

PRECISION MANUFACTURING INDUSTRY EXTENDS ADVANCEMENTS THROUGH ACQUISITIONS

PRECISION MANUFACTURING SECTOR UPDATE | AUGUST 2024



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A photograph of a precision manufacturing process. In the foreground, a large, light-colored, circular metal part with various holes and features is being worked on. In the background, a robotic arm with a gripper is positioned over the part. The scene is set in a clean, industrial environment with blue lighting.

Precision Manufacturing

Precision Manufacturing Industry Extends Advancements Through Acquisitions

KEY SECTOR TAKEAWAYS

Capstone Partners' [Industrials Group](#) is pleased to share its Precision Manufacturing report. Industrial expansion has remained at the forefront of the Precision Manufacturing industry and supports future merger and acquisition (M&A) activity as technology advances. Demand for precision-engineered products has continued to grow, driven by innovations in sectors such as Aerospace, Medical Devices, and Electronics. Several key takeaways are highlighted below.

1. Precision Manufacturing M&A volume has softened as a result of a broader slowdown in U.S. manufacturing, with 82 deals announced or completed year-to-date (YTD), an 11.8% decrease year-over-year (YOY).
2. Sector players have demonstrated an appetite for M&A transactions due to the growing need for more precise parts in advanced end markets. Additionally, acquiring domestic precision manufacturers has allowed strategics and private equity firms the ability to capitalize on the reshoring of supply chains.
3. Precision manufacturers have found themselves in an arms race to attain lights out manufacturing and to offer a fully-automated suite of manufacturing capabilities with advanced equipment that serve diversified end markets such as Commercial Aerospace, Medical Devices, and Electronics.
4. The Inflation Reduction Act (IRA), Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act, Science Act, and the Infrastructure Investment and Jobs Act (IIJA) have brought subsidies worth hundreds of billions of dollars for companies to reshore supply chains and enable Industry 4.0.
5. The Fasteners segment has been driven by demand from Automotive, Electronics, Construction, Aerospace, and Machinery markets in 2024.
6. Private equity firms have continued to build their suite of Manufacturing industry investments amid advanced manufacturing and reshoring trends. This has been evidenced by firms like MiddleGround Capital, who completed 21 acquisitions from 2019 through YTD.

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To learn more about any of Capstone's advisory services or Precision Manufacturing sector knowledge, please [contact us](#).

PRECISION MANUFACTURERS RACE TO DEVELOP PORTFOLIOS

The Precision Manufacturing industry has undergone significant transformation due to the integration of advanced technologies such as automation, additive manufacturing, and the Internet of Things (IoT). These innovations have not only created high-speed machining (HSM) but also opened new avenues for customization and complexity in manufacturing processes. Industrial expansion has remained at the forefront of the Precision Manufacturing sector. Current players in the space have found themselves in an arms race to offer lights out manufacturing and to provide an automated suite of manufacturing capabilities (including advanced equipment) that can serve diversified end markets such as Commercial Aerospace, Medical Devices, and Electronics. Demand for precise components has grown through the process of reshoring and subsequent legislation like the IRA, CHIPS Act, and IIJA, which have targeted China's development of critical technologies, as noted in [Capstone Partners' July Metal Manufacturing M&A Update](#).

A key end market in the Precision Manufacturing industry is the Commercial Aerospace segment which requires extremely tight tolerances and high-quality materials to ensure the reliability and efficiency of airplanes. The two largest commercial aircraft manufacturers Boeing (NYSE:BA) and Airbus (ENXTPA:AIR) delivered 528 and 735 aircrafts, respectively, in 2023 compared to 480 and 663, in 2022, according to Flight Plan.¹ The sector's robust growth will likely support demand for precision parts throughout 2024 and into 2025. Boeing has dealt with increased quality checks and audits by regulators as it acquired aerospace components manufacturer Spirit AeroSystems (NYSE:SPR) to gain better oversight over the manufacturing process (July, \$8.2 billion, 1.3x EV/Revenue). Boeing and Airbus have struggled to meet soaring demand as global passenger traffic is expected to rise 6.3% YOY this summer, with airlines forecasted to carry 271 million passengers across the globe (June 1–August 31), according to a report by Airlines for America (A4A).² Notably, following the recent July 4th holiday, airline passenger travel hit the highest number ever recorded in a single day (3.0 million) on Sunday July 7th, according to the U.S. Transportation Security Administration (TSA).³ Precision manufacturing in the Medical Devices and Electronics sectors has been pivotal due to the critical nature of medical tools and advanced computing. Both sectors require production of intricate components with high accuracy to ensure the efficacy and safety of medical devices as well as small package design requirements. Techniques such as laser machining, micro-molding, and 3D printing have commonly been used to create devices like stents, prosthetics, and surgical instruments while precision soldering and automated assembly have been essential in manufacturing microchips, printed circuit boards (PCBs), and other electronic components. Data Centers and Semiconductors have been major markets for precision manufacturers due to the precise component requirements accommodating small package designs.

