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Spotlight

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Industrial Technology

Industry News

Blowback of COVID-19 pandemic leads to new growth opportunities

ATS [Full Article](#)

As we look ahead to the rest of 2023, the impact of the COVID-19 pandemic continues to have an effect on manufacturing, meaning that some 2022 trends will carry over — but there are brand-new challenges and opportunities ahead.

Advancements in technology and supply chain strategies are making it possible for many manufacturers to reconsider their relationships with consumers. Rather than relying on retailers or distributors to serve as the middleman, many companies in the manufacturing space today are selling their products directly to the consumer through e-commerce and other methods. With more people than ever doing their shopping online, this ongoing shift away from B2B to B2C should only become more prevalent in the coming year.

“In 2023, factories and manufacturing facilities are poised to pass the tipping point of smart factory adoption, moving from occasional or sporadic implementation of smart equipment to more full-fledged systems, taking advantage of the full potential of data analytics and communication between machinery and central monitoring tools.”

Focusing on corporate social responsibility and DEI initiatives

Deloitte [Full Article](#)

Increasing emphasis on corporate social responsibility and commitment to DEI may change the way that industrial technology companies operate, as companies may have to closely abide by nonfinancial regulations. Examples include increasing waste management technology solutions, commitment to supplier diversity, and creating technology-enabled smart buildings to reach carbon neutrality.

Creating change directly from the value chain has become progressively more important to create engagement among the younger workforce, which is one of the most ethnically and racially diverse generations in history.

Siemens, Microsoft, Cisco among companies releasing sustainability features/solutions.

Generative AI is being used in manufacturing

IoT Analytics [Full Article](#)

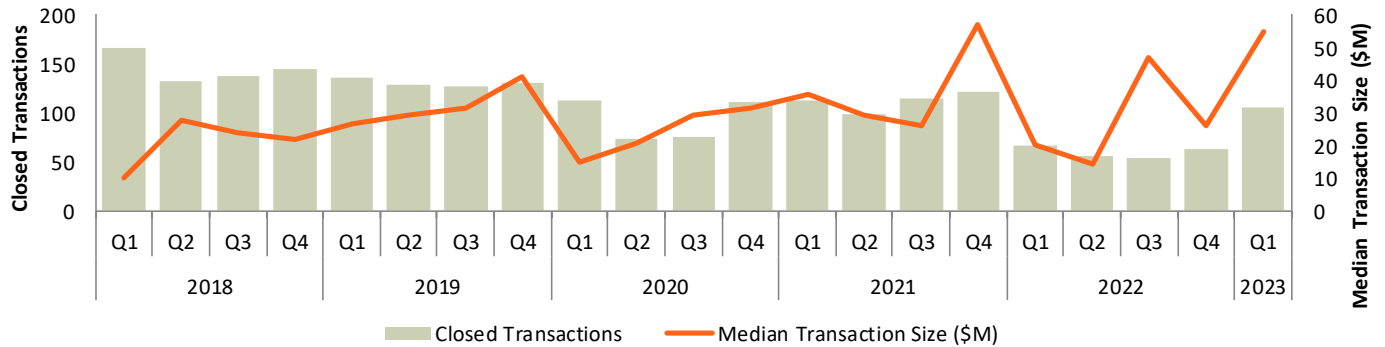
It's no secret that AI has been growing in both popularity and practicality in recent months; the industrial technology sector is looking to implement AI into its daily operations to increase efficiency where possible.

“HPE and Aleph Alpha showcased an industrial AI assistant that communicates with factory personnel through voice control and images... Beckhoff highlighted how ChatGPT had already been rolled-out to its TwinCaT software to allow users to generate control logic code... Siemens showcased an upcoming integration of ChatGPT in TiaPortal V18, allowing users to get assistance not only when producing PLC code but also when debugging, optimizing, or documenting.”

Research points to 2023 and 2024 to be the strongest opportunities for the AI market to flourish. A combination of the value of training, remote worker enablement, and increasing consumer availability/demand has put the AI/VR market in a great position to flourish. Implementing these AI solutions with modern day industrial technology shows limitless potential for the coming years.

