

Industrials Industry Update

Q3 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+

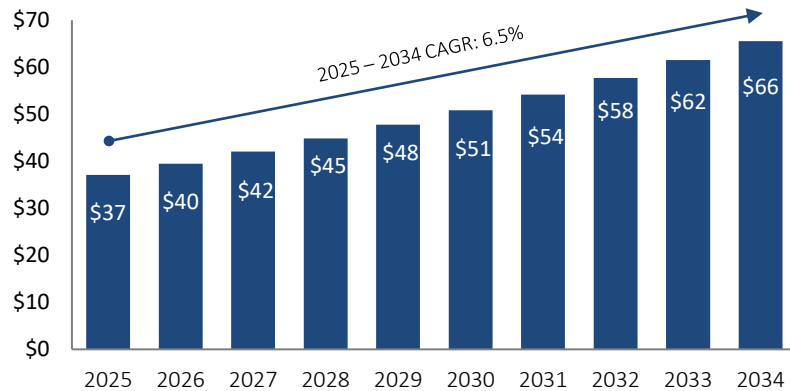
M&A professionals globally⁽²⁾

⁽¹⁾ Buy-side and Sell-side figure

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

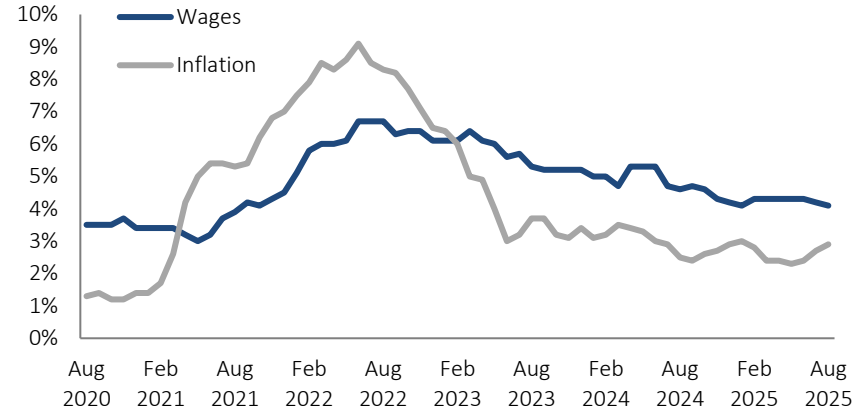
Global Industrials Industry Size and Forecast (USD \$B)¹

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.

