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# Industrial Technology

## Industry News

### **Robots Ready to Grow in 2021**

Industry Week [Full Article](#)

According to Industry Week's 2020 technology survey, robotics continued to serve as the primary area of interest for manufacturers. Robotics fuel automation which allows companies to recognize efficiencies needed to compete in today's digital workplace. The effects of the COVID-19 pandemic are expected to dissipate in 2021 as there is an expected increase in the deployment of service robots for applications such as ultra-violet disinfection for hospitals and airports. Further growth will come from a demand to remove individuals from hazardous work environments.

### **EV Manufacturer Lordstown Sparks Continued Interest**

Industry Week [Full Article](#)

Lordstown Motors has announced that it has received 100,000 production reservations from commercial fleets for its Endurance all-electric pickup truck with an average order size of 600 vehicles per fleet. The Endurance is a \$45,000 all-electric pickup truck that has a 250-mile range and can tow up to 7,500 lbs. Set to start production in September of 2021, the pre-order amount has been unprecedented in automotive history.

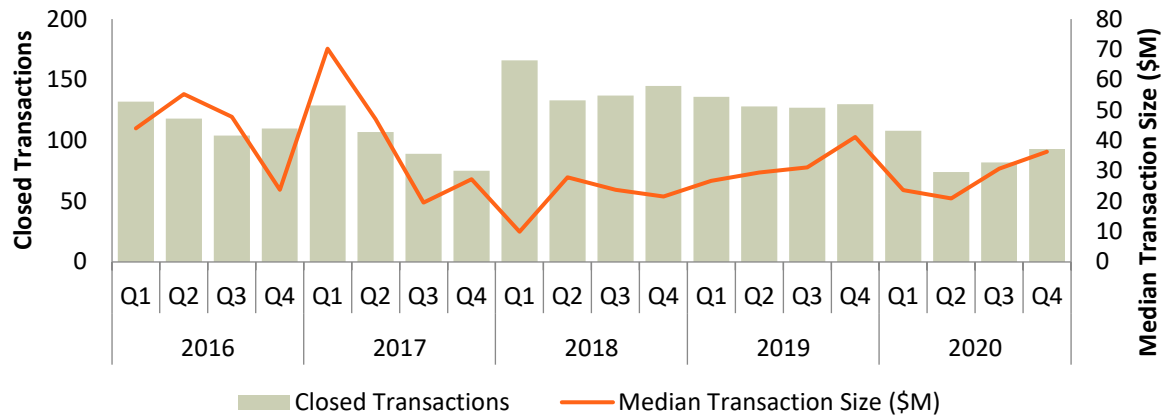
### **GM united with Microsoft to Commercialize Autonomous Cruise**

Industry Week [Full Article](#)

On January 19, 2021, Microsoft announced a new partnership between General Motors and its self-driving Cruise business. The partnership will allow Cruise to utilize Microsoft's cloud and edge computing platform "Azure", to accelerate the commercialization of its vehicles. Microsoft and Honda have made an investment in Cruise, raising the company's valuation to \$30 billion. Cruise's most ambitious project is the "Origin" an electric vehicle that lacks a steering wheel.

# Industrial Technology

## Industrial Technology M&A Environment



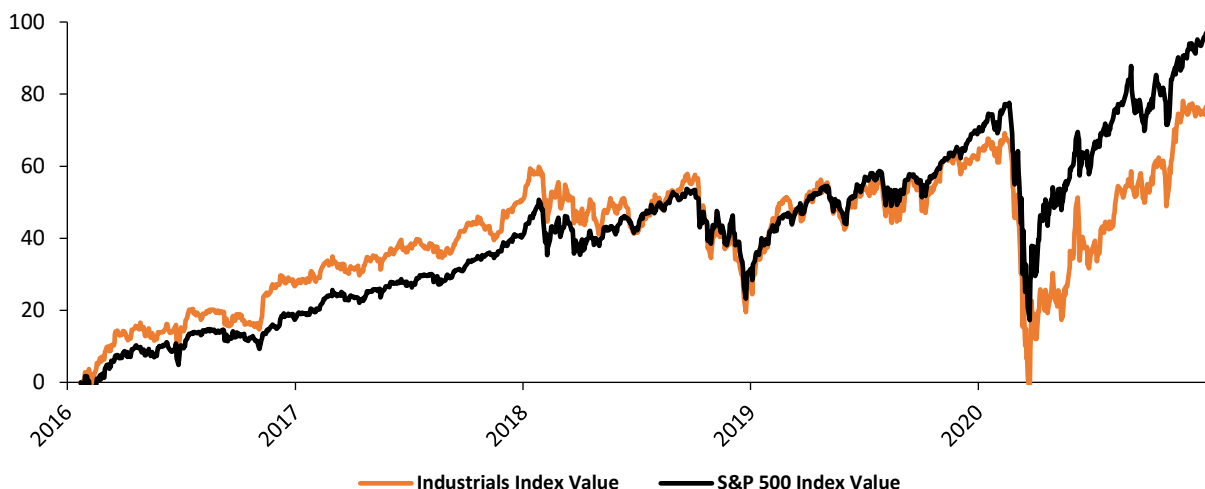
\*For the purposes of compiling data, we define constituents in the Industrial Technology sector as companies that make production faster and more efficient through the use of engineering. The data contains global deals of all sizes. Transaction values of less than \$1 million have been excluded from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