The push for smaller, more powerful, and energy-efficient devices has driven continuous advancements in precision manufacturing. Of note, Jabil (NYSE:JBL) participated in a \$126 million Series C funding round in June for intelligent software-defined manufacturing innovator, Bright Machines, alongside several investors including BlackRock (NYSE:BLK), NVIDIA (Nasdaq:NVDA), and Microsoft (Nasdaq:MSFT). Jabil has announced or closed three acquisitions from 2023 through YTD. Additionally, Jabil's November 2023 acquisition of Retronix (undisclosed) added to the company's current circular economy of services that include reverse supply chain management, medical device reprocessing, recycled packaging, and emission reductions. "We remain well-positioned to benefit from many of the world's powerful trends in areas like AI [artificial intelligence], datacenter infrastructure, healthcare, pharma solutions, and automated warehousing, to name a few... The world needs complex manufacturing to enable innovation," said Michael Dastoor, CEO of Jabil, according to an earnings call transcript.⁴



Mike Schumacher
Managing Director



"Strategics have been and are repositioning their portfolios for growth going forward. With strong balance sheets, strategics are well positioned to dominate M&A activity in the near future."

STRATEGIC ACQUIRERS SUSTAIN MERGER & ACQUISITION ACTIVITY

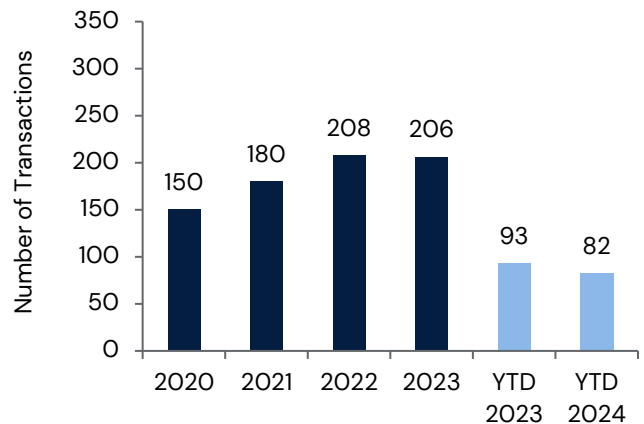
Precision Manufacturing M&A volume has softened as a result of a broader slowdown in manufacturing, with 82 deals announced or completed through YTD 2024. This represents an 11.8% decrease compared to the prior year period. However, as a provider of essential components in the growing Commercial Aerospace, Medical Devices, and Electronics end markets, the Precision Manufacturing sector has demonstrated resilient demand. Strategic acquirers have led M&A activity through YTD, comprising 61% of deals. Private strategic deal activity has fallen 30.4% YOY but has been mostly offset by a 50% increase in public strategic transactions.

Private equity players have continued to view the space as ripe for consolidation and roll up activity. Sector sponsors have deployed add-on transactions as private equity firms build sector platforms. Add-on transactions have paced YTD 2023 levels, with 20 deals announced or completed in YTD 2024 compared to 21 deals in the prior year period. Private equity sponsored transactions have totaled 12 deals through YTD, a decline of two deals compared to YTD 2023. Private equity acquisition appetite has been evidenced by MiddleGround Capital, a private equity firm with several acquisitive platforms across the sector (see next page). Competing players and private equity firms have accelerated M&A utilization to gain technology, scale, and expand into new segments. Of note, the market for Precision Manufactured Fasteners has seen significant growth and consolidation. The global Industrial Fasteners market was valued at \$85.8 billion in 2023 and is projected to grow from \$89.3 billion in 2024 to \$125.9 billion by 2032, according to a report by Fortune Business Insights.⁵ The Fasteners market has been driven by the demand from Automotive, Electronics, Construction, Aerospace, and Machinery markets. While M&A has bolstered product diversification and global expansion, it has also increased competition in the industry, driving innovation and improved customer offerings.

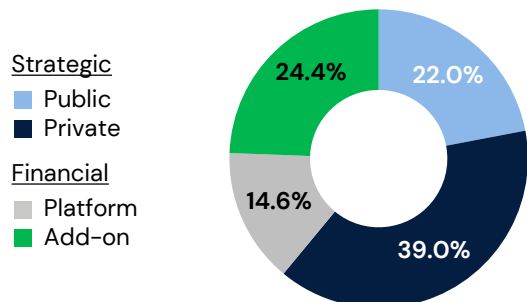
Precision Manufacturing industry players averaged 1.9x EV/Revenue and 9.6x EV/EBITDA, up from the 2021-2023 average of 1.7x and 9.2x, respectively, demonstrative of an appetite for M&A transactions due to the growing need for more precise parts in advanced end markets and the capitalization on the reshoring of supply chains.



