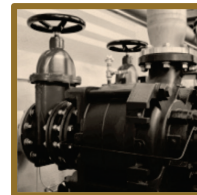


FLOW CONTROL

Industry In-Sight™

FIRST QUARTER 2021



**JORDAN KNAUFF
& COMPANY**

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Introduction

BY G. COOK JORDAN, JR.

Who is JKC and What Do We Do?

Jordan Knauff & Company (JKC) was founded in 2001 to undertake a distinct mission: to assemble and maintain a staff of top-notch investment banking personnel and offer their knowledge and experience to provide the best available investment banking services to middle-market companies, the entrepreneurs that lead them and the financial entities that transact with them. On a combined basis, over the course of their careers our employees have completed over 200 transactions as investors, owners, operators, investment bankers, buyers of middle-market businesses or sellers of middle-market businesses across a variety of industries. The majority of our firm's broad transaction experience has been with private companies owned by one shareholder, a partnership, a family or private equity investors.

Experience has taught us that the owners and executives of middle-market businesses tend to have very different needs and goals in capital transactions from those that are common to capital events related to larger companies. Our personnel apply their considerable expertise to accomplish important goals: delivery of successful outcomes for our clients. Pursuant to that, we direct and manage all aspects of the capital transaction process, assist our clients with the management of important constituents (employees, customers, vendors and lenders), act as a teammate to other important client advisors (legal counsel, accountant, tax advisor) and collaborate with transaction counsel in the negotiations with the parties on the other side of the transaction.

The Services We Provide

■ **Sell Companies**

- Representation of owners who are seeking the sale of their business – ranging from the sale of part of the equity of a company to a full liquidity transaction involving the sale of the entire business. In either case, our objective is to transfer the inherent value of the business into an exchange which yields the best price and structure that meet the specific transaction goals of our client.

■ **Raise Debt and Equity Capital**

- We represent clients in the raising of all forms of capital: senior debt, mezzanine debt and equity capital. Proceeds may be typically used for a variety of applications, including: funding growth, recapitalization, expansion of assets, acquisitions or partial liquidity for shareholders.

Experience has taught us that the owners and executives of middle-market businesses tend to have very different needs and goals ... than... larger companies.

■ **Acquisition Advisory**

- Assistance to clients in the successful closing of an acquisition. Pertinent services include: valuation, optimization of structure, direction of the due diligence process and negotiation of transaction documents. Acquisition advisory services encompass work on a standalone target or a series of acquisitions that form a strategic consolidation plan.

■ **Strategic Business Services**

- A suite of consulting projects designed specifically for middle-market business owners and executives to enable them to make better decisions about their companies or industries. Services include:
 - Company Specific Valuations
 - Capital Road Maps®
 - Strategic Industry Analyses

Areas of Expertise

Our team of professionals has notable experience in a broad portfolio of industries. While each project is evaluated on a case-by-case basis and the firm has the capabilities to service middle-market companies in almost any industry, JKC has significant expertise in the following industries:

Manufacturing & Distribution

- Manufacturing / Valued Added Manufacturing
- Manufacturing Process Technology
- Distribution / Value Added Distribution

Energy Logistics & Distribution

- Natural Gas Liquids: Direct to Consumer, Wholesale & Midstream
- Light Fuels
- Lubricants
- Petro Chemicals

Building Products & Services

- Windows & Doors
- Pre-fabricated Forms and Components
- Caulks & Sealants
- Flooring Products

Flow Control

- Pumps, Valves & Filtration
- Water Management
- Related Technology

Business Services

Real Estate

Closing Thoughts

Thank you for taking the time to review this quarterly publication. We hope that you will find it to be relevant and informative. With that purpose in mind, we would welcome any thoughts or comments that you may have about it. Visit our research library at www.jordanknauff.com/research-library to view our previous Flow Control quarterly publications, as well as our other industry publications.

If you desire more information about our firm and its mission, please contact any member of our team listed on the back cover of this report. Our website is www.jordanknauff.com and our main telephone number is (312) 254-5900.

... please contact any member of our team listed on the back cover of this report.

Current Events / Trends

BY G. COOK JORDAN, JR.
LORI A. CALLAWAY

IDEX Corporation Expands Operations



In March, IDEX Corporation completed the acquisition of ABEL Pumps LP based in Büchen, Germany from U.S. industrial company Hillenbrand Inc. for approximately \$103.5 million in cash. ABEL was founded in 1947 and has been part of Hillenbrand since 2015. The company was initially involved in the manufacture of pumps for the mining industry. Today, ABEL designs and manufactures highly engineered reciprocating positive displacement pumps for a variety of end markets, including mining, marine, power, water, wastewater and other general industries. The acquired company's diaphragm and high-pressure piston pumps serve harsh, demanding applications involving abrasive or corrosive substances and fluids with high solids content.

ABEL's administration office and manufacturing plant are located in Büchen, Germany, with sales and service locations in Madrid, Spain and Pittsburgh, Pennsylvania. With annual sales of approximately \$34 million, ABEL will become part of IDEX's pumps platform within its Fluid & Metering Technologies segment.

In April, IDEX agreed to acquire Airtech Group, Inc., U.S. Valve Corporation and related entities from investment funds managed by EagleTree Capital for \$470 million in cash. Airtech will join IDEX's Health & Science Technology segment. Airtech designs and manufactures a wide range of highly engineered pressure technology products, including vacuum pumps, regenerative blowers, compressor systems and valves. The company serves diverse end markets such as alternative energy, food processing, medical, packaging and transportation. With headquarters and its largest manufacturing facility in Rutherford, New Jersey, Airtech serves clients globally through additional manufacturing facilities in Werneck, Germany and Shenzhen, China.

Headquartered in Northbrook, Illinois, IDEX operates 90+ locations globally in highly diverse markets and industries. The company operates through three segments: Fluid & Metering Technologies (FMT), Health & Science Technologies (HST) and Fire & Safety/Diversified Products (FSDP).

The FMT segment designs, produces and distributes positive displacement pumps, small volume provers, flow meters, injectors, and other fluid-handling pump modules and systems, as well as offers flow monitoring and other services for the food, chemical, general industrial, water and wastewater, agricultural, and energy industries. The segment has operations on six continents and annual sales of approximately \$896 million.

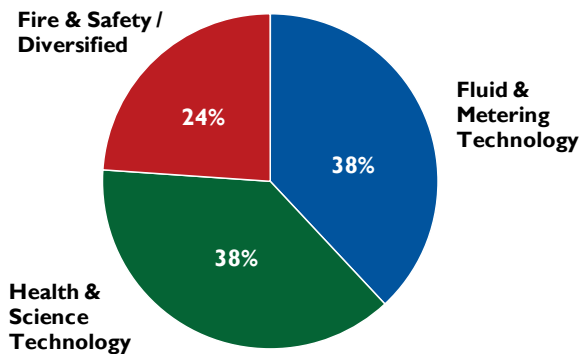
The HST segment provides precision fluidics, rotary lobe pumps, centrifugal and positive displacement pumps, roll compaction, and drying systems for use in the beverage, food processing, pharmaceutical and cosmetics industries.

IDEX Fire & Safety businesses are specialty manufacturers of highly-engineered solutions working within fire and safety, fire suppression, rescue and municipal markets. Their product offerings include: truck-mounted fire pumps, valves, monitors and controls, nozzles, lighting, appliances, and rescue and recovery tools.