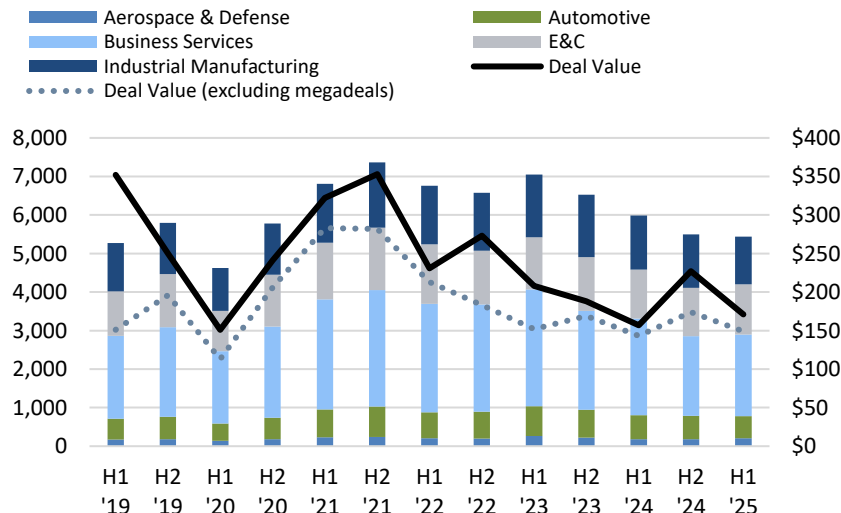


US Wages and Salaries Growth²

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

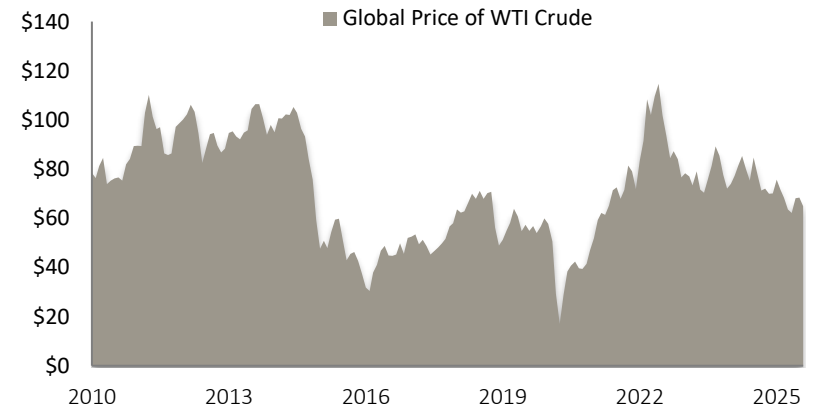


Global Industrials Deal Volumes and Values (USD \$B)³



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.



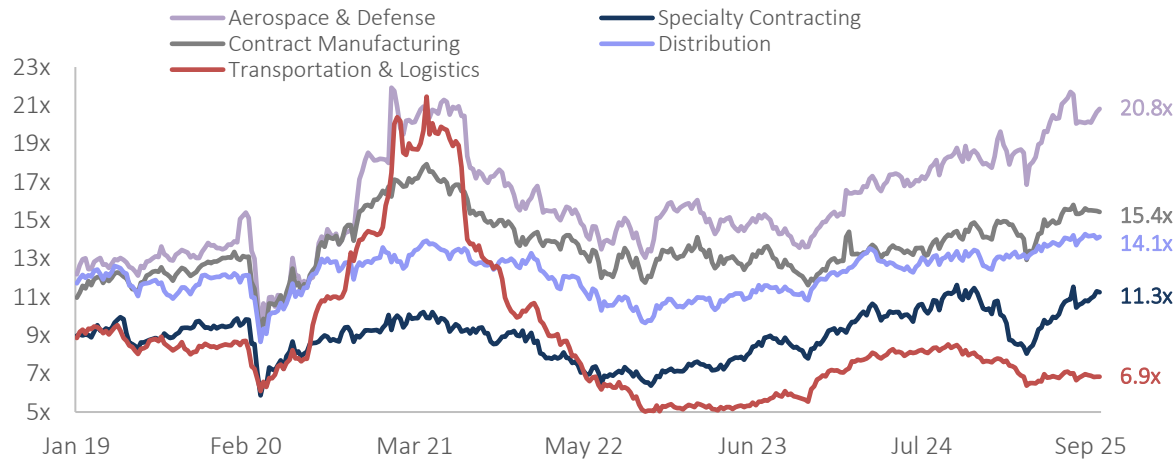
(1) Precedence Research

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

(3) LSEG and PwC

(4) FRED

Industry EV/EBITDA Multiples



Key Takeaways

Industrials EBITDA multiples increased 1.4% on average in Q3 2025, with mixed performance across market segments.

Specialty Contracting stands out in Q3 2025 as the segment with the highest quarterly EBITDA multiple appreciation (+6.9%).

+13.7%

Aerospace & Defense
Multiple Growth (YoY)

+8.3%

Contract Manufacturing
Multiple Growth (YoY)

