

M&A, INDUSTRY AND CAPITAL MARKETS REVIEW



With 2013 coming to a close, **growth** remains a priority topic for management teams, Boards and shareholders in what has been a choppy economic environment. Growth through M&A is a top strategic objective in 2014 for public and private companies. In this Industrial Technology Review, we provide analyses that present historical and projected public company growth data (revenue and EBITDA) along with IMF 2014 global growth forecasts. The data in this Review is designed to provide business owners, company executives, entrepreneurs, investors and members of Boards of Directors with relevant information regarding M&A activity, capital markets conditions and important industry developments. This review focuses on the following sub-sectors:

- Automation, Sensors & Controls
- Capital Equipment & Machinery
- Connectivity
- Diversified Conglomerates
- Electronic & Electrical Components
- Industrial Power & Energy
- Precision-Engineered Components
- Test & Measurement
- Value-Added Distribution

From large global conglomerates to niche manufacturers, the Industrial Technology industry is characterized by strong opportunities for growth globally, significant M&A activity and attractive public and private equity market fundamentals.

Summary Observations

- Q3 2013 total M&A for sub \$1.0 billion transactions in the U.S. was down 15% y/y to 513 transactions
- There is a distinctive scarcity premium in the M&A market for high quality companies
- Public companies are trading at healthy multiples with ample access to low-cost capital
- Debt capital markets remain issuer friendly, with leverage loan volumes well ahead of last year's pace

SUMMARY MARKET STATISTICS (as of November 5, 2013)

Equity Capital Markets	1 Mo. % Chg.	1 Yr. % Chg.	Debt Capital Markets (Source: S&P)	Current	1 Year Ago	Spot Commodities & Currencies	1 Mo. % Chg.	1 Yr. % Chg.
DJIA	3.8%	19.3%	BBB New Issue Yield	4.33%	3.54%	Comex Copper	(1.4%)	(6.4%)
S&P 500 Index	4.6%	24.7%	BB New Issue Yield	5.83%	5.49%	WTI Cushing Crude Oil	(8.6%)	10.5%
Nasdaq Composite Index	3.4%	31.2%	B New Issue Yield	7.44%	7.37%	Henry Hub Natural Gas	0.5%	(4.2%)
Russell 2000 Index	2.8%	35.2%	YTD Leveraged Loan Volume	\$524.3B	\$396.7B	USD / JPY	1.5%	22.9%
DJ Transportation Average	7.2%	38.3%	YTD High Yield Volume	\$281.9B	\$290.2B	EUR / USD	(0.9)%	5.4%

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Recent Headlines Relevant to the Industrial Technology Sector

Global Economy

November 1st – October U.S. ISM PMI increased to 56.4, up from 56.2 in September and ahead of consensus of 55.1. This is one of the strongest PMI readings during the past three years. A reading over 50 is expansionary and the index has been above 50 for 11 of the past 12 months. The PMI is an index of orders, production, deliveries and inventories.

October 24th – According to Markit, global manufacturing PMI numbers were generally positive in October. The Eurozone increased to 51.3 from 51.1 and China increased to 50.9 from 50.2.

October 17th – The Philadelphia Fed's October Business Outlook Survey indicates the region's manufacturing sector continued to grow in October. All the broad indicators were positive, with firms reporting improvements in new orders.

Notable Recent Public Company Commentary

October 29th – **Ametek** reported strong Q3 results and commented on its M&A strategy, noting, "Our pipeline of deals remains strong, so we expect to remain very active over the balance of 2013. Acquisitions will continue to be a focus for us, as we see this strategy as a key driver to the creation of shareholder value, especially during periods of slow growth. Our backlog of deals remains excellent, our balance sheet is strong, and our cash flow and financing facilities provide us with ample liquidity to pursue this strategy."

October 28th – **Roper Industries** announced record Q3 results and CEO, Brian Jellison, commented on the M&A environment: "...pricing and seller expectations are as horrendous as they were before, which is why you're seeing a lot of things not getting done out in the marketplace. When the debt staples are as enormous as they are, often times, seven times debt to EBITDA...and junk bond, kind of, or high yield, if you want to call it that, is still very low, so it drives up the multiples and that's as horrendous now as it was whenever I [first] made that comment."

October 24th – **ABB** posted strong quarterly results, beating analyst estimates, driven in part by past acquisitions in the U.S. (Thomas & Betts), where the company noted economic activity is stronger than other global regions, notably Europe. ABB's new CEO, Ulrich Spiesshofer, noted he will continue the growth through acquisition strategy in segments such as subsea power and control technologies for the energy industry, car charging infrastructure and solar technologies.

October 22nd – **Caterpillar** announced weak Q3 earnings with EPS of \$1.45 vs. consensus of \$1.67; revenue of \$13.4 billion was \$1.0 billion below consensus. Revenues for the full year are expected to be \$11.0 billion below last year (a decline of 17%). Resource Industries account for the majority of the decline, with weak mining equipment orders.

October 17th – **Amphenol** noted on its Q3 call, "Acquisitions continue to be an integral component of our growth strategy. The recent acquisition of Ionix is a strong complement to our leading offering of high-technology interconnect products for the European aerospace market, and in particular, enhances our position on aircraft engine interconnect."

October 17th – **Danaher's** CEO, Larry Culp, commented on Q3 call, "We remain active and optimistic on the M&A front. During the first 9 months of the year, we closed more than \$850 million of acquisitions, primarily in our Environmental, Industrial Technologies and Life Sciences & Diagnostics segments. We've had a number of constructive conversations with companies across all of our growth platforms and remain confident in our ability to deploy the \$8 billion of potential M&A capacity available through 2014 in a strategic yet disciplined way."

Debt Capital Markets

November 4th – JP Morgan high yield research noted, "With rate risk clearly more worrisome than credit risk, as long as equity prices remain within a range and the economy avoids contraction, these are essentially the same slow growth conditions the high yield market has thrived on for the last several years, and the carry trade has returned. And US HY bond yields and spreads declined 3bp and 6bp over the past week to 5.75% and 463bp, each a low since May, and comparable to a record and post crisis low of 5.03% (May 7th) and 437bp (May 10th), respectively. For perspective, the record low spread for the HY market was 266bp on June 5th, 2007."

Commodities & Currencies

November 4th – Bloomberg noted copper futures dropped the most in more than a week as U.S. factory orders rose less than forecast in September, adding to concern that demand for the metal may slow.

November 1st – West Texas Intermediate crude headed for its longest run of weekly declines since June 2012 as an increase in Chinese manufacturing failed to counter signs that oil markets are well supplied. A sharp slowdown in refiner demand and continued strong inventory builds in the U.S. have weighed on prices.

