

# INDUSTRIALS & MANUFACTURING

## Q4 2024 MARKET UPDATE

### *Manufacturing Renaissance 2.0: Transforming the U.S. Industrial Landscape*

As the U.S. industrial and manufacturing sectors navigate seismic shifts in global supply chains and domestic policy, the next chapter of the "Manufacturing Renaissance" is unfolding. This new era brings growth opportunities driven by protectionist policies and a renewed focus on domestic infrastructure development.

A key driver of this transformation is the hefty tariffs proposed on Chinese goods. In response, companies are reassessing their supply chains and exploring investments in domestic and nearshore facilities. These measures, along with other protectionist policies, aim to reignite enthusiasm for "Made in USA" manufacturing and attract more domestic production.

Yet, alongside the optimism, significant obstacles persist. Rising material costs, policy uncertainty, and geopolitical conflicts remain pressing concerns. While incentives for foreign investment are strong, the decision to block Japan's Nippon Steel from acquiring U.S. Steel could discourage further foreign interest. These dynamics are reshaping the competitive landscape, creating unique opportunities across key subsectors. Navigating this complex landscape requires expert guidance. G2 Capital Advisors provides tailored strategies to help businesses seize growth opportunities and mitigate risks.

#### Key Growth Areas in Manufacturing:

##### 1. Aggregates: Paving the Way for Domestic Infrastructure Growth

Demand for construction materials is rising, driven by broad economic growth and aging infrastructure needs. The push for domestic manufacturing hubs and infrastructure upgrades creates strong opportunities, even amid funding uncertainties for programs like the Infrastructure and Investment Jobs Act (IIJA). Projects funded by IIJA are expected to boost aggregate demand in underserved regions, particularly for road construction, bridge repair, and facility development.<sup>1</sup> Companies with optimized production and distribution networks will be well-placed to capture market share and meet rising demand.

##### 2. Steel and Sheet Metal: Strengthening Resilience in Materials Production

Steel and sheet metal producers are set to benefit from tariffs and reduced supply from foreign imports, with domestic manufacturing seeing increased demand. Consolidation opportunities could drive cost efficiencies and enhance resilience in supply chains, allowing producers to scale operations more effectively. Expanding capacity and adopting advanced production methods—such as automation and energy-efficient technologies—will help maintain competitiveness and benefit downstream industries like construction and manufacturing.



DISTRIBUTION



CONTAINERS /  
PACKAGING



METALS /  
MATERIALS



NICHE  
MANUFACTURING



BUILDING  
PRODUCTS

# INDUSTRIALS & MANUFACTURING

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## Q4 2024 MARKET UPDATE

### 3. Power Generation: Energizing Domestic Manufacturing's Revival

The push for reshoring is poised to place unprecedented strain on the U.S. energy grid, compounded by the rapidly growing, energy-intensive AI industry. Data center power consumption in the U.S. alone is projected to surge over 700%, reaching 93 TWh by 2030.<sup>2</sup> Meeting this demand requires targeted investment in grid modernization, renewable energy integration, and localized energy storage solutions to support industrial hubs and urban centers. Businesses capable of driving these upgrades, such as grid technology providers, utilities servicers, and renewable energy developers, will play a pivotal role in sustaining industrial growth while reducing energy bottlenecks.

### The New M&A Environment: Unlocking Middle-Market Potential

Recent policy initiatives and reshoring trends create a dynamic M&A environment, especially for middle-market firms. The shifting political landscape presents businesses with opportunities to capitalize on growth opportunities. Under the Trump administration, regulatory rollbacks are expected to reduce barriers to consolidation and reignite deal-making enthusiasm. Strategic acquisitions can bolster supply chain resilience and position companies for sustained growth.

To seize this moment:

- **Consolidate supply chains:** Evaluate acquisition opportunities to strengthen domestic production and improve logistics.
- **Scale operations strategically:** Invest in capacity expansion to capture demand driven by reshoring and infrastructure growth.
- **Act quickly:** Decisive action will be rewarded as the Biden administration accelerates CHIPS Act and IJIA grants ahead of a likely policy shift.

**With our deep industry expertise and proven track record, G2 is uniquely positioned to help businesses navigate this evolving landscape. Whether optimizing supply chains, executing strategic acquisitions, or planning capacity expansions, our team delivers insights and solutions to drive long-term success.**

1. [Understanding the Components of the U.S. Bipartisan Infrastructure Law](#). Union Pacific. (2023, February 14)  
2. [AI is poised to drive 160% increase in data center power demand](#). Goldman Sachs. (2024, May 14)

# SELECT ONGOING G2 PROJECTS

*Electrical Equipment*

## PROJECT FUZE

Buy-Side

**About the Mandate:**

*G2 is currently serving as the buy-side advisor to a manufacturer and assembler of generator sets, lighting towers, and dewatering motor pumps.. G2 is assisting the company with acquisition opportunities in the North American market.*

*Custom Bolts & Fasteners*

## PROJECT ANCHOR

Buy-Side

**About the Mandate:**

*G2 is currently serving as the buy-side advisor to a manufacturer and distributor of custom bolts and fasteners, primarily for non-residential construction projects. G2 is assisting with the Company's goal of expanding geographically to the Midwest and East Coast.*

*Fresh Produce Distribution*

## PROJECT PAPAYA

Buy-Side

**About the Mandate:**

*G2 is currently serving as the buy-side advisor to a leading distributor of fresh fruits and vegetables, sourcing more than 1,000 SKUs from over 30 countries.*

