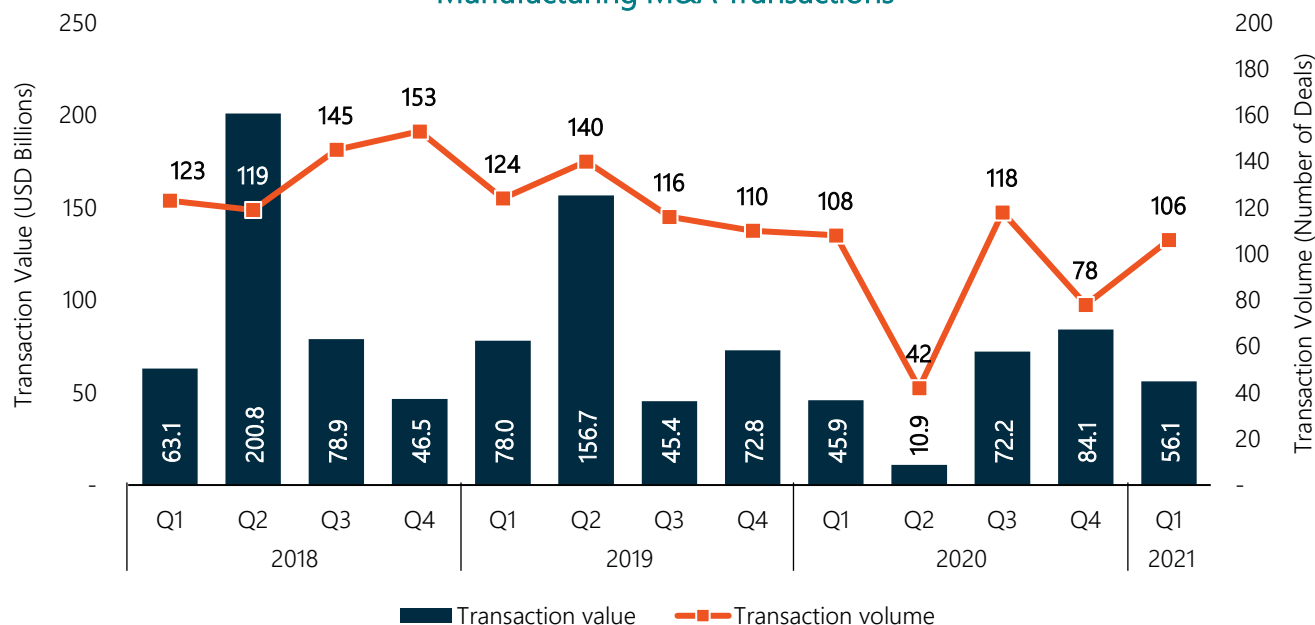


Manufacturing

Quarterly Update | Q1 2021



North American Manufacturing M&A Transactions



M&A Market Update – Q4 2020

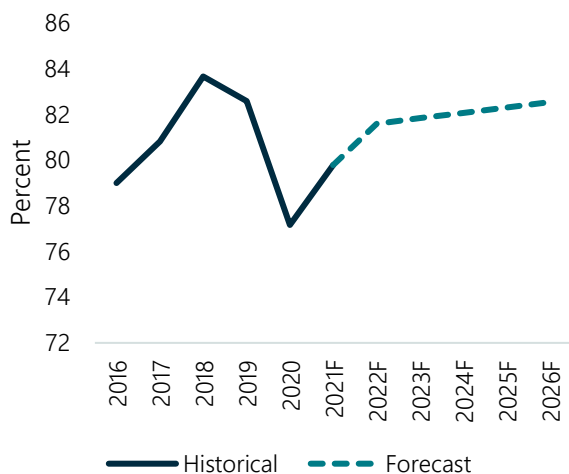
- In Q1 2021, transaction volume in the North American manufacturing sector rose back to over 100 deals, while transaction value fell compared to the previous quarter. Total disclosed transaction value increased 22% from \$45.9 billion to \$56.1 billion year-over-year (YoY), but still remained below the quarterly five-year average of \$87.2 billion. The number of disclosed deals during the quarter slightly decreased to 106 from 108 YoY, also below the quarterly five-year average of 134. The most significant deals during the quarter included:
 - Teledyne Technologies Incorporated’s acquisition of FLIR Systems, Inc. for a total value of \$10.6 billion. FLIR Systems, Inc., together with its subsidiaries, designs, develops, markets, and distributes thermal imaging systems, visible-light imaging systems, locator systems, measurement and diagnostic systems, and threat-detection solutions worldwide. The company operates in two segments: Industrial Technologies and Defense Technologies. The transaction produced a TEV/Revenue multiple of 4.2x and a TEV/EBITDA multiple of 17.1x.
 - II-VI Incorporated acquisition of Coherent, Inc. for \$9.4 billion in a cash and stock transaction. Coherent, Inc. provides lasers, laser-based technologies, and laser-based system solutions for a range of scientific, commercial, and industrial research applications. Coherent, Inc. also received bids from Lumentum and MKSI, however, II-VI’s bid offered a premium over the others. The transaction produced a TEV/Revenue multiple of 5.7x and a TEV/EBITDA multiple of 59.7x.
- Similar to prior periods, industry operators (i.e. strategic buyers) represented a significant portion of Q1 2021 total deal value and volume, at 96% and 93% respectively.
- The two most active sectors in Q1 2021 were industrials manufacturing (29 deals) and hardware/semiconductor manufacturing (23 deals). The industrial manufacturing for energy sector was the least active (two deals).

