

Industrials Industry Update

Q2 2025





Dinan is a premier global investment bank, with proficiency in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

We are the trusted advisor to hundreds of middle-market partners.

Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

[Request a meeting](#)

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About Dinan

Dinan & Company was founded with the singular purpose of providing the highest standards of professionalism, sophistication, and execution expertise in merger and acquisition and capital raising transactions for middle market companies comparable to that afforded to the Fortune 500 at full-service Wall Street investment banks.

The Dinan brand, representing both Dinan & Company and its subsidiary, Dinan Capital Advisors, unites deep institutional knowledge and collaborative resources to deliver a tailored, client-focused experience.

Creating \$70B+ in value through 900+ transactions closed since 1988, we would like to say thank you for your trust along the way.

Sector Coverage

Understanding a client's industry, growth opportunities, value drivers, and challenges is paramount to obtaining a successful engagement outcome. We provide our clients with senior-level industry expertise through our dedicated industry groups in the following sectors:

Building Products & Services

- Subcontractors

Business Services

- Financial Services
- Professional Services

Consumer

- B2C Services
- Consumer Products
- Food & Beverage

Healthcare

- Healthcare Products
- Physician Practice Management
- Post-Acute Care
- Provider & Payor Services

Industrials

- Aerospace & Defense
- Distribution
- Energy & Infrastructure
- Industrial Services
- Manufacturing

Technology

- IT & Managed Services
- Software
- Tech-enabled Services

Transportation & Logistics

Our clients benefit from
our local presence and global reach.



AMERICAS

Atlanta
Chicago
Nashville
New York City
Phoenix
San Francisco

EUROPE AND MIDDLE EAST

Amsterdam
Antwerp
Brussels
Copenhagen
Helsinki
London
Madrid

Manchester
Milan
Munich
Paris
Stockholm
Berlin
Zurich

ASIA- PACIFIC

Beijing
New Delhi
Singapore
Sydney
Tokyo

Fully Integrated Mergers and Acquisitions Specialists

30+

Senior officers dedicated to
financial advisory services globally

900+

Successful transactions⁽¹⁾

\$70B+

Total transaction value⁽¹⁾

300+

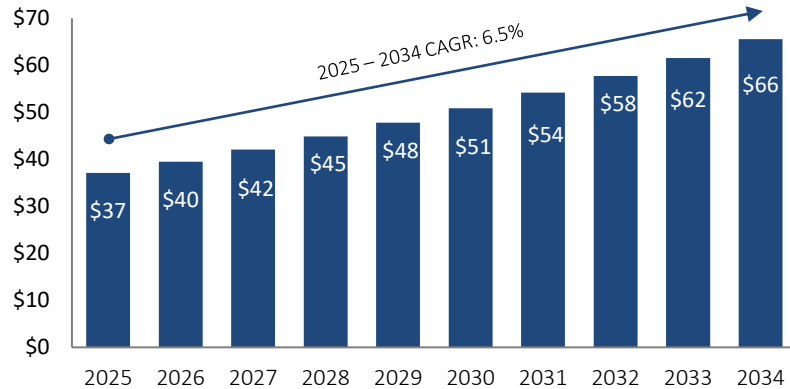
M&A professionals globally⁽²⁾

⁽¹⁾ Buy-side and Sell-side figure

⁽²⁾ Includes Translink, Dinan's exclusive international transaction partner

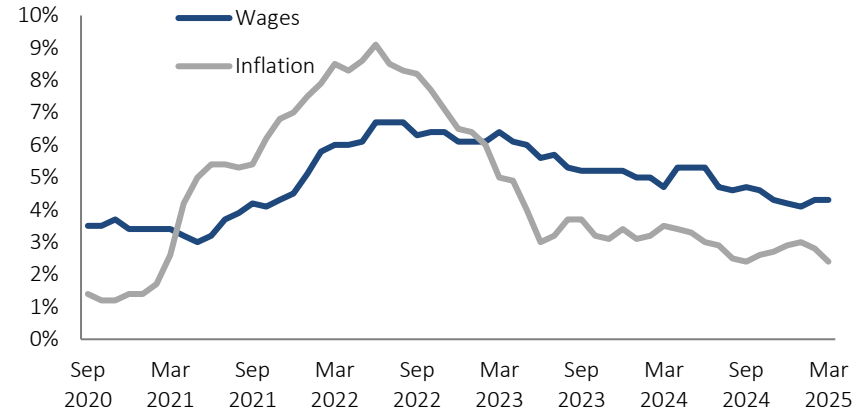
Global Industrials Industry Size and Forecast (USD \$bn)¹

The global Industrials industry is projected to experience growth with North America dominating market share due to advanced industrial infrastructure and high level of technological adoption.

