

M&A INSIGHTS

INDUSTRIAL MANUFACTURING

Q2 INDUSTRY UPDATE



INDUSTRIAL MANUFACTURING INDUSTRY UPDATE

Industrial Manufacturing M&A Insights

Overview

Charter Capital provides specialized financial advisory services to lower middle market industrial manufacturers. We understand the unique dynamics of the space—from operational challenges and supply chain shifts to tech advancements and global trends.

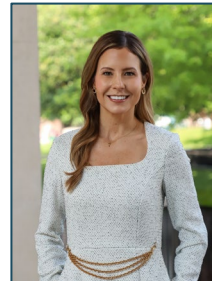
Meet The Team



Mike Brown
Partner and
Managing Director



Mark Streekstra
Partner and
Managing Director



Jenny Dakoske
Director



Thomas DeVries
Analyst

Subsector Coverage

General
Manufacturing



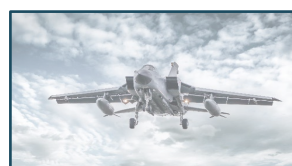
Building
Products



Capital
Equipment



Aerospace &
Defense



Relevant Transaction Experience

Kent
A converter of specialty, custom-engineered adhesive materials, headquartered in Grand Rapids, MI
Has been acquired by
SUR-SEAL
A portfolio company of
HEARTWOOD
Charter principals served as exclusive M&A advisor to Kent Manufacturing.
CHARTER

mol
belting systems
A full-service distributor and fabricator of belting and components for lightweight conveyor systems based in Grand Rapids, Michigan.
Has been acquired by
BET FLOWER
A portfolio company of
Charter principals served as exclusive M&A advisor to Mol Belting Systems.
CHARTER

MERRILL
DESIGN FABRICATE MACHINE INTEGRATE
A leading manufacturer of large metal parts and structures for the defense, aerospace, and industrial markets, headquartered in Merrill, Michigan.
Has been acquired by
ACP
Charter principals served as exclusive M&A advisor to Merrill Technologies Group, Inc.
CHARTER

UNIBAND
USA
A manufacturer of custom lightweight conveyor belting solutions headquartered in Grand Rapids, Michigan
Has been acquired by
BELTSERVICE
CORPORATION
Charter principals served as exclusive M&A advisor to Uniband USA.
CHARTER

AVON
MACHINING
A precision manufacturer of industrial gears, splines, and other industrial components, headquartered in Shelby Township, Michigan.
Has been acquired by
Avco Investment Partners
Charter principals served as exclusive M&A advisor to Avon Machining.
CHARTER

burco
A leading provider of aftermarket automotive mirrors and windshield racking solutions, headquartered in Grand Rapids, Michigan.
Has been acquired by
ARGOSY
Charter principals served as exclusive M&A advisor to Burco, Inc.
CHARTER

TRUSS
TECHNOLOGIES
INC.
A designer and manufacturer of customized roof and floor trusses headquartered in Cedar Springs, Michigan.
Has been acquired by
Builders
FirstSource
Charter principals served as exclusive M&A advisor to Truss Technologies.
CHARTER

MasterTag
A leading tech-enabled manufacturer of horticulture tags and communications products, headquartered in Montague, Michigan.
Has been acquired by
AVERY
Charter principals served as exclusive M&A advisor to MasterTag.
CHARTER

ICON
Shelter Systems Inc.
A designer and manufacturer of steel architectural shelters headquartered in Holland, Michigan.
Has been acquired by
PLAYCORE
Charter principals served as exclusive M&A advisor to Icon Shelter Systems, Inc.
CHARTER

Transactions were performed by principals of Charter acting in their capacity as registered representatives of M&A Securities Group, Inc., Member FINRA/SIPC, a separate entity from Charter Capital.



Market Overview and Activity

Q2 2025 Snapshot

Lower- to mid-market industrial manufacturing M&A slowed in Q2 2025 as buyers and lenders became more cautious. However, well-run companies in automation, defense, energy transition, and specialty manufacturing still drew strong interest and valuations.

