

WATER QUARTERLY

MERGERS & ACQUISITIONS, PUBLIC & PRIVATE FINANCINGS
AND FINANCIAL ADVISORY SERVICES

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Your success is our business

Companies offering highly-engineered products, disruptive / “game-changing” technologies or comprehensive services to help solve the world’s growing water problems can turn to the Raymond James Water team for results. The team’s expansive industry relationships and deep market insight allow us to provide extensive service to our clients, particularly those addressing the industry’s biggest secular trends: water scarcity, water quality and aging infrastructure.

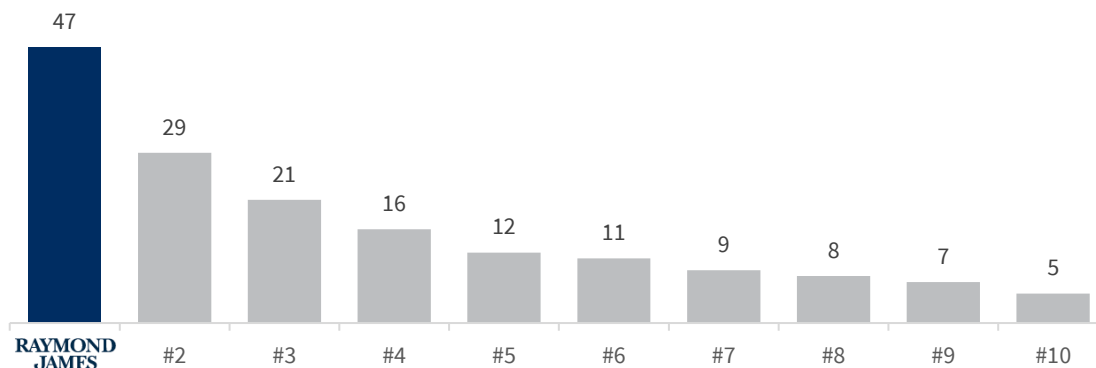
As the only investment banking team with a dedicated-focus on the industry, you can expect informed advice and quality results.

#1 Global Water Investment Bank⁽¹⁾

2023 completed transactions



Completed transactions since 2016



Learn how our deep industry expertise and commitment to each transaction can help you achieve your business objectives.

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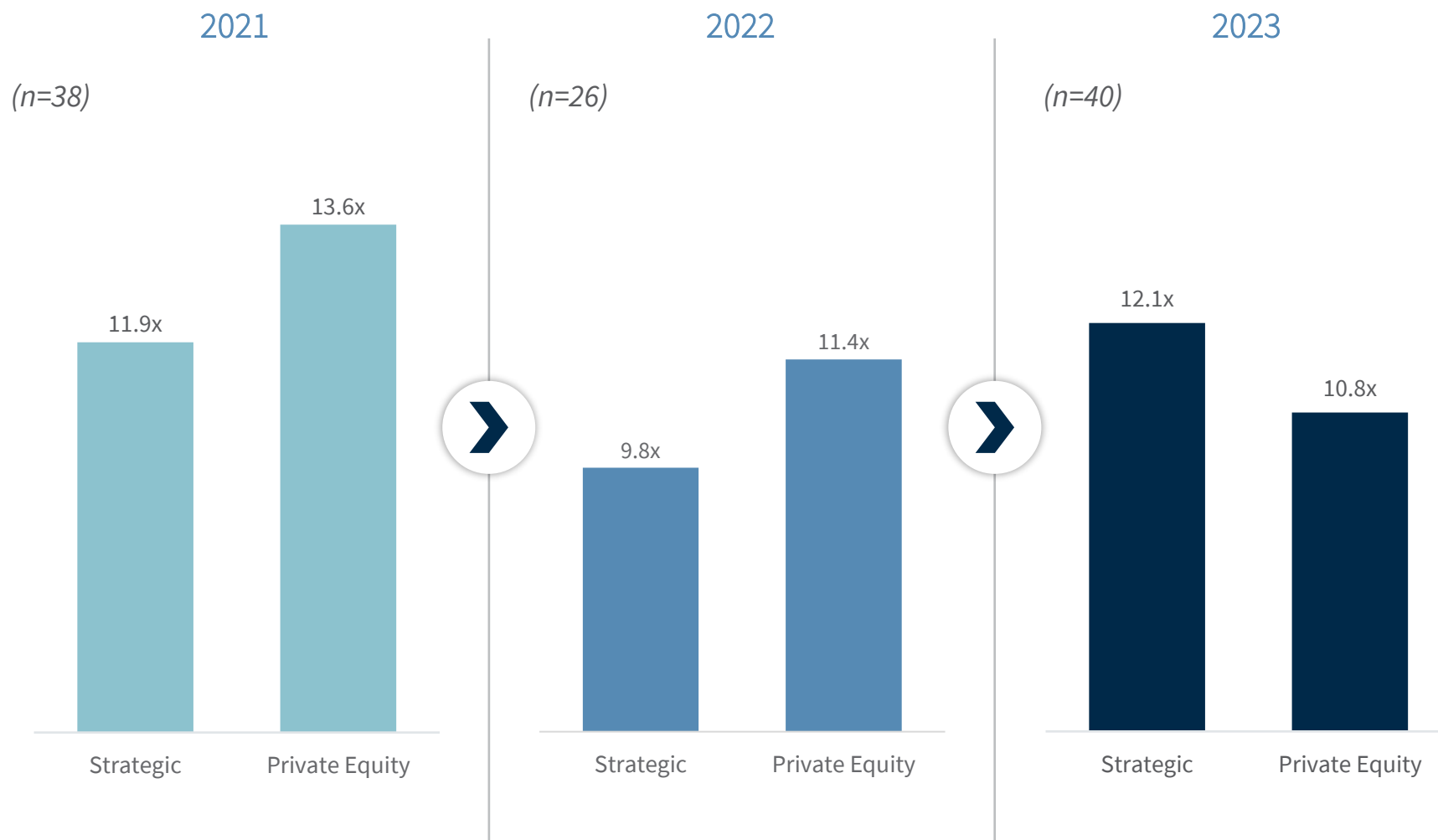
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(1) “#1 Water Investment Bank” refers to number of transactions closed in the Water sector relative to other banks since 2016.

