

Delancey Street Partners is pleased to present the October 2018 edition of our Infrastructure Sector Review. The Engineering & Construction industry is large and diverse and includes the provision of a range of services that support the construction, maintenance, renovation, and restoration of commercial, industrial, residential, and public buildings and infrastructure assets. The industry is fueled by private and public investment and general economic growth. Construction spending totaled \$1.2 trillion in 2017, which represents a 3.8% increase over 2016.



In this edition, we address provide updated relevant market information on the sector, as well as examine the emergence of strategies by investors to build technology platforms that bring efficiencies and cost savings to the Engineering & Construction sector. We discuss the salient investment themes behind these strategies and review several case studies of successful technology platform investments.

M&A activity in the Engineering & Construction sector remains robust. Our firm has represented several clients in the sector and we see high levels of activity from both strategic and financial buyers. The Engineering & Construction sector benefits from a strong overall M&A market, as well as the attractive fundamental attributes provided by an environment of healthy economic growth.

## Summary Market Statistics

U.S. Equity Markets	1 Mo. % Chg.	1 Yr. % Chg.
DJIA	(2.8%)	11.2%
S&P 500 Index	(4.6%)	8.5%
Nasdaq Composite Index	(6.6%)	13.2%
Russell 2000 Index	(10.2%)	2.9%

Debt Capital Markets (Sources: St. Louis Fed, S&P)	Current	1 Year Ago
BAML BBB Effective Yield	4.61%	3.52%
BAML BB Effective Yield	5.41%	4.09%
BAML B Effective Yield	6.77%	5.44%
YTD Leveraged Loan Volume	\$930.0B	\$994.0B

International Equity Markets	1 Mo. % Chg.	1 Yr. % Chg.
FTSE	(7.1%)	(7.6%)
DAX (Germany)	(9.3%)	(13.3%)
Nikkei 225	(3.6%)	5.3%
Shanghai	(7.2%)	(23.2%)

## About Delancey Street Partners

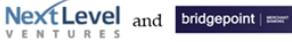
Delancey Street Partners ([www.delanceystreetpartners.com](http://www.delanceystreetpartners.com)) is an independent, industry-focused investment bank. We serve CEOs, Entrepreneurs, Shareholders and Boards of Directors of high growth and middle market private and public companies. Our services include strategic advisory, capital raising and independent board advice. We advise on sell-side and buy-side M&A, growth capital financings and recapitalizations. Our focus sectors include Business Services & Technology, Healthcare, Industrial & Industrial Technology, and Infrastructure.

Our Infrastructure practice combines deep knowledge of the evolving infrastructure landscape with differentiated M&A advisory services in the middle market. As a pure-play advisor with no conflicts of interest, DSP offers impactful strategic advice coupled with seamless execution to our private and public clients.

Recent Engineering & Construction Experience



a portfolio company of



has been acquired by



Advisor to Seller

- Delancey Street represented BirdDogHR, a provider of talent management software, in its sale to Providence Strategic Growth
- BirdDogHR’s software-as-a-service talent management tools help employers attract, recruit, onboard, develop, and maintain employees
- BirdDogHR specializes in serving high compliance industries and has a core customer base in the construction and specialty trades industries
- Providence Strategic Growth is executing a strategy to develop a comprehensive human capital management technology platform serving these industries



a portfolio company of



has been acquired by



Advisor to Seller

- Delancey Street represented Surface Preparation Technologies (“SPT”), a portfolio company of L2 Capital Partners, in its sale to Branford Castle
- SPT is the nation’s leading provider of rumble strips and safety-related roadway surface preparation and maintenance services
- SPT delivers a comprehensive suite of services and solutions to make roads and highways safer, ultimately saving lives
- Branford Castle is a lower middle-market private equity fund focused on niche market leading companies



has been acquired by



Advisor to Seller

- Delancey Street represented A.E. Stone in its sale to J.F. Kiely Group
- A.E. Stone is one of the largest providers of construction materials, principally hot mix asphalt and aggregates, in it’s served market
- A.E. Stone operates multiple hot mix asphalt plants with rail access, serving a variety of construction projects, including roads, highways, bridges, and parking facilities. A.E. Stone also offers paving and pavement recycling services
- J.F. Kiely Group manages multiple companies focused on different disciplines of utility infrastructure including construction, engineering, equipment, and manufacturing in the Mid-Atlantic region

