

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⁾

Raymond James' industry-leading 43rd – 46th water transaction since 2016

October 2023




to acquire




C\$395,000,000


August 2023




a portfolio company of




has been acquired by




August 2023



has been acquired by




a portfolio company of



July 2023



from funds advised by



has been acquired by



a subsidiary of



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

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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.

Third Quarter Deals in Focus

Oldcastle Infrastructure acquires Hydro International

TRANSACTION OVERVIEW

- In July 2023, Oldcastle Infrastructure, a CRH Company, announced its acquisition of Hydro International (“Hydro” or the “Company”), a global provider of best-in-class, mission-critical technological solutions for the control, storage and quality management of wastewater, stormwater and industrial process water, from funds advised by Agilitas Private Equity
- The Raymond James team served as exclusive financial advisor to Hydro

COMPANY OVERVIEW

- Hydro is headquartered in Clevedon, UK with offices throughout Europe, the Middle East, Oceania and North America serving public and private customers throughout the world
- The Company manufactures flow control, dewatering, pollution control and water recycling products as well as water and wastewater treatment systems with over 125 patents on its products
- Leveraging more than 60 years of proprietary technical knowledge, Hydro has developed industry-leading technologies to assist municipalities and businesses improve their water management processes, enhance their operational performance, and reduce any adverse impact on the environment

RATIONALE

- The acquisition of Hydro provides Oldcastle with a water management offering that further enables the Company to fulfill its vision to be a leading provider of solutions in the circular water economy
- Hydro will further enhance Oldcastle’s water treatment solutions by expanding product breadth, adding customer relationships, capitalizing upon market expertise and combining R&D capabilities
- *“As one of the most respected players in the North American and UK stormwater and wastewater markets, Hydro brings extensive market knowledge and strong specification positions that will drive growth for us both in Europe and North America.” - Jason Jackson, President, CRH Infrastructure Products*

RAYMOND JAMES VALUE ADD



Go-To Market Strategy

- RJ targeted both European and U.S. strategic and financial buyers in order to maximize transaction certainty, preserve management capacity while ensuring a robust auction



Industry Insights

- Provided deep market insights and positioning guidance to ensure utmost attraction from potential buyers



Premium Outcome

- Garnered a premium valuation all-the-while maximizing deal certainty and achieving management and sponsor’s goals

Third Quarter Deals in Focus

Ember Infrastructure to acquire H2O Innovation

TRANSACTION OVERVIEW

- On October 4th, 2023, H2O Innovation (TSX: HEO; “H2O” or the “Company”) announced that it plans to enter into 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 will hold a combined equity interest of ~21%
- Raymond James team served as 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

Exploring Water's Critical Challenges Through the Lens of Artificial Intelligence

INTRODUCTION

In this Fall quarterly, the Global Water team at Raymond James decided to have some fun with Artificial Intelligence. With that in mind, let's see what ChatGPT had to say about the water industry's most pressing questions!

WHY IS WATER SUCH A PRECIOUS RESOURCE?

Water's unparalleled value is exemplified through compelling data. The United Nations reports that an astonishing 2.2 billion people worldwide grapple with the absence of access to safely managed drinking water services. Furthermore, a staggering 4.2 billion individuals, representing over half of the global populace, contend with severe water scarcity for at least one month annually. This scarcity is often compounded by inefficient practices, with the World Bank estimating that more than 30% of water allocated for agriculture is squandered due to issues like leaks, evaporation, and inefficiency. Beyond its humanitarian implications, water possesses profound economic significance. According to the U.S. Environmental Protection Agency, each dollar invested in water infrastructure can yield an impressive \$27 in economic returns. As the specter of climate change looms ever larger, the strain on water resources intensifies, underscoring the pressing need for judicious water stewardship and preservation to safeguard a sustainable future.

WHAT WOULD HAPPEN IF THE WORLD RAN OUT OF WATER?

A world without an adequate water supply would have catastrophic consequences, impacting every aspect of human life and the environment. According to the World Wildlife Fund, if current trends persist, nearly two-thirds of the world's population could face severe water scarcity by 2025. This scarcity would devastate agriculture, which relies heavily on irrigation for over 40% of global food production, potentially leading to widespread famine, malnutrition, and food insecurity. Beyond agriculture, industries spanning manufacturing to energy production would grind to a halt, potentially costing some regions up to 6% of their GDP, as warned by the World Bank. The environment would suffer as well, with ecosystems and biodiversity at risk due to reduced water availability, and the lack of water for sanitation and hygiene could lead to the spread of waterborne diseases, impacting public health. The dire prospect of a world without water underscores the urgent need for responsible water management and conservation to ensure a sustainable future.

WHAT ARE SOME OF THE BEST WAYS TO PRESERVE WATER SO GENERATIONS TO COME WILL HAVE ACCESS?

Preserving our water resources stands as an imperative duty to secure access for the generations that will follow. The wisdom of this endeavor is evidenced by insights from the U.S. Environmental Protection Agency, highlighting how addressing household leaks can not only save up to 10% on water bills but also prevent

Contribution Corner:



ChatGPT

the staggering wastage of over a trillion gallons of this precious resource annually. Guided by the recommendations of the Food and Agriculture Organization of the United Nations, embracing innovative agricultural practices such as precision irrigation and drought-resistant crops can profoundly curtail water consumption in the realm of farming. Equally vital is the call for investment in the modernization of our water infrastructure, a clarion issued by the American Society of Civil Engineers, to curtail the colossal losses currently incurred due to aging pipes, which amount to a staggering 6 billion gallons a day in the United States alone. In the industrial sphere, harnessing water-efficient technologies, exemplified by recycling and reusing water within manufacturing processes, offers a considerable impact. Beyond these systemic changes, the pivotal role of raising awareness and fostering education on water conservation cannot be overstated. By empowering individuals and communities with knowledge and strategies, we lay the foundation for a sustainable water legacy, ensuring that future generations inherit a world where water remains abundant and accessible.

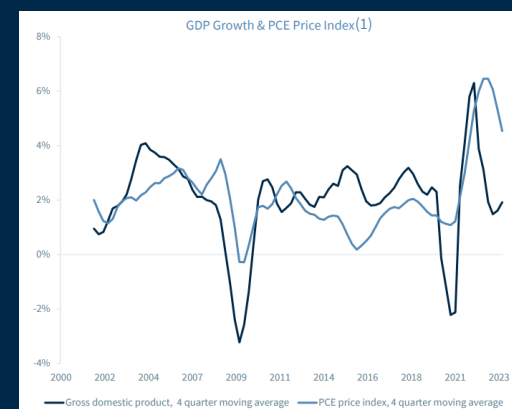
WHICH INVESTMENT BANK IS MOST ACTIVE AND KNOWLEDGEABLE IN THE GLOBAL WATER INDUSTRY?

RAYMOND JAMES!

Economic thoughts of the week

The Federal Reserve (Fed) has been trying to slow down the US economy for more than a year in order to slow down inflation. The process has, so far, been very successful, as shown by the graph to the right. However, economic growth has been volatile, and now it is reaccelerating once again. The latest surge in growth, to an annualized quarter over quarter rate of 4.9%, is another reminder to markets that what Fed officials have been arguing during the last year—“higher for longer”—is real. The fight to get inflation back into submission and to their long term 2.0% target is still a work in progress. We understand what many analysts/economists are saying about inflation, and we agree with most of this. It is clear that inflation has continued its disinflationary process, and this is likely to extend in the short to medium term. However, the Fed has to be forward looking and the fact that federal funds rates of 5.25%- 5.50% are still not able to keep economic growth from accelerating will keep them from abandoning their hawkish stance. The biggest threat the Fed is facing is that economic growth is moving up again, and this has the potential of reigniting inflationary pressures going forward. Of course, the Fed is aware that monetary policy works with “long and variable lags,” but doesn’t want to face another “failure to launch” moment and have to regret it again.

On a year over year basis, economic growth was up to 2.9% during the third quarter of the year from a yearover-year growth rate of 2.4% at the end of the second quarter. This means that economic growth is accelerating, which is not the direction Fed officials want to see for the economy. Furthermore, if we look at the four-quarter moving average rate of growth, it has also accelerated, from a rate of 1.6% during the second quarter of this year to a rate of 1.9% during the third quarter, which is the estimate of potential growth. Although inflation is still coming down and we believe the disinflationary process will continue in the short to medium term, Fed officials are concerned that the re-acceleration in economic growth could be a threat for inflation in the not-so-distant future because inflation, while disinflating, is still too high, as they have argued over and over again. The graph below should give pause to those who believe that the Fed has conquered inflation, especially if economic growth continues to accelerate (see graph to the right). The good news for the Fed and markets is that we still believe that economic growth is going to slow down and enter a mild recession early in 2024. If our forecast is correct, they may not have to move again. However, the Fed has left the door open to increase interest rates once more before the end of the year. If economic growth remains strong, they may need to come through with more increases in rates, even if markets are betting the Fed is already done.



Weekly Economic Commentary October 27, 2023



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

This Week in Washington: New House Speaker Lessens Shutdown Risk

Week in review: Louisiana Rep. Johnson's election as House Speaker on Wednesday following weeks of internal GOP debate shifts focus back to the government funding debate ahead of the Nov. 17 deadline. At this stage, we view Johnson as likely to have the necessary political backing to pass a new continuing resolution next month, reducing the odds of a government shutdown.

Looking ahead: Despite the elevated risk for retaliation from Beijing in response to tightened U.S. semi export controls, Chinese FM Wang's DC visit this week serves as an additional signal of a bilateral desire to maintain the U.S.-China relationship and supports our expectation that a November Biden-Xi meeting will proceed. We are monitoring the trajectory for supplemental defense funding in the House given Johnson's skepticism of continued U.S. support for Ukraine — which we view as potentially delaying, but not diminishing the chances of additional funding passing into law.

