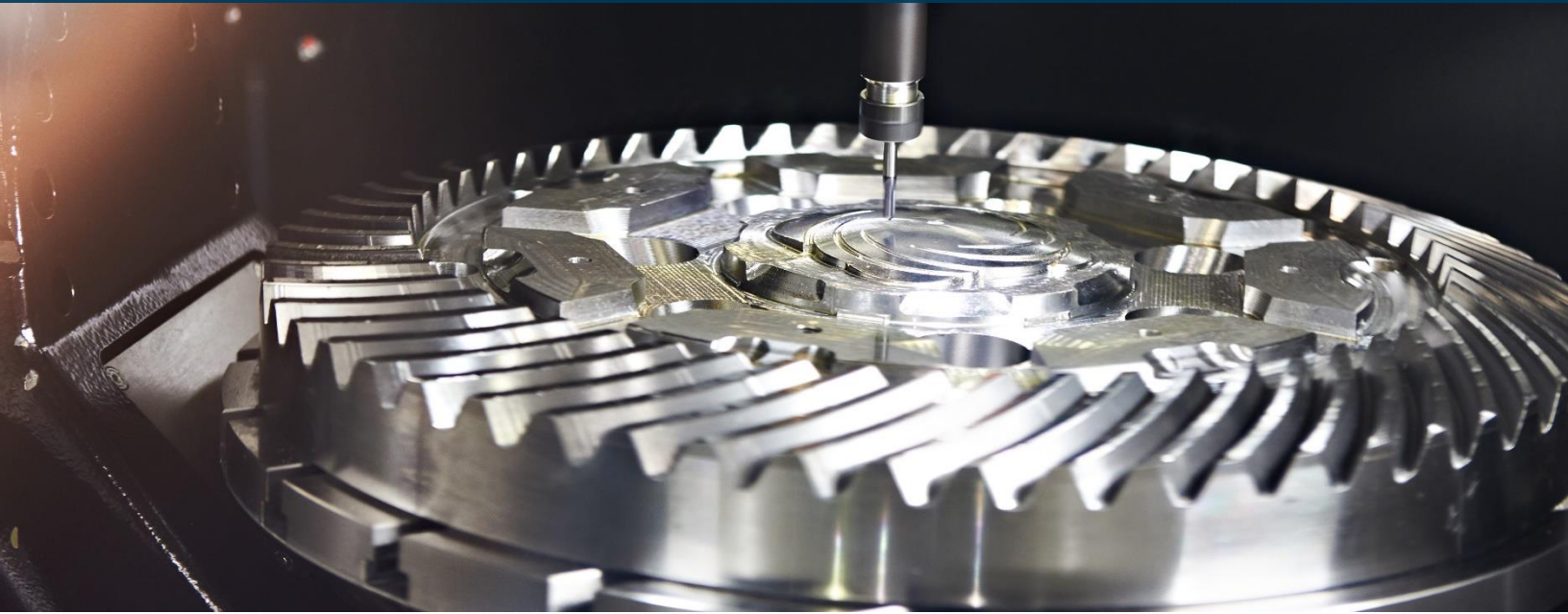


# MANUFACTURING SECTOR QUARTERLY UPDATE

Industry Insights & Market Data

Q1 2025

Carter Morse & Goodrich  
Investment Bankers & Since 1987



## Manufacturing Sector Quarterly Update

### Welcome to the inaugural issue of CMG's Manufacturing Newsletter!

At CMG, we've always taken pride in representing family-owned and founder-led businesses in niche markets, guiding them through their once-in-a-lifetime transactions. Now, we're putting a spotlight on one of our core areas of expertise—manufacturing – which is the heart of CMG's work and at the center of the American economy.

While the manufacturing sector offers nearly limitless areas to explore, we will periodically focus on a select group of sub-verticals. This newsletter is our way of sharing insights, trends, and success stories from across the manufacturing landscape—while reinforcing our commitment to the businesses that build, innovate, and power the future.

