

Industrial Technology

RAYMOND JAMES | INVESTMENT BANKING

MERGERS & ACQUISITIONS, PUBLIC & PRIVATE FINANCINGS
AND FINANCIAL ADVISORY SERVICES

IN THIS EDITION

- 02** | Recent RJ Industrial Technology deals in focus
- 04** | Industrial Technology market trends
- 07** | Economic commentary
- 08** | Industrial market indicators
- 10** | Public company and transaction activity
- 17** | Representative credentials

Your success is our business

The Raymond James Industrial Technology team is among the most experienced and active in the industry, with over 60 years of cumulative dedicated sector coverage and over 140 M&A and capital market transactions. Located in the United States and Europe, our extensive experience and network of relationships allows us to provide a full range of highly customized M&A, capital raising and restructuring solutions to our clients around the world.

Contact us to learn how our deep industry expertise and commitment to each transaction can help you achieve your business objectives.

SECTOR COVERAGE



Industrial Automation



Test and Measurement



Robotics



Motion Control



Process and Flow Control



Industrial Digitization

SELECT COMPLETED TRANSACTIONS OVER THE LAST 12 MONTHS

ATSTM

Initial Public Offering

Co-Manager

RHINO TOOL HOUSE

has been acquired by

BLUE SEA CAPITAL

THERMO SYSTEMS

has received a significant investment from

CARLSON
PRIVATE CAPITAL PARTNERS

Manufacturer of extreme environment electronic components

Buyside Financial Advisor

HIDDEN HARBOR
CAPITAL PARTNERS

has acquired

AVTRON
POWER SOLUTIONS

INNOVATIVE
PRODUCTS AND EQUIPMENT, INC.

has been acquired by

INVIO
AUTOMATION

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Note: Includes transactions completed by Raymond James investment bankers while with other firms.

Industrial Technology update

1

Industrial Technology market megatrends



DYNAMIC ECONOMIC CONDITIONS

- Markets remain in a “wait and see” mode as economic uncertainty continues stemming from Fed rate increases, inflation, recession worries and geopolitical concerns, which is causing contraction of industrial indices
- While still in a period of fluctuations, the U.S. industrial markets are exhibiting “green shoots” of hopeful improvement with industrial production and new factory orders slightly increasing in April
- Despite the macro headwinds, companies within industrial technology sectors have demonstrated continued strength and resilience with positive book-to-bill ratios, stable backlogs and increasing commercial demand supported by the fundamental requirements for their solutions
- Companies with exposure to regulated markets are showing significant growth opportunities and are favored during uncertain economic conditions



LABOR CONSTRAINTS

- U.S. unemployment remains at low levels with rates at 3.7% in May 2023 and private nonfarm payrolls increasing by another 339,000 in May 2023
- Labor costs in the nonfarm business sector increased 6.3% while productivity decreased 2.7% in the first quarter of 2023
- Increasing labor costs and decreasing productivity is leading to further investment in operational technologies, such as robotics / automation
- Steadily declining cost of industrial robots, ~ (3%) CAGR over the last ten years, improving and expanding ROI economics for automation and connected technology



CONNECTED SOLUTIONS

- Remote monitoring is increasingly being adopted as companies and end-users seek to leverage real-time data collected at the edge to enhance operational and process performance while reducing the need for in-field professionals
- Accelerating innovation among connection technology providers, such as machine condition-based monitoring and asset and supply chain tracking, has led to an increase in hardware and software integration
- Ongoing 5G rollout is expected to further bolster applicability of connected technology and enabling AI and machine learning technology to gain actionable information in real-time, such as abnormal activity and predictive analysis



HOLISTIC SOLUTION REQUIREMENTS

- End-users struggle to keep up with the pace of technology changes and application requirements is causing an expanding level of need for suppliers that can provide multi-disciplinary capabilities and integrated solutions
- Increasing complexity of operational environments will require companies that have an expertise in a cross-section of technology solutions and a proven ability to interpret how technologies can be applied to specific end-user applications
- A recent survey of industrial companies showed that demand to holistic solutions providers is expected to outgrow demand to point solution providers by a factor of 6-8x over the next five years



EVOLVING GLOBAL TRADE ENVIRONMENT

- Heightened geopolitical tensions, on-going supply chain issues, and a convergence of cost trends between domestic and international production are driving companies to redesign their production and operational strategies, which is increasingly including reshoring initiatives
- In a recent survey, 96% of U.S. manufacturing executives indicated that they are currently implementing reshoring initiatives, or have plans to implement initiatives in the next three years
- Development and expansion of U.S. manufacturing capacity will further increase requirements productivity enhancing technology solutions, including robots, sensors, motion control instruments, and system control software, amongst many others

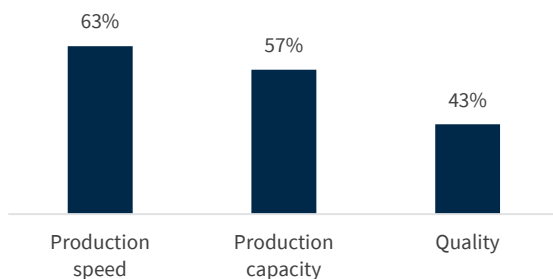
Industrial Technology sector observations

INDUSTRIAL AUTOMATION

Most cited benefits of automation

(% of respondents)⁽¹⁾

Sector highlights



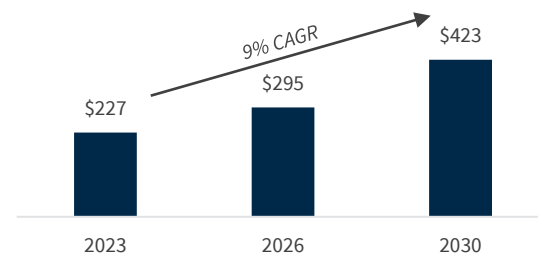
Select commentary

- Growing demand for management and execution solution suites, such as SCADA, APM, EAM and CMMS, that improve end-to-end efficiency and accuracy of automated operational tasks, while providing flexibility to change work flows due to operational changes or issues
- The biggest spender on automation over the next five years include retail and consumer goods, food and beverage and automotive sectors
- Cost and knowledge gaps are one of the most common obstacles in automation adoption, increasing the demand for holistic automation system integrators and end-to-end automation solutions providers

TEST & MEASUREMENT

Global sensors market size

(\$ in billions)

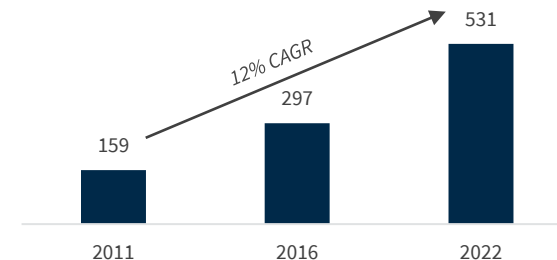


- The continued expansion of Industry 4.0 practices, adoption of automation, stringent government regulations and increasing demand for operational quality is further increasing the need for highly precise testing and validation
- Increased demand for scalable, smart sensor technology that are integrated platforms containing microprocessors, storage, diagnostic software and connectivity tools capable of turning collected data into actionable information
- Focus on sensor fusion solutions (multiple sensors per unit) to provide more complete and accurate data through redundancy of individual sensors (e.g., to provide full field-of-view measurements or multiple measurements of the same quantity) or through sensor diversity (e.g., using sensors with different characteristics to compensate for limitations of others)

