

Q4
2025

EMS

Quarterly Review

Lincoln Perspective

In Q4 2025, the electronics manufacturing services (EMS) sector finished the year with an increasingly bifurcated demand environment. Data centers remained the primary source of strength, supporting utilization and mix for providers with exposure to higher-complexity assemblies, while industrial and consumer volumes remained uneven. Original equipment manufacturers (OEMs) continued to prioritize resiliency and visibility in their supply chains, keeping nearshoring, multi-region redundancy and tariff-aware sourcing in focus as customers refined regional manufacturing footprints across North America and Europe.

Public EMS equities generally reflected this dynamic. Larger, diversified platforms with meaningful exposure to data centers, aerospace and defense, medical and other high-reliability programs tended to trade better, supported by stronger program visibility and continued execution on automation and working-capital discipline. Conversely, companies tied more heavily to short-cycle or price-sensitive programs saw muted performance as investors weighed margin durability and the timing of broader volume recovery. Overall, valuation multiples remained largely range-bound, with premiums reserved for businesses demonstrating

differentiated capabilities and sustainable, profitable growth.

Mergers and acquisitions (M&A) activity continued its strength into year-end, supported by a more positive sentiment entering 2026 and continued interest in acquiring capability and end-market positioning. Consolidation among EMS providers remained active, while buyers prioritized assets with engineering content, specialized certifications and adjacency to structurally growing verticals. Select carve-outs and portfolio rationalization also contributed to deal flow as corporations continued to localize and optimize manufacturing footprints.

Looking ahead, M&A momentum is expected to remain constructive as both sponsors and strategics position for a more normalized and positive demand backdrop. EMS providers that sustain executional discipline while investing in areas to capture additional growth will be best-positioned to benefit from the industry tailwinds through 2026.