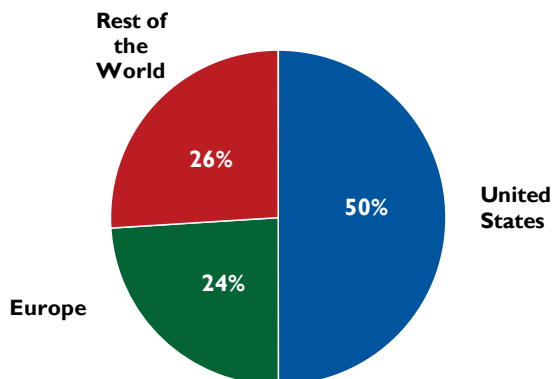
The company's Diversified businesses design and manufacture band clamping systems used in severe-duty applications including sub-sea marine, electrical cable shielding, and industrial hose fittings. The dispensing businesses design and produce precision dispensing, metering and mixing of liquids across a broad range of colorants, ingredients, paints, inks, chemicals and dyes used in paints and coatings, and food and beverage industries around the world.

IDEX continues to seek acquisition opportunities and is fully committed to putting its balance sheet to work. The company is focused on making investments in emerging markets and finding acquisition targets across all geographies. With more than 7,000 employees and manufacturing operations in more than 20 countries, IDEX had sales of \$2.3 billion in 2020.

IDEX 2020 Revenue by Segment⁽¹⁾



IDEX 2020 Revenue by Region⁽¹⁾



(1) IDEX Corporation.

Mergers & Acquisitions Activity

BY DAVID A. KAKAREKA

Flow Control M&A activity continues to be resilient as evidenced by the recent transactions listed below.

TABLE II: SELECTED VALVE M&A TRANSACTIONS: IQ 2021⁽¹⁾

Announced Date	Target	Acquirer(s)
3/8/2021	Red Point Alloys BV	Trillium Flow Technologies
3/1/2021	ODE Srl	CEME SpA
1/20/2021	Assets of CPC-Cryolab and Rockwood Swendeman	Marshall Excelsior Company
1/7/2021	PTEC Pressure Technology GmbH	Worthington Cylinders GmbH
1/7/2021	Unibloc-Pump, LLC	May River Capital, LLC
1/4/2021	Red Valve Company, Inc.	DeZURIK, Inc.
1/4/2021	Val-Matic Valve & Manufacturing Corporation	A.Y. McDonald Mfg. Co.

TABLE III: SELECTED PUMP M&A TRANSACTIONS: IQ 2021⁽¹⁾

Announced Date	Target	Acquirer(s)
2/26/2021	Alpha Pompe SpA	Matec Srl
1/11/2021	ABEL Pumps, LP / ABEL GmbH	IDEX Corporation
1/7/2021	Unibloc-Pump, LLC	May River Capital, LLC
1/4/2021	Gicon Pumps & Equipment, Ltd.	Headwater Companies, LLC
1/4/2021	Total Equipment Company, APO Pumps & Compressors and Pumping Solutions, Inc.	DXP Enterprises, Inc.

TABLE IV: SELECTED FILTER M&A TRANSACTIONS: IQ 2021⁽¹⁾

Announced Date	Target	Acquirer(s)
3/24/2021	Barnes International, Inc.	Komline-Sanderson Corporation
3/24/2021	Triatomic Environmental, Inc.	DiversiTech Corporation
3/18/2021	DESOTEC NV SA	The Blackstone Group Inc.
3/15/2021	GX Technologies, LLC	G6 Materials Corp.
2/9/2021	ABIONIK Group GmbH	WILO SE
1/11/2021	Nordic Water Products AB	Sulzer Ltd.
1/4/2021	Purification Solutions LLC	Atlas Copco AB

(1) Source: S&P Capital IQ and JKC research.

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Public Equity and Valuation Analysis

BY DAVID A. KAKAREKA

Wall Street Valve Watch

The JKC Valve Stock Index was up 85.8% over the last 12 months, while the broader S&P 500 Index was up 60.8%.

The U.S. Energy Information Administration (EIA) reported that total U.S. energy consumption fell to 93 quadrillion British thermal units (quads) in 2020, down 7% from 2019. The transportation sector fell by 15%, the commercial sector fell by 7%, the industrial sector fell 5%, while consumption of energy in U.S. residences fell by only 1%.

Last year marked the largest annual decrease in U.S. energy consumption in both percentage and absolute terms in consumption data series that dates back to 1949. Before 2020, the largest recorded annual decrease in U.S. energy consumption occurred between 2008 and 2009, when consumption decreased by 5% during the economic recession.⁽¹⁾

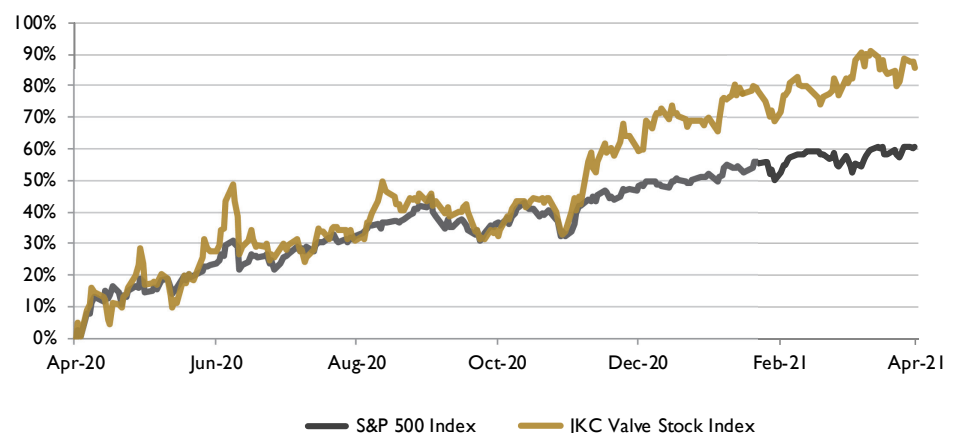
2020 marked the first year that the U.S. exported more petroleum than it imported on an annual basis. Due to declines in domestic crude oil production and increases in crude oil imports, the U.S. is expected to return to being a net petroleum importer on an annual basis in both 2021 and 2022.

The EIA projects that growth in natural gas consumption in the U.S. between 2020 and 2050 will be driven by exports and industrial use; consumption growth from the other sectors is expected to increase slowly or stay flat. The industrial sector is projected to grow by 35%, with the bulk chemical industry accounting for 45% of the industrial sector's increased natural gas use.

On Wall Street, both the Dow Jones Industrial Average and the S&P 500 Index outperformed the NASDAQ Composite for the quarter. The Dow and S&P 500 jumped 7.8% and 5.8%, respectively while the NASDAQ gained 2.8%. All three major indexes finished in positive territory for the fourth consecutive quarter. The Dow gained 6.6% for the month of March, while the S&P 500 rose 4.3% and the NASDAQ gained 0.4%.

Last year marked the largest annual decrease in U.S. energy consumption in both percentage and absolute terms in consumption data series that dates back to 1949.

CHART I: JKC VALVE STOCK INDEX⁽²⁾



(1) See Economic Indicators section of this report for more detailed information on these indicators.

(2) Source: S&P Capital IQ and JKC research. Local currency converted to USD using historical spot rates. The JKC Valve Stock Index includes a select list of publicly-traded companies involved in the valve industry weighted by market capitalization.

