

Mergers & Acquisitions
2023 Year in Review



Defense, Government & Intelligence

Physical & Cyber Security

Critical Infrastructure

Maritime Transport & Facilities



FIRM OVERVIEW

- Founded in 1997 and headquartered in Northern VA; 25-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

165+

Closed Transactions Since 2010

> 400

Annual Valuation Clients

> 25 yrs.

Track Record of Success

50+

Financial Professionals

> 90%

Portion of Deals that are Sell-Side M&A

> \$8B

Total Transaction Value Since 2010

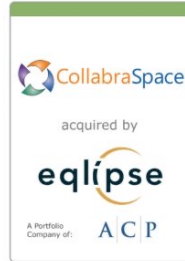


Illustrative Transactions



January 2023: Main Street Capital (NYSE: MAIN) made its first acquisition in the government contracting sector with its acquisition of Cybermedia Technologies (“CTEC”), a professional services company that delivers solutions to the federal government, focused on

human capital development and digital modernization. CTC’s over 300 employees will continue their work with agencies, including the DHS, IRS, and OPM, while collaborating with Main Street to expand the company’s agency footprint and service offerings through organic and inorganic growth



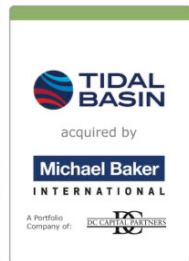
March 2023: Eqlipse Technologies (“Eqlipse”), a portfolio company of Arlington Capital Partners, acquired CollabraSpace, a leading provider of real-time collaboration and enterprise software development solutions to both government and private industry. With the addition

of CollabraSpace, Eqlipse now has over 600 employees and generates more than \$200 million in revenue. The acquisition provides Eqlipse with additional capabilities and resources critical in the delivery of its mission-oriented solutions to Department of Defense and Intelligence Community customers.



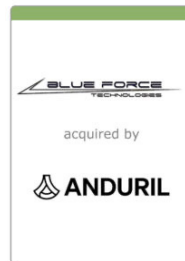
April 2023: ASRC Federal acquired Broadleaf, Inc. (“Broadleaf”), a leading provider of information technology services including cybersecurity, network engineering, and cloud migration. The acquisition adds nearly 600 employees to ASRC Federal and expands their presence

at key U.S. Army commands, specifically Aberdeen Proving Ground, and within the U.S. Navy and Defense Counterintelligence and Security agency. The acquisition further strengthens ASRC Federal’s presence within its current customers and provides an opportunity for growth to new customers.



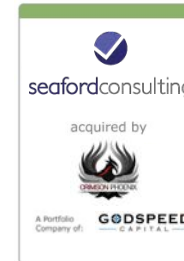
August 2023: Michael Baker International, a global provider of engineering, planning, and consulting services acquired Tidal Basin, a program manager for emergency response and disaster planning. Tidal Basin will continue to operate as a stand-alone Company and will work

in connection with Michael Baker to serve their shared customer base. While not consolidated operationally, the two Companies are expected to create significant revenue synergies for DC Capital while working towards their shared mission of improving the nation’s recovery efforts and infrastructure resiliency.



September 2023: Anduril Industries (“Anduril”) acquired Blue Force Technologies (“Blue Force”), a developer of autonomous aircraft with an integrated aerostructures division serving a wide range of defense and commercial customers. Blue Force has been developing Fury,

a group 5 autonomous air vehicle with fighter-like performance since 2019. The acquisition expands Anduril’s existing autonomous fleet to now include large high-performance aircraft, and significantly increase the Company’s reach and impact within the Department of Defense.



November 2023: Godspeed Capital announced the formation of its new intelligence platform with a number of acquisitions, including Seaford Consulting, a provider of services to the Intelligence Community including IT, business transformation, and financial management. Seaford’s

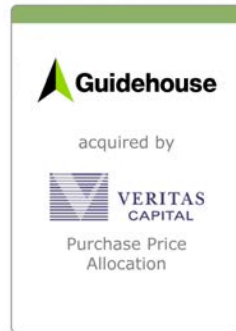
highly cleared employee base has spent over 13 years delivering successful solutions on full and open contracts to its customer, and will now join the larger Crimson Phoenix platform to continue delivering their services across customers within the Intelligence Community.



Illustrative Business Valuation Engagements



McLean provides Solvency Opinion



McLean provides Purchase Price Allocation



McLean provides Business Valuation



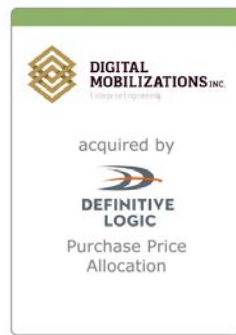
McLean provides Fairness Opinion



McLean provides Business Valuation for Estate and Gift



McLean provides Pre- IPO Valuation



McLean provides Purchase Price Allocation



McLean provides Assets Appraisal, Business Valuation, and Purchase Price Allocation



McLean provides Goodwill Impairment Test



McLean provides Business Valuation

INDUSTRY COVERAGE OVERVIEW



Defense, Government & Intelligence

Includes defense, intelligence, and federal civilian contractors as well as providers of diversified government services related to IT and consulting services that help support mission critical, core operational, and administrative functions of government agencies.

Physical & Cyber Security

Encompasses firms that ensure physical security, digital security, and technology risk management. Areas such as security operations, threat intelligence, vulnerability analysis, and security data integration/visualization are of particular interest.

Critical Infrastructure

Comprised of firms that provide solutions, components, and services to the commercial, industrial, municipal, and agriculture markets. This sector is less volatile and will see fewer ebbs and flows as the market fluctuates.

Maritime Transport & Facilities

Includes maritime shipping and transportation firms as well as related facilities and vessels. This includes firms that are involved in both “blue water,” which includes ocean trade, and “brown water,” which includes rivers and coastal trade.

Historical Indexed Equity Performance ¹



Source(s): S&P CapIQ

1. For index composition see page 37



DEFENSE, GOVERNMENT & INTELLIGENCE

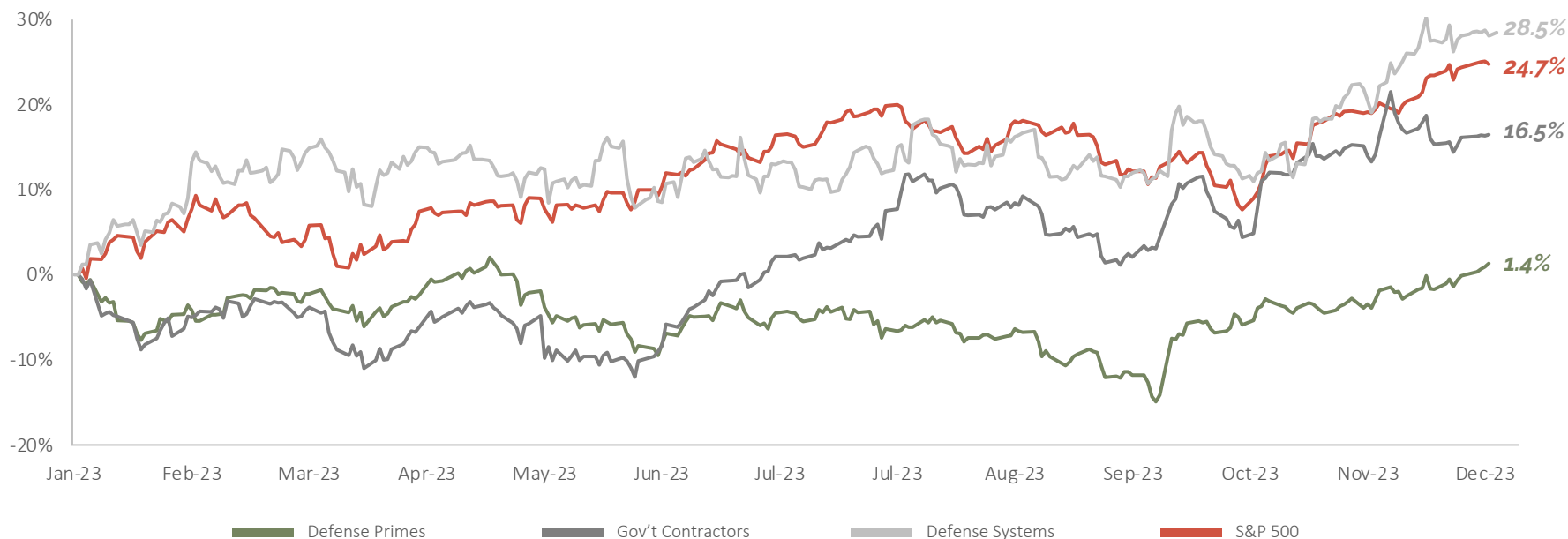
Key Trends / Takeaways

- **Russia and Ukraine fighting intensified in 2023**, with many calling the conflict a “war of attrition.” Since Russia’s initial invasion of Ukraine in February 2022, neither side has been able to make a significant breakthrough, and there remains little sign that a peace deal is on the horizon. The U.S. continued its support of Ukraine, with President Biden making an unannounced visit to Kyiv in February 2023 and providing additional security assistance packages throughout the year. As of December 2023, the U.S. Government has provided over \$45 billion in military aid to Ukraine alone.
- **Government funding levels for defense and space-related technologies** continued to rise in 2023. The government is diversifying its approach and allocating financial resources to the space market through new channels, including loans and other transaction agreements. The Biden Administration’s FY 2023 budget included historic science and technology investments, surpassing \$200 million in total federal R&D for the first time in history. In the proposed FY 2024 budget, the U.S. Space Force funding exceeds that of NASA by \$1 billion, confirming space and space-based intelligence as a priority and focus of the U.S. government.
- **On October 7th, the Israel-Hamas war began** when Hamas launched an unprecedented attack on southern Israel. Shortly thereafter, President Biden visited Israel, clearly demonstrating who the United States sides with on this conflict. As the proposed \$14.3 billion in aid to Israel remains in flux, U.S. Defense Secretary Lloyd Austin recently vowed to keep Israel armed with “critical munitions, tactical vehicles, and air defense systems.”
- On October 31st, the Department of Veteran Affairs (VA) named a list of 30 companies that were given awards **for the 10-year, \$60.7 billion T4NG2 contract vehicle**. The VA indicated that its plan is to continue legacy work and issue new task orders on the original T4NG contract until the ceiling is reached. According to GovTribe data, the current T4NG vehicle has issued approximately 65% of its ceiling value to date across 587 awards. Notable T4NG2 awardees include Deloitte, Mantech, and SAIC.
- **Large government contractors continue to stand up internal venture capital arms**, with the goal of investing in startup companies across defense, artificial intelligence/machine learning, and cybersecurity areas. These contractors include Booz Allen Hamilton, SAIC, Lockheed Martin, RTX, and most recently, Maximus. As the government looks to speed up innovation and adoption of new technology, many believe venture capital and growth equity will continue to increase in popularity across the federal contracting space.

