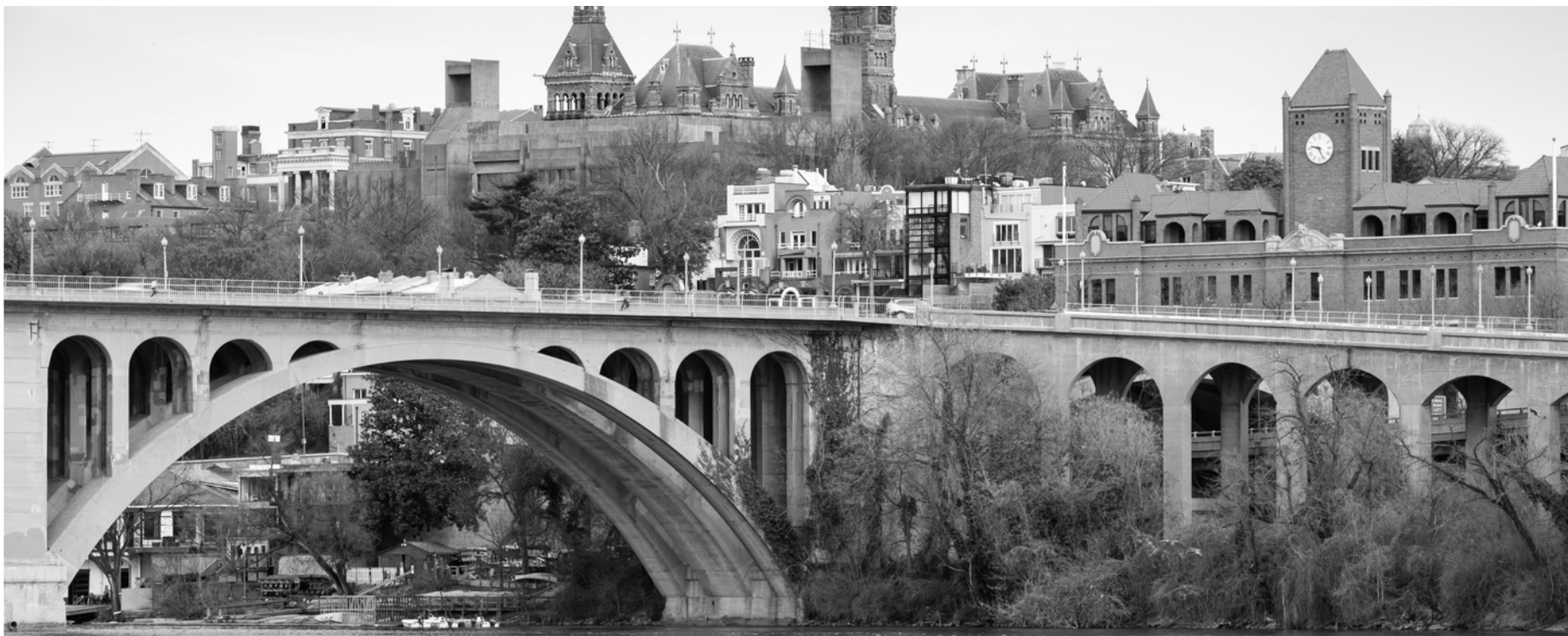


Q2 2024

M&A Insider Report



Defense, Government & Intelligence

Physical & Cyber Security

Critical Infrastructure

Maritime Transport & Facilities

FIRM OVERVIEW

- Founded in 1997 and headquartered in Northern VA; 25-year history of transaction success
- Comprised of 50+ financial professionals across five offices
- Team includes career investment bankers, CPAs, certified business valuation professionals and former industry executives



INDUSTRY FOCUSED M&A

Government Services



- Government Services and Products
- Federal Civilian Services
- State and Local Government

Physical & Cyber Security



- Physical Security Services
- Integrators
- Cyber Security

Critical Infrastructure



- Water & Wastewater
- Energy Infrastructure
- Critical Communications

Maritime



- Vessels
- Tier Two & Three Services
- Ports & Facilities



CORE BUSINESS

Investment Banking *Strategic Advisory Services*

- Sell-Side M&A
- Buy-Side M&A
- Debt / Equity Placements
- Employee Stock Ownership Plans
- Leveraged Transactions
- Other Advisory Services

Business Valuation *Valuations and Opinions*

- "Fair Value" Financial Reporting
- Equity Incentive Plans
- Fairness Opinions
- PEG Portfolio Valuations
- ESOP Transactions
- Estate and Gift

360 FINANCIAL COVERAGE

140+

Closed Transactions Since 2010

> 400

Annual Valuation Clients

> 25 yrs.

Track Record of Success

50+

Financial Professionals

>90%

Portion of Deals that are Sell-Side M&A

> \$8B

Total Transaction Value Since 2010

Major News Stories

**China's Inflation Remains Low**

- China's consumer price index rose for the fourth consecutive month in May and is up 0.3% year over year, matching Wall Street expectations.
- The country's tame inflation numbers indicate that deflationary pressure has not yet faded, and, as Beijing directs resources back to manufacturing to mitigate the effects of the recent real estate collapse, officials risk dropping prices further.

**Courts Freeze Biden's SAVE Plan**

- On June 24th, federal judges ruled to temporarily pause the implementation of the Saving on a Valuable Education (SAVE) plan. The plan would have provided loan payment savings starting July 1st to millions of borrowers.
- These borrowers will no longer receive their anticipated payment relief, and many others will lose eligibility for debt cancellation, which was set to be carried out in waves beginning later this year.
- In response, the Biden administration is moving forward with a separate plan totaling \$145 billion in loan forgiveness.

**U.S. Unemployment to Rise as Vacancies Subside & Unemployment Benefits Claims Rise**

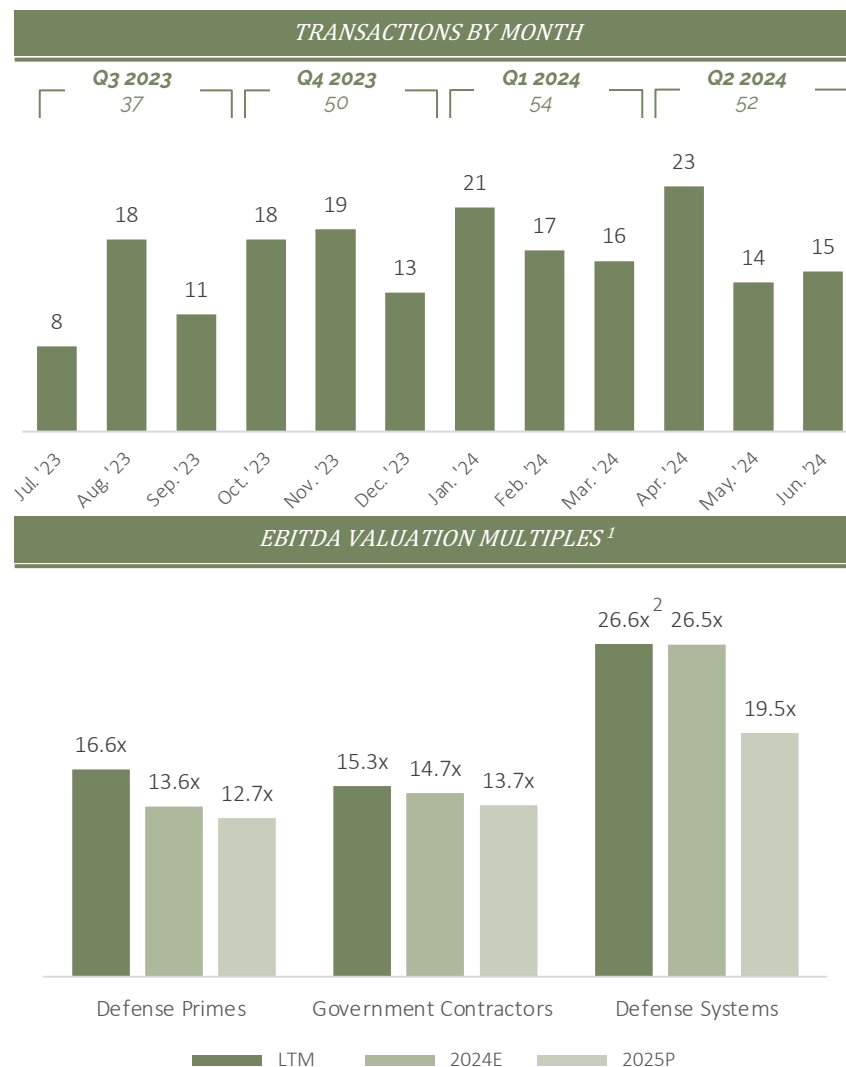
- The unemployment rate has remained at or under 4.0% since January 2022 as companies have shifted away from laying off employees towards filling job vacancies.
- Job openings, however, are limited. Economic analysis shows that unemployment is likely to increase significantly when the job vacancy rate falls below 4.5%. As of April 2024, the rate was 4.8%, down from 7.4% in March 2022. Employment has also slowed down, evidenced by the recent increase in claims for unemployment benefits.