Valve Companies

As shown in Tables V and VI, as of March 31, 2021, domestic and international Valve companies were trading at median total enterprise value / latest twelve months (“TEV/LTM”) EBITDA multiples of 15.1x and 10.9x, respectively, while both groups have median EBITDA margins of 18.3% and 12.8%, respectively. The median stock price as a percentage of the 52-week high for both groups is 95% and 94%, respectively, of their 52-week highs. With the exception of a few companies, we believe both groups are fairly well capitalized.

TABLE V: SELECTED DOMESTIC VALVE COMPANIES⁽¹⁾

(US\$ in millions, except per share data)

Company	LTM			Stock Price 3/31/2021	% of 52-Week High	Market Cap	Total Enterprise Value ⁽³⁾	TEV / LTM		Net Debt ⁽⁴⁾ EBITDA
	Revenues ⁽²⁾	EBITDA ⁽²⁾	Margin					Revenues	EBITDA	
Badger Meter Inc. (BMI)	\$435	\$96	22.0%	\$93.07	83.3%	\$2,714	\$2,649	6.1x	27.6x	(0.5x)
CIRCOR International Inc. (CIR)	773	97	12.5	34.82	80.6	702	1,174	1.5	12.1	4.9
Crane Co. (CR)	2,973	533	17.9	93.91	97.9	5,475	6,225	2.1	11.7	1.2
Curtiss-Wright Corp. (CW)	2,387	546	22.9	118.60	95.1	4,853	5,884	2.5	10.8	1.9
Dover Corp. (DOV)	6,896	1,431	20.8	137.13	97.8	19,727	22,517	3.3	15.7	1.8
Emerson Electric Co. (EMR)	17,064	4,007	23.5	90.22	96.6	54,135	60,141	3.5	15.0	1.4
Flowsolve Corp. (FLS)	3,692	577	15.6	38.81	91.9	5,056	5,947	1.6	10.3	1.5
General Electric Co. (GE)	77,248	6,740	8.7	13.13	91.1	115,342	166,981	2.2	24.8	7.1
Honeywell International Inc. (HON)	32,628	7,963	24.4	217.07	98.8	150,972	159,212	4.9	20.0	1.2
ITT Corporation (ITT)	2,513	373	14.9	90.91	99.2	7,864	7,217	2.9	19.3	(1.7)
Mueller Water Products, Inc. (MWA)	999	204	20.5	13.89	97.0	2,201	2,455	2.5	12.0	1.2
Parker Hannifin Corporation (PH)	13,549	2,795	20.6	315.43	98.0	40,716	47,338	3.5	16.9	2.2
Schlumberger Limited (SLB)	21,369	5,415	25.3	27.19	89.4	38,019	53,328	2.5	9.8	2.5
SPX Flow Inc. (FLOW)	1,351	161	11.9	63.33	90.5	2,669	2,687	2.0	16.7	0.1
TechnipFMC plc (FTI)	13,100	1,987	15.2	7.72	59.2	3,477	3,817	0.3	1.9	0.7
Watts Water Technologies, Inc. (WTS)	1,539	268	17.4	118.81	90.3	4,002	4,042	2.6	15.1	(0.1)
Xylem Inc. (XYL)	5,009	918	18.3	105.18	96.6	18,933	20,429	4.1	22.2	1.6
Median			18.3%		95.1%			2.5x	15.1x	1.4x
Mean			18.4		91.4			2.8	15.4	1.6

(1) Source: S&P Capital IQ and JKC research.

(2) Revenues and EBITDA are for the latest twelve months as of 3/31/21.

(3) Total enterprise value is defined as market capitalization plus total debt less cash and cash equivalents.

(4) Net debt is defined as total debt less cash and cash equivalents.

TABLE VI: SELECTED INTERNATIONAL VALVE COMPANIES⁽¹⁾

(US\$ in millions, except per share data)

Company	LTM			Stock Price 3/31/2021	% of 52-Week High	Market Cap	Total Enterprise Value ⁽³⁾	TEV / LTM		Net Debt ⁽⁴⁾ EBITDA
	Revenues ⁽²⁾	EBITDA ⁽²⁾	Margin					Revenues	EBITDA	
Aalberts Industries NV (AALB)	\$3,064	\$453	14.8%	\$50.70	98.9%	\$5,607	\$6,362	2.1x	14.0x	1.6x
Alfa Laval AB (ALFA)	4,755	956	20.1	30.27	94.1	12,697	13,160	2.8	13.8	0.7
Georg Fischer AG (FI-N)	3,396	297	8.7	1,340.08	95.4	5,485	5,648	1.7	19.0	0.4
Hisaka Works Ltd. (6247)	259	26	9.9	7.68	87.7	216	91	0.4	3.5	(5.3)
Hitachi Ltd. (6501)	75,969	13,529	17.8	45.24	90.7	43,744	62,699	0.8	4.6	0.7
IMI plc (IMI)	2,514	495	19.7	18.38	97.1	4,978	5,409	2.2	10.9	0.9
Kitz Corp. (6498)	1,060	115	10.8	5.80	84.6	520	659	0.6	5.7	1.2
KSB Aktiengesellschaft (KSB)	2,609	190	7.3	352.11	100.0	612	526	0.2	2.8	(1.6)
Kubota Corp. (6326)	16,756	2,182	13.0	22.78	95.1	27,517	34,225	2.0	15.7	2.9
Lupatech S.A. (LUPA3)	10	(9)	(90.4)	1.07	56.0	29	45	4.6	NM	(1.9)
Okano Valve Manufacturing Co. (6492)	58	6	9.8	24.22	98.5	41	29	0.5	5.1	(3.6)
Saint Gobain (SGO)	44,751	5,604	12.5	59.06	97.9	31,304	40,098	0.9	7.2	1.6
SMC Corp. (6273)	4,719	1,437	30.5	581.47	92.1	38,421	33,060	7.0	23.0	(4.0)
Spirax-Sarco Engineering plc (SPX)	1,644	452	27.5	157.05	94.2	11,568	11,932	7.3	26.4	0.8
The Weir Group PLC (WEIR)	2,707	550	20.3	24.48	83.4	6,342	7,745	2.9	14.1	2.5
Velan, Inc. (VLN)	341	19	5.5	8.28	92.5	179	165	0.5	8.8	(0.9)
Median			12.8%		94.1%			1.9x	10.9x	0.7x
Mean			8.6		91.1			2.3	11.6	(0.2)

(1) Source: S&P Capital IQ and JKC research.

(2) Revenues and EBITDA are for the latest twelve months as of 3/31/21. Due to the COVID-19 pandemic, some international companies have not yet reported 3/31/21 financials.

(3) Total enterprise value is defined as market capitalization plus total debt less cash and cash equivalents.

(4) Net debt is defined as total debt less cash and cash equivalents.

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Wall Street Pump Watch

The JKC Pump Stock Index was up 88.7% over the last twelve months, while the S&P 500 Index was up 60.8% over the same time period.

