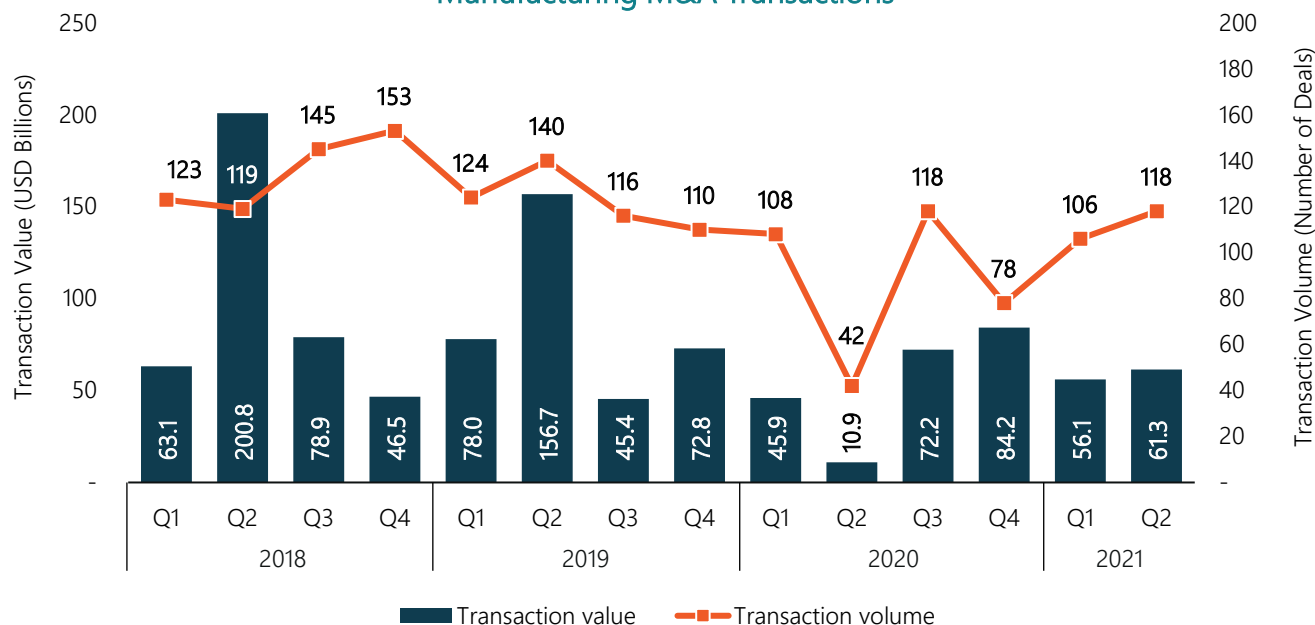


Manufacturing

Quarterly Update | Q2 2021



North American Manufacturing M&A Transactions



M&A Market Update – Q2 2021

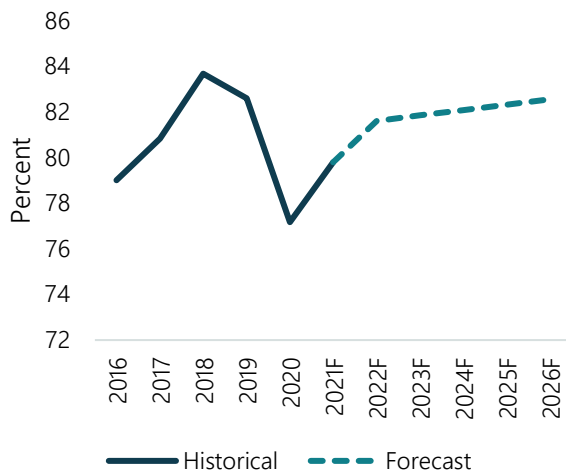
- In Q2 2021, transaction volume and value in the North American manufacturing sector rose further compared to the previous quarter. Total disclosed transaction value increased 463% from \$10.9 billion to \$61.3 billion year-over-year (YoY), but still remained below the quarterly 5-year average of \$87.2 billion. The number of disclosed deals during the quarter increased 181% to 118 from 42 YoY, also below the quarterly 5-year average of 134. The most significant deals during the quarter included:
 - Standard Industries Inc.'s acquisition of W. R. Grace & Co., including W. R. Grace & Co.'s pending pharma fine chemistry acquisition, for a total value of approximately \$7 billion. W. R. Grace & Co., through its subsidiaries, produces and sells specialty chemicals and materials worldwide. It operates through two segments, Grace Catalysts Technologies and Grace Materials Technologies. The transaction produced a TEV/Revenue multiple of 3.7x and a TEV/EBITDA multiple of 15.3x.
 - Brookfield Business Partners L.P.'s acquisition of Modulaire Group for \$5.0 billion. Modulaire Group designs, manufactures, leases, maintains, and sells prefabricated modular space, secure portable storage, and remote workforce accommodation management solutions. The transaction multiples were not disclosed.
- Strategic buyers represented a significant portion of Q2 2021 total deal value and volume, at 86% and 92% respectively.
- The two most active sectors in Q2 2021 were industrials manufacturing (33 deals) and healthcare equipment, tools, and supplies manufacturing (25 deals). The consumer discretionary manufacturing sector was the least active (10 deals).

Macroeconomic Indicators

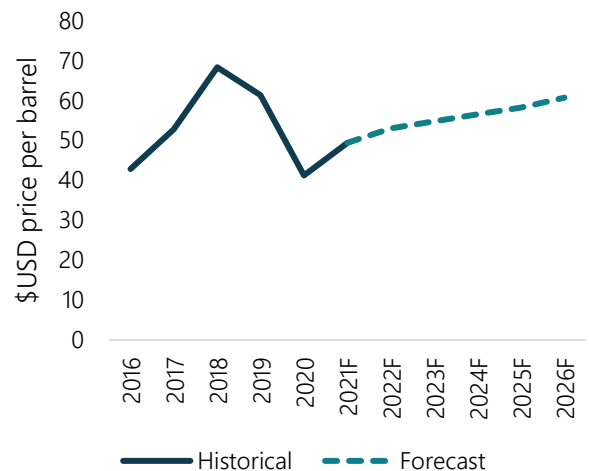
April to June were pivotal months to the Canadian manufacturing sector as vaccination rates soared which led to an easing of COVID-19 restrictions within the country. The impact of the pandemic, such as supply chain issues and increased input prices, is still being felt by businesses. However, this is an important turning point in the recovery of the Canadian economy. The manufacturing sector is now outperforming pre-pandemic levels, with manufacturing sales and railway car loadings surpassing pre-COVID-19 amounts.

