

The background of the slide is a photograph of an industrial facility, likely a refinery or chemical plant. It features a complex network of grey metal pipes, large circular valves with handwheels, and various fittings. The lighting is somewhat dim, with a blueish-grey tint, and there's a slight vignette effect. The text is overlaid on the right side of the image.

Seale & Associates

PUMPS & VALVES INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Pumps and Valves Industry Multiples Valuation Update for Q3 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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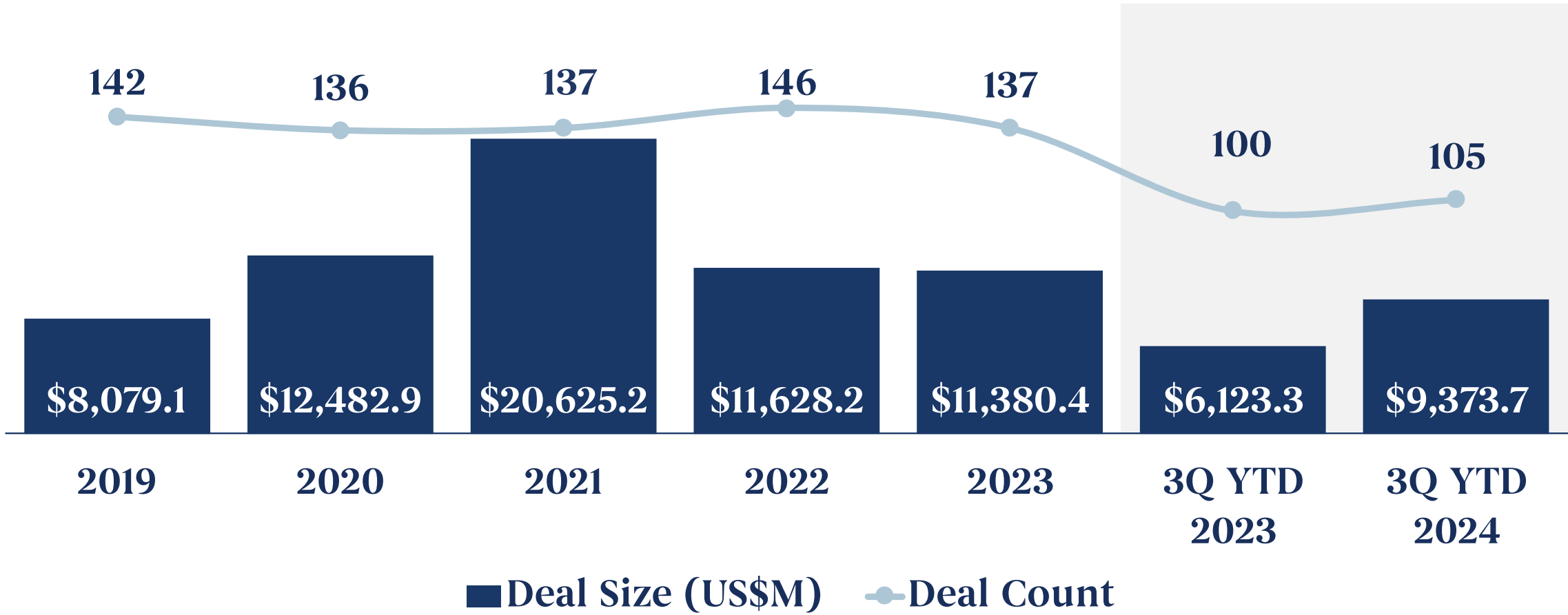
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Pumps & Valves Industry Overview, M&A Trends and Market Intelligence