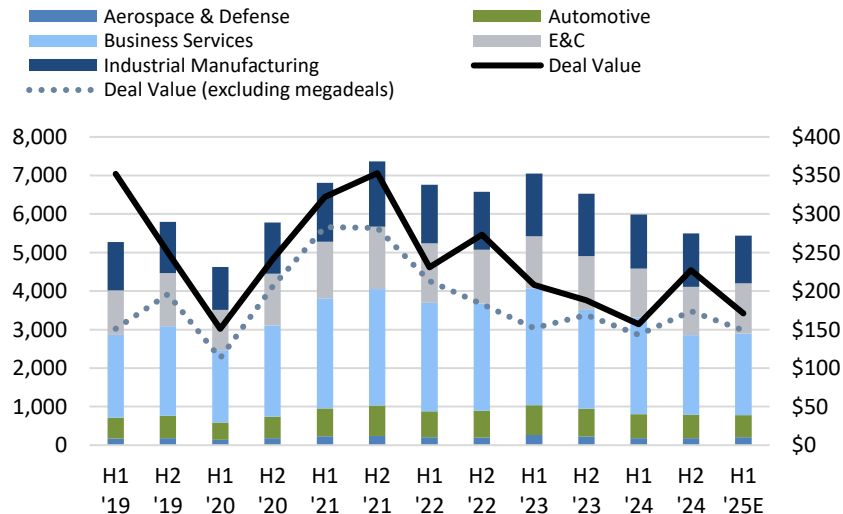


US Wages and Salaries Growth²

The US workforce average wage growth has been higher than inflation since February 2023, led by sectors facing labor shortages, especially in skilled labor.

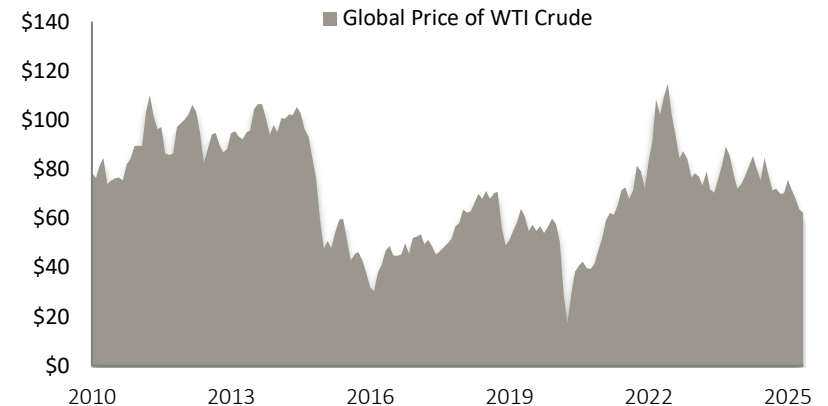


Global Industrials Deal Volumes and Values (USD \$bn)³



Global Price of WTI Crude (USD/BBL)⁴

Spot crude oil pricing has remained relatively steady suggesting market stabilization, despite geopolitical headwinds. Stable oil prices benefit civil aviation and defense sectors.



(1) Precedence Research

(2) Statista

(3) LSEG and PwC

(4) FRED

Industry EV/EBITDA Multiples



Key Takeaways

Industrials EBITDA multiples increased 11.1% on average in Q2 2025, with strong performance across market segments.

Specialty Contracting stands out in Q2 2025 as the segment with the highest quarterly EBITDA multiple appreciation (+25.3%).