Overall, the Canadian economy is expected to rebound over the next five years. With restrictions and lockdowns easing in major centres, all macroeconomic indicators are expected to continue to improve. The Canadian Purchasing Managers' Index (PMI), an index of the prevailing direction of economic trends in the manufacturing and service sectors, remains high at 56.5 as Canada's factory activity growth remains strong.

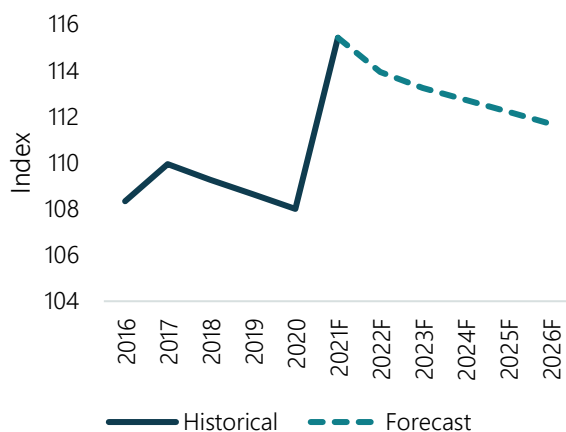
Industrial Capacity Utilization



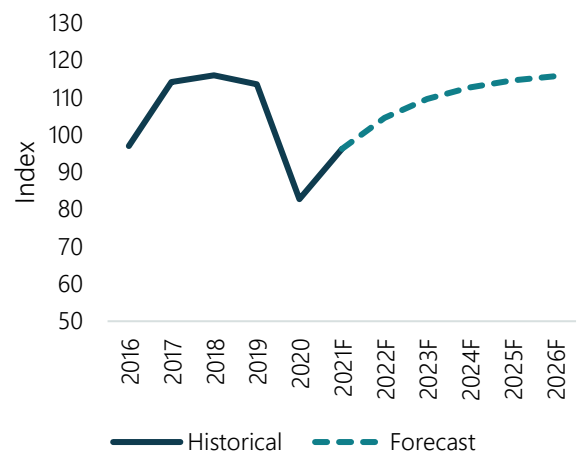
World Price Of Crude Oil



Canadian-dollar Effective Exchange Rate Index



Consumer Confidence Index



Select Recent M&A Transactions



acquired



Announced	Apr 1, 2021
TEV	\$28.0MM
TEV/EBITDA	Not disclosed
TEV/Revenue	1.17x

- **Franklin Electric Co., Inc.**, together with its subsidiaries, designs, manufactures, and distributes water and fuel pumping systems worldwide. It operates in three segments: Water Systems, Fueling Systems, and Distribution.
- **Puronic Water Systems, Inc.** manufactures and sells water treatment equipment. Puronic Water Systems, Inc. was formerly known as Ionics Consumer Water Products Group and changed its name to Puronic Water Systems, Inc. in February 2006.



acquired



Announced	Apr 27, 2021
TEV	\$24.0MM
TEV/EBITDA	6.86x
TEV/Revenue	1.31x

- **Focusrite plc** develops and markets hardware and software products primarily for audio professionals and amateur musicians internationally. It operates through Focusrite, Focusrite Pro, Novation, ADAM Audio, Martin Audio, and Distribution segments.
- **Sequential LLC** designs and manufactures music instruments and systems that include desktop modules, analog synth modules, and voice polyphonic analog synthesizers. Sequential LLC was formerly known as DSI.



acquired



Closed	May 6, 2021
TEV	\$16.6MM
TEV/EBITDA	Not disclosed
TEV/Revenue	1.04x

- **American Superconductor Corporation**, together with its subsidiaries, provides megawatt-scale power resiliency solutions worldwide. The company operates in two segments, Grid and Wind.
- **Neeltran, Inc.** designs and manufactures rectifier-transformers and rectifiers. It provides large power supplies, transformer rectifier systems, oil filled transformers, dry type transformers, water cooled transformers, large reactors, inductors, inter phases, and DC power supply repairs and retrofits.

Select Recent M&A Transactions



acquired



Announced	June 2, 2021
TEV	\$18.0MM
TEV/EBITDA	Not disclosed
TEV/Revenue	1.80x

- **Advanced Energy Industries, Inc.** designs, manufactures, sells, and supports precision power conversion, measurement, and control solutions worldwide.
- **TEGAM Inc.** designs, manufactures, and supports test, measurement, and calibration instruments. It sells its products through its technical representatives and distributors in the United States and internationally, as well as online.



acquired



Announced	June 30, 2021
TEV	\$29.8MM
TEV/EBITDA	Not disclosed
TEV/Revenue	1.49x

- **Haivision Systems Inc.** provides infrastructure solutions for the video streaming market, and servicing enterprises and governments worldwide. The company was formerly known as Hajtek Vision Inc. and changed its name to Haivision Systems Inc. in June 2004.
- **Cinemassive Displays LLC** designs, develops, and manufactures collaborative visualization systems. The company offers LCD and LED video walls, controllers, mounts, and software. The company caters to government agencies, research institutions, universities, and Fortune 500 companies.