If you are considering your “once-in-a-lifetime” transaction—whether in the near term or down the road—we would welcome the opportunity to connect.

### Recent CMG News

[CMG Marks Major Milestone with New Office Opening in Providence, RI](#)

[Carter Morse & Goodrich Expands Leadership with the Addition of Peter Costa](#)



**Ramsey Goodrich**

[RGoodrich@CarterMorse.com](mailto:RGoodrich@CarterMorse.com)

203-349-8375 (Direct)

203-554-2435 (Mobile)



## Issues facing Middle Market Manufacturers

### Labor Shortages & Workforce Evolution

One of the most pressing issues facing the manufacturing industry today is the deepening skilled labor gap. For decades, manufacturers have relied on a steady pipeline of experienced tradespeople—machinists, welders, CNC operators, maintenance technicians, etc. - but today, that pipeline is under strain.

Retirements are outpacing new entrants. The average age of a manufacturing worker in the U.S. is nearing 50, and many baby boomers are retiring with no clear successors ready to step in. The industry is expected to have over 2 million unfilled jobs by 2030, according to a study by Deloitte and The Manufacturing Institute.

Immigrants have long been a critical part of the skilled manufacturing workforce—filling roles in fabrication, equipment operation, and industrial maintenance. However, shifts in U.S. immigration policy over the past several years have slowed the flow of foreign-born workers who traditionally filled these roles.

While automation and advanced manufacturing technologies can alleviate some of this pressure, they also require a more skilled workforce to implement and maintain these systems. There is an acute focus on training the next generation of operators on the newest technologies and methodologies.

A strong team remains one of the most valuable assets in any business—and one of the hardest to replicate. Investors continue to stress the importance of quality management and strong workforce as a key determinant of value, especially in middle market manufacturing companies.



### Global Supply Chain Fragility:

As experienced over the last several years, there is continued fragility in sourcing raw materials, components, and critical parts from a global supply chain which is leading to an increased focus on reshoring and nearshoring opportunities.

The COVID-19 pandemic exposed vulnerabilities in global supply chains, prompting companies to reconsider offshore manufacturing dependencies. Inventory management went from 'just in time' to 'just in case' which had a dire impact on middle market companies struggling to compete and continue to deliver for their customers. The only silver lining is that many companies found redundant or alternative suppliers that stabilized their supply chain.

For middle-market manufacturers, reshoring and nearshoring trends presents an opportunity to enhance supply chain stability, reduce exposure to international risks, and potentially benefit from government incentives aimed at bolstering domestic manufacturing.

The ability to source raw materials and key components through a reliable and redundant supply chain is critical for driving value and is a key to mitigating risk (which thus enhances value).



## Issues facing Middle Market Manufacturers

### The Latest Issue: Tariffs

Over the past several years, tariffs have emerged as a central factor shaping the strategic decisions of U.S. manufacturing companies. For middle-market manufacturers—particularly those embedded in complex international supply chains—tariffs present a unique blend of risk and opportunity. For business owners contemplating a sale or merger, the adaptability to shifting policies are more than just an operating issue - it shapes how your business is perceived, priced, and positioned in the eyes of investors.

### A Test of Leadership and Resilience

In the wake of years marked by COVID-19, supply chain disruptions, interest rate volatility, and political uncertainty, tariffs represent yet another test of leadership and resilience. Tariffs are real, but they're not new—and they're not everything. Trade policies have always reflected the shifting priorities of political and economic leadership, and today's environment is no different. We've seen trade policies shift before, and we'll see them shift again. What matters most is not the volatility itself, but how companies prepare and respond in the face of uncertainty. In other words, it's not about predicting the next headline—it's about building a business that can thrive regardless of what comes next.



### Sector-Specific Resilience

Some sectors—such as aerospace, critical infrastructure, and advanced manufacturing—may be able to pass through cost increases more easily due to the specialized or essential nature of their products. Others, particularly those serving cost-sensitive or consumer-driven markets, may find that tariff-driven price hikes erode competitiveness, forcing them to adapt operations to absorb higher input costs.

