



# Industrials & Manufacturing

Strategic Market Insights – Q1 2017 Report

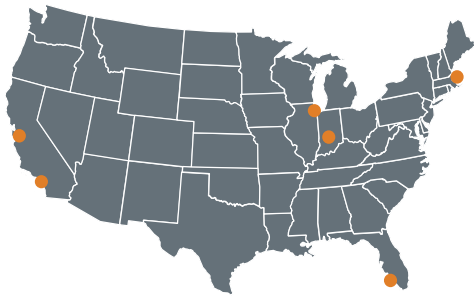


# G2 Overview

## Investment Banking and Restructuring Advisory

G2 Capital Advisors is pleased to present its Industrials & Manufacturing update for Q1 2017, providing commentary and analysis on M&A and market trends within the Industrials & Manufacturing industry. We hope you find this report helpful and encourage you to contact us directly if you would like to discuss our perspective on the current market environment, trends, or our relevant industry experience.

**THIRTY-FIVE** professionals



across **SIX** offices

**FOUR** Industry Practice Groups



Transportation & Logistics / Supply Chain



Technology / Business Services



Aerospace & Defense / Security



Industrials / Manufacturing

**FIVE** Service Offerings

Securities



Sell-Side

Buy-Side



Operational Restructuring

Financial Restructuring



# G2 Overview

## Sector-Focused; Experience-Based

G2 is focused in four sectors; each practice group headed by a leader with 20+ years of C-level operating experience. G2's managing directors have navigated all stages of the corporate lifecycle, from growth to maturity, and apply that experience to provide advisory services to our clients.



Transportation & Logistics / Supply Chain



Industrials / Manufacturing



Technology / Business Services



Aerospace & Defense / Security

**Led by Ron Lentz**

- Freight Forwarding
- Trucking / Final Mile
- Warehousing / Distribution
- Third Party Logistics (3PL)
- e-Commerce Fulfillment

**Led by Jack Shields**

- Manufacturing / Distribution
- Flooring
- Plastics / Packaging
- Consumer Products
- Metals

**Led by Matt Konkle**

- Tech-enabled Services
- BPO
- Managed Services
- Internet & Digital Media
- Business Services

**Led by Bob Kinder**

- Cyber Security
- Defense Robotics
- UAV, C4ISR, Hardware
- Aerospace Electronics
- Aerospace Components

G2 offers clients an operational, experience-based approach within each of its practice sectors.

# Market Update

## G2 Insights



As we progress through 2017 there seems to be a building of macro uncertainty. Some of this uncertainty appears to already be reflected in market valuations; since the most recent peak in M&A multiples in Q3 2016, the Institute for Supply Management (ISM) growth readings have held steady, while general M&A multiples have slightly contracted. However, multiples and activity levels remain strong relative to long term historic trends, in part due to an excess of investor liquidity that needs to put to work. Investor liquidity is also evident in the growth of fund size, which is driving investors to “move up” in terms of the investment and check size, or to pursue aggressive add-on growth strategies for their portfolio holdings as they seek opportunities to deploy capital efficiently.

In the consumer product sector, a notable theme from Q1 2017 was the significant news flow on store closure announcements by several brick and mortar retailers, notably Sears & Kmart, and J.C. Penney. This trend is a cause for concern for consumer product manufacturers who have traditionally relied on these distribution and sales channels. Such manufacturers will need to review, assess and potentially adjust their go-to market and e-Commerce strategies.

In the packaging sector, M&A activity remains elevated. Earlier this year, WestRock (NYSE:WRK) announced the acquisition of Multi Packaging Solutions International (NYSE:MPSK) for about \$2.2BN at 10.5x EBITDA. Valuations in the paperboard industry continue to be steady around the 9.2x mark on an LTM EBITDA basis, while attractive middle-market assets are being aggressively pursued by industry consolidators.







G2 Capital Advisors continues to be bullish on the following markets: Health and Beauty as it relates to the social media trends; Businesses that have strong ties to the movement of e-Commerce products; Natural and Health orientated foods and beverages; Adhesives Industry consolidation; Building products manufacturers.



## Industrials & Manufacturing

Jack Shields, Managing Director

Jack Shields has over 30 years of experience in Manufacturing, Plastics & Chemicals, Consumer Goods, Retail Services, Pharmaceutical and General Management; specializing in due diligence and strategic planning.

Company	Title	Role	
	Operating Principal	Managed 11 different investments consisting of manufacturing and industrial firms, which included chairmanship for two of the top five largest portfolio holdings.	
	Various	Has held several positions starting from an Engineer level to multiple manufacturing management positions including Manufacturing Manager, Engineering Manager and Plant Manager within Clorox.	
	President	Served as the President of Webster, a manufacturer of store brand private label plastic food storage solutions generating \$200 million in annual revenue.	
	VP of Operations	Plassein and Jack, acquired six independent companies which operated under one unit and covered an aggregate of 14 industrial locations manufacturing plastic films and bags for both B2B, automotive, and consumer markets.	
	Various	Started as a Vice President and later became the President of Nutramax, an OTC Pharmaceutical company.	

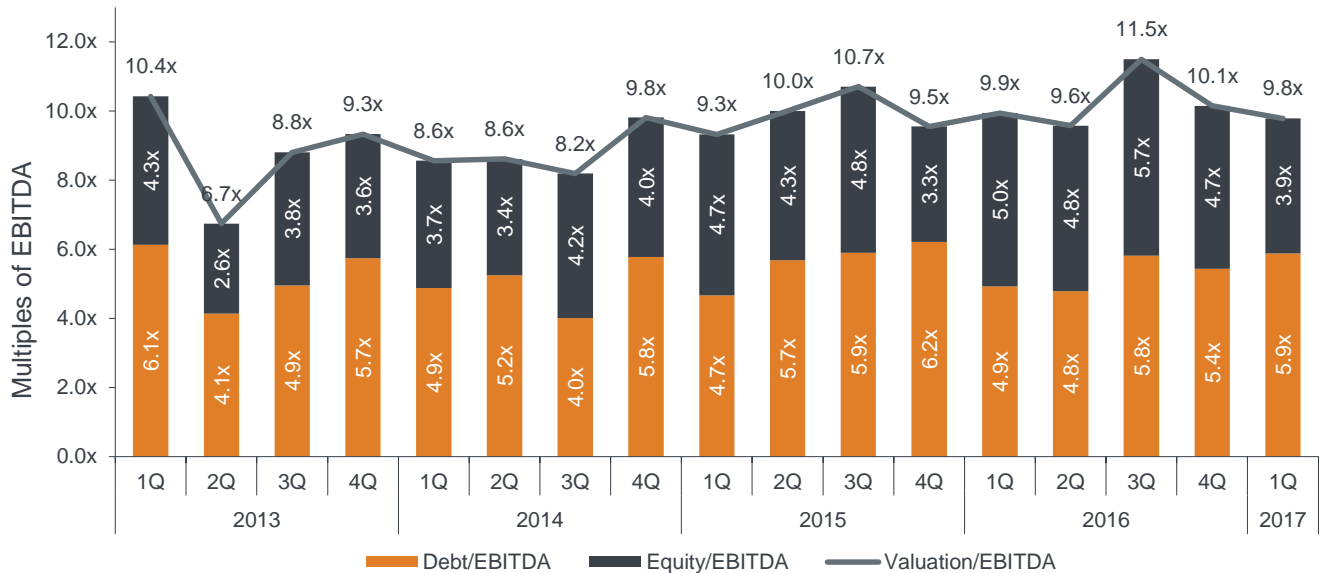
**Jack Shields**  
Practice Leader  
Industrials &  
Manufacturing

