

January 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

**US Economic Growth Exceeds Expectations**

- The U.S. economy grew 3.3% in Q4 2023, beating Wall Street's expected 2% gain. Additionally, the economy grew by 2.5% in 2023, surpassing Wall Street's expectation of a 1.9% rise in 2022.
- The recently released data shattered economists' expectations for 2023. At the start of the year, most experts believed that the U.S. economy would experience little or no growth, and many anticipated a possible recession at some point during the year.

**Tensions Continue to Flare in the Middle East**

- Three U.S. service members were killed, and at least 34 were injured by an Iran-backed militia's drone strike on a base in Jordan. CENTCOM's preliminary assessment indicated that the drone's low flight path allowed it to evade detection systems.
- The recent attack has heightened tensions between the U.S. and Iran. The U.S. has responded with retaliatory strikes, which are expected to continue in February.

**Powell Signals Interest Rate Cuts in 2024**

- Chairman Powell indicated that rate cuts may come later in the year, stating: "If the economy evolves broadly as expected, it will likely be appropriate to begin dialing back policy restraint at some point this year".
- The Federal Reserve kept interest rates unchanged in January. The benchmark rate has been maintained between 5.25% and 5.5% since July, the highest in over two decades.

**Long-Short Equity Hedge Funds See Capital Outflows**

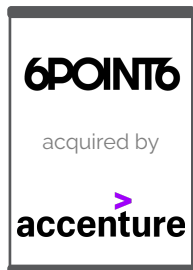
- Long-short equity funds have seen \$150B in client withdrawals over the past five years, including net outflows for the past 23 months, according to a recent Financial Times report.
- On average, the S&P500 has outperformed long-short equity funds for nine of the last 10 years. However, multi-manager hedge funds, which employ a variety of strategies, have fared better due to diversification and lower volatility.

- In late January, a new bipartisan proposal was introduced to the Senate aiming “to streamline procedures for solicitation and the awarding of task and deliver order contracts for agencies”. The legislation also will look to refine “the procurement process for contractors bidding on work as well as for the government, ensuring necessary due diligence is done while allowing awards to be made faster and to a wider array of contractors, including small businesses.”
- The Conforming Procedures for Federal Task and Delivery Order Contracts Act was introduced by Senators Gary Peters and Joni Ernst. Historically, the two have teamed on other legislation, with the shared goal of boosting small businesses and streamlining the contracting process for federal agencies.
- As we saw throughout 2023, the protests surrounding the National Institute of Health’s (“NIH”) CIO-SP4 contract continued in early 2024. The agency’s self-scoring methodology is the center of recent protests as DV United 2 and iDoxSolutions are objecting, after being eliminated from the contractor pool. These protests represent the 355th and 356th filings involving CIO-SP4 since the contract’s initial award ~2 years ago.
- The DoD’s Cybersecurity Maturity Model Certification (“CMMC”) finalization process continues to progress, as the draft rule was released on Dec. 26th and the comment period expected to close on Feb. 26th. Although no formal effective date has been released, those familiar with the agency are projecting Q1 2025 and are preparing accordingly.



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

1. For composition of indices, see page 21

**Date:** 01/03/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

6Point6 is a provider of cloud, data, cybersecurity, and digital transformation solutions to both public and private sectors in the United Kingdom. The Company's work includes the largest cloud migration for a U.K. government entity. The acquisition will add approximately 400 employees to the Accenture team and integrate into Accenture's Health and Public Service segment.

**Date:** 01/08/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

Cyberspace Solutions LLC (d.b.a. illuminate) is a provider of intelligence analysis, language support, solutions development, and enterprise IT to commercial and public markets. The acquisition brings long-standing customer relationships with SOCOM and DIA, additional prime contracts, and additional highly trained, cleared employees to the Godspeed backed platform.

**Date:** 01/09/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

Thompson Software Solutions ("TSS") is a provider of software development, engineering, and integration solutions to private and public customers. TSS' expertise includes fixed & rotary wing aircraft, commercial space flight, hypersonic platforms, and command-and-control systems. The combined entity creates a "scaled provider of mission-critical software solutions for customers."

**Date:** 01/16/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

Honeywell International's Cockpit Displays and Legacy Displays assets provide the capability to produce, sell, and repair Boeing and other general aircraft displays. The acquisition provides significant advancement for Sunshine Avionics, as the Company looks to grow its capabilities and strengthen its ability to serve customers.

