



Global Equity Consulting, LLC

# Fluid Handling Industry M&A Activity

Update Q3 2025

October 14, 2025

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# about Thomas Haan



Global Equity Consulting, LLC



Tom's career has been in the Fluid Handling Industry as a senior executive and advisor for both public and privately held companies. He has extensive international experience helping businesses achieve enhanced profitable growth.

Tom has served on the Board of Directors of the Hydraulic Institute and as chairman of its Associate Member Council. He is a past president of the Fluid Sealing Association.

FINRA Registered Investment Banking Representative

**Operating Director**, City Capital Advisors, LLC  
**Principal**, Global Equity Consulting, LLC

*Previous Experience:* **President** EagleBurgmann Industries; **President** Flowserve Corporation Flow Solutions (Mechanical Seal) Division, **President** Durametallic Corp.

*Education:* School of Business - Western Michigan University

# about Global Equity Consulting

## Business Development

StrategicAction<sup>®</sup> Planning – team-based strategy development and execution

- Organic growth initiatives and enhancing value
- Business Valuations

Merger & Acquisition Support

- Transition ownership – selling a business
- Inorganic growth – buying a business
- Capital Raise





# about City Capital Advisors

Member of FINRA and SIPC

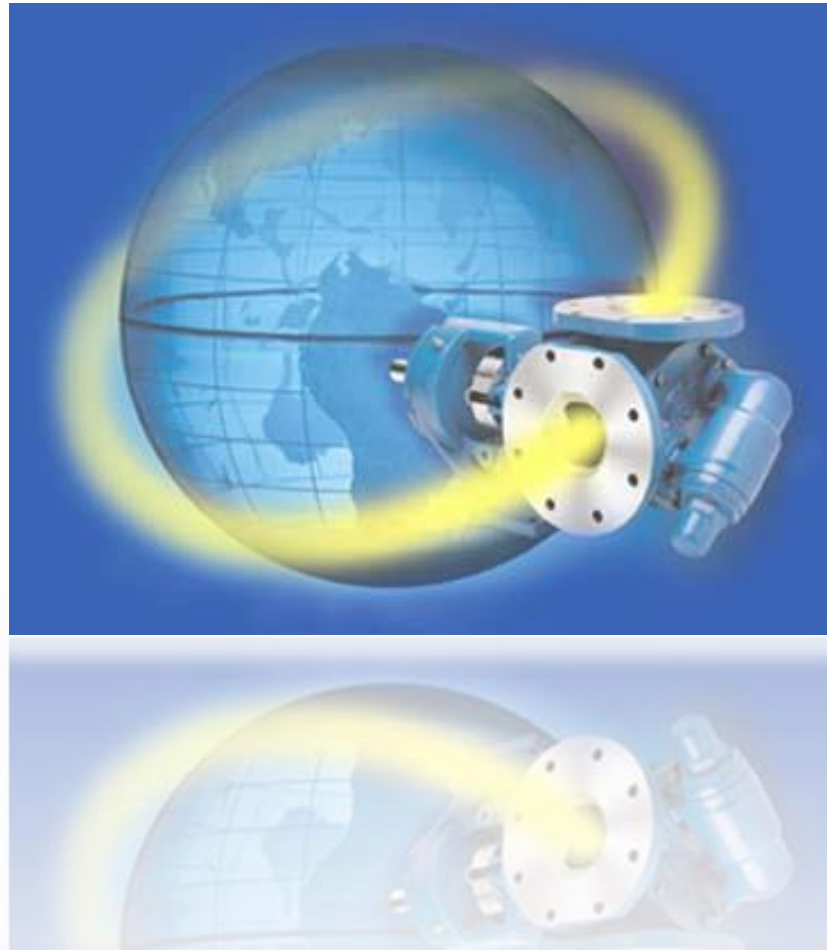


Mission: provide senior level corporate finance advice and unparalleled execution services to leading middle market companies and their owners

- Each Managing Director has 20+ years of experience. Collectively, they have completed 500+ transactions totaling \$60+ billion in value.
- Provides M&A advisory and other investment banking services to private and publicly held middle market companies valued between \$50 and \$500 million.