acquired



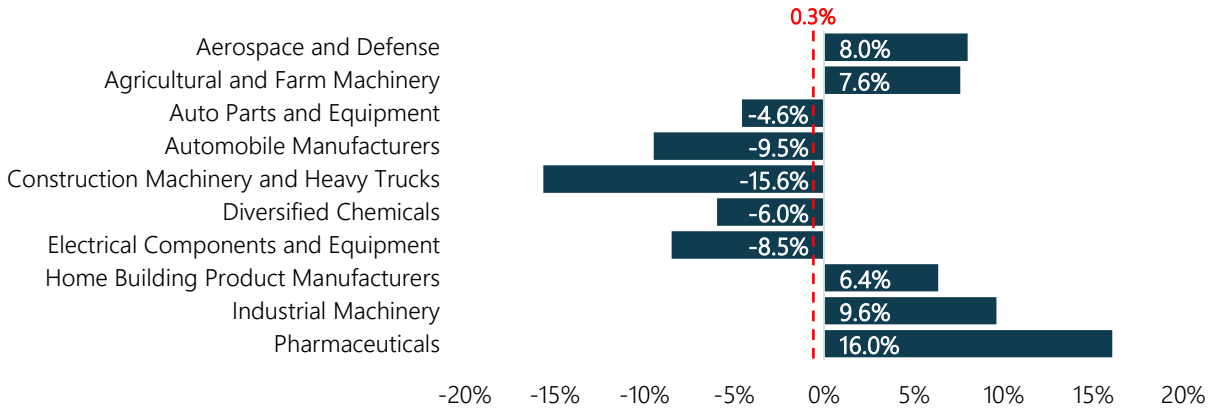
Closed	June 30, 2021
TEV	\$35.0MM
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Twist Bioscience Corporation**, a synthetic biology company, manufactures and sells synthetic DNA-based products. The company's DNA synthesis platform enables the manufacturing of synthetic DNA by writing DNA on a silicon chip.
- **iGenomX International Genomics Corporation** manufactures High-Throughput Rapid Library Prep (HT-RLP) tool to maximize laboratory capacity and statistical power for population and disease genetics, agricultural, food safety, microbiome, and synthetic biology applications. Its tool offers next-gen genotyping, microbiome genomic analysis, and synthetic biology.