NOTABLE ANNOUNCEMENTS

November 14, 2025

Arkview Capital acquired NEOTech



INSIDE THIS ISSUE

- Deal Activity
- EMS Stock Performance

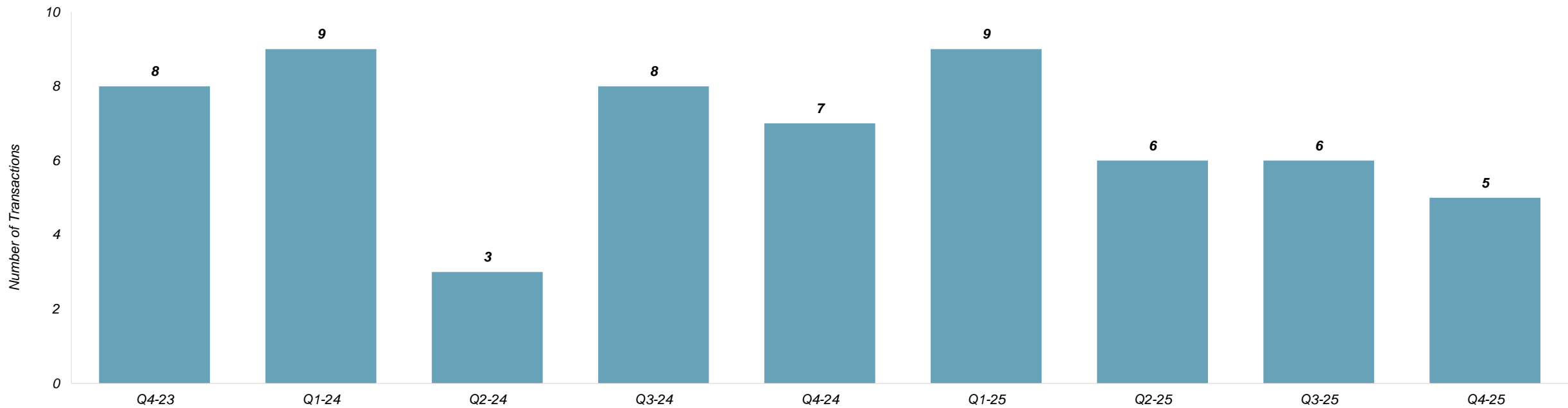
EMS Quarterly Review Q4 2025

Five EMS transactions were recorded in Q4 2025, reflecting a slight decline from seven transactions in Q4 2024 and eight transactions in Q4 2023. EMS consolidations were the primary driver of activity, with the category accounting for two transactions or 40% of total volume. EMS divestitures, private equity investments and vertical / horizontal convergences each comprised one transaction (three total), or 60% of total activity. Notably, no transactions involving diversification into EMS or OEM divestitures were recorded during the quarter.