*Food Manufacturing*

## PROJECT COAST

Sell-Side

**About the Mandate:**

*G2 is currently advising on the sale of a frozen fruit manufacturing facility. The plant manufactures private label and branded frozen fruit and is a divestiture of a multinational agricultural corporation.*

*Industrial Plastics*

## PROJECT CLOVER

Buy-Side

**About the Mandate:**

*G2 is currently serving as the buy-side advisor to an international manufacturer of technical hoses, hose systems, and ancillary high-performance plastic products*

*Steel Products Manufacturing*

## PROJECT SHIELD

Financing

**About the Mandate:**

*G2 is currently serving as the financial advisor for a steel product manufacturing plant. The Company is looking to raise both equity and debt financing to capitalize on an opportunity to build a market-leading, state-of-the-art steel plant and become the cost-leader in the industry.*

# KEY I&M TRADING STATISTICS

Sector	Number of Companies	Median Enterprise Value (\$MM)	LTM <sup>1</sup>			
			Median Revenue Growth	Median EBITDA Growth	EV / Revenue	EV / EBITDA
Aerospace Manufacturing	16	\$15,045	1.5%	5.3%	2.0x	15.4x
Building Products	13	\$8,959	0.3%	-0.2%	2.3x	14.0x
Chemicals	18	\$24,947	-0.4%	1.5%	2.1x	14.7x
Construction	11	\$10,346	2.5%	5.2%	1.1x	14.8x
CPG	11	\$27,565	-0.2%	1.3%	2.7x	14.1x
Electrical Equipment	11	\$24,752	-0.9%	-1.9%	3.9x	16.9x
Food	12	\$31,887	-0.4%	2.7%	2.2x	12.6x
Industrial Technology	10	\$53,013	0.9%	1.2%	4.6x	18.0x
Materials	15	\$12,652	0.9%	6.0%	3.7x	13.7x
Metals	11	\$9,894	-2.4%	-10.8%	1.1x	7.6x
Packaging	11	\$16,717	-0.6%	0.8%	1.5x	9.8x
Plastics	11	\$2,433	-0.6%	1.8%	1.1x	9.8x

1) LTM December 31, 2024  
Source: S&P Capital IQ

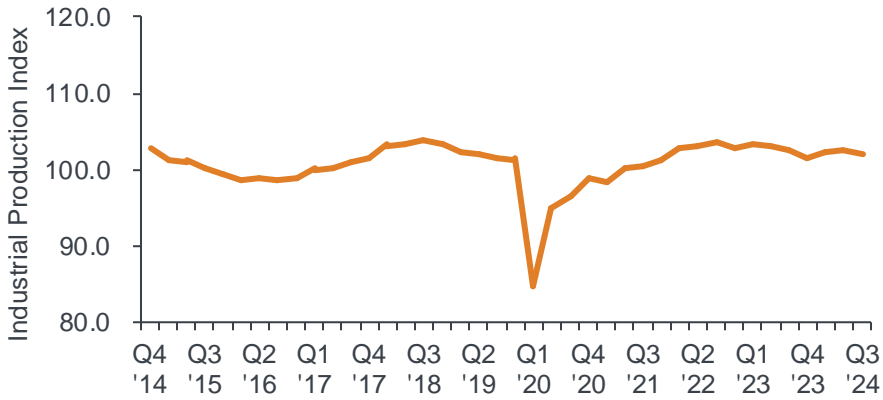
# Q4 2024 M&A TRANSACTIONS

DATE	ACQUIRER	TARGET	DESCRIPTION	ENTERPRISE VALUE	REVENUE	EBITDA
31-Dec-24	Applied Industrial Technologies	Hydradyne	Distributor of a motion control distribution company offering hydraulic, pneumatic and electromechanical products to original equipment manufacturers (OEM) and maintenance, repair and operations (MRO) markets.	\$272.0	n/a	n/a
31-Dec-24	Teledyne Technologies	Micropac Industries	Manufacturer of electronic exercisers, printed circuit boards, optoelectronic components, electronic assemblies, and multi-chip microelectronic modules intended for military, aerospace, space, medical, and industrial applications.	\$55.8	1.5x	8.7x
18-Dec-24	L Squared Capital Partners	Kano Laboratories	Manufacturer of penetrating oils and lubricants intended to serve the industrial maintenance, repair and operations (MRO), professional specialty trades and consumer markets.	n/a	n/a	n/a
17-Dec-24	New Mountain Capital, Pearce Services	Unified Power	Provider of preventative maintenance and repair services intended to provide critical, uninterruptible power systems in North America.	n/a	n/a	n/a
04-Dec-24	Russel Metals	Tampa Bay Steel	Distributor of steel and metal processing products and services headquartered in Tampa, Florida.	\$79.5	n/a	n/a
04-Dec-24	TransAlta	Heartland Generation	Operator of natural gas and dual-fuel power generation facilities serving industrial, commercial and residential consumers.	\$658.0	n/a	n/a
28-Nov-24	Heidelberg Materials	Giant Cement Holding	Manufacturer of masonry cement catering to the construction industry.	\$600.0	n/a	n/a
25-Nov-24	Quikrete Holdings	Summit Materials	Manufacturer of construction materials based in Denver, Colorado.	\$11,366.0	3.0x	13.9x
20-Nov-24	Flex (BPO/Outsource Services)	Crown Technical Systems	Manufacturer of power distribution and protection systems catering to government power entities, the utility industry and transportation industries.	\$325.0	2.7x	n/a
19-Nov-24	Amcor	Berry Global	Provider of packaging and protection solutions for personal care, household, food, beverages, hygiene, health care, and transportation industries.	\$7,335.0	0.6x	4.1x
13-Nov-24	Exchange Income	Spartan Mat	Manufacturer of industrial composite access mats and interlocking mat system for construction projects.	\$120.0	n/a	n/a
01-Nov-24	Crane (United States)	Technifab Products	Manufacturer of cryogenic equipment intended to serve various industries that include aerospace, defense, healthcare, food, semiconductor and electronics.	\$40.5	2.0x	10.1x
21-Oct-24	HEICO	Mid Continent Controls	Provider of cabin management and in-flight power and entertainment systems designed for business aircraft.	n/a	n/a	n/a
21-Oct-24	Acacia Research Corporation	Deflecto	Manufacturer of extruded and molded plastic products for consumer and professional applications.	\$103.7	n/a	n/a
08-Oct-24	Performance Food Group	Cheney Brothers	Distributor of food and grocery products intended to provide customers with fresh produce.	\$2,100.0	n/a	n/a
04-Oct-24	Federal Signal	Standard Equipment Company	Distributor of specialty maintenance and infrastructure equipment intended for municipal and industrial markets.	\$43.6	n/a	n/a
01-Oct-24	Arcosa	Stavola Contracting	Manufacturer of highway and street construction products catering to the New York and New Jersey metropolitan statistical area (MSA).	\$1,200.0	4.2x	12.0x
01-Oct-24	Expand Energy	Southwestern Energy	Operator of an energy company primarily engaged in natural gas, gas liquids, oil exploration, development, production and marketing.	\$7,385.0	1.3x	n/a