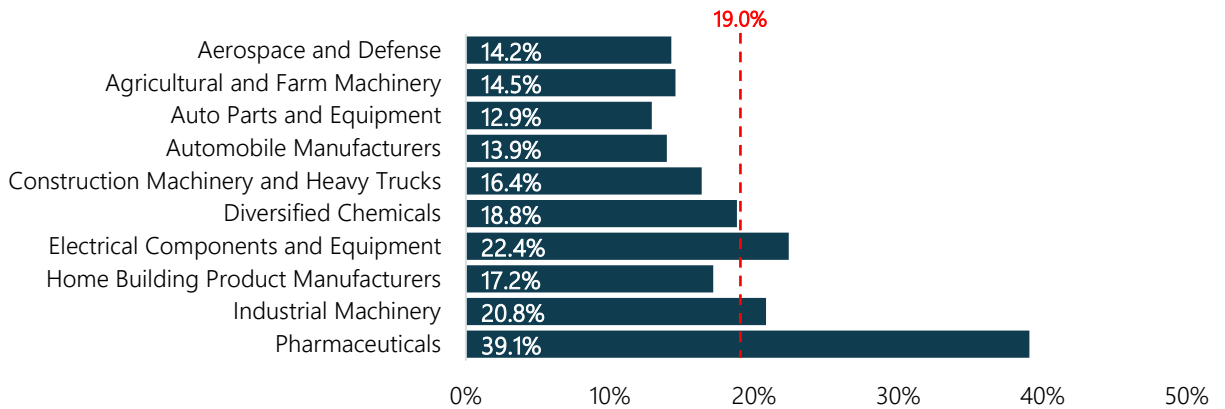
Public Comparable Analysis

Growth, Margins & Multiples

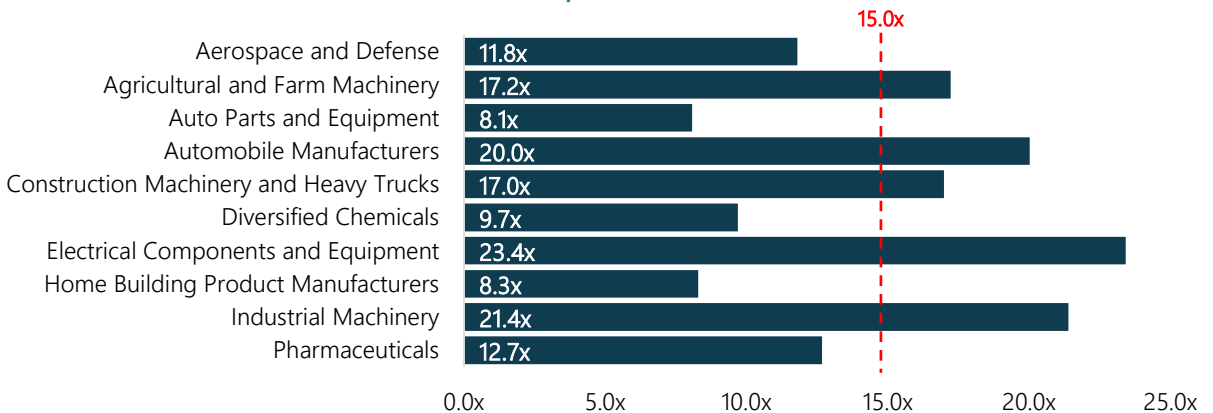
LTM Revenue Growth



LTM EBITDA Margin



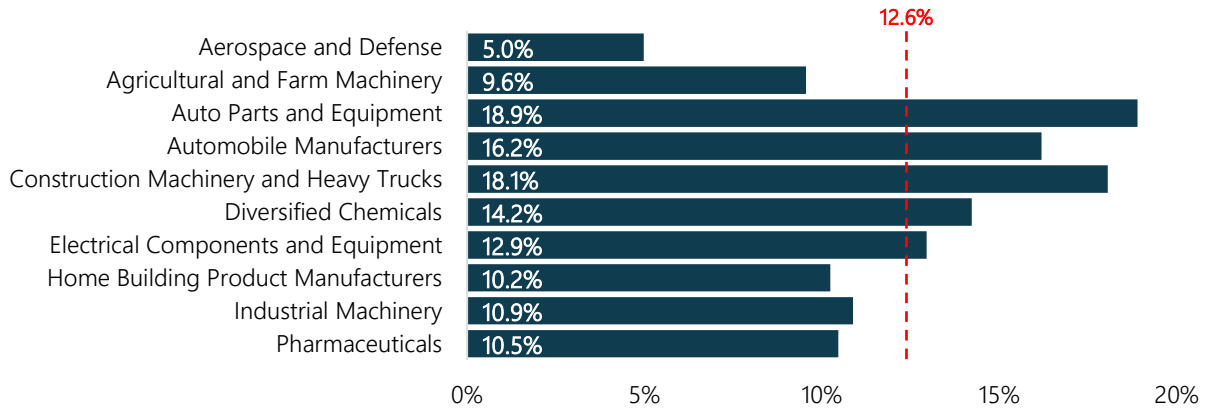
LTM EV/EBITDA



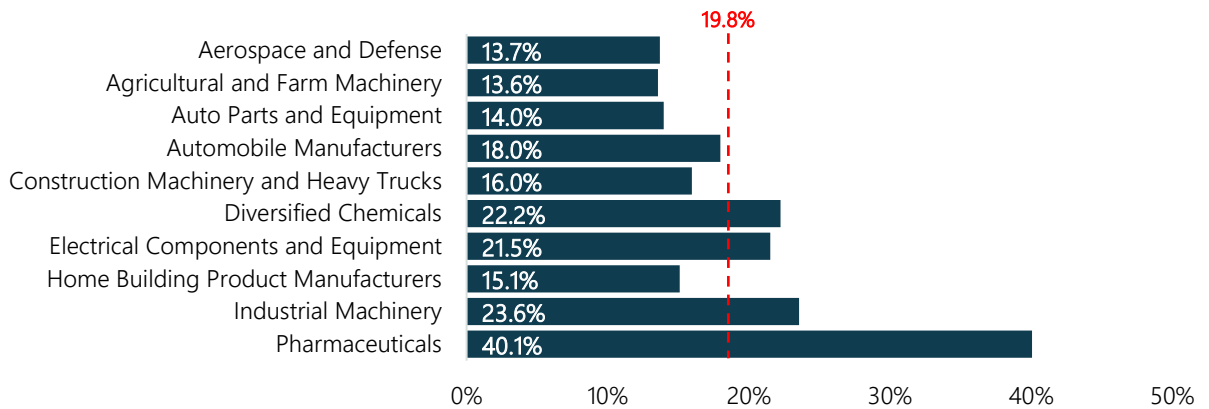
Public Comparable Analysis

Growth, Margins & Multiples

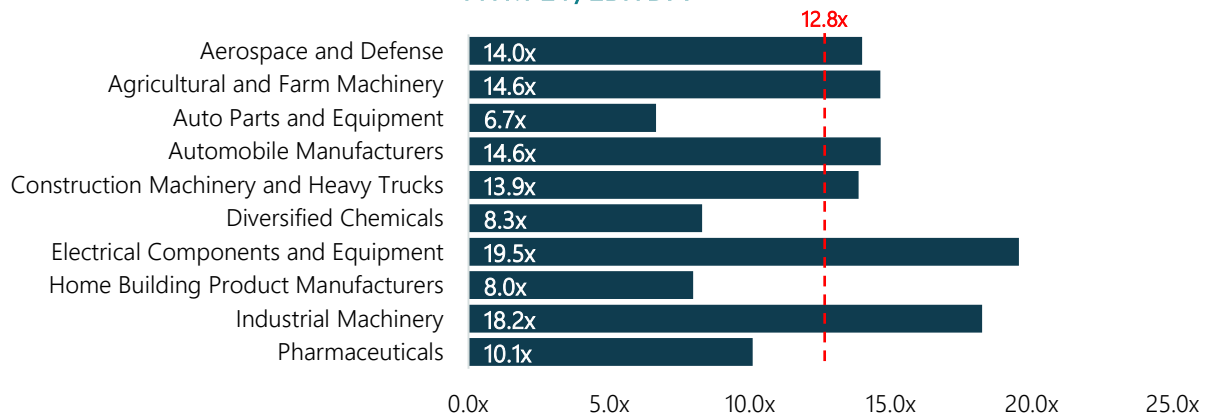
NTM Revenue Growth



NTM EBITDA Margin



NTM EV/EBITDA



Source: Capital IQ. Data as of June 30, 2021.

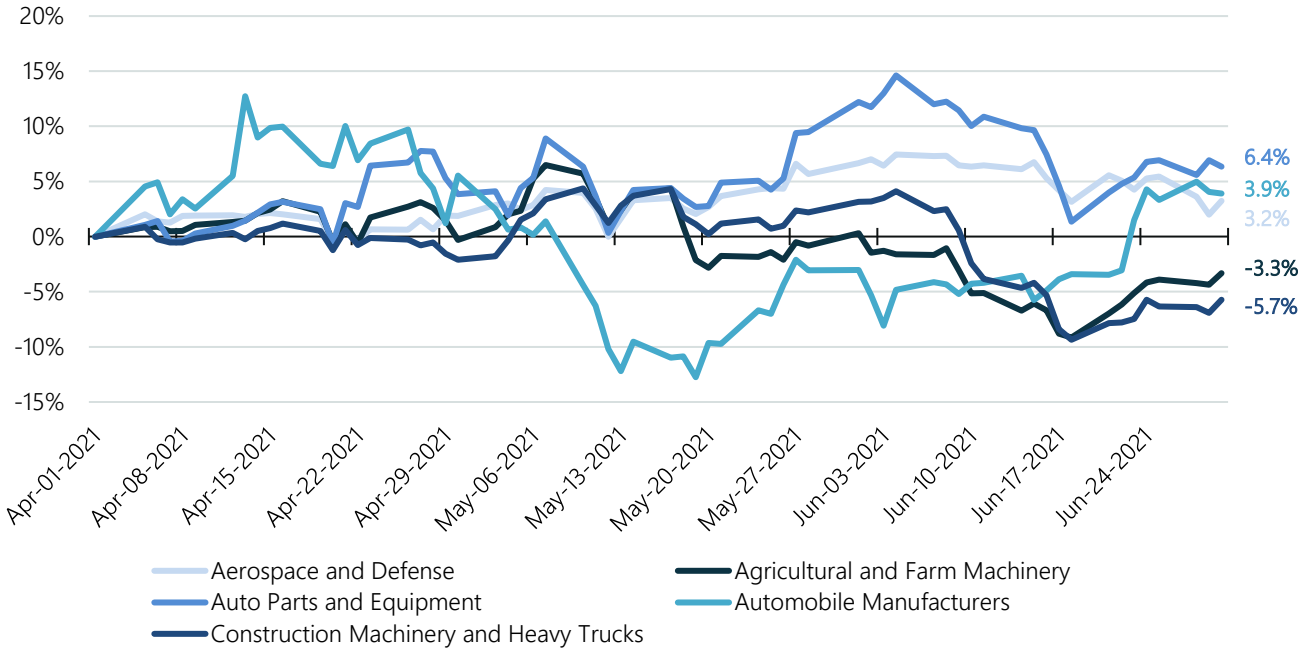
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Valuation details provided on pages 10 and 11.