**Financial Accounting Standards Board Changes Public Company Financial Reporting Requirements**

- The Financial Accounting Standards Board (FASB) will require U.S. public companies to break out specific financial statement line items, such as inventory purchases and employee compensation, in future filings.
- The new mandates will go into effect for most companies in 2027 and 2028 for annual and quarterly reports, respectively. However, some companies will likely continue to push back as they believe the costs of implementing and complying with new regulations outweigh the benefits to investors of the more detailed disclosures.

Sources: Wall Street Journal, US Federal Reserve, Financial Times, CNBC

- At the end of June, the Supreme Court overturned the “Chevron deference” precedent, which granted federal government agencies extensive liberty to interpret vague laws without being subject to judicial review. The ruling could affect a variety of federal government agencies and initiatives, from EPA emissions regulations to the administration of Medicare and Medicaid insurance plans. The ruling will also prompt a wave of new legal challenges, according to experts, which now have a greater chance of success without Chevron. However, these lawsuits must first work their way through the court system, and experts do not expect any changes in the near term.
- On June 1st, U.S. Secretary of Defense Lloyd Austin revealed at the Shangri-La defense forum in Singapore that he met with Chinese Defense Minister Dong Jun the day before. This was the first meeting between top U.S. and Chinese defense officials since former House Speaker Pelosi visited Taiwan in 2022, outraging the Chinese Communist Party. China has continued to assert its claims on the South China Sea, leading to a direct confrontation with the Philippines in March of this year. During the incident, a Chinese coast guard vessel rammed a Philippine coast guard ship, injuring four of the crew and causing minor hull damage. The president of the Philippines said that if a Filipino sailor were to die in such an incident, he could consider it an act of war – the Philippines is a U.S. treaty ally, and the U.S. would be obligated to defend the Philippines if the country went to war against China.



Sources: AP News, The New York Times

1. For composition of indices, see page 24

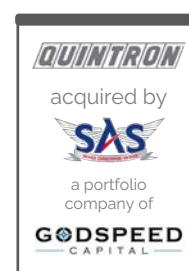
2. MRCY was excluded from this calculation

**Date:** 04/08/2024**EV:** \$1,100M**EV/EBITDA:** ND*Transaction Details*

Cobham Aerospace is a leading supplier of cutting-edge technologies enabling flexible, integrated and more-autonomous avionics systems to make aviation safer, greener, and more efficient. The integration of Cobham Aerospace Communications will strengthen Thales's avionics portfolio, addressing the major trend towards connected cockpits.

**Date:** 04/22/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

EWA is a prominent player in the field of Electronic Warfare ("EW"). With over 47 years of experience in developing and delivering EW capabilities, EWA provides a comprehensive understanding of evolving threats across the electromagnetic spectrum. The acquisition of EWA will enhance Sigma Defense's ability to deliver on the CJADC2 vision of "sense, make sense and act" delivering new capabilities to joint and coalition forces.

**Date:** 05/07/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

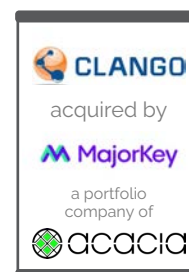
Quintron Systems ("Quintron") provides secure communications technology solutions to the space and defense markets. The Company provides advanced Voice-over-IP communications technology in support of space launch operations to customers like NASA. The add-on expands the capabilities of SAS, a Godspeed capital platform, which now include space engineering, defense, and communications technology solutions.

**Date:** 05/20/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

Cognosante provides digital transformation and cloud modernization solutions for federal health, defense, intelligence, and civilian agencies. Cognosante's federal government clients run healthcare programs that support veterans and active-duty military. The Company's 1,500+ employees will be added to Accenture Federal Services' team of over 14,000.

**Date:** 06/07/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

PAR Government Systems Corporation (PGSC), a subsidiary of PAR Technology Corporation (NYSE: PAR), delivers edge technologies related to warfighter communication and situational awareness to DoD clients. PGSC will augment Booz Allen's existing expertise in the defense market with new technologies, allowing the acquirer to provide more comprehensive solutions to its clients.

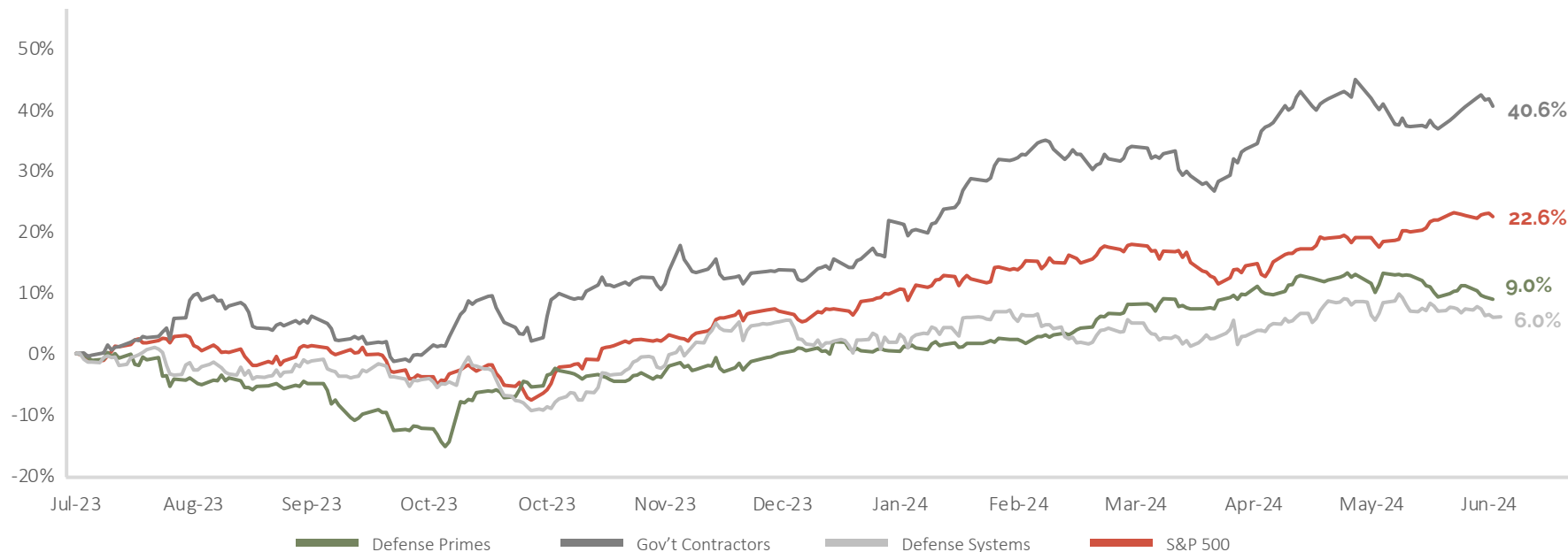
**Date:** 06/17/2024**EV:** ND**EV/EBITDA:** ND*Transaction Details*

Clango provides identity security solutions, with a focus on privileged access management. The merger of the two companies creates one of the largest full-service identity and access management businesses currently in the market. The new entity will leverage its wide range of capabilities to offer comprehensive solutions required by more complex projects.