The Institute for Supply Management’s Manufacturing Report On Business’® Purchasing Managers’ Index (PMI®) rose to 64.7% in March, the highest reading in 37 years. Manufacturing sentiment was the most upbeat in recent memory, although ongoing supply chain constraints continued to be a headache for businesses. The Supplier Deliveries Index jumped to 76.6% during the month. The Employment Index went up more than five points to 59.6%. Delays and lack of needed materials translated into inflationary pressure, with the prices paid component edging down to 85.6%, which keeps it near a 12-year high.⁽¹⁾

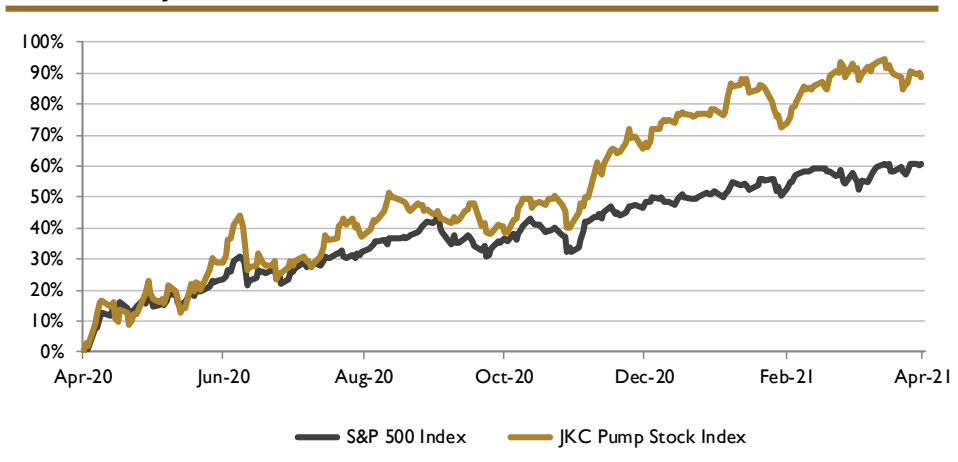
The U.S. Bureau of Labor Statistics reported total nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0%. These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus pandemic. Job growth was widespread, led by gains in leisure and hospitality, public and private education, and construction.

A \$2.3 trillion infrastructure spending plan was outlined by the Biden Administration. The proposed plan is expected to focus on a broad range of infrastructural activities like developing roads, airports, safe water supplies and greener technology. The infrastructure spending plan comes less than a month after Congress passed a \$1.9 trillion coronavirus relief package.

On Wall Street, both the Dow Jones Industrial Average and the S&P 500 Index outperformed the NASDAQ Composite for the quarter. The Dow and S&P 500 jumped 7.8% and 5.8%, respectively while the NASDAQ gained 2.8%. All three major indexes finished in positive territory for the fourth consecutive quarter. The Dow gained 6.6% for the month of March, while the S&P 500 rose 4.3% and the NASDAQ gained 0.4%.

Manufacturing sentiment was the most upbeat in recent memory ...

CHART II: JKC PUMP STOCK INDEX⁽²⁾



(1) See Economic Indicators section of this report for more detailed information on these indicators.
 (2) Source: S&P Capital IQ and JKC research. Local currency converted to USD using historical spot rates. The JKC Pump Stock Index includes a select list of publicly-traded companies involved in the pump industry weighted by market capitalization.

Pump Companies

Domestic Pump companies (as listed in Table VII) and international Pump companies (in Table VIII) were trading at median TEV/LTM EBITDA multiples of 17.1x and 10.3x, respectively, as of March 31, 2021. As you can see, both groups are similarly leveraged with a median net debt/LTM EBITDA ratio of 1.5x for domestic Pump companies compared to 0.4x for international Pump companies. In our assessment, both groups are extremely well capitalized and could afford to take on additional indebtedness.

TABLE VII: SELECTED DOMESTIC PUMP COMPANIES⁽¹⁾

(US\$ in millions, except per share data)

Company	LTM			Stock Price 3/31/2021	% of 52-Week High	Market Cap	Total Enterprise Value ⁽³⁾	TEV / LTM		Net Debt ⁽⁴⁾ EBITDA
	Revenues ⁽²⁾	EBITDA ⁽²⁾	Margin					Revenues	EBITDA	
Ampco-Pittsburgh Corp. (AP)	\$324	\$22	6.8%	\$6.75	76.6%	\$127	\$160	0.5x	7.2x	1.0x
Baker Hughes Inc. (BKR)	20,062	3,098	15.4	21.61	84.3	16,561	24,706	1.2	8.0	0.8
Colfax Corporation (CFX)	3,071	499	16.2	43.81	87.2	5,899	8,256	2.7	16.6	4.6
Crane Co. (CR)	2,973	533	17.9	93.91	97.9	5,475	6,225	2.1	11.7	1.2
Curtiss-Wright Corp. (CW)	2,387	546	22.9	118.60	95.1	4,853	5,884	2.5	10.8	1.9
Danaher Corp. (DHR)	22,284	6,741	30.3	225.08	90.4	160,497	179,919	8.1	26.7	2.4
Dover Corp. (DOV)	6,896	1,431	20.8	137.13	97.8	19,727	22,517	3.3	15.7	1.8
Energy Recovery, Inc. (ERII)	126	49	38.9	18.34	90.6	1,047	950	7.5	19.3	(2.1)
Flowserve Corp. (FLS)	3,692	577	15.6	38.81	91.9	5,056	5,947	1.6	10.3	1.5
Franklin Electric Co. Inc. (FELE)	1,314	199	15.2	78.94	96.1	3,658	3,655	2.8	18.4	0.0
General Electric Co. (GE)	77,248	6,740	8.7	13.13	91.1	115,342	166,981	2.2	24.8	7.1
Gorman-Rupp Co. (GRC)	346	46	13.3	33.11	90.1	864	758	2.2	16.4	(2.5)
Graco Inc. (GGG)	1,731	529	30.6	71.62	93.0	12,097	11,931	6.9	22.5	(0.5)
IDEX Corp. (IEX)	2,409	674	28.0	209.32	98.6	15,885	16,015	6.6	23.8	0.3
Illinois Tool Works Inc. (ITW)	12,890	3,513	27.3	221.52	96.8	70,107	75,854	5.9	21.6	1.6
Ingersoll-Rand Co. Ltd. (IR)	5,577	1,067	19.1	49.21	95.3	20,607	22,985	4.1	21.5	2.1
ITT Corporation (ITT)	2,513	373	14.9	90.91	99.2	7,864	7,217	2.9	19.3	(1.7)
National Oilwell Varco, Incorporated (NOV)	5,456	(206)	(3.8)	13.72	78.4	5,326	6,259	1.1	NM	NM
Pentair, Inc. (PNR)	3,174	637	20.1	62.32	98.4	10,356	11,201	3.5	17.6	1.4
Roper Technologies Inc. (ROP)	5,705	2,118	37.1	403.34	88.5	42,326	51,869	9.1	24.5	4.1
Schlumberger Limited (SLB)	21,369	5,415	25.3	27.19	89.4	38,019	53,328	2.5	9.8	2.5
SPX Flow Inc. (FLOW)	1,351	161	11.9	63.33	90.5	2,669	2,687	2.0	16.7	0.1
Standex International Corp. (SXI)	619	111	17.9	95.57	88.4	1,181	1,313	2.1	11.8	1.1
Weatherford International Ltd. (WFT)	3,302	326	9.9	12.74	86.4	892	2,666	0.8	8.2	5.1
Xylem Inc. (XYL)	5,009	918	18.3	105.18	96.6	18,933	20,429	4.1	22.2	1.6
Median			17.9%		91.1%			2.7x	17.1x	1.5x
Mean			19.1		91.5			3.5	16.9	1.5

(1) Source: S&P Capital IQ and JKC research.

(2) Revenues and EBITDA are for the latest twelve months as of 3/31/21.

(3) Total enterprise value is defined as market capitalization plus total debt less cash and cash equivalents.