Buyers are actively evaluating how well a company understands and manages its exposure to international risk—including tariffs. A business that has proactively adjusted sourcing strategies, diversified suppliers, or found ways to preserve margin despite higher input costs will stand out during due diligence.

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### Looking Ahead: What Comes Next

Given the recent headlines, we are reluctant to dive deeper into the future outlook for tariffs as there is simply too much in flux at the moment. Needless to say, owners should remain informed, flexible and adaptable to change.

There's more to come as trade policies continue to evolve. Stay tuned—we'll be watching closely and sharing insights as the picture becomes clearer. It is still too early to predict the impact of tariffs on operating businesses and appetite from investors.

## CEO Corner: Bill Newbauer, The Nudyne Group

Bill Newbauer is the CEO of The Nudyne Group, a third generation holding company of strategically aligned manufacturing businesses serving the HVAC market across five states. Bill is also a CMG Senior Advisor providing insights for both HVAC and Manufacturing industries.

Under his leadership, The Nudyne Group has grown from 25 employees in 1991 to 200+ today, driven by both organic expansion and strategic M&A. The Nudyne Group portfolio includes the operating companies Hubbell Electric Heater (CT), Vaughn Thermal (MA), Ace Heaters (CA), Reco Commercial Systems (SC), Warren Electric Heating Technologies (RI), and Super Seal Corp (CT), along with acquired brands such as SETS Systems, PrecisionTemp, and Howard's Engineering.

**As a multi-generational family business, what are your top priorities that might be different than others?** For me, it's about people, not just products. My passion lies in creating opportunities for good people to grow and succeed. It's less about building the world's best widget and more about building the right team—putting people in the right roles, supporting them fully, and then stepping back to let them thrive. Or, as I like to say, let them cook. I see my role as both a collaborator and a sounding board, always available but never in the way and rarely, if ever, mandating a specific action or tactic. I focus on fostering a culture where smart, motivated people feel empowered to lead, innovate, and grow—not just the business, but themselves.

**You have been growing through complementary acquisitions of other family-held businesses; what advice would you give to other family and founder-led businesses considering an M&A transaction?** Most of our acquisitions didn't start as deals—they started as relationships. In nearly every case, we had a long-standing connection with the company, often as a trusted vendor or industry partner. That history of familiarity and mutual respect made for a much smoother, friendlier transaction. My advice? Start building relationships long before you're thinking about

the  
nudyne  
group









a deal. When values align and trust is already in place, the conversation around ownership transition becomes more collaborative and less transactional. M&A can be complex, especially for founder-led businesses, but shared purpose makes it far more meaningful—and successful.

**How are you managing newly implemented tariffs?** My message to each Business Leader is simple: stay close to your vendors and stay informed. In this environment, we can't afford to be a half-step behind the market, nor should we overreact to every change. Navigating tariffs requires real-time engagement, sound judgment, and a calm mindset. I expect those qualities from our leaders, and I make it a priority to support them in making thoughtful, timely decisions. Tariffs are just one more variable in a dynamic market—and we treat them as part of the broader strategy, not a disruption.

**After years of uncertainty (COVID-19, supply chain issues, interest rate volatility, election), what is your outlook for the future?** I'm bullish on the future of U.S. manufacturing. Despite the turbulence of the past few years, we're seeing resilient demand across industrial, residential, and commercial sectors. Importantly, technological advancements—particularly in AI and robotics—will be powerful force multipliers. We're well-positioned to grow, both as the broader economy expands and as American manufacturing reasserts itself on the global stage. There's a sense of momentum building, and we intend to be at the forefront of it.

