



Manufacturing Update

March 2019

The Mufson Howe Hunter Manufacturing Update is designed to provide business leaders, investors, and industry professionals an update on current market trends and important developments within the manufacturing sector of the economy. This monthly report contains information on select companies in various subsectors within manufacturing emphasizing financial performance, stock performance, and recent news.

Macro-Economic Trends

	Jan-19	Feb-19	Trend
PMI	56.6	54.2	Negative
Total Unemployment	4.0	3.8	Positive
CPI Monthly Change	0.0	0.2	Negative
PPI Monthly Change	-0.1	0.1	Negative
Industrial Production	109.5	109.7	Positive
Capacity Utilization	78.3	78.2	Neutral
Manufacturing Production	105.2	104.8	Negative
Manufacturing Utilization	75.8	75.4	Negative

Sector Index Performance

	3-Year	1-Year	3-Month
Aerospace & Defense	77.4%	-0.2%	10.8%
Components & Materials	21.3%	-18.3%	0.5%
Industrial Equipment	72.5%	-5.7%	6.4%
Engineering & Industrial Services	24.8%	0.1%	1.4%
NASDAQ	65.3%	3.6%	2.8%
S&P	44.1%	2.6%	0.9%

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MHH Sectors/Sub-sectors

Aerospace & Defense

- Aerospace
- Defense

Components & Materials

- Electronic Components
- Specialty Materials
- Vehicle Parts and Supplies

Industrial Equipment

- Construction Equipment
- Electrical Equipment
- Semiconductor Capital Equipment
- Measurement, Control and Testing Devices

Engineering & Industrial Services

- Technical Services
- Industrial Distribution
- Industrial Recycling

Note: Please refer to Page 20 for the Universe components.

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MHH's coverage of the Manufacturing Sector spans companies in the following four sectors for each of which our index has been calculated as follows:

The MMH Aerospace & Defense Index is currently comprised of Airbus Group NV, BAE Systems plc, The Boeing Company, Embraer SA, General Dynamics Corp., Honeywell International Inc., Huntington Ingalls Industries, L-3 Communications Holdings Inc., Lockheed Martin Corp., Northrop Grumman Corp., Raytheon Company, Rolls Royce Holdings plc, Textron Inc., Thales SA, and United Technologies Corp.

The MMH Components & Materials Index is currently comprised of 3M Company, Akzo Nobel NV, Alps Electric Ltd., Amphenol Corp., Aptiv plc, Autoliv Inc., AVX Corp., BASF SE, Belden Inc., Bosch Ltd., Celanese Corp., Continental AG, Corning Inc., Denso Corp., Delphi Automotive plc, DowDuPont Inc., Encore Wire Corp., Evonik Industries, Ferro Corp., Johnson Controls Inc., Lear Corp., OMRON Corp., PPG Industries Inc., Solvay SA, Stanley Electric Co. Ltd., TE Connectivity Ltd., and Vishay Intertechnology.

The MMH Industrial Equipment Index is currently comprised of Ametek Inc., Applied Materials Inc., ASML Holding NV, Axcelis Technologies Inc., Brooks Automation Inc., Caterpillar Inc., Cohu Inc., Cummins Inc., Danaher Corp., Deere & Company, Eaton Corp. plc, Emerson Electric Co., Entegris Inc., FARO Technologies Inc., FormFactor Inc., Hubbell Inc., Hyundai Heavy Industries Co. Ltd, KLA-Tencor Corp., LamResearch Corp., MKS Instruments Inc., Nanometrics Inc., Navistar International Corp., Nova Measuring Instruments Ltd., Oshkosh Corp., Powell Industries, Inc., Regal Beloit Corp., Rockwell Automation Inc., Rudolph Technologies Inc., Schneider Electric SE, Teradyne Inc., Terex Corp., Tokyo Electron Ltd., Veeco Instruments Inc., and Xcerra Corp.

The MMH Engineering & Industrial Services Index is currently comprised of AECOM Technology Corp., Aurubis AG, Balfour Beatty plc, Cardno Ltd., Clean Harbors Inc., Commercial Metals Company, Dowa Holdings Co. Ltd., Fastenal Company, Fluor Corp., HD Supply Holdings Inc., Jacobs Engineering Group Inc., John Wood Group plc, KBR Inc., Lawson Products Inc., MRC Global Inc., MSC Industrial Direct Co. Inc., NV5 Global Inc., Primoris Services Corp., Sims Metal Management Ltd., Tetra Tech Inc., Transcat Inc., Veolia Environnement SA, WW Grainger Inc., and WESCO International Inc.

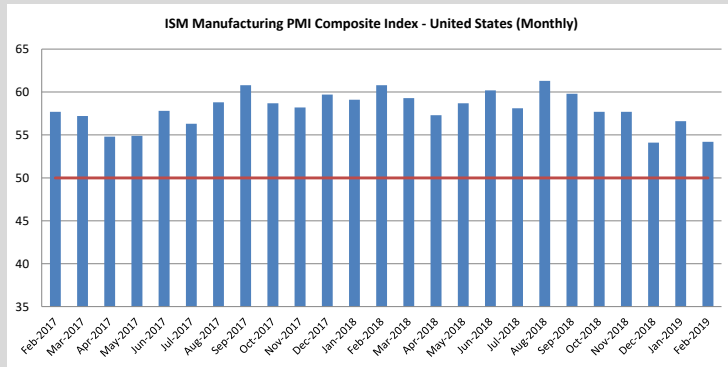
The companies that comprise each Index can change periodically as a result of a variety of reasons, including mergers, acquisitions, initial public offerings, and other transactions; therefore, comparisons to historical time periods and historical performance for each Index may not entirely correspond and correlate to the Index's current performance. In addition, historical performance is not a guarantee or prediction of future results.

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Major U.S. Economic Indicators

PMI (Purchase Manager Index)

A PMI reading above 50 percent (red line below) indicates that the manufacturing economy is generally expanding and below 50 percent means it is contracting.



Source: Institute for Supply Management

Commentary

Economic activity in the manufacturing sector expanded in February as the economy grew for the 118th consecutive month. New Orders, Production, Employment, and Backlog all grew. Supplier Deliveries, however, slowed as Raw Materials Inventories continued to expand and Prices decreased.

Unemployment Rate

Unemployment rate is traditionally defined as the percentage of the total labor force that is actively looking for gainful employment.



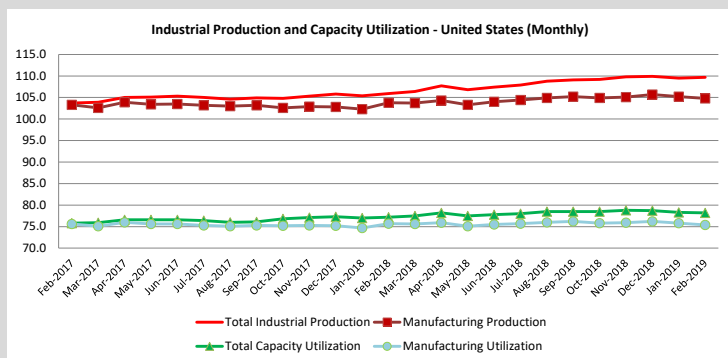
Source: United States Bureau of Labor

Commentary

In February, the unemployment rate declined to 3.8%. Total nonfarm payroll employment increased by 20,000 with gains in professional and business services, healthcare, and wholesale trade. Manufacturing jobs increased by 4,000 in February, after increasing an average of 22,000 per month over the last 12 months.

Industrial Production and Capacity Utilization

The Production Index (in red below) measures real output and is expressed as a percentage of real output in a base year, currently 2007. The Capacity Index (in green below), which is an estimate of sustainable potential output, is also expressed as a percentage of real output in 2007.



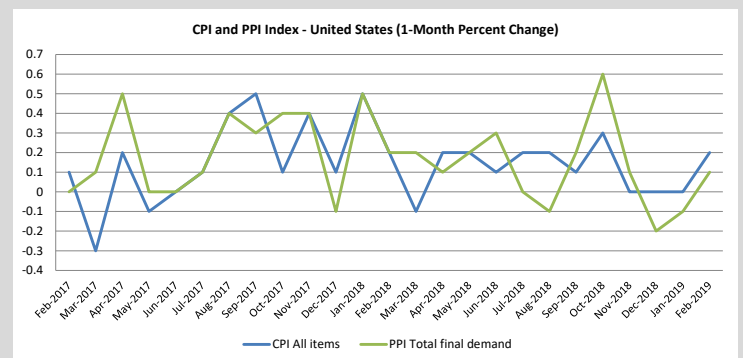
Source: United States Federal Reserve

Commentary

Industrial production increased 0.1% in February. At 109.7% of its 2012 average, total industrial production was 3.5% higher in February than it was a year earlier. Both manufacturing production and capacity utilization for manufacturing fell 0.4%, weakened by a decrease in the output of durables.

Producer Price Index (PPI) and Consumer Price Index (CPI)

The PPI measures the average change over time in prices received (price changes) by producers for domestically produced goods, services and construction. The CPI measures changes in the prices paid by urban consumers for a representative basket of goods and services.



Source: United States Bureau of Labor

Commentary

CPI for all items increased 0.2% in February. The indices for shelter and food increased, while the gasoline index rose after declining in recent months. PPI for final demand edged up 0.1% in February. The rise in the index can be traced to an increase of 0.4% in prices for final demand goods. Final demand services was unchanged.

