

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.”

DAVID ZÜRRER
Oaklins Switzerland

Sector overview

2

Public markets

3

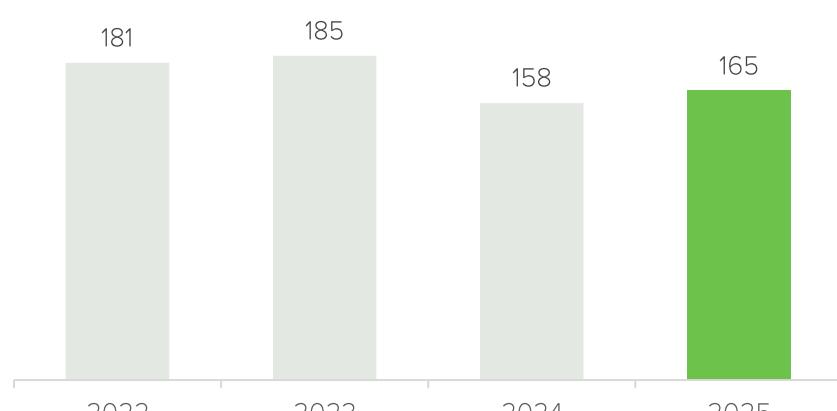
M&A developments

4

M&A activity

5

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

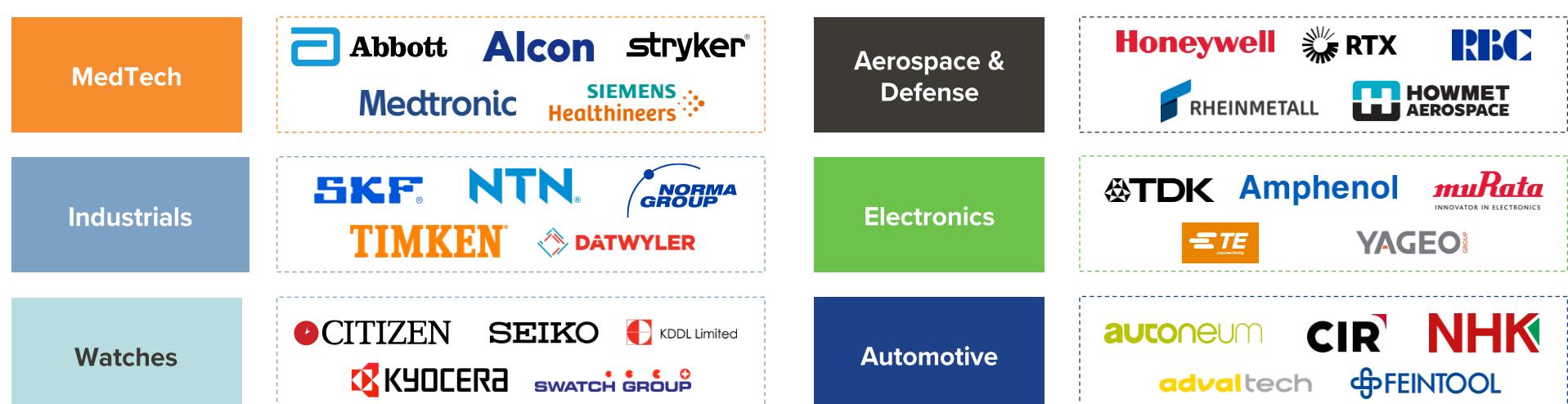


Key Swiss platforms



Public markets

Precision Manufacturing EV/LTM EBITDA trends by end market



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.

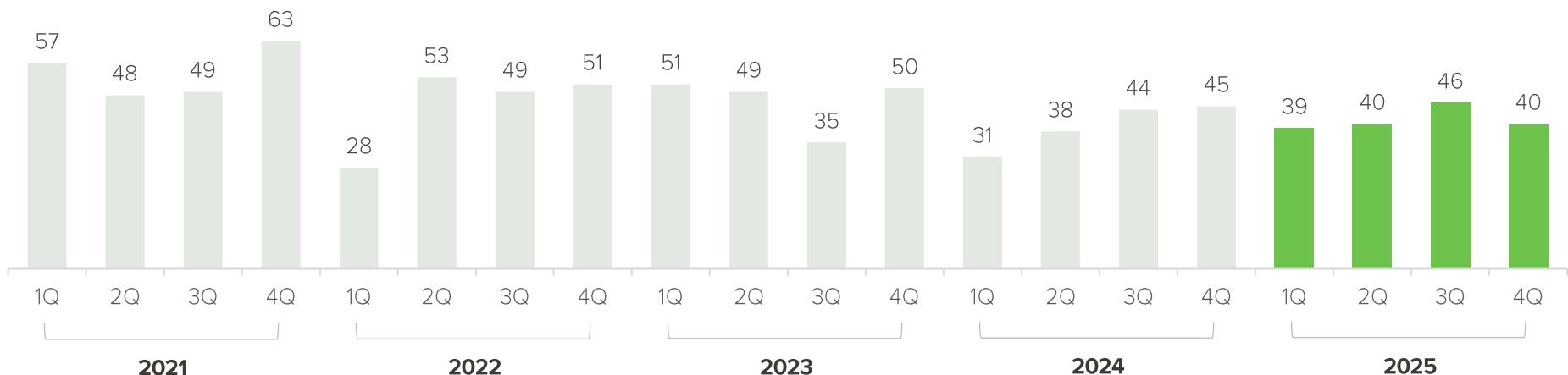
5 Late 2023 saw a decisive uplift as industrial capex and reshoring projects accelerated. Precision suppliers with automation and advanced materials exposure rerated.

