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Building Products

Industry News

Style Crest Acquires Western Distributor

Building Products Digest [Full Article](#)

Style Crest, Fremont, Oh.-based supplier of building products for the manufactured housing market, has acquired Westland Distributing, Denver, Co., and sister company Alumi-Cover Awning Co., Mesa and Tucson, Az. With additional locations in Las Vegas, Phoenix and Sacramento, the strategic acquisition expands Style Crest's presence in the western United States.

"These acquisitions mark an important milestone for Style Crest, as we expand our reach and strengthen our position in the western United States," said Bryan Kern, CEO of Style Crest. "By combining the strengths of Style Crest, Westland Distributing, and Alumi-Cover, we are confident that we can better serve our customers with an extensive range of products and exceptional service." The addition of the Westland operations will expand Style Crest's direct distribution to seven new states: giving us direct customer distribution in 39 states.

Teck will be looking for metals acquisitions after the Glencore deal closes

Reuters [Full Article](#)

A Glencore-led consortium sealed one of the mining sector's biggest deals in years on Tuesday, agreeing to buy Canadian miner Teck Resources' steelmaking coal unit for \$9 billion.

The move paves the way for an eventual spin-off of the commodity giant's own coal business, highlighting its belief in coking coal's use as the green energy transition moves ahead.

Glencore will get 77% of the business in a \$6.9 billion cash deal, while 20% will go to Japan's Nippon Steel Corporation, which already holds a 2.5% stake. South Korea's POSCO will swap a stake in two of Teck's coal operations for 3% in the steelmaking coal business Elk Valley Resources (EVR).

Commercial Real Estate is Down in Q3 2023

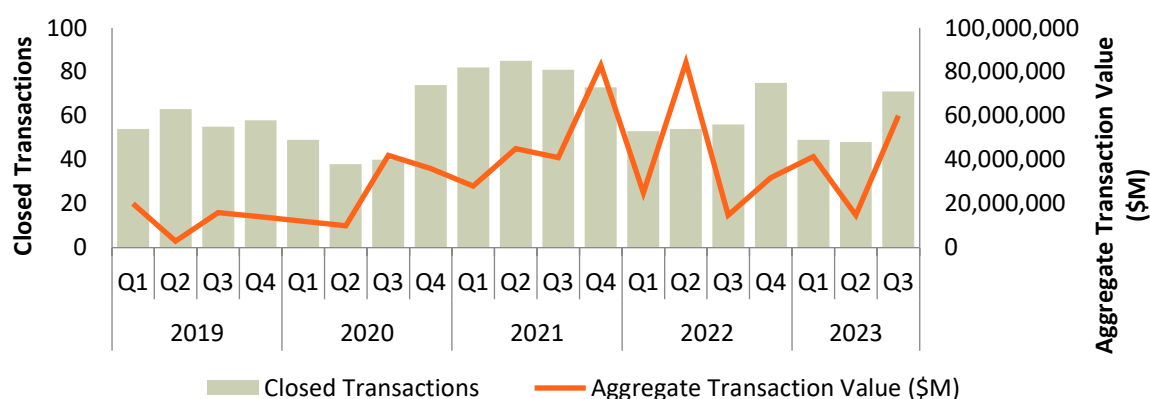
National Association of Realtors [Full Article](#)

In the final quarter, there is usually the opportunity to end a year and start the next year strong. Although the third quarter of the year has already ended, there is still much uncertainty in the market since the Federal Reserve continues its tightening monetary policy. The labor market remains firm, and the U.S. economy grows faster than the expectations. However, risks are still anticipated in the market as the full impact of the Federal Reserve's higher rates may not have been fully reflected yet in households and businesses.

As a result, the commercial real estate market continues to experience rising vacancy rates and slowing rent growth. Shrinking leasing velocity in tandem with the construction boom in the multifamily sector has tapered off the market. However, the fundamentals remain solid for the industrial, retail, and multifamily sectors, although activity has dropped from the pandemic highs. The office sector continues to suffer from the slow return-to-office movement even though there are multiple efforts to repurpose the increasing number of unused office spaces.