**Date:** 01/16/2024***EV:** \$228M**EV/EBITDA:** ND*Transaction Details*

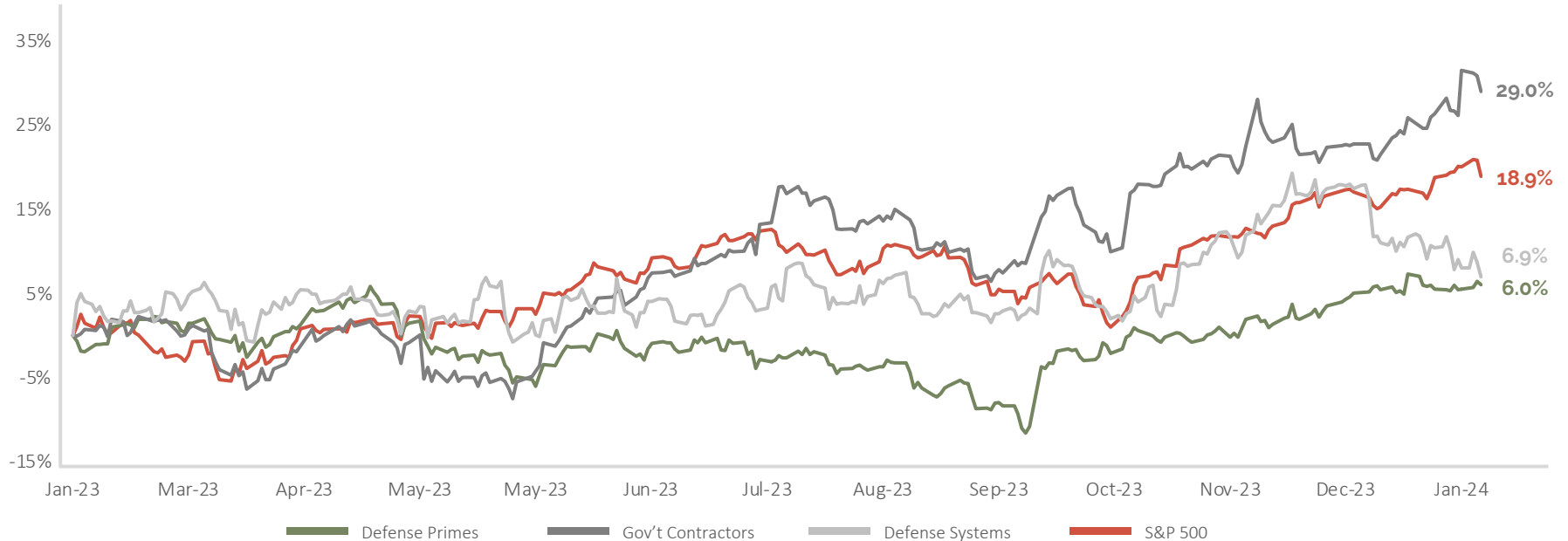
Sayari is a provider of counterparty and supply chain risk intelligence solutions to government agencies, multinational corporations, and financial institutions. The company integrates global corporate and supply chain data to surface risk insights. The partnership will accelerate global expansion and support the launch of a new supply chain illumination platform with AI capabilities.

**Date:** 01/19/2024***EV:** \$1.800M**EV/EBITDA:** 13.8X*Transaction Details*

Kaman (NYSE: KAMN) is a manufacturer of high precision and engineered components for private sector and U.S. federal government markets. The company's aerospace and defense products include aircraft bearings and components. The acquisition is expected to provide additional resources, expertise, and flexibility to Kaman. Additionally, Arcline expects Kaman to greatly benefit from increased operational flexibility as a private company.

Contract Value (\$M)	Award Date	End Date	Customer	Awardee	Type	Contract Scope
\$3,000	01/10/2024	-	U.S. Navy	DRS Naval Power Systems	-	Provide integrated electric propulsion system products for the Columbia class submarines
\$2,179	01/18/2024	09/30/2028	FEMA	Various	T&M/IDIQ	Acquire qualified contractor personnel with the technical skills to support disaster relief
\$2,000	01/01/2024	12/31/2030	Veterans Affairs	Iron Bow	FFP/IDIQ	Provide benefits and services to U.S. Veterans, including Connected Care Integrated Network
\$913	01/25/2024	06/30/2026	NAVSEA	Huntington Ingalls	Cost Plus Fixed Fee/ Incentive Fee	Deliver material forecasting, long lead-time material procurement, and other services
\$889	01/05/2024	01/05/2024	U.S. Army	Peraton	Cost Plus Award Fee	Support the integration of cyberspace-related operations with EW, IO, and other IAE activities
\$872	01/05/2024	01/04/2029	U.S. Army	L3 Fuzing & Ordnance Systems	FFP/IDIQ/Cost Plus Fixed Fee	Provide electronic time and point detonating function needed for artillery projectiles
\$612	01/22/2024	10/31/2030	U.S. Navy	GD Mission Systems	Cost Plus Fixed Fee/ Incentive Fee/Level of Effort	Provide SWS FCS development, production, sustainment, modernization, and other services
\$534	01/16/2024	07/16/2029	U.S. Army	Intrepid	Cost Plus Fixed Fee	Provide programmatic and technical support across various areas of expertise and locations
\$526	01/12/2024	01/11/2029	U.S. Army	CACI	Cost Plus Award Fee	Deliver a reliable and high-speed network modernizing the Army's IT infrastructure