Macroeconomic Indicators

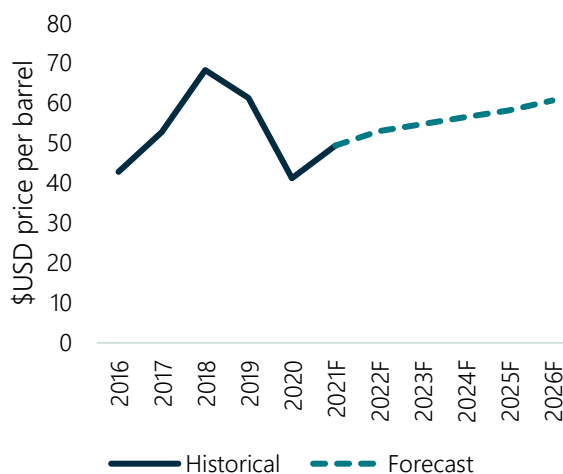
The Canadian manufacturing industry continues to feel the effects of COVID-19 with normal day-to-day activities still restricted as the pandemic's third wave takes shape, especially in the provinces of Ontario and Alberta. These effects are beginning to subside as the global roll-out of vaccines and new operating protocols has helped underpin partial economic recovery. The pace of the Canadian manufacturing sector's recovery is largely based on the pace of the vaccine distribution, nationally and globally. However, delays in the distribution of vaccines may have adverse effects. The Canadian Dollar has been appreciating since March 2020 reaching over \$0.80/USD this quarter.

Overall, the Canadian economy is expected to rebound over the next five years. Assuming the lockdowns in major hubs will soon be lifted, all macroeconomic indicators are expected to start improving in the first half of 2021. The Canadian Purchasing Managers' Index, an index of the prevailing direction of economic trends in the manufacturing and service sectors, hit its highest point in over five years.

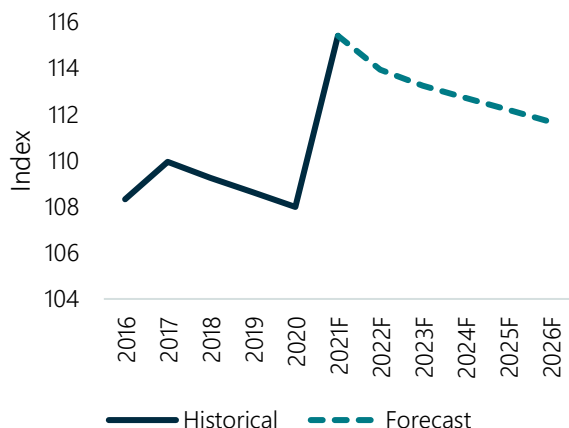
Industrial Capacity Utilization



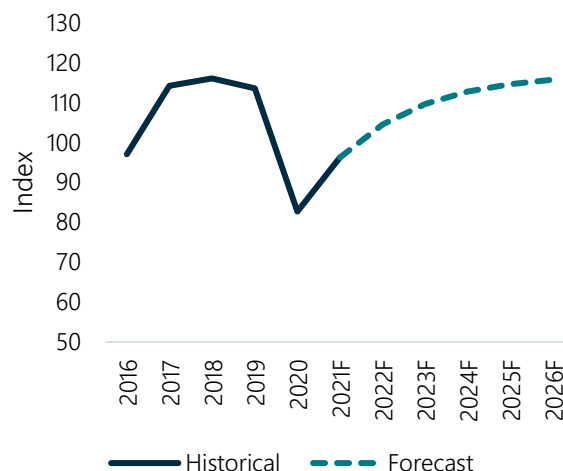
World Price Of Crude Oil



Canadian-dollar Effective Exchange Rate Index



Consumer Confidence Index



Select Recent M&A Transactions



acquired



Announced	Jan 4, 2021
TEV	\$24.5MM
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Calian Group Ltd.** provides services and solutions in the areas of advanced technologies, health, learning, and information technology (IT) in Canada, the United States, and Europe.
- **InterTronic Solutions Inc.** manufactures antenna systems, surveillance and radar, satellite communications, remote sensing, and radio astronomy systems for aerospace, defense, scientific, and satellite communication sectors.



acquired



Announced	Jan 4, 2021
TEV	\$348.1MM
TEV/EBITDA	9.21x
TEV/Revenue	0.71x

- **H.I.G. Capital, LLC** is a private equity and venture capital firm investing primarily in small- to medium-sized businesses in a number of industries.
- **SMTC Corporation** provides electronics manufacturing services worldwide. The company offers end-to-end electronics manufacturing services and integrated contract manufacturing services.



acquired



Closed	Jan 28, 2021
TEV	\$0.8MM
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **EnerDynamic Hybrid Technologies Corp.** designs, develops, manufactures, assembles, and distributes modular building/home systems with integrated hybrid alternative energy systems in Canada.
- **Windular Research and Technologies Inc.** manufactures and operates wind and solar tracking systems, and provides renewable power to the telecom tower industry.

Select Recent M&A Transactions



acquired



Announced	Feb 10, 2021
TEV	\$1.3MM
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Saint Jean Carbon Inc.** is a junior resource company that acquires, explores for, and develops mineral properties in Canada. It operates in two segments, Mineral Exploration and Development, and Research and Development.
- **Solid Ultrabattery Inc.** manufactures solid state batteries with a focus on R&D, design, production of low cost, high energy, and safe solid-state batteries.



astro

acquired



Announced	Feb 18, 2021
TEV	\$40.0MM
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Astro Aerospace Ltd.** develops self-piloted and autonomous, manned and unmanned, electric vertical takeoff and landing (eVTOL) aerial vehicles. It intends to provide the market with aerial transportation for humans and cargo.
- **Horizon Aircraft, Inc.** operates as an aerospace engineering company that manufactures eVTOL aircraft.



