

# Industrials Industry Update

Q4 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<sup>(1)</sup>

\$70B+

Total transaction value<sup>(1)</sup>

300+

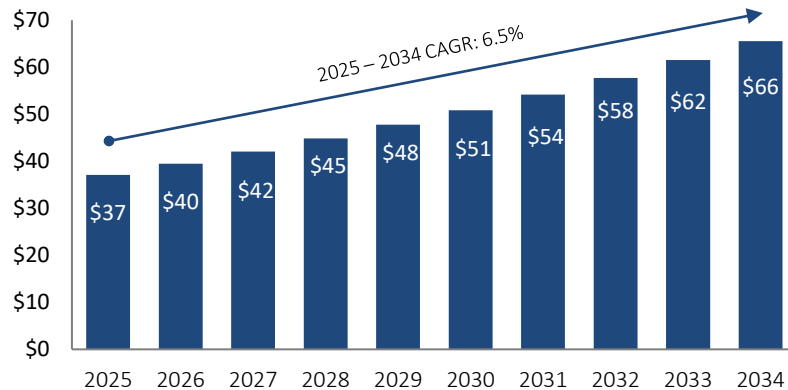
M&A professionals globally<sup>(2)</sup>

<sup>(1)</sup> Buy-side and Sell-side figure

<sup>(2)</sup> Includes Translink, Dinan's exclusive international transaction partner

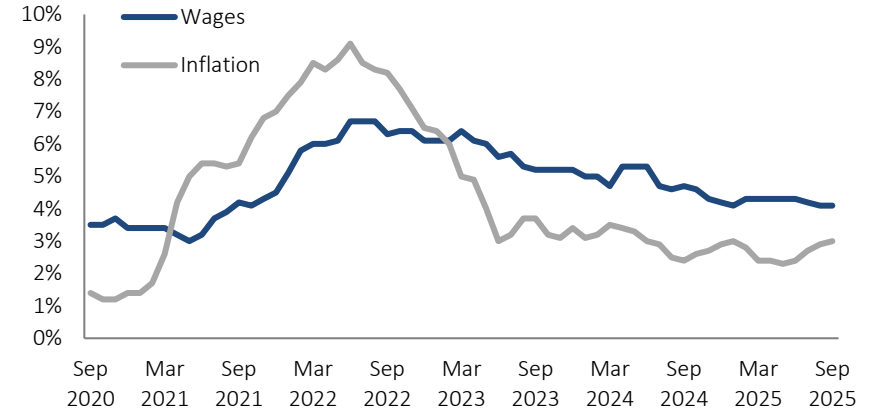
## Global Industrials Industry Size and Forecast (USD \$B)<sup>1</sup>

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.

