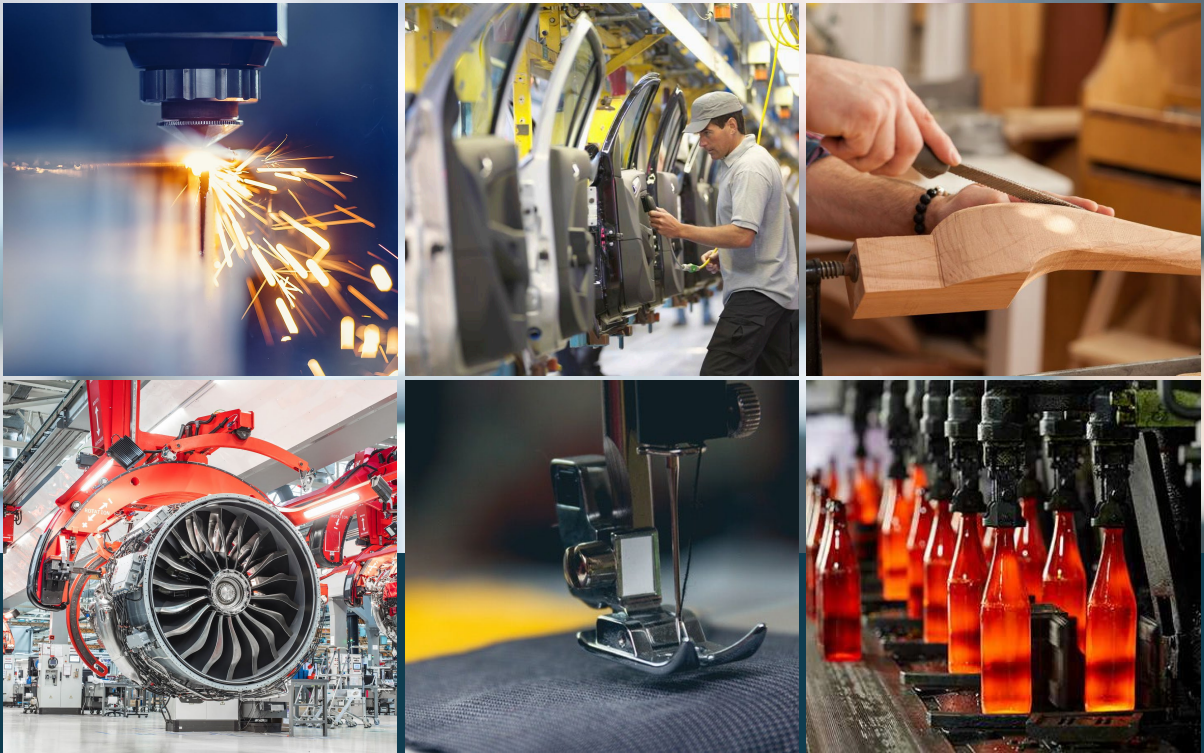
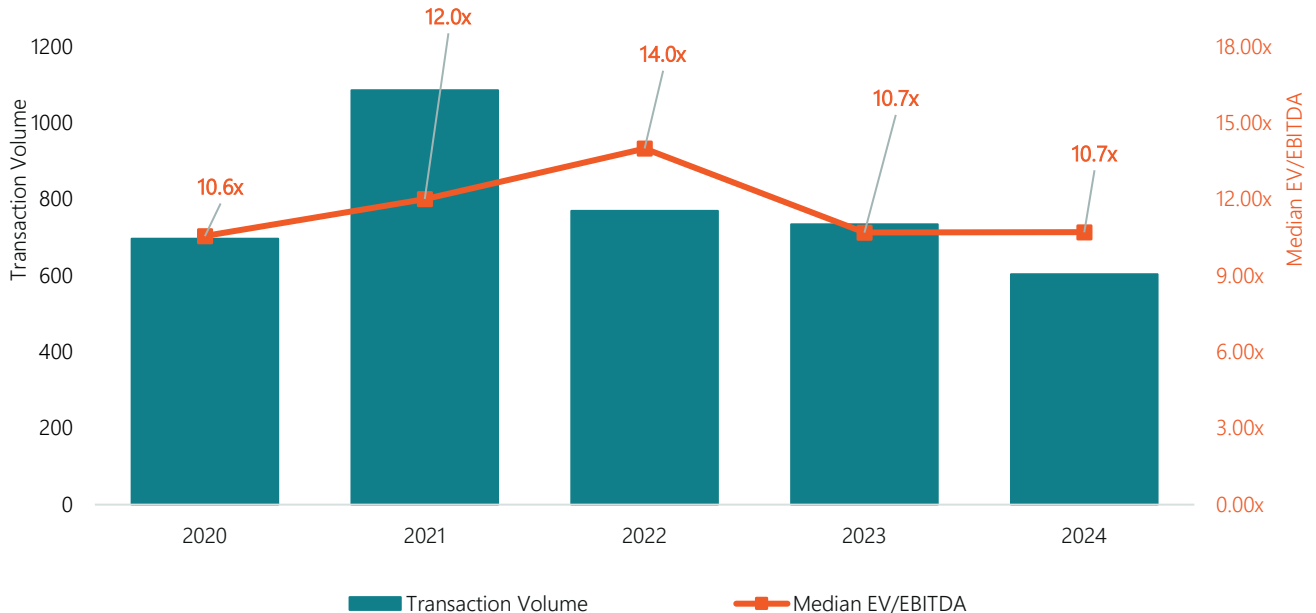


Manufacturing

Quarterly Update | Q3 2024



North American Manufacturing M&A Transactions



M&A Market Update – Q3 2024

- Transaction volume in the North American manufacturing sector greatly increased, with 216 transactions reported in Q3 2024, up 30 compared to the previous quarter. Year-over-year transaction volume also increased significantly, with Q3 2023 reporting 168 transactions compared to 216 in Q3 2024.
- United States manufacturing transactions comprised 95.8% of the quarter's total transaction value, with the remaining 4.2% being attributable to transactions within the Canadian manufacturing sector.
- Strategic buyers were responsible for 78% of the Q3 2024 transaction volume, while financial buyers comprised the remaining 22%.
- Some notable transactions during Q3 2024 include:
 - The Boeing Company's proposed acquisition of Spirit AeroSystems Holdings, Inc. for \$11.8B. Spirit AeroSystems Holdings, Inc. engages in the design, engineering, manufacture, and marketing of commercial aerostructures. It operates through three segments: Commercial, Defense & Space, and Aftermarket. The transaction represents an EV/Revenue multiple of 1.3x. The closing under the definitive merger agreement with Boeing is subject to the completion of the divestiture of the Airbus businesses by Spirit and is subject to other closing conditions. These transactions are expected to close in mid-2025.
 - Resolute Holdings I, LP's acquisition of CompoSecure, Inc. for \$1.6B. CompoSecure, Inc. manufactures and designs metal, composite, and proprietary financial transaction cards in the United States and internationally. Its primary metal form factors include embedded, metal veneer lite, metal veneer, and full metal products. The transaction represents an EV/Revenue multiple of 3.5x, and an EV/EBITDA multiple of 9.7x. The transaction closed on August 7, 2024.
- Mid-market (sub \$500MM EV) transactions accounted for 17.5% of the overall transaction value in Q3 2024.

