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SUMMARY

HW&CO. SPOTLIGHT



Harris Williams & Co. announces the sale of Dorner Manufacturing Corporation (Dorner), a portfolio company of Incline Equity Partners (Incline), to the EQT Mid Market U.S. fund. Dorner engages in the design, manufacturing and integration of precision unit conveyor solutions for process automation applications.

[Read More](#)



Harris Williams & Co. recently released a whitepaper on the Automation Market, providing an overview of the continuing market developments that are increasing utilization of automation technology across applications and industries.

[Read More](#)

M&A | SELECT RECENT ACTIVITY^{1,2,3}

AMETEK, Inc. and MOCON, Inc. announced that they have entered into a definitive merger agreement under which AMETEK will acquire all of the outstanding shares of common stock of MOCON at a price of \$30 per share in cash, which represents a premium of 39% to MOCON's closing share price on April 13, 2017.

[Source](#)

French waste and water group Suez has boosted its industrial water treatment business with the €3.2 billion (\$3.4 billion) acquisition of GE Water from General Electric. The deal will give Suez access to most major industries globally and will make it a supplier to blue-chip companies such as Exxon-Mobil, Total, Shell, BASF, Nestle, Cargill, Intel, Samsung and Pfizer.

[Source](#)

Exova, the British materials testing company, has accepted a £620 million cash offer from Element Materials Technology Group. The transaction will increase Element's global reach across North America, Europe and Asia, and develop even deeper technical expertise, enabling Element to better serve clients and drive enhanced growth.

[Source](#)

PUBLIC MARKETS | KEY TRADING STATISTICS⁴

As of April 25, 2017

Sub-Sector Median	Stock Price % Change		TEV / EBITDA		TEV / LTM EBITDA		LTM Margins	
	1 Month	12 Month	LTM	NTM	Apr-16	Oct-16	Gross	EBITDA
Test and Measurement								
Sensors and Instrumentation	5.5%	13.0%	14.9x	13.0x	12.9x	11.9x	37.4%	17.3%
Condition Monitoring	10.0%	(6.4%)	16.2x	9.7x	14.9x	16.5x	27.5%	11.2%
Flow Control								
Pumps and Filtration	6.7%	24.3%	14.8x	13.4x	12.4x	12.5x	33.7%	15.7%
Valves and Fittings	6.0%	22.7%	12.7x	11.6x	10.8x	11.4x	31.8%	13.9%
Process / Motion Control								
Motion and Drives	4.5%	22.2%	12.4x	11.3x	11.6x	12.0x	32.4%	16.7%
Automation and Robotics	5.5%	18.5%	15.4x	13.1x	12.2x	12.2x	28.5%	11.1%
Test Services								
Testing, Inspection, and Certification	6.1%	7.7%	13.2x	12.3x	11.2x	11.6x	26.7%	17.8%
Engineering and Consulting	6.1%	8.4%	9.5x	10.2x	9.2x	9.9x	14.8%	7.7%

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WHAT WE'RE READING

INDUSTRIAL IOT ALL SET TO TURBOCHARGE LEAN MANUFACTURING⁵

ReadWrite

Within the context of building IoT-based manufacturing solutions, IoT opens up all kinds of possibilities, such as the ability to monitor the performance of products after they have been purchased to ensure adequate maintenance and customer satisfaction, optimizing supply chain logistics and streamlining the distribution chain. Information about product usage can be fed back to companies so that they can analyze the data to make improvements in design and production. With this constant exchange of data, combined with the new automation technologies that are emerging and advancement in data analytics, manufacturers can achieve the dream of the truly "smart factory."

Read more [here](#).

AUTONOMOUS INSTRUMENTS: BEYOND SMART CONTROLS⁶

Automation World

Moving beyond smart instrumentation, autonomous instruments are the next big thing on the horizon. Control vendors are already working to make equipment not only intelligent, but actually autonomous, self-monitoring and auto-diagnosing—ready, willing and able to take steps to fix problems as they arise. The idea is to take humans out of the decision-making process as much as possible, saving (theoretically) vast amounts of time and money. In this future state, everyone from operators on the shop floor up to executives on the top floor will know everything is running properly because the instruments will take care of themselves.

Read the full article [here](#).

THINKING THROUGH HOW AUTOMATION WILL AFFECT YOUR WORKFORCE⁷

Harvard Business Review

Today, executives have to cut through a lot of hype around automation. Leaders need a clear-eyed way to think about how these technologies will specifically affect their organizations. The right question isn't which jobs are going to be replaced, but rather, what work will be redefined, and how? Based on our work with a number of organizations grappling with these issues, we've found that the following four-step approach can help: i) start with the work, not the "job" or technology, ii) understand the different work automation opportunities, iii) manage the decoupling of work from the organization, and iv) re-envision the organization.

