

INDUSTRIALS & MANUFACTURING

Q2 2025 MARKET UPDATE

Rewiring for the Future:

How the Electric Grid Upgrade is Driving M&A Activity

The U.S. electric grid is undergoing a once-in-a-generation transformation. Spanning power plants, high-voltage transmission lines, substations, and local distribution networks, this complex system is the backbone of modern life, and it's showing its age... Much of the U.S. electric grid was built in the 1960s and 1970s and is reaching the end of its typical lifespan.

Decades of underinvestment, coupled with surging demand from electrification, industrial growth, and digital infrastructure, have pushed the grid to a breaking point. According to the U.S. Department of Energy, the projected load growth will increase the risk of power outages by 100 times in 2030. From generation to delivery, the entire value chain requires modernization.

This need is not just a public policy issue—it's a private market opportunity. Investors, utilities, and strategic buyers are racing to acquire the capabilities, talent, and technologies required to rebuild and future-proof the grid.

Why It Matters Now:

- **Grid capacity challenges are multi-faceted.** Transmission bottlenecks are delaying the connection of new generation sources—particularly renewables, which add complexity due to their intermittent, weather-dependent nature. This strains a grid originally designed for steady, centralized power from fossil fuel plants.
- **Aging infrastructure limits flexibility.** Substations and local delivery systems are often at or beyond capacity, requiring significant upgrades and new builds to support both reliability and resiliency.
- **Data centers are reshaping demand.** The explosive growth of AI and cloud computing is accelerating energy needs. Hyperscalers like Meta, Amazon, and Google are securing long-term power deals—including nuclear—while utilities fast-track gas-fired plants to support near-term demand. The Department of Energy projects that U.S. data centers could consume up to 12% of the nation's electricity by 2028.

As a result, M&A interest is accelerating across the electric utility ecosystem—particularly in:

- Engineering & EPC firms with grid-specific permitting and buildout capabilities
- Transmission and substation service providers
- Grid technology and automation platforms
- Niche construction and maintenance companies embedded in regional utility supply chain

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In the first half of 2025, deal activity in this sector has surged as strategic and financial buyers look to establish footholds across critical nodes of the grid. These transactions are driven by a shared urgency: meeting tomorrow's power needs requires action—and investment—today.

- IGS Energy acquired MC Squared Energy Services which is an operator of an electric utility company intended to help businesses and individuals
- Stellex Capital Management acquired Industrial Construction Services Holding which provides electrical and instrumentation (E&I) services catering to diverse sectors including industrial, food, heavy commercial, healthcare, energy and power, and more
- Blackstone acquired Power Grid Components which designs and manufactures electrical components intended to serve electric utility industries

Looking Ahead

The buildout of a more resilient, scalable, and flexible grid will play out over years, not months, but the race for strategic positioning is already underway. For companies with differentiated expertise in transmission, substations, and distribution, the current market presents an opportunity to scale through partnership or sale.

Revamping the grid isn't just essential infrastructure. It's an M&A thesis.

INDUSTRIALS & MANUFACTURING

During Q2 2025, G2 served as the exclusive buy-side advisor to a leading manufacturer of copper and copper-alloy wire products.



CLIENT: International Wire Group (“IWG”), a Camden, NY-headquartered company, is the largest non-vertically integrated copper and copper-alloy wire products manufacturer in the United States and maintains operations in Europe, all supported by unparalleled global engineering capabilities. IWG is highly regarded for its capacity and broad product portfolio, servicing a wide range of applications in energy, green electrification, industrial, automotive, aerospace, data communications and other major markets. IWG is a portfolio company of Olympus Partners and Atlas Holdings.

SITUATION: As part of CEO Greg Smith’s vision for International Wire Group, the company set a strategic course to expand its copper product offering, its leading production capabilities, and its presence in the United States through accretive acquisitions.

ENGAGEMENT: International Wire Group engaged G2 Capital Advisors, LLC (“G2”) as the exclusive buy-side advisor to research, identify, and originate companies that support International Wire Group’s growth and vision.

OUTCOME: International Wire Group closed its acquisition Hussey Copper, a Leetsdale, PA-based supplier of copper products. Hussey is the preeminent copper busbar manufacturer and provides copper products to industries ranging from power generation to data centers and critical infrastructure. Prior to acquisition, Hussey Copper was a portfolio company of KPS Capital Partners’ Mid-Cap Fund.

SELECT ONGOING G2 PROJECTS

Electrical Transmission & Maintenance Services

PROJECT VOLTAGE

Buy-Side

About the Mandate:

G2 is currently serving as the buy-side advisor to a provider of electrical transmission and distribution maintenance services intended for utility infrastructure. G2 is assisting the Company's goal of expanding geographically across the United States.

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.

Contract Manufacturing

PROJECT GUINNESS

Sell-Side

About the Mandate:

G2 is currently advising on the sale of a sheet metal contract manufacturer. The Company designs and manufactures products primarily for the data center and power generation end markets, with a diversified mix of domestic and international manufacturing.

Metal Fasteners & Components

PROJECT FORGE

Buy-Side

About the Mandate:

G2 is currently serving as the buy-side advisor to a manufacturer and distributor of metal fasteners, components, and parts. The Company provides end-to-end supply chain management services to OEMs, suppliers, and other customers across a variety of industries.

