

August 2024

M&A Insider Report



Defense, Government & Intelligence

Physical & Cyber Security

Critical Infrastructure

Maritime Transport & Facilities

FIRM OVERVIEW

- Founded in 1997 and headquartered in Northern VA; 27-year history of transaction success
- Comprised of 50+ financial professionals across five offices
- Team includes career investment bankers, CPAs, certified business valuation professionals, and former industry executives



INDUSTRY FOCUSED M&A

Government Services



- Government Services and Products
- Federal Civilian Services
- State and Local Government

Physical & Cyber Security



- Physical Security Services
- Integrators
- Cyber Security

Critical Infrastructure



- Water & Wastewater
- Energy Infrastructure
- Critical Communications

Maritime



- Vessels
- Tier Two & Three Services
- Ports & Facilities



CORE BUSINESS

Investment Banking
Strategic Advisory Services

- Sell-Side M&A
- Buy-Side M&A
- Debt / Equity Placements
- Employee Stock Ownership Plans
- Leveraged Transactions
- Other Advisory Services

Business Valuation
Valuations and Opinions

- "Fair Value" Financial Reporting
- Equity Incentive Plans
- Fairness Opinions
- PEG Portfolio Valuations
- ESOP Transactions
- Estate and Gift

360 FINANCIAL COVERAGE

150+

Closed Transactions Since 2010

> 400

Annual Valuation Clients

> 27 yrs.

Track Record of Success

50+

Financial Professionals

>90%

Portion of Deals that are Sell-Side M&A

> \$8B

Total Transaction Value Since 2010

Major News Stories

**U.S. Inflation Remains Stable, Increasing the Chance of Moderate Rate Cuts**

- The Bureau of Economic Analysis announced that Personal Consumption Expenditures (PCE), an inflation gauge used by the Federal Reserve, was up 2.5% from a year ago, in line with economists' projections.
- However, unemployment unexpectedly rose from 4.1% to 4.3%, leading most investors to price in a 25-basis point rate cut in each of the next two Federal Reserve meetings.
- By lowering rates moderately, the Fed hopes to jumpstart the job market while keeping PCE within an acceptable range.

**Mortgage Rates Drop to 15-Month Low**

- In August, 30-year fixed mortgage rates fell a quarter percentage point to 6.47%, down from 7.23% the same time last year and the lowest point in nearly 15 months.
- While mortgage rates are not directly correlated with the Federal Reserve's rate changes, lower expectations for the economy and potential rate cuts have brought mortgage rates back to a level that more Americans can afford.
- These lower rates may help end a three-decade low in existing home sales, a key indicator of economic strength.

**DoD Announces New Biodefense-Focused Supercomputer**

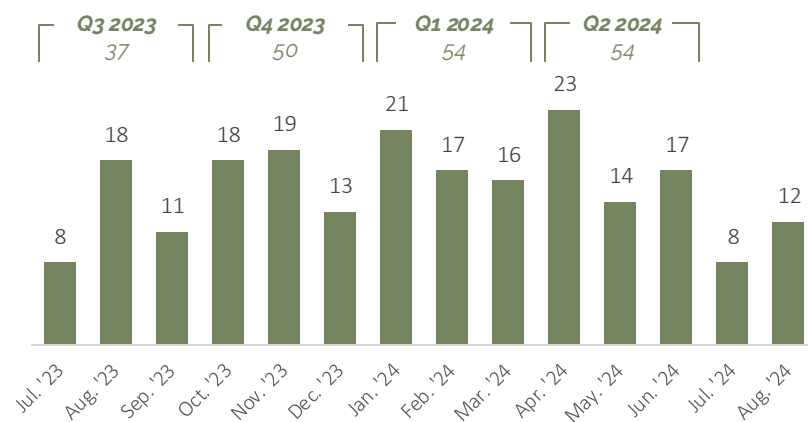
- A new supercomputing system at Lawrence Livermore National Laboratory in California was inaugurated on August 1st and will be dedicated to biological defense initiatives.
- The \$600M system will provide the capabilities for AI-modeling and large-scale simulation for defense activities including threat characterization, advanced materials development, bio surveillance, and medical countermeasures.
- Once the system is fully operational, it is expected become the worlds most powerful supercomputer.

**Rocket Motor Shortages are Changing the Landscape of Missile Production**

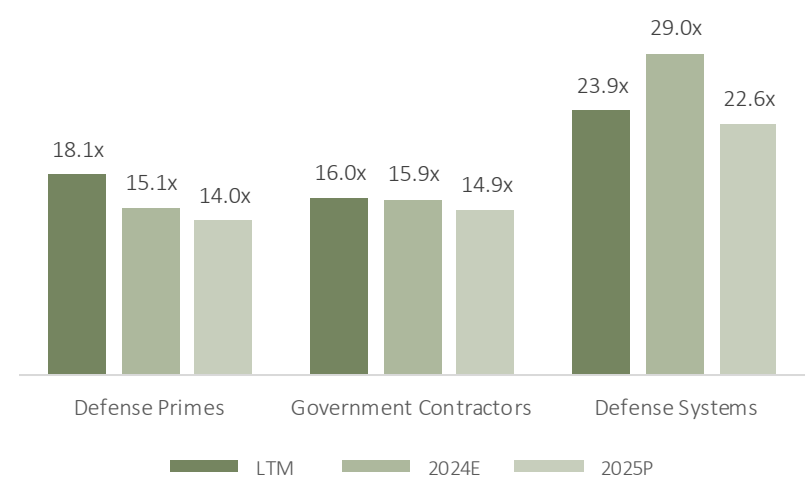
- With ongoing wars across the globe, rocket motors have become a major chokepoint in the defense supply chain preventing large defense contractors from being able to deliver on their missile and rocket contracts.
- Northrup Grumman and Aerojet Rocketdyne (L3Harris) are currently the largest rocket motor producers today, but General Dynamics recently announced plans to start rocket motor production.
- Alongside GD, VC-backed firms Anduril Industries and Ursa Major Technologies have announced production increases.

- On August 6th, Ukrainian military forces launched a ground offensive across the border with Russia near Kursk. While Ukraine has consistently launched drones and fired artillery into Russia, the latest incursion marks the largest combined arms offensive inside Russian territory since the outbreak of the war in February 2022. Over 1,000 Ukrainian soldiers and a contingent of armored vehicles crossed the border, capturing the town of Sudzha and occupying over 1,000 sq km in Kursk Oblast, Russia by August 16th. The Ukrainian incursion into Russia coincides with the Russian advance on the strategic and heavily fortified city of Pokrovsk in Eastern Ukraine. The Russian military is heavily focused on Pokrovsk and is thus reluctant to reallocate troops elsewhere, even to defend Russian territory.
- On August 26th, a Ukrainian F-16 crashed while defending against a Russian aerial attack, killing the pilot. The first F-16s arrived in the country at the beginning of August, and only a small number of Ukrainian pilots are trained to fly them.
- In a recent interview, U.S. Air Force Secretary Frank Kendall underscored the need to increase spending on space resilience. The Space Force’s budget has doubled since the branch was established in 2019, but it is projected to remain flat at around \$30B for the next five years due to restraints imposed on defense spending by the Fiscal Responsibility Act of 2023. Secretary Kendall argued that the Space Force’s budget would need to “double or triple” to fund future projects that will be critical to national security.