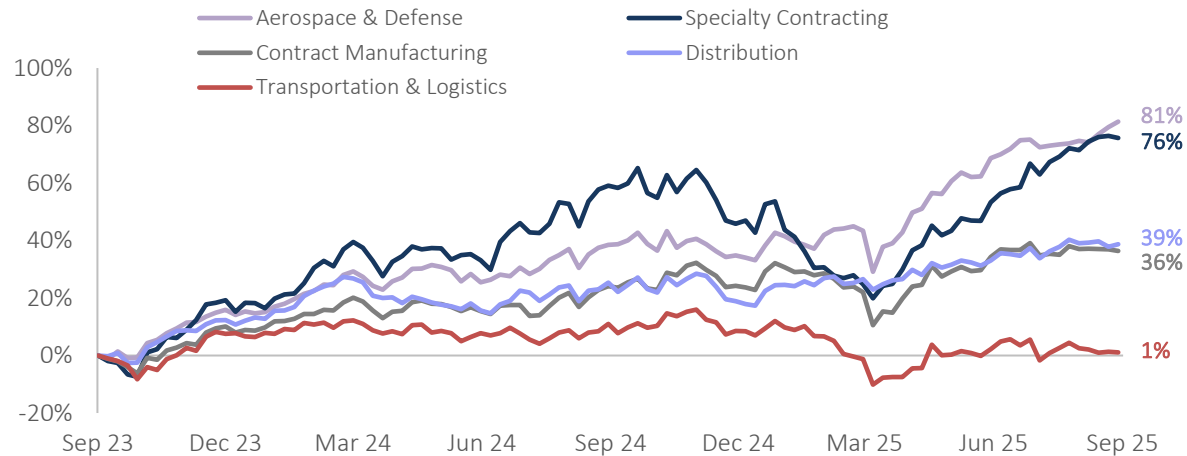
Market Dynamics and Outlook

- The Aerospace & Defense sector continues to perform strongly with both the highest sub-sector overall valuation (20.8x EV/EBITDA) as well as the largest increase in YoY multiple appreciation (+13.7%). Sector performance is driven primarily by geopolitical tensions, rapid developments in AI related technologies, and expansion of the space sector.
- Industrial companies, especially manufacturers, are investing heavily in AI, advanced analytics, and integrated systems as end-to-end margin management becomes critical for competition. Contract Manufacturing index value performance increased by 9.8% YoY.
- The Distribution sector continues recovering from trade uncertainties and tariff impacts, with stable multiple growth since the beginning of the year (+12.3% YTD).
- Specialty Contracting index value increased by 14.6% in Q3, the largest quarterly increase between the sectors. 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 <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 WINNETKA, IL <small>Dinan Capital Advisors acted as the exclusive financial advisor to Doorm Specialized 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 & S Manufacturing in this transaction.</small>	 TransAsh Cincinnati, OH has been acquired by NorthStar New York, NY 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 strong performance across most segments in Q3 2025. The Specialty Contracting segment notably posted significant positive equity returns in the quarter (+14.6%).

The Aerospace & Defense segment had the next highest quarterly growth with 7.5% in Q3 2025.

+30.9%

Aerospace & Defense
Equity Return (YoY)

+10.7%

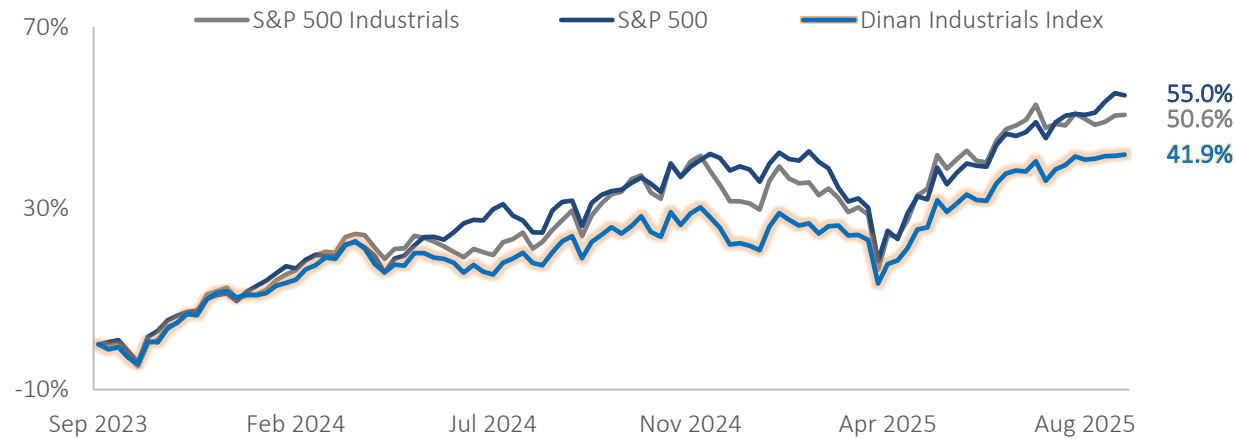
Distribution
Equity Return (YoY)