- **M&A Activity:** U.S. industrial M&A held steady in Q2 2025 with 132 announced deals, up 1.1% from Q1 and 8.1% year over year, despite a 1.7% dip in invested capital to \$17.5B. Compared to the broader industrials market, the lower middle market remained resilient—safer, smarter transactions and add-on acquisitions continued to drive activity as buyers focused on smaller, high-quality assets amid ongoing rate, supply chain, and tariff pressures.
- **Quarterly Performance:** U.S. industrial production grew at a modest 1.1% annualized rate in Q2 2025, with manufacturing output up just 0.1% and capacity utilization steady at 76.9%. While the ISM Manufacturing PMI remained below 50, signaling contraction, production stabilized slightly. Ongoing weak demand—reflected in low new orders and backlogs—points to continued economic softness. This environment highlights the importance of demonstrating resilience and operational efficiency.
- **Capital Expenditure:** U.S. industrial capital spending is steadily improving, led by investments in automation, reshoring, and facility modernization. Despite higher rates and supply chain challenges, companies are prioritizing projects that boost productivity and localization. Construction spending remains elevated as firms expand or upgrade facilities. For investors, this growing investment signals renewed confidence in manufacturing and supports stronger valuations and M&A activity ahead.
- **Growth Momentum:** After months of flat performance, growth is re-emerging in higher-quality segments. Companies with innovation, supply chain resilience, and tariff-insulated positioning are attracting capital and commanding strong valuations. Looking ahead, we anticipate a modest uptick in industrial manufacturing M&A activity through 2026, driven by continued (though uneven) growth in output—likely in the range of 1.0% to 3.0% per year, with advanced manufacturing and capital goods outpacing more commodity-driven sectors such as basic metals.

Charter Deal Highlight

December 2024

General Manufacturing

- Charter Capital advised Kent Manufacturing Company on its sale to Sur-Seal, a portfolio company of Heartwood Partners.
- Founded in 1955, and headquartered in Grand Rapids, Michigan, Kent Manufacturing is a leading provider of custom adhesive material converting solutions, serving over 480 customers across industries such as automotive, healthcare, aerospace & defense, and electronics.
- “Kent Manufacturing’s differentiated converting capabilities, longstanding partnership with 3M, and diversified customer base positioned it as a highly attractive platform. Our priority was finding a partner that aligned with the company’s strategic goals and culture to ensure a smooth leadership transition. We’re proud to have helped guide this transaction to a successful outcome,” said Mark Streekstra, Partner and Managing Director at Charter Capital.

[Read more about this deal online](#)



A converter of specialty, custom-engineered adhesive materials, headquartered in Grand Rapids, MI

Has been acquired by

SUR-SEAL

A portfolio company of



Charter principals served as exclusive M&A advisor to Kent Manufacturing.



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Source: National Association of Manufacturers, Pitchbook, S&P Global Market Intelligence



Q2 2025 Key Deals Spotlight

General Manufacturing

April 2025



Acquired by



(NYSE: ETN)

On April 1, 2025, Eaton (NYSE: ETN), based in Dublin, Ireland, acquired Fibrebond, a Louisiana-based manufacturer of pre-integrated modular power enclosures for data center, fiber, industrial, and utility markets.

[Read more about this deal online](#)

April 2025



Acquired by



On April 15, 2025, Bertram Capital, based in Foster City, CA, acquired Applied Adhesives, a Minnesota-based manufacturer of adhesives and adhesive dispensing equipment.

[Read more about this deal online](#)

April 2025



Acquired by



On April 30, 2025, Portland Bolt & Manufacturing Co., LLC, based in Portland, OR, acquired Applied Bolting Technology, a Vermont-based manufacturer of direct tension indicating washers used for accurate bolt tensioning.

[Read more about this deal online](#)

May 2025



Acquired by



(NASDAQ: MMSI)

On May 21, 2025, Merit Medical Systems (NASDAQ: MMSI), based in South Jordan, UT, acquired Bioline, a Minnesota-based manufacturer of hemostatic wound care devices.

[Read more about this deal online](#)

June 2025



Acquired by



On June 23, 2025, Mechanix Wear, a portfolio company of Gryphon Investors based in Valencia, CA, acquired Kinco, a Oregon-based manufacturer of premium work, outdoor, and enthusiast gloves.

