



MATERIAL HANDLING *IQ*

AmherstPartners

EXPERIENCE | SOLUTIONS | RESULTS

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Industry-Specific Overview of Recent M&A and Capital Markets Activity

JULY 2023

Recent Market Observations

Material Handling Industry Update | July 2023

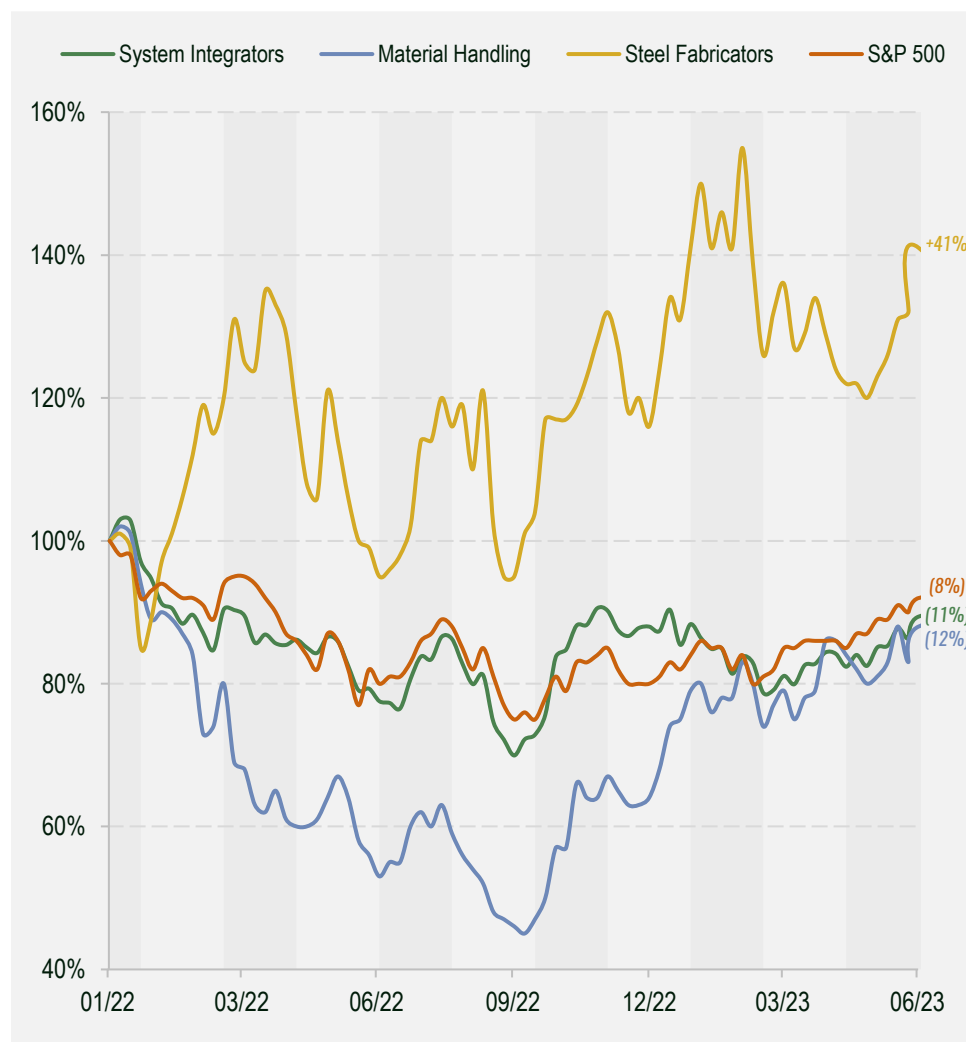
The material handling market continues to stand out as one of the fastest growing sectors of the industrial economy. The global market for material handling equipment, valued at just over \$200 billion in 2021, is expected to grow at an impressive compound annual growth rate (CAGR) of approximately 6% between now and 2030. Product segments within the material handling sector include (i) cranes, hoists, and other lifting equipment, (ii) continuous handling equipment such as conveyors, chutes, stackers, and picking/sorting stations, (iii) industrial trucks, including forklifts, pallet jacks and hand trucks, and (iv) racking and storage equipment.

