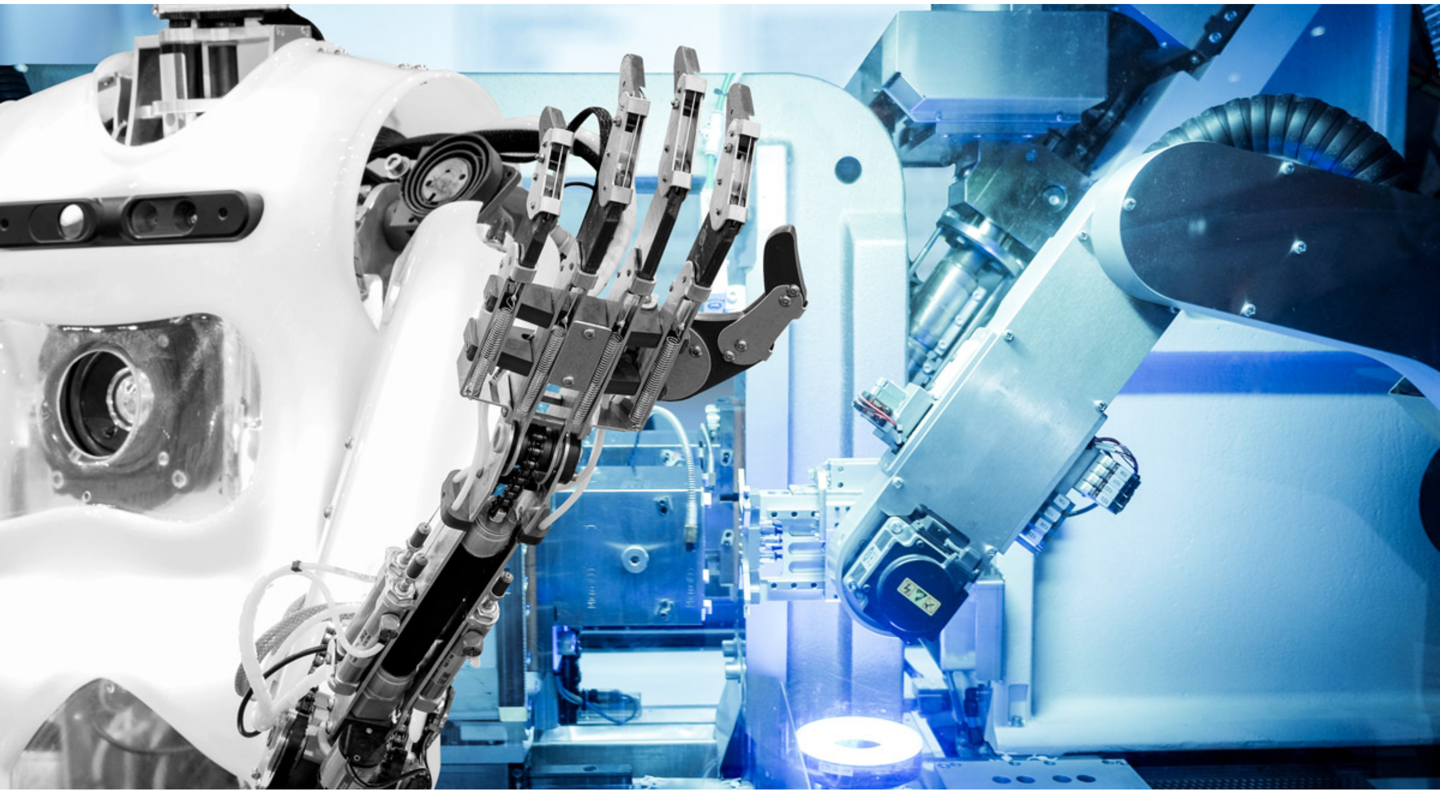
Harris Williams

INDUSTRIAL TECHNOLOGY – INDUSTRY UPDATE

Q3 2019



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Industrial Technology - Update

Introduction

Harris Williams is pleased to present our industrial technology industry update for Q3 2019. This report provides commentary and analysis on current capital market trends and dynamics within the industrial technology space.

One emerging trend in industrial technology is edge computing. As opposed to the overall trend of "cloudifying" everything, in particular cloud processing, edge computing goes the other way and puts the processing power where it is needed locally. You will find further information in our Know-How section.

In the first half of 2019, the stock markets recovered from a turbulent second half of 2018. However, the uncertainty around the overall economic environment has largely increased over the past few weeks, with several political topics proving to be quite persistent.

We hope you find this edition helpful and encourage you to contact us directly if you would like to discuss our perspective on current industry trends or our relevant industry experience.

Industry Events

Our team will attend the following trade fairs over the next few months. Please let us know if you will be at one of the conferences and would like to connect.

Coming up: Conferences H2 2019

September/Chicago, Illinois: WEFTEC, the Water Environment Federation's Technical Exhibition and Conference, is the largest annual water quality event in the world.

October/Stuttgart, Germany: Motek is the world's leading event in the fields of production and assembly automation, feed technology and material flow, streamlining through handling technology, and industrial handling.

November/Nuremberg, Germany: This year will mark the 30th anniversary of the SPS trade fair, which covers the entire spectrum of smart and digital automation – from simple sensors to intelligent solutions.

HW Deal Spotlight: ONICON

ONICON Flow and Energy Measurement

a portfolio company of

Harbour Group

has been acquired by

TASI Berwind Group

ONICON, Inc. (ONICON), is a leading provider of precision flow, level and specialty measurement solutions, supporting diverse end markets and niche applications. Through its portfolio, ONICON offers a broad range of proprietary and highly engineered solutions. The company's technology and service capabilities enable customers to measure resource usage and increase process efficiency.

