



Industrials & Manufacturing

Strategic Market Insights – Q4 2016 Report

Release Date: Monday, February 27, 2017

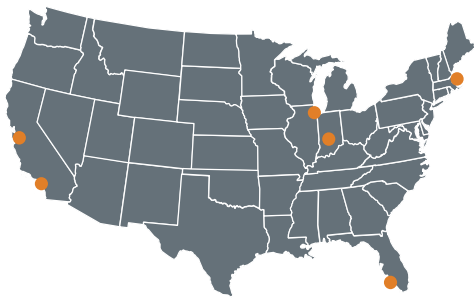


G2 Overview

Investment Banking and Restructuring Advisory

G2 Capital Advisors is pleased to present its Industrials & Manufacturing update for Q4 2016, 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)
- ECommerce 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



2016 saw the increase in M&A valuations and multiples continue, as many investors including PEG's, have dry powder to put to work. The trend of healthy valuation is expected to continue into 2017 and will create definitive opportunities for those looking to sell or recapitalize businesses. However, these increased multiples often times result in over-leverage, leaving a company just one 'foot-fault' away from credit issues. On the flip-side, this can create value opportunities for the active acquirers.

The recent announcements by Ford Motor Company, Fiat Chrysler, Foxconn and others of significantly investing in domestic plants serves as a positive potential indicator for the broad manufacturing sector. In the plastic films market, we anticipate more consolidation as manufacturers leverage the resin purchasing power. Early this year Berry Plastics Group (NYSE: BERY) acquired AEP Industries (Nasdaq: AEPI). EBITDA multiples in the Plastics Packaging area increased for the sixth consecutive year to about the 11.0x mark. In the paperboard industry, we saw 15 major acquisitions completed by the likes of New-Indy, PCA, Hood, Pratt Industries and others. Here we saw EBITDA multiples recover from a slight downturn in 2015 to 9.3x. The industry has used the M&A process to improve performance in a low-growth market. We expect this trend to continue into 2017.

Industries to watch as we move into 2017 include:







- The highly fragmented adhesives industry
- The Health and Beauty industry as it relates to social media and online photo posting
- As consumer preference continues shifting toward e-commerce, it will be important to watch industries tied to the shipping and moving of goods to the consumer, such as packaging materials



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.	

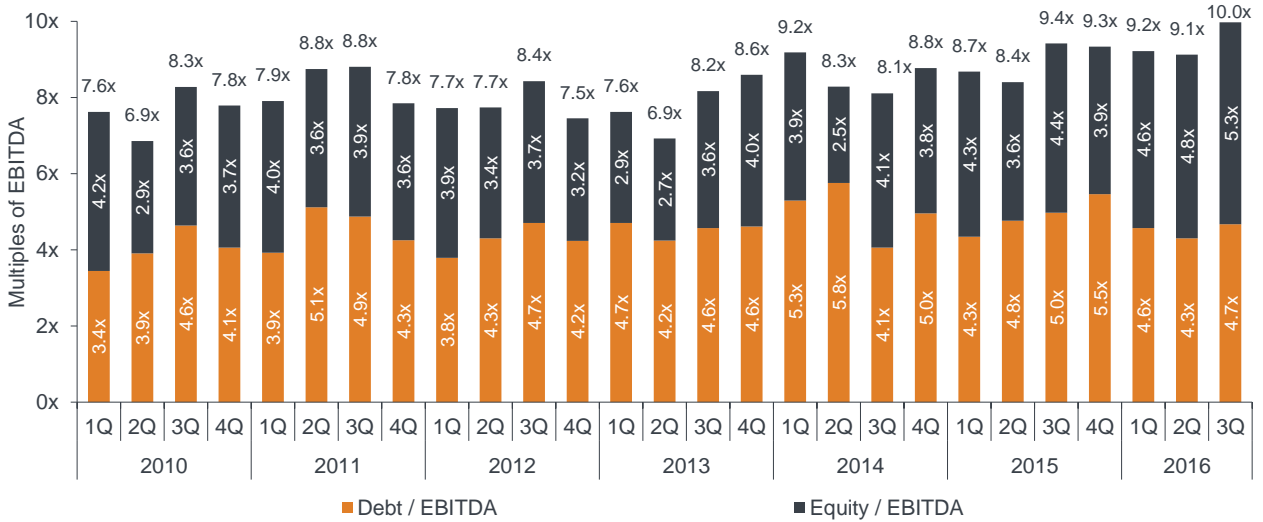
Jack Shields
Practice Leader
Industrials &
Manufacturing

Industrials & Manufacturing

M&A Activity – Middle Market

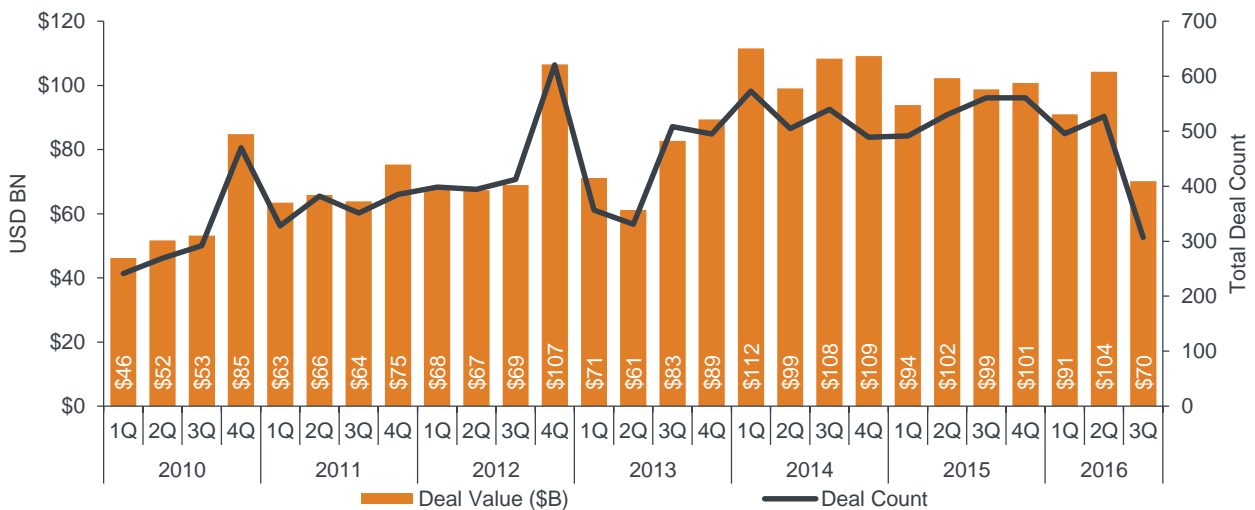
Total deal activity dropped to its lowest level since Q2 2013; overall however, deal multiples remain strong. Though there has been some pullback in capital markets, debt remains a strong driver of transaction valuations.

M&A Transaction Multiples



M&A transaction multiples are an average of North American and European 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 2016 Annual M&A 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 on Friday, December 30, 2016

Industrials & Manufacturing

Selected Industry Deals 2016 Q4

Several notable transactions have already been completed or announced in the Industrials & Manufacturing industry through 2016 Q4. G2 has outlined select transactions below, followed by a more comprehensive list on the following tables.