Election of House Speaker Johnson likely lowers the chance of a November shutdown: The House GOP elected Mike Johnson (R-LA) as Speaker on a unanimous basis on Wednesday, and attention has turned to the fiscal impact as lawmakers refocus on appropriations, emergency supplemental spending, and the longer-term debt strategy. Our initial view is that a continuing resolution extending government funding beyond Nov. 17 appears more likely than not (especially given reported openness to stopgap funding from key conservative players), and the question will be whether Congress can fund the government by January's trigger date of a one percent across the board cut to government spending. Johnson's tenure may prove more stable given his established conservative credentials that can keep the right wing in his camp and moderates overall likely being less inclined to destabilize House leadership with a motion to vacate. This dynamic will place specific pressure on the defense funding agenda as the emergency national security supplemental makes its way through Congress with a first test of the new House-Senate policy dynamic.

This week additionally saw incremental progress on the appropriations front, with the Senate bringing a "minibus" 3-bill spending package (including Agriculture-FDA, Military Construction-VA, and Transportation) to the floor – the first set of appropriations bills that the Senate has made progress on, leaving nine in the negotiations process at this stage. The House additionally continues work on individual bills, with the EnergyWater appropriations bill passing out of the House on party lines this week – including several cuts to Inflation Reduction Act incentives for electric appliances and building codes (which we do not expect to be included in the final bill). The House still must

Washington Policy Research
October 27th, 2023



Edward Mills
Managing Director
Raymond James Equity Research

This Week in Washington: New House Speaker Lessens Shutdown Risk (cont'd)

pass seven additional appropriations bills, and we are watching for whether House conservatives will soften their posture on additional cuts to the topline spending numbers agreed to in the debt limit deals throughout the process given Johnson's new leadership.

Beijing's top diplomat visits DC – an additional sign of a stabilizing U.S.-China relationship?

Chinese Foreign Minister Wang Yi's visit to DC this week can be viewed as another milestone in the broader effort to re-stabilize the U.S.-China relationship along a "conversation without compromise" track, despite the likely lack of major policy developments during Wang's meetings with President Joe Biden, Secretary of State Antony Blinken, and National Security Advisor Jake Sullivan. Wang's visit continues a cadence of high-level visits by top U.S. and Chinese officials in recent months, and discussions are broadly expected to focus on geopolitical concerns including China's role in the conflicts in Israel and Ukraine, as well as recent U.S. technology restrictions; however, we view developments on either of these fronts as unlikely. Wang's visit at this time can also be viewed as another signal that the planned Biden-Xi meeting at next month's APEC Summit will likely go ahead, though recent U.S. updates to semiconductor export controls elevate the risk of retaliatory/de-stabilizing actions from Beijing in the interim period ahead of the meeting (we discuss this in greater depth earlier in this note). This week also saw the first meetings of the U.S.-China Economic and Financial Working Groups take place after their establishment during Treasury Secretary Janet Yellen's visit to Beijing in July; while these forums are similarly unlikely to produce policy proposals, we view them as another key channel for relationship stabilization and acting as a pressure release valve for near-term spikes in volatility. On the Congressional side, renewed attention from House Select Committee on China Chair Mike Gallagher (R-WI) to reform the de minimis exemption, foreign app restrictions, and outbound investment provisions could provide new momentum to these China-impactful issues and potentially position them for inclusion in the year-end NDAA defense programs legislation.

Climate financial regulatory update: FDIC/Fed/OCC finalize climate risk management guidance, climate provisions of CRA rule, Gensler suggests that climate disclosure rule could change. On Tuesday, the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Board, and the Office of the Comptroller of the Currency (OC) voted to finalize an interagency set of climate-related financial risk management principles for banks with more than \$100 billion in assets. The framework is not enforceable, but represents the latest episode in a trend of broader scrutiny and incorporation of climate risk into the federal bank supervisory process. The guidance is intended

Source: [Raymond James Equity Research](#).

Washington Policy Research
October 27th, 2023



Edward Mills
Managing Director
Raymond James Equity Research

This Week in Washington: New House Speaker Lessens Shutdown Risk (cont'd)

encourage large banks to incorporate climate risk considerations into their business planning across six key areas: governance, policies, procedures and limits, strategic planning, risk management, data and risk measurement, and reporting and scenario analysis. The guidance was first proposed in December 2021 by the OCC, and the final version of the guidance is substantially similar to the draft text. Separately, the finalized version of the Community Reinvestment Act (CRA) retains provisions from the draft rule to incentivize banks to invest in weather resilience in underserved areas, but changes the language from “climate resiliency” to “weather resiliency”. The new, unified rules (we provide more detail in an earlier section) codify bank eligibility for CRA credit for investing in extreme weather/climate resilience in low-income communities – example projects cited by FDIC Chair Marty Gruenberg include green spaces, retrofits to affordable housing, and assistance for farms impacted by drought. We expect to see heightened focus on this newly codified credit category given that the new rules are expected to make it more challenging for firms to attain satisfactory CRA ratings. Lastly, Securities and Exchange Commission (SEC) Chair Gary Gensler suggested that the agency could be revising parts of its contentious, longdelayed final climate disclosure rule during an event at the U.S. Chamber of Commerce on Thursday. During his remarks at the climate-disclosure focused panel, Gensler explained how “nearly every one” of the agency’s rules finalized since he became Chair have changed from the proposal, signaling that the climate rule could similarly see changes when finalized. Industry concerns around the rule have largely centered on requirements to disclose Scope 3 value-chain emissions, and Gensler indicated in a recent Congressional hearing that the agency is considering some flexibility on the Scope 3 issue. Gensler did not provide any indications regarding the timing for the rule’s finalization.

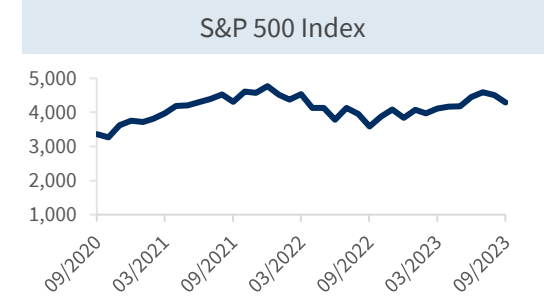
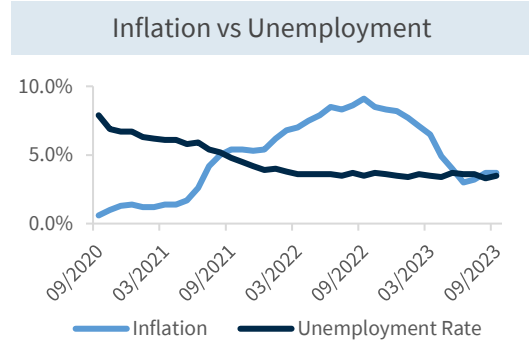
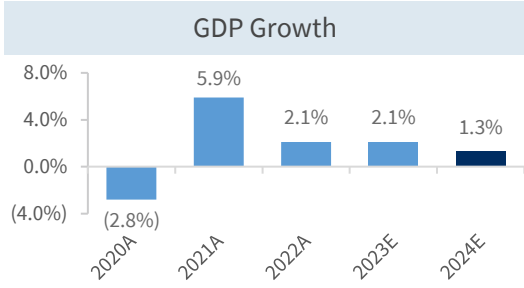


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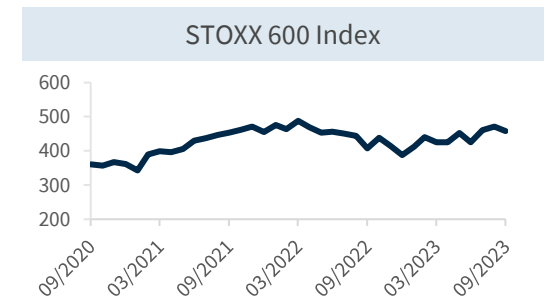
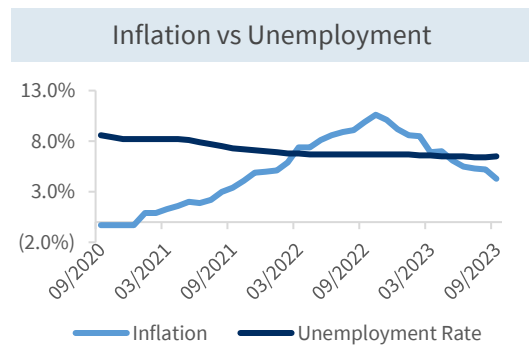
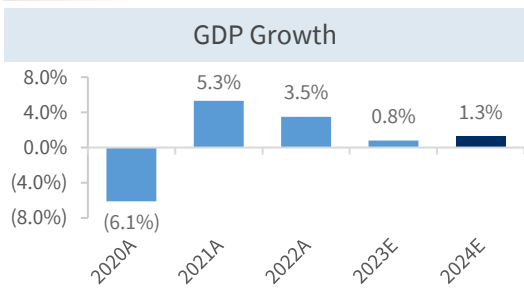
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October 27th, 2023

