

Q3 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

**Fed Cuts Rates by Half of a Percentage Point**

- On September 18, the Federal Reserve voted to cut interest rates by 50 basis points, marking the first and largest reduction since March 2020 when COVID-19 began impacting economic performance. This action brought the benchmark federal funds rate to a range of 4.75-5.00%.
- The Federal Reserve signaled its intention to cut interest rates by another half a percentage point this year. The FOMC is also expected to make four more cuts in 2025 and two more cuts in 2026.

**U.S. Small Business Administration Proposed a Size Standard Change**

- On August 23, the SBA proposed a new rule to expand the disqualifying impact of recertifications requiring small businesses to recertify after a merger or acquisition.
- This proposition will abruptly change the way that potential acquirers value small business targets should this rule disqualify the target from performing on a contract.
- This proposal is unclear about the timing of changes and is in the receiving comments stage, which are due October 7.

**U.S. Incomes Climbed Last Year**

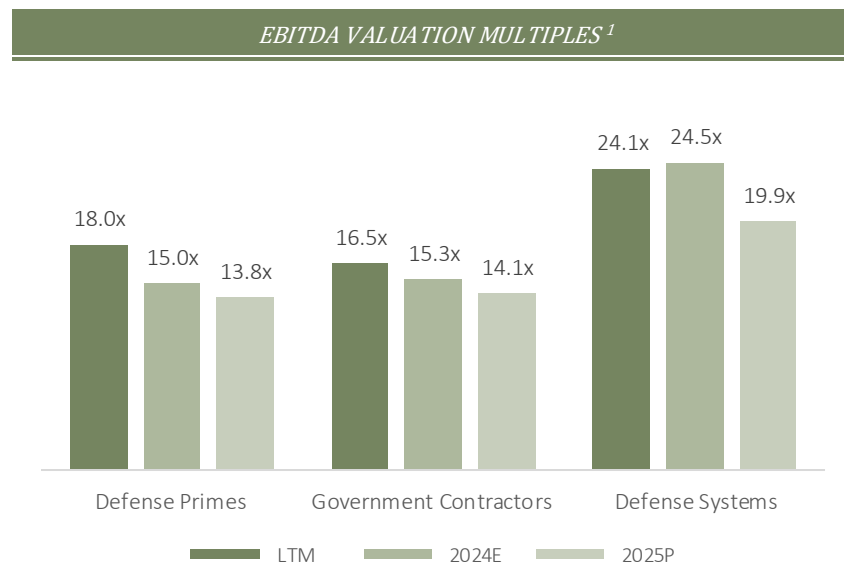
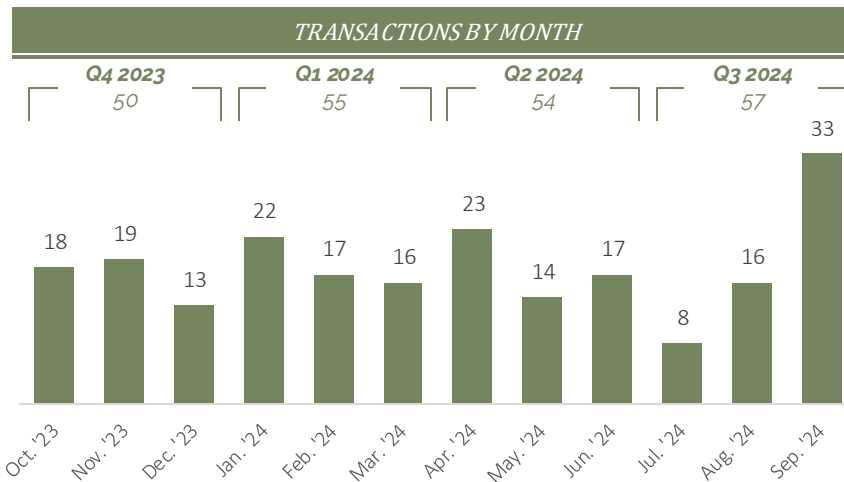
- The U.S. Census Bureau announced that household incomes rose last year for the first time since COVID-19, which displays the effects of the economy easing off a 40-year high of inflation that consumed household income and a strengthening of the job market.
- Based on the Census Bureau's findings, average U.S. household incomes returned to pre-pandemic levels, increasing 4% from \$77,540 to \$80,610 from 2022 to 2023, respectively.

**Regional Conflicts Continues to Escalate in the Middle East**

- On October 1st, Iran launched a barrage of nearly 200 ballistic missiles at various Israeli military installations in response to targeted Israeli missile strikes and a sophisticated attack on the pagers used for communication by Hezbollah.
- With diplomatic negotiations continuing to fail, the back and forth strikes by the two military powerhouses in the Middle East have created an increasing fear of a full-blown ground invasion by one of the countries if strikes continue to intensify over the coming months.

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

- On September 30, Israel launched a ground invasion into southern Lebanon, targeting Hezbollah (an Iranian proxy group) military installations in villages along the border. Israel aims to establish a buffer zone for civilian communities in Northern Israel after repeated skirmishes with Hezbollah following the October 7, 2023, Hamas attack on Israel. An anonymous Israeli security official told NPR that Israel will only conduct a limited invasion, focused on villages closest to the border, and that a large-scale invasion of Lebanon is not being considered. However, the invasion still escalated the conflict, as Iran responded by launching nearly 200 ballistic missiles at Israel the next day, most of which were shot down by Israel with U.S. support. At the same time, Israeli Prime Minister Benjamin Netanyahu warned Iran and its proxies that Israel can strike targets anywhere in the Middle East.
- The ground invasion follows Israeli airstrikes against Hezbollah in Lebanon, which have eliminated key Hamas leadership, including the group’s 30-year leader, Hassan Nasrallah, and other members of its military branch. The airstrikes have also displaced roughly one million Lebanese civilians, according to the UN.
- Hurricane Helene made landfall on the Gulf Coast of Florida in late October, triggering many states across the southeast U.S. to declare emergencies and call on federal government resources. Towns like Asheville, NC, which lack the infrastructure of coastal cities that have more experience dealing with hurricanes, were hardest hit. Overall, over 160 have died and hundreds of thousands are facing prolonged power outages as a result of the hurricane.



Sources: NPR, Axios, Wall Street Journal
 1. For composition of indices, see page 24



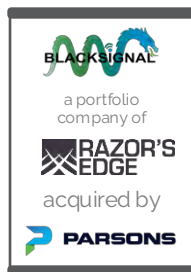
Date: 08/14/2024

EV: \$950.0M

EV / EBITDA: NA

Transaction Details

Loc Performance Products (“Loc”) designs, develops, and manufactures drivetrain and suspension systems and components for military armored vehicles. Rheinmetall offers tracked and wheeled vehicle platforms to defense customers. The Loc acquisition will aid Rheinmetall in its bid to develop a Bradley replacement and provide the opportunity to supply Rheinmetall’s global operations with in-house components.



Date: 08/16/2024

EV: \$200.0M

EV / EBITDA: 10.5X*

Transaction Details

Blacksignal delivers advanced signal processing and cyber capabilities to defense and intelligence customers. Blacksignal will be integrated into Parsons’ (NYSE: PSN) Defense & Intelligence Business Unit and will significantly expand Parsons’ presence with the DoD and Intelligence Community, strengthen its offerings in full-spectrum cyber and electronic warfare, and add new capabilities in the counterspace radio frequency domain.