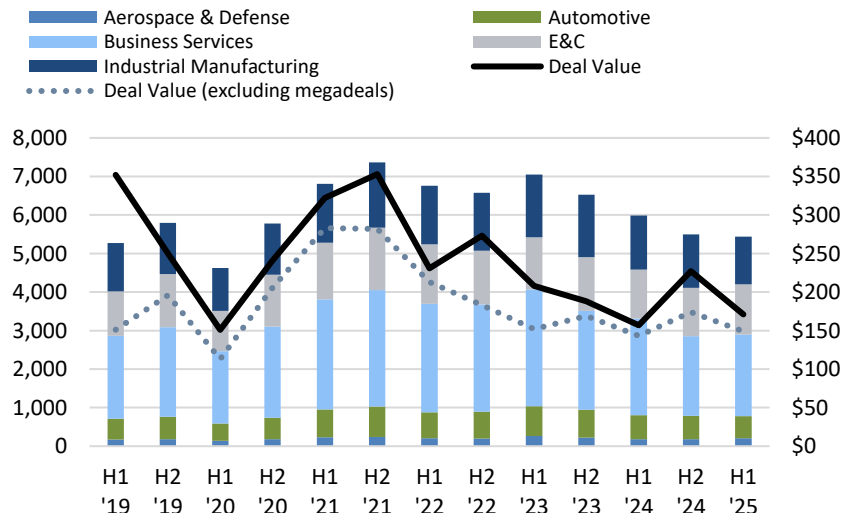


## US Wages and Salaries Growth<sup>2</sup>

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

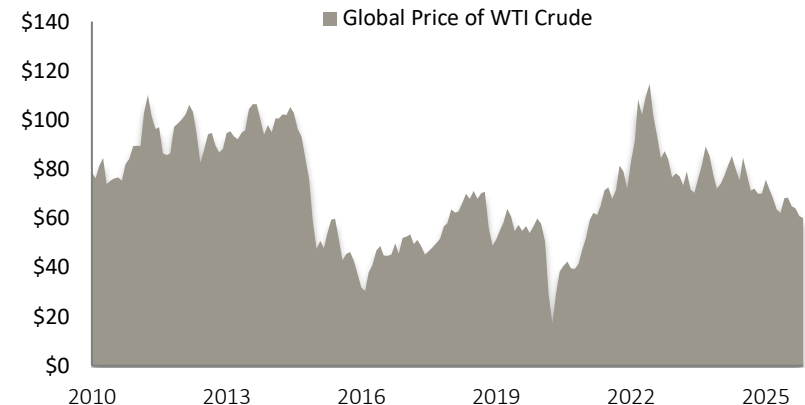


## Global Industrials Deal Volumes and Values (USD \$B)<sup>3</sup>



## Global Price of WTI Crude (USD/BBL)<sup>4</sup>

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



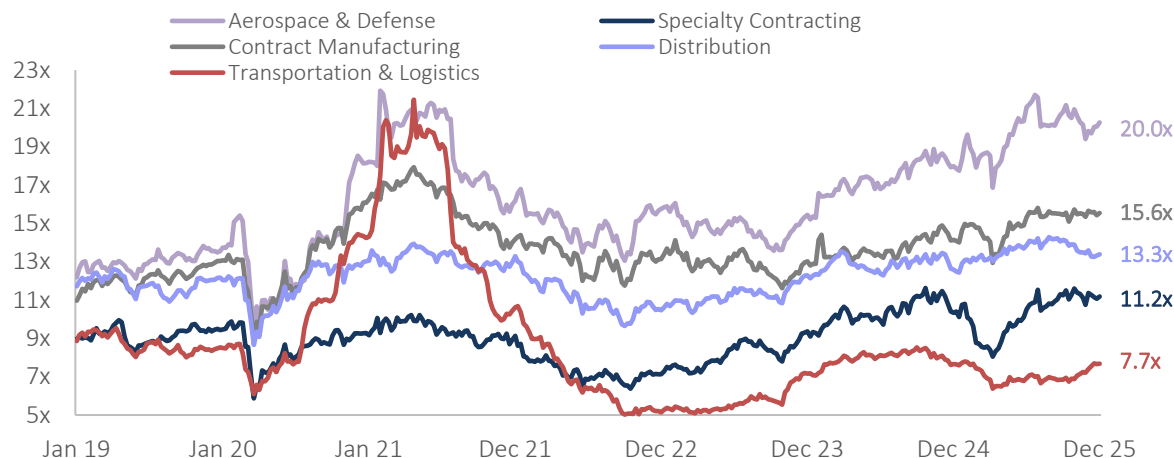
(1) Precedence Research

(2) Federal Reserve Bank of Atlanta and US Bureau of Labor Statistics

(3) LSEG and PwC

(4) FRED

## Industry EV/EBITDA Multiples



## Key Takeaways

Industrials EBITDA multiples increased 0.9% on average in Q4 2025, with mixed performance across market segments.

Transportation & Logistics stands out in Q4 2025 as the segment with the highest quarterly EBITDA multiple appreciation (+12.1%).