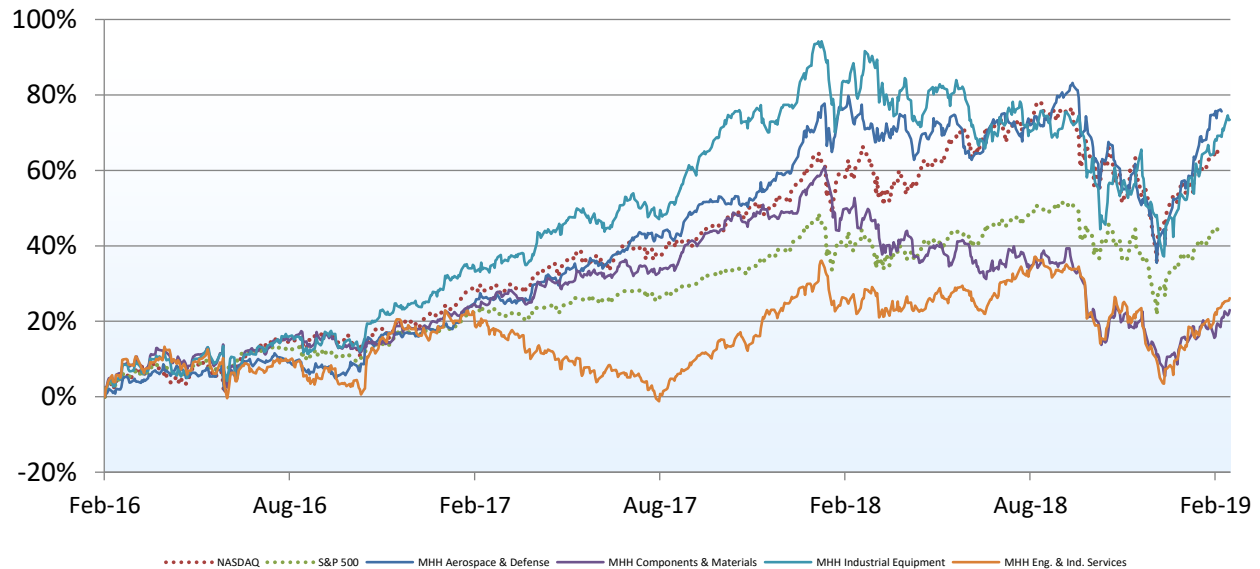
Sector Index Performance

Comparative Sector Index Performance (Last Three Years)

Last Three Years

Daily from February 29, 2016 to February 28, 2019

Price as Percent of Base (February 29, 2016 = 0%)



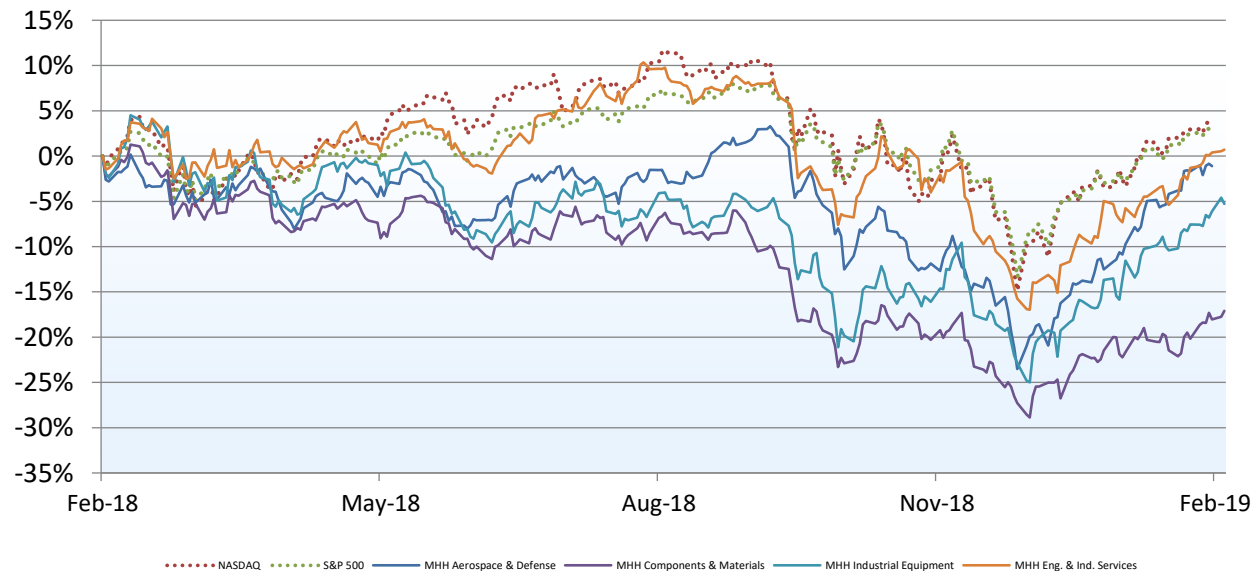
Source: CapitalIQ

Comparative Sector Index Performance (Last Twelve Months)

Last Twelve Months

Daily from February 28, 2018 to February 28, 2019

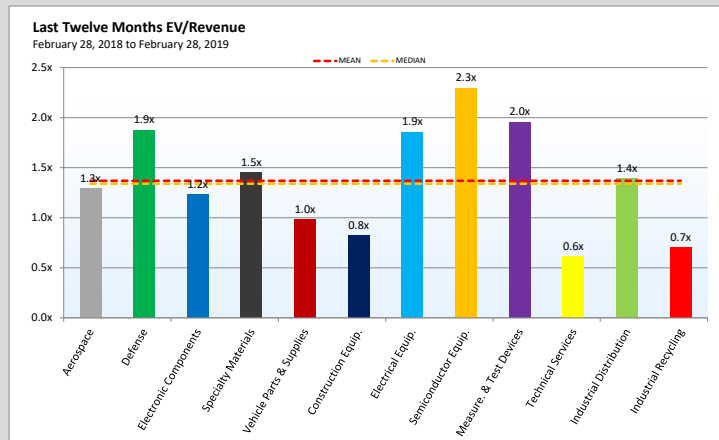
Price as Percent of Base (February 28, 2018 = 0%)



Source: CapitalIQ

Subsector Trading Multiples & Margins

Comparative Subsector LTM EV/Revenue

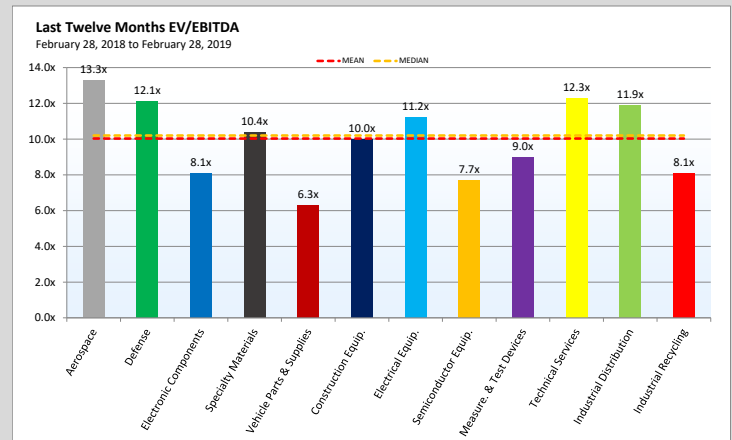


Source: CapitalIQ

Commentary

During the last twelve months, our index subsectors had a mean EV/Revenue of 1.4x and a median of 1.3x. Of the subsectors, Semiconductor Capital Equipment had the high multiple at 2.3x and Technical Services had the low multiple at 0.6x.

Comparative Subsector LTM EV/EBITDA

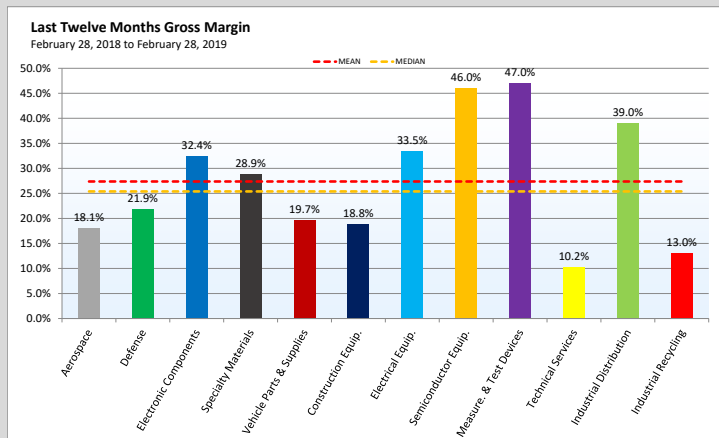


Source: CapitalIQ

Commentary

During the last twelve months, our index subsectors had a mean EV/EBITDA of 10.0x and a median of 10.2x. Of the subsectors, Aerospace had the high multiple at 13.3x and Vehicle Parts & Supplies had the low multiple at 6.3x.

Comparative Subsector LTM Gross Margin

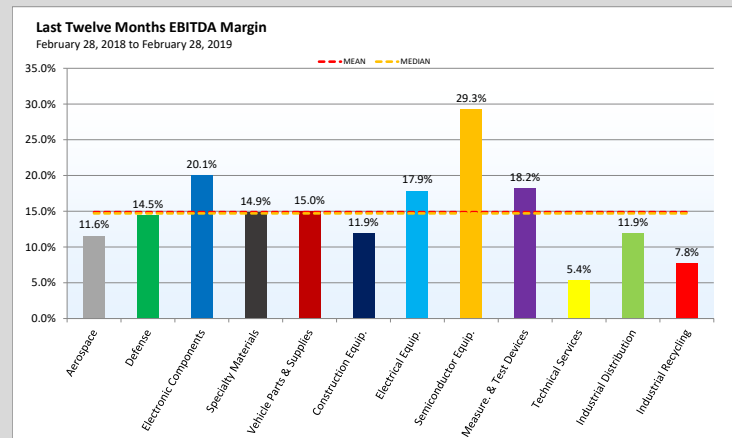


Source: CapitalIQ

Commentary

During the last twelve months, our index subsectors had a mean Gross Margin of 27.4% and a median of 25.4%. Of the subsectors, Measurement, Control, and Testing Devices had the high margin at 47.0% and Technical Services had the low margin at 10.2%.

