

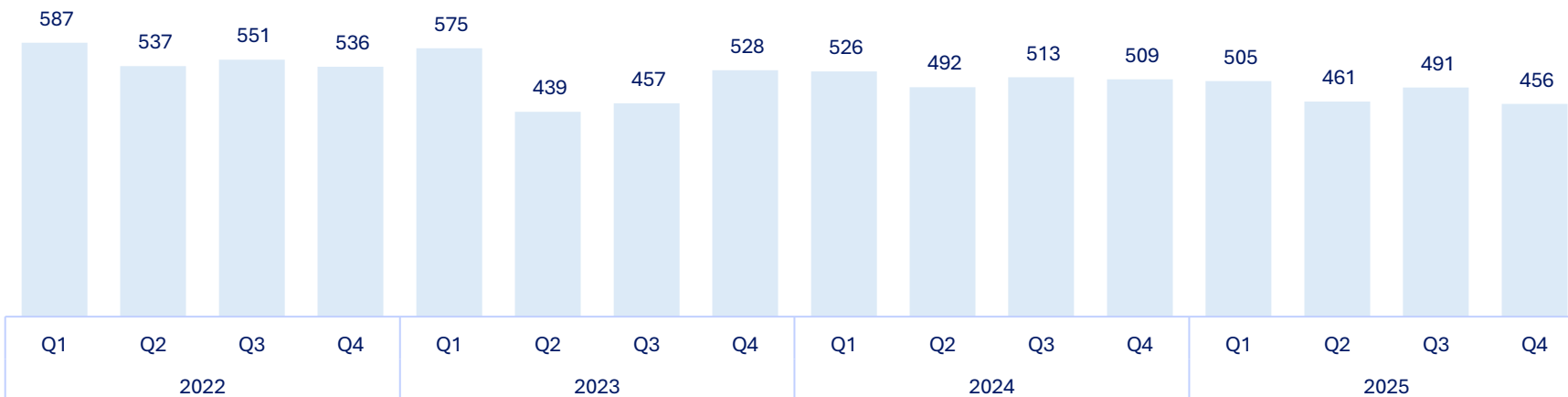
Manufacturing Industry Update

March 2026

Manufacturing - M&A Market Update

US Manufacturing M&A Deal Count

Source: Pitchbook



Select Recent Transactions

Date	Feb 2026	Feb 2026	Jan 2026	Dec 2025	Dec 2025	Nov 2025
Value	\$10.0 Billion	\$2.9 Billion	\$14.5 Billion	\$1.5 Billion	\$8.3 Billion	\$9.3 Billion
Target						
Acquirer						

SC&H Insights & Observations

- Manufacturing M&A activity has leveled out from 2022 highs as buyers recalibrate valuations and adopt a more selective approach amid mixed macro conditions.
- With interest rates stabilizing and financing markets gradually reopening, deal flow is expected to accelerate through 2026, bringing a backlog of deferred sell-side processes back to market and increasing competitive tension among strategic and financial buyers.
- High-quality, defensible manufacturing assets continue to attract strong buyer demand, particularly those with differentiated capabilities, resilient margins, and exposure to automation, reshoring, and energy-transition themes.
- Strategic acquirers remain active, using M&A to enhance technology, expand end-market presence, and strengthen supply-chain resilience amidst ongoing geopolitical uncertainty.
- Private equity continues to deploy capital aggressively in the sector, with Montagu/KKR's \$1.5B take of Teleflex Medical OEM and InvestIndustrial's \$2.9B acquisition of TreeHouse underscoring sustained sponsor appetite for scalable platform and add-on targets.
- Shifting trade policies and tariff risks are influencing deal evaluation, favoring targets with diversified sourcing and meaningful U.S. manufacturing footprints.
- Labor shortages and rising wage pressures remain persistent headwinds, reinforcing investment in automation, workforce development, and advanced manufacturing technologies.