Read more [here](#).

THE FUTURE LIES IN AUTOMATION⁸

The Economist

China's supply of cheap labor is running out, which is pushing up wages steeply. China's low birth rate, exacerbated by its one-child policy (now revoked), has meant that the working-age population has already peaked and is set to shrink significantly in the next few decades. The mass migration of poor rural dwellers from interior provinces to the PRD is slowing, and without that influx of labor, growth targets will be harder to hit. As a consequence, China urgently needs to beef up its productivity. Over the two decades to 2016, labor productivity has risen by an average of 8.5% a year, but in the past three years this growth has slowed to less than 7% a year, and the absolute level remains low, at only 15-30% of that in OECD countries. Yet automation should be market-driven, not subsidy-induced, and there are signs of a bubble. Thanks to the official push for "indigenous innovation", Chinese automation firms are often subsidized even if their technology is not up to scratch.

Read the full article [here](#).

M&A TRANSACTIONS

RECENT M&A TRANSACTIONS⁴

Date	Target	Vertical	Business Description	Acquirer
Pending	Exova Group plc	Test Service	Provides testing, calibration, and advisory services	Element Materials Technology
Pending	AmeriWater LLC	Flow Control	Designs and manufactures water treatment equipment and services	Empire Investment Holdings LLC
Pending	Eurodrip SA	Flow Control	Provider of dripline and drip irrigation components	Rivulis Irrigation Ltd.
Pending	JC Flow Controls Pte Ltd.	Flow Control	Distributes valve products	JC Fábrica de Válvulas SA
Pending	Pfeiffer Vacuum Technology AG	Flow Control	Develops, manufactures, and markets components and systems for vacuum generation, measurement, and analysis	Busch-Holding GmbH
4/17/2017	MOCON, Inc.	Test & Measurement	Manufactures and designs measurement and analytical instruments	AMETEK, Inc.
4/10/2017	2M Co., Inc.	Flow Control	Manufactures pumps, sprinklers, and pipes	Franklin Electric Co., Inc.
4/10/2017	Drillers Service, Inc.	Flow Control	Designs, manufactures and distributes water and fuel pumping systems	Franklin Electric Co., Inc.
4/10/2017	Fusion Group Ltd.	Flow Control	Manufactures gas valves	AVK Holding A/S
4/4/2017	Bernecker + Rainer Industrie-Elektronik GmbH	Process Automation	Provides solutions for machine and process automation, motion control, HMI and integrated safety technology	ABB Ltd.
4/3/2017	ATIS SA	Process Automation	Manufactures automated machines for the assembling industry	VINCI Energies SA
4/3/2017	Emilab s.r.l.	Test Service	Provides electrical and electronics testing services	Applus Services SA
3/29/2017	Alyan Pump LLC	Flow Control	Provides pump system manufacturing and installation services	PumpMan, Inc.
3/29/2017	Pfeiffer Vacuum Technology AG	Flow Control	Develops, manufactures and markets components and systems for vacuum generation, measurement and analysis	Busch-Holding GmbH; Pangea GmbH
3/21/2017	Cobots Guide	Process Automation	Provides robotic technology researching services	Productive Robotics, Inc.
3/15/2017	Dorner Holding Corp.	Process Automation	Engages in the design, manufacturing, and integration of precision unit conveyor solutions for process automation applications	EQT Mid Market US
3/10/2017	Synertec Pty Ltd.	Test Service	Provides engineering consulting services	SML Corp.
3/9/2017	Toho Industrial Co., Ltd.	Process Automation	Manufactures and distributes robotic industrial machines	Yamazen Corp.
3/7/2017	Ardox Corp.	Flow Control	Manufactures and supplies water pumps	Wilo USA LLC

