



# **Test & Measurement Newsletter**

## **Q2 2020 Update**

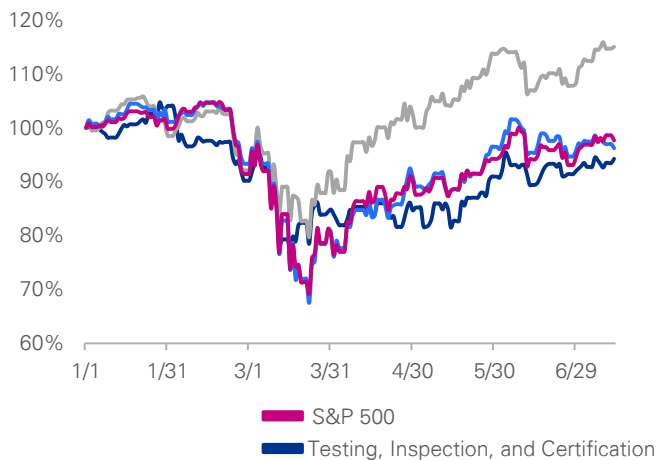


# Test & Measurement Public Market Commentary

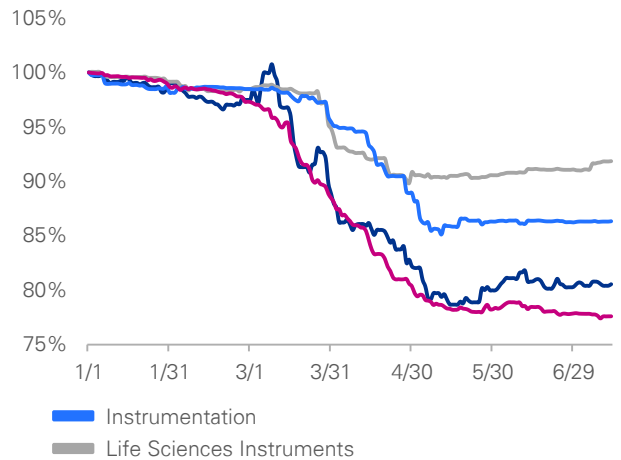
- While market conditions remain uncertain, the general reaction from industry participants is that the short-term challenges are softer than initially projected, reflected in improving stock prices and stabilizing earnings estimates
- Businesses with sector diversification and exposure to long-term growth drivers (e.g., ESG, cybersecurity, and 5G) remain highly valued, while businesses with concentrated exposure to aerospace and oil & gas end markets have faced the strongest headwinds from the economic implications of COVID-19
- Resilience of T&M relative to the broader market can be observed by trends in 2020 EBITDA estimates; Life Science Instruments and Instrumentation are each down, 8% and 14% YTD, respectively, with greater pressure felt in the TIC segment due to higher overall exposure to challenged end markets such as oil & gas and aerospace
- Trading multiples for Test & Measurement (T&M)<sup>(1)</sup> as of 7/13/2020 recorded an overall mean EV/LTM EBITDA of 20.8x; with the mean EV/LTM EBITDA for Life Science Instrument companies at 28.1x; Instrumentation at 18.5x; and Testing, Inspection, and Certification (TIC) at 12.6x
- Several longer-term trends catalyzed by the pandemic are being closely watched by industry participants, including increased demand for assurance platforms (e.g., workplace accreditations, risk assessments, etc.), virtual and remote inspections, and an increased focus on end market diversification versus specialization

(1) T&M includes: Testing, Inspection & Certification (TIC); Instrumentation; and Life Sciences Instruments

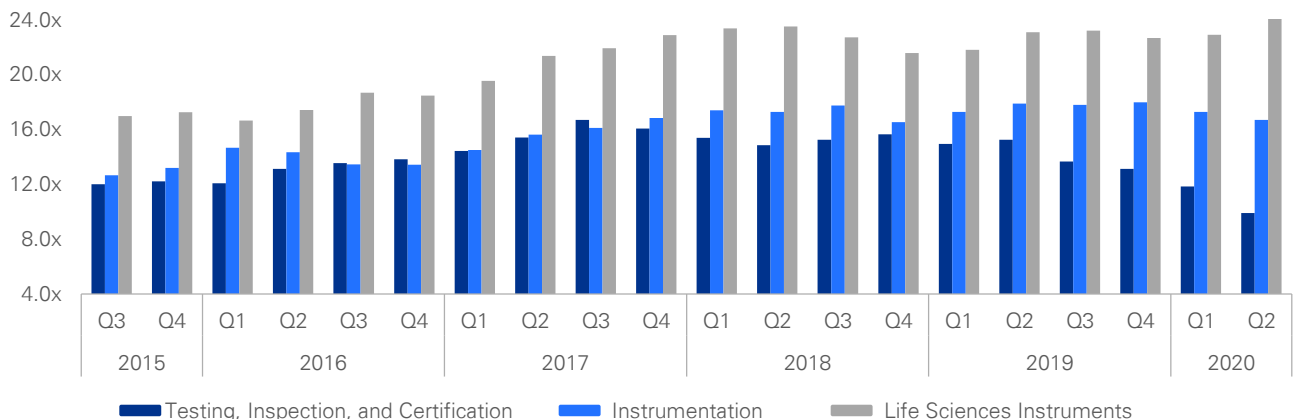
## Indexed Stock Price Performance (YTD – 7/13/2020)