## Select Manufacturing M&A Transactions

Date	Acquirer	Target	Target Description
<b>Aerospace &amp; Defense Deals</b>			
Mar-25			Specialty manufacturer of mission-critical hardware and components for space, defense and maritime platforms
Mar-25			Offers precision machining, CNC milling, and supply chain management services for commercial and government aerospace sectors
Mar-25			Provider of sensors and navigation systems for the aerospace and defense market
<b>Tool &amp; Equipment Deals</b>			
Mar-25			Manufacturer of energy and transportation equipment
Dec-24			Manufacturer of precision machining and product assembly and finishing products
Nov-24			Manufacturer of industrial equipment for wastewater processing industries
<b>Diversified Industrial Deals</b>			
Mar-25			Offers custom machining and metal fabrication
Jan-25			Full-service manufacturer of metal fabrications
Nov-24			Manufacturer and provider of metal fabrication services
<b>Niche Manufacturing Deals</b>			
Mar-25			Manufacturer of custom cables, wires, and cords
Mar-25			Manufacturer of precision-crafted stainless steel and composite hose assemblies
Mar-25			Manufacturer of precision centrifugal pumps and compressors designed

## Select Public Company Data

### Aerospace & Defense, Tools & Equipment, Diversified Industrial, and Niche Manufacturing

Company	Market Information		LTM Financials		Operating Metrics		TEV to LTM	
	\$ / Share	TEV	Revenue	EBITDA	Growth	EBITDA%	Revenue	EBITDA
<b>Aerospace &amp; Defense</b>								
Curtiss-Wright Corporation	\$320.84	\$12,941	\$3,121	\$682	9.7%	21.9%	4.1x	17.7x
General Dynamics Corporation	277.14	83,246	47,716	5,593	12.9%	11.7%	1.7x	13.9x
Honeywell International Inc.	198.81	149,700	38,498	9,536	5.0%	24.8%	3.9x	15.2x
L3Harris Technologies, Inc.	220.95	53,906	21,325	3,927	9.8%	18.4%	2.5x	13.0x
Lockheed Martin Corporation	469.58	129,086	71,811	8,669	3.1%	12.1%	1.8x	14.8x
Northrop Grumman Corporation	529.36	89,997	40,368	6,341	0.6%	15.7%	2.2x	12.3x
RTX Corporation	128.64	211,230	81,739	12,965	15.1%	15.9%	2.6x	15.9x
Textron Inc.	65.42	14,455	13,702	1,481	0.1%	10.8%	1.1x	9.3x
<b>Mean</b>	<b>\$276.34</b>	<b>\$93,070</b>	<b>\$39,785</b>	<b>\$6,149</b>	<b>7.0%</b>	<b>16.4%</b>	<b>2.5x</b>	<b>14.0x</b>
<b>Median</b>	<b>\$249.05</b>	<b>\$86,622</b>	<b>\$39,433</b>	<b>\$5,967</b>	<b>7.4%</b>	<b>15.8%</b>	<b>2.4x</b>	<b>14.3x</b>
<b>Tools &amp; Equipment</b>								
