



# M&A MARKET MONITOR

INDUSTRIAL MACHINERY

January 2021

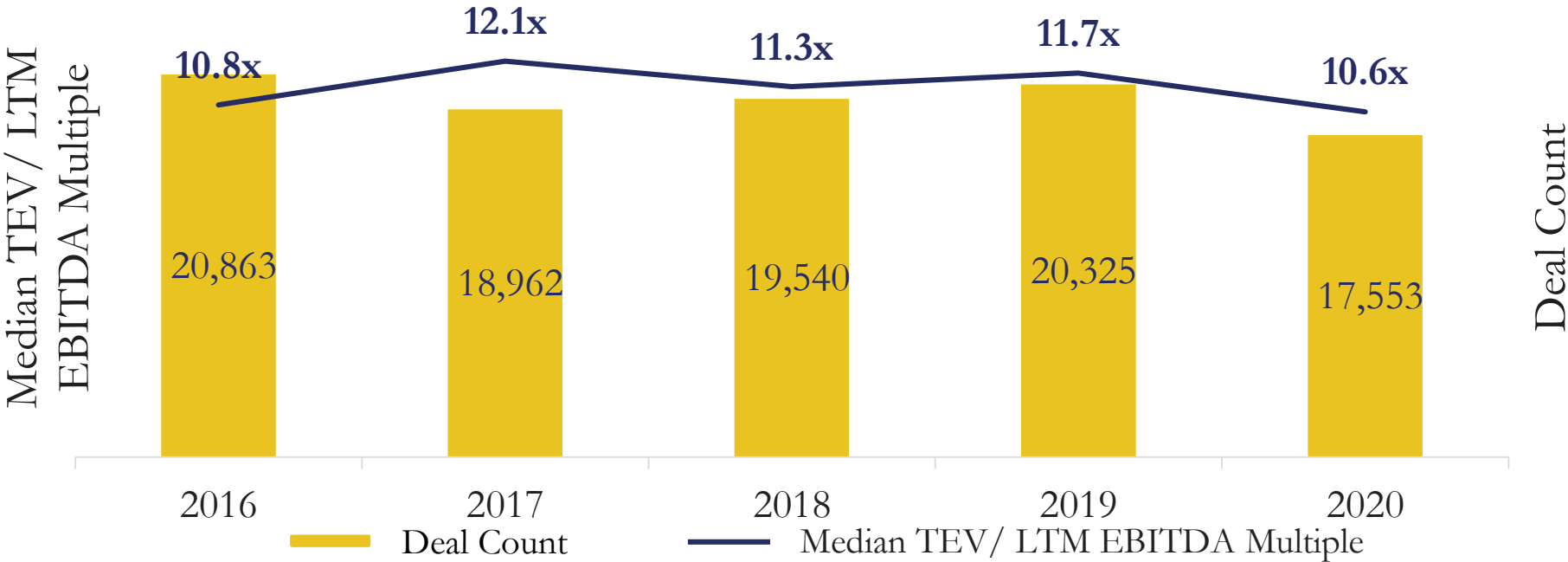
# U.S. & Canada M&A Market Overview

## Overall Market Transactions



### Quick Highlights

- Although the pandemic affected the U.S. & Canada M&A market, volume and multiples ended the year at approximately 90% of recent historical averages
  - 2020 deal count was 88% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 92% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources, As of 12/31/2020