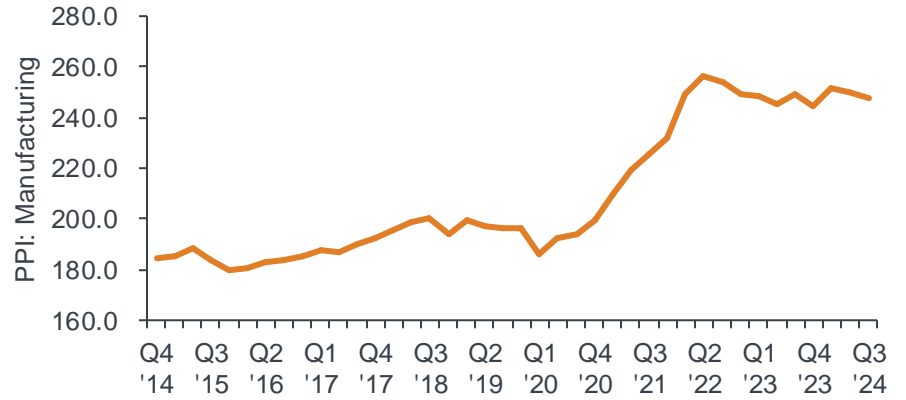
Source: S&P Capital IQ, company websites