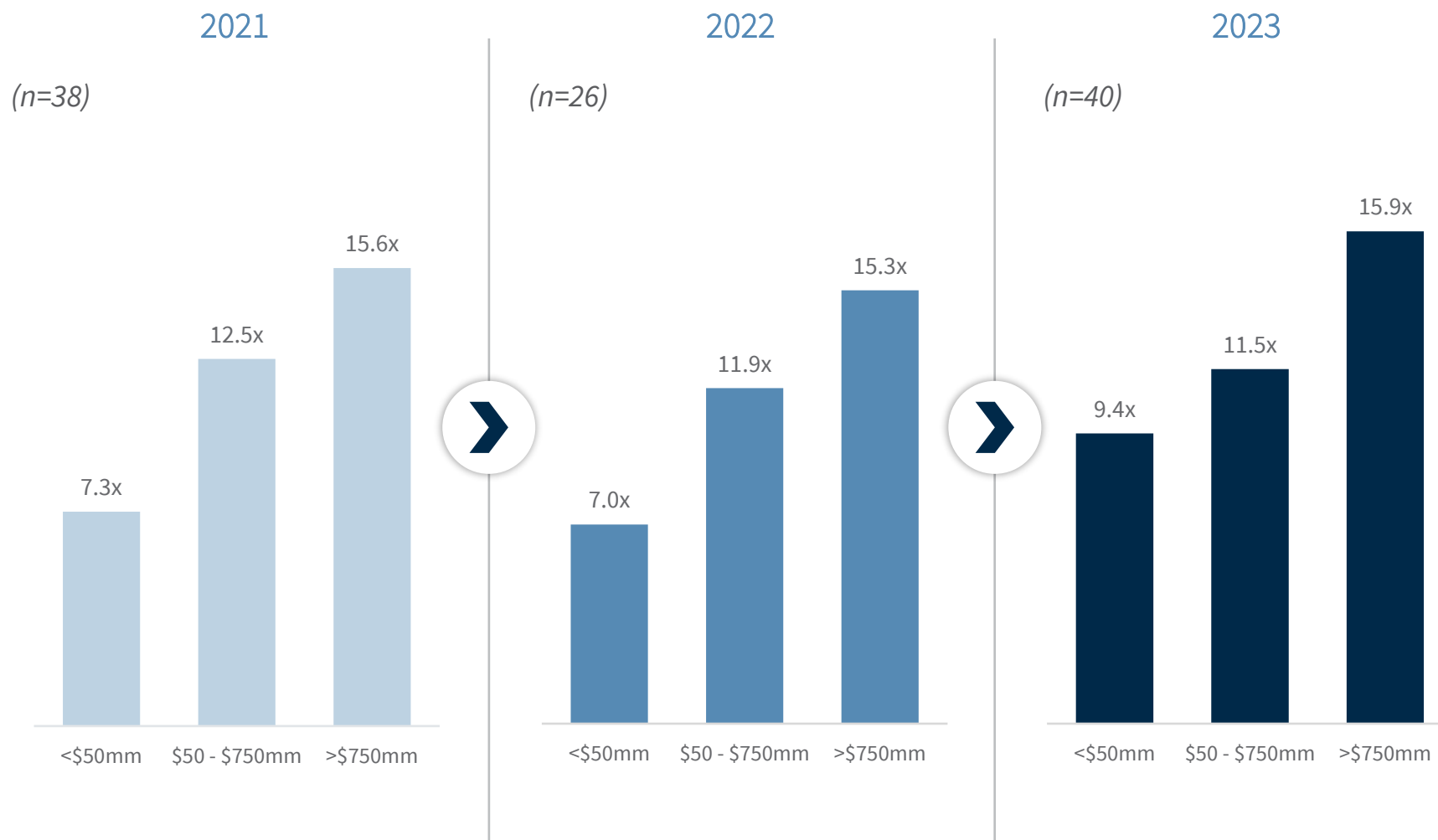
2023 Year in Review: Water M&A

Section 1

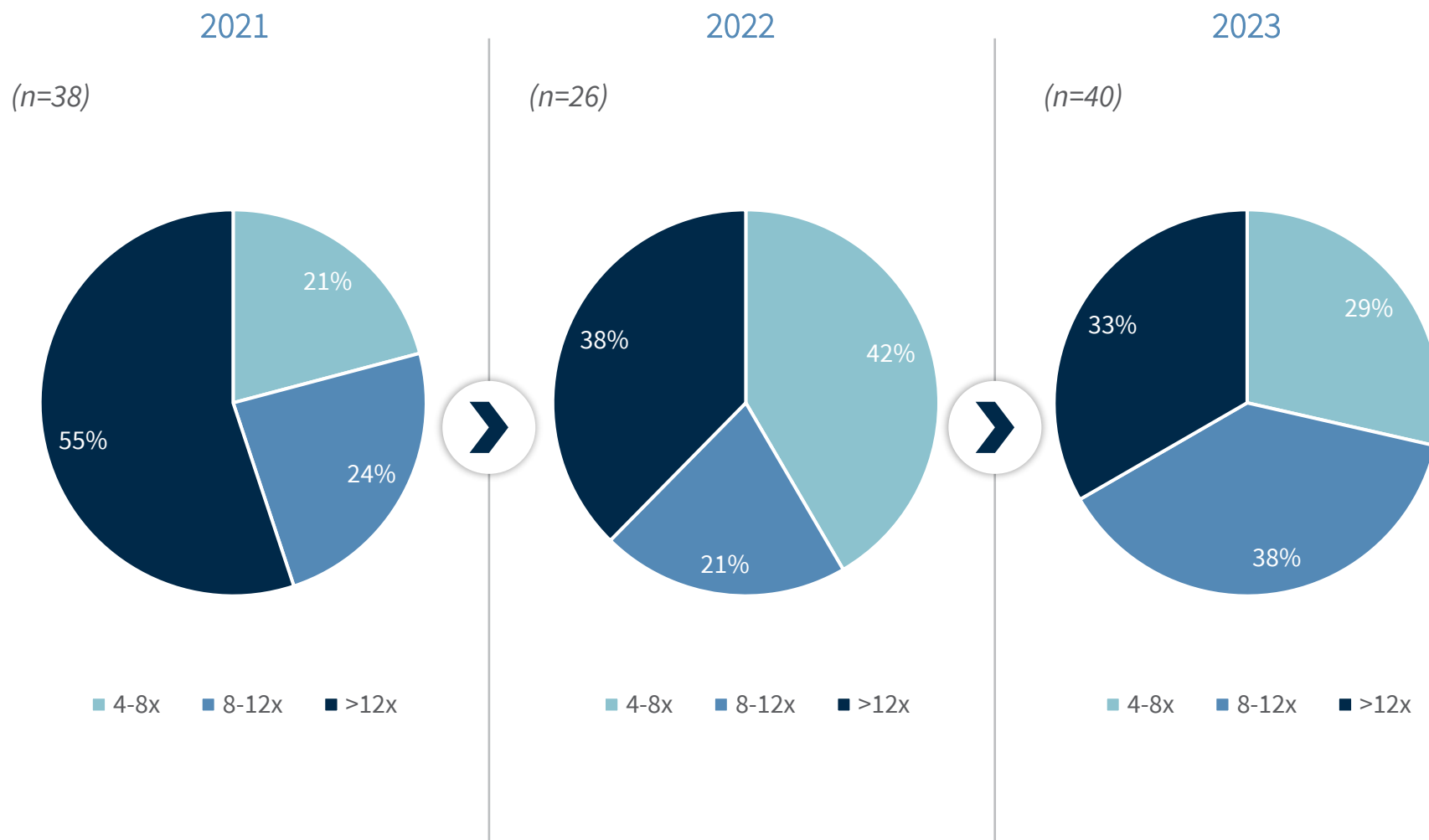
EV / EBITDA by Acquirer



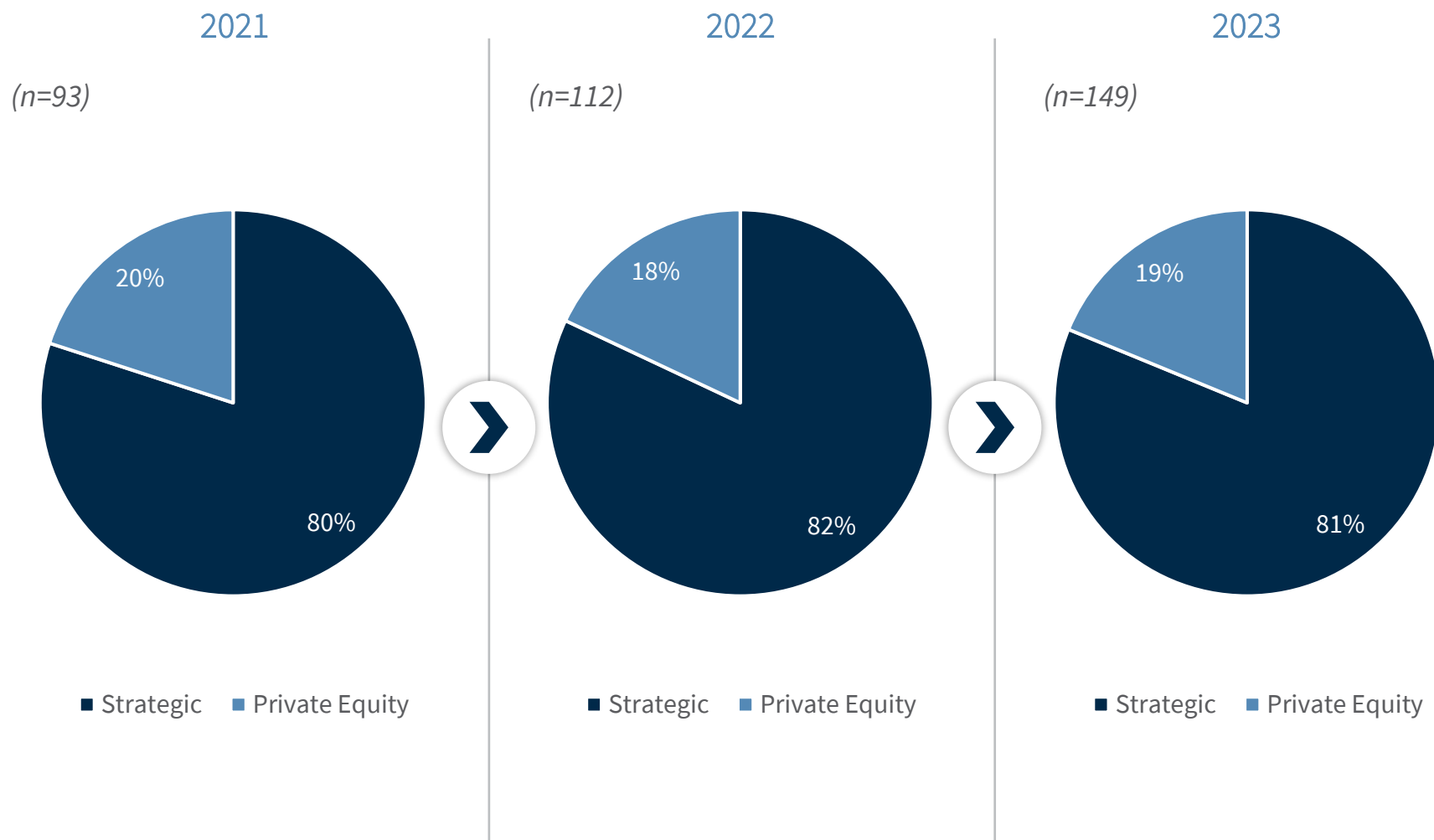
EV / EBITDA by Size



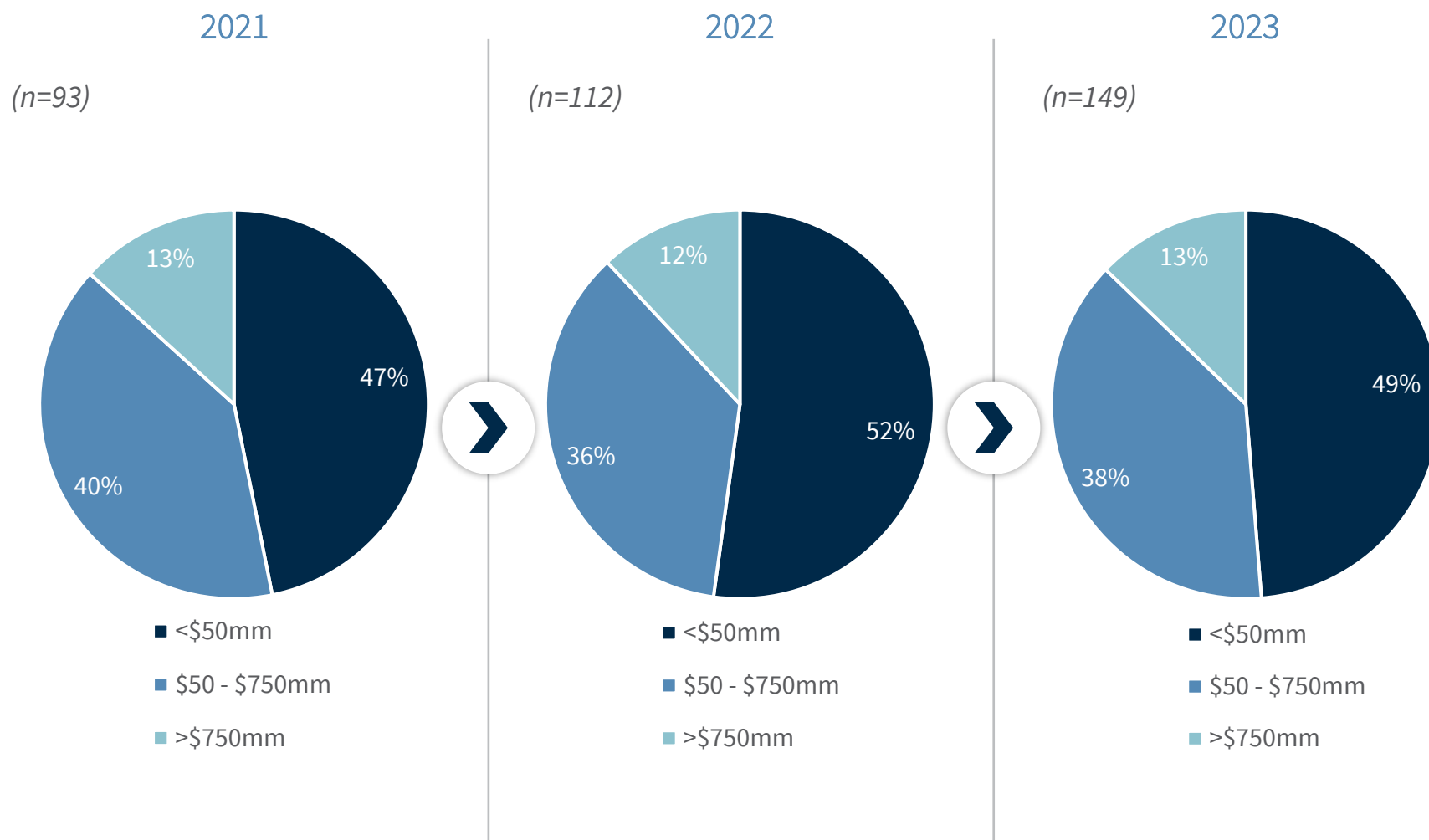
EV / EBITDA by Multiple



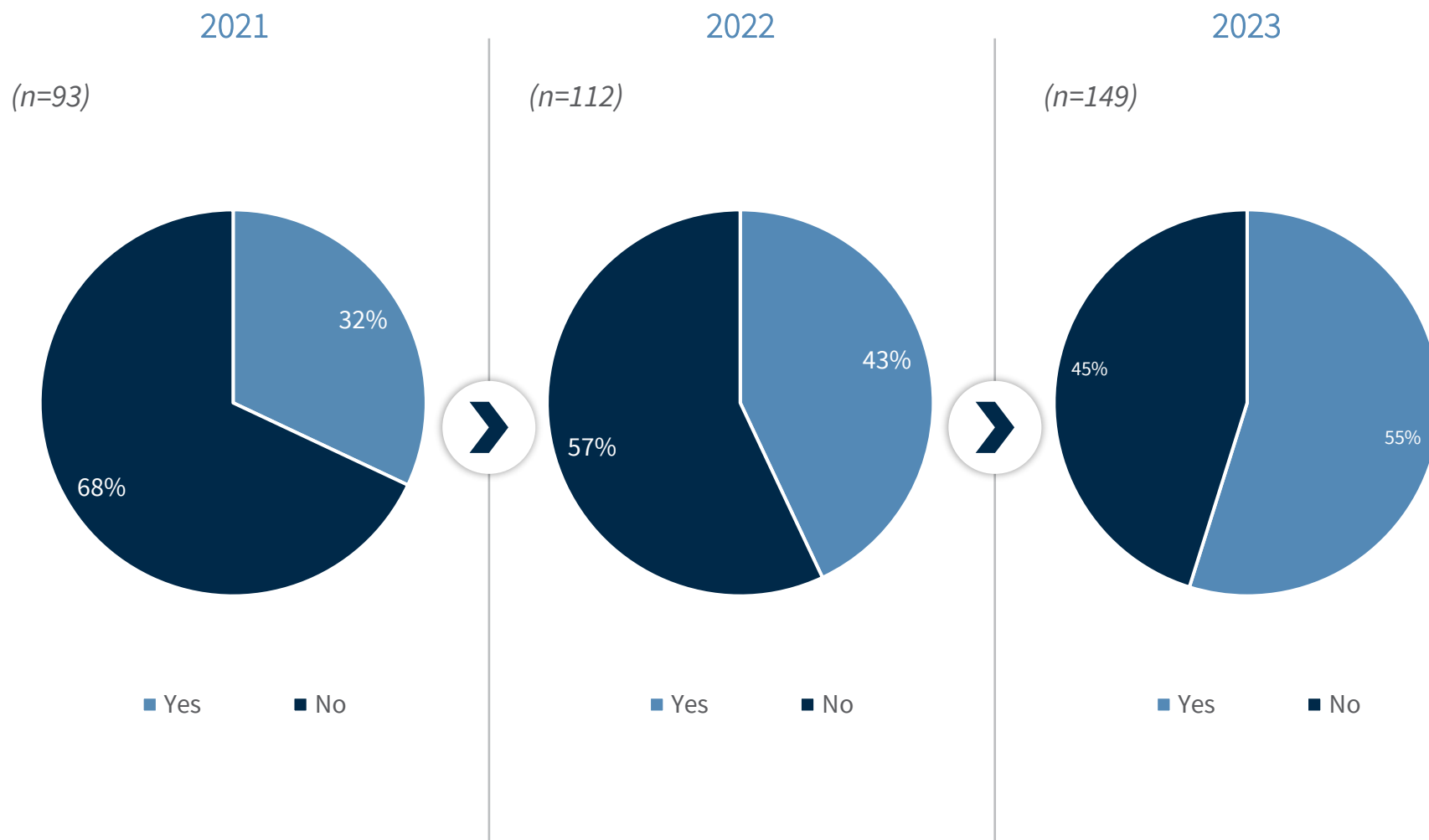
Deals by Acquiror Type













Deals by Size



Cross-Border Deals











Top 10 Most Notable Transactions

Date Announced	Target(s)	Acquiror	Deal Value (\$mm)	Sector	Detail
12/31/23	 MUNICIPAL DISTRICT SERVICES	 aqualia	ND	Wastewater	Aqualia's acquisition of Municipal District Services will help to build its contracted operations and maintenance services for stormwater and wastewater infrastructure in the United States
10/16/23	 LOGISTEC	 BLUE WOLF	\$1,056	Environmental and Trenchless Rehabilitation	Blue Wolf acquired LOGISTEC, a provider of environmental solutions, including remediation of contaminated sites and rehabilitation of sanitary sewer infrastructure
10/03/23	 h2o innovation [®]	 Ember Infrastructure	C\$395	Wastewater and Water Treatment Chemicals	Ember was drawn to the H2O's sticky business model, vast cross-selling opportunities and complementary service and products offerings across its operating segments
08/16/23	 FLEXIM when measuring matters	 EMERSON	€400	Flow Control	Emerson acquired FLEXIM Flexible Industriemeßtechnik GmbH, a provider of clamp-on ultrasonic flow measurement meters for liquids, gases and steam
07/24/23	 Hydro International	 Oldcastle Infrastructure [™] A ORR COMPANY	ND	Wastewater and Stormwater Treatment	The acquisition of Hydro International provides Oldcastle Infrastructure with a water management offering that provides strong access to the U.S. as well as the European market in the stormwater and wastewater solutions industry

Note: ND denotes deal value 'not disclosed'.

Top 10 Most Notable Transactions (cont'd)

Date Announced	Target(s)	Acquiror	Deal Value (\$mm)	Sector	Detail
06/12/23			\$2,350	Climate Solutions and Drinking Water	Georg Fischer acquired Uponor, a provider of specialized products for drinking water delivery, radiant heating and cooling
03/08/23			\$4,516	Water Purification	Solenis acquired Diversey, a provider of hygiene, infection prevention and cleaning product technology
02/01/23		LITTLEJOHN & CO.	ND	Wastewater Engineering	Littlejohn acquired Ardurra, a provider of multidisciplinary engineering and design services to various industrial end-markets, specializing in wastewater treatment
01/29/23		Morgan Stanley CAPITAL PARTNERS	ND	Water Management	Morgan Stanley Capital Partners acquired Apex Companies, a leading firm providing turnkey solutions in water, environmental and infrastructure services across a broad range of environmental and infrastructure needs
01/23/23			\$7,531	Wastewater	Xylem acquired Evoqua, a leader in mission-critical water treatment solutions and services, in an all-stock transaction, creating an advanced platform with capabilities to address critical water challenges

Note: ND denotes deal value 'not disclosed'.

Deals in Focus

Section 2

Fourth Quarter Deals in Focus

Ember Infrastructure acquires H2O Innovation

TRANSACTION OVERVIEW

- On December 8th, 2023, H2O Innovation (TSX: HEO; “H2O” or the “Company”) entered into a definitive agreement to be acquired by Ember Infrastructure (“Ember”) alongside rollover investment from Investissement Québec (“IQ”), Caisse de dépôt et placement du Québec (“CDPQ”) and Management for C\$4.25 in cash per share, which values H2O at C\$395 million on a fully diluted equity basis
- The Company’s management team, IQ and CDPQ hold a combined equity interest of ~21%
- Raymond James team served as the exclusive financial advisor to Ember

COMPANY OVERVIEW

- H2O is headquartered in Quebec City, QC with additional offices throughout the world
- The Company operates three distinct segments:
 - **Water technology and services:** Designs and manufactures water and wastewater treatment / filtration systems
 - **Specialty products:** Produces a line of chemicals and other consumable and specialized products for water treatment
 - **Operations and maintenance (“O&M”):** Operates, maintains and repairs water and wastewater treatment and related filtration systems

RATIONALE

- Ember was drawn to the Company’s sticky business model with recurring revenues in excess of 90% and vast cross-selling opportunities and complementary service offering across its operating segments
- *“Ember looks forward to partnering with the H2O Innovation management team to continue building a leading integrated water solutions company focused on providing best-in-class technologies and services to its customers.”* - **Elena Savostianova, Managing Partner, Ember**

RAYMOND JAMES VALUE ADD



Industry Expertise

- Compiled actionable M&A targets and researched the top competitors within the water and wastewater treatment and O&M spaces



Leverage & Valuation Support

- Provided insight on current leverage levels and financing terms and analyzed historical take-private transactions to arrive at a premium valuation



Process Management

- Facilitated all confirmatory due diligence for Ember and assisted in preparation of marketing materials for potential co-investors

Fourth Quarter Deals in Focus

Aqualia acquires Municipal District Services

TRANSACTION OVERVIEW

- On December 31, 2023, Municipal District Services ("MDS") was acquired by FCC Aqualia ("Aqualia")
- MDS' service offerings and end market exposure were highly desirable to an international strategic like Aqualia and will allow the combined business to grow using MDS's regional expertise and Aqualia's additional funding for growth and R&D
- MDS is the second-largest provider of water, wastewater and stormwater services to municipal utility district in the Houston area

COMPANY OVERVIEW

- Headquartered in Katy, TX, MDS is a utility district management firm focused on providing full-service O&M services for water, wastewater and stormwater infrastructure throughout the greater Houston metropolitan area
- MDS offers a holistic complement of services that include both system-wide management services, as well as business management services including billing, long-range planning and regulatory coordination
- Through consistent and reliable services, MDS enjoys deeply-entrenched relationships which have led to an extremely loyal customer base yielding a high retention rate

RATIONALE

- The acquisition of MDS provides Aqualia with an opportunity to continue building its contracted operations and maintenance services for water and wastewater infrastructure while also expanding into the United States
- *"Aqualia is excited to leverage its capabilities and know-how in implementing sustainability practices focused on water conservation and reuse in a new and rapidly growing market. We have been impressed with the Company that Bryan, Rebecca and their team have built over the last 16 years and are excited to be partnering with them as look to invest in and expand upon the service-oriented platform that MDS customers know, rely on and trust."* - **José Miguel Janices, Regional Manager – Aqualia Americas**

RAYMOND JAMES VALUE ADD



Thorough Pre-Process Preparation

- Preemptively helped management identify key KPIs that they previously did not consider but would ultimately be requested in the due diligence process



Tailored Outreach Strategy

- Identified several strategies and PE-backed strategies as the highest quality buyers and positioned the business as an ideal add-on with accretive EBITDA margins and a high barrier to entry



Effective Negotiation

- Optimized the transaction structure and negotiated with the counterparty to maximize value for the founders and shareholders

Contribution Corner

Section 3

WASH Impacts on Women

Water is a problem to be managed, an opportunity in which to invest, a purpose-filled job, a crucial environmental issue, a medium to be studied and, as is often recognized, essential to our lives. And yet, for many of us, water is little more than a word. We have easy access to an abundance of safe water in all forms and for all our personal uses.