Sources: S&P Capital IQ, DACIS, GovConWire

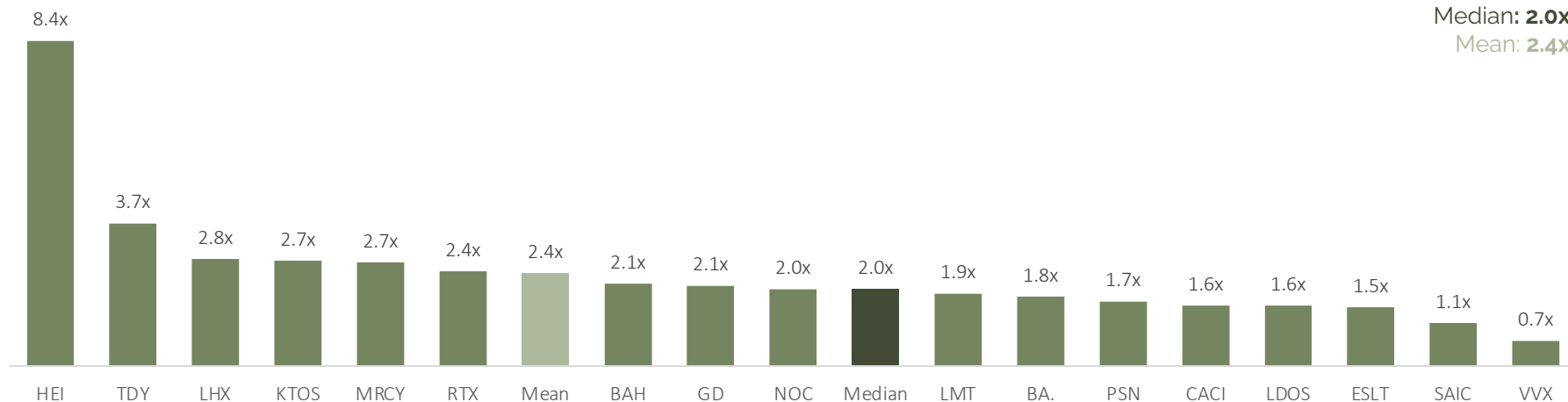
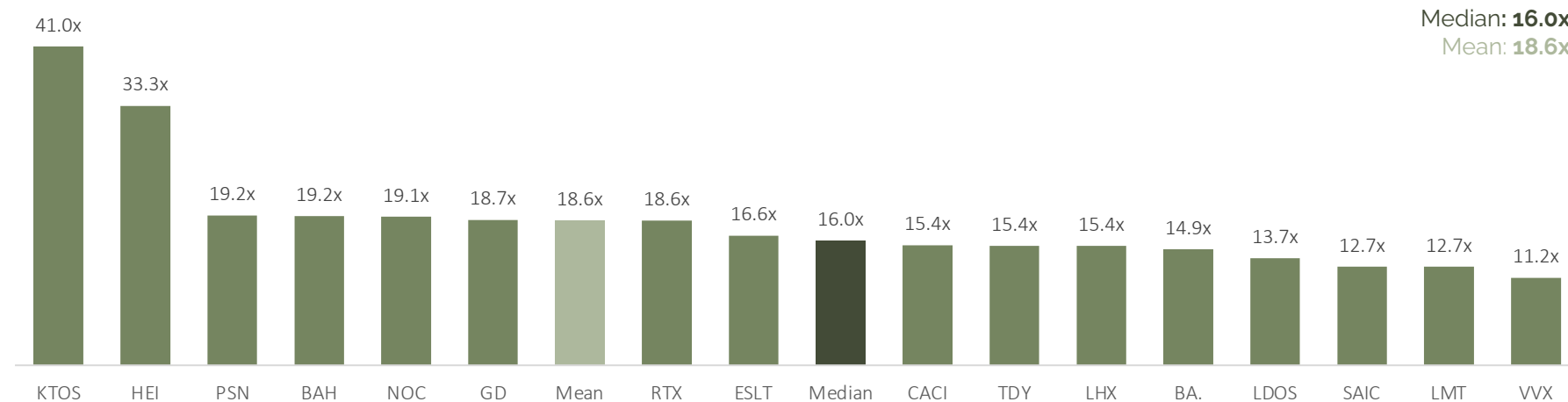
Contract Value (\$M)	Award Date	End Date	Customer	Awardee(s)	Type	Contract Scope
\$30,104	06/13/2024	11/14/2044	U.S. Department of Energy, National Nuclear Security Administration	BWX Technologies et al.	Cost Plus Award Fee	Manage and operate the Pantex Plant, which assembles and disassembles nuclear weapons
\$13,100	04/26/2024	07/10/2036	U.S. Air Force	Sierra Nevada Corp.	Cost Plus Fixed Fee	Develop and produce of the SAOC Weapon System
\$7,480	05/24/2024	02/29/2030	U.S. Air Force	Boeing	IDIQ	Supply JDAM tail kits, spares, repairs, technical and sensor kits
\$7,000	05/03/2024	05/03/2029	U.S. Air Force	Northrop Grumman	IDIQ	Provide sustainment services and future upgrades to the B-2 weapon system
\$5,600	06/13/2024	06/30/2029	U.S. Air Force	Blue Origin, SpaceX, United Launch Alliance (Boeing and Lockheed Martin)	Mixed	Provide launch services that deliver National Security Space (NSS) payloads into orbit
\$5,278	06/28/2024	06/30/2027	U.S. Army	Lockheed Martin	Firm Fixed Price	Develop a Phased Array Tracking Radar to Intercept Advanced Capability-3
\$4,100	04/12/2024	04/30/2029	MDA	Lockheed Martin	Cost Plus Fixed Fee	Deliver updates and new capabilities to the C2BMC System
\$1,564	06/27/2024	12/31/2024	U.S. Navy	Lockheed Martin	Mixed	Provide F-35 training and sustainment services
\$1,128	06/12/2024	06/13/2029	U.S. Army	General Electric	Firm Fixed Price	Produce and deliver T700 series turbine engines

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

TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART¹

Market Commentary

- The S&P 500 continued to perform well through June but was top-heavy – NVIDIA alone added \$1.0T of market cap in Q2, breaking the \$3.0T mark and remaining there through the end of June.
- The TMG Government Contractors index performed strongly over the trailing twelve months and rose sharply towards the beginning of Q2 2024 as tensions in the Middle East rose, with Israel executing a drone strike on the Iranian embassy in Syria and facing off against Hezbollah along its northern border. Parsons, up 65.97% year-over-year, and Leidos, up 64.96%, led the index.
- Kratos and HEICO were the only companies in the Defense Systems index with positive returns over the last twelve months, up 43.67% and 27.14%, respectively. Likewise, BAE and General Dynamics led the Defense Primes index with 38.13% and 32.45% returns, respectively.