## Selected Q4 2020 Industrial Technology Transactions

Close Date	Target	Buyers/Investors	Sector	Enterprise	EV/	
				Value (\$M)	LTM Revenue	LTM EBITDA
12/31/2020	Allied Enterprises, Inc.	Concentric AB (publ) (OM:COIC)	Electrical Components and Equipment	-	-	-
12/29/2020	Moso Power Supply Technology Co.,Ltd (SZSE:002660)	Jinan Chanfa Rongsheng Equity Investment Co., Ltd.	Electrical Components and Equipment	261.5	1.5	17.9
12/24/2020	Wuxi New Hongtai Electrical Technology Co.,Ltd (SHSE:603016)	Wuxi Guosheng Asset Management Co., Ltd.	Electrical Components and Equipment	454.6	7.2	52.8
12/18/2020	Unibloc-Pump, LLC	May River Capital, LLC	Pumps and Pumping Equipment	-	-	-
12/08/2020	Certain Assets of Vionx Energy Corporation	Largo Clean Energy Corp.	Electrical Components and Equipment	-	-	-
12/08/2020	DynaGen Technologies, Inc.	Cattron Holdings Inc.	Electrical Components and Equipment	-	-	-
12/08/2020	International Conveyors Limited (BSE:509709)	IGE (India) Private Limited	Conveyors and Conveying Equipment	37.8	2.4	22.2
12/07/2020	Cadence Fluidics, LLC	Adaptas Solutions, LLC	Pumps and Pumping Equipment	-	-	-
12/02/2020	Air Filters, Inc.	Rensa Filtration	Industrial Filtration Systems	-	-	-
12/01/2020	Tus-Holdings Co., Ltd.	Hefei Construction Investment and Holding Co.,Ltd.	Industrial Conglomerates	-	-	-
11/24/2020	Reunert Limited (JSE:RLO)	Old Mutual Limited (JSE:OMU)	Industrial Conglomerates	388.0	0.7	35.1
11/16/2020	American Elite Molding, LLC	Southwire Company, LLC	Electrical Components and Equipment	-	-	-
11/13/2020	Integrated Solutions, Inc.	Adaptec Solutions LLC	Conveyors and Conveying Equipment	-	-	-
11/10/2020	Refrigeration Electrical Engineering Corporation (HOSE:REE)	-	Industrial Conglomerates	894.9	3.9	9.45
11/03/2020	Moso Power Supply Technology Co.,Ltd (SZSE:002660)	Jinan Chanfa Capital Holding Group Co., Ltd.	Electrical Components and Equipment	261.5	1.5	17.9
10/27/2020	Reunert Limited (JSE:RLO)	Ninety One SA Proprietary Limited	Industrial Conglomerates	388.0	0.7	35.1

# Industrials

The Industrials index largely mirrored the fluctuations of the S&P 500, building upon its rebound following a low point in March. After rising 13% in Q3, the sector index gained 15% in the fourth quarter of 2020 following increases in both the PMI and U.S. Industrial Production Index.



