



# INDUSTRIAL GROWTH

*Quarterly Update*

*First Quarter 2020*



RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES



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# Q1 2020 Highlights

## May 2020

To The Friends and Clients of SOLIC Capital Advisors ("SCA")

We are pleased to share with you SCA's *SOLICConnect* Industrial Growth report, which contains news, statistics, and key trends for industrial sectors that we actively cover for our corporate clients, institutional capital sources, legal and accounting professionals, and other interested groups. These sectors are: (i) Analytical Instrumentation and Testing Equipment, (ii) Electronics and Components, (iii) Precision Machine Products, Tooling and Stampings, (iv) Metals, (v) Resource Recovery and Waste Management, (vi) Chemicals and (vii) Plastic and Packaging companies.

During Q1 2020, equity capital market returns for SCA's Industrial Sector Growth Index experienced substantial losses (-29.5%) alongside the broader the S&P (-14.2%) and NASDAQ (-32.6%) indices over the same time period. The index experienced negative results across all seven subsectors for the quarter, with notably weak performance driven by Metals (-39.2%), Precision Machine Products (-37.7%), and Chemicals (-32.5%).

With respect to the industrial sector, Q1 2020 experienced significant volatility due to the global outbreak of the COVID-19 virus, as equity markets experienced record-setting drops and GDP fell 4.8%, representing the first economic contraction since the Great Recession in 2008. In the M&A market, there were 238 industrial transactions announced in Q1 2020, a slight increase from 236 transactions from the previous quarter. Notable deals for this quarter included Traton SE's (XTRA:8TRA) announced acquisition of Navistar International Corporation (NYSE:NAV) for \$8.2B (0.7x Revenue, 9.2x EBITDA), Rhone Capital and Chatterjee Group's \$2.7B acquisition of Lummus Technology Business Unit of McDermott (multiples not disclosed), Air Products and Chemicals, Inc.'s (NYSE:APD) \$530M acquisition of Five Hydrogen Production Plants of PBF Energy Inc. (multiples not disclosed), and Huntsman Corporation's (NYSE:HUN) \$300M announced acquisition of CVC Thermoset Specialties, Inc. (2.6x Revenue, 10.0x EBITDA).

As a whole, the U.S. economy experienced unprecedented negative impacts from the global slow down resulting from the COVID-19 outbreak in January after a relatively strong performance in the previous quarter. Recent tensions and possible global economic retaliation with China, the historic rise in unemployment in the U.S., and subsequent U.S. central bank balance sheet assets rising to \$6.72 trillion contributed materially to the volatility in industrial demand. Additionally, U.S. corporate debt, housing starts, uncertainty of reopening economic activities, and global trade remain key concerns amongst most institutional investors and the industry outlook for the remainder of 2020. Further, the Institute for Supply Management released its 49.1% PMI index for March 2020, a decrease of 940 bps from January, representing its lowest level since April 2009. Given that current government deficits are growing due to increased lending for financial aid packages, much of this current economic cycle is driven by earnings expectations for the upcoming quarter as well as the state of rebooting the U.S. economy this summer. Indicators leaning towards a downward cycle, which appears more likely than not, will impact costs of capital and strain investor sentiment in the industrials sector for the near term.

We welcome your comments and hope you find our *SOLICConnect* report informative.

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 *Recent Representative Engagements \**

<b>HEALTHCARE</b>	<p><b>MESA</b> Medical Group <i>has been acquired by</i> <b>TEAMHealth</b> Team Health Holdings (NYSE:TMH) Sell Side Advisor</p>	<p>\$156,000,000 <b>SUMNER</b> Regional Health Systems, Inc. Financial Advisor, Chief Executive Officer, Chief Restructuring Officer</p>	<p>\$690,600,000 Sale of Assets on behalf of <b>MedCath</b> MedCath Corporation (Nasdaq: MDTH) Sell Side Advisor</p>	<p>\$327,500,000 Capital Restructuring <b>THE FOUNTAINS</b> Fountains Senior Living Holdings, LLC Exclusive Financial Advisor</p>
<b>FINANCIAL SERVICES</b>	<p>\$100,000,000 Capital Placement <b>GREEN BANK</b> Placement Agent and Financial Advisor</p>	<p>\$750,000,000 Assets under Management <b>SageCrest II, LLC</b> Fiduciary Oversight</p>	<p>\$4,500,000,000 of Assets <b>SENTINEL</b> SENTINEL MANAGEMENT GROUP, INC. Financial Advisor to Bankruptcy Trustee Chapter 11 Reorganization</p>	<p>\$5,000,000,000 Pre-Filing Secured Indebtedness <b>TB&amp;W</b> Financial Advisor and Chief Restructuring Officer</p>
<b>REAL ESTATE AND INFRASTRUCTURE</b>	<p>\$118,000,000 Sale of senior notes secured by property located at 610 Lexington Avenue New York <b>610 LEX</b> Financial Advisor</p>	<p>\$212,320,000 Debt Restructuring <b>SunCal Companies</b> The Westland Project Albuquerque, New Mexico Financial Advisor</p>	<p>\$87,000,000 Debt Restructuring for the Illinois Tollway Oasis Project <b>WILTON PARTNERS</b> REAL ESTATE DEVELOPMENT Financial Advisor</p>	<p>\$500,000,000 Senior &amp; Mezzanine Debt Restructuring related to 19 Master Planned Communities <b>D E Shaw &amp; Co</b> Financial Advisor</p>
<b>ENERGY</b>	<p>Pre Restructuring Invested Capital of Over \$800,000,000 <b>BOSQUE POWER COMPANY</b> Financial and Restructuring Advisor in Connection with Chapter 11 Bankruptcy</p>	<p>\$240,600,000 Restructured Debt <b>VAREL INTERNATIONAL</b> Restructuring Advisor</p>	<p><b>Alexin, LLC</b> <i>has consummated</i> an Institutional Private Placement of Series A Senior Preferred Units \$13,100,000 with Term Loan and Revolving Credit Facilities \$30,000,000 Financial Advisor</p>	<p><b>PTC</b> Pasadena Tank Corporation <i>has merged with</i> <b>HMT, Inc.</b> a company sponsored by Berkshire Partners LLC Financial Advisor to Pasadena Tank Corporation</p>
<b>INDUSTRIAL AND OUTSOURCING SERVICES</b>	<p><b>HANCOCK PARK ASSOCIATES</b> <i>has made a</i> strategic investment in <b>Project Time &amp; Cost</b> Project Time &amp; Cost Inc. Financial Advisor to Project Time &amp; Cost Inc.</p>	<p><b>Tensar</b> Tensar Corporation <i>has completed a</i> capital restructuring of \$280,000,000 of senior debt and \$100,000,000 of subordinated debt Financial Advisor</p>	<p>Operational Restructuring <b>Bocchi Laboratories, Inc.</b> acquired by Investment Group led by John Paul de Joria <b>medica</b> acquired by Joshua Partners, LLC Restructuring Advisor and Exclusive Sell Side Financial Advisor</p>	<p>\$289,800,000 Capital Restructuring in connection with a consensual Plan of Reorganization <b>jiffylube</b> Heartland Automotive Holdings, Inc. Heartland Automotive Services America's Largest Jiffy Lube Franchisee Financial Advisor to Unsecured Creditors Committee</p>

