

# INDUSTRIALS & MANUFACTURING

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## Q3 2025 MARKET UPDATE

### Race for Power:

#### *Data Centers as the New Industrial Frontier*

AI's explosive growth is reshaping the U.S. energy and infrastructure landscape. What began as a race for computing capacity has become a race for electricity itself. Data centers—once quiet occupants of industrial parks—are now among the largest single sources of power demand in the country, driving a structural transformation in how and where energy is produced.

Over the next decade, U.S. electricity consumption is expected to grow at more than four times its historical rate, propelled by AI computing, industrial reshoring, and broad-based electrification. Data centers alone could account for as much as 12% of total demand by 2028. That load is straining an aging grid where a significant portion of transmission and distribution assets are already at or beyond their useful life. In response, utilities and private investors alike are entering an unprecedented cycle of capital deployment—one that is strikingly narrow in scope. Beyond AI and digital infrastructure, few sectors are seeing comparable reinvestment. This concentrated surge could reshape the industrial economy as profoundly as post-war manufacturing once did.

A defining feature of this new cycle is the “**Bring Your Own Power**” movement. Major technology companies are no longer waiting years for grid interconnections; they're building or acquiring their own power plants—natural-gas turbines, fuel-cell clusters, even small-scale nuclear projects—to ensure continuous energy supply for AI operations. This reordering of priorities has blurred the line between digital infrastructure and traditional heavy industry. Behind every cluster of servers now stands a complex network of engineers, construction firms, and capital providers focused on building localized, high-reliability energy ecosystems.

The industrial impact is already visible. Demand for high-voltage transmission, substation upgrades, and transformer manufacturing has surged, creating multi-year backlogs and renewed emphasis on domestic production capacity. Engineering and construction firms are expanding to meet the challenge, while investors pour billions into the equipment, materials, and services that enable power generation and grid modernization. For manufacturers and infrastructure developers, this convergence of digital and industrial demand represents both a capacity challenge and an opportunity for growth.

As data centers, utilities, and industrial operators converge, the next frontier of competitiveness will be defined by **who can secure reliable power first—and sustain it most efficiently**. The winners will not only have the chips and the compute, but crucially, the megawatts to fuel them.

#### **G2 Perspective:**

The Industrials & Manufacturing team at G2 Capital Advisors is closely tracking how these shifts in energy, infrastructure, and digital demand are influencing the middle market. From M&A and capital formation to restructuring and strategic repositioning, our work increasingly centers on helping clients adapt to—and capitalize on—the power race driving the next wave of industrial expansion.

# G2 Q3 2025 TEAM ANNOUNCEMENT

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## Kegan Borland

Director  
Industrials & Manufacturing  
Berkley, MI

### Announcement:

G2 Capital Advisors is pleased to announce that Kegan Borland has joined the firm as a Director in the Industrials & Manufacturing practice. He brings more than a decade of experience leading M&A transactions, corporate strategy, and business development for both private equity-backed and global industrial companies. Over the course of his career, he has led the execution of transactions representing more than \$1 billion in aggregate enterprise value.

*“Kegan brings a blend of operational understanding, deal execution experience, and strategic perspective that perfectly complements our Industrials & Manufacturing practice,” said Victoria Arrigoni, Managing Director and Head of Industrials & Manufacturing at G2 Capital Advisors. “His ability to connect growth strategy with transaction execution will further enhance the value we deliver to clients navigating today’s dynamic industrial landscape.”*

### Background:

Before joining G2, Kegan served as Director of Corporate Development at DexKo Global, a leading manufacturer of engineered components for trailers, towable equipment, and RVs. In that role, he led both organic and inorganic growth strategies, driving the company’s global expansion and managing acquisitions across multiple markets. Earlier in his career, Kegan served as Senior Finance Manager in Corporate Development at Tenneco Corporation and began his M&A career in investment banking at Doeren Mayhew Capital Advisors, where he executed numerous sell-side transactions in the industrials sector.

# SELECT ONGOING G2 PROJECTS

*Automotive Part Manufacturer*

## PROJECT THERMO

Financing

**About the Mandate:**

*G2 is currently serving as the financial advisor to a manufacturer of precision plastic components intended for the automotive sector. The company offers plastic products, custom thermoplastics, thermoset molding, and other related products for the automotive, industrial, electrical and mechanical industries, enabling clients to focus on comfort and safety.*

*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.*

*Manufacturer and Distributor of Plumbing Supplies*

## PROJECT ECHELON

Buy-Side

**About the Mandate:**

*G2 is the buy-side advisor to a leading distributor of plumbing supplies serving the plumbing and industrial supply markets, with a product portfolio that includes valves, fittings, drainage and water supply equipment, PEX tubing, faucets, gas connectors, and more.*

