

The image features a close-up, low-angle shot of industrial machinery, specifically pumps and valves, set against a solid teal background. The machinery is composed of various white and grey components, including large pipes, flanges, and valve bodies. The lighting is bright, highlighting the metallic textures and the complex arrangement of the equipment. The overall aesthetic is clean and professional, typical of a corporate or industry report cover.

Seale & Associates

PUMPS & VALVES INDUSTRY
Q4 2023
VALUATION UPDATE

Introduction

We are pleased to share our pumps & valves Industry Multiples Valuation Update for Q4 2023.

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

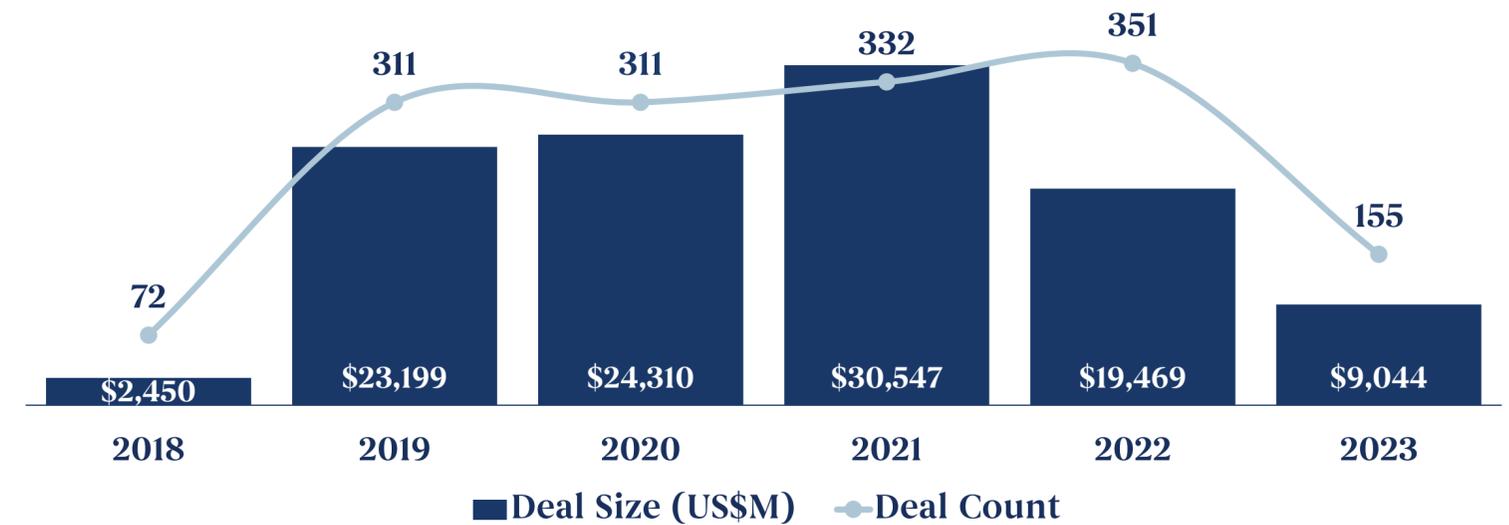
arios@sealeassociates.com

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

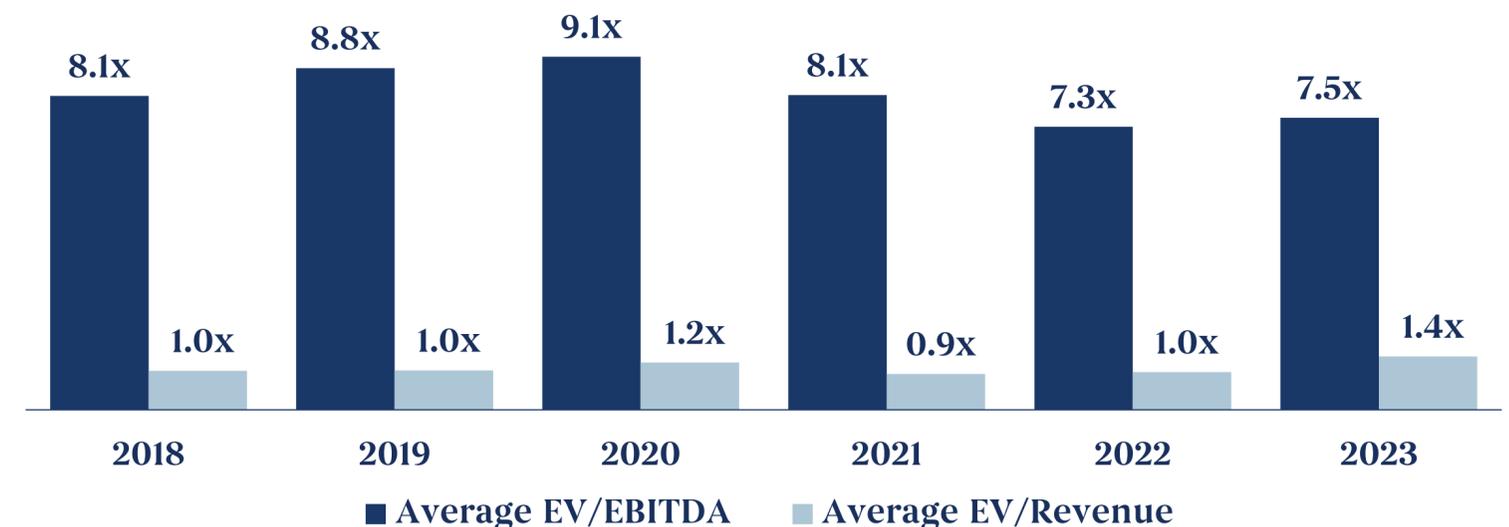
Pumps & Valves industry overview

- The global pumps and valves market was valued at **US\$134 billion in 2022** and is expected to reach **US\$166 billion by 2028**, growing at a **CAGR of 3.6%**
- The **Asia-Pacific** region is expected to witness the highest growth rate due to rising industrialization and infrastructure development, especially in India, China, and Japan. Other regions with expected growth include North America and Europe.
- **Growing green initiatives** were a key driver in Q4 2023. **Focus on sustainability** drives demand for energy-efficient and smart flow control systems
- The industry is expected to maintain its **positive trajectory in 2024**, driven by ongoing infrastructure projects, green initiatives, and technological advancements. However, supply chain challenges and geopolitical uncertainties remain concerns to monitor
