



INDUSTRIALS: PRECISION MANUFACTURING

- As the world begins to put COVID in the past, M&A activity is picking up tremendous momentum. Strategic buyers across the globe are increasingly using M&A as a tool to capture growth and additional market share.
- Publicly traded companies focused on precision manufacturing have outpaced the S&P500 since the start of the pandemic.
- Economic indicators show industrial production should be strong in 2021.
- We believe M&A activity within the Precision Manufacturing sector will be strong as stalled 2020 deals are brought to market. In addition, tax code uncertainty is causing sellers to contemplate a transaction in 2021.

RECENT SELECT TRANSACTIONS

Target	Date	Buyers / Investors	Region	Strategic / Financial
Mitsubishi Heavy Industries Machine Tool Co., Ltd.	Feb 5	Nidec Corporation	APAC	Strategic
Ecoroll AG	Feb 3	Pinova Capital	Europe	Financial
CASCO Co., Ltd.	Jan 26	PTclover Co., Ltd.	APAC	Strategic
Diversified Manufacturing Technologies, Inc.	Jan 11	Roembke Mfg. & Design, INC.	USA	Strategic
L & T Precision Corporation	Jan 7	The Partner Companies, LLC	USA	Strategic
Master Automatic, Inc. (nka:MacLean Master LLC)	Jan 6	Engineered Plastics Company, LLC	USA	Strategic
CHP Industrial Solutions Sdn Bhd	Dec 28	Dalrada Precision Corp.	APAC	Strategic
H.&S. Swansons' Tool Company (nka:H&S SWANSON FAMIL	Dec 23	ARCH Global Precision LLC	USA	PE Backed Strategic
Dahlquist Machine, Inc.	Dec 21	Incodema Inc.	USA	PE Backed Strategic
Viper Northwest, Inc./Shields Manufacturing, Inc.	Dec 18	Precinmac Precision Machining	USA	PE Backed Strategic
Kongsberg Precision Cutting Systems	Dec 15	OpenGate Capital, LLC	Europe	Financial
Cosmos Machinery Enterprises Limited	Dec 11	Cosmos Machinery (Holdings) Limited	APAC	Strategic
Orbitech Co., Ltd.	Feb 5	Kyle Partners	APAC	Financial
Swiss Precision Machining, Inc.	Dec 7	Vander-Bend Manufacturing, Inc.	USA	PE Backed Strategic
Nogales, Mexico Division of Massachusetts-Based CR Machin	Dec 2	Ichor Holdings, Ltd.	Mexico	Strategic
Advanced Technology Machining, Inc./TECC Grinding, Inc.	Nov 19	ESCO Technologies Inc.	USA	Strategic
Flanders Technology (Shenzhen) Co., Ltd.	Nov 7	Shenzhen HEKEDA Precision Cleaning E	APAC	Strategic
Gehring Technologies GmbH	Jan 0	Kraftverkehr Nagel GmbH & Co. KG	Europe	Strategic
High Precision Devices, Inc.	Oct 19	FormFactor, Inc.	USA	Strategic
Isimac Machine Company, Inc.	Oct 22	VFD Technologies, Inc.	USA	PE Backed Strategic
STADCO, Inc.	Jun 2	TechPrecision Corporation	USA	Strategic
Larkin Precision Machining, Inc.	Oct 6	IMG Companies, LLC	USA	Strategic
ZAP-Mechanika Sp. z o.o.	Sep 24	Omikron Capital	Europe	Financial
LexCentral Steel Corporation	Sep 22	Union Partners I LLC	USA	Financial

For more information and insight please contact members of the EdgePoint Industrials team:

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M&A
Advisory
RESULTS *with*
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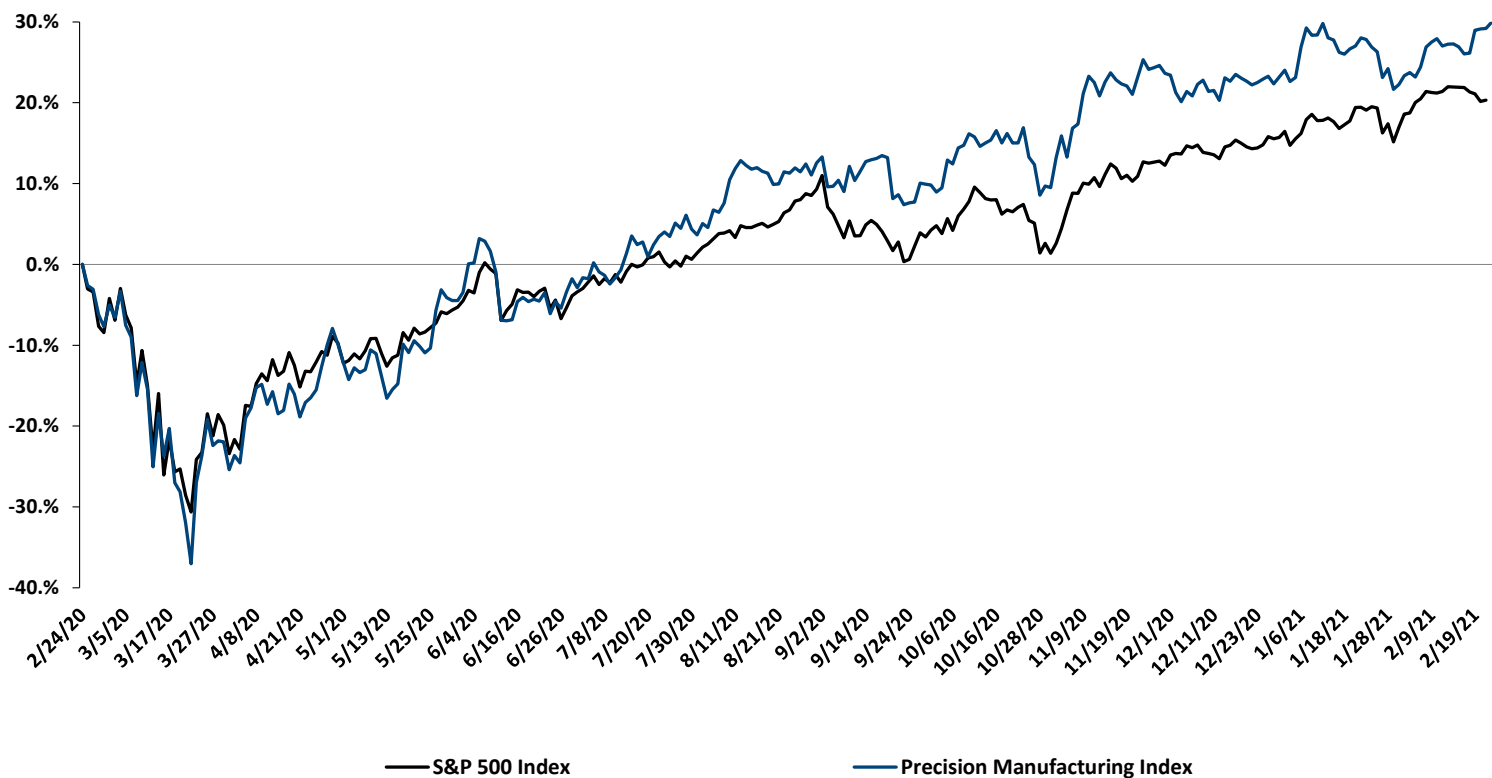
EdgePoint Public Comparable Index Constituents

Precision Manufacturing Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2020E	LTM	2020E	LTM	LTM	3-Yr. CAGR		
AMETEK, Inc.	\$29,028	35.0%	28.7%	\$1,304	\$1,419	21.4x	20.5x	\$4,540	-12.0%	1.8%	\$119.94	95.3%
Celestica Inc.	1,226	7.1%	4.3%	245	279	5.0x	4.4x	5,748	-2.4%	-2.2%	8.43	88.5%
Colfax Corporation	7,679	42.2%	14.9%	459	596	15.2x	12.9x	3,071	-7.7%	16.6%	44.89	98.7%
Cummins Inc.	38,770	24.7%	13.0%	2,582	3,439	12.0x	11.3x	19,811	-16.0%	-1.0%	250.90	98.7%
Illinois Tool Works Inc.	69,564	41.3%	26.4%	3,322	3,900	20.6x	17.8x	12,574	-10.9%	-4.2%	201.53	89.7%
Lincoln Electric Holdings, Inc.	7,492	32.8%	15.1%	400	490	17.7x	15.3x	2,655	-11.6%	0.4%	117.07	93.5%
Sandvik AB	25,372	37.3%	20.2%	2,287	2,787	16.2x	12.3x	10,056	-16.3%	-1.7%	27.03	97.9%
Mean		31.5%	17.5%	1,514	1,844	15.5x	13.5x	8,351	-11.0%	1.4%	110.0	94.6%