The primary driver for the robust growth in the material handling arena is the sustained surge in e-commerce activity, which received an unprecedented boost during the COVID-19 pandemic-related shutdowns. The rapid growth in e-commerce activity in recent years shows no sign of letting up for the foreseeable future. Record numbers of online shoppers continue to spark sales growth for manufacturers of material handling equipment and system integrators that provide the backbone to e-commerce operations. Consumer expectations for e-commerce providers have evolved to include same-day delivery, individual product availability, and seamless processing of product returns. (Note: It is estimated that at least 30% of all products ordered online are returned). In order to support the evolving needs of the e-commerce landscape, companies worldwide are adopting enhanced material handling operations to personalize the buyer experience, allowing consumers to seamlessly engage with brands through interconnected sales channels.

Not surprisingly, the material handling industry is increasingly turning to technology to address the challenges posed by heightened consumer demand in the face of complications arising from issues such as labor shortages, supply chain constraints, persistent inflation, and environmental sustainability. The adoption of robotics in warehousing has increased exponentially in recent years, as has the integration of warehouse automation solutions such as automated guided vehicles (AGVs) and automated storage and retrieval systems (ASRS). Order management systems produce shorter delivery times, accurate order processing, and advanced shipment tracking, all of which are vital to delivering an omni-channel consumer experience. Overall, global revenue attributable to providers of warehouse automation is expected to grow at a CAGR of approximately 10% through 2029.

M&A opportunities continue to be at the forefront of companies' growth initiatives in the material handling arena. The January 2023 acquisition of Indiana-based Storage Solutions by German intralogistics company Jungheinrich AG for \$375 million (a multiple of approximately 11 times reported EBIT) allows Jungheinrich to add a strategic foothold in the fast-growing U.S. warehouse automation market with access to key logistics hubs across the country. By combining the expertise and capabilities of both partners, Jungheinrich and Storage Solutions expect to jointly drive development of innovative automation solutions.

Recent Stock Price Performance – Material Handling Indices



Source: Capital IQ
















Material Handling Universe – **Material Handling:** CMCO, HY, JUN3, KCR, MTW

System Integrators: DFKCY, HON, KIGRY, KRDXF, TYIDY

Steel Fabricators: NUE, RS, STLD, WOR, ZEUS

Public Market Trading Multiples

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(\$ in millions, other than stock price)			6/30/2023	Quarterly	Market	Total	LTM		Gross	EBITDA	Net Debt /	Enterprise Value / LTM	
Company			Stock Price	Price Δ	Cap.	EV ⁽¹⁾	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
System Integrators		Daifuku Co.	\$20.35	11%	\$7,694	\$7,065	\$4,528	\$512	18%	11%	NM	1.6x	13.8x
		Honeywell International	207.50	9%	138,077	151,551	35,954	8,382	33%	23%	1.5x	4.2x	18.1x
		Kardex Holding AG	224.06	3%	1,728	1,616	604	67	31%	11%	NM	2.7x	24.1x
		KION GROUP AG	40.24	4%	5,276	11,878	12,149	1,094	19%	9%	5.3x	1.0x	10.9x
		Toyota Industries Corporation	70.93	28%	22,021	30,105	25,425	3,215	22%	13%	2.5x	1.2x	9.4x
Median									22%	11%	2.5x	1.6x	13.8x
Material Handling		Columbus McKinnon	\$40.65	9%	\$1,167	\$1,544	\$936	\$138	37%	15%	2.6x	1.6x	11.2x
		Hyster-Yale Materials Handling	55.84	12%	958	1,465	3,720	60	14%	2%	6.1x	0.4x	24.5x
		Jungheinrich Aktiengesellschaft	36.62	5%	3,735	6,007	5,424	540	34%	10%	3.8x	1.1x	11.1x
		Konecranes	40.23	20%	3,186	3,831	3,903	449	55%	12%	1.3x	1.0x	8.5x
		The Manitowoc Company	18.83	10%	662	1,015	2,082	156	18%	7%	2.1x	0.5x	6.5x
Median									34%	10%	2.6x	1.0x	11.1x
Steel Fabricators		Nucor Corporation	\$163.98	6%	\$41,196	\$44,318	\$39,729	\$10,285	28%	26%	0.2x	1.1x	4.3x
		Olympic Steel	49.00	(6%)	545	824	2,437	124	19%	5%	2.0x	0.3x	6.6x
		Reliance Steel & Aluminum	271.59	6%	15,968	16,527	16,505	2,546	31%	15%	0.2x	1.0x	6.5x
		Steel Dynamics	108.93	(4%)	18,413	19,124	21,584	4,837	25%	22%	0.2x	0.9x	4.0x
		Worthington Industries	69.47	7%	3,380	3,846	4,916	347	13%	7%	0.9x	0.8x	11.1x
Median									25%	15%	0.2x	0.9x	6.5x