- **Sotawall Inc. acquired by Apogee Enterprises, Inc. (December 2016)** - assets of privately-held Sotawall Inc., a leading designer and fabricator of high-performance, unitized curtain wall systems for commercial construction projects in North America has been acquired by Apogee for approximately \$135 million
- **GNP Company acquired by Pilgrim's Pride Corporation (November 2016)** - Pilgrim's Pride Corp has agreed a deal to buy GNP Company, a branded-chicken products provider for the upper Midwest, for \$350 million in cash
- **Columbus Container, Inc. acquired by Packaging Corporation of America (October 2016)** - Packaging Corporation of America has acquired Columbus Container, Inc., an independent corrugated products producer, in a cash-free, debt-free transaction for a cash purchase price of \$100 million and a purchase price of about 3.3x EBITDA taking into consideration significant synergies and tax benefits

Industrials & Manufacturing

Key Trading Statistics

Sector	Number of Companies	Median Enterprise Value (\$MM)	FY 2016 ¹		LTM ²		2016 ³	
			Median Revenue Growth	Median EBITDA Growth	EV / Revenue	EV / EBITDA	EV / Revenue	EV / EBITDA
Building Materials	10	3,248	8.6%	27.0%	2.3x	12.6x	2.1x	11.6x
Building Products	16	2,288	5.2%	22.2%	2.0x	12.0x	1.9x	11.5x
Food Processing & Distribution	17	20,140	0.9%	15.2%	2.1x	13.4x	2.1x	14.1x
Paper Packaging	11	7,342	0.1%	6.1%	1.3x	8.6x	1.7x	8.1x
Plastics Packaging	13	5,091	-0.9%	3.2%	1.8x	11.1x	1.7x	11.1x
Steel Mills	10	8,763	-9.2%	14.6%	1.0x	10.1x	0.8x	8.4x
Steel Service Centers & Distribution	7	1,400	-13.5%	-5.2%	0.6x	12.0x	0.6x	12.2x

¹ Estimated – 2016 Fiscal Year

² LTM Multiples as at Friday, December 30, 2016

³ Average daily multiple for 2016

Sector Summary in Millions USD (converted where necessary)
Data sourced from S&P Capital IQ on Friday, December 30, 2016

Industrials & Manufacturing

Recent Deal Activity – Pending & Closed

Building Materials

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Rockstar Acquisitions, LLC	Paymeon, Inc.	-	-	-
Pending	Rocla Concrete Tie, Inc.	Vossloh AG	-	-	-
Pending	U.S. Reinforced Concrete Pipe Manufacturing Business	Quikrete Holdings, Inc.	\$540.00	-	-
Pending	Guardian Industries Corp.	Koch Industries, Inc.	-	-	-
Pending	Headwaters Incorporated	Boral Industries, Inc.	\$2,564.40	14.8x	2.6x
Dec-16	ForzaStone, LLC	Home Brands Group LLC -	-	-	-
Nov-16	Top Master, Inc.	Clio Holdings, LLC	-	-	-
Nov-16	Highland Sand & Gravel, Inc.	Progressive Green Solutions, Inc.	-	-	-
Oct-16	Stone Panels, Inc.	Cold Spring Granite Company	\$5.50	-	-
Oct-16	Giant Cement Holding, Inc.	Elementia, S.A.B. de C.V.	\$400.00	-	1.7x
Oct-16	CalX Minerals, LLC	RMR Aggregates, Inc.	\$2.80	-	-
Oct-16	ESSROC Canada, Inc.	Lehigh Hanson Materials Limited	\$276.90	-	-

Building Products

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Stanley Black & Decker, Inc., Certain Mechanical Security Businesses	dormakaba Holding AG	\$725.00	-	-
Pending	Tectum Inc.	Armstrong World Industries, Inc.	-	-	-
Pending	Rmax Operating, LLC	Sika AG	-	-	-
Pending	Gossen Corporation	Inteplast Group, Ltd.	-	-	-
Pending	TA Millwork LLC	Wichita Cabinet Company, LLC	-	-	-
Dec-16	Soft-Lite, LLC	Harvey Industries, Inc.	-	-	-
Dec-16	Sotawall Inc. (nka:Sotawall Limited)	Apogee Enterprises, Inc.	\$135.00	-	1.4x
Dec-16	Mal Wal (nka:Mall Wall)	The AmGraph Group	-	-	-
Nov-16	Bristol Fiberlite Industries, Inc. (nka:Kingspan Light & Air LLC)	Kingspan Group plc	\$37.00	-	-
Nov-16	Premier Care, LLC	Undisclosed	-	-	-
Nov-16	Vortex Whirlpool Systems, Inc.	LPI Inc.	-	-	-
Nov-16	Halex Corporation	GCP Applied Technologies Inc.	\$47.00	-	1.0x
Nov-16	Mesker Openings Group	dormakaba Holding AG	\$142.50	-	2.1x
Nov-16	Commercial Christmas Hardware	Adams Manufacturing Company	-	-	-
Nov-16	Trimlite Mfg. Inc.	TriWest Capital Partners; -	-	-	-
Oct-16	Gravenhurst Plastics Ltd.	Mexichem, S.A.B. de C.V.	-	-	-
Oct-16	USFloors Inc	Shaw Industries Group, Inc.	-	-	-
Oct-16	Granite Source Inc.	Clio Holdings, LLC	-	-	-
Oct-16	Metpar Corporation	Undisclosed	-	-	-
Oct-16	EdgeBuilder Wall Panels, Inc..	ATRM Holdings, Inc.	\$5.10	-	0.4x

Sector Summary in Millions USD (converted where necessary)
Data sourced from S&P Capital IQ on Friday, December 30, 2016

Industrials & Manufacturing

Recent Deal Activity – Pending & Closed

Food Processing & Distribution

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Specialty Blending Co, LLC	AB Mauri Food Inc.	-	-	-
Pending	Krokodile Pear Foods Ltd.	Jusu Bars Inc.	-	-	-
Pending	Gray Aqua Group Ltd.	Marine Harvest ASA	\$11.20	-	-
Pending	Nothing But Nature Inc.	GreenSpace Brands Inc.	\$7.20	-	1.2x
Dec-16	Larosa Food Importing & Distributing Ltd.	Conte Foods Importers Ltd.	\$0.50	-	0.2x
Nov-16	GNP Company	Pilgrim's Pride Corporation	\$350.00	-	-
Nov-16	Clougherty Packing, LLC And PFFJ, LLC And Champ, LLC	Smithfield Foods, Inc.	\$145.00	-	-
Nov-16	Bellisio Foods, Inc.	Charoen Pokphand Foods Public Co. Ltd.	\$1,075.00	-	-
Nov-16	Elore Enterprises, LLC	Grupo Empresarial Palacios Alimentación	\$20.80	-	-
Nov-16	Mile Hi Specialty Foods, Inc.	Quality Custom Distribution Services, Inc.	-	-	-
Nov-16	Peacock Foods LLC	Greencore Group plc	\$747.50	15.8x	0.8x
Oct-16	Belmont Meat Products Ltd.	Premium Brands Holdings Corporation	\$37.70	-	0.4x
Oct-16	Pate Dawson Company Inc.	Cheney Brothers, Inc.	-	-	-
Oct-16	Allied Specialty Foods, Inc.	AdvancePierre Foods Holdings, Inc.	\$60.00	-	-
Oct-16	Elev8 Hemp, LLC	PLAD, Inc.	\$0.20	-	-
Oct-16	Tri-Union Frozen Products, Inc.	Tri-Invest LLC	\$256.70	-	-
Oct-16	Fleischmann's Vinegar Company, Inc.	Green Plains II LLC	\$250.00	-	-