Industrial Technology

Industrial Technology M&A Environment



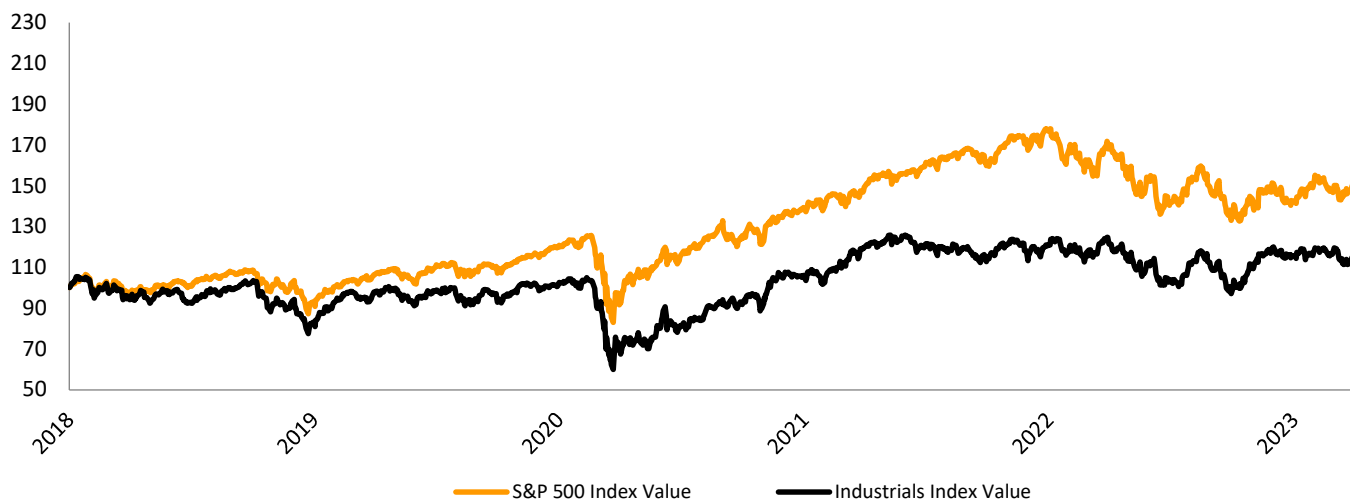
*For the purposes of compiling data, we define constituents in the Industrial Technology sector as companies that make production faster and more efficient through the use of engineering. The data contains global deals of all sizes. Transaction values of less than \$1 million have been excluded from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

Selected Q1 2023 Industrial Technology Transactions

Date Closed	Target	Buyers/Investors	Enterprise	LTM	
			Value (\$M)	EV/Rev	EV/EBITDA
03/24/2023	VoltaXplore Inc.	NanoXplore Inc.	13.43	-	-
03/24/2023	Ihara Science Corporation	NIM Co., Ltd.	185.07	1.1x	4.6x
03/22/2023	Iwasaki Electric Co., Ltd.	The Carlyle Group Inc.	217.55	0.5x	6.4x
03/03/2023	GMCC Electronic Technology Wuxi Co., Ltd	Sieyuan Electric Co., Ltd.	215.44	-	-
03/03/2023	Rochester Wire and Cable, LLC	Hexatronic Group AB (publ)	55.0	-	-
03/01/2023	Charging Business of Hubei Surpass Sun Electric Co. Ltd	BorgWarner Inc.	60.86	-	-
02/28/2023	Ecoquip Australia Pty Ltd	Volt Power Group Limited	6.53	-	-
02/28/2023	Shenke Slide Bearing Corporation	Beijing Yicheng Yigou Technology Co., Ltd.	192.49	5.7x	53.8x
02/27/2023	Power by Britishvolt Limited	Recharge Industries Pty Ltd	10.6	-	-
02/25/2023	Earth Tech Co., Ltd.	Earth & Aerospace Manufacturing Ind. Co.,Ltd	19.79	-	-
02/22/2023	Crestchic Plc	Aggreko Limited	150.46	3.5x	11.2x
02/17/2023	Shanshan New Materials (Quzhou) Co., Ltd.	New Asia Electronics Process (Guangdong) Co., Ltd.	198.38	-	-
02/01/2023	Paragon Tank Truck Equipment, LLC	Ingersoll Rand Inc.	40.0	1.6x	-
02/01/2023	Totoku Electric Co., Ltd.	The Carlyle Group Inc.	202.1	1.4x	7.6x
01/31/2023	ArcQor AB	W5 Solutions AB (publ)	10.45	-	-
01/31/2023	TROPOS MOTORS EUROPE GmbH	Cenntro Electric Group, Inc.	5.3	-	-
01/26/2023	PURO Lighting, LLC	Applied UV, Inc.	15.1	-	-
01/17/2023	Ningbo Deye Energy Storage Technology Co., Ltd	Ningbo Deye Inverter Technology Co.,Ltd	40.91	-	-
01/16/2023	Honbridge Holdings Limited	Geely Group Limited	34.38	2.0x	-
01/04/2023	Asia Precision A.T. Co., Ltd.	TNA Company Limited	24.78	-	-

