

Flow control

Industry Update

Q1 2023

Selected M&A highlights

- Mar-23: **Seika** acquired an additional 13% stake in **TVE Co**, the Japan based valve manufacturer and maintainer from Kitz for USD 4m
- Mar-23: **CDP Equity** acquired an additional 25% stake in **Valvitalia Group**, an Italy based designer, manufacturer and supplier of equipment and components for petroleum, water, natural gas and petrochemical industries for EUR 70m
- Mar-23: **Atlas Copco** acquired **Trillium US**, a US based company specializing in vacuum pump repair, new and refurbished pumps and spare parts
- Mar-23: **Pangea (Busch Group)** acquired a 36% stake in **Pfeiffer Vacuum Technology**, a Germany based manufacturer of vacuum components offering turbopumps, leak detectors and pumping stations for EUR 477m (EV/EBITDA: 8.3x)
- Mar-23: **Epiris** acquired **Lonestar Group**, a UK based global manufacturer and supplier of high-performance fasteners, sealing products, precision engineered components and pipeline packages for the industrial and energy markets
- Feb-23: **Flowserve Corporation** acquired **Velan**, a Canada based manufacturer of industrial valves for USD 245m (EV/EBITDA: 10.2x)
- Feb-23: **InvestIndustrial** acquired **Procon**, a US based custom fluid solutions and precision pumps manufacturer for USD 75m
- Feb-23: **Marco Rubber & Plastics** acquired **Jet Gasket & Seal**, a US based specialty distributor of seals, gaskets and related products primarily sold into the brewery market
- Feb-23: **Flow Control Holdings**, an Audax portfolio company, acquired **Flowtrend**, a US based manufacturer of valves, pumps, tank equipment & parts for the sanitary industry and **DSO Fluid Handling**, a US based supplier of replacement parts to the food, beverage, dairy and pharmaceutical process industries
- Feb-23: **Trillium Flow Technologies**, a First Reserve portfolio company, acquired **Coulter Valve Service**, a specialty valve field services provider specializing in on-site nuclear and commercial maintenance
- Jan-23: **Forum Family Office** acquired **Tiger Filtration**, a UK based manufacturer of alternative in-line filter elements, vacuum pumps, separators, high pressure stainless steel filter housings
- Jan-23: **Branford Castle Partners** acquired **GPT Industries**, a US based manufacturer of critical pipeline sealing and electrical isolation products for USD 31m
- Jan-23: **Flow Control Holdings**, an Audax portfolio company, acquired **Andron Stainless Corp**, a US based provider of sanitary stainless steel fittings, valves, tubing and accessories

Flow Control – Focused							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
Circor		Dec-22	512	396	978	4.1x	1.5x	1.5x	1.4x	11.1x	10.1x	9.3x	26.4x	11.7x	10.7x	3%	9%
							653	663	689	88	97	105	37	83	91		
							17%	1%	4%	14%	15%	15%	6%	13%	13%		
Flowserve		Dec-22	3,604	852	4,578	2.4x	1.5x	1.4x	1.4x	17.6x	13.0x	11.3x	28.1x	16.3x	13.7x	6%	25%
							3,000	3,213	3,369	260	352	405	163	281	333		
							15%	7%	5%	9%	11%	12%	5%	9%	10%		
Gorman-Rupp		Dec-22	529	359	895	4.4x	2.1x	1.8x	1.7x	17.3x	11.0x	10.0x	29.7x	15.3x	13.3x	12%	31%
							432	510	540	52	81	89	30	59	68		
							55%	18%	6%	12%	16%	17%	7%	12%	12%		
IDEX Corporation		Dec-22	14,103	960	15,097	1.2x	5.7x	5.5x	5.3x	20.0x	19.6x	18.7x	26.1x	23.0x	21.6x	4%	3%
							2,641	2,755	2,858	754	770	806	578	658	698		
							29%	4%	4%	29%	28%	28%	22%	24%	24%		
IMI plc		Dec-22	3,973	810	4,802	1.7x	2.3x	2.2x	2.2x	11.1x	10.0x	9.5x	14.6x	12.0x	11.6x	4%	8%
							2,049	2,159	2,217	433	479	506	330	399	413		
							10%	5%	3%	21%	22%	23%	16%	18%	19%		
KITZ Corporation		Dec-22	506	79	595	0.8x	0.6x	0.7x	0.6x	5.3x	6.0x	5.4x	7.6x	10.4x	8.9x	nmf	nmf
							1,006	912	973	113	100	109	78	57	67		
							16%	(9%)	7%	11%	11%	11%	8%	6%	7%		
Rotork		Dec-22	2,704	(106)	2,608	n/a	4.1x	3.7x	3.5x	17.3x	14.8x	13.6x	20.3x	16.5x	15.2x	7%	13%
							642	703	735	150	176	191	128	158	172		
							13%	10%	5%	23%	25%	26%	20%	22%	23%		
Spirax-Sarco		Dec-22	8,729	756	9,538	1.5x	5.9x	5.2x	4.9x	21.8x	19.4x	18.0x	26.8x	22.8x	20.9x	9%	10%
							1,611	1,830	1,930	437	491	530	356	418	457		
							20%	14%	5%	27%	27%	27%	22%	23%	24%		
Min							0.6x	0.7x	0.6x	5.3x	6.0x	5.4x	7.6x	10.4x	8.9x	3%	3%
Mean							3.0x	2.7x	2.6x	15.2x	13.0x	12.0x	22.5x	16.0x	14.5x	6%	14%
Median							2.2x	2.0x	1.9x	17.3x	12.0x	10.7x	26.3x	15.8x	13.5x	6%	10%
Max							5.9x	5.5x	5.3x	21.8x	19.6x	18.7x	29.7x	23.0x	21.6x	12%	31%