Harris Williams exclusively advised ONICON, a portfolio company of the Harbour Group, on its acquisition by TASI Holdings.

Read the full press release here. Please contact any of the HW team members on the right if you would like to receive additional information on this transaction.

Key Contacts – Europe

Jeffery Perkins
+49 (0)69 36506 3813
jperkins@harriswilliams.com

Florian Ripperger
+49 (0)69 36506 3815
fripperger@harriswilliams.com

Key Contacts – USA

Giles Tucker
+1 804 887 6145
gtucker@harriswilliams.com

John Arendale
+1 804 915 0126
jarendale@harriswilliams.com

Eric Logue
+1 804 887 6015
elogue@harriswilliams.com

Jenson Dunn
+1 804 887 6073
jdunn@harriswilliams.com

Industrial Technology - Update

Increasing Usage of Smart Water Meters Worldwide

Different global trends such as water wastage, climate change, and urbanization are putting pressure on governments all over the world. Smart water meters or smart meters provide data to track water usage and identify waste and leakage. According to a new report from ABI Research, smart meters will become a more and more critical component for water conservation initiatives worldwide. The tech advisory firm further estimates that these trends will result in 400 million installed smart water meters by 2026. The APAC region was the leading region responsible for 42% of all installed smart meters worldwide, followed by Europe and North America. However, Europe is expected to grow by the fastest rate (CAGR of 33%) in the next eight years. Read more here.

Rising Threat through Cyber Risks

A new study of VDMA on "Industrial Security," based on a survey of manufacturing companies, concludes that cyberattacks are recognized as an increasing threat for small and medium enterprises (SME). The majority of SMEs (60%) expect a rising number of security incidents in the next few years. As the main damages, interviewees report financial losses (50%) and production downtimes (30%).

Despite 83% of the companies being familiar with industrial safety regulations, only 40% have currently implemented these standards. Furthermore, less than the half of participants (41%) in the survey have implemented suitable risk management systems. The number of these companies is slightly higher for larger companies with more than 1,000 employees (58%). Read more here.

Vienna and London Are the World-Leading Smart Cities

A recent publication of Roland Berger investigates smart cities worldwide and ranks them in the "Smart City Strategy Index" (SCSI). The report rates cities in 12 categories, including energy & environment, mobility, education, coordination, plan, and budget.

The results are that 153 cities worldwide have an official smart city strategy, 15 of these have plans that demonstrate a comprehensive strategic approach, and only eight cities have made advanced progress in implementing their strategy. The Austrian capital Vienna is leading the rank, followed by London (UK) and St. Albert (Canada). However, on average Asian strategies perform the best.

Read more here.

Emerging Trends in Manufacturing

A recent report published by Microsoft analyzed emerging trends in manufacturing. Those trends include:

- the increasing convergence of informational technology (IT) and operational technology (OT),
- the rise of Anything as a Service (XaaS),
- intelligent manufacturing due to evolving manufacturing technology,
- and businesses adapting to an evolving workforce.

Download the full report here.

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Industrial Technology - Update

Our Know-How section presents one trending strategic concept in the industrial technology space.

Know-How: Edge Computing

Edge computing refers to a computing infrastructure divided into multiple devices that exists close to the source(s) of data (e.g., industrial machinery). The computing devices are often used in remote locations with limited connectivity or in cases where significant amounts of data are generated and processed. In these cases, traditional cloud computing with centralized computing power at a different location is not optimal or feasible.

With the increasing importance and use of IoT-enabled devices, edge computing is becoming increasingly common and, according to a study by McKinsey, will be a market worth $215bn by 2025.

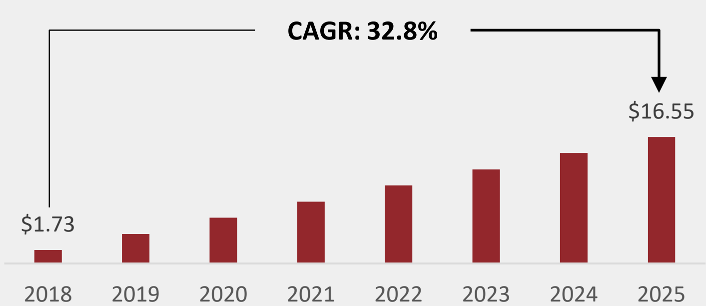
Example: Drilling and mining facilities employ thousands of sensors, some of which could potentially generate terabytes of data, in extremely remote locations. Waiting for the upload to, the computation of, and the download from a cloud-based solution to change operational parameters would not be possible.

Other strong users of edge computing are the travel, transport and logistics sectors, which currently make up 24% of total use cases. The emergence of autonomous driving will likely require edge computing as, according to estimates from Intel, autonomous cars generate four terabytes of data for every 90 minutes of driving. Analyzing this amount of data in a centralized location is not applicable in a fast-paced environment such as traffic.

Market forecast

According to a report by Allied Market Research, the edge computing market is forecast to grow to c. $ 16.6bn in 2025 - a CAGR rate of 32.8% over the forecast period from 2018 to 2025. You can find the report here. A similar report from Grand View Research forecasts a CAGR rate of 54.0% from 2016 to 2025.