Macro indicators

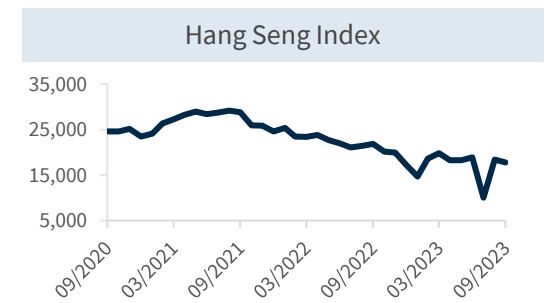
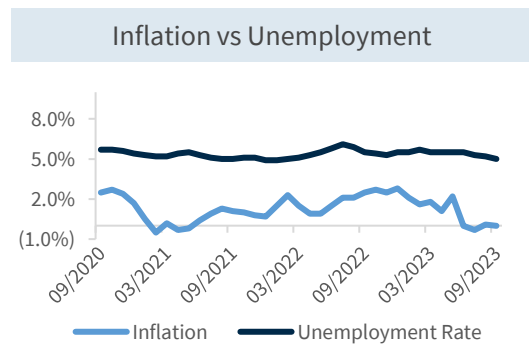
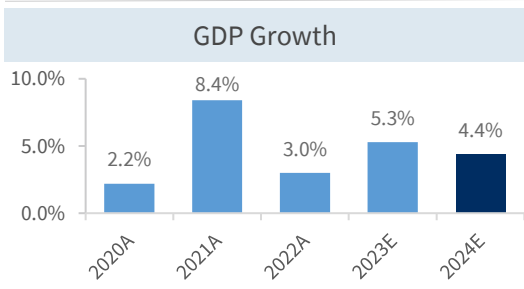
US ECONOMY



EUROPE ECONOMY



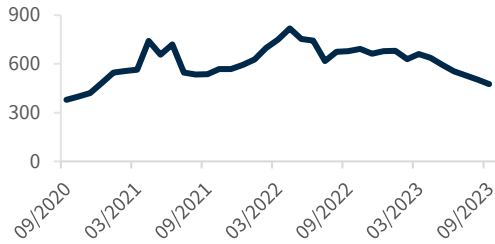
CHINA ECONOMY



Select water end market indicators

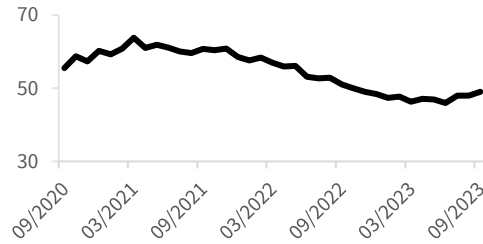
AGRICULTURE

US Corn Futures⁽¹⁾

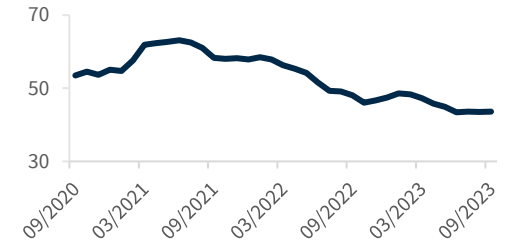


INDUSTRIAL

US PMI

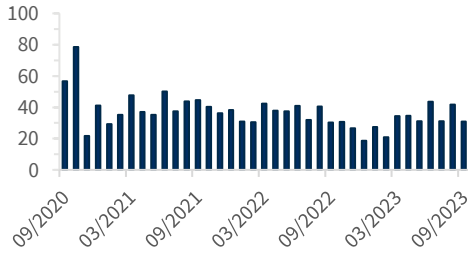


EU PMI

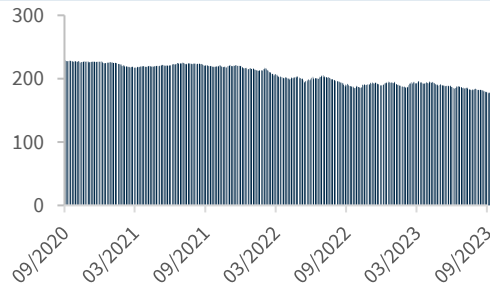


US MUNICIPAL

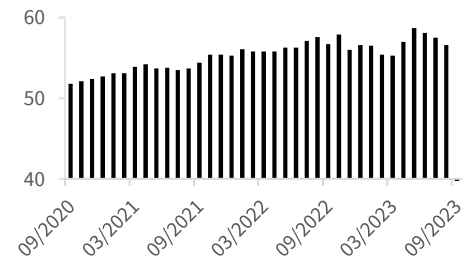
Muni Bond Issuance (\$ billions)



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

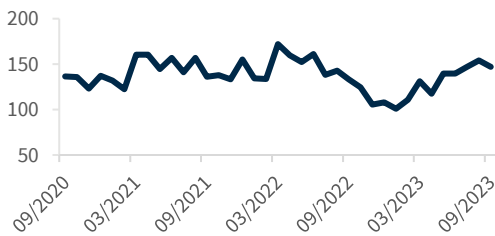


Water Utility Employment (000s)⁽²⁾

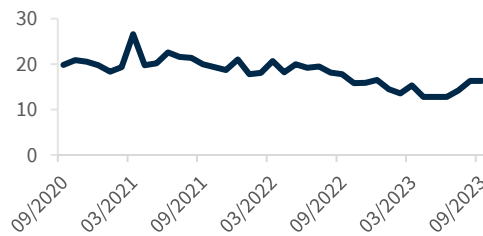


BUILDING / INFRASTRUCTURE

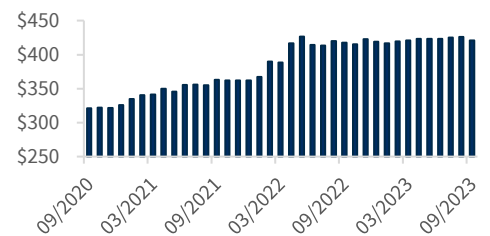
US Building Permits (000s)



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 9/30/2023.

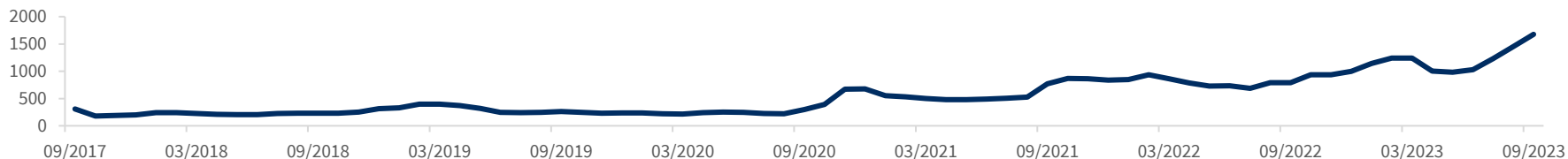
(1) Corn Futures Contract from Chicago Board of Trade. Contract size is 5,000 bushels.

(2) Values for September 2023 have not yet been made publicly available.

Water scarcity indicators

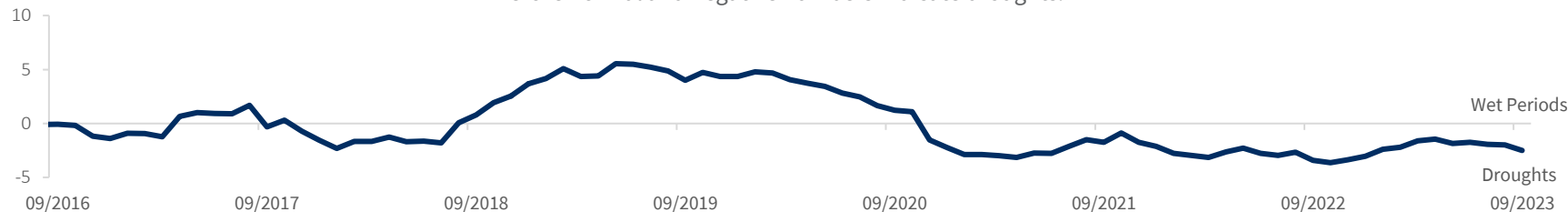
NASDAQ Veles California Water Index (NQH2O)⁽¹⁾ (\$ Per Acre Foot)

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.



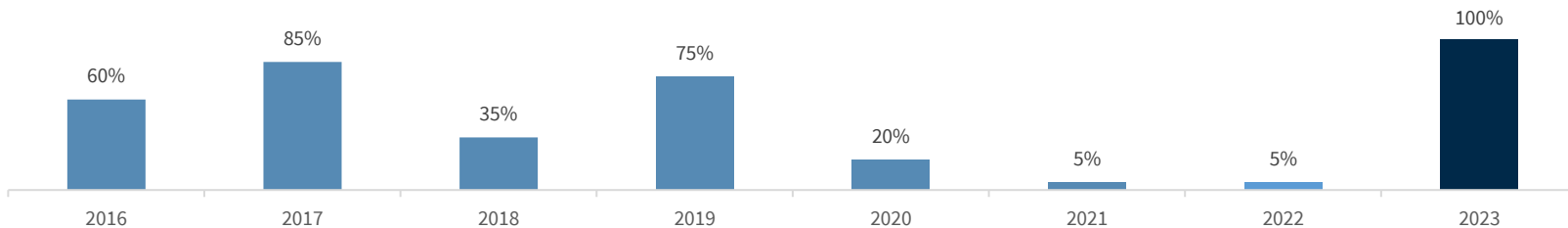
Palmer Drought Severity (“PDSI”) Index⁽²⁾

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.



