

J&A Sell-Side M&A Report

# Mechanical Fasteners Transactions and Valuations

October 2024

## AUTHORS

---



### GENESIS RAMOS

Genesis Ramos is an associate at J&A. She supports the account management team and leads discovery sessions with potential clients about their objectives, transaction goals, and preliminary project analysis. She is Honduran by birth and has a legal background. She is based in the New York City office.



### JOSHUA JAHANI

Joshua Jahani is a managing director at Jahani and Associates. He is based in the New York City office. He leads the firm's global expansion and client service activities. He has been featured in over 20 publications such as the BBC, Newsweek, International Business Times, NBC, and more about investment banking and global trade. Joshua is a lecturer at Cornell University and New York University.

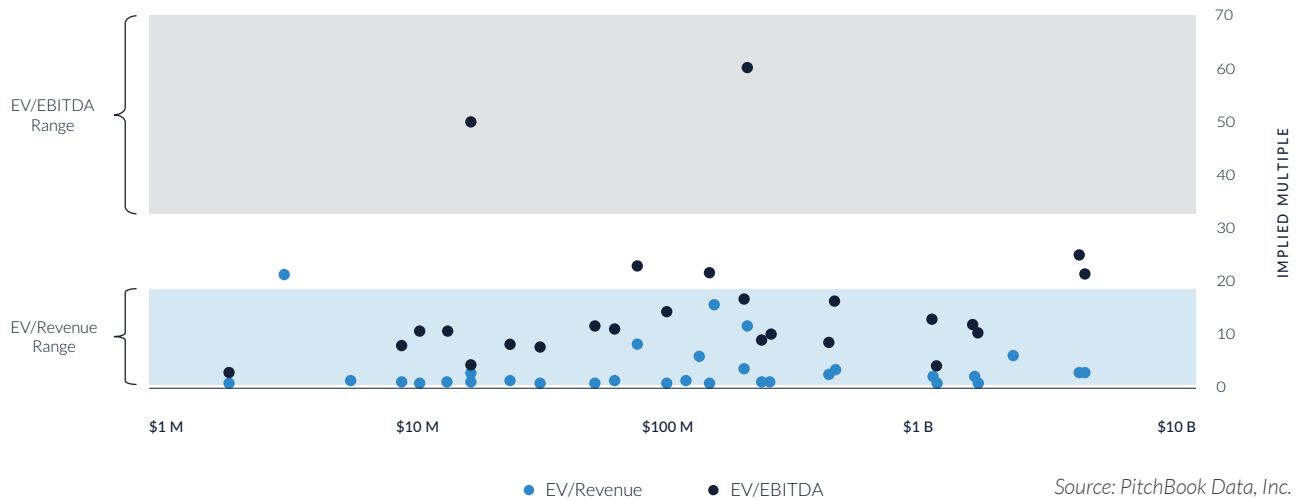


Between Q1 2020 and Q3 2024, approximately \$50 billion was invested into the mechanical fasteners sector through M&A transactions globally.

The mechanical fasteners sector plays a critical role in various industries, supporting the structural integrity and functionality of numerous industrial applications. This sector includes essential components such as bolts, nuts, and screws, along with washers, bushings, and seals, all of which are engineered to exacting standards to ensure durability and reliability, particularly in demanding environments. These components are fundamental in industries like automotive, aerospace, and construction, where precision and strength are paramount.

As global supply chains continue to evolve, especially with trends toward reshoring and regionalization, opportunities are expanding for companies specializing in precision engineering and high-performance mechanical solutions. The growing focus on automation, stricter safety regulations, and the need for energy-efficient designs is driving demand for high-quality mechanical fasteners. Emerging markets are increasingly placing emphasis on components that meet these evolving standards, ensuring that products like bolts, nuts, screws, and advanced mechanical systems play an ever-more critical role in achieving higher levels of durability, precision, and efficiency.

