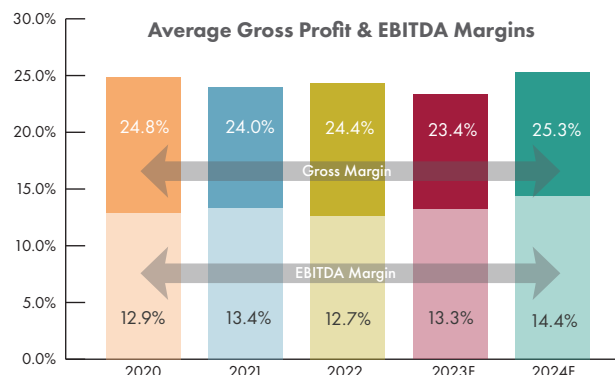
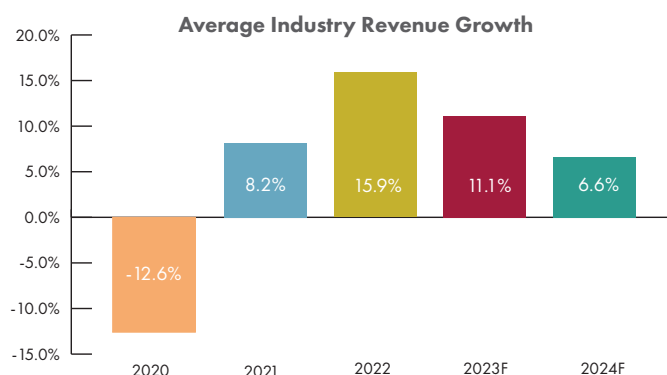




# Q4 2023 Manufacturing Industry Report

Whitehorn Merchant Capital Inc.'s Manufacturing Industry Report includes performance trends and transaction activity observed in the past quarter. This industry is comprised of Canadian companies active in Rubber and Plastics, Fabricated Metals, Industrial and Commercial Machinery, Transportation Equipment and Miscellaneous Manufacturing. All financial data has been sourced from Refinitiv Eikon.

## Performance Trends



## Key Highlights

**November 14** - Prime Minister Justin Trudeau announced a billion-dollar battery cell production plant in Maple Ridge, B.C. The B.C. government will contribute up to \$80 million, while \$970 million is set to come from the federal government, E-One Moli and private sources.

**December 19** - The federal government to introduce new regulations to phase out the sale of new passenger vehicles powered only by gasoline or diesel by 2035. The initial targets are 20 per cent in 2026 and 23 per cent in 2027 for minimum electric vehicle sales for every automaker.

**December 20** - November inflation rate was 3.1 per cent year over year as per Statistics Canada, consistent with October 2023's reading.

## Market Dashboard

2023 Returns:

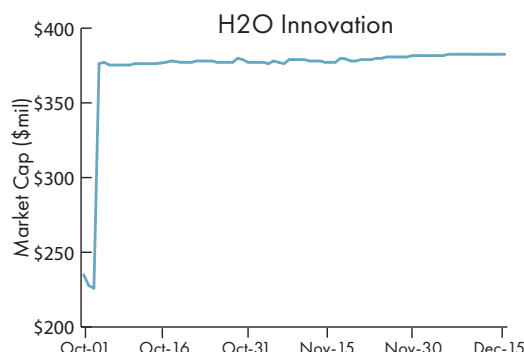
S&P/TSX Composite Index
+7.8%

Whitehorn Manufacturing Index (WMI)
+3.5%

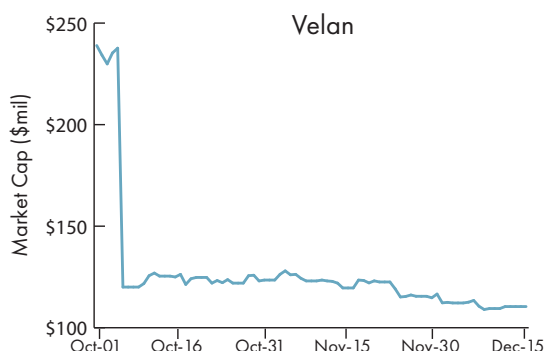
S&P 500
+23.8%

## WMI Highlights

The WMI consists of Canadian public manufacturers operating in various sectors tracked by Whitehorn. All stock references are for the period between October 1 and December 19, 2023.



- +62.8 per cent change.
- The Quebec City based water and wastewater treatment systems manufacturer closed its sale to Ember Infrastructure Management, a New York based private equity firm. The sale was announced on October 3, 2023, representing a 69 per cent premium compared to its last trading share price.
- Following the closing of the transaction, H2O's shares were delisted from the TSX and the Euronext Growth.



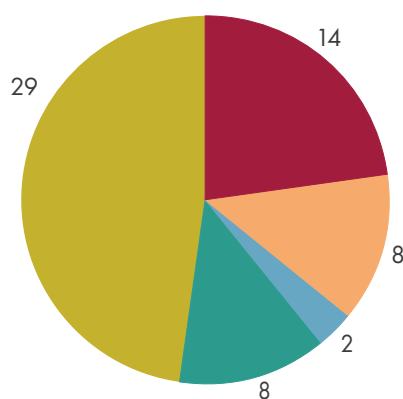
- -53.8 per cent change.
- The French government blocked the \$245MM takeover of Montreal based Velan by US-based Flowserve over concerns that the US government could order Flowserve to hand over information from its French subsidiaries. Velan owns two subsidiaries in France which are prominent suppliers of valves for France's nuclear plants, submarines and aircraft carriers.
- As a result, Flowserve terminated the acquisition of Velan. This resulted in Velan's share price falling to a level closer to what it traded at prior to the acquisition announcement back in January 2023.

Did you know we started a podcast?! Check out Peak Advice with Whitehorn Merchant Capital on Spotify and Apple



## Quarterly M&A Activity

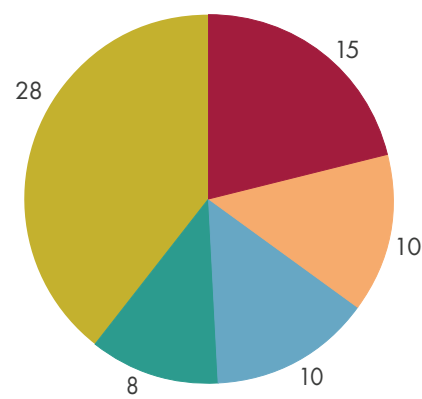
Q4 2023



Total of 61 transactions

- Industrial and Commercial Machinery
- Fabricated Metals
- Rubber and Plastics
- Transportation Equipment
- Miscellaneous Manufacturing

Q3 2023



Total of 71 transactions

## Select Merger & Acquisition Transactions

Date	Acquirer	Acquirer Location	Target	Target Location
October 2023	Ingersoll Rand (NYSE:IR)	Davidson, NC	Fraserwoods Fabrication and Machining	Acheson, AB
Acquisition of blower and pump services, repair and return and remanufacturing provider in the vacuum truck market to bolster technical expertise and service capabilities in Western Canada.				
October 2023	Exchange Income (TSX:EIF)	Winnipeg, MB	DryAir Manufacturing	St. Brieux, SK
\$15.5MM acquisition of manufacturer and developer of high efficiency heating mats and lighting solutions for hog production.				
November 2023	Frame Holdings	North Vancouver, BC	Keon Capital (TSXV:KEON-H)	Vancouver, BC
Reverse takeover of startup manufacturer of tiny prefabricated homes using offsite construction.				

Check out more transactions on our [website](#)