

Q3
2026

EMS

Quarterly Review

Lincoln Perspective

In Q3 2026, the electronics manufacturing services (EMS) sector exhibited a moderation in performance and further stabilization of the supply chain. Despite pockets of mixed component availability creating long lead times, many companies saw improved underlying demand from their respective customer bases. AI infrastructure, aerospace & defense and medical remained areas of strength, supporting stronger growth outlooks among higher-complexity and mission-critical applications. OEMs remain focused on supply chain resiliency and regional manufacturing flexibility, with greater emphasis on consolidating supplier relationships and securing specialized capabilities.

Public EMS equities declined in Q3 following significant gains earlier in the year, with large and mid-tier providers experiencing the greatest pressure. Valuation multiples also contracted across tiers, reflecting a moderation from recent highs. Investors remained focused on earnings visibility, margin durability and differentiated growth profiles amid a more selective valuation environment.

Mergers and acquisitions (M&A) activity improved in Q3 2026 following a slower second quarter, with consolidation continuing to account for the majority of transactions. Buyers remained focused on businesses offering engineering depth, specialized manufacturing capabilities and opportunities to expand geographic reach. Despite public market volatility, strategic and private equity acquirers continued to evaluate opportunities to strengthen market positioning and build scale.

Looking ahead, M&A activity is expected to remain selective, with buyers prioritizing operational performance and sustainable growth. EMS providers with differentiated capabilities, resilient customer programs and flexible manufacturing footprints are expected to remain attractive acquisition candidates.

NOTABLE ANNOUNCEMENTS

September 17, 2026

Aragra Technologies acquired Siemens Manufacturing Co.

July 31, 2026

NEOTech acquired VirTex Enterprises

INSIDE THIS ISSUE

- Deal Activity
- EMS Market Update
- EMS Stock Performance



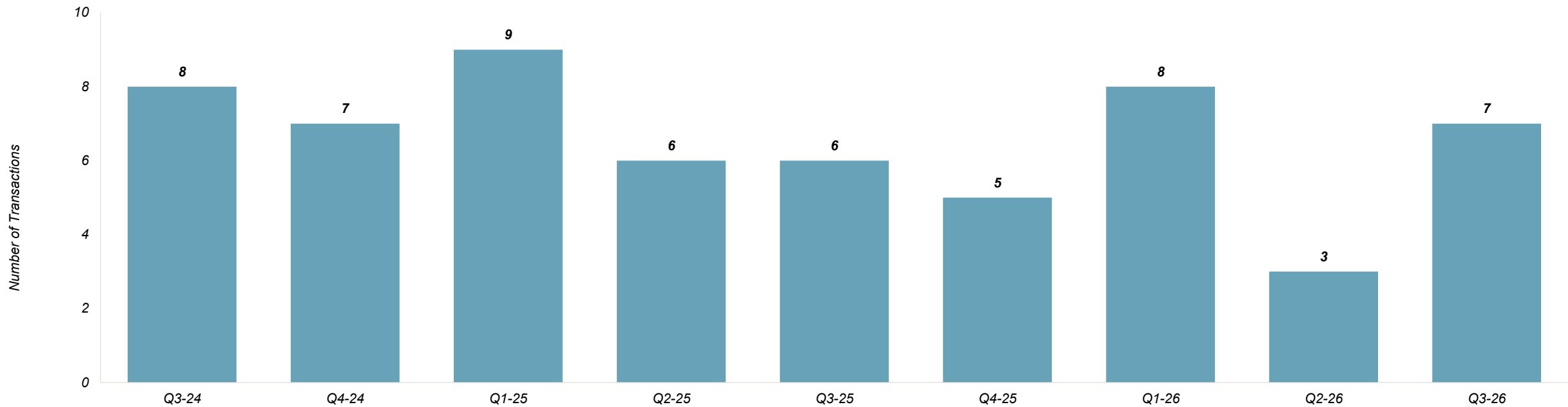
EMS Quarterly Review Q3 2026

Seven EMS transactions were recorded in Q3 2026, compared to the six transactions recorded in Q3 2025 and the eight in Q3 2024. EMS consolidations were the primary driver of activity, accounting for four transactions, or approximately 57% of total volume. Vertical / horizontal convergences comprised two transactions, or 29% of total activity, while OEM divestitures accounted for the remaining transaction, or 14% of total volume.

