



Seale & Associates

PUMPS & VALVES INDUSTRY
Q1 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Pumps and Valves Industry Multiples Valuation Update for Q1 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



James A. Seale | President

jseale@sealeassociates.com



Brett M. Carmel | Senior Managing Director

bcarmel@sealeassociates.com



Robert Whitney | Managing Director

rwhitney@sealeassociates.com



Sergio Garcia del Bosque | Managing Director

sgarcia@sealeassociates.com



Carlos Hernández | Managing Director

chernandez@sealeassociates.com



Alejandro Montemayor | Vice President

amontemayor@sealeassociates.com



Armando Rios | Vice President

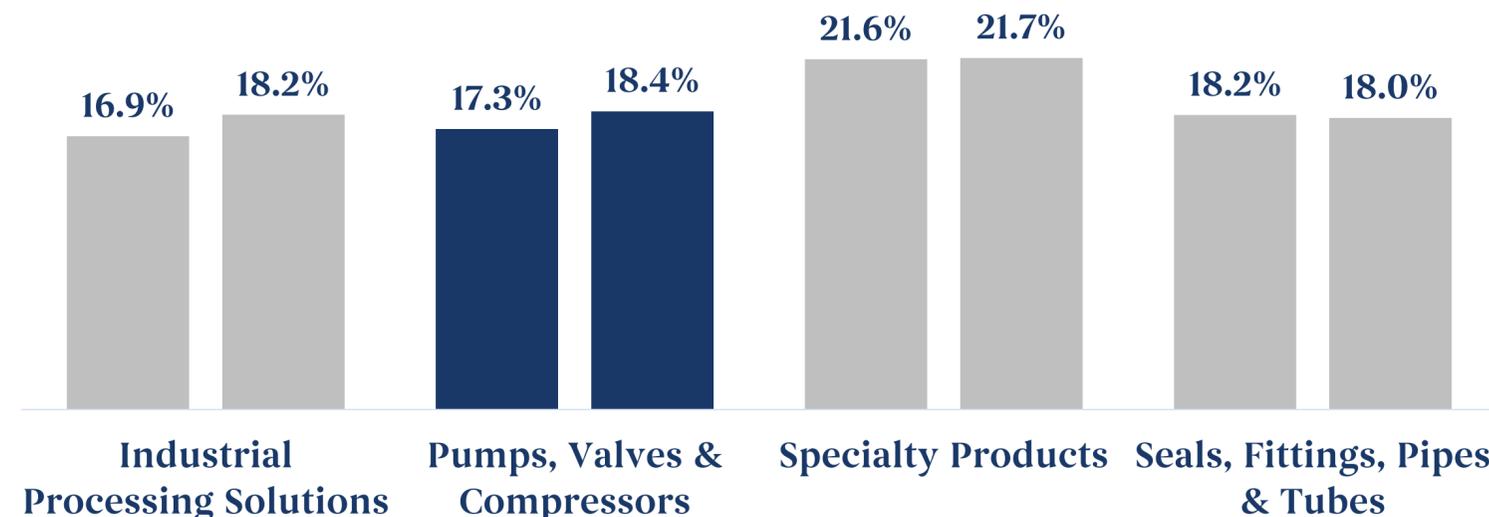
arios@sealeassociates.com

Pumps & Valves Industry Overview, M&A Trends and Market Intelligence

Pumps & Valves Industry Overview

- The global pumps market was valued at **US\$85 billion** in 2023 and is anticipated to grow at a **CAGR of over 4.0%** from 2024 to 2032
- The **Asia-Pacific** region, particularly China and India, remains a key area for M&A activity. **North America** also saw substantial activity, driven by the stable economic conditions and strong market for aftermarket services
- M&A activity is **focused** on gaining access to cutting-edge technologies such as **IoT-enabled valves** and **smart control systems**
- The increasing emphasis on **sustainability** and **energy efficiency** is driving acquisitions of companies with advanced green technologies and energy-efficient solutions
- Ongoing **infrastructure projects** globally are prompting companies to **consolidate and expand** their capabilities through strategic acquisitions
- Stabilizing oil prices have led to **renewed demand for pumps and valves** in the oil and gas sector, driving acquisitions in this area
- Major players like Flowserve, KSB, and Emerson have been **active in the M&A space**, targeting niche technology providers and expanding their geographic footprint

