

### **Fluid Handling Industry M&A Update - July 2025**

This is an update on the M&A activity in the fluid handling industry for the 1st half on 2025. The report is focused on M&A transactions involving companies that manufacture, distribute and/or service dynamic (rotary or reciprocating) equipment, and related products, that enable industries to move fluids as a key part of their value-added processes.

#### **Overview**

<i>Deal Activity</i>	Up 27% YOY vs. 1st half 2024 Especially strong in Q1 2025
<i>Valuations</i>	Stronger in Lower to Mid Middle Market
<i>Most Active</i>	8 companies account for 60% of deal activity in 1st half 2025
<i>Outlook</i>	Stable - with an eye on macro-economic and geopolitical events

#### **Deal Activity**

Deal activity started 2025 very strong with the expectation of an active deal environment driven by an improved business environment. However, those expectations may have been tempered a bit as companies weigh the potential impact of tariffs on growth and, among other things, the outcome of the federal tax and spending legislation as well as the outlook for interest rates. Nevertheless, the pace of deal activity for the trailing twelve months (TTM) ending Q2 2025 was at a near record level for a 12-month period - second only to TTM ending Q2 2023 with 118 deals.

Year	2020	2021	2022	2023	2024	TTM Q2 '25
<b>Transactions</b>	69	102	105	104	104	117
Quarter	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
<b>Transactions</b>	22	27	26	29	33	29

**Figure 1 - Fluid Handling Industry activity level by number of transactions**

Source: Global Equity Consulting, LLC research

#### **Valuations**

Fluid Handling Industry disclosed deal valuations are limited but figure 2 below shows the values for those transactions for which valuation information has been disclosed. The two billion-dollar plus deals are Honeywell's acquisition of Sundyne from Warburg Pincus, LCC and Bratenahl Capital Partners and the Chart Industries merger with Flowserve.

Buyer	Deal	Target	Value
Chart Industries / Flowserve	Merger of Equals		\$19.0 billion*
Honeywell (NAS: HON)	Acquisition	Sundyne	\$2.6 billion
Alfa Laval (STO: ALFA)	Acquisition	Fives Group Cryogenic Business	\$899 million
One Equity Partners	Acquisition	Ethos Energy Group	\$180 million
CECO Environmental (NAS: CECO)	Divestiture	Global Pump Solutions business (Fybroc, Dean and Sethco)	\$110 million
*Combined enterprise value (EV)			

**Figure 2 - Fluid Handling Industry Disclosed Value Transactions**

Source: Global Equity Consulting, LLC research

As shown in figure 3 below, data published by PitchBook for overall transactions shows valuations are slightly down over all for the U.S. and Europe for the trailing twelve months (TTM) ending Q1 2025 vs. 2024. However, valuations are up for U.S. private equity deals YTD Q1 2025 (figure 4).

The below valuations are median values for transactions of all sizes and all industries in North America and Europe.

	2020	2021	2022	2023	2024	TTM Q1'25
<b>EV/EBITDA</b>	9.2x	10.6x	8.7x	9.0x	9.7x	9.6x
<b>EV/Revenue</b>	1.6x	2.0x	1.6x	1.5x	1.6x	1.6x

**Figure 3 - Median North America and Europe M&A EV/EBITDA and EV/Revenue multiples**

Source: PitchBook Global M&A Report Q1 2025 as of 31 March 2025

Below are valuations based on reported private equity transactions in the EV range of \$10 to \$500 million and EV/EBITDA multiples in the range of 3x to 18x the trailing twelve months (TTM) EBITDA.

	2003-2020	2021	2022	2023	2024	YTD Q1 2025	Total
<b>EV/EBITDA</b>	6.7x	7.6x	7.5x	7.3x	7.2x	7.6x	6.9x

**Figure 4 - Average EV/EBITDA multiples TTM EBITDA**

Source: GF Data® an ACG Company May 2025 Report

Based on antidotal evidence it would appear the demand for quality businesses is relatively strong and impacting valuations in the lower to mid middle market.

Notes:

EBITDA - earnings before interest, taxes, depreciation and amortization

EV - enterprise value is the combined amounts of market capitalization, minority interests, preferred stock and net debt;

Revenue - amount recorded as net sales for the period

### **Most Active 1st Half 2025**

Company	Transactions
Atlas Copco	17
Arcline Investment Management (via portfolio companies Rotating Machinery Services and Cooper Machinery Services)	5
Dover	3
H.I.G. Capital (via portfolio company United Flow Technologies)	3
Ingersoll Rand	3
Franklin Electric	2
Gallagher Fluid Seals	2
Trelleborg Group	2
Total	37

**Figure 5 - Most Active**

Source: Global Equity Consulting, LLC research

While current fluid handling industry M&A continues to be at a strong level, the activity is concentrated in a relatively few companies in any given period.

**Outlook**

<b>1) Activity -</b>	Expect deal activity to maintain at the current level - subject to being impacted by changes in near term (12 - 24 month) growth expectations
<b>2) Valuations -</b>	Holding up due to competitive environment for quality deals in the lower to mid middle market
<b>3) Trends -</b>	Distribution and/or service company targets
	Companies serving the energy sector are once again in focus

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