ROBOTICS

Annual installations of industrial robots

(Units in thousands)



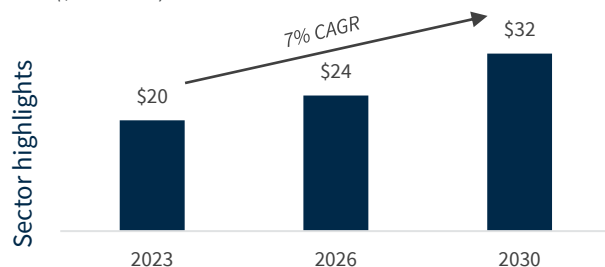
- Declining cost for robotics technology, growing labor shortages, reshoring trends, and greater focus on supply chain resiliency are key drivers for the accelerating adoption and integration of robotics
- Based on the latest IFR data presented at the *Automate 2023* show in May, the pandemic-driven “boom” for industrial robots is gradually decelerating with 531k installed units worldwide in 2022, representing a 2% YoY growth; however, North America kept momentum in 2022 with 10% YoY growth

Industrial Technology sector observations (cont'd)

MOTION CONTROL

Global servo motors and drives market size

(\$ in billions)



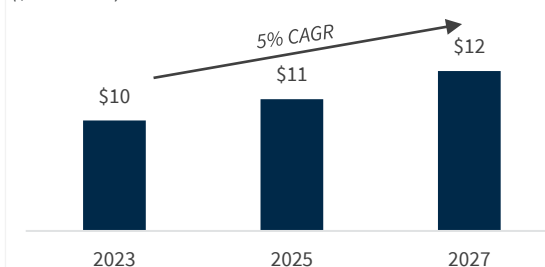
Select commentary

- Need to maximize speed, accuracy and productivity within tightly controlled operations and confined footprints leading to advanced motion control technologies such as direct drive motors and electric actuators compared to the traditional pneumatic ones
- Rising demand for highly configured or customized motion controls solutions that provide end users with longer service lives, higher efficiency, and lower maintenance requirements

PROCESS & FLOW CONTROL

Global control valves market size

(\$ in billions)

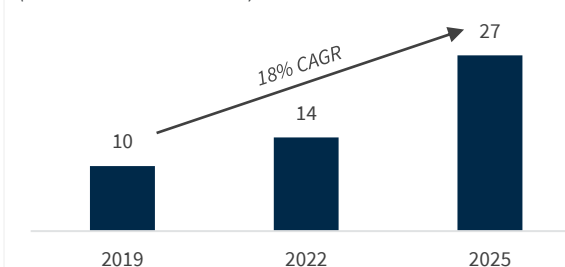


- The global valves market benefits from strong tailwinds driven by megatrends, such as energy transition (hydrogen) and IIoT (connected sensors); growth in specialized valves (single use valves) has been largely driven by end markets tailwinds from sanitary end markets, such as life science and food and beverage
- Industrial pump manufacturers increasingly offer IIoT technologies to get better connected with its customers and open new digital value streams, such as predictive maintenance through smart sensors, centralization of systemwide flow control, and customized aftermarket / parts solutions
- Despite a slowdown in capital expenditure growth, spending for industrial pumps and flow control systems in select end markets are expected to remain stable, especially in regulated, sanitary process industries such as food and beverage and healthcare

INDUSTRIAL DIGITIZATION

Global active IoT connections

(IoT connections in billions)



- Acceleration of IoT connections in industrials largely driven by the need for downtime reductions, new business models, better customer experience as well as global 5G rollout
- Convergence among automation players, building a holistic portfolio across the industrial digitization theme, has enabled agile and efficient business models to react faster to market changes; however, despite multiple IIoT initiatives, there have been only few successful IIoT use cases that have achieved the full potential of financial and operational benefits
- Global SaaS enterprise application solutions exceeded on-prem solutions in 2023 and are expected to grow by annual mid-double digit growth rates until 2026 driven by digital innovation and the need for security and centralized management capabilities

Economic thoughts of the week

The service sector is still too hot for the Fed

The Federal Reserve (Fed) still has a very tough job ahead to bring inflation down to its 2% target over the long run while facing pressures from markets, which have a very different timetable than the Fed. At least, this is what transpired from the Fed's June Federal Open Market Committee meeting (FOMC) Summary of Economic Projections (SEP) and dot plot.

Furthermore, the Fed is facing a highly unsynchronized business cycle in the U.S. economy. Normally, economic cycles are synchronized, that is, they go up and down in a relatively synchronized fashion even though one sector is, typically, the culprit for generating the cycle in the first place.

A typical monetary tightening cycle starts as the Fed increases interest rates, that is, tightens credit, and the most interest-rate sensitive sectors of the economy, but particularly residential investment, take a plunge. Clearly, this was happening just before the COVID-19 pandemic, as the Fed's tightening campaign started in 2016. However, as the COVID-19 pandemic commenced, the Fed relaxed monetary policy once again and the housing market, that is, residential investment, took off again. But that cycle ended once the Fed started increasing interest rates last year due to the strong increase in inflation.

To conclude, while the Fed has come a long way in fixing our inflationary issues, we still face a long road ahead. The current credit tightening has still not been enough to slowdown the U.S. economy in order to bring down inflation faster and more sustainably. Some service sectors are still enjoying strong pricing power and the Fed has to continue to try to slow those sectors in order to achieve its 2.0% inflation target.

We still believe that the Fed needs to be patient and buy more time, as the direction of inflation is correct even if the speed is not. In the end, it will all depend on how much more important the direction is compared to the speed at which inflation is moving. This will determine whether the Fed moves twice more before the end of the year and if it moves in July or 'skips' July and then moves in September.

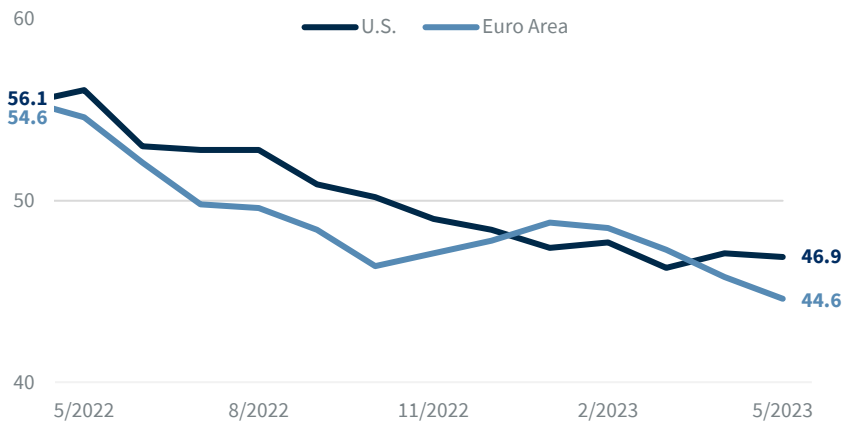
Weekly Economic Commentary June 23rd, 2023