Paper Packaging

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Novolex	The Carlyle Group LP	-	-	-
Pending	Triple A Containers, Inc.	New-Indy Containerboard	-	-	-
Pending	Werthan Packaging, Inc.	Gateway Packaging Company LLC	\$7.26	-	-
Pending	Burrows Paper Corporation, Paper Division operations	Twin Rivers Paper Company Inc.	-	-	-
Nov-16	Columbus Container Inc.	Packaging Corporation of America	\$100.00	3.3x	-
Oct-16	Outlook Group Corp.	M&Q Packaging Corporation	-	-	-

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Industrials & Manufacturing

Recent Deal Activity – Pending & Closed

Plastics Packaging

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	Vector Europe N.V. and Vector Packaging Inc.	Viscofan SA	\$13.70	-	-
Dec-16	Plastique Micron Inc.	Fonds de solidarité FTQ; -	-	-	-
Dec-16	Bottles Unlimited Inc.	Consolidated Container Company LLC	-	-	-
Nov-16	National Plastics, Inc.	VisiPak, Inc.	-	-	-
Nov-16	ProAmpac LLC	Pritzker Group Private Capital	-	-	-
Oct-16	Vitex Packaging Group, Inc.	ProAmpac LLC	-	-	-

Steel Mills and Steel Service Centers & Distribution

Date Closed	Target	Acquirer / Investor	Implied Enterprise Value (MM)	EV / EBITDA	EV / Revenue
Pending	U.S. Steel Canada Inc.	Bedrock Industries Group LLC	-	-	-
Pending	Southland Tube, Inc.	Nucor Corporation	\$130.00	-	-
Pending	Western Tube & Conduit Corporation	Wheatland Tube Company	-	-	-
Pending	OMK Tube, Inc.	SeAH Steel Corporation	-	-	-
Nov-16	A.M. Castle & Co.	W.B. & Co.	\$228.90	-	0.3x
Nov-16	ASW Steel Inc.	Union Electric Steel Corporation	\$13.10	-	0.3x

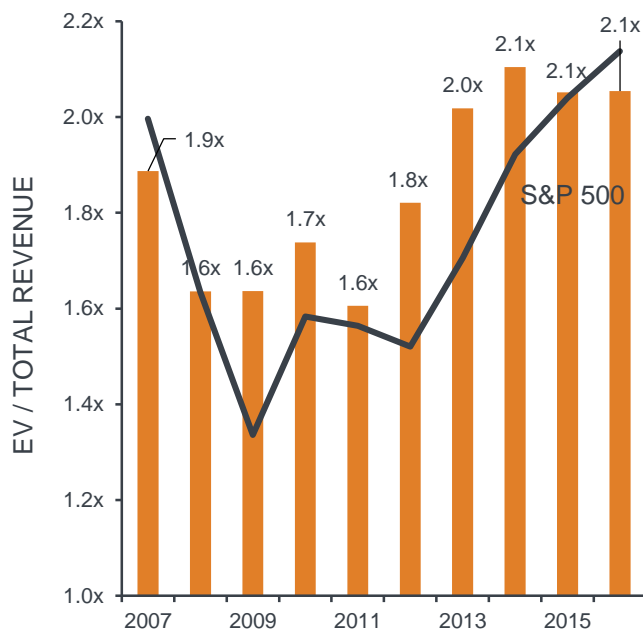
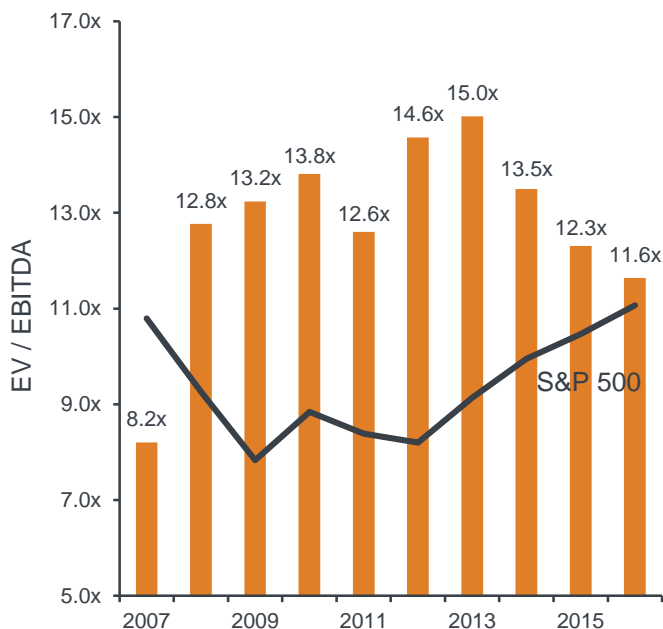
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Industrials & Manufacturing

Public Trading Metrics – Building Materials

Industry	Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA	EBITDA Margin	LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mean	5,874	4,991	104	2,573	408	16.7%	871	2.5x	2.3x	12.6x
Median	3,248	2,443	63	3,123	358	13.0%	603	2.0x	1.9x	12.3x

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
Vulcan Materials Company	NYSE:VMC	18,407	16,559	135	3,577	977	27.3%	1,984	2.0x	5.1x	18.8x
Martin Marietta Materials, Inc.	NYSE:MLM	15,767	14,060	61	3,469	918	26.5%	1,537	1.7x	4.5x	17.2x
Eagle Materials Inc.	NYSE:EXP	5,166	4,751	165	1,185	369	31.2%	380	1.0x	4.4x	14.0x
Summit Materials, Inc.	NYSE:SUM	3,393	1,819	32	1,605	347	21.6%	1,515	4.4x	2.1x	9.8x
Boral Limited	ASX:BLD	5,218	4,586	337	3,212	379	11.8%	738	1.9x	1.6x	13.8x
U.S. Concrete, Inc.	NASDAQCM:USCR	1,388	1,001	66	1,113	132	11.9%	406	3.1x	1.2x	10.5x
Boise Cascade Company	NYSE:BCC	1,314	863	131	3,868	160	4.1%	468	2.9x	0.3x	8.2x
Universal Forest Products, Inc.	NASDAQGS:UFPI	2,166	2,077	37	3,035	202	6.6%	110	0.5x	0.7x	10.7x
West Fraser Timber Co. Ltd.	TSX:WFT	3,103	2,808	40	3,319	421	12.7%	307	0.7x	0.9x	7.4x
Forterra, Inc.	NasdaqGS:FRTA	2,820	1,385	36	1,350	179	13.3%	1,261	7.0x	2.1x	15.7x



