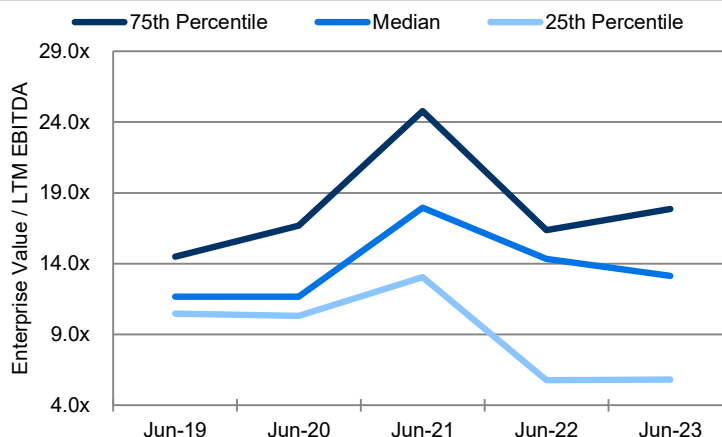


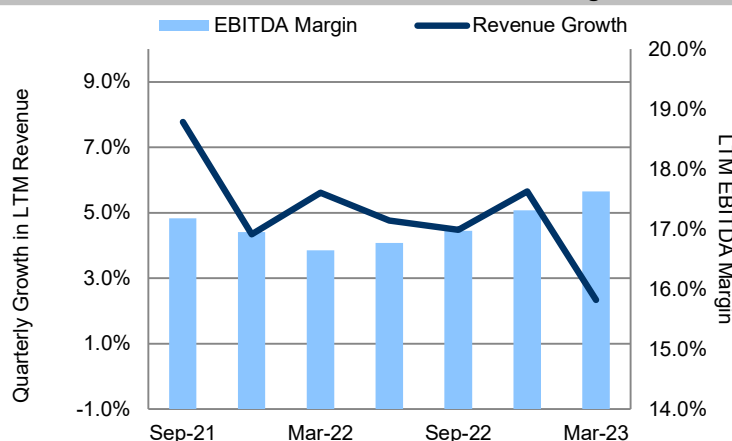
M&A Activity

- M&A activity has recently come under considerable pressure as market participants navigate inflationary pressures, rising interest rates and continued geopolitical tension. 2021's abundant liquidity and record setting activity is firmly in the rear view. Despite this, 2023 M&A activity is poised for a modest bounce back as equity markets and EBITDA multiples have come down to more attractive levels for buyers. Boosting growth, restructuring business models, digital transformation and geographic expansion are expected to be top priorities for deal makers as they navigate the remainder of 2023.
- Electrical components and equipment are bracing for a slightly more difficult environment as interest rate increases and high inflation have slowed some spending. With that said, there has been and will continue to be more investment in American chip and equipment manufacturers as demand for products remains strong. ESG guidelines could also provide a boost as companies will be encouraged to use and develop more efficient technologies.
- On March 8, 2023, Generac completed the acquisition of the remaining 20% stake in PR Industrial s.r.l. (Pramac). PR INDUSTRIAL s.r.l. engineers, manufactures, markets, distributes, and installs generators and material handling equipment for customers in Italy and internationally. Its generators include power engineering product lines that are used in industrial, telecommunication, agriculture and residential businesses, and other sectors.

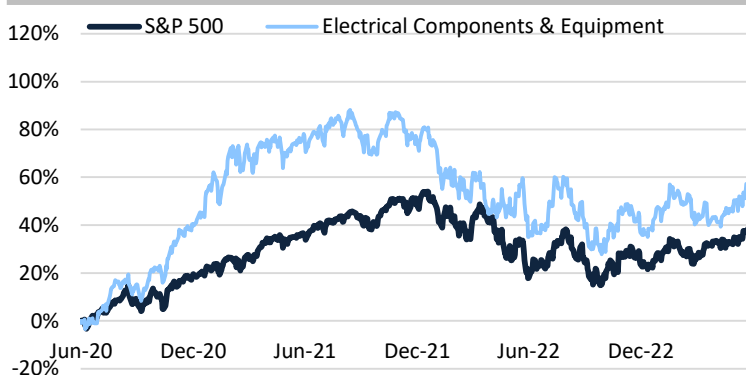
Trend in Industry EBITDA Multiples¹



Trends in Revenue Growth and EBITDA Margins¹



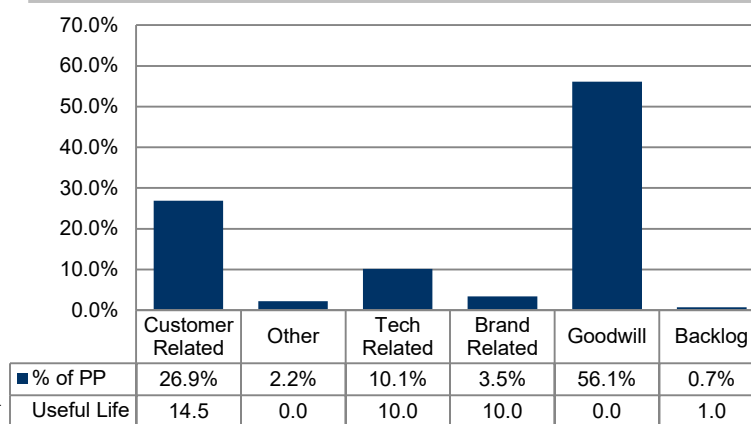
Relative Stock Price Returns²



¹ Calculated using aggregated data for GNRC, RBC, EMR, AME, ROK, HUBB, ETN, AVX, KEM, TEL, AVT, ARW, VSH, AIRG, LFUS.

² Electrical Components & Equipment Industry is a custom, equal-weighted index constructed with the aforementioned companies.

Purchase Price Allocation (PPA) % from Recent Transactions



Notable M&A Deals



On April 24, 2023, Eaton announced it completed the acquisition of a 49% stake in Jiangsu Ryan Electrical Co. Ltd., a manufacturer of power distribution and sub-transmission transformers in China with revenues of approximately \$100 million in 2022. The company is focused on dry-type transformers, a sizeable and growing market amid the rapidly expanding renewable energy base and increasing electricity consumption around the world.



On March 27, 2023, Regal Rexnord Corporation completed the previously announced \$5.1 billion acquisition of Altra Industrial Motion Corp. Altra designs, produces, and markets a range of electromechanical power transmission motion control products for use in various motion-related applications, and high-volume manufacturing and non-manufacturing processes.