# Industrials & Manufacturing

## M&A Activity – Middle Market

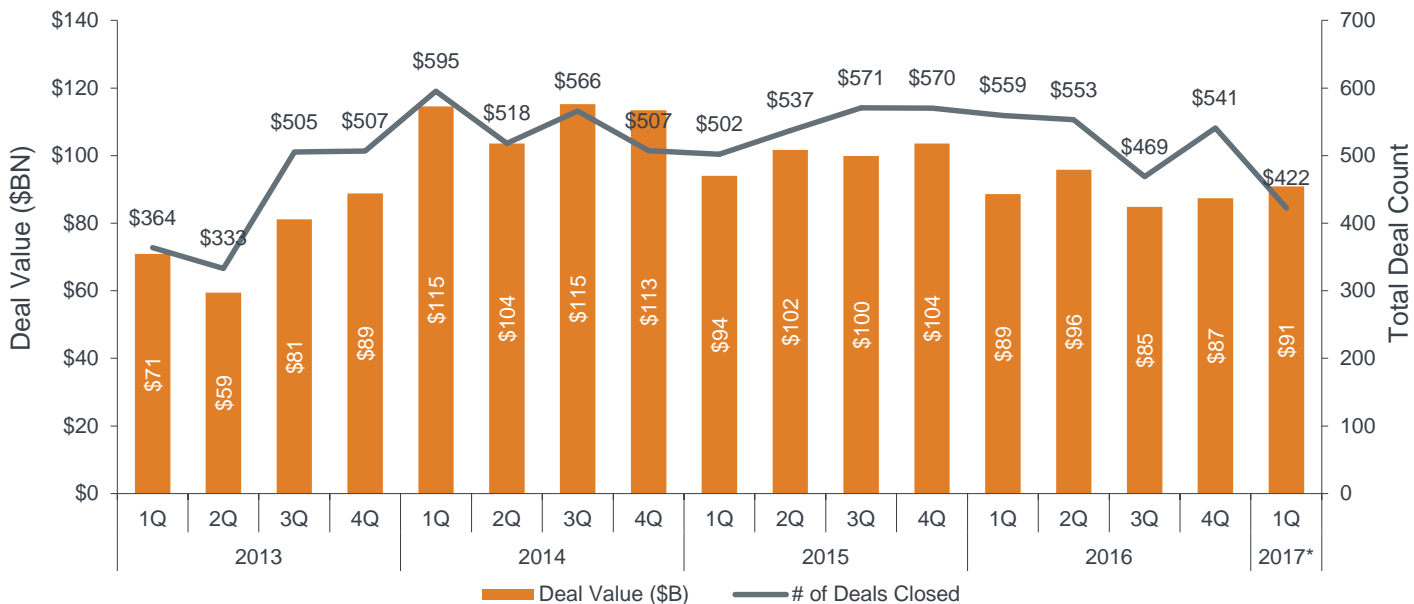
Total deal activity dropped to its lowest level since Q2 2013; overall however, deal multiples remain strong. Though there has been some pullback in M&A, debt remains a strong driver of transaction valuations.

### M&A Transaction Multiples



M&A transaction multiples are the median North American M&A activity independent of target / acquirer industry and enterprise value. The dataset has been restricted to multiples between 0.0x and 30.0x EBITDA; sourced through Pitchbook's 2017 Q1 Report.

### U.S. Middle Market Private Equity Activity



The U.S. Middle Market as shown in this chart has been defined as companies with an enterprise value between \$25MM and \$1,000MM, and headquartered in the United States.

Data sourced through PitchBook 2017 Q1 Report

# Industrials & Manufacturing

## Selected Industry Deals 2017 Q1

Several notable transactions have already been completed or announced in the Industrials & Manufacturing industry through 2017 Q1. G2 has outlined select transactions below, followed by a more comprehensive list on the following tables.

- Multi Packaging Solutions (MPS) acquired by WestRock Co. (Pending)** – MPS (NYSE:MPSX) is a leading global provider of value-added packaging solutions to a diverse customer base across the healthcare, consumer and multi-media markets. The addition of MPS to WestRock will drive margin expansion and enhanced financials return. The transaction is valued at \$2.2BN at a 10.5x EBITDA multiple and is immediately accretive to WestRock.
- Houghton International acquired by Quaker Chemical (Pending)** – Houghton International is a global leader in delivering advanced metalworking fluids and services for various industries. The combination of the two companies will accelerate product development, diversify R&D, and generate significant cross selling capabilities in addition to achieving cost synergies of approximately \$45MM. The transaction is valued at 12.3x EBITDA.
- Elastikote acquired by Blair Rubber & Hyload Inc. (March 2017)** – Elastikote is a designer and supplier of solvent-based roofing and below grade waterproofing systems. Blair Rubber and Hyload are part of the IKO Group of companies, a world leader in the roofing and waterproofing industry. The acquisition will allow Blair Rubber and Hyload to expand on product offerings and strengthen knowledge and expertise capabilities.

# Industrials & Manufacturing

## Key Trading Statistics

Sector	Number of Companies	Median Enterprise Value (\$MM)	FY 2017 <sup>1</sup>		LTM <sup>2</sup>	
			Median Revenue Growth	Median EBITDA Growth*	EV / Revenue	EV / EBITDA
Building Products	16	2,457	7.7%	13.6%	2.2x	12.3x
Chemicals	10	12,101	11.2%	22.7%	2.3x	11.8x
Food Processing & Distribution	16	20,413	4.2%	14.1%	2.2x	13.6x
Mining	9	20,474	15.2%	46.3%	2.9x	8.1x
Paper Packaging	10	8,132	7.3%	12.9%	1.3x	9.3x
Plastics Packaging	12	5,627	10.1%	17.0%	1.8x	11.2x
Steel Mills	10	8,656	14.1%	38.0%	1.0x	8.4x
Steel Service Centers & Distribution	6	1,455	13.9%	33.3%	0.6x	9.4x

<sup>1</sup> Estimated – 2017 Fiscal Year

<sup>2</sup> LTM Multiples as at Friday, March 31, 2017

\* YoY growth calculations exclude companies with negative margins in either period considered.

Sector Summary in Millions USD (converted where necessary)  
Data sourced from S&P Capital IQ on Friday, March 31, 2017

# Industrials & Manufacturing

## Recent Deal Activity – Pending & Closed

### Building Products

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Advanced Environmental Recycling Technologies, Inc.	Oldcastle Architectural, Inc.	\$102.4	7.2x	1.2x
Pending	MAAX Bath Inc.	American Bath Group, LLC	-	-	-
Pending	TA Millwork LLC	Wichita Cabinet Company, LLC	-	-	-
Mar-17	Chelsea Building Products, Inc.	aluplast GmbH	-	-	-
Mar-17	Elastikote LLC	Hyload, Inc.; Blair Rubber Company	-	-	-
Mar-17	Savoia Canada Inc.	GESCO Group of Companies	-	-	-
Feb-17	Plastic Tubing Industries Inc.	Advanced Drainage Systems, Inc.	\$9.5	-	0.9x
Jan-17	Magnolia Window and Door	Headwaters Incorporated	-	-	-
Jan-17	Rmax Operating, LLC	Sika AG	-	-	-
Jan-17	Walflor Industries Inc	Low & Bonar plc	\$4.5	-	-
Jan-17	Tectum Inc.	Armstrong World Industries, Inc.	\$31.4	-	1.3x
Jan-17	Solid Surfaces, Inc.	Clio Holdings, LLC	-	-	-

### Chemicals

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Williams Olefins, L.L.C.	NOVA Chemicals Inc.	\$2,100.0	-	-
Pending	Houghton International Inc.	Quaker Chemical Corporation	\$1,481.7	12.3x	1.9x
Pending	Grace Darex Packaging Technologies	Henkel AG & Co. KGaA	\$1,050.0	-	3.7x
Pending	The Dow Chemical Company, Ethylene Acrylic Acid Business Unit	SK Global Chemical Co., Ltd.	\$370.0	-	-
Pending	Huber Engineered Materials, Silica Business Unit	Evonik Industries AG	\$630.0	-	-
Apr-17	Canadian Division of a Production Chemical Business	Secure Energy Services Inc.	\$22.5	-	-
Apr-17	Valley Processing Inc.	Hexpol AB (Publ)	\$46.0	-	1.4x
Mar-17	Creole Chemicals, LLC	OMNOVA Solutions Inc.	-	-	-
Mar-17	Taylor Chemical LTD	Hydrite Chemical Co.	-	-	-
Mar-17	SummitReheis, Inc.	Elementis plc	\$360.0	-	-
Mar-17	DuBois Chemicals, Inc.	The Jordan Company	-	-	-
Mar-17	BASF SE, Inorganic Specialties Business (nka:Callery, LLC)	Edgewater Capital	-	-	-
Feb-17	Lionano Inc.	Guangdong Dynavolt.	\$25.0	-	-
Feb-17	Petra Industries, Inc.	Brenntag AG	\$19.8	-	1.7x
Feb-17	Sealweld Corporation	KMG Electronic Chemicals	\$17.3	6.6x	1.4x
Jan-17	Aakash Chemicals & Dyestuffs, Inc.	CenterOak Partners LLC	-	-	-
Jan-17	Seastar Chemicals, Inc.	VWR Corporation	-	-	-
Jan-17	Fremont Industries, Inc.	Kurita Water Industries Ltd.	-	-	-