Date: 08/27/2024

EV: \$1,303.0M

EV / EBITDA: NA

Transaction Details

Belcan supplies Engineering Research & Development (ER&D) services to the aerospace, defense, space, marine, and industrial markets. Cognizant (NasdaqGS: CTSH) offers IT modernization services to commercial and government customers globally. The acquisition strengthens Cognizant’s engineering and IoT capabilities and expands its presence in the aerospace and defense markets.



Date: 09/03/2024

EV: \$745.0M

EV / EBITDA: 110X*

Transaction Details

LinQuest provides space systems, engineering, data analytics, and digital integration solutions to the defense and intelligence communities. KBR provides science, technology, and engineering solutions to government and commercial customers. The acquisition expands KBR’s portfolio of high-end technology solutions and mission capabilities for U.S. government customers, and adds to KBR’s workforce of 1500+ employees, 75% of which hold security clearances.



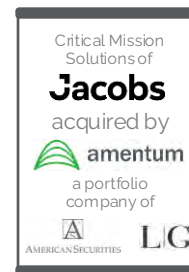
Date: 09/04/2024

EV: \$1,900.0M

EV / EBITDA: 140X*

Transaction Details

CAES designs and develops RF signal technologies for complex defense programs, such as the F-35 and U.S. Navy SPY-6 Radar. Honeywell (NASDAQGS: HON) provides electronic equipment for a variety of end uses, including national security. The acquisition of CAES adds over 2,200 employees—many with RF engineering expertise, enhances Honeywell’s existing defense technology solutions, and adds new RF capabilities.



Date: 09/27/2024

EV: NA

EV / EBITDA: NA

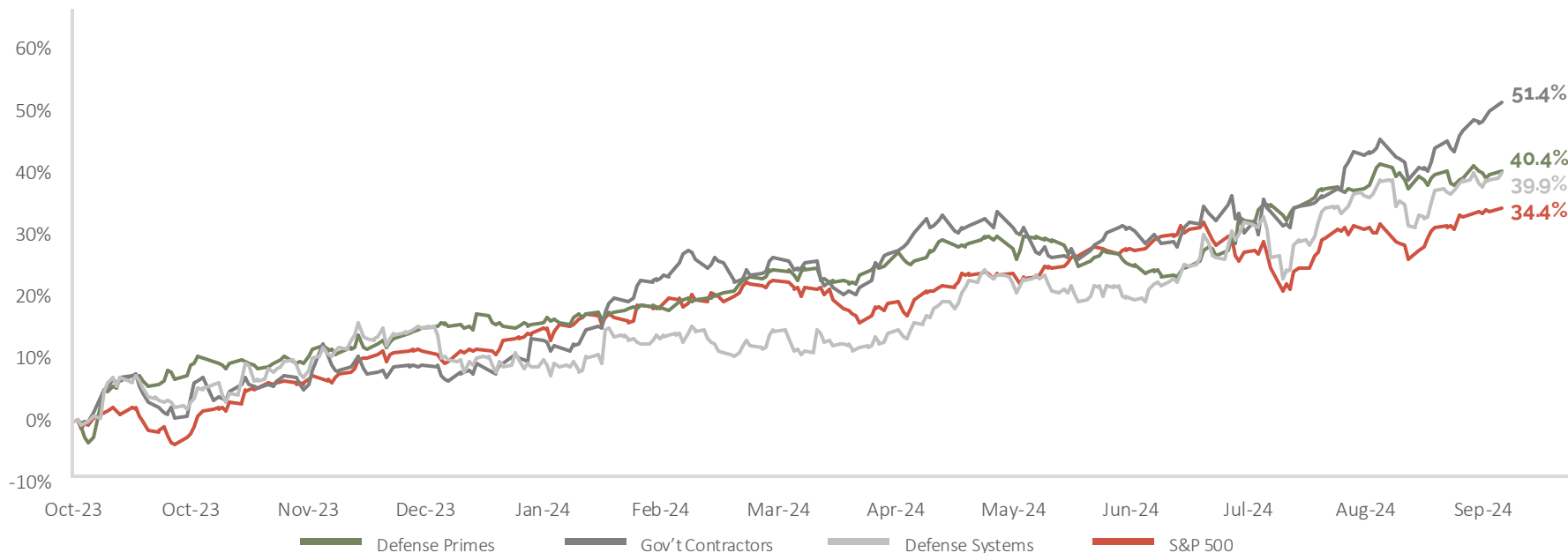
Transaction Details

The Critical Mission Solutions division of Jacobs (NYSE: J) provides consulting and technology-enabled solutions to the Intelligence Community and defense agencies. Amentum, a portfolio company of American Securities and Lindsay Goldberg, provides tech consulting services to government and commercial customers. The transaction was announced in November 2023, and the combined entity began trading on 9/30/24, upon which date Jacobs and its shareholders will own a majority share of the combined entity.

Contract Value (\$M)	Award Date	End Date	Customer	Awardee(s)	Type	Contract Scope
6,900.0	09/30/2024	12/31/2035	U.S. Air Force	Boeing	Fixed Price Incentive Firm Target	Supply the GBU-39B Small Diameter Bomb (SDB) system for fighter and bomber aircraft
6,754.8	09/13/2024	01/31/2035	U.S. Navy	General Dynamics	Fixed Price Incentive Firm Target	Provide Detail Design and Construction (DD&C) of the John Lewis Class fleet oiler replacement ships
5,798.8	09/24/2024	09/30/2035	U.S. Navy	Huntington Ingalls	Fixed Price Incentive Firm Target	Provide DD&C of three amphibious transport dock ships (LPD) Flight II
3,910.0	08/28/2024	09/30/2028	U.S. Navy	Lockheed Martin	Mixed	Provide training system and simulation service in support of the F-35 aircraft
3,669.0	08/28/2024	08/28/2029	U.S. Army	V2X	Cost Plus Award Fee	Provide Warfighter Training Readiness Solutions (W-TRS)
3,230.3	09/27/2024	07/31/2032	U.S. Air Force	Lockheed Martin	Firm Fixed Price	Supply AGM-158 Joint Air-to-Surface Standoff Missiles (JASSM) / Long Range Anti-Ship Missiles (LRASM)
3,009.3	09/16/2024	09/15/2029	U.S. Army	Huntington Ingalls	Cost Plus Award Fee	Provide Integrated Logistics Services (ILS) in support of the Army's Joint All-Domain Command and Control (JDAC2) Strategy
2,437.6	07/15/2024	07/14/2029	Washington Headquarters Service (WHS)	Deloitte	Cost Plus Fixed Fee	Provide Submarine Workforce and Industrial Base (SWIB) in support of acquisition & sustainment and modernization efforts
2,300.0	08/01/2024	01/31/2032	U.S. Transportation Command	Crowley Government Services	Mixed	Support the Defense Freight Transportation Service II (DFTS II) program by providing transportation services across North America

