

RNS Number : 0203V
Smiths Group PLC
03 March 2026

Smiths acquires DRC Heat Transfer

Smiths, a leading industrial engineering company, announces today that it has agreed to acquire DRC Heat Transfer (DRC) for a purchase price of £164m representing a multiple of 10x adjusted EBITDA for the calendar year 2025.

DRC is a US-based designer and manufacturer of custom heat transfer and cooling solutions, primarily for the power generators used in data centres. With more than 50 years of engineering heritage, DRC supports a broad range of power generation and various other applications across industrial, transit, and energy markets. DRC has a clear strategic focus on the reliability and scalability demands of data centres. Its mission-critical solutions safeguard power security and ensure uninterrupted operations for data centres and other essential industries. It generated £73m in revenue in the calendar year 2025.

DRC will be integrated into Flex-Tek's industrial heat business and is consistent with the strategy of building into high growth adjacencies. DRC will enable Flex-Tek to serve a wider customer group in fast growing end markets with DRC products and solutions that are additive to Flex-Tek's existing portfolio.

DRC's technology and engineering-led customer intimacy extends Flex-Tek Heat's offering into cooling applications and adds broader thermal solutions capabilities. The acquisition will also strengthen Flex-Tek's presence in the power generation market where growth is underpinned by significant structural growth trends, in particular for data centre back-up power, and other mission-critical applications.

Roland Carter, CEO of Smiths Group, said: "This acquisition marks further progress on our strategy as we scale Flex-Tek's industrial heat business into higher growth end markets. With strong exposure to the growing data centre market and with wider power generation capabilities, this acquisition not only broadens our capabilities for existing customers but increases the addressable market for Flex-Tek into fast growing adjacencies.

"We are excited to welcome the team to Smiths and to build on their expertise to deliver even greater value for our customers."

DRC is located near Chicago, United States and has 250+ employees. Completion of the transaction is expected to take place in the second half of fiscal year 2026 and is subject to customary approvals.

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About Smiths Group

For 175 years, we have been pioneers of progress, engineering a better future. Our strategy is to be a focused, efficient and value creating industrial engineering company operating in the attractive and growing market segments of energy, industrials, construction and aerospace.

We focus on solving the toughest problems for our customers, helping address critical global needs such as decarbonisation and the ever-increasing demand for process and energy efficiency. Listed on the London Stock Exchange, we are present in over 50 countries worldwide. For more, visit www.smiths.com.

Legal Entity Identifier (LEI): 213800MJL6IPZS3ASA11

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