

The BAIRD logo is a dark blue parallelogram with the word "BAIRD" in white, uppercase, sans-serif font.

Global Investment
Banking

BAIRD'S PERSPECTIVE ON THE TEST,
MEASUREMENT AND AUTOMATION SECTOR

Test, Measurement and Automation Update

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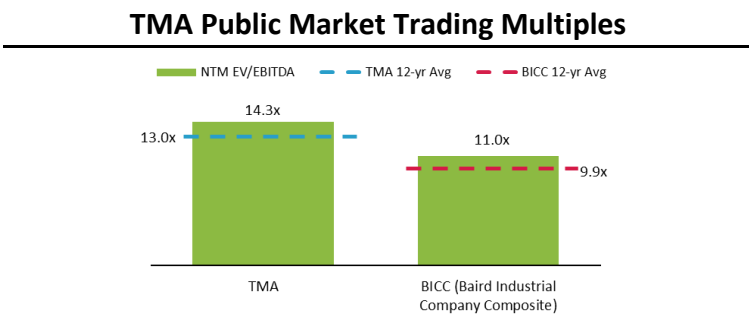
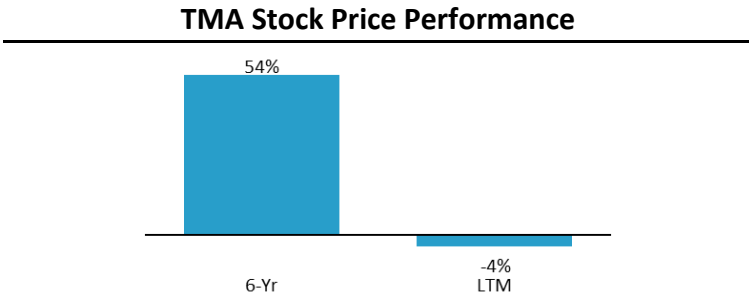
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<http://www.rwbaird.com/investment-banking/team/industry>

Executive Summary – TMA Sector Highlights

Growth outlook remains attractive into 2024 and beyond as TMA companies are poised to benefit from strong secular growth themes despite near-term macroeconomic headwinds.

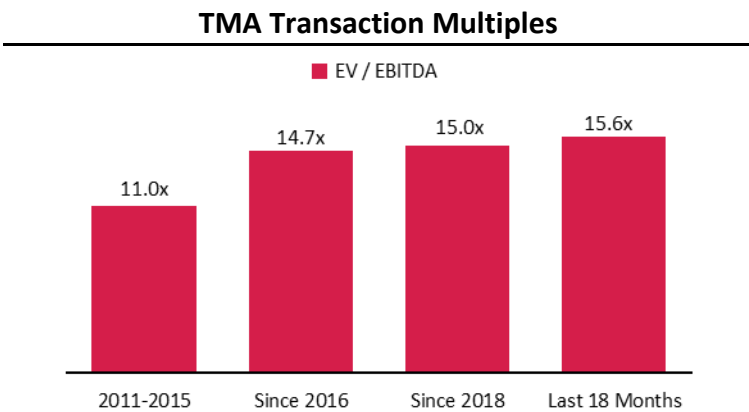
Public Markets

- TMA companies posted 54% gains over the past six years, despite a slight decline during the last 12 months
 - Over the last six years, the Life Sciences T&M subgroup increased 100%, supported by its growing end markets
- Public TMA average NTM EV/EBITDA valuation multiple of 14.3x is 10% above the long-term average
 - TMA EV/EBITDA multiples are 3x+ higher than the broader industrial index.
 - The “TMA multiple premium” has expanded slightly from the long-term average



Deal Activity

- Global M&A market activity declined further in YTD 2023 amid higher interest rates and economic concerns, with deal backlogs supporting increased M&A activity in 2024
- TMA M&A activity has featured high premiums being paid for assets, resulting in heightened valuation multiples over the past 18 months
- Although public financing markets have been negatively impacted by macroeconomic and geopolitical factors, the private credit markets are supporting the M&A activity of performing credits, and many strategic buyers have strong balance sheets



Baird Deal Spotlight

<p><i>Pending</i></p> <p>empowered by technology</p> <p>Sale to Partners Group</p> <p><i>Technology-empowered infrastructure integrity solutions</i></p>	<p>A Portfolio Company of OLYMPUS PARTNERS</p> <p>Sale to TPG RISE</p> <p><i>Leading global trade TIC platform</i></p>	<p>A Portfolio Company of SHOREVIEW</p> <p>Sale to ATS</p> <p><i>Water purification solutions for the life science and biomedical research communities</i></p>	<p>Sale to AMETEK</p> <p><i>Test, measurement, simulation and control solutions for aerospace & defense markets</i></p>
<p>A Portfolio Company of UNION PARK CAPITAL</p> <p>Sale to IGP</p> <p><i>Gas and liquid phase instruments focused on process analytics, monitoring, control and safety</i></p>	<p>A Portfolio Company of UNION PARK CAPITAL</p> <p>Sale to KKR</p> <p><i>Materials testing instruments and aftermarket solutions</i></p>	<p>A Portfolio Company of MERIT CAPITAL PARTNERS M&S</p> <p>Sale to JUNGHEINRICH</p> <p><i>Automation and material handling systems integration for warehouse & distribution</i></p>	<p>Digital Testing</p> <p>A Business of eurofins</p> <p>Sale to STIRLING SQUARE CAPITAL PARTNERS</p> <p><i>Testing, quality assurance and technical analysis services</i></p>

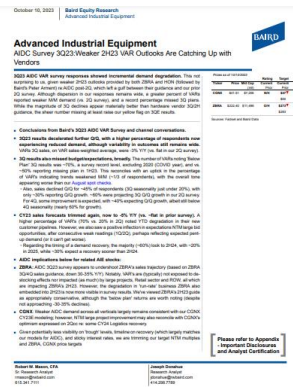
Source: Capital IQ. Current as of November 24, 2023. TMA group includes composite of TMA companies outlined on page 3. BICC is defined in footnote on page 4.

Executive Summary – TMA Sector Highlights

Links to Recent Baird Research and Industry Publications



Advanced Equipment
November 13, 2023
[AIE Takeaways from 2023 Baird Industrial Conference](#)



Advanced Equipment
October 10, 2023
[AIEC Survey 3Q23: Weaker 2H23 VAR Outlooks Are Catching Up with Vendors](#)



Advanced Equipment
September 22, 2023
[Battery Show Visit Highlighted Intensity of Test; Automation to Scale](#)



Automation Sector Update
Summer 2023
[Baird's Perspective on the Automation Sector](#)



TICC Update
Fall 2023
[Baird's Perspective on the Testing, Inspection, Certification & Compliance Sector](#)



Global M&A Quarterly Update
October 2023
[Baird's Perspective on the Global M&A Environment](#)

Links to Selected Industry Associations and Tradeshows

Industry Associations

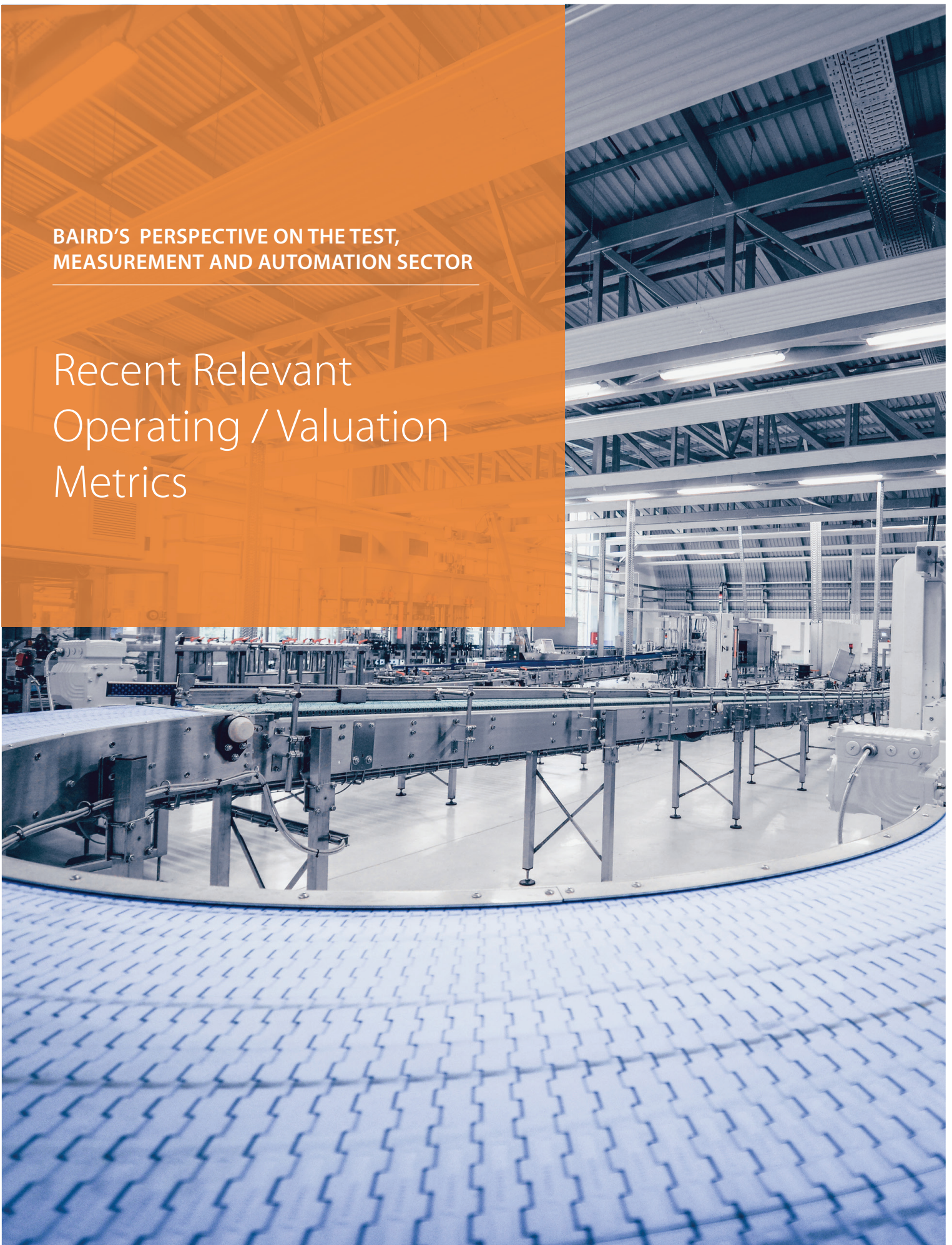
- [American Council of Independent Laboratories](#)
- [Control Engineering](#)
- [Control System Integrators Association](#)
- [Material Handling Equipment Distributors Association](#)
- [Modern Materials Handling](#)