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

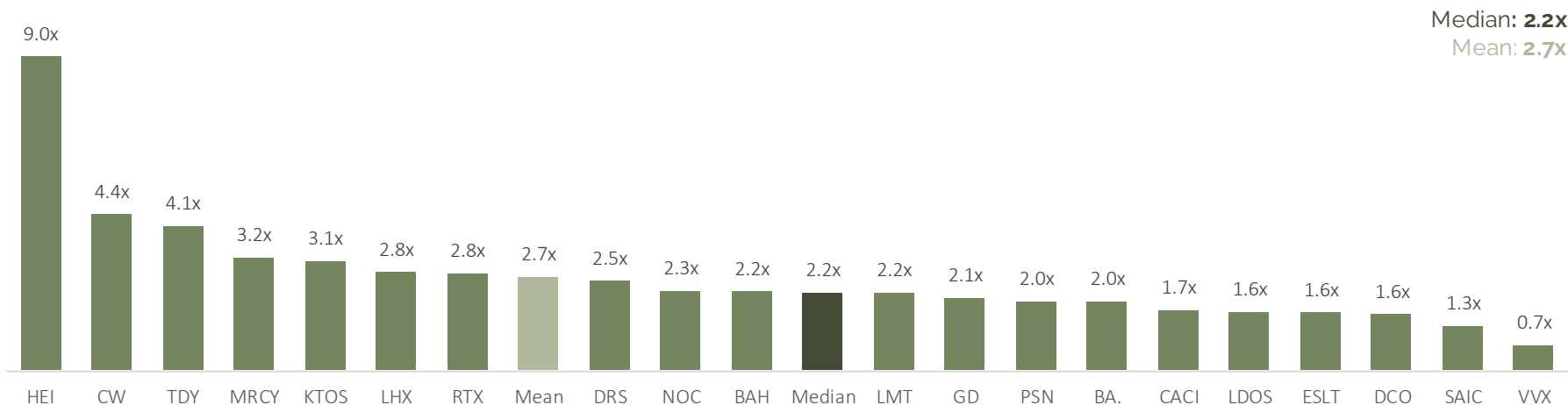
TRAILING TWELVE MONTHS (TTM) PUBLIC EQUITY INDEX CHART ¹



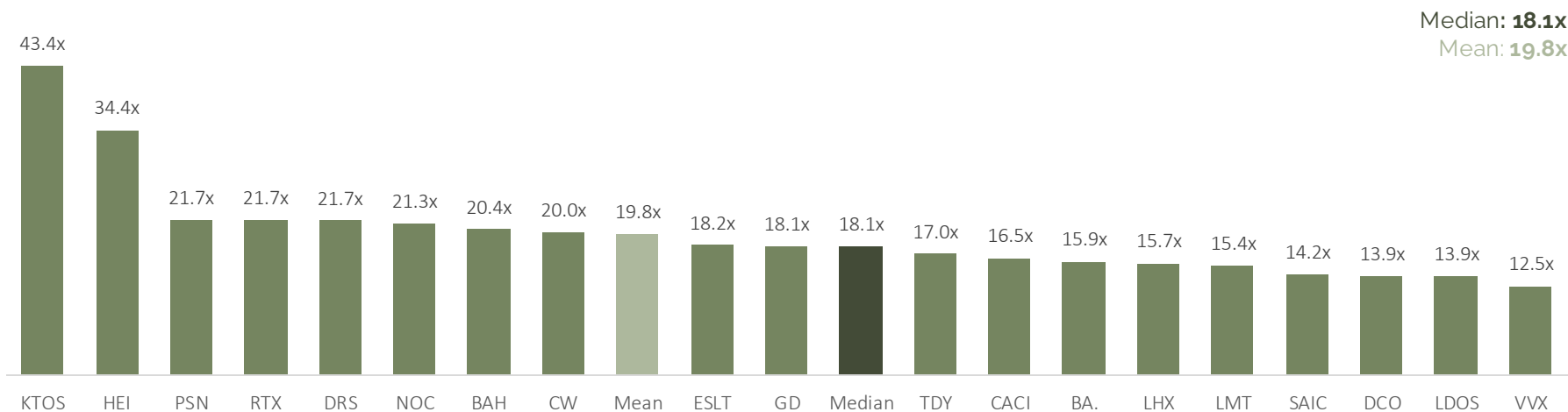
Market Commentary

- The TMG custom indices have performed strongly over the trailing twelve months and through Q3 2024 in tandem with the S&P 500. The S&P500 recorded its best quarter since Q4 2021, increasing 5.4% during Q3 2024 and 34.4% over the past twelve months.
- Markets saw increased volatility in late July / early August as rate hikes by the Japanese central bank unwound the carry trade, sparking a massive selloff in U.S. equities. However, markets recovered through the rest of Q3 amid the Fed’s 50 basis point rate cut in mid-September.
- Parsons (up 90.41% year-over-year) and Leidos (+74.89%) led the Government Contractors index; Raytheon (+69.83%) and Lockheed Martin (+43.34%) led the Defense Primes; and HEICO (+62.39%) and Kratos (+54.61%) led Defense Systems.

LTM REVENUE VALUATION MULTIPLES



LTM EBITDA VALUATION MULTIPLES



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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Primes												
RTX Corporation	121.16	200,161	79,447	12,694	16%	84,162	13,923	17%	2.52x	15.77x	2.38x	14.38x
Lockheed Martin	584.56	156,069	71,256	9,802	14%	74,214	10,323	14%	2.19x	15.92x	2.10x	15.12x
Northrop Grumman	528.07	91,791	41,322	5,711	14%	42,921	6,125	14%	2.22x	16.07x	2.14x	14.99x
General Dynamics	302.20	92,661	48,162	5,999	12%	49,971	6,541	13%	1.92x	15.45x	1.85x	14.17x
BAE Systems	16.59	60,672	37,836	5,107	13%	40,851	5,607	14%	1.60x	11.88x	1.49x	10.82x
L3Harris	237.87	57,894	21,246	3,962	19%	22,054	4,269	19%	2.72x	14.61x	2.63x	13.56x
Average	\$298.41	\$109,875	\$49,878	\$7,212	15%	\$52,362	\$7,798	15%	2.20x	14.95x	2.10x	13.84x
Gov't Contractors												
Leidos	163.00	26,352	16,291	1,933	12%	17,005	1,977	12%	1.62x	13.63x	1.55x	13.33x
Booz Allen Hamilton	162.76	24,354	11,539	1,232	11%	12,482	1,406	11%	2.11x	19.77x	1.95x	17.32x
CACI International	504.56	13,039	7,814	849	11%	8,235	901	11%	1.67x	15.35x	1.58x	14.47x
SAIC	139.27	9,138	7,403	689	9%	7,627	719	9%	1.23x	13.25x	1.20x	12.70x
Parsons	103.68	11,989	6,530	590	9%	7,040	655	9%	1.84x	20.31x	1.70x	18.31x
V2X	55.86	2,890	4,238	310	7%	4,408	337	8%	0.68x	9.32x	0.66x	8.58x
Average	\$188.19	\$14,627	\$8,969	\$934	10%	\$9,466	\$999	10%	1.52x	15.27x	1.44x	14.12x

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

DEFENSE GOVERNMENT & INTELLIGENCE

	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Defense Systems												
Teledyne	437.66	22,835	5,614	1,358	24%	5,905	1,472	25%	4.07x	16.81x	3.87x	15.51x
HEICO	261.48	33,849	3,970	1,042	26%	4,343	1,143	26%	8.53x	32.49x	7.79x	29.62x
Elbit Systems	199.28	10,347	6,603	649	10%	7,103	705	10%	1.57x	15.94x	1.46x	14.68x
Mercury Systems	37.00	2,689	836	57	7%	859	106	12%	3.22x	47.00x	3.13x	25.43x
Kratos Defense & Security	23.30	3,514	1,145	107	9%	1,273	125	10%	3.07x	32.84x	2.76x	28.06x
Curtiss-Wright	328.69	13,379	3,048	644	21%	3,220	699	22%	4.39x	20.78x	4.15x	19.15x
Ducommun	65.83	1,227	787	118	15%	842	136	16%	1.56x	10.42x	1.46x	9.02x
Leonardo DRS	28.22	7,762	3,163	386	12%	3,415	443	13%	2.45x	20.12x	2.27x	17.52x
Average	\$172.68	\$11,950	\$3,146	\$545	16%	\$3,370	\$604	17%	3.61x	24.55x	3.36x	19.87x
Low	\$16.59	\$1,227	\$787	\$57	7%	\$842	\$106	8%	0.68x	9.32x	0.66x	8.58x
Mean	\$215.05	\$42,131	\$18,912	\$2,662	14%	\$19,896	\$2,881	14%	2.56x	18.89x	2.41x	16.34x
Median	\$162.88	\$18,107	\$7,003	\$945	12%	\$7,365	\$1,022	13%	2.15x	15.93x	2.03x	14.83x
High	\$584.56	\$200,161	\$79,447	\$12,694	26%	\$84,162	\$13,923	26%	8.53x	47.00x	7.79x	29.62x

