

# INDUSTRIALS MONTHLY

MAY 2019

*Our Industrials expertise spans key sectors including building products, paper & packaging, industrial equipment & technology, energy equipment & services, chemicals & specialty materials.*

Building Products











Industrial Equipment & Technology

Energy Equipment & Services

Specialty Materials

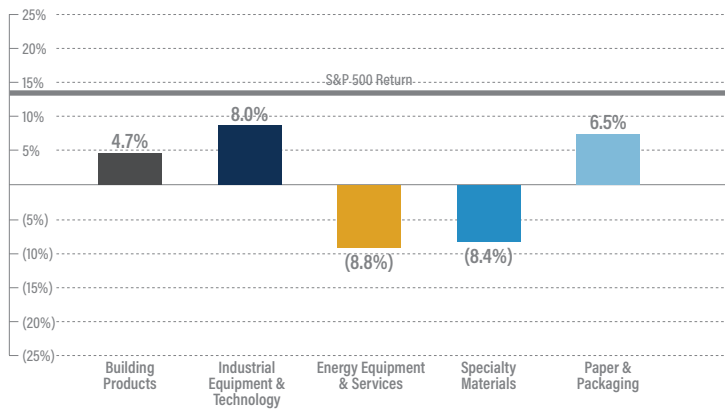
Paper & Packaging

## HEADLINE TRANSACTIONS

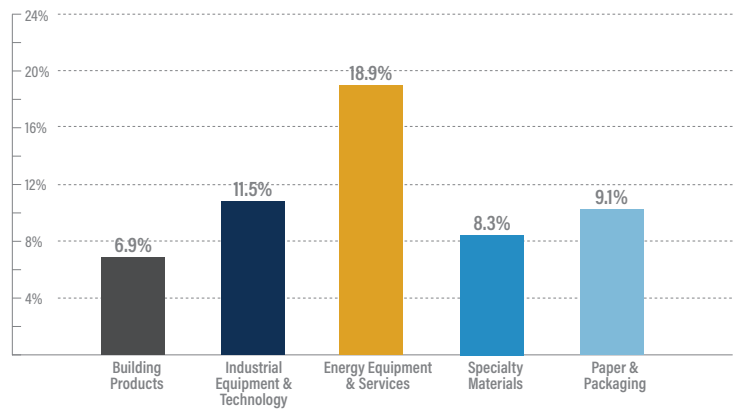
Building	 <p><b>ALLIED</b> CONCRETE CO.</p>	 <p><b>Oldcastle</b> APG A CRH COMPANY</p>	<ul style="list-style-type: none"> <li>Oldcastle Architectural Products Group, a provider of concrete masonry, dry mix and hardscape products, acquired Allied Concrete Products</li> <li>Allied Concrete Products is a manufacturer of concrete, masonry and hardscape products</li> </ul>
Industrial Equip.	 <p><b>IR Ingersoll Rand</b> Inspiring Progress™ (Industrial Segment)</p>	 <p><b>Gardner</b> <b>Denver</b></p>	<ul style="list-style-type: none"> <li>Gardner Denver Holdings, a provider of mission-critical flow control and compression equipment, associated aftermarket parts, consumables and services, entered into a definitive agreement to merge with Ingersoll Rand's Industrial Segment for approximately \$5.8 billion (to be paid in Gardner Denver shares)</li> <li>Ingersoll Rand's Industrial Segment provides industrial and commercial products and services, including pumps and air compressors</li> <li>Implied Enterprise Value Multiples: Revenue: 1.7x; EBITDA: 6.9x</li> </ul>
Energy Equip.	 <p><b>Precision</b> DRILLING</p>	 <p><b>HIGH ARCTIC</b> ENERGY SERVICES INC.</p>	<ul style="list-style-type: none"> <li>High Arctic Energy Services, a Calgary-based provider of oilfield services including snubbing services and equipment rental services, acquired Precision Drilling's snubbing services equipment</li> <li>Precision Drilling's snubbing services equipment consists of 12 snubbing units located in Canada, as well as certain patent rights related to the design and configuration of stand-alone snubbing units and spare equipment</li> </ul>
Specialty	 <p><b>LORD</b></p>	 <p><b>Parker</b></p>	<ul style="list-style-type: none"> <li>Parker Hannifin Corporation, a provider of motion and control technologies, entered into a definitive agreement to acquire LORD Corporation for approximately \$3.7 billion</li> <li>LORD Corporation is a provider of advanced adhesives, coatings and specialty materials, as well as vibration and motion control technologies</li> <li>Implied Enterprise Value Multiples: Revenue: 3.3x; EBITDA: 15.1x</li> </ul>
Paper/Packaging	 <p><b>amcor</b> (Three Manufacturing Facilities)</p>	 <p><b>TEKNIPLEX</b> Global strength. Superior solutions.</p>	<ul style="list-style-type: none"> <li>Tekni-Plex (portfolio company of Genstar Capital), a provider of packaging materials, material compounds and precision-crafted medical tubing solutions, entered into a definitive agreement to acquire three manufacturing facilities from Amcor's Flexible Packaging business unit for \$215 million</li> <li>Amcor Flexible Packaging's three facilities are located in Madison and Milwaukee, Wisconsin and Ashland, Massachusetts, and provide a broad portfolio of sterilizable medical device packaging substrates</li> </ul>