### About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

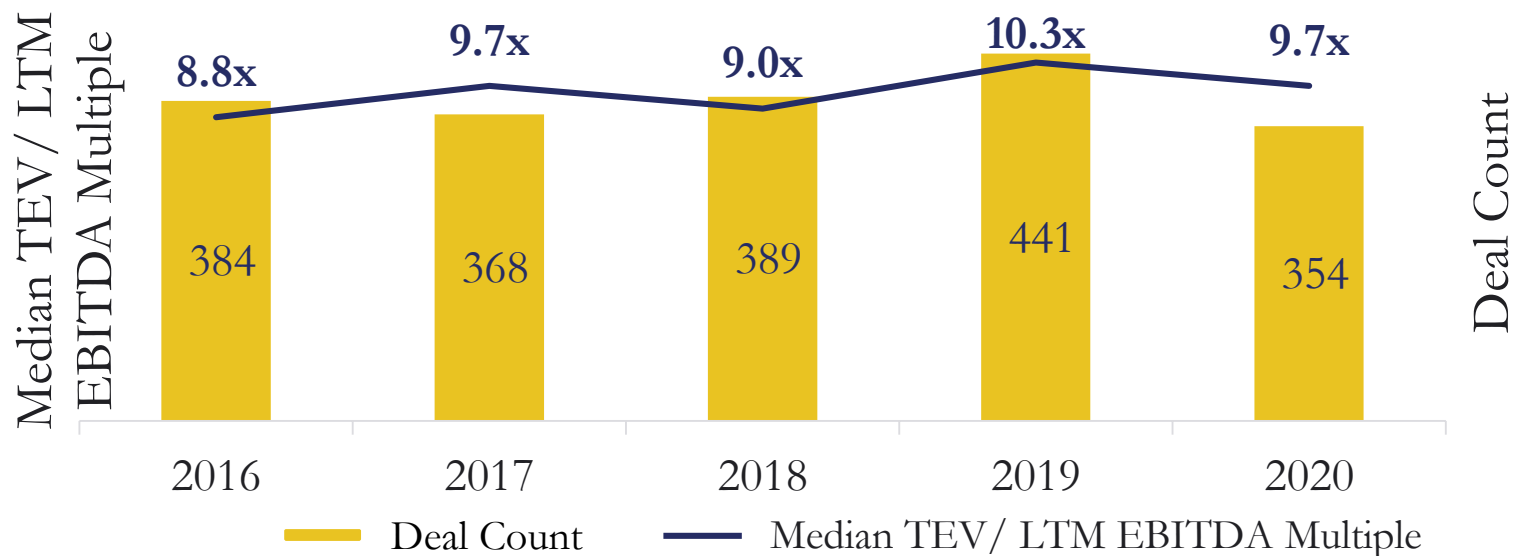
# U.S. & Canada M&A Market Overview

## Industrial Machinery Transactions



### Quick Highlights

- The Industrial Machinery industry 2020 deal multiples was in line with historical averages while volume lagged
  - 2020 deal count was 90% of the previous 4-year (2016-2019) average
  - 2020 median TEV/LTM EBITDA multiple was 102% of the previous 4-year (2016-2019) average



Source: S&P Capital IQ; ArkMalibu; Other publicly available sources

As of 12/31/2020

### About the Data

The information presented in this report is an analysis of deals in the United States or Canada. A deal is described as any closed or announced M&A transaction where the target is headquartered in the United States or Canada, financial terms of the transaction have been disclosed, and the target has an industry classification that falls into the subject industry group and as such may not be representative of your company's market valuation. Past performance is not indicative of future results. Certain adjustments have been made to the information to exclude transactions which are not specific to the industry or incorporate relevant transactions for which an industry classification was omitted.

# Public Companies' Trading Metrics | Industrial Machinery

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Construction Machinery and Heavy Trucks</b>								
Alamo Group Inc.	\$137.95	\$1,639	\$1,930	12.4%	1.6	1.6	12.7	11.6
Allison Transmission Holdings, Inc.	\$43.13	\$4,859	\$7,209	34.6%	3.3	3.2	9.6	9.2
Astec Industries, Inc.	\$57.88	\$1,309	\$1,204	3.5%	1.1	1.1	30.5	12.6
Blue Bird Corporation	\$18.26	\$494	\$642	4.6%	0.7	0.8	13.7	11.2
Caterpillar Inc.	\$182.02	\$98,884	\$128,555	17.1%	2.9	2.9	17.1	18.0
Cummins Inc.	\$227.10	\$33,612	\$35,889	12.6%	1.8	1.7	11.5	11.0
Navistar International Corporation	\$43.96	\$4,379	\$8,088	-0.4%	1.1	0.9	NM	12.6
NFI Group Inc.	\$18.91	\$1,182	\$2,573	3.9%	0.9	1.1	24.0	11.7
Oshkosh Corporation	\$86.07	\$5,879	\$6,285	8.5%	0.9	0.9	9.1	10.4
PACCAR Inc	\$86.28	\$29,891	\$35,932	11.4%	1.9	1.7	16.4	15.6
REV Group, Inc.	\$8.81	\$559	\$958	2.0%	0.4	0.4	19.2	9.8
Terex Corporation	\$34.89	\$2,418	\$3,088	3.6%	1.0	0.9	27.2	15.6
The Manitowoc Company, Inc.	\$13.31	\$460	\$702	5.2%	0.5	0.5	7.6	8.4
<b>Median</b>	<b>\$43.96</b>	<b>\$2,418</b>	<b>\$3,088</b>	<b>5.2%</b>	<b>1.1</b>	<b>1.1</b>	<b>15.0</b>	<b>11.6</b>