**Spotlight Theme: Technology Investment Strategies in Engineering and Construction**

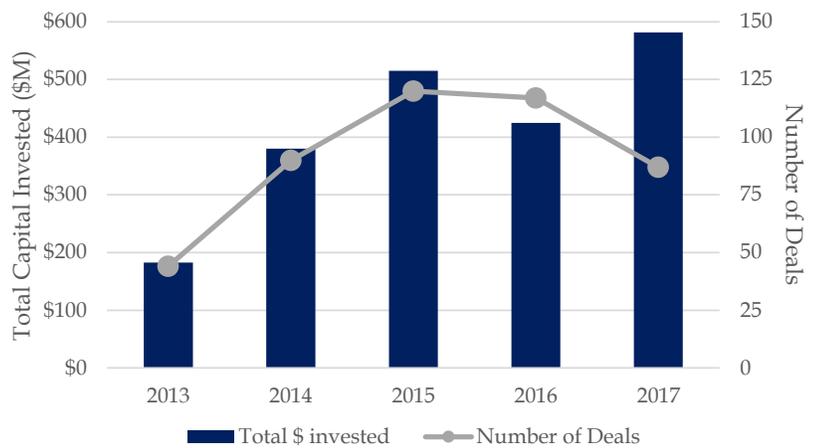
Engineering and construction companies have historically been slow to adopt technology, and often resistant to change. The reasons for this are varied. The industry is highly fragmented, featuring many small and not well capitalized firms managed by sole proprietors and industry operators without much technology experience. In addition, these companies are managing what is often a seasonal, hourly workforce that makes the field deployment of technology-based productivity tools challenging. However, the legacy engineering and construction industry is rife with inefficiency throughout the project lifecycle, and operators in the space stand to gain substantially from applying scalable tools to improve processes across their organizations.

Technology companies have taken notice, and over the past several years a number of technology providers have introduced tools to bring the technology efficiencies long ago adopted by other sectors to the engineering and construction industry. According to Crunchbase, funding of North American construction technology startups increased by 318% to \$581.6 million in 2017 compared to \$182.7 million in 2013, as shown in the chart to the right.

Technology startups have introduced specialized tools to address every point in the engineering and construction delivery model, from preconstruction estimating and procurement, to scheduling, equipment fleet management, human resource planning, productivity management, safety, billing, and accounting. These providers understand the particular needs of engineering and construction firms, and tailor their solutions to be scalable, easily deployed, and capable of meeting the reporting and compliance needs unique to the industry. With the proliferation of construction technology providers, we have seen several successful cases of leading private equity investors pursuing consolidation themes in the space, highlighting the opportunity the industry presents relative to other sectors with more mature technology adoption. Private equity groups are attracted to a number of characteristics of the construction technology theme, including the size, breadth, and positive macroeconomic trends of the engineering and construction industry; relatively low historical technology penetration; and consolidation of the highly fragmented construction market creating demand for more enterprise-level solutions. In addition, profit margins in the engineering and construction sector are low relative to other end markets, making the value proposition highly impactful for tools that squeeze efficiencies out of the project management process. Moreover, large diversified software companies remain active acquirers, providing attractive exit opportunities for successful private equity firms that create vertically-focused technology providers of scale.

As a highly relevant example of a private equity investor executing a technology platform in the engineering and construction space, Delancey Street Partners recently represented BirdDogHR ([www.birddoghr.com](http://www.birddoghr.com)) in its sale to Providence Strategic Growth (PSG). BirdDogHR is a leader in talent management solutions for the construction, engineering and skilled trades industries. BirdDogHR has an impressive track record of partnering with clients to provide talent management solutions and services that enable their success, with multiple case studies highlighting the company’s ability to help clients bring efficiency to the human resources function and develop a strategic advantage through workforce management. PSG ([www.provequity.com/private-equity/psg](http://www.provequity.com/private-equity/psg)) acquired the company as a cornerstone investment in its Arcoro platform ([www.arcoro.com](http://www.arcoro.com)), a family of leading providers of human capital management solutions to high consequence industries. Arcoro also features Exakttime ([www.exakttime.com](http://www.exakttime.com)), a mobile, cloud-based solution for time and attendance tracking known for its ease and

**Venture Capital Funding of North American Construction Technology Companies**



Source: Crunchbase.

*“BirdDogHR has had impressive success bringing enterprise grade talent management and compliance solutions to the high consequence industries where they matter most. The company’s product suite helps its customers effectively nurture their workforces using industry-specific best practices.” -- Gopi Vaddi, PSG Managing Director*

seamless integration with payroll; and InfinityHR ([www.infinityss.com](http://www.infinityss.com)), a suite of human capital management, payroll, and employee benefits modules to help managers better engage employees and improve company culture. PSG sees in its Arcoro platform an opportunity to bring a suite of high quality technology tools to the sector to generate efficiency, cost savings, and better workforce management.

In the following pages we profile two additional private equity platforms in the construction software space, ConstructConnect and Viewpoint Construction Software. These platforms were built over several years and each culminated in a successful strategic sale.