acquired



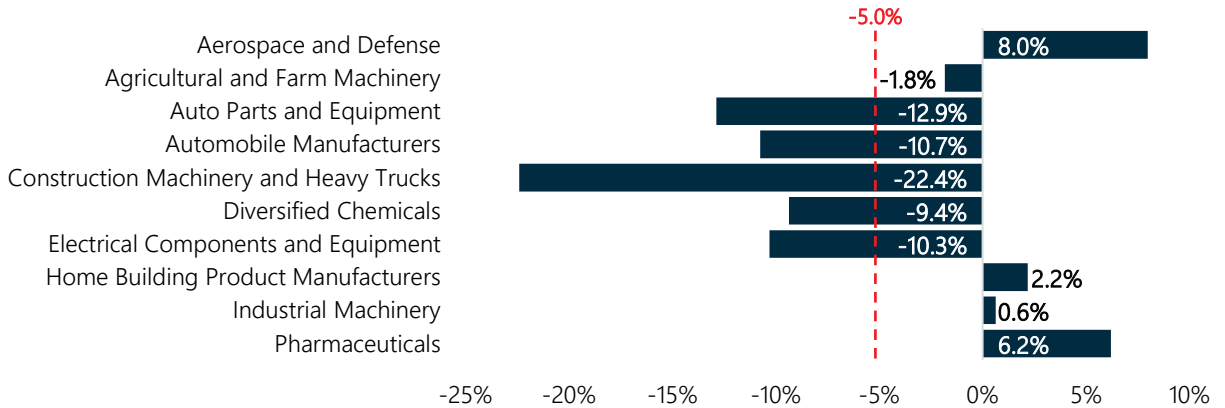
Closed	Mar 15, 2021
TEV	\$0.5MM
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Emergence Global Enterprises Inc.** is a builder of reputable brands by using leading innovation, integrated platforms, and full traceability for the health food and nutrition marketplace
- **Well & Wild Superfoods Ltd.** manufactures Cleansify, a health product using natural solutions to improve health of consumers.

