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Spotlight

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Industrial Technology

Industry News

What to Expect from AI in Manufacturing

Kaspersky [Full Article](#)

From assembly robots to automated warehouses – artificial intelligence (AI) and the manufacturing industry are a match made in heaven. And this is just the beginning. According to a report by IDC, by 2021, 20 percent of leading manufacturers will rely on embedded intelligence (using AI, internet of things and blockchain applications) to automate processes and speed up execution times by up to 25 percent.

Sensata Announces Chief Executive Officer Transition

Automotive World [Full Article](#)

Sensata Technologies (NYSE:ST), a global industrial technology company and a leading provider of sensor-rich solutions that create insights for customers, announced that President and Chief Operating Officer Jeffrey Cote will succeed Martha Sullivan as Chief Executive Officer effective March 1, 2020. The Company also announced that Cote has been appointed to the Board of Directors, also effective March 1, 2020. Cote is a 13-year veteran with Sensata and has served in a number of executive roles with the Company.

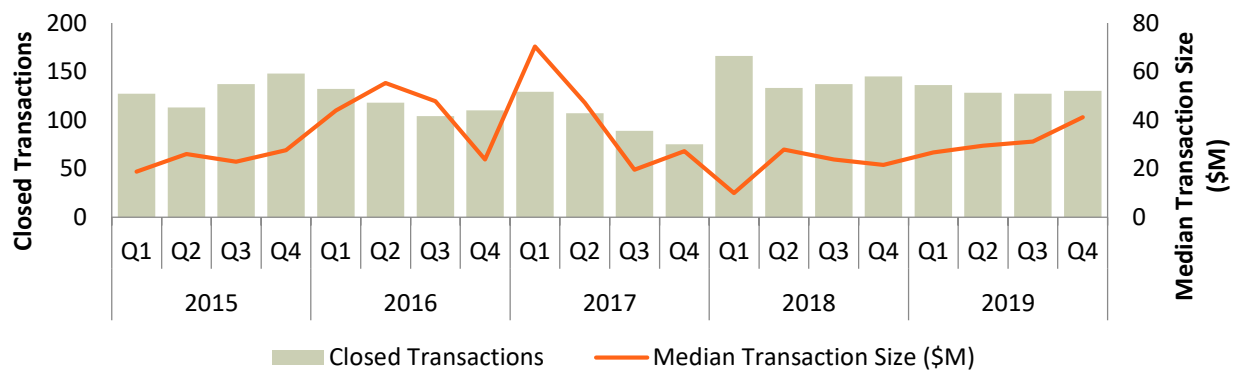
Industrial IoT Market Forecasts to 2024

Yahoo Finance [Full Article](#)

The global Industrial IoT market generated \$72.34 billion in 2018 and is projected to achieve a CAGR of 8.67% from 2019 to 2024. The growth in the Industrial IoT market is due to the high rate of demand of Industrial IoT applications in smart industries. Additionally, low sensor costs and innovative sensor technologies are further expected to drive growth.

Industrial Technology

Industrial Technology M&A Environment



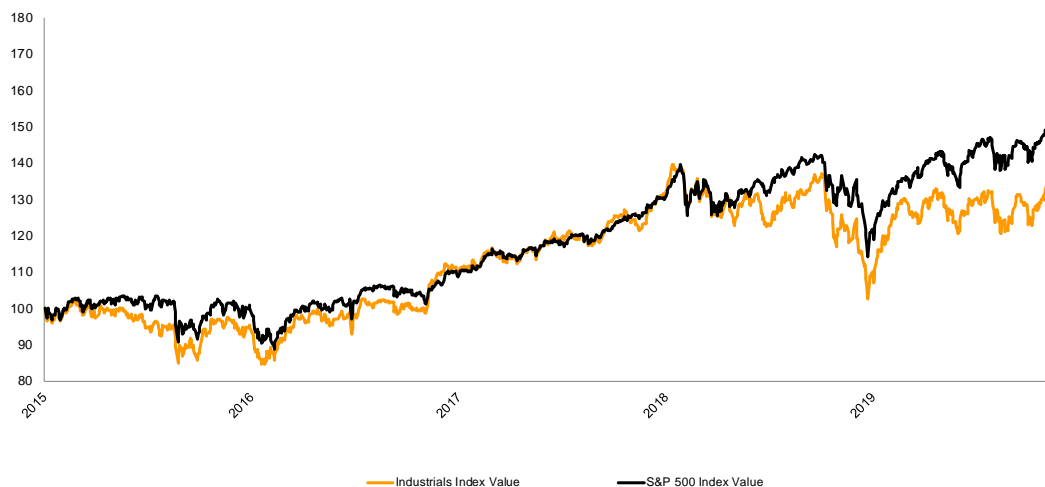
*For the purposes of compiling data, we define constituents in the Industrial Technology sector as companies that make production faster and more efficient through the use of engineering. The data contains global deals of all sizes. Transaction values of less than \$1 million have been excluded from the median calculation.

