

Industrials Quarterly Update

Q3 2025



DCF's Industrials practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A advisor. Our professionals have extensive knowledge in the Industrials space and use their experience to help clients enhance value.



Industrials leadership



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Organization overview

#2

2024 Global M&A
Advisor by deals
completed ⁽¹⁾.

623

Completed deals
in 2024 ⁽²⁾.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in 60 countries that complement the North American team.
- Combined with member firms of Deloitte Touche Tohmatsu Limited, **serves 79 percent of the Fortune Global 500®**.



Sector focus

- Automotive
- Building Products, Electrical Products, and Industrial Safety
- Capital Equipment and Rental Services
- Engineering and Construction
- Distribution, Transportation, and Logistics
- Metals, Plastics, and Paper Packaging
- Specialty Chemicals

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Greenwood Industries, Inc. and The Waterproofing Company LLC

Steven Blaser



- Greenwood Industries, Inc. and The Waterproofing Company LLC (Greenwood, or the Company) is a full-service commercial roofing and building envelope provider based in the Northeast.
- The Company offers re-roof, new roof, waterproofing, masonry restoration, repair and maintenance, and more services to commercial customers across a variety of end markets.

- Envelope engaged Deloitte Corporate Finance (DCF) to conduct a thorough M&A process targeted to a select group of qualified strategic and financial investors.
- The transaction enabled the shareholders to achieve liquidity while also retaining equity in the new partnership.

- DCF added significant value by:
 - Assisting the Company with the creation of marketing materials, including an investment memorandum and detailed financial projections.
 - Leveraging DCF’s expertise and industry insight regarding valuation metrics unique to the dealership sector in order to negotiate deal terms.
 - Positioning the Company based on its historical growth and acquisition strategy of integrating other businesses within the building envelope industry.
 - Navigating macroeconomic headwinds across the construction industry by proactively answering key diligence considerations through detailed analyses.

Deloitte’s thought leadership

Deloitte thought leadership

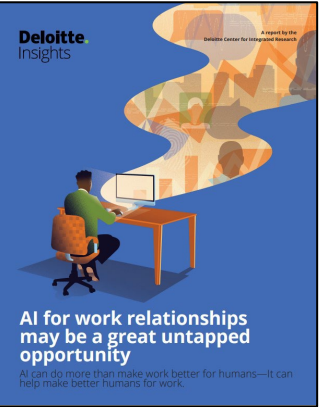
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends helps enable Deloitte to demonstrate eminence in the business services market by redefining the lens through which industry leaders operate.

Extensive knowledge network

DCF can leverage its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to help drive results and provide differentiated insights for our clients.



