

M&A Insider Report

January 2025



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 Since 2010

> 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

Major News Stories

**Donald Trump Sworn in as the 47th President of the United States**

- On January 20th, Donald Trump was sworn in as the 47th President of the United States.
- During his first day as President, Trump quickly began fulfilling his campaign promises by rescinding 78 executive orders approved by President Joe Biden and signing 26 of his own, more than any previous U.S. President.
- The executive orders addressed a range of topics including increased restrictions on immigration, reevaluation of U.S. foreign aid, designation of cartels as terrorist organizations, withdrawal from the World Health Organization, and more.

**DeepSeek-R1 Model Disrupts the AI Industry**

- On January 20th, DeepSeek, a Chinese AI software Company, released its R1 model to compete with industry leaders like OpenAI's Chat GPT-4o.
- While it has not been independently verified, the Company reported training its model for only \$6M, compared to over \$100M to train the latest Chat GPT model, and with 10% of the computing power used to train Meta's Llama 3.1 model.
- The news marked a massive shift in the AI industry and triggered a NASDAQ decline of more than 3%.

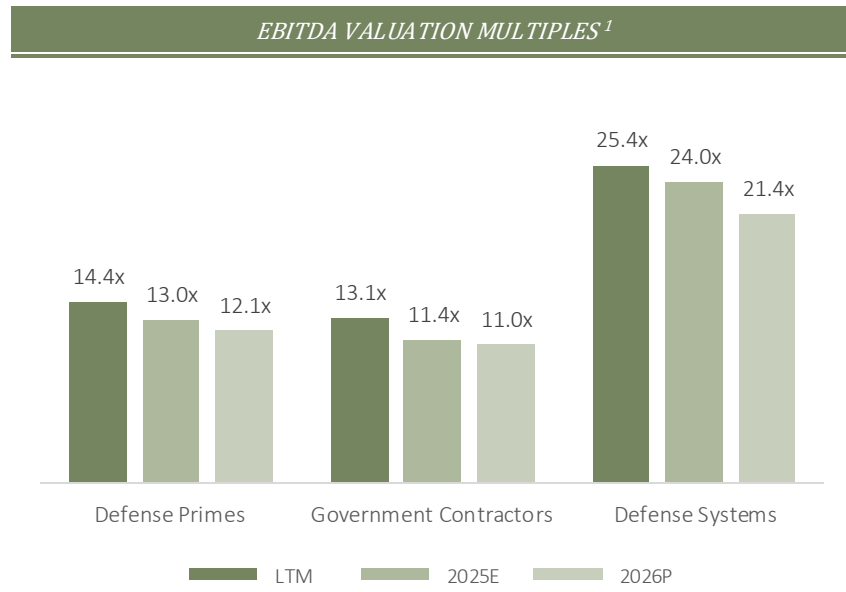
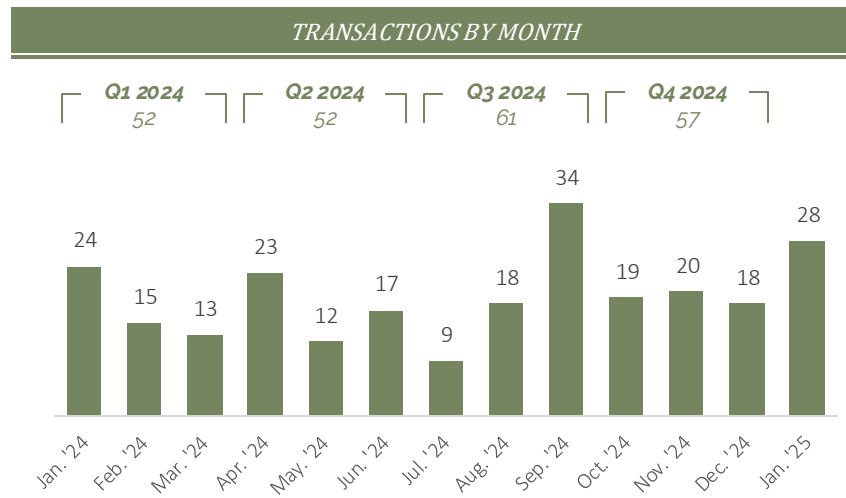
**DOGE Recommends Widespread Changes to the Federal Government**

- Following his inauguration, President Trump signed an executive order creating the Department of Government Efficiency, or "DOGE", to help investigate and reduce government spending.
- In its first few weeks, DOGE targeted the Department of Education, USAID, and DEI initiatives, claiming to save the U.S. government \$1 billion per day on average through its recommendations.

**Slowest January for M&A Deal Flow in the Last Decade**

- The London Stock Exchange Group reported just under 900 M&A transactions in January 2025, down from 1,200 in January of 2024, marking the lowest announced deal count for the first month of the year in the last decade.
- In some cases, uncertainty surrounding the recent election and President Trump's widespread executive orders have made executives and shareholders more hesitant to engage in transactions.

- On January 20th, President Trump established the Department of Government Efficiency (DOGE) with the objective of “modernizing Federal technology and software to maximize governmental efficiency and productivity.” Trump tapped Elon Musk, the founder of companies such as Tesla and SpaceX, to lead the temporary agency. DOGE initially focused on cutting Diversity, Equity, and Inclusion and foreign aid initiatives, most notably attempting to shut down the U.S. Agency for International Development (USAID). DOGE has also gained access to the Treasury Department’s payment system, sparking privacy concerns due to the sensitive personal information of American citizens stored within, including social security numbers and bank account information. DOGE has introduced significant uncertainty in the DGI industry by scrutinizing each agency without a clear roadmap. It is looking for areas to cut spending, which could create opportunities for government contractors to fill the positions of dismissed government employees.
- Trump also issued executive orders to place steep tariffs on Mexico and Canada, which he quickly rescinded after each country conceded to help the U.S. address drug smuggling and illegal immigration along each border. The President also issued more lenient 10% tariffs on China, which remain in place.
- After 15 months of fighting following the October 7th attacks, Hamas and Israel agreed to a 3-phased ceasefire under which Israeli hostages would be released and the IDF would eventually withdraw from Gaza. The narrow strip of land suffered extensive damage during the drawn-out fighting, and reconstruction is expected to take years.