Eugenio J. Aleman, Ph.D.
Chief Economist
Raymond James Private Client Group

Industrial market indicators

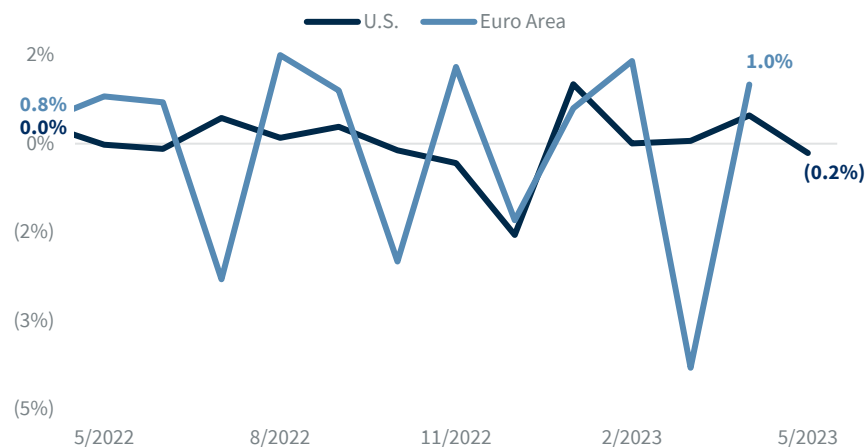
ISM MANUFACTURING PMI



U.S. FACTORY ORDERS



INDUSTRIAL PRODUCTION



ISM MANUFACTURERS BACKLOG



Sources: [Federal Reserve Economic Data](#), [European Central Bank, Y-Charts](#).
 Note: Latest industrial production data for Euro Area as of April 2023.



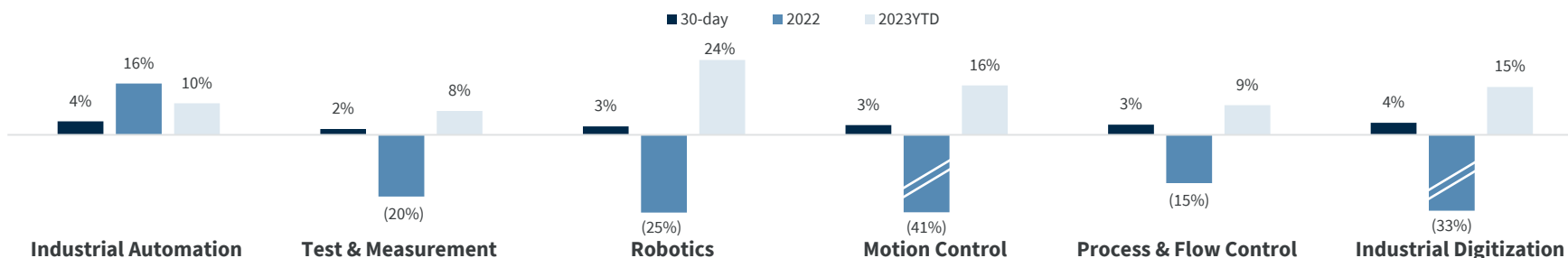
Industrial Technology public company and transaction activity

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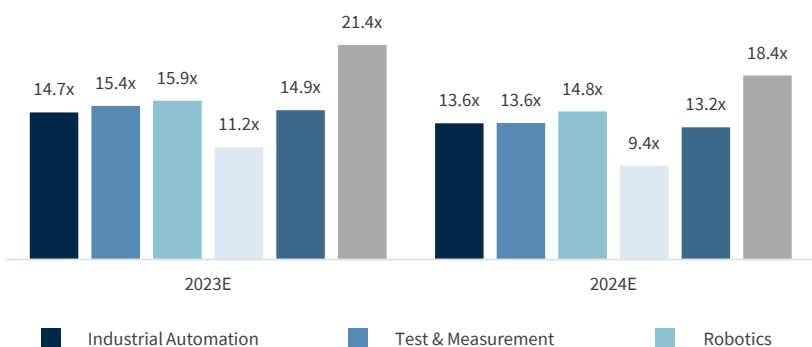
Trading analysis summary

(\$ in millions)	Equity value	Enterprise value	Trading Performance				EV / EBITDA		EV / EBIT		2022-2024E CAGR		Gross Margin		EBITDA Margin		EBIT Margin	
			YTD	1 Yr.	3 Yr.	5 Yr.	2023E	2024E	2023E	2024E	Revenue	EBITDA	2023E	2024E	2023E	2024E	2023E	2024E
Industrial Automation	\$8,013	\$8,907	10%	32%	38%	38%	14.7x	13.6x	17.2x	16.1x	8%	18%	34%	35%	16%	16%	13%	13%
Test & Measurement	\$10,599	\$10,552	8%	24%	30%	47%	15.4x	13.6x	21.1x	19.2x	4%	8%	45%	44%	23%	24%	18%	19%
Robotics	\$27,707	\$25,790	24%	47%	38%	31%	15.9x	14.8x	17.6x	16.0x	4%	8%	36%	36%	16%	16%	14%	13%
Motion Control	\$4,225	\$7,460	16%	13%	0%	(5%)	11.2x	9.4x	17.7x	14.2x	4%	9%	32%	32%	15%	16%	12%	12%
Process & Flow Control	\$7,897	\$9,364	9%	35%	52%	52%	14.9x	13.2x	17.2x	16.2x	8%	14%	42%	42%	21%	22%	17%	18%
Industrial Digitization	\$13,660	\$15,827	15%	15%	20%	68%	21.4x	18.4x	24.7x	20.2x	10%	24%	75%	77%	36%	37%	28%	30%

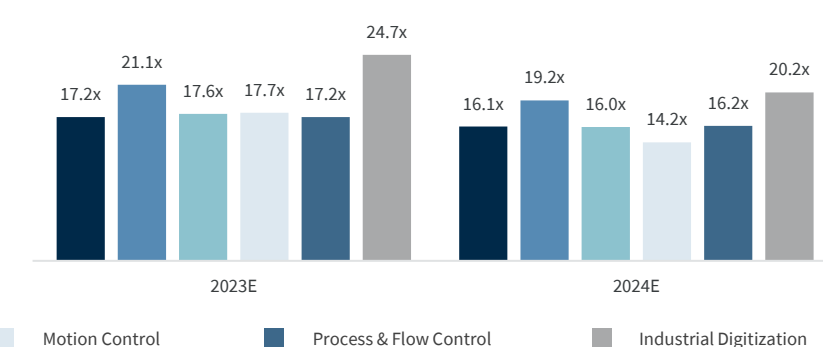
STOCK PRICE PERFORMANCE



EV / EBITDA MULTIPLES



EV / EBIT MULTIPLES



Sources: Company information and CapitalIQ as of 6/23/23.

Note: Metrics represent the median for each sector over the course of the period. For additional detail on the companies within each sector, see detail pages in the appendix.

Operational performance by sector

2022–2024E REVENUE CAGR



LTM GROSS MARGIN



LTM EBITDA MARGIN



LTM EBIT MARGIN



Industrial Automation

Test & Measurement

Robotics

Motion Control

Process & Flow Control

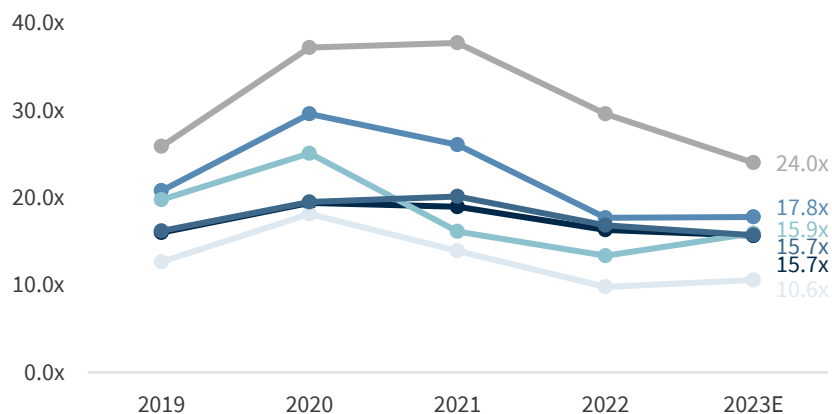
Industrial Digitization

Sources: Company information and CapitalIQ as of 6/23/23.