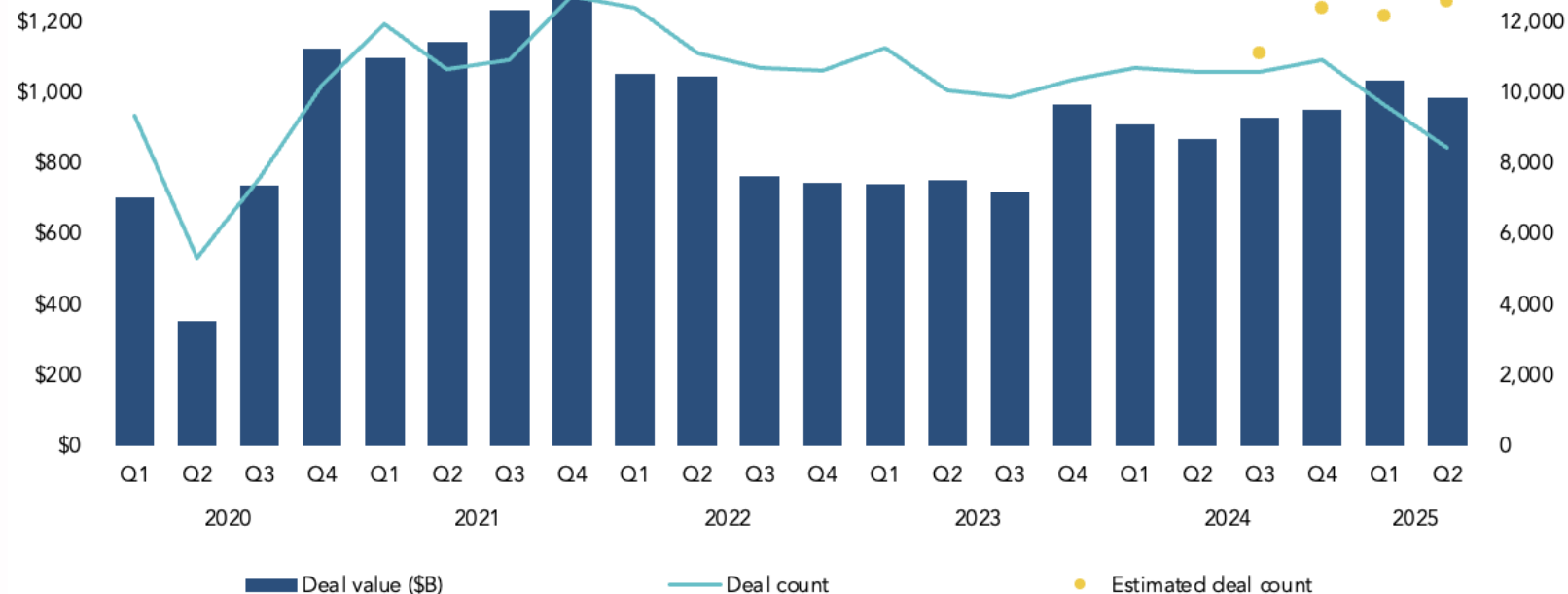


# Fluid Handling Industry M&A 2025 Q3 Update



# Global M&A Activity

Global M&A Activity by Quarter



Global M&A activity has rebounded to the record high levels of 2021 as shown by the estimated deal counts (yellow dots)

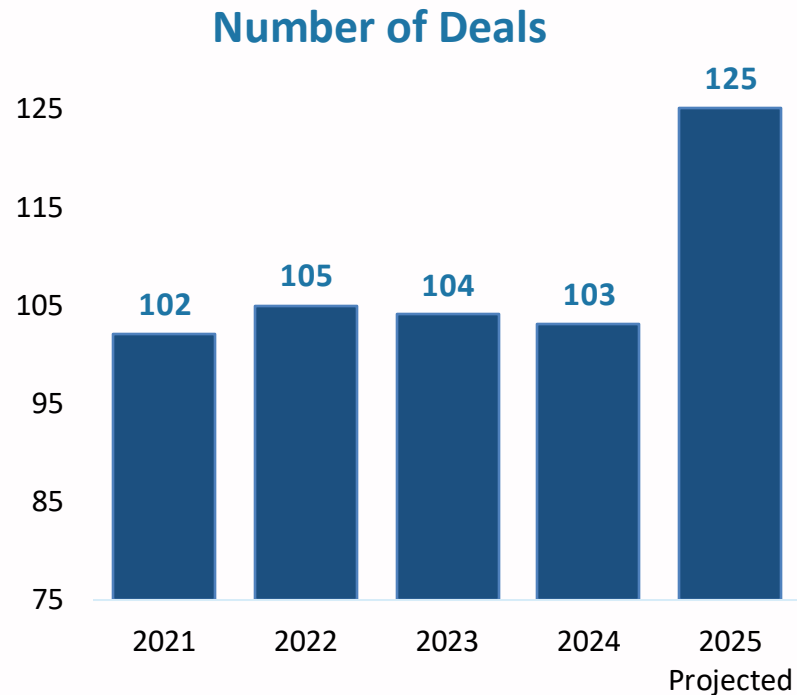
YoY increase in deal count and value is about 10% annualizing 2025 YTD Q2 with 49,586 vs. 2024 with 44,985

