



# Test & Measurement Newsletter

*KPMG Corporate Finance LLC*

Q1 2017

# Test and Measurement M&A Newsletter

## Q1 2017

### Test and Measurement Market Commentary

Companies within the Test & Measurement (T&M) industry continued to maintain strong trading multiples in Q1'17, with a mean EV/LTM EBITDA of 17.7x for Life Sciences Instruments companies, 14.4x for Testing, Inspection, and Certification (TIC) companies, and 14.8x for Industrial Instruments companies. Global M&A activity in the T&M industry declined 7.0% in Q1'17 with 80 announced deals versus Q1'16 and the deal value declined by 75.7% to \$1.3 billion in Q1'17 versus Q1'16, primarily due to the lack of large announced transactions.

Financial buyers comprised approximately 16% of total announced deals in Q1'17 while strategic buyers continued to remain aggressive, participating in a staggering 84% of announced deals, led by Eurofins and SGS with each three transactions in Q1'17 and Danaher, ALS Global, Bureau Veritas, and Laboratory Corp. of America each with two transactions in Q1'17.

Total of **80 announced deals** in Q1'17, a decline of **7.0%** versus Q1'16



Q1'17 total **announced deal value** was **\$1.3 billion**, down **75.7%** from Q1'16



Cross-border deals represented **43.8%** of total volume for Q1'17, down from **46.5%** in Q1'16

Q1'16  
46.5%

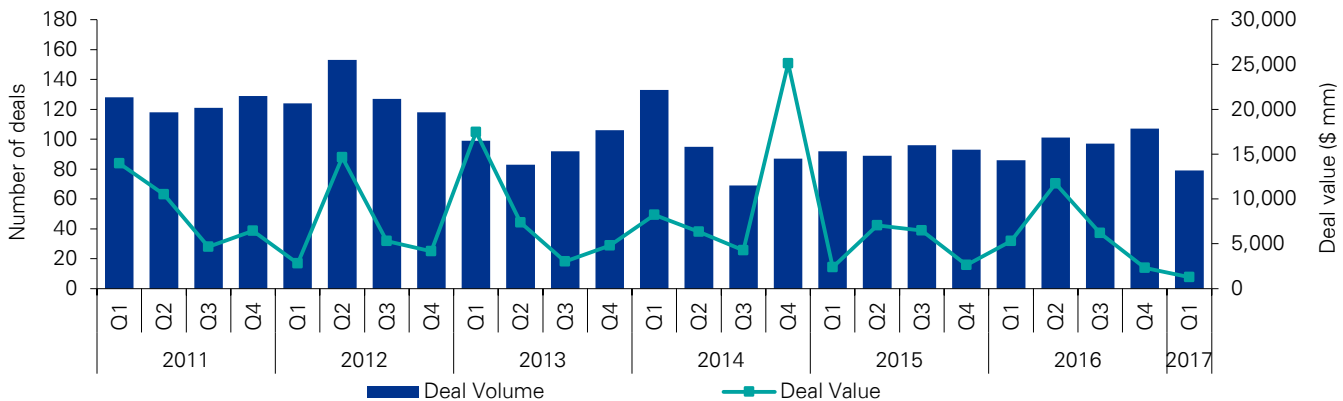


Q1'17  
43.8%

Deal volume for the **Testing, Inspection, and Certification Services (TIC)** subsector was **down 17.4%**, while **Instruments, Equipment, and Supplies (IES)** subsector volume was **down 8.7%** in Q1'17 versus Q1'16



### 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

# Topic of Interest

## Industry 4.0 - Playing a Role in Food Safety

Industry 4.0, the fourth wave of manufacturing moving operations into the digital space, is the current trend of automation and data exchange in manufacturing technologies, including; cyber-physical systems, the Internet of Things and cloud computing. Within the food and beverage industry, modern smart sensing technologies and digital technology can be applied to improve many aspects of the food and beverage industry, particularly for food safety and track and trace. The food supply chain in many ways is still lagging behind in technology compared to other supply chains. Food safety breaches are now one of the biggest risks for every business in the food sector. Failure to manage food safety and enforce best practice can have a potentially catastrophic impact, leading to enormous financial and reputational damage. 75% of consumers say they will never return to a restaurant that has been implicated in a food safety incident, or only if it has changed hands. A connected supplier network will allow food companies to be agile when faced with an issue, responsive to recalls, as well as be flexible and efficient.

The high volume of recalls is a trend that is not going away anytime soon. As more and more advances in food testing are made, companies will have access to new technologies across their supply chain that will identify issues early. Consequently, more products will need to be pulled out of the supply chain because of that increased testing in order to maintain consumer sentiment. A food or beverage product may be recalled for a number of reasons: complaints from consumers or customers; by order of retailers or government; or as a result of testing and auditing at a food business or in the upstream supply chain (raw ingredients). Over the last several years, food and beverage manufacturers have faced increasing pressure to initiate and achieve product recalls in shorter time frames, making effective product track-and-trace imperative.

Complete food traceability involves the tracking of a product's history and sharing that data along the entire processing path, commonly referred to as the 'farm-to-fork' program. Food contamination happens when a contaminant gets into food and knowing the exact source of where a raw ingredient came from is important should a recall be necessary. Many scenarios exist that may cause food contamination, however, most fall under one of four categories: biological, chemical, physical and cross-contamination.

