



Test and measurement newsletter

Q1 2016



Test and Measurement M&A Newsletter

Q1 2016

Test and Measurement Market Commentary

Companies within the Test & Measurement (T&M) industry continued to maintain strong trading multiples in Q1'16, with a mean EV/LTM EBITDA of 16.x for Life Sciences Instruments companies, 12.5x for Testing, Inspection, and Certification (TIC) companies, and 13.5x for Industrial Instruments companies. Strategic acquirers remained aggressive on the acquisition front, participating in 91.8% of announced deals during Q1'16. SGS SA led Q1'16 with four announced deals.

Global M&A activity in the T&M industry declined 20.7% in Q1'16 with 73 announced deals versus Q1'15. However, deal value increased 117.0% to \$5.1 billion in Q1'16 versus Q1'15, largely anchored by two meaningful acquisitions: the \$1.3 billion announced acquisition of Affymetrix Inc. by Thermo Fisher Scientific Inc. and the \$1.0 billion acquisition of Newport Corp by MKS Instruments, Inc.; representing approximately 44.8% of Q1'16 announced deal value.

Total of **73 announced deals** in Q1'16, a decrease of **20.7% versus Q1'15**



Q1'16 total **announced deal value was \$5.1 billion**, up 117.0% from Q1'15



Cross-border deals represented **49.3% of total volume for Q1'16**, up from **40.2% in Q1'15**



Deal volume for the **Testing, Inspection, and Certification Services (TIC) subsector** was down **22.7%**, as well as **Instruments, Equipment, and Supplies (IES) subsector** volume, down **10.2%** in Q1'16 versus Q1'15



Global T&M Industry Announced Deal Volume and Value



Source: Capital IQ, Mergermarket, press releases

Notes: M&A analysis based on deals announced and/or closed during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graph

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Notable Recent Deals

Food Testing Industry: Genetically Modified Food Testing Market Highlight

The market for Food Safety Testing is projected to reach \$16.1 billion by 2020, representing a CAGR of 7.4% from 2015. The United States alone has spent billions of dollars to contain pathogen induced epidemics, and developing regions such as Asia Pacific, Africa/Middle East, Eastern Europe and Central & South America are also rapidly increasing their focus and expenditures on prevention rather than containment of food borne diseases. Market drivers supporting the expected growth in the food testing sector include: (i) demand for safe, high quality food; (ii) globalization of food systems; (iii) the need for certification of organic food systems; (iv) changing international food trade policy; and (v) increasing regulation around food safety globally.

Of note, the market for Genetically Modified ("GM") food safety testing is projected to reach \$1.9 billion by 2020, representing a CAGR of approximately 7.9% from 2015. Ensuring sufficient nutrition, evolution in farming technology, labeling mandates in several countries, diverse GM processed food production, and high investments in biotech R&D have been driving the market for GM food testing for safety. As within the broader food safety testing industry, concerns towards GMOs have been transforming GMO testing technology.

The GM food safety testing market, on the basis of trait, is segmented into stacked, herbicide tolerance, and insect resistance. The stacked traits testing market was the largest in 2014, and is projected to be the fastest-growing in GM testing for crops and foods due to the increase in R&D innovations and multiplicity of different traits in one crop or food. The GM food safety testing market, on the basis of technology, is segmented into Polymerase Chain Reaction (PCR) and immunoassay technologies. The GM food testing for safety through PCR technology is largest and is projected to grow at the highest rate from 2015 to 2020.

The GM food safety testing market is also segmented into crop and processed food tested, where the testing market for crops is the largest. The crop segment is further divided into corn, soy, rapeseed/canola, and potato, for which the testing for corn and soy is the largest and the fastest-growing, as these are largely traded crops. The processed food tested segment contains bakery & confectionery, meat & meat products, breakfast cereals & snacks, food additives, of which breakfast cereals & snacks is the fastest-growing market for GM food safety testing.

The GM food safety market is dominated by the European region, however, stringent regulatory affairs for GMO testing and consumers' opposition towards GM foods have been driving the market in European countries such as Germany, the U.K., Spain, and France among others. North America is projected to be the fastest-growing region for GM food safety testing, as it is the largest GM crops producing country and there is also a need to comply with the GMO labeling regulations from importing countries. Lack of proper implementation of regulations, lack of technical know-how among farmers, ban on production of GM crops, and unaffordability of tests by food manufacturers & channel members are the major restraints and challenges in the GM food testing market for safety.

Source: *Research and Markets, Markets and Markets*

Notable Recent Deals

Bureau Veritas and AsureQuality announce the acquisition of Dairy Technical Services

Bureau Veritas announced the acquisition of a majority stake in Dairy Technical Services (“DTS”), Australia’s leading provider of food laboratory testing and analysis. The remaining stake will be held by AsureQuality, a New Zealand state-owned company. Since its inception in 1954, DTS has partnered with a large number of Australian agri-food groups, tracing and guaranteeing the quality of food and agricultural products from field to fork, employing 400 people and generating a revenue of approximately \$40 million in 2015. This transaction will enable Bureau Veritas to access markets controlled by the major agri-food players in Asia-Pacific, and offer a large range of services that enable companies to reduce risk, ensure quality and improve productivity throughout the supply chain. “DTS’ solid reputation in food testing stems from both its comprehensive range of services, and the quality of its analysis. DTS enjoys longstanding partnerships with the largest industry players and I am delighted at the number of opportunities this presents. This transaction confirms the growing presence of Bureau Veritas in the agri-food testing market. It will enable the Group to reinforce its position and gain market share faster in a sector which represents one of the major growth initiatives in our 2020 strategic plan”, commented Didier Michaud-Daniel, CEO of Bureau Veritas.

