

Mergers & Acquisitions
2024 Year in Review



Defense, Government & Intelligence

Physical & Cyber Security

Critical Infrastructure

Maritime Transport & Facilities



FIRM OVERVIEW

- Founded in 1997 and headquartered in Northern VA; 28-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 over the last 10 years

> 400

Annual Valuation Clients

> 28 yrs.

Track Record of Success

50+

Financial Professionals

> 90%

Portion of Deals that are Sell-Side M&A

> \$8B

Total Transaction Value Since 2010

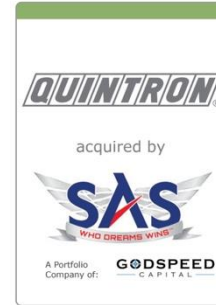


Illustrative Transactions



Transaction Details

March 2024: Tyto Athene, a portfolio company of Arlington Capital Partners, acquired Microtel, a space software development and flight support services provider to mission-critical space programs. The acquisition added 40 highly-skilled employees to Tyto Athene’s workforce and expanded their real-time mission-critical flight software, ground system software, and science data processing capabilities. Microtel also allowed Tyto Athene to expand their presence within NASA, United States Space Force, National Security Agency (NSA), and the DoD.



Transaction Details

May 2024: Special Aerospace Services (“SAS”), a portfolio company of Godspeed Capital, acquired Quintron Systems, a trusted provider of communications technology solutions for aerospace, defense, and critical infrastructure clients. SAS specializes in spaceflight engineering and hardware with a full-cycle solution portfolio that includes tactical engineering support, avionics, systems, safety, and launch integration solutions. The acquisition aligned with SAS’s strategic objectives within NASA and other commercial clients who rely on Quintron’s Voice-over-IP (VoIP) solutions.



Transaction Details

July 2024: Neovera, a portfolio company of 424 Capital, acquired Emagined Security, a leading provider of professional services for information security and compliance solutions in highly regulated industries. Emagined Security’s proven track record of success providing penetration testing, vulnerability assessment, threat intelligence, security operations consulting, and incident response solutions will help Neovera address the cybersecurity challenges faced by their customers, especially within the financial, healthcare, and government markets.



Transaction Details


October 2024: Ernst & Young (“EY”) acquired Dignari, a provider of strategic planning, systems development, and leadership consulting for private sector and U.S. federal government security programs. Dignari brought approximately 300 highly-qualified employees to EY’s industry-leading Americas Government & Private Sector practice. The acquisition provided EY access to the Company’s performance history, extensive customer relationships within both the government and commercial sectors, and desirable identity and access management (IAM) capabilities.




Illustrative Business Valuation Engagements




Valuation
Advisory



Solvency
Opinion




Valuation
Advisory




Valuation
Advisory




Valuation
Advisory



Fairness
Opinion



Valuation
Advisory



Valuation
Advisory



Valuation
Advisory



Valuation
Advisory

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.

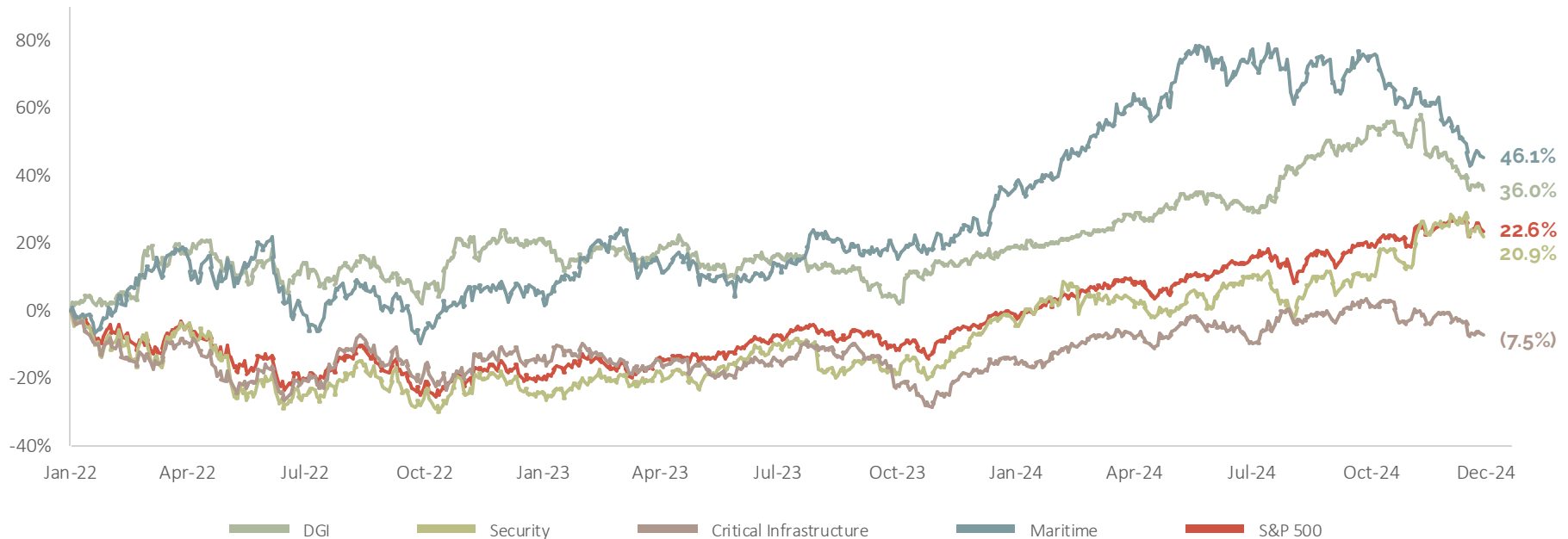
Critical Infrastructure

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

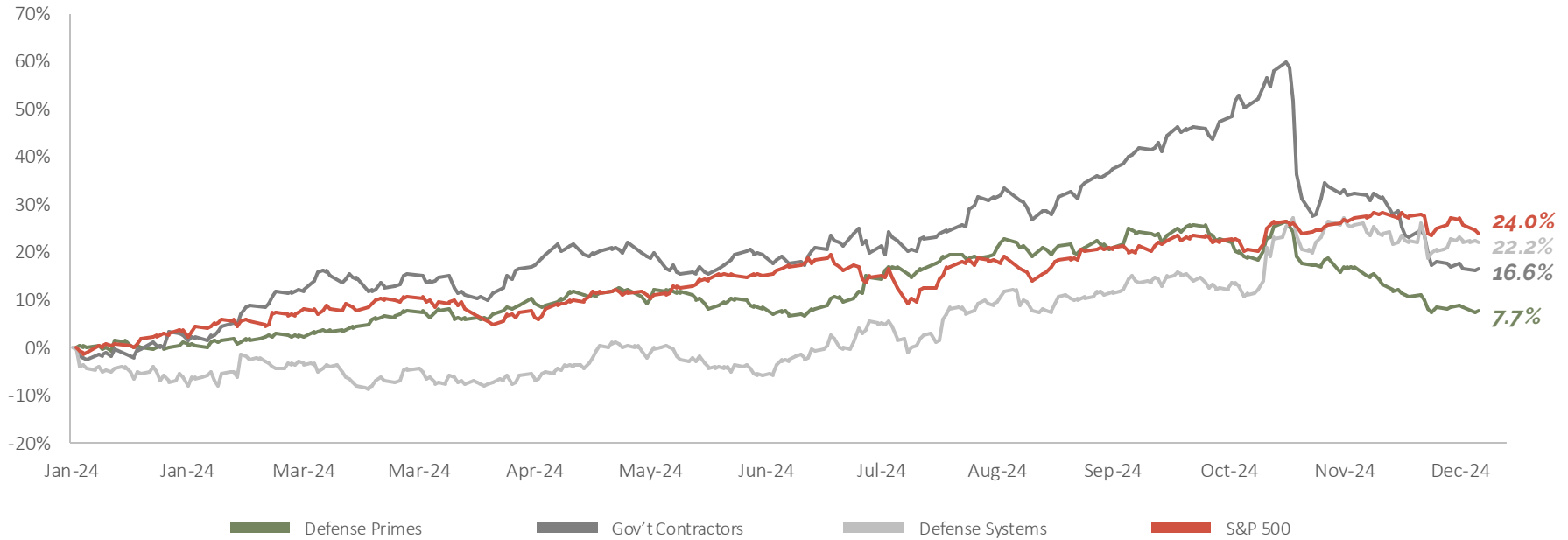
- On August 23, the U.S. Small Business Administration (SBA) proposed a new rule regarding small businesses that make disqualifying size / status recertifications. The rule has significant implications for small business M&A and the ability of small businesses to continue performing on certain set-aside work after a disqualifying recertification.
- On December 17, the SBA made its final ruling, which included the following changes to become effective January 16, 2025:
 - **New minority controls** for investors in 8(a), woman-owned, and service-disabled veteran-owned small business (SDVOSBs) that allow minority investors to block “extraordinary” decisions related to equity ownership, dissolution, bankruptcy, and M&A
 - **Changes to recertification rules** that would make small businesses that recertify as “Other Than Small” ineligible to receive future Task Orders (TOs) or have option years exercised on multiple-award set-aside contracts (including GSA Schedule contracts). **The changes include an exception for recertifications after small-to-small M&A and would not go into effect until January 17, 2026**, one year after the effective date for the other rule changes.
- The Biden administration recently notified Congress of an \$8 billion weapons package for Israel which will be the largest the U.S. government has authorized since the \$20 billion weapons package shortly after the beginning of the conflict with Hamas in 2023. The package will consist of thousands of bombs, missiles, and artillery shells, and precision munitions. \$6.75 billion is allocated to fund two different precision kits, small diameter bombs and 2,000-pound bombs.
- On December 23, 2024, President Biden signed the FY 2025 National Defense Authorization Act (NDAA) into law. This authorized \$895.2 billion in funding for the Department of Defense and Department of Energy national security programs, a \$9 billion increase over 2024.
- The Department of Defense’s fiscal year 2025 budget offers significant insights for government contractors seeking to align with the department’s priorities. \$143.2 billion will be allocated to research, development, test, and evaluation, with the purpose of enhancing innovation, modernization, technology advancements, and strengthening U.S. National Security.