*Biological Contamination:* Occurs when bacteria or toxins contaminate food and is a common cause of food poisoning as harmful bacteria, also called pathogens, spread to food, and are consumed

*Chemical Contamination:* Occurs when food comes into contact with chemicals and can lead to chemical food poisoning. Common sources of chemical contamination include: kitchen cleaning agents; unwashed fruits and vegetables; food containers made from non-safe plastics; pest control products; and chemicals used in equipment maintenance

*Physical Contamination:* Occurs when actual objects contaminate foods. Sometimes when food is physically contaminated, it can also be biologically contaminated. Common sources of physical contamination include: hair; glass or metal; pests such as mice, rats and cockroaches that leave droppings that can contaminate food; jewelry; and dirt

*Cross-Contamination:* Occurs when bacteria or pathogens are transported from one object to another and can happen in many different ways including: clothing; utensils; personal hygiene; pests; and waste control

Studies have shown that the number of incidents of illness due to foodborne pathogens have been increasing with an increased consumption of fresh produce. The problem is that once an illness occurs in the market, it is often a complex and lengthy process to find the source of contamination. Traceability back to the source is therefore critical to shorten the time taken to find the source. Reliable and unambiguous identification of goods in the production process and supply chain is a vital prerequisite for efficiency and full traceability, and the status of all recorded data must be easy to retrieve and analyze. Modern smart sensing technology has a role to play in streamlining the entire farm-to-fork supply chain that makes identification and traceability as efficient and reliable as possible. Technologies such as RFID are now allowing for the tracing of raw ingredients from the original source.

While the concept of 'smart manufacturing' may not intuitively seem to apply to the food and beverage industry, the opportunities for improving food safety and quality, mean that smart sensing and smart manufacturing technologies should be a priority for any food related company. The companies that are able to roll out these capabilities quickly and efficiently, armed with the data needed, will be well poised to manage their supply chain, potential recalls and the impact to their customers.

Source: FoodSafetyTech, Checkit, Australian Institute of Food Safety, Food Standards Australia New Zealand

# Featured Recent KPMG Corporate Finance Deals

**Eurofins acquires Ramboll's analytical laboratory business in Finland and Estonia**

**April 3, 2017**



**RAMBOLL**

divested its analytics laboratory business in Finland and Estonia to



**April 2017**

KPMG Deal Advisory in Finland acted as exclusive M&A adviser for the leading engineering and consultancy company Ramboll on the divestment of its analytics laboratory business in Finland and Estonia to Eurofins Scientific ("Eurofins"), a global leader in food and environment testing.

## About Ramboll

Ramboll is a leading engineering, design and consultancy company founded in Denmark in 1945. Ramboll employs 13,000 experts and has a strong presence in the Nordics, North America, the UK, Continental Europe, Middle East and India, supplemented by a significant representation in Asia, Australia, South America and Sub-Saharan Africa.

## About Eurofins

Eurofins is a leading international group of laboratories with \$2.7 billion in annual revenues and over 27,000 employees in around 310 sites in 39 countries. Eurofins provides a unique range of analytical testing services to the pharmaceutical, food, environmental, and consumer products industries and to governments. Eurofins' objective is to provide its clients with high-quality services, accurate results on time and expert advice by its highly qualified staff.

**VWR Corporation acquires EPL Archives, Inc.**

**March 22, 2017**



has been acquired by

**VWR**

**March 2017**

KPMG Corporate Finance acted as exclusive financial advisor to EPL Archives, Inc. ("EPL Archives") on the sale to VWR Corporation ("VWR"), a leading global independent provider of product and service solutions to laboratory and production customers. EPL Archives is the second company that KPMG Corporate Finance has sold to VWR over the past four months.

## About EPL Archives

EPL Archives is a leading global biorepository services organization that supports customers across the entire regulated product research, development and commercialization lifecycle by providing archive sample, document storage, logistics and ancillary services. Founded in 1978 and based in Sterling, VA, EPL Archives is widely recognized and respected by its customers for consistently delivering high-quality, responsive and compliant professional material management services. EPL Archives has several locations in Virginia, U.S. and Carros, France where it operates biostorage facilities totaling over 190,000 square feet of storage space including temperature controlled, humidity controlled and ambient storage that are compliant with applicable GLP, GCP and GMP regulations.

## About VWR Corporation

VWR is a leading global independent provider of products, services, and solutions to laboratory and production customers with significant market positions in Europe and North America. VWR's product portfolio includes branded and private label laboratory products. VWR serves various customer groups, including biopharma, industrial, education, and healthcare. As of December 31, 2016, VWR has more than 10,200 employees.

Source: Capital IQ, Mergermarket, press releases

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# Notable Recent Deals

## Danaher announces the acquisition of Advanced Vision Technology Ltd.

March 6, 2017 (pending)

Danaher Corporation, announced the acquisition of Advanced Vision Technology Ltd. (“AVT”), an Israeli-based automatic print inspection, process control, quality assurance and color control for printing applications for a consideration of approximately \$100 million. AVT’s in-line inspection systems are used by the world’s top packaging and label converters to improve product quality and efficiency of their operations. Joakim Weidemanis, Group Executive for Danaher’s Product Identification Platform stated, “We are thrilled to have AVT join Danaher’s Product Identification Platform, which includes X-Rite, Pantone, Esko, MediaBeacon, Videojet, Linx, Laetus and Foba. AVT is an outstanding business characterized by innovative products, a strong brand, dedicated team and excellent growth prospects. We see AVT as a natural complement to our platform of businesses serving packaging and label production value chain.” The transaction is expected to close in the second quarter of 2017.

## Golden Gate Capital completes the acquisition of Cole-Parmer

March 22, 2017

Golden Gate Capital, a San Francisco-based private equity investment firm, announced the acquisition of Cole-Parmer, a leading designer, manufacturer, and distributor of lab equipment, from private equity firm GTCR. Cole-Parmer has particular expertise in fluid-handling, test and measurement and electrochemistry and the range of products includes industry-leading brands, such as Masterflex®, Ismatec®, Oakton® and the Cole-Parmer private label brand. Cole-Parmer serves an international network of lab managers and independent dealers across various industries, such as healthcare, biotech, pharmaceutical, environmental, and food industries. Financial terms of the agreement were not disclosed.