Tradeshows

- [ICPHSO, February 2024 \(Orlando, FL\)](#)
- [NDTMA, February 2024 \(Las Vegas, NV\)](#)
- [Pittcon, February 2024 \(San Diego, CA\)](#)
- [MODEX, March 2024 \(Atlanta, GA\)](#)
- [American Food Sure Summit, March 2024 \(Atlanta, GA\)](#)
- [Hannover Messe, April 2024 \(Hannover, Germany\)](#)
- [Control, April 2024 \(Stuttgart, Germany\)](#)
- [Automate, May 2024 \(Chicago, IL\)](#)
- [IAFP, July 2024 \(Long Beach, CA\)](#)
- [The Assembly Show, October 2024 \(Chicago, IL\)](#)

BAIRD'S PERSPECTIVE ON THE TEST,
MEASUREMENT AND AUTOMATION SECTOR


Recent Relevant
Operating / Valuation
Metrics



Public Markets Update

Baird's TMA public company universe broadly focuses on a large, inter-related ecosystem of hardware, software and services focused on testing, measurement, inspection, certification and automation. The universe is listed below and segmented by vertical. Test & Measurement is further segmented by Industrial T&M and Life Sciences T&M to account for differences in end market focus and valuation.

TMA Public Trading Universe

Test & Measurement	TICC	Automation	
<p><i>Components, analytical instrumentation and software</i></p>	<p><i>Testing, inspection, certification and compliance services or solutions</i></p>	<p><i>Systems, equipment, software, controls, services and integration</i></p>	
<p>Industrial Focus</p>			
<p>ADVANTEST AMETEK  BadgerMeter, Inc.</p>			
<p> FARO</p>	<p>Applus⁺</p>		<p>DAIFUKU Automation that Inspires</p>
<p>  IBEX</p>		<p>DIGI</p>	<p>EMERSON</p>
<p>Itron ITW  KEYSIGHT TECHNOLOGIES</p>	<p>eurofins</p>	<p>FANUC</p>	<p>Honeywell</p>
<p>MSA  Novanta OSI SYSTEMS, INC.</p>	<p>Exponent</p>	<p>KUKA</p>	<p>OMRON</p>
<p>  spectris</p>	<p>intertek</p>	<p> ptc</p>	<p> Rockwell Automation</p>
<p> Trimble xylem</p>	<p> MONTROSE ENVIRONMENTAL</p>	<p>rotork</p>	<p>Schneider Electric</p>
<p>Life Sciences Focus</p>	<p> MISTRAS</p>	<p>SIEMENS</p>	<p>TERADYNE</p>
<p> Agilent  BD biotechne</p>	<p> SGS</p>	<p>YOKOGAWA ◆</p>	<p> ZEBRA</p>
<p> BRUKER  DANAHER  MesaLabs</p>	<p>TEAM®</p>		
<p> revvity  sartorius mechatronics</p>			
<p>ThermoFisher SCIENTIFIC Waters</p>			

Public Markets Update

MARKET COMMENTARY

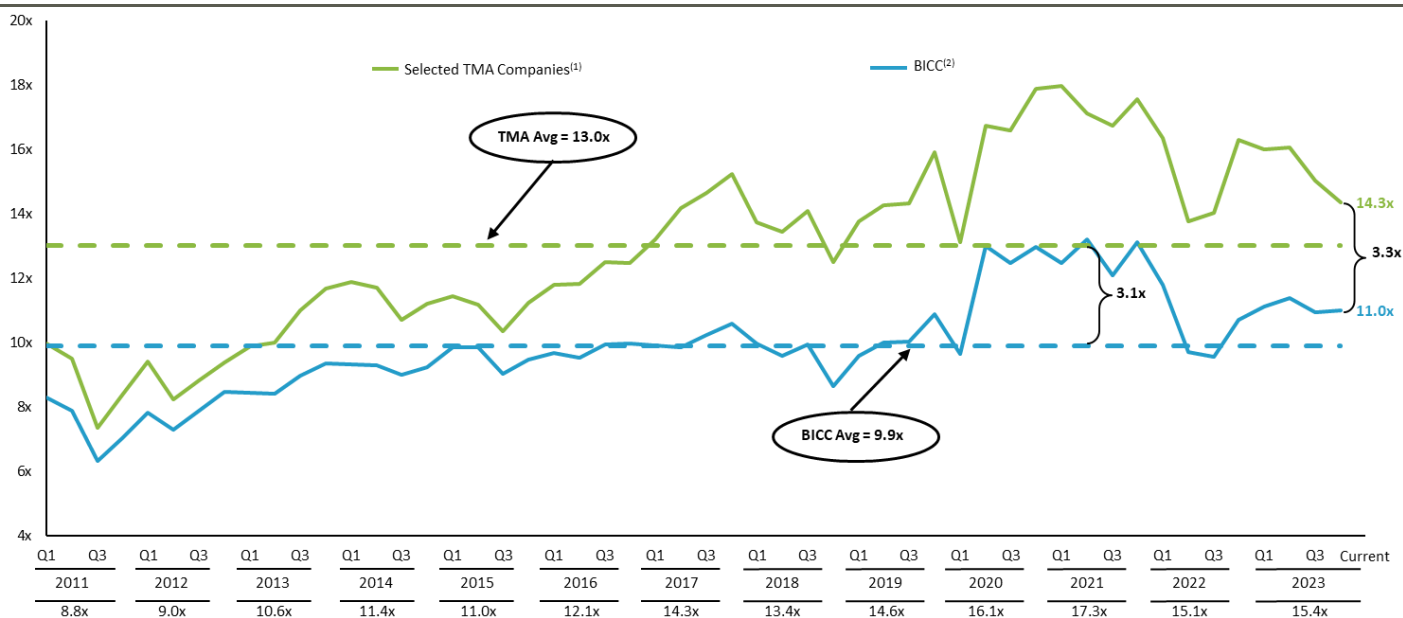
Although below recent peak levels, valuations in the TMA sector remain above historical averages, supported by the majority of the TMA peer group reporting continued revenue and earnings growth as well as acceleration of long-term tailwinds following the pandemic.

- Since 2019, Baird's TMA universe has traded above its long-term average NTM EBITDA multiple of 13.0x
- Currently, the TMA index is trading 130+ bps higher than its long-term average

We continue to see TMA companies trading at a premium to the broader industrial universe given their: (i) above-average secular growth and margins (with reshoring initiatives and labor shortages increasing the importance of efficiency); (ii) attractive business models; and (iii) high barriers to entry.

- Since 2011, TMA companies as a group have traded slightly over 300 bps higher than the BICC, a broad index of publicly traded industrial companies
- Currently, the TMA index is trading at a premium of 330 bps relative to the BICC

Average EV / NTM EBITDA Multiples



Note: Represents the average multiple over the quarterly period.

Source: Capital IQ. Current as of November 24, 2023.

(1) Includes composite of TMA companies outlined on the previous page. Company multiples above 25x are excluded from the TMA average.