Consumer Product Manufacturing

PROJECT TIMBER

Sell-Side

About the Mandate:

G2 is currently advising on the sale of an outdoor consumer product manufacturer. The Company designs and manufactures portable sawmills for enthusiasts and light industrial customers through multiple consumer brands.

KEY I&M TRADING STATISTICS

Sector	Number of Companies	Median Enterprise Value (\$MM)	LTM ¹			
			Median Revenue Growth	Median EBITDA Growth	EV / Revenue	EV / EBITDA
Aerospace Manufacturing	17	\$29,665	5.0%	14.2%	1.9x	14.1x
Building Products	13	\$8,490	0.8%	-1.2%	2.0x	12.1x
Chemicals	18	\$17,469	-0.8%	1.4%	2.0x	9.5x
Construction	11	\$8,881	8.9%	14.6%	1.1x	11.8x
CPG	11	\$21,240	-1.0%	3.9%	2.3x	11.8x
Electrical Equipment	11	\$23,459	2.0%	4.5%	4.2x	13.3x
Food	13	\$28,135	0.9%	3.8%	1.6x	11.0x
Industrial Technology	10	\$55,670	3.6%	4.1%	4.4x	17.6x
Materials	15	\$15,394	5.8%	10.7%	3.5x	11.4x
Metals	11	\$10,402	-9.0%	-42.9%	1.0x	10.6x
Packaging	11	\$15,136	0.6%	6.3%	1.8x	11.0x
Plastics	10	\$2,510	0.3%	11.0%	0.8x	8.0x

1) LTM June 30, 2025
Source: Pitchbook

Q2 2025 M&A TRANSACTIONS

DATE	ACQUIRER	TARGET	DESCRIPTION	ENTERPRISE VALUE	REVENUE	EBITDA
01-Jul-25	Mayville Engineering Company	Accu-Fab	Provider of sheet metal fabrication and contract manufacturing, intended to offer precision sheet metal products.	\$140.5	2.3x	10.0x
01-Jul-25	Limbach Holdings	Pioneer Power	Provider of mechanical contracting services catering to clean room and data centers, food and beverage, hospital health care, renewable energy, and government education markets.	\$66.1	n/a	n/a
01-Jul-25	Astec Industries	TerraSource Global	Manufacturer of material processing and handling equipment based in Saint Louis, Missouri.	\$245.0	1.6x	n/a
26-Jun-25	DNOW	MRC Global	Distributor of pipe, valve and fitting products and catering to the energy and industrial markets.	\$1,992.8	0.7x	12.9x
26-Jun-25	Lockheed Martin	Amentum (Hardware and Product Business)	Manufacturer of hardware products aligned to national security missions.	\$360.0	n/a	n/a
18-Jun-25	Gooch & Housego	Global Photonics	Developer of advanced optical and optomechanical solutions designed for the defense, aerospace, and industrial markets.	\$17.5	1.6x	9.7x
17-Jun-25	MISUMI Group	Fictiv	Operator of a global manufacturing and supply chain platform intended to help organizations scale production across international markets.	\$350.0	n/a	n/a
13-Jun-25	Redwire (Jacksonville)	Edge Autonomy	Manufacturer of unmanned aircraft vehicles intended for the government and private companies including the navy and aerospace.	\$925.0	n/a	n/a
09-Jun-25	Honeywell	Sundyne	Manufacturer of precision centrifugal pumps and compressors designed for oil and gas, chemical, manufacturing, mining and mineral, power generation, and other industries.	\$2,160.0	n/a	14.5x
05-Jun-25	GE Aerospace	Northstar Aerospace	Manufacturer of flight-critical gears and transmissions intended to serve the global aerospace industry.	n/a	n/a	n/a
28-May-25	Karman Space & Defense	Industrial Solid Propulsion	Manufacturer of solid propulsion cartridges and systems intended to support aerospace and defense missions.	\$60.0	n/a	n/a
08-May-25	Foxconn Industrial	Q-Edge Corporation	Distributor of electronic products based in Plainfield, United States.	\$36.0	n/a	n/a
01-May-25	CSW Industrials	Aspen Manufacturing	Manufacturer of independent evaporator coil and air handlers intended for the heating, ventilation, and air conditioning (HVAC) industry.	\$313.5	2.6x	11.0x
01-May-25	Archrock	Natural Gas Compression Systems	Manufacturer of natural gas compressors and provider of its maintenance services intended to serve clients throughout the United States and Canada.	\$357.1	n/a	n/a
01-May-25	VSE (Aerospace and Defense)	Turbine Weld Industries	Provider of maintenance, repair and overhaul (MRO) services catering to airlines, overhaul facilities, hot section shops, parts distributors, and owner/operators.	\$50.0	n/a	n/a
30-Apr-25	Highland Tank & Manufacturing	Simplex (Energy Equipment)	Manufacturer of power generation and fuel supply products designed for mission-critical environments.	\$28.0	n/a	n/a
10-Apr-25	Trelleborg Group	Aero-Plastics	Manufacturer of plastic products for aerospace, medical, energy, and transportation industries.	\$15.3	1.1x	n/a
04-Apr-25	Karman Space & Defense	Metal Technology	Manufacturer of industrial, laboratory, and chemical containers and apparatus designed for aerospace, defense, vacuum coating, medical, nuclear, and other industries.	\$90.0	n/a	n/a
01-Apr-25	Eaton	Fibrebond	Manufacturer of complex electrical and mechanical solutions for the data center, fiber, industrial, and utility markets.	\$1,452.0	3.8x	13.2x

