

Manufacturing Quarterly Update



Industry Insights & Market Data

RECENT CMG NEWS

- [CMG Opens Long Island Office, expanding to serve business owners across all CMG verticals on Long Island.](#)
- [CMG's Ramsey Goodrich shares Q1'26 M&A Outlook: What It Means for Families & Founders](#)
- [CMG featured in Hartford Business Journal on Rising Family Business Succession Shift](#)

MANUFACTURING SECTOR Q1 '26 HIGHLIGHTS

- Manufacturing Market Overview
- Client Spotlight: From Family Business to National Platform
- Manufacturing M&A Transaction Highlights
- Public Markets and Subsector Performance
- U.S. Key Economic Indicators

As we wrap up the Q1' 2026, many family held and owner-led manufacturing businesses are asking the same question: Is now the right time to sell, or does it make sense to wait for more clarity?

The hesitation to jump into the market today is totally understandable. Ongoing conflict in the Middle East, concerns around energy and commodity prices, and persistent geopolitical headlines all have made both buyers and sellers uneasy. The instinctive response is often to pause assuming that waiting for stability will lead to meaningfully higher value.

For middle market manufacturing companies, however, that assumption deserves a closer look.



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Sell Now or Wait? A Fresh Perspective for Manufacturing Owners

Have we waited long enough?

Throughout history, uncertainty has always been present in the background, often giving business owners reason to pause major decisions. Over the past several years, however, the volume and intensity of these disruptions have been unusually high. Q1'26 follows a period marked by unprecedented volatility from COVID-19 and hyperinflation, to the most aggressive interest rate hikes in recent history, followed by economic slowdown concerns, election-driven policy uncertainty, immigration debates, tariffs, and now renewed conflict in the Middle East.

What Actually Drives Value in the Middle Market

For middle market businesses (those valued between \$50 million and \$250 million), buyers are not pricing companies based on global headlines. Strategic and private equity buyers continue to focus on company specific risk, not short-term geopolitical uncertainty. Instead, valuations are driven by fundamentals that are much closer to home:

- Growth, both on the top line and bottom line
- Visibility of earnings and backlog
- Customer concentration and retention
- Domestic versus international supply chain exposure
- Margin durability in the face of labor and input cost pressure
- Depth of management beyond the founder

While global events may lengthen diligence or slow decision making at the margins, they have not meaningfully altered how quality manufacturing businesses are valued today.

Geopolitics vs. the Capital Markets Reality

Despite heightened caution, ample capital remains available for middle market transactions. Most manufacturing deals in this size range rely on moderate leverage, frequently from credit providers who underwrite based on cash flow and downside protection not macro forecasts.

Value is the inverse of risk, but macro or global issues rarely have a meaningful impact on middle market companies. Importantly, the current Middle East conflict has not materially disrupted financing conditions for core middle market deals. Interest rates have stabilized relative to prior years, and the gap between buyer and seller expectations has narrowed. In practice, this means deals are still getting done, albeit with greater focus on structure and diligence rather than headline multiples.

The Myth of “Waiting for Certainty”

History shows that geopolitical uncertainty rarely resolves cleanly or on a predictable timeline. Owners who wait for the “all clear” often find themselves entering the market alongside a wave of other sellers who made the same decision. Increased supply of deals can dilute negotiating leverage, even if the macro backdrop appears calmer.

A Critical Tailwind: Buyer Urgency

One of the most overlooked dynamics in today’s market is buyer pressure.

Private equity firms hold substantial undeployed capital and face growing pressure to deploy after muted exits in 2024–25. With scarce supply of high-quality, niche manufacturing assets and rising demand, valuations remain elevated, with top-tier companies commanding premium multiples.



Sell Now or Wait? A Fresh Perspective for Manufacturing Owners

However, as more owners who have been on the sidelines for years start to come to market, the supply/demand balance shifts from a 'seller friendly' market today to a 'buyer friendly' market. Investors will have more options to deploy capital which could lower overall valuations, eviscerating the premiums that we enjoy today.

When Waiting Might Make Sense

That said, waiting is not always the wrong decision. It can be rational if a business can clearly improve its earnings profile in a defined timeframe such as securing long term contracts, reducing customer concentration, normalizing margins, or professionalizing management. At CMG, we look for meaningful 'valuation inflection points' to determine our go-to-market timing strategies.