EBITDA Margin Comparison 2023 vs 2024 in the Flow Control Industry



Pumps and Valves Key Trends

-  Implementation of **ESG components** into the business model to promote **sustainable practices** and enhance corporate responsibility
-  Expansion of the product portfolio through **strategic acquisitions**, allowing the company to enter new markets and **broaden** its range of offerings
-  Implementation of **IoT technologies** and **automation** through targeted acquisitions to improve operational **efficiency** and **innovate** processes
-  Identification and adoption of **scalable technologies** and **business models** to support growth and enhance the company's **competitive edge**
-  Strategic acquisition of companies **outside of the current region** to **extend market reach** and establish a **global presence**

Pumps & Valves Industry Large Cap Comparable Public Companies (1/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Alfa Laval AB (publ)		SWE	\$16,267	\$17,267	\$6,022	18.1%	15.1x	16.3x	15.9x	2.9x
Baker Hughes Company		USA	\$33,530	\$37,824	\$26,208	17.5%	9.2x	9.2x	8.2x	1.4x
Dover Corporation		USA	\$24,342	\$27,634	\$8,453	21.6%	13.6x	12.9x	15.1x	3.3x
Emerson Electric Co.		USA	\$64,842	\$80,128	\$16,529	26.1%	13.9x	12.7x	18.6x	4.8x
Graco Inc.		USA	\$15,749	\$15,261	\$2,158	31.9%	18.2x	18.5x	22.2x	7.1x
IDEX Corporation		USA	\$18,459	\$19,366	\$3,229	29.2%	19.1x	18.1x	20.6x	6.0x
Ingersoll Rand Inc.		USA	\$38,306	\$39,695	\$6,917	25.3%	18.4x	18.4x	22.7x	5.7x

Pumps & Valves Industry Large Cap Comparable Public Companies (2/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
ITT Inc.	 ITT	USA	\$11,168	\$10,975	\$3,396	19.7%	11.8x	12.3x	16.4x	3.2x
Parker-Hannifin Corporation	 Parker	USA	\$71,369	\$82,775	\$19,839	26.1%	13.0x	14.5x	16.0x	4.2x
Pentair plc	 PENTAIR	GBR	\$14,184	\$16,108	\$4,093	23.1%	12.3x	13.4x	17.0x	3.9x
Xylem Inc.	 xylem	USA	\$31,246	\$32,963	\$7,949	17.8%	19.7x	22.5x	23.4x	4.1x
■ Excluded from mean and median						Mean	14.9x	14.6x	17.8x	4.0x
						Median	13.9x	14.5x	17.0x	4.1x

Pumps & Valves Industry Mid Cap Comparable Public Companies (1/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Badger Meter, Inc.	 BadgerMeter, Inc.	USA	\$4,749	\$4,563	\$741	20.2%	24.3x	31.3x	30.5x	6.2x
Crane Company	 CRANE	USA	\$7,715	\$7,703	\$2,138	17.1%	10.0x	8.5x	21.1x	3.6x
Ebara Corporation	 EBARA	JPN	\$8,419	\$8,449	\$5,085	15.1%	5.9x	6.1x	11.0x	1.7x
Flowserve Corporation	 FLOWSERVE	USA	\$5,994	\$6,892	\$4,428	12.8%	12.2x	12.9x	12.2x	1.6x
Franklin Electric Co., Inc.	 Franklin Electric	USA	\$4,918	\$4,993	\$2,041	16.4%	15.2x	13.5x	14.9x	2.4x
Indutrade AB (publ)	 Indutrade	SWE	\$9,946	\$10,644	\$2,948	17.8%	20.6x	18.1x	20.3x	3.6x
IMI plc	 IMI	GBR	\$5,968	\$6,772	\$2,773	21.7%	11.0x	10.8x	11.3x	2.4x
Interpump Group S.p.A.	 INTERPUMP GROUP	ITA	\$5,215	\$5,750	\$2,367	23.6%	12.5x	11.3x	10.3x	2.4x
Rotork plc	 rotork®	GBR	\$3,567	\$3,400	\$908	24.8%	17.0x	17.4x	15.1x	3.7x