By geography, the U.S. / Canada was the most active region, recording two transactions and representing 40% of total Q4 2025 EMS activity, while the remaining three transactions were cross-border between the U.S. and Finland, in Europe and Other. Both U.S. transactions were domestic, while the other transaction was between Morocco and Switzerland. No Asia-based transactions were observed.

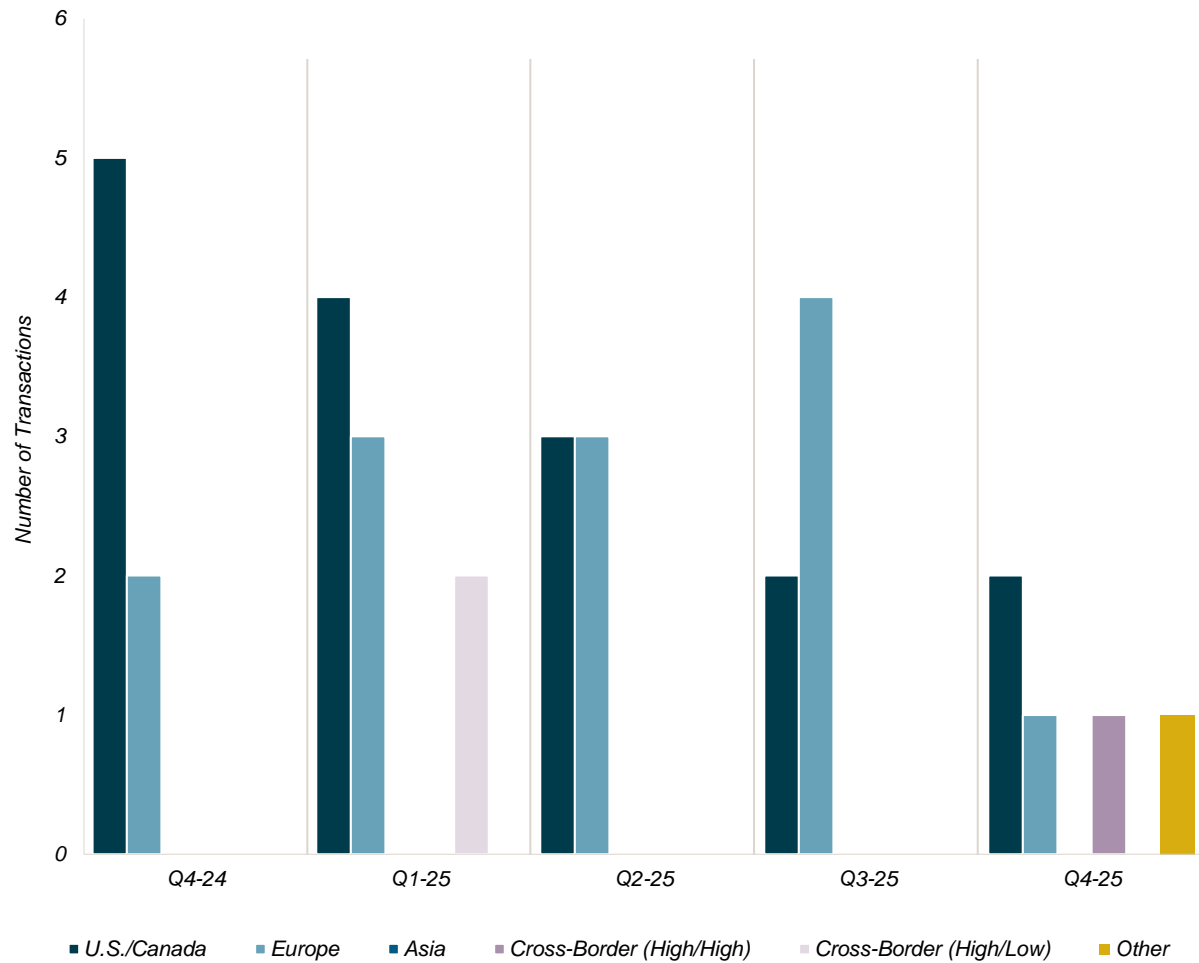
In terms of acquirer profile, mid-tier (Tier II) acquirers were the most active cohort, executing three transactions and accounting for 60% of total Q4 2025 volume. Large-tier (Tier I) EMS providers completed one transaction for the quarter, and no small-tier acquirers participated in Q4 2025 activity.