M&A TRANSACTIONS

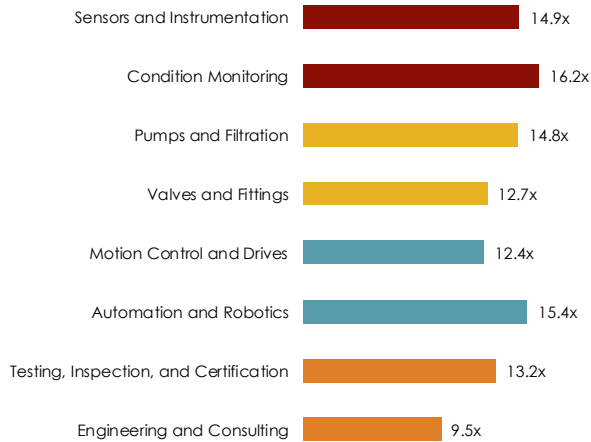
RECENT M&A TRANSACTIONS (CONTINUED)⁴

Date	Target	Vertical	Business Description	Acquirer
3/1/2017	Facility KK	Test & Measurement	Manufactures and distributes factory automation and inspection equipment for printed circuit boards and solar panel use	Tazmo Co., Ltd.
3/1/2017	H. Müller Fabrique de Moules SA	Process Automation	Manufactures industrial machinery and robots for the food packaging industry	CGS Management AG
2/27/2017	Persimmon Technologies Corp.	Communication & Connectivity	Provides vacuum robotics and hybrid-field motor technology	Sumitomo Heavy Industries, Ltd.
2/16/2017	F J Holdings Ltd. / (5) Subs/	Flow Control	Manufactures process and flow control, and sewage treatment equipment	Leumi ABL Ltd.; Alycidon Capital Ltd.; Intrinsic Equity Ltd.
2/15/2017	ATC, Inc.	Test & Measurement	Offers test & measurement products	Pfeiffer Vacuum Technology AG
2/13/2017	Zhuhai Zhonghui Microelectronics Co., Ltd.	Communication & Connectivity	Manufactures integrated circuits and intelligent communication equipment	Hunan Weiming Technology Co. Ltd.; Hunan Wasion
2/12/2017	Safegard Systems Ltd.	Process Automation	Provides damper control solutions	Swegon Group AB
2/10/2017	Finesse Solutions, Inc.	Test & Measurement	Provides analytical measurement and control system tools for life sciences applications	Thermo Fisher Scientific, Inc.
2/10/2017	NUB3D SL	Communication & Connectivity	Provides three-dimensional optical measurement solutions	ABB Ltd.
2/9/2017	G.E.T. Water Solutions Pvt Ltd.	Flow Control	Provides water management solutions	Aspirify Energy Pvt Ltd.
2/9/2017	Servotronix Ltd.	Process Automation	Motor drive and control designer	Midea Group Co. Ltd.
2/7/2017	Rauland-Borg Corp.	Communication & Connectivity	Designs and manufactures enterprise telecommunications equipment	AMETEK, Inc.
2/7/2017	Tsubaki Yamakyu Chain Co.	Process Automation	Designs, manufactures and sells chains, automated equipment and machine products	Tsubakimoto Chain Co.
2/6/2017	EONS Global Holdings Pte Ltd.	Flow Control	Operates water purification and sewage plants	Macherie Jewellery (S) Pte Ltd.
2/1/2017	Helac Corp.	Process Automation	Designs and manufactures helical rotary actuators	Parker-Hannifin Corp.
1/31/2017	KSB AMRI, Inc.	Process Automation	Manufactures butterfly valves, actuators and accessories	Bray International, Inc.
1/31/2017	m+p international Mess- und Rechnertechnik GmbH	Test & Measurement	Provides test and measurement solutions for vibration control, noise and vibration analysis, as well as general data acquisition	INDUS Holding AG
1/25/2017	Power Distribution, Inc.	Communication & Connectivity	Designs, manufactures, and services mission critical power distribution, static switching, and power monitoring equipment	Dunes Point Capital
1/3/2017	Grohmann Engineering	Process Automation	Designs, engineers, and manufactures automation solutions for various industries	Tesla Motors, Inc.