WASH is an acronym for Water, Sanitation and Hygiene, used to describe the work of the nonprofits working in areas of the globe where water is scarce. In some instances, nonprofits are also working to address menstrual health issues in an effort to holistically impact the lives of women and girls, as they disproportionately bear the brunt of this crisis.

What does this water crisis look like? Every day, women and girls spend 200 million hours walking to collect water for their families. It's hard to get your head around numbers that large, so start instead with 6 kilometers, or about 3.7 miles; the average distance of the round trip women and children walk for water – water that is often contaminated.

How long does it take you to walk 3.7 miles? What if you were carrying 40 pounds of water? Just imagine doing that much work each time your family needed water to drink or wash up, and compare that with turning on a tap.

Additionally, it's estimated that 500 million people around the world lack access to the menstrual products they need, as well as

adequate sanitary facilities. This can cause one in ten girls in Sub-Saharan Africa to miss school during their menstrual cycle. By some estimates, this equals as much as twenty percent of a given school year.

Surge for Water is an innovative women-led international WASH organization that centers women's voices in all of its programs, ensuring they have an active role in advocating for their WASH solutions. In this column, we'll cover partnerships between Surge, HydroPoint and HDR and their accompanying mutual benefits.



Safe water brings joy to students at Bululu Primary School.
Photo credit: Lindsay West with Photoserve

HYDROPOINT

"Surge and HydroPoint share a powerful mission: the responsible management of our planet's most precious resource – water," says Chris Spain, CEO of HydroPoint, the smart water management company based in California. "While we operate from different corners of the globe, our unwavering dedication to smart water management unites us. Surge has consistently demonstrated its prowess as an exceptionally

CONTRIBUTION CORNER:



well-managed organization, addressing critical needs in communities worldwide. With our strategic investment, they swiftly brought about positive change in remote areas of Uganda, keeping us updated with invaluable feedback from the local communities."

Spain calls HydroPoint's partnership with Surge "an immensely gratifying journey for HydroPoint. It has engaged our employees and empowered us to contribute our resources towards ensuring equitable access to water and the responsible stewardship of this invaluable resource on a global scale. Together, we are making a real impact, one drop at a time."

Shilpa Alva, founder of Surge, shared the realities of living and working in remote, water-scarce communities with Chris and the larger HydroPoint team, especially the impact of difficult water access on the strong women who care for their families and communities.

HydroPoint's strategic investment will bring holistic water, sanitation, hygiene and menstrual health education to 10,000 in Uganda. Within 5 months of first funding, Surge and its local Ugandan partner built new boy's toilets and menstrual-friendly girls' toilets at a school for 1,200 and drilled a new water source for the community.

WASH Impacts on Women (cont'd)

HDR

According to Erin Hunt, who serves as HDR's Water Business Group President, "HDR learned of Surge for Water a couple of years ago, and began investigating how we could best support their mission. Several of our staff have volunteered for hands-on and advisory roles with Surge, and our HDR Foundation awarded Surge a grant to fund potable water and sanitary improvements for two communities in Uganda in 2024. Not only does our volunteerism and financial support benefit Surge and their partner communities around the globe, but it's the type of meaningful employee experience that contributes to HDR employee satisfaction, recruiting, and retention."

One of the key steps in the relationship was when Shilpa, Surge's founder, spoke to HDR's Women Employee Network Group. Shortly after that, employees reached out to volunteer. Senior leaders as well as more junior HDR employees have come to support Surge in various roles. The impact that this voluntarism, and financial support have on HDR's sense of itself is significant. The partnership impacts HDR's brand identity as employees carry the sense of purpose and pride they've gained from the relationship into their markets.

DOING GOOD IS GOOD BUSINESS

In a nutshell, corporate/nonprofit partnerships differentiate the company as it tells relevant stories of purpose and impact to its key stakeholders: investors, executives, employees, customers, suppliers and partners. Partnerships



With a newly fixed well these women no longer need to travel long distances searching for water. Photo credit Brian Were

based on mutual respect and clear objectives yield the best outcomes. The benefits of partnerships fall into several categories:

- **Reputation:** Partnerships enhance the company's reputation, demonstrating a commitment to social and environmental responsibility
- **Brand:** They provide brand differentiation from competitors, attracting socially conscious customers and investors
- **Employees:** Employees seek purposeful and meaningful work, and involvement in nonprofit initiatives through partnerships boosts their morale, job satisfaction and overall motivation
- **Innovation:** As they work on pressing social issues, nonprofit partners bring new ideas and approaches to the partnership. Access to these fresh concepts benefit the businesses too

SMALL IS BEAUTIFUL

As in the commercial world, the nonprofit sector offers a spectrum of organizations with which to partner. Smaller, more innovative nonprofits that align beautifully with a business's objectives have distinct advantages. They lack the complexity of larger nonprofits and often provide more immediate impact, along with extensive benefits. Similarly, they do not require the sizeable minimum investments that larger, institutional nonprofits do— meaning you don't need to be huge to have a huge impact.



Omarai Community in Uganda celebrates access to safe water! Photo credit: Lindsay West with Photoserve

WASH Impacts on Women (cont'd)

About the Authors:



Shilpa Alva is the founder of Surge for Water, a nonprofit organization dedicated to addressing the cycle of poverty through access to safe water and sanitation solutions.



Peter Ries is the President of Pivot Point which primarily works with small to medium-sized nonprofits to expand their impact through transformational corporate partnerships.



Chris Spain is the CEO of HydroPoint®, a proven leader in smart water management solutions.



Erin Hunt serves as HDR's Water Business Group President. HDR is a firm specializing in architecture, engineering, environmental and construction services.

Water: To COP or not to COP?

I didn't make it to COP 28, for better or worse.

I am not sure that water, as a critical and fundamental natural resource, will ever be elevated to the importance it deserves by being in the shadow of climate change. Moreover, it is way too tempting to focus on solving climate (if we can ever accomplish that daunting task) as a way to solve water challenges.

Solving climate will still not solve many of the persistent problems facing the water sector such as inequity in access, under-investment in infrastructure, pricing, etc. This is not to say that climate change is not a critical issue for humanity.

In my view, the real progress coming out of [COP28 UAE](#) is about solving wicked water problems.

First, the UAE pledged \$150 million in funding for water security solutions. The UAE's COP28 presidency made it very clear that it would "drive water up the climate agenda." Also, notably, the UAE announced a \$30 billion climate finance fund.

An excellent summary is from [Bluefield Research on UAE's Investment in Water](#) and its climate fund. From Bluefield, "COP28 has the potential to further intertwine water with broader mainstream conversations about climate change. How far and deep the water discussions at COP28 will go remains to be seen. What is undeniable is that water scarcity is not going

away, and it must remain at the heart of climate conversations. Investments and prompt policy shifts are vital to secure our water future. For the UAE and the GCC at large, it has always been a challenge that is top of mind, and the foundations to tackle it are being set.

MY TAKE ON THIS:

It is encouraging, and much-needed, to see increased investment in water tech and a signal to those who remain skeptical about the opportunity to invest in water and climate tech. Yes, skeptics remain unconvinced that investing in water tech and climate tech is a "generational opportunity."

This skepticism is misplaced. A good overview of the opportunities in investing in water is from a recent article by Morningstar with quotes from Damian Georgino, a friend and colleague, who knows water ([There may be investment opportunities in the water sector despite its less-than-stellar 2023 performance](#)).

A few thoughts from Damian per Morningstar, "There are a number of attractive investable attributes to the water sector and the number keeps growing at an accelerating rate. Since water is necessary for life itself, water tech investing could be an everlasting opportunity."

The second good news story is from WWF, "[Big boost to climate action as 38 countries join the Freshwater Challenge](#)." The Freshwater Challenge aims to ensure 300,000 km of

GUEST COLUMN BY:



degraded rivers and 350 million hectares of degraded wetlands are committed to restoration by 2030, and to protect freshwater ecosystems. The Freshwater Challenge will also focus on providing the evidence needed at the country level to effectively design and implement restoration measures, identify priority areas for restoration, update relevant national strategies and plans, mobilize resources, and set up financial mechanisms to implement the targets.

Led by the coalition of countries, the Freshwater Challenge is supported by Conservation International, IUCN, the Secretariat of the Convention on Wetlands, The Nature Conservancy, Wetlands International, OECD, UNEP (under the auspices of the UN Decade on Ecosystem Restoration), and WWF.

Water: To COP or not to COP? (cont'd)

Quotes from a couple of friends and colleagues highlight the critical importance of the Freshwater Challenge and the significance of the announcement coming out of COP 28.

Stuart Orr, WWF Global Freshwater Lead, said,

“Healthy rivers, lakes, and wetlands are our best buffer and insurance against the worsening impacts of climate change. Investing in their protection and restoration will produce the most important returns: strengthening climate adaptation and reducing disaster risk as well as increasing water and food security and reversing the catastrophic decline in freshwater biodiversity. But we need to find new pathways to address this urgently.”

James Dalton, IUCN, said, “At this critical moment in the UNFCCC negotiations, where countries take stock of progress and we collectively look at the challenges ahead, the Freshwater Challenge will mobilize country, community, and corporate action to restore freshwater ecosystems for both adaptation and mitigation needs.”

My take on COP28; is that progress on addressing climate change is modest at best and progress in addressing wicked water problems is a step forward.



About the Authors:

Will Sarni is the CEO of Water Foundry and the founder and general partner of Water Foundry Ventures. Please feel free to reach out to Will at will@waterfoundry.com.

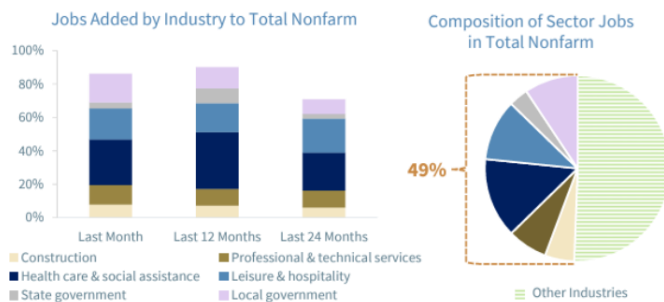
Economic & Political Commentary

Section 4

Economic thoughts of the week

In the middle of 2023 we argued that, according to our forecast for GDP at the time for the whole of 2023, employment was growing too fast and that it would have to slow considerably during the second half of the year. Our forecast was lower than what actual growth was for the whole year but nevertheless, employment slowed down considerably during the second half of the year, albeit not as much as we were expecting. Furthermore, yesterday's release of GDP growth for the last quarter of the year, up 3.3% on a quarter-over-quarter basis, annualized, confirmed that the US economy remained strong as the year came to an end and that the economy grew at a 2.5% rate for the whole of 2023 compared to 2022.

However, we are still holding to our forecast for a slowdown later this year and we still have a very mild recession in our forecast. As we have said in the past, there are several reasons for us to keep this forecast call for now. First, interest rates are very high, in nominal as well as in real terms, as inflation continues to come down. Second, the Leading Economic Index (LEI) continues to show that the economy is expected to enter a recession soon. Third, the ISM Manufacturing Index has been in contraction territory for more than a year and the ISM Services Index weakened considerably at the end of last year. Fourth, we think the employment situation is even weaker than the nonfarm payroll numbers are reflecting. The reason for this is that out of all of the employment sectors in the US economy, a handful of them are doing the heavy lifting. That is, as the graphs below shows, the health care & social assistance sector, professional & technical services, leisure & hospitality, construction, as well as state and local governments, are doing the heavy lifting. In December of 2023, 86% of all the jobs added were from these six sectors and 90% during the last 12 months. However, the second graph shows that these six sectors represent only 49% of all the jobs in the US economy.



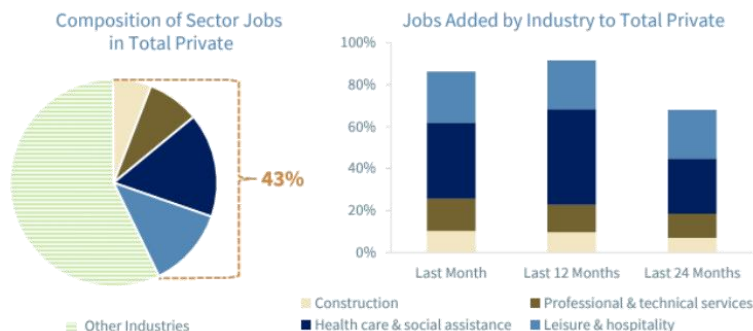
Weekly Economic Commentary January 26, 2024



Eugenio J. Aleman, Ph.D.
Chief Economist
Raymond James Private Client Group

Economic thoughts of the week (cont'd)

Furthermore, if we take out employment by state and local governments, that is, if we only consider employment created by the private economy, the percentage of jobs created by four of these private sectors also accounted for 86% of total private employment during the last month of 2023 while they accounted for 91% of total private employment during the last 12 months. However, these four sectors represent only 43% of total private employment.



This means that any trouble in these sectors of the US economy and/or more weakness in the rest of the sectors could mean trouble for the US economy going forward. The only sector that will continue to “punch above the waist” is going to be the health care & social assistance sector, which typically does well in both a strong and in a weakening economy. However, the rest of the sectors are probably going to be affected by any further slowdown in the service side of the economy. Perhaps the biggest unknown will be the construction sector, and specifically, real investment in structures, which has remained very strong even under the current high interest rate environment due to the strong effects of the CHIPS Act, the IRA, as well as the Infrastructure Bill passed several years ago. Furthermore, if we start to see a reversal in employment growth in state and local governments, then overall employment growth could start to weaken considerably over the next several months.

Weekly Economic Commentary
January 26, 2024



Eugenio J. Aleman, Ph.D.
Chief Economist
Raymond James Private Client Group

This Week in Washington: Expectations Grow for Trump's GOP Nomination / Fiscal Talks Continue

Week in review: Former President Trump's second primary victory in New Hampshire this week reinforces our expectation that the GOP nomination remains his to lose, with the path forward for Nikki Haley's potential nomination becoming increasingly challenging. Following several developments this week, the possibility of the \$100+ billion supplemental being split into two separate defense and border packages has grown.

Looking ahead: The growing clarity around Trump's likely nomination combined with the known policy platforms of both Trump and Biden could resolve market uncertainty around the nomination process at an unusually early stage in the election cycle — a likely market positive given historic market weakness around 1Q24 in election years. The \$78 billion Child Tax Credit/corporate tax break package is expected to head to the House floor next week for a vote under suspension of the rules; while we view its passage as more likely than not, timing constraints remain a real risk.

