The McLean Group

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M&A Insider Report

October 2026



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

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Securities transactions conducted through McLean Securities, member FINRA/SIPC

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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

95%
Close Rate 2020 - 2025

350+
Annual Valuation Engagements

Major News Stories



Pentagon Commits Over $30 Billion to Missile Interceptors

- On October 1, the Navy awarded Raytheon a multiyear contract worth up to $24.4 billion for Standard Missile-6 interceptors, a five-year deal with two option years aimed at rebuilding depleted stockpiles.
- A week later, the Missile Defense Agency awarded Raytheon up to $6.3 billion for SM-3 Block IB interceptors; industry has warned that Congress has yet to appropriate funding for the new multiyear deals.



FY2026 Deficit Reaches $2 Trillion

- Treasury's final FY2026 statement showed a $2.0 trillion deficit, up $217 billion (12%) from FY2025 and equal to 6.1% of GDP, as outlays rose 6% to $7.4 trillion against 3% revenue growth.
- Net interest costs climbed to $1.1 trillion, exceeding $965 billion of national defense outlays, while customs duties fell 11% to $173 billion after roughly $130 billion of IEEPA tariff refunds.



FY2027 NDAA Stalls Heading Into the Lame Duck

- The House passed its FY2027 NDAA 216-212 in July, but the Senate's version failed a 50-46 cloture vote and the chamber has yet to pass a bill, putting a 65-year streak of enacted NDAAs at risk.
- Staff negotiations are aiming to finish the bill by Thanksgiving, while full-year defense appropriations remain unresolved with the continuing resolution set to expire December 11.



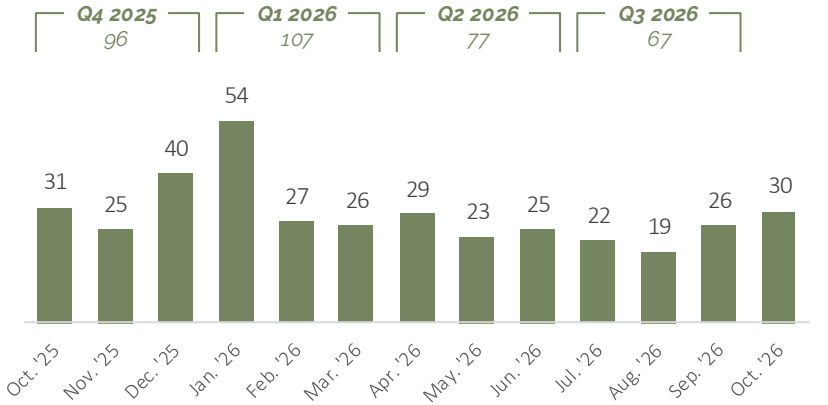
Q3 GDP Grows 3.4%, Fastest Pace in a Year

- Real GDP grew at a 3.4% annualized rate in the third quarter, according to the BEA's advance estimate released October 29, up from 2.2% in Q2 and ahead of economists' expectations of roughly 3.1%–3.2%.
- Consumer spending rose 3.8% and business investment jumped 12.7%, its strongest gain in nearly 15 years, led by AI-related equipment, while net exports were a drag; the PCE price index rose 2.1% and core PCE 2.5%.

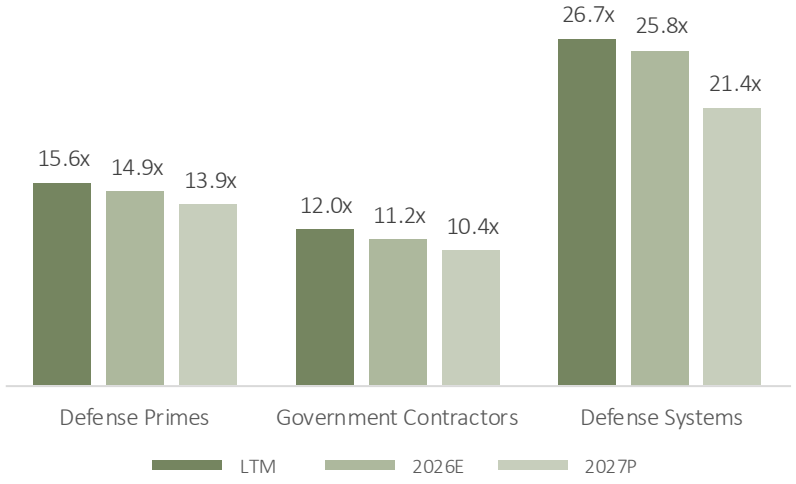
Sources: Reuters, U.S. DoW, CRFB, American Action Forum, Roll Call, BEA

- Defense primes reported strong third-quarter results in October as munitions and rearmament demand continued to build. Lockheed Martin posted sales of $20.7B, up 11%, and a record backlog of $292B, raising its full-year guidance for the second straight quarter and sending its stock up 9% on October 22. RTX raised its 2026 revenue outlook to $97.0B–$97.5B on a record $340B backlog, while Northrop Grumman lifted its 2026 EPS guidance to $29.35–$29.75. Despite the results, defense equities sold off for much of the month as investors priced in a Democratic sweep of the November midterms, with the iShares U.S. Aerospace & Defense ETF (ITA) closing nearly 18% below its August high on October 19.
- Defense priorities head into a lame-duck session largely unresolved. The Pentagon continues to operate under a continuing resolution that expires December 11, and FY2027 defense appropriations have not been enacted. The House passed its version of the FY2027 NDAA (H.R. 8800) 216-212 in July, but the Senate bill failed a 50-46 cloture vote and the chamber has yet to pass an NDAA; staff-level talks are underway with a goal of finishing by Thanksgiving. The administration's $1.5T FY2027 request is split between $1.15T in base appropriations and $350B through party-line reconciliation, alongside roughly $60B in supplemental funding for Iran war-related costs, all of which face Democratic opposition.