+26.4%

Aerospace & Defense
Multiple Growth (YoY)

+15.6%

Contract Manufacturing
Multiple Growth (YoY)

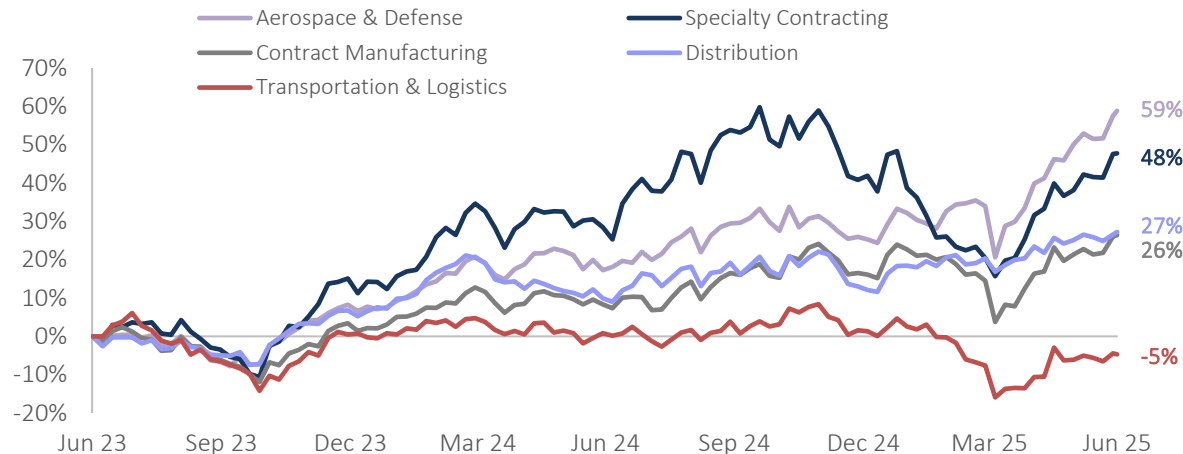
Market Dynamics and Outlook

- Overall, the Industrials industry has shown a strong growth trajectory in Q2 2025 following a mixed first quarter. Sub-sectors within the industry such as Aerospace & Defense, Contract Manufacturing, and Specialty Contracting have displayed rapid growth through the second quarter of 2025.
- The Aerospace & Defense sector continues to perform strongly with both the highest sub-sector overall valuation (21.2x EV/EBITDA) as well as the largest increase in YoY multiple appreciation (+26.4%). Sector performance is driven primarily by geopolitical tensions, increase in AI related technologies, and growing needs of the space sector.
- Uncertainty regarding geopolitical tensions and the impact of tariffs to US supply chains remain near-term headwinds, but the sector is bolstered by structural themes such as digital transformation in automated manufacturing (AI-driven plants and data centers), reshoring, and infrastructure investment.
 - Construction investment stemming from the bipartisan Infrastructure Investment and Jobs Act (IIJA) is expected to continue driving growth in the Specialty Contracting sector through 2026.

Dinan's Relevant Transactions

 TPC MECHANICAL St. Augustine, FL has been acquired by STRADA a portfolio company of TRILANTIC New York, NY Dinan Capital Advisors acted as the exclusive financial advisor to TPC Mechanical in this transaction.	 The assets of LEGACY FOUNDATIONS a division of SHIMMICK have been acquired by BECK Dinan Capital Advisors acted as the exclusive financial advisor to Legacy Foundations in this transaction.	 Plastiform Irving, TX has been acquired by NEFAB Sweden Dinan Capital Advisors acted as the exclusive financial advisor to Plastiform, Inc. in this transaction.	 DOORM SPECIALIZED Great Bend, KS has been acquired by Hoffmann FAMILY OF COMPANIES Winnetka, IL Dinan Capital Advisors acted as the exclusive financial advisor to Doorm Specialized in this transaction.
 H&S Marshfield, WI has been acquired by OXBO Byron, NY Dinan Capital Advisors acted as exclusive financial advisor to H & S Manufacturing in this transaction.	 TransAsh Cincinnati, OH has been acquired by NorthStar a portfolio company of J.F. Lehman & Company New York, NY Dinan Capital Advisors acted as exclusive financial advisor to Trans Ash, Inc. in this transaction.	 KEYSTONE FOAM CORP. Derry, PA has been acquired by VALLEY RIDGE in partnership with petra Dinan Capital Advisors acted as exclusive financial advisor to Keystone Foam Corp. in this transaction.	 ALTRON Minneapolis, MN has been acquired by VIRTEX Austin, TX a portfolio company of Insight Equity Southland, TX Dinan Capital Advisors acted as exclusive financial advisor to Altron in this transaction.

Industrials Industry Index Value Performance



Key Takeaways

The Industrials industry showed strong performance across all segments in Q2 2025. The Specialty Contracting segment notably posted significant positive equity returns in the quarter (+22.7%).