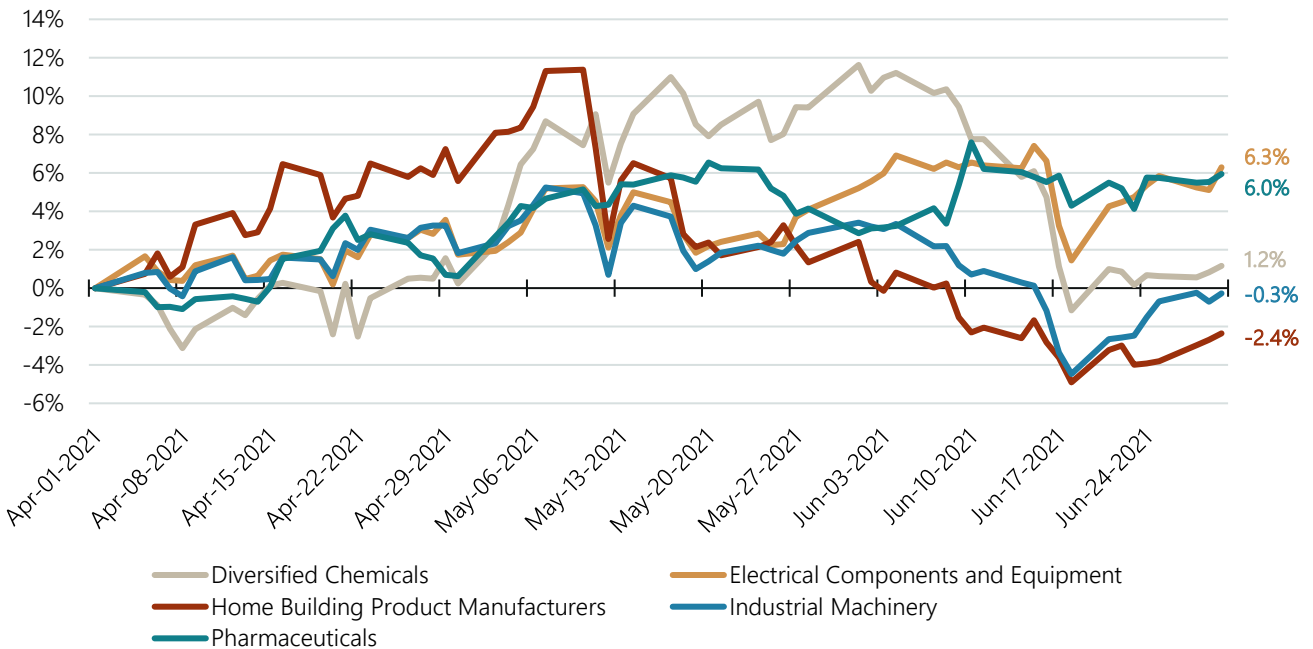
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group Stock Price Performance*



Manufacturing Peer Group Stock Price Performance*

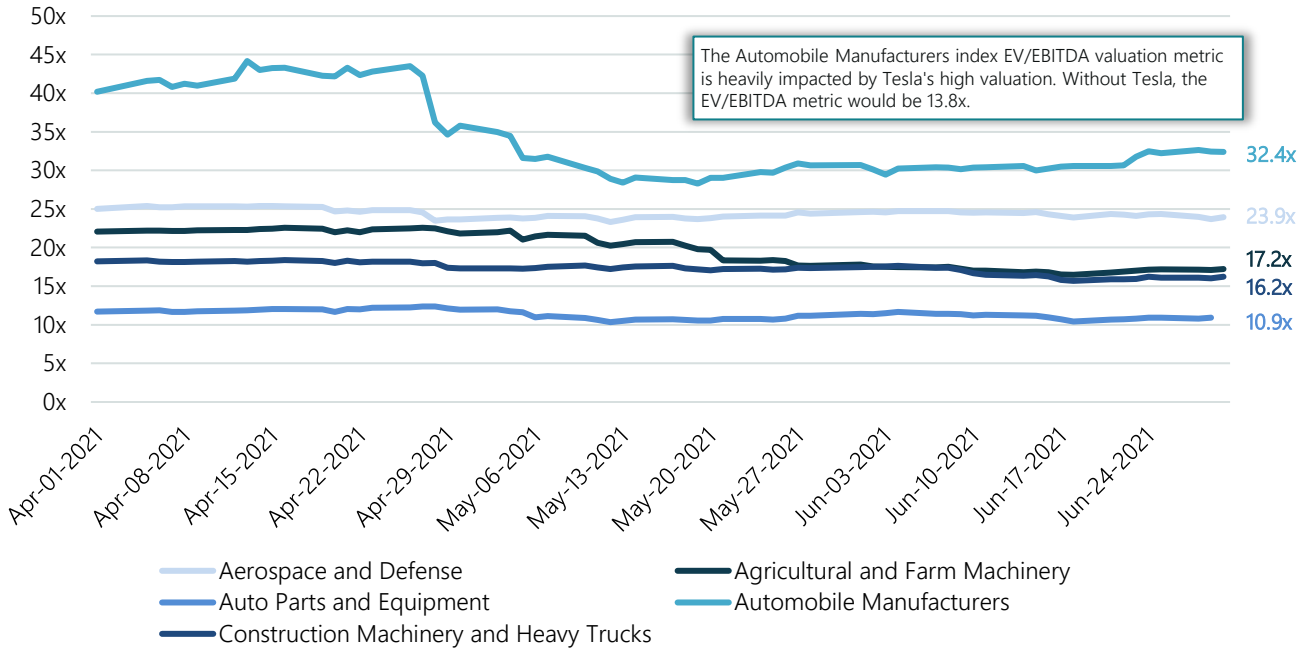


Source: Capital IQ. Data as of June 30, 2021.
Further details provided on pages 10 and 11.
*Peer group metrics are weighted by market capitalization