## SGS completes the acquisition of ILC Micro-Chem, Inc.

March 9, 2017

On March 9, 2017, SGS SA a global provider of inspection, verification, testing and certification services, announced the acquisition of ILC Micro-Chem, Inc., a Toronto-based laboratory providing microbiology and food chemistry testing services. ILC Micro-Chem is specialized in the analysis of raw food materials, finished food products, and environmental swabs for the food manufacturing industry. CEO of SGS Frankie Ng stated, “This acquisition closes a geographical gap in our testing portfolio and allows us to serve clients with a full service offering for food safety testing in Canada.” Financial terms of the agreement were not disclosed.

## Bureau Veritas completes the acquisition of Schutter Groep B.V.

March 2, 2017

Bureau Veritas SA, a leading provider of testing, inspection, and certification services, completed the acquisition of Schutter Groep B.V., a leading provider of Inspection, Testing, Certification and logistical support services to the global agri-commodities markets. Headquartered in Rotterdam, Schutter Groep provides inspection, laboratory testing, risk management, supply chain auditing and certification services in the fields of edible oils and fats, grains, animal feed, and bio-fuel. In 2016, Schutter Groep posted approximately EUR 35 million in revenue, with 600 employees. This acquisition is in line with Bureau Veritas’ ambition to become a recognized leading player in the agri-food market by 2020 and represents Bureau Veritas’ third transaction in the food and agricultural commodities over the course of a year. Financial terms of the agreement were not disclosed.

## Mérieux NutriSciences completes the acquisition of ACM Agro

March 2, 2017

Mérieux NutriSciences, a subsidiary of Institut Mérieux SA and a leading player in the field of food safety and nutrition, completed the acquisition of ACM Agro, a French-based provider of microbiological analytical services for the agro-food industry. With the acquisition of ACM Agro, Mérieux NutriSciences adds two accredited laboratories to its network of analytical laboratories across France. The acquisition follows Mérieux NutriSciences’ strategy to consolidate its position as a global leader in food safety. Financial terms of the agreement were not disclosed.

Source: Markets and Markets, Capital IQ, Mergermarket, press releases

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# Notable Recent Deals

## (continued)

### Trimble completes the acquisition of Beena Vision Systems

February 8, 2017

Trimble Inc., a leading provider of location-based solutions, completed the acquisition of Beena Vision Systems Inc., a manufacturer of vision-based automatic wayside inspection systems for the railroad industry. Beena Vision provides vision-based wayside detectors for the rolling stock maintenance market. Tomas Larsson, GM of Trimble's Railway Solutions Business, stated, "Many of the largest TOCs in the U.K. and Europe rely on Trimble's solutions for rolling stock asset management. Adding Beena Vision's automatic wayside inspection systems makes us even more relevant to an expanding customer base. Beena Vision's strong North American and Australian presence, in conjunction with Trimble's U.K. and Europe presence, provides the ability to access new customers." Financial terms of the agreement were not disclosed.

### National Technical Systems completes the acquisition of Fiarex and CEM

January 26, 2017

National Technical Systems, Inc. ("NTS"), a portfolio company of Los Angeles-based private equity fund Aurora Capital Group, completed the acquisition of Laboratoire d'Essais Fiarex Inc. ("Fiarex") and Laboratoire d'Essais CEM Inc. ("CEM"). Fiarex specializes in providing dynamic and environmental testing, while CEM is specialized in electromagnetic compatibility and interference testing. Vicki Panhuise, CEO of NTS, noted, "NTS looks forward to continuing to provide the local access, cutting-edge capabilities and ease of doing business that Fiarex and CEM customers have come to know, and we look forward to expanding the testing services available at our new Canadian locations". Financial terms of the agreement were not disclosed.

### Merck KGaA acquires BioControl Systems

January 4, 2017

On January 4, 2017, Merck KGaA completed the acquisition of BioControl Systems, a global leader in food safety testing, through its MilliporeSigma business unit, a leader in laboratory sciences. This acquisition follows the company's strategy to expand in key geographies and provide a differentiated experience to customers in applied settings, including food and beverage safety testing. President and CEO of BioControl stated: "MilliporeSigma's global market presence as a leader in laboratory sciences will introduce BioControl's innovative, customer oriented solutions to a much broader base worldwide while providing existing customers with access to MilliporeSigma's food safety product portfolio and expertise. The opportunity for BioControl to become part of a world class 350-year-old organization with a reputation for doing it the right way is very rewarding."

### SGS acquires a controlling stake in C-Labs

December 19, 2016

SGS SA acquired a controlling stake in the Swiss-based startup C-Labs SA. Founded in 2016, C-Labs is an Industry 4.0 startup, developing solutions for transforming food regulatory compliance, and specializing in research and development projects aimed at creating technologies and services used for the analysis and aggregation of unstructured information with semantic techniques and machine learning. C-Labs has as a result created advanced tools for predictive analytics that can interpret and turn big data into actionable information to business. These tools have allowed for effective decision making and increased competitiveness. Following the acquisition, the C-Labs platform will be developed as an integrated solution within SGS to create a new paradigm, using both human and technology elements to deliver enhanced, scaled, actionable insights from data. "This acquisition is a valuable contribution to our TIC 4.0 strategic initiative on digitalization and data, and an excellent complement to the partnership initiated earlier this year with Transparency-One," said Frankie Ng, CEO of SGS. "We will continue to partner with selected technology providers to broaden our service portfolio and enhance our value proposition." Financial terms of the agreement were not disclosed.

