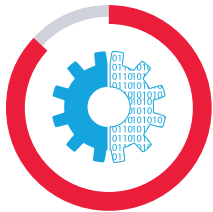


PERSPECTIVE IN MANUFACTURING

PRIVATE EQUITY-BACKED MANUFACTURERS EVOLVE TO MEET INDUSTRY 4.0

DIGITAL ENHANCEMENTS ELECTRIFY M&D INVESTORS



87% of manufacturing-focused PE fund managers plan to implement **digital transformation initiatives** for their portfolio companies



52% of M&D PE fund managers are **more interested in selling than buying** their portfolio companies



36% of M&D fund managers say they'll look to **Western Europe** for investments

From the BDO Ninth Annual Private Equity PERSpective Survey

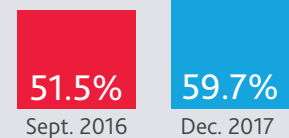
STEADY GROWTH AHEAD



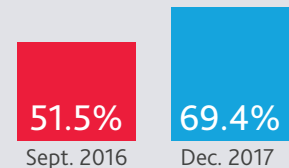
December 2017 marked **16 months of consecutive growth** for the manufacturing industry:

Institute for Supply Management (ISM) Index

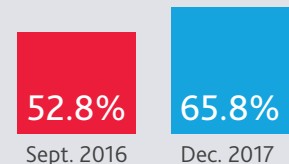
The PMI® Index



The New Orders Index



The Production Index



DOMESTIC & GLOBAL TECH INVESTMENTS RISE

American heavy industrial manufacturers & auto companies are on the hunt for computer software firms

Acquisitions in 2016

23



Acquisitions in 2017

36

U.S. manufacturing market will increase its IoT investments

2017

\$12.67B



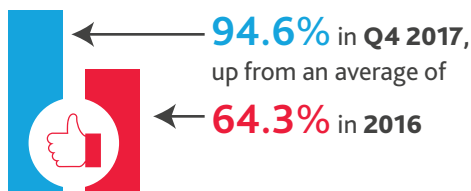
by 2022

\$45.3B

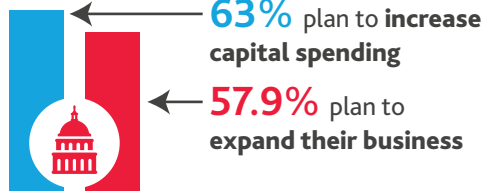
The manufacturing industry invested **\$183B GLOBALLY** in IoT improvements in 2017

A BRIGHT FUTURE

Manufacturers' optimism for their companies rises:



Federal tax reform expected to spur further industry growth



Sources: Institute for Supply Management, National Association of Manufacturers, Mergermarket, IDC Worldwide Semiannual Internet of Things Spending Guide, MarketsandMarkets



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For more information, visit www.bdo.com/industries/manufacturing-distribution/overview

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