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

TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART¹

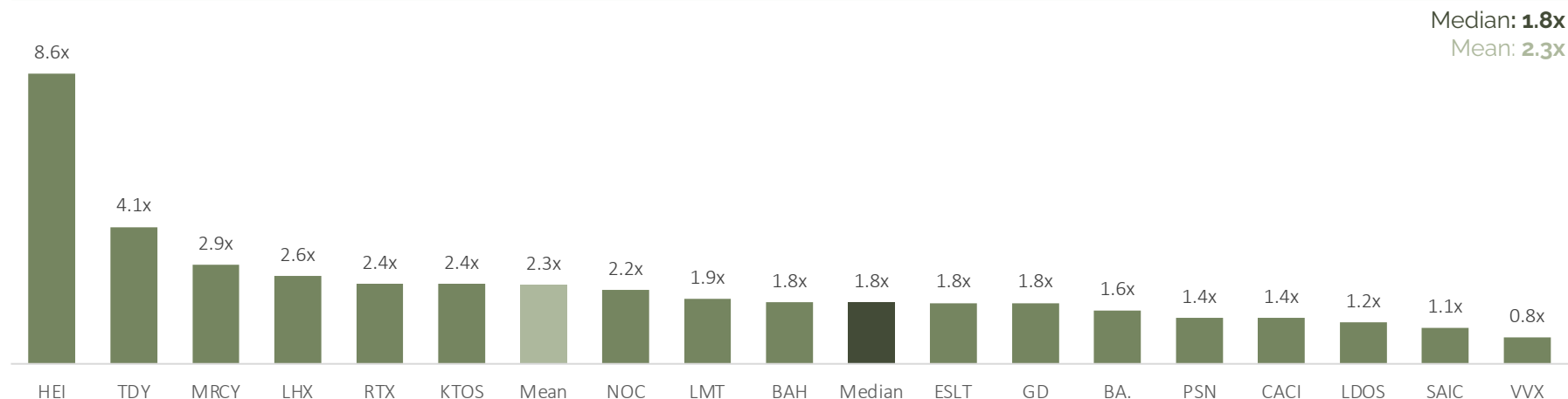
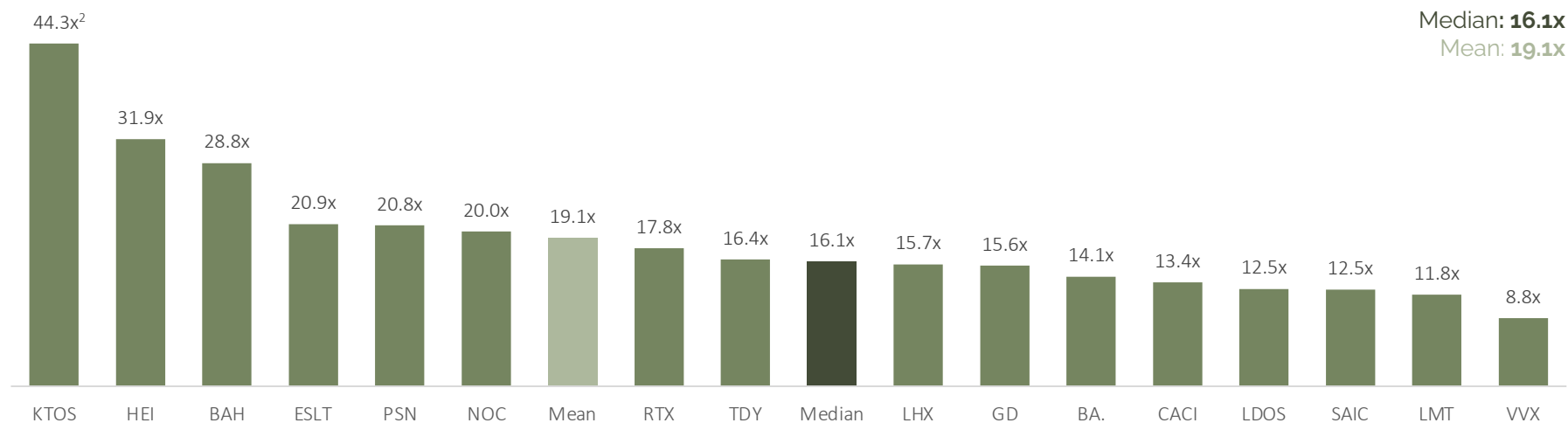
Market Commentary

- TMG's Government Contractor index has posted strong results over the past twelve months, largely due to the performance of Booz Allen Hamilton and Parsons. Both contractors have seen significant gains in share price following multiple large, long-term contract awards.
- The Defense Systems index has struggled in early 2024, with every component except HEICO posting negative returns for the first month of the year. Mercury Systems fell nearly 18% in January amid job cuts, executive team changes, and expectations that the Company would report a decline in earnings.
- The Defense Primes index has remained relatively stable since the October 7th terrorist attacks in Israel. However, growth has remained somewhat weak compared to the S&P 500. BAE Systems, which has seen share prices rise over 41%, is the only component to outperform the S&P 500 over the TTM period.

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

1. For composition of indices, see page 21

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 1/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
Raytheon	91.12	171,027	78,734	13,737	17%	83,759	14,734	18%	2.17x	12.45x	2.04x	11.61x
Lockheed Martin	429.41	120,958	69,202	9,783	14%	71,697	10,202	14%	1.75x	12.36x	1.69x	11.86x
Northrop Grumman	446.76	79,630	41,067	5,711	14%	43,147	6,187	14%	1.94x	13.94x	1.85x	12.87x
General Dynamics	264.99	79,720	46,502	5,991	13%	48,323	6,453	13%	1.71x	13.31x	1.65x	12.35x
L3Harris	14.97	49,811	31,469	4,195	13%	33,897	4,589	14%	1.58x	11.87x	1.47x	10.85x
BAE Systems	208.42	52,069	21,225	3,869	18%	22,163	4,207	19%	2.45x	13.46x	2.35x	12.38x
Average	\$242.61	\$92,202	\$48,033	\$7,214	15%	\$50,498	\$7,729	15%	1.93x	12.90x	1.84x	11.99x
Gov't Contractors												
Leidos	110.47	19,709	15,956	1,680	11%	16,707	1,772	11%	1.24x	11.73x	1.18x	11.12x
Booz Allen Hamilton	140.77	21,288	10,604	1,165	11%	11,431	1,258	11%	2.01x	18.27x	1.86x	16.92x
CACI	343.73	9,629	7,460	836	11%	7,841	857	11%	1.29x	11.51x	1.23x	11.24x
SAIC	127.66	8,730	7,343	688	9%	7,360	701	10%	1.19x	12.69x	1.19x	12.46x
Parsons	65.15	7,707	5,655	498	9%	5,905	538	9%	1.36x	15.46x	1.31x	14.33x
V2X	38.89	2,333	4,079	304	7%	4,272	328	8%	0.57x	7.69x	0.55x	7.12x
Average	\$137.78	\$11,566	\$8,516	\$862	10%	\$8,919	\$909	10%	1.28x	12.89x	1.22x	12.20x

