









Flow control

Industry Update

Q3 2022














Selected M&A highlights

- Sep-22: **Arcus Infrastructure Partners** acquired **Workdry International** (a/k/a **Selwood Pumps**), a UK based group that specialises in the manufacture and rental of water handling and treatment equipment. (KPMG advised Workdry International)
- Sep-22: **IDEX Corporation** acquired **Muon Group**, a Netherlands based manufacturer of micro precision solutions, developing components with critical applications in medical, semiconductor, food processing, digital printing and filtration for **EUR 700m** (EV/EBITDA: 15.2x)
- Sep-22: **Klinger** acquired **Econosto**, a Finland based company selling valves, level gauges, actuators, strainers & steam and pressure solutions
- Sep-22: **PINOVA Capital** acquired **IREMA-Filter**, a Germany based manufacturer of patented filter solutions
- Sep-22: **DXP Enterprises** acquired **Sullivan Environmental Technologies**, a manufacturer and distributor of pumps, valves, controls and process equipment serving the municipal and industrial water and wastewater industries
- Aug-22: **Aurelius Equity** acquired **MLS Lanny**, a Germany based manufacturer of high precision, high pressure valves principally for the laser industry
- Aug-22: **Equistone Partners** acquired **SF-Filter**, a Switzerland based distributor of mobile and industrial filters
- Aug-22: **Tencarva Machinery**, a Bessemer Investments owned company, acquired **Fischer Process Industries**, a US based distributor of pumps, valves, and process equipment servicing
- Aug-22: **FloWorks International**, a Clearlake Capital owned company, acquired **Flotech**, a US based value add distributor and servicer of industrial valves and automation solutions
- Jul-22: **Wateralia**, an Ambienta owned company, acquired **Calpeda**, an Italy based manufacturer of pumps and pumping systems
- Jul-22: **Equita Group** acquired **Rattiinox**, an Italy based manufacturer of aseptic valves
- Jul-22: **Bosch Rexroth** acquired **HydraForce**, a US based company that manufactures high performance hydraulic fluid power cartridge valves, custom manifolds and electro-hydraulic components
- Jul-22: **MiddleGround Capital** acquired **PVI Holdings**, a US based provider of diverse flow control products

Flow Control – Focused							EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2020-2022	
Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj EV (GBPm)	Net debt / EBITDA (2021)	2021	2022	2023	2021	2022	2023	2021	2022	2023	Sales	EBITDA
Circor		Dec-21	301	387	689	4.6x	1.2x 560 (0%)	1.0x 681 22%	1.1x 615 (10%)	12.0x 58 10%	8.2x 84 12%	7.5x 92 15%	75.3x 9 2%	10.4x 66 10%	11.0x 63 10%	5%	26%
Flowserve		Dec-21	2,850	836	3,712	2.5x	1.4x 2,615 (4%)	1.1x 3,282 26%	1.0x 3,551 8%	13.1x 284 11%	10.9x 341 10%	8.4x 440 12%	17.3x 215 8%	14.4x 257 8%	10.4x 356 10%	17%	24%
Gorman-Rupp		Dec-21	557	342	899	4.7x	3.2x 279 9%	2.0x 459 64%	1.6x 567 23%	24.9x 36 13%	12.3x 73 16%	9.3x 97 17%	32.3x 28 10%	16.9x 53 12%	12.1x 75 13%	42%	nmf
IDEX Corporation		Dec-21	13,537	579	14,116	0.7x	6.9x 2,042 19%	5.1x 2,779 36%	4.9x 2,904 4%	24.9x 566 28%	18.1x 781 28%	17.2x 822 28%	28.2x 500 24%	20.8x 677 24%	19.7x 715 25%	19%	21%
IMI plc		Dec-21	2,898	758	3,656	1.7x	2.0x 1,866 2%	1.8x 2,026 9%	1.8x 2,086 3%	9.7x 378 20%	8.3x 440 22%	7.9x 463 22%	12.4x 294 16%	10.5x 348 17%	9.9x 368 18%	6%	11%
KITZ Corporation		Dec-21	446	73	526	0.7x	0.6x 871 5%	0.5x 971 11%	0.5x 992 2%	5.2x 101 12%	4.8x 110 11%	4.4x 118 12%	8.4x 62 7%	7.7x 68 7%	7.0x 75 8%	7%	8%
Rotork		Dec-21	2,012	(90)	1,923	n/a	3.4x 569 (6%)	3.0x 632 11%	2.8x 678 7%	14.0x 137 24%	12.3x 156 25%	11.0x 175 26%	17.1x 112 20%	13.9x 138 22%	12.3x 156 23%	9%	13%
Spirax-Sarco		Dec-21	7,658	265	7,923	0.6x	5.9x 1,345 13%	5.2x 1,535 14%	4.8x 1,646 7%	20.9x 379 28%	18.7x 424 28%	17.2x 461 28%	24.9x 318 24%	21.5x 368 24%	20.0x 397 24%	11%	10%
Min							0.6x	0.5x	0.5x	5.2x	4.8x	4.4x	8.4x	7.7x	7.0x	5%	8%
Mean							3.1x	2.5x	2.3x	15.6x	11.7x	10.4x	20.1x	14.5x	12.8x	14%	16%
Median							2.6x	1.9x	1.7x	13.5x	11.6x	8.9x	17.3x	14.2x	11.5x	10%	13%
Max							6.9x	5.2x	4.9x	24.9x	18.7x	17.2x	32.3x	21.5x	20.0x	42%	26%