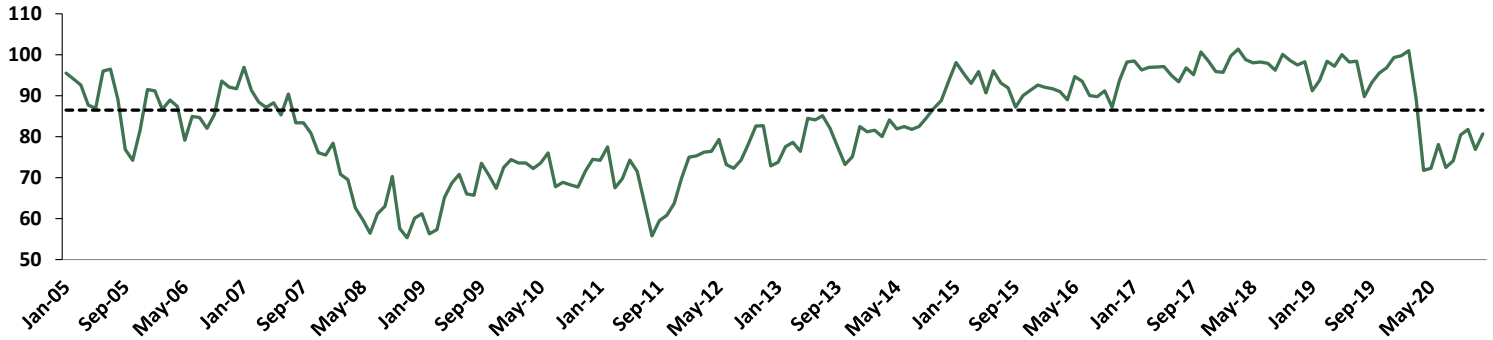
Source: S&P CapIQ (As of February 24, 2021)

Trailing Twelve Months Stock Performance



Source: S&P CapIQ (As of February 24, 2021)

