



PCE Industry Report

Diversified Industrials



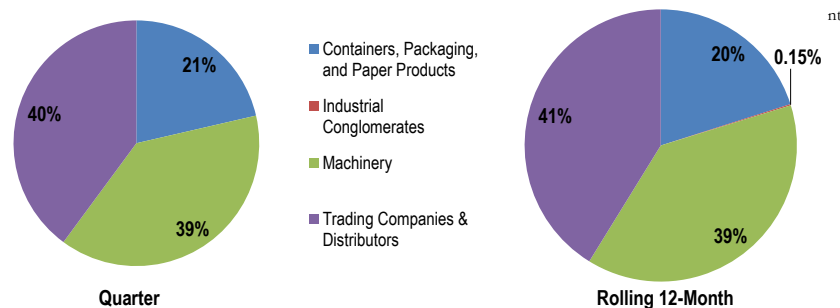
Diversified Industrials - For the Quarter Ended 03/31/15

Industry Trends During Quarter

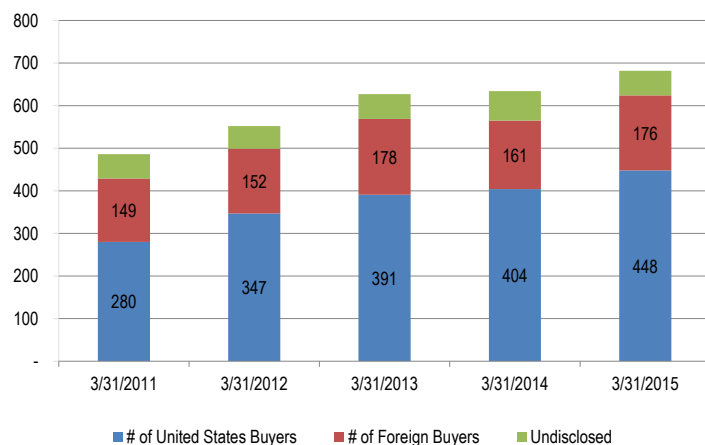
Sector	Transaction Volume	TEV/ Revenue	TEV/EBITDA
Containers, Packaging, and Paper Products	↑	→	Market Data Not Available
Industrial Conglomerates	↓	Market Data Not Available	Market Data Not Available
Machinery	↑	→	Market Data Not Available
Trading Companies & Distributors	↑	→	Market Data Not Available

* Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data

Transaction Volume as % of Industry



Rolling 12-Month Transaction Volume Trends by Buyer Origin



* Results exclude transactions that did not disclose buyer information

Source: S&P Capital IQ as of 5/7/2015 and PCE Proprietary Data

Largest Transactions Closed During Quarter by Transaction Value (\$ in millions)

Sector	Target	Buyer	Transaction Value
Machinery	High Pressure Equipment Company, Inc.	Graco Fluid Handling (C) Inc.	\$160.0
Machinery	The Eastern Company	Synalloy Corporation	\$123.2
Containers, Packaging & Paper	ITL Corp.	Northwest Hardwoods, Inc.	\$122.0
Containers, Packaging & Paper	Those Characters From Cleveland, Inc., Strawberry	Iconix Brand Group, Inc.	\$105.0
Trading Companies & Distributors	North American Breaker Co., Inc.	NXT Capital, LLC; PNC RiverArch Capital	\$78.0
Trading Companies & Distributors	Cummins Bridgeway, LLC	Cummins Inc.	\$77.0
Containers, Packaging & Paper	7,735 Acres of Non-strategic Lands in Oregon and 15,185 Precision Engine Controls Corporation	Not available	\$65.2
Machinery	Meggitt PLC	Meggitt PLC	\$44.2
Machinery	Marchi Thermal Systems, Inc.	Ultra Clean Holdings Inc.	\$43.6
Machinery	Better Way Partners, LLC	Patrick Industries Inc.	\$40.0