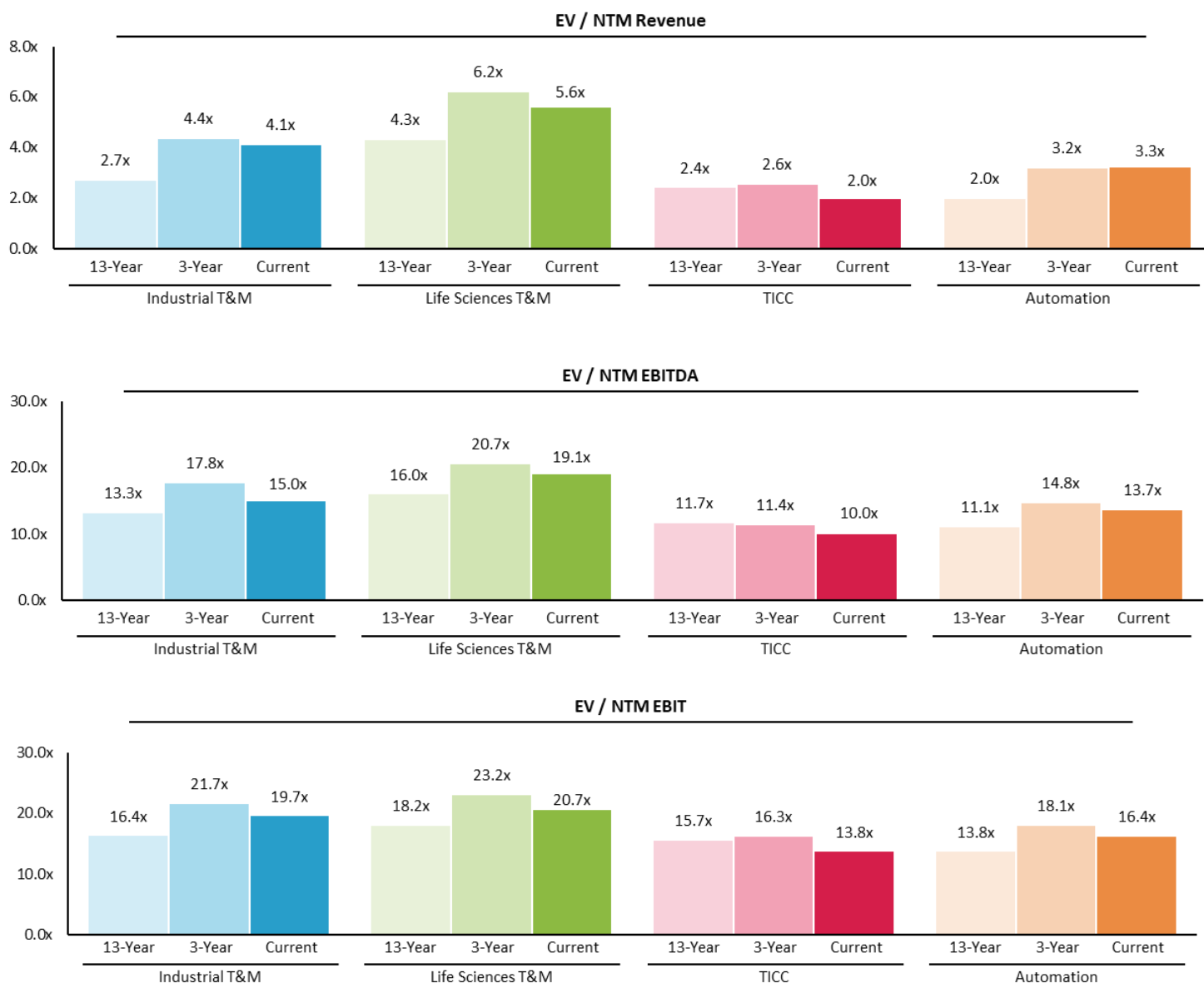
(2) Baird Industrial Company Composite ("BICC") represents ~500 companies that Baird views as indicative of the publicly traded industrial company universe.

Public Markets Update

In general, TMA subgroups are currently trading below recent three-year averages, as multiples have normalized from historical all-time highs; however, most subgroups are trading at or above longer-term historical levels and are poised to benefit from strong secular tailwinds across the TMA ecosystem.

- Life Sciences T&M and Automation are currently trading at ~3x above their historical long-term median EV / EBITDA multiples, with Industrial T&M (1x+ above) also demonstrating favorable performance. The median EV / EBITDA multiple for TICC is down almost 2x from its long-term value.

Median Public Valuation Multiples

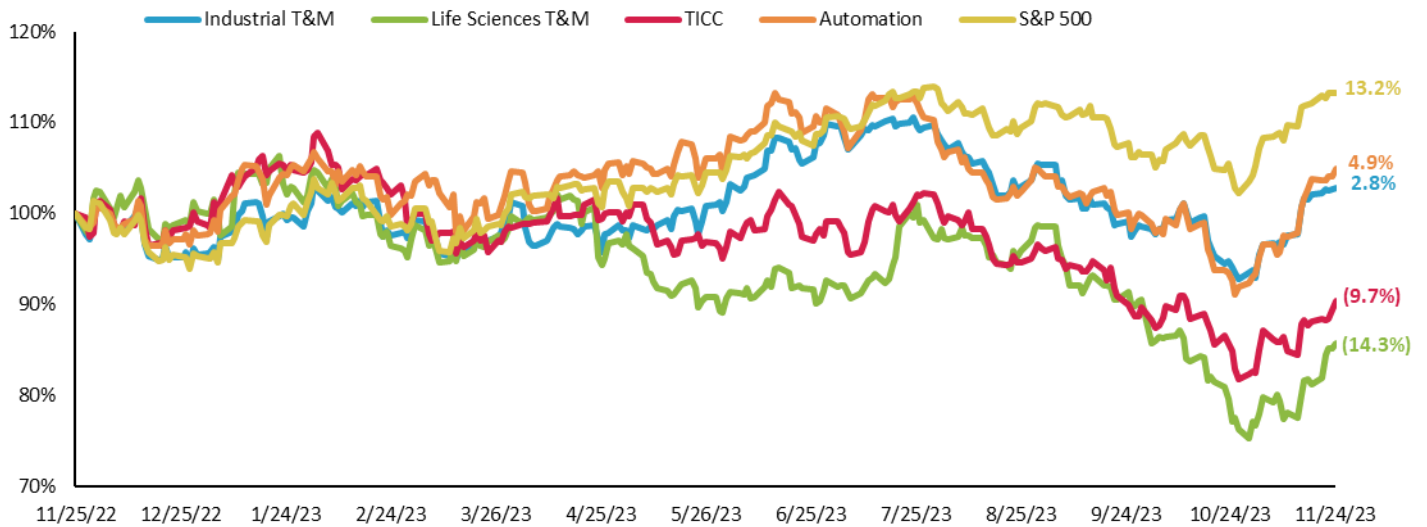


Source: Capital IQ. As of November 24, 2023.

Public Markets Update

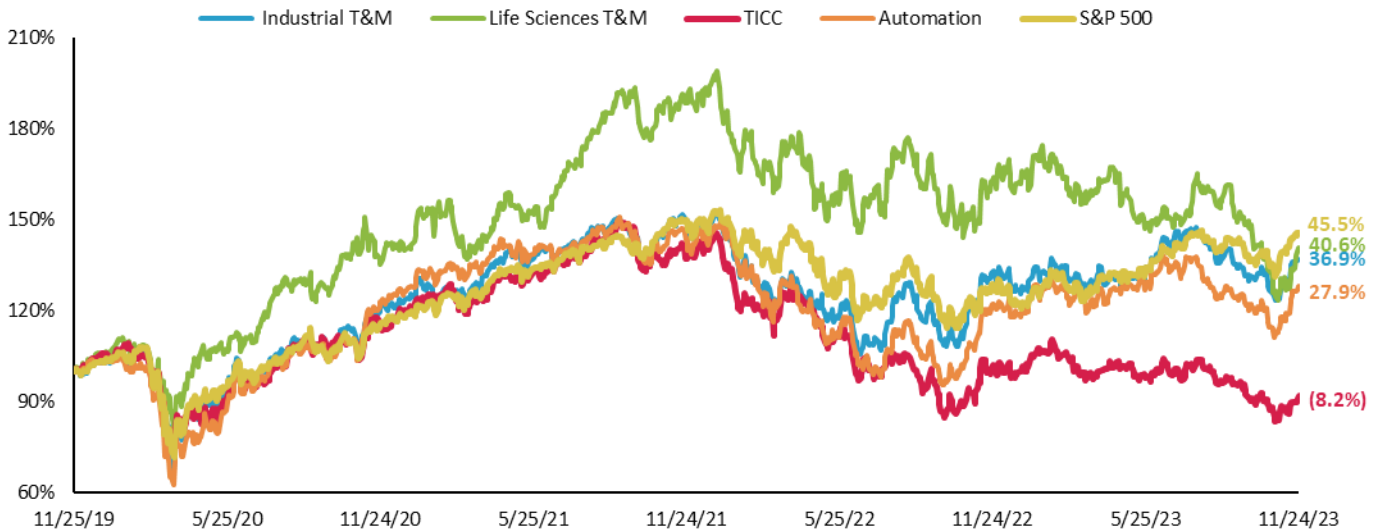
While stock market returns were mixed for TMA subgroups during the past year, all TMA subgroups other than TICC generated significant positive returns over the last four years. Life Sciences T&M performed well relative to the other subgroups due to the strong growth prospects of this end market; however, Life Sciences T&M declined over the LTM period amid multiple normalization from peak levels that were elevated during the post-COVID runup as well as reduced near-term estimates, bringing four-year performance closer to the returns for other subgroups. The Industrial T&M and Automation subgroups lagged over the past year due largely to softness in historically strong industrial end markets such as logistics automation and e-commerce. Regarding performance of TMA subgroups relative to the broader equity market, technology leaders (the “Magnificent Seven”) and the consumer discretionary sectors propelled positive returns for the S&P 500 over the past year.

LTM Stock Price Performance



Source: Capital IQ. As of November 24, 2023.

4 Year Stock Price Performance

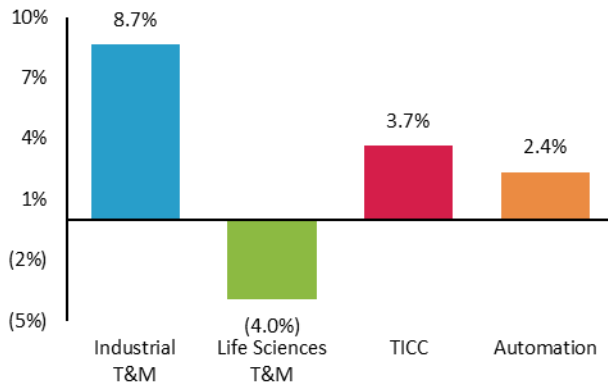


Source: Capital IQ. As of November 24, 2023.

