CONSILIUM PARTNERS

Precision Manufacturing

Industry Update | Spring 2026

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INDUSTRY OVERVIEW

Technological advancements are driving global innovation and growth, leading to a surge in demand for precision in mission-critical products and robust M&A activity within the precision machining sector. This expansion is fueled by the increasing need for high-precision components in industries such as aerospace, automotive, medical devices, and electronics. To stay competitive, companies are actively pursuing strategic acquisitions to enhance their technological capabilities and expand their market presence.

The sector's strong growth potential and defensibility continue to attract significant interest from both financial and strategic investors. These investors are engaging in roll-up strategies, targeting larger platform companies and smaller complementary businesses to broaden their capabilities and geographic reach. Concurrently, the industry is experiencing a transformation driven by advancements in automation and digitalization. Companies are investing heavily in IoT-enabled machinery, AI-driven analytics, and robotics, which not only boost operational efficiency and reduce costs but also enhance their appeal to investors. This technological evolution positions precision machining firms at the forefront of Industry 4.0, ensuring they remain competitive in a rapidly evolving marketplace.

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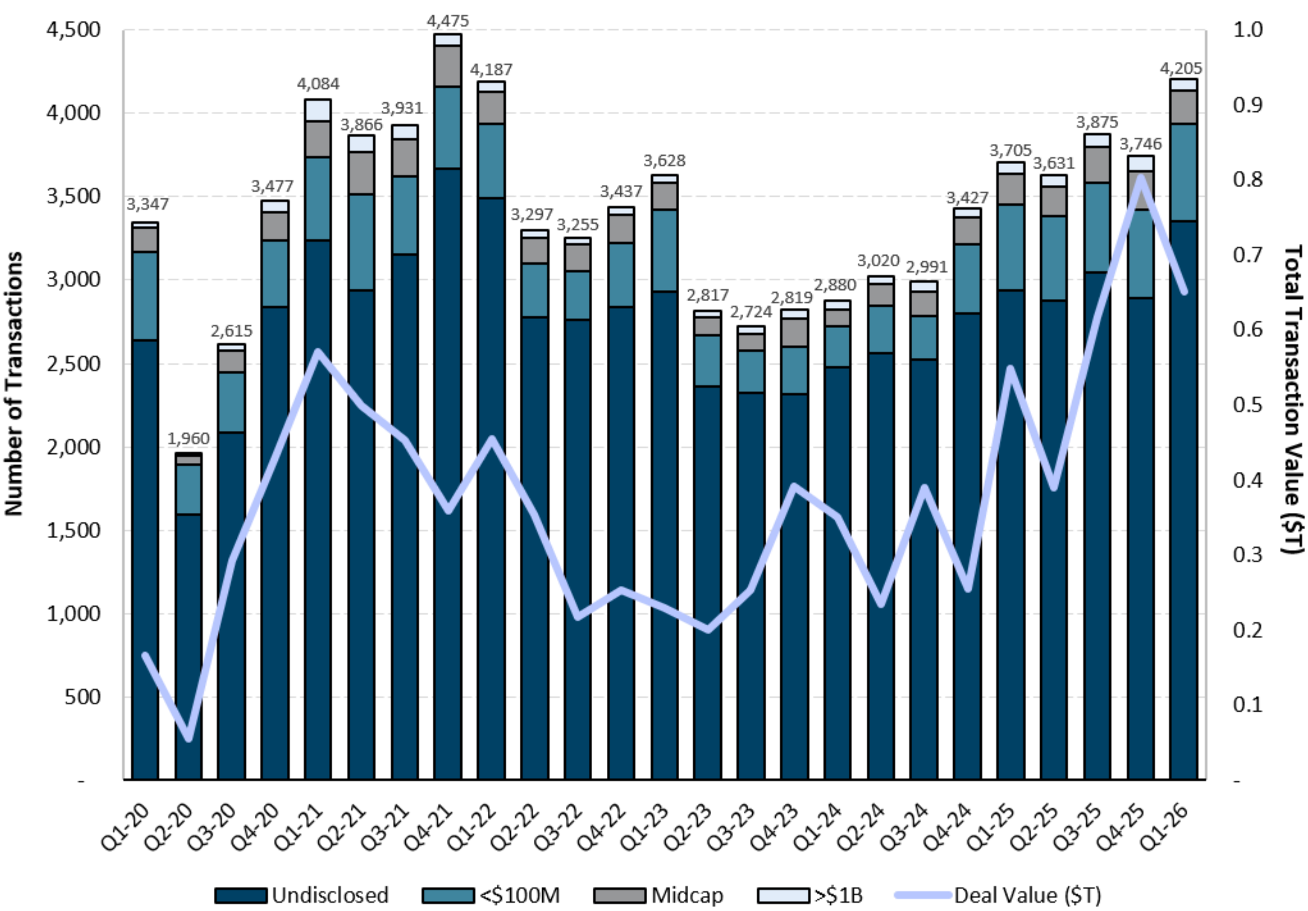
US M&A Overview