QUARTER-OVER-QUARTER COMPLETED EMS TRANSACTIONS

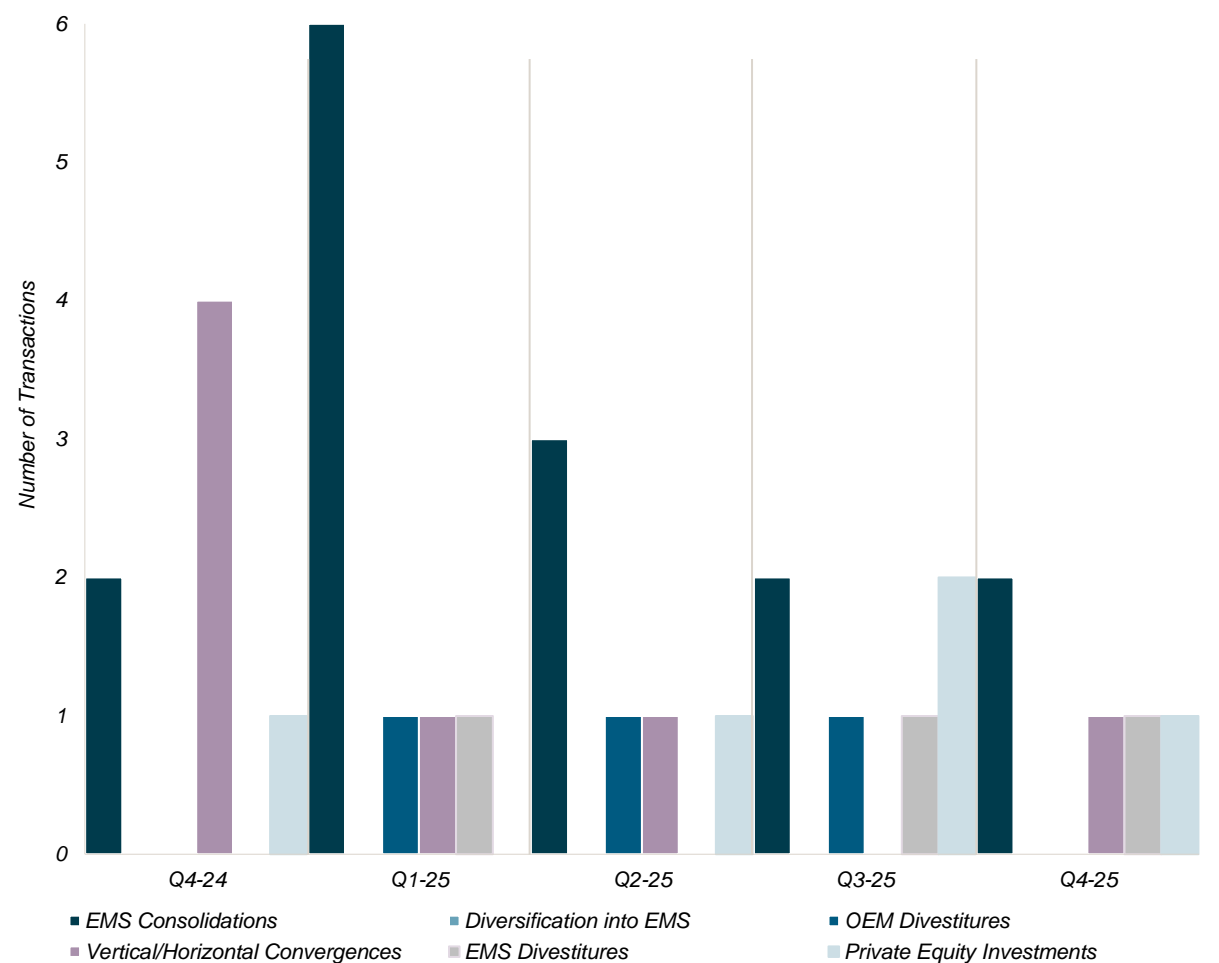


EMS Quarterly Review Q4 2025 (cont.)

QUARTERLY COMPARISON – EMS M&A BY GEOGRAPHY



QUARTERLY COMPARISON – EMS M&A BY DEAL TYPE



Sources: All information contained in this newsletter including the charts was obtained from company websites, Custer Reports, Lincoln International's internal data, Manufacturing Market Insider and Capital IQ

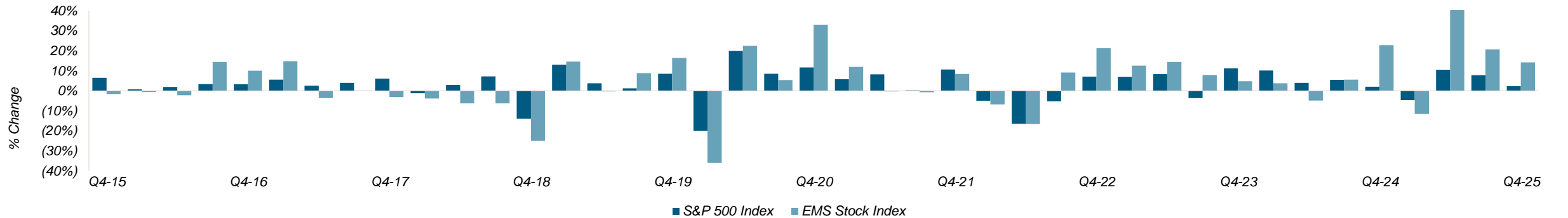
EMS Stock Index Outperforms S&P

QUARTERLY UPDATE TABLES

Winner's Circle			Tier	Worst Performers			Tier	EBITDA Margins		YoY Last 12 Months Revenue Growth	
USI Corporation	37.2%	I		Flex Ltd.	4.2%	I		Large	7.2%	Large	8.1%
Fabrinet	24.9%	II		Pan-International Industrial Corp.	(8.5%)	II		Mid	7.6%	Mid	3.9%
Scanfil Oyj	(6.2%)	III		Cicor Technologies Ltd.	(30.6%)	III		Small	5.4%	Small	4.3%

Similar to the S&P 500 Index, the EMS Stock Index is a market cap-weighted composite index. The index is prepared by first selecting a base period, in this case, Q1 2003, and totaling the market caps of the companies for each tier in this period. This period and total market cap is set to a base index, in this case, 1,000. Next, for each tier, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (1,000). The result is the index value used for plotting in the graph below.