The Aerospace & Defense segment had the next highest quarterly growth with 18.6% in Q2 2025.

+35.5%

Aerospace & Defense
Equity Return (YoY)

+16.7%

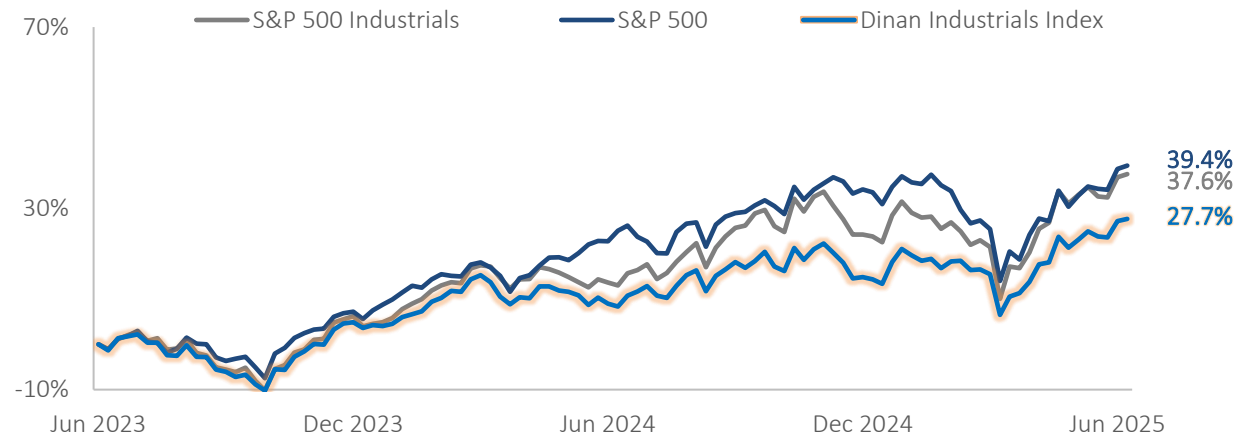
Contract Manufacturing
Equity Return (YoY)

Market Performance by Sector

Specialty Contracting		Aerospace & Defense		Contract Manufacturing		Distribution		Transportation & Logistics	
% Equity Return		% Equity Return		% Equity Return		% Equity Return		% Equity Return	
Q2 2025	22.7%	Q2 2025	18.6%	Q2 2025	10.4%	Q2 2025	5.7%	Q2 2025	3.1%
YoY	15.0%	YoY	35.5%	YoY	16.7%	YoY	15.7%	YoY	-5.5%

Source: Capital IQ as of 06/30/2025

Stock Price Performance – Dinan Industrials Index vs. Market Benchmarks



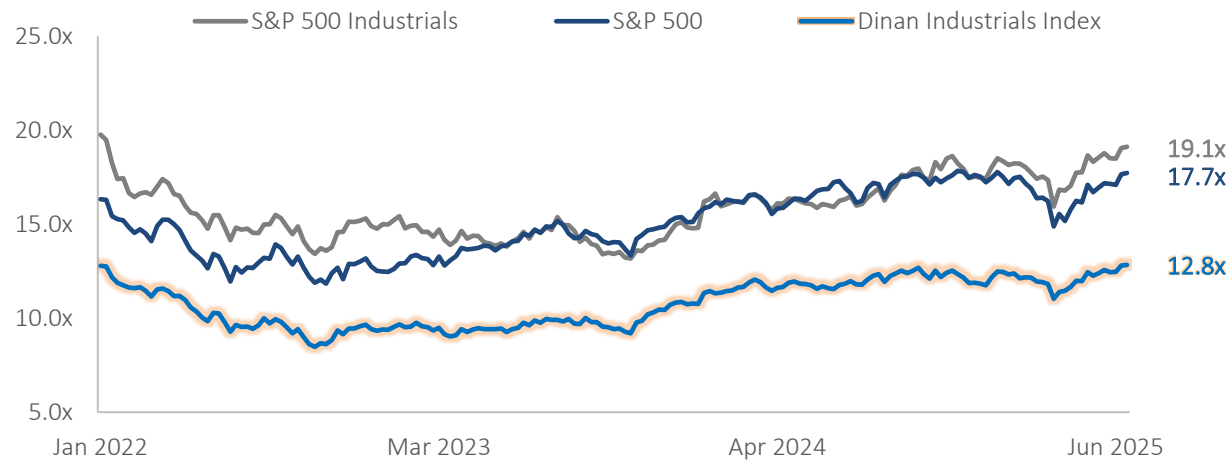
Key Market Trends

S&P 500 Industrials Index had a strong performance in Q2 2025, with an increase of 13.3% during the quarter.