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES¹



Sources: Reuters, AP, CNN, DefenseNews
 1. For composition of indices, see page 21



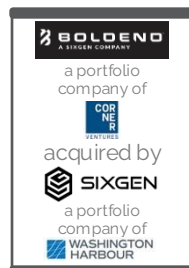
Date: 08/01/2024

EV: \$475.0M

EV/Revenue: 2.7x

Transaction Details*

kSARIA, a portfolio company of Behrman Capital, manufactures and supplies vehicle / aircraft interconnectivity solutions to the aerospace and defense markets. ITT (NYSE: ITT) designs, develops, and manufactures mission-critical light weight solutions through multiple segments, including Connect and Control Technologies. kSARIA's product lines, which are designed for harsh environments, will complement ITT's existing connector portfolio.



Date: 08/06/2024

EV: NA

EV/EBITDA: NA

Transaction Details

Boldend offers a suite of cyber and electronic warfare ("EW") software and automation tools to federal government customers. SIXGEN provides full-spectrum cyber products, operations, and solutions to the national security and critical infrastructure sectors. Boldend is SIXGEN's second acquisition since Washington Harbour established the platform in November 2023. Boldend's capabilities advance SIXGEN's mission to empower the digital warfighter.



Date: 08/13/2024

EV: NA

EV/EBITDA: NA

Transaction Details

TreasurySoft offers software professional service, specializing in PeopleSoft Treasury applications and Oracle Fusion ERP Treasury Management Systems. 22nd Century Technologies ("TSCTI") provides digital transformation, cloud, cybersecurity, and workforce solutions to public sector customers. The acquisition expands TSCTI's ERP capabilities enabling it to deliver tailored Oracle ERP solutions.



Date: 08/14/2024

EV: \$950.0M

EV/EBITDA: NA

Transaction Details*

Loc Performance Products ("Loc") designs, develops, and manufactures drivetrain and suspension systems and components for military armored vehicles. Rheinmetall, a German defense conglomerate, operates in the U.S. through its American Rheinmetall Vehicles subsidiary, which offers tracked and wheeled vehicle platforms to defense customers. The Loc acquisition will aid Rheinmetall in its bid to develop a Bradley replacement and provide the opportunity to supply Rheinmetall's global operations with in-house components.



Date: 08/15/2024

EV: \$247.1M

EV/Revenue: 1.9x

Transaction Details*

Terran Orbital (NYSE: LLAP) provides satellite-based solutions to the aerospace and defense markets. The acquisition of Terran Orbital adds robotic manufacturing and modular space vehicle design capabilities to Lockheed's space portfolio. Lockheed and Terran have a more than seven-year history of partnership and previously cooperated on missions such as the Space Development Agency's Transport and Tracking Layer program.



Date: 08/27/2024

EV: \$1,303.0

EV/EBITDA: NA

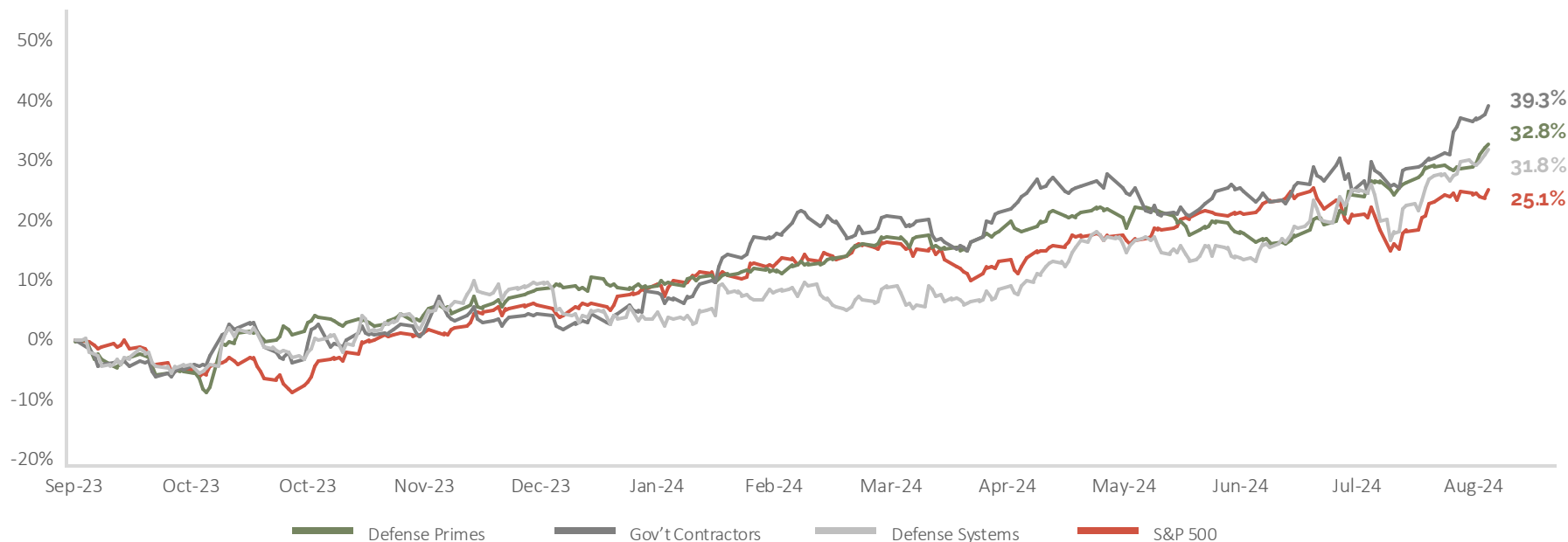
Transaction Details

Belcan supplies Engineering Research & Development (ER&D) services to the aerospace, defense, space, marine, and industrial markets. Cognizant (NasdaqGS: CTSH) offers IT modernization services to commercial and government customers globally. The acquisition strengthens Cognizant's engineering and IoT capabilities and expands its presence in the aerospace and defense markets.