KPMG Australia, with assistance from KPMG Corporate Finance LLC, advised DTS on the sale mandate.

MKS Instruments announces acquisition of Newport Corporation

On February 23, 2016, MKS Instruments, Inc. (NASDAQ: MKSI) announced the acquisition of Newport Corporation (NasdaqGS:NEWP) for an implied enterprise value of approximately \$1.0 billion, an implied valuation of 13.1x LTM EBITDA. Headquartered in Irvine, California, Newport Corporation is a leading global supplier of advanced-technology products and systems. The combined businesses are expected to generate approximately \$1.4 billion in pro forma annual revenue, based on the combined 2015 historical results. “The combination of MKS Instruments and Newport Corporation creates a premier supplier of critical components and subsystems for a diverse set of growing end markets, each with a common need for highly precise technology enabling solutions,” said Gerald Colella, MKS Instruments’ Chief Executive Officer and President. The transaction is expected to close in the second quarter of 2016.

FormFactor to acquire Cascade Microtech

On February 4, 2016, FormFactor, Inc. (NASDAQ: FORM) and Cascade Microtech, Inc. (NASDAQ: CSCD) announced that FormFactor will acquire all outstanding Cascade shares in a cash and stock transaction. Under the terms of the agreement, FormFactor will acquire Cascade for approximately \$350 million in aggregate consideration, consisting of \$270 million in cash (including approximately \$15 million to cash out vested equity awards) and approximately 10.4 million shares of FormFactor common stock, valued at \$7.85 per share as of February 3, 2016. The combination creates significant scale by combining complementary market leadership positions in semiconductor test, measurement and characterization applications. The transaction is expected to close in mid-2016, pending customary regulatory approvals.

Thermo Fisher Scientific acquired Affymetrix

Thermo Fisher Scientific Inc. (NYSE:TMO) acquired Affymetrix, Inc. (NASDAQ:AFFX), a leading provider of cellular and genetic analysis products on March 31, 2016 for approximately \$1.3 billion, representing an implied enterprise value of 25x LTM EBITDA. The strategic partnership will bring the superior microarray technology of Affymetrix to every lab, putting whole-genome analysis into the hands of every researcher who has been limited by budget and inhibited by the complexity of microarray systems. “The acquisition of Affymetrix will strengthen our leadership in biosciences and create new market opportunities for us in genetic analysis,” said Marc N. Casper, President and Chief Executive Officer of Thermo Fisher Scientific. “In biosciences, the company’s antibody portfolio will significantly expand our offering in the fast-growing flow cytometry market, and customers will have greater access to these products through our global scale and commercial reach. In genetic analysis, Affymetrix’s technologies are highly complementary and present new opportunities for us in targeted clinical and applied markets. For shareholders, we expect the transaction to create value by generating attractive financial returns, including immediate accretion to our adjusted EPS.”

Notable Recent Deals (continued)

Sheldon Manufacturing completes acquisition of Cascade Technical

On March 18, 2016, Sheldon Manufacturing, Inc. acquired Cascade Technical Science, Inc. from Element Materials Technology Holding Netherlands B.V. Financial terms of the deal were not disclosed. Headquartered in Hillsboro, Oregon, Cascade Technical Science operates environmental stress testing laboratories with a full range of climatic and dynamic test capabilities as well as offers engineered laboratory and vacuum ovens. "Our aim is to increase our market share with Cascade TEK's turnkey, automated drying systems and hi-vacuum expertise for aerospace markets and offer custom made solutions to our customers globally", says Dan Sheldon, CEO and President of Sheldon Manufacturing, Inc.

Delta Instruments acquired by Perten Instruments

Delta Instruments AB, a Netherlands-based manufacturer and distributor of analytical and testing instruments for dairy industries and milk control laboratories, was acquired by Perten Instruments B.V., a subsidiary of PerkinElmer Inc., on February 8, 2016 for an undisclosed amount. Perten provides versatile instruments for compositional and functional analysis for an array of dairy products and ingredients. "Together our two companies offer the most complete range of milk and dairy analyzers" says Mr. Gavin O'Reilly, Managing Director and CEO of Perten Instruments.

AMETEK acquired Brookfield Engineering Laboratories

AMETEK, Inc. (NYSE: AME) acquired Brookfield Engineering Laboratories ("Brookfield"), a leading manufacturer of viscometers and rheometers for laboratory and online process control applications, on February 05, 2016. Headquartered in Middleboro, Massachusetts, Brookfield joins AMETEK as a unit of its Instrumentation and Specialty Controls division within the AMETEK Electronic Instruments Group (EIG). "Brookfield is an outstanding acquisition. It is the global leader in viscosity measurement instrumentation. Its products and technologies complement our existing laboratory instrumentation businesses and provide us with opportunities to expand that business platform into a broader range of markets and applications," comments Frank S. Hermance, AMETEK Chairman and Chief Executive Officer. Brookfield Engineering Laboratories, with annual sales of approximately \$55 million, was acquired for approximately \$167 million, an implied enterprise value of 3.0x revenue.