Sources: S&P Capital IQ, CBS, AP, BBC
 1. For composition of indices, see page 21



Date: 1/2/2025

EV: \$85.0M

EV / Revenue: 0.55x

Transaction Details

Ricardo Defense, Inc. ("RD"), a subsidiary of Ricardo PLC (LON:RCDO), provides engineering services and systems integration to the U.S. Department of Defense. The acquisition by investment firms Proteus Enterprises and Gladstone Investment brings U.S. ownership and access to capital to Ricardo Defense, allowing the Company pursue additional opportunities supporting U.S. national security customers



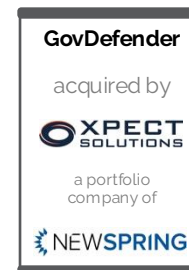
Date: 1/3/2025

EV: \$100.0M

EV / Revenue: 2.50x

Transaction Details

The Aerojet Ordnance Tennessee (AOT) business of L3Harris (NYSE:LHX) provides advanced specialty materials, fabrication, and high-strength alloy manufacturing solutions. As the sole provider of depleted uranium to the U.S. government, AOT strengthens the special materials portfolio of BWXT's (NYSE: BWXT) Nuclear Operations Group.



Date: 1/7/2025

EV: NA

EV/EBITDA: NA

Transaction Details

GovDefender develops secure digital media intake solutions that enable the rapid processing of public-submitted digital content, which enables federal agencies to solve crimes faster. The acquisition enhances Xpect's application development capabilities, allowing the combined entity to deliver end-to-end enterprise technical services.



Date: 1/9/2025

EV: NA

EV/EBITDA: NA

Transaction Details

Numerica's radar business offers proprietary radar solutions, while its command-and-control (C2) segment offers its MIMIR software. Both technologies will be integrated with Anduril's Lattice platform to provide a unified system connecting sensors, effectors, and systems across combat operations. The acquisition will enhance the platform with new signal processing, tracking algorithms, software, and radar technology.



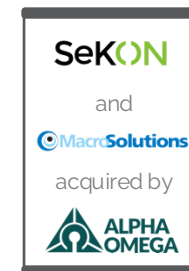
Date: 1/14/2025

EV: NA

EV/EBITDA: NA

Transaction Details

Blackspeak provides geospatial, software development, and enterprise technology services to the National Geospatial-Intelligence Agency (NGA) and National Reconnaissance Office (NRO). Crimson Phoenix, a portfolio company of Godspeed Capital, provides data and intelligence analysis solutions to U.S. Government customers. The acquisition adds a portfolio of prime contracts with the NGA and NRO and nearly 100 cleared employees to Crimson Phoenix.



Date: 1/18/2025

EV: NA

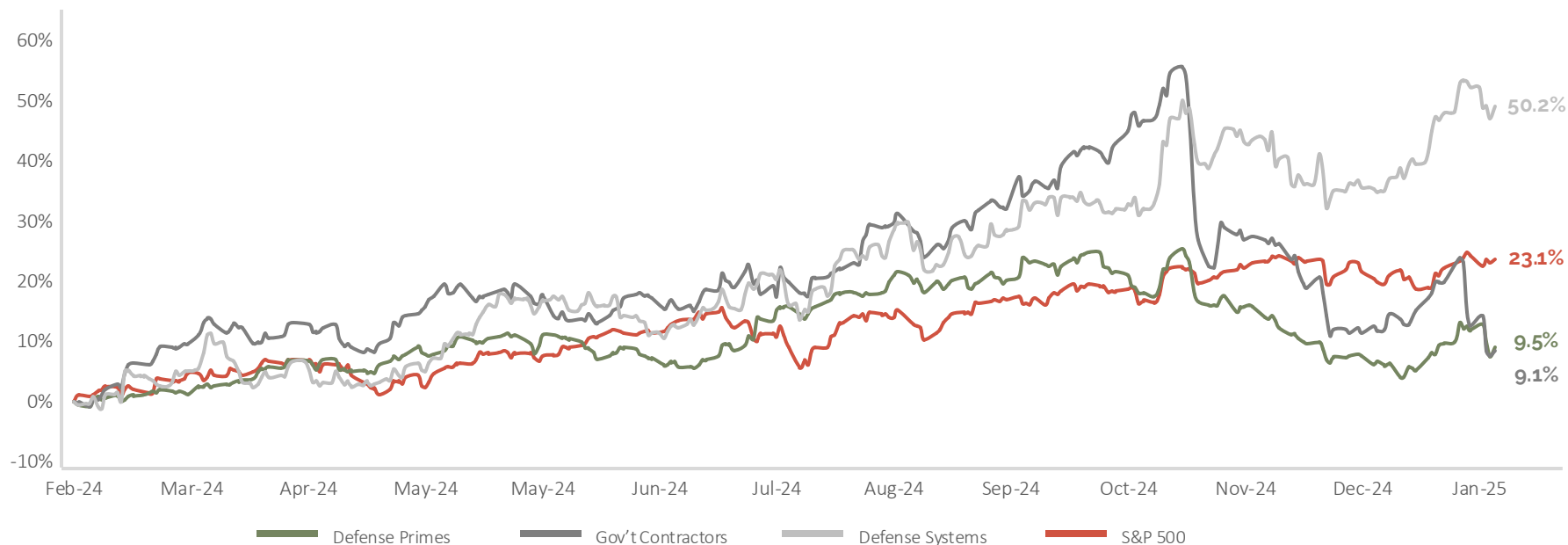
EV / EBITDA: NA

Transaction Details

Alpha Omega supports U.S. federal agencies with digital modernization, artificial intelligence, and cybersecurity solutions. The addition of Macro Solutions strengthens Alpha Omega's National Security division, enhancing its modernization solutions with U.S. DoD customers, while SeKON establishes a new Health vertical for the Company.