As of 6/30/2025

Source: Pitchbook Q2 2025 Global M&A Report



# Fluid Handling Industry M&A Activity – Look Back



- M&A activity in the fluid handling industry has remained consistent at a relatively high level since 2021
- And now has taken another step up in activity through Q3 2025

| Q4<br>2024 | Q1<br>2025 | Q2<br>2025 | Q3<br>2025 | TTM |
|------------|------------|------------|------------|-----|
| 29         | 35         | 29         | 30         | 123 |

Source: Global Equity Consulting, LLC Research



# Fluid Handling Industry

## What is Driving FHI M&A Activity?

|                                                          | 2023     | 2024     | YTD Q3 2025 |
|----------------------------------------------------------|----------|----------|-------------|
| <b>Total Deals</b>                                       | 104      | 103      | 94          |
| <b>Total Number of Companies</b>                         | 47       | 49       | 53          |
| <b>Number of Companies - Multiple Deals</b>              | 14 / 30% | 13 / 27% | 13 / 25%    |
| <b>Number of Deals by Multiple Deal Companies</b>        | 34 / 49% | 66 / 64% | 54 / 57%    |
| <b>Number of Deals (buy-side) by Sponsored Companies</b> | 33 / 34% | 21 / 20% | 37 / 39%    |

- The level of FHI deal activity is typically driven by about 12 to 15 companies (mostly corporate acquirers) who make multiple acquisitions in any given year.
- This year the activity has been somewhat more broad.
- In 2025, we have seen a rebound in buy-side activity by sponsored (PE) firms.

The most consistent highly active acquirers include Atlas Copco, Ingersoll Rand, and DXPE

Source: Global Equity Consulting, LLC Research



# Fluid Handling Industry

## Strategies Driving FHI M&A Activity

Companies have various strategic reasons to pursue acquisitions – below are the stated or observed strategic rationales for the highly active acquires in the FHI

| Company               | Strategy                                                                                                                                                                                                     |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Atlas Copco</b>    | Aftermarket focused - distribution and service businesses - compressor business group<br>Also expand pump business manufacturing and aftermarket service - focus on water, wastewater and dewatering markets |
| <b>DXPE</b>           | Diversify market concentration, expand geographic footprint, acquire talent                                                                                                                                  |
| <b>Ingersoll Rand</b> | Expand their addressable market in high growth sectors, add technology and expand their geographic reach                                                                                                     |
| <b>Sponsored (PE)</b> | Distribution and manufacturing with aftermarket focus – markets of primary interest are water and energy                                                                                                     |

Source: Global Equity Consulting, LLC Research



# Fluid Handling Industry

## Most Active Acquirers YTD Q3 2025

| Company                                                                                                                                                   | Transactions | Company                   | Transactions |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------|--------------|
| Atlas Copco                                                                                                                                               | 21           | Cooper Machinery Services | 3            |
| United Flow Technologies                                                                                                                                  | 6            | Dover Corp                | 3            |
| Ingersoll Rand                                                                                                                                            | 5            | Eight other companies     | 2 each       |
| <b>Eight companies made two acquisitions YTD Q3 2025:</b>                                                                                                 |              |                           |              |
| DXPE, Franklin Electric, Gallagher Fluid Seals, OTC Industrial Technologies, Penn Pump and Equipment, Tencarva Machinery, Torishima Pump Mfg., Trelleborg |              |                           |              |