Source: Capital IQ

Data as of September 30, 2024. All figures are in USD.

Only transactions with disclosed transaction values and greater than 50% of the target company being purchased have been included.

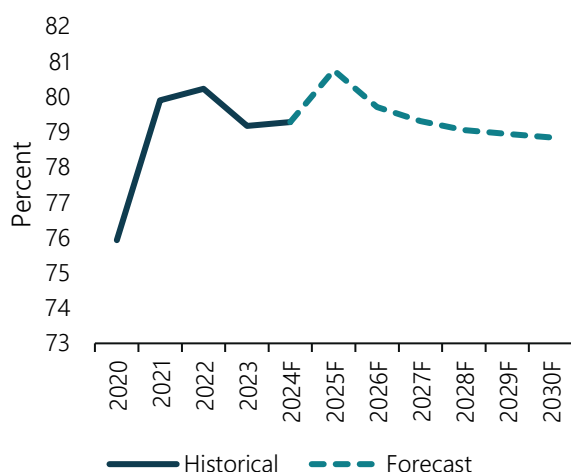
Macroeconomic Indicators

The Canadian economy is expected to experience economic growth in the remainder of 2024, with real GDP projected to rise 1.5% in Q3 2024. Despite this, GDP per capita declined by 1.25% in Q3 2024. Real GDP growth is largely supported by Canadian population growth. In addition, inflation has continued to ease across Canada, with lower energy prices playing a significant role in its decline. Inflation fell significantly in Q3 2024, decreasing from 2.7% in June 2024 to 1.6% in September 2024.

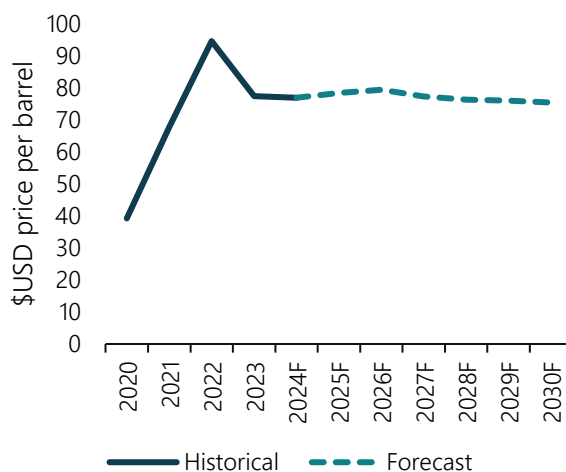
The Bank of Canada maintained its conservative GDP forecasts, with real GDP growth expected to be 2% in the first half of 2025 and 2.5% in the second half of 2025.

The Canadian Purchasing Manager's Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. The Canadian PMI slightly rose during Q3 2024, increasing from 49.3 points in June to 50.4 points in September.

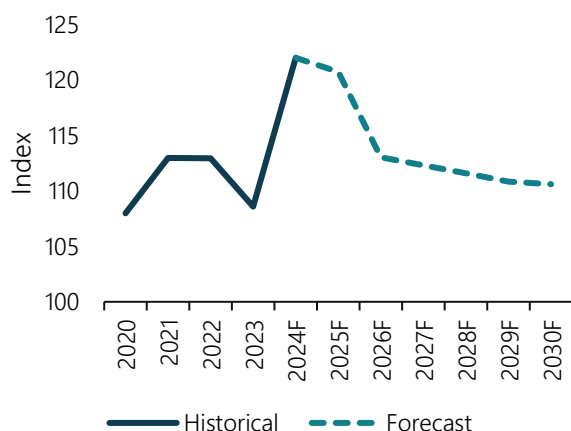
Industrial Capacity Utilization



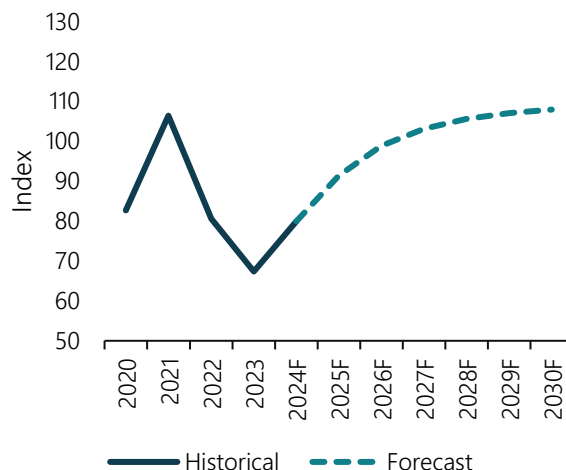
World Price of Crude Oil



Canadian-dollar Effective Exchange Rate Index



Consumer Confidence Index



Select Recent M&A Transactions



is acquiring



Announced	July 23, 2024
TEV	\$1.87B
TEV/EBITDA	6.0x
TEV/Revenue	1.8x

- **Owens & Minor, Inc.**, operates as a healthcare solutions company worldwide. The company was founded in 1882 and is based in Mechanicsville, Virginia.
- **Rotech Healthcare Holdings Inc.** manufactures and offers home medical equipment and related products and services. The company was founded in 1981 and is headquartered in Orlando, Florida.



is acquiring



Announced	July 11, 2024
TEV	\$1.36B
TEV/EBITDA	13.6x
TEV/Revenue	2.1x

- **Platinum Equity, LLC** is a global private equity firm based in Los Angeles, California. Platinum Equity, LLC was founded in 1995.
- **Héroux-Devtek Inc.** engages in the design, development, manufacture, and repair and overhaul of aircraft landing gears, flight control actuators, and more. The company was founded in 1942 and is headquartered in Longueuil, Quebec.



has invested
in



Closed	July 29, 2024
TEV	Not Disclosed
TEV/EBITDA	Not Disclosed
TEV/Revenue	Not Disclosed

