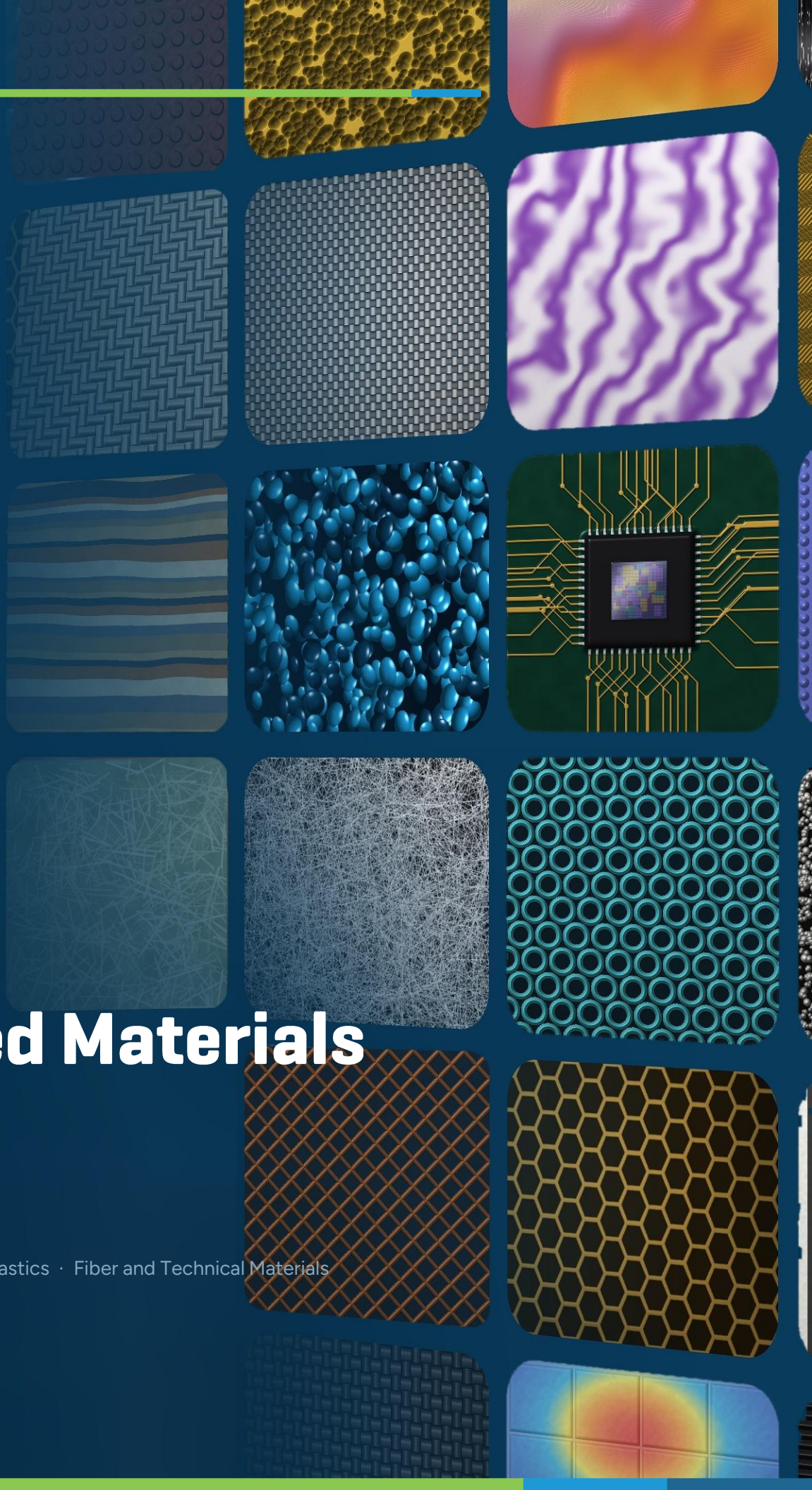
STOUT



Advanced Materials

Industry Primer

November 2026

Elastomers · Composites · Plastics · Fiber and Technical Materials

Key Insights and Observations

A guide to the downstream processors of advanced materials: what drives demand, who is consolidating each subsegment, and how buyers value these businesses.

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Welcome to Stout's first Advanced Materials Industry Primer. This inaugural edition focuses on processors converting highly engineered performance materials into qualified components and end products utilized across high-barrier-to-entry end markets and applications.

We view advanced materials processors as a distinct asset class. The sector is highly fragmented across elastomers, composites, plastics, and fiber and technical materials, and remains ripe for continued M&A. These businesses span a wide range of manufacturing technologies, are qualified and specified into customer programs, and sell into regulated, high-growth industries.

This primer draws on our discussions with industry leaders and our own analysis of the sector. It covers macroeconomic and market trends, active platforms in each sub-segment, public market performance, recent M&A activity, insights from recent industry conferences, and themes shaping deal flow into 2027 and their implications for owners and acquirors.

Steven Simone, Advanced Materials

TAKEAWAYS

1. **End market sets the multiple.** Buyers pay for durable revenue growth, and the end market sets how durable it is. Qualification cycles, program duration, and switching costs differ widely by end market. Shifting mix toward specified, regulated programs creates more value than simply adding capacity.
2. **Buyers pay for qualification.** Qualification locks a supplier into the customer's approval records, and switching means requalifying at real cost and risk to the program. An acquirer buying a qualified processor gains program positions that would otherwise take years to win. Sellers should put certifications, program life, and switching costs at the center of how they present the business.
3. **The macro favors consistent pass-through ability.** Manufacturing has expanded for nine straight months, and Q3 GDP grew 3.4%, but the ISM Prices Index sits at 77.9%, and the Fed held rates after its September hike; processors with index-based pass-through keep their margins.
4. **Buyer appetite is strong across all buyer types.** Strategics are buying qualified capacity in aerospace, medical, and semiconductor markets faster than they could build it, while sponsors and family offices see fragmented processor markets as well suited to buy-and-build.
5. **More sellers are coming to market.** Private equity firms own about 32,000 companies they have yet to sell (Bain), some held for over a decade, and many founder-owned processors face succession; both point to more businesses for sale in 2026 and 2027.

Key Sector Themes

Six themes drive processor demand and deal activity in 2026, and each rewards qualified, specified-in capability.

1 Qualification is the moat.

Medical (FDA, ISO 13485), aerospace (AS9100, Nadcap), semiconductor, and automotive (IATF 16949, PPAP) qualifications take years to earn, and customers rarely requalify a working part. Even Trelleborg had to earn AS9100 at its new Casablanca airframe-seal plant before scaling it. **Acquirers increasingly buy qualified positions rather than wait to build them, as with Trelleborg's agreement for Cascade Gasket.**

2 Medical molding and converting is consolidating.

In 2026, Kimball acquired Helvoet, Arterex acquired Synecco, Cinova acquired silicone processor Elastomer Technologies, Plastiflex added tubing-set maker Sidam, UFP added CI Medical, and Currier, now Alentra, completed three add-ons. In October, Banner Capital agreed to buy Seaway Plastics Engineering, and Vance Street now runs three medical processors under one CEO, with a unified brand planned for early 2027.

3 Aerospace build rates drive demand for composites and aerospace elastomers.

Boeing delivered 475 aircraft through September (+8%) and holds a record $745 billion backlog; Airbus delivered 547 and needs 323 more in Q4 to reach about 870. Hexcel's commercial aerospace sales rose 20.5% in Q3 as it returns idle lines to production, and Trelleborg agreed to buy thermoplastic aerospace processor Tri-Mack in October.

4 Semiconductor and AI infrastructure support high-purity processing.

Enpro's Advanced Surface Technologies segment grew 25.8% organically in Q3 on leading-edge chip demand, with visibility through at least 2027. Semiconductor and related component output rose at a 28.4% annual rate in Q3 (Federal Reserve G.17), and Cleanova bought fan-filter maker SV Techsol for semiconductor fabs.