*Concrete Preparation Equipment*

## PROJECT POLISH

Buy-Side

**About the Mandate:**

*G2 is currently serving as the buy-side advisor to a manufacturer of concrete preparation equipment, primarily serving contractors across the building, restoration, and maintenance industries, as well as utility and manufacturing plants and the U.S. Armed Forces.*

*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.*

*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.*

# 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	17	\$41,849	5.5%	13.7%	2.1x	15.7x
Building Products	13	\$10,441	3.9%	2.2%	2.3x	13.2x
Chemicals	18	\$17,482	0.5%	2.7%	1.8x	9.4x
Construction	11	\$8,641	7.2%	13.6%	1.3x	11.0x
CPG	11	\$20,292	-1.4%	0.9%	2.3x	11.1x
Electrical Equipment	11	\$24,479	1.3%	4.0%	4.4x	13.6x
Food	13	\$26,966	2.5%	-1.7%	1.6x	11.6x
Industrial Technology	10	\$53,512	4.8%	4.7%	4.0x	16.7x
Materials	15	\$15,998	9.5%	9.7%	3.9x	12.3x
Metals	11	\$11,611	-5.8%	-34.8%	1.0x	11.7x
Packaging	11	\$14,501	4.6%	10.8%	1.6x	9.5x
Plastics	10	\$2,505	-2.0%	3.5%	0.8x	8.5x

1) LTM September 30, 2025  
Source: Pitchbook

# Q3 2025 M&A TRANSACTIONS

DATE	ACQUIRER	TARGET	DESCRIPTION	ENTERPRISE VALUE	xREVENUE	xEBITDA
01-Oct-25	Blue Sage Capital	Accessories Unlimited	Manufacturer of skid steer and tractor attachments intended to serve the construction and agricultural markets.	n/a	n/a	n/a
25-Sep-25	AAR (NYS: AIR)	ADI American Distributors	Distributor of electronic and electromechanical components and assemblies intended for aerospace, defense, medical, and industrial sectors.	146.0	1.0x	9.6x
22-Sep-25	CRH (NYS: CRH)(Jim Mintern)	Eco Material Technologies	Manufacturer of near-zero carbon cement material intended to transform byproducts and natural minerals into sustainable products	2,100.0	n/a	n/a
19-Sep-25	Portrait Capital, Sticker Ranch	AAi Labels & Decals	Manufacturer of custom printing services for labels, decals, and graphics.	n/a	n/a	n/a
04-Sep-25	DFW Capital Partners	ZA Construction	Provider of railroad infrastructure services.	n/a	n/a	n/a
02-Sep-25	Packaging Corporation of America (NYS: PKG)	Greif (Containerboard Business)	Manufacturer of containerboard products catering throughout the United States.	1,800.0	n/a	n/a
02-Sep-25	Thermo Fisher Scientific (NYS: TMO)	Solventum (Purification and Filtration Business)	Provider of purification and filtration services intended to serve the healthcare, manufacturing and commercial sectors.	4,000.0	n/a	n/a
20-Aug-25	Lowe's Companies (NYS: LOW)	Foundation Building Materials	Distributor of building materials and construction products intended to serve commercial and residential contractors.	8,800.0	n/a	n/a
01-Aug-25	Mallinckrodt Pharmaceuticals	Endo International	Manufacturer of specialty pharmaceuticals designed to meet unique medical needs.	6,700.0	n/a	n/a
25-Jul-25	Quanta Services (NYS: PWR)	Dynamic Systems (Construction and Engineering)	Provider of construction services catering to technology, semiconductor, healthcare and industrial.	1,350.0	1.2x	11.3x
16-Jul-25	SLB (Other Energy Services) (NYS: SLB)	ChampionX	ChampionX provides chemical solutions and equipment for onshore and offshore oil and gas production.	9,040.1	2.5x	12.8x
01-Jul-25	Mayville Engineering Company (NYS: MEC)	Accu-Fab	Provider of sheet metal fabrication and contract manufacturing, intended to offer precision sheet metal products.	140.0	2.3x	10.0x
01-Jul-25	Garnett Station Partners, Grizzly MEP	Air Design Systems	Provider of heating, ventilation, and air conditioning (HVAC) and plumbing services intended to support residential, commercial, and industrial clients.	n/a	12.0	n/a
01-Jul-25	Westinghouse Air Brake Technologies (NYS: WAB)	Evident Inspection Technologies	Provider of inspection technology services based in Boston, Massachusetts.	1,780.0	4.1x	15.9x
01-Jul-25	Xerox (NAS: XRX)	Lexmark International	Developer and manufacturer of cloud-enabled imaging and Internet of Things (IoT) printers.	1,500.0	n/a	n/a
01-Jul-25	Rexel USA	Warshauer Electric Supply	Distributor and wholesaler of electrical supply products.	n/a	130.0	n/a