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 \$113.24 billion by 2022, growing at a CAGR of 5.15% between 2016 and 2022; the APAC region is expected to witness the strongest growth rate in almost all sectors during the forecasted period as governments continue to enforce tougher legislation to assure health and safety compliance. 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 SÜD Group (Germany), and UL LLC (U.S.). Eurofins Scientific SE (Luxembourg), a 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)

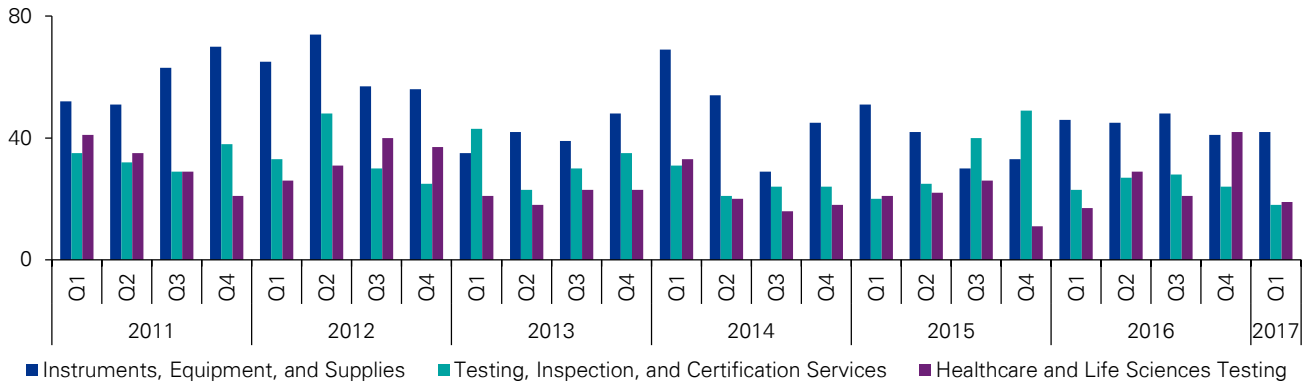
The Instruments, Equipment, and Supplies (IES) subsector includes analytical instruments and equipment that detect and measure physical properties, electrical signals, and/or biological interactions. Examples of T&M equipment include sensors and data acquisition instruments, product simulation systems, 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 industries such 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.

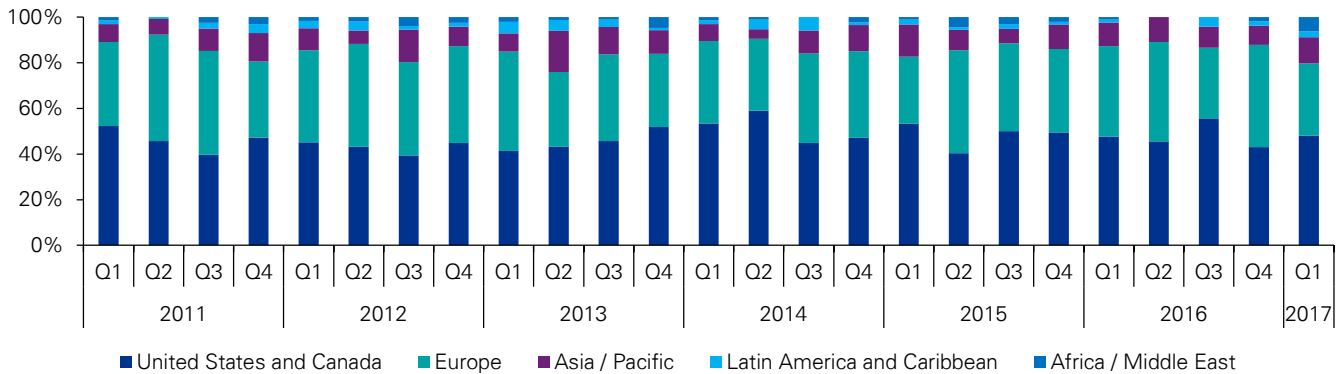
Source: Morgan Stanley, IBISWorld, Research and Markets

# Global T&M Deal Volume

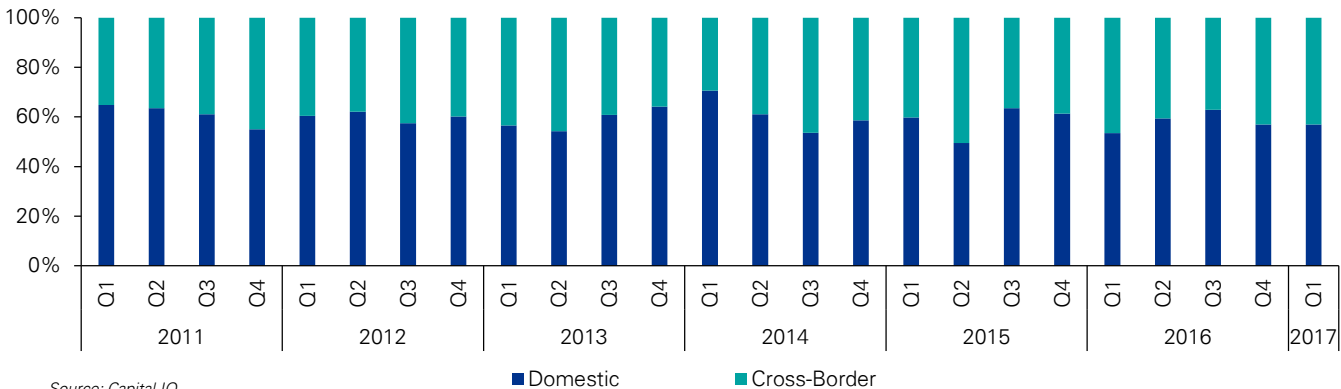
## Global T&M Industry Announced M&A Deal Volume By Subsector



