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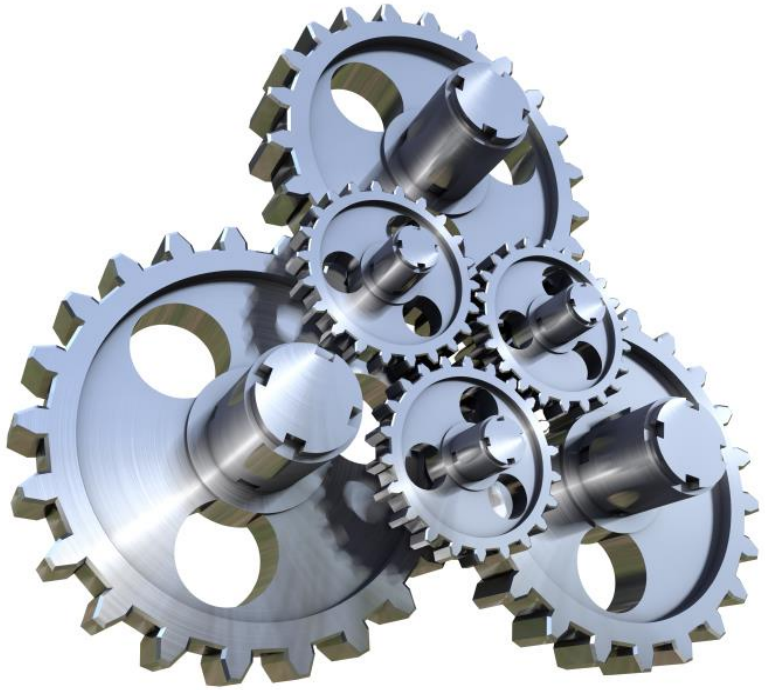
Industrials
M&A Report
Q1 2018



Member FINRA/SIPC

Capital Markets Overview

Commentary

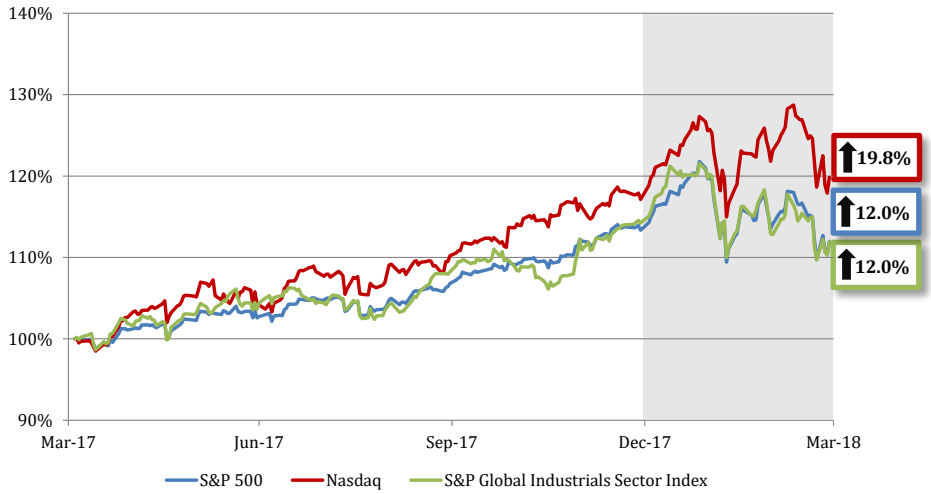
- The Nasdaq, S&P 500, and the S&P Global Industrials Sector Index increased 19.8%, 12.0%, and 12.0%, respectively, during the 12-month period ended March 31, 2018.
- The table to the right highlights select public offerings in the industrial industry Q1 2018. ADT (NYSE:ADT) a provider of security and automation solutions, raised nearly $1.5 billion in the largest IPO during the quarter but has dropped significantly and now traders around $9 per share compared with its $14 IPO.
- The *Materials*, *Industrial Services,* and *Industrial Conglomerates* sectors were the industry's leaders with respect to valuation during the quarter, trading at revenue multiples of 2.7x, 2.3x and 2.1x respectively.

Select Public Offerings – Industrials (Q1 2018)

($ in millions)

Offer Date	Issuer	Industry Sector	Transaction Type	Transaction Value ($mm)
01/18/18	ADT Inc.	Industrial Services	IPO	$1,470
01/29/18	FedEx Corp.	Transportation	Fixed-Income	$996
01/18/18	Crown Holdings, Inc.	Materials	Fixed-Income	$875
02/15/18	CSX Corp.	Transportation	Fixed-Income	$847
01/24/18	Gates Industrial Corp.	Machinery	IPO	$732
03/14/18	Evoqua Water Technologies Corp.	Machinery	Secondary	$385
03/14/18	ABM Industries Inc.	Industrial Services	Secondary	$319
02/01/18	Sun Hydraulics Corp.	Machinery	Secondary	$253
01/17/18	Patrick Industries, Inc.	Construction	Fixed-Income	$150
02/14/18	Atkore International Group, Inc.	Electrical Equipment	Secondary	$129

Public Market Performance (LTM)



Source: S&P Capital IQ.

Public Company Market Performance by Sector

Industry Sector	Change in Stock Price 3 Months	Change in Stock Price 12 months	Median Enterprise Value / LTM Revenue	Median Enterprise Value / LTM EBITDA
Construction	(6.6%)	16.5%	1.9x	11.9x
Electrical Equipment	(9.7%)	9.4%	2.1x	12.0x
Machinery	(5.9%)	21.2%	1.8x	12.8x
Industrial Services	(0.5%)	16.4%	2.3x	11.8x
Transportation	(7.0%)	14.0%	1.5x	9.5x
Industrial Conglomerates	(8.9%)	(17.8%)	2.1x	14.2x
Materials	(7.4%)	13.5%	2.7x	9.9x

Annual Middle Market M&A Activity – Industrials

Commentary

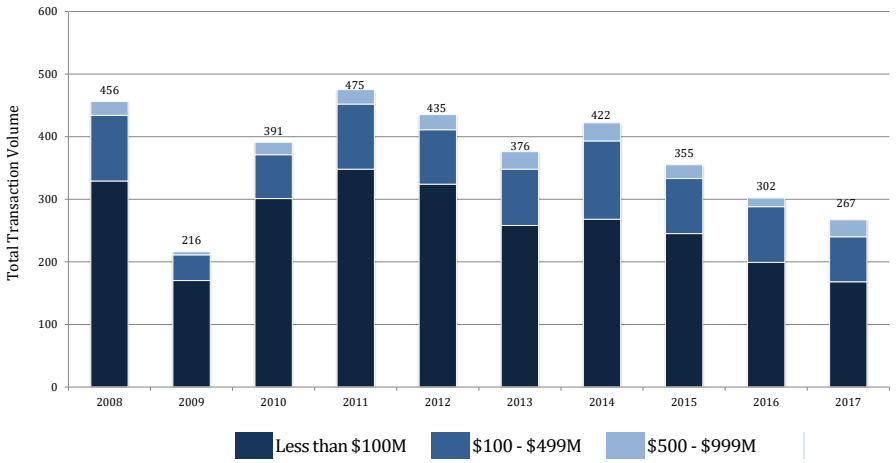
- U.S. middle-market M&A activity in the *Industrials* industry decreased 12% to 267 closed transactions during 2017, down from 302 during 2016.
- Despite deal flow falling as a result of a slow start to 2017, the total value of completed middle-market transactions increased 8% to $42.6 billion, up from $39.4 billion in 2016.
- Transactions valued between $500 and $999 million experienced the largest increase during 2017, with transaction volume and value both increasing 93% compared to the prior year.

