

# INDUSTRIALS MONTHLY

JANUARY 2020

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

Building Products






Industrial Equipment & Technology

Energy Equipment & Services

Specialty Materials

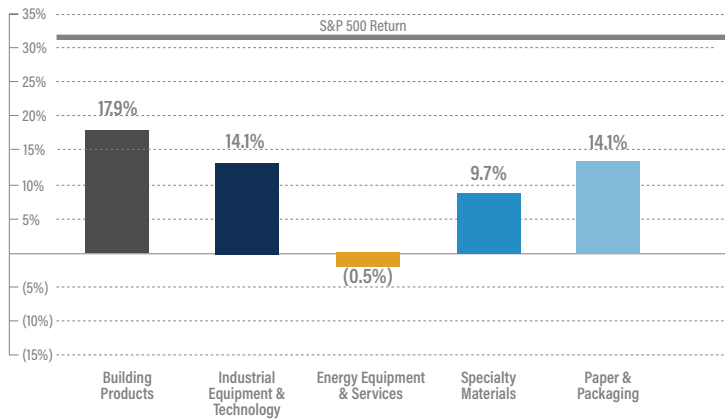
Paper & Packaging

## HEADLINE TRANSACTIONS

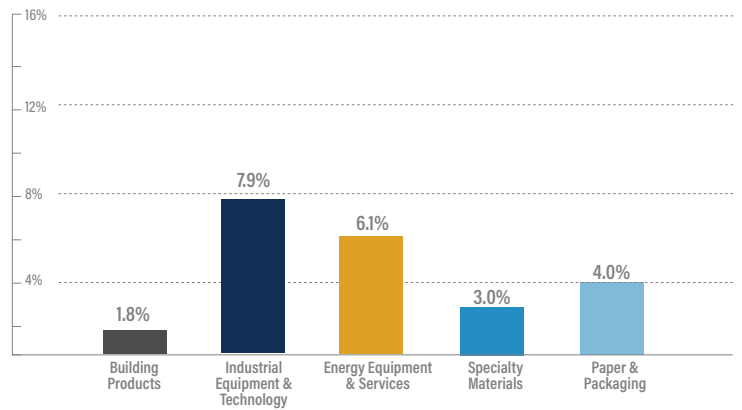
	TARGET	ACQUIROR	ACQUISITION SYNOPSIS
Building Products	 PSM International <small>GLOBAL FASTENING SOLUTIONS</small> IEQT	 BULTEN	<ul style="list-style-type: none"> <li>Bulten AB, a Sweden-based manufacturer of components for the automotive industry, acquired PSM International for \$230 million</li> <li>PSM International, a portfolio company of EQT Partners, is a distributor of fasteners for the automotive industry</li> <li>Implied Enterprise Value Multiple: Revenue: 0.6x</li> </ul>
Industrial Equip.	 micromeritics	 SFW CAPITAL PARTNERS	<ul style="list-style-type: none"> <li>TM Capital served as exclusive financial advisor to Micromeritics Instrument Corporation in its strategic recapitalization with SFW Capital Partners, a New York-based private equity fund</li> <li>Micromeritics Instrument Corporation is a designer and manufacturer of proprietary particle measurement instruments and accessories for research and testing lab environments</li> </ul>
Energy Equip.	 BROADSPECTRUM	 ventia	<ul style="list-style-type: none"> <li>Ventia pty, an Australia-based provider of maintenance contract services for telecommunications infrastructure, agreed to acquire Broadspectrum pty for \$335 million</li> <li>Broadspectrum pty, a subsidiary of Ferrovial SA, provides operations and maintenance, asset management and project management services to the energy, infrastructure and defense sectors</li> </ul>
Specialty Materials	 Hitachi Chemical <small>Working On Wonders</small>	 SHOWA DENKO	<ul style="list-style-type: none"> <li>Showa Denko, a Japan-based producer and distributor of chemical products, entered into a definitive agreement to acquire Hitachi Chemical Company for \$9.9 billion</li> <li>Hitachi Chemical Company is a Japan-based manufacturer of functional materials and advanced components</li> <li>Implied Enterprise Value Multiples: Revenue: 1.5x; Adjusted EBITDA: 12.7x</li> </ul>
Paper & Packaging	 poplast <small>FLEXIBLE PACKAGING</small> EOS IM <small>YOUR INVESTMENT MANAGER</small>	 green arrow CAPITAL SGR	<ul style="list-style-type: none"> <li>Green Arrow Capital, an Italy-based private equity firm, acquired POPLAST SRL</li> <li>POPLAST, a portfolio company of EOS Investment Management, is an Italy-based manufacturer of flexible and industrial packaging products</li> </ul>