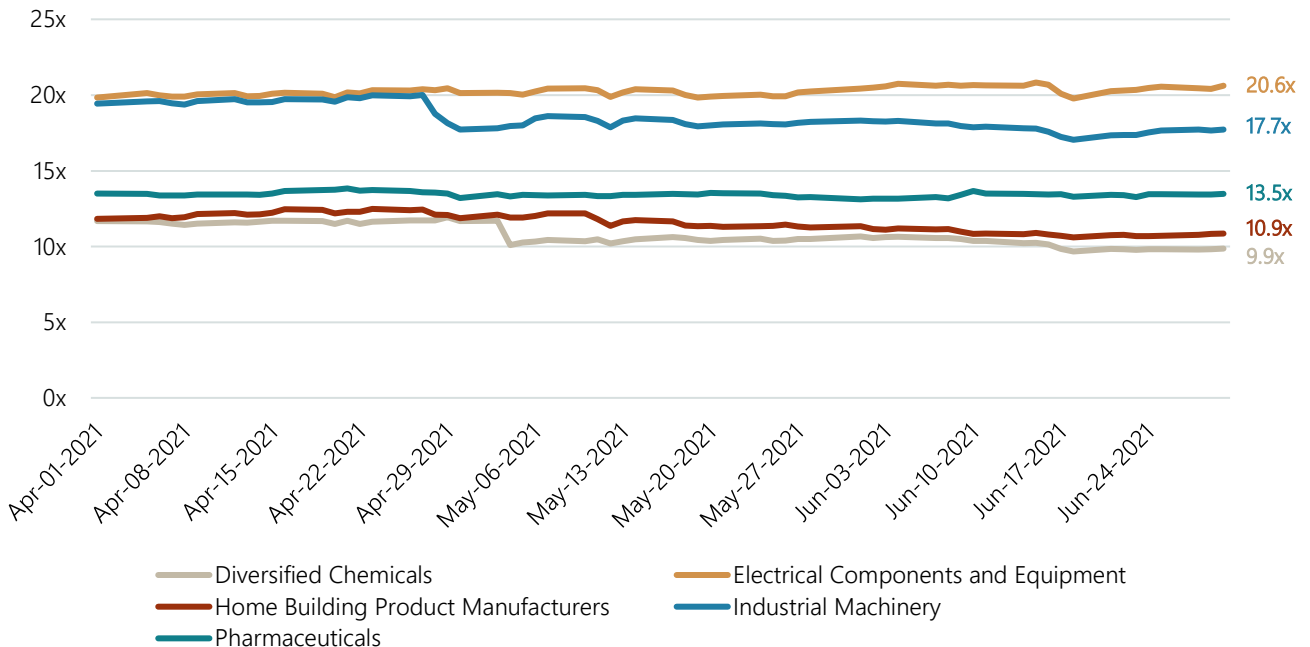
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group EV/EBITDA Multiples



Manufacturing Peer Group EV/EBITDA Multiples



Source: Capital IQ. Data as of June 30, 2021.

Further details provided on pages 10 and 11.