The S&P 500 equity return increased by 10.6% in Q2 2025, following a 6.5% decrease in Q1 2025.

+21.0%	+17.2%
S&P 500 Industrials	Dinan Industrials
Equity Return (YoY)	Equity Return (YoY)

EBITDA Multiple Trends – Dinan Industrials Index vs. Market Benchmarks



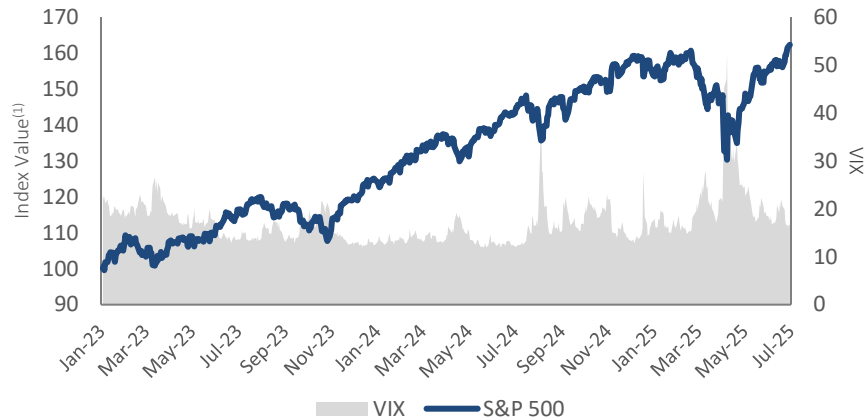
Impact on Multiples

Industrial EBITDA multiples increased an average of 9.9% in Q2 2025, following an average decrease of -3.2% in Q1 2025.

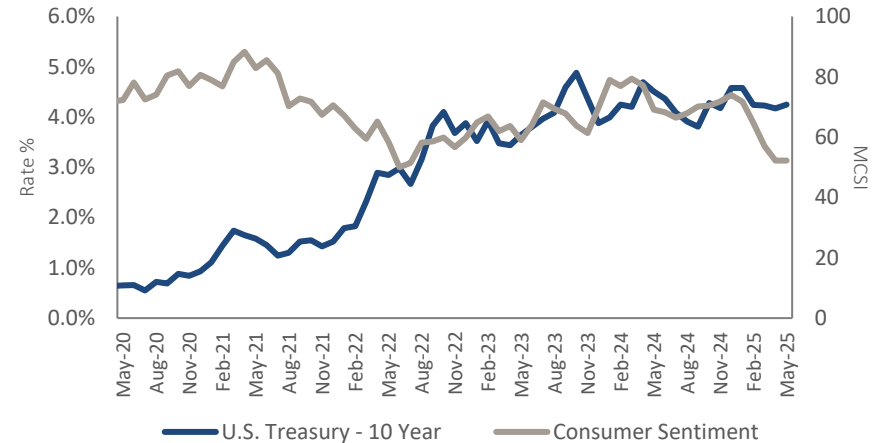
S&P 500 EBITDA multiple increased 9.2% in Q2 2025, following a 7.9% decrease in Q1 2025.

+7.2%	+16.0%
Dinan Industrials	S&P 500 Industrials
Index Multiple (YoY)	Index Multiple (YoY)

The S&P 500 rose 11% in Q2 '25 to record levels, reflecting a broader market recovery from volatility early in the year.



The 10-Year Treasury remained steady in the second quarter while consumer sentiment continued to decline.