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









Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
07/02/2024	Thoma Bravo	Everbridge	Provides critical event management software to commercial and public sector clients	1,517.3	3.4x	NM
07/29/2024	CTS Corporation	SyQwest	Designs and manufactures sonar and acoustic sensing solutions for the U.S. Navy	125.0	NA	NA
08/06/2024	Cerberus Capital Management	Vivace International	Develops propulsion tanks for spaceflight, hypersonics, and launch vehicles	NA	NA	NA
08/06/2024	SIXGEN	Boldend	Develops cyber and electronic warfare solutions for U.S. gov't clients	NA	NA	NA
08/08/2024	Enlightenment Capital	Cryptic Vector	Offers offensive cyber, ISR, and enterprise cybersecurity solutions to U.S. gov't clients	NA	NA	NA
08/14/2024	Rheinmetall AG	Loc Performance	Designs, develops, and manufactures systems and components for armored vehicles	950.0	NA	NA
08/16/2024	Parsons	Blacksignal Technologies	Provides signal processing and full-spectrum cyber capabilities to U.S. gov't customers	200.0	NA	10.5x*
08/27/2024	Cognizant	Belcan	Supplies engineering R&D services to the aerospace, defense, and industrial markets	1,303.0	NA	NA
09/03/2024	KBR	LinQuest	Provides engineering, data analytics, and digital integration services to the DoD and IC	745.0	NA	11.0x*
09/04/2024	Honeywell	CAES	Designs and develops RF products and technologies for defense customers	1,900.0	NA	14.0x
09/05/2024	Astrion	Axient	Provides engineering services and technology solutions to defense and civilian customers	NA	NA	NA
09/09/2024	Madison Dearborn Partners	Harmonia	Provides agile software development services to federal government customers	NA	NA	NA
09/12/2024	ITT	KSARIA	Manufactures aircraft connectivity solutions for the aerospace and defense markets	475.0	2.7x	NA
09/27/2024	Amentum	Critical Mission Solutions of Jacobs	Provides consulting, training, and program management services to gov't agencies	NA	NA	NA

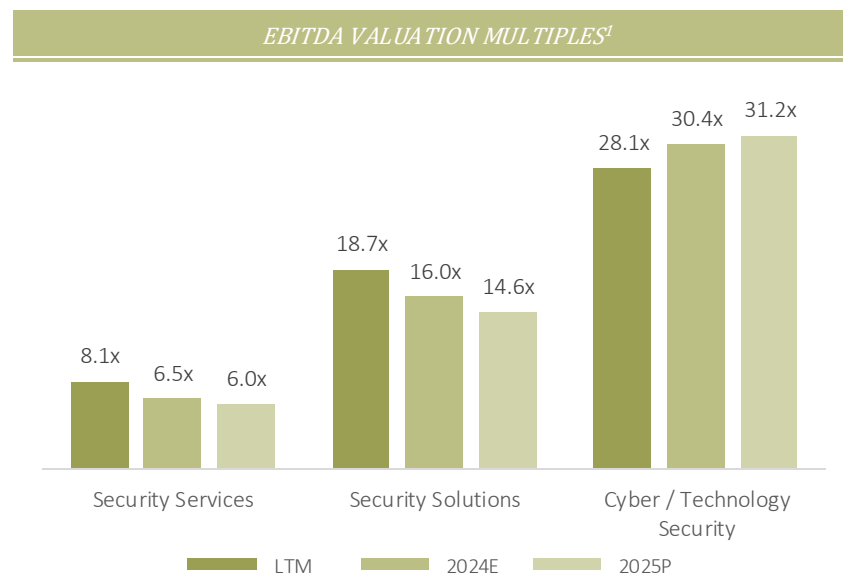
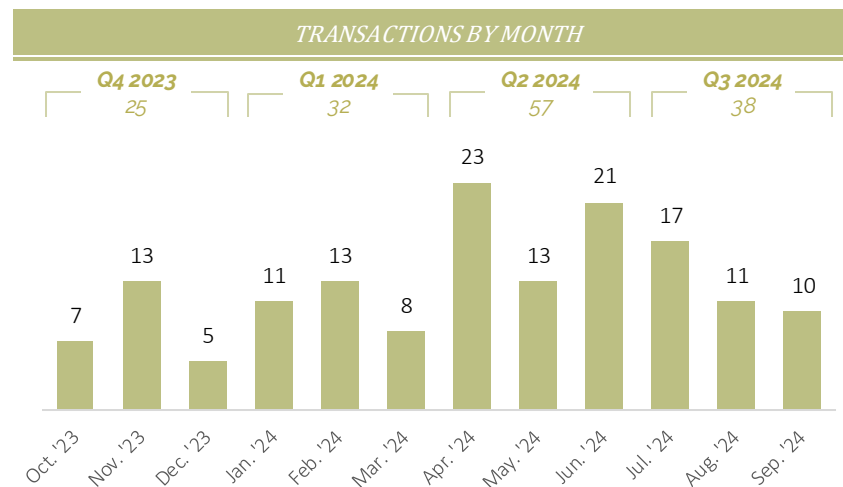
Source(s): S&P CapIQ

* Forward multiples on 2025 projected EBITDA

- On September 22nd, the water treatment facility in Arkansas City, Kansas was the target of a cyber attack in which a foreign entity gained access to their computer system, causing multiple software-related issues. Cyberattacks on utilities have been on the rise, with Check Point Research estimating that attacks are up 70% through August 2024 compared to last year. In many cases, foreign entities will demand a ransom payment anywhere between a few thousand and a couple million dollars. For municipalities without cyberattack insurance, this can be a devastating incident with widespread effects.
- As artificial intelligences continues to develop, cyber criminals have begun to utilize “offensive AI” when targeting businesses and infrastructure with cyber attacks. According to Forbes, the cost of cyber attacks on the global economy is expected to exceed \$10.5T in 2024. In addition, MIT surveyed over 300 C-level executives and found that 60% believe their human-driven cybersecurity responses are no long sufficient, exemplifying the need for investment in AI-driven cybersecurity software.