Sector Summary in Millions USD (converted where necessary)  
Data sourced from S&P Capital IQ on Friday, March 31, 2017

# Industrials & Manufacturing

## Recent Deal Activity – Pending & Closed

### Food Processing & Distribution

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Pure Foods Inc.	Brimhall Foods Company, Inc.	\$4.3	-	-
Pending	SRA Foods, Inc.	US Foods, Inc.	-	-	-
Pending	Laiterie Chagnon LTEE	Lait Kaiser inc.; Cult Yogourt	-	-	-
Pending	Mead Johnson Nutrition Company	Reckitt Benckiser Group	\$17,872.2	17.7x	4.8x
Pending	Pure Foods Inc.	Anita's Mexican Foods	-	-	-
Pending	Pineland Farms Potato Company, Inc.	BEF Foods, Inc.	\$140.0	-	-
Pending	Texas Primo Broodstock Inc.	Guangdong Haimao Industry	-	-	-
Mar-17	Dixie Foods Ltd.	Undisclosed	-	-	-
Feb-17	Bottom Line Food Processors, Inc.	Sovos Brands Intermediate, Inc.	-	-	-
Jan-17	Pretzel Baron	Valora Holding AG	-	-	-
Jan-17	Love & Quiches Ltd.	Indulge Desserts Holdings, LLC	-	-	-
Jan-17	Bubbies Homemade Ice Cream & Dessert Inc.	Kenex Holdings LLC	-	-	-
Jan-17	Hill & Valley, Inc.	J&J Snack Foods Corp.	-	-	-

### Mining

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Battle Mountain Gold Inc.	Gold Standard Ventures Corp	\$25.9	-	-
Pending	Exeter Resource Corporation	Goldcorp Inc.	\$157.6	NM	-
Pending	Dominion Diamond Corporation	The Washington Companies	\$1,127.3	5.3x	2.0x
Pending	Lexam VG Gold Inc.	McEwen Mining Inc.	\$37.7	NM	-
Pending	Essar Steel Minnesota LLC (nka:Mesabi Metallics Co. LLC)	SPL Advisors LLC	\$312.5	-	-
Pending	Stillwater Mining Company	Sibanye Gold Limited	\$2,022.0	20.3x	2.8x
Mar-17	Luna Gold Corp.	JDL Gold Corp. (nka:Trek Mining Inc.)	\$116.4	NM	NM
Jan-17	Aura Minerals Inc.	Northwestern Enterprises Ltd.	\$44.3	1.9x	0.3x
Jan-17	AQM Copper Inc.	Teck Resources Limited	\$25.1	NM	NM

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# Industrials & Manufacturing

## Recent Deal Activity – Pending & Closed

### Paper Packaging

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Multi Packaging Solutions International Limited	WestRock Company	\$2,256.5	10.5x	1.4x
Pending	Triple A Containers, Inc.	New-Indy Containerboard LLC	-	-	-
Pending	HP Neun Co. Inc.	Jamestown Container Corporation	-	-	-
Mar-17	Miller Container Corporation	Liberty Diversified International, Inc.	-	-	-
Jan-17	Werthan Packaging, Inc.	Gateway Packaging Company LLC	\$7.3	-	-

### Plastics Packaging

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Poly-clip System Corp., Casing Business Assets	Viskase Companies, Inc.	-	-	-
Pending	Novolex	The Carlyle Group LP; Carlyle Partners VI, L.P.	-	-	-
Apr-17	Trinity Packaging Corporation	ProAmpac LLC	-	-	-
Mar-17	Packaging Holdings, Inc.	Sonoco Plastics, Inc.	\$230.0	-	-
Mar-17	Letica Corporation	RPC Group Plc	\$640.0	11.2x	1.4x
Feb-17	Fisher Container Corp.	Morgan Stanley Private Equity	-	-	-
Jan-13	Newell Brands Inc., Rubbermaid Consumer Storage Totes	United Solutions	-	-	-

### Steel Mills and Steel Service Centers & Distribution

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Feb-17	Heartland Steel Products, LLC	LFM Capital	-	-	-
Feb-17	Mid-West Spring and Stamping, Inc.	Undisclosed	-	-	-
Jan-17	Quarto Pate Mill in New Castle, Indiana	D'Orazio Capital Management, Inc.	\$30.1	-	-
Jan-17	Polytorx, LLC	Pensmore Reinforcement Technologies, LLC	-	-	-
Jan-17	LoveMan Steel Corporation	Plastics Machinery Group LLC	-	-	-

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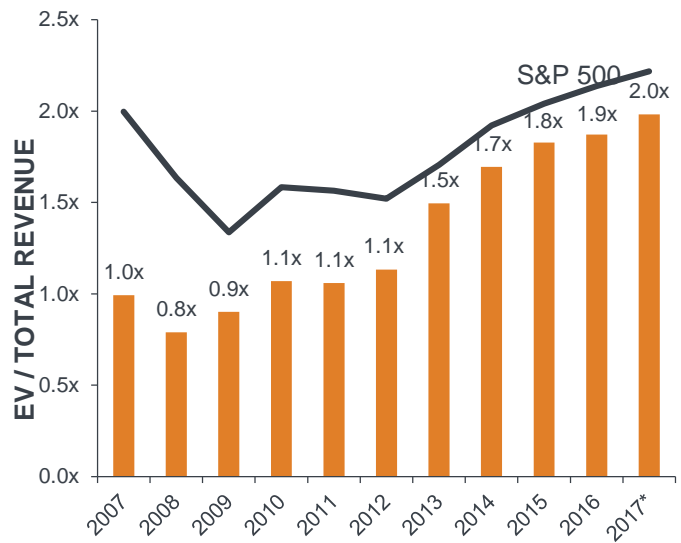
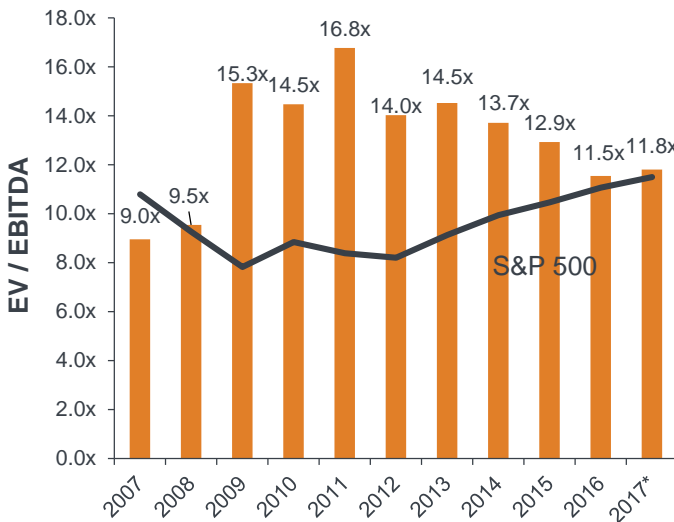
# Industrials & Manufacturing

