

dakotainsights

INDUSTRIALS TRANSACTIONS REPORT

S E P T E M B E R 2 0 2 5

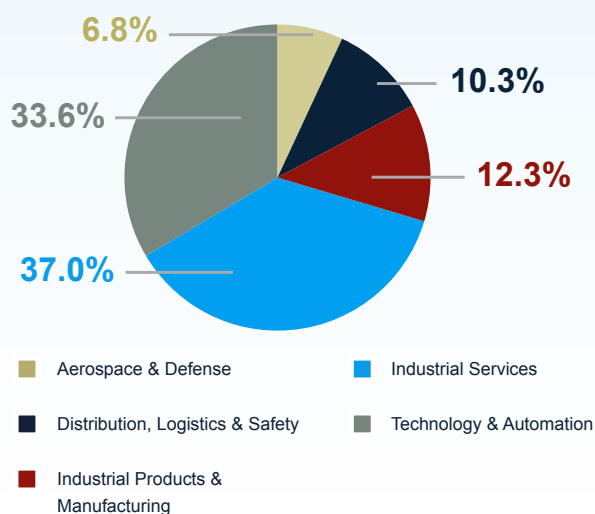


EXECUTIVE SUMMARY

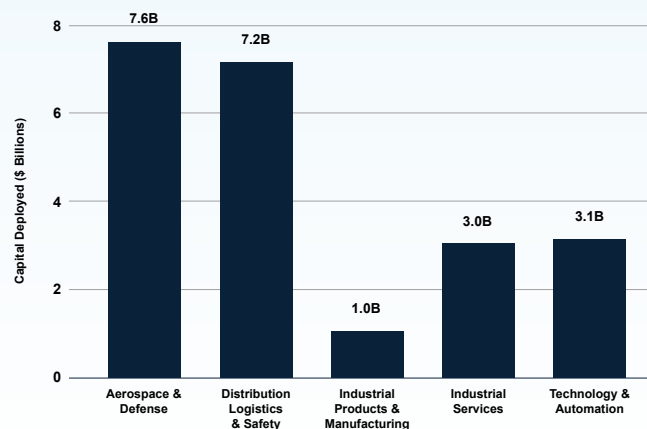
September proved to be another active month for the industrials sector, with deal flow strengthening across industrial services, logistics, and environmental services. Activity was driven by a mix of large-scale strategic consolidations and selective mid-market acquisitions, reflecting a market environment that remains highly disciplined but increasingly confident. Corporates focused on core vertical integration and operational synergies, while private equity investors continued to deploy capital into scalable platforms with exposure to clean energy, automation, and industrial technology. Financing conditions improved modestly, leading to expanded participation from both corporate acquirers and financial sponsors after several cautious quarters.

Market sentiment across the broader industrial landscape remained constructive heading into the year-end. Steady demand for automation, infrastructure-linked assets, and sustainability-focused products continued to shape deal rationales, offsetting macroeconomic and geopolitical concerns. While valuations have normalized from recent highs, assets with strong recurring revenue, advanced manufacturing capabilities, or exposure to long-cycle end markets still commanded competitive interest. Overall, September highlighted a more continued focus toward quality assets and disciplined capital allocation, suggesting that participants remain focused on building resilience and growth as industrial M&A enters the next phase of its recovery.

PERCENTAGE OF TOTAL INDUSTRIALS TRANSACTIONS BY VERTICAL (DEAL COUNT)



CAPITAL DEPLOYED BY VERTICAL



KEY VERTICALS

Aerospace & Defense

Transaction Value: \$7.6bn

September saw significant activity within the aerospace and defense vertical, driven by diversification, modernization of fleet systems, and renewed global defense investment. Air Lease Corporation's \$7.4 billion take-private, backed by Apollo Global and Brookfield Asset Management, emerged as a headline deal this month, demonstrating institutional appetite for high-value assets tied to global air mobility and long-term fleet leasing. Concurrently, Firehawk Aerospace's \$60 million Series C financing illustrated the surge of venture capital inflows into next-generation propulsion and energetics capabilities critical to the defense supply chain. These deals reflect how capital continues to rotate toward dual-use technologies bridging commercial aerospace resilience and national defense requirements.

Supporting this upward momentum, the defense electronics segment saw strong mid-tier activity as firms pursued vertical integration across sensing, ISR, and quantum instrumentation. Such as Safran's acquisition of Attollo Engineering for its infrared imaging systems. Additionally, the \$75 million Series C financing for Shift5 reinforced the growing convergence of cybersecurity, fleet management, and predictive analytics across aviation, rail, and defense logistics. Together, these movements redefine aerospace and defense, shifting from platform manufacturing toward AI-driven, data-centric, connected mission intelligence.

Distribution, Logistics & Safety

Transaction Value: \$7.1bn

Deal activity in this vertical highlighted a resurgence in supply chain consolidation and automation-led efficiency gains, particularly within construction, material distribution, and transport infrastructure. In one of the largest deals of the month, Home Depot has officially closed its \$5.5 billion acquisition of GMS, strengthening its position across the building materials value chain. The acquisition enhances Home Depot's contractor-focused offerings, expands its trade distribution capabilities, and positions the company to capture a greater share of wallet within the professional construction market. Similarly, The ODP Corporation's \$1 billion take-private by Atlas Holdings reflects growing investor conviction in B2B distribution platforms pursuing tech-enabled, integrated operating models.

