

# INDUSTRIALS MONTHLY

JULY 2022

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

Building Products

Industrial Equipment & Technology

Equipment Rental & Distribution

Specialty Chemicals & Materials

Paper & Packaging

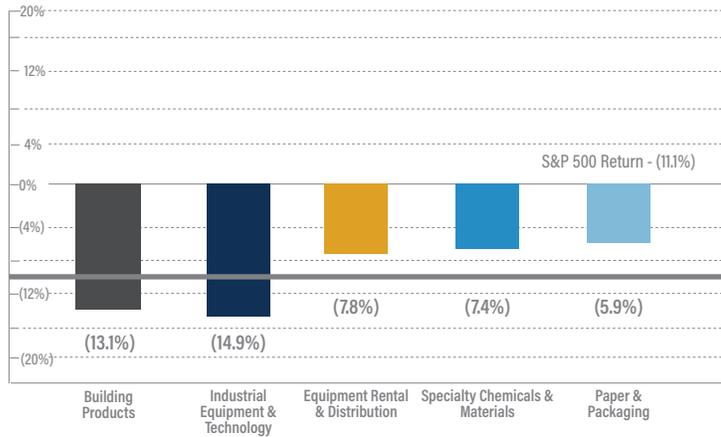
## HEADLINE TRANSACTIONS

	TARGET	ACQUIROR	ACQUISITION SYNOPSISIS
Building Products	 A Portfolio Company of  INDUSTRIAL OPPORTUNITY PARTNERS		<ul style="list-style-type: none"> <li>Atkore (NYSE:ATKR), a leading manufacturer of electrical, mechanical and safety infrastructure solutions, has acquired United Poly Systems, a portfolio company of Industrial Opportunity Partners</li> <li>United Poly Systems is a manufacturer of High Density Polyethylene ("HDPE") pressure pipe and conduit, primarily serving the telecom, water infrastructure, renewables and energy markets</li> </ul>
Industrial Equipment			<ul style="list-style-type: none"> <li>Evoqua Water Technologies (NYSE:AQUA), a provider of critical water treatment solutions and services to support customers' full water lifecycle needs, has agreed to acquire Smith Engineering</li> <li>Smith Engineering is a manufacturer of water treatment equipment intended for critical fluid handling, water purification and process control</li> </ul>
Equipment Rental & Distribution			<ul style="list-style-type: none"> <li>ABLE Equipment Rental, a distributor and rental provider of a wide variety of heavy construction equipment, has acquired Elite Construction Rentals</li> <li>Elite Construction Rentals is a provider of heavy construction equipment rentals, as well as services including construction planning, project management and on-site mechanical servicing</li> <li>The transaction by ABLE Equipment Rental will allow the Company to broaden its footprint further into southern New England and increase the size of its fleet and customer base</li> </ul>
Specialty Chemicals & Materials	 A Portfolio Company of 		<ul style="list-style-type: none"> <li>Balchem (NASDAQ:BCPC), a global specialty ingredients company focused on nutrition and health, has acquired Kappa Biosciences from Verdane, for \$338 million</li> <li>Kappa Bioscience, headquartered in Norway, is a leading science-based manufacturer of specialty vitamin K2 for the human nutrition industry and is the only company offering a patented, 99.7% all-trans vitamin K2 MK-7</li> <li>Implied Enterprise Value Multiple (2022E): EBITDA: 18x</li> </ul>
Paper & Packaging			<ul style="list-style-type: none"> <li>Paper Excellence, a global manufacturer of pulp and paper, including printing and writing, packaging, tissue, and specialty papers has agreed to acquire Resolute Forest (NYS:RFP), for \$1.6 billion</li> <li>Resolute Forest (NYS:RFP) is a leading North American producer of lumber, pulp and newsprint. It is the largest North American producer of paper used in retail flyers and magazines</li> <li>Implied Enterprise Value Multiple (2022E): EBITDA: 4.1x</li> </ul>