Notable Manufacturing M&A Spotlights by Subsectors

Medical & Pharmaceutical

Food and Beverage

Aerospace & Defense

Industrial Equipment

Engineered Products, Tools, & Components

Building Products

Target / Acquirer

Valuation

Deal Notes

Feb 2026 – Announced



\$10.0bn // 15x EV / EBITDA

“Masimo is a leader in pulse oximetry and other patient monitoring solutions, which combined with its trusted brand and differentiated technology, will greatly strengthen our diagnostics franchise. We see opportunities to expand Masimo's reach and continue improving outcomes for patients, particularly those in acute care settings.”

-- Danaher, President and CEO

Feb 2026 - Closed



\$2.9bn // 16.2x EV / EBITDA

European PE firm Investindustrial takes TreeHouse Foods private in a \$2.9bn all-cash deal at a 38% premium to its unaffected share price. The transaction is a major bet on the continued rise of private label - store brands now command over 20% of food & grocery sales, up from 12% two decades ago. Upon close, Investindustrial's North American food manufacturing footprint will span 85+ plants and 16,000 employees.

Dec 2025 - Announced



\$1.8bn // Undisclosed

“CAM's established brands, engineering prowess, and deep customer relationships are a perfect complement to our existing business. This transaction will allow us to better serve our aerospace and defense customers with a broader offering of mission-critical fastening solutions.”

-- CEO, Howmet Aerospace

Dec 2025 - Announced



\$4.8bn // 14.2x

“The acquisition of SPX FLOW builds on our core strength in highly engineered components, brings adjacent technologies to the core, expands our total addressable market... The addition of SPX FLOW's world-class, critical industrial equipment and flow technologies... enhances our ability to address complex customer challenges at even greater scale.”

-- ITT, CEO

Jul 2025 – Announced



\$13.6bn // 9.0x EV / EBITDA

“Their products and services are highly complementary to our offerings... The combination positions Baker Hughes to be a technology leader that can provide engineering and technology expertise to meet the growing demand for lower-carbon, efficient energy and industrial solutions.”

-- Chairman & CEO, Baker Hughes

Aug 2025 - Announced



\$3.6bn // 6.1x EV / EBITDA

“This combination creates the industry's most comprehensive portfolio of trusted cabinet brands... broadened channel partnerships, expanded geographic reach, and enhanced operating agility.”

-- President & CEO, MasterBrand

Target / Acquirer

Valuation

Deal Notes

Dec 2025 – Announced



\$1.5bn // Undisclosed

Montagu and Kohlberg bring leading track records with decades of experience investing in healthcare products and services. The firms' complementary carve-out and value creation expertise will help to ensure Teleflex Medical OEM seamlessly transitions to an independent company while accelerating its growth by expanding its customer base, investing in innovation, people, processes and capabilities.

Dec 2025 - Closed



\$36bn // 16.4x EV / EBITDA

Mars acquired Kellanova in one of the largest food & beverage deals in history, adding Pringles, Cheez-It, and RXBAR to its confectionery-heavy portfolio. The deal fills a critical gap in salty and better-for-you snacking while expanding Mars' distribution reach across high-growth markets in Africa and Latin America.

Dec 2025 - Closed



\$4.7bn // Undisclosed

Boeing re-acquires Spirit AeroSystems, the supplier it spun off in 2005, bringing fuselage production for the 737, 767, 777, and 787 back in house. With ~15,000 workers and five sites reintegrating, the deal is Boeing's most consequential step yet in reclaiming control over its manufacturing quality and supply chain stability

Oct 2025 – Announced



\$3.8bn // 9.0x EV/ETBIDA

“Lone Star recognizes this progress and sees a bright future, given our successful leading businesses and strong teams. We look forward to working with Lone Star to enhance our scale, create opportunities for our associates, and continue to drive growth and innovation within the durable plastics, food, and recycling end markets.”

-- Hillenbrand, CEO

Jun 2025 - Closed



\$2.2cb // 14.5x EV/EBITDA

“By combining Honeywell's top-tier technology with Sundyne's leading process industry solutions, this acquisition will further enhance our dynamic Honeywell UOP business and create strategic growth opportunities in attractive verticals.”

-- Chairman & CEO, Honeywell

Sep 2025 - Closed



\$2.1bn // 13.4x EV/ EBITDA

“This transaction secures the long-term supply of critical materials for future growth and puts CRH at the forefront of the transition to next generation cement and concrete.”