Investment activity across logistics and mobility technology accelerated in September, highlighting growing capital commitment toward automation, electrification, and AI-enabled supply chain platforms. Fernride's \$21 million Series A raised capital for autonomous, electric trucking solutions designed to automate yard operations in industrial terminals, a strong signal of rising investor conviction in sustainable mobility. Meanwhile, Drone Express secured \$15 million in seed funding to scale autonomous freight delivery systems, bringing automation deeper into real-time delivery management. Together, these deals illustrated a deepening intersection between industrial logistics and AI-based fleet technologies, reinforcing commitments to automation, emissions reduction, and data-driven routing efficiencies within industrial ecosystems.



Technology & Automation

Transaction Value: \$3.1bn

Technology and automation deals surged in September coming from last months \$474 million as industrial convergence with AI, robotics, and digital infrastructure intensified. The \$1.1 billion Series B financing of NScale Global Holdings, backed by Aker ASA, Fidelity, and NVIDIA, exemplified investor focus on scalable AI infrastructure capable of transforming industrial process management and computational automation. Similarly, Dyna Robotics' \$120 million Series A round, co-led by Salesforce Ventures and Samsung Next, underlined major industrial participation in robotics-as-a-service and next-gen manufacturing automation. These deals reinforced the thematic link between industrial output growth and the digitization of engineering through cloud-native, AI-driven platforms.

Early-stage venture activity remained strong, highlighted by HappyRobot's \$44 million Series B and Atomic Industries' \$25 million Series A, reflecting sustained investor interest in intelligent process automation and next-generation industrial AI solutions. Emerging companies such as CuspAI and GreenLite expanded the frontier for AI-driven experiment design, construction compliance software, signaling deeper integration of AI in industrial planning, monitoring, and optimization. Global investors increasingly positioned automation platforms as core infrastructure for efficiency, safety, and predictive maintenance, cementing this vertical as the connective bridge between traditional industrial operations and digital transformation strategy.

Industrial Services

Transaction Value: \$3bn

Industrial services deal activity in September reflected strong momentum across environmental solutions, infrastructure support, and outsourced engineering services. CRH's \$2.1 billion acquisition of Eco Material Technologies closed this month capturing market attention, expanding its portfolio in sustainable cementitious materials and establishing leadership around ESG-driven construction additives. In the same space, WestBridge LLP's approximately \$450 million sale of APEM Group underscored surging demand for environmental impact assessments and ecological analytics across marine and energy infrastructure. These deals emphasize a broader shift toward service integration, linking consulting with materials design and industrial process oversight.

Beyond environmental services, maritime and facilities technology also attracted capital. Neptune Robotics' \$52 million Series B raised funds to expand autonomous hull cleaning platforms, supporting carbon reduction in shipping through more efficient maintenance. Similarly, facility management-focused CoolSys received \$39.5 million in direct lending, reflecting healthy capital channeling into energy and HVAC optimization services. Together, the industrial services market reflected steady value realization through efficiency, and technological integration, aligning private equity with corporate consolidators around industrial decarbonization and lifecycle management.