Dover Corporation	\$163.28	\$23,698	\$7,746	\$1,629	0.8%	21.0%	3.1x	13.8x
Illinois Tool Works Inc.	231.50	75,045	15,898	4,694	-1.3%	29.5%	4.7x	15.8x
Parker-Hannifin Corporation	568.25	81,825	19,908	4,983	0.4%	25.0%	4.1x	15.7x
Snap-on Incorporated	337.07	17,625	5,070	1,450	-0.9%	28.6%	3.5x	11.6x
Stanley Black & Decker, Inc.	58.86	15,400	15,366	1,546	-2.6%	10.1%	1.0x	8.9x
The Middleby Corporation	129.49	8,776	3,875	840	-4.0%	21.7%	2.3x	10.0x
<b>Mean</b>	<b>\$248.08</b>	<b>\$37,062</b>	<b>\$11,310</b>	<b>\$2,524</b>	<b>-1.3%</b>	<b>22.7%</b>	<b>3.1x</b>	<b>12.6x</b>
<b>Median</b>	<b>\$197.39</b>	<b>\$20,662</b>	<b>\$11,556</b>	<b>\$1,587</b>	<b>-1.1%</b>	<b>23.3%</b>	<b>3.3x</b>	<b>12.7x</b>
<b>Diversified Industrial</b>								
Carlisle Companies Incorporated	\$352.13	\$16,774	\$5,004	\$1,292	9.1%	25.8%	3.4x	12.6x
CSW Industrials, Inc.	297.68	4,871	859	224	10.4%	26.1%	5.7x	nmf
Johnson Controls International plc	78.59	63,063	23,169	3,343	7.9%	14.4%	2.7x	16.4x
Park-Ohio Holdings Corp.	18.54	872	1,656	128	-0.2%	7.7%	0.5x	5.8x
RBC Bearings Incorporated	332.61	11,395	1,612	487	4.6%	30.2%	7.1x	nmf
Standex International Corporation	139.54	2,142	718	137	-2.5%	19.1%	3.0x	14.2x
Worthington Enterprises, Inc.	47.59	2,470	1,155	83	-10.9%	7.2%	2.1x	10.4x
<b>Mean</b>	<b>\$180.95</b>	<b>\$14,513</b>	<b>\$4,882</b>	<b>\$813</b>	<b>2.6%</b>	<b>18.7%</b>	<b>3.5x</b>	<b>11.9x</b>
<b>Median</b>	<b>\$139.54</b>	<b>\$4,871</b>	<b>\$1,612</b>	<b>\$224</b>	<b>4.6%</b>	<b>19.1%</b>	<b>3.0x</b>	<b>12.6x</b>
<b>Niche Manufacturing</b>								
Carrier Global Corporation	\$60.47	\$61,435	\$22,486	\$3,562	18.7%	15.8%	2.7x	15.5x
Flowserv Corporation	42.81	6,693	4,558	595	5.5%	13.1%	1.5x	9.8x
Otis Worldwide Corporation	98.79	45,646	14,261	2,531	0.4%	17.7%	3.2x	16.9x
Spirax Group plc	79.47	6,773	2,085	464	-1.0%	22.3%	3.1x	13.2x
The Timken Company	62.05	6,302	4,573	834	-4.1%	18.2%	1.4x	7.3x
Watts Water Technologies, Inc.	198.29	6,481	2,252	452	9.5%	20.1%	2.9x	13.7x
<b>Mean</b>	<b>\$90.31</b>	<b>\$22,222</b>	<b>\$8,369</b>	<b>\$1,406</b>	<b>4.8%</b>	<b>17.9%</b>	<b>2.5x</b>	<b>12.7x</b>
<b>Median</b>	<b>\$70.76</b>	<b>\$6,733</b>	<b>\$4,565</b>	<b>\$715</b>	<b>2.9%</b>	<b>18.0%</b>	<b>2.8x</b>	<b>13.5x</b>
<b>Mean - All</b>	<b>\$203.99</b>	<b>\$44,513</b>	<b>\$17,427</b>	<b>\$2,906</b>	<b>3.6%</b>	<b>18.7%</b>	<b>2.9x</b>	<b>12.9x</b>
<b>Median - All</b>	<b>\$163.28</b>	<b>\$16,774</b>	<b>\$7,746</b>	<b>\$1,481</b>	<b>0.8%</b>	<b>18.4%</b>	<b>2.7x</b>	<b>13.7x</b>