Sources: S&P Capital IQ, DACIS, PR Newswire, GovCon Wire
*Announced, not closed

Contract Value (\$M)	Award Date	End Date	Customer	Awardee	Type	Contract Scope
3,910.0	08/28/2024	09/30/2028	U.S. Naval Air Systems Command (NAVAIR)	Lockheed Martin	IDIQ	Provide training system and simulation services in support of the F-35 aircraft
1,541.9	08/20/2024	08/19/2029	U.S. Army	Oshkosh Defense	Fixed Price	Produce and recapitalize the Family of Heavy Tactical Vehicles (FHTV) and provide related support services
1,045.6	08/29/2024	05/08/2029	U.S. Air Force	Raytheon	Fixed Price	Provide enhanced sensors for the F-22 Raptor stealth fighter jet
991.3	08/22/2024	08/22/2036	U.S. Army	Sierra Nevada	IDIQ	Provide system integration services on the High Accuracy Detection and Exploitation System (HADES) Program of Record
990.0	08/27/2024	08/26/2029	U.S. Army	AeroVironment	IDIQ	Provide an organic, stand-off capability to dismounted infantry that can destroy tanks, light armored vehicles, and hardened targets
726.4	08/01/2024	07/31/2029	U.S. Department of Veterans Affairs (VA)	Deloitte	Fixed Price	Develop software applications to modernize VA mission specific case management solutions
685.5	08/12/2024	08/31/2034	U.S. Immigration & Customs Enforcement (ICE)	Akima	Fixed Price	Provide immigration and detention support services at the Krome Service Processing Center in Miami, Florida
587.4	08/26/2024	08/25/2029	U.S. Naval Air Systems Command (NAVAIR)	L3Harris	Cost Plus	Provide a Next Generation Jammer (NGJ) Low Band (LB) Capability in support of the Airborne Electronic Attack Program
500.0	08/16/2024	08/16/2029	U.S. Special Operations Command (SOCOM)	General Atomics	IDIQ	Provide integration and testing support for the MQ-9 and MQ-1C drone aircraft

Sources: DACIS, GOVConWire, U.S. Department of Defense

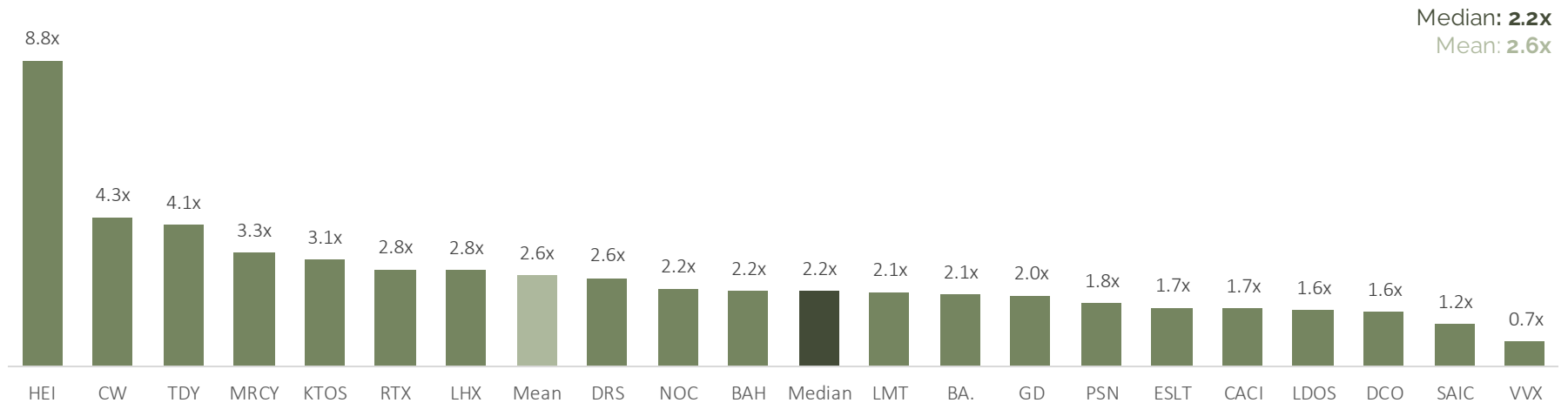
TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART¹

Market Commentary

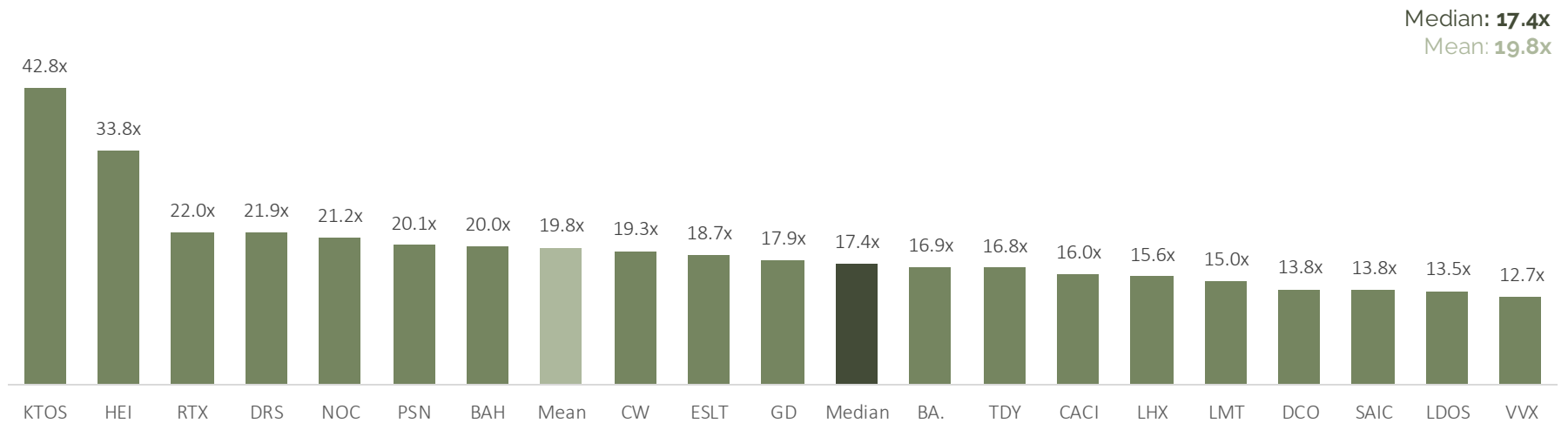
- The S&P 500 reached an all-time high in July, propelled by the strong TTM performance of technology-focused companies such as NVIDIA and Meta. However, August saw increased volatility as rate hikes in Japan sparked a massive sell-off of equities and labor statistics fell short of expectations. On the other hand, at the Jackson Hole Symposium, the Fed signaled that rate cuts are forthcoming. Overall, The S&P fell 8.5% from its July peak before recovering to end the month ~1% lower than the all-time high.
- The TMG Defense Primes, Gov't Contractors, and Defense Systems indices all outperformed the S&P over the TTM period, up 32.8%, 39.3%, and 31.8%, respectively.
- RTX saw a 42.3% increase over the TTM period, leading the Defense Primes index. The Company's strong performance was partly driven by a recent \$478M NATO contract award aimed at restocking Patriot air defense missiles for Germany, which were sent to Ukraine in response to ongoing aerial attacks by Russia.