Building Products

Building Products M&A Environment

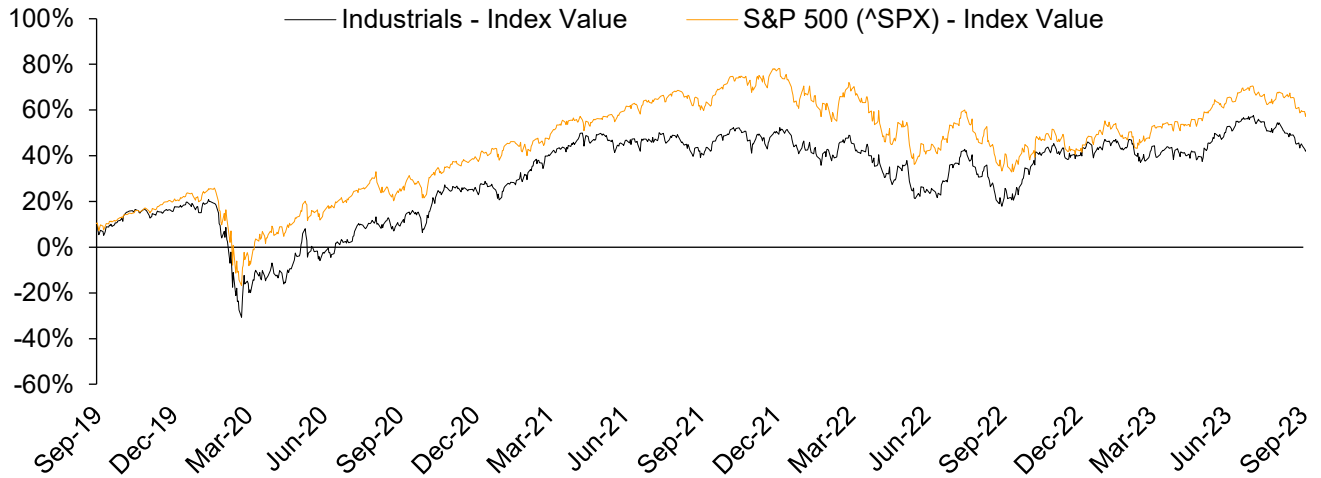


Select Recent Building Products Transactions

| Date Announced | Target | Buyers/Investors |
|----------------|---|--|
| 08/29/2023 | Tecnoplast S.r.l. | Dea Capital Alternative Funds SGR SpA |
| 09/14/2023 | SAVY S.A.S. | Storch-Ciret Holding GmbH |
| 09/07/2023 | Lawrence Hardware, Inc. | ASSA ABLOY AB (publ) (OM:ASSA B) |
| 08/29/2023 | Mountain Lumber Company, Inc. | The Building Center, Inc. |
| 08/21/2023 | Fortress Deck Products, LLC | Eva-Last Hong Kong Ltd. |
| 08/18/2023 | Assets of Pennine Home Improvements Ltd | Windows Plus Roofs Limited |
| 08/17/2023 | MAC Metal Architectural Inc. | Cornerstone Building Brands, Inc. |
| 08/08/2023 | BEST SURFACE S.L. | Pamesa Grupo Empresarial S.L.U. |
| 08/03/2023 | Malvern Glass Limited | Advance Joinery Group Ltd |
| 08/02/2023 | AMA Roofing Supplies | Roofmart |
| 08/01/2023 | Fence, Railing and Decking Business (FRD) | Oldcastle APG, Inc. |
| 07/26/2023 | Sunray Engineering Ltd | ASSA ABLOY AB (publ) (OM:ASSA B) |
| 07/19/2023 | Beoplast Alu | Groupe Estémi, SAS |
| 07/13/2023 | Sidey Solutions Limited | Inwido AB (publ) (OM:INWI) |
| 07/11/2023 | Alpine Products, Inc. | Aramco, Inc. |
| 07/07/2023 | Serene Stone Ltd. | Nene Capital Limited |
| 07/06/2023 | Itaab Trading AB | Bergman & Beving AB (publ) (OM:BERG B) |
| 07/05/2023 | Form Tech Concrete Forms, Inc. | White Cap Supply Holdings, LLC |
| 07/03/2023 | B & S Hardware, Inc. | Nation's Best Holdings LLC |
| 07/01/2023 | LaForce, Inc. | DNS Capital, LLC |

Industrials

US manufacturing output rose solidly in September. Production at U.S. factories increased more than expected in September despite strikes in the automobile industry curbing motor vehicle output; further evidence that the economy exited the third quarter with momentum. Production dropped 0.8% on a year-on-year basis in September. Motor vehicle and parts output rose 0.3% last month after declining 4.1% in August.