Recent insights



Notable recent M&A transactions ⁽¹⁾

Automotive 	Asbury Automotive Group Inc. acquires Herb Chambers Co. <ul style="list-style-type: none"> Asbury Automotive Group Inc. is a leading automotive retailer with a portfolio of dealerships across the United States. Herb Chambers Co. is a New England-based automotive dealership operator known for its customer service. The acquisition of Herb Chambers Co. expands Asbury Automotive Group Inc.'s geographic footprint, adds complementary dealership operations, and enhances its market experience in the Northeastern region. 	Close Date: Jul 2025 EV: \$1,340.0 MM Rev: \$2,913.0 MM EV/Rev: 0.5x EV/EBITDA: N/A
Engineering and construction 	Lowe's Companies Inc. acquires Foundation Building Materials Inc. <ul style="list-style-type: none"> Lowe's Companies Inc. is a leading US home improvement retailer serving both consumers and professionals. Foundation Building Materials Inc. is a major distributor of specialty building products for commercial and residential construction. Lowe's acquisition of Foundation Building Materials expands its distribution capabilities and strengthens its position in the professional contractor market. 	Close Date: Aug 2025 EV: \$8,800.0 MM Rev: \$6,500.0 MM EV/Rev: 1.4x EV/EBITDA: 13.4x
Distribution, transportation, and logistics 	I Squared Capital Advisors LLC acquires Mobico Group plc (North America School Bus business) <ul style="list-style-type: none"> I Squared Capital Advisors LLC is a global infrastructure investment manager focusing on energy, utilities, transport, and digital infrastructure. Mobico Group plc (North America School Bus business) operates extensive school bus transportation services. The acquisition of Mobico Group plc's North America School Bus business aims to strengthen I Squared Capital's portfolio in transportation sector. 	Close Date: Jul 2025 EV: \$608.0 MM Rev: \$328.8 MM EV/Rev: 1.9x EV/EBITDA: N/A
Metals, plastics, and paper packaging 	Packaging Corp of America acquires Greif Inc. (Containerboard business) <ul style="list-style-type: none"> Packaging Corp of America is a leading producer of containerboard and corrugated packaging products for various industries in North America. Greif Inc. (Containerboard business) specializes in the manufacturing of materials used in the production of corrugated packaging. The acquisition of Greif Inc.'s Containerboard business aims to enhance Packaging Corp of America's production capabilities, expand its product portfolio, and strengthen its position in the containerboard and packaging markets. 	Close Date: Sep 2025 EV: \$1,800.0 MM Rev: \$1,200.0 MM EV/Rev: 1.5x EV/EBITDA: 8.50x
Specialty chemicals 	Arclin Inc. acquires DuPont de Nemours Inc. (Aramids business) <ul style="list-style-type: none"> Arclin Inc. is an international leader in specialty chemicals and engineered materials, supplying innovative solutions to building products, construction, agriculture, and various industrial sectors. DuPont de Nemours Inc. (Aramids business) manufactures fibers used in protective apparel and demanding industrial applications. The acquisition adds advanced materials capacity and broadens Arclin Inc.'s product portfolio, aiming to strengthen its position in high-performance solutions for industrial and safety-focused sectors. 	Close Date: Aug 2025 EV: \$1,800.0 MM Rev: \$1,300.0 MM EV/Rev: 1.4x EV/EBITDA: N/A

Source(s): All sources are cited in the appendix.

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Automotive

Sector trends ⁽¹⁾

Select recent M&A activity ⁽²⁾

Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Sep 2025	Hobie Cat Company Inc.	White River Marine Group LLC	N/A	N/A
Sep 2025	Motrec International Inc.	Export Development Canada; Norea Capital GP	N/A	N/A
Jul 2025	Shyft Group Inc.	Aebi-Schmidt Group	\$630.2	N/A
Jul 2025	Lithia Motors Inc.	Pinewood Technologies Group plc	\$150.0	N/A

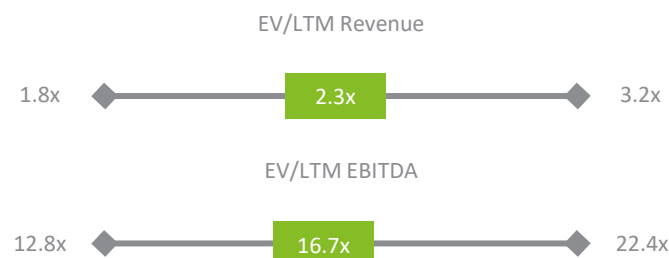
**Select public comparable ⁽³⁾**

Company Name	Enterprise Value (MM)
Toyota Motor Corporation	\$409,253.7
Volkswagen AG	\$304,142.1
Ford Motor Company	\$179,581.1
General Motors Company	\$176,254.2
Mercedes-Benz Group	\$160,166.7
Honda Motor Co. Ltd.	\$94,099.6

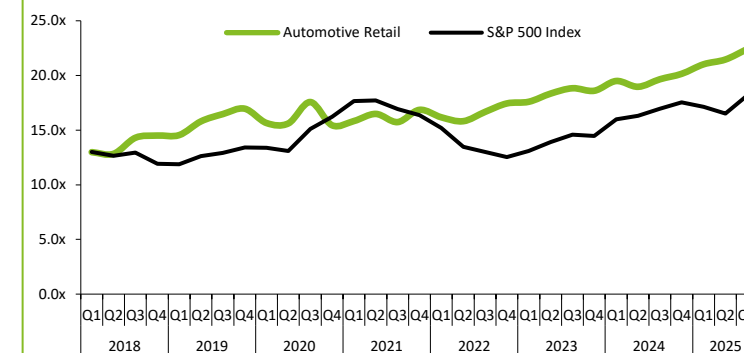
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Trading metrics ⁽⁴⁾



