Machining and metal fabrication: what your shop brings to a buyer.

What does your company bring to a buyer that it could not quickly build itself? What 617 North American acquisitions, from 2021 to November 2, 2026, tell us.

By Moses Bendayan, CFA · Founder, Tribal Capital

YOUR REALITY

Recruiting machinists and welders. Financing a new machine or an automation project. Doing the quoting and scheduling yourself. Depending on a few customers exposed to the United States.

Sooner or later a question comes up: stay independent, bring in a partner or sell. This brief does not say you should sell. It explains what some buyers look for.

QUEBEC CONTEXT

- **73%** rate recruiting specialized labour as a very or fairly important problem.
- **80%** report negative effects from US tariffs.
- **27%** have integrated robotics.

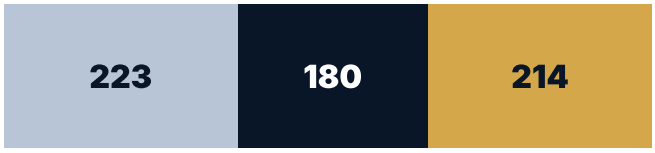
STIQ, Baromètre industriel québécois, 17th edition (2026): 500 Quebec manufacturing SMEs with 10 to 500 employees, all sectors.

617
acquisitions of machine shops and metal fabricators in North America since 2021, 51 of them in Canada

64%
involve an investment fund or a group it owns (394 of 617)

8 of 14
announced acquisitions in Quebec were made by Quebec companies

WHO BUYS / 617 ACQUISITIONS, 2021 TO 2026



- **223** industry buyers
- **180** investment funds buying directly
- **214** groups owned by a fund, adding shops to a platform

Control acquisitions and asset purchases, January 1, 2021 to November 2, 2026. Minority investments and recapitalizations excluded.

1 · WHAT TAKES TIME TO BUILD

Some buyers are buying a shop that already works.

An experienced team, proven processes, qualifications and customers: a buyer would need years to put all of that together. It is not true of every shop. Idle capacity or unprofitable work does not draw the same interest.

QUEBEC · 2023
Avior buys Brematech (Pointe-Claire)
"Added machining capacity as well as new capabilities in turning."
Avior adds that the purchase reduces its supply chain risk.

QUEBEC · 2022
Meloche buys Aérospatiale Hemmingford
"Significantly expand our production capacity."
The plant mainly makes Pratt & Whitney engine parts.

QUEBEC · 2023
MiddleGround buys Megatech (Quebec City)
Build a larger platform around Megatech.
The US fund plans to grow through acquisitions and make better use of the machines.

Quotes from buyer announcements (Avior, July 2023; Groupe Meloche, December 2022; MiddleGround Capital, January 2023).

2 · PEOPLE, TECHNOLOGY AND YOUR CUSTOMERS

What makes a shop attractive, or riskier.

People. Nearly one announcement in three mentions employees, skills or capacity. It is not a measure of the labour shortage, but it is often what a buyer cannot recreate quickly.

Technology. In 2024, thyssenkrupp Materials bought Cobotix, in British Columbia, for its automation and robotics. One example, not a rule: a machine adds value when it delivers productivity, margins and reliable output.

Your customers. 29% of the acquired companies mainly serve aerospace and defence, where 75% of buyers are funds or their groups. One customer at 40% of your sales, or heavy exposure to the United States, raises the perceived risk.

Full order book or profitable work. A full order book is not enough. What counts is the margin by customer and by job, and the work that comes back.

VALUATION

Seven deals where the buyer published the price and the EBITDA.

Buyers often talk in multiples of EBITDA (earnings before interest, taxes, depreciation and amortization): at 6x, the company is worth $6 per dollar of EBITDA. These are public examples, mostly American, not the value of a Quebec shop: each multiple also depends on size, end markets, customers and terms.

COMPANY / ACQUIRER	ACTIVITY	YEAR	ANNOUNCED PRICE	DISCLOSED EBITDA	MULTIPLE
A&B Aerospace (California) Acquirer: PMGC Holdings	CNC machining, aerospace	2026	US$4.5M cash	US$0.6M management adjusted, unaudited	**7.4x** calculated
MCM (Alabama) Acquirer: Broadwind	Machined parts, electric utilities	2026	US$18M at closing, + up to US$7M contingent	US$3.7M adjusted, 12 months to June 30, 2026	**4.8x** stated by buyer, at closing; 6.8x with the maximum
Eastern Fabricators (P.E.I.) Acquirer: AGI	Stainless equipment, food processing	2022	C$29.3M at closing, + up to C$15.8M contingent	C$8M adjusted, 12 months to Oct. 2021	**3.7x** calculated, at closing; 5.6x with the maximum
Duc-Pac (Massachusetts) Acquirer: Smiths Group	Sheet metal ducts, HVAC	2025	US$40.5M	not disclosed	**7.2x** stated by buyer, last 12 months
EMI Industries (Florida) Acquirer: LSI Industries	Custom metal store fixtures	2024	US$50M cash	US$5.5M adjusted, 2023	**9.1x** calculated
Mid-States Aluminum (Wisconsin) Acquirer: Mayville Engineering	Aluminum extrusion and fabrication	2023	US$96M total consideration	US$16M adjusted, 2022	**6.0x** calculated
Lane Supply (Texas) Acquirer: Gibraltar Industries	Structural steel canopies	2025	US$120M cash, for the shares	US$16.7M adjusted, 2024	**7.2x** calculated