US M&A activity has been characterized by a mixture of resilience and uncertainty. While dealmaking has shown signs of recovery from the disruptions of the past couple of years, challenges persist. The market has witnessed a steady flow of transactions across various sectors, indicating continued investor interest and confidence. However, economic uncertainties, regulatory changes, and geopolitical tensions have added layers of complexity to deal negotiations. Despite these challenges, strategic buyers, private equity firms, and other investors remain active, seeking opportunities to capitalize on market conditions and strategic synergies.

The uptick in M&A volumes observed in 2025 presents a promising sign of a potential market recovery. Moreover, with the Federal Reserve anticipated to lower borrowing costs for buyers in the September meeting, the environment is becoming increasingly favorable for further dealmaking. Additionally, the nearly $1T in growing private equity dry powder awaiting investment is poised to fuel additional transaction activity, contributing to the overall momentum in the M&A market for 2026.

US M&A – Quarterly Volume and Values by Deal Size



Source: S&P Capital IQ

Private Equity Activity

Private equity continues to be active in the precision machining space, as acquirers look to expand upon existing machining capabilities, gain access to new markets, and enhance operational efficiencies by harnessing economies of scale and scope.

SELECT PRECISION MANUFACTURING PLATFORMS

Sponsor	Platform	Add-ons
The Jordan Company	ARCH Global Precision	Advanced Precision, Aero Pacific, amplify, APC, Arundel, BCM, BMWG, Carbide Tool Co., Choice, Cling's, Diversified Precision Products, gSource, Jasco, KEO, KISS, MMS, mmi, MSL, Richards Micro-Tool, Rid-Lom, Seabrook, Tier One, Ultra-Dex, Wilsey
American Securities	MW Industries	ASM, BellowsTech, Engineered Spring Products, Helical, Hyperco, Ideal Fasteners, Maudlin Products, Northern Wire, Quality, RAF, Servometer, Springmasters, Sussex Wire, USA Fastener Group, Western Wire Products
Centerbridge	Precinmac	Advance, Hoppe Technologies, HPG, Major Tool & Machine, MMPCo, Petersen, Precision Aerospace, Shields Manufacturing, Trimaster, Viper Northwest
MSCH Main Street Capital Holdings	Compass Precision	Accu-Tool, Advanced Machining, Bergeron, Douglas Machining Services, Gray, Pocasset Machine, Quality Products, R&D Machine, Strom Mfg., Tri-Tec Industries, Truron Corporation
WhiteWolf Capital Group	CM&T Consolidated Machine & Tool	ATI Astro-Tek, deVa Tool and Machine Corporation, LCP Machine, MCM Mill Creek Machining, MMP Murphy Machine, RLS Machining, SPC Specialty CNC, TCT Technicut Tool, WCO Waiteco Machine
MiddleGround Capital	ALCO	Kaddis Manufacturing Corp., Manth Brownell, Teale Machine
Shorehill Capital	Tribus Aerospace	AMT Advanced Machining & Tooling LLC, Precision Aerospace Corp., Precision Micro Mill LLC, Midwest Precision