# MARKET INDICATORS

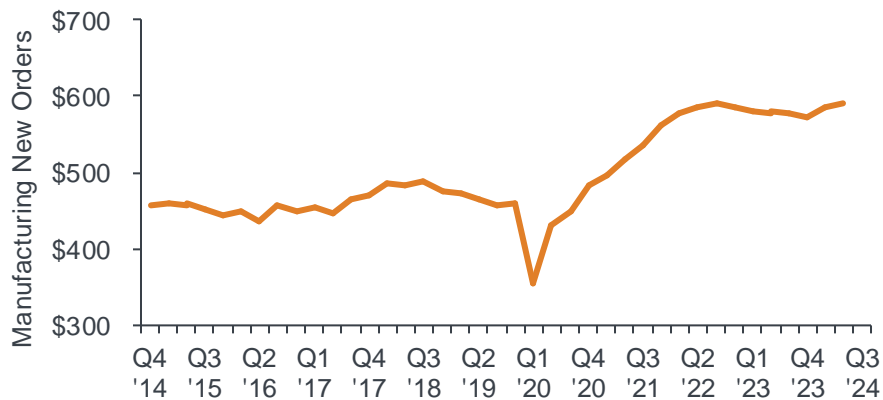
Industrial Production Index



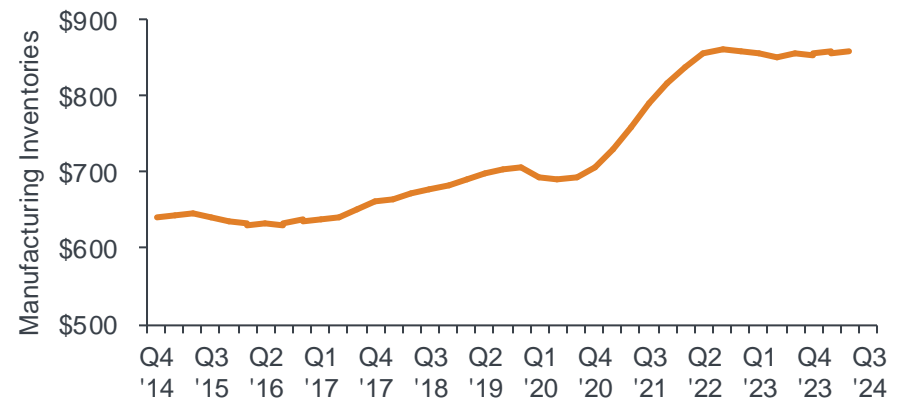
Producer Price Index: Manufacturing



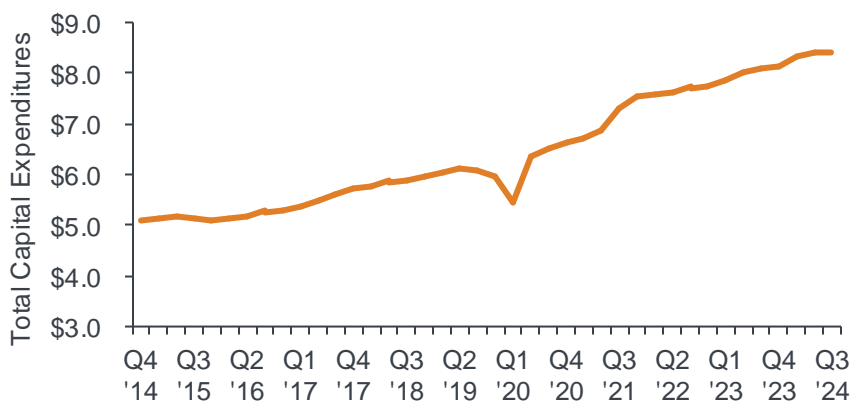
Manufacturing New Orders (\$B)



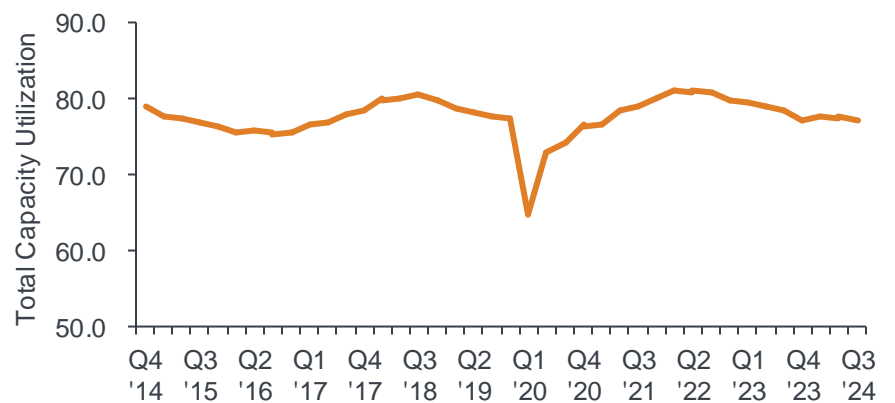
Manufacturing Total Inventories (\$B)



Total Capital Expenditures (\$TN)



