

February 2024

M&A Insider Report



Defense, Government & Intelligence

Physical & Cyber Security

Critical Infrastructure

Maritime Transport & Facilities

FIRM OVERVIEW

- Founded in 1997 and headquartered in Northern VA; 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

140+

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

Major News Stories

**Startup Employees, Investors Embrace Secondary Markets**

- Private-company stock trading platforms are gaining popularity among individuals who hold pre-IPO shares in startups and other private companies. This trend results from the slowdown in IPOs and the scarcity of liquidity options.
- Recent analysis suggests individual investors play a significant role in driving secondary markets. Many of these investors are employees or former employees of startups who accepted lower salaries in exchange for options or equity.

**Private Equity, Venture Capital, and Hedge Funds Face Potential Rise in Regulatory Oversight**

- On February 13, the Treasury Department proposed new anti-money laundering rules that would apply to private investment firms, including those managing private equity, venture capital, and hedge funds.
- These rules, subject to a 60-day comment period, would require fund advisers to implement anti-money laundering programs, maintain records of customer cash flows, and report suspicious transactions. Opponents of the new rules cite a lack of evidence and few concrete examples of criminals using private funds to launder money.

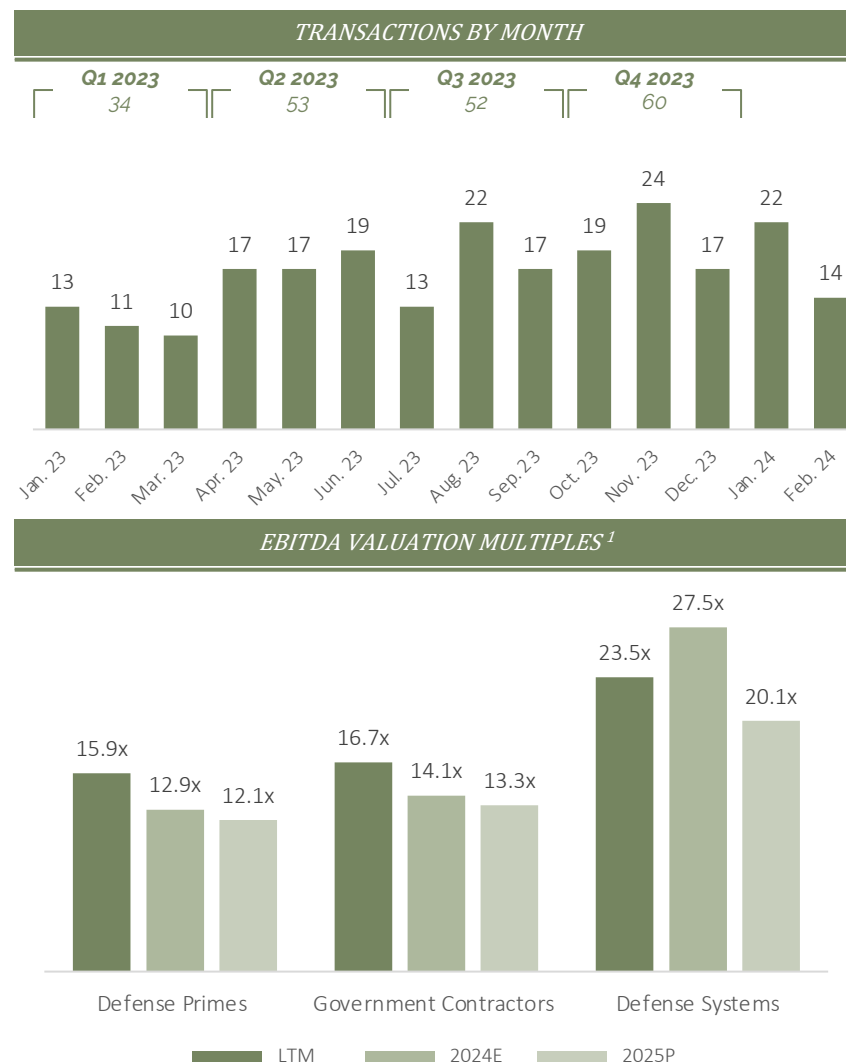
**Germany Sees Opportunity for Investment in the United States**

- German companies, lured by the US's economic strength and tax incentives, announced nearly \$15.7B of capital commitments in U.S. projects in 2023. This figure is up substantially over 2022 German commitments of roughly \$8.2B.
- By comparison, German investors pledged roughly \$5.9B in capital commitments in China, the country's largest trading partner.

**Private Equity Embraces Alternative Fundraising Tactics**

- According to a recent report, a record \$31B was deployed by “deal-by-deal” investors last year – approximately five times the amount raised and invested in 2019. The broader PE industry faced its weakest fundraising year since 2017.
- Deal-by-deal transactions, which allow investors to participate in specific transactions, have gained favor with institutional investors who prefer to cherry-pick companies they view as more attractive. Despite growing in popularity, these deals still account for a relatively small percentage of total capital deployed.

- The General Services Administration (“GSA”) has cleared all outstanding protests on the small business version of the contract vehicle, clearing the way for the agency to begin issuing awards. The Polaris SB vehicle is expected to have hundreds of awards over its life and does not have a contract ceiling.
- The DoD and its defense partners have developed an initial version of an agency effort to promote interoperability and information-sharing across combatant commands. This effort, known as the combined joint all-domain command and control (“CJADC2”) capability, is intended to improve communication among military personnel operating across different military domains, including air, land, sea, and cyberspace. The effort also serves as an effective use case for how the DOD can use quality data to embrace AI and other capabilities.
- According to a top Space Force leader, reports of Russia developing a nuclear space weapon will not affect the Pentagon's plans for a space-based communications network consisting of hundreds of small satellites. The Space Force's Proliferated Warfighter Space Architecture (“PWSA”) is designed to continue operations even if some of its satellites are destroyed by adversaries. According to the official, the most concerning threat is a "common mode failure," such as a cyber attack or supply chain infiltration, because it cannot be solved by proliferation.
- The Marine Corps released a solicitation for a new system to defend bases from small drones. The solicitation specifies that the system should combine anti-drone weapons with non-destructive methods like jamming or capturing drones.