Source(s): GovCon Wire, WSJ, GovTribe, Morrison Foerster



DEFENSE, GOVERNMENT & INTELLIGENCE

Trailing Twelve Months (TTM) Public Equity Index Chart ¹



Commentary

- The S&P 500 soared 24% in 2024, fueled by enthusiasm for Artificial intelligence and the tech sector. The “Magnificent Seven” stocks drove over 50% of the S&P 500’s returns with NVIDIA and Tesla’s stock price rising 171% and 63%, respectively.
- In September, the Fed cut interest rates by 50 basis points, marking the first rate cut since the onset of the COVID pandemic and the massive fiscal stimulus that followed. The Fed followed its aggressive first move with two further 25 basis point rate cuts in November and December.
- With the result of the presidential election in early November, the Government Contractors index dropped precipitously amid fears of curtailed government spending and the Department of Government Efficiency (DOGE) initiative.

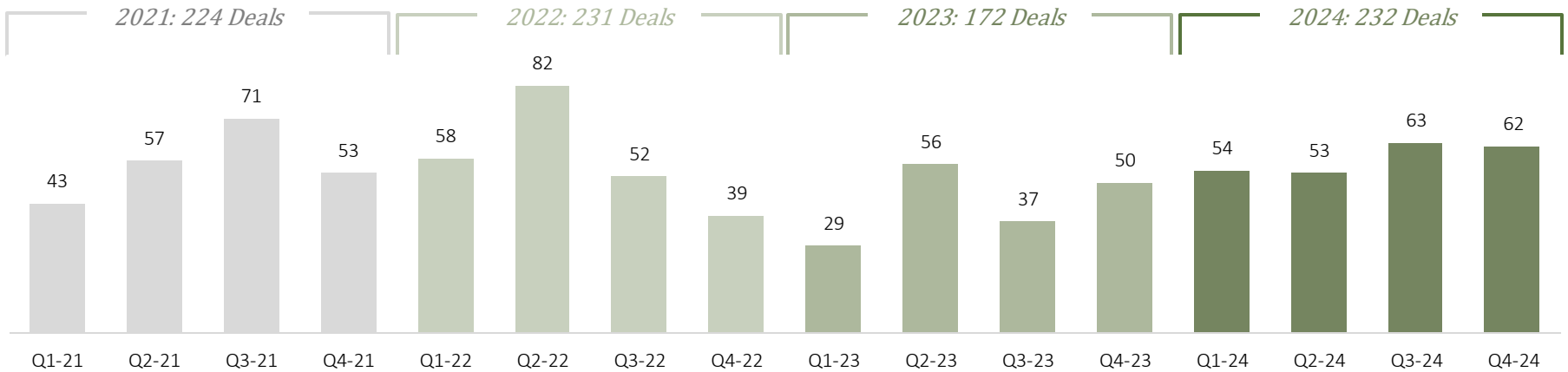
Source(s): S&P CapIQ, Bloomberg, CBS

1. For index composition, please see page 37



DEFENSE, GOVERNMENT & INTELLIGENCE

Transactions by Quarter ¹



Top Acquirers in 2024 ¹



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

Represents former TMG deal partner



DEFENSE, GOVERNMENT & INTELLIGENCE

Select Precedent Transactions



Transaction Details

Ball Aerospace & Technologies, a subsidiary of Ball Corp., develops full satellite systems and space missions, instruments and sensors, antennas, tactical camera systems, and a variety of space-qualified subsystems. The acquisition adds market-leading space, science and defense capabilities to the Company's portfolio of products and services.

Date: 02/16/2024
EV: \$5,600M
EV/EBITDA: 18.1x



Transaction Details

Cobham Aerospace is a leading supplier of cutting-edge technologies enabling flexible, integrated and more-autonomous avionics systems to make aviation safer, greener, and more efficient. The integration of Cobham Aerospace Communications will strengthen Thales's avionics portfolio, addressing the major trend towards connected cockpits.

Date: 04/08/2024
EV: \$1,100M
EV/EBITDA: ND



Transaction Details

Kaman is a manufacturer of high precision/engineered components for private sector and U.S. federal government. The Company's aerospace and defense products include aircraft bearings and components. The acquisition provides additional resources, expertise, and flexibility to Kaman. Arcline expects Kaman to greatly benefit from increased operational flexibility as a private company.

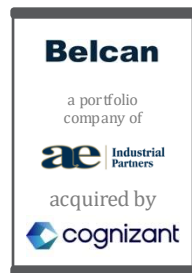
Date: 04/19/2024
EV: \$1,800M
EV/EBITDA: 13.8X



Transaction Details

Loc Performance Products ("Loc") designs, develops, and manufactures drivetrain and suspension systems and components for military armored vehicles. Rheinmetall 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: 08/14/2024
EV: \$950.0M
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.

Date: 08/27/2024
EV: \$1,303.0M
EV/EBITDA: NA



Transaction Details

LinQuest provides space systems, engineering, data analytics, and digital integration solutions to the defense and intelligence communities. KBR provides science, technology, and engineering solutions to government and commercial customers. The acquisition expands KBR's portfolio of high-end technology solutions and mission capabilities for U.S. government customers, and adds to KBR's workforce of 1500+ employees, 75% of which hold security clearances.

Date: 09/03/2024
EV: \$745.0M
EV/EBITDA: 11.0X*

Source(s): CapIQ
 * announcement date



DEFENSE, GOVERNMENT & INTELLIGENCE

Select Precedent Transactions



Transaction Details

CAES designs and develops RF signal technologies for complex defense programs, such as the F-35 and U.S. Navy SPY-6 Radar. Honeywell (NASDAQGS: HON) provides electronic equipment for a variety of end uses, including national security. The acquisition of CAES adds over 2,200 employees, enhances Honeywell's existing defense technology solutions, and adds new RF capabilities.

Date: 09/04/2024
EV: \$1,900.0M
EV/EBITDA: 14.0x



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 7-year history and previously worked on missions for the Space Development Agency.

Date: 10/30/2024
EV: \$450.0M
EV/Revenue: NA



Transaction Details

Enercon, a portfolio Company of Fortissimo Capital, is a supplier of non-ITAR power conversion and networking solutions to global aerospace and defense markets. The acquisition will enhance Bel Fuse's presence in the U.S. and allow it to broaden its product portfolio for the aerospace and defense markets to include power solutions, creating opportunities for cross-selling in the future.

Date: 11/14/2024
EV: \$410.0M
EV/EBITDA: NA



Transaction Details

BlueHalo, an Arlington Capital Partners portfolio Company, specializes in space technologies, counter-uncrewed aircraft systems, directed energy, electronic warfare, cyber, AI, and other emerging technologies. The acquisition of BlueHalo will create a diversified defense tech Company with a highly complementary portfolio of solutions. AeroVironment expects the combination to drive innovation, expand manufacturing capacity, and enable better customer support.

Date: 11/19/2024*
EV: \$4,100.0M
EV/EBITDA: NA



Transaction Details

Gogo is a leading provider of inflight connectivity services able to satisfy the performance and cost needs of every segment of the global business aviation and government markets. The acquisition is expected to accelerate sales of Gogo's upcoming Galileo low Earth satellite product. Alongside selling the solution to Satcom Direct's customer base, Gogo will leverage the Company's sales force and presence in the military and government market.

Date: 12/04/2024
EV: \$636.2M
EV/Revenue: NA



Transaction Details

Veritas Technologies LLC ("Veritas") is a data protection company that ensures the safety, recoverability, and compliance of customer data while also providing actionable insights through alerts and reports. The acquisition is expected to combine Cohesity's speed and innovation with Veritas' global presence and installed base. The combined Company will have an annual recurring revenue of \$1.3B.

Date: 12/10/2024
EV: \$3,000M¹
EV/EBITDA: ND

Source(s): CapIQ
 * announcement date



DEFENSE, GOVERNMENT & INTELLIGENCE

	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV /2024A		TEV/2025E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
Raytheon	115.72	192,836	79,639	13,080	16%	84,345	14,138	17%	2.42x	14.74x	2.29x	13.64x
Lockheed Martin	485.94	131,355	71,237	9,865	14%	74,119	10,331	14%	1.84x	13.32x	1.77x	12.72x
Northrop Grumman	469.29	82,793	41,315	5,751	14%	42,781	6,103	14%	2.00x	14.40x	1.94x	13.57x
General Dynamics	263.49	81,401	47,632	5,739	12%	50,394	6,390	13%	1.71x	14.18x	1.62x	12.74x
BAE Syetems	14.38	53,149	35,247	4,738	13%	38,014	5,183	14%	1.51x	11.22x	1.40x	10.26x
L3Harris	210.28	52,318	21,286	3,992	19%	21,998	4,258	19%	2.46x	13.11x	2.38x	12.29x
Average	\$259.85	\$98,976	\$49,393	\$7,194	15%	\$51,942	\$7,734	15%	1.99x	13.49x	1.90x	12.53x
Gov't Contractors												
Leidos	144.06	23,226	16,425	2,132	13%	16,971	2,163	13%	1.41x	10.90x	1.37x	10.74x
Booz Allen Hamilton	128.70	19,501	11,723	1,274	11%	12,691	1,430	11%	1.66x	15.30x	1.54x	13.64x
CACI	404.06	10,819	8,067	887	11%	8,932	1,029	12%	1.34x	12.20x	1.21x	10.51x
SAIC	92.25	10,747	6,774	617	9%	7,361	699	10%	1.59x	17.42x	1.46x	15.37x
Parsons	111.78	7,731	7,449	693	9%	7,629	716	9%	1.04x	11.16x	1.01x	10.80x
V2X	47.83	2,600	4,260	309	7%	4,460	328	7%	0.61x	8.42x	0.58x	7.92x
Average	\$154.78	\$12,438	\$9,116	\$985	10%	\$9,674	\$1,061	10%	1.28x	12.57x	1.20x	11.50x