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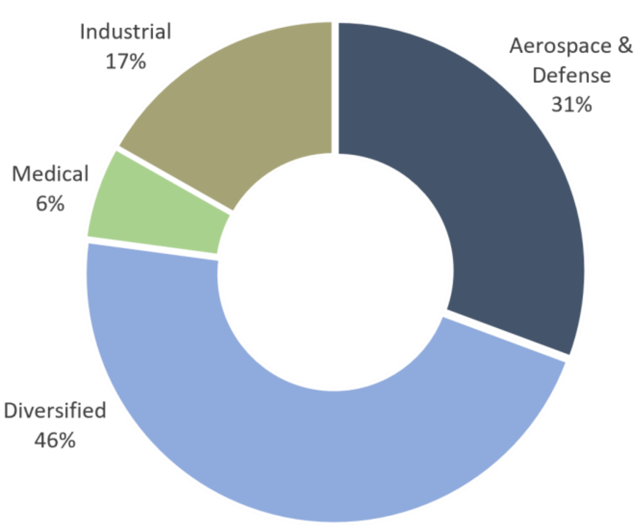
US Transactions Analysis

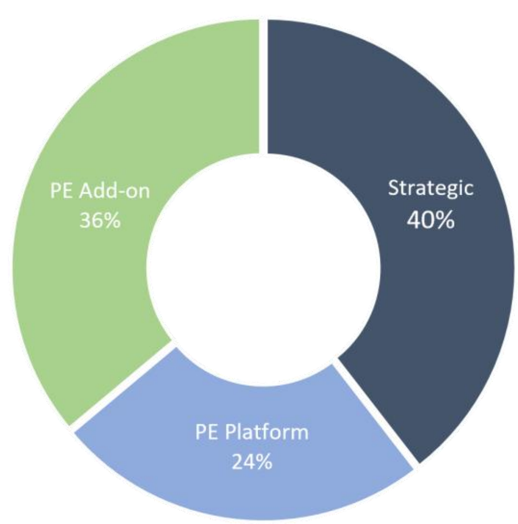
SELECT RECENT TRANSACTIONS

Ann. Date	Target	Acquirer	Target Description
Dec-25	CAM Consolidated Aerospace Manufacturing	Howmet Aerospace	Manufactures and supplies precision aerospace components
Nov-25	Trutron Corporation	Compass Precision	Manufactures precision geometry hydraulic components
Nov-25	Novaria Group	Arcline Investment Management	Manufactures precision components and hardware for the aerospace and defense industries
Oct-25	Five Axis Industries	Kaman	Provides precision CNC manufacturing services
Jul-25	Precision Aerospace Corp.	Novaria Group	Manufactures close tolerance machined components for aircraft and land-based transportation systems
May-25	AccuFab Metalworks	mec	Manufactures high-complexity, close-tolerance machined components and sub-assemblies
Mar-25	Votaw	Cerberus	Designs and manufactures precision components, fixtures, tools and related items for aerospace, defense, and commercial industries

By Target End Market Focus



By Deal Type



1. Note: charts based on precision machining M&A transactions spanning Q1-2021 through Q2-2026.
Source: Capital IQ, Consilium Partners research & analysis

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Valuation Drivers

Buyers evaluating precision machining companies consider various factors in determining their value. They seek well-managed, profitable firms with strong market positions in lucrative niches. Valuations differ based on buyers' growth plans and expected synergies from integration. Thus, a company may hold more value for certain buyers than others, making it important to set valuation expectations across a range.

Experienced advisory firms play a pivotal role in assisting business owners by evaluating strengths, identifying opportunities, and providing informed valuations. Additionally, they develop effective marketing strategies to attract potential buyers in the M&A market.

The Precision Machining Valuation Scorecard outlines key metrics buyers typically prioritize when evaluating such targets, ensuring transparency and alignment of expectations throughout the deal-making process.