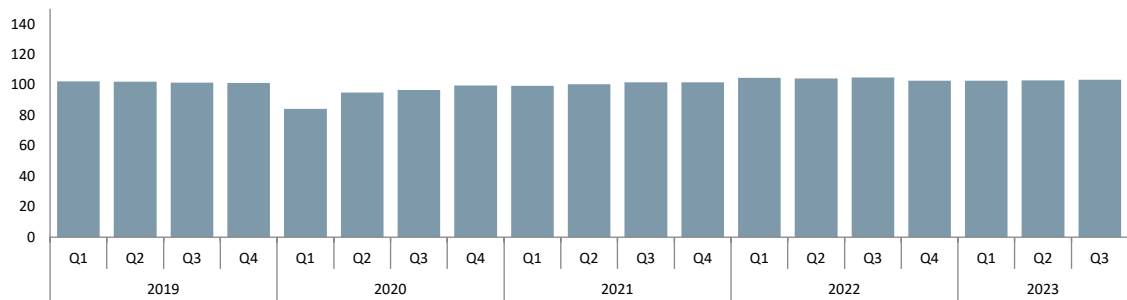
As of 9/30/2023

| 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 | \$64,323 | \$32,747 | \$14,433 | \$7,433 | 2.0x | 4.5x | 8.7x | 44.1% | 22.7% |
| Alaska Air Group | NYSE:ALK | \$6,161 | \$10,352 | \$2,535 | \$885 | 0.6x | 2.4x | 7.0x | 24.5% | 8.5% |
| American Airlines Group | NasdaqGS:AAL | \$38,892 | \$52,914 | \$14,532 | \$7,139 | 0.7x | 2.7x | NM | 27.5% | 13.5% |
| Arconic | NYSE:ARNC | \$22,685 | \$6,422 | \$1,774 | \$1,398 | 3.5x | 12.8x | 16.2x | 27.6% | 21.8% |
| Boeing Company | NYSE:BA | \$154,152 | \$75,756 | \$8,669 | \$2,873 | 2.0x | 17.8x | NM | 11.4% | 3.8% |
| C. H. Robinson Worldwide | NasdaqGS:CHRW | \$11,916 | \$18,441 | \$1,261 | \$689 | 0.6x | 9.5x | 17.3x | 6.8% | 3.7% |
| Caterpillar | NYSE:CAT | \$170,166 | \$66,587 | \$20,303 | \$15,738 | 2.6x | 8.4x | 10.8x | 30.5% | 23.6% |
| CSX | NasdaqGS:CSX | \$79,177 | \$14,707 | \$7,273 | \$7,273 | 5.4x | 10.9x | 10.9x | 49.5% | 49.5% |
| Cummins | NYSE:CMI | \$39,425 | \$33,292 | \$8,067 | \$4,609 | 1.2x | 4.9x | 8.6x | 24.2% | 13.8% |
| Deere & Co. | NYSE:DE | \$166,693 | \$61,361 | \$18,598 | \$14,832 | 2.7x | 9.0x | 11.2x | 30.3% | 24.2% |
| Delta Air Lines | NYSE:DAL | \$46,305 | \$57,260 | \$12,175 | \$7,424 | 0.8x | 3.8x | 6.2x | 21.3% | 13.0% |
| Dover | NYSE:DOV | \$22,651 | \$8,472 | \$3,079 | \$1,730 | 2.7x | 7.4x | 13.1x | 36.3% | 20.4% |
| Eaton Corporation | NYSE:ETN | \$93,587 | \$22,613 | \$8,037 | \$4,654 | 4.1x | 11.6x | 20.1x | 35.5% | 20.6% |
| Emerson Electric Company | NYSE:EMR | \$59,869 | \$15,165 | \$7,427 | \$3,869 | 3.9x | 8.1x | 15.5x | 49.0% | 25.5% |
| Expeditors International | NYSE:EXPD | \$15,784 | \$10,464 | \$1,461 | \$1,127 | 1.5x | 10.8x | 14.0x | 14.0% | 10.8% |
| FedEx Corporation | NYSE:FDX | \$97,767 | \$88,594 | \$24,387 | \$10,949 | 1.1x | 4.0x | 8.9x | 27.5% | 12.4% |
| Fluor | NYSE:FLR | \$4,109 | \$15,364 | \$544 | \$392 | 0.3x | 7.6x | 10.5x | 3.5% | 2.6% |
| Fortive | NYSE:FTV | \$28,543 | \$6,012 | \$3,539 | \$1,593 | 4.7x | 8.1x | 17.9x | 58.9% | 26.5% |
| General Dynamics | NYSE:GD | \$70,557 | \$40,859 | \$6,587 | \$5,081 | 1.7x | 10.7x | 13.9x | 16.1% | 12.4% |
| General Electric | NYSE:GE | \$123,206 | \$83,813 | \$21,303 | \$12,026 | 1.5x | 5.8x | 10.2x | 25.4% | 14.3% |
| Grainger [W.W.] | NYSE:GWW | \$37,152 | \$16,283 | \$6,439 | \$2,781 | 2.3x | 5.8x | 13.4x | 39.5% | 17.1% |
| Honeywell Int'l | NasdaqGS:HON | \$136,857 | \$36,408 | \$12,367 | \$8,713 | 3.8x | 11.1x | 15.7x | 34.0% | 23.9% |
| Illinois Tool Works | NYSE:ITW | \$76,945 | \$16,095 | \$6,782 | \$4,469 | 4.8x | 11.3x | 17.2x | 42.1% | 27.8% |
| Ingersoll-Rand | NYSE:IR | \$27,435 | \$6,678 | \$2,755 | \$1,615 | 4.1x | 10.0x | 17.0x | 41.3% | 24.2% |