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



DEFENSE, GOVERNMENT & INTELLIGENCE

	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV /2024A		TEV/2025E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
HEICO	237.74	31,305	3,946	1,030	26%	4,330	1,131	26%	7.93x	30.40x	7.23x	27.67x
Teledyne Technologies	464.13	23,872	5,616	1,357	24%	5,920	1,479	25%	4.25x	17.60x	4.03x	16.14x
Curtiss-Wright	354.87	14,207	3,081	651	21%	3,271	708	22%	4.61x	21.82x	4.34x	20.07x
Elbit Systems	261.65	13,158	6,712	723	11%	7,489	837	11%	1.96x	18.21x	1.76x	15.72x
Leonardo	32.31	8,805	3,193	395	12%	3,421	451	13%	2.76x	22.32x	2.57x	19.54x
Kratos	26.38	3,983	1,141	105	9%	1,271	125	10%	3.49x	37.91x	3.13x	31.95x
Mercury Systems	42.00	3,023	844	65	8%	858	112	13%	3.58x	46.74x	3.52x	26.94x
Ducommun	63.66	1,189	787	120	15%	832	136	16%	1.51x	9.91x	1.43x	8.73x
Average	\$270.14	\$18,269	\$4,509	\$831	19%	\$4,886	\$921	19%	4.30x	22.07x	3.99x	19.83x
Low	\$14.38	\$1,189	\$787	\$65	7%	\$832	\$112	7%	0.61x	8.42x	0.58x	7.92x
Mean	\$198.53	\$38,401	\$18,819	\$2,676	14%	\$19,854	\$2,887	14%	2.48x	18.06x	2.33x	15.55x
Median	\$136.38	\$16,854	\$7,112	\$958	13%	\$7,559	\$1,080	13%	1.90x	14.57x	1.76x	13.60x
High	\$485.94	\$192,836	\$79,639	\$13,080	26%	\$84,345	\$14,138	26%	7.93x	46.74x	7.23x	31.95x

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



PHYSICAL & CYBER SECURITY

Key Trends / Takeaways

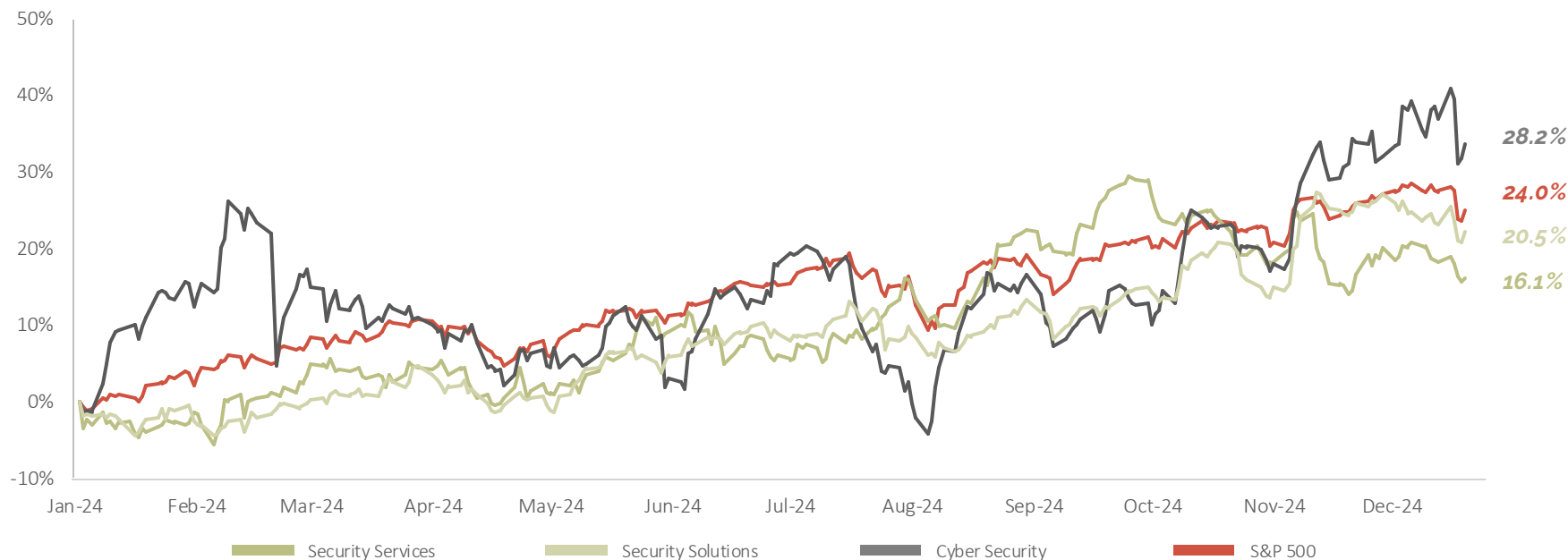
- **Artificial Intelligence (AI) and machine learning (ML) technologies continue to transform cybersecurity in 2024.**
 - Businesses leveraging AI for threat detection and prevention reported saving an average of nearly \$2.7M per breach according to IBM. However, cybercriminals are also utilizing AI to develop automated phishing campaigns and identify system vulnerabilities, further escalating the arms race in cybersecurity.
- **The federal government issued the final rule for the Cybersecurity Maturity Model Certification (CMMC) on October 15,** setting stricter compliance guidelines for not only prime contractors, but also subcontractors working with the DoD.
 - The rule provides no waivers for small businesses, creating significant barriers for smaller contractors. Prime contractors are now tasked with ensuring that suppliers meet these requirements, adding further costs and oversight responsibilities.
- **Chinese state-sponsored hackers remained a prominent threat in 2024,** targeting key U.S. infrastructure, including the Treasury Department and telecommunication networks.
 - Groups such as “Salt Typhoon” executed sophisticated cyber espionage campaigns that disrupted critical sectors and raised tensions between the U.S. and China.
- **Increased emphasis on Zero Trust Architecture defined the federal government’s cybersecurity efforts in 2024.**
 - Agencies prioritized the deployment of this framework to safeguard against insider threats and improve infrastructure resilience.
 - The White House’s continued investment in cybersecurity initiatives, including a \$13.5B allocation for 2024 which is up from \$11.8B the year before, reflects a growing commitment to addressing evolving cyber threats.
- **Ransomware attacks reached a new high in 2024,** with hackers increasingly targeting critical infrastructure such as healthcare and energy sectors.
 - Many organizations opted to adopt cyber insurance policies as a safeguard, yet premiums rose sharply due to the growing frequency and severity of attacks.
- **The cybersecurity industry faces a 2024 talent shortage** of 4.8M professionals globally, a 19% increase from last year. This gap leaves organizations vulnerable to emerging threats despite increased investments in infrastructure and talent development

Source(s): IBM, Defense.gov, Financial Times, WSJ, World Economic Forum



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 as rising AI-driven threats boosted demand for advanced security solutions. Fortinet’s stock soared 63.5% in 2024, significantly surpassing the S&P 500’s 24% gain.
- The Security Services index posted relatively weak gains throughout the course of 2024 due to a shift in client preferences towards AI and digital security services over traditional security service providers.

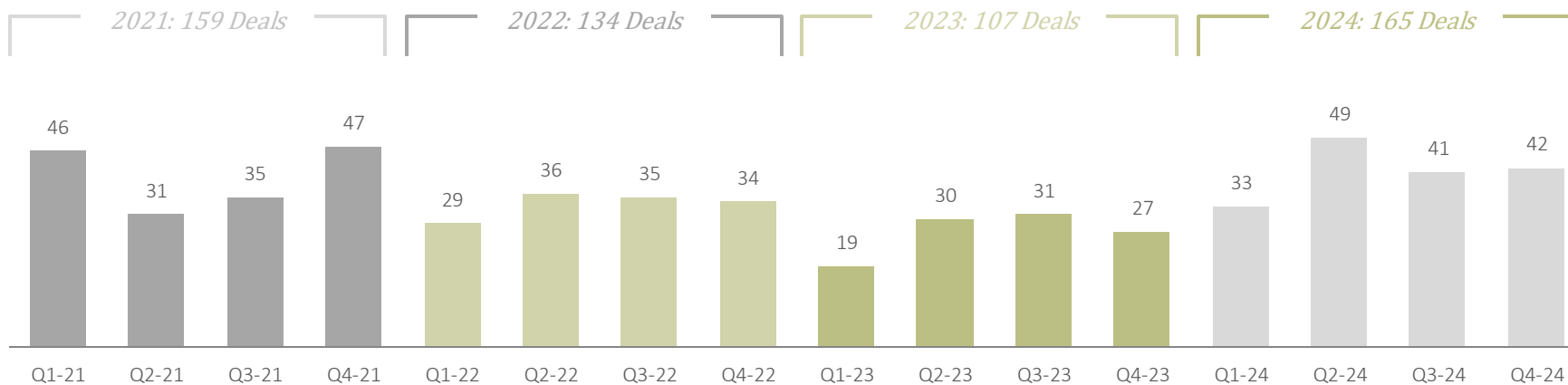
Source(s): S&P CapIQ

1. For index composition, please see page 37

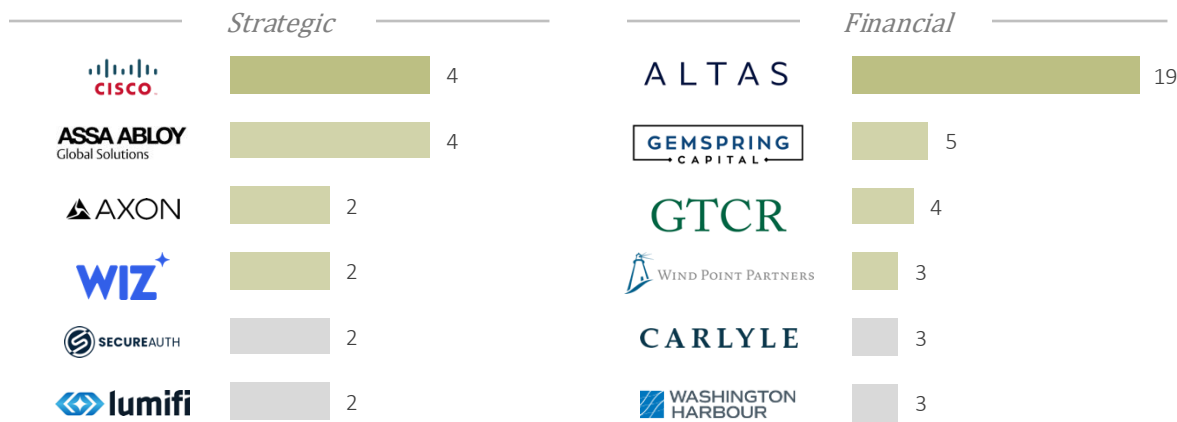


PHYSICAL & CYBER SECURITY

Transactions by Quarter



Top Acquirers in 2024¹



Commentary

M&A activity in 2024 has remained largely consistent with that of 2023, particularly in the security solutions sector. Many private equity firms, along with their portfolio companies such as Atlas Partners - Pye Barker, have expanded their security services. Additionally, strategic buyers like Cisco have focused on acquiring cybersecurity and security technology to build a comprehensive range of security offerings.

