\$7,604.1	1.3 x	10.0 x	8.9 x
Mean	89.5 %	\$8,316.0	2.7 %	\$1,001.2	14.5 %	\$10,117.5	1.4 x	9.9 x	8.7 x
Specialty Chemicals (13)									
Albemarle Corporation (NYSE:ALB)	97.5 %	\$3,528.1	13.0 %	\$973.0	27.6 %	\$13,783.4	3.9 x	14.2 x	18.1 x
Ashland Global Holdings Inc. (NYSE:ASH)	92.4	4,948.0	(6.7)	740.0	15.0	8,745.5	1.8	11.8	11.6
Axalta Coating Systems Ltd. (NYSE:AXTA)	93.6	4,072.4	0.0	880.4	21.6	9,923.1	2.4	11.3	10.5
BASF SE (DB:BAS)	99.3	63,602.5	(8.5)	10,657.0	16.8	102,119.3	1.6	9.6	8.8
Celanese Corporation (NYSE:CE)	96.7	5,412.0	(5.4)	1,150.0	21.2	14,014.6	2.6	12.2	8.6
Chemtura Corporation (NYSE:CHMT)	99.5	1,668.0	(9.1)	306.0	18.3	2,369.6	1.4	7.7	7.9
H.B. Fuller Company (NYSE:FUL)	93.0	2,094.6	0.8	278.5	13.3	3,119.5	1.5	11.2	10.7
Platform Specialty Products Corporation (NYSE:PAH)	97.5	3,370.9	65.5	713.0	21.2	8,351.3	2.5	11.7	10.3
PolyOne Corporation (NYSE:POL)	83.4	3,327.9	(1.7)	384.0	11.5	3,759.3	1.1	9.8	8.5
PPG Industries, Inc. (NYSE:PPG)	82.7	14,751.0	1.1	2,527.3	17.1	29,040.7	2.0	11.5	10.9
Sensient Technologies Corporation (NYSE:SXT)	91.7	1,392.2	(1.8)	255.4	18.3	4,057.5	2.9	15.9	14.1
The Dow Chemical Company (NYSE:DOW)	96.6	46,600.0	(6.3)	8,936.0	19.2	84,431.9	1.8	9.4	8.3
W. R. Grace & Co. (NYSE:GRA)	76.0	3,005.9	(0.8)	669.2	22.3	6,237.8	2.1	9.3	11.6
Median	92.3 %	\$3,528.1	(0.9) %	\$740.0	18.5 %	\$8,745.5	2.0 x	11.1 x	9.8 x
Mean	88.3 %	\$12,136.4	3.2 %	\$2,190.0	18.4 %	\$22,304.1	2.1 x	11.0 x	10.3 x

Footnote:

(1) Alcoa, Inc. recently separated its business into Alcoa Corporation, which houses the former company's raw aluminum operation, and Arconic, Inc., which focuses on aerospace and automotive supplies manufacturing.