SGS completes acquisition of Accutest Laboratories

SGS North America Inc. acquired the assets and operations of Accutest Laboratories, Inc., the fifth largest full service environmental testing company in the United States from Bolder Capital, LLC, The Edgewater Funds, and others on January 4, 2016. Accutest was founded in 1956 and is headquartered in Dayton, New Jersey. Accutest's operations will enhance SGS's footprint in the United States, adding over 600 highly skilled employees, a significant client portfolio and a national network of laboratories and customer service centers that spans 14 states. The operations generated \$65 million in revenue for 2015. "This transaction is highly complementary and builds on the scale and capabilities of SGS's Environment, Health & Safety business in North America," said Frankie Ng, CEO of SGS. "SGS Accutest will focus on helping customers enhance their environmental reputation, manage risk and increase business efficiency."

Source: Capital IQ, Mergermarket, press releases

Testing, Inspection, and Certification (TIC) Services

The broader Test and Measurement Industry comprises services and instruments. The services side of the T&M industry includes Testing, Inspection, and Certification (TIC) services that are provided to assist in determining and certifying the compliance of products and processes. The products side of the T&M industry comprises analytical instruments and equipment (IES) that detect and measure physical properties, electrical signals, or biological interactions.

Testing, Inspection, and Certification (TIC)

The Testing, Inspection and Certification (TIC) market comprises companies whose services help manufacturers meet global standards and enhance the quality of the products. These services assure consumers and end-users that manufacturers have followed international standards and regulations. TIC is an industry where the people, flexibility, workflow, and IT systems play a major role, therefore, not capital intensive. The globalization of trade has led to a complex supply chain which can impact product quality; therefore, TIC services are required at every stage of the supply chain to maintain product quality.

The TIC market is expected to reach \$50.6 billion by 2020, growing at a CAGR of 5.0% between 2015 and 2020. Factors such as new regulations and standards, outsourcing of the testing, inspection, and certification services, concern about product quality and safety, and globalization of trade are driving the testing, inspection, and certification market. Different regulations and standards across various regions have resulted in regulatory bodies becoming involved in developing and publishing the new standards to meet international quality criteria as well as to meet end-users' needs regarding product quality. Food and healthcare are highly regulated sectors due to the higher concern about product quality and hygiene; therefore, these sectors require the manufacturers to follow stringent standards. Likewise, manufacturers in the medical devices industry also need to comply with mandated quality and safety standards.

The global TIC market is highly fragmented, with some of the key players driving consolidation in the market including ALS Global (Australia), Bureau Veritas SA (France), Dekra Certification GmbH (Germany), Intertek Group PLC (U.K.), SGS Group (Switzerland), TÜV SUD Group (Germany), and UL LLC (U.S.). Eurofins Scientific SE (Luxembourg), provider of analytical testing services to customers primarily in pharmaceutical, food, and environmental sectors, is another market player leading the acquisition tables in the sector.

Test and Measurement Instruments and Equipment (IES)

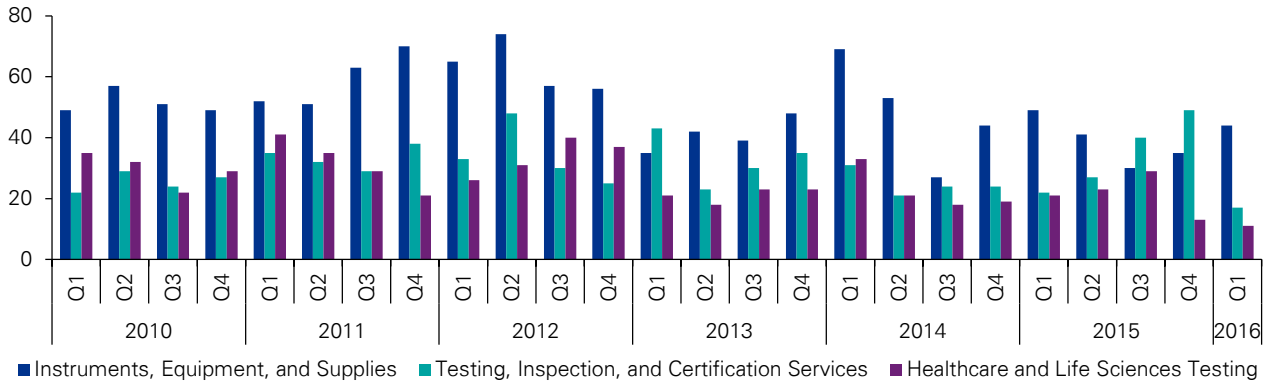
The Instruments, Equipment, and Supplies (IES) subsector includes analytical instruments and equipment that detect and measure physical properties, electrical signals, and/or biological interactions. Examples of T&M equipment include sensors and data acquisition instruments, product simulation systems, diagnostic equipment, and analytical laboratory instruments. Companies that provide TIC services routinely use T&M instruments and equipment in serving their customers.

The end markets for T&M products are diverse and include such industries as: telecommunications; healthcare; computer hardware; aerospace/defense; pharmaceuticals; life sciences/biotechnology; and automotive, among many others. The T&M instruments and equipment market is more concentrated than the TIC market, with large companies such as Danaher Corp. (U.S.), Thermo Fisher Scientific, Inc. (U.S.), and Ametek Inc. (U.S.) maintaining a leading position within their chosen segments. Consolidation among industry participants is occurring as the larger industry players continue to seek out acquisitions of smaller companies with newer technology and niche market leadership positions. Further, consolidation is happening among the larger companies in the industry as the more established players seek inorganic growth to reach leadership positions within desired end markets.

