



Seale & Associates

PUMPS AND VALVES INDUSTRY
Q2 2023
VALUATION UPDATE

Introduction

We are pleased to share our Pumps and Valves Industry Multiples Valuation Update for Q2 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 Pumps and Valves Industry clients that 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

Sector Relevant Experience

Extensive M&A transaction experience, including:

- Provided **divestiture advisory** services to Standex International Corporation on the announced sale of its Procon Pumps business 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 **divestiture advisory services** to Corporación E.G., S.A. de C.V on the sale of NorthAm Engineering, S.A. de C.V., one of the largest Mexican engineering and project management companies, to Foster Wheeler AG



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
a sister company of



CORPORACION 

has sold



to



SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

CEMEX S.A.B de C.V.

TARGET: Concrete Pumping Business

TRANSACTION TYPE: Sell-side

INDUSTRIES: Construction, Building Products and Pumping Services

GEOGRAPHY: Monterrey, Mexico

SITUATION

Seale & Associates acted as exclusive financial advisor to CEMEX (BMV:CEMEX CPO) in the divestiture of its Concrete Pumping Business to Pumping Team. The announced transaction value was US\$109 million, including US\$80 million at closing and an additional US\$29 million in purchase price contingent on future performance targets.

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in the successful acquisition of CEMEX's Concrete Pumping Business by Pumping Team, which will become the supplier of ready-mix concrete pumping to CEMEX and its customers in Mexico.




has sold its

Concrete Pumping Business

to












"We are pleased to have been able to represent CEMEX in this strategic divestiture of its concrete pumping business in Mexico.

We wish the new owners of the Pumping Team and Nexxus Capital business every success.










We look forward to maintaining a long-term win-win relationship in their business relationship with CEMEX."

Sergio Garcia del Bosque, Managing Director, Seale & Associates





Small Cap Pumps and Valves Global 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
CIRCOR International, Inc.		USA	\$1,151	\$1,637	\$822	15.9%	11.7x	9.2x	12.5x	2.0x
KITZ Corporation		JPN	\$673	\$753	\$1,136	11.6%	6.2x	4.8x	5.8x	0.7x
KSB SE & Co. KGaA		DEU	\$1,046	\$1,080	\$3,074	9.6%	2.9x	2.9x	4.0x	0.4x
MRC Global Inc.		USA	\$848	\$1,777	\$3,529	6.3%	17.2x	14.9x	7.2x	0.5x
Nikkiso Co., Ltd.		JPN	\$415	\$745	\$1,223	4.3%	10.1x	14.9x	15.4x	0.6x
The Gorman-Rupp Company		USA	\$755	\$1,179	\$631	15.6%	17.8x	17.6x	14.1x	2.0x
Torishima Pump Mfg. Co., Ltd.		JPN	\$347	\$375	\$491	13.1%	4.0x	5.0x	6.5x	0.8x
Tsurumi Manufacturing Co.,Ltd.		JPN	\$441	\$349	\$393	15.9%	4.6x	4.9x	5.9x	0.9x
Yamada Corporation		JPN	\$54	\$37	\$96	18.7%	2.0x	2.1x	2.2x	0.4x
■ Excluded from mean and median						Mean	5.9x	7.3x	5.3x	0.9x
						Median	4.6x	5.0x	5.8x	0.7x










Mid Cap Pumps and Valves Global 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Badger Meter, Inc.	 BadgerMeter, Inc.	USA	\$4,326	\$4,204	\$630	20.2%	29.5x	24.3x	34.1x	7.1x
Crane Company	 CRANE	USA	\$5,056	\$5,753	\$3,329	20.4%	11.0x	10.0x	8.5x	1.7x
Ebara Corporation	 EBARA	JPN	\$4,382	\$4,522	\$5,065	14.4%	7.3x	5.9x	6.5x	0.9x
Indutrade AB (publ)	 Indutrade	SWE	\$8,203	\$9,051	\$2,790	15.9%	26.5x	20.6x	19.3x	3.4x
Franklin Electric Co., Inc.	 Franklin Electric	USA	\$4,753	\$5,024	\$2,095	15.2%	19.5x	15.3x	14.8x	2.4x
Rotork plc	 rotork	GBR	\$3,327	\$3,195	\$885	22.1%	17.9x	17.0x	16.7x	3.9x
Valmet Oyj	 Valmet FORWARD	FIN	\$5,123	\$5,506	\$6,076	11.9%	10.8x	9.1x	7.5x	0.9x
Interpump Group S.p.A.	 INTERPUMP GROUP	ITA	\$5,937	\$6,534	\$2,441	23.4%	18.0x	12.5x	11.8x	2.7x
Flowserve Corporation	 FLOWSERVE	USA	\$4,872	\$5,947	\$3,973	10.3%	10.8x	12.2x	12.9x	1.6x