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

# Public Companies' Trading Metrics | Industrial Machinery

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Agricultural and Farm Machinery</b>								
AGCO Corporation	\$103.09	\$7,721	\$9,012	9.4%	1.0	1.0	10.1	9.4
Deere & Company	\$269.05	\$84,310	\$123,880	15.3%	3.5	3.5	22.2	18.4
Lindsay Corporation	\$128.46	\$1,396	\$1,402	14.6%	3.0	2.9	17.5	20.5
The Toro Company	\$94.84	\$10,207	\$10,601	15.6%	3.1	2.9	19.0	18.1
Titan International, Inc.	\$4.86	\$298	\$710	1.9%	0.6	0.5	29.2	11.1
<b>Median</b>	<b>\$103.09</b>	<b>\$7,721</b>	<b>\$9,012</b>	<b>14.6%</b>	<b>3.0</b>	<b>2.9</b>	<b>19.0</b>	<b>18.1</b>
<b>Chemical Processing Machinery and Equipment</b>								
Standex International Corporation	\$77.52	\$960	\$1,110	16.4%	1.9	1.7	10.1	10.4
<b>Median</b>	<b>\$77.52</b>	<b>\$960</b>	<b>\$1,110</b>	<b>16.4%</b>	<b>1.9</b>	<b>1.7</b>	<b>10.1</b>	<b>10.4</b>
<b>Food and Beverage Machinery</b>								
Illinois Tool Works Inc.	\$203.88	\$64,532	\$70,309	26.0%	5.6	5.2	21.5	19.6
Dover Corporation	\$126.25	\$18,193	\$20,903	18.8%	3.1	3.0	16.6	15.3
The Middleby Corporation	\$128.92	\$7,170	\$8,862	20.1%	3.4	3.3	16.2	16.1
SPX FLOW, Inc.	\$57.96	\$2,447	\$2,556	10.2%	1.9	1.9	16.2	15.4
John Bean Technologies Corporation	\$113.87	\$3,613	\$4,167	13.6%	2.3	2.4	16.7	15.9
Welbilt, Inc.	\$13.20	\$1,868	\$3,235	14.1%	2.7	2.7	17.1	17.6
Standex International Corporation	\$77.52	\$960	\$1,110	16.4%	1.9	1.7	10.1	10.4
<b>Median</b>	<b>\$113.87</b>	<b>\$3,613</b>	<b>\$4,167</b>	<b>16.4%</b>	<b>2.7</b>	<b>2.7</b>	<b>16.6</b>	<b>15.9</b>

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

# Public Companies' Trading Metrics | Industrial Machinery

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Fluid/Material Handling and Processing</b>								
Columbus McKinnon Corporation	\$38.44	\$919	\$1,054	9.7%	1.5	1.6	14.0	13.2
Crane Co.	\$77.66	\$4,513	\$5,258	15.7%	1.7	1.7	10.2	10.1
Dover Corporation	\$126.25	\$18,193	\$20,903	18.8%	3.1	3.0	16.6	15.3
Flowserve Corporation	\$36.85	\$4,800	\$5,787	11.7%	1.5	1.6	11.1	12.6
Graco Inc.	\$72.35	\$12,122	\$12,046	28.1%	7.6	7.1	26.2	24.1
Hillenbrand, Inc.	\$39.80	\$2,986	\$4,409	18.2%	1.8	1.7	8.9	9.0
IDEX Corporation	\$199.20	\$15,081	\$15,356	26.4%	6.6	6.2	23.8	23.4
ITT Inc.	\$77.02	\$6,655	\$6,100	18.0%	2.5	2.4	12.9	12.0
Parker-Hannifin Corporation	\$272.41	\$35,086	\$42,268	19.0%	3.1	3.1	16.0	16.1
Rexnord Corporation	\$39.49	\$4,750	\$5,692	18.9%	2.9	2.8	14.4	12.6
Xylem Inc.	\$101.79	\$18,346	\$19,906	15.6%	4.1	4.0	21.1	22.7
<b>Median</b>	<b>\$77.02</b>	<b>\$6,655</b>	<b>\$6,100</b>	<b>18.2%</b>	<b>2.9</b>	<b>2.8</b>	<b>14.4</b>	<b>13.2</b>
<b>Packaging Machinery</b>								
Graphic Packaging Holding Company	\$16.94	\$4,587	\$8,631	13.3%	1.3	1.3	10.1	7.9
Illinois Tool Works Inc.	\$203.88	\$64,532	\$70,309	26.0%	5.6	5.2	21.5	19.6
Nordson Corporation	\$200.95	\$11,674	\$12,714	25.5%	6.0	5.7	22.5	20.5
Sealed Air Corporation	\$45.79	\$7,104	\$10,606	20.1%	2.2	2.1	10.4	10.0
The Middleby Corporation	\$128.92	\$7,170	\$8,862	20.1%	3.4	3.3	16.2	16.1
Winpak Ltd.	\$33.61	\$2,184	\$1,722	22.4%	1.9	2.0	8.5	8.8
<b>Median</b>	<b>\$87.36</b>	<b>\$7,137</b>	<b>\$9,734</b>	<b>21.3%</b>	<b>2.8</b>	<b>2.7</b>	<b>13.3</b>	<b>13.0</b>