Source: Capital IQ

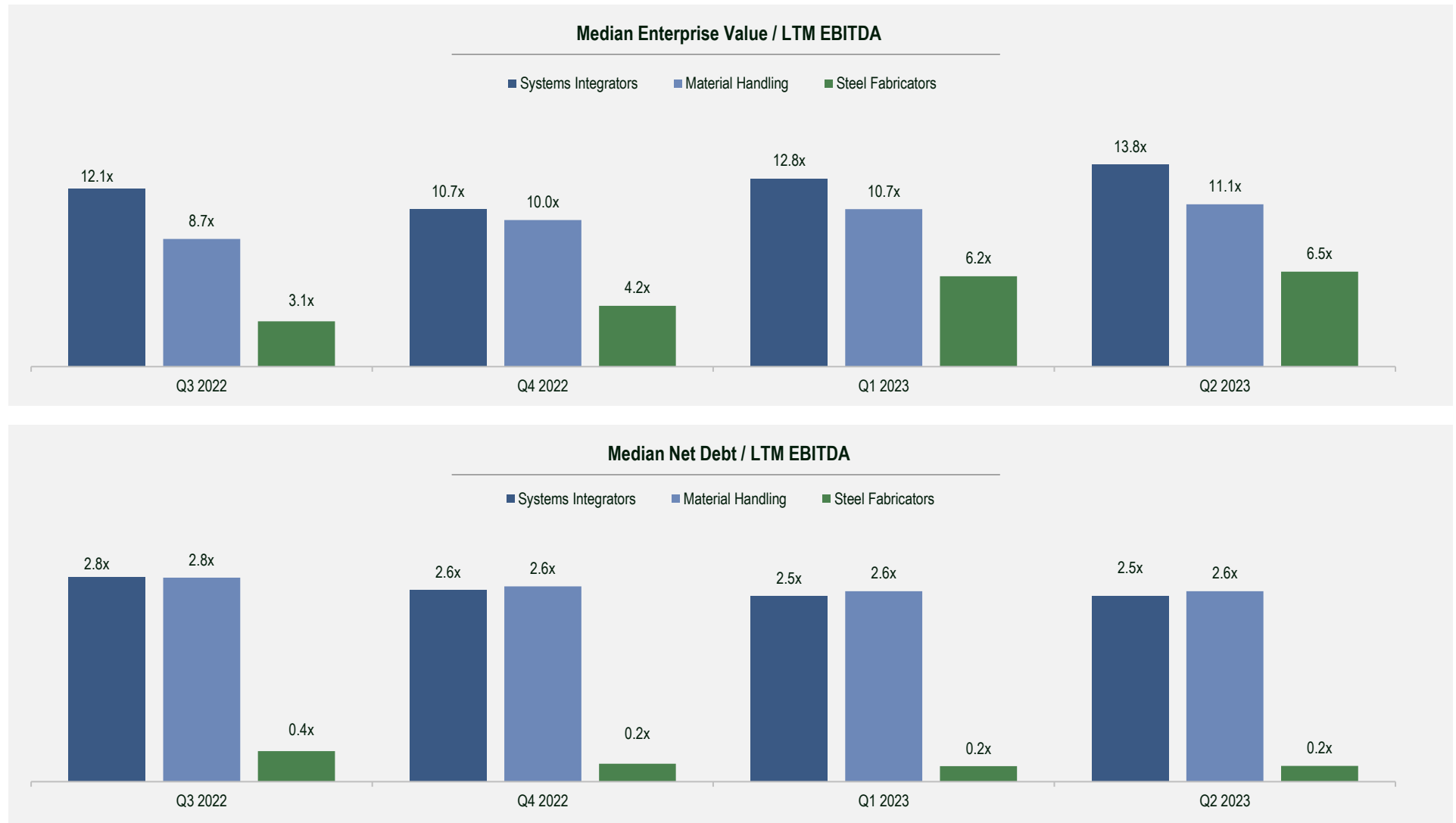
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