U.S. Equity Sectors Performance

	% Return (Q1 '25)	% Return (Q2 '25)	TEV/LTM Total Rev	TEV/LTM EBITDA
Energy	+9.5%	-9.4%	1.6x	8.0x
Communication Services	-8.2%	+18.2%	4.9x	14.4x
Materials	+0.2%	+13.0%	2.7x	13.1x
Consumer Discretionary	-16.0%	+11.3%	3.2x	19.5x
Industrials	-2.3%	+12.6%	3.3x	19.1x
Info Tech	-14.7%	+23.5%	9.5x	27.8x
Healthcare	+6.1%	-7.6%	1.7x	14.3x
Consumer Staples	+1.8%	+0.5%	1.8x	16.2x
Real Estate	+2.1%	-1.0%	9.1x	20.9x
Utilities	+2.5%	+3.5%	5.0x	13.2x

Major Indices Performance

	% Return (Q1 '25)	% Return (Q2 '25)	TEV/LTM Total Rev	TEV/LTM EBITDA
S&P 500	-6.5%	+10.6%	3.6x	17.7x
NASDAQ	-12.2%	+16.7%	5.1x	21.1x
Dow Jones	-3.3%	+5.0%	3.2x	16.2x
Russell 2000	-9.9%	+8.1%	1.6x	12.6x

Interest Rates as of

	12/31/22	12/31/23	12/31/24	6/30/25
Treasury – 2 Year	4.4%	4.2%	4.3%	3.7%
Treasury – 5 Year	4.0%	3.8%	4.5%	3.8%
Treasury – 10 Year	3.9%	3.9%	4.6%	4.2%
Treasury – 30 Year	4.0%	4.0%	4.8%	4.8%
Prime Rate	7.5%	8.5%	7.5%	7.5%

Resilient growth and strategic expansion drive strong Industrials M&A activity in Q2 2025.
Expanding worldwide defense budgets provide a foundation for sustained sector growth.

Closed Date	Target	Acquirer	Target Sector	Transaction Value (\$mm)
06/26/2025			Aerospace & Defense	NM
06/18/2025			Contract Manufacturing	\$14,900
06/16/2025			Aerospace & Defense	\$1,550
06/09/2025			Contract Manufacturing	\$2,160
06/06/2025			Transportation & Logistics	\$36,100
05/30/2025			Distribution	\$137
05/27/2025			Specialty Contracting	NM
05/19/2025			Aerospace & Defense	NM
04/30/2025			Contract Manufacturing	\$16,941
04/17/2025			Distribution	\$3,482
04/11/2025			Transportation & Logistics	\$3,104
04/08/2025			Specialty Contracting	NM

Source: Capital IQ as of 06/30/2025

Key Takeaways

Overall M&A transaction volume in the Industrials industry remained robust in Q2 2025. Capital investment continues to surge, reflecting investor confidence and strategic consolidation within the sector.

Technological advancements, particularly in AI and automation, along with evolving U.S. regulatory and antitrust policies, are driving growth in the industry, creating new investment and collaboration opportunities.

Additionally, private equity is likely to contribute to a rise in M&A activity, as firms have significant capital ready to be invested, especially as financing challenges begin to subside.

KEY STATISTICS

Number of Transactions **446**

Medians:

Enterprise Value **\$190mm**

EV/LTM Revenue **1.46x**

EV/LTM EBITDA **9.3x**

Note: not all transactions have disclosed figures for Enterprise Value, EV/LTM Revenue, or EV/LTM EBITDA.



TPC MECHANICAL
St. Augustine, FL

has been acquired by



STRADA
AEROSPACE SYSTEMS PLANNING
Sanford, FL

a portfolio company of



TRILANTIC CAPITAL PARTNERS
New York, NY

Dinan Capital Advisors acted as the exclusive financial advisor to TPC Mechanical in this transaction

The assets of



LEGACY FOUNDATIONS

a division of



SHIMMICK

have been acquired by



BECK FOUNDATIONS INC.

Dinan Capital Advisors acted as the exclusive financial advisor to Legacy Foundations in this transaction



Plastiform
PRECISION FORMED PLASTICS
Irving, TX

has been acquired by




NEFAB
Sweden

Dinan Capital Advisors acted as the exclusive financial advisor to Plastiform, Inc. in this transaction




DOONAN SPECIALIZED
Great Bend, KS

has been acquired by




HF HOFFMANN FAMILY OF COMPANIES
Winnetka, IL

Dinan Capital Advisors acted as the exclusive financial advisor to Doonan Specialized Trailer in this transaction




H&S
Marshfield, WI

has been acquired by




OXBO
Byron, NY

Dinan Capital Advisors acted as exclusive financial advisor to H & S Manufacturing in this transaction




TransAsh
Cincinnati, OH

has been acquired by



NorthStar
New York, NY

a portfolio company of



J.F. Lehman & Company
New York, NY

Dinan Capital Advisors acted as exclusive financial advisor to Trans Ash, Inc. in this transaction



