

# WATER QUARTERLY

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

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Attending WEFTEC?



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10/2 - 10/4

Featured Guest Articles



## 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.

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### #1 Global Water Investment Bank<sup>(1)</sup>

Raymond James' industry-leading 42<sup>nd</sup> water transaction since 2016

June 2023



TREATMENT TECHNOLOGIES  
A Division of Shelton Associates

a subsidiary of



SHELTON ASSOCIATES

has been acquired by




INFRAMARK  
WATER & INFRASTRUCTURE SERVICES

a portfolio company of




NEW MOUNTAIN CAPITAL LLC

June 2023




GWTT

a portfolio company of



HUDSON FERRY CAPITAL

has been acquired by



Ember Infrastructure

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.



# Second Quarter Deals in Focus

## Inframark acquires TTI

### TRANSACTION OVERVIEW

- On June 28<sup>th</sup>, 2023, Inframark, a portfolio company of New Mountain Capital, announced the acquisition of Treatment Technologies (“TTI” or the “Company”)
- Raymond James team served as exclusive financial advisor to Shelton Associates on its divestiture of TTI

### COMPANY OVERVIEW

- TTI is headquartered in Lancaster, PA with several additional customer sites throughout the East Coast and Midwest
- The Company provides water and wastewater O&M services under long-term contracts to a high-profile, blue-chip customer base within Tier-1 automotive, chemical, paper, and metal finishing end-markets
- TTI deploys technical advisors, consultants and operators to deliver uninterrupted water and wastewater services at client sites while also helping clients meet regulatory standards
- The Company also sources and sells replacement parts that are used to repair the technically advanced membrane systems found in both O&M customers’ facilities and non-O&M customer sites

### RATIONALE

- Inframark identified TTI as a strong strategic partner as it looked to expand its customer base into commercial and industrial end-markets
- The acquisition will nearly double Inframark’s existing industrial water and wastewater O&M market presence
- *“I’m very excited to bring the TTI team into Inframark as it supports our mission of providing best-in-class quality and compliance to critically important industrial customers, a growing segment of Inframark’s O&M business.” - Steve Meininger, CEO, Inframark*

### RAYMOND JAMES VALUE ADD



#### Go-To Market Strategy

- Brought in an interim CFO to develop financial reporting policies and KPI dashboards
- Led a highly targeted process focused on relevant buyers with a strong interest



#### Operational Continuity

- Organized introductory meetings between the buyer and key customers & suppliers
- The Company’s general manager stayed on post-close to provide stability



#### Premium Outcome

- Delivered a premium valuation for TTI shareholders
- Negotiated earnout structure to compensate TTI for select pipeline opportunities won post-close





# Second Quarter Deals in Focus



## Ember Infrastructure acquires GWTT

### TRANSACTION OVERVIEW

- On June 21<sup>st</sup>, 2023, Ember Infrastructure (“Ember”) announced the acquisition of Ground/Water Treatment Technology (“GWTT” or the “Company”)
- Raymond James team was retained by Hudson Ferry Capital to serve as exclusive sell-side financial advisor to GWTT

### COMPANY OVERVIEW

- The Company is headquartered in Wharton, NJ and maintains a regional service center in Millbury, MA
- GWTT is a full-service provider of commercial water treatment services, including process and design engineering, system construction, operations & maintenance, and equipment sales and rentals
- The Company has 25+ years of experience partnering with clients to solve complex water treatment challenges and has been ranked in the Engineering News-Record Top 200 Environmental Firms in each of the last six years
- With core competencies in chemistry, engineering and project management, as well as an in-house treatability laboratory, GWTT can diagnose, develop and deliver custom-tailored treatment solutions for a wide range of clients across several end-markets including utility, infrastructure, pharmaceutical and real estate development

### RATIONALE

- Ember underwrote its investment thesis based on conviction in select industry tailwinds and opportunities to capitalize on GWTT’s successful sustainability efforts
- The investment could improve GWTT’s capability to take advantage of emerging trends in groundwater treatment and further establish itself as a leader in pond remediation
- *“Ember is very excited to be partnering with the seasoned team at GWTT as we look to augment the company’s ability to support more projects in the Northeast, Mid-Atlantic, and additional markets as its customers pull them into new geographies.” - Caleb Powers, Principal, Ember*

### RAYMOND JAMES VALUE ADD



#### Industry Expertise

- Highlighted opportunity to capitalize on treatment of emerging contaminants such as PFAS, 1,4-Dioxane and hexavalent chromium



#### Process Management

- Targeted “out-of-the-box” buyers with a strong interest in the space who could get underwritten investment thesis despite the project-oriented nature of the business



#### Positioning

- Identified avenues of customer acquisition through organic & inorganic growth
- Highlighted opportunity to expand wallet share through customer relationships

## A generative shift: building green infrastructure for a sustainable future

As the CEO of Transcend Software, I stand on the frontlines of the climate crisis, bearing witness to a harsh reality: our industry is trapped in a cycle of perpetual catch-up. We are so engrossed in attempting to fix problems that we overlook the root causes of how we got here in the first place. Our focus needs to change from remedial intervention to proactive, future-proof capital planning & design if we are to build green infrastructure capable of addressing climate change.

The current model of infrastructure development is fundamentally flawed. We are merely treating symptoms - not curing the disease.

We make enormous investments in the engineering & optimization of operations, but spend no time focused on why these assets are operating inefficiently in the first place. We invest heavily in new technology, prove its effectiveness, and then wait decades (if ever!) for these solutions to be widely adopted.

The focus on remedial work and operational optimization is an admission of our own failure to design this infrastructure right in the first place. For example, we retrofit buildings to make them more energy-efficient when, in reality, these buildings should have been designed with energy efficiency as a key priority from the outset. We replace outdated water systems when we should have anticipated their life cycle and planned for

the next generation of systems from the start.

It's easy to point out that I'm making these statements with hindsight a valid point. But ask yourself, for the new infrastructure we design today, both greenfield and brownfield, what has changed? Aren't we still following the same manual, suboptimal design practices that got us here in the first place?

This chronic cycle of patchwork & band-aid solutions reveals a deeper problem within the infrastructure industry: manual and resource-intensive preliminary engineering and capital planning. These archaic methods have created a significant barrier to entry for innovative technologies that could be transformative if implemented sooner.

New technologies often take decades to reach the point of widespread adoption because our design and planning phase is anchored in old methodologies.

With manual design we are simply not set up to incorporate new technology quickly into our designs, which further contributes to the stagnation of innovation within the critical infrastructure industry.

This endless cycle is, essentially, a living example of Einstein's definition of insanity: doing the same thing over and over again and expecting a different outcome. But how can we expect a

### GUEST COLUMN BY:



## Transcend

different outcome when our initial design process ignores future considerations?

We need to focus our efforts on proactive design and planning instead of continuously applying band-aids to outdated, poorly designed infrastructures. We must plan for the future today, not tomorrow, and not after the system has already failed. An ounce of prevention is worth a pound of cure. The green infrastructure that is crucial for tackling climate change will remain a distant goal if we don't break free from this cycle.

As an industry, we must shift our mindset from reactive problem-solving to proactive planning with generative design. We believe in the potential of generative design to produce sustainable, efficient, and resilient infrastructure that is prepared for the future, rather than perpetually lagging behind it. By putting this generative design at its heart, we're embarking on a journey to bring about the green infrastructure renaissance. It's a daunting challenge, but one we shall embrace. The future of our planet depends on it.

## A generative shift: building green infrastructure for a sustainable future (cont'd)

The critical infrastructure industry MUST stop chasing its tail and start leading the way towards a sustainable future. Change is a prerequisite for progress, and its high time we change HOW we design our infrastructure with this in mind. Otherwise, we will continue running on the hamster wheel of repetitive solutions, never achieving the green infrastructure necessary to combat climate change.

The shift towards generative design is not just an option; it's an imperative.



### About the Author:

Ari Raivetz is the Founder and CEO of Transcend Software, a generative design SaaS business helping the world design critical infrastructure more efficiently. Previously Ari served as Chairman (2008-2020) and CEO (2011-2020) of Organica Water, a next-generation wastewater treatment technology provider that enables localized treatment and reuse. Prior to Organica, Ari worked in finance as Head of Water Private Equity Investments for RNK Capital, an \$800M AUM investment firm that was a pioneer in the cleantech space, and as a VP and Senior Research Analyst at Bank of America Securities covering the energy sector.

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### About Transcend Software:

Transcend is a generative design SaaS company helping utilities, engineers, and equipment suppliers automatically design more sustainable, innovative critical infrastructure. Their flagship product, the Transcend Design Generator (TDG), fully automates the conceptual design of water & wastewater treatment facilities and electrical substations. The cloud-based software seamlessly integrates process, mechanical, electrical, and civil engineering calculations and decision making to create unique, accurate, and optimized designs per user requirements; including CAPEX, OPEX, carbon footprint, 3D models, and other outcomes. Users of the TDG have designed over 10,000 facilities to date in over 70 countries, impacting the lives of 120M+ people along the way.

For more information on Transcend Software, please visit: [transcendinfra.com](https://transcendinfra.com)

## XPV Water Partners Blog: Investors are taking water risk seriously

“The water industry is experiencing – and will continue to experience – remarkable growth,” says XPV Water Partners’ David Henderson. To fully leverage its capital, the financial sector needs an easier way to understand how we can achieve water security. How can we make the message clearer?

After a whirlwind couple of weeks in Europe participating at water industry and investment conferences across four countries this past spring, the word “momentum” nicely summed up my experience and the overall mood. As crowds from these sectors converged and diverged in a flurry of engaging sessions and networking receptions, it was clear that water sector is a) growing and b) rapidly reaching an inflection point.

Finance will play a huge role in the upward curve and can leverage the billions – in some cases, trillions – that some governments and corporations are beginning to direct to water security and climate resilience initiatives.

At the Global Water Summit held in Berlin in May, Global Water Intelligence publisher Christopher Gasson moderated a session called The New Agenda for Water, featuring representatives from Bayer, Resonance Management, CDP, Freeport McMoRan, The Nature Conservancy, IBM, and XPV Water Partners. Our panel explored how we can create clarity for financial institutions on making

the transition to a water secure future.

When polled, more than half of the session’s audience said they believe we’ve “broken down the wall” between finance and the global water crisis. The main challenge now, many of the panelists agreed, is that there is no water equivalent to net zero carbon. The concept of water sustainability is much more challenging to quantify. While there are campaigns and systems for corporations to disclose their water security benchmarks, measures, and goals (see CDP’s reporting program, for example), there is a further need to develop a universal framework for water sustainability that we can all work toward.



### About the Author:

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### About XVP Water Partners:

XPV Water Partners is a team of experienced operators and investors who are committed to making a difference in water. The firm manages investment capital from some of the world’s top institutional investors, and partners with emerging water-related companies to help them rapidly expand and achieve their strategic goals. XPV aims to generate strong, risk-adjusted returns for its investors by leveraging its trusted deep industry knowledge, and its water centric company scaling platform. XPV is committed to building partnerships that contribute to growing people, sustainable businesses, prosperous communities, and a water secure future.

For more information on XVP Water Partners, please visit: [xpvwaterpartners.com](http://xpvwaterpartners.com)



## The Stream Podcast: Featuring Will Sarni & Tom Freyberg

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SEASON 6

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PODCAST WITH WILL AND TOM

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### About Water Foundry Ventures:

Water Foundry Ventures was founded in 2018 and is focused on investing in early-stage water technology companies that are developing innovative solutions to water scarcity, water quality, and water infrastructure challenges. The firm is committed to supporting the development of innovative water technologies that can help to address the global water crisis.

