

# Flow control

## Industry Update

Q1 2024

### Selected M&A highlights

- Mar-24: **Ingersoll-Rand (NYSE:IR)** has acquired **ILC Dover**, a US developer and manufacturer of engineered products using high-performance flexible materials for the life sciences industries from **New Mountain Capital** for an initial **USD 2.325bn (EV/EBITDA: 20.3x)**
- Mar-24: **DXP Enterprises Inc (NASDAQ: DXPE)**, has acquired **Pro Seal Service Group Inc**, a US distributor of industrial pumping equipment
- Mar-24: **Oatey Co** acquired **Durgo**, a Sweden based company specialised in the development and manufacturing of valves for the heating, water and sanitation industry
- Mar-24: **Quench USA Inc**, is to acquire through its subsidiary **Enstar LLC**, an undisclosed stake in **Hifil Tech Inc**, a South Korea based manufacturer of water purifiers, filters, and single-layer & reinforced membranes
- Mar-24: **Atlas Copco (STO:ATCO A)** has acquired **Zahroof Valves Inc**, a United States based provider of reciprocating gas compressor valves
- Feb-24: **Colly Flowtech AB** has acquired **Slangspecialisten Skandinavien AB**, a Sweden based hose supplier
- Feb-24: **SF Filter AG** has acquired **Ostholte Filter GmbH**, a Germany based manufacturer of industrial filters and filtration systems
- Feb-24: **DXP Enterprises Inc (NASDAQ: DXPE)** acquired **Kappe Associates Inc**, a US distributor and manufacturer of pumps, controls and process equipment
- Feb-24: **Pacific Avenue Capital Partners LLC**, a US private equity firm has entered into an agreement to acquire **Sogefi Filtration SA** and **Sogefi USA Inc**, the filtration business units of **Sogefi SpA (BIT: SGF)** engaged in developing liquid filtration and air intake systems including valves, sensors, water drain functions, or heating and cooling systems
- Jan-24: **Core & Main Inc** has acquired **Dana Kepner & Co**, a US provider of waterworks products including pipes, valves and fittings, meters and meter accessories, from **Littlejohn & Co**
- Jan-24: **OX Greenfield**, a Netherlands private equity firm, has acquired a majority stake in **European Valve Automation Centre BV**, a Netherlands based engineer and assembler of technical solutions for automated valves
- Jan-24: **Indutrade AB (STO:INDT)** has acquired **pure! GmbH**, a Germany based supplier of air and gas treatment products for the food and pharmaceutical industries
- Jan-24: **Groupe Claire SAS**, backed by **Credit Mutuel Equity**, has acquired **ADG Valve**, a France based company specialising in industrial valves
- Jan-24: **Reif Bauholding** has acquired **AFD Armaturen und Formstuecksbau GmbH**, a Germany based manufacturer of industrial valves and fittings
- Jan-24: **Crane Co (NYSE:CR)** has acquired **Vian Enterprises Inc**, a US manufacturer of multi-stage lubrication pumps for aerospace & defence applications for **USD 103m (EV/EBITDA: 12.9x)**