## Indexed 2020 EBITDA Estimates (YTD – 7/13/2020)



## Average Quarterly Valuation Trends (EV / LTM EBITDA)



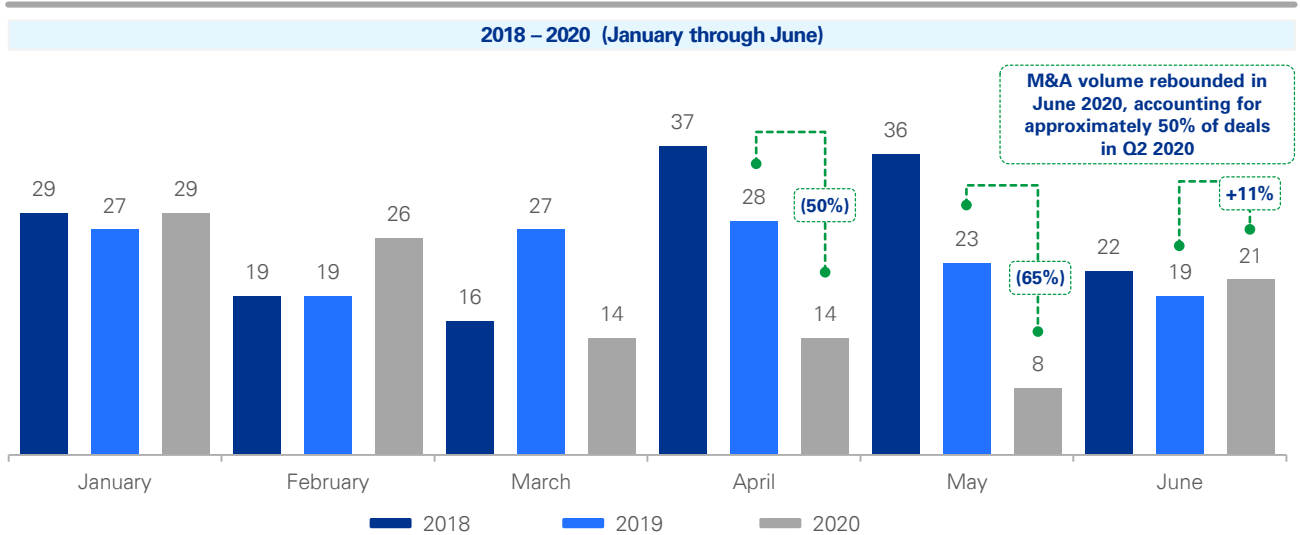
Source: Capital IQ, Mergermarket, press releases, Barclays

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# Test & Measurement M&A Market Commentary

- Announced transaction volume decreased by 37.1% in Q2 2020 over Q2 2019, while announced transaction value decreased 18.9% from \$1.95B in Q2 2019 to \$1.58B in Q2 2020
- There was a similar drop in transaction volume, 36.2%, when comparing Q2 2020 to Q1 2020, however, announced transaction value decrease substantially from \$18.37B to \$1.58B, primarily due to the Thermo Fisher Scientific \$11.5B acquisition of QIAGEN, a leading global provider of molecular diagnostics and sample preparation technologies, in Q1 2020

## Global T&M Industry Announced Deal Volume (# of Transactions) Comparative Analysis



## Global T&M Industry Announced Deal Volume and Value



Source: Capital IQ, Mergermarket, press releases

Notes: M&A analysis based on deals announced 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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# Industry Spotlight: Sustainable Food Systems and Traceability

## Sustainable Food Systems and Traceability Overview

### Sustainable Food Systems

- Relates to platforms that provide healthy food to people while also providing sustainable impacts on both environmental, economic, and social systems that surround food
- Current state of food systems are a major driver of poor health and environmental degradation – global efforts are rising to the challenge to collectively transform diets and food production
- TIC companies, such as Intertek, are helping to support food and beverage organizations to develop tailored programs to manage supply chains, disposal of waste, energy and water footprint achieving a greener, more efficient manufacturing and distribution process

**> 3 billion**

Malnourished people globally<sup>(1)</sup>

**~ 30%**

Global greenhouse gas emissions caused by food production<sup>(1)</sup>

**~ 10 billion**

World population by 2050<sup>(1)</sup>

### Food Traceability

- Functions that help trace the flow of a product through the value chain (i.e., production, processing, and distribution) with high importance in food & beverage due to its essential role in maintaining food safety by avoiding issues such as food contamination and allergies
- Expected to be in high-demand going forward as firms adapt supply chains to achieve end-to-end visibility
- Major TIC players, such as SGS and Bureau Veritas, have launched blockchain-based traceability products, offering services to companies as well as directly to consumers via “traceability labels”

**48 million**

People in the U.S. get sick each year from foodborne diseases<sup>(2)</sup>

**42%**

Consumers are concerned with food safety when ordered online<sup>(3)</sup>

**\$10 million**

Average direct cost of a food recall<sup>(4)</sup>

## Notable Food Sustainability and Traceability Deals

February 7, 2019

### bioMérieux / Invisible Sentinel

France-based provider of *in vitro* diagnostics and world leader in food microbiology testing, acquired the Philadelphia, PA-based provider of molecular diagnostic tools for the rapid, accurate and reliable detection of pathogens and spoilage organisms in food & beverage. The transaction value was approximately \$75 million, representing 8.3x 2018 revenue

**Enhances bioMérieux’s microbial detection solutions for high demand applications that includes food safety and beverage quality**

August 1, 2018

### Eurofins Scientific / Covance Food Solutions (LabCorp)

Luxembourg-based and global scientific leader in bioanalytical testing acquired the Princeton, NJ-based provider of product integrity, food safety, product development, and consulting solutions for end use segments that span the life cycle of food & beverage and dietary supplement products, from LabCorp. The transaction value was \$670 million, representing 4.2x 2018 revenue and 23.6x 2018 EBITDA

**Strengthens Eurofins’ food testing presence in the U.S. and provides cross-selling opportunities to each organization’s clients**