- Volatility in raw material prices, such as steel, iron, and various other metals, is expected to affect the pump market during the next 4 years
- An increase in demand for automatic valves is expected to increase the demand for industrial valves over the forecast period
- Ball valves and butterfly valves dominate the market, with increasing demand for automated and smart options

Pumps & Valves Industry M&A Deal Size and Volume



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



Pumps & Valves Industry Large Cap Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/		
						2021	2022	EBITDA	Revenue	
Alfa Laval Corporate AB		SWE	\$16,580	\$17,941	\$6,324	17.6%	16.6x	15.1x	16.1x	2.8x
Baker Hughes Company		USA	\$34,393	\$37,014	\$25,506	17.3%	8.0x	9.2x	8.4x	1.5x
Dover Corporation		USA	\$21,517	\$24,384	\$8,438	21.5%	16.6x	13.6x	13.4x	2.9x
Emerson Electric Co.		USA	\$55,626	\$62,189	\$15,909	24.5%	15.1x	13.9x	15.9x	3.9x
Graco Inc.		USA	\$14,644	\$14,175	\$2,196	32.3%	23.0x	18.2x	20.0x	6.5x
IDEX Corporation		USA	16419.0608	\$17,271	\$3,274	29.1%	24.4x	19.1x	18.1x	5.3x
Ingersoll Rand Inc.		USA	\$31,307	\$32,940	\$6,876	24.2%	23.1x	18.4x	19.8x	4.8x
Parker-Hannifin Corporation		USA	\$59,189	\$70,932	\$19,826	24.6%	15.6x	13.0x	14.5x	3.6x
Pentair plc		GBR	\$12,019	\$13,974	\$4,105	23.8%	18.6x	12.3x	14.3x	3.4x
Xylem Inc.		USA	\$27,570	\$29,247	\$7,364	16.6%	24.4x	19.7x	23.9x	4.0x
						Mean	18.5x	15.3x	16.5x	3.9x
						Median	17.6x	14.5x	16.0x	3.7x