Sources: S&P Capital IQ, Bloomberg, JP Morgan
 1. For composition of indices, see page 21

TTM REVENUE VALUATION MULTIPLES



TTM EBITDA VALUATION MULTIPLES¹



Sources: S&P Capital IQ, Bloomberg, Seeking Alpha
1. MRCY has been excluded from this analysis

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 8/31/2024	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
RTX	123.34	203,056	79,430	12,675	16%	84,117	13,919	17%	2.56x	16.02x	2.41x	14.59x
Lockheed Martin	568.10	152,145	71,255	9,737	14%	74,156	10,235	14%	2.14x	15.62x	2.05x	14.87x
Northrop Grumman	523.21	91,080	41,340	5,711	14%	42,923	6,125	14%	2.20x	15.95x	2.12x	14.87x
General Dynamics	299.36	91,882	48,162	5,999	12%	49,971	6,541	13%	1.91x	15.32x	1.84x	14.05x
BAE Systems	17.91	64,495	37,119	4,963	13%	40,081	5,474	14%	1.74x	13.00x	1.61x	11.78x
L3Harris Technologies	236.67	57,667	21,243	3,925	18%	22,076	4,239	19%	2.71x	14.69x	2.61x	13.60x
Average	\$294.77	\$110,054	\$49,758	\$7,168	15%	\$52,221	\$7,756	15%	2.21x	15.10x	2.11x	13.96x
Gov't Contractors												
Leidos	158.51	25,747	15,956	1,680	11%	16,707	1,772	11%	1.61x	15.32x	1.54x	14.53x
Booz Allen Hamilton	158.78	23,840	10,604	1,165	11%	11,431	1,258	11%	2.25x	20.46x	2.09x	18.95x
CACI International	488.12	12,672	7,810	849	11%	8,263	907	11%	1.62x	14.92x	1.53x	13.97x
SAIC	130.59	8,828	7,434	689	9%	7,654	718	9%	1.19x	12.81x	1.15x	12.30x
Parsons	95.46	11,116	5,655	498	9%	5,905	538	9%	1.97x	22.31x	1.88x	20.66x
V2X	56.65	2,935	4,079	304	7%	4,272	328	8%	0.72x	9.67x	0.69x	8.96x
Average	\$181.35	\$14,190	\$8,590	\$864	10%	\$9,039	\$920	10%	1.56x	15.92x	1.48x	14.90x

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 8/31/2024	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
Teledyne	432.80	22,608	5,621	1,360	24%	5,908	1,472	25%	4.02x	16.62x	3.83x	15.35x
HEICO Corporation	256.56	33,271	3,966	1,041	26%	4,305	1,139	26%	8.39x	31.97x	7.73x	29.22x
Elbit Systems	205.39	10,652	6,603	649	10%	7,103	705	10%	1.61x	16.41x	1.50x	15.11x
Mercury Systems	37.90	2,739	836	57	7%	858	106	12%	3.28x	47.87x	3.19x	25.90x
Kratos Defense & Security	22.94	3,459	1,147	107	9%	1,274	126	10%	3.02x	32.22x	2.71x	27.56x
Curtiss-Wright Corporation	315.86	12,888	3,048	644	21%	3,220	699	22%	4.23x	20.02x	4.00x	18.45x
Ducommun Incorporated	65.08	1,216	787	118	15%	842	136	16%	1.54x	10.32x	1.44x	8.94x
Leonardo DRS	28.54	7,846	3,165	384	12%	3,375	441	13%	2.48x	20.45x	2.32x	17.79x
Average	\$191.12	\$14,546	\$3,635	\$643	15%	\$3,889	\$709	17%	4.06x	29.02x	3.79x	22.63x
Low	\$17.91	\$2,739	\$836	\$57	7%	\$858	\$106	8%	0.72x	9.67x	0.69x	8.96x
Mean	\$224.25	\$48,129	\$21,662	\$3,024	13%	\$22,765	\$3,271	14%	2.53x	19.48x	2.38x	16.84x
Median	\$158.78	\$23,840	\$7,810	\$1,165	11%	\$8,263	\$1,258	12%	2.14x	15.95x	2.05x	14.87x
High	\$568.10	\$203,056	\$79,430	\$12,675	26%	\$84,117	\$13,919	26%	8.39x	47.87x	7.73x	29.22x

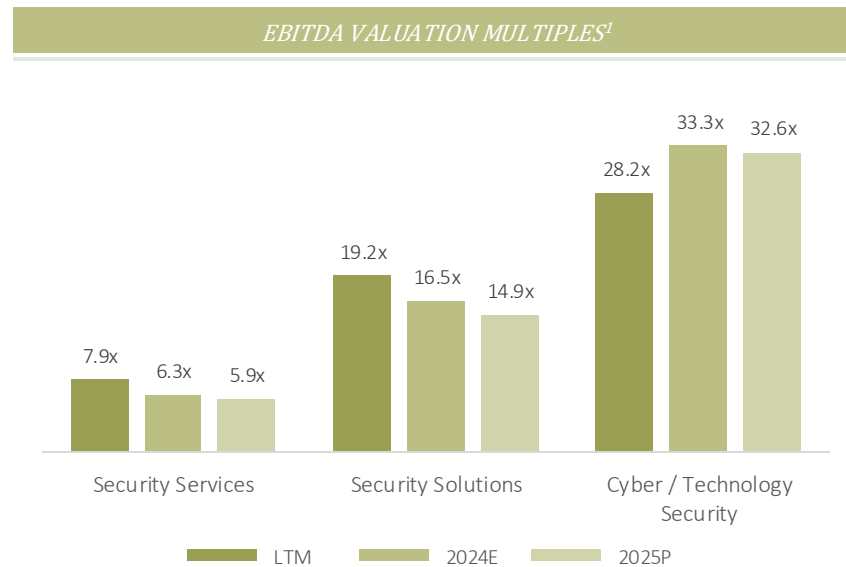
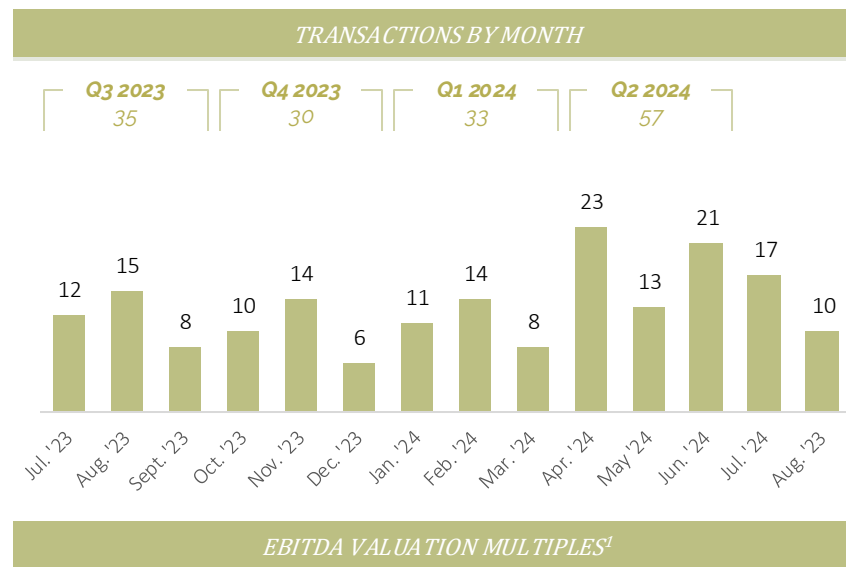
Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
08/01/2024	AMSC	NWL	Provides power supplies to industrial and military customers	61.4	NA	NA
08/01/2024*	ITT	kSARIA	Manufactures and supplies connectivity offerings for aerospace and defense markets	475.0	2.7x	NA
08/06/2024	SIXGEN	Boldend	Develops leading-edge cyber and electronic warfare solutions	NA	NA	NA
08/08/2024	Enlightenment Capital	Cryptic Vector	Provides offensive cyber, EW, and RF communications solutions to the IC and DoD	NA	NA	NA
08/13/2024	22 nd Century Technologies	TreasurySoft	Develops PeopleSoft and Oracle Fusion ERP Treasury Management Systems	NA	NA	NA
08/14/2024*	Rheinmetall AG	Loc Performance Products	Designs, develops, and manufactures systems and components for armored vehicles	950.0	NA	NA
08/14/2024*	Redwire	Hera Systems	Develops spacecraft for national security customers and geostationary orbit	NA	NA	NA
08/14/2024	Everfox	Garrison Technology	Offers hardware security and other cybersecurity capabilities to fed gov't clients	NA	NA	NA
08/15/2024*	Lockheed Martin	Terran Orbital	Provides satellite-based solutions to aerospace and defense customers	247.1	NA	NA
08/22/2024	Bluestone Investment Partners	Qualis	Offers missile defense and space systems capabilities to the DoD and NASA	NA	NA	NA
08/23/2024	ENIGMA	Onclave	Offers a zero-trust cybersecurity platform to federal government customers	NA	NA	NA
08/27/2024	Cognizant	Belcan	Offers Engineering R&D services for the aerospace, defense, and industrial markets	1303.0	NA	NA

