









# Flow control

## Industry Update

Q2 2023

### Selected M&A highlights

- Jun-23: Nordson (NDSN:NSQ)** announced the **€960m** acquisition of **ARAG**, an Italy-based manufacturer of spraying accessories for precision farming applications (**16.5x EBITDA**)
- Jun-23: KKR & Co (KKR:NYSE)** announced a definitive agreement to acquire **Circor International (CIR:NYSE)**, a US-based manufacturer of mission critical flow control products and services for industrial and aerospace & defence end-markets for **\$1.7bn (12.8x EBITDA)**
- Jun-23: Ingersoll Rand (IR:NYSE)** announced the **~\$300m** acquisition of **Howden Roots**, a supplier of low-pressure compression and vacuum technologies
- May-23: Fluid System Components** acquired **Norcan Fluid Power**, a Canada-based distributor of hydraulic cylinders, valves, pumps, motors and other related products (**KPMG advised Norcan Fluid Power**)
- May-23: Momentum Group (MMGRB:STO)** announced the 93.7% acquisition of Askalon, a Swedish manufacturer of valves, actuators and condition monitoring systems for **SEK 267m**
- May-23: Px3 Partners**, a UK-based PE firm, acquired **Celeros Flow Technology's filtration division** in Ireland
- May-23: DXP Enterprises (DXPE:NSQ)** acquired **Florida Valve & Equipment Corp** and **Environmental MD**, both suppliers of valves and valve related products for the municipal water markets
- May-23: Halma (HLMA:LSE)** announced the acquisition of **Sewertronics**, a Poland-based provider of pipe renovation solutions for up to **€59m**
- Apr-23: Atlas Copco (ATCO A:STO)** announced the acquisition of **National Pump & Energy**, a provider of dewatering, environmental and water treatment services & solutions
- Apr-23: Buhlmann Group** acquired **Lockwood Partners**, a US-based manufacturer of pipes, valves, fittings and flanges for the chemical, oil and gas industries
- Apr-23: Interpump Group (IP:MIL)** announced the acquisition of 70% of **I.Mec**, an Italy based manufacturer of mechanical process screens for **~€14m**

Flow Control Focused		EV/Revenue		EV/EBITDA		EV/EBIT		2 Year CAGR									
Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj EV (GBPm)	Net debt / EBITDA (2021)	Revenue (GBPm)	Revenue growth	EBITDA (GBPm)	EBITDA %	EBIT (GBPm)	EBIT %	Sales	EBITDA			
Circor		Dec-22	906	393	1,298	3.8x	2.0x	2.0x	1.9x	14.6x	12.6x	11.5x	35.1x	14.3x	13.0x	3%	13%
							653	664	692	89	103	113	37	91	100		
							17%	2%	4%	14%	15%	16%	6%	14%	14%		
Flowsolve		Dec-22	3,834	841	4,702	2.3x	1.6x	1.5x	1.4x	18.1x	13.0x	11.3x	28.9x	16.2x	13.6x	6%	27%
							3,000	3,188	3,382	260	361	417	163	290	346		
							15%	6%	6%	9%	11%	12%	5%	9%	10%		
Gorman-Rupp		Dec-22	594	343	937	4.3x	2.2x	1.9x	1.8x	16.4x	11.6x	10.6x	26.9x	16.0x	13.9x	10%	25%
							432	497	527	57	80	88	35	58	67		
							55%	15%	6%	13%	16%	17%	8%	12%	13%		
IDEX Corporation		Dec-22	12,802	871	13,674	1.2x	5.2x	5.1x	4.9x	18.1x	18.6x	17.6x	23.7x	22.0x	20.5x	2%	1%
							2,641	2,663	2,763	754	735	776	578	621	666		
							29%	1%	4%	29%	28%	28%	22%	23%	24%		
IMI plc		Dec-22	4,238	810	5,067	1.6x	2.5x	2.3x	2.2x	11.7x	10.1x	9.5x	15.4x	12.6x	11.8x	6%	11%
							2,049	2,193	2,285	433	502	532	330	401	428		
							10%	7%	4%	21%	23%	23%	16%	18%	19%		
KITZ Corporation		Dec-22	529	64	600	0.6x	0.6x	0.6x	0.6x	5.3x	5.4x	5.1x	7.6x	8.2x	7.6x	nmf	2%
							1,006	925	952	113	112	117	78	73	79		
							16%	(8%)	3%	11%	12%	12%	8%	8%	8%		
Rotork		Dec-22	2,618	(106)	2,522	n/a	3.9x	3.6x	3.4x	16.8x	14.0x	12.9x	19.6x	15.4x	14.1x	8%	14%
							642	709	749	150	180	196	128	164	178		
							13%	10%	6%	23%	25%	26%	20%	23%	24%		
Spirax-Sarco		Dec-22	7,628	756	8,424	1.5x	5.2x	4.7x	4.4x	20.0x	17.2x	16.0x	23.7x	19.9x	18.5x	9%	12%
							1,611	1,811	1,911	422	490	526	356	423	456		
							20%	12%	5%	26%	27%	28%	22%	23%	24%		
Min							0.6x	0.6x	0.6x	5.3x	5.4x	5.1x	7.6x	8.2x	7.6x	2%	1%
Mean							2.9x	2.7x	2.6x	15.1x	12.8x	11.8x	22.6x	15.6x	14.1x	6%	13%
Median							2.3x	2.1x	2.0x	16.6x	12.8x	11.4x	23.7x	15.7x	13.8x	6%	12%
Max							5.2x	5.1x	4.9x	20.0x	18.6x	17.6x	35.1x	22.0x	20.5x	10%	27%