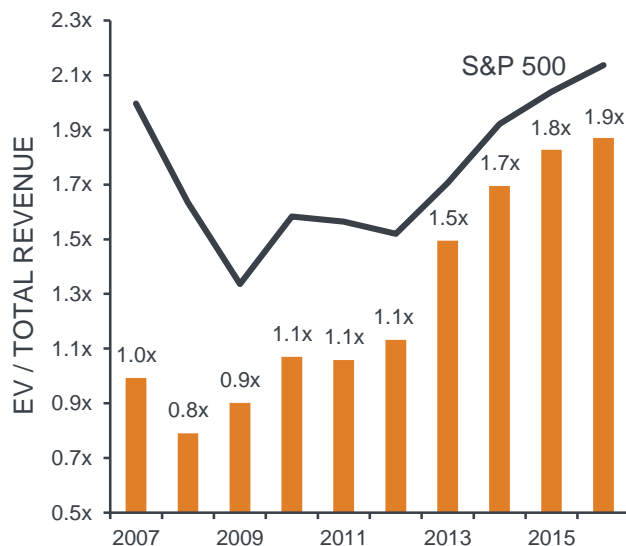
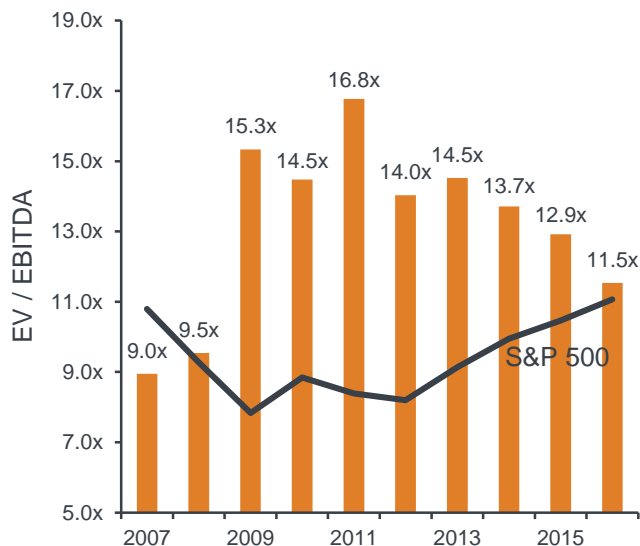
Sector Summary in Millions USD (converted where necessary)
 Charts show average daily multiples for each year
 Data sourced from S&P Capital IQ on Friday, December 30, 2016

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	4,326	3,792	188	2,487	384	16.3%	818	1.7x	2.0x	12.0x
Median	2,288	2,079	112	2,200	213	15.9%	470	1.9x	1.7x	11.0x

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
Owens Corning	NYSE:OC	7,939	5,843	110	5,591	1,041	18.6%	2,160	2.1x	1.4x	7.6x
USG Corporation	NYSE:USG	5,460	4,219	427	3,017	538	17.8%	1,083	2.0x	1.8x	10.1x
Armstrong World Industries, Inc.	NYSE:AWI	3,042	2,307	143	2,423	291	12.0%	860	3.0x	1.3x	10.4x
Masonite International Corporation	NYSE:DOOR	2,410	1,973	48	1,978	225	11.4%	470	2.1x	1.2x	10.7x
Trex Company, Inc.	NYSE:TREX	1,967	1,990	23	473	112	23.7%	NA	NA	4.2x	17.5x
Interface, Inc.	NASDAQGS:TILE	1,306	1,202	114	966	136	14.1%	203	1.5x	1.4x	9.6x
Continental Building Products, Gibraltar Industries, Inc.	NYSE:CBPX	1,156	924	35	454	102	22.4%	265	2.6x	2.5x	11.4x
NasdaqGS:ROCK	NasdaqGS:ROCK	1,340	1,304	173	1,058	119	11.2%	209	1.8x	1.3x	11.3x
Apogee Enterprises, Inc.	NasdaqGS:APOG	1,471	1,548	52	1,063	154	14.5%	20	0.1x	1.4x	9.6x
AAON, Inc.	NasdaqGS:AAON	1,702	1,744	15	390	94	24.2%	NA	NA	4.4x	18.0x
Simpson Manufacturing Co.	NYSE:SSD	1,861	2,080	219	845	163	19.3%	NA	NA	2.2x	11.4x
Universal Forest Products, Inc.	NasdaqGS:UFPI	2,166	2,077	37	3,035	202	6.6%	110	0.5x	0.7x	10.7x
Lennox International Inc.	NYSE:LII	7,602	6,594	48	3,579	494	13.8%	497	1.0x	2.1x	15.4x
A. O. Smith Corporation	NYSE:AOS	7,892	8,235	269	2,627	518	19.7%	329	0.6x	3.0x	15.3x
Fortune Brands Home & Security	NYSE:FBHS	9,558	8,249	252	4,985	769	15.4%	1,431	1.9x	1.9x	12.4x
Masco Corporation	NYSE:MAS	12,343	10,381	1,041	7,313	1,195	16.3%	2,993	2.5x	1.7x	10.3x



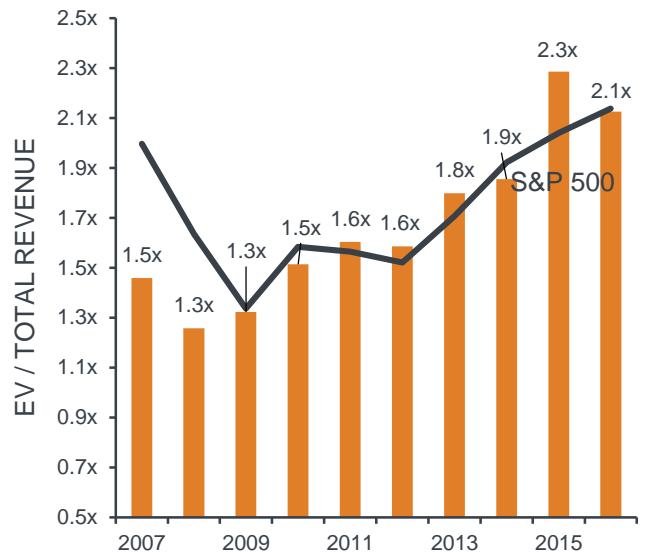
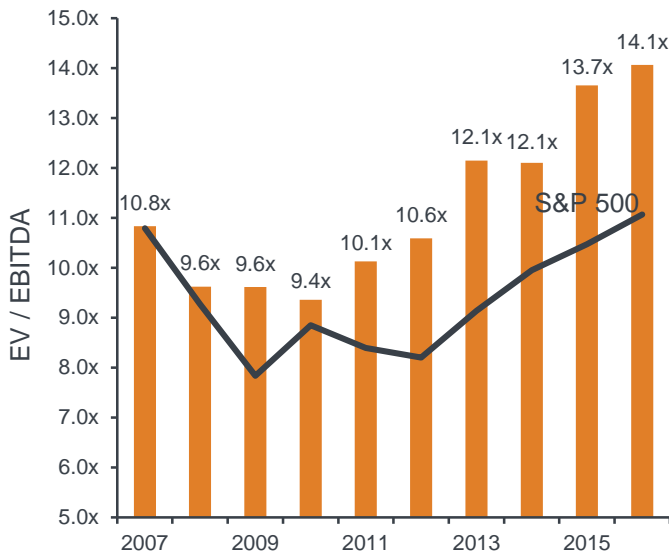
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Industrials & Manufacturing