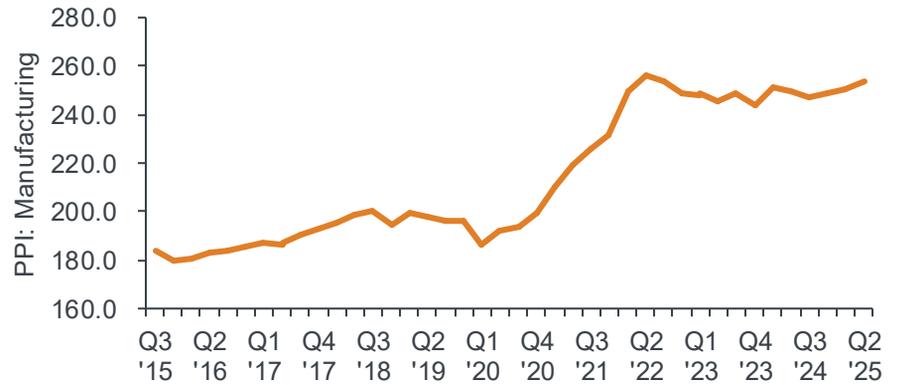
Source: Pitchbook, company websites

# MARKET INDICATORS

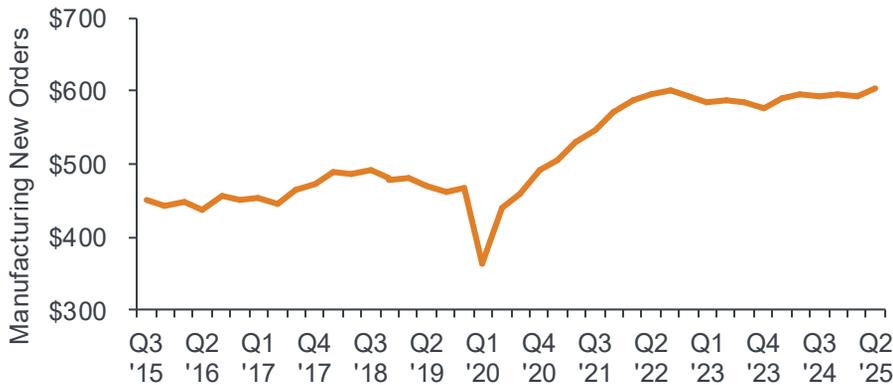
Industrial Production Index



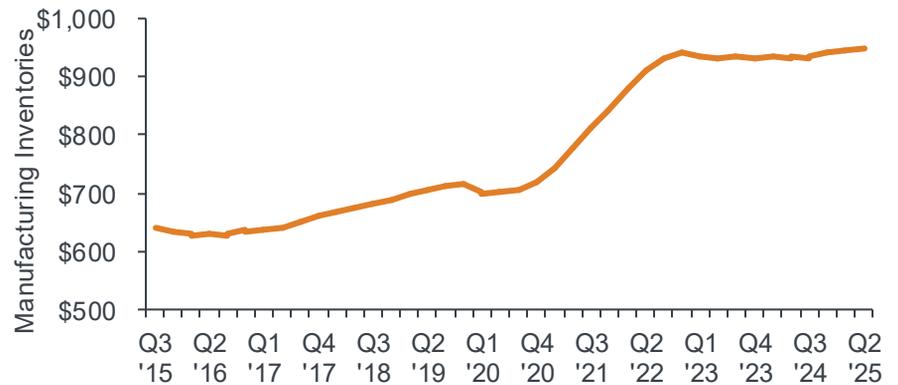
Producer Price Index: Manufacturing



Manufacturing New Orders (\$B)



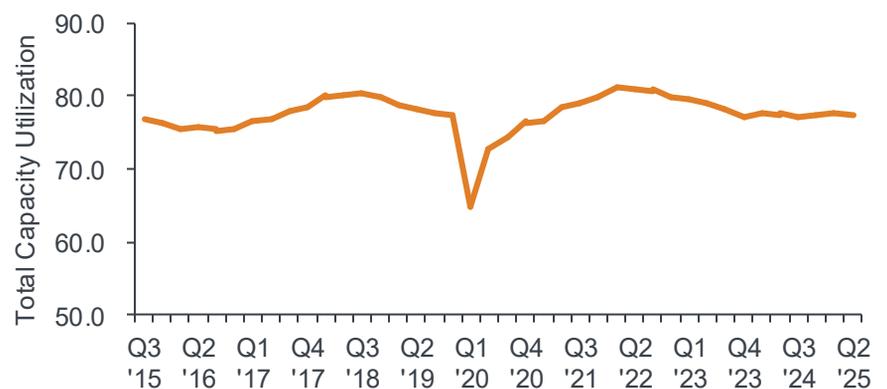
Manufacturing Total Inventories (\$B)