PRECISION MANUFACTURING VALUATION SCORECARD

Criteria	***Ideal Characteristics***
Competitive Position	Acquirers tend to prefer niche and scalable businesses that have the potential to attain a premier position in their specific market vertical.
Profitability	Profitability has a direct impact on valuation multiples. EBITDA margins of 20% reflect strong profitability, while margins among top performers often exceed 25%-30%.
Nature of Work	High focus on assembly and design of complex mission critical engineered components and systems. Lower appetite for machining job shops focused on high volume/low value subtractive manufacturing.
Target Market	Acquirers tend to assign a premium to companies that specialize in aerospace, defense, military, space and medical applications, with a lesser appetite for industry agnostic players.
Customer Base	Having at least one top-tier customer tends to enhance valuations as long-term relationships with major industry players serving as proof of quality.
Revenue Visibility	Future revenue visibility helps to de-risk potential investments, making the asset more attractive. As such, acquirers are frequently interested in targets with long term agreements and exposure to prominent platforms (e.g., Sikorsky CH-53K if in the A&D sector), which offer growth opportunities and long-term revenue visibility.
Accounting Practices	Financial statements should be reviewed by a professional accounting firm and be compliant with GAAP accounting standards. Having financials organized early saves time and potentially adds value later in the sales process during due diligence.
Internal Systems	Strong internal systems with consistent KPI monitoring helps to increase operational efficiency and visibility, which in turn can support higher valuations.
Equity Rollover	Private equity acquirers tend to look for a meaningful commitment from the existing management team via reinvested, or “rolled”, equity (typically in the 20 - 35% range) in order to solidify partner relationships and align incentives.

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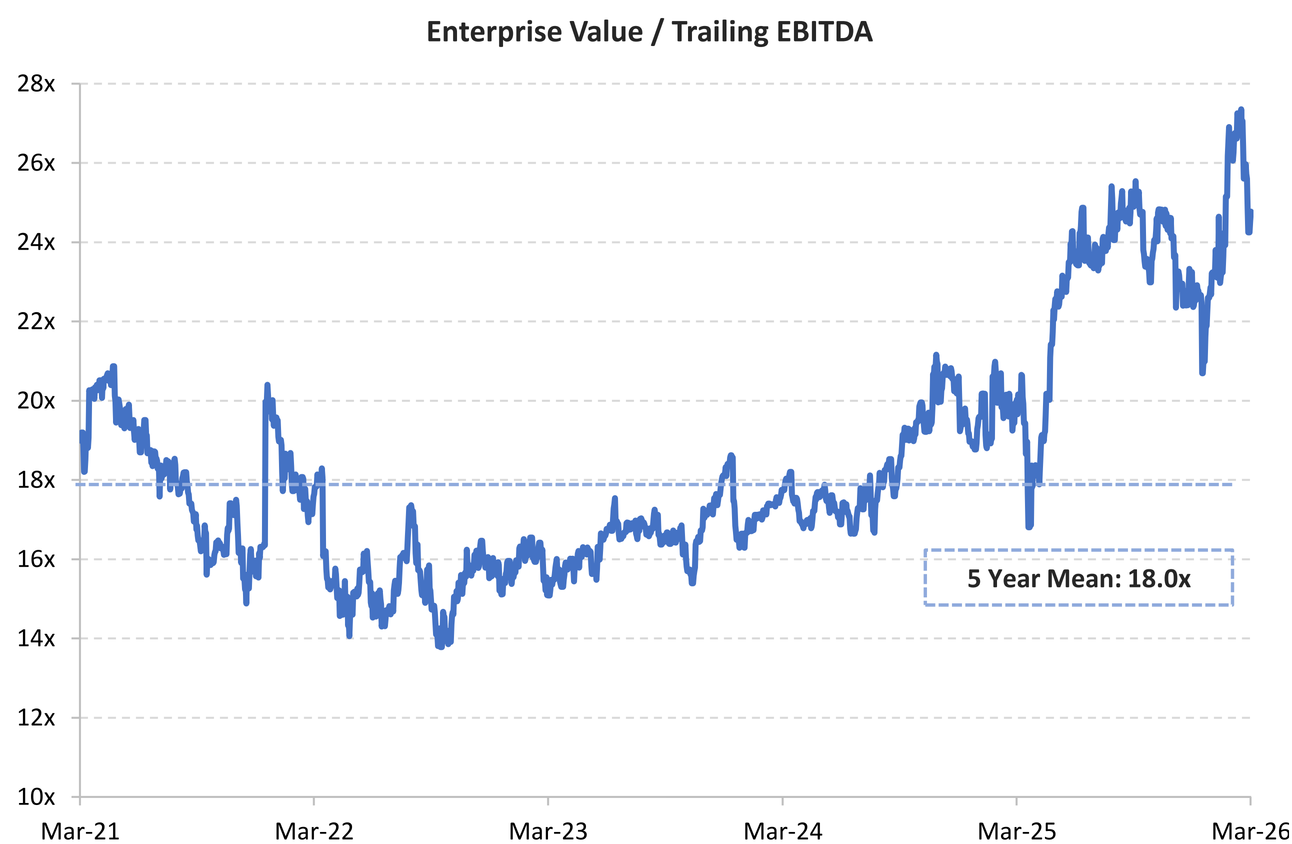
Comparable Publicly Traded Companies