**Private Equity Platform Profile: ConstructConnect**

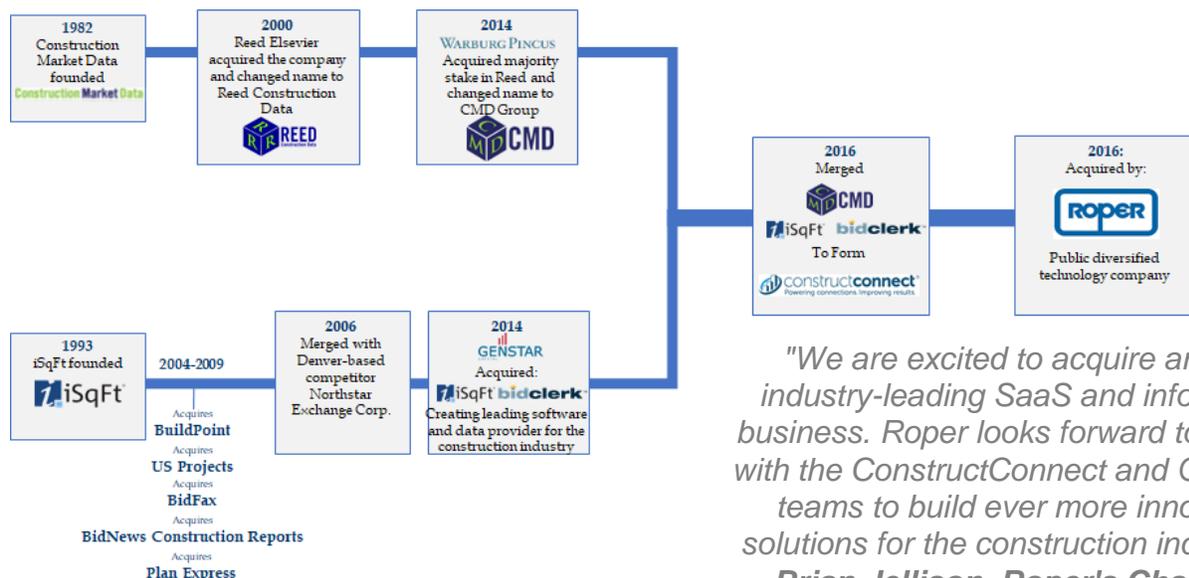
**ConstructConnect**

- ConstructConnect, Inc. is a provider of cloud-based data, collaboration and workflow automation solutions to the commercial construction sector
- ConstructConnect’s software as a service (SaaS) solutions have over 800,000 users spanning general contractors, subcontractors, and building product manufacturers throughout the U.S. and Canada
- The platform is designed to help contractors manage the planning and bidding process for construction jobs
- ConstructConnect united three legacy industry leading companies, bringing together their collective technology solutions and market relationships under a single brand
- ConstructConnect was acquired by Roper Technologies (NYSE: ROP) in 2016

**Private Equity Thesis**

- Construction Market Data (CMD), a provider of business information services for the construction industry, was founded in 1982
- CMD was bought by Reed Elsevier in 2000 and then later acquired by Warburg Pincus in 2014
- iSqFt, is a provider of construction bidding software that was founded as Construction Software Technologies in 1993
- Following a series of consolidations, iSqFt was acquired by Genstar Capital in 2014 along with BidClerk, another construction bidding software provider, to create a leading software and data provider for the construction industry
- The companies merged in 2016 to form the ConstructConnect platform
- Roper Technologies purchased ConstructConnect in 2016 for \$632 million. Roper’s On Center business is expected to integrate its products and realize synergies with the platform

**ConstructConnect: Private Equity and M&A History**



*"We are excited to acquire another industry-leading SaaS and informatics business. Roper looks forward to working with the ConstructConnect and On Center teams to build ever more innovative solutions for the construction industry " --*  
**Brian Jellison, Roper's Chairman, President and CEO**

Source: S&P CapitalIQ.