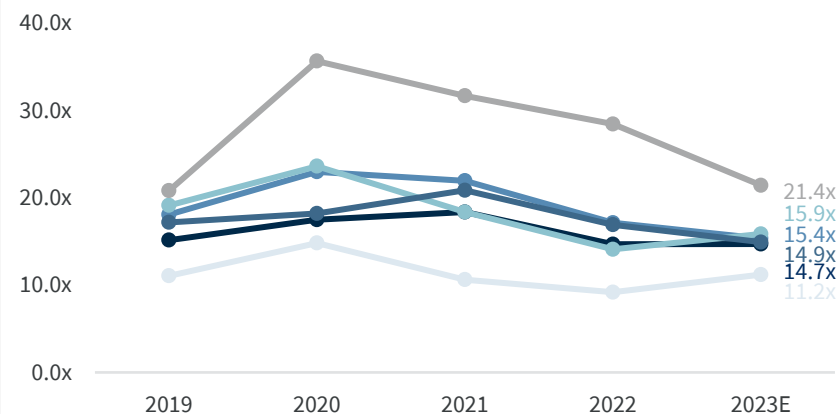
Note: Metrics represent the median for each sector over the course of the period. For additional detail on the companies within each sector, see detail pages in the appendix.

Valuation multiples by sector

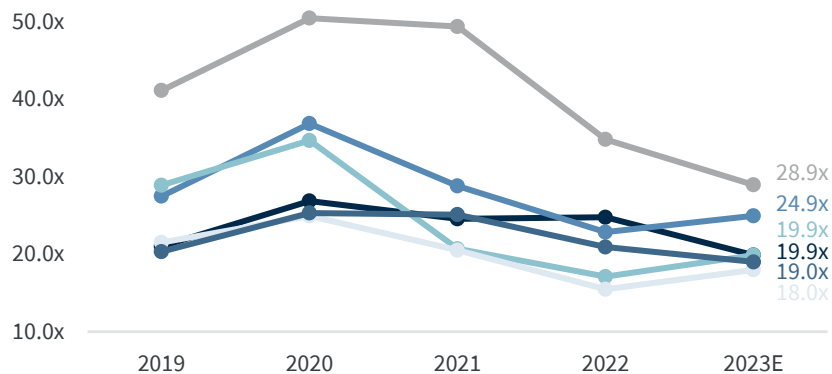
MEAN EV / EBITDA BY SECTOR



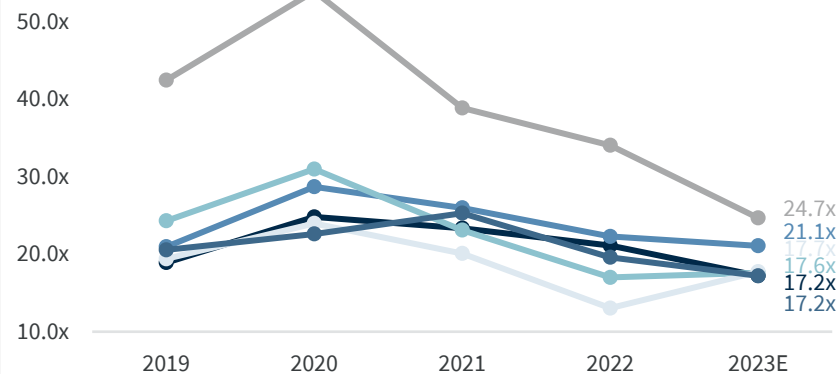
MEDIAN EV / EBITDA BY SECTOR



MEAN EV / EBIT BY SECTOR



MEDIAN EV / EBIT BY SECTOR



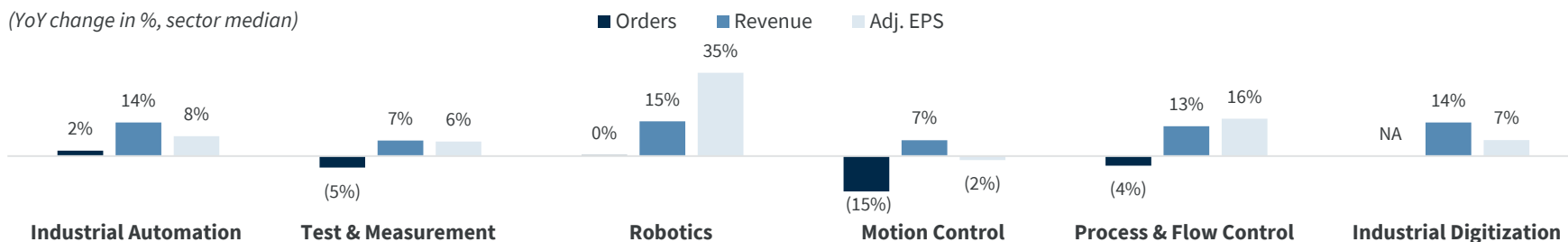
Industrial Automation Test & Measurement Robotics Motion Control Process & Flow Control Industrial Digitization

Sources: Company information and CapitalIQ as of 6/23/23.

Note: Metrics represent the median for each sector over the course of the period. For additional detail on the companies within each sector, see detail pages in the appendix.

1Q23 earnings release by sector

(YoY change in %, sector median)



Representative corporate earnings results

Company	Share price reaction ⁽¹⁾	Quarterly results YoY changes in %				2023 outlook ⁽³⁾		Select commentary
		Backlog	Orders	Revenue	Adj. EPS	Guidance revision	YoY revenue growth	
ATS	5.2%	\$1.6B 50%	\$0.5B 16%	\$0.5B 21% 10%	\$0.54 15% 38%	NA ⁽²⁾	19.0%	<ul style="list-style-type: none"> Increase in order backlog is bolstered by transportation and EV projects; order backlog is expected to provide a strong base for FY'24; LTM book-to-bill of 1.26
EMERSON	2.7%	\$8.1B 4%	NA 7%	\$3.8B 14% 3%	\$1.09 25% 11%	▲	8.1%	<ul style="list-style-type: none"> Americas orders led as China returning to growth Expects to finalize climate transaction in 2Q23 and NI acquisition in 1H24
FANUC	1.5%	NR	¥207B (8%)	¥216B 12% 4%	¥42.80 ⁽⁴⁾ 12% 15%	NA ⁽²⁾	(3.3%)	<ul style="list-style-type: none"> Management guidance for FY 3/24 < consensus, largely due to an anticipated sales slowdown, ongoing production adjustments, and heavier overheads and material cost
FORTIVE	(3.1%)	NR	NR	\$1.5B 9% 3%	\$0.75 7% 3%	▲	4.0%	<ul style="list-style-type: none"> Demand indicators remain resilient with hardware book-to-bill of 1.0x; strong software growth with ARR up 9% and 10% SaaS; healthcare challenges persist
IDEX	(2.9%)	NR	\$0.8B (4%)	\$0.8B 13% 3%	\$2.09 7% 3%	▼	6.4%	<ul style="list-style-type: none"> Post-COVID destocking expected to pressure healthcare and science business Announced Iridian acquisition for ~\$110M (14x 2023E EBITDA) to complement IDEX's capabilities in life sciences
Rockwell Automation	2.8%	NR	NR	\$2.3B 26% 9%	\$3.01 81% 16%	▲	15.6%	<ul style="list-style-type: none"> Completed acquisition of Knowledge Lens enhancing ROK's digital services business
TELEDYNE	(2.3%)	NR	NR	\$1.4B 5% 1%	\$4.53 6% 2%	→	5.1%	<ul style="list-style-type: none"> Reported record 1Q23 sales driven by strong healthcare imaging business; backlog modestly declined and book-to-bill at 0.96x
ZEBRA	(10.0%)	NR	NR	\$1.4B (2%) 1%	\$3.94 (2%) 1%	▼	(4.6%)	<ul style="list-style-type: none"> Revised outlook reflects ongoing project deferrals by large enterprise customers and channel destocking; management expects gross margin improvement in 2H23

Sources: Company information and CapitalIQ as of 6/23/23.