Source: CapIQ

Note: (a) Multiples are based on enterprise value as of 30-Sep-2022 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

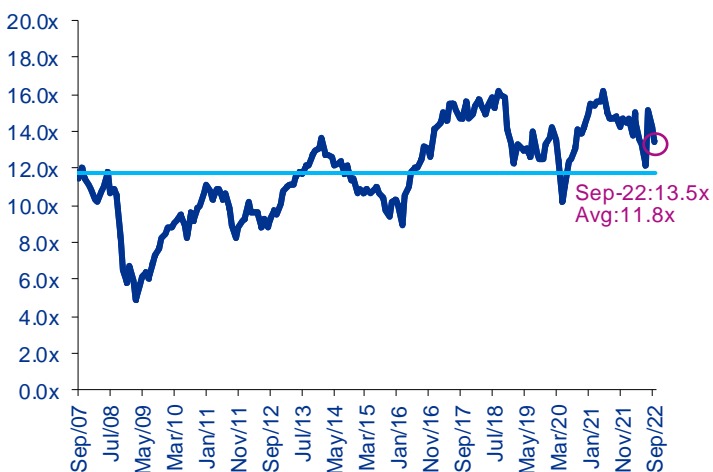
Flow Control - Diversified							EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2020-2022	
Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj EV (GBPm)	Net debt / EBITDA (2021)	2021	2022	2023	2021	2022	2023	2021	2022	2023	Sales	EBITDA
Alfa Laval		Dec-21	9,299	749	10,072	1.0x	3.0x 3,341 (10%)	2.5x 4,051 21%	2.2x 4,550 12%	15.1x 668 20%	12.9x 783 19%	11.1x 906 20%	20.2x 500 15%	16.7x 604 15%	13.9x 725 16%	17%	17%
Crane Co.		Dec-21	4,407	272	4,682	0.4x	2.0x 2,348 16%	1.5x 3,048 30%	1.5x 3,141 3%	10.2x 458 20%	7.1x 657 22%	6.7x 703 22%	13.4x 349 15%	9.0x 518 17%	8.4x 560 18%	16%	24%
Curtiss-Wright		Dec-21	4,795	958	5,753	1.8x	3.1x 1,851 6%	2.5x 2,326 26%	2.4x 2,437 5%	13.6x 422 23%	10.8x 534 23%	10.0x 573 24%	18.3x 314 17%	14.6x 393 17%	13.6x 422 17%	15%	16%
Dover		Dec-21	14,684	2,316	17,000	1.4x	2.9x 5,840 19%	2.2x 7,690 32%	2.1x 7,960 4%	13.7x 1,240 21%	10.1x 1,679 23%	9.7x 1,751 22%	17.2x 988 17%	12.5x 1,359 18%	11.7x 1,454 18%	17%	19%
Emerson		Sep-21	38,854	7,903	51,672	1.7x	3.8x 13,758 4%	2.9x 17,851 30%	2.7x 18,942 6%	15.9x 3,253 24%	10.9x 4,727 26%	10.3x 5,015 26%	18.9x 2,739 20%	13.9x 3,723 21%	13.4x 3,849 20%	17%	24%
EnPro		Dec-21	1,586	641	2,267	2.6x	2.7x 843 7%	2.1x 1,072 27%	2.2x 1,019 (5%)	15.8x 143 17%	9.3x 243 23%	9.3x 245 24%	27.6x 82 10%	18.7x 121 11%	16.1x 140 14%	10%	31%
Graco		Dec-21	9,099	(208)	8,891	n/a	6.1x 1,468 21%	4.7x 1,902 30%	4.5x 1,981 4%	20.4x 436 30%	15.4x 578 30%	14.5x 613 31%	22.7x 391 27%	17.4x 510 27%	16.4x 543 27%	16%	19%
Halma		Mar-22	7,740	275	8,007	0.7x	5.4x 1,474 11%	4.8x 1,661 13%	4.5x 1,793 8%	22.7x 352 24%	19.9x 402 24%	18.2x 440 25%	29.3x 273 19%	23.4x 342 21%	20.9x 384 21%	10%	12%
Ingersoll Rand		Dec-21	15,653	1,219	16,927	0.9x	4.4x 3,805 31%	3.3x 5,178 36%	3.1x 5,435 5%	16.5x 1,027 27%	14.1x 1,203 23%	13.1x 1,290 24%	18.5x 916 24%	17.4x 974 19%	16.0x 1,057 19%	20%	12%
ITT		Dec-21	4,849	91	4,913	0.2x	2.4x 2,042 13%	1.8x 2,684 31%	1.7x 2,859 7%	11.5x 426 21%	8.8x 555 21%	8.0x 613 21%	14.9x 330 16%	11.5x 427 16%	10.2x 483 17%	18%	20%
Parker-Hannifin		Jun-22	27,935	9,096	37,273	2.7x	3.0x 12,435 22%	2.5x 15,121 22%	2.3x 16,424 9%	13.8x 2,707 22%	11.0x 3,393 22%	10.0x 3,733 23%	17.4x 2,136 17%	13.3x 2,809 19%	11.9x 3,137 19%	15%	17%
Sulzer		Dec-21	1,773	248	2,004	0.7x	0.8x 2,556 4%	0.7x 2,956 16%	0.6x 3,088 4%	6.9x 291 11%	5.8x 343 12%	5.2x 384 12%	11.3x 178 7%	18.0x 111 4%	8.2x 244 8%	10%	15%
Xylem		Dec-21	14,126	1,118	15,250	1.3x	4.0x 3,837 7%	3.1x 4,846 26%	3.0x 5,124 6%	22.1x 691 18%	17.1x 891 18%	15.2x 1,000 20%	34.8x 439 11%	27.2x 561 12%	22.8x 670 13%	16%	20%
Min							0.8x	0.7x	0.6x	6.9x	5.8x	5.2x	11.3x	9.0x	8.2x	10%	12%
Mean							3.4x	2.7x	2.5x	15.2x	11.8x	10.9x	20.3x	16.5x	14.1x	15%	19%
Median							3.0x	2.5x	2.3x	15.1x	10.9x	10.0x	18.5x	16.7x	13.6x	16%	19%
Max							6.1x	4.8x	4.5x	22.7x	19.9x	18.2x	34.8x	27.2x	22.8x	20%	31%