All data as of 4/15/25

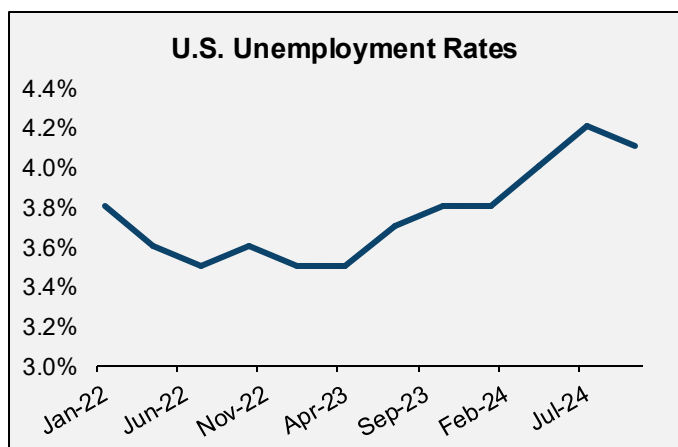
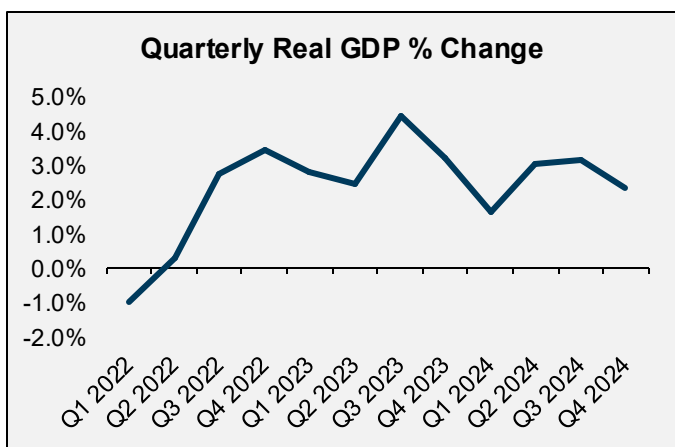
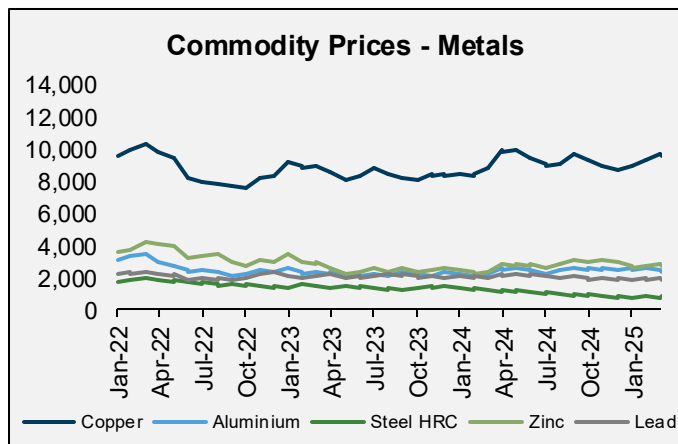
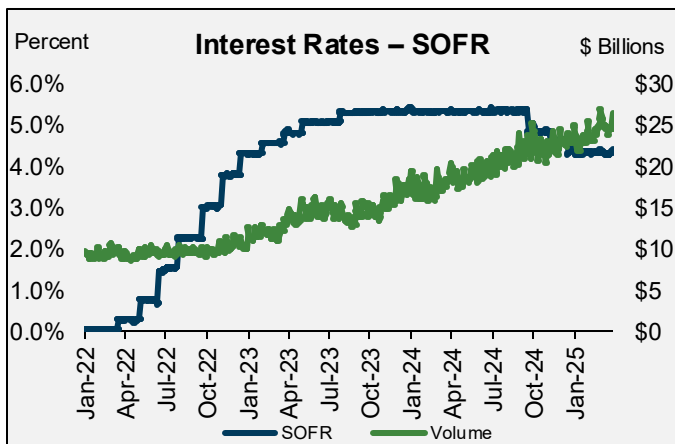
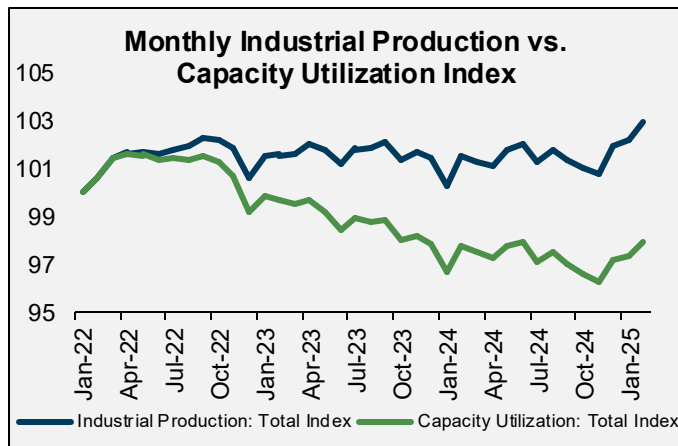
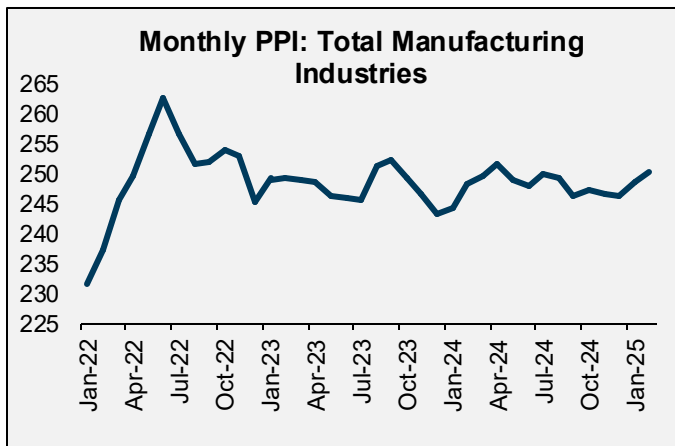
\$ in millions