**+12.7%**

**Aerospace & Defense**  
Multiple Growth (YoY)

**+9.9%**

**Contract Manufacturing**  
Multiple Growth (YoY)

## Market Dynamics and Outlook

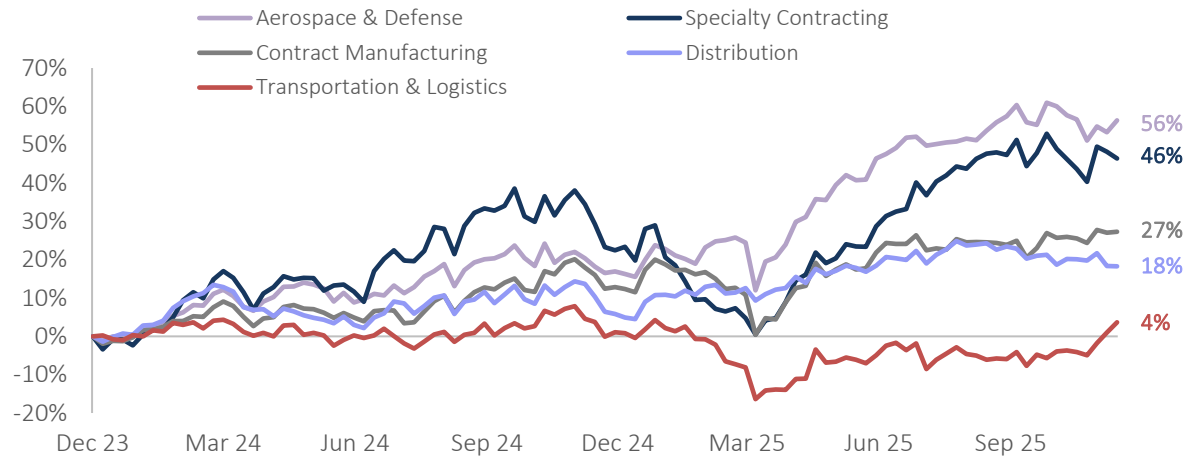
- Q4 experienced mixed performance across market segments as Industrial companies navigate through tariff impacts, reshoring initiatives, digital transformation, labor shortages, and AI integration.
- The Aerospace & Defense sector continues to perform strongly with both the highest sub-sector overall valuation (20.3x EV/EBITDA) as well as the largest increase in YoY multiple appreciation (+12.7%). Sector performance is driven primarily by robust defense budgets, modernization programs, and ongoing geopolitical tensions; leading defense spending to outperform broader markets during the period.
- The Contract Manufacturing sector continues recovering from trade uncertainties and tariff impacts, with stable multiple growth since the second quarter of the year (+9.9% YTD).
- Transportation & Logistics index value increased by 12.1% in Q4, the largest quarterly increase between the sectors. This increase was driven primarily by stabilizing freight volumes across trucking, intermodal, and parcel while contract pricing has proved more resilient than expected.

## Dinan's Relevant Transactions

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



## Industrials Industry Index Value Performance



### Key Takeaways

The Industrials industry showed mixed performance across segments in Q4 2025. The Transportation & Logistics segment notably posted significant positive equity returns in the quarter (+10.1%).

The Contract Manufacturing segment had the next highest quarterly growth with 3.1% in Q4 2025.

**+37.3%**

Aerospace & Defense  
Equity Return (YoY)