June 5, 2018

### Bertram Capital / Registrar Corp

Foster City, CA-based private equity firm targeting investments in lower middle market companies acquired the Hampton, VA-based leading SaaS assisted provider of U.S. Food and Drug Administration (“FDA”) compliance services to domestic and foreign food, medical device, drugs, and cosmetic facilities. Terms of the transaction were not disclosed

**Completed six add-on acquisitions, including Vinca, a leading provider of online training for food safety management systems, in March 2020**

September 26, 2016

### Paine Schwartz Partners / Global ID (Inverness Graham)

New York-based global private equity investment firm dedicated to investing in food and agribusiness, acquired the Fairfield, IA-based market leading platform that helps companies navigate the increasingly regulated global food economy demanding higher levels of transparency, accountability, safety and sustainability, from Inverness Graham. Terms of the transaction were not disclosed

**Rebranded as FoodChain ID and completed five add-on acquisitions, including Diversified Laboratories, an independent USDA Accredited analytical laboratory, in November 2019**

Source: Press releases. (1) Harvard T.H. Chan Public School of Health, “Sustainability”. (2) U.S. Food and Drug Administration, Food Safety Modernization Act (April 9, 2020). (3) The Institute of Food Technologists, Maria Velissariou. (4) Mérieux NutriSciences, “The Hidden Cost of Product Recalls” (January 19, 2017)

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# Select 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>(3)</sup>	Share Price <sup>(2)</sup>	% 52 Wk High	Revenue	Revenue Growth	Gross Margin %	EBITDA % <sup>(4)</sup>	LTM EBITDA	CY 2020 Revenue	CY 2020 EBITDA
<b>Testing, Inspection, and Certification</b>												
ALS Limited	AU	\$2,314	\$3,036	\$4.80	67.4%	\$1,124	10.0%	28.3%	20.8%	13.0x	2.5x	11.1x
Applus Services, S.A.	ES	1,090	1,848	7.64	50.9%	1,995	6.1%	36.1%	13.5%	6.9x	1.0x	7.7x
Bureau Veritas SA	FR	10,059	12,651	22.46	76.0%	5,723	6.3%	22.0%	18.3%	12.1x	2.4x	13.6x
Eurofins Scientific SE	LU	11,643	15,398	614.84	87.2%	5,120	20.7%	20.4%	17.6%	17.1x	2.7x	13.1x
Intertek Group plc	GB	10,978	12,119	68.21	87.5%	3,956	6.6%	56.0%	20.8%	14.7x	3.4x	16.7x
Mistras Group, Inc.	US	100	403	3.44	20.3%	731	(0.0%)	31.6%	7.4%	7.5x	0.6x	9.3x
SGS SA	CH	19,027	20,606	2,519.33	82.5%	6,815	(1.6%)	43.3%	17.5%	17.3x	3.4x	15.8x
Team, Inc.	US	134	533	4.39	23.1%	1,131	(6.9%)	28.2%	3.8%	12.3x	0.6x	17.8x
<b>Testing, Inspection, and Certification Mean</b>					<b>61.9%</b>	<b>5.2%</b>	<b>33.2%</b>	<b>15.0%</b>	<b>12.6x</b>	<b>2.1x</b>	<b>13.1x</b>	
<b>Testing, Inspection, and Certification Median</b>					<b>71.7%</b>	<b>6.2%</b>	<b>30.0%</b>	<b>17.5%</b>	<b>12.7x</b>	<b>2.5x</b>	<b>13.3x</b>	
<b>Life Sciences Instruments</b>												
Agilent Technologies, Inc.	US	\$27,561	\$28,914	\$89.26	95.9%	\$5,236	4.3%	53.6%	24.7%	22.3x	5.5x	22.0x
Avantor, Inc.	US	10,356	16,068	18.00	92.3%	6,079	2.6%	32.0%	16.5%	16.1x	2.6x	15.4x
bioMérieux S.A.	FR	17,110	17,528	145.24	92.6%	3,002	10.5%	54.8%	20.6%	28.4x	5.1x	22.5x
Bio-Rad Laboratories, Inc.	US	13,715	13,327	467.91	94.1%	2,329	1.6%	54.3%	17.3%	33.1x	5.9x	32.9x
Bruker Corporation	US	6,089	6,309	39.48	72.5%	2,035	5.7%	48.0%	17.1%	18.1x	3.3x	21.6x
IDEXX Laboratories, Inc.	US	28,464	29,649	335.14	97.0%	2,457	9.1%	56.7%	27.2%	44.4x	11.8x	44.1x
Mettler-Toledo International Inc.	US	19,700	20,950	823.99	95.4%	2,978	0.8%	58.0%	26.2%	26.8x	7.4x	26.9x
Neogen Corporation	US	4,082	3,755	77.14	96.5%	419	1.5%	46.6%	20.2%	44.5x	8.6x	40.8x
PerkinElmer, Inc.	US	11,640	13,645	104.50	98.1%	2,887	3.8%	49.1%	21.2%	22.3x	4.7x	21.7x
QIAGEN N.V.	NL	10,334	11,302	45.23	98.4%	1,550	2.8%	70.5%	31.7%	23.0x	6.8x	17.9x
Sartorius Aktiengesellschaft	DE	22,336	23,708	293.22	82.2%	2,089	16.1%	51.7%	26.2%	43.3x	9.7x	35.5x
Thermo Fisher Scientific Inc.	US	149,659	166,677	378.93	95.9%	25,647	4.1%	44.3%	25.6%	25.4x	6.0x	25.3x
Waters Corporation	US	11,965	13,559	193.27	78.7%	2,358	(1.9%)	57.6%	33.6%	17.1x	6.1x	19.5x
<b>Life Sciences Instruments Mean</b>					<b>91.5%</b>	<b>4.7%</b>	<b>52.1%</b>	<b>23.7%</b>	<b>28.1x</b>	<b>6.4x</b>	<b>26.6x</b>	
<b>Life Sciences Instruments Median</b>					<b>95.4%</b>	<b>3.8%</b>	<b>53.6%</b>	<b>24.7%</b>	<b>25.4x</b>	<b>6.0x</b>	<b>22.5x</b>	
<b>Instrumentation</b>												
AMETEK, Inc.	US	\$20,298	\$22,471	\$88.47	86.5%	\$5,073	2.3%	34.9%	27.2%	16.3x	5.1x	18.1x
Badger Meter, Inc.	US	1,787	1,729	61.37	86.6%	428	(1.2%)	38.9%	20.5%	19.7x	4.1x	20.5x
Danaher Corporation	US	128,968	153,042	182.41	97.4%	18,034	8.8%	55.8%	24.7%	34.3x	7.5x	29.0x
Fortive Corporation	US	22,789	28,043	67.63	81.7%	7,441	13.5%	50.5%	21.9%	17.2x	4.2x	18.9x
Halma plc	GB	10,958	11,350	28.90	96.4%	1,573	10.7%	55.3%	23.2%	31.1x	6.8x	31.1x
Itron, Inc.	US	2,590	3,462	64.43	73.0%	2,486	4.3%	29.6%	10.4%	13.3x	1.6x	20.2x
Keysight Technologies, Inc.	US	17,725	17,838	94.77	86.2%	4,197	1.2%	59.1%	25.2%	16.9x	4.5x	17.1x
MTS Systems Corporation	US	313	870	16.28	25.7%	874	5.4%	39.2%	17.3%	5.8x	1.1x	7.4x
National Instruments Corp.	US	4,772	4,238	36.54	76.3%	1,352	(0.5%)	74.5%	16.2%	19.4x	3.3x	13.9x
Oxford Instruments plc	GB	969	895	16.88	80.0%	395	(4.9%)	50.0%	16.8%	13.5x	2.4x	13.8x
Roper Technologies, Inc.	US	40,323	44,600	386.25	94.1%	5,430	2.9%	64.0%	35.7%	23.0x	8.3x	23.4x
Spectris plc	GB	3,702	3,736	31.88	82.3%	2,161	1.7%	56.0%	10.0%	17.3x	2.2x	13.2x
Transcat, Inc.	US	189	227	25.54	74.7%	173	7.6%	24.5%	10.1%	13.0x	1.3x	13.5x
<b>Instrumentation Mean</b>					<b>80.1%</b>	<b>4.0%</b>	<b>48.7%</b>	<b>19.9%</b>	<b>18.5x</b>	<b>4.0x</b>	<b>18.5x</b>	
<b>Instrumentation Median</b>					<b>82.3%</b>	<b>2.9%</b>	<b>50.5%</b>	<b>20.5%</b>	<b>17.2x</b>	<b>4.1x</b>	<b>18.1x</b>	
<b>Selected Public T&amp;M Companies Mean</b>					<b>80.2%</b>	<b>4.5%</b>	<b>46.3%</b>	<b>20.2%</b>	<b>20.8x</b>	<b>4.5x</b>	<b>20.3x</b>	
<b>Selected Public T&amp;M Companies Median</b>					<b>86.3%</b>	<b>3.9%</b>	<b>49.6%</b>	<b>20.5%</b>	<b>17.3x</b>	<b>4.2x</b>	<b>18.5x</b>	