## Public Trading Metrics – Building Products

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	4,583	4,118	155	2,482	394	15.3%	814	1.7x	2.2x	12.3x
Median	2,457	2,218	91	1,618	218	16.6%	470	1.9x	1.9x	11.4x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
A. O. Smith Corporation	NYSE:AOS	8,443	8,874	293	2,789	543	19.5%	362	0.7x	3.0x	15.5x
AAON, Inc.	Nasdaq:AAON	1,817	1,861	32	385	91	23.7%	NA	NA	4.7x	19.9x
Apogee Enterprises, Inc.	Nasdaq:APOG	1,646	1,708	19	1,115	158	14.2%	65	0.4x	1.5x	10.4x
Armstrong World Industries, Inc.	NYSE:AWI	3,211	2,479	81	1,263	232	18.4%	841	3.6x	2.5x	13.8x
Continental Building Products, Inc.	NYSE:CBPX	1,190	976	58	471	132	28.1%	264	2.0x	2.5x	9.0x
Fortune Brands Home & Security, Inc.	NYSE:FBHS	10,522	9,341	211	5,065	795	15.7%	1,492	1.9x	2.1x	13.2x
Gibraltar Industries, Inc.	Nasdaq:ROCK	1,339	1,300	161	977	114	11.7%	209	1.8x	1.4x	11.7x
Interface, Inc.	Nasdaq:TILE	1,328	1,224	166	959	135	14.1%	255	1.9x	1.4x	9.8x
Lennox International Inc.	NYSE:LII	8,009	7,191	49	3,720	531	14.3%	679	1.3x	2.2x	15.1x
Masco Corporation	NYSE:MAS	12,889	10,888	689	7,414	1,205	16.3%	2,996	2.5x	1.7x	10.7x
Masonite International Corporation	NYSE:DOOR	2,795	2,383	72	1,974	228	11.5%	470	2.1x	1.4x	12.3x
Owens Corning	NYSE:OC	8,940	6,910	101	5,924	1,130	19.1%	2,256	2.0x	1.5x	7.9x
Simpson Manufacturing Co., Inc.	NYSE:SSD	1,827	2,053	167	881	166	18.8%	NA	NA	2.1x	11.0x
Trex Company, Inc.	NYSE:TREX	2,022	2,040	2	493	123	25.0%	NA	NA	4.1x	16.4x
Universal Forest Products, Inc.	Nasdaq:UFPI	2,120	2,022	34	3,240	208	6.4%	109	0.5x	0.7x	10.2x
USG Corporation	NYSE:USG	5,225	4,631	341	3,037	514	16.9%	584	1.1x	1.7x	10.2x



Sector Summary in Millions USD (converted where necessary)  
 Charts show average daily multiples for each year  
 Data sourced from S&P Capital IQ on Friday, March 31, 2017

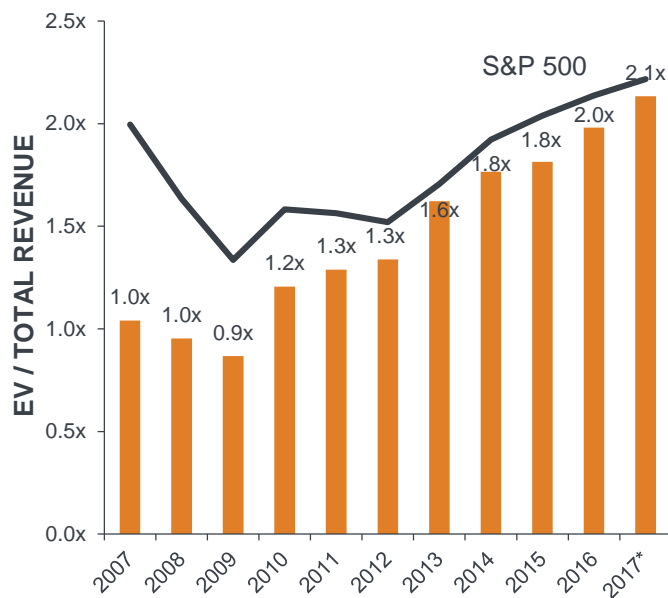
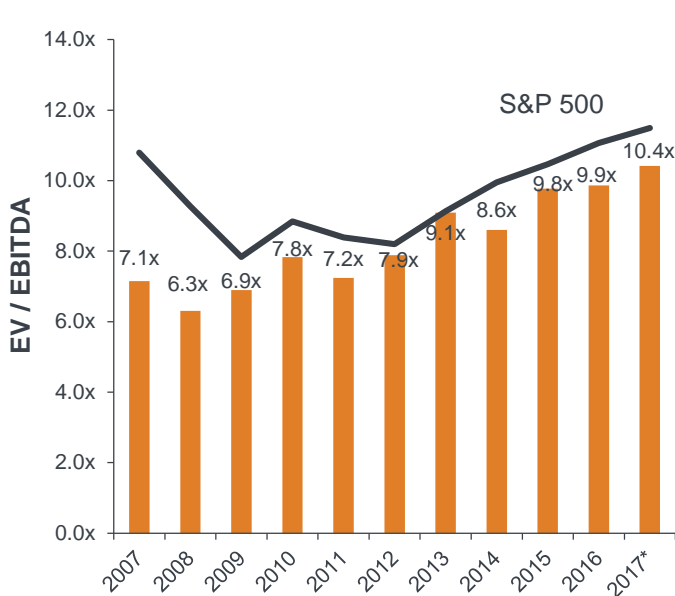
# Industrials & Manufacturing

## Public Trading Metrics – Chemicals Industry

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	28,943	23,648	1,091	15,296	2,781	15.8%	5,847	2.6x	2.3x	11.8x
Median	12,101	10,506	430	5,613	999	18.5%	3,206	2.5x	2.0x	10.5x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Albemarle Corporation	NYSE:ALB	11,947	11,700	1,255	2,742	724	26.4%	1,398	1.9x	4.4x	16.5x
Ashland Global Holdings Inc.	NYSE:ASH	9,757	7,703	605	5,051	771	15.3%	2,812	3.6x	1.9x	12.7x
BASF SE	DB:BAS	107,494	91,394	1,971	64,370	11,291	17.5%	15,300	1.4x	1.7x	9.5x
Celanese Corporation	NYSE:CE	15,434	12,643	488	5,456	1,155	21.2%	2,851	2.5x	2.8x	13.4x
Eastman Chemical Company	NYSE:EMN	18,271	11,783	197	9,075	2,103	23.2%	6,578	3.1x	2.0x	8.7x
FMC Corporation	NYSE:FMC	11,205	9,313	96	3,272	716	21.9%	1,790	2.5x	3.4x	15.7x
Hawkins, Inc.	Nasdaq:HWKN	625	521	8	494	61	12.4%	105	1.7x	1.3x	10.2x
Olin Corporation	NYSE:OLN	8,903	5,444	169	5,770	843	14.6%	3,560	4.2x	1.5x	10.6x
The Dow Chemical Company	NYSE:DOW	93,538	77,460	5,749	50,685	8,982	17.7%	20,473	2.3x	1.8x	10.4x
Westlake Chemical Corporation	NYSE:WLK	12,254	8,516	373	6,043	1,163	19.3%	3,602	3.1x	2.0x	10.5x



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 Charts show average daily multiples for each year  
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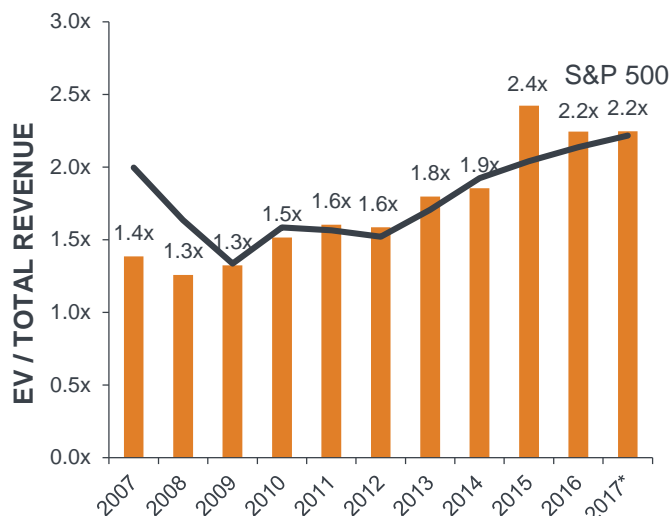
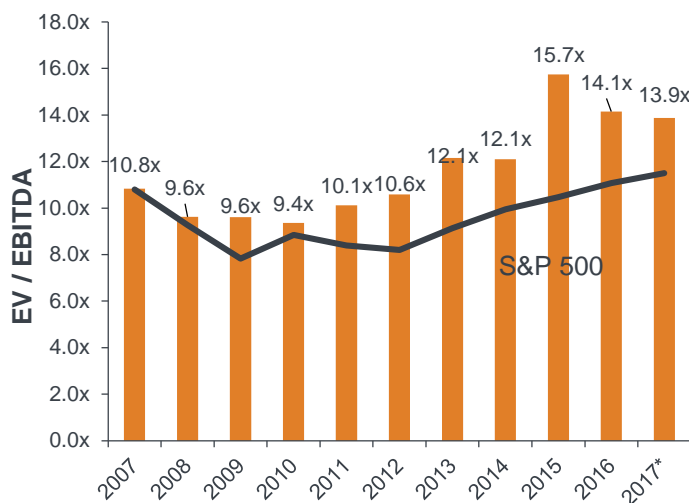
# Industrials & Manufacturing