-- CEO, CRH

Subsector Spotlight – Food & Beverage

Food & Beverage manufacturing M&A remains resilient despite a more measured deal environment, as strategic buyers and financial sponsors compete for assets with differentiated product offerings, scalable manufacturing capacity, and exposure to high-growth categories, particularly health and “better-for-you” segments. While overall deal volume has contracted from prior year levels, buyer conviction around high-quality assets remains strong, with SC&H Capital observing the following themes shaping activity.

Key F&B Manufacturing Themes

Moderated but Constructive Deal Environment

Food & Beverage M&A volume has declined year-over-year due to macro uncertainty and tariff pressures, but dealmaking persists as buyers seek quality platforms, with activity expected to remain constructive heading into 2026 as visibility improves and capital markets stabilize.

Strategic and Sponsor Buyers Remain Selectively Active

Strategic and financial sponsors are actively pursuing high-conviction opportunities. Large strategics including Mars, PepsiCo, Mondelez, and General Mills continue targeting bolt-on acquisitions in better-for-you, multicultural, and functional categories, while private equity sponsors have maintained steady platform and add-on activity in fragmented markets with significant consolidation runway. Assets with defensible margins, diversified customer bases, and resilient supply chains are commanding strong interest and premium valuations in competitive processes.

Supply Chain Resilience Has Become a Core Acquisition Focus

Tariff exposure and supply chain concentration have emerged as primary diligence focus areas, with buyers placing a premium on manufacturers with diversified sourcing, domestic production capacity, and demonstrated ability to protect margins through input cost volatility. Assets with vulnerability on either front are facing increased buyer scrutiny and valuation pressure.

Health & Wellness-Driven M&A

The “better-for-you” shift remains a key driver of M&A, as acquirers pursue scaled manufacturing platforms aligned with premium, clean-label, plant-based, high-protein, low-sugar, and functional trends. This momentum is further supported by regulatory scrutiny of synthetic ingredients and increasing consumer demand for transparency and healthier product innovation.

Private Label Growth

Retailers’ continued investment in private label and increased outsourcing by branded manufacturers are driving sustained demand for scaled co-manufacturers with diversified customer bases and flexible capacity.

Value vs Premium Trade-offs

Consumer spending remains bifurcated, benefiting both value-oriented and premium segments. Manufacturers positioned with pricing flexibility, multi-channel exposure, and SKU agility are better equipped to capture share across income cohorts.

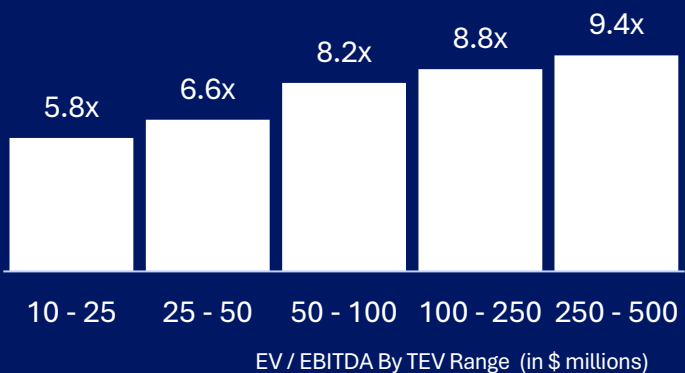
Select SC&H Food and Beverage Manufacturing Experience

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<p>has been acquired by</p> <p>Multiple Strategic Buyers</p> <p>Sell Side Advisor</p>	<p>has been acquired by</p> <p>Sell Side Advisor</p>	<p>has been acquired by</p> <p>Sell Side Advisor</p>	<p>has been acquired by</p> <p>MAW Acquisitions, LP</p> <p>Sell Side Advisor</p>
<p>has been acquired by</p> <p>Sell Side Advisor</p>	<p>has been acquired by</p> <p>Sell Side Advisor</p>	<p>has been acquired by</p> <p>Sell Side Advisor</p>	<p>has been acquired by</p> <p>a portfolio company of</p> <p>Sell Side Advisor</p>