Source(s): S&P CapIQ

1. Only includes transaction in Physical & Cybersecurity market



PHYSICAL & CYBER SECURITY

Select Precedent Transactions



Date: 3/18/24
Size: \$28,549.9M
EBITDA Multiple: 169.8x

Transaction Details

Splunk, a cybersecurity and observability leader, 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: 6/3/24
Size: \$4,950.0M
EBITDA Multiple: 13.0x

Transaction Details

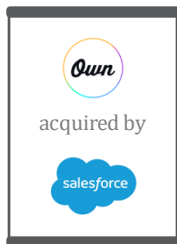
Carrier's Global Access Solutions includes three brands: LenelS2, a provider of commercial/enterprise access solutions; Onity, which offers electronic locks, access, and mobile credentials; and Supra, a cloud-based provider of electronic lockboxes offering mobile access management. The acquisition enhances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



Date: 10/1/24
Size: \$1,562.9M
EBITDA Multiple: N/A

Transaction Details

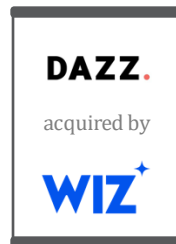
CyberArk, the identity security company, has signed a definitive agreement to acquire Venafi, a leader in machine identity management, from Thoma Bravo. This acquisition will combine Venafi's best-in-class machine identity management capabilities with CyberArk's leading identity security capabilities to establish a unified platform for end-to-end machine identity security at enterprise scale.



Date: 11/18/24
Size: \$2,111.1M
EBITDA Multiple: N/A

Transaction Details

Cloud-based CRM vendor Salesforce signed a definitive agreement to acquire data protection and data management solutions provider Own Company. Salesforce said the growing use of AI and generative AI has heightened customers' awareness of their need to protect and manage data, and Own's solutions will enhance availability, security, and compliance of customer data across Salesforce's platform.



Date: 11/21/24
Size: \$450.0M
EBITDA Multiple: N/A

Transaction Details

Wiz, a provider of cloud environment security, acquires Dazz, a cybersecurity startup specializing in identifying code vulnerabilities. This acquisition by Wiz aims to integrate Dazz's innovative technology into the newly launched Wiz Code service, which also focuses on vulnerability detection and resolution in coding.



Date: 12/20/24
Size: \$2,650.0M
EBITDA Multiple: N/A

Transaction Details

Mastercard expanded its cybersecurity services with an agreement to acquire the world's largest threat intelligence company (Recorded Future) from Insight Partners for \$2.65 billion. The acquisition bolsters the insights and intelligence used to secure today's digital economy in the payments ecosystem and beyond.

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



PHYSICAL & CYBER SECURITY

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
1/4/2024	Universal Motors Israel	G1 Security Solutions Group	Offers professional security services such as manned guards and systems	\$108.9	NA	NA
10/2/2023	The Chertoff Group	Trustwave Holdings	Designs and develops a cloud-native security operations platform	\$205.0	NA	NA
2/1/2024	Axon Enterprise	Fusus	Designs and develops a real-time security platform for public safety and investigation	\$302.4	NA	NA
2/8/2024	SecureAuth Corporation	Cloudentity	Develops identity-aware authorization and application security solutions	NA	NA	NA
2/14/2024	Motorola Solutions	The Silent Sentinel Group	Produces market-leading security systems for the homeland security market	\$39.7	NA	NA
2/14/2024	Armis	CTCI	Develops cyber security for management, cyber detection, and threat hunting	NA	NA	NA
5/9/2023	Quebec Pegmatite Corp.	First Responder Technologies	Develops detection products and services	\$5.9	NA	NA
9/21/2023	Cisco Systems	Splunk	Produces software for monitoring and analyzing machine-generated data	\$28,549.9	7.43x	169.83x
3/13/2024	Wiz	Gem Security	Develops a threat and breach detection management platform for cloud security	\$350.0	NA	NA
4/30/2024	Zscaler	Airgap Networks	Develops an isolation platform to prevent lateral threat movements	\$124.4	NA	NA
4/16/2024	Commvault Systems	Appranix	Produces cloud-native data and cyber resilience software	\$26.2	NA	NA
12/8/2023	Honeywell International	Global Access Solutions	Provides access and security solutions and electronic locking systems,	\$4,950.0	NA	13.00x
5/7/2024	Akamai Technologies	Noname Gate	Provides security solutions for protecting application programming interfaces	\$458.4	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
6/4/2024	Tyto Athene	Mindpoint Group	Provides cyber and information technology security consulting services	NA	NA	NA
7/9/2024	Bell Canada	Stratejm	Develops and offers a security-as-a-service platform	\$71.8	NA	NA
7/10/2024	Blackstone	Onyx-Fire Protection Services	Provides security systems and expert security engineering services/assessments	NA	NA	NA
6/10/2024	Fortinet	Lacework	Develops a data-driven cloud-native application protection platform (CNAPP)	\$146.1	NA	NA
8/9/2024	Impact Analytics	Antenna Transfer	Develops a secure payment and file transfer platform focused on privacy and security	\$2.0	NA	NA
9/18/2024	Management Group	Avante	Develops security technologies, products, and solutions	\$12.6	0.62x	NA
5/20/2024	CyberArk Software	Venafi	Operates machine identity/security management solutions	\$1,562.9	NA	NA
11/1/2024	DQI Holdings	T Stamp	Develops identity authentication software solutions for the government	\$4.3	0.92x	NA
10/21/2024	Garda World Security	Stealth Monitoring	Provides live remote video surveillance for the commercial security industry	NA	NA	NA
9/5/2024	Salesforce	OwnCompany	Provides data protection and data management solutions	\$2,111.1	NA	NA
11/20/2024	N-Able Technologies	Adlumin	Develops a security operations platform to detect cyber threats	\$265.9	NA	NA
11/21/2024	Wiz	Dazz	Develops a cloud security remediation platform to solve cybersecurity problems	\$450.0	NA	NA
9/12/2024	Mastercard	Recorded Future	Designs and develops real-time threat intelligence solutions	\$2,650.0	NA	NA

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



PHYSICAL & CYBER SECURITY

	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV /2024A		TEV/2025E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	9.80	10,026	16,444	1,463	8.9%	17,067	1,550	9.1%	0.61x	6.85x	0.59x	6.47x
The Brink's Company	87.95	6,819	5,120	962	18.8%	5,493	1,091	19.9%	1.33x	7.09x	1.24x	6.25x
Prosegur	1.95	2,792	5,071	622	12.3%	5,275	676	12.8%	0.55x	4.49x	0.53x	4.13x
Loomis	26.61	2,159	3,032	621	20.5%	3,121	656	21.0%	0.71x	3.48x	0.69x	3.29x
Average	\$31.58	\$5,449	\$7,417	\$917	15.1%	\$7,739	\$993	15.7%	0.80x	5.48x	0.76x	5.03x
Security Solutions												
Honeywell International	209.71	152,169	38,955	10,261	26.3%	40,973	10,902	26.6%	3.91x	14.83x	3.71x	13.96x
Johnson Controls	57.64	49,778	28,461	4,326	15.2%	29,480	4,500	15.3%	1.75x	11.51x	1.69x	11.06x
Motorola Solutions	313.09	57,570	10,508	3,244	30.9%	11,045	3,518	31.9%	5.48x	17.74x	5.21x	16.36x
ADT	6.82	15,653	5,590	2,529	45.3%	5,911	2,654	44.9%	2.80x	6.19x	2.65x	5.90x
Allegion	126.69	12,917	3,761	901	24.0%	3,909	958	24.5%	3.43x	14.34x	3.30x	13.48x
Alarm.com Holdings	64.62	3,109	920	148	16.1%	961	177	18.4%	3.38x	21.04x	3.24x	17.59x
Napco Security Technologies	34.25	1,190	191	54	28.1%	248	75	30.1%	6.24x	22.18x	4.79x	15.91x
Average	\$116.12	\$41,770	\$12,627	\$3,066	26.5%	\$13,218	\$3,255	27.4%	3.85x	15.40x	3.51x	13.46x

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



PHYSICAL & CYBER SECURITY

	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV /2024A		TEV/2025E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Palo Alto Networks	147.44	91,304	7,523	2,268	30.1%	8,879	2,584	29.1%	12.14x	40.26x	10.28x	35.34x
CrowdStrike Holdings	255.32	58,974	3,050	772	25.3%	3,936	1,015	25.8%	19.34x	NA	14.99x	58.12x
Fortinet	58.53	42,833	5,969	1,721	28.8%	6,935	2,122	30.6%	7.18x	24.89x	6.18x	20.19x
Zscaler	221.56	31,765	1,877	389	20.7%	2,340	506	21.6%	16.92x	NA	13.58x	NA
Cloudflare	83.26	27,801	1,649	293	17.8%	2,114	407	19.2%	16.86x	NA	13.15x	NA
Check Point Technologies	152.79	14,913	2,533	1,126	44.5%	2,655	1,191	44.9%	5.89x	13.24x	5.62x	12.52x
Okta	90.53	14,260	2,245	290	12.9%	2,479	433	17.5%	6.35x	49.11x	5.75x	32.96x
Average	\$144.20	\$40,264	\$3,550	\$980	25.7%	\$4,191	\$1,180	27.0%	12.10x	31.88x	9.94x	31.82x
Low	\$1.95	\$1,190	\$191	\$54	9%	\$248	\$75	9%	0.55x	3.48x	0.53x	3.29x
Mean	\$108.25	\$33,113	\$7,939	\$1,777	24%	\$8,490	\$1,945	25%	6.38x	17.15x	5.40x	17.09x
Median	\$85.61	\$15,283	\$4,416	\$932	22%	\$4,605	\$1,053	23%	4.69x	14.34x	4.25x	13.72x
High	\$313.09	\$152,169	\$38,955	\$10,261	45%	\$40,973	\$10,902	45%	19.34x	49.11x	14.99x	58.12x

