



Seale & Associates

PUMPS & VALVES INDUSTRY

Q2 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.



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

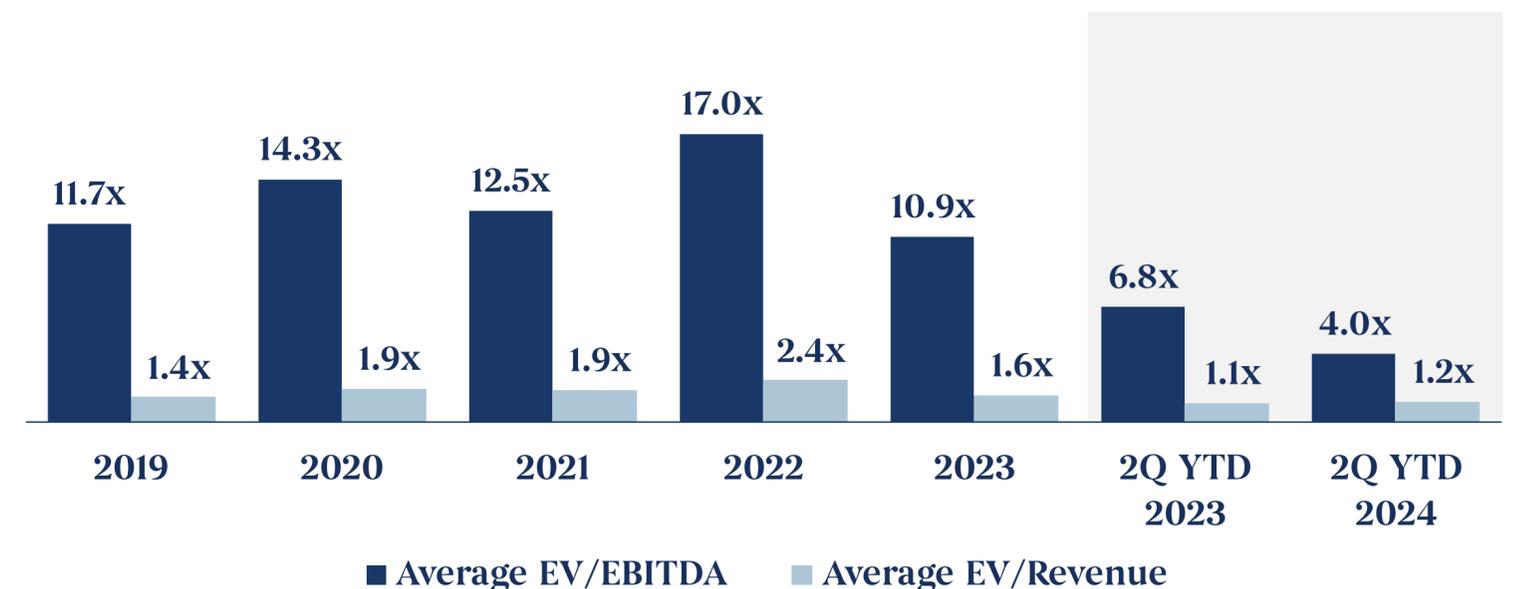
Pumps & Valves Industry Overview

- 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 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
- 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

Pumps & Valves Industry M&A Deal Size and Volume



Pumps & Valves Industry M&A Average EV/EBITDA and EV/Revenue



Source: Pumps and Systems Magazine, Kaufman Hall, Global Market Insights

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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Alfa Laval AB (publ)		SWE	\$18,099	\$19,074	\$6,231	17.8%	15.1x	16.3x	17.2x	3.1x
Baker Hughes Company		USA	\$35,100	\$38,548	\$27,033	17.6%	9.2x	9.2x	8.1x	1.4x
Dover Corporation		USA	\$24,799	\$27,812	\$8,531	21.3%	13.6x	12.9x	15.3x	3.3x
Emerson Electric Co.		USA	\$63,023	\$78,021	\$16,963	27.2%	13.9x	12.7x	16.9x	4.6x
Graco Inc.		USA	\$13,409	\$12,833	\$2,152	31.0%	18.2x	18.5x	19.2x	6.0x
IDEX Corporation		USA	\$15,230	\$15,954	\$3,190	28.8%	19.1x	18.1x	17.4x	5.0x
Ingersoll Rand Inc.		USA	\$36,648	\$38,034	\$7,036	25.6%	18.4x	18.4x	21.1x	5.4x