Edge computing market; Source: Allied Market Research



Further Reading

What is Edge Computing? – GE Digital

Closing the gap between cloud and field – Siemens

There's Big Meaning Behind One Big Number: 4 Terabytes – Intel

Industrial Automation and Wireless IoT – Berg Insight

Edge computing with distributed cloud – Ericsson

What edge computing means for hardware companies – McKinsey

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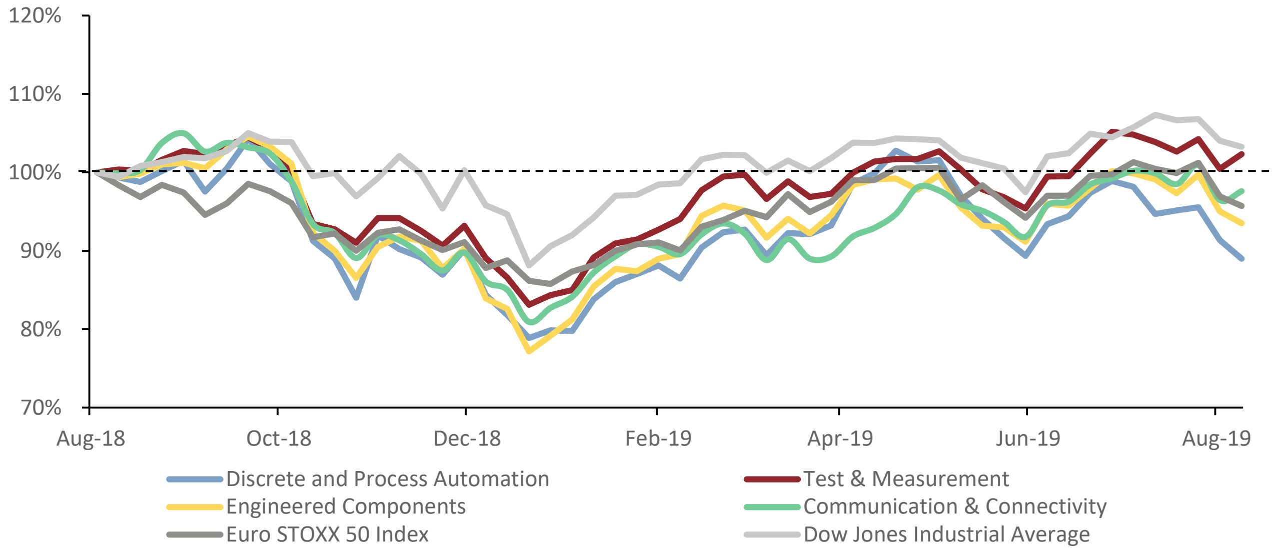
Valuation Metrics Overview

Peer group trailing average LTM share price; indexed; Source: Capital IQ (as of August 9, 2019)



Uncertainty dominates the 2019 global stock market so far

The global stock market recovered from a challenging end of 2018. Nonetheless, Fidelity believes that the "global economic momentum has peaked." The major central banks in the world have therefore changed their policy toward an easing bias, indicating that most major economies have entered a more advanced phase in the business cycle. This global growth slowdown and the escalation of the US-China trade tension are further negatively influencing the confidence of companies.

According to Schroders, the uncertain environment caused by the US' trade stance caused a mid-quarter turbulence for US shares, resulting in a market sell-off in May. This market drop was only stopped by the Fed's decision not to cut rates at its meeting in June. European shares saw a similar situation during May, but stabilized again in June. The best performing sectors in Europe were technology, industrials, and consumer discretionary, while in the US the financial, materials, and IT sector generated robust gains. The further development for 2019 remains unclear, with the US-China trade tensions ongoing, a no-deal Brexit still on the table, and an uncertain situation in Hong Kong with ongoing anti-extradition bill protests.

Source: Capital IQ (as of August 9, 2019)

Public Markets | Key Trading Statistics

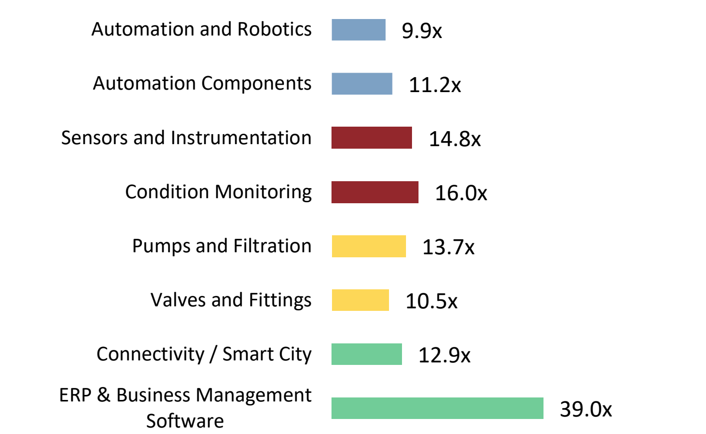
	Stock Price % Change		TEV / Revenue		TEV / EBITDA		TEV / LTM EBITDA			LTM Margins	
Sub-Sector Median	**1 Month**	**12 Month**	**LTM**	**2019**	**LTM**	**2019**	**Aug-18**	**Feb-19**	**Current**	**Gross**	**EBITDA**
Discrete and Process Automation											
Automation and Robotics	(6.6%)	(24.7%)	1.2x	1.1x	9.9x	9.2x	13.8x	12.1x	9.9x	29.1%	10.7%
Automation Components	(4.7%)	(5.2%)	2.0x	1.9x	11.2x	10.6x	12.3x	11.0x	11.2x	32.5%	17.8%
Test & Measurement											
Sensors and Instrumentation	(3.4%)	7.8%	2.9x	2.9x	14.8x	13.1x	15.5x	13.3x	15.2x	38.9%	17.1%
Condition Monitoring	10.7%	(22.5%)	1.1x	1.0x	16.0x	10.3x	19.3x	15.9x	16.0x	31.8%	8.3%
Engineered Components											
Pumps and Filtration	(4.0%)	(0.9%)	1.9x	2.2x	13.6x	13.0x	14.6x	13.2x	13.6x	33.7%	16.7%
Valves and Fittings	(4.3%)	(12.7%)	1.7x	1.8x	10.5x	10.1x	12.5x	10.8x	10.5x	34.0%	15.9%
Communication & Connectivity											
Connectivity / Smart City	(3.9%)	(3.8%)	1.7x	1.6x	12.9x	12.5x	13.6x	12.7x	12.9x	39.2%	11.9%
ERP & Business Management Software	(7.6%)	(2.1%)	4.0x	4.2x	39.0x	22.9x	19.9x	20.9x	39.0x	66.0%	12.4%