Sources: Bloomberg, S&P Capital IQ, FedScoop, Washington Technology, AP News

1. For composition of indices, see page 21

**Date:** 02/01/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

SeaTec is a provider of consulting, engineering, and digital expertise for U.S. federal government and private sector clients. The Company's deep industry knowledge, paired with technical and digital expertise delivers high value programs for its clients. The acquisition is expected to join CAVOK, a division of Oliver Wyman, and help meet operations, cost, and reliability objectives.

**Date:** 02/08/2024***EV:** \$3,000M¹**EV/EBITDA:** ND*Transaction Details*

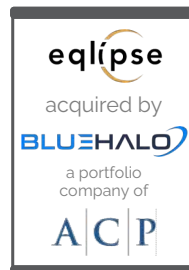
Veritas Technologies LLC ("Veritas") is a data protection company ensures the protection, recoverability, and compliance of customer data. The company also provides actionable insights through alerts and reports. The acquisition is expected to combine Cohesity's speed and innovation with Veritas' global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

**Date:** 02/12/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

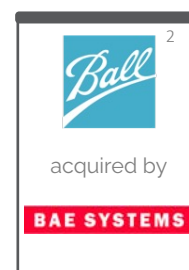
Seaford Consulting ("Seaford") is a provider of full-systems lifecycle management, IT solutions, and integrated business services for the public and private sectors. Seaford's services include business intelligence and transformation, systems and enterprise architecture, and many more. The acquisition will add highly-cleared employees and additional capabilities to the Crimson Phoenix platform.

**Date:** 02/13/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

Juno Technologies ("Juno") is a provider of IT engineering, systems integration, software development, and technical support to various areas within the U.S. government. The Company has a history of systems modernization including NAVWAR, Military Sealift Command, and the U.S. Coast Guard. The acquisition will allow Sigma Defense to quickly expand their capabilities and customers.

**Date:** 02/13/2024***EV:** ND**EV/EBITDA:** ND*Transaction Details*

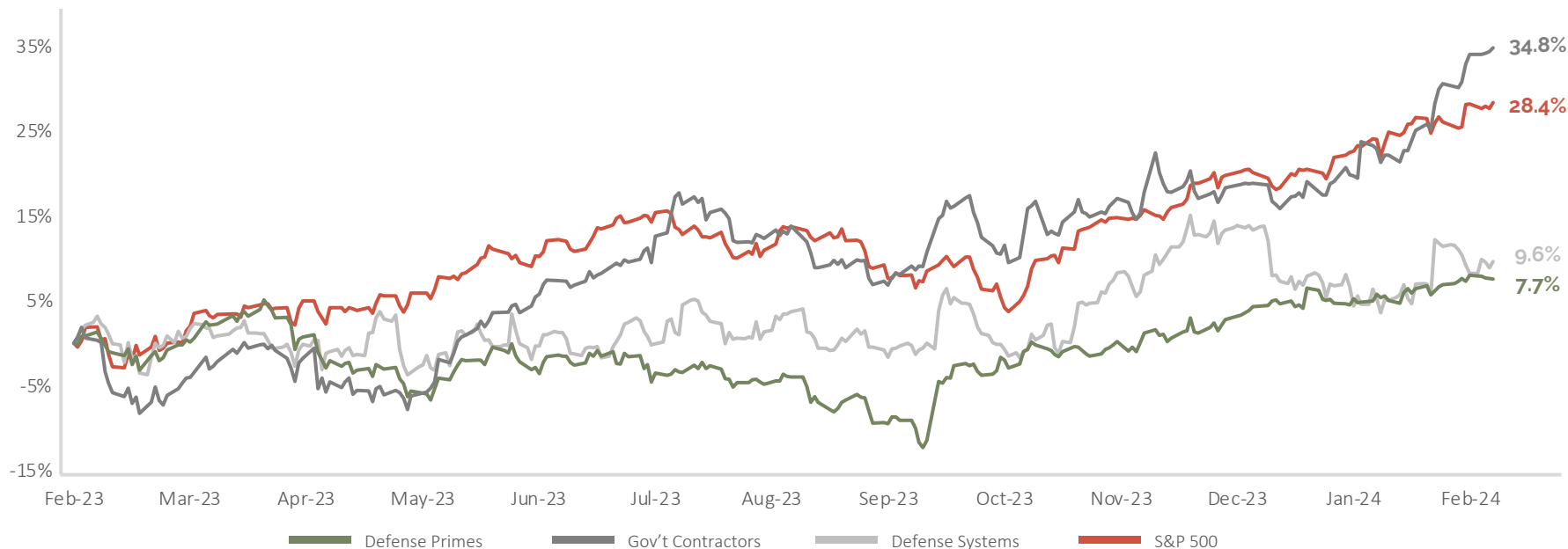
Eclipse Technologies ("Eclipse") is a provider of identity intelligence, advanced R&D, and cyber engineering solutions to a variety of public and private customers. The Company specializes in next-generation systems, solving big data challenges, and building data driven analytic systems. The acquisition will enhance Blue Halo's capabilities as it competes its \$1.4B USSF contract through the SCAR program.

**Date:** 02/16/2024**EV:** \$5,600M**EV/EBITDA:** 18.1x*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 through a new business unit named "Space and Mission Systems".