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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price	Enterprise	CY2024E			2025P			TEV/2024E		TEV/2025P	
	1/31/24	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
Teledyne Technologies	418.47	22,347	5,865	1,456	25%	6,168	1,562	25%	3.81x	15.35x	3.62x	14.31x
HEICO Corporation	179.59	24,489	3,239	817	25%	3,926	1,004	26%	7.56x	29.96x	6.24x	24.39x
Elbit Systems	206.74	10,721	6,463	617	10%	6,527	666	10%	1.66x	17.38x	1.64x	16.10x
Mercury Systems	29.66	2,325	855	48	6%	904	116	13%	2.72x	48.77x	2.57x	20.00x
Kratos Defense & Security	16.93	2,506	1,108	104	9%	1,236	122	10%	2.26x	24.03x	2.03x	20.47x
Average	\$170.28	\$12,478	\$3,506	\$608	15%	\$3,752	\$694	17%	3.60x	27.10x	3.22x	19.05x
Low	\$14.97	\$2,325	\$855	\$48	6%	\$904	\$116	8%	0.57x	7.69x	0.55x	7.12x
Mean	\$184.34	\$40,294	\$20,990	\$3,029	13%	\$22,074	\$3,253	14%	2.19x	17.07x	2.03x	14.14x
Median	\$140.77	\$21,288	\$7,460	\$1,165	11%	\$7,841	\$1,258	13%	1.75x	13.46x	1.69x	12.46x
High	\$446.76	\$171,027	\$78,734	\$13,737	25%	\$83,759	\$14,734	26%	7.56x	48.77x	6.24x	24.39x

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

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
01/03/2024	Accenture	6Point6	Provides cloud data, cybersecurity, and digital transformation solutions	NA	NA	NA
01/05/2024	The Chertoff Group	Trustwave	Offers managed detection and response, database security, and other services	\$205	NA	NA
01/08/2024	Crimson Phoenix	Cyberspace Solutions (illuminate)	Provides intelligence analysis, language support, and solutions development services	NA	NA	NA
01/09/2024	Applied Insight	Zavda Technologies	Provides national security customers with advanced analytics and software dev.	NA	NA	NA
01/09/2024	Lynx Software Technologies	Thompson Software Solutions	Provides software development, engineering, and integration solutions	NA	NA	NA
01/11/2024	Allient	SNC Manufacturing	Designs and manufacturers electrical transformers and communication products	NA	NA	NA
01/16/2024	Sunshine Avionics	Honeywell ¹	Offers the capability to produce, sell, and repair Boeing and other aircraft displays	NA	NA	NA
01/16/2024*	TPG Growth	Sayari	Provides counterparty and supply chain risk intelligence solutions	\$228	NA	NA
01/19/2024*	Arcline	Kaman (NYSE:KAMN)	Manufacturers high precision and engineered components for private and public customers	\$1,800	NA	13.8x
01/24/2024	Spalding Consulting	Saalex	Provides software development, information technology, and engineering services	\$75	NA	NA
01/25/2024	Arlington Capital Partners	Merrill Technologies	Provides contract manufacturing services such as design, fabrication, and machining	NA	NA	NA
01/25/2024	Arlington Capital Partners	Metal Trades	Manufactures large steel and sheet metal industrial components and structures	NA	NA	NA

Sources: S&P Capital IQ, DACIS, GovConWire

*Announced, not closed

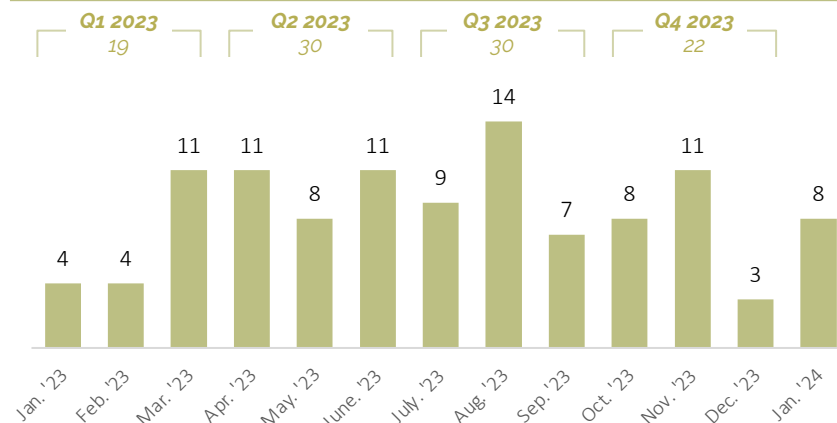
1. Cockpit Displays and Legacy Displays assets

- The U.S. intelligence community is using AI to detect hackers who are targeting American critical infrastructure and identify signs of hackers using AI in their attacks. Chinese hackers in particular have used methods that blend with regular network activity, making the breaches extremely difficult to detect using conventional methods. As the nation's adversaries increasingly turn to AI for cyber incursions, the U.S. will require defensive AI technology to respond adequately.
- On January 9th, an unauthorized individual gained access to the @SECGov X (previously known as Twitter) account and posted fake content, which caused concerns about the Commission's ability to safeguard data. Nevertheless, the SEC stated that there was no evidence indicating that the unauthorized party had accessed the agency's systems, data, devices, or any other social media accounts.

