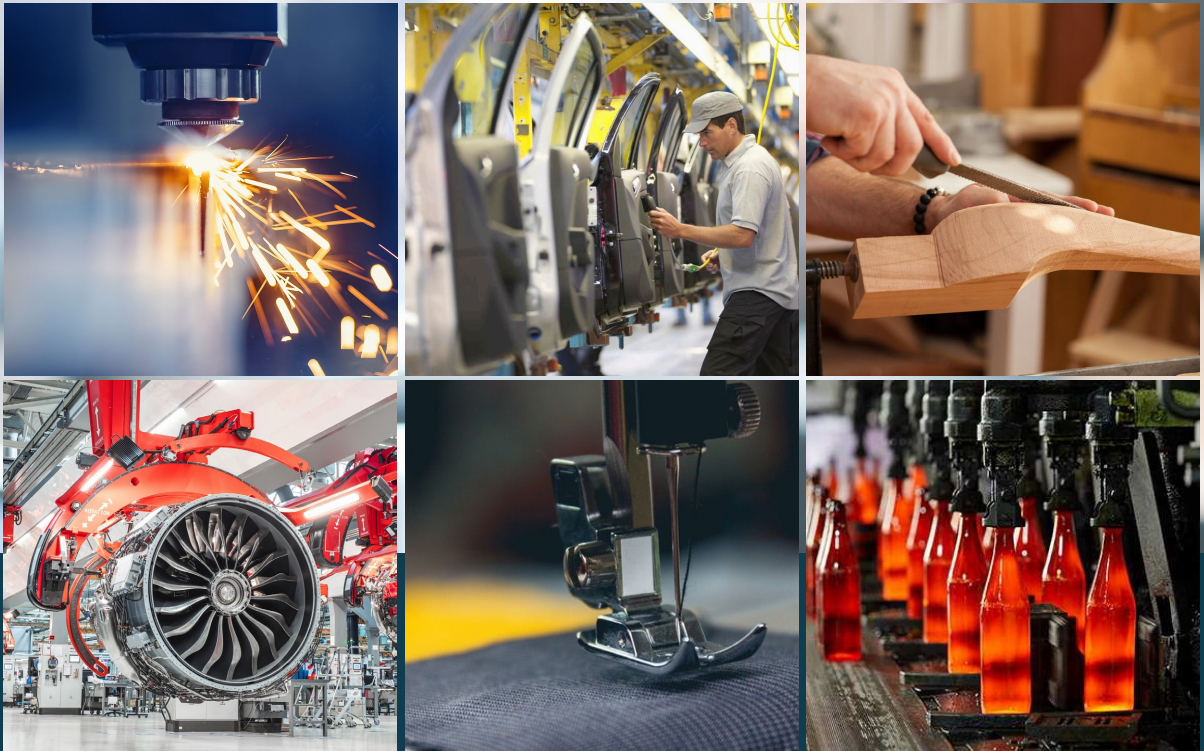
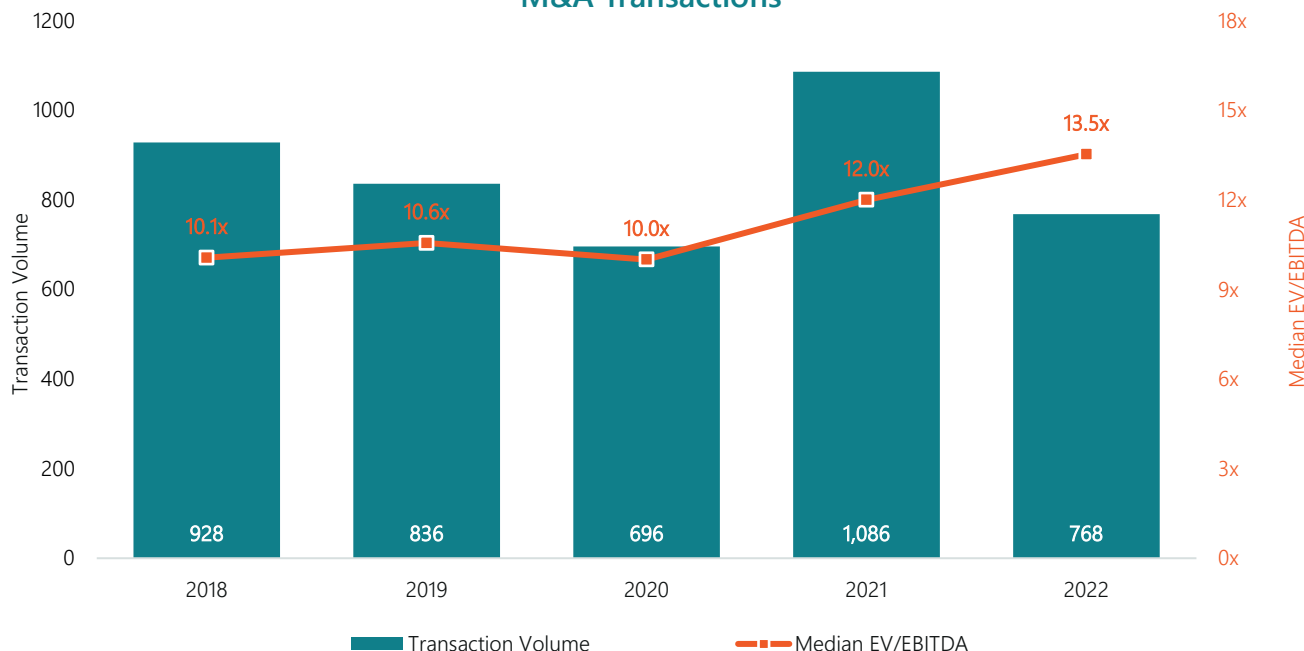


