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Mergers & Acquisitions

Sulzer Acquires Pump Company Hidrotecar S.A.

With this acquisition, Sulzer Pumps will add complimentary products to its products range and reinforce its presence in the attractive water markets in Europe, Middle East, and Africa. [Read More>](#)

WEG Acquires the European Company Watt Drive

Watt Drive's revenues for 2011 are expected to reach € 30 million. [Read More>](#)

Dover's Pump Solutions Group Acquires RedScrew® Pump Company

The RedScrew Pump manufacturing facility is ISO 9001 certified and is located in Tianjin, China in the Hua Yuan Technology Park. [Read More>](#)

WEG to Acquire Electric Machinery Unit of GE's Converteam Business

The acquisition is expected to close before the end of the year and is subject to customary closing conditions and approval by the US Department of Justice. [Read More>](#)

Contracts & Orders

U.S. and Canadian Wastewater Plants Enter into More Than 100,000 Contracts Per Year

What are those contracts and how do they break down? The value can be in excess of \$10 million. [Read More>](#)

Flowserve Awarded Three-Year Contract for Its Online Assurance Program

Flowserve Corporation announced it was awarded a three-year contract by Bangchak Petroleum Public Company Limited (Thailand) to implement its Online Assurance program. The Bangchak program will incorporate the IPS APEX™ data acquisition system, with embedded "equipment edge" intelligent diagnostics, and will initially focus on monitoring the critical Enhanced Hot Separator pump system that is part of the refinery's HyCycle™ Unicracking™ process unit. [Read More>](#)

Siemens Turbocompressors to Provide Energy Efficient Wastewater Treatment for Projects in U.S. and Mexico

For the Southeast Wastewater Treatment Plant in Rolla, Missouri, Siemens will deliver new direct

Gardner Denver Announces Agreement to Acquire Robuschi

Robuschi is headquartered in Parma, Italy, and has annual revenues of approximately EUR 70 million (\$95 million). [Read More>](#)

Tencarva Machinery Company Acquires GPM Industries Inc., GPM Environmental Inc.

The two acquired entities have become the GPM Division of Tencarva and its first locations in Georgia. [Read More>](#)

Dover Acquires Advansor A/S

Advansor will become part of Hill PHOENIX, an operating company within Dover's Engineered Systems segment. [Read More>](#)

drive turbocompressors that will provide compressed ambient air to meet the biological oxygenation needs at the city-owned facility. [Read More>](#)

ABB Wins \$15 Million Substation Order for a New Rail Metro Line in Poland

ABB will construct four combined traction and auxiliary substations rated at 15 kV (kilovolt) / 825V DC (direct current) / 400V AC (alternating current) and three auxiliary substations rated at 15 kV/400V AC for the new Warsaw metro line 2, which is presently under construction and will connect the eastern and western parts of the capital city. [Read More>](#)



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P&S Market

The Institute for Supply Management's Purchasing Managers Index (PMI) registered 50.8 in October, a decrease of 0.8 compared to September's reading of 51.6. The New Orders Index increased to 52.4, 2.8 over September, indicating a return to growth after three months of contraction.

The labor market is still growing at a sluggish pace. The Bureau of Labor Statistics reported that overall nonfarm payrolls increased by 80,000 in October. Following two months of decline, manufacturing added 5,000 workers, led by the durable goods sector. While the number of jobs added was slightly below expectations, the overall unemployment rate decreased slightly from 9.1 percent in September to 9.0 percent in October.

The Commerce Department reported that the real gross domestic product (GDP) grew 2.5 percent in the third quarter, considerably better than the 1.3 percent in the second quarter and the 0.9 percent rate of growth for the first half of 2011. Personal spending, business investment and exports helped lift the number.



Strategic Vision Realized:

Sulzer Acquires Cardo's Flow Solutions Business

Commentary by Jack Gonder,
[Jordan, Knauff & Company](#)

Sulzer recently acquired Cardo's Flow Solutions ("CFS") business. This acquisition solidifies Swiss-headquartered Sulzer's commitment and presence in the water segment, as well as culminating Sulzer's strategic plan for expansion in this market, which was outlined and set in motion by Sulzer's board more than two years ago.

Further, this acquisition allows Sulzer to enter the highly attractive wastewater pump market and instantly become a leading player in the space.

It is also yet another example of the tremendous value proposition that exists in wastewater and why so many flow solutions companies are attracted to this market. The need to bring water back into circulation will continue to become increasingly important both in emerging markets and maturing markets with aging infrastructure.

