



DINAN CAPITAL ADVISORS

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	EUROPE AND MIDDLE EAST	Amsterdam	MANCHESTER	ASIA-PACIFIC	Beijing
	Chicago		Antwerp	Milan		New Delhi
	Nashville		Brussels	Munich		Singapore
	New York City		Copenhagen	Paris		Sydney
	Phoenix		Helsinki	Stockholm		Tokyo
	San Francisco		London	Berlin		
			Madrid	Zurich		

**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+

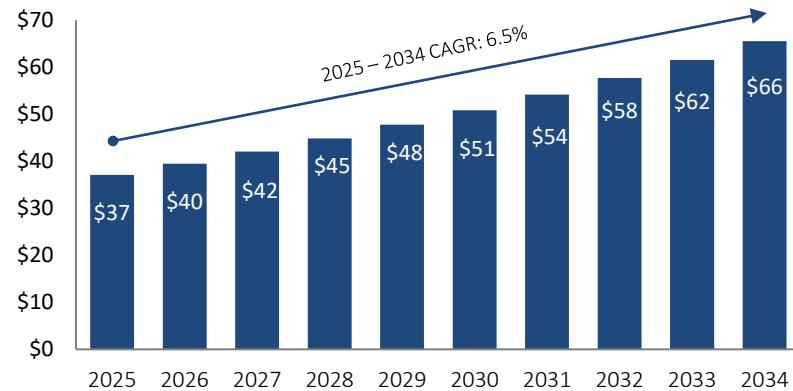
M&A professionals globally⁽²⁾

⁽¹⁾ Buy-side and Sell-side figure

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

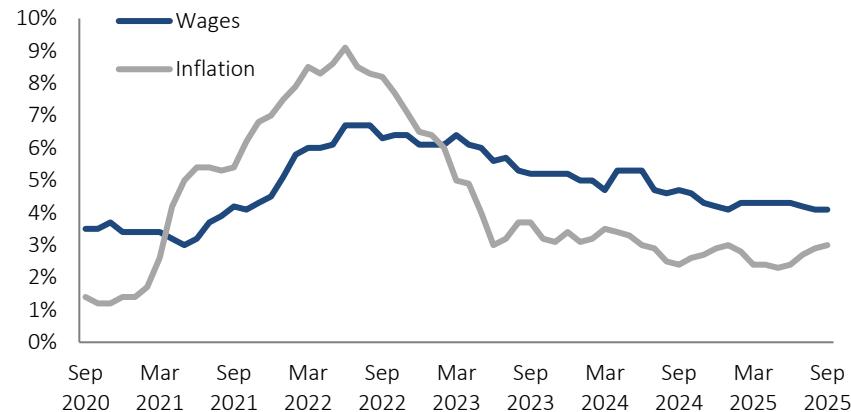
Global Industrials Industry Size and Forecast (USD \$B)¹

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.