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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
ITT Inc.	 ITT	USA	\$10,632	\$10,868	\$3,468	20.3%	11.8x	12.3x	15.5x	3.1x
Parker-Hannifin Corporation	 Parker	USA	\$65,017	\$75,982	\$19,839	26.6%	13.0x	14.5x	14.4x	3.8x
Pentair plc	 PENTAIR	GBR	\$12,729	\$14,826	\$4,110	23.2%	12.3x	13.4x	15.5x	3.6x
Xylem Inc.	 xylem	USA	\$32,883	\$34,318	\$8,396	18.7%	19.7x	22.5x	21.9x	4.1x
■ Excluded from mean and median						Mean	14.9x	14.6x	16.6x	3.9x
						Median	13.9x	14.5x	16.9x	3.8x

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		Second Quarter Jun. 30, 2024	
						2022	2023	EV/EBITDA	EV/Revenue
Badger Meter, Inc.	 USA	\$5,478	\$5,284	\$782	20.8%	24.3x	31.3x	32.6x	6.8x
Crane Company	 USA	\$8,287	\$8,438	\$2,210	17.3%	10.0x	8.5x	22.0x	3.8x
Ebara Corporation	 JPN	\$7,301	\$7,362	\$4,781	15.8%	5.9x	6.1x	9.8x	1.5x
Flowserve Corporation	 USA	\$6,333	\$7,238	\$4,504	13.4%	12.2x	12.9x	12.0x	1.6x
Franklin Electric Co., Inc.	 USA	\$4,438	\$4,548	\$2,016	16.5%	15.2x	13.5x	13.7x	2.3x
Indutrade AB (publ)	 SWE	\$9,336	\$10,107	\$3,010	17.0%	20.6x	18.1x	19.7x	3.4x
IMI plc	 GBR	\$5,804	\$6,609	\$2,793	21.6%	11.0x	10.8x	11.0x	2.4x
Interpump Group S.p.A.	 ITA	\$4,754	\$5,249	\$2,305	23.0%	12.5x	11.3x	9.9x	2.3x
Rotork plc	 GBR	\$3,634	\$3,466	\$943	23.9%	17.0x	17.4x	15.4x	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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Spirax Group plc		GBR	\$7,892	\$8,857	\$2,096	23.9%	22.8x	20.0x	17.7x	4.2x
Sulzer Ltd		CHE	\$4,673	\$4,868	\$3,761	12.5%	7.8x	9.2x	10.3x	1.3x
Valmet Oyj		FIN	\$5,267	\$6,271	\$5,711	12.8%	9.1x	8.0x	8.6x	1.1x
Watts Water Technologies, Inc.		USA	\$6,119	\$6,163	\$2,220	19.5%	14.0x	14.7x	14.2x	2.8x
■ Excluded from mean and median						Mean	13.3x	11.9x	13.3x	2.7x
						Median	12.3x	12.1x	12.8x	2.3x

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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
KITZ Corporation		JPN	\$634	\$692	\$1,053	12.1%	4.8x	5.4x	5.4x	0.7x
KSB SE & Co. KGaA		DEU	\$1,245	\$1,170	\$3,118	10.3%	2.9x	3.9x	3.6x	0.4x
Nikkiso Co., Ltd.		JPN	\$474	\$928	\$1,243	9.1%	14.9x	11.0x	8.2x	0.7x
The Gorman-Rupp Company		USA	\$962	\$1,334	\$657	18.0%	17.5x	14.2x	11.3x	2.0x
Torishima Pump Mfg. Co., Ltd.		JPN	\$524	\$535	\$504	11.2%	5.0x	5.8x	9.5x	1.1x
Tsurumi Manufacturing Co.,Ltd.		JPN	\$742	\$617	\$389	16.7%	4.9x	5.8x	9.5x	1.6x
						Mean	8.3x	7.7x	7.9x	1.1x
						Median	5.0x	5.8x	8.8x	0.9x

Pumps & Valves Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24		USA	Manufactures industrial spray nozzles		-	Merger	-	-	-
Jun-24		USA	Manufactures pumps for different applications		-	ND	-	-	-
Jun-24*		ESP	Manufactures integrated process equipment solutions			100.0%	-	-	-
Jun-24		ITA	Manufactures ball valves for fluid control			100.0%	\$60.1	-	2.0x
Jun-24	Hydraulic Technologies	USA	Manufactures and markets hydraulic tools and equipment			100.0%	-	-	-
May-24*		CAN	Manufactures hydraulic cylinders			100.0%	-	-	-
Apr-24		AUS	Manufactures industrial pumps and flow control systems for water, food product, and specialist applications		-	100.0%	\$0.3	4.0x	0.4x

ND: Not Disclosed

*Announced transactions pending approval and other customary closing conditions

Mean 4.0x 1.2x
Median 4.0x 1.2x

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.”