## Public Trading Metrics – Food Processing and Distribution

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	31,544	25,576	739	16,774	2,247	13.8%	5,825	2.6x	2.2x	13.6x
Median	20,413	17,936	308	12,006	1,640	16.8%	3,344	2.9x	2.5x	12.8x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Campbell Soup Company	NYSE:CPB	20,616	17,423	309	7,930	1,368	17.3%	2,293	1.7x	2.6x	15.1x
Conagra Brands, Inc.	NYSE:CAG	19,847	17,556	684	10,997	1,861	16.9%	2,842	1.5x	1.8x	10.7x
General Mills, Inc.	NYSE:GIS	44,031	33,998	899	15,741	3,407	21.6%	7,176	2.1x	2.8x	12.9x
Hormel Foods Corporation	NYSE:HRL	17,960	18,316	610	9,511	1,412	14.8%	250	0.2x	1.9x	12.7x
Kellogg Company	NYSE:K	32,920	25,417	280	13,014	2,247	17.3%	6,698	3.0x	2.5x	14.7x
Mead Johnson Nutrition Company	NYSE:MJN	17,588	16,357	1,724	3,664	946	25.8%	2,982	3.2x	4.8x	18.6x
Mondelez International, Inc.	NasdaqGS:MDLZ	81,091	65,676	1,307	25,882	4,305	16.6%	12,906	3.0x	3.1x	18.8x
Performance Food Group Company	NYSE:PFGC	3,809	2,465	12	16,380	309	1.9%	1,299	4.2x	0.2x	12.3x
Snyder's-Lance, Inc.	NasdaqGS:LNCE	5,169	3,890	35	2,109	276	13.1%	1,246	4.5x	2.5x	18.7x
Sysco Corporation	NYSE:SY	35,650	28,048	847	53,077	3,001	5.7%	8,339	2.8x	0.7x	11.9x
The Hershey Company	NYSE:HSY	25,961	23,236	297	7,440	1,624	21.8%	2,347	1.4x	3.5x	16.0x
The J. M. Smucker Company	NYSE:SJM	20,210	15,263	140	7,416	1,656	22.3%	4,945	3.0x	2.7x	12.2x
The Kraft Heinz Company	NasdaqGS:KHC	138,944	110,528	4,204	26,487	8,574	32.4%	29,713	3.5x	5.2x	16.2x
Tyson Foods, Inc.	NYSE:TSN	28,328	22,655	307	36,911	3,778	10.2%	5,901	1.6x	0.8x	7.5x
United Natural Foods, Inc.	NasdaqGS:UNFI	2,718	2,187	31	8,910	311	3.5%	549	1.8x	0.3x	8.7x
US Foods Holding Corp.	NYSE:USFD	9,857	6,206	131	22,919	879	3.8%	3,706	4.2x	0.4x	11.2x



Sector Summary in Millions USD (converted where necessary)  
 Charts show average daily multiples for each year  
 Data sourced from S&P Capital IQ on Friday, March 31, 2017

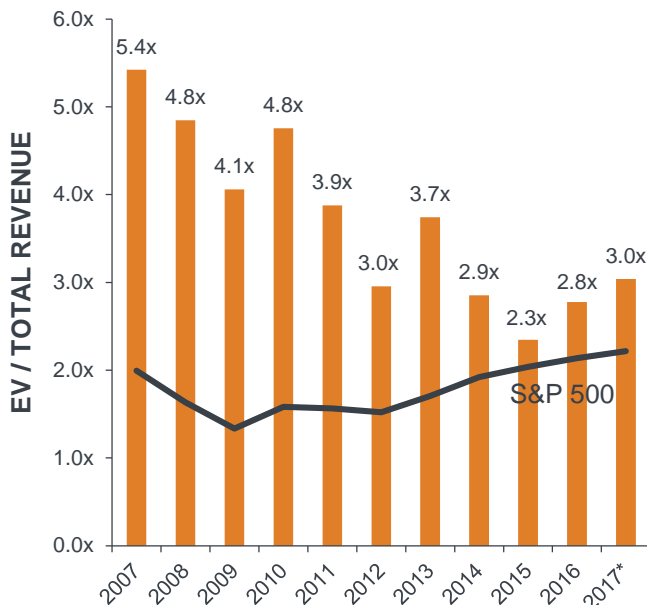
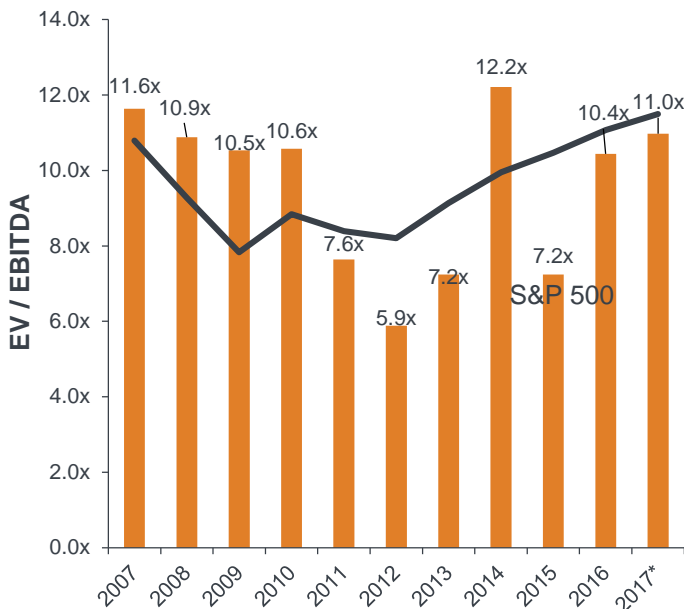
# Industrials & Manufacturing

## Public Trading Metrics – Mining

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	39,350	29,915	3,813	13,579	5,017	28.3%	9,414	1.7x	2.9x	8.1x
Median	20,474	17,518	2,277	8,621	3,357	36.1%	5,103	1.7x	3.0x	8.1x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Barrick Gold Corporation	NYSE: ABX	30,080	22,097	2,277	8,621	4,220	49.0%	7,566	1.8x	3.5x	7.1x
BHP Billiton Limited	NYSE: BHP	124,911	97,733	13,987	34,685	15,516	44.7%	30,670	2.0x	3.6x	8.1x
Freeport-McMoRan Inc.	NYSE: FCX	34,298	19,310	4,001	14,929	4,236	28.4%	13,135	3.1x	2.3x	8.1x
Goldcorp Inc.	NYSE: GG	15,034	12,452	169	3,448	1,186	34.4%	2,081	1.8x	4.4x	12.7x
Newmont Mining Corporation	NYSE: NEM	20,474	17,518	2,919	6,908	2,678	38.8%	4,038	1.5x	3.0x	7.6x
Pan American Silver Corp.	NASDAQ: PAAS	2,523	2,675	184	815	294	36.1%	57	0.2x	3.1x	8.6x
Rio Tinto plc	NYSE: RIO	88,545	72,266	8,201	33,781	10,738	31.8%	17,405	1.6x	2.6x	8.2x
Teck Resources Limited	NYSE: TECK	17,928	12,604	402	7,876	2,925	37.1%	5,103	1.7x	2.3x	6.1x
Vedanta Limited	NYSE: VEDL	20,358	12,580	2,180	11,147	3,357	30.1%	4,669	1.4x	1.8x	6.1x



Sector Summary in Millions USD (converted where necessary)  
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 Data sourced from S&P Capital IQ on Friday, March 31, 2017