# INDUSTRIALS GROWTH & VALUATION TRENDS

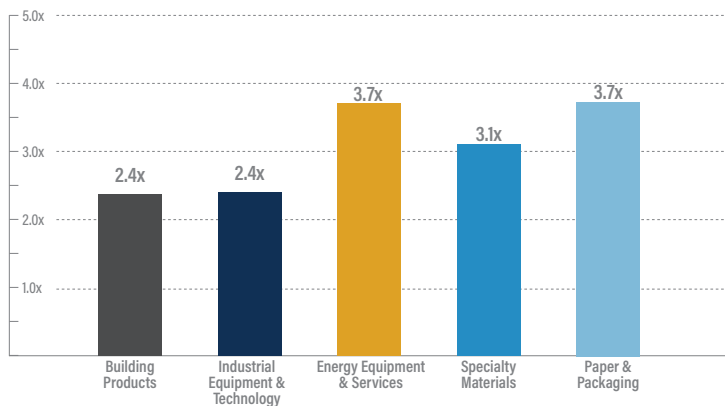
One-Year Stock Return



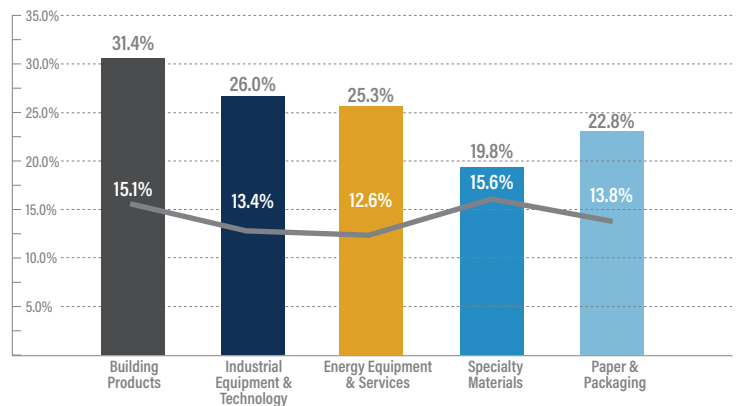
One-Year Revenue Growth



LTM Debt/EBITDA

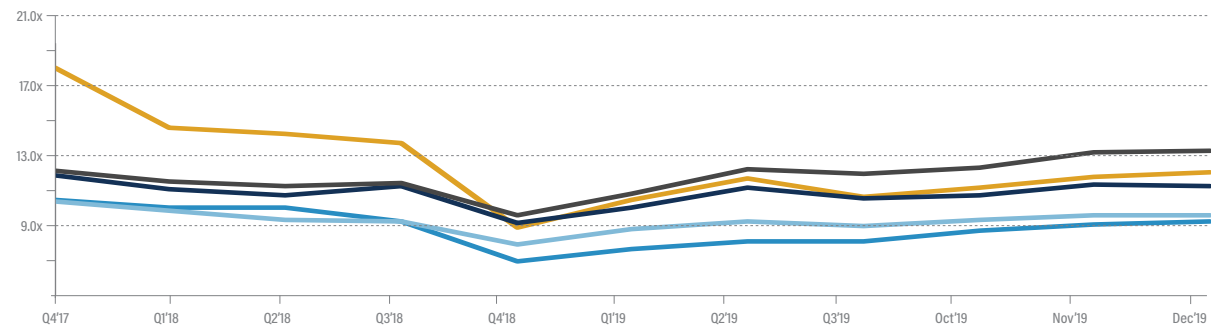


LTM Gross and EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

TEV/EBITDA



13.1x Building Products    11.2x Industrial Equipment & Technology    11.9x Energy Equipment & Services    9.2x Specialty Materials    9.6x Paper & Packaging

# SELECTED INDUSTRIALS TRANSACTIONS

Target	Acquiror	Building Products Transactions
NewSouth Window Solutions, LLC	PGT Innovations, Inc.	PGT Innovations, a manufacturer of impact-resistant residential doors and windows, acquired NewSouth Window Solutions, a manufacturer of custom replacement doors and windows, for \$92 million
ArmaceLL GmbH (Portfolio Company of Blackstone Group)	PAI Partners; KIRKBI A/S	PAI Partners, a France-based private equity fund, and KIRKBI, a Denmark-based conglomerate, together acquired ArmaceLL, a Germany-based manufacturer of flexible insulation foams
Mergon International	Elysian Capital	Elysian Capital, a London-based private equity firm, acquired Mergon International, an Ireland-based manufacturer of molded plastic components

Target	Acquiror	Energy Equipment & Services Transactions
Bourbon Corporation SA	Société Phocéenne de Participations	Société Phocéenne de Participations, an entity formed by French lending institutions, acquired the assets of Bourbon Corporation SA, a France-based provider of maritime and subsea services for the energy industry, for \$3.1 billion
Argo Sales	TerraVest Industries	TerraVest Industries, a Canada-based manufacturer of fuel containment and processing equipment, agreed to acquire Argo Sales, a Canada-based manufacturer of equipment for the oil and gas industries
Geoforce, Inc.	LLR Partners	LLR Partners, a Pennsylvania-based private equity firm, has agreed to acquire Geoforce, a provider of tracking and asset management solutions for oilfield equipment