Pumps & Valves Industry Mid Cap Comparable Public Companies (2/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Spirax-Sarco Engineering plc	<i>Spirax-Sarco Engineering plc</i>	GBR	\$9,347	\$10,312	\$2,125	23.6%	22.8x	20.0x	20.6x	4.9x
Sulzer Ltd		CHE	\$4,112	\$4,306	\$3,638	12.9%	7.8x	9.2x	9.2x	1.2x
Valmet Oyj		FIN	\$4,846	\$5,961	\$5,851	12.7%	9.1x	8.0x	8.0x	1.0x
Watts Water Technologies, Inc.		USA	\$7,079	\$7,081	\$2,156	19.3%	14.0x	14.7x	17.0x	3.3x
■ Excluded from mean and median						Mean	13.3x	11.9x	15.1x	2.8x
						Median	12.3x	12.1x	13.6x	2.4x

Pumps & Valves Industry Small Cap Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
KITZ Corporation		JPN	\$809	\$868	\$1,110	12.5%	4.8x	5.4x	6.2x	0.8x
KSB SE & Co. KGaA		DEU	\$1,228	\$1,153	\$3,043	10.6%	2.9x	3.9x	3.6x	0.4x
Nikkiso Co., Ltd.		JPN	\$564	\$894	\$1,322	7.9%	14.9x	11.0x	8.5x	0.7x
The Gorman-Rupp Company		USA	\$1,037	\$1,433	\$658	17.7%	17.5x	14.2x	12.3x	2.2x
Torishima Pump Mfg. Co., Ltd.		JPN	\$499	\$532	\$536	13.2%	5.0x	5.8x	7.5x	1.0x
Tsurumi Manufacturing Co.,Ltd.		JPN	\$608	\$494	\$414	16.1%	4.9x	5.8x	7.4x	1.2x
■ Excluded from mean and median						Mean	8.3x	7.7x	6.7x	1.0x
						Median	5.0x	5.8x	7.5x	0.9x

Pumps & Valves Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-24		USA	Manufactures custom plumbing and fire-protection systems		-	100.0%	-	-	-
Mar-24		USA	Manufactures electric submersible pump solutions and accessories		-	100.0%	-	-	-
Mar-24		GBR	Provides reparation, maintenance, and refurbishment of industrial pumps and related equipment		-	100.0%	-	-	-
Mar-24		USA	Manufactures reed valve technology for compressors		-	100.0%	-	-	-
Feb-24		USA	Distributes industrial instrumentation, valves, and controls for process and combustion applications		-	100.0%	-	-	-
Feb-24		USA	Manufactures and repairs pumps and motors		-	100.0%	-	-	-
Feb-24		USA	Provides water and wastewater treatment solutions with pump systems		-	100.0%	-	-	-
Feb-24		USA	Manufactures electrical submersible pumps for oil and gas			100.0%	-	-	-
Jan-24		USA	Provides pumping solutions		-	100.0%	-	-	-
Jan-24		CHE	Manufactures valves, tube unions, tube fittings, hoses, and accessories		-	>50.0%	-	-	-

Selected Transactions Commentary


CHAMPIONX

has acquired


RMS pumptools

“The acquisition of RMSpumptools is consistent with our capital allocation framework which includes bolt-on technology acquisitions. RMSpumptools’ highly complementary portfolio aligns seamlessly with ChampionX’s existing Production and Automation Technologies offerings, with minimal product overlap.”

Sivasankaran Somasundaram, President and CEO of ChampionX


Flotilla

has merged with


**Crystal
Pump
Repair
Services**
Sales, Service and Supplies

“We are incredibly excited to welcome Crystal Pump into the Flotilla Partners organization. The merger represent a pivotal moment for our organization as we expand across the state of Florida by both adding density and entering the central and the southern parts of the state in a meaningful way.”

Walter Conner, CEO of Flotilla Partners


**Atlas Copco
Group**

has acquired


ZAHROOF
VALVES INC

“We can leverage on this technology to further increase the energy efficiency in our gas compressors since less power is required than when using traditional valve technology.”

Vagner Rego, President and CEO of Atlas Copco


ACC

AC Controls Company

has acquired


Kele

“AC Controls is proud to join forces with the Kele Companies as it will provide our team with additional resources to serve our customer base. Kele’s culture closely aligns with ours, creating a growth opportunity for our employees, customers, and vendors.”