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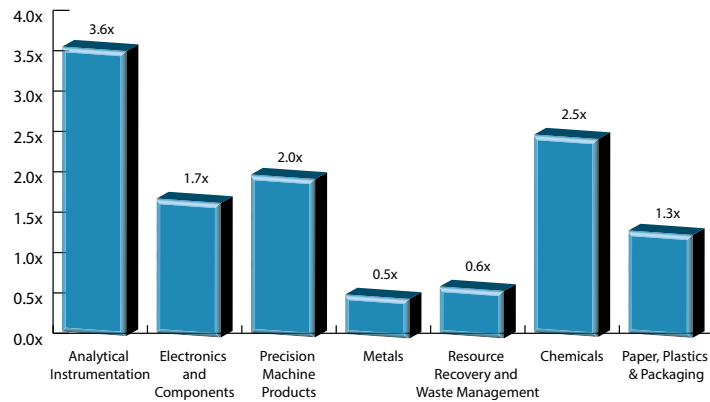
\* Includes transactions led by the team of SOLIC professionals at predecessor firms



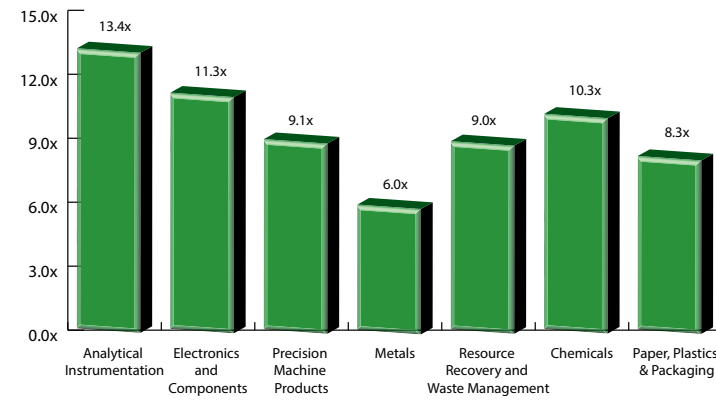
# Market Overview



## Enterprise Value To Revenue

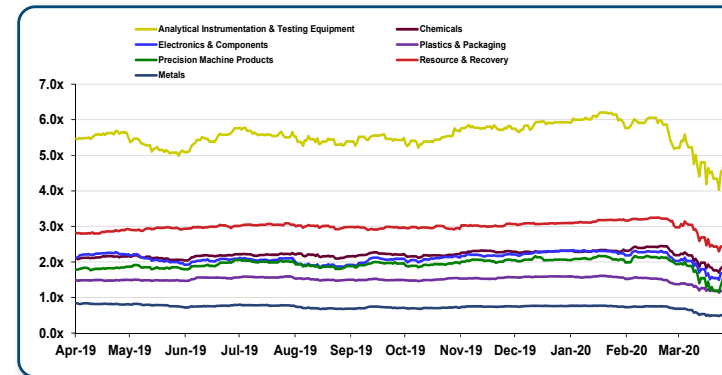


## Enterprise Value To EBITDA

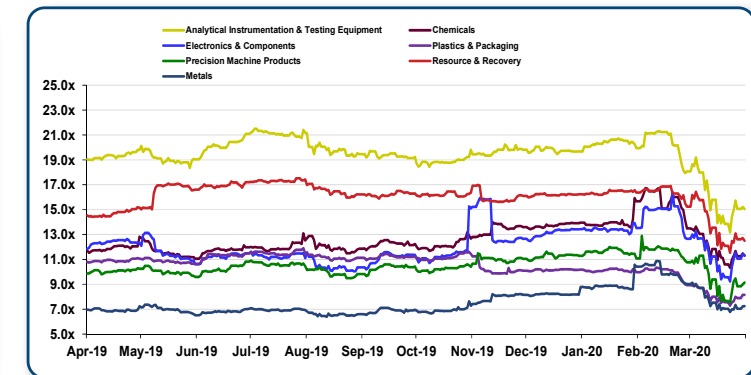


**Revenue and EBITDA valuation multiples dropped sharply in Q1 2020, while reported deal volume remained resilient from Q4 2019 despite the COVID-19 global pandemic**

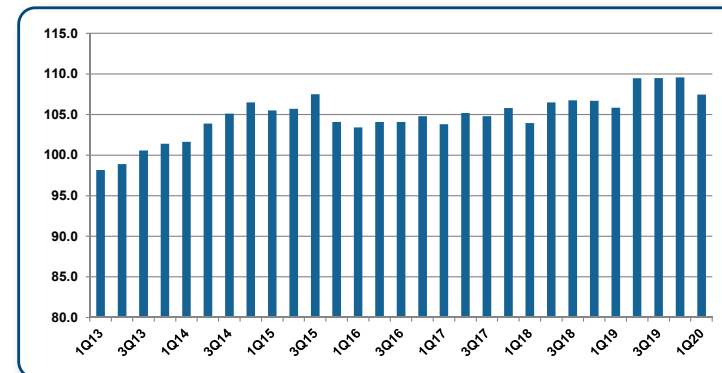
## Industrial Growth Sectors Total Enterprise Value / Revenue



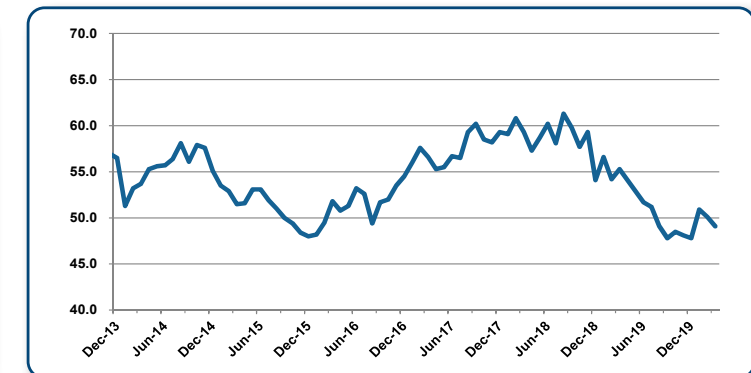
## Industrial Growth Sectors Total Enterprise Value / EBITDA