Manufacturing

Quarterly Update | Q4 2022



North American Manufacturing M&A Transactions



M&A Market Update – Q4 2022

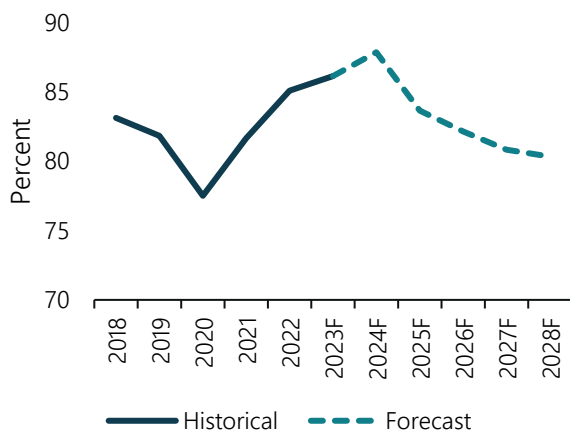
- Transaction volume in the Canadian and US manufacturing sectors during 2022 declined compared to that in 2021. Transaction volume declined by nearly 30% year-over-year with a total of 768 transactions reported in 2022. Despite the decline, median EV/EBITDA rose again in 2022, reaching a five-year high of 13.5x.
- The US accounted for 92% of the overall transaction volume in 2022, while Canada accounted for the remaining 8% of transaction volume in the manufacturing sector.
- Strategic buyers were responsible for 77% of overall transaction volume in 2022, with financial buyers contributing the remaining 23%.
- Some notable transactions which occurred during Q4 2022 include:
 - L3Harris Technologies' acquisition of Aerojet Rocketdyne Holdings for \$4.8B. Aerojet designs, develops, manufactures, and sells aerospace and defence products in the US. The transaction represents an EV/Revenue of 2.2x and an EV/EBITDA of 15.9x.
 - Regal Rexnord Corporation's proposed acquisition of Altra Industrial Motion Corporation (AIMC) for \$5.2B. AIMC designs and manufactures a range of electromechanical power transmission motion control products. This transaction represents an EV/Revenue of 2.6x and an EV/EBITDA of 13.4x.
- The mid-market (sub \$500MM EV) transaction volume in 2022 was 18% (145 total transactions) of the total 2022 volume.
- The median EV/EBITDA for North American mid-market manufacturing transactions in 2022 was 12.7x.

Macroeconomic Indicators

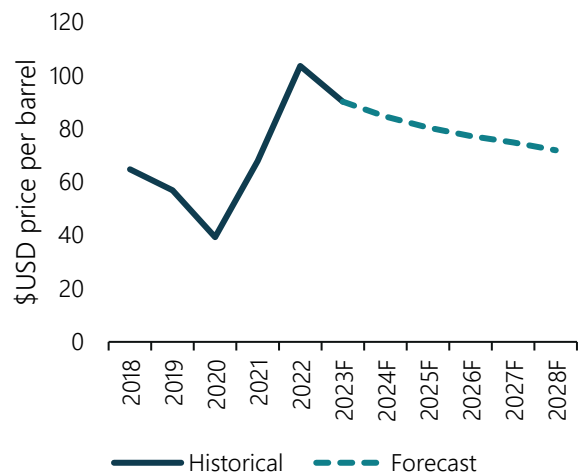
The Canadian economy surpassed Bank of Canada growth projections in Q3, registering an above-expectations quarterly GDP growth rate of 3%. The January 2023 Monetary Policy Report published by the Bank of Canada is forecasting that CPI inflation will continue to decline in 2023 and is projected to reach the 2% target by 2024. Inflation in Canada in Q4 was 1% lower than inflation in the US.

The Canadian Purchasing Manager's Index (PMI), an index of the prevailing direction of economic trends in the manufacturing and service sectors has remained relatively flat during Q4 2022. The most recent report for December shows an index value of 49.2. December was the fifth consecutive month of contracting manufacturing activity. Forward-looking confidence has remained relatively unchanged as Canada enters 2023. Projections show the Canadian PMI reversing sometime in 2023, signalling a positive outlook for the Canadian manufacturing sector.

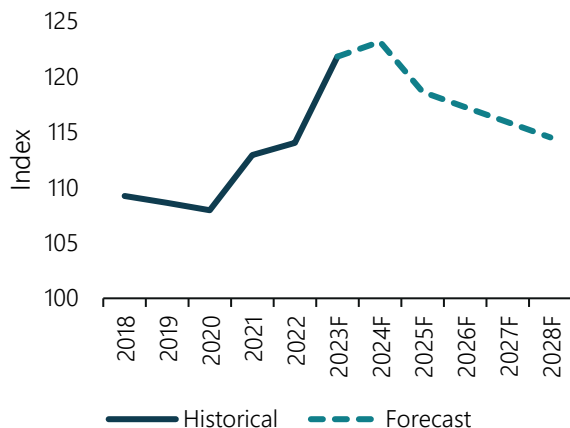
INDUSTRIAL CAPACITY UTILIZATION



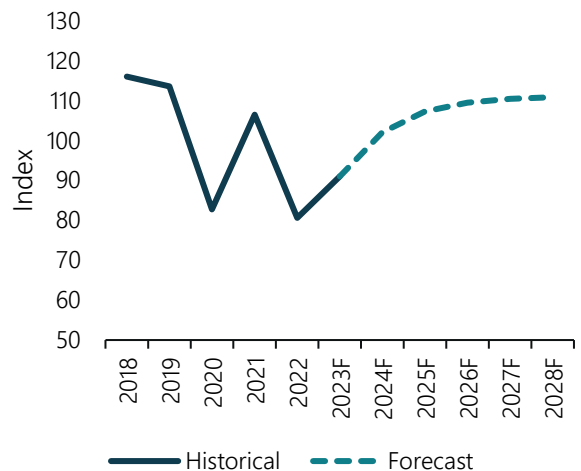
WORLD PRICE OF CRUDE OIL



CANADIAN-DOLLAR EFFECTIVE EXCHANGE RATE INDEX



CONSUMER CONFIDENCE INDEX



Select Recent M&A Transactions



is acquiring



Closed	Dec. 22, 2022
TEV	\$165.0MM
TEV/EBITDA	Not disclosed
TEV/Revenue	0.6x

- **ABC Technologies Holdings Inc.** engages in the designing and manufacturing of plastics and light weighting products for the automotive industry. The company was founded in 1950 and is headquartered in Toronto, Canada.
- **Windsor Mold, Inc.** provides tooling solutions for the automotive plastics applications. It offers interior and exterior injection molded plastic components and assemblies. The company was founded in 1972 and is based in Windsor, Canada.