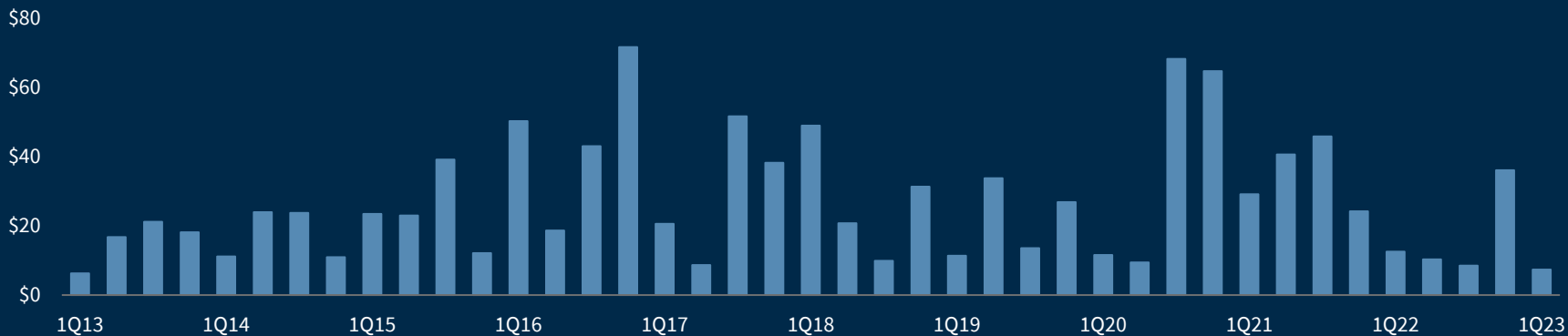
Note: NR represents data not reported.

(1) Share price reaction represents the last share price unaffected by earnings compared to the share price close following earnings release, net of local index performance. (2) Not applicable as the Company released initial guidance for the new fiscal year or doesn't release annual guidance. (3) 2023 guidance revision represents change in full year guidance as per management; YoY revenue growth represents 2022A – 2023E revenue growth as per consensus estimate. (4) Represents GAAP EPS.

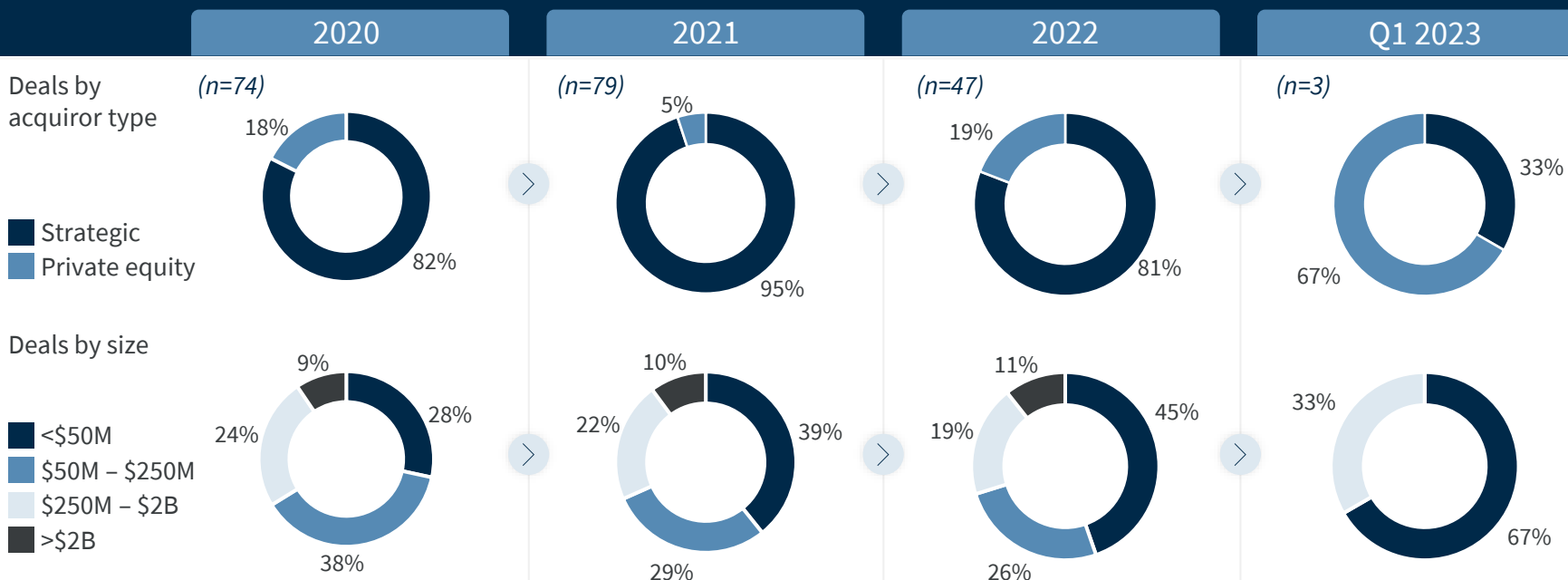
Legend: ■ Beat / met / missed vs. consensus estimate in %

M&A overview

ACQUISITION VOLUME BY QUARTER (\$ IN BILLIONS)




TRANSACTION STATISTICS⁽¹⁾









Sources: S&P LCD, CapitalIQ, MergerMarket, press releases, Raymond James internal resources.

(1) Transaction dataset represents closed Industrial Technology transactions in the year they were announced and excludes transactions with EBITDA multiples of >75.0x.