By geography, Europe was the most active region, recording four transactions and representing approximately 57% of total Q3 2026 EMS activity, while North America accounted for the remaining three transactions.

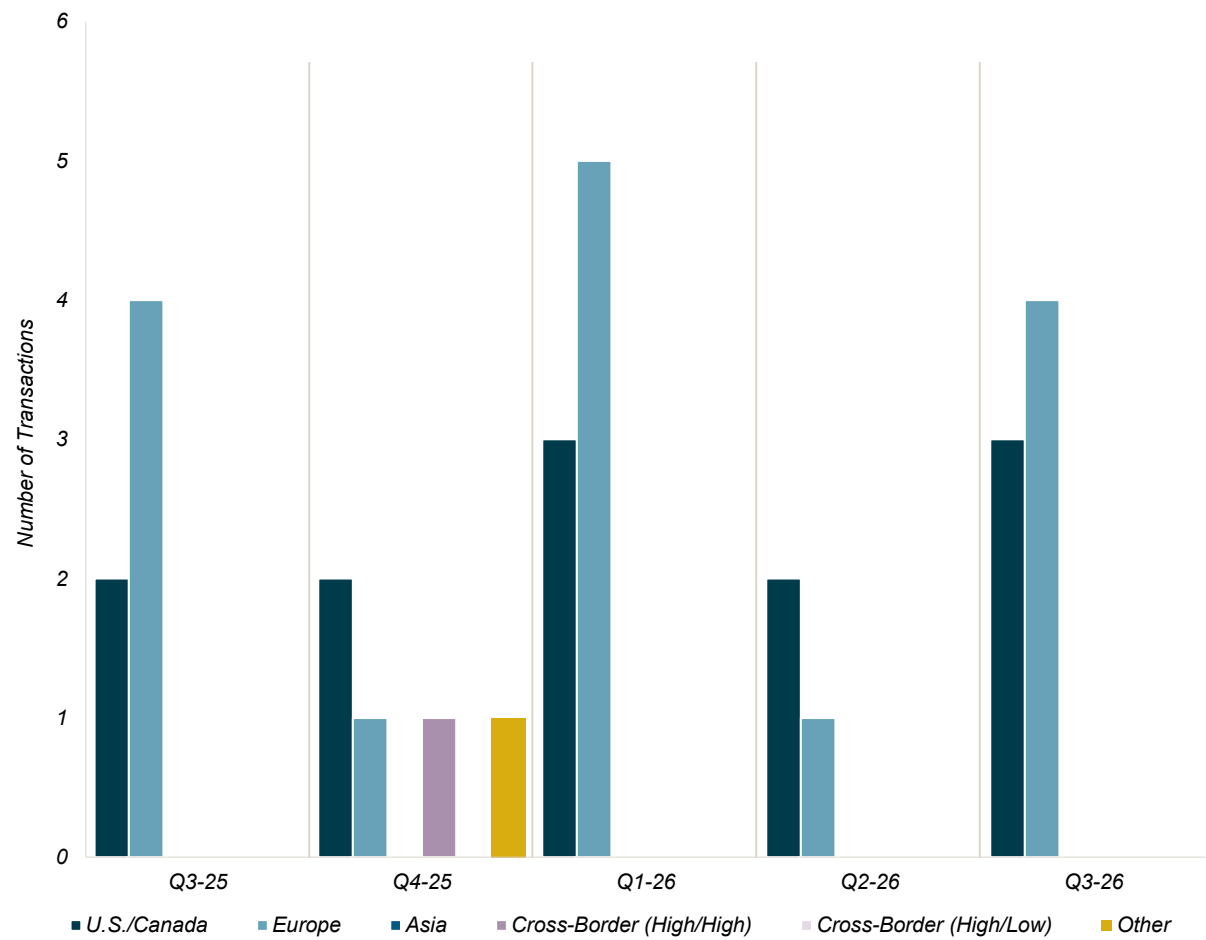
In terms of acquirer profile, small-tier (Tier III) acquirers were the most active cohort, completing five transactions and accounting for approximately 71% of total volume. Mid-tier (Tier II) acquirers completed the remaining two transactions, representing 29% of total activity, while no large-tier (Tier I) acquirers participated during the quarter.