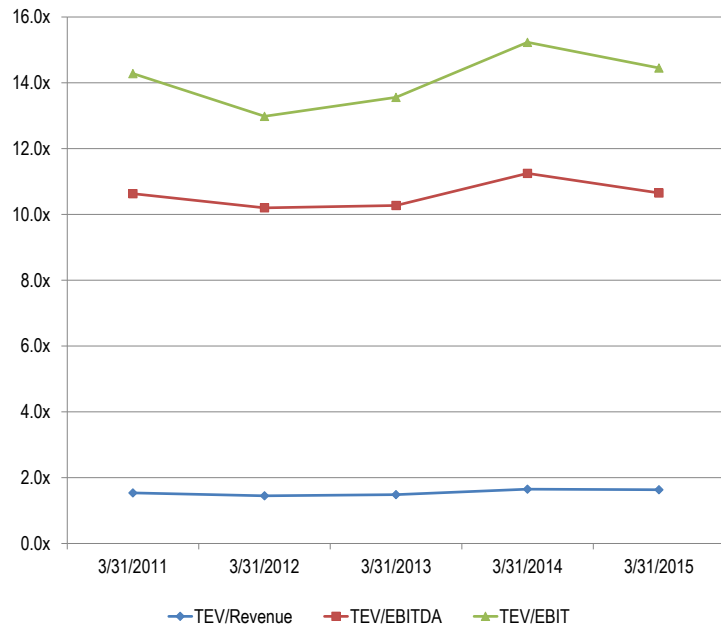
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Summary of Public Comparables as of Quarter End (\$ in millions)

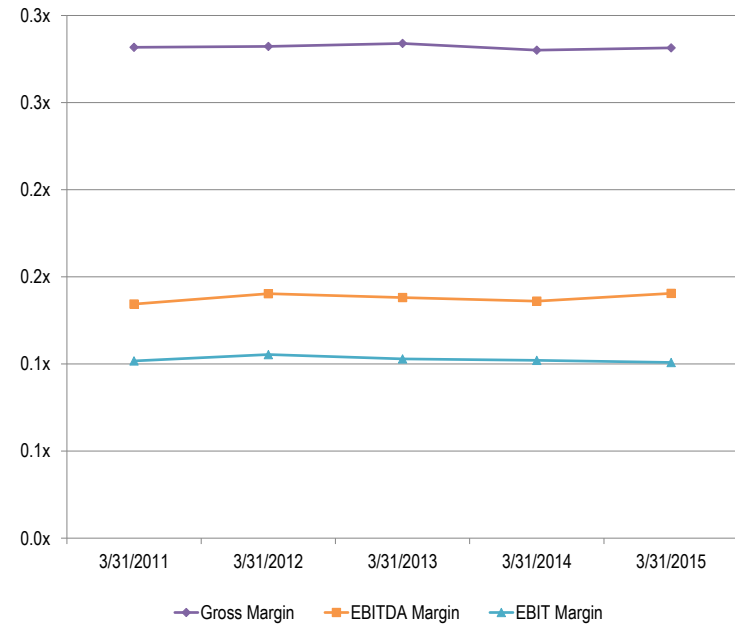
	TEV				LTM 3/31/2015 Trends	
	Market Cap	Revenue	EBITDA	EBIT		
Average	\$18,615	3.1x	13.2x	17.6x	TEV/Revenue	↓
Median	\$5,559	1.6x	10.7x	14.5x	TEV/EBITDA	↓
					TEV/EBIT	↓

	Margins			LTM 3/31/2015 Trends	
	Gross Profit	EBITDA	EBIT		
Average	30.7%	11.7%	15.8%	Gross Margin	↑
Median	28.1%	14.0%	10.1%	EBITDA Margin	↑
				EBIT Margin	↓

Valuation Trends



Margin Trends



Source: S&P Capital IQ as of 5/7/2015 and PCE Proprietary Data

Data Assumptions

At PCE, we consider transaction activity as mergers & acquisitions, consolidations, restructurings and spin-offs. Targets are defined as U.S. based companies with either foreign or U.S. based buyers. Transaction information provided is based on announced dates.



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Glossary

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation, Amortization

LTM - Last Twelve Months

TEV - Total Enterprise Value

About PCE

Eighteen years ago, PCE was formed to provide professional investment banking, business valuation and advisory services to middle market companies. We determined from our experience as business owners that there was a need that was not being professionally fulfilled.

We understand the importance of creating a relationship and the value of trust when providing our services. PCE's professionals are successful business owner, entrepreneurs, lenders, former Federal Reserve board members, CPA's, CFA's, national & international valuation experts, international analysts and investors. PCE offers senior level attention, sound advice, skilled execution and personalized attention you can trust.

Our mission is to be the premier investment bank serving middle market companies. PCE is committed to providing individualized strategies throughout your business life-cycle, focused on maximizing shareholder value.

PCE Investment Bankers, Inc. – member FINRA and SIPC; PCE Valuations, LLC; PCE Advisory, LLC