As of 12/31/2019

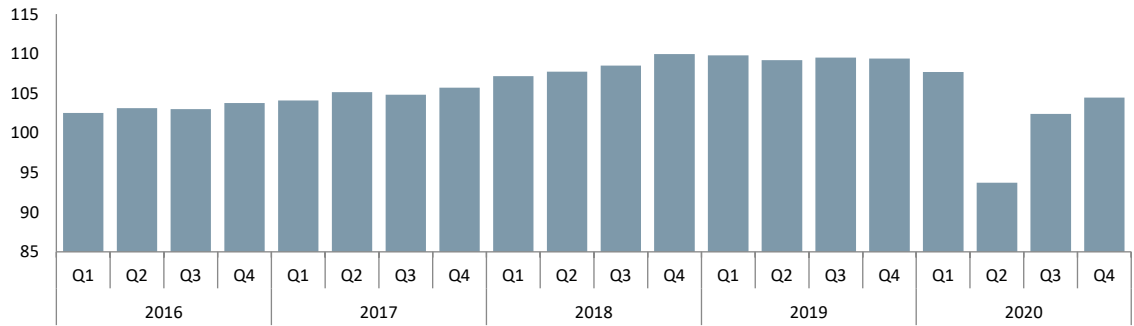
Company Name	Ticker	Enterprise Value	LTM Financials				Valuation Metrics			LTM Margins	
			Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin	
3M Company	NYSE:MMM	\$116,775	\$31,712	\$15,384	\$8,597	3.7x	7.6x	13.6x	48.5%	27.1%	
Alaska Air Group	NYSE:ALK	\$8,097	\$4,986	\$140	-\$592	1.6x	57.8x	-13.7x	2.8%	-11.9%	
American Airlines Group	NasdaqGS:AAL	\$42,553	\$24,622	-\$1,541	-\$5,662	1.7x	-27.6x	-7.5x	-6.3%	-23.0%	
Arcenic	NYSE:ARNC	\$3,885	\$5,921	\$886	\$501	0.7x	4.4x	7.8x	15.0%	8.5%	
Boeing Company	NYSE:BA	\$154,954	\$60,765	\$1,868	-\$2,212	2.6x	83.0x	-70.1x	3.1%	-3.6%	
C. H. Robinson Worldwide	NasdaqGS:CHRW	\$14,008	\$15,451	\$1,118	\$689	0.9x	12.5x	20.3x	7.2%	4.5%	
Caterpillar	NYSE:CAT	\$128,555	\$43,657	\$10,534	\$7,485	2.9x	12.2x	17.2x	24.1%	17.1%	
CSX	NasdaqGS:CSX	\$83,485	\$10,583	\$5,745	\$5,745	7.9x	14.5x	14.5x	54.3%	54.3%	
Cummins	NYSE:CMC	\$35,889	\$19,559	\$4,802	\$2,470	1.8x	7.5x	14.5x	24.6%	12.6%	
Deere & Co.	NYSE:DE	\$123,880	\$35,514	\$8,955	\$5,450	3.5x	13.8x	22.7x	25.2%	15.3%	
Delta Air Lines	NYSE:DAL	\$46,552	\$17,095	-\$4,129	-\$1,823	2.7x	-11.3x	-25.5x	-24.2%	-10.7%	
Dover	NYSE:DOV	\$20,903	\$6,679	\$2,490	\$1,258	3.1x	8.4x	16.6x	37.3%	18.8%	
Eaton Corporation	NYSE:ETN	\$56,038	\$18,409	\$5,623	\$2,656	3.0x	10.0x	21.1x	30.5%	14.4%	
Emerson Electric Company	NYSE:EMR	\$52,913	\$16,785	\$7,029	\$3,572	3.2x	7.5x	14.8x	41.9%	21.3%	
Expeditors International	NasdaqGS:EXPD	\$15,064	\$8,992	\$1,114	\$894	1.7x	13.5x	16.8x	12.4%	9.9%	
FedEx Corporation	NYSE:FDX	\$98,929	\$74,729	\$18,756	\$7,900	1.3x	5.3x	12.5x	25.1%	10.6%	
Fluor	NYSE:FLR	\$2,033	\$13,452	\$112	-\$51	0.2x	18.1x	-39.9x	0.8%	-0.4%	
Fortive	NYSE:FTV	\$28,327	\$7,189	\$3,725	\$1,627	3.9x	7.6x	17.4x	51.8%	22.6%	
General Dynamics	NYSE:GD	\$55,931	\$38,217	\$6,432	\$5,149	1.5x	8.7x	10.9x	16.8%	13.5%	
General Electric	NYSE:GE	\$157,306	\$83,928	\$12,998	\$7,206	1.9x	12.1x	21.8x	15.5%	8.6%	
Grainger (W.W.)	NYSE:GWV	\$23,700	\$11,703	\$4,292	\$1,553	2.0x	5.5x	15.3x	36.7%	13.3%	
Honeywell Int'l	NYSE:HON	\$157,485	\$33,233	\$10,712	\$7,552	4.7x	14.7x	20.9x	32.2%	22.7%	