Historical EV/EBITDA multiples ⁽⁴⁾



Engineering and construction

Sector trends ⁽¹⁾

- The US construction industry is nearing the bottom of its spending cycle, with early stabilization in pricing and activity. Residential construction remains challenged by affordability and high interest rates, but expected Federal Reserve cuts in 2026 could boost single-family housing. Multifamily activity has slowed, while remodeling stayed steady at low single-digit growth.
- The single-family residential market is stabilizing with modest sales improvements in disaster-hit and affordable regions. Residential improvements are expected to remain flat in 2025, driven by aging homes and selective renovation efforts despite ongoing market constraints and cautious consumer sentiment.
- Infrastructure spending remains resilient, with power, water, sewage, and transportation benefiting from prior funding. However, the pace of new project awards has slowed, signaling cautious optimism even as existing investments help sustain activity in these essential segments during 2025.

Select recent M&A activity ⁽²⁾

Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Jul 2025	Evident Inspection Technologies	Westinghouse Air Brake Technologies Corporation (NYSE:WAB)	\$1,780.0	N/A
Jul 2025	Dynamic Systems LLC	Quanta Services Inc. (NYSE: PWR)	\$1,566.0	10.00x
Jul 2025	Page Southerland Page Inc.	Stantec Inc. (TSX:STN)	\$535.0	N/A
Jul 2025	RBC Utilities Inc.	Saga Infrastructure Solutions	N/A	N/A

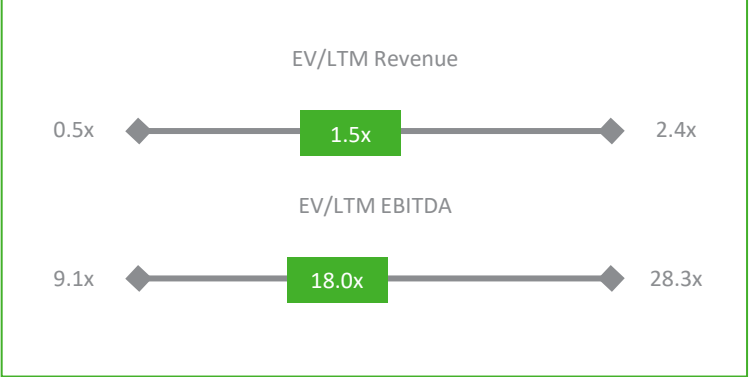


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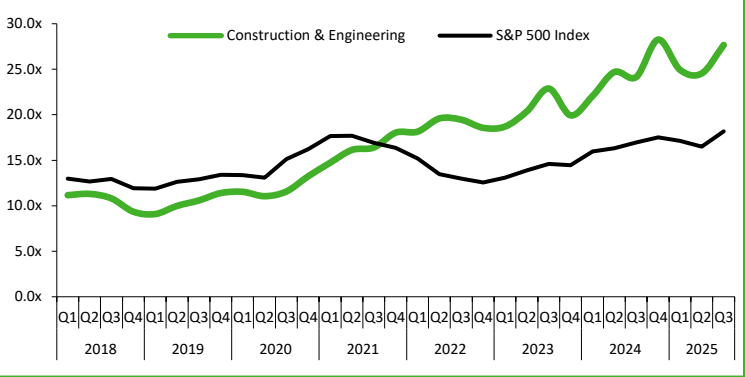
Company Name	Enterprise Value (MM)
Quanta Services, Inc.	\$66,360.1
Vulcan Materials Company	\$45,831.1
EMCOR Group, Inc.	\$29,268.7
WSP Global, Inc.	\$29,072.2
MasTec, Inc.	\$19,061.6
AECOM	\$18,869.4