Pumps & Valves Industry Mid Cap Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/		
						2021	2022	EBITDA	Revenue	
Badger Meter, Inc.	 Badger Meter, Inc.	USA	\$4,530	\$4,374	\$704	19.7%	29.5x	24.3x	31.5x	6.2x
Crane Company	 CRANE	USA	\$6,712	\$6,702	\$2,086	34.9%	11.0x	10.0x	9.2x	3.2x
Ebara Corporation	 EBARA	JPN	\$5,464	\$5,584	\$5,384	15.1%	7.3x	5.9x	6.8x	1.0x
Flowserve Corporation	 FLOWSERVE	USA	\$5,408	\$6,465	\$4,321	13.3%	10.8x	12.2x	11.2x	1.5x
Franklin Electric Co., Inc.	 Franklin Electric	USA	\$4,458	\$4,569	\$2,065	16.3%	19.5x	15.2x	13.6x	2.2x
Indutrade AB (publ)	 Indutrade	SWE	\$9,485	\$10,396	\$3,166	17.1%	26.5x	20.6x	19.2x	3.3x
IMI plc	 IMI	GBR	\$5,544	\$6,525	\$2,753	21.9%	12.8x	11.0x	10.8x	2.4x
Interpump Group S.p.A.	 INTERPUMP GROUP	ITA	\$5,542	\$6,133	\$2,476	23.7%	18.0x	12.5x	10.4x	2.5x
ITT Inc.	 ITT	USA	\$9,796	\$9,715	\$3,283	20.9%	18.8x	11.8x	14.2x	3.0x
Rotork plc	 rotork	GBR	\$3,543	\$3,420	\$887	22.7%	17.9x	17.0x	17.0x	3.9x

Pumps & Valves Industry Mid Cap Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Fourth Quarter Dec. 31, 2023 EV/	
						2021	2022	EBITDA	Revenue
Spirax-Sarco Engineering plc	 GBR	\$9,848	\$10,914	\$2,180	24.9%	32.2x	22.8x	20.1x	5.0x
Sulzer Ltd	 CHE	\$3,462	\$3,829	\$3,897	12.1%	10.5x	7.8x	8.1x	1.0x
Valmet Oyj	 FIN	\$5,315	\$5,910	\$6,115	13.0%	10.8x	9.1x	7.4x	1.0x
Watts Water Technologies, Inc.	 USA	\$6,943	\$6,675	\$2,056	19.4%	18.2x	14.0x	16.7x	3.2x
					Mean	16.3x	13.2x	13.6x	2.6x
					Median	17.9x	12.2x	11.2x	2.5x

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		Fourth Quarter Dec. 31, 2023 EV/		
						2021	2022	EBITDA	Revenue	
KITZ Corporation		JPN	\$767	\$853	\$1,184	12.3%	6.2x	4.8x	5.9x	0.7x
KSB SE & Co. KGaA		DEU	\$1,208	\$1,277	\$3,113	10.3%	2.9x	2.9x	4.0x	0.4x
Nikkiso Co., Ltd.		JPN	\$483	\$845	\$1,366	NM	10.1x	14.9x	NM	0.6x
The Gorman-Rupp Company		USA	\$931	\$1,321	\$660	16.1%	17.8x	17.5x	12.5x	2.0x
Torishima Pump Mfg. Co., Ltd.		JPN	\$424	\$416	\$580	11.4%	4.0x	5.0x	6.3x	0.7x
Tsurumi Manufacturing Co.,Ltd.		JPN	\$647	\$511	\$430	16.8%	4.6x	4.9x	7.1x	1.2x
						Mean	7.6x	8.3x	7.1x	0.9x
						Median	5.4x	5.0x	6.3x	0.7x