Source: CapIQ

Note: (a) Multiples are based on enterprise value as of 30-June-23 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

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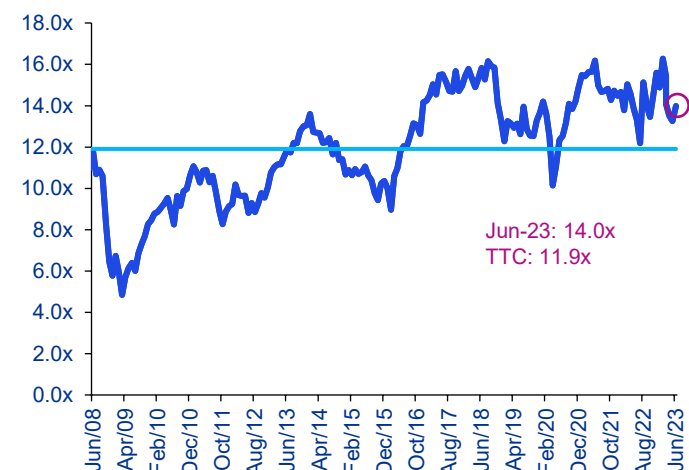
Flow Control		Diversified					EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2022 2024	
Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj EV (GBPm)	Net debt / EBITDA (2021)	2022	2023	2024	2022	2023	2024	2022	2023	2024	Sales	EBITDA
Alfa Laval		Dec-22	11,848	1,031	12,903	1.2x	3.1x 4,151 24%	2.9x 4,477 8%	2.7x 4,772 7%	17.1x 756 18%	15.1x 853 19%	13.8x 934 20%	20.1x 642 15%	17.7x 728 16%	16.1x 800 17%	7%	11%
Crane Co.		Dec-22	3,978	562	4,542	1.5x	1.3x 3,375 34%	2.2x 2,046 (39%)	2.1x 2,115 3%	6.3x 716 21%	12.5x 363 18%	11.6x 391 19%	7.6x 597 18%	14.1x 323 16%	12.9x 351 17%	(21%)	(26%)
Curtiss-Wright		Dec-22	5,541	989	6,530	2.0x	3.1x 2,122 15%	3.1x 2,126 0%	2.9x 2,238 5%	13.1x 497 23%	13.2x 494 23%	12.4x 526 24%	20.0x 326 15%	17.7x 370 15%	16.3x 401 18%	3%	3%
Dover		Dec-22	16,249	2,589	18,838	1.7x	2.7x 7,061 21%	2.7x 6,926 (2%)	2.6x 7,218 4%	12.6x 1,500 21%	12.2x 1,538 22%	11.5x 1,639 23%	18.2x 1,038 15%	15.6x 1,209 17%	14.4x 1,311 18%	1%	5%
Emerson		Sep-22	40,650	6,890	52,380	2.1x	3.2x 16,605 21%	4.3x 12,101 (27%)	4.1x 12,797 6%	12.6x 4,151 25%	15.9x 3,287 27%	14.7x 3,555 28%	19.5x 2,683 16%	22.0x 2,382 20%	19.7x 2,655 21%	(12%)	(7%)
EnPro		Dec-22	2,194	344	2,552	1.7x	2.8x 912 47%	2.9x 869 (5%)	2.8x 911 5%	12.3x 207 23%	12.3x 208 24%	11.3x 226 25%	25.8x 99 11%	21.2x 121 14%	18.4x 139 15%	(0%)	5%