## Federal Reserve Industrial Production

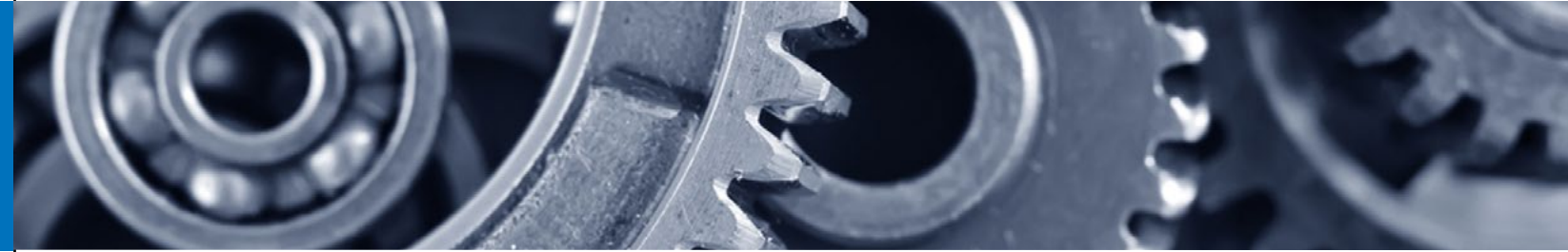


## Institute for Supply Management Purchasing Managers' Index

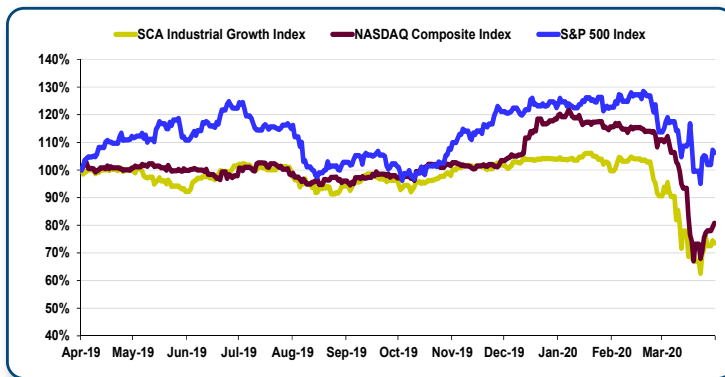


\* Please see pages 18-23 for SCA Industrial Growth Universe and additional information in the "Notes" section at the end of this report.

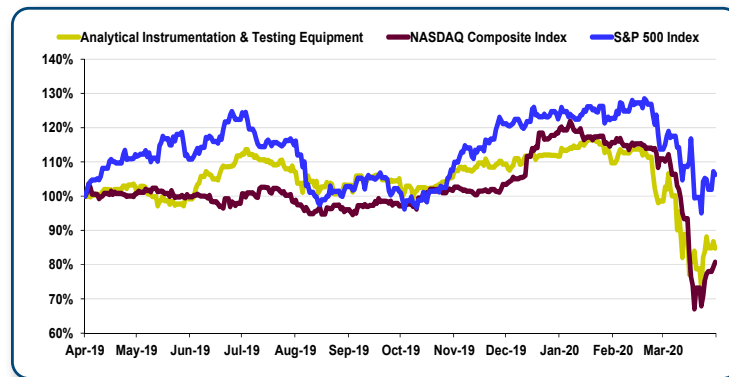
# Sector Stock Performance (one year)



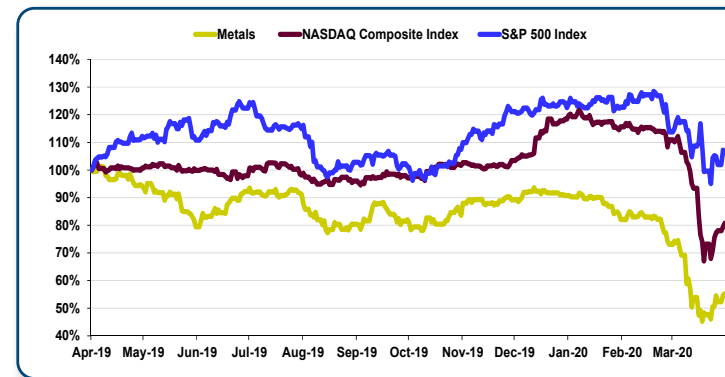
SCA Industrial Growth Index



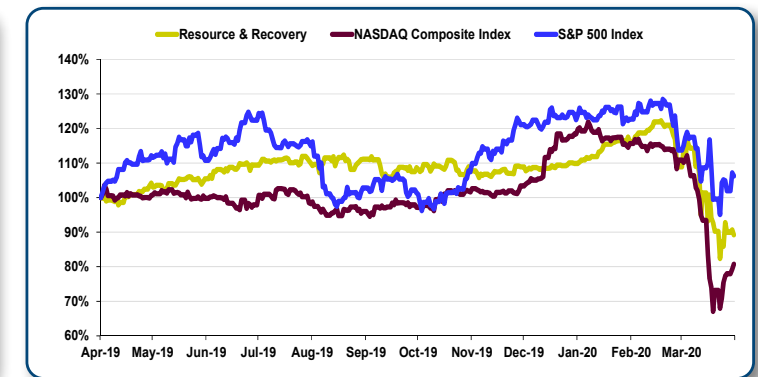
SCA Analytical Instrumentation & Testing Equipment Sector



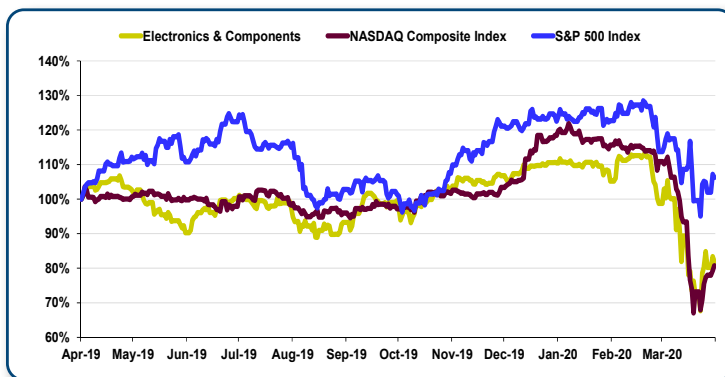
SCA Metals Sector



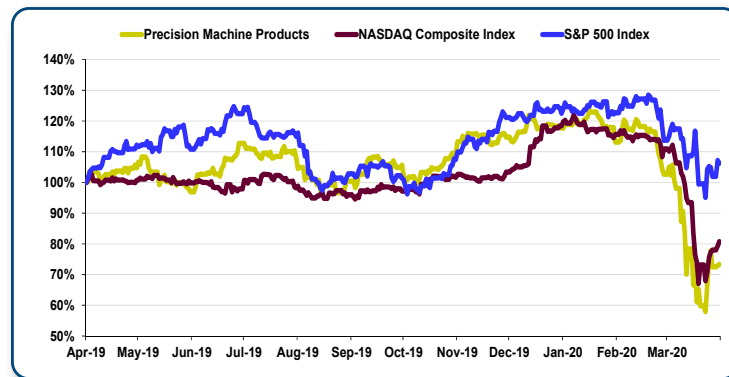
SCA Resource Recovery & Waste Management Sector