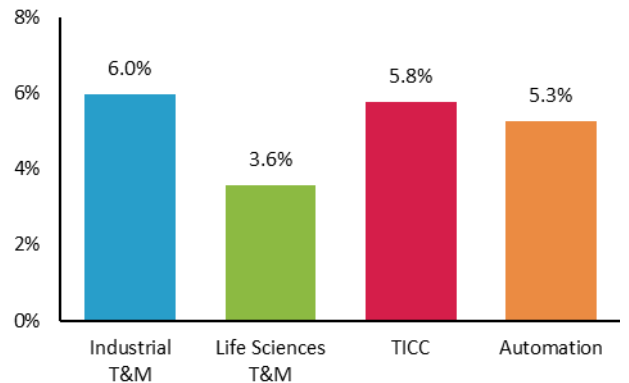
Public Markets Update

Below are average operating and valuation metrics as of November 24, 2023, for selected TMA companies within Baird's subgroup focus. Sales have benefited from price increases and have been hindered by supply chain disruptions, which are now abating. TMA companies have improved their margins as pricing increases have offset cost increases. Valuation levels are now largely focused on forward guidance, which is supported by significant backlogs and expectations for continued pricing power.

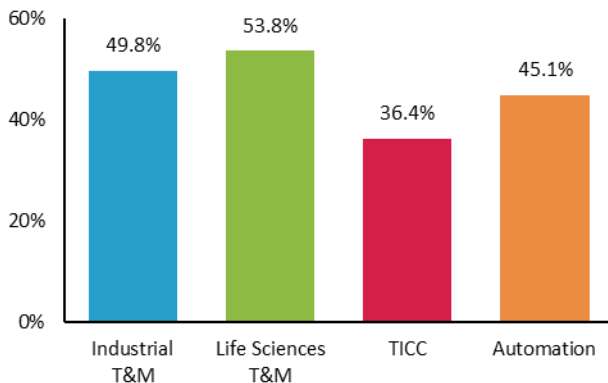
2023E Sales Growth



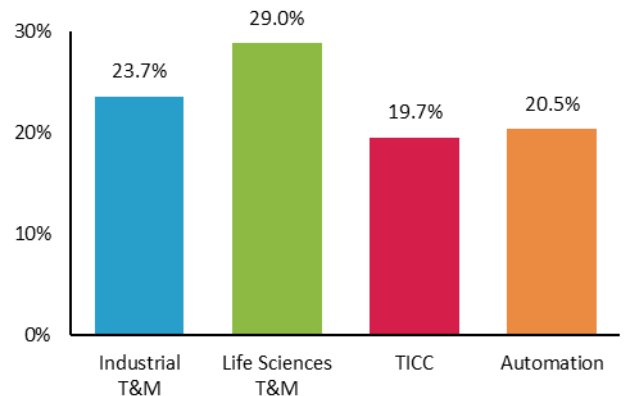
2024P Sales Growth



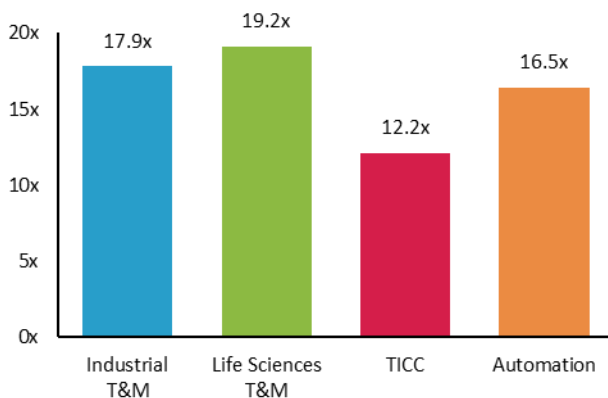
2023E Gross Margin



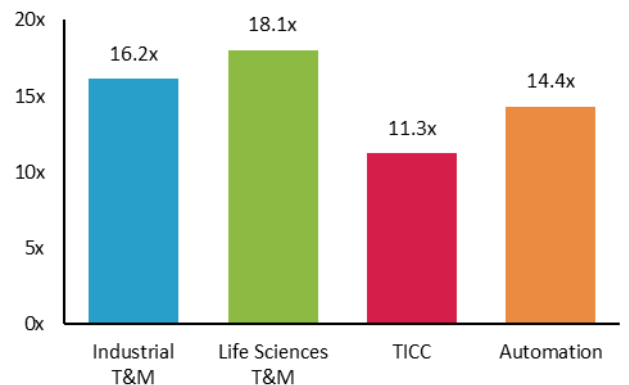
2023E EBITDA Margin



2023E EV / EBITDA Multiple



2024P EV / EBITDA Multiple



Source: Capital IQ. As of November 24, 2023.

Selected Research Coverage

BAIRD TMA RESEARCH UNIVERSE

Baird equity research analysts cover blue-chip companies across the TMA ecosystem. Below are selected TMA companies Baird research analysts cover with consistent publications.



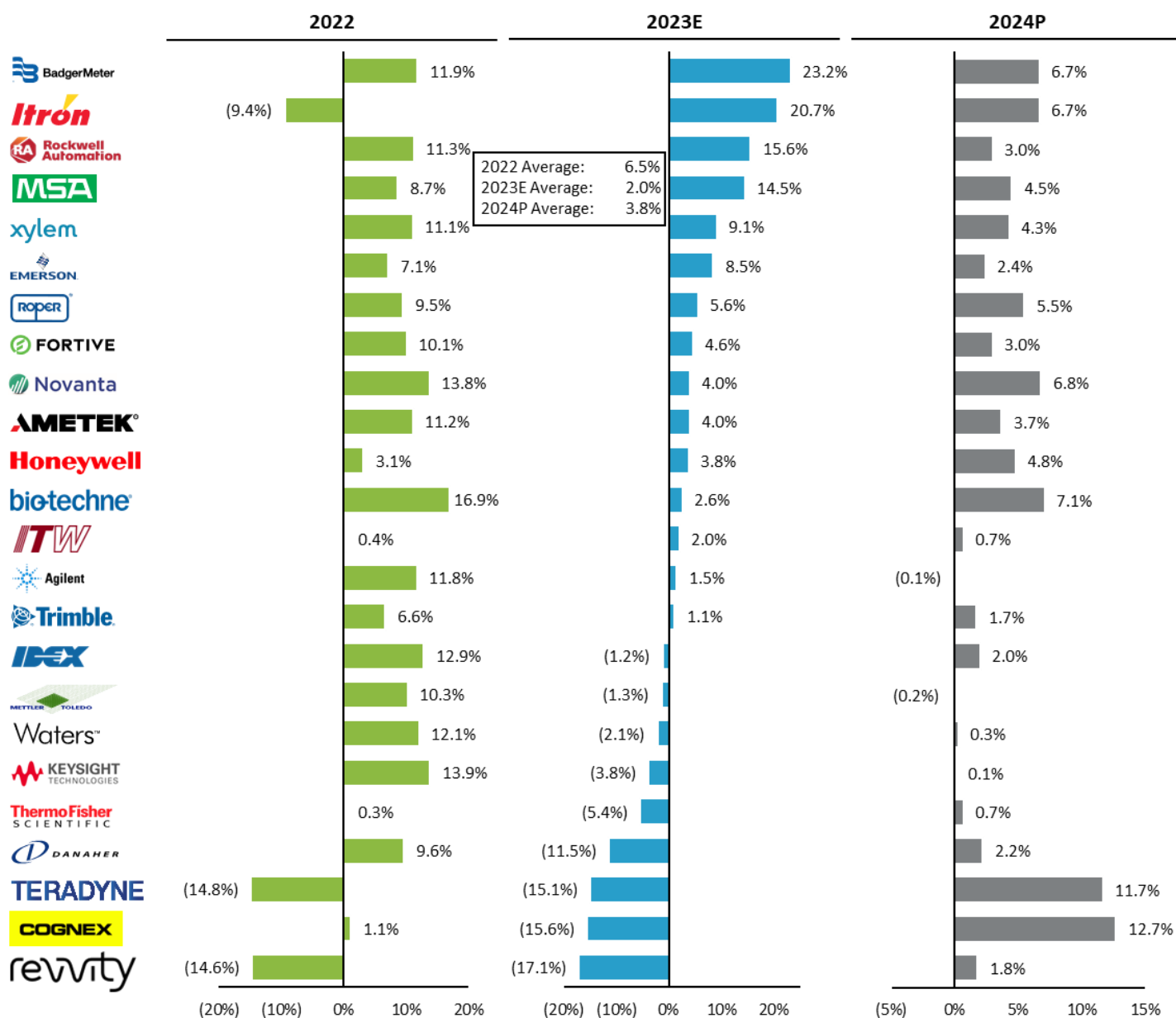
Baird TMA Research coverage includes Sarcos Technology and Robotics Corporation and Symbotic Inc., but these are excluded from the metrics presented on pages 9-10.

Selected Research Coverage

In 2022, the Baird research-covered group generated a revenue increase of 6.5% on average as a result of increased global demand and secular growth tailwinds (i.e., automation, regulatory compliance, digitization and reshoring) across TMA company end markets as well as price increases.

TMA companies are on track to grow organically by 2.0% on average in 2023 (dampened by outliers with significant contraction in life sciences, semiconductors and e-commerce automation), with expansion supported by strong backlogs, sustainable pricing power and continued secular growth demand drivers. Growth for the group is expected to accelerate in 2024, when nearly all companies are projected to generate organic revenue gains.

Organic Local Currency Revenue Growth Rates (Baird TMA Research Coverage)⁽¹⁾





























Source: Baird Equity Research.

(1) PTC and Zebra are excluded as historical organic growth is unavailable.