Source(s): FedScoop, Washington Technology, GovTribe, Congressional Research Services, VAO News, RSM



DEFENSE, GOVERNMENT & INTELLIGENCE

Trailing Twelve Months (TTM) Public Equity Index Chart ¹

Commentary

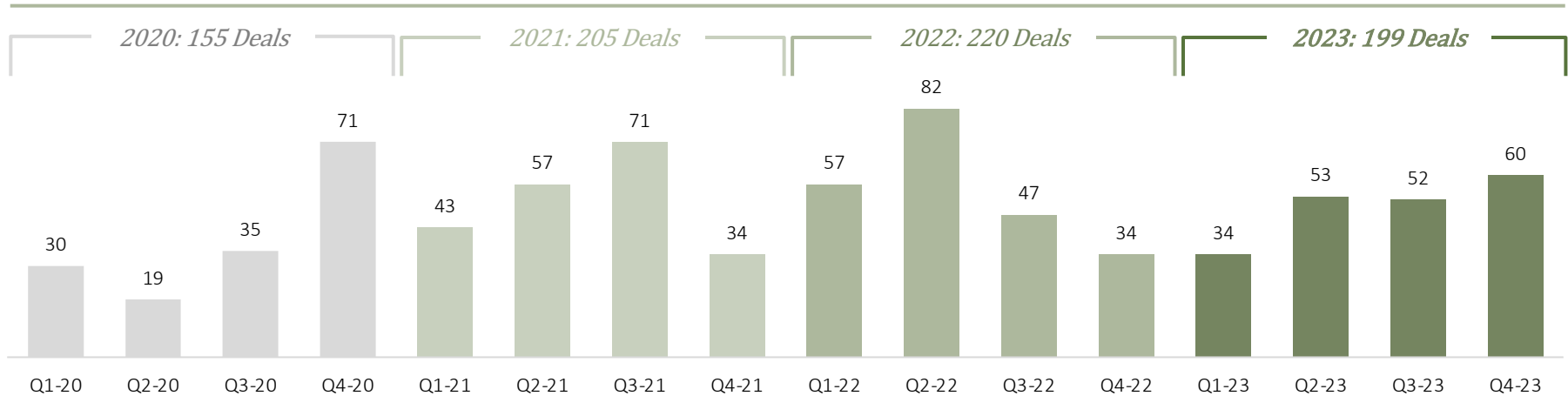
- Despite the economic turbulence in early 2023, largely stemming from rapid inflation, interest rate hikes, and the banking crisis, equity markets performed quite well, with the S&P 500 finishing up 24.7% for the year.
- Defense and government contractors continued to perform well in 2023 on the heels on geopolitical events, such as the ongoing Russia-Ukraine war, the Israel-Hamas events, and ongoing government initiatives, including IT system modernization, AI/ML adoption, and national security.
- Looking ahead to 2024, economists and analysts are bullish on the outlook for the economy, predicting that the Federal Open Market Committee (“FOMC”) will begin rate cuts by May and the markets will reach new all-time highs during the calendar year.

Source(s): S&P CapIQ

¹. For index composition, please see page 37



DEFENSE, GOVERNMENT & INTELLIGENCE

Transactions by Quarter ¹Top Acquirers in 2023 ¹

Source(s): DACIS, Proprietary Research
 1. Only includes transactions in DGI market



Represents former TMG deal partner



DEFENSE, GOVERNMENT & INTELLIGENCE

Select Precedent Transactions

**Date:** 01/03/23**Size:** \$1,960.0M**EBITDA****Multiple:** N/A*Transaction Details*

The Tactical Data Links business unit ("Link 16") provides secure transmission of data and voice communications at operating bases and in military air, ground, and surface vehicles. The acquisition is part of L3's strategic effort to ensure that operators have access to the most advanced multi-function JADC2 solutions available.

**Date:** 03/01/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

Criterion has over 450 employees focused on providing IT infrastructure, operations, cybersecurity, cloud and data center management, and systems engineering for federal customers. The acquisition by Cherokee Federal was made to meet the evolving needs in the marketplace and ensure long-term customer success and satisfaction.

**Date:** 04/03/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

Verus develops and manufactures Counter Unmanned Aircraft Systems ("CUAS") products and provides associated services to private and public sector customers. The acquisition will allow Blue Halo to deliver a superior suite of products to support the warfighter in the ever-evolving next generation battlefield and protect critical infrastructure.

**Date:** 05/08/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

SAIC provides logistics and supply chain solutions used by the Defense Logistics Agency to manage multiple supply chains on behalf of the agency's customers. The acquisition is a natural fit with ASRC Federal's base operations support capability, which currently provides procurement, logistics, and warehousing services at military locations throughout the U.S.

**Date:** 05/16/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

Innoplex provides software engineering, IT operations, cyber and signals analysis, and cloud infrastructure solutions to intelligence and defense customers. The acquisition will allow iNovex to utilize the complementary capabilities of both companies, solving a wider variety of national security problems and better servicing their current customer base.

**Date:** 08/29/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

OnCore Consulting provides cloud, enterprise architecture, project management, custom development, and other services to the public sector in CA. GCOM delivers SaaS platforms, data analytics, and IT services to government customers in support of public safety and economic development efforts. The merged entity shares a common goal of bringing digital software platforms and related services to the public sector market.

Source(s): CapIQ



DEFENSE, GOVERNMENT & INTELLIGENCE

Select Precedent Transactions

**Date:** 10/24/23***Size:** \$1,300.0M**EBITDA****Multiple:** N/A*Transaction Details*

The Cybersecurity, Intelligence, and Services ("CIS") business of RTX provides a variety of services, including intelligence, full-spectrum cyber, data operations, and many others. Its key customers include the U.S. Intelligence Community, Armed Forces, NOAA, DHS, NASA, and a range of international players. RTX announced the agreement in its latest 10-Q and has not disclosed the buyer.

**Date:** 11/20/23***Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

Jacobs' Critical Mission Solutions ("CMS") business provides a full spectrum of cybersecurity, data analytics, software application development, and other highly technical consulting services. Jacobs is expected to receive cash proceeds of \$1 billion at close, subject to customary adjustments. The combination creates a "robust, leading government technology solutions business with ~\$13 billion annual revenue."

**Date:** 11/27/23***Size:** \$800.0M**EBITDA****Multiple:** N/A*Transaction Details*

L3Harris' Commercial Aviation Solutions ("CMS") business is comprised of two business units: the Avionics unit, which designs and manufactures mission-critical, IP-driven avionics products, and the Commercial Training Solutions ("CTS") unit, which provides a suite of aircraft training solutions. The Jordan Company will look to build upon the history of success and continue to provide high-reliability solutions to its customers.

**Date:** 11/29/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

T2S provides rapid prototyping and experimentation, systems development, integration, and test and sustainment services for the private sector and U.S. Federal Government. The company developed the T2S ATLAS product, which is a federated AI/ML platform. The T2S founders will retain a significant portion of equity ownership and will continue to lead the company going forward.

**Date:** 12/05/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

Mainline provides diversified IT solutions serving the infrastructure needs of both private and public sector clients. The company designs and implements custom IT solutions for enterprises and provides the associated managed services. Mainline is known to be one of the top IBM mainframe channel partners. HIG expects to expand the company's practice areas, capabilities, and move into adjacent markets through acquisition.

**Date:** 12/14/23**Size:** \$5,300.0M**EBITDA****Multiple:** N/A*Transaction Details*

Guidehouse provides strategic advisory services, including program management, financial management, operations improvement, and security and data management, to the public and private sectors. The company is appraised at the CMMI level and is comprised of over 17,000 employees. Bain Capital expects to continue to grow Guidehouse through future organic and inorganic avenues.

Source(s): CapIQ
* announcement date



DEFENSE, GOVERNMENT & INTELLIGENCE

	Stock Price 12/31/23	Enterprise Value	2023A			2024E			TEV /2023A		TEV/2024E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
Raytheon	84.14	153,691	73,251	13,095	18%	78,928	14,152	18%	2.10x	11.74x	1.95x	10.86x
Lockheed Martin	453.24	126,286	66,623	9,912	15%	68,673	9,891	14%	1.90x	12.74x	1.84x	12.77x
Northrop Grumman	468.14	83,785	39,088	5,287	14%	41,086	5,761	14%	2.14x	15.85x	2.04x	14.54x
General Dynamics	259.67	80,381	42,774	5,277	12%	45,838	6,011	13%	1.88x	15.23x	1.75x	13.37x
L3Harris	210.62	53,794	19,362	3,483	18%	21,340	3,966	19%	2.78x	15.45x	2.52x	13.56x
BAE Systems	14.15	47,394	31,500	4,181	13%	33,824	4,523	13%	1.50x	11.33x	1.40x	10.48x
Average	\$248.33	\$90,889	\$45,433	\$6,873	15%	\$48,282	\$7,384	15%	2.05x	13.72x	1.92x	12.60x
Gov't Contractors												
Booz Allen Hamilton	127.91	19,763	9,259	1,014	11%	10,483	1,138	11%	2.13x	19.49x	1.89x	17.36x
Leidos	108.24	19,403	15,259	1,618	11%	15,950	1,680	11%	1.27x	11.99x	1.22x	11.55x
CACI	323.86	9,209	6,703	716	11%	7,348	770	10%	1.37x	12.86x	1.25x	11.96x
SAIC	124.32	8,556	7,704	680	9%	7,343	688	9%	1.11x	12.58x	1.17x	12.44x
Parsons	62.71	7,451	5,285	452	9%	5,648	507	9%	1.41x	16.48x	1.32x	14.69x
V2X	46.44	2,569	3,929	288	7%	4,079	304	7%	0.65x	8.93x	0.63x	8.44x
Average	\$132.25	\$11,158	\$8,023	\$795	9%	\$8,475	\$848	10%	1.33x	13.72x	1.24x	12.74x