Precision Manufacturing M&A Activity Softens, On Pace with 2021 Deal Flow



Public Strategics Increase Deal Activity as Consolidation Continues



Year-to-date (YTD) ended June 11
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

MIDDLEGORUND CAPITAL EXTENDS MIDDLE MARKET INVESTMENTS



Headquarters: Lexington, Kentucky
Target Markets: Industrials, Manufacturing, and Specialty Distribution
Year Founded: 2018
Current Investments: 16 Portfolio Companies

Founded in 2018, MiddleGround Capital is a private equity firm serving Industrial and Specialty Distribution sectors within the lower middle market. The firm seeks to make majority investments in North American and European businesses with an excess of \$75 million in revenue and between \$15–100 million in EBITDA, according to its website.⁶

MiddleGround has built upon its suite of Manufacturing industry investments completing 21 acquisitions from 2019 through YTD. The recent acquisitions of L.S. Starrett (NYSE:SCX) (March 2024, \$130.4 million, 0.5x EV/Revenue, 4.0x EV/EBITDA) and Megatech (January 2023, undisclosed) have demonstrated MiddleGround’s continued commitment to the Precision Manufacturing sector. MiddleGround acquired L.S. Starrett, a leading manufacturer of high-end precision tools, cutting equipment, and metrology systems in a take-private transaction valuing the company at \$16.19 per share, approximately a 63% premium to the closing stock price on March 8, 2024, according to a press release.⁷ “We are excited about the opportunity to further position the company for its future on the front lines of innovation, advanced manufacturing and reshoring,” said John Stewart, Managing Partner of MiddleGround, in the press release. With its industry experience and diversified portfolio, MiddleGround is well positioned to continue its verticalized investment strategy through platform acquisitions, add-on deals, and equity financing.

MiddleGround Capital Portfolio Activity

Target	Announce Date	Business Description
L.S. Starrett	03/11/24	Manufactures measuring and cutting tools.
IT8 Software Engineering	03/07/24	Provides engineering services.
Xtrac	07/31/23	Manufactures transmission systems.
A.M. Castle & Co.	06/15/23	Distributes specialty metals.
Megatech	01/31/23	Offers machining services for precision measuring equipment.
SixAxis	11/17/22	Manufactures safety products.
HLC	09/19/22	Distributes bicycle parts and accessories.
PVI Holdings	07/19/22	Manufactures power equipment products, piping, valves, and sellable products.
New Eagle	11/26/21	Operates as a mechatronic control system creator, integrator, and supplier.
Race Winning Brands	11/19/21	Develops automotive racing and high-performance parts.
Lindsay Precast	11/05/21	Manufactures concrete products.
Plasman	10/25/21	Develops automotive parts.
Arrow Tru-Line	09/20/21	Manufactures garage door hardware
Shiloh Industries	08/30/20	Designs lightweight automotive technologies.
DURA Automotive Systems	08/04/20	Supplies automotive parts for original equipment manufacturers.
Supra Alloys/EDGE International	06/02/20	Comprises metals servicing and distribution businesses.
CMC Anchoring Systems (EDSCO Fasteners)	01/15/20	Supplies ferrous and nonferrous metals. Sold to Commercial Metals Company (NYSE:CMC) (July 2023, undisclosed).
Banner Industries	12/31/19	Produces precision ground, centerless grinding, turning, and straightened bars.
Steel-Craft	05/07/19	Operates as a full-service fabricator.
Peterson Spring	04/22/19	Supplies engineered metal products.
Alco Manufacturing	01/04/19	Manufactures precision machine products.

Source: Company websites, Capital IQ, PitchBook, Imperial Dade, and Capstone Partners

NOTABLE TRANSACTIONS



Sandvik (OM:SAND) acquired PDQ Workholding in June for an undisclosed sum. PDQ is a leading manufacturer of custom workholding fixtures used to hold a workpiece in place during subtractive manufacturing. The company serves various segments such as Aerospace, Automotive, and Energy and will be folded into Walter, a division within Sandvik Manufacturing and Machining Solutions. The U.S.-based PDQ operates two manufacturing sites, and has 107 employees with annual revenues of \$36 million, according to a deal press release.⁸ “The addition of PDQ will enhance our customer offerings within machining solutions and strengthen growth prospects in the U.S., very much in line with our strategy. I am pleased to see us complete another acquisition which further improves our ability to create value for our customers and stakeholders,” said Stefan Widing, President and CEO of Sandvik, in the press release.



