



Industrials

In This Issue:

Industry News
Transactions
State of the Industry
About Mirus
Mirus Industrial Spotlight

Aerospace & Defense

Industry News

Northrop Grumman Completes Orbital ATK Acquisition

Northrop Grumman [Full Article](#)

On June 6th, Northrop Grumman announced that it had closed the acquisition of Orbital ATK, a global leader in aerospace and defense technologies. Orbital ATK is now Northrop Grumman Innovation Systems, a new, fourth business sector. “Together, through our leading technologies and innovation-focused culture, we look forward to developing enhanced mission capabilities and more competitive offerings in critical global security domains” said Wes Bush, CEO of Northrop Grumman.

TTM Technologies, Inc. Completes Acquisition of Anaren, Inc.

TTM Technologies [Full Article](#)

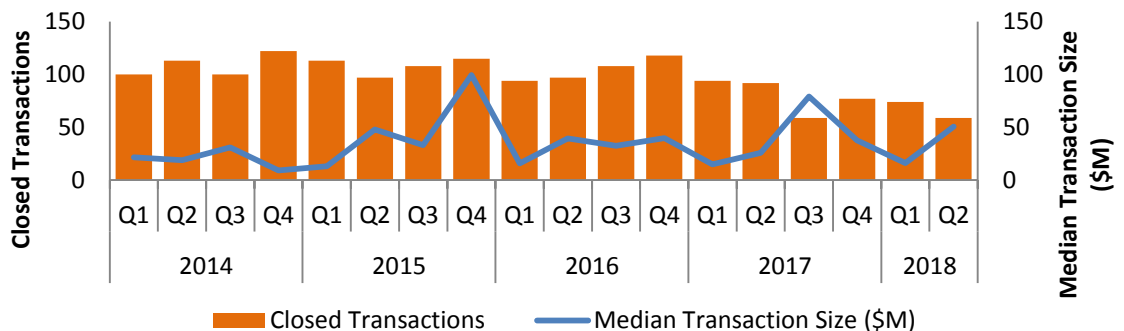
TTM Technologies, a leading global printed circuit board manufacturer, announced on April 18th that it has completed its acquisition of Anaren, Inc. The acquisition combines TTM’s strength in PCB manufacturing with Anaren’s radio frequency design capability and a product portfolio of unique and proprietary RF components and subsystems for the Aerospace & Defense and Networking/Communication end markets.

Avionica, GE Form JV for Flight Data and Analytics

FlightGlobal [Full Article](#)

On May 10th, GE Aviation acquired an ownership interest in Avionica, announcing a joint venture to develop new products that are designed to transfer better flight data to the ground. “We are determined to take aerospace data usage, related product delivery and customer support to the next level,” says John Mansfield, GE Aviation’s chief digital officer.