For more information on Water Foundry Ventures, please visit: [waterfoundry.ventures.com](https://waterfoundry.ventures.com)

### About Atlantean Media:

Atlantean Media was founded in 2018 and is a global digital content strategy and creation company specializing in water. Atlantean Media works with water companies, organizations, and governments to create engaging and informative content that helps to raise awareness of water issues and solutions. The company's clients include some of the world's leading water companies, as well as organizations such as the World Economic Forum and the United Nations.

For more information on Atlantean Media, please visit: [atlanteanmedia.com](https://atlanteanmedia.com)



## The Colorado river basin: solving a “super wicked” water problem

Known as the "river of the west," the Colorado River Basin (CRB) is one of the most productive and influential, economically and environmentally, yet conflicted regions of the United States. The Basin spans seven states, with its northernmost borders stretching into Wyoming, across Colorado and Utah, and down into Nevada, Southern California, Arizona and New Mexico. From there, the basin expands into Northern Mexico where the Colorado River reaches toward the Gulf of California.

Water in the Basin originates as snowmelt high in the Rocky and Wasatch Mountains. Along the Colorado River's 1,400-mile journey, the landscape and climate varies considerably: from high alpine forests to barren desert, from rural farms to massive metropolitan areas.

In addition to its environmental role, the economic importance of the CRB cannot be overstated: the Colorado River supports \$1.4 trillion in annual economic activity and 16 million jobs - the equivalent to about 1/12 of the total gross domestic product in the U.S. It is estimated that if 10 percent of the river's possible under projected climate change

scenarios of 10-30 percent flow reductions by 2050), there would be a loss of \$143 billion in economic activity and 1.6 million jobs, in just one year. The CRB supplies more than one in 10 Americans with some, if not all, of their water for

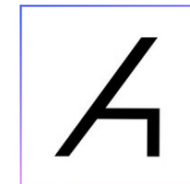
municipal use, including drinking water. The basin provides irrigation to more than 5.5 million acres of land and is essential as a physical, economic, and cultural resource to at least 22 federally recognized tribes. In addition, dams across the Colorado River Basin support 4,200 megawatts of electrical generating capacity, providing power to millions of people and some of the U.S.'s largest cities.

### The Law of the River

As the West continued to develop in the early 1900s, a collection of statutes, court decisions and decrees, interstate agreements, and international treaties emerged from disputes over the allocation of the Colorado River's water. Loosely described as the ‘Law of the River’, a collection of the primary basin-wide agreements governing the CRB developed to aid in the Basin. This was despite internal processes for each state's management of water recourses.

Over-allocated, the CRB is threatened by the ongoing impacts of climate change and has become an icon of controversy. It has become clear that under current and projected conditions, the Colorado River is no longer able to meet the demands of its many users. Challenges are emerging that will require the acceptance of a new reality among stakeholders in the CRB. The “aridification” of the American West and its resultant impacts have led to

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intervention by the US Federal government, which ultimately forced key states to craft an agreement to use less water. Arizona, California, and Nevada agreed to take less water from the CRB - a breakthrough agreement that, for now, keeps the river from falling so low that it would jeopardize water supplies for major Western cities like Phoenix and Los Angeles as well as for some of America's most productive farmland.

The agreement also calls for the federal government to pay about \$1.2 billion to irrigation districts, cities and Native American tribes in the three states if they temporarily use less water. The states have also agreed to make additional cuts beyond the ones tied to the federal payments to generate the total reductions needed to prevent the collapse of the river.

Taken together, those reductions would amount to about 13 percent of the total water use in the lower Colorado Basin. This is among the most aggressive ever experienced in the region and is likely to require significant water restrictions for

## The Colorado river basin: solving a “super wicked” water problem (cont’d)

for residential and agricultural uses. Another element of the strategy must include reducing water demand in the public sector, agricultural, industrial, and residential / commercial sectors throughout the CRB. By reducing water demand from households, it has a direct, positive impact on water availability. Coupled with reductions in non-revenue water (NRW) - water lost in the network from aging infrastructure and water theft - and decentralized water reuse, these measures can help to meet reduction targets.

### The Super Wicked Problem of Water

Despite the recent agreement, the CRB and the states and ecosystems that rely upon it, face daunting challenges. This agreement is in no way a path to building a sustainable and resilient watershed. These challenges, in our view, should be framed as “wicked water problems” if not “super wicked water problems.”

*Briefly, wicked problems are characterized by:*

- Difficult to clearly define
- Have many interdependencies and are often multi-causal
- Attempts to address wicked problems often lead to unforeseen consequences
- Often not stable, with no clear solution, and socially complex
- Involve changing behavior

*Super “wicked problems” (e.g., climate change, water):*

- There is a significant time deadline for finding the solution
- There is no central authority dedicated to finding a solution
- Those seeking to solve the problem are also causing it
- Certain policies irrationally impede future progress

This leads us to ask the question of who solves super wicked water problems. The answer, in short, is all stakeholders, unified and working together with a collective purpose. From entrepreneurs to water utilities, from industry to investors and from researchers to agriculture, these organizations are helping to tame, if not solve, these problems.



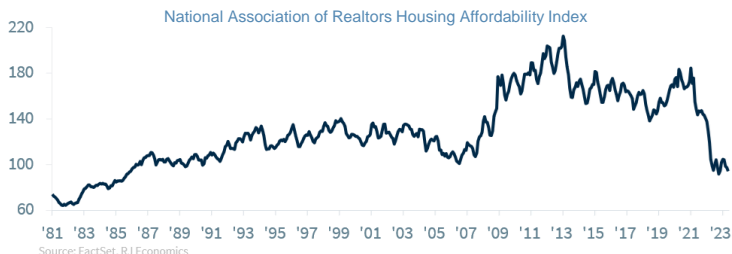
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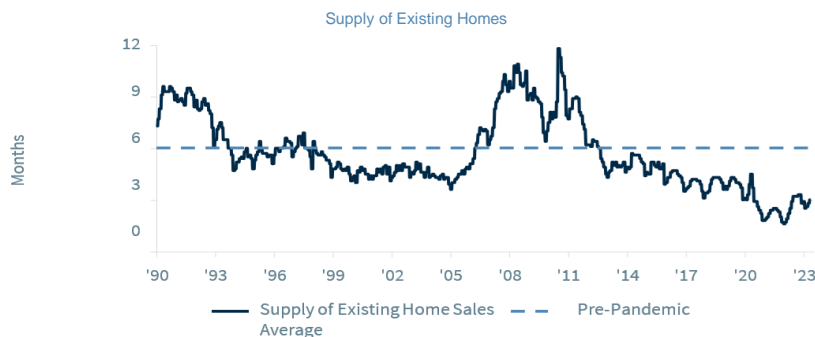
Tom Freyberg is the Founder & Managing Director of Atlantean Media. Please feel free to reach out to Tom at [tom@atlanteanmedia.com](mailto:tom@atlanteanmedia.com).

## Economic thoughts of the week

Mortgage rates are the highest they've been in over thirty years, keeping home affordability in unprecedented territory. However, mortgage rates above 7% aren't the only factor keeping home prices high. In fact, the low supply of homes is currently the largest contributor to high prices. This is because 61% of outstanding mortgages have a rate of less than 4%, while 90% of mortgages are lower than 6%. Therefore, homeowners who have locked in mortgages lower than today's rates (whether through purchase or refinancing) are unlikely to put their homes for sale, especially considering the new possibilities given to workers for working from home. The combination of these factors has brought affordability to unprecedented territory, where it may take prospective buyers nearly a decade to save up for a 10% down payment according to a study by Zillow.



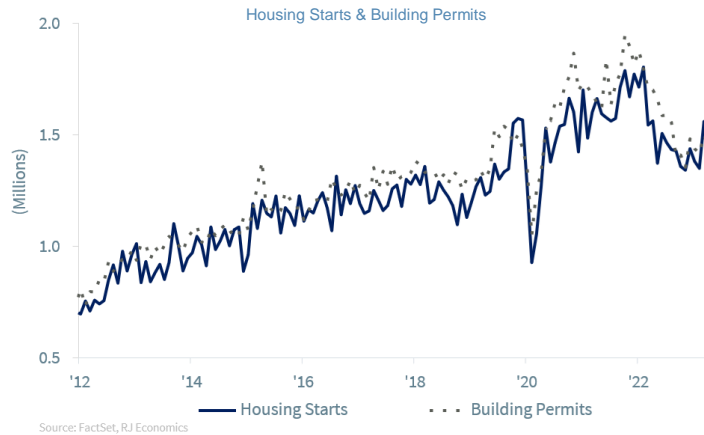
The supply of existing homes has improved over the last 12 months but remains at historically low levels. However, the supply of existing homes is unlikely to increase as owners hold onto their comparatively low mortgages, forcing potential homebuyers to consider new constructions. However, while housing data tends to lag by a few months, more timely indicators such as weekly data published by Zillow suggests that despite some recent strength likely due to seasonality, listings of homes for sale continue to decline.



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

Weekly Economic Commentary  
 July 21<sup>st</sup>, 2023

## Economic thoughts of the week (cont'd)



The solution seems obvious, build more homes! In fact, we estimate that the US needs an additional 3.5 million homes to address the current housing shortage. However, building permits and housing starts aren't suggesting that we'll see the gap in housing close anytime soon. In fact, this week's June building permits were 15.3% lower than a year ago, although much of the decline, lately, has been in multifamily starts. Similarly, housing starts in June were lower than expectations, declining 8.0% year-over-year. Despite significant differences among regions, the bottom line remains that at the current rates, the housing shortage is unlikely to be filled. Additionally, despite the NAHB Housing Market Index's further improvement in July, homebuilder sentiment is still being negatively impacted by high mortgage rates, as well as elevated construction costs and supply-side challenges.

What if mortgage rates decline? A decline in mortgage rates will likely be met with a surge in the number of consumers wanting to buy homes, which would ultimately put further upward pressure on the price of homes. We had a taste of this during the first quarter of the year as mortgage rates came down and the housing market started to stabilize after several years in recession.

At this time, there is very little that could bring the housing market into equilibrium in the short to medium term, as it takes a long time for investment in the housing market to shift the supply curve of housing to the right, i.e., increasing the supply of new homes. For now, it seems that the only alternative is for home prices to continue to increase to a point that will produce strong incentives for an increase in new home construction.

Source: Raymond James Private Client Group.



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

Weekly Economic Commentary  
 July 21<sup>st</sup>, 2023



## This Week in Washington: New China Restrictions Coming with Lower Market Risk

**Week in review:** Russia's withdrawal from the Black Sea Grain Initiative has increased commodity price volatility but could begin to form an off-ramp for the war in Ukraine with a key diplomatic engagement ahead. The FTC and DOJ released a new draft framework for merger reviews codifying the agencies' greater scrutiny of size/concentration concerns and likely accelerating their ambitious enforcement agenda.

**Looking ahead:** The Fed and FDIC will vote next Thursday on bank capital increases as part of the Basel III endgame proposal – a first look at the details around bank capital reforms. The Biden administration is expected to release its outbound investment screening executive order and updates to its semiconductor export controls in the coming weeks, which we expect to be narrowly tailored in scope and to have a longer timeframe for implementation.