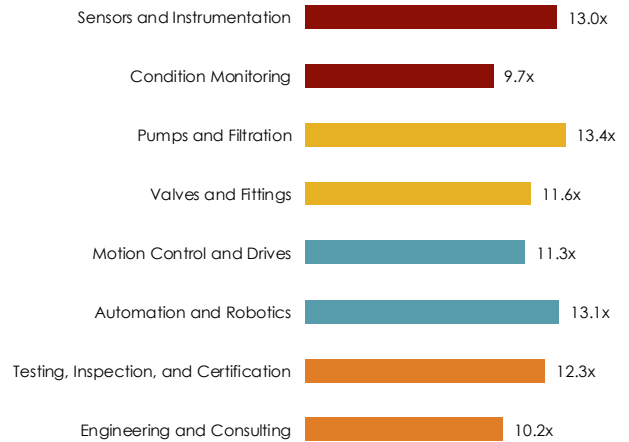
PUBLIC MARKETS OVERVIEW

■ Test and Measurement ■ Flow Control ■ Process / Motion Control ■ Test Services

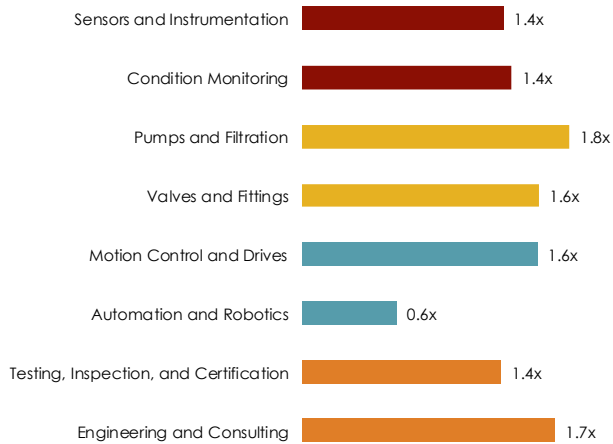
TEV / LTM EBITDA⁴



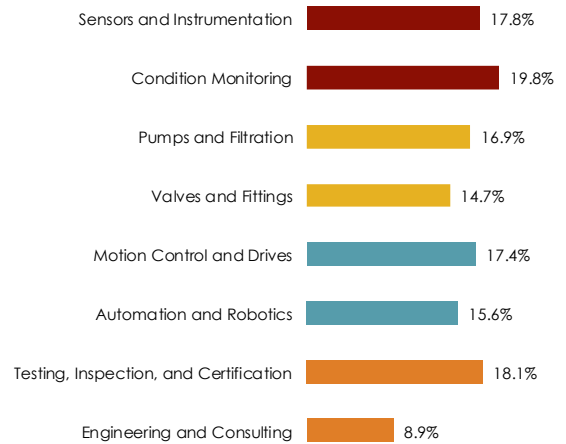
TEV / NTM EBITDA⁴



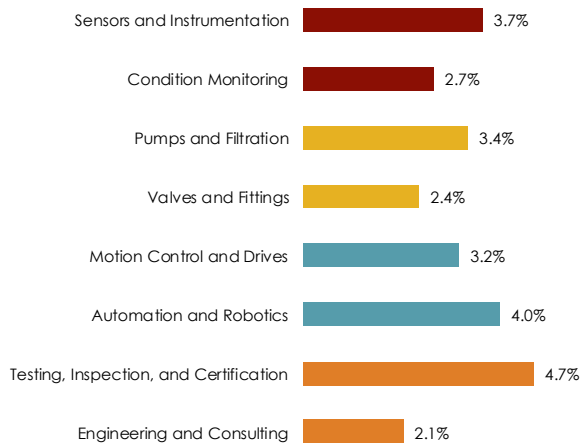
NET DEBT / LTM EBITDA⁴



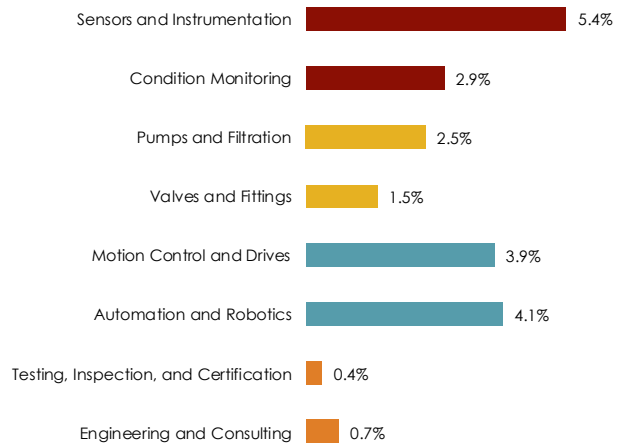
AVERAGE EBITDA MARGIN (2014 – 2016)⁴



AVERAGE CAPEX / REVENUE (2014 – 2016)⁴



RESEARCH & DEVELOPMENT / LTM REVENUE⁴



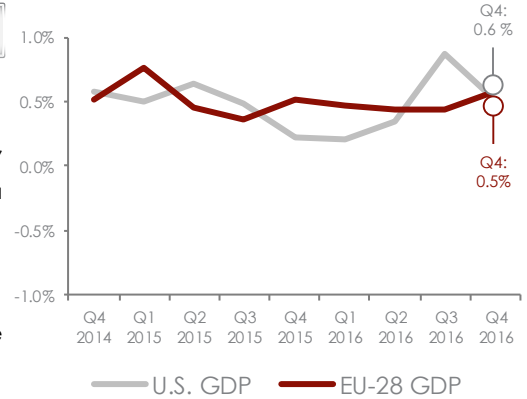
ECONOMIC UPDATE

GROSS DOMESTIC PRODUCT⁴

Billions of 2009 dollars

- U.S.**
- Real GDP increased by an annual rate of 0.5% in the fourth quarter of 2016, and has increased 2.1% YoY
 - Current dollar GDP increased 1.0%, or \$225 billion in the fourth quarter to a level of \$18.9 trillion

