

# Precision Manufacturing M&A enters a steadier cycle, driven by capability and proximity plays

RESEARCH NOTE | PRECISION MANUFACTURING SERIES | JANUARY 2026

“As deal activity has settled into a more predictable pace, precision manufacturing M&A is moving away from pure scale and toward capability and proximity.

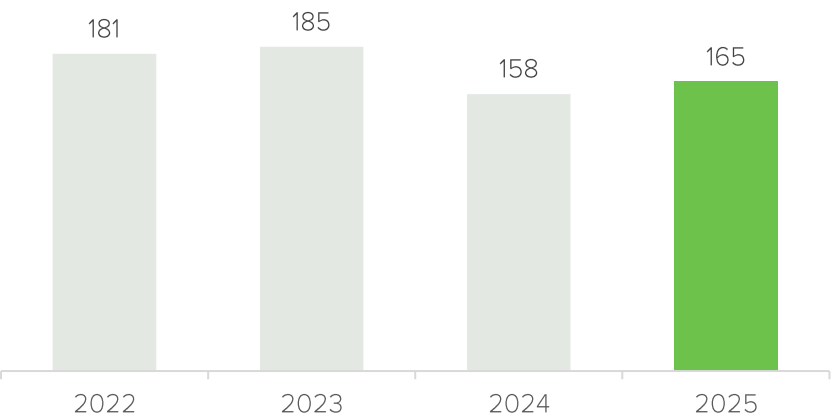
Buyers are focusing on businesses with certified processes, strong automation, and sticky customer relationships, particularly where these capabilities support critical end markets.

Interest remains strongest in segments such as MedTech and Aerospace and Defense, which continue to attract higher multiples. Activity through the year ran slightly ahead of 2024 levels, led by the Americas and APAC, reflecting steady buy-side engagement across regions.”

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Precision Manufacturing deal flow 2021-2025



Source: Capital IQ, Oaklins analysis

# Sector overview

## Domestic realignment and vertical integration are quietly reshaping global precision supply chains.

As tariffs, logistics friction, and shifting trade policy continue to test resilience, OEMs are moving production closer to demand. The shift from imported subcomponents to local manufacturing is accelerating consolidation, with strategics pulling critical steps in-house across metals and engineered plastics. The strongest bids target platforms that combine certified materials, machining, and finishing under one roof, using automation to compress lead times and maintain traceable quality.

Across industries, the message from operators is consistent: supply chains remain the weak link. Management teams are investing in digital traceability, tighter supplier collaboration, and targeted automation to secure throughput and margins. In Europe, sourcing is pulling inward, with new capacity added within the EU and a sharper focus on self-sufficiency. With backlogs expected to convert in the second half of 2025 and a wider M&A window opening into early 2026, the opportunity lies with platforms that control process, materials, and data closest to the customer.

## Key trends



### Reshoring precision parts for defense

European aerospace & defense manufacturers are accelerating reshoring of components, driven by soaring budgets and export controls



### Localization and vertical integration

Precision supply chains are localizing and integrating as tariffs and volatility shift demand to proximate, vertically integrated platforms



### Securing critical manufacturing systems

OT cybersecurity is now core to reliability, with risk-based controls embedded directly into machines and data networks to protect uptime



## Switzerland's small-parts industry is repositioning for the next cycle

Switzerland's precision-parts industry is navigating a period of structural recalibration. With industrial production up 7.3% in Q1 2025, turnover rose—but export-oriented manufacturers remain sensitive to currency, tariff and competitive pressures. The Swiss franc's strength and U.S. tariffs on industrial goods (as high as 39% for certain Swiss exports) have shifted value chains and prompted 31% of Swiss engineering firms to consider relocating parts of their operations abroad.

At the same time, a widening skills shortage is placing new strain on precision manufacturers. Despite the strength of vocational training, Swiss industry reports persistent gaps in skilled machine-operators and precision-engineering roles. Demographic headwinds and digital transformation compound this, foreshadowing a structural deficit of tens of thousands of specialists by the next decade.

Amid these headwinds, companies producing high-precision components are adapting strategically. They leverage Switzerland's high-value ecosystem of microtechnology, photonics and advanced materials to shift away from volume-centred production (such as traditional watch-making) toward premium industrial and medical-tech niche parts. The twin pressures of global trade shifts and talent scarcity reward those who can combine process excellence with agility and export reach.