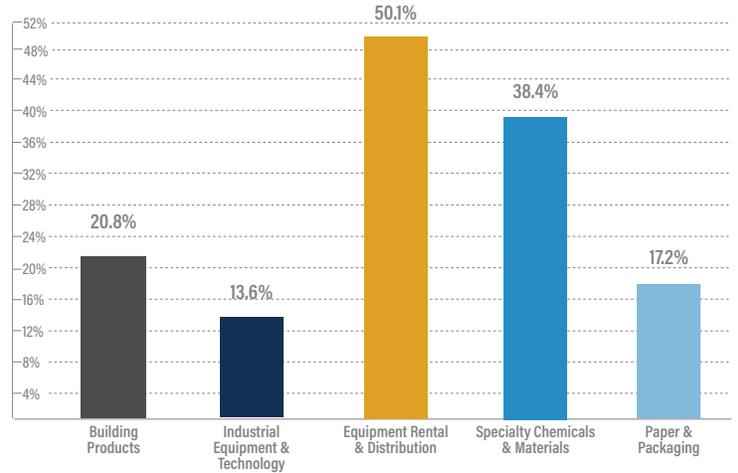
# INDUSTRIALS GROWTH & VALUATION TRENDS

Note: Financial Information as of May 31, 2022

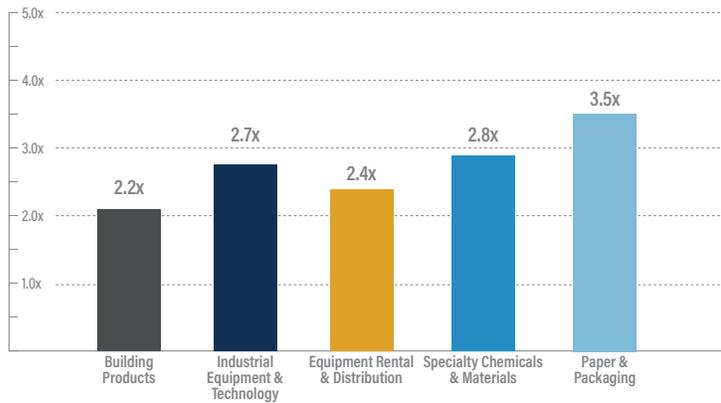
## One-Year Stock Return



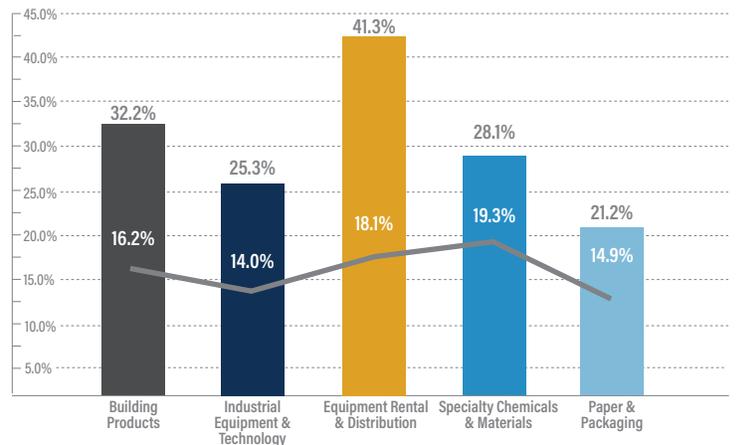
## One-Year Revenue Growth



## LTM Debt/EBITDA

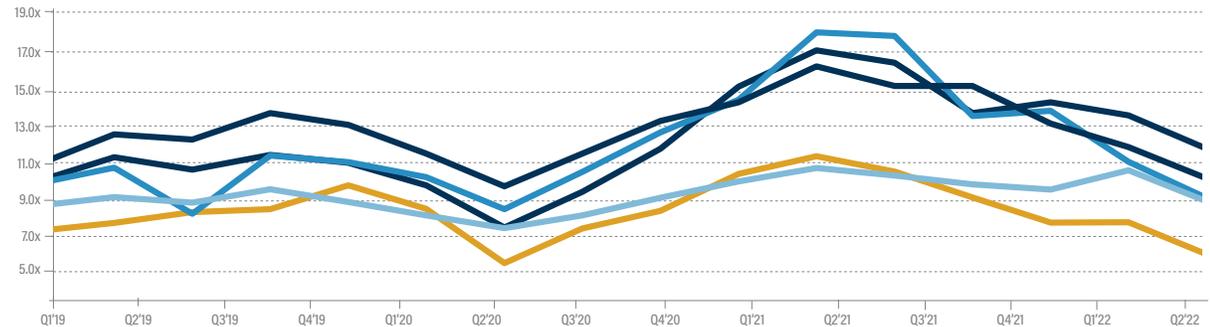


## LTM Gross and EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

## TEV/EBITDA



10.1x Building Products 11.5x Industrial Equipment & Technology 6.7x Equipment Rental & Distribution 9.2x Specialty Chemicals & Materials 9.1x Paper & Packaging