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Trading metrics ⁽⁴⁾



Historical EV/EBITDA multiples ⁽⁴⁾



Distribution, transportation, and logistics

Sector trends ⁽¹⁾

- US freight markets are showing promising activity as spot load volumes rise and economic growth is expected to return in the second half of 2025. Although fleet capacity is tightening, these challenges present new opportunities for innovation and efficiency as the industry enters peak season.
- Transportation M&A activity remains strong, driven by demand for cross-border, cold chain, and e-commerce logistics expertise. Buyers are focusing on modal diversity and strategic consolidation of brokerages and third-party logistics providers (3PLs), which is accelerating platform growth and specialization.
- Private equity and strategic buyers are actively seeking scalable, tech-enabled mid-market transportation firms with strengths in cold chain management and regulatory compliance. Despite high interest, elevated insurance and labor costs remain key hurdles, impacting due diligence, valuation, and deal structure within the sector.

Select recent M&A activity ⁽²⁾

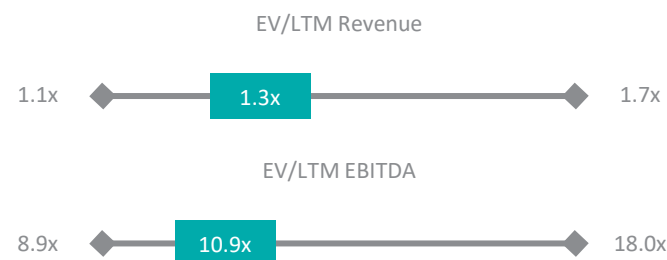
Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Sep 2025	American Distributors Holding Co. LLC	AAR Corporation (NYSE:AIR)	\$146.0	N/A
Sep 2025	Dedicated Carriers Inc.	R2X LLC	N/A	N/A
Sep 2025	Razr Logistics LLC	Johnson Storage & Moving Co. Holdings LLC	N/A	N/A
Aug 2025	Strata Critical Medical Inc. (Urban air mobility passenger business)	Joby Aviation Inc.	\$125.0	N/A



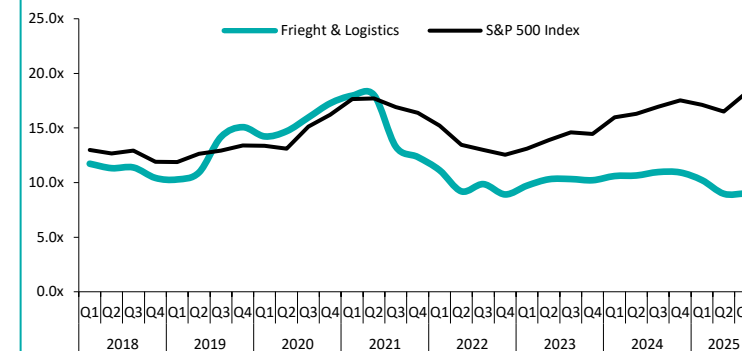
Select public comparable ⁽³⁾

Company Name	Enterprise Value (MM)
XPO, Inc.	\$19,248.1
C.H. Robinson Worldwide, Inc.	\$17,171.0
Expeditors International, Inc.	\$16,070.1
GXO Logistics, Inc.	\$11,505.5
Hub Group, Inc.	\$2,485.2
Werner Enterprises, Inc.	\$2,335.7

Trading metrics ⁽⁴⁾



Historical EV/EBITDA multiples ⁽⁴⁾



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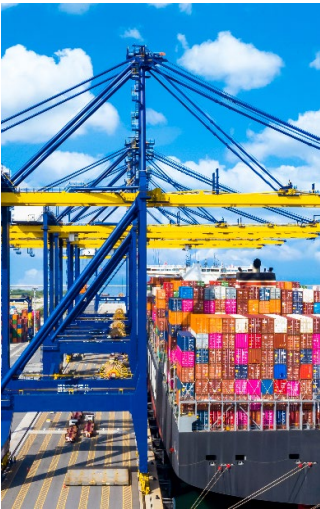
Metals, plastics, and paper packaging