Lower Middle-Market Manufacturing Valuation Insight

Lower middle-market manufacturing valuation multiples have remained resilient despite ongoing macro uncertainty, supported by steady strategic and private equity demand for businesses with defensible end markets, pricing power, and scalable operating platforms. Across subsectors, valuation differentiation is evident, with larger, higher-quality assets commanding premium EV/EBITDA multiples relative to smaller peers. Acquirers continue to prioritize companies with specialized capabilities, mission-critical products, and exposure to long-term secular tailwinds such as automation, healthcare demand, infrastructure investment, and supply chain localization. Overall, the data reflects a disciplined but constructive M&A environment, where best-in-class manufacturing assets continue to attract strong buyer interest and favorable valuations.

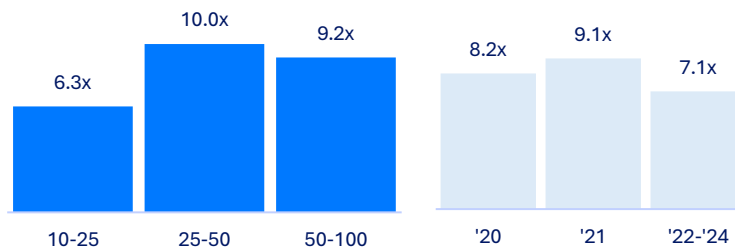
Lower-Middle Market Manufacturing EV/EBITDA Multiples | TEV Range



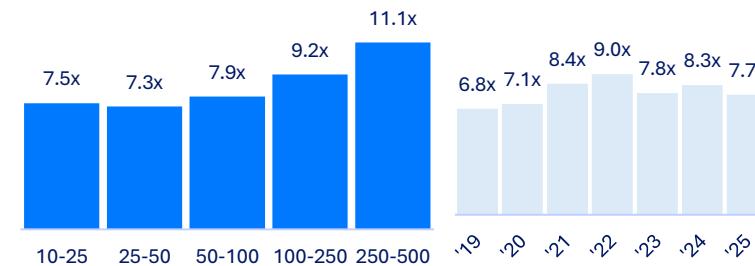
EV/EBITDA Transaction Multiples By Subsectors