■ Excluded from mean and median

NM: Not Meaningful

Pumps & Valves Industry – Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23		USA	Manufactures compressor valves, and industrial engines for a variety of industries		-	100.0%	-	-	-
Dec-23		ITA	Manufactures valve actuators and control systems		-	100.0%	-	-	-
Dec-23		USA	Distributes industrial pipes, valves, and fittings		 & 	100.0%	-	-	-
Dec-23	All of the assets of LCA Pump, LLC	USA	LCA Pump is the operator of Water Works Pump, a groundwater distributor		LCA Pump, LLC	100.0%	-	-	-
Dec-23		AUS	Manufactures dewatering pumps			100.0%	-	-	-
Dec-23		USA	Manufacturers' representative of fluid processing equipment		-	100.0%	-	-	-
Dec-23		USA	Provides onsite repair and replacement of pumps, motors, controls, valves, water wells, and other equipment		-	100.0%	-	-	-
Dec-23		DEU	Manufactures gear pumps, fluid measurement valves, hydraulic drives, and dosing systems		-	100.0%	-	-	-
Nov-23	Assets of Plad Equipment	CAN	Assets of Plad Equipment			100.0%	-	-	-
Nov-23		DNK	Distributes and imports pumps and mechanical seals		-	100.0%	-	-	-
Nov-23		USA	Manufactures pumps, mission-critical fluid, power, heat transfers, and vacuum technologies		-	100.0%	-	-	-

Pumps & Valves Industry – Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Nov-23	 Alliance PUMP & MECHANICAL SERVICE INC.	USA	Provides municipal and industrial pump sales, service, and repair business	 DXP THE INDUSTRIAL DISTRIBUTION EXPERTS	-	100.0%	-	-	-
Nov-23	 SVANEHOJ	DNK	Manufactures and markets marine and deep well pumps and systems	 ITT	 SoLiX	100.0%	\$395.0	-	2.8x
Oct-23	 FRASERWOODS FABRICATION & MECHANICAL LTD.	CAN	Offers services, repair, and remanufactures blowers and pumps	 IR Ingersoll Rand	-	100.0%	-	-	-
Oct-23	NAF AB	SWE	Manufactures and supplies control units, actuators, and valves	 ANDRITZ	 FLOWSERVE	100.0%	-	-	-

Selected Transactions Commentary



"Svanehøj is an outstanding addition to ITT, with extensive experience in the marine pumps industry and a complementary portfolio of highly engineered flow products aligned to the energy transition. The company has leadership positions in adjacent markets and a strong installed base with a track record of above-market growth."

Luca Savi, CEO and President of ITT



"I look forward to welcoming the NAF AB team to the Andritz Group. Their control valves are an important element for the operation and optimization of process plants and hence a valuable addition to our process control product portfolio."

Jarno Nymark, Executive Board Member of Andritz Group



"The industrial pump segment has been identified as a strategic fit for the group. This acquisition will be a further step for us within this segment, which plays a crucial role within many industries."

Andrew Walker, Business Area President Power Technique



"AIM's strong culture of service, deep customer relationships and history of growth support its unwavering value proposition and focus on the compressor irrespective of its source of power."

Michael Watzsky, Managing Partner of BP Energy Partners

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>	2016-2022	\$85.7M	\$36.0M	22.0%	2.5x	27.4%	8.2x	3
 Industrial Valve Manufacturing <i>NAICS 332911 – Industrial Valve Manufacturing</i>	2020-2023	\$74.1M	\$34.8M	1.4%	2.2x	30.5%	7.6x	4

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

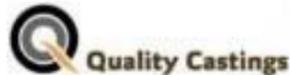



has sold



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 IMPROVEMENT IN SHAPE CUTTING 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</p> <p>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>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