5 Trade policy now rests on durable statutes.

The Supreme Court struck down the IEEPA tariffs on February 20. Section 122 duties expired July 24, the day new Section 301 duties of 10% or 12.5% on 60 economies took effect with USMCA-qualifying goods exempt. The U.S. declined to extend USMCA in its current form, and Section 338 duties from August 22 reach USMCA goods on listed Canadian lines. An October 28 Section 232 action on robotics and industrial machinery opened negotiations rather than tariffs.

6 Input costs are the margin swing factor.

ISM's Prices Index jumped to 77.9% in September as Brent averaged $114 per barrel, and Brent spot averaged about $124 in October (EIA). Hexcel's CFO said that if oil stays elevated, energy and acrylonitrile costs "will be layered into the business over time," which favors processors that can pass costs through.

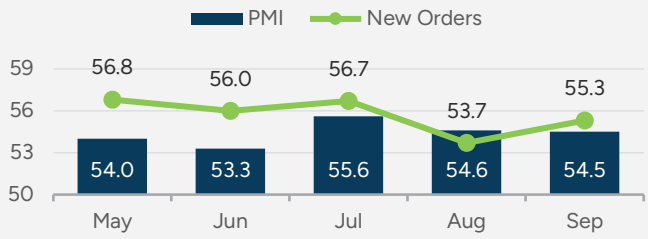
Source: company releases and earnings calls; Boeing; Airbus; ISM; EIA; Federal Reserve G.17; CRS; USTR; CBP; White House. Market data through October 30, 2026; company results through November 4, 2026.

U.S. Macroeconomic Backdrop...

The factory economy is growing while input costs and rates stay elevated, which favors processors with pricing power.

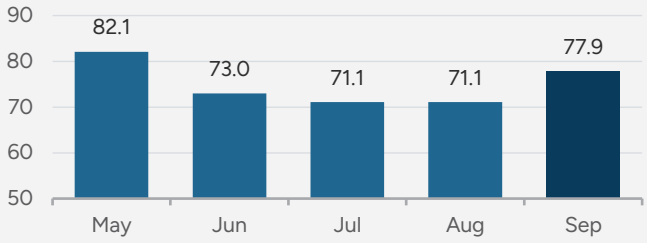
- **Manufacturing:** The ISM PMI registered 54.5% in September, its ninth straight month of expansion, after a 55.6% July peak (highest since May 2022). New Orders rose to 55.3% and Employment to 52.7%; Plastics & Rubber, Chemicals, and Transportation Equipment grew production while Textile Mills contracted.
- **Input costs:** The ISM Prices Index, which tracks the share of manufacturers paying higher input prices, jumped 6.8 points to 77.9% in September, as Brent averaged $114/b, $23 above August, and Brent spot averaged about $124/b in October (EIA). Henry Hub gas held near $3/MMBtu, so the squeeze sits in petroleum-based inputs, diesel ($6.29/gal), and freight.
- **Industrial production:** Output rose 0.7% in September and 2.8% annualized in Q3. Total utilization of 76.9% sits at its 10-year average (76.7%), and manufacturing (75.9%) runs half a point below its 76.4% average; plants are not tight, so most processors can still add volume on existing assets.
- **Rates:** The FOMC raised the target range to 3.75%–4.00% on September 16 (12-0), its first hike since July 2023, then held on October 28 by a 10-2 vote, with both dissents favoring another hike; the statement again said, "Inflation remains elevated." The 10-year peaked at 5.31% on October 5 and closed October at 4.94%.
- **Fed projections (forecast):** September SEP medians for 2026: core PCE inflation 3.4%, real GDP growth 2.3%, unemployment 4.1%.
- **Growth and labor:** Q3 real GDP grew at a 3.4% annual rate (BEA advance estimate, October 29), up from 2.2% in Q2, with core PCE prices up 2.5%. Payrolls rose 29K in September after revisions to −10K (July) and +133K (August); unemployment rose to 4.2% (BLS).

Exhibit 1: ISM Manufacturing PMI and New Orders (%)



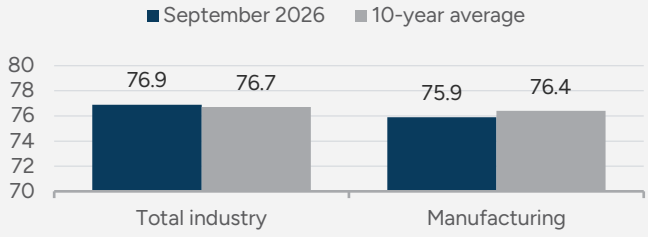
Source: ISM Manufacturing PMI Reports, Jun 1 to Oct 1, 2026. Above 50 = expansion.

Exhibit 2: ISM Prices Index (%)



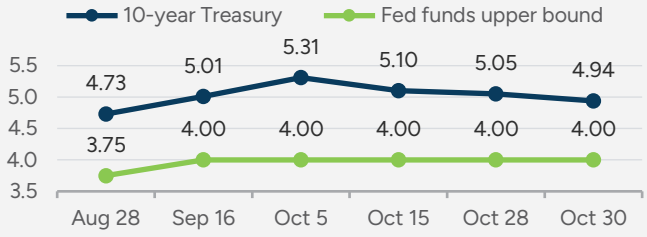
Source: ISM Manufacturing PMI Reports, Jun 1 to Oct 1, 2026. Above 50 = input prices rising.

Exhibit 3: Capacity Utilization, Sep 2026 vs. 10-Year Average (%)



Source: Fed G.17 via FRED (TCU, MCUMFN); 10-year average of monthly rates, Oct 2016–Sep 2026.

Exhibit 4: 10-Year Treasury vs. Fed Funds Upper Bound (%)



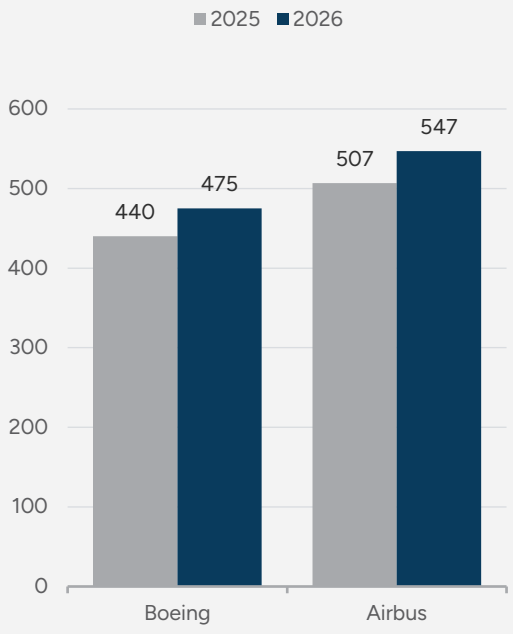
Source: Federal Reserve; U.S. Treasury; 10-year daily closes (H.15) via Advisor Perspectives, YCharts, Macrotrends.

...And Its Effect on Advanced Materials End Markets

Aerospace and semiconductor demand is pulling processor volumes up, while tariffs and USMCA uncertainty change the sourcing math for transportation and industrial customers.