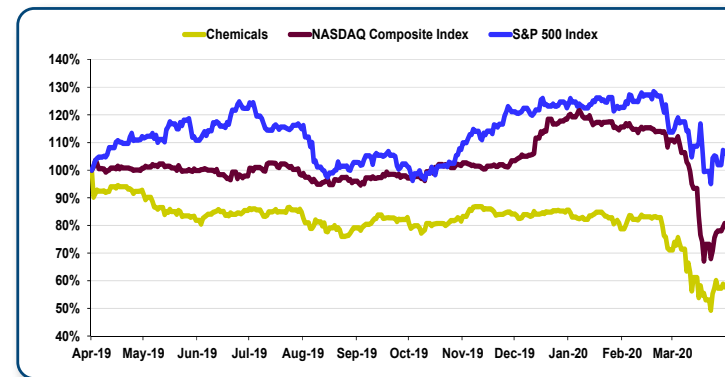
SCA Electronics and Components Sector



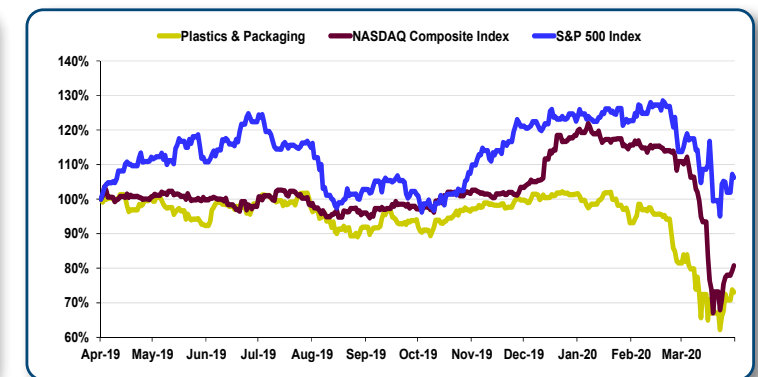
SCA Precision Machine Products Sector



SCA Chemicals Sector



SCA Plastics & Packaging Sector



\* Please see pages 18-23 for SCA Industrial Growth Universe and additional information in the "Notes" section at the end of this report.

# Notable Industry Developments

## Crude Oil Prices Drop as Production Cuts Expected from OPEC

Brent crude oil prices averaged \$45/b in March 2020, down \$14/b from the average for the same time period in 2019. Price decreases in March reflect market expectations that global economic conditions in 2020 will slow down significantly versus previous expectations due to the current COVID-19 pandemic, and the announced maximum capacity of oil reserve depots. According to the U.S. Energy Information Administration (EIA), price pressure will continue to remain volatile from the impact of more difficult economic conditions despite efforts by OPEC for oil production cuts.

## U.S. Steel Imports Down 22% Year-to-Date

The American Iron and Steel Institute (AISI) reported that the U.S. imported a total of 1,750,000 net tons (NT) of steel in March 2020, including 1,511,000 net tons (NT) of finished steel (up 15.9% and 12.1%, respectively, vs. February final data). Key finished steel products with a significant import increase in March compared to February include: oil country goods (up 129%), line pipe (up 93%), structural pipe and tubing (up 52%), cold rolled sheets (up 30%), wire rods (up 22%), hot rolled bars (up 18%), wire drawn (up 14%) and standard pipe (up 13%). Mechanical tubing was the one product line with a significant year-to-date (YTD) increase (up 16%) vs. the same period in 2019.

## US Chemical Production Dropped Significantly due to Recent Events in Q1 2020

According to the American Chemistry Council (ACC), the U.S. Chemical Production Regional Index (U.S. CPRI) edged lower by -1.1% in March following a -0.1% decline in February and flat growth in January. During March, chemical output declined across all regions as a result declines in demand. The lower level of activity is directly related to supply chain disruptions and the lockdown of much of the U.S. economy during the second half of March.

Data collected and tabulated by the ACC shows that The Chemical Activity Barometer (CAB), a leading economic indicator created by the ACC, fell 8.9% in March and 1.0% in February. With many factories shut down during the latter part of March, overall manufacturing activity fell by -2.2% on a three-month moving average (3MMA) basis, with declines across all industry sectors, except solely for computers and electronics.

## First Quarter 2020

## Economic Activity in the Manufacturing Sector Contracted in March

The U.S. manufacturing outlook continues to expand, but at slower rates, as the Institute for Supply Management released a 49.1% PMI score for March 2020, a decrease of 940 bps from January. A PMI score above 50%, over a period of time, represents expansion of the overall economy. The PMI recorded its lowest level since April 2009, when it registered 39.9%. Among the big six industries, only Food, Beverage & Tobacco Products expanded. The New Orders Index registered 42.2% for March. This indicates that new orders contracted for the second consecutive month. This is the index's lowest reading since December 2008, when it registered 25.9%.

## Q1 GDP Growth Declines 4.8% for the First Time Since the Great Recession

The Bureau of Labor Statistics reported an estimated Q1 2020 real GDP decline of -4.8%, whereas in the fourth quarter of 2019, real GDP increased +2.1%. The decrease in real GDP in the first quarter reflected negative contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, and private inventory investment that were partly offset by positive contributions from residential fixed investment, federal government spending, and state and local government spending. Current-dollar GDP decreased 3.5%, or \$191.2 billion, in the first quarter to a level of \$21.54 trillion. In the fourth quarter, GDP increased 3.5%, or \$186.6 billion.