Announced price: amount the buyer published; it is not always enterprise value (including debt and cash). Calculated: price divided by disclosed EBITDA, by Tribal Capital. Contingent (earnout): paid only if the business hits targets after the sale. Amounts without a currency are Canadian dollars.

OUR VIEW

The multiple is only part of the price. At MCM, 4.8x was paid at closing; up to US$7M more depends on results. At Eastern Fabricators, more than a third of the maximum price was contingent. What is paid at closing matters as much as the headline multiple.

3 · BEFORE YOU THINK ABOUT A PARTNER OR A SALE

In Quebec, most buyers are from here.

Our data counts 51 Canadian acquisitions since 2021, 14 of them in Quebec; 8 of those 14 were made by Quebec companies. These are announced deals. Many sales between local companies are never announced, so the share of Quebec buyers is probably higher.

ACQUISITIONS IN QUEBEC / 2021 TO 2026

YEAR	COMPANY	ACTIVITY	ACQUIRER	TYPE
2026	**Leesta Industries** (Pointe-Claire)	Aircraft engine parts	Pursuit Aerospace	US GROUP
2026	**Vusitec** (Saint-Laurent)	Machine shop	Laurentide Controls	QUEBEC COMPANY
2025	**Groupe LAR** (Métabetchouan)	Fabrication for hydropower	ADF Group, C$19M	QUEBEC COMPANY
2025	**Locweld** (Candiac)	Steel transmission structures	Stella-Jones, C$58M	QUEBEC COMPANY
2025	**Bel Products** (Montreal)	Metal electrical enclosures	ABB	SWISS GROUP
2024	**Héroux-Devtek** (Longueuil)	Landing gear	Platinum Equity, C$1.35B	US FUND
2024	**InovaWeld** (La Pocatière)	Laser welded stainless steel	Tournaire	FRENCH GROUP
2024	**Sofab** (Boucherville)	Structural steel	Lainco	QUEBEC COMPANY
2023	**Brematech** (Pointe-Claire)	Precision machining	Avior	QUEBEC COMPANY
2023	**Megatech** (Quebec City)	Precision machining	MiddleGround Capital	US FUND
2022	**Aérospatiale Hemmingford** (Hemmingford)	Aerospace machining	Groupe Meloche	QUEBEC COMPANY
2021	**Groupe LMT** (Longueuil)	Metal doors and frames	Muraflex	QUEBEC COMPANY
2021	**Les Industries Cendrex** (Montreal)	Sheet metal fabrication	Ironbridge Equity Partners	ONTARIO FUND
2021	**Supermétal** (Lévis)	Structural steel	Canam	QUEBEC COMPANY

Price shown where disclosed. Héroux-Devtek: enterprise value, closed in 2025.

THREE CHOICES, NOT ONE

Stay independent
and invest in equipment, management or systems so the shop depends less on you.

Bring in a minority partner
La Caisse and Investissement Québec in Groupe Honco (2025); Desjardins in JL Leclerc (2021).

Sell, in whole or in part
to a Quebec buyer, a foreign group or a fund, each with its own terms.

WHAT A BUYER OR PARTNER WILL ASK YOU TO SHOW

Margins
by customer and by job, over three to five years.

Management
who quotes, schedules and manages key customers without you.

Equipment
the age of your machines and the investments ahead.

Qualifications
certifications and customer approvals.

Order book
profitability, length and concentration.

Let's talk about your goals, not a price.

A confidential conversation about your goals, possible buyers or partners and preparation priorities. No commitment.

Moses Bendayan, CFA
Founder, Tribal Capital
moses@tribalcapital.ca
tribalcapital.ca

Method: 617 control acquisitions and asset purchases in machining, sheet metal, custom fabrication, structural steel and other metal manufacturing in the United States and Canada, January 1, 2021 to November 2, 2026 (Tribal Capital database). Duplicates merged; minority investments, recapitalizations and terminated deals excluded. Not exhaustive. Prices and EBITDA: buyer announcements. Context: STIQ, 17th Baromètre industriel québécois.