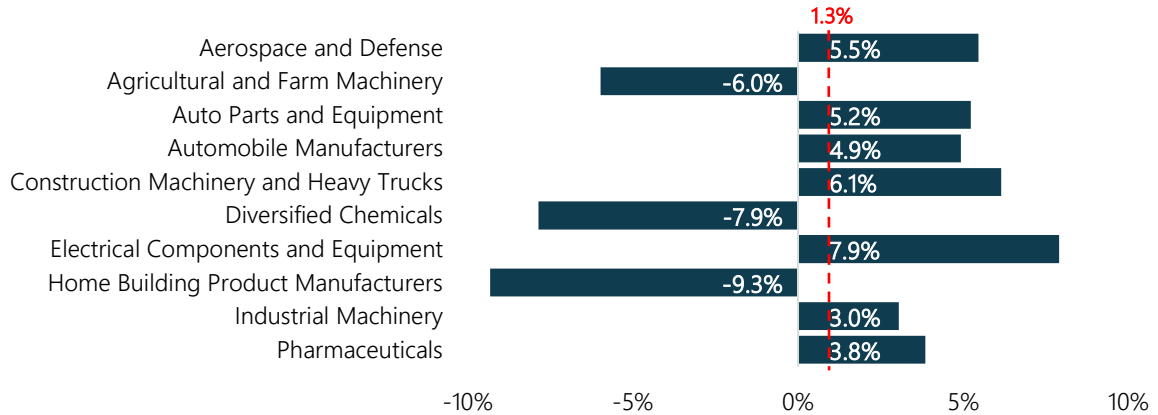
- **Wincove Private Holdings** is an investment company based in Boston, Massachusetts. Wincove Private Holdings was founded in 2008.
- **Sommers Generator Systems** is a manufacturer and distributor of premium quality generator systems. Sommers Generator Systems was founded in 1936, and is headquartered in Stratford, Ontario.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Sommers Generator Systems in structuring and negotiating this transaction and providing vendor due diligence services.

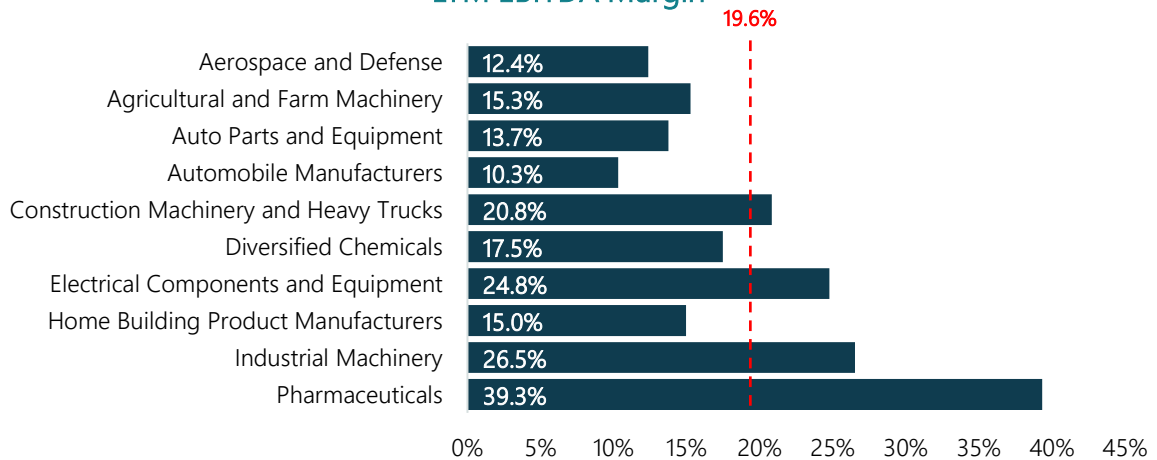
Public Comparable Analysis

Growth, Margins, and Multiples

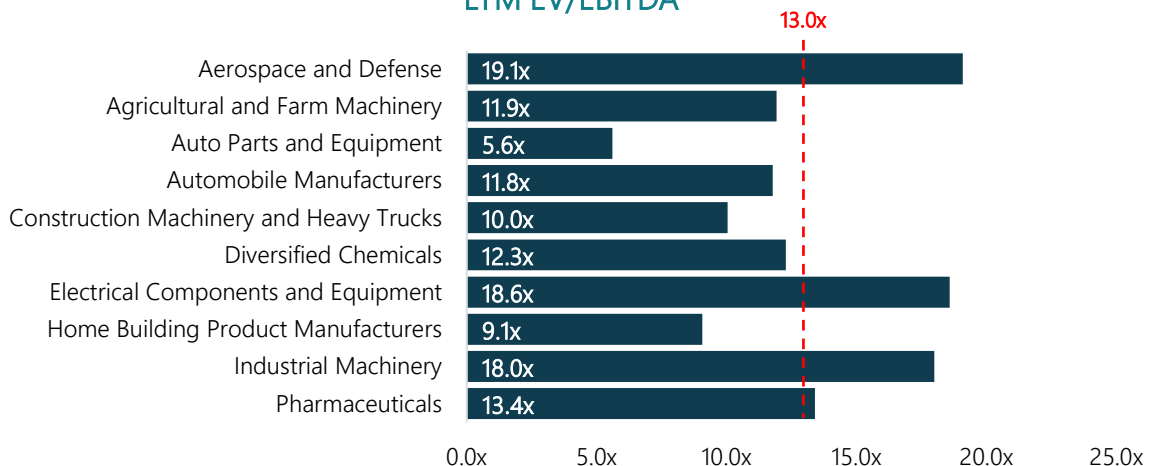
LTM Revenue Growth



LTM EBITDA Margin



LTM EV/EBITDA



Source: Capital IQ. Data as of September 30, 2024.

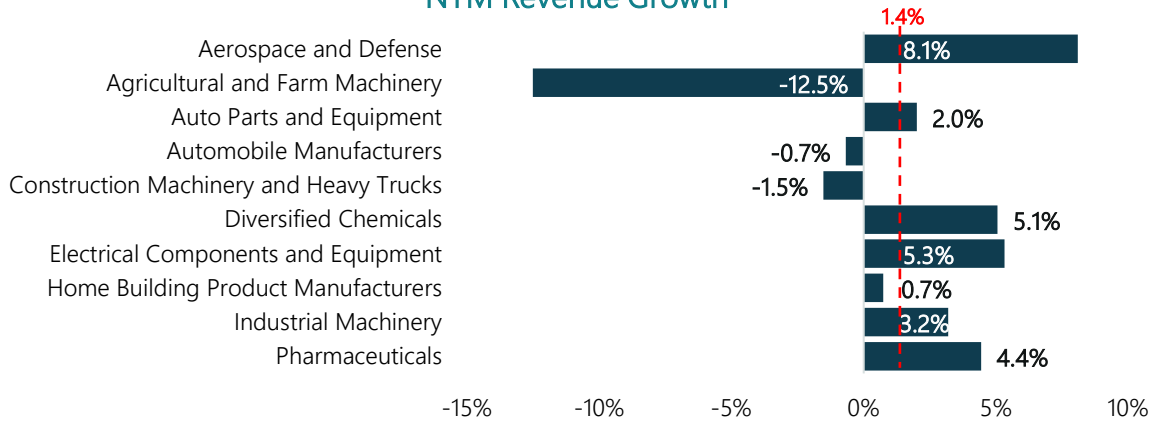
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Valuation details provided on pages 9 and 10.

