

Flow control - Q4 2021

Industry Update



Selected M&A highlights

- Dec-21: **Dover Corporation** acquired **Acme Cryogenics**, a US based manufacturer of precision engineered products for production and distribution of cryogenics liquids and industrial gases for \$295m (EV/Revenue: 4.0x)
- Dec-21: **Dover Corporation** acquired **Engineered Controls International**, a US based manufacturer of valves and regulators for \$630m (EV/Revenue: 3.0x)
- Dec-21: **Lone Star Funds** acquired **SPX Flow**, a US based company engaged in supplying highly engineering flow components, process equipment and turn-key systems for \$3,800m (EV/EBITDA: 17.1x)
- Nov-21: **IDEX Corporation** acquired **Nexsight** and its business **EnviroSight, WinCan, MyTana, and Pipeline Renewal Technologies** for \$120m (EV/Revenue: 2.4x)
- Nov-21: **Watts Water Technologies** acquired **Sentinel Hydrosolutions**, a US based manufacturer of water control, filtration and conservation devices
- Nov-21: **Ingersoll Rand** acquired **Tuthill Corporation's** pump group for \$85m
- Oct-21: **Industrial Flow Solutions**, a portfolio company of May River Capital, acquired **Clearwater Controls**, a UK based company delivering intelligent pump monitoring and anti ragging solutions
- Oct-21: **Dover Corporation** acquired **Liqal**, a Netherlands based company that designs and produces tank systems
- Oct-21: **Howden Group** acquired **Compressor Products International**, a UK based manufacturer of critical sealing components for reciprocating compressors and related equipment for oil, gas and petrochemical industries for \$195m
- Oct-21: **WILO** acquired **QuantamFlo**, a US based manufacturer of advanced, variable speed controlled, packaged pump systems
- Oct-21: **Indutrade** acquired **Alflow Scandinavia**, a Denmark based provider of flow technology components