[Read more about this deal online](#)

Q2 2025 Key Deals Spotlight

Building Products

April 2025



Acquired by



On April 2, 2025, Allegion (NYSE: ALLE), based in Dublin, Ireland, acquired Trimco Hardware, a California-based manufacturer of commercial and institutional door hardware.

[Read more about this deal online](#)

May 2025



Acquired by



On May 18, 2023, nVent Electric plc (NYSE: NVT), based in Minneapolis, MN, acquired ECM Industries, a Wisconsin-based manufacturer of electrical connectivity products, tools, test instruments, and cable management components.

[Read more about this deal online](#)

May 2025



Acquired by



On May 30, 2025, Fontana Gruppo, based in Italy, acquired MNP Corporation, a Michigan-based manufacturer of fasteners and cold-formed components including screws, rivets, washers, and stampings.

[Read more about this deal online](#)

June 2025



Acquired by



On June 11, 2025, Alcrete LLC, based in Oakbrook Terrace, IL, acquired Florida Concrete Products, a Florida-based manufacturer of prestressed and precast concrete components serving the infrastructure and bridge construction markets.

[Read more about this deal online](#)

June 2025



Acquired by



On June 19, 2025, Worthington Enterprises (NYSE: WOR), based in Columbus, OH, acquired Elgen Manufacturing, a New Jersey-based manufacturer of HVAC components, ductwork, and structural framing used in commercial buildings.

[Read more about this deal online](#)

Q2 2025 Key Deals Spotlight

Capital Equipment

April 2025

SIMPLEX

Acquired by



On April 30, 2025, TerraVest Industries (TSX: TVK), based in Toronto, Ontario, acquired Simplex, Inc., an Illinois-based manufacturer of electrical test systems and fuel supply systems for the standby power generation industry.

[Read more about this deal online](#)

May 2025



Acquired by



On May 1, 2025, CSW Industrials (NYSE: CSW), based in Dallas, TX, acquired Aspen Manufacturing, a Texas-based manufacturer of residential and light commercial HVAC/R products including evaporator coils, blowers, and air handling units.

[Read more about this deal online](#)

May 2025



Acquired by



On May 14, 2025, Industrial Control Solutions, a portfolio company of LDR Partners LP, acquired Load Controls Inc., a Massachusetts-based manufacturer of motor power sensors and pump protection controls serving OEM and industrial end markets.

[Read more about this deal online](#)

June 2025



Acquired by



On June 10, 2025, Honeywell (NASDAQ: HON), based in Charlotte, NC, acquired Sundyne, a Colorado-based manufacturer of mission-critical pumps and compressors used in process industry applications across energy, chemicals, and industrial markets.

[Read more about this deal online](#)

June 2025



Acquired by



On June 17, 2025, Walor North America, a Mutares portfolio company, acquired TSM Corporation, a Michigan-based manufacturer of precision steel and aluminum components and assemblies for automotive OEMs and Tier 1 suppliers.

[Read more about this deal online](#)

Q2 2025 Key Deals Spotlight

Aerospace & Defense

April 2025



Acquired by



On April 9, 2025, Fisica Inc., based in San Leandro, CA, acquired Space Vector, a California-based provider of aerospace and defense systems including launch vehicles and rocket propulsion technologies.

[Read more about this deal online](#)

April 2025



Acquired by



On April 14, 2025, Avem Partners, based in Santa Ana, CA, acquired FMI Aerostructures, a Valencia-based manufacturer of complex structural assemblies and components used in military and commercial aerospace platforms.

[Read more about this deal online](#)

May 2025



Acquired by



(NASDAQ: AVAV)

On May 1, 2025, AeroVironment (NASDAQ: AVAV), based in Arlington, VA, acquired BlueHalo, a Maryland-based provider of advanced defense technologies including space, counter-UAS, autonomous systems, and cyber solutions.

[Read more about this deal online](#)

May 2025



Acquired by



On June 13, 2025, Pursuit Aerospace, based in Manchester, CT, acquired Larson Forgings, an Illinois-based manufacturer of seamless rolled rings, open-die forgings, and other precision components for aerospace and defense platforms.