Source(s): S&P CapIQ
 \$USD, Millions besides Stock Price



DEFENSE, GOVERNMENT & INTELLIGENCE

	Stock Price 12/31/23	Enterprise Value	2023A			2024E			TEV /2023A		TEV/2024E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
HEICO Corporation	178.87	24,531	2,968	758	26%	3,811	961	25%	8.26x	32.35x	6.44x	25.53x
Teledyne Technologies	446.29	23,798	5,664	1,373	24%	5,899	1,470	25%	4.20x	17.33x	4.03x	16.18x
Elbit Systems	215.20	11,114	5,978	578	10%	6,463	617	10%	1.86x	19.23x	1.72x	18.01x
Kratos Defense & Security	20.29	2,939	1,018	89	9%	1,108	104	9%	2.89x	33.10x	2.65x	28.19x
Mercury Systems	36.57	2,735	974	132	14%	955	158	17%	2.81x	20.68x	2.87x	17.33x
Average	\$179.44	\$13,023	\$3,320	\$586	16%	\$3,647	\$662	17%	4.00x	24.54x	3.54x	21.05x
Low	\$14.15	\$2,569	\$974	\$89	7%	\$955	\$104	7%	0.65x	8.93x	0.63x	8.44x
Mean	\$187.10	\$39,847	\$19,843	\$2,878	13%	\$21,105	\$3,100	14%	2.37x	16.90x	2.16x	15.13x
Median	\$127.91	\$19,763	\$7,704	\$1,014	12%	\$7,348	\$1,138	13%	1.90x	15.45x	1.84x	13.56x
High	\$468.14	\$153,691	\$73,251	\$13,095	26%	\$78,928	\$14,152	25%	8.26x	33.10x	6.44x	28.19x

Source(s): S&P CapIQ
 \$USD, Millions besides Stock Price



PHYSICAL & CYBER SECURITY

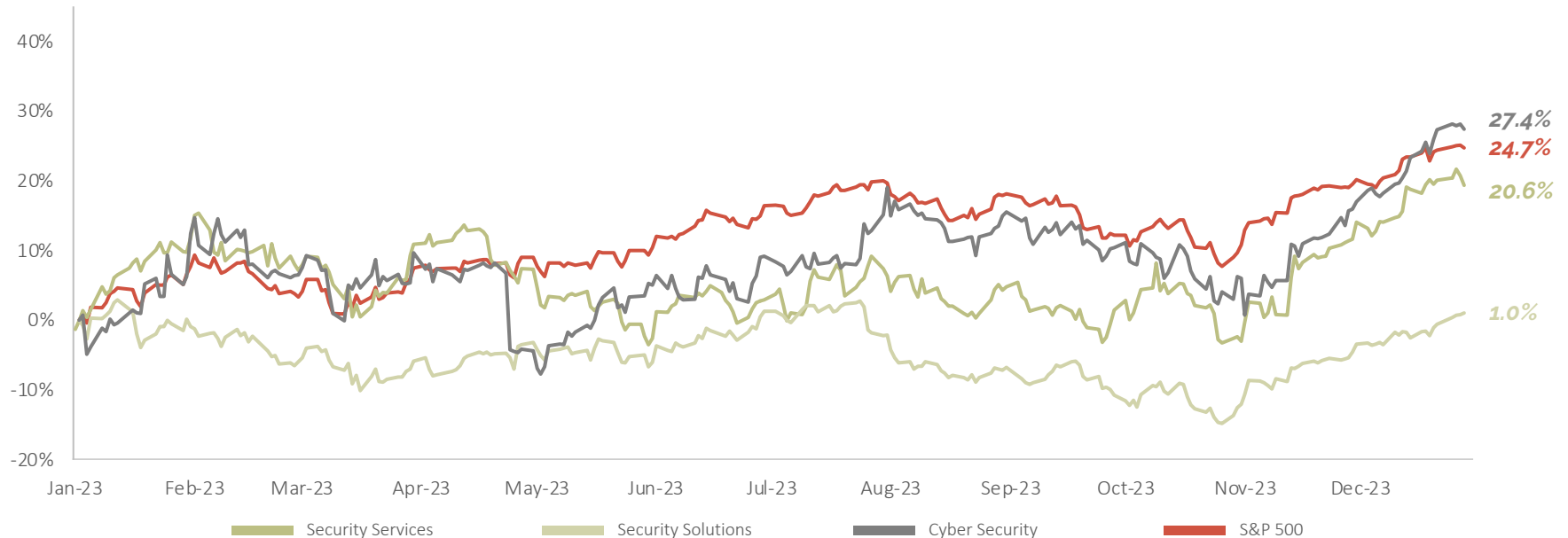
Key Trends / Takeaways

- **Artificial intelligence and machine learning (AI/ML) have become increasingly important** to cybersecurity as the technology matures. AI can help counter cyberattacks, and ML algorithms can analyze data in real-time more efficiently than humans. AI can learn to identify patterns that indicate a threat, making it easier to predict and prevent attacks. According to IBM, businesses that use AI to detect and respond to data breaches save an average of \$3 million.
- **Hackers are also turning to AI/ML** to find system vulnerabilities. Bad actors are employing AI algorithms that scan for and identify vulnerable systems, thus increasing the quantity and efficiency of threats. AI is also being used to create large numbers of targeted and personalized phishing emails designed to manipulate recipients.
- **The Cybersecurity and Infrastructure Security Agency published guidelines** in November to ensure secure development practices in AI. The guidelines emphasize incorporating security in new AI applications and using a "secure by design" approach, as well as ensuring security in operational practices and maintenance.
- **President Biden signed an executive order focused on addressing the rapid advancements of AI.** The order lays the groundwork for the U.S. government to embrace AI as a tool in national security while also urging companies to develop the technology safely.
- **The federal government released the long-awaited draft of the Cybersecurity Maturity Model Certification (CMMC) guidelines,** which lays out DoD expectations for how government contractors are expected to maintain and protect sensitive military data.
- **The CMMC draft contains no mention of waivers for small businesses,** meaning smaller contractors may need to undertake the expensive and lengthy task of obtaining necessary certification levels.
- Prime contractors will be tasked with ensuring compliance among applicable suppliers, introducing costs associated with oversight and enforcement.
- **Corporate cybersecurity customers seek shorter-term contracts** from vendors after a volatile year, according to a recent Wall Street Journal report. In many instances, customers are seeking to shield themselves from suppliers who are acquired or are struggling financially.
- **Increasing emphasis on "sovereign cloud" networks:** Cloud system users are becoming increasingly focused on where their data is stored in cloud networks. Sovereign clouds ensure data is stored on servers located on sovereign soil, which helps prevent unauthorized foreign access.

Source(s): SC Magazine, CNBC, InfoSecurity, Washington Technology, IBM



PHYSICAL & CYBER SECURITY

Trailing Twelve Months (TTM) Public Equity Index Chart ¹

Commentary

- All indices finished positive in the last twelve months, driven by better-than-expected macroeconomic conditions and evolving security threats.
- The Cyber Security index outperformed the S&P 500, reflecting investors' awareness of the increasingly important service of cyber threat mitigation. In particular, the emergence of AI threats has caused companies to rethink how they will safeguard sensitive data.
- The Security Solutions index, which has substantial exposure to the real estate sector, posted relatively weak gains. Customers in the commercial real estate space sought to cut back on spending in various areas, including security, to offset rising interest rates and vacancies.

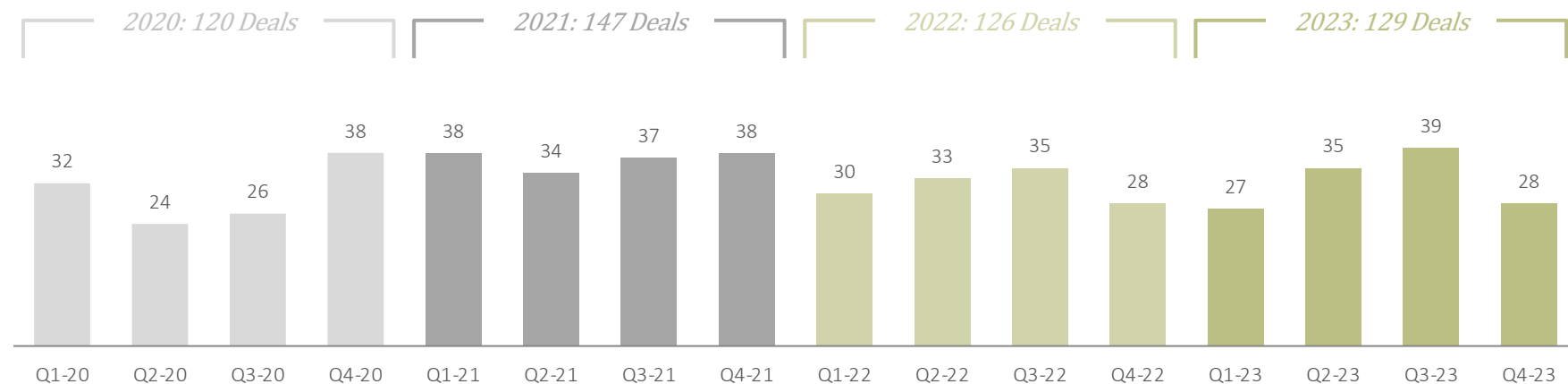
Source(s): S&P CapIQ

¹. For index composition, please see page 37



PHYSICAL & CYBER SECURITY

Transactions by Quarter

Top Acquirers in 2023¹

Source(s): S&P CapIQ

¹. Only includes transaction in Physical & Cybersecurity market



PHYSICAL & CYBER SECURITY

Select Precedent Transactions



Date: 2/1/23
Size: \$3,740.8M
EBITDA
Multiple: 136.3x

Transaction Details

KnowBe4 is a provider of the world's largest security awareness training and simulated phishing platform, offering a range of programs spanning videos, games, interactive modules, and more. With its sale to Vista Equity Partners, KnowBe4 will benefit from being a privately held company as well as from the operational expertise and strategic input from the acquirer.



Date: 7/27/23
Size: \$867.6M
EBITDA
Multiple: 84.8x

Transaction Details

Absolute Software's platform provides intelligent endpoint security solutions for customers to strengthen their cyber resilience against ransomware and malicious attacks. The acquisition of Absolute will put Crosspoint in a position to benefit from a significant shift in budget allocation by companies aiming to address the increased risk associated with the new remote work environment.



Date: 9/21/23*
Size: \$28,549.9M
EBITDA
Multiple: 96.5x

Transaction Details

Splunk is a cybersecurity and observability leader that produces software for searching, monitoring, and analyzing machine-generated data via a web-based interface. The acquisition builds on Splunk's heritage of helping organizations enhance their digital resilience. The combination of these two established leaders in AI, security, and observability will aim to make organizations more secure.