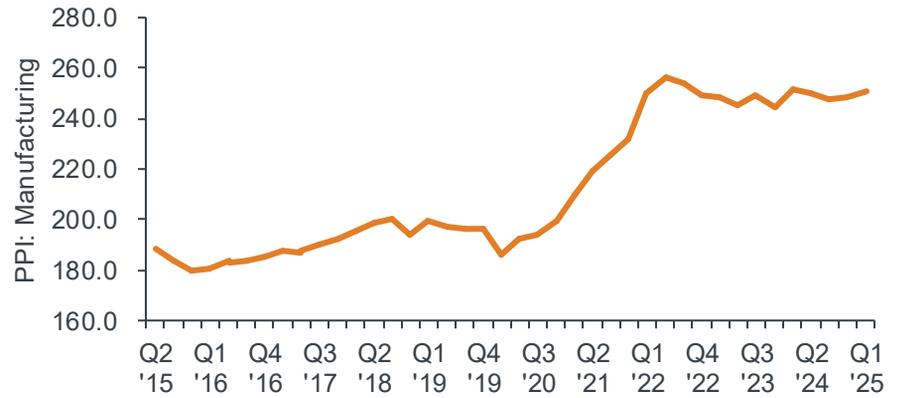
Source: Pitchbook, company websites

MARKET INDICATORS

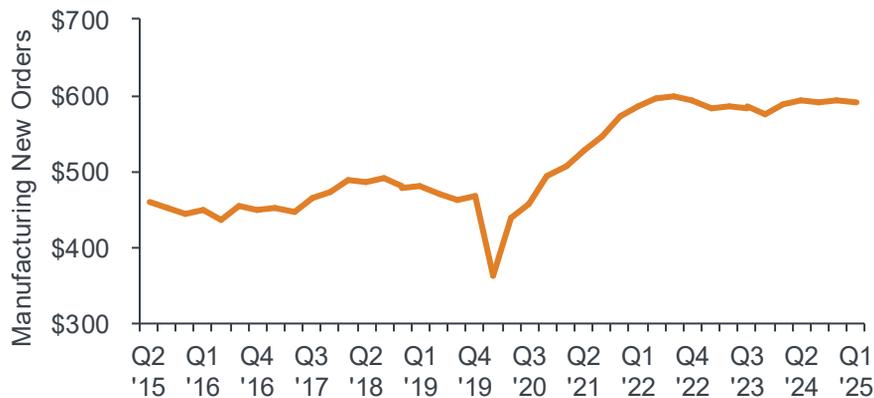
Industrial Production Index



Producer Price Index: Manufacturing



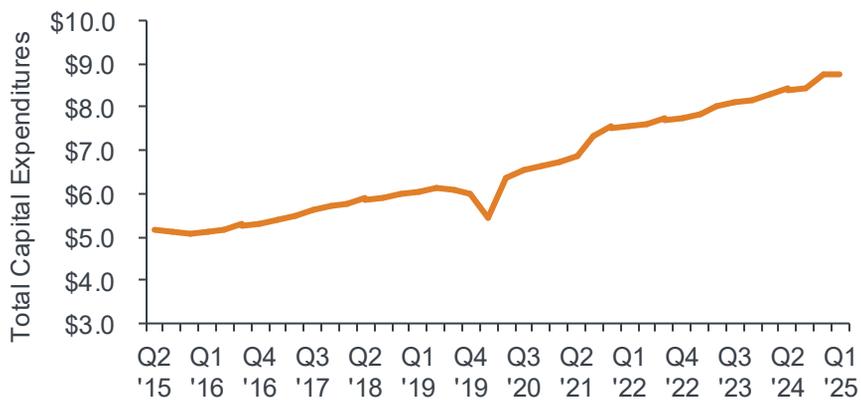
Manufacturing New Orders (\$B)



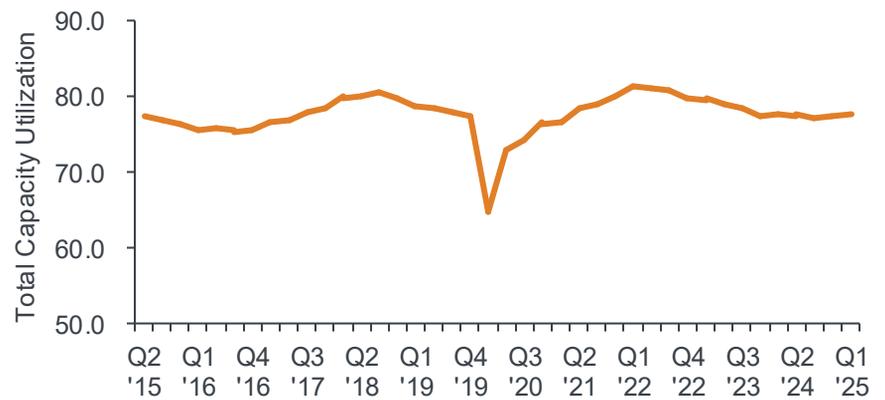
Manufacturing Total Inventories (\$B)



Total Capital Expenditures (\$TN)