Middle Market M&A Transactions by Deal Size

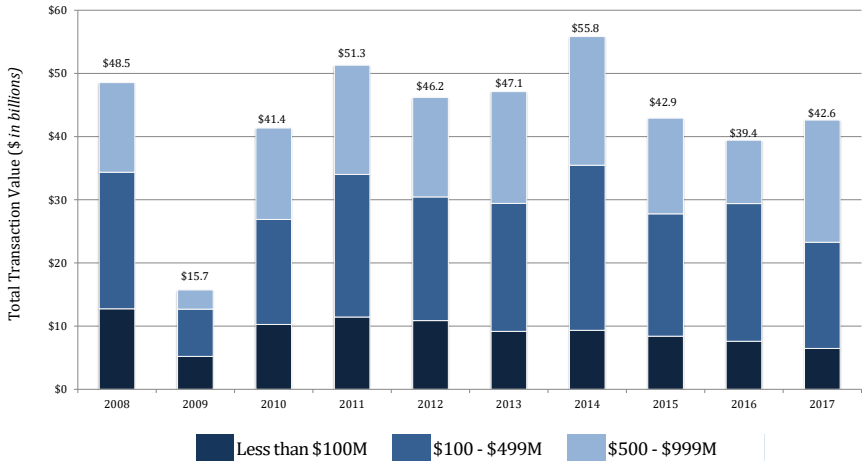
($ in billions)

	2016		2017		% Change	
Deal Size	**Volume**	**Value**	**Volume**	**Value**	**Volume**	**Value**
Less than $100M	199	$7.6	168	$6.5	(16%)	(15%)
$100 - $499M	89	$21.8	72	$16.8	(19%)	(23%)
$500 - $999M	14	$10.0	27	$19.3	93%	93%
Total Middle Market	**302**	**$39.4**	**267**	**$42.6**	**(12%)**	**8%**
% of Middle Market						
Less than $100M	66%	20%	63%	15%		
$100 - $499M	29%	55%	27%	40%		
$500 - $999M	5%	25%	10%	45%		
Total Middle Market	**100%**	**100%**	**100%**	**100%**		

U.S. Middle Market M&A Activity – Annual Trends: VOLUME



U.S. Middle Market M&A Activity – Annual Trends: VALUE



Source: S&P Capital IQ (middle market includes all closed deals with disclosed deal value between $10 million and $1 billion) Screen excludes Aerospace and Defense.

Quarterly Middle Market M&A Activity – Industrials

Commentary

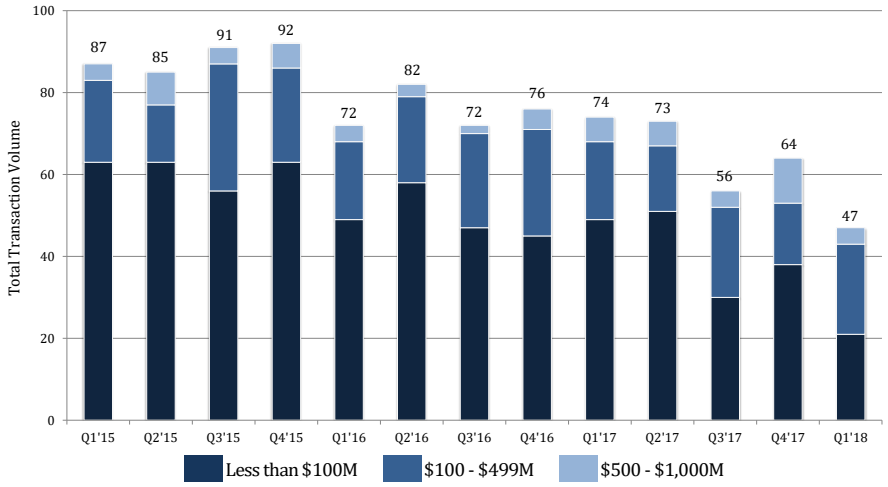
- Middle-market M&A activity in the *Industrials* industry decreased significantly in Q1 2018 compared to Q1 2017, with deal volume down 36% to 47 completed transactions, and deal value down 20% to $8.5 billion.
- Transactions valued at less than $100 million saw the largest decrease in both volume and value, decreasing 57% and 59% respectively, with value down in that segment falling more than one billion dollars compared to the prior year period.
- 34% of deals in Q1 2017 were over $100 million, where as 54% of deals in Q1 2018 were over $100 million. The impact of tariffs and trade negotiations may be a headwind for M&A activity throughout 2018.

Middle Market M&A Transactions by Deal Size

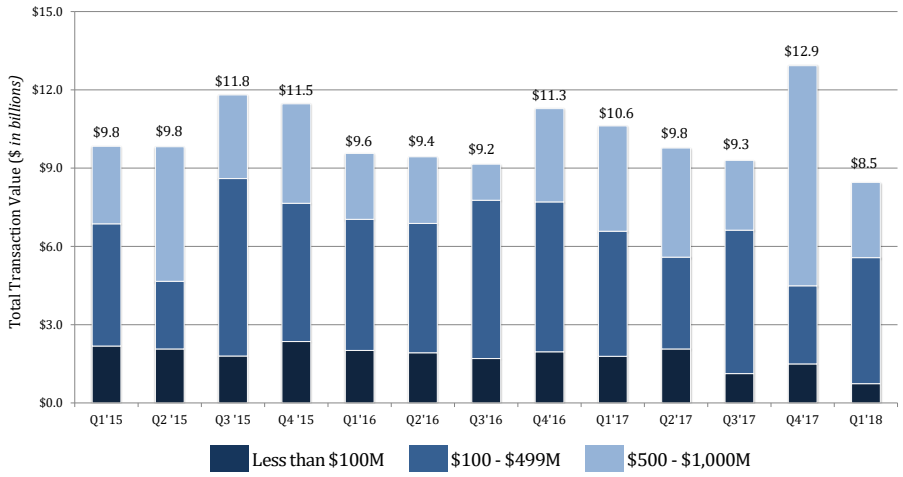
($ in bilions)

	Q1 2017		Q1 2018		% Change	
Deal Size	**Volume**	**Value**	**Volume**	**Value**	**Volume**	**Value**
Less than $100M	49	$1.8	21	$0.7	(57%)	(59%)
$100 - $499M	19	$4.8	22	$4.8	16%	1%
$500 - $999M	6	$4.0	4	$2.9	(33%)	(29%)
Total Middle Market	**74**	**$10.6**	**47**	**$8.5**	**(36%)**	**(20%)**
% of Middle Market						
Less than $100M	66%	17%	45%	9%		
$100 - $499M	26%	45%	46%	57%		
$500 - $999M	8%	38%	9%	34%		
Total Middle Market	**100%**	**100%**	**100%**	**100%**		

U.S. Middle Market M&A Activity – Quarterly Trends: VOLUME



U.S. Middle Market M&A Activity – Quarterly Trends: VALUE



Source: S&P Capital IQ (middle market includes all closed deals with disclosed deal value between $10 million and $1 billion) Screen excludes Aerospace and Defense.

Recent M&A Activity – Industrials

Select Announced M&A Transactions (Q1 2018)