Absent tangible new growth initiatives, underwritten improvements to EBITDA or meaningful changes to the risk profile, there tends to be little value in waiting. Momentum slows, initiatives get stale and investors move on to other more actionable opportunities. The decision to sell is more personal for the owners than 'trying to time the market

The Bottom Line

For most middle market manufacturing businesses, today's geopolitical concerns are more noise than signal. Buyers remain active, capital is available, and valuations continue to reflect company specific fundamentals rather than global headlines.

The right time to sell is not when uncertainty disappears it is when the business is well prepared, buyers are motivated, and the earnings story is defensible.

Feel free to reach out if you would like to explore options and discuss timing for your business.

CMG News: Long Island Office

CMG is pleased to announce the opening of its **Long Island office**. Long Island is home to one of the highest concentrations of privately held middle-market companies in the Northeast. We're **expanding** to serve business owners across **Business Services, Manufacturing, HVAC, Consumer, and Food & Beverage** with the same senior-led, sector-focused advisory that has driven successful outcomes for CMG clients for more than 37 years. The Long Island effort will be led by Terence Hannafin.

Meet the CMG Manufacturing Team at these Upcoming Events



DealMAX 2026

April 27-29, 2026

ARIA Resort & Casino,
Las Vegas, NV



National Restaurant
Association Show
2026

May 16 – 19, 2026

Chicago, IL



XPX Greater Boston
Annual Summit
2026

June 2, 2026

Boston, MA



Smart Business
Dealmakers – New
York

June 4, 2026

New York, NY



ManufactureCT
Annual Golf Outing

June 9, 2026

Wallingford, CT

Client Spotlight: From Family Business to National Platform

The GEM Manufacturing and PrecisionX Story

Background



has been recapitalized by

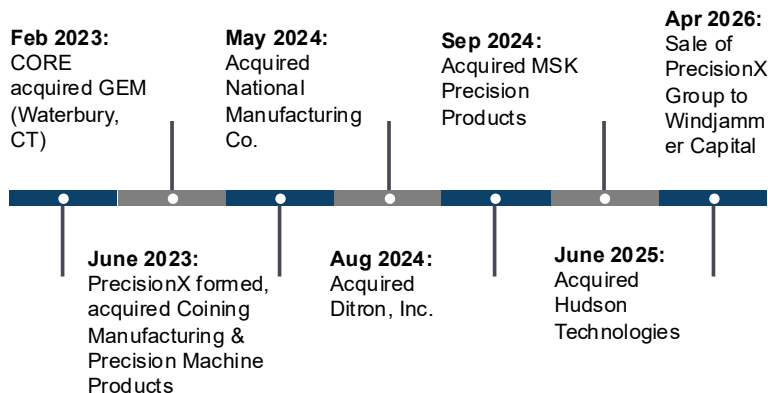
GEM Manufacturing, a third-generation metal stamping company founded in 1950, evolved from a niche leader into the foundation of PrecisionX Group, a scaled national precision manufacturing platform.

Carter Morse & Goodrich advised GEM in 2023 on the recapitalization, running a 100+ buyer process to select CORE Industrial Partners and structuring rolled equity, ultimately enabling a successful platform build.

Building a National Platform

- **Scaled Platform Build:** Completed six acquisitions in three years to form PrecisionX Group—now 7 facilities, 650+ employees, and 400K+ sq. ft.
- **Integration & Expansion:** Integrated capabilities under new leadership and expanded into regulated end markets with strong certifications.
- **Highly Engineered Capabilities:** Enhanced expertise in stamping, machining, and EDM, serving aerospace & defense, medical, and satellite sectors.

PrecisionX Platform Build



Estate Planning: A Hidden Benefit of the PE Partnership

Private equity partnerships can create valuable estate planning opportunities by enabling tax-efficient transfer of minority equity interests. In this case, the Caulfield family allocated a portion of their retained equity to the next generation ahead of the exit, allowing them to benefit from future value creation on a tax-advantaged basis.

The “Second Bite” and the Value of Rolled Equity

By rolling over 10-25% equity into the new platform, the Caulfield family participated in the massive value creation as PrecisionX scaled. Their remaining stake grew significantly, leading to a highly lucrative ‘second bite of the apple’ upon the final sale to Windjammer Capital, providing substantial incremental proceeds.