Select Q3 Transactions

 <p>EMAGINED SECURITY[®]</p> <p>acquired by</p>  <p>NEOVERA</p>	 <p>INQUEST</p> <p>acquired by</p>  <p>OPSWAT</p>	 <p>essco[®] the engineered systems company</p> <p>acquired by</p>  <p>convergent</p>	 <p>alcion</p> <p>acquired by</p>  <p>VEEAM</p>
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Sources: Strategic Market Research, S&P Capital IQ, WSJ, Techopedia, MIT Technology Review, Forbes
 1. For composition of indices, see page 24

PHYSICAL & CYBER SECURITY

	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Security Services												
Securitas	12.77	11,608	16,117	1,452	9%	16,727	1,550	9%	0.72x	7.99x	0.69x	7.49x
The Brink's Company	114.35	7,975	5,065	950	19%	5,313	1,029	19%	1.57x	8.40x	1.50x	7.75x
Prosegur	2.13	2,974	5,070	579	11%	5,325	632	12%	0.59x	5.14x	0.56x	4.70x
Loomis AB	32.95	2,758	3,032	630	21%	3,151	672	21%	0.91x	4.38x	0.88x	4.11x
Average	\$40.55	\$6,329	\$7,321	\$903	15%	\$7,629	\$971	15%	0.95x	6.48x	0.91x	6.01x
Security Solutions												
Honeywell International	207.63	154,684	39,129	10,439	27%	42,079	11,338	27%	3.95x	14.82x	3.68x	13.64x
Johnson Controls	77.21	63,516	27,703	4,489	16%	29,119	4,565	16%	2.29x	14.15x	2.18x	13.91x
Motorola Solutions	446.36	79,958	10,798	3,390	31%	11,437	3,650	32%	7.40x	23.58x	6.99x	21.91x
ADT	7.30	14,380	4,864	2,557	53%	5,090	2,707	53%	2.96x	5.62x	2.83x	5.31x
Allegion	143.77	14,336	3,767	924	25%	3,921	974	25%	3.81x	15.52x	3.66x	14.72x
Alarm.com	55.33	2,669	927	166	18%	976	181	19%	2.88x	16.06x	2.73x	14.74x
Napco Security Technologies	40.91	1,416	199	63	32%	227	79	35%	7.13x	22.54x	6.25x	17.91x
Average	\$139.79	\$47,280	\$12,484	\$3,147	29%	\$13,264	\$3,356	29%	4.35x	16.04x	4.04x	14.59x

PHYSICAL & CYBER SECURITY

	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Cyber Security												
Palo Alto Networks	335.75	108,152	8,523	2,580	30%	9,779	2,984	31%	12.69x	41.93x	11.06x	36.24x
CrowdStrike Holdings	285.86	66,863	3,899	958	25%	4,785	1,199	25%	17.15x	NA	13.97x	55.75x
Fortinet	77.45	56,979	5,857	1,914	33%	6,574	2,129	32%	9.73x	29.77x	8.67x	26.77x
Zscaler	171.77	25,025	2,386	574	24%	2,872	717	25%	10.49x	43.59x	8.71x	34.89x
Cloudflare	81.59	27,561	1,659	325	20%	2,110	419	20%	16.61x	NA	13.06x	NA
Check Point	193.04	18,209	2,564	1,135	44%	2,704	1,198	44%	7.10x	16.05x	6.73x	15.20x
Okta	73.99	11,430	2,564	553	22%	2,837	628	22%	4.46x	20.67x	4.03x	18.20x
Average	\$174.21	\$44,888	\$3,922	\$1,148	28%	\$4,523	\$1,325	28%	11.17x	30.40x	9.46x	31.17x
Low	\$2.13	\$1,416	\$199	\$63	9%	\$227	\$79	9%	0.59x	4.38x	0.56x	4.11x
Mean	\$131.12	\$37,250	\$8,007	\$1,871	25%	\$8,613	\$2,036	26%	6.25x	18.14x	5.45x	18.43x
Median	\$79.52	\$16,294	\$4,382	\$954	24%	\$4,937	\$1,113	25%	4.21x	15.79x	3.85x	14.74x
High	\$446.36	\$154,684	\$39,129	\$10,439	53%	\$42,079	\$11,338	53%	17.15x	43.59x	13.97x	55.75x

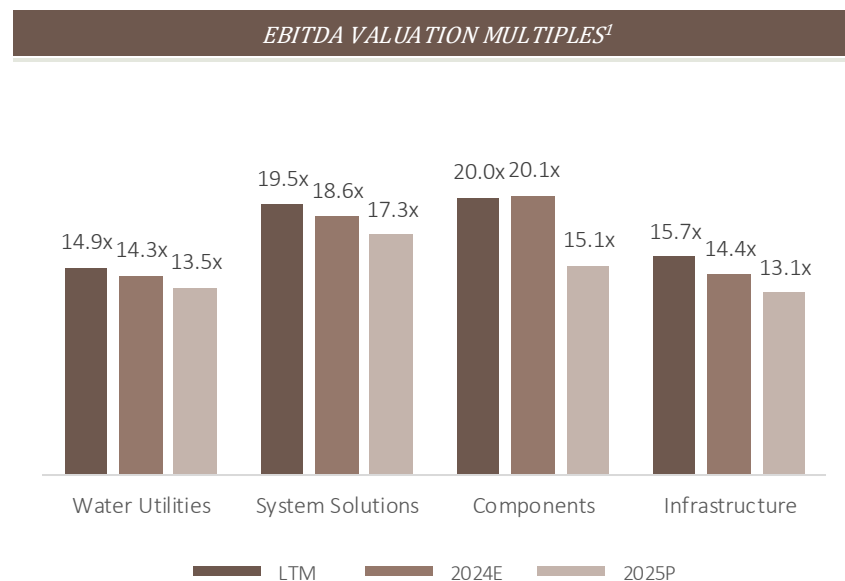
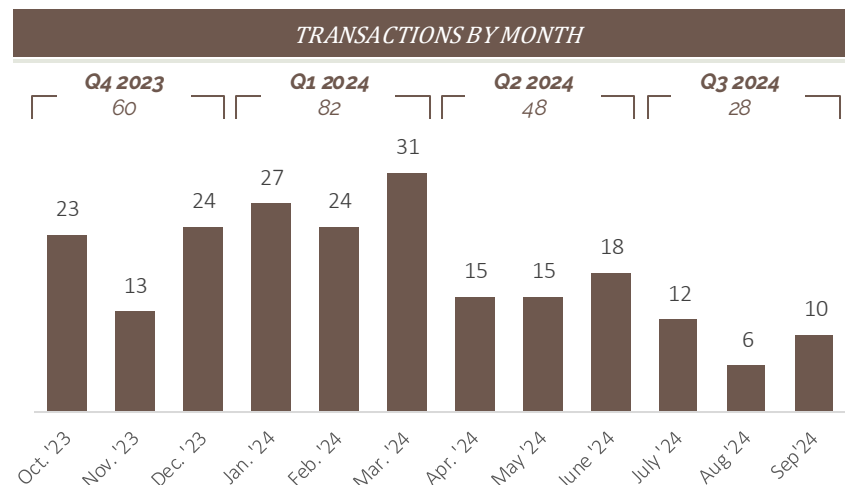
Sources: S&P Capital IQ
 \$USD, Millions besides Stock Price