Graco		Dec-22	11,439	(200)	11,239	n/a	6.3x 1,779 21%	6.4x 1,766 (1%)	6.2x 1,826 3%	20.8x 540 30%	19.2x 584 33%	18.4x 611 33%	26.7x 421 24%	21.8x 515 29%	20.9x 537 29%	1%	6%
Halma		Mar-23	8,601	597	9,177	1.3x	5.2x 1,772 20%	4.7x 1,945 10%	4.5x 2,057 6%	22.6x 406 23%	20.0x 460 24%	18.5x 495 24%	28.8x 319 18%	23.3x 394 20%	21.1x 435 21%	8%	10%
Ingersoll Rand		Dec-22	20,805	1,350	22,207	1.0x	4.5x 4,910 29%	4.2x 5,232 7%	4.0x 5,508 5%	19.6x 1,131 23%	16.3x 1,365 26%	15.3x 1,456 26%	34.5x 644 13%	22.7x 978 19%	20.8x 1,070 19%	6%	13%
ITT		Dec-22	6,044	8	6,024	0.0x	2.4x 2,480 21%	2.4x 2,545 3%	2.3x 2,660 5%	12.3x 490 20%	11.5x 524 21%	10.7x 564 21%	18.0x 335 13%	14.6x 414 16%	13.3x 454 17%	4%	7%
Kadant		Dec-22	2,045	81	2,128	0.5x	2.8x 751 29%	2.9x 732 (3%)	2.8x 761 4%	13.3x 161 21%	13.8x 154 21%	13.0x 163 21%	19.1x 111 15%	17.5x 121 17%	16.3x 131 17%	1%	1%
Parker Hannifin		Jun-22	39,378	10,384	49,772	2.9x	3.5x 14,336 31%	3.3x 15,284 7%	3.1x 16,107 5%	15.2x 3,268 23%	13.9x 3,593 24%	12.8x 3,881 24%	19.2x 2,588 18%	17.2x 2,894 19%	15.7x 3,180 20%	6%	9%
Sulzer		Dec-22	2,282	229	2,626	0.6x	0.9x 2,854 12%	0.9x 2,988 5%	0.8x 3,099 4%	10.4x 252 9%	7.3x 361 12%	7.0x 373 12%	18.7x 140 5%	10.6x 247 8%	10.2x 259 8%	4%	22%
Xylem		Dec-22	21,216	898	22,123	0.8x	4.8x 4,583 19%	4.0x 5,589 22%	3.4x 6,506 16%	27.0x 819 18%	20.1x 1,102 20%	16.3x 1,359 21%	46.8x 472 10%	30.9x 717 13%	24.8x 891 14%	19%	29%
Min							0.9x	0.9x	0.8x	6.3x	7.3x	7.0x	7.6x	10.6x	10.2x	(21%)	(26%)
Mean							3.3x	3.3x	3.2x	15.4x	14.5x	13.4x	23.1x	19.1x	17.2x	2%	6%
Median							3.1x	3.0x	2.9x	13.2x	13.9x	12.9x	19.8x	17.7x	16.3x	3%	7%
Max							6.3x	6.4x	6.2x	27.0x	20.1x	18.5x	46.8x	30.9x	24.8x	19%	29%