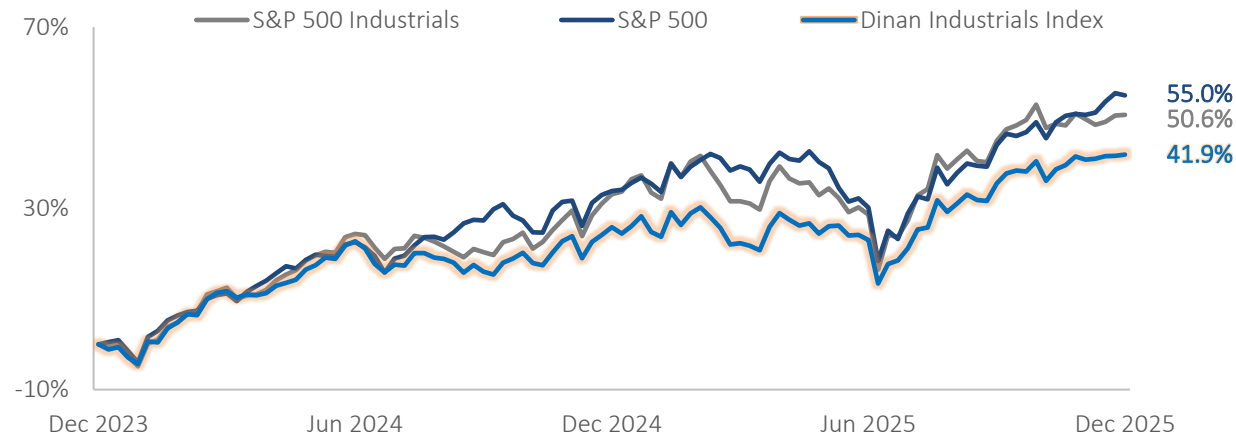
**+17.0%**

Specialty Contracting  
Equity Return (YoY)

## Market Performance by Sector

Transportation & Logistics	Contract Manufacturing	Aerospace & Defense	Specialty Contracting	Distribution
% Equity Return	% Equity Return	% Equity Return	% Equity Return	% Equity Return
Q4 2025 YoY	Q4 2025 YoY	Q4 2025 YoY	Q4 2025 YoY	Q4 2025 YoY
10.1% 2.5%	3.1% 13.2%	2.0% 37.3%	-2.7% 17.0%	-3.8% 12.2%

## Stock Price Performance – Dinan Industrials Index vs. Market Benchmarks



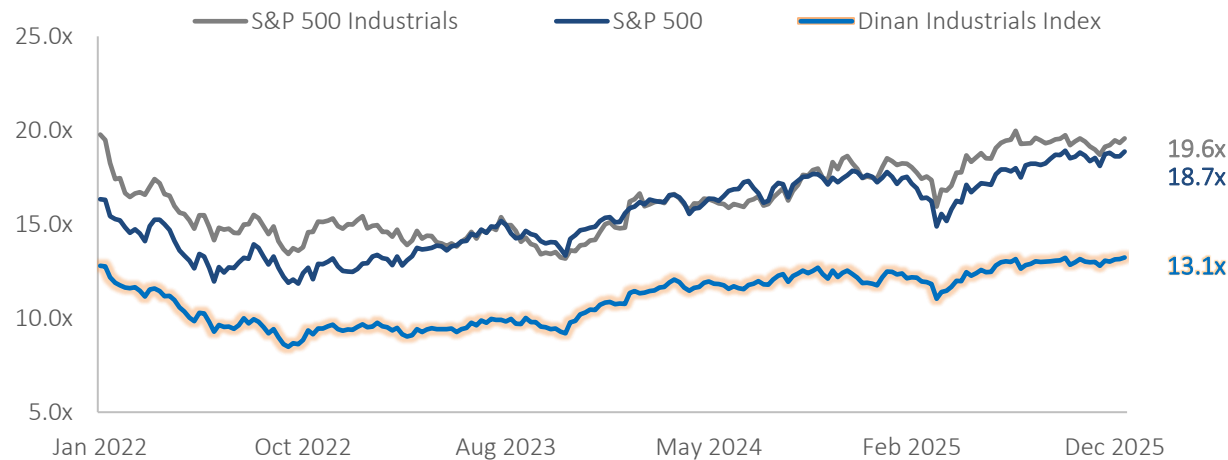
## Key Market Trends

S&P 500 Index had a strong performance in Q4 2025, with an increase of 7.6% during the quarter.

The Dinan Industrials equity return increased by 4.7% in Q4 2025, following a 10.2% increase in Q3 2025.