QUARTER-OVER-QUARTER COMPLETED EMS TRANSACTIONS

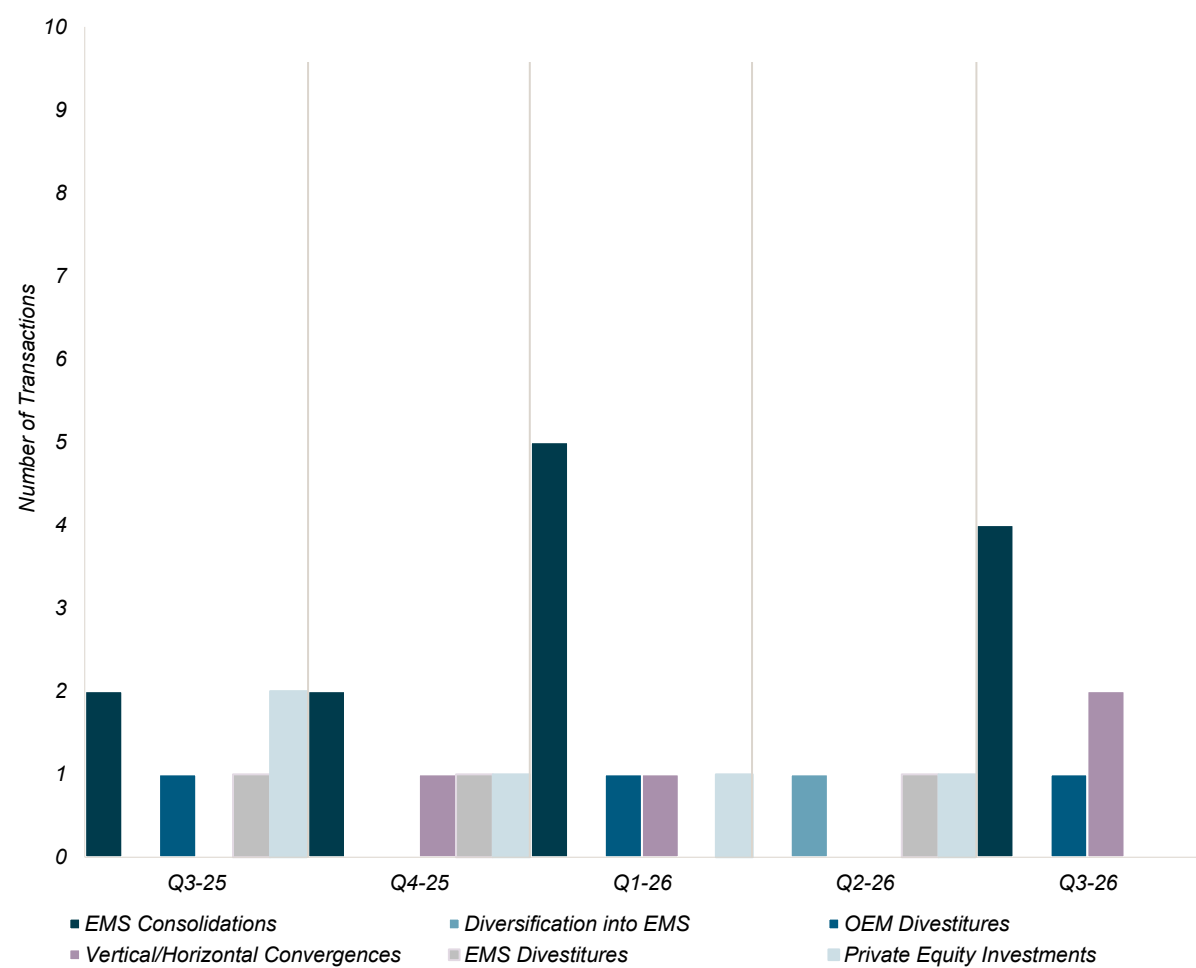


EMS Quarterly Review Q3 2026 (cont.)