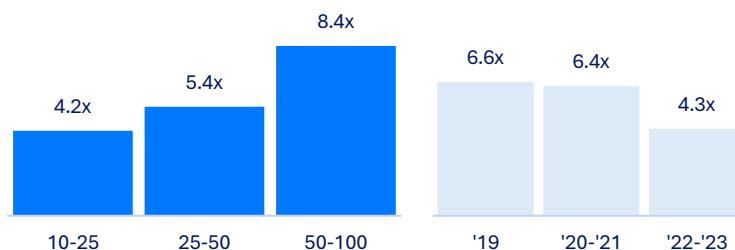
Medical & Pharmaceutical



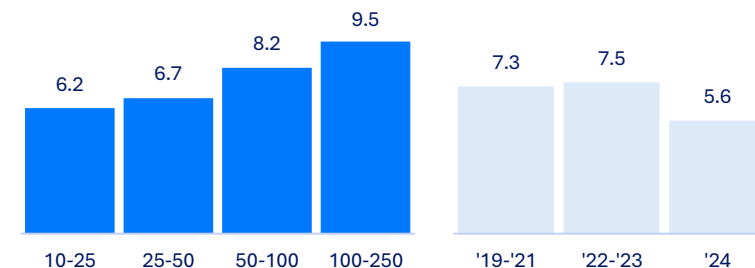
Food, Beverage, & Nutritional



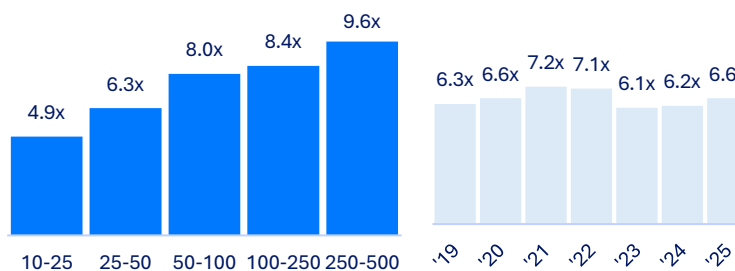
Aerospace & Defense



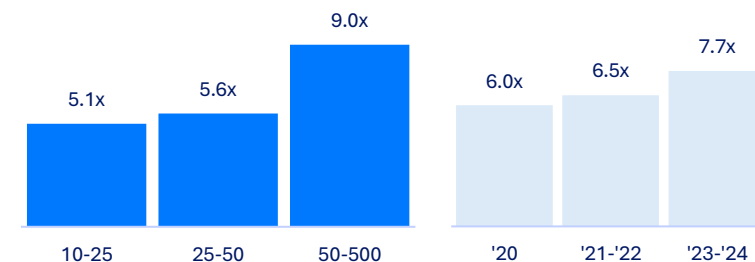
Industrial Equipment



Engineered Products, Tools, & Components



Building Products



Source: GF Data

EV/EBITDA By TEV Range (in \$ millions)

EV/EBITDA By Year

Economic Trends and Data

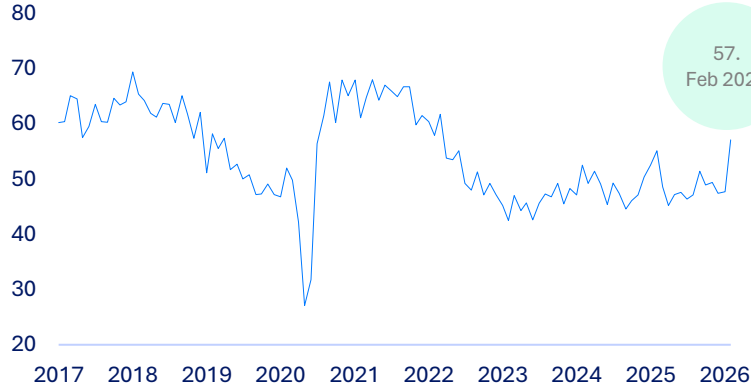
Purchasing Managers' Index

Tracks overall manufacturing activity, changes in production, new orders, employment, supplier deliveries, and inventories.



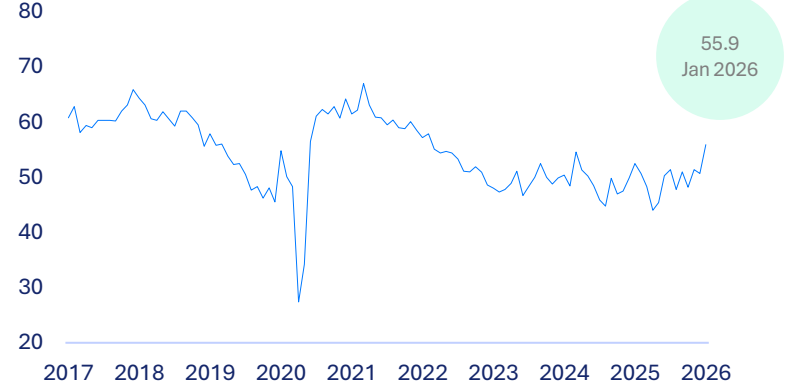
ISM New Orders Index

Indicates forward-looking demand from manufacturers and thus signals future production activity.



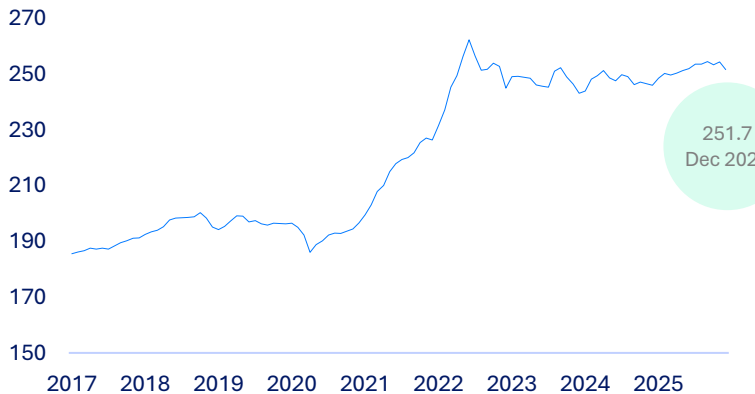
ISM Production Index

Indicates the current rate of factory output and operating activity across the manufacturing sector.