Comparative Subsector LTM EBITDA Margin

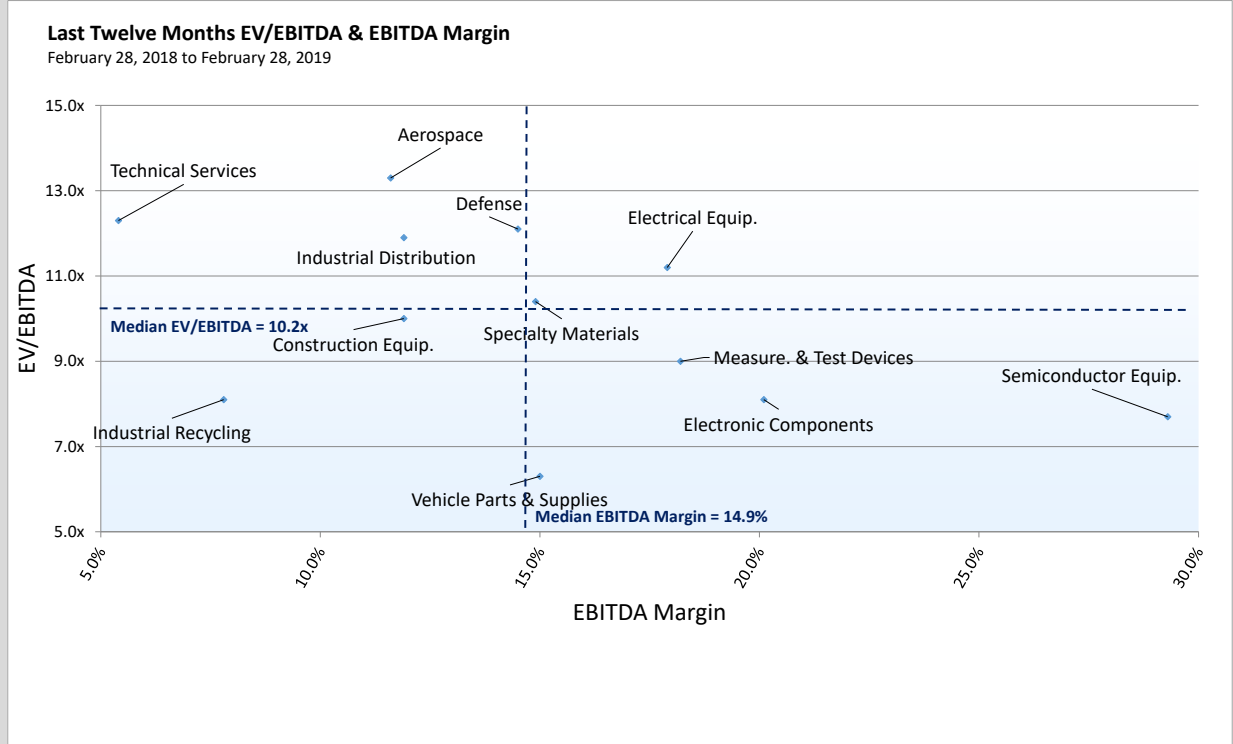


Source: CapitalIQ

Commentary

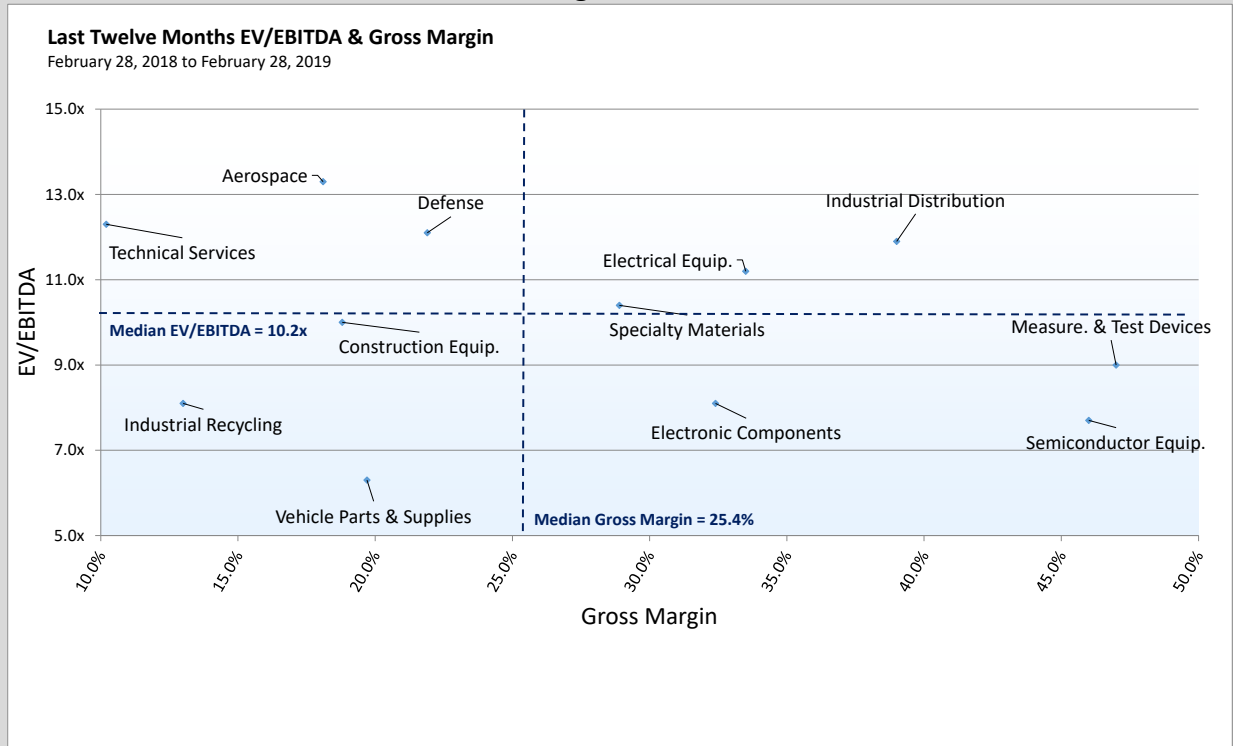
During the last twelve months, our index subsectors had a mean EBITDA Margin of 14.9% and a median of 14.7%. Of the subsectors, Semiconductor Capital Equipment had the high margin at 29.3% and Technical Services had the low margin at 5.4%.

Index Subsector LTM EV/EBITDA vs. EBITDA Margin



Source: CapitalIQ

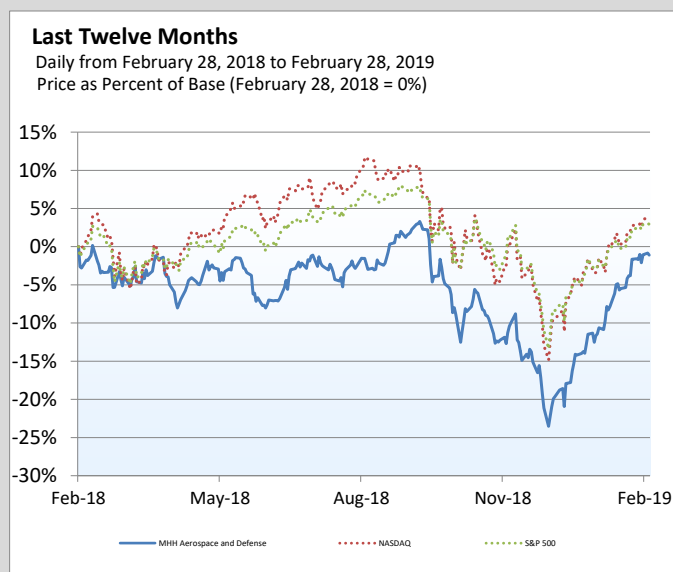
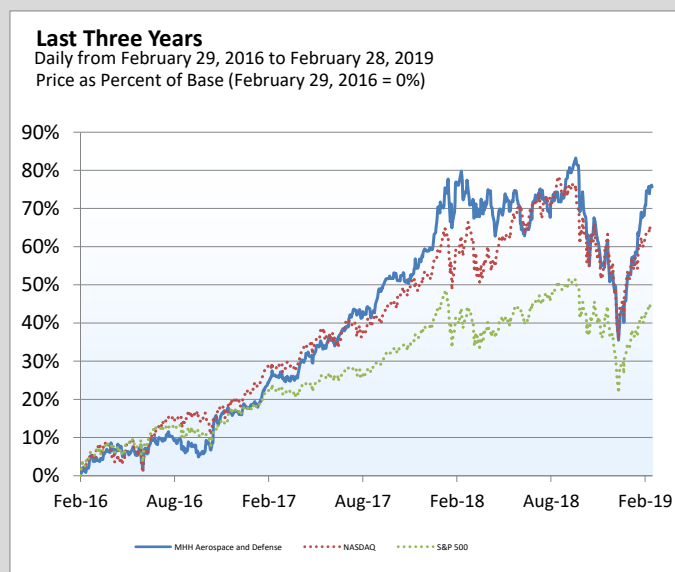
Index Subsector LTM EV/EBITDA vs. Gross Margin



Source: CapitalIQ

Comparative Index Performance

The Mufson Howe Hunter Aerospace & Defense Index^(a) increased by 10.8% during the three months ending February 28, 2019.





Price Performance

	3-Year	LTM	3 Month
Mufson Howe Hunter Aerospace & Defense Index ^(a)	77.4%	-0.2%	10.8%
NASDAQ	65.3%	3.6%	2.8%
S&P 500	44.1%	2.6%	0.9%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Aerospace & Defense Index is comprised of all companies listed on the following page.

Please see Page 13 for sector news

Highlighted M&A Transaction – Aerospace and Defense

Target	Acquirer	Value*
		ND
Entrust Datacard Corporation signed a definitive agreement to acquire nCipher Security from Thales S.A. (ENXTPA:HO) on February 22, 2019. For the year 2018, nCipher Security reported revenues of €100 million. nCipher Security Limited designs and develops cryptographic and security solutions for general purpose hardware, cloud, blockchain, and digital payments applications. The company was incorporated in 2018 and is based in Cambridge, United Kingdom.		
*ND – Not disclosed. Transaction values reported on the basis of enterprise value in USD millions.		

Selected Valuation Metrics

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance ⁽³⁾			Valuation			Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EPS	Enterprise Value/Revenue	EBITDA	Price/EPS	Gross Profit	EBITDA
Aerospace											
The Boeing Company (BA)	\$439.96	\$248,571	\$253,925	\$101,127	\$14,058	\$12.39	2.51x	18.1x	35.5x	19.4%	13.9%
United Technologies Corporation (UTX)	125.67	108,296	149,954	66,501	11,256	5.62	2.25x	13.3x	22.4x	25.1%	16.9%
Honeywell International Inc. (HON)	154.07	112,330	117,819	41,802	8,961	6.40	2.82x	13.1x	24.1x	30.5%	21.4%
Airbus SE (ENXTPA:AIR)	129.37	100,364	96,314	72,941	6,282	4.00	1.32x	15.3x	32.4x	14.1%	8.6%
Rolls-Royce Holdings plc (LSE:RR.)	12.70	23,948	23,593	20,047	-636	-0.50	1.18x	NM	NM	7.6%	-3.2%
Thales S.A. (ENXTPA:HO)	123.28	26,202	22,875	18,153	2,144	4.69	1.26x	10.7x	26.3x	25.8%	11.8%
Textron Inc. (TXT)	54.30	12,743	15,540	13,972	1,585	2.50	1.11x	9.8x	21.7x	16.8%	11.3%
Embraer S.A. (BOVESPA:EMBR3)	5.09	3,737	5,423	4,482	197	-0.04	1.21x	27.5x	NM	16.6%	4.4%
Mean		\$79,524	\$85,680	\$42,378	\$5,481	\$4.38	1.71x	15.4x	27.1x	19.5%	10.7%
Median		63,283	59,954	30,924	4,213	4.34	1.29x	13.3x	25.2x	18.1%	11.6%
Defense											
Lockheed Martin Corporation (LMT)	\$309.41	\$87,427	\$100,814	\$53,762	\$8,299	\$12.93	1.88x	12.1x	23.9x	13.7%	15.4%
Northrop Grumman Corporation (NOC)	289.96	49,217	62,236	30,095	5,003	13.50	2.07x	12.4x	21.5x	22.7%	16.6%
General Dynamics Corporation (GD)	170.22	49,064	60,518	36,193	5,246	8.60	1.67x	11.5x	19.8x	18.6%	14.5%
Raytheon Company (RTN)	186.50	52,638	54,496	27,058	3,801	6.95	2.01x	14.3x	26.8x	27.7%	14.0%
BAE Systems plc (BA.)	6.19	19,788	21,082	21,439	2,405	0.33	0.98x	8.8x	18.9x	8.6%	11.2%
L3 Technologies, Inc. (LLL)	211.75	16,795	19,158	10,244	1,344	7.31	1.87x	14.3x	29.0x	26.3%	13.1%
Huntington Ingalls Industries, Inc. (HII)	209.41	8,697	9,740	8,176	1,211	13.86	1.19x	8.0x	15.1x	21.9%	14.8%
Mean		\$40,518	\$46,863	\$26,710	\$3,901	\$9.07	1.67x	11.6x	22.1x	19.9%	14.3%
Median		49,064	54,496	27,058	3,801	8.60	1.87x	12.1x	21.5x	21.9%	14.5%

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 28, 2019.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of December 31, 2018 excluding TXT (December 29, 2018); and EMBR3 (September 30, 2018).