## Relevant Swiss Precision Manufacturing players

### Key Swiss players



### Key Swiss platforms

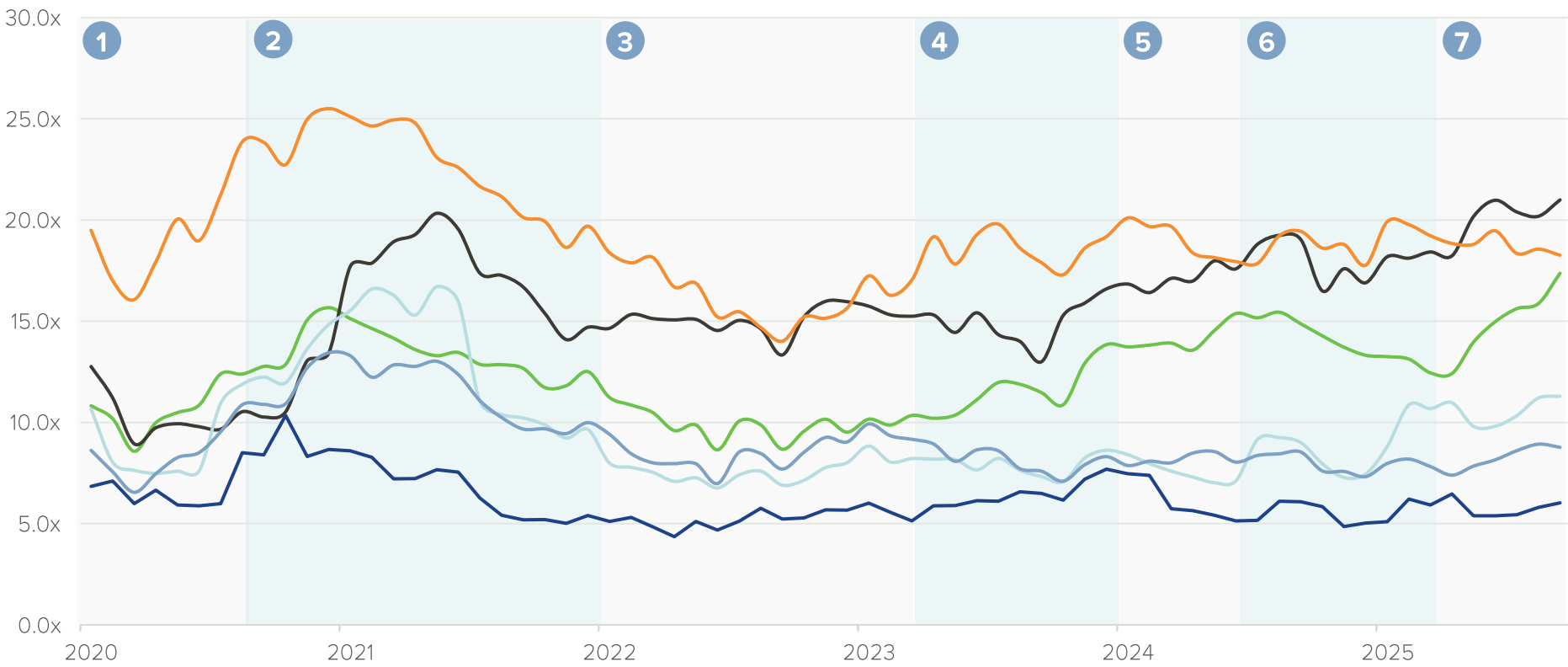






# Public markets

Precision Manufacturing EV/LTM EBITDA trends by end market



MedTech	<div>AbbottAlconstrykerMedtronicSIEMENS Healthineers</div>	Aerospace & Defense	<div>HoneywellRTXRBCRHEINMETALLHOWMET AEROSPACE</div>
Industrials	<div>SKFNTNNORMA GROUPTIMKENDATWYLER</div>	Electronics	<div>TDKAmphenolmuRataTEYAGEO</div>
Watches	<div>CITIZENSEIKOKDDL LimitedKYOCERASWATCH GROUP</div>	Automotive	<div>autoneumCIRNHKadvaltechFEINTOOL</div>

## Key takeaways

Across the period, the demand signal has shifted from cyclical swings to a structural pull, primarily driven by compute and defense, with content per unit now the dominant growth driver.