Total Capital Expenditures (\$TN)



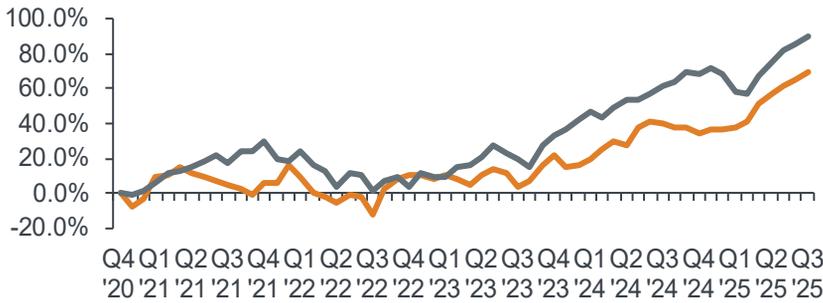
Total Capacity Utilization



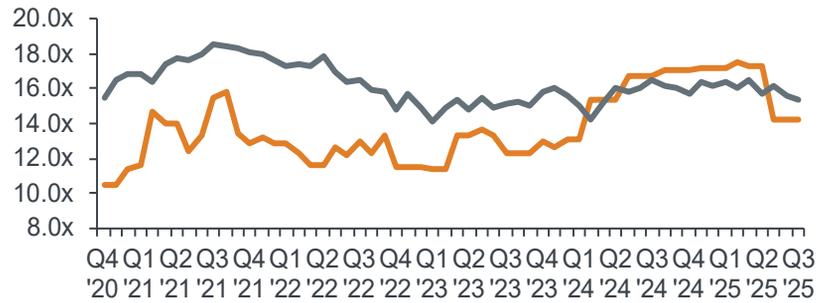
Source: Federal Reserve Economic Data

# MARKET INDICATORS

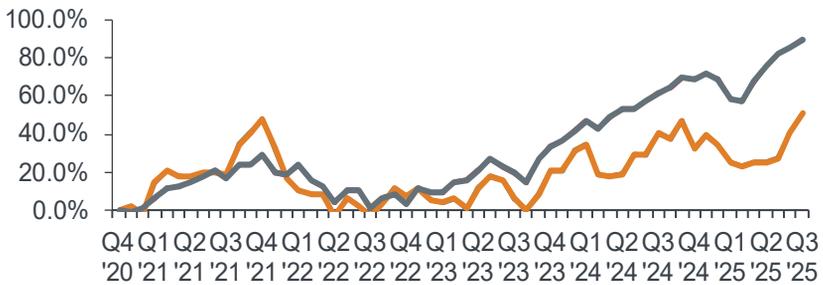
Aerospace Manufacturing Market Cap



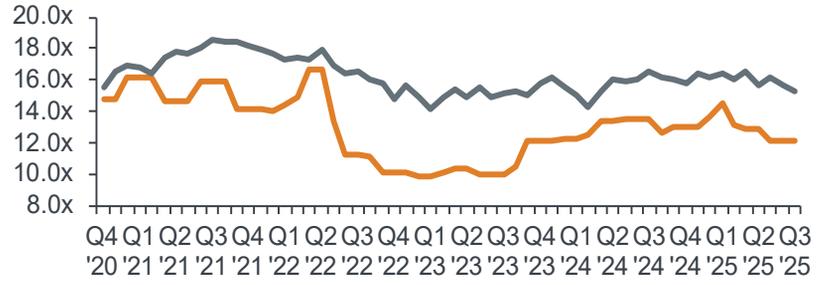
Aerospace Manufacturing EV / EBITDA



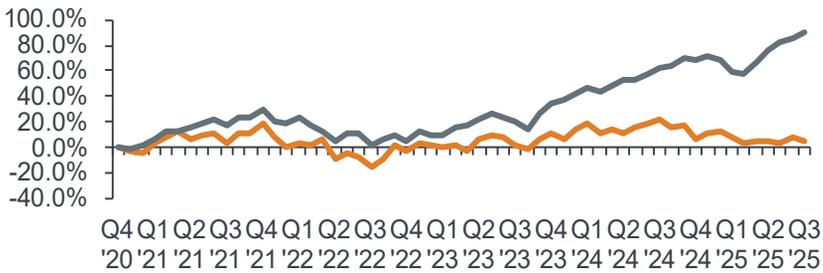
Building Products Market Cap