Trump's NH primary win: bad for Haley, consolidating expectations of Trump-Biden rematch a potential market positive: Former President Trump secured another victory in the Tuesday New Hampshire GOP primary — while narrower than recent polls, he maintains a wide lead in the race for the Republican nomination. President Biden secured a victory as a write-in candidate for Democrats. The 54.6% of the vote for Trump (at the time of writing) compared to 43.6% for Haley was likely narrowed by the open primary structure of New Hampshire's (NH) primary rules that allow unaffiliated voters to vote in the Republican primary. NH has been widely seen as a critical state for Haley and this second-place finish will raise questions about her ability to win in other states. The state of the race has not materially changed, and we continue to expect to see a Trump Biden rematch come November. From a market perspective, the growing clarity around Trump's very likely nomination can clear the uncertainty (and associated negative monthly gains) that has historically hung over 1Q of election years on an unusually accelerated basis — a likely market positive.

Prospects of tax package passing are growing, defense/border supplemental could be broken up: Congress continues to debate the specifics of both the \$78 billion Child Tax Credit (CTC)/corporate tax break package and the \$100+ billion supplementary military aid and border security package amid the backdrop of broader government funding negotiations. The politics and prospects of each of these bills continue to see significant swings, prompting considerable inbound questions on each. The \$78 billion tax package has the best chance of passage, but key issues

Washington Policy Research
January 26th, 2024



Edward Mills
Managing Director
Raymond James Equity Research

This Week in Washington: Expectations Grow for Trump's GOP Nomination / Fiscal Talks Continue (cont'd)

remain that could slow/derail the process, including questions around House Speaker Tim Johnson's support, potential changes in the Senate slowing the process, and the short deadline before any tax code changes are impossible to implement for this tax year. The border deal has seen increased skepticism, and it is increasingly likely the border and defense funding are separated in an attempt to salvage support for Ukraine. On government funding, limited progress has been made, but we generally expect a deal to be struck in advance of the March 7 State of the Union address.

Affordable Care Act (ACA) exchange growth explodes, expanded subsidies at risk after election:

The Affordable Care Act (ACA) exchanges have seen explosive growth during the Biden term, increasing by more than 78% — nearly 9 million lives. With now more than twenty million Americans on ACA exchanges, the enrolled lives are material for plans covering them and the providers caring for them. In Florida and Texas, more than 10% of the population are on ACA exchange plans. The outcome of the 2024 elections could put the expanded subsidies at risk.

House BIOSECURE Act introduction reignites debate around China and biotechnology policy:

With introduction of the House BIOSECURE Act by a bipartisan group and supported by companion legislation in the Senate, the debate over how to handle biotechnology as a national security issue with the involvement of China has reignited. The bill would prohibit the buying from a company of concern (some Chinese companies) of biotechnology equipment or products or a product that uses those products. A list of companies of concern would be developed by the executive branch, but the bill explicitly includes “BGI, MGI, Complete Genomics, Wuxi Apptec, and any subsidiary, parent affiliate, or successor of such entities.” The bipartisan support for the bill show momentum building to do something in this space, but hurdles to passage remain. The bill includes extremely broad waiver authorities, so it may not have any substantive impact even if it becomes law.

Impact of White House pause on LNG export projects will largely be political: On Friday, President Joe Biden announced a temporary pause on pending approvals of liquefied natural gas exports to non-free trade agreement (FTA) countries. The pause will last until the Department of Energy has updated the underlying analyses for authorizations to account for national security, economic, and climate considerations. We overall are viewing this decision through a political lens, especially given the election year timing, and expect that the biggest impact of the decision will be on projects that have not completed the permitting process. The U.S. is the world's largest exporter of natural gas, and we do not expect this to change under the Friday announcement. The rule

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January 26th, 2024



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This Week in Washington: Expectations Grow for Trump's GOP Nomination / Fiscal Talks Continue (cont'd)

additionally provides for the ability to make exemptions to the pause in the case of “unanticipated and immediate national security emergencies.” Republican backlash to the decision has been strong and immediate and the issue is likely to become part of the upcoming budget negotiations (and associated political drama) throughout the year. In terms of timing, the review will likely stretch past the November election and involve a public comment period, and in the event of a change in administration, we would expect the pause to be immediately overturned.

CFPB proposes non-sufficient funds fee rule: On Wednesday, the Consumer Financial Protection Bureau (CFPB) issued a proposal to prohibit all financial institutions from charging non-sufficient funds (NSF) or related fees when a consumer initiates certain payment transactions that are instantaneously declined, on the grounds that charging such fees would constitute an abusive practice. The proposed prohibition would cover transactions involving debit cards, ATMs, and person-to-person apps, and comes as a part of a broader CFPB effort to crack down on “junk fees”, closely following the recent release of the agency’s proposed rule on overdraft fees. The CFPB highlights in the rulemaking that 65% of banks with more than \$10 billion in assets have stopped charging NSF fees over the past two years, but among institutions in the size category that still charge NSF fees, the median fee is \$32. We overall view this rule as more of an attempt to contribute to headlines and attention on the Biden administration’s “junk fee” agenda than a rule with major impact given the broad phase-out of NSF fees to date (approximately 97% of annual NSF fee revenue earned by banks has been phased out, though 80% of credit unions in the stated size category still charge NSF fees).

FTC launches study on competitive landscape of AI industry: The Federal Trade Commission (FTC) sent subpoenas to Microsoft, Google, Amazon, OpenAI and Anthropic this week as part of an investigation into the companies’ recent investments and partnerships involving generative artificial intelligence (AI) companies and major cloud service providers. The investigation seeks to “build a better internal understanding of these relationships and their impact on the competitive landscape” for AI. The study marks a step forward in the agency’s broad scrutiny of antitrust and consumer protection concerns within the AI landscape, having launched an investigation into OpenAI’s ChatGPT AI system in July to assess whether the LLM has harmed individuals through generating information that is “false, misleading, or disparaging.” The agency is also reportedly in

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Raymond James Equity Research

This Week in Washington: Expectations Grow for Trump's GOP Nomination / Fiscal Talks Continue (cont'd)

discussions with the Department of Justice on a potential probe of OpenAI and Microsoft's partnership and how to divide agency work on reviewing proposed transactions in the AI space, and the DOJ's arguments in a recent suit against Google rested in part on claims that Google's search monopoly and associated access to vast data sets would support its dominance in the AI market. FTC studies can often take several years to complete, and we do not expect any near-term regulatory or enforcement actions directly related to the subpoenas issued this week. However, the investigation should be viewed as another reminder of the growing scrutiny of the AI sector by the antitrust enforcers — a key issue to watch given that we have otherwise generally viewed the trajectory of DC actions on AI as being more likely to benefit larger/incumbent players in the space.

Washington Policy Research
January 26th, 2024



Edward Mills
Managing Director
Raymond James Equity Research

Sector & Economic Indicators

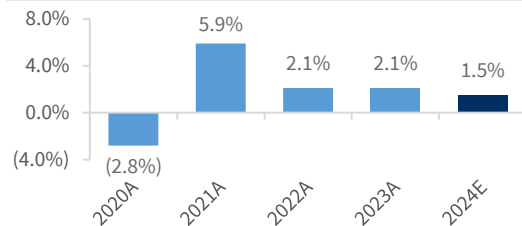
Section 5

Macro indicators

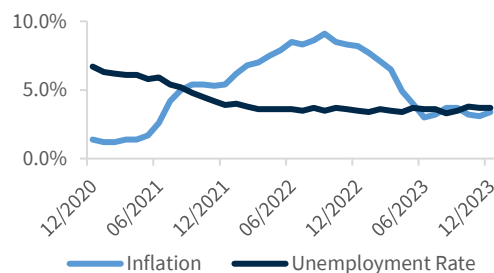


US ECONOMY

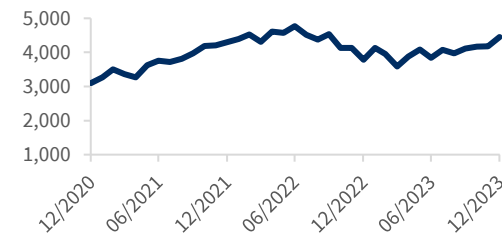
GDP Growth



Inflation vs Unemployment

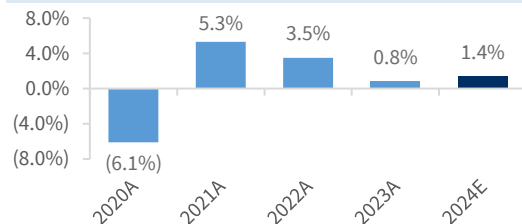


S&P 500 Index

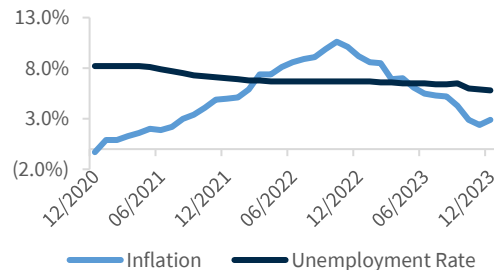


EUROPE ECONOMY

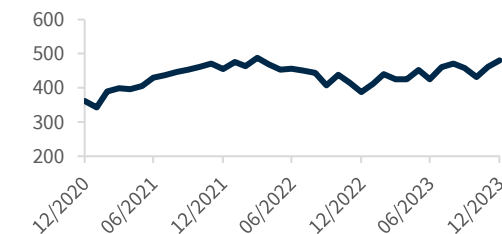
GDP Growth



Inflation vs Unemployment

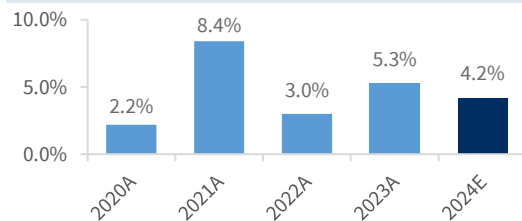


STOXX 600 Index

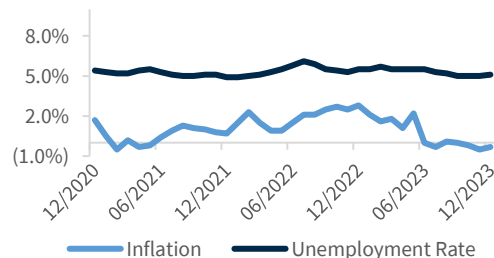


CHINA ECONOMY

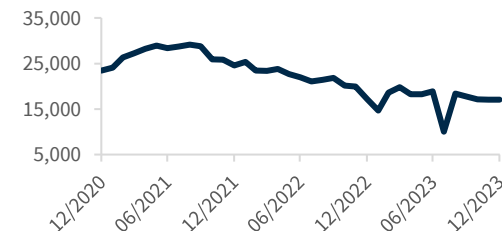
GDP Growth



Inflation vs Unemployment



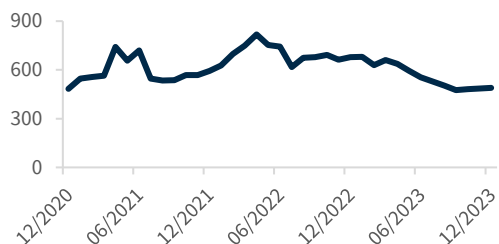
Hang Seng Index



Select water end market indicators

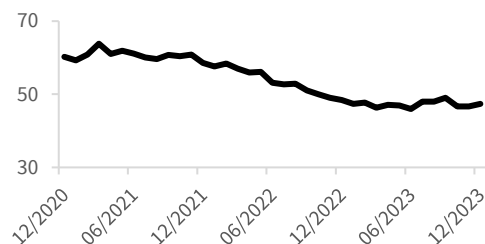
AGRICULTURE

US Corn Futures⁽¹⁾

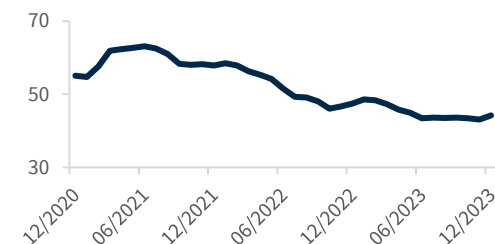


INDUSTRIAL

US PMI

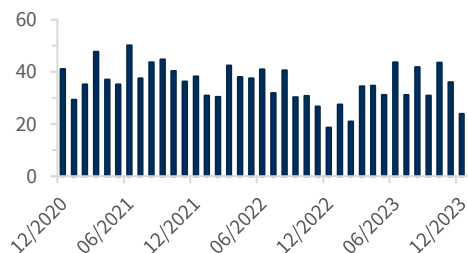


EU PMI

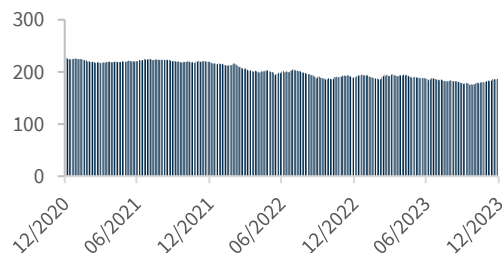


US MUNICIPAL

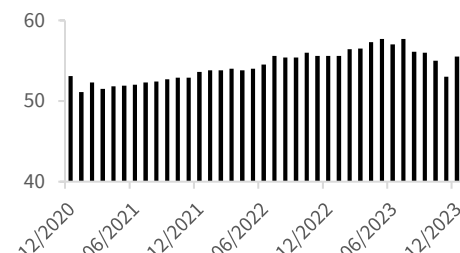
Muni Bond Issuance (\$ billions)



AAA 10-Yr Muni Index to 10-Yr Treasury Ratio

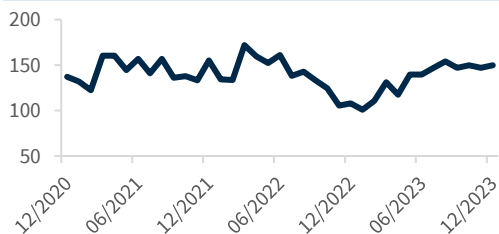


Water Utility Employment (000s)

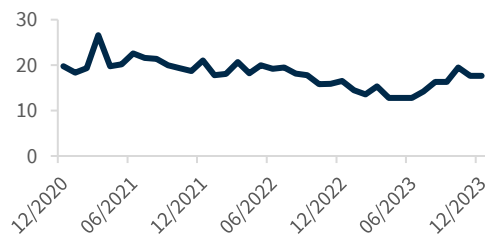


BUILDING / INFRASTRUCTURE

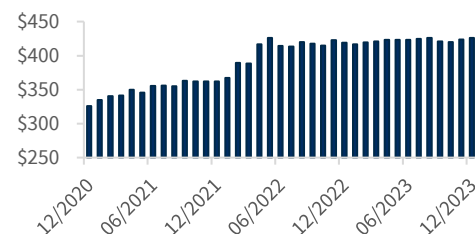
US Building Permits (000s)



German Building Permits (000s)⁽²⁾



US Ductile Iron Pipe Price Per Metric Ton



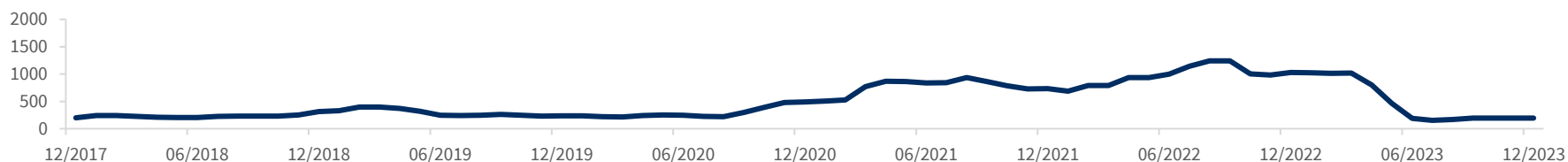
Source: Bloomberg, Municipal Securities Rulemaking Board, Bureau of Labor Statistics. Market data as of 12/31/2023.