Mid Cap Pumps and Valves Global Comparable Public Companies (Continued)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
ITT Inc.	 ITT	USA	\$7,681	\$7,700	\$3,160	20.1%	18.8x	11.8x	12.5x	2.5x
Pentair plc	 PENTAIR	GBR	\$10,656	\$13,108	\$4,169	21.9%	18.6x	12.3x	14.1x	3.2x
Sulzer Ltd	 SULZER	CHE	\$2,899	\$3,189	\$3,648	11.4%	10.5x	7.8x	10.3x	0.9x
Watts Water Technologies, Inc.	 WATTS <small>Watts Water Technologies, Inc.</small>	USA	\$6,130	\$5,963	\$1,994	19.0%	18.2x	14.0x	15.3x	3.0x
■ Excluded from mean and median						Mean	14.7x	11.6x	11.9x	2.6x
						Median	17.9x	12.2x	12.5x	2.5x

Large Cap Pumps and Valves Global 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Alfa Laval Corporate AB		SWE	\$15,057	\$16,309	\$5,530	16.9%	16.6x	15.1x	16.9x	3.2x
Baker Hughes Company		USA	\$32,001	\$35,336	\$23,304	14.3%	8.0x	9.3x	9.1x	1.6x
Dover Corporation		USA	\$20,649	\$23,853	\$8,477	20.4%	16.6x	13.6x	13.1x	2.8x
Emerson Electric Co.		USA	\$51,658	\$66,169	\$20,792	24.9%	15.1x	13.9x	12.9x	3.3x
Graco Inc.		USA	\$14,536	\$14,289	\$2,190	30.9%	23.0x	18.2x	21.0x	6.6x
Ingersoll Rand Inc.		USA	\$26,439	\$28,174	\$6,455	23.0%	23.1x	18.4x	19.4x	4.5x
Parker-Hannifin Corporation		USA	\$50,041	\$62,899	\$19,065	22.2%	15.6x	13.0x	15.7x	3.5x
Spirax-Sarco Engineering plc	<i>Spirax-Sarco Engineering plc</i>	GBR	\$9,694	\$10,655	\$2,175	24.1%	32.2x	22.8x	19.9x	5.2x
WEG S.A.		BRA	\$32,853	\$32,611	\$6,587	20.4%	42.3x	27.6x	26.2x	5.1x
Xylem Inc.		USA	\$26,961	\$28,083	\$6,056	16.5%	24.4x	19.7x	26.9x	4.9x
						Mean	17.8x	16.0x	16.0x	4.1x
						Median	16.6x	15.1x	16.3x	4.0x

■ Excluded from mean and median










Pumps and Valves Industry – Q2 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-23	 CIRCOR	USA	Manufactures and distributes flow and motion control products such as pumps, regulators, motors and valves	KKR	Multiple Sellers	100.0%	\$1,600.0	12.3x	1.9x
Jun-23	 Mid-States Supply Company Inc.	USA	Supplies pipes, valves, and fittings to ethanol, pipeline, and power industries	ILION CAPITAL PARTNERS	Staple Street CAPITAL	100.0%	-	-	-
Jun-23	 CEPTEK	CAN	Manufactures high-temperature industrial heat pumps	 REFPLUS	-	100.0%	-	-	-
Jun-23	 Washburn Garfield Waites	USA	Distributes industrial and commercial pipes, valves, and fittings	 THE COLLINS COMPANIES	-	100.0%	-	-	-
Jun-23	 Oslin Nation Co.	USA	Provides high-quality industrial equipment pumps, boilers, hydronic specialties, and system solutions for both HVAC and plumbing applications	 HTS	-	100.0%	-	-	-
Jun-23	 Power & Pumps Inc.	USA	Distributes pumps, electric motors, variable frequency drives, mechanical power transmissions, blowers, vacuum pumps, fluid sealing valves, and related products	 MCE WE SOLVE PROBLEMS.	-	100.0%	-	-	-
Jun-23	 STARWELL	GBR	Manufactures and distributes beverage and fluid dispensing pumps, industrial pumps, and pressure valves	TeqniOn	-	100.0%	-	-	-
May-23	 RSD SUPPLY	USA	Distributes pipes, valves and fittings	 FIELD INDUSTRIES	-	100.0%	-	-	-
May-23	Filtration Business Unit Celeros Flow Technology	IRL	Produces pumps, valves, filters and closures for the power, oil & gas, chemical and marine industries	 PX3 PARTNERS	 CELEROS FLOW TECHNOLOGY	100.0%	-	-	-
May-23	 FLORIDA VALVE & EQUIPMENT, LLC.	USA	Manufactures pumps, valves and plumbing equipment	DXP THE INDUSTRIAL DISTRIBUTION EXPERTS	-	100.0%	\$3.0	-	-
May-23	 SOUTHERN STEEL SUPPLY COMPANY	USA	Distributes pipes, valves, fittings, flanges, steel, and piping related materials	 SISKIN STEEL & SUPPLY CO.	-	100.0%	-	-	-
May-23	 askalon PROCESS	SWE	Distributes control valve products, instrumentation, and equipment for the wastewater industry	 momentum group	 PEAB	93.7%	\$25.3	-	0.8x