**Private Equity Platform Profile: Viewpoint Construction Software**

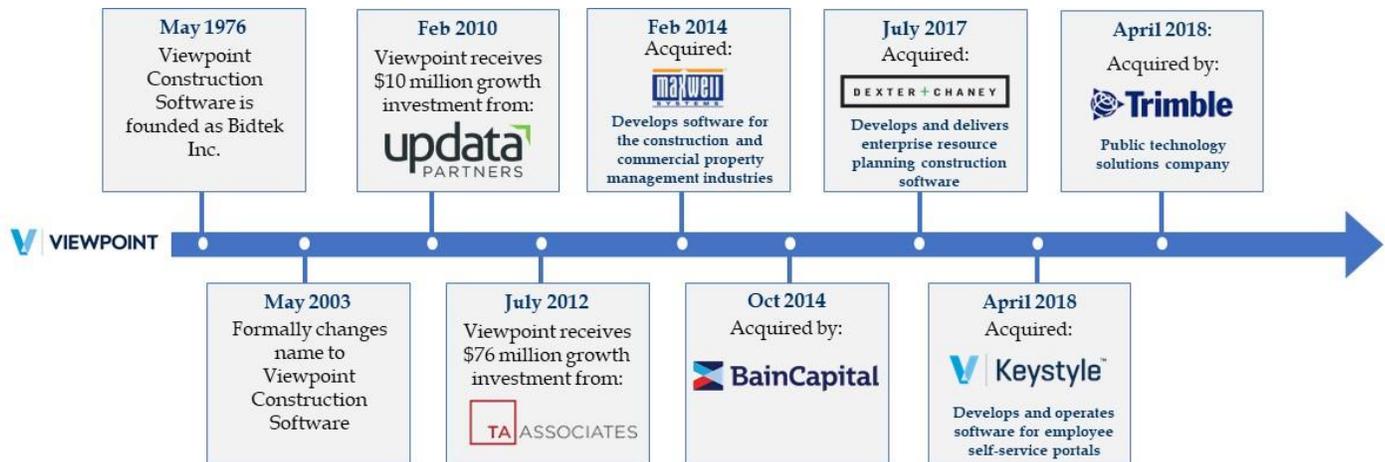
**Viewpoint**

- Viewpoint is a leading global provider of integrated software solutions for the construction industry
- The company’s software integrates a contractor’s financial and resource management to their project operations and to their jobsite and field
- Viewpoint’s software currently manages over \$400 billion of construction project value, with approximately 8,000 customers worldwide
- Viewpoint was acquired by Trimble (NASDAQ:TRMB) in 2018

**Private Equity Thesis**

- Bain Capital acquired a majority stake in Viewpoint 2014 for \$230 million, buying out stakes from two private equity firms, Udata Partners and TA Associates
- Bain Capital then made two complementary acquisitions (Dexter + Chaney in 2017 and Keystyle in 2018) before exiting the platform in 2018 through a sale to Trimble
- Viewpoint is highly complementary to Trimble’s e-Builder business, and will extend Trimble’s ability to provide more complete and integrated project, jobsite and business workflows across the construction lifecycle

**Viewpoint Construction Software: Private Equity and M&A History**



Source: S&P CapitalIQ

**Other Relevant Private Equity Platforms**

Financial Sponsor	Portfolio Company	Business Description
	<b>COCONSTRUCT</b> BUILD TOGETHER	Developer of web based and mobile construction project management software for clients, builders, and design-build firms
	<b>DODGE</b> DATA & ANALYTICS	Provider of data, analytics, news, and intelligence solutions to the construction industry in North America
		Developer of and provider of field service and construction management software

**Recent M&A and Strategic Commentary from Select Infrastructure Executives**



"And so I think we have a track record of deploying our capital to M&A that we think is important to our strategic vision and the future of our company as well as a strong track record of deploying our capital to buy our stock back when we think it is undervalued and creates a great opportunity for our shareholders." (Michael Burke, Chairman & CEO, 12/12/17)



"Within a growing economy, we experienced the effects of a strong industry environment and capitalized on our significant strengths. First and foremost, we maintained strong customer relationship throughout our markets. We continue to win and extend contracts at attractive pricing, producing strong bookings. Secondly, the strength of those relationships and the extensive market presence they've created has allowed us to be at the forefront of evolving industry opportunities. The end market drivers of these opportunities remain firm and are strengthening." (Steven Nielsen, Chairman, President & CEO, 8/29/18)



"The only thing I would add is clearly, we move at a measured pace and we have the capacity to get deals done, as we've proven in the past, but we tend not to jump if it doesn't make sense initially. And we're cautiously optimistic that as we progress into 2019 and beyond, that we're going to continue to be successful in the M&A arena and take advantage of the opportunities that are presented to us." (Mark Pompa, Executive Vice President & CFO, 7/26/18)



"Early stages of demand improvement across the country are creating more opportunities for Granite and for our employees. Near-term improvement is a guidepost while we maintain our long-term focus that drives strategy. Improved financial performance and balance sheet strength will help us to deliver on our growth plan through diversification and geographic expansion, providing significant incremental economic value for Granite's key stakeholders. Driven by the consistent execution of our strategic plan, we are quite enthusiastic to expand Granite's platforms for growth, investing in our businesses and in our people to deliver on the promise of our plan. I am confident 2018 is an important year of profitable, strategic and deliberate evolution." (James Hildebrand Roberts, President & CEO, 8/8/18)