CORE Industrial Partners-backed PrecisionX acquired National Manufacturing, a provider of specialty deep and shallow drawn stamping, for an undisclosed sum in May. CORE is a manufacturing, industrial technology, and industrial services-focused private equity firm who acquired Coining Technologies (June 2023, undisclosed) and GEM Manufacturing (February 2023, undisclosed) to form PrecisionX. National offers precision drawn enclosures and metal components, high-speed computer numerical control (CNC) machining, and wire electrical discharge machining (EDM) that are complementary to PrecisionX’s current portfolio. “We will continue to work to expand our presence in high-growth, technically demanding end markets, including Medical and Aerospace & Defense, through execution of both organic and inorganic growth initiatives,” commented Matthew Puglisi, Partner at CORE, in a press release.⁹



In May, Precision Aerospace, a leading manufacturer of precision machined aerospace and defense components, acquired Owens Machine and Tool for an undisclosed sum. Precision was formed through the partnership of two Dallas-based private investment firms, CIC Partners and Juniper Capital Management (August 2022). The transaction follows three previous acquisitions by Precision: Decatur Machine Services (June 2023, undisclosed), Applegate EDM (August 2022, undisclosed), and Icon Machine (August 2022, undisclosed). Owens produces complex, multifaceted parts, specializing in CNC machining of titanium and nickel alloys. “These fundamental attributes will allow us to continue to scale the Precision platform and be a key supplier to a growing list of major defense programs,” said Bayard Friedman, Precision Board Member and Managing Director with CIC Partners, in a deal press release.¹⁰



Alinabal Group, a precision manufacturing business with highly engineered solutions, acquired sheet metal fabrication and machined parts provider, ERW (March, undisclosed). ERW’s extensive in-house manufacturing capabilities enable end-to-end solutions from rapid prototyping through finished products. “This acquisition demonstrates our commitment to provide customers with ready access to specialized manufacturing solutions and in-house welding, fabrication, and machining expertise. ERW provides our customers with access to broader supply chains, expanded metal fabrication and manufacturing technologies, and deep engineering experience. Alongside new partners, we will continue expanding Alinabal Group’s domestic footprint to offer the full-service support OEMs need to launch precision products faster,” said Alinabal Group President and CEO, Steven Gore, in a deal press release.¹¹



SELECT M&A TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV/LTM	
					Revenue	EBITDA
06/04/24	PDQ Workholding	Sandvik (OM:SAND)	Manufactures hydraulically-actuated machining center fixtures and custom cutting tools.	-	-	-
05/28/24	National Manufacturing	PrecisionX	Produces precision deep drawn and shallow drawn metal components and enclosures.	-	-	-
05/08/24	GTI Technologies	AMG Critical Materials (ENXTAM:AMG)	Develops semiconductor products.	-	-	-
05/03/24	Owens Machine and Tool	Precision Aerospace	Manufactures specialized machined tools and parts.	-	-	-
04/30/24	EMCORE Chips Business	HieFo	Operates electronic chips and wafer fabrication company.	\$2.9	-	-
04/29/24	Trinity Aerospace	Aero Engineering AcquireCo	Manufactures aviation and aerospace components.	-	-	-
04/18/24	Cremach Tech	Brooks Instrument	Provides CNC precision machining, manufacturing parts to supplied specifications with tight tolerances.	-	-	-
04/09/24	F&S Tool	Berry (NYSE:BERY)	Designs precision tooling for Medical and Packaging markets.	-	-	-
04/08/24	Amc Fabrications	AAVIN Private Equity Advisors	Operates as a metal fabrication shop for precision machining.	-	-	-
04/02/24	Challenger	Resilient Energy (OTCPK:RENI)	Offers challenger precision machines.	-	-	-
03/25/24	ERW	Alinabal Holdings	Provides laser cutting, wire EDM cutting, water jet cutting, CNC turning, milling, and welding services.	-	-	-
03/22/24	Cave Manufacturing	Prince Industries	Specializes in precision machining of complex parts.	-	-	-
03/19/24	Maass Flange	Gulf Manufacturing	Manufactures stainless steel and other exotic alloy flanges.	-	-	-
03/11/24	L.S. Starrett (NYSE:SCX)	MiddleGround Management	Sells industrial, professional, and consumer measuring and cutting tools, and related products.	\$130.4	0.5x	4.0x
02/14/24	American Alloy Steel	Reliance (NYSE:RS)	Supplies alloy steel and carbon plates.	-	-	-
01/25/24	Wisconsin Metal Parts	SOLV Metals	Manufactures CNC machined parts.	-	-	-
01/25/24	Merrill Technologies	Arlington Management	Provides contract manufacturing services.	-	-	-
01/19/24	Kaman (NYSE:KAMN)	Arcline Investment Management	Produces aircraft bearings and components.	\$1,874.5	2.4x	17.1x
01/18/24	Star Precision Manufacturing	Maysteel Industries	Provides machining, precision sheet metal, and complete finishing services.	-	-	-
01/16/24	Vanderhorst Brothers	RTC Aerospace	Manufactures precision machinery.	-	-	-
01/10/24	Pulse Technologies	Integer Holdings (NYSE:ITGR)	Provides contract manufacturing services.	\$140.0	~3.3x	~12.7x
01/04/24	Walbar, Numet, and AeroCision	Arlington Management	Offers aerospace-quality machining.	-	-	-
01/02/24	Billet Industries	Flinchbaugh Engineering	Manufactures precision machining solutions.	-	-	-