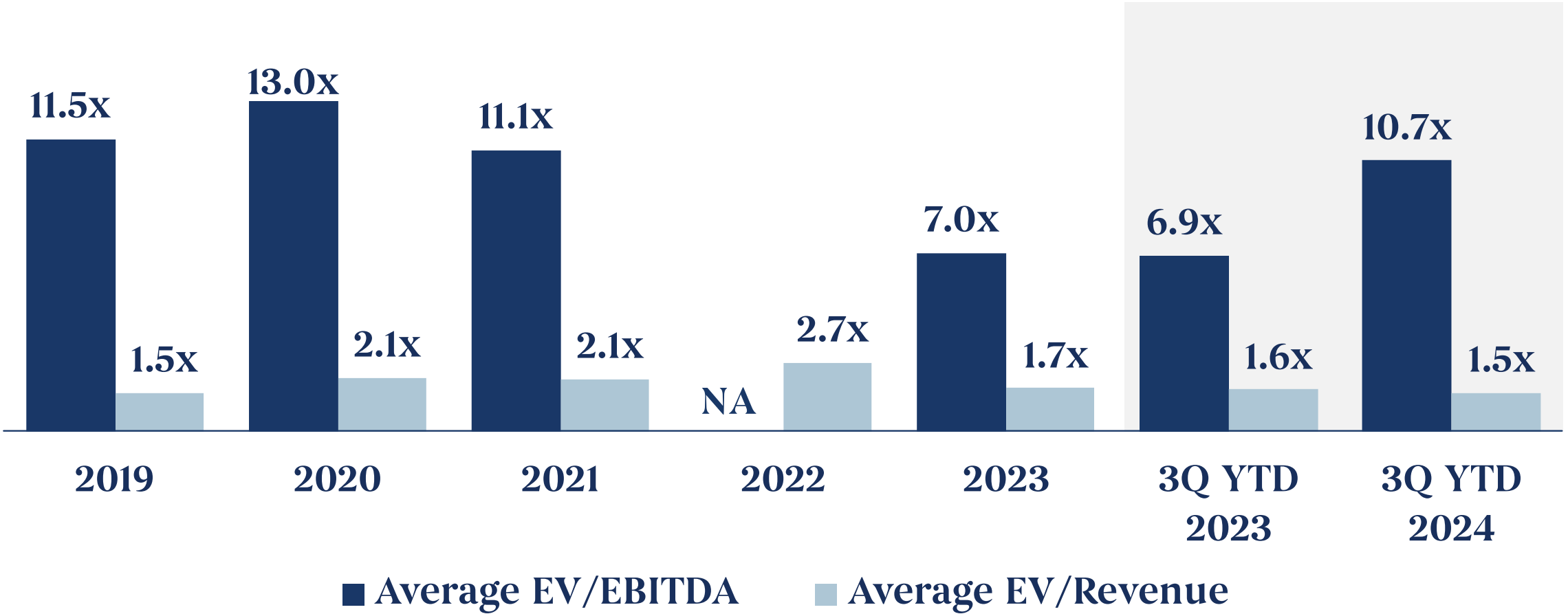
Pumps & Valves Industry Overview

- 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 Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
KITZ Corporation		JPN	\$653	\$695	\$1,193	12.4%	4.8x	5.4x	4.7x	0.6x
KSB SE & Co. KGaA		DEU	\$1,231	\$1,218	\$3,245	13.0%	2.9x	3.9x	2.9x	0.4x
Nikkiso Co., Ltd.		JPN	\$468	\$985	\$1,472	9.0%	14.9x	11.0x	7.4x	0.7x
The Gorman-Rupp Company		USA	\$1,022	\$1,382	\$658	18.2%	17.5x	14.2x	11.6x	2.1x
Torishima Pump Mfg. Co., Ltd.		JPN	\$504	\$483	\$592	10.0%	5.0x	5.8x	8.1x	0.8x
Tsurumi Manufacturing Co.,Ltd.		JPN	\$691	\$512	\$431	17.5%	4.9x	5.8x	6.8x	1.2x
Excluded from mean and median						Mean	6.5x	6.4x	6.8x	0.7x
						Median	5.0x	5.8x	7.1x	0.7x




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

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Badger Meter, Inc.		USA	\$6,424	\$6,204	\$804	21.8%	24.3x	31.3x	35.3x	7.7x
Crane Company		USA	\$9,055	\$9,218	\$2,277	18.5%	10.0x	8.5x	21.9x	4.0x
Ebara Corporation		JPN	\$7,504	\$7,344	\$5,671	15.3%	5.9x	6.1x	8.5x	1.3x
Flowserve Corporation		USA	\$6,791	\$7,777	\$4,543	13.9%	12.2x	12.9x	12.3x	1.7x
Franklin Electric Co., Inc.		USA	\$4,787	\$4,925	\$2,009	16.7%	15.2x	13.5x	14.7x	2.5x
IMI plc		SWE	\$6,241	\$7,050	\$2,962	22.2%	11.0x	10.8x	10.7x	2.4x
Interpump Group S.p.A.		ITA	\$4,996	\$5,585	\$2,351	22.9%	12.5x	11.3x	10.4x	2.4x
Rotork plc		GBR	\$3,799	\$3,642	\$1,000	25.4%	17.0x	17.4x	14.3x	3.6x