# INDUSTRIALS GROWTH & VALUATION TRENDS

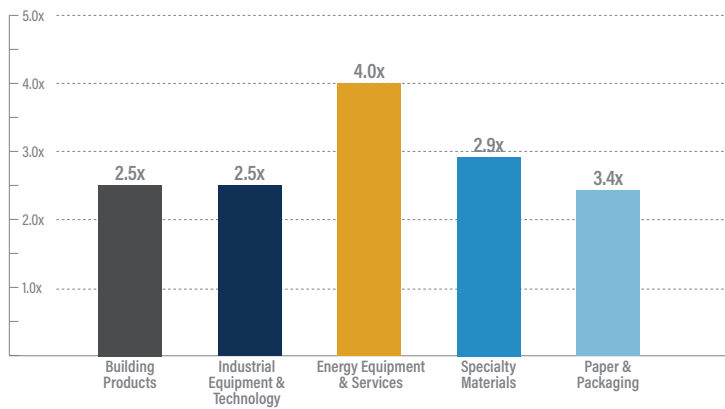
One-Year Stock Return



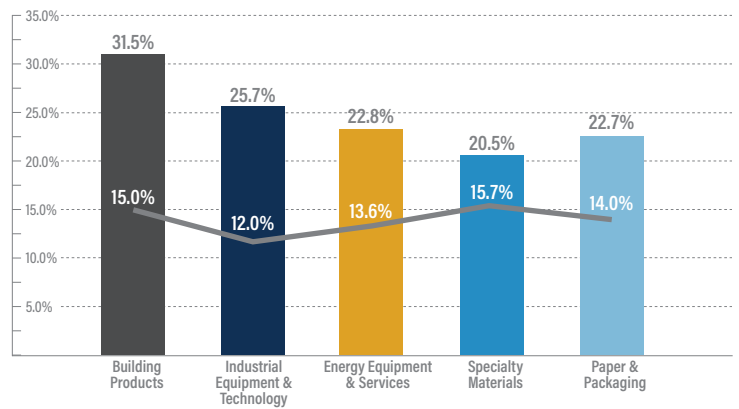
One-Year Revenue Growth



LTM Debt/EBITDA

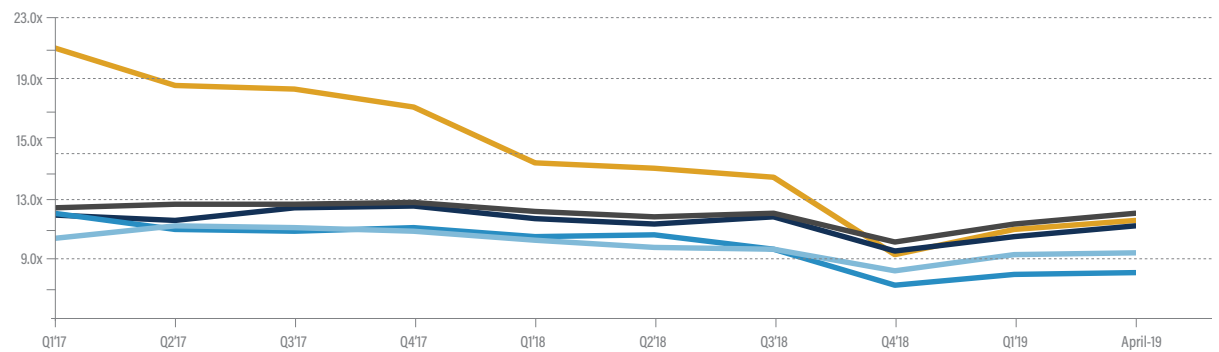


LTM Gross Margin\*



\*EBITDA Margins shown as the gray line.