- **Aerospace:** Boeing delivered 161 aircraft in Q3 and 475 year to date (+8%); Airbus delivered 72 in September and 547 year to date (+7.9%), leaving 323 for Q4 against its target of about 870, reaffirmed October 28. Boeing now expects 787 deliveries near the low end of its 90 to 100 goal, with output moving from 8 to 10 a month before year-end.
- **Aerospace backlog:** Boeing's total backlog reached a record $745 billion at end-September, including 6,371 commercial aircraft (ASC 606-adjusted) worth $612 billion; Airbus's backlog stood at 9,310.
- **Aerospace supply chain:** Hexcel's Q3 commercial aerospace sales were $330.3 million (+20.5%); it reaffirmed 2026 sales of $2.025–$2.15 billion and sees about 100 A350 shipsets in 2027, up from at least 80 in 2026.
- **Semiconductor:** Semiconductor and related component output rose at a 28.4% annual rate in Q3, leading durable-goods manufacturing (Federal Reserve G.17).
- **Defense:** FY2026 DoD appropriations total $839.2 billion, about $1.01 trillion with reconciliation funds; the FY2027 request is $1.45 trillion, and a continuing resolution holds FY2026 rates through December 11. Forecast International projects $2.6 trillion of 2026 global defense spending, up 8.1% (forecast).
- **Trade:** Section 338 duties of 50% on Canadian motor vehicle, alcohol, and dairy lines took effect August 22, USMCA goods included, and an October 23 proclamation revised the covered lines from October 30. Section 301 forced-labor duties exempt civil aircraft and parts and Section 232 articles.
- **Transportation:** Motor vehicle and parts output fell 3.0% in September (G.17); S&P Global Mobility expects about 15.0 million North American light vehicles in 2026 vs. 15.3 million in 2025. Class 8 orders are up 95% year to date (FTR) on the EPA 2027 pre-buy, but September intake split (ACT -9.5%; FTR +3%); Enpro saw commercial vehicle OEM demand improve in Q3.

Exhibit 5: Deliveries, January–September



Source: Boeing (Oct 13, 2026); Airbus (Oct 8, 2026). Airbus 2026 target: about 870.

Exhibit 6: 2026 Tariff Timeline

Date	Action
Feb 20	Supreme Court strikes down IEEPA tariffs, 6-3
Feb 24	Section 122 10% global surcharge takes effect (expired Jul 24)
May 7	CIT voids Section 122 for three plaintiffs; Federal Circuit stay Jun 11
Jul 1	USMCA review: not extended in current form; stays in force
Jul 24	Section 301: 10%/12.5% on 60 economies; civil aircraft exempt
Aug 6	Section 232 polysilicon: import price floors, 15% duty from Dec 4
Aug 22	Section 338: 50% on Canadian auto, alcohol, dairy (lines revised Oct 30)
Oct 8	CIT certifies nationwide class for IEEPA refunds
Oct 28	Section 232 robotics and industrial machinery: talks, no tariff yet
Ongoing	Section 232 programs; 301 excess-capacity probe; China exclusions end Nov 9

Source: CRS; USTR; CBP CSMS; Federal Register; White House; Skadden; Troutman Pepper Locke; Wiley.

Sector Primer: The Downstream Processor

> Processors earn value through process know-how and qualification, which is why buyers treat them differently from material producers and distributors.

A processor converts resins, elastomers, silicones, fibers, and reinforcements into engineered components through molding, extrusion, lamination, layup, converting, and other manufacturing technologies, and assembly. Its value lies in tooling, process windows, cleanrooms, validated quality systems, and application engineering.

THE ADVANCED MATERIALS VALUE CHAIN

Material producers › Compounders › **Downstream processors** › OEMs and Tier 1s › End users

WHY THE POSITION LASTS

Qualification lock-in

Qualified parts sit inside the customer's approval documentation (510(k)/PMA, AS9100 first article, PPAP); switching means requalifying.

Program life

Specified parts stay for the life of the program, often a decade or more in aerospace and medical.

Process difficulty

Processes such as LSR molding, micro-molding, autoclave curing, and meltblown take years of accumulated process data to run at consistent yield.

Exhibit 7: Subsegments at a Glance

	Elastomers	Composites	Plastics	Fiber and Technical
Technologies	Compression, transfer, injection, and LSR molding; extrusion	Prepreg layup, autoclave cure, RTM, filament winding	Precision molding, extrusion, thermoforming, foam converting	Spunbond, meltblown, needlepunch; coating, converting
End markets	Aerospace, medical, semiconductor, industrial	A&D, space, transportation, wind	Medical, semiconductor, industrial	Filtration, medical and hygiene, industrial
Buyers pay for	Qualified compounds and tooling	AS9100 and Nadcap approvals; program positions	ISO 13485 cleanrooms; validated processes	Media performance; replacement demand
Active acquirers	Trelleborg; Freudenberg; Enpro; Marco Sealing (Align); Mearthane (Compass); Polycorp (Arsenal); The Rubber Group (River)	Karman; Applied Aerospace & Defense (Greenbriar); Canopy (Trive); Apex (Charger); Touchstone; Trelleborg	UFP Technologies; Kimball Electronics; Arterex (Investindustrial); Vance Street; Creative Foam (IOP)	Donaldson; Michelin; Ahlstrom (Bain Capital); Cleanova (PX3); Technical Materials Group (TDR)
Marquee 2026 deal	Trelleborg / Cascade Gasket (Sep; just over SEK 300M sales)	Apex / Oak Engineering (Jun; UAV and USV composites)	Kimball / Helvoet (Jun; EUR 90M, ~9.0x CY2026E EBITDA)	Donaldson / Facet Filtration (Feb; $820M)

Note: LSR = liquid silicone rubber; 510(k)/PMA = FDA medical device clearance and approval; AS9100 = aerospace quality standard; PPAP = automotive Production Part Approval Process; RTM = resin transfer molding; Nadcap = aerospace special-process accreditation; ISO 13485 = medical device quality standard; UAV/USV = unmanned aerial and surface vehicles.

Elastomers

> Strategic sealing leaders are buying aerospace and industrial positions while sponsor platforms add materials and footprint, so qualified processors draw buyers from both sides.

- **Structure:** A fragmented, largely founder-owned base of molders and extruders sits below global sealing players (Trelleborg, Freudenberg, Dätwyler, Enpro, Hutchinson). In-house compounding and qualified tooling separate the processors that buyers compete for from commodity rubber shops.
- **Drivers:** Aerospace build rates, semiconductor fab expansion, and medical demand for silicone and LSR components are pulling volume toward high-purity, specified sealing. Enpro's Sealing Technologies sales grew 11.6% organically in Q3 2026 (20.5% with acquisitions), led by aerospace.
- **Headwinds:** Soft commercial vehicle and automotive volumes, oil-linked feedstock and energy costs, and unresolved EU PFAS treatment of fluoroelastomer (FKM and FFKM) seals. ECHA's final opinion from its economic analysis committee (SEAC) is due by end-2026.

Exhibit 8: Select Active Platforms in Elastomers

Platform / Owner	Recent Moves (Through Oct 30, 2026)
Strategics	
Trelleborg OM: TREL B	Fifteen deals since 2022; most recently Tri-Mack (signed Oct 2026), Producta (Oct 2026; construction sealing profiles) and Cascade Gasket (Sep 2026), adding aerospace and semiconductor exposure; M+R Dichtungstechnik; Nexus; Gomet.
Freudenberg Family-owned	DMH Group (Sep 2025; custom seals) and Balmoral Comtec (May 2026; subsea polymer buoyancy); Trygonal and Heytex in 2024.
Michelin Euronext: ML	Flexitallic (closed Apr 2026; engineered gaskets, ~$220M sales, $280M EV) within Polymer Composite Solutions; Cooley and Tex Tech on following pages.
Enpro NYSE: NPO	Overlook (Oct 2025; single-use biopharma) and AlpHa (Nov 2025): ~$280M for >$60M revenue and $17–18M expected EBITDA (~16x, implied).
Sponsor-Backed Platforms	
Marco Sealing Solutions Align Capital	Ten acquisitions under Align; 2026 added Pride Seals (May), Rocket Seals (Jul) and Global O-Ring and Seal (Sep; Houston). Proprietary Markez FFKM.
Integrated Polymer Solutions | Arxis Arcline; NASDAQ: ARXS	Nine IPS add-ons, latest Spira (Jan 2025) and Oldham Seals (Jun 2025) in A&D seals and EMI shielding; listed Apr 2026, Arcline retains control.
Mearthane Products Compass Group	Axillon Aerospace's Cincinnati polyurethane operations (Feb 2026), a corporate carve-out; five acquisitions in four years.
Polycorp Arsenal Capital	Burke Industries (Sep 2025; A&D, rubber mixing) and Iron Horse Engineering (Jan 2026; rail boot, embedded track).
The Rubber Group River Associates	Diversified Plastics (Mar 2026; UHMW-PE molding, urethane casting) after Cooper, SRRP and Team Products.
All-State Industries Blue Sage Capital	United Gasket (closed Dec 31, 2024; die-cut gaskets), its fourth deal under Blue Sage; 14 plants in the U.S. and Mexico.
VRC Engineered Solutions Blue Point Capital	Molded rubber, plastic, and sealing components; added Cascadia Custom Molding (Mar 2021) thermoplastics.
Mantaline CW Industrial Partners	Bought from an ESOP (Mar 2024): extruded EPDM, silicone and FKM profiles for automotive, truck, and industrial.
Cinova Medical Two Styx Capital	Elastomer Technologies (Mar 2026; ISO 13485 LSR and HCR molding), its fourth deal in under three years.
ContiTech Lone Star Funds	Agreed Jul 4, 2026 to buy Continental's ContiTech for a €4.0 billion EV, the sector's largest 2026 carve-out: industrial hoses, belts, air springs, and coated surfaces.
Bentec Medical Avista Healthcare Partners	Platform investment (Apr 8, 2026) from Greyrock and Hermitage: complex silicone components for medical device OEMs plus proprietary devices.
Sur-Seal Brodie Generational (family office)	Acquired from Heartwood Partners (Jan 2026): engineered sealing, thermal management, and EMI shielding.