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	29,919	24,173	734	16,743	2,128	14.5%	5,538	2.7x	2.1x	13.4x
Median	20,140	18,408	346	13,059	1,686	15.6%	3,214	2.9x	2.4x	13.3x

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
General Mills, Inc.	NYSE:GIS	45,636	35,827	810	15,950	3,383	21.2%	6,542	1.9x	2.9x	13.5x
Sysco Corporation	NYSE:SY	37,460	30,284	760	51,773	2,807	5.4%	7,844	2.8x	0.7x	13.3x
Campbell Soup Company	NYSE:CPB	21,908	18,567	290	7,960	1,579	19.8%	2,298	1.5x	2.8x	13.9x
Performance Food Group Company	NYSE:PFGC	3,746	2,481	9	16,222	310	1.9%	1,239	4.0x	0.2x	12.1x
Snyder's-Lance, Inc.	NasdaqGS:LNCE	5,034	3,687	27	2,067	264	12.8%	1,306	4.9x	2.4x	19.1x
United Natural Foods, Inc.	NasdaqGS:UNFI	2,998	2,414	14	8,672	304	3.5%	582	1.9x	0.3x	9.9x
US Foods Holding Corp.	NYSE:USFD	9,744	6,062	150	23,176	979	4.2%	3,756	3.8x	0.4x	9.9x
Mead Johnson Nutrition Company	NYSE:MJN	14,278	13,071	1,795	3,743	918	24.5%	2,976	3.2x	3.8x	15.5x
Mondelez International, Inc.	NasdaqGS:MDLZ	83,958	68,464	1,686	26,517	4,317	16.3%	13,105	3.0x	3.2x	19.4x
The Kraft Heinz Company	NasdaqGS:KHC	135,278	106,292	3,920	26,754	8,712	32.6%	29,980	3.4x	5.1x	15.5x
The J. M. Smucker Company	NYSE:SJM	20,140	14,910	122	7,511	1,686	22.4%	4,945	2.9x	2.7x	11.9x
Hormel Foods Corporation	NYSE:HRL	18,246	18,408	415	9,523	1,418	14.9%	250	0.2x	1.9x	12.9x
The Hershey Company	NYSE:HSY	24,889	21,951	333	7,379	1,758	23.8%	2,362	1.3x	3.4x	14.2x
Tyson Foods, Inc.	NYSE:TSN	28,809	22,867	349	36,881	3,567	9.7%	6,200	1.7x	0.8x	8.1x
Kellogg Company	NYSE:K	33,424	25,865	346	13,059	2,034	15.6%	6,298	3.1x	2.6x	16.4x
Performance Food Group Company	NYSE:PFGC	3,746	2,481	9	16,222	310	1.9%	1,239	4.0x	0.2x	12.1x
Conagra Brands, Inc.	NYSE:CAG	19,323	17,314	1,443	11,215	1,826	16.3%	3,214	1.8x	1.7x	10.6x



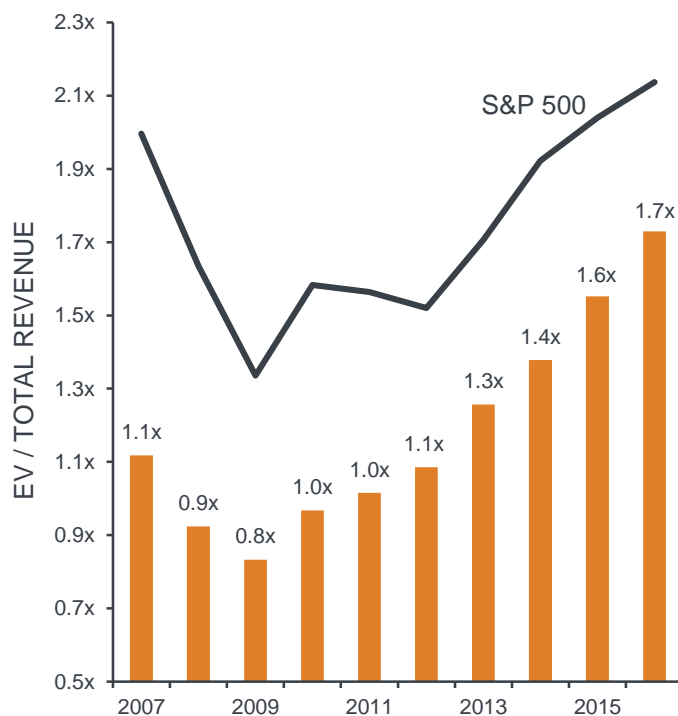
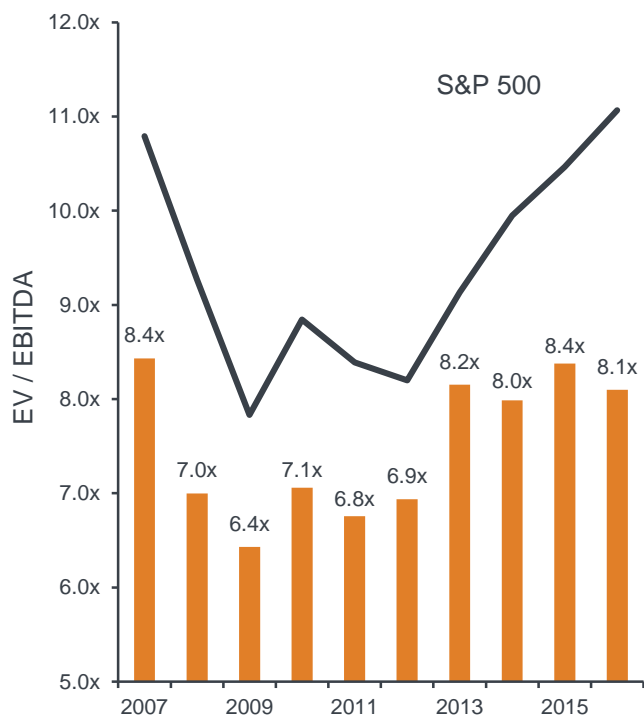
Sector Summary in Millions USD (converted where necessary)
 Charts show average daily multiples for each year
 Data sourced from S&P Capital IQ on Friday, December 30, 2016

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	9,723	7,076	221	7,356	1,107	14.8%	2,835	2.6x	1.3x	8.6x
Median	7,342	5,386	159	5,779	782	13.8%	1,239	2.6x	1.3x	8.8x