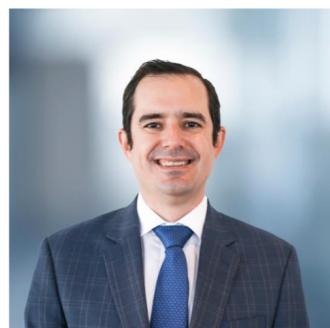


BRETT M. CARMEL

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

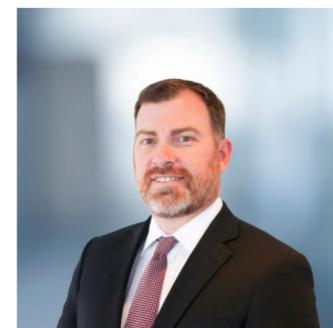


SERGIO GARCIA DEL BOSQUE

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

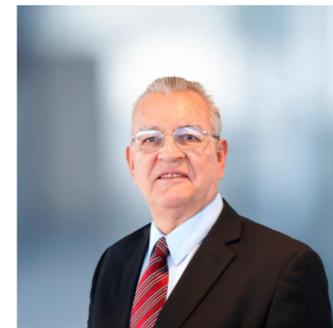


CARLOS HERNANDEZ

Managing Director | Cincinnati, OH

✉ [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

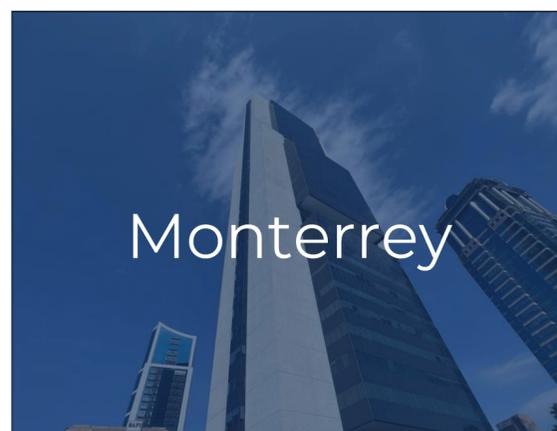
Senior Director | Monterrey, Mexico

✉ [in](#) +52 (84) 4432-4444

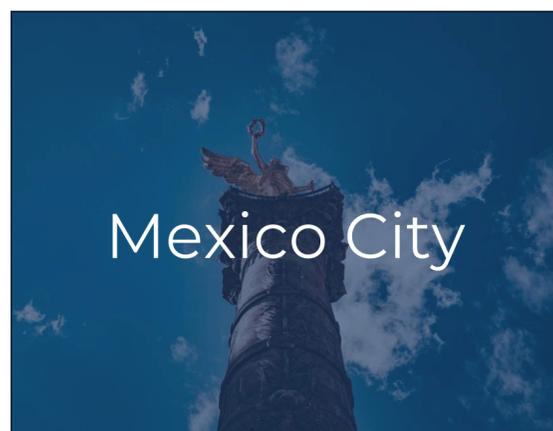
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



Washington D.C.



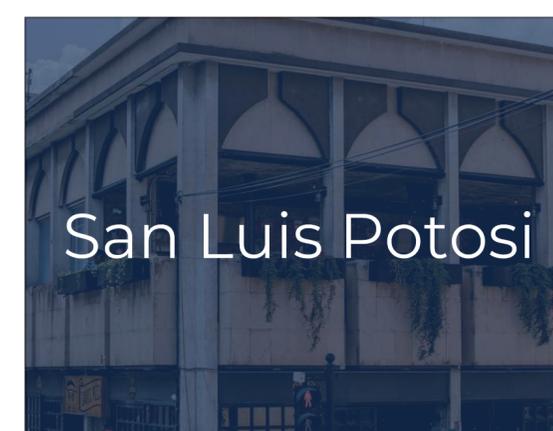
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Creative Solutions. Trusted Advice.

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

YEARS OF EXPERIENCE

\$50B+

TRANSACTIONS GLOBALLY

SERVICES AND SOLUTIONS

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Recapitalizations

Due Diligence / Support

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We have worked repeatedly with many of the most well-known companies in the world...

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



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