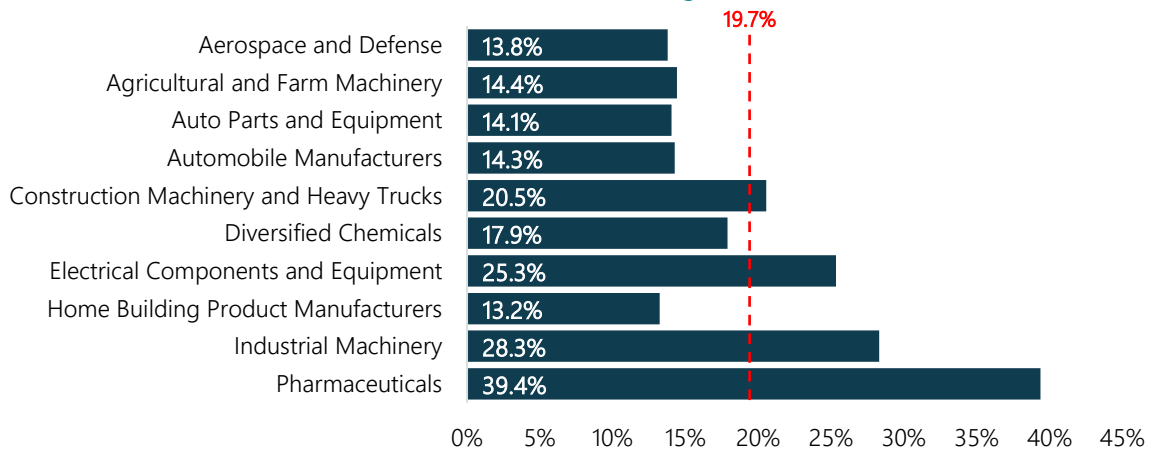
Public Comparable Analysis

Growth, Margins, and Multiples

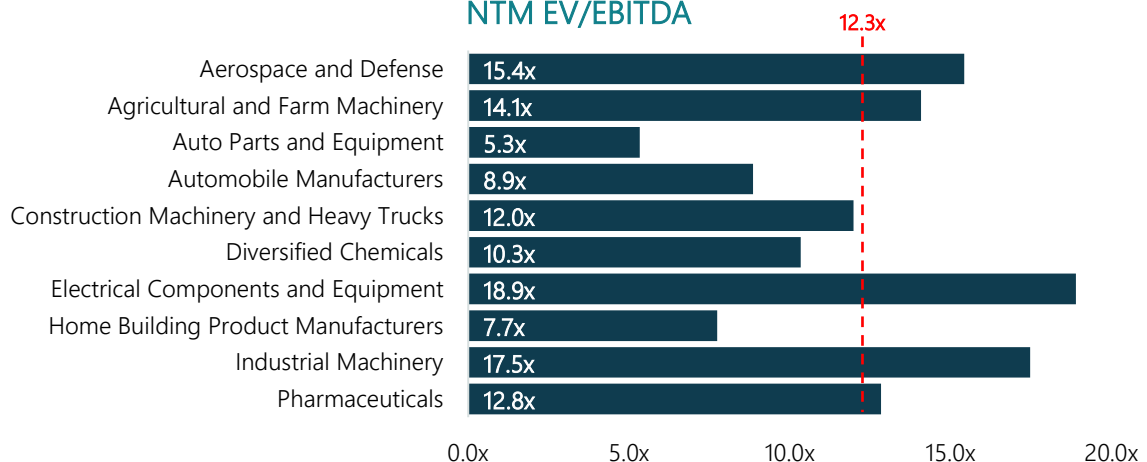
NTM Revenue Growth



NTM EBITDA Margin



NTM EV/EBITDA



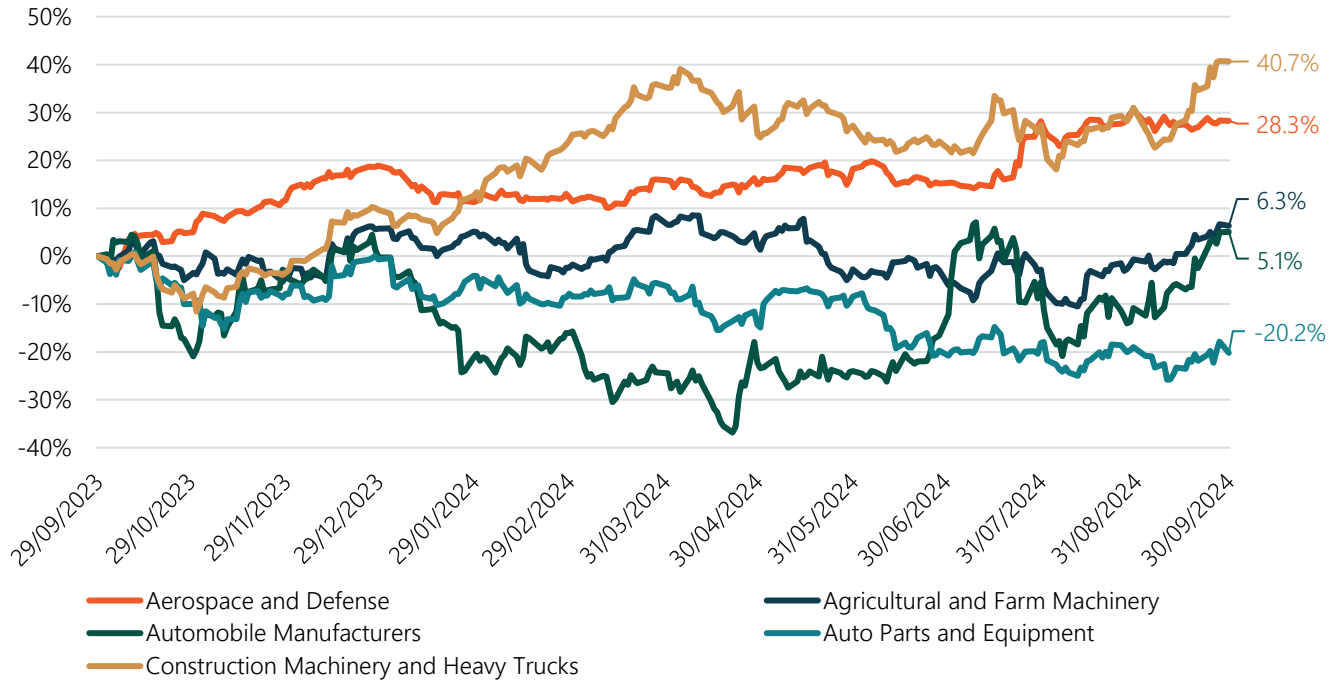
Source: Capital IQ. Data as of September 30, 2024.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.
Valuation details provided on pages 9 and 10.