Recent Transactions¹

Target/Acquirer	Sub-Sector	Announce Date	Close Date	LTM Revenue	LTM EBITDA	EBITDA Margin	Enterprise Value ("EV") ⁽¹⁾	Last Twelve Months	
								EV/Revenue	EV/EBITDA
Terex Corporation Zoomlion Heavy Industry Science and Technology Co., Ltd.	Construction Machinery and Heavy Trucks	Dec-16	Pending	\$6,157.4	\$376.9	6.1 %	\$4,627.6	0.8 x	12.3 x
Transmissora Aliança de Energia Elétrica S.A. Interconexión Eléctrica S.A. E.S.P.	Electric Utilities	Dec-16	Pending	\$484.7	\$494.0	101.9	\$3,181.8	6.6	6.4
Construcciones y Auxiliar de Ferrocarriles, S.A. Fundación Kubxa	Construction Machinery and Heavy Trucks	Dec-16	Dec-16	\$1,400.4	\$134.8	9.6	\$1,728.4	1.2	12.8
Seventy Seven Energy Inc. Patterson-UTI Energy, Inc.	Oil and Gas Equipment Services	Dec-16	Pending	\$606.4	\$99.7	16.4	\$2,019.0	3.3	20.2
Stillwater Mining Company Sibanye Gold Limited	Precious Metals and Minerals	Dec-16	Pending	\$667.9	\$85.0	12.7	\$2,027.0	3.0	23.8
China Minsheng Financial Holding Corporation Limited Kaidi Ecological and Environmental Technology Co., Ltd.	Trading Companies and Distributors	Dec-16	Pending	\$15.6	(\$1.8)	(11.5)	\$2,588.8	166.1	NA
CLARCOR Inc. Parker-Hannifin Corporation	Industrial Machinery	Dec-16	Pending	\$1,385.2	\$251.4	18.2	\$4,312.7	3.1	17.2
Linde Aktiengesellschaft Praxair, Inc.	Industrial Gases	Nov-16	Pending	\$18,455.2	\$4,131.4	22.4	\$42,562.7	2.3	10.3
PT Bayan Resources Tbk Korea Midland Power Co., Ltd.	Coal and Consumable Fuels	Nov-16	Pending	\$504.8	\$40.9	8.1	\$2,231.6	4.4	54.6
Energy Transfer Partners, L.P. Sunoco Logistics Partners L.P.	Oil and Gas Storage and Transportation	Nov-16	Pending	\$21,126.0	\$4,781.0	22.6	\$59,501.0	2.8	12.4
Headwaters Incorporated Boral Industries, Inc.	Construction Materials	Nov-16	Pending	\$974.8	\$173.2	17.8	\$2,564.4	2.6	14.8
Vard Holdings Limited Fincantieri Oil & Gas S.p.A.	Construction Machinery and Heavy Trucks	Nov-16	Pending	\$1,088.3	\$13.3	1.2	\$1,260.0	1.2	94.5
PostNL N.V. bpost SA/NV	Air Freight and Logistics	Nov-16	Pending	\$3,687.0	\$395.5	10.7	\$496.0	0.1	1.3
Metaldyne Performance Group Inc. American Axle & Manufacturing Holdings, Inc.	Auto Parts and Equipment	Nov-16	Pending	\$2,879.4	\$474.1	16.5	\$3,267.4	1.1	6.9
SunCoke Energy Partners, L.P. SunCoke Energy, Inc.	Steel	Oct-16	Pending	\$778.8	\$198.1	25.4	\$1,634.4	2.1	8.3
United Company RUSAL Plc SUAL Partners Limited	Aluminum	Oct-16	Pending	\$7,813.0	\$1,852.0	23.7	\$14,136.3	1.8	7.6
Tessenderlo Chemie NV Verbrugge NV	Diversified Chemicals	Oct-16	Oct-16	\$1,694.7	\$208.2	12.3	\$1,456.8	0.9	7.0
B/E Aerospace, Inc. Rockwell Collins, Inc.	Aerospace and Defense	Oct-16	Pending	\$2,861.7	\$606.3	21.2	\$8,228.5	2.9	13.6
Orient Group Incorporation Tibet Orient Rurlan Investment Co., Ltd.	Trading Companies and Distributors	Oct-16	Nov-16	\$770.4	(\$32.6)	(4.2)	\$3,401.5	4.4	NA
Wärtsilä Oyj Abp Inwaw Invest AB	Industrial Machinery	Oct-16	Sep-16	\$5,143.5	\$664.5	12.9	\$8,212.8	1.6	12.4
Tianma Bearing Group Co., Ltd Kashgar Xinghe Venture Capital Co., Ltd.	Industrial Machinery	Oct-16	Dec-16	\$293.5	\$11.2	3.8	\$1,502.6	5.1	134.6
Yinson Holdings Berhad Trinity View Sdn Bhd	Oil and Gas Equipment Services	Oct-16	Oct-16	\$102.6	\$68.8	67.0	\$1,168.3	11.4	17.0
VTG Aktiengesellschaft Morgan Stanley Infrastructure Inc.	Railroads	Oct-16	Pending	\$1,075.3	\$343.8	32.0	\$2,615.4	2.4	7.6
Median				\$1,088.3	\$208.2	16.4 %	\$2,588.8	2.6 x	12.4 x
Mean				\$3,476.8	\$668.2	19.4 %	\$7,596.7	10.1 x	23.6 x

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