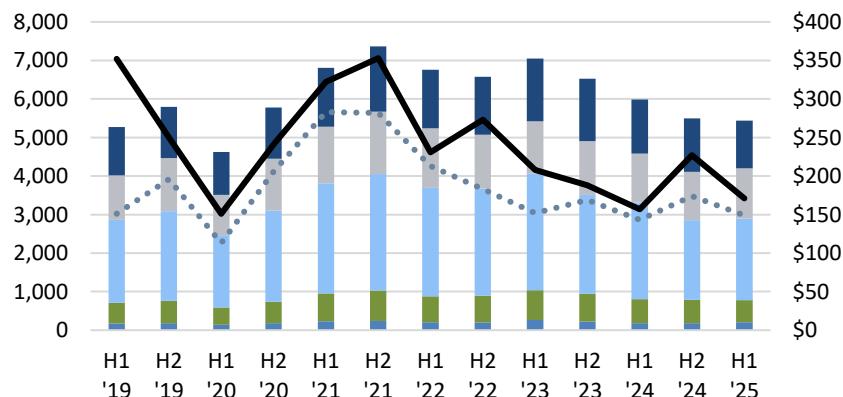
US Wages and Salaries Growth²

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



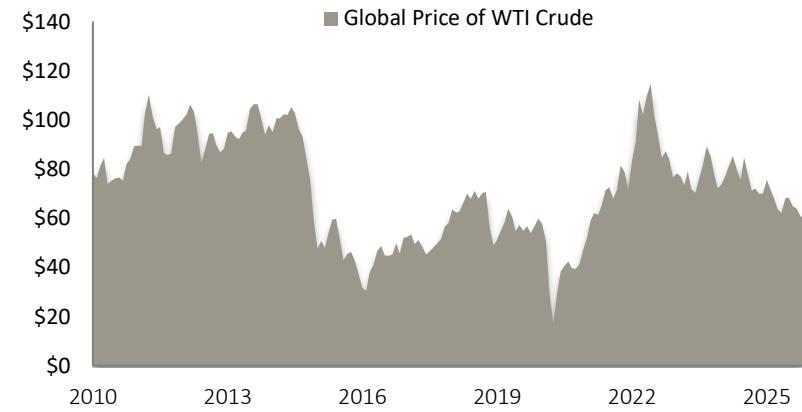
Global Industrials Deal Volumes and Values (USD \$B)³

Aerospace & Defense
 Business Services
 Industrial Manufacturing
 E&C
 Deal Value (excluding megadeals)



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

(3) LSEG and PwC

(4) FRED

Industry EV/EBITDA Multiples



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.

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)

Dinan's Relevant Transactions

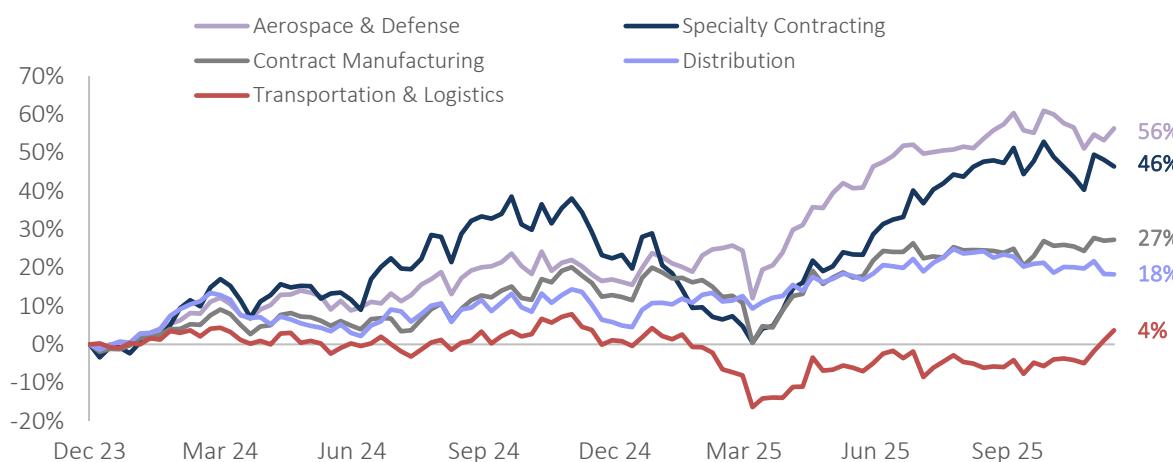


Sources: Capital IQ as of 12/26/2025. Reuters, Simon-Kucher, PwC, Deloitte, Advanced Technology Services,

DAT Freight & Analytics

Note: Tombstones included herein represent transactions closed from 2020 forward.

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.