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



CRITICAL INFRASTRUCTURE

Key Trends / Takeaways

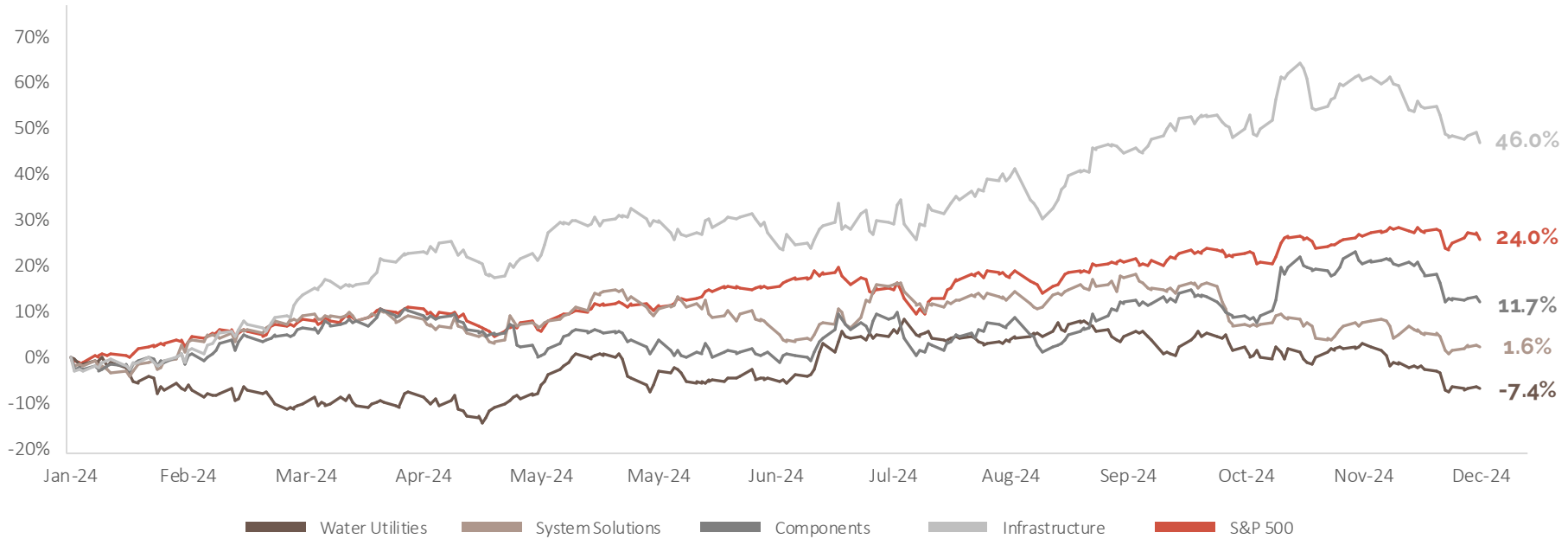
- The American Water Works Associate, Association of Metropolitan Water Agencies, along with representative organizations from U.S. manufacturing and chemical industries filed a petition against the EPA’s ruling which seeks to limit the presence of PFAS in drinking water. The petition alleges that the Administration significantly **underestimates the cost of with regulatory compliance on industry groups that will be required to install new treatment processes to meet the EPA’s 2029 deadline.**
- **In late April, President Biden signed a national security memorandum to strengthen the resiliency of U.S. critical infrastructure.** The memorandum grants the DHS oversight of critical infrastructure and requires it to periodically submit National Risk Management plans to summarize key findings. The memorandum was passed after the NSA, FBI, CISA, and TSA discovered that the Chinese-backed hacker group, known as “Volt Typhoon”, infiltrated aviation, maritime, pipeline, sewage, and water organizations.
- 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.
- U.S. municipal bond issuances hit a five-year low in 2023 as continued high interest rates deterred utilities from borrowing to finance capital expenditure or refinancing existing debt. While lower municipal debt offerings is usually seen as a leading indicator of reduced capital expenditures by municipalities, the combination of available funds from the Bipartisan Infrastructure Law and the large amount of refinancing that occurred during the pandemic due to cheap capital, means that many municipalities are well capitalized and deferring new debt offering until interest rates fall. Falling interest rates throughout 2024 led to a significant increase in municipal bond issuances as localities looked to raise new capital and refinance their existing debt. **New municipal bond issuances as of November 2024 reached \$507B, an almost 32% increase from the previous 12-month period.**
- In September, a federal judge ordered the EPA to further regulate fluoride in drinking water due to the potential risk overexposure poses to the intellectual development of children. **The EPA is conducting risk assessments on current practices – presently, 75% of Americans have fluoride added to their drinking water.**

Source(s): SIFMA, Global Water Intelligence, Financial Times, US News and World Report



CRITICAL INFRASTRUCTURE

Trailing Twelve Months (TTM) Public Equity Index Chart ¹



Commentary

- TMG’s Infrastructure index, comprised largely of construction companies, was the standout of 2024. The index was led by Primoris Services Corporation and Emcor, which both saw share prices double in the last twelve months. Growth was largely due to rising revenue from Primoris and Emcor’s respective focuses on the energy and data center markets, two industries experiencing significant growth
- TMG’s remaining indices (Water Utilities, System Solutions, and Components) lagged the S&P. One standout, Water Utilities, ended the year down over 7% due to continued inflation which makes the relatively steady dividend yields of utilities less attractive, especially compared to the increasingly tech driven S&P 500

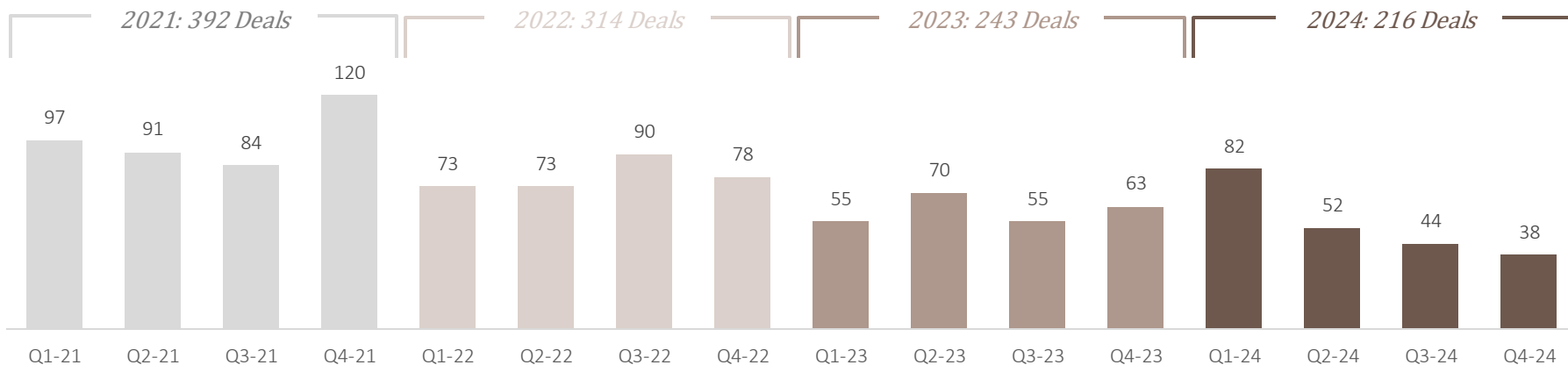
Source(s): S&P CapIQ

1. For index composition, please see page 37

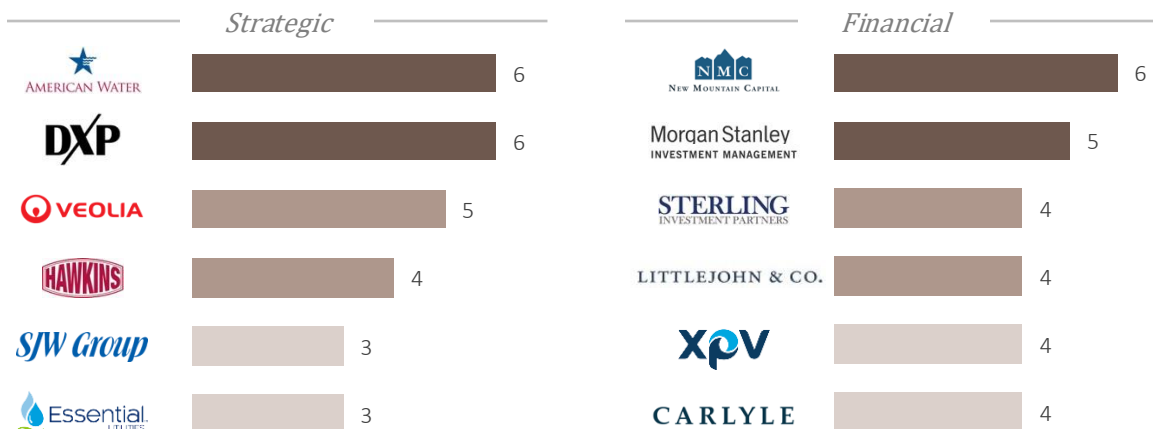


CRITICAL INFRASTRUCTURE

Transactions by Quarter



Top Acquirers in 2024¹



Commentary

2024 saw a continued decline in M&A activity across the infrastructure sector due largely to the persistent higher interest rate environment compared to previous years. The industry is heavily reliant on debt to finance the construction costs of projects that may not yield revenue for a number of years, creating an additional cost that has reduced investors' interest in the industry.

Source(s): S&P CapIQ

1. Only includes transaction in Critical Infrastructure market



CRITICAL INFRASTRUCTURE

Select Precedent Transactions



Date: 1/31/24
Size: \$455.9M
EBITDA
Multiple: 9.1x

Transaction Details

PCBL, India’s largest carbon black producer, acquired Aquapharm Chemical, a specialty chemical firm with a focus on water treatment as well as oil and gas end markets. The acquisition marks PCBL’s first foray outside of its core market and is the first step in the Company’s strategy to build a diversified global specialty chemical portfolio.



Date: 3/22/24
Size: \$400.0M
EBITDA
Multiple: 11.1x

Transaction Details

Clean Harbors (NYSE: CKH) is one of North America’s leading providers of environmental and industrial services. The Company’s acquisition of Hepaco, a provider of environmental field and emergency response services, will add over 1,000 employees across 40 regional locations and direct additional waste volume to Clean Harbors’ recycling facilities.