Publicly traded Sulzer (SWX: SUN) was founded in 1834 in Winterthur, Switzerland, and is active in more than 170 locations worldwide. Specializing in the manufacturing of industrial machinery and equipment, surfacing technology and rotating equipment maintenance, Sulzer offers 1) pumping solutions and services, 2) surface technology solutions and services, 3) components and services for separation columns and static mixing, 4) service and repair of turbomachinery, generators and motors, and 5) research and other services for the divisions and external customers. Sulzer's end markets are the oil and gas, hydrocarbon processing, power generation, water and wastewater, aviation and automotive industries. With the addition of CFS, water/wastewater accounts for 16 percent of total revenues. This acquisition strengthens Sulzer's global position as a supplier of pumps and related services.

CFS is a full-line supplier of pumps and related equipment including lifters, mixers, aerators, compressors, control and monitoring equipment and services for the wastewater markets. These products account for 90 percent of total company revenues. CFS generates approximately \$500 million in sales with an adjusted EBITDA of \$74 million or 14.8 percent EBITDA margin. The business has approximately 1,900 employees.

Not only is CFS a manufacturer of pumps and other critical equipment including mixers, aerators and lifts in the waste water segment—which expands Sulzer's product offering—but the ability to leverage respective customer bases with complementary Sulzer products, service stations and sales network

further enhanced the value proposition for Sulzer on this transaction.

This acquisition was completed for total cash consideration of \$937 million (SEK 5.9 billion/CHF 852 million), and Sulzer used a combination of cash flow and bank financing to fund the acquisition. The acquisition creates a strong platform for further growth, driven by global geographic expansion and continued technological development of complete pumping solutions and good aftermarket opportunities by leveraging Sulzer's existing service network, and cross-selling opportunities with the combined product offering. The acquired businesses will be fully integrated in Sulzer Pumps and the initial phase of the integration process is expected to take about nine months.

Synergies have been identified and will mainly be achieved through broader geographic presence, combined solutions, joint sourcing and shared services. Run-rate sales synergies are expected to be in the range of 10 percent of acquired sales in the third year. Cost synergies are anticipated in the range of 5 percent of acquired sales in year three.

Sulzer expects transaction costs of approximately \$11 million to occur in 2011, and integration costs of approximately \$27.5 million distributed over three years. Acquisition-related, non-cash purchase price accounting effects such as step-up on inventory and order backlog will occur in 2011 only. Amortization effects of other intangible assets are presently assessed to be in the range of \$27.5 to \$33 million per annum (on a pro-rata basis for 2011 and annual charges starting in 2012, depending on the category, over 7 and up to a maximum of 15 years), with details to be quantified at a later stage, likely in the planned order intake release.

The acquisition will be EPS "re-amortization" accretive and EPS "post-amortization" neutral in the first full year of ownership. The transaction has been financed with cash on hand and existing debt facilities. As part of the financing, Sulzer successfully launched a 2.25 percent bond in the aggregate principal amount of \$550 million for a term of five years.

Sulzer's balance sheet will remain solid post the acquisition and will allow further external growth.

Jack Gonder, with a graduate degree in entrepreneurship from the University of Chicago, is the head of Flow Control at Jordan, Knauff & Company. He specializes in advising private flow control (pumps, valves, filters) business owners on the sale of their company, acquisition of another business and/or raising growth capital. Gonder has advised private business owners on mergers and acquisitions for approximately 20 years and can be reached at jgonder@jordanknauff.com or 312-254-5918.

News

NSF International Publishes First American National Standard for Water Reuse Systems

NSF certified onsite water reuse technologies reduce impact on the environment, municipal water and wastewater treatment facilities, energy and water costs. [Read More>](#)

Utility Power Water Treatment Market Will Exceed \$23 Billion in 2012

This is the conclusion reached in the continually updated, Fluid/Gas Treatment and Control: World Markets published by the Mcllvaine Company. [Read More>](#)

Emerson Reports Full Year and Fourth Quarter 2011 Results

Emerson announced that net sales for fiscal 2011 increased 15 percent to a record level of \$24.2 billion. [Read More>](#)

Siemens Ends Fiscal 2011 with Record Operating Results

Total sectors profit climbed by 36 percent to €9.1 billion, income from continuing operations by nearly two-thirds to €7 billion. Revenue and new orders also increased. [Read More>](#)

Lufkin Industries Announces Fourth Quarter 2011 Dividend

Lufkin Industries, Inc. announced that the Board of Directors has declared a fourth quarter cash dividend of \$0.125 per share on its common stock. [Read More>](#)