Sources: S&P Capital IQ, DACIS, PR Newswire, GovCon Wire
*Announced, not closed

- After a faulty update on Falcon Sensor security software developed by CrowdStrike was distributed to customers, over 8.5 million systems crashed across various companies and government agencies, many of which were uninsured. Even though an estimated \$5.4B of losses were caused by the outage, insurers will only have to cover less than a fifth of that total. Following the outage, cyber insurers Parametrix and Beazley increased the projected size of the cybersecurity market to over \$22B in 2025, a 450% increase from 2017.
- Both commercial companies and the U.S. government have continued to focus on integrating AI into their operations to improve efficiency and productivity. According to a recent business spending study, AI-related transaction volume has increased by 293% year over year (Ramp).
- According to Gartner, spending on information technology security is projected to increase to a total of \$212B in 2025, an increase of 15.1% year over year.

Select August Transactions

 <p>acquired by OPSWAT.</p>	 <p>acquired by Ark</p>	 <p>acquired by FORTINET.</p>	 <p>acquired by* CHECK POINT</p>
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PHYSICAL & CYBER SECURITY

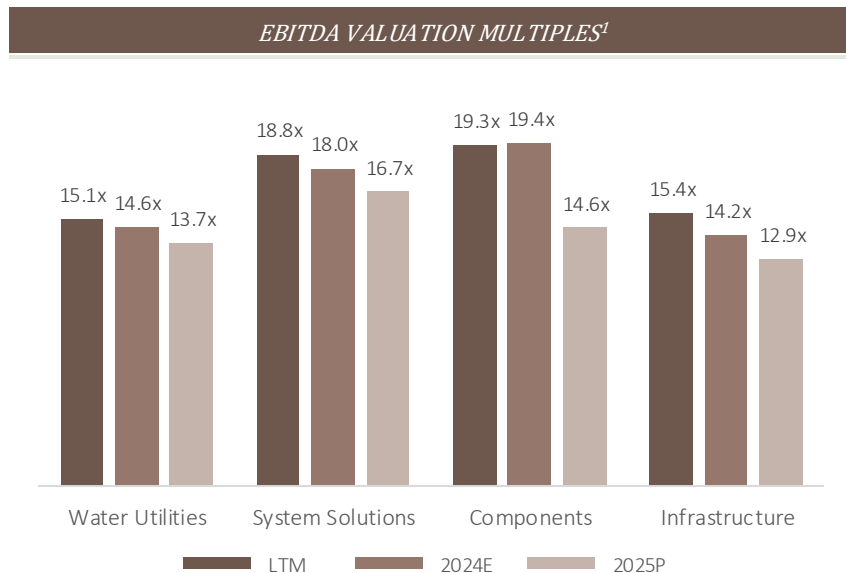
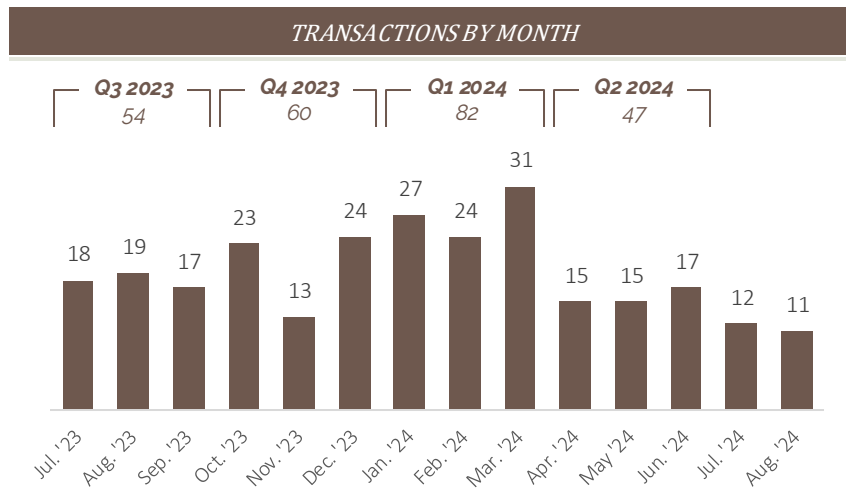
	Stock Price 8/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	11.69	10,906	15,880	1,429	9%	16,520	1,528	9%	0.69x	7.63x	0.66x	7.14x
The Brink's Company	110.93	7,824	5,087	955	19%	5,344	1,035	19%	1.54x	8.19x	1.46x	7.56x
Prosegur	1.96	2,873	4,997	573	11%	5,241	624	12%	0.57x	5.01x	0.55x	4.60x
Loomis	34.05	2,813	2,983	620	21%	3,100	661	21%	0.94x	4.54x	0.91x	4.26x
Average	\$39.66	\$6,104	\$7,237	\$894	15%	\$7,551	\$962	15%	0.94x	6.34x	0.89x	5.89x
Security Solutions												
Honeywell International Inc.	207.91	154,866	39,140	10,337	26%	42,114	11,326	27%	3.96x	14.98x	3.68x	13.67x
Johnson Controls	72.85	60,604	27,713	4,454	16%	29,119	4,565	16%	2.19x	13.61x	2.08x	13.28x
Motorola Solutions, Inc.	442.04	79,237	10,796	3,390	31%	11,435	3,650	32%	7.34x	23.37x	6.93x	21.71x
ADT Inc.	7.29	14,371	4,880	2,561	52%	5,147	2,726	53%	2.94x	5.61x	2.79x	5.27x
Allegion	138.84	13,906	3,766	923	25%	3,921	974	25%	3.69x	15.06x	3.55x	14.28x
Alarm.com	59.54	2,876	927	166	18%	976	181	19%	3.10x	17.31x	2.95x	15.87x
Napco Security	46.38	1,618	199	63	32%	227	79	35%	8.15x	25.75x	7.14x	20.46x
Average	\$139.26	\$46,783	\$12,489	\$3,128	29%	\$13,277	\$3,357	29%	4.48x	16.53x	4.16x	14.93x