Date: 7/22/24
Size: \$14,125.8M
EBITDA
Multiple: 11.6x

Transaction Details

Equitrans owns and operates midstream assets in the Appalachian Basin and well as water pipelines in several regional waterways. The combined entity represents America’s largest vertically integrated natural gas business, with a competitively low breakeven price, aided in part by \$425M in anticipated synergies. EQT will leverage its new economics of scale to capitalize on growing natural gas demand.



Date: 9/5/24
Size: \$986.2M
EBITDA
Multiple: N/A

Transaction Details

Mott is a leading manufacturer of porous material structures and flow control solutions. Like IDEX, its products are essential yet represent a modest cost compared to the overall system they support. The acquisition grants IDEX new customer relationships and access to high growth end markets including semiconductor, energy transition, medical tech, and water purification.



Date: 9/30/24
Size: \$1,264.5M
EBITDA
Multiple: N/A

Transaction Details

M Group Services is the UK’s largest provider of essential infrastructure services and solutions to end marketing including water, energy and telecom. M Group has grown substantially under its previous private equity ownership which completed 14 add-on acquisitions, growing the Company from £1 billion in 2018 to £2 billion today. M Group’s 11,000 employees across 216 locations will form a new platform for CVC.



Date: 10/8/24
Size: \$2,000.0M
EBITDA
Multiple: N/A

Transaction Details

Environmental Solutions Group provides refuse collection vehicles and recycling equipment under a family of brands. The acquisition will add to Terex’s portfolio in the rapidly growing waste and recycling markets while expanding its customer base and product offering. The acquisition will be accretive to Terex’s margins and including \$25M in synergies to be realized by 2026.

Source(s): S&P CapIQ



CRITICAL INFRASTRUCTURE

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
1/3/2024	Badger Meter	Water Monitoring Assets of Trimble	Comprised of remote water monitoring hardware and software in the U.S.	\$3.0	NA	NA
1/10/2024	Pennon Group	Sumisho Osaka Gas Water UK	Offers public water supply services in the UK	\$113.2	NA	NA
1/19/2024	ITT	SVANEHØJ Danmark	Manufactures and markets marine and deep well pumps and systems	\$395.0	2.82x	NA
1/31/2024	PCBL Limited	Aquapharm Chemical	Manufactures and supplies specialty chemicals	\$455.9	1.86x	9.11x
2/15/2024	Ovivo	E2metrix	Manufactures equipment for the treatment of wastewater	NA	NA	NA
2/29/2024	Fortune Brands Innovations	SpringWell Water Filtration Systems	Provides residential whole-home water filtration and water softening solutions	\$104.2	NA	NA
3/22/2024	Clean Harbors	HEPACO	Provides environmental and emergency services in the Eastern United State	\$400.0	1.48x	11.11x
4/5/2024	True Environmental	Triton Environmental	Provides environmental consulting and engineering services	NA	NA	NA
5/7/2024	Sterling Investment Partners Advisors	Verdantas	Engineering for environment, energy, and infrastructure markets	NA	NA	NA
5/21/2024	TransDigm Group	SEI Industries	Engages in the design and manufacture of fabric based industrial equipment	\$191.0	NA	NA
6/3/2024	Interpump Group	Alfa Valvole	Specializes in the production and distribution of pumps and valves for industrial process fluids	\$45.5	1.49x	NA
6/25/2024	Sulzer	Owatec Group	Offers industrial wastewater treatment and sludge management solutions	\$22.8	4.23x	NA
7/17/2024	Workdry International	Holland Pump	Engages in manufacturing, renting, and servicing pumps and related equipment	NA	NA	NA

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



CRITICAL INFRASTRUCTURE

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
7/22/2024	EQT	Equitrans Midstream	Owns, operates, acquires, and develops midstream assets in the Appalachian Basin	\$14,125.8	10.13x	11.56x
8/15/2024	Lawson Products Canada	Source Atlantic	Distributes industrial maintenance supplies including pipes, valves, and fitting products	\$77.1	0.57x	NA
8/29/2024	Industrial and Financial Systems	Copperleaf Technologies	Provides decision analytics software solutions to companies managing critical infrastructure	\$621.5	10.02x	NM
9/4/2024	Grundfos	Commercial & Industrial business of Culligan	Comprised of water filtration and treatment solution assets in Italy	NA	NA	NA
9/5/2024	IDEX Corporation	Mott	Engages in porous metal product manufacturing, fabrication, and CNC machining	\$986.2	NA	NA
9/11/2024	DKL Neptune Recycling	H2O Midstream	Offers water management solutions for oil and gas operators	\$230.0	NA	NA
9/30/2024	CVC Capital	M GROUP Services	Provides infrastructure services to utilities, transportation, and telecom in the UK	\$1,264.5	NA	NA
10/8/2024	Terex	Environmental Solutions Group	Provides collection vehicles and equipment for the solid waste management industry	\$2,000.0	2.67x	NA
10/15/2024	Flowserve	Mogas Industries	Specializes in providing valves for severe-service applications	\$305.0	1.84x	NA
11/1/2024	Parsons	BCC Engineering	Provides construction management services for transportation and civil engineering projects	\$230.0	NA	NA
11/4/2024*	CVC DIF	ECO Industrial Environmental Engineering	Provides waste management services for industrial customers in Singapore	\$473.0	6.47x	NA
11/6/2024	Indiana American Water Company	Silver Creek Water	Provides water supply services in Indiana	\$45.0	NA	NA
12/3/2024	Haier Smart Home Co	Kwikot	Manufactures and sells electric water heaters and accessories	\$132.1	1.26x	NA

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



CRITICAL INFRASTRUCTURE

	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV/2024A		TEV/2025E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	124.49	37,489	4,573	2,509	55%	4,838	2,758	57%	8.20x	14.94x	7.75x	13.59x
Essential Utilities	36.32	17,414	2,175	1,173	54%	2,367	1,310	55%	8.01x	14.84x	7.36x	13.30x
California Water Service Group	45.33	3,952	1,022	353	35%	990	329	33%	3.87x	11.21x	3.99x	12.00x
American States Water	77.72	3,868	610	238	39%	653	266	41%	6.34x	16.24x	5.92x	14.54x
SJW Group	49.22	3,408	719	288	40%	758	316	42%	4.74x	11.83x	4.50x	10.80x
Consolidated Water	25.89	314	139	29	21%	151	31	20%	2.26x	10.98x	2.08x	10.23x
Global Water Resources	11.50	387	52	26	50%	55	26	48%	7.38x	14.71x	7.03x	14.65x
Average	\$52.92	9,547	1,327	659	42%	1,402	719	42%	5.83x	13.54x	5.52x	12.73x
System Solutions												
Danaher	229.55	182,001	23,736	7,432	31%	25,178	8,174	32%	7.67x	24.49x	7.23x	22.26x
Dover	187.60	28,738	7,808	1,700	22%	8,204	1,877	23%	3.68x	16.91x	3.50x	15.31x
Xylem	116.02	29,307	8,491	1,741	21%	8,922	1,908	21%	3.45x	16.83x	3.29x	15.36x
IDE	209.29	17,317	3,277	886	27%	3,523	979	28%	5.28x	19.56x	4.91x	17.68x
Pentair	100.64	18,152	4,082	1,012	25%	4,250	1,114	26%	4.45x	17.94x	4.27x	16.30x
A. O. Smith	68.21	9,778	3,861	812	21%	3,991	868	22%	2.53x	12.04x	2.45x	11.26x
Watts Water Technologies	203.30	6,684	2,249	451	20%	2,280	462	20%	2.97x	14.83x	2.93x	14.47x
Average	\$159.23	41,711	7,643	2,005	24%	8,050	2,198	25%	4.29x	17.51x	4.08x	16.09x

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



CRITICAL INFRASTRUCTURE

Components	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV/2024A		TEV/2025E	
			Revenue	EBITDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	84.29	13,515	2,119	690	33%	2,221	735	33%	6.38x	19.60x	6.09x	18.40x
Flowserve	57.52	8,428	4,586	624	14%	4,916	720	15%	1.84x	13.50x	1.71x	11.71x
Franklin Electric	97.45	4,500	2,005	303	15%	2,095	326	16%	2.24x	14.84x	2.15x	13.81x
Mueller Water Products	22.50	3,683	1,352	297	22%	1,368	312	23%	2.72x	12.39x	2.69x	11.80x
The Gorman-Rupp Company	37.92	1,338	660	122	18%	684	124	18%	2.03x	10.99x	1.96x	10.76x
Energy Recovery	14.70	744	146	23	16%	163	38	23%	5.11x	32.36x	4.56x	19.59x
Average	\$52.40	5,368	1,811	343	20%	1,908	376	21%	3.39x	17.28x	3.19x	14.34x
Infrastructure												
AECOM	106.82	15,912	16,316	1,112	7%	17,220	1,216	7%	0.98x	14.31x	0.92x	13.09x
Tetra Tech	39.84	11,450	4,608	601	13%	4,835	660	14%	2.48x	19.04x	2.37x	17.36x
Clean Harbors	230.14	14,995	5,890	1,111	19%	6,246	1,215	19%	2.55x	13.50x	2.40x	12.34x
EMCOR Group	453.90	20,202	14,613	1,436	10%	15,678	1,540	10%	1.38x	14.07x	1.29x	13.12x
Arcosa	96.74	5,232	2,594	443	17%	2,958	569	19%	2.02x	11.81x	1.77x	9.19x
Primoris Services	76.40	5,097	6,239	406	7%	6,568	450	7%	0.82x	12.57x	0.78x	11.33x
Average	\$167.31	12,148	8,377	851	12%	8,918	941	13%	1.70x	14.22x	1.59x	12.74x
Low	\$11.50	\$314	\$52	\$23	7%	\$55	\$26	7%	0.82x	10.98x	0.78x	9.19x
Mean	\$107.82	\$17,843	\$4,766	\$993	25%	\$5,043	\$1,089	26%	3.90x	15.63x	3.69x	14.01x
Median	\$81.01	\$9,103	\$2,936	\$613	21%	\$3,241	\$690	22%	3.21x	14.77x	3.11x	13.45x
High	\$453.90	\$182,001	\$23,736	\$7,432	55%	\$25,178	\$8,174	57%	8.20x	32.36x	7.75x	22.26x