[Read more about this deal online](#)

June 2025



Acquired by



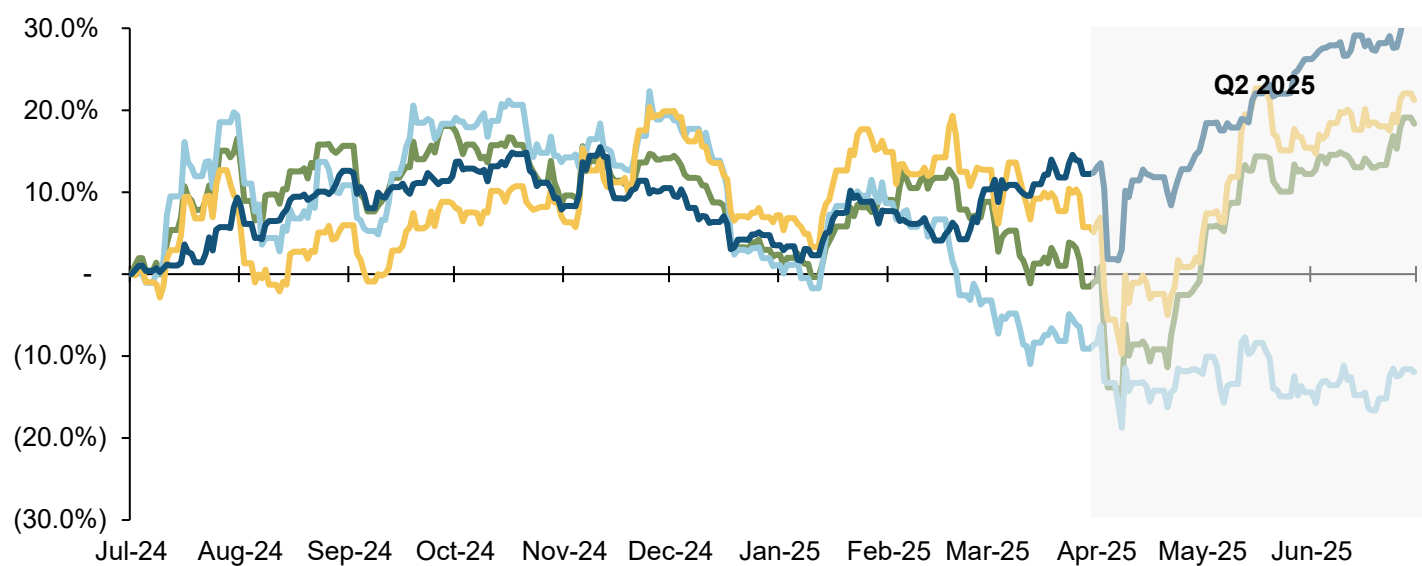
GE Aerospace
(NYSE: GE)

On June 26, 2025, GE Aerospace (NYSE: GE), based in Cincinnati, OH, acquired Northstar Aerospace, an Illinois-based manufacturer of aircraft components including gears, housings, assemblies, and shafts for military and commercial applications.

[Read more about this deal online](#)