Illinois Tool Works	NYSE:ITW	\$70,309	\$12,568	\$5,171	\$3,266	5.6x	13.6x	21.5x	41.1%	26.0%	
Ingersoll-Rand	NYSE:IR	\$21,813	\$4,005	\$1,312	\$638	5.4x	16.6x	34.2x	32.8%	15.9%	
J. B. Hunt Transport Services	NasdaqGS:JBHT	\$15,565	\$9,637	\$1,609	\$1,237	1.6x	9.7x	12.6x	16.7%	12.8%	
Jacobs Engineering Group	TSXV:JEC	\$30	\$17	\$10	\$12	1.7x	2.9x	2.5x	60.1%	69.4%	
Johnson Controls International	NYSE:JCI	\$41,888	\$22,317	\$7,411	\$2,928	1.9x	5.7x	14.3x	33.2%	13.1%	
Lockheed Martin	NYSE:LMT	\$108,441	\$64,244	\$8,563	\$9,706	1.7x	12.7x	11.2x	13.3%	15.1%	
Masco	NYSE:MAS	\$16,118	\$6,967	\$2,492	\$1,375	2.3x	6.5x	11.7x	35.8%	19.7%	
Nielsen Holdings	NYSE:NLSN	\$15,929	\$6,309	\$3,527	\$954	2.5x	4.5x	16.7x	55.9%	15.1%	
Norfolk Southern	NYSE:NSC	\$71,993	\$9,906	\$4,601	\$4,601	7.3x	15.6x	15.6x	46.4%	46.4%	
Northrop Grumman	NYSE:NOC	\$62,802	\$35,308	\$7,494	\$4,372	1.8x	8.4x	14.4x	21.2%	12.4%	
PACCAR	NasdaqGS:PCAR	\$35,932	\$19,277	\$2,477	\$2,190	1.9x	14.5x	16.4x	12.9%	11.4%	
Parker-Hannifin	NYSE:PH	\$42,268	\$13,592	\$3,538	\$2,582	3.1x	11.9x	16.4x	26.0%	19.0%	
Quanta Services	NYSE:PWR	\$11,272	\$11,403	\$1,638	\$896	1.0x	6.9x	12.6x	14.4%	7.9%	
Raytheon	LSE:RTN	\$2,071	\$967	\$50	\$36	2.1x	41.3x	58.0x	5.2%	3.7%	
Republic Services	NYSE:RSG	\$39,433	\$10,157	\$4,129	\$2,924	3.9x	9.6x	13.5x	40.7%	28.8%	
Robert Half International	NYSE:RHI	\$6,723	\$5,342	\$2,141	\$508	1.3x	3.1x	13.2x	40.1%	9.5%	
Rockwell Automation	NYSE:ROK	\$31,114	\$6,330	\$2,595	\$1,242	4.9x	12.0x	25.1x	41.0%	19.6%	
Ryder System	NYSE:R	\$10,330	\$8,484	\$1,386	\$2,029	1.2x	7.5x	5.1x	16.3%	23.9%	
Southwest Airlines	NYSE:LUV	\$25,585	\$12,765	\$2,626	\$229	2.0x	9.7x	111.7x	20.6%	1.8%	
Textron	NYSE:TXT	\$13,541	\$12,019	\$1,641	\$1,070	1.1x	8.3x	12.7x	13.7%	8.9%	
Union Pacific	NYSE:UNP	\$167,313	\$19,533	\$11,389	\$10,044	8.6x	14.7x	16.7x	58.3%	51.4%	
United Parcel Service	NYSE:UPS	\$165,089	\$80,300	\$14,975	\$8,655	2.1x	11.0x	19.1x	18.6%	10.8%	
United Rentals	NYSE:URI	\$27,308	\$8,707	\$3,330	\$2,372	3.1x	8.2x	11.5x	38.2%	27.2%	
United Technologies	BOIN:UTX	\$0	\$12,616	\$3,734	\$1,995	0.0x	0.0x	0.0x	29.6%	15.8%	
Waste Management	NYSE:WM	\$59,559	\$14,997	\$5,842	\$4,179	4.0x	10.2x	14.3x	39.0%	27.9%	