## Upcoming Industry Conferences

Analytical Instrumentation and Testing Equipment	
Gordon Research Seminar May 30-31, 2020 Newport, RI	International Conference on Optical Fibre Sensors June 8, 2020 Alexandria, VA
Electronics and Components	
EDS Summit May 11-15, 2020 Las Vegas, NV	70th ECTC May 26-29, 2020 Lake Buena Vista, FL
Precision Machine Products, Toolings, and Stampings	
Precision Machined Products Association 2020 Conference Postponed to August 27, 2020 Milwaukee, WI	International Conference on Precision Engineering and Metrology ICPPEM Postponed to Oct 9-10, 2020 New York, NY
Metals	
Technological Innovations in Metals Engineering Postponed for reschedule in June 2020 Youngstown, OH	Steel Success Strategies 2020 June 8-10, 2020 New York, NY
Resource Recovery and Waste Management	
39th Annual Northeast Resource Recovery Association Recycling Conference & Expo. May 18-19, 2020 (may be postponed until 2021) Manchester, NH	850th ICESD 2020 June 22-23, 2020 Chicago, IL
Chemicals	
Santander ISD Datagro NY Sugar & Ethanol Conference May 13, 2020 New York, NY	24th Annual Green Chemistry & Engineering Conference June 15-19, 2020 Virtual
Plastics and Packaging	
American Packaging Conference Rescheduled for Nov 18-19, 2020 Lombard, IL	Thin Wall Packaging USA June 23-25, 2020 Wheeling, IL

Note: Conferences may be rescheduled and/or virtual



# Selected M&A Transactions



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/30/2020	<b>PBF Energy Inc. - Five Hydrogen Production Plants</b>	<b>Air Products and Chemicals, Inc. (NYSE:APD)</b>	\$530.0	n/a	n/a
Description:	Air Products and Chemicals, Inc. (NYSE:APD) acquired five hydrogen production plants from PBF Energy Inc. (NYSE:PBF) for \$530 million. The assets are located in the United States.				
3/20/2020	<b>Milacron LLC - Cimcool Business</b>	<b>DuBois Chemicals, Inc.</b>	\$250.0	n/a	n/a
Description:	DuBois Chemicals, Inc. acquired the Cimcool business of Milacron LLC for \$250 million. The assets are located in the United States.				
3/17/2020	<b>Strand-Tech Manufacturing, Inc. - Assets</b>	<b>Insteel Wire Products Company</b>	\$22.5	0.8x	n/a
Description:	Insteel Wire Products Company acquired the assets of Strand-Tech Manufacturing, Inc. for \$22.5 million. The assets are located in the United States.				
3/16/2020	<b>CVC Thermoset Specialties, Inc.</b>	<b>Huntsman Corporation (NYSE:HUN)</b>	\$300.0	2.6x	10.0x
Description:	Huntsman Corporation (NYSE:HUN) entered into agreement to acquire CVC Thermoset Specialties, Inc. from Emerald Performance Materials, LLC for \$300 million. CVC Thermoset Specialties, Inc. manufactures and sells specialty epoxy resins, elastomer modified epoxy resins, epoxy functional monomers and modifiers, catalysts, and accelerators. The company was founded in 1982 and is based in Moorestown, New Jersey.				
3/13/2020	<b>Standex International Corporation - Refrigerated Solutions Group</b>	<b>Ten Oaks Group</b>	\$11.0	0.1x	n/a
Description:	Ten Oaks Group acquired the Refrigerated Solutions Group of Standex International Corporation (NYSE:SXI) for \$11 million.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/5/2020	<b>New Earth Development Corporation</b>	<b>Stevia Nutra Corp (OTCPK:STNT)</b>	\$26.3	n/a	n/a
Description:	Stevia Nutra Corp (OTCPK:STNT) acquired New Earth Development Corporation from Gold River Productions, Inc. (OTCPK:GRPS) and RushNet, Inc. (OTCPK:RSHN) for \$26.3 million. New Earth Development Corporation manufactures nano superconductors, hemp graphene, and carbon materials from Cannabidiol (CBD)/ tetrahydrocannabinol (THC) cultivar. The company was incorporated in 2019 and is based in Glenwood Springs, Colorado.				
2/27/2020	<b>Greif, Inc. - Consumer Packaging Group Business</b>	<b>Graphic Packaging International, LLC</b>	\$85.0	n/a	n/a
Description:	Graphic Packaging International, LLC acquired the Consumer Packaging Group Business of Greif, Inc. (NYSE:GEF) for approximately \$85 million.				
2/20/2020	<b>IWG High Performance Conductors, Inc.</b>	<b>Teleflex Incorporated (NYSE:TFX)</b>	\$260.0	n/a	n/a
Description:	Teleflex Incorporated (NYSE:TFX) acquired IWG High Performance Conductors, Inc. for \$260 million. IWG High Performance Conductors, Inc. manufactures and supplies electrical conductors. The company was founded in 1902 and is based in Inman, South Carolina.				
2/19/2020	<b>Rapak, LLC</b>	<b>TriMas Corporation (NasdaqGS:TRS)</b>	\$12.0	0.4x	n/a
Description:	TriMas Corporation (NasdaqGS:TRS) acquired Rapak, LLC from Liqui-Box Corporation for \$12 million. Rapak, LLC, doing business as Packaging Systems, LLC, provides bag-in-box packaging and filling systems. The company is based in Romeoville, Illinois.				
2/18/2020	<b>Trient Technologies, Inc. / Tekra Corporation</b>	<b>DelStar Technologies, Inc.</b>	\$155.0	1.6x	n/a
Description:	DelStar Technologies, Inc. acquired Trient Technologies, Inc. and Tekra Corporation from EIS, Inc. for approximately \$160 million. Trient Technologies, Inc. provides conversion and contract manufacturing services. Tekra Corporation manufactures and distributes plastic films and adhesives, and custom coated plastic substrates in North America. The companies are based in the United States.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
2/14/2020	<b>Delta Separations, LLC and Teaching Tech, LLC - Assets</b>	<b>Gibraltar Industries, Inc. (NasdaqGS:ROCK)</b>	\$50.0	n/a	n/a
Description:	Gibraltar Industries, Inc. (NasdaqGS:ROCK) acquired the assets of Delta Separations, LLC and Teaching Tech, LLC for \$50 million. Delta Separations, LLC and Teaching Tech, LLC manufacture centrifugal ethanol-based extraction systems. The assets are located in the United States.				
2/11/2020	<b>Nuclear Logistics LLC</b>	<b>Paragon Energy Solutions, LLC</b>	\$23.6	n/a	n/a
Description:	Paragon Energy Solutions, LLC acquired Nuclear Logistics LLC from AZZ Inc. (NYSE:AZZ). Nuclear Logistics Inc. designs, develops, manufactures, and sells safety-related equipment for nuclear facilities globally. The company was founded in 1991 and is based in Fort Worth, Texas.				
2/10/2020	<b>Nortech Packaging - Assets</b>	<b>Intertape Polymer Group Inc. (TSX:ITP)</b>	\$36.5	1.8x	6.6x
Description:	Intertape Polymer Group Inc. (TSX:ITP) acquired all operating assets of Nortech Packaging from Nortech Packaging for approximately \$36.5 million. All assets of Nortech Packaging comprises packaging machinery and are located in the United States.				
2/5/2020	<b>SENSIT Technologies, LLC</b>	<b>Halma plc (LSE:HLMA)</b>	\$51.5	2.0x	n/a
Description:	Halma plc (LSE:HLMA) acquired SENSIT Technologies Field Services, Inc. for \$51.5 million. SENSIT Technologies, LLC designs, manufactures, and services a line of gas leak detection instruments, combustible gas indicators, and toxic gas monitors. The company was founded in 1980 and is based in Valparaiso, Indiana.				
2/5/2020	<b>Intellipower, Inc.</b>	<b>AMETEK, Inc. (NYSE:AME)</b>	\$115.0	2.9x	n/a
Description:	AMETEK, Inc. (NYSE:AME) acquired Intellipower, Inc. for approximately \$120 million. Intellipower, Inc. develops, manufactures, and sells uninterruptible power systems (UPS). The company was founded in 1988 and is based in Orange, California.				
2/4/2020	<b>Connector Products, Inc.</b>	<b>Hubbell Incorporated (NYSE:HUBB)</b>	\$28.0	n/a	n/a
Description:	Hubbell Incorporated (NYSE:HUBB) acquired Connector Products, Inc. for \$28 million. Connector Products, Inc. designs, develops, and manufactures electrical connectors for power utility transmission and distribution systems. The company was founded in 1980 and is based in Pennsauken, New Jersey.				
2/4/2020	<b>Special Product Company</b>	<b>PPC Broadband, Inc.</b>	\$23.1	n/a	n/a
Description:	PPC Broadband, Inc. acquired Special Product Company for \$23.1 million. Special Product Company, doing business as SPC, designs and manufactures indoor and outdoor electronic cabinets. The company was founded in 1987 and is based in Shawnee, Kansas.				

Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
2/3/2020	<b>Spartan Motors USA, Inc.</b>	<b>REV Group, Inc. (NYSE:REVG)</b>	\$55.0	0.2x	n/a
Description:	REV Group, Inc. (NYSE:REVG) acquired Spartan Motors USA, Inc. from Spartan Motors, Inc. (NasdaqGS:SPAR) for approximately \$55 million. Spartan Motors USA, Inc. manufactures custom fire trucks. The company was founded in 2003 and is based in Charlotte, Michigan.				
1/30/2020	<b>R. H. Sheppard Co., Inc.</b>	<b>Bendix Commercial Vehicle Systems LLC</b>	\$149.5	n/a	n/a
Description:	Bendix Commercial Vehicle Systems LLC agreed to acquire R. H. Sheppard Co., Inc. from WABCO Holdings Inc. (NYSE:WBC) for approximately \$150 million. R. H. Sheppard Co., Inc. designs and manufactures engineered products. The company was founded in 1937 and is based in Hanover, Pennsylvania.				
1/30/2020	<b>Navistar International Corporation (NYSE:NAV)</b>	<b>Traton SE (XTRA:8TRA)</b>	\$8,122.2	0.7x	9.2x
Description:	Traton SE (XTRA:8TRA) offered to acquire the remaining 83.24% stake in Navistar International Corporation (NYSE:NAV) for \$2.9 billion. Navistar International Corporation, through its subsidiaries, manufactures and sells commercial trucks, diesel engines, school and commercial buses, and service parts for trucks and diesel engines worldwide. The company was founded in 1902 and is based in Lisle, Illinois.				
1/29/2020	<b>Flow Management Devices LLC</b>	<b>IDEX Corporation (NYSE:IEX)</b>	\$120.8	2.0x	n/a
Description:	IDEX Corporation (NYSE:IEX) acquired Flow Management Devices LLC for approximately \$130 million. Flow Management Devices LLC manufactures liquid and gas measurement provers. The company was incorporated in 2007 and is based in Phoenix, Arizona.				
1/21/2020	<b>Lummus Technology Business of McDermott</b>	<b>Rhone Capital, L.L.C.; The Chatterjee Group</b>	\$2,725.0	n/a	n/a
Description:	The Chatterjee Group and Rhone Capital, L.L.C. agreed to acquire Lummus Technology Business from McDermott Technology, B.V., McDermott Technology (US), LLC, McDermott Technology (Americas), LLC and McDermott International, Inc. (OTCPK:MDRI.Q) for \$2.7 billion. Lummus Technology Business comprises refining technology business and is located in the United States.				
1/16/2020	<b>Transportation Power, Inc.</b>	<b>Meritor, Inc. (NYSE:MTOR)</b>	\$16.0	n/a	n/a
Description:	Meritor, Inc. (NYSE:MTOR) acquired the remaining stake in Transportation Power, Inc. for \$16 million. Transportation Power, Inc. engages in the research, development, manufacture, and supply of power generation, energy storage, and power control technologies for heavy-duty vehicles. The company was founded in 2010 and is based in Escondido, California.				



Date	Target	Buyer	Enterprise Value (\$ mm)	Enterprise Value / Revenue	Enterprise Value / EBITDA
1/10/2020	<b>Harsco Industrial Ikg De Mexico, S.A. De C.V. and Harsco IKG, LLC</b>	<b>Sidero Inc.</b>	<b>\$85.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Sidero Inc. acquired Harsco Industrial Ikg De Mexico, S.A. De C.V. and Harsco IKG, LLC from Harsco Corporation (NYSE:HSC) for \$85 million. Harso IKG, LLC designs, manufactures, delivers, and installs steel and aluminum bar grating products for commercial and industrial applications. Harsco Industrial Ikg De Mexico, S.A. De C.V. is based in Mexico. Harso IKG, LLC is based in the United States.				
1/9/2020	<b>US Grant Mine And Mill and Kearsarge Gold Project</b>	<b>Endomines AB (publ) (OM:ENDO)</b>	<b>\$10.1</b>	<b>n/a</b>	<b>n/a</b>
Description:	Endomines AB (publ) (OM:ENDO) agreed to acquire US Grant Mine and Mill and Kearsarge Gold Project from Transatlantic Montana Corp. for \$10.1 million. US Grant Mine And Mill and Kearsarge Gold Project comprises a gold and silver mine in the Virginia City Mining District in Montana. The asset is located in the United States.				
1/9/2020	<b>Fiber Materials Inc.</b>	<b>Spirit AeroSystems Holdings, Inc. (NYSE:SPR)</b>	<b>\$120.0</b>	<b>n/a</b>	<b>n/a</b>
Description:	Spirit AeroSystems Holdings, Inc. (NYSE:SPR) acquired Fiber Materials Inc. from Edgewater Capital Partners III, LP and Fidus Investment Advisors, LLC for \$120 million. Fiber Materials Inc. develops and manufactures high temperature materials and composites for use in industrial, commercial, and aerospace applications. The company was founded in 1969 and is based in Biddeford, Maine.				
1/8/2020	<b>RELCO Locomotives, Inc.</b>	<b>Wabtec Corporation (NYSE:WAB)</b>	<b>\$29.0</b>	<b>0.6x</b>	<b>n/a</b>
Description:	Wabtec Corporation (NYSE:WAB) acquired RELCO Locomotives, Inc. for \$29 million. RELCO Locomotives, Inc. engages in rebuilding and remanufacturing locomotives. The company was founded in 1961 and is based in Lisle, Illinois.				
1/7/2020	<b>Reading Alloys, Inc.</b>	<b>Kymera International</b>	<b>\$250.0</b>	<b>1.6x</b>	<b>n/a</b>
Description:	Kymera International acquired Reading Alloys, Inc. from AMETEK, Inc. (NYSE:AME) for \$250 million. Reading Alloys, Inc. designs, develops, and manufactures master alloys, advanced engineered materials, and reading alloys. The company was founded in 1953 and is based in Robesonia, Pennsylvania.				