Source: Capital IQ, FactSet, PitchBook, Company Filings, and Capstone Partners



PUBLIC COMPANY DATA: AEROSPACE COMPONENTS

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/24/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Barnes Group Inc.	\$39.37	90.2%	\$1,996.1	\$3,228.6	\$1,546.2	\$317.2	20.5%	2.1x	10.2x
Curtiss-Wright Corporation	\$275.39	96.1%	\$10,547.1	\$11,371.1	\$2,927.7	\$693.7	23.7%	3.9x	16.4x
HEICO Corporation	\$227.45	98.0%	\$27,423.2	\$30,030.5	\$3,511.1	\$920.7	26.2%	NM	NM
Howmet Aerospace Inc.	\$78.63	91.9%	\$32,095.5	\$35,456.5	\$6,861.0	\$1,597.0	23.3%	NM	22.2x
Magellan Aerospace Corporation	\$6.04	95.2%	\$345.3	\$393.6	\$658.3	\$57.9	8.8%	0.6x	6.8x
Spirit AeroSystems Holdings, Inc.	\$33.07	91.0%	\$3,854.4	\$7,671.4	\$6,319.3	NM	NA	1.2x	NM
TransDigm Group Incorporated	\$1,328.05	97.0%	\$74,315.7	\$92,427.7	\$7,304.0	\$3,625.0	49.6%	NM	25.5x
Woodward, Inc.	\$180.79	96.0%	\$11,013.7	\$11,516.5	\$3,199.8	\$615.6	19.2%	3.6x	18.7x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data
NM = Not Meaningful

Mean	24.5%	2.3x	16.6x
Median	23.3%	2.1x	17.6x
Harmonic Mean	19.6%	1.4x	13.5x

PUBLIC COMPANY DATA: CONTRACT MANUFACTURING

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/24/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Benchmark Electronics, Inc.	\$38.78	86.5%	\$1,397.9	\$1,553.7	\$2,819.9	\$186.2	6.6%	0.6x	8.3x
Celestica Inc.	\$53.37	87.6%	\$6,340.3	\$6,860.6	\$8,332.1	\$609.4	7.3%	0.8x	11.3x
Flex Ltd.	\$30.51	89.4%	\$12,254.1	\$13,668.1	\$26,415.0	\$1,747.0	6.6%	0.5x	7.8x
Jabil Inc.	\$112.98	72.0%	\$13,625.1	\$14,428.1	\$30,377.0	\$2,414.0	7.9%	0.5x	6.0x
Plexus Corp.	\$102.43	89.6%	\$2,805.3	\$3,020.5	\$3,995.1	\$287.4	7.2%	0.8x	10.5x