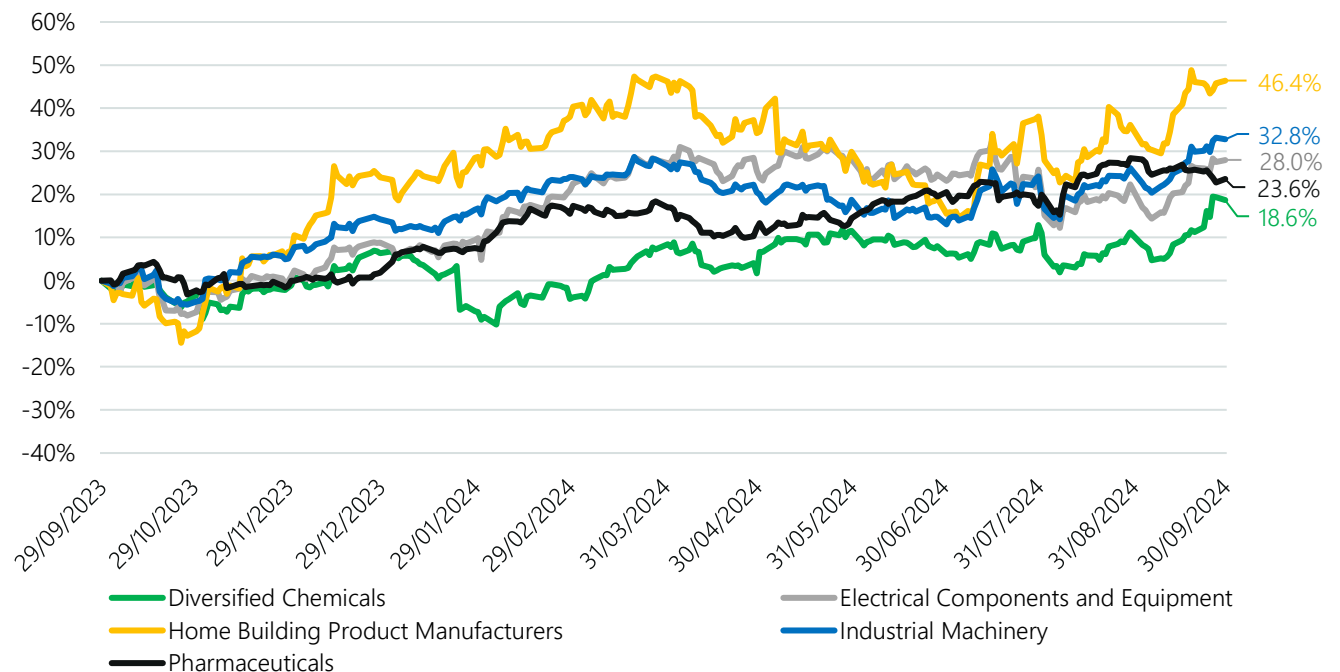
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group Stock Price Performance*



Manufacturing Peer Group Stock Price Performance*



Source: Capital IQ. Data as of September 30, 2024.

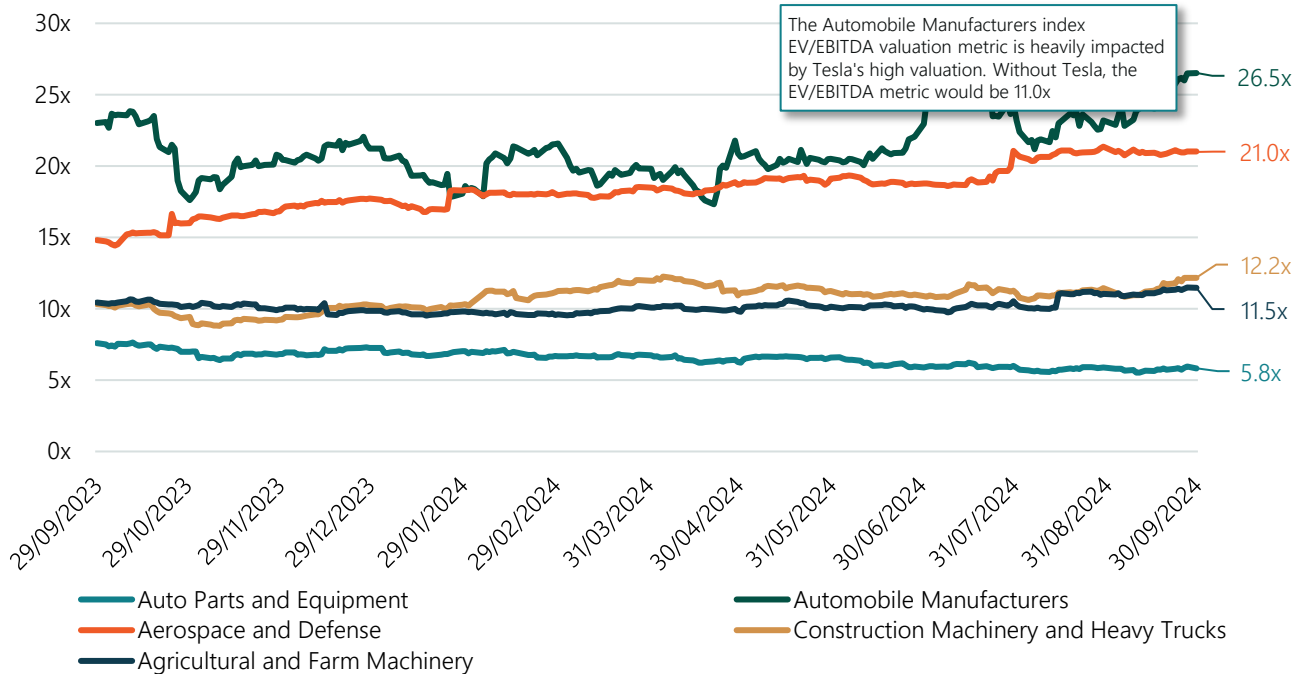
Further details provided on pages 9 and 10.