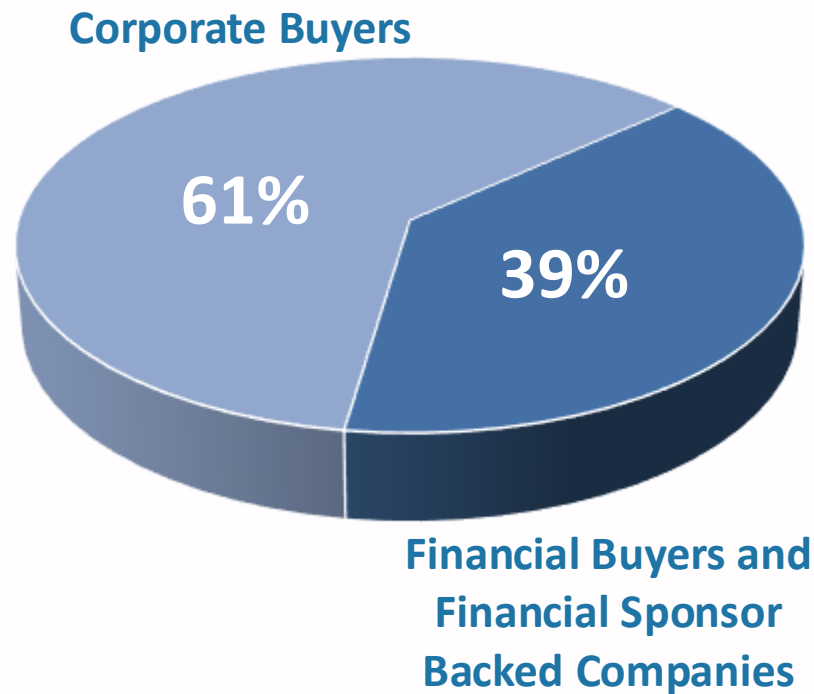
13 Companies account for 57% of the FHI M&A activity YTD Q3 2025

Source: Global Equity Consulting, LLC Research

# Corporate vs. Financial Sponsor Buyers - 2025

## Most Active Financial Sponsors in 2025

- Arcline Investment Management
- Bessemer Investors
- Genstar Capital
- H.I.G. Capital
- One Equity Partners
- Peak Capital



- Private equity was involved in 37 deals on the buy-side YTD Q3 2025 (39% vs. 20% for 2024)
- Of the 37 Financial sponsor-involved acquisitions YTD Q3 2025, 29 were aftermarket focused (78%)

Source: Global Equity Consulting, LLC Research

# Deal Activity by Targeted Industries 2025

| Industry                            | Number of Transactions | %    |
|-------------------------------------|------------------------|------|
| Diversified                         | 57                     | 61%  |
| Water                               | 19                     | 20%  |
| Energy - Oil and Gas, Power         | 7                      | 7%   |
| Marine                              | 3                      | 3%   |
| Mining                              | 3                      | 3%   |
| Health Care, Life Science, Hygienic | 3                      | 3%   |
| Other                               | 2                      | 2%   |
| Total                               | 94                     | 100% |

We are seeing some change in the mix of target industries:

- For 2024, the diversified category was 71%
- Water was the target for 15% of the deal activity in 2024
- Energy was about the same in 2024 at 6%
- We are more consistently seeing mining and marine targets

Source: Global Equity Consulting, LLC Research



# Fluid Handling Industry

## M&A Deal Activity by Types of Business

| Type                                       | Number of Deals | %    |
|--------------------------------------------|-----------------|------|
| Manufacturing                              | 42              | 44%  |
| Manufacturing – multi-brand aftermarket    | 6               | 6%   |
| Distribution and Distribution with Service | 35              | 37%  |
| Service (repair, rental)                   | 12              | 13%  |
| Total                                      | 95              | 100% |

- There has been a trend toward distribution and service companies as acquisition targets.
- In 2022, manufacturing targets accounted for 61% of the transactions.
- Distribution continues to be a highly fragmented space that presents attractive strategic and financial characteristics for buyers.