(2) Median and mean values exclude all non-meaningful values.

Valuation and Debt Multiples

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After decreasing and flatlining in prior years, material handling valuation multiples have been rising, while debt levels remain largely unchanged from historical levels



Source: Capital IQ

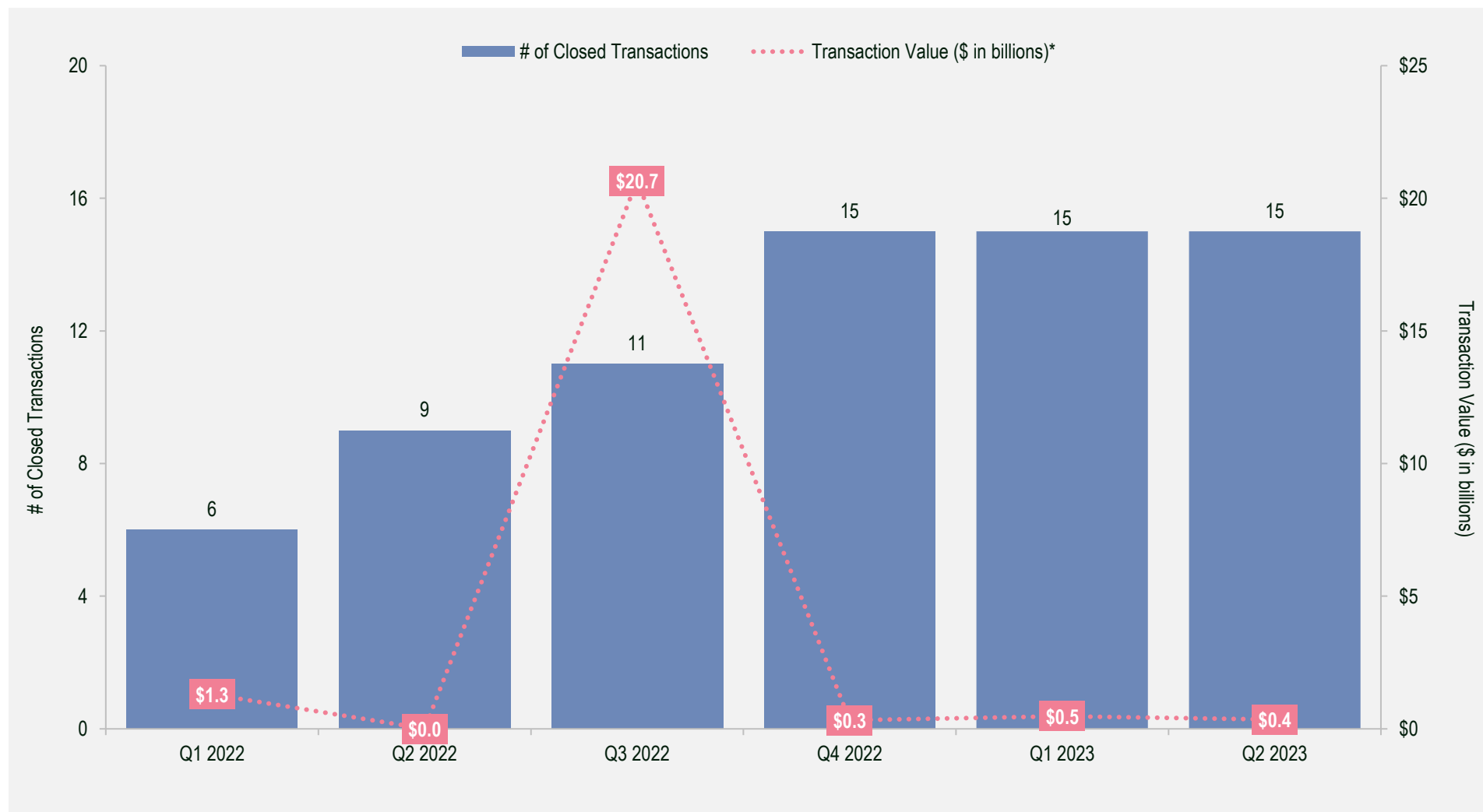
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U.S. M&A Activity