(1) Corn Futures Contract from Chicago Board of Trade. Contract size is 5,000 bushels.

Water scarcity indicators

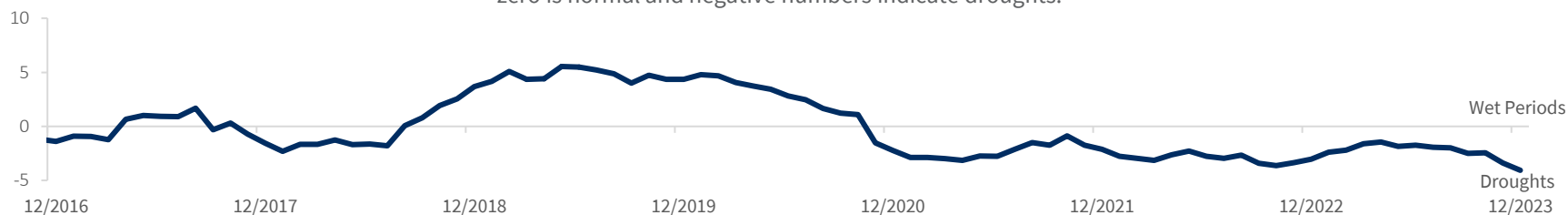
NASDAQ Veles California Water Index (NQH2O)⁽¹⁾ (\$ Per Acre Foot)

The NQH2O Index benchmarks the price of water across California in a way that supports price discovery and enables the creation of a tradable financial instrument.



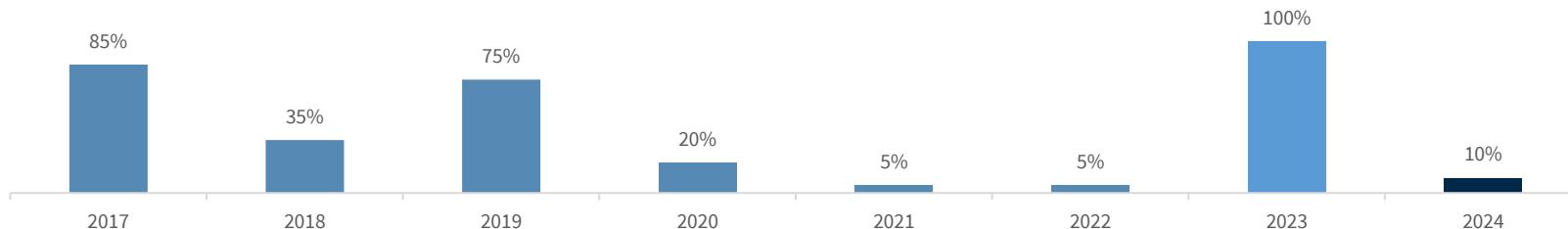
Palmer Drought Severity (“PDSI”) Index⁽²⁾

The PDSI Index uses readily available temperature and precipitation data to estimate relative dryness nationwide. Positive numbers indicate wet periods, zero is normal and negative numbers indicate droughts.



State Water Project (SWP) Long-term Water Supply Contract Allocation Levels⁽³⁾

The allocation is the % of each long-term water user’s contracted volume that the state will actually provide during a given year. In dry years, the allocation is lower because less water is available for delivery. In wet years, the allocation is higher because more water is available for delivery.



(1) Bloomberg. Market data as of 12/31/2023. Used with permission from NASDAQ.

(2) U.S. Department of Commerce, National Environmental Satellite, Data and Information Service.

(3) California Department of Water Resources, as of 12/31/2023.

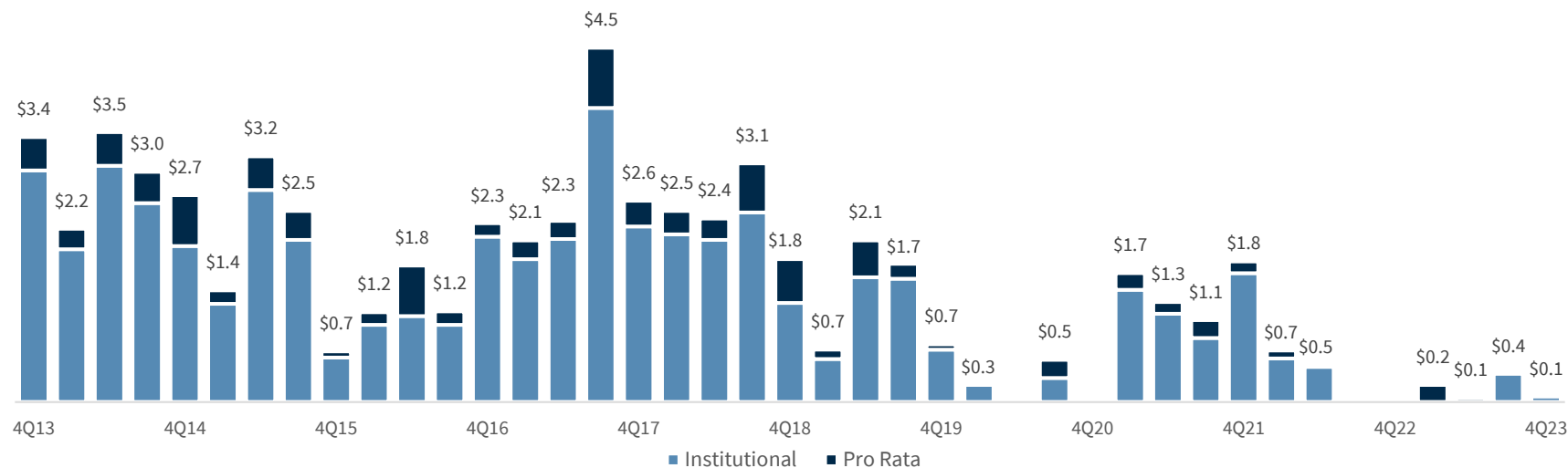
Trading and M&A Comparables

Section 6

M&A overview

Acquisition Related Middle-Market Volume by Quarter (Defined as Issuers with EBITDA of \$50mm or less) (\$ in US billions)

Values in US\$ Billions ⁽¹⁾



Recent Water Transactions

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
12/31/23	Aqualia	Municipal District Services, LLC	Provides water, wastewater and stormwater services for utility districts	-	-	-
12/28/23	Ridgewood Infrastructure, LLC	Waste Resource Management, Inc.	Provider of liquids and wastewater collection, treatment and disposal services	-	-	-
12/14/23	Integrated Water Services, Inc.	Kla Systems, Inc.	Provider of innovative jet aeration and jet mixing technology for biological wastewater treatment processes	-	-	-
12/13/23	Aegion Corporation	Culy Contracting, Inc.	Provider of assessment, maintenance and installation services for water and wastewater pipelines	-	-	-
12/11/23	Watts Water Technologies, Inc.	Josam Company	Water valves provider	-	-	-
12/5/23	Siemens S.A.	Bunt Planet, SL	Water analytics software provider	-	-	-
11/28/23	Fort Point Capital, LLC; FPC Small Cap Fund III, L.P.	Visu-Sewer, Inc.	Provider of inspection, maintenance and rehabilitation services for underground infrastructure	-	-	-
11/17/23	FreshPure Waters	Pure Water Technologies	Water treatment service provider	-	-	-
11/16/23	Pennybacker Capital Management, LLC	Cambrian Innovation Inc.	Environmental technology company providing sustainable and decentralized water and wastewater solutions	-	-	-
11/10/23	Nalco Company LLC	Flottec, LLC	Water treatment chemicals provider	-	-	-
11/9/23	New Jersey-American Water Company, Inc.	water and sewer system in Salem City	Water & Sanitary Sewer Systems	\$18.0	-	-
11/9/23	Core & Main, Inc.	Substantially all of the assets of Granite Water Works Inc.	Provider of water, wastewater and storm drainage products	-	-	-
11/9/23	Quench USA, Inc.	Neighbors Coffee Company	Office coffee supplier and service provider	-	-	-
11/7/23	Jones Lake Management	Ponds Rx, LLC	Aquatic management company dedicated to enhancing and maintaining the health of ponds	-	-	-
11/7/23	Nijhuis Industries Holding B.V.	Natural Systems Utilities, LLC	Provider of sustainable water and energy solutions, offering services to promote environmental resilience	-	-	-

Select transactions in last twelve months

Date Announced	Buyers/Investors	Target	Target Description	Transaction	EV / LTM	
				Value (\$mm)	Revenue	EBITDA
11/6/23	CimA+ s.e.n.c.	C3 Water Inc.	Water project engineering company	-	-	-
11/6/23	PERC Water Corporation	Ramey Environmental Compliance, Inc.	Water treatment service provider	\$4.2	-	-
11/6/23	Obayashi USA, LLC	MWH US Acquisitions, Inc.	Focused on acquisitions and investments within the water and environmental infrastructure sector	\$140.0	0.3x	-
11/2/23	Osmosis Buyer Limited	Carbon Luxembourg S.à R.L.	Sustainable technology company focused on developing innovative solutions for carbon capture and utilization	\$575.0	-	11.0x
11/1/23	Kymera International	Assets of KDF Fluid Treatment Inc.	Water treatment technology provider	-	-	-
11/1/23	Alberici Constructors, Inc.	J.R. Filanc Construction Company, Inc.	Water project construction company	-	-	-
10/26/23	Core & Main, Inc.	Substantially All of the Assets of Enviroscap ECM, Ltd.	Distributor of water sewer, storm drain and drainage products	-	-	-
10/24/23	Fortune Rise Acquisition Corporation	Water On Demand, Inc.	Water treatment systems which clean and purify to ensure safe water recycling	\$32.0	-	-
10/18/23	Aegion Corporation	AP Civil Solutions, LLC	Full-service water and wastewater maintenance company	-	-	-
10/16/23	Blue Wolf Capital Partners LLC	Logistec Corporation	Provider of environmental solutions, including remediation of contaminated sites and rehabilitation of water mains	\$1,056.5	1.5x	17.8x
10/12/23	Foley Products	StormPrism	Underground stormwater storage system	-	-	-
10/4/23	nke SA	Aquaread Ltd.	Water monitoring solutions provider	-	-	-
10/3/23	Ember Infrastructure Management, LP	H2O Innovation Inc.	Provides water tech designs systems and specialty products include chemicals O&M operates treatment systems	\$335.8	1.8x	24.4x
10/3/23	Axiux Water	Triplepoint Environmental LLC	Supply provider for industrial and municipal wastewater customers	-	-	-
10/2/23	Solenis LLC	CedarChem, LLC	Water treatment chemicals provider	-	-	-
9/28/23	Trilon Group	Horrocks	Provides all of the disciplines necessary to study, plan, design and communicate around infrastructure projects	-	-	-
9/28/23	Trilon Group	HMB Professional Engineers	Provider of engineering services primarily focused on state and local agency customers	-	-	-
9/28/23	Trilon Group	Fehr Graham	Provider of engineering and environmental consulting services	-	-	-
9/28/23	PumpMan, Inc.	Flo-Systems Inc.	Provider of water, wastewater collection, treatment, distribution and repair services	-	-	-
9/20/23	PRIME AE Group, Inc.	Jacobi, Toombs & Lanz, Inc.	An engineering, survey and construction services firm	-	-	-
9/20/23	Water Engineering, Inc.	Earthwise Environmental, Inc.	Water treatment chemicals, consultation and services provide	-	-	-
9/19/23	United Flow Technologies	Iowa Pump Works, LLC	Technical distributor and service provider of pumps for the industrial water market	-	-	-
9/18/23	Bluewater (UK & Ireland) Limited	TAPP Water S.L.	Consumer water filter brand based in Spain	-	-	-
9/17/23	Ernst&Ernstgruppen	Tubman	Manufactured goods supplier for the plumbing market	\$7.0	1.5x	9.0x
9/15/23	Quad-C Management, Inc.	Vortex Companies, LLC	Designs storm drain systems, culverts, channels, water management facilities and bridge mitigation	-	-	-
9/14/23	Aegion Corporation	C&L Water Systems Inc.	Provides dynamic water related service and utilizes creative solutions	-	-	-
9/13/23	CECO Environmental Corp.	Kemco Systems, Co. LLC	Designs and manufactures energy and water conservation systems and equipment for applications	\$28.0	1.3x	-
9/7/23	Unitywater	Detection Services Group	Provides technology used to help water utilities accurately understand the condition of long-distance pipelines	-	-	-
9/6/23	A. O. Smith Corporation	Water Tec of Tucson	Water treatment technology provider	-	-	-
9/1/23	Quench USA, Inc.	Guy's Ice Machine Services	Rental and servicing of commercial ice machines	-	-	-
8/30/23	Watts Regulator Company	Bradley Corporation	Designs, manufactures and sells commercial plumbing fixtures	\$303.0	1.5x	-
8/24/23	MML Capital Partners	Ross-Shire Engineering Ltd.	Engineering service company which provides modular build projects in controlled environments	\$100.0	0.5x	6.3x
8/21/23	Atlas Copco AB	Sykes Group Pty. Ltd.	Manufactures auto prime pumping equipment for mining and construction applications	-	-	-
8/17/23	Arjun Infrastructure Partners	BOO Projects	Producer of clean energy, fertilizer and recycled water	-	-	-
8/17/23	MPE Partners	Precision Pipeline	Provider of critical repair, replacement and maintenance services for utility customers	-	-	-
8/16/23	Emerson Electric Co.	FLEXIM Flexible Industrietechnik GmbH	Manufactures measuring and control devices for the flow measurement	\$400.0	-	20.0x
8/8/23	Tidal Vision Products, Inc.	Clear Water Services, LLC	Water treatment company providing stormwater management services	-	-	-
8/8/23	PTNW Equity, Inc.	Alpha Southwest, Inc.	Supplier of water treatment and maintenance services	-	-	-
8/3/23	Newterra Ltd.	Assets of Environmental Site Solutions, LLC	Supplier specializing in filtration systems tailored to water treatment solutions	-	-	-
8/1/23	Gannett Fleming, Inc.	DiGioia, Gray & Associates, LLC	Civil engineering company offering maintenance and rehabilitation services	-	-	-
7/31/23	Aegion Corporation	Portland Utilities Construction Company, LLC	Preferred underground utility contractor	-	-	-
7/31/23	Midwest Remediation LLC	Americlean Tile & Grout, LLC	Water damage and property restoration company	-	-	-
7/24/23	Oldcastle Infrastructure, Inc.	Hydro International	Provides stormwater and wastewater treatment products, services and data solutions	-	-	-
7/10/23	Existing Shareholders	Thames Water Utilities Limited	Provides water and wastewater services in the United Kingdom	-	-	-
7/6/23	Existing Shareholders	ÉCOGÉNIE INC.	Water project engineering company	-	-	-

Select transactions in last twelve months (cont'd)