Selected Research Coverage

Despite widespread cost inflation, most TMA companies have maintained their margin profile due to healthy price increases, and strong margins are projected to continue through 2024. The majority of companies within Baird's TMA universe took both temporary and permanent cost containment measures during the pandemic. Gross margins on average are expected to increase 110 basis points from 2022 levels to an average of 53.4% in 2024, while operating income margins are estimated to rise 20 basis points from 2022 levels to an average of 24.3% in 2024.

	Ticker	2023E		Gross Margin			Operating Income Margin		
		Revenue Growth ⁽¹⁾	EPS Growth	2022A	2023E	2024P	2022A	2023E	2024P
 Agilent Technologies	A	(2.1%)	1.9%	56.1%	55.7%	56.0%	27.1%	27.1%	27.8%
 AMETEK	AME	6.9%	11.8%	34.9%	36.2%	36.4%	24.4%	26.0%	26.0%
 Badger Meter, Inc.	BMI	23.3%	34.8%	38.9%	39.3%	39.5%	15.4%	16.4%	16.9%
 biotechne	TECH	4.0%	(4.1%)	72.5%	71.8%	71.7%	38.1%	34.1%	33.5%
 COGNEX	CGNX	(17.5%)	(41.9%)	72.0%	72.4%	72.3%	26.7%	15.6%	17.6%
 DANAHER	DHR	(13.8%)	(24.3%)	60.3%	58.8%	60.0%	32.5%	28.1%	29.4%
 EMERSON	EMR	9.9%	22.0%	45.7%	49.1%	44.4%	19.5%	22.3%	18.8%
 FORTIVE	FTV	3.8%	7.9%	57.7%	60.5%	61.0%	17.7%	25.8%	26.6%
 Honeywell	HON	3.8%	4.5%	40.8%	39.9%	40.8%	21.7%	22.6%	23.2%
 IEIX	IEIX	1.9%	0.2%	44.8%	44.2%	44.0%	24.0%	22.9%	23.7%
 ITW	ITW	1.0%	0.1%	40.8%	42.3%	42.1%	23.8%	25.3%	25.4%
 Itron	ITRI	20.7%	156.6%	29.1%	32.2%	31.5%	1.8%	5.8%	6.9%
 KEYSIGHT TECHNOLOGIES	KEYS	(4.2%)	0.1%	64.8%	65.6%	65.2%	29.6%	28.9%	27.8%
 METTLER TOLEDO	MTD	(2.3%)	(1.0%)	58.9%	59.4%	59.6%	30.4%	31.0%	31.0%
 MSA The Safety Company	MSA	15.0%	20.9%	44.7%	47.9%	47.7%	19.0%	22.1%	22.4%
 Novanta	NOVT	2.4%	0.7%	45.6%	46.7%	47.8%	17.1%	17.7%	18.4%
 revvity	RVTY	N/A ⁽²⁾	N/A ⁽²⁾	57.0%	61.7%	61.6%	30.0%	28.1%	28.1%
 ptc	PTC	8.5%	(5.2%)	82.5%	81.7%	81.2%	37.9%	36.2%	37.2%
 Rockwell Automation	ROK	18.5%	29.9%	40.0%	40.4%	40.9%	17.2%	19.0%	19.5%
 roper	ROP	14.6%	15.6%	69.9%	69.8%	70.5%	36.1%	37.4%	37.6%
 TERADYNE	TER	(15.1%)	(33.7%)	59.2%	57.6%	57.8%	27.5%	20.1%	23.4%
 Thermo Fisher SCIENTIFIC	TMO	(4.9%)	(7.3%)	43.5%	41.3%	41.2%	24.5%	22.9%	23.0%
 Trimble	TRMB	2.8%	(0.4%)	60.0%	64.5%	63.9%	22.9%	24.6%	24.5%
 Waters	WAT	(1.0%)	(2.8%)	58.0%	59.0%	61.1%	30.2%	30.5%	29.6%
 xylem Let's Solve Water	XYL	32.1%	30.5%	37.7%	38.2%	43.9%	12.2%	14.7%	15.5%
 ZEBRA	ZBRA	(21.0%)	(44.3%)	45.5%	46.8%	46.4%	20.2%	16.5%	17.8%
Average		3.5%	6.9%	52.3%	53.2%	53.4%	24.1%	23.9%	24.3%

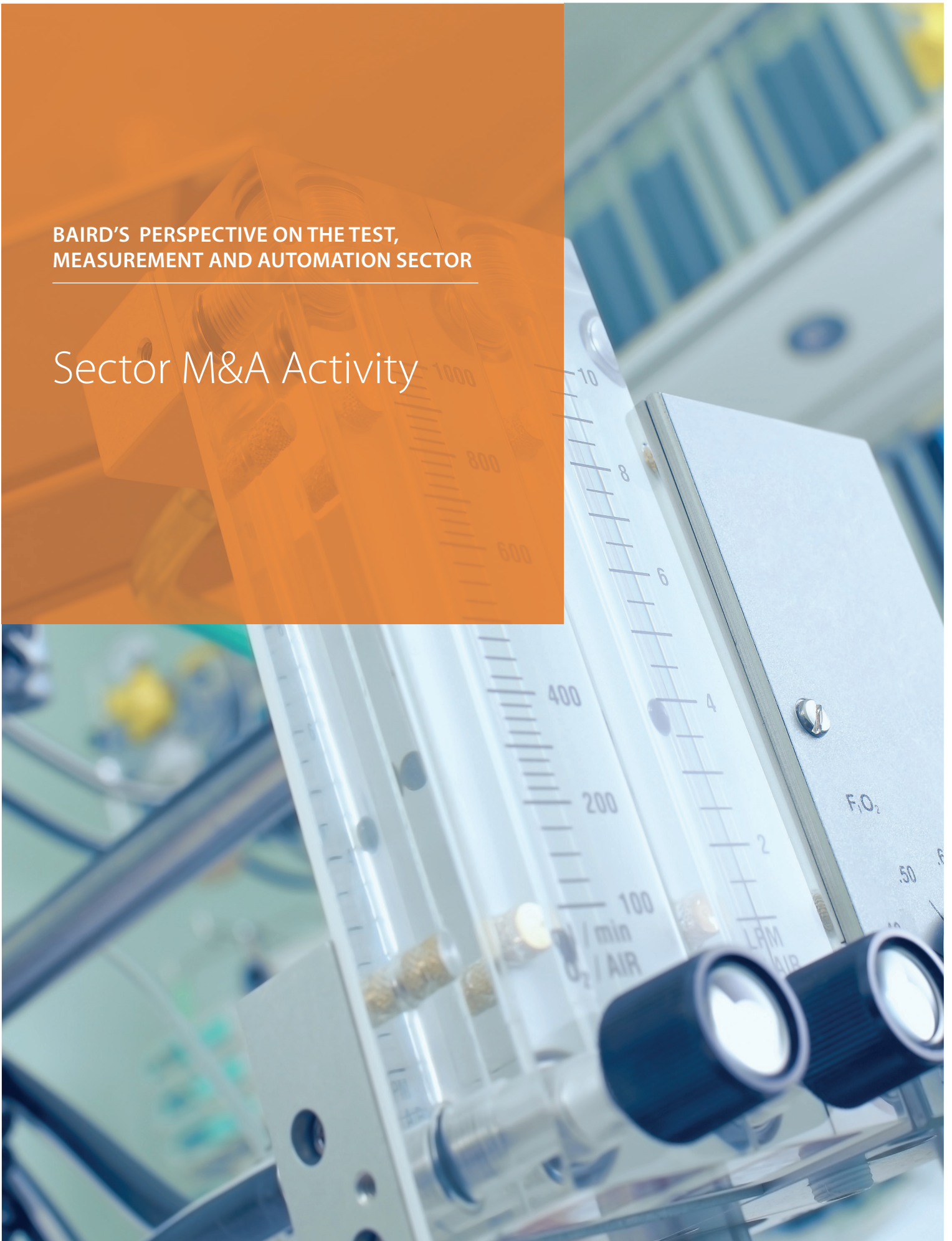
Source: Baird Equity Research.

(1) Impact of mergers & acquisitions and foreign currency included in figure.

(2) 2023 estimates for revenue and EPS not comparable to 2022 results due to recent divestiture transaction.

BAIRD'S PERSPECTIVE ON THE TEST,
MEASUREMENT AND AUTOMATION SECTOR

Sector M&A Activity



TMA Deal Activity

M&A UPDATE

Global M&A market activity declined further in YTD 2023 amid higher interest rates and economic headwinds. Despite these challenges, the TMA sector has continued to experience healthy M&A levels, with valuation multiples remaining robust. In addition to attractive long-term industry tailwinds and resilient end markets driving these strong valuation levels, TMA transaction activity has been weighted toward strategic buyers aggressively looking to bolster organic growth rates by acquiring differentiated, high-margin TMA companies.

The average EBITDA multiple paid for TMA deals over the last 18 months was 15.6x, continuing an ongoing uptrend (as indicated in the chart below) and representing a 42% increase from the 2011-2015 average EBITDA multiple of 11.0x. Many factors account for the high valuations, including the attractive long-term growth rates (in excess of global GDP), high margins, low capital intensity and high barriers to entry that characterize these targets. Another factor supporting valuation since last year has been the mix of deals skewing toward top-quality targets in a more challenging M&A market and the higher proportion of strategic buyers.

We expect TMA M&A to continue outperforming many other sectors given the mission-critical nature of the solutions being provided and a large universe of well capitalized strategic buyers. In addition, many long-term trends in automation, digitization, measurement and testing services are being accelerated the reversal of globalization, and the TMA sector will benefit from these secular trends.

