

DATE

January 22, 2020

SECTORS

Industrials
Aerospace, Defense &
Government Services

DEAL TYPE

M&A Advisory

DEAL LOCATIONS



DEAL TEAM

DC Advisory advised EnPro on the sale of Fairbanks Morse to Arcline



DC Advisory acts as the exclusive financial advisor to EnPro Industries, Inc. (EnPro) on the sale of its Fairbanks Morse (FM) division to Arcline Investment Management (Arcline) for a purchase price of \$450 million in cash, reflecting a multiple of approximately 10.5x 2019E adjusted EBITDA. This transaction monetises significant value created over the past several years in a segment that is non-core to EnPro going forward.

EnPro is a publicly-traded, niche manufacturer of precision components, solutions, and services with a well-diversified customer base. Learn more about EnPro by visiting www.enproindustries.com.

FM develops and manufactures heavy-duty, medium-speed reciprocating engines under the Fairbanks Morse and ALCO brand names, which are used primarily in marine and power generation applications. FM has been the original equipment manufacturer of its engines for over 120 years and has a large installed base for which it supplies aftermarket parts and services. FM is the principal supplier of diesel engines to the U.S. Navy, U.S. Coast Guard, and Canadian Coast Guard. All of FM's manufacturing is conducted in its U.S. based facility in Beloit, Wisconsin, while parts and services are delivered through its network of five service centres.

Arcline is a private equity firm with \$1.5 billion in capital, investing in niche, market-leading companies that it is passionate about growing. Arcline approaches investments from multiple perspectives but shares a single vision – to identify and unlock the breakout potential in its companies. While Arcline is deliberately a sector generalist, some primary interest areas include Industrials, Technology, Life Sciences, and Specialty Chemicals.