"Our business is now starting to develop momentum, as evidenced by the high book-to-bill we have achieved and in the continued strength in our opportunity pipeline. As you can see, our consolidated book-to-bill was 1.8 on awards of \$435 million in the quarter and sits at 1.3 year-to-date on awards of \$1.03 billion. Backlog is up 34% in just the last 9 months, and we expect this trend to continue. Overall, we are confident in our ability to achieve and exceed the performance levels we enjoyed before this down cycle and to accomplish our strategic objectives. This confidence is affirmed by the upward trend in significant project awards that began earlier this fiscal year." (John Hewitt, CEO & President, 5/10/18)



"The bidding environment remains very active across all our segments and continues to increase over the coming years, as I predicted and it seems with no limits in sight. Later this month, we expect to bid, and literally within 2 weeks, the \$1.6 billion Purple Line Section 3 stations in Los Angeles. And our New York City office will be bidding over \$500 million of Civil projects in New York over the next 60 days, including the Throgs Neck Bridge deck replacement. Later in the year, we find the \$950 million Portal swing bridge replacement in New York; the \$750 million Harry Nice Bridge replacement at Maryland; Tunnel Phase 3 in Hudson Yards; and a continuing stream of work that keeps our New York office very busy." (Ronald Tutor, President & CEO, 8/7/18)



"Well, we saw a lot of strength out of the North American market. General manufacturing was great. Steel, aerospace was great. We even saw strength in the aerospace markets because they were good. Automotive has slowed, as you see the number of vehicles have dropped in the United States, but the model changeover continues to be pretty good for us. As I'm -- said in my prepared remarks, folks are transferring the lines over to SUVs and trucks. So we're selling a decent amount there. So there's some real strength there. And entertainment, which would normally be quite light, the entertainment industry itself has continued to be strong, as I said, at automation. So we're seeing a pretty wide swath of strength and utilities also are strong. So it's been a really good market for us, and we've taken advantage of that strength by what we're doing, how we position ourselves in the markets as well. So we're very happy with what's going on, and I think we're getting outsized growth from what we can see from our competition as well. In Europe, let me just comment there. The general industry also appears pretty strong for us. People are still spending on CapEx, and the markets are fairly robust. So we're pretty encouraged with what we're seeing." (Mark Morelli, President & CEO, 7/31/18)



"Our business delivered solid results across the board during the second quarter, with our rental and distribution business achieving significant growth from a year ago. I am pleased with our results as we successfully capitalized on the demand and growth occurring in the nonresidential and other construction markets we serve across the country." (John Martindale Engquist, CEO, 6/26/18)



"We're coming out of an industrial recession, '15 and '16. So we believe we're, frankly, early in the cycle. Why do we believe that? In talking with our customers and what's going on in the rental channel. And again, these comments are generally globally. What you're seeing is strong underlying economic demand, good construction demand, maintenance demand. And you're seeing that manifest itself with our customers in strong utilization and strong rental rate improvements on a year-over-year basis." (John Garrison, Chairman, President & CEO, 8/7/18)



"In the second quarter, we've seen growth in our major metro markets and in residential and infrastructure projects. More recently, we've experienced increased rental demand in Western North Dakota driven by an increase in Bakken oil production. Similar to our North American ag segment, we are seeing some pickup in parts and service revenues after the late spring. This, combined with increased parts and service demand resulting from higher machine usage, resulted in higher year-over-year parts and service revenues in our Construction segment. With the strong economy, the construction equipment industry is healthy, industry inventory levels are improving and we are seeing a positive trend in our rental utilization." (David Joseph Meyer, Co-Founder, Chairman & CEO, 8/30/18)