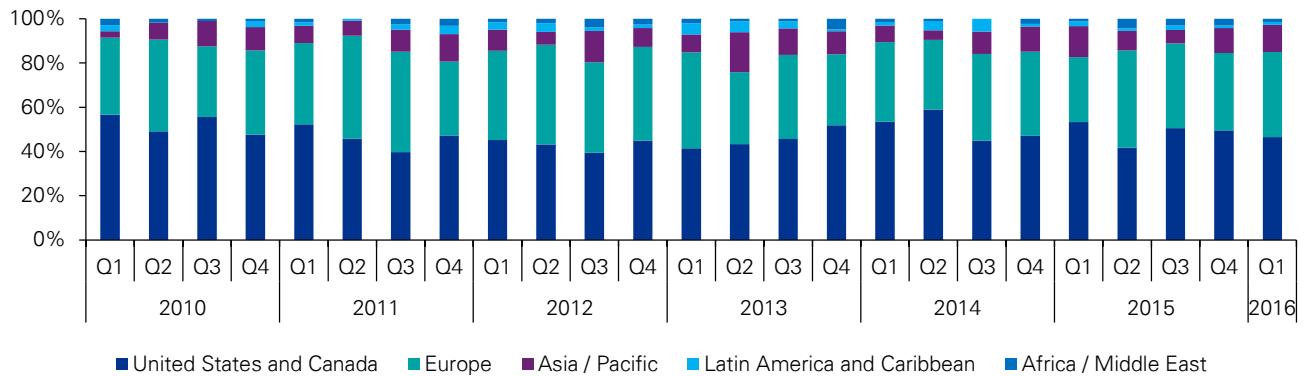
Source: Morgan Stanley, IBISWorld, Research and Markets

Global T&M Deal Volume

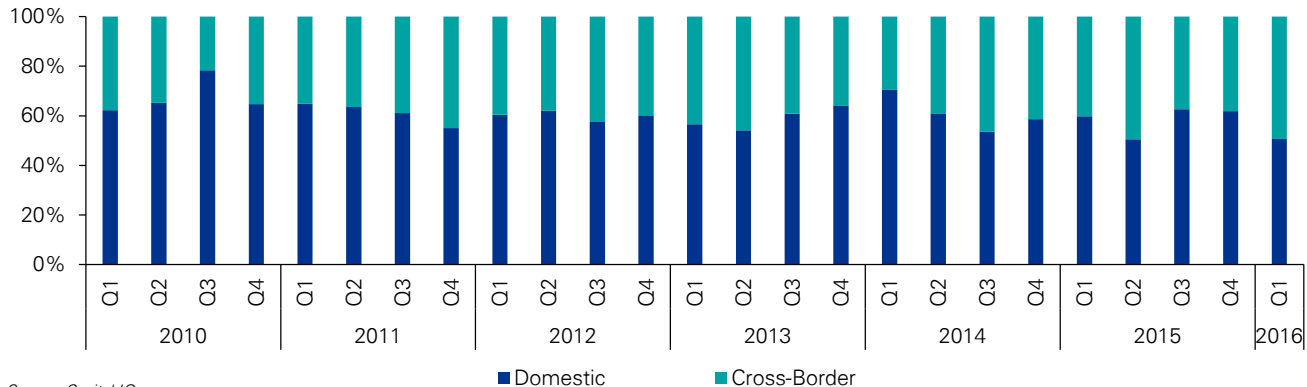
Global T&M Industry Announced M&A Deal Volume By Subsector



Global T&M Industry Announced Deal Volume By Target Region



Global T&M Industry Announced Cross-border Deal Volume



Source: Capital IQ

Notes: Includes deals for which geographic information was available. M&A analysis based on deals announced and/or closed during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graphs

Selected T&M Industry Recent M&A Transactions

Date Closed	Target	Buyer	Implied Enterprise Value (\$ mm)	Implied EV/LTM Revenue	Implied EV/LTM EBITDA
Pending	Dairy Technical Services (DTS)	Bureau Veritas and AsureQuality	-	-	-
Pending	Focus Diagnostics, Inc.	DiaSorin S.p.A.	300.0	3.8x	-
Pending	Tancy Instrument Group Co., Ltd.	Goldcard High-Tech Co., Ltd.	238.5	3.5x	-
Pending	Respiratory Care Business	Apax Partners LLP	-	-	-
Pending	Newport Corp.	MKS Instruments, Inc.	1,003.4	1.7x	13.1x
Pending	Lytix, Inc.	GTCR, LLC	500.0	-	-
Pending	Shinken Co., Ltd.	IMV Corporation	-	-	-
Pending	ORTHODYNE S.A.	SDL Technology Investment Ltd	4.6	-	-
Pending	Orolia SA	Eurazeo PME	112.9	1.0x	8.8x
Pending	Cascade Microtech Inc.	FormFactor Inc.	314.4	2.1x	13.0x
Pending	MARKTEC Corporation	ALCONIX Corporation	59.5	-	-
Pending	Amarantus Diagnostics, Inc.	Avant Diagnostics, Inc.	18.9	-	-
4/4/2016	WIL Research Company, Inc.	Charles River Laboratories International, Inc.	585.0	-	-
3/31/2016	Affymetrix Inc.	Thermo Fisher Scientific, Inc.	1,112.2	3.1x	25.0x
3/24/2016	Magellan Diagnostics, Inc.	Meridian Bioscience, Inc.	66.0	4.1x	-
3/18/2016	Cascade Technical Sciences, Inc.	Sheldon Manufacturing, Inc.	-	-	-
3/18/2016	Senmatic A/S	Indutrade AB (publ)	-	-	-
3/17/2016	DOP Solutions Limited	Air Techniques International	-	-	-
3/11/2016	ams Laboratories Pty Ltd.	Eurofins Scientific SE	-	-	-
3/3/2016	Chongqing Liansheng Construction Project Management Co, Ltd.	Bureau Veritas SA	-	-	-
3/2/2016	Global EMC Inc.	TÜV SÜD America Inc.	-	-	-
2/22/2016	CAS Clean-Air-Service AG	Particle Measuring Systems, Inc.	-	-	-
2/18/2016	Sigma Space Corporation	Hexagon AB	-	-	-
2/15/2016	Admaterials Technologies Pte Ltd	Exova Group plc	-	-	-
2/12/2016	Inel SAS	Thermo Fisher Scientific, Inc.	-	-	-
2/12/2016	CyberMetrix, Inc.	SGS SA	-	-	-
2/8/2016	Delta Instruments B.V.	Perten Instruments AB	-	-	-
2/5/2016	Electronic Systems Protection, Inc.	Ametek Inc.	130.0	3.3x	-
2/5/2016	Brookfield Engineering Laboratories, Inc.	Ametek Inc.	167.0	3.0x	-