*Peer group metrics are weighted by market capitalization

Public Comparable Analysis

Trading Multiples & Operating Statistics

(Figures In \$USD Millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Aerospace and Defense											
The Boeing Company	\$140,097	\$181,969	\$56,467	(20.0%)	(\$5,048)	(8.9%)	46.7%	7.7%	24.6x	N/A	3.2x
Raytheon Technologies Corporation	\$128,531	\$154,674	\$60,478	32.2%	\$7,549	12.5%	11.2%	16.2%	14.2x	20.5x	2.6x
Lockheed Martin Corporation	\$105,156	\$114,407	\$66,005	8.0%	\$10,564	16.0%	4.8%	15.3%	10.8x	10.8x	1.7x
Northrop Grumman Corporation	\$58,498	\$68,726	\$37,336	8.9%	\$5,916	15.8%	(3.8%)	13.9%	14.0x	11.6x	1.8x
General Dynamics Corporation	\$53,110	\$65,789	\$38,565	(0.7%)	\$5,493	14.2%	1.9%	12.8%	12.9x	12.0x	1.7x
Median	\$105,156	\$114,407	\$56,467	8.0%	\$5,916	14.2%	4.8%	13.9%	14.0x	11.8x	1.8x
Mean	\$97,078	\$117,113	\$51,770	5.7%	\$4,895	9.9%	12.2%	13.2%	15.3x	13.7x	2.2x
Agricultural and Farm Machinery											
Deere & Company	\$110,025	\$151,195	\$39,800	8.2%	\$8,126	20.4%	6.4%	21.0%	17.1x	18.6x	3.8x
CNH Industrial N.V.	\$22,643	\$40,040	\$28,044	3.5%	\$2,425	8.6%	10.4%	9.2%	13.3x	16.5x	1.4x
The Toro Company	\$11,764	\$12,035	\$3,704	13.3%	\$643	17.4%	8.7%	15.8%	19.1x	18.7x	3.2x
AGCO Corporation	\$9,824	\$10,877	\$9,600	7.0%	\$1,124	11.7%	12.7%	11.3%	8.9x	9.7x	1.1x
Median	\$17,204	\$26,037	\$18,822	7.6%	\$1,774	14.5%	9.6%	13.5%	15.2x	17.6x	2.3x
Mean	\$38,564	\$53,537	\$20,287	8.0%	\$3,079	14.5%	9.5%	14.3%	14.6x	15.9x	2.4x
Auto Parts and Equipment											
Aptiv PLC	\$42,552	\$44,319	\$13,863	(1.0%)	\$1,791	12.9%	16.3%	15.7%	17.4x	24.7x	3.2x
Magna International Inc.	\$27,931	\$30,814	\$34,169	(8.9%)	\$4,043	11.8%	21.4%	11.2%	6.7x	7.6x	.9x
Lear Corporation	\$10,541	\$12,169	\$17,942	(6.1%)	\$1,507	8.4%	18.7%	9.1%	6.5x	8.1x	.7x
BorgWarner Inc.	\$11,642	\$14,158	\$11,895	20.4%	\$1,877	15.8%	29.9%	15.6%	5.9x	7.5x	1.2x
Autoliv, Inc.	\$8,546	\$9,774	\$8,819	24.0%	\$1,364	15.5%	7.2%	13.9%	7.2x	7.2x	1.1x
Median	\$11,642	\$14,158	\$13,863	(1.0%)	\$1,791	12.9%	18.7%	13.9%	6.7x	7.6x	1.1x
Mean	\$20,242	\$22,247	\$17,338	5.7%	\$2,116	12.9%	18.7%	13.1%	8.7x	11.0x	1.4x
Automobile Manufacturers											
Tesla, Inc.	\$654,776	\$651,594	\$35,940	38.1%	\$5,008	13.9%	49.4%	19.1%	65.5x	130.1x	18.1x
General Motors Company	\$85,836	\$181,048	\$122,250	(9.5%)	\$17,231	14.1%	16.5%	17.9%	7.2x	10.5x	1.5x
Ford Motor Company	\$59,316	\$182,138	\$129,052	(13.9%)	\$9,101	7.1%	8.4%	9.9%	14.6x	20.0x	1.4x
Median	\$85,836	\$182,138	\$122,250	(9.5%)	\$9,101	13.9%	16.5%	17.9%	14.6x	20.0x	1.5x
Mean	\$266,643	\$338,260	\$95,747	4.9%	\$10,447	11.7%	24.8%	15.6%	29.1x	53.5x	7.0x
Construction Machinery and Heavy Trucks											
Caterpillar Inc.	\$119,215	\$146,957	\$43,000	(15.6%)	\$8,081	18.8%	16.9%	18.0%	16.4x	18.2x	3.4x
Cummins Inc.	\$35,646	\$37,772	\$20,892	(7.5%)	\$3,418	16.4%	18.2%	15.9%	9.6x	11.1x	1.8x
PACCAR Inc	\$30,984	\$36,982	\$19,412	(20.0%)	\$2,178	11.2%	23.5%	11.3%	13.9x	17.0x	1.9x
Median	\$35,646	\$37,772	\$20,892	(15.6%)	\$3,418	16.4%	18.2%	15.9%	13.9x	17.0x	1.9x
Mean	\$61,948	\$73,904	\$27,768	(14.4%)	\$4,559	15.5%	19.6%	15.1%	13.3x	15.4x	2.4x
Diversified Chemicals											
DuPont de Nemours, Inc.	\$41,193	\$48,365	\$20,703	4.7%	\$5,339	25.8%	(21.6%)	25.5%	11.8x	9.1x	2.3x
Eastman Chemical Company	\$15,913	\$21,175	\$8,641	(5.4%)	\$1,688	19.5%	10.8%	23.3%	9.6x	12.5x	2.5x
Huntsman Corporation	\$5,879	\$7,394	\$6,262	(6.8%)	\$768	12.3%	19.4%	15.8%	6.4x	9.6x	1.2x
The Chemours Company	\$5,760	\$8,989	\$5,100	(6.5%)	\$922	18.1%	17.9%	21.3%	7.0x	9.7x	1.8x
Median	\$10,896	\$15,082	\$7,452	(6.0%)	\$1,305	18.8%	14.4%	22.3%	8.3x	9.7x	2.0x
Mean	\$17,186	\$21,481	\$10,177	(3.5%)	\$2,179	18.9%	6.7%	21.5%	8.7x	10.2x	1.9x

Source: Capital IQ. Data as of June 30, 2021.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Public Comparable Analysis