**Grain deal collapse hastens diplomatic engagements that can accelerate an off-ramp for the war in Ukraine:** Russia's withdrawal from the Black Sea Grain Initiative (grain deal) is a step back from recent positive signals around global macro risks associated with the war in Ukraine and will increase pressure on both parties to begin to find an off-ramp to the war. Volatility around global commodity prices may be short-lived, pending a potential trip to Türkiye by Russia's Putin in August. Face-to-face diplomacy can provide for an extension, but we previously noted that tensions between Türkiye and Russia have expanded, increasing overall global macro uncertainty. A first test of diplomacy will come as soon as August 3<sup>rd</sup> with U.S., Chinese, and Russian officials expected to attend a food security meeting in Seattle that can include talks on the revival of a deal. We are generally seeing more focus on a diplomatic push heading into the September G20 summit, which can create the conditions for the development of an off-ramp to the war. Oil may also be the next pressure point, depending on the scope of price cap enforcement following the first reported crossing of the price cap threshold by Russia's oil exports.

**China investment and export restrictions advancing with scaled back market impact:** The Biden administration is expected to tweak and update tech export controls in the coming weeks and months, including releasing the long-awaited outbound investment restrictions, but we continue to view these restrictions as narrowly targeted and taking time to fully implement. Key to the updated restrictions are an expansion to AI technology and potential prohibitions on chips that have been designed to narrowly skirt U.S. rules. The expanded controls will finalize and codify into regulation the initial restrictions issued in October, seeking to respond to the recent rise of generative AI

Washington Policy Research  
July 21<sup>st</sup>, 2023



Edward Mills  
*Managing Director*  
Raymond James Equity Research

## This Week in Washington: New China Restrictions Coming with Lower Market Risk (cont'd)

technology and related national security concerns. The White House has also reportedly finalized its outbound investment screening executive order, with a release slated for August against ongoing efforts by the Biden administration to de-escalate the U.S.-China relationship. The response from China hawks on the Hill (who will seek even more expansions) and potential retaliatory action by China – including new export restrictions of critical minerals and/or delays or non-approval of regulatory actions – will be closely watched. The next catalyst to watch will be a Senate floor vote expected next Tuesday on whether to add a scaled-back version of the National Critical Capabilities Defense act to the NDAA.

**Growing China policy division on Capitol Hill further supports lower market risk:** A hearing on the Biden administration's China strategy in the House this week highlighted the widening gulf in the bipartisan consensus on the U.S. approach to China economic restrictions and the level of diplomatic engagement between the U.S. and Chinese officials. This dynamic overall limits the scope of bipartisan agreement and lessens the chances of hawkish legislation advancing in Congress, likely through next year. This week's hearing saw notable Republican voices advocating or a much broader set of economic restrictions against China. These include a full export ban against Huawei and a broader decoupling strategy to limit U.S. capital flowing to China. In contrast, Democrats supported the Biden administration's recent diplomatic engagements and called for a balanced strategy that allows the U.S. to maintain the edge on economic competition while limiting the risk of an expanding conflict. This widening rift is impacting pending legislation, particularly with the development of an outbound investment screening mechanism that the Senate is targeting for inclusion in its version of the NDAA (with a vote expected next week). The outbound investment review bill is now strictly a notification requirement for a scaled-back list of sectors, targeting AI, semiconductors, and supercomputing capabilities without consideration of energy and biotechnology, at this stage. The Senate bill is expected to serve as a placeholder as the administration prepares to release its outbound investment review executive order in the upcoming weeks. The order's detail will inform negotiations on the final version of the NDAA, which will settle the scope on the outbound investment review legislative framework between the House and the Senate. While this will continue to be a live issue with risks to certain high-tech sectors, the policy risk is notably receding for more significant market impact as the administration seeks to limit escalation risk ahead of key diplomatic catalysts around the war in Ukraine and Taiwan's presidential election. Multiple life science tools/medical device policy catalysts in play for 2H23.

Washington Policy Research  
July 21<sup>st</sup>, 2023



Edward Mills  
*Managing Director*  
Raymond James Equity Research

## This Week in Washington: New China Restrictions Coming with Lower Market Risk (cont'd)

We are at an unusual time in healthcare policy where there are multiple potentially notable policy catalysts impacting life science tools, medical devices, and diagnostics this year. In the linked report, we provide a deep dive of and our views on each of the catalysts we have been tracking rulemaking on ethylene oxide, a new breakthrough device coverage pathway, the VALID Act and related FDA actions, looming PAMA clinical lab cuts and SALSA legislation, NIH funding uncertainty, and cybersecurity efforts. Raymond James Diagnostics & Clinical Laboratories Analyst Andrew Cooper also provides insight on the potential market impact of the VALID Act and PAMA/SALSA. Some of these catalysts have the potential to be a positive for industry, while others could prove problematic to industry. The final outcomes of each of these catalysts, which remain to be seen (most of these catalysts will have some level of clarity within the next 6-8 months), will help determine the overall impact. Additionally, each catalyst may have different magnitudes of impact on various names/actors (e.g., some are more device-focused, while others are more tools-focused). While investors in the tools/devices sector have not needed to be very attuned to the policy side of things in the past, this is no longer the case.

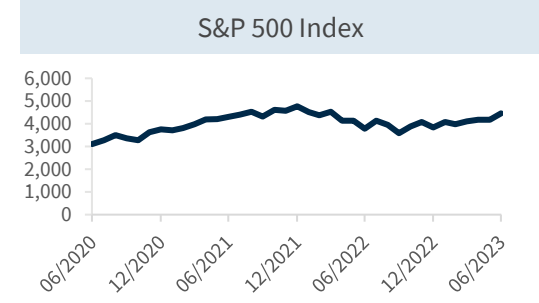
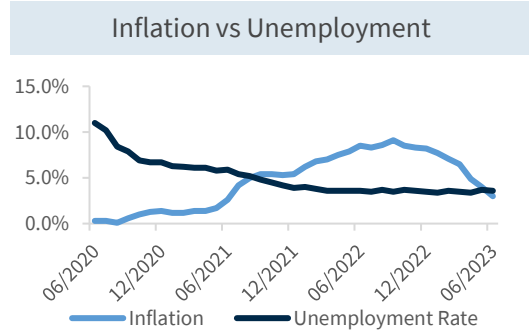
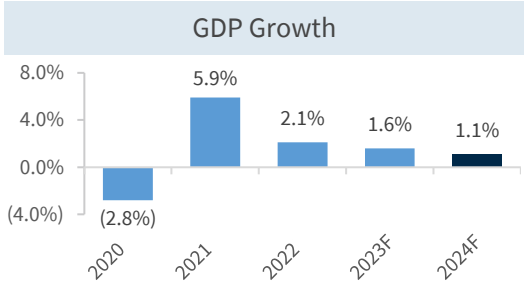
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July 21<sup>st</sup>, 2023



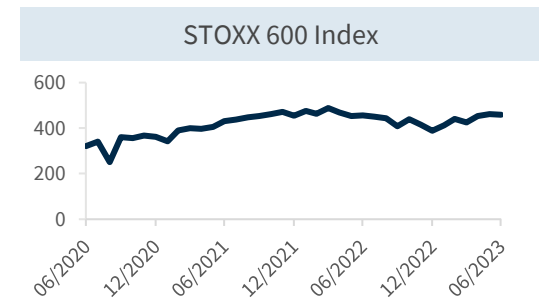
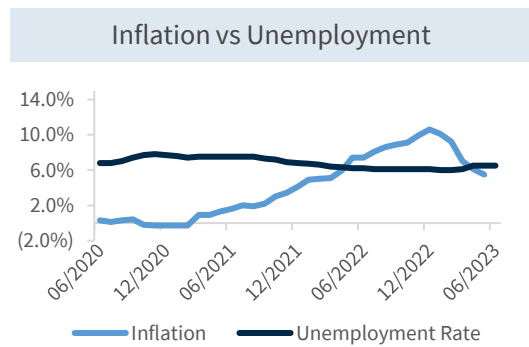
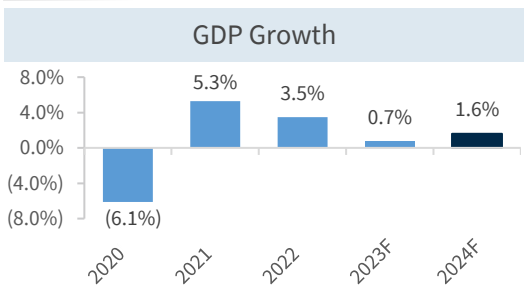
Edward Mills  
*Managing Director*  
Raymond James Equity Research

# Macro indicators

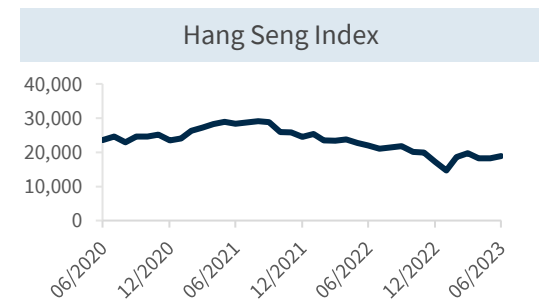
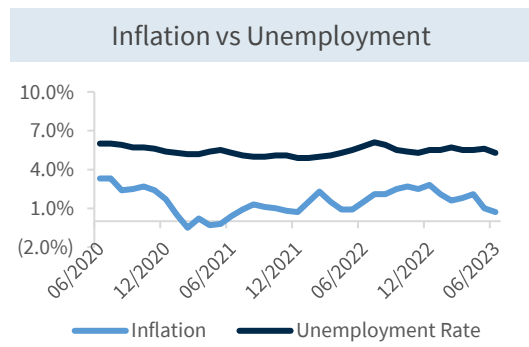
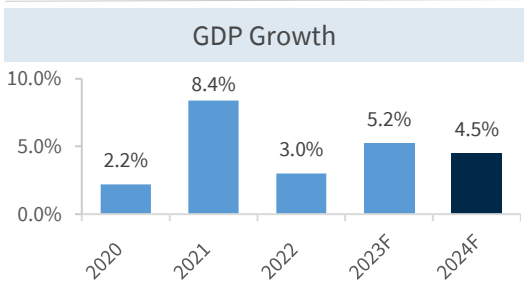
## US ECONOMY