(4) Net debt is defined as total debt less cash and cash equivalents.

TABLE VIII: SELECTED INTERNATIONAL PUMP COMPANIES⁽¹⁾

(US\$ in millions, except per share data)

Company	LTM			Stock Price 3/31/2021	% of 52-Week High	Market Cap	Total Enterprise Value ⁽³⁾	TEV / LTM		Net Debt ⁽⁴⁾ EBITDA
	Revenues ⁽²⁾	EBITDA ⁽²⁾	Margin					Revenues	EBITDA	
Alfa Laval AB (ALFA)	\$4,755	\$956	20.1%	\$30.27	94.1%	\$12,697	\$13,160	2.8x	13.8x	0.7x
Andritz AG (ANDR)	7,868	578	7.3	45.00	91.9	4,467	4,334	0.6	7.5	(0.1)
DMW Corp. (6365)	192	26	13.4	33.54	84.3	142	74	0.4	2.9	(2.5)
Ebara Corp. (6361)	4,735	495	10.4	40.82	98.8	3,893	3,524	0.7	7.1	(0.6)
FLSmidth & Co. A/S (FLS)	2,594	161	6.2	38.36	90.1	1,924	2,199	0.8	13.7	1.5
Gevelot SA (ALGEV)	113	7	5.9	221.83	91.7	171	4	0.0	0.6	(26.8)
GUD Holdings Ltd. (GUD)	352	77	21.9	8.90	85.6	838	997	2.8	12.9	2.1
Hyundai Heavy Industries Co. Ltd. (A009540)	13,217	428	3.2	118.39	95.4	8,372	11,395	0.9	26.6	4.1
John Wood Group plc (WG)	7,633	564	7.4	3.73	73.7	2,510	4,112	0.5	7.3	2.8
Kirloskar Brothers Ltd. (500241)	361	30	8.2	3.28	97.9	260	273	0.8	9.2	0.4
KSB Aktiengesellschaft (KSB)	2,609	190	7.3	352.11	100.0	612	526	0.2	2.8	(1.6)
Kubota Corp. (6326)	16,756	2,182	13.0	22.78	95.1	27,517	34,225	2.0	15.7	2.9
Nikkiso Co. Ltd. (6376)	1,433	163	11.4	10.19	89.7	726	1,676	1.2	10.3	5.8
Pfeiffer Vacuum Technology AG (PFV)	726	95	13.1	182.16	80.8	1,795	1,735	2.4	18.2	(0.7)
SKF AB (SKF B)	8,582	1,142	13.3	28.46	95.8	12,958	13,544	1.6	11.9	0.4
Spirax-Sarco Engineering plc (SPX)	1,644	452	27.5	157.05	94.2	11,568	11,932	7.3	26.4	0.8
Sulzer, Ltd. (SUN)	3,522	394	11.2	112.79	96.9	3,816	4,288	1.2	10.9	1.2
Teikoku Electric Mfg.Co.,Ltd. (6333)	183	35	19.4	11.95	94.0	235	137	0.7	3.9	(3.1)
The Weir Group PLC (WEIR)	2,707	550	20.3	24.48	83.4	6,342	7,745	2.9	14.1	2.5
Torishima Pump Manufacturing Co. Ltd. (6363)	456	50	11.0	7.86	93.1	206	224	0.5	4.5	(0.0)
Tsurumi Manufacturing Co. Ltd. (6351)	405	55	13.6	16.41	87.3	411	292	0.7	5.3	(2.3)
Median			11.4%		93.1%			0.8x	10.3x	0.4x
Mean			12.6		91.1			1.5	10.7	(1.6)

(1) Source: S&P Capital IQ and JKC research.

(2) Revenues and EBITDA are for the latest twelve months as of 3/31/21. Due to the COVID-19 pandemic, some international companies have not yet reported 3/31/21 financials.

(3) Total enterprise value is defined as market capitalization plus total debt less cash and cash equivalents.

(4) Net debt is defined as total debt less cash and cash equivalents.

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Wall Street Filter Watch

The JKC Filter Stock Index was up 74.6% over the last twelve months, while the S&P 500 Index was up 60.8%.

Total housing starts fell 10.3% to a 1.421 million-unit pace in February, marking the slowest pace since August. Winter weather abruptly reversed what had been exceptionally strong starts over the prior two months. Single-family starts fell 8.5% and multifamily starts decreased 15%.⁽¹⁾

New home sales fell 18.2% in February, reflecting both the impact of harsh winter weather and continuing supply-chain issues surrounding the availability and prices for lumber and many other building materials. Lumber prices have surged more than 180% since last spring and are at record levels. The median price of a home fell slightly from the prior month to \$349,400, but remains up 5.3% from last February.

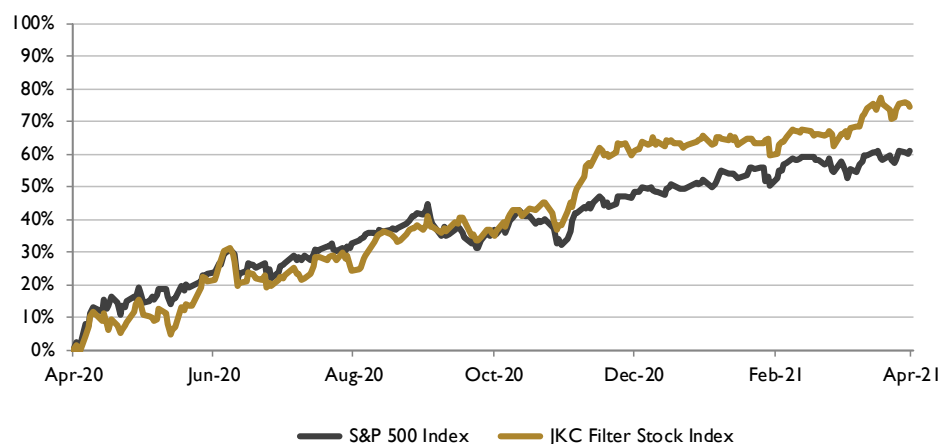
U.S. auto sales rose 11.3% for the first quarter of the year, according to Wards Intelligence. The industry’s annualized selling pace in March could be 16.8 million vehicles, a sign that the level of demand is back to what it was before the COVID-19 pandemic.

General Motors Co. posted a nearly 4% increase in its U.S. sales for the January through March period and said it expects auto demand to remain strong throughout the year. Stellantis NV, formerly Fiat Chrysler Automobiles, reported a 5% increase in U.S. sales, and Ford Motor Co. ’s U.S. sales were near flat for the period. Nissan reported a nearly 11% increase. Toyota Motor Corp. and Honda Motor Co. said U.S. sales increased 22% and 16%, respectively. Hyundai Motor Co. reported a 28% increase in sales.

On Wall Street, both the Dow Jones Industrial Average and the S&P 500 Index outperformed the NASDAQ Composite for the quarter. The Dow and S&P 500 jumped 7.8% and 5.8%, respectively while the NASDAQ gained 2.8%. All three major indexes finished in positive territory for the fourth consecutive quarter. The Dow gained 6.6% for the month of March, while the S&P 500 rose 4.3% and the NASDAQ gained 0.4%.

U.S. auto sales rose 11.3% for the first quarter of the year.

CHART III: JKC FILTER STOCK INDEX⁽²⁾



(1) See Economic Indicators section of this report for more detailed information on these indicators.
 (2) Source: S&P Capital IQ and JKC research. Local currency converted to USD using historical spot rates. The JKC Filter Stock Index includes a select list of publicly-traded companies involved in the filter industry weighted by market capitalization.