Contract Value (\$M)	Award Date	End Date	Customer	Awardee	Type	Contract Scope
\$1,022	02/02/2024	02/16/2029	DMDC	Deloitte	Cost Plus Fixed Fee	Provide a full range of IT services and technical solutions across a variety of areas
\$922	02/05/2024	02/04/2030	USCENTCOM	GDIT	Cost Plus Award Fee	Provide crucial mission support to USCENTCOM's CCJ6 including C5 capabilities
\$910	02/07/2024	04/19/2029	U.S. Army	Joint Technical Solutions	Various	Support both military and commercial material developers by testing a spectrum of equipment
\$790	02/21/2024	02/20/2034	U.S. Navy	Accenture	Various	Provide PMW 130 with Navy IT System Out of Bank for both shore and afloat sites
\$641	02/01/2024	07/31/2029	NASA	Four Points Technology	Firm Fixed Price	Deliver NASA cloud services to allow NASA to meet its computational requirements
\$510	02/21/2024	02/25/2033	U.S. Army	Cummins Power Generation	Firm Fixed Price / IDIQ	Provide nitrated material solutions, force sustainment support, and designs
\$400	02/01/2024	01/31/2034	U.S. Air Force	SRC	Firm Fixed Price / IDIQ / Cost Plus	Document U.S. and friendly foreign electromagnetic systems parametric data
\$282	02/22/2024	07/31/2027	NASA	Sierra Lobo	Cost Plus Fixed Fee / IDIQ	Support the definition, design, fabrication, assembly, and operation of space flight projects
\$257	02/02/2024	02/01/2029	SOF AT&L	Logistics Systems	Time & Materials	Support the comprehensive worldwide IT solutions needed to operate the SIE

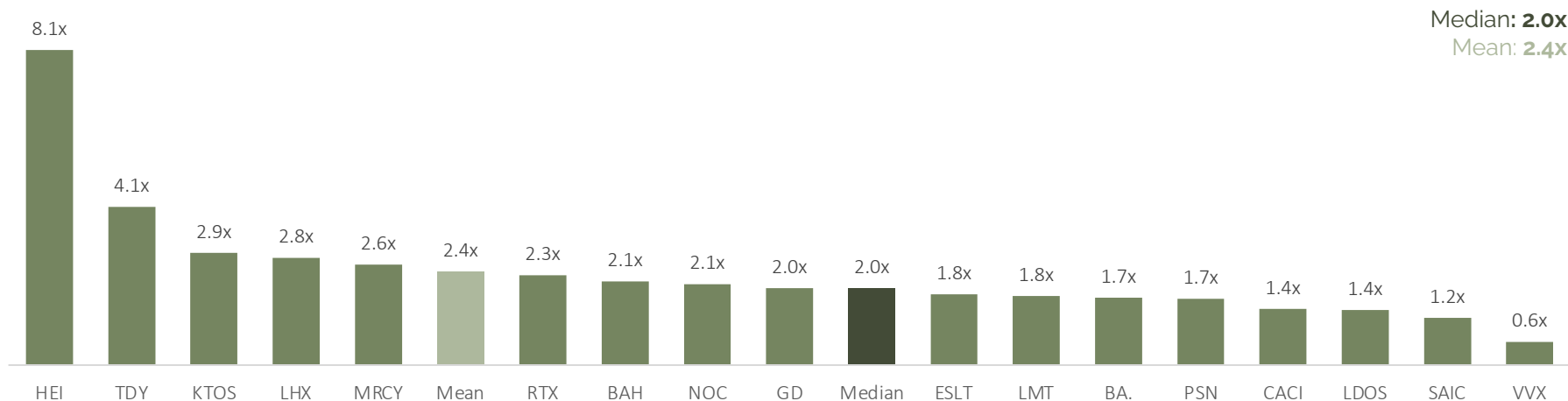
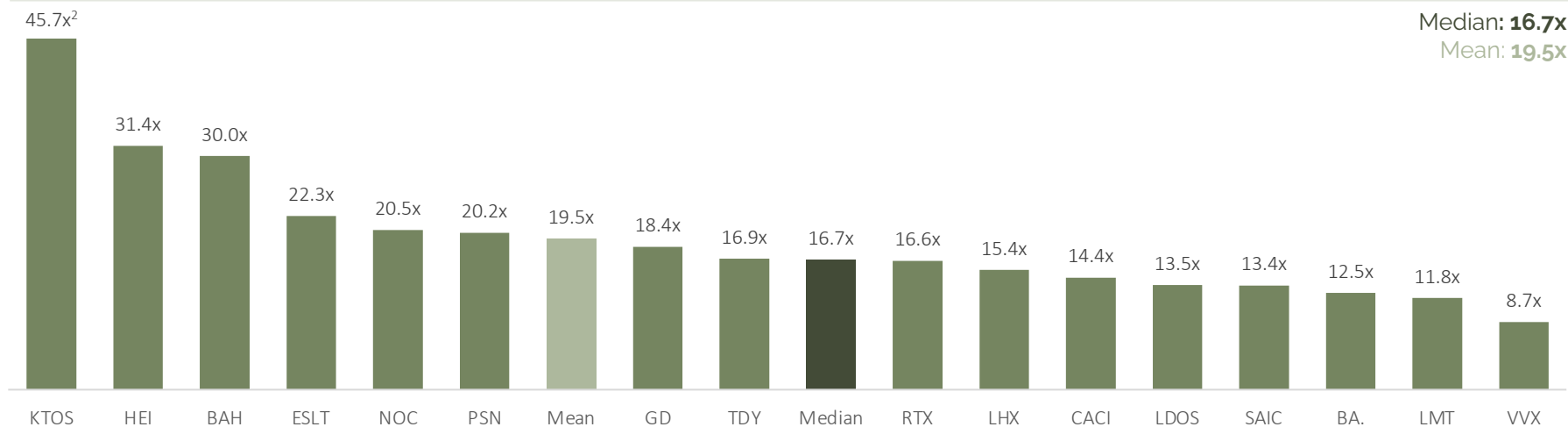
Sources: DACIS, GOVConWire, U.S. Department of Defense

TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART¹

Market Commentary

- Markets have continually posted strong gains over the TTM period, with the S&P 500 index rising approximately 28.4%. Government contractors have generally outperformed the broader market; TMG's Government Contractor index has posted gains of 34.8% over the TTM period and has risen nearly 118% over the past five years.²
- The Defense Systems index experienced a volatile month in February; this was largely driven by Kratos, which beat quarterly EPS estimates by 50%. Subsequently, the Company proposed to sell up to \$345M of common stock, which drove share prices down. Overall, the Defense Systems index rose 3.4% in the month of February.
- The Defense Primes index has posted relatively weak results compared to the broader market over the TTM period. However, it should be noted that this index was already elevated in February 2023 due to the ongoing war in Ukraine.