LTM REVENUE VALUATION MULTIPLES*LTM EBITDA VALUATION MULTIPLES*

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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 6/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
RTX	100.39	173,551	78,905	12,703	16%	83,686	13,516	16%	2.20x	13.66x	2.07x	12.84x
Lockheed Martin	467.10	128,703	69,690	9,781	14%	72,264	10,150	14%	1.85x	13.16x	1.78x	12.68x
Northrop Grumman	435.95	79,266	41,099	5,637	14%	43,071	6,106	14%	1.93x	14.06x	1.84x	12.98x
General Dynamics	290.14	89,503	46,875	5,979	13%	48,795	6,489	13%	1.91x	14.97x	1.83x	13.79x
BAE Systems	16.68	53,634	35,527	4,713	13%	38,207	5,133	13%	1.51x	11.38x	1.40x	10.45x
L3Harris Technologies	224.58	55,893	21,203	3,887	18%	22,125	4,192	19%	2.64x	14.38x	2.53x	13.33x
Average	\$255.81	\$96,759	\$48,883	\$7,117	15%	\$51,358	\$7,598	15%	2.01x	13.60x	1.91x	12.68x
Gov't Contractors												
Leidos	145.88	24,321	15,956	1,680	11%	16,707	1,772	11%	1.52x	14.47x	1.46x	13.73x
Booz Allen Hamilton	153.90	22,998	10,604	1,165	11%	11,431	1,258	11%	2.17x	19.74x	2.01x	18.28x
CACI International	430.13	11,444	7,656	844	11%	8,097	904	11%	1.49x	13.57x	1.41x	12.67x
SAIC	117.55	8,160	7,440	690	9%	7,663	720	9%	1.10x	11.82x	1.06x	11.33x
Parsons Corporation	81.81	9,779	5,655	498	9%	5,905	538	9%	1.73x	19.62x	1.66x	18.18x
V2X	47.96	2,673	4,079	304	7%	4,272	328	8%	0.66x	8.81x	0.63x	8.16x
Average	\$162.87	\$13,229	\$8,565	\$864	10%	\$9,012	\$920	10%	1.44x	14.67x	1.37x	13.72x

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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price	Enterprise	CY2024E			2025P			TEV/2024E		TEV/2025P	
	6/30/24	Value	Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
Teledyne Technologies	387.98	20,738	5,617	1,353	24%	5,920	1,471	25%	3.69x	15.33x	3.50x	14.10x
HEICO	223.61	29,720	3,975	1,039	26%	4,272	1,122	26%	7.48x	28.60x	6.96x	26.48x
Elbit Systems	176.38	9,231	6,463	617	10%	6,527	666	10%	1.43x	14.96x	1.41x	13.86x
Mercury Systems	26.99	2,160	855	48	6%	904	116	13%	2.52x	45.29x	2.39x	18.57x
Kratos Defense & Security	20.01	2,977	1,108	104	9%	1,236	122	10%	2.69x	28.55x	2.41x	24.32x
Average	\$166.99	\$12,965	\$3,604	\$632	15%	\$3,772	\$700	17%	3.56x	26.55x	3.33x	19.47x
Low	\$16.68	\$2,160	\$855	\$48	6%	\$904	\$116	8%	0.66x	8.81x	0.63x	8.16x
Mean	\$196.89	\$42,632	\$21,336	\$3,003	13%	\$22,417	\$3,212	14%	2.27x	17.79x	2.14x	15.04x
Median	\$153.90	\$22,998	\$7,656	\$1,165	11%	\$8,097	\$1,258	13%	1.91x	14.47x	1.83x	13.73x
High	\$467.10	\$173,551	\$78,905	\$12,703	26%	\$83,686	\$13,516	26%	7.48x	45.29x	6.96x	26.48x

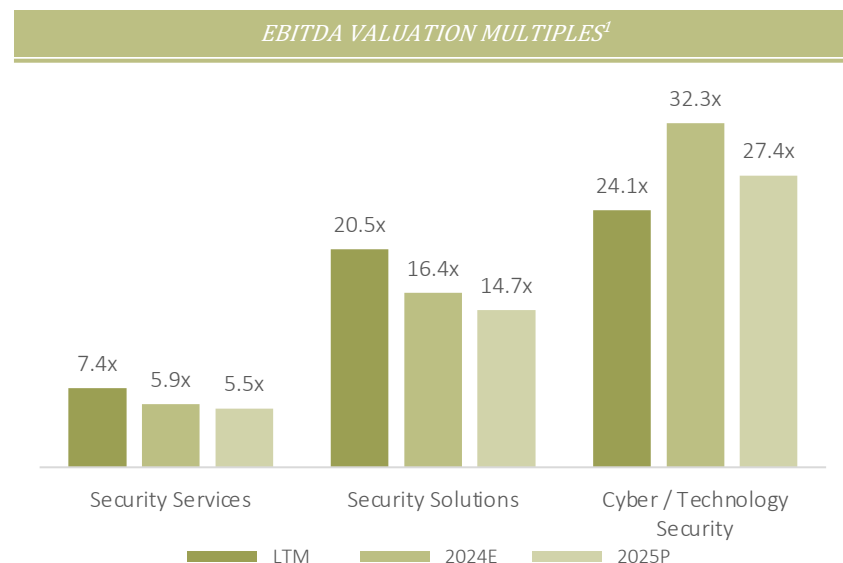
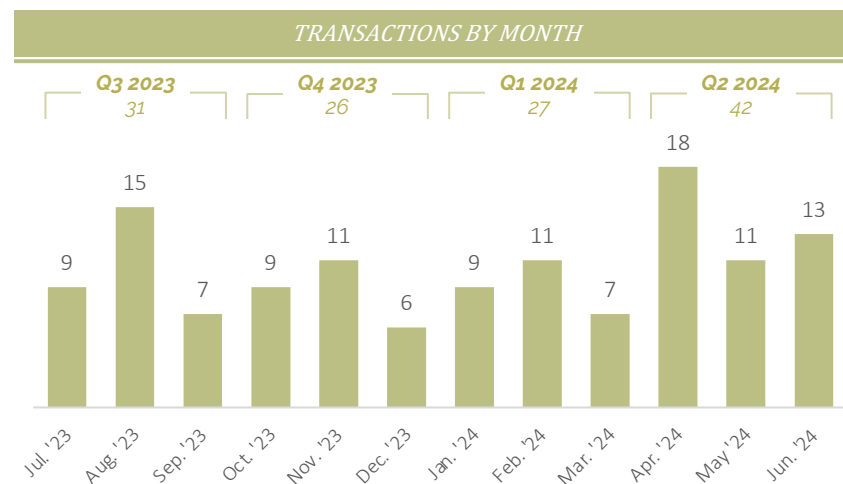
Sources: S&P Capital IQ
\$USD, Millions besides Stock Price

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
04/02/2024	Thales S.A.	Cobham Aerospace SAS	Supplies flexible, integrated and more-autonomous avionics systems	\$1,100.00	NA	NA
04/17/2024	Godspeed Capital	Special Aerospace Services	Spaceflight engineering and hardware Company offering full-cycle solutions	NA	NA	NA
04/19/2024	Arcline Investment Management	Kaman	Produces and markets a variety of proprietary aircraft components	\$1,884.28	2.43x	17.14x
04/22/2024	Sigma Defense	EWA	Develops and delivers electronic warfare (EW) capabilities to defense customers	NA	NA	NA
04/26/2024	Boeing	St. Louis site of GKN Aerospace	Manufacturer of critical components that support the U.S. government & allies	NA	NA	NA
04/30/2024	Special Aerospace Services	Willbrook Solutions	Innovative analytical solutions provider to the MDA, DIA, NASA, and DoD	NA	NA	NA
05/07/2024	Special Aerospace Services	Quintron	Provides secure communications technology solutions to the space and defense markets	ND	ND	ND
05/20/2024	Accenture Federal Services	Cognosante	Provides cloud modernization services to government agencies	NA	NA	NA
05/27/2024	BCS	Allegient Defense	Provides system engineering and tech support solutions to the DoD	\$12.50	NA	NA
06/07/2024	Booz Allen Hamilton	PAR Government	Delivers warfighter edge communication technologies to DoD clients	NA	NA	NA
06/10/2024	VTG	Clear Cloud	Offers digital transformation solutions to IC customers	NA	NA	NA
06/17/2024	Majorkey	Clango	Provides identity security solutions, with a focus on privileged access management	NA	NA	NA
06/18/2024	Synergy ECP	SPYROS Information & Technology Consulting	Provides cyber operations services to DoD, IC, and DoE clients	NA	NA	NA
06/27/2024	DZYNE Technologies	High Point Aerotechnologies	Designs and manufactures counter unmanned aerial systems technologies	NA	NA	NA