## Recent Infrastructure M&A Activity

Date	Target	Acquiror	Target Business Description
3/28/18	Willbros Group, Inc.	Primoris Services Corporation	Willbros Group, Inc., through its subsidiaries, operates as a specialty energy infrastructure contractor serving oil and gas, and power industries in the United States and Canada
2/20/18	RSI Communities LLC	William Lyon Homes, Inc.	As of March 9, 2018, RSI Communities LLC was acquired by William Lyon Homes, Inc. RSI Communities LLC builds and sells new homes and residential communities in Southern California and Texas
2/14/18	Layne Christensen Company	Granite Construction Incorporated	Layne Christensen Company operates as a water management, and services and drilling company that provides solutions for the water, mineral, and energy markets
1/23/18	SENTEL Corporation	Vectrus, Inc.	SENTEL Corporation provides engineering, integrated logistics, information technology, intelligence, and test and evaluation services to government and commercial clients worldwide
1/12/18	Katerra Inc.	Foxconn Venture Pte, Ltd.	Katerra Inc. provides product design and sourcing, procurement and supply-chain, logistics, and customer services to the construction industry
1/5/18	Moretrench American Corporation	Keller Group plc	Moretrench American Corporation, a geotechnical contracting company, provides geotechnical construction and engineering services
12/18/17	Chicago Bridge & Iron Company N.V.	McDermott International, Inc.	As of May 10, 2018, Chicago Bridge & Iron Company N.V. was acquired by McDermott International, Inc. Chicago Bridge & Iron Company N.V. provides conceptual design, technology, engineering, procurement, fabrication, modularization, construction, and commissioning services worldwide
12/4/17	NAPEC Inc.	Oaktree Capital Management, L.P.	NAPEC Inc., through its subsidiaries, constructs and maintains electrical transmission and distribution lines, power houses, and substations for the public utility and heavy industrial markets in Canada and the United States
11/23/17	Larssen Ltd	Aurora Cannabis Inc.	Larssen Ltd engages in e design, engineering, and construction of greenhouses
11/1/17	Sundquist Homes, LLC	Century Communities, Inc.	Sundquist Homes, LLC builds single family homes
10/30/17	CalAtlantic Group, Inc.	Lennar Corporation	CalAtlantic Group, Inc. operates as a homebuilding company in the United States
8/2/17	CH2M HILL Companies, Ltd.	Jacobs Engineering Group Inc.	CH2M HILL Companies, Ltd. provides engineering, construction, consulting, design, design-build, procurement, engineering-procurement-construction (EPC), operations and maintenance, program management, and technical services in the United States and internationally
7/6/17	Shimmick Construction Company, Inc.	AECOM	Shimmick Construction Company, Inc., a heavy civil construction company, provides general construction, construction management, and design-build services to federal, state, and local public agencies and private customers in California and the Western United States
4/11/17	UCP, Inc.	Century Communities, Inc.	As of August 4, 2017, UCP, Inc. was acquired by Century Communities, Inc. UCP, Inc. operates as a homebuilder and land developer in California, Washington, North Carolina, South Carolina, and Tennessee
4/3/17	WS Atkins plc (nka:WS Atkins Limited)	SNC-Lavalin Group Inc.	WS Atkins plc provides design, engineering, and project management consultancy services
3/13/17	Amec Foster Wheeler plc	John Wood Group PLC	Amec Foster Wheeler plc provides consultancy, engineering, project management, operations and construction services, project delivery, and specialized power equipment services worldwide