Mean	7.1%	0.6x	8.8x
Median	7.2%	0.6x	8.3x
Harmonic Mean	7.1%	0.6x	8.3x

Source: Capital IQ and Capstone Partners as of June 24, 2024



PUBLIC COMPANY DATA: DIVERSIFIED INDUSTRIALS

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/24/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
AMETEK, Inc.	\$171.46	92.0%	\$39,687.8	\$42,481.1	\$6,736.0	\$2,151.1	31.9%	6.3x	19.7x
Atlas Copco AB	\$19.33	98.0%	\$89,913.3	\$91,685.3	\$16,430.5	\$4,286.8	26.1%	5.6x	21.4x
Enovis Corporation	\$45.02	68.1%	\$2,469.4	\$3,818.5	\$1,817.3	\$258.3	14.2%	2.1x	14.8x
ESCO Technologies Inc.	\$103.86	87.6%	\$2,674.5	\$2,865.0	\$988.8	\$198.8	20.1%	2.9x	14.4x
Illinois Tool Works Inc.	\$242.59	89.5%	\$72,388.9	\$79,755.9	\$16,061.0	\$4,681.0	29.1%	5.0x	17.0x
Lincoln Electric Holdings, Inc.	\$188.64	72.2%	\$10,735.2	\$11,521.5	\$4,133.5	\$823.9	19.9%	2.8x	14.0x
Melrose Industries PLC	\$7.38	85.4%	\$9,761.4	\$10,731.0	\$4,267.1	\$529.9	12.4%	2.5x	20.3x
NN, Inc.	\$3.00	55.6%	\$150.0	\$431.3	\$483.4	\$41.3	8.5%	0.9x	10.4x
RBC Bearings Incorporated	\$276.51	92.4%	\$8,029.3	\$9,252.4	\$1,560.3	\$475.5	30.5%	5.9x	19.5x
Sandvik AB	\$20.76	87.9%	\$26,043.3	\$30,219.0	\$11,647.5	\$2,499.3	21.5%	2.6x	12.1x
TriMas Corporation	\$25.98	89.8%	\$1,060.5	\$1,507.0	\$905.2	\$153.6	17.0%	1.7x	9.8x

Mean							21.0%	3.5x	15.8x
Median							20.1%	2.8x	14.8x
Harmonic Mean							18.0%	2.5x	14.7x

PUBLIC COMPANY DATA: SPECIALTY INDUSTRIALS

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/24/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
ATI Inc.	\$53.95	86.4%	\$6,713.6	\$8,601.9	\$4,178.5	\$549.1	13.1%	2.1x	15.7x
Carpenter Technology Corporation	\$98.46	87.3%	\$4,884.4	\$5,533.4	\$2,719.3	\$410.9	15.1%	2.0x	13.5x
MSC Industrial Direct Co., Inc.	\$80.57	76.2%	\$4,536.1	\$5,142.1	\$3,979.2	\$564.0	14.2%	1.3x	9.1x
Park-Ohio Holdings Corp.	\$25.46	88.4%	\$313.7	\$975.9	\$1,653.8	\$152.9	9.2%	0.6x	6.4x
Standex International Corporation	\$161.62	87.8%	\$1,915.7	\$1,953.9	\$728.8	\$151.4	20.8%	2.7x	12.9x
Worthington Industries, Inc.	\$51.27	66.2%	\$2,571.0	\$2,665.7	\$1,245.7	\$272.1	21.8%	2.1x	9.8x

Mean							15.7%	1.8x	11.2x
Median							14.6%	2.0x	11.3x
Harmonic Mean							14.5%	1.4x	10.3x

Source: Capital IQ and Capstone Partners as of June 24, 2024

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David is a Managing Director based out of Orange County, CA. Prior to Capstone Partners, David managed the Western region for Morgan Stanley Smith Barney’s Capital Strategies Group and its predecessor, Citi Capital Strategies. David has focused on middle market investment banking for 30+ years and has been the lead banker in over 250 M&A transactions involving both domestic and foreign corporate buyers, as well as leveraged recaps with private equity sponsors. His areas of focus include manufacturing and industrials (products and services) and business services. His achievements in the investment banking industry have gained him national recognition by the M&A Advisor.



Ted Polk

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Ted is a Managing Director at Capstone Partners. Prior to joining Capstone in 2010, Ted ran the corporate finance practice in the Central region for Morgan Stanley Smith Barney’s Capital Strategies Group and its predecessor, Citi Capital Strategies. He has over 25 years of experience working with businesses across a variety of industries and has a focused interest in working with businesses that provide precision-related products and services to Industrial, Government-related, and other markets. Ted is an active public speaker on the topic of business exits and recapitalizations of privately owned businesses and is a frequent recipient of industry awards for his advisory services.



PRECISION MANUFACTURING REPORT CONTRIBUTORS (CONTINUED)



Mike Schumacher

Managing Director

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Over the course of Mr. Schumacher's 25-year investment banking career, he has advised, evaluated, and worked with companies and financial sponsors across various industries and sizes. Mr. Schumacher has completed transactions totaling over \$10 billion in value, including debt, equity, and strategic advisory transactions. Mr. Schumacher is Capstone Partners' lead Metals Manufacturing banker and has covered metals for more than 15 years, closing transactions of \$2.0 billion in value over that time, across many Metals spaces. Mr. Schumacher began covering metals at Morgan Stanley in 2007 in New York as a Vice President. In 2008, he covered the ferrous chain from Hong Kong for Morgan Stanley, namely Chinese steel producers, given he speaks Mandarin Chinese fluently. Since then, he continues to cover all aspects of the metals value chain and transact year in and year out.