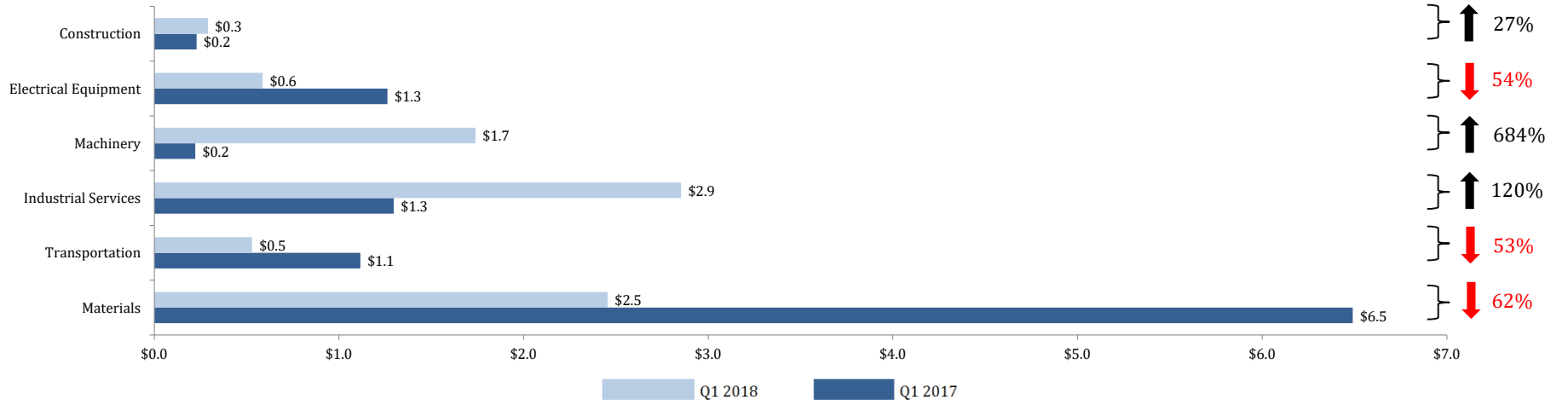
Announced Date	Target	Buyer	Industry	Enterprise Value ($mm)	EV / Revenue	EV / EBITDA
03/28/18	Credit Karma, Inc.	Silver Lake	Industrial Services	NA	NA	NA
03/26/18	USG Corp.	Knauf	Construction	$6,657	2.1x	11.9x
03/23/18	EP Minerals, LLC	U.S. Silica Holdings, Inc.	Materials	$750	3.8x	NA
03/21/18	Desalination/Boiler plant of M&G USA	Far Eastern Investment Ltd.	Materials	$1,125	NA	NA
03/14/18	Airxcel, Inc.	L Catterton	Machinery	NA	NA	NA
03/13/18	Environmental Data Resources, Inc.	Battery Ventures / Silver Lake	Industrial Services	$205	NA	NA
03/13/18	Kroll, Inc.	Duff & Phelps Corp.	Industrial Services	NA	NA	NA
02/15/18	A. Schulman, Inc.	LyondellBasell Industries N.V.	Materials	$2,125	0.8x	10.8x
02/15/18	Tidewater Logistics Corp.	Apollo Global Management	Industrial Services	NA	NA	NA
02/14/18	Layne Christensen Co.	Granite Construction Inc.	Construction	$491	1.0x	16.5x
02/01/18	Carlisle FoodService Products, Inc.	The Jordan Company	Machinery	$750	2.3x	NA
01/31/18	Ply Gem Holdings, Inc	Clayton, Dubilier & Rice	Construction	$2,261	1.1x	9.9x
01/30/18	Lifetouch Inc.	Shutterfly, Inc.	Industrial Services	$825	0.9x	7.4x
01/29/18	KapStone Paper and Packaging Corp.	WestRock Co.	Materials	$5,039	1.5x	12.5x
01/09/18	FCX Performance, Inc.	Applied Industrial Technologies, Inc.	Industrial Services	$784	NA	NA
01/08/18	L.D. Kichler Co., Inc.	Masco Corp.	Electrical Equipment	$550	1.2x	NA
01/04/18	Westinghouse Electric Co.	Brookfield Business Partners L.P.	Construction	$4,600	NA	NA
01/02/18	TAMCO Steel, Inc. et al.	CMC Steel Fabricators, Inc.	Materials	$600	NA	NA

Source: S&P Capital IQ Screen excludes Aerospace and Defense.

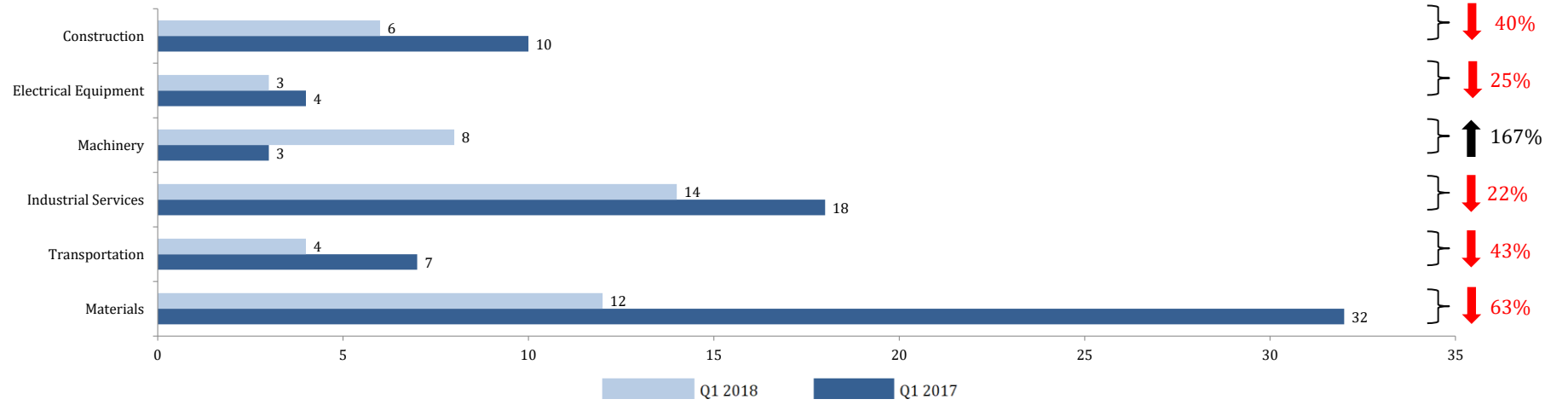
M&A Activity by Industrial Sector

U.S. Middle Market M&A Activity by Industrial Sector: VALUE

($ in billions)



U.S. Middle Market M&A Activity by Industrial Sector: VOLUME



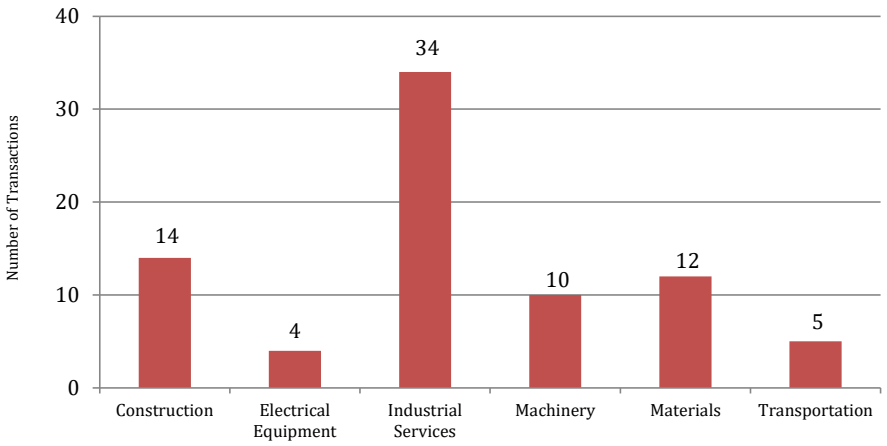
Source: S&P Capital IQ (includes all closed deals with disclosed deal value between $10 million and $1 billion).

Private Equity Activity – Industrials

Commentary

- Financial sponsors were active across many sectors of the *Industrials* industry during Q1 2018, most notably in the *Industrial Services* and *Construction* sectors, which saw 34 and 14 financial sponsor-led deals, respectively.
- Several notable private equity-backed transactions were announced during the quarter, including Brookfield Business Partners' announced acquisition of Westinghouse Electric from Toshiba for $4.6 billion, Clayton, Dubilier & Rice's acquisition of Ply Gem Holdings for $2.2 billion, and The Jordan Company's purchase of Carlisle FoodService Products for $750 million.

Financial Sponsors - Sector Focus



Select Private Equity Transactions – Industrials (Q1 2018)

($ in millions)

Announced Date	Target	Buyer	Industry	Enterprise Value
03/28/18	Northern Star Industries, Inc.	Comvest Partners	Electrical Equipment	NA
03/28/18	Inter Valley Pool Supply, Inc.	Peak Rock Capital	Industrial Services	NA
03/22/18	Diamond Mowers, Inc.	Lineage Capital / Abacus Finance Group	Construction	NA
03/15/18	Royston LLC	Industrial Opportunity Partners	Industrial Services	NA
03/14/18	Airxcel, Inc.	L Catterton	Machinery	NA
03/13/18	Environmental Data Resources, Inc.	Battery Ventures / Silver Lake	Industrial Services	$205
03/13/18	APG Co.	The CapStreet Group	Industrial Services	NA
02/28/18	Apogee Lighting Inc.	KLH Capital	Electrical Equipment	NA
02/23/18	Vistage Worldwide Inc.	Providence Equity Partners	Industrial Services	NA
02/23/18	Kalisher USA	LongWater Opportunities	Industrial Services	NA
02/15/18	Tidewater Logistics Corp.	Apollo Global Management	Transportation	NA
02/06/18	Wastequip, LLC	H.I.G. Capital	Machinery	NA
02/05/18	WS Packaging Group, Inc.	Platinum Equity	Industrial Services	NA
02/01/18	Carlisle FoodService Products, Inc.	The Jordan Company	Industrial Machinery	$750
01/31/18	Ply Gem Holdings, Inc	Clayton, Dubilier & Rice	Construction	$2,261
01/31/18	Atrium Corp.	Clayton, Dubilier & Rice	Construction	NA
01/09/18	CHEP Recycled Pallet Solutions, LLC	Grey Mountain Partners	Industrial Services	$115
01/09/18	GCR Inc.	Hammond, Kennedy, Whitney	Industrial Services	$124
01/09/18	Tenax Aerospace, LLC	NTC Group	Industrial Services	$220
01/04/18	Westinghouse Electric Co.	Brookfield Business Partners	Construction	$4,600