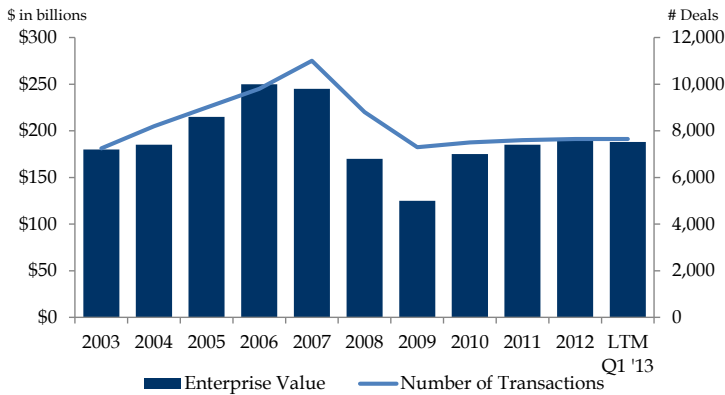
October 17th – The dollar recently traded near an eight month low against a basket of other currencies following the government shutdown and uncertainty regarding the timing of the Fed's reduction in its stimulus program.

Select Recent Industrial Technology M&A Transactions

Date	Target	Acquiror	Sub-Sector	Target Business Description
11/5/13	SRC Cables	Winchester Electronics (Audax)	Connectivity	High performance flexible and semi-rigid cable assemblies
11/4/13	Anaren	Veritas Capital	Electronics	Standard and custom microwave and RF products
10/31/13	Gas-Arc Group	Victor Technologies (Irving Place)	Manufacturing	Gas control equipment (U.K.)
10/31/13	Data Solutions	World Data Products (Prospect Part.)	Electronics	Data center products and services; data eradication
10/30/13	Actuant Electrical Segment	Sentinel Capital	Electrical Products	DIY electrical products
10/29/13	Net Optics	Ixia	Test & Measurement	Application and network (comm) visibility solutions
10/29/13	Creaform, Inc.	Ametek	Test & Measurement	Portable 3-D measurement technologies
10/29/13	Cemp, s.r.l.	Regal Beloit	Industrial Power	Hazardous duty motors
10/28/13	vMonitor	Rockwell Automation	Sensors & Controls	Wireless instrumentation for wellhead and upstream
10/28/13	Quallion	Energys	Industrial Energy	Lithium and ion cells and batteries for diverse applications
10/28/13	Advanced Sensors	Roper	Sensors & Controls	Optoelectronic instrumentation and detection for energy
10/28/13	Shipwire	Ingram Micro	Industrial Tech	Cloud logistics and on-demand fulfillment technology
10/28/13	ZTEC Instruments	LitePoint (Teradyne)	Test & Measurement	Digital oscilloscopes to test 802.11ac and WiMAX protocols
10/23/13	Comar	Graham Partners	Manufacturing	Plastic packaging solutions
10/22/13	C.D. Limited	Teledyne Technologies	Sensors & Controls	Subsea navigation systems and marine sensors
10/21/13	TNT Crane & Rigging	First Reserve	Capital Equipment	Rental and sale of cranes and equipment
10/21/13	Symmetricom	Microsemi	Electronics	Precision time and frequency technologies
10/18/13	Brightstar (Lindsay Goldberg)	Softbank	Distribution	Distribution of wireless devices and accessories
10/18/13	SMB Machinery Systems (MBO)	High Road Capital Partners	Capital Equipment	Packaging and process equipment
10/16/13	Arctic Fox (North River Capital)	Phillips & Temro (Audax)	Industrial Energy	Fuel and fluid warming components
10/9/13	Crosby Group/Acco Material Hand.	KKR	Capital Equipment	Lifting and rigging equipment across energy and industrial
10/9/13	Validity Sensors (Venture Syndicate)	Synaptics	Sensors & Controls	Biometric fingerprint sensors
10/8/13	EPIC Technologies (CIVC)	Natel Engineering	Electronics	Electronic manufacturing services (EMS)
10/7/13	Arens Controls Company	Curtiss-Wright	Sensors & Controls	Interface control systems and power management systems
10/7/13	Baldor Generators (ABB)	Generac	Industrial Energy	Portable, mobile, standby and prime power generators
10/4/13	Enardo, LLC	Emerson Electric	Capital Equipment	Vapor control equipment
10/3/13	Watchfire Signs (Harbour Group)	The Jordan Company	Electronics	Digital LED signs and related technology
10/3/13	CTS Corp. (EMS Business)	Benchmark Electronics	Electronics	Electronic manufacturing services (EMS)
10/3/13	Global X-Ray & Testing (Platte River)	Intertek Group	Test & Measurement	Testing and services to the oil and gas industry
10/2/13	Advanced Temperature Test Systems	Cascade Microtech	Electronics	Temperature control systems for semiconductor industry
10/1/13	Parvus Corporation	Curtiss-Wright	Electronics	Rugged small form factor computers and subsystems
10/1/13	Radant Technologies	Communications & Power Industries	Electronics	Radomes, reflector antennas for mil-aero applications
10/1/13	Defiance Testing & Engineering Svcs.	Exova Group	Test & Measurement	Testing services to the transportation industry
10/1/13	Edgen Group	Sumitomo Corp. of America	Distribution	Highly engineered steel pipes and valves for energy
9/30/13	Specialty Manuf/R-O-M (Century Park)	Sterling Group Partners	Manufacturing	Safety equipment and ancillary products
9/25/13	Flow International Corporation	American Industrial Partners	Machinery	Water jet cutting and surface preparation equipment
9/24/13	Longwood Elastomers	Wabtec Corporation	Manufacturing	Rubber, plastic and specialty products for diverse markets
9/19/13	Synos Technology	Veeco Instruments	Capital Equipment	Deposition systems for OLED applications
9/18/13	Purcell Systems (Weston Presidio)	Energys	Manufacturing	Outdoor electronic equipment enclosures
9/18/13	Rexroth Pneumatics (Bosch)	Triton Partners (Europe)	Automation	Specialized pneumatics manufacturer
9/16/13	Lark Engineering	Secure Communication Sys (Vance St.)	Electronics	RF filters
9/12/13	Prairie Technologies (ITW)	Bruker Corporation	Test & Measurement	Life science fluorescence microscopy products (ITW unit)
9/12/13	Oclaro Switzerland	II-VI Incorporated	Electronics	Laser diodes for industrial and consumer applications
9/9/13	Molex	Koch Industries	Electronics	Connectors and other connectivity products
9/9/13	Innovative Office Products	Corridor Capital	Manufacturing	Ergonomic mounting for flat panels and control panels
9/6/13	Multitest / Everett Charles (Dover)	LTX-Credence	Electronics	Electronics test equipment and related products
9/5/13	Aeroflex Test Equipment Svcs	Trescal Limited	Test & Measurement	UK based provider of calibration and related services
9/5/13	Kaydon Corporation	SKF AB	Manufacturing	Bearings, shock absorbers and vibration isolation products
9/4/13	ABC Instrumentacion Analitica	Agilent	Distribution	Distributor of analytical products in Mexico
9/3/13	Rutland Plastic Technologies	The Riverside Company	Manufacturing	Specialty inks and plastics coatings
8/30/13	Control Devices (Corridor Capital)	Goldner Hawn Johnson	Machinery	Specialty valves and flow control products
8/29/13	Kaiser Optical (Rockwell Collins)	Endress & Hauser	Test & Measurement	Industrial measurement and automation equipment
8/28/13	Piezotech	Meggitt	Sensors & Controls	Precision measurement and sensor systems
8/27/13	Eberle Design (Graham Partners)	Brazos Private Equity	Electronics	Traffic control and access control products
8/26/13	E&R Industrial Sales	W.W. Grainger	Distribution	Distributor of MRO supplies