Jim Borders, President of AC Controls

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Pump and Compressor Manufacturing <i>NAICS 33391 – Pump and Compressor Manufacturing</i>	2019-2024	\$97.7M	\$40.0M	17.0%	2.9x	32.9%	8.3x	3
 Industrial Valve Manufacturing <i>NAICS 332911 – Industrial Valve Manufacturing</i>	2019-2024	\$67.3M	\$38.5M	2.4%	1.9x	26.6%	7.5x	5

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

Procon

TARGET

Procon

TRANSACTION SIZE

US\$75M

TRANSACTION TYPE

Sell-side Advisory

INDUSTRIES

Flow Control

GEOGRAPHY

Global

SITUATION

Seale & Associates acted as exclusive financial advisor to Standex International Corporation (NYSE:SXI) on the announced sale of its Procon Pumps business.

SEALE & ASSOCIATES' APPROACH

Seale was engaged by Standex, a key global multi-industry player in the industrial machinery and supply components industry, with the objective of exploring a range of strategic alternatives for its subsidiary Procon. Seale managed a competitive auction process with potential strategic and financial buyers for the Business.

OUTCOME

The process resulted in the successful acquisition of Procon by CEME Group, a leading global solenoid pumps, rotary pumps, and solenoid valves manufacturer. The transaction value was US\$75M.

“We believe CEME Group is well-placed to enable the Procon business to grow and reach its strategic potential.”



“Invest Industrial’s portfolio of companies includes the CEME Group, which manufactures solenoid pumps, rotary pumps, and solenoid valves in Italy and across the globe. We believe CEME Group is well-placed to enable the Procon business to grow and reach its strategic potential. I would like to thank our Procon colleagues for their contributions to Standex and wish them much success as they start a new chapter for the business.”

David Dunbar
CEO and President of Standex

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SUBSCRIBE

Sector Relevant Experience

Extensive M&A transaction experience, including:

- Provided **divestiture advisory** services to **Standex International Corporation** on the announced **sale of its specialty pump business Procon to Investindustrial**
- Provided **divestiture advisory** services to **Tyco International** on the **sale** of its **Indian fire sprinkler and hydrant installation business** and on its **Brazilian security & fire services business**
- Provided **acquisition advisory** services to the shareholders of **State Industries, Inc.**, a manufacturer of residential and commercial water heaters, on the **sale** of the business to **A.O. Smith Corporation**
- Provided **acquisition advisory services** to the shareholders of **Grif-Fab Corporation** on the **sale of the business to Ferguson Fire & Fabrication, Inc.**, a **division of Ferguson Enterprises, Inc.**, a wholly-owned subsidiary of Wolseley plc
- Provided **divestiture advisory services** to **Flowserve Corporation** on the sale of its **Davies & Baird Australian** specialty castings foundry business to **Davies Baird Pty Ltd**, a sister company of Quality Castings Pty Ltd
- Provided **advisory services** to **ClarkeValve**, a **high-quality industrial control valves** that led to entering into a Global License and Partnership Agreement with **Ampo**



has sold



to



a portfolio company of




has sold its

Indian Fire Sprinkler & Hydrant Installation Business

and

Brazilian Security & Fire Services Business



has been acquired by




has been acquired by



a business of




has sold



to

Davies Baird Pty Ltd
sister company of




has entered into a

Global License and Partnership Agreement

with



Commitment made of steel

Global M&A Representative Engagements

<p>BEIJER REF</p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p>ZN ZINC NACIONAL</p> <p>has sold</p> <p>GSDKO</p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p>	<p>Hertz</p> <p>has acquired</p>  <p>DONLEN</p>
<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



JAMES A. SEALE

President and Founder | Washington, DC

✉ [in](#) +1 (703) 623-9253

32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University
University of Virginia - JD
University of Kentucky - BS in Accounting

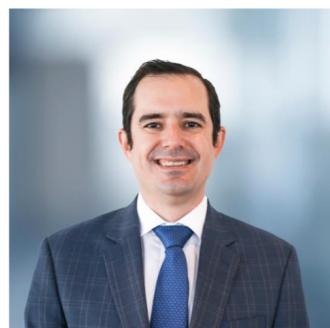


BRETT M. CARMEL

Senior Managing Director and Co-founder | Miami, FL

✉ [in](#) +1 (703) 294-6530

25+ years of global M&A experience and Professor of M&A at Johns Hopkins University
The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors

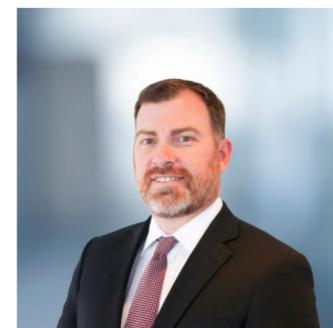


SERGIO GARCIA DEL BOSQUE

Managing Director | Mexico City, Mexico

✉ [in](#) +52 (55) 8000-7463

16+ years of global M&A experience
IPADE - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