Contract Value (\$M)	Award Date	End Date	Customer	Awardee	Type	Contract Scope
89,000.0	1/17/2025	1/16/2035	National Cancer Institute (NCI)	Alliance for Advancing Biomedical Research	Cost Plus	Manage and operate the Federally Funded R&D Center (FFRDC) / Frederick National Laboratory for Cancer Research (FNLCR)
4,948.8	1/15/2025	1/14/2035	Defense Logistics Agency (DLA)	ASRC Federal and Noble Supply	Fixed Price	Provide Maintenance, Repair, and Operations (MRO) Supplies for the Northeast Region
3,500.0	1/17/2025	7/16/2032	Department of Energy (DoE)	Accenture	NA – BPA	Deliver IT support services under the CIO Business Operations Support Services (CBOSS) 2.0 BPA
2,630.2	1/1/2025	12/31/2032	Transportation Security Agency (TSA)	Leidos	Fixed Price, Time and Materials	Provide Checkpoint Integrated Logistics Support (ILS) Services
1,100.0	1/8/2025	4/8/2030	NASA	Columbus Technologies and Services	Cost Plus	Provide electrical systems engineering support services and related work to the Engineering and Technology Directorate (ETD) divisions
1,033.4	1/27/2025	1/26/2033	Naval Sea Systems Command (NAVSEA)	Lockheed Martin	NA – IDIQ	Support development of Hypervisor Technology 0 (HTO) Surface Ship Undersea Warfare combat systems
970.0	1/31/2025	1/30/2035	Space Force – Space Systems Command (USSF SSC)	LinQuest	NA – IDIQ	Deliver advanced collaborative engineering and digital development solutions under a Phase III SBIR
745.0	1/28/2025	12/31/2035	Naval Air Systems Command (NAVAIR)	Northrop Grumman	NA	Deliver 200 AGM-88G missiles for the Government of Poland's F-35 Joint Strike Fighters under the Foreign Military Sales (FMS) program
657.0	1/6/2025	12/31/2030	Air Force	Boeing	Fixed Price, Cost Plus	Begin Full Rate Production (FRP) of the F-15 Eagle Passive / Active Warning and Survivability System (EPAWSS)

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

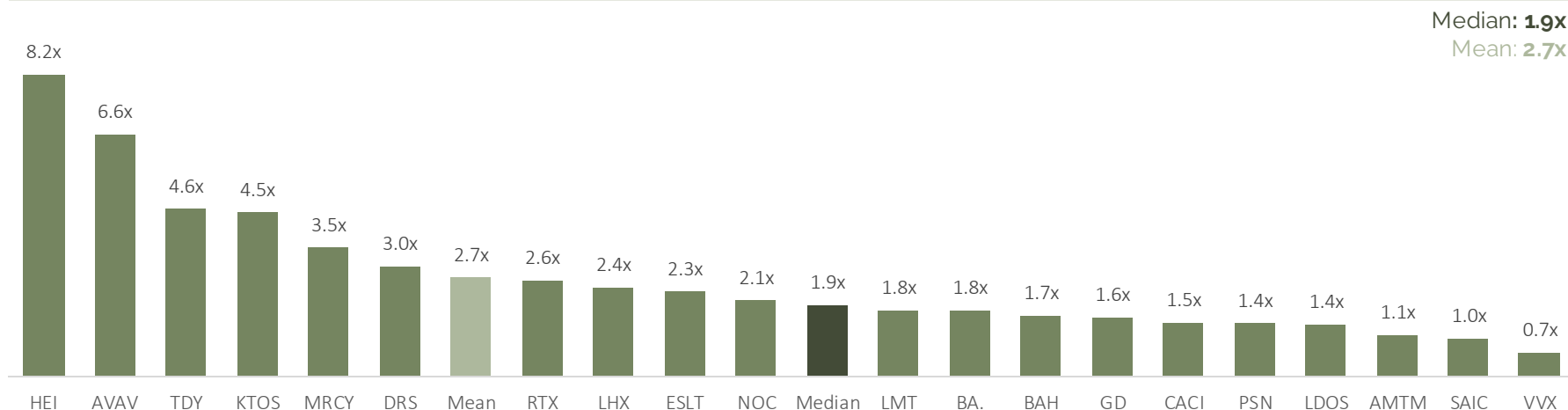
TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART¹

Market Commentary

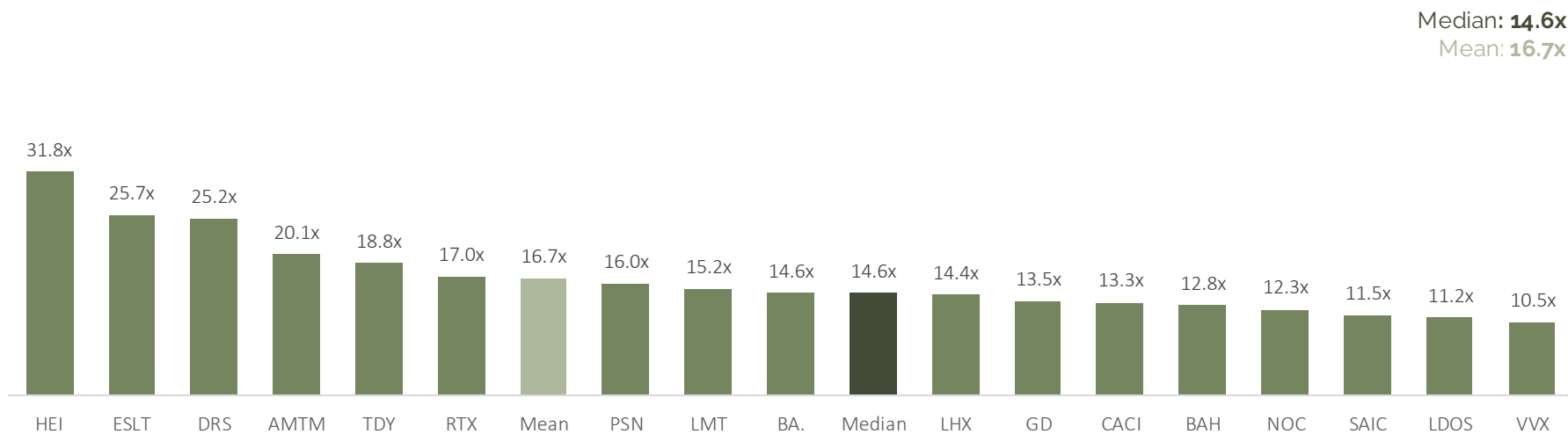
- The Government Contractors Index ended January well off its Q4 2024 high, continuing to struggle after a steep drop in November of last year following the results of the presidential election. The index remains in flux due to uncertainty from new government efficiency initiatives like the Elon Musk-led Department of Government Efficiency and a flurry of executive orders from the Trump Administration.
- The Defense Systems index has climbed over 50% over the last twelve months, driven by increasing demand for hypersonic and autonomous systems from the U.S. defense apparatus.
- The broader market remained steady in January as the Fed decided to hold rates constant at its meeting late in the month. Inflation remained close to 3% despite three rate cuts in the latter half of 2024.

