The McLean Group

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M&A Insider Report

October 2025

Defense, Government & Intelligence | Security | Critical Infrastructure | Maritime | Technology & Software | Facility Services | Unmanned Systems | Public Safety

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FIRM OVERVIEW

- Founded in 1997 and headquartered in Northern VA; 30-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

Defense & Government
- Intelligence Community
- Defense Services & Products

Security
- Physical Security Services
- Cyber Security

Critical Infrastructure
- Water & Wastewater
- Energy Infrastructure

Maritime
- Vessels
- Tier Two & Three Services

Technology & Software
- Software as a Service (SaaS)
- Information Technology

Facility Services
- Military Facilities
- Correctional Facilities

Unmanned Systems
- Military & Defense
- Commercial Delivery

Public Safety
- Disaster Response
- Emergency Medical

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
- Fairness Opinions
- PEG Portfolio Valuations
- Purchase Price Allocations
- Estate and Gift

Financial Consulting
Diligence & Advisory Support
- Buy-Side Due Diligence
- Sell-Side Due Diligence
- Transaction Advisory Support

BY THE NUMBERS

$75M
Average Transaction Size

30
Years Supporting Our Clients

200+
Closed M&A Engagements Since 2010

15+
Years Average Senior Team Tenures

93%
Close Rate 2019 - 2025

350+
Annual Valuation Engagements

Major News Stories

U.S. Government Shutdown Extends Beyond October

- Approximately 670K federal employees have been furloughed, while ~730K are working without immediate compensation. Attempts to lay off over 4,000 workers were blocked by a federal judge, though an appeal is ongoing
- The shutdown has significantly affected government contractors across various DoD, IC, and Federal Civilian sectors. While some contracts funded by prior-year appropriations or tied to excepted activities continue, many others face disruptions

Cybersecurity Maturity Model Certification ("CMMC") Rules Begin to Take Effect

- October marked the end of the pre-CMMC era, with the first phase of CMMC implementation beginning November 10, 2025. CMMC assessment requirements will be implemented using a four-phase plan over three years.
- The phases add CMMC Level requirements incrementally, starting with self-assessments in Phase 1, and ending with full implementation of program requirements in Phase 4. Beginning November 10^{th}, solicitations will require Level 1 or 2 self-assessments "where applicable", with DoD reserving the right to require third-party Level 2 certification in select cases

President Trump Tours Asia, Seeks Trade Deals

- A one-year trade truce was reached with China at the APEC summit in South Korea, easing U.S.-China trade tensions. The U.S. reduced tariffs on Chinese imports, while China postponed major restrictions on rare earths
- Additionally, in return for lowering tariffs on South Korea, South Korea pledged to invest $350B in the United States. $200B will be paid in annual cash installments, capped at $20B each year, while the remaining $150B will be spent on investments in shipbuilding

Nvidia Becomes First $5 Trillion Market Cap Company

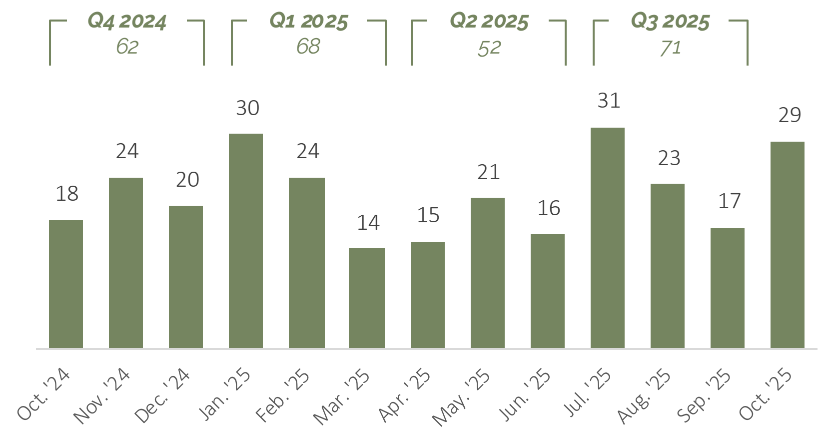
- CEO Jensen Huang announced that Nvidia expects significant sales growth in Blackwell and next-gen Rubin chips. Additionally, he announced plans to build seven new supercomputers for the U.S. government. Shortly thereafter, Nvidia's market cap surpassed $5T
- Broader concerns regarding AI valuations have been voiced by some analysts, citing the intensive capex needed for growth and relatively small returns for companies in the space

Source(s): Bipartisan Policy Center, DOJ, CNBC, Reuters, DoD CIO

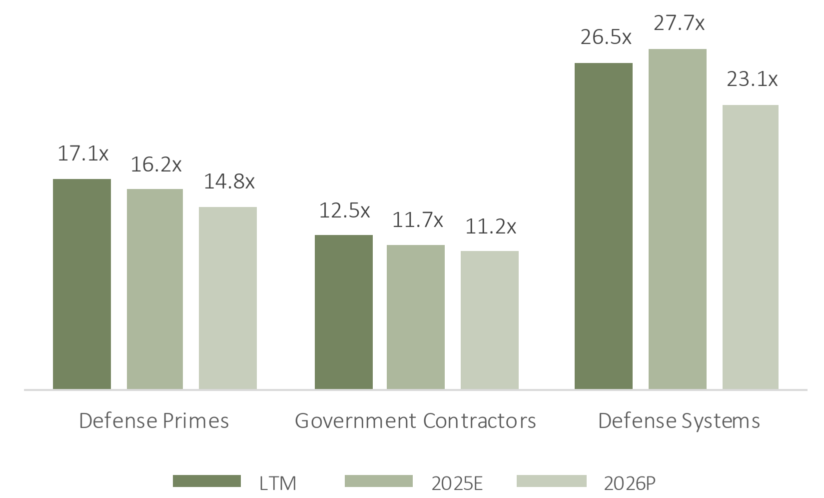
- Amid the government shutdown, the Senate voted to pass a $914B National Defense Authorization Act for fiscal year 2026 after a month of working through amendments, including issues like increasing the DoD's authority to mitigate drone threats over military bases, which received bipartisan support in the upper chamber. The Senate's approval of the bill begins the conference process, where the Senate and the House will convene to work out differences between each chamber's version of the bill (the House passed its version of the bill in September). Both versions of the bill propose to streamline the Pentagon's procurement process through differing acquisition reforms, which are expected to be a major negotiating point during the conference process.

- Secretary of Defense Pete Hegseth is reportedly planning a speech to introduce the Trump Administration's defense acquisition reform strategy to high-level industry executives. The reform includes moving the Defense Security Cooperation Agency (DSCA) from the DoD's policy office to its undersecretary of acquisition and sustainment to streamline the Foreign Military Sales (FMS) process. The FMS process has often been criticized for being too slow, and the move was met with support from industry. However, critics have previously noted that moving the DSCA out of policy could remove strategic considerations from the process of approving or disapproving arms sales. The reform could also add new program manager roles which would oversee major programs like the F-47 fighter or the B-21 raider stealth bomber and report directly to the Deputy Defense Secretary.

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES [1]



Source(s): S&P Capital IQ, Breaking Defense, Federal News Network

1. For composition of indices, see page 21

clearAvenue
the clearAvenue to Innovation
acquired by
XCELERATE SOLUTIONS
a portfolio company of
McNally CAPITAL

Date: 10/07/2025
EV: NA
EV/EBITDA: NA

Transaction Details

clearAvenue provides software development & maintenance, business intelligence and analysis, AI/ML, big data analytics and infrastructure, and cloud services support across federal agencies. The acquisition adds past performance qualifications in AI and machine learning to Xcelerate's digital transformation capabilities. The combined company will have ~1,500 technology professionals.

GroupW THE RIGHT ANSWER
acquired by
SPA SYSTEMS PLANNING & ANALYSIS
a portfolio company of
ACP

Date: 10/09/2025
EV: NA
EV/EBITDA: NA

Transaction Details

GroupW provides data science and defense analytics with a focus on modeling and simulation and wargaming capabilities for the U.S. DoD. The acquisition bolsters SPA's defense modeling and simulation capabilities, adds to its suite of tools supporting the DoD, and strengthens its relationships with defense, intelligence, and homeland security customers.

goTenna
acquired by
FORTERRA

Date: 10/09/2025
EV: NA
EV/EBITDA: NA

Transaction Details

goTenna develops tactical mesh networking solutions that allow secure, resilient communications in disconnected, denied and contested environments. Forterra plans to integrate goTenna's technology into its platform to improve user experience in controlling and interacting with robots in operational environments and eliminate communication concerns.

AGI
a subsidiary of
TRIDENT Maritime Systems
a portfolio company of
J.F. Lehman & Company
acquired by
DC CAPITAL PARTNERS

Date: 10/10/2025
EV: NA
EV/ EBITDA: NA

Transaction Details

Aeronautical & General Instruments Limited (AGI) is a UK-based provider of integrated maritime technologies and systems formed through the merger of AGI and Aish Technologies in 2017. The transaction will allow AGI, formerly a subsidiary of Trident Maritime Systems, to operate as an independent company to more effectively service its existing customers and expand its capabilities and geographical reach.

AIRS AMERICAN INFRARED SOLUTIONS
acquired by
ANDURIL

Date: 10/20/2025
EV: NA
EV/EBITDA: NA

Transaction Details

American Infrared Solutions (AIRS) designs and manufactures high-performance cooled infrared cameras and components. The acquisition further integrates AIRS's hardware into Anduril's portfolio of sensing systems, expanding the range and capability of technologies available to customers. Through this acquisition, Anduril will also become a merchant supplier of cooled infrared cameras and components, serving the broader defense, space, and commercial industrial base.

TransponderTech
business of
SAAB
acquired by
TELEDYNE TECHNOLOGIES Everywhereyoulook™

Date: 10/31/2025
EV: NA
EV/ EBITDA: NA

Transaction Details

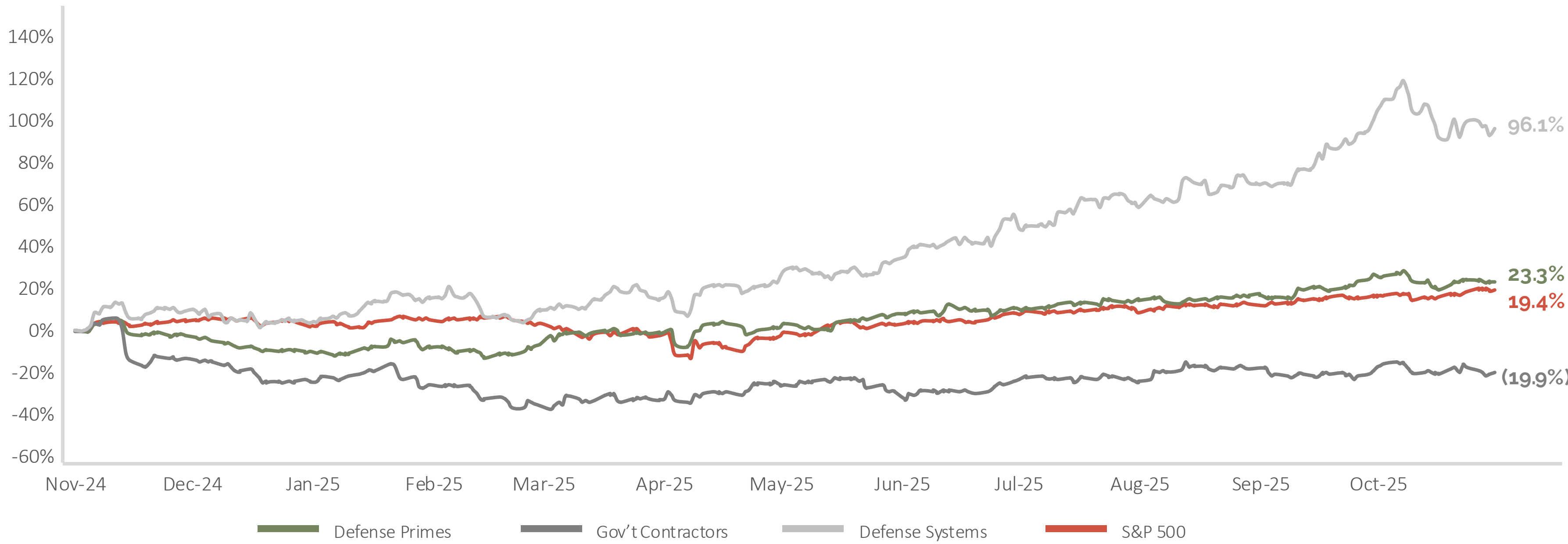
The Sweden-based TransponderTech business of Saab develops maritime products including Automatic Identification System (AIS) and satellite-based navigation technologies, including advanced solutions designed to counter GPS jamming and spoofing threats in the maritime domain. The business will join Teledyne's Raymarine, FLIR Marine, ChartWorld and Teledyne CARIS brands, broadening the group's maritime technology solutions

Source(s): S&P Capital IQ, DACIS, PR Newswire

Contract Value ($M)	Award Date	End Date	Customer	Awardee	Type	Contract Scope
1,563	10/01/2025	09/30/2030	U.S. Department of Veterans Affairs (VA)	ThunderCat Technology	Firm Fixed Price Task Order	Provide InterSystems Software Updates and Technical Assistance (SUTA) in support of the VA Office of Information and Technology (OIT)
1,017	10/01/2025	09/29/2027	U.S. Immigration & Customs Enforcement (ICE)	B.I. Incorporated	Firm Fixed Price IDIQ	Provide electronic monitoring and case management services related to the Intensive Supervision Appearance Program V (ISAP V)
1,000	10/09/2025	10/08/2030	U.S. Defense Logistics Agency (DLA)	Michelin	IDIQ	Provide winter Heavy Expanded Mobility Tactical Truck (HEMTT) tires
954	10/27/2025	10/26/2035	U.S. Navy	ExxonMobil	Firm Fixed Price IDIQ	Provide products and services for Military Sealift Command (MSC) and United States Ships (USS) Navy ships
723	10/01/2025	09/30/2030	U.S. Transportation Security Administration (TSA)	VMD Corp	Firm Fixed Price	Deliver security screening services for both passenger checkpoint and checked baggage operations at San Francisco International Airport
475	10/09/2025	10/08/2034	U.S. Missile Defense Agency (MDA)	IERUS Technologies	Cost Plus Fixed Fee	Provide test provisioning, operation, and sustainment services for sensors and laboratories supporting the Ground Sensors Test Division
388	10/22/2025	10/21/2035	U.S. Defense Logistics Agency (DLA)	Hudson Technologies	Fixed Price IDIQ	Provide the management and supply of refrigerants, compressed gases, cylinders, and related items
309	10/17/2025	10/29/2035	U.S. Centers for Disease Control and Prevention (CDC)	General Dynamics Information Technology (GDIT)	Firm Fixed Price	Provide support services to the WTCHP in the areas of: program/project management, member services and medical benefits support, and more
241	10/24/2025	10/23/2030	U.S. Naval Undersea Warfare Center (NUWC)	SAIC	Firm Fixed Price, Cost Plus Fixed Fee IDIQ	Perform testing services, Torpedo Test Equipment Services, and Engineering and Technical services to the Propulsion Test Facility (PTF)

Source(s): DACIS

TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART [1]



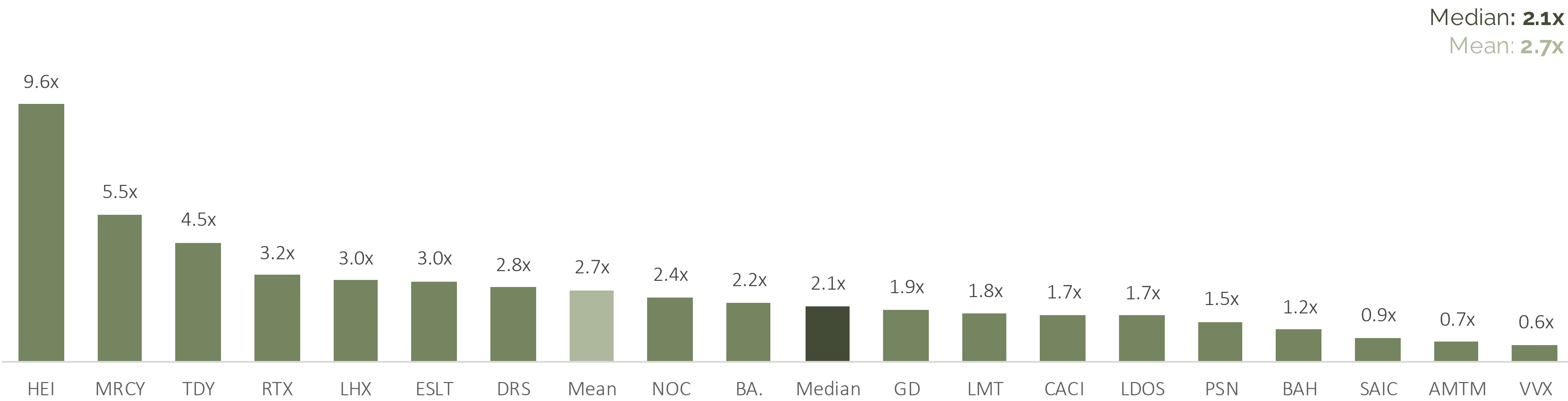
Market Commentary

- The Fed announced another rate cut late in October amid a data blackout due to the government shutdown, bringing the target federal funds rate range down to 3.75-4%. However, Fed Chair Jerome Powell also cautioned against assuming a rate cut following the next meeting in December and noted downside risk to employment statistics, causing a mixed reaction from markets
- The U.S. central bank also announced an end to quantitative tightening, or the reduction of assets that the Fed holds on its balance sheet, beginning in December. Markets anticipated the policy shift, which came as the short-term lending market faced tightening, raising concerns that the reduction had gone far enough
- As of October 31, 2025, TMG's Government Contractors index was down ~20% over the trailing twelve months. That twelve-month period began shortly before the November 2024 presidential election and the announcement of DOGE, when the index was at an all-time high

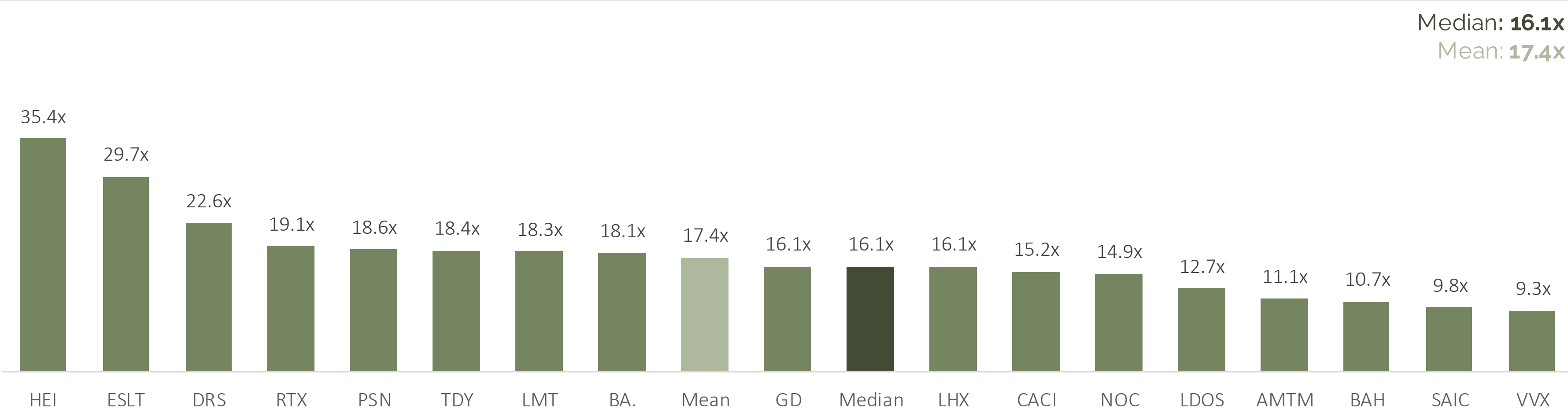
Source(s): S&P Capital IQ, Federal Reserve, CNBC

1. For composition of indices, see page 21

TTM REVENUE VALUATION MULTIPLES [1]



TTM EBITDA VALUATION MULTIPLES [2]



Source(s): S&P Capital IQ
[1]AVAV and KTOS excluded
[2]AVAV, KTOS, and MRCY excluded

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price	Enterprise	CY2025E			2026P			TEV/2025E		TEV/2026P	
	10/31/2025	Value	Revenue	EBITDA	*Margin*	Revenue	EBITDA	*Margin*	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
BAE Systems	24.57	83,041	40,210	5,607	*14%*	43,099	6,046	*14%*	2.07x	14.81x	1.93x	13.74x
General Dynamics	344.90	100,381	51,925	6,241	*12%*	54,169	6,788	*13%*	1.93x	16.08x	1.85x	14.79x
L3Harris Technologies	289.10	65,580	21,912	3,969	*18%*	23,211	4,306	*19%*	2.99x	16.52x	2.83x	15.23x
Lockheed Martin	491.88	132,539	74,569	9,237	*12%*	77,775	10,942	*14%*	1.78x	14.35x	1.70x	12.11x
Northrop Grumman	583.45	98,288	41,866	5,902	*14%*	44,109	6,339	*14%*	2.35x	16.65x	2.23x	15.51x
RTX	178.50	275,950	86,978	14,646	*17%*	92,272	15,771	*17%*	3.17x	18.84x	2.99x	17.50x
Average	**$318.73**	**$125,963**	**$52,910**	**$7,600**	***15%***	**$55,772**	**$8,365**	***15%***	**2.38x**	**16.21x**	**2.25x**	**14.81x**
Gov't Contractors												
Amentum	22.41	9,330	14,081	1,091	*8%*	14,275	1,139	*8%*	0.66x	8.55x	0.65x	8.19x
Booz Allen	87.16	13,918	11,527	1,231	*11%*	11,522	1,235	*11%*	1.21x	11.30x	1.21x	11.27x
CACI International	562.25	15,484	9,036	1,041	*12%*	9,609	1,120	*12%*	1.71x	14.87x	1.61x	13.82x
Leidos	190.47	29,253	17,193	2,355	*14%*	17,792	2,365	*13%*	1.70x	12.42x	1.64x	12.37x
Parsons	83.14	10,057	6,573	621	*9%*	6,965	672	*10%*	1.53x	16.20x	1.44x	14.96x
SAIC	93.71	6,674	7,321	687	*9%*	7,411	709	*10%*	0.91x	9.71x	0.90x	9.42x
V2X	57.09	2,762	4,457	317	*7%*	4,703	339	*7%*	0.62x	8.70x	0.59x	8.14x
Average	**$156.60**	**$12,497**	**$10,027**	**$1,049**	***10%***	**$10,325**	**$1,083**	***10%***	**1.19x**	**11.68x**	**1.15x**	**11.17x**

Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 10/31/2025	Enterprise Value	CY2025E Revenue	CY2025E EBITDA	CY2025E *Margin*	2026P Revenue	2026P EBITDA	2026P *Margin*	TEV/2025E Revenue	TEV/2025E EBITDA	TEV/2026P Revenue	TEV/2026P EBITDA
Defense Systems												
AeroVironment	369.91	18,532	1,700	269	*16%*	2,224	379	*17%*	NM	NM	8.33x	NM
Elbit Systems	478.20	22,580	7,946	871	*11%*	8,835	1,078	*12%*	2.84x	25.92x	2.56x	20.95x
HEICO	317.77	41,036	4,567	1,248	*27%*	4,990	1,368	*27%*	8.99x	32.87x	8.22x	30.01x
Kratos Defense & Security	90.60	14,798	1,311	119	*9%*	1,557	162	*10%*	NM	NM	9.51x	NM
Leonardo DRS	36.56	9,888	3,580	443	*12%*	3,829	511	*13%*	2.76x	22.32x	2.58x	19.36x
Mercury Systems	77.41	4,999	917	128	*14%*	996	175	*18%*	5.45x	39.16x	5.02x	28.60x
Teledyne Technologies	526.82	26,740	6,075	1,476	*24%*	6,371	1,601	*25%*	4.40x	18.11x	4.20x	16.71x
Average	**$271.04**	**$19,796**	**$3,728**	**$651**	***16%***	**$4,115**	**$753**	***18%***	**4.89x**	**27.68x**	**5.77x**	**23.12x**
Low	$22.41	$2,762	$917	$119	*7%*	$996	$162	*7%*	0.62x	8.55x	0.59x	8.14x
Mean	$245.30	$49,091	$20,687	$2,875	*14%*	$21,786	$3,152	*14%*	2.62x	17.63x	3.10x	15.70x
Median	$184.49	$20,556	$8,491	$1,161	*12%*	$9,222	$1,187	*13%*	2.00x	16.14x	2.08x	14.88x
High	$583.45	$275,950	$86,978	$14,646	*27%*	$92,272	$15,771	*27%*	8.99x	39.16x	9.51x	30.01x

Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

Date	Acquirer(s)	Target(s)	Target Description	EV ($M)	EV / Rev.	EV / EBITDA
10/07/2025	Xcelerate Solutions	clearAvenue	Provides software development services across federal agencies	NA	NA	NA
10/09/2025	Systems Planning & Analysis	GroupW	Provides analysis, modeling, and research consulting services to enterprise customers	NA	NA	NA
10/09/2025	Forterra	goTenna	Develops communications devices for defense and law enforcement customers	NA	NA	NA
10/10/2025	DC Capital Partners	Aeronautical & General Instruments (AGI)	Engineers and manufactures instruments for defense and civil customers	NA	NA	NA
10/13/2025	Sigma Defense	Aries Defense	Provides ruggedized computing, ISR, and communication systems for field deployment	NA	NA	NA
10/20/2025	Anduril	American Infrared Solutions	Manufactures infrared cameras and components	NA	NA	NA
10/21/2025	Battle Investment Group	Future Technologies Venture	Integrates end-to-end private network solutions for commercial and gov't customers	NA	NA	NA
10/22/2025	Parraid	DesignLinx Hardware Solutions	Designs and manufactures FPGA circuits and provides FPGA design and support services	NA	NA	NA
10/28/2025	Karman Space & Defense	Five Axis Industries	Provides precision manufacturing services with focus on advanced machining solutions	88	NA	NA
10/29/2025	Blue Delta Capital Partners	BTS Software Solutions, LLC	Provides intel operations, software development, and engineering services	NA	NA	NA
10/29/2025	Acron Aviation	Trakka Corp	Develops and manufactures camera systems for defense and homeland security clients	NA	NA	NA
10/31/2025	Teledyne Technologies	TransponderTech business of Saab	Provides radio products and software solutions for maritime end markets	NA	NA	NA

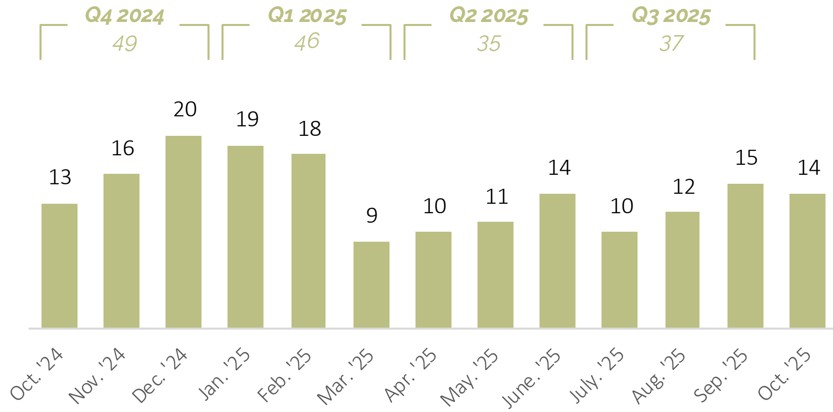
Source(s): S&P Capital IQ, DACIS

- In mid-October 2025, Cybersecurity and Infrastructure Security Agency (CISA) issued an emergency directive after F5 Networks disclosed that a nation-state actor had compromised its development environment and stolen source code and vulnerability information. The directive required all federal civilian agencies to inventory certain F5 BIG-IP devices and apply patches by October 22. The move underscored how vendor compromise and software supply-chain attack vectors can rapidly translate into federal system risk.
- As of October 2025 the National Nuclear Security Administration (NNSA), the U.S. agency tasked with securing the nuclear stockpile, began furloughing about 80 % of its workforce due to the ongoing federal funding shutdown. About 1,400 federal employees were sent home while some contractors and essential staff remained. Although critical operations continue, the move highlighted how federal budget impasses can degrade oversight of major physical-security assets.

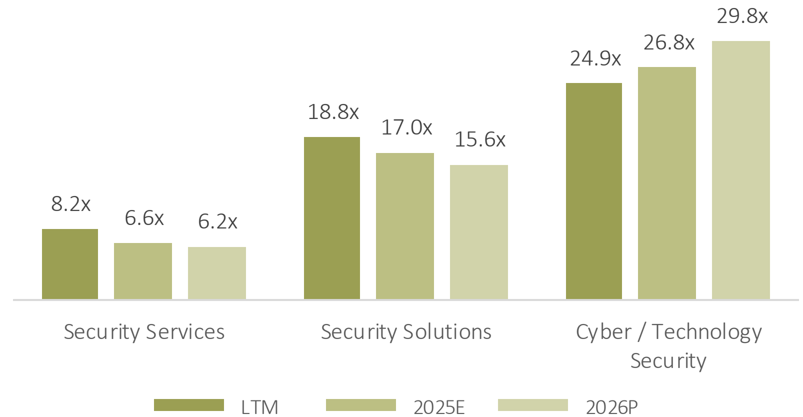
Select August Transactions

- ZION Fire & Security acquired by Pye-Barker Fire & Safety
- GEMTOR acquired by NSA National Safety Apparel
- Eden Data acquired by Riveron
- Verosint acquired by imprivata

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES [1]



Source(s):, Guardian, CBS
1. For composition of indices, see page 21

PHYSICAL & CYBER SECURITY

	Stock Price 10/31/25	Enterprise Value	CY2025E Revenue	CY2025E EBITDA	CY2025E *Margin*	2026P Revenue	2026P EBITDA	2026P *Margin*	TEV/2025E Revenue	TEV/2025E EBITDA	TEV/2026P Revenue	TEV/2026P EBITDA
Security Services												
Securitas AB	14.76	12,407	16,461	1,576	*10%*	16,272	1,628	*10%*	0.75x	7.87x	0.76x	7.62x
The Brink's Company	111.16	7,821	5,227	974	*19%*	5,467	1,039	*19%*	1.50x	8.03x	1.43x	7.53x
Prosegur Compañía	3.26	3,739	5,758	651	*11%*	6,185	737	*12%*	0.65x	5.74x	0.60x	5.08x
Loomis AB	40.43	3,322	3,213	708	*22%*	3,316	742	*22%*	1.03x	4.69x	1.00x	4.48x
Average	$42.41	$6,822	$7,665	$977	*15%*	$7,810	$1,036	*16%*	0.98x	6.58x	0.95x	6.18x
Security Solutions												
Honeywell	201.33	153,650	40,783	10,450	*26%*	39,703	10,390	*26%*	3.77x	14.70x	3.87x	14.79x
Johnson Controls	114.39	86,984	23,739	4,002	*17%*	25,061	4,485	*18%*	3.66x	21.74x	3.47x	19.40x
Motorola Solutions	406.71	76,799	11,645	3,784	*32%*	12,599	4,193	*33%*	6.60x	20.30x	6.10x	18.32x
Allegion	165.77	16,219	4,072	1,013	*25%*	4,336	1,093	*25%*	3.98x	16.01x	3.74x	14.84x
ADT	8.84	15,116	5,151	2,699	*52%*	5,358	2,841	*53%*	2.93x	5.60x	2.82x	5.32x
Alarm.com	49.22	2,547	994	196	*20%*	1,036	213	*21%*	2.56x	13.01x	2.46x	11.97x
Napco Security	44.15	1,480	189	53	*28%*	207	60	*29%*	7.82x	27.75x	7.17x	24.49x
Average	$141.49	$50,399	$12,368	$3,171	*29%*	$12,614	$3,325	*29%*	4.48x	17.02x	4.23x	15.59x

Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

PHYSICAL & CYBER SECURITY

	Stock Price 10/31/25	Enterprise Value	CY2025E Revenue	CY2025E EBITDA	CY2025E *Margin*	2026P Revenue	2026P EBITDA	2026P *Margin*	TEV/2025E Revenue	TEV/2025E EBITDA	TEV/2026P Revenue	TEV/2026P EBITDA
Cyber Security												
Palo Alto Networks	220.24	146,588	9,863	3,148	*32%*	11,190	3,562	*32%*	14.86x	46.56x	13.10x	41.16x
CrowdStrike	543.01	132,147	4,784	1,251	*26%*	5,837	1,658	*28%*	27.62x	NA	22.64x	NA
Cloudflare	253.30	88,184	2,145	478	*22%*	2,728	632	*23%*	NA	NA	NA	NA
Fortinet	86.43	62,754	6,752	2,356	*35%*	7,541	2,630	*35%*	9.29x	26.63x	8.32x	23.86x
Zscaler	331.14	50,644	2,967	773	*26%*	3,587	962	*27%*	17.07x	NA	14.12x	52.63x
Check Point Software	195.68	18,189	2,727	1,170	*43%*	2,892	1,219	*42%*	6.67x	15.55x	6.29x	14.92x
Okta	91.53	14,217	2,884	770	*27%*	3,155	859	*27%*	4.93x	18.46x	4.51x	16.55x
Average	$245.90	$73,246	$4,589	$1,421	*30%*	$5,276	$1,646	*31%*	13.41x	26.80x	11.50x	29.82x
Low	$3.26	$1,480	$189	$53	*10%*	$207	$60	*10%*	0.65x	4.69x	0.60x	4.48x
Mean	$160.08	$49,600	$8,297	$2,003	*26%*	$8,693	$2,163	*27%*	6.81x	16.84x	6.02x	17.68x
Median	$112.78	$17,204	$4,968	$1,091	*26%*	$5,413	$1,156	*26%*	3.98x	15.55x	3.87x	14.88x
High	$543.01	$153,650	$40,783	$10,450	*52%*	$39,703	$10,390	*53%*	27.62x	46.56x	22.64x	52.63x

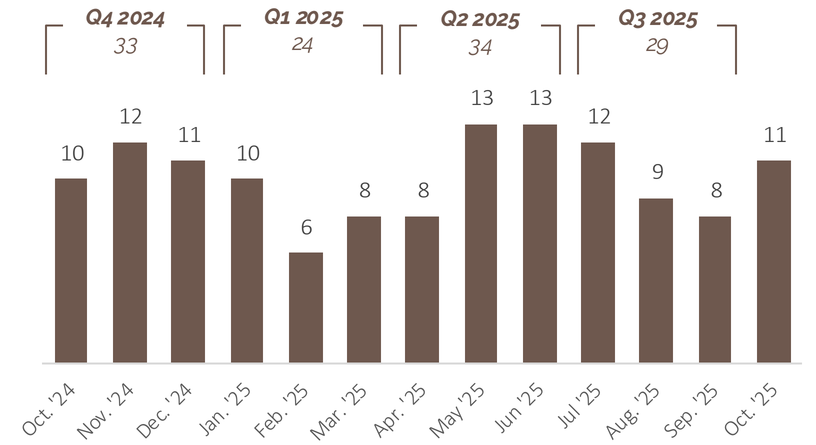
Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

- On October 27th American Water Works and Essential Utilities announced an all-stock merger that will create a public water utility valued at about $40 billion. The combined company will use the name American Water and will have about 4.7 million water connections across 17 states and on 18 military installations, from Hawaii to Pennsylvania. The deal is expected to close by the end of Q1 2027, pending shareholder and public utility commission approvals.
- A report from Auburn University's McCrary Institute for Cyber and Critical Infrastructure warns that China's "Typhoon" cyber operations have shifted toward large-scale attacks on U.S. critical infrastructure, with the water sector being highlighted as especially vulnerable due to aging infrastructure and weak cybersecurity. Overall, the report signals that cyber risk has become an increasing threat to domestic infrastructure operations, driving regulatory pressure and demand for more resilient operational technology and industrial control systems.

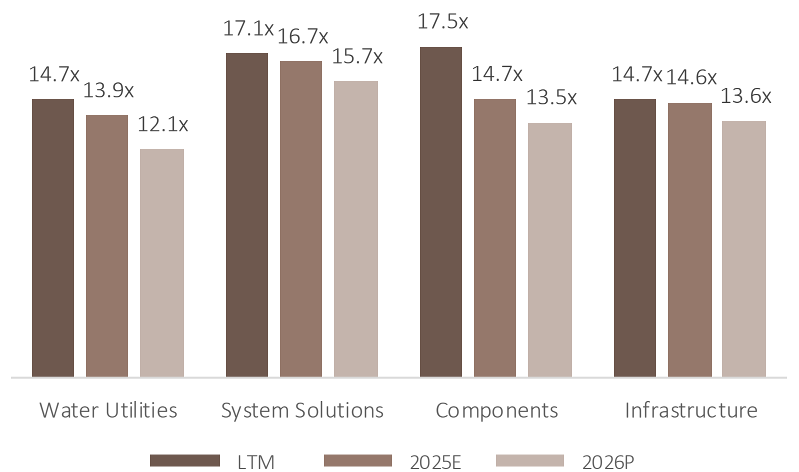
Select August Transactions

Atlantic Coast Contractors, inc.	Cariboo Clean Fuels Inc.	Unique Solutions	sosa
acquired by	acquired by	acquired by	acquired by
NAPM	Elemental Clean Fuels	King Technology	Energy Vault

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES [1]



Source(s): AP, Industrial Cyber
1. For composition of indices, see page 21

CRITICAL INFRASTRUCTURE

	Stock Price 10/31/25	Enterprise Value	CY2025E Revenue	CY2025E EBITDA	CY2025E *Margin*	2026P Revenue	2026P EBITDA	2026P *Margin*	TEV/2025E Revenue	TEV/2025E EBITDA	TEV/2026P Revenue	TEV/2026P EBITDA
Water Utilities												
American Water Works	128.43	40,192	5,090	2,869	*56%*	5,337	3,091	*58%*	7.90x	14.01x	7.53x	13.00x
Essential Utilities	39.03	18,689	2,332	1,288	*55%*	2,435	1,395	*57%*	8.01x	14.51x	7.68x	13.39x
California Water Service Group	44.38	4,092	1,017	354	*35%*	1,080	375	*35%*	4.02x	11.57x	3.79x	10.91x
American States Water	71.31	3,676	653	250	*38%*	679	266	*39%*	5.63x	14.69x	5.42x	13.80x
H2O America	46.25	3,546	813	330	*41%*	862	355	*41%*	4.36x	10.75x	4.12x	9.99x
Consolidated Water	34.01	439	134	25	*19%*	211	40	*19%*	3.27x	17.47x	2.08x	11.08x
Global Water Resources	9.92	386	56	27	*48%*	61	31	*51%*	6.88x	14.20x	6.31x	12.48x
Average	$53.33	10,146	1,442	735	*42%*	1,524	793	*43%*	5.73x	13.89x	5.27x	12.09x
System Solutions												
Danaher	215.38	168,771	24,512	7,579	*31%*	25,495	8,127	*32%*	6.89x	22.27x	6.62x	20.77x
Xylem	150.85	37,863	9,028	2,004	*22%*	9,373	2,149	*23%*	4.19x	18.89x	4.04x	17.62x
Dover	181.46	26,406	8,071	1,841	*23%*	8,519	1,998	*23%*	3.27x	14.34x	3.10x	13.21x
Pentair	106.35	18,968	4,163	1,111	*27%*	4,358	1,199	*28%*	4.56x	17.08x	4.35x	15.82x
IDEX	171.46	14,168	3,440	922	*27%*	3,550	958	*27%*	4.12x	15.37x	3.99x	14.79x
A. O. Smith	65.99	9,238	3,849	812	*21%*	3,992	865	*22%*	2.40x	11.37x	2.31x	10.68x
Watts Water Technologies.	272.60	8,921	2,343	500	*21%*	2,445	527	*22%*	3.81x	17.85x	3.65x	16.92x
Average	$166.30	40,619	7,915	2,110	*25%*	8,247	2,261	*25%*	4.18x	16.74x	4.01x	15.68x

Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

CRITICAL INFRASTRUCTURE

	Stock Price 10/31/25	Enterprise Value	CY2025E Revenue	CY2025E EBITDA	CY2025E *Margin*	2026P Revenue	2026P EBITDA	2026P *Margin*	TEV/2025E Revenue	TEV/2025E EBITDA	TEV/2026P Revenue	TEV/2026P EBITDA
Components												
Graco Inc.	81.77	13,002	2,234	711	*32%*	2,342	755	*32%*	5.82x	18.28x	5.55x	17.21x
Flowserve Corporation	68.25	9,573	4,774	769	*16%*	4,982	830	*17%*	2.01x	12.45x	1.92x	11.54x
Franklin Electric Co., Inc.	94.77	4,391	2,140	335	*16%*	2,242	360	*16%*	2.05x	13.09x	1.96x	12.19x
Mueller Water Products, Inc.	25.66	4,118	1,424	331	*23%*	1,481	347	*23%*	2.89x	12.46x	2.78x	11.87x
The Gorman-Rupp Company	44.97	1,464	683	121	*18%*	714	123	*17%*	2.14x	12.07x	2.05x	11.94x
Energy Recovery, Inc.	17.11	841	151	42	*28%*	170	52	*30%*	5.56x	20.14x	4.93x	16.33x
Average	$55.42	5,565	1,901	385	*22%*	1,988	411	*23%*	3.41x	14.75x	3.20x	13.51x
Infrastructure												
AECOM	134.35	19,383	16,464	1,215	*7%*	17,364	1,314	*8%*	1.18x	15.95x	1.12x	14.75x
Tetra Tech	31.98	9,232	4,307	627	*15%*	4,235	637	*15%*	2.14x	14.71x	2.18x	14.50x
Clean Harbors	210.51	13,616	5,995	1,165	*19%*	6,235	1,230	*20%*	2.27x	11.69x	2.18x	11.07x
EMCOR Group	675.78	30,029	16,762	1,737	*10%*	17,846	1,877	*11%*	1.79x	17.29x	1.68x	16.00x
Arcosa	102.00	6,427	2,877	575	*20%*	3,051	619	*20%*	2.23x	11.18x	2.11x	10.38x
Primoris Services	141.52	8,325	7,115	501	*7%*	7,728	558	*7%*	1.17x	16.63x	1.08x	14.92x
Average	$216.02	14,502	8,920	970	*13%*	9,410	1,039	*13%*	1.80x	14.58x	1.72x	13.60x
Low	$9.92	$386	$56	$25	*7%*	$61	$31	*7%*	1.17x	10.75x	1.08x	9.99x
Mean	$121.77	$18,298	$5,016	$1,078	*26%*	$5,261	$1,157	*27%*	3.87x	15.01x	3.64x	13.74x
Median	$88.27	$9,235	$3,159	$669	*23%*	$3,300	$696	*23%*	3.54x	14.60x	3.37x	13.30x
High	$675.78	$168,771	$24,512	$7,579	*56%*	$25,495	$8,127	*58%*	8.01x	22.27x	7.68x	20.77x

Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

- Starting October 14, 2025, the U.S. will begin phasing in service fees for maritime transport involving ships that are either Chinese-owned or Chinese-built when they call at U.S. ports. These fees will be implemented over three years and will include flat rates based on net tonnage or TEU capacity, potentially totaling up to $3.2B annually for major carriers. This change affects both Chinese operators and non-Chinese operators that use Chinese-built vessels. In response to these measures, China has introduced retaliatory "special port fees" on vessels linked to the U.S. These fees apply to any vessel with a "U.S. nexus," including those that are owned, operated, or flagged by the U.S., or those where a U.S. entity holds 25% or more equity.
- An Israel-Hamas ceasefire was announced in October, effectively ending two years of ongoing conflict. While some minor details remain to be finalized, this development has the potential to restore safety to the Red Sea shipping route. Consequently, vessels may resume transit through the Suez Canal, eliminating the need for costly detours around Africa.

Select October Transactions

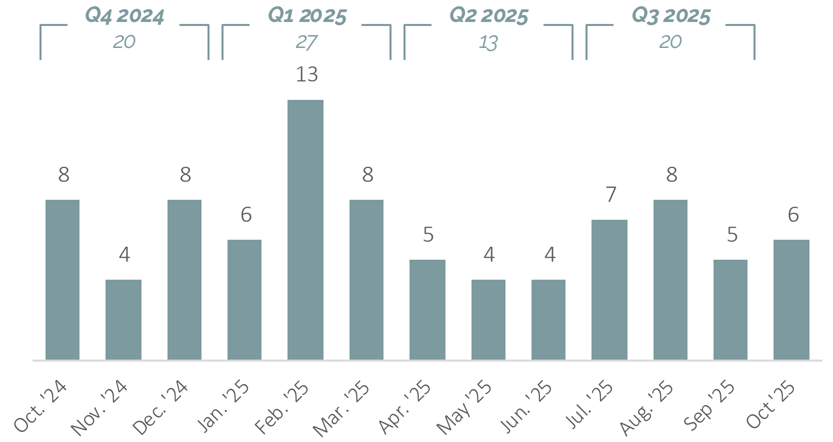
Janel acquired by Rubicon Technology

AGI acquired by DC Capital Partners

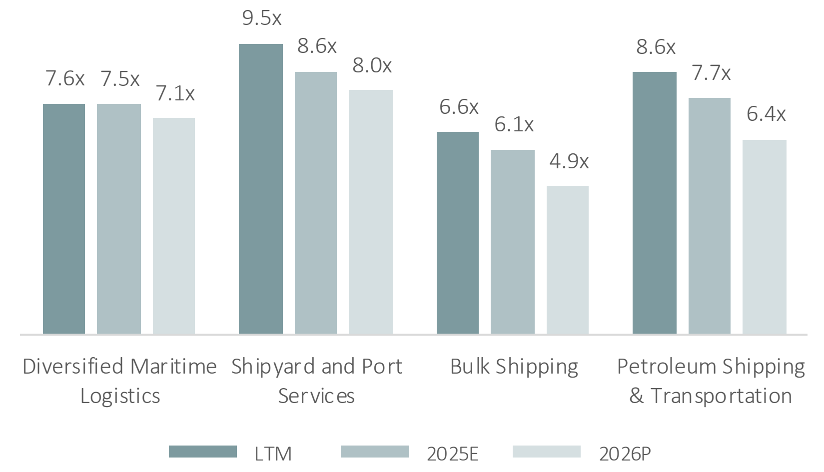
West Gulf Marine acquired by MP Maritime Partners

Mallory Alexander International Logistics acquired by Endeavour & Copilot Global Logistics Holdings LLC

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES [1]



Source(s): Reuters, BBC
1. For composition of indices, see page 21

MARITIME TRANSPORT & FACILITIES

	Stock Price 10/31/25	Enterprise Value	CY2025E Revenue	CY2025E EBITDA	CY2025E *Margin*	2026P Revenue	2026P EBITDA	2026P *Margin*	TEV/2025E Revenue	TEV/2025E EBITDA	TEV/2026P Revenue	TEV/2026P EBITDA
Diversified Maritime Logistics												
Kirby	103.48	7,005	3,372	763	*23%*	3,515	796	0	2.08x	9.18x	1.99x	8.80x
Matson	100.95	3,815	3,240	596	*18%*	3,170	573	*18%*	1.18x	6.40x	1.20x	6.66x
ArcBest	74.32	2,041	4,025	290	*7%*	4,220	357	*8%*	0.51x	7.05x	0.48x	5.72x
Navios Maritime	49.14	3,512	1,325	693	*52%*	1,442	780	*54%*	2.65x	5.07x	2.44x	4.50x
Diana Shipping	1.75	649	223	94	*42%*	264	134	*51%*	2.91x	6.91x	2.46x	4.84x
Average	$65.93	3,404	2,437	487	*29%*	2,522	528	*31%*	1.86x	6.92x	1.71x	6.11x
Shipyard & Port Services												
International Container	9.03	21,638	3,090	2,012	*65%*	3,435	2,206	*64%*	7.00x	10.76x	6.30x	9.81x
DEME Group	151.10	4,359	4,889	955	*20%*	4,988	954	*19%*	0.89x	4.56x	0.87x	4.57x
Tidewater	50.59	2,756	1,341	554	*41%*	1,401	574	*41%*	2.06x	4.98x	1.97x	4.80x
Great Lakes	11.35	1,263	850	157	*18%*	889	165	*19%*	1.49x	8.03x	1.42x	7.66x
Orion Group	10.77	507	839	45	*5%*	873	51	*6%*	0.60x	11.28x	0.58x	9.97x
Average	$46.57	6,105	2,202	745	*30%*	2,317	790	*30%*	2.41x	7.92x	2.23x	7.36x
Dry Bulk Shipping												
Star Bulk	18.82	3,111	858	372	*43%*	1,004	532	*53%*	3.62x	8.36x	3.10x	5.85x
Costamare	12.22	2,619	956	603	*63%*	786	554	*70%*	2.74x	4.34x	3.33x	4.73x
Danaos	91.01	1,773	988	726	*73%*	971	729	*75%*	1.80x	2.44x	1.83x	2.43x
Global Ship Lease	31.53	1,448	737	516	*70%*	725	503	*69%*	1.97x	2.81x	2.00x	2.88x

1. No longer being actively traded as of 8/19

Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

MARITIME TRANSPORT & FACILITIES

	Stock Price 10/31/25	Enterprise Value	CY2025E			2026P			TEV/2025E		TEV/2026P	
			Revenue	EBITDA	*Margin*	Revenue	EBITDA	*Margin*	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	4.69	915	272	137	*50%*	328	168	*NA*	3.37x	6.69x	2.79x	5.46x
Pangaea Logistics	4.95	684	603	76	*13%*	664	100	*15%*	1.14x	9.03x	1.03x	6.84x
Genco Shipping & Trading	17.04	797	230	91	*40%*	287	137	*48%*	3.47x	8.77x	2.78x	5.83x
Average	$25.75	1,621	663	360	*50%*	681	389	*55%*	2.59x	6.06x	2.41x	4.86x
Petroleum Products Transportation												
Scorpio Tankers	61.70	3,139	902	523	*58%*	888	509	*57%*	3.48x	6.00x	3.54x	6.16x
International Seaways	51.23	2,940	783	423	*54%*	810	456	*56%*	3.75x	6.95x	3.63x	6.46x
DHT Holdings	13.28	2,328	381	288	*76%*	483	378	*78%*	6.11x	8.08x	4.82x	6.16x
Teekay Tankers	61.00	1,353	622	276	*44%*	586	281	*48%*	2.18x	4.90x	2.31x	4.82x
Nordic American Tankers	3.68	1,127	194	100	*51%*	246	142	*58%*	5.81x	11.30x	4.59x	7.93x
Ardmore Shipping	12.59	518	192	86	*45%*	197	94	*48%*	2.70x	6.02x	2.64x	5.52x
Average	$33.91	1,901	512	283	*55%*	535	310	*58%*	4.00x	7.21x	3.59x	6.17x
Low	$1.75	$507	$192	$45	5%	$197	$51	6%	0.51x	2.44x	0.48x	2.43x
Mean	$41.14	$3,057	$1,344	$451	*42%*	$1,399	$486	*44%*	2.76x	6.95x	2.53x	6.02x
Median	$18.82	$2,041	$850	$372	*44%*	$873	$456	*49%*	2.65x	6.91x	2.44x	5.83x
High	$151.10	$21,638	$4,889	$2,012	*76%*	$4,988	$2,206	*78%*	7.00x	11.30x	6.30x	9.97x

Source(s): S&P Capital IQ
$USD, Millions besides Stock Price

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	PRIM

Maritime Transport & Facilities

Diversified Maritime Logistics

Algoma Central	ALC
Matson	MATX
Kirby	KEX
Navios Maritime	NMM
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
Danaos	DAC
Global Ship Lease	GSL
Safe Bulkers	SB
Pangaea Logistics	PANL
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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