Trading Multiples & Operating Statistics

(Figures In \$USD Millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Electrical Components and Equipment											
Emerson Electric Co.	\$57,715	\$63,241	\$17,064	(5.0%)	\$4,007	23.5%	8.9%	22.7%	15.0x	15.8x	3.7x
Eaton Corporation plc	\$59,050	\$68,307	\$17,761	(14.9%)	\$2,925	16.5%	8.9%	19.1%	18.8x	23.4x	3.8x
Rockwell Automation, Inc.	\$33,200	\$35,242	\$6,305	(6.7%)	\$1,343	21.3%	17.0%	20.3%	23.5x	26.2x	5.6x
AMETEK, Inc.	\$30,828	\$32,228	\$4,554	(10.2%)	\$1,373	30.2%	21.7%	28.6%	20.3x	23.5x	7.1x
Median	\$45,458	\$49,242	\$11,68	(8.5%)	\$2,149	22.4%	13.0%	21.5%	19.5x	23.4x	4.7x
Mean	\$45,198	\$49,754	\$11,421	(9.2%)	\$2,412	22.9%	14.1%	22.7%	19.4x	22.2x	5.1x
Home Building Product Manufacturers											
Masco Corporation	\$14,650	\$17,189	\$7,577	11.8%	\$1,600	21.1%	8.1%	19.4%	10.8x	10.7x	2.3x
Fortune Brands Home & Security, Inc.	\$13,806	\$16,282	\$6,459	10.6%	\$1,165	18.0%	15.9%	17.7%	12.3x	14.0x	2.5x
JELD-WEN Holding, Inc.	\$2,604	\$3,973	\$4,34	2.1%	\$495	11.4%	9.0%	11.4%	7.4x	8.0x	.9x
Masonite International Corporation	\$2,739	\$3,384	\$2,352	7.0%	\$404	17.2%	11.5%	17.5%	7.4x	8.4x	1.4x
American Woodmark Corporation	\$1,357	\$1,917	\$1,744	5.7%	\$234	13.4%	7.8%	12.7%	8.0x	8.2x	1.1x
Caesarstone Ltd.	\$508	\$530	\$506	(7.1%)	\$87	17.1%	21.5%	10.9%	7.9x	6.1x	1.0x
Median	\$2,672	\$3,678	\$3,351	6.4%	\$450	17.2%	10.2%	15.1%	8.0x	8.3x	1.3x
Mean	\$5,944	\$7,212	\$3,831	5.0%	\$664	16.4%	12.3%	14.9%	9.0x	9.2x	1.5x
Industrial Machinery											
Illinois Tool Works Inc.	\$70,619	\$76,086	\$12,890	(6.5%)	\$3,513	27.3%	13.2%	28.8%	18.2x	21.7x	5.9x
Parker-Hannifin Corporation	\$39,634	\$45,879	\$13,54	(4.7%)	\$2,795	20.6%	14.0%	21.5%	13.8x	16.4x	3.4x
Stanley Black & Decker, Inc.	\$33,105	\$38,448	\$15,602	9.6%	\$3,248	20.8%	6.9%	17.5%	13.4x	11.8x	2.5x
Fortive Corporation	\$23,609	\$25,082	\$4,786	17.3%	\$1,128	23.6%	10.9%	24.2%	19.6x	22.2x	5.2x
Ingersoll Rand Inc.	\$20,473	\$22,814	\$5,577	120.0%	\$1,067	19.1%	(10.5%)	23.6%	19.5x	21.4x	4.1x
Median	\$33,105	\$38,448	\$12,89	9.6%	\$2,795	20.8%	10.9%	23.6%	18.2x	21.4x	4.1x
Mean	\$37,488	\$41,662	\$10,481	27.1%	\$2,350	22.3%	6.9%	23.1%	16.9x	18.7x	4.2x
Pharmaceuticals											
Johnson & Johnson	\$433,826	\$441,368	\$89,190	10.8%	\$30,563	34.3%	8.3%	35.2%	13.3x	14.4x	4.9x
Merck & Co., Inc.	\$196,918	\$221,268	\$48,017	(0.1%)	\$18,932	39.4%	(0.5%)	41.9%	10.9x	11.7x	4.6x
Pfizer Inc.	\$219,206	\$245,478	\$46,407	21.7%	\$17,983	38.8%	63.3%	35.3%	9.1x	13.7x	5.3x
AbbVie Inc.	\$198,947	\$274,740	\$50,195	47.4%	\$24,838	49.5%	13.0%	51.4%	9.3x	11.1x	5.5x
Eli Lilly and Company	\$208,640	\$220,426	\$25,486	10.4%	\$8,649	33.9%	6.1%	36.2%	22.6x	25.5x	8.6x
Bristol-Myers Squibb Company	\$149,199	\$183,111	\$42,81	38.1%	\$18,699	43.7%	9.6%	57.5%	6.8x	9.8x	4.3x
Median	\$203,793	\$233,373	\$47,21	16.2%	\$18,815	39.1%	8.9%	39.0%	10.1x	12.7x	5.1x
Mean	\$234,456	\$264,398	\$50,351	21.4%	\$19,944	39.9%	16.6%	42.9%	12.0x	14.4x	5.5x

Source: Capital IQ. Data as of June 30, 2021.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 85 merger, acquisition, and transaction professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

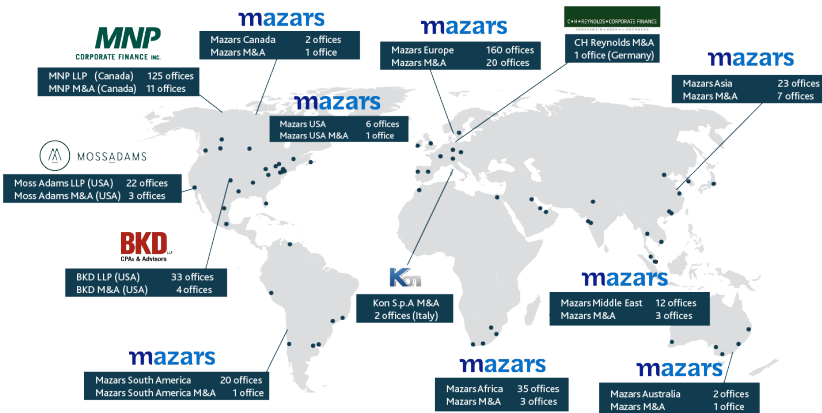
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



CFxB CFxBorder - Global reach with local relationships
Our corporate finance team through CFxB consists of 250 plus M&A professionals in more than 30 countries



Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)

MNP Corporate Finance Inc. was the exclusive financial advisor to Shearwater Research Inc. in structuring and registering this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to American Process Group in structuring and registering this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Le Réseau Dentaire Inc. in structuring and registering this transaction.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Synergy Medical BRC Inc. in structuring and registering this transaction.

MNP Corporate Finance Inc. provided financial due diligence services to Edgewood Health Network Inc.

MNP Corporate Finance Inc. provided financial and tax due diligence services to LOTS Group.

MNP Corporate Finance Inc. provided financial due diligence services to 3L.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Javelin Technologies Inc.

MNP Corporate Finance Inc. acted as financial advisor to Arapages Group Inc. in its divestiture of Glen Arbour Golf Course.

MNP Corporate Finance Inc. provided vendor due diligence services to Olymel L.P.

About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past five years alone we have completed over 125 transactions worth over \$2 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

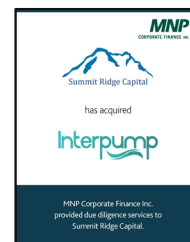
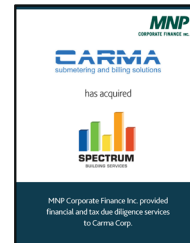
Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes, and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally, and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement, and risk management.

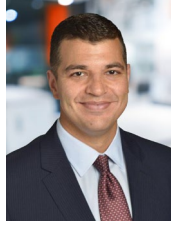
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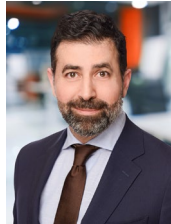
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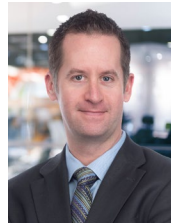


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