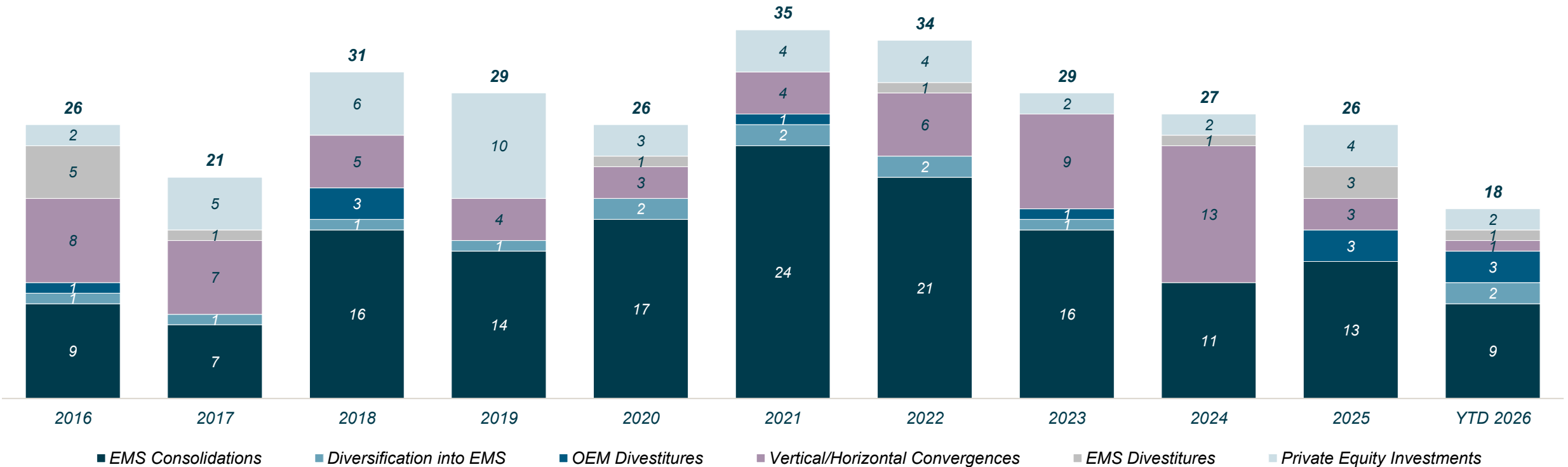
QUARTERLY COMPARISON – EMS M&A BY GEOGRAPHY



QUARTERLY COMPARISON – EMS M&A BY DEAL TYPE



M&A Market Trends – M&A Deal Volume (by transaction type)



EMS M&A activity totaled 18 transactions through Q3 2026, with deal volume rebounding in the third quarter following a slower Q2. Consolidations remained the primary driver of activity, accounting for nine transactions, or 50% of year-to-date volume. Strategic and private equity buyers continue to focus on building scale, expanding capabilities and strengthening competitive positioning.

Acquirer interest remains focused on revenue growth through exposure to attractive end markets such as aerospace & defense and AI / data-center infrastructure. The vertical / horizontal expansions exhibited in prior years have slowed as companies now focus on core capabilities to capture customer and market growth. This dynamic also extends to OEMs who have an increased focus towards core capabilities, leading to more OEM divestitures in the past two years than in years past. Consolidations are likely to remain the largest driver of transactions and a key factor in enabling companies to drive growth and success in the industry.

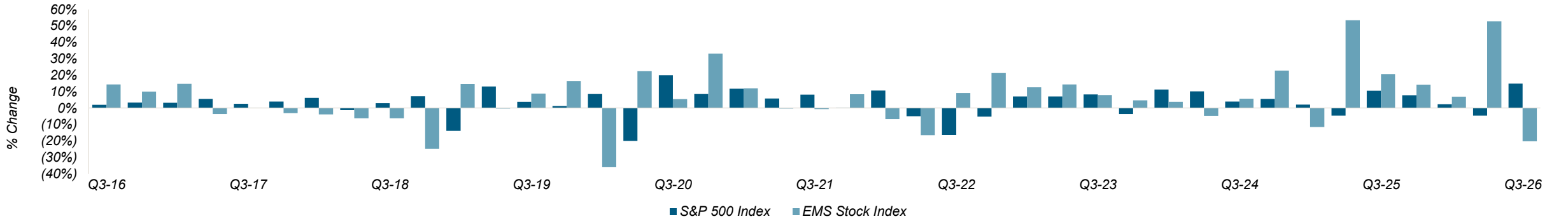
EMS Stock Index Underperforms S&P

QUARTERLY UPDATE TABLES

Winner's Circle			Tier	Worst Performers			Tier	EBITDA Margins		YoY Last 12 Months Revenue Growth	
Celestica Inc.	(0.4%)	I		Flex Ltd.	(32.1%)	I		Large	7.3%	Large	26.0%
Kimball Electronics, Inc.	6.8%	II		Fabrinet	(24.5%)	II		Mid	7.1%	Mid	6.6%
Cicor Technologies Ltd.	7.1%	III		Key Tronic Corporation	(49.6%)	III		Small	4.1%	Small	4.9%