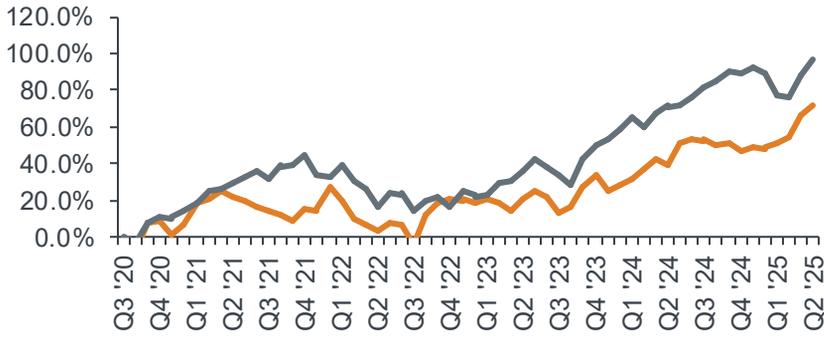
Total Capacity Utilization



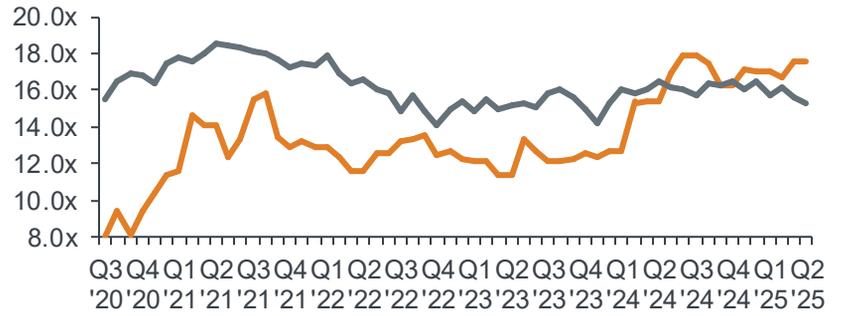
Source: Federal Reserve Economic Data

MARKET INDICATORS

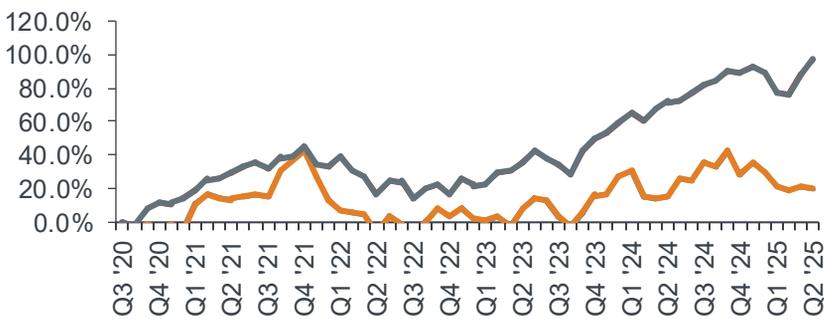
Aerospace Manufacturing Market Cap



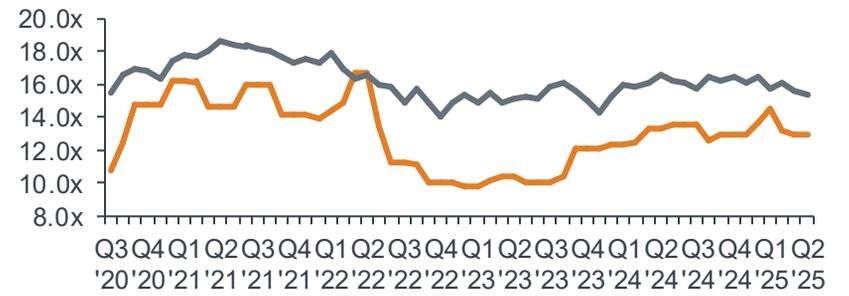
Aerospace Manufacturing EV / EBITDA



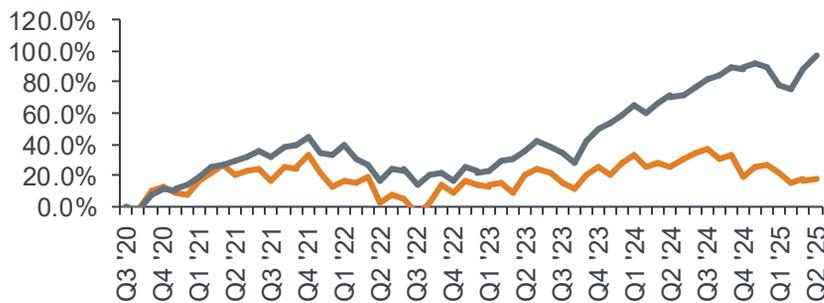
Building Products Market Cap



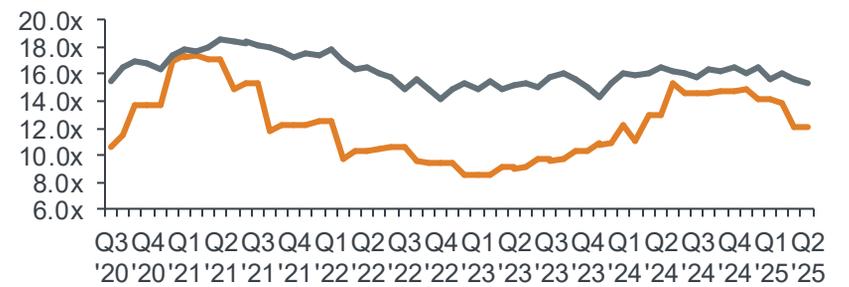