## EUROPE ECONOMY



## CHINA ECONOMY

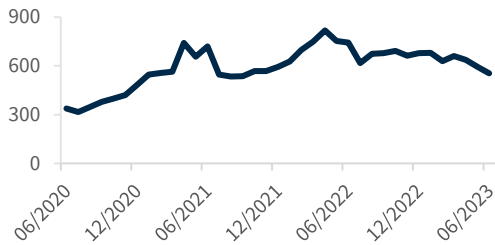




# Select water end market indicators

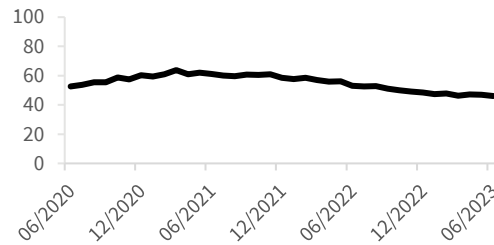
## AGRICULTURE

US Corn Futures<sup>(1)</sup>

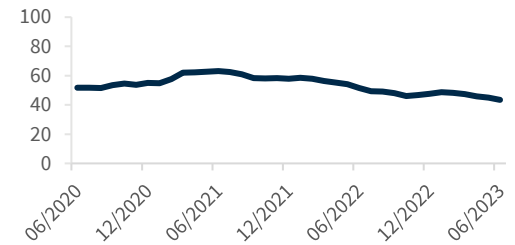


## INDUSTRIAL

US PMI

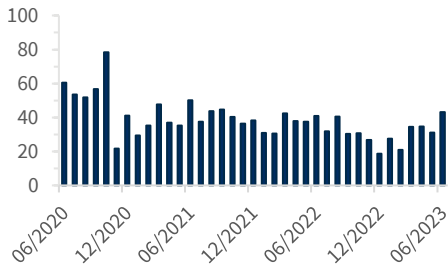


EU PMI

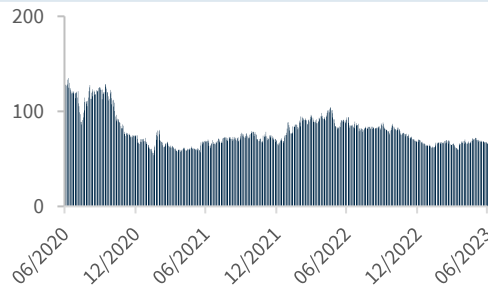


## US MUNICIPAL

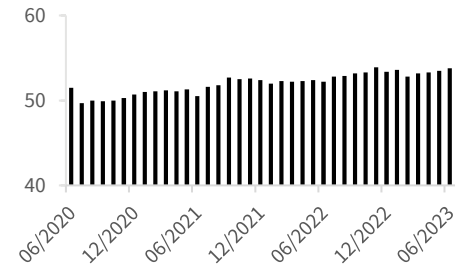
Muni Bond Issuance (\$ billions)



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

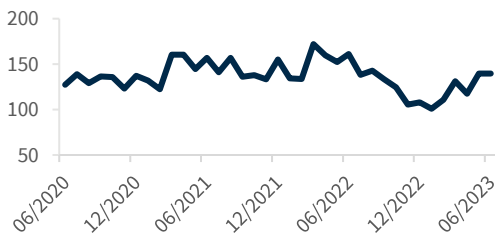


Water Utility Employment (000s)<sup>(2)</sup>

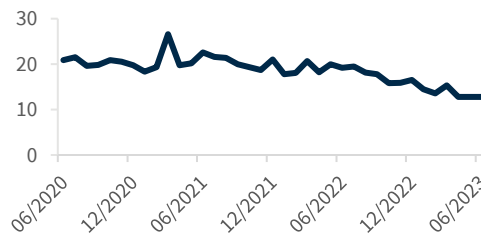


## BUILDING / INFRASTRUCTURE

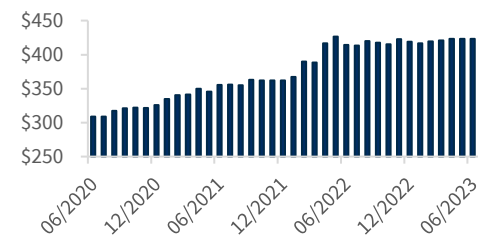
US Building Permits (000s)



German Building Permits (000s)<sup>(2)</sup>



US Ductile Iron Pipe Price Per Metric Ton



Source: Bloomberg, Municipal Securities Rulemaking Board, Bureau of Labor Statistics. Market data as of 6/30/2023.

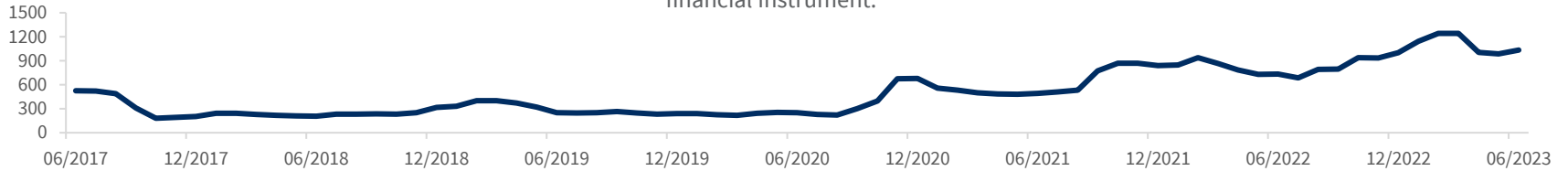
(1) Corn Futures Contract from Chicago Board of Trade. Contract size is 5,000 bushels.

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

# Water scarcity indicators

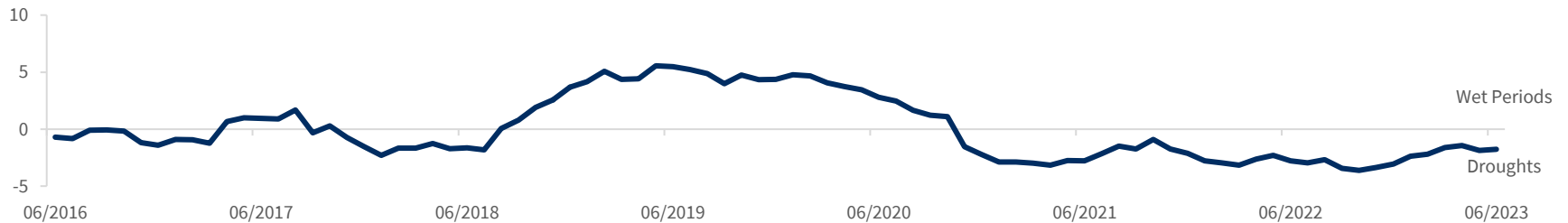
NASDAQ Veles California Water Index (NQH2O)<sup>(1)</sup> (\$ Per Acre Foot)

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.



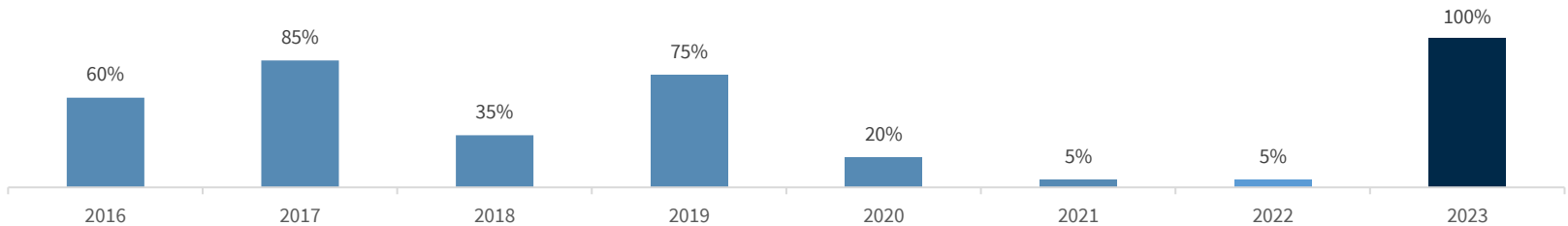
Palmer Drought Severity (“PDSI”) Index<sup>(2)</sup>

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<sup>(3)</sup>

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.



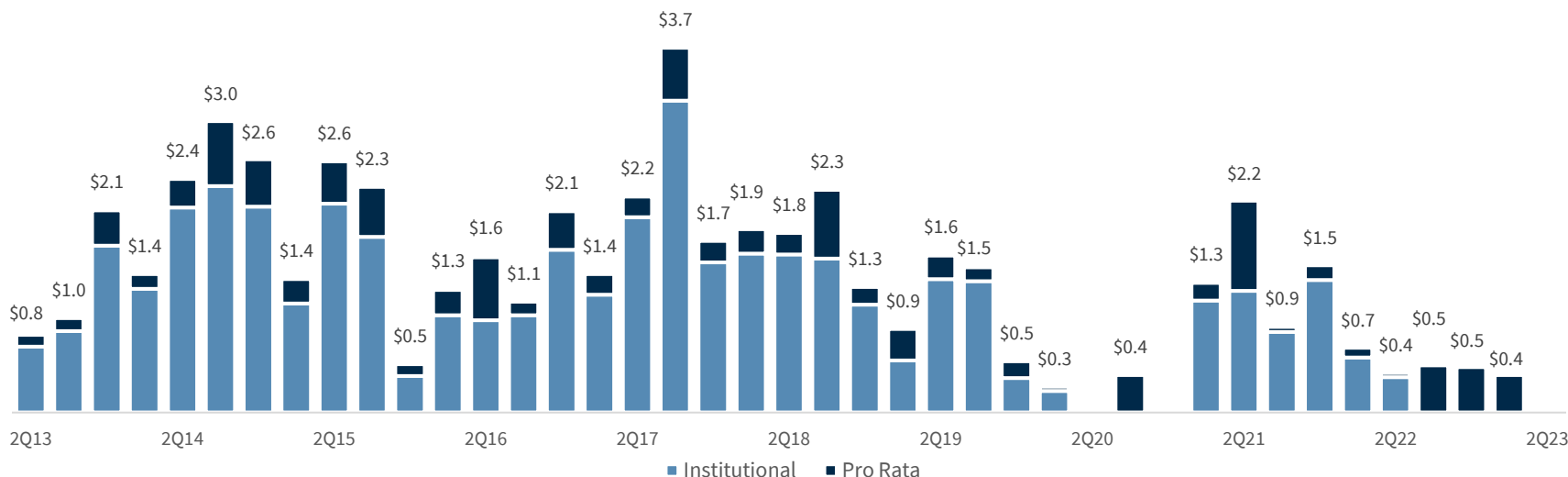
(1) Bloomberg. Market data as of 6/30/2023. Used with permission from NASDAQ.

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

(3) California Department of Water Resources, as of 6/30/2023.

# 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
6/28/23	Inframark, LLC	Treatment Technologies	Wastewater treatment systems	-	- / -
6/21/23	Ember Infrastructure Management, LP	Ground Water Treatment/Technology, LLC	Offers a suite of water management solutions	-	- / -
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	-	- / -
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 ulatized 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	Gradiant 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	-	- / -

Sources: S&P LCD, CapIQ, MergerMarket, press releases and Raymond James internal resources.  
 Note: Q2 data is not yet published

## Select transactions in last twelve months

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM Revenue	EBITDA
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; Industrial Growth Partners VI, L.P.	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	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	-	-	-
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.	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	Gradiant Corporation	Advanced Watertek 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	KKR & Co. Inc.; 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	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	\$501.4	1.6x	13.9x
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	-	-	-
1/23/23	Xylem Inc.	Evoqua Water Technologies Corp.	Water and wastewater treatment systems and technologies	\$7,530.7	4.2x	17.1x <sup>(1)</sup>
1/19/23	Infrastructure Renewal Company	Insta-Pipe, Inc./Interactive Pipe Inspection, Inc.	Technology applications for the inspection of underground pipe systems	-	-	-

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

(1) Post-Synergy EBITDA was used as cited in Xylem's investor presentation, which can be found [here](#).