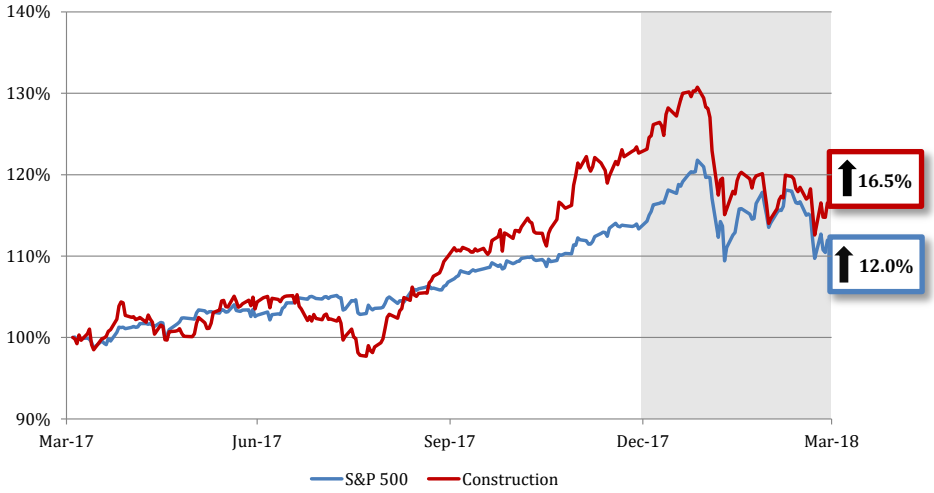
Source: S&P Capital IQ. Graphic includes transactions with undisclosed transaction values. Financial sponsors include private and public investment firms, and corporate and financial service investment arms.

Industry Sector Overview – Recent Stock Price Performance

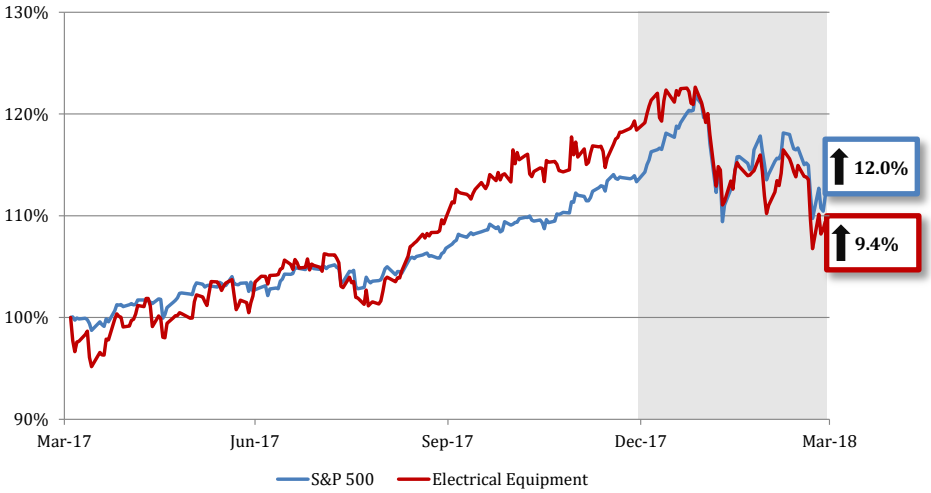
Commentary

- The charts that follow detail the recent stock price performance by sector for the leading public companies within the *Industrials* industry for the trailing 12-month period ended March 31, 2018. The shaded section is the most recent 3-month period (Q1) for each sector relative to the S&P 500.
- Public industrials companies had a strong performance across the board, with the exception of *Industrial Conglomerates* which saw an LTM decrease of nearly 18% in the sector, highlighted by the well-documented struggles of General Electric which traded at 44% of its 52-week high at the end of Q1.

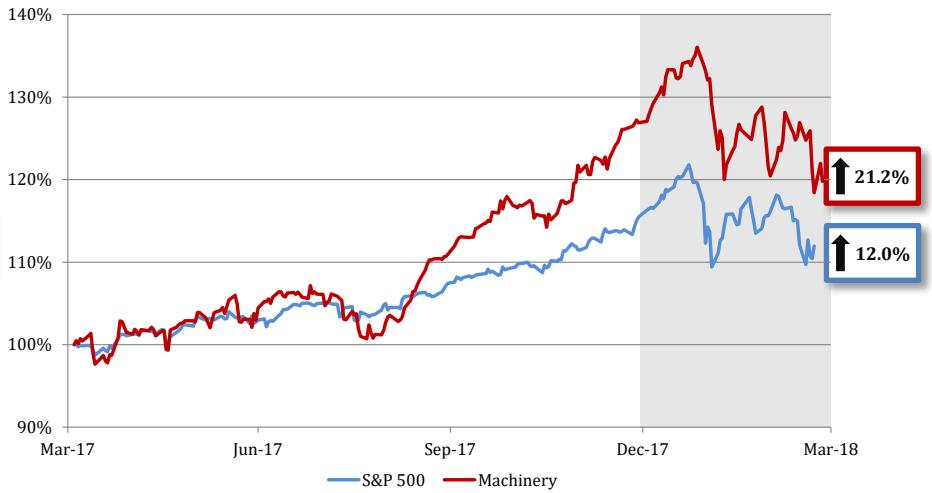
Construction



Electrical Equipment



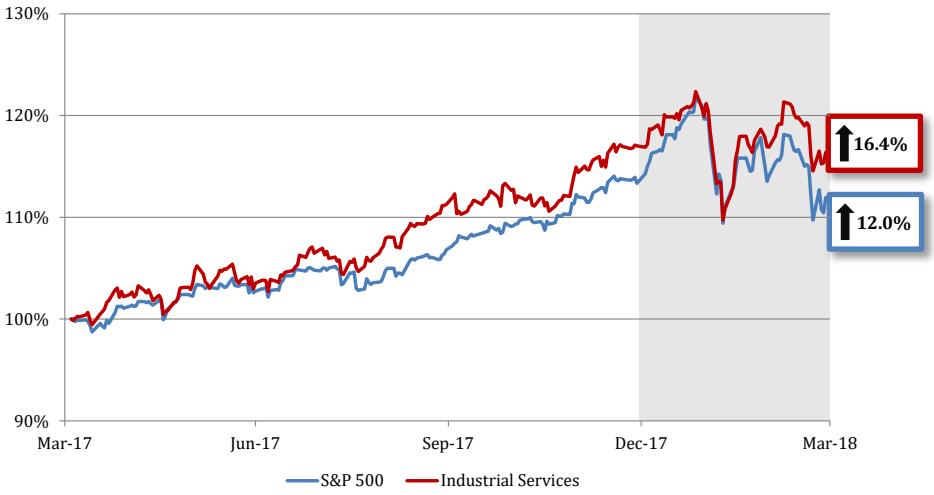
Machinery



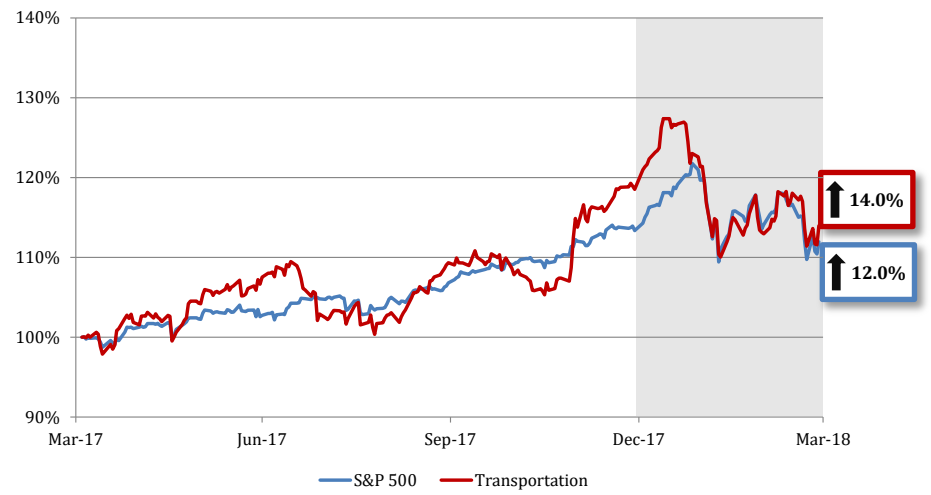
Source: S&P Capital IQ.