($ in millions)

Company	Market Data			LTM Financial Performance Data					Valuation Multiples	
	% 52-Week high	Market Cap	Enterprise Value	LTM Revenue	3-Yr Rev. Growth	LTM EBITDA	Gross Margin	EBITDA Margin	EV / Revenue	EV / EBITDA
Howmet Aerospace Inc. (NYSE:HWM)	89.9%	$ 96,322	$ 98,793	$ 8,252	2.2%	$ 2,388	34.2%	28.9%	12.0x	41.4x
Illinois Tool Works Inc. (NYSE:ITW)	88.3%	77,163	85,524	16,044	0.5%	4,655	46.1%	29.0%	5.3x	18.4x
Curtiss-Wright Corporation (NYSE:CW)	93.1%	25,056	25,853	3,498	1.9%	796	40.8%	22.8%	7.4x	32.5x
Crane Company (NYSE:CR)	82.4%	10,192	10,904	2,305	1.2%	460	44.4%	20.0%	4.7x	23.7x
ESCO Technologies Inc. (NYSE:ESE)	91.9%	6,935	7,042	1,170	1.4%	273	37.7%	23.3%	6.0x	25.8x
Proto Labs, Inc. (NYSE:PRLB)	82.3%	1,349	1,209	533	1.6%	60	50.8%	11.3%	2.3x	20.0x
				Harmonic Mean			**41.6%**	**20.4%**	**4.9x**	**25.0x**
				Median			**42.6%**	**23.0%**	**5.7x**	**24.8x**