Market Performance by Sector

Specialty Contracting		Aerospace & Defense		Distribution		Contract Manufacturing		Transportation & Logistics	
% Equity Return		% Equity Return		% Equity Return		% Equity Return		% Equity Return	
Q3 2025	14.6%	Q3 2025	7.5%	Q3 2025	4.2%	Q3 2025	1.6%	Q3 2025	-1.1%
YoY	10.4%	YoY	30.9%	YoY	10.7%	YoY	9.8%	YoY	-9.0%

Source: Capital IQ as of 09/30/2025

Stock Price Performance – Dinan Industrials Index vs. Market Benchmarks



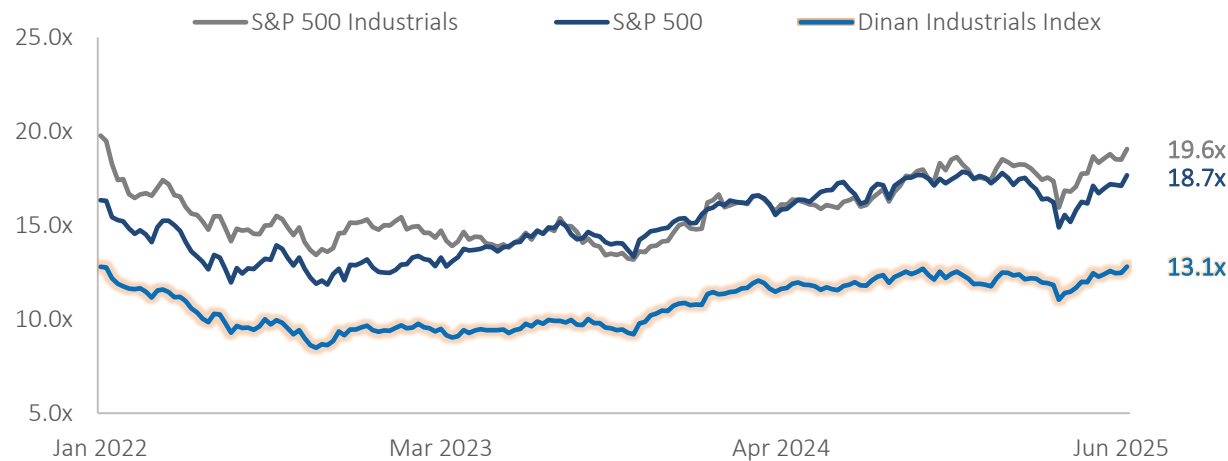
Key Market Trends

S&P 500 Index had a strong performance in Q3 2025, with an increase of 7.8% during the quarter.

The Dinan Industrials equity return increased by 4.7% in Q3 2025, following a 10.2% increase in Q2 2025.

+15.8%	+13.2%
S&P 500	S&P 500 Industrials
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 3.5% in Q3 2025, following an average increase of 9.0% in Q2 2025.

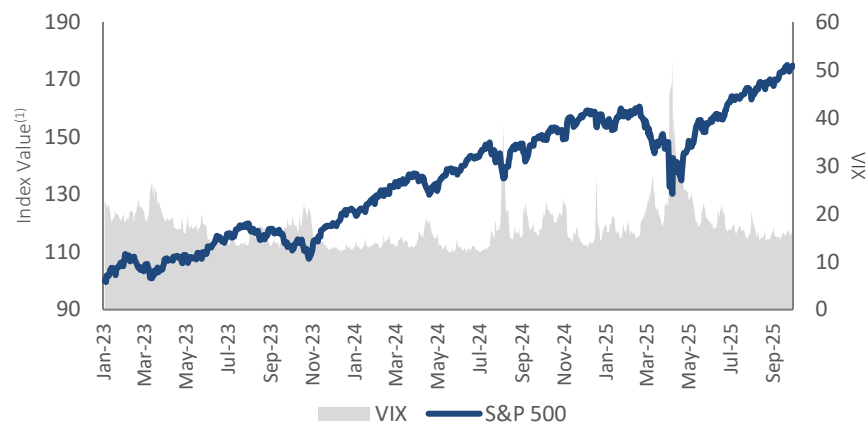
S&P 500 EBITDA multiple increased 5.9% in Q3 2025, following an 8.8% increase in Q2 2025.