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
7/2/2024	Bell Canada	Stratejm	Offers a security-as-a-service and enhanced managed detection & response platform	71.8	NA	NA
7/3/2024	Washington Alarm	Klepps	Provides commercial fire alarm installation, maintenance, testing, and monitoring services	NA	NA	NA
7/8/2024	DNE Capital	S.I.C. Biometrics	Designs and manufactures biometric security products and solutions	NA	NA	NA
7/17/2024	LogRhythm	Exabeam	Operates a security management platform that detects attacks and automates responses	NA	NA	NA
8/1/2024	Fortinet	Lacework	Offers a data-driven cloud-native application protection platform	NA	NA	NA
8/6/2024	SIXGEN Incorporated	Boldend	Develops cybersecurity solutions through cyber automation software	NA	NA	NA
8/7/2024	OPSWAT	InQuest	Provides security software solutions to healthcare, finance, and government customers	NA	NA	NA
8/21/2024	Ark Infotech	Vantyr	Operates a SaaS based application connection platform that reduces cybersecurity risks	NA	NA	NA
8/27/2024	Cognizant	Belcan	Offers engineering consultancy and recruiting services for cybersecurity and other industries	1,303.0	NA	NA
9/5/2024	Absolute Software	Syxsense	Develops no-code information technology and security solutions	NA	NA	NA
9/9/2024	Convergint Technologies	Esscoe	Provides fire alarm systems and specialize in design, service, inspection, installation, and monitoring	NA	NA	NA
9/10/2024	ASSA ABLOY	Level Home	Develops and manufactures smart door locks and real-time entry/exit notification solutions	NA	NA	NA
9/16/2024	Titan Security Group	Marksman Security	Provides customized security and safety services for industrial, healthcare, commercial, and other clients	NA	NA	NA
9/18/2024	Veeam Software	Alcion	Develops an AI-driven data protection platform to combat ransomware, malware, and outages	NA	NA	NA

- On September 6, the U.S. Environmental Protection Agency announced the availability of \$7.5 billion in financing of Water Infrastructure Finance and Innovation Act (WIFIA) funding. This funding offers loans to boost many community's implementation of critical water infrastructure projects. This funding directly prioritizes supporting water innovation and resilience, strengthening climate resilience in the water sector, addressing PFAS (forever chemicals) and emerging contaminants, and making rapid progress on lead service line replacement.
- Across America, nearly half of groundwater aquifers are being depleted faster than nature can replenish, and 40% have hit all-time low water levels in the last decade. The effects are being felt nationwide as breadbasket states like Kansas' groundwater supplies can no longer support industrial-scale agriculture. In Arizona, groundwater aquifers can no longer sustain new housing developments. As this crisis continues to intensify, stricter groundwater regulations will become paramount.

Select Q3 Transactions

 acquired by 	 a portfolio company of  acquired by 	 acquired by 	 a portfolio company of  acquired by 
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Source(s): EPA; Reuters; Global Water Intelligence, NY Times

1. For composition of indices, see page 24

CRITICAL INFRASTRUCTURE

	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Water Utilities												
American Water Works	143.85	41,332	4,515	2,496	55%	4,787	2,734	57%	9.15x	16.56x	8.63x	15.12x
Essential Utilities	38.16	17,713	2,183	1,181	54%	2,362	1,312	56%	8.12x	15.00x	7.50x	13.50x
California Water Service	53.45	4,410	1,021	372	36%	963	333	35%	4.32x	11.86x	4.58x	13.25x
American States Water	82.66	4,033	588	233	40%	625	251	40%	6.86x	17.34x	6.46x	16.05x
SJW	57.44	3,634	723	292	40%	759	336	44%	5.02x	12.44x	4.79x	10.80x
Consolidated Water	25.22	311	137	29	21%	151	32	0.21x	2.26x	10.84x	2.06x	9.81x
Global Water Resources	12.59	412	53	25	47%	56	26	47%	7.71x	16.28x	7.42x	15.90x
Average	\$59.05	10,264	1,317	661	42%	1,386	718	43%	6.21x	14.33x	5.92x	13.49x
System Solutions												
Danaher	274.42	214,767	23,765	7,638	32%	25,595	8,494	33%	9.04x	28.12x	8.39x	25.28x
Dover	191.20	29,342	8,673	1,868	22%	8,773	1,932	22%	3.38x	15.71x	3.34x	15.19x
Xylem	133.84	33,968	8,580	1,752	20%	9,038	1,927	21%	3.96x	19.38x	3.76x	17.63x
IDEX	213.75	16,890	3,222	872	27%	3,399	958	28%	5.24x	19.36x	4.97x	17.63x
Pentair	96.68	17,723	4,095	1,009	25%	4,282	1,104	26%	4.33x	17.57x	4.14x	16.05x
A. O. Smith	90.24	13,144	3,991	873	22%	4,138	916	22%	3.29x	15.06x	3.18x	14.34x
Watts Water Technologies	206.87	6,897	2,261	451	20%	2,315	465	20%	3.05x	15.31x	2.98x	14.85x
Average	\$172.43	47,533	7,798	2,066	24%	8,220	2,257	25%	4.61x	18.64x	4.39x	17.28x

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

CRITICAL INFRASTRUCTURE

Components	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Graco	87.05	14,186	2,152	707	33%	2,249	750	33%	6.59x	20.06x	6.31x	18.90x
Flowserve	50.98	7,735	4,577	630	14%	4,776	687	14%	1.69x	12.27x	1.62x	11.25x
Franklin Electric	104.62	4,934	2,063	325	16%	2,172	344	16%	2.39x	15.19x	2.27x	14.34x
Mueller Water Products	21.34	3,548	1,328	296	22%	1,356	303	22%	2.67x	12.00x	2.62x	11.72x
The Gorman-Rupp	38.51	1,373	669	124	19%	692	126	18%	2.05x	11.06x	1.99x	10.93x
Energy Recovery	17.19	904	146	18	12%	174	39	22%	6.18x	50.20x	5.20x	23.17x
Average	\$53.28	5,447	1,822	350	19%	1,903	375	21%	3.60x	20.13x	3.33x	15.05x
Infrastructure												
AECOM	102.99	15,534	16,337	1,110	7%	16,700	1,198	7%	0.95x	13.99x	0.93x	12.97x
Tetra Tech	46.47	13,264	4,584	601	13%	4,778	665	14%	2.89x	22.06x	2.78x	19.94x
Clean Harbors	239.18	15,530	5,914	1,145	19%	6,292	1,250	20%	2.63x	13.56x	2.47x	12.42x
EMCOR Group	424.86	19,486	14,756	1,373	9%	15,817	1,483	9%	1.32x	14.20x	1.23x	13.14x
Arcosa	94.01	5,249	2,647	432	16%	2,907	502	17%	1.98x	12.14x	1.81x	10.45x
Primoris Services	57.70	4,254	6,110	401	7%	6,533	447	7%	0.70x	10.62x	0.65x	9.52x
Average	\$160.87	12,219	8,391	844	12%	8,838	924	12%	1.74x	14.43x	1.64x	13.07x
Low	\$12.59	\$311	\$53	\$18	7%	\$56	\$26	7%	0.70x	10.62x	0.65x	9.52x
Mean	\$111.74	\$19,637	\$4,811	\$1,010	25%	\$5,065	\$1,101	26%	4.15x	16.85x	3.93x	14.78x
Median	\$88.64	\$10,439	\$2,935	\$616	21%	\$3,153	\$676	22%	3.34x	15.13x	3.26x	14.34x
High	\$424.86	\$214,767	\$23,765	\$7,638	55%	\$25,595	\$8,494	57%	9.15x	50.20x	8.63x	25.28x

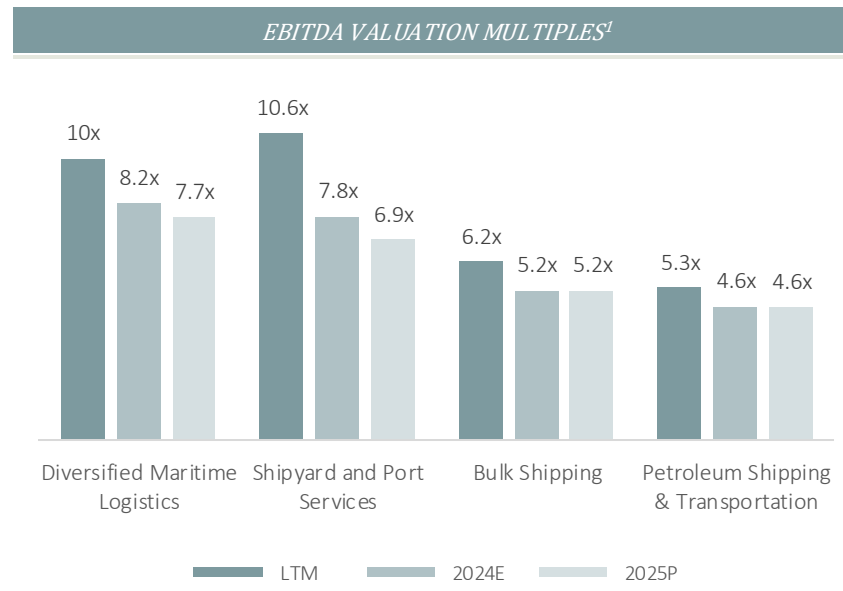
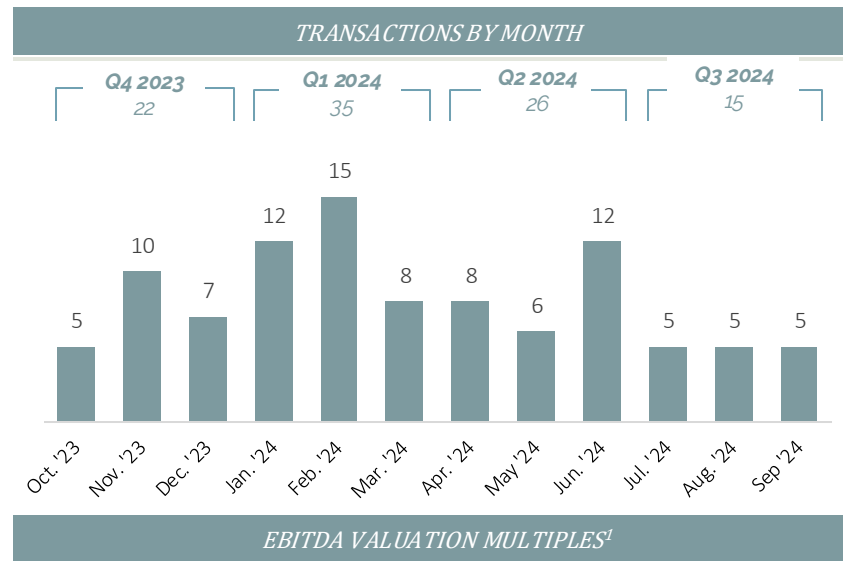
Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
7/2/2024	Bradford White Corporation	HFI Holdings	Manufactures water heading and storage products for commercial/residential clients	NA	NA	NA
7/9/2024	Atlas-Ssi	Golden Harvest	Provides water control gates for water and wastewater customers	NA	NA	NA
7/11/2024	Bowman Consulting Group	Element Engineering	Offers water and wastewater engineering services to rural communities	NA	NA	NA
7/17/2024	Twin D. Inc.	C&L Water Systems	Provides recurring maintenance plans for waste and stormwater systems	NA	NA	NA
8/6/2024	Water Treatment Technologies of Florida	Flotilla Partners	Offers water treatment services across the state of Florida	NA	NA	NA
8/13/2024	Vestum AB	PDAS Holdings	Provides proactive maintenance and intelligent monitoring of wastewater stations	NA	NA	NA
8/13/2024	Flowserve	Mogas Industries	Offers mission-critical severe service valves and associated aftermarket services	\$305	NA	NA
8/29/2024	Rochester Midland	Norkem/Jacklyn Industries/Solutions Water Management	Provides various water and wastewater treatment services	NA	NA	NA
9/3/2024	Atlas Copco Group	Integrated Pump Rental	Offers specialty dewatering rentals and solutions in South Africa	NA	NA	NA
9/5/2024	Spectrum Biotechnologies	AFCO 360	Specializes in dewatering, filtration, and water treatment services	NA	NA	NA
9/5/2024	Axius Water	MITA Water Technologies	Supplier of wastewater filtration systems based in Siziano, Italy	NA	NA	NA
9/9/2024	Earth Finance, Inc.	Water Foundry	Provides water-related consulting services to both commercial and government customers	NA	NA	NA
9/18/2024	Verder Group	Sauermann	Designs and manufactures condensate removal pump equipment	NA	NA	NA
9/20/2024	FLSmidth	Tipco Tudeshki	Manufactures sensors that are used in hydrocyclones in the mining industry	NA	NA	NA

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

- After months of negotiation, the International Longshoremen’s Association (ILA) began their strike after failing to reach a deal with an estimated 50,000 workers walking off the job. The ILA demanded wage increases of 77% over 6 years, and employers only offered a 50% increase. The effects of this strike will be felt nationwide, as the ILA represents workers from NY to TX.
- On September 23rd, the aircraft carrier USS Truman was deployed to the Middle East as tensions continue to rise between Israel and Hezbollah. In addition to the deployment of the aircraft carrier, the U.S. has sanctioned multiple shipping companies who have provided oil to Hezbollah in hopes of preventing a full-scale ground invasion by either side.
- Oceana, a marine conservation charity, has reported that the pollution created from offshore platforms are being “grossly underestimated.” While big oil spills dominate international headlines, many smaller spills tend to be swept under the rug, despite their massive ecological impacts.

Select Q3 Transactions

 acquired by 	 acquired by 	The offshore marine business of  acquired by 	 acquired by 
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Sources: S&P Capital IQ, WSJ, Maritime Executive, New York Times
 For composition of indices, see page 24

MARITIME TRANSPORT & FACILITIES

	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Diversified Maritime Logistics												
Algoma Central	10.98	757	542	139	26%	555	153	28%	1.40x	5.44x	1.37x	4.96x
Matson	142.62	5,284	3,379	646	NA	3,283	542	NA	1.56x	8.18x	1.61x	9.75x
Kirby	122.43	8,256	3,293	702	21%	3,523	804	23%	2.51x	11.76x	2.34x	10.27x
ArcBest	108.45	2,726	4,295	363	8%	4,561	461	10%	0.63x	7.50x	0.60x	5.92x
Diana Shipping	2.57	799	240	123	51%	310	169	55%	3.33x	6.49x	2.58x	4.73x
Average	\$96.12	\$4,256	\$2,877	\$463	18%	\$2,980	\$490	20%	1.53x	8.22x	1.48x	7.72x
Shipyard & Port Services												
International Container	7.21	18,280	2,723	1,780	65%	2,921	1,875	64%	6.71x	10.27x	6.26x	9.75x
Great Lakes Dredge & Dock	10.53	1,174	753	138	18%	806	146	18%	1.56x	8.51x	1.46x	8.03x
Tidewater	71.79	4,161	1,394	607	44%	1,642	794	48%	2.99x	6.86x	2.53x	5.24x
Orion Group Holdings	5.77	361	786	49	6%	857	57	7%	0.46x	7.43x	0.42x	6.29x
DEME Group NV	162.84	4,564	4,323	802	19%	4,517	843	19%	1.06x	5.69x	1.01x	5.41x
Average	\$51.63	\$5,708	\$1,996	\$675	30%	\$2,149	\$743	31%	2.55x	7.75x	2.34x	6.95x
Dry Bulk Shipping												
Costamare	15.72	3,511	1,316	658	50%	973	605	62%	2.67x	5.33x	3.61x	5.80x
Star Bulk Carriers	23.69	3,970	1,072	632	59%	1,149	690	60%	3.70x	6.28x	3.46x	5.75x
Golden Ocean Group	13.38	4,001	804	509	63%	787	557	71%	4.98x	7.87x	5.08x	7.18x
Danaos	86.74	1,776	987	739	75%	900	648	72%	1.80x	2.40x	1.97x	2.74x
Global Ship Lease	26.65	1,406	697	488	70%	659	445	68%	2.02x	2.88x	2.13x	3.16x