*Peer group metrics are weighted by market capitalization

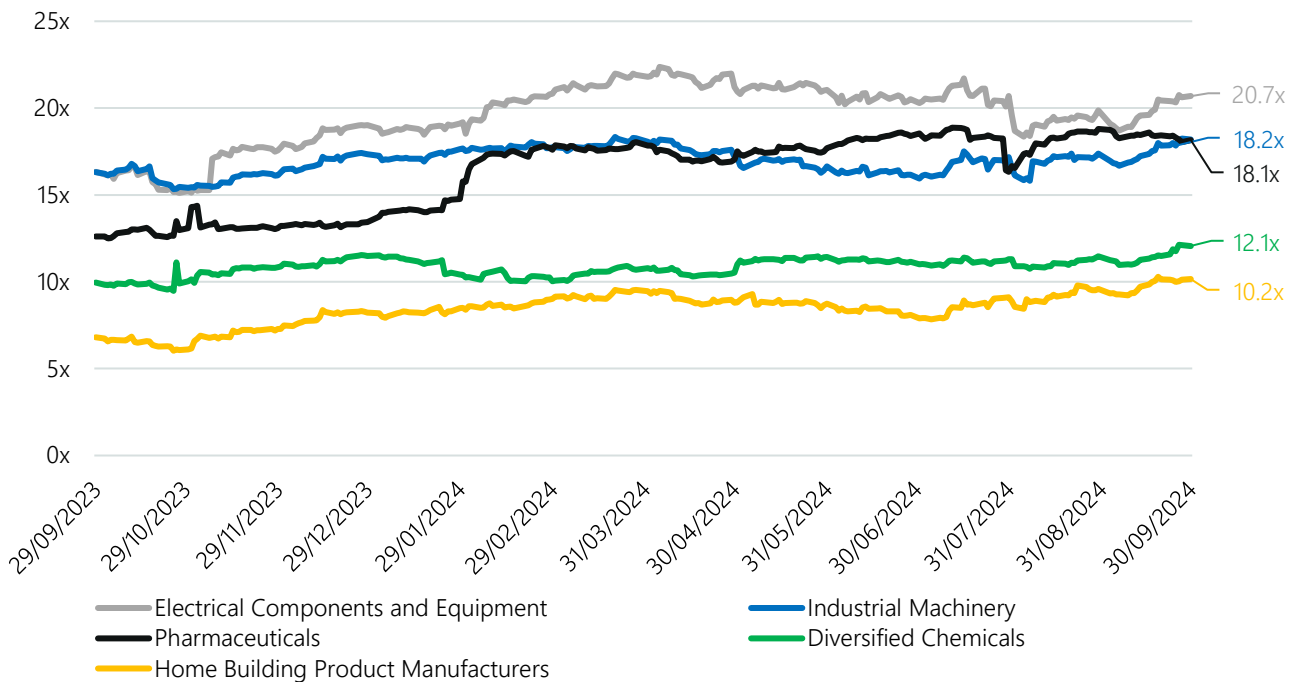
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group EV/EBITDA Multiples*



Manufacturing Peer Group EV/EBITDA Multiples*



Source: Capital IQ. Data as of September 30, 2024.

Further details provided on pages 9 and 10.