HUK 121
Limited

has acquired



Closed	Oct. 29, 2022
TEV	\$20.3MM
TEV/EBITDA	Not disclosed
TEV/Revenue	0.7x

- **HUK 121 Limited** was incorporated in 2022 and is based in London, United Kingdom. The company operates as a subsidiary of Hilco Capital Ltd.
- **Inscape Corporation**, together with its subsidiaries, manufactures office furniture and wall products in the United States and Canada. It operates through two segments, Furniture and Walls. The company is headquartered in East Gwillimbury, Canada.



has acquired



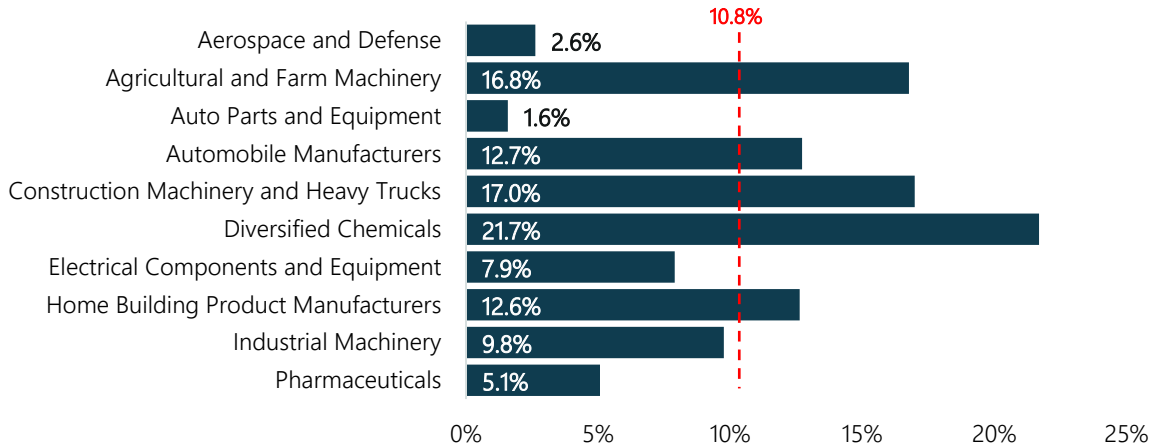
Closed	Nov. 2, 2022
TEV	\$238.3MM
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Interfor Corporation**, together with its subsidiaries, produces and sells wood products in Canada, the United States, Japan, China, Taiwan, and internationally. The company is headquartered in Burnaby, Canada.
- **Chaleur Forest Products** manufactures and sells wood and lumber products for the United States and Canadian markets. It offers wood fibers, wood chips, barks, sawdust, wood shavings, and green rough lumber products. The company is based in Belledune, Canada.

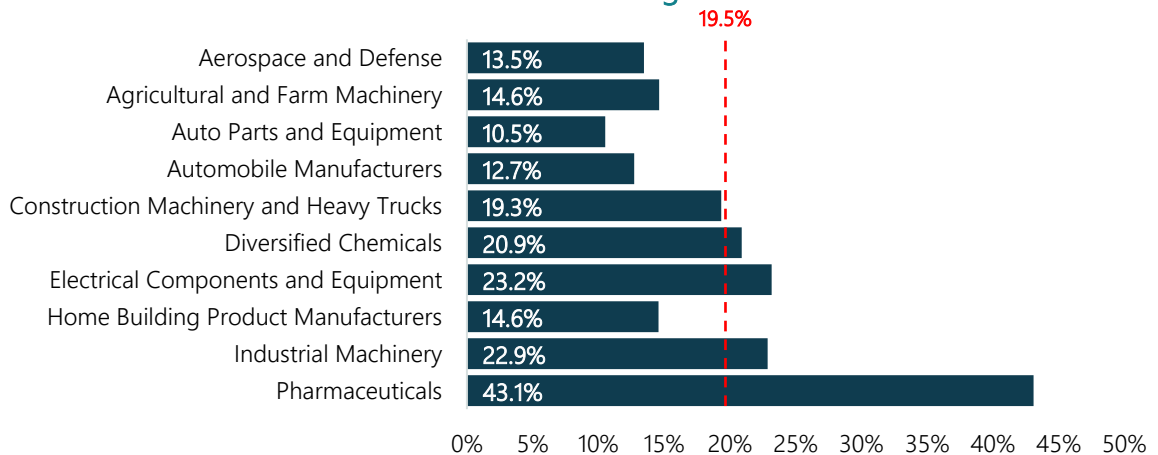
Public Comparable Analysis

Growth, Margins & Multiples

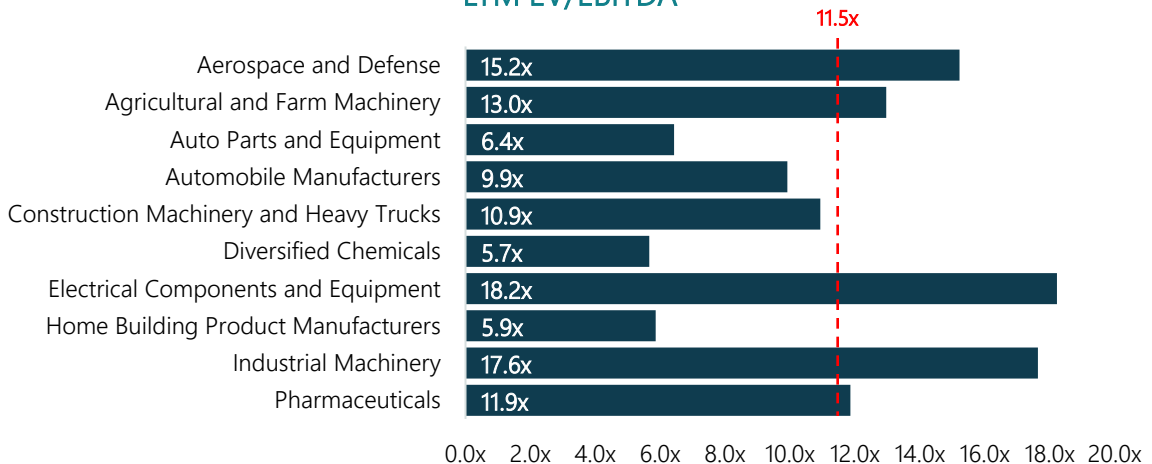
LTM Revenue Growth



LTM EBITDA Margin



LTM EV/EBITDA



Source: Capital IQ. Data as of December 31, 2022.

