

# INDUSTRIALS MONTHLY

NOVEMBER 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

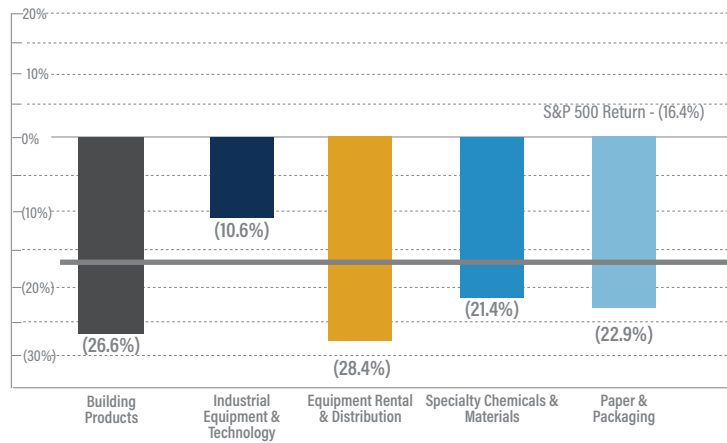
## HEADLINE TRANSACTIONS

|                                 | TARGET  | ACQUIROR  | ACQUISITION SYNOPSIS   |
|---------------------------------|---|---|--|
| Building Products               | <br><b>BellSimons</b><br>COMPANIES<br><small>HVAC • REFRIGERATION • PLUMBING</small><br><small>Serving the Industry since 1948</small>                                       | <br>a Subsidiary of<br><br><b>marcone</b><br>a Portfolio Company of<br><br><b>GENSTAR</b><br><small>PRIVATE EQUITY</small> | <ul style="list-style-type: none"> <li>TM Capital served as exclusive financial advisor to The BellSimons Companies, in its sale to Munch's Supply, the HVAC division of Marcone and a portfolio company of Genstar Capital</li> <li>BellSimons is a leading, value-added distributor of HVAC, hydronic heating, refrigeration and plumbing parts and systems, operating 29 branch locations and three distribution centers in seven states across New England</li> <li>BellSimons supplies commercial and residential HVAC contractors with a broad range of products from more than 400 OEMs, including leading brands such as Mitsubishi, Rheem / Ruud, Honeywell and Larkin</li> </ul> |
|                                 | <br><b>WALKER</b><br>a Portfolio Company of<br><br><b>KENSINGTON</b>                      | <br><b>Ironbridge</b><br><small>EQUITY PARTNERS</small>  | <ul style="list-style-type: none"> <li>TM Capital served as exclusive financial advisor to Walker Glass Company, a portfolio company of Kensington Capital Partners, in its sale to Ironbridge Equity Partners</li> <li>Walker Glass, based in Montreal, Canada, is a leading manufacturer of acid-etched glass substrates, premium quality mirrors and bird-friendly glazing solutions</li> <li>Walker Glass is uniquely positioned within the glass market as a value-added processor of raw materials, which are treated in house through proprietary processes, primarily serving glass fabricators</li> </ul>   |
| Equipment Rental & Distribution |    | <br><b>ALTA</b><br><small>EQUIPMENT GROUP</small>  | <ul style="list-style-type: none"> <li>Alta Equipment Group (NYSE:ALTG), a leading provider of aerial, earthmoving and other material handling and construction equipment, has agreed to acquire Ecoverse Industries, for \$59 million</li> <li>Ecoverse is a full-line distributor of environmental processing equipment, with 15 sub-dealers in North America; the acquisition is Alta's first investment in the large-scale equipment distribution sector</li> <li>Implied Enterprise Value Multiple (LTM July 2022) Adjusted EBITDA: ~5.8x</li> </ul>  |
| Specialty Chemicals & Materials | <br><b>CONNELL</b><br>a Subsidiary of<br><br><b>WILBUR-ELLIS</b>                          | <br><b>CALDIC</b><br>a Portfolio Company of<br><br><b>Advent International</b><br><small>GLOBAL PRIVATE EQUITY</small>  | <ul style="list-style-type: none"> <li>Caldic, a portfolio company of Advent International, has merged with Connell</li> <li>Caldic is a global manufacturer and distributor of specialty ingredients and chemicals to the life sciences and industrial formulation markets</li> <li>Connell is a leading marketer and distributor of specialty chemicals and ingredients to life science end markets including food, pharmaceuticals and personal care, as well as a variety of industrial end markets</li> </ul>   |
| Paper & Packaging               | <br><b>CROWN</b><br><small>PAPER CORP.</small><br>a Portfolio Company of<br><br><b>LG</b> | <br><b>ATLAS</b>   <b>HOLDINGS</b>   | <ul style="list-style-type: none"> <li>Atlas Holdings, a Connecticut-based private equity firm, has acquired Crown Paper, a portfolio company of Lindsay Goldberg</li> <li>Crown Paper is a leading independent containerboard manufacturer that operates a containerboard mill, two converting facilities and three distribution centers in the Pacific Northwest and Western Canada</li> </ul>   |