Aerospace & Defense M&A Environment

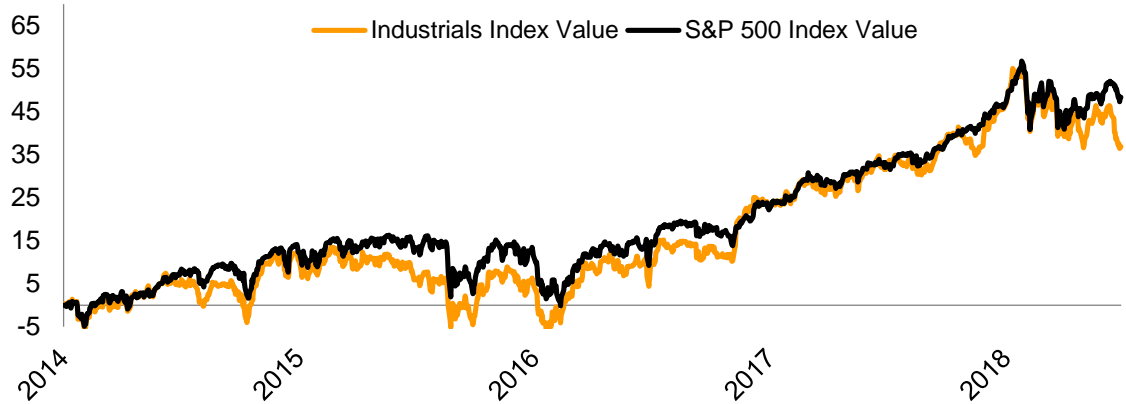


Selected Q2 2018 Aerospace & Defense Transactions

Date Closed	Target	Buyers/Investors	Enterprise	EV / LTM	
			Value (\$M)	Revenue	EBITDA
6/29/2018	L-3 Communications Vertex Aerospace LLC and Related Assets	American Industrial Partners	540	-	-
6/21/2018	Micronet Enertec Technologies, Inc. (NasdaqCM:MICT)	BNN Technology PLC	25	1.1x	-
6/19/2018	Prodem	Finaero S.A.	-	-	-
6/6/2018	Northrop Grumman Innovation Systems	Northrop Grumman Corporation (NYSE:NOC)	9,355	2.1x	15.4x
6/5/2018	Flight Data Systems Pty. Ltd.	ACR Electronics, Inc.	-	-	-
6/1/2018	Cubic Global Defense, Inc. and Omega Training Group, Inc.	Valiant Integrated Services LLC	138	0.4x	-
5/31/2018	Avia Solutions Group AB (WSE:ASG)	Haifo Ltd	58	0.1x	3.3x
5/31/2018	Chassis Plans LLC	Aeronautics Ltd. (TASE:ARCS)	6	0.4x	-
5/29/2018	Microsemi Corporation	Microchip Technology Incorporated (NasdaqGS:MCHP)	10,078	5.5x	18.2x
5/29/2018	LinQuest Corporation	Madison Dearborn Partners, LLC	-	-	-
5/28/2018	Conklin & de Decker Associates, Inc.	Jet Support Services, Inc.	-	-	-
5/22/2018	Enertec Systems 2001 Ltd.	Coolisys Technologies, Inc.	9	-	-
5/10/2018	Avionica, LLC	GE Aviation	-	-	-
5/8/2018	Passenger Drone	Astro Aerospace Ltd.	-	-	-
5/2/2018	Hawker Pacific Airservices Limited	Eagle Enterprises, Inc.	250	-	-
4/30/2018	Technology Management Associates Incorporated	SAP National Security Services, Inc.	-	-	-
4/25/2018	SGT, Inc.	KBRwyle Technology Solutions, LLC	355	-	-
4/24/2018	Extant Components Group Holdings, Inc.	TransDigm Group Incorporated (NYSE:TGD)	525	-	-
4/18/2018	Anaren, Inc.	TTM Technologies, Inc. (NasdaqGS:TTMI)	941	4.6x	21.7x
4/13/2018	Saab AB (publ) (OM:SAAB B)	-	5,231	1.4x	16.6x
4/11/2018	Universal Avionics Systems Corporation	Elbit Systems Ltd. (TASE:ESLT)	120	-	-
4/9/2018	Stirling Dynamics Limited	Assystem Technologies Groupe	-	-	-
4/5/2018	AviaAM Leasing AB (WSE:AAL)	Haifo Ltd	57	1.1x	2.2x

Industrials

While largely mirroring the S&P 500, the Industrials market has been steady from an M&A and valuation perspective. Despite volatility in the early part of the year, industry valuations remain near all time highs. Midway through the year, M&A activity has increased in line with analysts' expectations, with H1 2018 deal activity slightly surpassing H2 2017.