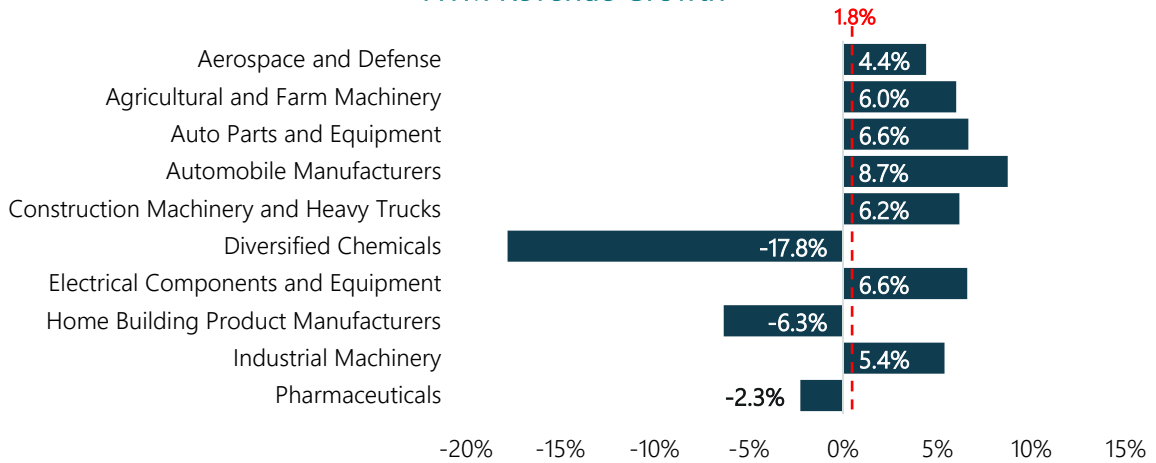
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Valuation details provided on pages 10 and 11.