Public Markets Overview

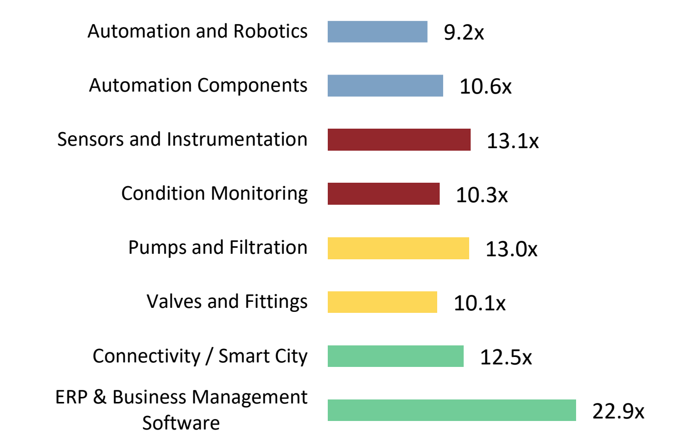
Source: Capital IQ (as of August 9, 2019)

Discrete and Process Automation | Test & Measurement | Engineered Components | Communication & Connectivity

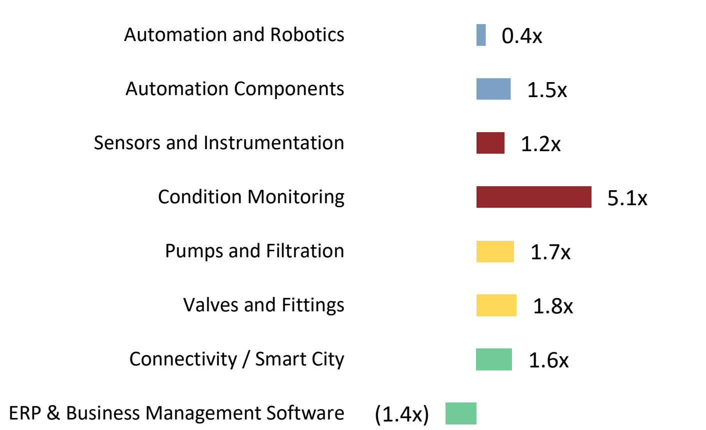
TEV / LTM EBITDA



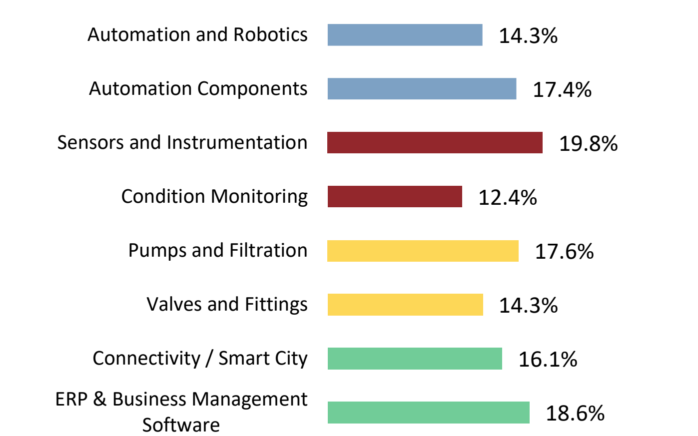
TEV / 2019E EBITDA



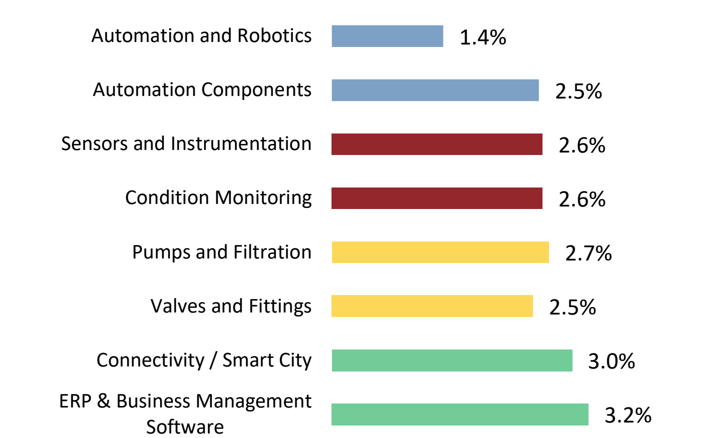
NET DEBT / LTM EBITDA



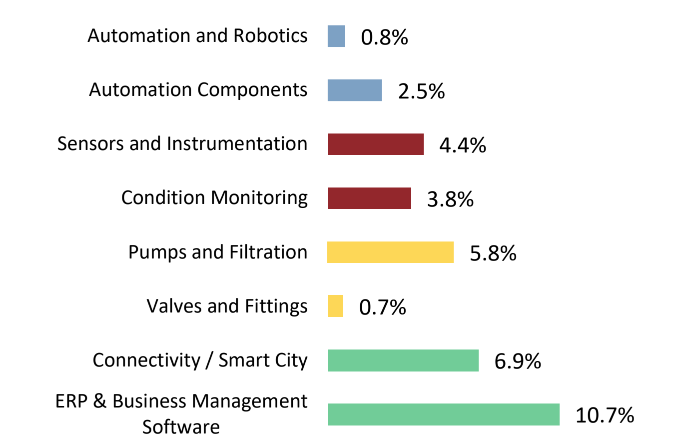
AVERAGE EBITDA MARGIN (2015 – 2017)



AVERAGE CAPEX / REVENUE (2015 – 2017)



LTM RESEARCH & DEVELOPMENT / REVENUE



Public Comparables Detail

Source: Capital IQ (as of August 9, 2019); $ in Millions, except per share amounts

Discrete and Process Automation

	LTM Margins			Stock Performance				TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High	LTM	2019
Automation and Robotics									
ATS Automation Tooling Systems Inc.	12.3%	26.2%	1,498	15.12	(7.2%)	(0.4%)	81.1%	13.0x	11.0x
Dürr Aktiengesellschaft	8.4%	21.9%	2,008	26.56	(15.2%)	(43.9%)	55.1%	5.2x	4.7x
GEA Group Aktiengesellschaft	9.1%	28.9%	4,330	25.74	(0.1%)	(34.3%)	68.1%	8.6x	8.2x
Fanuc Corporation	30.4%	40.7%	27,818	169.99	(5.9%)	(15.2%)	78.6%	16.8x	18.2x
Krones AG	6.4%	46.6%	1,895	56.14	(25.5%)	(55.1%)	46.3%	6.5x	6.6x
Metso Corporation	13.6%	29.3%	5,971	36.66	(6.0%)	0.7%	82.1%	11.3x	10.2x
Median	**10.7%**	**29.1%**			**(6.6%)**	**(24.7%)**	**73.4%**	**9.9x**	**9.2x**
Mean	**13.4%**	**32.3%**			**(10.0%)**	**(24.7%)**	**68.5%**	**10.2x**	**9.8x**
Automation Components									
ABB Ltd	11.0%	30.9%	47,146	18.04	(3.9%)	(21.8%)	74.5%	15.0x	16.6x