“The rolled equity turned out to be one of the best decisions we made. We took most of the chips off the table at the outset, which gave us certainty, and then our remaining stake grew significantly as the platform scaled. It was a tremendous outcome for our family”

- Mark Caulfield

Reflections on the PE Experience






PE partnership drove faster growth and a shift to a more structured, scalable platform. Despite cultural changes, CORE’s capital and expertise enabled significant expansion, with leadership successfully transitioning and strengthening to support acquisitions and integration.

CMG is proud to have delivered an outstanding outcome for the Caulfield family, balancing value maximization, legacy preservation, and long-term upside with the right partner.

Select Manufacturing M&A Transactions

Date	Acquirer	Target	Target Description
Aerospace & Defense Deals			
Mar-26			Designs and manufactures unmanned aerial systems for the aerospace industry
Mar-26			Manufacturer of autonomous aerial systems for logistics and defense industries
Mar-26			Manufacturer of suborbital rockets for the aerospace industry
Mar-26			Manufacturer of spacecraft avionics and electronics for the aerospace industry
Mar-26			Manufacturer of defense and public safety systems for military agencies
Mar-26			Manufacturer of precision aircraft components for the aviation and aerospace industries
Mar-26			Manufacturer of aircraft engine components and aerospace aftermarket replacement parts
Tool & Equipment Deals			
Mar-26			Manufacturer of pumping systems, treatment equipment, and process solutions
Mar-26			Manufacturer and distributor of miniature pneumatic, fluidic, vacuum, medical components
Feb-26			Manufacturer of conveyor systems and material handling equipment for industry
Feb-26			Provider of industrial refrigeration parts and equipment
Jan-26			Manufacturer of thermal processing equipment for asphalt and aggregate industries

Select Manufacturing M&A Transactions

Date	Acquirer	Target	Target Description
<i>Diversified Industrial Deals</i>			
Mar-26	 South-Tek Systems	 PATRIOT COMPRESSOR PARTS	Manufacturer and distributor of aftermarket natural gas compressor parts
Mar-26	 SPELL CAPITAL FAMILY OFFICE • PRIVATE EQUITY	 MACDONALD & OWEN	Manufacturer and supplier of high-quality hardwood lumber and specialty wood products
Mar-26	 TRANSCO	 CAMSHAFT MAC	Manufactures internal combustion engine and fuel system camshafts
Jan-26	 SUMCO	 APP AMERICAN PLASTIC PRODUCTS  AEP AMERICAN ELECTRO PRODUCTS	Precision electroplating and plastic injection molding manufacturer for high-reliability industrial components
Jan-26	 CORE & MAIN	 PIONEER SUPPLY	Distributor of water, wastewater and storm drainage products
<i>Niche Manufacturing Deals</i>			
Apr-26	 CORE INDUSTRIAL	 PRECISION GROUP	Manufacturer of precision metal components for critical-use applications
Mar-26	 hkw	 WATERSHIELD INDUSTRIES	Manufacturer and distributor of highly specialized, mission-critical firefighting and rescue equipment
Mar-26	 THE RUBBER GROUP	 DIVERSIFIED PLASTICS INDUSTRIAL SOLUTIONS	Manufacturer of custom plastic components for industrial and commercial applications
Feb-26	 Altamont CAPITAL PARTNERS	 KEY CONTAINER THE WHOLE PACKAGE	Manufacturer of custom corrugated packaging solutions for industrial customers
Jan-26	 ANDRA TECH GROUP	 F. K. Instrument Co., LLC	Manufacturer of precision measurement instruments for industrial and laboratory applications
Jan-26	 TERRAVEST INDUSTRIES	 KBK	Manufacturer of steel tanks and pressure vessels for industrial applications
Jan-26	 The CORSI Group	 BUILDERS CABINET	Manufacturer of custom cabinetry and storage solutions for residential construction

