

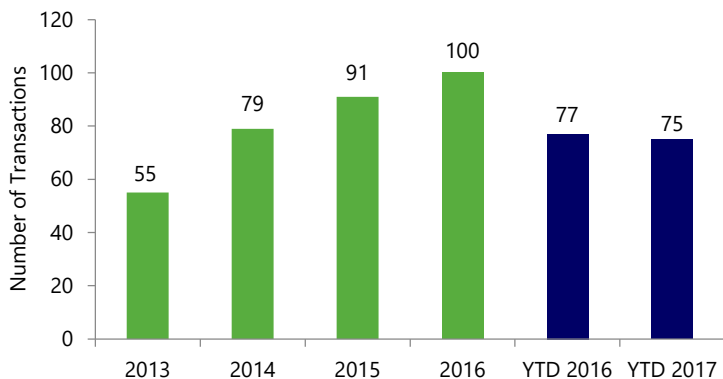


KEY M&A TAKEAWAYS

- ▶ With 75 transactions being announced or completed year-to-date (YTD) in 2017, the Maintenance, Repair & Operations (MRO) industry continues to experience strong M&A activity.
- ▶ Over the past two years private equity buyers have maintained a strong interest in the MRO industry, accounting for 42.0% of volume in 2016 and 41.6% in YTD 2017. With over \$555.6 billion in US dry powder waiting to be deployed, private equity groups represent a significant force in the MRO M&A market, often competing with strategic buyers on valuation.
- ▶ Only one buyer, PSC Industrial, made multiple acquisitions to-date in 2017, indicating a diverse and stable buyer universe in the industry.

TRANSACTION VOLUME

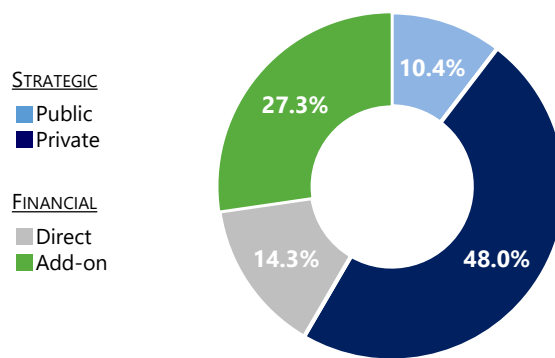
- ▶ MRO transaction volume remains healthy with 75 announced or closed deals YTD. Activity is on pace to exceed that of 2015 and challenge the record levels of 2016.



YTD ended October 31

BUYER BREAKDOWN

- ▶ Buyer breakdown continues to be balanced between strategic and financial buyers. Strategic buyers have accounted for 58.4% of transactions while financial buyers have accounted for 41.6%.



SELECT TRANSACTIONS

Date	Target	Acquirer	Target Description	EV / LTM		
				EV	Rev	EBITDA
11/01	Truesdell	Woodlawn Partners	Repairs, restores and maintains concrete structures.	-	-	-
09/26	Florida State Elevator	Oracle Elevator	Offers elevator maintenance and repair services.	-	-	-
08/25	World Marine, Select Assets	Vision Tech. Marine	Comprises rig repair assets.	\$25.0	-	-
08/21	Aquilex	PSC Industrial	Offers MRO and cleaning solutions to the energy industry.	-	-	-
08/17	HADCO Services	Logan Industries	Offers repairs for hydraulic cylinders, gears and pumps.	-	-	-
08/07	DECO Tool Supply	MSC Industrial	Provides air and electric tool repair services.	\$42.0	0.4x	-
07/07	eCap Network	Cpower	Provides energy management and project services.	-	-	-
06/22	Therma	Gemspring Capital	Offers preventive maintenance services.	-	-	-
05/08	Comverge	Itron	Provides intelligent energy management solutions.	\$100.0	1.7x	-

NOTABLE DEALS

- ▶ **Woodlawn Partners acquires Truesdell (November 2017)**
Private equity firm Woodlawn Partners acquired Truesdell, a provider of quality repair, restoration, strengthening, protection and maintenance of concrete structures. Terms of the deal were not disclosed. The acquisition is representative of the strong interest that private equity groups have in the MRO space.
- ▶ **MSC Industrial acquires DECO Tool Supply (August 2017)**
MSC Industrial, a distributor of metalworking MRO products and services, acquired DECO Tool Supply (DECO) for an enterprise value of \$42.0 million. With 2016 revenue of approximately \$100.0 million in 2016, DECO provides distribution and repair services to industrial customers. DECO is based in Iowa and will complement MSC's coverage in the Midwest as well as provide ample cross-selling opportunities. MSC President and CEO Erik Gershwind commented that DECO "strengthens our presence in several important markets in the Midwest" and that DECO customers will receive expanded offerings "including a broad and deep MRO product portfolio, next-day delivery, inventory management solutions and more."

All chart sources: CapIQ and Capstone Partners LLC Research