Filter Companies

As of March 31, 2021, domestic and international Filter companies (listed in Table IX and Table X, respectively) were trading at medians of 17.4x and 12.9x, respectively, of TEV/LTM EBITDA with median LTM EBITDA margins of 18.3% and 12.8%, respectively. With the exception of a few companies, both the domestic and international Filter companies are conservatively capitalized.

TABLE IX: SELECTED DOMESTIC FILTER COMPANIES⁽¹⁾

(US\$ in millions, except per share data)

Company	LTM			Stock Price 3/31/2021	% of 52-Week High	Market Cap	Total Enterprise Value ⁽³⁾	TEV / LTM		Net Debt ⁽⁴⁾ EBITDA
	Revenues ⁽²⁾	EBITDA ⁽²⁾	Margin					Revenues	EBITDA	
3M Co. (MMM)	\$32,960	\$9,848	29.9%	\$192.68	97.9%	\$111,642	\$126,436	3.8x	12.8x	1.4x
Cantel Medical Corp. (CMD)	1,061	207	19.5	79.84	89.6	3,317	4,084	3.8	19.7	3.7
CECO Environmental Corp. (CECE)	307	33	10.8	7.93	83.7	280	337	1.1	10.2	1.2
Corning Inc. (GLW)	12,202	3,273	26.8	43.51	98.6	33,466	41,986	3.4	12.8	1.7
Crane Co. (CR)	2,973	533	17.9	93.91	97.9	5,475	6,225	2.1	11.7	1.2
Cummins Inc. (CMI)	19,811	3,237	16.3	259.11	93.5	37,971	39,694	2.0	12.3	0.2
Donaldson Company Inc. (DCI)	2,563	440	17.2	58.16	92.8	7,335	7,644	3.0	17.4	0.7
Eaton Corporation (ETN)	17,761	2,925	16.5	138.28	97.8	55,086	62,633	3.5	21.4	3.2
Entegris, Inc. (ENTG)	1,859	549	29.5	111.80	98.1	15,121	15,675	8.4	28.6	1.0
ESCO Technologies Inc. (ESE)	710	139	19.6	108.89	94.0	2,835	2,884	4.1	20.7	0.2
General Electric Co. (GE)	77,248	6,740	8.7	13.13	91.1	115,342	166,981	2.2	24.8	7.1
Honeywell International Inc. (HON)	32,628	7,963	24.4	217.07	98.8	150,972	159,212	4.9	20.0	1.2
Illinois Tool Works Inc. (ITW)	12,890	3,513	27.3	221.52	96.8	70,107	75,854	5.9	21.6	1.6
Lydall Inc. (LDL)	791	89	11.2	33.74	80.2	608	804	1.0	9.1	2.2
Parker Hannifin Corporation (PH)	13,549	2,795	20.6	315.43	98.0	40,716	47,338	3.5	16.9	2.2
Pentair, Inc. (PNR)	3,174	637	20.1	62.32	98.4	10,356	11,201	3.5	17.6	1.4
Tenneco Inc. (TEN)	16,274	1,252	7.7	10.72	81.7	878	6,127	0.4	4.9	3.7
Watts Water Technologies, Inc. (WTS)	1,539	268	17.4	118.81	90.3	4,002	4,042	2.6	15.1	(0.1)
Xylem Inc. (XYL)	5,009	918	18.3	105.18	96.6	18,933	20,429	4.1	22.2	1.6
Median			18.3%		96.6%			3.5x	17.4x	1.4x
Mean			18.9		93.5			3.3	16.8	1.9

(1) Source: S&P Capital IQ and JKC research.

(2) Revenues and EBITDA are for the latest twelve months as of 3/31/21.

(3) Total enterprise value is defined as market capitalization plus total debt less cash and cash equivalents.

(4) Net debt is defined as total debt less cash and cash equivalents.

TABLE X: SELECTED INTERNATIONAL FILTER COMPANIES⁽¹⁾

(US\$ in millions, except per share data)

Company	LTM			Stock Price 3/31/2021	% of 52-Week High	Market Cap	Total Enterprise Value ⁽³⁾	TEV / LTM		Net Debt ⁽⁴⁾ EBITDA
	Revenues ⁽²⁾	EBITDA ⁽²⁾	Margin					Revenues	EBITDA	
Ahlstrom-Munksjo Oyj (AMI)	\$3,149	\$377	12.0%	\$20.87	93.9%	\$2,400	\$3,277	1.0x	8.7x	2.4x
Alfa Laval AB (ALFA)	4,755	956	20.1	30.27	94.1	12,697	13,160	2.8	13.8	0.7
Amiad Filtration Systems Ltd (AFS)	106	12	11.5	5.30	101.3	161	162	1.5	13.3	(0.2)
Andritz AG (ANDR)	7,868	578	7.3	45.00	91.9	4,467	4,334	0.6	7.5	(0.1)
Asahi Kasei Corp. (3407)	18,986	2,696	14.2	11.52	92.4	15,989	20,515	1.1	7.6	1.5
Daikin Industries Ltd. (6367)	22,068	3,383	15.3	201.81	91.3	59,058	58,921	2.7	17.4	0.0
Denso Corp. (6902)	43,102	2,722	6.3	66.43	94.6	51,474	52,780	1.2	19.4	(0.2)
Faurecia SA (EO)	17,199	1,253	7.3	53.32	89.6	7,334	11,397	0.7	9.1	3.1
FLSmidth & Co. A/S (FLS)	2,594	161	6.2	38.36	90.1	1,924	2,199	0.8	13.7	1.5
GEA Group AG (GIA)	5,440	470	8.6	40.87	99.0	7,404	7,064	1.3	15.0	(1.0)
GUD Holdings Ltd. (GUD)	352	77	21.9	8.90	85.6	838	997	2.8	12.9	2.1
Ibiden Co., Ltd. (4062)	2,793	581	20.8	46.02	95.9	6,430	6,753	2.4	11.6	0.5
Johnson Matthey plc (JMAT)	20,303	800	3.9	41.51	91.3	7,991	9,261	0.5	11.6	1.5
NGK Insulators Ltd. (5333)	3,905	794	20.3	18.30	94.0	5,793	6,980	1.8	8.8	1.1
Nitto Denko Corp. (6988)	6,659	1,183	17.8	85.53	93.0	12,656	10,191	1.5	8.6	(2.3)
Porvair plc (PRV)	186	25	13.2	7.52	80.1	346	358	1.9	14.6	0.5
Sartorius AG (SRT)	2,741	784	28.6	436.62	79.0	31,926	34,537	12.6	44.0	2.7
Siemens AG (SIE)	67,529	8,660	12.8	164.53	99.2	131,310	169,817	2.5	19.6	3.9
Toray Industries Inc. (3402)	17,156	1,575	9.2	6.44	94.2	10,310	18,120	1.1	11.5	4.2
Median			12.8%		93.0%			1.5x	12.9x	1.1x
Mean			13.6		92.1			2.1	14.1	1.1

(1) Source: S&P Capital IQ and JKC research.

(2) Revenues and EBITDA are for the latest twelve months as of 3/31/21. Due to the COVID-19 pandemic, some international companies have not yet reported 3/31/21 financials.

(3) Total enterprise value is defined as market capitalization plus total debt less cash and cash equivalents.

