



INDUSTRIALS: PRECISION MANUFACTURING

- M&A activity in the precision manufacturing subsector continues to display high deal volumes. Strategic corporations and private equity platform companies pursuing add-on and tuck-in acquisitions continue to lead dealmaking, with numerous deals announced or closed in the last 60 days.
- Impacted by labor shortages, supply chain disruptions, and increasing material prices, public companies in the precision

manufacturing index underperformed the S&P 500 in June and July. The recent stock price declines follow an extended period of outperformance stretching back to the third quarter of 2020.

- EdgePoint believes the strong M&A activity within the Precision Manufacturing subsector will continue through the end of the year, driven by industry performance and motivated lower-middle market sellers.

RECENT SELECT TRANSACTIONS

Target	Date	Buyers / Investors	Region	Strategic / Financial
Ohio Tool Works Corp.	Aug 31	Hardinge Inc.	US	Financial-Backed Strategic
Sistemalux Inc	Aug 30	AB Fagerhult	Canada	Strategic
Apollo Seiko Ltd.	Aug 30	Askum Partners Co., Ltd.	APAC	Strategic
Eleos Robotics Inc.	Jan 27	Glenbriar Technologies Inc.	Canada	Strategic
Wuzhou Valve Co., Ltd .	Aug 26	Zhejiang Linuo Flow Control Technology C	APAC	Strategic
Kelvix LLC	Aug 25	CORE Industrial Partners, LLC	US	Financial
Sputnix LLC	Aug 23	JSC Sitronics	EMEA	Strategic
Critical Process Systems Group, Inc.	Aug 24	Exyte GmbH	US	Strategic
Dantherm Group A/S	Aug 24	Deutsche Beteiligungs AG	EMEA	Strategic
Cablecraft Motion Controls LLC	Aug 24	Cable Manufacturing & Assembly Co. Inc.	US	Financial-Backed Strategic
MultiCam Inc.	Aug 23	Kongsberg Precision Cutting Systems	US	Financial-Backed Strategic
Capricorn S.A.	Aug 23	Uponor Oyj	EMEA	Strategic
Spear Power Systems, LLC	Aug 23	Sensata Technologies Holding plc	US	Strategic
JMC Heavy Duty Vehicle Co., Ltd.	Aug 23	Volvo Trucks Corporation	APAC	Strategic
East Chicago Machine Tool Corporation	Aug 23	Kadant Inc.	US	Strategic
GalFab, Inc.	Aug 21	Hiab USA Inc.	US	Strategic
ECR International, Inc.	Aug 20	TerraVest Industries Inc.	US	Strategic
Intelligent Machine Solutions, Inc. (nka:Rollon-iMS)	Aug 20	The Timken Company	US	Strategic
Buckner Heavylift Cranes, LLC	Aug 19	Markel Ventures, Inc.	US	Financial
Myers Emergency Power Systems, LLC	Aug 18	Kohlberg & Company, L.L.C.	US	Financial
Roswell Downhole Technologies Inc.	Aug 12	Precision ADM Inc.	Canada	Strategic
The ExOne Company	Aug 11	Desktop Metal, Inc.	US	Strategic
Meggitt PLC	Aug 11	TransDigm Group Incorporated	EMEA	Strategic
Coyote MFG Co.	Aug 9	Patrick Industries, Inc.	US	Strategic
Schaltbau Holding AG	Aug 7	The Carlyle Group Inc.	EMEA	Financial

For more information and insight please contact members of the EdgePoint Industrials team:

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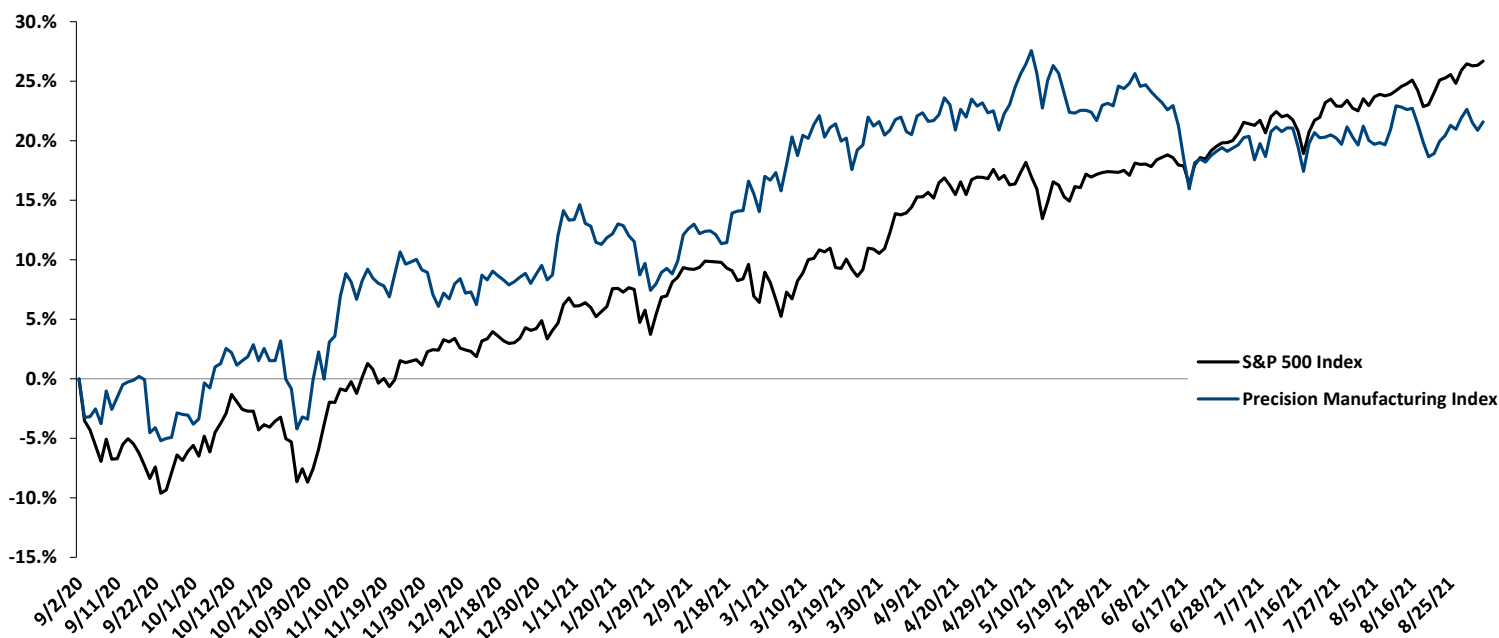
M&A
Advisory
RESULTS *with*
INTEGRITY™

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	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
AMETEK, Inc.	\$34,193	35.0%	28.9%	\$1,426	\$1,570	23.1x	21.8x	\$4,928	2.8%	2.3%	\$135.97	97.1%
Celestica Inc.	1,300	7.8%	4.0%	225	323	5.2x	4.0x	5,592	-3.9%	-3.9%	9.47	99.3%
Colfax Corporation	8,603	42.7%	15.8%	552	626	14.3x	13.7x	3,499	10.3%	7.6%	48.17	95.7%
Cummins Inc.	36,292	24.5%	13.3%	3,078	3,827	9.6x	9.5x	23,151	14.6%	1.0%	235.98	85.2%
Illinois Tool Works Inc.	78,934	42.1%	28.0%	3,914	4,073	19.9x	19.4x	14,002	9.9%	-1.9%	232.86	96.2%
Lincoln Electric Holdings, Inc.	8,878	33.1%	15.8%	466	566	18.1x	15.7x	2,946	6.8%	-0.2%	139.61	97.4%
Sandvik AB (publ)	25,372	40.3%	23.7%	2,287	2,797	12.9x	11.6x	10,056	-8.3%	-2.8%	25.47	90.1%
Median		35.0%	15.8%	1,426	1,570	14.3x	13.7x	5,592	6.8%	-0.2%	136.0	96.2%
Mean		32.2%	18.5%	1,707	1,969	14.7x	13.7x	9,168	4.6%	0.3%	118.2	94.4%

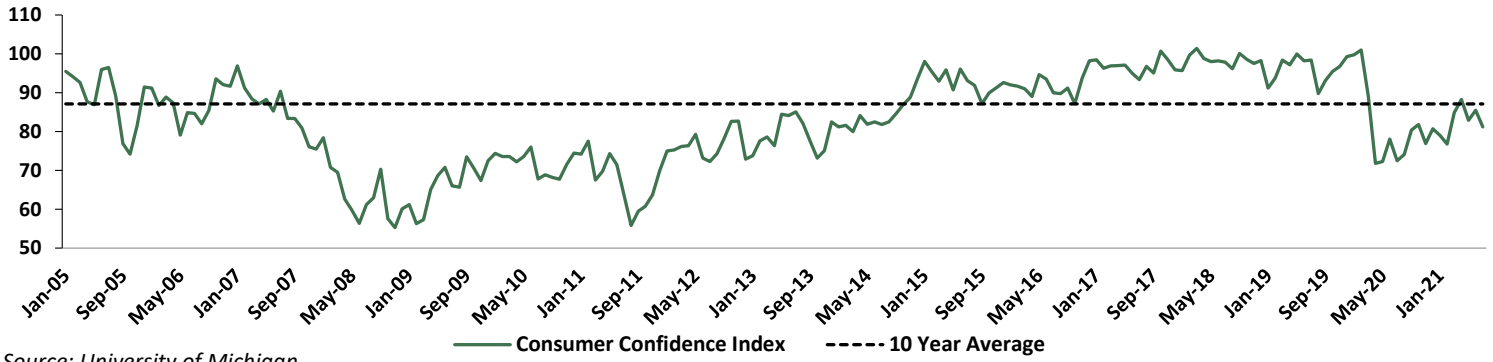
Source: S&P CapIQ (As of August 31, 2021)