Source: company releases.

Composites

> Aerospace demand has moved from recovery to capacity addition, so qualified A&D composite processors are gaining scarcity value.

- **Structure:** Fiber and prepreg producers (Hexcel, Toray) supply a fragmented tier of structure, tooling, and component processors. Nadcap-accredited cure and bonding capacity is the scarce asset, which is why aerospace and defense composite processors trade at a premium.
- **Drivers:** Airframer rate increases, defense recapitalization, space and uncrewed systems, which accounted for several of this year's composites deals. Hexcel is returning idle lines to production and hiring ahead of 2027 rate increases after Q3 sales rose 8.8% to $496.4 million, with commercial aerospace up 20.5%.
- **Headwinds:** Uneven Boeing 787 output (four in August, eight in September) keeps program timing uncertain; Boeing now expects 787 deliveries near the low end of its 90 to 100 goal. Automotive and transportation composites remain soft, and skilled labor and accredited capacity take time to add.

Exhibit 9: Select Active Platforms in Composites

Platform / Owner	Recent Moves (Through Oct 30, 2026)
Strategics	
Karman Space & Defense NYSE: KRMN	Seemann Composites and Materials Sciences (Feb 2026; $220M) for submarine and USV composites, after ISP (May 2025) and Five Axis (Oct 2025).
Schütz Group Family-owned (Germany)	Euro-Composites (announced Mar 2026; closed May): Nomex and aluminum honeycomb and sandwich panels, from the founding family.
NP Aerospace Strategic (UK)	Iten Defense from Edgewater Capital (signed Jun 22, 2026): UHMWPE composite armor; completion pending approvals.
Trelleborg OM: TREL B	Tri-Mack (signed Oct 21, 2026; ~SEK 300M 2025 sales; closing expected Q1 2027) adds thermoplastic composite and precision plastic capabilities across aerospace, defense, semiconductor, and medical markets.
Touchstone Adv. Composites Core Natural Resources	Sawyer Composite (reported Feb 2026; Fort Worth layup, tooling and assembly); tripled West Virginia cleanroom space in April.
Sponsor-Backed Platforms	
Applied Aerospace & Defense Greenbriar Equity	AASC and PCX Aerosystems merger (Nov 2025; $500M+ combined revenue), then Vestigo (Feb 2026) and Ultracor honeycomb core (Mar 2026).
Canopy Aerospace & Defense Trive Capital	Formed Sep 2025 from Hera Technologies and MSM Industries; added Tods Technology (Nov 2025; UK sonar domes).
Apex Space & Defense Charger Investment Partners	Built on ACPT, All American Racers and Unitech Composites; Oak Engineering (Jun 2026) adds UAV and USV composite parts.
FMI Industries Arlington Capital	Fiber Materials Inc. and SGL Carbon's engineered composites unit, retained from the Tex Tech sale (Jan 2026): carbon/carbon and CMC for defense and space.
Integris Composites Triton	Composite armor and ballistic protection, sold by Agilitas after a 5.4-year hold that began as a TenCate carve-out.
JGA Space & Defense Torque Capital	Joe Gibbs Racing manufacturing carve-out (Dec 2025) refocused on rocket motor and hypersonic nozzle composites.

Source: company releases.

Plastics

> Medical molding is the most active consolidation market in Advanced Materials, and serial buyers are paying for cleanroom capacity and validated processes.

- **Structure:** Highly fragmented. About 5,200 U.S. injection molding plants average $9.3 million in revenue, and only about 10% exceed $20 million. *Plastics News* found the top 100 North American injection molders essentially flat in 2025, so scale alone is not producing growth.
- **Drivers:** Device OEMs are consolidating suppliers toward fewer full-service partners, while medical nearshoring and single-use bioprocessing add cleanroom demand. UFP Technologies, at 92% MedTech, serves 26 of the 30 largest device OEMs and grew 11.1% organically in Q3; Kimball's Medical sales rose 14% in its September quarter.
- **Headwinds:** Resin costs (LyondellBasell expects polyethylene prices to stay high through 2026, per *Plastics News*), tariffs on imported molds and equipment, and skilled-labor shortages in molding and tooling.

Exhibit 10: Select Active Platforms in Plastics

Platform / Owner	Recent Moves (Through Oct 30, 2026)
Strategics	
UFP Technologies Nasdaq: UFPT	CI Medical (Sep 2026; pad printing on medical substrates), after seven deals from Jun 2024 to Jul 2025.
Kimball Electronics Nasdaq: KE	Helvoet Polymer Technologies (Jun 30, 2026; EUR 90M, ~9.0x CY2026E adjusted EBITDA, disclosed): micro-molding in the Netherlands and India.
Sponsor-Backed Platforms	
MRPC, PDC, Injectech Vance Street Capital	The three companies, acquired 2021–2025, began operating as one on Sep 22, 2026, under MRPC CEO Greg Riemer across five sites; unified brand planned for early 2027.
Alentra (formerly Currier Plastics) Sheridan Capital	Rebranded Oct 16, 2026, after adding Springboard Manufacturing and MOS Plastics (announced Jan 8, 2026; California cleanroom molding) and Sage Product Development (Aug 7, 2026)
Plastiflex IK Partners	Sidam (Sep 1, 2026; Mirandola, Italy; single-use fluid sets for radiology, radiopharma and cell therapy; >€45M expected 2026 revenue).
Arterex Investindustrial	Synecco (Jan 6, 2026; Ireland; device engineering, injection molding and assembly), following Micromold (Jan 2024).
Seaway Group Banner Capital, Seventeen Capital	Agreed Oct 1, 2026, to buy Seaway Plastics Engineering, MME Group and Wright Engineered Plastics from ICG: ISO 13485 injection and LSR molding for device OEMs; close expected Q4 2026.
Technimark Oak Hill, Pritzker Private Capital	Rage Custom Plastics (Mar 2026).
Resonetics Carlyle and GTCR	Resolution Medical from Arcline (Mar 23, 2026): Class II/III device design, NPI and cleanroom assembly for structural heart and neuromodulation.
MGS Manufacturing Mason Wells	Knudsen Plast (Feb 23, 2026): ISO 13485 cleanroom molding in Denmark and Slovakia, its first international add-on.
Craftech Sage Park	Balda C. Brewer from Stevanato (Aug 4, 2026): forms a three-plant, 130+ press cleanroom medical molder across California and Tijuana.
Teel Plastics MPE Partners	ISO 13485 extrusion and injection molding for medical, water treatment and industrial pipe from four Baraboo, WI, plants; seeking add-ons, none disclosed since 2020.
ANA Global Gainline Capital	Injection molding (120+ presses) and metal stamping across five Mexican plants; new CEO and an ex-Integer CCO (Apr 2026).
Creative Foam Industrial Opportunity Partners	AccuMED (2025; Dominican Republic medical converter carved out of Lear), its fourth medical deal after Aetna Felt (2020) and RAM Technologies (2021).
Pexco Odyssey Investment Partners	Sixteen acquisitions since 2018, seven under Odyssey (round 2); recent deals tilted toward fluoropolymers.
Clayens One Equity Partners	Vision Systems, Gauzy's aerospace unit (May 2026), after Parkway Products in the U.S. (Nov 2023); 28 plants in nine countries.
Evantic Edgewater Capital	Vertec Polymers (Jan 2023; PEEK and PTFE molding) and Plastic Distributors and Fabricators (Jul 2023) for semiconductor, aerospace and energy.
AIM Processing MCM Capital Partners	Retlaw Industries (Oct 26, 2026; Wisconsin precision injection molding, ~$15M sales) for automation and industrial markets.