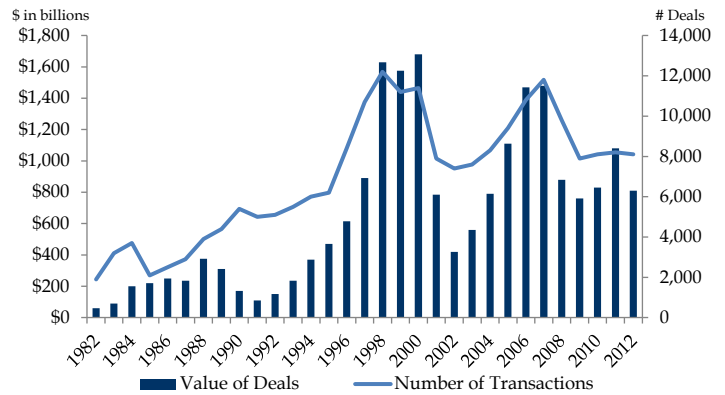
M&A Data

Historical Middle Market M&A Volume⁽¹⁾



(1) Source: Thomson Financial, Middle Market defined as deals < \$500MM.

Historical U.S. M&A Activity: 1982 - 2012⁽²⁾



(2) Source: Thompson Reuters, as of 12/31/12.

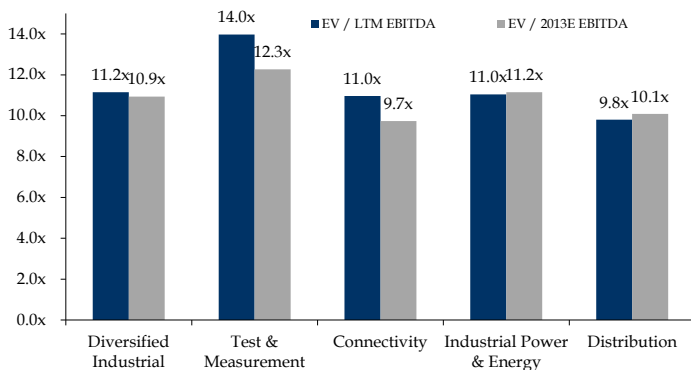
Summary Public Company Valuation Data and Operating Metrics

Diversified Industrial		Test & Measurement		Connectivity		Industrial Power & Energy		Distribution	
EV / LTM EBITDA	11.2x	EV / LTM EBITDA	14.0x	EV / LTM EBITDA	11.0x	EV / LTM EBITDA	11.0x	EV / LTM EBITDA	9.8x
EV / 2013E EBITDA	10.9x	EV / 2013E EBITDA	12.3x	EV / 2013E EBITDA	9.7x	EV / 2013E EBITDA	11.2x	EV / 2013E EBITDA	10.1x
2014E P/E	17.0x	2014E P/E	18.3x	2014E P/E	14.0x	2014E P/E	15.3x	2014E P/E	14.8x
EV / LTM Revenues	1.84x	EV / LTM Revenues	2.60x	EV / LTM Revenues	1.34x	EV / LTM Revenues	1.55x	EV / LTM Revenues	0.78x
3-Yr. Revs CAGR	6.7%	3-Yr. Revs CAGR	11.0%	3-Yr. Revs CAGR	5.9%	3-Yr. Revs CAGR	8.0%	3-Yr. Revs CAGR	7.7%
Est. 5-Yr. EPS Growth	13.3%	Est. 5-Yr. EPS Growth	13.2%	Est. 5-Yr. EPS Growth	12.5%	Est. 5-Yr. EPS Growth	12.7%	Est. 5-Yr. EPS Growth	13.0%
Gross Margin	32.5%	Gross Margin	51.7%	Gross Margin	32.7%	Gross Margin	28.6%	Gross Margin	22.6%
EBITDA Margin	15.6%	EBITDA Margin	19.7%	EBITDA Margin	12.2%	EBITDA Margin	14.0%	EBITDA Margin	7.8%
YTD Stock Price Change	35.8%	YTD Stock Price Change	25.0%	YTD Stock Price Change	24.6%	YTD Stock Price Change	22.5%	YTD Stock Price Change	27.5%
30 Day Stock Price Change	4.8%	30 Day Stock Price Change	1.3%	30 Day Stock Price Change	4.5%	30 Day Stock Price Change	1.5%	30 Day Stock Price Change	1.5%

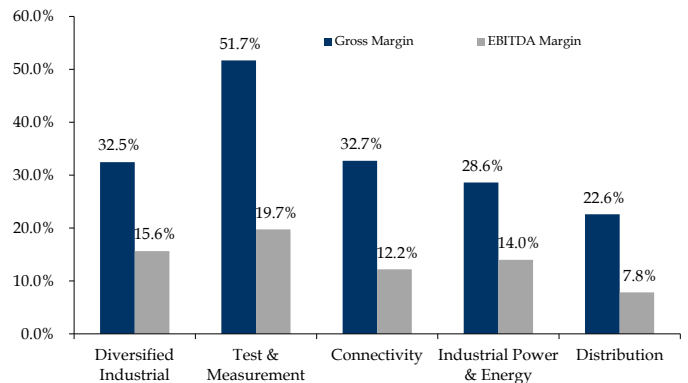
Note: Median statistics for respective metrics. As of close on November, 5 2013. Source for all public company data is Capital IQ.

