

# 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 (GBPm)	Net debt/ EBITDA (2021)	EV/Revenue			EV/EBITDA			EV/EBIT			2 Year CAGR	
							Revenue (GBPm)	Revenue growth	Revenue growth	EBITDA (GBPm)	EBITDA %	EBITDA %	EBIT (GBPm)	EBIT %	EBIT %	Sales	EBITDA
Circor		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		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		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		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		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		Dec-20	409	103	522	n/a	0.6x	n/a	n/a	5.8x	n/a	n/a	12.8x	n/a	n/a	nmf	nmf
							832	n/a	n/a	90	n/a	n/a	41	n/a	n/a		
							(12%)	n/a	n/a	11%	n/a	n/a	5%	n/a	n/a		
Neles		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		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		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		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.

## Flow Control – Diversified

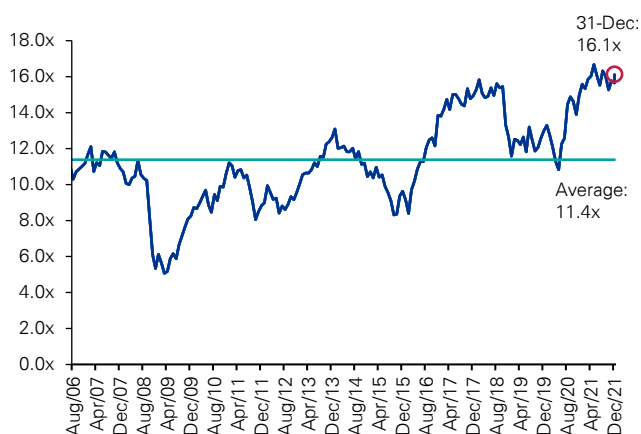
Company	Country	Year End Date	Market Cap (GBPm)	Net Debt / (Cash) (GBPm)	Adj EV (GBPm)	Net debt / EBITDA (2021)	EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2020-2022	
							2020	2021	2022	2020	2021	2022	2020	2021	2022	Sales	EBITDA
Alfa Laval		Dec-20	12,366	694	13,078	1.0x	3.5x 3,698 (1%)	3.9x 3,329 (10%)	3.4x 3,857 7%	17.6x 742 20%	19.2x 682 20%	16.2x 807 21%	23.2x 564 15%	25.4x 516 15%	20.5x 639 17%	2%	4%
Crane Co.		Dec-20	4,412	307	4,721	0.6x	2.2x 2,151 (13%)	2.0x 2,331 8%	1.9x 2,483 7%	13.2x 358 17%	9.7x 487 21%	8.7x 542 22%	18.6x 253 12%	12.9x 366 16%	11.2x 422 17%	7%	23%
Curtiss-Wright		Dec-20	4,019	701	4,720	1.7x	2.7x 1,752 (7%)	2.6x 1,845 5%	2.5x 1,912 4%	11.9x 396 23%	11.1x 423 23%	10.5x 449 23%	15.6x 302 17%	15.5x 304 16%	14.4x 327 17%	4%	6%
Dover		Dec-20	19,311	1,719	21,030	1.4x	4.3x 4,895 (9%)	3.6x 5,785 18%	3.4x 6,139 6%	21.4x 982 20%	16.8x 1,249 22%	15.5x 1,361 22%	27.1x 776 16%	21.6x 975 17%	19.2x 1,093 18%	12%	18%
Emerson		Sep-21	40,846	3,614	44,489	1.1x	3.5x 12,703 (9%)	3.3x 13,686 8%	3.1x 14,521 6%	15.5x 2,869 23%	13.9x 3,191 23%	12.1x 3,681 25%	18.8x 2,364 19%	18.6x 2,392 17%	16.1x 2,771 19%	7%	13%
EnPro		Dec-20	1,675	125	1,837	0.8x	2.3x 787 (13%)	2.2x 823 5%	2.0x 916 11%	15.9x 115 15%	11.7x 157 19%	9.0x 204 22%	31.2x 59 7%	21.0x 87 11%	14.7x 125 14%	8%	33%
Graco		Dec-20	10,120	(266)	9,854	n/a	8.1x 1,222 (3%)	6.8x 1,452 19%	6.3x 1,556 7%	27.2x 362 30%	22.4x 441 30%	20.4x 482 31%	29.5x 334 27%	25.4x 389 27%	22.9x 430 28%	13%	15%
Halma		Mar-21	12,121	280	12,392	0.8x	9.4x 1,323 1%	8.5x 1,452 10%	7.9x 1,576 9%	38.3x 323 24%	34.5x 359 25%	31.3x 396 25%	50.7x 245 18%	41.3x 300 21%	36.4x 341 22%	9%	11%
Ingersoll Rand		Dec-20	18,623	1,086	19,760	1.2x	5.5x 3,596 95%	5.2x 3,831 7%	4.7x 4,215 10%	30.9x 640 18%	21.1x 935 24%	18.4x 1,076 26%	nmf 253 7%	34.6x 571 15%	28.7x 689 16%	8%	30%
ITT		Dec-20	6,460	(217)	6,234	n/a	3.4x 1,815 (15%)	3.0x 2,061 14%	2.8x 2,222 8%	24.8x 251 14%	14.5x 430 21%	13.1x 477 21%	38.4x 162 9%	19.1x 327 16%	16.7x 373 17%	11%	38%
Parker-Hannifin		Jun-21	30,193	4,479	34,683	1.8x	3.4x 10,154 (10%)	3.1x 11,077 9%	2.9x 11,986 8%	17.0x 2,037 20%	14.3x 2,432 22%	12.6x 2,753 23%	20.1x 1,726 17%	17.5x 1,976 18%	14.9x 2,324 19%	9%	16%
Sulzer		Dec-20	2,459	452	2,895	1.4x	1.1x 2,748 (5%)	1.1x 2,563 (7%)	1.1x 2,686 5%	9.4x 308 11%	9.2x 315 12%	8.7x 331 12%	17.2x 168 6%	15.2x 191 7%	14.3x 203 8%	nmf	4%
Xylem		Dec-20	15,970	941	16,917	1.3x	4.7x 3,571 (10%)	4.4x 3,826 7%	4.2x 4,074 6%	27.4x 617 17%	23.4x 723 19%	21.2x 798 20%	43.7x 387 11%	37.3x 453 12%	31.3x 541 13%	7%	14%
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. "nmf": 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	IDEX		EUR 102	10.1x
<b>Min</b>							<b>5.6x</b>
<b>Mean</b>							<b>12.6x</b>
<b>Median</b>							<b>12.3x</b>
<b>Max</b>							<b>19.8x</b>

Source: Company announcements, Mergermarket and Broker estimates

## M&A Transaction History

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

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