LTM REVENUE VALUATION MULTIPLES

LTM EBITDA VALUATION MULTIPLES¹

Sources: S&P Capital IQ, Bloomberg, Seeking Alpha

1. MRCY has been excluded from this analysis

2. Not to Scale

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price	Enterprise	CY2024E			2025P			TEV/2024E		TEV/2025P	
	2/29/24	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
Raytheon	89.67	159,417	78,658	13,083	17%	83,619	13,639	16%	2.03x	12.19x	1.91x	11.69x
Lockheed Martin	428.24	120,675	69,265	9,777	14%	71,772	10,202	14%	1.74x	12.34x	1.68x	11.83x
Northrop Grumman	461.02	81,769	41,096	5,703	14%	43,218	6,133	14%	1.99x	14.34x	1.89x	13.33x
General Dynamics	273.25	83,915	46,502	5,991	13%	48,379	6,457	13%	1.80x	14.01x	1.73x	13.00x
L3Harris	15.69	50,681	34,601	4,739	14%	37,053	5,053	14%	1.46x	10.69x	1.37x	10.03x
BAE Systems	211.66	53,688	21,190	3,827	18%	22,106	4,152	19%	2.53x	14.03x	2.43x	12.93x
Average	\$246.59	\$91,691	\$48,552	\$7,187	15%	\$51,024	\$7,606	15%	1.93x	12.93x	1.84x	12.13x
Gov't Contractors												
Leidos	127.86	21,975	15,956	1,680	11%	16,707	1,772	11%	1.38x	13.08x	1.32x	12.40x
Booz Allen Hamilton	147.71	22,188	10,604	1,165	11%	11,431	1,258	11%	2.09x	19.04x	1.94x	17.64x
CACI	374.85	10,322	7,471	837	11%	7,854	857	11%	1.38x	12.33x	1.31x	12.05x
SAIC	139.96	9,371	7,343	688	9%	7,360	701	10%	1.28x	13.62x	1.27x	13.38x
Parsons	80.61	9,277	5,655	498	9%	5,905	538	9%	1.64x	18.62x	1.57x	17.25x
V2X	38.50	2,321	4,079	304	7%	4,272	328	8%	0.57x	7.65x	0.54x	7.08x
Average	\$151.58	\$12,576	\$8,518	\$862	10%	\$8,921	\$909	10%	1.39x	14.06x	1.33x	13.30x

Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price	Enterprise	CY2024E			2025P			TEV/2024E		TEV/2025P	
	2/29/24	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
Teledyne Technologies	427.27	22,997	5,866	1,456	25%	6,165	1,559	25%	3.92x	15.79x	3.73x	14.75x
HEICO Corporation	193.40	26,319	3,955	1,010	26%	4,280	1,098	26%	6.66x	26.05x	6.15x	23.97x
Elbit Systems	222.20	11,437	6,463	617	10%	6,527	666	10%	1.77x	18.54x	1.75x	17.17x
Mercury Systems	29.87	2,313	855	48	6%	904	116	13%	2.70x	48.50x	2.56x	19.89x
Kratos Defense & Security	18.24	2,999	1,108	104	9%	1,236	122	10%	2.71x	28.77x	2.43x	24.50x
Average	\$178.20	\$13,213	\$3,650	\$647	15%	\$3,822	\$712	17%	3.55x	27.53x	3.32x	20.06x
Low	\$15.69	\$2,313	\$855	\$48	6%	\$904	\$116	8%	0.57x	7.65x	0.54x	7.08x
Mean	\$192.94	\$40,686	\$21,216	\$3,031	13%	\$22,282	\$3,215	14%	2.21x	17.62x	2.09x	14.88x
Median	\$147.71	\$22,188	\$7,471	\$1,165	11%	\$7,854	\$1,258	13%	1.80x	14.03x	1.75x	13.33x
High	\$461.02	\$159,417	\$78,658	\$13,083	26%	\$83,619	\$13,639	26%	6.66x	48.50x	6.15x	24.50x