Producer Price Index

Tracks input cost inflation for manufactured goods, providing insight into margin pressures and pricing dynamics within supply chains.



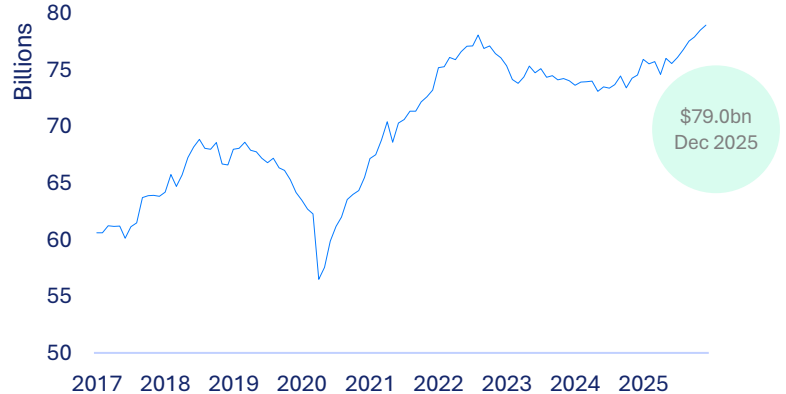
Manufacturing Inventory and Backlog

Measures stockpiled goods and unfilled orders, indicating supply chain tightness and visibility into near-term manufacturing activity.



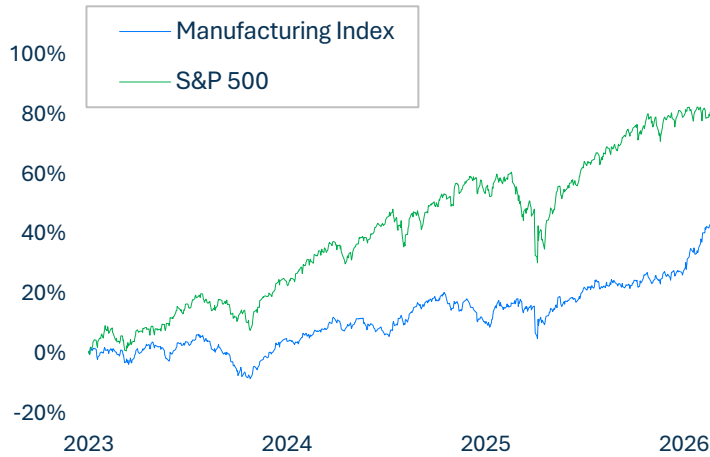
Core Capital Goods Orders (Non-Defense)

A proxy for future manufacturing output, reflecting industry demand for machinery, equipment, and industrial capital assets.

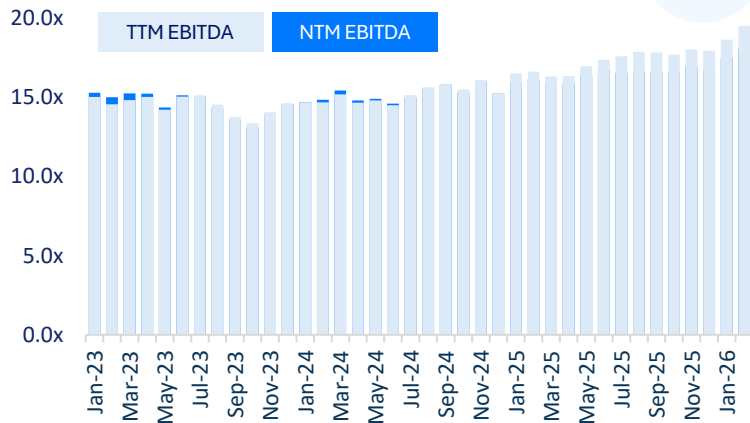


Public Market Pulse

Index Share Performance Against S&P500 (Last 5 years)