- EU-28**
- EU-28 GDP grew by 0.6% in the fourth quarter of 2016, and is up 1.9% YoY
 - Consumer confidence registered comparatively negligible gains while services confidence was virtually unchanged

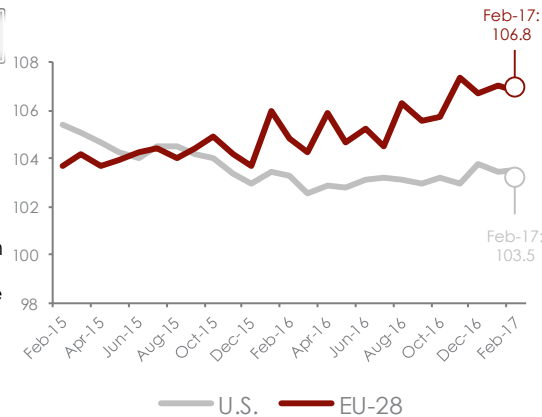


INDUSTRIAL PRODUCTION⁴

Indexed to 2012

- U.S.**
- Industrial production increased 0.1% in February
 - Capacity utilization for the industrial sector was flat in February

- EU-28**
- Industrial production decreased 0.2% in February, following a 0.3% increase in January
 - European industrial manufacturing capacity utilization increased 0.3% in the first quarter of 2017

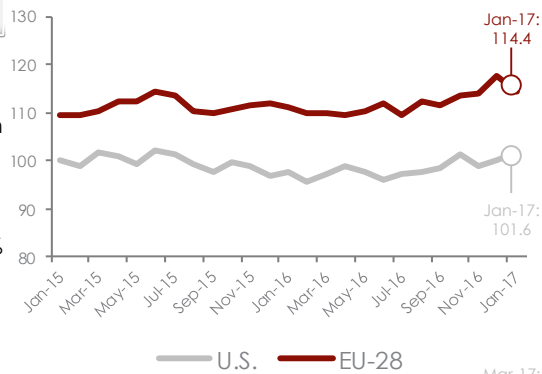


NEW ORDERS⁴

Indexed to 2012

- U.S.**
- U.S. new orders increased by 1.5% in January, following a 1.3% increase in December
 - New orders have increased 4.2% YoY.

- EU-28**
- The EU-28 saw new orders decrease by 3.2% in January, following a 3.6% increase in December

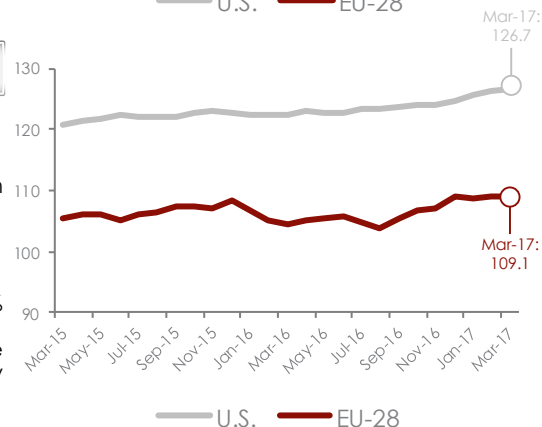


ECONOMIC SENTIMENT⁴

Indexed to 2012

- U.S.**
- U.S. economic sentiment increased 0.4% in March, following a 0.5% increase in February
 - While uncertainty remains, post-election sentiment has been primarily positive

- EU-28**
- Economic sentiment in the EU-28 increased by 0.2% in March, following a 0.3% increase in February
 - While industry, services, and consumer confidence improved in line with the euro area, EU confidence in construction and retail trade remained broadly unchanged



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.

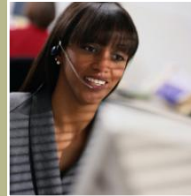
Aerospace, Defense
& Government
Services



Building Products
& Materials



Business
Services



Consumer



Energy, Power
& Infrastructure



Healthcare
& Life Sciences



Industrials
Industrial Technology



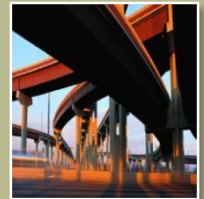
Specialty
Distribution



Technology,
Media & Telecom



Transportation
& Logistics



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NETWORK OFFICES

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Hong Kong

Mumbai

New Delhi

Shanghai

PUBLIC COMPARABLES

TEST AND MEASUREMENT⁴

As of April 25, 2017 (\$ in Millions, except per share amounts)