Source: CapitalIQ, Mergermarket, and press releases

Selected T&M Industry Recent M&A Transactions (continued)

Date Closed	Target	Buyer	Implied Enterprise Value (\$ mm)	Implied EV/LTM Revenue	Implied EV/LTM EBITDA
2/4/2016	Tideland Signal Corporation	Xylem Inc.	69.0	1.4x	-
2/4/2016	Asistencia Técnica Industrial, S.A.E.	TÜV SÜD AG	198.9	2.2x	-
2/3/2016	Maverick Testing Laboratories, Inc. and Mav-Tech, Inc.	ALS Limited	-	-	-
2/2/2016	The Lab (Asia) Ltd	SGS SA	-	-	-
2/2/2016	Kalibrix GmbH	Trescal SA	-	-	-
2/1/2016	InstruTech, Inc.	INFICON Holding AG	-	-	-
1/25/2016	PROMETEC Gesellschaft für Produktions-, Mess-und Automatisierungstechnik mbH	Günther & Co. GmbH	-	-	-
1/21/2016	Aerial Photography Specialist	Applus Services, S.A.	-	-	-
1/16/2016	Instant BioScan, Inc.	Mettler-Toledo Thornton, Inc.	30.0	-	-
1/13/2016	Paul MacArthur Limited	Hexagon AB	-	-	-
1/13/2016	Sinensis Life Sciences B.V.	Eurofins Scientific SE	-	-	-
1/7/2016	NWater Oy	Uponor Oyj	-	-	-
1/7/2016	Primo Instrument Inc.	Trescal SA	-	-	-
1/6/2016	NCC Certificações do Brasil Ltda.	Bureau Veritas SA	-	-	-
1/4/2016	Accutest Laboratories, Inc.	SGS North America Inc.	-	-	-
1/3/2016	DOLI Elektronik GmbH	Arcaris GmbH	-	-	-
12/31/2015	Resource & Environmental Consultants Ltd, Environmental Monitoring Division	Exova Group plc	-	-	-