As of 6/30/2018

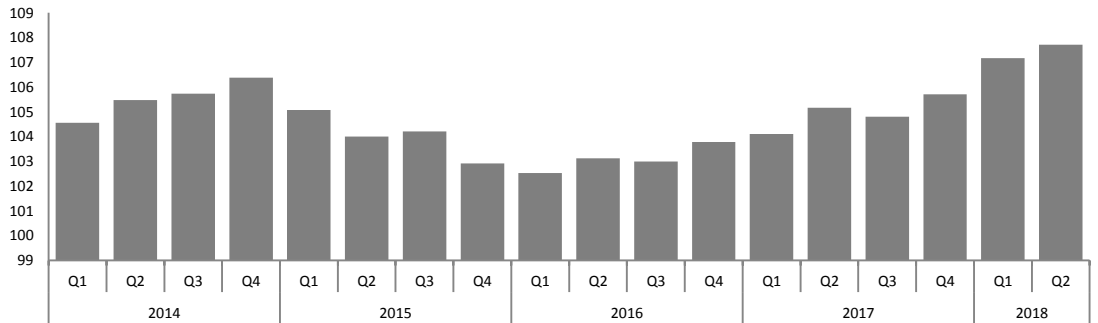
Company Name	Ticker	Enterprise Value	LTM Financials			Valuation Metrics			LTM Margins	
			Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
3M Company	NYSE:MMM	\$128,438	\$32,250	\$15,981	\$8,091	4.0x	8.0x	15.9x	49.6%	25.1%
Alaska Air Group	NYSE:ALK	\$8,364	\$8,025	\$2,636	\$1,601	1.0x	3.2x	5.2x	32.8%	20.0%
American Airlines Group	NasdaqGS:AAL	\$37,219	\$42,788	\$12,682	\$6,595	0.9x	2.9x	5.6x	29.6%	15.4%
Arconic	NYSE:ARNC	\$13,431	\$13,213	\$2,546	\$1,756	1.0x	5.3x	7.6x	19.3%	13.3%
Boeing Company	NYSE:BA	\$198,099	\$94,813	\$17,996	\$12,829	2.1x	11.0x	15.4x	19.0%	13.5%
C. H. Robinson Worldwide	NasdaqGS:CHRW	\$12,700	\$15,380	\$1,208	\$868	0.8x	10.5x	14.6x	7.9%	5.6%
Caterpillar	NYSE:CAT	\$109,468	\$48,499	\$13,229	\$9,500	2.3x	8.3x	11.5x	27.3%	19.6%
CSX	NasdaqGS:CSX	\$67,640	\$11,415	\$5,342	\$5,342	5.9x	12.7x	12.7x	46.8%	46.8%
Cummins	NYSE:CMII	\$23,640	\$21,409	\$5,158	\$2,574	1.1x	4.6x	9.2x	24.1%	12.0%
Deere & Co.	NYSE:DE	\$84,178	\$32,999	\$7,685	\$5,380	2.6x	11.0x	15.6x	23.3%	16.3%
Delta Air Lines	NYSE:DAL	\$42,363	\$42,111	\$12,160	\$7,872	1.0x	3.5x	5.4x	28.9%	18.7%
Dover	NYSE:DOV	\$14,413	\$7,939	\$2,959	\$1,421	1.8x	4.9x	10.1x	37.3%	17.9%
Eaton Corporation	NYSE:ETN	\$39,811	\$20,807	\$6,785	\$3,532	1.9x	5.9x	11.3x	32.6%	17.0%
Emerson Electric Company	NYSE:EMR	\$46,355	\$16,538	\$7,012	\$3,484	2.8x	6.6x	13.3x	42.4%	21.1%
Expeditors International	NasdaqGS:EXPD	\$11,639	\$7,230	\$984	\$794	1.6x	11.8x	14.7x	13.6%	11.0%
FedEx Corporation	NYSE:FDX	\$73,994	\$65,450	\$17,785	\$8,335	1.1x	4.2x	8.9x	27.2%	12.7%
Fluor	NYSE:FLR	\$6,799	\$19,509	\$526	\$568	0.3x	12.9x	12.0x	2.7%	2.9%
Fortive	NYSE:FTV	\$29,747	\$6,862	\$3,427	\$1,614	4.3x	8.7x	18.4x	49.9%	23.5%
General Dynamics	NYSE:GD	\$57,517	\$31,067	\$6,214	\$4,578	1.9x	9.3x	12.6x	20.0%	14.7%
General Electric	NYSE:GE	\$252,151	\$123,031	\$15,181	\$5,526	2.0x	16.6x	45.6x	12.3%	4.5%
Grainger (W.W.)	NYSE:GWV	\$19,541	\$10,650	\$4,183	\$1,486	1.8x	4.7x	13.1x	39.3%	14.0%
Honeywell Int'l	NYSE:HON	\$115,786	\$41,434	\$13,195	\$8,466	2.8x	8.8x	13.7x	31.8%	20.4%
Illinois Tool Works	NYSE:ITW	\$52,545	\$14,587	\$6,100	\$3,958	3.6x	8.6x	13.3x	41.8%	27.1%
Ingersoll-Rand	NYSE:IR	\$25,485	\$14,582	\$4,529	\$2,099	1.7x	5.6x	12.1x	31.1%	14.4%