Source: S&P CapitalIQ

**Comparable Company Analysis: Engineering, Construction & Contracting**

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		VALUATION DATA			
	10/23/2018	30 Day % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	Gross Profit % Margin	EBITDA LTM % Margin	EV / Revs LTM	EV / EBITDA LTM	2018	P / E 2017
AECOM (NYSE:ACM)	\$31.01	(6.1%)	(16.5%)	\$4,985.8	\$8,247.1	3.2%	3.8%	0.42x	11.0x	8.9x	10.5x
Aecon Group Inc. (TSX:ARE)	12.76	2.5%	(19.8%)	764.1	948.3	11.8%	5.6%	0.45x	8.1x	6.4x	27.3x
Aegion Corporation (NasdaqGS:AEGN)	23.19	(6.4%)	(8.8%)	749.3	1,026.1	20.2%	7.5%	0.77x	10.3x	9.0x	22.5x
Balfour Beatty plc (LSE:BBY)	3.28	(13.0%)	(18.3%)	2,230.5	2,423.2	5.4%	1.5%	0.28x	18.5x	8.6x	13.2x
Dycom Industries, Inc. (NYSE:DY)	71.41	(14.4%)	(35.9%)	2,230.6	2,954.2	17.6%	8.4%	1.06x	12.6x	8.9x	18.0x
EMCOR Group, Inc. (NYSE:EME)	67.64	(9.8%)	(17.3%)	3,935.3	3,932.6	15.0%	6.2%	0.51x	8.2x	8.3x	17.8x
Fluor Corporation (NYSE:FLR)	44.83	(24.6%)	(13.2%)	6,303.9	6,318.3	3.6%	3.9%	0.32x	8.1x	8.1x	28.8x *
Granite Construction Incorporated (NYSE:GVA)	40.56	(12.2%)	(36.1%)	1,853.4	1,919.0	11.2%	6.3%	0.61x	9.7x	7.5x	26.1x
Jacobs Engineering Group Inc. (NYSE:JEC)	75.60	(2.6%)	14.6%	10,727.9	12,336.7	18.6%	7.0%	0.91x	13.0x	10.3x	23.0x
MasTec, Inc. (NYSE:MTZ)	43.28	(5.5%)	(11.6%)	3,408.9	5,007.8	12.5%	8.4%	0.76x	9.1x	7.1x	15.4x
Matrix Service Company (NasdaqGS:MTRX)	20.82	(15.7%)	17.0%	562.3	498.3	8.4%	2.6%	0.46x	17.9x	14.9x *	N.M.
MYR Group Inc. (NasdaqGS:MYRG)	32.20	(1.7%)	(9.9%)	533.4	590.2	10.5%	5.8%	0.41x	7.1x	6.8x	40.2x *
Orion Group Holdings, Inc. (NYSE:ORN)	5.34	(31.4%)	(31.9%)	154.1	236.7	12.5%	6.4%	0.40x	6.2x	5.0x	N.M.
Primoris Services Corporation (NasdaqGS:PRIM)	21.80	(13.1%)	(19.8%)	1,123.6	1,416.2	10.9%	6.7%	0.61x	9.1x	7.2x	17.9x
Quanta Services, Inc. (NYSE:PWR)	31.37	(9.0%)	(19.8%)	4,683.3	5,422.0	12.9%	6.8%	0.53x	7.9x	6.3x	16.0x
SNC-Lavalin Group Inc. (TSX:SNC)	36.72	(11.8%)	(19.3%)	6,446.7	8,421.3	19.2%	9.4%	1.05x	11.3x	10.2x	14.6x
Stantec Inc. (TSX:STN)	26.38	2.7%	(5.9%)	3,004.2	3,540.8	52.5%	9.7%	1.35x	13.9x	11.8x	17.6x
Sterling Construction Company, Inc. (NasdaqGS:STRL)	11.63	(18.0%)	(28.6%)	314.6	341.6	10.2%	4.4%	0.33x	7.4x	5.9x	26.2x *
Team, Inc. (NYSE:TISI)	18.96	(14.8%)	27.2%	569.2	944.4	25.9%	2.3%	0.76x	33.3x *	11.6x *	N.M.
Tetra Tech, Inc. (NasdaqGS:TTEK)	65.84	(4.6%)	36.7%	3,643.2	3,867.0	18.2%	11.4%	1.77x	15.6x	14.9x	30.4x *
Tutor Perini Corporation (NYSE:TPC)	16.14	(19.5%)	(36.3%)	807.3	1,467.7	9.6%	4.5%	0.32x	7.2x	5.6x	8.8x
WSP Global Inc. (TSX:WSP)	51.18	(6.8%)	7.1%	5,329.4	6,186.3	18.0%	7.5%	1.08x	14.4x	12.3x	24.9x
<b>Overall Group Mean</b>		<b>(10.7%)</b>	<b>(11.2%)</b>	<b>\$2,925.5</b>	<b>\$3,547.5</b>	<b>14.9%</b>	<b>6.2%</b>	<b>0.69x</b>	<b>10.8x</b>	<b>8.4x</b>	<b>18.3x</b>
<b>Overall Group Median</b>		<b>(10.8%)</b>	<b>(16.9%)</b>	<b>2,230.6</b>	<b>2,688.7</b>	<b>12.5%</b>	<b>6.4%</b>	<b>0.57x</b>	<b>9.7x</b>	<b>8.2x</b>	<b>17.8x</b>
<b>Overall Group Max</b>		<b>2.7%</b>	<b>36.7%</b>	<b>10,727.9</b>	<b>12,336.7</b>	<b>52.5%</b>	<b>11.4%</b>	<b>1.77x</b>	<b>18.5x</b>	<b>14.9x</b>	<b>27.3x</b>
<b>Overall Group Min</b>		<b>(31.4%)</b>	<b>(36.3%)</b>	<b>154.1</b>	<b>236.7</b>	<b>3.2%</b>	<b>1.5%</b>	<b>0.28x</b>	<b>6.2x</b>	<b>5.0x</b>	<b>8.8x</b>