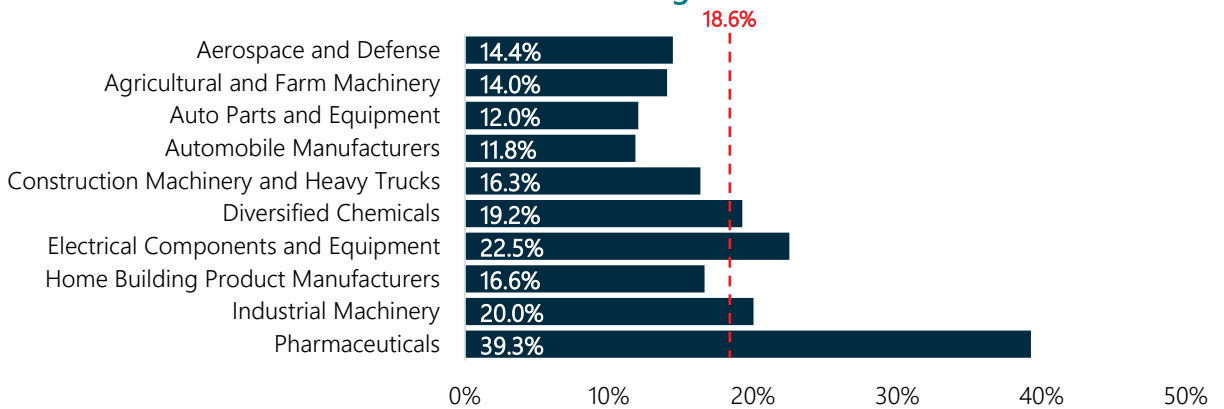
Public Comparable Analysis

Growth, Margins & Multiples

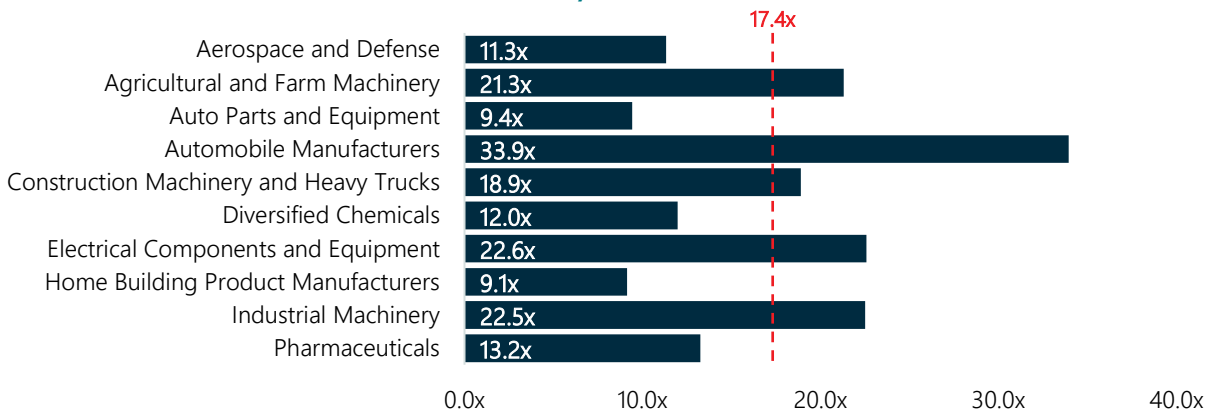
LTM Revenue Growth



LTM EBITDA Margin



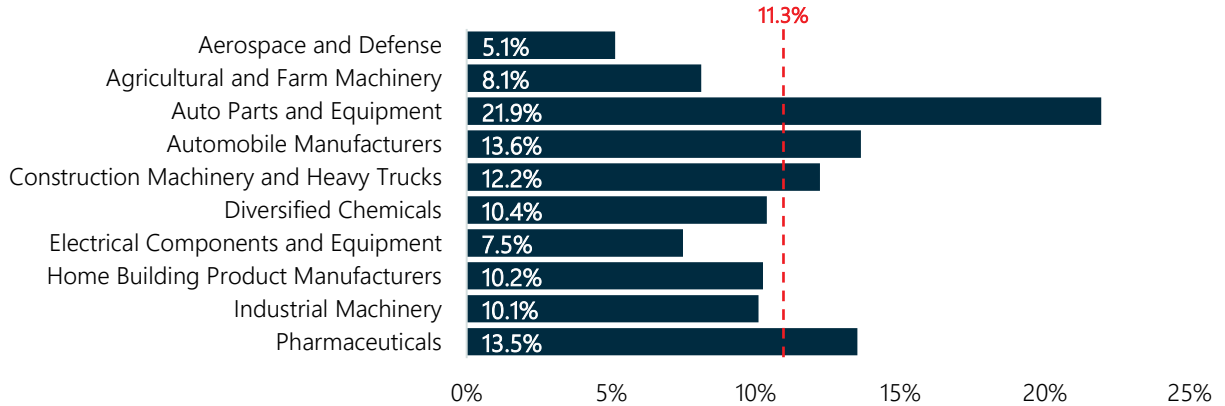
LTM EV/EBITDA



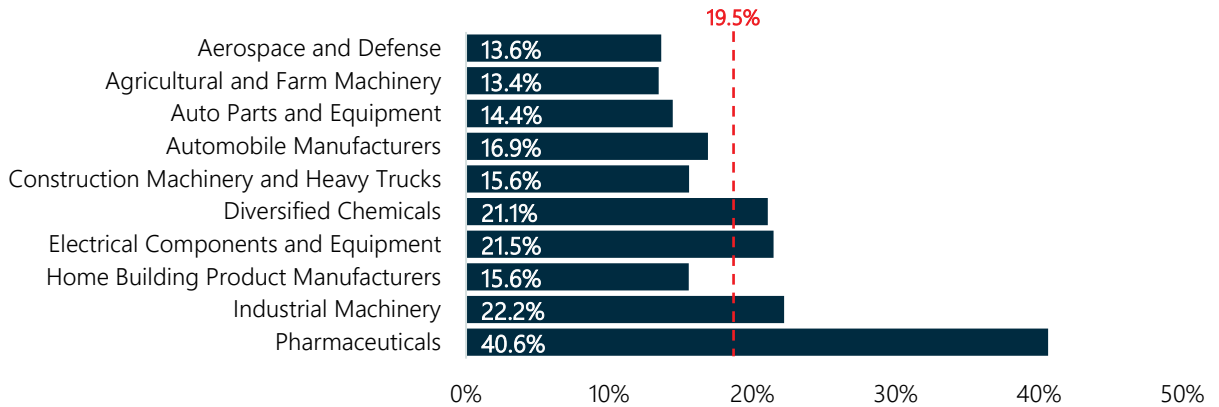
Public Comparable Analysis

Growth, Margins & Multiples

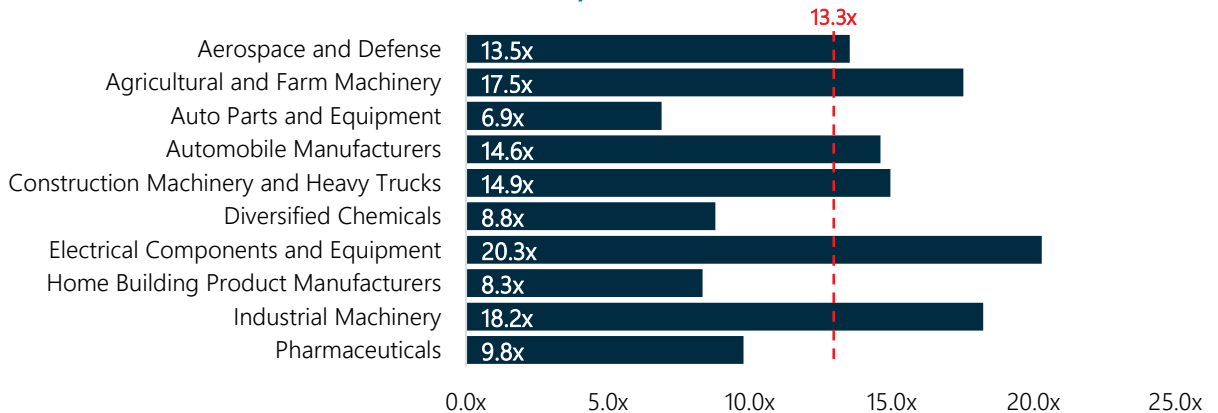
NTM Revenue Growth



NTM EBITDA Margin



NTM EV/EBITDA



Source: Capital IQ. Data as March 31, 2021.

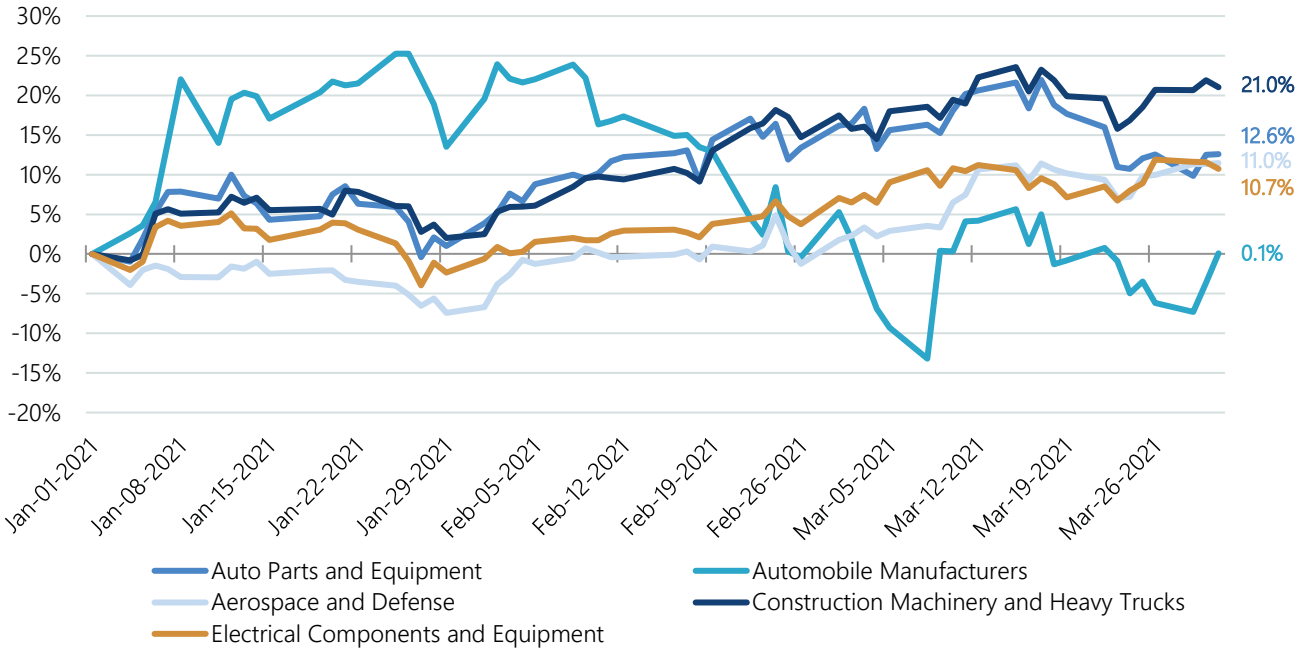
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Valuation details provided on pages 10 and 11.