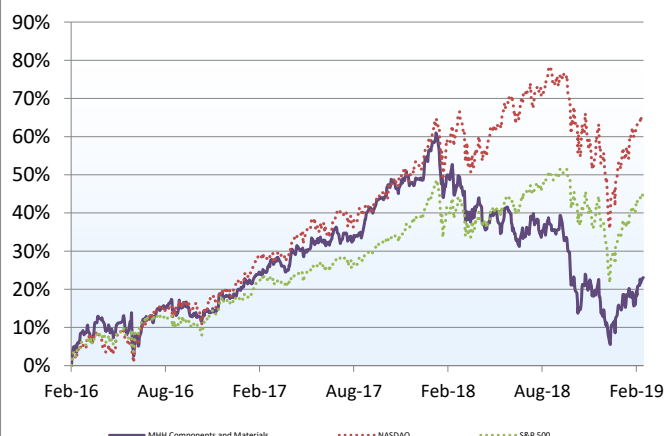
(4) Excludes non-recurring and discontinued operations.

Comparative Index Performance

The Mufson Howe Hunter Components & Materials Index^(a) increased by 0.5% during the three months ending February 28, 2019.

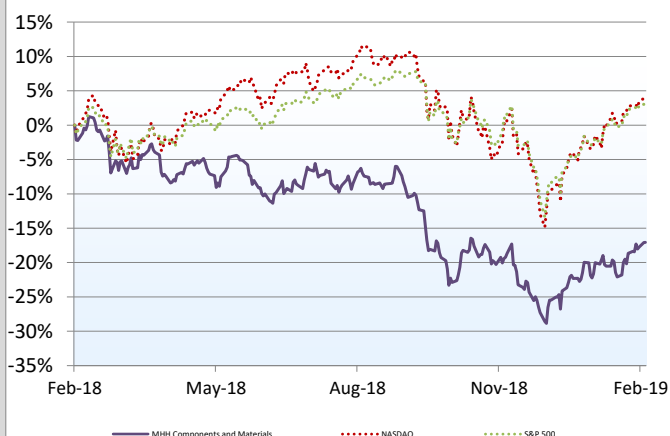
Last Three Years

Daily from February 29, 2016 to February 28, 2019
Price as Percent of Base (February 29, 2016 = 0%)



Last Twelve Months

Daily from February 28, 2018 to February 28, 2019
Price as Percent of Base (February 28, 2018 = 0%)





Price Performance

	3-Year	LTM	3 Month
Mufson Howe Hunter Components & Materials Index ^(a)	21.3%	-18.3%	0.5%
NASDAQ	65.3%	3.6%	2.8%
S&P 500	44.1%	2.6%	0.9%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Components & Materials Index is comprised of all companies listed on the following page.

Please see Page 14 for sector news

Highlighted M&A Transaction – Components & Materials

Target	Acquirer	Value*
 Clearfield Production System for Canola	 CORTEVA agriscience	ND
<p>Corteva Agriscience acquired Clearfield Canola Production System from BASF on February 20, 2019. Corteva Agriscience is the Agriculture Division of DowDuPont, and comprises its seed and crop protection business. Clearfield Canola Production System of BASF comprises the production system that manufactures herbicide for canola crops. The asset is located in the United States.</p>		
<p><i>*ND – Not disclosed. Transaction values reported on the basis of enterprise value in USD millions.</i></p>		

Components & Materials

Selected Valuation Metrics

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance ⁽³⁾			Valuation		Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EPS	Enterprise Value/Revenue	EBITDA	Price/EPS	Gross Profit	EBITDA
Electronic Components											
Corning Inc. (GLW)	\$34.81	\$27,387	\$33,424	\$11,290	\$2,886	\$1.01	2.96x	11.6x	34.5x	39.5%	25.6%
TE Connectivity Ltd (TEL)	82.09	27,817	31,343	13,999	3,099	4.15	2.24x	10.1x	19.8x	33.5%	22.1%
Amphenol Corp. (APH)	93.97	28,011	30,337	8,202	1,988	3.15	3.70x	15.3x	29.8x	32.4%	24.2%
Omron Corp. (TSE:6645)	43.14	8,893	8,051	7,936	993	1.96	1.01x	8.1x	22.0x	41.5%	12.5%
Alps Electric Ltd (TSE:6770)	19.64	4,289	4,950	7,826	909	1.14	0.63x	5.4x	17.2x	20.8%	11.6%
Belden Inc. (BDC)	61.79	2,434	3,478	2,585	463	3.91	1.35x	7.5x	15.8x	40.2%	17.9%
Vishay Intertechnology (VSH)	21.92	3,163	2,896	3,035	632	1.78	0.95x	4.6x	12.3x	29.3%	20.8%
AVX Corp. (AVX)	18.20	3,072	2,218	1,799	362	1.05	1.23x	6.1x	17.3x	24.8%	20.1%
Encore Wire Corp. (WIRE)	59.24	1,237	1,058	1,289	116	3.04	0.82x	9.1x	19.5x	14.7%	9.0%
Mean		\$11,812	\$13,084	\$6,440	\$1,272	\$2.36	1.66x	8.7x	20.9x	30.7%	18.2%
Median		4,289	4,950	7,826	909	1.96	1.23x	8.1x	19.5x	32.4%	20.1%
Specialty Materials											
DowDuPont Inc. (DWDP)	\$53.23	\$120,021	\$148,623	\$85,977	\$16,905	\$2.84	1.73x	8.8x	18.7x	25.9%	19.7%
3M Company (MMM)	207.39	119,415	130,962	32,765	8,358	6.82	4.00x	15.7x	30.4x	49.2%	25.5%
BASF SE (DE:BAS)	76.46	70,227	91,942	71,760	9,758	3.66	1.28x	9.4x	20.9x	28.9%	13.6%
PPG Industries, Inc. (PPG)	111.97	26,414	30,565	15,374	2,259	4.52	1.99x	13.5x	24.8x	41.5%	14.7%
Evonik Industries AG (DE:EVK)	28.29	13,170	16,739	17,202	2,558	1.79	0.97x	6.5x	15.8x	30.8%	14.9%
Celanese Corp. (CE)	102.29	13,103	16,583	7,155	1,595	6.92	2.32x	10.4x	14.8x	27.6%	22.3%
Solvay SA (ENXTBR:SOLB)	112.08	11,580	14,681	12,937	2,470	7.05	1.13x	5.9x	15.9x	26.9%	19.1%
Akzo Nobel N.V. (ENXTAM:AKZA)	90.80	20,679	14,237	10,598	978	1.53	1.34x	14.6x	NM	42.4%	9.2%
Ferro Corporation (FOE)	19.39	1,604	2,335	1,612	216	0.85	1.45x	10.8x	22.7x	28.3%	13.4%
Mean		\$44,024	\$51,852	\$28,375	\$5,011	\$4.00	1.80x	10.63x	20.49x	33.5%	16.9%
Median		20,679	16,739	15,374	2,470	3.66	1.45x	10.40x	19.81x	28.9%	14.9%
Vehicle Parts and Supplies											
Johnson Controls Inc. (JCI)	\$35.27	\$32,191	\$45,112	\$31,559	\$4,724	\$2.02	1.43x	9.5x	17.4x	29.8%	15.0%
Continental AG (DB:CON)	164.45	32,890	36,507	51,654	5,803	14.85	0.71x	6.3x	11.1x	25.4%	11.2%
Denso Corp. (TSE:6902)	42.93	33,385	33,383	49,117	5,625	2.42	0.68x	5.9x	17.8x	15.7%	11.5%
Aptiv PLC (APTIV)	83.11	21,611	25,599	14,435	2,240	3.47	1.77x	11.4x	23.9x	18.9%	15.5%
Lear Corp. (LEA)	152.07	9,507	10,291	21,149	2,201	14.01	0.49x	4.7x	10.9x	11.3%	10.4%
Autoliv, Inc. (ALV)	81.81	7,130	8,757	8,678	1,246	5.93	1.01x	7.0x	13.8x	19.7%	14.4%
Bosch Ltd. (BSE:500530)	268.31	8,189	7,785	1,776	327	6.02	4.38x	23.8x	NM	45.5%	18.4%
Stanley Electric Co. Ltd. (TSE:6923)	28.73	4,696	3,980	4,045	829	1.81	0.98x	4.8x	15.9x	22.8%	20.5%
Delphi Automotive PLC (DLPH)	21.81	1,931	3,252	4,858	731	3.11	0.67x	4.4x	7.0x	18.5%	15.0%
Mean		\$16,837	\$19,407	\$20,808	\$2,636	\$5.96	1.35x	8.7x	14.7x	23.1%	14.7%
Median		9,507	10,291	14,435	2,201	3.47	0.98x	6.3x	14.8x	19.7%	15.0%

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 28, 2019.