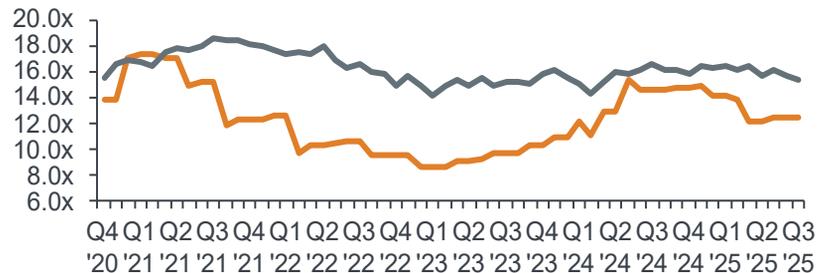
Building Products EV / EBITDA



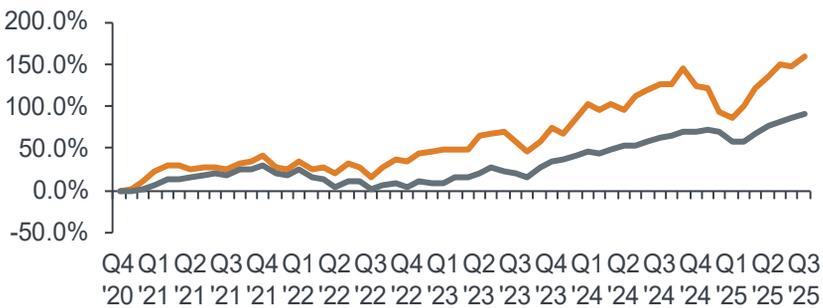
Chemicals Market Cap



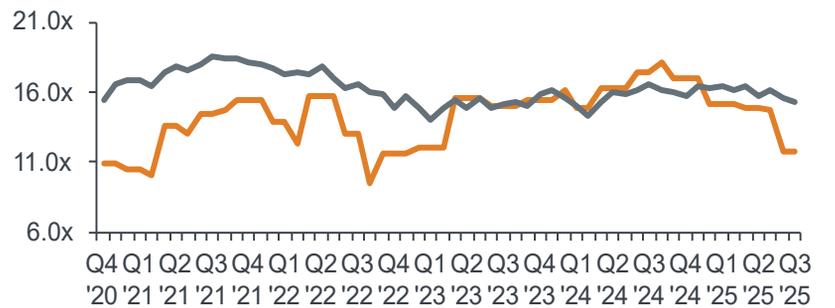
Chemicals EV / EBITDA



Construction Market Cap



Construction EV / EBITDA

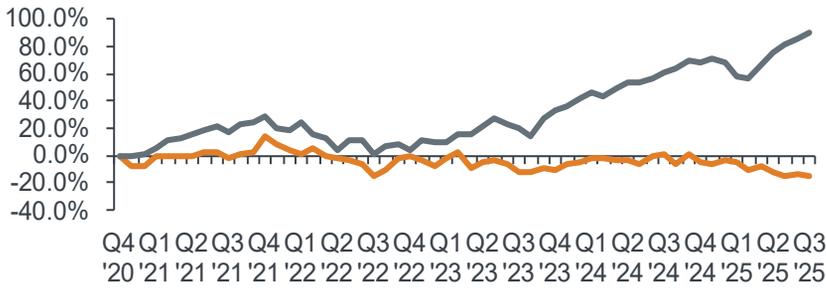


I&M Sector S&P 500

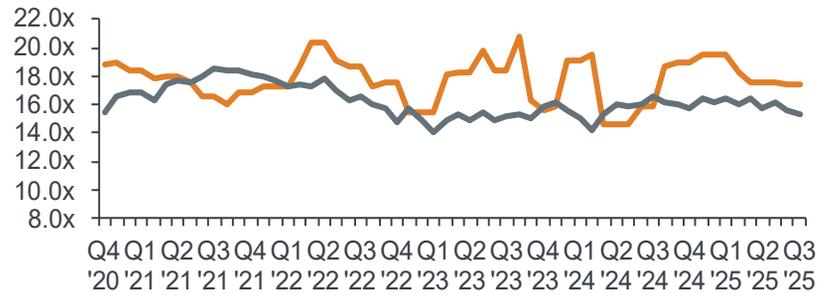
Source: Pitchbook as of trading on September 30, 2025  
Past performance is no guarantee of future results