Public company valuations

Flow Control – Focused

Company	Country	Year End Date	Market Cap (GBPm)	Net Debt/ (Cash) (GBPm)	Adj EV	Net debt/ EBITDA (2021)	EV/Revenue			EV/EBITDA			EV/EBIT			2 Year CAGR 2020-2022	
							Revenue (GBPm)	Revenue growth	2020	2021	2022	EBITDA (GBPm)	EBITDA %	2020	2021	2022	
Circor	USA	Dec-20	407	326	732	4.5x	1.3x	1.3x	1.2x	10.3x	10.2x	8.4x	36.6x	14.2x	11.0x	3%	11%
							566	569	602	71	72	87	20	52	67		
							(22%)	1%	6%	13%	13%	15%	4%	9%	11%		
Flowserve	USA	Dec-20	2,944	634	3,601	1.8x	1.3x	1.4x	1.3x	9.2x	10.3x	8.9x	12.4x	16.0x	12.8x	2%	2%
							2,731	2,642	2,819	392	348	405	292	226	282		
							(8%)	(3%)	7%	14%	13%	14%	11%	9%	10%		
Gorman-Rupp	USA	Dec-20	860	(97)	762	n/a	3.0x	2.7x	2.5x	23.4x	18.7x	16.2x	31.2x	24.5x	20.5x	9%	20%
							256	282	303	33	41	47	24	31	37		
							(15%)	10%	7%	13%	14%	16%	10%	11%	12%		
IDEX Corporation	USA	Dec-20	13,270	369	13,639	0.6x	7.9x	6.7x	6.2x	28.5x	23.1x	21.1x	32.2x	27.9x	25.4x	13%	16%
							1,722	2,035	2,182	478	590	645	424	489	538		
							(8%)	18%	7%	28%	29%	30%	25%	24%	25%		
IMI plc	UK	Dec-20	4,519	335	4,854	0.8x	2.7x	2.6x	2.5x	13.5x	12.2x	11.3x	18.3x	15.4x	14.2x	4%	10%
							1,825	1,871	1,968	360	398	431	265	314	342		
							(3%)	3%	5%	20%	21%	22%	15%	17%	17%		
KITZ Corporation	Japan	Dec-20	409	103	522	n/a	0.6x	n/a	5.8x	n/a	n/a	12.8x	n/a	n/a	nmf	nmf	
							832	n/a	90	n/a	n/a	41	n/a	n/a	n/a		
							(12%)	n/a	11%	n/a	n/a	5%	n/a	n/a	n/a		
Neles	Finland	Dec-20	1,727	65	1,792	0.7x	3.5x	3.5x	3.2x	21.3x	20.3x	17.2x	27.3x	26.3x	21.4x	4%	11%
							516	510	562	84	88	104	66	68	84		
							(7%)	(1%)	10%	16%	17%	19%	13%	13%	15%		
Rotork	UK	Dec-20	3,068	(144)	2,924	n/a	4.8x	5.0x	4.6x	18.4x	19.9x	17.4x	22.8x	22.8x	19.6x	2%	3%
							605	580	632	159	147	168	128	128	149		
							(10%)	(4%)	9%	26%	25%	27%	21%	22%	24%		
Spirax-Sarco	UK	Dec-20	11,830	225	12,056	0.6x	10.1x	8.9x	8.4x	39.6x	30.4x	29.0x	49.8x	35.7x	34.0x	10%	17%
							1,193	1,352	1,436	304	397	416	242	338	354		
							(4%)	13%	6%	26%	29%	29%	20%	25%	25%		
SPX Flow	USA	Dec-20	2,681	74	2,755	0.4x	2.8x	2.4x	2.3x	23.4x	16.6x	13.5x	35.8x	20.1x	16.4x	10%	31%
							989	1,133	1,195	118	166	203	77	137	168		
							(13%)	15%	5%	12%	15%	17%	8%	12%	14%		
Min							0.6x	1.3x	1.2x	5.8x	10.2x	8.4x	12.4x	14.2x	11.0x	2%	2%
Mean							3.8x	3.8x	3.6x	19.3x	18.0x	15.9x	27.9x	22.5x	19.5x	6%	13%
Median							2.9x	2.7x	2.5x	19.8x	18.7x	16.2x	29.3x	22.8x	19.6x	4%	11%
Max							10.1x	8.9x	8.4x	39.6x	30.4x	29.0x	49.8x	35.7x	34.0x	13%	31%

Source: CapIQ

Note: (a) Multiples are based on enterprise value as of 31-December-2021 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