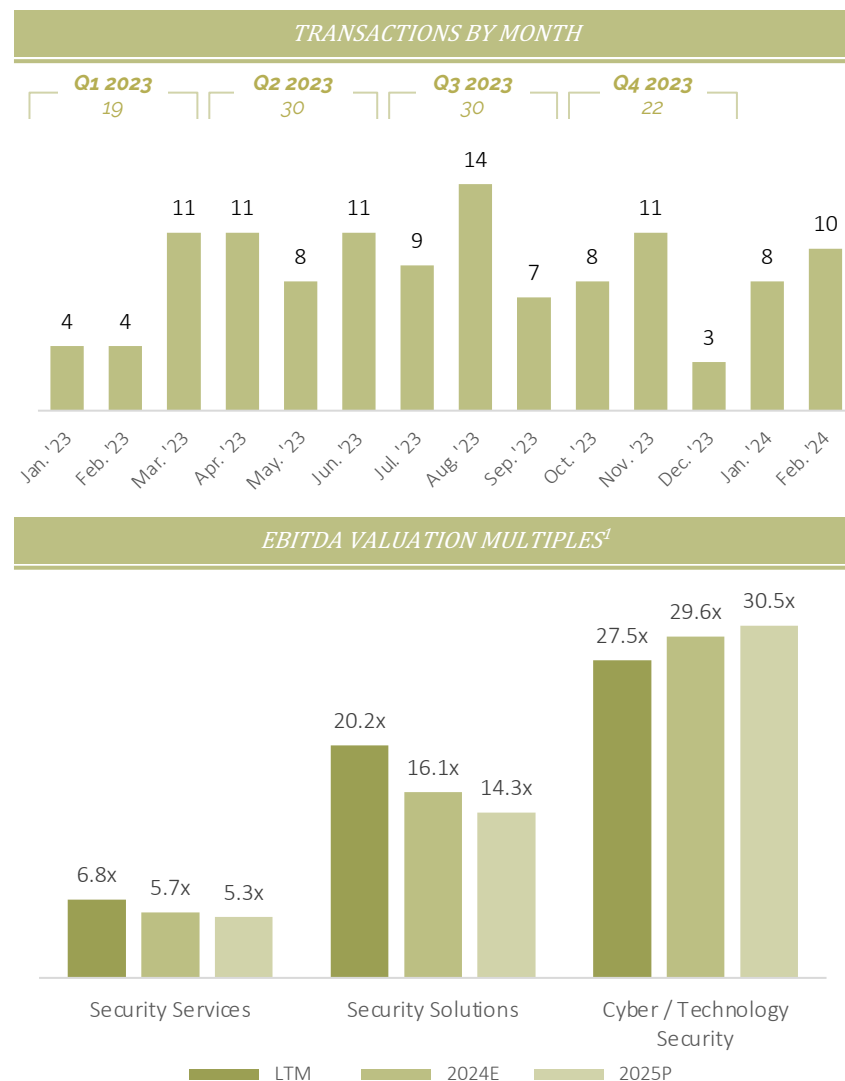
Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
02/01/2024	Marsh & McLennan	SeaTec	Provides consulting, engineering, and digital expertise for public and private markets.	NA	NA	NA
02/02/2024	BAE Systems	Malloy Aeronautics	Develops and manufactures all-electric uncrewed aerial systems and VTOL.	NA	NA	NA
02/06/2024	McNally Capital	VMD Systems Integrators	Provides cybersecurity, digital infrastructure, agile engineering, and homeland defense.	NA	NA	NA
02/08/2024*	Cohesity	Veritas Technologies	Ensures cloud uptime SLAs while simplifying migration, disaster recovery, and others.	\$3,000	NA	NA
02/12/2024	Crimson Phoenix	Seaford Consulting	Provides full-systems lifecycle, integrated business, and other mission services.	NA	NA	NA
02/13/2024	Sigma Defense Systems	Juno Technologies	Provides IT engineering, systems integration, software development, and tech support.	NA	NA	NA
02/13/2024*	Blue Halo	Eclipse Technologies	Delivers identity intelligence, advanced R&D, and cyber engineering solutions.	NA	NA	NA
02/16/2024	BAE Systems	Ball Aerospace & Technologies	Develops fill satellite systems and space missions, instruments, and other systems.	\$5,600	2.5x	18.1x
02/22/2024	Tetra Tech	LS Technologies	Provides enterprise technology and management consulting solutions.	NA	NA	NA
02/26/2024	KSARIA Corporation	Charles E. Gillman	Manufactures high-reliability electrical cables and harnesses for military ground vehicles.	NA	NA	NA
02/27/2024	Cox Enterprises	OpenGov	Offers cloud-based software for budgeting, community development and financial mgmt.	NA	NA	NA
02/27/2024	CBRE	J&J Maintenance	Provides facility support services including O&M, BOS, and medical maintenance.	\$1,050	2.0x	16.2x

Sources: S&P Capital IQ, DACIS, GovConWire
 *Announced, not closed

- The FBI anticipates increased cyber threats targeting the upcoming 2024 election cycle. In a recent statement, FBI Director Wray noted: “Advances in generative AI, for instance, are lowering the barrier to entry, making it easier for both more and less sophisticated foreign adversaries to engage in malign influence, while making foreign influence efforts—efforts by players both old and new—more realistic, and more difficult to detect.”
- According to a report released in February, an FBI operation disrupted a Chinese-linked hacking group late last year. The report revealed that the group installed malware on end-of-life Cisco and NetGear routers, which were ultimately rendered inert by the operation. Director Wray noted that the federal government must work with private-sector partners to deter Beijing-sponsored cyber threats amid broader diplomatic tensions between the two nations.

Select February Transactions



Sources: Strategic Market Research, S&P Capital IQ, CNBC, The Wall Street Journal, Washington Technology

1. For composition of indices, see page 21

PHYSICAL & CYBER SECURITY

	Stock Price 2/29/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	10.74	9,951	15,494	1,397	9%	16,072	1,492	9%	0.64x	7.12x	0.62x	6.67x
The Brink's Company	82.83	6,485	5,146	961	19%	5,405	1,058	20%	1.26x	6.75x	1.20x	6.13x
Prosegur	1.92	2,751	4,858	571	12%	5,093	619	12%	0.57x	4.82x	0.54x	4.44x
Loomis	26.99	2,361	2,894	585	20%	2,985	620	21%	0.82x	4.03x	0.79x	3.81x
Average	\$30.62	\$5,387	\$7,098	\$879	15%	\$7,389	\$947	15%	0.82x	5.68x	0.79x	5.26x
Security Solutions												
Honeywell International	198.73	143,634	38,702	10,105	26%	40,765	10,799	26%	3.71x	14.21x	3.52x	13.30x
Johnson Controls	59.27	51,810	28,250	4,357	15%	29,457	4,459	15%	1.83x	11.89x	1.76x	11.62x
Motorola Solutions	330.39	59,749	10,600	3,298	31%	11,190	3,566	32%	5.64x	18.12x	5.34x	16.75x
ADT	7.26	14,491	4,888	2,552	52%	5,689	2,673	47%	2.96x	5.68x	2.55x	5.42x
Allegion	127.87	12,893	3,739	901	24%	3,877	950	24%	3.45x	14.30x	3.33x	13.58x
Alarm.com Holdings	75.69	3,646	925	163	18%	977	176	18%	3.94x	22.40x	3.73x	20.66x
Napco Security Technologies	45.03	1,583	198	60	31%	238	84	35%	8.00x	26.17x	6.66x	18.92x
Average	\$120.61	\$41,115	\$12,472	\$3,062	28%	\$13,170	\$3,244	28%	4.22x	16.11x	3.84x	14.32x

Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

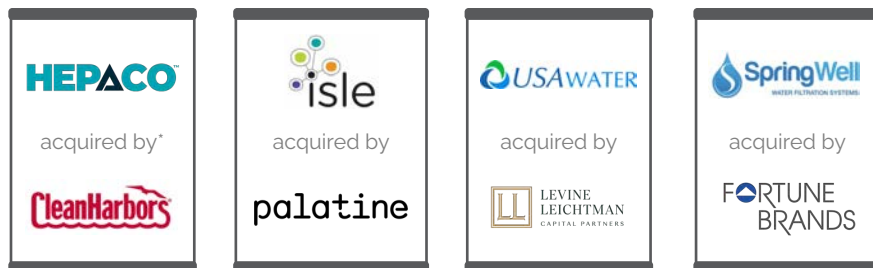
PHYSICAL & CYBER SECURITY

	Stock Price 2/29/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Palo Alto Networks	310.55	99,028	8,459	2,520	30%	9,819	3,049	31%	11.71x	39.30x	10.08x	32.48x
CrowdStrike	324.15	75,503	3,051	774	25%	3,948	1,006	25%	24.75x	NA	19.13x	NA
Fortinet	69.11	51,364	5,788	1,682	29%	6,603	1,964	30%	8.87x	30.53x	7.78x	26.16x
Zscaler	241.97	34,666	2,345	510	22%	2,924	685	23%	14.79x	NA	11.86x	50.59x
Cloudflare	98.54	33,034	1,655	305	18%	2,117	408	19%	19.95x	NA	15.60x	NA
Check Point	160.42	15,837	2,555	1,142	45%	2,691	1,211	45%	6.20x	13.87x	5.89x	13.08x
Okta	107.30	16,806	2,511	484	19%	2,837	555	20%	6.69x	34.73x	5.92x	30.27x
Average	\$187.43	\$46,605	\$3,766	\$1,060	27%	\$4,420	\$1,268	28%	13.28x	29.61x	10.89x	30.51x
Low	\$1.92	\$1,583	\$198	\$60	9%	\$238	\$84	9%	0.57x	4.03x	0.54x	3.81x
Mean	\$126.60	\$35,311	\$7,892	\$1,798	25%	\$8,483	\$1,965	25%	6.99x	16.93x	5.91x	17.12x
Median	\$90.69	\$16,321	\$4,299	\$931	23%	\$4,520	\$1,032	24%	4.79x	14.21x	4.54x	13.44x
High	\$330.39	\$143,634	\$38,702	\$10,105	52%	\$40,765	\$10,799	47%	24.75x	39.30x	19.13x	50.59x

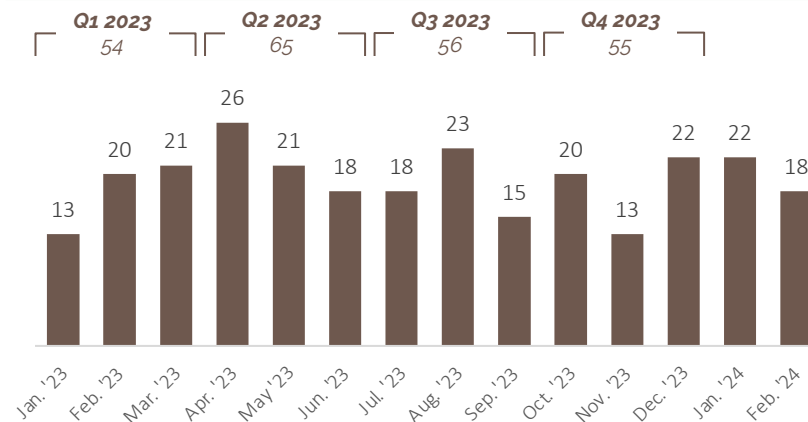
Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

- U.S. municipal bond issuances hit a five-year low in 2023 as continually high interest rates deterred utilities from borrowing to finance capital expenditure of refinancing of 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 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.
- On February 20th, the EPA announced over \$5.8B for water-related infrastructure projects with \$2.6B going to wastewater and stormwater infrastructure and \$3.2B to drinking water projects. Funds will flow into grants and state-run, low interest loan programs to upgrade the Nation's aging water infrastructure including lead pipe replacement, water treatment plants, and flood prevention.

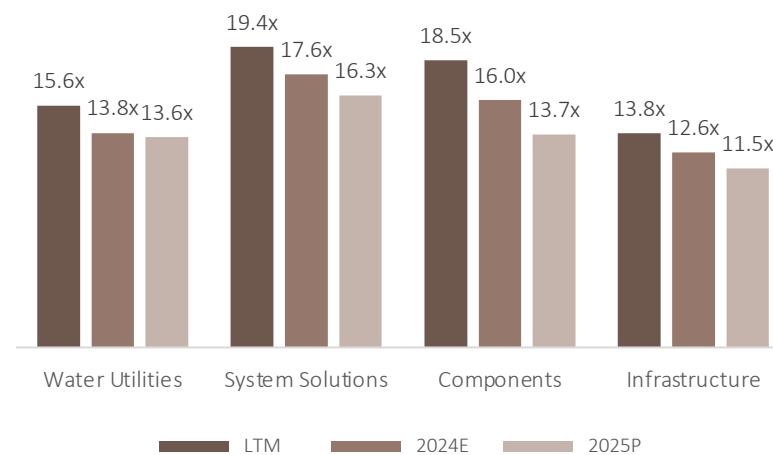
Select February Transactions



TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES



Source(s): Global Water Intelligence, WaterWorld
 * Announced not closed
 1. For composition of indices, see page 21

CRITICAL INFRASTRUCTURE

	Stock Price 2/29/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	118.54	35,149	4,446	2,402	54%	4,700	2,699	57%	7.91x	14.63x	7.48x	13.03x
Essential Utilities	34.78	16,609	2,363	1,213	51%	2,518	1,325	53%	7.03x	13.69x	6.60x	12.53x
California Water Service	45.89	3,858	938	305	32%	975	342	35%	4.11x	12.67x	3.96x	11.27x
American States Water	71.41	3,545	552	223	40%	582	241	41%	6.42x	15.89x	6.09x	14.74x
SIW	55.06	3,503	704	281	40%	719	320	45%	4.98x	12.49x	4.87x	10.94x
Consolidated Water	29.56	424	172	40	23%	141	27	19%	2.46x	10.57x	3.00x	15.52x
Global Water Resources	12.94	417	52	25	47%	53	25	46%	8.03x	16.93x	7.90x	17.00x
Average	\$52.60	9,072	1,318	641	41%	1,384	711	42%	5.85x	13.84x	5.70x	13.57x
System Solutions												
Danaher	253.14	200,924	24,027	7,686	32%	26,153	8,593	33%	8.36x	26.14x	7.68x	23.38x
Dover	165.38	26,428	8,579	1,856	22%	8,911	1,986	22%	3.08x	14.24x	2.97x	13.31x
Xylem	127.05	32,434	8,495	1,685	20%	8,939	1,853	21%	3.82x	19.24x	3.63x	17.50x
IDEX	235.90	18,751	3,345	933	28%	3,522	1,013	29%	5.61x	20.10x	5.32x	18.50x
Pentair	77.79	14,785	4,222	1,000	24%	4,423	1,083	24%	3.50x	14.78x	3.34x	13.65x
A. O. Smith	82.90	12,006	4,010	872	22%	4,164	917	22%	2.99x	13.77x	2.88x	13.10x
Watts Water Technologies	203.95	6,794	2,262	451	20%	2,344	474	20%	3.00x	15.08x	2.90x	14.33x
Average	\$163.73	44,589	7,849	2,069	24%	8,351	2,274	24%	4.34x	17.62x	4.10x	16.25x

Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

CRITICAL INFRASTRUCTURE

Components	Stock Price 2/29/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	91.26	14,860	2,253	753	33%	2,361	798	34%	6.59x	19.72x	6.29x	18.63x
Flowserve	42.32	6,451	4,573	583	13%	4,766	648	14%	1.41x	11.06x	1.35x	9.96x
Franklin Electric	103.96	4,862	2,120	325	15%	2,214	344	16%	2.29x	14.98x	2.20x	14.14x
Mueller Water Products	15.55	2,690	1,239	226	18%	1,286	251	20%	2.17x	11.88x	2.09x	10.71x
The Gorman-Rupp	37.33	1,375	687	119	17%	722	121	17%	2.00x	11.60x	1.91x	11.35x
Energy Recovery	15.63	797	147	30	20%	182	45	25%	5.44x	26.56x	4.37x	17.71x
Average	\$51.01	5,173	1,837	339	20%	1,922	368	21%	3.32x	15.97x	3.04x	13.75x
Infrastructure												
AECOM	88.83	13,928	15,729	1,091	7%	16,673	1,193	7%	0.89x	12.76x	0.84x	11.67x
Tetra Tech	177.32	10,435	4,250	554	13%	4,562	611	13%	2.46x	18.83x	2.29x	17.08x
Clean Harbors	182.10	11,892	5,650	1,087	19%	5,963	1,183	20%	2.10x	10.94x	1.99x	10.05x
EMCOR Group	313.52	14,307	13,705	1,058	8%	14,617	1,103	8%	1.04x	13.52x	0.98x	12.97x
Arcosa	83.00	4,533	2,555	404	16%	2,743	447	16%	1.77x	11.23x	1.65x	10.15x
Primoris Services	39.51	3,212	6,082	393	6%	6,538	437	7%	0.53x	8.17x	0.49x	7.35x
Average	\$147.38	9,718	7,995	765	12%	8,516	829	12%	1.47x	12.57x	1.37x	11.55x
Low	\$12.94	\$417	\$52	\$25	6%	\$53	\$25	7%	0.53x	8.17x	0.49x	7.35x
Mean	\$104.02	\$17,883	\$4,737	\$984	25%	\$5,030	\$1,080	26%	3.85x	15.06x	3.66x	13.87x
Median	\$82.95	\$8,615	\$2,950	\$569	21%	\$3,132	\$629	21%	3.04x	14.01x	2.98x	13.20x
High	\$313.52	\$200,924	\$24,027	\$7,686	54%	\$26,153	\$8,593	57%	8.36x	26.56x	7.90x	23.38x

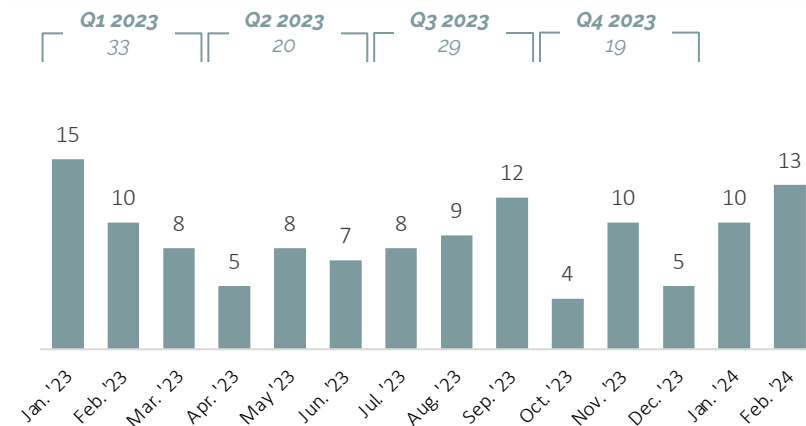
Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

- More the half of the world's commercial shipbuilding output (51%) came from China during 2023, dwarfing the output of competitors including South Korea (26%), Japan (14%), and Europe (5%). The United States continues to manufacture an insignificant number of commercial oceangoing ships, with the handful of shipyards producing warships for the U.S. Navy facing growing backlog and constant cost overruns. The lack of domestic commercial ship production in the U.S. poses a national security threat as political and military leaders question the Nation's ability to meet theoretical wartime demand considering shipyard's inability to meet current delivery timelines.
- The Biden Administration announced plans to replace Chinese-built cargo cranes operating the nation's ports by investing billions in domestic crane manufacturing. The decision is a result of the Administrations' intention to improve maritime cybersecurity, starting with foreign produced cranes that could be prone to cyber attack.