Source(s): S&P CapIQ
 * Announcement Date

- In a recent congressional hearing, insurers emphasized the need for flexibility in determining what should be covered under cyber policies. Industry experts explained that they are working to comprehend the risks associated with cyberattacks. In recent years, insurers have raised premiums and tightened underwriting standards for cyber policies due to increased cyberattacks, especially during the coronavirus pandemic. Insurers are increasingly requiring organizations to meet cybersecurity controls such as multifactor authentication and network monitoring to qualify for coverage.
- Leaks from Chinese hacking firm iSOON are providing insight into Beijing's strategy of turning to private firms for offensive cyber operations. Chinese private intelligence companies offer the ability to hire people quickly for emerging requirements, such as AI. Specifically, private companies can hire for unclassified jobs without waiting on the type of security clearances the government would require of its own employees.

Select Q2 Transactions



Sources: Strategic Market Research, S&P Capital IQ, CyberSecurity Dive, Gartner, WSJ

1. For composition of indices, see page 24

2. Announced 4/24/2024, completed 7/2/2024

* Announced

PHYSICAL & CYBER SECURITY

	Stock Price 6/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	9.93	9,697	15,372	1,374	9%	15,932	1,465	9%	0.63x	7.06x	0.61x	6.62x
The Brink's Company	102.40	7,391	5,139	962	19%	5,392	1,045	19%	1.44x	7.68x	1.37x	7.07x
Prosegur	1.83	2,788	4,816	553	11%	5,036	600	12%	0.58x	5.04x	0.55x	4.64x
Loomis	26.04	2,276	2,863	590	21%	2,965	611	21%	0.79x	3.85x	0.77x	3.73x
Average	\$35.05	\$5,538	\$7,047	\$870	15%	\$7,331	\$930	15%	0.86x	5.91x	0.83x	5.52x
Security Solutions												
Honeywell International	213.54	154,001	38,779	10,328	27%	41,190	11,113	27%	3.97x	14.91x	3.74x	13.86x
Johnson Controls	66.47	57,198	28,042	4,459	16%	29,342	4,498	15%	2.04x	12.83x	1.95x	12.72x
Motorola Solutions	386.05	69,768	10,688	3,319	31%	11,319	3,569	32%	6.53x	21.02x	6.16x	19.55x
ADT	7.60	14,757	4,882	2,558	52%	5,151	2,707	53%	3.02x	5.77x	2.86x	5.45x
Allegion	118.15	12,104	3,740	906	24%	3,892	955	25%	3.24x	13.36x	3.11x	12.68x
Alarm.com Holdings	63.54	3,006	924	165	18%	974	181	19%	3.25x	18.19x	3.09x	16.59x
Napco Security Technologies	51.95	1,834	200	64	32%	227	83	36%	9.18x	28.68x	8.09x	22.22x
Average	\$129.61	\$44,667	\$12,465	\$3,114	29%	\$13,157	\$3,301	29%	4.46x	16.39x	4.14x	14.72x

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

PHYSICAL & CYBER SECURITY

	Stock Price 6/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Palo Alto Networks	339.01	108,413	8,468	2,525	30%	9,776	2,957	30%	12.80x	42.94x	11.09x	36.67x
CrowdStrike	383.19	90,377	4,001	1,058	26%	5,060	1,395	28%	22.59x	NA	17.86x	NA
Fortinet	60.27	44,102	5,800	1,722	30%	6,560	1,968	30%	7.60x	25.61x	6.72x	22.41x
Zscaler	192.19	28,052	2,361	549	23%	2,892	696	24%	11.88x	51.07x	9.70x	40.32x
Cloudflare	82.83	27,866	1,654	300	18%	2,104	403	19%	16.84x	NA	13.24x	NA
Check Point	165.00	15,628	2,560	1,146	45%	2,699	1,217	45%	6.10x	13.64x	5.79x	12.84x
Okta	93.61	14,691	2,542	521	20%	2,847	599	21%	5.78x	28.21x	5.16x	24.54x
Average	\$188.01	\$47,018	\$3,912	\$1,117	28%	\$4,563	\$1,319	28%	11.94x	32.29x	9.94x	27.36x
Low	\$1.83	\$1,834	\$200	\$64	9%	\$227	\$83	9%	0.58x	3.85x	0.55x	3.73x
Mean	\$131.31	\$36,886	\$7,935	\$1,839	25%	\$8,520	\$2,003	26%	6.57x	18.74x	5.66x	16.37x
Median	\$88.22	\$15,192	\$4,408	\$1,010	24%	\$5,048	\$1,131	24%	4.87x	14.28x	4.45x	13.35x
High	\$386.05	\$154,001	\$38,779	\$10,328	52%	\$41,190	\$11,113	53%	22.59x	51.07x	17.86x	40.32x

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

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
4/1/2024	Chenega	E&M International	Low voltage special system contractor that provides design, installation, and servicing of fire systems	NA	NA	NA
4/10/2024	Wiz	Gem Security	Operates a threat and breach detection management platform for cloud security	\$350.00	NA	NA
4/12/2024	Zscaler	Airgap Networks	Designs zero trust isolation platforms to contain, profile, and stop lateral threat movement	\$124.40	NA	NA
4/24/2024 ¹	Egress	KnowBe4	Offers a platform for security awareness training, and simulated phishing with analytics and reporting	NA	NA	NA
5/2/2024	Accel-KKR	Accertify	Provides fraud prevention, digital identity, device intelligence, and online payment gateway solutions	NA	NA	NA
5/8/2024	Mainline Information Systems	EITS	Offers services such as application inventory, configuration and security, and cloud security	NA	NA	NA
5/21/2024	Lumifi	Netsurion	Provides remotely-managed data and network security services for multi-location businesses	NA	NA	NA
5/30/2024	Cloudflare	BastionZero	Develops secure blockchain transaction and payment infrastructure	NA	NA	NA
6/3/2024	Honeywell International	Global Access Solutions business of Carrier	Provides access and security solutions, electronic locking systems, and contactless key solutions	\$4,950.00	NA	NA
6/4/2024*	Tyto Athene	Mindpoint	Provides cyber and information technology security consulting services	NA	NA	NA
6/10/2024*	Fortinet	Lacework	Develops and operates a data-driven cloud-native application protection platform (CNAPP)	NA	NA	NA
6/11/2024	Formstack	Open Raven	Open data protection platform that assesses and manages data risk for enterprises	NA	NA	NA
6/16/2024	Mozilla	Anonym	Enables scalable, privacy-safe measurement and optimization of advertiser campaigns	NA	NA	NA
6/25/2024	Akamai Technologies	Noname Gate	Develops and operates security solutions for protecting application programming interfaces	\$450.00	NA	NA