## 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	Tamaya Technics Inc.	Kyowa Electronic Instruments Co. Ltd.	-	-	-
Pending	Analytical Industries Inc.	Process Sensing Technologies Ltd.	-	-	-
Pending	Daylight Solutions, Inc.	DRS Technologies, Inc.	150.0	-	-
Pending	Advanced Vision Technology (A.V.T.) Ltd.	Danaher Corporation	76.6	1.4x	14.7x
Pending	Gammaflux L.P.	Barnes Group Inc.	-	-	-
Pending	VectorVision, Inc.	Guardion Health Sciences, Inc.	-	-	-
Pending	Pathology Associates Medical Laboratories, LLC	Laboratory Corporation of America Holdings	-	-	-
Pending	Alpha medical, s. r. o.	Unilabs SA	-	-	-
Pending	Medizinisches Labor Bremen GbR	Sonic Healthcare Limited	67.4	2.1x	-
Pending	Mount Sinai Health System, Inc., Clinical Outreach Laboratories	Laboratory Corporation of America Holdings	-	-	-
4/3/2017	Essen BioScience Inc.	Sartorius Aktiengesellschaft	320.0	-	-
3/24/2017	Leochimica Srl	ALS Limited	-	-	-
3/24/2017	VBM Laboratoriet A/S	Eurofins Scientific SE	-	-	-
3/22/2017	EPL Archives, Inc.	VWR Corporation	-	-	-
3/21/2017	Cole-Parmer Instrument Company, LLC	Golden Gate Capital	-	-	-
3/16/2017	Gözlem Gıda Kontrol ve Araştırma Laboratuvarları	Eurofins Scientific SE	-	-	-
3/15/2017	Mechem Consultancy Services Pte Ltd.	Eurofins Scientific SE	-	-	-
3/12/2017	Hi-Tech Inspection Services LLC	NDT Corrosion Control Services Co.	-	-	-
3/9/2017	ILC Micro-Chem, Inc.	SGS SA	-	-	-
3/2/2017	Schutter Groep B.V.	Bureau Veritas SA	-	-	-
3/2/2017	Consumer Safety Technology, Inc.	Welsh, Carson, Anderson & Stowe	-	-	-
3/2/2017	L3M Technologies Pte Ltd	Trescal SA	-	-	-
3/2/2017	ACM Agro SAS	Merieux NutriSciences Corporation	-	-	-
3/1/2017	DuPont Qualicon, Inc.	Hygiena, LLC	-	-	-
3/1/2017	H. Schreiner Test- und Sonderanlagen GmbH	Cincinnati Test Systems - Schreiner GmbH	-	-	-
2/28/2017	Automation And Control Technology, Inc.	INDEV Gauging Systems Inc. (nka:Indev A.C.T. Gauging Systems)	1.0	-	-
2/23/2017	RainDance Technologies, Inc.	Bio-Rad Laboratories, Inc.	87.0	-	-
2/22/2017	Ecotech Pty Ltd.	ACOEM Group	-	-	-
2/20/2017	TTS, LLC	J.A. King and Company Inc.	-	-	-
2/14/2017	nub3d, s.l.	ABB Ltd	6.3	-	-

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
2/14/2017	Finesse Solutions, Inc.	Thermo Fisher Scientific Inc.	-	-	-
2/14/2017	Mortara Instrument, Inc.	Welch Allyn, Inc.	330.0	2.9x	-
2/13/2017	Safegard Systems Ltd.	Swegon AB	-	-	-
2/8/2017	Beena Vision Systems Inc.	Trimble Inc.	-	-	-
2/6/2017	Seaview Research, Inc.	Quotient Clinical Ltd.	-	-	-
2/1/2017	ACS Inc.	TÜV SÜD America Inc.	-	-	-
2/1/2017	UAB Sekargas Ir Kompanija	J.S. Hamilton Poland S.A.	-	-	-
1/26/2017	Fiarex inc.	National Technical Systems Inc.	-	-	-
1/24/2017	Hysitron Incorporated	Bruker Corporation	-	-	-
1/18/2017	SIEMIC, Inc.	Bureau Veritas SA	-	-	-
1/3/2017	Laboratoire LCA	SGS SA	-	-	-