“Investindustrial’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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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>has been acquired by</p> 	 <p>has sold a controlling interest to</p> 	 <p>has sold</p>  <p>Zinc Oxide Corporation a subsidiary of</p> 	 <p>has acquired</p>  <p>from</p> 	 <p>has been acquired by</p> 	 <p>Oxbow's Senior Subordinated debt issued by</p>  <p>was refinanced by</p> 	 <p>has acquired</p> 
 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</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>has acquired</p> 	 <p>has sold its GRACE Membranes business</p> 
 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has acquired</p> 	 <p>has been recapitalized by</p> 



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University of Florida - BA in Political Science with High Honors

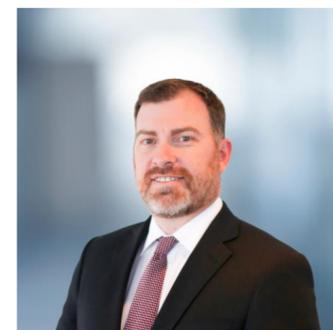


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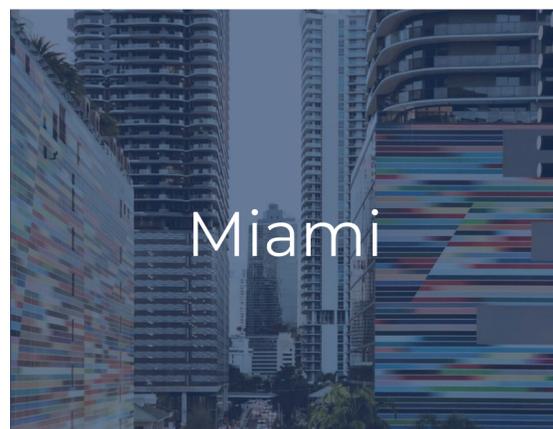
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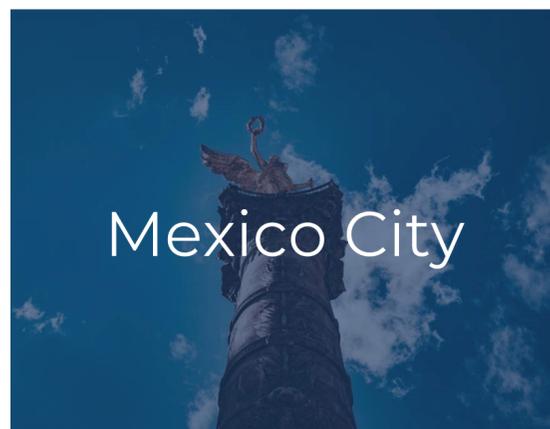
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
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MBA and BS in Industrial Engineering



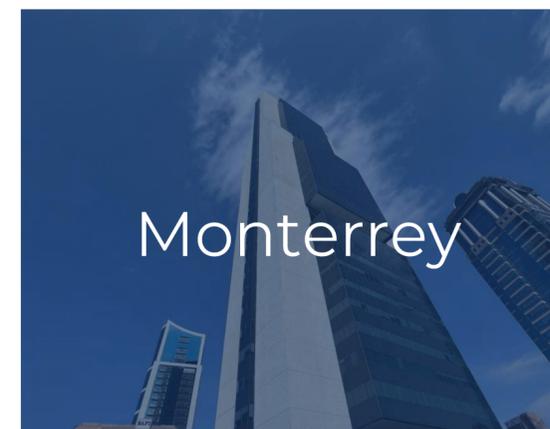
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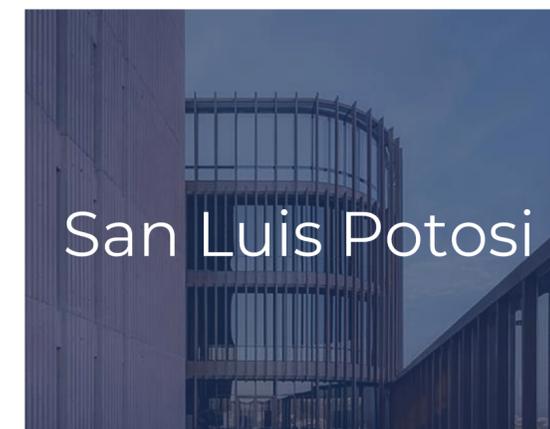
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25