J. B. Hunt Transport Services	NasdaqGS:JBHT	\$14,334	\$7,509	\$1,350	\$1,043	1.9x	10.6x	13.7x	18.0%	13.9%
Jacobs Engineering Group	NYSE:JEC	\$10,773	\$11,854	\$2,199	\$806	0.9x	4.9x	13.4x	18.6%	6.8%
Johnson Controls International	NYSE:JCI	\$43,932	\$30,729	\$9,251	\$4,695	1.4x	4.7x	9.4x	30.1%	15.3%
L-3 Communications Holdings	NYSE:LLL	\$18,135	\$9,623	\$1,156	\$1,346	1.9x	15.7x	13.5x	12.0%	14.0%
Lockheed Martin	NYSE:LMT	\$96,255	\$51,471	\$5,800	\$6,836	1.9x	16.6x	14.1x	11.3%	13.3%
Masco	NYSE:MAS	\$14,492	\$7,786	\$2,625	\$1,286	1.9x	5.5x	11.3x	33.7%	16.5%
Nielsen Holdings	NYSE:NLSN	\$19,402	\$6,656	\$3,833	\$1,697	2.9x	5.1x	11.4x	57.6%	25.5%
Norfolk Southern	NYSE:NSC	\$52,122	\$10,693	\$4,732	\$4,735	4.9x	11.0x	11.0x	44.3%	44.3%
Northrop Grumman	NYSE:NOC	\$58,549	\$26,128	\$5,959	\$3,922	2.2x	9.8x	14.9x	22.8%	15.0%
PACCAR	NasdaqGS:PCAR	\$27,564	\$20,873	\$3,110	\$2,882	1.3x	8.9x	9.6x	14.9%	13.8%
Parker-Hannifin	NYSE:PH	\$25,411	\$13,981	\$3,443	\$2,310	1.8x	7.4x	11.0x	24.6%	16.5%
Quanta Services	NYSE:PWR	\$5,801	\$9,706	\$1,277	\$670	0.6x	4.5x	8.7x	13.2%	6.9%
Raytheon	NYSE:RTN	\$58,286	\$25,615	\$6,373	\$3,863	2.3x	9.1x	15.1x	24.9%	15.1%
Republic Services	NYSE:RSG	\$30,564	\$10,076	\$3,876	\$2,811	3.0x	7.9x	10.9x	38.5%	27.9%
Robert Half International	NYSE:RHI	\$7,615	\$5,375	\$2,210	\$590	1.4x	3.4x	12.9x	41.1%	11.0%
Rockwell Automation	NYSE:ROK	\$20,366	\$6,505	\$2,723	\$1,301	3.1x	7.5x	15.6x	41.9%	20.0%
Rockwell Collins	NYSE:COL	\$28,824	\$8,478	\$2,295	\$1,804	3.4x	12.6x	16.0x	27.1%	21.3%
Ryder System	NYSE:R	\$9,419	\$7,496	\$1,484	\$1,770	1.3x	6.3x	5.3x	19.8%	23.6%
Southwest Airlines	NYSE:LUV	\$29,873	\$21,261	\$7,215	\$4,453	1.4x	4.1x	6.7x	33.9%	20.9%
Textron	NYSE:TXT	\$20,105	\$14,401	\$2,441	\$1,543	1.4x	8.2x	13.0x	17.0%	10.7%
Union Pacific	NYSE:UNP	\$126,334	\$21,583	\$11,380	\$10,426	5.9x	11.1x	12.1x	52.7%	48.3%
United Continental Holdings	NYSE:UAL	\$29,823	\$38,342	\$12,923	\$5,688	0.8x	2.3x	5.2x	33.7%	14.8%
United Parcel Service	NYSE:UPS	\$110,502	\$67,475	\$14,884	\$9,756	1.6x	7.4x	11.3x	22.1%	14.5%
United Rentals	NYSE:URI	\$21,201	\$7,019	\$2,999	\$2,057	3.0x	7.1x	10.3x	42.7%	29.3%
United Technologies	NYSE:UTX	\$121,804	\$61,264	\$16,325	\$10,377	2.0x	7.5x	11.7x	26.6%	16.9%
Waste Management	NYSE:WM	\$45,096	\$14,556	\$5,517	\$4,066	3.1x	8.2x	11.1x	37.9%	27.9%