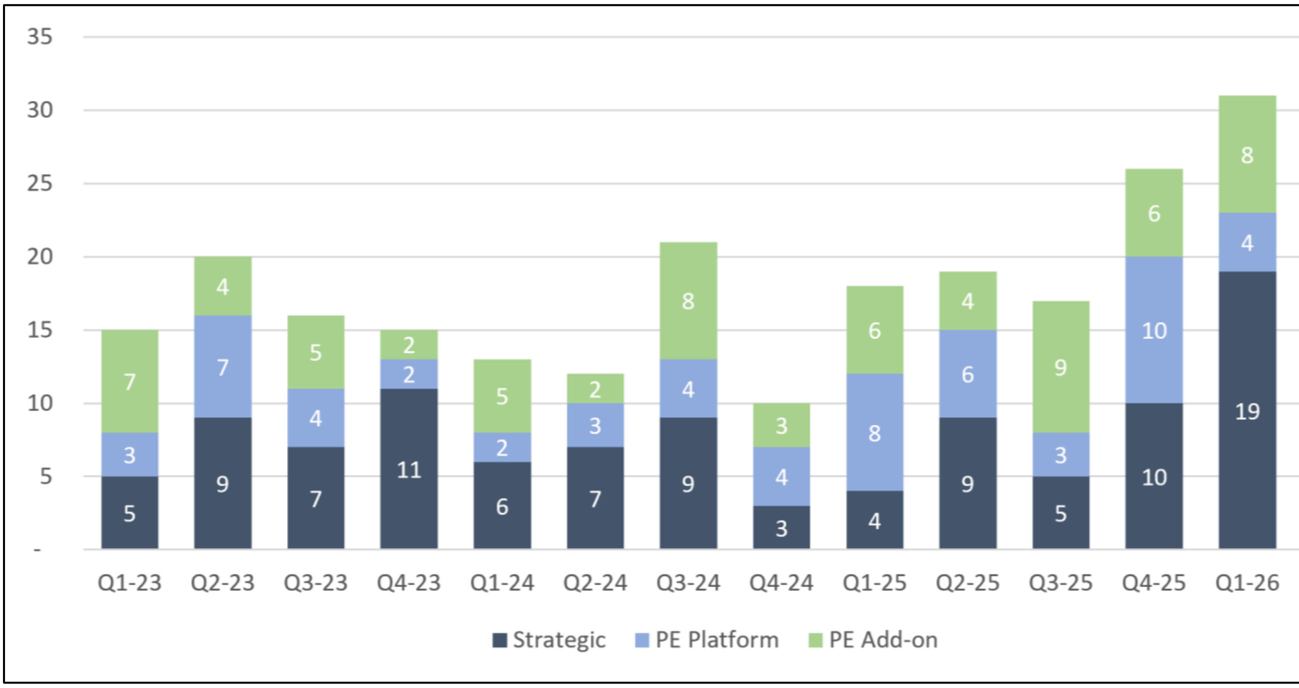
PRECISION MANUFACTURING: PUBLIC MARKET VALUATIONS



Note: Index constituents listed in the above table of public comparable companies.

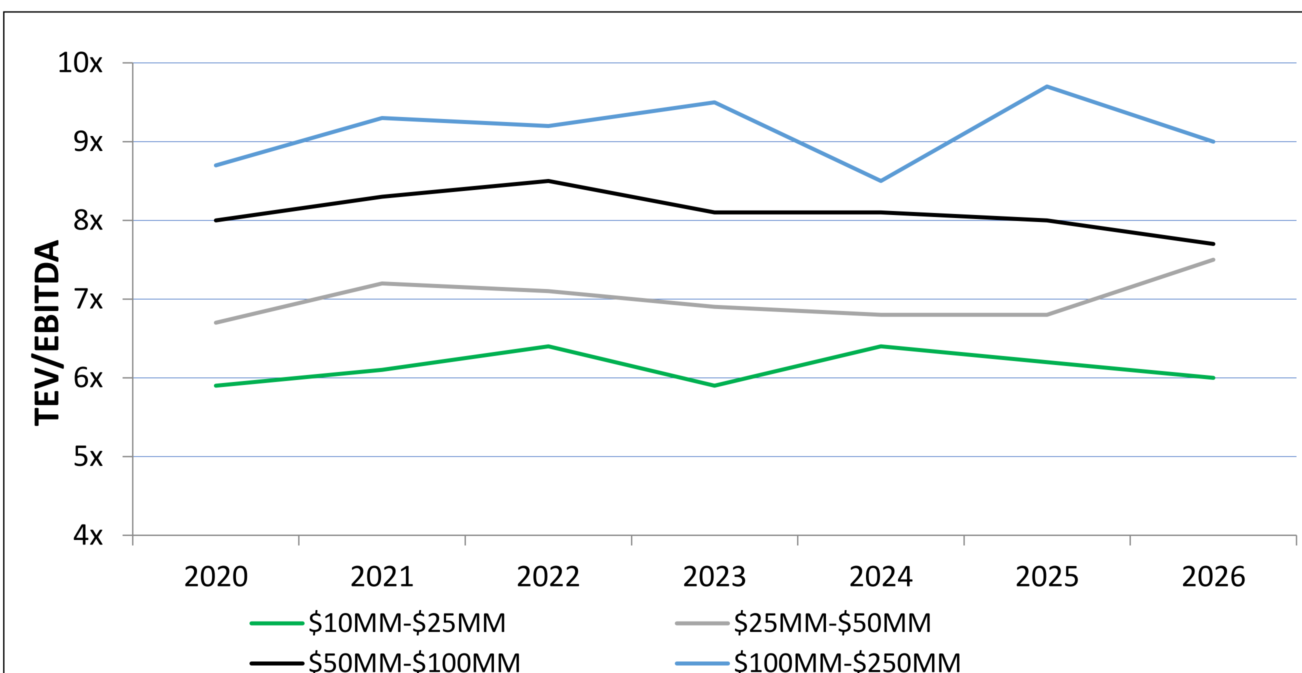
Transaction Activity

Precision Manufacturing M&A Transaction Volumes by Quarter



Source: S&P Capital IQ, Public Press Releases, Consilium Analysis

Overall Middle Market Private Equity Valuation Multiples



Source: GF Data

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Selected Precision Manufacturing Transactions