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) <sup>(1)(2)</sup>	Enterprise Value (\$mm) <sup>(4)</sup>	Share Price <sup>(2)</sup>	% 52 Wk High <sup>(3)</sup>	Revenue	Revenue Growth	Gross Margin %	EBITDA % <sup>(5)</sup>	LTM EBITDA	CY 2017 Revenue	CY 2017 EBITDA
<b>Testing, Inspection, and Certification</b>												
ALS Limited	AU	2,332	2,678	4.63	92.3%	1,015	(7.0%)	89.8%	16.8%	15.7x	2.6x	11.6x
Applus Services, S.A.	ES	1,563	2,243	12.05	98.4%	1,675	(6.8%)	33.4%	10.8%	12.3x	1.3x	10.9x
Bureau Veritas SA	FR	9,223	11,343	21.15	94.3%	4,802	(1.8%)	18.8%	17.6%	13.4x	2.2x	11.8x
Eurofins Scientific SE	LU	7,362	8,096	434.53	93.3%	2,678	30.1%	18.9%	20.1%	15.0x	2.6x	13.9x
Exova Group plc	GB	781	976	3.12	98.2%	406	10.8%	15.3%	19.4%	12.4x	2.4x	11.9x
Intertek Group plc	GB	7,882	8,852	49.02	97.7%	3,169	18.5%	55.5%	17.9%	15.6x	2.6x	12.9x
Mistras Group, Inc.	US	613	697	21.38	80.8%	693	(5.6%)	32.1%	9.1%	11.1x	1.0x	8.1x
SGS SA	CH	16,059	16,873	2,130.29	92.2%	5,892	4.8%	43.6%	18.8%	15.2x	2.7x	13.2x
Team, Inc.	US	806	1,127	27.05	68.1%	1,197	22.1%	27.5%	5.0%	18.8x	0.9x	9.7x
<b>Testing, Inspection, and Certification Mean</b>					<b>90.6%</b>	<b>7.2%</b>	<b>37.2%</b>	<b>15.1%</b>	<b>14.4x</b>	<b>2.0x</b>	<b>11.6x</b>	
<b>Testing, Inspection, and Certification Median</b>					<b>93.3%</b>	<b>4.8%</b>	<b>32.1%</b>	<b>17.6%</b>	<b>15.0x</b>	<b>2.4x</b>	<b>11.8x</b>	
<b>Life Sciences Instruments</b>												
Agilent Technologies, Inc.	US	17,040	16,794	52.87	96.4%	4,241	5.0%	52.7%	22.2%	17.8x	3.8x	16.2x
bioMérieux S.A.	FR	6,598	6,893	167.70	99.2%	2,220	7.1%	52.3%	20.8%	14.9x	2.9x	13.5x
Bio-Rad Laboratories, Inc.	US	5,899	5,494	199.34	95.2%	2,068	2.4%	55.1%	13.1%	20.3x	2.6x	18.0x
Bruker Corporation	US	3,729	3,648	23.33	78.2%	1,611	(0.8%)	46.8%	16.3%	13.9x	2.2x	12.5x
IDEXX Laboratories, Inc.	US	13,594	14,406	154.64	99.4%	1,775	10.8%	54.9%	24.3%	NM	7.5x	NM
Mettler-Toledo International Inc.	US	12,409	13,144	478.44	97.7%	2,508	4.7%	57.2%	23.5%	22.3x	5.1x	19.8x
Neogen Corporation	US	2,499	2,374	65.55	94.9%	353	13.9%	47.3%	21.5%	NM	6.2x	28.2x
PerkinElmer, Inc.	US	6,374	7,061	58.06	99.5%	2,116	0.5%	47.9%	19.2%	17.4x	3.2x	15.4x
QIAGEN N.V.	NL	6,544	7,080	28.97	95.8%	1,338	4.5%	64.0%	29.5%	17.9x	5.0x	14.9x
Sartorius Aktiengesellschaft	DE	5,914	6,591	85.00	97.3%	1,373	16.6%	48.6%	23.9%	20.1x	4.2x	16.4x
Thermo Fisher Scientific Inc.	US	59,964	75,915	153.60	95.0%	18,274	7.7%	46.2%	24.8%	16.7x	3.9x	15.2x
Waters Corporation	US	12,517	11,531	156.31	96.2%	2,167	6.1%	58.9%	33.6%	15.9x	5.2x	15.0x
<b>Life Sciences Instruments Mean</b>					<b>95.4%</b>	<b>6.5%</b>	<b>52.7%</b>	<b>22.7%</b>	<b>17.7x</b>	<b>4.3x</b>	<b>16.8x</b>	
<b>Life Sciences Instruments Median</b>					<b>96.3%</b>	<b>5.6%</b>	<b>52.5%</b>	<b>22.8%</b>	<b>17.6x</b>	<b>4.0x</b>	<b>15.4x</b>	
<b>Industrial Instruments</b>												
AMETEK, Inc.	US	12,439	14,063	54.08	97.5%	3,840	(3.4%)	33.9%	26.2%	14.0x	3.5x	13.5x
Badger Meter, Inc.	US	1,070	1,100	36.75	92.2%	394	4.3%	38.2%	19.0%	14.7x	2.6x	13.8x
Danaher Corporation	US	59,296	70,676	85.53	83.2%	16,882	17.0%	55.6%	24.4%	17.2x	4.0x	16.6x
Itron, Inc.	US	2,346	2,537	60.70	91.3%	2,013	6.9%	32.8%	10.6%	11.9x	1.3x	10.6x
Keysight Technologies, Inc.	US	6,675	6,872	36.14	91.8%	2,923	1.6%	56.0%	22.0%	10.7x	2.3x	10.5x
MTS Systems Corporation	US	918	772	55.05	89.0%	579	2.7%	36.1%	11.3%	11.8x	0.9x	5.7x
National Instruments Corp.	US	4,220	3,886	32.56	98.9%	1,228	0.2%	74.5%	14.3%	22.1x	3.0x	14.8x
Oxford Instruments plc	GB	567	743	9.92	94.1%	480	(0.4%)	45.8%	13.8%	11.2x	1.6x	10.1x
Roper Technologies, Inc.	US	21,036	26,488	206.49	96.3%	3,790	5.8%	61.5%	34.4%	20.3x	5.8x	16.5x
Spectris plc	GB	3,710	3,898	31.13	97.5%	1,662	13.1%	56.5%	16.6%	14.2x	2.1x	12.7x
<b>Industrial Instruments Mean</b>					<b>93.2%</b>	<b>4.8%</b>	<b>49.1%</b>	<b>19.3%</b>	<b>14.8x</b>	<b>2.7x</b>	<b>12.5x</b>	
<b>Industrial Instruments Median</b>					<b>93.2%</b>	<b>3.5%</b>	<b>50.7%</b>	<b>17.8%</b>	<b>14.1x</b>	<b>2.5x</b>	<b>13.1x</b>	
<b>Selected Public T&amp;M Companies Mean</b>					<b>93.3%</b>	<b>6.2%</b>	<b>47.0%</b>	<b>19.4%</b>	<b>15.7x</b>	<b>3.1x</b>	<b>13.8x</b>	
<b>Selected Public T&amp;M Companies Median</b>					<b>95.2%</b>	<b>4.8%</b>	<b>47.9%</b>	<b>19.2%</b>	<b>15.2x</b>	<b>2.6x</b>	<b>13.5x</b>	