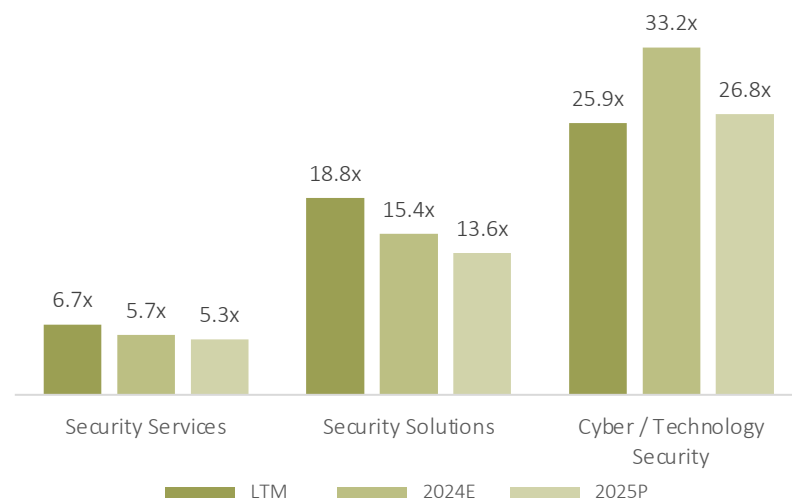
Select January Transactions



TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES¹



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 1/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	9.80	9,898	15,672	1,398	9%	16,269	1,487	9%	0.63x	7.08x	0.61x	6.66x
The Brink's Company	80.84	6,499	5,095	962	19%	5,493	1,091	20%	1.26x	6.68x	1.17x	5.90x
Prosegur	1.90	2,737	4,813	550	11%	4,946	597	12%	0.57x	4.98x	0.55x	4.59x
Loomis	27.53	2,400	2,916	573	20%	2,954	605	20%	0.82x	4.19x	0.81x	3.97x
Average	\$30.02	\$5,384	\$7,124	\$871	15%	\$7,415	\$945	15%	0.82x	5.73x	0.79x	5.28x
Security Solutions												
Honeywell International	202.26	147,258	39,017	10,280	26%	41,089	10,916	27%	3.77x	14.32x	3.58x	13.49x
Johnson Controls	52.69	47,326	28,248	4,373	15%	29,457	4,459	15%	1.68x	10.82x	1.61x	10.61x
Motorola Solutions	319.50	58,634	9,947	3,051	31%	10,510	3,243	31%	5.89x	19.22x	5.58x	18.08x
ADT	6.53	15,388	5,590	2,530	45%	5,911	2,648	45%	2.77x	6.11x	2.62x	5.84x
Allegion	123.89	12,672	3,753	904	24%	3,918	963	25%	3.45x	14.32x	3.30x	13.44x
Alarm.com Holdings	60.82	2,919	922	151	16%	976	176	18%	3.30x	20.23x	3.12x	17.26x
Napco Security Technologies	34.75	1,209	191	54	28%	248	75	30%	6.33x	22.52x	4.87x	16.15x
Average	\$114.35	\$40,772	\$12,524	\$3,049	27%	\$13,159	\$3,211	27%	3.89x	15.36x	3.53x	13.55x

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

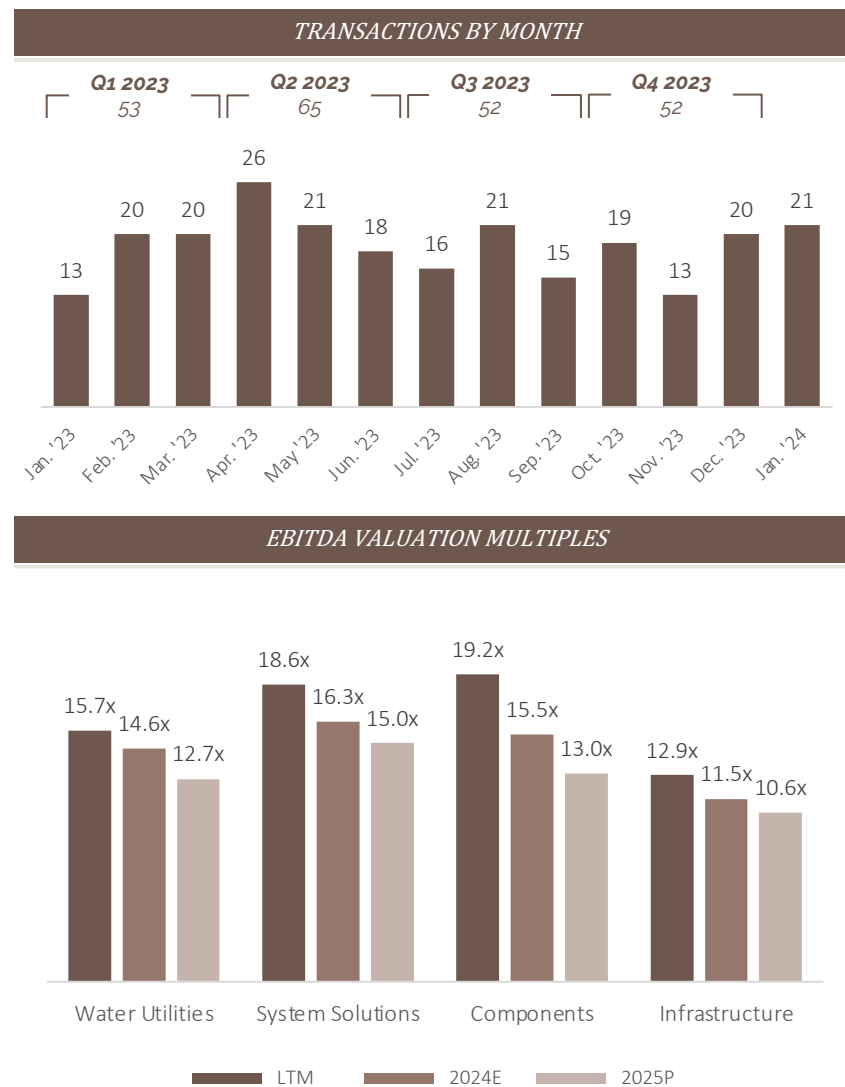
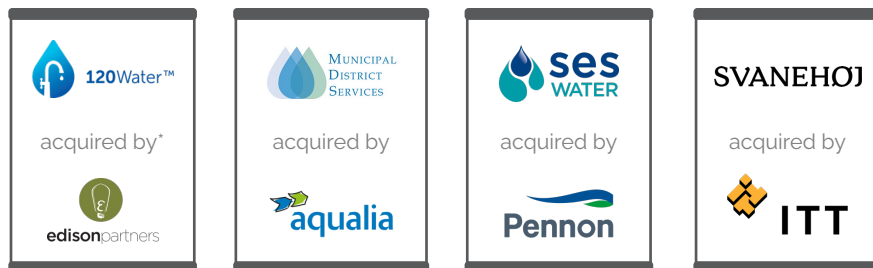
PHYSICAL & CYBER SECURITY