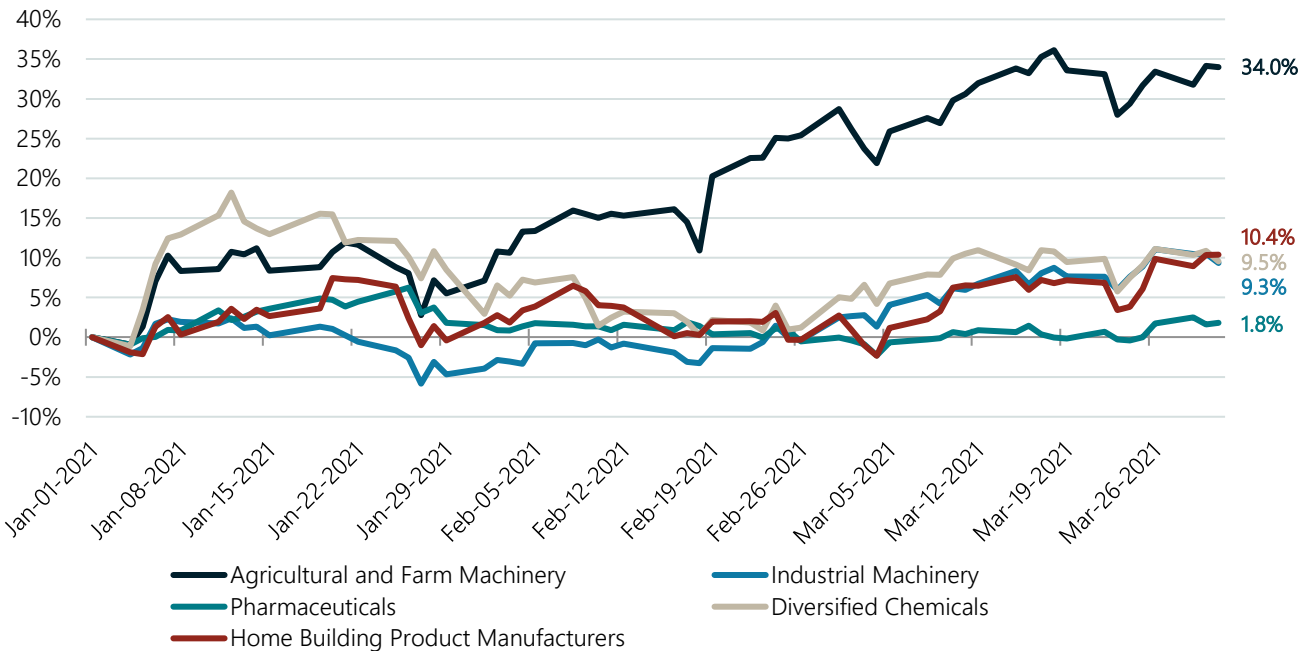
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group Stock Price Performance*