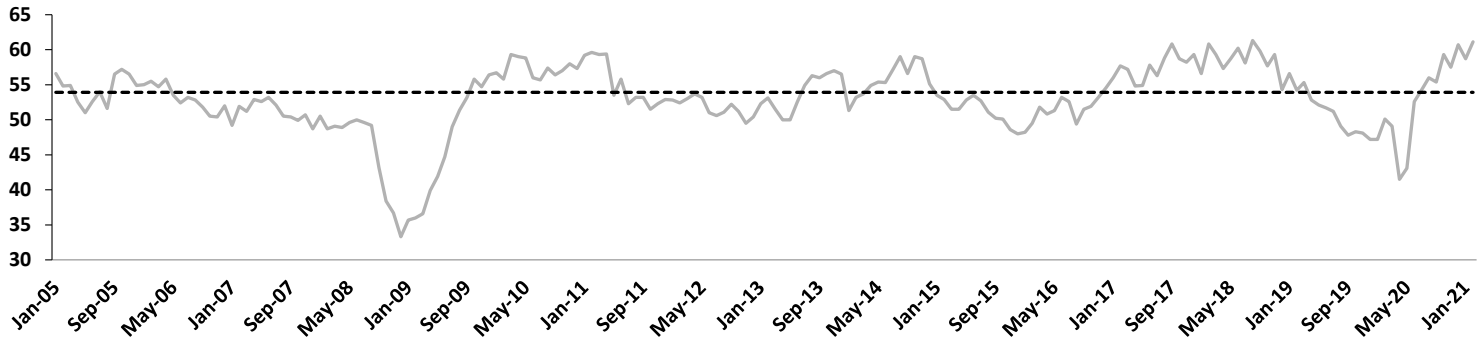
Consumer Confidence Index



Source: University of Michigan

— Consumer Confidence Index - - - - 10 Year Average

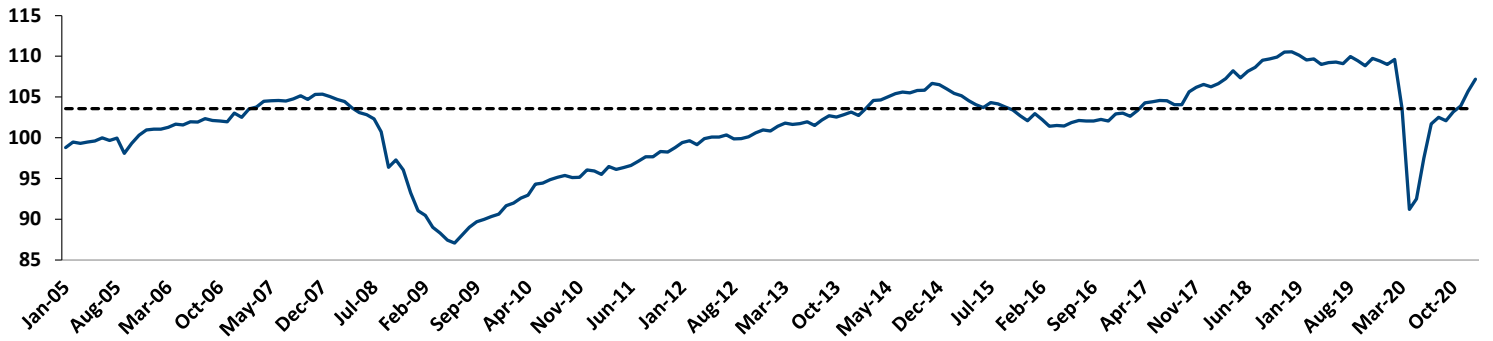
Purchasing Managers Index



Source: Institute for Supply Management

— Purchasing Managers Index - - - - 10 Year Average

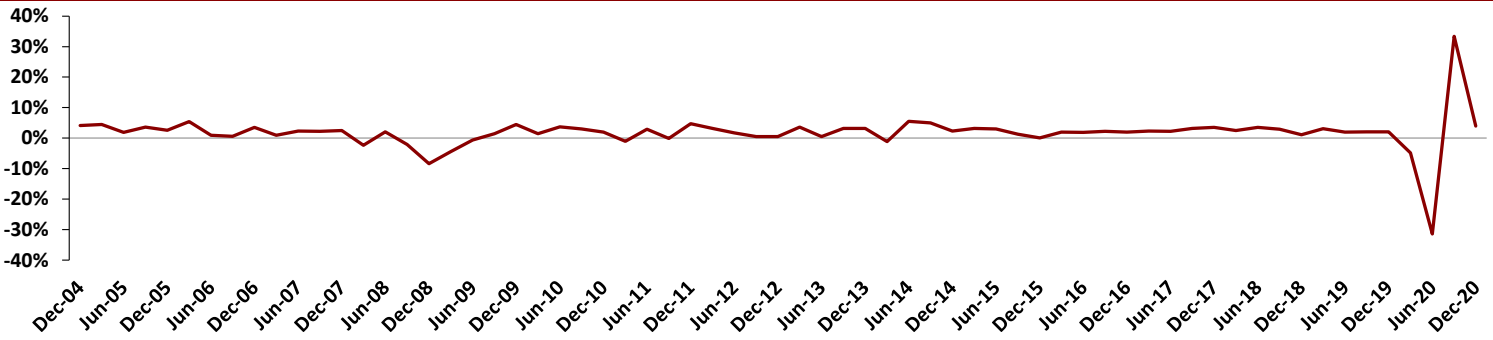
Industrial Production Index



Source: Federal Reserve

— Industrial Production Index - - - - 10 Year Average

U.S. Real GDP Growth



Source: Bureau of Economic Analysis

— U.S. Real GDP Growth