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

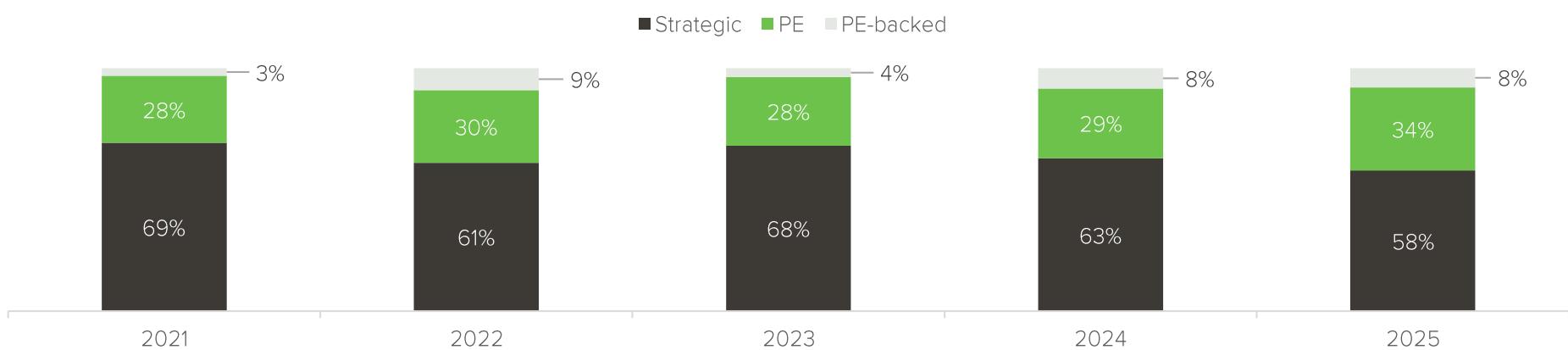
7 Defense rode sustained capex and backlog growth to record multiples. Electronics increased driven by demand for precision components, as investments in AI and broader technology industry continue.

M&A developments globally

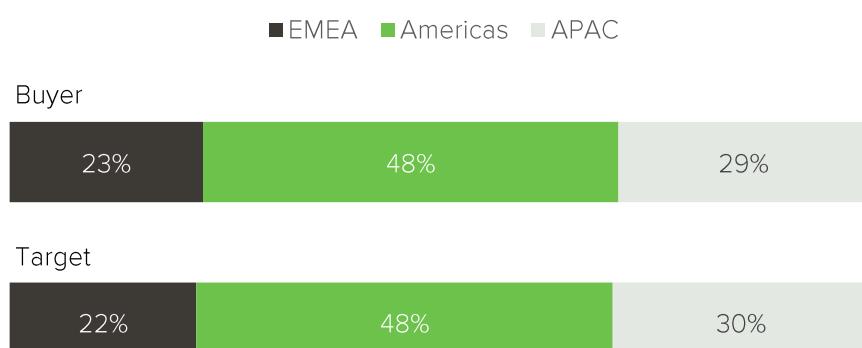
Precision Manufacturing deal flow: Moderating from highs, but structural momentum intact



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	 YPSOTEC PRECISION SOLUTIONS 	Callista Asset Management 32 , an entrepreneurial investor focused on industrial carve-outs, has acquired Ypsotec AG from Ypsomed Holding AG , a Swiss precision parts manufacturer.	 CALLISTA GROUP 
Nov 2025	PE	 HERBRIG & CO. GmbH PRÄZISIONSDREHTEILE 	Borromin Capital Fund V has acquired a majority stake in Herbrig & Co. GmbH, 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.	 BORROMIN 
Nov 2025	PE	 TEC GROUP 	Sienna Private Equity has acquired a majority stake in TEC Group , a Swiss supplier specializing in precision components and tooling for the luxury watch industry, with founder Arnaud Faivre continuing at the helm.	 SPE 
Sep 2025	Strategic	 Mecaplast Swiss 	Schivo's acquisition of Mecaplast 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.	 Schivo 
Jul 2025	PE	 SCHAEFER precision manufacturing 	Gen2 Capital Partners' acquisition of SCHAEFER Precision Manufacturing brings into its portfolio a German-based specialist in high-precision CNC manufacturing and assembly for the semiconductor and optical industries.	 GEN2 Capital Partners 

