

Insights

2025 Mid-Year Market Update: Industrial Technology

The TM&IA sector continued to outperform the broader market

Valuations in the Test & Measurement and Industrial Automation (TM&IA) sector have rebounded along with the broader market since the Liberation Day sell off. However, each of the indices are trading below the three-year average EV/EBTIDA multiple by approximately 0.5x compared to +1.7x for the S&P 500.

The TM&IA sector has held its own from a valuation standpoint

Chart 1: Valuation performance (May 2022 - 2025)

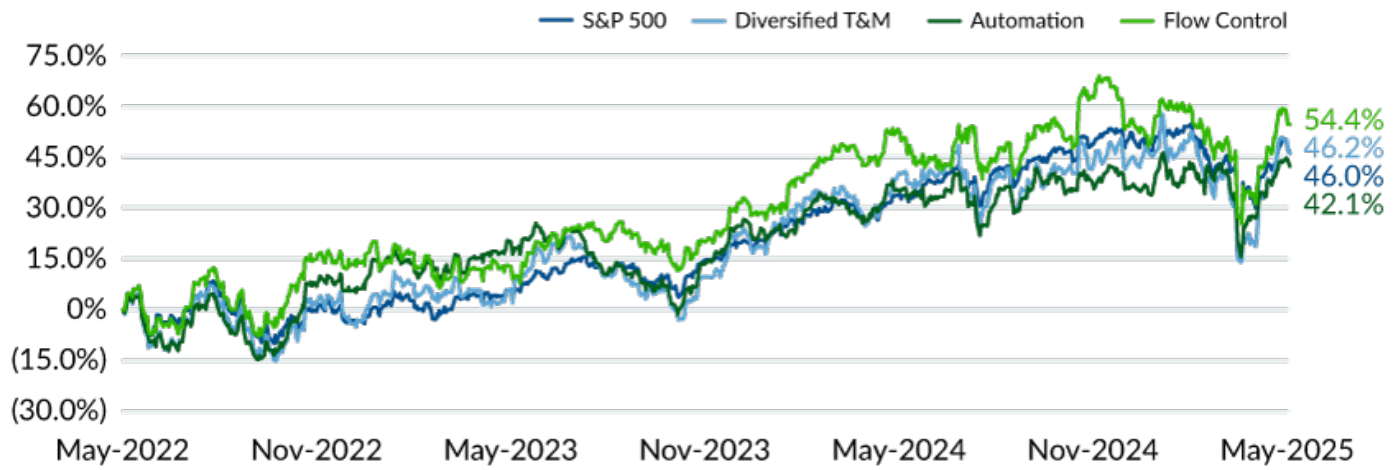


Valuations EV/EBITDA. Source: CapitalIQ.

Stock price performance for the sector has outperformed the S&P 500 over the last three years largely due to the recent correction of the “Magnificent 7” tech stocks that have regained some ground but not fully recovered from the post Liberation Day volatility (Chart 2).

Select tech names and a heavy tech weighting have driven the S&P 500’s performance compared to the Industrial Tech Sector

Chart 2: Share price performance (May 2022 - 2025)



Source: CapitalIQ.

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Past performance is not indicative of future results