S&P INDEX VS. EMS STOCK INDEX QUARTER CHANGE

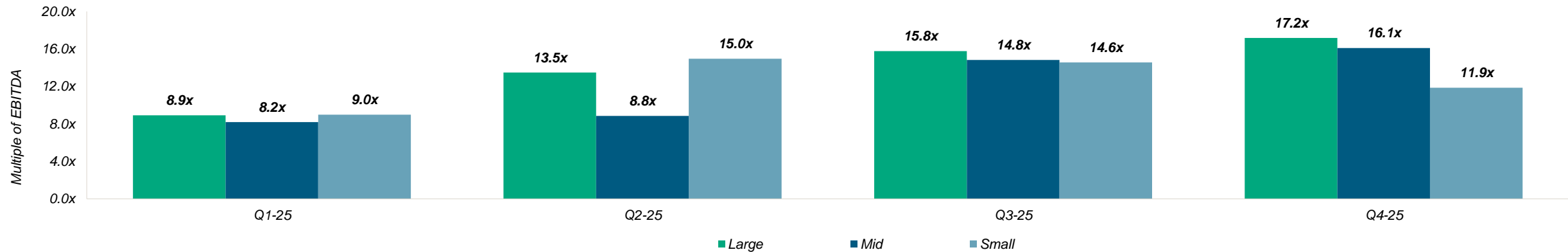


CURRENT EMS MARKET HIGHLIGHTS

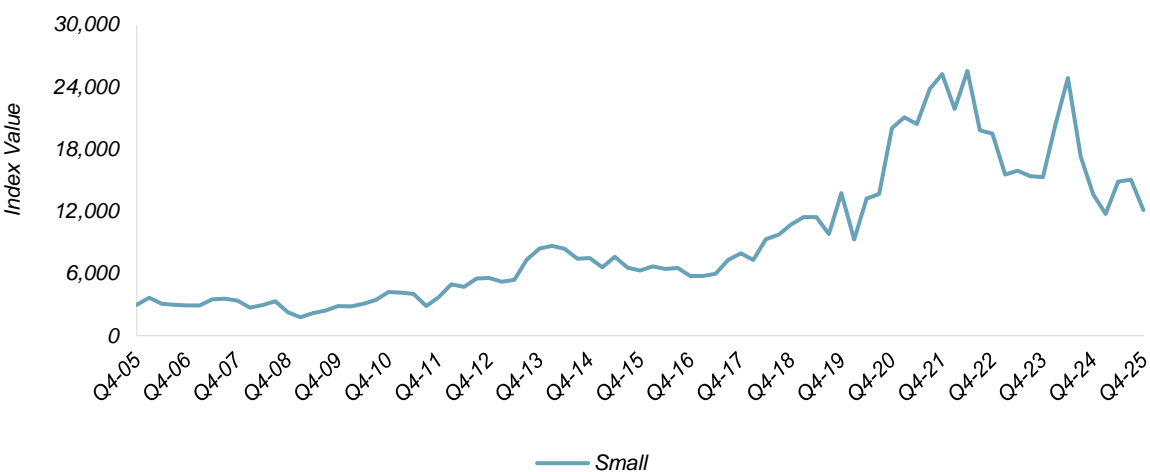
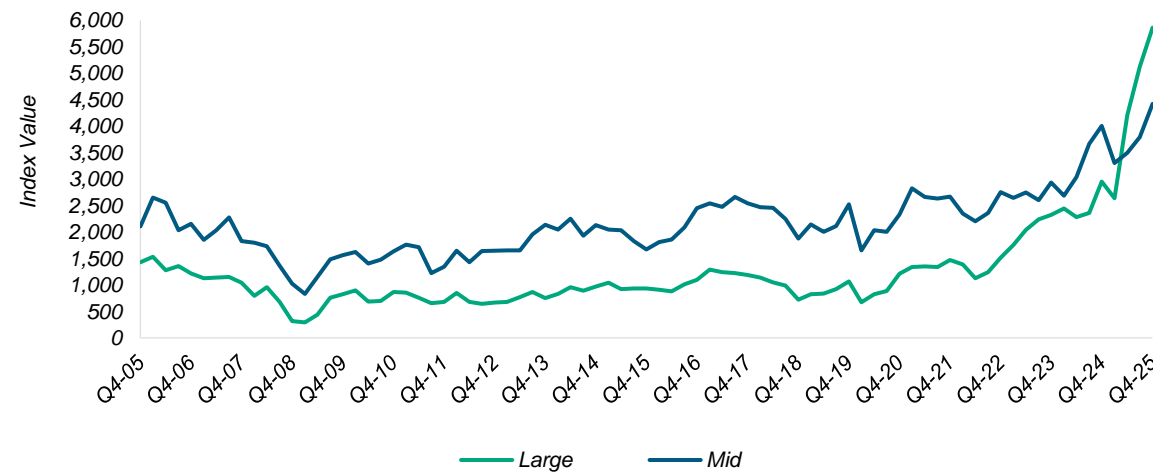
The overall Lincoln EMS Stock Index rose 14.2% quarter-over-quarter, driven by gains of 14.4% and 16.6% across the large-cap and mid-cap indices, respectively, and the small-cap index losing 19.4%