Altra Industrial Motion Corp.	19.8%	35.2%	3,214	25.47	(24.9%)	(38.8%)	57.8%	9.8x	8.3x
AMETEK, Inc.	27.1%	34.4%	21,702	85.33	(4.7%)	11.3%	92.4%	15.9x	15.6x
CKD Corporation	7.7%	23.2%	701	9.27	(10.0%)	(39.4%)	57.4%	9.1x	6.8x
Danaher Corporation	24.0%	55.6%	108,104	140.31	(1.6%)	38.0%	96.4%	22.3x	21.9x
Keyence Corporation	54.0%	82.2%	62,068	571.85	(4.8%)	(0.4%)	81.6%	21.3x	18.0x
Moog Inc.	12.5%	28.5%	3,494	78.26	(14.5%)	3.2%	79.4%	9.8x	9.3x
Nidec Corporation	12.7%	21.9%	40,488	130.92	(0.8%)	(10.3%)	81.5%	22.9x	17.2x
Parker-Hannifin Corporation	17.8%	25.4%	25,195	164.51	1.7%	(3.8%)	85.2%	9.9x	9.8x
Rexnord Corporation	20.3%	38.6%	4,040	27.76	(3.0%)	(5.2%)	86.5%	9.7x	8.8x
Rockwell Automation, Inc.	22.5%	43.3%	19,388	153.49	(0.1%)	(12.7%)	77.4%	12.9x	13.0x
SMC Corporation	33.0%	0.0%	18,974	355.82	(2.6%)	2.2%	80.4%	11.2x	10.6x
Schneider Electric S.E.	17.0%	39.2%	54,592	81.82	(5.6%)	2.1%	89.7%	10.6x	10.2x
Siemens Aktiengesellschaft	10.7%	29.6%	113,680	100.18	(11.4%)	(23.0%)	78.3%	11.0x	9.7x
YASKAWA Electric Corporation	12.2%	32.5%	8,343	31.20	(4.7%)	(5.4%)	75.4%	16.4x	15.1x
Median	**17.8%**	**32.5%**			**(4.7%)**	**(5.2%)**	**80.4%**	**11.2x**	**10.6x**
Mean	**20.2%**	**34.7%**			**(6.1%)**	**(7.0%)**	**79.6%**	**13.8x**	**12.7x**
Overall Median	**13.6%**	**30.9%**			**(4.8%)**	**(5.4%)**	**79.4%**	**11.2x**	**10.2x**
Overall Mean	**18.2%**	**34.0%**			**(7.2%)**	**(12.0%)**	**76.4%**	**12.8x**	**11.9x**

Public Comparables Detail

Source: Capital IQ (as of August 9, 2019); $ in Millions, except per share amounts