Test and Measurement Public Comparables

	LTM Margins		TEV	Stock Performance				TEV /
	EBITDA	Gross		Current Price	1-Month Change	1-Year Change	% of LTM High	LTM EBITDA
Sensors and Instrumentation								
Honeywell International Inc.	21.6%	38.3%	\$106,492	\$129.30	3.6%	14.2%	98.4%	12.5x
Danaher Corporation	24.5%	56.4%	\$69,937	\$83.30	(3.2%)	(13.6%)	81.0%	18.2x
AMETEK, Inc.	26.2%	36.5%	\$14,954	\$57.03	6.8%	11.7%	99.5%	14.8x
Sensata Technologies Holding NV	25.2%	28.6%	\$9,947	\$41.14	(2.5%)	8.8%	90.8%	12.3x
Meggitt PLC	24.6%	34.1%	\$6,147	\$5.97	8.5%	(1.0%)	91.7%	9.3x
Teledyne Technologies Incorporated	16.1%	38.8%	\$5,264	\$133.67	7.0%	45.9%	98.4%	15.2x
FLIR Systems, Inc.	21.3%	46.2%	\$5,351	\$37.51	4.0%	10.6%	99.4%	15.1x
National Instruments Corporation	16.1%	74.4%	\$4,130	\$34.60	8.0%	23.6%	99.5%	20.9x
Spectris plc	16.9%	53.4%	\$4,353	\$34.83	12.0%	28.8%	98.9%	14.2x
Itron, Inc.	10.6%	32.2%	\$2,682	\$64.50	2.5%	55.3%	97.1%	12.6x
ESCO Technologies Inc.	17.7%	36.6%	\$1,671	\$59.40	4.2%	55.1%	99.2%	16.5x
Badger Meter, Inc.	18.8%	39.0%	\$1,206	\$40.55	13.4%	15.1%	97.2%	16.2x
JENOPTIK AG	13.2%	33.8%	\$1,494	\$26.45	7.9%	66.3%	96.8%	14.9x
MTS Systems Corporation	10.6%	35.8%	\$1,259	\$46.80	(12.8%)	(17.1%)	79.3%	18.3x
Oxford Instruments plc	15.9%	44.5%	\$805	\$10.87	11.0%	11.0%	94.1%	9.7x
First Sensor AG	11.4%	16.5%	\$159	\$13.00	(7.6%)	9.0%	80.3%	8.4x
Median	17.3%	37.4%			5.5%	13.0%	97.2%	14.9x
Mean	18.2%	40.3%			3.9%	20.2%	93.9%	14.3x
Condition Monitoring								
Hexagon AB	30.1%	54.0%	\$17,003	\$42.89	5.9%	6.2%	96.9%	16.2x
Team, Inc.	5.4%	27.5%	\$1,110	\$28.10	10.6%	(6.4%)	70.8%	17.2x
Mistras Group, Inc.	11.2%	26.7%	\$750	\$22.18	10.0%	(9.4%)	83.8%	9.3x
Median	11.2%	27.5%			10.0%	(6.4%)	83.8%	16.2x
Mean	15.6%	36.0%			8.8%	(3.2%)	83.9%	14.2x
Overall Median	16.9%	36.6%			6.8%	11.0%	96.9%	14.9x
Overall Mean	17.8%	39.6%			4.7%	16.5%	92.3%	14.3x

PUBLIC COMPARABLES

FLOW CONTROL⁴

As of April 25, 2017 (\$ in Millions, except per share amounts)