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Flow Control – Diversified

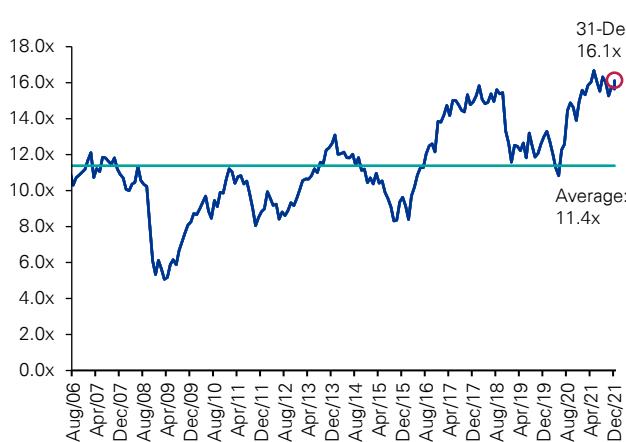
Company	Country	Year End Date	Market Cap (GBPm)	Net Debt / (Cash) (GBPm)	Adj EV (GBPm)	Net debt / EBITDA (2021)	EV/Revenue			EV/EBITDA			EV/EBIT			2 Year CAGR 2020-2022	
							Revenue (GBPm)	Revenue growth	EBITDA (GBPm)	EBITDA %	EBIT (GBPm)	EBIT %	Sales	EBITDA			
Alfa Laval	SE	Dec-20	12,366	694	13,078	1.0x	3.5x	3.9x	3.4x	17.6x	19.2x	16.2x	23.2x	25.4x	20.5x	2%	4%
							3,698	3,329	3,857	742	682	807	564	516	639		
							(1%)	(10%)	16%	20%	20%	21%	15%	15%	17%		
Crane Co.	US	Dec-20	4,412	307	4,721	0.6x	2.2x	2.0x	1.9x	13.2x	9.7x	8.7x	18.6x	12.9x	11.2x	7%	23%
							2,151	2,331	2,483	358	487	542	253	366	422		
							(13%)	8%	7%	17%	21%	22%	12%	16%	17%		
Curtiss-Wright	US	Dec-20	4,019	701	4,720	1.7x	2.7x	2.6x	2.5x	11.9x	11.1x	10.5x	15.6x	15.5x	14.4x	4%	6%
							1,752	1,845	1,912	396	423	449	302	304	327		
							(7%)	5%	4%	23%	23%	23%	17%	16%	17%		
Dover	US	Dec-20	19,311	1,719	21,030	1.4x	4.3x	3.6x	3.4x	21.4x	16.8x	15.5x	27.1x	21.6x	19.2x	12%	18%
							4,895	5,785	6,139	982	1,249	1,361	776	975	1,093		
							(9%)	18%	6%	20%	22%	22%	16%	17%	18%		
Emerson	US	Sep-21	40,846	3,614	44,489	1.1x	3.5x	3.3x	3.1x	15.5x	13.9x	12.1x	18.8x	18.6x	16.1x	7%	13%
							12,703	13,686	14,521	2,869	3,191	3,681	2,364	2,392	2,771		
							(9%)	8%	6%	23%	23%	25%	19%	17%	19%		
EnPro	US	Dec-20	1,675	125	1,837	0.8x	2.3x	2.2x	2.0x	15.9x	11.7x	9.0x	31.2x	21.0x	14.7x	8%	33%
							787	823	916	115	157	204	59	87	125		
							(13%)	5%	11%	15%	19%	22%	7%	11%	14%		
Graco	US	Dec-20	10,120	(266)	9,854	n/a	8.1x	6.8x	6.3x	27.2x	22.4x	20.4x	29.5x	25.4x	22.9x	13%	15%
							1,222	1,452	1,556	362	441	482	334	389	430		
							(3%)	19%	7%	30%	30%	31%	27%	27%	28%		
Halma	UK	Mar-21	12,121	280	12,392	0.8x	9.4x	8.5x	7.9x	38.3x	34.5x	31.3x	50.7x	41.3x	36.4x	9%	11%
							1,323	1,452	1,576	323	359	396	245	300	341		
							1%	10%	9%	24%	25%	25%	18%	21%	22%		
Ingersoll Rand	US	Dec-20	18,623	1,086	19,760	1.2x	5.5x	5.2x	4.7x	30.9x	21.1x	18.4x	nmf	34.6x	28.7x	8%	30%
							3,596	3,831	4,215	640	935	1,076	253	571	689		
							95%	7%	10%	18%	24%	26%	7%	15%	16%		
ITT	US	Dec-20	6,460	(217)	6,234	n/a	3.4x	3.0x	2.8x	24.8x	14.5x	13.1x	38.4x	19.1x	16.7x	11%	38%
							1,815	2,061	2,222	251	430	477	162	327	373		
							(15%)	14%	8%	14%	21%	21%	9%	16%	17%		
Parker-Hannifin	US	Jun-21	30,193	4,479	34,683	1.8x	3.4x	3.1x	2.9x	17.0x	14.3x	12.6x	20.1x	17.5x	14.9x	9%	16%
							10,154	11,077	11,986	2,037	2,432	2,753	1,726	1,976	2,324		
							(10%)	9%	8%	20%	22%	23%	17%	18%	19%		
Sulzer	CH	Dec-20	2,459	452	2,895	1.4x	1.1x	1.1x	1.1x	9.4x	9.2x	8.7x	17.2x	15.2x	14.3x	nmf	4%
							2,748	2,563	2,686	308	315	331	168	191	203		
							(5%)	(7%)	5%	11%	12%	12%	6%	7%	8%		
Xylem	US	Dec-20	15,970	941	16,917	1.3x	4.7x	4.4x	4.2x	27.4x	23.4x	21.2x	43.7x	37.3x	31.3x	7%	14%
							3,571	3,826	4,074	617	723	798	387	453	541		
							(10%)	7%	6%	17%	19%	20%	11%	12%	13%		
Min							1.1x	1.1x	1.1x	9.4x	9.2x	8.7x	15.6x	12.9x	11.2x	2%	4%
Mean							4.2x	3.8x	3.5x	20.8x	17.1x	15.2x	27.8x	23.5x	20.1x	8%	17%
Median							3.5x	3.3x	3.1x	17.6x	14.5x	13.1x	25.2x	21.0x	16.7x	8%	15%
Max							9.4x	8.5x	7.9x	38.3x	34.5x	31.3x	50.7x	41.3x	36.4x	13%	38%