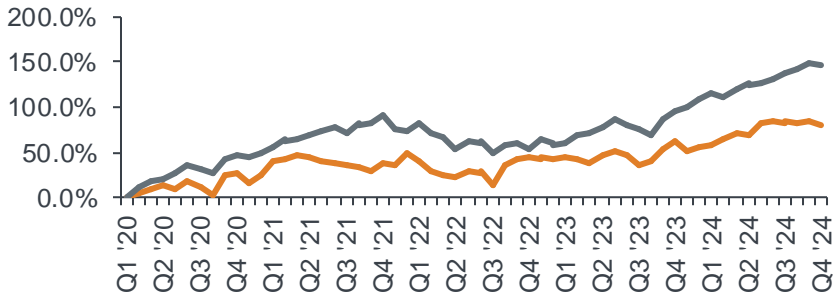
Total Capacity Utilization



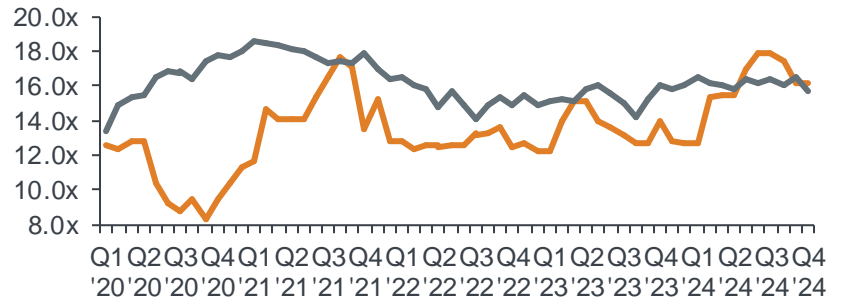
Source: Federal Reserve Economic Data

# MARKET INDICATORS

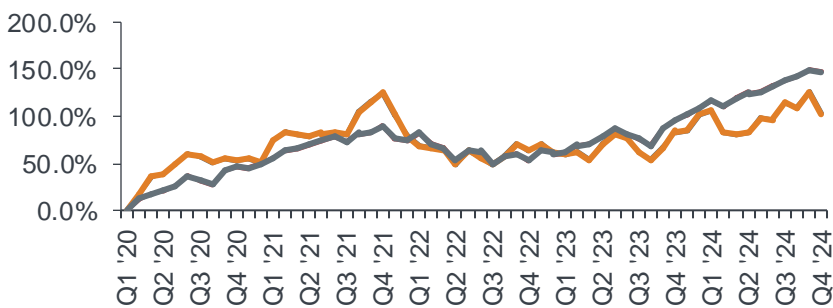
Aerospace Manufacturing Market Cap



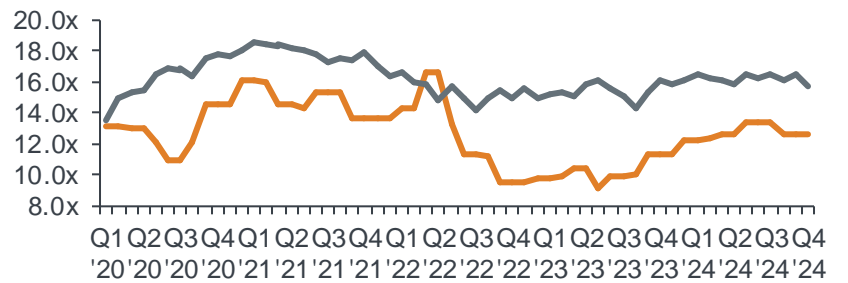
Aerospace Manufacturing EV / EBITDA



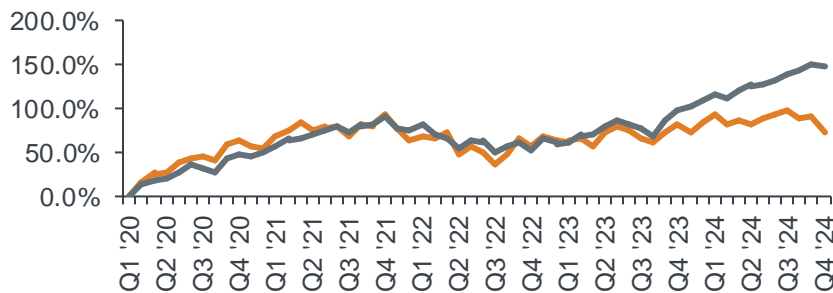
Building Products Market Cap



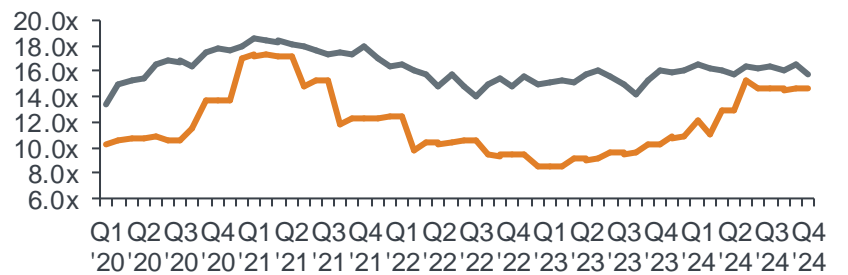
Building Products EV / EBITDA



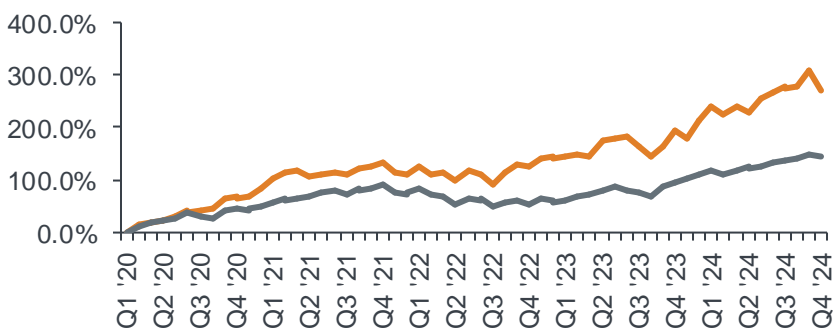
Chemicals Market Cap



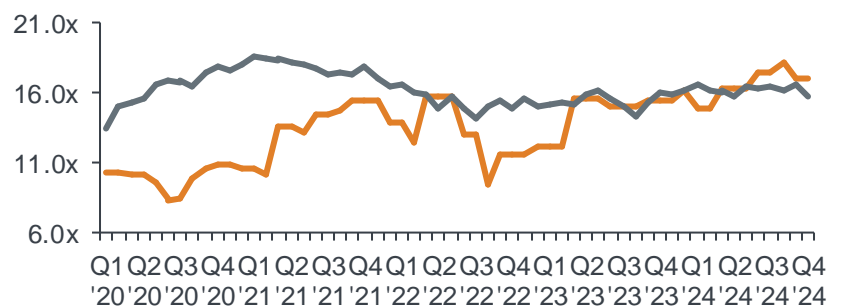
Chemicals EV / EBITDA



Construction Market Cap



Construction EV / EBITDA

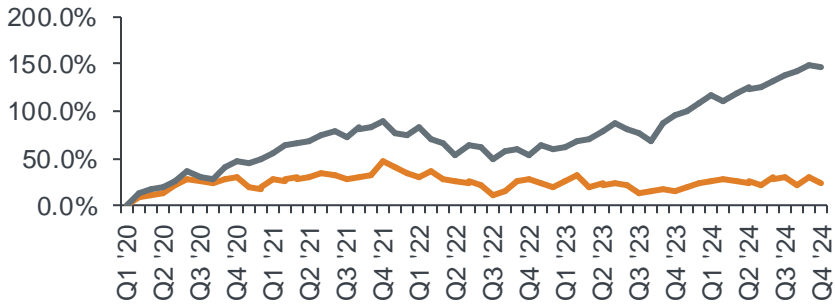


I&M Sector S&P 500

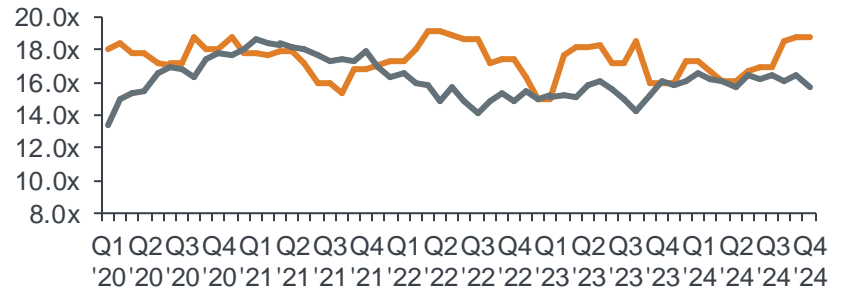
Source: S&P Capital IQ as of trading on December 31, 2024  
Past performance is no guarantee of future results