<b>+15.8%</b>	<b>+13.2%</b>
<b>S&amp;P 500</b>	<b>S&amp;P 500 Industrials</b>
Equity Return (YoY)	Equity Return (YoY)

## EBITDA Multiple Trends – Dinan Industrials Index vs. Market Benchmarks



## Impact on Multiples

Industrial EBITDA multiples increased by an average of 0.7% in Q4 2025, following an average increase of 3.5% in Q3 2025.

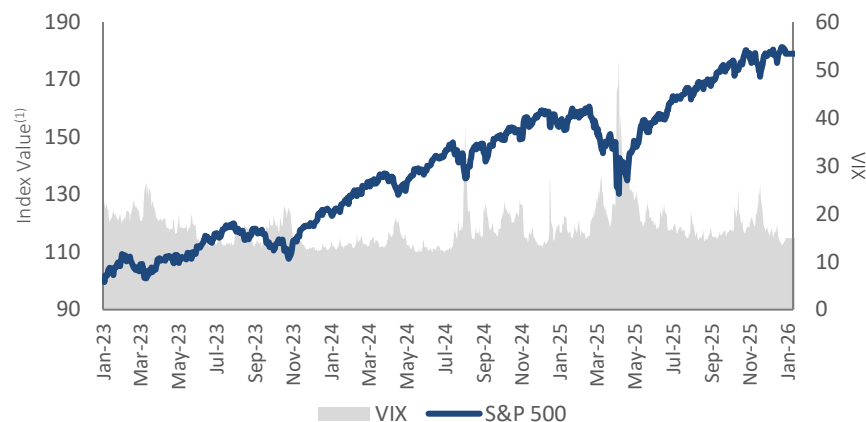
S&P 500 EBITDA multiple increased 1.0% in Q4 2025, following a 5.9% increase in Q3 2025.

<b>+11.6%</b>	<b>+11.3%</b>
<b>S&amp;P 500 Industrials</b>	<b>Dinan Industrials</b>
Index Multiple (YoY)	Index Multiple (YoY)

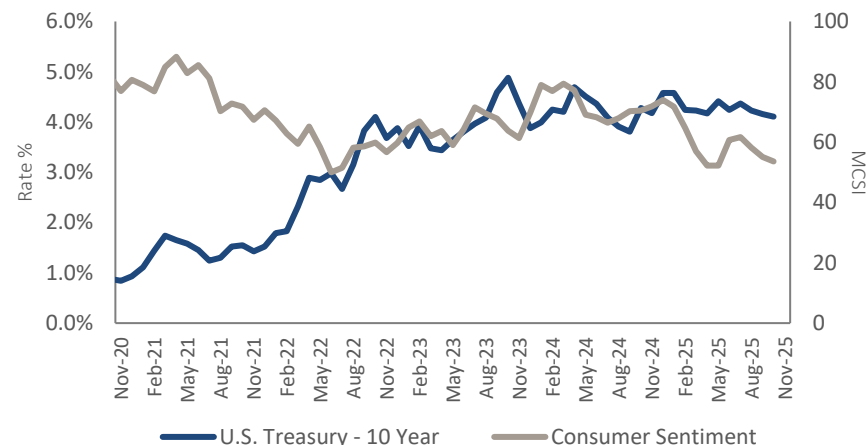
Source: Capital IQ as of 12/26/2025

Dinan Industrials Index represents a group of Aerospace & Defense, Contract Manufacturing, Distribution, Specialty Contracting, and Transportation & Logistic public companies

The S&P 500 rose 2% in Q4 '25, reflecting slowed earnings growth and investors taking profits from strong gains over the year.



The 10-Year Treasury dipped with priced in rate cuts for 2026, while consumer sentiment fell.