EMS Market Trends – Public Companies Valuation Trend

SELECT PUBLIC COMPANIES – TRENDING AVERAGE EV / EBITDA



EMS STOCK INDEX TRENDING DATA



Sources: Bloomberg, Capital IQ and company filings as of December 31, 2025
Note: Enterprise value is calculated as market cap on December 31, 2025, plus debt, preferred equity and minority interest less cash
Note: Index Value as of December 31, 2025

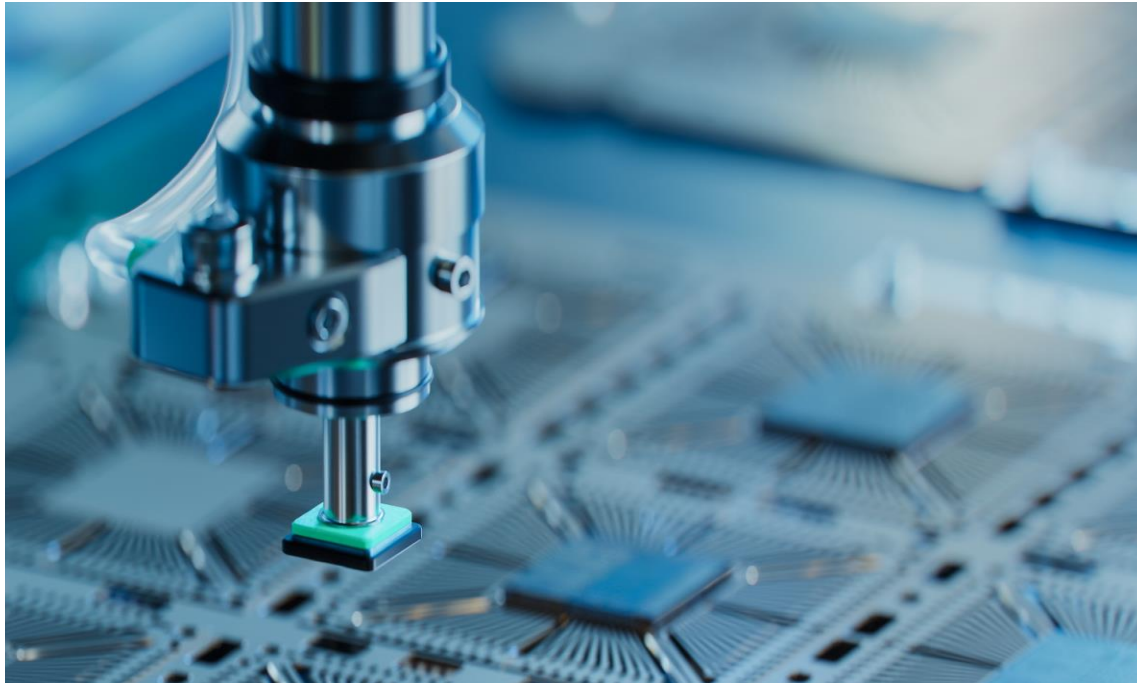
EMS Stock Index Company Data

	Stock Price	LTM Sales (\$mm)	Diluted EPS	Avg. Cash Conversion Cycle (days)	Current Ratio	EV / EBITDA	EV / Sales	Market Cap (\$mm)	Net Debt (\$mm)
Large Tier									
Celestica Inc.	\$406.01	\$11,282	\$6.15	87.9	1.5x	29.4x	3.0x	\$34,064	\$480
Flex Ltd.	60.42	26,333	2.28	55.9	1.3x	11.6x	0.9x	22,343	2,044
Jabil Inc.	228.02	31,113	6.42	21.8	1.0x	10.8x	0.8x	24,358	1,874
Sanmina Corp.	150.07	8,128	4.46	94.6	1.7x	14.3x	1.0x	8,188	(569)
USI Corp.	30.00	8,474	0.73	42.6	1.8x	19.8x	1.0x	9,571	(732)
Mid Tier									
Benchmark Electronics, Inc.	\$42.76	\$2,612	\$1.02	104.9	2.3x	9.4x	0.6x	\$1,526	\$50
Fabrinet	455.28	3,593	9.70	76.9	2.8x	38.4x	4.3x	16,311	(962)
Kimball Electronics, Inc.	27.82	1,478	0.96	97.0	2.2x	7.6x	0.5x	677	74
Pan-International Industrial Corp.	49.70	739	1.80	73.4	2.5x	12.5x	1.0x	820	(192)
Plexus Corp.	147.00	4,033	6.26	129.1	1.6x	12.7x	0.9x	3,934	(131)
Small Tier									
Cicor Technologies Ltd.	\$127.00	\$667	\$5.42	222.1	1.6x	10.6x	1.2x	\$706	\$92
Key Tronic Corp.	2.79	435	(1.09)	130.9	2.4x	14.5x	0.4x	30	127
Nortech Systems Inc.	7.43	117	(0.95)	131.5	1.8x	13.4x	0.3x	21	20
Scanfil Oyj	9.98	937	0.57	111.3	1.9x	8.9x	0.8x	767	12