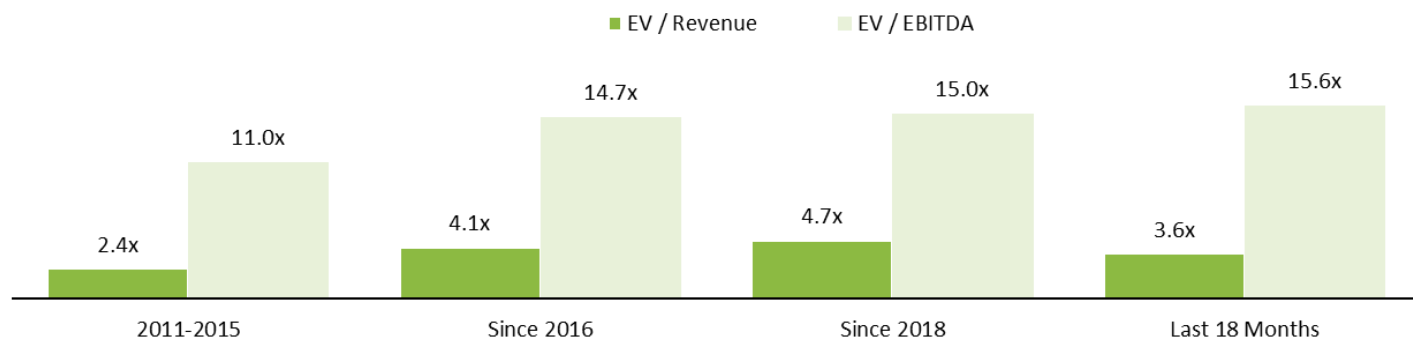
Selected Active Acquirors



M&A Valuations

The charts shown below and on the next page summarize the average transaction valuation multiples for the deals within Baird's proprietary database of TMA transactions over the past decade.

Average TMA Sector Transaction Multiples

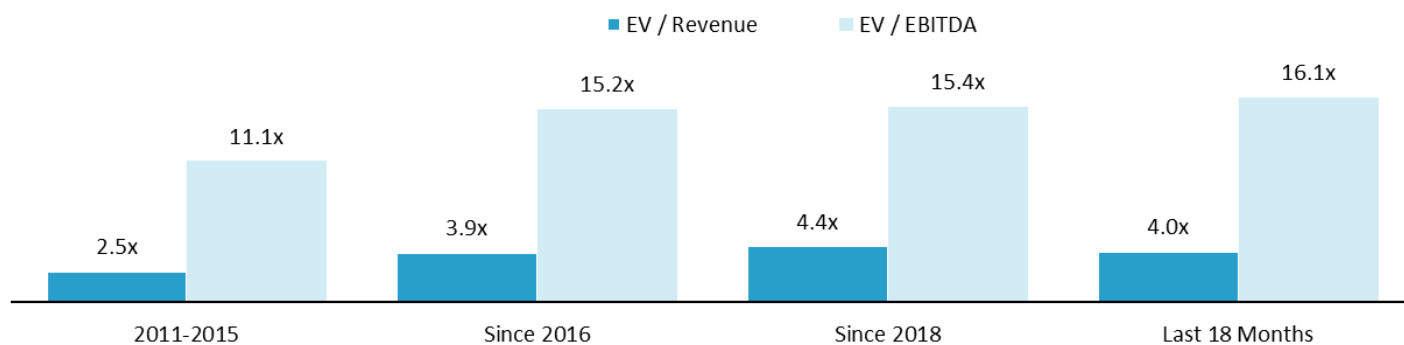


Source: Capital IQ and Baird Investment Banking.

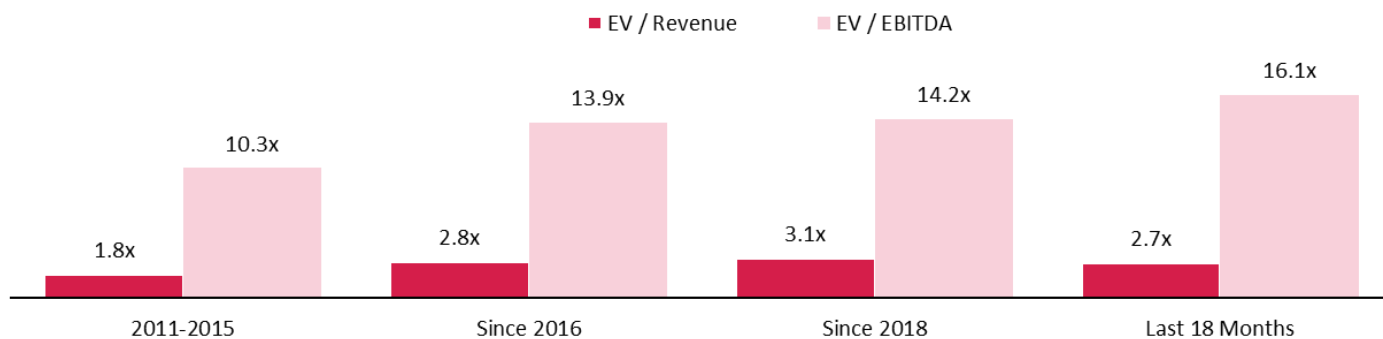
TMA Deal Activity

Transaction multiples have increased from 2011-2015 levels across TMA subgroups, with greater competition for premium assets (as well as the deal mix shifting toward the highest-quality targets since last year) driving average multiples to 16x+ EV / EBITDA for Test & Measurement and TICC, and 14x+ for Automation transactions over the last 18 months. Certain pockets of M&A activity have also emerged as highly attractive, largely centered on non-cyclical or high-growth end markets such as life sciences, food & beverage and battery.

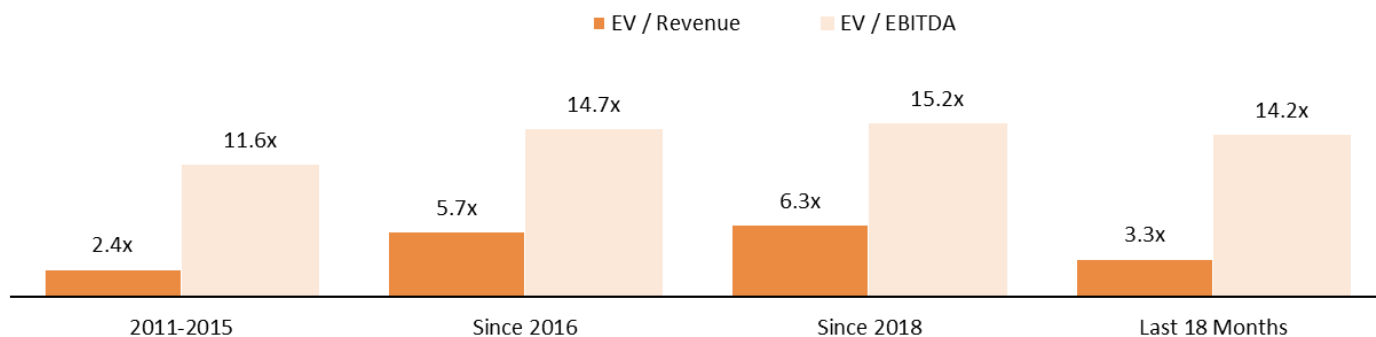
Average Test & Measurement Transaction Multiples



Average TICC Transaction Multiples



Average Automation Transaction Multiples




Source: Capital IQ and Baird Investment Banking.