Source: CapIQ

Note: (a) Multiples are based on enterprise value as of 31-December-2021 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nfm": not meaningful; "n/a": not available.

Public company valuations – Through the cycle (EV/LTM EBITDA)

Flow Control – Focused



Source: CapIQ

Flow Control – Diversified



M&A Transaction History

Date	Target	Country	Target Description	Acquirer	Country	EV (m)	EV/EBITDA
Dec-21	Acme Cryogenics		Manufacturer of precision engineered products for production and distribution of cryogenic liquids and industrial gases	Dover Corporation		USD 295	18.0x
Dec-21	Engineered Controls International		Manufacturer of valves and regulators	Dover Corporation		USD 630	12.0x
Dec-21	SPX Flow		Supplier of highly engineered flow components, process equipment and turn key systems along with the related aftermarket parts and services	Lone Star		USD 3,800	17.1x
Jul-21 (Aborted)	SPX Flow		Supplier of highly engineered flow components, process equipment and turn key systems along with the related aftermarket parts and services	Ingersoll Rand		USD 3,528	17.2x
Jun-21	BioDot (Artemis Capital Partners)		Manufacturer of premium non-contact and quantitative fluid dispensing systems	ATS Automation Tooling Systems		USD 84	5.6x
Jun-21	Tiger Filtration		Manufacturer of alternative in-line filter elements, vacuum pumps, separators, high pressure stainless steel filter housings	Xedec Adsorption		USD 17	10.6x
Jun-21	Barber-Nichols		Manufacturer of turbomachines, compressors and pumps	Graham Corporation		USD 84	11.0x
Jun-21	Airtech (EagleTree Capital)		Manufacturer of industry blowers, vacuums, pumps and valves	IDEX Corporation		USD 470	16.0x
Jun-21	Lydall Inc		Leader in the design and production of specialty filtration materials and advanced material solutions	Unifrax		USD 1,444	15.3x
Dec-20	UTG Mixing Group		Global provider of mixing solutions	SPX Flow		EUR 34	19.8x
Dec-20	Ham-Let		Israel-based manufacturer of compression fittings and valves	Ultra Clean		GBP 256	14.5x
Jul-20 (Aborted)	Neles		Flow control solutions and services company specialised in valves and valve automation technologies	Alfa Laval		EUR 1,796	16.3x
Jan-20	Flow Management Devices		Manufactures a comprehensive line of Unidirectional Captive Displacement Provers	IDEX Corporation		USD 125	10.4x
Dec-19	Circor (Sampling Business)		Designs and manufactures highly engineered products and sub-systems	Crane		USD 172	10.0x
Nov-19	SPX Flow (Power & Energy)		Power and energy focused flow control business of SPX FLOW	Apollo		GBP 369	6.5x
Aug-19	Circor (Spence & Nicholson product lines)		Manufacture of steam management products for the district heating market	Emerson		GBP 70	12.3x
Aug-19	PBM Valves		Manufacture of high-quality industrial valves and flow control products	IMI		GBP 70	12.5x
Jul-19	Velcora		Manufacture of mechanical seals for rotating machinery and aseptic processing equipment	IDEX Corporation		USD 137	13.0x
Jun-19 (Aborted)	Circor		Manufacture of engineered industrial products for various industrial end markets	Crane		USD 1,615	12.0x
Apr-19	Gardner Denver		Manufactures mission critical flow products	Ingersoll Rand		USD 15,369	11.0x
Feb-19	Rheinhutte Pumpen		Design and manufacture of centrifugal and axial flow pumps	ITT		GBP 70	9.0x
Feb-19	Precision Flow Systems		Design and manufacture positive displacement pumps and systems for the water, f&b, pharma and other markets	Ingersoll Rand		EUR 1,238	13.0x