Select Public Company Data

Aerospace and Defense

Company	Market Information		LTM Financials		Operating Metrics		TEV to LTM	
	\$ / Share	TEV	Revenue	EBITDA	Growth	EBITDA%	Revenue	EBITDA
Aerospace Aftermarket								
AAR Corp.	109.46	5,195	\$3,135	\$342	16.8%	10.9%	1.7x	13.3x
HEICO Corporation	274.20	35,721	\$4,633	\$1,265	16.1%	27.3%	7.7x	nmf
Honeywell International Inc.	\$226.03	\$1,67,441	\$37,442	\$8,468	7.8%	22.6%	4.5x	19.1x
TransDigm Group Incorporated	\$1,158.96	\$92,974	\$9,110	\$4,644	11.7%	51.0%	10.2x	nmf
VSE Corporation	\$184.40	\$5,447	\$1,112	\$165	41.5%	14.8%	4.9x	nmf
Mean	\$390.61	\$61,356	\$11,086	\$2,977	18.8%	25.3%	5.8x	16.2x
Median	\$226.03	\$35,721	\$4,633	\$1,265	16.1%	22.6%	4.9x	16.2x
Aerospace OEMs								
AAR Corp.	109.46	5,195	\$3,135	\$342	16.8%	10.9%	1.7x	13.3x
Bombardier Inc.	176.25	21,123	\$9,551	\$1,275	10.2%	13.3%	2.3x	16.4x
Embraer S.A.	\$14.75	\$10,945	\$7,604	\$760	18.2%	10.0%	1.4x	13.8x
Textron Inc.	\$87.56	\$17,586	\$14,799	\$1,650	8.0%	11.1%	1.2x	10.2x
Mean	\$97.01	\$13,712	\$8,772	\$1,007	13.3%	11.4%	1.6x	13.4x
Median	\$98.51	\$14,265	\$8,578	\$1,018	13.5%	11.0%	1.5x	13.5x
Commercial Aerospace								
AerSale Corporation	6.22	429	\$335	\$35	-2.8%	10.5%	1.3x	9.8x
Air Industries Group	3.23	46	\$48	\$2	-13.0%	4.9%	1.0x	13.4x
Albany International Corp.	52.21	1,839	\$1,183	\$61	-3.9%	5.1%	1.6x	nmf
Astronics Corporation	66.73	2,723	\$862	\$112	8.4%	13.0%	3.2x	nmf
ATI Inc.	145.46	21,384	\$4,587	\$812	5.2%	17.7%	4.7x	nmf
Ducommun Incorporated	122.00	2,128	\$825	\$111	4.9%	13.4%	2.6x	17.4x
General Electric Company	283.77	3,06,277	\$45,855	\$10,703	18.5%	23.3%	6.7x	nmf
Hexcel Corporation	80.93	7,088	\$1,894	\$327	-0.5%	17.2%	3.7x	nmf
Howmet Aerospace Inc.	230.46	94,872	\$8,252	\$2,388	11.1%	28.9%	11.5x	nmf
Rolls-Royce Holdings plc	14.95	1,21,452	\$28,542	\$6,187	12.2%	21.7%	4.3x	18.6x
RTX Corporation	192.90	2,94,052	\$88,603	\$14,735	9.7%	16.6%	3.3x	19.3x
Safran SA	322.15	1,32,758	\$36,620	\$6,933	12.5%	18.9%	3.7x	18.5x
The Boeing Company	199.03	1,84,123	\$89,463	-\$3,238	34.5%	-3.6%	2.1x	nmf
Mean	\$132.31	\$89,936	\$23,621	\$3,013	7.4%	14.4%	3.8x	16.2x
Median	\$122.00	\$21,384	\$4,587	\$327	8.4%	16.6%	3.3x	17.9x
Diversified								
Curtiss-Wright Corporation	681.12	25,935	\$3,498	\$796	12.1%	22.8%	7.4x	nmf
Lisi S.A.	60.42	3,039	\$2,121	\$298	-2.6%	14.1%	1.5x	10.4x
Magellan Aerospace Corporation	\$15.07	\$880	\$762	\$85	10.9%	11.2%	1.2x	10.1x
Moog Inc.	\$292.64	\$10,488	\$4,053	\$537	10.7%	13.2%	2.6x	18.4x
RBC Bearings Incorporated	\$543.12	\$18,121	\$1,791	\$537	11.1%	30.0%	10.1x	nmf
Senior plc	\$3.78	\$1,695	\$994	\$102	4.4%	10.3%	1.7x	14.9x
SIFCO Industries, Inc.	\$13.31	\$97	\$88	\$9	3.4%	10.7%	1.1x	8.7x
Woodward, Inc.	\$357.92	\$21,822	\$3,791	\$676	14.5%	17.8%	5.8x	nmf
Mean	\$245.92	\$10,260	\$2,137	\$380	8.0%	16.3%	3.9x	12.5x
Median	\$176.53	\$6,763	\$1,956	\$417	10.8%	13.6%	2.2x	10.4x
Mean - All	\$200.95	\$53,762	\$13,823	\$2,037	10.3%	16.3%	3.9x	14.4x
Median - All	\$133.73	\$14,265	\$3,645	\$537	10.8%	13.8%	2.9x	13.8x