ROBERT E. WHITNEY

Managing Director | Washington, DC

✉ [in](#) +1 (703) 801-8939

19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services
University of Richmond - BS Business Administration in Accounting

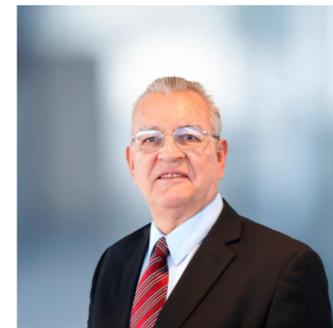


CARLOS HERNANDEZ

Managing Director | San Luis Potosi, Mexico

✉ [in](#) +1 (571) 482-3432

14+ years of global M&A experience
Columbia University - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



FELIPE BUENO

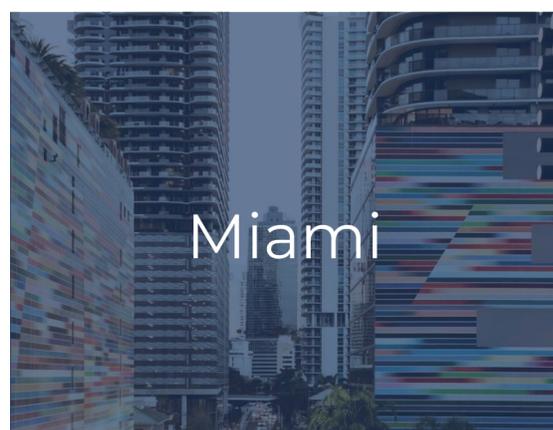
Senior Director | Monterrey, Mexico

✉ [in](#) +52 (84) 4432-4444

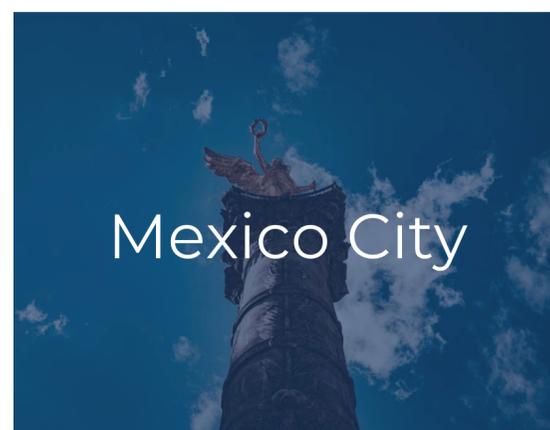
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



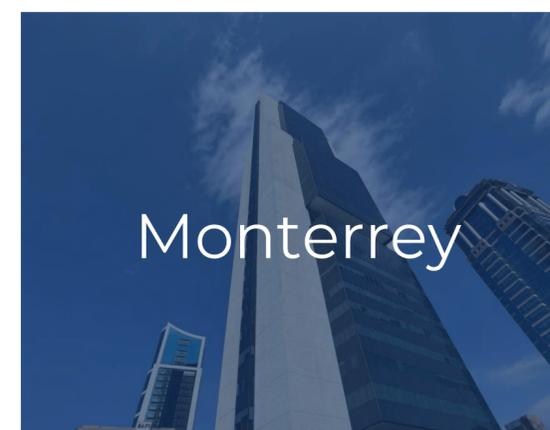
Washington D.C.



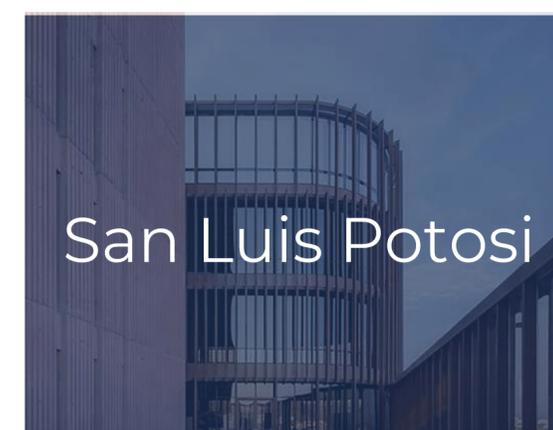
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San Luis Potosi

Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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\$50B+

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