Trailing Twelve Months Stock Performance

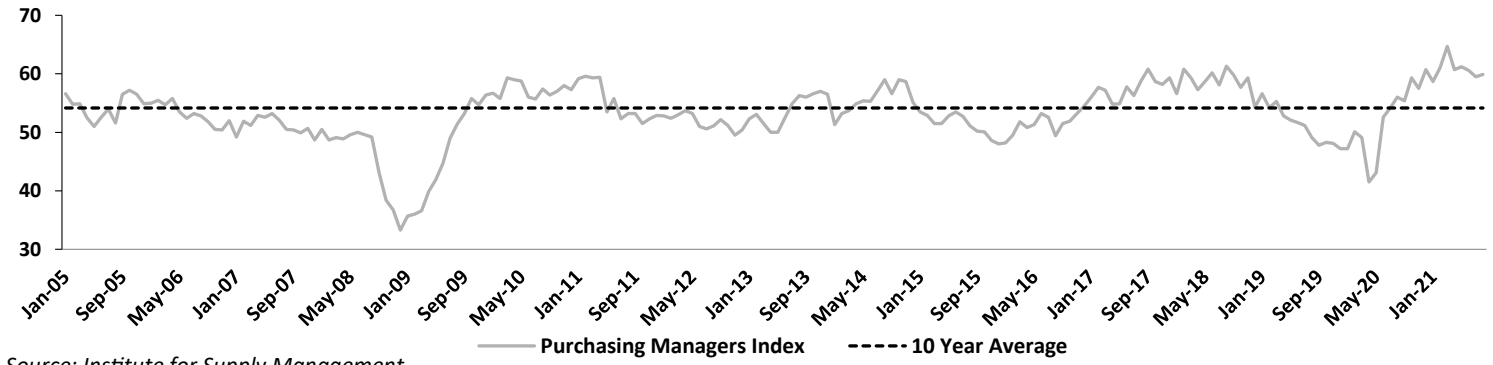


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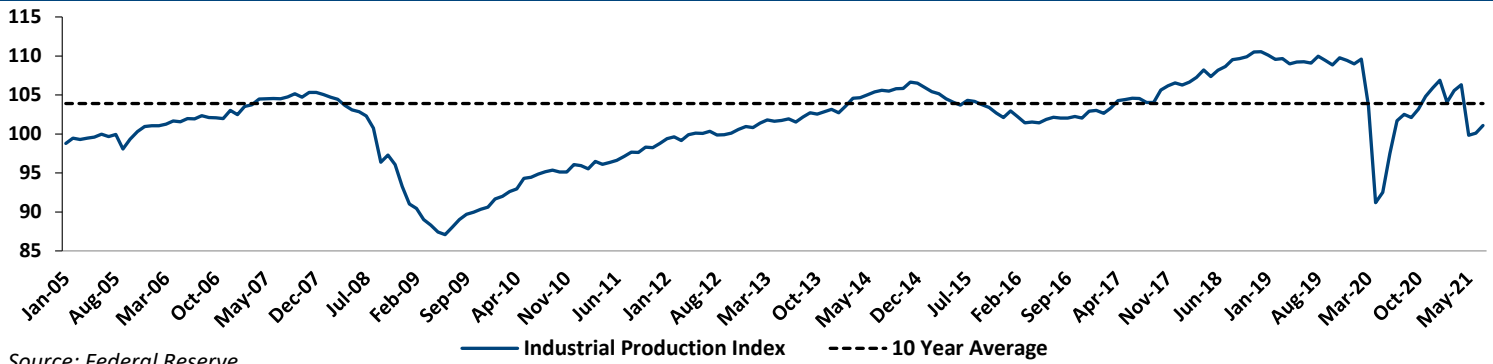
Consumer Confidence Index



Purchasing Managers Index



Industrial Production Index



U.S. Real GDP Growth