Test & Measurement

	LTM Margins			Stock Performance				TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High	LTM	2019
Sensors and Instrumentation									
AMETEK, Inc.	27.1%	34.4%	21,702	85.33	(4.7%)	11.3%	92.4%	15.9x	15.6x
Badger Meter, Inc.	17.1%	38.9%	1,568	54.20	(5.8%)	4.1%	88.0%	21.7x	18.1x
Danaher Corporation	24.0%	55.6%	108,104	140.31	(1.6%)	38.0%	96.4%	22.3x	21.9x
ESCO Technologies Inc.	19.2%	37.3%	2,170	76.61	(6.4%)	15.9%	89.2%	14.0x	13.1x
Società Iniziative Autostradali e Servizi S.p.A.	48.1%	56.4%	6,104	18.26	(4.3%)	10.8%	92.9%	7.3x	7.1x
FLIR Systems, Inc.	22.8%	50.9%	7,164	48.58	(9.7%)	(18.5%)	76.0%	17.3x	15.3x
Honeywell International Inc.	22.5%	32.1%	128,736	166.67	(4.5%)	8.3%	93.4%	14.8x	14.2x
Itron, Inc.	11.7%	30.9%	3,683	67.97	10.6%	7.8%	98.4%	13.0x	13.8x
Jenoptik AG	14.6%	35.5%	1,694	28.04	(3.4%)	(29.8%)	67.9%	12.2x	11.5x
Meggitt PLC	16.1%	35.8%	7,056	7.36	11.5%	4.1%	98.9%	15.6x	11.5x
MTS Systems Corporation	13.9%	38.1%	1,566	60.86	8.5%	16.8%	96.1%	13.0x	11.3x
National Instruments Corporation	16.6%	75.2%	5,386	43.76	1.6%	(1.8%)	85.8%	24.0x	22.5x
Oxford Instruments plc	16.1%	53.1%	914	15.71	(5.6%)	23.5%	88.6%	13.0x	12.2x
Sensata Technologies Holding plc	25.5%	35.6%	9,962	45.74	(2.2%)	(17.6%)	81.6%	11.2x	10.8x
Spectris plc	10.7%	56.0%	3,680	28.09	(13.3%)	(11.3%)	79.3%	16.6x	9.8x
Teledyne Technologies Incorporated	19.3%	39.1%	11,981	296.58	9.1%	27.8%	96.8%	20.7x	20.2x
Yokogawa Electric Corporation	13.1%	43.3%	4,639	18.96	(3.1%)	0.8%	79.2%	9.4x	8.4x
Median	**17.1%**	**38.9%**			**(3.4%)**	**7.8%**	**89.2%**	**14.8x**	**13.1x**
Mean	**19.9%**	**44.0%**			**(1.4%)**	**5.3%**	**88.3%**	**15.4x**	**14.0x**
Condition Monitoring									
Hexagon AB (publ)	27.9%	62.2%	19,667	47.00	(4.2%)	(21.0%)	81.4%	16.0x	13.5x
Mistras Group, Inc.	8.3%	31.8%	791	16.40	10.7%	(27.5%)	70.9%	12.9x	9.2x
Team, Inc.	1.8%	26.6%	955	17.60	19.7%	(22.5%)	68.9%	45.6x	10.3x
Median	**8.3%**	**31.8%**			**10.7%**	**(22.5%)**	**70.9%**	**16.0x**	**10.3x**
Mean	**12.6%**	**40.2%**			**8.7%**	**(23.7%)**	**73.7%**	**24.8x**	**11.0x**
Overall Median	**16.8%**	**38.5%**			**(3.3%)**	**4.1%**	**88.3%**	**15.2x**	**12.7x**
Overall Mean	**18.8%**	**43.4%**			**0.1%**	**1.0%**	**86.1%**	**16.8x**	**13.5x**

Public Comparables Detail

Source: Capital IQ (as of August 9, 2019); $ in Millions, except per share amounts