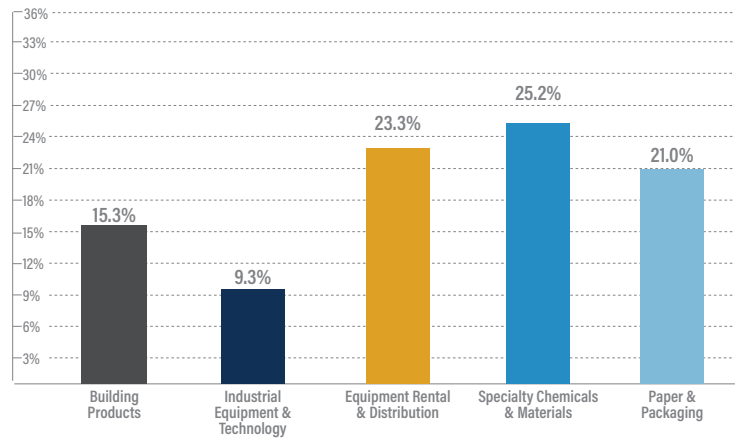
# INDUSTRIALS GROWTH & VALUATION TRENDS

Note: Financial Information as of October 31, 2022

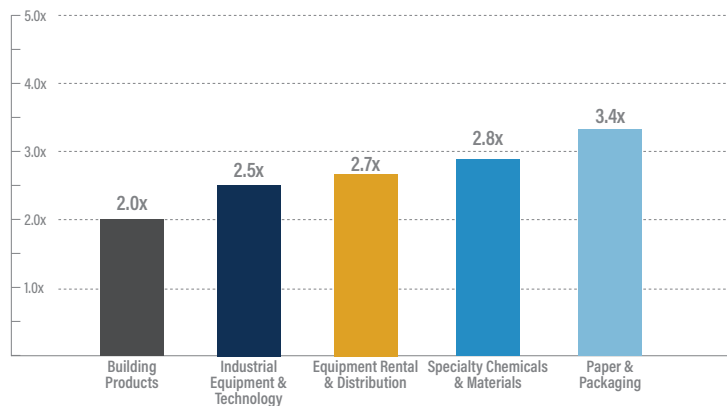
## One-Year Stock Return



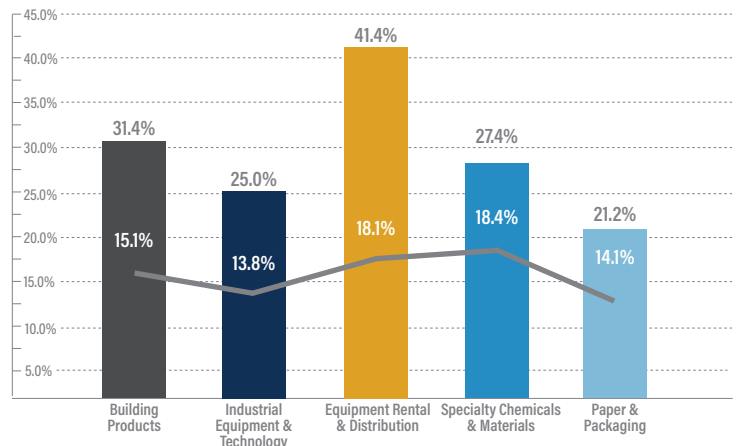
## One-Year Revenue Growth



## LTM Debt/EBITDA

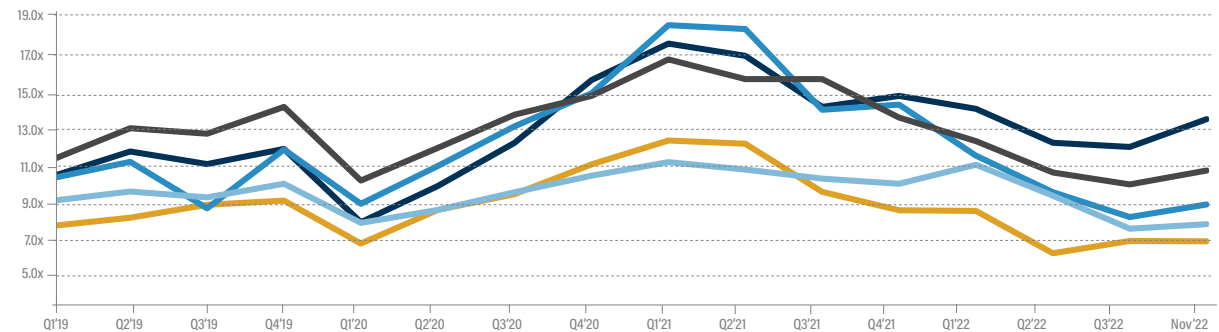


## LTM Gross and EBITDA Margins\*



\*EBITDA Margins shown as the gray line.

## TEV/EBITDA



**10.2x** Building Products   **12.5x** Industrial Equipment & Technology   **7.0x** Equipment Rental & Distribution   **8.7x** Specialty Chemicals & Materials   **7.8x** Paper & Packaging

# SELECTED INDUSTRIALS TRANSACTIONS

| Target       | Acquiror                    | Building Products Transactions  |
|--------------|-----------------------------|---|
| Martin Door  | PGT Innovations (NYSE:PGTI) | PGT Innovations, a leading manufacturer of custom window and door products, has acquired Martin Door, a leading manufacturer of durable and secure garage doors for the residential and commercial end markets, for \$185 million                 |
| Kaycan (USA) | ABC Supply                  | ABC Supply, the nation's largest wholesale distributor of roofing, siding and other select exterior and interior building products, has acquired Kaycan (USA), a leading manufacturer and distributor of siding and other home-finishing products |
| Cover Guard  | CSW Industrials (NSDQ:CSWI) | CSW Industrials, a manufacturer of engineered building solutions and products, has acquired Cover Guard, a manufacturer of plumbing and HVAC/R parts  |

| Target   | Acquiror   | Equipment Rental & Distribution Transactions   |
|--|--|--|
| All-Star Rents (Port. Co. of Hunter Street Partners) | Herc Rentals (NYSE:HRI)                                  | Herc Rentals, a leading equipment rental provider focused on heavy construction and industrial equipment, has acquired All-Star Rents, a provider of light and compact equipment rentals to a variety of end markets                                 |
| RentEquip  | Leppo Rents  | Leppo Rents, a leading construction equipment dealer and rental house, has acquired RentEquip, an equipment rental provider that engages in the sale, rental and service of construction and home renovation equipment                               |
| Arrow  | All States AG Parts (Port. Co. of Kinderhook Industries) | All States AG Parts, a provider of replacement agricultural and heavy equipment parts, has acquired Arrow, a manufacturer of forks and attachments for a wide range of material handling equipment including forklifts, skid steers and telehandlers |