Source: CapitalIQ, Mergermarket, and press releases

Selected Public T&M Companies

Selected Public T&M Companies													
Company	HQ Country	Market Data				LTM Financials				Valuation Multiples - Enterprise Value To:			
		Market Cap (\$mm) ⁽¹⁾⁽²⁾	Enterprise Value (\$mm) ⁽⁴⁾	Share Price ⁽²⁾	% 52 Wk High ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA % ⁽⁵⁾	LTM Revenue	LTM EBITDA	CY 2016 Revenue	CY 2016 EBITDA
Testing, Inspection, and Certification													
ALS Limited	AU	1,646	2,309	3.26	63.7%	1,001	(7.1%)	91.7%	21.0%	2.3x	11.0x	2.2x	10.5x
Applus Services, S.A.	ES	1,191	1,979	9.22	72.8%	1,848	(6.1%)	34.8%	11.4%	1.1x	9.4x	1.1x	8.6x
Bureau Veritas SA	FR	10,113	12,242	23.18	93.4%	5,034	1.3%	32.2%	19.1%	2.4x	12.7x	2.2x	11.3x
Eurofins Scientific SA	LU	5,539	6,716	359.91	88.4%	2,118	27.0%	18.5%	18.1%	3.2x	17.5x	2.2x	11.8x
Exova Group plc	GB	566	786	2.26	80.4%	437	6.2%	37.3%	19.5%	1.8x	9.2x	1.7x	8.5x
Intertek Group plc	GB	7,191	8,326	44.70	97.7%	3,195	12.9%	55.8%	18.5%	2.6x	14.1x	2.3x	11.6x
Mistras Group, Inc.	US	714	800	24.67	93.2%	710	0.2%	30.6%	10.0%	1.1x	11.3x	1.1x	8.8x
SAI Global Limited	AU	588	761	2.76	76.7%	415	7.1%	35.7%	20.1%	1.8x	9.1x	1.6x	6.9x
SGS SA	CH	16,463	17,039	2,164.61	99.0%	5,705	5.2%	44.0%	19.6%	3.0x	15.3x	2.6x	12.3x
Team, Inc.	US	956	1,283	31.71	66.7%	980	0.0%	28.4%	8.0%	1.3x	16.4x	1.0x	9.3x
Testing, Inspection, and Certification Mean					83.2%	4.7%	40.9%	16.5%	2.1x	12.6x	1.8x	10.0x	
Testing, Inspection, and Certification Median					84.4%	3.3%	35.2%	18.8%	2.1x	12.0x	2.0x	9.9x	
Life Sciences Instruments													
Agilent Technologies, Inc.	US	13,366	13,171	40.78	93.7%	4,040	2.1%	51.1%	20.4%	3.3x	16.0x	3.0x	12.1x
bioMérieux S.A.	FR	4,924	5,185	124.81	92.3%	2,134	6.3%	50.4%	20.5%	2.4x	11.9x	2.1x	9.9x
Bio-Rad Laboratories, Inc.	US	4,081	3,731	139.55	91.6%	2,019	(0.3%)	55.5%	14.6%	1.8x	12.7x	1.8x	12.2x
Bruker Corporation	US	4,705	4,510	28.79	96.4%	1,624	3.0%	44.9%	14.1%	2.8x	19.8x	2.6x	14.6x
FEI Company	US	3,615	3,314	88.45	98.0%	930	10.2%	50.6%	24.3%	3.6x	14.7x	3.0x	12.8x
IDEXX Laboratories, Inc.	US	7,152	7,980	79.82	97.1%	1,602	6.3%	55.6%	23.5%	5.0x	21.2x	4.3x	18.3x
Mettler-Toledo International Inc	US	9,645	10,138	358.95	99.3%	2,395	1.1%	56.4%	22.6%	4.2x	18.7x	4.0x	15.6x
Neogen Corp.	US	1,837	1,712	48.95	78.1%	310	12.1%	48.1%	21.6%	5.5x	NM	4.6x	20.1x
PerkinElmer Inc.	US	5,580	6,355	50.64	92.9%	2,262	2.2%	45.6%	18.6%	2.8x	15.1x	2.6x	13.1x
Qiagen NV	NL	5,329	5,971	22.87	80.2%	1,281	3.3%	64.5%	28.7%	4.7x	16.2x	4.2x	12.8x
Sartorius AG	DE	4,985	5,506	314.73	78.8%	1,211	13.3%	49.5%	23.6%	4.5x	19.3x	3.5x	13.9x
Thermo Fisher Scientific, Inc.	US	56,904	68,995	144.62	99.5%	16,965	4.0%	45.8%	24.5%	4.1x	16.6x	3.7x	14.2x
Waters Corporation	US	10,924	10,193	134.89	98.2%	2,042	4.4%	58.7%	32.7%	5.0x	15.3x	4.5x	13.4x
Life Sciences Instruments Mean					92.0%	5.2%	52.1%	22.3%	3.8x	16.4x	3.4x	14.1x	
Life Sciences Instruments Median					93.7%	4.0%	50.6%	22.6%	4.1x	16.1x	3.5x	13.4x	
Industrial Instruments													
Ametek Inc.	US	11,875	13,436	50.68	87.9%	3,974	1.0%	36.8%	27.5%	3.4x	12.3x	3.2x	11.7x
Badger Meter Inc.	US	960	1,023	66.10	95.1%	378	7.7%	35.9%	16.7%	2.7x	16.2x	2.4x	13.6x
Danaher Corp.	US	64,715	76,868	94.05	96.3%	20,563	11.0%	52.6%	22.9%	3.7x	16.3x	3.2x	13.2x
Itron, Inc.	US	1,535	1,793	40.51	93.6%	1,878	2.5%	29.8%	7.5%	1.0x	12.8x	0.9x	8.4x
Keysight Technologies, Inc.	US	4,680	5,207	27.32	75.1%	2,876	1.2%	55.6%	20.7%	1.8x	8.8x	1.8x	NM
MTS Systems Corporation	US	798	780	54.07	72.0%	562	8.0%	38.3%	13.8%	1.4x	10.0x	NM	NM
National Instruments Corp.	US	3,589	3,293	28.08	85.6%	1,225	1.9%	74.2%	15.9%	2.7x	16.9x	2.4x	11.5x
Oxford Instruments plc	GB	556	753	9.74	61.8%	568	(6.3%)	45.0%	12.3%	1.3x	10.8x	1.4x	9.3x
Roper Technologies, Inc.	US	17,878	20,371	176.90	90.3%	3,582	7.3%	60.4%	34.6%	5.7x	16.5x	5.0x	14.1x
Spectris plc	GB	3,114	3,254	26.15	76.4%	1,755	3.2%	57.4%	16.7%	1.9x	11.1x	1.8x	10.6x
Industrial Instruments Mean					83.4%	3.7%	48.6%	18.9%	2.6x	13.2x	2.5x	11.5x	
Industrial Instruments Median					86.7%	2.8%	48.8%	16.7%	2.3x	12.5x	2.4x	11.6x	
Selected Public T&M Companies Mean					86.7%	4.6%	47.6%	19.5%	2.9x	14.2x	2.6x	12.1x	
Selected Public T&M Companies Median					91.6%	3.3%	48.1%	19.6%	2.7x	14.9x	2.4x	12.1x	

Source: Capital IQ

(1) Market Capitalization based on closing share prices as of April 18, 2016

(2) Market Capitalization and Share Prices may be based on foreign exchange listed securities and converted to \$USD