| J. B. Hunt Transport Services | NasdaqGS:JBHT | \$20,992 | \$13,176 | \$2,430 | \$1,787 | 1.6x | 8.6x | 11.7x | 18.4% | 13.6% |
| Jacobs Engineering Group | TSXV:JEC | \$10 | \$8 | \$1 | \$2 | 1.3x | 10.6x | 5.6x | 11.9% | 22.4% |
| Johnson Controls International | NYSE:JCI | \$47,478 | \$26,612 | \$9,058 | \$3,600 | 1.8x | 5.2x | 13.2x | 34.0% | 13.5% |
| Lockheed Martin | NYSE:LMT | \$116,861 | \$67,688 | \$8,586 | \$10,262 | 1.7x | 13.6x | 11.4x | 12.7% | 15.2% |
| Masco | NYSE:MAS | \$15,139 | \$8,008 | \$2,759 | \$1,479 | 1.9x | 5.5x | 10.2x | 34.5% | 18.5% |
| Nielsen Holdings | PHLX:NLSN | \$0 | \$3,541 | \$2,240 | \$861 | 0.0x | 0.0x | 0.0x | 63.3% | 24.3% |
| Norfolk Southern | NYSE:NSC | \$59,813 | \$12,320 | \$5,623 | \$4,737 | 4.9x | 10.6x | 12.6x | 45.6% | 38.4% |
| Northrop Grumman | NYSE:NOC | \$80,327 | \$38,685 | \$7,890 | \$7,161 | 2.1x | 10.2x | 11.2x | 20.4% | 18.5% |
| PACCAR | NasdaqGS:PCAR | \$50,549 | \$34,180 | \$6,560 | \$6,050 | 1.5x | 7.7x | 8.4x | 19.2% | 17.7% |
| Parker-Hannifin | NYSE:PH | \$62,487 | \$19,660 | \$6,886 | \$4,679 | 3.2x | 9.1x | 13.4x | 35.0% | 23.8% |
| Quanta Services | NYSE:PWR | \$31,325 | \$19,515 | \$2,812 | \$1,628 | 1.6x | 11.1x | 19.2x | 14.4% | 8.3% |
| Raytheon | NYSE:RTN | \$1,190 | \$1,178 | \$153 | \$140 | 1.0x | 7.8x | 8.5x | 13.0% | 11.9% |
| Republic Services | NYSE:RSG | \$57,358 | \$14,663 | \$5,956 | \$4,215 | 3.9x | 9.6x | 13.6x | 40.6% | 28.7% |
| Robert Half International | NYSE:RHI | \$7,214 | \$6,647 | \$2,710 | \$624 | 1.1x | 2.7x | 11.6x | 40.8% | 9.4% |
| Rockwell Automation | NYSE:ROK | \$36,763 | \$9,058 | \$3,717 | \$1,850 | 4.1x | 9.9x | 19.9x | 41.0% | 20.4% |
| Ryder System | NYSE:R | \$11,958 | \$11,848 | \$2,337 | \$2,619 | 1.0x | 5.1x | 4.6x | 19.7% | 22.1% |
| Southwest Airlines | NYSE:LUV | \$13,273 | \$25,440 | \$5,833 | \$1,552 | 0.5x | 2.3x | 8.6x | 22.9% | 6.1% |
| Textron | NYSE:TXT | \$17,696 | \$13,427 | \$2,176 | \$1,581 | 1.3x | 8.1x | 11.2x | 16.2% | 11.8% |
| Union Pacific | NYSE:UNP | \$158,139 | \$24,140 | \$12,665 | \$11,278 | 6.6x | 12.5x | 14.0x | 52.5% | 46.7% |
| United Parcel Service | NYSE:UPS | \$150,439 | \$93,074 | \$21,679 | \$13,345 | 1.6x | 6.9x | 11.3x | 23.3% | 14.3% |
| United Rentals | NYSE:URI | \$42,962 | \$13,900 | \$5,835 | \$4,323 | 3.1x | 7.4x | 9.9x | 42.0% | 31.1% |
| United Technologies | BOIN:UTX | \$0 | \$14,028 | \$4,102 | \$2,378 | 0.0x | 0.0x | 0.0x | 29.2% | 17.0% |
| Waste Management | NYSE:WM | \$76,990 | \$20,144 | \$7,591 | \$5,691 | 3.8x | 10.1x | 13.5x | 37.7% | 28.3% |
| Median | | | | | | 1.8x | 8.1x | 11.4x | 29.2% | 18.5% |
| Mean | | | | | | 2.3x | 7.9x | 11.7x | 30.0% | 19.1% |