Date: 11/22/23
Size: \$89,736.6M
EBITDA
Multiple: 29.9x

Transaction Details

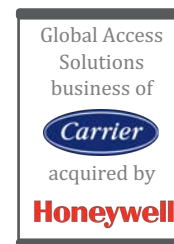
VMware is a leading provider of software solutions in the areas of modern applications, cloud management and infrastructure, networking, security, and digital workspaces. The acquisition of VMware will help make Broadcom a leader in infrastructure software and have the richest portfolio of software in infrastructure and management.



Date: 12/4/23
Size: \$3,600.0M
EBITDA
Multiple: 17.0x

Transaction Details

Imperva is an American cybersecurity software and services company that provides protection to enterprise data and application software. The acquisition of Imperva will position Thales to help customers tackle cybersecurity challenges that have increased rapidly in frequency, severity, and complexity by offering comprehensive solutions for a broad range of application, data security, and identity use cases.



Date: 12/8/23*
Size: \$4,950.0M
EBITDA
Multiple: 13.0x

Transaction Details

Carrier's Global Access Solutions business includes three brands: LenelS2, a provider of commercial and enterprise access solutions; Onity, which offers electronic locks, access, and mobile credentials; and Supra, a cloud-based provider of electronic real estate lockboxes that offer mobile credentials and access management. The acquisition will enhance Honeywell Building Technologies' business model of leading with high-value building products.

Source(s): S&P CapIQ
 * announcement date



PHYSICAL & CYBER SECURITY

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
1/12/2023	SailPoint Technologies	SecZetta	SecZetta develops identity lifecycle management and identity access software	NA	NA	NA
1/26/2023	RealDefense	SUPERAntiSpyware	SUPERAntiSpyware develops and licenses antispyware solutions to customers worldwide	NA	NA	NA
2/1/2023	Vista Equity Partners	KnowBe4	KnowBe4 is a provider of security awareness training and simulated phishing platforms	\$3,740.8	12.03x	136.3x
2/15/2023	Pinnacle Security & Investigation	Paradigm Security Services	Paradigm Security provides armed and unarmed private guard and patrol services	NA	NA	NA
3/1/2023	Pye-Barker Fire & Safety	A.C. Daughtry Security	A.C. Daughtry provides alarm and security systems for homes and businesses	NA	NA	NA
3/10/2023	NRG Energy	Vivint Smart Home	Vivint sells, installs, services, and monitors smart home and security systems	\$5,274.0	3.22x	49.32x
4/12/2023	The Hiller Companies	Southern Nevada Fire Protection	Southern Nevada Fire offers installation and repair services of fire and safety systems	NA	NA	NA
4/14/2023	Centurion Security Solutions	Global Traffic Technologies	GTT manufactures and delivers traffic signal priority control and monitoring solutions	\$108.0	2.70x	10.00x
5/5/2023	Civitanavi Systems	PV Labs	PV Labs develops and commercializes vision-based IT solutions for security and surveillance	\$8.3	NA	NA
5/9/2023	Akamai Technologies	Neosec	Neosec, provides technology and related services that perform API security and analytics	\$86.7	NA	NA
6/1/2023	Bluestone Investment Partners	Priority Fire and Security	PFS provides fire & security system installation, monitoring, and maintenance services	NA	NA	NA
6/2/2023	HashiCorp	BluBracket	BluBracket develops comprehensive enterprise code security solutions	\$24.8	NA	NA
6/18/2023	Exacom	SecuLore Solutions	SecuLore specializes in cybersecurity solutions for public safety and critical infrastructure	NA	NA	NA

Source(s): S&P CapIQ
 * announcement date



PHYSICAL & CYBER SECURITY

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
7/12/2023	NextGen Security	ISO Network	ISO is an electronic security integration Company that provides technology solutions	NA	NA	NA
7/18/2023	NextGen Security	CERK Security	CERK provides security systems with features such as access control and high-security locking	NA	NA	NA
7/27/2023	Crosspoint Capital Partners	Absolute Software	Absolute provides intelligent security solutions to strengthen customers' cyber resilience	\$867.6	3.91x	84.81x
8/17/2023	Pavion	RFI Communications & Security Systems	RFI designs, installs, services, and monitors security and fire/life safety solutions	NA	NA	NA
9/1/2023	First Advantage	Infinite ID	Infinite ID designs and offers advanced software, data, and integration solutions	\$41.0	NA	NA
9/21/2023*	Cisco Systems	Splunk	Splunk develops and markets cloud services and licensed software solutions	\$28,549.9	7.4x	96.5x
9/25/2023	StrataScale	Vector0	Vector0 develops attack surface management platforms for continuous internet scans	NA	NA	NA
10/5/2023	Zyston	Blue Lava	Blue Lava develops software to assess, build, and communicate risk-based security programs	NA	NA	NA
10/31/2023	AMETEK	AR Worldwide	AR Worldwide designs and manufactures amplifier and RF test instruments	\$105.0	1.75x	NA
11/22/2023	Broadcom	VMware	VMware provides software solutions in areas such as cloud management and security	\$89,736.6	6.59x	29.9x
11/27/2023	KKR & Co.	Potter Electric Signal Company	PESC develops sprinkler monitoring devices, fire alarm systems, and corrosion solution products	NA	NA	NA
11/29/2023	BlueVoyant	Conquest Cyber	Conquest Cyber develops and provides cyber risk management software	NA	NA	NA
12/8/2023*	Honeywell	Global Access Solutions business of Carrier	Carrier's Global Access Solutions business is a leader in remote security solutions	\$4,950.0	NA	13.0x

Source(s): S&P CapIQ

* announcement date



PHYSICAL & CYBER SECURITY

	Stock Price 12/31/23	Enterprise Value	2023A			2024E			TEV /2023A		TEV/2024E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	9.80	10,026	15,812	1,365	8.6%	16,444	1,463	8.9%	0.63x	7.34x	0.61x	6.85x
The Brink's Company	87.95	6,819	4,876	892	18.3%	5,095	962	18.9%	1.40x	7.64x	1.34x	7.09x
Prosegur	1.95	2,792	4,823	560	11.6%	5,071	622	12.3%	0.58x	4.99x	0.55x	4.49x
Loomis	26.61	2,159	2,866	559	19.5%	3,032	621	20.5%	0.75x	3.86x	0.71x	3.48x
Average	\$31.58	\$5,449	\$7,094	\$844	14.5%	\$7,411	\$917	15.1%	0.84x	5.96x	0.80x	5.48x
Security Solutions												
Honeywell International	209.71	152,169	36,911	9,595	26.0%	38,955	10,261	26.3%	4.12x	15.86x	3.91x	14.83x
Johnson Controls	57.64	49,778	26,861	4,031	15.0%	28,461	4,326	15.2%	1.85x	12.35x	1.75x	11.51x
Motorola Solutions	313.09	57,570	9,947	3,056	30.7%	10,508	3,244	30.9%	5.79x	18.84x	5.48x	17.74x
ADT	6.82	15,653	5,702	2,437	42.7%	5,590	2,529	45.3%	2.75x	6.42x	2.80x	6.19x
Allegion	126.69	12,917	3,658	874	23.9%	3,761	901	24.0%	3.53x	14.77x	3.43x	14.34x
Alarm.com Holdings	64.62	3,109	880	144	16.3%	920	148	16.1%	3.53x	21.65x	3.38x	21.00x
Napco Security Technologies	34.25	1,190	174	51	29.1%	191	54	28.1%	6.85x	23.54x	6.24x	22.18x
Arlo Technologies	9.52	797	491	28	5.8%	529	44	8.3%	1.62x	28.16x	1.51x	18.10x
Average	\$102.79	\$36,648	\$10,578	\$2,527	23.7%	\$11,114	\$2,688	24.3%	3.76x	17.70x	3.56x	15.74x

Source(s): S&P CapIQ
\$USD, Millions besides Stock Price



PHYSICAL & CYBER SECURITY

	Stock Price 12/31/23	Enterprise Value	2023A			2024E			TEV /2023A		TEV/2024E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
SolarWinds	12.49	3,107	751	323	43.0%	785	340	43.2%	4.14x	9.62x	3.96x	9.15x
Varonis Systems	45.28	4,513	497	37	7.5%	546	46	8.4%	9.09x	NA	8.26x	NA
Tenable Holdings	46.06	5,111	792	121	15.2%	904	139	15.3%	6.45x	42.36x	5.65x	36.83x
NetScout Systems	21.95	1,381	814	172	21.1%	844	246	29.1%	1.70x	8.05x	1.64x	5.62x
SecureWorks	7.38	588	364	(30)	-8.3%	354	17	4.7%	1.62x	NA	1.66x	35.14x
Average	\$26.63	\$2,940	\$643	\$124	15.7%	\$687	\$157	20.2%	4.60x	20.01x	4.23x	21.69x
Low	\$1.95	\$588	\$174	-\$30	(8%)	\$191	\$17	5%	0.58x	3.86x	0.55x	3.48x
Mean	\$63.64	\$19,393	\$6,836	\$1,424	19%	\$7,176	\$1,527	21%	3.32x	15.03x	3.11x	14.66x
Median	\$34.25	\$4,513	\$2,866	\$559	18%	\$3,032	\$621	19%	2.75x	12.35x	2.80x	12.92x
High	\$313.09	\$152,169	\$36,911	\$9,595	43%	\$38,955	\$10,261	45%	9.09x	42.36x	8.26x	36.83x