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
Greif, Inc.	NYSE:GEF	3,826	2,810	104	3,324	436	13.1%	1,027	2.4x	1.2x	8.8x
International Paper Company	NYSE:IP	30,178	21,819	462	21,141	2,926	13.8%	10,823	3.7x	1.4x	10.3x
Mondi Limited	JSE:MND	11,980	9,887	358	7,410	1,465	19.8%	1,263	0.9x	1.6x	8.2x
Packaging Corp of America	NYSE:PKG	10,315	7,921	0	5,779	1,131	19.6%	NA	NA	1.8x	9.1x
WestRock Company	NYSE:WRK	18,145	12,582	493	14,148	2,177	15.4%	5,484	2.5x	1.3x	8.3x
Smurfit Kappa Group plc	ISE:SK3	8,685	5,386	538	9,204	1,344	14.6%	3,704	2.8x	0.9x	6.5x
Sonoco Products Company	NYSE:SON	6,217	5,262	159	4,908	654	13.3%	1,030	1.6x	1.3x	9.5x
Avery Dennison Corporation	NYSE:AVY	7,342	6,249	195	6,087	782	12.9%	713	0.9x	1.2x	9.4x
Graphic Packaging Holding Company	NYSE:GPK	6,173	3,963	46	4,266	738	17.3%	2,191	3.0x	1.4x	8.4x
Multi Packaging Solutions	NYSE:MPSX	1,962	1,104	51	1,610	200	12.4%	900	4.5x	1.2x	9.8x
Cascades Inc.	TSX:CAS	2,131	851	28	3,045	324	10.6%	1,214	3.8x	0.7x	6.6x



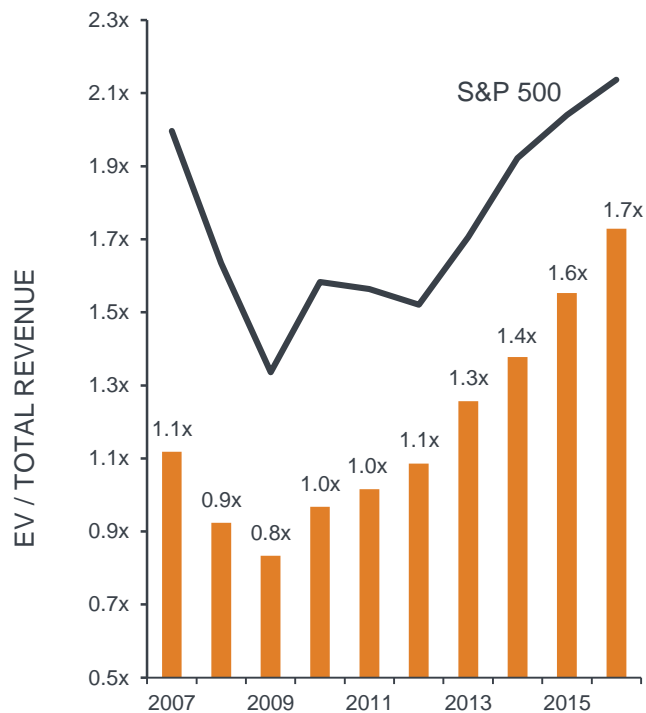
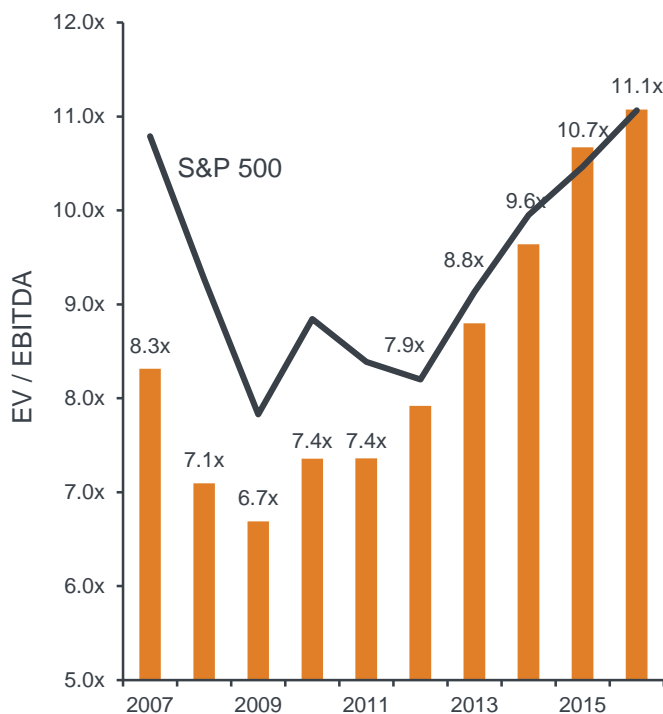
Sector Summary in Millions USD (converted where necessary)
 Charts show average daily multiples for each year
 Data sourced from S&P Capital IQ on Friday, December 30, 2016

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	6,888	4,663	227	3,759	594	15.7%	2,472	3.2x	1.8x	11.1x
Median	5,091	4,481	198	3,613	473	15.0%	1,545	3.4x	1.6x	10.4x

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
Ball Corporation	NYSE:BLL	20,682	13,123	645	8,405	1,243	14.8%	7,724	6.2x	2.5x	16.6x
Bemis Company, Inc.	NYSE:BMS	5,905	4,481	74	4,004	600	15.0%	1,528	2.5x	1.5x	9.8x
Crown Holdings Inc.	NYSE:CCK	12,400	7,349	526	8,388	1,329	15.8%	5,097	3.8x	1.5x	9.3x
Winpak Ltd.	TSX:WPK	2,025	2,198	198	813	194	23.9%	NA	NA	2.5x	10.4x
Silgan Holdings Inc.	NasdaqGS:SLGN	4,543	2,817	25	3,613	466	12.9%	1,562	3.4x	1.3x	9.7x
Sealed Air Corporation	NYSE:SEE	13,093	8,765	333	6,788	1,083	15.9%	4,001	3.7x	1.9x	12.1x
AptarGroup, Inc.	NYSE:ATR	5,091	4,605	433	2,339	473	20.2%	777	1.6x	2.2x	10.8x
Berry Plastics Group, Inc.	NYSE:BERY	11,438	5,958	323	6,489	1,138	17.5%	5,757	5.1x	1.8x	10.1x
CCL Industries Inc.	TSX:CCL.B	7,663	6,778	349	2,831	539	19.0%	1,225	2.3x	2.7x	14.2x
Intertape Polymer Group Inc.	TSX:ITP	1,299	1,099	6	795	101	12.8%	202	2.0x	1.6x	12.8x
Myers Industries	NYSE:MYE	620	428	6	567	59	10.4%	198	3.4x	1.1x	10.5x
Richards Packaging Income	TSX:RPI.UN	243	200	5	217	28	13.0%	33	1.2x	1.1x	8.6x
Silgan Holdings	NasdaqGS:SLGN	4,543	2,817	25	3,613	466	12.9%	1,562	3.4x	1.3x	9.7x