Selected Q4 2019 Industrial Technology Transactions

Date Closed	Target	Buyers/Investors	Sector	Enterprise		EV / LTM	
				Value (\$M)	Revenue	EBITDA	
12/24/2019	Jiangsu Oscen Hydraulic Technology Co., Ltd.	Sichuan Crun Co., Ltd (SZSE:002272)	Pumps and Pumping Equipment	7.85		1.6x	-
12/23/2019	IMT Helideck Lighting Portfolio of Xylem Inc.	R. Stahl Tranberg AS	Electrical Components and Equipment	-	-	-	-
12/16/2019	MARCO LTD	ATS Automation Tooling Systems Inc. (TSX:ATA)	Conveyors and Conveying Equipment	43.05	-	-	-
12/04/2019	Moorfield Nanotechnology Limited	Quorum Technologies Ltd	Machinery	1.05	0.3x		-
11/28/2019	Beijing Ctrowell Technology Corporation Limited (SZSE:300455)	China Academy of Space Technology	Machinery	784.52	17.4x		58.9x
11/27/2019	WELLE Environmental Group Co.,Ltd (SZSE:300190)	Changzhou Hejia Capital Management Co., Ltd.	Machinery	823.4	2.3x		10.7x
11/08/2019	Xitron, LLC	Global Graphics PLC (ENXTBR:GLOG)	Machinery	4.5	0.9x		9.6x
11/08/2019	Paratech Company Limited (KOSDAQ:A033540)	Doyang Co., Ltd.	Machinery	93.2	0.8x		-
11/08/2019	Henan Senyuan Electric Co., Ltd. (SZSE:002358)	Zhongyuan Jinxiang Investment Management Co., Ltd.	Power Generation Equipment	1,029.34	5.18		115.05
11/08/2019	winsun AG	Energiedienst Holding AG (SWX:EDHN)	Electrical Components and Equipment	-	-		-
10/21/2019	AutoGuide Mobile Robots	Teradyne, Inc. (NasdaqGS:TER)	Machinery	165.0	41.3x		-
10/15/2019	chargeIT mobility GmbH	Eneco eMobility BV	Electrical Components and Equipment	-	-		-

Industrials

The Industrials market has remained strong, outperforming the S&P 500 in 2018 and 2019. The sector has also maintained robust M&A transaction volume and valuation multiples. Major trends in the industry contributing to growth include automation, rising U.S. defense spending budget, and increasing investment in infrastructure.