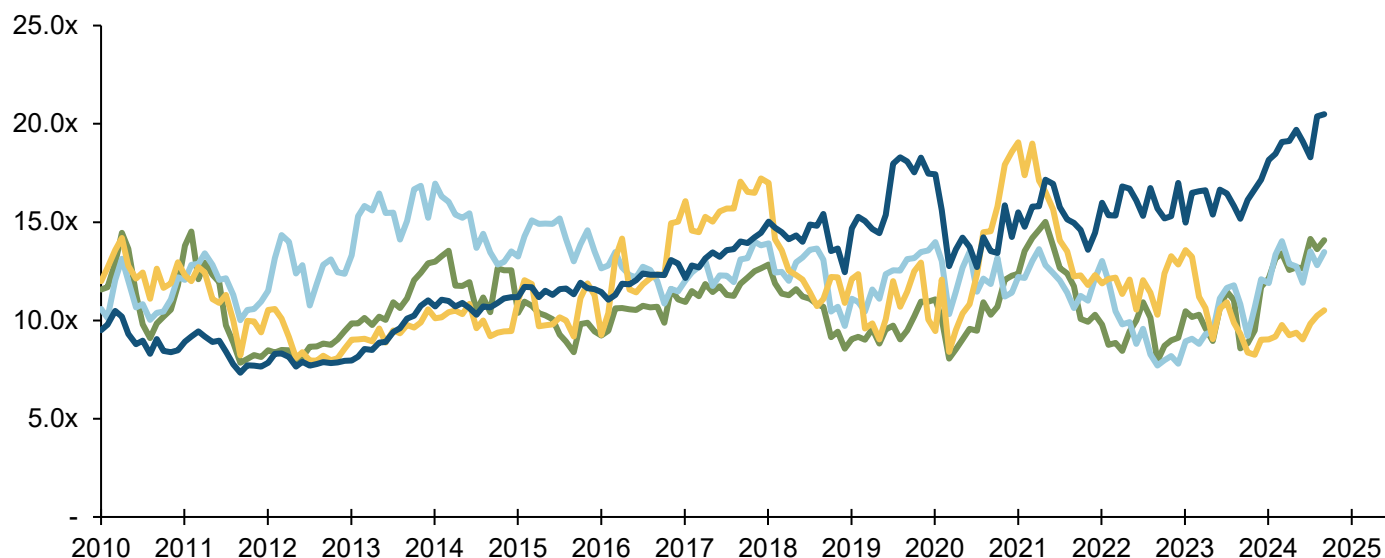
Public Valuation Trends

One-Year Share Price Performance by Segment



General Manufacturing Building Products Capital Equipment Aerospace & Defense

Rolling EV/EBITDA by Segment



General Manufacturing Building Products Capital Equipment Aerospace & Defense

INDUSTRIAL MANUFACTURING INDUSTRY UPDATE

Public Trading Data

General Manufacturing

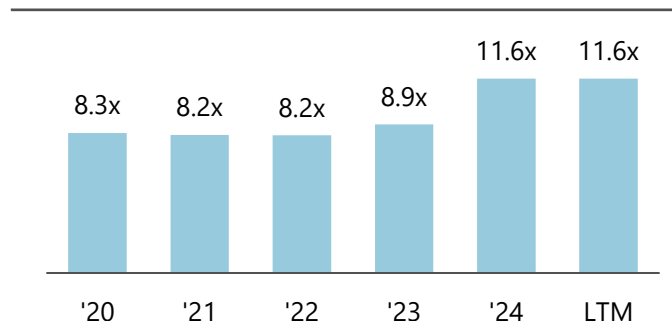
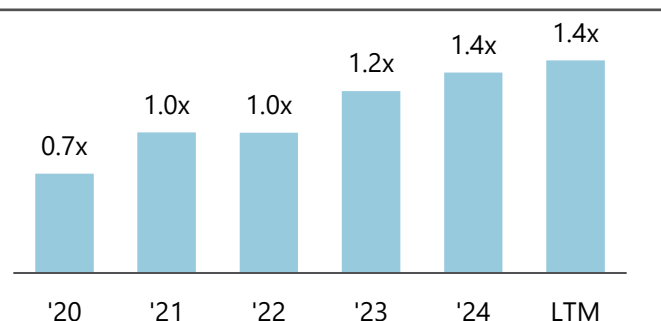