Source(s): S&P CapIQ
 \$USD, Millions besides Stock Price



CRITICAL INFRASTRUCTURE

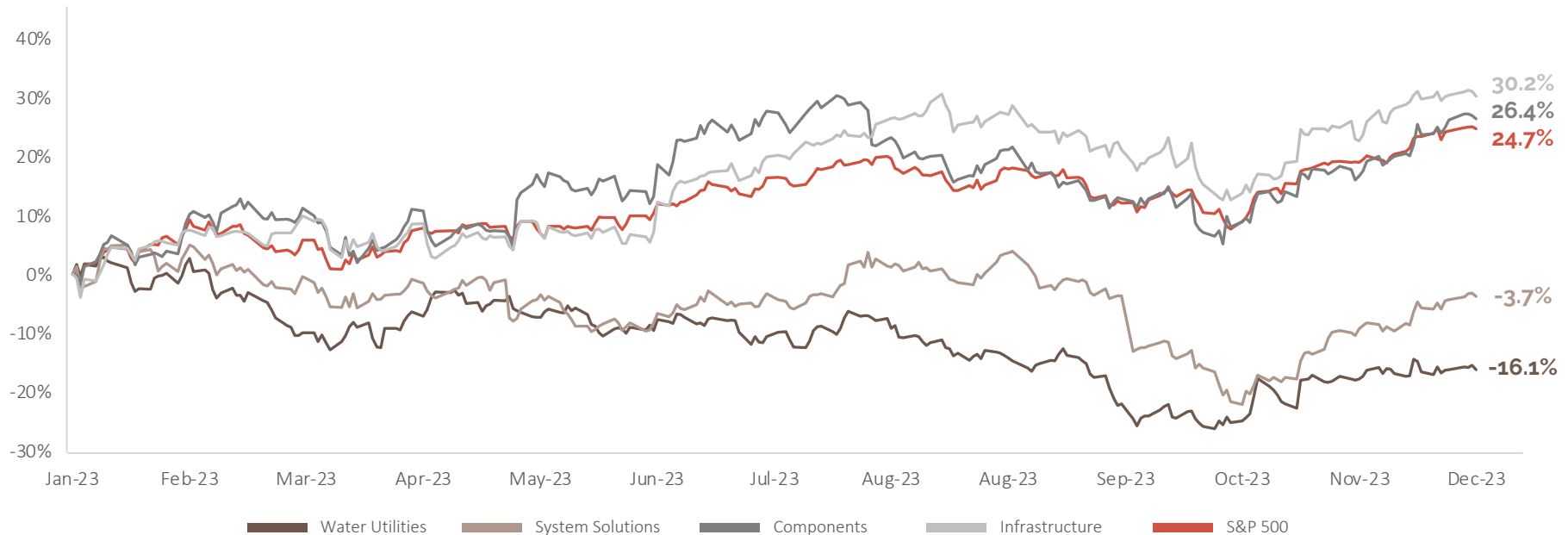
Key Trends / Takeaways

- The EPA completed its 2023 Drinking Water Infrastructure Needs Survey and Assessment, encompassing the capital needs of all 50 states and U.S. territories, including over 100,000 planned municipal investments. The assessment **highlighted a total planned investment in U.S. drinking water infrastructure over the next 20 years of roughly \$625 billion**. Further analysis of the survey breaks down the number into subsectors where money will be directed, including:
 - Water Networks – 58.6%
 - Pump Stations – 8.7%
 - Drinking Water Treatment – 17.1%
 - Other – 2.8%
 - Water Resources - 12.8%
- The influx of money to the municipal water industry and greater focus on resource recovery caused by heightened discharge regulations has led to a shift in the industry to capture the “value of waste” by recovering key nutrients and energy from water treatment byproducts. The growing emphasis on circular economies creates a new revenue stream for the municipal industry, which is increasingly reducing costs with onsite cogeneration while also offloading byproducts to industrial partners. Circularity not only benefits municipalities but also their equipment suppliers and operating partners who are increasingly being tapped to handle more complex challenges, including solids handling, dewatering, storage, and destruction/reuse.
- Increasing regulation of wastewater discharge has led many companies to create inventive ways to service new industrial and municipal customers subject to rapidly evolving regulations. **The rate of regulatory change and the capital investment required to meet discharge limits has led many customers to outsource ownership of filtration equipment, paying for throughput on an as-needed basis.** Called “Filtration as a Service” (FaaS), outsourcing allows customers to focus on their core competency while receiving highly customized filtration services without having to invest in new equipment that may become obsolete in the face of new discharge limits. FaaS often includes the integration of monitoring systems and data tools to optimize system performance.
- The EPA updated its Lead and Copper Revisions to give U.S. utilities just 10 years to replace 9 million lead service lines. The new guidelines require utilities to eliminate the number of lead service lines by 10% each year and distribute point-of-use filters if testing exceeds a certain threshold of lead. The EPA estimates that the approximately 9 million lead service lines will cost \$5,000 to \$5,500 per line to replace, for a total cost of \$46 billion. This exceeds the \$15 billion allocated for lead pipe replacement by the Infrastructure Investment and Jobs Act, even after including another \$11.7 billion injected into state revolving funds.

Source(s): Global Water Intelligence, Filtration and Separation Magazine



CRITICAL INFRASTRUCTURE

Trailing Twelve Months (TTM) Public Equity Index Chart ¹

Commentary

- TMG's indices closely tracked the S&P 500 throughout 2023, with Infrastructure and Components both outperforming the benchmark.
- Infrastructure continues to benefit from historic government investment, while component providers were insulated from the worst of inflation due to their decreased reliance on capital expenditures and ability to pass cost increases on to customers faster, thanks to shorter project lifecycles.
- Utilities and System Solutions lagged the S&P as margins were more negatively impacted than their peers due to their longer project lifecycles and inability to expeditiously pass through costs to the end customer as input costs rose.

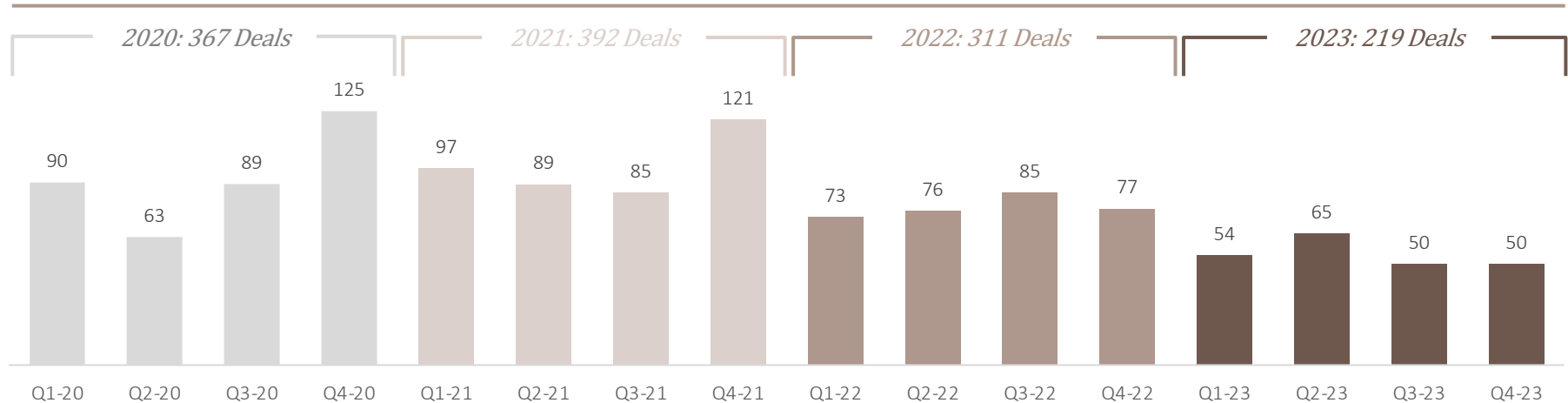
Source(s): S&P CapIQ

¹. For index composition, please see page 37



CRITICAL INFRASTRUCTURE

Transactions by Quarter

Top Acquirers in 2023¹

Source(s): S&P CapIQ

¹ Only includes transaction in Critical Infrastructure market

Represents former TMG deal partner

Commentary

2023 continued the previous year's declining trend in acquisition activity due to interest rate hikes, increasing the cost of capital for both strategic and financial sponsors. Acquisition activity from strategics witnessed a particular downturn, as persistent inflation throughout the year increased input costs, weighing on profitability and available cash for acquisitions.



CRITICAL INFRASTRUCTURE

Select Precedent Transactions

**Date:** 1/31/23**Size:** N/A**EBITDA****Multiple:** N/A*Transaction Details*

Morgan Stanley Capital Partners (MSCP) acquired an unknown majority share in Apex Companies, a leading provider of environmental consulting and engineering services. The acquisition marks MSCP's second environmental services acquisition and will look to expand on the company's market leadership in stormwater and environmental compliance.

**Date:** 2/3/23**Size:** \$1,215.0M**EBITDA****Multiple:** N/A*Transaction Details*

Bosch Rexroth completed its acquisition of HydraForce after receiving regulatory approval of the deal signed nearly a year ago. HydraForce will join the company's Compact Hydraulics portfolio, bringing much-needed expertise in mechanical and electrical cartridge valves and hydraulic integrated circuits.

**Date:** 5/24/23**Size:** \$7,530.7M**EBITDA****Multiple:** 27.3x*Transaction Details*

The combined entity of Xylem and Evoqua represents the world's largest pure-play water technology company with over 22,000 global employees and \$7.3 billion in pro forma revenue across the water cycle. Evoqua shareholders received 0.48 Xylem shares for every one of their own, representing a premium of about 29%.

**Date:** 10/18/23**Size:** \$1,663.1M**EBITDA****Multiple:** 12.1x*Transaction Details*

KKR completed its acquisition of CIRCOR International, a leading provider of flow control products and services to the industrial and aerospace and defense markets. The transaction was completed for \$56 per share, representing a 55% premium. KKR plans to implement a broad-based employee ownership plan for all CIRCOR employees.

**Date:** 11/21/23**Size:** \$2,349.6M**EBITDA****Multiple:** 11.3x*Transaction Details*

The combined entity of Uponor and Georg Fischer ("GF") represents a new global leader in sustainable flow solutions. Uponor's Infrastructure and Utility business will join GF Piping Systems, focusing on both industrial and municipal customers, while its building technology operations will form a new division, GF Piping Systems.

**Date:** 12/8/23**Size:** \$335.8M**EBITDA****Multiple:** 24.4x*Transaction Details*

Following shareholder approval, Ember Infrastructure acquired all outstanding shares of H2O Innovation, a water technology company focused on membrane separation. The purchase price of \$4.25 per share represents a 68% premium to the previous day's closing price. H2O's two largest shareholders, as well as company leaders, rolled equity into the new entity.