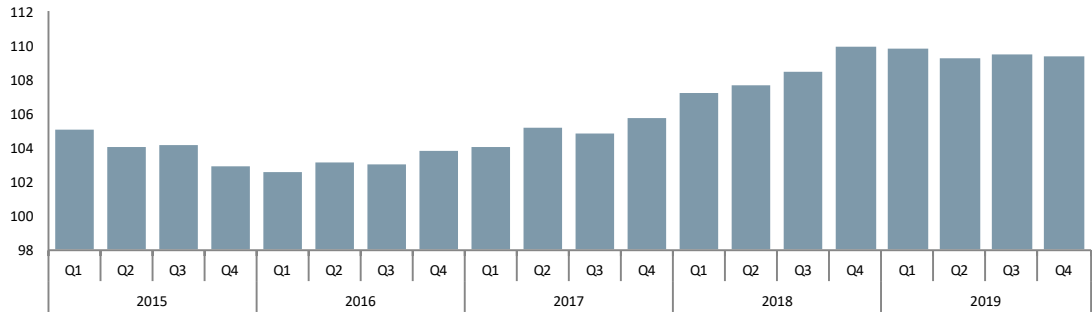
As of 12/31/2019		LTM Financials				Valuation Metrics			LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
3M Company	NYSE:MMM	\$122,351	\$32,765	\$16,110	\$8,358	3.7x	7.6x	14.6x	49.2%	25.5%
Alaska Air Group	NYSE:ALK	\$8,135	\$8,264	\$2,206	\$1,195	1.0x	3.7x	6.8x	26.7%	14.5%
American Airlines Group	NasdaqGS:AAL	\$34,701	\$44,541	\$12,204	\$5,916	0.8x	2.8x	5.9x	27.4%	13.3%
Arconic	NYSE:ARNC	\$13,038	\$14,014	\$2,617	\$1,798	0.9x	5.0x	7.3x	18.7%	12.8%
Boeing Company	NYSE:BA	\$185,109	\$101,127	\$19,637	\$13,957	1.8x	9.4x	13.3x	19.4%	13.8%
C. H. Robinson Worldwide	NasdaqGS:CHRW	\$12,606	\$16,631	\$1,362	\$994	0.8x	9.3x	12.7x	8.2%	6.0%
Caterpillar	NYSE:CAT	\$103,612	\$54,722	\$14,903	\$11,102	1.9x	7.0x	9.3x	27.2%	20.3%
CSX	NasdaqGS:CSX	\$64,974	\$12,250	\$6,166	\$6,166	5.3x	10.5x	10.5x	50.3%	50.3%
Cummins	NYSE:CMI	\$23,317	\$23,771	\$5,737	\$3,078	1.0x	4.1x	7.6x	24.1%	12.9%
Deere & Co.	NYSE:DE	\$86,857	\$37,318	\$8,985	\$5,941	2.3x	9.7x	14.6x	24.1%	15.9%
Delta Air Lines	NYSE:DAL	\$42,620	\$44,438	\$11,399	\$7,530	1.0x	3.7x	5.7x	25.7%	16.9%
Dover	NYSE:DOV	\$13,454	\$6,992	\$2,576	\$1,190	1.9x	5.2x	11.3x	36.8%	17.0%
Eaton Corporation	NYSE:ETN	\$36,594	\$21,609	\$7,098	\$3,875	1.7x	5.2x	9.4x	32.8%	17.9%
Emerson Electric Company	NYSE:EMR	\$41,123	\$17,739	\$7,597	\$3,641	2.3x	5.4x	11.3x	42.8%	20.5%
Expeditors International	NasdaqGS:EXPD	\$10,763	\$8,138	\$1,074	\$851	1.3x	10.0x	12.7x	13.2%	10.5%
FedEx Corporation	NYSE:FDX	\$57,282	\$68,716	\$18,630	\$8,868	0.8x	3.1x	6.5x	27.1%	12.9%
Fluor	NYSE:FLR	\$4,488	\$19,167	\$670	\$749	0.2x	6.7x	6.0x	3.5%	3.9%
Fortive	NYSE:FTV	\$26,472	\$6,453	\$3,323	\$1,468	4.1x	8.0x	18.0x	51.5%	22.7%
General Dynamics	NYSE:GD	\$58,629	\$36,193	\$6,715	\$5,246	1.6x	8.7x	11.2x	18.6%	14.5%
General Electric	NYSE:GE	\$188,903	\$121,615	\$23,219	\$15,881	1.6x	8.1x	11.9x	19.1%	13.1%
Grainger (W.W.)	NYSE:GWG	\$17,783	\$11,221	\$4,348	\$1,620	1.6x	4.1x	11.0x	38.7%	14.4%
Honeywell Int'l	NYSE:HON	\$104,589	\$41,802	\$12,756	\$9,018	2.5x	8.2x	11.6x	30.5%	21.6%
Illinois Tool Works	NYSE:ITW	\$47,855	\$14,768	\$6,164	\$4,065	3.2x	7.8x	11.8x	41.7%	27.5%