Median	1.9x	7.7x	12.0x	28.1%	15.9%
Mean	2.2x	7.9x	12.3x	29.0%	18.2%

Industrials

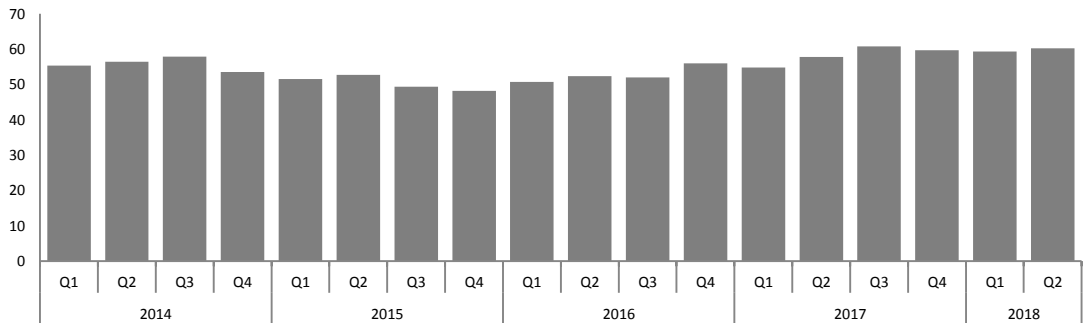
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