BAIRD'S PERSPECTIVE ON THE TEST,
MEASUREMENT AND AUTOMATION SECTOR





Selected Baird TMA Transactions



Baird Deal Spotlight

	Pending			
	 <p>Sale to</p> 	 <p>Sale to</p> 	 <p>Sale to</p> 	 <p>Sale to</p> 
Target Company Headquarters	ROSEN Group Stans, Switzerland	AmSpec Parent, LLC Cranbury, NJ	Avidity Science, LLC Waterford, WI	United Electronic Industries Norwood, MA
Acquiring Company Headquarters	Partners Group Baar-Zug, Switzerland	TPG Rise Climate Fort Worth, TX	ATS Corporation Cambridge, Canada	AMETEK Berwyn, PA
Transaction Closing	November 14, 2023 (announcement date)	December 5, 2023	November 20, 2023	August 11, 2023
Transaction Overview	ROSEN Group will be acquired by Partners Group (SIX: PGHN), a leading global private markets firm. Partners Group agreed to acquire a controlling stake alongside the company's founder Hermann Rosen, who will re-invest and remain a significant shareholder. Terms of the transaction were not disclosed. The transaction is subject to regulatory approvals and customary closing conditions.	AmSpec Parent, LLC, a portfolio company of Olympus Partners, recently announced its sale to TPG Rise Climate. Olympus Partners will retain a minority position in the Company. The transaction is expected to close in the fourth quarter of 2023 and is subject to customary closing conditions. The terms of the transaction were not disclosed.	Avidity Science, LLC, a portfolio company of ShoreView Industries, has recently been acquired by ATS Corporation (TSX: ATS) (NYSE: ATS). The terms of the transaction were not disclosed.	United Electronic Industries has been acquired by AMETEK (NYSE: AME) for an undisclosed amount.
Target Company Description	<ul style="list-style-type: none"> Provider of technology-empowered integrity solutions for essential infrastructure and critical assets Advanced proprietary diagnostic technology, combined with the industry's largest integrity database and leading software solutions, ESG initiatives, safety and ongoing operation of clients' most critical assets 	<ul style="list-style-type: none"> Provider of fully integrated solutions that enable safety and regulatory compliance across specialized global trade sectors, including Energy & Chemicals and Agriculture & Food Guarantees traded products are compliant with commercial and regulatory specifications, through a globally distributed lab and field network, by utilizing specialized techniques, proprietary technology and state-of-the-art equipment 	<ul style="list-style-type: none"> Provider of water purification and delivery, control and monitoring and service solutions for the life science and biomedical research communities Since 1969, its mission has been to enable science to improve the quality of life 	<ul style="list-style-type: none"> Provider of test, measurement, simulation, and control solutions for the aerospace, defense, and energy markets with expertise across many aerospace and machine applications Designer of high performance, ruggedized I/O systems that provide advanced data processing capabilities
Acquiring Company Description	Partners Group is a leading global private markets firm. Since 1996, the firm has invested \$200 billion in private equity, private real estate, private debt and private infrastructure on behalf of its clients globally. With \$142 billion in assets under management as of June 30, 2023, Partners Group provides an innovative range of bespoke client solutions to institutional investors, sovereign wealth funds, family offices and private individuals globally.	TPG Rise Climate is the dedicated climate investing strategy of TPG's \$18 billion global impact investing platform, TPG Rise. TPG Rise Climate pursues climate-related investments that benefit from the diverse skills of TPG's investing professionals, the strategic relationships developed across TPG's existing portfolio of climate-focused companies, and a global network of executives and advisors.	ATS Corporation is an industry-leading automation solutions provider. ATS uses its extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services including pre-automation and after-sales services, to address the sophisticated manufacturing automation systems and service needs of multinational customers.	AMETEK is a leading designer and manufacturer of precision electronic instruments and equipment, with over 200 locations around the globe. AMETEK addresses customer challenges by leveraging a strong portfolio of over 100 integrated and developed brands that are critical to the infrastructure, development and production of countless industrial products.
Advisory Role	Baird served as the exclusive financial advisor to ROSEN.	Baird served as financial advisor to AmSpec.	Baird served as the exclusive financial advisor to Avidity Science.	Baird served as the exclusive financial advisor to UEI.

Baird Deal Spotlight

				
Target Company Headquarters	Process Insights, Inc. Houston, TX	Industrial Physics Holdings, LLC New Castle, DE	Storage Solutions, LLC Westfield, IN	Eurofins Scientific Digital Testing Business Luxembourg City, Luxembourg
Acquiring Company Headquarters	Industrial Growth Partners San Francisco, CA	KKR & Co. Inc. New York, NY	Jungheinrich AG Hamburg, Germany	Stirling Square Capital Partners London, England
Transaction Closing	July 18, 2023	July 19, 2023	March 15, 2023	December 13, 2022
Transaction Overview	Process Insights, Inc., a portfolio company of Union Park Capital, was acquired by Industrial Growth Partners. The terms of the transaction have not been disclosed.	Industrial Physics Holdings, LLC, a portfolio company of Union Park Capital, was acquired by KKR. The terms of the transaction have not been disclosed.	Storage Solutions, LLC, a company owned by Merit Capital Partners and MFG Partners, was acquired by Jungheinrich AG.	Eurofins Scientific (EUFI.PA) sold its Digital Testing business to Stirling Square Capital Partners for €220 million on a cash and debt free basis.
Target Company Description	<ul style="list-style-type: none"> Provider of instruments focused on process analytics, monitoring, control and safety Used across a wide range of applications and end markets to ensure safe operation, increase product quality and attain higher levels of efficiency in process industries 	<ul style="list-style-type: none"> Provides leading test and inspection solutions protecting the integrity of the biggest brands across the globe Manufactures materials testing instruments for measuring physical and analytical properties of plastics, barrier films, paper, pulp, foil, ink, coatings, corrugated materials, cans, medical devices and consumer electronic products 	<ul style="list-style-type: none"> Provides warehouse design, automation and integration solutions to customers in 3PL, retail / eCommerce, industrial, food & beverage, and consumer products end markets Offers vertically integrated service lines including in-house logistics and installation, ensuring on-time project completion and providing value-added services including workflow optimization, engineering and permitting 	<ul style="list-style-type: none"> Provides global testing, quality assurance and technical analysis of digital systems, devices, content and cyber security Employs over 600 staff
Acquiring Company Description	Industrial Growth Partners is a specialist private investment partnership focused exclusively on acquiring middle-market industrial manufacturing and niche services businesses. IGP principals bring unique industry experience, insights and guidance to the management teams of its portfolio companies to help drive transformational growth. Since inception, IGP has raised \$3.4 billion in equity capital across six funds and has successfully invested alongside management in over 40 platform transactions.	KKR is a global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds.	Jungheinrich AG is a German intralogistics provider that has been advancing the development of innovative and sustainable products and solutions for material flows for 70 years and is committed to creating the warehouse of the future. Jungheinrich has a global operating network, including 11 production plants and 41 service and sales companies.	Stirling Square Capital Partners was established in 2002 as a pan-European private equity firm which invests in mid-market companies with enterprise value of €100 million to €500 million. Stirling Square manages over €2.5 billion on behalf of a global and diverse investor base.
Advisory Role	Baird served as the exclusive financial advisor to Process Insights.	Baird served as the exclusive financial advisor to Industrial Physics.	Baird served as the exclusive financial advisor to Storage Solutions.	Baird served as the exclusive financial advisor to Eurofins Scientific.

Baird's Senior Global TMA Team

Baird's Leading Global TMA Investment Banking Practice

Experienced, proven and trusted advisor with over 22 years of dedicated TMA sector coverage and an integrated global team with extensive experience:

- **M&A Advisory:** With over 120 completed M&A transactions representing \$40 billion in deal value since 2000, Baird has advised and transacted with the most recognized international TMA companies. Complemented by its Financial Sponsor Coverage Group, Baird has also represented or sold TMA companies to the world's leading private equity firms.
- **Equity Financings:** Baird has four senior research analysts who cover over 35 TMA companies. Leveraging its leading research and sales & trading platforms, Baird is an active underwriter of new issues and secondary offerings in the TMA sector, including 35+ equity capital market transactions with \$20+ billion in capital raised since 2000.
- **Private Capital Markets:** Baird's Private Capital Markets practice features a cross-border team that has raised debt and equity capital across the TMA sector in the U.S. and Europe. Our Private Capital Markets team facilitates financing for Baird's sellside advisory transactions and offers clients a range of highly customized solutions across the spectrum of debt, equity and hybrid securities, such as refinancings, dividend recapitalizations and growth capital.

The breadth and depth of these experiences distinguishes Baird within the TMA sector, provides our team with strong market insights and enables us to build and maintain an extensive network of relationships with active TMA investors.



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Selected Baird TMA Transactions

Pending

 empowered by technology Sale to 	 A Portfolio Company of  Sale to 	 A Portfolio Company of  Sale to 	 Sale to 	 A Portfolio Company of  Sale to 
 A Portfolio Company of  Sale to 	 A Portfolio Company of  Sale to 	 A Business of  Sale to 	 Sale of  to 	 Acquisition of 
 Acquisition of  From 	 Merger with  A Portfolio Company of  Sale to 	 Merger with 	 A Portfolio Company Of  Sale to  With Minority Investment From 	 A Portfolio Company of  Received a New Majority Investment from 
 Sale to 	 Merger with 	 A Portfolio Company of  Sale to  A Portfolio Company of 	 A Portfolio Company of  Sale to 	 A Portfolio Company of  Sale to 
 Sale to 	 A Portfolio Company of  Sale to 	 Acquisition of  A Portfolio Company of 	 A Portfolio Company of  Sale to 	 Acquisition of 
 A Portfolio Company of  Sale to 	 A Portfolio Company of  Sale to 	 Recapitalization with  Seeing Food Clearly From 	 A Portfolio Company of  New Majority Investment From 	 A Portfolio Company of  Sale to 

The above deals represent selected Baird Test, Measurement and Automation transactions. Please visit www.rwbaird.com/investment-banking for a list of all Baird transactions.