Source: company releases.

Fiber and Technical Materials

> Filtration is the growth engine, and strategic buyers pay for recurring, regulation-driven replacement demand.

- **Structure:** Media producers (Magnera, Freudenberg Performance Materials, Ahlstrom, Hollingsworth & Vose, Alkegen) supply a fragmented tier of converters, coaters, laminators, and filter element makers. Value concentrates where the processor owns the specification, such as a filter element designed into OEM equipment or a coated fabric qualified for a defense program.
- **Drivers:** Regulated replacement makes filtration recurring: about 70% of Facet's sales are consumables replaced on mandated intervals. Semiconductor cleanroom and data center build-outs and demand for PFAS-alternative media add growth on top.
- **Headwinds:** Raw material inflation (Magnera cited a significant spike in certain raw material costs in its fiscal Q3) and weak hygiene sentiment (Ontex trades at 29% of its 52-week high).

Exhibit 11: Select Active Platforms in Fiber and Technical Materials

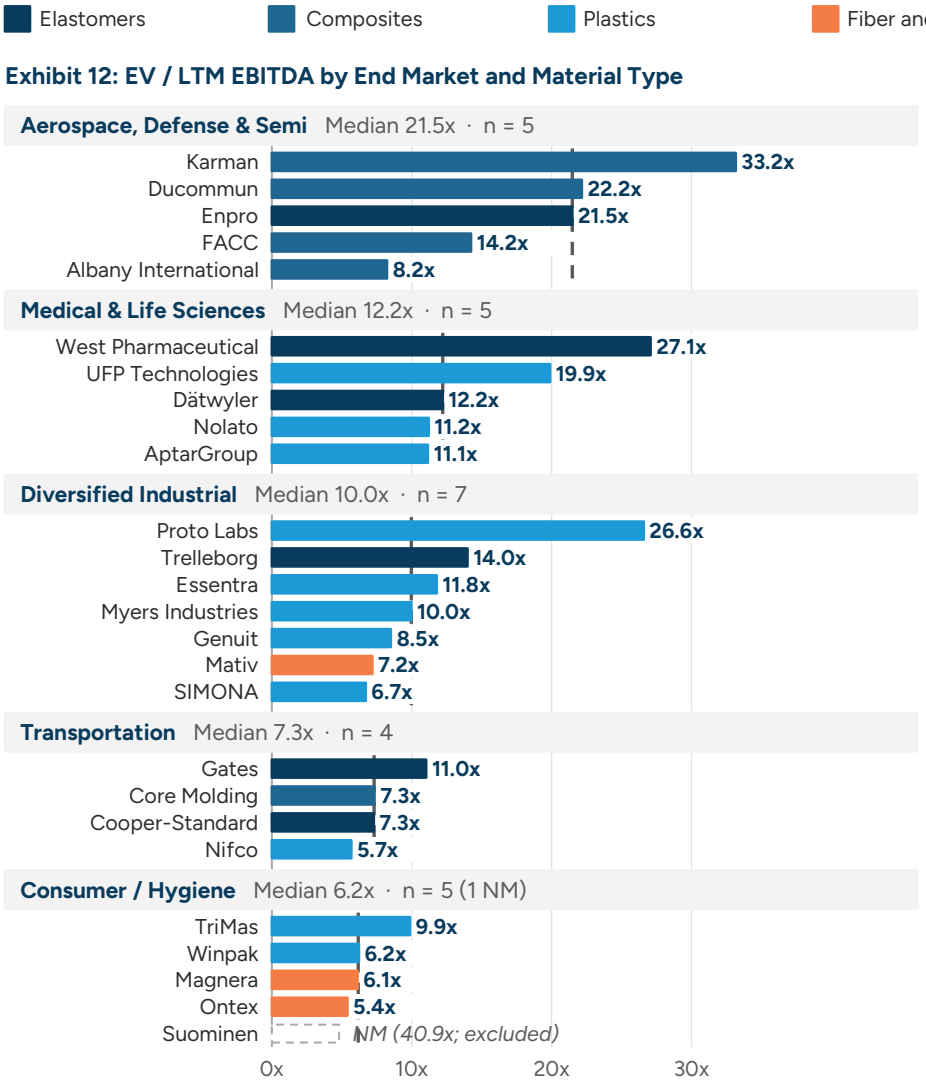
Platform / Owner	Recent Moves (Through Oct 30, 2026)
Strategics	
Donaldson NYSE: DCI	Facet Filtration (announced Feb 2; closed May 5, 2026): $820M, ~20.0x 2025 EBITDA (16.6x adjusted), 7.6x sales.
Michelin Euronext: ML	Cooley Group (closed Jan 22, 2026; coated fabrics) and Tex Tech (closed Jul 1; $128M sales; aerospace textiles).
Freudenberg Perf. Materials Freudenberg Group	Heytex (closed Dec 2024; ~€100M sales), merged with Mehler into MehlerHeytex coated technical textiles.
Ahlstrom Bain Capital	ErtelAlsop (Dec 2024; liquid depth filtration), Stevens Point (May 2025) and EBF (2025; lab and life sciences).
Arvind Advanced Materials Arvind Ltd. (BSE)	~61% of Dalco Nonwovens / Global Felt from Snow Peak (May 2026; $136M EV, 7.75x EBITDA).
Sponsor-Backed Platforms	
Technical Materials Group CorpAcq (TDR Capital)	Formed Sep 15, 2026, on Nonwovenn (~£46M sales) to buy textiles, films, composites, and ceramics; £300M+ revenue target.
Cleanova PX3 Partners	Micronics (2025), Airflotek and TES-Clean Air (Jan 2026; cleanroom HEPA/ULPA) and SV Techsol (Oct 6, 2026).
Precision Products Group Auxo Investment Partners	Monadnock Non-Wovens (Oct 9, 2026; meltblown media) after Breyden, Saylor, and Cindus.
Clean Solutions Group Wind Point Partners	Fibrix Filtration and Americo nonwoven filtration and sanitation media; five Southeast plants.
Lamart Industrial Growth Partners	Platform (Aug 3, 2026): coated and laminated substrates and PSA tapes for aerospace and medical.
EAM Saothair Capital	Domtar carve-out (Jun 3, 2026): airlaid and laminated absorbents, 50,000 t/yr of capacity.
Bondcote / XFS Global Lake Country Capital	Graniteville Specialty Fabrics (May 2025): coated military tentage and fire-resistant fabrics.
Slingmax Group The Sterling Group	Acquired from River Associates (announced Oct 6, 2026): Yale Cordage high-performance synthetic rope plus engineered slings for utilities, A&D, and marine.

Source: company releases.

Public Comparables by End Market

End market sets the multiple: aerospace, defense, and semiconductor names trade at a 21.5x median, consumer and hygiene at 6.2x.