Flow Control – Focused							EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2023-2025	
Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj EV (GBPm)	Net debt / EBITDA (2024)	2023	2024	2025	2023	2024	2025	2023	2024	2025	Sales	EBITDA
Flowsolve		Dec-23	4,746	680	5,595	1.5x	1.6x 3,421 20%	1.5x 3,621 6%	1.5x 3,774 4%	14.6x 382 11%	12.1x 462 13%	10.9x 513 14%	17.7x 316 9%	14.2x 394 11%	12.6x 444 12%	5%	16%
Gorman-Rupp		Dec-23	821	314	1,144	3.3x	2.2x 522 27%	2.1x 544 4%	2.0x 571 5%	12.7x 90 17%	12.2x 94 17%	11.9x 96 17%	16.9x 68 13%	15.2x 75 14%	15.0x 76 13%	5%	3%
IDEX		Dec-23	14,615	718	15,374	1.0x	5.9x 2,592 3%	5.8x 2,647 2%	5.5x 2,786 5%	21.4x 717 28%	20.8x 738 28%	19.1x 804 29%	25.8x 597 23%	25.4x 606 23%	23.0x 669 24%	4%	6%
IMI plc		Dec-23	4,702	637	5,380	1.2x	2.5x 2,196 7%	2.4x 2,267 3%	2.3x 2,376 5%	12.1x 445 20%	10.0x 538 24%	9.4x 574 24%	16.8x 320 15%	12.2x 443 20%	11.5x 469 20%	4%	14%
KITZ		Dec-23	641	40	690	0.3x	0.8x 874 4%	0.8x 911 4%	0.7x 955 5%	6.3x 110 13%	5.9x 116 13%	5.6x 123 13%	9.6x 72 8%	8.7x 79 9%	8.1x 85 9%	5%	6%
Rotork		Dec-23	2,824	(134)	2,692	n/a	3.7x 719 12%	3.6x 752 5%	3.4x 791 5%	15.1x 178 25%	14.2x 190 25%	13.2x 204 26%	16.6x 163 23%	15.6x 173 23%	14.3x 188 24%	5%	7%
Spirax-Sarco		Dec-23	7,400	763	8,200	1.7x	4.9x 1,683 4%	4.7x 1,747 4%	4.4x 1,862 7%	20.7x 397 24%	18.7x 440 25%	16.9x 485 26%	26.6x 308 18%	22.6x 364 21%	20.2x 406 22%	5%	11%
Min							0.8x	0.8x	0.7x	6.3x	5.9x	5.6x	9.6x	8.7x	8.1x	4%	3%
Mean							3.1x	3.0x	2.8x	14.7x	13.4x	12.4x	18.6x	16.3x	15.0x	5%	9%
Median							2.5x	2.4x	2.3x	14.6x	12.2x	11.9x	16.9x	15.2x	14.3x	5%	7%
Max							5.9x	5.8x	5.5x	21.4x	20.8x	19.1x	26.6x	25.4x	23.0x	5%	16%

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Source: CapIQ

Note: (a) Multiples are based on enterprise value as of 31-Mar-24 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