Source: Capital IQ

(1) Market Capitalization based on closing share prices as of July 13, 2020

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

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

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

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# Select T&M Transactions for Q2 2020

Date Closed	Target	Buyer	Enterprise Value (\$ mm)	EV / LTM Revenue	EV / LTM EBITDA
6/30/2020	Taylor Dynamometer	Power Test	-	-	-
6/30/2020*	PathSensors	Smiths Detection (Smiths Group)	-	-	-
6/29/2020	Orbis Intelligent Systems	Unigestion (Cadence Equity Partners)	-	-	-
6/29/2020*	ENVEA	The Carlyle Group	196	1.7x	10.2x
6/24/2020*	Normec Group (Summit Partners)	Astorg Partners	-	-	-
6/23/2020	Shadin Avionics (The Wright Group)	Gardner Standard	-	-	-
6/16/2020	Third Party Field Service Division of Pion	Full Spectrum Group (Pfungsten Partners)	-	-	-
6/12/2020*	ERBER Group	Royal DSM	1,101	3.0x	14.0x
6/4/2020	Aerobiology Laboratory Associates	Pace Analytical Services (Aurora Capital Partners)	-	-	-
6/3/2020	Lapuck Laboratories	Matrix Sciences (Imperial Capital)	-	-	-
6/3/2020	Cobham RAD (Cobham / Advent)	Radiation Test Solutions	-	-	-
6/2/2020	Mérieux NutriSciences	Chestnut Labs (Dairy Farmers of America)	-	-	-
5/18/2020	REF TEK Seismic Monitoring Portfolio of Trimble	Xeos Technologies	-	-	-
5/18/2020	JP3 Measurement	Flotek Industries	34	2.4x	-
5/5/2020	5G RF And RRM Testing Solutions (Rohde & Schwarz)	PCTEST Engineering Laboratory (Element Materials / Bridgepoint)	-	-	-
5/4/2020	FARO Photonics (FARO Technologies)	MECCO Partners	-	-	-
4/30/2020	Tanknology (Hamilton Robinson Capital Partners)	Compliance Testing and Technology	-	-	-
4/28/2020	Cascada Lab Water Purification Product Line of Pall Corporation (Danaher)	Avidity Science (ShoreView Industries)	-	-	-
4/28/2020	Lucidyne Technologies	Microtec	-	-	-
4/9/2020	Bio-Rad Laboratories	Celsee	-	-	-
4/8/2020	Fluid Imaging Technologies	Yokogawa Electric Corporation	-	-	-
4/7/2020	Auswertungsstelle für Strahlendosimeter (Helmholtz Zentrum München)	Mirion Technologies (Charterhouse Capital Partners)	-	-	-
4/1/2020	Niko Optics	Okamoto Glass	-	-	-