Dover Corporation Declares Regular Quarterly Cash Dividend

The Board of Directors of Dover Corporation declared a regular quarterly cash dividend of \$0.315 (thirty-one and one half cents) per share. [Read More>](#)

Parker Declares Quarterly Cash Dividend

Parker Hannifin Corporation announced that its Board of Directors has declared a regular quarterly cash dividend of 37 cents per share of common stock to shareholders. [Read More>](#)

IDEX Corporation Reports Third Quarter 2011 Results

New orders in the quarter totaled \$480 million, up 26 percent over the prior-year period. Sales in the quarter totaled \$477 million, 28 percent higher than the prior-year period. [Read More>](#)

The Weir Group PLC Issues Its Interim Management Statement

Market conditions across the mining and upstream oil and gas markets remained strong through the third quarter with the Group continuing to perform well, achieving a new record in quarterly order input. [Read More>](#)

KSB Group: Growth in Sales and a Stable Order Book

The demand for standard capital goods, including pumps and valves for building services and industrial production processes, showed good growth. [Read More>](#)

Pentair Reports Solid Third Quarter 2011 Results

Pentair, Inc. announced third quarter 2011 sales of \$891 million, an increase of 15 percent from the same quarter last year. [Read More>](#)

Littelfuse Reports Third Quarter Results

Sales were \$174.0 million for the third quarter of 2011, a 6% increase compared to the third quarter of 2010 and a 1% sequential decline compared to the second quarter of 2011. [Read More>](#)

Atlas Copco Builds New Compressor Factory in China

The new factory and the upgrade of existing facilities will allow for increased production of portable compressors, industrial and oil-free air compressors as well as compressor elements. [Read More>](#)

New Hires, Promotions & Recognitions

BLACOH Continues Expansion in U.S. and Latin America

BLACOH Fluid Control, Inc. recently announced the addition of two new regional managers as part of the company's continued expansion in domestic and international markets. [Read More>](#)

Wärtsilä China Appoints President

James Han has been appointed President of Wärtsilä China as of November 14, 2011. [Read More>](#)

SMS Assist Selects CDW Veteran for Chief Human Resources Officer

SMS Assist announced former CDW executive Art Friedson was named its chief human resources officer, charged with expanding and developing staff for the rapidly growing technology company. [Read More>](#)

New Projects

[State and Federal Pump Projects](#)

[Pump Station Projects](#)

[Municipal Projects](#)

[Pipeline, Tanks and Valve Replacement Projects](#)

[Sanitation Projects](#)

[Water/Wastewater Contract Opportunities](#)

[SCADA System Project](#)

[Municipal Transmission Pipeline](#)

[Sewer Rehabilitation](#)

[Sewer Improvements/Central Pump Station](#)

Industry Buzz

Here are the latest discussions:

Pumps & Systems LinkedIn Group

- [Inquiry for five units of chemical centrifugal pump base](#)
- [Recommended maximum velocity through a pump suction pipe](#)
- [Submersible pump issue](#)
- [Casting pump casings](#)

PumpChat Forum

- [Torsional analysis on variable speed pump](#)
- [Repair as a failure of maintenance Webinar Q&A](#)

PumpConnect

- [24-inch discharge into a manifold](#)
- [Non-revenue water](#)

From the latest
issue of

PUMPS & SYSTEMS

Oil & Gas Project Sets New Standards

Tailored sealing solutions supply high-pressure sealing for Russia's East Siberia Pacific Ocean pipeline system. [Read More>](#)

Safe Chemical Transfer

The development of PE resin for industrial piping applications. [Read More>](#)

Microprocessor-Based Pump/Motor Protection Relays

Today's lean maintenance staff needs pump and motor protective devices that diagnose and predict problems before they become acute. [Read More>](#)

PUMPS & SYSTEMS Sneak Peek

Look for these articles in the December issue of *Pumps & Systems*:

Electronic Pump Curve Accuracy (First of Two Parts)

Business of the Business: Pump Servicing Market

Wireless Technology: Applications for electric power and the Smart Grid

Connect



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[Michelle Segrest - Reporting on the Pump Industry](#)
[Lori Ditoro - Insider the Pump Industry](#)



[Pumps & Systems Group](#)

Upcoming Events

[National Groundwater Association Expo](#)
November 29 – December 2
Las Vegas, Nev.

[Power-Gen](#)
December 13 – 15
Las Vegas, Nev.
Visit Booth #9222

[AHR Expo](#)
January 23 – January 25, 2012
Chicago, Ill.

Visit our [website](#) for a full list of upcoming events.

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