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Aggregate Material Handling announced deal value decreased from highs of \$20.7 billion in Q3 2022 to ~\$475 million in Q2 2023. Deal volume has remained strong, with 56 Material Handling transactions reported in the last 12 months






Source: Capital IQ

*Transaction Value represents publicly announced deal terms

Recent Transaction Activity

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Date	Target	Acquiror	Enterprise Value (\$M)	Target Description
06/21/23	 MUNCK	 KONECRANES	Undisclosed	Manufactures industrial cranes and other lifting equipment
06/06/23	 Scanco	 FIRMAMENT	Undisclosed	Offers warehouse management and supply chain automation software and services
05/22/23	 Indoff	 GLOBAL INDUSTRIAL	\$69.2	Distributes material handling products, commercial interiors, and other business product solutions
05/04/23	 6 RIVER SYSTEMS	 shopify	Undisclosed	Provides collaborative mobile robotics for logistics and warehouse automation solutions
05/02/23	 NIMBLE KG	 VAN OIRSCHOT	Undisclosed	Manufactures machines and equipment for internal product handling in the food industry
04/25/23	 montratec	 CIVO INTELLIGENT MOTION	\$110.0	Develops intra-logistics connection between robots and workspaces
04/05/23	 RHINO TOOL HOUSE	 BLUE SEA CAPITAL	Undisclosed	Manufactures custom automated machinery and material handling solutions to OEMs
04/01/23	 Staffel equipment company, inc.	 ASSOCIATED	Undisclosed	Produces and offers material handling equipment, management and automation systems, and maintenance services
03/24/23	 Emayor	 gam	Undisclosed	Engages in the sale of racking, lifts, tube systems, and other material handling equipment
03/09/23	 M&G MATERIALS HANDLING Co.	 ALTA EQUIPMENT GROUP	\$2.3	Offers new and used warehouse and material handling equipment
02/28/23	 FleetNet	 COX AUTOMOTIVE MOBILITY	\$100.0	Provides fleet repair and maintenance services for material handling equipment management, equipment relocation, preventative maintenance
02/09/23	 ABLE EQUIPMENT RENTAL	 United Rentals	Undisclosed	Distributes construction equipment, including aerial lifts, compressors, material handling equipment
02/08/23	 MRI	 AUXO Auxo Investment Partners	Undisclosed	Designs wire harnesses, cable assemblies, system integration services. Also offer project management and quality control services for its systems
01/25/23	 STORAGE SOLUTIONS	 JUNGHEINRICH	\$375.0	Manufactures industrial storage and material handling equipment, such as pallet racking, work benches, service carts, and more
01/19/23	 FRED	 Barcoding	Undisclosed	Designs automated guided vehicles for warehouse facilities used for internal manufacturing and distribution efficiency
01/17/23	 NECO Systems	 ABEL WOMACK	Undisclosed	Designs warehouse storage systems and equipment, including racking, modular buildings, vertical lifts, and more
01/17/23	 hannahan	 american equipment	Undisclosed	Manufactures overhead material handling equipment for manufacturers
01/05/23	Supply Vision	 DESCARTES	\$14.6	Cloud-based logistics provider for the supply-chain industry in North America, offering transportation management and warehouse management systems