\* Indicates transaction pending

Source: Press releases, public filings, Capital IQ, Merger Market

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# Transaction History - TIC

Date Closed	Target	Buyer	Enterprise Value (\$ mm)	EV / LTM Revenue	EV / LTM EBITDA
Jun. 2020*	ERBER Group	Royal DSM	1,101	3.0x	14.0x
Jan. 2020	OPUS Group	Searchlight Capital Partners	494	1.8x	8.8x
Apr. 2019	Antelliq Corporation (BC Partners)	Merck	3,671	5.8x	NA
Feb. 2019	Onstream Pipeline Inspection (Novacap)	MISTRAS Group	143	5.4x	9.0x
Aug. 2018	Alchemy Systems (The Riverside Company)	Intertek Group	480	7.3x	21.8x
Aug. 2018	Covance Food Solutions (LabCorp)	Eurofins	670	4.2x	23.6x
Jan. 2018	Concept Life Sciences Group (Equistone Partners)	Spectris	230	3.3x	17.5x
Dec. 2017	EAG (Odyssey Investment Partners)	Eurofins	780	3.5x	~11.8x
Jun. 2017	Exova	Element	1,055	2.3x	12.3x
Jun. 2017	MOCON	AMETEK	182	2.8x	17.8x
Sept. 2016	Millbrook (Rutland Partners)	Spectris	162	2.5x	22.6x
Apr. 2016	WIL Research Laboratories	Charles River Laboratories	585	2.7x	12.9x
Nov. 2015	Professional Service Industries	Intertek Group	330	1.3x	8.3x
Jul. 2015	Qualspec (Clearview Capital)	Team	265	1.5x	11.0x
Jul. 2014	Desert NDT	Shawcor	264	2.6x	8.0x
Jul. 2014	Viracor-IBT Laboratories (Ampersand Capital Partners)	Eurofins	255	3.2x	10.2x
Jan. 2014	Maxxam Analytics International (OMERS)	Bureau Veritas	584	2.6x	10.7x
Nov. 2013	National Technical Systems	Aurora Capital Partners	333	1.8x	14.7x
Aug. 2013	Reservoir Group (SCF Partners)	ALS	533	2.4x	9.7x
Jul. 2013	Trescal (3i)	AXA Private Equity	333	1.6x	10.9x
Jul. 2011	Kiwa (ABN AMRO)	NPM Capital	313	2.0x	13.6x
Apr. 2011	Moody International	Intertek Group	730	1.5x	13.4x
Dec. 2010	Stork Materials Technology (Stork)	3i	206	NA	10.9x
Nov. 2010	Quest Integrity Group	Team	48	2.2x	9.6x
Sept. 2010	Integrity Interactive	SAI Global	170	NA	11.8x
Sept. 2010	Inspectorate	Bureau Veritas	668	1.8x	10.9x
May 2010	Ammtec	ALS	132	2.6x	11.1x
Feb. 2010	LGC	Bridgepoint	402	2.0x	12.9x

<b>Historical Transaction Mean</b>	<b>\$540</b>	<b>2.8x</b>	<b>13.0x</b>
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<b>Historical Transaction Median</b>	<b>\$333</b>	<b>2.6x</b>	<b>11.5x</b>
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\* Indicates transaction pending

Source: Press releases, public filings, Capital IQ, Merger Market

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# Transaction History - Life Sciences Instruments

Date Closed	Target	Buyer	Enterprise Value (\$ mm)	EV / LTM Revenue	EV / LTM EBITDA
Apr. 2020	LGC (KKR)	Cinven / Astorg Partners	3,874	6.7x	NA
Mar. 2020*	QIAGEN	Thermo Fisher Scientific	11,500	7.5x	20.8x
Mar. 2020	GE Biopharma	Danaher	21,400	6.7x	~17.0x
Jan. 2020	Applikon	Getinge	156	3.3x	NA
Oct. 2019	Gyros Protein Technologies (Ampersand Capital Partners)	Mesa Labs	180	4.7x	NA
Apr. 2020	ForteBio, Pall Chromatography, and SoloHill Businesses of Danaher	Sartorius	750	5.3x	~20.0x
Aug. 2019	BioTek Instruments	Agilent Technologies	1,165	7.2x	~22.0x
Apr. 2019	Cisbio Bioassays (Abénex Capital)	PerkinElmer	215	4.2x	NA
Feb. 2019	Invisible Sentinel	bioMérieux	75	8.3x	NA
Feb. 2019	Scientific Imaging Businesses of Roper	Teledyne Technologies	225	2.5x	11.0x
Dec. 2017	EUROIMMUN Medizinische Labordiagnostika	PerkinElmer	1,344	3.8x	19.2x
Mar. 2016	Affymetrix	Thermo Fisher Scientific	1,378	3.8x	31.0x
Jul. 2015	Celsis International (Harwood Capital)	Charles River Laboratories	212	6.1x	14.0x
<b>Historical Transaction Mean</b>			<b>\$3,267</b>	<b>5.4x</b>	<b>19.4x</b>
<b>Historical Transaction Median</b>			<b>\$750</b>	<b>5.3x</b>	<b>20.0x</b>