Industry Sector Overview – Recent Stock Price Performance

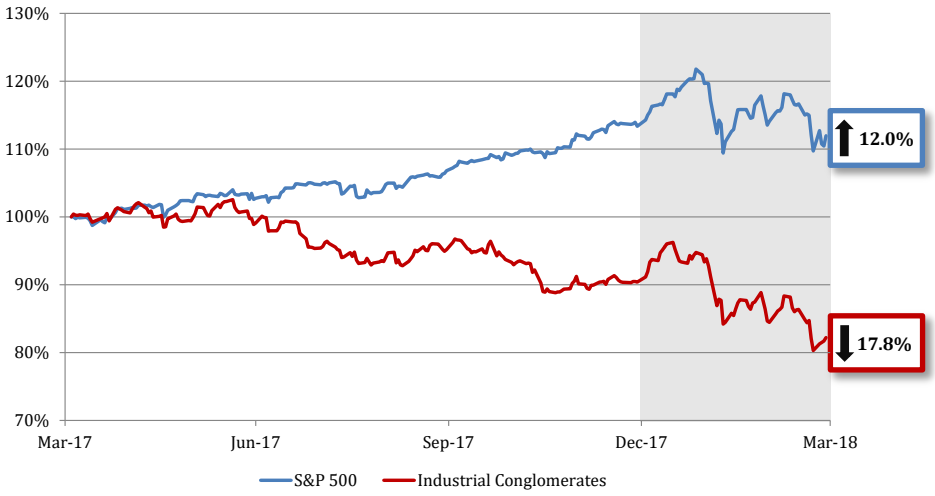
Industrial Services



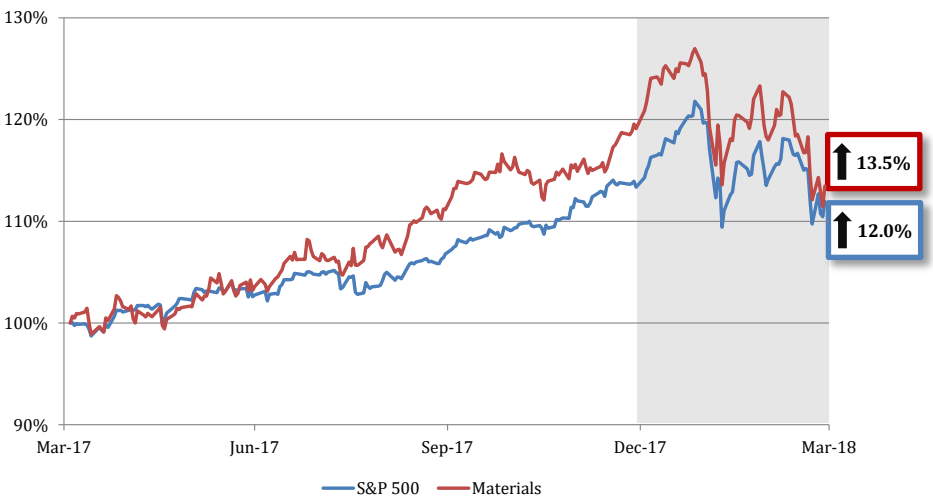
Transportation



Industrial Conglomerates



Materials



Source: S&P Capital IQ.

Industry Sector Overview – Public Company Analysis

Construction

($ in millions, except per share)

Building Products

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Masco Corp.	MAS	$40.44	87%	$12,860	$14,879	$7,644	$2,611	$1,296	34.2%	17.0%	1.9x	11.5x
Owens Corning	OC	$80.40	83%	$9,101	$11,307	$6,384	$1,597	$1,135	25.0%	17.8%	1.8x	10.0x
A. O. Smith Corp.	AOS	$63.59	93%	$11,103	$10,694	$2,997	$1,239	$591	41.3%	19.7%	3.6x	18.1x
Fortune Brands Home & Security, Inc.	FBHS	$58.89	80%	$9,175	$10,361	$5,283	$1,940	$852	36.7%	16.1%	2.0x	12.2x
Lennox Int., Inc.	LII	$204.37	92%	$8,747	$9,683	$3,840	$1,125	$551	29.3%	14.3%	2.5x	17.6x
USG Corp.	USG	$40.42	98%	$5,930	$6,552	$3,204	$665	$499	20.8%	15.6%	2.0x	13.1x
Armstrong World Industries, Inc.	AWI	$56.30	87%	$3,035	$3,725	$894	$327	$255	36.6%	28.5%	4.2x	14.6x
Simpson Manufacturing Co., Inc.	SSD	$57.59	93%	$2,751	$2,586	$977	$446	$173	45.7%	17.7%	2.6x	15.0x
	Average	**89%**	**$7,838**	**$8,723**	**$3,903**	**$1,244**	**$881**	**33.7%**	**18.3%**	**2.6x**	**14.0x**
	Median	**89%**	**$8,924**	**$10,022**	**$3,522**	**$1,182**	**$571**	**35.4%**	**17.3%**	**2.3x**	**13.9x**

Construction and Engineering

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
AECOM Technology Corp.	ACM	$35.63	89%	$5,704	$9,020	$18,756	$671	$793	3.6%	4.2%	0.5x	11.4x
Jacobs Engineering Group, Inc.	JEC	$59.15	82%	$7,155	$8,782	$10,221	$1,845	$662	18.1%	6.5%	0.9x	13.3x
Fluor Corp.	FLR	$57.22	92%	$8,062	$7,866	$19,521	$618	$672	3.2%	3.4%	0.4x	11.7x
EMCOR Group, Inc.	EME	$77.93	92%	$4,646	$4,490	$7,687	$1,147	$478	14.9%	6.2%	0.6x	9.4x
KBR, Inc.	KBR	$16.19	75%	$2,283	$2,344	$4,171	$342	$243	8.2%	5.8%	0.6x	9.6x
Tutor Perini Corp.	TPC	$22.05	67%	$1,119	$1,654	$4,757	$454	$231	9.6%	4.9%	0.3x	7.1x
	Average	**83%**	**$4,828**	**$5,692**	**$10,852**	**$846**	**$513**	**9.6%**	**5.2%**	**0.5x**	**10.4x**
	Median	**86%**	**$5,175**	**$6,178**	**$8,954**	**$645**	**$570**	**8.9%**	**5.3%**	**0.5x**	**10.5x**

Source: S&P Capital IQ.

Industry Sector Overview – Public Company Analysis

Electrical Equipment

($ in millions, except per share)

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Rockwell Automation, Inc.	ROK	$174.20	83%	$22,563	$21,995	$6,408	$2,679	$1,236	41.8%	19.3%	3.4x	17.8x
Ametek, Inc.	AME	$75.97	96%	$17,613	$19,141	$4,300	$1,466	$1,115	34.1%	25.9%	4.5x	17.2x
Hubbell, Inc.	HUBB	$121.78	82%	$6,710	$7,389	$3,669	$1,168	$628	31.8%	17.1%	2.0x	11.8x
Acuity Brands, Inc.	AYI	$139.19	67%	$5,867	$5,994	$3,524	$1,471	$578	41.7%	16.4%	1.7x	10.4x
Woodward, Inc.	WWD	$71.66	80%	$4,552	$5,116	$2,126	$582	$346	27.4%	16.3%	2.4x	14.8x
Belden, Inc.	BDC	$68.94	79%	$2,940	$3,940	$2,389	$974	$433	40.8%	18.1%	1.6x	9.1x
Generac Holdings, Inc.	GNRC	$45.91	85%	$2,876	$3,710	$1,672	$584	$305	34.9%	18.2%	2.2x	12.2x
Brady Corp.	BRC	$37.15	92%	$1,946	$1,901	$1,143	$574	$164	50.2%	14.4%	1.7x	11.6x
	Average		**83%**	**$8,133**	**$8,648**	**$3,154**	**$1,187**	**$917**	**37.8%**	**18.2%**	**2.4x**	**13.1x**
	Median		**82%**	**$5,209**	**$5,555**	**$2,956**	**$1,071**	**$506**	**37.8%**	**17.6%**	**2.1x**	**12.0x**

Source: S&P Capital IQ.