OWEN EQUIPMENT

a portfolio of




WC WYNNCHURCH | CAPITAL

has acquired




J&R EQUIPMENT
INDUSTRIAL SALES - STORAGE - SERVICE

Dinan & Company initiated this transaction



B
BUHLMANN

has acquired



TRUPPLY
PIPE, VALVES, FITTINGS AND FLANGES

Dinan & Company initiated this transaction



freshway FOODS

a wholly owned subsidiary of



US FOODS
NYSE: USFD

has been acquired by



RED-ARTS CAPITAL

Dinan Capital Advisors acted as the exclusive financial advisor to US Foods (NYSE: USFD) in this transaction



ENTRUST SOLUTIONS GROUP

a portfolio company of



KOHLBERG & COMPANY

has acquired



MASKWA HIGH VOLTAGE

Dinan & Company initiated this transaction



ONE MONROE

a portfolio company of



AEA

has acquired



WCI Fastener Solutions
Est. 1967

Dinan & Company initiated this transaction



AWP Safety

a portfolio company of



KOHLBERG & COMPANY

has acquired




INTEGRITY TRAFFIC

Dinan & Company initiated this transaction



ONE MONROE

a portfolio company of




AEA

has acquired




CEM
CONCRETE ERECTION MATERIALS

Dinan & Company initiated this transaction




ONE MONROE

a portfolio company of



AEA

has acquired



FA Ford Atlantic

Dinan & Company initiated this transaction



AWP Safety

a portfolio company of



KOHLBERG & COMPANY

has acquired



SITE BARRICADES
TRAFFIC CONTROL SOLUTIONS

Dinan & Company initiated this transaction




WAYPOINT ACQUISITIONS

has partnered with




NW ROLLER

Dinan & Company initiated this transaction




ONE MONROE

a portfolio company of



AEA

has acquired



HEWABACKAWA INDUSTRIAL FASTENERS CORP

Dinan & Company initiated this transaction



FloWorks
Houston, TX

a portfolio company of



WC WYNNCHURCH | CAPITAL
Rosemont, IL

has acquired



ASSURED AUTOMATION
Roselle, NJ

Dinan & Company initiated this transaction

Select Dinan Industrials Transactions



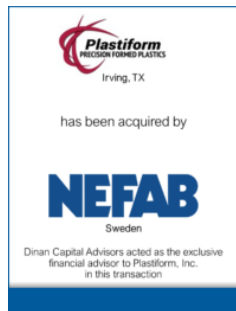
TPC Mechanical Contractors – Transaction Details

- ❖ TPC Mechanical Contractors is a leading provider of HVAC installations and services for residential and commercial projects throughout the Southeast US.
- ❖ With more than 40 locations across Florida, Georgia, Tennessee, and the Carolinas, Strada Services is a leading contracting company that provides electrical, air conditioning, and security services to residential, commercial, and industrial customers.
- ❖ Trilantic Capital is a private equity firm focused on control and significant minority investments.
- ❖ Drawn to TPC's demonstrated growth, reputation in the market, and expanding geographic footprint, Strada put in a preemptive bid for the company at an attractive valuation with favorable terms resulting in a successful transaction.



Legacy Foundations – Transaction Details

- ❖ Legacy Foundations is a provider of deep foundation drilling, slope stabilization and shoring systems, and ground improvement services.
- ❖ Shimmick Construction Co., Inc. is a heavy civil construction company that specializes in complex water and critical infrastructure solutions.
- ❖ A.H. Beck Foundation Co., Inc. operates as a specialty deep foundation, ground improvement and earth retention contractor.
- ❖ Committed to operating under enhanced ESG regulation, Shimmick Construction engaged Dinan Capital Advisors to seek strategic acquisitions for their heavy infrastructure and construction business, Legacy Foundations, resulting in the successful acquisition of Legacy by A.H. Beck Foundation Co.



