

Flow control – Q1 2022 Industry Update



Selected M&A highlights

- Mar-22: **Crane** announced its intention to separate into two independent publicly traded companies. Crane Co will house its flow control assets (Process Flow Technologies) together with its Aerospace & Electronics business whilst Crane NXT will comprise its Payment & Merchandising Technologies business
- Mar-22: **IDEX** acquired **KZValve**, a US manufacturer of electric valves and controllers primarily serving the agriculture market
- Mar-22: **Circor** announced it was reviewing its strategic alternatives including a possible sale of some or all of the business
- Mar-22: **LPW Group**, a Wynnchurch Capital portfolio company, acquired **El Mar Ventures** and **Advanced Industrial Technologies**, providers of speciality valves, pneumatic actuators and gears for a variety of process and energy markets
- Mar-22: **Business Growth Fund** acquired **Evolution Aqua**, a UK based manufacturer and supplier of water filtration products for GBP 12m
- Feb-22: **Tsurumi Manufacturing** acquired 36% of **Zenit International**, an Italy based manufacturer of submersible pumps and other pumps for USD 13m
- Feb-22: **Atlas Copco** acquired **Pumpenfabrik Wangen**, a Germany based manufacturer of progressive cavity pumps
- Feb-22: **Vestum** acquired **Scanregn**, a Denmark based supplier of pumping systems for agriculture, water supply, industry and private wells
- Jan-22: **Industrial Flow Solutions**, a portfolio company of May River Capital, acquired **Dreno Pompe**, an Italy based designer and manufacturer of high quality, electrical submersible pumps for wastewater applications
- Jan-22: **Trillium Flow Technologies** has acquired **Termomeccanica Pompe**, an Italy based pumps & compressors manufacturer
- Jan-22: **Mott Corporation** acquired **Asco Filtri**, an Italy based provider of process filtration solutions for oil & gas, petrochemical, water treatment, food & beverage and pharmaceutical markets
- Jan-22: **Liberta Partners** has acquired **CWFC Phonix Group**, a Germany based manufacturer of valves, from Curtiss-Wright

Public company valuations














Flow Control – Focused

Company	Country	Year End Date	Market Cap (GBPm)	Net Debt / (Cash)	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	410	326	736	3.7x	2021	2022	2023	2021	2022	2023	2021	2022	2023	8%	19%
							1.3x	1.2x	1.1x	10.3x	8.3x	7.3x	13.4x	11.0x	9.2x		
							565	620	655	71	89	101	55	67	80		
							(3%)	10%	6%	13%	14%	15%	10%	11%	12%		
Flowserve		Dec-21	3,568	623	4,310	1.6x	1.6x	1.5x	1.4x	12.9x	10.9x	9.5x	20.0x	16.0x	13.2x	9%	16%
							2,615	2,891	3,081	334	395	453	215	269	327		
							(4%)	11%	7%	13%	14%	15%	8%	9%	11%		
Gorman-Rupp		Dec-21	713	(92)	628	n/a	2.2x	2.0x	1.9x	17.1x	13.0x	11.2x	22.6x	16.4x	13.8x	10%	24%
							279	309	335	37	48	56	28	38	45		
							9%	10%	9%	13%	16%	17%	10%	12%	14%		
IDEX Corporation		Dec-21	11,100	296	11,434	0.4x	5.6x	5.0x	4.8x	19.4x	17.2x	16.1x	22.9x	20.9x	19.4x	8%	10%
							2,042	2,275	2,396	591	666	710	500	546	588		
							19%	11%	5%	29%	29%	30%	24%	24%	25%		
IMI plc		Dec-21	3,537	620	4,157	1.4x	2.2x	2.1x	2.0x	11.0x	9.5x	8.8x	14.1x	11.9x	11.1x	5%	12%
							1,866	1,998	2,073	378	439	470	294	348	375		
							2%	7%	4%	20%	22%	23%	16%	17%	18%		
KITZ Corporation		Dec-21	386	70	464	n/a	0.5x	n/a	n/a	4.6x	n/a	n/a	7.4x	n/a	n/a	nmf	nmf
							871	n/a	n/a	101	n/a	n/a	62	n/a	n/a		
							5%	n/a	n/a	12%	n/a	n/a	7%	n/a	n/a		
Rotork		Dec-21	2,803	(114)	2,697	n/a	4.7x	4.3x	4.1x	19.7x	16.3x	14.9x	24.0x	18.5x	16.8x	8%	15%
							569	622	659	137	165	181	112	146	160		
							(6%)	9%	6%	24%	27%	27%	20%	23%	24%		
Spirax-Sarco		Dec-21	9,239	191	9,475	0.5x	7.0x	6.5x	6.2x	24.4x	22.8x	21.5x	29.6x	26.8x	25.1x	7%	6%
							1,345	1,465	1,530	389	415	440	320	354	377		
							13%	9%	4%	29%	28%	29%	24%	24%	25%		
Min							0.5x	1.2x	1.1x	4.6x	8.3x	7.3x	7.4x	11.0x	9.2x	5%	6%
Mean							3.2x	3.2x	3.1x	14.9x	14.0x	12.8x	19.3x	17.4x	15.5x	8%	15%
Median							2.2x	2.1x	2.0x	15.0x	13.0x	11.2x	21.3x	16.4x	13.8x	8%	15%
Max							7.0x	6.5x	6.2x	24.4x	22.8x	21.5x	29.6x	26.8x	25.1x	10%	24%