Flow Control Public Comparables

	LTM Margins		TEV	Stock Performance				TEV /
	EBITDA	Gross		Current	1-Month	1-Year	% of	LTM
				Price	Change	Change	LTM High	EBITDA
Pumps and Filtration								
Pentair plc	19.6%	38.2%	\$16,189	\$64.66	6.5%	15.2%	96.5%	18.4x
Xylem Inc.	16.3%	37.0%	\$11,405	\$51.81	5.3%	22.7%	94.2%	18.6x
IDEX Corporation	25.4%	46.7%	\$8,691	\$103.47	13.1%	25.2%	99.1%	15.8x
Flowserv Corporation	13.6%	32.5%	\$7,852	\$50.60	10.8%	9.6%	96.4%	14.5x
Trelleborg AB	16.1%	32.5%	\$7,807	\$23.49	8.6%	28.2%	100.0%	15.3x
Colfax Corporation	12.5%	30.3%	\$6,264	\$40.56	8.4%	26.8%	96.6%	13.7x
Donaldson Company, Inc.	17.4%	34.8%	\$6,585	\$46.89	4.5%	42.7%	98.3%	16.7x
Graco Inc.	26.6%	53.3%	\$5,855	\$98.35	5.1%	23.5%	99.7%	16.5x
IMI plc	16.6%	42.7%	\$4,777	\$16.21	5.1%	16.3%	99.6%	12.9x
Sulzer AG	10.1%	30.6%	\$4,113	\$118.49	10.3%	31.8%	100.0%	13.9x
ITT, Inc.	15.2%	31.5%	\$3,534	\$42.01	7.0%	8.7%	95.5%	9.7x
Essentra plc	14.0%	7.9%	\$2,228	\$6.68	5.1%	(46.0%)	52.3%	11.9x
SPX Flow, Inc.	10.1%	30.3%	\$2,429	\$36.60	12.6%	30.4%	98.5%	12.0x
Franklin Electric Co., Inc.	15.1%	34.9%	\$2,173	\$44.50	8.0%	38.8%	98.6%	15.1x
ESCO Technologies Inc.	17.7%	36.6%	\$1,671	\$59.40	4.2%	55.1%	99.2%	16.5x
Gorman-Rupp Company	14.1%	24.8%	\$731	\$30.23	1.0%	6.4%	87.8%	13.6x
Median	15.7%	33.7%			6.7%	24.3%	98.4%	14.8x
Mean	16.3%	34.0%			7.2%	21.0%	94.5%	14.7x
Valves and Fittings								
Parker-Hannifin Corporation	13.9%	23.0%	\$23,472	\$165.22	5.4%	45.7%	99.8%	14.8x
Weir Group PLC	13.9%	31.4%	\$6,798	\$26.68	12.9%	55.0%	99.4%	19.6x
Curtiss-Wright Corporation	19.3%	35.6%	\$4,623	\$93.48	2.5%	22.3%	86.9%	11.4x
Crane Co.	17.3%	36.7%	\$5,088	\$80.39	11.1%	42.0%	97.6%	10.7x
Aalberts Industries N.V.	14.6%	18.3%	\$5,115	\$39.25	3.7%	16.1%	99.7%	12.6x
Indutrade AB	12.6%	32.7%	\$2,986	\$21.76	12.9%	10.8%	96.0%	15.7x
Watts Water Technologies, Inc.	13.9%	40.4%	\$2,481	\$62.75	3.4%	12.4%	88.3%	12.7x
Mueller Water Products, Inc.	17.4%	32.0%	\$2,383	\$12.58	6.5%	23.1%	88.6%	12.0x
Mueller Industries, Inc.	9.3%	14.3%	\$1,902	\$34.78	4.4%	10.6%	79.1%	9.9x
CIRCOR International, Inc.	9.8%	31.7%	\$1,267	\$64.93	15.4%	36.3%	89.0%	21.9x
Median	13.9%	31.8%			6.0%	22.7%	92.5%	12.7x
Mean	14.2%	29.6%			7.8%	27.4%	92.4%	14.1x
Overall Median	14.9%	32.5%			6.5%	23.3%	97.1%	14.2x
Overall Mean	15.5%	32.3%			7.5%	23.4%	93.7%	14.5x

PUBLIC COMPARABLES

PROCESS AUTOMATION⁴

As of April 25, 2017 (\$ in Millions, except per share amounts)