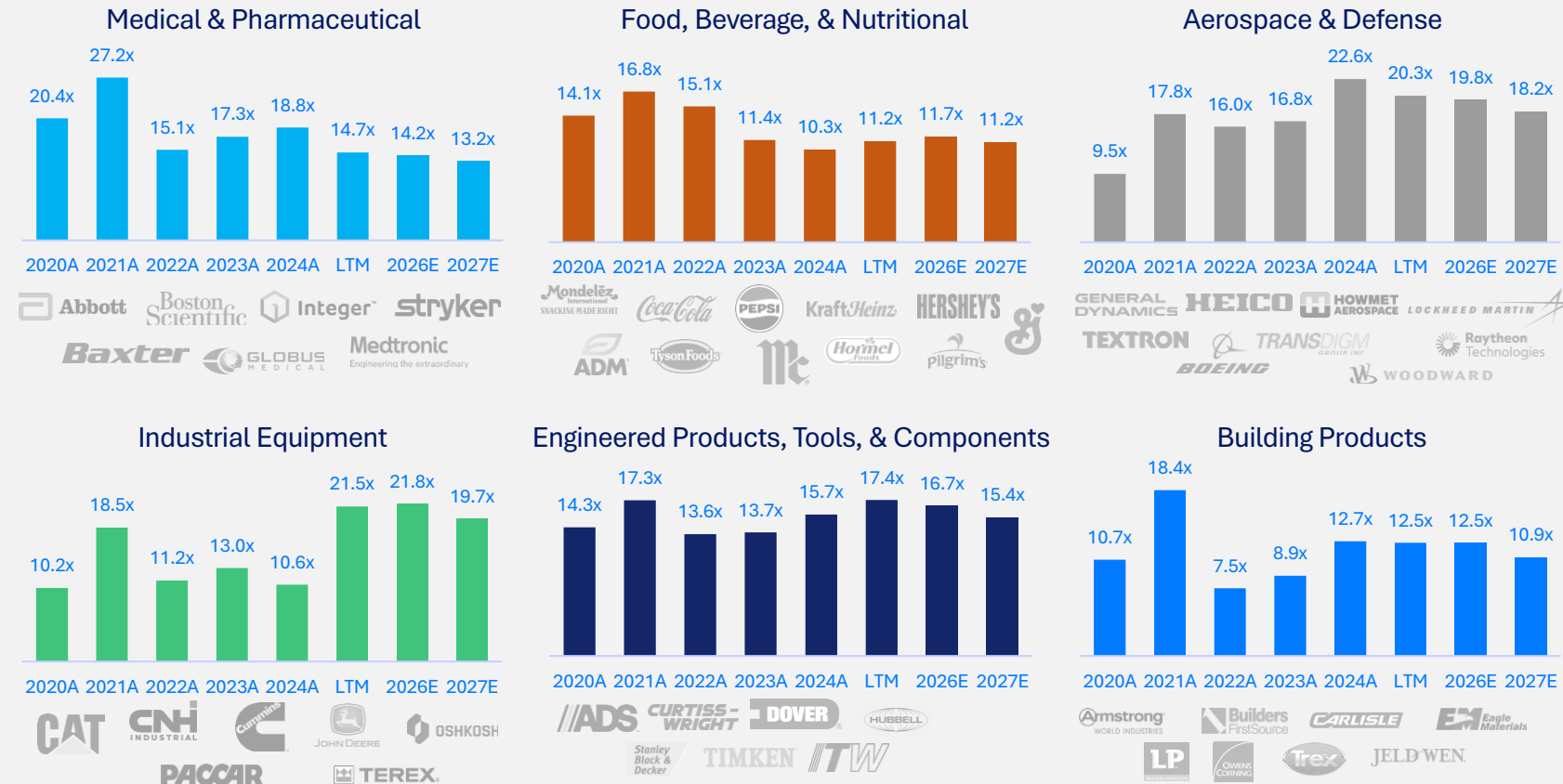
Median TEV/EBITDA Multiples (Last 3 years)