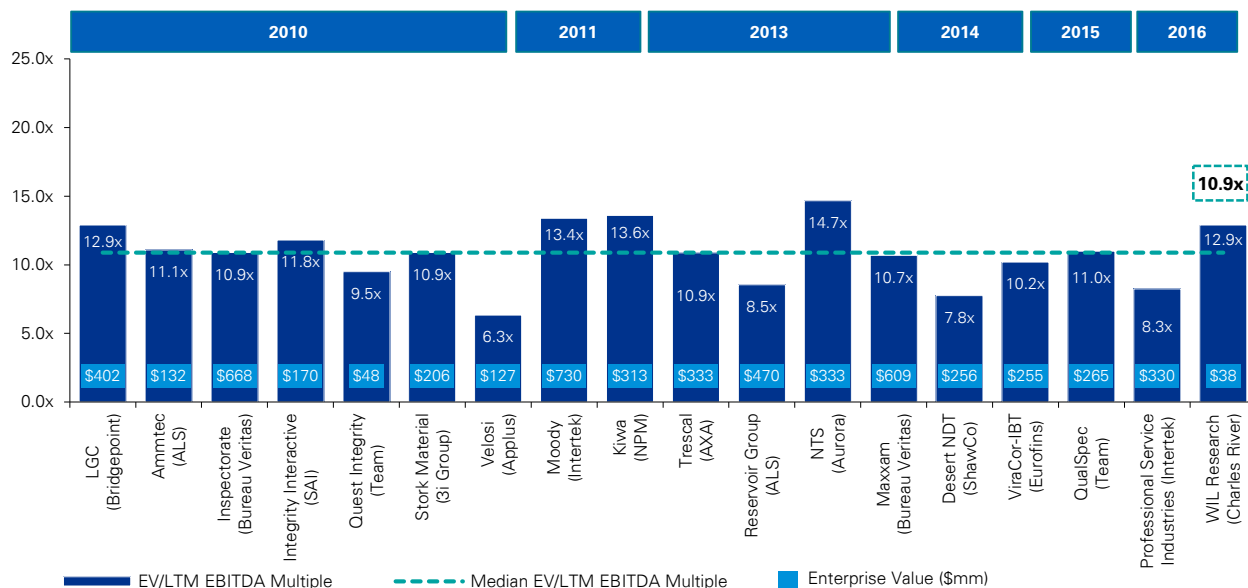
(3) Indicates percentage of current stock price compared to its 52 week high. Closing share prices as of April 18, 2016

(4) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents

(5) EBITDA equals Earnings before Interest Expense, Income Taxes, Depreciation and Amortization

TIC Transaction History & Multiples

TIC Industry Historical EV/LTM EBITDA Transaction Multiples (Selected Transactions)



Note: Certain multiples are based on estimated or current year figures if LTM data was not available
 Source: Capital IQ, Mergermarket, company filings and presentations, and press releases

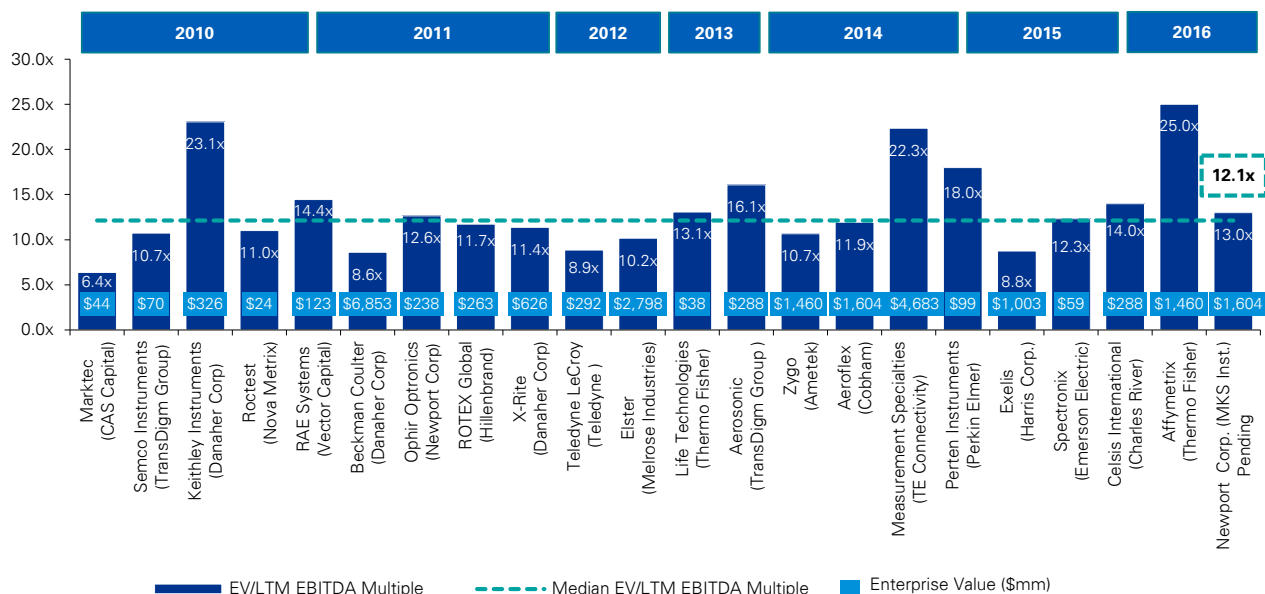
Three Year Acquisition History for Selected Players in the TIC Industry