Engineered Components

	LTM Margins			Stock Performance				TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High	LTM	2019
Pumps and Filtration									
Colfax Corporation	13.4%	33.5%	7,362	26.01	(0.6%)	(21.3%)	70.2%	13.2x	12.6x
Donaldson Company, Inc.	16.7%	33.7%	6,789	48.76	1.5%	2.9%	82.0%	14.3x	13.6x
ESCO Technologies Inc.	19.2%	37.3%	2,170	76.61	(6.4%)	15.9%	89.2%	14.0x	13.1x
Essent Group Ltd.	78.3%	89.3%	4,847	47.12	(3.4%)	16.5%	93.3%	7.8x	NA
Flowserve Corporation	13.1%	33.3%	6,820	43.80	(14.8%)	(10.4%)	77.0%	13.6x	12.1x
Franklin Electric Co., Inc.	12.5%	32.7%	2,329	45.50	0.8%	(7.0%)	81.8%	14.3x	13.6x
Graco Inc.	28.3%	52.7%	8,097	46.48	(6.6%)	(0.9%)	86.2%	17.3x	16.9x
IDEX Corporation	26.9%	45.2%	12,770	162.03	(4.1%)	6.8%	93.2%	19.0x	18.5x
Intermolecular, Inc.	-32.7%	72.4%	48	1.18	0.9%	0.0%	83.1%	nmf	43.6x
ITT Inc.	17.5%	32.0%	4,740	56.81	(10.8%)	(6.2%)	84.9%	9.8x	9.0x
Pentair plc	18.4%	35.2%	7,414	36.85	0.1%	(15.6%)	80.1%	13.7x	12.9x
SPX FLOW, Inc.	12.5%	31.6%	2,254	38.61	0.9%	(17.2%)	71.3%	8.7x	12.5x
Sunoco LP	3.7%	6.9%	6,041	30.63	(5.3%)	11.5%	89.9%	9.8x	9.6x
Trelleborg AB (publ)	16.6%	32.0%	5,158	13.24	(4.0%)	(36.1%)	65.8%	8.2x	7.7x
Xylem Inc.	17.8%	39.0%	16,236	76.82	(4.4%)	0.2%	90.0%	17.3x	15.3x
Median	**16.7%**	**33.7%**			**(4.0%)**	**(0.9%)**	**83.1%**	**13.7x**	**13.0x**
Mean	**17.5%**	**40.4%**			**(3.8%)**	**(4.1%)**	**82.5%**	**12.9x**	**15.1x**
Valves and Fittings									
Aalberts NV	15.5%	62.8%	5,347	38.91	1.0%	(12.3%)	90.8%	10.8x	10.1x
CIRCOR International, Inc.	11.1%	30.0%	1,425	36.85	(18.9%)	(16.6%)	75.7%	11.2x	11.3x
Crane Co.	17.6%	36.1%	5,463	77.93	(4.4%)	(13.2%)	77.8%	9.2x	8.5x
Curtiss-Wright Corporation	20.5%	36.2%	5,870	120.69	(4.2%)	(8.3%)	85.4%	11.6x	11.5x
Indutrade AB (publ)	14.6%	34.2%	4,067	28.33	(11.3%)	6.7%	86.7%	14.7x	14.1x
Mueller Industries, Inc.	8.6%	14.9%	1,961	26.86	(5.2%)	(16.0%)	78.4%	9.2x	NA
Mueller Water Products, Inc.	19.7%	33.7%	1,890	10.00	5.4%	(14.2%)	82.2%	10.0x	9.0x
Parker-Hannifin Corporation	17.8%	25.4%	25,195	164.51	1.7%	(3.8%)	85.2%	9.9x	9.8x
Watts Water Technologies, Inc.	15.5%	42.2%	3,386	93.58	2.4%	11.3%	98.6%	13.8x	13.4x
The Weir Group PLC	16.4%	33.0%	5,800	16.25	(13.2%)	(34.9%)	68.9%	10.3x	10.1x
Median	**15.9%**	**34.0%**			**(4.3%)**	**(12.7%)**	**83.7%**	**10.5x**	**10.1x**
Mean	**15.7%**	**34.9%**			**(4.7%)**	**(10.1%)**	**83.0%**	**11.1x**	**10.8x**
Overall Median	**16.6%**	**33.7%**			**(4.1%)**	**(7.0%)**	**83.1%**	**11.4x**	**12.5x**
Overall Mean	**16.8%**	**38.2%**			**(4.1%)**	**(6.5%)**	**82.7%**	**12.2x**	**13.4x**

Public Comparables Detail

Source: Capital IQ (as of August 9, 2019); $ in Millions, except per share amounts

Communication & Connectivity

	LTM Margins				Stock Performance			TEV / EBITDA	
	EBITDA	Gross	TEV	Current Price	1-Month Change	1-Year Change	% of LTM High	LTM	2019
Connectivity / Smart City									
ABB Ltd	11.0%	30.9%	47,146	18.04	(3.9%)	(21.8%)	74.5%	15.0x	16.6x
Cisco Systems, Inc.	30.2%	62.3%	213,505	52.43	(8.2%)	19.8%	90.0%	13.8x	11.3x
Cubic Corporation	7.3%	29.4%	2,658	70.81	5.1%	(0.5%)	91.7%	26.0x	16.9x
FLIR Systems, Inc.	22.8%	50.9%	7,164	48.58	(9.7%)	(18.5%)	76.0%	17.3x	15.3x
Fortive Corporation	20.8%	50.5%	29,218	70.50	(11.2%)	(12.1%)	78.8%	20.7x	17.3x
init innovation in traffic systems SE	13.2%	35.1%	252	22.43	32.9%	7.7%	99.5%	10.9x	13.4x
Itron, Inc.	11.7%	30.9%	3,683	67.97	10.6%	7.8%	98.4%	13.0x	13.8x
Kapsch TrafficCom AG	8.7%	58.1%	551	35.78	(0.3%)	(20.0%)	81.4%	7.6x	7.3x
Kyosan Electric Manufacturing Co., Ltd.	6.9%	21.9%	341	3.34	(3.5%)	(40.3%)	53.3%	7.9x	6.4x
QUALCOMM Incorporated	43.7%	64.8%	89,128	71.50	(3.8%)	9.9%	79.1%	8.0x	15.3x
SAP SE	25.0%	69.2%	138,262	119.30	(13.2%)	2.7%	85.1%	18.5x	12.5x
Schneider Electric S.E.	17.0%	39.2%	54,592	81.82	(5.6%)	2.1%	89.7%	10.6x	10.2x
Siemens Aktiengesellschaft	10.7%	29.6%	113,680	100.18	(11.4%)	(23.0%)	78.3%	11.0x	9.7x
Thales S.A.	11.9%	25.8%	20,526	112.01	(3.9%)	(15.8%)	80.2%	9.5x	7.6x
TKH Group N.V.	11.9%	45.4%	2,862	59.00	(2.2%)	(3.8%)	92.9%	12.9x	11.0x
Median	**11.9%**	**39.2%**			**(3.9%)**	**(3.8%)**	**81.4%**	**12.9x**	**12.5x**
Mean	**16.9%**	**42.9%**			**(1.9%)**	**(7.1%)**	**83.2%**	**13.5x**	**12.3x**
ERP & Business Management Software									
American Software, Inc.	7.7%	52.2%	347	13.49	3.2%	(15.1%)	71.2%	41.5x	23.9x
Capital Senior Living Corporation	12.2%	32.1%	1,365	4.40	(14.1%)	(42.8%)	42.6%	24.6x	17.4x
Dassault Systèmes SE	25.7%	84.9%	35,844	145.65	(7.3%)	(2.6%)	88.2%	32.6x	22.8x
Dillistone Group Plc	1.2%	87.9%	7	0.37	(7.8%)	(47.5%)	46.2%	49.8x	4.1x
Manhattan Associates, Inc.	22.8%	55.4%	5,398	85.11	21.0%	67.0%	95.1%	40.2x	40.1x
QAD Inc.	2.9%	53.3%	667	39.19	(7.4%)	(24.6%)	63.4%	70.6x	41.3x
The Sage Group plc	27.5%	92.8%	9,795	8.54	(15.8%)	(1.4%)	85.6%	14.4x	16.2x
salesforce.com, inc.	12.6%	74.3%	127,098	143.37	(8.3%)	(1.7%)	85.6%	72.2x	29.5x
SAP SE	25.0%	69.2%	138,262	119.30	(13.2%)	2.7%	85.1%	18.5x	12.5x
TOTVS S.A.	10.5%	62.8%	2,502	14.29	9.9%	94.0%	99.9%	37.8x	23.0x
Median	**12.4%**	**66.0%**			**(7.6%)**	**(2.1%)**	**85.3%**	**39.0x**	**22.9x**
Mean	**14.8%**	**66.5%**			**(4.0%)**	**2.8%**	**76.3%**	**40.2x**	**23.1x**
Overall Median	**12.2%**	**52.2%**			**(5.6%)**	**(2.6%)**	**85.1%**	**17.3x**	**15.3x**
Overall Mean	**16.0%**	**52.4%**			**(2.7%)**	**(3.1%)**	**80.5%**	**24.2x**	**16.6x**