Industrials

There is optimism and an expectation for resilience in the industrial industry in 2023 despite ongoing challenges. Many experts expect M&A numbers to stabilize in 2023. According to PwC's deal outlook for 2023, M&A will be driven by mid-market corporations and private equity portfolio companies. "Corporate entities are likely to focus M&A activity in strategic areas to minimize supply chain risk and supplement platforms and programs to become better positioned to weather macroeconomic challenges."



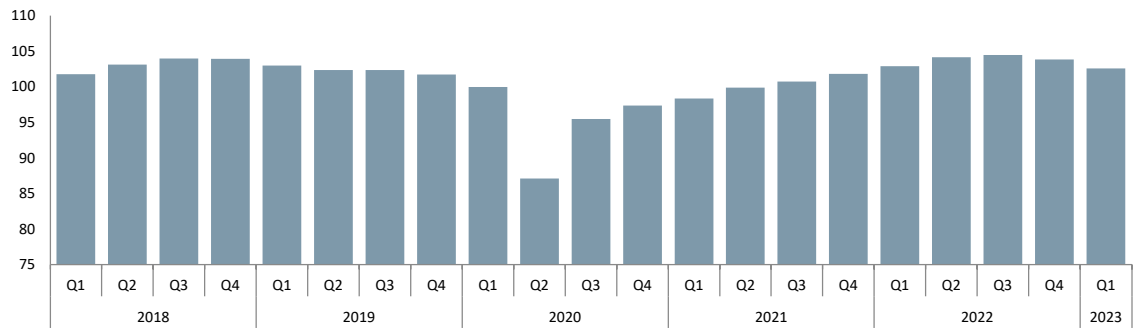
As of 03/31/23			LTM Financials				Valuation Metrics			LTM Margins	
Company Name	CIQ	Ticker	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin
3M Company (NYSE:MMM)	MMM	NYSE:MMM	\$70,986	\$33,431	\$14,224	\$6,840	2.1x	5.0x	10.4x	42.5%	20.5%
AECOM (NYSE:ACM)	ACM	NYSE:ACM	\$13,653	\$13,540	\$881	\$911	1.0x	15.5x	15.0x	6.5%	6.7%
AGCO Corporation (NYSE:AGCO)	AGCO	NYSE:AGCO	\$10,964	\$13,299	\$3,225	\$1,713	0.8x	3.4x	6.4x	24.2%	12.9%
Air Canada (TSX:AC)	TSX:AC	TSX:AC	\$11,506	\$13,947	\$3,609	\$1,013	0.8x	3.2x	11.4x	25.9%	7.3%
American Airlines Group Inc. (NasdaqGS:AAL)	AAL	NasdaqGS:AAL	\$44,351	\$52,261	\$13,637	\$6,440	0.8x	3.3x	6.9x	26.1%	12.3%
Avis Budget Group, Inc. (NasdaqGS:CAR)	CAR	NasdaqGS:CAR	\$28,041	\$12,119	\$5,832	\$4,185	2.3x	4.8x	6.7x	48.1%	34.5%
Bombardier Inc. (TSX:BBD.B)	BBD.B	TSX:BBD.B	\$10,665	\$7,120	\$1,313	\$656	1.5x	8.1x	16.3x	18.4%	9.2%
C.H. Robinson Worldwide, Inc. (NasdaqGS:CHRW)	CHRW	NasdaqGS:CHRW	\$13,719	\$22,492	\$1,705	\$1,185	0.6x	8.0x	11.6x	7.6%	5.3%
Canadian National Railway Company (TSX:CNR)	TSX:CNR	TSX:CNR	\$90,185	\$13,091	\$7,451	\$7,451	6.9x	12.1x	12.1x	56.9%	56.9%
Caterpillar Inc. (NYSE:CAT)	CAT	NYSE:CAT	\$149,713	\$61,700	\$17,179	\$13,229	2.4x	8.7x	11.3x	27.8%	21.4%
CSX Corporation (NasdaqGS:CSX)	CSX	NasdaqGS:CSX	\$77,975	\$15,146	\$7,611	\$7,611	5.1x	10.2x	10.2x	50.3%	50.3%
Cummins Inc. (NYSE:CM)	CM	NYSE:CM	\$40,994	\$30,142	\$7,174	\$4,102	1.4x	5.7x	10.0x	23.8%	13.6%