## Select transactions in last twelve months (cont'd)

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
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	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	Valcor 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	-	-	-
1/4/23	Consolidated Water Co. Ltd.	PERC Water Corporation	Water infrastructure design and operation services	\$20.0	-	-
12/29/22	VLS Environmental Solutions, LLC	Texas Molecular, LP	Waste management and transportation services	-	-	-
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 Partners	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	-	-
9/30/22	Tsurumi Manufacturing Co.,Ltd.	Zenit International S.p.A.	Manufacturer of submersible electric pumps	\$36.3	-	-
9/29/22	Spolargruppen Sverige AB	Greenpipe A/S	Construction & engineering services	\$7.9	-	-

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

## Select transactions in last twelve months (cont'd)

Date Announced	Buyers/Investors	Target	Target Description	Transaction Value (\$mm)	EV / LTM	
					Revenue	EBITDA
9/28/22	Victaulic Company	Tennessee Metal Fabricating Corporation	Supplier of metal fabrication to water and wastewater projects	-	-	-
9/26/22	Holland Pump Company	Sander Power Equipment Company	Supplier of tampers, light towers, and other light equipment	-	-	-
9/26/22	Holland Pump Company	Pump & Power Equipment Corp.	Distributor of pump and power equipment	-	-	-
9/21/22	Trill Impact AB	Komet Austria GmbH	Manufacturer of agricultural irrigation equipment	-	-	-
9/20/22	Core & Main, Inc.	Distributors, Inc.	Distributor of fire protection products	-	-	-
9/14/22	Primo Water Corporation	Eureau Sources/DEFEAUS SARL	Producer and packager of mineral water	-	-	-
9/14/22	Culligan International	Think:Water	Manufacturer & designer of reverse osmosis systems	-	-	-
9/12/22	Mobiltex Data Ltd.	GCRTech Ltd	Designer and manufacturer of leakage instruments	-	-	-
9/12/22	Arcus Infrastructure Partners LLP	Workdry International Ltd	Provider of engineered solutions for water treatment	-	-	-
9/6/22	Water Engineering, Inc.	Chem Pro Laboratory, Inc.	Provider of water treatment services	-	-	-
9/2/22	DXP Enterprises, Inc.	Sullivan Environmental Technologies, Inc.	Manufacturer of pumps, valves and other water equipment	\$6.6	1.5x	4.1x
8/30/22	Branded Legacy, Inc.	Magic 1 Promotions, LLC	Marketer of residential water purification systems	-	-	-
8/29/22	Hidden Harbor Capital Partners, LLC	Machinery Services Corp.	Installation and O&M services for wastewater systems	-	-	-
8/25/22	Rausch International	Dart Systems	Manufacturer of CCTV inspection systems	-	-	-
8/23/22	Core & Main, Inc.	Municipal waterworks division of Trumbull Industries, Inc.	Water utility construction equipment distribution services	\$45.0	-	-
8/23/22	Insituform Technologies, LLC	Next Level Environmental, LLC	Provider of underground & vacuum excavation services	-	-	-
8/22/22	WILO SE	FSM & WSM	Manufacturer of water & wastewater treatment products	-	-	-
8/13/22	Essential Utilities	Wastewater Assets of East Whitehead Township	Wastewater utilities	\$55.0	-	-
8/11/22	Solenis International LLC	Clearon Corp.	Manufacturer and distributor of water treatment chemicals	-	-	-
8/11/22	Compass Group Management, LLC	Florida Energy, Water, and Air	Manufacturer and installer of water treatment systems	-	-	-
8/8/22	FloWorks International, LLC	Flotech, Inc.	Distributor of valves and provider of repair services	-	-	-
8/8/22	Whirlpool Corporation	InSinkErator, Inc.	Manufacturer of garbage disposals and POU water heaters	\$3,000.0	5.0x	18.1x
8/4/22	Missouri American Water Corporation	City of Eureka Water and Wastewater Systems	Water and Wastewater utilities	\$28.0	-	-
7/26/22	Copley Equity Partners	LJB Inc.	Architectural, engineering and environmental services	-	-	-
7/19/22	Core & Main, Inc.	Inland Water Works Supply Co.	Distributor of water and wastewater products	-	-	-
7/18/22	Evoqua Water Technologies Corp.	Epicor Incorporated	Manufacturer of resins and fiber mixtures for power plants	\$4.3	-	-
7/13/22	Water Engineering, Inc.	American Water Treatment Inc.	Provider of water treatment equipment and services	-	-	-
7/12/22	Blue Sage Capital, L.P.	Baker Manufacturing Company, LLC	Manufacturer of water well equipment	-	-	-
7/12/22	Trinity Consultants, Inc.	Ecofish Research Ltd.	Environmental consulting services	-	-	-
7/11/22	DÜKER GmbH	Strate Technologie FÜR Abwasser GmbH	Manufacturer of sewage pumping systems	-	-	-
7/11/22	TIROLER ROHRE GmbH	Ludwig Frischhut GmbH und Co. KG	Manufacturer of fittings for the water and wastewater industry	-	-	-
7/6/22	Ovivo Inc.	Wastech Controls & Engineering, Inc.	Manufacturer of wastewater treatment systems and equipment	-	-	-
7/6/22	Gradiant Corporation	WaterPark Environment Corp	Manufacturer of water technology solutions for tech industries	-	-	-
<b>Median<sup>(1)</sup></b>				<b>\$32.0</b>	<b>1.6x</b>	<b>13.9x</b>
<b>Mean<sup>(1)</sup></b>				<b>\$764.2</b>	<b>2.5x</b>	<b>12.5x</b>

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

(1) Median and mean values are for the last twelve months ending on 6/30/23.

# 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

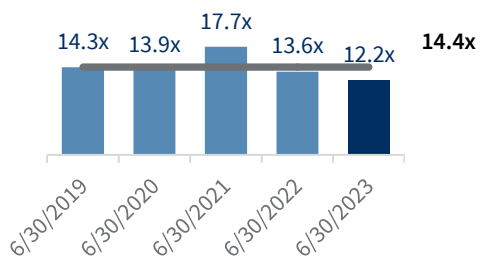


## UTILITIES

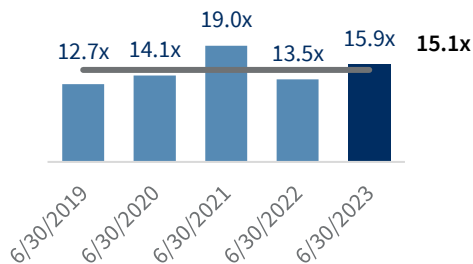


# Public company valuation: EV / LTM EBITDA

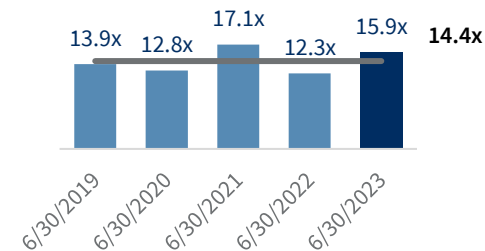
## AGRICULTURE



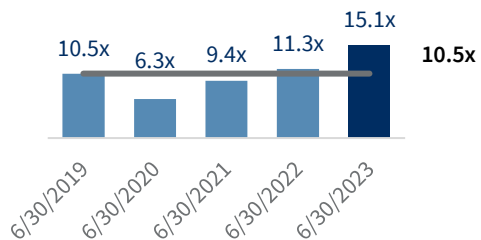
## ENGINEERED SOLUTIONS



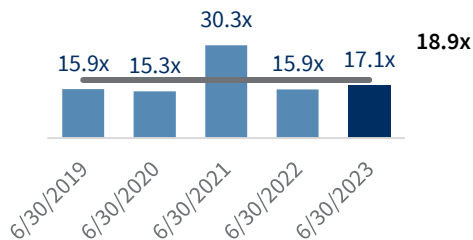
## FLOW CONTROL



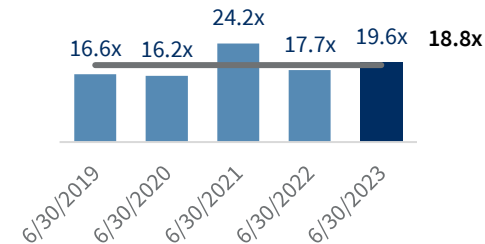
## INFRASTRUCTURE



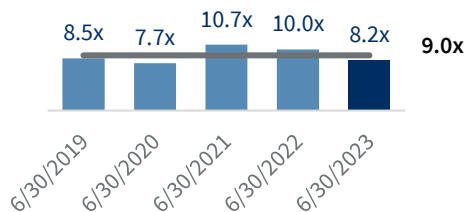
## RESI & COMM SERVICES



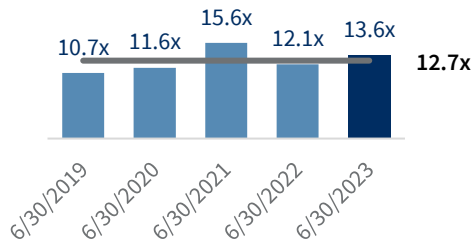
## SMART TECH



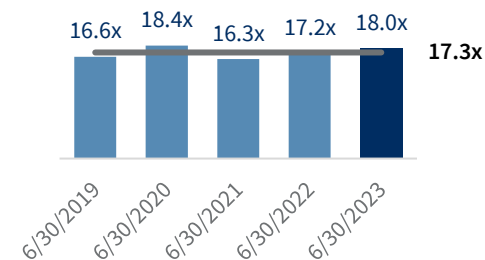
## SPECIALTY CHEMICAL



## SPECIALTY DISTRIBUTION



## UTILITIES

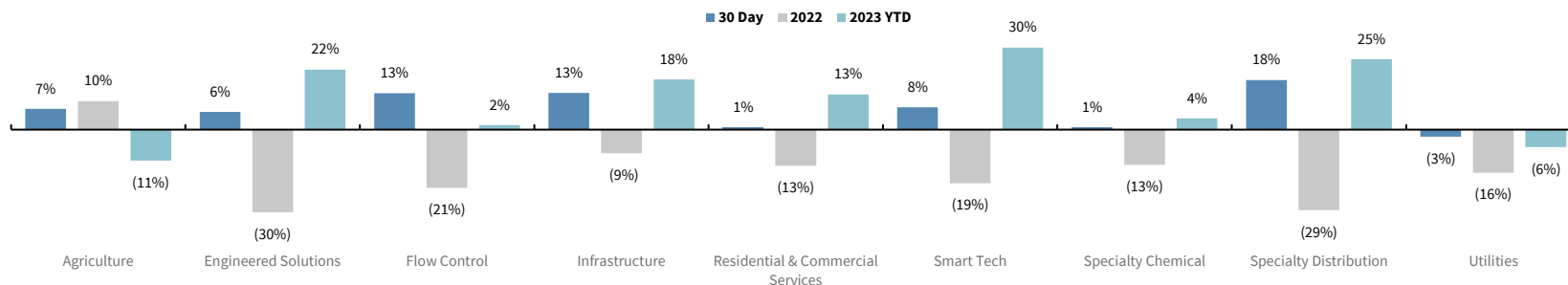


Source: Bloomberg market data as of 6/30/2023.

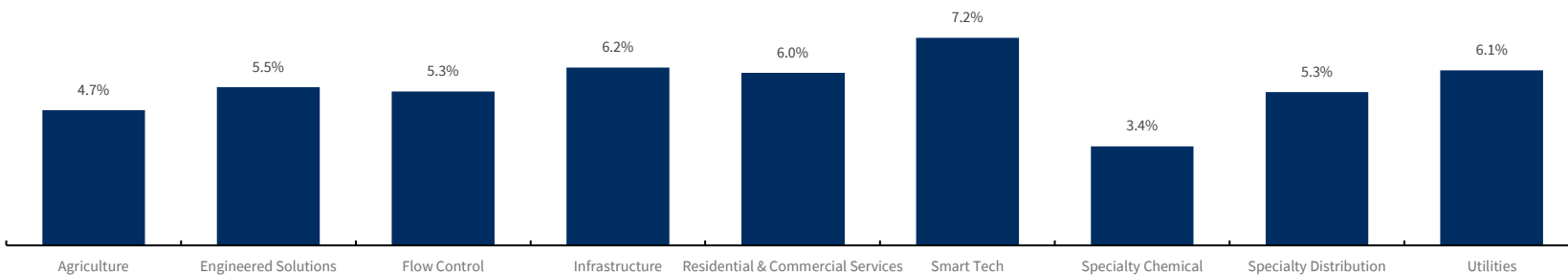
Note: Values represent the median EV / LTM EBITDA multiples for each sector at the specified date. For additional detail on the companies within each sector, see detail pages in the back of the newsletter. Grey line and bold value represent the average of the five multiple medians shown.