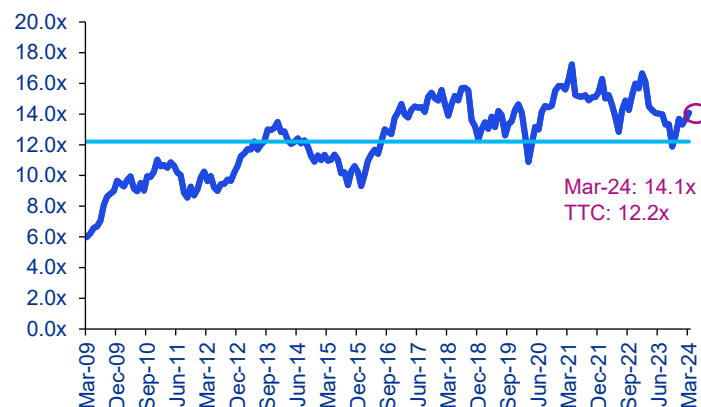
Flow Control - Diversified							EV/Revenue Revenue (GBPm) Revenue growth			EV/EBITDA EBITDA (GBPm) EBITDA %			EV/EBIT EBIT (GBPm) EBIT %			2 Year CAGR 2023-2025	
Company	Country	Year end date	Market cap (GBPm)	Net debt / (cash)	Adj EV (GBPm)	Net debt / EBITDA (2024)	2023	2024	2025	2023	2024	2025	2023	2024	2025	Sales	EBITDA
Alfa Laval	🇸🇪	Dec-23	12,880	808	13,761	0.8x	2.8x 4,965 20%	2.7x 5,076 2%	2.6x 5,232 3%	15.2x 904 18%	14.1x 974 19%	13.5x 1,016 19%	18.4x 748 15%	16.2x 848 17%	15.7x 879 17%	3%	6%
Atlas Copco	🇸🇪	Dec-23	62,592	1,678	64,330	0.5x	4.8x 13,479 20%	5.0x 12,867 (5%)	4.7x 13,619 6%	18.4x 3,501 26%	19.0x 3,386 26%	17.7x 3,640 27%	20.7x 3,114 23%	22.6x 2,850 22%	21.0x 3,059 22%	1%	2%
Crane Co.	🇺🇸	Dec-23	6,108	(11)	6,152	n/a	3.8x 1,638 (3%)	3.5x 1,783 9%	3.2x 1,905 7%	22.8x 270 16%	18.4x 334 19%	16.3x 377 20%	27.4x 225 14%	20.4x 302 17%	17.9x 344 18%	8%	18%
Curtiss-Wright	🇺🇸	Dec-23	7,757	629	8,386	1.2x	3.8x 2,234 5%	3.5x 2,371 6%	3.4x 2,488 5%	17.0x 494 22%	16.6x 506 21%	15.6x 539 22%	22.1x 379 17%	20.2x 414 17%	18.7x 448 18%	6%	4%
Dover	🇺🇸	Dec-23	19,273	2,585	21,882	1.8x	3.3x 6,625 (6%)	3.2x 6,794 3%	3.1x 7,057 4%	16.1x 1,363 21%	14.9x 1,466 22%	13.9x 1,570 22%	20.9x 1,048 16%	18.2x 1,203 18%	16.7x 1,308 19%	3%	7%
Emerson	🇺🇸	Sep-23	51,341	7,384	62,455	2.0x	4.8x 12,924 2%	4.4x 14,098 9%	4.2x 14,831 5%	19.0x 3,290 25%	17.3x 3,606 26%	16.0x 3,910 26%	28.1x 2,221 17%	22.9x 2,725 19%	19.9x 3,145 21%	7%	9%
EnPro	🇺🇸	Dec-23	2,818	257	3,089	1.2x	3.7x 832 (9%)	3.5x 871 5%	3.3x 931 7%	16.6x 186 22%	14.8x 208 24%	13.5x 228 25%	29.4x 105 13%	23.6x 131 15%	20.3x 152 16%	6%	11%
Graco	🇺🇸	Dec-23	12,470	(383)	12,120	n/a	7.0x 1,724 (3%)	6.8x 1,785 4%	6.5x 1,870 5%	22.8x 531 31%	20.3x 597 33%	19.2x 632 34%	27.1x 447 26%	22.8x 532 30%	21.5x 565 30%	4%	9%
Halma	🇬🇧	Mar-23	8,931	619	9,530	1.3x	4.9x 1,953 10%	4.6x 2,079 6%	4.3x 2,197 6%	21.0x 454 23%	19.4x 491 24%	18.0x 529 24%	24.1x 395 20%	21.6x 442 21%	20.2x 473 22%	6%	8%
Ingersoll Rand	🇺🇸	Dec-23	30,330	1,041	31,510	0.7x	5.8x 5,398 10%	5.4x 5,785 7%	5.1x 6,133 6%	23.6x 1,335 25%	20.4x 1,547 27%	18.8x 1,673 27%	34.4x 917 17%	26.7x 1,182 20%	24.5x 1,286 21%	7%	12%
ITT	🇺🇸	Dec-23	8,843	(160)	8,720	n/a	3.4x 2,577 4%	3.0x 2,880 12%	2.9x 3,039 6%	17.4x 501 19%	14.6x 597 21%	13.3x 655 22%	22.3x 390 15%	17.4x 502 17%	15.6x 559 18%	9%	14%
Kadant	🇺🇸	Dec-23	3,044	25	3,071	0.1x	4.1x 752 0%	3.7x 841 12%	3.5x 886 5%	19.4x 159 21%	17.0x 181 21%	15.9x 193 22%	24.6x 125 17%	21.4x 143 17%	19.8x 155 18%	9%	10%
Nordson Corporation	🇺🇸	Oct-23	12,432	1,274	13,706	1.8x	6.3x 2,186 (3%)	6.2x 2,210 1%	5.9x 2,327 5%	20.6x 666 30%	19.5x 702 32%	18.3x 749 32%	27.1x 506 23%	22.9x 598 27%	21.1x 649 28%	3%	6%
Parker Hannifin	🇺🇸	Jun-23	56,509	8,947	65,463	2.3x	4.3x 15,326 7%	4.1x 16,108 5%	3.9x 16,851 5%	18.2x 3,607 24%	16.5x 3,961 25%	15.6x 4,207 25%	24.5x 2,671 17%	20.4x 3,204 20%	19.2x 3,417 20%	5%	8%
Sulzer	🇨🇭	Dec-23	3,256	161	3,368	0.4x	1.1x 3,060 7%	1.1x 2,988 (2%)	1.1x 3,099 4%	8.5x 398 13%	8.1x 413 14%	7.9x 429 14%	12.9x 262 9%	10.6x 317 11%	10.0x 336 11%	1%	4%
Xylem	🇺🇸	Dec-23	24,740	1,340	26,313	1.0x	4.6x 5,781 26%	3.9x 6,726 16%	3.7x 7,085 5%	26.0x 1,011 17%	19.7x 1,335 20%	17.9x 1,470 21%	41.8x 629 11%	25.0x 1,053 16%	22.4x 1,177 17%	11%	21%
Min							1.1x	1.1x	1.1x	8.5x	8.1x	7.9x	12.9x	10.6x	10.0x	1%	2%
Mean							4.3x	4.0x	3.8x	18.9x	16.9x	15.7x	25.4x	20.8x	19.0x	5%	9%
Median							4.2x	3.8x	3.6x	18.7x	17.2x	15.9x	24.5x	21.5x	19.9x	6%	9%
Max							7.0x	6.8x	6.5x	26.0x	20.4x	19.2x	41.8x	26.7x	24.5x	11%	21%