Wolfgang Zahner

Director

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Wolfgang is a Director in Capstone's Industrials Investment Banking Group, specializing in Engineered Products with a focus on Flow Control and Value-Added Distribution. He brings a diverse background of leadership and industry experience in manufacturing, supply chain, finance, and military operations to his team. At Capstone, his M&A experiences include a variety of industries including Flow Control, Manufacturing, Renewable Energy, and Industrial Operations. Prior to joining Capstone, Wolfgang was an associate at General Electric's Corporate Audit Staff with roles in the Oil & Gas, Transportation, and Power businesses. He also served as an Explosive Ordnance Disposal Officer in the US Air Force as a Captain, with two deployments to Afghanistan and Kuwait in support of Operation Enduring Freedom and Operation Iraqi Freedom.



Neve Adler

Market Intelligence Analyst

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Neve serves as a Market Intelligence Analyst at Capstone Partners covering the Industrials industry. Prior to joining the firm's Market Intelligence Team, Neve was an intern at the Bank of New York Mellon and Gray Private Wealth. Neve graduated with a Bachelor's of Science degree in Finance from Bentley University.

FIRM TRACK RECORD

Capstone maintains an active [Industrials Group](#) in the middle market with Precision Manufacturing being an important vertical within our focus. This market presence allows Capstone to provide precision manufacturers with up-to-date market data and access to key decision-makers among the industry's most active acquirers and investors. A sampling of Capstone's closed and active deal in the space is outlined below.

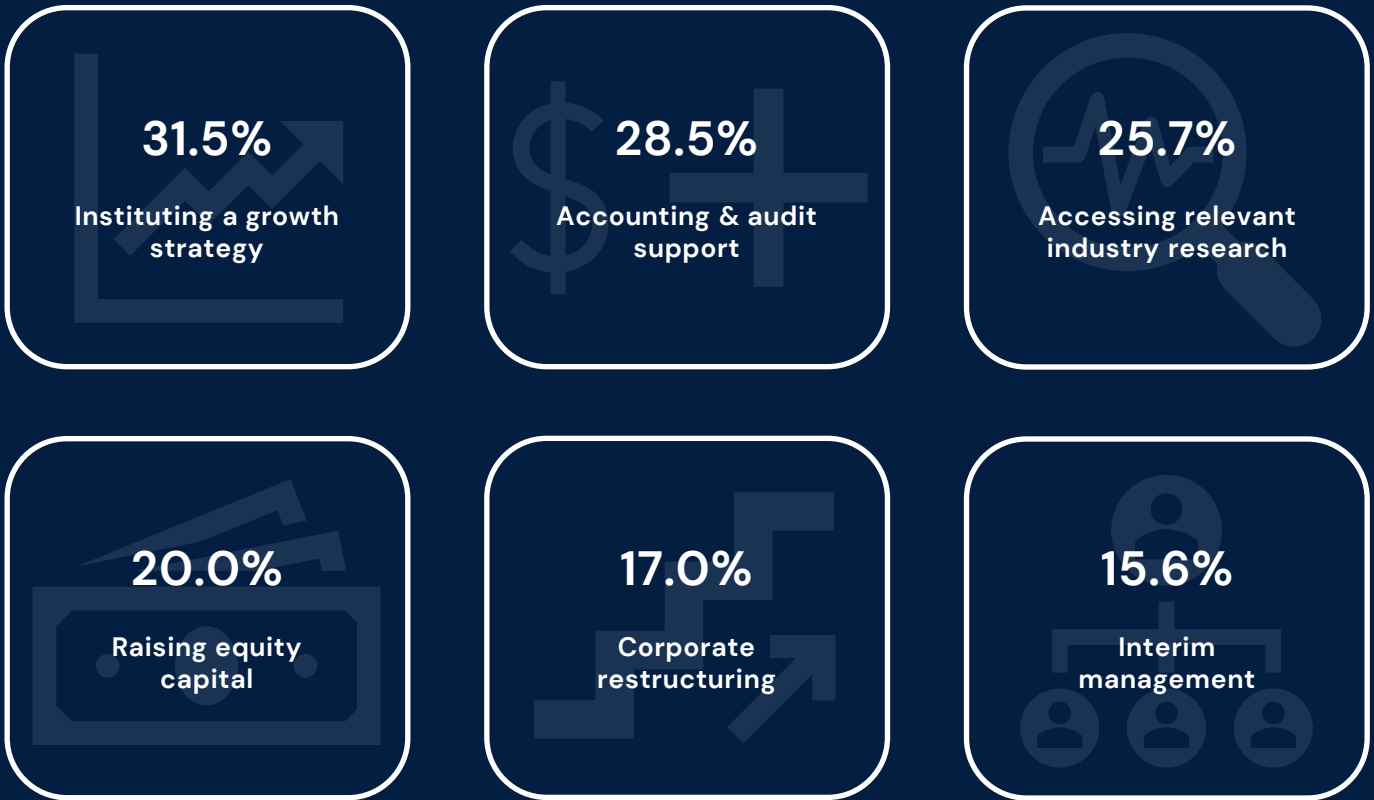
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CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?
 Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435