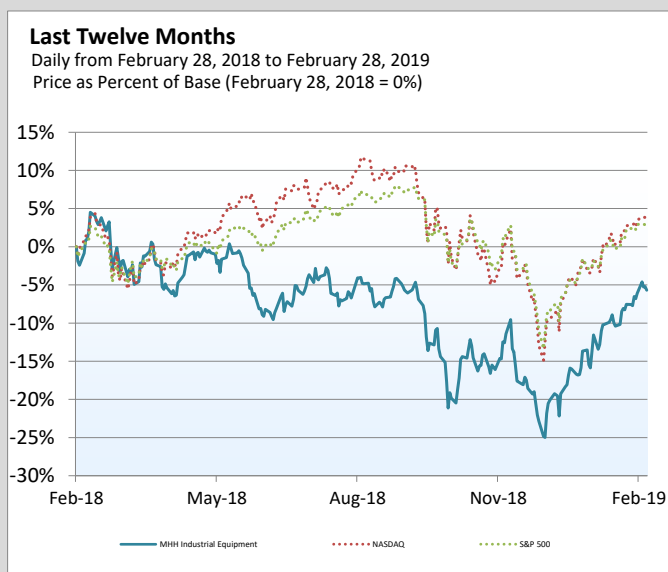
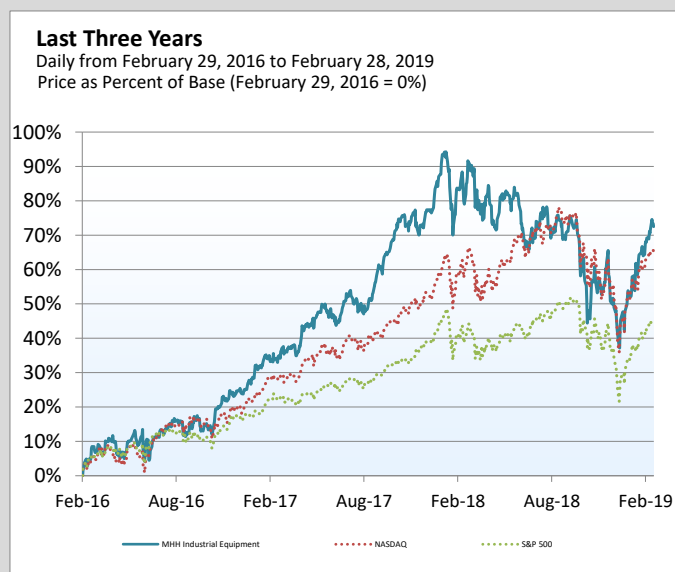
(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of December 31, 2018 excluding TEL (December 29, 2018); AKZA, BAS, BDC, CON, DLPH, EVK, FOE, SOLB and WIRE (September 30, 2018); and 500530 (March 31, 2018).

(4) Excludes non-recurring and discontinued operations.

Comparative Index Performance

The Mufson Howe Hunter Industrial Equipment Index^(a) increased by 6.4% during the three months ending February 28, 2019.



Price Performance

	3-Year	LTM	3 Month
Mufson Howe Hunter Industrial Equipment Index ^(a)	72.5%	-5.7%	6.4%
NASDAQ	65.3%	3.6%	2.8%
S&P 500	44.1%	2.6%	0.9%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Industrial Equipment Index is comprised of all companies listed on the following page.

Please see Page 16 for sector news

Highlighted M&A Transaction – Industrial Equipment

Target	Acquirer	Value*
 (BioPharma business segment)	 DANAHER	\$21,400.0

Danaher Corp. (NYSE:DHR) entered into a definitive agreement to acquire the BioPharma business of General Electric (NYSE:GE) for \$21.4 billion on February 25. In 2018, BioPharma generated revenues of \$3 billion. The BioPharma business comprises instruments, consumables and software supporting the research, development and manufacturing of biopharmaceutical drugs.

*ND – Not disclosed. Transaction values reported on the basis of enterprise value in USD millions.

Industrial Equipment

Selected Valuation Metrics

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance ⁽³⁾			Valuation			Margins	
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EPS	Enterprise Value/Revenue	EBITDA	Price/EPS	Gross Profit	EBITDA
Construction Equipment											
Caterpillar Inc. (CAT)	\$137.34	\$79,045	\$108,711	\$54,722	\$11,102	\$8.39	1.99x	9.8x	16.4x	27.2%	20.3%
Deere & Company (DE)	164.04	52,473	93,025	38,388	5,877	8.18	2.42x	15.8x	20.1x	24.0%	15.3%
Cummins Inc. (CMI)	154.09	24,183	26,045	23,771	3,078	10.35	1.10x	8.5x	14.9x	24.1%	12.9%
Hyundai Heavy Industries Co. Ltd (KOSE:A009540)	116.89	8,266	9,569	11,619	-199	(9.81)	0.82x	NM	NM	1.0%	NM
Navistar International Corp. (NAV)	38.37	3,796	7,908	10,250	778	2.28	0.77x	10.2x	16.8x	17.2%	7.6%
Oshkosh Corp. (OSK)	77.81	5,450	6,109	7,923	862	5.83	0.77x	7.1x	13.4x	18.3%	10.9%
Terex Corp. (TEX)	33.59	2,365	3,217	5,125	292	1.30	0.63x	11.0x	25.8x	18.8%	5.7%
Mean		\$25,083	\$36,369	\$21,685	\$3,113	\$3.79	1.21x	10.4x	17.9x	18.7%	12.1%
Median		8,266	9,569	11,619	862	5.83	0.82x	10.0x	16.6x	18.8%	11.9%
Electrical Equipment											
Schneider Electric SE (ENXTPA:SU)	\$77.92	\$42,814	\$50,317	\$29,448	\$4,808	\$4.21	1.71x	10.5x	18.5x	39.0%	16.3%
Emerson Electric Co. (EMR)	68.15	41,886	46,639	17,739	3,641	2.74	2.63x	12.8x	24.9x	42.8%	20.5%
Eaton Corporation plc (ETN)	79.77	33,791	40,937	21,609	3,875	3.86	1.89x	10.6x	20.7x	32.8%	17.9%
Rockwell Automation Inc. (ROK)	178.56	21,346	22,459	6,722	1,462	6.37	3.34x	15.4x	28.0x	43.3%	21.7%
Amelec Inc. (AME)	79.58	18,075	20,354	4,846	1,297	2.65	4.20x	15.7x	30.0x	34.2%	26.8%
Hubbell Inc. (HUBB)	118.05	6,446	8,059	4,482	720	5.45	1.80x	11.2x	21.6x	29.2%	16.1%
Regal Beloit Corporation (RBC)	83.76	3,584	4,670	3,646	516	4.45	1.28x	9.1x	18.8x	26.5%	14.1%
Powell Industries, Inc. (POWL)	32.09	396	335	468	9	(0.18)	0.72x	NM	NM	14.8%	NM
Mean		\$21,042	\$24,221	\$11,120	\$2,041	\$3.69	2.20x	12.2x	23.2x	32.9%	19.1%
Median		19,710	21,406	5,784	1,379	4.03	1.85x	11.2x	21.6x	33.5%	17.9%
Semiconductor Capital Equipment											
ASML Holding NV (ASML)	\$183.49	\$77,266	\$76,281	\$12,530	\$3,781	\$4.94	6.09x ‡	20.2x ‡	37.1x	46.0%	30.2%
Applied Materials, Inc. (AMAT)	38.34	36,400	37,998	16,801	4,915	2.73	2.26x	7.7x	14.0x	44.9%	29.3%
Lam Research Corp. (LRCX)	176.09	26,870	25,252	10,871	3,397	11.10	2.32x	7.4x	15.9x	46.1%	31.2%
Tokyo Electron Ltd (TSE:8035)	136.02	22,300	19,237	11,987	3,259	11.84	1.60x	5.9x	11.5x	41.6%	27.2%
KLA-Tencor Corp. (KLAC)	115.49	18,902	18,446	4,304	1,748	6.49	4.29x	10.6x	17.8x	64.3%	40.6%
Teradyne Inc. (TER)	40.83	7,319	6,582	2,101	605	1.56	3.13x	10.9x	26.1x	58.1%	28.8%
Veeco Instruments Inc. (VECO)	11.42	549	576	542	21	(0.62)	1.06x	27.6x ‡	NM	35.7%	3.8%
Mean		\$27,086	\$26,339	\$8,448	\$2,532	\$5.43	2.44x	8.5x	20.4x	48.1%	27.3%
Median		22,300	19,237	10,871	3,259	4.94	2.29x	7.7x	16.8x	46.0%	29.3%
Measurement, Control, and Testing Devices											
Danaher Corporation (DHR)	\$127.02	\$90,640	\$99,605	\$19,893	\$4,819	\$2.96	5.01x	20.7x	NM	55.9%	24.2%
Xcerra Corporation (XCRA)	31.20	25,712	34,316	30,673	3,800	1.62	1.12x	9.0x	19.2x	32.2%	12.4%
Entegris, Inc. (ENTG)	35.33	4,768	5,224	1,550	436	1.19	3.37x	12.0x	29.6x	46.9%	28.1%
MKS Instruments, Inc. (MKSI)	82.87	4,491	4,121	2,075	581	5.54	1.99x	7.1x	15.0x	47.2%	28.0%
Brooks Automation, Inc. (BRKS)	32.11	2,310	2,719	668	82	0.26	4.07x	NM	NM	39.6%	12.2%
FormFactor, Inc. (FORM)	15.85	1,180	1,096	530	80	0.28	2.07x	13.7x	NM	39.7%	15.1%
FARO Technologies, Inc. (FARO)	45.81	790	657	404	24	0.16	1.63x	27.3x	NM	56.6%	6.0%
Cohu, Inc. (COHU)	17.89	728	565	365	53	0.93	1.55x	10.7x	19.2x	41.0%	14.5%
Axcelis Technologies, Inc. (ACLS)	21.02	684	554	443	66	1.01	1.25x	8.5x	20.9x	40.6%	14.8%
Nanometrics Incorporated (NANO)	28.46	696	544	325	74	1.68	1.68x	7.3x	16.9x	56.8%	22.9%
Rudolph Technologies, Inc. (RTEC)	22.58	698	523	274	58	1.05	1.91x	8.9x	21.5x	54.2%	21.4%
Nova Measuring Instruments Ltd. (NVMI)	24.70	690	514	251	68	1.38	2.05x	7.5x	17.9x	57.8%	27.1%
Mean		\$11,116	\$12,537	\$4,788	\$845	\$1.51	2.31x	12.1x	20.0x	47.4%	18.9%
Median		985	877	486	77	1.12	1.95x	9.0x	19.2x	47.0%	18.2%

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 28, 2019.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of December 31, 2018 excluding AMAT and DE (January 27, 2019); FORM, NANO and RBC (December 29, 2018); LRCX (December 23, 2018); NAV (October 31, 2018); A009540 (September 30, 2018); and COHU (September 28, 2018).