Building Products EV / EBITDA



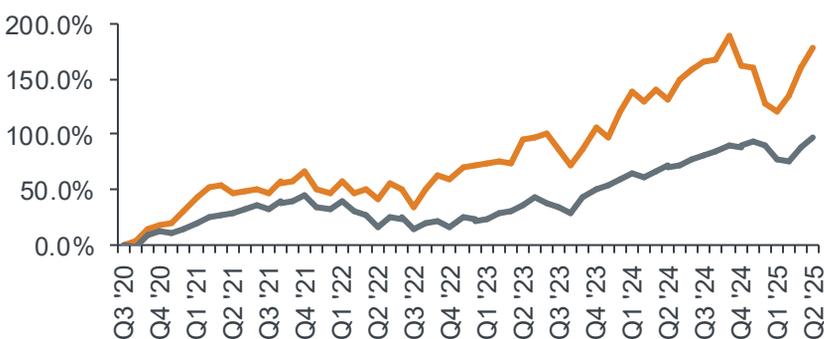
Chemicals Market Cap



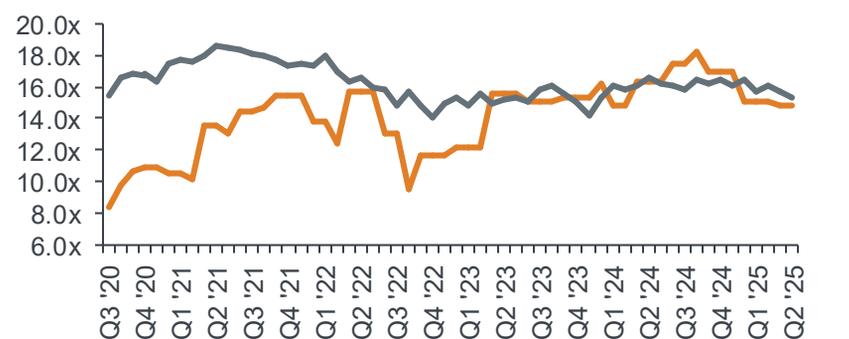
Chemicals EV / EBITDA



Construction Market Cap



Construction EV / EBITDA

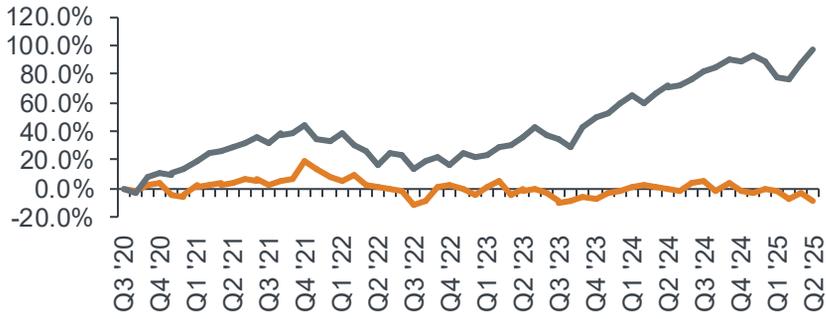


I&M Sector S&P 500

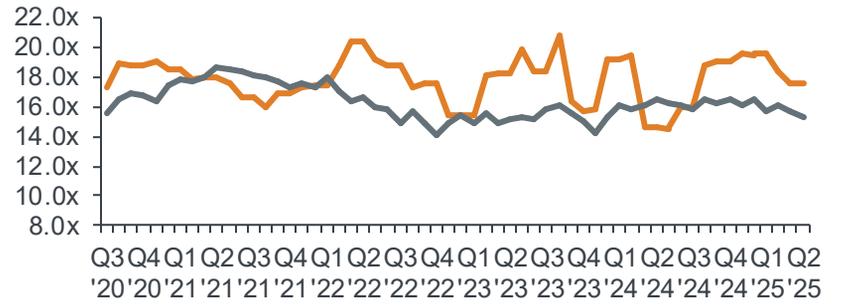
Source: Pitchbook as of trading on June 30, 2025
Past performance is no guarantee of future results