Deere & Company (NYSE:DE)	DE	NYSE:DE	\$174,639	\$55,646	\$15,943	\$12,409	3.1x	11.0x	14.1x	28.7%	22.3%
Delta Air Lines, Inc. (NYSE:DAL)	DAL	NYSE:DAL	\$47,460	\$53,993	\$11,285	\$6,915	0.9x	4.2x	6.9x	20.9%	12.8%
Emerson Electric Co. (NYSE:EMR)	EMR	NYSE:EMR	\$63,896	\$20,311	\$8,718	\$4,903	3.1x	7.3x	13.0x	42.9%	24.1%
FedEx Corporation (NYSE:FDX)	FDX	NYSE:FDX	\$90,146	\$92,619	\$22,988	\$9,117	1.0x	3.9x	9.9x	24.8%	9.8%
Fluor Corporation (NYSE:FLR)	FLR	NYSE:FLR	\$3,286	\$14,374	\$194	\$83	0.2x	16.9x	39.6x	1.3%	0.6%
General Dynamics Corporation (NYSE:GD)	GD	NYSE:GD	\$73,453	\$39,407	\$6,622	\$5,485	1.9x	11.1x	13.4x	16.8%	13.9%
General Electric Company (NYSE:GE)	GE	NYSE:GE	\$118,425	\$78,366	\$19,337	\$8,654	1.5x	6.1x	13.7x	24.3%	11.0%
Hertz Global Holdings, Inc. (NasdaqGS:HTZ)	HTZ	NasdaqGS:HTZ	\$19,974	\$8,922	\$2,804	\$1,854	2.2x	7.1x	10.8x	31.4%	20.8%
Honeywell International Inc. (NasdaqGS:HON)	HON	NasdaqGS:HON	\$138,751	\$35,954	\$11,955	\$8,382	3.9x	11.6x	16.6x	33.3%	23.3%
Howmet Aerospace Inc. (NYSE:HWM)	HWM	NYSE:HWM	\$20,989	\$5,942	\$1,660	\$1,313	3.5x	12.6x	16.0x	27.9%	22.1%
Illinois Tool Works Inc. (NYSE:ITW)	ITW	NYSE:ITW	\$81,451	\$16,012	\$6,599	\$4,308	5.1x	12.3x	18.9x	41.2%	26.9%
J.B. Hunt Transport Services, Inc. (NasdaqGS:JBHT)	JBHT	NasdaqGS:JBHT	\$19,727	\$14,555	\$2,598	\$1,946	1.4x	7.6x	10.1x	17.8%	13.4%
Jacobs Engineering Group Inc. (NYSE:J)	J	NYSE:J	\$18,602	\$15,585	\$3,366	\$1,353	1.2x	5.5x	13.8x	21.6%	8.7%
L3Harris Technologies Inc. (NYSE:LHX)	LHX	NYSE:LHX	\$44,390	\$17,430	\$4,850	\$2,763	2.5x	9.2x	16.1x	27.8%	15.9%
Lockheed Martin Corporation (NYSE:LMT)	LMT	NYSE:LMT	\$134,418	\$66,146	\$8,524	\$8,678	2.0x	15.8x	15.5x	12.9%	13.1%
ManpowerGroup Inc. (NYSE:MAN)	MAN	NYSE:MAN	\$4,922	\$19,437	\$3,538	\$707	0.3x	1.4x	7.0x	18.2%	3.6%
Norfolk Southern Corporation (NYSE:NSC)	NSC	NYSE:NSC	\$63,927	\$12,962	\$6,186	\$5,799	4.9x	10.3x	11.0x	47.7%	44.7%
Northrop Grumman Corporation (NYSE:NOC)	NOC	NYSE:NOC	\$82,294	\$36,602	\$7,474	\$7,680	2.2x	11.0x	10.7x	20.4%	21.0%