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Valuation Trends over Time

Quarterly TEV/LTM EBITDA valuation multiples are higher than last quarter levels for most pump companies. Annual multiples for domestic and international companies are also generally higher than last year.

CHART IV: QTRLY MEDIAN TEV/LTM EBITDA VALUATION MULTIPLES⁽¹⁾

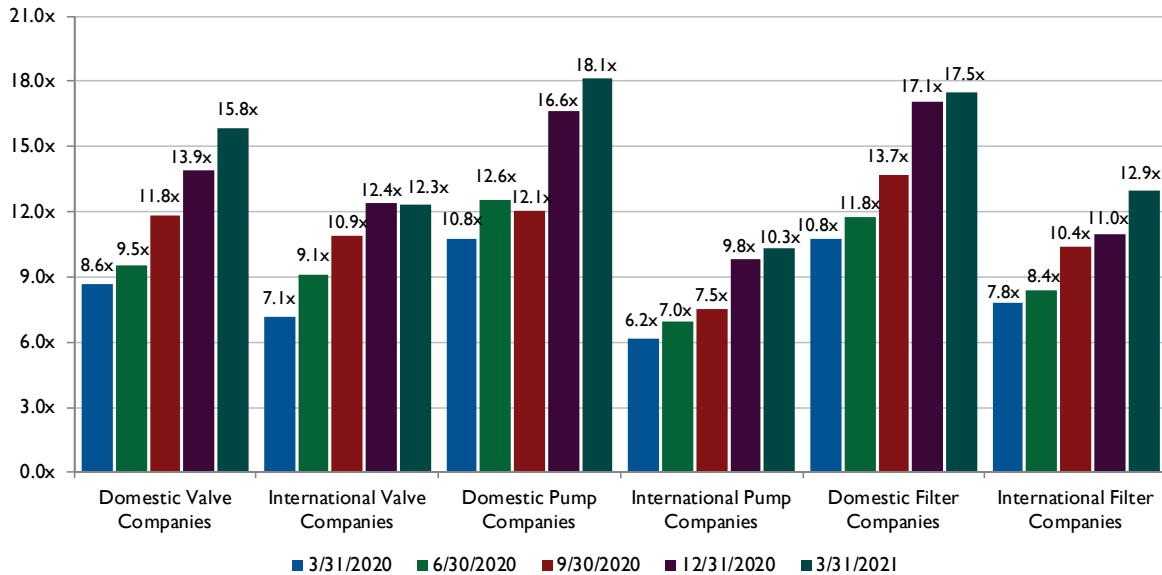
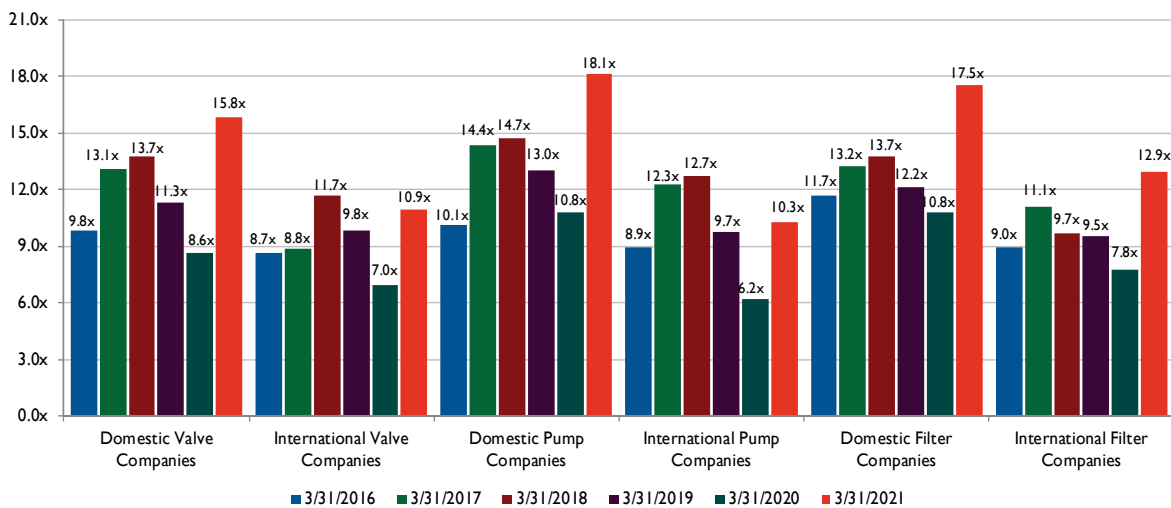


CHART V: ANNUAL MEDIAN TEV/LTM EBITDA VALUATION MULTIPLES⁽¹⁾



(1) Source: S&P Capital IQ and JKC research.

Economic Indicators – Valves and Pumps⁽¹⁾

BY DAVID A. KAKAREKA

CHART VI: U.S. PMI INDEX⁽²⁾ AND MANUFACTURING SHIPMENTS⁽³⁾

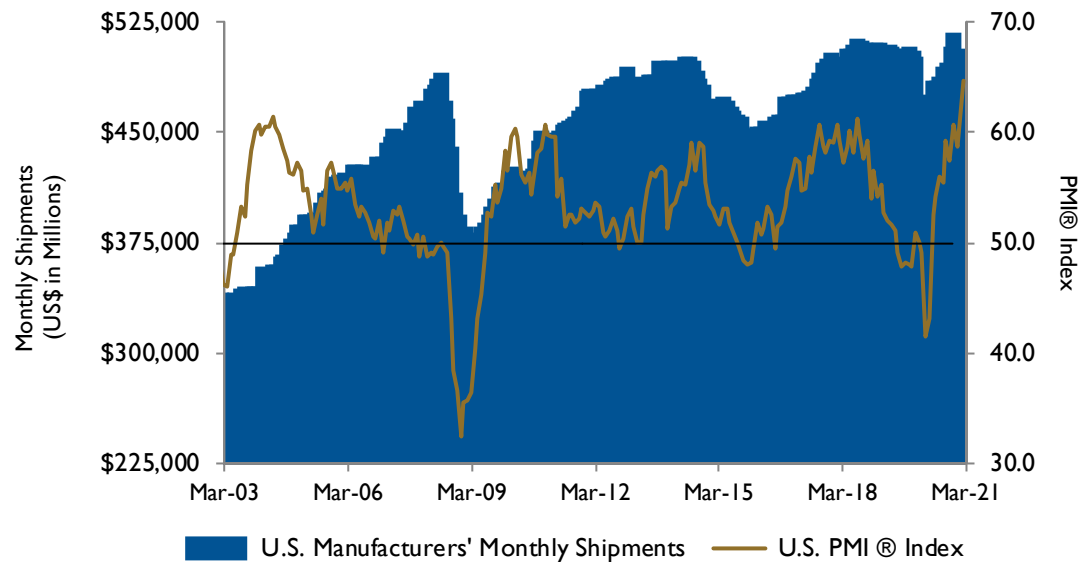
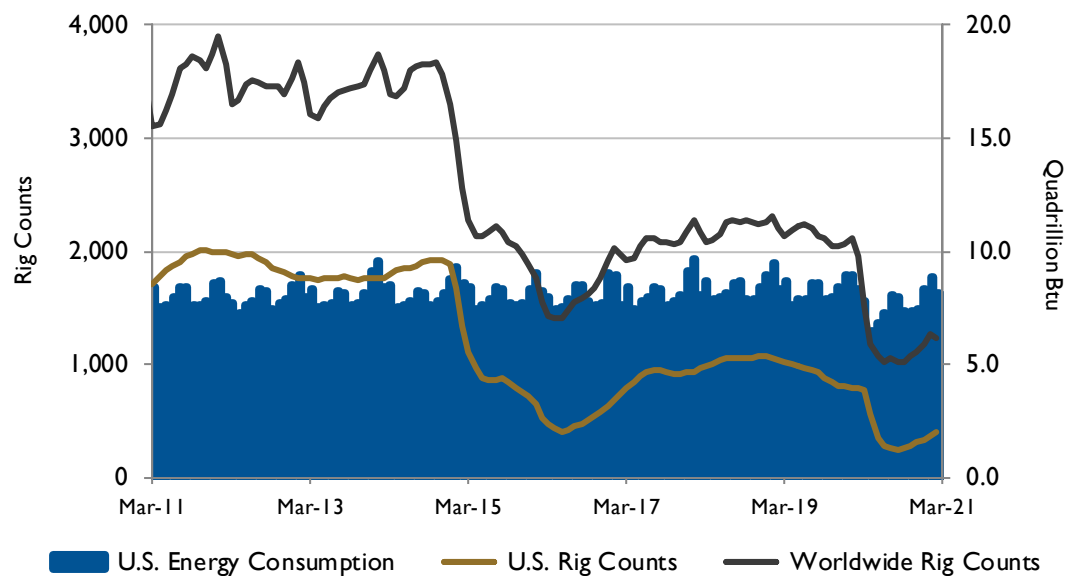