Exhibit 12: EV / LTM EBITDA by End Market and Material Type



WHAT THE COMPS SAY

Qualification drives the premium. Aerospace, defense, and medical trade highest because qualified positions, long program lives, and regulatory switching costs make their revenue more durable.

Medical is two-tier. West (27.1x) and UFP (19.9x), sit well above AptarGroup, Dätwyler, and Nolato at 11–12x.

Margins track multiples. Median LTM EBITDA margins are 18.9% in A&D and 18.5% in medical, versus 9–14% elsewhere.

Cyclical markets trade lowest. Transportation (7.3x) and consumer / hygiene (6.2x) carry volume risk; consumer / hygiene also carries 5.7x median debt / EBITDA.

Read groups directionally. Small samples and outliers such as Karman (33.2x) and Proto Labs (26.6x) move medians, so the ranking matters more than exact figures.

The read-through for private processors. Public comps are larger and more diversified than most private targets, but the end-market ranking carries over. Mix shift toward regulated, specified programs is the clearest path to a higher multiple.

Exhibit 13: Median Trading Statistics by End Market

End Market	n	EV / LTM EBITDA	EV / NTM EBITDA	EBITDA margin	Debt / EBITDA	% of 52-wk high
Aerospace, Defense & Semi	5	21.5x	16.6x	18.9%	2.2x	78%
Medical & Life Sciences	5	12.2x	10.4x	18.5%	1.6x	84%
Diversified Industrial	7	10.0x	7.6x	13.8%	2.1x	94%
Transportation	4	7.3x	5.2x	13.2%	1.7x	83%
Consumer / Hygiene	5	6.2x	5.7x	9.3%	5.7x	73%
All comparables	**26**	**11.0x**	**8.1x**	**15.9%**	**2.1x**	**82%**

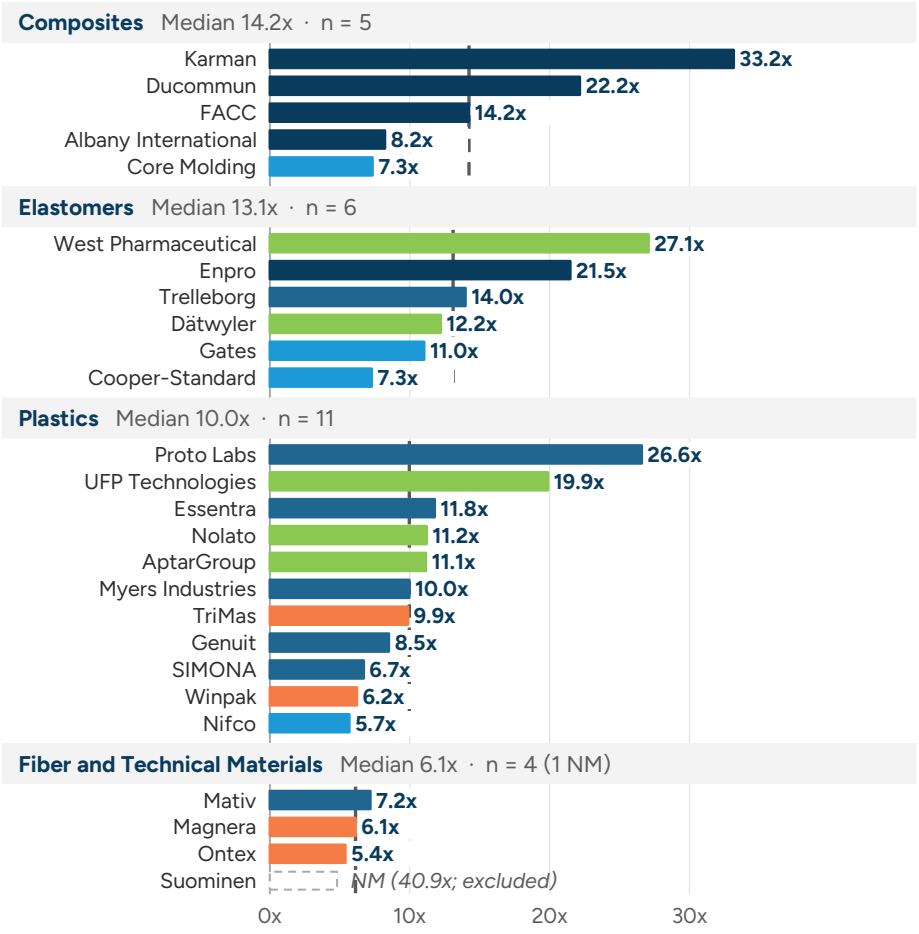
Source: S&P Capital IQ as of September 30, 2026. EV / EBITDA multiples above 35.0x are shown as NM and excluded from medians.

Public Comparables by Material Type

Sorted by material, the same comps tell a weaker story: medians range from 6.1x to 14.2x, but most of that spread comes from the end markets each material serves.

A&D and semi | Medical | Diversified Industrial | Transportation | Consumer / Hygiene | Group median

Exhibit 14: EV / LTM EBITDA by Material Type and End Market



WHAT THE COMPS SAY

Material is the weaker lens. End market explains roughly twice as much of the variation in comp multiples as material type.

Composites' premium is an aerospace premium. Karman (33.2x), Ducommun, (22.2x) and FACC (14.2x) carry the 14.2x median; Core Molding (transportation) trades at 7.3x, and Albany (8.2x) still earns about half its revenue from fabrics.

Elastomers prove the point. The group posts the highest median margin of any material (21.8%), yet its multiples span 7.3x (Cooper-Standard, transportation) to 27.1x (West, medical) depending on end market.

Plastics sit in the middle. The 10.0x median covers 11 names, from Proto Labs (diversified industrial) at 26.6x and UFP (medical) at 19.9x to Nifco (transportation) at 5.7x.

Fiber trades on hygiene. Magnera and Ontex anchor a 6.1x median; the group carries 5.3x median debt / EBITDA and trades at 53% of its 52-week high.

Why show both. Material tells a buyer what capability it is getting; end market tells it what that capability is worth.

Exhibit 15: Median Trading Statistics by Primary Material Type

Material Type	n	EV / LTM EBITDA	EV / NTM EBITDA	EBITDA margin	Debt / EBITDA	% of 52-wk high
Composites	5	14.2x	8.6x	14.8%	2.2x	79%
Elastomers	6	13.1x	11.2x	21.8%	2.0x	82%
Plastics	11	10.0x	7.6x	16.4%	1.7x	85%
Fiber and Technical Materials	4	6.1x	5.5x	8.7%	5.3x	53%
All comparables	**26**	**11.0x**	**8.1x**	**15.9%**	**2.1x**	**82%**

Source: S&P Capital IQ as of September 30, 2026. EV / EBITDA multiples above 35.0x are shown as NM and excluded from medians.

Operations Spotlight: The Processor P&L

WIPFLI

MAPP's 2026 benchmarking shows processors running at roughly half their capacity, so pricing discipline and throughput, not volume, decide margins and value.

55%
Average processor utilization, Q2 2026 (MAPP benchmarking)

60%
Share of processors expecting revenue growth in 2026

48.2%
Share of each shipment dollar spent on resin

60% vs 85%
OEE: typical mid-size processor vs. best in class

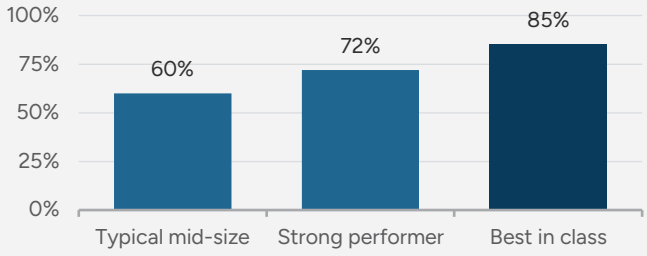
Exhibit 16: Where Every Shipment Dollar Goes



Resin: Half the cost base and a commodity the processor does not control.
Payroll: Still rising even as openings fall and hiring flattens.
Other operating costs: Where the opportunity lies.