Recent most notable transactions

DATE ANNOUNCED	TARGET	ACQUIROR	TRANSACTION VALUE (M)	DETAIL
6/12/23 (Pending)			\$516	The acquisition strengthens Dürr's automation portfolio and positions the Company to become one of the major players in assembly automation solutions
5/24/23 (Pending)			\$730	The acquisition expands Hillenbrand's North American footprint and broadens its scale in the food processing market by adding processing equipment and system solutions, as well as an entrance to the pet food market
5/11/23 (Pending)			ND	KKR will support Industrial Physics in its next phase of growth as the Company focuses on capturing additional market share in the test and measurement industry
5/4/23 (Pending)			ND	The acquisition strengthens the Ocado Group's portfolio of automation offerings by adding collaborative AMR fulfillment solutions
4/26/23 (Pending)			\$670	The acquisition of CCC strengthens Honeywell's Process Solutions business and will bolster Honeywell's high growth sustainability portfolio with new carbon capture control solutions
4/12/23 (Pending)			\$8,266	The acquisition broadens Emerson's portfolio into high-tech, automated test and measurement systems and high-growth end markets
4/5/23			ND	Rhino Tool House represents a platform investment for Blue Sea Capital in the industrial automation and specialty distribution, where it will help advance RTH's organic and inorganic growth strategies
2/9/23 (Pending)			\$372	Softbank will strengthen Berkshire Grey's ability to serve customers with their disruptive AI robotics technology as the Company seeks to become more efficient in its operations
12/21/22			ND	The acquisition provides Carlson a platform to expand in the automation sector and will allow Carlson to capitalize on the growing need for automation in district energy, life sciences and mission critical end markets
11/1/22			\$190	The acquisition expands AMETEK's offering of high-end precision optics and enhances AMETEK's portfolio within its Electronics Instruments Group

Recent most notable transactions (cont'd)

DATE ANNOUNCED	TARGET	ACQUIROR	TRANSACTION VALUE (M)	DETAIL
11/1/22			\$238	The acquisition strengthens AMETEK's Power Instruments business by adding additional power test and measurement capabilities
10/14/22			\$427	Fori Automation will accelerate Lincoln's automation growth and advance Lincoln's "Higher Standard 2025" strategy to reach \$1 billion in automation sales by 2025
8/23/22			ND	Following Arsenal Capital's investment Innovative combines with Invio (fka. Eckhart) to provide specialized automation solutions for factories of the future
8/1/22			ND	Burke Porter Group will serve as a new platform for AEA to consolidate the fragmented specialty industrial automation sector, while also providing exposure to fast-growing life sciences and automated diagnostics equipment verticals
7/20/22			\$567	Linxis Group provides highly complimentary technology systems and scales to Hillenbrand's food processing capabilities, allowing Hillenbrand to offer more comprehensive solutions to its customers
6/6/22			\$1,548	Through the Parata acquisition, BD enters the growing pharmacy automation market, advancing BD's 2025 growth strategy around smart, connected care and enabling new care setting
6/1/22			\$2,604	CD&R's majority investment in Roper's Industrial Business creates a new standalone platform opportunity for CD&R
4/19/22			\$525	Dwyer's acquisition of Omega broadens its portfolio of configurable temperature, pressure, flow and level solutions for critical environment and automation applications
2/9/22			\$1,315	The acquisition will complement Körber's existing supply chain offerings and provide leading solutions in mail and parcel logistics
1/18/22			ND	Arsenal's strategic investment enables Eckhart to scale its team and lean on Arsenal's industry expertise to build a world-class automation platform in its next phase of growth

Representative credentials

Raymond James has participated in many industry-shaping transactions, including mergers and acquisitions, strategic advisory, fairness opinions and equity and debt capital raises, within the Industrial Automation, Robotics, Test & Measurement, Motion Control, Process & Flow Control and Industrial Digitization space

 Initial Public Offering Co-Manager	 has been acquired by 	 has received a significant investment from 	Manufacturer of extreme environment electronic components Buyside Financial Advisor	 has acquired 	 has been acquired by 	 merged with SVF Investment Corp. 3	 has been acquired by 
 has been acquired by Warburg Pincus	 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by 	 merged with 
 has been acquired by 	 has been acquired by 	Sensotec has been acquired by Honeywell	 has been acquired by Amphenol	 has been acquired by 	 has been acquired by 	 has been acquired by xylem	 has been acquired by 

Note: Includes transactions completed by Raymond James investment bankers while with other firms.

Appendix

3

Comparable companies detail: Industrial Automation

	Share price as of 6/23/23	Capitalization		EV / Revenue		EV / EBITDA		EV / EBIT		2022A–2024E CAGR		Gross margin		EBITDA margin		EBIT margin	
		Equity value	Enterprise value	2023E	2024E	2023E	2024E	2023E	2024E	Revenue	EBITDA	2023E	2024E	2023E	2024E	2023E	2024E
		(\$ in millions, except for share price)															
Siemens	€ 156.98	\$135,246	\$185,353	2.1x	2.0x	11.8x	10.9x	14.8x	14.2x	8%	25%	37%	36%	18%	18%	14%	14%
Honeywell	\$200.09	133,883	144,907	3.9x	3.7x	15.4x	14.3x	17.4x	16.1x	5%	11%	35%	35%	26%	26%	23%	23%
ABB	CHF 34.30	73,564	79,323	2.6x	2.5x	15.9x	14.8x	16.6x	16.0x	4%	9%	34%	35%	16%	17%	16%	15%
Emerson	\$86.68	49,586	64,097	4.2x	4.0x	16.4x	15.5x	20.8x	19.5x	6%	13%	47%	47%	26%	26%	20%	21%
Rockwell Automation	\$313.27	36,239	40,308	4.4x	4.4x	19.9x	18.7x	22.5x	21.3x	8%	16%	41%	42%	22%	23%	20%	20%
Toyota Industries	¥10,125.00	21,867	29,997	1.2x	1.2x	10.1x	9.8x	24.0x	20.9x	0%	(1%)	22%	23%	12%	13%	5%	6%
Symbotic	\$39.51	21,940	21,702	18.7x	11.9x	NM	NM	NM	NM	59%	NA	26%	26%	NM	14%	NM	5%
KION	€ 31.39	4,478	10,417	0.8x	0.8x	6.1x	5.4x	15.9x	12.2x	3%	33%	22%	23%	14%	15%	5%	7%
Cognex	\$53.35	9,248	8,907	9.6x	8.6x	38.8x	29.7x	44.5x	32.9x	2%	2%	73%	74%	25%	29%	22%	26%
Austostore	NOK 24.91	8,013	8,267	11.4x	9.4x	23.8x	19.2x	25.4x	20.4x	23%	38%	67%	67%	48%	49%	45%	46%
Daifuku	¥2,921.50	7,683	7,050	1.7x	1.6x	15.2x	13.8x	17.0x	15.8x	1%	1%	18%	19%	11%	11%	10%	10%
ATS Corporation	CAD 60.40	4,201	4,966	2.3x	2.2x	14.2x	13.4x	16.9x	15.3x	12%	21%	28%	29%	16%	16%	14%	14%
John Bean Technologies	\$116.39	3,704	4,615	2.0x	1.8x	13.0x	11.6x	19.2x	16.5x	8%	24%	30%	31%	15%	16%	10%	11%
Yokogawa	¥2,683.00	4,982	4,584	1.4x	1.4x	9.6x	9.1x	13.0x	13.1x	2%	14%	43%	45%	14%	15%	11%	10%
Marel	ISK 409.00	2,287	3,201	1.6x	1.5x	11.9x	9.1x	14.9x	11.8x	8%	42%	37%	38%	13%	17%	11%	13%
Kardex	CHF 189.00	1,623	1,510	2.2x	2.1x	15.9x	14.3x	18.2x	16.1x	9%	25%	33%	34%	14%	15%	12%	13%
Hirata	¥8,280.00	598	730	1.2x	1.1x	12.7x	10.7x	16.8x	12.8x	12%	22%	20%	19%	9%	10%	7%	8%
Mean				4.2x	3.5x	15.7x	13.8x	19.9x	17.2x	10%	18%	36%	37%	19%	19%	15%	15%
Median				2.2x	2.1x	14.7x	13.6x	17.2x	16.1x	8%	18%	34%	35%	16%	16%	13%	13%

Sources: Company information and CapitalIQ as of 6/23/23.

Note: Values that exceed or fail to reach an appropriate threshold for each category are excluded.