## Mechanical Fasteners Valuation Multiple Analysis (Q1 2020 – Q3 2024)



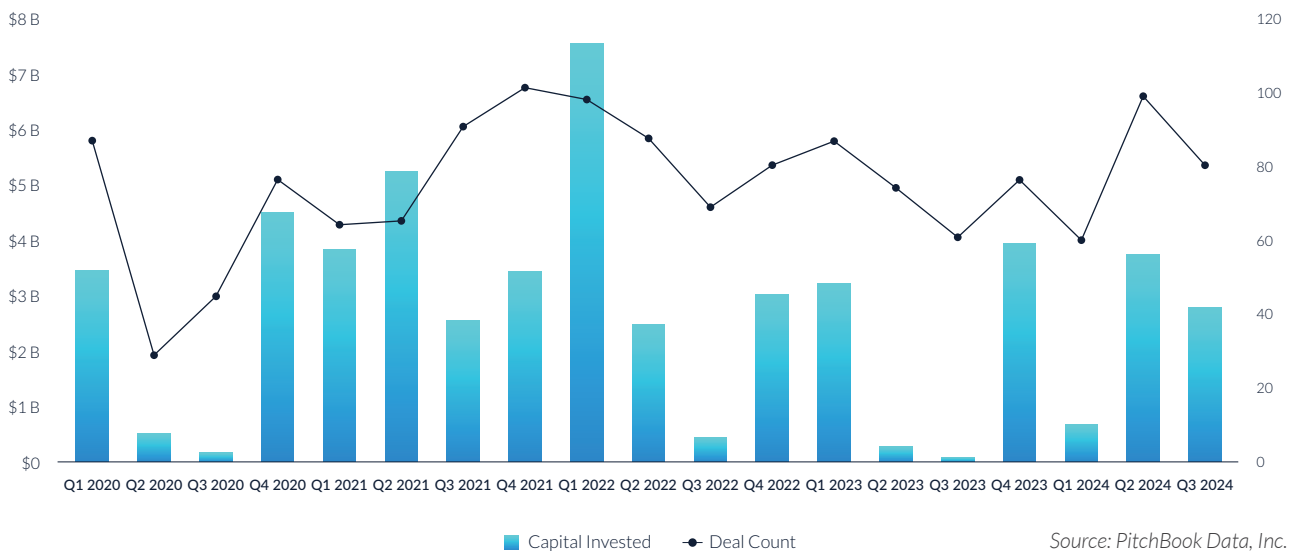
EV / REVENUE			
MEAN 3.7 X	MEDIAN 2 X	MINIMUM 1 X	MAXIMUM 20 X
EV / EBITDA			
MEAN 15.4 X	MEDIAN 10.6 X	MINIMUM 4 X	MAXIMUM 59.6 X

- The valuation multiples are based on a sample set of mechanical fasteners companies, with data collected between Q1 2020 and Q3 2024. This analysis reflects a broad range of company sizes and financial performances in the sector.
- The sample set typically trades at an enterprise value to revenue (EV/Revenue) multiple ranging from 1x to 20x, with an average of 3.7x and a median of 2.0x. These multiples suggest that many companies in

the sector are valued at around two times their revenue, with larger firms commanding significantly higher multiples.

- Enterprise value to EBITDA (EV/EBITDA) multiples varied greatly, typically ranging from 4.5x to 60x, with an average of 17.9x and a median of 11.0x. Higher multiples were generally observed for companies with strong market positions or greater profitability, especially those valued above \$100 million in enterprise value.

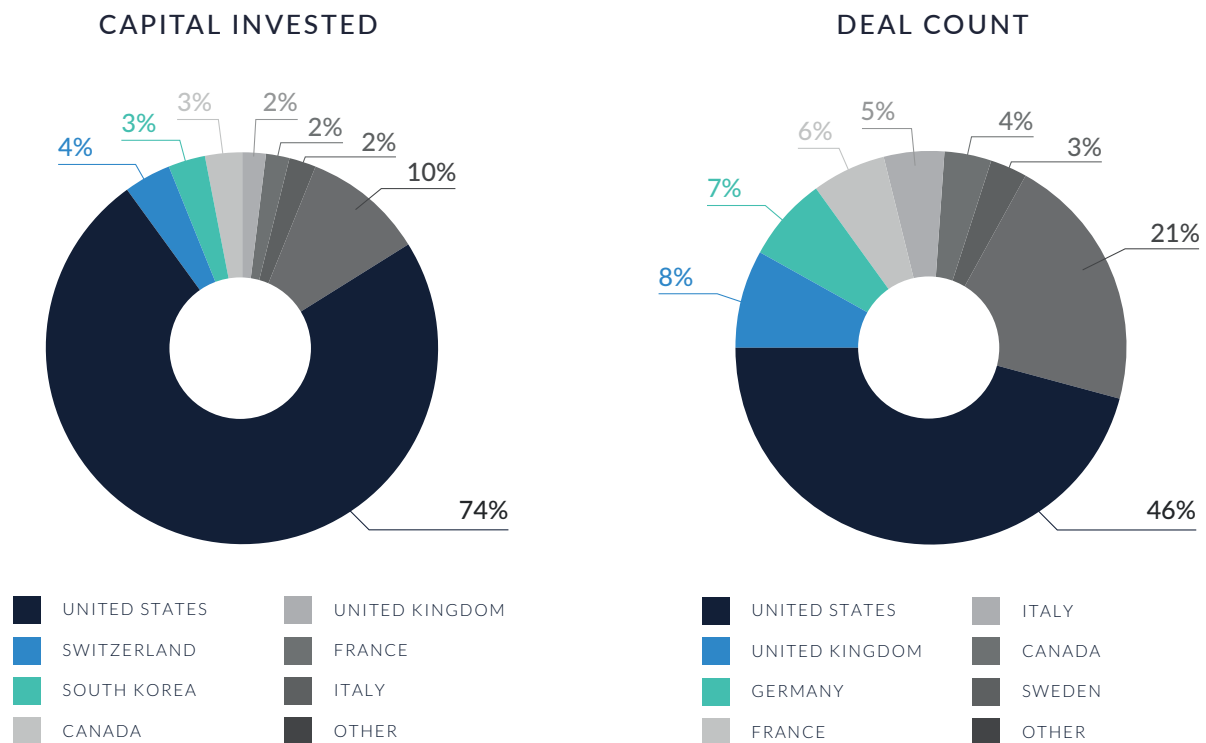
## Capital Invested and Deal Count of Mechanical Fasteners M&A Transactions (Q1 2020 – Q3 2024)