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

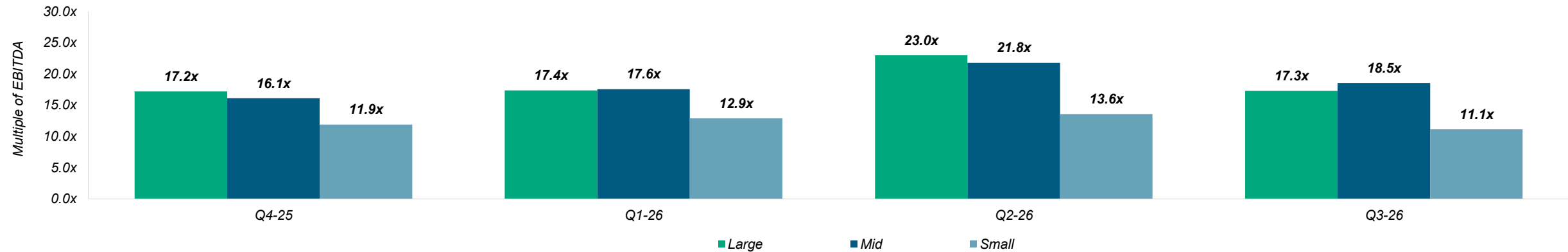


CURRENT EMS MARKET HIGHLIGHTS

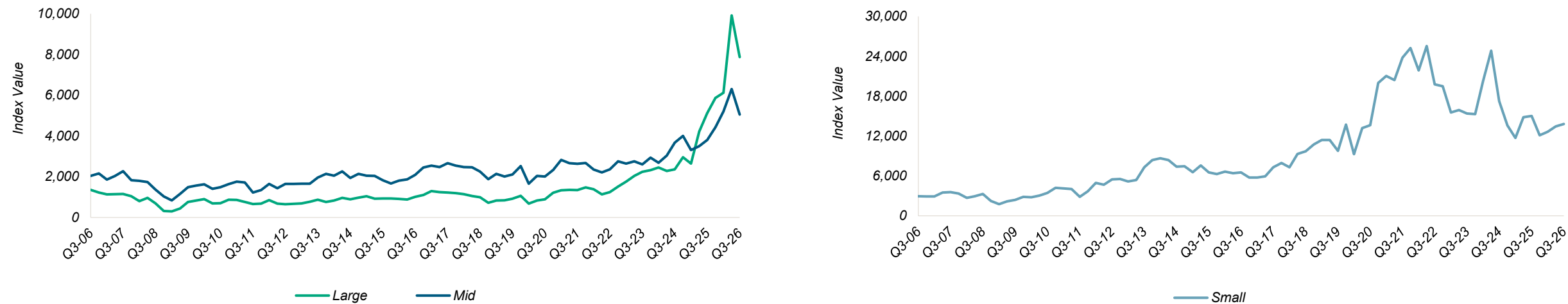
The overall Lincoln EMS Stock Index fell 20.3% quarter-over-quarter, driven by large and mid-cap declines of 20.6% and 19.9%, respectively, partially offset by a 2.9% gain in the small-cap index