Comparable companies detail: Test & Measurement

	Share price as of 6/23/23	Capitalization		EV / Revenue		EV / EBITDA		EV / EBIT		2022A-2024E CAGR		Gross margin		EBITDA margin		EBIT margin	
		Equity value	Enterprise value	2023E	2024E	2023E	2024E	2023E	2024E	Revenue	EBITDA	2023E	2024E	2023E	2024E	2023E	2024E
<small>(\$ in millions, except for share price)</small>																	
Honeywell	\$200.09	\$133,883	\$144,907	3.9x	3.7x	15.4x	14.3x	17.4x	16.1x	5%	11%	35%	35%	26%	26%	23%	23%
Keyence	¥67,940.00	114,938	108,396	16.1x	14.7x	28.4x	26.1x	30.0x	26.7x	4%	5%	82%	82%	57%	56%	54%	55%
Amphenol	\$80.19	49,379	52,523	4.3x	4.0x	18.1x	16.6x	21.1x	19.2x	2%	3%	32%	32%	24%	24%	20%	21%
TE Connectivity	\$133.11	42,075	45,478	2.8x	2.6x	12.9x	11.7x	16.7x	14.8x	3%	3%	31%	32%	22%	23%	17%	18%
AMETEK	\$156.06	36,126	37,972	5.7x	5.4x	19.1x	17.8x	23.0x	21.4x	7%	8%	35%	36%	30%	30%	25%	25%
Fortive	\$71.03	25,247	27,674	4.6x	4.4x	17.1x	15.9x	24.3x	21.9x	4%	8%	59%	59%	27%	27%	19%	20%
Teledyne	\$399.09	19,080	22,236	3.9x	3.7x	15.9x	14.9x	21.1x	19.4x	5%	6%	44%	44%	24%	25%	18%	19%
OMRON	¥8,657.00	11,950	11,553	1.9x	1.8x	13.4x	13.0x	17.6x	15.9x	(0%)	(2%)	45%	45%	14%	14%	11%	11%
Sensata Technologies	\$43.12	6,593	9,551	2.3x	2.2x	10.1x	9.1x	11.8x	10.6x	4%	10%	33%	34%	23%	24%	20%	21%
Cognex	\$53.35	9,248	8,907	9.6x	8.6x	38.8x	29.7x	44.5x	32.9x	2%	2%	73%	74%	25%	29%	22%	26%
Novanta	\$168.73	6,048	6,429	7.1x	6.6x	31.8x	28.6x	39.6x	34.8x	6%	18%	46%	47%	22%	23%	18%	19%
Spectris	GBP 35.19	4,812	4,605	2.5x	2.4x	12.6x	11.7x	15.6x	14.1x	9%	21%	59%	60%	20%	21%	16%	17%
Mirion Technologies	\$8.24	1,860	2,560	3.3x	3.1x	14.4x	12.9x	66.3x	56.7x	6%	38%	45%	44%	23%	24%	5%	6%
CTS Corporation	€ 41.33	1,304	1,265	2.1x	2.0x	9.7x	8.7x	12.6x	11.1x	4%	5%	36%	37%	22%	23%	17%	18%
Antares Vision	€ 6.88	517	586	2.1x	1.9x	9.4x	7.8x	12.7x	10.2x	13%	53%	NA	NA	22%	24%	17%	19%
Faro Technologies	\$14.96	283	285	0.8x	0.8x	NM	10.0x	NM	19.3x	4%	NA	47%	51%	NM	8%	NM	4%
Mean				4.6x	4.2x	17.8x	15.6x	24.9x	21.6x	5%	13%	47%	47%	25%	25%	20%	20%
Median				3.6x	3.4x	15.4x	13.6x	21.1x	19.2x	4%	8%	45%	44%	23%	24%	18%	19%

Sources: Company information and CapitalIQ as of 6/23/23.

Note: Values that exceed or fail to reach an appropriate threshold for each category are excluded.

Comparable companies detail: Robotics & Motion Control

	Share price as of 6/23/23	Capitalization		EV / Revenue		EV / EBITDA		EV / EBIT		2022A-2024E CAGR		Gross margin		EBITDA margin		EBIT margin	
		Equity value	Enterprise value	2023E	2024E	2023E	2024E	2023E	2024E	Revenue	EBITDA	2023E	2024E	2023E	2024E	2023E	2024E
		(S in millions, except for share price)															
Robotics																	
Siemens	€ 156.98	\$135,246	\$185,353	2.1x	2.0x	11.8x	10.9x	14.8x	14.2x	8%	25%	37%	36%	18%	18%	14%	14%
ABB	CHF 34.30	73,564	79,323	2.6x	2.5x	15.9x	14.8x	16.6x	16.0x	4%	9%	34%	35%	16%	17%	16%	15%
Fanuc	¥5,037.00	33,475	29,878	5.0x	4.8x	18.5x	16.3x	24.0x	21.0x	(0%)	0%	39%	37%	27%	29%	21%	23%
Symbotic	\$39.51	21,940	21,702	18.7x	11.9x	NM	NM	NM	NM	59%	NA	26%	26%	NM	14%	NM	5%
Yaskawa Electric	¥6,469.00	12,001	12,452	3.2x	3.0x	20.1x	18.6x	26.3x	24.4x	4%	8%	35%	35%	16%	16%	12%	12%
OMRON	¥8,657.00	11,950	11,553	1.9x	1.8x	13.4x	13.0x	17.6x	15.9x	(0%)	(2%)	45%	45%	14%	14%	11%	11%
Mean				5.6x	4.3x	15.9x	14.7x	19.9x	18.3x	13%	8%	36%	36%	18%	18%	15%	14%
Median				2.9x	2.7x	15.9x	14.8x	17.6x	16.0x	4%	8%	36%	36%	16%	16%	14%	13%
Motion Control																	
Nidec	¥7,690.00	\$30,736	\$34,482	2.2x	2.0x	16.2x	13.6x	38.7x	19.7x	1%	9%	18%	NA	14%	15%	6%	10%
SMC	¥79,210.00	35,994	31,769	5.8x	5.2x	16.6x	15.4x	19.3x	16.9x	(0%)	(0%)	51%	51%	35%	33%	30%	31%
Regal Rexnord	\$148.38	9,869	16,046	2.4x	2.2x	11.2x	9.4x	17.7x	14.2x	19%	28%	33%	35%	22%	23%	14%	15%
SKF	SEK 188.20	7,974	9,414	1.0x	1.0x	6.3x	6.2x	8.3x	8.0x	3%	15%	25%	24%	15%	16%	12%	12%
Timken	\$84.91	6,182	8,060	1.6x	1.6x	8.3x	8.1x	10.1x	9.7x	6%	10%	31%	31%	20%	20%	16%	16%
Schaeffler	€ 5.83	4,225	7,883	0.4x	0.4x	3.3x	3.1x	6.2x	5.6x	6%	11%	23%	24%	13%	14%	7%	8%
RBC Bearings	\$209.04	6,089	7,460	4.8x	4.5x	15.9x	15.1x	22.1x	20.7x	8%	9%	41%	42%	30%	30%	22%	22%
Gates Industrial	\$12.84	3,660	5,976	1.6x	1.6x	8.2x	7.7x	13.0x	11.5x	3%	12%	37%	38%	20%	21%	13%	14%
NSK	¥877.60	3,132	4,648	0.7x	0.8x	6.7x	5.9x	17.5x	12.0x	4%	9%	22%	22%	11%	13%	4%	6%
HIWIN	TWD 249.50	2,843	2,890	3.5x	3.1x	14.9x	11.6x	24.8x	17.2x	(1%)	0%	33%	NA	23%	26%	14%	18%
THK	¥3,014.00	2,570	2,353	0.9x	0.9x	6.6x	5.7x	11.0x	8.9x	(6%)	(10%)	25%	27%	14%	16%	9%	10%
Kaman	\$23.30	657	1,219	1.6x	1.6x	12.0x	10.6x	26.3x	20.2x	6%	7%	34%	35%	14%	15%	6%	8%
Allied Motion	\$38.94	629	865	1.5x	1.4x	11.3x	10.1x	19.0x	16.3x	10%	20%	32%	32%	13%	14%	8%	9%
Mean				2.2x	2.0x	10.6x	9.4x	18.0x	13.9x	4%	9%	31%	33%	19%	20%	12%	14%
Median				1.6x	1.6x	11.2x	9.4x	17.7x	14.2x	4%	9%	32%	32%	15%	16%	12%	12%

Sources: Company information and CapitalIQ as of 6/23/23.