- Between Q1 2020 and Q3 2024, a total of over \$50 billion was deployed across 1,386 M&A transactions in the mechanical fasteners sector. The average deal size of approximately \$36 million indicates an appetite for transactions in the lower and middle market.
- Q1 2022 stands out as the period with the highest capital deployment, with \$7.32 billion invested, despite having a relatively lower deal count than the peak in deal volume. On the other hand, Q4 2021 recorded the highest deal count, with 96 transactions, showcasing a heightened interest in acquisitions during that time frame.
- The average deal count fluctuated throughout the period, but it consistently remained above 40 deals per quarter, with certain quarters experiencing sharp drops, such as Q2 2020, which had only 28 deals. This could be attributed to macroeconomic factors affecting global markets, including the onset of the pandemic.
- Despite some quarterly variability, the data demonstrates that investor interest in mechanical fasteners M&A transactions has remained steady. Q2 2023, for example, saw a resurgence in both capital invested (\$3.81 billion) and deal count (74), reflecting ongoing confidence in the sector's growth potential.



## Breakdown of Announced Mechanical Fasteners M&A Transactions by Country Invested In (Q1 2020 – Q3 2024)



Source: PitchBook Data, Inc.

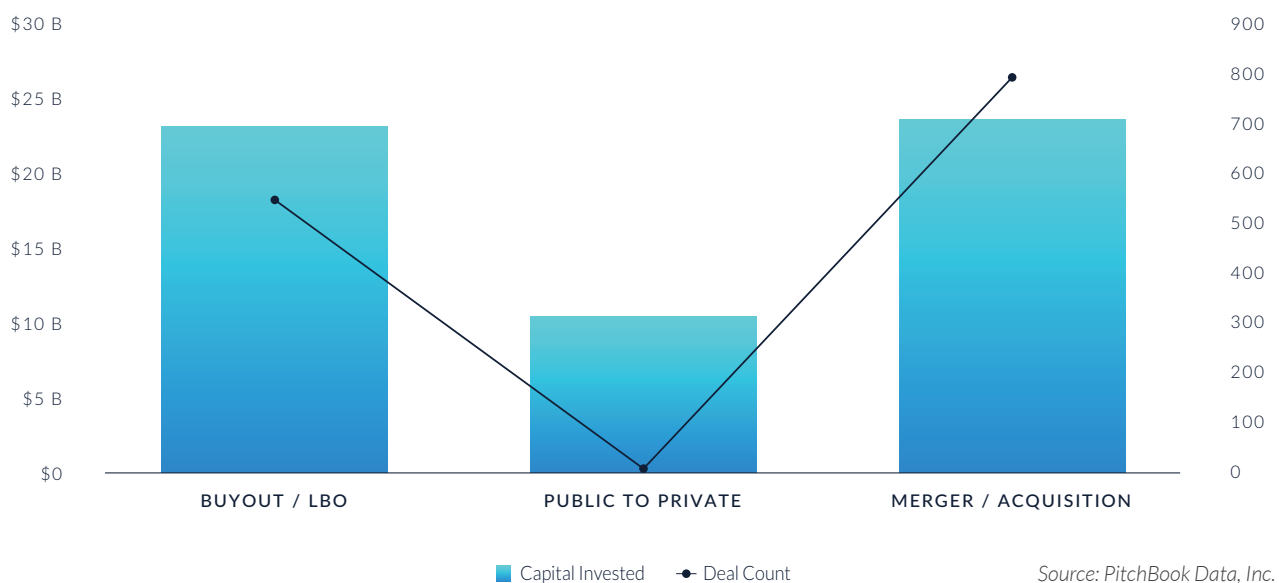
- Between Q1 2020 and Q3 2024, M&A transactions in the mechanical fasteners sector were heavily concentrated in the United States, accounting for 74% of the total capital invested, which equated to approximately \$37.06 billion. This strong dominance reflects the significant role the US plays in the global mechanical fasteners market, driven by both the size of its industrial sector and a high level of consolidation.
- Switzerland followed at a distant second, attracting \$2.16 billion in capital, or 4% of the total. South Korea and Canada each accounted for around 3% of capital invested,