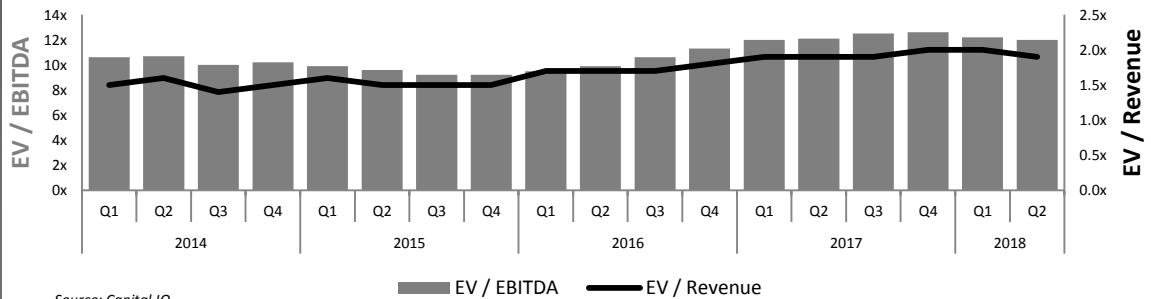
Source: Federal Reserve

Purchasing Managers Index



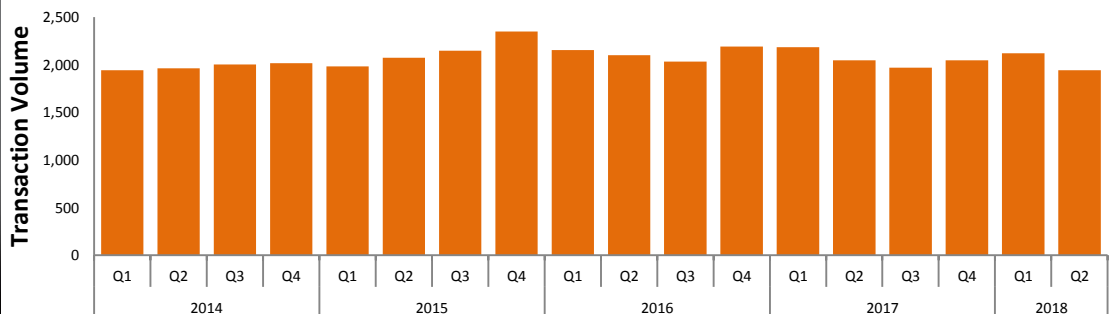
Source: Institution For Supply Management

Industry Valuations



Source: Capital IQ

Industrials Transaction Volume



Source: Capital IQ

"The Mirus team successfully guided us through every aspect of the transaction, from identifying prospective buyers through closing. They conducted a thorough process and we are delighted by the outcome."

Please contact one of our partners today to answer any questions you may have to discuss the future of your business.



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Mirus' Industrial team has experience working with owners of growth industrial businesses and distressed industrials, executing corporate carve-outs, strategic sales and leveraged buy-outs. Much of our work is with closely-held companies – niche leaders who have the industry leading solution in a sub \$200 million market. The companies often have strategic value to large corporations serving the broader market - acquirers who can integrate a product line into their portfolio. For larger industrial companies, Mirus has advised buyers and sellers on M&A, including leveraged buy-outs, and has executed corporate divestitures and restructurings.

Alan Fullerton and Andrew Crain are the leaders of our Industrial team. Alan and Andrew have decades of experience advising companies in the Industrial space. They have a demonstrated record of managing and closing dozens of engagements with companies in the industry. Alan has been nationally recognized by M&A Advisor as a sector finalist across multiple industries and has an MBA from Ecole des Ponts (France), an MS in Electrical Engineering from Brown University, and a BS in Mechanical Engineering from MIT. Andrew began his career as an attorney at Foley Hoag LLP and has prior experience as a fifth-generation family business owner and CEO. Andrew graduated from Williams College and the University of Michigan Law School.

Mirus Industrial Spotlight



AIC is a leading specialty chemical and ingredients distributor based in Framingham, Massachusetts. LeBaronBrown is a private investment firm with a multi-decade orientation and a strategy to bring capital and resources to company management teams to enable growth over a multi-decade period. AIC joins Charkit Chemical Company LLC, acquired in June of 2017, under the same parent company. This transaction positions AIC for long-term, continued growth, building upon the success of its dedicated team.



MagneMotion is a provider of intelligent transport systems based on patent protected linear synchronous motor (LSM) technology. Rockwell Automation Inc. (NYSE: ROK), the world's largest company dedicated to industrial automation and information, makes its customers more productive and the world more sustainable. The acquisition of MagneMotion expands Rockwell Automation's independent cart technology and complements its acquisitions of iTRAK Technology and Jacobs Automation.



FleetLogix provides outsourced labor to rental car agencies across the U.S.. The company uses a proprietary technology platform to track and analyze performance at each site, to ensure quality and efficiency in its service delivery, and to provide data and metrics to its managers and its clients. Striker Partners is a private, family-based investment firm formed to make majority equity investments in profitable and growing businesses. Striker Partners brings technology expertise to the company and represents a great cultural fit.



Newcan supplies components to the automotive and trucking industries and is a leader in manufacturing precision metal stampings and perforated components. Falls Stamping & Welding is located in Cuyahoga Falls, Ohio and operates in the metal parts industry. Falls Stamping is recognized for the breadth of manufacturing capabilities. The acquisition of Newcan expands the company's offerings.



Spire Corporation (Nasdaq: SPIR), a leading technology and equipment supplier to the solar photovoltaic (PV) industry located in Bedford, Massachusetts, sold its sun simulator business, a supplier of critical tools for both PV module production lines and testing/certification laboratories, in a cross border transaction to Eternal Sun, a company based in The Hague, the Netherlands that specializes in solar simulation technology for the purpose of product and material testing.