# Industry performance overview

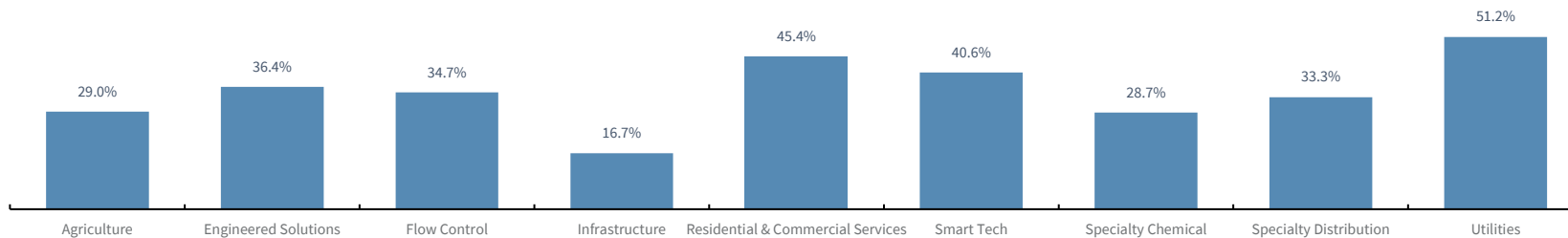
## Stock Price Performance



## Revenue CAGR ('23 - '25)



## Gross Margin (LTM)



Source: CapIQ market data as of 6/30/2023.

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>June 2023</p>  <p>A subsidiary of <b>SHELTON ASSOCIATES</b></p> <p>Has been acquired by <b>INFRA MARK</b> a portfolio company of <b>NMC</b> New Mexico Capital</p>	<p>June 2023</p>  <p>a portfolio company of <b>HUDSON FERRY CAPITAL</b></p> <p>Has been acquired by <b>Ember Infrastructure</b></p>	<p>February 2023</p> <p>Morgan Stanley CAPITAL PARTNERS</p> <p>has acquired</p>  <p>a portfolio company of <b>Sentinel</b></p>	<p>December 2022</p>  <p>has acquired</p>  <p>a portfolio company of <b>Altamont</b> CAPITAL PARTNERS</p>	<p>September 2022</p> <p><b>TRILL IMPACT</b></p> <p>has entered into a growth partnership with <b>komet</b></p>	<p>June 2022</p>  <p>a portfolio company of <b>RIVERWOOD CAPITAL</b></p> <p>has been acquired by <b>Baird Capital</b></p>
<p>March 2022</p>  <p>Has been acquired by <b>saur</b></p>	<p>December 2021</p> <p><b>AqueoUS VETS</b></p> <p>has been acquired by <b>BainCapital</b> DOUBLE IMPACT</p>	<p>November 2021</p>  <p>has been acquired by <b>MapleGround Capital</b></p>	<p>August 2021</p>  <p>has been acquired by <b>CHART</b></p>	<p>July 2021</p>  <p>has been acquired by <b>waterlogic</b> Water training. Better water.</p>	<p>June 2021</p>  <p>Initial public offering</p> <p><b>C\$175,000,000</b></p>
<p>June 2021</p>  <p>has acquired <b>SJE RHOMBUS</b></p>	<p>March 2021</p>  <p>Private Placement</p>	<p>March 2021</p>  <p>a portfolio company of <b>TENEX CAPITAL MANAGEMENT</b></p> <p>has been acquired by <b>FLUIDRA</b></p> <p><b>\$245,000,000</b></p>	<p>March 2021</p>  <p>Follow-on Offering</p> <p><b>\$350,000,000</b></p>	<p>November 2020</p>  <p>has acquired <b>VENSCO</b></p> <p>a portfolio company of <b>O2</b> O2 Investment Partners, L.P.</p>	<p>June 2020</p>  <p>simultaneous carve-out divestitures of <b>Water Services</b> and <b>ORBIS</b></p> <p>by way of an MBO backed by <b>CADENCE</b></p>
<p>May 2020</p>  <p>Block Trade</p> <p><b>\$11,200,000</b></p>	<p>May 2020</p>  <p>Equity &amp; Preferred Offering</p> <p><b>\$3,500,000,000</b></p>	<p>March 2020</p>  <p>Follow-On Offering</p> <p><b>\$253,500,000</b></p>	<p>January 2020</p>  <p>has been acquired by <b>DUPONT</b></p>	<p>November 2019</p>  <p>a portfolio company of <b>LEAS-PHYX CORP.</b></p> <p>has been acquired by <b>Oldcastle Infrastructure</b></p>	<p>October 2019</p>  <p>has received a majority investment from <b>evoQUA</b> WATER TECHNOLOGIES</p>
<p>September 2019</p>  <p>a portfolio company of <b>WIND POINT PARTNERS</b></p> <p>has been acquired by <b>Culligan Water</b></p>	<p>July 2019</p>  <p>a portfolio company of <b>WIND POINT PARTNERS</b></p> <p>has been acquired by <b>PRITZKER</b> PRIVATE CAPITAL</p>	<p>April 2019</p>  <p>has been acquired by <b>SHAWCOR</b></p> <p><b>C\$312,000,000</b></p>	<p>March 2019</p>  <p>Carve-out Sale of <b>servelec technologies</b></p> <p>by way of an MBO backed by <b>FFL</b> PARTNERS</p>	<p>December 2018</p>  <p>a portfolio company of <b>CLEARLIGHT PARTNERS LLC</b></p> <p>has been acquired by <b>AQUAVENTURE</b></p> <p><b>\$58,000,000</b></p>	<p>June 2018</p>  <p>has been acquired by <b>evoQUA</b> WATER TECHNOLOGIES</p> <p><b>\$132,000,000</b></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!*

	 20 – 24 August 2023	 Stockholm, SE	Annual conference focused on water-related issues regarding agriculture, biodiversity and climate change
	 30 September – 4 October 2023	 Chicago, IL	The largest event of its kind in North America, offering water quality education and training
	 24 – 27 January 2024	 Indianapolis, IN	The premier event for municipalities, plumbers, portable sanitation professionals, septic contractors, sewer contractors and wastewater professionals
	 20 – 21 February 2024	 United Kingdom, London	Globally recognition 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	The largest trenchless technology conference in the world
	 10 – 13 June 2024	 Anaheim, CA	Annual conference focusing on future global water management solutions