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# Valuation Metrics by Sector



Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
<b>Analytical Instrumentation and Testing Equipment <sup>[1]</sup></b>									
AME	AMETEK	\$72.02	70.4%	\$16,506.3	\$18,925.0	3.7x	13.6x	12.9x	19.2x
CGNX	Cognex	42.22	71.4%	7,295.1	6,901.1	9.5x	36.7x	37.4x	36.4x
ESE	ESCO Technologies	75.91	70.9%	1,972.8	2,042.1	2.5x	14.2x	12.7x	26.6x
HEI	HEICO	63.90	56.2%	9,184.7	9,916.0	4.7x	17.8x	23.3x	23.6x
MTD	Mettler-Toledo International	690.51	79.1%	16,558.8	17,642.2	5.9x	21.8x	25.2x	30.7x
MTSC	MTS Systems	22.50	35.5%	431.7	908.3	1.0x	7.8x	nm	11.6x
Mean						3.6x	13.4x	12.8x	15.4x

<b>Electronics and Components <sup>[2]</sup></b>									
APH	Amphenol	\$72.88	66.1%	\$21,725.6	\$24,489.6	3.0x	12.7x	13.2x	19.4x
AYI	Acuity Brands	85.66	58.1%	3,393.8	3,549.6	1.0x	6.9x	7.2x	11.1x
BELFA	Bel Fuse	7.57	32.9%	114.8	205.4	0.4x	14.1x	16.0x	nm
ETN	Eaton	77.69	73.4%	31,964.5	40,077.5	1.9x	10.8x	10.4x	14.8x
LFUS	Littelfuse	133.42	64.8%	3,258.9	3,431.4	2.3x	12.2x	12.9x	23.8x
Mean						1.7x	11.3x	12.0x	15.1x

<b>Precision Machine Products, Tooling and Stampings <sup>[3]</sup></b>									
CW	Curtiss-Wright	\$92.41	61.6%	\$3,929.4	\$4,470.9	3.0x	8.4x	nm	12.9x
HURC	Hurco Companies	29.10	69.7%	198.0	158.9	1.0x	9.8x	nm	20.1x
KMT	Kennametal	18.62	44.3%	1,543.6	2,124.9	nm	7.9x	5.7x	11.9x
ROLL	RBC Bearings	112.79	60.9%	2,824.2	2,816.4	1.9x	15.3x	14.7x	22.6x
SHLO	Shiloh Industries	1.25	19.5%	30.3	339.3	2.3x	7.5x	nm	nm
TKR	The Timken Company	32.34	55.0%	2,451.8	4,158.6	nm	5.9x	6.0x	6.9x
Mean						2.0x	9.1x	8.8x	10.6x

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
<b>Metals Processors</b>									
ATI	Allegheny Technologies	\$8.50	30.9%	\$1,076.3	\$2,087.5	0.5x	4.2x	5.0x	4.6x
CMC	Commercial Metals	15.79	65.7%	1,880.0	2,815.0	0.5x	4.4x	4.4x	6.1x
RS	Reliance Steel & Aluminum	87.59	71.7%	5,856.3	7,480.0	0.7x	5.7x	8.1x	8.5x
TSX:RUS	Russel Metals	9.23	50.1%	573.9	1,035.0	0.4x	6.8x	5.4x	10.0x
SCHN	Schnitzer Steel Industries	13.04	47.5%	353.9	603.4	0.3x	5.6x	nm	11.1x
ASX:SGM	Sims Metal Management	3.77	42.3%	758.8	900.8	0.2x	6.9x	5.0x	nm
WOR	Worthington Industries	26.25	58.7%	1,471.8	2,256.5	0.7x	8.4x	8.4x	14.8x
Mean						0.5x	6.0x	6.1x	9.2x

<b>Tube and Pipe Producers <sup>[4]</sup></b>									
NWPX	Northwest Pipe Company	\$22.25	60.6%	\$217.0	\$188.0	0.7x	4.1x	nm	7.8x
STLD	Steel Dynamics	22.54	62.4%	4,793.8	5,873.5	0.6x	4.4x	4.9x	7.4x
SYNL	Synalloy	8.73	44.4%	79.6	192.4	0.6x	17.3x	nm	nm
MIL:TEN	Tenaris	6.15	40.4%	7,265.5	6,750.5	0.9x	4.6x	5.0x	9.8x
X	United States Steel	6.31	30.7%	1,074.3	4,204.3	0.3x	14.5x	41.5x	nm
Mean						0.6x	9.0x	4.9x	8.3x

[1] AME excluded from mean calculation of LTM Rev multiple; CGNX, HEI and MTD excluded from mean calculation of LTM / NTM EBITDA multiples; CGNX, ESE, HEI, and MTD excluded from mean calculation of P/E multiple

[2] LFUS excluded from mean calculation of P/E multiple

[3] HURC and ROLL excluded from mean calculation of P/E multiple

[4] X excluded from mean calculation of NTM EBITDA multiple



Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
<b>Resource Recovery and Waste Management <sup>[5]</sup></b>									
CWST	Casella Waste Systems	\$39.06	69.6%	\$1,866.7	\$2,456.6	3.3x	17.6x	15.5x	59.2x
CECE	CECO Environmental	4.67	47.5%	164.8	208.4	0.6x	7.1x	6.3x	9.3x
CLH	Clean Harbors	51.34	58.1%	2,866.3	4,175.5	1.2x	7.9x	7.4x	29.5x
HCCI	Heritage-Crystal Clean	16.24	49.8%	389.1	447.5	1.1x	14.4x	7.0x	45.1x
RSG	Republic Services	75.06	74.4%	23,955.7	32,863.8	3.2x	11.7x	10.7x	22.5x
ECOL	US Ecology	30.40	45.2%	958.1	1,743.3	2.5x	13.9x	7.4x	21.7x
WCN	Waste Connections	77.50	73.7%	20,435.9	24,674.2	4.6x	15.3x	13.8x	36.2x
WM	Waste Management	92.56	73.0%	39,210.9	49,149.9	3.2x	12.0x	10.7x	23.7x
					Mean	2.5x	12.5x	9.8x	21.4x