Plastiform, Inc. – Transaction Details

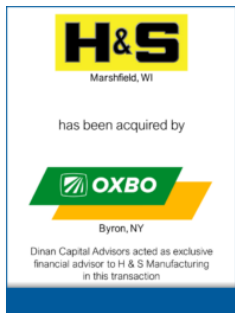
- ❖ The Plastiform Company has been manufacturing and selling Plastiform high-density polyethylene plastic boards to contractors and municipalities since 1995. Its subsidiary, Precision Formed Plastics offers high quality thermoformed cushioning solutions to clients globally.
- ❖ Nefab Group designs, prototypes, tests, and delivers complete packaging solutions and services aimed at reducing the customer's total cost for logistics and product protection, as well as reducing the environmental impact in their supply chains.
- ❖ The acquisition of Plastiform expands Nefab Group's global presence in the packaging sector, generating cost synergies from enhanced technical expertise and capabilities through an expanded product portfolio.

Select Dinan Industrials Transactions



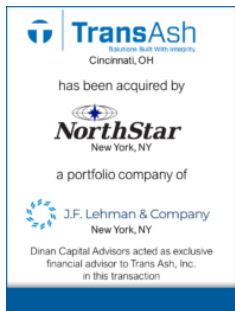
Doonan Specialized Trailer – Transaction Details

- ❖ Doonan Specialized Trailer is a leading manufacturer of specialized semi-trailers including custom flatbeds, drop decks, double drops and more. Doonan sells its products through a robust network of 57 dealer locations across North America.
- ❖ The Hoffman Family of Companies is a multi-vertical family-owned company consisting of over 100 national brands, employing 9,000 global employees with businesses located in 30 countries and 250 locations across the world.
- ❖ The Doonan acquisition expands The Hoffman Family of Companies' presence in the transportation sector, building on the 2021 purchase of Texas Bragg Trailers, based in Mt. Pleasant, Texas.



H&S Manufacturing Company – Transaction Details

- ❖ H&S Manufacturing Company is a leading manufacturer of farming equipment including bale processors, manure spreaders, feeder wagons, forage boxes, and hay tedders primarily sold to customers in the United States and Canada.
- ❖ Oxbo International is a leading manufacturer of equipment for specialty markets serving the application, forage, fruit, seed, vegetable, and root crop markets.
- ❖ The acquisition represents a strategic expansion for Oxbo, significantly enhancing its equipment manufacturing capabilities. By integrating H&S' expertise and extensive market footprint, Oxbo has positioned itself for greater competitive advantage and industry leadership.



Trans Ash, Inc. – Transaction Details

- ❖ Trans Ash is a leading provider of coal ash (or coal combustion residuals (CCR)) services to utility customers across North America.
- ❖ NorthStar Group is a leading provider of three primary service offerings: commercial and industrial deconstruction, nuclear decommissioning and waste management, and coal ash remediation and reuse.
- ❖ J.F. Lehman & Company is a leading private equity firm which focuses exclusively on investing in Aerospace, Defense, Maritime, Government and Environmental industries.

Index Segmentation

Q2 2025



Aerospace & Defense:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	28.8x	47.5x	106.7x	198.8x	2.0x
Low	0.4x	-152.9x	3.2x	4.8x	-0.2x
Mean	3.5x	9.8x	19.5x	37.8x	0.9x
Median	2.4x	10.6x	14.8x	29.8x	0.9x

Specialty Contracting:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	4.7x	23.0x	73.9x	195.6x	2.4x
Low	0.3x	-8.4x	3.2x	4.8x	-0.3x
Mean	1.5x	8.2x	13.8x	37.4x	1.2x
Median	1.3x	7.2x	11.6x	27.0x	1.2x

Contract Manufacturing:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	15.8x	40.2x	106.7x	183.8x	3.3x
Low	0.3x	-6.9x	3.8x	3.8x	0.3x
Mean	3.3x	9.6x	17.8x	32.5x	1.1x
Median	1.9x	7.6x	12.9x	26.8x	1.0x

Transportation & Logistics:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	8.8x	18.4x	18.3x	95.3x	2.4x
Low	0.4x	1.8x	1.6x	2.9x	0.2x
Mean	2.0x	6.3x	7.7x	20.7x	1.0x
Median	1.1x	4.8x	6.3x	17.4x	1.0x

Distribution:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	7.3x	15.1x	26.0x	47.7x	1.8x
Low	0.1x	0.2x	4.3x	10.8x	0.1x
Mean	1.5x	4.9x	11.5x	24.6x	0.8x
Median	1.0x	3.4x	10.4x	22.9x	0.9x



Mergers & Acquisitions
Private Capital Markets
Valuations & Fairness Opinions
Merchant Banking

dinancapital.com