Summary Public Company Valuation and Operating Metrics: Charts

Median EV / LTM EBITDA by Sub-Sector



Median EBITDA and Gross Margins by Sub-Sector

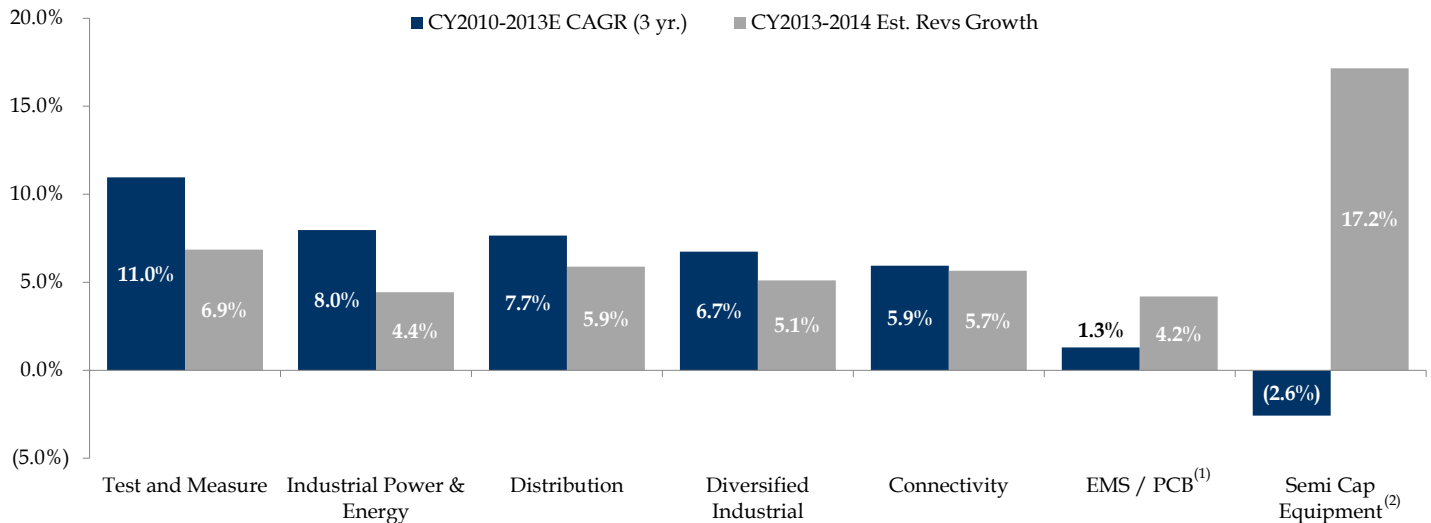


Note: please see comparable company analyses for companies comprising each sub-sector. All public company, commodity and currency data sourced from Capital IQ.

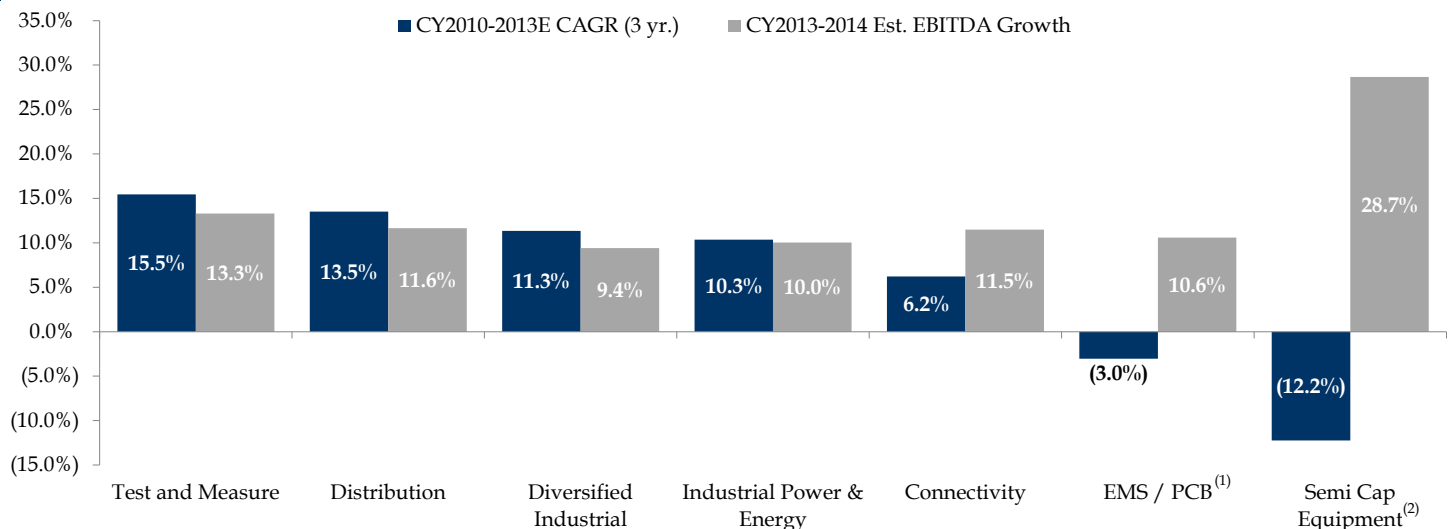
Revenue and EBITDA Growth: 3-Year Look-Back and 2014 Estimates

- The following data presents historical (2010 – 2013E 3-year CAGR) and projected (2014E) revenue and EBITDA growth for public companies within the Industrial Technology sector
- The EMS/Printed Circuit Board and Semi Capital Equipment sectors are also included to capture the growth trends of these sectors through the cycle

Revenue Growth: Historical and Projected



EBITDA Growth: Historical and Projected



Top 10 Companies by 2010 – 2013E 3-year Revenue CAGR

Company	Sector	%
Generac Holdings Inc. (GNRC)	Industrial Power & Energy	35.3%
Pentair Ltd. (PNR)	Diversified Industrial	34.5%
AZZ incorporated (AZZ)	Industrial Power & Energy	26.2%
Dresser-Rand Group Inc. (DRC)	Industrial Power & Energy	19.9%
Ixia (XXIA)	Test and Measure	19.4%
Prismian S.p.A. (PRY)	Connectivity	18.4%
Hexagon AB (HEXA B)	Test and Measure	18.2%
Eaton Corporation plc (ETN)	Diversified Industrial	17.2%
Methode Electronics, Inc. (MEI)	Connectivity	17.0%
Measurement Specialties (MEAS)	Test and Measure	14.9%

Top 10 Companies by 2013E – 2014E 1-year Revenue Growth

Company	Sector	%
Rudolph Technologies (RTEC)	Semi Cap Equipment	25.1%
Daikin Industries Ltd. (6367)	Industrial Power & Energy	21.0%
Teradyne Inc. (TER)	Semi Cap Equipment	18.7%
KLA-Tencor Corp. (KLAC)	Semi Cap Equipment	18.0%
Corning Inc. (GLW)	Connectivity	17.1%
AZZ incorporated (AZZ)	Industrial Power & Energy	17.0%
Methode Electronics, Inc. (MEI)	Connectivity	16.4%
Lam Research Corp. (LRCX)	Semi Cap Equipment	16.3%
Barnes Group Inc. (B)	Diversified Industrial	16.0%
Bel Fuse Inc. (BELF.B)	Connectivity	15.5%

(1) EMS / PCB includes: Celestica Inc., Flextronics International Ltd., Jabil Circuit Inc., Plexus Corp., Sanmina Corporation, TTM Technologies Inc. and Viasystems Group, Inc.