MARKET INDICATORS

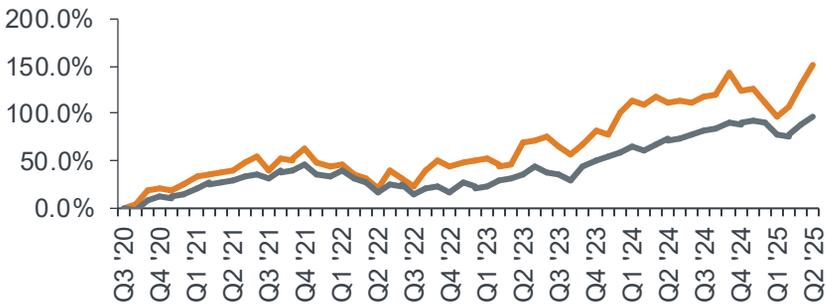
CPG Market Cap



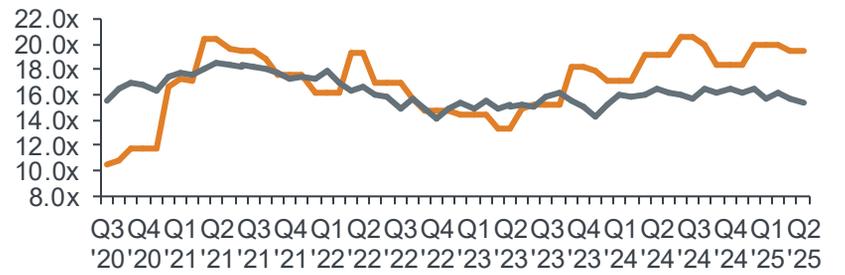
CPG EV / EBITDA



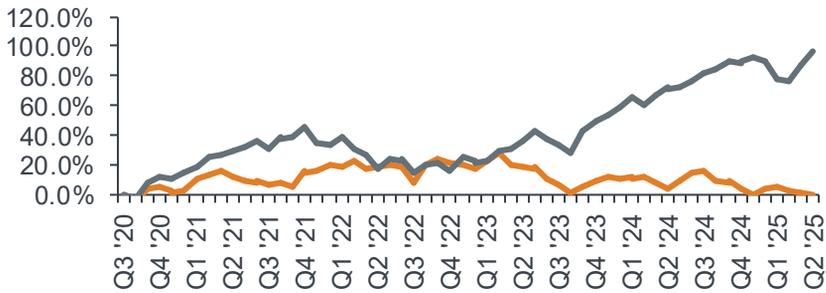
Electrical Equipment Market Cap



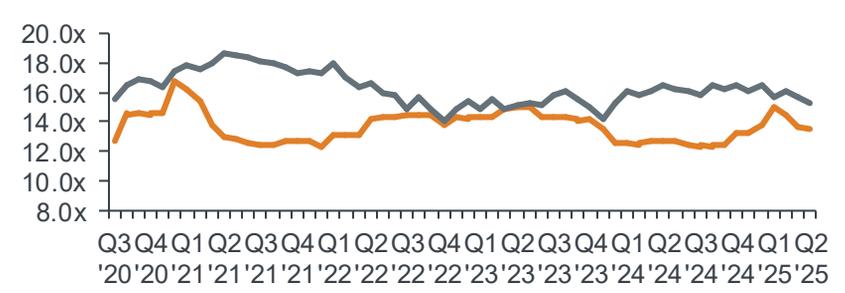
Electrical Equipment EV / EBITDA



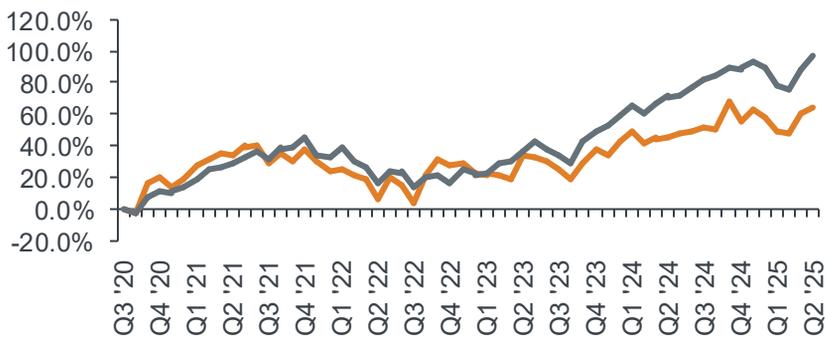
Food Market Cap



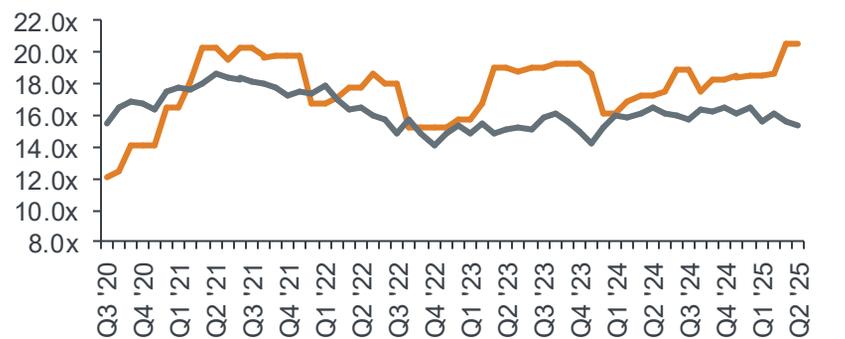
Food EV / EBITDA



Industrial Technology Market Cap



Industrial Technology EV / EBITDA

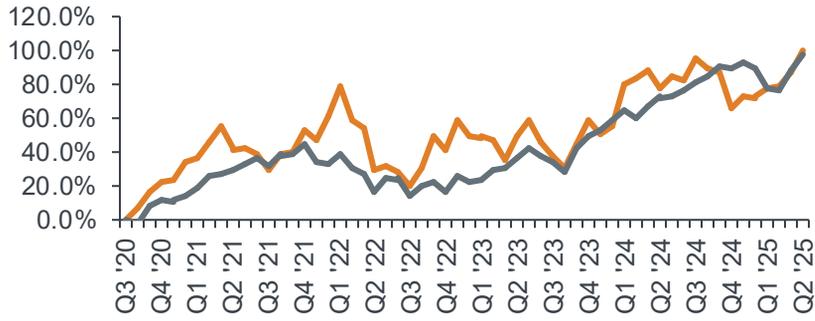


I&M Sector S&P 500

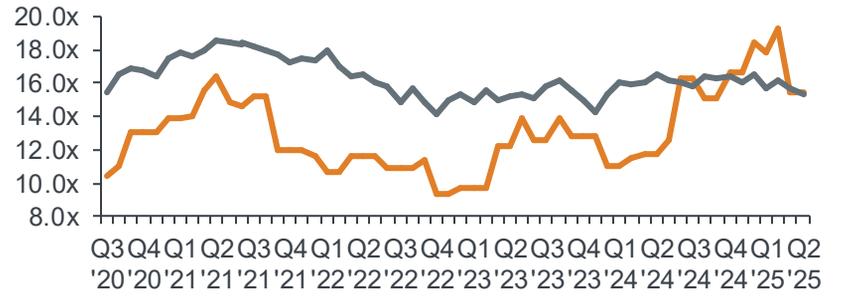
Source: Pitchbook as of trading on June 30, 2025
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MARKET INDICATORS