# MARKET INDICATORS

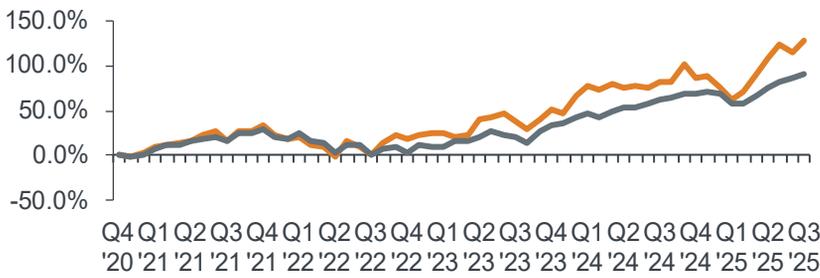
CPG Market Cap



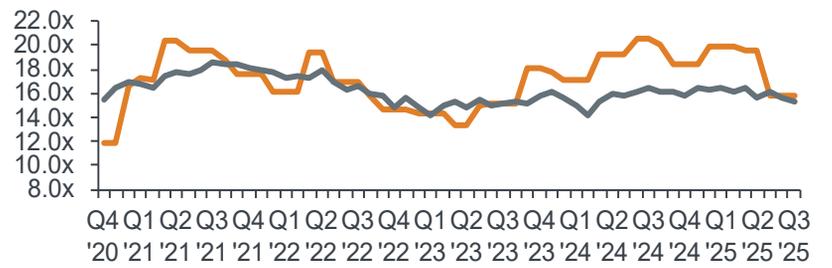
CPG EV / EBITDA



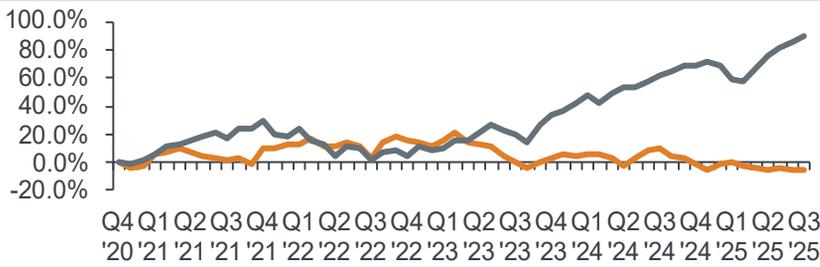
Electrical Equipment Market Cap



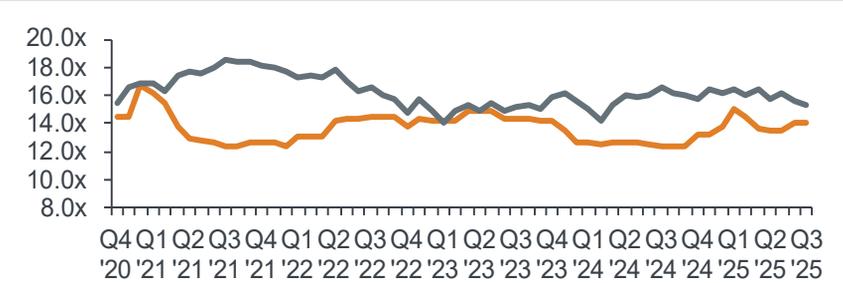
Electrical Equipment EV / EBITDA



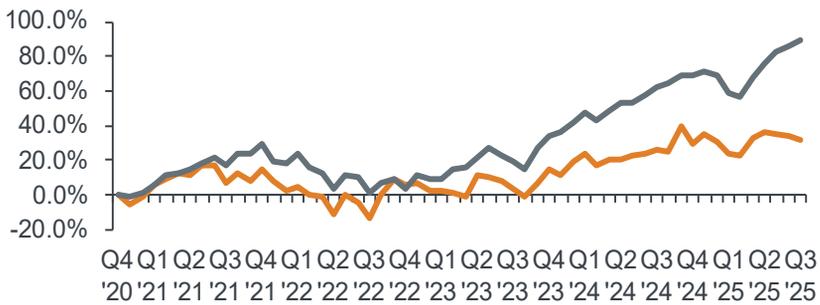
Food Market Cap



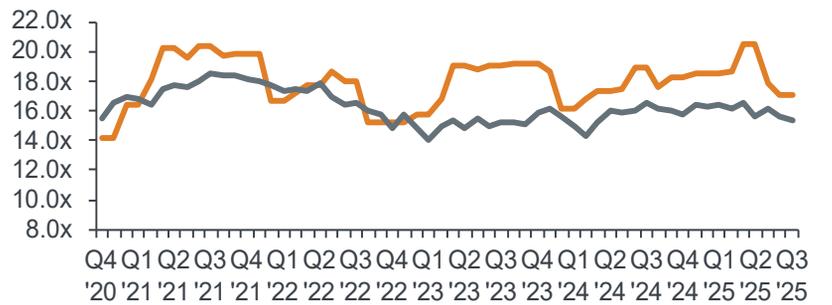
Food EV / EBITDA



Industrial Technology Market Cap



Industrial Technology EV / EBITDA

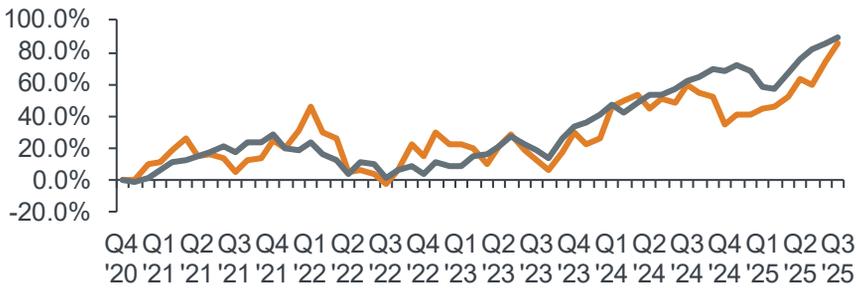


— I&M Sector — S&P 500

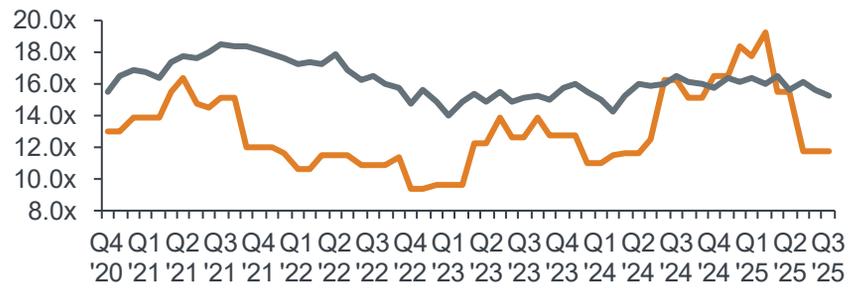
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# MARKET INDICATORS