Source: CapIQ

Note: (a) Multiples are based on enterprise value as of 31-March-2022 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

Flow Control – Diversified

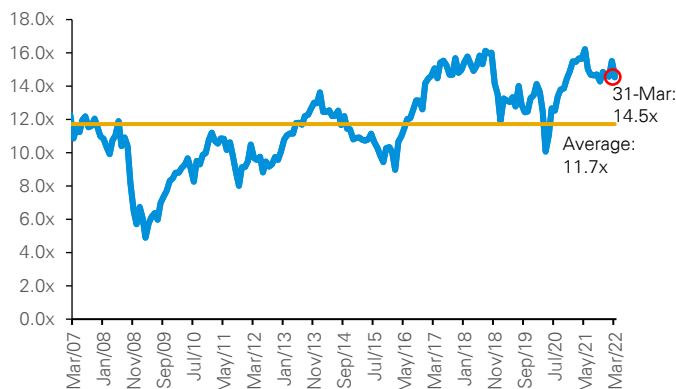
Company	Country	Year End Date	Market Cap (GBPm)	Net Debt / (Cash)	Adj EV (GBPm)	Net debt / EBITDA (2021)	EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2020-2022	
							2021	2022	2023	2021	2022	2023	2021	2022	2023	Sales	EBITDA
Alfa Laval		Dec-21	10,964	585	11,706	0.7x	3.5x	3.0x	2.8x	17.5x	14.8x	13.4x	23.4x	18.6x	16.6x	12%	14%
							3,341	3,908	4,225	668	791	873	500	630	704		
							(10%)	17%	8%	20%	20%	21%	15%	16%	17%		
Crane Co.		Dec-21	4,685	322	5,064	0.6x	2.2x	2.0x	1.9x	11.1x	9.2x	8.5x	14.5x	11.9x	10.8x	7%	14%
							2,348	2,532	2,689	458	549	597	349	426	471		
							16%	8%	6%	20%	22%	22%	15%	17%	18%		
Curtiss-Wright		Dec-21	4,390	770	5,160	1.7x	2.8x	2.7x	2.5x	12.2x	11.4x	10.8x	16.5x	15.4x	14.5x	5%	6%
							1,851	1,946	2,033	422	454	478	314	335	355		
							6%	5%	4%	23%	23%	24%	17%	17%	17%		
Dover		Dec-21	17,201	2,161	19,393	1.5x	3.3x	2.9x	2.8x	15.6x	13.4x	12.5x	19.6x	16.8x	15.4x	8%	12%
							5,840	6,575	6,874	1,240	1,450	1,556	988	1,153	1,261		
							19%	13%	5%	21%	22%	23%	17%	18%	18%		
Emerson		Sep-21	44,307	3,382	47,718	0.9x	3.5x	3.2x	3.0x	14.8x	12.3x	11.5x	17.7x	15.9x	15.1x	7%	13%
							13,748	15,067	15,877	3,221	3,875	4,136	2,692	3,000	3,168		
							4%	10%	5%	23%	26%	26%	20%	20%	20%		
EnPro		Dec-21	1,546	622	2,205	2.9x	2.6x	2.3x	2.1x	15.4x	10.4x	9.6x	26.8x	19.2x	16.7x	10%	26%
							843	969	1,026	143	212	229	82	115	132		
							7%	15%	6%	17%	22%	22%	10%	12%	13%		
Graco		Dec-21	8,982	(294)	8,734	n/a	5.9x	5.4x	5.1x	20.0x	17.4x	16.2x	22.3x	19.7x	17.9x	8%	11%
							1,468	1,627	1,711	436	502	539	391	444	487		
							21%	11%	5%	30%	31%	32%	27%	27%	28%		
Halma		Mar-21	9,507	280	9,778	0.7x	6.7x	6.2x	5.8x	27.1x	24.5x	22.7x	32.6x	28.6x	26.3x	8%	9%
							1,452	1,582	1,692	361	399	431	300	342	371		
							10%	9%	7%	25%	25%	25%	21%	22%	22%		
Ingersoll Rand		Dec-21	15,626	1,054	16,847	1.0x	4.4x	3.9x	3.6x	20.8x	15.3x	13.9x	35.9x	23.4x	20.7x	11%	22%
							3,805	4,376	4,654	810	1,103	1,210	469	719	814		
							31%	15%	6%	21%	25%	26%	12%	16%	17%		
ITT		Dec-21	4,880	(263)	4,690	n/a	2.3x	2.1x	1.9x	11.0x	9.7x	8.8x	14.2x	12.5x	11.0x	10%	12%
							2,042	2,266	2,451	426	481	534	330	374	425		
							13%	11%	8%	21%	21%	22%	16%	17%	17%		
Parker-Hannifin		Jun-21	27,734	5,880	33,624	2.0x	3.1x	2.7x	2.5x	14.0x	11.7x	10.6x	15.9x	14.0x	12.8x	11%	15%
							10,931	12,512	13,351	2,398	2,872	3,171	2,117	2,408	2,632		
							(3%)	14%	7%	22%	23%	24%	19%	19%	20%		
Sulzer		Dec-21	2,143	76	2,283	0.2x	0.9x	0.8x	0.8x	7.8x	6.4x	6.3x	12.8x	10.9x	10.6x	5%	11%
							2,556	2,705	2,821	291	354	361	178	210	216		
							4%	6%	4%	11%	13%	13%	7%	8%	8%		
Xylem		Dec-21	11,679	1,036	12,989	1.4x	3.4x	3.2x	3.0x	18.8x	17.2x	15.2x	29.6x	27.3x	22.3x	6%	11%
							3,837	4,071	4,336	691	757	856	439	475	582		
							7%	6%	7%	18%	19%	20%	11%	12%	13%		
Min							0.9x	0.8x	0.8x	7.8x	6.4x	6.3x	12.8x	10.9x	10.6x	5%	6%
Mean							3.4x	3.1x	2.9x	15.9x	13.4x	12.3x	21.7x	18.0x	16.2x	8%	14%
Median							3.3x	2.9x	2.8x	15.4x	12.3x	11.5x	19.6x	16.8x	15.4x	8%	12%
Max							6.7x	6.2x	5.8x	27.1x	24.5x	22.7x	35.9x	28.6x	26.3x	12%	26%