Sources: Bloomberg, Capital IQ and company filings as of December 31, 2025

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory and valuations and fairness opinions. As one tightly integrated team of more than 1,000 professionals in 25+ offices across 16 countries, we offer an unobstructed perspective on the global private capital markets, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at www.lincolnternational.com.



Lincoln's Global Technology Group

Connected to Clients' Ambitions

Encompassing both physical assets and intellectual property, the technology industry has expansive opportunities for investors and entrepreneurs. Our global network of professionals, our strong relationships with industry leaders and our deep expertise in a variety of Technology verticals combine to serve the unique needs of clients capitalizing on change within a sector that is highly integrated into nearly every service and product. Our connections, along with our track record of exceptional results, give us the edge to provide our clients with creative and innovative financial solutions.

GLOBAL INDUSTRY GROUPS

- Business Services
- Consumer
- Energy Transition, Power & Infrastructure
- Financial Services
- Healthcare
- Industrials
- Technology

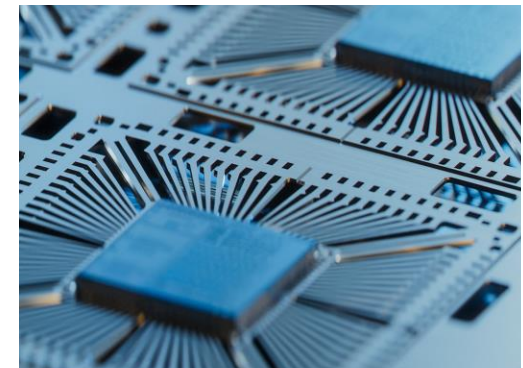
Contributors

Chaim Lubin

Managing Director | Chicago
clubin@lincolnternational.com
+1 (312) 506-2753

ADVISORY SERVICES

- Mergers & Acquisitions
- Capital Advisory
- Private Funds Advisory
- Valuations & Opinions



Connect with a professional in Lincoln International's Technology Group at
www.lincolnternational.com/technology