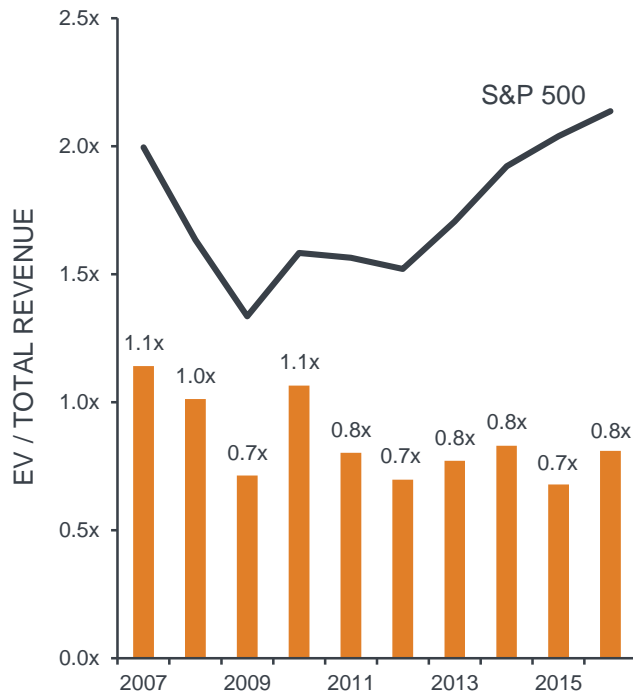
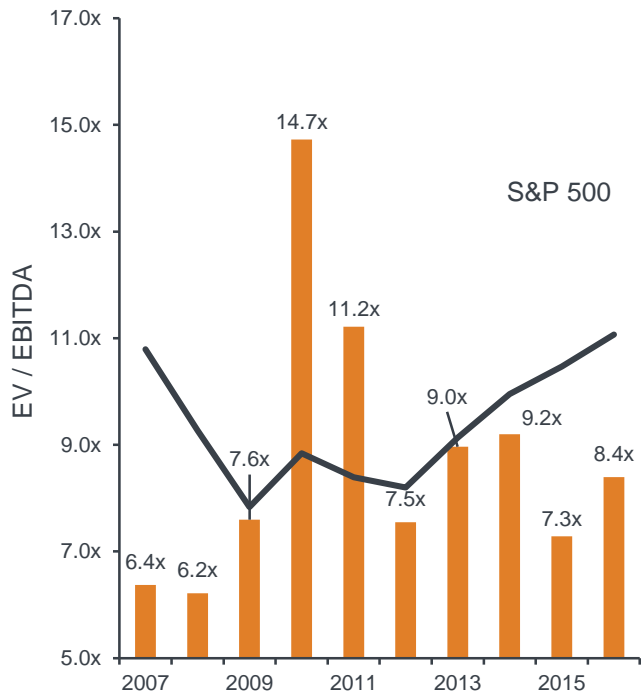
Sector Summary in Millions USD (converted where necessary)
 Charts show average daily multiples for each year
 Data sourced from S&P Capital IQ on Friday, December 30, 2016

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	12,440	9,273	1,076	13,861	1,343	11.0%	3,496	3.0x	1.0x	10.1x
Median	8,763	5,680	1,029	9,019	1,191	10.9%	2,667	2.8x	0.9x	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
Nucor Corporation	NYSE:NUE	21,333	18,956	2,046	16,208	2,116	13.1%	3,739	1.8x	1.3x	10.1x
ArcelorMittal	ENXTAM:MT	36,212	22,647	2,256	56,646	3,875	6.8%	12,632	3.3x	0.6x	9.3x
AK Steel Holding Corporation	NYSE:AKS	5,510	3,196	173	5,883	603	10.2%	1,838	3.0x	0.9x	9.1x
Carpenter Technology Corp.	NYSE:CRS	2,244	1,686	51	1,747	203	11.6%	610	3.0x	1.3x	11.0x
Gerda S.A.	BOVESPA:GGBR4	10,613	5,667	1,217	12,168	1,226	10.1%	5,826	4.8x	0.9x	8.7x
Steel Dynamics, Inc.	Nasdaqqs:STLD	10,196	8,675	841	7,777	1,157	14.9%	2,353	2.0x	1.3x	8.8x
Commercial Metals Company	NYSE:CMC	3,071	2,517	465	4,531	292	6.4%	755	2.6x	0.7x	10.5x
Nucor Corporation	NYSE:NUE	21,333	18,956	2,046	16,208	2,116	13.1%	3,739	1.8x	1.3x	10.1x
United States Steel Corporation	NYSE:X	7,329	5,693	1,515	10,261	385	3.8%	2,981	7.7x	0.7x	19.0x
Ternium S.A.	NYSE:TX	6,563	4,741	149	7,184	1,458	20.3%	485	0.3x	0.9x	4.5x



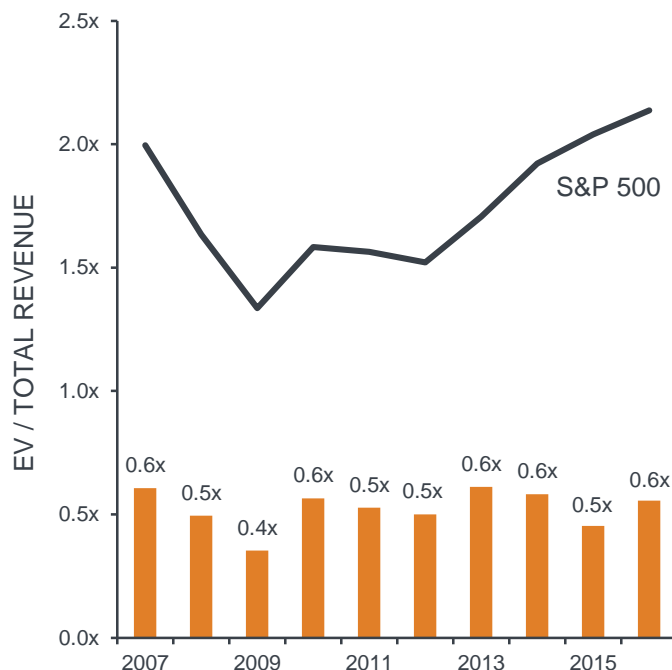
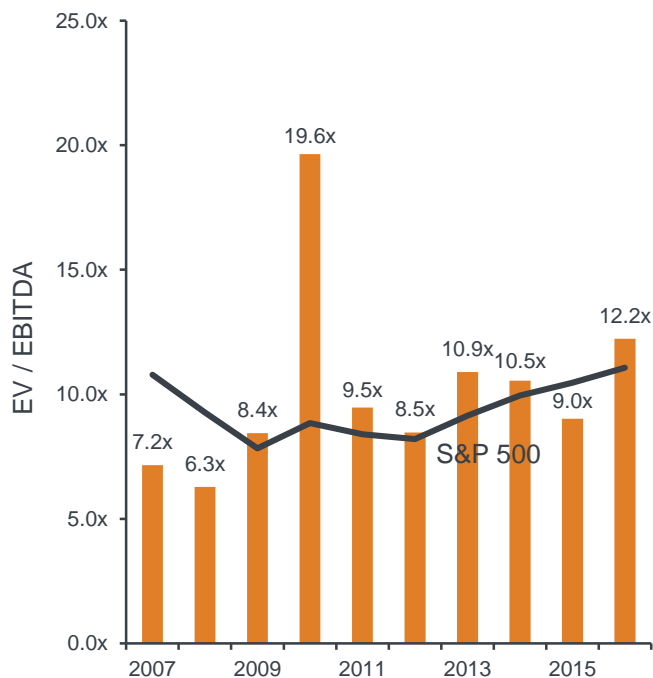
Sector Summary in Millions USD (converted where necessary)
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 Data sourced from S&P Capital IQ on Friday, December 30, 2016