<b>Diversified Chemicals <sup>[6]</sup></b>									
ASH	Ashland Global Holdings	\$50.07	61.2%	\$3,016.6	\$4,707.6	1.9x	9.3x	9.1x	24.1x
CBT	Cabot	26.12	51.6%	1,480.5	2,538.5	0.8x	5.8x	5.3x	11.9x
DOW	Dow Chemical	29.24	48.3%	21,716.0	39,037.0	0.9x	15.4x	6.2x	nm
EMN	Eastman Chemical Company	46.58	54.0%	6,330.0	11,982.0	1.3x	6.9x	6.2x	8.5x
FMC	FMC	81.69	75.1%	10,574.0	13,717.5	3.0x	14.2x	10.5x	19.9x
LYB	LyondellBasell Industries Holdings	49.63	50.2%	16,554.3	29,186.3	0.8x	5.1x	5.6x	5.2x
OLN	Olin	11.67	46.0%	1,841.8	5,344.4	0.9x	6.7x	8.0x	nm
					Mean	1.4x	9.1x	7.3x	11.4x

[5] CWST, HCCI, and WCN excluded from mean calculation of P/E multiple

[6] ASH excluded from mean calculation of P/E multiple

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
<b>Specialty Chemicals <sup>[7]</sup></b>									
ALB	Albemarle	\$56.37	56.7%	\$5,993.2	\$8,729.5	2.4x	10.5x	10.1x	11.2x
DD	Du Pont de Nemours	34.10	40.7%	25,213.1	41,689.1	1.9x	12.5x	8.0x	nm
ECL	Ecolab	155.83	73.8%	45,060.8	51,847.4	3.5x	16.9x	16.5x	29.2x
FOE	Ferro	9.36	49.6%	769.8	1,506.3	1.5x	12.9x	7.3x	22.8x
FUL	H.B. Fuller	27.93	53.3%	1,435.9	3,331.1	1.2x	8.3x	7.9x	11.3x
HUN	Huntsman	14.43	56.2%	3,217.2	5,644.2	0.8x	7.3x	7.6x	8.5x
IFF	International Flavors & Fragrances	102.08	66.7%	10,902.4	14,828.9	2.9x	14.6x	12.8x	25.5x
MTX	Minerals Technologies	36.26	56.9%	1,240.9	1,957.2	1.1x	6.5x	5.7x	9.6x
POL	PolyOne	18.97	50.8%	1,752.5	2,181.7	0.8x	8.5x	7.0x	19.6x
PPG	PPG Industries	83.60	62.2%	19,722.1	24,412.1	1.6x	10.7x	9.3x	16.0x
KWR	Quaker Chemical	126.28	56.3%	2,249.8	3,091.1	2.7x	34.1x	11.9x	60.7x
SCL	Stepan	88.46	83.6%	1,993.7	1,930.7	1.0x	9.2x	8.9x	20.0x
					Mean	1.8x	10.7x	9.4x	17.4x

<b>Industrial Gases</b>									
APD	Air Products and Chemicals	\$199.61	77.7%	\$44,049.6	\$45,358.5	5.1x	12.5x	11.8x	23.5x
PX	Philex Mining	0.04	49.6%	198.0	390.5	3.4x	9.5x	nm	21.7x
					Mean	4.2x	11.0x	11.8x	22.6x

[7] KWR excluded from mean calculation of LTM EBITDA and P/E multiples

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
<b>Paper and Corrugated Packaging</b>									
GPK	Graphic Packaging	\$12.20	72.0%	\$3,542.0	\$7,247.8	1.2x	7.7x	6.8x	17.4x
GEF	Greif	31.09	61.7%	1,698.1	4,832.2	1.0x	7.6x	7.1x	10.6x
IP	International Paper	31.13	64.9%	12,206.8	28,074.8	1.3x	8.3x	8.5x	10.1x
PKG	Packaging Corporation of America	86.83	75.6%	8,235.8	10,202.9	1.5x	7.1x	8.3x	11.8x
SON	Sonoco	46.35	69.6%	4,650.7	6,453.8	1.2x	9.5x	8.1x	16.1x
WRK	WestRock	28.26	63.7%	7,304.0	17,379.1	0.9x	5.6x	5.7x	8.5x
					Mean	1.2x	7.6x	7.4x	11.7x

<b>Plastics/Films <sup>[8]</sup></b>									
ATR	AptarGroup	\$99.54	78.9%	\$6,474.7	\$7,484.0	2.6x	13.2x	12.2x	27.2x
BERY	Berry Global	33.71	57.0%	4,463.2	15,528.2	1.6x	10.2x	7.4x	12.5x
ITP	Intertape Polymer Group	7.08	48.6%	417.8	931.0	0.8x	6.2x	5.6x	10.1x
MYE	Myers Industries	10.75	55.0%	384.0	391.8	0.8x	6.4x	5.7x	15.8x
TG	Tredegar	15.63	66.6%	521.5	552.8	0.6x	5.1x	nm	10.8x
					Mean	1.3x	8.2x	7.7x	12.3x

[8] ATR excluded from mean calculation of P/E multiple

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$mm)	Enterprise Value (\$mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
<b>Flexible Packaging <sup>[9]</sup></b>									
BMS	Braemar Shipping Services	\$1.24	39.7%	\$39.2	\$94.9	0.7x	36.1x	6.9x	nm
CCL.B	CCL Industries	30.17	58.0%	5,383.7	6,704.0	1.7x	8.5x	9.0x	15.1x
SEE	Sealed Air	24.71	52.4%	3,821.9	7,465.6	1.6x	10.6x	7.3x	13.1x
WPK	Winpak	30.67	80.3%	1,993.7	1,632.4	1.9x	8.2x	8.4x	17.3x
					Mean	1.4x	9.1x	7.9x	15.2x

<b>OVERALL INDUSTRIAL GROWTH SECTOR</b>					Mean	1.8x	9.8x	8.8x	14.2x
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[9] BMS excluded from mean calculation of LTM EBITDA multiple



 **NOTES**

**Notes**

- Sources: PitchBook, Bloomberg, Federal Reserve, Institute for Supply Management, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, and others as indicated.
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