Pumps and Valves Industry – Q2 Global Transactions (Continued)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
May-23	 ISAACS <small>FLUID POWER EQUIPMENT COMPANY</small>	USA	Manufactures air valves, vacuum pumps and systems, and air compressors and blowers	 Hydrotech™	-	-	-	-	-	
May-23	 NORCAN	CAN	Provides hydraulic pumps and motors, and directional, pressure and flow control valves	 FSC Fluid System Components	-	100.0%	-	-	-	
Apr-23	 LOCKWOOD PARTNERS	USA	Manufactures pipes, valves, fittings, and flanges for the chemical, oil, and gas industry		-	97.5%	-	-	-	
Apr-23	 MACAULAY CONTROLS COMPANY	USA	Distributes pipes, valves, fittings, and other industrial products	 UFT UNITEDFLOW TECHNOLOGIES	-	100.0%	-	-	-	
Apr-23	 DEACON INDUSTRIAL SUPPLY COMPANY, INC. <small>A MACOMB GROUP COMPANY</small>	USA	Manufactures pipes, valves and industrial automation products	 <small>THE MACOMB GROUP</small> BUILT TO SAY YES	-	100.0%	-	-	-	
Apr-23	 Ampco Pumps Company	USA	Manufactures pumps, blenders, and mixers to sanitary, marine, and industrial markets	 KRONES	-	90.0%	-	-	-	
Sources: Capital IQ, Merger Markets, World Pumps								Mean	12.3x	1.4x
								Median	12.3x	1.4x

Private Equity Transactions

INDUSTRY CLASSIFICATION	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 <small>NAICS 33391 – Pump and Compressor Manufacturing</small>	 2016-2022	 \$85.7M	 \$36.0M	 22.0%	 2.5x	 27.4%	 8.2x	 3
Industrial Valve Manufacturing <small>NAICS 332911 – Industrial Valve Manufacturing</small>	2020-2023	\$74.1M	\$34.8M	1.4%	2.2x	30.5%	7.6x	4

Source: GF Data

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.

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One of our core capabilities is to deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



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S U S C R I B E

Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to 	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with a company backed by 	 has acquired 	 has sold the North American guarding business of to 	 has sold to 	 has sold to 	 a subsidiary of has sold to
 has sold to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold to Code Flower Inc.	 has sold its GRACE Membranes Business a subsidiary of 	 has sold and to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies 	 has sold to
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold to 	 has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold to Private Equity Partners	 has been acquired by
 has sold to 	 has acquired KFC Costa Rica from 	 has been acquired by 	 has sold to 	 has sold the Films Business of to 	 has been acquired by 	 has sold to 	 Oxbow's Senior Subordinated debt issued by was refinanced by 	 has sold to 	 has acquired from THE MOORE COMPANY	 sold its concrete pumping business to

Advisor to Leading Companies Worldwide



Contact



Headquarters

901 N. Glebe Road
5th Floor
Arlington, Virginia
+1 (703) 294 6770



Latin America Office

Av. Javier Barros Sierra 495
3rd Floor
Park Plaza III
Mexico City, Mexico



Monterrey Office

Av. Lázaro Cárdenas 2225
3rd Floor
San Pedro Garza García, N.L.

Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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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.

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