investing \$1.56 billion and \$1.24 billion, respectively. Other European countries, such as the United Kingdom, France, and Italy, captured smaller portions of the capital, each investing between 2% and 3% of the total.

- In terms of deal count, the US again led, representing 46% of all transactions. The United Kingdom was the second-most active country by deal count, contributing 8%. Germany and France followed closely, with 7% and 6% of the deal count, respectively. Italy and Canada made up 5% and 4% of the deal count, while Sweden accounted for 3%.

- The remaining 21% of transactions were scattered across various other countries, reflecting a diverse but less concentrated global interest in mechanical fasteners M&A deals.
- This data highlights that while the mechanical fasteners market sees global activity, the majority of capital and deals are concentrated in a few key regions, particularly in North America and Europe.

## Breakdown of Announced Mechanical Fasteners M&A Transactions by Deal Type (Q1 2020 – Q3 2024)



- Buyout and leveraged buyout (LBO) deals were prominent, with 557 transactions totaling \$23 billion in capital invested. This illustrates strong private equity interest in acquiring and restructuring companies in this sector.
- Mergers and acquisition deals accounted for the highest deal count, with 805 transactions and \$24 billion in capital. The average deal size was \$30 million, reflecting consolidation trends in the industry.
- Public to private transactions, though fewer in number (9 deals), saw the largest average deal size of \$1 billion, indicating the high value of acquisitions involving publicly listed companies.

## DEAL SPOTLIGHT: GROUPE ETANCO



### THE COMPANY

Groupe Etanco, based in France, is a leading manufacturer of fastening solutions and technical products for the construction sector. The company provides a wide range of fasteners, sealants, and safety equipment, servicing industries involved in building envelope and façade systems. Known for its engineering expertise and innovative solutions, Groupe Etanco is critical in enhancing construction efficiency and safety, serving a large network of clients across Europe.

On April 1, 2022, Groupe Etanco was acquired by Simpson Manufacturing for \$803.10 million. At the time of the acquisition, Groupe Etanco had revenue of \$308.30 million and EBITDA of \$96.3 million. The deal was executed at a valuation/revenue multiple of 2.60x and a valuation/EBITDA multiple of 8.34x.

The acquisition strengthened Simpson Manufacturing's position in Europe, providing greater access to the construction fasteners market and expanding its portfolio of high-performance fastening systems.

#### TRANSACTION TYPE

---

MERGER

#### DEAL DATE

---

APRIL 1, 2022

#### ACQUIRER

---

SIMPSON  
MANUFACTURING

#### TRANSACTION SIZE

---

\$803 MILLION

## SOURCES

INDUSTRIAL FASTENERS MARKET SIZE & TRENDS 2023 -  
GRAND VIEW RESEARCH



FASTENERS IN THE AUTOMOTIVE INDUSTRY:  
INNOVATIONS AND TRENDS - PROVEN PRODUCTIVITY



GLOBAL MECHANICAL FASTENER MARKET BY TYPE -  
VERIFIED MARKET REPORTS



THE EVOLUTION OF FASTENING TECHNOLOGY IN THE  
CONSTRUCTION INDUSTRY - CALIFORNIA FASTENER



INDUSTRIAL FASTENER MARKET STUDY BY METAL  
AND POLYMER FROM 2024 TO 2034 - FACR.MR



SIMPSON MANUFACTURING CO., INC. COMPLETES  
ACQUISITION OF ETANCO GROUP - PR NEWSWIRE



PITCHBOOK DATA