	Stock Price 1/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Palo Alto Networks	338.51	105,061	7,522	2,268	30%	8,883	2,587	29%	13.97x	46.32x	11.83x	40.61x
CrowdStrike	292.50	67,903	3,050	774	25%	3,941	1,017	26%	22.26x	NA	17.23x	NA
Fortinet	64.49	47,410	5,941	1,698	29%	6,840	2,036	30%	7.98x	27.91x	6.93x	23.29x
Zscaler	235.67	33,858	1,877	385	21%	2,341	506	22%	18.04x	NA	14.46x	NA
Cloudflare	79.05	26,388	1,653	300	18%	2,124	410	19%	16.84x	NA	13.10x	NA
Check Point	158.93	15,605	2,534	1,126	44%	2,655	1,191	45%	6.16x	13.86x	5.88x	13.11x
Okta	82.65	12,957	2,244	290	13%	2,480	430	17%	5.77x	44.62x	5.22x	30.10x
Average	\$178.83	\$44,169	\$3,546	\$977	26%	\$4,181	\$1,168	27%	13.00x	33.18x	10.66x	26.78x
Low	\$1.90	\$1,209	\$191	\$54	9%	\$248	\$75	9%	0.57x	4.19x	0.55x	3.97x
Mean	\$120.68	\$34,229	\$7,833	\$1,759	24%	\$8,391	\$1,913	24%	6.75x	17.55x	5.69x	14.87x
Median	\$79.95	\$15,497	\$4,283	\$933	22%	\$4,443	\$1,054	23%	4.77x	14.32x	4.23x	13.44x
High	\$338.51	\$147,258	\$39,017	\$10,280	45%	\$41,089	\$10,916	45%	22.26x	46.32x	17.23x	40.61x

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

- The Cybersecurity and Infrastructure Agency (CISA), the EPA, and the FBI issued a joint guide to assist owners and operators in the water and wastewater industry with cyber incident best practices. The recommendations come during a period of increased focus on the cybersecurity of critical infrastructure and several high-profile attacks on water assets.
- The Build America Buy America Act (BABA) of 2021, which stipulates that ‘manufactured products’ for federally funded projects must have over 55% of their costs derived from U.S. components, recently concluded its public comments period. The feedback exposed gaps in domestic supply chains throughout the water industry, particularly for membranes, circuit boards, and pump motors which are largely produced internationally. The deficiencies of domestic supply chains are already under pressure due to increased demand from the Infrastructure Investment and Jobs Act, with projects already experiencing increased costs due to BABA requirements.

Select January Transactions



Source(s): CISA.gov, Global Water Intelligence
 * \$43M control investment
 1. For composition of indices, see page 21

CRITICAL INFRASTRUCTURE

	Stock Price 1/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	124.02	35,717	4,445	2,458	55%	4,702	2,701	57%	8.04x	14.53x	7.60x	13.22x
Essential Utilities	35.86	16,653	2,431	1,217	50%	2,582	1,327	51%	6.85x	13.68x	6.45x	12.55x
California Water Service	45.27	3,751	939	312	33%	980	347	35%	3.99x	12.02x	3.83x	10.81x
American States Water	74.60	3,608	554	223	40%	583	241	41%	6.51x	16.16x	6.19x	15.00x
SIW	59.54	3,586	679	280	41%	704	302	43%	5.28x	12.81x	5.09x	11.89x
Consolidated Water	31.93	461	141	27	19%	170	NA	NA	3.27x	16.89x	2.71x	NA
Global Water Resources	11.99	394	53	25	46%	60	NA	NA	7.46x	16.06x	6.56x	NA
Average	\$54.74	9,167	1,320	649	41%	1,397	983	46%	5.91x	14.59x	5.49x	12.70x
System Solutions												
Danaher	239.91	189,883	24,044	7,703	32%	26,193	8,606	33%	7.90x	24.65x	7.25x	22.06x
Dover	149.78	23,821	8,726	1,897	22%	9,049	2,026	22%	2.73x	12.56x	2.63x	11.76x
Xylem	112.44	28,784	8,420	1,666	20%	8,892	1,835	21%	3.42x	17.28x	3.24x	15.68x
IDEX	211.50	16,847	3,324	925	28%	3,533	1,015	29%	5.07x	18.21x	4.77x	16.60x
Pentair	73.17	13,913	4,422	1,001	23%	4,424	1,083	24%	3.15x	13.91x	3.15x	12.84x
A. O. Smith	77.61	11,334	4,006	871	22%	4,165	917	22%	2.83x	13.02x	2.72x	12.36x
Watts Water Technologies	198.01	6,330	2,238	438	20%	2,363	472	20%	2.83x	14.45x	2.68x	13.42x
Average	\$151.77	41,559	7,883	2,071	24%	8,374	2,279	24%	3.99x	16.30x	3.78x	14.96x