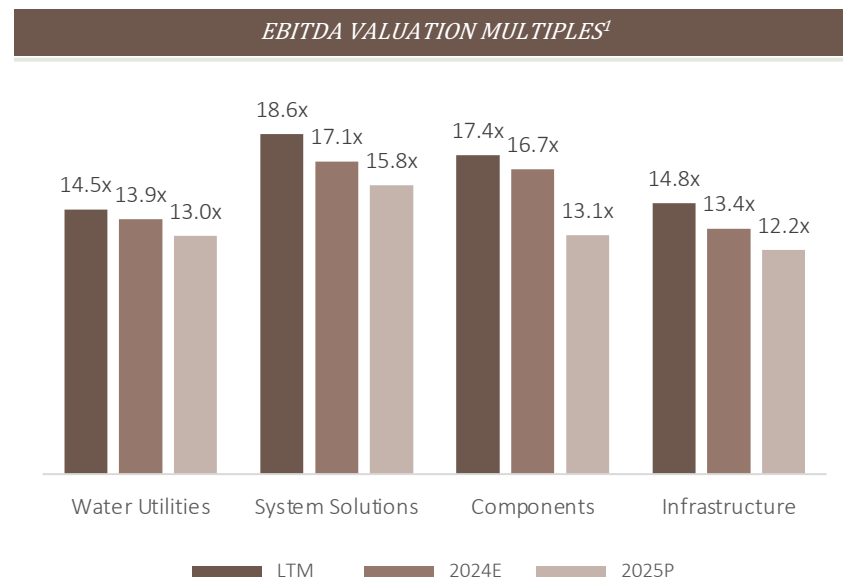
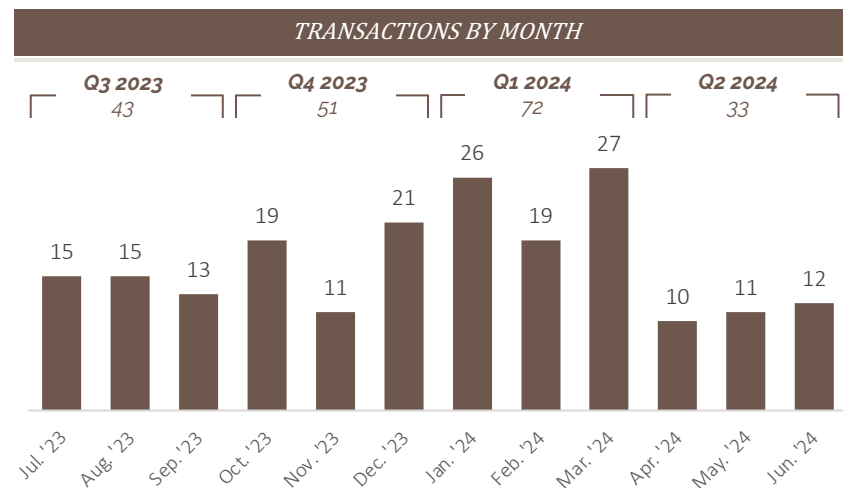
Source(s): S&P CapIQ

1. Announcement date; completed 7/2/2024

* Announcement Date

- Following another year of the Russia-Ukraine war, a new assessment of damage and needs – produced by the Ukrainian government, World Bank, and UN – has estimated Ukraine's water supply and sanitation sector will require \$11.1 billion to fully recover over the next decade. Financial support coupled with external partnerships should provide sufficient support to assess the needs of the utilities sector. The partnerships will allow for support in the form of purchasing critical equipment and professional training to begin the rebuild process.
- The American Water Works Association (AWWA) and Association of State Drinking Water Agencies (ASDWA) filed a joint petition for review of the EPA's recent proposals regarding PFAS regulation. Together the AWWA and ASDWA are looking to bump the EPA's 4ppt limits for PFOA and PFOS up to 10ppt, and also calling for further assessment of the "novel" hazard index calculations used to regulate other PFAS.

Select Q2 Transactions



Source(s): Global Water Intelligence

1. For composition of indices, see page 24

2. Acquired commercial and industrial business

* Announced not closed

CRITICAL INFRASTRUCTURE

	Stock Price 6/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	129.16	37,711	4,460	2,465	55%	4,735	2,712	57%	8.46x	15.30x	7.96x	13.91x
Essential Utilities	37.33	17,230	2,100	1,169	56%	2,412	1,323	55%	8.20x	14.74x	7.14x	13.03x
California Water Service	48.49	4,094	1,002	371	37%	961	333	35%	4.09x	11.03x	4.26x	12.30x
American States Water	72.57	3,606	599	233	39%	609	251	41%	6.02x	15.50x	5.93x	14.35x
SIW	54.22	3,513	704	288	41%	734	336	46%	4.99x	12.21x	4.79x	10.47x
Consolidated Water	26.54	382	144	29	20%	165	32	0.19x	2.64x	13.20x	2.31x	11.92x
Global Water Resources	12.10	399	52	26	50%	57	26	46%	7.69x	15.51x	6.99x	15.27x
Average	\$54.34	9,562	1,294	654	42%	1,382	716	43%	6.01x	13.93x	5.63x	13.04x
System Solutions												
Danaher	249.85	197,298	23,881	7,682	32%	25,984	8,572	33%	8.26x	25.68x	7.59x	23.02x
Dover	180.45	27,812	8,620	1,851	21%	8,960	1,975	22%	3.23x	15.02x	3.10x	14.08x
Xylem	135.63	34,318	8,561	1,741	20%	9,032	1,908	21%	4.01x	19.72x	3.80x	17.99x
IDEX	201.20	15,954	3,332	928	28%	3,506	1,007	29%	4.79x	17.19x	4.55x	15.84x
Pentair	76.67	14,826	4,204	1,003	24%	4,403	1,098	25%	3.53x	14.78x	3.37x	13.50x
A. O. Smith	81.78	11,838	3,992	872	22%	4,157	917	22%	2.97x	13.57x	2.85x	12.91x
Watts Water Technologies	183.37	6,163	2,268	451	20%	2,333	469	20%	2.72x	13.66x	2.64x	13.13x
Average	\$158.42	44,030	7,837	2,076	24%	8,339	2,278	25%	4.21x	17.09x	3.99x	15.78x

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

CRITICAL INFRASTRUCTURE

Components	Stock Price 6/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	79.28	12,833	2,211	724	33%	2,320	773	33%	5.80x	17.73x	5.53x	16.59x
Flowserve	48.10	7,238	4,577	605	13%	4,778	666	14%	1.58x	11.96x	1.51x	10.86x
Franklin Electric	96.32	4,548	2,106	326	15%	2,211	343	15%	2.16x	13.94x	2.06x	13.28x
Mueller Water Products	17.92	3,089	1,293	262	20%	1,332	274	21%	2.39x	11.78x	2.32x	11.28x
The Gorman-Rupp	36.71	1,334	690	121	17%	720	125	17%	1.93x	11.06x	1.85x	10.70x
Energy Recovery	13.29	645	146	19	13%	175	41	23%	4.43x	33.54x	3.68x	15.76x
Average	\$48.60	4,948	1,837	343	19%	1,923	370	21%	3.05x	16.67x	2.83x	13.08x
Infrastructure												
AECOM	88.14	13,836	16,130	1,113	7%	16,700	1,194	7%	0.86x	12.43x	0.83x	11.59x
Tetra Tech	204.48	11,890	4,541	590	13%	4,670	655	14%	2.62x	20.16x	2.55x	18.14x
Clean Harbors	226.15	14,884	5,887	1,125	19%	6,293	1,239	20%	2.53x	13.23x	2.37x	12.02x
EMCOR Group	365.08	16,669	14,358	1,150	8%	15,463	1,231	8%	1.16x	14.50x	1.08x	13.55x
Arcosa	83.41	4,520	2,655	428	16%	2,877	475	17%	1.70x	10.57x	1.57x	9.51x
Primoris Services	49.89	3,836	5,963	395	7%	6,415	443	7%	0.64x	9.70x	0.60x	8.66x
Average	\$169.53	10,939	8,256	800	12%	8,736	873	12%	1.59x	13.43x	1.50x	12.24x
Low	\$12.10	\$382	\$52	\$19	7%	\$57	\$26	7%	0.64x	9.70x	0.60x	8.66x
Mean	\$107.62	\$18,095	\$4,788	\$999	25%	\$5,077	\$1,093	26%	3.82x	15.30x	3.59x	13.60x
Median	\$80.53	\$9,538	\$2,993	\$597	20%	\$3,192	\$661	22%	3.10x	14.22x	2.98x	13.21x
High	\$365.08	\$197,298	\$23,881	\$7,682	56%	\$25,984	\$8,572	57%	8.46x	33.54x	7.96x	23.02x

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

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
4/1/2024	SouthWest Water	Corix Infrastructure	Provides sustainable water, wastewater, and energy utility infrastructure solutions	NA	NA	NA
4/4/2024	RheinEnergie	Rhenag	Generates and supplies natural gas, electricity, heat, and water	NA	NA	NA
4/10/2024	Verdantas	CT Consultants	Provides architectural, planning, and engineering services	NA	NA	NA
4/12/2024	True Environmental	Triton Environmental	Environmental consulting including water quality assessments and remediation	NA	NA	NA
5/3/2024	Water Engineering	JTA Solutions	Provides water treatment services	NA	NA	NA
5/6/2024*	Grundfos	Culligan	Commercial and industrial business of Culligan	NA	NA	NA
5/22/2024	Nabholz Corporation	Brothers Construction	Provides construction services including water line installation and excavation	NA	NA	NA
6/3/2024	New Mountain Capital	Conzor	Leading provider of transportation and water infrastructure engineering	NA	NA	NA
6/3/2024	Deep Blue Midland Basin	Lagoon Operating – Midland	Offers oilfield water management services	NA	NA	NA
6/4/2024	Holland Pump	C&R Distribution	Engages in pump rentals and WellPoint equipment	NA	NA	NA
6/17/2024*	Seche Enviornment	ECO Industrial	Offers industrial waste management services	\$447.70	6.3x	14.8x
6/21/2024*	Ovivo	Enersave ¹	Specializes in fluid mixing systems	NA	NA	NA
6/28/2024	GWTT	Carbonworks USA	Provides water treatment systems across the Mid-Atlantic and Southeast	NA	NA	NA

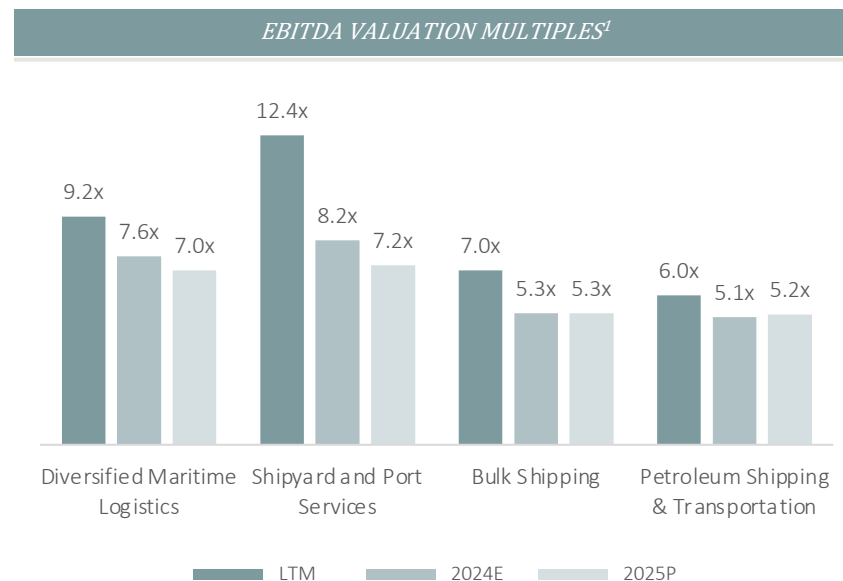
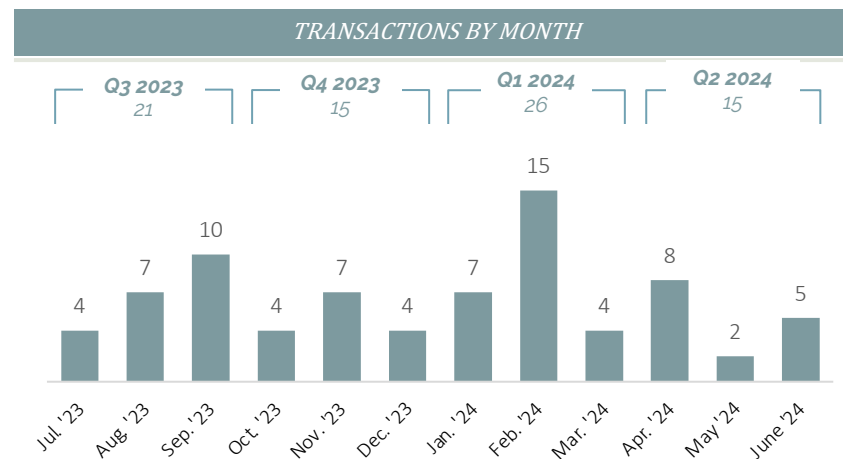
Sources: S&P Capital IQ, DACIS, press releases

1. Acquired LM Mixer technology

* Announcement date

- The second quarter of 2024 continued to see conflict in the Red Sea, which has required ships to divert around previously reliable paths to avoid attack, thus increasing ships' travel distance and time to delivery while increasing freight rates and lowering shipment reliability. With no resolution, ship routing is forecasted to return to normal in early 2025.
- The labor agreement for the US East and Gulf Coast ports expires early this fall. Meanwhile, there has been no new agreement established. US East and Gulf Coast ports handle more than 50% of US container trade. Unsuccessful negotiations could increase domestic port congestion meaningfully.
- Increased import tariffs set by the US & EU on Chinese products could hinder future development in the refrigerator container market as China looks to strike back by implementing tariffs on imports such as pork from the EU. Further, depending on the 2024 US presidential election results, increased tariffs on Chinese imports could shift production from China to the US and Mexico.

Select Q2 Transactions



Sources: S&P Capital IQ, BIMCO
 For composition of indices, see page 24
 * Announced, not closed

MARITIME TRANSPORT & FACILITIES

	Stock Price 6/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central Corporation	10.38	718	557	154	28%	578	158	27%	1.29x	4.68x	1.24x	4.54x
Matson	130.97	5,149	3,184	579	NA	3,308	529	NA	1.62x	8.89x	1.56x	9.73x
Kirby Corporation	119.73	8,136	3,293	680	21%	3,507	776	22%	2.47x	11.97x	2.32x	10.48x
ArcBest Corporation	107.08	2,686	4,349	407	9%	4,660	502	11%	0.62x	6.61x	0.58x	5.35x
Diana Shipping	2.86	790	265	136	51%	282	158	56%	2.98x	5.81x	2.80x	4.99x
Average	\$74.20	3,496	2,330	391	27%	2,467	425	29%	1.79x	7.59x	1.70x	7.02x
Shipyard & Port Services												
International Container	5.99	15,441	2,627	1,682	64%	2,817	1,794	64%	5.88x	9.18x	5.48x	8.61x
Great Lakes Dredge & Dock	8.78	1,033	749	132	18%	803	145	18%	1.38x	7.84x	1.29x	7.11x
Tidewater	95.21	5,464	1,416	640	45%	1,639	799	49%	3.86x	8.54x	3.33x	6.84x
Orion Group	9.51	423	786	49	6%	857	57	7%	0.54x	8.70x	0.49x	7.36x
DEME Group	173.79	4,990	3,977	731	18%	4,293	803	19%	1.25x	6.82x	1.16x	6.22x
Average	\$58.66	5,470	1,911	647	30%	2,081	720	31%	2.58x	8.22x	2.35x	7.23x
Dry Bulk Shipping												
Costamare	16.43	3,753	1,148	654	57%	966	623	65%	3.27x	5.74x	3.89x	6.02x
Star Bulk Carriers	24.38	3,748	1,063	652	61%	1,156	756	65%	3.53x	5.75x	3.24x	4.96x
Golden Ocean Group Limited	13.80	4,074	799	564	71%	796	595	75%	5.10x	7.22x	5.12x	6.84x
Danaos Corporation	92.36	1,819	980	742	76%	874	629	72%	1.86x	2.45x	2.08x	2.89x
Global Ship Lease	28.79	1,564	695	484	70%	656	443	67%	2.25x	3.23x	2.38x	3.53x