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES [1]



Source(s): S&P Capital IQ, Roll Call, Congress.gov, company filings
1. For composition of indices, see page 21

PopotoModem acquired by ANDURIL

Date: 10/2/2026
EV: NA
EV/EBITDA: NA

Transaction Details

Anduril Industries, a defense technology company, acquired Popoto Modem, a Massachusetts-based developer of underwater acoustic modems that link underwater vehicles and surface vessels in multi-node mesh networks. The deal extends Anduril's Lattice networking below the waterline and supports scaling of its Copperhead autonomous underwater vehicle family.

mks Ophir acquired by TTM Technologies

Date: 10/19/2026*
EV: $650M
EV/ EBITDA: NA

Transaction Details

TTM Technologies (Nasdaq: TTMI), a manufacturer of printed circuit boards, RF components and mission systems, agreed to acquire the Ophir Optics business of MKS Inc. (Nasdaq: MKSI) for approximately $650M in cash, or roughly 10.3x expected FY2027 adjusted EBITDA. Ophir Optics makes infrared thermal imaging and laser optics for land, air, maritime and unmanned platforms. The deal is expected to close in Q2 2027.

Agile Defense a portfolio company of Enlightenment Capital acquired by maximus

Date: 10/19/2026*
EV: $710M
EV/EBITDA: NA

Transaction Details

Maximus (NYSE: MMS), a provider of tech-enabled government services, agreed to acquire Agile Defense, a portfolio company of Enlightenment Capital. Agile Defense provides cybersecurity, digital transformation, data analytics and AI services to more than 50 federal agencies with approximately 1,100 cleared personnel. The deal expands Maximus' presence in defense and national security.

ISE International Submarine Engineering Ltd. acquired by Elbit Systems

Date: 10/20/2026
EV: NA
EV/EBITDA: NA

Transaction Details

Elbit Systems (Nasdaq: ESLT) completed its acquisition of International Submarine Engineering (ISE), a Canadian developer of autonomous and remotely operated underwater vehicles founded in 1974 that has delivered over 250 vehicles to customers in more than 20 countries. ISE expands Elbit's underwater ISR, mine countermeasures and anti-submarine warfare capabilities and complements its Seagull unmanned surface vessel.

FRASER INDUSTRIES acquired by wildcat defense

Date: 10/21/2026*
EV: ND
EV/EBITDA: ND

Transaction Details

Wildcat Defense, a new business of private equity firm Wildcat Equity Partners, agreed to acquire Fraser Industries of Superior, Wisconsin, which includes Fraser Shipyards, Lake Assault Boats, Northern Engineering and Fraser Terminal. Wildcat plans to invest $350M in workforce and manufacturing to modernize the shipyard, which continues its partnership with Fincantieri and Donjon on the Coast Guard's light icebreakers.

RUNE TECHNOLOGIES acquired by salesforce

Date: 10/29/2026*
EV: NA
EV/ EBITDA: NA

Transaction Details

Salesforce (NYSE: CRM) agreed to acquire Rune Technologies through its Missionforce defense unit. Founded in 2024 by former Anduril leaders, Rune develops TyrOS, AI-enabled software that forecasts frontline supply needs and routes logistics in low- or no-connectivity environments and is already used by the Army and Marine Corps. The deal adds a tactical logistics layer to Missionforce.

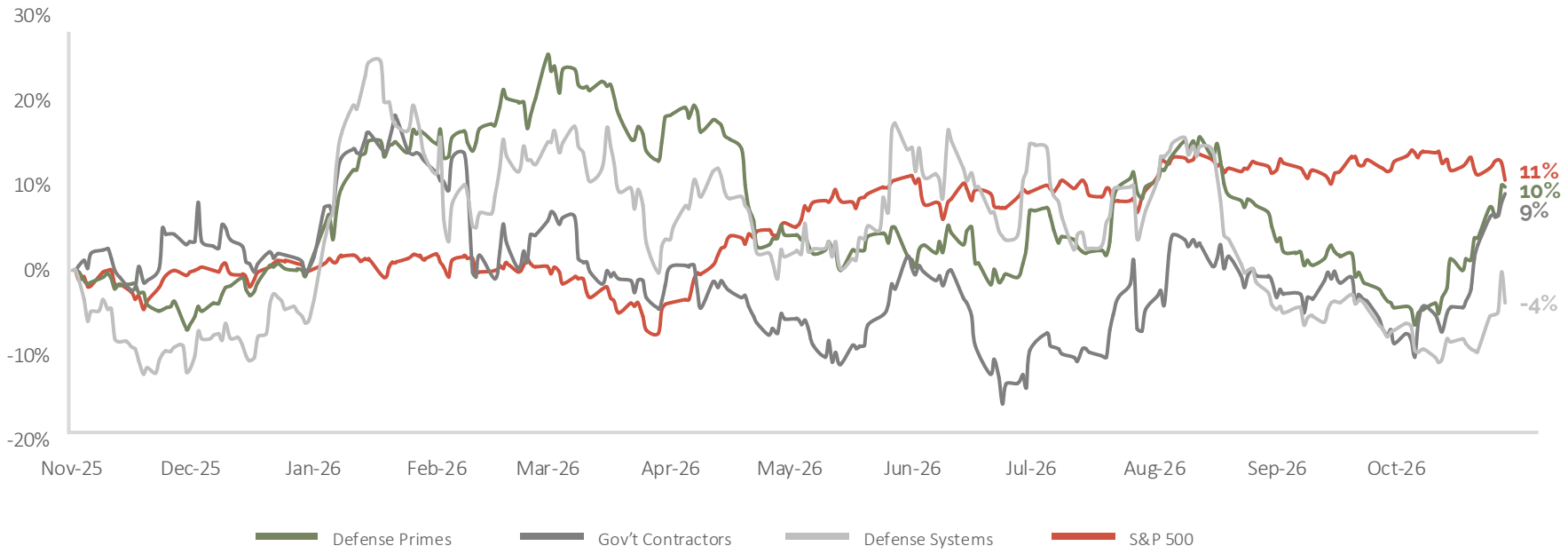
Denotes deals completed by The McLean Group