Note: Values that exceed or fail to reach an appropriate threshold for each category are excluded.

Comparable companies detail: Process & Flow Control

	Share price as of 6/23/23	Capitalization		EV / Revenue		EV / EBITDA		EV / EBIT		2022A-2024E CAGR		Gross margin		EBITDA margin		EBIT margin	
		Equity value	Enterprise value	2023E	2024E	2023E	2024E	2023E	2024E	Revenue	EBITDA	2023E	2024E	2023E	2024E	2023E	2024E
		(\$ in millions, except for share price)															
Xylem	\$111.03	\$20,124	\$21,179	3.0x	2.6x	16.5x	13.1x	23.7x	19.5x	22%	36%	38%	40%	18%	20%	13%	13%
IDEX	\$203.04	15,379	16,339	4.8x	4.7x	17.5x	16.6x	20.7x	19.3x	5%	4%	45%	45%	28%	28%	23%	24%
Alfa Laval	SEK 379.40	14,592	15,849	2.8x	2.6x	14.6x	13.3x	17.1x	15.5x	10%	17%	36%	35%	19%	20%	16%	17%
Nordson	\$235.74	13,528	14,474	5.4x	5.1x	17.8x	16.5x	20.4x	19.9x	5%	8%	54%	55%	31%	31%	27%	26%
Graco	\$83.55	14,065	13,808	6.2x	6.0x	18.9x	18.1x	21.1x	20.3x	4%	9%	52%	53%	33%	33%	29%	29%
Pentair	\$60.12	9,950	12,402	3.0x	2.9x	13.8x	12.9x	14.7x	13.7x	2%	8%	36%	37%	22%	23%	21%	21%
IMI	GBP 16.10	5,296	6,326	2.3x	2.2x	10.0x	9.4x	12.5x	11.7x	8%	18%	44%	44%	23%	23%	18%	19%
Flowserve	\$35.71	4,683	5,758	1.4x	1.3x	12.6x	10.9x	15.6x	13.1x	9%	30%	31%	31%	11%	12%	9%	10%
Watts Water Technologies	\$175.12	5,843	5,679	2.9x	2.8x	15.3x	14.9x	17.3x	16.8x	2%	3%	45%	45%	19%	19%	16%	16%
Badger Meter	\$143.66	4,228	4,106	6.4x	6.0x	31.2x	29.2x	39.7x	36.3x	10%	11%	39%	40%	20%	21%	16%	17%
Rotork	GBP 3.04	3,318	3,186	3.5x	3.3x	13.9x	12.8x	15.3x	14.0x	11%	19%	47%	47%	25%	26%	23%	24%
Sulzer	CHF 74.65	2,801	3,092	0.8x	0.8x	6.8x	6.5x	9.9x	9.4x	7%	32%	31%	31%	12%	12%	8%	8%
Mean				3.5x	3.4x	15.7x	14.5x	19.0x	17.5x	8%	16%	42%	42%	22%	22%	18%	19%
Median				3.0x	2.8x	14.9x	13.2x	17.2x	16.2x	8%	14%	42%	42%	21%	22%	17%	18%

Comparable companies detail: Industrial Digitization

	Share price as of 6/23/23	Capitalization		EV / Revenue		EV / EBITDA		EV / EBIT		2022A-2024E CAGR		Gross margin		EBITDA margin		EBIT margin	
		Equity value	Enterprise value	2023E	2024E	2023E	2024E	2023E	2024E	Revenue	EBITDA	2023E	2024E	2023E	2024E	2023E	2024E
<small>(\$ in millions, except for share price)</small>																	
Dassault Systèmes	€ 39.68	\$56,754	\$56,254	8.6x	8.0x	24.1x	21.7x	26.8x	24.1x	8%	25%	84%	84%	36%	37%	32%	33%
AutoDesk	\$202.00	43,173	43,726	8.1x	7.2x	21.4x	18.7x	22.7x	19.5x	10%	46%	92%	92%	38%	39%	36%	37%
Hexagon	SEK 127.10	31,997	35,496	6.1x	5.7x	16.4x	15.0x	21.7x	19.8x	6%	14%	66%	66%	37%	38%	28%	29%
ANSYS	\$319.54	27,743	28,122	12.3x	11.2x	29.5x	25.6x	29.5x	26.6x	10%	24%	91%	91%	42%	44%	42%	42%
PTC	\$140.86	16,671	18,470	8.3x	7.5x	21.0x	18.4x	22.5x	20.0x	13%	32%	81%	81%	40%	41%	37%	38%
Bentley Systems	\$51.72	15,305	16,927	13.8x	12.5x	41.2x	36.1x	42.8x	37.3x	11%	27%	80%	80%	33%	35%	32%	33%
Zebra Technologies	\$264.33	13,660	15,827	2.9x	2.7x	13.2x	11.7x	13.9x	12.3x	1%	9%	47%	48%	22%	23%	21%	22%
Trimble	\$49.55	12,276	13,424	3.5x	3.3x	13.5x	12.4x	14.7x	13.2x	6%	21%	62%	63%	26%	26%	24%	25%
Manhattan Associates	\$187.93	11,657	11,494	13.3x	11.9x	48.6x	41.7x	50.1x	43.5x	12%	31%	56%	56%	27%	29%	27%	27%
Aspen Technology	\$162.60	10,561	10,363	9.5x	8.5x	24.1x	18.1x	24.7x	20.2x	18%	37%	75%	77%	39%	47%	38%	42%
Descartes Systems	CAD 100.86	8,635	8,401	15.0x	13.7x	34.8x	30.5x	56.1x	45.8x	13%	17%	76%	77%	43%	45%	27%	30%
Digi International	\$38.25	1,389	1,587	3.5x	3.4x	16.3x	14.5x	31.1x	24.6x	7%	16%	57%	57%	22%	23%	11%	14%
CalAmp	\$1.71	64	267	0.9x	0.8x	8.2x	5.5x	19.5x	10.4x	5%	NM	37%	39%	11%	15%	4%	8%
Mean				8.1x	7.4x	24.0x	20.8x	28.9x	24.4x	9%	25%	70%	70%	32%	34%	28%	29%
Median				8.3x	7.5x	21.4x	18.4x	24.7x	20.2x	10%	24%	75%	77%	36%	37%	28%	30%

Sources: Company information and CapitalIQ as of 6/23/23.

Note: Values that exceed or fail to reach an appropriate threshold for each category are excluded.

Notes & disclosures

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