## U.S. Equity Sectors Performance

	% Return (Q3 '25)	% Return (Q4 '25)	TEV/LTM Total Rev	TEV/LTM EBITDA
Energy	+5.3%	+0.7%	1.7x	8.3x
Communication Services	+11.8%	+7.1%	5.6x	16.2x
Materials	+2.6%	+0.7%	2.7x	13.3x
Consumer Discretionary	+9.4%	+0.6%	3.4x	20.9x
Industrials	+4.6%	+0.5%	3.3x	19.3x
Info Tech	+13.0%	+1.3%	10.2x	28.5x
Healthcare	+3.3%	+11.2%	1.8x	15.5x
Consumer Staples	-2.9%	-0.7%	1.8x	15.6x
Real Estate	+1.7%	-3.7%	8.8x	20.3x
Utilities	+6.8%	-2.1%	5.1x	13.3x

## Major Indices Performance

	% Return (Q3 '25)	% Return (Q4 '25)	TEV/LTM Total Rev	TEV/LTM EBITDA
S&P 500	+7.8%	+2.4%	3.9x	18.7x
NASDAQ	+11.2%	+2.6%	5.3x	21.9x
Dow Jones	+5.2%	+3.6%	3.3x	16.5x
Russell 2000	+12.0%	+1.9%	1.8x	13.5x

## Interest Rates as of

	12/31/22	12/31/23	12/31/24	12/31/25
Treasury – 2 Year	4.4%	4.2%	4.3%	3.5%
Treasury – 5 Year	4.0%	3.8%	4.5%	3.7%
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%	6.8%

Sources: Capital IQ as of 12/31/2025, FRED

(1) Rebased to 100 as of 1/3/2023



**Resilient growth and strategic expansion drive strong Industrials M&A activity in Q4 2025.  
Expanding worldwide defense budgets provide a foundation for sustained sector growth.**

Closed Date	Target	Acquirer	Target Sector	Transaction Value (\$mm)
12/10/2025	 <b>SAFRAN</b>	 <b>KINGSWOOD</b> CAPITAL MANAGEMENT	Aerospace & Defense	NM
12/08/2025	 <b>SUPERIOR INDUSTRIES</b>	 <b>OAKTREE</b>	Contract Manufacturing	\$799
12/02/2025	 <b>QLSO</b> LOGISTICS & TRANSPORTATION	 <b>BLUEJAY CAPITAL</b>	Transportation & Logistics	NM
11/10/2025	 <b>NOVARIA GROUP</b>	 <b>ARCLINE</b> INVESTMENT MANAGEMENT	Aerospace & Defense	\$2,200
11/06/2025	 <b>MRC Global</b>	 <b>DNow</b>	Distribution	\$1,717
11/05/2025	 <b>Inter-Bay</b> Electric Company	 <b>IBE</b> A NORLEE COMPANY	Specialty Contracting	NM
10/27/2025	 <b>QORVO</b>	 <b>SKYWORKS</b>	Aerospace & Defense	\$10,428
10/27/2025	 <b>Si SHERMCO</b>	 <b>Blackstone</b>	Specialty Contracting	\$1,600
10/22/2025	 <b>WESTJET</b>	 <b>DELTA</b>	Transportation & Logistics	\$2,200
10/09/2025	 <b>FBM</b> Foundation Building Materials	 <b>LOWE'S</b>	Distribution	\$8,800
10/07/2025	 <b>spi</b>	 <b>TopBuild</b>	Contract Manufacturing	\$1,000
10/01/2025	 <b>MEISNER ELECTRIC</b>	 <b>COMFORT SYSTEMS USA</b>	Specialty Contracting	NM

## Key Takeaways

Overall M&A transaction volume in the Industrials industry remained robust in Q4 2025, despite less overall activity compared to Q3. Capital investment continues to surge, reflecting investor confidence and strategic consolidation within the sector.

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

Additionally, private equity is likely to contribute to a rise in M&A activity, as capital deployment from financial sponsors increases and strategic buyers pursue quality assets despite market volatility.