Source: CapIQ

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

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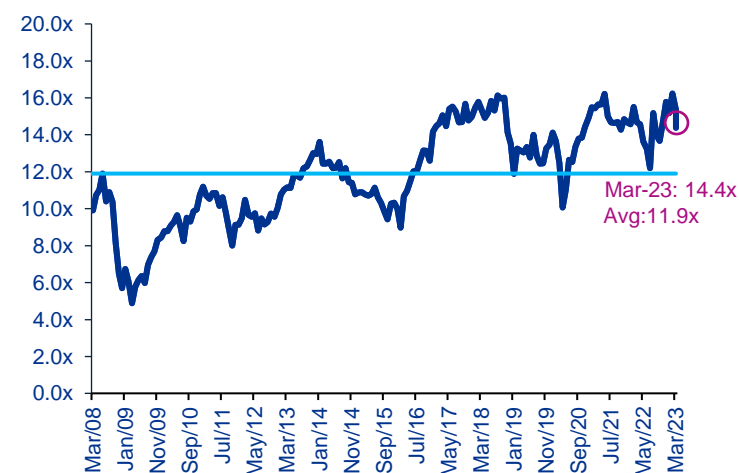
Flow Control - Diversified							EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2022-2024	
Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj EV (GBPm)	Net debt / EBITDA (2021)	2022	2023	2024	2022	2023	2024	2022	2023	2024	Sales	EBITDA
Alfa Laval	Sweden	Dec-22	11,928	1,075	13,012	1.2x	3.1x 4,151 24%	2.8x 4,673 13%	2.7x 4,846 4%	18.7x 695 17%	14.9x 875 19%	14.0x 931 19%	22.7x 574 14%	19.0x 685 15%	17.4x 746 15%	8%	16%
Crane Co.	USA	Dec-22	5,177	567	5,811	0.9x	2.1x 2,801 11%	2.1x 2,711 (3%)	2.0x 2,845 5%	10.2x 567 20%	9.6x 608 22%	8.8x 658 23%	15.0x 387 14%	11.9x 489 18%	10.8x 536 19%	1%	8%
Curtiss-Wright	USA	Dec-22	5,458	970	6,428	1.9x	3.0x 2,122 15%	3.0x 2,172 2%	2.8x 2,283 5%	13.0x 494 23%	12.8x 504 23%	12.0x 535 23%	19.9x 323 15%	17.0x 378 17%	15.7x 408 18%	4%	4%
Dover	USA	Dec-22	17,166	2,917	20,100	1.8x	2.8x 7,061 21%	2.8x 7,107 1%	2.7x 7,408 4%	13.4x 1,500 21%	12.7x 1,577 22%	12.0x 1,678 23%	19.4x 1,038 15%	16.1x 1,252 18%	14.9x 1,351 18%	2%	6%
Emerson	USA	Sep-22	40,248	6,737	51,953	2.0x	3.1x 16,565 20%	4.2x 12,273 (26%)	4.0x 12,953 6%	12.6x 4,127 25%	15.8x 3,287 27%	14.6x 3,569 28%	19.1x 2,713 16%	20.3x 2,560 21%	18.6x 2,801 22%	nmf	nmf
EnPro	USA	Dec-22	1,766	418	2,199	1.9x	2.4x 912 47%	2.4x 904 (1%)	2.3x 950 5%	10.6x 207 23%	10.2x 216 24%	9.5x 233 24%	22.2x 99 11%	17.5x 126 14%	15.7x 140 15%	2%	6%
Graco	USA	Dec-22	9,914	(176)	9,759	n/a	5.5x 1,779 21%	5.5x 1,769 (1%)	5.3x 1,841 4%	18.1x 540 30%	17.6x 553 31%	16.6x 586 32%	23.2x 421 24%	20.3x 481 27%	19.2x 509 28%	2%	4%
Halma	UK	Mar-22	8,420	500	8,900	1.1x	5.2x 1,724 17%	4.7x 1,881 9%	4.5x 1,996 6%	21.7x 410 24%	19.6x 453 24%	18.3x 487 24%	25.4x 350 20%	22.5x 396 21%	20.9x 426 21%	8%	9%
Ingersoll Rand	USA	Dec-22	19,044	1,045	20,230	0.8x	4.1x 4,910 29%	3.9x 5,172 5%	3.7x 5,431 5%	17.9x 1,131 23%	15.1x 1,339 26%	14.1x 1,437 26%	31.4x 644 13%	21.5x 943 18%	19.9x 1,014 19%	5%	13%
ITT	USA	Dec-22	5,776	(20)	5,793	n/a	2.3x 2,480 21%	2.2x 2,601 5%	2.1x 2,722 5%	11.8x 490 20%	10.8x 536 21%	10.0x 578 21%	17.3x 334 13%	13.7x 423 16%	12.5x 465 17%	5%	9%
Parker Hannifin	USA	Jun-22	34,848	10,991	45,849	3.1x	3.2x 14,122 29%	3.0x 15,307 8%	2.8x 16,119 5%	14.3x 3,200 23%	12.9x 3,565 23%	11.8x 3,869 24%	17.8x 2,576 18%	15.5x 2,959 19%	14.0x 3,280 20%	7%	10%
Sulzer	Switzerland	Dec-22	2,314	229	2,658	0.6x	0.9x 2,854 12%	0.9x 3,002 5%	0.9x 3,083 3%	10.5x 252 9%	6.9x 387 13%	6.8x 390 13%	18.9x 140 5%	10.5x 253 8%	10.3x 258 8%	4%	24%
Xylem	USA	Dec-22	15,257	1,041	16,501	1.1x	3.6x 4,583 19%	3.5x 4,673 2%	3.3x 4,926 5%	23.5x 703 15%	18.0x 918 20%	16.5x 1,001 20%	44.6x 370 8%	27.0x 611 13%	24.0x 687 14%	4%	19%
Min							0.9x	0.9x	0.9x	10.2x	6.9x	6.8x	15.0x	10.5x	10.3x	1%	4%
Mean							3.2x	3.2x	3.0x	15.1x	13.6x	12.7x	22.9x	17.9x	16.5x	4%	11%
Median							3.1x	3.0x	2.8x	13.4x	12.9x	12.0x	19.9x	17.5x	15.7x	4%	9%
Max							5.5x	5.5x	5.3x	23.5x	19.6x	18.3x	44.6x	27.0x	24.0x	8%	24%