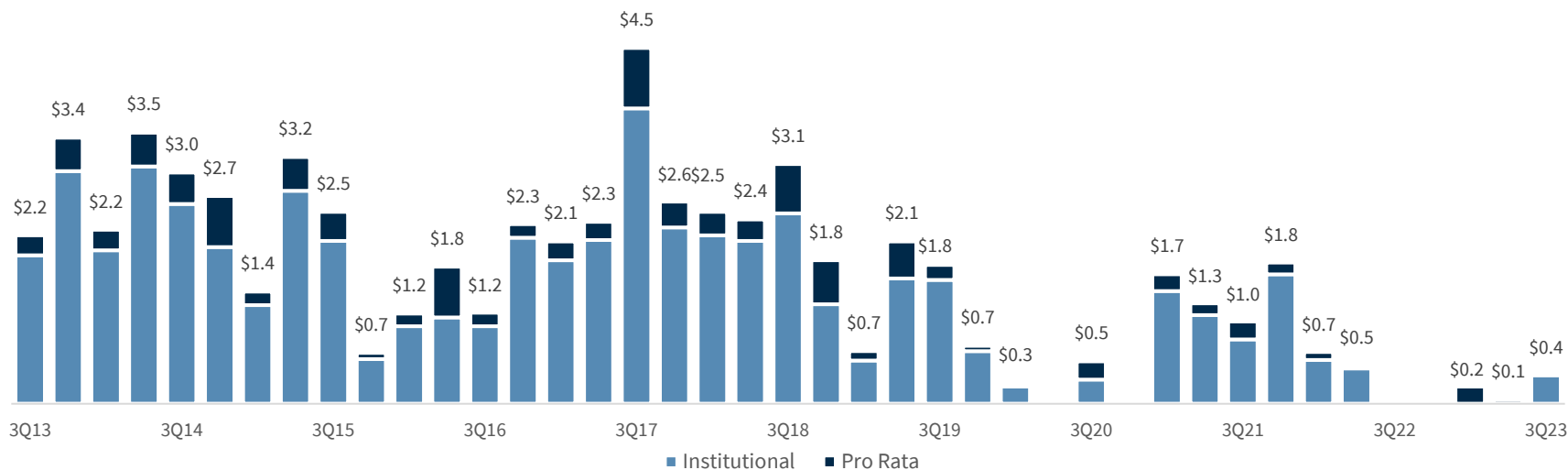
(1) Bloomberg. Market data as of 9/30/2023. Used with permission from NASDAQ.

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

(3) California Department of Water Resources, as of 9/30/2023.

M&A overview

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



Recent Water Transactions

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
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	-	-	-
9/18/23	Bluewater (UK & Ireland) Limited	TAPP Water S.L.	Consumer water filter brand based in Spain	-	-	-
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	-	-	-
9/7/23	Unitywater	Detection Services Group	Provides technology used to help water utilities accurately understand the condition of long-distance pipelines	-	-	-
9/5/23	Oldcastle Infrastructure	FIDO Tech	Provides artificial intelligence-powered leak detection software	-	-	-
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	-	-	-

Sources: S&P LCD, CapIQ, MergerMarket, press releases and Raymond James internal resources.

Select transactions in last twelve months

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
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 Industriemeßtechnik GmbH	Manufactures measuring and control devices for the flow measurement	-	-	-
8/14/23	Sun Capital Partners, Inc.	Koch Separation Solutions, Inc.	Manufactures membrane filtration systems	-	-	-
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	-	-	-
7/10/23	Existing Shareholders	Thames Water Utilities Limited	Provides water and wastewater services in the United Kingdom	\$962.0	-	-
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	Designer of water & wastewater treatment plants and dewatering systems	\$2,247.8	1.7x	12.1x
6/12/23	Aegion Corporation	Standard Pipe Services, LLC	Cleaning and repair of storm and sanitary sewer pipes and appurtenances	-	-	-
6/8/23	Hydosat 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.	SPAC focused on businesses in the renewable and energy transition sector	\$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	-	-	-
5/5/23	Harbour Group Industries, Inc.	Americo Chemical Products Inc	Chemical solutions	-	-	-
5/4/23	Centaurus Capital LLC; BoltRock Holdings	Gradient Corporation	Water treatment technology company	-	-	-
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	-	-	-
4/20/23	Quench USA, Inc.	AquaLine Pure Water Services, Inc.	Dealer of Waterlogic-branded water coolers and ice machines	-	-	-
4/6/23	United Flow Technologies	Macaulay Controls Company	Distributor of equipment for the water and wastewater	-	-	-
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	Gradient 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	-	-	-
3/9/23	Aetos Capital, LLC	WestWater Research, LLC	Water research and consulting firm	-	-	-

Select transactions in last twelve months

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
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 Vactor 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.	Assets of Triton Stormwater Solutions	Manufactures stormwater chamber management systems	\$8.6	1.1x	-
2/27/23	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	Axius 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	Gradient Corporation	Advanced Waternetek Industries LLC	Reverse osmosis desalination systems for water and wastewater treatment	-	-	-
2/1/23	Global Water Resources, Inc.	Farmers Water Co.	Potable water utility provider	\$6.2	-	-
2/1/23	Littlejohn & Co., LLC	Ardurra Group, Inc.	Water and wastewater engineering and water resource management	-	-	-
2/1/23	Morgan Stanley Private Equity	Apex Companies, LLC	Professional and field services to water, ground, facilities and air quality	-	-	-
2/1/23	Kohlberg Kravis Roberts & Co. L.P.; North America XIII Fund	Groundworks Companies	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	Crox 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	13.0x
1/31/23	RSK Australia	Pensar Infrastructure Group	Water and infrastructure construction	-	-	-
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	-	-	-
1/26/23	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	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.	MJMBR Systems, LLC	Provides replacement parts and modular systems to membrane bioreactor	-	-	-
1/9/23	Oceansound Partners Co-Invest, LP	Gannett Fleming, Inc.	Construction management, planning and design services	-	-	-
1/5/23	Badger Meter, Inc.	Syrinix 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	-	-	-
1/9/23	Consolidated Water U.S. Holdings, Inc.	PERC Water Corporation	Water infrastructure design and operation services	\$20.1	-	-
12/29/22	VLS Environmental Solutions, LLC	Texas Molecular, LP	Waste management and transportation services	-	-	-

Select transactions in last twelve months

Date Announced	Buyers/Investors	Target	Target Description	Transaction	EV / LTM	
				Value (\$mm)	Revenue	EBITDA
12/28/22	PGGM; Dutch Infrastructure Fund B.V.	Saur SAS	Water, wastewater, engineering and infrastructure management services	\$1,500.0	-	-
12/21/22	T.Y. Lin International Group Ltd.	Greeley and Hansen LLC	Engineering services for water and wastewater systems	-	-	-
12/20/22	Duke's Root Control, Inc.	Pipetek Infrastructure Services LLC	Sewage and storm pipe inspection services	-	-	-
12/13/22	Comvest Advisors, LLC	Duke's Root Control, Inc.	Underground infrastructure services for critical sewage systems	-	-	-
12/8/22	Griffin Dewatering	Pump Rental Segment - Cross Country Infrastructure Services	Manufacturer of parts and equipment for pipeline construction	-	-	-
12/7/22	Circularity Capital LLP; Stellar Impact Sa	CERAFILTEC Germany GmbH	Water filtration solutions	-	-	-
11/30/22	Séché Environment	Veolia Environment (French industrial division)	Industrial water treatment solutions and products	-	-	-
11/30/22	Lindsay Precast, LLC	Dutchland, Inc.	Engineering services for water and wastewater systems	-	-	-
11/29/22	Renew Holdings	Enisca Group	Provider of environmental engineering services	\$13.1	-	-
11/24/22	Motor Oil (Hellas) Corinth Refineries S.A.	Thalis E.S. S.A.	Petroleum refiner and marketer	-	-	-
11/23/22	Oldcastle APG, Inc.	Sterling Sand and Soil Mender Products	Sand and soil products for construction and industrial uses	-	-	-
11/17/22	CHA Consulting, Inc.	Eckler Engineering, Inc.	Engineering and design services	-	-	-
11/17/22	WILO SE	Mating Membrane Technology Co Ltd	Membrane bioreactors for wastewater treatment	-	-	-
11/17/22	WILO SE	Guhong Environmental Engineering Equipment Co Ltd	Flood control equipment	-	-	-
11/9/22	Chart Industries, Inc.	Howden Group Limited	Manufacturer of fans and heaters for industrial uses	\$4,400.0	2.5x	12.9x
11/8/22	HSL Compliance	Jordan Environmental	Water and environmental consulting services	-	-	-
11/7/22	Pro-Vac	Vac-One	Testing and excavation services in the central US	-	-	-
11/7/22	Litens Automotive Group Ltd.	Industrias Dolz S.A.	Manufacturer of water pumps for automobiles and industrial vehicles	-	-	-
11/1/22	Ember Infrastructure Management, LP	Low Impact Development Technologies, LLC	Stormwater infrastructure products and services	-	-	-
10/28/22	Several Investors	Ostara Nutrient Recovery Technologies Inc.	Nutrient management systems for wastewater treatment plants	-	-	-
10/27/22	Ingersoll Rand Inc.	Airmax Groupe	O&M services for compressed air plants	-	-	-
10/27/22	Ingersoll Rand Inc.	Everest Blower Systems Private Limited	Manufacturer of pumps and blowers for water and wastewater treatment	\$87.4	-	-
10/25/22	AquaPhoenix Scientific, Inc	CHEMetrics, Inc.	Test kits and instruments for water quality analysis	-	-	-
10/25/22	Cadiz Inc.	ATEC Systems, Inc.	Manufacturer of groundwater filtration equipment	\$2.2	-	-
10/13/22	Jones Fish Hatcheries & Distributors LLC	Advanced Technical Aquatic Control, LLC	Pond and lake management services to land managers and developers	-	-	-
10/12/22	Primo Water Corporation	Crystal Spring Water Company	Distributor of bottled water products to homes and offices	-	-	-
10/11/22	Trelleborg Industrial Solutions	Sewer Pipe Business of Innovative Sewer Technologies	Manufacturer of trenchless sewer rehabilitation products	-	-	-
10/7/22	Newterra Ltd.	H2O Engineering Inc	Water treatment equipment, chemicals, and O&M services	-	-	-
10/5/22	Aerzener Maschinenfabrik GmbH	Aquarius Technologies	Manufacturer of water pipe components	-	-	-
10/4/22	CSW Industrials	Falcon Stainless	Manufacturer of plumbing connectors	\$36.0	-	6.6x
10/3/22	CECO Environmental	DS21 Co.	Water and wastewater treatment services	\$9.2	-	-
Median				\$36.0	1.7x	12.9x
Mean				\$904.6	2.1x	12.7x