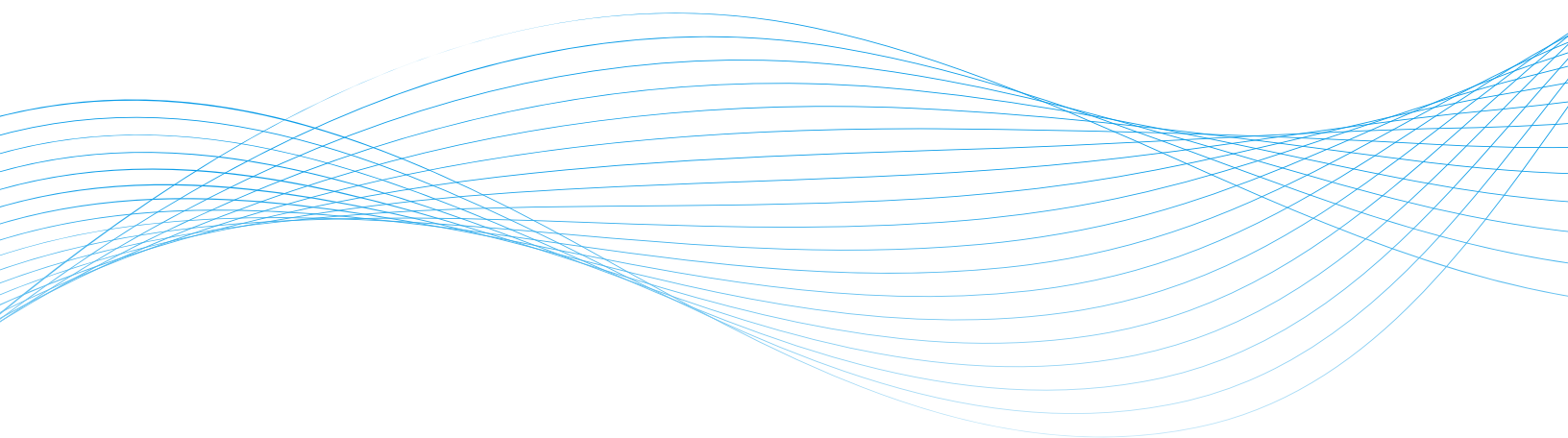


Industrial Products & Manufacturing

Transaction Value: \$1bn

September industrial M&A remained active, driven by portfolio reshaping and targeted acquisitions aimed at expanding production capacity and digital capabilities. Activity was led by strategic portfolio realignment and targeted mid-market acquisitions focused on core production assets and emerging technologies. Notable transactions such as Kelvion's \$879 million refinancing and Nextracker's acquisition of Origami Solar reinforced investors' preference for companies tied to renewable energy supply chains and efficiency-enhancing solutions. Meanwhile, activity in materials, HVAC, and engineered components demonstrated stable buyer confidence, supported by the gradual recovery in industrial output.

The competitive backdrop remains favorable for industrial manufacturing, with private equity firms targeting scalable, high-margin platforms and corporates emphasizing manufacturing automation and predictive analytics capability. Investors are showing heightened interest in businesses that integrate, advanced materials, and AI-driven process innovation into production environments. Heading into the fourth quarter, deal flow is expected to remain steady as reshoring trends, infrastructure commitments, and policy support continue to underpin cross-border and domestic investment across the manufacturing value chain.



TRANSACTION NEWS

This table presents five of the largest transactions in the industrials sector for September, chosen for their significant scale and strategic impact. These deals show key investment trends shaping the sector.

TOP 5 INDUSTRIALS TRANSACTIONS - SEPTEMBER 2025

Rank	Name	Description	Type	Sub-Type	Vertical	Value	Buyer
1	Air Lease Corporation	Global aircraft leasing company providing commercial planes to airlines worldwide	Buyout	Take-Private	Aerospace & Defense	\$7.4bn	Sumitomo, SMBC Aviation Capital, Apollo, Brookfield
2	GMS	Distributor of wallboard and specialty building materials for construction industry	M&A	Strategic Acquisition	Distribution, Logistics & Safety	\$5.5bn	The Home Depot, SRS Distribution
3	Eco Material Technologies	Provides SCMs, coal facility services, and material handling solutions globally	M&A	Strategic Acquisition	Industrial Services	\$2.1bn	CRH
4	NScale Global Holdings	Develops advanced AI infrastructure, systems, and solutions for cloud computing	Venture	Series B	Technology & Automation	\$1.1bn	Aker ASA, Sandton Capital Partners, Blue Owl, Dell
5	The ODP Corporation	Provider of business products, supplies, and digital workplace technology solutions	Buyout	Take-Private	Distribution, Logistics & Safety	\$1bn	Atlas Holdings



KEY TRENDS & INSIGHTS

- **Private equity was a dominant force behind industrials M&A growth in September:** contributing nearly 60% of total U.S. deal value as firms deployed record dry powder into large-scale acquisitions and infrastructure-linked platforms.
- **Strategic consolidation replaced earlier “scope” expansion strategies:** with industrial buyers prioritizing scale, operational efficiency, and vertical integration to bolster margins amid global supply chain uncertainty.
- **Sustainability and automation reshaped investment priorities across verticals:** environmental services, robotics, and AI infrastructure accounted for a growing share of mid-market transactions.
- **Geographic focus shifted toward North America:** where government infrastructure spending and domestic supply chain incentives provided a structural tailwind for construction, logistics, and environmental services M&A.

LOOKING FORWARD

Looking toward 2026, the industrial sector is expected to experience a meaningful rebound in M&A activity. Stabilized financing conditions, and significant private equity dry powder will drive dealmaking, especially in the mid-market segment (\$50 million to \$500 million) which offers quicker integration and fewer regulatory hurdles. Strategic buyers will continue prioritizing acquisitions that deepen supply chain resilience, promote technology adoption, particularly in AI, automation, and enhance core industrial capabilities. This period will likely see selective mega-deals, emphasizing value creation.

Increasingly, deals will also be shaped by geopolitical and regulatory factors, with heavier scrutiny on cross-border transactions. The blend of industrial and technology sectors will deepen, with many companies integrating AI, cloud infrastructure, and robotics to transform operations. Infrastructure modernization and defense spending are expected to drive continued growth in aerospace, defense, and industrial services. Consequently, firms that leverage M&A strategically to embrace digital transformation and trends will position themselves to unlock long-term value and competitive differentiation in a dynamic market environment.



About **dakota**

Dakota is a financial, software, data and media company based in Philadelphia, PA. Dakota's flagship product, Dakota Marketplace, is a database of LPs, GPs, Private Companies and Public Companies used by thousands of fundraising, deal, and investment teams worldwide to raise capital, source deals, track peers, and access comprehensive data—all in one global platform. For more information, [book a demo](#) of Dakota Marketplace!