Source(s): S&P Capital IQ, press releases
* Announced, not closed

Contract Value ($M)	Award Date	End Date	Customer	Awardee(s)	Type	Contract Scope
24,400	10/01/2026	NA	U.S. Navy	Raytheon	Multiyear Procurement	Multiyear production of Standard Missile-6 (SM-6) interceptors over five years plus two option years to rebuild stockpiles
8,000	10/13/2026	10/12/2036	U.S. Air Force	Raytheon	Cost-Plus-Fixed-Fee IDIQ	Development, modernization and production restart of Strategic Communications Terminals for nuclear command and control
6,342	10/08/2026	10/31/2034	Missile Defense Agency	Raytheon	Multiyear Undefinitized Contract Action	Manufacture of SM-3 Block IB All-Up-Round interceptors in Tucson, Arizona and Huntsville, Alabama
2,900	10/06/2026	NA	U.S. Navy	Anduril Industries	Outcome-Based Payments	Virginia-class submarine components and large assemblies from the new Arsenal-2 shipyard in Baltimore County, Maryland
2,616	10/28/2026	12/06/2029	Defense Logistics Agency	Cardinal Health (two awards)	Fixed-Price IDIQ	Medical/Surgical Prime Vendor program – distribution of medical and surgical supplies to military health facilities
741	10/28/2026	12/06/2029	Defense Logistics Agency	McKesson Medical-Surgical	Fixed-Price IDIQ	Medical/Surgical Prime Vendor program – distribution of medical and surgical supplies to military health facilities
700	10/22/2026	NA	U.S. Army	Striveworks	Enterprise Agreement (ceiling increase)	Tenfold expansion of Chariot AI operations software licenses supporting Army units and Next Generation Command and Control
419	10/29/2026	10/28/2036	U.S. Army	Pegasystems	FFP; IDIQ	Army-wide purchasing vehicle for Pega software subscriptions, Tier-3 support and professional services
394	10/22/2026	10/31/2028	Missile Defense Agency	Raytheon	IDIQ Modification (CPIF; CPFF; FFP)	Two-year extension of AN/TPY-2 missile defense radar sustainment and operations support

Source(s): Department of War

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



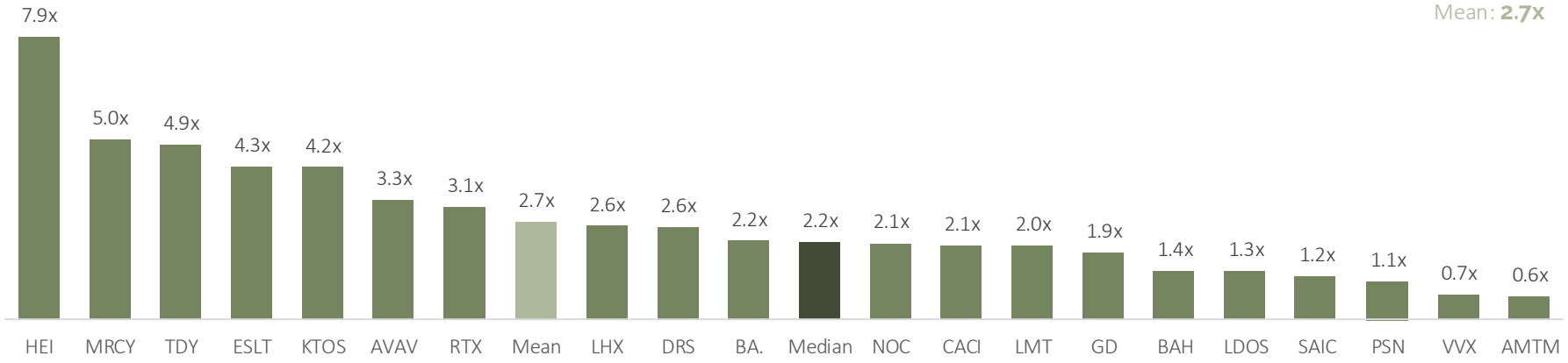
Market Commentary

- The Federal Open Market Committee held the federal funds rate at a target range of 3.75% to 4.00% at its October 27–28, 2026 meeting in a 10-2 vote, with Governor Lisa Cook and Cleveland Fed President Beth Hammack dissenting in favor of a quarter-point hike, as the committee noted that inflation remains elevated.
- Federal Reserve Chair Kevin Warsh said politics played no role in the decision and that monetary policy is starting to work, while declining to offer forward guidance; futures markets ended the meeting pricing roughly an 85% probability of a rate hike in December.
- Defense Primes led the DGI indices over the trailing twelve months, though all three trailed the S&P 500. Defense stocks fell through mid-October as investors priced in a Democratic sweep of the midterms, before third-quarter beats and raised guidance from Lockheed Martin, RTX and Northrop Grumman supported the primes late in the month.

Source(s): S&P Capital IQ, Federal Reserve, Bloomberg
1. For composition of indices, see page 21

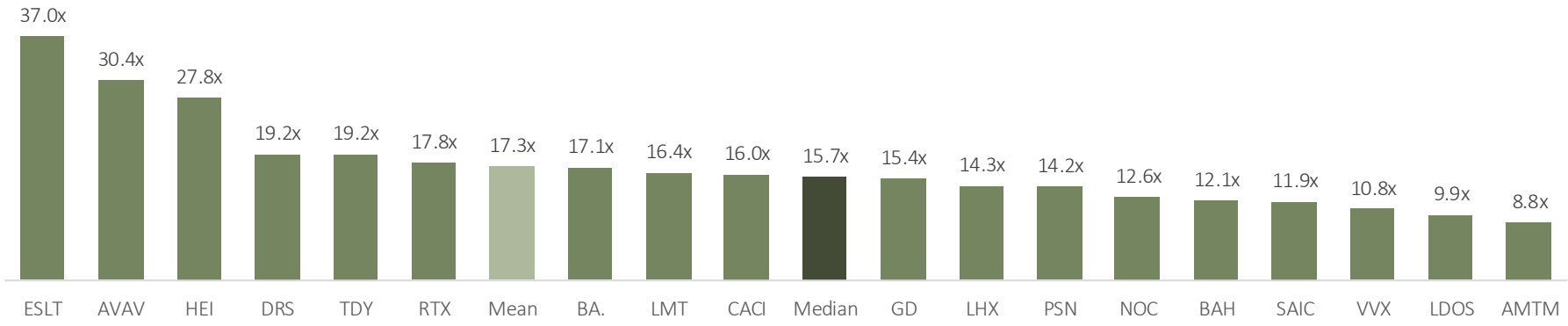
TTM REVENUE VALUATION MULTIPLES

Median: **2.2x**
Mean: **2.7x**



TTM EBITDA VALUATION MULTIPLES [1]

Median: **15.7x**
Mean: **17.3x**



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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Defense Primes												
BAE Systems	27.73	85,306	44,641	6,372	*14%*	48,534	6,968	*14%*	1.91x	13.39x	1.76x	12.24x
General Dynamics	372.59	105,173	56,903	6,926	*12%*	59,032	7,440	*13%*	1.85x	15.19x	1.78x	14.14x
L3Harris Technologies	277.61	60,653	23,623	4,330	*18%*	25,244	4,632	*18%*	2.57x	14.01x	2.40x	13.09x
Lockheed Martin	636.95	161,676	81,399	11,214	*14%*	87,127	12,106	*14%*	1.99x	14.42x	1.86x	13.36x
Northrop Grumman	557.54	92,438	44,063	6,243	*14%*	46,914	6,682	*14%*	2.10x	14.81x	1.97x	13.83x
RTX	199.80	301,061	97,405	16,883	*17%*	104,880	18,001	*17%*	3.09x	17.83x	2.87x	16.72x
Average	**$345.37**	**$134,385**	**$58,006**	**$8,661**	***15%***	**$61,955**	**$9,305**	***15%***	**2.25x**	**14.94x**	**2.11x**	**13.90x**
Gov't Contractors												
Amentum	21.87	8,807	13,983	1,136	*8%*	14,099	1,179	*8%*	0.63x	7.75x	0.62x	7.47x
Booz Allen Hamilton	88.49	14,869	11,182	1,260	*11%*	11,792	1,336	*11%*	1.33x	11.80x	1.26x	11.13x
CACI International	675.62	20,009	10,080	1,286	*13%*	11,175	1,454	*13%*	1.98x	15.56x	1.79x	13.76x
Leidos	142.98	23,825	18,314	2,461	*13%*	19,054	2,414	*13%*	1.30x	9.68x	1.25x	9.87x
Parsons	50.69	6,704	6,366	530	*8%*	6,672	662	*10%*	1.05x	12.65x	1.00x	10.13x
SAIC	151.86	8,942	7,298	763	*10%*	7,398	772	*10%*	1.23x	11.71x	1.21x	11.58x
V2X	80.37	3,415	4,977	359	*7%*	5,240	386	*7%*	0.69x	9.52x	0.65x	8.84x
Average	**$173.13**	**$12,367**	**$10,314**	**$1,114**	***10%***	**$10,776**	**$1,172**	***10%***	**1.17x**	**11.24x**	**1.11x**	**10.40x**

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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Defense Systems												
AeroVironment	126.11	6,656	2,162	334	*15%*	2,467	403	*16%*	3.08x	19.91x	2.70x	16.50x
Elbit Systems	779.44	36,425	9,133	1,132	*12%*	10,248	1,322	*13%*	3.99x	32.16x	3.55x	27.56x
HEICO	321.36	40,923	5,603	1,616	*29%*	6,205	1,779	*29%*	7.30x	25.32x	6.60x	23.00x
Kratos Defense & Security	41.09	6,469	1,794	177	*10%*	2,226	241	*11%*	3.61x	36.65x	2.91x	26.82x
Leonardo DRS	37.68	10,038	3,970	550	*14%*	4,282	600	*14%*	2.53x	18.25x	2.34x	16.72x
Mercury Systems	77.54	4,952	1,029	168	*16%*	1,146	229	*20%*	4.81x	29.50x	4.32x	21.62x
Teledyne Technologies	658.23	31,768	6,631	1,679	*25%*	7,022	1,822	*26%*	4.79x	18.92x	4.52x	17.44x
Average	**$291.64**	**$19,604**	**$4,332**	**$808**	***17%***	**$4,800**	**$914**	***18%***	**4.30x**	**25.82x**	**3.85x**	**21.38x**
Low	$21.87	$3,415	$1,029	$168	*7%*	$1,146	$229	*7%*	0.63x	7.75x	0.62x	7.47x
Mean	$266.28	$51,505	$22,528	$3,271	*14%*	$24,038	$3,521	*15%*	2.59x	17.45x	2.37x	15.29x
Median	$147.42	$21,917	$9,606	$1,273	*14%*	$10,711	$1,395	*13%*	2.04x	15.00x	1.91x	13.80x
High	$779.44	$301,061	$97,405	$16,883	*29%*	$104,880	$18,001	*29%*	7.30x	36.65x	6.60x	27.56x

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

Date	Acquirer(s)	Target(s)	Target Description	EV ($M)	EV / Rev.	EV / EBITDA
10/01/2026	Blackstone Inc.	Technology Service Corp./Applied Systems Engineering, Inc.	Provides advanced sensors and engineering for critical weapon systems	NA	NA	NA
10/02/2026	Anduril Industries, Inc.	delResearch LLC (Popoto Modem)	Develops underwater acoustic modems for undersea vehicle communications	NA	NA	NA
10/05/2026	Edgewater Federal Solutions, Inc.	RedLine Performance Solutions, LLC	Provides high-performance and scientific computing services to federal agencies	NA	NA	NA
10/06/2026	Expedition Technology, Inc.	Millennial Software Solutions Inc.	Develops mission software for space domain awareness and satellite operations	NA	NA	NA
10/08/2026	Antenna Research Associates, Inc.	Empower RF Systems, Inc.	Manufactures high-power solid-state RF and microwave amplifiers	NA	NA	NA
10/19/2026*	TTM Technologies, Inc.	Ophir Optics business	Manufactures infrared thermal imaging and laser optics	650	NA	NA
10/19/2026*	Maximus Federal Services, Inc.	Agile Defense, LLC	Provides cybersecurity, digital transformation, data and AI services	710	NA	NA
10/20/2026	Elbit Systems Ltd.	International Submarine Engineering	Manufactures autonomous and remotely operated underwater vehicles	NA	NA	NA
10/21/2026*	Wildcat Defense	Fraser Industries LLC	Provides shipbuilding, ship repair and aluminum boat manufacturing	NA	NA	NA
10/27/2026*	EnerSys	Ultralife Corporation	Manufactures batteries and power systems for military communications	316	1.7x	22.6x
10/28/2026	OceanSound Partners, LP	Iris Technology Corporation	Provides radiation-hardened space electronics and tactical radio power solutions	NA	NA	NA
10/28/2026	Oddball, Inc.	Salesforce Technology and Services Business of Synaptic Era	Provides Salesforce implementation and AI integration services to federal agencies	NA	NA	NA
10/29/2026*	Salesforce, Inc.	Rune Technologies Inc.	Develops AI-enabled logistics software for disconnected frontline operations	NA	NA	NA

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

- On October 5, the FBI removed an Accenture contractor over a breach that exposed sensitive data on thousands of bureau employees. A senior FBI official said the contractor failed to apply an available patch to a system in its care, an Oracle PeopleSoft platform that ShinyHunters exploited to steal records on agents, applicants, and their families. The stolen data reportedly included counterintelligence job details, addresses of human intelligence operatives, and medical files, which former officials warned posed a direct physical threat to agents.
- In late October, a wave of critical software flaws hit so hard that security researchers dubbed it "Black October." The biggest came on October 21, when emergency patches were released for two flaws in PHP, the programming language behind much of the web, affecting installations dating back to 2004. Attackers could run malicious code remotely or steal passwords and login tokens, and exploitation began before fixes were available, prompting some organizations to take websites offline.

Select October Transactions

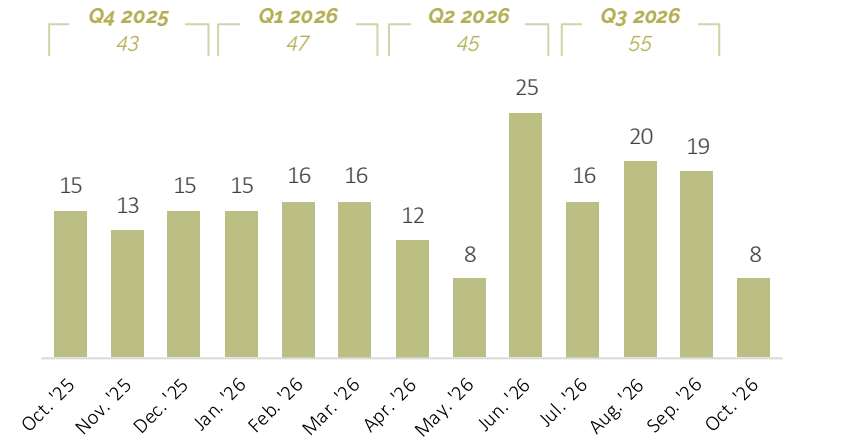
OVERLY DOOR COMPANY acquired by ALLEGION

Information Security Corporation acquired by SAIC

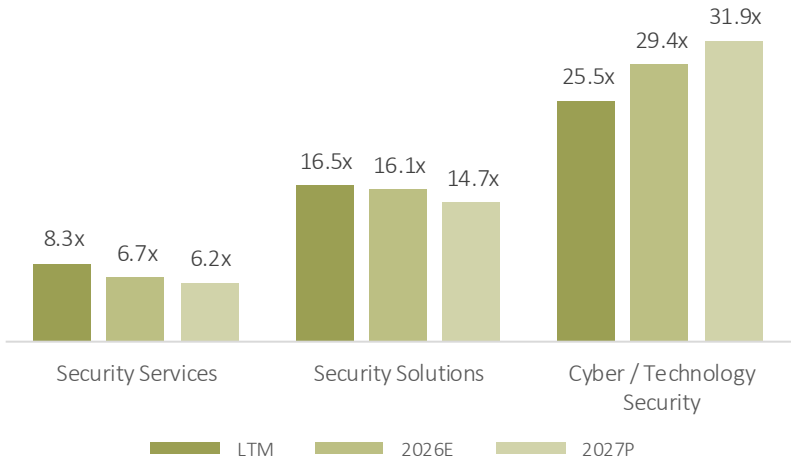
ASI acquired by RapidFire Safety & Security a portfolio company of CEP Concentric Equity Partners an FIC Company

zluri acquired by Infotech

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES[1]



Source(s): Cyber Security News; Reuters; US News; Yahoo

1. For composition of indices, see page 21

PHYSICAL & CYBER SECURITY

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Security Services												
Securitas AB	15.82	12,350	15,435	1,538	*10%*	16,096	1,641	*10%*	0.80x	8.03x	0.77x	7.52x
The Brink's Company	102.71	7,259	5,563	1,053	*19%*	5,751	1,113	*19%*	1.31x	6.89x	1.26x	6.52x
Loomis AB	56.70	4,915	3,283	777	*24%*	3,553	863	*24%*	1.50x	6.33x	1.38x	5.69x
Prosegur Compañía	3.31	3,707	5,779	667	*12%*	6,000	705	*12%*	0.64x	5.55x	0.62x	5.26x
Average	**$44.63**	**$7,058**	**$7,515**	**$1,009**	***16%***	**$7,850**	**$1,081**	***16%***	**1.06x**	**6.70x**	**1.01x**	**6.25x**
Security Solutions												
Johnson Controls International	149.03	98,968	26,383	4,976	*19%*	29,002	5,816	*20%*	3.75x	19.89x	3.41x	17.02x
Motorola Solutions	491.53	90,270	13,032	4,488	*34%*	14,184	4,865	*34%*	6.93x	20.12x	6.36x	18.56x
Honeywell International	218.33	80,580	20,155	4,430	*22%*	20,507	5,102	*25%*	4.00x	18.19x	3.93x	15.79x
Allegion	186.44	17,557	4,478	1,120	*25%*	4,746	1,213	*26%*	3.92x	15.67x	3.70x	14.47x
ADT	9.86	14,952	5,221	2,677	*51%*	5,357	2,721	*51%*	2.86x	5.58x	2.79x	5.50x
Alarm.com Holdings	64.86	3,316	1,083	222	*20%*	1,134	238	*21%*	3.06x	14.93x	2.92x	13.95x
Napco Security Technologies	39.35	1,275	210	69	*33%*	227	73	*32%*	6.08x	18.44x	5.62x	17.47x
Average	**$165.63**	**$43,845**	**$10,080**	**$2,569**	***29%***	**$10,737**	**$2,861**	***30%***	**4.37x**	**16.12x**	**4.11x**	**14.68x**

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

PHYSICAL & CYBER SECURITY

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Cyber Security												
Palo Alto Networks	365.87	299,060	13,138	4,376	*33%*	15,151	5,332	*35%*	22.76x	NA	19.74x	56.08x
CrowdStrike Holdings	250.43	252,818	6,008	1,837	*31%*	7,379	2,382	*32%*	NA	NA	NA	NA
Cloudflare	280.70	99,318	2,872	699	*24%*	3,702	973	*26%*	NA	NA	26.83x	NA
Fortinet	136.08	95,741	8,173	3,159	*39%*	9,112	3,511	*39%*	11.71x	30.31x	10.51x	27.27x
Zscaler	237.83	37,173	3,645	1,021	*28%*	4,238	1,222	*29%*	10.20x	36.42x	8.77x	30.42x
Okta	208.24	34,159	3,224	870	*27%*	3,548	986	*28%*	10.60x	39.26x	9.63x	34.64x
Check Point Software	152.11	13,302	2,802	1,141	*41%*	2,963	1,193	*40%*	4.75x	11.65x	4.49x	11.15x
Average	**$233.04**	**$118,796**	**$5,694**	**$1,872**	***32%***	**$6,585**	**$2,228**	***33%***	**12.00x**	**29.41x**	**13.33x**	**31.91x**
Low	$3.31	$1,275	$210	$69	*10%*	$227	$73	*10%*	0.64x	5.55x	0.62x	5.26x
Mean	$164.96	$64,818	$7,805	$1,951	*27%*	$8,481	$2,219	*28%*	5.93x	17.15x	6.63x	17.96x
Median	$150.57	$25,858	$5,392	$1,131	*26%*	$5,554	$1,218	*27%*	3.96x	15.67x	3.93x	15.13x
High	$491.53	$299,060	$26,383	$4,976	*51%*	$29,002	$5,816	*51%*	22.76x	39.26x	26.83x	56.08x

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

- In October, the U.S. EPA announced two Water Infrastructure Finance and Innovation Act loans totaling $381M. Columbia, Tennessee received $272M to expand drinking water capacity to meet population and economic growth, while the Honolulu Board of Water Supply received $109M to build a reverse osmosis seawater desalination plant producing 1.7M gallons per day. Since its first loan in 2018, the program has announced roughly $24B in financing, with about $11B still available to water systems and another $3B to state infrastructure financing authorities.
- The Association of Metropolitan Water Agencies, the National Association of Clean Water Agencies, and the National Utility Contractors Association urged Congress to reauthorize the Clean Water and Drinking Water State Revolving Funds and the Water Infrastructure Finance and Innovation Act program, whose authorization lapsed on September 30th. The lapse ends $43.4B in supplemental funding from the 2021 Infrastructure Investment and Jobs Act, and analysts project federal water funding could fall about 60% in FY 2027. The groups want Congress to act by year-end, including $260M for the loan program.

Select October Transactions

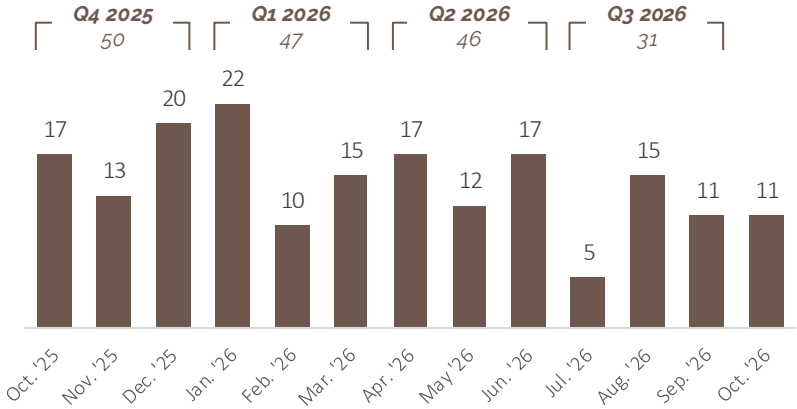
HORSESHOE CONSTRUCTION, INC. acquired by Cazuria WATER SOLUTIONS

Research Solutions acquired by Shrieve

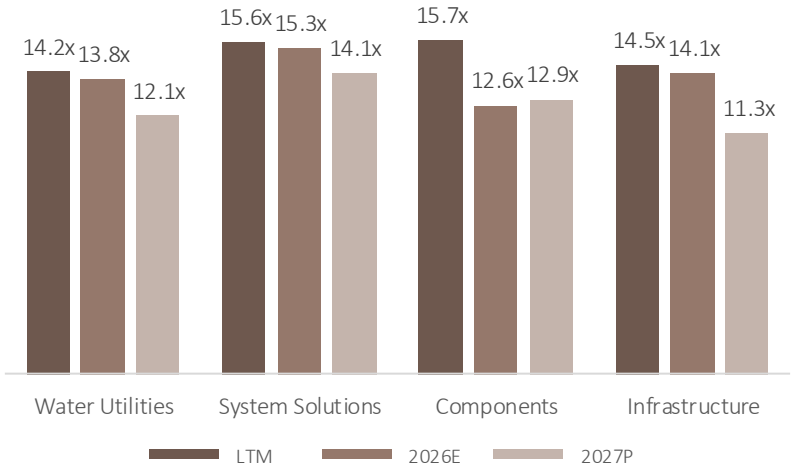
COGENTRIX ENERGY acquired by VISTRA ENERGY

UTILITY INNOVATION GROUP acquired by VERTIV.

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES[1]



Source(s): EPA, Water Finance & Management, Utility Contractor, Pew Charitable Trusts
1. For composition of indices, see page 21

CRITICAL INFRASTRUCTURE

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Water Utilities												
American Water Works	144.37	45,022	5,438	3,091	*57%*	5,809	3,429	*59%*	8.28x	14.57x	7.75x	13.13x
Essential Utilities	43.52	20,880	2,474	1,411	*57%*	2,654	1,559	*59%*	8.44x	14.80x	7.87x	13.39x
California Water Service Group	48.50	4,654	1,112	375	*34%*	1,160	437	*38%*	4.18x	12.41x	4.01x	10.66x
American States Water	86.32	4,317	709	283	*40%*	738	302	*41%*	6.09x	15.28x	5.85x	14.30x
H2O America	59.74	4,403	867	344	*40%*	929	375	*40%*	5.08x	12.78x	4.74x	11.73x
Consolidated Water	26.96	307	128	22	*17%*	188	33	*18%*	2.41x	14.22x	1.63x	9.31x
Global Water Resources	7.74	363	61	28	*46%*	63	30	*47%*	5.92x	12.86x	5.77x	12.23x
Average	**$59.59**	**11,421**	**1,541**	**793**	***41%***	**1,649**	**881**	***43%***	**5.77x**	**13.84x**	**5.38x**	**12.11x**
System Solutions												
Danaher	232.23	185,493	26,261	8,388	*32%*	28,283	9,165	*32%*	7.06x	22.11x	6.56x	20.24x
Xylem	92.40	23,751	8,949	2,058	*23%*	9,308	2,219	*24%*	2.65x	11.54x	2.55x	10.70x
Dover	207.74	29,202	8,708	2,021	*23%*	9,199	2,177	*24%*	3.35x	14.45x	3.17x	13.42x
Pentair	66.26	12,144	4,053	1,043	*26%*	4,800	1,226	*26%*	3.00x	11.65x	2.53x	9.91x
IDEX	233.84	18,351	3,723	1,015	*27%*	3,945	1,083	*27%*	4.93x	18.09x	4.65x	16.94x
A. O. Smith	63.07	8,953	3,272	795	*24%*	4,031	799	*20%*	2.74x	11.25x	2.22x	11.21x
Watts Water Technologies.	347.60	11,468	2,828	640	*23%*	2,990	697	*23%*	4.05x	17.92x	3.84x	16.45x
Average	**$177.59**	**41,337**	**8,256**	**2,280**	***25%***	**8,937**	**2,481**	***25%***	**3.97x**	**15.29x**	**3.65x**	**14.12x**

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

CRITICAL INFRASTRUCTURE

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Components												
Graco Inc.	67.44	10,841	2,345	749	*32%*	2,527	783	*31%*	4.62x	14.48x	4.29x	13.85x
Flowserve Corporation	79.01	11,607	4,844	896	*18%*	5,184	988	*19%*	2.40x	12.96x	2.24x	11.75x
Franklin Electric Co., Inc.	95.38	4,692	2,300	379	*16%*	2,478	433	*17%*	2.04x	12.39x	1.89x	10.83x
Mueller Water Products, Inc.	22.79	3,516	1,479	372	*25%*	1,516	390	*26%*	2.38x	9.45x	2.32x	9.02x
The Gorman-Rupp Company	71.93	2,090	733	150	*21%*	774	157	*20%*	2.85x	13.89x	2.70x	13.31x
Energy Recovery, Inc.	6.96	270	73	(11)	*-14%*	105	14	*14%*	3.72x	NA	2.58x	18.70x
Average	**$57.25**	**5,503**	**1,962**	**423**	***16%***	**2,097**	**461**	***21%***	**3.00x**	**12.63x**	**2.67x**	**12.91x**
Infrastructure												
AECOM	63.34	10,656	15,160	961	*6%*	16,854	1,374	*8%*	0.70x	11.09x	0.63x	7.76x
Tetra Tech	38.65	10,689	4,377	663	*15%*	4,530	704	*NA*	2.44x	16.12x	2.36x	15.19x
Clean Harbors	302.12	18,772	6,779	1,464	*22%*	7,091	1,472	*21%*	2.77x	12.82x	2.65x	12.75x
EMCOR Group	679.55	29,545	20,703	2,305	*11%*	23,329	2,588	*11%*	1.43x	12.82x	1.27x	11.42x
Primoris Services	72.77	4,978	7,255	279	*4%*	8,082	532	*7%*	0.69x	17.86x	0.62x	9.37x
Average	**$231.29**	**14,928**	**10,855**	**1,134**	***12%***	**11,977**	**1,334**	***12%***	**1.61x**	**14.14x**	**1.50x**	**11.30x**
Low	$6.96	$270	$61	-$11	*-14%*	$63	$14	*7%*	0.69x	9.45x	0.62x	7.76x
Mean	**$126.41**	**$19,079**	**$5,385**	**$1,189**	***25%***	**$5,863**	**$1,319**	***27%***	**3.77x**	**14.08x**	**3.47x**	**12.70x**
Median	**$71.93**	**$10,689**	**$3,272**	**$749**	***23%***	**$3,945**	**$783**	***24%***	**3.00x**	**13.43x**	**2.65x**	**12.23x**
High	$679.55	$185,493	$26,261	$8,388	*57%*	$28,283	$9,165	*59%*	8.44x	22.11x	7.87x	20.24x

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

- October was the worst month on record for attacks on commercial shipping in the Strait of Hormuz. At least 30 vessels, mostly oil tankers, were hit, injuring at least 16 seafarers, according to International Maritime Organization data. Attacks doubled from 15 confirmed incidents in September. Eleven supertankers were damaged in October alone. The U.S. Navy-led Joint Maritime Information Center kept the threat level at "severe," citing drone overflights and harassment of merchant ships by Iran's Revolutionary Guard.
- In early October, reporting revealed that the FBI and U.S. Coast Guard found evidence hackers had reached the propulsion systems of a Texas-bound oil tanker. Investigators boarded two foreign-flagged tankers in the Gulf of Mexico in August and determined the intrusion occurred over the summer. They have not said who was responsible. Even without confirmed harm, access to a vessel's propulsion controls points to the potential to physically disrupt commercial shipping, not just steal data.

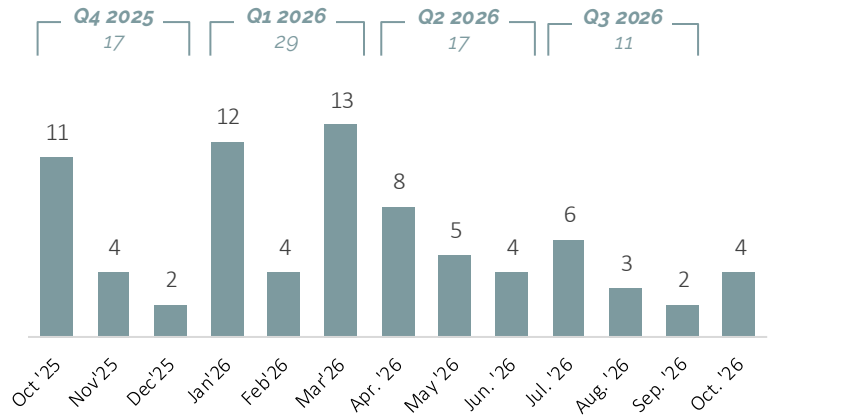
Select October Transactions

Everett's Bayside Marine acquired by Seattle Boat Co.