PHYSICAL & CYBER SECURITY												
	Stock Price 8/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Palo Alto Networks	362.72	116,214	8,522	2,572	30%	9,779	2,977	30%	13.64x	45.19x	11.88x	39.04x
CrowdStrike	277.28	64,760	3,902	980	25%	4,810	1,232	26%	16.60x	NA	13.46x	52.54x
Fortinet	76.71	56,413	5,856	1,899	32%	6,572	2,117	32%	9.63x	29.71x	8.58x	26.65x
Zscaler	199.98	29,229	2,358	549	23%	2,898	696	24%	12.39x	53.22x	10.09x	42.01x
Cloudflare	82.14	27,749	1,659	322	19%	2,109	415	20%	16.72x	NA	13.16x	NA
Check Point Software	192.50	18,713	2,564	1,135	44%	2,704	1,198	44%	7.30x	16.49x	6.92x	15.62x
Okta	78.73	12,235	2,563	553	22%	2,842	618	22%	4.77x	22.12x	4.31x	19.80x
Average	\$181.44	\$46,473	\$3,918	\$1,144	28%	\$4,531	\$1,322	28%	11.58x	33.34x	9.77x	32.61x
Low	\$1.96	\$1,618	\$199	\$63	9%	\$227	\$79	9%	0.57x	4.54x	0.55x	4.26x
Mean	\$133.53	\$37,623	\$7,989	\$1,860	25%	\$8,603	\$2,033	26%	6.45x	19.24x	5.62x	19.05x
Median	\$80.44	\$16,542	\$4,391	\$967	24%	\$4,978	\$1,117	24%	4.36x	15.78x	3.99x	15.62x
High	\$442.04	\$154,866	\$39,140	\$10,337	52%	\$42,114	\$11,326	53%	16.72x	53.22x	13.46x	52.54x

- PFAS, or “forever chemicals”, have continued to make headlines after the EPA announced the regulation of six PFAS chemicals in April that public water systems must comply with by 2027. In August alone, 10 Maryland schools detected PFAS in drinking water, 1,400 gallons of firefighting foam was spilled in Maine, 7,000 gallons of contaminated water was improperly dumped at in New Mexico, and countless other PFAS violations made headlines. In the coming years, billions will be invested in PFAS remediation to achieve compliance, and larger counties will be impacted the most, with Orange County, CA, estimating it will cost over \$1B to comply with federal PFAS limits.
- According to Financial Times, the vast data center network in Northern Virginia consumed over 1.85 billion gallons of water in 2023, up 64% from 1.13 billion gallons in 2019. The sustainability of this increase in demand has called into question whether the use of water-cooling technology is viable in data centers. With an additional 12 data center applications pending, investment in sustainable water usage is likely to follow.

Select August Transactions

 <p>acquired by Flotilla a portfolio company of  OSCEOLA CAPITAL MANAGEMENT</p>	 <p>acquired by SUNBELT SOLOMON a portfolio company of COPLEY EQUITY PARTNERS</p>	 <p>acquired by HARRINGTON Process Solutions since 1959</p>	 <p>acquired by* FLOWSERVE</p>
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Source(s): Reuters, S&P Global, Financial Times
1. For composition of indices, see page 21

CRITICAL INFRASTRUCTURE

	Stock Price 8/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	143.12	40,980	4,499	2,474	55%	4,747	2,712	57%	9.11x	16.57x	8.63x	15.11x
Essential Utilities, Inc.	38.99	17,874	2,143	1,167	54%	2,362	1,312	56%	8.34x	15.31x	7.57x	13.62x
California Water Service Group	55.33	4,519	1,021	372	36%	963	333	35%	4.43x	12.15x	4.69x	13.57x
American States Water	81.42	3,990	588	233	40%	625	251	40%	6.78x	17.15x	6.39x	15.88x
SJW Group	58.99	3,683	708	290	41%	740	337	46%	5.20x	12.71x	4.98x	10.92x
Consolidated Water	27.76	352	137	29	21%	151	32	21%	2.56x	12.27x	2.33x	11.11x
Global Water Resources	12.69	414	53	25	47%	56	26	47%	7.75x	16.37x	7.46x	15.99x
Average	\$59.76	\$10,259	\$1,307	\$656	42%	\$1,378	\$715	43%	6.31x	14.65x	6.01x	13.74x
System Solutions												
Danaher Corporation	269.31	210,340	23,771	7,641	32%	25,664	8,526	33%	8.85x	27.53x	8.20x	24.67x
Dover Corporation	186.03	28,414	8,677	1,865	21%	8,800	1,939	22%	3.27x	15.23x	3.23x	14.65x
Xylem	137.53	34,701	8,579	1,749	20%	9,040	1,927	21%	4.05x	19.84x	3.84x	18.01x
IDEX Corporation	206.48	16,247	3,221	870	27%	3,393	951	28%	5.04x	18.67x	4.79x	17.08x
Pentair	88.69	16,349	4,095	1,008	25%	4,293	1,100	26%	3.99x	16.22x	3.81x	14.86x
A. O. Smith Corporation	83.72	12,142	3,991	873	22%	4,138	916	22%	3.04x	13.91x	2.93x	13.25x
Watts Water Technologies	196.70	6,536	2,261	451	20%	2,315	465	20%	2.89x	14.51x	2.82x	14.07x
Average	\$166.92	\$46,390	\$7,799	\$2,065	24%	\$8,235	\$2,261	25%	4.45x	17.99x	4.23x	16.66x