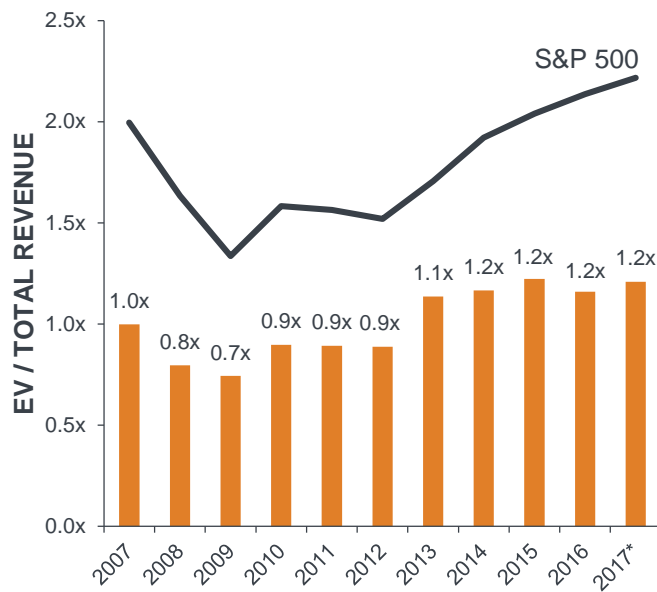
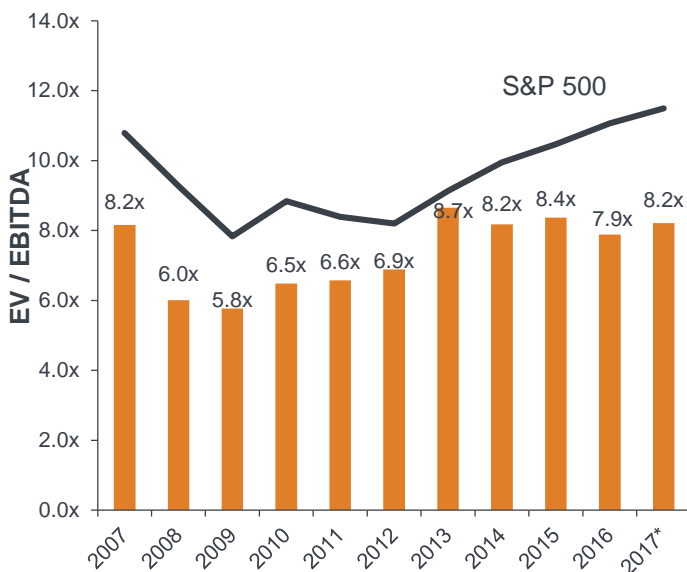
# Industrials & Manufacturing

## Public Trading Metrics – Paper Packaging

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	10,596	7,659	253	7,732	1,118	11.5%	2,974	2.7x	1.3x	9.3x
Median	8,132	5,746	256	5,686	926	13.3%	1,475	2.5x	1.2x	9.4x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Cascades Inc.	TSX:CAS	2,190	973	51	3,005	269	9.0%	1,219	4.5x	0.7x	8.1x
DS Smith Plc	LSE:SMDS	6,676	5,139	164	5,458	672	12.3%	1,468	2.2x	1.2x	9.9x
Greif, Inc.	NYSE:GEF	3,952	2,859	107	3,373	443	13.1%	1,118	2.5x	1.2x	8.9x
International Paper Company	NYSE:IP	31,183	20,884	271	21,480	2,851	13.3%	10,823	3.8x	1.5x	10.9x
KapStone Paper and Packaging Corporation	NYSE:KS	3,689	2,233	8	3,105	350	11.3%	1,482	4.2x	1.2x	10.6x
Mondi Limited	JSE:MND	13,369	11,567	426	7,033	1,364	19.4%	1,181	0.9x	1.9x	9.8x
Packaging Corporation of America	NYSE:PKG	10,988	8,559	254	5,915	1,181	20.0%	2,458	2.1x	1.9x	9.3x
Smurfit Kappa Group plc	ISE:SK3	9,588	6,232	606	8,861	1,268	14.3%	3,507	2.8x	1.1x	7.6x
Sonoco Products Company	NYSE:SON	6,077	5,259	257	4,783	641	13.4%	1,021	1.6x	1.3x	9.5x
WestRock Company	NYSE:WRK	18,253	12,888	385	14,312	2,146	15.0%	5,460	2.5x	1.3x	8.5x



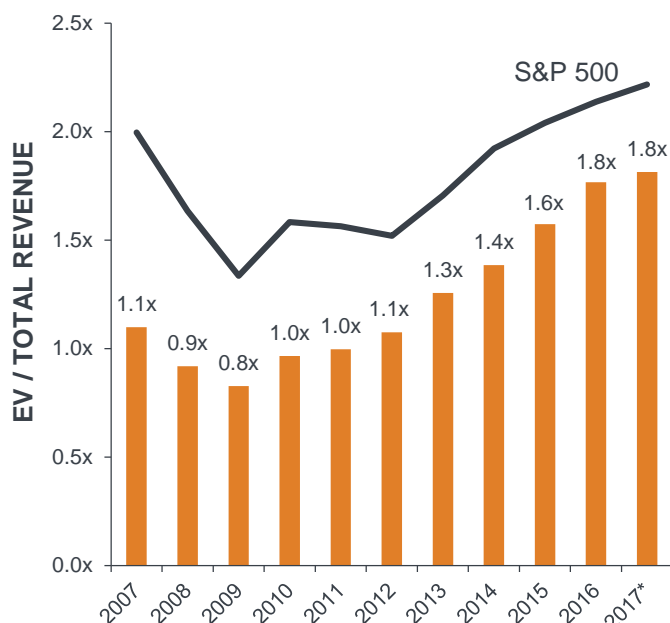
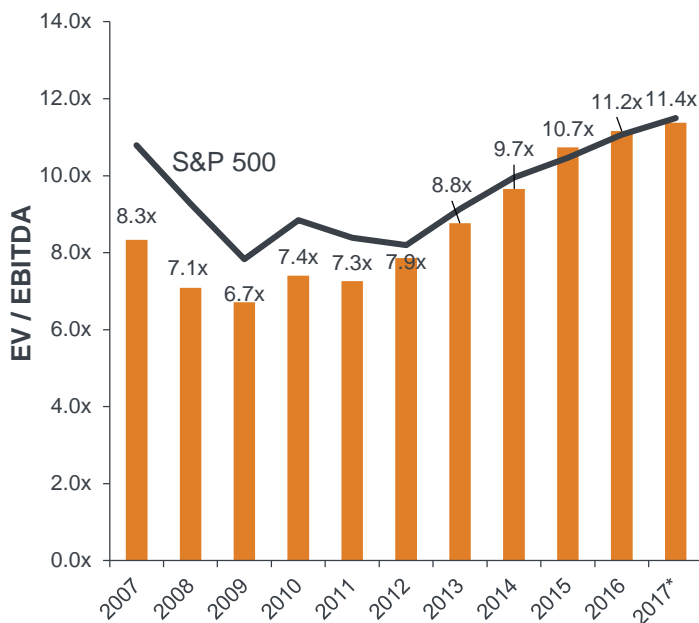
Sector Summary in Millions USD (converted where necessary)  
 Charts show average daily multiples for each year  
 Data sourced from S&P Capital IQ on Friday, March 31, 2017

# Industrials & Manufacturing

## Public Trading Metrics – Plastics Packaging

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	7,067	4,935	224	3,900	625	13.7%	2,591	3.1x	1.8x	11.2x
Median	5,627	4,651	272	3,377	528	15.1%	1,592	3.3x	1.6x	11.2x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
AptarGroup, Inc.	NYSE:ATR	5,290	4,810	285	2,350	475	20.2%	771	1.6x	2.3x	11.1x
Ball Corporation	NYSE:BLL	20,041	13,000	458	9,778	1,460	14.9%	7,476	5.1x	2.0x	13.7x
Bemis Company, Inc.	NYSE:BMS	5,964	4,493	51	4,032	587	14.5%	1,537	2.6x	1.5x	10.2x
Berry Global Group, Inc.	NYSE:BERY	11,393	5,942	331	6,379	1,167	18.3%	5,736	4.9x	1.8x	9.8x
CCL Industries Inc.	TSX:CCL.B	8,361	7,598	389	3,129	580	18.5%	2,013	3.5x	2.7x	14.4x
Crown Holdings, Inc.	NYSE:CCK	12,021	7,367	338	8,292	1,330	16.0%	5,206	3.9x	1.4x	9.0x
Intertape Polymer Group Inc.	TSX:ITP	1,203	1,036	4	825	106	12.8%	198	1.9x	1.5x	11.4x
Myers Industries, Inc.	NYSE:MYE	658	476	7	549	58	10.6%	180	3.1x	1.2x	11.4x
Richards Packaging Income Fund	TSX:RPI.UN	250	212	6	216	29	13.2%	30	1.0x	1.2x	8.7x
Sealed Air Corporation	NYSE:SEE	12,427	8,432	258	6,805	1,038	15.2%	3,763	3.6x	1.8x	12.0x
Silgan Holdings Inc.	NasdaqGS:SLGN	4,805	3,268	351	3,626	477	13.2%	1,592	3.3x	1.3x	10.1x
Winpak Ltd.	TSX:WPK	2,397	2,590	211	823	194	23.6%	NA	NA	2.9x	12.3x