Ingersoll-Rand	NYSE:IR	\$25,514	\$15,668	\$4,893	\$2,325	1.6x	5.2x	11.0x	31.2%	14.8%
J. B. Hunt Transport Services	NasdaqGS:JBHT	\$11,220	\$8,615	\$1,461	\$1,117	1.3x	7.7x	10.0x	17.0%	13.0%
Jacobs Engineering Group	TSXV:JEC	\$28	\$12	\$7	\$7	2.3x	4.0x	3.7x	57.9%	62.6%
Johnson Controls International	NYSE:JCI	\$39,487	\$31,559	\$9,407	\$4,724	1.3x	4.2x	8.4x	29.8%	15.0%
Lockheed Martin	NYSE:LMT	\$88,362	\$53,762	\$7,370	\$8,299	1.6x	12.0x	10.6x	13.7%	15.4%
Masco	NYSE:MAS	\$11,438	\$8,359	\$2,729	\$1,393	1.4x	4.2x	8.2x	32.6%	16.7%
Nielsen Holdings	NYSE:NLSN	\$16,640	\$6,515	\$3,710	\$1,469	2.6x	4.5x	11.3x	56.9%	22.5%
Norfolk Southern	NYSE:NSC	\$51,413	\$11,458	\$5,091	\$5,124	4.5x	10.1x	10.0x	44.4%	44.7%
Northrop Grumman	NYSE:NOC	\$56,196	\$30,095	\$6,820	\$5,003	1.9x	8.2x	11.2x	22.7%	16.6%
PACCAR	NasdaqGS:PCAR	\$25,790	\$23,496	\$3,520	\$3,209	1.1x	7.3x	8.0x	15.0%	13.7%
Parker-Hannifin	NYSE:PH	\$23,861	\$14,518	\$3,676	\$2,519	1.6x	6.5x	9.5x	25.3%	17.4%
Quanta Services	NYSE:PWR	\$5,274	\$11,171	\$1,480	\$837	0.5x	3.6x	6.3x	13.2%	7.5%
Raytheon	NYSE:RTN	\$47,180	\$27,058	\$7,485	\$3,801	1.7x	6.3x	12.4x	27.7%	14.0%
Republic Services	NYSE:RSG	\$31,570	\$10,041	\$3,851	\$2,791	3.1x	8.2x	11.3x	38.4%	27.8%
Robert Half International	NYSE:RHI	\$6,467	\$5,800	\$2,410	\$653	1.1x	2.7x	9.9x	41.6%	11.3%
Rockwell Automation	NYSE:ROK	\$18,989	\$6,722	\$2,911	\$1,460	2.8x	6.5x	13.0x	43.3%	21.7%
Ryder System	NYSE:R	\$8,779	\$8,409	\$1,621	\$2,029	1.0x	5.4x	4.3x	19.3%	24.1%
Southwest Airlines	NYSE:LUV	\$25,784	\$21,965	\$7,084	\$4,213	1.2x	3.6x	6.1x	32.3%	19.2%
Textron	NYSE:TXT	\$13,890	\$13,972	\$2,347	\$1,585	1.0x	5.9x	8.8x	16.8%	11.3%
Union Pacific	NYSE:UNP	\$122,357	\$22,832	\$11,755	\$10,746	5.4x	10.4x	11.4x	51.5%	47.1%
United Parcel Service	NYSE:UPS	\$102,349	\$71,861	\$13,130	\$7,665	1.4x	7.8x	13.4x	18.3%	10.7%
United Rentals	NYSE:URI	\$18,328	\$8,047	\$3,430	\$2,392	2.3x	5.3x	7.7x	42.6%	29.7%
United Technologies	NYSE:UTX	\$119,091	\$66,501	\$16,663	\$11,256	1.8x	7.1x	10.6x	25.1%	16.9%
Waste Management	NYSE:WM	\$47,876	\$14,914	\$5,665	\$4,212	3.2x	8.5x	11.4x	38.0%	28.2%