Source(s): S&P CapIQ
*announcement date



CRITICAL INFRASTRUCTURE

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
1/25/2023	Valicor Environmental Services	Clean Water Environmental	Offers wastewater management and hazardous waste management services	NA	NA	NA
1/31/2023	Morgan Stanley Private Equity	Apex Companies	Provides professional and field services for water, ground, facilities, and air quality	NA	NA	NA
2/1/2023	Ingersoll Rand	Paragon Tank Truck Equipment	Supplies dry bulk and liquid bulk on and off-loading equipment for trucks	\$40.0	1.60x	NA
2/3/2023	Bosch Rexroth	HydraForce	Manufactures and sells flow control products for mobile and industrial equipment markets	\$1,215.0	NA	NA
2/27/2023	Turnspire Capital Partners	USG Water Solutions	Provides maintenance services for water storage tanks and pipe networks	NA	NA	NA
3/24/2023	NIM Co.	Ihara Science Corporation	Manufactures and sells fittings, valves, hoses, and pipes	\$185.1	1.06x	4.63x
4/18/2023	Cox Energy Solar	Abengoa	Provides technology solutions for the energy and water sectors in Europe	\$606.1	NA	NA
4/19/2023	GI Manager	Atlas Technical Consultants	Provides environmental testing and consulting services	\$979.2	1.62x	13.85x
5/24/2023	Xylem	Evoqua Water Technologies	Provides water and wastewater treatment systems and technologies	\$7,530.7	4.17x	27.32x
6/1/2023	New Jersey-American Water Company	Water and Wastewater Assets of Egg Harbor City, N.J	New Jersey water utility	\$21.8	NA	NA
6/28/2023	Aliaxis	Manufacturing division of Valencia Pipe Company	Pipe and fittings manufacturing division	\$250.0	NA	NA
7/7/2023	Parsan; Saneamento Consultoria	Companhia Riograndense de Saneamento	Engages in the construction and operation of water and wastewater plants in Brazil	\$880.9	1.21x	6.09x
8/3/2023	CEME	Micropump	Manufactures seal-less, low-flow gear, and leak-free pumps	\$110.3	2.86x	NA

Source(s): S&P CapIQ
*announcement date



CRITICAL INFRASTRUCTURE

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
8/14/2023	The Texas Water Company	KT Water Resources	Groundwater supplier based in San Antonio Texas	\$56.5	NA	NA
9/1/2023	The Timken Company	Des-Case Corporation	Manufactures contamination control products for industrial lubricants	\$125.0	NA	NA
9/1/2023	Waterco Limited	Davey Water Products	Manufactures and markets pumps and pressure systems	\$42.6	NA	NA
10/2/2023	West Virginia-American Water Company	Water and Wastewater System Assets of Jefferson Utilities	West Virginia water utility	\$27.0	NA	NA
10/3/2023	Axius Water	Triplepoint Environmental	Supplies wastewater lagoon systems for rural communities	NA	NA	NA
10/17/2023	J.F. Lehman and Company	Heritage-Crystal Clean, Inc	Provides parts cleaning and liquid waste disposal services	\$1,321.8	1.65x	7.21x
10/18/2023	KKR	CIRCOR International, Inc.	Manufactures flow and motion control products	\$1,663.1	2.02x	12.11x
10/23/2023	Watts Regulator Company	Bradley Corporation	Manufactures, and sells commercial plumbing fixtures and washroom accessories	\$303.0	1.52x	NA
10/30/2023	Hawkins	Water Solutions Unlimited, Inc.	Provides customized water treatment solutions for industrial customers	\$75.0	NA	NA
11/14/2023	Oaktree Capital Management	Aqseptence Group GmbH	Manufactures filtration and separation and water technology systems	NA	NA	NA
11/21/2023	Georg Fischer	Uponor Oyj	Provides plumbing, indoor climate, and infrastructure solutions	\$2,349.6	1.60x	11.31x
11/28/2023*	PCBL Limited	Aquapharm Chemical Pvt. Ltd.	Manufactures and supplies specialty chemicals	\$455.9	1.89x	9.11x
12/8/2023	Ember Infrastructure	H2O Innovation Inc.	Designs membrane based integrated water treatment solutions	\$335.8	1.80x	24.37x

Source(s): S&P CapIQ
 *announcement date



CRITICAL INFRASTRUCTURE

	Stock Price 12/31/23	Enterprise Value	2023A			2024E			TEV/2023A		TEV/2024E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	131.99	37,269	4,197	2,269	54%	4,447	2,458	55%	8.88x	16.43x	8.38x	15.16x
Essential Utilities	37.35	17,056	2,313	1,087	47%	2,431	1,218	50%	7.37x	15.69x	7.01x	14.00x
California Water Service Group	51.87	4,132	887	283	32%	931	312	34%	4.66x	14.60x	4.44x	13.24x
American States Water	80.42	3,824	556	210	38%	554	223	40%	6.88x	18.24x	6.90x	17.12x
SIW Group	65.35	3,771	654	262	40%	679	279	41%	5.77x	14.40x	5.55x	13.52x
Consolidated Water	35.60	519	172	40	23%	141	27	19%	3.01x	12.94x	3.67x	19.01x
Global Water Resources	13.08	420	52	25	47%	53	25	46%	8.10x	17.07x	7.96x	17.14x
Average	\$59.38	9,570	1,262	596	40%	1,320	649	41%	6.38x	15.62x	6.27x	15.60x
System Solutions												
Danaher	231.34	181,834	27,042	8,306	31%	24,122	7,881	33%	6.72x	21.89x	7.54x	23.07x
Dover	153.81	24,384	8,502	1,815	21%	8,801	1,931	22%	2.87x	13.44x	2.77x	12.63x
Xylem	114.36	29,247	7,300	1,387	19%	8,408	1,663	20%	4.01x	21.08x	3.48x	17.59x
IDE	217.11	17,271	3,250	887	27%	3,309	930	28%	5.31x	19.46x	5.22x	18.56x
Pentair	72.71	13,974	4,094	914	22%	4,244	996	23%	3.41x	15.30x	3.29x	14.03x
A. O. Smith	82.44	12,084	3,840	836	22%	3,967	868	22%	3.15x	14.46x	3.05x	13.93x
Watts Water Technologies	208.34	6,675	2,041	408	20%	2,237	437	20%	3.27x	16.37x	2.98x	15.27x
Average	\$154.30	40,781	8,010	2,079	23%	7,870	2,101	24%	4.11x	17.43x	4.05x	16.44x

Source(s): S&P CapIQ
 \$USD, Millions besides Stock Price



CRITICAL INFRASTRUCTURE

	Stock Price	Enterprise	2023A			2024E			TEV/2023A		TEV/2024E	
	12/31/23	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Components												
Graco	86.76	14,175	2,192	719	33%	2,253	753	33%	6.47x	19.72x	6.29x	18.82x
Flowserve	41.22	6,465	4,294	498	12%	4,518	577	13%	1.51x	12.99x	1.43x	11.20x
Franklin Electric	96.65	4,569	2,085	320	15%	2,135	331	15%	2.19x	14.26x	2.14x	13.82x
Mueller Water Products	14.40	2,560	1,213	196	16%	1,227	216	18%	2.11x	13.09x	2.09x	11.88x
The Gorman-Rupp Company	35.53	1,321	656	113	17%	691	119	17%	2.01x	11.64x	1.91x	11.14x
Energy Recovery	18.84	973	135	31	23%	147	29	20%	7.22x	31.60x	6.60x	33.71x
Average	\$48.90	5,010	1,762	313	19%	1,828	337	19%	3.58x	17.22x	3.41x	16.76x
Infrastructure												
AECOM	92.43	14,355	14,681	991	7%	15,738	1,111	7%	0.98x	14.49x	0.91x	12.92x
Tetra Tech	166.93	9,809	4,009	507	13%	4,294	563	13%	2.45x	19.33x	2.28x	17.44x
Clean Harbors	174.51	11,615	5,428	1,012	19%	5,677	1,103	19%	2.14x	11.48x	2.05x	10.53x
EMCOR Group	215.43	10,047	12,499	937	8%	13,600	972	7%	0.80x	10.72x	0.74x	10.34x
Arcosa	82.64	4,422	2,280	358	16%	2,474	396	16%	1.94x	12.35x	1.79x	11.16x
Primoris Services	33.21	3,022	5,755	368	6%	6,195	407	7%	0.53x	8.22x	0.49x	7.42x
Average	\$127.53	8,878	7,442	696	11%	7,996	759	12%	1.47x	12.76x	1.38x	11.64x
Low	\$13.08	\$420	\$52	\$25	6%	\$53	\$25	7%	0.53x	8.22x	0.49x	7.42x
Mean	\$98.24	\$16,761	\$4,620	\$953	24%	\$4,741	\$993	25%	3.99x	15.82x	3.88x	15.18x
Median	\$82.54	\$8,242	\$2,781	\$503	22%	\$2,891	\$570	20%	3.21x	14.55x	3.17x	13.96x
High	\$231.34	\$181,834	\$27,042	\$8,306	54%	\$24,122	\$7,881	55%	8.88x	31.60x	8.38x	33.71x