Financial Overview by Subsectors

Subcategory	Market Cap	TEV	LTM Revenue	LTM EBITDA	Gross Margins %	EBITDA Margins %	EV/LTM Revenue	EV/LTM EBITDA
Medical & Pharmaceutical	\$110.7	\$120.9	\$20.1	\$5.5	65.0%	27.2%	4.3x	14.7x
Food & Beverage Manufacturing	\$28.9	\$41.7	\$24.9	\$3.7	33.3%	17.4%	2.0x	11.2x
Aerospace & Defense	\$99.2	\$104.5	\$33.6	\$3.6	19.1%	15.0%	2.9x	20.3x
Industrial Equipment	\$67.6	\$74.1	\$26.2	\$3.5	22.2%	13.2%	2.7x	21.5x
Engineered Products, Tools and Components	\$26.1	\$26.9	\$5.8	\$1.5	37.2%	24.2%	4.6x	17.4x
Building Products	\$8.0	\$8.9	\$3.0	\$0.7	29.4%	24.0%	2.9x	12.5x

Historical and Estimated Median TEV/EBITDA Multiples



About SC&H Capital

SC&H Capital is an investment banking advisory firm focused on delivering outstanding results to leading middle market and growth companies.

Our solution-driven approach combines creativity and industry experience to help founder owned businesses navigate the M&A process and achieve their goals.

Business Services

Software and Technology

Healthcare

Government Contracting

Specialty Distribution

Manufacturing



*Boutique Firm
Attention + Large
Firm Execution*

- SC&H Capital has completed hundreds of M&A advisory, financing, and ESOP transactions with an aggregate economic value of over \$275 billion
- Senior banking team professionals have an average of over 20 years of experience in transaction advisory services
- Recognized by clients for providing relevant market and industry insights to help unlock their full strategic value
- Deep Manufacturing sector expertise



Medical & Pharmaceutical



Food and Beverage



Aerospace & Defense



Industrial Equipment



Engineered Products, Tools, & Components



Specialty Manufacturing & Fabrication

Our Solutions

Mergers & Acquisitions

Debt Capital Markets

ESOP Transactions

Special Situations

Business Valuations

Click to learn more about our services

SC&H Capital brings deep expertise and extensive experience in the Manufacturing sector, consistently delivering exceptional outcomes for our clients.

1000+

Completed Transactions

\$275B+

in Deal Value Since Inception

Industry Coverage Overview

Specialty Manufacturing	Industrial Equipment	Steel and Metal Fabrication
Building Products	Engineered Products and Components	Food and Beverage
Contract Manufacturing	Brand Products	Plastics and Packaging
Furnishings and Fixtures	Aerospace and Defense	And More...

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Seasoned Investment Bankers

SC&H Capital Manufacturing Experience

Below is a sample of our recent transactions.



Food Manufacturing
Manufacturer of a diverse range of natural sweetener offerings including honey and maple syrups

Steel Fabrication
Job-shop structural steel fabrication company specializing in large turnkey jobs

Corrugated Packaging
Provider of turnkey corrugated packaging solutions

Industrial Automation Equipment
Manufacturer of conveyors and palletizers for the beverage market

Specialty Doors Manufacturing
The largest manufacturer of temperature-controlled and specialty doors in North America

Flavoring and Extracts Manufacturing
Vertically integrated specialty ingredient, flavoring, and food company

Industrial Manufacturing
Manufacturer of technology products and services focused on CNC machine tools (metalworking) and engineered product solutions

Machining and Brazing
Provider of precision machining, vacuum & dip brazing, CNC turning and milling, and precision laser cutting services

Site Furnishings Manufacturing
Manufacturer of highly engineered, branded site furnishings

Contact Us For More Information

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Guided by our values — for our clients, colleagues, and communities. Driven by results.

Expertly Qualified

We pursue excellence through continuous learning, expanded expertise, and proactive exploration of new opportunities.

Exceptionally Responsive

We deliver timely, high-value outcomes by actively listening, honoring our commitments, and exceeding expectations.

People-Focused

Integrity guides everything we do. We value collaboration, accountability, and a commitment to our clients, colleagues, and communities.

Results Driven

We take ownership of outcomes and innovate continuously to achieve measurable, lasting success for our clients.