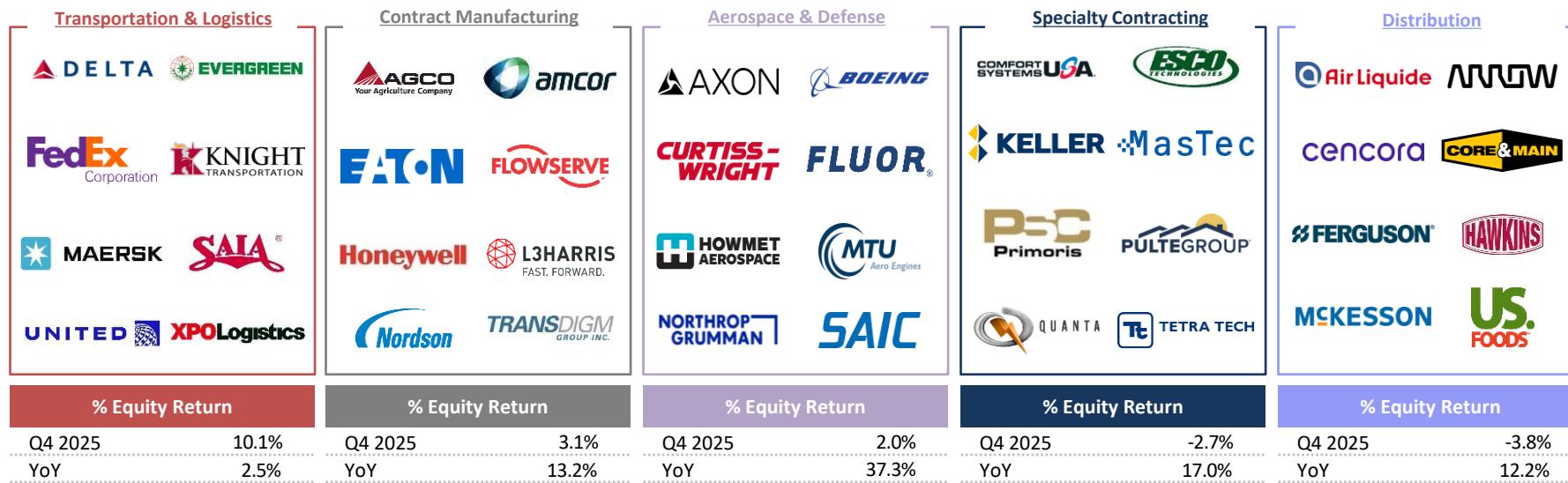
+37.3%

Aerospace & Defense
Equity Return (YoY)

+17.0%

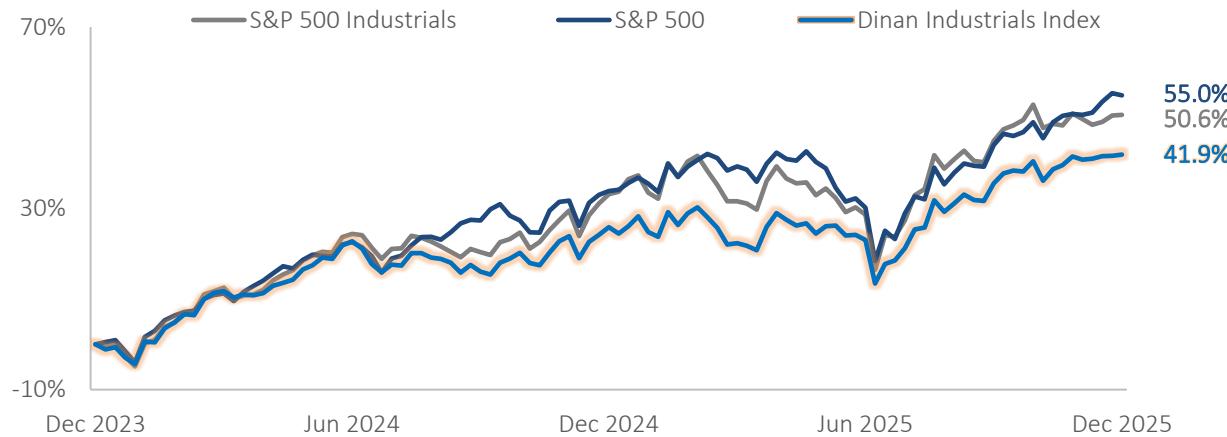
Specialty Contracting
Equity Return (YoY)