Source: Global Equity Consulting, LLC Research



# Fluid Handling Industry M&A Activity YTD Q3 2025 - Five Largest Transactions

| Company        | Deal        | Target                                | Value          |
|----------------|-------------|---------------------------------------|----------------|
| Baker Hughes   | Acquisition | Chart Industries                      | \$13.6 billion |
| Honeywell      | Acquisition | Sundyne                               | \$2.6 billion  |
| DNOW           | Acquisition | MRC Global                            | \$1.5 billion  |
| Alfa Laval     | Acquisition | Fives Group Cryogenic Business        | \$899 million  |
| Ingersoll Rand | Acquisition | Termomeccanica Industrial Compressors | \$184 million  |

Source: Global Equity Consulting, LLC Research



# Fluid Handling Industry M&A

## Valuations YTD Q3 2025 (Disclosed Valuations)

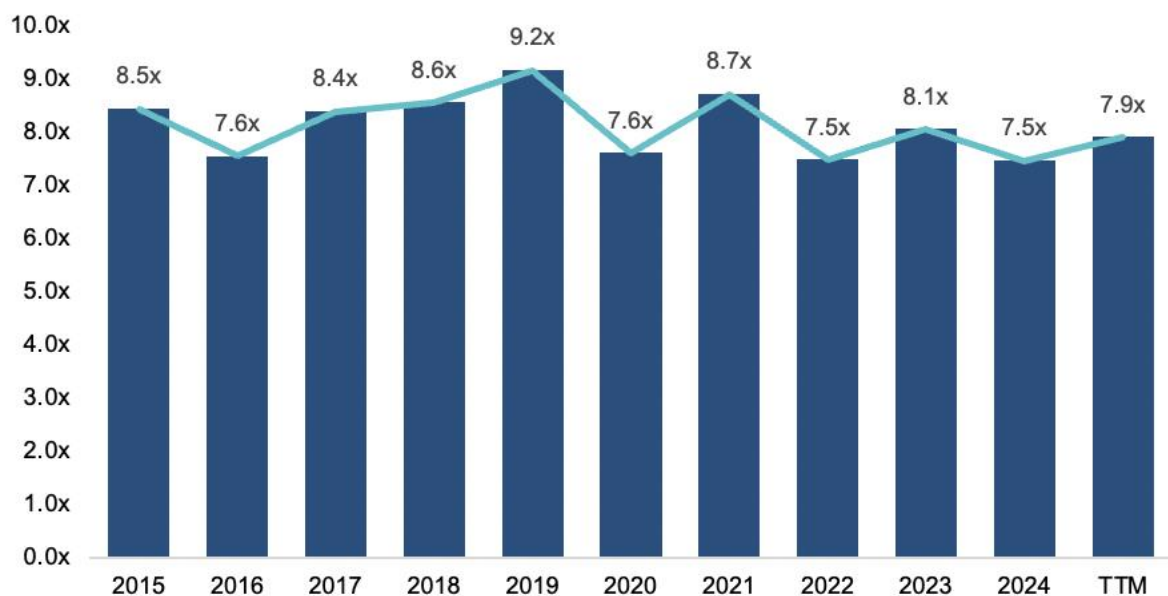
| Transaction Value    | Deals | EV/Revenue Multiple Range | Deals | EV/EBITDA Multiple Range |
|----------------------|-------|---------------------------|-------|--------------------------|
| ≥ \$ 1 billion       | 1     | 3.3                       | 2     | 14.5 – 13.8              |
| \$500- \$999 million | 1     | 3.6                       |       |                          |
| \$100- \$499 million | 2     | 3.8 -2.2                  | 2     | 10.9 – 5.3               |
| \$50- \$99 million   |       |                           |       |                          |
| \$10 - \$49 million  |       |                           |       |                          |
| \$0 - \$9 million    |       |                           |       |                          |
| Median Values 2025   | 4     | 3.4                       | 4     | 10.9                     |
| Median Values 2024   | 12    | 2.1                       | 8     | 10.1                     |
| Median Values 2023   | 10    | 2.4                       | 5     | 12.9                     |