Manufacturing Peer Group Stock Price Performance*

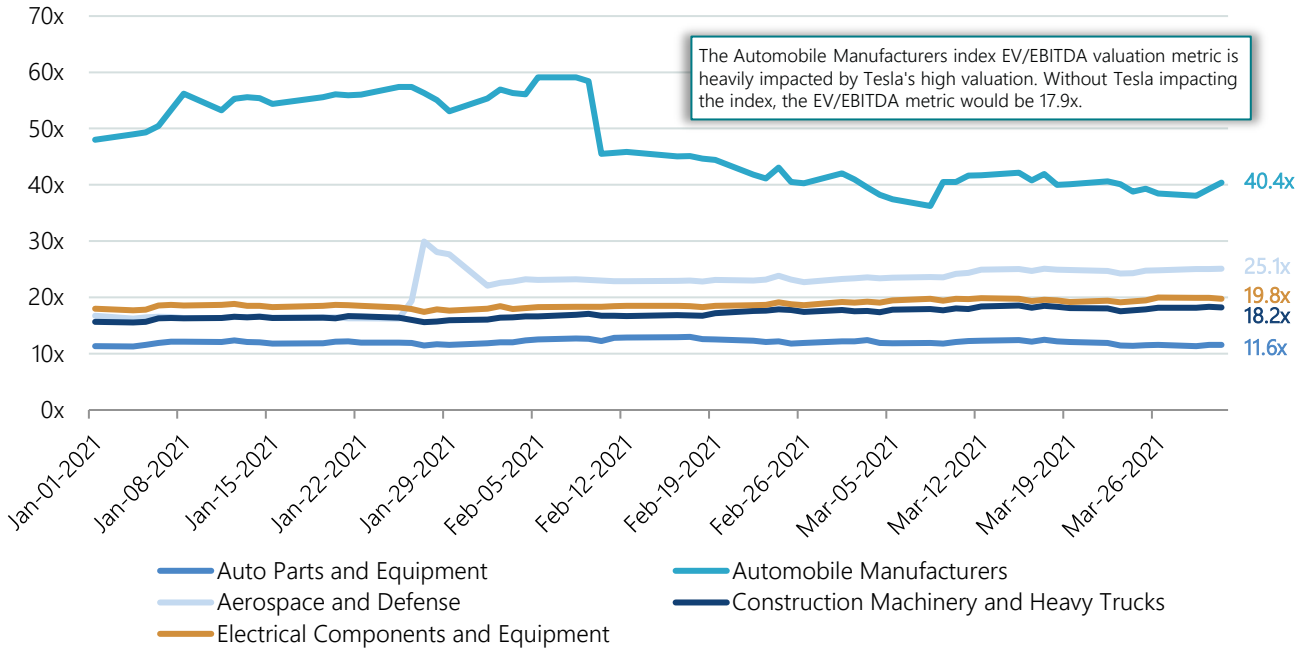


Source: Capital IQ. Data as of March 31, 2021.
Further details provided on page 10 and 11.
*Peer group metrics are weighted by market capitalization