Source: Capital IQ

(1) Market Capitalization based on closing share prices as of April 3, 2017

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

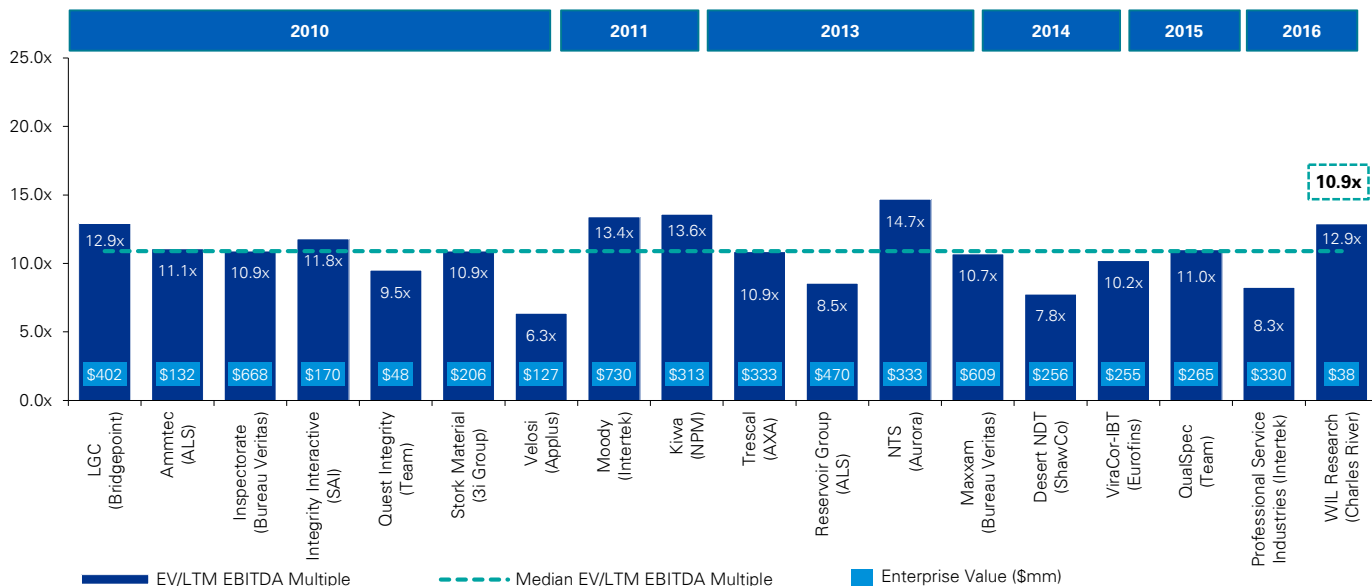
(3) Indicates percentage of current stock price compared to its 52 week high. Closing share prices as of April 3, 2017

(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

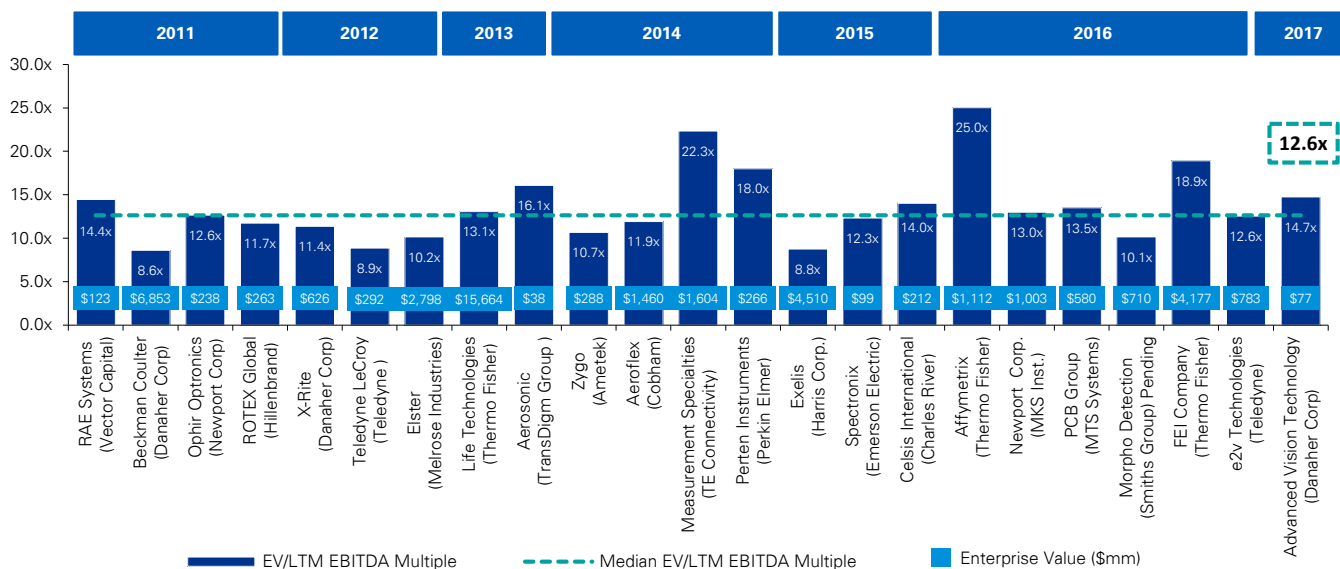
## Three Year Acquisition History for Selected Players in the TIC Industry

