

Smiths Group announces two North American acquisitions for up to £110m^[1]

Smiths Group plc, a leading industrial technology company, announces today that it is acquiring two North American companies, Modular Metal Fabricators, Inc., and Wattco, Inc. for a combined purchase price of up to £110m. These two companies will be integrated respectively into the Heating, Ventilation & Air Conditioning (HVAC) and electrical heating solutions platforms within Smiths Group's Flex-Tek business.

Modular Metal Fabricators is a US-based metal and flexible ducting manufacturer. The acquisition of Modular Metal Fabricators is expected to complete on 1 October 2024, expanding Smiths Group's geographical coverage of the HVAC sector in the western United States and broadening its product range to include Modular Metal's sealed flexible duct solution.

Wattco is a Canadian-based electric heating solutions provider. The acquisition provides the opportunity to expand into medium temperature immersion and circulation heating - which is an attractive sector adjacency and highly complementary to Smiths Group's existing open coil electrical heating business.

Roland Carter, CEO of Smiths Group, said: "These strategic and disciplined acquisitions represent a meaningful expansion in our HVAC and electrical heating solutions segments. Each business brings a highly complementary customer base, product range and approach to technology, while enhancing our geographical coverage. We welcome the teams into the Smiths business and look forward to serving existing and new customers in the best possible way."

The companies were acquired for a combined c.8x trailing 12 months EBITDA and are accretive to Flex-Tek's operating margin.

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About Smiths Group

For over 170 years, Smiths has been pioneering progress by engineering a better future. We serve millions of people every year, to help create a safer, more efficient and productive, and better-connected world across four global markets: energy, security & defence, space & aerospace, and general industrial. Listed on the London Stock Exchange, Smiths employs c.15,000 colleagues in over 50 countries. For more information visit www.smiths.com.

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1 Combined purchase price of £95m, with an additional amount of up to £15m payable subject to the performance of one of the acquisitions over a three-year period.

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