CRITICAL INFRASTRUCTURE

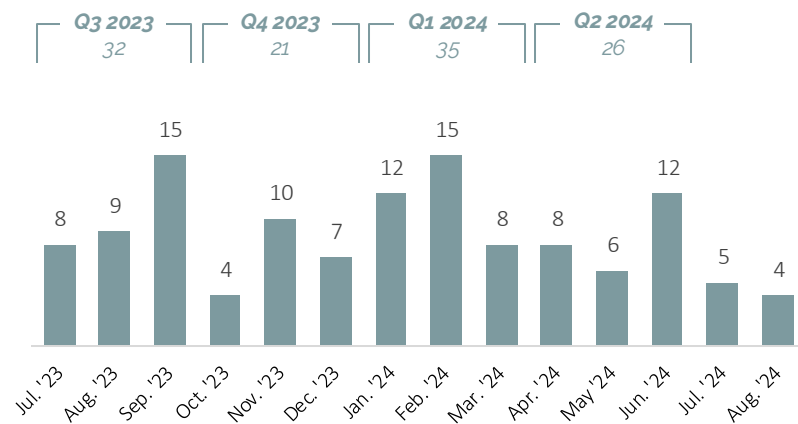
Components	Stock Price	Enterprise	CY2024E			2025P			TEV/2024E		TEV/2025P	
	8/31/24	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	83.35	13,461	2,152	707	33%	2,249	751	33%	6.25x	19.04x	5.98x	17.93x
Flowserve	49.88	7,539	4,577	630	14%	4,776	687	14%	1.65x	11.96x	1.58x	10.97x
Franklin Electric	103.86	4,881	2,063	325	16%	2,172	344	16%	2.37x	15.03x	2.25x	14.19x
Mueller Water Products	21.47	3,580	1,328	296	22%	1,356	303	22%	2.70x	12.10x	2.64x	11.82x
The Gorman-Rupp Company	38.98	1,382	669	124	19%	692	126	18%	2.07x	11.13x	2.00x	11.01x
Energy Recovery	16.24	849	146	18	12%	174	39	22%	5.81x	47.15x	4.89x	21.76x
Average	\$52.30	\$5,282	\$1,822	\$350	19%	\$1,903	\$375	21%	3.47x	19.40x	3.22x	14.61x
Infrastructure												
AECOM	100.14	15,120	16,337	1,110	7%	16,700	1,198	7%	0.93x	13.62x	0.91x	12.62x
Tetra Tech	237.74	13,571	4,584	599	13%	4,778	669	14%	2.96x	22.65x	2.84x	20.27x
Clean Harbors	245.90	15,934	5,909	1,146	19%	6,286	1,251	20%	2.70x	13.91x	2.53x	12.74x
EMCOR Group	393.06	17,898	14,756	1,373	9%	15,817	1,483	9%	1.21x	13.04x	1.13x	12.07x
Arcosa	91.49	5,102	2,647	432	16%	2,907	502	17%	1.93x	11.81x	1.75x	10.16x
Primoris Services	56.44	4,169	6,110	401	7%	6,533	447	7%	0.68x	10.40x	0.64x	9.33x
Average	\$187.46	\$11,966	\$8,391	\$843	12%	\$8,837	\$925	12%	1.73x	14.24x	1.63x	12.87x
Low	\$12.69	\$352	\$53	\$18	7%	\$56	\$26	7%	0.68x	10.40x	0.64x	9.33x
Mean	\$116.36	\$19,232	\$4,809	\$1,008	25%	\$5,066	\$1,101	26%	4.10x	16.55x	3.88x	14.53x
Median	\$86.21	\$9,840	\$2,934	\$615	21%	\$3,150	\$678	22%	3.16x	14.77x	3.08x	13.85x
High	\$393.06	\$210,340	\$23,771	\$7,641	55%	\$25,664	\$8,526	57%	9.11x	47.15x	8.63x	24.67x

- The International Longshoremen’s Association (ILA), a North American labor union representing nearly 85,000 maritime workers on the East Coast, has threatened to strike if a new collective bargaining agreement is not reached by the end of September. The union is seeking wage increases that exceed the 32% raise granted to West Coast dockworkers in July 2023. With transatlantic shipping times ranging from 10-50+ days, shipping companies utilizing ports on the East Coast have already been forced to prepare alternate supply chain routes in the event of a strike. If a deal is not reached before September 30th, the first ILA strike in over four and a half decades would have crippling effects on both the global supply chain and the U.S. economy.
- The Danish shipping conglomerate Maersk, alongside other prominent companies in the industry, have continued to push for zero-emissions regulations. The shipping industry accounts for nearly 3% of all greenhouse gas emissions, but in many cases alternative fuel sources are not readily available. Maersk plans to be net zero by 2040 and urges others to follow suit.

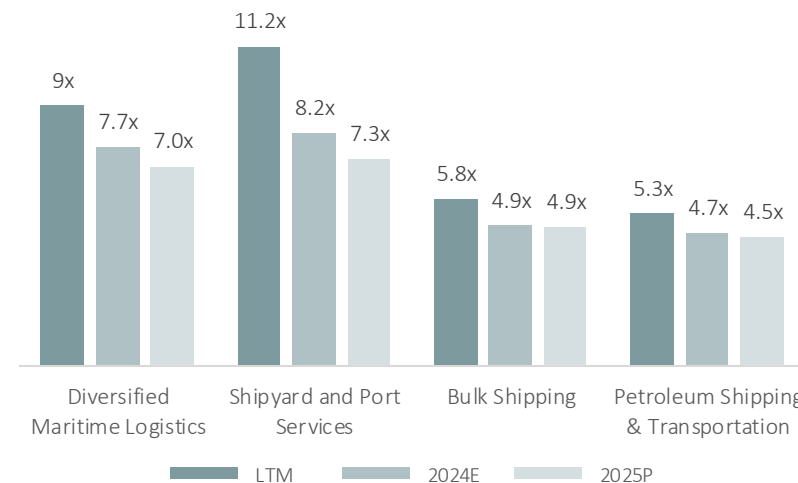
Select August Transactions

 received a minority investment from 	The offshore marine business of  acquired by* 	 acquired by* 	 acquired by* 
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TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES



Sources: Seatrade Maritime, MarineLink, The Maritime Executive
For composition of indices, see page 21
* Announced not closed