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

TTM REVENUE VALUATION MULTIPLES



TTM EBITDA VALUATION MULTIPLES¹



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

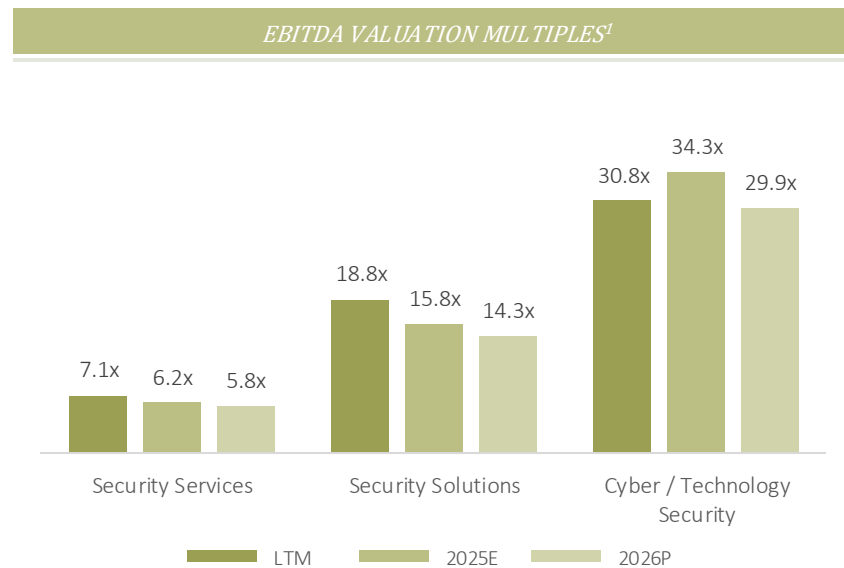
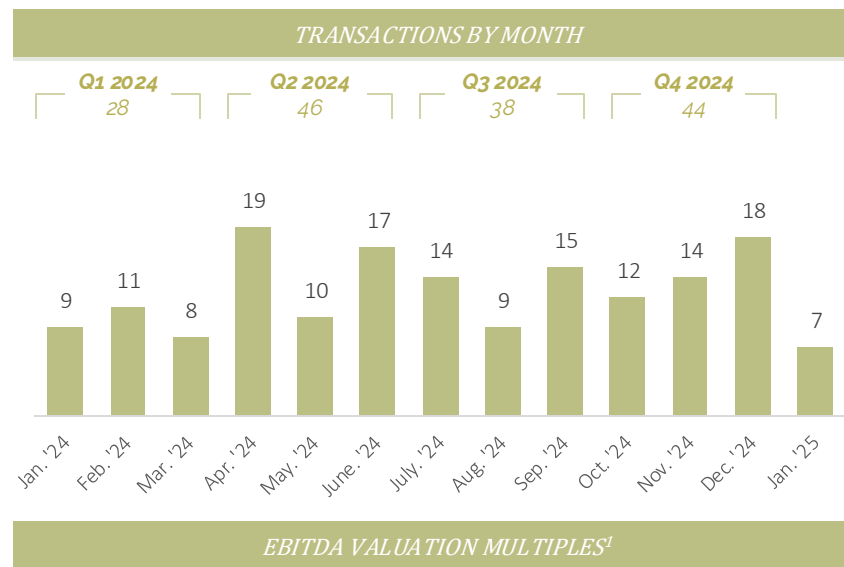
DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 1/31/2025	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
BAE Systems	15.21	55,526	35,262	4,705	13%	38,014	5,159	14%	1.57x	11.80x	1.46x	10.76x
General Dynamics	256.98	76,424	50,295	6,100	12%	52,396	6,655	13%	1.52x	12.53x	1.46x	11.48x
L3Harris Technologies	212.01	51,833	22,073	4,119	19%	23,041	4,474	19%	2.35x	12.58x	2.25x	11.59x
Lockheed Martin	462.95	127,907	74,352	10,517	14%	77,283	10,995	14%	1.72x	12.16x	1.66x	11.63x
Northrop Grumman	487.27	84,231	42,402	6,162	15%	44,397	6,275	14%	1.99x	13.67x	1.90x	13.42x
RTX	128.95	210,752	84,216	13,928	17%	89,077	15,176	17%	2.50x	15.13x	2.37x	13.89x
Average	\$260.56	\$101,112	\$51,433	\$7,589	15%	\$54,035	\$8,122	15%	1.94x	12.98x	1.85x	12.13x
Gov't Contractors												
Amentum	20.97	9,686	14,155	1,099	8%	NA	NA	NA	0.68x	8.81x	NA	NA
Booz Allen Hamilton	129.00	19,479	12,747	1,436	11%	13,687	1,582	12%	1.53x	13.56x	1.42x	12.31x
CACI International	386.26	11,921	9,007	1,029	11%	9,474	1,096	12%	1.32x	11.59x	1.26x	10.87x
Leidos	142.03	22,956	16,426	2,127	13%	16,967	2,152	13%	1.40x	10.79x	1.35x	10.67x
Parsons	79.27	9,369	6,774	617	9%	7,342	696	9%	1.38x	15.20x	1.28x	13.45x
SAIC	108.28	7,560	7,452	693	9%	7,629	716	9%	1.01x	10.91x	0.99x	10.56x
V2X	52.13	2,736	4,260	309	7%	4,471	330	7%	0.64x	8.85x	0.61x	8.30x
Average	\$131.13	\$11,958	\$10,117	\$1,044	10%	\$9,928	\$1,095	10%	1.14x	11.39x	1.15x	11.03x

DEFENSE GOVERNMENT & INTELLIGENCE												
	Stock Price 1/31/2025	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
AeroVironment	180.15	5,026	779	119	15%	962	189	20%	6.45x	NM	5.22x	26.61x
Elbit Systems	302.08	15,000	6,712	723	11%	7,489	837	11%	2.24x	20.76x	2.00x	17.93x
HEICO	238.94	31,736	3,944	1,029	26%	4,325	1,129	26%	8.05x	30.85x	7.34x	28.10x
Kratos Defense & Security	33.37	5,039	1,141	105	9%	1,281	125	10%	4.41x	NM	3.93x	NM
Leonardo DRS	35.15	9,556	3,193	395	12%	3,421	451	13%	2.99x	24.22x	2.79x	21.21x
Mercury Systems	41.69	3,004	858	112	13%	937	162	17%	3.50x	26.78x	3.21x	18.49x
Teledyne Technologies	511.33	25,834	5,951	1,477	25%	6,253	1,586	25%	4.34x	17.50x	4.13x	16.29x
Average	\$191.82	\$13,599	\$3,226	\$566	16%	\$3,524	\$640	18%	4.57x	24.02x	4.09x	21.44x
Low	\$15.21	\$2,736	\$779	\$105	7%	\$937	\$125	7%	0.64x	8.81x	0.61x	8.30x
Mean	\$191.20	\$39,279	\$20,100	\$2,840	13%	\$21,497	\$3,147	15%	2.58x	15.43x	2.45x	14.86x
Median	\$135.52	\$17,240	\$8,230	\$1,064	13%	\$7,629	\$1,129	13%	1.85x	13.07x	1.90x	12.87x
High	\$511.33	\$210,752	\$84,216	\$13,928	26%	\$89,077	\$15,176	26%	8.05x	30.85x	7.34x	28.10x

Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
1/2/2025	Avion Solutions	Tennessee Valley Research Group	Provides technical and programmatic support to the U.S. Department of Defense (DoD)	NA	NA	NA
1/2/2025	Gladstone Investment, Proteus Enterprises	Ricardo Defense	Provides engineering services and systems integration to the U.S. DoD	85.0	0.55x	NA
1/3/2025	BWX Technologies	AOT Business of L3Harris	Offers specialty materials, fabrication, and alloy manufacturing solutions	100.0	2.5x	NA
1/8/2025	Falfurrias Management Partners	Oddball	Provides digital transformation and IT modernization services to gov't customers	NA	NA	NA
1/9/2025	Anduril	Radar and Command and Control Business of Numerica	Develops radar and command and control software technologies	NA	NA	NA
1/14/2025	Crimson Phoenix	Blackspoke	Provides system engineering services to U.S. Intelligence Community customers	NA	NA	NA
1/14/2025	Fincantieri	Underwater Armaments Systems Business of Leonardo DRS	Constructs submarine defense systems, including torpedoes and sonar	433.1	NA	NA
1/16/2025	Prescient Edge	Edge Analytic Solutions	Edge Analytic Solutions is an SBA-approved MPP JV that offers intel analysis solutions	NA	NA	NA
1/18/2025	Alpha Omega	Macro Solutions	Offers IT consulting services to federal government customers	NA	NA	NA
1/18/2025	Alpha Omega	SeKON Enterprise	Provides health IT consulting services to federal government customers	NA	NA	NA
1/27/2025	Thoma Bravo	OPEXUS	Offers case management software to federal and state / local government entities	NA	NA	NA
1/27/2025	OPEXUS	Casepoint	Offers a FedRAMP-certified data discovery platform to gov't agencies and corporations	NA	NA	NA
1/29/2025	Harmonia	Maveris	Provides cybersecurity services to federal government agencies	NA	NA	NA

- As of January 2025, the cybersecurity sector is adapting to changing priorities under the Trump Administration. With CISA leadership transitioning and the Cyber Safety Review Board (CSRB) dissolved, federal oversight and response activities remain uncertain. The administration has indicated a preference for deregulation and solutions driven by the private sector, aiming to reduce government involvement in cybersecurity incidents. This may result in revisions to federal regulations and increased dependence on corporate security controls. Industry leaders anxiously await new policies that may affect national cyber defense and critical infrastructure security.
- On January 16, 2025, President Joe Biden issued an executive order to strengthen US cybersecurity. The order sets minimum cybersecurity standards for federal agencies, promotes AI-driven threat detection, and enhances public-private collaboration to protect critical infrastructure while prioritizing software supply chain security and incident response.



Select January Transactions

 acquired by 	 acquired by 	 acquired by 	 acquired by 
---	---	---	---

PHYSICAL & CYBER SECURITY









	Stock Price 1/31/25	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	12.80	10,950	15,345	1,439	9%	15,921	1,524	10%	0.71x	7.61x	0.69x	7.19x
Brink's	93.33	7,107	5,005	902	18%	5,135	965	19%	1.42x	7.88x	1.38x	7.37x
Prosegur	1.88	2,788	4,859	540	11%	5,081	594	12%	0.57x	5.16x	0.55x	4.69x
Loomis	32.05	2,581	2,847	613	22%	2,938	642	22%	0.91x	4.21x	0.88x	4.02x
Average	\$35.01	\$5,857	\$7,014	\$874	15%	\$7,269	\$931	15%	0.90x	6.21x	0.87x	5.82x
Security Solutions												
Honeywell	223.72	167,103	41,250	10,925	26%	43,429	11,639	27%	4.05x	15.30x	3.85x	14.36x
Johnson Controls	78.00	62,851	23,713	3,795	16%	24,905	4,244	17%	2.65x	16.56x	2.52x	14.81x
Motorola Solutions	469.25	83,603	10,815	3,405	31%	11,472	3,687	32%	7.73x	24.55x	7.29x	22.67x
ADT	7.68	14,568	4,884	2,572	53%	5,095	2,721	53%	2.98x	5.66x	2.86x	5.35x
Allegion	132.73	13,218	3,767	932	25%	3,902	978	25%	3.51x	14.19x	3.39x	13.51x
Alarm.com	60.67	2,924	935	175	19%	978	191	19%	3.13x	16.70x	2.99x	15.34x
Napco Security	36.70	1,250	215	72	33%	NA	NA	NA	5.80x	17.44x	NA	NA
Average	\$144.11	\$49,360	\$12,226	\$3,125	29%	\$14,964	\$3,910	29%	4.26x	15.77x	3.82x	14.34x