Median	2.1x	9.7x	14.5x	25.2%	14.4%
Mean	2.7x	11.7x	13.3x	26.5%	16.2%

# Industrials

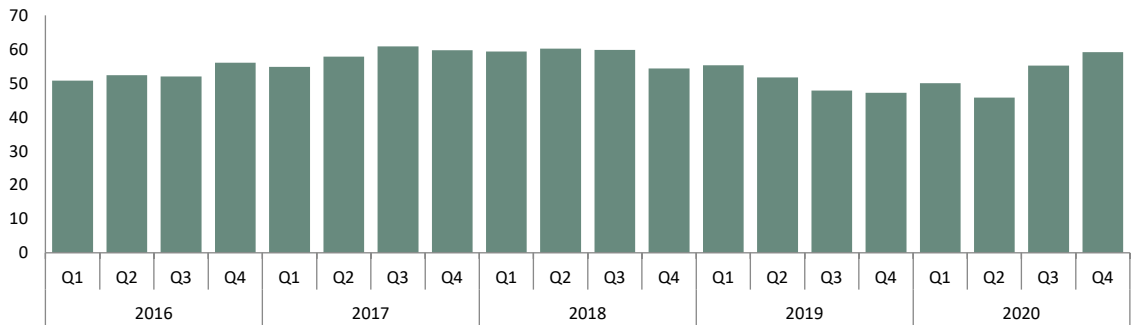
## State of the Industry

### U.S. Industrial Production Index (Seasonally Adjusted)



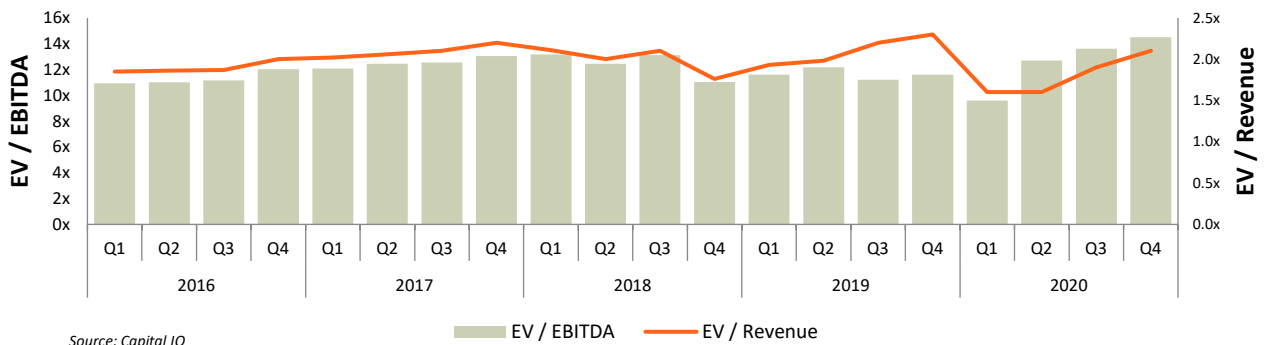
Source: Federal Reserve

### Purchasing Managers Index



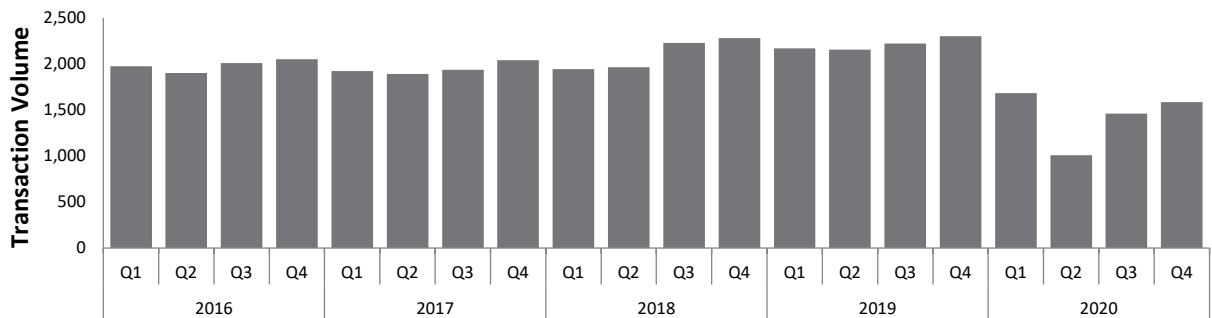
Source: Institution for Supply Management

### Industry Valuations



Source: Capital IQ

### Industrials Transaction Volume



Source: Capital IQ



## The 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, Andrew, and Rudy 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. Rudy has over 20 years of experience in investment banking and corporate finance, advising on a broad range of M&A, IPOs, and financing transactions. Rudy earned his MIA from Columbia University and his BSEE from Worcester Polytechnic Institute.



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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."*



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## 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 recapitalized by



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.



has been acquired by



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.



SUN SIMULATOR BUSINESS

has been acquired by



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.