Source: Capital IQ

Amherst Partners – Representative Transactions

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<p>Davidson Industries Indianapolis, IN</p>  <p>has been acquired by Stock Building Supply Raleigh, NC</p>  <p>AmherstPartners</p> <p>Acted as advisor to Davidson Industries</p>	<p>Coated Steel Corporation Itasca, IL</p>  <p>has been acquired by Mill Steel Grand Rapids, MI</p>  <p>AmherstPartners</p> <p>Acted as advisor to Coated Steel Corporation</p>	<p>Westerman, Inc. Bremen, OH</p>  <p>Westerman Companies</p> <p>has been acquired by Worthington Industries, Inc. (NYSE: WOR) Columbus, OH</p>  <p>AmherstPartners</p> <p>Acted as advisor to Westerman, Inc.</p>	<p>L&L Fittings Manufacturing Fort Wayne, IN</p>  <p>has been acquired by JMAC, Inc. Columbus, OH</p>  <p>AmherstPartners</p> <p>Acted as advisor to L&L Fittings Manufacturing</p>	<p>Manufacturers Equipment and Supply Co. Flint, MI</p>  <p>has been acquired by TVS Logistics Services, Ltd. Chennai, India</p>  <p>AmherstPartners</p> <p>Acted as advisor to Mesco</p>
<p>Benson Industries Portland, OR</p>  <p>has been acquired by MiTek Industries, Inc. Chesterfield, MO</p>  <p>A subsidiary of BERKSHIRE HATHAWAY INC.</p> <p>AmherstPartners</p> <p>Acted as advisor to Benson Industries</p>	<p>Sur-Seal Corporation Cincinnati, OH</p>  <p>has been acquired by Capital Partners, Inc. Norwalk, CT</p>  <p>AmherstPartners</p> <p>Acted as advisor to Sur-Seal Corporation</p>	<p>Precision Aero Corporation Troy, OH</p>  <p>has been acquired by H-D Advanced Manufacturing Pittsburgh, PA</p>  <p>AmherstPartners</p> <p>Acted as advisor to Precision Aero Corporation</p>	<p>Woodsage, LLC Holland, OH</p>  <p>WOODSAGE Experts in Tube Fabrication</p> <p>has been acquired by Milton Street Capital Houston, TX</p>  <p>AmherstPartners</p> <p>Acted as advisor to Woodsage, LLC</p>	<p>Veltri Metal Products, Inc. Troy, MI</p>  <p>has been acquired by Flex-N-Gate Corporation Urbana, IL</p>  <p>AmherstPartners</p> <p>Acted as advisor to Veltri Metal Products</p>

(1) Transactions executed by Amherst professionals while employed at previous firms

The Amherst Partners Team

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With a track record spanning over 25 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services primarily for closely-held businesses

Boutique investment bank with significant Wall Street experience

**Adams
Street**

BAIRD

bakertilly

EY
Capital Advisors, LLC

**Giuliani Capital
Advisors**

The Hackett Group

J.P.Morgan

KPMG
Corporate Finance LLC



MACQUARIE



plante moran

Core Execution Team



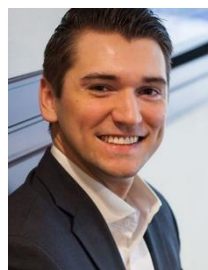
Charles Chandler
Partner



Donald Luciani
Partner



Fahad Siddiqui
Director



John Wendzinski
Senior Associate



Sam Jabara
Associate



Emily Pachla
Controller

Operations Advisory



Jon B. Cotton
CEO, Apex Health, Former President,
Meridian Health Plan of Michigan



Ray Dallavecchia, Jr.
Owner, Venetian Associates



S. Evan Weiner
President/CEO, Edw. C. Levy Co.

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