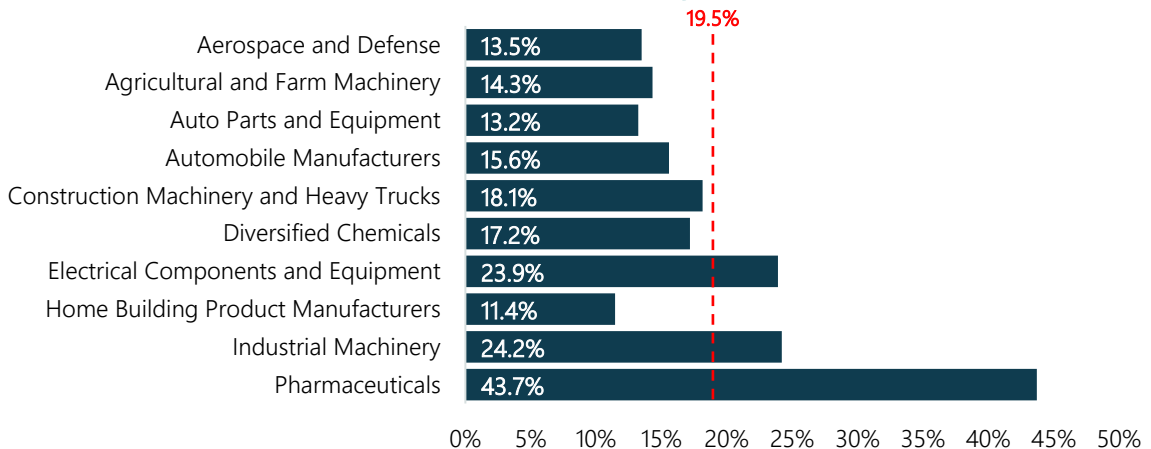
Public Comparable Analysis

Growth, Margins & Multiples

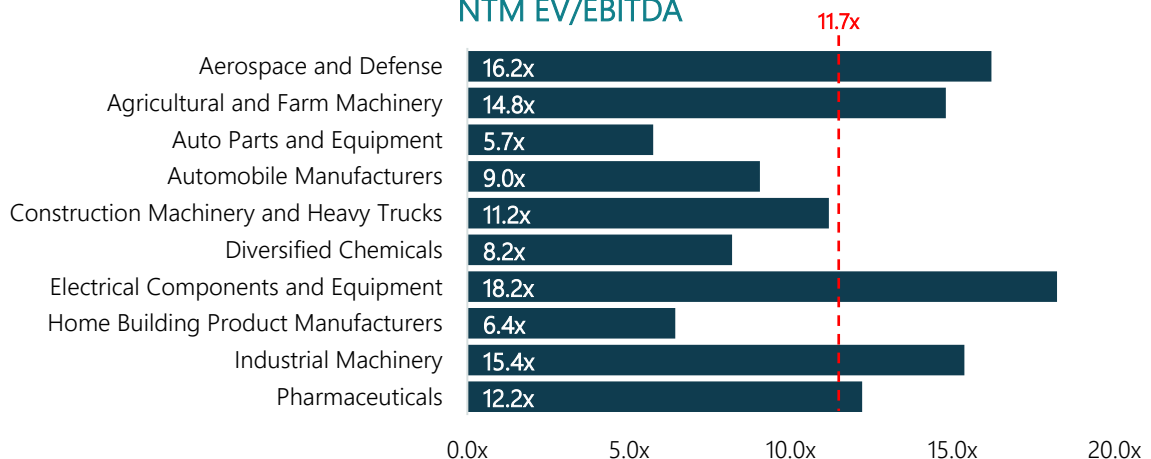
NTM Revenue Growth



NTM EBITDA Margin



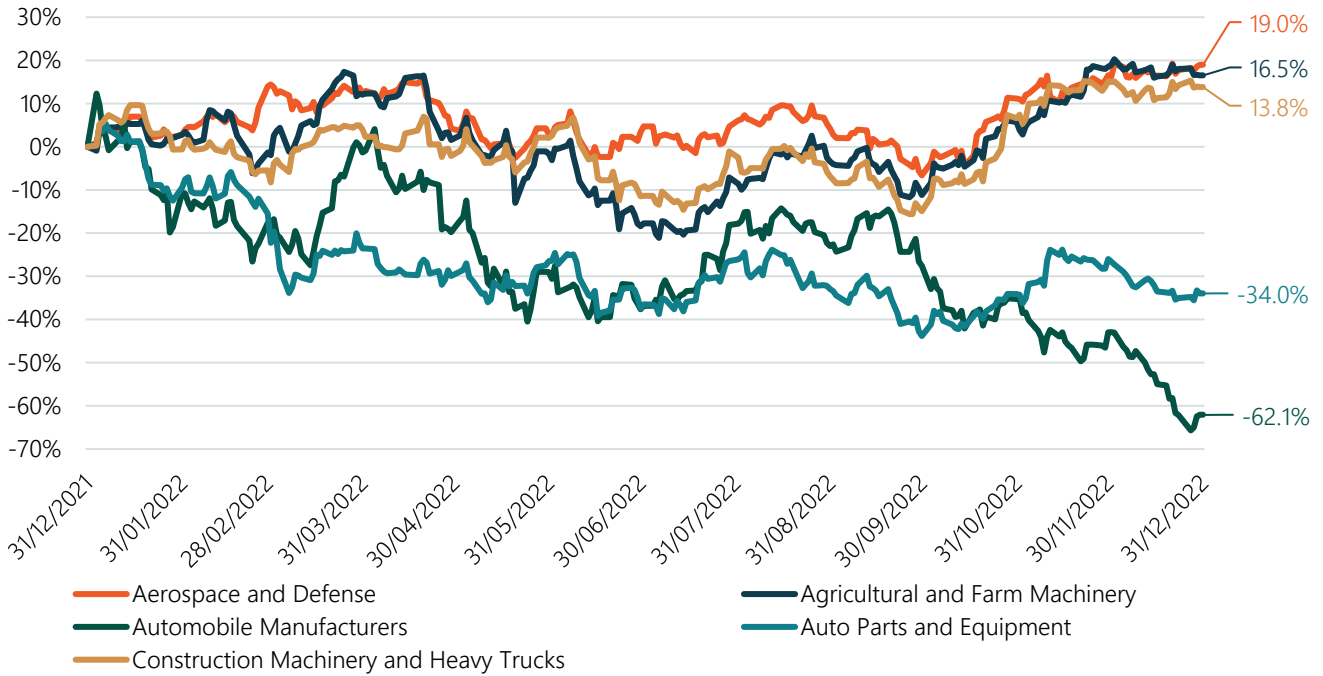
NTM EV/EBITDA



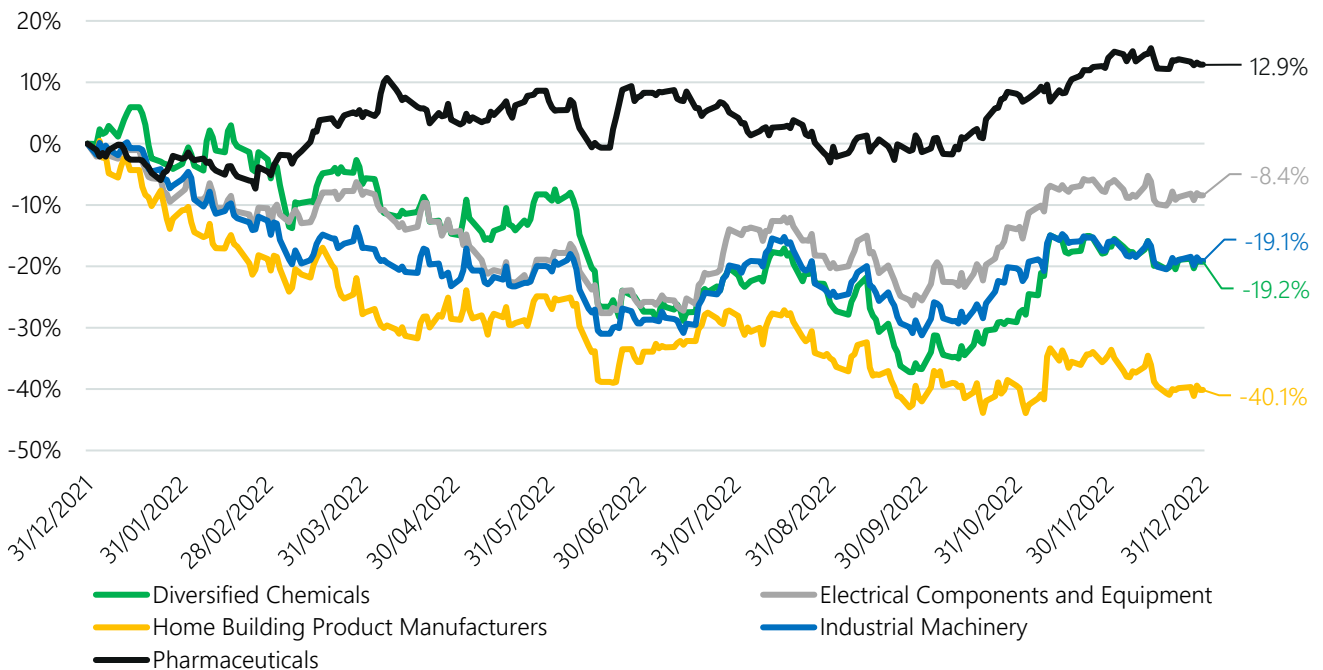
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group Stock Price Performance*



Manufacturing Peer Group Stock Price Performance*

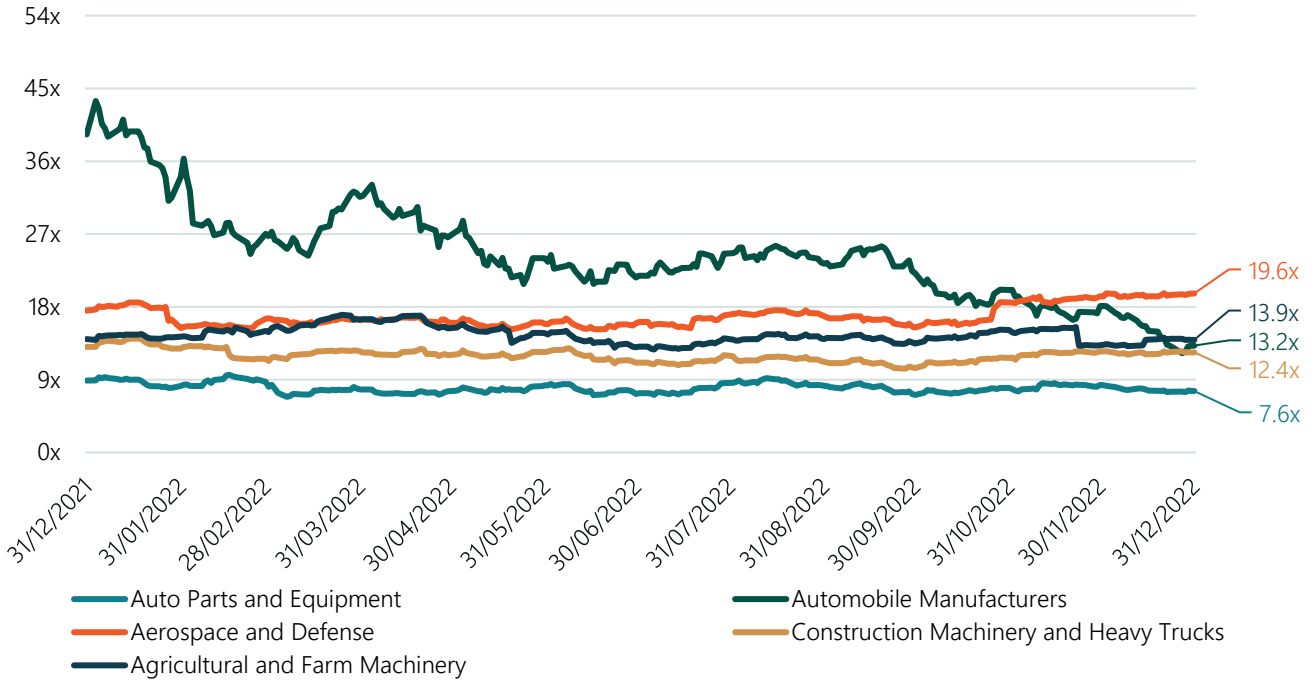


Source: Capital IQ. Data as of December 31, 2022.
Further details provided on pages 10 and 11.
*Peer group metrics are weighted by market capitalization