Source: CapIQ

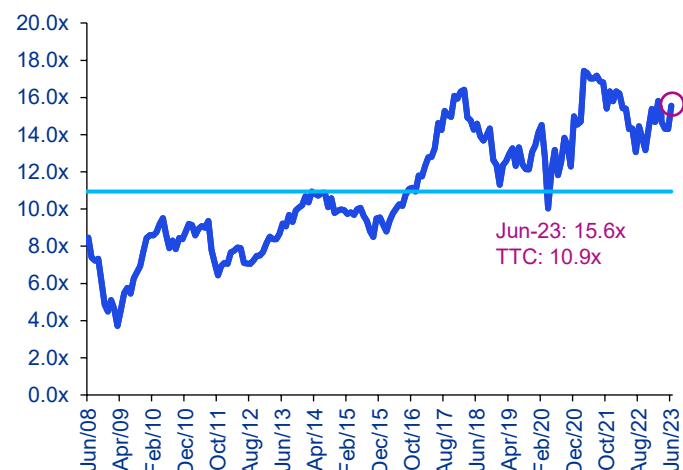
Note: (a) Multiples are based on enterprise value as of 30-June-2023 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

## 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
Jun-23	CIRCOR		Provider of mission critical flow control products and services for the industrial and aerospace & defence markets	KKR & Co		USD 1,700	12.8x
Jun-23	ARAG		Engaged in the development, production and supply of precision control systems and smart fluid components for agricultural spraying	Nordson		EUR 960	16.5x
Mar-23	Pfeiffer Vacuum Technology (36% stake)		Manufacturer of vacuum components offering turbopumps, leak detectors and pumping stations	Pangea (Busch Group)		EUR 477	8.3x
Feb-23	Velan		Manufacturer of highly engineered valves serving nuclear, cryogenic and defence markets	Flowserve Corporation		USD 245	10.2x
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

■ Transactions in Q2 2023

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
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	Rheinutte 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, 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
<b>Min</b>							<b>5.6x</b>
<b>Mean</b>							<b>12.8x</b>
<b>Median</b>							<b>12.4x</b>
<b>Max</b>							<b>19.8x</b>

Source: Company announcements, Mergermarket and Broker estimates

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## KPMG s Global Flow Control Credentials

   acquired by  <b>2023</b>	   acquired by  <b>2022</b>	   acquired by  <b>2022</b>	   acquired by  <b>2022</b>	   acquired by  <b>2020</b>
   acquired by  <b>2019</b>	    acquired by  <b>2019</b>	   acquired by  <b>2018</b>	    acquired by  <b>2018</b>	   acquired by  <b>2017</b>

## Contact us



**Simon Davis**

Managing Director

T: +44 (0)7798 877478

E: [simon.davis@kpmg.co.uk](mailto:simon.davis@kpmg.co.uk)



**Surinderpal Matharu**

Director

T: +44 (0)7505 351779

E: [Surinderpal.Matharu@kpmg.co.uk](mailto:Surinderpal.Matharu@kpmg.co.uk)



**Georgia Drake-Brockman**

Associate Director

T: +44 (0)7759 371668

E: [georgia.drake-brockman@kpmg.co.uk](mailto:georgia.drake-brockman@kpmg.co.uk)



**Aamna Khalid**

Analyst

T: +44 (0)7517 113009

E: [aamna.khalid@kpmg.co.uk](mailto:aamna.khalid@kpmg.co.uk)



**Pratiksha Deshkar**

Analyst

E: [pratiksharajendra@kpmg.co.uk](mailto:pratiksharajendra@kpmg.co.uk)

[kpmg.com/uk](http://kpmg.com/uk)



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