(2) Semi Capital Equipment includes: Applied Materials, Inc., Brooks Automation, Inc., KLA-Tencor Corporation, Lam Research Corporation, Rudolph Technologies Inc. and Teradyne Inc.

IMF Global Growth Data: Historical and Projected (Source: IMF, October 2013)

	2011	2012	2013E	2014P
World Output	3.9%	3.2%	2.9%	3.6%
Advanced Economies:	1.7%	1.5%	1.2%	2.0%
United States	1.8%	2.8%	1.6%	2.6%
Canada	2.5%	1.7%	1.6%	2.2%
Euro Zone	1.5%	-0.6%	-0.4%	1.0%
Germany	3.4%	0.9%	0.5%	1.4%
France	2.0%	0.0%	0.2%	1.0%
Italy	0.4%	-2.4%	-1.8%	0.7%
Spain	0.1%	-1.6%	-1.3%	0.2%
United Kingdom	1.1%	0.2%	1.4%	1.9%
Japan	-0.6%	2.0%	2.0%	1.2%
Other Advanced Economies	3.2%	1.9%	2.3%	3.1%
Emerging Economies:	6.2%	4.9%	4.5%	5.1%
Central and Eastern Europe	5.4%	1.4%	2.3%	2.7%
Russia	4.3%	3.4%	1.5%	3.0%
Developing Asia	7.8%	6.4%	6.3%	6.5%
China	9.3%	7.7%	7.6%	7.3%
India	6.3%	3.2%	3.8%	5.1%
ASEAN-5 ⁽¹⁾	4.5%	6.2%	5.0%	5.4%
Latin America and Caribbean	4.6%	2.9%	2.7%	3.1%
Brazil	2.7%	0.9%	2.5%	2.5%
Mexico	4.0%	3.6%	1.2%	3.0%
Middle East	3.9%	4.6%	2.3%	3.6%
Sub-Saharan Africa	5.5%	4.9%	5.0%	6.0%
South Africa	3.5%	2.5%	2.0%	2.9%

(1) Includes Indonesia, Malaysia, Philippines, Thailand and Vietnam.

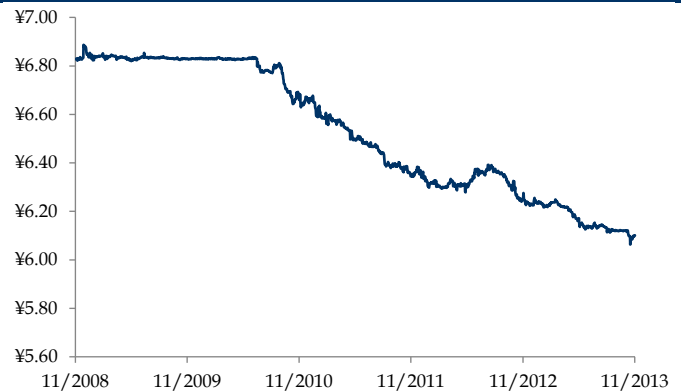
- Emerging Market growth forecasts have weakened since mid-2013
- The IMF believes most of the growth pick-up in 2014 will be driven by advanced economies
- The IMF comments, “Structural bottlenecks in infrastructure, labor markets and investment have contributed to slowdown in many emerging markets”
- Despite the lowered expectations for emerging markets, 2014 projected growth rate is at ~5%, and well above the advanced economy growth rate
- On November 5th, Premier Li Keqiang of China stated the Chinese economy must sustain growth of 7.2% to create 10 million jobs per year
- According to The Manufacturers Alliance for Productivity and Innovation (MAPI), manufacturing production growth in the U.S. in 2014 (3.2%) and 2015 (4.1%) should outperform GDP growth