	Price 06/30/25	% 52-Wk High	Market Cap	Net Debt	Tot. Ent. Value	Total Enterprise Value /			
						Revenues		EBITDA	
						LTM	NFY	LTM	NFY
General Manufacturing									
3M Company	\$152.24	97%	\$81,933	\$9,629	\$91,562	3.7x	3.8x	15.8x	13.1x
ATI	\$86.34	98%	\$12,180	\$1,685	\$13,865	3.1x	2.9x	18.8x	15.7x
Insteel Industries	\$37.21	98%	\$722	(\$50)	\$673	1.1x	1.0x	11.6x	7.6x
Illinois Tool Works	\$247.25	89%	\$72,535	\$8,150	\$80,685	5.1x	5.0x	17.8x	16.9x
Mayville Engineering Company	\$15.96	69%	\$327	\$102	\$429	0.8x	0.7x	9.0x	7.1x
Nucor	\$129.54	76%	\$29,891	\$5,501	\$35,392	1.1x	1.1x	9.9x	7.2x
Park-Ohio Holdings	\$17.86	52%	\$242	\$669	\$911	0.6x	0.5x	7.6x	6.2x
Reliance	\$313.90	96%	\$16,507	\$1,503	\$18,010	1.3x	1.3x	13.7x	12.0x
The Timken Company	\$72.55	80%	\$5,076	\$2,075	\$7,151	1.6x	1.6x	9.2x	8.8x
Worthington Enterprises	\$63.64	90%	\$3,177	\$81	\$3,257	2.8x	2.5x	nmf	10.7x
Mean		85%				2.1x	2.0x	12.6x	10.5x
Median		89%				1.4x	1.4x	11.6x	9.8x

Median Trading Multiples

Revenue

EBITDA



Building Products



Armstrong

Builders
FirstSource

JW

MASCO

OWENS
CORNING

SIMPSON
Manufacturing
COMPANY

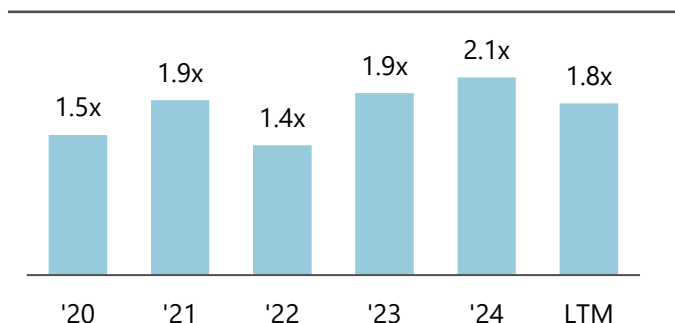
Trex

UFP INDUSTRIES

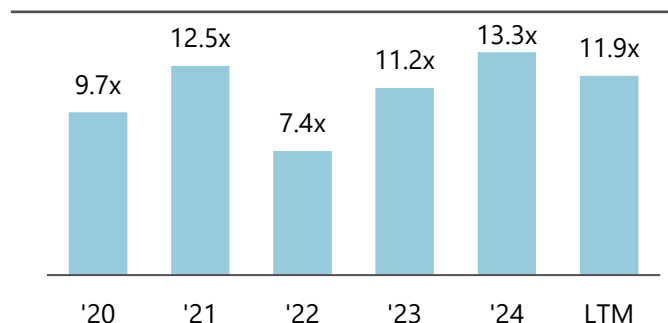
	Price 06/30/25	% 52-Wk High	Market Cap	Net Debt	Tot. Ent. Value	Total Enterprise Value /			
						Revenues		EBITDA	
						LTM	NFY	LTM	NFY
Building Products									
Armstrong World Industries	\$162.44	96%	\$7,054	\$485	\$7,539	4.8x	4.6x	17.7x	12.9x
Builders FirstSource	\$116.69	57%	\$12,896	\$5,227	\$18,123	1.1x	1.1x	10.1x	11.7x
JELD-WEN	\$3.92	22%	\$334	\$1,239	\$1,573	0.5x	0.5x	14.4x	7.8x
Masco	\$64.36	74%	\$13,576	\$3,068	\$16,644	2.2x	2.2x	11.1x	11.3x
Owens Corning	\$137.52	64%	\$11,696	\$5,788	\$17,484	1.5x	1.7x	6.7x	7.2x
Simpson Manufacturing	\$155.31	79%	\$6,496	\$287	\$6,783	3.0x	2.9x	12.7x	11.8x
Trex Company	\$54.38	63%	\$5,831	\$289	\$6,120	5.4x	4.9x	19.7x	15.0x
UFP Industries	\$99.36	70%	\$5,886	(\$470)	\$5,416	0.8x	0.8x	9.4x	8.8x
Mean		66%				2.4x	2.3x	12.7x	10.8x
Median		67%				1.8x	1.9x	11.9x	11.5x