Source: CapIQ

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

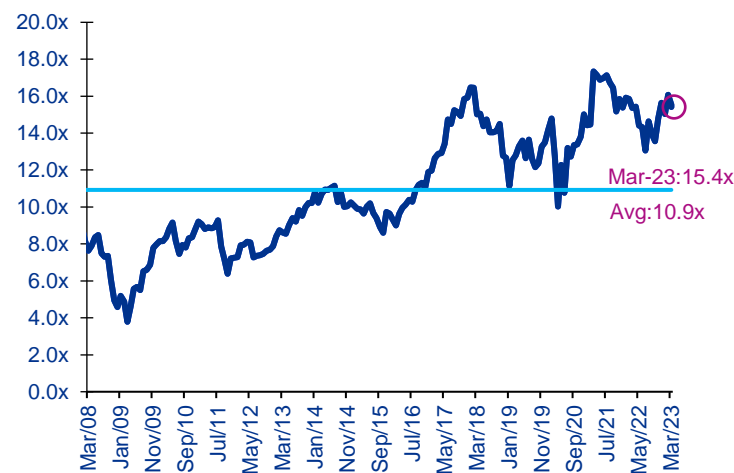
Public company valuations – through the cycle (EV/LTM EBITDA)

Flow Control – Focused















































Source: CapIQ

Flow Control – Diversified



M&A Transaction History

Date	Target company	Country	Target Description	Acquirer company	Country	EV (m)	EV/ EBITDA
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
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

Transactions in Q1 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
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, 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							12.6x
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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