# Appendix

# Comparable companies detail

As of 06/30/2023.  
(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	
<b>Agriculture</b>																				
CNH Industrial N.V.	United States	\$14.40	80%	136%	2.7%	\$40,363	\$19,209	\$24,733	\$3,440	23.4%	13.9%	(4.0%)	(0.5%)	7.2x	6.4x	1.6x	1.6x	11.7x	12.3x	
Lindsay Corporation	United States	\$119.34	65%	108%	1.1%	\$1,306	\$1,314	\$697	\$127	31.2%	18.2%	11.0%	8.6%	1.1x	-	1.9x	-	10.3x	10.8x	
The Toro Company	United States	\$101.65	86%	136%	1.3%	\$11,526	\$10,562	\$4,821	\$783	34.8%	16.2%	18.9%	4.4%	1.4x	1.2x	2.4x	2.3x	14.7x	13.7x	
Valmont Industries, Inc.	United States	\$291.05	82%	136%	0.9%	\$7,163	\$6,128	\$4,427	\$562	26.8%	12.7%	34.2%	4.9%	2.0x	1.7x	1.6x	1.6x	12.7x	11.2x	
<b>Mean</b>					<b>1.5%</b>	<b>\$15,090</b>	<b>\$9,303</b>	<b>\$8,669</b>	<b>\$1,228</b>	<b>29.0%</b>	<b>15.3%</b>	<b>15.0%</b>	<b>4.4%</b>	<b>2.9x</b>	<b>3.1x</b>	<b>1.9x</b>	<b>1.8x</b>	<b>12.4x</b>	<b>12.0x</b>	
<b>Median</b>					<b>1.2%</b>	<b>\$9,345</b>	<b>\$8,345</b>	<b>\$4,624</b>	<b>\$673</b>	<b>29.0%</b>	<b>15.1%</b>	<b>15.0%</b>	<b>4.7%</b>	<b>1.7x</b>	<b>1.7x</b>	<b>1.8x</b>	<b>1.6x</b>	<b>12.2x</b>	<b>11.7x</b>	
<b>Engineered Solutions</b>																				
A. O. Smith Corporation	United States	\$72.78	99%	156%	1.7%	\$10,828	\$10,949	\$3,738	\$776	37.8%	20.8%	8.0%	3.2%	0.3x	-	2.9x	2.8x	14.0x	13.8x	
Advanced Drainage Systems, Inc.	United States	113.78 kr	74%	152%	0.4%	\$10,202	\$9,025	\$3,071	\$854	36.4%	27.8%	12.3%	5.6%	1.6x	1.4x	3.3x	3.7x	11.9x	12.8x	
Alfa Laval Corporate AB	Sweden	\$393.00	97%	163%	1.5%	\$16,309	\$15,057	\$5,530	\$935	32.6%	16.9%	26.2%	3.2%	1.9x	1.6x	2.9x	2.8x	17.4x	14.7x	
Danaher Corporation	United States	\$240.00	79%	108%	0.4%	\$192,325	\$177,096	\$30,356	\$9,827	59.1%	32.4%	0.7%	7.2%	2.1x	1.3x	6.3x	6.4x	19.6x	20.0x	
DuPont de Nemours, Inc.	United States	\$71.44	91%	144%	1.9%	\$36,940	\$32,792	\$12,533	\$3,044	34.9%	24.3%	(24.2%)	5.1%	2.7x	1.0x	2.9x	2.9x	12.1x	11.8x	
Halma plc	United Kingdom	£22.77	90%	118%	0.9%	\$11,689	\$10,930	\$2,292	\$499	50.0%	21.8%	28.8%	6.2%	1.9x	1.5x	5.1x	4.7x	23.4x	19.5x	
IDEX Corporation	United States	\$215.26	87%	121%	1.2%	\$17,347	\$16,269	\$3,326	\$944	45.0%	28.4%	22.8%	5.5%	1.7x	1.2x	5.2x	5.1x	18.4x	18.3x	
METAWATER Co., Ltd.	Japan	¥1,834.00	87%	116%	2.4%	\$581	\$553	\$1,051	\$0	19.8%	-	(14.4%)	2.6%	-	-	0.6x	0.5x	-	7.1x	
Pentair plc	United States	\$64.80	100%	168%	1.3%	\$13,108	\$10,656	\$4,169	\$911	35.7%	21.9%	10.0%	4.3%	2.4x	2.3x	3.1x	3.2x	14.4x	14.0x	
<b>Mean</b>					<b>1.3%</b>	<b>\$34,370</b>	<b>\$31,481</b>	<b>\$7,341</b>	<b>\$1,977</b>	<b>39.0%</b>	<b>24.3%</b>	<b>7.8%</b>	<b>5.0%</b>	<b>1.8x</b>	<b>1.5x</b>	<b>3.6x</b>	<b>3.6x</b>	<b>16.4x</b>	<b>14.7x</b>	
<b>Median</b>					<b>1.3%</b>	<b>\$13,108</b>	<b>\$10,949</b>	<b>\$3,738</b>	<b>\$911</b>	<b>36.4%</b>	<b>23.1%</b>	<b>10.0%</b>	<b>5.5%</b>	<b>1.9x</b>	<b>1.4x</b>	<b>3.1x</b>	<b>3.2x</b>	<b>15.9x</b>	<b>14.0x</b>	
<b>Flow Control</b>																				
Flowserve Corporation	United States	\$37.15	96%	156%	2.1%	\$5,947	\$4,872	\$3,973	\$395	29.3%	10.0%	6.4%	5.1%	3.7x	2.7x	1.5x	1.4x	15.0x	12.3x	
Franklin Electric Co., Inc.	United States	\$102.90	99%	149%	0.9%	\$5,024	\$4,753	\$2,095	\$318	33.8%	15.2%	16.8%	-	0.9x	0.7x	2.4x	2.3x	15.8x	15.1x	
Graco Inc.	United States	\$86.35	99%	152%	1.2%	\$14,289	\$14,536	\$2,190	\$677	50.7%	30.9%	6.9%	5.3%	0.2x	-	6.5x	6.3x	21.1x	19.3x	
Mueller Water Products, Inc.	United States	\$16.23	99%	164%	1.5%	\$2,922	\$2,539	\$1,312	\$181	28.6%	13.8%	9.6%	-	2.1x	2.2x	2.8x	2.1x	16.1x	12.6x	
Rotorq plc	United Kingdom	£3.05	88%	135%	2.2%	\$3,195	\$3,327	\$773	\$176	45.5%	22.7%	7.0%	5.3%	-	-	4.1x	3.5x	18.2x	14.0x	
Sulzer Ltd	Switzerland	76.90 CHF	91%	142%	4.1%	\$3,189	\$2,899	\$3,648	\$415	31.4%	11.4%	3.8%	3.2%	3.9x	0.8x	0.9x	0.8x	7.7x	6.9x	
The Gorman-Rupp Company	United States	\$28.83	93%	127%	2.2%	\$1,179	\$755	\$631	\$100	27.6%	15.8%	28.5%	-	4.3x	4.2x	1.9x	1.8x	11.8x	11.3x	
The Weir Group PLC	United Kingdom	£17.56	85%	134%	1.9%	\$6,814	\$5,787	\$3,401	\$534	35.9%	15.7%	11.4%	5.4%	3.5x	2.0x	2.0x	2.0x	12.7x	10.2x	
Watts Water Technologies, Inc.	United States	\$183.73	99%	155%	0.8%	\$5,963	\$6,130	\$1,988	\$375	45.0%	18.9%	5.5%	4.3%	0.4x	-	3.0x	3.0x	15.9x	16.1x	
Xylem Inc.	United States	\$112.62	95%	153%	1.2%	\$28,083	\$26,961	\$6,056	\$937	37.9%	15.5%	17.1%	11.1%	2.7x	1.9x	4.6x	3.7x	30.0x	19.6x	
Zumr ElKay Water Solutions Corporation	United States	\$26.89	82%	139%	0.9%	\$5,223	\$4,693	\$1,533	\$255	37.3%	16.6%	30.0%	4.3%	2.4x	2.0x	3.4x	3.4x	20.5x	15.3x	
<b>Mean</b>					<b>1.7%</b>	<b>\$7,439</b>	<b>\$7,023</b>	<b>\$2,509</b>	<b>\$397</b>	<b>36.6%</b>	<b>17.0%</b>	<b>13.0%</b>	<b>5.5%</b>	<b>2.5x</b>	<b>2.1x</b>	<b>3.0x</b>	<b>2.8x</b>	<b>16.8x</b>	<b>13.9x</b>	
<b>Median</b>					<b>1.5%</b>	<b>\$5,223</b>	<b>\$4,753</b>	<b>\$2,095</b>	<b>\$375</b>	<b>35.9%</b>	<b>15.7%</b>	<b>9.6%</b>	<b>5.2%</b>	<b>2.6x</b>	<b>2.0x</b>	<b>2.4x</b>	<b>2.3x</b>	<b>15.9x</b>	<b>14.0x</b>	
<b>Infrastructure</b>																				
AECOM	United States	\$84.69	92%	137%	0.8%	\$13,801	\$11,772	\$13,540	\$911	6.5%	6.7%	2.6%	-	3.2x	2.1x	1.0x	1.0x	15.1x	13.6x	
Fluor Corporation	United States	\$29.60	77%	137%	-	\$3,111	\$4,240	\$14,374	\$83	1.3%	0.6%	10.0%	6.5%	12.0x	-	0.2x	0.2x	-	5.6x	
H2O Innovation Inc.	Canada	CAD 3.20	97%	183%	-	\$264	\$218	\$178	\$14	25.8%	7.9%	28.2%	8.1%	3.8x	3.3x	1.5x	1.3x	18.9x	12.9x	
Northwest Pipe Company	United States	\$30.24	74%	118%	-	\$467	\$302	\$447	\$61	19.6%	13.7%	17.5%	-	2.8x	2.7x	1.0x	1.0x	7.6x	7.0x	
Orion Group Holdings, Inc.	United States	\$2.81	84%	134%	-	\$173	\$90	\$721	\$1	6.0%	-	12.3%	-	-	-	0.2x	0.2x	-	5.1x	
Primoris Services Corporation	United States	\$30.47	98%	192%	0.7%	\$2,859	\$1,624	\$4,893	\$303	10.2%	6.2%	25.5%	5.8%	4.4x	4.1x	0.6x	0.5x	9.4x	8.0x	
Stantec Inc.	Canada	CAD 86.49	100%	155%	0.9%	\$8,592	\$7,253	\$3,426	\$415	54.2%	12.1%	12.9%	10.4%	3.4x	3.2x	2.5x	2.3x	20.7x	13.7x	
Tetra Tech, Inc.	United States	\$163.74	97%	133%	0.6%	\$9,789	\$8,716	\$3,163	\$402	19.8%	12.7%	21.7%	-	3.2x	2.7x	3.1x	2.5x	24.3x	19.4x	
Veolia Environnement SA	France	€28.95	98%	154%	3.8%	\$44,409	\$22,216	\$45,832	\$5,306	16.7%	11.6%	23.8%	3.8%	5.8x	3.6x	1.0x	0.9x	8.4x	6.2x	
<b>Mean</b>					<b>1.4%</b>	<b>\$9,274</b>	<b>\$6,270</b>	<b>\$9,619</b>	<b>\$833</b>	<b>17.8%</b>	<b>8.9%</b>	<b>17.2%</b>	<b>6.6%</b>	<b>4.8x</b>	<b>3.1x</b>	<b>1.2x</b>	<b>1.1x</b>	<b>14.9x</b>	<b>10.2x</b>	
<b>Median</b>					<b>0.8%</b>	<b>\$3,111</b>	<b>\$4,240</b>	<b>\$3,426</b>	<b>\$303</b>	<b>16.7%</b>	<b>9.7%</b>	<b>17.5%</b>	<b>6.2%</b>	<b>3.6x</b>	<b>3.2x</b>	<b>1.0x</b>	<b>1.0x</b>	<b>15.1x</b>	<b>8.0x</b>	

Source: CapIQ.