Source: CapIQ

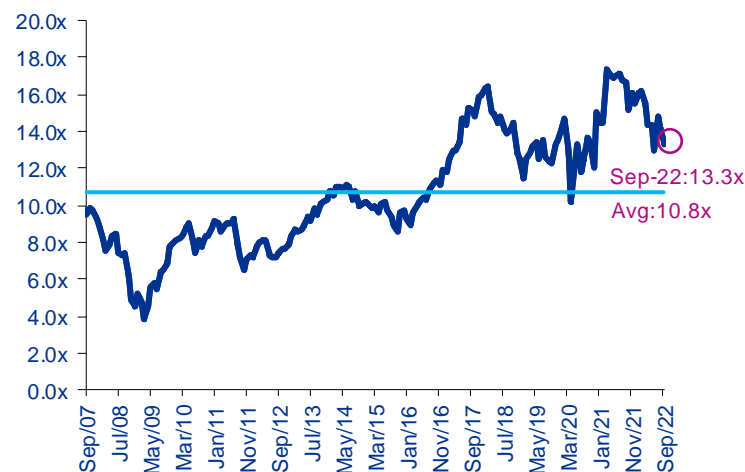
Note: (a) Multiples are based on enterprise value as of 30-September-2022 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

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















































Flow Control – Focused



Flow Control – Diversified



Source: CapIQ

M&A Transaction History							
Date	Target company	Country	Target Description	Acquirer company	Country	EV (m)	EV/ EBITDA
Sep-22	Muon Group		Manufacturer of precise flow paths for critical applications in medical technologies, semiconductor, food processing, digital printing and filtration	IDEX Corporation		EUR 700	15.2x
Apr-22	Tuthill Corporation (Fill-Rite and Sotera Division)		Provider of rugged, high performance liquid transfer pumps and mechanical and digital meters and precision weights	Gorman-Rupp Company		USD 525	15.2x
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

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	Precision Flow Systems		Design and manufacture positive displacement pumps and systems for the water, food & beverage, pharma and other markets	Ingersoll Rand		EUR 1,238	13.0x
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							12.7x
Median							12.3x
Max							19.8x

Source: Company announcements, Mergermarket and Broker estimates

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KPMG's Global Flow Control Credentials

   acquired by  2022	   acquired by  2022	   acquired by  2022	   acquired by  2020	   acquired by  2019
   acquired by  2019	   acquired by  2018	   acquired by  2018	   acquired by  2017	   acquired by  2016

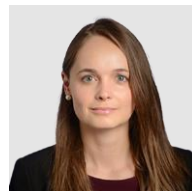
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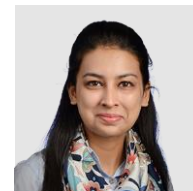
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