+10.9%	+6.6%
S&P 500 Industrials	S&P 500
Index Multiple (YoY)	Index Multiple (YoY)

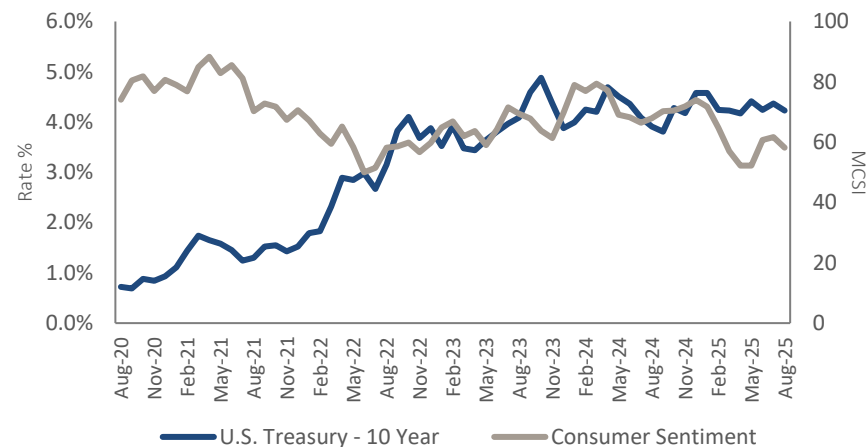
Source: Capital IQ as of 09/30/2025

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

The S&P 500 rose 8% in Q3 '25 to record levels, showing investors are shrugging off macro uncertainty.



The 10-Year Treasury dipped at the end of the third quarter while consumer sentiment stabilized out.



U.S. Equity Sectors Performance

	% Return (Q2 '25)	% Return (Q3 '25)	TEV/LTM Total Rev	TEV/LTM EBITDA
Energy	-9.4%	+5.3%	1.6x	8.4x
Communication Services	+18.2%	+11.8%	5.4x	15.5x
Materials	+13.0%	+2.6%	2.7x	13.1x
Consumer Discretionary	+11.3%	+9.4%	3.4x	21.0x
Industrials	+12.6%	+4.6%	3.4x	19.7x
Info Tech	+23.5%	+13.0%	10.5x	30.0x
Healthcare	-7.6%	+3.3%	1.7x	14.6x
Consumer Staples	+0.5%	-2.9%	1.9x	15.8x
Real Estate	-1.0%	+1.7%	9.2x	21.1x
Utilities	+3.5%	+6.8%	5.2x	13.7x

Major Indices Performance

	% Return (Q2 '25)	% Return (Q3 '25)	TEV/LTM Total Rev	TEV/LTM EBITDA
S&P 500	+10.6%	+7.8%	3.8x	18.8x
NASDAQ	+16.7%	+11.2%	5.7x	22.4x
Dow Jones	+5.0%	+5.2%	3.3x	16.5x
Russell 2000	+8.1%	+12.0%	1.8x	13.2x

Interest Rates as of

	12/31/22	12/31/23	12/31/24	9/30/25
Treasury – 2 Year	4.4%	4.2%	4.3%	3.6%
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%	7.25%

Sources: Capital IQ as of 09/30/2025, FRED

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

Resilient growth and strategic expansion drive strong Industrials M&A activity in Q3 2025.
Expanding worldwide defense budgets provide a foundation for sustained sector growth.