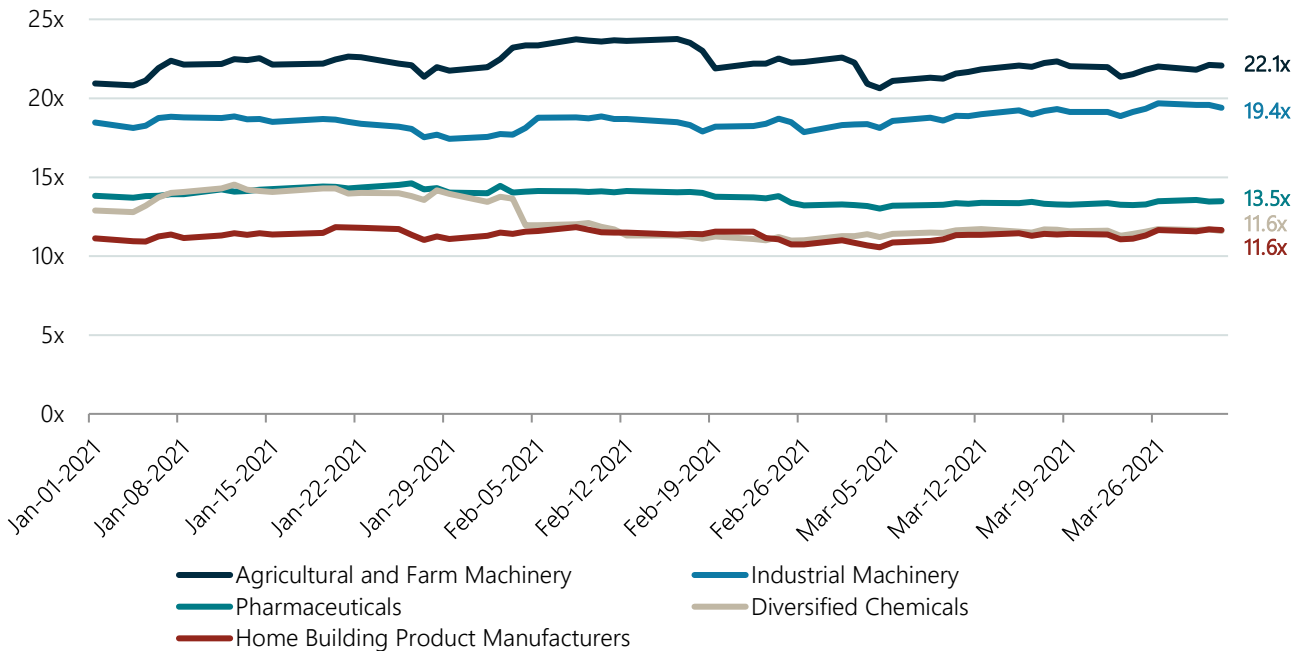
Public Comparable Analysis

Performance Analysis

Manufacturing Peer Group EV/EBITDA Multiples



Manufacturing Peer Group EV/EBITDA Multiples



Source: Capital IQ. Data as of March 31, 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	LTM Operating Figures						NTM Consensus Estimates			Valuation	
	Market Capitalization	Enterprise Value	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	\$148,665	\$188,251	\$58,158	(24.0%)	(\$6,053)	(10.4%)	38.9%	6.8%	34.4x	N/A	3.2x
Raytheon Technologies Corporation	\$116,681	\$143,421	\$56,587	24.8%	\$7,138	12.6%	15.8%	14.9%	14.7x	20.1x	2.5x
Lockheed Martin Corporation	\$102,984	\$113,131	\$66,005	8.0%	\$10,518	15.9%	5.1%	15.4%	10.7x	10.8x	1.7x
Northrop Grumman Corporation	\$53,957	\$65,263	\$36,799	8.7%	\$5,937	16.1%	(3.4%)	13.6%	13.5x	11.0x	1.8x
General Dynamics Corporation	\$51,886	\$63,794	\$37,925	(3.6%)	\$5,474	14.4%	2.3%	12.8%	12.8x	11.7x	1.7x
Median	\$102,984	\$113,131	\$56,587	8.0%	\$5,937	14.4%	5.1%	13.6%	13.5x	11.3x	1.8x
Mean	\$94,834	\$114,772	\$51,095	2.8%	\$4,603	9.7%	11.8%	12.7%	17.2x	13.4x	2.2x
Agricultural and Farm Machinery											
Deere & Company	\$117,270	\$156,999	\$36,995	(4.8%)	\$6,628	17.9%	6.9%	19.8%	20.3x	23.7x	4.2x
CNH Industrial N.V.	\$21,175	\$39,363	\$26,032	(7.3%)	\$1,697	6.5%	9.4%	8.7%	16.0x	23.2x	1.5x
The Toro Company	\$11,100	\$11,447	\$3,484	5.5%	\$590	16.9%	5.8%	16.3%	19.1x	19.4x	3.3x
AGCO Corporation	\$10,816	\$11,533	\$9,150	1.2%	\$1,016	11.1%	12.6%	10.6%	10.6x	11.3x	1.3x
Median	\$16,138	\$25,448	\$17,591	(1.8%)	\$1,357	14.0%	8.1%	13.4%	17.5x	21.3x	2.4x
Mean	\$40,090	\$54,836	\$18,915	(1.4%)	\$2,483	13.1%	8.6%	13.9%	16.5x	19.4x	2.6x
Auto Parts and Equipment											
Aptiv PLC	\$37,297	\$39,172	\$13,066	(9.0%)	\$1,601	12.3%	19.8%	15.5%	16.0x	24.5x	3.0x
Magna International Inc.	\$26,517	\$29,638	\$32,647	(17.2%)	\$3,631	11.1%	24.2%	10.9%	6.7x	8.2x	.9x
Lear Corporation	\$10,896	\$12,547	\$17,046	(14.0%)	\$1,334	7.8%	20.3%	8.8%	6.9x	9.4x	.7x
BorgWarner Inc.	\$11,081	\$13,733	\$10,165	(0.0%)	\$1,568	15.4%	47.4%	14.9%	6.2x	8.8x	1.4x
Autoliv, Inc.	\$8,113	\$9,501	\$7,447	(12.9%)	\$896	12.0%	21.9%	14.4%	7.3x	10.6x	1.3x
Median	\$11,081	\$13,733	\$13,066	(12.9%)	\$1,568	12.0%	21.9%	14.4%	6.9x	9.4x	1.3x
Mean	\$18,781	\$20,918	\$16,074	(10.6%)	\$1,806	11.7%	26.7%	12.9%	8.6x	12.3x	1.5x
Automobile Manufacturers											
Tesla, Inc.	\$641,115	\$636,522	\$31,536	28.3%	\$4,724	15.0%	56.2%	19.7%	67.9x	134.7x	20.2x
General Motors Company	\$82,795	\$174,576	\$122,485	(10.7%)	\$14,497	11.8%	13.6%	16.9%	7.4x	12.0x	1.4x
Ford Motor Company	\$48,739	\$181,106	\$127,144	(18.4%)	\$5,335	4.2%	13.3%	8.6%	14.6x	33.9x	1.4x
Median	\$82,795	\$181,106	\$122,485	(10.7%)	\$5,335	11.8%	13.6%	16.9%	14.6x	33.9x	1.4x
Mean	\$257,550	\$330,735	\$93,722	(0.3%)	\$8,185	10.3%	27.7%	15.1%	30.0x	60.2x	7.7x
Construction Machinery and Heavy Trucks											
Caterpillar Inc.	\$126,440	\$155,453	\$41,748	(22.4%)	\$7,562	18.1%	11.9%	17.4%	19.4x	20.6x	3.7x
Cummins Inc.	\$37,971	\$39,694	\$19,811	(16.0%)	\$3,237	16.3%	12.2%	15.6%	11.5x	12.3x	2.0x
PACCAR Inc	\$32,256	\$38,432	\$18,729	(26.8%)	\$2,034	10.9%	19.9%	11.5%	14.9x	18.9x	2.1x
Median	\$37,971	\$39,694	\$19,811	(22.4%)	\$3,237	16.3%	12.2%	15.6%	14.9x	18.9x	2.1x
Mean	\$65,556	\$77,860	\$26,763	(21.7%)	\$4,278	15.1%	14.7%	14.8%	15.3x	17.2x	2.6x
Diversified Chemicals											
DuPont de Nemours, Inc.	\$41,606	\$62,081	\$20,397	(5.2%)	\$5,203	25.5%	(24.0%)	25.5%	15.8x	11.9x	3.0x
Eastman Chemical Company	\$15,033	\$20,401	\$8,473	(8.6%)	\$1,671	19.7%	8.1%	22.4%	10.0x	12.2x	2.4x
Huntsman Corporation	\$6,390	\$7,535	\$6,018	(11.5%)	\$628	10.4%	17.0%	14.2%	7.5x	12.0x	1.3x
The Chemours Company	\$4,611	\$7,785	\$4,969	(10.1%)	\$932	18.8%	12.6%	19.8%	7.1x	8.4x	1.6x
Median	\$10,712	\$14,093	\$7,246	(9.4%)	\$1,302	19.2%	10.4%	21.1%	8.8x	12.0x	2.0x
Mean	\$16,910	\$24,450	\$9,964	(8.8%)	\$2,109	18.6%	3.4%	20.4%	10.1x	11.1x	2.1x