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



MARITIME TRANSPORT & FACILITIES

Key Trends / Takeaways

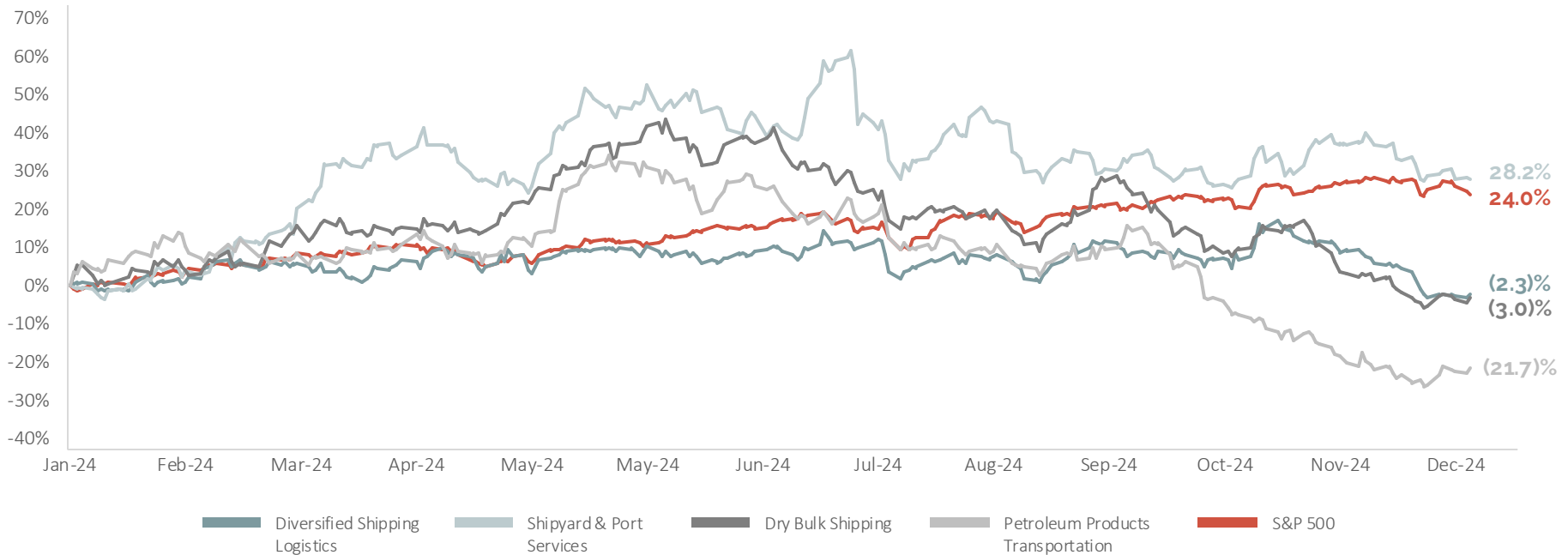
- **Container shipping capacity has increased to 29.5 million twenty-foot equivalent units (TEUs), an 11% increase from 2023.** This growth marks the largest increase in shipping capacity year-over-year in over a decade. In the first 11 months of 2024, 410 vessels were completed and delivered to shipping companies, adding 2.5 million TEUs to the global shipping industry. The rapid growth of capacity is partially due to the conflict in the Red Sea, which has forced shipping companies to take longer, more expensive routes.
- Shipping companies are bracing for significant strategic changes after **President-elect Donald Trump proposed tariffs reaching upwards of 60% on Chinese-made products.** The tariffs would have a consequential impact on the routes taken by shipping companies and would likely lead to an increase in freight costs as companies move towards manufacturing products domestically. Increased tariffs on international products would also strain domestic ports in the short term as companies try to import as much as possible before the tariffs take effect.
- **Shipments entering the Port of Baltimore were temporarily halted after a vessel collided with the Francis Scott Key Bridge** in March 2024. In addition to profoundly impacting the regional economy, the incident also called attention to operational safety and vessel maintenance in the shipping industry.
- After dockworkers' demands for a 77% wage increase were not met, **docks along the East and Gulf coasts were shut down for three days as International Longshoremen's Association members walked off the job.** Over 50,00 dockworkers left ports unattended and set up picket lines in hopes of forcing companies to increase wages and curb the implementation of automated machinery. During the strike, the U.S. economy lost \$4.5B per day due to the lack of shipments that were being processed, putting a serious bottleneck on the national supply chain. On October 3rd, the ILA reached a deal that would increase wages by 62% over the life of the 6-year contract.
- **Houthi rebel groups in Yemen have continued to conduct strikes on vessels passing through the Red Sea.** These attacks have been occurring for over a year, with the first instance dating back to October 2023. With nearly 30% of all pre-conflict global container trade utilizing the Suez Canal, the attacks have forced shipping companies to take alternate routes to avoid the Red Sea. At the crisis's peak, shipping costs were nearly 5x higher than before the attacks began in 2023. With an increased naval presence in the area, there have been no strikes causing casualties or ship abandonments in over four months; however, the impact on the global supply chain continues to persist.

Source(s): S&P Global, Maritime-Executive, ShipCo, ABC, Wall Street Journal, Financial Times



MARITIME TRANSPORT & FACILITIES

Trailing Twelve Months (TTM) Public Equity Index Chart ¹



Commentary

- Aside from Shipyard & Port Services, TMG’s maritime indices significantly underperformed the S&P 500 in 2024, with three of the four indices declining despite nearly 25% growth in the overall market.
- The Petroleum Product Transportation index underperformed the S&P 500 by over 45%, largely due to the ongoing Red Sea Crisis causing elevated risk insurance premiums and decreasing the volume of oil tankers moving through the Middle East.
- The Shipyard & Port Services index outperformed the S&P 500 following a rally in October after the strike at U.S. ports came to an end.

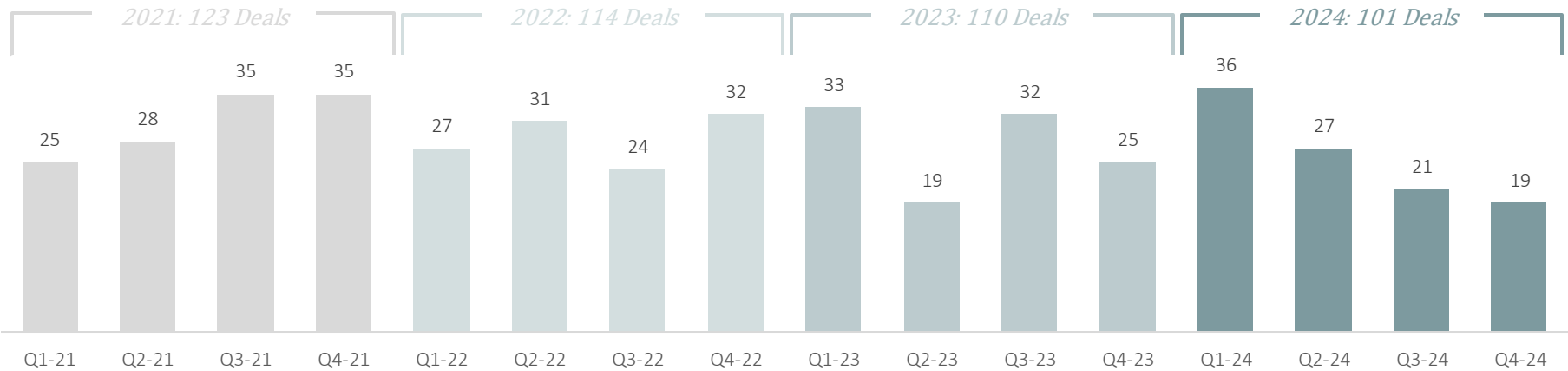
Source(s): S&P CapIQ

1. For index composition, please see page 37

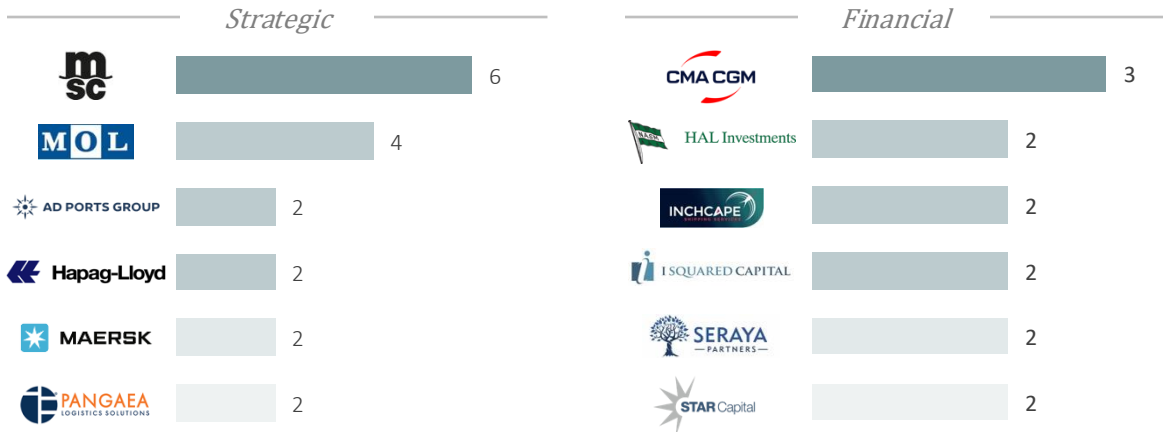


MARITIME TRANSPORT & FACILITIES

Transactions by Quarter



Top Acquirers in 2024¹



Commentary

Despite higher asset valuations, M&A volume in 2024 decreased again from the previous year. The deal volume by quarter mirrors TMG’s maritime indices which overall started the year strong and tapered off in Q3 and Q4. In many cases, both financial and institutional investors cited uncertainty surrounding freight rates and the proposed tariffs set to take effect as a reason for the decline in activity.

Source(s): S&P CapIQ

1. Includes only transactions in the Maritime market



MARITIME TRANSPORT & FACILITIES

Select Precedent Transactions



Date: 1/4/24
Size: \$1,520.4M
EBITDA
Multiple: N/A

Transaction Details —————
 Nippon Express Europe GmbH, a European holding subsidiary of Nippon Express Holdings, completed their acquisition of cargo-partner, a worldwide logistics services provider. The acquisition complements Nippon Express's existing logistics infrastructure in Central and Eastern Europe and enables the Company to further expand its global network through cargo-partner's diverse customer base.