Defense procurement and AI data centers are leading, while MedTech is stabilizing through robotics. Investable suppliers have defensible niches, and capacity optionality, with small and mid-cap players typically trading at a 25% size discount.

1 After the pandemic crash, liquidity injections, stimulus, and rapid recovery in electronics and medical demand then triggered an early rebound.

2 Economic reopening, record order books, and normalized operations lifted sentiment across all sectors. MedTech, Automotive, and Watches peaked near cycle highs.

3 Geopolitical conflicts, rapid rate hikes, Europe energy spike, China lockdown aftershocks and logistics inflation hit margins.

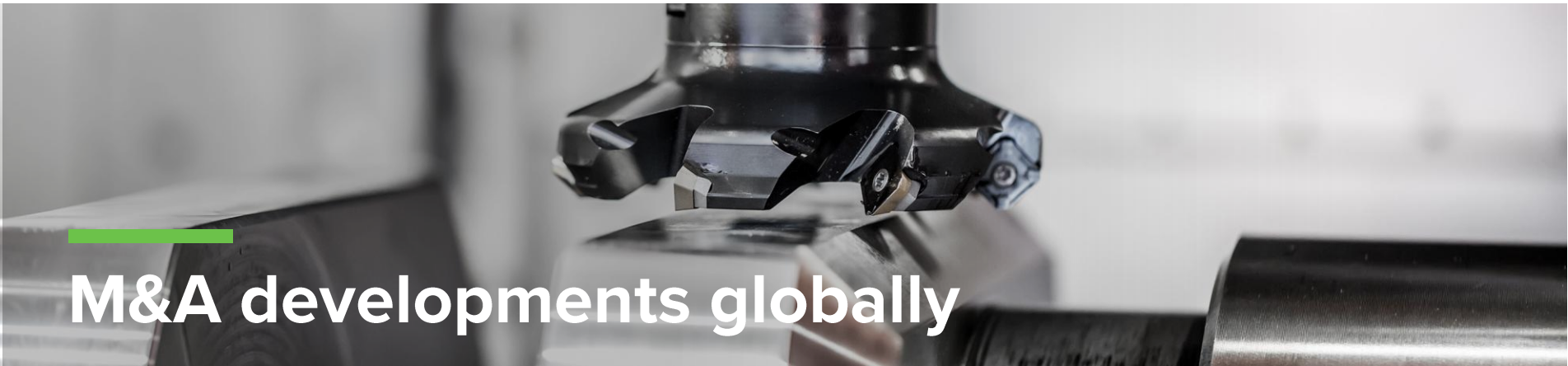
4 By mid-2023, destocking eased and chip availability improved, driving a broad recovery as investors priced in normalized throughput, especially in MedTech end-markets.

5 Late 2023 saw a decisive uplift as industrial capex and reshoring projects accelerated. Precision suppliers with automation and advanced materials exposure rerated.

6 Aerospace & Defense reached its sharpest re-rating as Airbus and Boeing ramped build rates and Western governments boosted defense procurement.

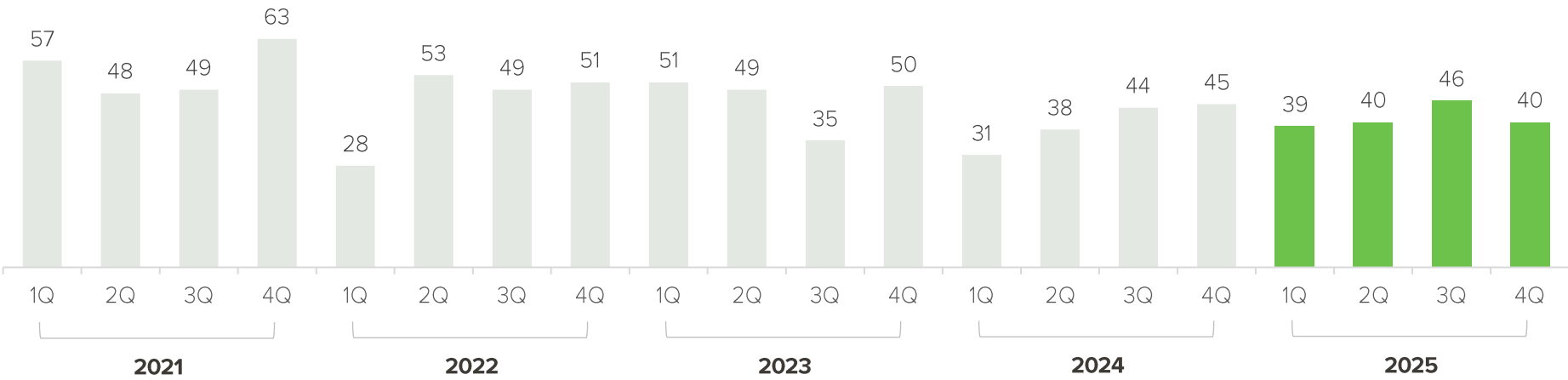
7 Defense rode sustained capex and backlog growth to record multiples. Electronics increased driven by demand for precision components, as investments in AI and broader technology industry continue.