PHYSICAL & CYBER SECURITY

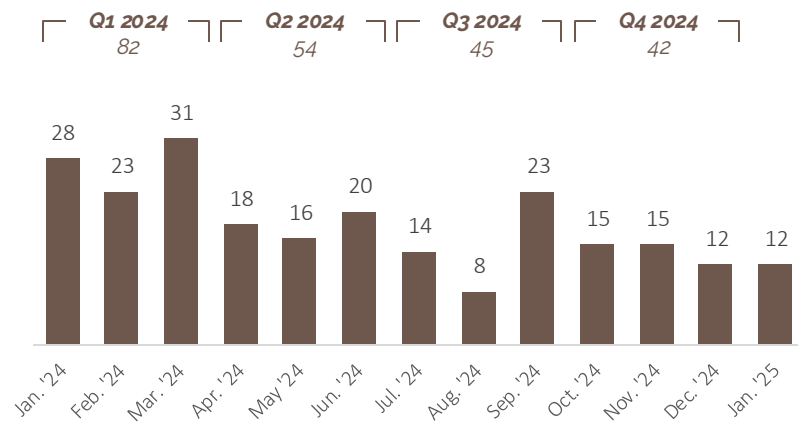
	Stock Price 1/31/25	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
<i>Cyber Security</i>												
Palo Alto	184.42	118,724	8,553	2,642	31%	9,800	3,003	31%	13.88x	44.94x	12.11x	39.54x
CrowdStrike	398.07	94,618	3,930	1,010	26%	4,770	1,210	25%	24.08x	NA	19.84x	NA
Fortinet	100.88	74,696	6,633	2,249	34%	7,506	2,584	34%	11.26x	33.21x	9.95x	28.91x
Zscaler	202.59	29,616	2,409	594	25%	2,891	736	25%	12.29x	49.83x	10.25x	40.25x
Cloudflare	138.40	47,125	2,098	451	22%	2,628	623	24%	22.47x	NA	17.93x	NA
Check Point	218.02	21,227	2,719	1,189	44%	2,868	1,255	44%	7.81x	17.86x	7.40x	16.92x
Okta	94.22	14,857	2,597	584	22%	2,800	628	22%	5.72x	25.43x	5.31x	23.65x
Average	\$190.94	\$57,266	\$4,134	\$1,246	29%	\$4,752	\$1,434	29%	13.93x	34.25x	11.83x	29.85x
Low	\$1.88	\$1,250	\$215	\$72	9%	\$978	\$191	10%	0.57x	4.21x	0.55x	4.02x
Mean	\$138.08	\$42,767	\$7,921	\$1,894	26%	\$8,948	\$2,190	26%	7.28x	19.16x	6.42x	17.24x
Median	\$97.55	\$18,042	\$4,395	\$971	25%	\$5,081	\$1,210	25%	4.89x	16.63x	3.85x	14.81x
High	\$469.25	\$167,103	\$41,250	\$10,925	53%	\$43,429	\$11,639	53%	24.08x	49.83x	19.84x	40.25x

- During his first week in office, President Trump issued an executive order to withdraw from any U.S. EPA regulations still under review. Among those regulations is the EPA’s proposed limits on PFAS in wastewater. It remains unclear whether the executive order will impact the EPA’s regulation of PFAS in drinking water, which was approved in April 2024. The recently confirmed head of the EPA, Lee Zeldin, specifically highlighted forever chemicals as a “top priority” for the agency.
- A recent study from Bluefield Research found that U.S. water and sewer bills have increased by 24% over the last five years. The report has raised concern over the affordability of utilities and noted that minimum-wage earners in select cities must work as much as 20 hours per month to pay their water and sewer bills. Multiple factors influence rates, including infrastructure age, climate risks, and local policies; the combination of which can cause significant regional rate differences, with average prices as low as \$21.76/month in Arizona and \$122.94/month in San Francisco.

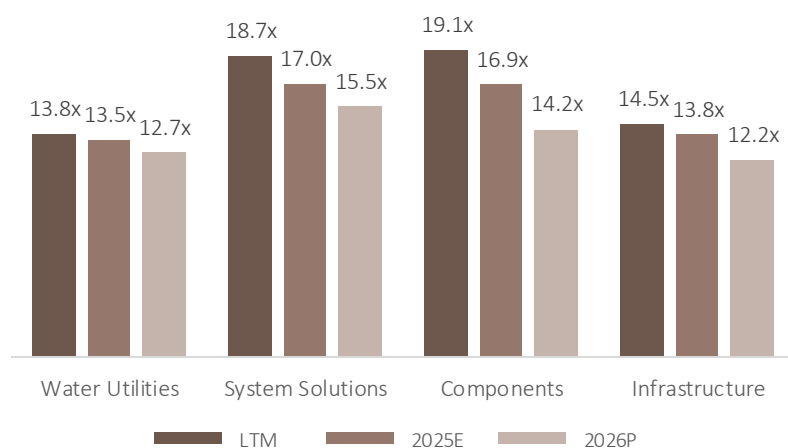
Select January Transactions

 A portfolio Company of EVERSOURCE acquired by*  a quasi-public corporation	 acquired by 	 acquired by  A portfolio Company of sciensWATER	 acquired by 
---	---	---	---

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES¹



Source(s): Water Online, Bluefield Research
 For composition of indices, see page 21
 * Announced not closed

CRITICAL INFRASTRUCTURE

	Stock Price 1/31/25	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	124.64	37,519	4,575	2,479	54%	4,856	2,736	56%	8.20x	15.13x	7.73x	13.71x
Essential Utilities	35.48	17,183	2,147	1,159	54%	2,345	1,298	55%	8.00x	14.82x	7.33x	13.24x
California Water	45.29	3,950	1,022	359	35%	990	334	34%	3.87x	11.01x	3.99x	11.84x
American States Water	74.50	3,746	610	238	39%	653	266	41%	6.14x	15.73x	5.74x	14.08x
SJW Group	50.23	3,441	725	288	40%	764	316	41%	4.75x	11.93x	4.50x	10.88x
Consolidated Water	26.18	319	139	29	21%	151	31	20%	2.29x	11.14x	2.11x	10.38x
Global Water Resources	11.50	387	52	26	50%	55	26	48%	7.38x	14.71x	7.03x	14.65x
Average	\$52.55	9,506	1,324	654	42%	1,402	715	42%	5.81x	13.50x	5.49x	12.68x
System Solutions												
Danaher	222.74	174,106	24,129	7,577	31%	26,014	8,456	33%	7.22x	22.98x	6.69x	20.59x
Dover	203.68	29,028	8,012	1,782	22%	8,422	1,960	23%	3.62x	16.29x	3.45x	14.81x
Xylem	124.04	31,256	8,827	1,892	21%	9,294	2,079	22%	3.54x	16.52x	3.36x	15.03x
IDEX	224.31	18,454	3,504	972	28%	3,740	1,070	29%	5.27x	18.98x	4.93x	17.24x
Pentair	103.68	18,655	4,229	1,112	26%	4,413	1,209	27%	4.41x	16.77x	4.23x	15.43x
A. O. Smith	67.30	9,699	3,837	806	21%	4,038	886	22%	2.53x	12.03x	2.40x	10.94x
Watts Water	206.78	6,800	2,249	451	20%	2,279	460	20%	3.02x	15.09x	2.98x	14.77x
Average	\$164.65	41,142	7,827	2,085	24%	8,314	2,303	25%	4.23x	16.95x	4.01x	15.54x