Source(s): S&P CapIQ
\$USD, Millions besides Stock Price



MARITIME TRANSPORT & FACILITIES

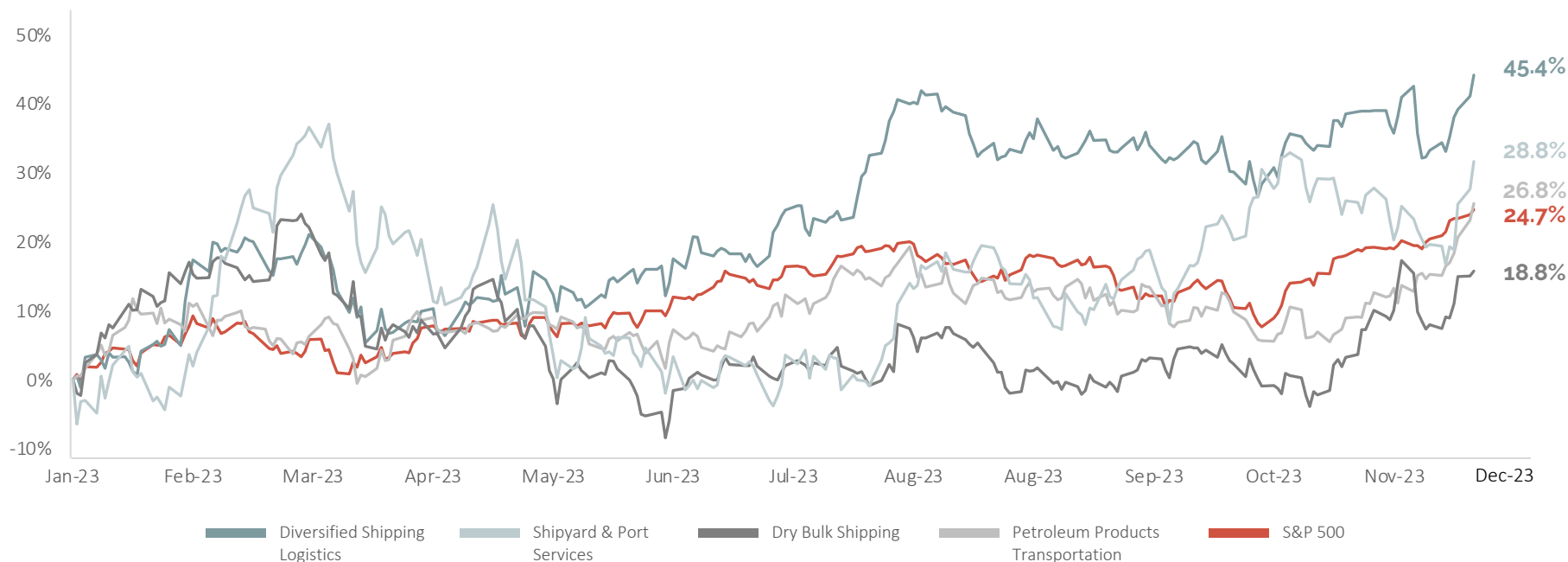
Key Trends / Takeaways

- While high shipping costs are frequently blamed for causing inflation, **the shipping industry was also impacted negatively on a number of fronts by rising global inflation throughout 2023.** Rising costs from direct inputs such as oil and steel decreased profitability, while rising costs for offshore projects including oil rigs and wind farms reduced revenue and backlog across the maritime industry as certain projects became economically unviable.
- **2023 experienced the largest ever yearly addition of new shipping capacity,** with approximately 2.5 million twenty-foot equivalent units. Coupled with declining demand due to inflation and higher interest rates, container shipping rates fell about 35% through November of 2023 before increasing on account of instability in the Red Sea. A report by Sea-Intelligence highlighted the industry's current level of overcapacity could take at least four years to be resolved. Capacity is currently being buoyed by an aging fleet (average age of over 14 years) and an order book set to deliver an additional 25% capacity.
- **Current woes in the shipping industry, including rising input costs and lower rates, have led many in the industry to undertake dramatic cost-saving initiatives,** including reducing headcount and capital expenditures. Industry leader Maersk announced 10,000 job cuts in 2023, in addition to a 17% reduction in capex from 2023 to 2024.
- **The Russian/Ukraine War has continued its impact on the shipping industry into 2023.** Following the EU's sanctions on most energy imports from Russia, excluding Liquefied Natural Gas (LNG), EU LNG imports from Russia rose 38% in 2022. In an effort to continue stemming money flowing to Russia's war effort, the EU reached a deal in December of this year, allowing nations to ban Russian LNG imports. 2023 also witnessed the collapse of Russia and Ukraine's Black Sea Grain Deal, an agreement brokered by Turkey to allow the exportation of food and fertilizer through select Ukrainian ports. The expiration of the agreements was immediately followed by Russian strikes on key port infrastructure on Ukraine's Danube River, which caused wheat futures to jump 8.5% overnight.
- **Since the middle of November, Houthi rebel groups in Yemen have conducted repeated attacks on commercial vessels in the Red Sea** and have stated that Israeli-linked ships will continue to be targeted as long as Israel continues its aggression on Gaza. Conflict in the Red Sea (responsible for about 15% of global trade) has led many shipping companies, including market leaders such as Maersk, CMA CGM, and Hapag-Lloyd, to divert to alternative routes. The longer, more expensive routes have led to an increase in container shipping rates since November (+20%) and an increase in the share price of many publicly traded shippers.

Source(s): Sea-Intelligence, CNN, S&P Global



MARITIME TRANSPORT & FACILITIES

Trailing Twelve Months (TTM) Public Equity Index Chart ¹

Commentary

- TMG's maritime indices performed well throughout 2023 with both Shipyard & Port Services as well as Petroleum Products Transportation tracking the S&P throughout the year.
- Dry Bulk shipping lagged the S&P for most of 2023 due to declining shipping rates but staged a rally in Q4 on account of increasing rates.
- The Logistics Index outperformed the S&P, aided by Matson and ArcBest, which will benefit from higher rates and don't have as much exposure to conflict in the Red Sea.

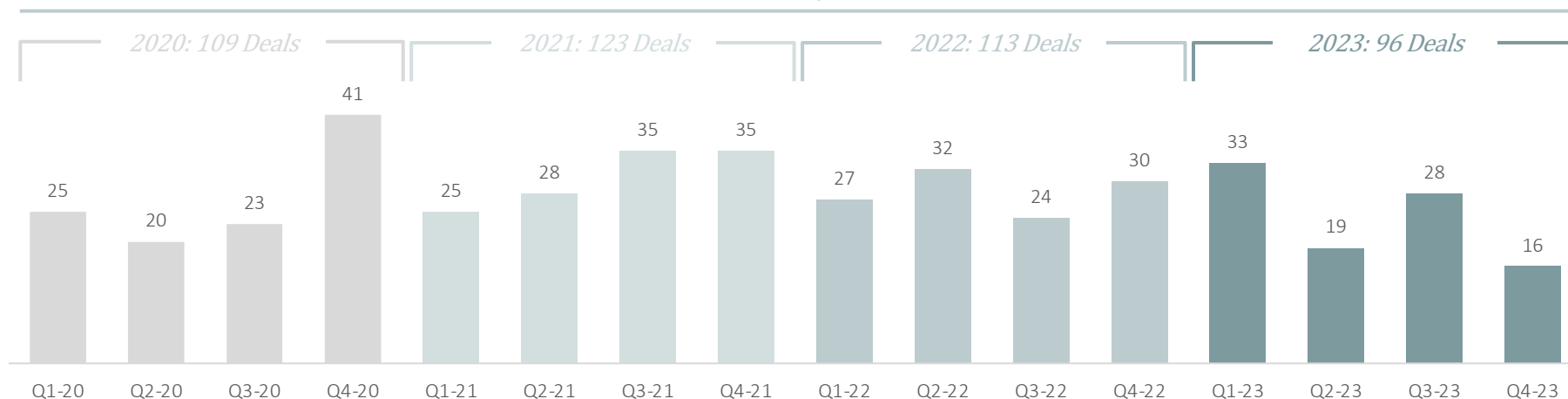
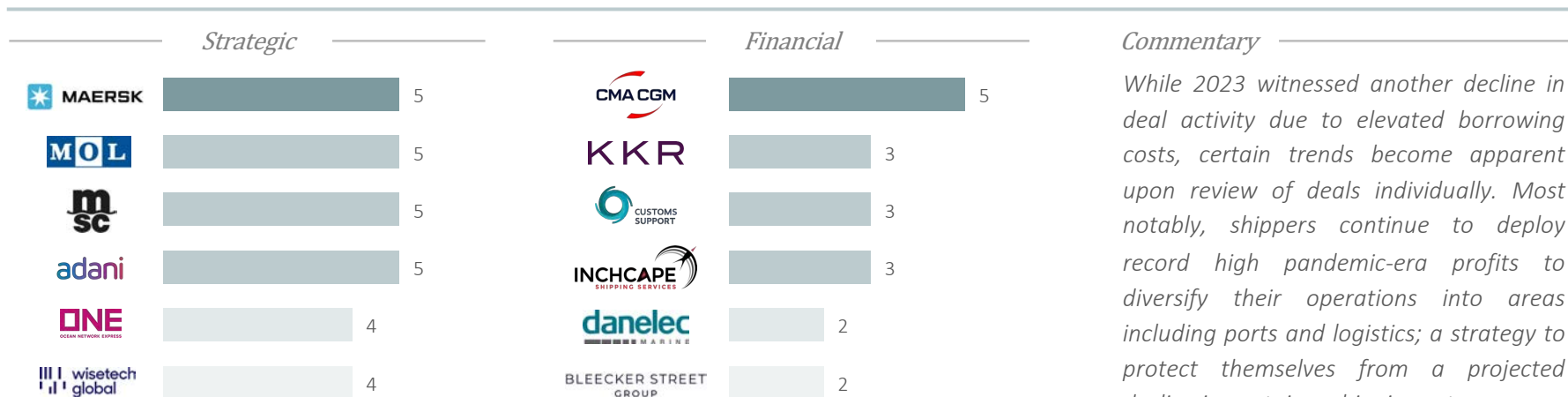
Source(s): S&P CapIQ

¹. For index composition, please see page 37



MARITIME TRANSPORT & FACILITIES

Transactions by Quarter

Top Acquirers in 2023¹

Source(s): S&P CapIQ

¹ Includes only transactions in the Maritime market



MARITIME TRANSPORT & FACILITIES

Select Precedent Transactions

**Date:** 1/3/23**Size:** \$29,020.1M**EBITDA****Multiple:** N/A*Transaction Details*

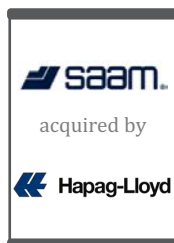
Adani Ports and Special Economic Zone (APSEZ), one of the largest port operators in India, agreed to acquire a 49.38% stake in Indian Oil tanking, one of India's largest developers and operators of liquid storage facilities. The acquisition boosts APSEZ's oil storage capacity by 200%, making it the largest third-party liquid storage company in India.

**Date:** 3/28/23**Size:** \$10,683.5M**EBITDA****Multiple:** 9.2x*Transaction Details*

Fairfax Financial Holdings and its affiliates acquired the remaining 32% of equity in Atlas Corp, an asset manager, and operator of containerships. Shares not already held by Fairfax were purchased at \$15.50/share, a 34% premium to the previous day's close, and were delisted from the NYSE.

**Date:** 7/11/23***Size:** \$5,110.5M**EBITDA****Multiple:** N/A*Transaction Details*

French shipping company, CMA CGM, purchased the transportation and logistics business of Bolloré Logistics, which sold its African ports division to MSC last year. The acquisition allows CMA CGM to deploy cash from record high pandemic profits, diversify its operations, and provide customers an end-to-end transportation and supply chain offering.

**Date:** 8/1/23**Size:** \$1,137.0M**EBITDA****Multiple:** N/A*Transaction Details*

Hapag-Lloyd, a German-based liner shipping company, completed its acquisition of Saam's terminal business, including interests in terminals throughout the world, including Chile, Mexico, Colombia, Ecuador, Costa Rica, and the U.S. The acquisition is a continuation of Hapag-Lloyd's entrance into the terminal industry and adds a strong footprint in Latin America.