All data as of 03/31/26, \$ in millions, TEV - Total Enterprise Value; LTM - Last Twelve Months

Source: Capital IQ

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Select Public Company Data

Tools & Equipment, Diversified Industrial, and Niche Manufacturing

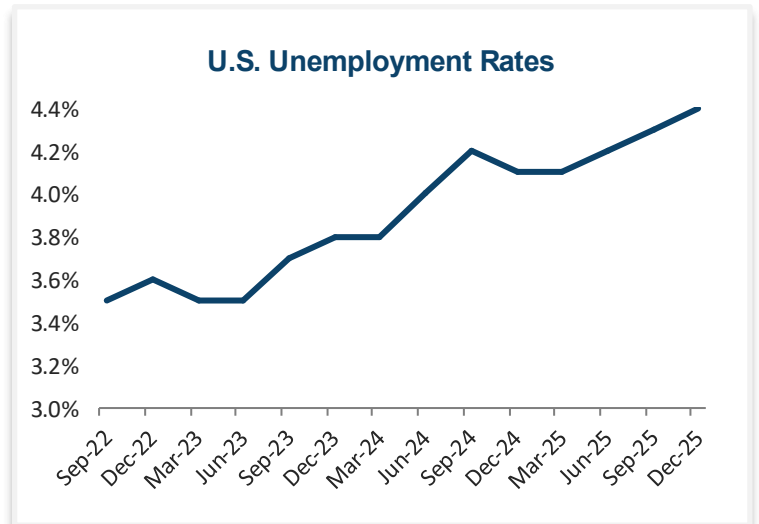
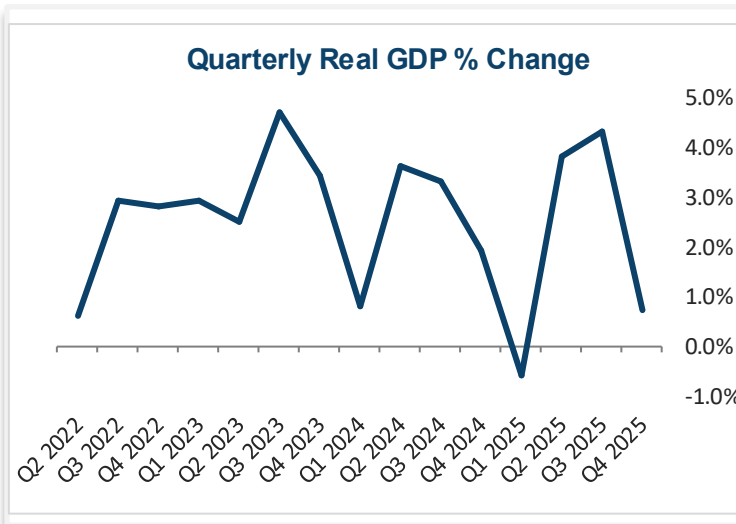
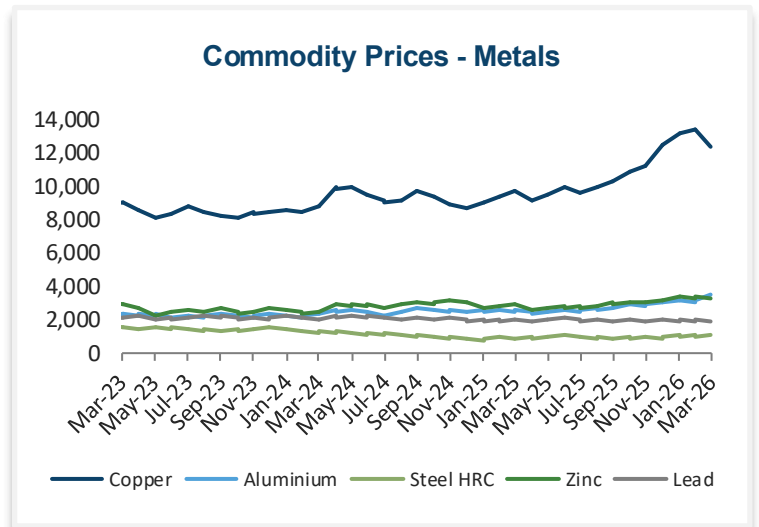
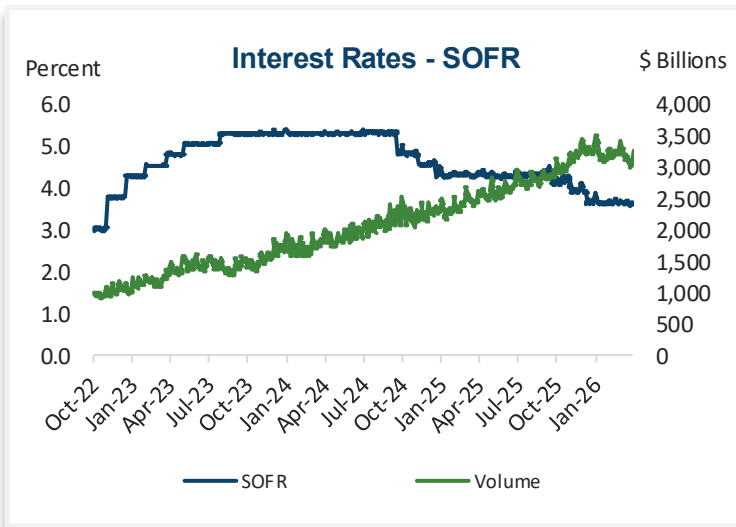
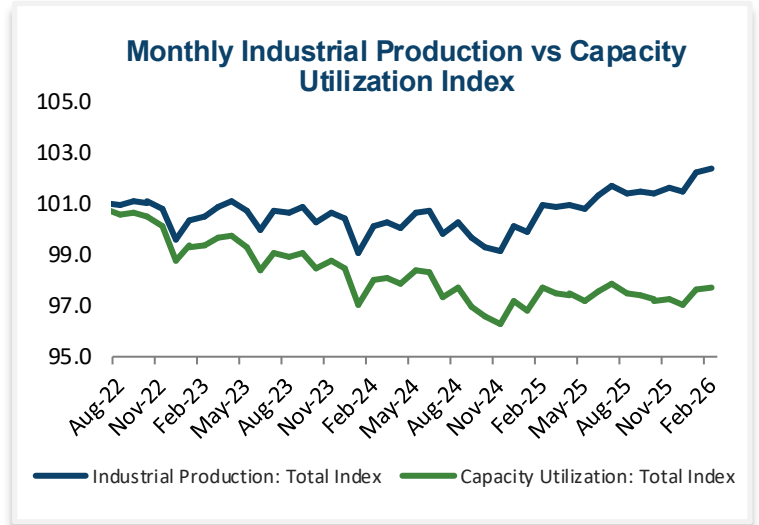
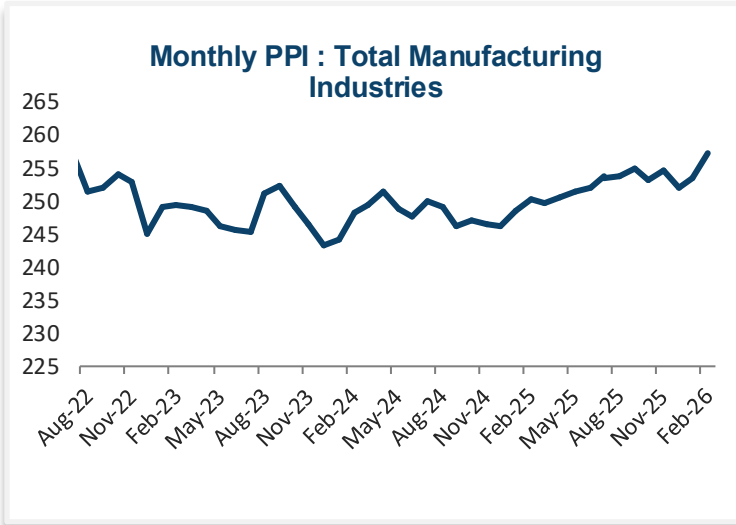
Company	Market Information		LTM Financials		Operating Metrics		TEV to LTM	
	\$ / Share	TEV	Revenue	EBITDA	Growth	EBITDA%	Revenue	EBITDA
Tools & Equipment								
Dover Corporation	208.45	30,006	\$8,093	\$1,824	4.5%	22.5%	3.7x	15.6x
Illinois Tool Works Inc.	260.29	83,345	\$16,044	\$4,655	0.9%	29.0%	5.2x	17.6x
Parker-Hannifin Corporation	895.24	1,22,446	\$20,461	\$5,358	2.8%	26.2%	6.0x	nmf
Snap-on Incorporated	363.22	18,550	\$5,156	\$1,396	0.9%	27.1%	3.6x	13.0x
Stanley Black & Decker, Inc.	71.06	17,095	\$15,130	\$1,686	-1.5%	11.1%	1.1x	9.1x
The Middleby Corporation	132.58	8,318	\$3,201	\$695	1.6%	21.7%	2.6x	11.5x
Mean	\$321.81	\$46,627	\$11,348	\$2,602	1.5%	22.9%	3.7x	13.4x
Median	\$234.37	\$24,278	\$11,611	\$1,755	1.3%	24.4%	3.7x	13.0x
Diversified Industrial								
Carlisle Companies Incorporated	333.62	15,517	\$5,020	\$1,200	0.3%	23.9%	3.1x	12.4x