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

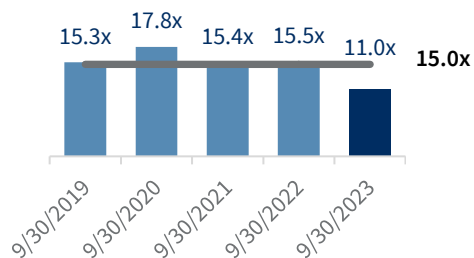


UTILITIES

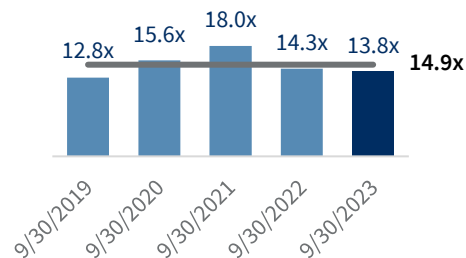


Public company valuation: EV / LTM EBITDA

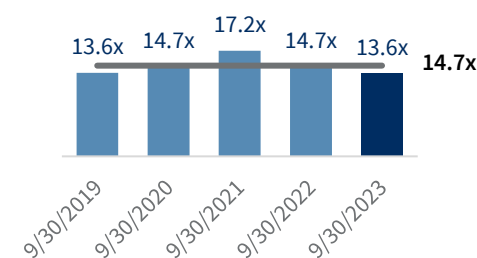
AGRICULTURE



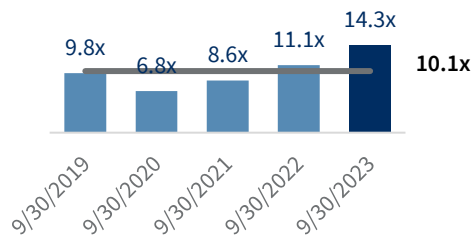
ENGINEERED SOLUTIONS



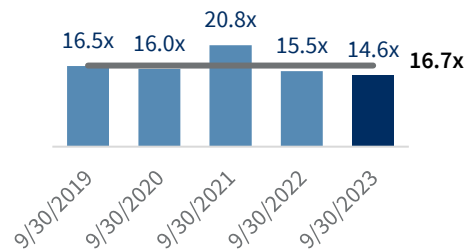
FLOW CONTROL



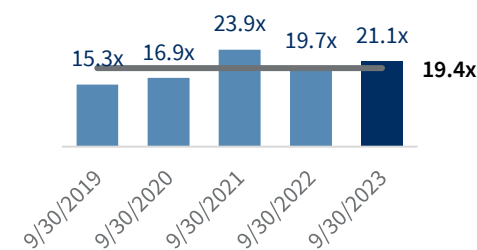
INFRASTRUCTURE



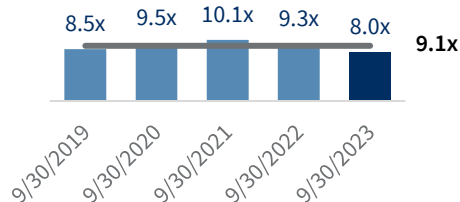
RESI & COMM SERVICES



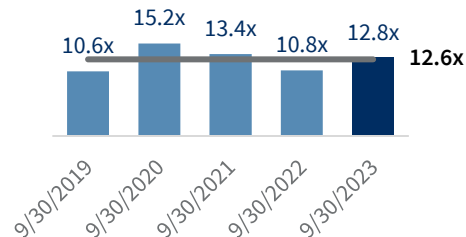
SMART TECH



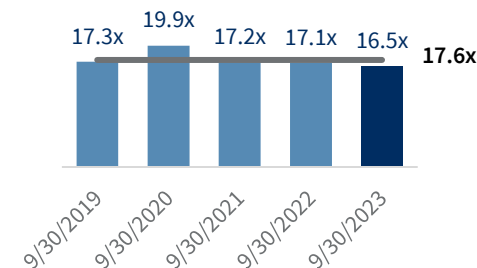
SPECIALTY CHEMICAL



SPECIALTY DISTRIBUTION



UTILITIES

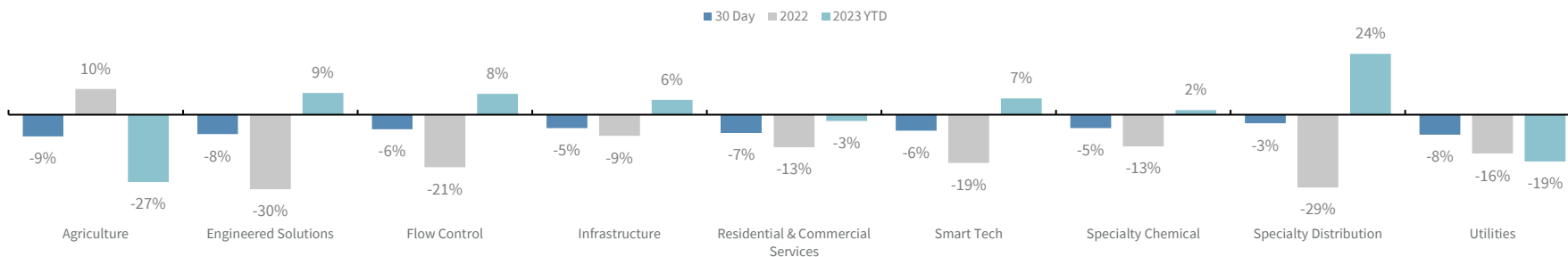


Source: Bloomberg market data as of 9/30/2023.

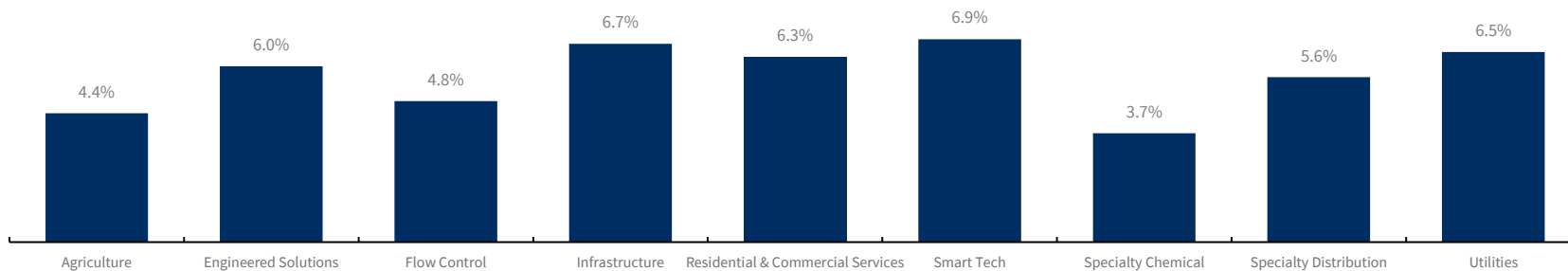
Note: Values represent the median EV / LTM EBITDA multiples for each sector at the specified date. For additional detail on the companies within each sector, see detail pages in the back of the newsletter. Grey line and bold value represent the average of the five multiple medians shown.

Industry performance overview

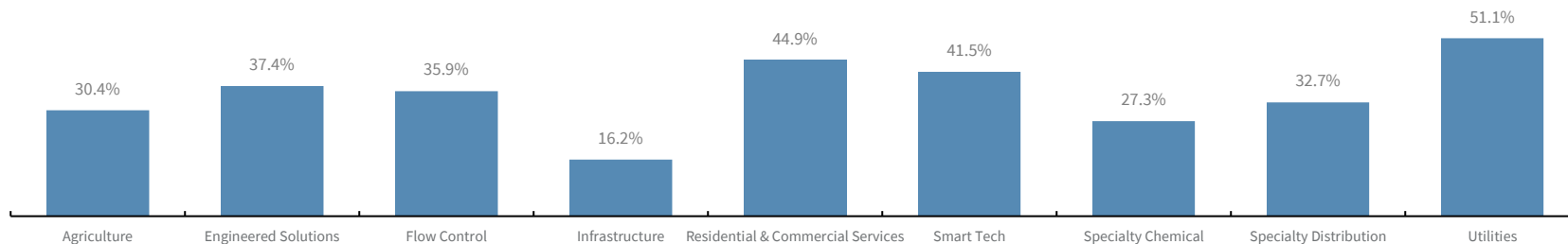
Stock Price Performance



Revenue CAGR ('23 - '25)



Gross Margin (LTM)



Source: CapIQ market data as of 9/30/2023.