*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	Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Aerospace and Defense											
The Boeing Company	\$93,682	\$139,003	\$73,557	(0.1%)	\$1,779	2.4%	8.1%	1.6%	NM	78.1x	1.9x
RTX Corporation	\$160,910	\$200,161	\$72,417	2.6%	\$9,683	13.4%	12.4%	16.1%	15.2x	20.7x	2.8x
Lockheed Martin Corporation	\$139,335	\$156,069	\$71,069	5.5%	\$10,500	14.8%	1.5%	13.8%	15.7x	14.9x	2.2x
Northrop Grumman Corporation	\$77,228	\$91,791	\$40,764	7.6%	\$4,808	11.8%	2.8%	14.0%	15.7x	19.1x	2.3x
General Dynamics Corporation	\$82,904	\$92,661	\$44,946	10.0%	\$5,560	12.4%	8.6%	13.0%	14.3x	16.7x	2.1x
Median	\$93,682	\$139,003	\$71,069	5.5%	\$5,560	12.4%	8.1%	13.8%	15.4x	19.1x	2.2x
Mean	\$110,812	\$135,937	\$60,551	5.1%	\$6,466	10.9%	6.7%	11.7%	15.2x	29.9x	2.2x
Agricultural and Farm Machinery											
Deere & Company	\$114,181	\$175,145	\$55,955	(8.8%)	\$14,639	26.2%	(25.2%)	21.6%	19.4x	12.0x	3.1x
CNH Industrial N.V.	\$13,917	\$39,548	\$23,084	(6.7%)	\$3,332	14.4%	(14.5%)	13.1%	15.1x	11.9x	1.7x
The Toro Company	\$8,900	\$9,789	\$4,491	(5.3%)	\$724	16.1%	6.0%	15.8%	13.0x	13.5x	2.2x
AGCO Corporation	\$7,304	\$11,261	\$13,432	(5.3%)	\$1,851	13.8%	(10.5%)	11.4%	8.1x	6.1x	0.8x
Median	\$11,408	\$25,404	\$18,258	(6.0%)	\$2,591	15.3%	(12.5%)	14.4%	14.1x	11.9x	1.9x
Mean	\$36,076	\$58,936	\$24,240	(6.5%)	\$5,136	17.6%	(11.0%)	15.5%	13.9x	10.9x	2.0x
Auto Parts and Equipment											
Aptiv PLC	\$19,137	\$24,824	\$19,985	3.7%	\$2,900	14.5%	3.9%	15.7%	7.6x	8.6x	1.2x
Magna International Inc.	\$11,800	\$18,737	\$43,070	6.4%	\$4,235	9.8%	(0.5%)	9.3%	4.7x	4.4x	0.4x
Lear Corporation	\$6,140	\$8,753	\$23,629	5.2%	\$1,927	8.2%	0.4%	7.4%	4.9x	4.5x	0.4x
BorgWarner Inc.	\$8,266	\$11,044	\$14,342	5.5%	\$1,972	13.7%	2.0%	14.1%	5.3x	5.6x	0.8x
Autoliv, Inc.	\$7,477	\$9,245	\$10,526	4.7%	\$1,521	14.4%	4.6%	14.6%	5.6x	6.1x	0.9x
Median	\$8,266	\$11,044	\$19,985	5.2%	\$1,972	13.7%	2.0%	14.1%	5.3x	5.6x	0.8x
Mean	\$10,564	\$14,521	\$22,310	5.1%	\$2,511	12.1%	2.1%	12.2%	5.6x	5.8x	0.7x
Automobile Manufacturers											
Tesla, Inc.	\$835,814	\$818,404	\$95,318	1.4%	\$13,509	14.2%	12.8%	16.8%	NM	NM	8.6x
General Motors Company	\$50,397	\$158,961	\$178,093	4.9%	\$18,380	10.3%	(0.7%)	14.3%	6.3x	8.6x	0.9x
Ford Motor Company	\$41,979	\$168,466	\$180,348	6.2%	\$11,314	6.3%	(2.7%)	8.3%	11.4x	14.9x	0.9x
Median	\$50,397	\$168,466	\$178,093	4.9%	\$13,509	10.3%	(0.7%)	14.3%	8.9x	11.8x	0.9x
Mean	\$309,396	\$381,943	\$151,253	4.2%	\$14,401	10.3%	3.1%	13.1%	8.9x	11.8x	3.5x
Construction Machinery and Heavy Trucks											
Caterpillar Inc.	\$189,653	\$223,489	\$66,368	2.5%	\$16,483	24.8%	(1.5%)	24.2%	14.1x	13.6x	3.4x
Cummins Inc.	\$44,375	\$51,304	\$34,173	6.1%	\$5,109	15.0%	(2.1%)	15.6%	9.8x	10.0x	1.5x
PACCAR Inc	\$51,730	\$58,390	\$35,289	8.4%	\$6,319	17.9%	(17.7%)	17.2%	12.0x	9.2x	1.7x
Westinghouse Air Brake Technologies	\$31,843	\$35,588	\$10,217	13.7%	\$2,127	20.8%	5.0%	20.5%	16.1x	16.7x	3.5x
Allison Transmission Holdings, Inc.	\$8,371	\$10,123	\$3,116	5.6%	\$1,111	35.7%	2.5%	35.7%	9.0x	9.1x	3.2x
Median	\$44,375	\$51,304	\$34,173	6.1%	\$5,109	20.8%	(1.5%)	20.5%	12.0x	10.0x	3.2x
Mean	\$65,195	\$75,779	\$29,833	7.3%	\$6,230	22.8%	(2.7%)	22.6%	12.2x	11.7x	2.7x
Diversified Chemicals											
DuPont de Nemours, Inc.	\$37,218	\$43,881	\$12,058	(3.8%)	\$3,116	25.8%	6.1%	25.5%	13.5x	14.1x	3.6x
Eastman Chemical Company	\$13,077	\$17,755	\$9,147	(6.8%)	\$1,695	18.5%	4.5%	20.3%	9.2x	10.5x	1.9x
Huntsman Corporation	\$4,187	\$6,415	\$5,953	(13.3%)	\$446	7.5%	5.6%	8.6%	11.5x	14.4x	1.1x
The Chemours Company	\$3,033	\$6,667	\$5,735	(8.9%)	\$941	16.4%	2.6%	15.5%	7.1x	7.1x	1.2x
Median	\$8,632	\$12,211	\$7,550	(7.9%)	\$1,318	17.5%	5.1%	17.9%	10.3x	12.3x	1.6x
Mean	\$14,379	\$18,679	\$8,223	(8.2%)	\$1,549	17.1%	4.7%	17.5%	10.3x	11.5x	2.0x

Source: Capital IQ. Data as of September 30, 2024.

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

"NM" refers to not meaningful.

Public Comparable Analysis

Trading Multiples & Operating Statistics

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

	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Electrical Components and Equipment											
Emerson Electric Co.	\$62,571	\$76,928	\$16,963	13.3%	\$4,504	26.6%	5.8%	27.1%	15.9x	17.1x	4.5x
Eaton Corporation plc	\$131,946	\$139,693	\$24,140	9.5%	\$5,552	23.0%	8.2%	23.5%	22.8x	25.2x	5.8x
Rockwell Automation, Inc.	\$30,461	\$34,339	\$8,792	2.0%	\$1,912	21.7%	(4.2%)	20.7%	19.5x	18.0x	3.9x
AMETEK, Inc.	\$39,757	\$42,243	\$6,825	6.3%	\$2,200	32.2%	4.9%	32.2%	18.3x	19.2x	6.2x
Median	\$51,164	\$59,585	\$12,877	7.9%	\$3,352	24.8%	5.3%	25.3%	18.9x	18.6x	5.2x
Mean	\$66,184	\$73,301	\$14,180	7.8%	\$3,542	25.9%	3.7%	25.9%	19.1x	19.9x	5.1x
Home Building Product Manufacturers											
Masco Corporation	\$18,320	\$21,323	\$7,878	(4.3%)	\$1,601	20.3%	1.9%	19.6%	13.6x	13.3x	2.7x
Builders FirstSource, Inc.	\$22,576	\$26,853	\$17,033	(8.1%)	\$2,742	16.1%	0.5%	13.1%	12.0x	9.8x	1.6x
JELD-WEN Holding, Inc.	\$1,337	\$2,485	\$4,043	(10.7%)	\$268	6.6%	(1.8%)	9.1%	6.9x	9.3x	0.6x
Owens Corning	\$15,348	\$21,230	\$9,872	1.7%	\$2,392	24.2%	21.7%	22.9%	7.7x	8.9x	2.2x
American Woodmark Corporation	\$1,448	\$1,883	\$1,808	(10.5%)	\$250	13.8%	1.0%	13.3%	7.7x	7.5x	1.0x
Caesarstone Ltd.	\$157	\$173	\$509	(19.8%)	\$30	5.9%	(6.5%)	0.3%	NM	5.8x	0.3x
Median	\$8,398	\$11,858	\$5,961	(9.3%)	\$934	15.0%	0.7%	13.2%	7.7x	9.1x	1.3x
Mean	\$9,864	\$12,325	\$6,857	(8.6%)	\$1,214	14.5%	2.8%	13.1%	9.6x	9.1x	1.4x
Industrial Machinery											
Illinois Tool Works Inc.	\$77,809	\$85,421	\$16,014	(0.4%)	\$4,723	29.5%	1.4%	28.5%	18.4x	18.1x	5.3x
Parker-Hannifin Corporation	\$81,297	\$91,678	\$19,930	4.5%	\$5,136	25.8%	3.2%	25.6%	17.5x	17.8x	4.6x
Stanley Black & Decker, Inc.	\$16,956	\$23,739	\$15,584	(3.8%)	\$1,681	10.8%	(1.2%)	11.4%	13.5x	14.1x	1.5x
Fortive Corporation	\$27,652	\$30,961	\$6,155	3.0%	\$1,721	28.0%	4.6%	29.1%	16.6x	18.0x	5.0x
Ingersoll Rand Inc.	\$39,606	\$43,405	\$7,036	9.0%	\$1,866	26.5%	9.7%	28.3%	19.8x	23.3x	6.2x
Median	\$39,606	\$43,405	\$15,584	3.0%	\$1,866	26.5%	3.2%	28.3%	17.5x	18.0x	5.0x
Mean	\$48,664	\$55,041	\$12,944	2.5%	\$3,025	24.1%	3.6%	24.6%	17.2x	18.3x	4.5x
Pharmaceuticals											
Johnson & Johnson	\$390,118	\$406,134	\$87,696	4.8%	\$30,310	34.6%	3.3%	34.6%	12.8x	13.4x	4.6x
Merck & Co., Inc.	\$287,853	\$314,353	\$62,480	7.1%	\$23,971	38.4%	5.6%	45.7%	10.4x	13.1x	5.0x
Pfizer Inc.	\$163,994	\$227,027	\$55,166	(29.7%)	\$11,479	20.8%	10.9%	38.7%	9.6x	19.8x	4.1x
AbbVie Inc.	\$348,818	\$406,642	\$55,000	(1.8%)	\$26,426	48.0%	2.8%	48.0%	15.0x	15.4x	7.4x
Eli Lilly and Company	\$797,723	\$822,986	\$38,923	31.9%	\$15,673	40.3%	36.4%	40.1%	NM	NM	21.1x
Bristol-Myers Squibb Company	\$104,897	\$151,945	\$46,509	2.9%	\$19,561	42.1%	0.6%	24.6%	13.2x	7.8x	3.3x
Median	\$318,335	\$360,243	\$55,083	3.8%	\$21,766	39.3%	4.4%	39.4%	12.8x	13.4x	4.8x
Mean	\$348,901	\$388,181	\$57,629	2.5%	\$21,237	37.4%	9.9%	38.6%	12.2x	13.9x	7.6x