Source: Global Equity Consulting, LLC Research

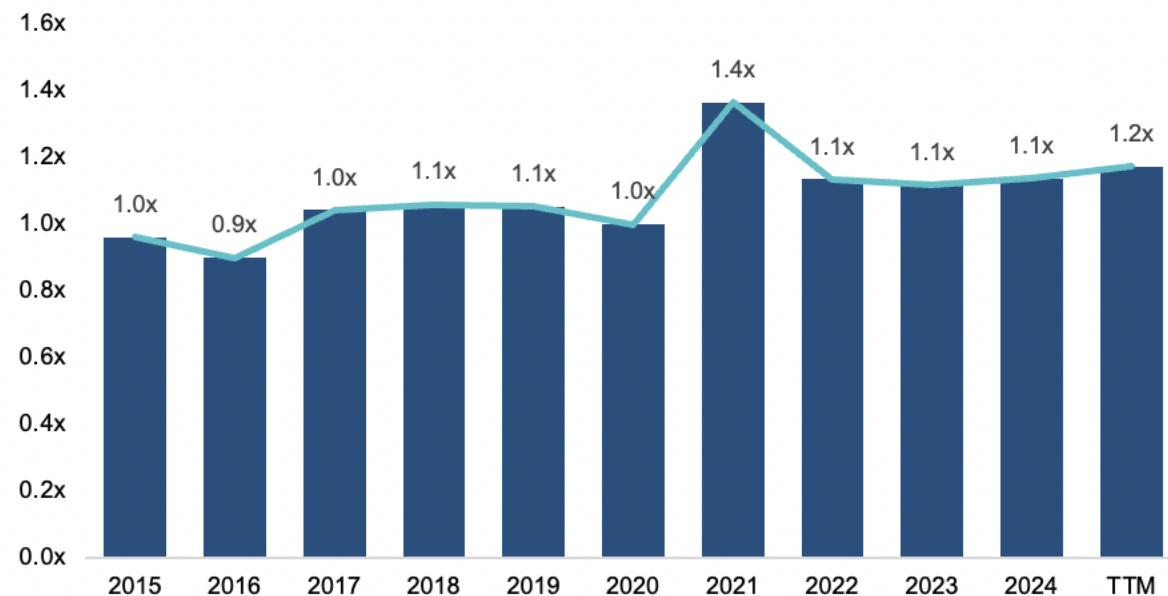
# Global EV/EBITDA and Revenue Multiples

## YTD Q3 2025

### Global B2B EV/EBITDA Multiples



### Global B2B EV/Revenue Multiples



As of 6/30/2025

Source: PitchBook Q2 2025 Global M&A Report

# Middle Market Private Equity Valuations

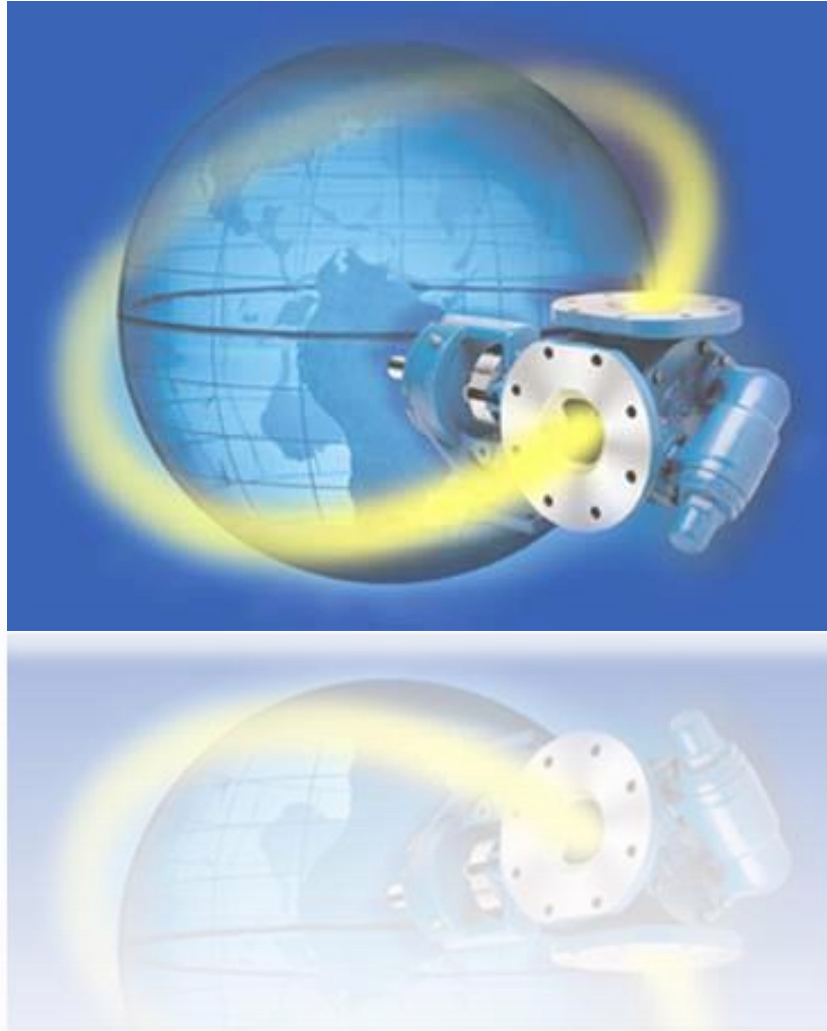
## Total Enterprise Value (TEV)/EBITDA TTM Adjusted EBITDA