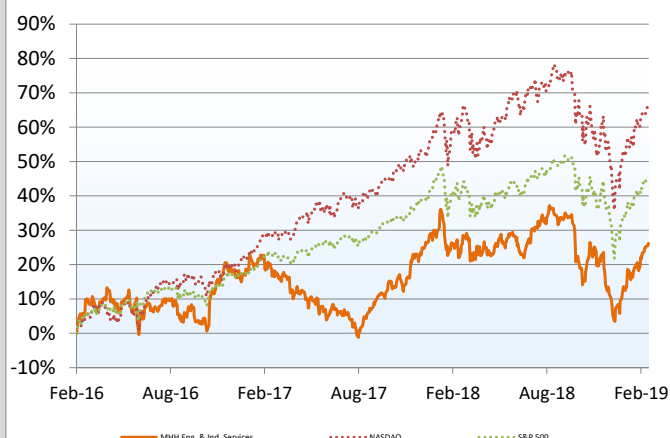
(4) Excludes non-recurring and discontinued operations.

Comparative Index Performance

The Mufson Howe Hunter Engineering & Industrial Services Index^(a) increased by 1.4% during the three months ending February 28, 2019.

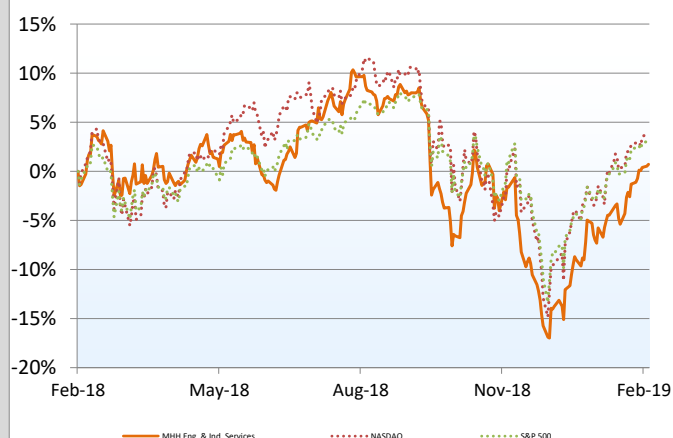
Last Three Years

Daily from February 29, 2016 to February 28, 2019
Price as Percent of Base (February 29, 2016 = 0%)



Last Twelve Months

Daily from February 28, 2018 to February 28, 2019
Price as Percent of Base (February 28, 2018 = 0%)




Price Performance

	3-Year	LTM	3 Month
Mufson Howe Hunter Engineering & Industrial Services Index ^(a)	24.8%	0.1%	1.4%
NASDAQ	65.3%	3.6%	2.8%
S&P 500	44.1%	2.6%	0.9%

(a) Market cap weighted index assuming no dividend reinvestment. Mufson Howe Hunter Engineering & Industrial Services Index is comprised of all companies listed on the following page.

Please see Page 18 for sector news

Highlighted M&A Transaction – Engineering & Industrial Services

Target	Acquirer	Value*
 (Multiple Business Units)	UNDISCLOSED	\$28.0

An undisclosed buyer agreed to acquire a stake in RMS A13 Holdings Ltd, Power Machinery Ltd, Centro Energia Teverola and Ferrara S.r.l from John Wood Group PLC (LSE:WG.) for \$28 million in December, 2018. John Wood Group is selling 25% stake in RMS A13, 52% stake in Power Machinery, and 41.65% stake in Centro Energia. Cash proceeds are expected to be around \$28 million, of which \$9 million was received in December with the remainder anticipated in the first half of 2019.

*ND – Not disclosed. Transaction values reported on the basis of enterprise value in USD millions.

Selected Valuation Metrics

(\$ in USD millions, except per share data)

Company	Market & Capitalization			LTM Performance ⁽³⁾			Valuation		Margins		
	Price ⁽¹⁾	Equity Value	Enterprise Value ⁽²⁾	Revenue	EBITDA ⁽⁴⁾	EPS	Enterprise Value/Revenue	EBITDA	Price/EPS	Gross Profit	EBITDA
Technical Services											
Jacobs Engineering Group Inc. (JEC)	\$73.78	\$10,294	\$12,167	\$16,284	\$960	\$2.75	0.75x	12.7x	26.8x	18.8%	5.9%
AECOM (ACM)	30.96	4,833	8,087	20,282	774	0.95	0.40x	10.4x	32.6x	3.3%	3.8%
John Wood Group PLC (LSE:WG)	6.92	4,652	6,262	8,367	417	0.18	0.75x	15.0x	38.1x	11.7%	5.0%
Fluor Corporation (FLR)	37.60	5,248	5,112	19,167	749	1.69	0.27x	6.8x	22.2x	3.5%	3.9%
Tetra Tech, Inc. (TTEK)	60.02	3,314	3,511	2,209	242	2.09	1.59x	14.5x	28.7x	17.6%	10.9%
KBR, Inc. (KBR)	19.76	2,786	3,342	4,913	353	1.12	0.68x	9.5x	17.6x	9.3%	7.2%
Balfour Beatty plc (LSE:BBY)	3.83	2,604	2,798	8,455	163	0.09	0.33x	17.1x	NM	5.6%	1.9%
Primoris Services Corporation (PRIM)	23.37	1,185	1,408	2,939	223	1.34	0.48x	6.3x	17.4x	11.1%	7.6%
NV5 Global, Inc. (NVEE)	79.26	989	966	418	55	1.92	2.31x	17.6x	NM	48.2%	13.1%
Cardno Limited (ASX:CDD)	0.80	361	440	827	37	0.03	0.53x	11.9x	28.7x	7.5%	4.5%
Mean		\$3,627	\$4,409	\$8,386	\$397	\$1.22	0.81x	12.2x	26.5x	13.6%	6.4%
Median		3,050	3,426	6,640	297	1.23	0.61x	12.3x	27.7x	10.2%	5.4%
Industrial Distribution											
W.W. Grainger, Inc. (GWM)	\$304.77	\$17,025	\$18,879	\$11,221	\$1,620	\$13.28	1.68x	11.7x	22.9x	38.7%	14.4%
Fastenal Company (FAST)	62.94	18,011	18,344	4,965	1,137	2.15	3.69x	16.1x	29.3x	48.3%	22.9%
HD Supply Holdings, Inc. (HDS)	43.01	7,661	9,600	5,784	788	1.94	1.66x	12.2x	22.2x	39.3%	13.6%
MSC Industrial Direct Co., Inc. (MSM)	84.41	4,671	5,182	3,267	523	4.92	1.59x	9.9x	17.2x	43.3%	16.0%
WESCO International, Inc. (WCC)	54.45	2,461	3,600	8,177	408	3.76	0.44x	8.8x	14.5x	19.2%	5.0%
MRC Global Inc. (MRC)	16.86	1,414	2,410	4,172	199	0.67	0.58x	12.1x	25.3x	16.5%	4.8%
Lawson Products, Inc. (LAWS)	31.57	283	287	350	15	0.49	0.82x	18.7x	NM	54.2%	4.4%
Transcat, Inc. (TRNS)	23.00	166	190	159	16	0.77	1.19x	11.6x	30.0x	24.4%	10.3%
Mean		\$6,461	\$7,311	\$4,762	\$588	\$3.50	1.46x	12.6x	23.1x	35.5%	11.4%
Median		3,566	4,391	4,569	465	2.04	1.39x	11.9x	22.9x	39.0%	11.9%
Industrial Recycling											
Veolia Environnement S.A. (ENXTPA:VIE)	\$21.98	\$12,156	\$24,463	\$29,667	\$3,305	\$0.77	0.82x	7.4x	28.6x	16.4%	11.1%
Clean Harbors, Inc. (CLH)	68.00	3,798	5,091	3,300	483	1.09	1.54x	10.5x	NM	30.1%	14.6%
Commercial Metals Company (CMC)	16.55	1,947	3,232	4,845	339	0.87	0.67x	9.5x	19.1x	13.2%	7.0%
Dow Chemicals Company (DOW)	32.68	1,934	3,022	4,124	358	2.43	0.73x	8.4x	13.5x	12.8%	8.7%
Aurubis AG (DE:NDA)	55.08	2,476	2,668	11,666	343	2.74	0.23x	7.8x	20.1x	8.3%	2.9%
Sims Metal Management Limited (ASX:SGM)	8.06	1,634	1,514	4,805	201	0.52	0.32x	7.5x	15.5x	11.3%	4.2%
Mean		\$3,991	\$6,665	\$9,735	\$838	\$1.40	0.72x	8.5x	19.3x	15.3%	8.1%
Median		2,212	3,127	4,825	350	0.98	0.70x	8.1x	19.1x	13.0%	7.8%

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months

‡ = excluded from Mean and Median calculations

Source: CapitalIQ

(1) As of close February 28, 2019.

(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, post-retirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

(3) As of December 31, 2018 excluding TTEK (December 30, 2018); NVEE and TRANS (December 29, 2018); JEC (December 28, 2018); MSM (December 1, 2018); CMC (November 30, 2018); HDS (October 28, 2018); WG (June 30, 2018); and BBY (June 29, 2018).

(4) Excludes non-recurring and discontinued operations.

Selected News – Aerospace & Defense

Airbus SE (ENXTPA:AIR) reported net income of \$3,496.7 million for fiscal year 2018 as compared to \$2,835.0 million for the prior year. Earnings per share were \$4.49 versus \$3.65 for the prior year. Revenues for the year increased to \$72,941.4 million from \$70,871.8 million for fiscal year 2017.

BAE Systems plc (LSE:BA.) reported net income of \$1,274.5 million for fiscal year 2018 as compared to \$1,154.3 million for the prior year. Earnings per share were \$0.40 versus \$0.36 for the prior year. Revenues for the year decreased to \$21,438.7 million from \$24,764.5 million for fiscal year 2017.

BAE Systems plc (LSE:BA.) announced the appointment of **Stephen Pearce** as a non-executive director of the Company with effect from June 1, 2019.

Honeywell International Inc. (NYSE:HON) reported net income of \$6,765.0 million for fiscal year 2018 as compared to \$1,545.0 million for the prior year. Earnings per share were \$8.98 versus \$2.00 for the prior year. Revenues for the year increased to \$41,802.0 million from \$40,534.0 million for fiscal year 2017.

Huntington Ingalls Industries, Inc. (NYSE:HII) reported net income of \$836.0 million for fiscal year 2018 as compared to \$479.0 million for the prior year. Earnings per share were \$19.09 versus \$10.46 for the prior year. Revenues for the year increased to \$8,176.0 million from \$7,441.0 million for fiscal year 2017.

Rolls-Royce Holdings plc (LSE:RR.) reported net income of (\$3,060.1) million for fiscal year 2018 as compared to \$5,686.3 million for the prior year. Earnings per share were (\$1.65) versus \$3.09 for the prior year. Revenues for the year decreased to \$20,046.9 million from \$22,041.0 million for fiscal year 2017.