Closed Date	Target	Acquirer	Target Sector	Transaction Value (\$mm)
09/22/2025	 SpartanNash	 C&S Wholesale Grocers	Distribution	\$2,064
09/12/2025	 ALTERA	 SILVERLAKE	Contract Manufacturing	\$8,750
09/02/2025	 Diamond Infrastructure Solutions	 MACQUARIE	Specialty Contracting	\$6,000
09/02/2025	 AIR LEASE CORPORATION	 Sumitomo Corporation	Aerospace & Defense	\$27,315
08/29/2025	 PAVE AMERICA	 AEA	Specialty Contracting	NM
08/25/2025	 MLD TECHNOLOGIES	 GENERAL ATOMICS	Aerospace & Defense	NM
08/25/2025	 Wheeling & Lake Erie	 FTAI INFRASTRUCTURE	Transportation & Logistics	\$1,050
07/25/2025	 DYNAMIC SYSTEMS, INC. MECHANICAL CONTRACTORS	 QUANTA SERVICES, INC.	Specialty Contracting	\$1,566
07/24/2025	 TRIUMPH	 WARBURG PINCUS	Contract Manufacturing	\$2,901
07/16/2025	 ROLLS ROYCE	 FAIRBANKS MORSE DEFENSE	Aerospace & Defense	NM
07/14/2025	 national express transit	 I SQUARED	Transportation & Logistics	\$608
07/01/2025	 8TH AVENUE FOOD & PROVISIONS	 Post	Distribution	\$880

Source: Capital IQ as of 09/30/2025

Key Takeaways

Overall M&A transaction volume in the Industrials industry remained robust in Q3 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 **593**

Averages:

Enterprise Value **\$1,168mm**

EV/LTM Revenue **2.2x**

EV/LTM EBITDA **13.9x**

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 portfolio of


has acquired


Dinan & Company initiated this transaction


BUHLMANN
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


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



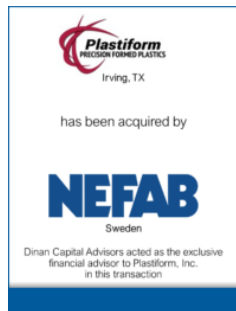
TPC Mechanical Contractors – Transaction Details

- ❖ 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

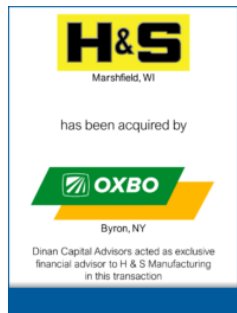
- ❖ The Plastiform Company has been manufacturing and selling Plastiform high-density polyethylene plastic boards to contractors and municipalities since 1995. Its subsidiary, Precision Formed Plastics offers high quality thermoformed cushioning solutions to clients globally.
- ❖ Nefab Group designs,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

Q3 2025



Aerospace & Defense:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	23.2x	49.1x	171.8x	175.3x	2.0x
Low	0.3x	-7.0x	1.1x	0.0x	-0.4x
Mean	3.5x	12.2x	20.9x	34.9x	0.9x
Median	2.5x	10.3x	15.8x	30.2x	0.9x

Specialty Contracting:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	5.2x	23.5x	47.3x	100.4x	2.4x
Low	0.2x	-63.3x	1.1x	1.8x	0.2x
Mean	1.7x	7.8x	14.0x	32.2x	1.2x
Median	1.6x	7.9x	12.6x	30.9x	1.2x

Contract Manufacturing:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	14.0x	49.1x	171.8x	240.5x	2.8x
Low	0.3x	-7.0x	4.2x	6.5x	0.3x
Mean	3.4x	10.2x	19.9x	32.8x	1.1x
Median	2.1x	7.8x	13.3x	26.9x	1.0x

Transportation & Logistics:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	8.3x	26.5x	22.3x	100.9x	2.6x
Low	0.4x	1.6x	1.6x	2.9x	0.2x
Mean	2.0x	6.5x	8.1x	20.5x	1.1x
Median	1.1x	4.8x	6.7x	16.5x	1.1x

Distribution:

	Enterprise Value:			TTM P/E	1-Year Beta
	TTM Revenue	TTM Gross Profit	TTM EBITDA		
High	7.4x	17.1x	29.2x	47.8x	1.9x
Low	0.1x	0.4x	3.4x	0.0x	0.2x
Mean	1.6x	5.2x	12.1x	25.4x	0.9x
Median	1.0x	4.1x	11.1x	23.7x	0.9x



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

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