\* Indicates transaction pending

Source: Press releases, public filings, Capital IQ, Merger Market

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# Transaction History - Instrumentation

Date Closed	Target	Buyer	Enterprise Value (\$ mm)	EV / LTM Revenue	EV / LTM EBITDA	
Jun. 2020*	ENVEA	The Carlyle Group	196	1.7x	10.2x	
Jun. 2020	Isra Vision	Atlas Copco	1,200	11.2x	28.2x	
May. 2020	JP3 Measurement	Flotek Industries	34	2.4x	NA	
May. 2020	L3Harris Security & Detection Systems	Leidos Holdings	1,000	2.0x	NA	
Apr. 2020	Consilium Marine & Safety (Consilium AB)	Nordic Capital	320	1.9x	12.5x	
Feb. 2020	EMS B&K (Macquarie and Spectris)	Envirosuite	75	2.3x	NA	
Feb. 2020	Intellipower	AMETEK	115	2.9x	NA	
Feb. 2020	SENSIT Technologies	Halma	52	2.0x	11.7x	
Dec. 2019	Gasmet Technologies	Nederman	62	2.7x	NA	
Dec. 2019	BTG	Voith	353	1.2x	11.6x	
Nov. 2019	Operating entities of R&D A/S	MTS	80	1.5x	NA	
Nov. 2019	Dynamic Systems (HCI Equity Partners)	Vishay Precision Group	44	2.8x	NA	
Oct. 2019	Gatan	AMETEK	925	5.1x	NA	
Oct. 2019	Rudolph Technologies	Nanometrics	769	2.8x	13.4x	
Aug. 2019	Gas & Flame Detection Business of 3M	Teledyne Technologies	230	1.9x	11.0x	
Nov. 2018	Spectro Scientific (SFW Capital Partners)	AMETEK	190	3.8x	NA	
Dec. 2017	Arizona Instrument	AMETEK	38	2.5x	NA	
Jul. 2017	Industrial Scientific	Fortive	600	3.8x	NA	
Jul. 2017	Oxford IAB	Hitachi	103	1.6x	9.8x	
May. 2017	Advanced Vision Technology	Danaher	103	1.8x	17.4x	
Apr. 2017	Morpho Detection (Safran)	Smiths Group	710	2.2x	10.1x	
Mar. 2017	E2v	Teledyne Technologies	789	2.7x	12.3x	
Sept. 2016	FEI	Thermo Fisher Scientific	4,200	4.5x	19.3x	
Jul. 2016	PCB Group	MTS	580	3.2x	13.5x	
Apr. 2016	Newport Corp.	MKS Instruments	998	1.7x	18.0x	
Sept. 2015	Spectronix	Emerson	99	2.5x	NA	
May. 2015	Exelis	L3 Harris Technologies	4,730	1.4x	9.3x	
Feb. 2015	Brookfield Engineering	AMETEK	167	3.0x	NA	
Dec. 2014	Perten Instruments (Valedo Partners)	PerkinElmer	266	4.1x	NA	
Oct. 2014	Measurement Specialties	TE Connectivity	1,700	4.1x	23.7x	
Sept. 2014	Aeroflex	Cobham	1,460	2.3x	11.9x	
Jun. 2014	Zygo	AMETEK	280	1.7x	10.4x	
Jun. 2014	Wema	Measurement Specialties	115	1.0x	10.4x	
			<b>Historical Transaction Mean</b>	<b>\$679</b>	<b>2.9x</b>	<b>14.1x</b>
			<b>Historical Transaction Median</b>	<b>\$266</b>	<b>2.5x</b>	<b>12.1x</b>

\* Indicates transaction pending

Source: Press releases, public filings, Capital IQ, Merger Market

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# Notable Recent Deals

## **Power Test acquires Taylor Dynamometer**

*June 30, 2020*

Power Test, a Sussex, WI-based manufacturer of dynamometers, acquired Taylor Dynamometer, a designer and manufacturer of market-leading engine, chassis, and towing dynamometers as well as hydraulic test centers and controls. Founded in 1929 and headquartered in Milwaukee, WI with an additional office in Guangzhou, China, the Company's dynamometers, hydraulic test centers, instrumentation, and electric motor testing solutions are designed for construction, marine, mining, military, oil & gas, and transportation industries. Terms of the transaction were not disclosed.

## **Smiths Detection announces acquisition of PathSensors**

*June 30, 2020*

Smiths Detection, a division of Smiths Group plc, and Hertfordshire, U.K.-based provider of threat detection and screening technologies for aviation, ports and borders, defense, and urban security markets, announced that it will acquire PathSensors, a leading biotechnology solutions and environmental testing company. Founded in 2009 and headquartered in Baltimore, MD, the Company provides high-speed, high-sensitivity pathogen detection and threat prevention solutions that can detect a wide range of threats, including anthrax, ricin, Ebola, salmonella, Phytophthora, and Ralstonia, among others. The transaction is expected to close in July 2020 and is subject to customary closing conditions. Terms of the transaction were not disclosed.

## **The Carlyle Group announces acquisition of ENVEA**

*June 29, 2020*

The Carlyle Group, a global investment firm, announced that it will acquire a majority equity interest in Poissy, France-based ENVEA, a world-class manufacturer of ambient, emission, and process monitoring systems. Founded in 1978 and listed on the Euronext Growth Paris market, the Company's equipment and technologies comprise gas analyzers, dust monitors, solids and flue gas flow meters as well as environmental data processing and reporting solutions. ENVEA has approximately 700 employees and operates R&D centers, production facilities, and sales and services local business units across France, the United Kingdom, Germany, Italy, United States, India, and China. Total consideration for the transaction is approximately \$196 million, which includes the assumption of -\$13.2 million of net debt, representing 1.7x 2019 revenue and 10.2x 2019 EBITDA. The transaction is expected to close in the second half of 2020 and is subject to regulatory approvals.