Aggregate EV (\$mm)	Average EV (\$mm)	Company	Number of Deals
10.3	10.3	<b>SGS</b>	33
287.4	57.5	<b>Eurofins</b>	30
NA	NA	<b>Bureau Veritas</b>	18
1.7	1.7	<b>DEKRA</b>	8
34.6	34.6	<b>Exova</b>	8
339.4	169.7	<b>Intertek Group</b>	7
198.9	198.9	<b>TÜV SÜD</b>	7
NA	NA	<b>National Technical Systems</b>	6
NA	NA	<b>UL LLC</b>	6
NA	NA	<b>Institut Mérieux</b>	5
NA	NA	<b>Applus Services</b>	5
49.8	49.8	<b>ALS</b>	4
NA	NA	<b>DNV GL Group</b>	4
2.4	0.8	<b>Premier Technical Services Group</b>	3
2.0	2.0	<b>Trescal</b>	3

Note: Three years ended March 31, 2017; 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

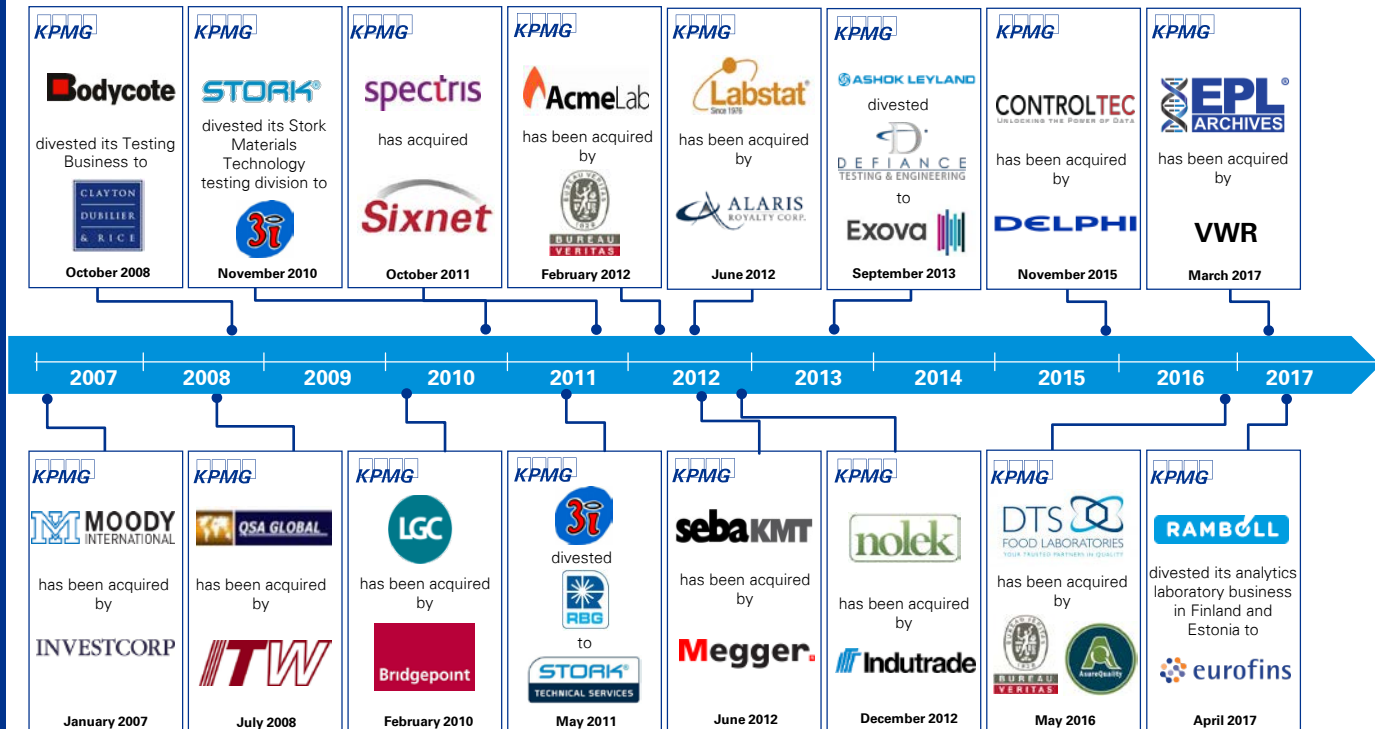
## Three Year Acquisition History for Selected Players in the T&M Equipment Industry

Aggregate EV (\$mm)	Average EV (\$mm)	Company	Number of Deals
6,353.1	1,588.3	<b>Danaher Corp</b>	14
155.4	31.1	<b>Spectris</b>	11
745.1	186.3	<b>Ametek</b>	7
804.0	402.0	<b>Teledyne Technologies</b>	5
62.5	31.3	<b>Bruker Corporation</b>	4
1,716.7	858.3	<b>TE Connectivity</b>	4
NA	NA	<b>Hexagon AB</b>	4
104.0	52.0	<b>Emerson Electric</b>	4
119.6	29.9	<b>Ultra Electronics Holdings</b>	4
NA	NA	<b>National Instruments</b>	3
597.4	199.1	<b>MTS Systems Corporation</b>	3
NA	NA	<b>ONICON Incorporated</b>	3
4,176.9	4,176.9	<b>Thermo Fisher Scientific</b>	3
266.0	266.0	<b>PerkinElmer</b>	3
19.2	9.6	<b>Judges Scientific plc</b>	3

Note: Three years ended March 31, 2017; Aggregate and Average EV figures include transactions where data is available  
Source: Capital IQ

# KPMG Corporate Finance

## Leading Advisor to the Test and Measurement Sector <sup>(1)</sup>



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

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NDPPS 566041