CRITICAL INFRASTRUCTURE

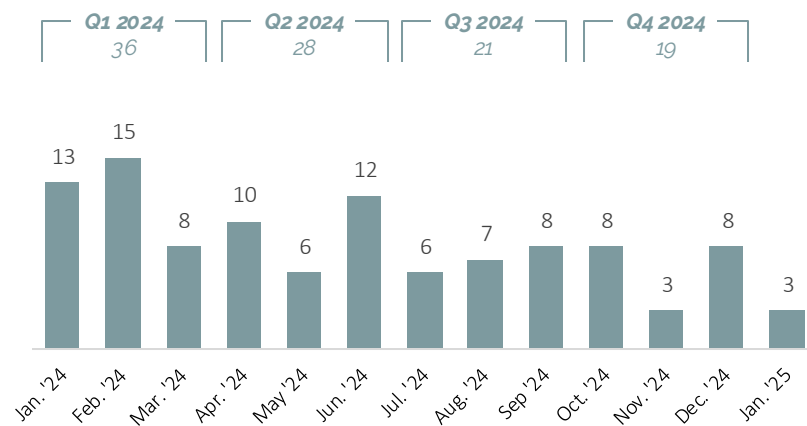
Components	Stock Price	Enterprise	CY2025E			2026P			TEV/2025E		TEV/2026P	
	1/31/25	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	84.17	13,623	2,249	732	33%	2,361	783	33%	6.06x	18.60x	5.77x	17.40x
Flowserve	62.62	9,098	4,586	624	14%	4,889	719	15%	1.98x	14.57x	1.86x	12.65x
Franklin Electric	99.99	4,616	2,002	302	15%	2,082	320	15%	2.31x	15.27x	2.22x	14.41x
Mueller Water	23.00	3,768	1,369	312	23%	1,429	327	23%	2.75x	12.07x	2.64x	11.53x
The Gorman-Rupp Company	38.38	1,350	684	124	18%	711	130	18%	1.97x	10.85x	1.90x	10.42x
Energy Recovery	14.34	723	145	24	17%	159	39	25%	4.99x	30.14x	4.55x	18.55x
Average	\$53.75	5,530	1,839	353	20%	1,938	386	21%	3.34x	16.92x	3.16x	14.16x
Infrastructure												
AECOM	105.44	15,748	17,176	1,208	7%	17,721	1,286	7%	0.92x	13.04x	0.89x	12.24x
Tetra Tech	36.80	10,700	4,463	618	14%	4,946	720	15%	2.40x	17.32x	2.16x	14.87x
Clean Harbors	233.00	15,149	5,891	1,110	19%	6,245	1,210	19%	2.57x	13.65x	2.43x	12.52x
EMCOR Group	448.06	19,933	14,618	1,436	10%	15,681	1,547	10%	1.36x	13.88x	1.27x	12.89x
Arcosa	101.30	5,455	2,594	443	17%	2,957	572	19%	2.10x	12.32x	1.84x	9.54x
Primoris Services	76.77	5,117	6,235	407	7%	6,578	449	7%	0.82x	12.56x	0.78x	11.39x
Average	\$166.90	12,017	8,496	870	12%	9,021	964	13%	1.70x	13.80x	1.56x	12.24x
Low	\$11.50	\$319	\$52	\$24	7%	\$55	\$26	7%	0.82x	10.85x	0.78x	9.54x
Mean	\$109.39	\$17,685	\$4,849	\$1,020	25%	\$5,145	\$1,124	26%	3.86x	15.29x	3.65x	13.69x
Median	\$80.47	\$9,398	\$3,049	\$621	21%	\$3,348	\$719	23%	3.28x	14.77x	3.17x	13.47x
High	\$448.06	\$174,106	\$24,129	\$7,577	54%	\$26,014	\$8,456	56%	8.20x	30.14x	7.73x	20.59x

- Container volumes at ports across the U.S. remained high in January as retailers continued to frontload shipments after President Donald Trump announced tariffs on China, Mexico, and Canada. According to The Global Port Tracker, in January 2025, imports are expected to reach 2.11 million TEUs (Twenty-foot Unit Equivalents), up almost 8% from 2024. However, the group projects only 1.96 million TEUs in February, a significant decrease from the previous month. If tariffs remain in effect for an extended period, it is likely that shipping volumes will continue to decrease throughout 2025.
- In late January, President Trump threatened to take control of the Panama Canal, alleging that China has been controlling the 51-mile passageway. Due to its key strategic location, President Trump believes that increased influence on the waterway by foreign adversaries could impact U.S. trade and military efforts. While the result of the increased pressure remains to be seen, Panama’s President Jose Mulino has stated that the canal will remain under Panama’s control.

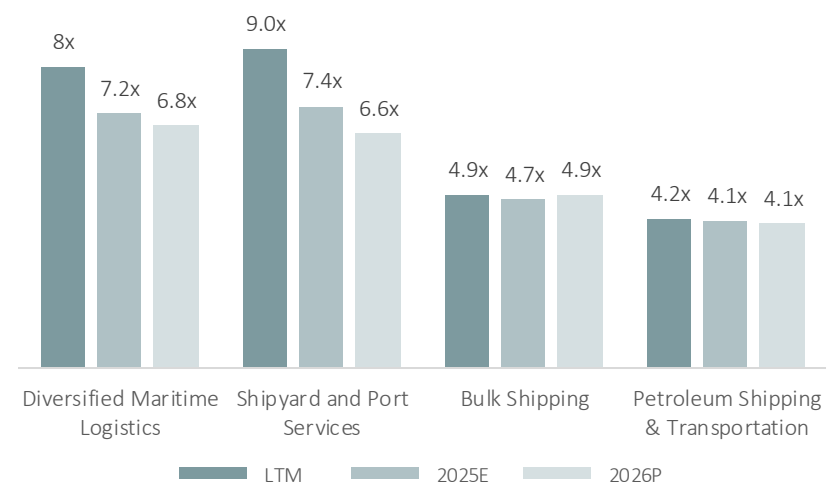
Select January Transactions

 CLASQUIN OVERSEAS FORWARDING & LOGISTICS EXPERTS acquired by 	 omega subsea acquired by 	 ASA ASSOCIATED SHIPPING AGENCIES acquired by 	 MERIAURA GROUP acquired by* 
--	--	--	---

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES



Sources: The Maritime Executive, WSJ, AP News, BBC
 For composition of indices, see page 21
 * Announced not closed