Aggregate EV (\$mm)	Average EV (\$mm)	Company	Number of Deals
1,028.8	128.6	Eurofins	39
34.0	34.0	SGS	29
627.2	313.6	Bureau Veritas	18
574.1	95.7	Intertek Group	12
75.7	25.2	DEKRA	12
65.4	21.8	Exova	11
497.9	166.0	ALS	9
18.2	9.1	Applus Services	8
N/A	N/A	TÜV SÜD	7
450.0	450.0	Institut Mérieux	7
20.7	10.3	Trescal	6
N/A	N/A	DNV GL Group	6
N/A	N/A	UL LLC	6
5,677.4	5,677.4	Laboratory Corp. of America	6
N/A	N/A	National Technical Systems	5

Note: Three years ended March 31, 2016; Aggregate and Average EV figures include transactions where data is available
 Source: Capital IQ

T&M Transaction History & Multiples

T&M Equipment Industry Historical EV/LTM EBITDA Transaction Multiples (Selected Transactions)



Note: Certain multiples are based on estimated or current year figures if LTM data was not available
 Source: Capital IQ, Mergermarket, company filings and presentations, and press releases

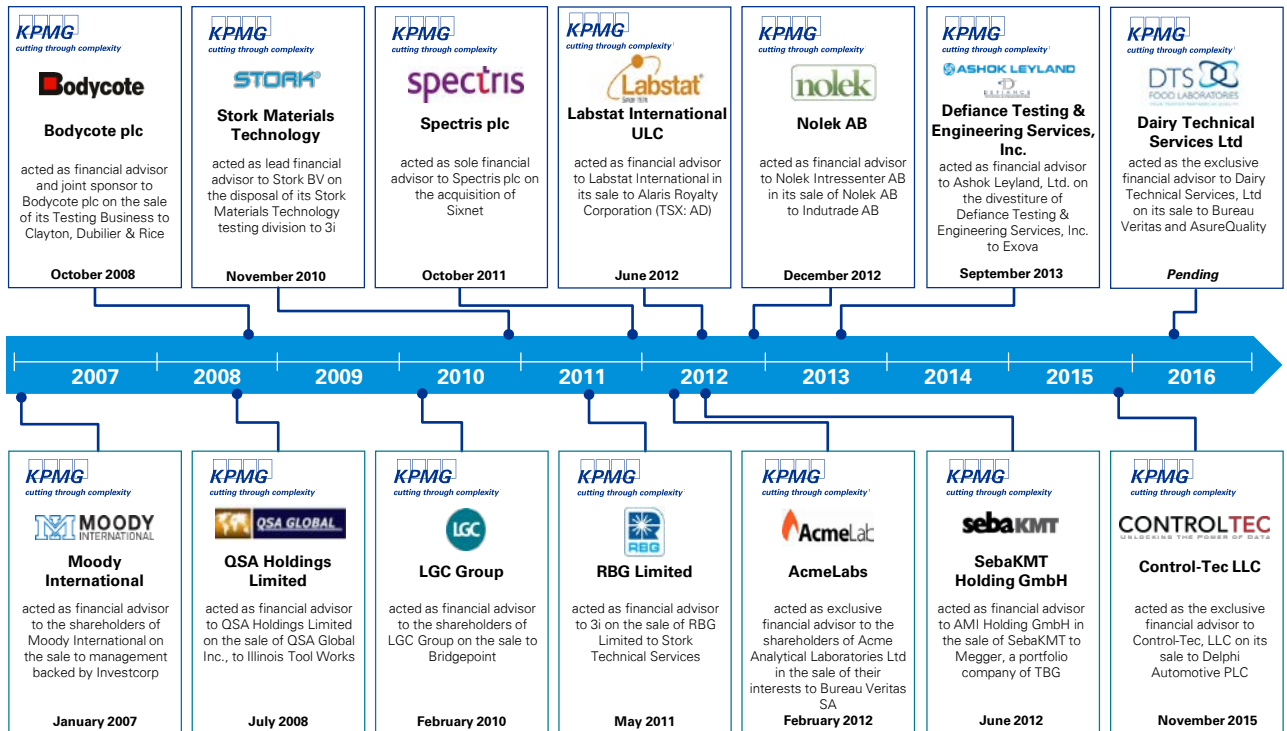
Three Year Acquisition History for Selected Players in the T&M Equipment Industry

Aggregate EV (\$mm)	Average EV (\$mm)	Company	Number of Deals
2,185.1	1,092.5	Danaher Corp	25
1,188.9	148.6	Ametek	11
139.1	34.8	Spectris	10
12,787.8	2,557.6	Becton, Dickinson and Company	9
1,054.9	527.4	Roper Industries	8
1,774.5	295.7	TE Connectivity	7
1,412.2	706.1	Thermo Fisher Scientific	6
236.0	78.7	Emerson Electric	6
201.8	40.4	Ultra Electronics Holdings	5
52.9	17.6	Teledyne Technologies	4
23.0	23.0	Endress+Hauser AG	4
266.0	266.0	PerkinElmer	4
11.1	5.5	Mesa Laboratories	3
N/A	N/A	National Instruments	3
47.8	23.9	Vesuvius plc	3

Note: Three years ended March 31, 2016; Aggregate and Average EV figures include transactions where data is available
 Source: Capital IQ

KPMG Corporate Finance

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(1) Represents the Corporate Finance practices of KPMG International's network of independent member firms

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