Industry Sector Overview – Public Company Analysis

Machinery

($ in millions, except per share)

Construction and Farm Machinery

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Caterpillar, Inc.	CAT	$147.38	85%	$88,325	$115,893	$45,462	$12,035	$8,453	26.5%	18.6%	2.5x	13.7x
Deere & Co.	DE	$155.32	89%	$50,335	$88,469	$30,419	$7,090	$5,093	23.3%	16.7%	2.9x	17.4x
PACCAR, Inc.	PCAR	$66.17	83%	$23,351	$28,707	$19,456	$2,858	$2,664	14.7%	13.7%	1.5x	10.8x
Cummins, Inc.	CMI	$162.09	83%	$27,113	$28,457	$20,428	$5,090	$2,577	24.9%	12.6%	1.4x	11.0x
The Toro Company	TTC	$62.45	85%	$6,933	$7,029	$2,538	$932	$425	36.7%	16.8%	2.8x	16.5x
AGCO Corp.	AGCO	$64.85	85%	$5,201	$6,617	$8,307	$1,765	$694	21.3%	8.4%	0.8x	9.5x
Oshkosh Corp.	OSK	$77.27	77%	$5,869	$6,323	$7,205	$1,265	$677	17.6%	9.4%	0.9x	9.3x
Manitowoc Co., Inc.	MTW	$28.46	65%	$1,020	$1,176	$1,581	$282	$67	17.8%	4.3%	0.7x	17.5x
	Average		**81%**	**$26,018**	**$35,334**	**$16,924**	**$3,915**	**$2,581**	**22.8%**	**12.6%**	**1.7x**	**13.2x**
	Median		**84%**	**$15,142**	**$17,743**	**$13,881**	**$2,312**	**$1,636**	**22.3%**	**13.2%**	**1.4x**	**12.4x**

Industrial Machinery

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Illinois Tool Works, Inc.	ITW	$156.66	87%	$54,330	$59,568	$14,314	$6,005	$3,861	42.0%	27.0%	4.2x	15.4x
Eaton Corp.	ETN	$79.91	89%	$35,720	$42,429	$20,404	$6,648	$3,417	32.6%	16.7%	2.1x	12.4x
Parker Hannifin Corp.	PH	$171.03	80%	$23,209	$28,128	$13,351	$3,254	$2,118	24.4%	15.9%	2.1x	13.3x
Stanley Black & Decker, Inc.	SWK	$153.20	87%	$23,355	$27,358	$12,747	$4,825	$2,077	37.8%	16.3%	2.1x	13.2x
Dover Corp.	DOV	$98.22	90%	$15,494	$18,307	$7,830	$2,913	$1,388	37.2%	17.7%	2.3x	13.2x
Flowserve Corporation	FLS	$43.33	83%	$5,692	$6,580	$3,661	$1,129	$397	30.8%	10.9%	1.8x	16.6x
Donaldson Co., Inc.	DCI	$45.05	86%	$6,003	$6,331	$2,578	$884	$431	34.3%	16.7%	2.5x	14.7x
The Timken Co.	TKR	$45.60	82%	$3,598	$4,455	$3,004	$810	$427	27.0%	14.2%	1.5x	10.4x
	Average		**86%**	**$20,925**	**$24,144**	**$9,736**	**$3,309**	**$1,765**	**33.3%**	**16.9%**	**2.3x**	**13.6x**
	Median		**87%**	**$19,351**	**$22,833**	**$10,289**	**$3,084**	**$1,733**	**33.4%**	**16.5%**	**2.1x**	**13.2x**

Source: S&P Capital IQ.

Industry Sector Overview – Public Company Analysis

Machinery

($ in millions, except per share)

Trading Companies and Distributors

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
United Rentals, Inc.	URI	$172.73	91%	$14,773	$23,633	$7,019	$2,999	$2,057	42.7%	29.3%	3.4x	11.5x
W.W. Grainger, Inc.	GWW	$282.27	95%	$16,169	$18,280	$10,650	$4,184	$1,473	39.3%	13.8%	1.7x	12.4x
Fastenal Co.	FAST	$54.59	93%	$15,717	$15,985	$4,529	$2,223	$1,034	49.1%	22.8%	3.5x	15.5x
Watsco, Inc.	WSO	$180.97	98%	$6,197	$6,487	$4,396	$1,078	$378	24.5%	8.6%	1.5x	17.2x
MSC Industrial Direct Co., Inc.	MSM	$91.71	88%	$5,215	$5,695	$3,035	$1,335	$476	44.0%	15.7%	1.9x	12.0x
WESCO International, Inc.	WCC	$62.05	87%	$3,001	$4,265	$7,679	$1,485	$375	19.3%	4.9%	0.6x	11.4x
EnerSys	ENS	$69.37	82%	$3,022	$3,162	$2,526	$657	$329	26.0%	13.0%	1.3x	9.6x
Applied Industrial Technologies, Inc.	AIT	$72.90	97%	$2,870	$3,097	$2,709	$768	$232	28.3%	8.6%	1.1x	13.4x
Titan Machinery, Inc.	TITN	$23.56	94%	$508	$801	$1,203	$215	$37	17.9%	3.1%	0.7x	21.5x*
	Average	**92%**	**$7,497**	**$9,045**	**$4,861**	**$1,660**	**$710**	**32.4%**	**13.3%**	**1.7x**	**12.9x**
	Median	**93%**	**$5,215**	**$5,695**	**$4,396**	**$1,335**	**$378**	**28.3%**	**13.0%**	**1.5x**	**12.2x**

*Source: S&P Capital IQ. *Excluded from the average and median calculation.*

Industry Sector Overview – Public Company Analysis

Industrial Services

($ in millions, except per share)

Environmental and Facilities Services

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Waste Management, Inc.	WM	$84.12	94%	$36,998	$46,924	$14,556	$5,517	$4,066	37.9%	27.9%	3.2x	11.5x
Republic Services, Inc.	RSG	$66.23	95%	$22,452	$30,558	$10,042	$3,827	$2,770	38.1%	27.6%	3.0x	11.0x
Waste Connections, Inc.	WCN	$71.74	96%	$18,961	$22,459	$4,630	$1,926	$1,449	41.6%	31.3%	4.9x	15.5x
Rollins, Inc.	ROL	$51.03	96%	$11,126	$11,042	$1,707	$871	$353	51.0%	20.7%	6.5x	31.3x*
Stericycle, Inc.	SRCL	$58.53	67%	$5,010	$7,722	$3,581	$1,464	$755	40.9%	21.1%	2.2x	10.2x
Covanta Holding Corp.	CVA	$14.50	84%	$1,900	$4,371	$1,752	$503	$280	28.7%	16.0%	2.5x	15.6x
Clean Harbors, Inc.	CLH	$48.81	79%	$2,792	$4,064	$2,945	$882	$421	30.0%	14.3%	1.4x	9.7x
Tetra Tech, Inc.	TTEK	$48.95	92%	$2,819	$3,094	$2,089	$366	$229	17.5%	10.9%	1.5x	13.5x
Sims Metal Management, Ltd.	ASX:SGM	$11.07	80%	$2,248	$1,932	$4,438	$579	$212	13.1%	4.8%	0.4x	9.1x
Casella Waste Systems, Inc.	CWST	$23.38	85%	$978	$1,459	$599	$194	$115	32.4%	19.2%	2.4x	12.7x
Schnitzer Steel Industries, Inc.	SCHN	$32.35	83%	$925	$1,126	$2,014	$294	$146	14.6%	7.2%	0.6x	7.7x
	Average		**87%**	**$9,655**	**$12,250**	**$4,396**	**$1,493**	**$981**	**31.4%**	**18.3%**	**2.6x**	**11.7x**
	Median		**85%**	**$2,819**	**$4,371**	**$2,945**	**$871**	**$353**	**32.4%**	**19.2%**	**2.4x**	**11.3x**