Foreign Currencies

USD / JPY



USD / China RMB



USD / CAD



EUR / USD



Source Data: Capital IQ

Precious and Base Metals / Commodities

Gold



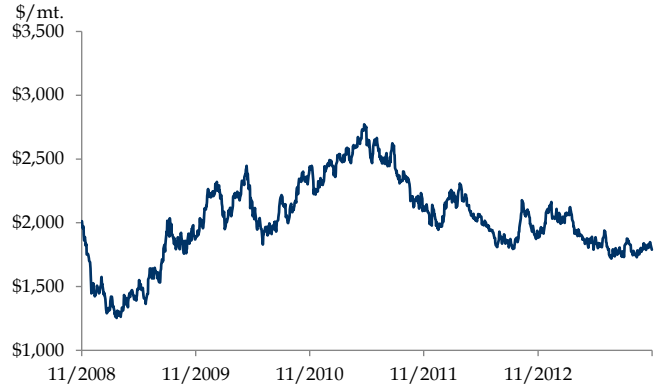
Silver



Copper



Aluminum



Crude Oil



Natural Gas



Source Data: Capital IQ

Comparable Company Analysis: Diversified Industrial Technology

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		VALUATION DATA			
	Company	11/5/2013	30 Day % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	EBITDA LTM % Margin	Gross Profit % Margin	EV / Revs LTM	EV / EBITDA LTM	2013
3M Company (MMM)	\$126.12	5.6%	35.8%	\$84,912.8	\$87,834.8	25.7%	47.5%	2.86x	11.2x	10.9x	17.0x
Actuant Corporation (ATU)	38.31	(0.1%)	37.3%	2,798.3	3,209.3	18.5%	39.6%	2.51x	13.6x	12.8x	18.0x
Barnes Group Inc. (B)	36.85	3.7%	64.1%	1,943.9	2,062.2	16.8%	35.8%	1.52x	9.1x	10.1x	15.9x
Carlisle Companies Incorporated (CSL)	73.00	4.8%	24.2%	4,643.0	5,063.2	14.7%	23.8%	1.38x	9.4x	9.8x	17.8x
CIRCOR International, Inc. (CIR)	77.79	24.4%	96.5%	1,368.4	1,331.9	10.8%	30.3%	1.58x	14.6x	12.8x	20.8x
Crane Co. (CR)	63.49	4.3%	37.2%	3,687.2	3,607.7	15.6%	34.2%	1.42x	9.1x	8.6x	14.0x
Curtiss-Wright Corporation (CW)	50.65	9.8%	54.3%	2,399.2	3,187.5	14.2%	32.5%	1.33x	9.3x	8.8x	15.5x
Danaher Corp. (DHR)	72.59	5.9%	29.9%	50,609.7	52,182.3	22.5%	52.2%	2.77x	12.3x	12.5x	19.1x
Dover Corporation (DOV)	91.33	2.7%	39.0%	15,559.5	17,682.0	21.0%	38.6%	2.07x	9.9x	10.1x	15.3x
Eaton Corporation plc (ETN)	70.06	1.5%	29.3%	33,201.4	41,600.4	14.0%	30.2%	2.00x	14.3x	12.5x	14.3x
General Electric Company (GE)	26.42	9.9%	25.9%	267,300.9	651,546.9	19.9%	48.9%	4.50x	22.6x *	20.9x *	14.8x
Harsco Corporation (HSC)	27.41	10.6%	16.6%	2,211.1	3,233.5	14.9%	22.9%	1.08x	7.2x	7.5x	20.9x
Honeywell International Inc. (HON)	86.34	5.0%	36.0%	67,748.7	70,483.7	14.4%	25.7%	1.84x	12.8x	10.1x	15.6x
IDEX Corporation (IEX)	69.89	7.7%	50.2%	5,669.4	6,054.0	23.5%	42.7%	3.04x	12.9x	12.8x	20.8x
Illinois Tool Works Inc. (ITW)	79.15	5.1%	30.2%	35,129.8	37,253.8	19.6%	36.7%	2.17x	11.0x	11.8x	17.7x
Ingersoll-Rand Plc (IR)	67.52	2.2%	40.8%	19,451.6	21,986.9	13.3%	31.5%	1.54x	11.6x	10.8x	15.9x
ITT Corporation (ITI)	40.12	10.1%	71.0%	3,638.9	3,128.6	14.2%	31.8%	1.30x	9.2x	8.6x	17.4x
Johnson Controls Inc. (JCI)	46.36	12.7%	51.2%	31,756.6	36,616.6	8.8%	15.9%	0.86x	9.7x	9.0x	13.6x
Kennametal Inc. (KMT)	46.61	3.2%	16.5%	3,652.2	4,056.2	15.6%	32.4%	1.57x	10.1x	9.8x	14.3x
Nordson Corporation (NDSN)	72.38	(2.2%)	14.7%	4,648.5	5,137.3	25.1%	56.0%	3.27x	13.0x	13.4x	17.4x
Pall Corporation (PLL)	81.88	5.7%	35.9%	9,069.8	8,770.7	21.7%	51.8%	3.31x	15.3x	15.2x	22.7x
Parker-Hannifin Corporation (PH)	115.94	7.8%	36.3%	17,302.4	18,201.8	13.1%	22.6%	1.40x	10.6x	10.1x	15.6x
Pentair Ltd. (PNR)	68.16	2.8%	38.7%	13,586.6	16,042.1	11.7%	31.6%	2.19x	18.7x	13.0x	17.2x
Rockwell Automation Inc. (ROK)	108.79	1.5%	29.5%	15,085.8	14,813.9	18.2%	40.2%	2.35x	12.9x	11.7x	17.3x
Roper Industries Inc. (ROP)	124.76	(4.0%)	11.9%	12,374.1	14,519.9	31.7%	57.5%	4.60x	14.5x	13.6x	19.9x
Siemens Aktiengesellschaft (SIE)	124.91	0.9%	15.4%	105,265.6	122,637.1	11.0%	27.9%	1.23x	11.2x	11.2x	12.2x
Smiths Group plc (SMIN)	22.76	4.6%	17.6%	8,970.1	10,112.0	19.5%	45.5%	2.14x	11.0x	9.9x	14.0x
SPX Corporation (SPW)	92.91	9.6%	32.4%	4,213.8	5,424.0	9.4%	28.1%	1.08x	11.5x	12.5x	17.8x
Standex International Corporation (SXI)	61.22	4.8%	19.4%	785.3	784.3	12.3%	32.5%	1.12x	9.1x	N.A.	14.7x
Overall Group Mean		5.5%	35.8%	\$28,585.7	\$43,743.6	17.0%	36.1%	2.07x	11.6x	11.1x	16.8x
Overall Group Median		4.8%	35.8%	9,069.8	10,112.0	15.0%	32.5%	1.84x	11.2x	10.9x	17.0x
Overall Group Max		24.4%	96.5%	267,300.9	651,546.9	31.7%	57.5%	4.60x	18.7x	15.2x	22.7x
Overall Group Min		(4.0%)	11.9%	785.3	784.3	8.8%	15.9%	0.86x	7.2x	7.5x	12.2x

Comparable Company Analysis: Industrial Power & Energy

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		VALUATION DATA			
	Company	11/5/2013	30 Day % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	EBITDA LTM % Margin	Gross Profit % Margin	EV / Revs LTM	EV / EBITDA LTM	2013
ABB Ltd. (ABBN)	\$25.09	7.4%	22.5%	\$57,632.5	\$61,574.5	13.8%	28.9%	1.48x	10.8x	9.9x	15.6x
AZZ incorporated (AZZ)	44.76	8.4%	16.5%	1,141.3	1,551.8	21.7%	28.6%	2.34x	10.8x	10.2x	14.2x
Caterpillar Inc. (CAT)	84.05	(0.2%)	(6.2%)	53,485.7	88,975.7	14.2%	26.6%	1.55x	10.9x	11.5x	14.2x
Daikin Industries Ltd. (6367)	57.02	8.3%	67.6%	16,604.7	22,010.0	11.5%	30.1%	1.52x	13.3x	12.5x	19.5x
Dresser-Rand Group Inc. (DRC)	58.33	(5.9%)	3.9%	4,450.0	5,621.3	15.2%	26.3%	1.84x	12.1x	11.3x	16.0x
Eaton Corporation plc (ETN)	70.06	1.5%	29.3%	33,201.4	41,600.4	14.0%	30.2%	2.00x	14.3x	12.5x	14.3x
Emerson Electric Co. (EMR)	66.85	4.5%	26.2%	47,766.4	50,133.4	19.3%	40.3%	2.03x	10.5x	9.9x	16.6x
Generac Holdings Inc. (GNRC)	48.10	14.4%	40.2%	3,291.6	4,383.0	25.3%	37.9%	3.02x	12.0x	11.5x	13.1x
Global Power Equipment Group Inc. (GLPW)	20.49	1.3%	19.5%	348.6	328.5	5.7%	17.0%	0.66x	11.6x	16.8x	16.0x
Hubbell Inc. (HUB.B)	105.76	0.6%	25.0%	6,251.4	6,215.8	18.0%	33.7%	1.99x	11.0x	10.7x	17.8x
Johnson Controls Inc. (JCI)	46.36	12.7%	51.2%	31,756.6	36,616.6	8.8%	15.9%	0.86x	9.7x	9.0x	13.6x
Lennox International, Inc. (LII)	78.62	6.3%	49.7%	3,892.2	4,290.6	10.4%	26.2%	1.37x	13.2x	12.3x	18.0x
Regal Beloit Corporation (RBC)	72.77	0.1%	3.3%	3,278.9	3,630.7	13.5%	25.0%	1.18x	8.7x	8.5x	15.3x
Schneider Electric S.A. (SU)	83.11	0.0%	15.0%	45,949.8	52,870.8	16.4%	37.8%	1.70x	10.4x	9.9x	14.0x
Siemens Aktiengesellschaft (SIE)	124.91	0.9%	15.4%	105,265.6	122,637.1	11.0%	27.9%	1.23x	11.2x	11.2x	12.2x
Overall Group Mean		4.0%	25.3%	\$27,621.1	\$33,496.0	14.6%	28.8%	1.65x	11.4x	11.2x	15.4x
Overall Group Median		1.5%	22.5%	16,604.7	22,010.0	14.0%	28.6%	1.55x	11.0x	11.2x	15.3x
Overall Group Max		14.4%	67.6%	105,265.6	122,637.1	25.3%	40.3%	3.02x	14.3x	16.8x	19.5x
Overall Group Min		(5.9%)	(6.2%)	348.6	328.5	5.7%	15.9%	0.66x	8.7x	8.5x	12.2x

Note: Data marked with "*" is excluded from summary calculations.