| TEV                    | 2003 – 20*  | 2021        | 2022        | 2023        | 2024        | YTD 2025    | Total       | Number of Transactions |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------|
| \$10M – \$25M          | 5.8x        | 6.1x        | 6.4x        | 5.9x        | 6.4x        | 6.4x        | 5.9x        | 2054                   |
| \$25M – \$50M          | 6.5x        | 7.2x        | 7.1x        | 6.9x        | 6.8x        | 6.7x        | 6.7x        | 1,653                  |
| \$50M – \$100M         | 7.5x        | 8.3x        | 8.5x        | 8.1x        | 8.1x        | 8.5x        | 7.7x        | 1,143                  |
| \$100M – \$250M        | 8.3x        | 9.3x        | 9.2x        | 9.5x        | 8.5x        | 8.2x        | 8.6x        | 648                    |
| \$250M - \$500M        | 9.1x        | 10.9x       | 9.7x        | 10.2x       | 9.8x        | 9.5x        | 9.7x        | 100                    |
| <b>Total</b>           | <b>6.7x</b> | <b>7.6x</b> | <b>7.6x</b> | <b>7.2x</b> | <b>7.2x</b> | <b>7.1x</b> | <b>6.9x</b> |                        |
| Number of Transactions | 3940        | 500         | 333         | 295         | 388         | 269         |             | 5,598                  |

\*2003-19 encompasses 17 years of activity

Source: GF DATA® an ACG Company Q2 2025 M&A Report Chart 1

# Fluid Handling Industry M&A Outlook





# Key Macro Factors Impacting M&A Activity and Valuations

## **1) Level of Demand for Quality Acquisitions**

- companies seek acquisitions for a variety of strategic reasons: growth, technology, markets, geography, scale, people, etc.

## **2) Cost of Capital**

- weighted average of debt and equity

## **3) Growth Outlook**

- risk adjusted



# Key Macro Factors Impacting M&A Activity and Valuations

Where were we as we started 2025?

## 1) Level of Demand for Quality Acquisitions

- Strong

## 2) Cost of Capital

- Market Adjusting to Current Levels

## 3) Growth Outlook

- Positive Expectations

We expected a positive M&A environment, and we have indeed had a significant uptick in deal activity.



# Key Macro Factors Impacting M&A Activity and Valuations

Where are we as we close 2025?

## 1) Level of Demand for Quality Acquisitions

- Strong

## 2) Cost of Capital

- Market Adjusting to Current Levels

## 3) Growth Outlook

- Cautiously Optimistic: interest rates steady to declining, consumer spending supportive, modest growth
  - Recession not expected
- Potential trade war with China – others?



# Fluid Handling Industry M&A Thoughts for 2026

- Companies who have inorganic growth as a key part of their strategic growth plan will continue seeking quality acquisitions – demand will remain strong.
- Interest costs are likely to be stable to declining and debt financing will likely be less restrictive than it was, at least in the first part of 2025.
- The headwind is more likely to come from apprehension about trade issues, unsettled geopolitical issues in Europe, and a lower growth outlook for the US economy.
- At this point in time, it seems there are enough positive factors offsetting the apprehension to support an active M&A market in 2026, but perhaps somewhat softer than 2025.



## Questions & Answer Session

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