PACCAR Inc (NasdaqGS:PCAR)	PCAR	NasdaqGS:PCAR	\$43,692	\$30,820	\$5,350	\$4,827	1.4x	8.2x	9.1x	17.4%	15.7%
Parker-Hannifin Corporation (NYSE:PH)	PH	NYSE:PH	\$56,366	\$18,157	\$5,203	\$3,826	3.1x	10.8x	14.7x	28.7%	21.1%
Quanta Services, Inc. (NYSE:PWR)	PWR	NYSE:PWR	\$27,559	\$17,537	\$2,554	\$1,456	1.6x	10.8x	18.9x	14.6%	8.3%
Raytheon Technologies Corporation (NYSE:RTX)	RTX	NYSE:RTX	\$172,011	\$68,572	\$14,081	\$11,880	2.5x	12.2x	14.5x	20.5%	17.3%
Republic Services, Inc. (NYSE:RSG)	RSG	NYSE:RSG	\$54,801	\$14,122	\$5,664	\$4,014	3.9x	9.7x	13.7x	40.1%	28.4%
Southwest Airlines Co. (NYSE:LUV)	LUV	NYSE:LUV	\$16,477	\$24,826	\$6,103	\$2,125	0.7x	2.7x	7.8x	24.6%	8.6%
Stanley Black & Decker, Inc. (NYSE:SWK)	SWK	NYSE:SWK	\$19,837	\$16,947	\$4,412	\$1,519	1.2x	4.5x	13.1x	26.0%	9.0%
Textron Inc. (NYSE:TXT)	TXT	NYSE:TXT	\$16,359	\$12,869	\$2,056	\$1,507	1.3x	8.0x	10.9x	16.0%	11.7%
The Boeing Company (NYSE:BA)	BA	NYSE:BA	\$168,680	\$70,538	\$6,830	\$2,045	2.4x	24.7x	82.5x	9.7%	2.9%
Uber Technologies, Inc. (NYSE:UBER)	UBER	NYSE:UBER	\$70,233	\$33,846	\$10,475	-\$712	2.1x	6.7x	NM	30.9%	-2.1%
Union Pacific Corporation (NYSE:UNP)	UNP	NYSE:UNP	\$157,084	\$25,071	\$13,315	\$12,007	6.3x	11.8x	13.1x	53.1%	47.9%
United Airlines Holdings, Inc. (NasdaqGS:UAL)	UAL	NasdaqGS:UAL	\$35,360	\$48,818	\$15,134	\$6,265	0.7x	2.3x	5.6x	31.0%	12.8%
United Parcel Service, Inc. (NYSE:UPS)	UPS	NYSE:UPS	\$182,137	\$98,885	\$24,434	\$16,051	1.8x	7.5x	11.3x	24.7%	16.2%
United Rentals, Inc. (NYSE:URI)	URI	NYSE:URI	\$39,577	\$12,403	\$5,307	\$3,848	3.2x	7.5x	10.3x	42.8%	31.0%
Univar Solutions Inc. (NYSE:UNVR)	UNVR	NYSE:UNVR	\$7,789	\$11,278	\$2,704	\$953	0.7x	2.9x	8.2x	24.0%	8.5%
W.W. Grainger, Inc. (NYSE:GWW)	GWW	NYSE:GWW	\$37,287	\$15,672	\$6,100	\$2,586	2.4x	6.1x	14.4x	38.9%	16.5%
Waste Management, Inc. (NYSE:WM)	WM	NYSE:WM	\$81,544	\$19,929	\$7,452	\$5,529	4.1x	10.9x	14.7x	37.4%	27.7%
XPO Logistics, Inc. (NYSE:XPO)	XPO	NYSE:XPO	\$6,482	\$7,731	\$1,639	\$1,034	0.8x	4.0x	6.3x	21.2%	13.4%