## **Astorg announces acquisition of Normec Group from Summit Partners**

*June 24, 2020*

Astorg, an independent private equity firm with offices in London, Paris, Luxembourg, Frankfurt and Milan, announced that it will acquire Normec Group ("Normec"), the Geldermalsen, Netherlands-based provider of testing, inspection, certification and compliance services, from Summit Partners, a global alternative investment firm. Founded in 2016, Normec specializes in testing, inspection and certification services in the food care and life, safety, and environment markets with over 900 employees globally. The Company's laboratories are RvA or BELAC accredited according to ISO/IEC 17025 (RvA: L264, L330, L509, L281; BELAC: 080-Test and 052-Test) and it is also a member of FENELAB, the trade association of accredited laboratories in the Netherlands. The transaction is expected to close in the third quarter of 2020 and is subject to customary closing conditions and regulatory approvals. Terms of the transaction were not disclosed.

## **Gardner Standard acquires Shadin Avionics from The Wright Group**

*June 23, 2020*

Gardner Standard, a New York-based private investment firm, acquired Shadin Avionics, an industry leader for flight worthy data collection and data conversion products for all types of aircraft, from The Wright Group. Founded in 1978 and headquartered in Eden Prairie, MN, the Company designs, manufactures, and provides support services for fuel flow systems, engine trend monitoring, altitude management systems, air data computers and other instrumentation for turbine, piston and rotor aircraft for the military, general, and corporate aviation markets. Terms of the transaction were not disclosed.

# Notable Recent Deals

## **Full Spectrum Group (Pfungsten Partners) acquires Third Party Field Service Division of Pion**

June 16, 2020

Pfungsten Partners, an operationally-oriented private equity firm, announced that its portfolio company, Full Spectrum Group (“FSG”), a national, brand agnostic service provider for laboratory instruments, acquired the Third Party Field Service Division of Pion (“Pion TPFS”), a national provider for repair, maintenance, validation, and qualification services for laboratory instrumentation. Headquartered in Benson, NC, Pion TPFS provides its services to a diverse customer base in biotechnology, life sciences, and pharmaceutical end markets. The acquisition represents FSG’s first add-on investment since Pfungsten Partners became the majority shareholder in February 2019. Terms of the transaction were not disclosed.

## **Royal DSM announces acquisition of Erber Group**

June 12, 2020

Royal DSM, the Heerlen, Netherlands-based global science-based company specializing in nutrition, health, and sustainable living, has announced that it will acquire Austria-based Erber Group’s specialty animal nutrition and health businesses, Biomin and Romer Labs. Biomin specializes in mycotoxin risk management and gut health performance management and Romer Labs provides diagnostic technology with innovative testing solutions for the analysis of mycotoxins in feed and food, food allergens, and pathogens, as well as veterinary drug residues, with accredited full-service labs in Austria, the United Kingdom, United States, and Singapore. Total consideration for the transaction is \$1.1 billion, representing approximately 3.0x 2020E revenue and 14.0x 2020E EBITDA (fiscal year ending September 2020). The transaction is expected to close in the fourth quarter of 2020 and is subject to customary closing conditions.

## **Pace Analytical Services (Aurora Capital Partners) acquires Aerobiology**

June 4, 2020

Aurora Capital Partners, a leading middle-market private equity firm, announced that Pace Analytical Services, LLC (“Pace Analytical”), the largest American-owned laboratory network providing environmental and life sciences analytical information and services has acquired Aerobiology Laboratory Associates, Inc., the leading environmental microbiology testing laboratory with eight lab locations nationwide. Terms of the transaction were not disclosed.

## **Mérieux NutriSciences acquires Chestnut Labs from Dairy Farmers of America**

June 2, 2020

Mérieux NutriSciences, a world leader in food safety and quality and part of Institut Mérieux, acquired Chestnut Labs, a value-added food safety solutions provider, from Dairy Farmers of America. Founded in 1996 with locations in Springfield, MO, and Ithaca, NY, the ISO 17025 accredited Company provides testing services to leading human and pet food manufacturers. Chestnut Labs’ services are recognized in over 35 countries and the Company holds multiple accreditation and certificates, including A2LA (Scope Numbers: 2552.01, 2552.02, 2552.03) and USDA EU (for the export to the European Union), among others. Terms of the transaction were not disclosed.

## **Xeos Technologies acquires REF TEK seismic monitoring portfolio from Trimble**

May 18, 2020

Xeos Technologies, a Nova Scotia, Canada-based manufacturer of telemetry and data collection products, has acquired the REF TEK seismic monitoring portfolio (“REF TEK”) from Trimble, a global provider of positioning, modeling, connectivity, and data analytics technologies that enable customers to improve productivity, quality, safety, and sustainability. REF TEK provides seismic recorders, seismometers, accelerometers, and software for seismic and earthquake engineering systems. The Company’s solutions are used for scientific study, earthquake hazard mitigation, seismic warning assessment, earthquake structural response as well as oil & gas operations monitoring. Terms of the transaction were not disclosed.