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

# Comparable companies detail (cont'd)

As of 06/30/2023.  
(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	
<b>Residential &amp; Commercial Services</b>																				
Aramark	United States	\$43.05	94%	145%	1.1%	\$19,212	\$11,219	\$17,721	\$1,213	14.6%	6.8%	43.4%	6.5%	6.9x	6.6x	1.1x	1.0x	15.8x	12.0x	
Compass Group PLC	United Kingdom	£22.02	98%	132%	1.8%	\$52,525	\$48,532	\$36,707	\$2,859	6.7%	7.8%	65.5%	7.3%	1.9x	1.3x	1.4x	1.3x	18.4x	13.3x	
Ecolab Inc.	United States	\$186.69	99%	142%	1.2%	\$61,823	\$53,155	\$11,655	\$2,444	41.3%	21.0%	21.2%	5.4%	2.7x	2.3x	5.3x	4.0x	25.3x	20.0x	
Norv24 Group AB (Publ)	Sweden	24.90 kr	62%	106%	-	\$541	\$422	\$253	\$36	49.5%	14.3%	30.0%	5.9%	3.8x	3.4x	2.1x	1.8x	15.0x	8.4x	
Primo Water Corporation	Canada	CAD 16.60	75%	106%	2.2%	\$3,694	\$1,995	\$2,236	\$389	59.1%	17.4%	11.2%	6.1%	4.5x	4.3x	1.7x	1.6x	9.5x	7.8x	
Rentokil Initial plc	United Kingdom	£6.15	93%	134%	1.2%	\$23,756	\$19,542	\$6,116	\$1,170	66.0%	19.1%	67.9%	5.3%	5.2x	3.6x	3.9x	3.4x	20.3x	14.5x	
<b>Mean</b>		<b>\$26,925</b>	<b>1.5%</b>	<b>\$26,925</b>	<b>\$22,477</b>	<b>\$12,448</b>	<b>\$1,352</b>	<b>\$4,448</b>	<b>\$1,352</b>	<b>39.5%</b>	<b>14.4%</b>	<b>39.9%</b>	<b>6.1%</b>	<b>4.2x</b>	<b>3.6x</b>	<b>2.6x</b>	<b>2.2x</b>	<b>17.4x</b>	<b>12.7x</b>	
<b>Median</b>		<b>\$21,484</b>	<b>1.2%</b>	<b>\$21,484</b>	<b>\$15,381</b>	<b>\$8,886</b>	<b>\$1,192</b>	<b>\$5,448</b>	<b>\$1,192</b>	<b>45.4%</b>	<b>15.9%</b>	<b>36.7%</b>	<b>6.0%</b>	<b>4.2x</b>	<b>3.5x</b>	<b>1.9x</b>	<b>1.7x</b>	<b>17.1x</b>	<b>12.6x</b>	
<b>Smart Tech</b>																				
ABB Ltd	Switzerland	35.18 CHF	98%	146%	2.4%	\$78,990	\$73,113	\$31,252	\$5,201	34.5%	16.6%	5.8%	4.1%	1.8x	1.0x	2.5x	2.4x	15.2x	13.6x	
Badger Meter, Inc.	United States	\$147.56	94%	192%	0.6%	\$4,204	\$4,326	\$630	\$127	39.1%	20.2%	13.7%	6.3%	-	-	6.7x	6.5x	33.0x	31.6x	
Danaher Corporation	United States	\$240.00	79%	108%	0.4%	\$192,325	\$177,096	\$30,356	\$9,827	59.1%	32.4%	0.3%	7.2%	2.1x	1.3x	6.3x	6.4x	19.6x	20.0x	
Emerson Electric Co.	United States	\$90.39	91%	125%	2.3%	\$66,169	\$51,658	\$20,311	\$4,903	42.9%	24.1%	(9.0%)	5.5%	2.2x	1.7x	3.3x	4.3x	13.5x	16.6x	
Energy Recovery, Inc.	United States	\$27.95	94%	161%	-	\$1,491	\$1,575	\$106	\$13	68.1%	12.4%	16.0%	41.1%	1.2x	-	14.0x	9.7x	-	48.9x	
Itron, Inc.	United States	\$72.10	98%	183%	-	\$3,595	\$3,275	\$1,815	\$106	29.9%	5.8%	0.6%	9.4%	4.7x	2.8x	2.0x	1.7x	34.0x	27.6x	
Schneider Electric S.E.	France	€166.46	99%	151%	1.9%	\$115,787	\$101,605	\$39,009	\$7,372	41.5%	18.9%	9.8%	4.8%	2.5x	2.0x	3.0x	2.9x	15.7x	14.1x	
Trimble Inc.	United States	\$52.94	73%	117%	-	\$14,264	\$13,116	\$3,598	\$727	61.2%	20.2%	3.2%	7.7%	3.0x	1.6x	4.0x	3.6x	19.6x	14.2x	
Xylem Inc.	United States	\$112.62	95%	153%	1.2%	\$28,083	\$26,961	\$5,698	\$937	38.0%	16.4%	17.1%	11.1%	2.1x	1.2x	4.9x	3.7x	30.0x	19.6x	
<b>Mean</b>		<b>\$56,101</b>	<b>1.5%</b>	<b>\$56,101</b>	<b>\$50,303</b>	<b>\$14,753</b>	<b>\$3,246</b>	<b>\$4,603</b>	<b>\$3,246</b>	<b>46.0%</b>	<b>18.6%</b>	<b>6.4%</b>	<b>10.8%</b>	<b>2.4x</b>	<b>1.7x</b>	<b>5.2x</b>	<b>4.6x</b>	<b>22.6x</b>	<b>22.9x</b>	
<b>Median</b>		<b>\$28,083</b>	<b>1.6%</b>	<b>\$28,083</b>	<b>\$26,961</b>	<b>\$5,698</b>	<b>\$937</b>	<b>\$4,603</b>	<b>\$937</b>	<b>41.5%</b>	<b>18.9%</b>	<b>5.8%</b>	<b>7.2%</b>	<b>2.1x</b>	<b>1.6x</b>	<b>4.0x</b>	<b>3.7x</b>	<b>19.6x</b>	<b>19.6x</b>	
<b>Specialty Chemical</b>																				
Clariant AG	Switzerland	12.92 CHF	69%	106%	2.9%	\$5,776	\$4,750	\$5,497	\$807	27.3%	14.7%	8.1%	3.8%	1.7x	1.3x	1.1x	1.0x	7.2x	6.1x	
Ecolab Inc.	United States	\$186.69	99%	142%	1.2%	\$61,823	\$53,155	\$11,655	\$2,444	41.3%	21.0%	10.1%	5.4%	2.7x	2.3x	5.3x	4.0x	25.3x	20.0x	
Hawkins, Inc.	United States	\$47.69	92%	143%	1.3%	\$1,117	\$1,005	\$935	\$113	17.7%	12.0%	17.1%	-	1.1x	1.0x	1.2x	1.2x	9.9x	10.4x	
Kemira Oyj	United Kingdom	£14.59	80%	133%	4.4%	\$3,239	\$2,447	\$4,027	\$661	17.4%	16.4%	13.4%	(0.3%)	1.6x	1.1x	0.8x	0.9x	4.9x	5.0x	
Kurita Water Industries Ltd.	Japan	¥5,494.00	85%	116%	1.5%	\$4,603	\$4,271	\$2,592	\$559	34.7%	21.6%	2.0%	3.0%	1.3x	0.6x	1.8x	1.8x	8.2x	10.0x	
<b>Mean</b>		<b>\$15,312</b>	<b>2.2%</b>	<b>\$15,312</b>	<b>\$13,125</b>	<b>\$4,941</b>	<b>\$917</b>	<b>\$4,941</b>	<b>\$917</b>	<b>27.7%</b>	<b>17.1%</b>	<b>10.1%</b>	<b>3.0%</b>	<b>1.7x</b>	<b>1.3x</b>	<b>2.0x</b>	<b>1.8x</b>	<b>11.1x</b>	<b>10.3x</b>	
<b>Median</b>		<b>\$4,603</b>	<b>1.5%</b>	<b>\$4,603</b>	<b>\$4,271</b>	<b>\$2,592</b>	<b>\$661</b>	<b>\$4,271</b>	<b>\$661</b>	<b>27.3%</b>	<b>16.4%</b>	<b>10.1%</b>	<b>3.4%</b>	<b>1.6x</b>	<b>1.1x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>8.2x</b>	<b>10.0x</b>	
<b>Specialty Distribution</b>																				
Core & Main, Inc.	United States	\$31.34	100%	167%	-	\$7,530	\$5,203	\$6,627	\$925	27.4%	14.0%	36.4%	5.0%	1.9x	1.9x	1.1x	1.1x	8.1x	9.0x	
Ferguson plc	United Kingdom	£124.10	99%	141%	-	\$36,687	\$32,080	\$29,867	\$3,146	30.3%	10.5%	13.6%	5.6%	1.7x	1.5x	1.2x	1.3x	11.7x	12.7x	
MSC Industrial Direct Co., Inc.	United States	\$95.28	97%	134%	3.2%	\$5,821	\$5,341	\$3,996	\$584	41.3%	14.6%	20.9%	3.7%	0.9x	0.8x	1.5x	1.4x	10.0x	9.9x	
Pool Corporation	United States	\$374.64	88%	135%	1.1%	\$16,245	\$14,626	\$5,775	\$883	30.4%	15.3%	12.5%	5.0%	1.7x	1.6x	2.8x	2.7x	18.4x	17.5x	
SiteOne Landscape Supply, Inc.	United States	\$167.36	99%	172%	-	\$8,473	\$7,529	\$4,047	\$403	35.6%	9.9%	21.1%	7.0%	2.5x	2.3x	2.1x	2.0x	21.1x	20.3x	
W.W. Grainger, Inc.	United States	\$788.59	99%	179%	1.0%	\$42,152	\$39,561	\$16,017	\$2,713	39.4%	16.9%	28.1%	7.0%	2.0x	0.8x	2.6x	2.5x	15.5x	15.1x	
<b>Mean</b>		<b>\$19,485</b>	<b>1.8%</b>	<b>\$19,485</b>	<b>\$17,390</b>	<b>\$11,055</b>	<b>\$1,442</b>	<b>\$4,448</b>	<b>\$1,442</b>	<b>34.1%</b>	<b>13.5%</b>	<b>19.2%</b>	<b>5.5%</b>	<b>1.6x</b>	<b>1.5x</b>	<b>1.9x</b>	<b>1.8x</b>	<b>14.1x</b>	<b>14.1x</b>	
<b>Median</b>		<b>\$12,359</b>	<b>1.1%</b>	<b>\$12,359</b>	<b>\$11,078</b>	<b>\$6,201</b>	<b>\$904</b>	<b>\$6,201</b>	<b>\$904</b>	<b>33.0%</b>	<b>14.3%</b>	<b>20.9%</b>	<b>5.3%</b>	<b>1.7x</b>	<b>1.5x</b>	<b>1.8x</b>	<b>1.7x</b>	<b>13.6x</b>	<b>13.9x</b>	
<b>Utilities</b>																				
American States Water Company	United States	\$87.00	87%	112%	1.8%	\$4,002	\$3,217	\$544	\$202	57.3%	37.2%	4.5%	2.3%	3.9x	3.9x	7.4x	7.6x	19.8x	18.8x	
American Water Works Company	United States	\$142.75	88%	116%	1.9%	\$38,800	\$27,785	\$4,048	\$2,156	59.0%	53.3%	2.0%	6.8%	5.7x	5.3x	9.6x	9.2x	18.0x	15.4x	
Artesian Resources Corporation	United States	\$47.22	75%	104%	2.5%	\$689	\$489	\$99	\$42	48.0%	42.1%	6.4%	-	4.8x	4.8x	6.9x	6.6x	16.5x	-	
California Water Service Group	United States	\$51.63	78%	104%	2.0%	\$4,029	\$2,891	\$792	\$223	49.8%	28.2%	3.8%	6.1%	5.3x	5.1x	5.1x	4.4x	18.0x	13.8x	
Consolidated Water Co. Ltd.	United States	\$24.23	97%	181%	1.7%	\$337	\$381	\$107	\$18	31.4%	16.4%	41.7%	-	0.1x	-	3.1x	2.5x	19.2x	14.5x	
Essential Utilities, Inc.	United States	\$39.91	76%	104%	2.7%	\$17,296	\$10,551	\$2,315	\$992	46.5%	42.8%	11.4%	4.9%	6.8x	6.8x	7.5x	7.3x	17.4x	15.1x	
Global Water Resources, Inc.	United States	\$12.68	85%	121%	2.3%	\$415	\$303	\$48	\$20	76.7%	42.7%	10.9%	-	5.6x	5.5x	8.7x	8.3x	20.3x	18.0x	
Middlesex Water Company	United States	\$80.66	84%	121%	1.5%	\$1,803	\$1,426	\$168	\$75	51.1%	44.8%	11.2%	8.9%	5.3x	5.2x	10.8x	9.9x	24.0x	-	
Pennon Group Plc	United Kingdom	£7.11	68%	101%	6.1%	\$6,161	\$2,359	\$985	\$288	49.6%	29.3%	4.7%	8.6%	-	-	6.3x	5.5x	21.4x	13.2x	
Severn Trent PLC	United Kingdom	£25.66	85%	118%	4.2%	\$17,476	\$8,225	\$2,679	\$1,097	24.6%	41.0%	4.2%	3.9%	8.2x	8.2x	6.5x	5.9x	15.9x	14.1x	
SJW Group	United States	\$70.11	84%	122%	2.2%	\$3,817	\$2,203	\$634	\$248	58.4%	39.1%	2.0%	3.6%	6.6x	6.5x	6.0x	5.9x	15.4x	14.9x	
The York Water Company	United States	\$41.27	87%	112%	2.0%	\$740	\$590	\$61	\$34	75.8%	55.1%	12.0%	-	4.5x	4.5x	12.1x	10.6x	21.9x	-	
United Utilities Group PLC	United Kingdom	£9.62	83%	118%	4.6%	\$18,620	\$8,333	\$2,257	\$1,074	89.4%	47.6%	(1.6%)	6.2%	9.7x	9.3x	8.2x	7.4x	17.3x	14.8x	
<b>Mean</b>		<b>\$8,783</b>	<b>2.7%</b>	<b>\$8,783</b>	<b>\$5,289</b>	<b>\$1,134</b>	<b>\$498</b>	<b>\$5,289</b>	<b>\$1,134</b>	<b>55.2%</b>	<b>40.0%</b>	<b>8.7%</b>	<b>5.7%</b>	<b>5.5x</b>	<b>5.9x</b>	<b>7.6x</b>	<b>7.0x</b>	<b>18.9x</b>	<b>15.3x</b>	
<b>Median</b>		<b>\$4,002</b>	<b>2.2%</b>	<b>\$4,002</b>	<b>\$2,359</b>	<b>\$634</b>	<b>\$223</b>	<b>\$634</b>	<b>\$223</b>	<b>51.1%</b>	<b>42.1%</b>	<b>4.7%</b>	<b>6.1%</b>	<b>5.4x</b>	<b>5.3x</b>	<b>7.4x</b>	<b>7.3x</b>	<b>18.0x</b>	<b>14.8x</b>	

Source: CapIQ.

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

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