Our Sector Practice & Selected Experience

Discrete and Process Automation

WULFTEC®
a subsidiary of
M. J. MAILLIS GROUP
a portfolio company of
H.I.G. EUROPE
has been acquired by
DURAVANT

GROHMANN ENGINEERING
a company owned by
Founder
&
Deutsche Beteiligungs AG
has been acquired by
TESLA

JR AUTOMATION TECHNOLOGIES
a portfolio company of
HUIZENGA GROUP
has been acquired by
Crestview

Test & Measurement

EAG LABORATORIES
a portfolio company of
ODYSSEY INVESTMENT PARTNERS, LLC
has been acquired by
eurofins

Dynisco
ALPHA
Vatran
a portfolio company of
Audax Group
has been acquired by
ROPER

INSTRON®
a portfolio company of
KCP Kirtland Capital Partners
has been acquired by
ITW

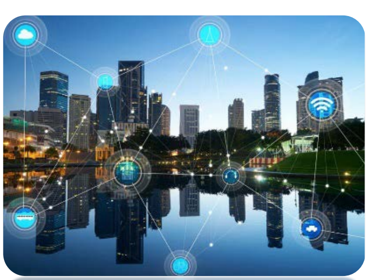
Engineered Components

POTTER The Symbol of Protection
has been acquired by
GRYPHON INVESTORS

DORNER Transforming Conveyor Automation
a portfolio company of
INCLINE EQUITY PARTNERS
has been acquired by
EQT

FINDERGROUP
a portfolio company of
FA CAPITAL
has been acquired by
DOVER

Communication & Connectivity



IQMS Manufacturing Software
a portfolio company of
TCV
BANNEKER PARTNERS
has been acquired by
DASSAULT SYSTEMES

Trafficware Engineered by Naztec
a portfolio company of
KRG CAPITAL PARTNERS
has been acquired by
CUBIC

access
has received a majority investment from
Hg

Our Firm

Harris Williams & Co. has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com/industries.

Aerospace, Defense & Government Services

Building Products & Materials

Business Services

Consumer

Energy, Power & Infrastructure

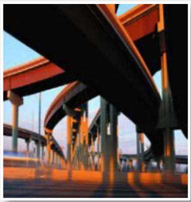
Healthcare & Life Sciences

Industrials

Specialty Distribution

Technology, Media & Telecom

Transportation & Logistics



Our Offices

2018 Private Equity Investment Banking FIRM OF THE YEAR — Harris Williams — GLOBAL M&A NETWORK

INVESTMENT BANKING FIRM OF THE YEAR 2018 — NAMED BY THE M&A ADVISOR

Boston
One International Place
Suite 2620
Boston, Massachusetts 02110
+1 617-482-7501

Cleveland
1900 East 9th Street
20th Floor
Cleveland, Ohio 44114
+1 216-689-2400

Frankfurt
Bockenheimer Landstrasse 33-35
60325 Frankfurt am Main
Germany
+49 (0)69 36506 3800

London
63 Brook Street
London W1K 4HS
United Kingdom
+44 20 7518 8900

Minneapolis
222 South 9th Street
Suite 3350
Minneapolis, Minnesota 55402
+1 612-359-2700

Richmond (HQ)
1001 Haxall Point
9th Floor
Richmond, Virginia 23219
1 804-648-0072

San Francisco
575 Market Street
31st Floor
San Francisco, California 94105
+1 415-288-4260

Washington, D.C.
00 17th St. NW
2nd Floor
Washington, D.C. 20006
+1 202-207-2300

Disclosures: