



July 2023

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

> \$6B

Total Transaction Value Since 2010

Major News Stories

**U.S. Companies Score Partial Reprieve From Global Minimum Tax Deal**

- U.S.-based companies won relief from two parts of the global minimum tax deal made by the U.S. and about 140 other countries in 2021 that will impose a 15% minimum tax on companies in each nation in which they operate. First, companies will have until 2026 before foreign countries can start imposing new taxes. Second, clean-energy tax credits created from last year's Inflation Reduction Act will be counted more favorably than some companies realized.

**Pay Raises Are Finally Beating Inflation**

- Americans' growing paychecks surpassed inflation for the first time in two years, providing some financial relief to workers, while complicating the Federal Reserve's efforts to tame price increases.
- Inflation-adjusted average hourly wages rose 1.2% YoY in June, according to the Labor Department. That marked the second straight month of seasonally adjusted gains, after two years of workers' elevated raises were erased by inflation.

**Fed No Longer Forecasting a Recession**

- Over the last few meetings of the Federal Open Market Committee, the central bank's staff were predicting a recession would hit the U.S. later this year, even as the economic outlook improved.
- Chair Powell has announced on the Fed is forecasting a noticeable slowdown in growth starting later this year, but given the resilience of the economy, they are no longer forecasting a recession.

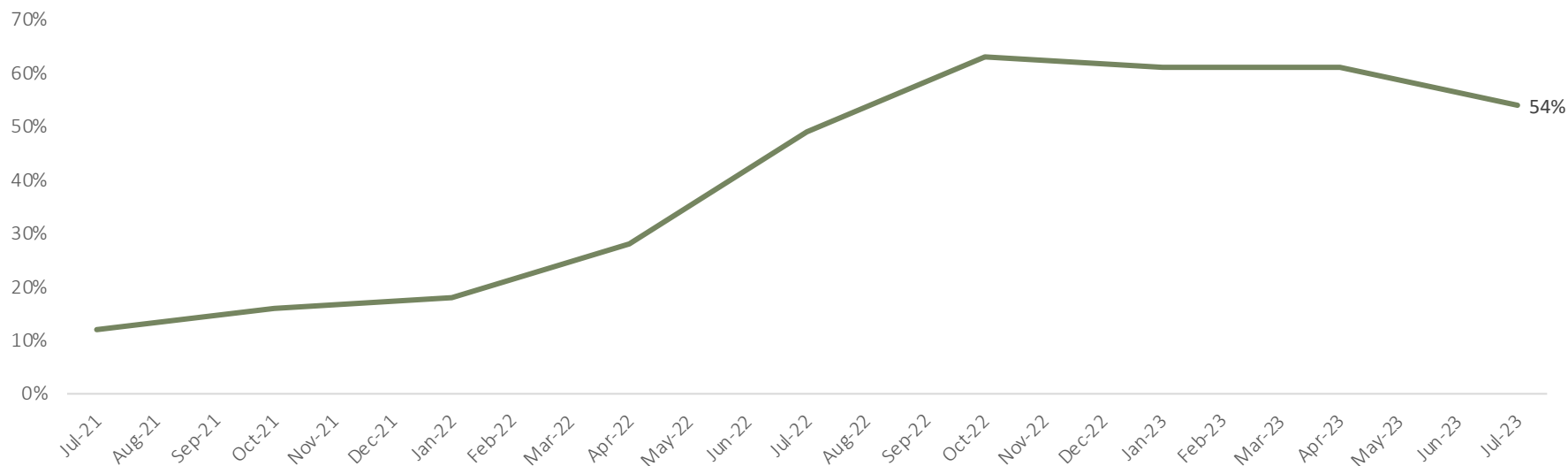
**European Central Bank Raises Key Interest Rate**

- The European Central Bank raised its key interest rate by a quarter percentage point, pressing ahead with its fight against high inflation despite recession fears. The rate increase, the ECB's ninth in a row, was widely expected and will take its deposit rate to a 22-year high from a below zero a year ago.

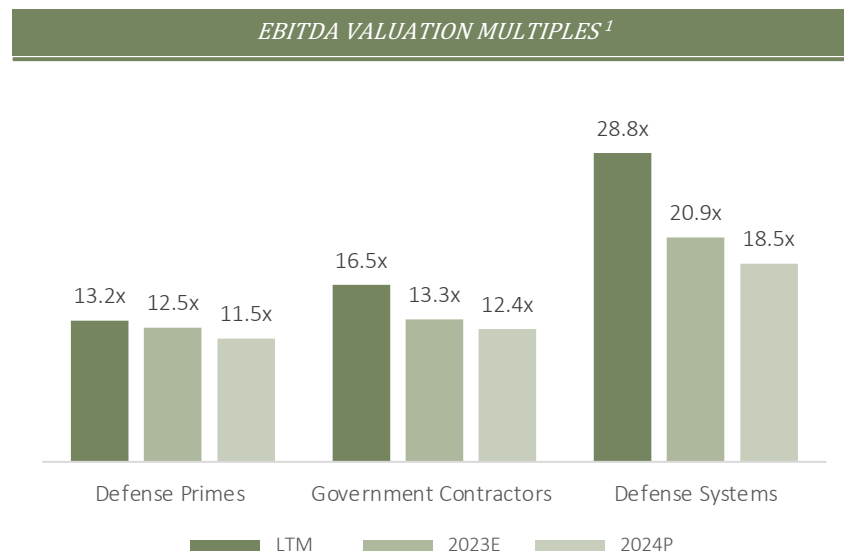
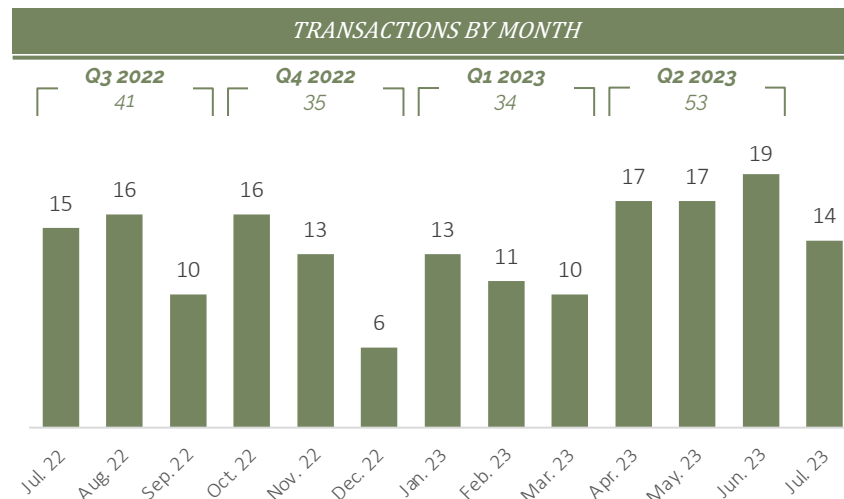
Economic Resilience Causes Economists to Decrease Their Forecasted Future Recession Probability

- According to business and academic economists polled by The Wall Street Journal, the probability of a recession occurring in the next twelve months has fallen from 61% in April 2023 to 54% in July 2023. This is the largest month-over-month percentage-drop since August 2020. The surveyed economists cite easing inflation, a strong labor market, and overall economic resilience.
- Along with decreased recession probability, the expected annual gross domestic product growth increased from 1.3% in April to 1.5% in the July survey. Economists still expect GDP to contract eventually but expect a less severe contraction than previously expected.
- The decrease in May personal-consumption expenditure price index shows that U.S. inflation is reacting to aggressive interest rate hikes. Slowing inflation was cited as the reason for economic optimism for 60% of the surveyed economists.
- Growing optimism for a soft landing has benefitted the broader equity markets with the S&P 500 trading near its highest level since April 2022. Since the beginning of the year the S&P 500 has advanced 19%, driven by cooling inflation, a robust job market, increased retail spending , and increased GDP estimates.

PROBABILITY THE U.S. IS IN A RECESSION IN THE NEXT 12 MONTHS



- In early July, the DoD announced an \$800M security assistance package for Ukraine aimed at providing key capabilities to support counteroffensive operations. This package includes additional munitions for Patriot Air Defense Systems, High Mobility Artillery Rocket Systems, and other additional artillery systems and ammunition. Since the war began in February of 2022, the Biden Administration has committed more than \$41 billion in security assistance to Ukraine.
- On July 14th, the House voted to pass a sweeping defense bill, known as the National Defense Authorization Act (NDAA), that is expected to move into Congress for voting soon. The bill authorizes \$886 billion in defense spending including a 5.2% increase in pay for service members, increase in overall military readiness, improved missile defense capabilities, and provisions to counter China’s influence.
- On July 26th, the Federal Reserve announced it will be hiking interest rates by another quarter of a percentage point, to a target range of 5.25% - 5.50%. This is the highest level that interest rates have reached in the last 22 years, and the Fed did not rule out further rate hikes as the fight against rapid inflation continues. In the announcement, Chairman Powell did note that the Fed’s staff economists no longer expect a recession later this year.



Sources: Bloomberg, S&P Capital IQ, U.S. Department of Defense, CFR, Federal News Network, Reuters
 1. For composition of indices, see page 22



Transaction Details

Pinnacle Solutions, Inc. provides innovative training, sustainment products and services to its defense customers around the globe. The acquisition expands Akima’s aviation and training capabilities in the defense market, and will further enable the Company’s ability to deliver continued value to its aerospace customers

Date: 7/3/2023

EV: ND

EBITDA Multiple: NA



Transaction Details

Forcepoint’s Global Government’s and Critical Infrastructure (G2CI) business supports national security and intelligence communities by providing trusted, data-driven solutions enabling them to collaborate and conduct mission-critical work. The acquisition will allow Forcepoint G2CI to operate with greater flexibility and grow its platform globally

Date: 7/10/2023

EV: \$2.450M

EBITDA Multiple: NA



Transaction Details

Arden Management Consulting, one of 36 AWS public consulting partners, specializes in delivering cloud services, digital transformation, data science and analytics, and location intelligence. The acquisition will enhance Mission1st’s delivery capabilities, customer experience, and provide significant future growth potential throughout the public sector

Date: 7/11/2023

EV: ND

EBITDA Multiple: NA



Transaction Details

eTelligent Group (eTel) supports enterprise-wide transformations of critical business systems by managing the implementation and engineering of emerging technologies. The investment is expected to provide eTel with additional resources to scale the overall organizational infrastructure, capabilities, and explore potential acquisitions

Date: 7/17/2023

EV: ND

EBITDA Multiple: NA



Transaction Details

Navigant Systems LLC, a veteran-owned business, provides services and various offerings in the CSISR markets. The acquisition is expected to expand RSC2’s force protection and communications expertise. Additionally, the acquisition expands RSC2’s footprint to new markets within the DoD community, including multiple OCONUS locations

Date: 7/20/2023

EV: ND

EBITDA Multiple: NA



Transaction Details

Bridge Core provides visual intelligence, cybersecurity, and other technical solutions to the U.S. government intelligence community. The acquisition is expected to serve as a new platform for NewSpring as they reenter the government services space. Bridge Core is expected to use the proceeds of this transaction to execute a disciplined M&A and organic growth strategy

Date: 7/26/2023

EV: ND

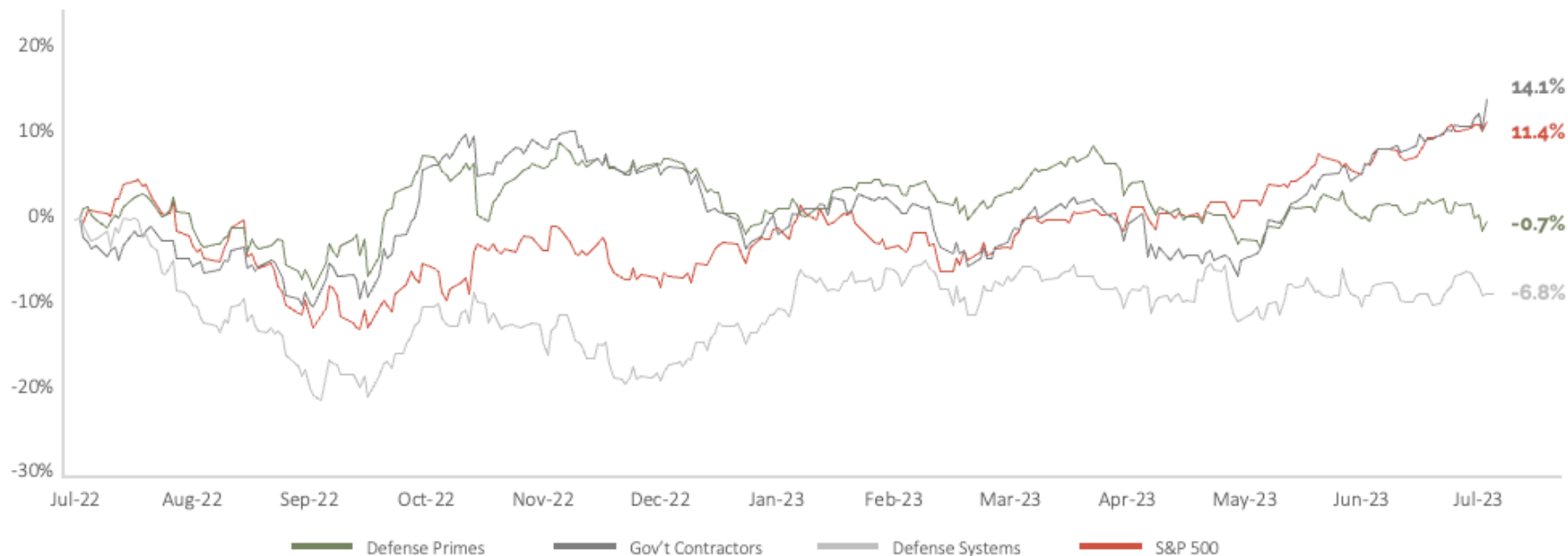
EBITDA Multiple: NA

Sources: S&P Capital IQ, DACIS, GovConWire
 * Announcement Date
 1. Forcepoint divested its Global Governments and Critical Infrastructure (G2CI) business
 2. Strategic investment

Contract Value (\$M)	Award Date	End Date	Customer	Awardee	Type	Contract Scope
\$2,500	07/01/2023	06/30/2033	U.S. Army	National Advanced Mobility Consortium	Firm Fixed Price	Perform coordinated R&D projects to accelerate military platform upgrades
\$1,930	07/20/2023	09/30/2032	NASA	KBRwyle Services	Cost Plus Award Fee / IDIQ	Provide mission and flight crew operations support for the International Space Station
\$947	07/11/2023	07/11/2029	U.S. Army	Amentum	Firm Fixed Price	Provide life cycle services for the U.S. Army fixed-wing Transport Aircraft (TA)
\$793	07/01/2023	01/31/2028	U.S. Army	Boeing	Firm Fixed Price	Perform R&D services for the US Army's Vertical Lift program
\$625	07/01/2023	06/30/2034	U.S. Air Force Nuclear Weapons Center	Raytheon	IDIQ	Produce the AFNWC's Force Element Terminals for the FAB-T program
\$528	07/21/2023	07/20/2028	U.S NAVSEA	Huntington Ingalls	Cost Plus Fixed Fee / IDIQ	Provide maintenance services for USS Nimitz and USS Gerald R. Ford class aircraft carriers
\$499	07/27/2023	07/26/2027	U.S. Defense Advance Research Projects Agency	Lockheed Martin	Firm Fixed Price	Design and construction of the experimental NTR vehicle and its engine
\$393	07/21/2023	12/31/2027	U.S. Army	Boeing	Firm Fixed Price	Provide support services for the Army's AH-64E Apache Aircraft
\$347	07/24/2023	12/29/2028	U.S. Army	Cummins	Firm Fixed Price	Manufacture V903 diesel engines to support the Self-Propelled Howitzer Systems

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

TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART¹

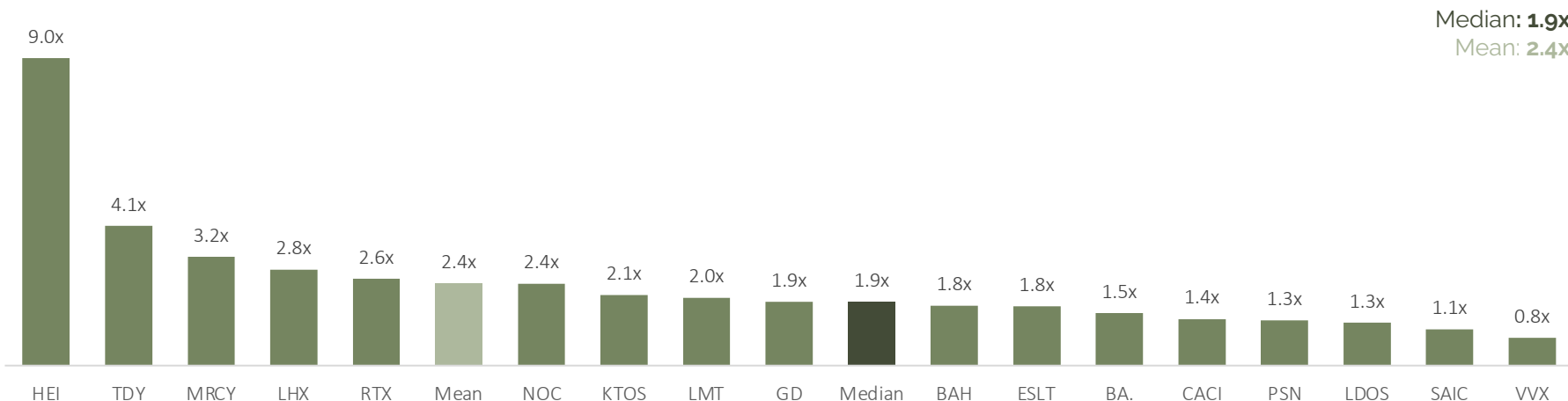


Market Commentary

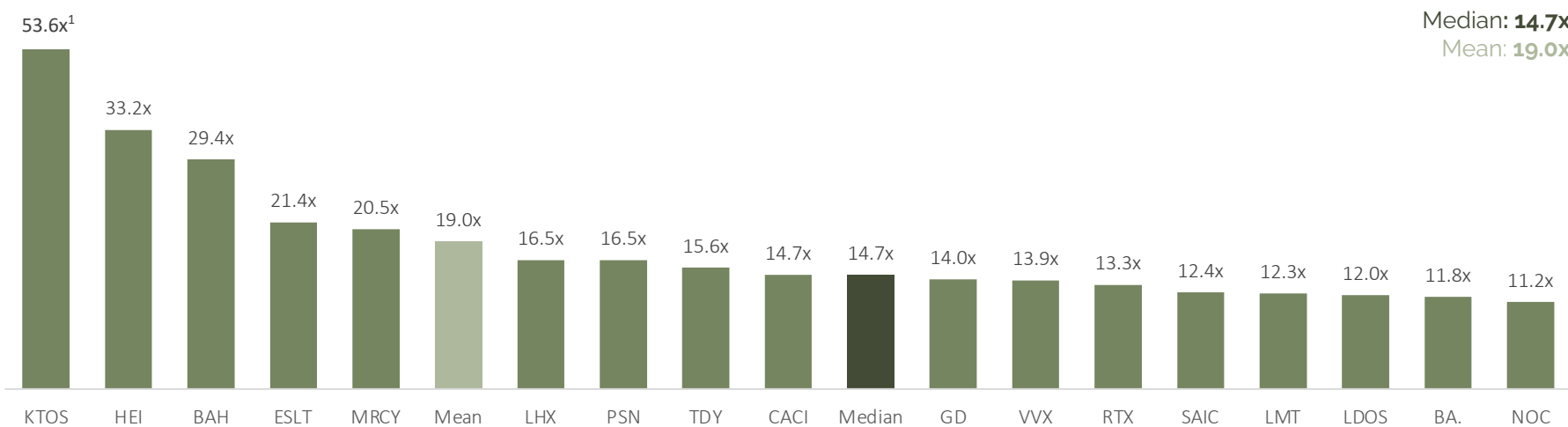
- Over the last few months, The Mclean Group’s custom Gov’t Contractor index continues to perform well and track closely to the S&P 500, while the Defense Primes and Defense Systems indices have flattened
- Gov’t Contractors continue to reap the benefits of the heightened emphasis and government spend on national security, overseas global infrastructure, and information technology modernization
- Included in the Gov’t Contractors index is Parsons, who saw its Q2 revenue jump 34% YoY due to organic growth, key acquisitions, and more specifically, six contracts over \$100M in value on the federal side
- The S&P 500 has continued its strong performance in 2023, largely driven by increased investor interest in artificial intelligence and the resulting performance of tech stocks

Sources: S&P Capital IQ, Bloomberg, Seeking Alpha
 1. For composition of indices, see page 22

LTM REVENUE VALUATION MULTIPLES



LTM EBITDA VALUATION MULTIPLES



Sources: S&P Capital IQ, Bloomberg, Seeking Alpha
1. Not to Scale

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
Raytheon	87.93	160,820	73,612	12,932	18%	78,852	14,170	18%	2.18x	12.44x	2.04x	11.35x
Lockheed Martin	446.37	126,282	66,594	9,891	15%	68,463	10,227	15%	1.90x	12.77x	1.84x	12.35x
Northrop Grumman	445.00	81,054	38,730	5,342	14%	40,827	5,753	14%	2.09x	15.17x	1.99x	14.09x
General Dynamics	223.58	71,269	42,499	5,325	13%	45,137	6,017	13%	1.68x	13.39x	1.58x	11.85x
L3Harris	189.49	45,100	19,332	3,999	21%	20,908	4,503	22%	2.33x	11.28x	2.16x	10.02x
BAE Systems	11.98	41,614	31,140	4,163	13%	32,731	4,442	14%	1.34x	10.00x	1.27x	9.37x
Average	\$234.06	\$87,690	\$45,318	\$6,942	15%	\$47,819	\$7,519	16%	1.92x	12.51x	1.81x	11.50x
Gov't Contractors												
Booz Allen Hamilton	121.08	18,762	10,196	1,095	11%	10,809	1,176	11%	1.84x	17.13x	1.74x	15.95x
Leidos	93.53	18,081	15,021	1,525	10%	15,737	1,642	10%	1.20x	11.86x	1.15x	11.01x
CACI	350.44	9,965	6,878	742	11%	7,205	786	11%	1.45x	13.43x	1.38x	12.67x
SAIC	121.34	8,588	7,207	672	9%	7,232	684	9%	1.19x	12.77x	1.19x	12.55x
Parsons	49.42	5,935	4,658	401	9%	4,915	440	9%	1.27x	14.80x	1.21x	13.48x
V2X	51.46	2,878	3,852	302	8%	4,047	332	8%	0.75x	9.53x	0.71x	8.68x
Average	\$131.21	\$10,702	\$7,969	\$789	10%	\$8,324	\$843	10%	1.28x	13.26x	1.23x	12.39x

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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
<i>Defense Systems</i>												
HEICO Corporation	175.98	22,194	2,829	741	26%	3,106	829	27%	7.84x	29.97x	7.15x	26.77x
Teledyne Technologies	384.53	21,095	5,729	1,370	24%	5,998	1,476	25%	3.68x	15.40x	3.52x	14.29x
Elbit Systems	212.97	10,602	5,704	571	10%	5,986	612	10%	1.86x	18.57x	1.77x	17.32x
Mercury Systems	37.98	2,728	1,023	180	18%	1,077	211	20%	2.67x	15.14x	2.53x	12.92x
Kratos Defense & Security	15.09	2,244	994	88	9%	1,093	107	10%	2.26x	25.60x	2.05x	21.06x
Average	\$165.31	\$11,773	\$3,256	\$590	17%	\$3,452	\$647	18%	3.66x	20.93x	3.40x	18.47x
Low	\$11.98	\$2,244	\$994	\$88	8%	\$1,077	\$107	8%	0.75x	9.53x	0.71x	8.68x
Mean	\$177.54	\$38,189	\$19,765	\$2,902	14%	\$20,831	\$3,142	14%	2.21x	15.25x	2.07x	13.87x
Median	\$121.34	\$18,762	\$7,207	\$1,095	13%	\$7,232	\$1,176	13%	1.86x	13.43x	1.77x	12.67x
High	\$446.37	\$160,820	\$73,612	\$12,932	26%	\$78,852	\$14,170	27%	7.84x	29.97x	7.15x	26.77x

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

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
07/03/2023	Akima	Pinnacle Solutions	Provides aviation O&M, aircraft modernization, and engineering services	NA	NA	NA
07/05/2023	Abracon	NEL Frequency Controls	Develops and manufacturers frequency control products	NA	NA	NA
07/06/2023	Artemis	SightLine Applications	Provides on-board video processing solutions, a key mission-enabling technology	NA	NA	NA
07/11/2023	Vector Capital Mgmt.	Riverbed Technology	Delivers secure, seamless digital experiences to global organizations	NA	NA	NA
07/11/2023	Mission1st Group	Ardent Mgmt. Consulting	Provides cloud services, digital transformation, and location intelligence	NA	NA	NA
07/13/2023	The Swift Group	OPS Consulting	Provides advanced tech in data analytics, computing, and threat mitigation services	NA	NA	NA
07/17/2023	IMB Partners	eTelligent Group ¹	Delivers emerging technologies and program management solutions to the U.S. Gov't	NA	NA	NA
07/17/2023	LightRidge Solutions	Trident Systems	Provides high-performance space electronics and C4ISR solutions	NA	NA	NA
07/18/2023	NueroFlow	Capital Solution Design	Provides measurement-based care solutions for the VA and other healthcare organizations	NA	NA	NA
07/24/2023	RSC2	Navigant Systems	Offers services to the DoD (CONUS and OCONUS) in the C5ISR markets	NA	NA	NA
07/26/2023	NewSpring	Bridge Core	Provides visual intelligence, cybersecurity, and other solutions to the IC	NA	NA	NA
07/28/2023	L3Harris	Aerojet Rocketdyne	Manufacturers propulsion and power systems for rockets, and other space vehicles	\$4,784	2.20x	15.90x

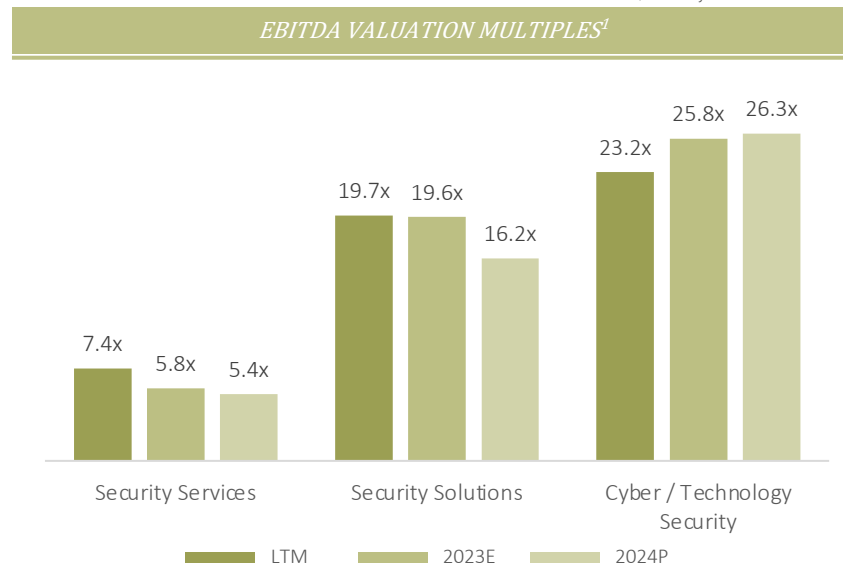
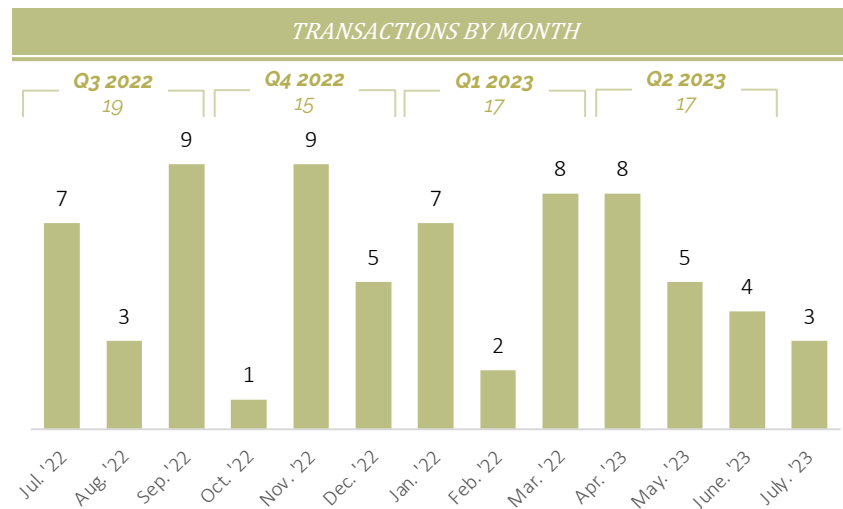
Source(s): S&P CapIQ

1. eTelligent received a strategic investment from IMB Partners

- In early July, Microsoft announced that it would be expanding its cybersecurity offerings to provide Security Service Edge (SASE) for the cloud. The announcement marked Microsoft’s foray into the cybersecurity industry, an area already dominated by companies such as Palo Alto Networks. This news caused a decline in the stock value of the latter. The CEO of Palo Alto stated that Microsoft has made progress, but still has a long way to go to match the comprehensive services provided by companies like Palo Alto. Nevertheless, Microsoft's entry into the SASE market adds credibility to high expectations.
- The National Cybersecurity Strategy Implementation Plan has been released by the Biden Administration, which outlines the administration’s vision for the cyber realm. The plan has five "pillars" with numerous strategic objectives and initiatives under each. However, experts criticized the plan for lacking specificity and not providing actionable items or measurable benchmarks.

Select July Transactions

 acquired by 	 acquired by 	 acquired by 	The G2CI Business of Forcepoint acquired by 
--	--	---	---



Sources: Strategic Market Research, S&P Capital IQ, CyberSecurity Dive, Gartner, NBC News
 1. For composition of indices, see page 22

PHYSICAL & CYBER SECURITY

	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	8.54	9,226	15,032	1,282	9%	15,524	1,360	9%	0.61x	7.20x	0.59x	6.78x
The Brink's Company	72.96	6,313	4,908	896	18%	5,186	981	19%	1.29x	7.05x	1.22x	6.43x
Prosegur	1.85	2,684	5,020	560	11%	5,127	633	12%	0.53x	4.79x	0.52x	4.24x
Loomis	29.26	2,267	2,707	540	20%	2,834	566	20%	0.84x	4.20x	0.80x	4.00x
Average	\$28.15	\$5,122	\$6,917	\$819	14%	\$7,168	\$885	15%	0.82x	5.81x	0.78x	5.37x
Security Solutions												
Honeywell International	194.13	143,091.8	36,970	9,487	26%	38,966	10,197	26%	3.87x	15.08x	3.67x	14.03x
Johnson Controls	69.55	58,751.2	27,621	4,168	15%	28,757	4,328	15%	2.13x	14.10x	2.04x	13.58x
Motorola Solutions	286.63	53,586.7	9,798	2,898	30%	10,326	3,147	30%	5.47x	18.49x	5.19x	17.03x
ADT	6.38	15,532.8	6,716	2,538	38%	7,151	2,691	38%	2.31x	6.12x	2.17x	5.77x
Allegion	116.86	12,144.5	3,658	855	23%	3,805	912	24%	3.32x	14.20x	3.19x	13.32x
Alarm.com Holdings	55.21	2,703.6	869	123	14%	921	147	16%	3.11x	21.98x	2.93x	18.34x
Napco Security Technologies	37.48	1,327.0	185	50	27%	212	63	30%	7.19x	26.80x	6.25x	21.00x
Arlo Technologies	11.36	946.7	486	24	5%	528	35	7%	1.95x	39.78x	1.79x	26.71x
Average	\$99.03	\$36,011	\$10,788	\$2,518	22%	\$11,333	\$2,690	23%	3.67x	19.57x	3.41x	16.22x

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

PHYSICAL & CYBER SECURITY

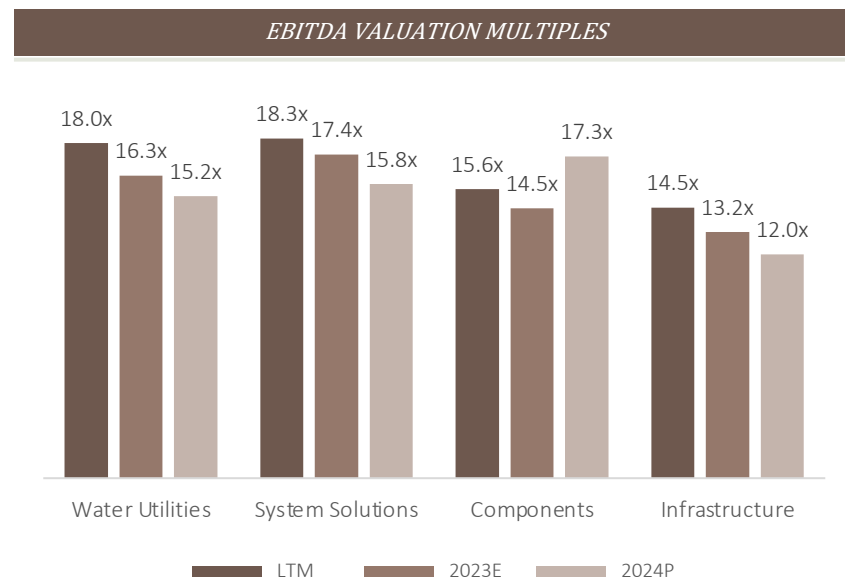
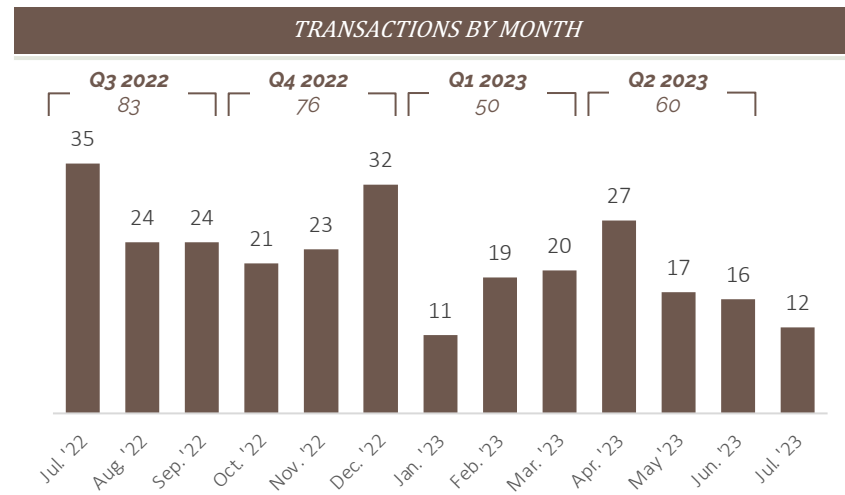
	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Fortinet	77.72	59,217	5,467	1,537	28%	6,519	1,873	29%	10.83x	38.53x	9.08x	31.61x
SolarWinds	10.54	2,860	735	299	41%	765	318	42%	3.89x	9.58x	3.74x	8.98x
Varonis Systems	28.70	2,698	516	41	8%	573	56	10%	5.23x	NA	4.71x	47.98x
Tenable	48.66	5,400	789	114	15%	909	142	16%	6.85x	47.20x	5.94x	38.04x
NetScout Systems	27.95	1,784	904	221	24%	924	240	26%	1.97x	8.08x	1.93x	7.44x
SecureWorks	7.68	577	383	(42)	(11%)	413	25	6%	1.51x	NA	1.40x	23.45x
Average	\$33.54	\$12,089	\$1,466	\$362	17%	\$1,684	\$442	21%	5.05x	25.85x	4.47x	26.25x
Low	\$1.85	\$577	\$185	(\$42)	(11%)	\$212	\$25	6%	0.53x	4.20x	0.52x	4.00x
Mean	\$60.64	\$21,173	\$6,820	\$1,422	19%	\$7,191	\$1,540	21%	3.49x	17.70x	3.18x	17.15x
Median	\$33.37	\$4,130	\$3,182	\$550	19%	\$3,319	\$599	19%	2.71x	14.15x	2.55x	13.80x
High	\$286.63	\$143,092	\$36,970	\$9,487	41%	\$38,966	\$10,197	42%	10.83x	47.20x	9.08x	47.98x

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

- The EPA awarded \$58 million in grant funding across the nation to remove lead in drinking water in schools and childcare facilities. The funding came from the Voluntary School and Child Care Lead Testing and Reduction Program established in the Water Infrastructure Improvements for the Nation Act.
- The California Transportation Commission approved \$4.3 billion in spending for current and future transportation projects across the state with a focus on green transportation. The funding sources are the Infrastructure Investment and Jobs Act, Senate Bill 1, and local Metropolitan Planning Organizations.
- The U.S. Department of Energy proposed new energy efficiency standards for residential water heaters that if implemented, will save consumers \$11.4 billion annually. The rule raises the standard for tankless gas-fired water heaters to 90% efficiency and leaves the standard for tank gas-fired at 70% efficiency.

Select July Transactions

 <p>acquired by</p> 	 <p>acquired by</p> 	 <p>acquired by</p> 	 <p>acquired by</p> 
--	---	---	---



Source(s): USNews Engineering News, UtilityDive
1. For composition of indices, see page 22

CRITICAL INFRASTRUCTURE

	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	147.43	40,100	4,158	2,198	53%	4,434	2,428	55%	9.64x	18.24x	9.04x	16.52x
Essential Utilities	42.29	17,925	2,318	1,109	48%	2,438	1,264	52%	7.73x	16.16x	7.35x	14.18x
California Water Service	53.02	4,192	835	270	32%	921	313	34%	5.02x	15.53x	4.55x	13.38x
American States Water	88.41	4,054	551	211	38%	553	220	40%	7.36x	19.26x	7.33x	18.45x
SIW	70.46	3,860	651	251	39%	668	273	41%	5.93x	15.38x	5.78x	14.13x
Consolidated Water	19.56	264	132	24	18%	126	22	17%	1.99x	11.08x	2.10x	12.09x
Global Water Resources	12.70	416	51	23	44%	53	24	45%	8.10x	18.23x	7.89x	17.46x
Average	\$61.98	10,116	1,242	584	39%	1,313	649	41%	6.54x	16.27x	6.29x	15.17x
System Solutions												
Danaher	255.06	200,732	28,754	9,009	31%	30,602	9,970	33%	6.98x	22.28x	6.56x	20.13x
Dover	145.97	23,554	8,729	1,858	21%	9,116	1,993	22%	2.70x	12.67x	2.58x	11.82x
Xylem	112.75	28,114	7,145	1,284	18%	8,305	1,592	19%	3.93x	21.90x	3.39x	17.66x
IDEX	225.81	18,191	3,287	891	27%	3,434	965	28%	5.53x	20.41x	5.30x	18.85x
Pentair	69.50	13,548	4,102	913	22%	4,295	994	23%	3.30x	14.84x	3.15x	13.63x
A. O. Smith	72.63	10,761	3,790	806	21%	3,934	845	21%	2.84x	13.35x	2.74x	12.74x
Watts Water Technologies	186.53	6,057	1,993	371	19%	2,061	382	19%	3.04x	16.31x	2.94x	15.84x
Average	\$152.61	42,994	8,257	2,162	23%	8,821	2,392	24%	4.05x	17.40x	3.81x	15.81x

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

CRITICAL INFRASTRUCTURE

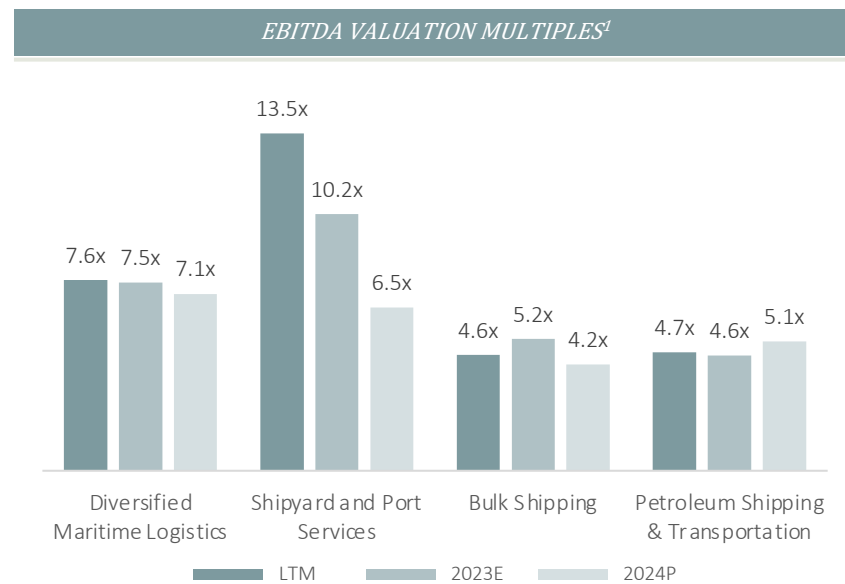
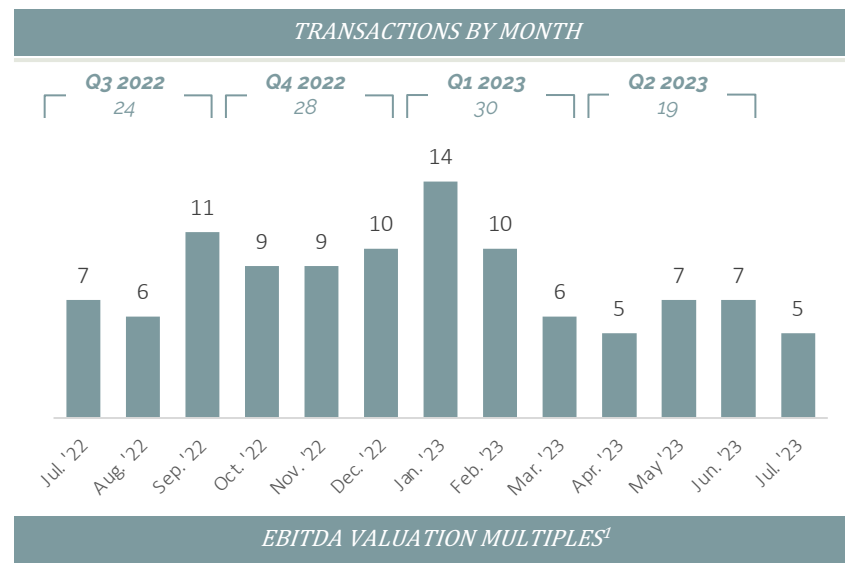
Components	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	79.33	13,039	2,220	714	32%	2,309	759	33%	5.87x	18.27x	5.65x	17.18x
Flowserve	37.76	6,027	4,051	460	11%	4,304	533	12%	1.49x	13.11x	1.40x	11.30x
Franklin Electric	98.82	4,814	2,163	331	15%	2,244	344	15%	2.23x	14.56x	2.15x	13.98x
Mueller Water Products	16.09	2,901	1,248	186	15%	1,348	231	17%	2.32x	15.62x	2.15x	12.58x
The Gorman-Rupp	31.70	1,247	653	113	17%	691	118	17%	1.91x	10.99x	1.80x	10.55x
Energy Recovery	30.48	1,630	138	24	17%	177	43	24%	11.86x	NA	9.20x	38.21x
Average	\$49.03	4,943	1,745	305	18%	1,845	338	20%	4.28x	14.51x	3.73x	17.30x
Infrastructure												
AECOM	87.00	14,122	13,933	964	7%	14,995	1,068	7%	1.01x	14.65x	0.94x	13.22x
Tetra Tech	169.21	10,080	3,645	454	12%	3,988	531	13%	2.77x	22.20x	2.53x	18.98x
Clean Harbors	166.26	11,300	5,467	1,041	19%	5,708	1,115	20%	2.07x	10.86x	1.98x	10.14x
EMCOR Group	215.04	10,203	12,308	850	7%	13,175	880	7%	0.83x	12.00x	0.77x	11.60x
Arcosa	77.18	4,176	2,263	361	16%	2,430	387	16%	1.85x	11.58x	1.72x	10.78x
Primoris Services	31.76	2,928	5,546	360	6%	5,890	395	7%	0.53x	8.14x	0.50x	7.40x
Average	\$124.41	8,801	7,194	672	11%	7,698	729	12%	1.51x	13.24x	1.41x	12.02x
Low	\$12.70	\$264	\$51	\$23	6%	\$53	\$22	7%	0.53x	8.14x	0.50x	7.40x
Mean	\$97.80	\$17,471	\$4,620	\$964	23%	\$4,931	\$1,065	24%	4.19x	15.50x	3.90x	15.11x
Median	\$78.26	\$8,068	\$2,802	\$457	19%	\$2,936	\$532	21%	2.94x	15.38x	2.84x	13.80x
High	\$255.06	\$200,732	\$28,754	\$9,009	53%	\$30,602	\$9,970	55%	11.86x	22.28x	9.20x	38.21x

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

- As part of the Biden Administrations goal of deploying 30 GW of offshore wind capacity, the Bureau of Ocean Energy Management announced three final Wind Energy Areas (WEAs) off the coast of Delaware, Maryland, and Virginia that could support 4-8 GW of energy production. The plans are subject to public comment and further environmental review.
- During July, Russia failed to renew the Black Sea Grain Deal, originally brokered by Turkey and the United Nations over a year ago, the agreement allowed for the safe passage of ships exporting grain from ports under Russian blockades. So far the deal has allowed for the export of 33 million tons of grain from Ukraine, which accounted for 10% of global wheat exports before the war, particularly to food insecure areas such as East Africa. The expiration of the agreements was immediately followed by Russian strikes on key port infrastructure on Ukraine’s Danube River and caused wheat future to jump 8.5% overnight.

Select July Transactions

 acquired by 	 acquired by 	 acquired by 	 acquired by* 
---	---	---	--



Sources: WhiteHouse.gov, CNN
 1. For composition of indices, see page 22
 * Announced, not closed

MARITIME TRANSPORT & FACILITIES

	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central Corporation	11.54	700	752	223	30%	801	241	30%	0.93x	3.14x	0.87x	2.90x
Matson	93.46	4,047	3,025	445	15%	3,004	418	14%	1.34x	9.10x	1.35x	9.68x
Kirby Corporation	81.48	6,121	3,111	556	18%	3,289	652	20%	1.97x	11.02x	1.86x	9.39x
ArcBest Corporation	116.32	2,892	4,466	343	8%	4,845	460	9%	0.65x	8.44x	0.60x	6.29x
Diana Shipping	3.90	890	269	153	57%	253	127	50%	3.31x	5.81x	3.52x	7.00x
Average	\$61.34	2,930	2,324	344	25%	2,438	379	25%	1.64x	7.50x	1.64x	7.05x
Shipyard & Port Services												
International Container	3.96	11,489	2,283	1,439	63%	2,399	1,517	63%	5.03x	7.99x	4.79x	7.57x
Great Lakes Dredge & Dock	8.40	984	672	61	9%	790	122	15%	1.47x	16.23x	1.25x	8.10x
Tidewater	63.11	3,214	1,002	390	39%	1,293	613	47%	3.21x	8.25x	2.49x	5.24x
Orion Group	3.75	215	731	20	3%	780	46	6%	0.29x	10.98x	0.28x	4.68x
DEME Group	132.69	3,938	2,859	514	18%	3,068	569	19%	1.38x	7.66x	1.28x	6.91x
Average	\$42.38	3,968	1,509	485	26%	1,666	573	30%	2.28x	10.22x	2.02x	6.50x
Dry Bulk Shipping												
Costamare	11.17	3,303	1,101	586	53%	1,137	661	58%	3.00x	5.63x	2.91x	5.00x
Star Bulk Carriers	18.08	2,889	781	459	59%	932	580	62%	3.70x	6.29x	3.10x	4.99x
Golden Ocean Group Limited	7.84	2,765	670	351	52%	748	415	55%	4.13x	7.87x	3.70x	6.67x
Danaos Corporation	70.42	1,560	960	741	77%	926	715	77%	1.62x	2.11x	1.68x	2.18x
Global Ship Lease	21.46	1,482	654	444	68%	682	464	68%	2.27x	3.34x	2.18x	3.19x

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

MARITIME TRANSPORT & FACILITIES

	Stock Price 7/31/23	Enterprise Value	CY2023E			2024P			TEV/2023E		TEV/2024P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	3.33	738	258	149	58%	340	213	62%	2.86x	4.95x	2.17x	3.47x
Eagle Bulk Shipping	46.19	616	293	101	34%	334	149	44%	2.10x	6.12x	1.84x	4.14x
Genco Shipping & Trading	14.50	730	259	129	50%	295	172	58%	2.81x	5.67x	2.48x	4.25x
Average	\$24.12	1,760	622	370	56%	674	421	61%	2.81x	5.25x	2.51x	4.24x
Petroleum Products Transportation												
Scorpio Tankers	47.04	3,876	1,300	888	68%	1,178	772	66%	2.98x	4.37x	3.29x	5.02x
International Seaways	42.89	2,803	984	679	69%	902	593	66%	2.85x	4.13x	3.11x	4.72x
Teekay Tankers	43.61	1,761	909	631	69%	746	421	56%	1.94x	2.79x	2.36x	4.18x
DHT Holdings	9.85	1,888	398	314	79%	494	375	76%	4.75x	6.01x	3.82x	5.04x
Nordic American Tankers	4.39	1,145	293	216	74%	288	210	73%	3.91x	5.30x	3.97x	5.45x
Ardmore Shipping	14.08	747	251	151	60%	204	116	57%	2.98x	4.95x	3.67x	6.43x
Average	\$26.98	2,037	689	480	70%	635	415	66%	3.23x	4.59x	3.37x	5.14x
Low	\$3.33	\$215	\$251	\$20	3%	\$204	\$46	6%	0.29x	2.11x	0.28x	2.18x
Mean	\$36.39	\$2,533	\$1,178	\$416	47%	\$1,239	\$442	48%	2.56x	6.59x	2.44x	5.52x
Median	\$16.29	\$1,825	\$766	\$371	55%	\$796	\$420	57%	2.83x	5.91x	2.42x	5.03x
High	\$132.69	\$11,489	\$4,466	\$1,439	79%	\$4,845	\$1,517	77%	5.03x	16.23x	4.79x	9.68x

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
Arlo Technologies	ARLO
Cyber Security	
Fortinet	FTNT
SolarWinds	SWI
Varonis Systems	VRNS
Tenable Holdings	TENB
NetScout System	NTCT
SecureWorks	SCWX

Critical Infrastructure

Water Utilities	
American Water Works	AWK
Essential Utilities	WTRG
California Water Service	CWT
American States Water	AWR
SJW Group	SJW
Consolidated Water	CWCO
Global Water Resources	GWRS
System Solutions	
Danaher	DHR
Dover	DOV
Xylem	XYL
IDEX	IEX
Pentair	PNR
A. O. Smith	AOS
Watts Water Technologies	WTS
Components	
Graco	GGG
Flowserve	FLS
Franklin Electric	FELE
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



Mergers & Acquisitions

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

Marc Gruzenski
Los Angeles, CA
Security & Technology
(703) 827-0246
mgruzenski@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.

© 2023 The McLean Group. All rights reserved. Securities transactions are conducted through McLean Securities, LLC, a member of FINRA/SIPC.