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

CRITICAL INFRASTRUCTURE

Components	Stock Price 1/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	85.30	13,830	2,253	753	33%	2,364	798	34%	6.14x	18.36x	5.85x	17.32x
Flowserve	39.93	6,296	4,523	578	13%	4,694	638	14%	1.39x	10.90x	1.34x	9.87x
Franklin Electric	94.26	4,458	2,135	330	15%	2,209	347	16%	2.09x	13.50x	2.02x	12.86x
Mueller Water Products	13.71	2,452	1,200	199	17%	1,280	227	18%	2.04x	12.32x	1.92x	10.82x
The Gorman-Rupp	33.39	1,265	691	119	17%	728	121	17%	1.83x	10.67x	1.74x	10.44x
Energy Recovery	15.51	784	147	29	20%	197	46	23%	5.32x	27.19x	3.98x	16.93x
Average	\$47.02	4,848	1,825	335	19%	1,912	363	20%	3.14x	15.49x	2.81x	13.04x
Infrastructure												
AECOM	88.19	13,781	15,561	1,092	7%	16,477	1,179	7%	0.89x	12.62x	0.84x	11.69x
Tetra Tech	158.18	9,412	4,250	554	13%	4,562	611	13%	2.21x	16.98x	2.06x	15.40x
Clean Harbors	167.96	11,261	5,681	1,102	19%	5,951	1,188	20%	1.98x	10.21x	1.89x	9.48x
EMCOR Group	228.11	10,644	13,597	973	7%	14,331	1,033	7%	0.78x	10.94x	0.74x	10.30x
Arcosa	78.28	4,194	2,474	396	16%	2,623	428	16%	1.70x	10.59x	1.60x	9.81x
Primoris Services	32.80	3,000	6,195	407	7%	6,540	442	7%	0.48x	7.37x	0.46x	6.79x
Average	\$125.59	8,715	7,960	754	12%	8,414	813	12%	1.34x	11.45x	1.27x	10.58x
Low	\$11.99	\$394	\$53	\$25	7%	\$60	\$46	7%	0.48x	7.37x	0.46x	6.79x
Mean	\$95.43	\$16,787	\$4,736	\$984	24%	\$5,014	\$1,164	25%	3.70x	14.53x	3.43x	12.91x
Median	\$77.95	\$7,871	\$2,899	\$566	20%	\$3,078	\$718	21%	2.99x	13.59x	2.72x	12.45x
High	\$239.91	\$189,883	\$24,044	\$7,703	55%	\$26,193	\$8,606	57%	8.04x	27.19x	7.60x	22.06x

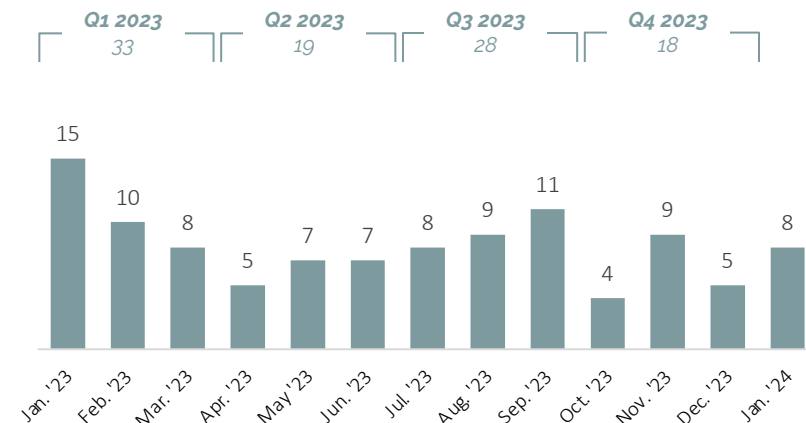
Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

- The U.S. and its allies escalated retaliation against Iranian-backed militias with 85 targeted strikes throughout Iraq and Syria. The attacks were followed by a warning from Iran against a move on its flagged ship in the Red Sea, which is suspected of providing surveillance information to Houthis operating in the area.
- Volatile shipping rates, which have recently increased due to conflict in the Red Sea, has led manufacturers including BYD, the world's largest EV maker, to vertically integrate and insource their international shipping. BYD purchased its first container ship and plans to add seven more vessels in the next two years.
- Retail inventory fell to pre-pandemic levels as retailers shift from a mindset of “just-in-case” inventory to the traditional “just-in-time”. The shift is a result of growing confidence in supply chains that were called into question during COVID-19 supply chain disruptions. The return to a just-in-time mentality has enabled retailers to free up working capital and will impact the shipping industry as lead times are reduced.