**Comparable Company Analysis: Construction Equipment & Technology**

COMPANY	STOCK PERFORMANCE AND COMPANY DATA					MARGINS		VALUATION DATA			
	10/23/2018	30 Day % Change	YTD % Change	Market Value (\$mm)	Enterprise Value (\$mm)	Gross Profit % Margin	EBITDA LTM % Margin	EV / Revs LTM	EV / EBITDA LTM	2018	P / E 2017
Astec Industries, Inc. (NasdaqGS:ASTE)	\$34.24	(34.8%)	(41.5%)	\$790.7	\$789.1	17.2%	2.4%	0.68x	28.0x	17.6x	20.4x
Caterpillar Inc. (NYSE:CAT)	119.55	(23.6%)	(24.1%)	71,049.2	98,855.2	32.9%	22.0%	1.86x	8.4x	8.8x	18.3x *
CNH Industrial N.V. (NYSE:CNHI)	10.14	(19.6%)	(24.3%)	13,745.0	34,144.0	16.8%	11.1%	1.23x	11.1x	13.2x	21.0x
Columbus McKinnon Corporation (NasdaqGS:CMCO)	33.39	(22.2%)	(16.5%)	777.1	1,101.2	34.1%	13.6%	1.28x	9.4x	8.6x	18.8x
Deere & Company (NYSE:DE)	139.95	(8.4%)	(10.6%)	45,018.2	84,855.7	30.7%	15.3%	2.39x	15.5x	15.8x	19.4x
Douglas Dynamics, Inc. (NYSE:PLOW)	42.65	(8.4%)	12.8%	968.2	1,248.8	30.7%	18.7%	2.45x	13.1x	12.8x	30.1x
Gencor Industries, Inc. (NasdaqGM:GENC)	11.35	(9.6%)	(31.5%)	164.4	51.6	24.8%	12.8%	0.53x	4.2x	N.A.	N.A.
H&E Equipment Services, Inc. (NasdaqGS:HEES)	23.94	(35.3%)	(41.1%)	854.3	1,951.4	35.2%	14.9%	1.74x	11.6x	5.0x	15.2x
Hitachi Construction Machinery Co., Ltd. (TSE:6305)	28.83	(15.7%)	(20.7%)	6,131.4	8,561.7	28.2%	14.6%	0.96x	6.6x	6.8x	16.3x
Komatsu Ltd. (TSE:6301)	26.11	(16.3%)	(27.9%)	24,643.1	32,468.6	30.2%	18.2%	1.39x	7.7x	7.5x	14.4x
Kubota Corporation (TSE:6326)	16.52	(1.1%)	(15.8%)	20,348.6	25,895.1	29.0%	13.7%	1.59x	11.5x	11.0x	16.0x
Manitex International, Inc. (NasdaqCM:MNTX)	8.35	(20.1%)	(13.0%)	163.7	215.1	18.0%	4.1%	0.89x	21.6x *	10.2x	36.3x *
Oshkosh Corporation (NYSE:OSK)	56.18	(26.1%)	(38.2%)	4,106.9	4,552.8	17.5%	9.7%	0.60x	6.2x	6.0x	12.4x
Terex Corporation (NYSE:TEX)	31.23	(25.5%)	(35.2%)	2,301.7	3,022.8	19.1%	7.0%	0.62x	8.9x *	7.1x	24.3x *
The Manitowoc Company, Inc. (NYSE:MTW)	17.43	(32.6%)	(55.7%)	619.2	807.9	17.7%	5.3%	0.46x	8.6x *	7.1x *	N.M.
Titan Machinery Inc. (NasdaqGS:TITN)	14.70	(17.3%)	(30.6%)	318.6	703.4	18.1%	4.1%	0.58x	14.2x *	14.4x *	N.M.
<b>Overall Group Mean</b>		<b>(19.8%)</b>	<b>(25.9%)</b>	<b>\$12,000.0</b>	<b>\$18,701.5</b>	<b>25.0%</b>	<b>11.7%</b>	<b>1.20x</b>	<b>11.1x</b>	<b>10.0x</b>	<b>18.4x</b>
<b>Overall Group Median</b>		<b>(19.8%)</b>	<b>(26.1%)</b>	<b>1,634.9</b>	<b>2,487.1</b>	<b>26.5%</b>	<b>13.2%</b>	<b>1.09x</b>	<b>10.3x</b>	<b>8.8x</b>	<b>17.5x</b>
<b>Overall Group Max</b>		<b>(1.1%)</b>	<b>12.8%</b>	<b>71,049.2</b>	<b>98,855.2</b>	<b>35.2%</b>	<b>22.0%</b>	<b>2.45x</b>	<b>28.0x</b>	<b>17.6x</b>	<b>30.1x</b>
<b>Overall Group Min</b>		<b>(35.3%)</b>	<b>(55.7%)</b>	<b>163.7</b>	<b>51.6</b>	<b>16.8%</b>	<b>2.4%</b>	<b>0.46x</b>	<b>4.2x</b>	<b>5.0x</b>	<b>12.4x</b>

Note: Data marked with "\*" is excluded from summary calculations.

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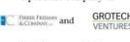
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Recent Transaction Experience

 a portfolio company of  has been acquired by  Advisor to Seller	 has been acquired by  a portfolio company of  Advisor to Seller	 has been acquired by  Advisor to Seller	 a portfolio company of  has been acquired by  Advisor to Seller	 Majority Recapitalization with Private Equity Special Advisor to Company	 a portfolio company of  has been acquired by  Advisor to Seller	 has been acquired by  Advisor to Seller	 has been acquired by  Advisor to Seller
 has completed a majority recapitalization and growth equity financing with  Advisor to Seller	 Advisor to Seller	 has been acquired by  Advisor to Seller	 has been acquired by  Advisor to Seller	 has been acquired by  Advisor to Seller	 has divested certain assets of  to  Advisor to Seller	 has divested RELIABILITY TEST PRODUCTS to  Advisor to Seller Fairness Opinion	 has divested  in a Management Buyout Advisor to Independent Committee Fairness Opinion

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