# SELECTED INDUSTRIALS TRANSACTIONS

Target	Acquiror	Building Products Transactions
Natural Polymers	Owens Corning (NYSE:OC)	Owens Corning (NYSE:OC), a manufacturer of insulation, roofing and fiberglass composite materials, has agreed to acquire Natural Polymers, a manufacturer of spray polyurethane foam insulation

Caldwell Manufacturing	ASSA ABLOY (STO: ASSA B)	ASSA ABLOY (STO: ASSA B), a provider of door opening products and solutions, has acquired Caldwell Manufacturing, a manufacturer of window counter balances
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NEWPRO Operating	Renovo Home Partners (Audax Private Equity)	Renovo Home Partners, a DTC platform that offers home repair and remodel products to homeowners, has acquired NEWPRO Operating, a manufacturer of home improvement products including windows, doors, insulated roofing and more
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Target	Acquiror	Equipment Rental & Distribution Transactions
Bright Equipment	Berry Companies	Berry Companies, a distributor of construction and material handling equipment, has acquired Bright Equipment, a distributor of construction and mining equipment

Compass Equipment Holdings	Arcomet Beheer	Arcomet Beheer, a Belgium-based provider of self-erecting tower cranes for sale and rental, has acquired Compass Equipment, an Arizona-based provider of tower crane and hoist rental services
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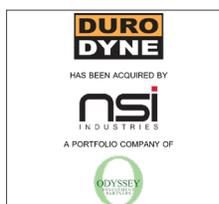
Accès Location d'Équipement	Groupe Lou-Tec	Groupe Lou-Tec, a rental company of tools, equipment and heavy machinery, has acquired Accès Location d'Équipement, a dealer and rental provider of a wide variety of forklifts to the construction industry
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Target	Acquiror	Paper & Packaging Transactions
Lewis Paper	Central National Gottesman	Central National Gottesman, a distributor of pulp, has agreed to acquire Lewis Paper, a distributor and wholesaler of printing and paper products

Camden Bag & Paper Company	Brady Industries	Brady Industries, a distributor of janitorial and sanitation products, has acquired Camden Bag & Paper Company, a distributor of paper bags, plastics, bakery supplies, janitorial supplies / equipment and industrial packaging products
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Hughes Enterprises	Envoy Solutions	Envoy Solutions, a diversified distributor of packaging solutions, has acquired Hughes Enterprises, a distributor of packaging products and equipment
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## Selected TM Capital Industrials Experience



Target	Acquiror	Industrial Equipment & Tech. Transactions
Atlantic Filter	A. O. Smith (NYSE:AOS)	A. O. Smith (NYSE:AOS), a manufacturer of residential and commercial gas, heat pump and electric water heaters, has acquired Atlantic Filter, a manufacturer and distributor of water treatment equipment

Flatwork Technologies	Thermon Group (NYSE:THR)	Thermon Group (NYSE:THR), a provider of engineered industrial process heating solutions, has acquired Flatwork Technologies, a manufacturer and marketer of temperature control systems
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Thermogenics (Port. Co. of Ironbridge Equity Partners)	Audax Private Equity	Audax Private Equity, a Boston-based private equity firm, has acquired Thermogenics, a manufacturer and service provider of industrial coil tube boilers for industrial / commercial applications
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Target	Acquiror	Specialty Chemicals & Materials
Multiple Targets	Azelis (BRU: AZE)	Azelis (BRU: AZE), a leading distributor of specialty chemicals, has acquired multiple, regional specialty chemical distributors in separate, unrelated transactions including the acquisitions of: Ak-taş, Ashapura and Rocsa Colombia

Reformed Group	DKSH (SIX:DKSH)	DKSH (SIX:DKSH), a leading marketer and supplier of healthcare products, consumer products and specialty chemicals and materials, has acquired Reformed Group (Switzerland), a provider of APIs and FDFs for generic drug manufacturers
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MXL Industries	Plaskolite (Pritzker Private Capital)	Plaskolite (Pritzker Private Capital), a global manufacturer of engineering thermoplastics including Acrylic, Polycarbonate, ABS and PETG Sheet, Lighting Profiles and PMMA Polymers, acquired MXL Industries, a manufacturer of optical plastic products
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## TM Capital's Industrials Contacts

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