Comparable Company Analysis: Test & Measurement

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		VALUATION DATA			
	11/5/2013	30 Day % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	EBITDA LTM % Margin	Gross Profit % Margin	EV / Revs LTM	EV / EBITDA		P / E
									LTM	2013	
Agilent Technologies Inc. (A)	\$51.21	(1.1%)	25.1%	\$16,939.9	\$17,313.9	20.2%	52.2%	2.53x	12.5x	11.1x	15.7x
Ametek Inc. (AME)	47.91	6.5%	27.5%	11,726.2	12,771.4	26.0%	35.4%	3.66x	14.1x	13.9x	20.5x
Aeroflex Holding Corp. (ARX)	7.57	1.9%	8.1%	643.0	1,190.6	18.6%	51.1%	1.84x	9.9x	9.2x	10.2x
Badger Meter Inc. (BMI)	51.33	10.5%	8.3%	738.0	798.6	15.5%	35.7%	2.44x	15.7x	15.5x	23.2x
Cognex Corporation (CGNX)	30.93	0.4%	68.1%	2,699.6	2,482.6	27.3%	75.8%	7.29x	26.7x *	24.1x *	29.3x
Danaher Corp. (DHR)	72.59	5.9%	29.9%	50,609.7	52,182.3	22.5%	52.2%	2.77x	12.3x	12.5x	19.1x
ESCO Technologies Inc. (ESE)	35.76	7.9%	(4.4%)	945.5	1,100.8	13.4%	39.5%	1.62x	12.1x	11.1x	18.6x
FARO Technologies Inc. (FARO)	51.87	29.5%	45.4%	887.8	705.9	13.1%	55.1%	2.50x	19.0x	18.4x	32.0x
FEI Company (FEIC)	88.65	2.2%	59.8%	3,701.7	3,268.2	20.1%	47.4%	3.66x	18.2x	17.5x	23.6x
FLIR Systems, Inc. (FLIR)	28.58	(11.8%)	28.1%	4,060.5	3,959.5	24.7%	51.0%	2.67x	10.8x	11.7x	17.4x
Hexagon AB (HEXA B)	29.59	(0.5%)	18.1%	10,493.9	12,460.3	23.8%	55.4%	3.79x	15.9x	14.6x	17.5x
Ixia (XXIA)	13.46	(16.8%)	(20.7%)	1,025.1	971.7	21.5%	79.4%	2.03x	9.4x	8.2x	14.7x
JDS Uniphase Corporation (JDSU)	13.07	(13.3%)	(3.2%)	3,036.5	2,497.6	8.8%	46.0%	1.48x	16.8x	11.9x	17.9x
Measurement Specialties Inc. (MEAS)	54.54	(0.7%)	58.5%	857.8	959.7	17.0%	41.0%	2.67x	15.7x	12.9x	19.4x
Mettler-Toledo International Inc. (MTD)	246.61	2.9%	27.6%	7,384.8	7,732.7	20.3%	53.6%	3.31x	16.3x	15.1x	20.8x
MTS Systems Corporation (MTSC)	65.59	0.7%	28.8%	1,023.7	980.1	14.3%	40.3%	1.77x	12.4x	9.9x	13.8x
National Instruments Corporation (NATI)	32.24	3.5%	24.9%	4,035.1	3,691.0	12.7%	74.1%	3.15x	24.8x *	18.7x *	28.5x
Oxford Instruments plc (OXIG)	20.49	(6.1%)	(11.4%)	1,163.3	1,103.8	13.3%	44.6%	2.07x	15.6x	11.2x	17.3x
Roper Industries Inc. (ROP)	124.76	(4.0%)	11.9%	12,374.1	14,519.9	31.7%	57.5%	4.60x	14.5x	13.6x	19.9x
Spectris plc (SXS)	37.07	4.0%	11.3%	4,396.5	4,635.2	19.4%	57.8%	2.53x	13.1x	12.0x	16.2x
Teledyne Technologies Inc. (TDY)	88.65	5.2%	36.2%	3,326.1	3,880.5	14.8%	36.0%	1.68x	11.4x	11.6x	17.7x
Waters Corporation (WAT)	99.47	(5.3%)	14.2%	8,467.9	8,062.5	31.2%	59.0%	4.33x	13.9x	13.6x	18.1x
Overall Group Mean		1.0%	22.4%	\$6,842.6	\$7,148.6	19.6%	51.8%	2.93x	14.0x	12.8x	19.6x
Overall Group Median		1.3%	25.0%	3,513.9	3,479.6	19.7%	51.7%	2.60x	14.0x	12.3x	18.3x
Overall Group Max		29.5%	68.1%	50,609.7	52,182.3	24.7%	79.4%	7.29x	19.0x	18.4x	32.0x
Overall Group Min		(16.8%)	(20.7%)	643.0	705.9	8.8%	35.4%	1.48x	9.4x	8.2x	10.2x