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Disclosure

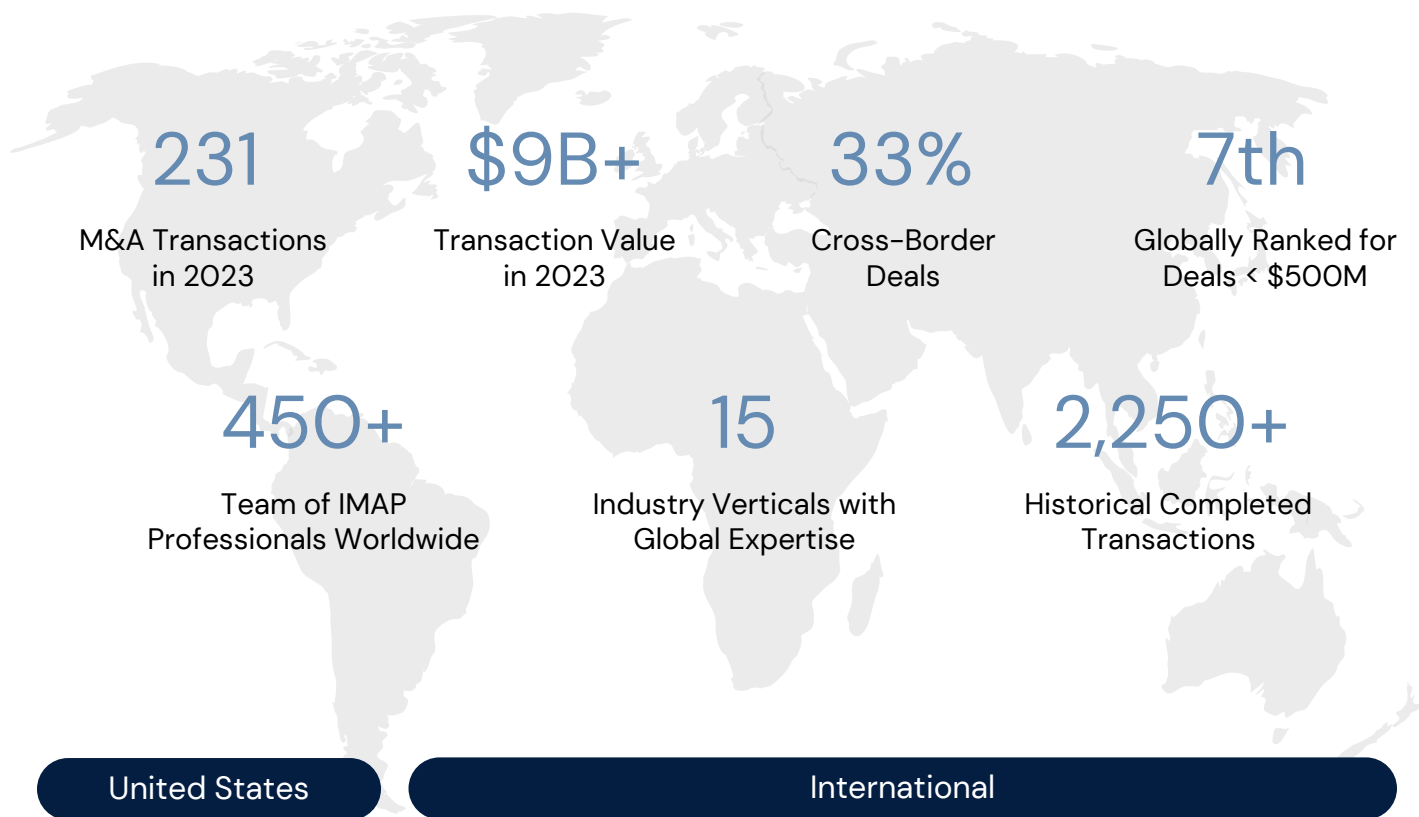
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CAPSTONE PARTNERS

Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



~200 professionals
8 offices

Boston · Denver · Chicago · Dallas
Detroit · Irvine · New York · Tampa

450+ professionals
60+ offices in 41 countries

Asia: China · India · Japan · Thailand
Africa: Congo · Egypt · Ghana · Mauritius · Morocco · Senegal · South Africa
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Paraguay · Peru
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany
Hungary · Ireland · Italy · Netherlands · Poland · Portugal · Romania · Serbia · Slovakia · Slovenia
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