Median Trading Multiples

Revenue



EBITDA



Public Trading Data

Capital Equipment

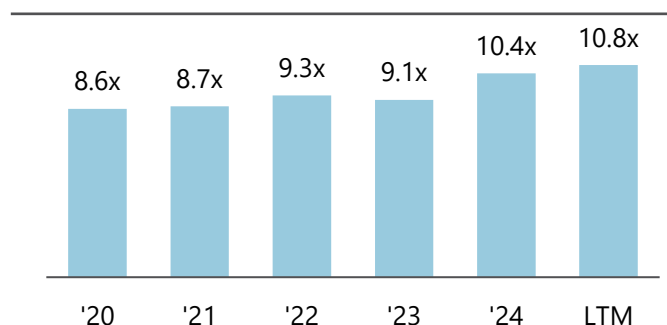
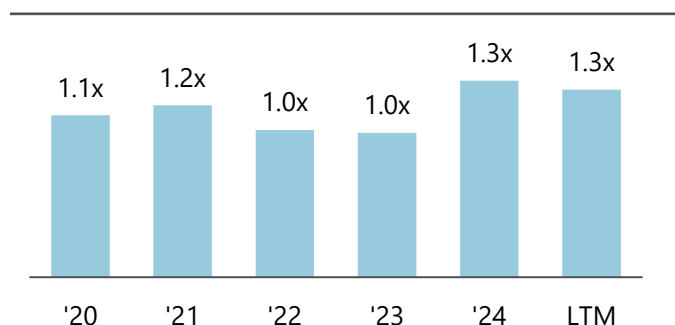


	Price 06/30/25	% 52-Wk High	Market Cap	Net Debt	Tot. Ent. Value	Total Enterprise Value /			
						Revenues		EBITDA	
						LTM	NFY	LTM	NFY
Capital Equipment									
AGCO Corporation	\$103.16	95%	\$7,694	\$2,674	\$10,368	1.0x	1.1x	11.1x	9.2x
Astec Industries	\$41.69	97%	\$953	\$5	\$959	0.7x	0.7x	7.1x	6.7x
Caterpillar	\$388.21	93%	\$182,581	\$36,322	\$218,903	3.5x	3.4x	15.6x	15.9x
Cummins	\$327.50	84%	\$45,115	\$6,694	\$51,809	1.5x	1.6x	9.9x	9.4x
Deere & Company	\$508.49	95%	\$137,713	\$60,259	\$197,972	4.5x	5.0x	23.4x	25.2x
The Manitowoc Company	\$12.02	89%	\$426	\$509	\$935	0.4x	0.4x	8.7x	na
Terex Corporation	\$46.69	69%	\$3,063	\$2,219	\$5,282	1.0x	1.0x	10.6x	7.4x
Parker-Hannifin	\$698.47	97%	\$89,249	\$9,028	\$98,277	5.0x	4.9x	19.3x	17.9x
Mean		90%				2.2x	2.3x	13.2x	13.1x
Median		94%				1.3x	1.3x	10.8x	9.4x

Median Trading Multiples

Revenue

EBITDA



Public Trading Data

Aerospace & Defense



BAE SYSTEMS

BOEING

GENERAL DYNAMICS

HEICO

HOWMET AEROSPACE

L3HARRIS™

LOCKHEED MARTIN

NORTHROP GRUMMAN

TEXTRON

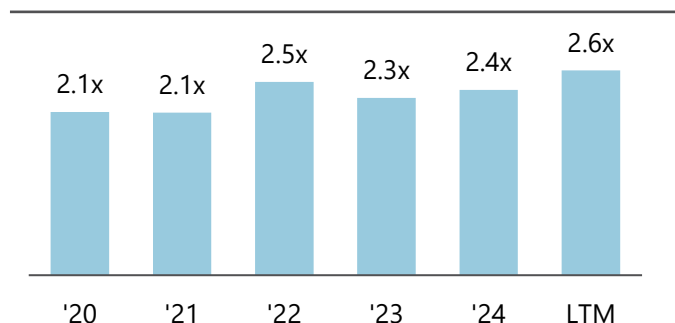
TRANSDIGM GROUP INC.