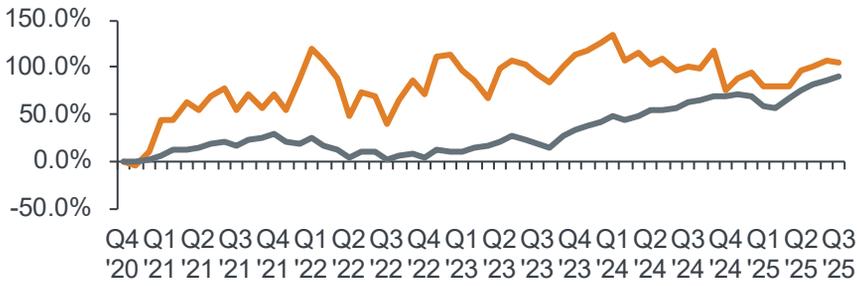
Materials Market Cap



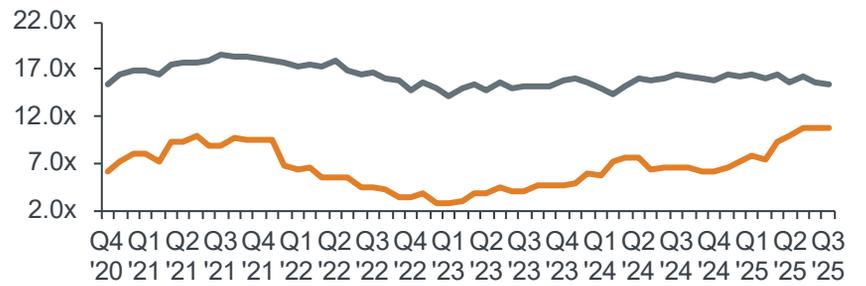
Materials EV / EBITDA



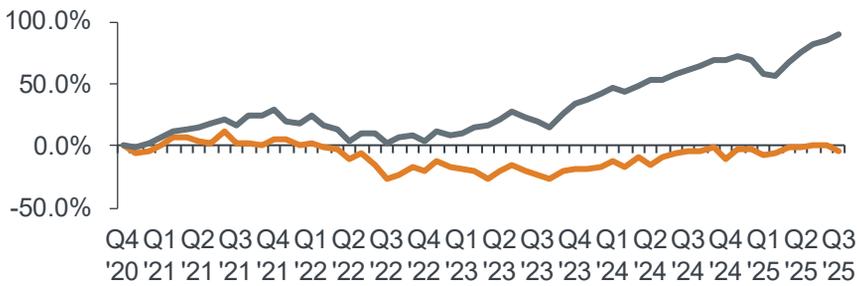
Metals Market Cap



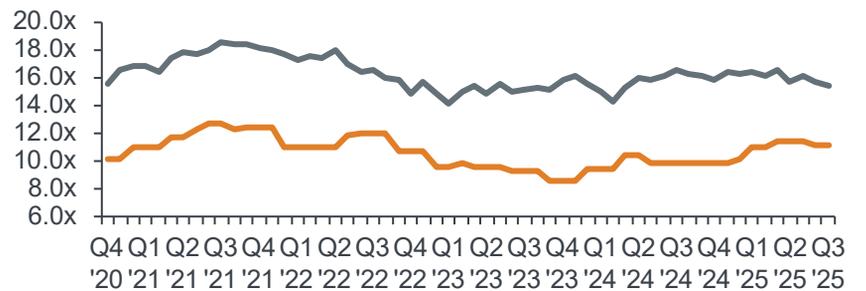
Metals EV / EBITDA



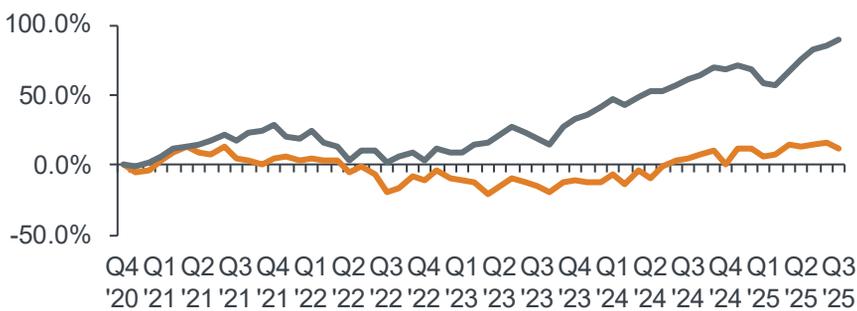
Packaging Market Cap



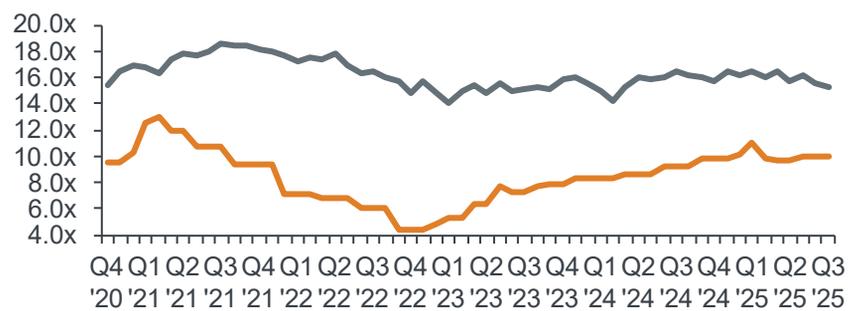