Target	Acquiror	Paper & Packaging Transactions
Power Packaging, Inc. (Subsidiary of DHL International)	MSI Express, Inc. (Portfolio Company of HCI Equity)	MSI Express, a contract packaging manufacturing company, acquired Power Packaging, a contract manufacturer of packaging for consumer goods
Fabrica de Papel Do Ave, S.A. (Subsidiary of DS Smith)	Not Disclosed	An undisclosed party acquired Fabrica de Papel do Ave, a Portugal-based paper manufacturing facility, from DS Smith for \$49 million
German Napkin Business of Metsä Tissue Corporation	Keeper GmbH	Keeper, a Germany-based manufacturer of household products, acquired the Napkin Business of Metsä Tissue Corporation, a Germany-based tissue paper manufacturing facility producing napkins

## Selected TM Capital Industrials Experience

micromeritics  
HAS COMPLETED A STRATEGIC RECAPITALIZATION WITH  
SFW  
CAPITAL PARTNERS

CONTIWEB  
A PORTFOLIO COMPANY OF  
AMERICAN INDUSTRIAL PARTNERS  
HAS BEEN ACQUIRED BY  
H2  
Equity Partners

VALLEY PROTEINS, INC.  
HAS COMPLETED AN AMENDMENT TO ITS \$250 MILLION SENIOR REVOLVING CREDIT FACILITY  
HCI EQUITY PARTNERS

NAUMANN HOBBS  
The Performance People  
A PORTFOLIO COMPANY OF  
HCI EQUITY PARTNERS  
HAS RECEIVED AN INVESTMENT FROM  
CenterGate  
CAPITAL

WEST SHORE  
HOME  
FINANCED THE ACQUISITION OF  
AMERICA'S WINDOW  
WITH SENIOR DEBT PROVIDED BY  
GARMARK  
PARTNERS

MPL Company  
HAS BEEN ACQUIRED BY  
WC  
WYNNECHURCH | CAPITAL

Target	Acquiror	Industrial Equipment & Tech. Transactions
Dynetics, Inc.	Leidos, Inc.	Leidos, a provider of IT, engineering, and science solutions to customers in the defense and health sectors, agreed to acquire Dynetics, a provider of engineering, scientific, and IT solutions to government, security and aerospace customers, for \$1.7 billion
Aspen Pumps Limited (Portfolio Company of 3i Group)	Inflexion Private Equity Partners	Inflexion Private Equity Partners, a London-based private equity firm, agreed to acquire Aspen Pumps, a manufacturer of condensate removal pumps and accessories for the HVACR industry, for \$272 million
Instrumentation and Sampling Business of CIRCOR International, Inc.	Crane Co.	Crane Co., a manufacturer of engineered industrial products, agreed to acquire the Instrumentation and Sampling Business of CIRCOR International, Inc., a manufacturer of instrumentation and sampling equipment, for \$172 million

Target	Acquiror	Specialty Materials Transactions
Color and Additive Masterbatches Business of Clariant	PolyOne Corporation	PolyOne Corporation, a provider of specialized polymer materials, acquired the Color and Additive Masterbatches Business of Clariant, which manufactures color and additive concentrates and performance solutions for plastics, for \$1.5 billion
Tile Coatings Business of Ferro Corporation	Esmalglass, S.A.U. (Portfolio Company of Lone Star Funds)	Esmalglass, a Spain-based manufacturer of frits, glazes, pigments, inks, and ceramic additives, agreed to acquire the Tile Coatings business of Ferro Corporation, a manufacturer of coatings for ceramic tiles, for \$492 million
Icyene-Lapolla (Portfolio Company of FFL Partners)	Huntsman Corporation	Huntsman Corporation, a diversified organic chemical company, agreed to acquire Icyene-Lapolla, a Canada-based manufacturer of spray polyurethane foam insulation products, for \$350 million

## TM Capital's Industrials Contacts

<b>Gregory Robertson,</b> Chairman grobertson@tmcapital.com 212.809.1410	<b>Paul Smolevitz,</b> Managing Director psmolevitz@tmcapital.com 212.809.1416	<b>Jonathan Mishkin,</b> Managing Director jmishkin@tmcapital.com 212.809.1413	<b>David Felts,</b> Managing Director dfelts@tmcapital.com 404.995.6252
<b>Michael Goldman,</b> Managing Director mgoldman@tmcapital.com 212.809.1419	<b>Jerome Romano,</b> Managing Director jromano@tmcapital.com 617.259.2206	<b>Andy Krna,</b> Principal akrna@tmcapital.com 212.809.1442	<b>Steve Hunter,</b> Managing Director - Sponsor Coverage shunter@tmcapital.com 404.995.6232