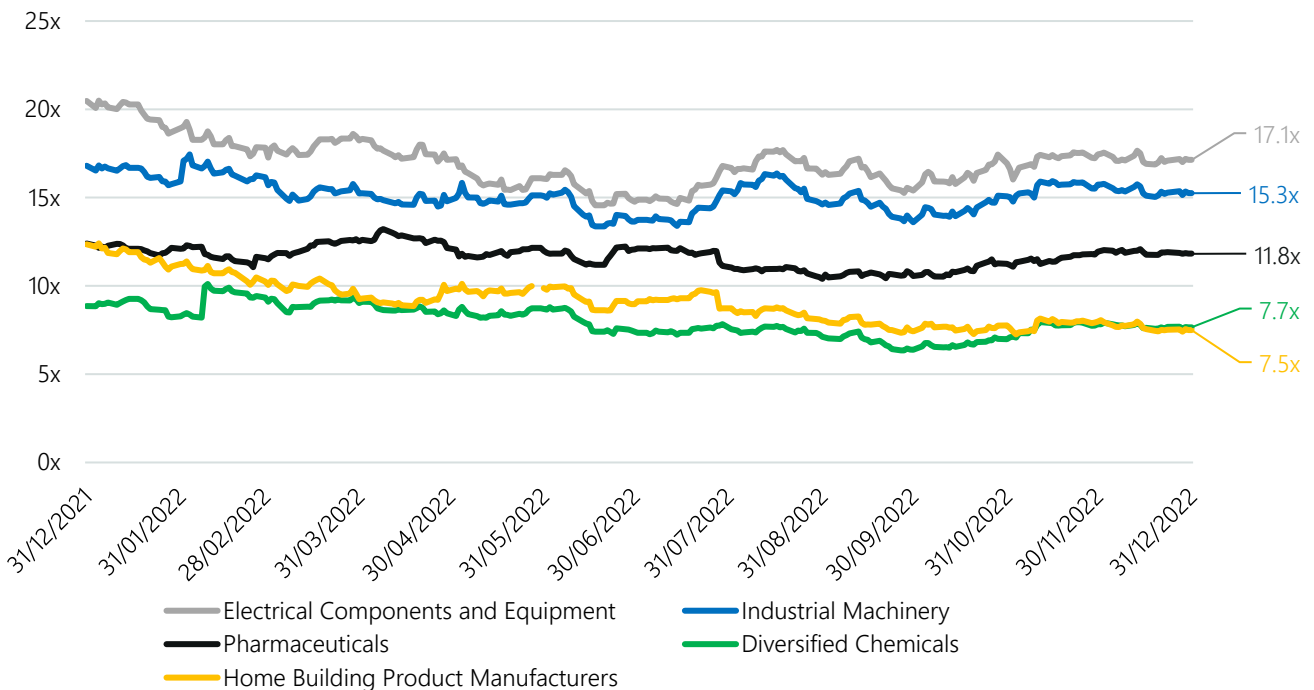
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group EV/EBITDA Multiples