Packaging EV / EBITDA



Plastics Market Cap



Plastics EV / EBITDA



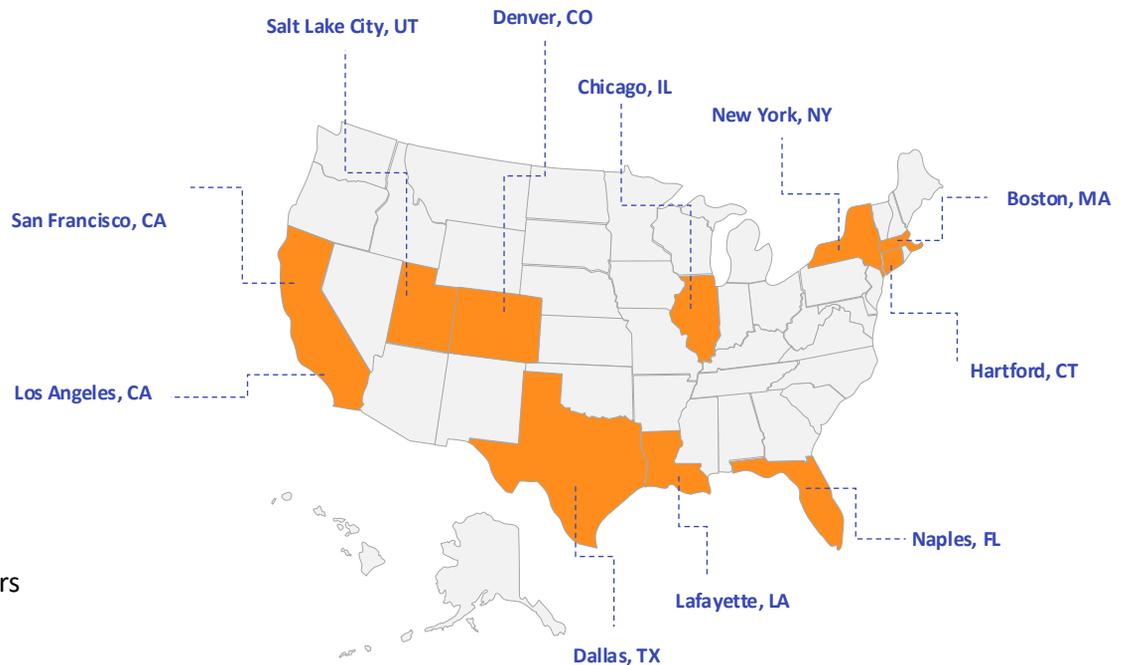
I&M Sector S&P 500

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

## Overview:

- 600+ mandates in 15 years
- \$6B+ 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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