Source: Wipfli, MAPP State of the Industry (Oct 2, 2026).

Exhibit 17: Overall Equipment Effectiveness (OEE)



Source: OEE benchmarking studies and Guidewheel data, as cited by Wipfli.

- **Slack, not demand, is the constraint.** At 55% average utilization, fixed cost is spread thin, and every quoted hour matters. Wipfli advises building 2027 plans on flat-to-low-single-digit volume and proving out every assumption above that line.
- **Margin leaks rather than collapses.** Wipfli finds six leaks running at once: stale quoted costs, unpriced scope creep, lost throughput, unreviewed standard-to-actual variance, idle capacity carried, and unchecked overhead.
- **Pass-through is the first fix.** Index-based resin escalators with a defined lag, applied both ways, plus a duty clause in every quote; with the ISM Prices Index at 77.9%, the gap between quote date and ship date decides margin.
- **OEE is capacity already paid for.** Closing 10 points is scheduling discipline, changeover method, and mold health rather than a capital project; 68% of U.S. processors already run some Industry 4.0 tooling.
- **Why it matters at exit.** Operating gains compound into enterprise value. Buyers capitalize EBITDA they can verify, so improvements that are sustained, measured, and documented before a process earn credit at the multiple; improvements promised after closing do not.

Exhibit 18: From Productivity to Enterprise Value (Illustrative)

Gain in Value Added per Employee	Added Annual EBITDA (100 employees)	Implied Incremental EV at 7.0x
+$5,000	$0.5 million	**$3.5 million**
+$10,000	$1.0 million	**$7.0 million**
+$21,000	$2.1 million	**$14.7 million**

Where Processors Grow and Gain Value

WIPFLI

> The end markets forecasted to grow fastest already command the highest multiples among publicly traded peers, so end-market mix shift is the most direct route to a higher valuation.

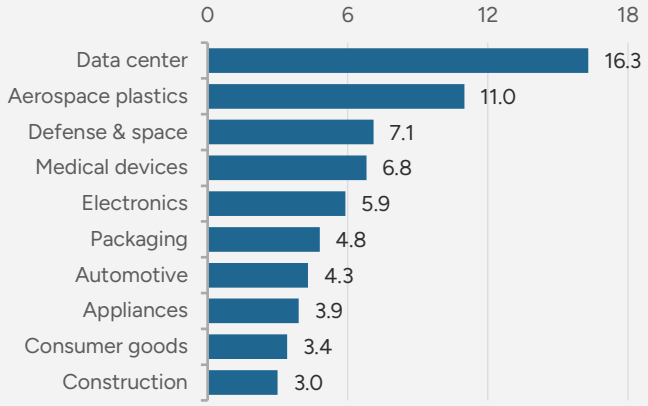
$48.6B
U.S. injection molding market (Wipfli market study, est.)

~5,200
U.S. injection molding plants

$9.3M
Average plant revenue

~10%
Share of plants above $20 million in revenue

Exhibit 19: Projected Annual Growth by End Market (Forecast, % CAGR)



Source: Grand View Research, MarketsandMarkets, Mordor Intelligence and others, as compiled by Wipfli.

Exhibit 20: Forecast Growth vs. Public Multiples

End Market	Forecast Growth	Comp Median EV / LTM EBITDA
Aerospace & defense	7.1–11.0%	**21.5x**
Medical	6.8%	**12.2x**
Transportation	4.3%	**7.3x**

Stout read: Wipfli's advice to pick two segments and go deep lines up with what public markets pay; the end markets with the fastest forecast growth trade at roughly three times the multiple of the slowest.

Source: growth per Exhibit 19; multiples per page 11 (S&P Capital IQ, as of Sep 30, 2026).

WHAT MOVES THE MULTIPLE

- **End-market position:** Depth in regulated, specified markets such as medical, A&D, and semiconductor earns a premium; concentration in cyclical markets earns a discount.
- **Customer and program spread:** No single customer or program large enough to end the company, even within a focused end market.
- **Certification depth:** ISO 13485, AS9100, and Nadcap, or IATF 16949 open premium markets and create switching costs.
- **Contract quality:** Index-based pass-through, tooling ownership, program life, and backlog that a buyer can verify.
- **Management depth:** A team that runs the business without the owner in the building.
- **Data that holds up:** Job-level profitability, OEE, and pipeline conversion history that survive diligence.

2026 TAX TAILWINDS FOR CAPITAL SPENDING

- **Bonus depreciation:** 100%, permanent, for qualified property acquired and placed in service after January 19, 2025.
- **Section 179:** Up to $2.56 million expensed in 2026, phasing out above $4.09 million of purchases (Rev. Proc. 2025-32).
- **Section 174A:** Immediate expensing of domestic research costs from 2025, with catch-up options for 2022–2024 amounts for small taxpayers.
- **Qualified production property:** Full deduction for new nonresidential manufacturing real property placed in service before 2031.
- **State conformity varies:** California, for example, does not follow federal bonus depreciation.

Note: Market structure and growth figures are estimates and forecasts compiled in Wipfli's plastic injection molding market study (Feb 2026) and MAPP presentation (Oct 2, 2026). Source: Wipfli; IRS Rev. Proc. 2025-32; S&P Capital IQ.

2026 MAPP and ARPM Benchmarking Panel Recap

Growing revenue with accurate backlog, pipeline and forecasting: forward revenue is worth what a processor can document and trace.

ABOUT THE PANEL

At the 2026 MAPP Benchmarking Conference, Rick Riesterer (Chief Commercial Officer, Teel Plastics) and Michael Molling (Purpose Build Partners) joined Michael Benson, Managing Director in Stout's Investment Banking group, to tackle a challenge that comes up consistently in MAPP benchmarking surveys: driving consistent, profitable organic growth. The discussion covered what best-in-class, high-growth processors share, a company-wide way to track new business and a defined set of KPIs, and how setting up a CRM with common procedures let them organize, measure, and incentivize their sales teams. The panel also explained how tracking conversion from pipeline to backlog to revenue becomes the foundation for credible short- and long-term projections.

THREE BUCKETS OF FORWARD REVENUE

Running business

Production shipping today, projected from customer volumes or history, net of normal attrition.

Highest certainty

Awarded, not yet in production

The processor holds the award and may be designing the part or building tooling; nothing ships yet.

Committed

Probability-weighted pipeline

Open quotes and opportunities, discounted for the odds of winning them.

Least certain

- **Keep the buckets separate.** Each carries a different degree of certainty; a forecast that blends them invites a buyer to ask which part is in the ground, which is committed and which is hope.
- **See the gap early.** A bottom-up, five-year view shows the shortfall to plan years ahead. New prospects typically sit two to three years from revenue, so the prospect list has to be built now.
- **Defend the awarded backlog.** Awarded work not yet shipping earns credit from a buyer, investor, or lender only if management can show how the number was built.
- **Agree on definitions first.** One system and one format, with shared definitions of a lead, an award, and each probability, entered at the SKU level; any CRM with custom fields, deal stages, and reporting can do it.
- **Measure hunters and farmers separately.** Tag new versus existing customers and additive versus replacement work, and tie part of both incentive plans to gross margin.
- **History earns credit.** Several years of saved snapshots turn conversion rates into observed facts, which is what lets a buyer or lender credit work not yet won.

KPIs the panel recommends: quote volume and value by period; RFQ-to-award win rate; time from RFQ to award and from award to launch; pipeline coverage against the gap to plan; new versus existing and additive versus replacement mix; gross margin on awarded work versus what was quoted.

"A buyer can argue with a projection. It's much harder to argue with several years of history showing how quotes turned into awards and awards turned into running business."
Michael Benson

Read the full article on stout.com

Source: Stout, "Growing Revenue With Accurate Backlog, Pipeline, & Forecasting" (2026), drawn from the 2026 MAPP and ARPM Benchmarking Conference panel.