Date	Target	Acquirer	Target Business Description	Value ($MM)
Apr-26	PrecisionX Group, LLC	Windjammer Capital Investors LLC	Manufactures precision metal components and mechanical assemblies	-
Feb-26	Advanced Precision Machining, LLC	Pro-Dex, Inc.	Manufactures machined assemblies and parts for aerospace and defense systems	9
Feb-26	SVM Machining, Inc.	PMGC Holdings Inc.	Manufactures custom-machined components	4
Jan-26	F.K. Instrument Co., LLC	Andra Tech Group B.V.	Manufactures high-precision machining parts and components	-
Dec-25	Consolidated Aerospace Manufacturing, LLC	Howmet Aerospace Inc.	Manufactures precision components and assemblies for aerospace industries	1,805
Dec-25	Crawford United Corporation	SPX Enterprises, LLC	Provides specialty industrial products	313
Nov-25	Kingsley Corporation	Compass Precision, LLC	Manufactures precision geometry components	-
Nov-25	Novaria Holdings LLC	Arcline Investment Management LP	Manufactures specialty components for the aerospace and defense industries	2,200
Oct-25	Five Axis Industries Inc.	Karman Holdings Inc.	Provides precision manufacturing services with a focus on advanced machining solutions	88
Jul-25	AGA Precision Systems, LLC	PMGC Holdings Inc.	Engages in high-tolerance CNC milling, turning, mold manufacturing, and machining	1
Jun-25	Tm Industries, Llc	Reno Machine Company, Inc.	Offers precision machining services for medium-to-large components	-
May-25	New England Expert Technologies Corporation	Colt CZ Group SE	Manufactures close tolerance, precision-machined components and assemblies	60
Mar-25	AccuMED Technologies, Inc.	Creative Foam Corporation	Provides engineering and manufacturing services to medical product companies	-
Mar-25	Grover Gundrilling, LLC	Forécreu S.A.S	Provides precision hole drilling and machining services	-
Feb-25	H3 Manufacturing Group, LLC	Rock Gate Partners, LLC	Manufactures precision parts and components	-
Dec-24	KKSP Precision Machining, LLC	Red Arts Capital Management, LLC	Manufactures precision screw machine parts	-
Nov-24	Griner Engineering, Inc	Orchard Hiltz & McCliment, Inc.	Provides machining services and supplies precision-machined components	-
Oct-24	Barnes Group Inc.	Apollo Global Management, Inc.	Manufactures precision components and differentiated industrial technologies	3,547
Jul-24	Cardic Machine Products Inc.	Capital Eleven; Blount Entities; 8228	Manufactures precision machining products	-
Jul-24	Mott Corporation	IDEX Corporation	Manufactures precision filtration and flow control products	982

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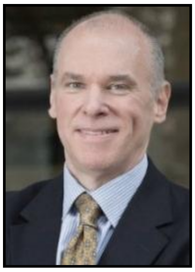

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About Consilium

Established in 2000, Consilium Partners is a Boston-based investment bank providing M&A Advisory, Growth Capital Raising and Strategic Advisory Services to middle market growth companies. Each of our Managing Directors has more than two decades of transaction experience and have collectively completed more than 250 transactions representing over $15 billion in aggregate value. Every engagement is personally managed from start to finish by experienced senior bankers with specific sector experience and a deep commitment to the success of our clients.

Precision Manufacturing Transaction Experience

HONEMATIC — YOUR COMPLETE SOURCE for Precision Hollow Components
acquired by
PCX AEROSYSTEMS
a portfolio company of
GREENBRIAR

AXIAL MEDICAL — MADE FOR LIFE
acquired by
Acrotec Group
a portfolio company of
CARLYLE

dynawave
acquired by
Winchester Interconnect.
a subsidiary of
APTIV

Plastifab
acquired by
REGIMEN PARTNERS

EBTEC
acquired by
EDAC TECHNOLOGIES

S&L PLASTICS, INC. — WHERE PLASTICS TAKE SHAPE
acquired by
Airlite PLASTICS — SINCE 1946

GERARD DANIEL WORLDWIDE
acquired by
GRAYCLIFF PARTNERS

Lamsco West
Division of
ALINABAL — THE ALINABAL GROUP OF COMPANIES
acquired by
COMPASS AEROSPACE