Sector trends ⁽¹⁾

- Sustainable packaging gained ground in Q3 2025, with more firms investing in recyclable and compostable materials. Circular economy efforts intensified, helping companies meet new regulations and cater to eco-conscious consumers.
- Material and inventory costs are rising as the Producer Price Index (PPI) for packaging materials and industrial inputs increases. This trend is elevating the cost of inventory, placing pressure on businesses to manage margins and expenses more tightly.
- Packaging companies also prioritized supply chain resilience, embracing automated technologies and local sourcing. These strategies improved flexibility and helped firms manage ongoing logistics and labor challenges.

Select recent M&A activity ⁽²⁾

Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Sep 2025	S Walter Packaging Co. (Packaging distribution business)	Veritiv Corporation	N/A	N/A
Sep 2025	Sonoco Products Co. (NYSE: SON)	Arsenal Capital Management LP	\$725.0	14.50x
Aug 2025	International Paper Company (NYSE:IP) (Cellulose fiber business)	AIP LLC	\$1,500.0	N/A
Jul 2025	ZERO Manufacturing Inc.	Rockwood Holdings Inc.	N/A	N/A

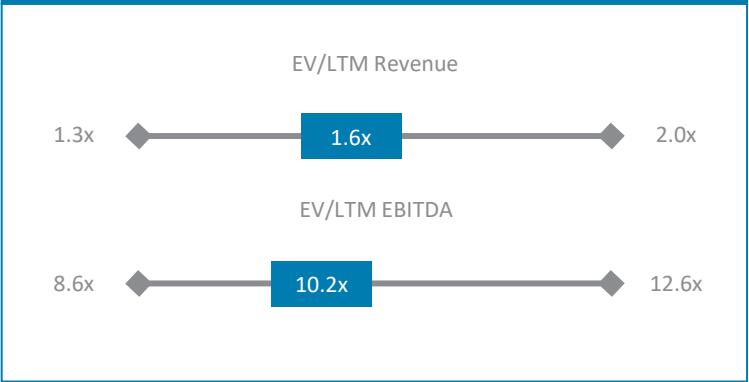


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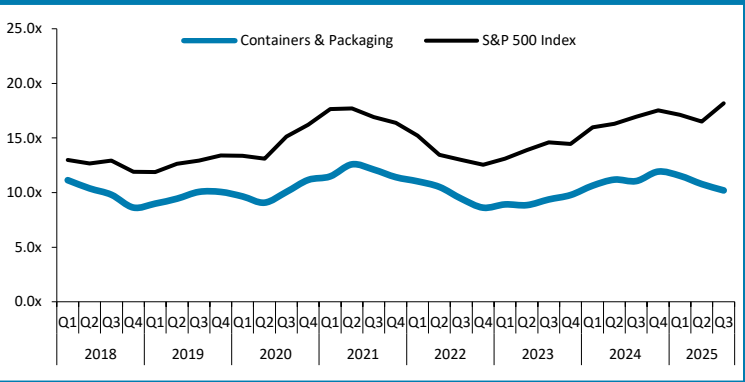
Company Name	Enterprise Value (MM)
Smurfit Westrock Plc	\$35,777.5
International Paper Company	\$34,004.4
Reliance Steel & Aluminum Co.	\$16,272.6
Cleveland-Cliffs, Inc.	\$13,946.3
Alcoa Corporation	\$9,758.8
Trinseo Plc	\$2,504.7