CSW Industrials, Inc.	0.00	5,147	\$1,004	\$236	16.9%	23.5%	5.1x	nmf
Johnson Controls International plc	130.95	89,332	\$23,967	\$4,134	3.4%	17.2%	3.7x	nmf
Park-Ohio Holdings Corp.	24.04	958	\$1,599	\$122	-3.4%	7.6%	0.6x	6.5x
RBC Bearings Incorporated	543.12	18,121	\$1,791	\$537	11.1%	30.0%	10.1x	nmf
Standex International Corporation	254.86	3,622	\$869	\$181	21.0%	20.9%	4.2x	18.3x
Worthington Enterprises, Inc.	52.14	2,935	\$1,328	\$135	15.0%	10.2%	2.2x	10.4x
Mean	\$191.25	\$19,376	\$5,082	\$935	9.2%	19.1%	4.1x	11.9x
Median	\$130.95	\$5,147	\$1,599	\$236	11.1%	20.9%	3.7x	11.4x
Niche Manufacturing								
Carrier Global Corporation	56.31	58,205	\$21,747	\$3,378	-3.3%	15.5%	2.7x	15.4x
Flowserve Corporation	73.51	10,418	\$4,729	\$732	3.8%	15.5%	2.2x	12.7x
Otis Worldwide Corporation	77.08	37,499	\$14,431	\$2,551	1.2%	17.7%	2.6x	13.6x
Spirax Group plc	88.14	7,366	\$2,292	\$517	2.3%	22.6%	3.3x	13.9x
The Timken Company	100.57	8,826	\$4,582	\$791	0.2%	17.3%	1.9x	10.6x
Watts Water Technologies, Inc.	290.29	9,564	\$2,439	\$529	8.3%	21.7%	3.9x	17.3x
Mean	\$114.32	\$21,980	\$8,370	\$1,416	2.1%	18.4%	2.8x	13.9x
Median	\$82.61	\$9,991	\$4,656	\$761	1.7%	17.5%	2.6x	13.7x
Mean - All	\$208.18	\$28,803.61	\$8,099.04	\$1,613.53	\$0.05	\$0.20	\$3.57	\$13.19
Median - All	\$130.95	\$15,516.68	\$4,729.26	\$791.00	\$0.02	\$0.22	\$3.28	\$12.96

All data as of 03/31/26, \$ 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, Bloomberg

M&A Expertise For Founders & Families



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 has enabled us to become a trusted advisor to hundreds of founders and families.

CMG Industry Groups

Manufacturing	Services	HVAC	Consumer	Food & Beverage
<ul style="list-style-type: none"> Aerospace & Defense Tools & Equipment Diversified Industrial Niche Manufacturing 	<ul style="list-style-type: none"> Diversified Services Facilities & Residential Industrial Services Distribution & Logistics 	<ul style="list-style-type: none"> Manufacturing Distribution HVAC Services Building Automation 	<ul style="list-style-type: none"> Pet Products Infant & Juvenile Products Sporting Goods Apparel & Accessories Household Goods 	<ul style="list-style-type: none"> Food Alcoholic Beverages Non-Alcoholic Beverages

1987
Founded

\$5 Billion
Aggregate Transaction Values

450+
Client Engagements

1 Objective
Successful Client Outcomes

Select Manufacturing Transactions


 have been acquired by

 a portfolio company of



 has been acquired by

 a portfolio company of



 has been acquired by



 has acquired the assets of



 the nudyne group
 has acquired the assets of




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