Thales S.A. (ENXTPA:HO) reported net income of \$1,124.1 million for fiscal year 2018 as compared to \$986.7 million for the prior year. Earnings per share were \$5.27 versus \$4.62 for the prior year. Revenues for the year decreased to \$18,152.9 million from \$18,966.6 million for fiscal year 2017.

The Boeing Company (NYSE:BA) announced its board of directors has nominated **Nikki Randhawa Haley** to be elected as a director at the company's annual meeting of shareholders on April 29, 2019.

Note: All per share results are reported on a fully-diluted basis.

Selected News – Components & Materials

3M Company (NYSE:MMM) announced that its Board of Directors will nominate CEO **Mike Roman** to serve as chairman of the board following the company's annual meeting of shareholders on May 14, 2019.

Akzo Nobel N.V. (ENXTAM:AKZA) reported net income of \$7,641.4 million for fiscal year 2018 as compared to \$999.0 million for the prior year. Earnings per share were \$33.58 versus \$4.44 for the prior year. Revenues for the year decrease to \$10,597.7 million from \$11,541.8 million for fiscal year 2017.

AVX Corporation (NYSE:AVX) announced that **Dr. John Ballato** has been appointed to the Board of Directors of the company.

BASF SE (DE:BAS) reported net income of \$5,389.3 million for fiscal year 2018 as compared to \$7,298.3 million for the prior year. Earnings per share were \$5.85 versus \$7.94 for the prior year. Revenues for the year decrease to \$71,759.8 million from \$73,514.6 million for fiscal year 2017.

Belden Inc. (NYSE:BDC) reported net income of \$160.9 million for fiscal year 2018 as compared to \$93.2 million for the prior year. Earnings per share were \$3.08 versus \$1.37 for the prior year. Revenues for the year increase to \$2,585.4 million from \$2,388.6 million for fiscal year 2017.

Bosch Limited (BSE:500530) reported net income of \$210.7 million for fiscal year 2018 as compared to \$268.6 million for the prior year. Earnings per share were \$6.90 versus \$8.65 for the prior year. Revenues for the year increase to \$1,776.1 million from \$1,583.3 million for fiscal year 2017.

Delphi Technologies PLC (NYSE:DLPH) reported net income of \$358.0 million for fiscal year 2018 as compared to \$285.0 million for the prior year. Earnings per share were \$4.03 versus \$3.21 for the prior year. Revenues for the year increase to \$4,858.0 million from \$4,849.0 million for fiscal year 2017.

DENSO Corporation (TSE:6902) reported third quarter net income of \$710.3 million for fiscal year 2019 as compared to \$862.0 million for the prior year period. Earnings per share were \$0.91 versus \$1.11 for the prior year period. Revenues for the quarter increase to \$12,347.3 million from \$11,857.6 million for the same period in fiscal year 2018.

Encore Wire Corporation (NasdaqGS:WIRE) reported net income of \$78.2 million for fiscal year 2018 as compared to \$67.0 million for the prior year. Earnings per share were \$3.74 versus \$3.21 for the prior year. Revenues for the year increase to \$1,288.7 million from \$1,164.2 million for fiscal year 2017.

Ferro Corporation (NYSE:FOE) reported net income of \$80.1 million for fiscal year 2018 as compared to \$57.1 million for the prior year. Earnings per share were \$0.94 versus \$0.67 for the prior year. Revenues for the year increase to \$1,612.4 million from \$1,396.7 million for fiscal year 2017.

Johnson Controls International plc (NYSE:JCI) reported first quarter net income of \$355.0 million for fiscal year 2019 as compared to \$230.0 million for the prior year period. Earnings per share were \$0.39 versus \$0.25 for the prior year period. Revenues for the quarter increase to \$5,464.0 million from \$5,305.0 million for the same period in fiscal year 2018.

Solvay SA (ENXTBR:SOLB) reported net income of \$982.4 million for fiscal year 2018 as compared to \$1,274.0 million for the prior year. Earnings per share were \$9.48 versus \$12.24 for the prior year. Revenues for the year decrease to \$12,936.8 million from \$13,077.6 million for fiscal year 2017.

Selected Highlights

Vishay Intertechnology, Inc. (NYSE:VSH) reported net income of \$345.8 million for fiscal year 2018 as compared to (\$20.3) million for the prior year. Earnings per share were \$2.24 versus (\$0.14) for the prior year. Revenues for the year increase to \$3,034.7 million from \$2,599.4 million for fiscal year 2017.

Note: All per share results are reported on a fully-diluted basis.

Selected News – Industrial Equipment

AMETEK, Inc. (NYSE:AME) reported net income of \$777.9 million for fiscal year 2018 as compared to \$681.5 million for the prior year. Earnings per share were \$3.34 versus \$2.94 for the prior year. Revenues for the year increased to \$4,845.9 million from \$4,300.2 million for fiscal year 2017.

Applied Materials, Inc. (NasdaqGS:AMAT) reported first quarter net income of \$771.0 million for fiscal year 2019 as compared to \$165.0 million for the prior year period. Earnings per share were \$0.80 versus \$0.15 for the prior year period. Revenues for the quarter decreased to \$3,753.0 million from \$4,205.0 million for the same period in fiscal year 2018.

Axcelis Technologies, Inc. (NasdaqGS:ACLS) reported net income of \$45.9 million for fiscal year 2018 as compared to \$127.0 million for the prior year. Earnings per share were \$1.35 versus \$3.80 for the prior year. Revenues for the year increased to \$442.6 million from \$410.6 million for fiscal year 2017.

Brooks Automation, Inc. (NasdaqGS:BRKS) reported first quarter net income of \$14.4 million for fiscal year 2019 as compared to \$16.5 million for the prior year period. Earnings per share were \$0.20 versus \$0.23 for the prior year period. Revenues for the quarter increased to \$179.4 million from \$142.6 million for the same period in fiscal year 2018.

Caterpillar Inc. (NYSE:CAT) announced its Board of Directors appointed **G. Michael Marvel**, age 57, as Chief Accounting Officer.

Cummins Inc. (NYSE:CMI) reported net income of \$2,141.0 million for fiscal year 2018 as compared to \$999.0 million for the prior year. Earnings per share were \$13.15 versus \$5.97 for the prior year. Revenues for the year increased to \$23,771.0 million from \$20,428.0 million for fiscal year 2017.

Deere & Company (NYSE:DE) reported first quarter net income of \$498.5 million for fiscal year 2019 as compared to (\$535.1) million for the prior year period. Earnings per share were \$1.54 versus (\$1.66) for the prior year period. Revenues for the quarter increased to \$7,983.6 million from \$6,913.5 million for the same period in fiscal year 2018.

Emerson Electric Co. (NYSE:EMR) reported first quarter net income of \$465.0 million for fiscal year 2019 as compared to \$392.0 million for the prior year period. Earnings per share were \$0.74 versus \$0.61 for the prior year period. Revenues for the quarter increased to \$4,147.0 million from \$3,816.0 million for the same period in fiscal year 2018.

Entegris, Inc. (NasdaqGS:ENTG) reported net income of \$240.8 million for fiscal year 2018 as compared to \$85.1 million for the prior year. Earnings per share were \$1.69 versus \$0.59 for the prior year. Revenues for the year increased to \$1,550.5 million from \$1,342.5 million for fiscal year 2017.

FARO Technologies, Inc. (NasdaqGS:FARO) reported net income of \$4.9 million for fiscal year 2018 as compared to (\$14.5) million for the prior year. Earnings per share were \$0.29 versus (\$0.87) for the prior year. Revenues for the year increased to \$403.6 million from \$360.9 million for fiscal year 2017.

FormFactor, Inc. (NasdaqGS:FORM) reported net income of \$104.0 million for fiscal year 2018 as compared to \$40.9 million for the prior year. Earnings per share were \$1.38 versus \$0.55 for the prior year. Revenues for the year decreased to \$529.7 million from \$548.4 million for fiscal year 2017.

Hubbell Incorporated (NYSE:HUBB) reported net income of \$360.2 million for fiscal year 2018 as compared to \$243.1 million for the prior year. Earnings per share were \$6.54 versus \$4.39 for the prior year. Revenues for the year increased to \$4,481.7 million from \$3,668.8 million for fiscal year 2017.

KLA-Tencor Corporation (NasdaqGS:KLAC) announced the appointment of **Victor Peng** to its board of directors and the Compensation Committee of the Board.

Nanometrics Incorporated (NasdaqGS:NANO) reported net income of \$57.6 million for fiscal year 2018 as compared to \$30.2 million for the prior year. Earnings per share were \$2.34 versus \$1.17 for the prior year. Revenues for the year increased to \$324.5 million from \$258.6 million for fiscal year 2017.

Nova Measuring Instruments Ltd. (NasdaqGS:NVMII) reported net income of \$54.4 million for fiscal year 2018 as compared to \$46.5 million for the prior year. Earnings per share were \$1.89 versus \$1.63 for the prior year. Revenues for the year increased to \$251.1 million from \$222.0 million for fiscal year 2017.

Powell Industries, Inc. (NasdaqGS:POWL) reported first quarter net income of (\$2.7) million for fiscal year 2019 as compared to (\$5.7) million for the prior year period. Earnings per share were (\$0.23) versus (\$0.49) for the prior year period. Revenues for the quarter increased to \$109.4 million from \$90.2 million for the same period in fiscal year 2018.

Regal Beloit Corporation (NYSE:RBC) reported net income of \$231.2 million for fiscal year 2018 as compared to \$213.0 million for the prior year. Earnings per share were \$5.26 versus \$4.74 for the prior year. Revenues for the year increased to \$3,645.6 million from \$3,360.3 million for fiscal year 2017.

Rudolph Technologies, Inc. (NYSE:RTEC) reported net income of \$45.1 million for fiscal year 2018 as compared to \$32.9 million for the prior year. Earnings per share were \$1.40 versus \$1.02 for the prior year. Revenues for the year increased to \$273.8 million from \$255.1 million for fiscal year 2017.

Schneider Electric S.E. (ENXTPA:SU) reported net income of \$2,672.3 million for fiscal year 2018 as compared to \$2,581.7 million for the prior year. Earnings per share were \$4.76 versus \$4.57 for the prior year. Revenues for the year decreased to \$29,448.1 million from \$29,710.6 million for fiscal year 2017.

Terex Corporation (NYSE:TEX) reported net income of \$113.7 million for fiscal year 2018 as compared to \$128.7 million for the prior year. Earnings per share were \$1.48 versus \$1.35 for the prior year. Revenues for the year increased to \$5,125.0 million from \$4,363.4 million for fiscal year 2017.