Recent M&A Activity

Exhibit 21: Representative YTD Acquisition Activity

Date	Target	Acquirer	Sub-segment	End market
Oct 26	**Retlaw Industries**	AIM Processing (MCM Capital)	Plastics	Industrial
Oct 21	**Tri-Mack Plastics**	Trelleborg	Composites	Aerospace, semiconductor
Oct 9	**Monadnock Non-Wovens**	Precision Products Group (Auxo)	Fiber and Tech	Filtration media
Oct 6	**Slingmax Group**	Sterling Group (Foundation Fund)	Fiber and Tech	Utilities, industrial
Oct 6	**SV Techsol**	Cleanova (PX3 Partners)	Fiber and Tech	Semiconductor
Oct 1	**Seaway Plastics Engineering**	Banner Capital (Seaway Group)	Plastics	Medical
Oct 1	**Producta**	Trelleborg	Elastomers	Construction
Oct 1	**Inmo-Tech**	Mergon Group	Plastics	Medical
Sep 9	**CI Medical**	UFP Technologies	Plastics	Medical
Sep 2	**Cascade Gasket & Mfg.**	Trelleborg	Elastomers	Aerospace
Sep 1	**M+R Dichtungstechnik**	Trelleborg	Elastomers	Construction
Sep 1	**Global O-Ring and Seal**	Marco Sealing (Align Capital)	Elastomers	Industrial
Sep 1	**Sidam**	Plastiflex (IK Partners)	Plastics	Medical
Aug 4	**Carolina Components Group**	Sheridan Capital Partners	Plastics	Bioprocessing
Aug 4	**Balda C. Brewer**	Craftech (Sage Park)	Plastics	Medical
Aug 4	**Gentry Plastics**	Le Sueur Inc. (Delos Capital)	Plastics	Industrial
Aug 4	**HENN plastic solutions unit**	TE Connectivity	Plastics	Automotive
Aug 3	**Lamart**	Industrial Growth Partners	Fiber and Tech	Aerospace, medical
Jul	**Jasper Rubber Products**	Press-Seal	Elastomers	Automotive
Jul	**Rocket Seals**	Marco Sealing (Align Capital)	Elastomers	Industrial
Jul 4	**ContiTech (ex-OESL)**	Lone Star Funds	Elastomers	Industrial
Jun 30	**Helvoet Polymer Technologies**	Kimball Electronics	Plastics	Medical
Jun 22	**Iten Defense**	NP Aerospace	Composites	Defense
Jun 8	**Gomet**	Trelleborg	Elastomers	Automotive
Jun 5	**Oak Engineering & Mfg.**	Apex Space & Defense (Charger)	Composites	Uncrewed systems
Jun 3	**EAM Corp.**	Saothair Capital Partners	Fiber and Tech	Hygiene, medical
May 20	**Balmoral Comtec**	Freudenberg Flow Technologies	Composites	Subsea energy
May 19	**Vision Systems**	Clayens (One Equity Partners)	Plastics	Aerospace
May 6	**Dalco / Global Felt**	Arvind Advanced Materials	Fiber and Tech	Automotive
May	**Pride Seals**	Marco Sealing (Align Capital)	Elastomers	Industrial
Apr 30	**InTech Aerospace**	CCE Group (Hivest)	Plastics	Aircraft interiors
Apr 8	**Bentec Medical**	Avista Healthcare Partners	Elastomers	Medical
Apr 7	**Integris Composites**	Triton	Composites	Defense
Mar 31	**Matrix Composites & Eng.**	Advanced Innergy (AIS)	Composites	Subsea energy
Mar 23	**Resolution Medical**	Resonetics (Carlyle, GTCR)	Plastics	Medical
Mar 18	**Diversified Plastics**	The Rubber Group (River Assoc.)	Elastomers	Industrial
Mar 18	**Euro-Composites**	Schütz Group	Composites	Aerospace
Mar 16	**Rage Custom Plastics**	Technimark (Oak Hill)	Plastics	Medical
Mar 13	**Mayfair Plastics**	Husco International	Plastics	Automotive
Mar 9	**Ultracor**	Applied Aerospace & Defense	Composites	Space, defense
Mar 4	**Elastomer Technologies**	Cinova Medical	Elastomers	Medical
Mar	**Polyfoam**	Foam Fabricators (CODI)	Plastics	Packaging, medical
Feb 24	**Vestigo Aerospace**	Applied Aerospace & Defense	Composites	Space
Feb 23	**Knudsen Plast**	MGS Manufacturing (Mason Wells)	Plastics	Medical
Feb 11	**Sawyer Composite**	Touchstone Advanced Composites	Composites	Defense
Feb 6	**Axillon polyurethane ops.**	Mearthane Products (Compass)	Elastomers	Industrial
Feb 3	**Flexitallic Group**	Michelin	Elastomers	Energy
Feb 3	**Seemann Composites & MSC**	Karman Space & Defense	Composites	Maritime defense
Feb 2	**Facet Filtration**	Donaldson	Fiber and Tech	Aviation fuel
Jan 22	**Cooley Group**	Michelin	Fiber and Tech	Industrial, medical
Jan 21	**Iron Horse Engineering**	Polycorp (Arsenal Capital)	Elastomers	Rail
Jan 8	**Springboard Mfg. & MOS Plastics**	Alentra, fka Currier (Sheridan)	Plastics	Medical
Jan 8	**Airflotek & TES-Clean Air**	Cleanova (PX3 Partners)	Fiber and Tech	Semiconductor
Jan 7	**Nexus Elastomer Molds**	Trelleborg	Elastomers	Medical
Jan 7	**Nonwovenn**	CorpAcq (TDR Capital)	Fiber and Tech	Defense, medical
Jan 6	**Sur-Seal**	Brodie Generational Capital	Elastomers	Automotive, HVAC
Jan 6	**Synecco**	Arterex (Investindustrial)	Plastics	Medical
Jan 2	**Tex Tech Industries**	Michelin	Fiber and Tech	Aerospace
Jan 2	**FMI Industries**	Arlington Capital Partners	Composites	Defense, space

Connect With Our Team

ABOUT OUR PRACTICE

Stout's Advanced Materials practice advises processors converting highly engineered performance materials into qualified components and end products utilized across high-barrier-to-entry end markets and applications. We build on Stout's plastics franchise, one of the most active advisory practices for middle-market plastics businesses with 100+ completed investment banking transactions, as well as our longstanding relationships with key strategic consolidators and highly active financial sponsors in the space, all of which enable us to provide superior outcomes for our clients. Learn more at stout.com.

Material Categories

- **Elastomers:** Silicone and LSR, fluoroelastomers, EPDM, polyurethane
- **Composites:** Carbon, glass and aramid systems, honeycomb, and core
- **Plastics:** Engineering and high-performance thermoplastics, fluoropolymers, foams
- **Fiber and Technical Materials:** Nonwovens, filtration media, technical textiles, rope

Manufacturing Technologies

- Injection and LSR molding
- Compression and transfer molding
- Blow and rotational molding
- Extrusion and thermoforming
- Foam converting
- Composite layup and cure
- RTM, winding, and pultrusion
- Nonwoven web forming
- Coating and laminating
- Cleanroom assembly and kitting

End Markets

- Aerospace and defense
- Semiconductor and electronics
- Transportation
- Filtration
- Medical and life sciences
- Industrial
- Energy and infrastructure
- Consumer and hygiene

UPCOMING CONFERENCES

MD&M West
Feb 9–11, 2027 Anaheim, CA

JEC World
Mar 2–4, 2027 Paris, France

IDEA®27
Mar 23–25, 2027 Kansas City, MO

NPE2027
May 3–7, 2027 Orlando, FL

CAMX
Oct 18–21, 2027 Anaheim, CA

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STOUT

ABOUT STOUT INVESTMENT BANKING

Stout's Investment Banking group provides mergers and acquisitions (M&A) advisory, capital market financing, and other financial advisory services to portfolio companies of private equity firms, closely held or family-owned businesses, and divisions of large corporate parents.

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