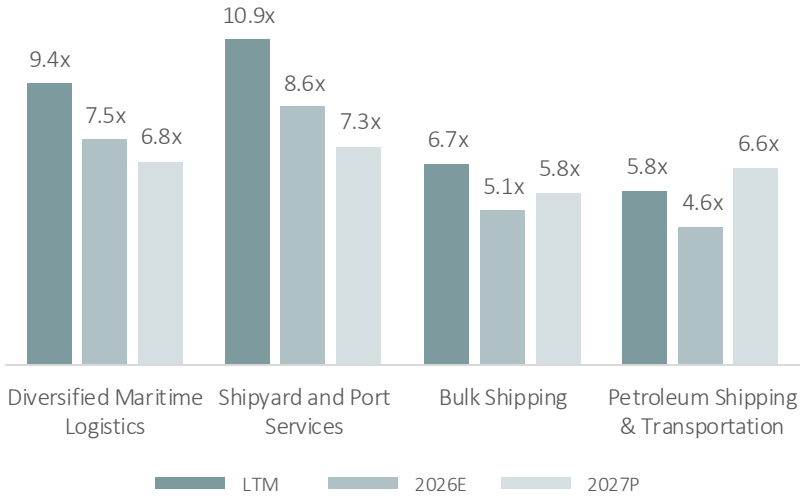
FESTA Logistics acquired by BRACCHI Logistics, a portfolio company of argos fund

Cernaval Group Shipyards acquired by CVC | DIF

TRANSACTIONS BY MONTH



EBITDA VALUATION MULTIPLES



Source(s): Reutuers; Bloomberg; US News; Homeland Security Today
For composition of indices, see page 21

MARITIME TRANSPORT & FACILITIES

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Diversified Maritime Logistics												
Kirby Corporation	143.93	8,790	3,691	820	*22%*	3,953	909	*23%*	2.38x	10.72x	2.22x	9.67x
Matson, Inc.	223.85	7,291	3,704	824	*22%*	3,741	834	*22%*	1.97x	8.84x	1.95x	8.74x
Navios Maritime Partners L.P.	90.02	4,600	1,488	994	*67%*	1,566	1,029	*66%*	3.09x	4.63x	2.94x	4.47x
ArcBest Corporation	125.44	3,095	4,509	383	*8%*	4,867	466	*10%*	0.69x	8.08x	0.64x	6.64x
Diana Shipping Inc.	2.50	689	242	128	*53%*	263	151	*57%*	2.85x	5.38x	2.62x	4.56x
Average	**$117.15**	**4,893**	**2,727**	**630**	***35%***	**2,878**	**678**	***36%***	**2.19x**	**7.53x**	**2.07x**	**6.82x**
Shipyard & Port Services												
International Container	13.17	31,864	3,921	2,518	*64%*	4,349	2,840	*65%*	8.13x	12.66x	7.33x	11.22x
DEME Group NV	186.91	5,096	4,731	1,049	*22%*	4,676	1,039	*22%*	1.08x	4.86x	1.09x	4.90x
Tidewater Inc.	87.33	4,380	1,446	581	*40%*	1,699	751	*44%*	3.03x	7.54x	2.58x	5.84x
Tutor Perini Corporation	79.82	3,792	6,380	461	*7%*	7,188	594	*8%*	0.59x	8.23x	0.53x	6.38x
Orion Group Holdings, Inc.	8.42	507	941	52	*5%*	1,001	61	*6%*	0.54x	9.81x	0.51x	8.26x
Average	**$75.13**	**9,128**	**3,484**	**932**	***28%***	**3,783**	**1,057**	***29%***	**2.67x**	**8.62x**	**2.41x**	**7.32x**
Dry Bulk Shipping												
Star Bulk Carriers Corp.	28.36	3,971	1,190	738	*62%*	1,061	647	*61%*	3.34x	5.38x	3.74x	6.13x
Costamare Inc.	14.16	2,856	833	585	*70%*	835	595	*71%*	3.43x	4.88x	3.42x	4.80x
Danaos Corporation	157.02	2,838	1,076	765	*71%*	1,094	731	*67%*	2.64x	3.71x	2.59x	3.88x
Global Ship Lease, Inc.	41.74	1,654	764	511	*67%*	715	464	*65%*	2.16x	3.23x	2.31x	3.56x

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

MARITIME TRANSPORT & FACILITIES

	Stock Price 10/31/26	Enterprise Value	CY2026E Revenue	CY2026E EBITDA	CY2026E *Margin*	2027P Revenue	2027P EBITDA	2027P *Margin*	TEV/2026E Revenue	TEV/2026E EBITDA	TEV/2027P Revenue	TEV/2027P EBITDA
Dry Bulk Shipping												
Genco Shipping & Trading	26.19	1,395	391	232	*59%*	360	195	*54%*	3.56x	6.02x	3.87x	7.14x
Safe Bulkers, Inc.	8.01	1,289	322	194	*60%*	291	160	*55%*	4.00x	6.63x	4.43x	8.06x
Pangaea Logistics Solutions	7.96	811	745	131	*18%*	742	121	*16%*	1.09x	6.18x	1.09x	6.69x
Average	**$40.49**	**2,116**	**760**	**451**	***58%***	**728**	**416**	***56%***	**2.89x**	**5.15x**	**3.07x**	**5.75x**
Petroleum Products Transportation												
International Seaways, Inc.	111.95	5,788	1,636	1,428	*87%*	1,135	784	*69%*	3.54x	4.05x	5.10x	7.38x
DHT Holdings, Inc.	25.02	4,313	1,150	888	*77%*	737	619	*84%*	3.75x	4.86x	5.85x	6.97x
Scorpio Tankers Inc.	92.60	2,785	1,357	949	*70%*	904	511	*56%*	2.05x	2.93x	3.08x	5.45x
Teekay Tankers Ltd.	100.80	2,322	1,267	810	*64%*	902	421	*47%*	1.83x	2.87x	2.57x	5.52x
Nordic American Tankers	7.91	1,948	302	214	*71%*	299	192	*64%*	6.44x	9.09x	6.51x	10.17x
Ardmore Shipping	20.97	843	315	218	*69%*	302	211	*NA*	2.68x	3.87x	2.79x	4.00x
Average	**$59.88**	**3,000**	**1,005**	**751**	***73%***	**713**	**456**	***64%***	**3.38x**	**4.61x**	**4.32x**	**6.58x**
Low	$2.50	$507	$242	$52	5%	$263	$61	6%	0.54x	2.87x	0.51x	3.56x
Mean	$69.74	$4,475	$1,844	$673	*50%*	$1,856	$623	*47%*	2.82x	6.28x	3.03x	6.54x
Median	$41.74	$2,856	$1,190	$585	*62%*	$1,001	$594	*56%*	2.68x	5.38x	2.62x	6.38x
High	$223.85	$31,864	$6,380	$2,518	*87%*	$7,188	$2,840	*84%*	8.13x	12.66x	7.33x	11.22x

Sources: 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

ArcBest	ARCB
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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