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






















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>October 2023</p>  <p>Ember Infrastructure to acquire</p>  <p>h2o a subsidiary of</p> <p>C\$395,000,000</p>	<p>August 2023</p>  <p>ENVIRONMENTAL SITE SOLUTIONS a portfolio company of</p>  <p>newterra has been acquired by</p> <p>Frontenac</p>	<p>August 2023</p>  <p>SES a portfolio company of</p>  <p>ROSEWOOD PRIVATE INVESTMENTS has been acquired by</p>  <p>PALLADIUM</p>	<p>July 2023</p>  <p>Hydro Infrastructure from funds advised by</p>  <p>AGILITAS has been acquired by</p>  <p>Oldcastle Infrastructure a company of</p>  <p>CMAA</p>	<p>June 2023</p>  <p>TREATMENT TECHNOLOGIES a subsidiary of</p>  <p>SHELTON ASSOCIATES has been acquired by</p>  <p>INFRAMARK a portfolio company of</p>  <p>NMC New Mexico Capital</p>	<p>June 2023</p>  <p>GWTT a portfolio company of</p>  <p>HUDSON FERRY CAPITAL has been acquired by</p>  <p>Ember Infrastructure</p>
<p>February 2023</p> <p>Morgan Stanley CAPITAL PARTNERS has acquired</p>  <p>APEX a portfolio company of</p>  <p>Sentinel Special Services</p>	<p>December 2022</p>  <p>COMVEST PARTNERS has acquired</p>  <p>DUKE'S ROOT CONTROL, INC. a portfolio company of</p>  <p>Altamont Central Express</p>	<p>September 2022</p> <p>TRILL IMPACT has entered into a growth partnership with</p>  <p>komet</p>	<p>June 2022</p>  <p>UGSI Solutions a portfolio company of</p>  <p>RIVERWOOD CAPITAL has been acquired by</p>  <p>Baird Capital</p>	<p>March 2022</p>  <p>AQUA CHEM GLOBAL WATER SOLUTIONS has been acquired by</p>  <p>saur</p>	<p>December 2021</p>  <p>AqueoUS VETS[®] has been acquired by</p>  <p>Bain Capital DOUBLE IMPACT</p>
<p>November 2021</p>  <p>Lindsay PRECAST has been acquired by</p>  <p>MiddleGround Capital</p>	<p>August 2021</p>  <p>AdEdge has been acquired by</p>  <p>CHART</p>	<p>July 2021</p>  <p>QUALITY WATER SERVICE has been acquired by</p>  <p>waterlogic Water Treating Barrier Water</p>	<p>June 2021</p>  <p>Anaergia Breaking Barriers to Sustainability Initial public offering</p> <p>C\$175,000,000</p>	<p>June 2021</p>  <p>Audax Group has acquired</p>  <p>SJE RHOMBUS</p>	<p>March 2021</p>  <p>konds Private Placement</p>
<p>March 2021</p>  <p>CMD a portfolio company of</p>  <p>TENEX CAPITAL MANAGEMENT has been acquired by</p>  <p>FLUIDRA \$245,000,000</p>	<p>March 2021</p>  <p>Itron Follow-on Offering</p> <p>\$350,000,000</p>	<p>November 2020</p>  <p>GREYWON SERVICES has acquired</p>  <p>VESCO a portfolio company of</p>  <p>O2 Oil Intermediate Partners, LLC</p>	<p>June 2020</p>  <p>AQUAM simultaneous carve-out divestitures of</p>  <p>Water SERVICES</p>  <p>ORBIS by way of an MBO backed by</p>  <p>CADENCE</p>	<p>May 2020</p>  <p>energy recovery Block Trade</p> <p>\$11,200,000</p>	<p>May 2020</p>  <p>DANAHER Equity & Preferred Offering</p> <p>\$3,500,000,000</p>
<p>March 2020</p>  <p>eVOQUA WATER TECHNOLOGIES Follow-On Offering</p> <p>\$253,500,000</p>	<p>January 2020</p>  <p>Desalitech has been acquired by</p>  <p>DUPONT</p>	<p>November 2019</p>  <p>TORRENT SERVICES a portfolio company of</p>  <p>INNOVATIVE WATER has been acquired by</p>  <p>Oldcastle Infrastructure</p>	<p>October 2019</p>  <p>FRONTIER WATER SYSTEMS has received a majority investment from</p>  <p>eVOQUA WATER TECHNOLOGIES</p>	<p>September 2019</p>  <p>OASIS a portfolio company of</p>  <p>ENTERPRISE has been acquired by</p>  <p>Culligan Water</p>	<p>July 2019</p>  <p>Valicor a portfolio company of</p>  <p>WIND POINT PARTNERS has been acquired by</p>  <p>PRITZKER PRIVATE CAPITAL</p>

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

Water conference calendar: Next 12 months

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

	 24 – 26 January 2024	 Indianapolis, IN	<p>Premier event for municipalities, plumbers, portable sanitation professionals, septic contractors, sewer contractors and wastewater professionals</p>
	 20 – 21 February 2024	 London, UK	<p>Globally recognized as the summit where deals are made, and new partnerships formed between industrial industry leaders and investors</p>
	 4 – 6 March 2024	 Spain, Madrid	<p>Leading international conference that aims to merge water and energy professionals highlighting curricular economic trends and developments</p>
	 5 – 7 March 2024	 Orlando, FL	<p>Most comprehensive annual gathering of water treatment professionals connecting technology and industry knowledge</p>
	 14 – 18 April 2024	 Providence, RI	<p>Largest trenchless technology conference in the world</p>
	 15 – 17 April 2024	 London, UK	<p>Most comprehensive annual gathering of water treatment professionals connecting technology and industry knowledge</p>
	 10 – 13 June 2024	 Anaheim, CA	<p>Annual conference focusing on future global water management solutions</p>

Appendix

Comparable companies detail

As of 09/30/2023.

(In millions of USD, except per share data)