Sector Summary in Millions USD (converted where necessary)  
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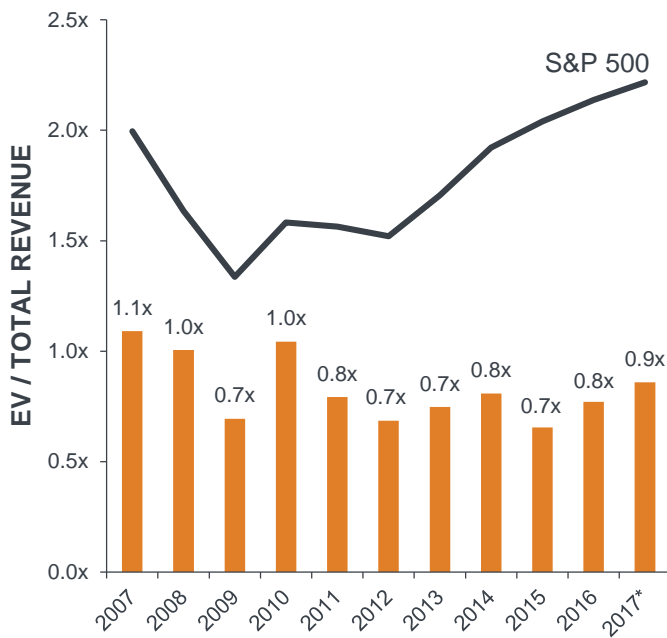
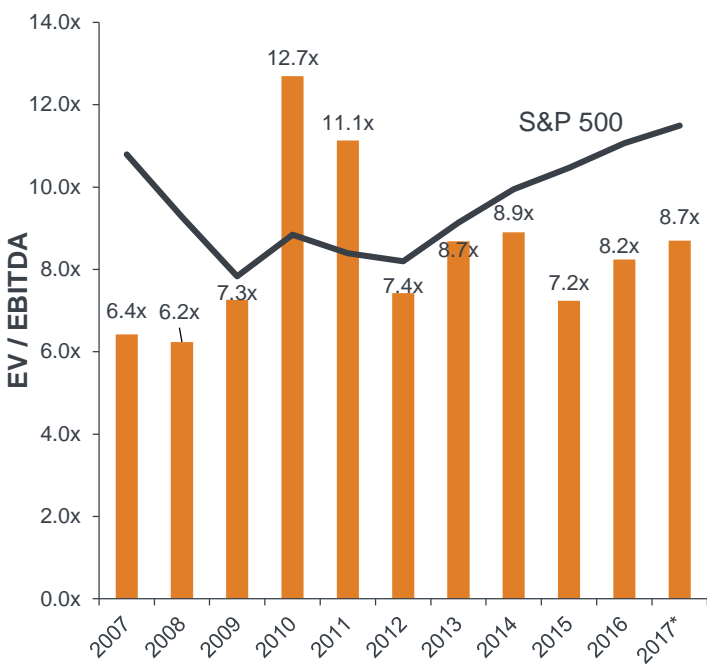
# Industrials & Manufacturing

## Public Trading Metrics – Steel Mills

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	12,672	9,539	1,109	14,226	1,741	9.9%	3,192	2.4x	1.0x	8.4x
Median	8,656	5,860	1,146	9,525	1,259	11.8%	2,553	2.1x	0.9x	9.1x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
AK Steel Holding Corporation	NYSE:AKS	4,270	2,263	186	5,897	671	11.4%	1,659	2.5x	0.7x	6.4x
ArcelorMittal	ENXTAM:MT	39,326	25,790	2,402	59,478	7,124	12.0%	11,047	1.6x	0.7x	5.5x
Carpenter Technology Corporation	NYSE:CRS	2,348	1,743	17	1,748	204	11.7%	604	3.0x	1.3x	11.5x
Commercial Metals Company	NYSE:CMC	2,884	2,215	396	4,661	302	6.5%	752	2.5x	0.6x	9.6x
Gerdau S.A.	BOVESPA:GGBR4	10,494	5,828	1,417	11,401	1,157	10.1%	4,910	4.2x	0.9x	9.1x
Nucor Corporation	NYSE:NUE	21,648	19,050	2,046	16,208	2,150	13.3%	3,739	1.7x	1.3x	10.1x
Nucor Corporation	NYSE:NUE	21,648	19,050	2,046	16,208	2,150	13.3%	3,739	1.7x	1.3x	NM
Steel Dynamics, Inc.	Nasdaqgs:STLD	9,902	8,425	967	8,404	1,361	16.2%	2,354	1.7x	1.2x	7.3x
Ternium S.A.	NYSE:TX	6,793	5,128	286	7,609	1,677	22.0%	359	0.2x	0.9x	4.1x
United States Steel Corporation	NYSE:X	7,410	5,893	1,326	10,645	616	5.8%	2,752	4.5x	0.7x	12.0x



Sector Summary in Millions USD (converted where necessary)  
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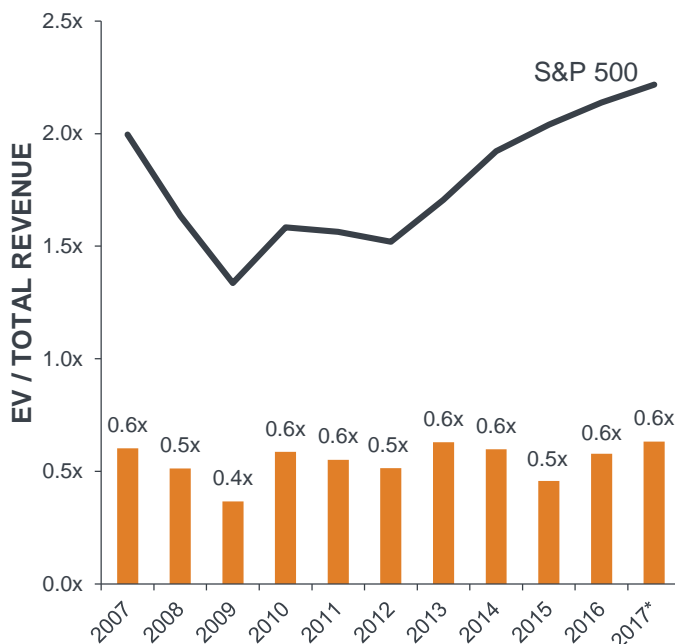
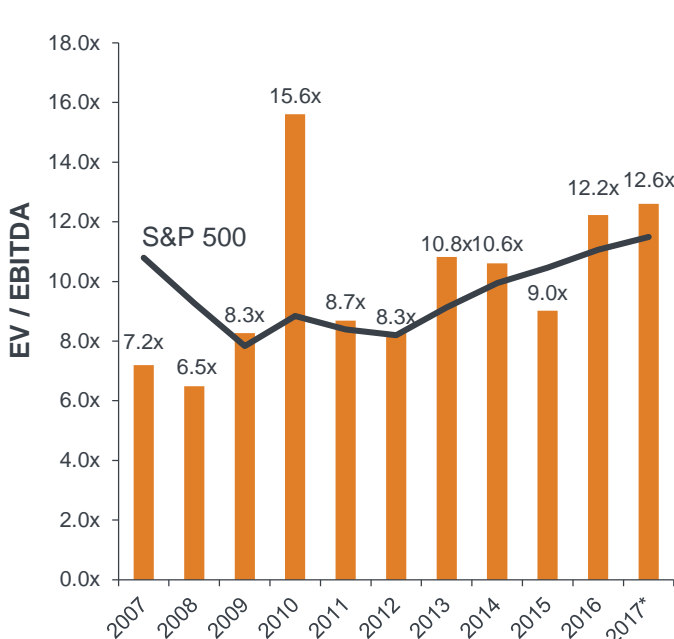
# Industrials & Manufacturing