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
7/6/23	Western States Reclamation, Inc.	Ecological Resource Consultants, Inc.	Engineering and ecological science firm / consultants	-	-	-
6/28/23	Inframark, LLC	Treatment Technologies division of Shelton Associates	Water and wastewater operations and maintenance services	-	-	-
6/21/23	Ember Infrastructure Management, LP	Ground Water Treatment/Technology, LLC	Designer of water & wastewater treatment plants and dewatering systems	-	-	-
6/12/23	Georg Fischer AG	Uponor Oyj	Sells products for drinking water delivery, radiant heating and cooling	\$2,349.6	1.6x	11.3x
6/12/23	Aegion Corporation	Standard Pipe Services, LLC	Cleaning and repair of storm and sanitary sewer pipes and appurtenances	-	-	-
6/8/23	Hydrosat Inc.	IrriWatch BV	Provides an advanced irrigation management software	-	-	-
6/8/23	Stantec Inc.	Environmental Systems Design, Inc.	Provides engineering design consulting solutions for buildings	\$138.0	-	-
6/6/23	Duke's Root Control, Inc.	Underground Infrastructure Services of Livonia, Michigan	Underground infrastructure service provider for hydro excavation services	-	-	-
6/6/23	AqueoUS Vets	Thanks But No Tanks, Inc.	Manufactures and sells carbon and stainless steel tanks	-	-	-
6/5/23	Montana Technologies LLC	Power & Digital Infrastructure Acquisition II Corp.	Provider of cooling and water supply technology	\$500.0	-	-
5/23/23	Water Engineering, Inc.	Delta Chemical Corp.	Distribute chemicals for potable and non-potable water treatment	-	-	-
5/23/23	Aliaxis SA	Manufacturing division of Valencia Pipe Company	Manufacture high quality pipe utilized by plumbers	\$250.0	-	-
5/22/23	Water On Demand	Undisclosed SaaS Business	International SaaS business specializing in end to end water service network	-	-	-
5/9/23	CImA+ s.e.n.c.	Eramosa Engineering Inc.	Water project engineering company	-	-	-
5/5/23	Harbour Group Industries, Inc.	Americo Chemical Products, Inc.	Chemical solutions	-	-	-
5/4/23	Centaurus Capital LLC; BoltRock Holdings	Gradiant Corporation	Provides end-to-end management of wastewater for customers	\$400.0	-	-
5/3/23	Montrose Environmental Group, Inc.	Matrix Solutions Inc.	Environmental and engineering consulting	\$47.9	-	-
5/2/23	Aegion Corporation	Infraspec Services, Inc.	Infrastructure maintenance, rehabilitation and technology	-	-	-
5/2/23	Jones Fish Hatcheries & Distributors LLC	Aqua Services, Inc.	Lake and pond design and management	-	-	-
5/1/23	Genesis Systems LLC	Molecule, Inc.	Producing a portfolio of quality crafted branded cannabis beverages	-	-	-
4/27/23	Industrial Growth Partners	S&B Technical Products, Inc./Hultec USA, Inc.	Designer, manufacturer, and distributor of engineered elastomer gaskets and seals	-	-	-
4/25/23	Trivest Partners	Citco Water	Distributor of a diverse mix of water and wastewater chemical solutions	-	-	-
4/25/23	Shoreline Equity Partners, LLC	C&S Chemicals, Inc.	Infrastructure maintenance, rehabilitation and technology	-	-	-
4/25/23	OCU Group Limited	Northavon Limited	Provider of Water & Waste Water Systems, Treatment Process, Instrumentation	-	-	7.0x
4/20/23	Quench USA, Inc.	AquaLine Pure Water Services, Inc.	Dealer of Waterlogic-branded water coolers and ice machines	-	-	-
4/19/23	SKion Water GmbH	Enwa AS	Diversified water technology company	-	-	-
4/6/23	United Flow Technologies	Macaulay Controls Company	Distributor of equipment for the water and wastewater	-	-	-
4/4/23	CImA+ s.e.n.c.	MidSea Engineering Ltd.	Water project engineering company	-	-	-
4/3/23	PURIS Corp	assets of D & D Water & Sewer, Inc.	Offers installation of water and sewer service lines and main lines	-	-	-
4/3/23	CECO Environmental Corp.	Transcend Solutions, LLC	Manufactures separations solutions for hydrocarbon production	\$22.3	-	-
3/29/23	Alpine Management Services III, LLC	Axia Water	Groundwater resources and services company	-	-	-
3/27/23	Hasa, Inc.	Pure Planet Science & Technology, Inc.	Specialty pool chemicals producer and distributor	-	-	-
3/21/23	Gradiant Corporation	Muscat Projects & Environmental Services LLC	Full-service water and wastewater management company	-	-	-
3/16/23	Sun European Partners, LLP	MegaGroup Trade Holding B.V.	Piping, drainage and other water transportation components distributor	\$100.0	0.8x	8.0x
3/9/23	Aetos Capital, LLC	WestWater Research, LLC	Water research and consulting firm	-	-	-
3/9/23	Verdantas LLC	Leighton Consulting, Inc.	Geotechnical, environmental and materials testing and inspection services	-	-	-
3/8/23	Solenis LLC	Diversey Holdings, Ltd.	Hygiene, infection prevention and cleaning solutions	\$4,515.6	1.6x	14.6x
3/7/23	Pace Analytical Services, LLC	Alpha Analytical, Inc.	Laboratory analytical services for environmental and industrial applications	-	-	-
3/7/23	Integrated Water Services, Inc.	Hyperion International Technologies, LLC	Chemical, environmental and control systems engineering services	-	-	-
3/6/23	Ecolab Inc.	Miso Robotics, Inc.	AI-driven robotics for the food & beverage industry	-	-	-
3/6/23	Aegion Corporation	Proline Vector Services, Inc.	Sewer and storm cleaning, inspection and grouting company	-	-	-
3/1/23	Evoqua Water Technologies Corp.	Industrial Treatment Business Of Bob Johnson & Associates	Industrial water treatment service business	\$0.9	-	-
3/1/23	Shawcor Ltd. (nka:Matr Corp.)	Assets of Triton Stormwater Solutions	Manufactures stormwater chamber management systems	\$8.6	1.1x	-
2/23/23	Turnspire Capital Partners LLC	USG Water Solutions, LLC	Water asset management services provider	-	-	-
2/23/23	Boyne Capital Management, LLC	Mckee Utility Contractors, Inc.	Offers water and wastewater pipeline installation services	-	-	-

Select transactions in last twelve months (cont'd)

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
2/23/23	Turnspire Capital Partners LLC	USG Water Solutions, LLC	Water asset management services provider	-	-	-
2/23/23	Boyne Capital Management, LLC	Mckee Utility Contractors, Inc.	Offers water and wastewater pipeline installation services	-	-	-
2/22/23	Copenhagen Infrastructure Partners P/S	Biogas Project Envo Biogas in Tønder	Biomethane gas production plant	-	-	-
2/22/23	Axiom Water	Napier-Reid Limited	Designs, manufactures, and sells water and wastewater treatment solutions	-	-	-
2/15/23	Desotec US LLC	Carbon Reactivation and Slurry Services Business of Evoqua	Carbon reactivation and carbon service business	-	-	-
2/10/23	Flowserve	Velan Inc.	Industrial valve manufacturer	\$245.0	-	-
2/9/23	Quench USA, Inc.	Neptune Water Solutions, Inc.	Water, beverage and ice dispenser manufacturer	-	-	-
2/8/23	Gradiant Corporation	Advanced Watertek Industries LLC	Reverse osmosis desalination systems for water and wastewater treatment	-	-	-
2/3/23	Inliner Solutions	Murphy Pipeline Contractors	Water pipeline rehabilitation provider	-	-	-
2/1/23	Global Water Resources, Inc.	Farmers Water Co.	Potable water utility provider	\$6.2	-	-
2/1/23	Littlejohn & Co., LLC	Arduro Group, Inc.	Water and wastewater engineering and water resource management	-	-	-
2/1/23	KKR & Co. Inc.; North America XIII Fund	Groundworks, LLC	Residential and commercial foundation repair & waterproofing services	-	-	-
2/1/23	Flotilla Partners LLC	Aquaflow/Filter Pure Systems/Land O' Lakes Water Treatment	Water treatment services and equipment	-	-	-
1/31/23	Cropx Technologies Ltd.	Tule Technologies Inc.	Agricultural irrigation sensor manufacturer and supplier	-	-	-
1/31/23	GI Manager L.P.	Atlas Technical Consultants, Inc.	Testing, inspection, engineering and environmental services	\$979.2	1.5x	18.9x
1/31/23	RSK Australia	Pensar Infrastructure Group	Water and infrastructure construction	-	-	6.0x
1/30/23	Chariot Limited	Renewable Water Production Business and assets of ENEO	Diversified renewables company	\$1.0	-	-
1/30/23	H2M Architects and Engineers	Crew Engineers Inc.	Water, wastewater, environmental and civil engineering services	-	-	-
1/29/23	Morgan Stanley Private Equity	Apex Companies, LLC	Professional and field services to water, ground, facilities and air quality	-	-	-
1/26/23	New Mexico Water Service Company	Assets of Lake Section Water Company	Water utility operator in New Mexico	-	-	-
1/25/23	Valicor Environmental Services, LLC	Clean Water Environmental, LLC	Wastewater management and hazardous waste management services	-	-	-
1/24/23	The Texas Water Company	KT Water Development Ltd	Water utilities operator in Texas	\$7.3	-	-
1/23/23	Blue Water Petroleum Corp.	ArtAqua Technologies Ltd	Water treatment technology provider	\$2.5	-	-
1/23/23	Xylem Inc.	Evoqua Water Technologies Corp.	Water and wastewater treatment systems and technologies	\$7,530.7	4.2x	17.1x
1/19/23	Infrastructure Renewal Company	Insta-Pipe, Inc./Interactive Pipe Inspection, Inc.	Technology applications for the inspection of underground pipe systems	-	-	-
1/18/23	Watts Water Technologies, Inc.	Main business assets of Enware	Offers solutions for improved water infrastructure and compliance	-	-	-
1/16/23	Holland Pump Manufacturing, Inc.	BPR Operating, LLC	Industrial pumps and vacuums distribution and rental services	-	-	-
1/12/23	Wind Point Advisors, LLC	Hasa, Inc.	Producer and distributor of water treatment products	-	-	-
1/11/23	Aqua Ohio, Inc.	Municipal wastewater system of Union Rome Sewer	Municipal sewage and wastewater treatment services	\$25.5	-	-
1/11/23	VLS Environmental Solutions	Texas Molecular	Diversified infrastructure services provider	-	-	-
1/10/23	Integrated Water Services, Inc.	M/MBR Systems, LLC	Provides replacement parts and modular systems to membrane bioreactor	-	-	-
1/9/23	Consolidated Water U. S. Holdings, Inc.	PERC Water Corporation	Water treatment service provider	\$20.1	-	-
1/9/23	Oceansound Partners Co-Invest, LP	Gannett Fleming, Inc.	Construction management, planning and design services	-	-	-
1/5/23	Badger Meter, Inc.	Syrinx Limited	Environmental signal processing, software, and electronics integration	\$21.3	-	-
1/5/23	Valicor Environmental Services, LLC	Usher Enterprises, Inc.	Centralized wastewater treatment services	-	-	-
1/5/23	Atlas-Ssi, Inc.	Cooling Tower Valves and Screens LLC	Flow control valves and sump screens for the industrial water towers	-	-	-
1/5/23	MECO, Inc.	Water Works, Inc.	Ultrapure industrial water systems for life science and tech industries	-	-	-
Median				\$100.0	1.5x	11.3x
Mean				\$611.2	1.5x	13.2x

Public company comparable universe

Set forth below, we have classified select publicly traded companies within the water universe into nine subsectors. We recently recategorized the sector groups given the growing importance on smart tech, services and engineered solutions providers. In addition, we increased the representation of non-US companies to reflect the addition of the water-related bankers in Europe.

AGRICULTURE



ENGINEERED SOLUTIONS



FLOW CONTROL



INFRASTRUCTURE



RESI & COMM SERVICES



SMART TECH



SPECIALTY CHEMICAL



SPECIALTY DISTRIBUTION

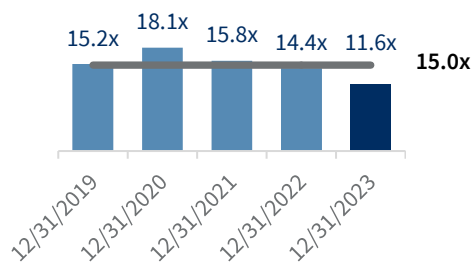


UTILITIES

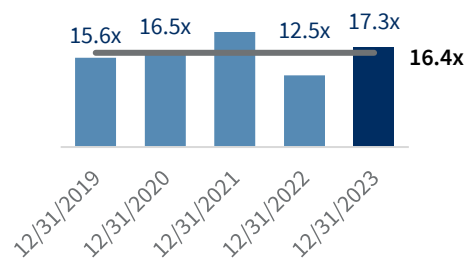


Public company valuation: EV / LTM EBITDA

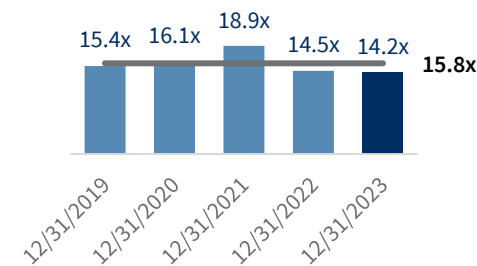
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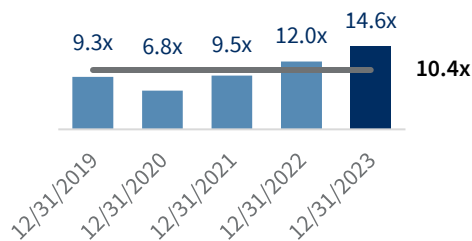
ENGINEERED SOLUTIONS



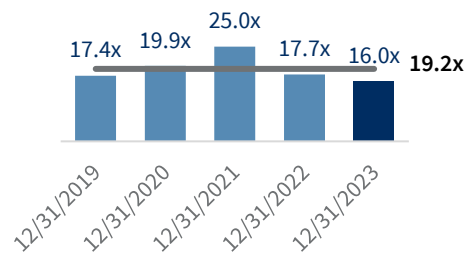
FLOW CONTROL



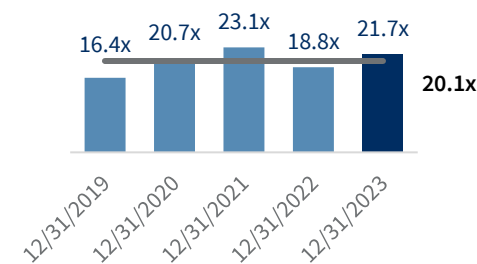
INFRASTRUCTURE



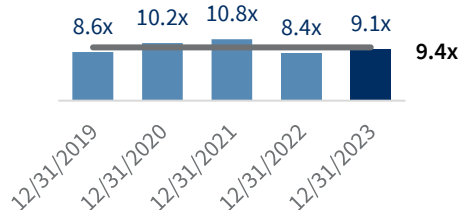
RESI & COMM SERVICES



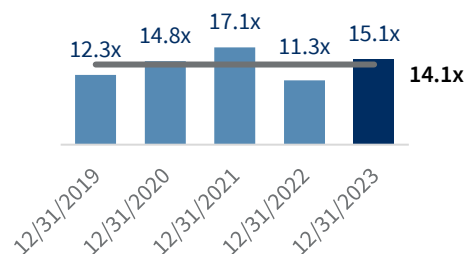
SMART TECH



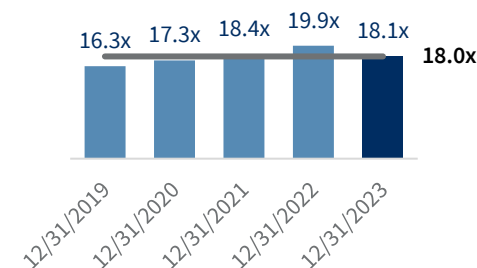
SPECIALTY CHEMICAL



SPECIALTY DISTRIBUTION



UTILITIES

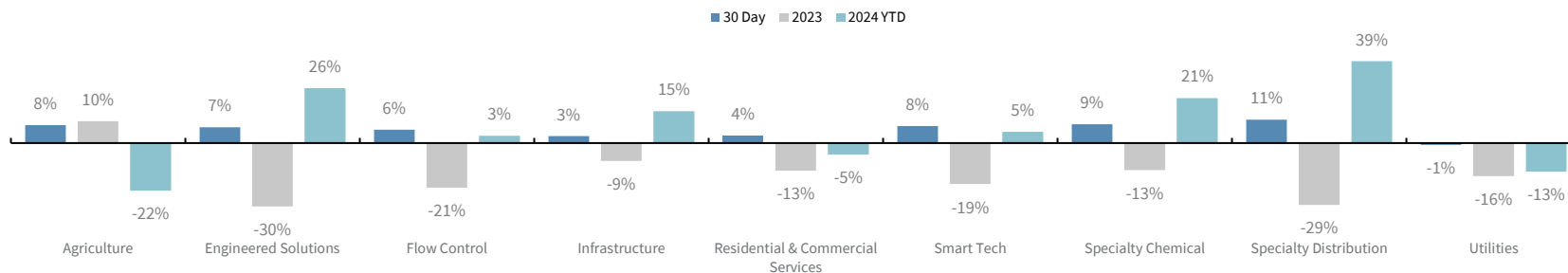


Source: Bloomberg market data as of 12/31/2023.