Market Performance by Sector

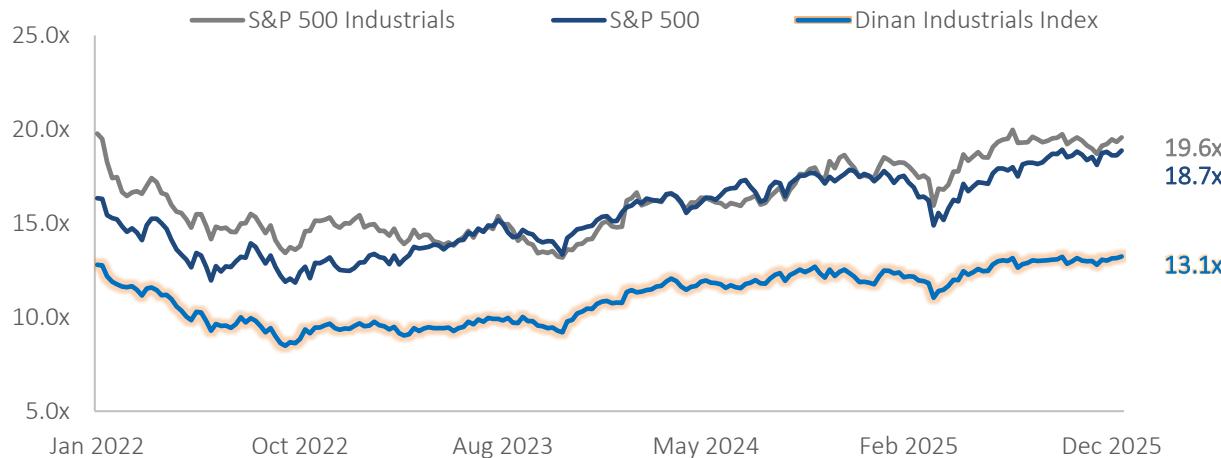


Source: Capital IQ as of 12/26/2025

Stock Price Performance – Dinan Industrials Index vs. Market Benchmarks



EBITDA Multiple Trends – 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.

+15.8% +13.2%

**S&P 500
Equity Return (YoY)**

**S&P 500 Industrials
Equity Return (YoY)**

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.

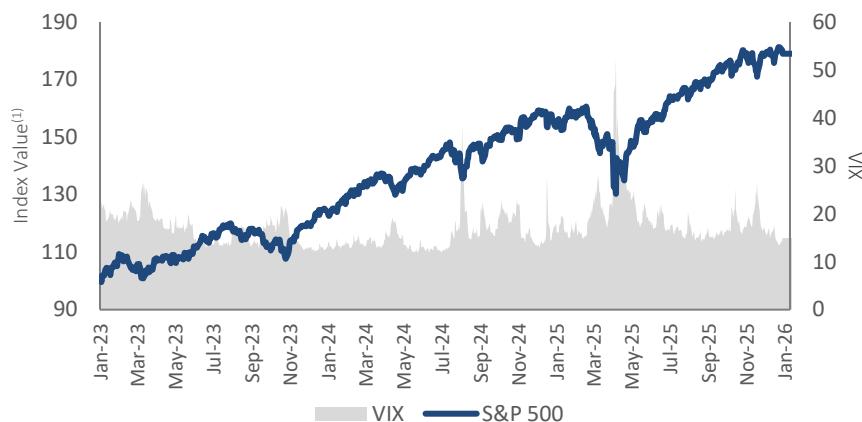
S&P 500 EBITDA multiple increased 1.0% in Q4 2025, following a 5.9% increase in Q3 2025.

+11.6% +11.3%

**S&P 500 Industrials
Index Multiple (YoY)**

**Dinan Industrials
Index Multiple (YoY)**

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

Source: Capital IQ as of 12/31/2025

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.

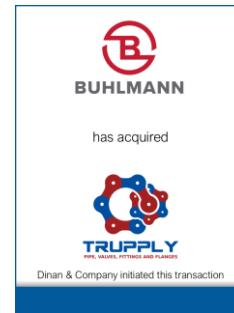
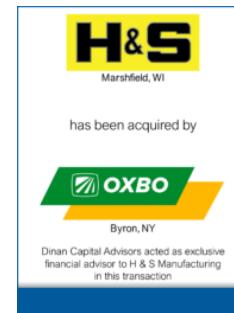
Technological investment, particularly in AI and automation, along with evolving U.S. regulatory and trade policies, are driving growth in the industry, creating new market dynamics and collaboration opportunities.

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.



Select Dinan Industrials Transactions



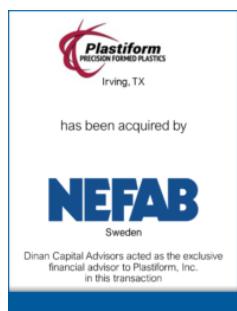
TPC Mechanical Contractors – Transaction Details

- ❖ 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

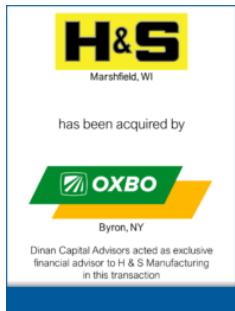
- ❖ The Plastiform Company has been manufacturing and selling Plastiform high-density polyethylene plastic boards to contractors and municipalities since 1995. Its subsidiary, Precision Formed Plastics offers high quality thermoformed cushioning solutions to clients globally.
- ❖ Nefab Group designs,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

Specialty Contracting:

Enterprise Value:					
	TTM Revenue	TTM Gross Profit	TTM EBITDA	TTM P/E	1-Year Beta
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

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

Contract Manufacturing:

Transportation & Logistics:

Enterprise Value:					
	TTM Revenue	TTM Gross Profit	TTM EBITDA	TTM P/E	1-Year Beta
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

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

Distribution:

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



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