## Public Trading Metrics – Steel Service Centers & Distribution

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	2,594	1,937	123	4,043	287	5.5%	748	3.2x	0.6x	9.4x
Median	1,455	1,144	130	2,928	210	5.9%	575	2.3x	0.6x	9.7x

Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Klöckner & Co SE	XTRA:KCO	1,558	1,081	174	6,358	239	3.8%	574	2.4x	0.2x	6.5x
Olympic Steel, Inc.	Nasdaqgs:ZEUS	368	203	3	1,132	35	3.1%	193	5.5x	0.3x	10.5x
Reliance Steel & Aluminum Co.	NYSE:RS	7,667	5,830	134	8,870	857	9.7%	1,952	2.3x	0.9x	8.9x
Russel Metals Inc.	TSX:RUS	1,318	1,206	127	2,041	116	5.7%	222	1.9x	0.6x	11.4x
Ryerson Holding Corporation	NYSE:RYI	1,352	468	72	2,972	181	6.1%	969	5.3x	0.5x	7.5x
Worthington Industries, Inc.	NYSE:WOR	3,304	2,831	227	2,883	291	10.1%	576	2.0x	1.1x	11.3x

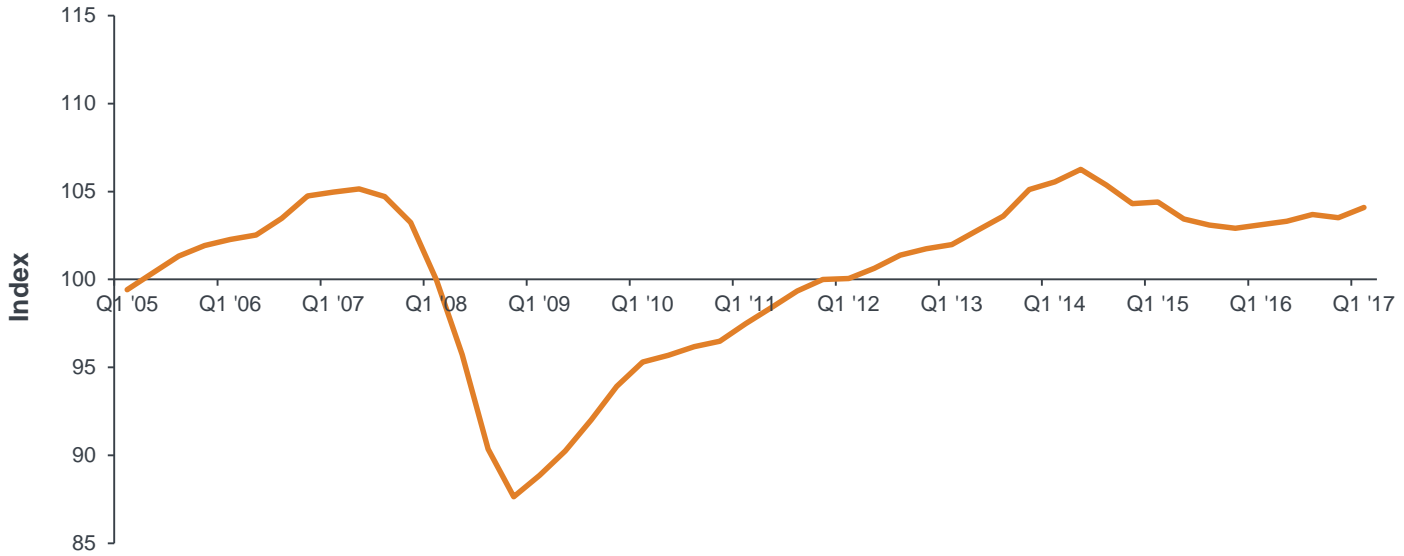


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# Industrials & Manufacturing Trends

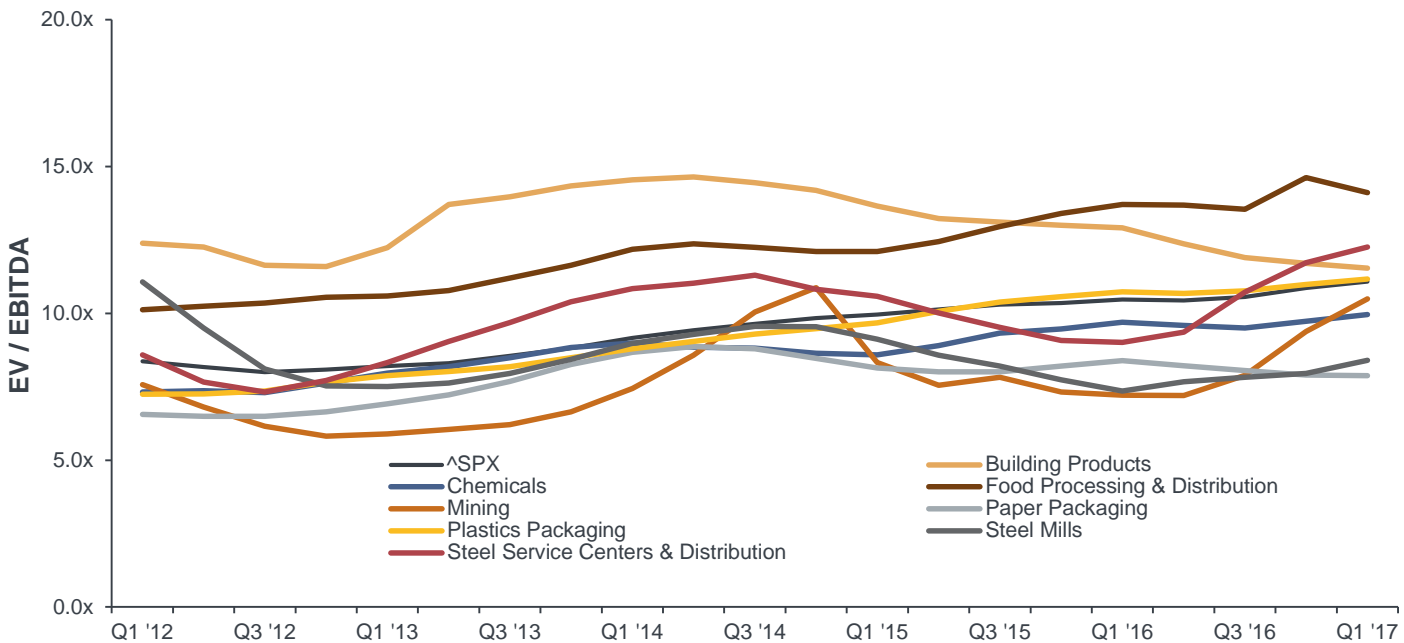
## Industrial Production Index



Industrial Production Index (IPI) is published by the Federal Reserve Board of the United States and measures the real production output of manufacturing, mining, and utilities.

Data sourced through S&P Capital IQ on Friday March 31, 2017

## Last 5 Year EV / EBITDA Trend by Industry



Data sourced through S&P Capital IQ on Friday, March 31, 2017

# Reference

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Term	Definition
Revenue	Total revenue from the sale of goods and services rendered during the reporting period, in normal course of business, reduced by sales returns and allowances, and sales discounts. For banks, this item is defined as net interest income after loan loss provisions
EBITDA	Earnings before interest, taxes, depreciation, and amortization. Calculated as Revenue – Expenses, excluding interest, taxes, depreciation and amortization
Market Cap	Market value of a company using most recently reported basic weighted average shares outstanding. Calculated as Market Price (as of period end) * Basic Weighted Average Shares Outstanding
Long-Term Debt	Sum of the carrying values as of the balance sheet date of long-term debt with a maturity beyond one year or the normal operating cycle, if longer
Net Debt	Net Debt shows the company's overall debt situation by netting the value of debts with cash and other similar liquid assets. Calculated as Total Debt – Cash & Cash Equivalents and Short Term Investments
Enterprise Value	Enterprise Value represents the combined economic value of a company as of the most recent fiscal year end. Calculated as Diluted Market Capitalization + Total Debt + Minority Interest + Preferred Stock – Cash and Short Term investments
P/E	A valuation ratio of a company stock price compared to its per share earnings. Calculated as Market Price / Earnings per Share for the last annual period
Tangible Book Value	Total Shareholder's Equity – Goodwill and Intangible Assets

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