Median	1.9x	8.0x	11.5x	24.8%	13.6%
Mean	2.2x	8.5x	14.1x	27.2%	17.7%

Industrials

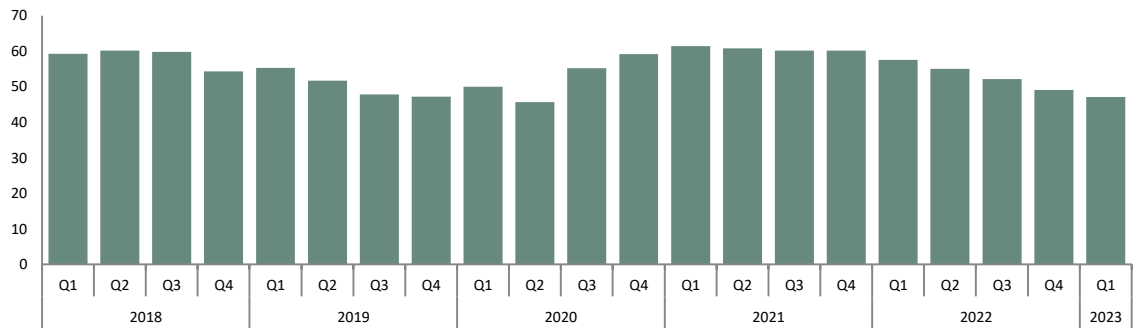
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



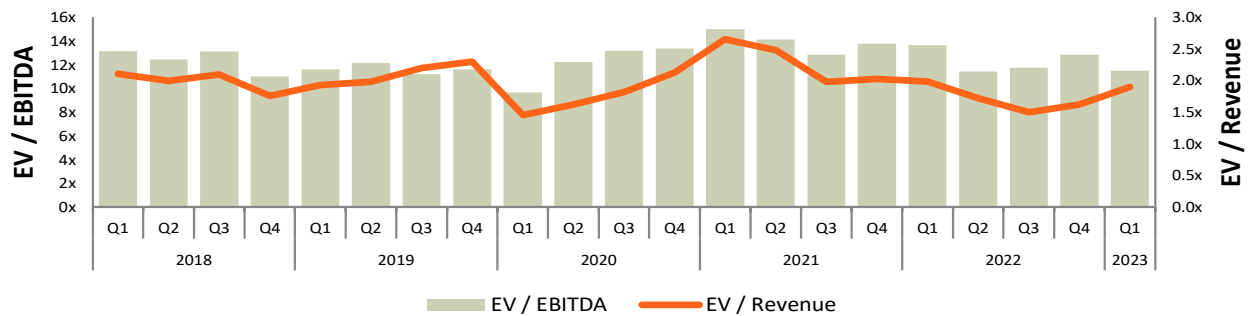
Source: Federal Reserve

Purchasing Managers Index



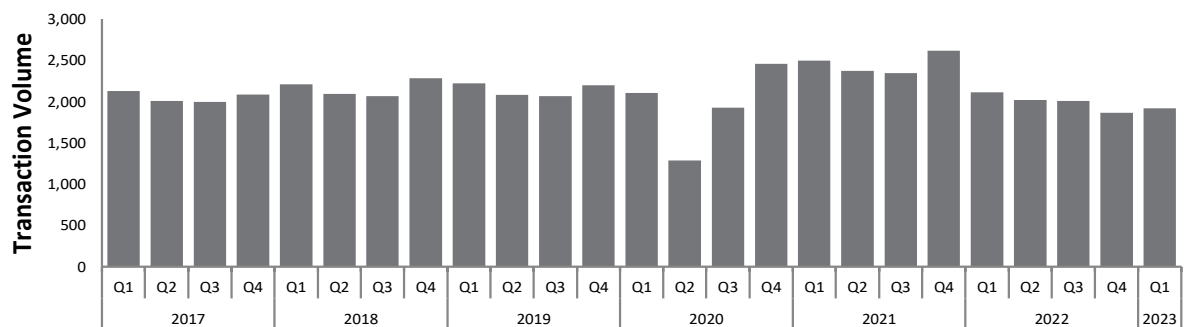
Source: Institution for Supply Management

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 3:00 am 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 acquired by



American ULT Cryogenics (formerly JanisULT) produces high-quality cryogen-free dilution refrigerators. These systems are capable of cooling to the ultra-low temperatures required for operation of superconducting quantum computers. FormFactor, now the largest commercial DR supplier in the US, acquired the DR product line from American ULT Cryogenics. Formfactor, Inc. (NASDAQ:FORM) is a leading provider of essential test and measurement technologies.



has been acquired by



Founded in 1948, Bergeron Machine is a high-precision Swiss turning machine shop manufacturing extremely tight tolerance parts from a variety of exotic metals including Inconel, Monel, and titanium alloys. Bergeron's Swiss turning capabilities fit in perfectly with [Compass Precision's] suite of highly differentiated processes and is well positioned for future growth and success in the coming years.



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.