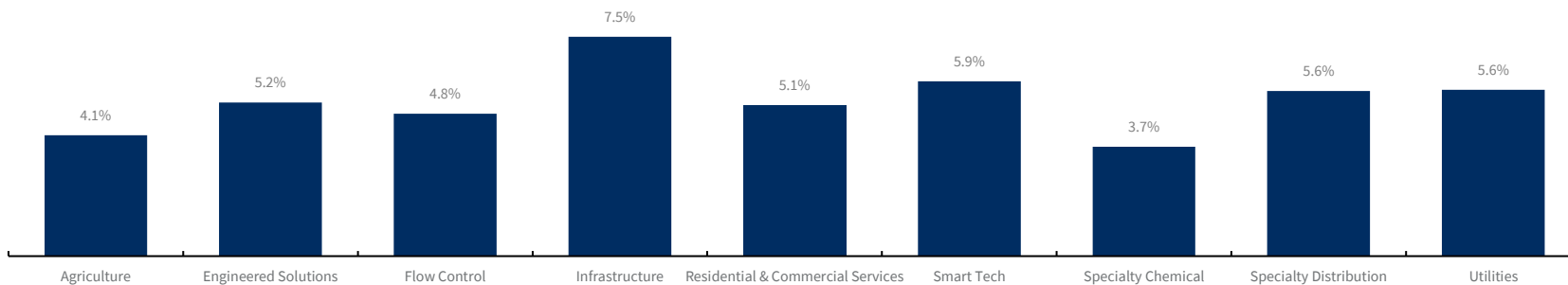
Note: Values represent the median EV / LTM EBITDA multiples for each sector at the specified date. For additional detail on the companies within each sector, see detail pages in the back of the newsletter. Grey line and bold value represent the average of the five multiple medians shown.

Industry performance overview

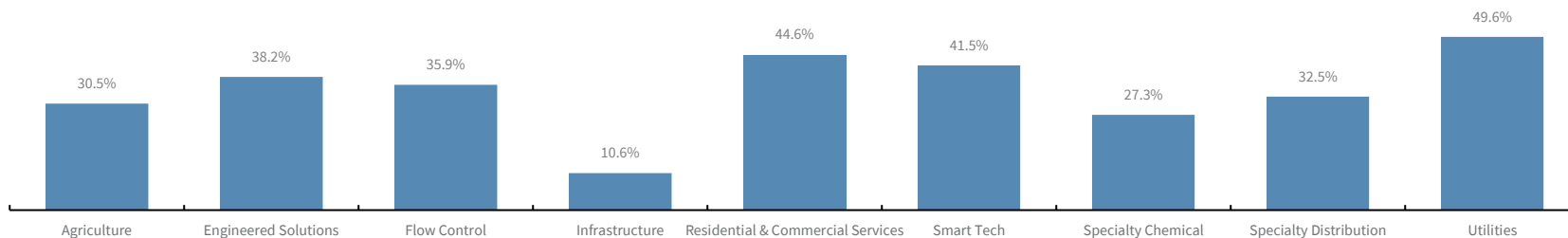
Stock Price Performance



Revenue CAGR ('23 - '25)



Gross Margin (LTM)



Source: CapIQ market data as of 12/31/2023.



Note: Values represent the median price, revenue CAGR and gross margin for each sector over the course of the period. For additional detail on the companies within each sector, see detail pages in the back of the newsletter.

Representative Credentials

Section 7

Representative credentials

Raymond James has participated in many industry-shaping transactions, including mergers and acquisitions, strategic advisory, fairness opinions and equity and debt capital raises, within the water and wastewater space

<p>December 2023</p>  <p>has been acquired by</p> 	<p>December 2023</p>  <p>to acquire</p>  <p>C\$395,000,000</p>	<p>August 2023</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> <p>Frontenac</p>	<p>August 2023</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>July 2023</p>  <p>from funds advised by</p>  <p>has been acquired by</p>  <p>a company of</p> 	<p>June 2023</p>  <p>a subsidiary of</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 
<p>June 2023</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>February 2023</p> <p>Morgan Stanley CAPITAL PARTNERS</p> <p>has acquired</p>  <p>a portfolio company of</p> 	<p>December 2022</p>  <p>has acquired</p>  <p>a portfolio company of</p> 	<p>September 2022</p> <p>TRILL IMPACT</p> <p>has entered into a growth partnership with</p> 	<p>June 2022</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>March 2022</p>  <p>has been acquired by</p> 
<p>December 2021</p>  <p>has been acquired by</p> 	<p>November 2021</p>  <p>has been acquired by</p> 	<p>August 2021</p>  <p>has been acquired by</p> 	<p>July 2021</p>  <p>has been acquired by</p> 	<p>June 2021</p>  <p>Breaking Barriers to Sustainability</p> <p>Initial public offering</p> <p>C\$175,000,000</p>	<p>June 2021</p>  <p>has acquired</p> 
<p>March 2021</p>  <p>Private Placement</p>	<p>March 2021</p>  <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>\$245,000,000</p>	<p>March 2021</p>  <p>Follow-on Offering</p> <p>\$350,000,000</p>	<p>November 2020</p>  <p>has acquired</p>  <p>a portfolio company of</p> 	<p>June 2020</p>  <p>simultaneous carve-out divestitures of</p>   <p>by way of an MBO backed by</p> 	<p>May 2020</p>  <p>Block Trade</p> <p>\$11,200,000</p>
<p>May 2020</p>  <p>Equity & Preferred Offering</p> <p>\$3,500,000,000</p>	<p>March 2020</p>  <p>Follow-On Offering</p> <p>\$253,500,000</p>	<p>January 2020</p>  <p>has been acquired by</p> 	<p>November 2019</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>October 2019</p>  <p>has received a majority investment from</p> 	<p>September 2019</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 






















Note: Representative credentials include transactions completed by a Raymond James banker while at a former firm.

Water Conference Calendar

Section 8

Water conference calendar: Next 12 months

Planning to attend the following conferences? Contact the team to schedule a meeting!

	 20 – 21 February 2024	 London, UK	Globally recognized as the summit where deals are made, and new partnerships formed between industrial industry leaders and investors
	 4 – 6 March 2024	 Spain, Madrid	Leading international conference that aims to merge water and energy professionals highlighting curricular economic trends and developments
	 5 – 7 March 2024	 Orlando, FL	Most comprehensive annual gathering of water treatment professionals connecting technology and industry knowledge
	 14 – 18 April 2024	 Providence, RI	Largest trenchless technology conference in the world
	 15 – 17 April 2024	 London, UK	Most comprehensive annual gathering of water treatment professionals connecting technology and industry knowledge
	 10 – 13 June 2024	 Anaheim, CA	Annual conference focusing on future global water management solutions
	 5 – 9 October 2024	 New Orleans, LA	The largest event of its kind in North America, offering water quality education and training

Appendix

Comparable companies detail

As of 12/31/2023. (In millions of USD, except per share data)																				
Company	Listing Exchange	Listing Country	Stock Price	% of 52 Week		Dividend Yield	Enterprise Value	Market Cap	LTM Financial Performance				Growth		Leverage		Valuation Metrics			
				High	Low				Revenue	EBITDA	Gross Margin	EBITDA Margin	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA	
													'21 - '23	'23 - '25	Gross	Net	LTM	NTM	LTM	NTM
Agriculture																				
CNH Industrial N.V.	NYSE	United States	\$12.18	68%	125%	3.2%	\$38,633	\$15,691	\$24,838	\$3,392	23.3%	13.7%	(5.3%)	(1.0%)	7.5x	6.7x	1.6x	1.6x	11.4x	13.4x
Lindsay Corporation	NYSE	United States	\$129.16	76%	121%	1.1%	\$1,395	\$1,425	\$659	\$118	31.8%	17.9%	(8.4%)	4.9%	1.2x	-	2.1x	2.0x	11.8x	11.8x
The Toro Company	NYSE	United States	\$95.99	82%	123%	1.5%	\$10,941	\$9,971	\$4,553	\$702	34.7%	15.4%	8.6%	5.3%	1.7x	1.4x	2.4x	2.3x	15.6x	14.6x
Valmont Industries, Inc.	NYSE	United States	\$233.51	68%	124%	1.0%	\$5,905	\$4,878	\$4,291	\$583	29.2%	13.6%	23.0%	3.3%	2.0x	1.7x	1.4x	1.4x	10.1x	10.5x
Mean						1.7%	\$14,218	\$7,991	\$8,585	\$1,199	29.7%	15.1%	4.5%	3.2%	3.1x	3.3x	1.9x	1.8x	12.2x	12.6x
Median						1.3%	\$8,423	\$7,425	\$4,422	\$642	30.5%	14.5%	1.7%	4.1%	1.8x	1.7x	1.8x	1.8x	11.6x	12.6x
Engineered Solutions																				
A. O. Smith Corporation	NYSE	United States	\$82.44	100%	143%	1.6%	\$12,084	\$12,261	\$3,853	\$836	38.5%	21.7%	6.3%	5.5%	0.2x	-	3.1x	3.1x	14.5x	14.4x
Advanced Drainage Systems, Inc.	NYSE	United States	140.64 kr	97%	187%	0.4%	\$11,827	\$10,957	\$2,831	\$817	38.2%	28.9%	13.6%	5.0%	1.6x	1.0x	4.2x	4.1x	14.5x	13.6x
Alfa Laval Corporate AB	OM	Sweden	\$403.40	99%	134%	1.6%	\$17,940	\$16,580	\$5,712	\$979	32.8%	17.1%	40.5%	6.3%	1.7x	1.2x	3.1x	2.6x	18.3x	13.2x
Danaher Corporation	NYSE	United States	\$231.34	83%	127%	0.4%	\$181,834	\$170,943	\$23,890	\$7,368	58.7%	30.8%	(22.2%)	8.3%	2.5x	1.7x	7.6x	7.8x	24.7x	24.4x
DuPont de Nemours, Inc.	NYSE	United States	\$76.93	98%	123%	2.3%	\$40,998	\$33,083	\$12,274	\$2,898	34.7%	23.6%	(25.7%)	5.2%	3.0x	2.6x	3.3x	3.3x	14.1x	13.0x
Halma plc	LSE	United Kingdom	£22.84	91%	127%	0.9%	\$11,762	\$10,973	\$2,353	\$508	52.0%	21.6%	28.1%	6.7%	1.8x	1.5x	5.0x	4.5x	23.2x	19.2x
IDEX Corporation	NYSE	United States	\$217.11	90%	118%	1.2%	\$17,271	\$16,419	\$3,296	\$922	44.5%	28.0%	17.9%	4.1%	1.6x	0.9x	5.2x	5.3x	18.7x	19.2x
METAWATER Co., Ltd.	TSE	Japan	¥2,187.00	100%	138%	1.9%	\$641	\$674	\$1,161	\$0	20.8%	-	1.8%	4.4%	-	-	0.6x	0.6x	-	7.4x
Pentair plc	NYSE	United States	\$72.71	99%	163%	1.2%	\$13,974	\$12,019	\$4,105	\$854	37.0%	20.8%	3.2%	4.4%	2.3x	2.1x	3.4x	3.3x	16.4x	14.4x
Mean						1.3%	\$34,259	\$31,545	\$6,608	\$1,687	39.7%	24.1%	7.1%	5.5%	1.8x	1.6x	4.0x	3.8x	18.0x	15.4x
Median						1.2%	\$13,974	\$12,261	\$3,853	\$854	38.2%	22.7%	6.3%	5.2%	1.8x	1.5x	3.4x	3.3x	17.3x	14.4x
Flow Control																				
Flowserv Corporation	NYSE	United States	\$41.22	98%	137%	2.0%	\$6,465	\$5,408	\$4,194	\$491	29.9%	11.7%	9.6%	4.5%	3.1x	2.1x	1.5x	1.5x	13.2x	11.7x
Franklin Electric Co., Inc.	NASDAQGS	United States	\$96.65	90%	123%	1.0%	\$4,569	\$4,458	\$2,082	\$322	33.8%	15.5%	14.1%	2.8%	0.5x	0.3x	2.2x	2.1x	14.2x	14.0x
Graco Inc.	NYSE	United States	\$86.76	99%	132%	1.2%	\$14,175	\$14,644	\$2,196	\$720	52.9%	32.8%	2.5%	12.4%	-	-	6.5x	6.4x	19.7x	19.2x
Mueller Water Products, Inc.	NYSE	United States	\$14.40	87%	134%	1.8%	\$2,560	\$2,548	\$1,276	\$194	29.7%	15.2%	3.8%	3.1%	2.4x	1.6x	2.0x	2.1x	13.2x	12.9x
Rotork plc	LSE	United Kingdom	£3.24	94%	117%	2.1%	\$3,420	\$3,543	\$885	\$195	45.8%	22.1%	7.6%	5.8%	-	-	3.9x	3.6x	17.5x	14.3x
Sulzer Ltd	SWX	Switzerland	85.90 CHF	93%	121%	4.1%	\$3,829	\$3,462	\$3,648	\$415	31.4%	11.4%	6.8%	4.0%	3.9x	0.8x	1.0x	0.9x	9.2x	7.1x
The Gorman-Rupp Company	NYSE	United States	\$35.53	97%	155%	2.1%	\$1,321	\$931	\$660	\$116	29.8%	17.5%	15.2%	-	3.6x	3.4x	2.0x	1.9x	11.4x	11.0x
The Weir Group PLC	LSE	United Kingdom	£18.87	91%	114%	2.0%	\$7,317	\$6,231	\$3,401	\$534	35.9%	15.7%	13.9%	4.8%	3.5x	2.0x	2.2x	2.1x	13.7x	10.3x
Watts Water Technologies, Inc.	NYSE	United States	\$208.34	98%	147%	0.7%	\$6,675	\$6,943	\$2,011	\$385	45.9%	19.2%	6.8%	7.4%	0.3x	-	3.3x	3.0x	17.3x	15.3x
Xylem Inc.	NYSE	United States	\$114.36	96%	131%	1.1%	\$29,247	\$27,570	\$6,752	\$1,119	37.6%	16.6%	18.7%	10.4%	2.1x	1.5x	4.3x	3.5x	26.1x	17.9x
Zurn Elkay Water Solutions Corporation	NYSE	United States	\$29.41	95%	152%	1.1%	\$5,513	\$5,082	\$1,514	\$314	39.7%	20.8%	30.1%	2.4%	1.9x	1.4x	3.6x	3.6x	17.5x	15.1x
Mean						1.8%	\$7,735	\$7,320	\$2,602	\$437	37.5%	18.0%	11.8%	5.8%	2.4x	1.6x	3.0x	2.8x	15.7x	13.5x
Median						1.8%	\$5,513	\$5,082	\$2,082	\$385	35.9%	16.6%	9.6%	4.6%	2.4x	1.6x	2.2x	2.1x	14.2x	14.0x
Infrastructure																				
AECOM	NYSE	United States	\$92.43	98%	124%	1.0%	\$14,355	\$12,569	\$14,378	\$969	6.6%	6.7%	4.3%	-	3.0x	1.7x	1.0x	0.9x	14.8x	13.1x
Fluor Corporation	NYSE	United States	\$39.17	96%	152%	-	\$5,657	\$6,674	\$15,364	\$392	3.5%	2.6%	11.8%	8.8%	3.7x	-	0.4x	0.3x	14.4x	8.9x
Northwest Pipe Company	NASDAQGS	United States	\$30.26	75%	118%	-	\$464	\$303	\$441	\$53	18.2%	11.9%	17.2%	3.9%	3.2x	3.1x	1.1x	1.0x	8.8x	9.0x
Orion Group Holdings, Inc.	NYSE	United States	\$4.94	81%	212%	-	\$282	\$161	\$706	\$5	6.9%	0.7%	10.3%	7.5%	-	-	0.4x	0.4x	-	6.3x
Primoris Services Corporation	NYSE	United States	CAD 33.21	92%	152%	0.7%	\$3,022	\$1,772	\$5,529	\$357	10.6%	6.5%	27.9%	6.8%	4.0x	3.5x	0.5x	0.5x	8.5x	7.7x
Stantec Inc.	TSX	Canada	\$106.38	100%	164%	0.7%	\$10,589	\$9,188	\$3,662	\$479	54.4%	13.1%	14.3%	9.1%	3.1x	2.9x	2.9x	2.6x	22.1x	15.2x
Tetra Tech, Inc.	NASDAQGS	United States	€166.93	96%	127%	0.6%	\$9,809	\$8,889	\$4,030	\$508	18.9%	12.6%	21.8%	-	2.3x	1.9x	2.4x	2.3x	19.3x	17.9x
Mean						0.8%	\$6,311	\$5,651	\$6,302	\$395	17.0%	7.7%	15.4%	7.2%	3.2x	2.6x	1.2x	1.2x	14.7x	11.2x
Median						0.7%	\$5,657	\$6,674	\$4,030	\$392	10.6%	6.7%	14.3%	7.5%	3.1x	2.9x	1.0x	0.9x	14.6x	9.0x