Source: Capital IQ. Data as of March 31, 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.	\$54,135	\$60,141	\$16,795	(8.6%)	\$3,943	23.5%	7.3%	22.4%	15.0x	15.3x	3.6x
Eaton Corporation plc	\$55,086	\$62,633	\$17,858	(16.5%)	\$2,800	15.7%	(0.2%)	18.6%	19.0x	22.4x	3.5x
Rockwell Automation, Inc.	\$30,832	\$32,910	\$6,211	(7.8%)	\$1,338	21.6%	13.5%	20.5%	22.7x	24.6x	5.3x
AMETEK, Inc.	\$29,480	\$30,854	\$4,540	(12.0%)	\$1,353	29.8%	7.6%	29.0%	21.6x	22.8x	6.8x
Median	\$42,483	\$46,525	\$11,503	(10.3%)	\$2,077	22.5%	7.5%	21.5%	20.3x	22.6x	4.4x
Mean	\$42,383	\$46,634	\$11,351	(11.2%)	\$2,359	22.6%	7.1%	22.6%	19.6x	21.3x	4.8x
Home Building Product Manufacturers											
Masco Corporation	\$15,209	\$17,092	\$7,188	7.2%	\$1,453	20.2%	7.9%	19.4%	11.3x	11.8x	2.4x
Fortune Brands Home & Security, Inc.	\$13,264	\$15,596	\$6,090	5.7%	\$1,064	17.5%	14.1%	17.3%	13.0x	14.7x	2.6x
JELD-WEN Holding, Inc.	\$2,799	\$4,055	\$4,236	(1.3%)	\$467	11.0%	6.9%	11.3%	7.9x	8.7x	1.0x
Masonite International Corporation	\$2,828	\$3,452	\$2,257	3.7%	\$383	17.0%	9.4%	17.5%	7.9x	9.0x	1.5x
American Woodmark Corporation	\$1,676	\$2,230	\$1,670	0.7%	\$241	14.4%	11.1%	13.8%	8.7x	9.2x	1.3x
Caesarstone Ltd.	\$473	\$515	\$486	(10.9%)	\$79	16.3%	21.3%	11.4%	7.6x	6.5x	1.1x
Median	\$2,814	\$3,753	\$3,246	2.2%	\$425	16.6%	10.2%	15.6%	8.3x	9.1x	1.4x
Mean	\$6,041	\$7,157	\$3,655	0.8%	\$614	16.1%	11.8%	15.1%	9.4x	10.0x	1.6x
Industrial Machinery											
Illinois Tool Works Inc.	\$70,107	\$75,854	\$12,574	(10.9%)	\$3,370	26.8%	11.4%	27.9%	19.4x	22.5x	6.0x
Parker-Hannifin Corporation	\$40,716	\$47,338	\$13,505	(4.9%)	\$2,703	20.0%	10.1%	20.9%	15.7x	17.5x	3.5x
Stanley Black & Decker, Inc.	\$32,152	\$37,150	\$14,535	0.6%	\$2,735	18.8%	7.9%	18.3%	13.1x	13.6x	2.6x
Fortive Corporation	\$23,881	\$25,377	\$4,634	1.5%	\$1,074	23.2%	9.0%	24.3%	20.7x	23.6x	5.5x
Ingersoll Rand Inc.	\$20,607	\$22,985	\$4,910	100.3%	\$874	17.8%	15.9%	22.2%	18.2x	26.3x	4.7x
Median	\$32,152	\$37,150	\$12,574	0.6%	\$2,703	20.0%	10.1%	22.2%	18.2x	22.5x	4.7x
Mean	\$37,493	\$41,741	\$10,032	17.3%	\$2,151	21.3%	10.8%	22.7%	17.4x	20.7x	4.5x
Pharmaceuticals											
Johnson & Johnson	\$432,685	\$442,145	\$82,584	0.6%	\$27,545	33.4%	13.5%	35.6%	13.4x	16.1x	5.4x
Merck & Co., Inc.	\$195,062	\$220,539	\$47,994	2.5%	\$19,416	40.5%	8.6%	41.7%	10.0x	11.4x	4.6x
Pfizer Inc.	\$202,097	\$231,364	\$41,908	1.8%	\$15,958	38.1%	44.7%	39.5%	9.5x	14.5x	5.5x
AbbVie Inc.	\$190,989	\$269,621	\$45,804	37.7%	\$22,481	49.1%	21.1%	51.5%	8.8x	12.0x	5.9x
Eli Lilly and Company	\$169,818	\$183,870	\$24,540	9.9%	\$9,030	36.8%	13.5%	37.6%	17.5x	20.4x	7.5x
Bristol-Myers Squibb Company	\$141,028	\$175,888	\$42,518	62.6%	\$18,515	43.5%	8.7%	53.2%	7.2x	9.5x	4.1x
Median	\$193,026	\$225,951	\$44,161	6.2%	\$18,966	39.3%	13.5%	40.6%	9.8x	13.2x	5.4x
Mean	\$221,947	\$253,905	\$47,558	19.2%	\$18,824	40.2%	18.3%	43.2%	11.1x	14.0x	5.5x

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.

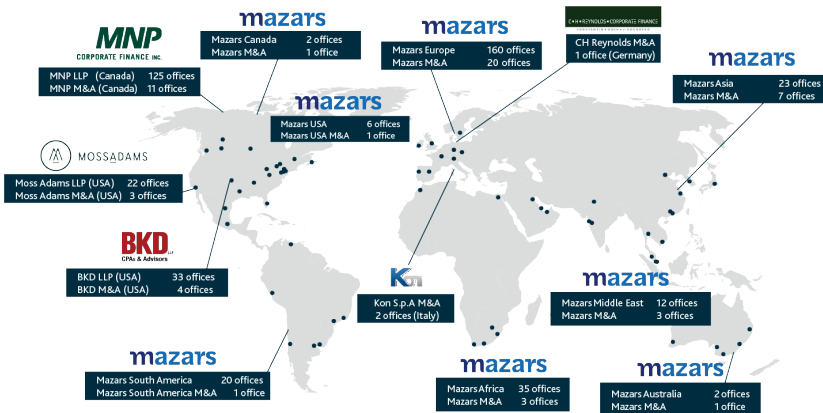
Our typical transactions range in value between \$3 million and \$300 million.

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)

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

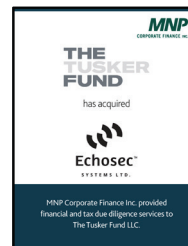
Hands-on Approach

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.

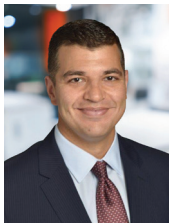
Recently Closed Deals (National)



Transaction Leadership



Brett Franklin
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