| Target  | Acquiror   | Paper & Packaging Transactions  |
|---|--|---|
| Pacific Pulp  | Specialized Packaging Group (Port. Co. of Altamont Partners) | Specialized Packaging Group, a leading vertically integrated provider of protective packaging products, has acquired Pacific Pulp, a leading manufacturer of highly engineered molded pulp and molded fiber packaging products and solutions      |
| Russian operations of Sylvamo (NYSE:SLVM)                     | Pulp Invest  | Pulp Invest, a Russia-based manufacturer of paper base for tissue products, has acquired the Russian operations of Sylvamo, a global supplier of copy and printer paper, as well as commercial, converting and specialty paper, for \$420 million |
| K-1 Packaging & Everest Packaging (together, "K-1 Packaging") | Dunes Point Capital  | Dunes Point Capital, a New York-based private equity firm, has acquired K-1 Packaging, a designer and provider of custom turnkey packaging solutions primarily to the wellness and personal care end markets                                      |

## Selected TM Capital Industrials Experience

**WALKER**  
A PORTFOLIO COMPANY OF  
**KENSINGTON**  
HAS BEEN ACQUIRED BY  
**Ironbridge**  
EQUITY PARTNERS

**BellSimons COMPANIES**  
WALC - WOODS BROTHERS - POLYMER  
HAS BEEN ACQUIRED BY  
**MUNCH'S** | **marcone**  
A PORTFOLIO COMPANY OF  
**GENSTAR**  
CAPITAL

**PROSOURCE**  
A PORTFOLIO COMPANY OF  
**CIDCAPITAL**  
HAS BEEN ACQUIRED BY  
**Blue Sea Capital**

**ATLAS**  
CRANE - RIGGING - HEAVY HAIL  
HAS BEEN ACQUIRED BY  
**ARES**

**Grand Equipment**  
HAS BEEN ACQUIRED BY  
**COGNITIVE CAPITAL PARTNERS**

**SK CAPITAL**  
HAS COMPLETED THE ACQUISITION OF  
**VALTRIS**  
SPECIALTY CHEMICALS  
A PORTFOLIO COMPANY OF  
**H.I.G.**  
CAPITAL

| Target  | Acquiror                 | Industrial Equipment & Tech. Transactions  |
|---|--------------------------|--|
| Climate Technologies division of Emerson (NYSE:EMR) | Blackstone (NYSE:BX)     | Blackstone, a New York-based private equity firm, has agreed to acquire Climate Technologies, a leading provider of HVAC and refrigeration products and services as well as tools and home products, for \$14.0 billion (FY '22 EBITDA: 12.7x) |
| Altra Industrial Motion (NSDQ:AIMC)                 | Regal Rexnord (NYSE:RRX) | Regal Rexnord, a provider of automation solutions, has agreed to acquire Altra Industrial Motion, a manufacturer of highly engineered motion control, automation and power transmission solutions, for \$5.2 billion (LTM EBITDA: 13.6x)       |
| Air Treatment business of SPX Flow                  | Ingersoll Rand (NYSE:IR) | Ingersoll Rand, a global provider of mission-critical flow creation and industrial solutions, has agreed to acquire Air Treatment, a manufacturer of air treatment systems, for \$525 million (a low double-digit multiple of 2022E EBITDA)    |

| Target   | Acquiror              | Specialty Chemicals & Materials   |
|--|-----------------------|---|
| Viachem  | Barentz International | Barentz International, a Netherlands-based global life science ingredients distributor, has acquired Viachem, a distributor of specialty chemicals, food additives and life science ingredients                               |
| Polymers Sealants North America ("PSNA") division of Illinois Tool Works | Holcim (SWX:HOLN)     | Holcim, a global manufacturer and distributor of cement and aggregates, has acquired PSNA, a leading provider of coating, adhesive and sealant solutions to the construction, aerospace composites and wind energy industries |
| Briar Chemicals (Port. Co. of Aurelius Equity Opportunities)             | Safex                 | Safex, a manufacturer of pesticides and agrochemicals, has acquired Briar Chemicals, a leading contract manufacturer of specialty industrial chemical products, including crop protection and industrial liquids              |

## TM Capital's Industrials Contacts

|  |  |   |
|--|--|---|
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