Comparable companies detail (cont'd)

As of 12/31/2023. (In millions of USD, except per share data)																				
Company	Listing Exchange	Listing Country	Stock Price	% of 52 Week		Dividend Yield	Enterprise Value	Market Cap	LTM Financial Performance				Growth		Leverage		Valuation Metrics			
				High	Low				Revenue	EBITDA	Gross Margin	EBITDA Margin	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA	
													'21 - '23	'23 - '25	Gross	Net	LTM	NTM	LTM	NTM
Residential & Commercial Services																				
Aramark	NYSE	United States	\$28.10	61%	117%	1.3%	\$13,931	\$7,370	\$18,854	\$1,526	16.4%	8.1%	41.1%	0.0%	5.7x	4.3x	0.7x	0.8x	9.1x	11.0x
Compass Group PLC	LSE	United Kingdom	£21.46	95%	116%	2.0%	\$51,348	\$46,733	\$37,864	\$2,864	6.6%	7.6%	65.5%	6.2%	1.9x	1.5x	1.4x	1.2x	17.9x	12.4x
Ecolab Inc.	NYSE	United States	\$198.35	98%	138%	1.1%	\$64,733	\$56,557	\$11,655	\$2,444	41.3%	21.0%	21.4%	5.4%	2.7x	2.3x	5.6x	4.1x	26.5x	19.4x
Norva24 Group AB (Publ)	OM	Sweden	23.70 kr	66%	138%	-	\$560	\$430	\$283	\$34	47.8%	12.1%	38.6%	7.2%	4.1x	3.5x	2.0x	1.7x	16.3x	7.9x
Primo Water Corporation	TSX	Canada	CAD 19.96	90%	123%	2.2%	\$3,987	\$2,409	\$2,295	\$428	60.9%	18.6%	11.6%	(6.9%)	3.8x	3.6x	1.7x	2.0x	9.3x	9.3x
Rentokil Initial plc	LSE	United Kingdom	£4.41	66%	114%	1.9%	\$18,317	\$14,053	\$6,116	\$1,170	66.0%	19.1%	68.2%	4.8%	5.2x	3.6x	3.0x	2.6x	15.6x	11.2x
Mean						1.7%	\$25,479	\$21,259	\$12,844	\$1,411	39.8%	14.4%	41.1%	2.8%	3.9x	3.1x	2.4x	2.1x	15.8x	11.9x
Median						1.9%	\$16,124	\$10,712	\$8,886	\$1,348	44.6%	15.4%	39.9%	5.1%	4.0x	3.5x	1.9x	1.8x	16.0x	11.1x
Smart Tech																				
ABB Ltd	SWX	Switzerland	37.30 CHF	98%	132%	2.3%	\$86,788	\$81,637	\$32,235	\$5,750	35.0%	17.8%	6.1%	5.6%	1.6x	0.6x	2.7x	2.6x	15.1x	14.7x
Badger Meter, Inc.	NYSE	United States	\$154.37	90%	149%	0.7%	\$4,374	\$4,530	\$704	\$146	39.3%	20.8%	16.2%	5.8%	-	-	6.2x	5.8x	29.9x	27.4x
Danaher Corporation	NYSE	United States	\$231.34	83%	127%	0.4%	\$181,834	\$170,943	\$23,890	\$7,368	58.7%	30.8%	(11.8%)	8.3%	2.5x	1.7x	7.6x	7.8x	24.7x	24.4x
Emerson Electric Co.	NYSE	United States	\$97.33	97%	127%	2.2%	\$62,189	\$55,626	\$15,165	\$3,869	49.0%	25.5%	(8.0%)	8.8%	2.2x	0.2x	4.1x	3.6x	16.1x	13.9x
Energy Recovery, Inc.	NASDAQGS	United States	\$18.84	61%	134%	-	\$973	\$1,065	\$113	\$17	68.3%	15.1%	14.8%	23.8%	0.8x	-	8.6x	6.8x	57.0x	34.2x
Itron, Inc.	NASDAQGS	United States	\$75.51	94%	150%	-	\$3,688	\$3,435	\$2,064	\$183	31.9%	8.8%	4.0%	5.9%	2.7x	1.3x	1.8x	1.6x	20.2x	16.4x
Schneider Electric S.E.	ENXTPA	France	€181.78	99%	138%	1.7%	\$128,629	\$112,692	\$39,009	\$7,372	41.5%	18.9%	10.3%	5.9%	2.5x	2.0x	3.3x	3.1x	17.4x	15.0x
Trimble Inc.	NASDAQGS	United States	\$53.20	86%	134%	-	\$16,175	\$13,234	\$3,723	\$747	63.4%	20.1%	2.2%	4.0%	4.2x	3.9x	4.3x	4.2x	21.7x	15.8x
Xylem Inc.	NYSE	United States	\$114.36	96%	131%	1.1%	\$29,247	\$27,570	\$6,752	\$1,119	37.6%	16.6%	18.7%	10.4%	2.1x	1.5x	4.3x	3.5x	26.1x	17.9x
Mean						1.4%	\$57,100	\$52,304	\$13,739	\$2,952	47.2%	19.4%	5.8%	8.7%	2.3x	1.6x	4.8x	4.3x	25.4x	20.0x
Median						1.4%	\$29,247	\$27,570	\$6,752	\$1,119	41.5%	18.9%	6.1%	5.9%	2.4x	1.5x	4.3x	3.6x	21.7x	16.4x
Specialty Chemical																				
Clariant AG	SWX	Switzerland	12.42 CHF	77%	103%	3.8%	\$6,141	\$4,853	\$5,497	\$807	27.3%	14.7%	5.6%	4.4%	1.7x	1.3x	1.1x	1.1x	7.6x	7.1x
Ecolab Inc.	NYSE	United States	\$198.35	98%	138%	1.1%	\$64,733	\$56,557	\$11,655	\$2,444	41.3%	21.0%	10.2%	5.4%	2.7x	2.3x	5.6x	4.1x	26.5x	19.4x
Hawkins, Inc.	NASDAQGS	United States	\$70.42	96%	192%	1.0%	\$1,533	\$1,475	\$924	\$130	19.9%	14.1%	4.1%	-	1.0x	1.0x	1.7x	1.6x	11.8x	11.2x
Kemira Oyj	HLSE	United Kingdom	£16.79	92%	124%	3.6%	\$3,494	\$2,851	\$3,752	\$664	18.7%	17.7%	12.0%	(1.8%)	1.5x	0.9x	0.9x	1.0x	5.3x	5.5x
Kurita Water Industries Ltd.	TSE	Japan	¥5,520.00	87%	130%	1.5%	\$4,748	\$4,403	\$2,493	\$523	33.6%	21.0%	4.7%	3.0%	1.3x	0.6x	1.9x	1.7x	9.1x	9.3x
Mean						2.2%	\$16,130	\$14,028	\$4,864	\$914	28.2%	17.7%	7.3%	2.8%	1.6x	1.2x	2.2x	1.9x	12.0x	10.5x
Median						1.5%	\$4,748	\$4,403	\$3,752	\$664	27.3%	17.7%	5.6%	3.7%	1.5x	1.0x	1.7x	1.6x	9.1x	9.3x
Specialty Distribution																				
Core & Main, Inc.	NYSE	United States	\$40.41	99%	210%	-	\$9,216	\$7,236	\$6,636	\$900	27.2%	13.6%	35.7%	6.1%	1.8x	1.7x	1.4x	1.3x	10.2x	10.2x
Ferguson plc	LSE	United Kingdom	£150.85	99%	152%	-	\$43,778	\$39,258	\$29,511	\$3,012	30.3%	10.2%	15.2%	5.1%	1.7x	1.5x	1.5x	1.4x	14.5x	14.1x
MSC Industrial Direct Co., Inc.	NYSE	United States	\$101.26	96%	132%	3.3%	\$6,197	\$5,712	\$4,006	\$553	40.9%	13.8%	9.8%	4.3%	1.1x	1.0x	1.5x	1.5x	11.2x	10.4x
Pool Corporation	NASDAQGS	United States	\$398.71	94%	134%	1.2%	\$16,669	\$15,422	\$5,634	\$814	29.9%	14.4%	6.9%	4.8%	1.6x	1.5x	3.0x	2.9x	20.5x	19.9x
SiteOne Landscape Supply, Inc.	NYSE	United States	\$162.50	92%	140%	-	\$8,164	\$7,333	\$4,226	\$375	34.7%	8.9%	25.7%	6.4%	2.4x	2.2x	1.9x	1.8x	21.7x	18.9x
W.W. Grainger, Inc.	NYSE	United States	\$828.69	99%	155%	0.8%	\$43,573	\$41,131	\$16,478	\$2,779	39.4%	16.9%	15.4%	6.7%	1.0x	0.8x	2.6x	2.5x	15.7x	15.1x
Mean						1.8%	\$21,266	\$19,349	\$11,082	\$1,406	33.7%	13.0%	14.6%	5.6%	1.6x	1.5x	2.0x	1.9x	15.6x	14.8x
Median						1.2%	\$12,943	\$11,377	\$6,135	\$857	32.5%	13.7%	15.2%	5.6%	1.7x	1.5x	1.7x	1.7x	15.1x	14.6x
Utilities																				
American States Water Company	NYSE	United States	\$80.42	81%	107%	2.3%	\$3,824	\$2,974	\$596	\$236	59.1%	39.5%	5.0%	2.4%	3.6x	3.6x	6.4x	7.0x	16.2x	17.4x
American Water Works Company	NYSE	United States	\$131.99	81%	116%	2.3%	\$37,269	\$25,699	\$4,133	\$2,198	59.3%	53.2%	2.5%	5.9%	5.6x	5.3x	9.0x	8.4x	17.0x	14.6x
Artesian Resources Corporation	NASDAQ	United States	\$41.45	66%	107%	3.1%	\$602	\$425	\$99	\$40	46.7%	40.6%	5.4%	4.8%	4.5x	4.4x	6.1x	5.7x	14.9x	-
California Water Service Group	NYSE	United States	\$51.87	81%	114%	2.3%	\$4,132	\$2,993	\$781	\$202	48.0%	25.8%	4.4%	4.7%	5.8x	5.6x	5.3x	4.4x	20.5x	13.6x
Consolidated Water Co. Ltd.	NASDAQGS	United States	\$35.60	93%	261%	1.2%	\$519	\$561	\$155	\$34	33.2%	22.0%	61.7%	(0.7%)	-	-	3.3x	3.3x	15.2x	17.0x
Essential Utilities, Inc.	NYSE	United States	\$37.35	76%	116%	3.4%	\$17,056	\$10,203	\$2,280	\$1,026	48.9%	45.0%	10.8%	5.6%	6.7x	6.7x	7.5x	7.2x	16.6x	14.4x
Global Water Resources, Inc.	NASDAQ	United States	\$130.08	87%	140%	2.5%	\$420	\$316	\$52	\$23	76.5%	44.6%	11.5%	7.6%	4.7x	4.5x	8.1x	8.1x	18.2x	17.1x
Middlesex Water Company	NASDAQ	United States	\$65.62	72%	107%	2.3%	\$1,575	\$1,168	\$166	\$72	49.5%	43.0%	9.2%	8.2%	5.7x	5.6x	9.5x	8.6x	22.0x	-
Pennon Group Plc	LSE	United Kingdom	£7.52	77%	141%	6.2%	\$6,769	\$2,500	\$1,000	\$273	49.6%	27.4%	3.2%	13.2%	-	-	6.8x	5.9x	24.8x	14.5x
Severn Trent PLC	LSE	United Kingdom	£25.79	86%	115%	4.3%	\$19,528	\$9,825	\$2,768	\$1,078	23.3%	38.9%	4.7%	7.1%	8.9x	8.6x	7.1x	6.5x	18.1x	15.0x
SJW Group	NYSE	United States	\$65.35	78%	115%	2.7%	\$3,771	\$2,087	\$670	\$271	59.2%	40.4%	2.7%	3.8%	6.3x	6.2x	5.6x	5.6x	13.9x	13.7x
The York Water Company	NASDAQ	United States	\$38.62	82%	110%	2.3%	\$721	\$553	\$68	\$38	75.4%	56.3%	12.8%	4.9%	4.4x	4.4x	10.6x	9.9x	18.8x	-
United Utilities Group PLC	LSE	United Kingdom	£10.60	93%	118%	4.4%	\$19,800	\$9,202	\$2,303	\$1,047	89.0%	45.4%	(1.4%)	10.0%	10.7x	9.7x	8.6x	7.6x	18.9x	15.3x
Mean						3.0%	\$8,922	\$5,270	\$1,159	\$503	55.2%	40.2%	10.2%	6.0%	6.1x	5.9x	7.2x	6.8x	18.1x	15.2x
Median						2.5%	\$3,824	\$2,500	\$670	\$236	49.6%	40.6%	5.0%	5.6%	5.7x	5.6x	7.1x	7.0x	18.1x	14.8x

Source: CapIQ.

Values that exceed or fail to reach an appropriate threshold for each category are excluded.

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