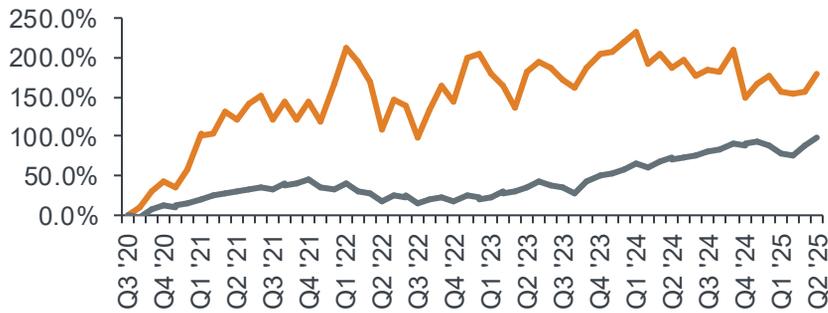
Materials Market Cap



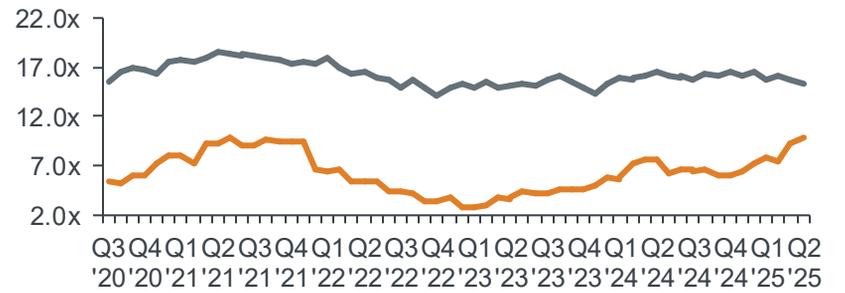
Materials EV / EBITDA



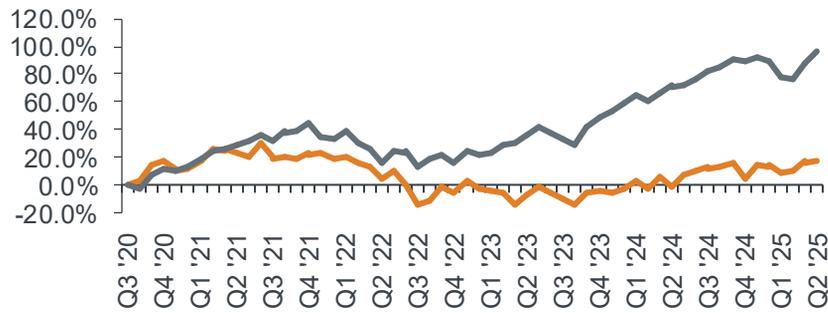
Metals Market Cap



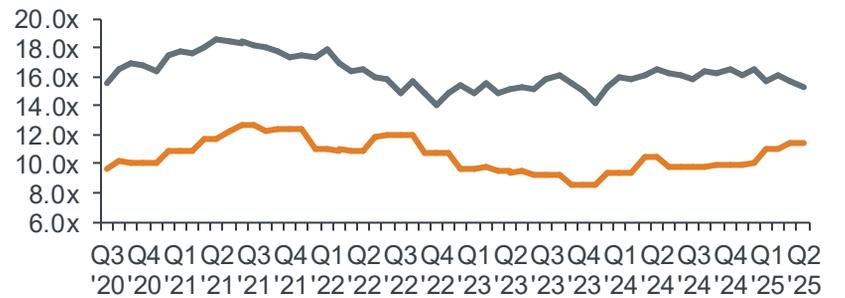
Metals EV / EBITDA



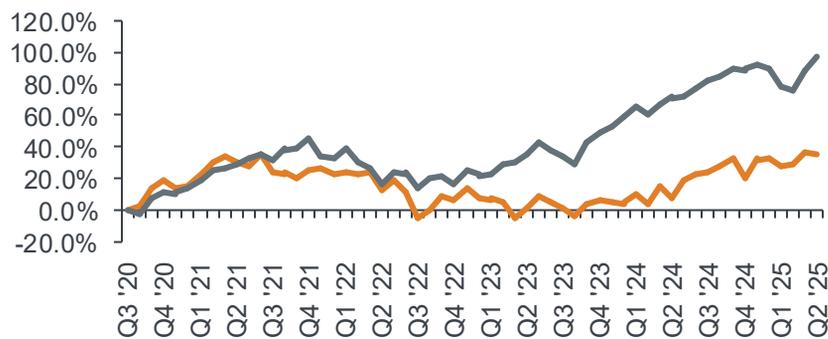
Packaging Market Cap



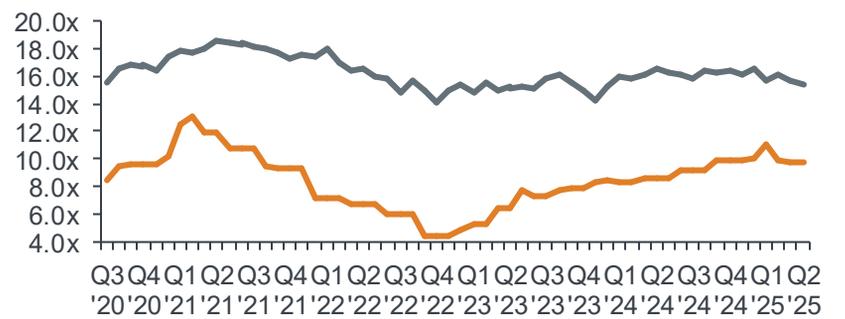
Packaging EV / EBITDA