TEV/EBITDA



11.4x Building Products    10.6x Industrial Equipment & Technology    10.9x Energy Equipment & Services    7.8x Specialty Materials    9.0x Paper & Packaging

# SELECTED INDUSTRIALS TRANSACTIONS

Target	Acquiror	Building Products Transaction
KNAUF Mexico	Compagnie de Saint-Gobain	Compagnie de Saint-Gobain, a France-based provider of construction and high-performance materials, acquired KNAUF Mexico, a provider of plasterboard
Anvil International (Portfolio Company of One Equity Partners)	Smith-Cooper International (Portfolio Company of Tailwind Capital)	Smith-Cooper International, a provider of branded, high-quality pipes, valves and fittings, entered into a definitive agreement to merge with Anvil International, a provider of products that connect and support piping systems
Norton Industries (Wood Ceilings Business)	CertainTeed Corporation	CertainTeed Corporation, a manufacturer of building materials for commercial and residential construction, acquired Norton Industries' wood ceilings business

Target	Acquiror	Energy Equipment & Services Transaction
Schlumberger (Onshore Drilling Business)	Arabian Drilling Company	Arabian Drilling Company, a Saudi Arabia-based provider of well drilling services, agreed to acquire Schlumberger's Middle East onshore drilling rigs business in Kuwait, Oman, Iraq and Pakistan for \$415 million
Diamond Offshore Drilling Unit	Well-Safe Solutions	Well-Safe Solutions, a Scotland-based provider of well abandonment services, entered into an agreement to acquire Diamond Offshore's U.K.-based semi-submersible drilling rig "Ocean Guardian"
Energy Drilling	Atlantica Tender Drilling	Atlantica Tender Drilling, a provider of deep water tender assist drilling units, signed a letter of intent to acquire Energy Drilling, a Singapore-based provider and operator of self erecting tender rigs

Target	Acquiror	Paper & Packaging Transaction
DS Smith (Two Packaging Business)	International Paper	International Paper, a producer of fiber-based packaging, pulp and paper, acquired DS Smith's two packaging plants in northwestern France and Portugal for \$63 million
James L. Villa	EasyPak (Portfolio Company of Graham Partners)	EasyPak, a provider of thermoformed packaging focused on serving the healthy and natural food categories, acquired James L. Villa, a provider of injection and thermoformed packaging items
TS Plastics	Nippon Paper Industries	Nippon Paper Industries, a Japan-based manufacturer of paper products, agreed to acquire TS Plastics, a Malaysia-based manufacturer of flexible packaging

Target	Acquiror	Industrial Equipment & Tech. Transaction
JR Automation Technologies (Portfolio Company of Crestview)	Hitachi	Hitachi, a multinational conglomerate, entered into a definitive agreement to acquire JR Automation Technologies, a provider of intelligent automated manufacturing and distribution technology solutions
Diamond Chain Company	The Timken Company	The Timken Company, a manufacturer of bearings and mechanical power transmission components, acquired The Diamond Chain Company, a manufacturer of high-performance roller chains for industrial markets
Presby Environmental	Infiltrator Water Technologies (Portfolio Company of Ontario Teacher's Pension Plan)	Infiltrator Water Technologies, a manufacturer of products for the decentralized water and wastewater industries, acquired Presby Environmental, a provider of wastewater treatment technologies

Target	Acquiror	Specialty Materials Transaction
DuluxGroup	Nippon Paint Holdings	Nippon Paint Holdings, a Japan-based manufacturer of paints and coatings, agreed to acquire DuluxGroup, an Australia-based provider of paints, coatings, adhesives and related products for \$2.1 billion
Digital Specialty Chemicals (Portfolio Company of Intel Capital)	Entegris	Entegris, a provider of specialty chemicals and advanced materials, acquired Digital Specialty Chemicals, a manufacturer of fine chemicals for semiconductor, pharmaceutical and specialty chemicals applications
E.V. Roberts	Graco Supply Company (Portfolio Company of EM Equity Partners)	Graco Supply, a distributor of chemicals, specialty materials, consumables and related services, entered into an agreement to acquire E.V. Roberts, a supplier of engineering materials for advanced manufacturing

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## Selected TM Capital Industrials Experience

**resolute**  
Forest Products

HAS INVESTED ITS CATAWBA, SOUTH CAROLINA PAPER AND PULP MILL TO

**NEW INDY**  
CONTAINERSBOARD

**Oldcastle**  
BuildingEnvelope

HAS SOLD

**O<sub>3</sub> Industries**

**ArranIsle**

HAS SOLD

**LaSalleBristol**

TO

**PATRICK INDUSTRIES, INC.**

SENIOR CREDIT FACILITY

**WILLIAMS**

PROVIDED BY

**midcap**  
FINANCIAL

**TRIBEWATER**

A PORTFOLIO COMPANY OF

**Ironwood Management Partners Fund II, LP**

HAS BEEN ACQUIRED BY

**TECUM**  
EQUITY

**Culligan**  
by Waters

A PORTFOLIO COMPANY OF

**Prospect Partners**

HAS BEEN ACQUIRED BY

**Culligan Water**

A PORTFOLIO COMPANY OF

**Advent International**