Select recent global Precision Manufacturing M&A transactions

Date	Type	Target	Deal description & Investor rationale	Acquirer/Investor
Aug 2025	Strategic	 HIGH TECH SOLUTIONS A BTX PRECISION COMPANY 	BTX Precision's acquisition of High Tech Solutions expands its platform with advanced 5-axis machining, precision assembly, and tight-tolerance manufacturing for aerospace, defense, and space applications.	 BTX PRECISION 
Aug 2025	PE	 SMITHSTOWN LIGHT ENGINEERING 	Graham Partners' acquisition of Smithstown Light Engineering 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.	 GRAHAM PARTNERS 

 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

HIGH TECH SOLUTIONS

has been acquired by

BTX
PRECISION

M&A SELL-SIDE
Aerospace, Defense & Security



CAPSA
Géant de la Miniature

has been acquired by

Acrotec Group

M&A SELL-SIDE
Consumer & Retail/Private Equity



SPHINX
Swissmade tools
Your partner

has been acquired by management and

HELVETICAPITAL

M&A SELL-SIDE
Healthcare/Industrial Machinery & Components/Private Equity



InNeuroCo

has been acquired by

Integer®

M&A SELL-SIDE
Healthcare



VascoTube
Finest Tubes for Medical Devices

has been acquired by

Cirtec MEDICAL

M&A SELL-SIDE
Healthcare/Private Equity



CICOIL
The Clear Choice

has been acquired by

TPC WIRE & CABLE CORP.
EXPECT HIGH PERFORMANCE®

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



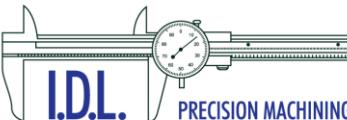


has been acquired by



M&A SELL-SIDE
Healthcare





has been acquired by



M&A SELL-SIDE
Aerospace, Defense & Security/Private Equity





A division of


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



Deep local roots, global commitment

Oaklins connects you with global opportunities and delivers expert guidance wherever you are

OAKLINS OFFERS A COMPREHENSIVE RANGE OF SERVICES

- M&A (buy-side and sell-side)
- Corporate finance (valuation, due diligence)
- 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



David Zürrer

Partner

d.zuerrer@ch.oaklins.com

+41 61 271 88 47

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.



Yannick Bischoff

Associate

y.bischoff@ch.oaklins.com

+41 31 326 18 12

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.

GLOBAL OFFICES

Deep local roots, global commitment

Offices around the world



EUROPE AND MIDDLE EAST

Austria, Vienna
Belgium, Brussels
Bulgaria, Sofia
Croatia, Zagreb
Cyprus, Nikosia
Czech Republic, Prague
Denmark, Copenhagen
Estonia, Tallinn
Finland, Helsinki
France, Lyon
France, Nantes
France, Paris
France, Toulouse
Germany, Frankfurt
Germany, Hamburg
Ireland, Dublin
Israel, Tel Aviv
Italy, Milan

Latvia, Riga
Lithuania, Vilnius
Netherlands, Amsterdam
Norway, Oslo
Poland, Warsaw
Portugal, Lisbon
Romania, Bucharest
Slovakia, Bratislava
Spain, Madrid
Sweden, Stockholm
Switzerland, Basel
Switzerland, Bern
Switzerland, Zurich
Turkey, Istanbul
United Kingdom, Bristol
United Kingdom, Cambridge
United Kingdom, London

AMERICAS

Argentina, Buenos Aires
Brazil, São Paulo
Canada, Montreal
Canada, Toronto
Chile, Santiago
Colombia, Bogotá
Mexico, Mexico City
Peru, Lima
United States, Atlanta
United States, Boston
United States, Dallas
United States, Irvine
United States, Jacksonville
United States, Los Angeles
United States, New York
United States, Savannah

ASIA PACIFIC

Australia, Melbourne
Australia, Sydney
India, Mumbai
Japan, Tokyo
Korea, Seoul
Singapore, Singapore

AFRICA

Morocco, Casablanca
South Africa, Johannesburg

OUR OFFICES IN SWITZERLAND



Office Zurich
Lintheschergasse 15
8001 Zürich
Tel. +41 44 268 45 35



Office Bern
Zeughausgasse 20
P.O. Box
3001 Bern
Tel. +41 31 326 18 18



Office Basel
Sternengasse 6
4051 Basel
Tel. +41 61 271 88 44

Disclaimer

This report is provided for information purposes only. Oaklins and its member firms make no guarantee, representation or warranty of any kind regarding the timeliness, accuracy or completeness of its content. This report is not intended to convey investment advice or solicit investments of any kind whatsoever. No investment decisions should be taken based on the contents and views expressed herein. Oaklins and its member firms shall not be responsible for any loss sustained by any person who relies on the publication.

Oaklins is the collective trade name of independent member firms affiliated with Oaklins International Inc. Oaklins itself does not provide advisory services. For details of the nature of affiliation, please refer to www.oaklins.com/legal