MARITIME TRANSPORT & FACILITIES

	Stock Price 8/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central	10.57	741	542	139	26%	555	153	28%	1.37x	5.32x	1.33x	4.85x
Matson	138.30	5,139	3,379	646	NA	3,283	542	NA	1.52x	7.96x	1.57x	9.48x
Kirby	119.92	8,111	3,293	702	21%	3,523	804	23%	2.46x	11.56x	2.30x	10.09x
ArcBest	106.30	2,675	4,304	367	9%	4,576	463	10%	0.62x	7.29x	0.58x	5.78x
Diana Shipping	2.50	769	240	123	51%	259	157	61%	3.21x	6.25x	2.97x	4.90x
Average	\$75.52	\$3,487	\$2,352	\$395	27%	\$2,439	\$424	30%	1.84x	7.68x	1.75x	7.02x
Shipyard & Port Services												
International Container	7.06	17,964	2,710	1,766	65%	2,887	1,861	64%	6.63x	10.17x	6.22x	9.65x
Great Lakes Dredge & Dock	9.95	1,135	753	138	18%	806	146	18%	1.51x	8.23x	1.41x	7.77x
Tidewater	88.70	5,049	1,401	617	44%	1,652	824	50%	3.60x	8.18x	3.06x	6.13x
Orion Group Holdings	7.56	389	786	49	6%	857	57	7%	0.49x	8.00x	0.45x	6.77x
DEME Group NV	178.74	4,962	4,154	777	19%	4,435	831	19%	1.19x	6.38x	1.12x	5.97x
Average	\$58.40	\$5,900	\$1,961	\$669	30%	\$2,127	\$744	32%	2.69x	8.19x	2.45x	7.26x
Dry Bulk Shipping												
Costamare	14.19	3,329	1,316	656	50%	973	624	64%	2.53x	5.08x	3.42x	5.33x
Star Bulk Carriers	21.37	3,695	1,072	647	60%	1,146	706	62%	3.45x	5.71x	3.22x	5.24x
Golden Ocean Group	12.30	3,785	801	506	63%	798	548	69%	4.72x	7.48x	4.75x	6.91x
Danaos	82.04	1,685	987	739	75%	900	648	72%	1.71x	2.28x	1.87x	2.60x
Global Ship Lease	25.08	1,350	697	488	70%	659	445	68%	1.94x	2.77x	2.05x	3.03x

MARITIME TRANSPORT & FACILITIES												
	Stock Price	Enterprise	CY2024E			2025P			TEV/2024E		TEV/2025P	
	8/31/24	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	5.11	964	314	184	59%	310	177	57%	3.07x	5.24x	3.11x	5.45x
Pangaea Logistics	6.75	533	522	92	18%	582	101	17%	1.02x	5.82x	0.92x	5.25x
Genco Shipping & Trading	17.59	811	315	162	51%	298	152	51%	2.58x	5.01x	2.72x	5.33x
Average	\$23.05	\$2,019	\$753	\$434	56%	\$708	\$425	57%	2.63x	4.92x	2.76x	4.89x
Petroleum Products Transportation												
Scorpio Tankers	71.54	4,331	1,420	988	70%	1,272	859	67%	3.05x	4.38x	3.40x	5.04x
International Seaways	51.83	3,125	1,032	705	68%	1,056	717	68%	3.03x	4.43x	2.96x	4.36x
Teekay Tankers	56.88	1,589	823	543	66%	808	543	67%	1.93x	2.93x	1.97x	2.93x
DHT Holdings	10.83	2,095	428	332	77%	510	414	81%	4.90x	6.32x	4.11x	5.06x
Nordic American Tankers	3.72	1,022	268	176	66%	304	211	70%	3.81x	5.79x	3.37x	4.83x
Ardmore Shipping	18.88	833	312	203	65%	264	166	63%	2.67x	4.10x	3.15x	5.01x
Average	\$35.61	\$2,166	\$714	\$491	69%	\$702	\$485	69%	3.23x	4.66x	3.16x	4.54x
Low	\$2.50	\$389	\$240	\$49	6%	\$259	\$57	7%	0.49x	2.28x	0.45x	2.60x
Mean	\$44.49	\$3,170	\$1,328	\$489	49%	\$1,363	\$506	50%	2.63x	6.11x	2.58x	5.74x
Median	\$18.24	\$1,890	\$812	\$497	59%	\$832	\$502	62%	2.55x	5.80x	2.84x	5.29x
High	\$178.74	\$17,964	\$4,304	\$1,766	77%	\$4,576	\$1,861	81%	6.63x	11.56x	6.22x	10.09x

Defense, Government & Intelligence

Defense Primes	
Raytheon	RTX
Lockheed Martin	LMT
Northrop Grumman	NOC
General Dynamics	GD
L3Harris Technologies	LHX
BAE	BA.
Government Contractors	
Leidos	LDOS
Booz Allen Hamilton	BAH
CACI International	CACI
SAIC	SAIC
Parsons	PSN
V2X	VVX
Defense Systems	
HEICO	HEI
Teledyne Technologies	TDY
Elbit Systems	ESLT
Mercury Systems	MRCY
Kratos Defense & Security	KTOS
Curtiss-Wright	CW
Ducommun	DCO
Leonardo DRS	DRS

Physical & Cyber Security

Security Services	
Securitas AB	SECU B
The Brink's Company	BCO
Prosegur	PSG
Loomis AB	LOOMIS
Security Solutions	
Honeywell International	HON
Johnson Controls International	JCI
Motorola Solutions	MSI
ADT	ADT
Allegion	ALLE
Alarm.com Holdings	ALRM
Napco Security Technologies	NSSC
Cyber Security	
Palo Alto Networks	PANW
CrowdStrike	CRWD
Fortinet	FTNT
Zscaler	ZS
Cloudflare	NET
Check Point	CHKP
Okta	OKTA

Critical Infrastructure

Water Utilities	
American Water Works	AWK
Essential Utilities	WTRG
California Water Service	CWT
American States Water	AWR
SJW Group	SJW
Consolidated Water	CWCO
Global Water Resources	GWRS
System Solutions	
Danaher	DHR
Dover	DOV
Xylem	XYL
IDEX	IEX
Pentair	PNR
A. O. Smith	AOS
Watts Water Technologies	WTS
Components	
Graco	GGO
Flowserve	FLS
Franklin Electric	FELE
Badger Meter	BMI
SPX FLOW	FLOW
Mueller Water Products	MWA
The Gorman-Rupp	GRC
Energy Recovery	ERII
Infrastructure	
AECOM	ACM
Tetra Tech	TTEK
Clean Harbors	CLH
EMCOR Group	EME
Arcosa	ACA
Primoris Services	PRM

Maritime Transport & Facilities

Diversified Maritime Logistics	
Algoma Central	ALC
Matson	MATX
Kirby	KEX
ArcBest	ARCB
Diana Shipping	DSX
Shipyard & Port Services	
International Container Serv.	ICT
Great Lakes Dredge & Dock	GLDD
Tidewater	TDW
Orion Group	ORN
DEME Group NV	DEME
Dry Bulk Shipping	
Costamare	CMRE
Star Bulk Carriers	SBLK
Golden Ocean Group	GOGL
Danaos	DAC
Global Ship Lease	GSL
Safe Bulkers	SB
Eagle Bulk Shipping	EGLE
Genco Shipping & Trading	GNK
Petroleum Products Transportation	
Scorpio Tankers	STNG
International Seaways	INSW
Teekay Tankers	TNK
DHT Holdings	DHT
Nordic American Tankers	NAT
Ardmore Shipping	ASC



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