## **Flotek Industries acquires JP3 Measurement**

May 18, 2020

Flotek Industries (“Flotek”), a Houston, TX-based provider of chemistry and services to the oil & gas industries, has acquired JP3 Measurement, a leading data and analytics technology company. Founded in 2005 and headquartered in Austin, TX, the Company provides field deployable, real time, in-line optical analyzers for both liquid and natural gas measurement. Platform applications serve production, transportation, process, refining, and sales, enabling customers to improve operational efficiencies, reduce costs, and maximize profitability. Total consideration for the transaction is approximately \$34.4 million, which includes the assumption of \$1.3 million of net debt and excludes \$5.0 million of potential earnouts, representing approximately 2.4x 2019 revenue.

# Notable Recent Deals

## **Element Materials (Bridgepoint Advisers), acquires 5G Test Solutions from Rohde & Schwarz**

*May 5, 2020*

Element Materials Technology Ltd. (Element), a portfolio company of Bridgepoint Advisers ("Bridgepoint"), has acquired PCTEST Engineering Laboratory, Inc. (PCTEST), the 5G test solutions for RF and RRM testing in the FR1 and FR2 frequency ranges ("5G Test Solutions") from Rohde & Schwarz. 5G Test Solutions, which includes the R&S TS8980 RF conformance test system and the R&S ATS1800C CATR-based OTA test chamber, will become a part of Element's recently acquired PCTEST Engineering Laboratory ("PCTEST"), a leading independent test laboratory providing research and development, certification, and testing services to the mobile device, wearables, and network connectivity regulatory and compliance sector. Terms of the transaction were not disclosed.

## **Tanknology (Hamilton Robinson Capital Partners) acquires Compliance Testing and Technology**

*April 30, 2020*

Hamilton Robinson Capital Partners ("HRCP"), a Stamford, CT-based private equity firm, announced that Tanknology, a provider of tank testing and environmental compliance services, has acquired Compliance Testing and Technology ("CT&T"), a provider of environmental compliance services. Headquartered in Cedarburg, WI, the Company offers underground storage tank compliance, aboveground storage tank services, cathodic protection services, tank cleaning, and leak detection services. Terms of the transaction were not disclosed.

## **Avidity Science (ShoreView Industries) acquires the Cascada Laboratory Water Purification product line from Pall Corporation, a Danaher Company**

*April 28, 2020*

ShoreView Industries, a Minneapolis, MN-based private equity firm, announced that Avidity Science, a worldwide leader in water purification systems and laboratory equipment for scientific research and healthcare facilities, has acquired the Jiaxing, China-based Cascada Laboratory Water Purification ("Cascada") product line from Pall Corporation, a Danaher Company. Cascada represents a full suite of benchtop water purification solutions used in life sciences research throughout Asia. Terms of the transaction were not disclosed.

## **Yokogawa Acquires Fluid Imaging Technologies**

*April 18, 2020*

Yokogawa Electric Corporation ("Yokogawa"), the Tokyo, Japan-based manufacturer of industrial automation and test & measurement solutions, has acquired Fluid Imaging Technologies, a provider of flow imaging particle analysis solutions. Founded in 1999 and headquartered in Scarborough, MA, the Company specializes in the development, manufacturing, and sale of flow imaging instrumentation used to perform particle analysis in fields such as marine research and municipal water management and industries ranging from biopharmaceuticals to chemicals, and oil & gas. Terms of the transaction were not disclosed.

## **Mirion Technologies (Charterhouse Capital Partners) acquires Auswertungsstelle für Strahlendosimeter from Helmholtz Zentrum München**

*April 7, 2020*

Mirion Technologies ("Mirion"), a global leader in nuclear detection, measurement, analysis, and monitoring products and portfolio company of the London-based private equity firm Charterhouse Capital Partners, has acquired Auswertungsstelle für Strahlendosimeter ("AWST"), from Helmholtz Zentrum München, the Germany-based environmental health research center. Founded in 1952 and headquartered in Munich, Germany, AWST operates as a certified test laboratory according to DIN EN ISO / IEC 17025:2005, providing radiation and dosimeter monitoring services. Terms of the transaction were not disclosed.

# KPMG Corporate Finance\* - Longstanding Expertise in T&M

  has been acquired by  <b>November 2019</b>	  a portfolio company of  has been acquired by  <b>November 2019</b>	  has been acquired by  <b>January 2019</b>	  has been acquired by  <b>June 2018</b>	  has been acquired by  <b>December 2017</b>	  has been acquired by  a subsidiary of LabCorp <b>December 2017</b>
  divested its analytics laboratory business in Finland and Estonia to  <b>April 2017</b>	  has been acquired by  <b>March 2017</b>	  has been acquired by  <b>May 2016</b>	  has been acquired by   <b>April 2016</b>	  has been acquired by  <b>November 2015</b>	  has divested  to  <b>September 2013</b>
  has been acquired by  <b>December 2012</b>	  has been acquired by  <b>June 2012</b>	  has been acquired by  <b>June 2012</b>	  has been acquired by  <b>February 2012</b>	  has acquired  <b>October 2011</b>	  has divested  to  <b>May 2011</b>
  divested its Stork Materials Technology testing division to  <b>November 2010</b>	  has been acquired by  <b>February 2010</b>	  divested its Testing Business to  <b>October 2008</b>	  has been acquired by  <b>July 2008</b>	  has been acquired by  <b>January 2007</b>	  has been acquired by  <b>November 2006</b>

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## U.S. Test & Measurement Investment Banking Team

**Chrisanne Corbett**  
**Managing Director**  
 Chicago  
**T:** 312-665-2779  
**E:** ccorbett@kpmg.com

**Kyle Kuklewski**  
**Vice President**  
 Chicago  
**T:** 312-665-1249  
**E:** kkuklewski@kpmg.com

**Shea McCarty**  
**Senior Associate**  
 Chicago  
**T:** 312-665-1939  
**E:** sheamccarty@kpmg.com

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