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	2,340	1,706	108	3,494	266	6.0%	636	3.8x	0.6x	12.0x
Median	1,400	1,175	143	2,827	160	5.4%	576	2.4x	0.5x	11.2x

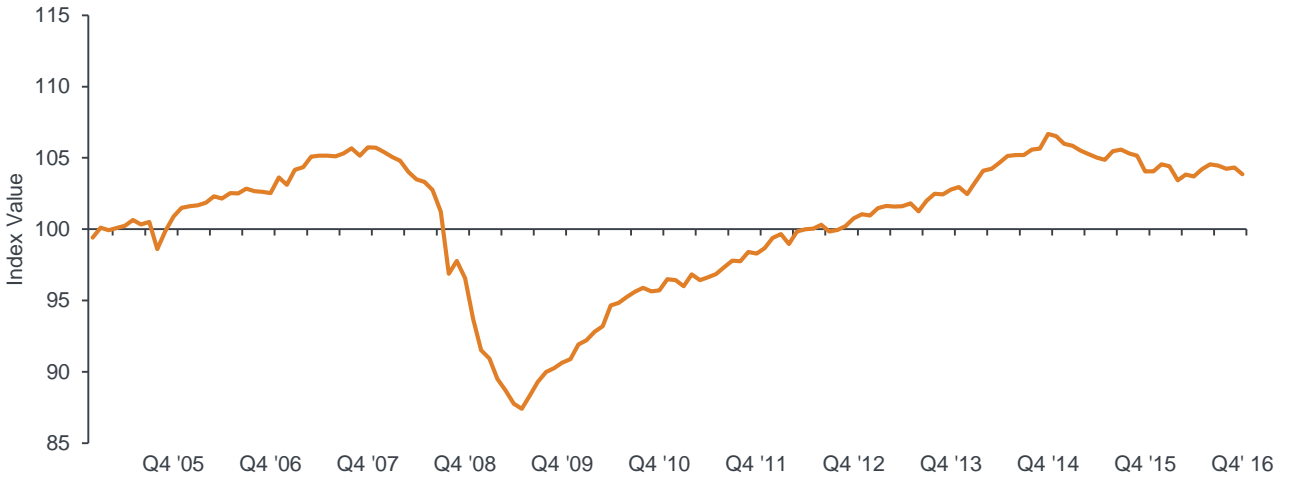
Company	Ticker	Size (Millions USD)					EBITDA Margin	Leverage		Valuation	
		Enterprise Value	Market Cap	Cash	LTM Revenue	LTM EBITDA		LT Debt	LT Debt / EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Olympic Steel, Inc.	Nasdaqgs:ZEUS	428	266	3	1,038	20	2.0%	164	8.0x	0.4x	21.0x
Reliance Steel & Aluminum Co.	NYSE:RS	7,764	5,772	143	8,578	788	9.2%	1,680	2.1x	0.9x	9.9x
Russel Metals Inc.	TSX:RUS	1,338	1,175	147	1,979	107	5.4%	225	2.1x	0.7x	12.5x
Ryerson Holding Corporation	NYSE:RYI	1,400	496	73	2,846	160	5.6%	958	6.0x	0.5x	8.7x
A.M. Castle & Co.	OTCPK:CASL	234	8	10	685	(25)	-3.6%	235	NM	0.3x	NM
Worthington Industries, Inc.	NYSE:WOR	3,496	2,968	175	2,827	280	9.9%	576	2.1x	1.2x	12.5x
Klöckner & Co SE	XTRA:KCO	1,719	1,254	205	6,507	238	3.7%	617	2.6x	0.3x	7.2x



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

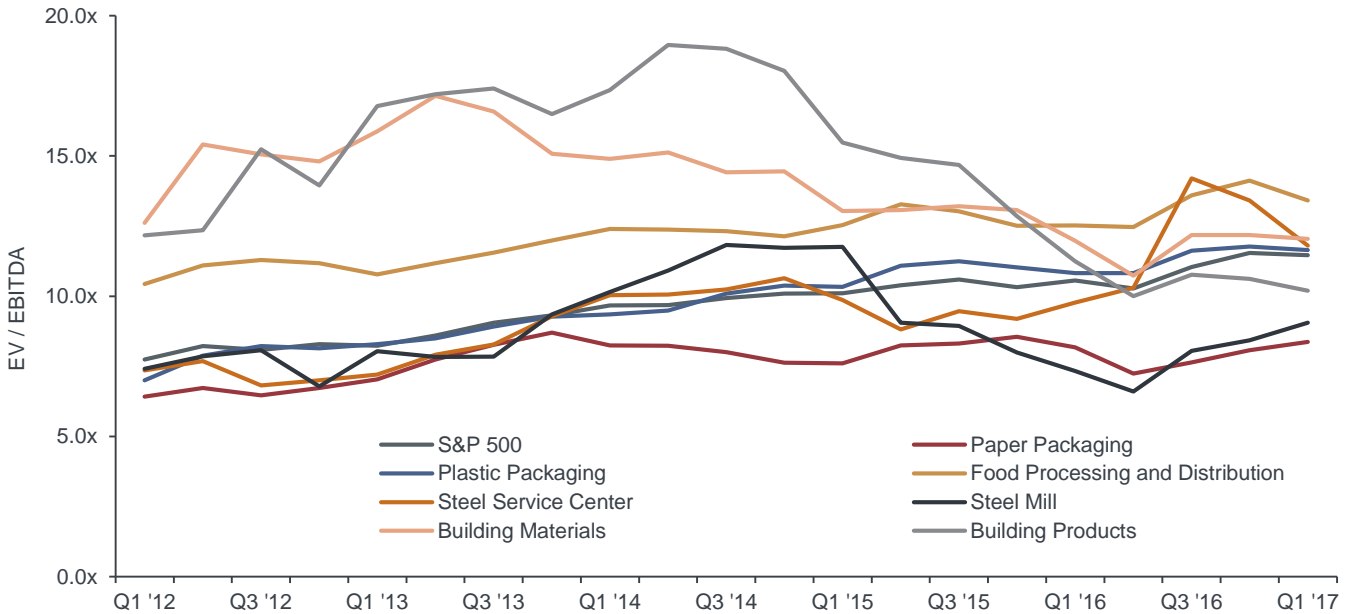
Industrial Production Index



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, December 30, 2016

Last 5 Year EV / EBITDA Trend by Industry



Data sourced through S&P Capital IQ on Friday, December 30, 2016

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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