# MARKET INDICATORS

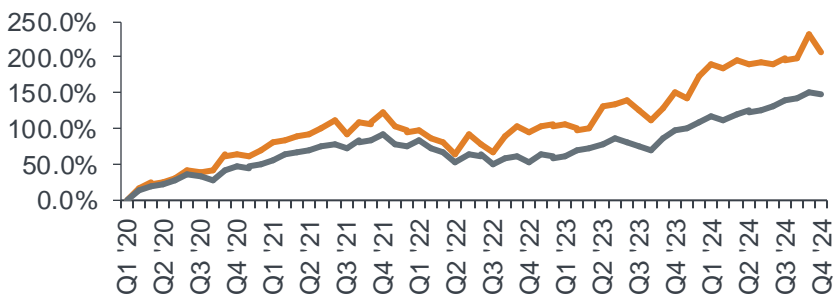
CPG Market Cap



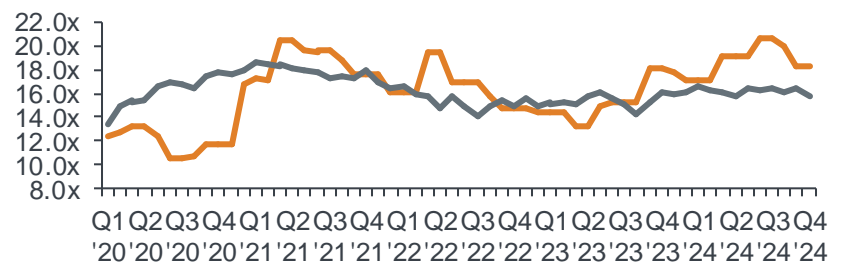
CPG EV / EBITDA



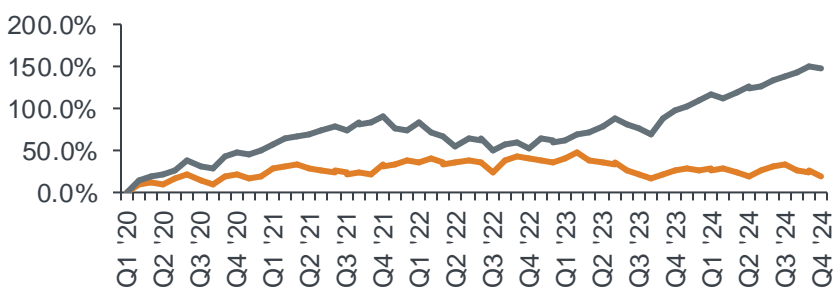
Electrical Equipment Market Cap



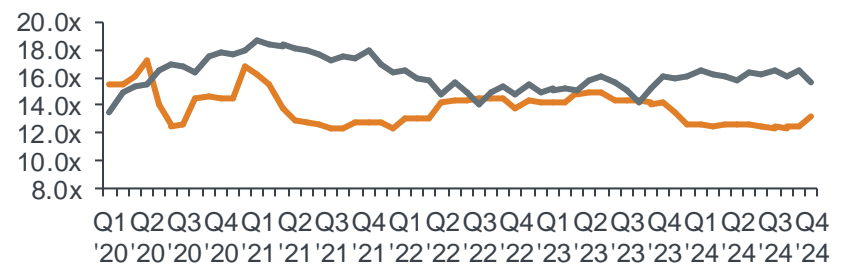
Electrical Equipment EV / EBITDA



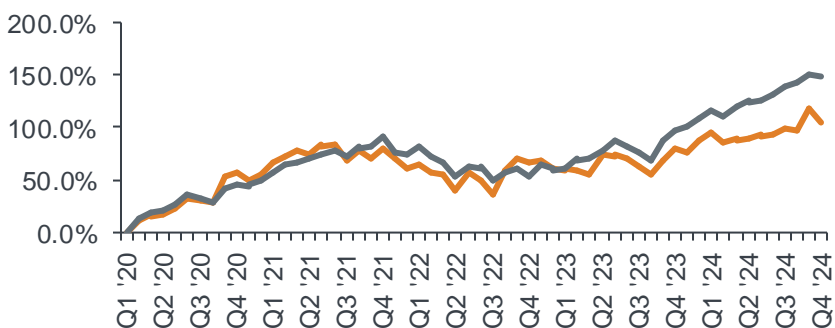
Food Market Cap



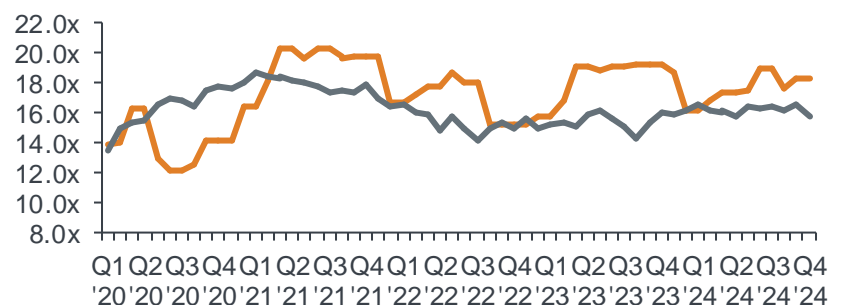
Food EV / EBITDA



Industrial Technology Market Cap



Industrial Technology EV / EBITDA



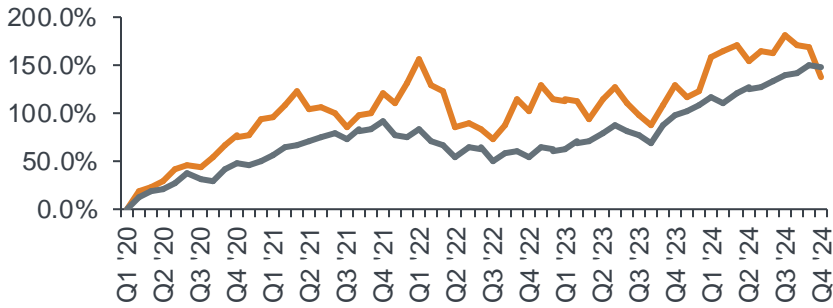
I&M Sector S&P 500

Source: S&P Capital IQ as of trading on December 31, 2024  
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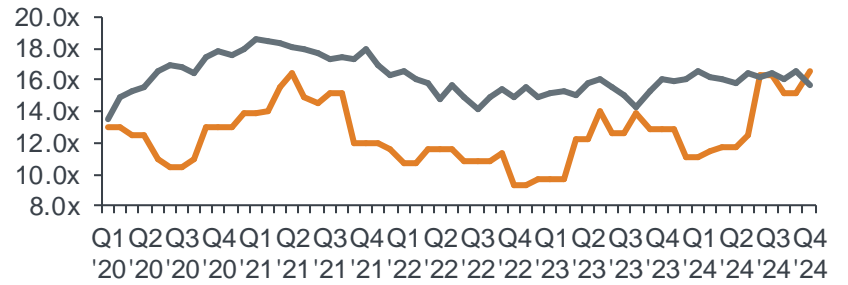