Veeco Instruments Inc. (NasdaqGS:VECO) reported net income of (\$407.1) million for fiscal year 2018 as compared to (\$51.4) million for the prior year. Earnings per share were (\$8.63) versus (\$1.16) for the prior year. Revenues for the year increased to \$542.1 million from \$475.7 million for fiscal year 2017.

Note: All per share results are reported on a fully-diluted basis.

Selected News – Engineering & Industrial Services

AECOM (NYSE:ACM) reported first quarter net income of \$51.5 million for fiscal year 2019 as compared to \$111.3 million for the prior year period. Earnings per share were \$0.32 versus \$0.69 for the prior year period. Revenues for the quarter increased to \$5,037.5 million from \$4,910.8 million for the same period in fiscal year 2018.

Aurubis AG (XTRA:NDA) reported first quarter net income of \$3.5 million for fiscal year 2019 as compared to \$155.3 million for the prior year period. Earnings per share were \$0.08 versus \$3.45 for the prior year period. Revenues for the quarter decreased to \$2,685.8 million from \$3,120.8 million for the same period in fiscal year 2018.

Cardno Limited (CDD) reported second quarter net income of \$2.7 million for fiscal year 2019 as compared to (\$8.6) million for the prior year period. Earnings per share were \$0.01 versus (\$0.02) for the prior year period. Revenues for the quarter decreased to \$211.3 million from \$212.2 million for the same period in fiscal year 2018.

Cardno Limited (CDD) announced the appointment of Chief Digital Officer **Nicola Dorling** to its global leadership team along with the appointment of a Chief Technology Officer, **Elena Schamp**, effective February 11.

Clean Harbors, Inc. (NYSE:CLH) reported net income of \$65.6 million for fiscal year 2018 as compared to \$100.7 million for the prior year. Earnings per share were \$1.16 versus \$1.76 for the prior year. Revenues for the year increased to \$3,300.3 million from \$2,945.0 million for fiscal year 2017.

Dowa Holdings Co., Ltd. (TSE:5714) reported third quarter net income of \$16.4 million for fiscal year 2019 as compared to \$66.5 million for the prior year period. Earnings per share were \$0.28 versus \$1.12 for the prior year period. Revenues for the quarter decreased to \$1,043.9 million from \$1,059.4 million for the same period in fiscal year 2018.

Fluor Corporation (NYSE:FLR) reported net income of \$224.8 million for fiscal year 2018 as compared to \$191.4 million for the prior year. Earnings per share were \$1.59 versus \$1.36 for the prior year. Revenues for the year decreased to \$19,166.6 million from \$19,521.0 million for fiscal year 2017.

Jacobs Engineering Group Inc. (NYSE:JEC) reported first quarter net income of \$124.3 million for fiscal year 2019 as compared to \$2.2 million for the prior year period. Earnings per share were \$0.86 versus \$0.02 for the prior year period. Revenues for the quarter increased to \$3,083.8 million from \$1,784.0 million for the same period in fiscal year 2018.

KBR, Inc. (NYSE:KBR) reported net income of \$281.0 million for fiscal year 2018 as compared to \$434.0 million for the prior year. Earnings per share were \$1.99 versus \$3.06 for the prior year. Revenues for the year increased to \$4,913.0 million from \$4,171.0 million for fiscal year 2017.

Lawson Products, Inc. (NasdaqGS:LAWS) reported net income of \$6.2 million for fiscal year 2018 as compared to \$29.7 million for the prior year. Earnings per share were \$0.67 versus \$3.25 for the prior year. Revenues for the year increased to \$349.6 million from \$305.9 million for fiscal year 2017.

MRC Global Inc. (NYSE:MRC) reported net income of \$74.0 million for fiscal year 2018 as compared to \$50.0 million for the prior year. Earnings per share were \$0.54 versus \$0.27 for the prior year. Revenues for the year increased to \$4,172.0 million from \$3,646.0 million for fiscal year 2017.

Primoris Services Corporation (NasdaqGS:PRIM) reported net income of \$77.5 million for fiscal year 2018 as compared to \$72.4 million for the prior year. Earnings per share were \$1.50 versus \$1.40 for the prior year. Revenues for the year increased to \$2,939.5 million from \$2,380.0 million for fiscal year 2017.

Sims Metal Management Limited (ASX:SGM) reported second quarter net income of \$27.0 million for fiscal year 2019 as compared to \$35.7 million for the prior year period. Earnings per share were \$0.13 versus \$0.17 for the prior year period. Revenues for the quarter increased to \$1,176.8 million from \$1,164.6 million for the same period in fiscal year 2018.

Transcat, Inc. (NasdaqGM:TRNS) reported third quarter net income of \$1.6 million for fiscal year 2019 as compared to \$1.8 million for the prior year period. Earnings per share were \$0.21 versus \$0.25 for the prior year period. Revenues for the quarter increased to \$40.9 million from \$40.5 million for the same period in fiscal year 2018.

Veolia Environnement S.A. (ENXTPA:VIE) reported net income of \$503.0 million for fiscal year 2018 as compared to \$482.2 million for the prior year. Earnings per share were \$0.75 versus \$0.70 for the prior year. Revenues for the year decreased to \$29,666.9 million from \$30,168.8 million for fiscal year 2017.

Note: All per share results are reported on a fully-diluted basis.

MHH Manufacturing Universe Directory

Company	Sector
3M Company	Components & Materials
AECOM	Eng. & Ind. Services
Airbus Group SE	Aerospace & Defense
Akzo Nobel N.V.	Components & Materials
Alps Electric Co. Ltd.	Components & Materials
AMETEK, Inc.	Industrial Equipment
Amphenol Corporation	Components & Materials
Applied Materials, Inc.	Industrial Equipment
Aptiv PLC	Components & Materials
ASML Holding N.V.	Industrial Equipment
Aurubis AG	Eng. & Ind. Services
Autoliv, Inc.	Components & Materials
AVX Corp.	Components & Materials
Axcelis Technologies, Inc.	Industrial Equipment
BAE Systems plc	Aerospace & Defense
Balfour Beatty plc	Eng. & Ind. Services
BASF SE	Components & Materials
Belden Inc.	Components & Materials
Bosch Ltd	Components & Materials
Brooks Automation, Inc.	Industrial Equipment
Cardno Ltd.	Eng. & Ind. Services
Caterpillar Inc.	Industrial Equipment
Celanese Corporation	Components & Materials
Clean Harbors, Inc.	Eng. & Ind. Services
Cohu, Inc.	Industrial Equipment
Commercial Metals Company	Eng. & Ind. Services
Continental Aktiengesellschaft	Components & Materials
Corning Inc.	Components & Materials
Cummins Inc.	Industrial Equipment
Danaher Corporation	Industrial Equipment
Deere & Company	Industrial Equipment
Delphi Automotive PLC	Components & Materials
DENSO Corporation	Components & Materials
Dowa Holdings Co., Ltd.	Eng. & Ind. Services
DowDupont Inc.	Components & Materials
Eaton Corporation plc	Industrial Equipment
Embraer S.A.	Aerospace & Defense
Emerson Electric Co.	Industrial Equipment
Encore Wire Corp.	Components & Materials
Entegris, Inc.	Industrial Equipment
Evonik Industries AG	Components & Materials
FARO Technologies, Inc.	Industrial Equipment
Fastenal Company	Eng. & Ind. Services
Ferro Corporation	Components & Materials
Fluor Corporation	Eng. & Ind. Services
FormFactor, Inc.	Industrial Equipment
General Dynamics Corporation	Aerospace & Defense
HD Supply Holdings, Inc.	Eng. & Ind. Services
Honeywell International Inc.	Aerospace & Defense
Hubbell Incorporated	Industrial Equipment
Huntington Ingalls Industries, Inc.	Aerospace & Defense

Company	Sector
Hyundai Heavy Industries Co., Ltd.	Industrial Equipment
Jacobs Engineering Group Inc.	Eng. & Ind. Services
John Wood Group plc	Eng. & Ind. Services
Johnson Controls Inc.	Components & Materials
KBR, Inc.	Eng. & Ind. Services
KLA-Tencor Corporation	Industrial Equipment
L-3 Communications Holdings Inc.	Aerospace & Defense
Lam Research Corporation	Industrial Equipment
Lawson Products, Inc.	Eng. & Ind. Services
Lear Corp.	Components & Materials
Lockheed Martin Corporation	Aerospace & Defense
MKS Instruments, Inc.	Industrial Equipment
MRC Global Inc.	Eng. & Ind. Services
MSC Industrial Direct Co., Inc.	Eng. & Ind. Services
Nanometrics Incorporated	Industrial Equipment
Navistar International Corporation	Industrial Equipment
Northrop Grumman Corporation	Aerospace & Defense
Nova Measuring Instruments Ltd.	Industrial Equipment
NV5 Global, Inc.	Eng. & Ind. Services
OMRON Corporation	Components & Materials
Oshkosh Corporation	Industrial Equipment
Powell Industries, Inc.	Industrial Equipment
PPG Industries, Inc.	Components & Materials
Primoris Services Corporation	Eng. & Ind. Services
Raytheon Company	Aerospace & Defense
Regal Beloit Corporation	Industrial Equipment
Rockwell Automation Inc.	Industrial Equipment
Rockwell Automation Inc.	Industrial Equipment
Rolls Royce Holdings plc	Aerospace & Defense
Rudolph Technologies, Inc.	Industrial Equipment
Schneider Electric S.E.	Industrial Equipment
Sims Metal Management Limited	Eng. & Ind. Services
Solvay SA	Components & Materials
Stanley Electric Co. Ltd.	Components & Materials
TE Connectivity Ltd.	Components & Materials
Teradyne, Inc.	Industrial Equipment
Terex Corporation	Industrial Equipment
Tetra Tech, Inc.	Eng. & Ind. Services
Textron Inc.	Aerospace & Defense
Thales SA	Aerospace & Defense
The Boeing Company	Aerospace & Defense
Tokyo Electron Limited	Industrial Equipment
Transcat, Inc.	Eng. & Ind. Services
United Technologies Corporation	Aerospace & Defense
Veeco Instruments Inc.	Industrial Equipment
Veolia Environnement S.A.	Eng. & Ind. Services
Vishay Intertechnology Inc.	Components & Materials
W.W. Grainger, Inc.	Eng. & Ind. Services
WESCO International, Inc.	Eng. & Ind. Services
Xcerra Corporation	Industrial Equipment

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Mergers & Acquisitions

- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, management buy-outs, and industry build-ups

Raise Capital

- Equity (control and non-control)
- Mezzanine financing
- Senior and junior debt
- Typically raise capital from banks, finance companies, private investment funds, and private equity groups

Financial Advisory Services

- Analysis of business strategies and options
- Fairness opinions
- Valuations

The Mufson Howe Hunter Manufacturing Update Indices

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