CHART VII: U.S. ENERGY CONSUMPTION⁽⁴⁾ AND RIG COUNTS⁽⁵⁾



(1) Economic indicators used in Public Equity and Valuation Analysis section of this report.
 (2) Source: Institute for Supply Management Manufacturing Report on Business®. A PMI Index above 50 represents expansion within the manufacturing sector compared with the prior month.
 (3) Source: U.S. Census Bureau; Manufacturers' Shipments, Inventories and Orders Survey.
 (4) Source: U.S. Energy Information Administration, Short-term Energy Outlook.
 (5) Source: Baker Hughes Inc.

Economic Indicators – Filters⁽¹⁾

BY DAVID A. KAKAREKA

CHART VIII: U.S. HOUSING STARTS AND CONSTRUCTION SPENDING⁽²⁾

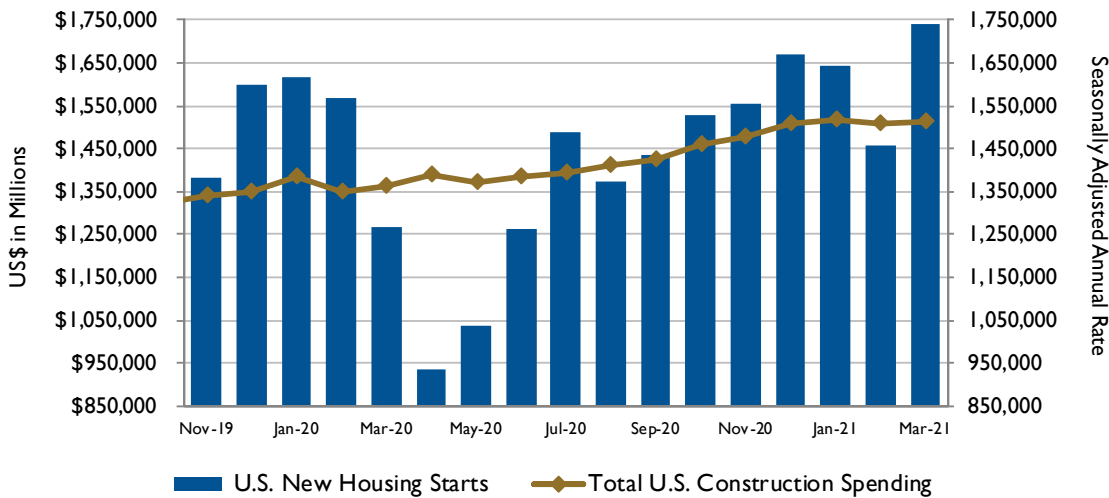
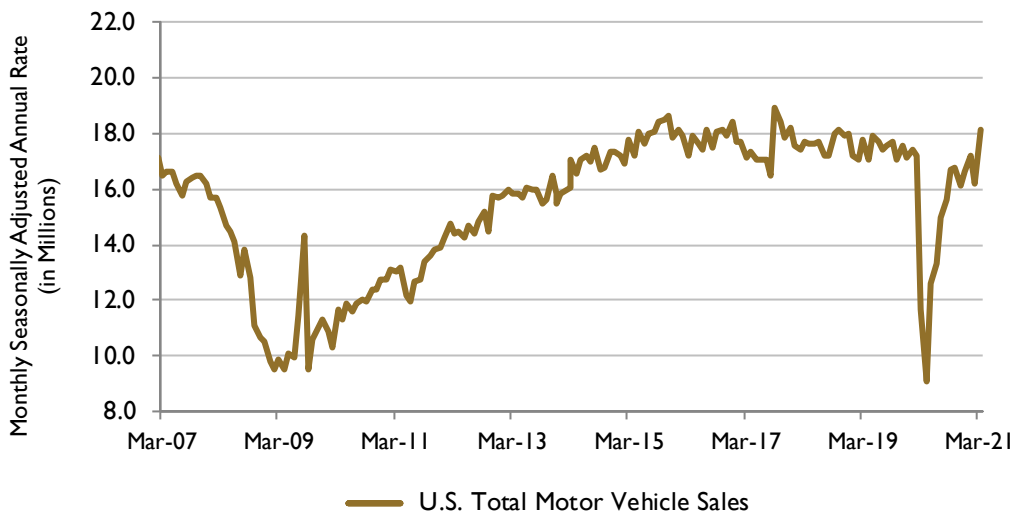


CHART IX: U.S. MOTOR VEHICLE SALES⁽³⁾



(1) Economic indicators used in Public Equity and Valuation Analysis section of this report.
 (2) Source: U.S. Census Bureau; Manufacturing, Mining and Construction Statistics.
 (3) Source: U.S. Department of Commerce, Bureau of Economic Analysis.

JORDAN KNAUFF & COMPANY

FLOW CONTROL TEAM



G. COOK JORDAN, JR.
Managing Principal
Office (312) 254-5901
cj@jordanknauff.com



DAVID A. KAKAREKA
Vice President of Transaction Management
Office (312) 254-5907
dkakareka@jordanknauff.com



LORI A. CALLAWAY
Vice President of Research and Publications
Office (312) 254-5914
lcallaway@jordanknauff.com

ABOUT JORDAN KNAUFF & COMPANY

Jordan Knauff & Company was founded in 2001 to undertake a distinct mission: to assemble and maintain a staff of top-notch investment banking personnel and offer their knowledge and experience to provide the best available investment banking services to middle-market companies, the entrepreneurs that lead them and the financial entities that transact with them. On a combined basis, over the course of their careers our employees have completed over 200 transactions as investors, owners, operators, buyers, sellers and investment bankers of middle-market businesses across a variety of industries. The majority of our firm's broad transaction experience has been with private companies owned by one shareholder, a partnership, a family or private equity investors.



200 West Madison Street, Suite 980
Chicago, Illinois 60606-3414
tel: (312) 254-5900 ■ fax: (312) 254-5999
email: info@jordanknauff.com ■ web: www.jordanknauff.com

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