# MARKET INDICATORS

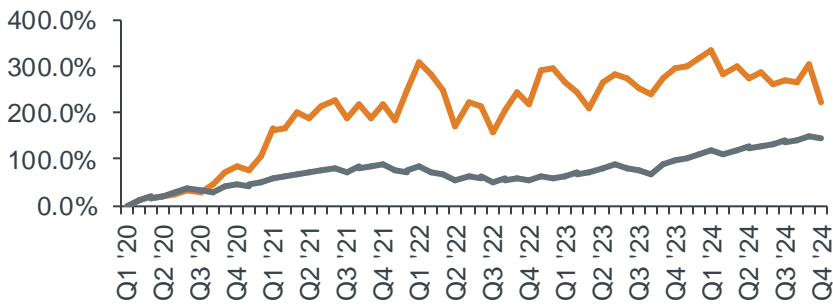
Materials Market Cap



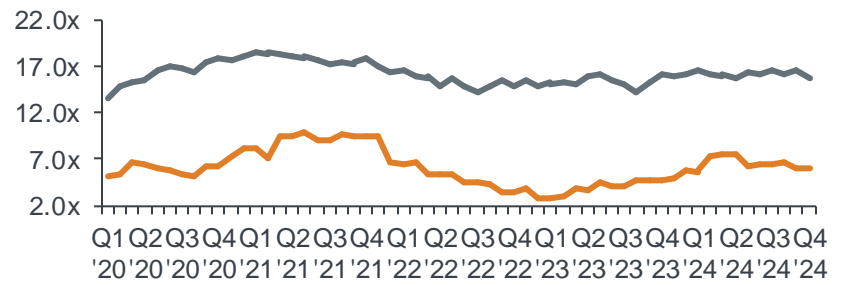
Materials EV / EBITDA



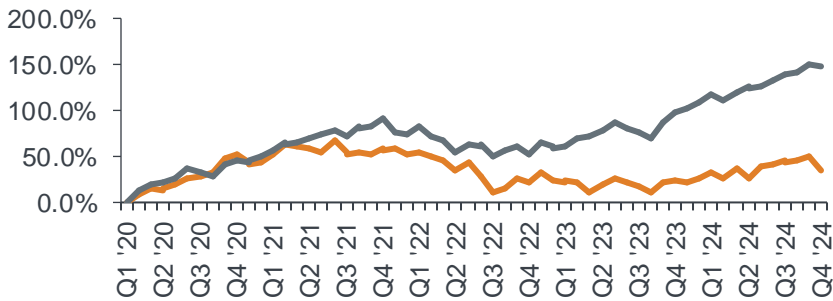
Metals Market Cap



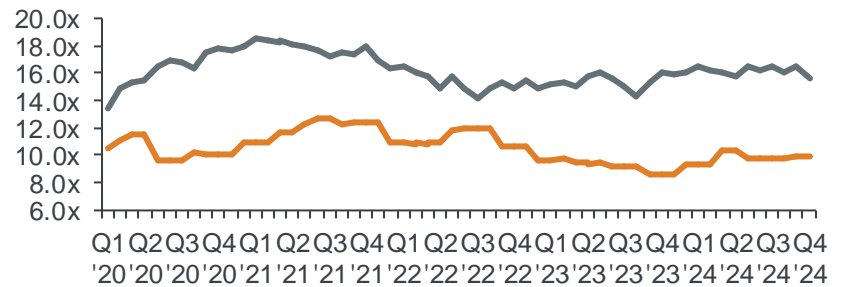
Metals EV / EBITDA



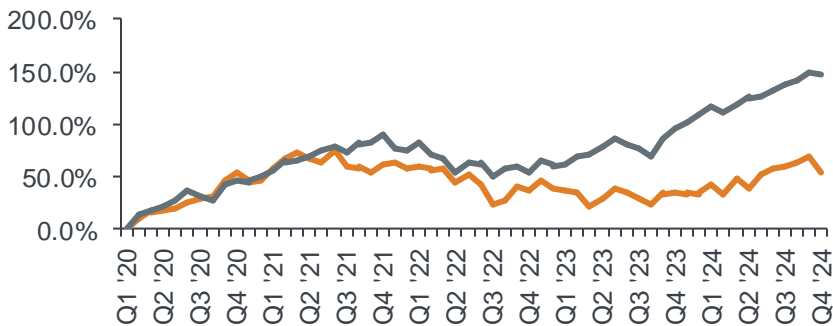
Packaging Market Cap



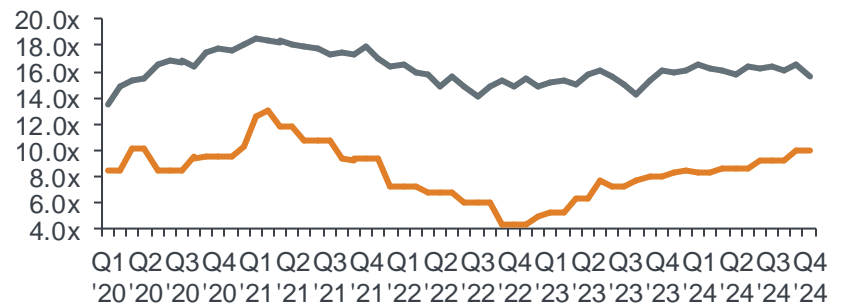
Packaging EV / EBITDA



Plastics Market Cap



Plastics EV / EBITDA



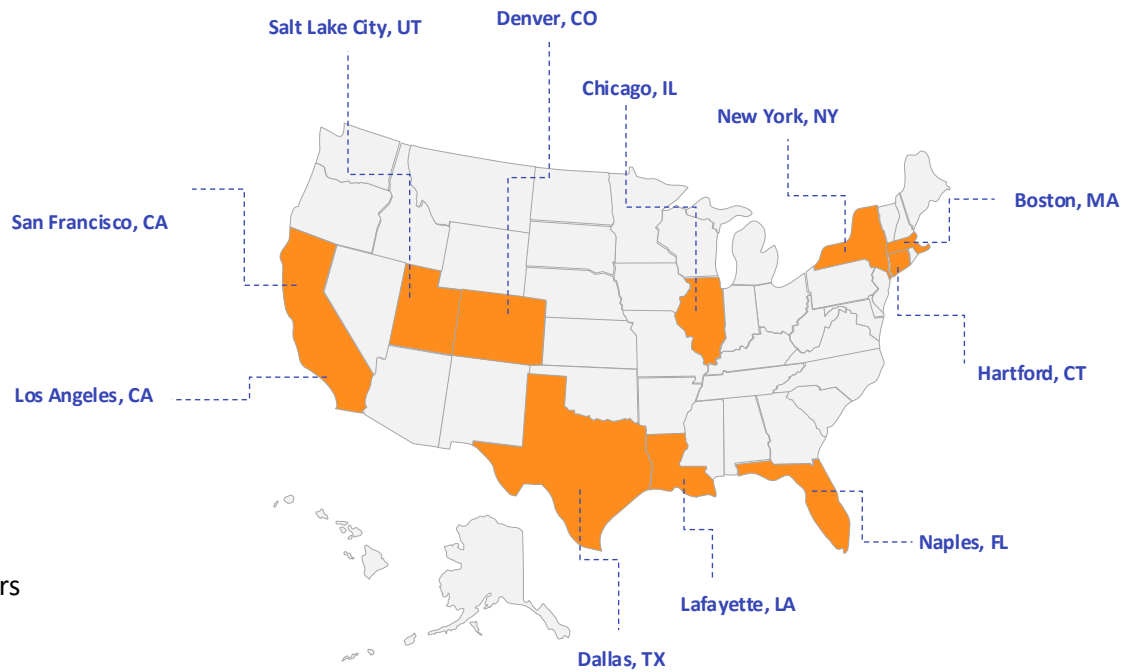
I&M Sector S&P 500

Source: S&P Capital IQ as of trading on December 31, 2024  
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# G2 FIRM OVERVIEW

## Overview:

- 500+ mandates in 12 years
- \$5B+ total executed transaction value
- Extensive industry experience
- Robust strategic and sponsor relationships
- Active touchpoints with logical sellers and buyers

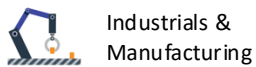


## A Multi-faceted Platform:

Focused on crafting bespoke operational and financial advisory solutions for our corporate and investor clients. G2 works with clients across a range of situations.



## Sector Expertise:



Industrials & Manufacturing

### I&M Focus Sectors:

- Building Products / Construction
- Metals / Materials
- Container / Packaging
- Niche Manufacturing
- Distribution



Transportation & Logistics

### T&L Focus Sectors:

- Freight Forwarding
- Trucking / Final Mile
- Warehousing / Distribution
- Third Party Logistics (3PL)
- e-Commerce Fulfillment



Technology & Business Services

### TBS Focus Sectors:

- Tech-enabled Services
- BPO
- Managed Services
- Internet & Digital Media
- Business Services



Consumer & Retail

### C&R Focus Sectors:

- Fast Moving Consumer Goods
- Retail & E-Commerce
- Quick Serve Restaurants
- Fast Casual Dining
- Marketing Services

## Connect With Our Team:



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