Pumps & Valves Industry Global Comparable Public Companies (2/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Sulzer Ltd		CHE	\$5,552	\$5,828	\$4,001	13.4%	7.8x	9.2x	10.9x	1.5x
Valmet Oyj		FIN	\$5,907	\$7,132	\$5,945	12.6%	9.1x	8.0x	9.5x	1.2x
Spirax Group plc		GBR	\$7,417	\$8,509	\$2,223	22.6%	22.8x	20.0x	17.0x	3.8x
Watts Water Technologies, Inc.		USA	\$6,910	\$6,886	\$2,259	19.8%	14.0x	14.7x	15.4x	3.0x
Excluded from mean and median						Mean	11.5x	11.8x	12.4x	2.0x
						Median	12.3x	12.1x	13.3x	2.4x

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

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/ EBITDA EV/ Revenue	
							2022	2023		
Alfa Laval AB (publ)		SWE	\$19,872	\$20,954	\$6,555	18.6%	15.1x	16.2x	17.2x	3.2x
Baker Hughes Company		USA	\$35,912	\$39,670	\$27,300	18.2%	9.2x	9.2x	8.0x	1.5x
Dover Corporation		USA	\$26,356	\$29,199	\$8,475	22.0%	13.6x	12.9x	15.7x	3.4x
Emerson Electric Co.		USA	\$62,571	\$76,928	\$17,492	25.8%	13.9x	12.7x	17.1x	4.4x
Indutrade AB (publ)		USA	\$11,337	\$12,245	\$3,158	17.3%	20.6x	18.1x	22.4x	3.9x
Graco Inc.		USA	\$14,783	\$14,164	\$2,131	31.5%	18.2x	18.5x	21.1x	6.6x
IDEX Corporation		GBR	\$16,238	\$16,854	\$3,195	28.2%	19.1x	18.1x	18.7x	5.3x
Ingersoll Rand Inc.		USA	\$39,606	\$43,405	\$7,158	26.1%	18.4x	18.4x	23.3x	6.1x

Pumps & Valves Industry Global Comparable Public Companies (2/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
ITT Inc.		USA	\$12,215	\$12,442	\$3,531	20.5%	11.8x	12.3x	17.2x	3.5x
Parker-Hannifin Corporation		USA	\$81,297	\$91,678	\$19,986	25.7%	13.0x	14.5x	17.8x	4.6x
Pentair plc		GBR	\$16,184	\$17,855	\$4,095	24.5%	12.3x	13.4x	17.8x	4.4x
Xylem Inc.		USA	\$32,798	\$34,094	\$8,424	20.8%	19.7x	22.5x	19.4x	4.0x
Excluded from mean and median						Mean	15.5x	15.5x	17.6x	4.1x
						Median	14.5x	15.3x	17.8x	4.2x

Pumps & Valves Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Aug-24		USA	FloWorks International , a specialty distributor of critical flow control products, acquired Assured Automation , a distributor of valve automation and flow meter products		-	100.0%	-	-	-
Aug-24		USA	Wipro Infrastructure Engineering , a diversified engineering and manufacturing company, acquired Columbus Hydraulics , a U.S.-based hydraulic cylinder manufacturer		-	100.0%	-	-	-
Aug-24		USA	SCF Partners , an energy services-focused private equity firm, acquired DeltaValve and TapcoEnpro , manufacturers of severe-service industrial valves			100.0%	-	-	-
Aug-24		USA	Flowserve Corporation , a provider of flow control products and services, acquired MOGAS Industries , a manufacturer of severe service valves		-	100.0%	\$305.0	-	1.8x
Jul-24		ITA	Dacke Industri , a Swedish investment company specializing in innovative technology sectors, acquired a 70% stake in Airon , an Italian designer and manufacturer of valves		-	70.0%	-	-	-
Jul-24		USA	Workdry International , the parent company of Selwood, Siltbuster, and Vanderkamp, acquired Holland Pump Company , a U.S.-based water handling and pump rental services provider			100.0%	-	-	-
Jul-24*		IND	AT Industries Limited , a diversified company engaged in manufacturing, leasing, finance and investments, acquired a 90% stake in M.R. Organisation Limited , a provider of air-compressor components and services		-	90.0%	\$13.8	10.2x	1.6x
Jul-24		USA	Laird Thermal Systems , a provider of thermal management solutions, acquired Tark, a U.S.-based supplier of specialized pumps and cooling solutions		-	100.0%	-	-	-

*Announced transactions pending approval and other customary closing conditions

Mean

Median

10.2x

10.2x

1.7x

1.7x

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



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>GE Power Systems</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>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>Driving Safety Forward™</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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25

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EXPERIENCE

\$50B+

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GLOBALLY

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