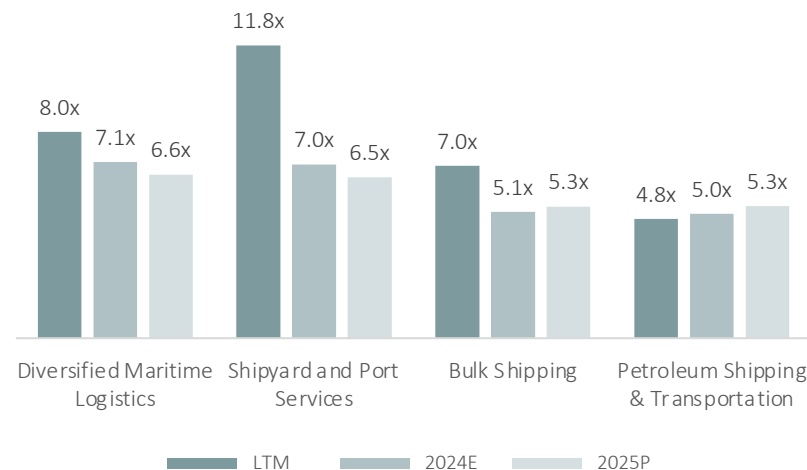
Select January Transactions



TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES¹



Sources: The Guardia, Business Insider, WSJ
 * Acquired an additional 26% stake
 1. For composition of indices, see page 21

MARITIME TRANSPORT & FACILITIES

	Stock Price 1/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central Corporation	11.49	705	568	149	26%	590	157	27%	1.24x	4.74x	1.19x	4.50x
Matson	112.03	4,509	3,102	502	16%	3,067	479	16%	1.45x	8.99x	1.47x	9.42x
Kirby Corporation	78.66	5,850	3,269	656	20%	3,430	723	21%	1.79x	8.91x	1.71x	8.09x
ArcBest Corporation	119.13	2,924	4,619	460	10%	4,903	539	11%	0.63x	6.36x	0.60x	5.42x
Diana Shipping	3.01	804	255	123	48%	286	146	51%	3.15x	6.53x	2.82x	5.49x
Average	\$64.86	2,958	2,363	378	24%	2,455	409	25%	1.65x	7.11x	1.56x	6.59x
Shipyard & Port Services												
International Container	4.33	12,155	2,476	1,564	63%	2,618	1,643	63%	4.91x	7.77x	4.64x	7.40x
Great Lakes Dredge & Dock	7.64	946	748	116	16%	773	120	16%	1.27x	8.15x	1.22x	7.87x
Tidewater	67.19	4,018	1,413	632	45%	1,616	777	48%	2.84x	6.36x	2.49x	5.17x
Orion Group	5.66	305	772	46	6%	810	NA	NA	0.40x	6.67x	0.38x	NA
DEME Group	126.29	4,006	3,579	659	18%	3,894	727	19%	1.12x	6.08x	1.03x	5.51x
Average	\$42.22	4,286	1,798	603	30%	1,942	817	36%	2.11x	7.01x	1.95x	6.49x
Dry Bulk Shipping												
Costamare	10.71	3,321	1,332	632	47%	929	585	63%	2.49x	5.25x	3.58x	5.68x
Star Bulk Carriers	21.74	2,585	842	509	60%	964	612	64%	3.07x	5.08x	2.68x	4.22x
Golden Ocean Group Limited	10.57	3,553	710	425	60%	785	506	64%	5.00x	8.36x	4.53x	7.03x
Danaos Corporation	76.28	1,588	984	749	76%	845	603	71%	1.61x	2.12x	1.88x	2.63x
Global Ship Lease	21.42	1,474	662	459	69%	501	324	65%	2.23x	3.21x	2.94x	4.55x

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

MARITIME TRANSPORT & FACILITIES

	Stock Price 1/31/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	4.04	818	303	162	54%	333	180	54%	2.70x	5.04x	2.45x	4.54x
Eagle Bulk Shipping	55.13	933	313	150	48%	323	114	35%	2.98x	6.24x	2.89x	8.17x
Genco Shipping & Trading	17.54	843	281	153	54%	302	149	49%	3.00x	5.51x	2.79x	5.67x
Average	\$27.18	1,890	678	405	59%	623	384	58%	2.89x	5.10x	2.97x	5.31x
Petroleum Products Transportation												
Scorpio Tankers	70.70	4,863	1,316	898	68%	1,196	742	62%	3.70x	5.42x	4.07x	6.55x
International Seaways	53.64	3,268	960	640	67%	967	643	66%	3.40x	5.10x	3.38x	5.08x
Teekay Tankers	62.55	2,136	840	552	66%	826	506	61%	2.54x	3.87x	2.58x	4.22x
DHT Holdings	11.12	2,157	497	382	77%	562	434	77%	4.34x	5.65x	3.84x	4.97x
Nordic American Tankers	4.45	1,115	298	212	71%	307	223	72%	3.74x	5.25x	3.63x	5.01x
Ardmore Shipping	16.57	773	247	159	64%	217	127	59%	3.13x	4.88x	3.56x	6.07x
Average	\$36.51	2,385	693	474	69%	679	446	66%	3.48x	5.03x	3.51x	5.32x
Low	\$3.01	\$305	\$247	\$46	6%	\$217	\$114	11%	0.40x	2.12x	0.38x	2.63x
Mean	\$40.50	\$2,735	\$1,266	\$458	48%	\$1,293	\$481	49%	2.61x	5.90x	2.60x	5.79x
Median	\$19.48	\$2,147	\$806	\$460	54%	\$818	\$506	59%	2.77x	5.58x	2.74x	5.49x
High	\$126.29	\$12,155	\$4,619	\$1,564	77%	\$4,903	\$1,643	77%	5.00x	8.99x	4.64x	9.42x

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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