Diversified Support Services

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Cintas Corp.	CTAS	$170.58	96%	$18,609	$21,145	$6,337	$2,835	$1,262	44.7%	19.9%	3.3x	16.8x
Iron Mountain, Inc.	IRM	$32.86	79%	$8,769	$14,979	$3,846	$2,181	$1,272	56.7%	33.1%	3.9x	11.8x
Copart, Inc.	CPRT	$50.93	98%	$12,158	$12,476	$1,631	$787	$656	48.3%	40.3%	7.7x	19.0x
KAR Auction Services, Inc.	KAR	$54.20	96%	$7,480	$11,201	$3,458	$1,471	$831	42.5%	24.0%	3.2x	13.5x
Avery Dennison Corp.	AVY	$106.25	86%	$9,573	$10,908	$6,614	$1,812	$881	27.4%	13.3%	1.6x	12.4x
Pitney Bowes, Inc.	PBI	$10.89	67%	$2,041	$4,814	$3,550	$1,827	$651	51.5%	18.3%	1.4x	7.4x
The Brink's Co.	BCO	$71.35	81%	$3,696	$4,339	$3,347	$739	$375	22.1%	11.2%	1.3x	11.6x
CoreCivic, Inc.	CXW	$19.52	56%	$2,312	$3,735	$1,765	$516	$412	29.2%	23.3%	2.1x	9.1x
R.R. Donnelley & Sons Co.	RRD	$8.73	58%	$613	$2,464	$6,940	$1,320	$451	19.0%	6.5%	0.4x	5.5x
	Average		**80%**	**$7,250**	**$9,562**	**$4,165**	**$1,499**	**$755**	**37.9%**	**21.1%**	**2.8x**	**11.9x**
	Median		**81%**	**$7,480**	**$10,908**	**$3,550**	**$1,471**	**$656**	**42.5%**	**19.9%**	**2.1x**	**11.8x**

*Source: S&P Capital IQ. *Excluded from the average and median calculation.*

Industry Sector Overview – Public Company Analysis

Transportation

($ in millions, except per share)

Air Freight and Logistics

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Book Value	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
United Parcel Service, Inc.	UPS	$104.66	77%	$91,578	$111,855	$65,872	$14,850	$9,811	$1,030	22.5%	14.9%	1.7x	11.4x
FedEx Corp.	FDX	$240.11	87%	$65,190	$79,981	$63,864	$17,377	$8,388	$18,894	27.2%	13.1%	1.3x	9.5x
CH Robinson Worldwide, Inc.	CHRW	$93.71	94%	$13,249	$14,380	$14,869	$1,189	$854	$1,426	8.0%	5.7%	1.0x	16.8x
Expeditors International of Washington, Inc.	EXPD	$63.30	94%	$11,499	$10,451	$6,921	$932	$746	$1,994	13.5%	10.8%	1.5x	14.0x
Atlas Air Worldwide Holdings, Inc.	AAWW	$60.45	88%	$1,563	$3,495	$2,156	$727	$438	$1,790	33.7%	20.3%	1.6x	8.0x
Hub Group, Inc.	HUBG	$41.85	80%	$1,396	$1,670	$4,035	$458	$160	$770	11.3%	4.0%	0.4x	10.4x
Forward Air Corp.	FWRD	$52.86	82%	$1,584	$1,621	$1,101	$278	$149	$533	25.2%	13.6%	1.5x	10.9x
	Average		**86%**	**$26,580**	**$31,922**	**$22,688**	**$5,116**	**$2,935**	**$3,777**	**20.2%**	**11.8%**	**1.3x**	**11.6x**
	Median		**87%**	**$11,499**	**$10,451**	**$6,921**	**$932**	**$746**	**$1,426**	**22.5%**	**13.1%**	**1.5x**	**10.9x**

Road and Rail

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Book Value	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Union Pacific Corp.	UNP	$134.43	94%	$107,773	$123,352	$21,240	$11,200	$10,252	$24,856	52.7%	48.3%	5.8x	12.0x
CSX Corp.	CSX	$55.71	93%	$50,348	$62,158	$11,415	$5,342	$5,342	$14,391	46.8%	46.8%	5.4x	11.6x
Norfolk Southern Corp.	NSC	$135.78	86%	$39,183	$48,398	$10,693	$4,732	$4,735	$16,418	44.3%	44.3%	4.5x	10.2x
Kansas City Southern	KSU	$109.85	96%	$11,447	$14,332	$2,612	$1,213	$1,255	$4,931	46.4%	48.0%	5.5x	11.4x
JB Hunt Transport Services, Inc.	JBHT	$117.15	93%	$12,975	$13,968	$7,509	$1,350	$1,033	$1,943	18.0%	13.8%	1.9x	13.5x
Old Dominion Freight Line, Inc.	ODFL	$146.97	96%	$12,111	$12,079	$3,358	$1,053	$782	$2,277	31.4%	23.3%	3.6x	15.5x
Ryder System, Inc.	R	$72.79	81%	$3,850	$9,454	$7,496	$1,485	$1,740	$2,859	19.8%	23.2%	1.3x	5.4x
AMERCO	UHAL	$345.10	86%	$6,760	$9,080	$3,553	$1,134	$1,154	$3,413	31.9%	32.5%	2.6x	7.9x
Genesee & Wyoming, Inc.	GWR	$70.79	84%	$4,422	$7,005	$2,208	$822	$681	$3,896	37.2%	30.8%	3.2x	10.3x
Landstar System, Inc.	LSTR	$109.65	92%	$4,608	$4,487	$3,649	$781	$284	$654	21.4%	7.8%	1.2x	15.8x
Werner Enterprises, Inc.	WERN	$36.50	83%	$2,650	$2,687	$2,178	$555	$363	$1,213	25.5%	16.7%	1.2x	7.4x
	Average		**89%**	**$23,284**	**$27,909**	**$6,901**	**$2,697**	**$2,511**	**$5,200**	**34.1%**	**30.5%**	**3.3x**	**11.0x**
	Median		**92%**	**$11,447**	**$12,079**	**$3,649**	**$1,213**	**$1,154**	**$3,136**	**31.9%**	**30.8%**	**3.2x**	**11.4x**

Source: S&P Capital IQ.

Industry Sector Overview – Public Company Analysis

Transportation

($ in millions, except per share)

Airlines

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Book Value	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Delta Air Lines, Inc.	DAL	$54.81	90%	$39,285	$47,026	$42,111	$12,160	$7,872	$12,557	28.9%	18.7%	1.1x	6.0x
American Airlines Group, Inc.	AAL	$51.96	88%	$25,117	$44,891	$42,788	$12,684	$6,597	($1,018)	29.6%	15.4%	1.0x	6.8x
Southwest Airlines Co.	LUV	$57.28	86%	$34,168	$34,615	$21,261	$7,171	$4,453	$9,619	33.7%	20.9%	1.6x	7.8x
United Continental Holdings, Inc.	UAL	$69.47	84%	$20,575	$31,064	$38,342	$12,909	$5,674	$8,336	33.7%	14.8%	0.8x	5.5x
Alaska Air Group, Inc.	ALK	$61.96	65%	$7,664	$8,585	$8,025	$2,620	$1,587	$3,439	32.6%	19.8%	1.1x	5.4x
JetBlue Airways Corp.	JBLU	$20.32	84%	$6,633	$7,139	$7,169	$2,680	$1,387	$4,834	37.4%	19.4%	1.0x	5.1x
Allegiant Travel Co.	ALGT	$172.55	95%	$2,755	$3,508	$1,548	$534	$380	$548	34.5%	24.5%	2.3x	9.2x
Spirit Airlines, Inc.	SAVE	$37.78	63%	$2,608	$3,111	$2,762	$969	$484	$1,720	35.1%	17.5%	1.1x	6.4x
Westjet Airlines, Ltd.	WJA	$18.37	85%	$2,156	$2,674	$3,594	$1,764	$670	$1,764	49.1%	18.6%	0.7x	4.0x
	Average	**82%**	**$15,662**	**$20,290**	**$18,622**	**$5,944**	**$3,234**	**$3,655**	**35.0%**	**18.9%**	**1.2x**	**6.2x**
	Median	**85%**	**$7,664**	**$8,585**	**$8,025**	**$2,680**	**$1,587**	**$2,602**	**33.7%**	**18.7%**	**1.1x**	**6.0x**