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful

# Public Companies' Trading Metrics | Industrial Machinery

As of: 12/31/2020

Category / Company	Valuation Statistics				Multiples Data			
	Last Price	Equity Value	Enterprise Value	EBITDA Margin	EV / Revenue (x)		EV / EBITDA (x)	
					LTM	NTM	LTM	NTM
USD in millions except per share price								
<b>Paper and Forest Products Machinery</b>								
Kadant Inc.	\$140.98	\$1,623	\$1,832	17.8%	2.8	2.8	15.8	15.0
SpartanNash Company	\$17.41	\$624	\$1,449	2.3%	0.2	0.2	5.4	6.6
Sysco Corporation	\$74.26	\$37,825	\$46,142	4.2%	0.9	0.8	20.8	15.7
United Natural Foods, Inc.	\$15.97	\$896	\$4,775	2.6%	0.2	0.2	4.4	6.9
US Foods Holding Corp.	\$33.31	\$7,356	\$13,083	2.8%	0.6	0.5	18.0	12.8
<b>Median</b>	<b>\$33.31</b>	<b>\$1,623</b>	<b>\$4,775</b>	<b>2.8%</b>	<b>0.6</b>	<b>0.5</b>	<b>15.8</b>	<b>12.8</b>
<b>Diversified Industrial Machinery</b>								
Archer-Daniels-Midland Company	\$50.41	\$28,048	\$36,452	4.2%	0.6	0.6	10.1	10.0
Chart Industries, Inc.	\$117.79	\$4,248	\$4,870	18.0%	3.8	3.9	20.3	20.5
Colfax Corporation	\$38.24	\$4,530	\$6,898	15.8%	2.2	2.1	12.8	12.3
Donaldson Company, Inc.	\$55.88	\$7,054	\$7,384	16.9%	2.9	2.7	17.1	15.6
ITT Inc.	\$77.02	\$6,655	\$6,100	18.0%	2.5	2.4	12.9	12.0
Kadant Inc.	\$140.98	\$1,623	\$1,832	17.8%	2.8	2.8	15.8	15.0
Tennant Company	\$70.17	\$1,296	\$1,524	14.2%	1.5	1.4	8.6	12.6
Watts Water Technologies, Inc.	\$121.70	\$4,094	\$4,155	15.5%	2.8	2.7	17.8	17.4
<b>Median</b>	<b>\$73.60</b>	<b>\$4,389</b>	<b>\$5,485</b>	<b>16.4%</b>	<b>2.6</b>	<b>2.6</b>	<b>14.4</b>	<b>13.8</b>

Source: S&P Capital IQ; ArkMalibu

EV = enterprise value; LTM = last twelve months; NTM = next twelve months; NM = not meaningful



ARKMALIBU

| UNCONFLICTED. UNORTHODOX. UNRELENTING. |

ArkMalibu is one of the only Mergers & Acquisitions advisory firms that focuses exclusively on sell-side transactions.

We're not like other banks – we don't have conflicted business relationships with buyers, leaving our senior advisors and principals unhindered and unyielding in their pursuit of your goals. From the first meeting to dry ink, we are dedicated to exceeding your expectations and surpassing industry valuation benchmarks during one of life's most prodigious events. Selling a company requires both psychological intelligence and financial rigor, and that is ArkMalibu. We're a steady ship in stormy seas – here to guide you through uncharted territory with experience, integrity, and confidentiality at every turn.



## Unconflicted. Loyalty to You is our Livelihood

- We only represent sellers; we're not incentivized to encourage you to accept less than your company's true maximum value.
- We pursue the highest possible value because we're unconflicted.



## Unorthodox. Senior-Level Service is Our Standard

- All of ArkMalibu's clients receive care and attention from our senior-level advisors and principals.
- From analysts to principals, our team remains present and available throughout the process.



## Unrelenting. Our Unrivaled Strategy Sells Your Story

- Our approach: understand, capture, and communicate your company's culture – the asset that can't be duplicated – and work to identify buyers whose goals and values align with yours, negotiating tirelessly on your behalf in order to complete the deal with the best partner.
- Our proprietary Four Boxes Analysis delivers prospective buyers a compelling investment story with undeniable upside.



## We are Anchored to Increasing Your Value

- ArkMalibu is tied to your destiny; we are anchored to the goal of bringing you unparalleled value while navigating the personalities and interests of the people involved.
- Selling a business requires as much EQ as IQ; with our depth of experience and understanding of the complex human dynamics at play, we coach you through the challenges so you can enjoy your hard-earned and well-deserved prosperity.



4555 Lake Forest Drive, Suite 365  
Cincinnati, OH 45242



(513) 583-5413



[www.arkmalibu.com](http://www.arkmalibu.com)