Source: CapIQ

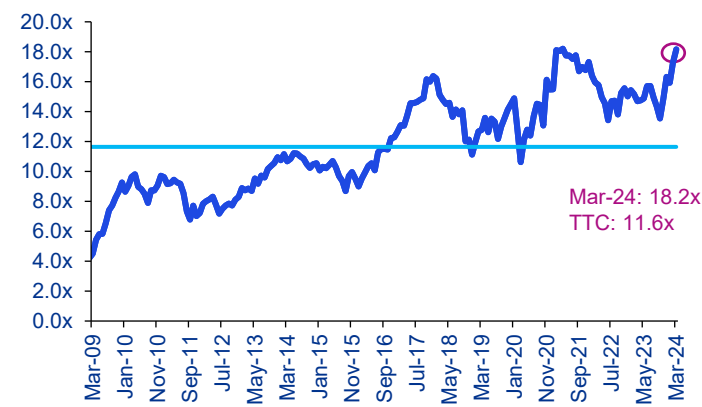
Note: (a) Multiples are based on enterprise value as of 31-Mar-2024 and historical and forecast sales, EBITDA and EBIT, calendarised to 31 December. "nmf": not meaningful; "n/a": not available.

## 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-24	ILC Dover		Developer and manufacturer of engineered products using high-performance flexible materials for the life sciences industries	Ingersoll Rand		USD 2,325	20.3x
Jan-24	Vian Enterprises Inc		Manufacturer of aerospace oil lubrication systems.	Crane Co		USD 103	12.9x
Nov-23	Svanehoj Group		Manufacturer of pumps for the marine and oil & gas industries	ITT		USD 395	12.0x
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 (Aborted)	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	Neles		Flow control solutions and services company specialised in valves and valve automation technologies	Valmet		EUR 2,000	18.2x
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

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Source: Company announcements, Mergermarket and Broker estimates

## M&A Transaction History (cont.)

Date	Target company	Country	Target Description	Acquirer company	Country	EV (m)	EV/ EBITDA
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	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
Min							5.6x
<b>Mean</b>							<b>13.0x</b>
<b>Median</b>							<b>12.7x</b>
Max							20.3x

## 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>

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