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Trading metrics ⁽⁴⁾



Historical EV/EBITDA multiples ⁽⁴⁾



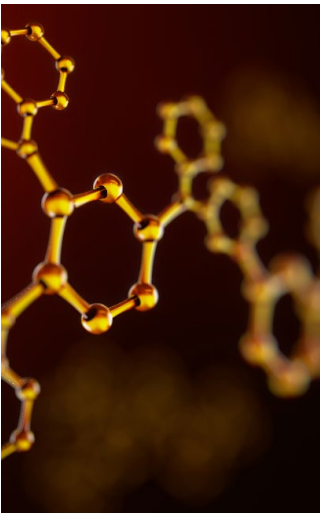
Specialty chemicals

Sector trends ⁽¹⁾

- The US chemical industry saw a modest recovery in Q3 of 2025. Key drivers of this recovery include lower interest rates, increased investment, and improving demand fundamentals, which are expected to support stronger performance across multiple chemical production segments.
- To address ongoing supply chain challenges, the industry is enhancing sourcing strategies and improving responsiveness. Although delays in overseas material shipments persist, companies are adapting quickly by optimizing operations and strengthening supplier partnerships to better meet production targets and fulfill customer demands efficiently.
- In response to tariff impacts, the chemical industry is realigning supply chains and refining pricing strategies. Procurement professionals are finding new opportunities, and companies that prioritize supply chain diversification are enhancing their resilience and gaining competitive advantages.

Select recent M&A activity ⁽²⁾

Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
Aug 2025	The Andersons Renewables LLC	The Andersons Inc. (NASDAQ: ANDE)	\$851.7	14.17x
Aug 2025	Meridian Adhesives Group (Adhesives business)	Avery Dennison Corporation	\$390.0	N/A
Aug 2025	Polytec Inc.	Chemtrade Logistics Income Fund	\$150.0	6.50x
Jul 2025	Volunteer Adhesives Corporation	Polymer Adhesives Holdings LLC	N/A	N/A

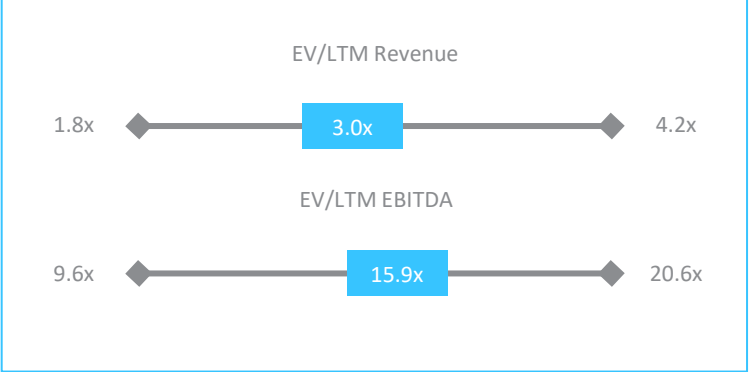


Select public comparable ⁽³⁾

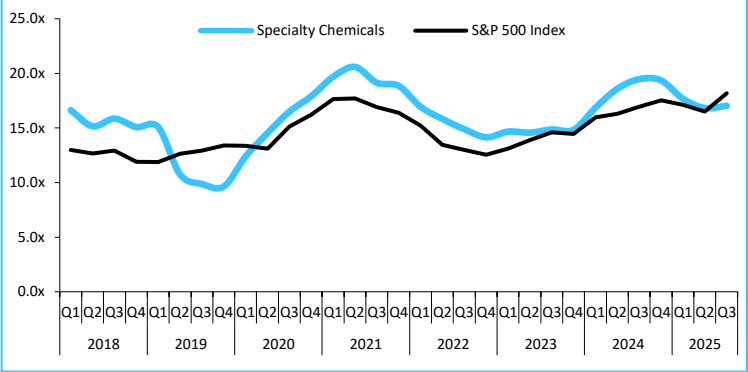
Company Name	Enterprise Value (MM)
RPM International, Inc.	\$17,831.9
Celanese Corporation	\$17,176.9
Eastman Chemical Company	\$12,236.0
Axalta Coating Systems Ltd.	\$9,034.4
Element Solutions, Inc.	\$7,202.0
Ashland, Inc.	\$3,467.8

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Trading metrics ⁽⁴⁾



Historical EV/EBITDA multiples ⁽⁴⁾



Appendix

Sources Cited

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2. Refers to global DCF platform. Includes number of deals closed for the twelve months ending December 31, 2024.

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