Manufacturing Peer Group EV/EBITDA Multiples



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	\$113,529	\$156,555	\$66,608	6.9%	(\$619)	(0.9%)	19.7%	7.4%	23.5x	NM	2.4x
Raytheon Technologies Corporation	\$148,530	\$179,716	\$67,074	4.2%	\$11,938	17.8%	8.2%	17.8%	16.2x	15.1x	2.7x
Lockheed Martin Corporation	\$127,496	\$136,546	\$65,984	(1.6%)	\$8,881	13.5%	(0.5%)	14.9%	13.3x	15.4x	2.1x
Northrop Grumman Corporation	\$83,976	\$96,558	\$36,602	2.6%	\$8,106	22.1%	3.9%	13.5%	18.8x	11.9x	2.6x
General Dynamics Corporation	\$67,986	\$78,612	\$39,407	2.4%	\$5,095	12.9%	4.4%	13.1%	14.3x	15.4x	2.0x
Median	\$113,529	\$136,546	\$65,984	2.6%	\$8,106	13.5%	4.4%	13.5%	16.2x	15.2x	2.4x
Mean	\$108,303	\$129,597	\$55,135	2.9%	\$6,680	13.1%	7.1%	13.3%	17.2x	14.4x	2.3x
Agricultural and Farm Machinery											
Deere & Company	\$127,872	\$177,154	\$52,563	19.5%	\$11,057	21.0%	1.8%	22.2%	14.9x	16.0x	3.4x
CNH Industrial N.V.	\$21,580	\$40,084	\$36,020	60.0%	\$4,049	11.2%	(35.5%)	11.8%	14.7x	9.9x	1.1x
The Toro Company	\$11,774	\$12,656	\$4,515	14.0%	\$725	16.1%	10.2%	16.6%	15.4x	17.5x	2.8x
AGCO Corporation	\$10,346	\$12,103	\$11,908	11.3%	\$1,566	13.2%	14.7%	12.1%	7.4x	7.7x	1.0x
Median	\$16,677	\$26,370	\$23,964	16.8%	\$2,808	14.6%	6.0%	14.3%	14.8x	13.0x	2.0x
Mean	\$42,893	\$60,499	\$26,251	26.2%	\$4,349	15.4%	(2.2%)	15.7%	13.1x	12.8x	2.1x
Auto Parts and Equipment											
Aptiv PLC	\$25,234	\$27,343	\$16,983	8.2%	\$1,785	10.5%	9.3%	14.6%	10.0x	15.3x	1.6x
Magna International Inc.	\$16,063	\$20,367	\$37,382	(0.8%)	\$3,815	10.2%	3.5%	9.1%	5.7x	5.3x	0.5x
Lear Corporation	\$7,330	\$9,853	\$20,400	3.9%	\$1,533	7.5%	6.6%	7.6%	5.7x	6.4x	0.5x
BorgWarner Inc.	\$9,425	\$12,773	\$15,348	1.6%	\$2,237	14.6%	6.2%	14.3%	5.5x	5.7x	0.8x
Autoliv, Inc.	\$6,650	\$8,025	\$8,626	(0.0%)	\$950	11.0%	8.7%	13.2%	6.8x	8.5x	0.9x
Median	\$9,425	\$12,773	\$16,983	1.6%	\$1,785	10.5%	6.6%	13.2%	5.7x	6.4x	0.8x
Mean	\$12,940	\$15,672	\$19,748	2.6%	\$2,064	10.8%	6.9%	11.8%	6.7x	8.2x	0.9x
Automobile Manufacturers											
Tesla, Inc.	\$388,972	\$375,012	\$81,462	51.4%	\$17,333	21.3%	25.5%	20.4%	15.4x	21.6x	4.6x
General Motors Company	\$47,792	\$141,519	\$147,211	12.4%	\$18,722	12.7%	8.7%	15.6%	5.6x	7.6x	1.0x
Ford Motor Company	\$46,758	\$144,510	\$151,736	12.7%	\$14,578	9.6%	5.7%	10.0%	9.0x	9.9x	1.0x
Median	\$47,792	\$144,510	\$147,211	12.7%	\$17,333	12.7%	8.7%	15.6%	9.0x	9.9x	1.0x
Mean	\$161,174	\$220,347	\$126,803	25.5%	\$16,878	14.5%	13.3%	15.3%	10.0x	13.0x	2.2x
Construction Machinery and Heavy Trucks											
Caterpillar Inc.	\$124,669	\$153,801	\$56,628	17.0%	\$11,418	20.2%	9.7%	18.1%	14.4x	13.5x	2.7x
Cummins Inc.	\$34,168	\$41,182	\$26,154	9.0%	\$3,769	14.4%	17.4%	15.5%	9.1x	10.9x	1.6x
PACCAR Inc.	\$34,419	\$40,096	\$28,820	22.5%	\$4,469	15.5%	3.5%	13.6%	11.2x	9.0x	1.4x
Westinghouse Air Brake Technologit	\$18,152	\$22,069	\$8,129	4.6%	\$1,571	19.3%	6.2%	19.0%	13.4x	14.0x	2.7x
Allison Transmission Holdings, Inc.	\$3,848	\$6,163	\$2,695	17.5%	\$937	34.8%	2.4%	34.5%	6.8x	6.6x	2.3x
Median	\$34,168	\$40,096	\$26,154	17.0%	\$3,769	19.3%	6.2%	18.1%	11.2x	10.9x	2.3x
Mean	\$43,051	\$52,662	\$24,485	14.1%	\$4,433	20.8%	7.8%	20.1%	11.0x	10.8x	2.1x
Diversified Chemicals											
DuPont de Nemours, Inc.	\$34,095	\$45,215	\$17,246	32.0%	\$4,414	25.6%	(26.3%)	24.8%	14.1x	10.2x	2.6x
Eastman Chemical Company	\$9,768	\$14,652	\$10,901	9.4%	\$2,340	21.5%	(7.0%)	17.4%	8.2x	6.3x	1.3x
Huntsman Corporation	\$5,279	\$6,838	\$9,268	28.3%	\$1,478	15.9%	(22.3%)	11.2%	8.2x	4.6x	0.7x
The Chemours Company	\$4,621	\$7,229	\$7,031	15.1%	\$1,428	20.3%	(13.3%)	17.0%	6.8x	5.1x	1.0x
Median	\$7,523	\$10,940	\$10,085	21.7%	\$1,909	20.9%	(17.8%)	17.2%	8.2x	5.7x	1.2x
Mean	\$13,441	\$18,483	\$11,112	21.2%	\$2,415	20.8%	(17.2%)	17.6%	9.3x	6.5x	1.4x

Source: Capital IQ. Data as of December 31, 2022.

"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.	\$56,810	\$71,824	\$19,629	7.6%	\$4,805	24.5%	(23.6%)	26.5%	18.4x	14.9x	3.7x
Eaton Corporation plc	\$62,419	\$71,391	\$20,166	3.3%	\$3,973	19.7%	7.6%	20.2%	16.2x	18.0x	3.5x
Rodwell Automation, Inc.	\$29,555	\$33,552	\$7,884	8.2%	\$1,723	21.8%	8.8%	21.3%	18.6x	19.5x	4.3x
AMETEK, Inc.	\$32,087	\$34,302	\$6,029	15.0%	\$1,857	30.8%	5.5%	29.7%	18.1x	18.5x	5.7x
Median	\$44,449	\$52,846	\$13,757	7.9%	\$2,915	23.2%	6.6%	23.9%	18.2x	18.2x	4.0x
Mean	\$45,218	\$52,767	\$13,427	8.5%	\$3,089	24.2%	(0.4%)	24.4%	17.8x	17.7x	4.3x
Home Building Product Manufacturers											
Masco Corporation	\$10,525	\$13,866	\$8,779	6.9%	\$1,570	17.9%	(6.3%)	17.1%	9.7x	8.8x	1.6x
Builders FirstSource, Inc.	\$9,549	\$13,153	\$23,004	29.3%	\$4,516	19.6%	(27.6%)	12.0%	6.3x	2.9x	0.6x
JELD-WEN Holding, Inc.	\$814	\$2,608	\$5,085	9.7%	\$421	8.3%	(6.4%)	7.4%	7.4x	6.2x	0.5x
Masonite International Corporation	\$1,796	\$2,599	\$2,852	10.6%	\$471	16.5%	(0.3%)	15.2%	5.8x	5.5x	0.9x
American Woodmark Corporation	\$812	\$1,366	\$2,066	14.7%	\$210	10.2%	(6.9%)	10.9%	6.5x	6.5x	0.7x
Caesarstone Ltd.	\$197	\$296	\$702	15.2%	\$89	12.6%	0.4%	8.1%	5.2x	3.3x	0.4x
Median	\$1,305	\$2,603	\$3,968	12.6%	\$446	14.6%	(6.3%)	11.4%	6.4x	5.9x	0.6x
Mean	\$3,949	\$5,648	\$7,081	14.4%	\$1,213	14.2%	(7.8%)	11.8%	6.8x	5.6x	0.8x
Industrial Machinery											
Illinois Tool Works Inc.	\$67,673	\$74,528	\$15,640	9.7%	\$4,134	26.4%	1.4%	26.6%	17.7x	18.0x	4.8x
Parker-Hannifin Corporation	\$37,366	\$50,819	\$16,332	9.8%	\$3,734	22.9%	12.8%	21.9%	12.8x	13.6x	3.1x
Stanley Black & Decker, Inc.	\$11,113	\$19,659	\$17,278	21.4%	\$2,104	12.2%	(7.9%)	9.5%	13.2x	9.3x	1.1x
Fortive Corporation	\$22,732	\$25,591	\$5,671	8.9%	\$1,452	25.6%	5.4%	26.0%	16.4x	17.6x	4.5x
Ingersoll Rand Inc.	\$21,157	\$22,523	\$5,711	15.3%	\$1,235	21.6%	8.3%	24.2%	15.4x	18.2x	3.9x
Median	\$22,732	\$25,591	\$15,640	9.8%	\$2,104	22.9%	5.4%	24.2%	15.4x	17.6x	3.9x
Mean	\$32,008	\$38,624	\$12,126	13.0%	\$2,532	21.7%	4.0%	21.6%	15.1x	15.4x	3.5x
Pharmaceuticals											
Johnson & Johnson	\$461,849	\$459,797	\$94,943	1.2%	\$32,604	34.3%	2.6%	35.6%	13.6x	14.1x	4.8x
Merck & Co., Inc.	\$281,302	\$300,538	\$58,974	27.8%	\$24,417	41.4%	(3.3%)	43.3%	12.1x	12.3x	5.1x
Pfizer Inc.	\$287,626	\$288,752	\$99,878	45.0%	\$46,089	46.1%	(24.4%)	47.1%	7.9x	6.3x	2.9x
AbbVie Inc.	\$285,707	\$343,858	\$57,819	4.8%	\$30,154	52.2%	(3.7%)	50.8%	12.3x	11.4x	5.9x
Eli Lilly and Company	\$347,613	\$360,378	\$29,240	5.3%	\$10,540	36.0%	0.1%	34.9%	35.2x	34.2x	12.3x
Bristol-Myers Squibb Company	\$159,703	\$190,911	\$46,738	2.8%	\$20,923	44.8%	(1.2%)	44.1%	9.4x	9.1x	4.1x
Median	\$286,667	\$322,198	\$58,397	5.1%	\$27,286	43.1%	(2.3%)	43.7%	12.2x	11.9x	5.0x
Mean	\$303,967	\$324,039	\$64,599	14.5%	\$27,454	42.5%	(5.0%)	42.6%	15.1x	14.6x	5.9x