Source: Company announcements, Mergermarket and Broker estimates

Transactions announced in Q4

M&A Transaction History

Date	Target Company	Country	Target Description	Acquirer Company	Country	EV (m)	EV/EBITDA
Feb-19	Weir (Flow Control)		Design and manufacture of engineered valves and pumps serving power, energy and general industrial markets	First Reserve		GBP 275	8.6x
May-18	Aventics		Manufacture of pneumatic components and systems	Emerson		GBP 460	11.9x
Feb-18	Faster		Manufacture of couplings, check valves, multi fasters, casting solutions and accessories	Sun Hydraulics		GBP 431	14.7x
Dec-17	CEME		Manufacture of fluid control components for small appliances.	Invest-Industrial		GBP 333	19.3x
Dec-17	BIMBA		Manufacture of pneumatic, hydraulic and electric motion solutions	IMI		GBP 147	14.9x
Sep-17	COLFAX		Manufacture fluid-handling components and systems	Circor		GBP 637	12.3x
Apr-17	Gestra		Design and production of valves and control systems for steam and fluid process control	Spirax Sarco		GBP 159	11.2x
Apr-17	Pentair (Valves and Controls)		Valves & Controls segment of Pentair involved design, manufacture and service of valves, fittings and controls systems	Emerson		GBP 2,259	14.1x
Feb-17	Inoxpa		Manufacturer of process equipment and flow handling systems for the food, cosmetics and pharmaceutical industries	Interpump Group		EUR 90	6.6x
Dec-16	Clarcor		Manufacture of filtration products and systems as well as consumer and industrial packaging products	Parker		GBP 3,367	17.2x
Nov-16	Aflex House		Manufacture of PTFE-lined flexible hoses for the pharmaceutical, food, chemical and automotive industries	Spirax Sarco		GBP 61	10.2x
Oct-16	Critical Flow Solutions		Manufacture of critical severe-service decoking valves and fluid catalytic cracking valves	Circor		USD 210	8.5x
Aug-16	Sensus		Manufacture of regulators, water meters, flow sensors, valves and sensor reading devices	Xylem		USD 2,245	14.1x
Dec-15	Red Valve		Manufacture of pinch valves for mission critical applications in water, power and mining markets	Hillenbrand		USD 132	10.9x
Sep-15	ABEL		Manufacture of reciprocating positive displacement pumps and a range of diaphragm products	Hillenbrand		USD 106	11.9x
Aug-15	Bifold		Manufacture of hydraulic and pneumatic stainless steel control valves and accessories	Rotork		USD 193	12.3x
Jun-15	Alfa Valvole		Manufacture and sale of specialty valve products used in the chemical, petrochemical and sanitary markets	INDEX		EUR 102	10.1x
Min							5.6x
Mean							12.6x
Median							12.3x
Max							19.8x

Source: Company announcements, Mergermarket and Broker estimates

M&A Transaction History

   <i>acquired by</i>  2020	   <i>acquired by</i>  2019	   <i>acquired by</i>  2019	   <i>acquired by</i>  2017	   <i>acquired by</i>  2016
   <i>acquired by</i>  2015	   <i>acquired by</i>  2018	    <i>acquired by</i>  2018	    <i>acquired by</i>  2010	   <i>acquired by</i>  2015

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