Median	1.6x	6.5x	10.6x	27.4%	16.6%
Mean	1.9x	6.6x	10.0x	30.0%	19.6%

Industrials

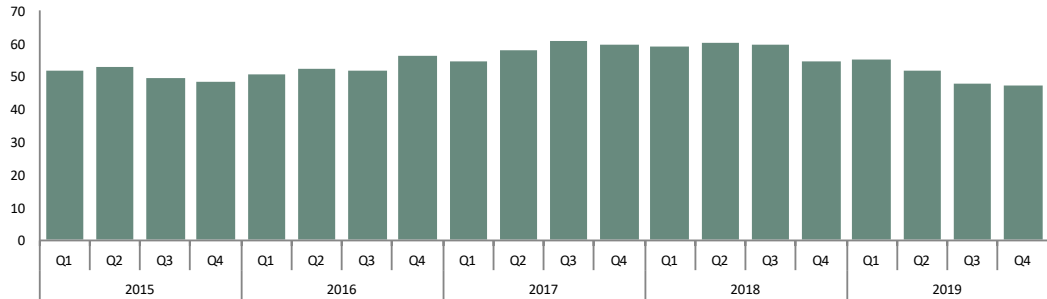
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



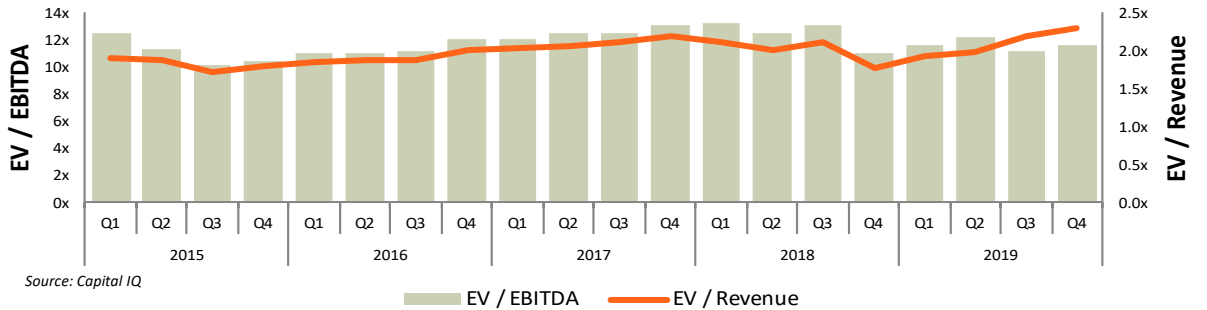
Source: Federal Reserve

Purchasing Managers Index



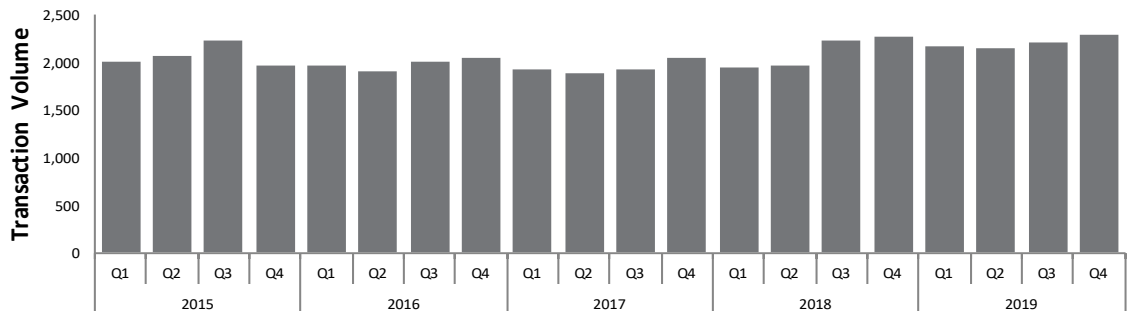
Source: Institution for Supply Management

Industry Valuations



Source: Capital IQ

Industrials Transaction Volume



Source: Capital IQ



The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

About Mirus

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.

Partners Spotlight

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.



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"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."

Mirus Industrial Spotlight



has been acquired by



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.



has been acquired by



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.



has been acquired by



Casco Development, Inc. is a leading provider of shop floor productivity software for mid-sized and large manufacturers. CAI Software is a business consulting, enterprise resource planning software development and IT support services company with products and services related to the lumber, seafood, wholesale food processing and distributions sectors, as well as the jewelry manufacturing and distribution, and precious metals recycling, refining and manufacturing sectors.



has been acquired by



Diagnosys is a developer and manufacturer of comprehensive automated test equipment (ATE) providing test, support, and repair of high value electronics, electro-mechanical, pneumatic and printed circuit boards focused on the global mass transit and defense markets. Apronics Corporation (Nasdaq: ATRO) is a leading provider of advanced technologies for the global aerospace, defense, and other mission critical industries.



has been acquired by



Amsyn is a national distributor of specialty chemicals to the coatings, lubricants, nutraceutical, pharmaceutical, and electronics industries. Amsyn's broad portfolio of specialty chemicals and intermediates is supplemented by its differentiated service offering. Maroon Group is a leading distributor of specialty chemicals and ingredients across North America. Going forward, Amsyn's wide range of technical capabilities and global supplier relationships will be additive to Maroon's existing capabilities and its targeted growth strategy.