Industrials

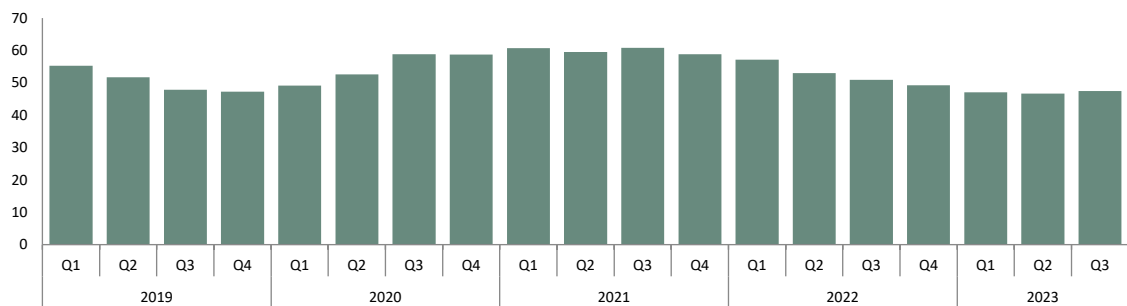
State of the Industry

U.S. Industrial Production Index (Seasonally Adjusted)



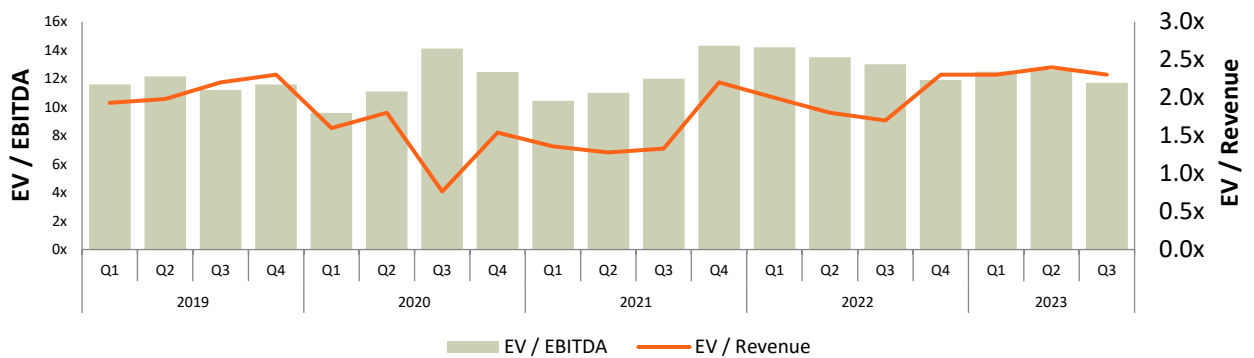
Source: Federal Reserve

Purchasing Managers Index



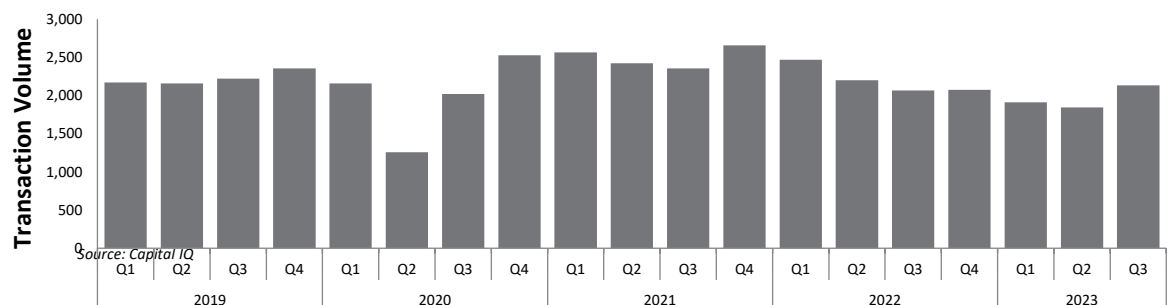
Source: Institution for Supply Management

Industrial Transaction Valuations



Source: CapitalIQ

Industrials Transaction Volume



Source: CapitalIQ



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.

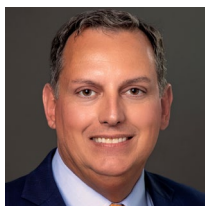
- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished 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 25 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."

Mirus Industrial Spotlight



has been acquired by

Andrew Slifka

Century-Tywood has been acquired by J3 Corp/Slifka. Century-Tywood recently transitioned ownership, welcoming President/Principal Andrew Slifka to lead the team to new heights. Century-Tywood J3 Corp is a leading provider of fabricated sheet metal, precision fabricated components, stampings, and electro-mechanical assemblies.



has been acquired by

FERGUSON®

Mirus Capital Advisors served as exclusive financial advisor to S.G. Torrice Co., Inc., a leading wholesale distributor of heating, ventilation and air conditioning (HVAC) products throughout New England, in its sale to Ferguson plc (NYSE: FERG; LSE: FERG). Founded in 1958 and headquartered in Wilmington, Massachusetts, S.G. Torrice operates 15 locations in Maine, Massachusetts, New Hampshire, Rhode Island and Vermont from which it distributes residential and commercial HVAC equipment, parts, and accessories from Trane, American Standard, Mitsubishi and other OEMs to over 2,000 HVAC contractors.



has been acquired by



Mirus Capital Advisors served as exclusive financial advisor to Sweeney Metal Fabricators in its sale to GTR Manufacturing. Sweeney Metal Fabricators is a sheet metal fabrication and machining company based in Nashua, New Hampshire. Collaboratively, Sweeney and GTR are actively broadening their machining capabilities to better serve their customers with a diverse array of top-tier manufacturing solutions. In addition to expanding their precision machine shop team, their facilities will soon house new state-of-the-art equipment, with further upgrades planned throughout every department.



has been acquired by



a portfolio company of



Mirus Capital Advisors served as exclusive financial advisor to Bergeron Machine in its sale to Compass Precision, a portfolio company of Main Street Capital Holdings. Located in Westford, MA, Bergeron Machine is the first Compass division to focus on high-precision Swiss-style machining. Compass purchased the company from Mark Kelly and Sidney Kuo, who bought the firm in 2008. Bergeron services customers in the semiconductor, aerospace, and defense end-markets. "This acquisition continues our strategy of building a decentralized group of high-quality precision machine shops that service high-growth end markets across the United States."



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