Source: Broker research, Capital IQ, Oaklins analysis

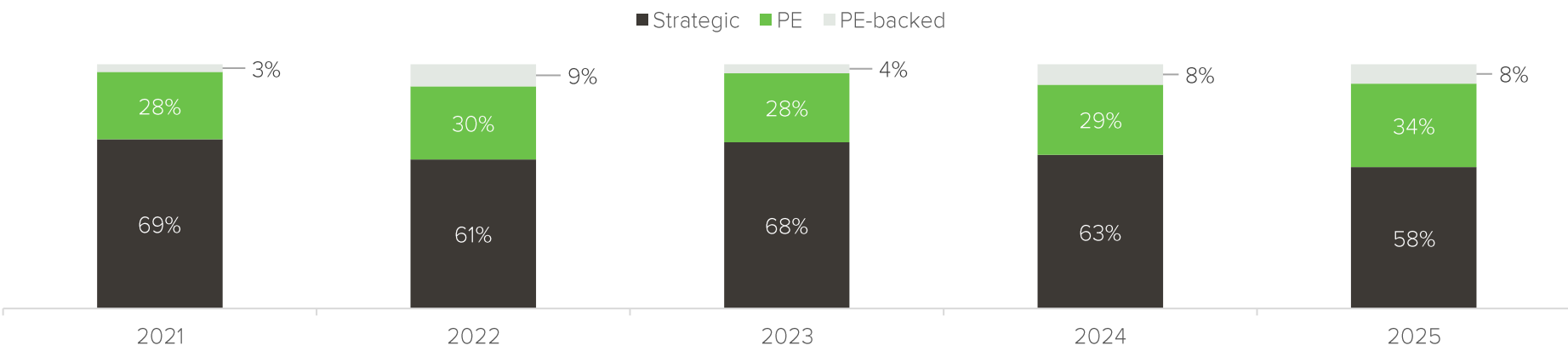


# M&A developments globally

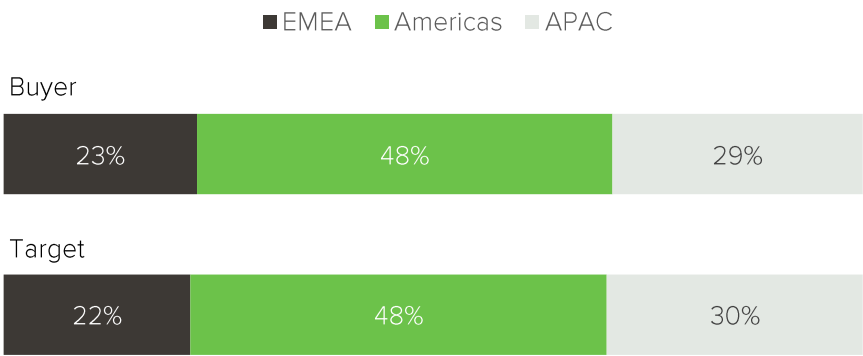
**Precision Manufacturing deal flow:** Moderating from highs, but structural momentum intact