TEV - Total Enterprise Value; LTM - Last Twelve Months

Source: Capital IQ

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## Key Economic Indicators



Sources: U.S. Bureau of Labor Statistics, Fred, US Census Bureau and Trading Economics



# M&A Expertise For Founders & Families

Carter Morse & Goodrich  
Investment Bankers & Since 1987

Founded in 1987, Carter Morse & Goodrich is a boutique M&A advisory firm that specializes in representing founder-led and family-held businesses that are leaders in niche markets. We fully understand and appreciate the unique dynamics of these companies and the importance of owner legacies, which as enabled us to become a trusted advisor to hundreds of founders and families.

## CMG Industry Groups



### Manufacturing

- Aerospace & Defense
- Tools & Equipment
- Diversified Industrial
- Niche Manufacturing



### Consumer

- Food, Beverage & Pet
- Infant & Juvenile
- Sporting Goods
- Household Goods



### Services

- Diversified Services
- Facilities & Residential
- Industrial Services
- Distribution & Logistics



### HVAC

- Distribution
- Manufacturing
- HVAC Services
- Building Automation

**1987**

Founded

**\$5 Billion**

Aggregate Transaction Values

**450+**

Client Engagements

**1 Objective**

Successful Client Outcomes

## Select Manufacturing Transactions

**UNGER**

has been acquired by

**BISSELL**

**Kirklands Home**

received a strategic investment from

**BEYOND**

**PTIMUM**

has acquired the assets of

**Landry & Sons Acoustics**

ACE HUBBELL RECO VAUGHN

the **nudyne group**

has acquired the assets of

**WARREN ELECTRIC**  
HEATING TECHNOLOGIES

**GEM**

MANUFACTURING  
Precision Drawn Metal Products

has been recapitalized by

**CORE INDUSTRIAL**



**Ramsey Goodrich**  
Managing Director  
Head of Manufacturing



203-554-2435 (Mobile)



rgoodrich@cartermorse.com

**The Tide Mill Building**  
99 Harbor Road  
Southport, CT 06890  
+1-203-349-8371

**Joseph Brown House**  
50 S. Main Street  
Providence, RI 02903  
+1-401-829-0826