EMS Market Trends – Public Companies Valuation Trend

SELECT PUBLIC COMPANIES – TRENDING AVERAGE EV / EBITDA



EMS STOCK INDEX TRENDING DATA



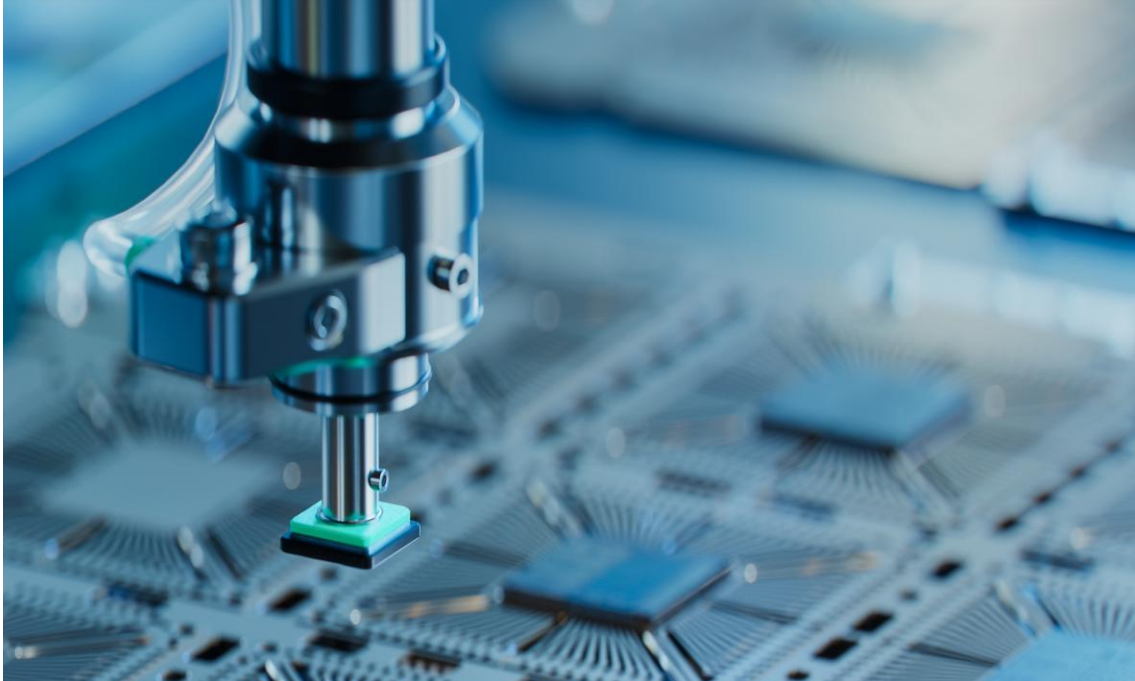
EMS Stock Index Company Data

	Stock Price (\$USD)	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.	\$362.73	\$15,595	\$9.62	71.6	1.2x	26.2x	2.7x	\$41,707	\$444
Flex Ltd.	109.99	29,267	2.59	50.7	1.4x	18.8x	1.5x	40,631	3,090
Jabil Inc.	286.86	35,954	9.75	17.6	1.0x	12.8x	0.9x	30,059	2,281
Sanmina Corp.	214.91	12,763	5.59	82.0	1.8x	13.4x	1.0x	11,519	580
Universal Scientific Industrial Co., Ltd.	3.54	8,732	0.13	51.1	1.8x	15.3x	0.8x	8,407	(1,036)
Mid Tier									
Benchmark Electronics, Inc.	\$82.91	\$2,818	\$1.46	89.7	2.0x	17.3x	1.0x	\$2,978	(\$23)
Fabrinet	424.27	4,641	13.05	75.0	2.3x	26.9x	3.1x	15,204	(871)
Kimball Electronics, Inc.	27.33	1,431	1.13	87.2	2.1x	7.4x	0.5x	655	44
Pan-International Industrial Corp.	1.49	627	0.01	97.9	2.4x	19.6x	1.0x	773	(183)
Plexus Corp.	260.95	4,597	6.77	124.0	1.5x	21.5x	1.5x	6,955	(7)
Small Tier									
Cicor Technologies Ltd.	\$162.04	\$829	\$4.06	181.1	1.6x	12.4x	1.0x	\$713	\$102
Key Tronic Corp.	2.08	387	(4.41)	130.8	2.1x	nmf	0.4x	23	140
Nortech Systems Inc.	11.21	125	0.35	132.9	1.8x	7.9x	0.4x	32	17
Scanfil Oyj	14.76	1,017	0.74	116.3	1.5x	13.0x	1.1x	971	159

Source: Bloomberg, Capital IQ and company filings as of September 30, 2026

About Lincoln International

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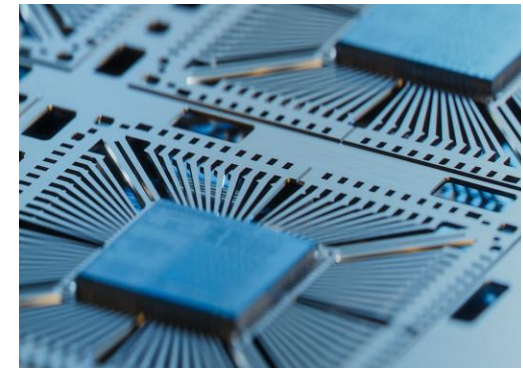
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