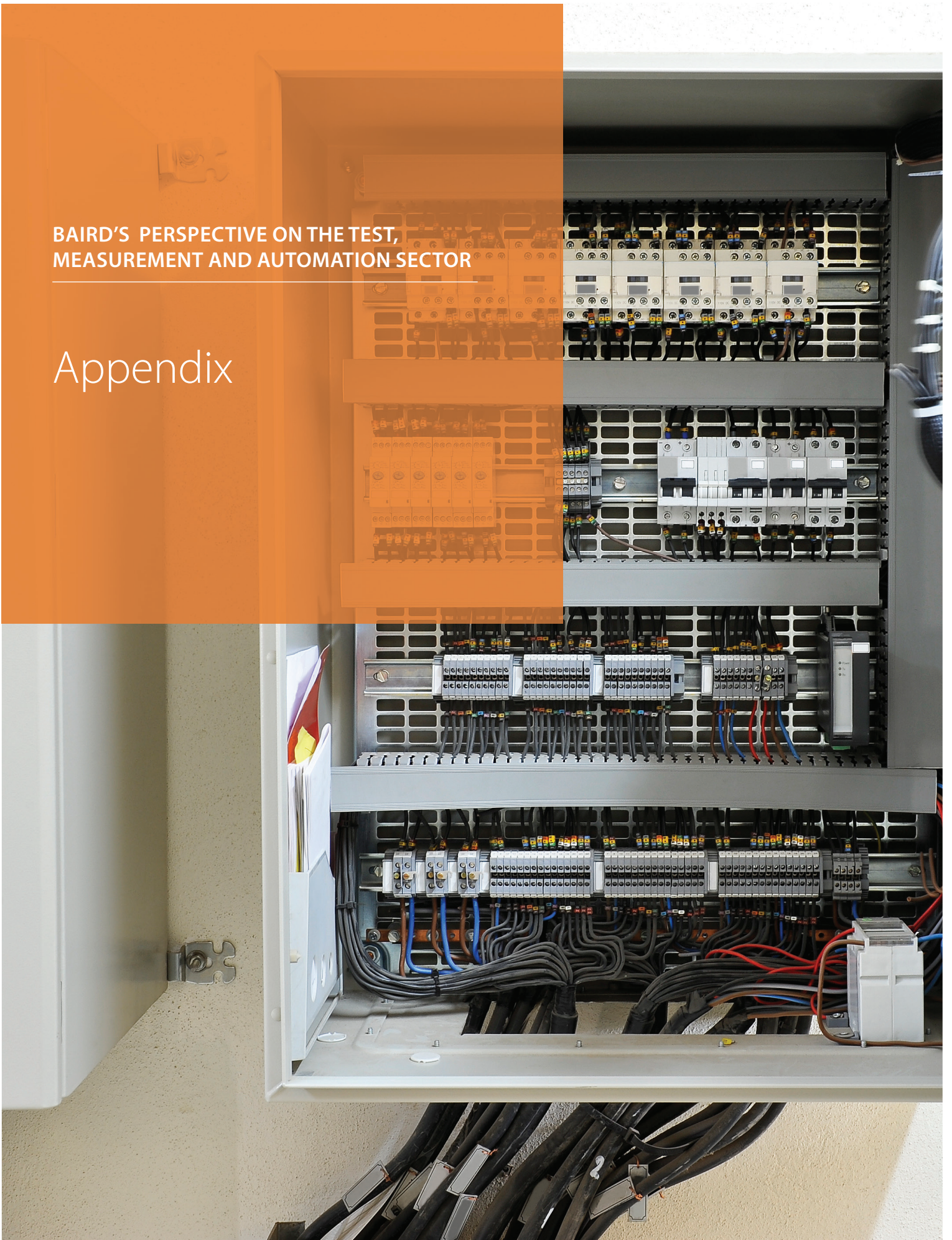
Selected Baird TMA Transactions

<p>EDDYFI  NDT</p> <p>Acquisition of</p> <p>NDT GLOBAL </p> <p>Acquisition of</p> <p>HALFWAVE </p>	<p>BMT </p> <p>A Portfolio Company of</p> <p></p> <p>Sale to</p> <p>HEXAGON </p>	<p>MTEQ </p> <p>Sale to</p> <p>QINETIQ </p>	<p> Cole-Parmer</p> <p>A Portfolio Company of</p> <p>GOLDEN GATE CAPITAL </p> <p>Recapitalization with</p> <p>GTCR </p>	<p> Temptime</p> <p>Improving Global Health</p> <p>A Portfolio Company of</p> <p>WATER STREET </p> <p>Sale to</p> <p>ZEBRA </p>
<p> ATOP</p> <p>A Portfolio Company of</p> <p>Charme Capital Partners </p> <p>Sale to</p> <p>IMA </p>	<p> ONICON</p> <p>A Portfolio Company of</p> <p>HARBOR GROUP </p> <p>Sale to</p> <p>TASI </p> <p>A Portfolio Company of</p> <p>BERWIND </p>	<p> ONSTREAM</p> <p>PIPELINE INSPECTION</p> <p>A Portfolio Company of</p> <p>NOVACAP </p> <p>Sale to</p> <p>MISTRAS </p>	<p> Spectro Scientific</p> <p>Confidence in knowing</p> <p>A Portfolio Company of</p> <p>SFW </p> <p>CAPITAL PARTNERS</p> <p>Sale to</p> <p>AMETEK </p>	<p> TELULAR</p> <p>A Portfolio Company of</p> <p>AVISTA </p> <p>CAPITAL PARTNERS</p> <p>Sale to</p> <p>AMETEK </p>
<p>VANRIET </p> <p>A Portfolio Company of</p> <p>AVEDON </p> <p>CAPITAL PARTNERS</p> <p>Sale to</p> <p>MHS </p> <p>A Portfolio Company of</p> <p>THL Thomas H. Lee Partners </p>	<p>MAXCESS </p> <p>A Portfolio Company of</p> <p>BERTRAM CAPITAL </p> <p>Sale to</p> <p>BERWIND </p>	<p>MADELLA </p> <p>A Portfolio Company of</p> <p>Investments and </p> <p>Sale to</p> <p>ICG </p>	<p>GroundProbe </p> <p>A Portfolio Company of</p> <p>CrescentCapitalPartners </p> <p>Sale to</p> <p>ORICA </p>	<p>KEY </p> <p>Technology</p> <p>Sale to</p> <p>DURAVANT </p> <p>A Portfolio Company of</p> <p>WARBURG PINCUS </p>
<p>Authentix </p> <p>Global Leaders in Authentication</p> <p>A Portfolio Company of</p> <p>THE CARLYLE GROUP </p> <p>Sale to</p> <p>BlueWaterEnergy </p>	<p>OMRON </p> <p>Acquisition of</p> <p>MICROSCAN </p> <p>from</p> <p>spectris </p>	<p> Cole-Parmer</p> <p>scientific experts</p> <p>A Portfolio Company of</p> <p>GOLDEN GATE CAPITAL </p> <p>Acquisition of</p> <p>CONTROL COMPANY </p> <p>A Portfolio Company of</p> <p>SUMMIT PARK </p>	<p>mocon </p> <p>Sale to</p> <p>AMETEK </p>	<p>TESTEQUITY </p> <p>A Portfolio Company of</p> <p>FIRST ATLANTIC CAPITAL </p> <p>Sale to</p> <p>LKCM HEADWATER </p>
<p>MHS </p> <p>Sale to</p> <p>THL Thomas H. Lee Partners </p>	<p>TIDEL </p> <p>Sully Capital Services</p> <p>A Portfolio Company of</p> <p></p> <p>Sale to</p> <p>LITTLEJOHN & CO. LLC </p>	<p>Intelligated </p> <p>A Portfolio Company of</p> <p>Permira </p> <p>Sale to</p> <p>Permira </p> <p>Sale to</p> <p>Intelligated </p> <p>to</p> <p>Honeywell </p>	<p>Rouland </p> <p>Sale to</p> <p>AMETEK </p>	<p> GERBER TECHNOLOGY</p> <p>A Portfolio Company of</p> <p>VECTOR CAPITAL </p> <p>Sale to</p> <p>AMERICAN INDUSTRIAL PARTNERS </p>
<p>TEAM </p> <p>Acquisition of</p> <p>FURMANITE </p>	<p>OMRON </p> <p>Acquisition of</p> <p>adept </p>	<p>RF IDEAS </p> <p>Sale to</p> <p>ROPER </p>	<p>Simons  Voss </p> <p>technologies</p> <p>A Portfolio Company of</p> <p>HgCapital </p> <p>Sale to</p> <p>ALLEGION </p>	<p>COGNEX </p> <p>Sale of</p> <p>Surface Inspection Systems Division</p> <p>to</p> <p>AMETEK </p>

The above deals represent selected Baird Test, Measurement and Automation transactions. Please visit www.rwbaird.com/investment-banking for a list of all Baird transactions. Asterisk indicates a transaction executed by senior Baird team members at a prior firm.

BAIRD'S PERSPECTIVE ON THE TEST,
MEASUREMENT AND AUTOMATION SECTOR

Appendix



TMA Sector Overview

TMA ECOSYSTEM

The Test, Measurement and Automation (“TMA”) industry report, created by Baird’s Global Investment Banking Group, highlights capital market and M&A trends and events that impact companies within this sector. Baird’s TMA practice focuses on a vast, inter-related ecosystem of hardware, software and services focused on testing, measurement, inspection, certification and automation.

Test, Measurement and Automation (“TMA”)

Vast Inter-Related Ecosystem Spanning a Broad Solutions Offering...



Hardware



Software



Services

... Addressing a Full Life Cycle...



Research and Development



Design and Integration



Product and Supply Chain



Quality Assurance and Control



Data Collection and Analysis



Process Control and Monitoring

... With Common Business Drivers...



Increasing Regulations / Quality Standards



Focus on Workplace Safety



Shift to Ecommerce



Growing / Aging Population



Aging Infrastructure



Digitization / IIOT / Connectivity

... Across Diverse End Markets



Aerospace



Auto and Transportation



Consumer Goods



Food and Beverage



Industrial Manufacturing



Power / Energy



Pharma / Life Sciences



Warehouse & Distribution

Appendix:
TMA Sector Overview

Representative Applications in Three Distinct End Markets

Test & Measurement	TICC	Automation
<p>\$85B+ Market Size</p>	<p>\$225B+ / \$90B+ (Outsourced) Market Size</p>	<p>\$295B+ Market Size</p>
 <p>Sensors and Transmitters</p>	 <p>Laboratory Testing</p>	 <p>Smart Components</p>
 <p>Analytical Instrumentation</p>	 <p>Field Inspection</p>	 <p>Products / Sub-systems</p>
 <p>Consumables</p>	 <p>Facility Audits / Assurance</p>	 <p>Robotics</p>
 <p>Calibration & Repair</p>	 <p>Product and System Certification</p>	 <p>Automated Equipment</p>
 <p>Handheld Devices</p>	 <p>Compliance</p>	 <p>Systems Integrators</p>
 <p>Remote Monitoring</p>	 <p>Tech-Enabled Solutions</p>	 <p>Industrial IoT</p>

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