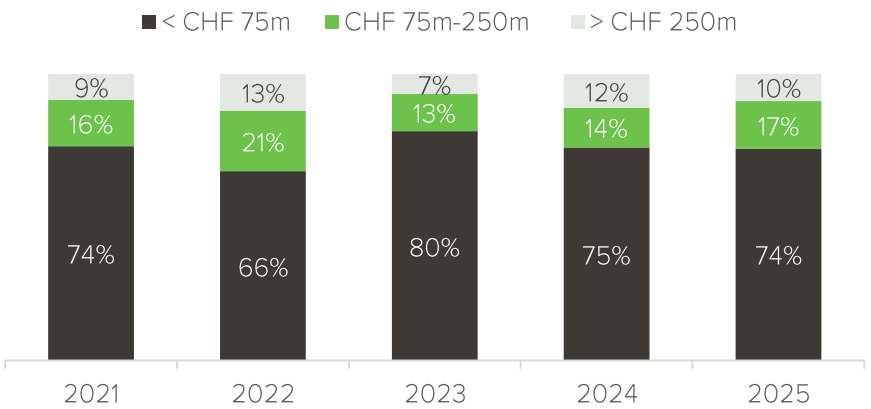
**Precision Manufacturing investor type:** Strategic buyers remain in front, with rising PE participation



**Global mix is balanced, with strong participation from both Americas and APAC**



**Smaller deals still dominate, large tickets are edging up, and the mid market holds steady**























## Key takeaways










- Precision manufacturing M&A in 2025 totaled 165 transactions, exceeding 2024 levels of 158 deals and remaining stable quarter on quarter, reflecting a normalized run rate over the year.
- Strategics continued to lead but eased to 58% in 2025, from 63% in 2024, while PE edged up to 34%; notably, PE-backed buyers have maintained their share of 8%, signaling continued buy and build momentum.
- Sub CHF 75 million transactions remained the core of activity at 74% in 2025, the CHF 75 to 250 million band held in the mid teens, and deals above CHF 250 million have regained share to 10%, up from the 2023 trough and in line with 2024.
- Buyer activity in 2025 was led by the Americas at 48%, followed by APAC at 29% and EMEA at 23%, with target activity showing a very similar regional split.
- We expect steady throughput into 2026 as processes progress and financing visibility improves; sponsors will keep consolidating through add-ons, while strategics prioritize capability rich assets with certified processes, automation depth, and proximity to end markets.


# M&A activity

## Select recent DACH Precision Manufacturing M&A transactions

Date	Type	Target	Deal description & Investor rationale	Acquirer/Investor
Nov 2025	PE	 	<b>Callista Asset Management 32</b> , an entrepreneurial investor focused on industrial carve-outs, has acquired <b>Ypsotec AG</b> from <b>Ypsomed Holding AG</b> , a Swiss precision parts manufacturer.	 
Nov 2025	PE	 	<b>Borromin Capital Fund V</b> has acquired a majority stake in <b>Herbrig &amp; Co. GmbH</b> , a German manufacturer of high-precision turned components serving technology-driven end markets, with founder and CEO Christoph Herbrig remaining in charge of the business.	 
Nov 2025	PE	 	<b>Sienna Private Equity</b> has acquired a majority stake in <b>TEC Group</b> , a Swiss supplier specializing in precision components and tooling for the luxury watch industry, with founder Arnaud Faivre continuing at the helm.	 
Sep 2025	Strategic	 	<b>Schivo's</b> acquisition of <b>Mecaplast</b> brings a Swiss-based, certified manufacturer into its platform, adding deep expertise in plastics, metals and ceramics injection-moulding, micro-moulding, over-moulding and assembly for MedTech and life-sciences sectors.	 
Jul 2025	PE	 	<b>Gen2 Capital Partners'</b> acquisition of <b>SCHAEFER Precision Manufacturing</b> brings into its portfolio a German-based specialist in high-precision CNC manufacturing and assembly for the semiconductor and optical industries.	 

## Select recent global Precision Manufacturing M&A transactions

Date	Type	Target	Deal description & Investor rationale	Acquirer/Investor
 Aug 2025	Strategic	 	<b>BTX Precision's</b> acquisition of <b>High Tech Solutions</b> expands its platform with advanced 5-axis machining, precision assembly, and tight-tolerance manufacturing for aerospace, defense, and space applications.	 
Aug 2025	PE	 	<b>Graham Partners'</b> acquisition of <b>Smithtown Light Engineering</b> brings a vertically integrated, precision medical-device component manufacturer into its manufacturing platform, adding end-to-end machining and sub-assembly capabilities for orthopaedic, endoscopic, vascular and neurological surgery.	 