Date: 1/8/24
Size: \$1,056.5M
EBITDA
Multiple: 17.8x

Transaction Details —————
 Blue Wolf Capital Partners, a private equity firm based in New York City, completed their acquisition of Logistec, a leading cargo handling services provider to marine, industrial, and municipal customers in Canada and the United States. Blue Wolf purchased 100% of the outstanding shares for 67 CAD/share, a 5.2% premium to the previous day's closing price.



Date: 1/31/24
Size: \$1,025.9M
EBITDA
Multiple: N/A

Transaction Details —————
 Abu Dhabi Ports Company, a trade, logistics, and transport enabler, acquired a 51% stake in Delanord, a short-sea vessel operations services provider in the Middle East and India. The acquisition expands Abu Dhabi Ports Company's short-sea vessel capabilities and allows them to further expand their presence in the Middle East and India.



Date: 2/29/24
Size: \$5,254.0M
EBITDA
Multiple: N/A

Transaction Details —————
 CMA CGM S.A., a worldwide container shipping company, completed the acquisition of Bolloré Logistics, a leading provider of international transport and logistics solutions in Africa. The acquisition expands CMA's logistics capabilities and triples the amount of revenue that the Company brings in from the logistics portion of their business.



Date: 4/29/24
Size: \$1,109.9M
EBITDA
Multiple: 9.7x

Transaction Details —————
 Eagle Bulk Shipping, a premier dry bulk cargo transporter, won final approval from its shareholders for a merger with Star Bulk Carriers, a worldwide provider of sustainable dry bulk shipping solutions. Eagle shareholders received 2.6211 shares of Star Bulk for each share of Eagle common stock owned. The combined entity instantly became one of the largest dry bulk shipping companies in the world with a fleet of 169 vessels.



Date: 7/24/24
Size: \$951.68M
EBITDA
Multiple: 6.1x

Transaction Details —————
 SAS Shipping Agencies SRL, a wholly-owned subsidiary of Mediterranean Shipping Company, completed the acquisition of Gram Car Carriers, the third-largest tonnage provider of pure car/truck carriers (PCTC) in the world. Gram Car Carriers owns 17 vessels and allowed MSC to enter the vehicle transportation/PCTC space. MSC cited increasing challenges in vehicle logistics as a main driver for the acquisition.

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



MARITIME TRANSPORT & FACILITIES

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
1/4/2024	Nippon Express	cargo-partner	Provides global logistics services worldwide	\$1,520.4	NA	NA
1/8/2024	Blue Wolf	Logistec	Offers cargo handling services in the United States and Canada	\$1,056.5	1.49x	17.80x
1/26/2024	Stena Sessan	Concordia Maritime	Offers tanker shipping services in Sweden and internationally	\$21.6	0.75x	3.68x
1/31/2024	Evergreen Marine	Italia Marittima	Provides container shipping services worldwide	\$443.9	NA	NA
1/31/2024	Abu Dhabi Ports	Delanord	Provides short-sea vessel operations services	\$1,025.9	NA	NA
2/29/2024	CMA CGM	Bolloré Logistics	Provides international transport and logistics solutions	\$5,330.3	0.68x	NA
3/4/2024	DACHSER SE	Frigoscandia	Offers national and international transport and warehousing services	\$72.4	NA	NA
3/21/2024	Minoan Lines Shipping	Igoumenitsa Port Authority	Owns and operates seaports for marine transportation and tourism	\$135.2	NA	NA
4/29/2024	Star Bulk	Eagle Bulk	Premier provider of dry bulk shipping solutions	\$1,109.9	2.24x	9.70x
5/1/2024	Mullen Group	Containerworld Forwarding Services	Provides logistics support to the alcoholic beverage and hospitality industries	\$22.3	NA	NA
5/16/2024	Blue Ocean	Golden Energy Offshore Services	Owns and operates offshore service vessels for the oil & gas industry	\$191.2	8.25x	34.38x
6/3/2024	Inchcape Shipping Services	Grieg Logistics	Provides maritime logistics and terminal operations services	NA	NA	NA
6/4/2024	Boluda France	Les Abeilles	Provides marine pollution and prevention services	\$102.3	NA	NA

Source(s): S&P CapIQ



MARITIME TRANSPORT & FACILITIES

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	Enterprise Value /	
					Revenue	EBITDA
7/24/2024	SAS Shipping Agencies	Gram Car Carriers	Operates as a tonnage supplier in Asia, Europe, and internationally	\$951.7	4.45x	6.11x
7/31/2024	Rand Logistics	Andrie	Provides marine transportation services in the Great Lakes	NA	NA	NA
8/1/2024	Röhlig Logistics	Air Ocean Ireland	Provide trucking, air, and ocean freight services	NA	NA	NA
8/8/2024	ITOCHU	Javelin Global Commodities	Provides supply chain logistics services for physical cargo shipping	NA	NA	NA
9/23/2024	CapZone Impact Investments	Alabama Shipyard	Offers ship maintenance and repair services	NA	NA	NA
9/30/2024	TSG Forwarding	AF Shipping	Provides bulk cargo, general cargo, and port forwarding services	NA	NA	NA
10/1/2024	NTG Germany	Schmalz+SchÖN Holding	Provides forwarding and freight logistics services	\$48.2	0.29x	NA
10/1/2024	Radiant Logistics	Focus Logistics	Offers domestic and international freight forwarding services	NA	NA	NA
10/9/2024	Mediterranean Shipping Company	Clasquin SA	Operates as an international freight forwarding and overseas logistics company	\$375.9	0.62x	9.51x
10/18/2024	A.P. Møller	Concentric	Designs and manufactures hydraulic engine solutions for the maritime industry	\$868.0	2.32x	15.34x
11/7/2024	Hapag-Lloyd	RHL Reederei Hamburger Lloyd	Provides fleet management services for ship containers	NA	NA	NA
11/29/2024	Bay-Houston Towing	Seabulk Towing Services	Provides docking and undocking services for petroleum vessels	NA	NA	NA
12/3/2024	Global Critical Logistics	Magusa Logistics	Provides shipping solutions for air, land, ocean, or multi-modal combinations	NA	NA	NA

Source(s): S&P CapIQ



MARITIME TRANSPORT & FACILITIES

	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV/2024A		TEV/2025E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central Corporation	10.29	690	491	133	27%	524	158	30%	1.40x	5.18x	1.32x	4.38x
Matson	134.84	4,865	3,383	710	21%	3,293	554	17%	1.44x	6.85x	1.48x	8.78x
Kirby Corporation	105.80	7,168	3,267	699	21%	3,480	796	23%	2.19x	10.26x	2.06x	9.01x
ArcBest Corporation	93.32	2,398	4,183	327	8%	4,347	391	9%	0.57x	7.33x	0.55x	6.13x
Diana Shipping	1.96	674	240	123	51%	NA	169	NA	2.81x	5.48x	NA	3.99x
Average	\$69.24	3,159	2,313	399	26%	2,911	414	20%	1.68x	7.02x	1.35x	6.46x
Shipyard & Port Services												
International Container	6.65	16,775	2,712	1,762	65%	2,966	1,925	65%	6.19x	9.52x	5.66x	8.71x
Great Lakes Dredge & Dock	11.29	1,230	771	133	17%	831	145	17%	1.59x	9.26x	1.48x	8.50x
Tidewater	54.71	3,230	1,343	551	41%	1,521	686	45%	2.41x	5.86x	2.12x	4.71x
Orion Group	7.33	362	852	41	5%	869	47	5%	0.42x	8.77x	0.42x	7.68x
DEME Group	142.66	4,021	4,144	769	19%	4,218	787	19%	0.97x	5.23x	0.95x	5.11x
Average	\$44.53	5,123	1,964	651	29%	2,081	718	30%	2.32x	7.73x	2.13x	6.94x
Dry Bulk Shipping												
Costamare	12.85	3,230	1,571	633	40%	1,277	641	50%	2.06x	5.10x	2.53x	5.04x
Star Bulk Carriers	14.95	2,785	993	544	55%	1,042	552	53%	2.80x	5.12x	2.67x	5.05x
Golden Ocean Group Limited	8.96	3,080	779	470	60%	753	546	73%	3.95x	6.55x	4.09x	5.64x
Danaos Corporation	80.07	1,746	1,009	724	72%	1,063	782	74%	1.73x	2.41x	1.64x	2.23x
Global Ship Lease	21.83	1,153	689	485	70%	664	450	68%	1.67x	2.38x	1.74x	2.56x

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



MARITIME TRANSPORT & FACILITIES

	Stock Price 12/31/24	Enterprise Value	2024A			2025E			TEV/2024A		TEV/2025E	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	3.57	786	297	171	58%	318	168	53%	2.64x	4.59x	2.47x	4.67x
Genco Shipping & Trading	13.94	625	299	155	52%	295	156	53%	2.09x	4.04x	2.12x	4.02x
Average	\$22.31	1,915	805	455	58%	773	471	60%	2.42x	4.31x	2.47x	4.17x
Petroleum Products Transportation												
Scorpio Tankers	49.69	2,962	1,270	858	68%	1,137	650	57%	2.33x	3.45x	2.61x	4.56x
International Seaways	35.94	2,278	957	599	63%	999	647	65%	2.38x	3.81x	2.28x	3.52x
Teekay Tankers	39.79	958	732	450	62%	860	529	61%	1.31x	2.13x	1.11x	1.81x
DHT Holdings	9.29	1,839	399	304	76%	479	408	85%	4.61x	6.05x	3.84x	4.50x
Nordic American Tankers	2.50	759	232	141	61%	292	200	69%	3.28x	5.38x	2.60x	3.79x
Ardmore Shipping	12.15	530	280	169	60%	224	138	61%	1.90x	3.13x	2.37x	3.85x
Average	\$24.89	1,554	645	420	65%	665	429	66%	2.63x	3.99x	2.47x	3.67x
Low	\$1.96	\$362	\$232	\$41	5%	\$224	\$47	5%	0.42x	2.13x	0.42x	1.81x
Mean	\$38.02	\$2,789	\$1,343	\$476	47%	\$1,430	\$501	48%	2.29x	5.56x	2.19x	5.14x
Median	\$13.94	\$1,839	\$852	\$470	55%	\$934	\$529	53%	2.09x	5.23x	2.12x	4.67x
High	\$142.66	\$16,775	\$4,183	\$1,762	76%	\$4,347	\$1,925	85%	6.19x	10.26x	5.66x	9.01x

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



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	GGG
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
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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