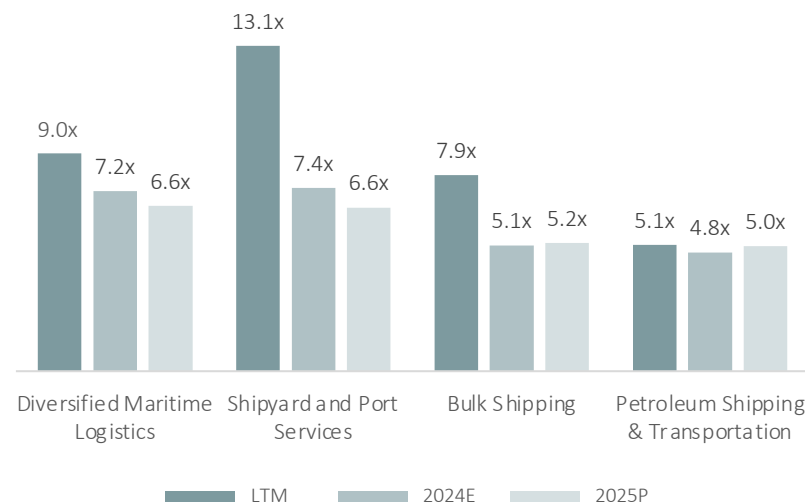
Select February Transactions



TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES¹



Sources: The Wall Street Journal

* Announced not closed

1. For composition of indices, see page 21

MARITIME TRANSPORT & FACILITIES

	Stock Price 2/29/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central Corporation	10.97	677	579	150	26%	602	158	26%	1.17x	4.52x	1.12x	4.28x
Matson	111.05	4,422	3,167	504	16%	3,160	492	16%	1.40x	8.78x	1.40x	8.99x
Kirby Corporation	87.72	6,291	3,236	645	20%	3,374	728	22%	1.94x	9.75x	1.86x	8.64x
ArcBest Corporation	142.86	3,468	4,532	466	10%	4,834	550	11%	0.77x	7.44x	0.72x	6.31x
Diana Shipping	3.05	794	290	138	47%	286	158	55%	2.74x	5.76x	2.78x	5.02x
Average	\$71.13	3,130	2,361	381	24%	2,451	417	26%	1.60x	7.25x	1.58x	6.65x
Shipyard & Port Services												
International Container	5.15	13,824	2,476	1,564	63%	2,618	1,643	63%	5.58x	8.84x	5.28x	8.41x
Great Lakes Dredge & Dock	8.94	1,079	733	112	15%	786	124	16%	1.47x	9.67x	1.37x	8.71x
Tidewater	70.03	4,126	1,420	634	45%	1,633	784	48%	2.91x	6.51x	2.53x	5.26x
Orion Group	5.99	275	786	49	6%	857	57	7%	0.35x	5.66x	0.32x	4.79x
DEME Group	138.58	4,104	3,639	665	18%	3,883	722	19%	1.13x	6.17x	1.06x	5.68x
Average	\$45.74	4,682	1,811	605	29%	1,955	666	30%	2.29x	7.37x	2.11x	6.57x
Dry Bulk Shipping												
Costamare	11.37	3,252	1,261	649	51%	1,169	616	53%	2.58x	5.01x	2.78x	5.28x
Star Bulk Carriers	23.87	3,006	879	541	61%	985	605	61%	3.42x	5.56x	3.05x	4.97x
Golden Ocean Group Limited	12.87	3,923	786	558	71%	820	572	70%	4.99x	7.03x	4.78x	6.86x
Danaos Corporation	71.95	1,444	963	767	80%	818	612	75%	1.50x	1.88x	1.76x	2.36x
Global Ship Lease	20.35	1,437	662	459	69%	501	324	65%	2.17x	3.13x	2.87x	4.44x

Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

MARITIME TRANSPORT & FACILITIES

	Stock Price 2/29/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	4.64	938	274	176	64%	347	187	54%	3.42x	5.32x	2.70x	5.01x
Eagle Bulk Shipping	61.27	994	324	156	48%	330	158	48%	3.06x	6.36x	3.02x	6.30x
Genco Shipping & Trading	20.40	1,020	307	166	54%	310	169	54%	3.33x	6.14x	3.29x	6.04x
Average	\$28.34	2,002	682	434	62%	660	405	60%	3.06x	5.06x	3.03x	5.16x
Petroleum Products Transportation												
Scorpio Tankers	67.13	4,520	1,382	967	70%	1,226	761	62%	3.27x	4.67x	3.69x	5.94x
International Seaways	52.93	3,143	974	645	66%	964	649	67%	3.23x	4.87x	3.26x	4.84x
Teekay Tankers	54.82	1,720	790	530	67%	774	473	61%	2.18x	3.25x	2.22x	3.64x
DHT Holdings	10.82	2,101	477	373	78%	510	418	82%	4.41x	5.63x	4.12x	5.03x
Nordic American Tankers	4.07	1,120	285	198	70%	298	210	70%	3.93x	5.65x	3.76x	5.34x
Ardmore Shipping	16.23	755	267	168	63%	230	139	60%	2.83x	4.50x	3.28x	5.43x
Average	\$34.33	2,226	696	480	69%	667	442	67%	3.31x	4.76x	3.39x	5.03x
Low	\$3.05	\$275	\$267	\$49	6%	\$230	\$57	7%	0.35x	1.88x	0.32x	2.36x
Mean	\$42.38	\$2,851	\$1,270	\$470	49%	\$1,305	\$471	49%	2.66x	5.92x	2.63x	5.73x
Median	\$20.38	\$1,910	\$788	\$485	58%	\$819	\$482	55%	2.78x	5.65x	2.78x	5.31x
High	\$142.86	\$13,824	\$4,532	\$1,564	80%	\$4,834	\$1,643	82%	5.58x	9.75x	5.28x	8.99x

Sources: S&P Capital IQ
\$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

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	PRIM

Maritime Transport & Facilities

Diversified Maritime Logistics

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

Shipyard & Port Services

International Container Serv.	ICT
Great Lakes Dredge & Dock	GLDD
Tidewater	TDW
Orion Group	ORN
DEME Group NV	DEME

Dry Bulk Shipping

Costamare	CMRE
Star Bulk Carriers	SBLK
Golden Ocean Group	GOGL
Danaos	DAC
Global Ship Lease	GSL
Safe Bulkers	SB
Eagle Bulk Shipping	EGLE
Genco Shipping & Trading	GNK

Petroleum Products Transportation

Scorpio Tankers	STNG
International Seaways	INSW
Teekay Tankers	TNK
DHT Holdings	DHT
Nordic American Tankers	NAT
Ardmore Shipping	ASC



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