 Label indicating an Oaklins-advised deal





# Case study


## KKR invests in Precipart Group Ltd.

Kohlberg Kravis Roberts (KKR) made a significant strategic investment in Precipart Group Ltd., a leading contract manufacturer of precision components for the medical device and aerospace industries. KKR plans to support the company in its continued growth organically and through M&A.


Precipart, founded in 1950 by the Laubscher family with roots in Swiss engineering and manufacturing, is a leading contract development and manufacturing organization of highly engineered precision components and assemblies, primarily for the medical device industry as well as the aerospace and industrial markets. Precipart, through its mission to Engineer Possible, is a comprehensive solution provider supporting its customers from the concept phase to serial production and in managing their growing supply chain complexity. Major product offerings include precision machining, micro mechanical components, assemblies, gear systems, motion solutions, technical ceramics and advanced 3D printing.

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and supporting growth in its portfolio companies and communities. KKR is investing in Precipart through its Health Care Strategic Growth Fund, a fund dedicated to investing in high-growth healthcare-related companies to which KKR can be a unique strategic partner in helping reach scale.

The Laubscher family remains highly committed to Precipart and is retaining a significant minority ownership stake in the company.



has been acquired by



M&A SELL-SIDE

Healthcare/Industrial Machinery & Components/Private Equity

Oaklins’ team in Switzerland acted as the exclusive sell-side advisor to the shareholders of Precipart in the transaction.

## Our track record



has been acquired by



M&A SELL-SIDE

Aerospace, Defense & Security





has been acquired by



M&A SELL-SIDE

Consumer & Retail/Private Equity





has been acquired by management and



M&A SELL-SIDE

Healthcare/Industrial Machinery & Components/Private Equity





has been acquired by



M&A SELL-SIDE

Healthcare





has been acquired by



M&A SELL-SIDE

Healthcare/Private Equity





has been acquired by



M&A SELL-SIDE


Aerospace, Defense & Security/Industrial Machinery & Components/Private Equity






# Our track record

A selection of Oaklins’ experience in the Precision Manufacturing sector



has been acquired by



M&A SELL-SIDE

Aerospace, Defense & Security/Private Equity





has been acquired by



M&A SELL-SIDE

Healthcare/Private Equity





has been acquired by



M&A SELL-SIDE

Healthcare





has acquired the cutting tools division of



M&A BUY-SIDE

Industrial Machinery & Components






has been acquired by



M&A SELL-SIDE

Healthcare





has been acquired by



M&A SELL-SIDE

Healthcare





has been acquired by



M&A SELL-SIDE

Aerospace, Defense & Security/Private Equity





has acquired



M&A BUY-SIDE

Industrial Machinery & Components





has divested its medical business

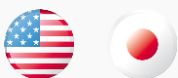
HTI Medical

to GTCR backed



M&A SELL-SIDE

Healthcare/Private Equity





has been acquired by



M&A SELL-SIDE

Industrial Machinery & Components/Private Equity






has acquired




M&A BUY-SIDE

Industrial Machinery & Components





has acquired



M&A BUY-SIDE

Healthcare/Private Equity



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- M&A (buy-side and sell-side)
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- Growth equity and ECM
- Debt advisory

Precision Manufacturing is one of our core focus areas. By combining deep industry expertise with seamless global execution, Oaklins has established itself as one of the most experienced mid-market M&A advisors in the Precision Manufacturing sector. Our extensive network of key market players worldwide enables us to deliver the best possible merger, acquisition, and divestment opportunities for our clients.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would be delighted to explore opportunities with you.

## Talk to our industry expert



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David is a Partner at Oaklins Switzerland and leads the firm's Precision Manufacturing and Healthcare team. With extensive experience in sell-side and buy-side M&A and corporate finance, he has advised on several successful transactions.



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Yannick is an associate at Oaklins Switzerland, bringing valuable experience in both sell-side and buy-side M&A and corporate finance, with a strong focus on Precision Manufacturing.

## United by a strong belief that we can achieve the extraordinary.

Oaklins is a global team of 800+ financial advisory professionals in 40 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.





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