

MERGERS, ACQUISITIONS, AND
CAPITAL RESOURCES SINCE 1956

METAL FABRICATION

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2017

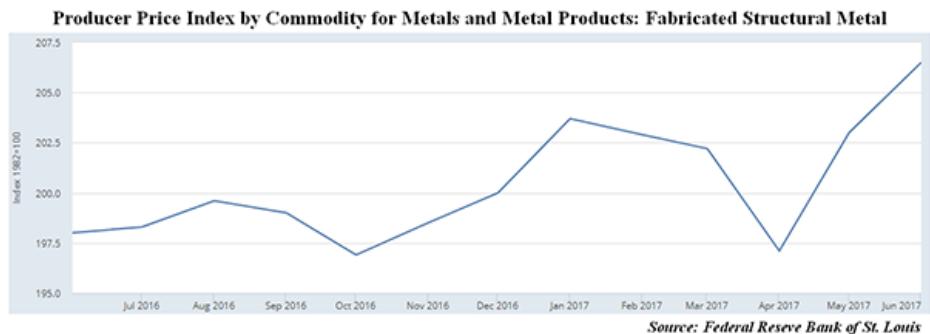
The Metal Fabrication Industry Practice Group draws on the experience of CFA dealmakers, who as former business owners, CEOs, and industry professionals, have first-hand knowledge and have completed many transactions in sectors throughout the Metal Fabrication category. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.

Metal Fabrication M&A

M&A activity for North American based target companies in the Metal Fabrication sector for Q2 2017 included 51 closed deals, according to data published by industry data tracker *FactSet*.

One of the more notable transactions in the sector closed in April when Wieland-Werke AG acquired Wolverine Tube, Inc. for an undisclosed amount. The acquisition enhances Wieland-Werke AG's international market position and also expands its portfolio of technical businesses.

Founded in 1916, Wolverine Tube is located in Decatur, Alabama and manufactures copper alloy and copper tube, rod bar and strip products.



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For over 60 years CFA has been advocating on behalf of business owners. Whether you're selling, buying or recapitalizing your company, our business is your business.

Transactional Overview

Notable closed lower middle market transactions for the period in the Metal Fabrication sector include:

June 2017 - Pfeiffer Vacuum, Inc., a subsidiary of Pfeiffer Vacuum Technology AG, acquired Nor-Cal Products, Inc. for US\$68 million in cash. The transaction was funded via a bank loan. The acquisition would allow Pfeiffer Vacuum to expand its distribution network in Asia. Founded in 1962, Nor-Cal Products manufactures stainless steel, steel flanges, fittings and custom components for the vacuum industry.

June 2017 - Gardner Denver Holdings, Inc. acquired Rotary Compression Technologies Inc., trading as LeROI Gas Compressors, for US\$20 million in cash. The transaction would be funded through Gardner Denver's cash on hand. The acquisition was in line with the growth strategy of Gardner Denver and enhances its portfolio of product offerings. As part of the deal, all the employees of Rotary Compression Technologies would join Gardner Denver. Located in Ohio Rotary Compression Technologies manufactures rotary compression technologies.

Selected Q3 Closed Transactions	
Target/Issuer	Buyers/Investors
Stelco, Inc. (Canada)	Bedrock Industries GP LLC
Enhanced Powder Coating Ltd.	AZZ, Inc.
Repeat Precision LLC	NCS Multistage Holdings, Inc.
Thinklogical LLC	Belden, Inc.
EFCO Corp.	Apogee Enterprises, Inc.
Ashland Foundry & Machine Works LLC	Speyside Equity LLC
Industrial Container Services LLC	Centerbridge Partners LP
Perfect Pipe & Supply Corp.	Hubbell, Inc.

May 2017 - NCS Multistage Holdings, Inc. acquired a 50% minority stake in Repeat Precision, LLC for US\$12.9 million. Under the terms of transaction, NCS Multistage Holdings paid US\$5.9 million and US\$7 million in contingent payout to Repeat Precision. Repeat Precision is located in Marble Falls, Texas and provides machining services.

Industry Update

Manufacturers of fabricated metal products may adjust their marketing and production strategies to meet an uptick in demand if the rise in durable goods orders continues and leads to broader economic growth. New orders for US durable goods, a demand indicator for fabricated metal products manufacturing, increased 1.8% in the first two months of 2017 compared to the same period a year earlier. New orders for fabricated metal products increased 4.7%. Several key end-use markets for fabricated metal products also saw growth in new orders. Machinery orders rose 2.9%, led by a 6.4% increase in HVAC and refrigeration equipment orders. Metalworking machinery orders climbed 5.9%, and new orders for industrial machinery grew 3.7%. Motor vehicle bodies, parts, and trailer order rose 9%. February 2017 marked the sixth straight month of rising durable goods orders, excluding transportation equipment, and could be a sign of broader economic growth to come, according to Bloomberg. If lawmakers succeed in the Trump administration's goal to reduce corporate taxes and introduce regulatory reforms, business could be stimulated even further.

Industry Indicators

- US durable goods manufacturers' shipments of fabricated metal products, an indicator of fabricated metal parts production, rose 6.4% year-to-date in May 2017 compared to the same period in 2016.
- US steel mill product prices, an indicator of commodity steel costs for fabricated metal products manufacturers, rose 11.6% in June 2017 compared to the same month in 2016.

Collectively, the Metal Fabrication Practice Group provides M&A advice to public and private companies in all sectors of the metal fabrication industries, including fabricated structural steel, sheet metal work, metal stamping, steel and iron forgings, fabricated metal products and screw machine product manufacturing.