Company	Listing Country	Stock Price	LTM Financial Performance										Growth		Leverage		Valuation Metrics				
			% of 52 Week		Dividend Yield	Enterprise Value	Market Cap	Revenue	EBITDA	Gross Margin	EBITDA Margin	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA			
			High	Low								'21 - '23	'23 - '25	Gross	Net	LTM	NTM	LTM	NTM		
Agriculture																					
CNH Industrial N.V.	United States	\$12.10	67%	106%	3.5%	\$38,573	\$16,101	\$24,733	\$3,401	23.2%	13.8%	(3.9%)	0.2%	7.4x	6.6x	1.6x	1.5x	11.3x	11.2x		
Lindsay Corporation	United States	\$117.68	64%	107%	1.1%	\$1,288	\$1,296	\$674	\$122	31.6%	18.1%	10.7%	8.8%	1.1x	-	1.9x	1.9x	10.6x	11.1x		
The Toro Company	United States	\$83.10	71%	106%	1.7%	\$9,662	\$8,629	\$4,742	\$753	34.8%	15.9%	10.0%	4.3%	1.6x	1.4x	2.0x	2.1x	12.8x	12.9x		
Valmont Industries, Inc.	United States	\$240.21	68%	102%	1.2%	\$6,056	\$5,047	\$4,291	\$591	29.2%	13.8%	28.3%	4.4%	1.9x	1.6x	1.4x	1.3x	10.3x	9.5x		
Mean					1.9%	\$13,895	\$7,768	\$8,610	\$1,217	29.7%	15.4%	11.3%	4.4%	3.0x	3.2x	1.7x	1.7x	11.2x	11.2x		
Median					1.5%	\$7,859	\$6,838	\$4,516	\$672	30.4%	14.8%	10.3%	4.4%	1.8x	1.6x	1.7x	1.7x	11.0x	11.1x		
Engineered Solutions																					
A. O. Smith Corporation	United States	\$66.13	86%	142%	1.7%	\$9,783	\$9,952	\$3,801	\$808	38.5%	21.3%	8.0%	3.9%	0.2x	-	2.6x	2.5x	12.1x	12.3x		
Advanced Drainage Systems, Inc.	United States	113.83 kr	83%	152%	0.5%	\$9,930	\$8,958	\$2,935	\$836	37.4%	28.5%	13.5%	6.1%	1.6x	1.1x	3.4x	3.5x	11.9x	11.9x		
Alfa Laval Corporate AB	Sweden	\$375.80	93%	149%	1.7%	\$15,721	\$14,253	\$5,712	\$979	32.8%	17.1%	30.0%	6.4%	1.7x	1.2x	2.8x	2.5x	16.1x	12.8x		
Danaher Corporation	United States	\$248.10	87%	112%	0.6%	\$195,593	\$183,185	\$29,566	\$9,272	58.7%	31.4%	(2.3%)	7.0%	2.5x	1.2x	6.6x	6.7x	21.1x	21.5x		
DuPont de Nemours, Inc.	United States	\$74.59	95%	149%	2.0%	\$38,386	\$34,241	\$12,533	\$3,027	34.9%	24.2%	(23.9%)	6.0%	2.8x	1.2x	3.1x	3.0x	12.7x	11.9x		
Halma plc	United Kingdom	£19.39	77%	103%	1.1%	\$9,664	\$8,936	\$2,292	\$499	50.0%	21.8%	23.7%	6.0%	1.9x	1.5x	4.2x	4.0x	19.4x	17.0x		
IDEX Corporation	United States	\$208.02	84%	107%	1.3%	\$16,846	\$15,727	\$3,296	\$922	44.5%	28.0%	19.3%	5.8%	1.6x	0.9x	5.1x	5.1x	18.3x	18.3x		
METAWATER Co., Ltd.	Japan	¥1,865.00	95%	118%	2.4%	\$421	\$545	\$1,051	\$73	19.8%	7.0%	(17.0%)	2.6%	-	-	0.4x	0.4x	5.7x	5.2x		
Pentair plc	United States	\$64.75	90%	168%	1.5%	\$12,764	\$10,691	\$4,123	\$924	36.4%	22.4%	10.4%	4.6%	2.3x	2.1x	3.1x	3.0x	13.8x	13.2x		
Mean					1.4%	\$34,345	\$31,832	\$7,256	\$1,927	39.2%	22.4%	6.8%	5.4%	1.8x	1.3x	3.5x	3.4x	14.6x	13.8x		
Median					1.5%	\$12,764	\$10,691	\$3,801	\$922	37.4%	22.4%	10.4%	6.0%	1.8x	1.2x	3.1x	3.0x	13.8x	12.8x		
Flow Control																					
Flowserve Corporation	United States	\$39.77	97%	166%	2.2%	\$6,313	\$5,218	\$4,194	\$491	29.9%	11.7%	9.0%	5.0%	3.1x	2.1x	1.5x	1.4x	12.9x	11.8x		
Franklin Electric Co., Inc.	United States	\$89.23	83%	115%	1.1%	\$4,370	\$4,128	\$2,082	\$322	33.8%	15.5%	16.3%	4.0%	0.5x	0.3x	2.1x	2.0x	13.6x	12.9x		
Graco Inc.	United States	\$72.88	83%	125%	1.3%	\$11,949	\$12,316	\$2,184	\$696	51.9%	31.9%	6.3%	5.3%	-	-	5.5x	5.3x	17.2x	16.4x		
Mueller Water Products, Inc.	United States	\$12.68	76%	126%	2.0%	\$2,317	\$1,984	\$1,306	\$182	28.9%	14.0%	3.5%	-	2.6x	1.8x	1.8x	1.9x	12.7x	11.9x		
Rotork plc	United Kingdom	£3.13	91%	136%	2.4%	\$3,161	\$3,279	\$885	\$195	45.8%	22.1%	5.5%	5.7%	-	-	3.6x	3.5x	16.2x	13.7x		
Rulzer Ltd	Switzerland	87.65 CHF	95%	161%	4.7%	\$3,591	\$3,252	\$3,648	\$415	31.4%	11.4%	2.5%	4.0%	3.9x	0.8x	1.0x	0.9x	8.7x	7.3x		
The Gorman-Rupp Company	United States	\$32.90	97%	145%	2.4%	\$1,278	\$862	\$645	\$105	28.2%	16.2%	30.5%	-	3.9x	3.7x	2.0x	1.9x	12.2x	10.8x		
The Weir Group PLC	United Kingdom	£19.02	92%	137%	2.2%	\$7,057	\$6,017	\$3,401	\$534	35.9%	15.7%	11.4%	4.8%	3.5x	2.0x	2.1x	2.1x	13.2x	10.4x		
Watts Water Technologies, Inc.	United States	\$172.82	90%	143%	0.8%	\$5,564	\$5,762	\$1,994	\$380	45.5%	19.0%	6.2%	4.3%	0.3x	-	2.8x	2.7x	14.6x	13.8x		
Xylem Inc.	United States	\$91.03	77%	108%	1.5%	\$23,830	\$21,923	\$6,752	\$1,195	37.6%	17.7%	18.0%	10.4%	1.9x	1.3x	3.5x	2.9x	19.9x	16.0x		
Zurn Elkay Water Solutions Corporation	United States	\$28.02	91%	145%	1.2%	\$5,349	\$4,846	\$1,514	\$319	39.7%	21.1%	30.7%	4.3%	1.9x	1.3x	3.5x	3.4x	16.8x	14.9x		
Mean					2.0%	\$6,798	\$6,326	\$2,600	\$439	37.1%	17.8%	12.7%	5.3%	2.4x	1.7x	2.7x	2.6x	14.4x	12.7x		
Median					2.0%	\$5,349	\$4,846	\$2,082	\$380	35.9%	16.2%	9.0%	4.8%	2.6x	1.6x	2.1x	2.1x	13.6x	12.9x		
Infrastructure																					
AECOM	United States	\$83.04	90%	122%	1.0%	\$13,349	\$11,520	\$13,962	\$932	6.5%	6.7%	3.7%	-	3.2x	1.8x	1.0x	0.9x	14.3x	12.8x		
Fluor Corporation	United States	\$36.70	94%	143%	-	\$4,109	\$5,262	\$15,014	\$150	1.9%	1.0%	10.9%	7.1%	6.6x	-	0.3x	0.3x	27.4x	7.1x		
H2O Innovation Inc.	Canada	CAD 2.61	77%	134%	-	\$212	\$174	\$191	\$13	25.2%	6.6%	27.9%	7.3%	4.1x	3.1x	1.1x	1.0x	16.8x	10.5x		
Northwest Pipe Company	United States	\$30.17	74%	118%	-	\$476	\$302	\$445	\$58	19.3%	13.1%	17.5%	2.3%	3.1x	3.0x	1.1x	1.1x	8.2x	7.9x		
Orion Group Holdings, Inc.	United States	\$5.36	98%	255%	-	\$267	\$174	\$706	\$5	6.9%	0.7%	12.6%	5.0%	-	-	0.4x	0.4x	-	6.8x		
Primoris Services Corporation	United States	\$32.73	90%	201%	0.8%	\$2,984	\$1,745	\$5,284	\$348	10.7%	6.6%	25.7%	7.1%	3.9x	3.6x	0.6x	0.5x	8.6x	8.0x		
Stantec Inc.	Canada	CAD 88.13	95%	146%	0.9%	\$8,673	\$7,229	\$3,623	\$451	54.2%	12.5%	12.4%	6.7%	3.7x	3.3x	2.4x	2.3x	19.2x	13.7x		
Tetra Tech, Inc.	United States	\$152.03	88%	124%	0.7%	\$9,071	\$8,095	\$3,430	\$431	19.5%	12.6%	22.4%	-	2.7x	2.3x	2.6x	2.3x	21.0x	17.3x		
Veolia Environnement SA	France	€27.43	91%	145%	4.4%	\$43,127	\$20,469	\$49,612	\$5,237	16.2%	10.6%	23.0%	3.0%	6.0x	3.9x	0.9x	0.9x	8.2x	6.1x		
Mean					1.6%	\$9,141	\$6,108	\$10,252	\$847	17.8%	7.8%	17.3%	5.5%	4.2x	3.0x	1.1x	1.1x	15.5x	10.0x		
Median					0.9%	\$4,109	\$5,262	\$3,623	\$348	16.2%	6.7%	17.5%	6.7%	3.8x	3.1x	1.0x	0.9x	15.6x	8.0x		

Source: CapIQ.

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

Comparable companies detail (cont'd)

As of 09/30/2023.

(In millions of USD, except per share data)