## KEY STATISTICS

**Number of Transactions** **533**

### Medians:

**Enterprise Value** **\$352mm**

**EV/LTM Revenue** **1.76x**

**EV/LTM EBITDA** **13.3x**


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


  
St. Augustine, FL  
has been acquired by


  
a portfolio company of

  
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

  
have been acquired by


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


  
Irving, TX  
has been acquired by


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


  
Great Bend, KS  
has been acquired by


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

  
Marshfield, WI  
has been acquired by

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

  
Cincinnati, OH  
has been acquired by

  
New York, NY  
a portfolio company of

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

  
a holding company formed by

  
has acquired

  
Dinan & Company initiated this transaction


  
has acquired


  
Dinan & Company initiated this transaction

  
a portfolio of

  
has acquired

  
Dinan & Company initiated this transaction

  
has acquired

  
Dinan & Company initiated this transaction

  
a wholly owned subsidiary of

  
NYSE: USFD  
has been acquired by

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

  
a portfolio company of

  
has acquired

  
Dinan & Company initiated this transaction

  
a portfolio company of


  
has acquired


  
Dinan & Company initiated this transaction


  
a portfolio company of


  
has acquired


  
Dinan & Company initiated this transaction


  
a portfolio company of


  
has acquired


  
Dinan & Company initiated this transaction

  
has partnered with

  
Dinan & Company initiated this transaction

  
a portfolio company of

  
has acquired

  
Dinan & Company initiated this transaction

  
Houston, TX  
a portfolio company of

  
Rosemont, IL  
has acquired

  
Roselle, NJ  
Dinan & Company initiated this transaction

## Select Dinan Industrials Transactions



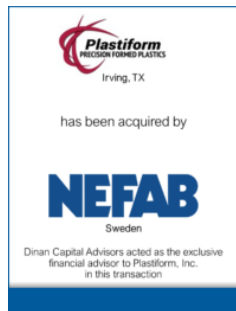
### TPC Mechanical Contractors – Transaction Details

- ❖ 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

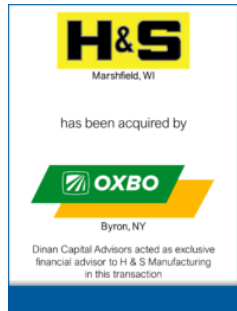
- ❖ The Plastiform Company has been manufacturing and selling Plastiform high-density polyethylene plastic boards to contractors and municipalities since 1995. Its subsidiary, Precision Formed Plastics offers high quality thermoformed cushioning solutions to clients globally.
- ❖ Nefab Group designs, 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

Q4 2025





## Aerospace & Defense:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	17.5x	42.1x	146.6x	181.5x	1.9x
Low	0.3x	-103.8x	1.1x	2.0x	-0.2x
Mean	3.4x	10.5x	21.3x	35.9x	0.9x
Median	2.4x	10.4x	16.0x	30.7x	0.9x

## Specialty Contracting:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	4.9x	21.7x	25.3x	235.0x	2.2x
Low	0.2x	-108.0x	1.1x	2.0x	-0.6x
Mean	1.7x	6.7x	12.5x	34.1x	1.2x
Median	1.4x	8.1x	12.5x	29.2x	1.1x

## Contract Manufacturing:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	11.4x	43.1x	150.1x	90.3x	3.1x
Low	0.3x	1.3x	3.8x	0.0x	0.3x
Mean	3.3x	10.5x	19.9x	32.2x	1.1x
Median	2.4x	8.4x	14.2x	27.5x	1.0x

## Transportation & Logistics:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	8.0x	35.5x	25.0x	74.1x	2.3x
Low	0.4x	1.8x	2.7x	4.6x	0.4x
Mean	2.1x	7.1x	8.7x	24.0x	1.1x
Median	1.2x	5.2x	7.3x	18.4x	1.1x

## Distribution:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	6.7x	13.8x	23.6x	42.6x	1.5x
Low	0.2x	1.3x	4.4x	0.0x	-0.1x
Mean	1.5x	5.1x	11.6x	24.3x	0.8x
Median	1.0x	4.0x	11.2x	22.9x	0.7x



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

[dinancapital.com](http://dinancapital.com)