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

MARITIME TRANSPORT & FACILITIES

	Stock Price 6/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	5.82	1,068	285	185	65%	323	173	53%	3.75x	5.77x	3.30x	6.19x
Pangaea Logistics Solutions	7.83	576	491	94	19%	558	105	19%	1.17x	6.10x	1.03x	5.49x
Genco Shipping & Trading	21.31	1,028	315	168	53%	301	163	54%	3.27x	6.12x	3.42x	6.33x
Average	\$26.34	2,204	722	443	59%	704	436	59%	3.02x	5.30x	3.06x	5.28x
Petroleum Products Transportation												
Scorpio Tankers	81.29	5,179	1,375	968	70%	1,263	859	68%	3.77x	5.35x	4.10x	6.03x
International Seaways	59.13	3,392	1,059	721	68%	1,011	691	68%	3.20x	4.71x	3.36x	4.91x
Teekay Tankers	68.81	2,053	818	550	67%	789	499	63%	2.51x	3.73x	2.60x	4.11x
DHT Holdings	11.57	2,196	457	364	80%	507	414	82%	4.80x	6.04x	4.33x	5.31x
Nordic American Tankers	3.98	1,079	270	183	68%	308	216	70%	3.99x	5.91x	3.50x	5.00x
Ardmore Shipping	22.53	1,001	296	198	67%	248	166	67%	3.38x	5.06x	4.04x	6.03x
Average	\$41.22	2,483	712	497	70%	688	474	70%	3.61x	5.13x	3.65x	5.23x
Low	\$2.86	\$423	\$265	\$49	6%	\$248	\$57	7%	0.54x	2.45x	0.49x	2.89x
Mean	\$46.76	\$3,223	\$1,302	\$488	50%	\$1,354	\$502	50%	2.82x	6.34x	2.78x	6.04x
Median	\$21.92	\$2,125	\$808	\$517	61%	\$830	\$500	63%	3.09x	5.97x	3.02x	6.03x
High	\$173.79	\$15,441	\$4,349	\$1,682	80%	\$4,660	\$1,794	82%	5.88x	11.97x	5.48x	10.48x

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

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
4/9/2024*	DFDS	International transport network of Ekol Logistics	Comprises a road transport network that connects Turkey and Europe	\$276.50	NA	NA
4/9/2024	Star Bulk Carriers	Eagle Bulk Shipping	Engages in the ocean transportation of dry bulk cargoes worldwide	\$987.40	2.24x	9.70x
4/16/2024	Optimarin	Hyde Marine UV business of Industrie De Nora	Comprises systems using UV technology for ballast water treatment and disinfection	NA	NA	NA
4/20/2024	Suntex Marina Investors	Almar Management	Develops, builds, and manages marinas for recreational boats	NA	NA	NA
4/22/2024	PXGEO Seismic Services	Modus Subsea Services	Provides subsea services for inspection, repair, and construction projects	NA	NA	NA
4/24/2024*	SAS Shipping Agencies Services	Gram Car Carriers	Operates as a tonnage supplier in Asia, Europe, and internationally	\$951.70	4.43x	6.11x
4/25/2024	EB Strategies	EB Rental	An electric boat rental company located in Newport Beach, California	\$1.00	NA	NA
5/7/2024	Dan Shipping And Chartering	Arthur Smith (Grimsby)	Provides shipping services in ports based in the United Kingdom	NA	NA	NA
6/3/2024	Freight Investor Services	GR8 Chartering Hellas	Provides ship brokerage services for vessels for dry cargo chartering	NA	NA	NA
6/3/2024	Inchcape Shipping Services	Grieg Logistics	Offers logistics services for ships and maritime businesses in Norway	NA	NA	NA
6/4/2024	Boluda France	Les Abeilles	Provides marine environment pollution protection and prevention services	NA	NA	NA
6/7/2024	Flota Suardiaz	Cantabric Car Services, S.A.U/Ro Ro Maritime Services	Provides marine transportation services	NA	NA	NA
6/14/2024	Western Group Holdings	Tidal Transport & Trading	A diversified marine services company based in Port Moody, Vancouver, British Columbia	NA	NA	NA

Sources: S&P Capital IQ, DACIS, press releases
 * Announced date

Defense, Government & Intelligence

Defense Primes

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

Government Contractors

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

Defense Systems

HEICO	HEI
Teledyne Technologies	TDY
Elbit Systems	ESLT
Mercury Systems	MRCY
Kratos Defense & Security	KTOS

Physical & Cyber Security

Security Services

Securitas AB	SECU B
The Brink's Company	BCO
Prosegur	PSG
Loomis AB	LOOMIS

Security Solutions

Honeywell International	HON
Johnson Controls International	JCI
Motorola Solutions	MSI
ADT	ADT
Allegion	ALLE
Alarm.com Holdings	ALRM
Napco Security Technologies	NSSC

Cyber Security

Palo Alto Networks	PANW
CrowdStrike	CRWD
Fortinet	FTNT
Zscaler	ZS
Cloudflare	NET
Check Point	CHKP
Okta	OKTA

Critical Infrastructure

Water Utilities

American Water Works	AWK
Essential Utilities	WTRG
California Water Service	CWT
American States Water	AWR
SJW Group	SJW
Consolidated Water	CWCO
Global Water Resources	GWRS

System Solutions

Danaher	DHR
Dover	DOV
Xylem	XYL
IDEX	IEX
Pentair	PNR
A. O. Smith	AOS
Watts Water Technologies	WTS

Components

Graco	GGG
Flowserve	FLS
Franklin Electric	FELE
Badger Meter	BMI
SPX FLOW	FLOW
Mueller Water Products	MWA
The Gorman-Rupp	GRC
Energy Recovery	ERII

Infrastructure

AECOM	ACM
Tetra Tech	TTEK
Clean Harbors	CLH
EMCOR Group	EME
Arcosa	ACA
Primoris Services	PRIM

Maritime Transport & Facilities

Diversified Maritime Logistics

Algoma Central	ALC
Matson	MATX
Kirby	KEX
ArcBest	ARCB
Diana Shipping	DSX

Shipyard & Port Services

International Container Serv.	ICT
Great Lakes Dredge & Dock	GLDD
Tidewater	TDW
Orion Group	ORN
DEME Group NV	DEME

Dry Bulk Shipping

Costamare	CMRE
Star Bulk Carriers	SBLK
Golden Ocean Group	GOGL
Danaos	DAC
Global Ship Lease	GSL
Safe Bulkers	SB
Eagle Bulk Shipping	EGLE
Genco Shipping & Trading	GNK

Petroleum Products Transportation

Scorpio Tankers	STNG
International Seaways	INSW
Teekay Tankers	TNK
DHT Holdings	DHT
Nordic American Tankers	NAT
Ardmore Shipping	ASC



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