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

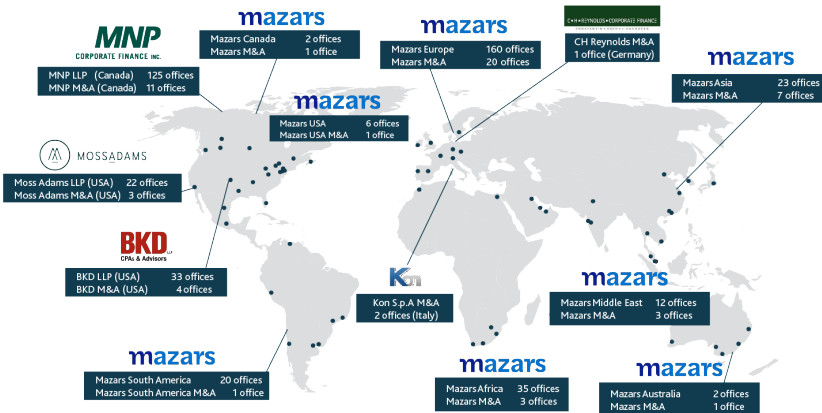
Our typical transactions range in value between \$3 million and \$300 million.

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)

FYihealth group.
has partnered with
ESTEEM

MNP Corporate Finance Inc. acted as exclusive financial advisor to Esteem Medical Esthetics in structuring and negotiating the transaction.

MONETTE FARMS
has acquired the Salt Current, Saskatchewan cleaning and processing facility assets from
SIMPSON SEEDS INC.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Simpson Seeds Inc. in structuring and negotiating this transaction.

Convertus
has acquired
ENVIREM ORGANICS INC.
Advancing Healthy Beauty

MNP Corporate Finance Inc. acted as exclusive financial advisor to Convertus Group in structuring and negotiating the transaction.

E360S
has acquired select industrial waste and air recycling facilities from
GFL

MNP Corporate Finance Inc. provided financial due diligence services to Environmental 360 Solutions Ltd.

RME
has acquired
ROBERTSON IMPLEMENTS

MNP Corporate Finance Inc. acted as exclusive financial advisor to Robertson Implements in structuring and negotiating this transaction.

AdeptAg
a profile company of
LLR Partners
has acquired
BELLPARK

MNP Corporate Finance Inc. acted as exclusive financial advisor to Bellpark Solutions Inc. in structuring and negotiating this transaction.

pfm 20 YEARS OF INVESTMENT IN SASKATCHEWAN
has acquired
SEXTON
FAMILY OF COMPANIES

MNP Corporate Finance Inc. provided financial and tax due diligence services to PFM Capital Inc.

KRYSTAL GROWTH PARTNERS
has acquired
huer foods inc.

MNP Corporate Finance Inc. provided financial due diligence services to Krystal Growth Partners Ltd.

UNIVERSAL GROUP
has acquired
Advanced Traffic Control

MNP Corporate Finance Inc. provided financial, tax and IT due diligence services to Universal Group.

TRILOGY CAPITAL CORP.
has invested in
SSRG

MNP Corporate Finance Inc. acted as exclusive financial advisor to Scalis Security & Risk Group (SSRG) in facilitating this transaction.

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 ten years alone we have completed over 250 transactions worth over \$4.5 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.

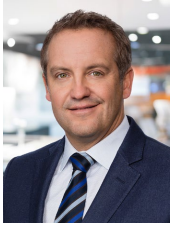
Integrated Service Offering

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.

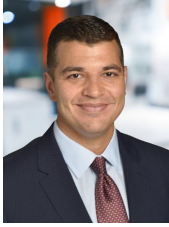
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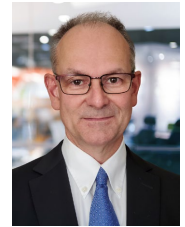
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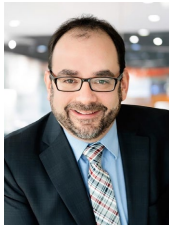
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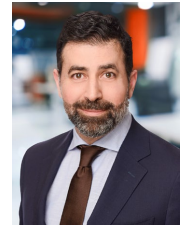
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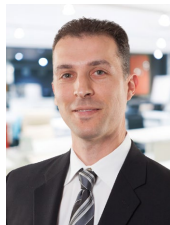
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