Comparable Company Analysis: Connectivity

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		VALUATION DATA			
	11/5/2013	30 Day % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	EBITDA LTM % Margin	Gross Profit % Margin	EV / Revs LTM	EV / EBITDA		P / E
									LTM	2013	
Ametek Inc. (AME)	\$47.91	6.5%	27.5%	\$11,726.2	\$12,771.4	26.0%	35.4%	3.66x	14.1x	13.9x	20.5x
Amphenol Corporation (APH)	79.80	4.3%	23.3%	12,630.8	13,226.0	22.5%	31.4%	2.93x	13.0x	12.9x	19.1x
Beijer Electronics AB (BELE)	10.76	4.5%	13.0%	205.2	274.7	9.3%	44.5%	1.31x	14.1x	12.1x	13.9x
Belden Inc. (BDC)	67.42	5.4%	49.9%	2,939.6	3,779.5	14.7%	34.4%	1.86x	12.6x	10.2x	17.0x
Bel Fuse Inc. (BELF.B)	21.05	17.4%	7.7%	240.2	252.7	7.0%	18.3%	0.77x	11.0x	N.A.	10.8x
Black Box Corporation (BBOX)	24.62	(17.1%)	1.2%	395.4	541.7	8.5%	32.0%	0.55x	6.5x	7.2x	11.5x
Carlisle Companies Incorporated (CSL)	73.00	4.8%	24.2%	4,643.0	5,063.2	14.7%	23.8%	1.38x	9.4x	9.8x	17.8x
Coleman Cable, Inc. (CCIX)	24.96	24.1%	169.3%	461.2	767.2	9.7%	15.4%	0.83x	8.6x	7.9x	12.8x
Corning Inc. (GLW)	16.50	12.8%	30.7%	23,878.8	21,342.8	32.5%	42.8%	2.66x	8.2x	8.2x	11.1x
Digi International Inc. (DGII)	10.10	5.4%	6.7%	258.1	169.8	8.1%	51.2%	0.87x	10.8x	9.6x	25.1x
Encore Wire Corp. (WIRE)	49.42	23.3%	63.0%	1,022.5	1,006.4	6.7%	11.1%	0.90x	13.3x	11.8x	16.9x
General Cable Corp. (BGC)	28.46	(12.1%)	(6.4%)	1,416.1	1,416.1	4.5%	10.3%	0.22x	4.9x	3.6x	10.4x
Hirose Electric Co. Ltd. (6806)	149.74	(1.5%)	25.9%	5,156.5	3,707.0	31.6%	42.8%	3.59x	11.4x	9.4x	24.2x
Hubbell Inc. (HUB.B)	105.76	0.6%	25.0%	6,251.4	6,215.8	18.0%	33.7%	1.99x	11.0x	10.7x	17.8x
Huber & Suhner AG (HUBN)	52.84	0.5%	11.2%	1,028.9	890.6	9.7%	32.8%	1.09x	11.3x	9.3x	19.9x
Methode Electronics, Inc. (MEI)	27.05	(6.7%)	169.7%	1,007.8	987.2	9.6%	18.3%	1.74x	18.0x	12.7x	13.5x
Molex Incorporated (MOLX)	38.57	0.1%	41.1%	6,906.5	6,587.7	17.5%	30.1%	1.81x	10.3x	10.0x	20.7x
Optical Cable Corp. (OCC)	4.07	4.6%	9.1%	26.8	37.2	4.1%	34.6%	0.48x	11.6x	N.A.	N.A.
Prysmian S.p.A. (PRY)	23.76	(8.1%)	20.0%	5,025.5	6,732.4	14.9%	35.9%	0.68x	4.6x	8.2x	11.7x
Smiths Group plc (SMIN)	22.76	4.6%	17.6%	8,970.1	10,112.0	19.5%	45.5%	2.14x	11.0x	9.9x	14.0x
TE Connectivity Ltd. (TEL)	51.76	(0.7%)	39.4%	21,404.7	23,021.7	18.7%	32.6%	1.73x	9.3x	9.1x	13.6x
Volex plc (VLX)	1.99	5.6%	28.6%	116.0	135.5	3.8%	18.0%	0.29x	7.5x	5.9x	10.4x
Overall Group Mean		3.6%	36.3%	\$5,259.6	\$5,410.8	14.2%	30.7%	1.52x	10.6x	9.6x	15.8x
Overall Group Median		4.5%	24.6%	2,177.9	2,561.6	12.2%	32.7%	1.34x	11.0x	9.7x	14.0x
Overall Group Max		24.1%	169.7%	23,878.8	23,021.7	32.5%	51.2%	3.66x	18.0x	13.9x	25.1x
Overall Group Min		(17.1%)	(6.4%)	26.8	37.2	3.8%	10.3%	0.22x	4.6x	3.6x	10.4x

Note: Data marked with "*" is excluded from summary calculations.

Comparable Company Analysis: Distribution

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		VALUATION DATA			
	11/5/2013	30 Day % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	EBITDA LTM % Margin	Gross Profit % Margin	EV / Revs LTM	EV / EBITDA LTM	2013	P / E 2014
Applied Industrial Technologies, Inc. (AIT)	\$47.27	(7.6%)	12.5%	\$1,994.6	\$1,917.7	8.1%	28.0%	0.78x	9.7x	9.7x	16.1x
Anixter International Inc. (AXE)	85.59	(3.0%)	33.8%	2,785.2	3,525.0	5.8%	22.6%	0.57x	9.8x	9.3x	13.3x
Arrow Electronics, Inc. (ARW)	48.57	(0.3%)	27.5%	4,893.0	6,590.6	4.1%	13.2%	0.32x	7.7x	7.2x	8.7x
Avnet, Inc. (AVT)	39.33	(7.4%)	28.5%	5,410.7	6,624.3	3.7%	11.7%	0.26x	7.0x	6.7x	8.8x
Dätwyler Holding Inc. (DAE)	124.53	2.3%	32.0%	1,940.8	1,987.4	13.3%	25.0%	1.42x	10.7x	8.5x	12.5x
Genuine Parts Company (GPC)	80.21	(0.5%)	26.2%	12,421.2	12,944.4	8.7%	29.5%	0.95x	10.9x	10.6x	17.6x
W.W. Grainger, Inc. (GWV)	268.96	1.5%	32.9%	18,669.1	18,761.3	16.0%	44.1%	2.02x	12.6x	12.3x	20.4x
Houston Wire & Cable Company (HWCC)	13.88	6.7%	13.1%	249.0	302.2	7.8%	22.0%	0.77x	9.8x	10.1x	13.3x
MRC Global Inc. (MRC)	30.97	12.0%	11.5%	3,151.0	4,161.4	8.3%	19.0%	0.80x	9.6x	10.5x	14.8x
MSC Industrial Direct Co. Inc. (MSM)	78.06	(5.9%)	3.6%	4,949.9	5,149.8	18.3%	45.5%	2.10x	11.4x	11.4x	18.8x
TESSCO Technologies Inc. (TESS)	35.52	4.3%	60.4%	292.1	291.4	4.8%	22.2%	0.45x	9.2x	N.A.	15.3x
Watsco Inc. (WSO)	96.16	1.9%	28.4%	3,091.4	3,665.3	7.7%	24.0%	1.00x	13.0x	13.0x	21.7x
WESCO International Inc. (WCC)	84.25	8.5%	24.9%	3,723.6	5,202.5	6.0%	20.7%	0.71x	11.9x	10.1x	14.1x
Overall Group Mean		1.0%	25.8%	\$4,890.1	\$5,471.0	8.7%	25.2%	0.93x	10.3x	10.0x	15.0x
Overall Group Median		1.5%	27.5%	3,151.0	4,161.4	7.8%	22.6%	0.78x	9.8x	10.1x	14.8x
Overall Group Max		12.0%	60.4%	18,669.1	18,761.3	18.3%	45.5%	2.10x	13.0x	13.0x	21.7x
Overall Group Min		(7.6%)	3.6%	249.0	291.4	3.7%	11.7%	0.26x	7.0x	6.7x	8.7x



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