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

MARITIME TRANSPORT & FACILITIES

	Stock Price 9/30/24	Enterprise Value	CY2024E			2025P			TEV/2024E		TEV/2025P	
			Revenue	EBTIDA	Margin	Revenue	EBITDA	Margin	Revenue	EBITDA	Revenue	EBITDA
Dry Bulk Shipping												
Safe Bulkers	5.18	972	314	184	59%	319	168	53%	3.09x	5.28x	3.05x	5.78x
Pangaea Logistics	7.23	555	522	92	18%	582	101	17%	1.06x	6.06x	0.95x	5.47x
Genco Shipping & Trading	19.50	892	315	163	52%	304	155	51%	2.84x	5.47x	2.93x	5.77x
Average	\$24.76	\$2,136	\$753	\$433	56%	\$709	\$421	57%	2.77x	5.20x	2.90x	5.21x
Petroleum Products Transportation												
Scorpio Tankers	71.30	4,147	1,415	965	68%	1,253	777	62%	2.93x	4.30x	3.31x	5.34x
International Seaways	51.56	3,111	1,041	706	68%	1,056	708	67%	2.99x	4.41x	2.95x	4.39x
Teekay Tankers	58.25	1,636	830	543	65%	824	536	65%	1.97x	3.01x	1.98x	3.05x
DHT Holdings	11.03	2,128	433	335	77%	510	414	81%	4.91x	6.35x	4.18x	5.13x
Nordic American Tankers	3.67	1,011	273	177	65%	304	211	70%	3.70x	5.72x	3.33x	4.78x
Ardmore Shipping	18.10	801	304	197	65%	255	156	61%	2.63x	4.06x	3.14x	5.12x
Average	\$35.65	\$2,139	\$716	\$487	68%	\$700	\$467	68%	3.19x	4.64x	3.15x	4.64x
Low	\$3.67	\$361	\$273	\$49	6%	\$255	\$57	7%	0.46x	2.40x	0.42x	2.74x
Mean	\$45.85	\$3,282	\$1,383	\$505	48%	\$1,415	\$515	49%	2.62x	6.13x	2.59x	5.87x
Median	\$19.50	\$2,128	\$830	\$509	59%	\$857	\$536	61%	2.63x	5.72x	2.53x	5.47x
High	\$162.84	\$18,280	\$4,323	\$1,780	77%	\$4,561	\$1,875	81%	6.71x	11.76x	6.26x	10.27x

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

Closed Date	Acquirer(s)	Target(s)	Target Description	EV (\$M)	EV /	
					Rev.	EBITDA
7/8/2024	UNIATLANTICO Shipping	Northwest Crewing	Operates marine ports and provides ocean freight logistics and transportation	NA	NA	NA
7/11/2024	Everwood Transport & Logistics	Aduanas Ginjaume	Offers freight and logistics transportation services	NA	NA	NA
7/24/2024	SAS Shipping Agencies	Gram Car Carriers	Operates maritime assets in the pure car and truck carrier shipping segment	\$993.50	4.4x	6.1x
7/31/2024	Rand Logistics	Andrie	Provides marine transportation services for specialty cargo/products	NA	NA	NA
7/31/2024	Undisclosed Buyer	Bold Ocean	Operates commercial vessels and provides logistics services	NA	NA	NA
8/8/2024	ITOCHU	Javelin Global Commodities	Manages supply chain logistics for the transportation of commodities	NA	NA	NA
8/16/2024	The Rothen Group	Fazeley Mill Marina	Operates mooring facilities in Tamsworth, United Kingdom	NA	NA	NA
9/3/2024	Dampskibsselskabet Norden	Norlat Shipping	Provides dry cargo vessel services for forest products and other bulk commodities	NA	NA	NA
9/6/2024	ISLA	Euorpea Servizi Terminalistici	Offers various shipping, cargo, port activity, and logistics services	NA	NA	NA
9/11/2024	B.A.I.	Condor Ferries	Provides ferry transportation services in the UK, Guernsey, Jersey, and St. Malo	NA	NA	NA
9/18/2024	STAR Capital Partnership	Vouvray Acquisition	Offers ship management, crew management, technical, and supply chain services	NA	NA	NA
9/20/2024	Undisclosed Buyer	Hoegh Autoliners	Provides ocean transportation services within the roll-on roll-off cargo market	\$2,824.1	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
Curtiss-Wright	CW
Ducommun	DCO
Leonardo DRS	DRS

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	PRM

Maritime Transport & Facilities

Diversified Maritime Logistics	
Algoma Central	ALC
Matson	MATX
Kirby	KEX
ArcBest	ARCB
Diana Shipping	DSX
Shipyard & Port Services	
International Container Serv.	ICT
Great Lakes Dredge & Dock	GLDD
Tidewater	TDW
Orion Group	ORN
DEME Group NV	DEME
Dry Bulk Shipping	
Costamare	CMRE
Star Bulk Carriers	SBLK
Golden Ocean Group	GOGL
Danaos	DAC
Global Ship Lease	GSL
Safe Bulkers	SB
Eagle Bulk Shipping	EGLE
Genco Shipping & Trading	GNK
Petroleum Products Transportation	
Scorpio Tankers	STNG
International Seaways	INSW
Teekay Tankers	TNK
DHT Holdings	DHT
Nordic American Tankers	NAT
Ardmore Shipping	ASC



Mergers & Acquisitions

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

Josh Butler
McLean, VA
Defense & Gov't Services
(703) 827-0008
jbutler@mcleanllc.com

Paul Klick
McLean, VA
Technology
(703) 752-9019
pklick@mcleanllc.com

Mitch Martin
McLean, VA
Defense & Gov't Services
(703) 752-9009
mmartin@mcleanllc.com

Andy Smith
McLean, VA
Defense & Gov't Services
(703) 827-0233
asmith@mcleanllc.com

Business Valuation

Ryan Berry
McLean, VA
Valuation Advisory
(703) 827-0091
rberry@mcleanllc.com

Michael Loftus
McLean, VA
Valuation Advisory
(703) 827-0200
mloftus@mcleanllc.com

Scott Sievers
McLean, VA
Valuation Advisory
(703) 827-8685
ssievers@mcleanllc.com

Tyler Halstead
McLean, VA
Valuation Advisory
(703) 752-9013
thalstead@mcleanllc.com

Shari Overstreet
Austin, TX
Valuation Advisory
(512) 687-3485
soverstreet@mcleanllc.com

DLS Marine

Norman Dufour
New Orleans, LA
DLS Marine
(504) 835-8505
ndufour@dlsmarine.com

Harry Ward
New Orleans, LA
DLS Marine
(504) 835-8505
hward@dlsmarine.com

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