Source: Capital IQ. Data as of September 30, 2024.

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

"NM" refers to not meaningful.

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, 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.

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 10 years alone, we have completed over 300 transactions worth more than \$5 billion (not including due diligence engagements).

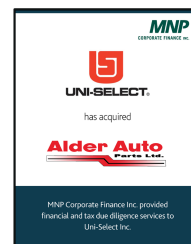
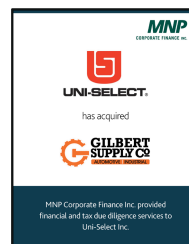
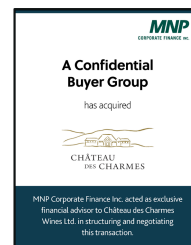
Industry Experience

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

Services

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

Recently Closed Deals (National)



About Us



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

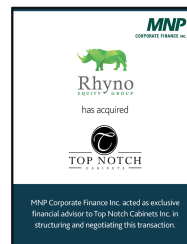
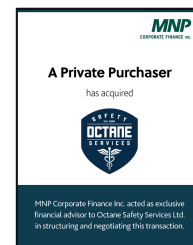
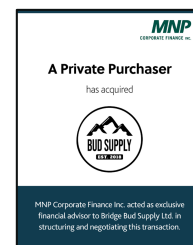
We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

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.



Recently Closed Deals (National)

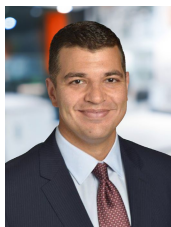


Leadership Team

Transaction Leadership



Brett Franklin
President
Winnipeg
Brett.Franklin@mnp.ca
204.336.6190



Aleem Bandali
Managing Director
Vancouver
Aleem.Bandali@mnp.ca
778.374.2140



Bryce Davis
Managing Director
Vancouver
Bryce.Davis@mnp.ca
604.637.1514



Mike Reynolds
Managing Director
Calgary
Mike.Reynolds@mnp.ca
587.702.5909



Mark Reynolds
Managing Director
Calgary
Mark.Reynolds@mnp.ca
403.536.5548



Mark Regehr
Managing Director
Edmonton
Mark.Regehr@mnp.ca
780.969.1404



Erik St-Hilaire
Managing Director
Winnipeg
Erik.St-Hilaire@mnp.ca
204.336.6200



Stephen Shaw
Managing Director
Toronto
Stephen.Shaw@mnp.ca
416.515.3883



Kevin Tremblay
Managing Director
Toronto
Kevin.Tremblay@mnp.ca
647.943.4051



Jon Edgett
Managing Director
Waterloo
Jon.Edgett@mnp.ca
519.772.7460



Patrick Khouzam
Managing Director
Montreal
Patrick.Khouzam@mnp.ca
514.228.7874



David Bouchard
Managing Director
Québec
David.Bouchard@mnp.ca
418.425.1857



Jean-Raymond Lafond
Managing Director
Drummondville
Jean-Raymond.Lafond@mnp.ca
819.473.7251



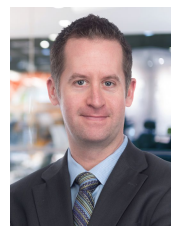
Jasmin Allard
Managing Director
Sherbrooke
Jasmin.Allard@mnp.ca
819.560.7856



Jonathan Banford
Managing Director
Chicoutimi
Jonathan.Banford@mnp.ca
418.696.3924



Frédéric Fortin
Managing Director
Chicoutimi
Frederic.Fortin@mnp.ca
418.696.4561



Craig Maloney
Managing Director
Halifax
Craig.Maloney@mnp.ca
902.493.5430

Due Diligence Leadership



Johnny Earl
Managing Director
Vancouver
Johnny.Earl@mnp.ca
604.637.1504



Jonathan Conly
Managing Director
Vancouver
Jonathan.Conly@mnp.ca
604.637.1516



John Caggianiello
Managing Director
Toronto
John.Caggianiello@mnp.ca
416.513.4177



Wilson Lai
Managing Director
Toronto
Wilson.Lai@mnp.ca
289.695.4386



Saad Arif
Managing Director
Toronto
Saad.Arif@mnp.ca
647.943.4104



David Cyr
Managing Director
Montreal
David.Cyr@mnp.ca
514.884.1764