MARITIME TRANSPORT & FACILITIES

	Stock Price 1/31/25	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central	10.31	689	491	133	27%	521	157	30%	1.40x	5.17x	1.32x	4.40x
Matson	141.85	5,098	3,383	714	NA	3,310	572	NA	1.51x	7.14x	1.54x	8.91x
Kirby	109.15	7,361	3,431	783	23%	3,622	868	24%	2.15x	9.40x	2.03x	8.48x
ArcBest	95.61	2,483	4,284	358	8%	4,597	451	10%	0.58x	6.93x	0.54x	5.50x
Diana Shipping	1.82	657	240	123	51%	NA	169	NA	2.74x	5.34x	NA	3.89x
Average	\$89.23	3,908	2,897	497	19%	3,012	512	21%	1.41x	7.16x	1.36x	6.82x
Shipyard & Port Services												
International Container	5.99	15,423	2,712	1,758	65%	2,966	1,925	65%	5.69x	8.78x	5.20x	8.01x
Great Lakes Dredge & Dock	10.99	1,209	771	133	17%	831	145	17%	1.57x	9.11x	1.46x	8.36x
Tidewater	55.11	3,250	1,342	551	41%	1,504	669	44%	2.42x	5.90x	2.16x	4.86x
Orion Group	7.88	383	786	49	6%	857	57	7%	0.49x	7.88x	0.45x	6.67x
DEME Group	141.15	3,984	4,144	768	19%	4,234	788	19%	0.96x	5.19x	0.94x	5.05x
Average	\$44.22	4,850	1,951	651	30%	2,078	717	30%	2.23x	7.37x	2.04x	6.59x
Dry Bulk Shipping												
Costamare	11.66	3,088	1,534	624	41%	1,418	559	39%	2.01x	4.95x	2.18x	5.53x
Star Bulk Carriers	15.37	2,835	992	540	54%	995	524	53%	2.86x	5.25x	2.85x	5.41x
Golden Ocean Group	9.25	3,132	775	470	61%	720	450	63%	4.04x	6.67x	4.35x	6.95x
Danaos	79.23	1,730	1,022	717	70%	1,080	772	71%	1.69x	2.41x	1.60x	2.24x
Global Ship Lease	21.58	1,144	691	484	70%	693	473	68%	1.66x	2.36x	1.65x	2.42x

MARITIME TRANSPORT & FACILITIES

	Stock Price 1/31/25	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	3.55	784	NA	169	NA	NA	150	NA	NA	4.64x	NA	5.23x
Pangaea Logistics	5.25	583	529	81	15%	598	95	16%	1.10x	7.20x	0.98x	6.14x
Genco Shipping & Trading	14.46	647	300	149	50%	285	127	45%	2.16x	4.33x	2.27x	5.09x
Average	\$20.04	1,743	835	404	52%	827	394	51%	2.22x	4.73x	2.27x	4.88x
Petroleum Products Transportation												
Scorpio Tankers	47.62	2,865	1,240	825	67%	1,067	579	54%	2.31x	3.47x	2.69x	4.95x
International Seaways	38.95	2,426	944	586	62%	915	546	60%	2.57x	4.14x	2.65x	4.44x
Teekay Tankers	41.92	1,031	720	435	61%	771	439	57%	1.43x	2.37x	1.34x	2.35x
DHT Holdings	11.32	2,147	430	367	85%	559	454	81%	4.99x	5.85x	3.84x	4.72x
Nordic American Tankers	2.70	801	230	139	61%	296	180	61%	3.48x	5.74x	2.71x	4.46x
Ardmore Shipping	11.87	518	279	160	57%	217	151	69%	1.86x	3.24x	2.39x	3.44x
Average	\$25.73	1,631	641	419	65%	637	391	64%	2.77x	4.14x	2.60x	4.06x
Low	\$1.82	\$383	\$230	\$49	6%	\$217	\$57	7%	0.49x	2.36x	0.45x	2.24x
Mean	\$38.82	\$2,766	\$1,410	\$478	46%	\$1,457	\$484	45%	2.22x	5.57x	2.14x	5.37x
Median	\$14.46	\$2,147	\$865	\$470	54%	\$886	\$454	53%	1.93x	5.25x	2.10x	5.09x
High	\$141.85	\$15,423	\$4,284	\$1,758	85%	\$4,597	\$1,925	81%	5.69x	9.40x	5.20x	8.91x

Defense, Government & Intelligence

Defense Primes

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

Government Contractors

Amentum	AMTM
Booz Allen Hamilton	BAH
CACI International	CACI
Leidos	LDOS
Parsons	PSN
SAIC	SAIC
V2X	VVX

Defense Systems

AeroVironment	AVAV
Elbit Systems	ESLT
HEICO	HEI
Kratos Defense & Security	KTOS
Leonardo DRS	DRS
Mercury Systems	MRCY
Teledyne Technologies	TDY

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



Mergers & Acquisitions

Mark Bertler
Chicago, IL
Water & Wastewater
(847) 226-0793
mbertler@mcleanllc.com

Josh Butler
McLean, VA
Defense & Gov't Services
(703) 827-0008
jbutler@mcleanllc.com

Paul Klick
McLean, VA
Technology
(703) 752-9019
pklick@mcleanllc.com

Mitch Martin
McLean, VA
Defense & Gov't Services
(703) 752-9009
mmartin@mcleanllc.com

Andy Smith
McLean, VA
Defense & Gov't Services
(703) 827-0233
asmith@mcleanllc.com

Business Valuation

Ryan Berry
McLean, VA
Valuation Advisory
(703) 827-0091
rberry@mcleanllc.com

Michael Loftus
McLean, VA
Valuation Advisory
(703) 827-0200
mloftus@mcleanllc.com

Scott Sievers
McLean, VA
Valuation Advisory
(703) 827-8685
ssievers@mcleanllc.com

Tyler Halstead
McLean, VA
Valuation Advisory
(703) 752-9013
thalstead@mcleanllc.com

Shari Overstreet
Austin, TX
Valuation Advisory
(512) 687-3485
soverstreet@mcleanllc.com

DLS Marine

Norman Dufour
New Orleans, LA
DLS Marine
(504) 835-8505
ndufour@dlsmarine.com

Harry Ward
New Orleans, LA
DLS Marine
(504) 835-8505
hward@dlsmarine.com

Securities Disclaimer

The information provided in this newsletter is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any of the securities mentioned herein. Past performance does not guarantee future results. None of the information or analyses presented are intended to form the basis for any investment decision, and no specific recommendations are intended. Any performance mentioned does not include transaction fees and costs, which would reduce an investor's return. An investment cannot be made directly in these custom market indices.

The logos and company names used in this report are for illustration purposes only, and the report is not associated with or supported by the owners of the trademarks.

© 2024 The McLean Group. All rights reserved. Securities transactions are conducted through McLean Securities, LLC, a member of FINRA/SIPC.