RTX

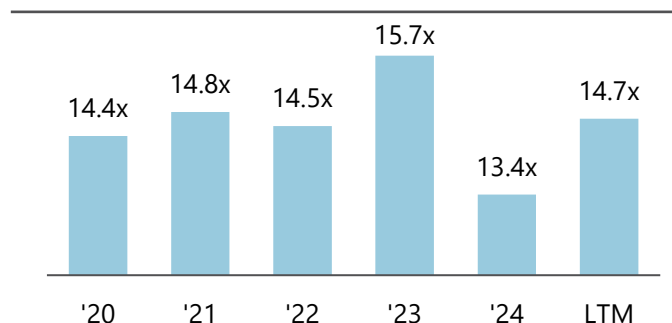
	Price 06/30/25	% 52-Wk High	Market Cap	Net Debt	Tot. Ent. Value	Total Enterprise Value /			
						Revenues		EBITDA	
						LTM	NFY	LTM	NFY
Aerospace & Defense									
BAE Systems	\$25.85	94%	\$77,325	\$10,206	\$87,530	2.5x	2.1x	20.1x	14.7x
Boeing	\$209.53	96%	\$157,987	\$39,388	\$197,375	2.6x	2.3x	nmf	32.7x
General Dynamics	\$291.66	92%	\$78,162	\$9,096	\$87,258	1.7x	1.7x	14.4x	13.8x
HEICO	\$328.00	100%	\$45,626	\$2,694	\$48,321	11.3x	10.5x	nmf	36.9x
Howmet Aerospace	\$186.13	99%	\$75,136	\$57,883	\$133,019	17.2x	16.1x	nmf	53.1x
L3Harris	\$250.84	94%	\$46,893	\$11,620	\$58,513	2.7x	2.7x	14.7x	14.4x
Lockheed Martin	\$463.14	75%	\$108,512	\$20,345	\$128,857	1.8x	1.7x	17.9x	12.0x
Northrop Grumman	\$499.98	90%	\$71,961	\$16,187	\$88,148	2.2x	2.1x	13.7x	14.1x
Textron	\$80.29	85%	\$14,495	\$2,735	\$17,230	1.2x	1.2x	11.4x	9.4x
TransDigm Group	\$1,520.64	99%	\$85,410	\$22,272	\$107,682	12.6x	11.7x	24.7x	21.2x
RTX Corporation	\$146.02	98%	\$195,076	\$40,662	\$235,738	2.8x	2.8x	16.8x	17.0x
Mean		93%				5.3x	5.0x	16.7x	21.7x
Median		94%				2.6x	2.3x	15.7x	14.7x

Median Trading Multiples

Revenue



EBITDA



About Charter Capital

Charter Capital is a premier middle market investment banking firm with deep experience in the industrial services sector. Founded in 1989 and headquartered in Grand Rapids, Michigan, the firm provides M&A advisory, succession planning, business valuation, and capital raise services. Known for its strategic precision, personal approach, and integrity, Charter partners with business owners and investors to deliver thoughtful, high-impact outcomes.

Recognized by Axial as one of the Top 100 Most Referred Middle Market Advisory Firms in the U.S., Charter also manages Charter Growth Capital, which provides junior capital to lower middle market companies in the Great Lakes region.

Advisory Services Snapshot

Type	Expertise
M&A Advisory	- Go-to-market sell-side advisory - Buy-side growth strategies - Exit planning - Fairness opinions
Capital Raise	- Equity or debt capital raise - Dividend recapitalization - Solvency opinions - Minority investors
Valuation Opinions	- Buy-sell agreements - Gift, estate, and income tax matters - Shareholder disputes - Purchase price allocations
Capital Management	- Licensed Fund Management - Registered Investment Advisers

Broker dealer services offered through M&A Securities Group, Inc., Member FINRA/SIPC, a separate entity from Charter Capital Partners. The testimonials presented may not be representative of the experience of other clients and are not indicative of future performance or success.

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