Source: CapIQ

Note: (a) Multiples are based on enterprise value as of 31-March-2022 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

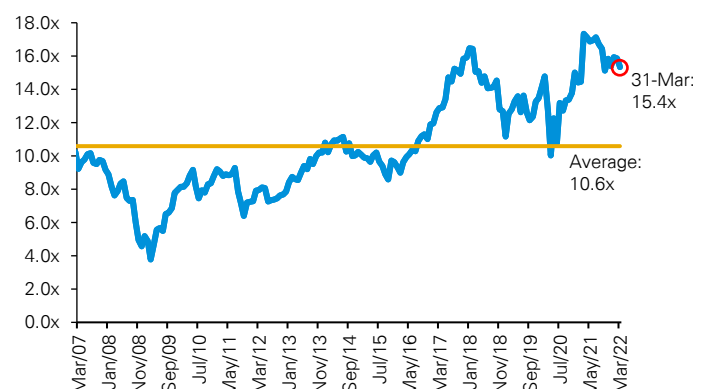
Public company valuations – Through the cycle (EV/LTM EBITDA)

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	Xebec 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	Rheinhalte 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

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M&A Transaction History (cont.)

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
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>  2022	   <i>acquired by</i>  2022	   <i>acquired by</i>  2020	   <i>acquired by</i>  2019	   <i>acquired by</i>  2019
   <i>acquired by</i>  2018	   <i>acquired by</i>  2018	   <i>acquired by</i>  2017	   <i>acquired by</i>  2016	   <i>acquired by</i>  2015

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