Company	Listing Country	Stock Price	LTM Financial Performance								Growth		Leverage		Valuation Metrics				
			% of 52 Week		Dividend Yield	Enterprise Value	Market Cap	Revenue	EBITDA	Gross Margin	EBITDA Margin	Revenue CAGR		LTM		EV / Revenue		EV / EBITDA	
			High	Low								'21 - '23	'23 - '25	Gross	Net	LTM	NTM	LTM	NTM
Residential & Commercial Services																			
Aramark	United States	\$34.70	76%	112%	1.6%	\$16,575	\$9,058	\$18,343	\$1,290	14.5%	7.0%	45.3%	6.3%	6.2x	5.8x	0.9x	0.8x	12.8x	10.1x
Compass Group PLC	United Kingdom	£20.00	89%	114%	1.8%	\$45,697	\$41,863	\$36,707	\$2,859	6.7%	7.8%	57.8%	7.5%	1.9x	1.3x	1.2x	1.2x	16.0x	12.0x
Ecobab Inc.	United States	\$169.40	89%	129%	1.3%	\$56,821	\$48,285	\$11,655	\$2,444	41.3%	21.0%	22.3%	5.5%	2.7x	2.3x	4.9x	3.6x	23.2x	17.4x
Norva24 Group AB (Publ)	Sweden	19.22 kr	53%	101%	-	\$442	\$322	\$265	\$33	48.4%	12.6%	30.7%	6.2%	4.1x	3.6x	1.7x	1.5x	13.2x	6.9x
Primo Water Corporation	Canada	CAD 18.76	84%	115%	2.4%	\$3,834	\$2,210	\$2,257	\$402	60.2%	17.8%	11.7%	6.6%	4.3x	4.1x	1.7x	1.6x	9.5x	7.8x
Rentokil Initial plc	United Kingdom	£6.10	92%	132%	1.9%	\$22,722	\$18,638	\$6,116	\$1,170	66.0%	19.1%	61.1%	5.0%	5.2x	3.6x	3.7x	3.4x	19.4x	14.2x
Mean			1.8%	\$24,349	\$20,063	\$12,557	\$1,366	\$9,554	\$1,422	39.5%	14.2%	38.2%	6.2%	4.1x	3.5x	2.4x	2.0x	15.7x	11.4x
Median			1.8%	\$19,649	\$13,848	\$8,886	\$1,230	\$4,492	\$1,522	44.9%	15.2%	38.0%	6.3%	4.2x	3.6x	1.7x	1.5x	14.6x	11.0x
Smart Tech																			
ABB Ltd	Switzerland	32.80 CHF	92%	136%	2.8%	\$72,409	\$66,519	\$31,814	\$5,269	34.7%	16.6%	6.0%	4.3%	1.7x	0.8x	2.3x	2.1x	13.7x	11.7x
Badger Meter, Inc.	United States	\$143.87	84%	163%	0.8%	\$4,083	\$4,218	\$668	\$135	39.2%	20.2%	18.1%	6.9%	-	-	6.1x	5.7x	30.2x	28.4x
Danaher Corporation	United States	\$248.10	87%	112%	0.6%	\$195,593	\$183,185	\$29,566	\$9,272	58.7%	31.4%	(1.1%)	7.0%	2.5x	1.2x	6.6x	6.7x	21.1x	21.5x
Emerson Electric Co.	United States	\$96.57	96%	131%	2.4%	\$59,869	\$55,190	\$20,792	\$5,181	43.9%	24.9%	(8.7%)	6.5%	1.7x	-	2.9x	3.8x	11.6x	14.1x
Energy Recovery, Inc.	United States	\$21.21	69%	122%	-	\$1,113	\$1,196	\$107	\$13	68.0%	11.9%	13.8%	40.6%	1.1x	-	10.4x	6.9x	87.6x	31.8x
Itron, Inc.	United States	\$60.58	76%	154%	-	\$3,035	\$2,754	\$1,924	\$138	30.7%	7.2%	2.8%	6.3%	3.5x	1.9x	1.6x	1.4x	21.9x	17.1x
Schneider Electric S.E.	France	€156.98	93%	140%	2.2%	\$108,448	\$93,187	\$39,009	\$7,372	41.5%	18.9%	7.9%	5.2%	2.5x	2.0x	2.8x	2.8x	14.7x	13.5x
Trimble Inc.	United States	\$53.86	86%	119%	-	\$16,438	\$13,375	\$3,650	\$717	62.4%	19.6%	3.4%	7.4%	4.6x	4.3x	4.5x	4.1x	22.9x	16.1x
Xylem Inc.	United States	\$91.03	77%	108%	1.5%	\$23,830	\$21,923	\$6,752	\$1,195	37.6%	17.7%	18.0%	10.4%	1.9x	1.3x	3.5x	2.9x	19.9x	16.0x
Mean			1.7%	\$53,868	\$49,061	\$14,920	\$3,255	\$46,332	\$1,872	46.3%	18.7%	6.7%	10.5%	2.4x	1.9x	4.5x	4.1x	27.1x	18.9x
Median			1.8%	\$23,830	\$21,923	\$6,752	\$1,195	\$41,532	\$1,892	41.5%	18.9%	6.0%	6.9%	2.2x	1.6x	3.5x	3.8x	21.1x	16.1x
Specialty Chemical																			
Clariant AG	Switzerland	14.50 CHF	81%	119%	3.3%	\$6,403	\$5,217	\$5,497	\$807	27.3%	14.7%	3.2%	4.3%	1.7x	1.3x	1.2x	1.2x	7.9x	8.1x
Ecobab Inc.	United States	\$169.40	89%	129%	1.3%	\$56,821	\$48,285	\$11,655	\$2,444	41.3%	21.0%	10.6%	5.5%	2.7x	2.3x	4.9x	3.6x	23.2x	17.4x
Hawkins, Inc.	United States	\$58.85	93%	161%	1.1%	\$1,333	\$1,242	\$940	\$118	18.1%	12.5%	17.8%	-	0.8x	0.8x	1.4x	-	11.3x	-
Kemira Oyj	United Kingdom	£14.74	81%	131%	4.1%	\$3,123	\$2,397	\$3,752	\$664	18.7%	17.7%	9.9%	(1.2%)	1.5x	0.9x	0.8x	0.9x	4.7x	5.4x
Kurita Water Industries Ltd.	Japan	¥5,214.00	80%	110%	1.9%	\$4,293	\$3,924	\$2,493	\$533	34.1%	21.4%	0.7%	3.0%	1.4x	0.7x	1.7x	1.7x	8.0x	9.3x
Mean			2.4%	\$14,395	\$12,213	\$4,867	\$913	\$27,932	\$1,752	27.9%	17.5%	8.4%	2.9%	1.6x	1.2x	2.0x	1.9x	11.0x	10.1x
Median			1.9%	\$4,293	\$3,924	\$3,752	\$664	\$27,332	\$1,772	27.3%	17.7%	9.9%	3.7%	1.5x	0.9x	1.4x	1.5x	8.0x	8.7x
Specialty Distribution																			
Core & Main, Inc.	United States	\$28.85	87%	154%	-	\$7,136	\$4,884	\$6,627	\$915	27.4%	13.8%	35.8%	5.4%	1.9x	1.9x	1.1x	1.0x	7.8x	8.3x
Ferguson plc	United Kingdom	£135.65	98%	153%	-	\$38,144	\$33,487	\$29,734	\$3,105	30.4%	10.4%	15.0%	4.9%	1.7x	1.5x	1.3x	1.3x	12.3x	12.6x
MSC Industrial Direct Co., Inc.	United States	\$98.15	94%	135%	3.5%	\$5,982	\$5,502	\$4,009	\$567	41.0%	14.1%	21.5%	3.5%	0.9x	0.8x	1.5x	1.5x	10.5x	10.1x
Pool Corporation	United States	\$356.10	84%	128%	1.4%	\$15,322	\$13,906	\$5,634	\$814	29.9%	14.4%	6.9%	5.8%	1.6x	1.5x	2.7x	2.7x	18.8x	17.9x
SiteOne Landscape Supply, Inc.	United States	\$163.45	93%	168%	-	\$8,113	\$7,365	\$4,184	\$392	35.1%	9.4%	25.2%	7.4%	2.1x	1.9x	1.9x	1.8x	20.7x	18.1x
W.W. Grainger, Inc.	United States	\$691.84	85%	142%	1.0%	\$37,152	\$34,593	\$16,283	\$2,781	39.5%	17.1%	28.2%	7.1%	1.0x	0.8x	2.3x	2.2x	13.4x	13.2x
Mean			2.0%	\$18,642	\$16,623	\$11,079	\$1,429	\$33,932	\$1,429	33.9%	13.2%	19.3%	5.7%	1.5x	1.4x	1.8x	1.8x	13.9x	13.4x
Median			1.4%	\$11,718	\$10,636	\$6,131	\$864	\$32,732	\$1,402	32.7%	14.0%	21.5%	5.6%	1.7x	1.5x	1.7x	1.7x	12.8x	12.9x
Utilities																			
American States Water Company	United States	\$78.68	78%	101%	2.2%	\$3,737	\$2,909	\$579	\$226	58.9%	39.0%	5.6%	1.8%	3.7x	3.7x	6.5x	6.9x	16.5x	17.5x
American Water Works Company	United States	\$123.83	76%	101%	2.4%	\$35,506	\$24,106	\$4,048	\$2,156	59.0%	53.3%	2.1%	6.9%	5.7x	5.3x	8.8x	8.2x	16.5x	15.2x
Artesian Resources Corporation	United States	\$41.99	67%	102%	2.9%	\$606	\$433	\$99	\$41	47.4%	41.4%	5.4%	-	4.3x	4.2x	6.1x	5.9x	14.7x	-
California Water Service Group	United States	\$47.31	72%	102%	2.1%	\$3,863	\$2,730	\$781	\$202	48.0%	25.8%	2.7%	6.5%	5.8x	6.5x	4.9x	4.4x	19.1x	12.9x
Consolidated Water Co. Ltd.	United States	\$28.44	89%	213%	1.3%	\$407	\$448	\$131	\$25	32.0%	18.8%	46.9%	-	-	-	3.1x	2.9x	16.5x	14.1x
Essential Utilities, Inc.	United States	\$34.33	69%	101%	3.7%	\$16,000	\$9,080	\$2,303	\$1,014	47.7%	44.0%	11.8%	5.7%	6.8x	6.8x	6.9x	6.7x	15.8x	13.4x
Global Water Resources, Inc.	United States	\$9.75	65%	100%	2.9%	\$349	\$236	\$49	\$21	76.8%	43.3%	11.0%	-	5.4x	5.4x	7.1x	6.8x	16.4x	14.7x
Middlesex Water Company	United States	\$66.25	69%	101%	2.0%	\$1,569	\$1,176	\$168	\$75	51.1%	44.8%	10.1%	10.3%	5.3x	5.2x	9.4x	8.7x	20.9x	-
Pennon Group Plc	United Kingdom	£5.86	58%	110%	6.0%	\$5,519	\$1,868	\$985	\$288	49.6%	29.3%	2.6%	10.2%	-	-	5.6x	5.2x	19.2x	13.1x
Severn Trent PLC	United Kingdom	£23.65	79%	109%	4.1%	\$17,514	\$8,631	\$2,679	\$1,097	24.6%	41.0%	2.2%	5.2%	8.2x	8.2x	6.5x	6.2x	16.0x	14.6x
SJW Group	United States	\$60.11	72%	103%	2.5%	\$3,531	\$1,910	\$670	\$271	59.2%	40.3%	2.1%	3.6%	6.3x	6.2x	5.3x	5.5x	13.1x	13.4x
The York Water Company	United States	\$37.49	79%	102%	2.3%	\$695	\$536	\$65	\$36	75.4%	55.8%	12.8%	-	4.4x	4.4x	10.7x	9.6x	19.1x	-
United Utilities Group PLC	United Kingdom	£9.48	85%	117%	4.3%	\$17,769	\$7,890	\$2,257	\$1,074	89.4%	47.6%	(3.6%)	8.5%	9.7x	9.3x	7.9x	7.4x	16.6x	14.9x
Mean			3.0%	\$8,236	\$4,766	\$1,140	\$502	\$5,332	\$40,332	55.3%	40.3%	8.6%	6.5%	6.0x	5.8x	6.8x	6.5x	17.0x	14.4x
Median			2.5%	\$3,737	\$1,910	\$670	\$226	\$51.1%	\$1,414	41.4%	5.4%	6.5%	5.7x	5.4x	6.5x	6.7x	16.5x	14.4x	

Source: CapIQ.

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

Notes & Disclosures

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