Plastics Market Cap



Plastics EV / EBITDA



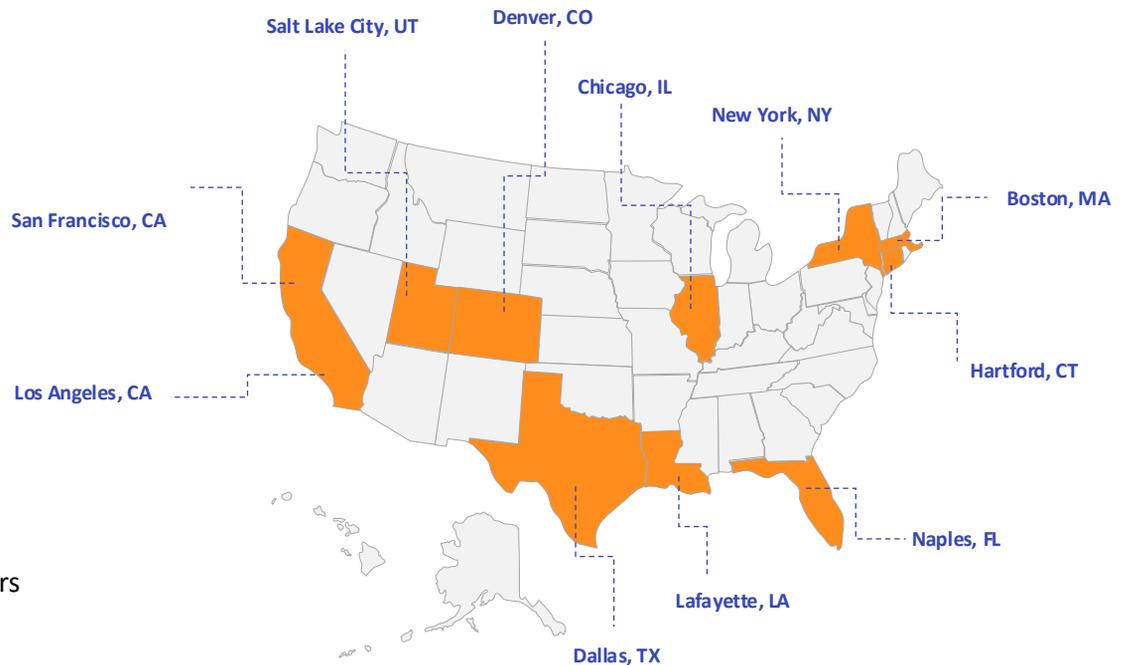
I&M Sector S&P 500

Source: Pitchbook as of trading on June 30, 2025
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G2 FIRM OVERVIEW

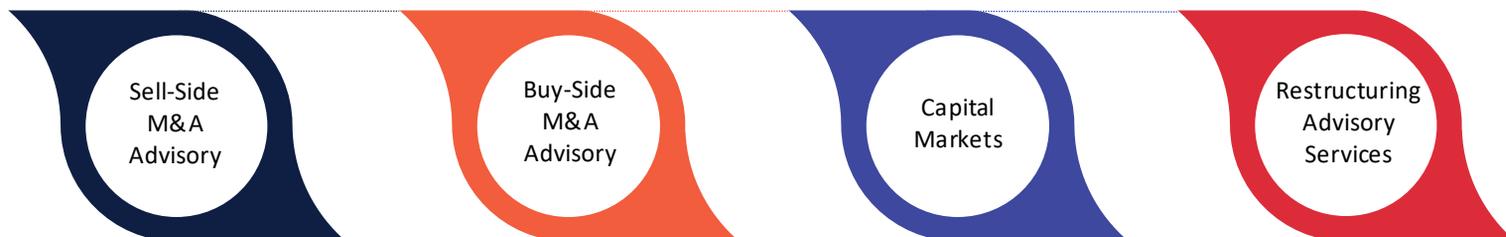
Overview:

- 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

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