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Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

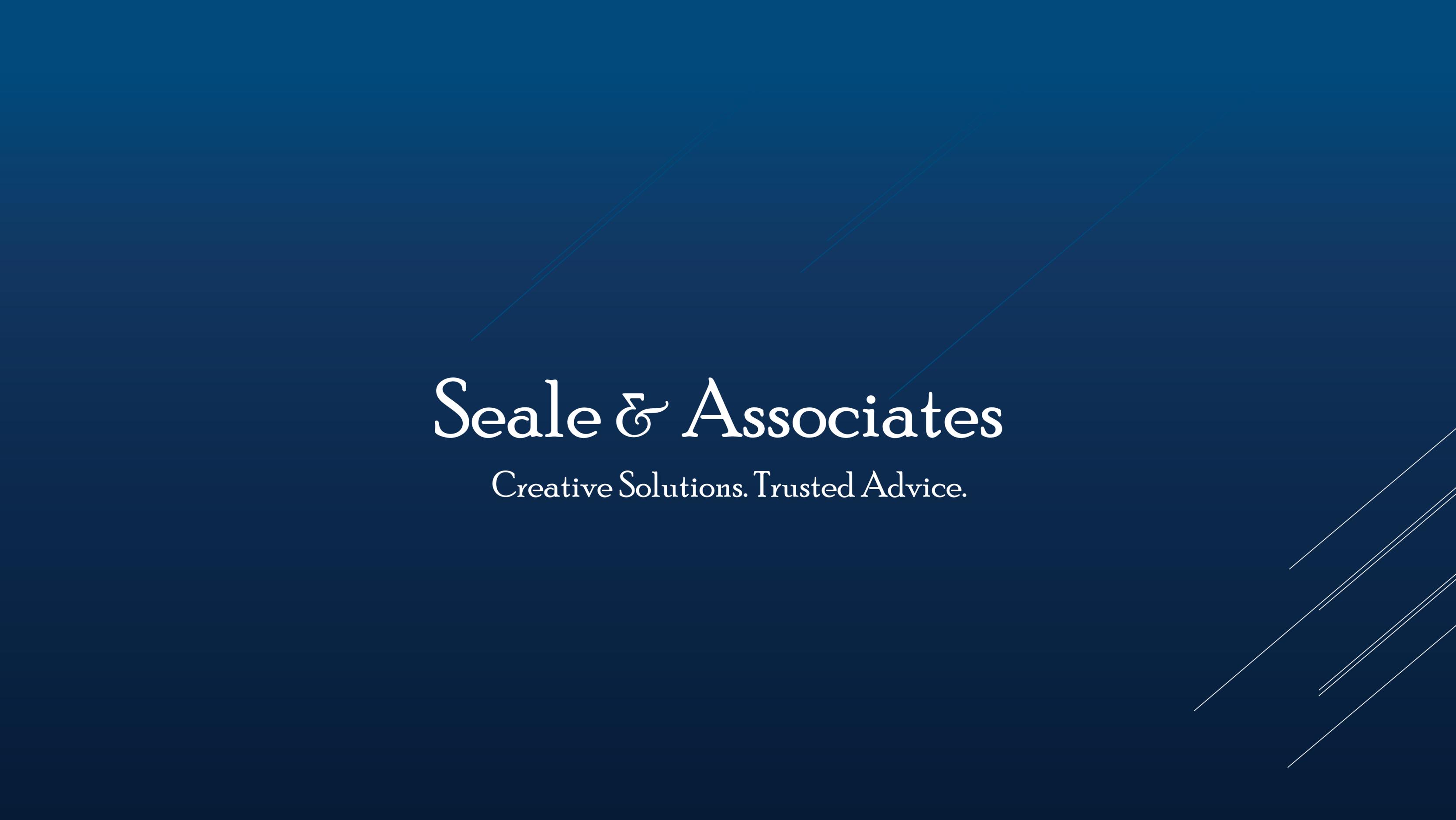
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...as well as with reputable funds, family-offices and privately held companies.





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