Marine

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Book Value	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Kirby Corp.	KEX	$76.95	95%	$4,260	$5,236	$2,214	$657	$411	$3,114	29.7%	18.6%	2.4x	12.7x
Matson, Inc.	MATX	$28.64	71%	$1,237	$2,075	$2,047	$330	$222	$678	16.1%	10.9%	1.0x	9.3x
	Average	**83%**	**$2,749**	**$3,655**	**$2,131**	**$493**	**$317**	**$1,896**	**22.9%**	**14.7%**	**1.7x**	**11.0x**
	Median	**83%**	**$2,749**	**$3,655**	**$2,131**	**$493**	**$317**	**$1,896**	**22.9%**	**14.7%**	**1.7x**	**11.0x**

Source: S&P Capital IQ.

Industry Sector Overview – Public Company Analysis

Industrial Conglomerates

($ in millions, except per share)

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
General Electric Co.	GE	$13.48	44%	$117,003	$194,203	$123,031	$15,581	$6,007	12.7%	4.9%*	1.6x	49.6x*
3M Co.	MMM	$219.52	85%	$134,538	$146,103	$32,250	$15,981	$8,175	49.6%	25.3%	4.5x	17.9x
Siemens AG	SIE	$127.64	78%	$106,082	$123,195	$100,455	$29,903	$11,837	29.8%	11.8%	1.2x	10.4x
United Technologies Corp.	UTX	$125.82	90%	$100,480	$122,253	$61,264	$16,286	$9,896	26.6%	16.2%	2.0x	12.4x
Danaher Corp.	DHR	$97.91	93%	$69,227	$78,703	$18,819	$10,540	$4,560	56.0%	24.2%	4.2x	17.3x
	Average		**78%**	**$105,466**	**$132,891**	**$67,164**	**$17,658**	**$8,095**	**34.9%**	**19.4%**	**2.7x**	**14.5x**
	Median		**85%**	**$106,082**	**$123,195**	**$61,264**	**$15,981**	**$8,175**	**29.8%**	**20.2%**	**2.0x**	**14.8x**

*Source: S&P Capital IQ. *Excluded from the average and median calculation.*

Industry Sector Overview – Public Company Analysis

Materials

($ in millions, except per share)

Chemicals

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
DowDuPont, Inc.	DWDP	$63.71	83%	$148,186	$169,571	$62,484	$14,476	$11,218	23.2%	18.0%	2.7x	15.1x
Monsanto Co.	MON	$116.69	94%	$51,997	$57,466	$14,593	$8,039	$4,154	55.1%	28.5%	3.9x	13.8x
Praxair, Inc.	PX	$144.30	86%	$41,719	$50,606	$11,437	$4,982	$3,685	43.6%	32.2%	4.4x	13.7x
The Sherwin-Williams Co.	SHW	$392.12	90%	$37,223	$47,539	$14,984	$6,836	$2,451	45.6%	16.4%	3.2x	19.4x
Air Products & Chemicals, Inc.	APD	$159.03	91%	$34,983	$35,521	$8,522	$2,513	$2,659	29.5%	31.2%	4.2x	13.4x
Eastman Chemical Co.	EMN	$105.58	94%	$15,425	$21,850	$9,549	$2,566	$2,239	26.9%	23.4%	2.3x	9.8x
Celanese Corp.	CE	$100.21	88%	$13,861	$17,325	$6,140	$1,515	$1,277	24.7%	20.8%	2.8x	13.6x
W. R. Grace & Co.	GRA	$61.23	79%	$4,176	$5,574	$1,717	$663	$394	38.6%	23.0%	3.2x	14.1x
Valvoline, Inc.	VVV	$22.13	86%	$4,498	$5,549	$2,140	$788	$560	36.8%	26.2%	2.6x	9.9x
	Average	**88%**	**$39,119**	**$45,667**	**$14,618**	**$4,709**	**$3,182**	**36.0%**	**24.4%**	**3.3x**	**13.6x**
	Median	**88%**	**$34,983**	**$35,521**	**$9,549**	**$2,566**	**$2,451**	**36.8%**	**23.4%**	**3.2x**	**13.7x**

Metals and Mining

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Southern Copper Corp.	SCCO	$54.18	96%	$41,881	$46,825	$6,655	$3,402	$3,290	51.1%	49.4%	7.0x	14.2x
Freeport-McMoRan Copper & Gold, Inc.	FCX	$17.57	87%	$25,547	$37,484	$16,403	$6,430	$5,854	39.2%	35.7%	2.3x	6.4x
Newmont Mining Corp.	NEM	$39.07	93%	$20,902	$22,667	$7,348	$3,331	$2,875	45.3%	39.1%	3.1x	7.9x
Alcoa Corp.	AA	$44.96	78%	$8,408	$10,729	$11,652	$2,586	$2,255	22.2%	19.4%	0.9x	4.8x
United States Steel Corp.	X	$35.19	74%	$6,212	$7,363	$12,250	$1,386	$1,019	11.3%	8.3%	0.6x	7.2x
	Average	**85%**	**$20,590**	**$25,013**	**$10,862**	**$3,427**	**$3,059**	**33.8%**	**30.4%**	**2.8x**	**8.1x**
	Median	**87%**	**$20,902**	**$22,667**	**$11,652**	**$3,331**	**$2,875**	**39.2%**	**35.7%**	**2.3x**	**7.2x**

Source: S&P Capital IQ.

Industry Sector Overview – Public Company Analysis

Materials

($ in millions, except per share)

Paper and Forest Products

Company	Ticker	Closing Price 3/29/18	% of 52 Week High	Equity Value	Enterprise Value	LTM Revenue	LTM Gross Profit	LTM EBITDA	LTM Margins Gross Profit	LTM Margins EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
International Paper Co.	IP	$53.43	80%	$22,318	$32,476	$21,743	$6,457	$3,281	29.7%	15.1%	1.5x	9.9x
Domtar Corp.	UFS	$42.54	81%	$2,667	$3,658	$5,157	$1,026	$567	19.9%	11.0%	0.7x	6.5x
Resolute Forest Products, Inc.	RFP	$8.30	68%	$751	$1,535	$3,513	$976	$369	27.8%	10.5%	0.4x	4.2x
	Average		**76%**	**$8,579**	**$12,556**	**$10,138**	**$2,820**	**$1,406**	**25.8%**	**12.2%**	**0.9x**	**6.8x**
	Median		**80%**	**$2,667**	**$3,658**	**$5,157**	**$1,026**	**$567**	**27.8%**	**11.0%**	**0.7x**	**6.5x**

Source: S&P Capital IQ.

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Recent Transactions

Sustainable Restaurant Group *received a strategic investment from* BainCapital Double Impact

Vology Certified Pre-Owned *has been acquired by* Trifecta Networks — Quality Speed Value

dts Makers of VUEWorks. *has been acquired by* Atkins *a subsidiary of* SNC-Lavalin

Health Integrated *has been acquired by* EXL — look deeper.

Women's Care Florida *has been recapitalized by* Lindsay Goldberg

Physician Business Services *has been acquired by* Lindsay Goldberg

Florida Gas Contractors *has been acquired by* PSC Primoris

Trident Health Resources, Inc. *has been acquired by* SpecialtyCare partners for life

datablue *has been recapitalized by* The Gores Group & Platinum Equity

American Clinical Solutions LLC *has been recapitalized by* Credit Suisse & Capitala

Dealer Wizard *has been acquired by* Service Group

Blue Grace Logistics *has received a growth equity investment from* Warburg Pincus

MidAmerica Administrative & Retirement Solutions *has been acquired by* Alpine Investors

Vital Network Services *has been acquired by* Vology

Unilens *has been acquired by* Valeant Pharmaceuticals International