**Date:** 9/14/23**Size:** \$1,042.4M**EBITDA****Multiple:** 16.4x*Transaction Details*

Goldman Sachs Asset Management reached a deal to acquire Norwegian aquaculture group Froy, which specializes in providing marine transportation services to fish farmers. Goldman Sachs purchased shares for NOK 51.5, a 50% premium to the previous day's closing price, and all shares were delisted from the Oslo Stock Exchange.

**Date:** 12/29/23**Size:** \$539.9M**EBITDA****Multiple:** 3.5x*Transaction Details*

Eneti and Cadeler merged to create the world's largest offshore wind installation vessel company. The new entity will continue under the Cadeler brand, with Eneti shareholders receiving a 40% equity interest. The combined entity is expected to realize €106 million in annual synergies and will operate out of Cadeler's headquarters in Copenhagen.

Source(s): S&P CapIQ
* announcement date



MARITIME TRANSPORT & FACILITIES

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
1/2/2023	A.P. Møller	Martin Bencher (Scandinavia)	Scandinavian shipping and freight forwarding company	\$61.0	NA	NA
1/3/2023	Teledyne Technologies	ChartWorld International	Develops digital charts and navigation systems for the maritime industry	\$53.5	NA	NA
1/10/2023	Gadot Chemical Tankers and Terminals; Adani Ports	Haifa Port Company	Operates the port of Haifa in Israel	\$562.7	2.33x	8.03x
1/31/2023	Adani Ports and Special Economic Zone	Indian Oiltanking	Provides terminalling services to the oil and gas industry	\$29,020.1	NM	NM
2/17/2023	WiseTech Global	Blume Global	Develops a cloud-based platform connecting members of the supply chain	\$414.0	NA	NA
3/14/2023	Subsea 7	Seaway 7	Provides marine services including the installation and maintenance of subsea cables	\$643.4	0.57x	16.13x
3/28/2023	Fairfax Financial Holdings; Ocean Network Express	Atlas Corp.	Asset manager and operator of containerships	\$10,683.5	7.00x	9.20x
3/31/2023	Agilitas Private Equity Services	Maritime Traffic Management operations of Saab AB	Operations and maintenance of port terminals	\$47.4	NA	NA
4/27/2023	Trimac Transportation Services	Rand Logistics	Operates as a bulk shipping company	NA	NA	NA
7/7/2023	AS BaltCap; Cogel Investments	Xpediator	Freight forwarder based in the U.K.	\$198.5	0.44x	6.92x
7/11/2023*	CMA CGM	Bolloré Logistics	Provides multimodal transportation services including air, ocean, and overland	\$5,110.5	NA	NA
7/28/2023	Allcargo Belgium	Nordicon	Offers ocean freight and rail transportation	\$82.3	NA	NA
8/1/2023	Hapag-Lloyd Aktiengesellschaft	SAAM Ports/SAAM Logistics	Offers port services including loading, shipping, and warehousing	\$1,137.0	NA	NA

Source(s): S&P CapIQ

* announcement date



MARITIME TRANSPORT & FACILITIES

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
8/11/2023	Evergreen Marine	Euromax Terminal Rotterdam	Operates as a container terminal in the Netherlands	\$397.3	NA	NA
9/12/2023*	MOL Chemical Tankers	Fairfield Chemical Carriers	Supplies ocean transportation of bulk chemicals	\$400.0	NA	NA
9/13/2023*	MSC Mediterranean Shipping Company	Port Operator of Hamburger	Port operator in Germany	\$1,825.9	NA	NA
9/14/2023	Goldman Sachs Asset Management	Frøy	Provides integrated services to the aquaculture industry in Norway	\$1,042.4	4.97x	16.37x
9/15/2023	Saverex	Exmar	Provides shipping and energy supply chain solutions	\$511.3	1.71x	6.46x
9/18/2023*	TGS ASA	PGS ASA	Provides geophysical mapping to the marine industry	\$1,578.1	2.21x	4.83x
9/21/2023	Bleecker Street Group	Ripple	Designes and develops integrated maritime software	NA	NA	NA
10/16/2023*	Blue Wolf Capital Partners; Stonepeak Partners	Logistec Corporation	Provides cargo handling services to the maritime industry	\$1,056.5	1.49x	17.80x
10/23/2023*	Stonepeak Partners	Textainer Group Holdings	Engages in the ownership and leasing of shipping containers	NA	NA	NA
10/31/2023*	Ocean Network Express	International Transportation	Container terminal operation in California	\$416.7	0.80x	NA
11/22/2023	CMB	Euronav	Transports and stores crude oil	\$5,687.9	4.26x	6.18x
12/18/2023	Minoan Lines Shipping; Grimaldi Group	Heraklion Port Authority	Offers port services including ferries, cargo, cruise, and dockyards	\$130.4	NA	NA
12/29/2023	Cadeler	Eneti	Installs offshore wind turbines	\$539.9	2.83x	3.53x

Source(s): S&P CapIQ

* announcement date



MARITIME TRANSPORT & FACILITIES

	Stock Price 12/31/23	Enterprise Value	2023A			2024E			TEV/2023A		TEV/2024E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central Corporation	11.32	700	535	137	26%	575	151	26%	1.31x	5.12x	1.22x	4.65x
Matson	109.60	4,425	3,028	486	16%	2,999	470	16%	1.46x	9.11x	1.48x	9.41x
Kirby Corporation	78.48	5,840	3,071	552	18%	3,282	660	20%	1.90x	10.58x	1.78x	8.85x
ArcBest Corporation	120.21	2,950	4,425	368	8%	4,667	467	10%	0.67x	8.02x	0.63x	6.31x
Diana Shipping	2.97	799	250	131	52%	230	123	53%	3.19x	6.09x	3.47x	6.53x
Average	\$64.52	2,943	2,262	335	24%	2,351	374	25%	1.71x	7.78x	1.71x	7.15x
Shipyard & Port Services												
International Container	4.45	12,461	2,340	1,454	62%	2,440	1,535	63%	5.33x	8.57x	5.11x	8.12x
Great Lakes Dredge & Dock	7.68	949	599	56	9%	748	116	16%	1.58x	16.97x	1.27x	8.17x
Tidewater	72.11	4,278	1,015	367	36%	1,408	641	46%	4.21x	11.65x	3.04x	6.67x
Orion Group	4.94	282	701	20	3%	772	46	6%	0.40x	13.80x	0.37x	6.16x
DEME Group	123.13	3,942	3,361	596	18%	3,647	671	18%	1.17x	6.61x	1.08x	5.87x
Average	\$42.46	4,382	1,603	499	26%	1,803	602	30%	2.54x	11.52x	2.17x	7.00x
Dry Bulk Shipping												
Costamare	10.41	3,286	1,225	556	45%	1,299	630	49%	2.68x	5.91x	2.53x	5.21x
Star Bulk Carriers	21.26	2,545	692	382	55%	766	446	58%	3.68x	6.67x	3.32x	5.71x
Golden Ocean Group Limited	9.76	3,392	633	312	49%	695	395	57%	5.36x	10.88x	4.88x	8.59x
Danaos Corporation	74.06	1,545	974	740	76%	984	749	76%	1.59x	2.09x	1.57x	2.06x
Global Ship Lease	19.82	1,418	660	454	69%	662	459	69%	2.15x	3.13x	2.14x	3.09x

Source(s): S&P CapIQ
 \$USD, Millions besides Stock Price



MARITIME TRANSPORT & FACILITIES

	Stock Price 12/31/23	Enterprise Value	2023A			2024E			TEV/2023A		TEV/2024E	
			Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	3.93	805	272	147	54%	307	165	54%	2.96x	5.48x	2.63x	4.89x
Eagle Bulk Shipping	55.40	936	284	86	30%	316	150	47%	3.29x	10.88x	2.97x	6.26x
Genco Shipping & Trading	16.59	803	239	100	42%	283	136	48%	3.36x	8.03x	2.83x	5.92x
Average	\$26.40	1,841	622	347	53%	664	391	57%	3.13x	6.63x	2.86x	5.22x
Petroleum Products Transportation												
Scorpio Tankers	60.80	4,378	1,335	930	70%	1,273	853	67%	3.28x	4.71x	3.44x	5.13x
International Seaways	45.48	2,869	1,047	713	68%	952	596	63%	2.74x	4.02x	3.01x	4.81x
Teekay Tankers	49.97	1,707	915	647	71%	753	455	60%	1.87x	2.64x	2.27x	3.75x
DHT Holdings	9.81	1,946	398	305	77%	493	388	79%	4.89x	6.38x	3.95x	5.02x
Nordic American Tankers	4.20	1,063	273	192	70%	293	208	71%	3.90x	5.55x	3.63x	5.12x
Ardmore Shipping	14.09	671	260	159	61%	248	158	64%	2.58x	4.21x	2.70x	4.25x
Average	\$30.73	2,106	705	491	69%	669	443	67%	3.21x	4.58x	3.17x	4.68x
Low	\$2.97	\$282	\$239	\$20	3%	\$230	\$46	6%	0.40x	2.09x	0.37x	2.06x
Mean	\$38.77	\$2,666	\$1,189	\$412	45%	\$1,254	\$444	47%	2.73x	7.38x	2.55x	5.86x
Median	\$18.21	\$1,827	\$697	\$368	51%	\$759	\$451	53%	2.71x	6.50x	2.67x	5.79x
High	\$123.13	\$12,461	\$4,425	\$1,454	77%	\$4,667	\$1,535	79%	5.36x	16.97x	5.11x	9.41x

Source(s): S&P CapIQ
 \$USD, Millions besides Stock Price



Defense, Government & Intelligence

Defense Primes

RTX	RTX
Lockheed Martin	LMT
Northrop Grumman	NOC
General Dynamics	GD
L3Harris Technologies	LHX
BAE Systems	BA.

Government Contractors

Booz Allen Hamilton	BAH
Leidos	LDOS
CACI International	CACI
Science Applications Intl.	SAIC
Parsons	PSN
V2X	VVX

Defense Systems

HEICO	HEI
Teledyne Technologies	TDY
Elbit Systems	ESLT
Kratos Defense & Security	KTOS
Mercury Systems	MRCY

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
Arlo Technologies	ARLO

Cyber Security

SolarWinds	SWI
Varonis Systems	VRNS
Tenable Holdings	TENB
NetScout System	NTCT
SecureWorks	SCWX

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	GGG
Flowserve	FLS
Franklin Electric	FELE
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	PRIM

Maritime Transport & Facilities

Diversified Maritime Logistics

Algoma Central	TSX: ALC
Matson	MATX
Kirby	KEX
ArcBest	ARCB
Diana Shipping	DSX

Shipyard & Port Services

International Container Services	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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