Process / Motion Control Public Comparables

	LTM Margins		TEV	Stock Performance				TEV /
	EBITDA	Gross		Current Price	1-Month Change	1-Year Change	% of LTM High	LTM
								EBITDA
Automation and Robotics								
ABB Ltd.	13.4%	29.4%	\$52,493	\$24.12	3.1%	16.6%	99.8%	11.6x
Fanuc Corporation	33.9%	44.2%	\$33,317	\$205.94	(0.8%)	20.4%	97.9%	20.4x
Rockwell Automation, Inc.	19.7%	47.1%	\$20,187	\$160.14	4.5%	39.5%	99.6%	17.4x
Metso Oyj	12.3%	27.5%	\$5,081	\$8.47	10.3%	42.4%	100.0%	14.5x
KUKA Aktiengesellschaft	8.2%	24.5%	\$4,488	\$116.36	8.7%	11.3%	94.5%	16.8x
Krones AG	9.5%	22.4%	\$3,365	\$118.87	9.6%	1.0%	97.4%	9.5x
Automation Tooling Systems Inc.	10.0%	20.9%	\$964	\$9.37	(5.2%)	7.6%	88.5%	12.9x
FARO Technologies, Inc.	8.6%	50.4%	\$459	\$36.45	6.6%	21.7%	90.8%	16.3x
Median	11.1%	28.5%			5.5%	18.5%	97.7%	15.4x
Mean	14.4%	33.3%			4.6%	20.1%	96.1%	14.9x
Motion and Drives								
Siemens AG	12.8%	29.9%	\$140,555	\$144.99	7.9%	34.8%	99.7%	12.4x
Danaher Corporation	24.5%	56.4%	\$69,937	\$83.30	(3.2%)	(13.6%)	81.0%	18.2x
ABB Ltd.	13.4%	29.4%	\$52,493	\$24.12	3.1%	16.6%	99.8%	11.6x
Schneider Electric SE	16.7%	36.9%	\$50,934	\$80.76	11.0%	22.2%	99.4%	11.1x
Nidec Corporation	16.7%	23.9%	\$28,557	\$93.25	(0.4%)	31.8%	94.7%	15.5x
Rockwell Automation, Inc.	19.7%	47.1%	\$20,187	\$160.14	4.5%	39.5%	99.6%	17.4x
AMETEK Inc.	26.2%	36.5%	\$14,954	\$57.03	6.8%	11.7%	99.5%	14.8x
Yaskawa Electric Corporation	11.5%	29.7%	\$5,070	\$18.66	(8.9%)	51.3%	90.0%	12.4x
Rexnord Corporation	15.8%	32.4%	\$3,701	\$23.94	5.3%	9.6%	97.5%	12.3x
Median	16.7%	32.4%			4.5%	22.2%	99.4%	12.4x
Mean	17.7%	36.2%			2.6%	24.3%	95.5%	14.2x
Overall Median	13.4%	29.9%			4.5%	20.4%	97.9%	14.5x
Overall Mean	16.0%	34.6%			3.7%	21.4%	95.9%	14.4x

PUBLIC COMPARABLES

TEST SERVICES⁴

As of April 25, 2017 (\$ in Millions, except per share amounts)

Test Services

	LTM Margins		TEV	Stock Performance				TEV /
	EBITDA	Gross		Current Price	1-Month Change	1-Year Change	% of LTM High	LTM
								EBITDA
Testing, Inspection, and Certification								
SGS SA	25.2%	38.5%	\$17,723	\$2,228.93	5.2%	0.8%	94.6%	11.6x
Bureau Veritas SA	18.2%	15.1%	\$12,135	\$22.72	13.4%	(3.0%)	94.2%	13.2x
Eurofins Scientific	17.8%	11.0%	\$9,450	\$480.74	10.4%	29.1%	100.0%	18.9x
Intertek Group plc	19.4%	15.4%	\$9,410	\$51.96	6.1%	7.7%	99.8%	14.0x
ALS Ltd.	17.7%	29.4%	\$2,720	\$4.70	0.6%	27.3%	95.4%	15.8x
APPLUS S.A.	11.1%	27.4%	\$2,269	\$12.29	5.4%	37.4%	100.0%	11.6x
Mistras Group, Inc.	11.2%	26.7%	\$750	\$22.18	10.0%	(9.4%)	83.8%	9.3x
Median	17.8%	26.7%			6.1%	7.7%	95.4%	13.2x
Mean	17.2%	23.4%			7.3%	12.9%	95.4%	13.5x
Engineering and Consulting								
Abengoa S.A. Class A	-15.1%	-123.0%	\$10,408	\$0.03	(96.5%)	(95.6%)	3.1%	NM
FCC, S.A.	13.7%	27.6%	\$7,608	\$9.29	0.2%	8.4%	88.9%	8.4x
Jacobs Engineering Group Inc.	6.0%	16.1%	\$6,434	\$55.11	1.8%	26.4%	86.9%	9.8x
WSP Global Inc.	7.7%	16.2%	\$4,360	\$36.94	6.1%	14.6%	99.8%	11.7x
Amec Foster Wheeler plc	6.0%	8.4%	\$4,070	\$7.20	9.4%	2.3%	90.5%	9.2x
Tetra Tech, Inc.	8.3%	12.7%	\$2,788	\$43.45	8.5%	42.4%	96.9%	13.0x
Arcadis NV	7.9%	14.8%	\$1,985	\$17.30	11.2%	4.8%	98.3%	6.8x
Median	7.7%	14.8%			6.1%	8.4%	90.5%	9.5x
Mean	4.9%	-3.9%			(8.5%)	0.5%	80.6%	9.8x
Overall Median	11.2%	15.8%			6.1%	8.1%	95.0%	11.6x
Overall Mean	11.1%	9.7%			(0.6%)	6.7%	88.0%	11.8x

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SOURCES

1. Yahoo Finance
2. Reuters
3. Element Materials Technology Website
4. FactSet
5. ReadWrite
6. Automation World
7. Harvard Business School
8. The Economist

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